FINANCIAL REVIEW

2012

YIT Corporation

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

Contents

YIT's operations, services, strategic targets and events in 2012 are described in a separate Annual Review.
For further information, visit www.yitgroup.com/investors

YIT in the capital market

Shareholders

At the end of December 2012, the number of registered shareholders was 36,064 (12/2011: 36,547). At the end of December, a total of 34.8 per cent (12/2011: 32.2%) of the shares were owned by nominee-registered and non-Finnish investors.

During 2012, the company received no "flagging notifications" of change in ownership in YIT Corporation in accordance with Chapter 2, section 9 of the Securities Market Act.

SHARES HELD BY THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO AND THE GROUP MANAGEMENT BOARD

On December 31, 2012, members of YIT Corporation's Board of Directors, the CEO and his deputy held a total of 16,700,860 (December 31, 2011: 16,586,490) YIT shares, corresponding to 13.1 per cent of the company's shares and the votes conferred by them (December 31, 2011: 13.0%). Share ownership includes individuals' direct holdings and those of related persons and controlled corporations.

SHAREHOLDING BY THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO AND THE GROUP'S MANAGEMENT BOARD ON DECEMBER 31, 2012, is presented in more detail on **page 20.**

UP-TO-DATE SHAREHOLDINGS INFORMATION FOR EACH INDIVIDUAL can be found on YIT's website at **www.yitgroup.com/Investors – Major shareholders – Insiders'ownership in YIT**

MANAGEMENT'S SHAREHOLDING, DECEMBER 31, 2012

	Shares	% of shares outstanding
Board of Directors	16,657,280	13.09
President and CEO	36,760	0.03
Deputy to the President and CEO	6,820	0.01
The Group's Management Board excluding the President and CEO and his deputy	39,192	0.03
Total	**16,740,052**	**13.16**

OWNERSHIP BY SHAREHOLDER GROUPS, DECEMBER 31, 2012

	Number of share-holders	Proportion, %	Number of shares	Proportion, %
Nominee registered and non-Finnish	222	0.6	44,303,980	34.8
Households	32,866	91.1	26,476,601	20.8
Public institutions	49	0.1	21,186,900	16.7
Financial and insurance corporations	147	0.4	16,111,677	12.7
Non-profit institutions	565	1.6	8,876,114	7.0
Non-financial corporations and housing associations	2,215	6.1	10,268,150	8.1
Total	**36,064**	**100.0**	**127,223,422**	**100.0**

OWNERSHIP BY NUMBER OF SHARES HELD, DECEMBER 31, 2012

Number of shares	Number of share-holders	Proportion, %	Number of shares	Proportion, %
1–100	9,415	26.1	609,407	0.5
101–500	14,884	41.3	4,228,597	3.3
501–1,000	5,682	15.8	4,431,102	3.5
1,001–5,000	4,945	13.7	10,677,091	8.4
5,001–10,000	594	1.6	4,300,982	3.4
10,001–50,000	408	1.1	8,722,927	6.9
50,001–100,000	63	0.2	4,504,027	3.5
100,001–500,000	48	0.1	10,535,035	8.3
500,001–	25	0.1	79,214,254	62.3
Total	**36,064**	**100.0**	**127,223,422**	**100.0**

This information is based on the shareholder list maintained by Euroclear Finland Ltd. Each nominee register is recorded in the share register as a single shareholder. The portfolios of many investors can be managed through one nominee-registered shareholder.

Share

SHARE AND SHARE CAPITAL

YIT Corporation's shares are listed on NASDAQ OMX Helsinki. The company has one series of shares. The shares are included in the book-entry system maintained by Euroclear Ltd.

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

TREASURY SHARES

The Annual General Meeting has authorised the Board of Directors to decide on the purchase of the company's shares, share issues and the disposal of treasury shares.

YIT Corporation held 1,952,414 treasury shares at the beginning of the review period purchased on the basis of the authorisation given by the General Meeting of October 6, 2008.

YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which were conveyed as a directed share issue without consideration. In the share issue, 130,976 YIT Corporation shares were issued and conveyed without consideration to the key persons participating in the Share Ownership Plan according to the terms and conditions of the plan.

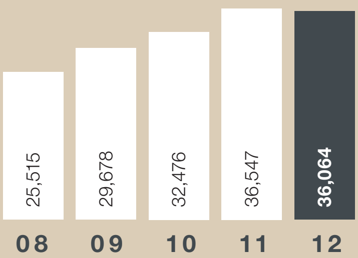
During 2012, 18,139 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,839,577 treasury shares at the end of December 2012. During 2012, no shares in the parent company were held by subsidiaries.

LARGEST SHAREHOLDERS 31.12.2012

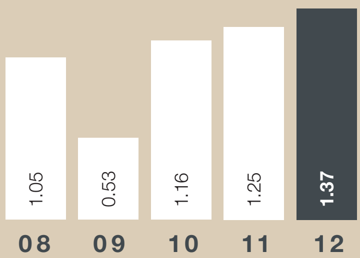
	Number of shares	% of shares and votes
1. Structor S.A.	15,430,000	12.13
2. Varma Mutual Pension Insurance Company	10,000,000	7.86
3. Mandatum Life	6,108,449	4.80
4. Ilmarinen Mutual Pension Insurance Company	3,774,568	2.97
5. YIT Corporation	1,839,577	1.45
6. Odin funds	1,803,611	1.42
7. Tapiola Mutual Pension Insurance Company	1,785,541	1.40
8. Svenska litteratursällskapet i Finland r.f.	1,680,400	1.32
9. Danske Invest funds	1,567,278	1.23
10. Nordea funds	1,423,706	1.12
11. State Pension Fund	1,370,000	1.08
12. Brotherus Ilkka	1,304,740	1.03
13. Kaleva Mutual Insurance Company	1,231,068	0.97
14. Etera Mutual Pension Insurance Company	1,218,031	0.96
15. Herlin Antti	1,085,180	0.85
Nominee-registered shares total	26,551,217	20.87
Other shareholders	37,218,272	29.25
Total	**127,223,422**	**100.00**

SHARE-RELATED FIGURES on **page 87–92.**

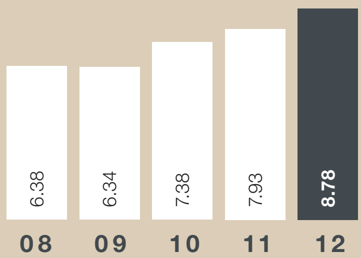
NUMBER OF SHAREHOLDERS



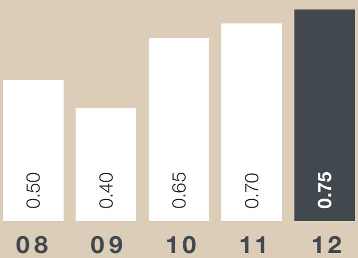
EARNINGS/SHARE, EUR



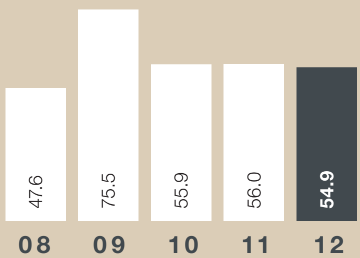
EQUITY/SHARE, EUR



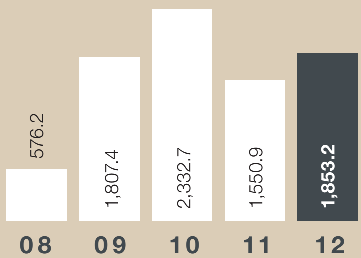
DIVIDEND/SHARE, EUR



DIVIDEND PAYOUT RATIO OF NET PROFIT FOR THE PERIOD, %



MARKET CAPITALISATION, EUR MILLION



Figures according to segment reporting (POC).

TRADING IN SHARES

The price of YIT's shares was EUR 12.38 at the beginning of the year (January 1, 2011: EUR 18.65). The closing rate of the shares on the last trading day of the year on December 28, 2012, was EUR 14.78 (December 30, 2011: EUR 12.38). The share price increased by approximately 19 percent during January–December. The highest price of the share in 2012 was EUR 17.25 (1–12/2011: EUR 21.92), the lowest was EUR 11.87 (1–12/2011: EUR 10.04) and the average price was EUR 14.90 (1–12/2011: EUR 15.28). Share turnover on the Nasdaq OMX in January–December amounted to 96,887 thousand shares (1–12/2011: 151,023 thousand). The value of the turnover was EUR 1,443.9 million (1–12:2011: EUR 2,314.0 million), source: Nasdaq OMX.

In addition to the Helsinki Stock Exchange, YIT shares are also traded on other market places, such as Chi-X, BATS and Turquoise. The share of trade volume on alternative market places increased slightly compared to the previous year during the review period. During January–December, 31,183 thousand YIT Corporation shares changed hands in alternative market places (1–12/2011: 36,621 thousand), corresponding to approximately 25 per cent of the total share trade (1–12/2011: 21%). Of the alternative market places, YIT shares changed hands particularly in Chi-X, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation at the end of the review period was EUR 1,853.2 million (12/2011: EUR 1,550.9 million). The market capitalisation has been calculated excluding the shares held by the company.

YIT SHARE (YTY1V)

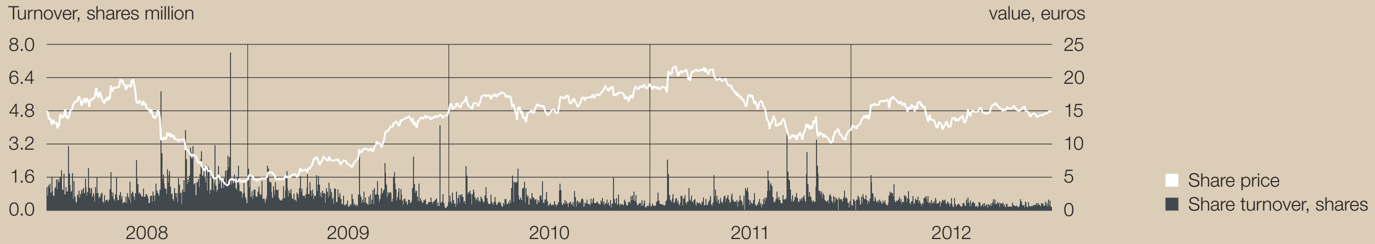
- Listing: NASDAQ OMX Helsinki
- Listing date: September 4, 1995
- Trading currency: EUR
- Segment and sector: Large Cap
- Trading code: YTY1V
- ISIN code: FI0009800643
- Reuters ID: YTY1V.HE
- Bloomberg ID: YTY1V FH

INDICES

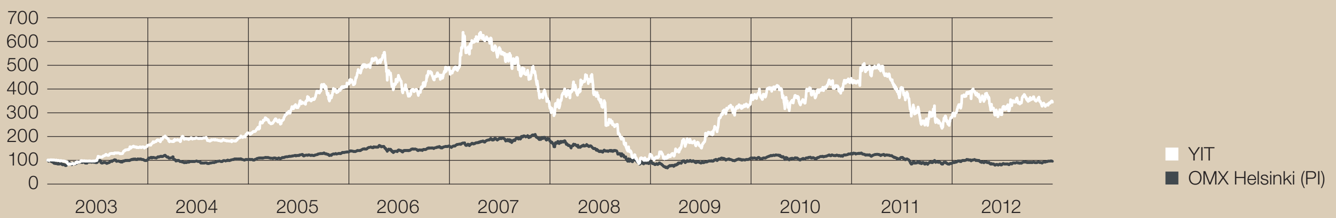
In 2012, YIT shares were included in the following indices, among others:

- OMX GES Ethical Finland Index
- OMX GES Sustainability Finland Index
- OMX Helsinki
- OMX Helsinki 25
- OMX Helsinki Construction and Materials
- OMX Helsinki Cap
- OMX Helsinki Industrials
- OMX Helsinki Benchmark
- OMX Nordic
- OMX Nordic Large Cap
- VINX Benchmark

SHARE PRICE DEVELOPMENT AND TURNOVER ON THE NASDAQ OMX HELSINKI



SHARE PRICE DEVELOPMENT IN COMPARISON TO OMX HELSINKI INDEX



Debt financing

TREASURY POLICY
The Board of Directors has approved the Treasury Policy for the Group. The Group's Treasury Department is responsible for the practical implementation of the policy in association with the business units. In accordance with the Treasury Policy, it is the task of the Group's Treasury Department to ensure the sufficient funds required for business operations and the achievement of strategic objectives. At the same time, the Treasury Department must ensure the sufficiency of liquid assets for the needs of operational activity, repayment of debt and annual payout of dividends to YIT's shareholders. Furthermore, it is the aim of the Treasury Department to minimise net financial expenses, take care of the management of financial risks and ensure the sufficient diversification of financing sources.

STRUCTURE AND SOURCES OF FINANCING
YIT has a diverse capital structure and a strong liquidity position.

Cash reserves amounted to EUR 175.7 million at the end of December 2012. In addition, YIT has EUR 280 million in committed credit facilities and EUR 78.7 million in overdraft facilities available. Of the committed credit facilities, EUR 30 million are valid until December 2014 and EUR 250 million until December 2015. The committed credit facilities do not include an obligation to maintain financial key ratios, i.e. covenants.

The gearing ratio amounted to 72.1 percent at the end of December 2012, and the equity ratio to 33.2 percent.

The Group's solid financing position enables the implementation of YIT's growth strategy and the acquisitions and plot investments it requires. The Group has prepared for macroeconomic uncertainty by diversifying the sources of financing and maintaining the Group's strong liquidity position.

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FURTHER INFORMATION IN THE REPORT OF THE BOARD OF DIRECTORS on **pages 18–22.**

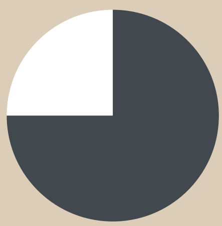
YIT'S DEBT PORTFOLIO ON DECEMBER 31, 2012
Interest-bearing debt amounted to EUR 921.9 million at the end of December, and the average interest rate was 3.1 percent. The maturity distribution of long-term loans is balanced. A total of EUR 106.0 million of long-term loans will mature in 2013.

During the first quarter of 2012, YIT issued, under the company's programme for issuance of notes, a EUR 50 million bond targeted at institutional and other selected investors. In addition, YIT concluded long-term loan agreements amounting to EUR 50 million with pension insurance companies during the fourth quarter of the year.

SOURCES OF FINANCING

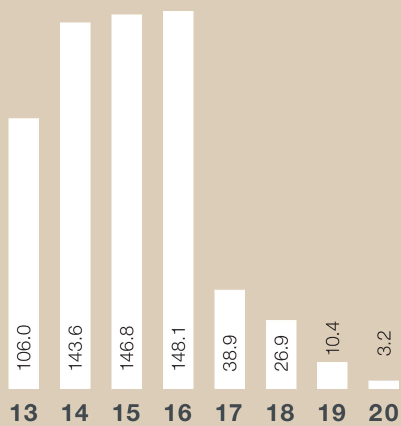
- Bonds and commercial papers 40%
- Banks 17%
- Project financing in Construction Services Finland 28%
- Insurance companies 15%

INTEREST RATE OF THE DEBT PORTFOLIO



- Fixed interest rate 75% (Average interest rate 3.3%)
- Floating interest rate 25% (Average interest rate 2.3%)

MATURITY STRUCTURE FOR LONG-TERM DEBT, EUR MILLION



Investor relations

Tasks and objectives

The aim of our investor relations is to support the appropriate valuation of YIT shares by continuously and consistently communicating all essential information on YIT to all market parties. Investor relations also aim to increase interest in the company among equity and debt investors as well as analysts, improve the loyalty of current shareholders and reach new investors and analysts interested in the company.

Our investor relations works on composing interim reports, the financial statements bulletin and stock exchange releases, creating investor presentations and planning and implementing investor communications, as well as daily contact with investors and analysts. Investor relations is also responsible for organising events.

YIT's investor relations activity covers the Capital Market Day, conferences for analysts and the media, conference calls, road show events, participation in investor conferences and events, as well as meetings with investors and analysts. Our investor relations work also involves collecting and analysing investor feedback and share-related information for the needs of the management and Board of Directors. All inquiries by investors are centrally managed by Investor Relations.

+ YIT GROUP'S DISCLOSURE POLICY is published on our website at **www.yitgroup.com/investors.**

Operations in 2012

During 2012, we met 990 investors and analysts. YIT arranged 28 road show dates with the company's management, meeting investors in Europe and the United States.

Our Capital Market Day for investors and analysts was held on September 25, 2012, in Aachen, Germany. The purpose of the event was to communicate YIT's strategy and operations. They day's programme included presentations by the management (including the President, CFO and the heads of the business segments) and a visit to YIT's R&D centre in Aachen. The event had a total of 38 participants. They were from Finland, Sweden, Germany, Austria, England, the Netherlands, Belgium and Luxemburg.

In addition, an analysts' day was arranged in Saariselkä in March and site visits were made to a business premises site in Helsinki and building system control room in Käpylä.

ANALYSTS FOLLOWING YIT

ACCORDING TO YIT'S INFORMATION, AT LEAST THE FOLLOWING BROKERAGE FIRMS PUBLISH INVESTMENT ANALYSES ON YIT. THESE PARTIES FOLLOW YIT AT THEIR OWN INITIATIVE, AND WE CANNOT BE HELD RESPONSIBLE FOR THEIR STATEMENTS.

ABG Sundal Collier
Berenberg
Carnegie Investment Bank
Credit Agricole Cheuvreux Nordic
Deutsche Bank
Danske Markets Equities
Evli Bank
FIM
Goldman Sachs International
Handelsbanken Capital Markets
Inderes
Nordea Markets
Pareto Öhman
Pohjola Bank
SEB Enskilda
Swedbank
UBS

+ CONTACT DETAILS FOR THE ANALYSTS CAN BE FOUND ON YIT's website at **www.yitgroup.com/Investors – Investor Relations – Analysts following YIT**

YIT's result publications and Annual General Meeting in 2013

YIT's Financial Statements Bulletin for 2011 was published on February 5, 2013.
In addition, YIT will publish three Interim Reports in 2013:

- Interim Report for January–March on April 26, 2013
- Interim Report for January–June on July 26, 2013
- Interim Report for January–September on October 30, 2013

The Financial Statements Bulletin and the Interim Reports will be published at 8:00 a.m. Finnish time. Prior to each earnings announcement is a so-called "closed period" that starts on January 1, April 1, July 1 and October 1 and lasts until the publication of the financial statements or interim report. During the closed period, YIT's representatives do not meet capital market representatives or provide comments on YIT Group's financial state or the future outlook of the company or its markets.

YIT Corporation's Annual General Meeting will be held in Helsinki on March 15, 2013. Further information on page 93.

RESULT PUBLICATION AND WEBCASTS

YIT holds a news conference for investors and the media in connection with the publication of Interim Reports and Financial Statements at its head office in Helsinki. It is also possible to participate in the event through a conference call. Webcasts of the publication events can be viewed on the YIT website, both live and subsequently as recordings at www.yitgroup.com/webcast.

ORDERING PUBLICATIONS AND RELEASES

YIT's annual reports, interim reports and other publications can be ordered on YIT's website, by phone (tel. +358 20 433 2467) or by e-mail (InvestorRelations@yit.fi). Releases can be ordered directly to your e-mail on the website.

INVESTOR INFORMATION ON THE INTERNET

The Investors section of YIT's website contains, for example:

- Financial reports, stock exchange releases, investor presentations and webcasts and summarised video material of investor events
- Monthly updated data on our major shareholders and the company's statutory insiders and their shareholdings
- Share trading data
- Tools for analysing the share, such as share price search and a total return calculator for calculating the value of your investment in YIT
- Consensus estimates of our earnings
- IR blog in English, discussing topical matters of interest to investors

CONTACT INFORMATION

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REQUESTS FOR INVESTOR MEETINGS:
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Corporate Governance

YIT aims for open, transparent and responsible corporate governance. We are committed to corporate governance through compliance with laws and regulations and implementing best practices. We comply with all of the recommendations of the Finnish Corporate Governance Code issued by the Securities Market Association.

ADDITIONAL INFORMATION ON THE INTERNET
- Limited Liability Companies Act: **www.finlex.fi**
- Rules of NASDAQ OMX Helsinki: **www.nasdaqomx.com**
- Finnish Corporate Governance Code: **www.cgfinland.fi**

ADDITIONAL INFORMATION ON YIT'S WEBSITE:
www.yitgroup.com/investors
- Corporate Governance Statement pursuant to recommendation 54 of the Finnish Corporate Governance Code
- Articles of Association
- YIT Group's ethical guidelines

MAJOR EVENTS DURING THE YEAR

- Juha Kostiainen was appointed as Senior Vice President, Urban Development and Corporate Relations and a member of the Group Management Board as of November 1, 2012.
- The Board decided on March 13, 2012 to change the name of the Nomination and Rewards Committee to the Personnel Committee and confirmed new standing orders for it; according to the new rules, the task of the Committee is to assist the Board in matters related to appointing and rewarding key personnel.

Governing bodies

YIT Corporation's highest decision-making body is the Annual General Meeting, which is composed of the company's shareholders. The Board of Directors and the President and CEO are responsible for the management of the company. Other management personnel assist and support the President and CEO in his tasks. The Board of Directors decides on the Group's governance systems and ensures that the company complies with good corporate governance principles.

ANNUAL GENERAL MEETING

The General Meeting is the Group's highest decision-making body, where the shareholders participate in the supervision and control of the company and exercise their rights to speak and vote. The Annual General Meeting is held each year by the end of March on a date determined by the Board of Directors. Extraordinary General Meetings can be held when the Board of Directors considers it necessary to do so or when required by legislation.

The Annual General Meeting takes decisions on matters falling within its competence by virtue of the Companies Act and the Articles of Association, such as:
- approving the financial statements
- distribution of profits
- discharging the members of the Board of Directors and the CEO from liability
- the election of the Chairman, Vice Chairman and members of the Board and the remu-neration paid to them
- the election of the auditor and the remuneration to be paid for the audit
- amendments to the Articles of Association
- decisions leading to changes in the share capital
- share buyback and transferring the company's own shares
- decisions on share options.

The Chairman of the Board of Directors, a sufficient number of members of the Board of Directors, the external auditor and President and CEO are all present at the meeting. Persons nominated for the first time to seats on the Board of Directors always participate in the general meeting deciding on the election unless there are justified reasons for their absence.

Rights of shareholders in the General Meeting
Every YIT shareholder has the right to participate in a General Meeting. Participation requires that the shareholder is registered in the shareholder register on the General Meeting's record date, which is eight working days prior to the meeting, and that the shareholder registers for the meeting not later than on the day mentioned in the notice of the meeting.

One share confers one vote at the General Meeting. Shareholders have the right to have matters falling within the competence of the general meeting by virtue of the Companies Act included on the agenda, provided they demand, in writing, the Board of Directors to do so early enough so that the item can be included in the notice of meeting. The company will publish the date by which shareholders must present their requests on its website well in advance.

The notice of the meeting is published on the company's website at least three weeks before the general meeting. The notice contains the agenda, the names of the persons nominated to seats on the Board of Directors and the nominated auditor. Also the documents presented to the general meeting are published on our website. The minutes of the general meeting with voting results and annexes are available no later than two weeks after the general meeting on YIT's website.

Annual General Meeting in 2012
The Annual General Meeting was held on March 13, 2012 in Helsinki. A total of 606 (2011: 675) shareholders participated in the meeting personally or by proxy. They represented 58,555,324 (52,930,812) shares and votes, which was approximately 47% (42%) of the company's votes. The members of the Board of Directors, apart from Antti Herlin and Eino Halonen, and the President and CEO and the auditor were present in the meeting.

THE RESOLUTIONS OF THE ANNUAL GENERAL MEETING are presented as a summary in the Report of the Board of Directors on **page 20**, and they can be viewed in full on our website at: **www.yitgroup.com/agm**

BOARD OF DIRECTORS

The Board of Directors directs and oversees the management and operations of the company. The duty of the Board is to promote the interests of all shareholders and the Group by overseeing the administration and proper organisation of operations.

Our Board is comprised of the Chairman and the Vice Chairman and three to five ordinary members elected by the general meeting of shareholders. The term of the office is the time period between the general meeting in which the member is elected and the end of the next general meeting. The Articles of Association have no special provisions on the members of the Board of Directors. The majority of the members must be independent of the company. In addition, it is required that at least two of the majority members be independent of the major shareholders of the company. The President and CEO cannot be elected as the Chairman of the Board. Both genders must be represented on the Board of Directors.

The Board of Directors convenes regularly as summoned by the Chairman. A quorum is established when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision. In the case of a tie, the Chairman has the casting vote. The CEO participates in the Board meetings as presenting officer for issues and the Chief Financial officer as the secretary of the Board. Other Management Board members attend the meetings when needed. The CEO and the secretary of the Board prepare the meetings with the Chairman of the Board and draw up the agendas. They also ensure that the Board is provided with sufficient information on matters such as the structure, operations and markets of the company in order to carry out its tasks. The meeting agendas and materials are sent to Board members in good time before the meeting.

The Board of Directors and its committees have ratified standing orders. The members of the Board evaluate the operation of the Board each year, and the results are taken into account in the Board's work.

Key tasks of the Board of Directors

Among other duties, the Board of Directors:

- ensures that the supervision of accounting and asset management is organised appropriately
- reviews and approves the company's financial statements and the Board of Director's report as well as interim reports
- supervises and controls operating management
- elects and dismisses the CEO and his deputy, decides on their salary and agrees on the other terms of their employment
- convenes the general meeting of shareholders and makes proposals on matters to be included on the agenda
- specifies the dividend policy and makes a proposal to the general meeting of shareholders on the dividend to be paid annually
- approves the Group's strategic objectives and risk management principles
- approves budgets and operating plans and oversees their implementation
- approves significant acquisitions and other investments
- confirms the functional structure of the Group
- ensures the functioning of management systems
- ratifies the Group's values

Board of Directors in 2012

The members of YIT Corporation's Board of Directors between January 1 and March 13, 2012 were Henrik Ehrnrooth as the Chairman, Reino Hanhinen as the Vice Chairman and Kim Gran, Eino Halonen, Antti Herlin, Satu Huber and Michael Rosenlew as members.

The Annual General Meeting held on March 13, 2012 elected four ordinary members to YIT's Board of Directors in addition to the Chairman and the Vice Chairman. Henrik Ehrnrooth was re-elected as Chairman of the Board, Reino Hanhinen was re-elected as the Vice Chairman and Kim Gran, Antti Herlin, Satu Huber and Michael Rosenlew continued as Board members.

All of the members of the Board of Directors were independent of YIT and its major shareholders, except Henrik Ehrnrooth who is not independent of the company's significant shareholder. He indirectly holds, with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, a controlling interest in Structor S.A., which is a major shareholder of YIT Corporation.

The Board convened 12 times during 2012, of which 11 meetings were convened as the new Board from March 13, 2012. The members' total attendance rate was 90%. One meeting was held as field trip meeting with the Board becoming acquainted with YIT's residential construction in St. Petersburg, Russia. The Board of Directors conducted a self-evaluation of its work during the period, assessing matters such as the efficiency of its work, the quality of information and materials submitted to the Board, the focus areas of its work and the targets set for management. The results of the assessment are used in developing the Board's work.

The focus areas for the Board's work in 2012 included, among others, securing focused, balanced and profitable growth as part of YIT's strategic work, as well as business planning, Group structure, risk management, working capital and financial position. Timo Lehtinen, Chief Financial Officer, served as the secretary of the Board of Directors.

PRESENTATION OF THE BOARD MEMBERS on **page 18**

YIT'S GOVERNANCE BODIES ON DECEMBER 31, 2012

GENERAL MEETING
36,064 shareholders on December 31, 2012

BOARD OF DIRECTORS
Chairman, Vice Chairman, 4 members

COMMITTEES
Audit Committee
Personnel Committee
Working Committee

PRESIDENT AND CEO

MANAGEMENT BOARD
Chairman (CEO), Vice Chairman, 7 members

SEGMENTS
Building Services Northern Europe
Building Services Central Europe
Construction Services Finland
International Construction Services

EXTERNAL AUDIT
Authorised Public Accountants

INTERNAL CONTROL
Management systems
Internal audit
Internal guidelines

Proposal on composition of Board of Directors in 2013

The Board of Directors proposes on recommendation of The Board's Personnel Committee that Henrik Ehrnrooth be elected as the Chairman of the Board of Directors, Reino Hanhinen as the Vice Chairman, and Kim Gran, Satu Huber, Erkki Järvinen, Ari Lehtoranta and Michael Rosenlew as members of the Board of Directors. All candidates are members of the Board of Directors, with the exception of Erkki Järvinen and Ari Lehtoranta. Erkki Järvinen (b. 1960, M.Sc., Econ.) is President and CEO of Tikkurila Group and Ari Lehtoranta (b. 1963,

YIT CORPORATION'S BOARD OF DIRECTORS DECEMBER 31, 2012

Henrik Ehrnrooth (Chairman)
Reino Hanhinen (Vice Chairman)
Kim Gran
Antti Herlin
Satu Huber
Michael Rosenlew

AUDIT COMMITTEE
Michael Rosenlew (Chairman)
Reino Hanhinen
Satu Huber

PERSONNEL COMMITTEE
Henrik Ehrnrooth (Chairman)
Reino Hanhinen
Antti Herlin

WORKING COMMITTEE
Henrik Ehrnrooth (Chairman)
Reino Hanhinen
Michael Rosenlew

M.Sc., Eng.) is Executive Vice President of KONE Corporation, Central and North Europe and Customer Experience.

COMMITTEES TO THE BOARD OF DIRECTORS

Our Board of Directors has three Committees: the Audit Committee, the Personnel Committee and the Working Committee. The Board decided to change the name of the Nomination and Rewards Committee to the Personnel Committee in its organisational and first meeting on March 13, 2012. All committees have written standing orders ratified by the Board of Directors.

The Board of Directors elects the members and Chairmen of the Committees from among its members in its organisational and first meeting each year. The Committees report to the Board of Directors on the matters dealt with by them and the required actions on a regular basis at the Board meeting following each Committee meeting.

Audit Committee

The Audit Committee assists the Board of Directors in the supervision of the Group's reporting and accounting processes. Its tasks include overseeing the financial reporting process of the company, the effectiveness of internal control, internal audit and risk management systems and assessing the audit. The Committee reviews the company's financial statements and consolidated financial statements for the financial period as well as interim reports and monitors the audit. It evaluates compliance with laws and regulations and follows the Group's financial situation.

The Committee convenes at least four times per year. It comprises three members who must be independent of the company. In addition, it is required that at least one of the members is independent of major shareholders. Persons who have extensive knowledge of our business operations and business segments and sufficient knowledge of accounting and accounting principles are elected as members. The Group's CFO acts as the secretary of the Audit Committee.

Audit Committee in 2012

Between January 1 and March 13, 2012, the Audit Committee members were Michael Rosenlew as Chairman and Eino Halonen and Satu Huber as members. In its organisational meeting on March 13, 2012, the Board elected Michael Rosenlew as Chairman and Reino Hanhinen and Satu Huber as members of the Audit Committee from among its number.

The Audit Committee convened four times during 2012, of which three meetings were as the new Committee from March 13, 2012. The members' total attendance rate was 92%. Timo Lehtinen, Chief Financial Officer, was the secretary of the Committee, and the President and CEO Juhani Pitkäkoski and Ari Ladvelin, head of internal auditing, also attended the meetings of the Committee. The auditor, Heikki Lassila (PricewaterhouseCoopers) also attended some of the meetings, as did members of the company's management, depending on the matters dealt with by the meeting.

During the financial period, the Audit Committee focused on the preparation of financing arrangements, the efficiency of capital use, ensuring and monitoring the implementation of the company's information management strategy and IT projects as well as the review of the risk, litigation and claim management processes.

Personnel Committee

The Board decided to change the name of the Nomination and Rewards Committee to the Personnel Committee on March 13, 2012, and confirmed new standing orders for it.

The task of the Personnel Committee is to assist the Board of Directors in issues related to the nomination and remuneration of key personnel within YIT Group. Among other things, the Personnel Committee prepares proposals for the development of the Group's corporate culture and HR policy, remuneration and incentive schemes, the rules for performance bonuses, and the bonuses paid to the management. In addition, identifying talents, the development of key personnel, and planning for management successors fall under the preparation responsibility of the Committee.

The Committee convenes as necessary and as summoned by the Chairman. It has a minimum of three and a maximum of five members, who all have knowledge of our business operations and business segments as well as our HR and remuneration policies. The members of the Personnel Committee must be independent of the company as required by the Finnish Corporate Governance Code. The Senior Vice President, Human Resources, serves as the Committee secretary.

Personnel Committee in 2012

Between January 1 and March 13, 2012, the members of the Nomination and Rewards Committee of YIT Corporation's Board of Directors were Henrik Ehrnrooth (Chairman) and Eino Halonen, Reino Hanhinen and Antti Herlin. The Board of Directors decided to change the name of the Nomination and Rewards Committee to the Personnel Committee on March 13, 2012, and confirmed new standing orders for it. In its organisational meeting on March 13, 2012, the Board elected Henrik Ehrnrooth as Chairman and Reino Hanhinen and Antti Herlin as members of the Personnel Committee from among its number.

The Committee convened six times during 2012, of which two meetings occurred before March 13, 2012 as the Nomination and Rewards Committee and four times after March 13, 2012 as the Personnel Committee. The members' total attendance rate was 85%. Pii Raulo, Senior Vice President, Human Resources, served as the secretary of the Committee.

Key tasks of the Personnel Committee for 2012 included setting targets and performance bonus rules for the long-term incentive scheme and identifying key personnel.

Working Committee

The Working Committee assists the Board of Directors in matters related to business development. The tasks of the Working Committee include addressing matters related to business development and preparing proposals for the Board of YIT. According to its ratified standing orders. the Working Committee will address matters related to Group strategy, business segment structure, business organisation and significant investments.

The Working Committee convenes as necessary, summoned by the Chairman. The Committee has three members: the Chairman of YIT's Board of Directors, the Vice Chairman and a third member elected by the Board of Directors from among its number. The Chairman of the Board acts as the Chairman of the Committee. The President and CEO of the Group serves as the Committee secretary.

Working Committee in 2012

Between January 1 and March 13, 2012, the members were the Board of Directors' chairman Henrik Ehrnrooth and vice-chairman Reino Hanhinen, as well as Michael Rosenlew, appointed by the Board of Directors from among its number. In its organisational meeting on March 13, 2012, the Board of Directors decided to keep the composition of the Committee unchanged.

The Working Committee convened nine times in 2012. The members' total attendance rate was 93%. President and CEO Juhani Pitkäkoski acted as the secretary of the Committee. Members of the company's management, depending on the matters dealt with at the meeting, attended some of the meetings.

Key tasks of the Working Committee for 2012 included the development and ensuring the implementation of the programme to improve profitability in the Building Services Northern Europe segment and assessing the competitive environment.

BOARD MEMBER MEETING PARTICIPATION, JANUARY 1 – DECEMBER 31, 2012

	Board of Directors	Audit Committee	Personnel Committee*	Working Committee
Henrik Ehrnrooth	12/12		6/6	9/9
Kim Gran	9/12			
Reino Hanhinen	12/12	3/3	6/6	8/9
Antti Herlin	9/12		5/6	
Satu Huber	12/12	4/4		
Michael Rosenlew	12/12	4/4		8/9
Eino Halonen**	0/1	0/1	0/2	
Average attendance rate	**90%**	**92%**	**85%**	**93%**

* The Board decided to change the name of the Nomination and Rewards Committee to the Personnel Committee in its organisational and first meeting on March 13, 2012.

** Eino Halonen was a member of the Board of Directors, Audit Committee and Nomination and Rewards Committee until March 13, 2012. The Board of Directors convened once before the election of the new Board of Directors in 2012, the Audit Committee once and the Nomination and Rewards Committee twice.

PRESIDENT AND CEO

The President and CEO attends to the day-to-day administration of the company in accordance with the instructions and orders given by the Board of Directors. The Board of Directors appoints and discharges the CEO and supervises his activities. It also decides on the CEO's remuneration and other terms of employment. The CEO ensures that the company's accounting is lawful and asset management is organised reliably. The CEO serves as the chairman of the Group's Management Board and as the chairman of the Boards of the Group's business segment parent companies.

MANAGEMENT BOARD

The President and CEO and other members appointed by the Board of Directors make up the Group's Management Board. The President and CEO appoints the Management Board's secretary.

The Group's Management Board, which meets on a regular basis, approximately once a month, assists the President and CEO with operational planning and management and prepares matters that are to be processed by the Board of Directors. Among other duties, the Management Board formulates the Group's strategic and annual planning, supervises the implementation of plans and financial reporting, prepares major investments and acquisitions and supervises their implementation. Developing cooperation within the Group and promoting common development projects are also among the Management Board's key duties.

The President and CEO is responsible for decisions made by the Management Board, whereas the Management Board members implement the decisions in their own areas of responsibility. The Management Board has standing orders ratified by the Board of Directors.

Management Board in 2012

Juhani Pitkäkoski continued as YIT Corporation's President and CEO. Juha Kostiainen was appointed Senior Vice President, Urban Development and Corporate Relations and a new member of the Group Management Board as of November 1, 2012. The composition of the Management Board remained unchanged in other respects.

- Juhani Pitkäkoski, Chairman, President and CEO of YIT Corporation
- Kari Kauniskangas, Vice Chairman, YIT Corporation's Executive Vice President and deputy to the President and CEO, head of the International Construction Services business segment
- Tero Kiviniemi, head of the Construction Services Finland business segment
- Juha Kostiainen, Senior Vice President, Urban Development and Corporate Relations (as of November 1, 2012)
- Timo Lehtinen, Chief Financial Officer, YIT Corporation
- Matti Malmberg, head of the Building Services Northern Europe business segment
- Pii Raulo, Senior Vice President, Human Resources, YIT Corporation
- Karl-Walter Schuster, head of the Building Services Central Europe business segment
- Sakari Toikkanen, secretary of the Management Board, Senior Vice President, Business Development, YIT Corporation

›› PRESENTATION OF THE MEMBERS in Annual Report on **pages 54–55.**

The Management Board convened 12 times during the year. Its key focus areas included promoting the strategy of profitable growth, preparation and monitoring of common development programmes and the development of occupational safety and the Group's ethical principles.

INTERNAL AUDIT

YIT Group's internal audit organisation supports the management in the development and supervision of risk management, internal control and corporate governance. The focus of internal auditing is on matters where risks and development potential are identified. Its work is focused on operational auditing. The Group's internal auditing reports to the Audit Committee of the Board of Directors and, in terms of administration, to the President and CEO.

Internal audit in 2012

The key focus areas included the pricing in Building Services Northern Europe and IT projects. Internal audit also reviewed euro risks and procurement in International Construction Services, followed up acquisitions and carried out several accounts regarding corporate safety.

AUDIT

According to the Articles of Association, YIT has one auditor that must be a firm of auditors approved by the Central Chamber of Commerce. The Annual General Meeting elects the auditor based on the proposal prepared by the Audit Committee of the Board of Directors.

The duty of the auditor is to audit the company's accounts for the financial period, the Board of Directors' report, financial statements and governance. The parent company's auditor must also audit the consolidated financial statements and other relations between the Group companies. The auditor issues a statutory auditor's report to the company's shareholders in connection with our annual financial statements and reports regularly to the Board of Directors.

The auditor's fee is paid as per invoice. When electing the auditor, it is taken into account that the aggregate duration of the consecutive terms of the auditor with the main responsibility may not exceed seven years.

Audit in 2012

The Annual General Meeting in 2012 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, to audit governance and accounts in 2012. The auditor with main responsibility is Heikki Lassila, Authorised Public Accountant, who has been the company's chief auditor since 2008.

AUDIT FEES

EUR million	2012	2011
Audit	0.9	1.2
Statements	0.0	0.0
Tax services	0.4	0.3
Other services	0.3	0.1
Total	**1.6**	**1.7**

INSIDER ADMINISTRATION

YIT Group has had Guidelines for Insiders since March 1, 2000. They follow the Guidelines for Insiders approved by NASDAQ OMX Helsinki for listed companies. The permanent insiders may not trade in securities issued by YIT during the periods between the end of review periods and the publication of financial statements or interim reports (closed window).

For statutory insiders (insiders with duty to declare) and their close associates, the ownership of YIT securities are public. Statutory insiders include the members and secretary of the Board of Directors, the President and CEO, his Deputy, the audit organisation employee with the main responsibility for the audit of the company, and the members and secretary of the Group's Management Board.

In addition, YIT has permanent company-specific insiders and, during certain projects, separately named project-specific insiders whose holdings are not public. YIT's company-specific insiders are the persons who regularly receive insider information based on their position or duties or whom the company has determined to be company-specific insiders. These include management and key personnel of Group Services separately specified by the Board of Directors, the CEO's secretary, CFO's secretary, members and secretaries of the business segment Management Boards and Boards of Directors and the secretaries of the business segment heads as well as the CFOs. In total, the Group had 77 permanent insiders at the end of 2012. We maintain a register of our insiders subject to a disclosure requirement in Euroclear Finland Ltd's system, where information on shareholding is directly available from the book-entry securities system.

+ UP-TO-DATE INFORMATION ON THE HOLDINGS AND TRADING OF INSIDERS can be found on our website at **www.yitgroup.com/investors – Ownership – Insiders' ownership in YIT**

Operating principles and control systems

We comply with the legislation of Finland and our operating countries as well as the regulations and guidelines for listed companies in all of our operations. Our operations are also guided by our values and our internal operating principles, which all of our employees must comply with at all times. The company has ratified the following guidelines and policies: the Group's ethical guidelines, ethical principles of cooperation with suppliers, standing orders of the YIT Group and administrative bodies, guidelines for insiders, the Group's financing policy, guidelines on the accounting and reporting policies, risk management policy, corporate security policy, investment guidelines and guidelines for acquisitions.

ETHICAL GUIDELINES AND REPORTING MISCONDUCT

Our ethical guidelines include our operating procedures regarding the following matters: conflicts of interests, confidentiality obligation and protection of rights and assets, insider trading, bribery and corruption, subsidies, competition rules, entertainment and business trips, equal treatment, openness and documents and presence in social media.

If an employee observes any breaches of the guidelines, he/she should primarily report it to an immediate supervisor or other member of the company's management. In addition, all countries where YIT operates have appointed persons in charge of ethics who escalate the processing of reported breaches. We use a reporting channel maintained by a third party, allowing our employees to report confidentially any suspicions of misdemeanours and, if necessary, anonymously. A report can be submitted online or by telephone. Each suspected misdemeanour will be investigated carefully and without delay, and will lead to appropriate action.

In 2012 there were no reported situations, where an employee of YIT would have been found quilty of corruption or other forms of

KEY REGULATIONS

KEY EXTERNAL REGULATIONS

- Limited Liability Companies Act
- Rules of NASDAQ OMX Helsinki
- Finnish Corporate Governance Code

KEY INTERNAL REGULATIONS

- Articles of Association
- YIT Group's standing orders
- Standing orders of the Board of Directors, its committees and the Management Boards
- Ethical guidelines and values

misuse. In a few cases investigation was still ongoing at the end of the year. YIT ended cooperation with a few small subcontractor due to suspected misconduct.

INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO THE FINANCIAL REPORTING PROCESS

The purpose of YIT Group's internal control and risk management is to ensure that business risks are identified and controlled in a managed way. With regard to financial reporting, the purpose is to ensure that it produces substantially correct information for published reports and use by management.

Financial reporting and supervision are based on budgets drafted every six months and according to monthly performance reporting. The profitability and use of capital in projects and at maintenance sites is predicted and monitored on a monthly basis as part of normal business control.

The Group's financial and financing management is responsible for identifying and assessing financial risks. The risks related to financial reporting are evaluated annually and control measures and reporting control points are developed on their basis in order to prevent risks. The risks are managed through the Group's joint accounting manual, financing policy, investment guidelines and acquisition guidelines. There is an anonymous reporting channel through which matters related to suspected financial misconduct can be reported. The consistency of financial reporting is also promoted by the joint SAP system for financial management.

In 2012

The use of the SAP ERP system was expanded further in Sweden and Norway in 2012. The Russian companies continued the harmonisation of local accounting principles and the deployment of a common financial administration system proceeded in all countries in the Baltic area and Central Eastern Europe. A group accounting consolidation tool was adopted, after which the process and system used by the management and external accounting is consistent. Actions and responsibilities for managing reporting risks indentified in 2012 were specified. The predictability of capital and cash flow has been improved by developing the IT systems. Increasing attention was paid to accounting resources, and the goals included more active job rotation, more detailed allocation of time available for reporting and automation of processes.

+ THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS are described in more detail in YIT Corporation's Corporate Governance Statement at **www.yitgroup.com/investors – Corporate Governance**

YIT Corporation remuneration statement 2012

The aim of YIT's remuneration systems is to reward good performance, increase the personnel's motivation and commit the company's management and employees to the company's objectives in the long term.

DECISION-MAKING REGARDING REMUNERATION

YIT Corporation's Annual General Meeting decides on the fees for the Board of Directors. The Board of Directors decides on the salary and fees and other terms of employment of the CEO and other key Group employees, such as the CEO's deputy and members of the Group's Management Board.

The Personnel Committee of the Board of Directors prepares matters related to the appointment and remuneration of the Board members and the Group's key personnel as well as the Group's HR policy. Among other things, the Committee prepares proposals for the appointment of the Board members, President and CEO and other Group key personnel as well as their remuneration and other terms of employment. In addition, its tasks include preparing the Group's bonus rules and other issues related to pay policy.

REMUNERATION OF BOARD MEMBERS

The Annual General Meeting 2012 decided that the Board of Directors be paid remuneration as follows in 2012:

- Chairman: EUR 6,600 per month (EUR 79,200 per year)
- Vice Chairman: EUR 5,000 per month (EUR 60,000 per year)
- Members: EUR 3,900 per month (EUR 46,800 per year)

In addition, a meeting fee of EUR 550 is paid for each Board and committee meeting. Per diems for trips in Finland and abroad are paid in accordance with the State's travel compensation regulations.

Proposal for fees for 2013

The Board of Directors proposes on recommendation of The Board's Personnel Committee that the fees be paid to the Board of Directors remain the same as in 2012.

Share-based incentive schemes

Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

MANAGEMENT REMUNERATION

The remuneration paid to the Group's Management Board is comprised of:

- Fixed salary
- Fringe benefits, such as company car and meal benefit
- Annual performance bonus, and
- Long-term incentive schemes, such as share-based incentive scheme and pension benefits.

Performance bonuses

The basis of remuneration is a fixed salary, in addition to which most of the Group's salaried employees are included in a performance bonus scheme. The Board of Directors confirms the criteria for the payment of performance bonuses every six months.

The bonuses paid are determined on the basis of the realisation of personal profit objectives, the Group's financial result and the attainment of profitability, growth and development objectives, such as occupational safety objectives. Performance and development discussions are an essential part of the management by key results system. In these discussions, employees and their superiors agree on the key objectives and their relative weighting and review the fulfilment of the previously agreed objectives. The key principles and objectives for the result period influencing the personal performance bonuses are specified at the business group and unit level.

The maximum annual performance bonus paid to the CEO and the Management Board may equal 40%–60% of their annual taxable pay excluding the performance bonus.

Other monetary rewards in use at YIT include new-initiative bonuses and years-of-service bonuses.

Share-based incentive scheme

YIT has implemented a share-based incentive scheme to support the company's strategy for profitable growth and supplement the already available incentive schemes. The scheme aims at promoting the employees in determined work, rewarding their good performance and committing them to long-term persistent work. Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

The scheme consists of three earnings periods, i.e. the calendar years 2010, 2011 and 2012. Shares will be handed over in 2011, 2012 and 2013 based on the performance the previous year. A total of

REMUNERATION PAID TO CEO AND MANAGEMENT BOARD, EUR

	Fixed salary	Fringe benefits	Bonuses paid	Option income	Total 2012	Total 2011
President and CEO	538,912	12,200	81,423	117,740	**750,276**	903,408
Other members of the Group Management Board, total	1,667,352	98,790	269,852	430,535	**2,466,529**	2,746,690

Includes the members' total remuneration from the period they were members of the Group Management Board.

FEES PAID TO BOARD OF DIRECTORS, EUR

	Board membership	Board meetings	Audit Committee meetings	Personnel Committee** meetings	Working Committee meetings	Total 2012	Total 2011
Henrik Ehrnrooth	79,200	6,600		3,300	4,950	**94,050**	87,200
Eino Halonen*	11,700					**11,700**	56,450
Reino Hanhinen	60,000	6,600	1,650	3,300	4,400	**75,950**	68,850
Antti Herlin	46,800	4,950		2,750		**54,500**	53,750
Kim Gran	46,800	4,950				**51,750**	49,950
Satu Huber	46,800	6,600	2,200			**55,600**	53,250
Michael Rosenlew	46,800	6,600	2,200		4,400	**60,000**	45,850
Board of Directors total	**338,100**	**36,300**	**6,050**	**9,350**	**13,750**	**403,550**	**425,050**

* Eino Halonen was a member of the Board of Directors, Audit Committee and Nomination and Rewards Committee until March 13, 2012.
** The Board decided to change the name of the Nomination and Rewards Committee to the Personnel Committee in its organisational and first meeting on March 13, 2012.

approximately 700,000 shares may be rewarded annually, of which a maximum of 20,000 to the President and CEO.

Furthermore, the taxes and other charges ordered by the authorities caused by the share rewards are covered by a monetary bonus. Employees included in the incentive scheme are obligated to not transfer their shares within two years of having obtained them for the shares based on performance in 2010 and three years for the shares based on performance in 2011 and 2012, i.e. throughout the duration of the commitment period. If the employment of an employee is terminated during the commitment period, the employee must return any shares obtained as rewards to the company free of charge. Under all circumstances, the Board has the right to amend the bonuses in a reasonable manner. The Board of the company annually decides on the performance criteria and the employees included in the scope of the incentive scheme.

In 2011, the share bonus criteria included return on investment and revenue growth. YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which have been conveyed as a directed share issue without consideration. A total of 130,976 shares were conveyed to 250 key employees. The cost effect in January–December was approximately EUR 5.1 million (1–12/2011: EUR 3.4 million). In 2011, the share bonus criteria included return on investment and revenue growth. By the end of 2012 18,139 shares had been returned to YIT.

Pension, retirement age and termination compensation

The contractual retirement age of the CEO and his deputy is 62. In addition, the contractual retirement age of one of the members of the Group Management Board is 62. The statutory retirement ages apply to the other members of the Management Board. The pension of the CEO and his deputy amounts to 60% of salary accounted according to Finnish employment pension law. The contractual period of notice for is six months. If the company terminates the contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

Remuneration paid to the CEO and management board in 2012

In addition to salary, the fringe benefits for CEO Juhani Pitkäkoski included a company car and meal benefit. In 2012, the CEO's fixed salary and fringe benefits decreased in value by a total of 3 percent. The performance bonus paid in 2012 corresponded to the monthly salary of approximately 2.5 months. The performance bonus paid is based on the Group's financial performance and personal key results set by the Board of Directors.

The bonuses paid to the CEO in 2012 totalled EUR 81,423. Of this amount, EUR 19,989 was paid according to 2011 results and EUR 61,434 according to 2012 results. The bonuses paid to other members of the Group Management Board in 2012 totalled EUR 269,852. Of this amount, EUR 135,873 was paid according to 2011 results and EUR 133,979 according to 2012 results.

The CEO was granted 4,060 shares in 2012 under the share-based incentive scheme for 2011 results. The combined value of the shares and the related monetary bonus was EUR 117,740. The other members of the Group Management Board were granted a total of 15,092 shares, and the total value of these shares and the related monetary bonus was EUR 430,535.

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SHAREHOLDING BY THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO AND THE GROUP'S MANAGEMENT BOARD ON DECEMBER 31, 2011, is presented in more detail on **pages 84.**

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UP-TO-DATE SHAREHOLDINGS INFORMATION FOR EACH INDIVIDUAL can be found on YIT's website at **www.yitgroup.com/investors – Major shareholders – Insiders' ownership in YIT**

Risk management

YIT's risk management policy aims to identify major risk factors and optimally manage these factors so that the company achieves its strategic and financial objectives. The starting point is to manage the Group's total risk exposure, not merely the management of individual risk factors. Controlled risk-taking may have a favourable impact on the company's development.

Process

Risk management is an integral part of the Group's management, monitoring and reporting systems. Risk management covers the identification and assessment of risks and contingency plans for all major risk categories.

The nature and probability of strategic risks is continuously monitored and reported on. A strategic risk assessment is carried out at Group level once a year in connection with the review of the strategy. As a result of the assessment, the major risks of the business segments, Corporate Services and the Group level are compiled in a risk register and classified into a risk matrix based on their likelihood of occurrence and possible impacts. The risk reports are reviewed by YIT's Board of Directors, the Group's Management Board and the Management Boards of the business segments.

Operational and event risks are reported at the business unit, division and business segment level on a monthly basis as part of the normal monitoring of performance. Operational risks are related to the nature of business operations, and they can be managed by developing the operating and resolution procedures.

Financial risks are reported at the business unit, the division and business segment level on a monthly basis as part of normal monitoring of performance and quarterly to the Board of Directors' Audit Committee. The risks associated with the financial reporting process are identified and assessed annually.

Organisation

The Board of Directors approves the risk management policy and its objectives, and guides and supervises the planning and execution of risk management. The Working Committee of the Board of Directors will address matters related to Group strategy, business segment structure, business organisation and significant investments. The Audit Committee assists the Board of Directors in supervisory duties related to YIT Group's reporting and accounting processes, including internal monitoring, risk management, internal auditing and guiding and supervising the audit. The Personnel Committee addresses matters related to personnel remuneration systems and successor planning.

The President and CEO retains overall responsibility for risk management. The President and CEO is responsible for the organisation and the design, development, coordination and monitoring of the risk management strategy, as well as its implementation and communication throughout the organisation. The President and CEO reports to the Board of Directors.

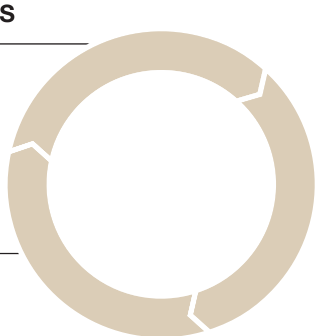
The management of the business segments identify, assess and monitor the major risks facing their respective business segments, draw up contingency plans for those risks and attend to the implementation and supervision of risk management. The management of the segments report to the President and CEO.

The Group's financial and finance management is responsible for identifying and assessing financial risks, reporting to the business segment and Group management.

The Group's internal audit organisation supports YIT's management in arranging and developing risk management and internal control. The internal audit reports to the Audit Committee of the Board of Directors and to the President and CEO.

Most significant risks

YIT classifies as risks those factors that might endanger the achievement of the Group's strategic and financial goals if they should materialise. Risks are divided into strategic, operational, financial and event risks. The identification and management of risk factors take into account the special features of the business and operating environment.



Focus areas for risk management in 2012

The most significant risks associated with YIT's operations are those concerned with reacting to changes in the market situation as well as managing acquisitions and plot investments, agreements and projects.

Key tasks of the Working Committee of the Board of Directors for 2012 included assessing the competitive environment, the development and implementation of the programme to improve profitability in the Building Services Northern Europe segment, developing the capital efficiency of International Construction Services and setting Group-level objectives for procurement activities.

MARKET SITUATION

The uncertainty in the markets continued in 2012. During the year, we intensified the regular monitoring of the market and competitive situation. Already in 2011, separate action plans were composed for different market scenarios, including sales activation efforts, adjusting the cost structure, renewal of procurement agreements and efforts to improve payment terms and conditions.

A strong increase in interest rates and changes in the availability of housing loans and property financing are key risks related to the demand for residential units and business premises.

Monitoring market changes that have an effect on consumer confidence is key in all countries where YIT acts as a residential construction company – Finland, Russia, the Baltic countries, the Czech Republic and Slovakia. With regard to the segments, the key is to manage risks related to the operating environment in the International Construction Services segment where the focus of operations is on investment-intensive residential development production.

INVESTMENTS

From the point of view of investments, there are risks related to the integration and development of possible acquisitions as well as plot investments, particularly in the countries where International Construction Services operate.

In Building Services, there were less acquisitions than in 2011, as we concentrated on efficiency of our own operations. The risk management focused on improving the efficiency of operations and adjusting the cost structure with the aim of pursuing profitability under challenging market conditions.

YIT actively replenished its plot reserves by acquiring plots and making preliminary agreements on plots in order to ensure good opportunities for residential start-ups also in the future. No write-offs were made to plots during 2012. YIT tests the value of its plots as required by IFRS accounting principles. Plot reserves are measured at acquisition cost and the plot value is impaired when it is estimated that the building being constructed on the plot will be sold at a price lower than the sum of the price of the plot and the construction costs.

Investments are controlled through semi-annual budgeting and compliance with the resolution procedure pursuant to investment guidelines, according to which decisions on investments are made by the investment management teams of the business segments or by YIT Corporation's CEO or Board of Directors, depending on the value of the investment. YIT is able to adjust the volume of investments flexibly and quickly as the market situation changes.

PROJECT MANAGEMENT

The significance of the management of individual projects become more emphatic as the infrastructure services and number of major business premises projects increase.

Attention is continuously paid to maintaining a good culture of project management through training and audits. It is essential to ensure the professional skill of the personnel, functional systems and compliance with shared policies and guidelines.

Excessive levels of ammonia were found in residential units built by the company in St. Petersburg in September 2011, caused by an additive used by the concrete supplier. YIT made a provision of EUR 10.0 million during the third quarter of 2011 to cover the costs of rectifying the problem. The incurred costs have been lower than expected, due to which the company has cancelled EUR 7.0 million of the said provision in the third quarter of 2012. The costs materialised by the end of 2012 amounted to EUR 2.6 million. The company has received indemnities from its insurance company, covering the costs of research and renovation of the apartments. YIT has adopted increasingly strict procurement guidelines based on which the concrete suppliers are now required to have stricter control measures and delivery responsibilities.

Strategic risks

CHANGES IN THE OPERATING ENVIRONMENT

Changes in economic, demographic, technological and political factors have an effect on the demand for YIT's services and the prevailing level of costs.

YIT has developed the Group's business structure to be balanced and tolerant of economic fluctuations. The share of steadily developing service and maintenance operations has been increased. Operations have been expanded geographically so that economic fluctuations impact operations at different times in different markets. The business model has also been developed so that the construction services can operate independently.

Continuous monitoring and analysis make it possible to react quickly to changes in the operating environment and to utilise the new business opportunities provided by them.

THE MARKET OUTLOOK IS PRESENTED in the Report of the Board of Directors on **pages 35–36.**

IMPLEMENTATION OF ACQUISITIONS

The implementation of major acquisitions and expanding into new geographic areas requires taking note of and managing cultural, legislative and political factors. YIT aims to implement acquisitions mainly in order to consolidate its current market position as a provider of building system services in the Nordic countries and Central Europe as well as expand to new countries.

Risks associated with acquisitions and outsourcing are managed by selecting projects according to strict criteria and effective integration processes that familiarise new employees with YIT's values, operating methods and strategy. The Group has adopted a common guideline and process for acquisitions. As the organisation becomes larger and more international; governance, operational and reporting systems are harmonised across different countries and business segments. YIT's success factors include a strong corporate culture and a clear management system.

MANAGEMENT OF CAPITAL

The majority of the Group's services consist of labour-intensive operations where investments are minor. Residential development projects and business premises development projects, however, require investments in plots of land, and capital is also tied to the development of the plots as well as on-going production.

The key issue in risk management is to keep the Group's structure such that investment-intensive business operations and labour-intensive, cash flow-generating business are balanced. In investment-intensive business operations, the amount of capital is adjusted by decreasing or increasing the number of start-ups and plot investments and developing the terms of purchases of plots. Investments are reviewed in accordance with the Group's investment guideline by the head of the business segment, President and CEO or the Board of Directors, depending on their size, taking the company's total risk exposure into account and being able to react quickly to changes in the market situation.

Operational risks

PLOT ACQUISITIONS

In residential and commercial development projects, YIT is responsible for the full implementation of the projects from plot acquisition and development. Plots are purchased in countries where YIT functions as a construction company – Finland, Russia, the Baltic countries as well as the Czech Republic and Slovakia – from private and public sectors.

Risk management surveys the rights of ownership to the plots, matters related to infrastructure connections and environmental requirements, among other areas, as well as reasonable terms and conditions of agreement. YIT does not acquire plots that do not meet the conditions set by the Group. Plot acquisitions are evaluated from the point of view of regional opportunities, needs and capital management.

SALES RISK

In residential development projects, YIT is responsible for selling the residential units, and in commercial development projects, leasing and selling the premises. The Group's order backlog therefore includes production with sales and price risks. The sales risk included in the order backlog is mainly comprised of residential units under construction or completed but which are unsold.

YIT manages sales risk by matching the number of its housing start-ups with the estimated residential demand and the number of unsold residential units. Design management ensures that the room division and other properties of the residential units match the market demand. In business premises projects, YIT normally secures key tenants and/or the investor prior to starting a business premises project. Also, preparations are made to make new contractual arrangements in order to secure financing for the projects.

CONTRACT TENDERS AND SERVICE AGREEMENTS

YIT's business operations consist of thousands of projects and service agreements, and therefore attention must be paid to the management of different agreements.

In tender-based projects, YIT is selective with regards to their risks and profitability.

The contents, risks and terms and conditions of all contracts and agreements are reviewed in accordance with specified processes. Tendering authorisations are specified on the basis of the financial significance of the projects.

PROJECT MANAGEMENT

YIT's operations have relatively few individual major projects considering the size of the Group. Project cost and implementation management is a major area of focus, particularly in property development projects that are by nature individual and large-scale projects. In addition, effective contract management requires comprehensive levels project management expertise in order to reach the desired profitability. In long-term service agreements, YIT commits to agreed service level and pricing principles.

Project management personnel are required to hold specified competences, and shared decision-making processes and quality systems are followed by the management. The progress of projects is monitored and controlled at all phases in both tender-based and development production. The monitoring of profitability extends throughout the organisation from the project to Group level.

PERSONNEL

The majority of YIT's business is labour-intensive, meaning that the availability and commitment of skilled employees is a prerequisite for organic growth.

The aim is to ensure skilled and sufficient numbers of personnel by valuing YIT's culture and values and maintaining a good atmosphere at work. The commitment of employees and YIT's appeal as an employer is supported through satisfying tasks and encouraging compensation, offering opportunities for training and job rotation as well as cooperation with educational establishments. In addition, succession planning for key employees is ensured.

In order to ensure ethical operations, the Group has common ethical guidelines and effective methods for reporting and processing any misdemeanours. The guidelines are reviewed on a regular basis, and compliance is supervised by means of internal and external auditing.

Financial risks

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

The Group's Finance Department is responsible for the sufficiency of the sources of financing and that the maturity distribution of external loans is balanced. It is also responsible for the management of the counterparty risk related to derivative contracts and cash and cash equivalents. The Group's Finance Department implements the Group's hedging policy.

The business units manage the liquidity risk through semi-annual cash flow planning and monthly cash flow estimates. They are also responsible for the management of risks related to accounts receivable.

›› AN ACCOUNT OF FINANCIAL RISKS can be found in the notes to the financial statements on **pages 70–73.**

›› THE MAIN CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS CONNECTED WITH THE FINANCIAL REPORTING PROCESS are described on **page 12.**

Event risks

Possible event risks include accidents related to personal or information security and sudden and unforeseen material damage to premises, project sites and other property, resulting from fire, collapse or theft, for example.

YIT complies with a group-wide security policy covering the different areas of security. 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 covering guidelines on data networks, anti-virus protection and licences. Event risks are additionally managed through contingency plans and target-oriented insurance policy. There are few projects that are considerably large and whose insurance should be separately surveyed in regard to the overall extent of operations.

RISK MAP

RISKS	MANAGEMENT METHODS
Strategic risks	
Changes in the operating environment	• Balanced business structure • Foreseeing, monitoring and analysis processes and ability to react
Acquisitions	• Selection criteria, integration programmes, development of governance systems, terms and conditions
Management of capital	• Balanced business structure • Amount of investments and project start-ups
Operational risks	
Plot acquisitions	• Analysis of plot-related terms and conditions and opportunities • Contractual terms
Sales risk	• Adjustment of start-ups according to the sales volume • Design management • Contractual arrangements
Contract tenders and service agreements	• Tender and risk analyses • Contractual expertise
Project management	• Competence of personnel and quality systems • Regular auditing • Monitoring and control of profitability and degree of completion
Personnel	• Culture, work atmosphere, duties, training and career planning • Ethical guidelines
Financial risks	
• Sufficiency of financing • Interest rate and currency risks • Credit and counterparty risks • Risks related to the reporting process	• Accounting and financing policies • Internal and external audit • Diverse sources of finance and balanced maturity structure • Continuous cash flow planning and forecasting
Event risks	
Accidents related to personal or data security or material damage to property	• Security policy • Insurance policy and plans

Board of Directors' report, January 1–December 31, 2012

Introduction to the Group

YIT is a service company focusing on the development, construction and maintenance of a good living environment operating in 14 countries: the Nordic countries, Central Europe, Russia and the Baltic countries. The Group's services include maintenance and installation projects of real estate and industrial plants as well as residential construction and construction of business premises and infrastructure. Customers include households, users and owners of business premises, developers and construction companies, the public sector and industry.

YIT is one of the leading providers of building system services in the Nordic countries and Central Europe. In construction services, YIT has a solid market position in all of its market areas. YIT is the largest construction company in Finland and has a solid position in residential construction and construction of business premises and infrastructure, YIT is a significant foreign housing developer in Russia, and one of the leading companies in the Baltic construction market. In addition, YIT is engaged in residential construction in the Czech Republic and Slovakia.

ORGANISATION OF BUSINESS OPERATIONS

YIT Group's business is divided into business segments, which consist of Building Services Northern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services. The business segment structure remained unchanged in 2012.

Management and administration

The administration of YIT Corporation and YIT Group complies with valid legislation, the company's Articles of Association and the rules and regulations of bodies that regulate and supervise the operations of Finnish listed companies. YIT Corporation also complies with the rules and regulations of bodies that regulate and supervise the operations of listed companies. YIT Corporation also complies with all of the recommendations of the Finnish Corporate Governance Code issued by the Securities Market Association in June 2010, which took effect on October 1, 2010. The Code is publicly available on the Internet at www.cgfinland.fi.

In addition, YIT's operations are guided by shared values, operating principles and ethical guidelines that were harmonised to cover the entire Group in 2010. YIT aims to comply with high ethical principles, and ethical guidelines are part of YIT's operational culture.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and the Remuneration Statement will be published at the same time with the Board of Director's Report as separate statements on the company's website at www.yitgroup.com. The governance and control systems of the YIT Group supplemented with up-to-date information can be found in the Company's Annual Report and on its website.

ANNUAL GENERAL MEETING

The Annual General Meeting is the company's highest decision-making body, and its tasks are determined on the basis of the Articles of Association and the Finnish Limited Liability Companies Act. The Annual General Meeting makes decisions on approving the financial statements, the payment of dividends, discharging the members of the Board of Directors and the President from liability, the election of the Board of Directors and its Chairman and Vice Chairman and the auditor and the remuneration to be paid to them, and other matters requiring resolutions by the Annual General Meeting under the Limited Liability Companies Act and matters presented to it. The general meeting of shareholders is convened at least once a year. The Annual General Meeting is held annually by the end of March. The general meeting of shareholders is convened by the Board of Directors.

BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and the proper organisation of the operations of the company as well as for ensuring that the supervision of accounting and asset management is organised appropriately. The Board of Directors has a ratified charter, and it regularly verifies that it is up to date. According to its charter, the Board of Directors controls and supervises the operations of the company and the Group and makes decisions on the key operating principles, objectives and strategies. The Board of Directors oversees the operations, finances and risk management of the Group.

In particular, the following tasks are handled and decided on by the Board of Directors:

- Electing the CEO and his/her deputy and senior management and the terms of their employment
- The Group's strategy and objectives
- Budgets and operating plans and overseeing their realisation
- Approving the financial statements and interim reports
- Specifying the dividend policy
- Significant acquisitions and investments
- The Group's operational structure
- Principles of risk management
- The Group's values

The Board of Directors convenes approximately once a month according to a pre-determined schedule, or whenever it is deemed necessary. The Board of Directors assesses its activities and operating methods annually.

YIT Corporation's Annual General Meeting elects the Chairman and Vice Chairman and a minimum of three and maximum of five members of the Board of Directors. The term of office of the Board members is one year.

The members of YIT Corporation's Board of Directors between January 1 and March 13, 2012, were Henrik Ehrnrooth as the Chairman, Reino Hanhinen as the Vice Chairman and members Kim Gran, Eino Halonen, Antti Herlin, Satu Huber and Michael Rosenlew, elected by the Annual General Meeting in 2011.

The Annual General Meeting elected a chairman, vice chairman and four ordinary members to the Board of Directors on March 13, 2012.

Those elected were Chairman Henrik Ehrnrooth, born 1954, M.Sc. (Forest Economics), B.Sc. (Econ.), Chairman of the Board of Directors of Pöyry Plc; Vice Chairman Reino Hanhinen, born 1943, M.Sc. (Eng.), D.Sc. (Tech.) h.c. and members Kim Gran, born 1954, B.Sc. (Econ.), President and CEO of Nokian Tyres Plc; Antti Herlin, born 1956, D. Sc. (Econ.) h.c., D.Sc. (Arts) h.c., Chairman of KONE Corporation's Board of Directors; Satu Huber, born 1958, M.Sc. (Econ.), Managing Director of Tapiola Mutual Pension Insurance Company and Michael Rosenlew, born 1959, M.Sc. (Econ.), Managing Director of Mikaros AB.

All of the members of the Board of Directors were independent of YIT Corporation and, excluding Henrik Ehrnrooth, also of its major shareholders. Henrik Ehrnrooth along with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth indirectly holds a controlling interest in Structor S.A., which is the largest shareholder in YIT Corporation.

An up-to-date presentation of the members of the Board of Directors is available on YIT's website.

The Board of Directors convened twelve times in 2012, and the members' total attendance rate was 90%. One meeting was held as a field trip meeting with the Board becoming acquainted with the company's residential construction in St. Petersburg, Russia. The Board of Directors conducted a self-evaluation of its work during the period, assessing matters such as the efficiency of its work, the quality of information and materials submitted to the Board, focus areas of its work and the targets set for management. The results of the assessment are to be used in developing the Board's work.

The focus areas for the Board's work in 2012 included securing focused, balanced and profitable growth as part of YIT's strategic work and business planning, group structure, risk management and the Group's working capital and financial position.

COMMITTEES TO THE BOARD OF DIRECTORS

In accordance with its charter, the Board of Directors formed three committees in 2012: the Working Committee, the Audit Committee and the Nomination and Rewards Committee, and it has ratified charters for each of them.

Working Committee in 2012

In accordance with its charter, the tasks of the three-member Working Committee include addressing matters related to business development and preparing proposals for the Board of YIT. Furthermore, it will address matters related to Group strategy, business segment structure, business organisation and significant investment.

The Board of Directors' Working Committee was comprised of Chairman Henrik Ehrnrooth and members Reino Hanhinen and Michael Rosenlew between January 1, 2012, and December 31, 2012.

The Working Committee convened 9 times in 2012. The members' total attendance rate was 93%. Key tasks of the Working Committee for 2012 included the development and implementation of the programme to improve profitability in the Building Services Northern Europe segment and assessing the competitive environment.

Audit Committee in 2012

The Audit Committee assists the Board of Directors in the supervision of YIT Group's reporting and accounting processes, including internal control, risk management, internal audit and monitoring and assessing the audit. The Audit Committee convenes four times a year, prior to approving each interim report and financial statements. If necessary, the Audit Committee convenes more frequently. The Audit Committee has three members who must be independent of the company.

Between January 1 and March 13, 2012, the members of the Audit Committee of YIT Corporation's Board of Directors were Michael Rosenlew (Chairman), Eino Halonen and Satu Huber. At its organisational meeting on March 13, 2012, the Board elected Michael Rosenlew as Chairman and Reino Hanhinen and Satu Huber as members of the Audit Committee from among its number.

The Audit Committee convened four times during 2012, of which three meetings were as the new Committee after March 13, 2012. The members' total attendance rate was 92%. Timo Lehtinen, CFO, was the secretary of the Committee, and Juhani Pitkäkoski, President and CEO, and Ari Ladvelin, Director of Internal Audit, also attended the committee meetings. The auditor with principal responsibility, Heikki Lassila (PricewaterhouseCoopers) also attended the meetings, as did members of the company's management, depending on the matters dealt with by the meeting.

During the financial period, the Audit Committee focused on, for example, preparation of financing arrangements, making use of working capital in the group more efficient, ensuring and monitoring the implementation of the company's information management strategy and IT projects as well as the review of the risk, litigation and claim management processes.

Personnel Committee in 2012

The Board meeting held on March 13, 2012, changed the name of the Nomination and Rewards Committee to the Personnel Committee and ratified the committee's charter. According to it, the task of the Personnel Committee is to assist the Board of Directors in matters related to nominating and rewarding key personnel within the Group. Among other things, the Personnel Committee prepares proposals for the development of the Group's corporate culture and HR policy, remuneration and incentive schemes, the rules for performance bonuses and the bonuses paid to the management. In addition, identifying talents, the development of key personnel and planning for management replacements fall under the preparation responsibility of the Committee.

Between January 1 and March 13, 2012, the members of the Nomination and Rewards Committee of YIT Corporation's Board of Directors were Henrik Ehrnrooth (Chairman) and Eino Halonen, Reino Hanhinen and Antti Herlin. At its organisational meeting held on March 13, 2012, the Board elected Henrik Ehrnrooth as chairman and Reino Hanhinen and Antti Herlin as members of the Personnel Committee.

In 2012, the Personnel Committee (and previous Nomination and Rewards Committee) convened six times, of which four meetings were held after March 13, 2012. The members' total attendance rate was 85%. Key tasks of the Personnel Committee for 2012 included target setting and performance bonus rules of the long term incentive scheme and identifying key personnel.

BOARD MEMBER MEETING PARTICIPATION JANUARY 1 – DECEMBER 31, 2012

	Board of Directors	Working Committee	Audit Committee	Personnel Committee
Henrik Ehrnrooth	12/12	9/9	-	6/6
Kim Gran	9/12	-	-	-
Eino Halonen *)	0/1	-	0/1	0/2
Reino Hanhinen	12/12	8/9	3/3	6/6
Antti Herlin	9/12	-	-	5/6
Satu Huber	12/12	-	4/4	-
Michael Rosenlew	12/12	8/9	4/4	-
Average attendance rate	**90%**	**93%**	**92%**	**85%**

*) Eino Halonen was a member of the Board of Directors, Audit Committee and Nomination and Rewards Committee until March 13, 2012. The Board convened once, the Audit Committee once and the Nomination and Rewards Committee twice before March 13, 2012.

PRESIDENT AND CEO AND HIS DEPUTY

The President and CEO attends to the day-to-day administration of the company in accordance with the instructions and regulations laid down by the Board of Directors. He also ensures that the company's accounting is lawful and asset management is organised reliably. The President and CEO is also responsible for reporting to the Board of Directors. The President and CEO serves as the chairman of the Group's Management Board and as the chairman of the Boards of the Group's business segment parent companies.

The Board of Directors decides on the CEO's remuneration and other terms of employment. YIT Corporation's President and CEO has been Juhani Pitkäkoski (born 1958), LL.M., since November 2008, with Kari Kauniskangas (born 1974), M.Sc. (Eng.), B.Sc. (Econ.), acting as his deputy.

THE GROUP'S MANAGEMENT BOARD

The Group's Management Board assists the President and CEO with operational planning and management and prepares matters that are to be processed by the Board of Directors of the parent company. The heads of the segments report to the President and CEO of YIT Corporation.

Between January 1 and December 31, 2012, the Group's Management Board comprised of:

- Juhani Pitkäkoski, President and CEO (Chairman)
- Kari Kauniskangas, Deputy to the Group's President and CEO (Vice Chairman), head of the International Construction Services business segment
- Matti Malmberg, head of the Building Services Northern Europe business segment
- Karl-Walter Schuster, head of the Building Services Central Europe business segment
- Tero Kiviniemi, head of the Construction Services Finland business segment
- Timo Lehtinen, Chief Financial Officer of the Group
- Sakari Toikkanen, Senior Vice President, Business Development
- Pii Raulo, Senior Vice President, Human Resources.

The Management Board was complemented by appointing Juha Kostiainen, Senior Vice President, Urban Development and Corporate Relations, as member of the Group's Management Board as of November 1, 2012. The Senior Vice President, Business Development, served as the secretary of the Management Board.

In 2012, some of the Management Board meetings were held with an extended line-up so that Hanna-Maria Heikkinen, Vice President, Investor Relations, Janne Järvinen, Senior Vice President, Procurement, and Virva Salmivaara, Senior Vice President, Corporate Communications, until April 9, 2012, and Päivi Alakuijala, Senior Vice President, Corporate Communications, as of September 10, 2012, also took part in the meetings. The meetings of the extended Management Board particularly reviewed matters related to the Group's business development and related plans.

An up-to-date presentation of the Group management can be found on the company's website.

AUDITOR

The Annual General Meeting in 2012 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, to auditthe company's governance and accounts in 2012. The auditor with the main responsibility is Heikki Lassila, Authorised Public Accountant, who has been the company's chief auditor since 2008.

MANAGEMENT'S SHARE OWNERSHIP

On December 31, 2012, the members of YIT Corporation's Board of Directors as well as the President and CEO and his deputy held a total of 16,700,860 YIT shares (December 31, 2011: 16,586,490), corresponding to 13.1 percent of the company's shares and the votes conferred by them (December 31, 2011: 13.0%). Share ownership includes individuals' direct holdings and the holdings of their close associates and controlled corporations.

YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which were conveyed as a directed share issue without consideration. In the share issue, 130,976 YIT Corporation shares were issued and conveyed without consideration to the key persons participating in the Share Ownership Plan according to the terms and conditions of the plan. During 2012, 18,139 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,839,577 treasury shares at the end of December 2012.

SHARES HELD BY THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO, HIS DEPUTY AND THE GROUP'S MANAGEMENT BOARD, DECEMBER 31, 2012

	Shares	% of shares outstanding
Board of Directors	16,657,280	13.09
President and CEO	36,760	0.03
Deputy to the President and CEO	6,820	0.01
The Group's Management Board excluding the President and CEO and his deputy	39,192	0.03
Total	**16,740,052**	**13.16**

The ownership information is presented in more detail in the notes to the Financial Statements for 2012. Up-to-date information can be found on YIT's website.

LOANS TO ASSOCIATED PARTIES

The President and CEO, his deputy and the members of the Board of Directors did not have cash loans from the company or its subsidiaries on December 31, 2012.

PENSION, RETIREMENT AGE AND TERMINATION COMPENSATION

The retirement age of the President and CEO and that of his deputy has been set at 62. The pension amounts to 60 percent of salary accounted according to Finnish employment pension law.

The contractual period of notice for the CEO and his deputy is six months. If the company terminates his contract, the CEO and his deputy shall also be paid separate compensation amounting to 12 months' salary.

Major events during the financial period

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

The Annual General Meeting is the Group's highest decision-making body. The Annual General Meeting makes decisions on matters falling within the competence of the general meeting by virtue of the Companies Act and the Articles of Association, such as the election of the Chairman, Vice Chairman and members of the Board, and the remuneration paid to them, amendments to the Articles of Association, decisions leading to changes in the share capital and decisions relating to the purchase and disposal of the company's shares.

YIT Corporation's Annual General Meeting was held on March 13, 2012. The Annual General Meeting adopted the 2011 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. It was decided that a dividend of EUR 0.70 will be paid per share, or a total of EUR 87.7 million, as proposed by the Board of Directors. March 16, 2012, was set as the record date and April 11, 2012, as the payout date. No dividend was paid to treasury shares.

The Annual General Meeting resolved to elect a Chairman, Vice Chairman and four ordinary members to the Board of Directors. Henrik Ehrnrooth was elected as Chairman of the Board, Reino Hanhinen was elected as the Vice Chairman, and Kim Gran, Antti Herlin, Satu Huber and Michael Rosenlew were elected as Board members.

It was resolved to pay the Board of Directors remuneration as follows: the Chairman EUR 6,600 per month (EUR 79,200 per year), the Vice Chairman EUR 5,000 per month (EUR 60,000 per year) and the Board members EUR 3,900 per month (EUR 46,800 per year). It was decided to pay the Board members a meeting fee of EUR 550 for each meeting. In addition, the members of Board Committees are paid a meeting fee of EUR 550 for each Committee meeting. The Board members are paid per diems for trips in Finland and abroad in accordance with the state's travelling compensation regulations.

The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, to audit the administration and accounts of the financial period. Heikki Lassila, Authorised Public Accountant, appointed by PricewaterhouseCoopers Oy, continued as chief auditor. The auditor's fees will be paid against their invoices approved by the company.

The Annual General Meeting authorised the Board of Directors to decide on the purchase of company shares as proposed by the Board of Directors. The authorisation covers the purchasing of a maximum of 10,760,000 company shares using the company's unrestricted equity. The authorization is valid until March 31, 2013.

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

CAPITAL EXPENDITURE AND ACQUISITIONS

Gross capital expenditures on non-current assets included on the balance sheet totalled EUR 44.6 million (1–12/2011: EUR 48.7 million) during January-December, representing 0.9 percent (1–12/2011: 1.1%) of revenue. Investments in construction equipment amounted to EUR 16.2 million (1–12/2011: EUR 15.5 million) and investments in information technology to EUR 9.2 million (1–12/2011: EUR 9.5 million). Other investments, including acquisitions, amounted to EUR 19.2 million (1–12/2011: EUR 23.7 million).

During 2012, YIT made a total of eight acquisitions. A more detailed description of acquisitions made during the review period can be found in the Notes to the Financial Statements. When assessing acquisitions, YIT's goal is to acquire companies that support YIT's strategy of becoming the leading building system service provider in the Nordic countries and Central Europe. The acquired company's business culture, areas of competence and payback time for the purchase price of the acquired company are key criteria.

RESEARCH AND DEVELOPMENT

The development of personnel and operating systems is part of YIT's daily business operations. Three new business development programmes were presented in connection with the Capital Market Day in September 2012: the Green Solutions development programme covering the entire Group, aiming to create new business opportunities by investing in energy efficiency and environmental friendliness; the Best Living Experience programme focusing on customer orientation and innovative housing solutions in Construction Services; and the Building Service Efficiency development programme, which focuses particularly on improving the efficiency of service and maintenance operations in Building Services.

The Group's investments in research and development efforts in 2012 amounted to approx. EUR 21.5 million, representing 0.5 percent of revenue. In 2011, investments in research and development amounted to EUR 20.1 million (0.5 percent of revenue) and in 2010, EUR 17.5 million (0.5 percent of revenue).

Personnel

In 2012, the Group employed 25,833 people on average (1–12/2011: 26,254). At the end of the year, the Group employed 25,283 people (12/2011: 25,996). In 2012, YIT employed more than 2,000 trainees. At the end of 2012, 87 percent of the Group's personnel were male (2011: 88%) and 13 percent female (2011: 12%). The personnel expenses for 2012 amounted to a total of EUR 1,410.6 million (1–12/2011: EUR 1,357.2 million).

The number of personnel was adjusted to match the market position, particularly within industrial services in Denmark, Sweden and Finland. In practice, this meant termination of fixed-term employment contracts, lay-offs and dismissals. Some of the adjustments were carried out through internal transfers and pension arrangements.

Management by key performance indicators is the Group's management system. Personal objectives derived from the strategy are agreed during performance development discussions and their realisation is monitored. Management by key performance results is supported by the use of performance-based pay, rewarding good performance and improving personnel motivation and commitment. Bonus size depends not only on the financial results, but also on the achievement of key personal results. Other rewards include years-of-service bonuses, competitive supplements and benefits, excellent training opportunities and managerial training.

Occupational safety and well-being at work were key focus areas for YIT in 2012. Both areas were promoted by supporting supervisors' managerial skills, harmonising guidelines, piloting new or developing existing systems, investing in predictive and early intervention and emphasising the importance of the example of the management and attitude in general. Monitoring of the development of occupational safety and accident rates is an integral part of the work of YIT's Management Board. Occupational safety is measured using a common indicator (number of accidents per one million hours worked). In 2012, the accident frequency rate was 11 (1–12/2011: 14).

The organisation of well-being at work and occupational health care varies by country, but this theme became part of Management Board discussions and closer follow-up during 2012. In Finland, the country with the highest number of employees, the early intervention model has been implemented in the line organisation and a disability risk monitoring system is being piloted. Performance and development discussions are a channel of influence included in YIT's corporate

PERSONNEL BY BUSINESS SEGMENT

	12/12	12/11	Change	12/12	9/12	Change
Building Services Northern Europe	**15,159**	15,900	-5%	**15,159**	15,538	-2%
Building Services Central Europe	**3,380**	3,506	-4%	**3,380**	3,441	-2%
Construction Services Finland	**3,540**	3,429	3%	**3,540**	3,635	-3%
International Construction Services	**2,808**	2,753	2%	**2,808**	2,782	1%
Corporate Services	**396**	408	-3%	**396**	392	1%
Group, total	**25,283**	**25,996**	**-3%**	**25,283**	**25,788**	**-2%**

PERSONNEL BY COUNTRY

	12/12	12/11	Change	12/12	9/12	Change
Finland	**8,868**	9,165	-3%	**8,868**	9,160	-3%
Sweden	**4,492**	4,770	-6%	**4,492**	4,542	-1%
Norway	**3,642**	3,602	1%	**3,642**	3,708	-2%
Germany	**2,450**	2,627	-7%	**2,450**	2,502	-2%
Russia	**2,650**	2,498	6%	**2,650**	2,647	0%
Denmark	**1,104**	1,218	-9%	**1,104**	1,158	-5%
Baltic countries	**991**	1,067	-7%	**991**	972	2%
Other countries (Central Europe excluding Germany)	**1,086**	1,049	4%	**1,086**	1,099	-1%
Group, total	**25,283**	**25,996**	**-3%**	**25,283**	**25,788**	**-2%**

culture, contributing to well-being at work. The new personnel survey now makes it possible to monitor the usefulness of these discussions.

YIT commits, motivates and develops its personnel in several ways in different countries. Opportunities for professional development and extending employee competence are provided through the company's internal and external training, reflective methods (such as mentoring, 360 degrees), vocational degree training, on-the-job learning and career development by means of active job rotation. The aim is also to be a desired employer in the future. The key areas of development in 2012 were the development of operations and supervisory work in accordance with YIT's values, responsible and long-term orientation of new recruits, systematic cooperation with educational institutions, identification and development of critical talent and potential successors as well as promoting productive, safe and healthy work in our company. During 2012, the foundation was laid for more uniform talent management and a joint personnel survey, YIT Voice, with both supervisor and commitment indices, was launched. YIT Kausta was certified as a successfully working company in Lithuania in 2012. YIT has also been rewarded as the most responsible employer of summer trainees in Finland in 2011 and 2012.

SHARE-BASED INCENTIVE SCHEME

YIT has implemented a share-based incentive scheme to support the company's strategy for profitable growth and supplement the already available incentive schemes. The scheme aims at promoting the employees in determined work, rewarding their good performance and committing them to long-term persistent work. Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

The scheme consists of three vesting periods during 2010–2012. Shares will be handed over in 2011, 2012 and 2013 based on the performance the previous year. A total of approximately 700,000 shares can be annually rewarded, of which a maximum of 20,000 go to the President and CEO. Furthermore, employees included within the scope of the incentive scheme will receive part of their reward in cash to cover the deferred taxes and other charges ordered by the authorities caused by the share rewards. Employees included within the scope of the incentive scheme are obligated not to transfer their shares during the commitment period. The commitment period for shares obtained for the earnings period 2010 is two years and the commitment period for shares obtained for the 2011–2012 earnings periods is three years. If the employment of an employee included within the scope of the scheme is terminated during the commitment period, the employee must return any shares obtained as rewards to the company free of charge. Under all circumstances, the Board has the right to amend the bonuses in a reasonable manner.

The Board of the company annually decides on the performance criteria and the employees included in the scope of the incentive scheme. In 2012, the share bonus criteria included the return on investment of the segment and the group as well as the revenue growth. The incentive scheme covered about 250 people in 2012, and its cost effect was about EUR 5.1 million in January–December (1–12/2011: EUR 3.4 million). The conveyance of shares in accordance with the incentive scheme is described in more detail under the chapter Management's share ownership.

Environmental issues

The environmental impacts of YIT's operating environment can be divided into two areas: the environmental impacts of YIT's own operations and the environmental impacts of the customers' operations that YIT can influence through its products and services. The latter is considerably more significant to the environment, and consequently, YIT has decided to invest in the development of products and services that focus on mitigating environmental impacts. The group-wide Green Solutions development programme, which aims to pay particular attention to the development of YIT's products and services and increasing the environmental friendliness of YIT's own operations, was launched in 2012.

During 2012, each segment was set targets for the development of the environmental friendliness of products and services. International Construction Services, for example, committed to implement new buildings in the future as 20% more energy-efficient compared to local requirements. Construction Services Finland started a number of pilot projects that test the properties of diverse new technological solutions. Building Services aim to develop even more advanced technical solutions and services to increase energy efficiency in buildings, for example.

Material and energy usage, waste management and emissions from infrastructure construction and maintenance, service vehicles and transportation are significant environmental issues in YIT's own operations. YIT aims to continuously reduce the environmental impacts of its operations and improve energy efficiency. All waste generated is managed appropriately, and the aim is to minimise material wastage. In 2012, YIT committed to reduce its carbon dioxide emissions by 40 percent compared to 1990 by 2020.

In 2012, ISO 14001-certified business operations covered 49 percent of the Group's revenue (2011: 47%). The certificate helps in developing environmental management and improving the level of environmental protection within the company. YIT also actively participates in diverse international networks related to environmentally friendly construction, such as the country-specific Green Building Council networks in Finland, Sweden, Norway, Germany and Russia. In 2012, YIT signed the Nordic Built Charter cooperation agreement, under which the company commits to implement the principles of sustainable construction, develop technologies and share best practices in the Nordic countries.

Strategic targets and their achievement

YIT Corporation's Board of Directors confirmed the Group's strategy for 2013–2014 on September 20, 2012. The key strategic objective is increasingly focused, balanced and profitable growth. It was decided that the Group's strategic long-term targets are to be kept unchanged: average annual revenue growth of more than 10 percent, return on investment of 20 percent, operating cash flow after invest-

ACHIEVEMENT OF STRATEGIC TARGETS

YIT's financial targets	Target level	Actual 2012*
Revenue growth	More than 10 percent annually on average	3%
Return on investment	20 percent	14.2%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt	EUR 90.4 million
Equity ratio	35 percent	35.4%
Dividend payout	40–60 percent of net profit for the period	54.9%**)

*) Based on segment reporting
**) Board of Directors' proposal to the Annual General Meeting to be held on March 15, 2013.

ments sufficient for dividend payout and reduction of debt, equity ratio of 35 percent and dividend payout of 40–60 percent of net profit for the period. The target levels are based on figures reported by the company on the basis of the percentage of completion in accordance with the current emphasis. When determining the target levels, the assumption was made that economic growth in YIT's market areas will continue.

In terms of business operations, the focus areas for YIT's growth continue to be building systems service and maintenance operations and residential construction. Growth is being sought organically and through acquisitions. Particular focus areas for growth include residential construction in Russia and building services in Germany.

To support its strategic goals, YIT has launched three development programmes which focus on energy-efficient solutions, the best quality living experience and efficient building services. Building Services Northern Europe will focus on improving profitability and strengthening its cash flow. In addition to increasing the share of service and maintenance business, Building Services Central Europe will seek to strengthen its position during the strategy period, particularly in large Design & Build projects. In residential construction, YIT is investing in innovative solutions and strengthening its forerunner status. In Construction Services Finland, YIT is responding to customer demand by particularly increasing the production of moderately priced housing during the strategy period. YIT aims to expand in building system services in the German-speaking region further. In International Construction Services, the company is focusing on expanding in Russia. The focus of operations in all construction business areas is on increasing the share of own development production.

YIT published a stock exchange release on the confirmation of the strategy on September 21, 2012, and materials for the Capital Market Day focusing on the strategic focus areas on September 25, 2012.

Key figures based on group reporting (IFRS, IFRIC 15)

APPLICATION OF IFRIC 15 INTERPRETATION

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period that began on January 1, 2010. Due to the application of the interpretation, Group-level reporting and segment-level reporting differ. The key difference is that residential developments are only recognised in Group-level figures when a project is completed, while in segment reporting they are recognised as the construction progresses. The difference between the accounting policies is reported as an IFRIC 15 adjustment.

The Group's financial performance is presented using both figures compliant with Group-level reporting and figures compliant with segment reporting, referred to as the performance of the segments or the segments total figure.

The effects of the application of the interpretation on the figures have been explained in more detail in the notes to the Financial Statements for 2012.

	2012	**2011**	**2010**
Income statement summary			
Revenue, EUR million	**4,705.9**	4,382.1	3,787.6
Operating profit, EUR million	**259.2**	200.0	220.1
% of revenue	**5.5**	4.6	5.8
Profit before taxes, EUR million	**238.0**	175.2	194.8
Profit for the review period, EUR mill.	**179.9**	125.0	140.6
Attributable to			
Equity holders of the parent company, EUR million	**178.7**	124.4	140.3
Minority interest, EUR million	**1.2**	0.6	0.3
Other key figures			
Operating cash flow after investments, EUR million	**90.4**	-17.3	-61.7
Return on equity, %	**18.4**	13.9	17.1
Return on investment, %	**14.6**	12.0	14.4
Equity ratio, %	**33.2**	30.2	31.9
Net interest-bearing debt, EUR mill.	**746.2**	740.4	640.9
Gearing ratio, %	**72.1**	80.4	72.6
Net debt/Operating profit before depreciation and impairment	**2.4**	3.0	2.5
Gross capital expenditures on non-current assets, EUR million	**44.6**	48.7	129.7
% of revenue	**0.9**	1.1	3.4
Research and development expenditure, EUR million	**21.5**	20.1	17.5
% of revenue	**0.5**	0.5	0.5
Unrecognised order backlog at the end of the period, EUR million	**4,245.1**	4,148.6	3,535.7
of which order backlog outside Finland	**2,273.3**	2,066.9	1,857.7
Number of personnel at Dec 31	**25,283**	25,996	25,832
Number of personnel on average during the year	**25,833**	26,254	24,317

	2012	**2011**	**2010**
Share-related key figures			
Earnings/share, EUR	**1.43**	0.99	1.12
Earnings/share, diluted, EUR	**1.43**	0.99	1.12
Equity/share, EUR	**8.23**	7.33	7.04
Dividend/share, EUR	**0.75***)	0.70	0.65
Dividend per earnings, %	**52.6***)	70.5	57.9
Effective dividend yield, EUR	**5.1**	5.7	3.5
Price/earnings ratio (P/E)	**10.3**	12.5	16.7
Share price trend			
Average price, EUR	**14.90**	15.28	16.35
Low, EUR	**11.87**	10.04	12.98
High, EUR	**17.25**	21.92	19.00
Price at Dec 31, EUR	**14.78**	12.38	18.65
Market capitalisation at Dec 31, EUR million	**1,853.2**	1,550.9	2,332.7
Share turnover trend			
Share turnover, thousands	**96,887**	151,023	127,537
Share turnover of shares outstanding	**77.3**	120.6	102.0
Weighted average share-issue adjusted number of shares outstanding, thousands	**125,352**	125,210	125,078
Weighted average share-issue adjusted number of shares outstanding, diluted, thousands	**125,352**	125,210	125,078
Share issue-adjusted number of shares outstanding at Dec 31, thousands	**125,384**	125,271	125,078

*) Board of Directors' proposal

Key figures based on segment reporting (POC)

	2012	2011	2010
Income statement summary			
Revenue, EUR million	**4,675.9**	4,524.7	3,847.0
Operating profit, EUR million	**248.8**	240.5	229.1
% of revenue	**5.3**	5.3	6.0
Profit before taxes, EUR million	**227.6**	215.8	203.8
Profit for the review period, EUR million	**172.2**	157.7	146.1
Attributable to			
Equity holders of the parent company, EUR million	**171.2**	156.7	145.5
Minority interest, EUR million	**1.0**	1.0	0.6

	2012	2011	2010
Other key figures			
Operating cash flow after investments, EUR million	**90.4**	-17.3	-61.7
Return on equity, %	**16.4**	16.4	17.0
Return on investment, %	**14.2**	14.8	15.4
Equity ratio, %	**35.4**	32.9	34.2
Net interest-bearing debt, EUR million	**674.2**	642.0	532.8
Gearing ratio, %	**61.0**	64.4	57.5
Net debt/Operating profit before depreciation and impairment	**2.2**	2.2	2.0
Gross capital expenditure, EUR million	**44.6**	48.7	129.7
% of revenue	**0.9**	1.1	3.4
Research and development expenditure, EUR million	**21.5**	20.1	17.5
% of revenue	**0.5**	0.5	0.5
Order backlog on Dec 31, MEUR	**3,901.5**	3,752.7	3,250.2
Operations outside Finland, MEUR	**2,055.4**	1,823.9	1,769.8

	2012	2011	2010
Share-related key figures			
Earnings/share, EUR	**1.37**	1.25	1.16
Earnings/share, diluted, EUR	**1.37**	1.25	1.16
Equity/share, EUR	**8.78**	7.93	7.38
Dividend/share, EUR	**0.75***)	0.70	0.65
Dividend/earnings, %	**54.9***)	56.0	55.9
Effective dividend yield, EUR	**5.1**	5.7	3.5
Price/earnings ratio (P/E)	**10.8**	9.9	16.1

*) Board of Directors’ proposal

Definitions of key financial figures

Return on investment (ROI, %) =	Profit before taxes + interest expenses + other financial expenses +/- exchange rate differences x 100 / Balance sheet total – capitalised interest – non-interest bearing liabilities (average)
Return on operative invested capital (%) =	Segment's operating profit + interest included in operating profit / Segment's operative invested capital (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies + investments + inventories + trade receivables + other non-interest bearing operational receivables *) - provisions – trade payables – advances received – non-interest bearing liabilities *) *) excluding items associated with taxes, distribution of profit and financial items
Return on equity (%) =	Net profit for the financial year x 100 / Shareholder's equity + non-controlling interest (on 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
Net debt/Operating profit before depreciation and impairment =	Interest-bearing liabilities – liquid financial assets / Operating profit before depreciation and impairment + interest expenses included in operating profit
Share issue-adjusted earnings per share (EUR) =	Net profit for the financial year (attributable to equity holders) / Share issue-adjusted average number of outstanding shares during the period
Equity/share (EUR) =	Shareholders' equity / Share issue-adjusted number of outstanding shares on December 31
Share issue-adjusted dividend per share (EUR) =	Dividend per share for the financial period / Adjustment ratios of share issues during the period and afterwards
Dividend per earnings (%) =	Dividend per share x 100 / Earnings per share
Effective dividend yield (%) =	Share issue-adjusted dividend per share x 100 / Share issue-adjusted share price on December 31
Price per earnings ratio (P/E ratio) =	Share issue-adjusted share price on December 31 / Share issue-adjusted earnings per share
Market capitalisation =	(Number of shares – treasury shares) x share price on the closing date by share series
Share turnover (%) =	Number of shares traded x 100 / Average number of outstanding shares

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

	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Revenue, EUR million	**4,705.9**	4,382.1	7%	**1,284.9**	1,190.4	8%
Operating profit, EUR million	**259.2**	200.0	30%	**72.8**	57.5	27%
Operating profit margin, %	**5.5**	4.6		**5.7**	4.8	
Profit before taxes, EUR million	**238.0**	175.2	36%	**67.3**	49.9	35%
Profit for the review period, EUR million [1)]	**178.7**	124.4	44%	**49.1**	34.9	41%
Earnings/share, EUR	**1.43**	0.99	44%	**0.39**	0.27	44%
Operating cash flow after investments, EUR million	**90.4**	-17.3		**87.3**	14.1	519%

1) attributable to equity holders of the parent company

	12/12	12/11	Change	12/12	9/12	Change
Order backlog, EUR million	**4,245.1**	4,148.6	2%	**4,245.1**	4,462.0	-5%
Return on investment (last 12 months) %	**14.6**	12.0		**14.6**	13.7	
Equity ratio, %	**33.2**	30.2		**33.2**	31.6	
Gearing ratio, %	**72.1**	80.4		**72.1**	83.7	

Revenue based on Group reporting increased by 7 percent compared to the previous year, amounting to EUR 4,705.9 million in January–December (1–12/2011: EUR 4,382.1 million). In Group-level reporting, own residential development projects are only recognised as income upon project delivery. The completion schedules for own development projects affect the Group's revenue recognition, and therefore Group-level figures may fluctuate greatly between different quarters.

Following the IFRIC 15 adjustment, the Group's operating profit for January–December increased by 30 percent compared to the previous year, amounting to EUR 259.2 million (1–12/2011: EUR 200.0 million). Following the IFRIC 15 adjustment, the Group's operating profit margin for January–December was 5.5 percent (1–12/2011: 4.6%).

Profit before taxes based on Group reporting increased by 36 percent compared to the previous year, amounting to EUR 238.0 million in January–December (1–12/2011: EUR 175.2 million). Earnings per share based on Group reporting increased by 44 percent from the year before in January–December, amounting to EUR 1.43 (1–12/2011: EUR 0.99).

In 2012, the effective tax rate based on Group reporting was 24.4 percent (1–12/2011: 28.7%). The reasons for the decrease in the tax rate were, among other things, a lower corporate tax rate in Finland and the deduction of earlier losses in Russia. Furthermore, a larger portion of profit than before was generated in countries with a lower tax rate.

The order backlog based on Group reporting amounted to EUR 4,245.1 million at the end of December (12/2011: EUR 4,148.6 million).

Return on investment amounted to 12.0 percent for the last 14.6 months (1–12/2011: 12.0%). At the end of December, the Group's invested capital amounted to EUR 1,941.0 million (12/2011: EUR 1,855.8 million). Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total. The balance sheet total at the end of December was EUR 3,682.0 million (12/2011: EUR 3,504.5 million).

Of the Group's invested capital, 30 percent (12/2011: 26%), or EUR 585.2 million (12/2011: EUR 485.7 million) was invested in Russia. The Group's capital tied up in Russia was primarily accounted for by the International Construction Services segment. Smaller project sizes, gradual building in projects, sales of residential units at an earlier construction phase, improved terms of payment and an increased share of mortgage deals all increased capital efficiency.

The equity ratio based on Group reporting increased compared to the end of December 2011, amounting to 33.2 percent (12/2011: 30.2%).

Cash flow and financial position

STRONG CASH FLOW THROUGHOUT THE YEAR

The Group's operating cash flow after investments for 2012 amounted to EUR 90.4 million (1–12/2011: EUR -17.3 million). Operating cash flow for 2012 was affected particularly by growth in the sales inventory of own developed project production, plot investments in Russia and, on the other hand, a strong cash flow Building Services Northern Europe and Construction Services Finland.

DIVERSE CAPITAL STRUCTURE AND GOOD LIQUIDITY POSITION

YIT's financing consists of diverse sources of financing and its liquidity position remained good at the end of December 2012. Cash and cash equivalents amounted to EUR 175.7 million at the end of December (12/2011: EUR 206.1 million). In addition, undrawn overdraft facilities and committed credit facilities amounted to a total of EUR 358.7 million. YIT had a total of EUR 280 million in committed credit facilities, of which EUR 30 million falls due in December 2014 and EUR 250 million in December 2015. These committed credit facilities do not include an obligation to maintain financial key ratios, i.e. covenants.

The gearing ratio decreased clearly compared with the end of December 2011 as the result of the good cash flow, amounting to 72.1 percent at the end of December (12/2012: 80.4%). Net interest-bearing debt remained at the level of the end of 2011 and amounted to EUR 746.2 million (12/2011: EUR 740.4 million)

Net financial expenses decreased in January–December compared to the previous year and amounted to EUR 21.2 million (1–12/2011: EUR 24.8 million), or 0.5 percent of the Group's revenue (1–12/2011: 0.6%). The net financial expenses include EUR 17.4 million of capitalisations of interest expenses in compliance with IAS 23 (1–12/2011: EUR 12.2 million). The exchange rate differences included in the net financial expenses, totalling EUR -5.8 million (1–12/2011: EUR -4.1 million), were comprised almost entirely of the costs of hedging debt investments in Russia.

The hedged ruble exposure increased from the end of the previous year. At the end of December 2012, EUR 125.2 million of the capital invested in Russia were comprised of debt investments (12/2011: EUR 85.7 million) and EUR 460.0 million were equity investments or similar fixed net investments (12/2011: EUR 400.0 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

Borrowings decreased and amounted to EUR 921.9 million at the end of December (12/2011: EUR 946.6 million), and the average interest rate was 3.1 percent (12/2011: 3.2%). Fixed-interest loans accounted for approximately 75 percent of the Group's borrowings (12/2011: approximately 50%). Of the loans, approximately 40 percent had been raised directly from the capital and money markets (12/2011: 41%), approximately 45 percent from banks and other financial institutions (12/2011: 45%) and approximately 15 percent from insurance companies (12/2011: 13%).

The maturity distribution of long-term loans was balanced. A total of EUR 106.0 million of long-term loans will mature during 2013. Long-term fixed-rate TyEL loans and new interest hedges increased the proportion of fixed interest rates in YIT's loan portfolio during the fourth quarter.

The total amount of construction-stage contract receivables sold to financial institutions amounted to EUR 265.5 million at the end of December (12/2011: EUR 265.6 million). Of this amount, EUR 175.4 million is included in current borrowings on the balance sheet (12/2011: EUR 221.8 million) and the remainder comprises off-balance sheet items in accordance with IAS 39. Interest expenses on receivables sold to financial companies amounted to EUR 4.0 million during the review period (1–12/2011: EUR 5.1 million) and these are fully included in the financial expenses.

Participations in the housing corporation loans for unsold completed residential units amounted to EUR 77.5 million at the end of December (12/2011: EUR 45.1 million), and they are included in current borrowings. The interest on the participation is included in housing corporation charges and is thus booked in project expenses. Interest on the participations amounted to EUR 2.2 million in the review period (1–12/2011: EUR 1.4 million).

During the second quarter, YIT Corporation paid out dividends of EUR 87.7 million for 2011 in compliance with the resolution of the Annual General Meeting.

The Group's solid financial position enables the implementation of YIT's growth strategy and the acquisitions and plot investments required by it. On the other hand, the Group has also prepared for macroeconomic uncertainty by diversifying the sources of financing and maintaining a strong liquidity position.

Group financial development based on segment reporting (POC)

REVENUE OF BUSINESS SEGMENTS ON A PAR WITH THE PREVIOUS YEAR

Revenue, EUR million	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Building Services Northern Europe	**2,089.2**	2,097.6	0%	**552.7**	600.1	-8%
Building Services Central Europe	**714.2**	779.3	-8%	**195.8**	200.3	-2%
Construction Services Finland	**1,329.0**	1,226.9	8%	**342.6**	335.7	2%
International Construction Services	**599.6**	489.2	23%	**205.0**	145.9	41%
Other items	**-56.1**	-68.2		**-18.3**	-17.5	
Group, total	**4,675.9**	**4,524.7**	**3%**	**1,277.8**	**1,264.5**	**1%**

The revenue of YIT's segments was on a par with the previous year in January–December, amounting to EUR 4,675.9 million (1–12/2011: EUR 4,524.7 million). Revenue grew in International Construction Services and Construction Services Finland in 2012. The growth in revenue was supported by the high volume of housing production, continued good residential sales, project sales in business premises construction and favourable development of infrastructure services in Finland. Changes in foreign exchange rates increased the segments' revenue for January–December by EUR 60.6 million compared to the previous year.

In January–December, Finland accounted for 40 percent (1–12/2011: 40%) of the Group's revenue according to the segment reporting, Sweden for 15 percent (1–12/2011: 17%), Germany for 12 percent (1–12/2011: 14%), Norway for 12 percent (1–12/2011: 12%), Russia for 10 percent (1–12/2011: 7%), Denmark for 3 percent (1–12/2011: 4%), Austria for 3 percent (1–12/2011: 2%), the Baltic countries for 3 percent (1–12/2011: 2%) and other countries for 1 percent (1–12/2011: 1%).

OPERATING PROFIT OF THE SEGMENTS INCREASED COMPARED TO THE PREVIOUS YEAR

Operating profit, EUR million	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Building Services Northern Europe	**41.7**	78.8	-47%	**-3.8**	23.0	
Building Services Central Europe	**26.9**	33.3	-19%	**10.4**	9.3	11%
Construction Services Finland	**127.0**	111.6	14%	**38.1**	32.1	19%
International Construction Services	**73.9**	37.2	99%	**28.7**	17.4	65%
Other items	**-20.7**	-20.4		**-5.7**	-5.6	
Group, total	**248.8**	**240.5**	**3%**	**67.5**	**76.2**	**-11%**

Operating profit margin, %	1–12/12	1–12/11	10–12/12	10–12/11
Building Services Northern Europe	**2.0**	3.8	**-0.7**	3.8
Building Services Central Europe	**3.8**	4.3	**5.3**	4.6
Construction Services Finland	**9.6**	9.1	**11.1**	9.6
International Construction Services	**12.3**	7.6	**14.0**	11.9
Group, total	**5.3**	**5.3**	**5.3**	**6.0**

YIT's operating profit based on segment reporting increased by 3 percent compared to the previous year, amounting to EUR 248.8 million in January–December (1–12/2011: EUR 240.5 million). The operating profit margin based on segment reporting was 5.3 percent (1–12/2011: 5.3%). The operating profit for the review period includes EUR -13.6 million of borrowing costs according to IAS 23 (1–12/2011: EUR -9.4 million). The IAS 23 standard defines the recording method of borrowing costs in long-term construction projects.

In Building Services Northern Europe the profitability for completed projects and projects close to completion in the project business (especially in Sweden, Denmark and Norway) was lower than forecasted, and project forecast changes had a negative impact on results of approximately EUR 20 million during the fourth quarter. The operating profit for Building Services Central Europe, Construction Services Finland and International Construction Services increased from the previous year.

The depreciations booked by YIT amounted to EUR 44.9 million euros during the review period (1–12/2011: EUR 39.6 million). The change in depreciation was particularly due to the increased depreciation related to allocations from business combinations, amounting to EUR 14.5 million euros (1–12/2011: EUR 10.1 million).

ORDER BACKLOG REMAINED STRONG

Order backlog, EUR million	12/12	12/11	Change	12/12	9/12	Change
Building Services Northern Europe	**819.0**	913.1	-10%	**819.0**	904.9	-9%
Building Services Central Europe	**380.1**	449.5	-15%	**380.1**	435.5	-13%
Construction Services Finland	**1,499.0**	1,493.6	0%	**1,499.0**	1,541.0	-3%
International Construction Services	**1,266.1**	962.5	32%	**1,266.1**	1,207.4	5%
Other items	**-62.8**	-66.0		**-62.8**	-70.1	
Group, total	**3,901.5**	**3,752.7**	**4%**	**3,901.5**	**4,018.6**	**-3%**

The combined order backlog for YIT's segments was EUR 3,901.5 million at the end of September (12/2011: EUR 3,752.7 million) or approximately 4 percent higher than the previous year.

The order backlog for Building Services Northern Europe decreased compared to the previous year as the result of a weaker market situation. In addition, the order backlog of Building Services Central Europe decreased compared to the previous year, which was particularly due to a slowdown in large projects in Germany. The order backlog of International Construction Services grew clearly as a result of residential start-ups.

PROFIT BEFORE TAXES GREW

Profit before taxes based on segment reporting increased by 5 percent compared to the previous year, amounting to EUR 227.6 million in January–December (1–12/2011: EUR 215.8 million). Earnings per share based on segment reporting increased by 10 percent from the year before in 2012, amounting to EUR 1.37 (1–12/2011: EUR 1.25).

In 2012, the effective tax rate of the Group based on segment reporting was 24.3 percent (1–12/2011: 26.9%). The reasons for the decrease in the tax rate were, among other things, a lower corporate tax rate in Finland and the deduction of earlier losses in Russia. Furthermore, a larger portion of profit than before was generated in countries with a lower tax rate.

The return on investment based on segment reporting amounted to 14.2 percent for the last 12 months (1–12/2011: 14.8%). Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total.

Development by business segment

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

BUILDING SERVICES NORTHERN EUROPE

	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Revenue, EUR million	**2,089.2**	2,097.6	0%	**552.7**	600.1	-8%
Operating profit, EUR million	**41.7**	78.8	-47%	**-3.8**	23.0	-
Operating profit margin, %	**2.0**	3.8		**-0.7**	3.8	-
Return on operative invested capital (last 12 months), %	**12.2**	23.8		**-**	-	-

	12/12	12/11	Change	12/12	9/12	Change
Operative invested capital, EUR million	**320.6**	372.9	-14%	**320.6**	394.8	-19%
Order backlog, EUR million	**819.0**	913.1	-10%	**819.0**	904.9	-9%

Revenue, EUR million	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Sweden	**704.3**	706.5	-0%	**188.5**	213.9	-12%
Finland	**600.5**	637.2	-6%	**150.9**	173.1	-13%
Norway	**580.4**	528.6	10%	**155.6**	150.7	3%
Denmark	**145.6**	170.6	-15%	**37.8**	47.7	-21%
Russia and the Baltic countries	**58.5**	54.7	7%	**20.0**	14.7	36%
Total	**2,089.2**	**2,097.6**	**-0%**	**552.7**	**600.1**	**-8%**

The revenue for Building Services Northern Europe remained at the level of the previous year in January–December, amounting to EUR 2,089.2 million (1–12/2011: EUR 2,097.6 million). Changes in foreign exchange rates increased the revenue for the review period by EUR 49.8 million compared to the previous year.

The segment's operating profit for the review period decreased by 47 percent from the previous year to EUR 41.7 million (1–12/2011: EUR 78.8 million). In Building Services Northern Europe the operating loss in the fourth quarter amounted to EUR -3.8 million (operating profit 10–12/2011: EUR 23.0 million). The profitability of completed projects and projects close to completion in the project business (especially in Sweden, Denmark and Norway) was lower than forecasted, and project forecast changes had a negative impact on results of approximately EUR 20 million during the fourth quarter. In addition, costs related to the reorganisation of operations amounted to approximately EUR 3 million during the fourth quarter. The profitability of service and maintenance operations was at a satisfactory level. Contrary to normal seasonality the volume of service and maintenance business remained however lower than expected towards the end of the year as customers postponed and decreased additional service and maintenance work.

PROJECT OPERATIONS TARGETING IMPROVEMENT IN PROFITABILITY

New investments in building systems remained at a relatively low level. The high uncertainty over the general macroeconomic development has had a negative effect on decision-making by YIT's customers and thereby the order backlogs of the segment. YIT has accelerated the adjustment of its capacity due to the decreased project demand. In the future, YIT will aim to increase the share of service and maintenance business as well as strengthen its position, particularly in large Design & Build projects.

YIT will continue to focus on improving the profitability of Building Services Northern Europe: The restructuring of operations proceeded during the review period in all countries where Building Services Northern Europe operates. The earlier announced actions required to reach cost savings of EUR 40 million have been completed and personnel cuts amounting to 800 employees were finalised. As a result of the actions carried out the company anticipates that the profitability will improve during the current year. The efficiency of the segment's regional organisations has been enhanced during the review period, and organisation structures have been streamlined in order to improve the control and profitability of operations. YIT has increased the level of international procurement in its project business.

Cost adjustments will be continued particularly in project operations and negotiations are underway for further personnel cuts amounting to approximately 600 employees during 2013. The aim is to improve the profitability of project operations through more careful project selection, increasingly systematic risk management and making procurement more efficient. In addition to these efficiency improvement measures already under way, improvement in profitability is also being targeted by making the tendering process more efficient and centralising the project business and sufficient competence in centres of excellence. The criteria for the tendering process have been tightened clearly, and the number of offers prepared will be reduced. The systems and software used in offer calculations will be harmonised, and authorisations for approving projects have been made more stringent.

SERVICE AND MAINTENANCE OPERATIONS REMAIN AT PREVIOUS YEAR'S LEVEL

YIT's aims to be the leading provider of energy-efficient technical systems, solutions and life-cycle services in the Nordic countries. The target is to increase service and maintenance operations at a faster rate than other operations.

Service and maintenance operations generated EUR 1,322.6 million (1–12/2011: EUR 1,319.3 million), or 63 percent of the segment's total revenue in January–December (1–12/2011: 63%).

BUILDING SERVICES CENTRAL EUROPE

	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Revenue, EUR million	**714.2**	779.3	-8%	**195.8**	200.3	-2%
Operating profit, EUR million	**26.9**	33.3	-19%	**10.4**	9.3	11%
Operating profit margin, %	**3.8**	4.3		**5.3**	4.6	
Return on operative invested capital (last 12 months), %	**31.5**	53.8		**-**	-	

	12/12	12/11	Change	12/12	9/12	Change
Operative invested capital, EUR million	**98.9**	72.0	37%	**98.9**	113.7	-13%
Order backlog, EUR million	**380.1**	449.5	-15%	**380.1**	435.5	-15%

Revenue, EUR million	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Germany	**542.2**	633.2	-14%	**147.8**	162.8	-9%
Austria	**156.6**	107.0	44%	**44.4**	31.4	41%
Poland, the Czech Republic and other countries	**15.3**	39.1	-54%	**3.6**	6.1	-41%
Total	**714.2**	**779.3**	**-8%**	**195.8**	**200.3**	**-2%**

The revenue of Building Services Central Europe decreased by 8 percent in January–December compared to the previous year, amounting to EUR 714.2 million (1–12/2011: EUR 779.3 million). The decrease in revenue during the year was due to weakening demand, especially in the market for large projects in Germany, reorganisation of operations in Germany and Poland and the low level of activity in Central Eastern Europe. Revenue continued to increase clearly in Austria during the financial period and amounted to EUR 156.6 million (1–12/2011: EUR 107.0 million).

The operating profit for January–December decreased by 19 percent from the previous year to EUR 26.9 million (1–12/2011: EUR 33.3 million). The operating profit for the comparison period was improved by a sales gain of EUR 5 million from the divestment of Hungarian operations. During the second quarter of 2012, YIT initiated the restructuring of operations in Poland, aiming to decrease the share of project business and increase the share of profitable service and maintenance operations.

Demand in the Central European building systems market weakened slightly during the fourth quarter. The order backlog at the end of December amounted to EUR 380.1 million (12/2011: EUR 449.5 million). The order backlog at the end of December decreased by 15 percent on the previous year.

SERVICE AND MAINTENANCE REVENUE IS GROWING

Service and maintenance operations generated EUR 219.8 million (1–12/2011: EUR 191.7 million), or 31 percent of the segment's total revenue in January–December (1–12/2011: 25%). The share of service and maintenance was significantly lower in Building Services Central Europe than in Building Services Northern Europe (10–12/2012: 63%), and therefore the opportunities for increasing it in Building Services Central Europe are good. The volume of service and maintenance was already increasing, with its revenue increasing by 15 percent in 2012.

LOWER DEMAND IN THE GERMAN PROJECT MARKET

The demand for new building system investments was lower than the previous year. In particular, the level of activity in major projects slowed down in Germany.

CONSTRUCTION SERVICES FINLAND

	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Revenue, EUR million	**1,329.0**	1,226.9	8%	**342.6**	335.7	2%
Operating profit, EUR million	**127.0**	111.6	14%	**38.1**	32.1	19%
Operating profit excluding IAS 23 adjustment, EUR million	**134.1**	117.3	14%	**40.2**	33.8	19%
Operating profit margin, %	**9.6**	9.1		**11.1**	9.6	
Operating profit margin excluding IAS 23 adjustment, %	**10.1**	9.6		**11.7**	10.1	

	12/12	12/11	Change	12/12	9/12	Change
Operative invested capital, EUR million	**581.7**	558.4	4%	**581.7**	546.8	6%
- of which plot reserves, MEUR	**284.2**	294.6				
Order backlog, EUR million	**1,499.0**	1,493.6	0%	**1,499.0**	1,541.0	-3%

	1–12/12	1–12/11
Return on operative invested capital (last 12 months), %	**23.5**	24.0

The revenue for Construction Services Finland amounted to EUR 1,329.0 million in January–December and it increased by 8 percent from the previous year (1–12/2011: EUR 1,226.9 million).

The segment's operating profit increased by 14 percent in January–December compared to the previous year, amounting to EUR 127.0 million (1–12/2011: EUR 111.6 million). The operating profit for the review period includes EUR -7.1 million of borrowing costs according to IAS 23 (1–12/2011: EUR -5.7 million).

YIT has revised its estimate related to the definition of the 10-year liability for construction. The amendment had a positive impact of approximately EUR 6.1 million on the operating profit for the fourth quarter, the provision was EUR 42.5 million at the end of 2012 (12/2011: EUR 44.2 million).

The order backlog at the end of December remained on a par with the previous year, amounting to EUR 1,499.0 million (12/2011 EUR 1,493.6 million).

The segment's capital tied into plot reserves totalled EUR 284.2 million at the end of December (12/2011: EUR 294.6 million). The reserves included 1,796,000 square metres of residential plots (12/2011: 1,624,000) and 877,000 square metres of business premises (12/2011: 721,000).

GOOD RESIDENTIAL SALES TO CONSUMERS CONTINUED

Residential sales were on a par with the previous year in 2012. During 2012, YIT sold a total of 1,869 residential units directly to consumers (1–12/2011: 1,893), of which 453 were sold during the first quarter, 497 during the second, 414 during the third and 505 during the fourth quarter. The demand focused particularly on residential units in the final stages of construction and completed residential units. Housing prices remained stable during the review period. Interest rates remained low during 2012, but customers' access to financing became slightly more difficult towards the end of the year with banks tightening their credit terms. Development of consumer confidence and loan terms are key factors for the development of residential sales in 2013. In January the company sold approximately 110 residential units to consumers.

RESIDENTIAL CONSTRUCTION IN FINLAND, NUMBER OF RESIDENTIAL UNITS

	1–12/12	1–12/11	Change	10–12/12	7–9/12	4–6/12	1–3/12
Sold	**2,757**	2,765	0%	**597**	**668**	**717**	**775**
- of which directly to consumers	**1,869**	1,893	-1%	**505**	**414**	**497**	**453**
Start-ups	**2,856**	3,221	-11%	**531**	**770**	**996**	**559**
- of which directly to consumers	**1,968**	2,349	-16%	**439**	**516**	**776**	**237**
Completed	**2,722**	3,674	-26%	**579**	**591**	**936**	**616**
- of which directly to consumers	**2,364**	2,477	-5%	**427**	**591**	**847**	**499**
Under construction at the end of the period	**4,240**	4,105	3%	**4,240**	**4,288**	**4,109**	**4,049**
- of which sold at the end of the period	**2,409**	2,208	9%	**2,409**	**2,409**	**2,293**	**2,398**
For sale at the end of the period	**2,282**	2,180	5%	**2,282**	**2,348**	**2,245**	**1,966**
- of which completed	**451**	283	59%	**451**	**469**	**429**	**315**

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

The focus for YIT's housing construction is on residential development projects aimed directly at consumers in accordance with market demand. YIT started the construction of 1,968 residential units as own development projects in 2012. In addition, YIT started up the construction of a total of 888 residential units as free funded and subsidised projects as well as tender-based projects.

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

Of the residential units under construction, 57 percent have been sold (12/2011: 54%), which reduces YIT's sales risk. The sales inventory is focused on medium-priced residential production: over 70 percent of the residential units for sale are priced at less than EUR 300,000.

YIT is well prepared to adjust its residential production according to the market situation. The costs of completing the current residential and business premises development projects for sale amounted to EUR 274.0 million at the end of December 2012 (12/2011: EUR 346.4 million).

STABLE DEVELOPMENT IN THE BUSINESS AND OFFICE PREMISES MARKET CONTINUED

The development of the business and office premises market continued to be stable in 2012, and the order backlog of YIT's business and office premises operations remained at a favourable level. Competition for business premises contracts became tougher during the second half of the year. The leasing of business and office premises under construction proceeded well in January–December: lease agreements were signed for approximately 34,200 square metres of premises. Rents for business premises and investors' yield requirements remained stable in the fourth quarter.

ROAD PROJECTS PROCEEDED AS PLANNED IN INFRASTRUCTURE SERVICES

The order backlog for infra services at the end of December 2012 decreased from the previous year. Significant on-going road projects proceeded according to plans.

INTERNATIONAL CONSTRUCTION SERVICES

	1–12/12	1–12/11	Change	10–12/12	10–12/11	Change
Revenue, EUR million	**599.6**	489.2	23%	**205.0**	145.9	41%
Operating profit, EUR million	**73.9**	37.2	99%	**28.7**	17.4	65%
Operating profit excluding IAS 23 adjustment, EUR million	**80.4**	40.9	97%	**31.0**	18.9	64%
Operating profit margin, %	**12.3**	7.6		**14.0**	11.9	
Operating profit margin excluding IAS 23 adjustment, %	**13.4**	8.4		**15.1**	12.9	

	12/12	12/11	Change	12/12	9/12	Change
Operative invested capital, EUR million	**708.3**	602.2	18%	**708.2**	703.8	1%
- of which plot reserves, MEUR	**389.3**	349.2	11%	**389.3**	406.6	-4%
Order backlog, EUR million	**1,266.1**	962.5	32%	**1,266.1**	1,207.4	5%

	1–12/12	1–12/11
Return on operative invested capital (last 12 months), %	**12.3**	6.5

The revenue of International Construction Services increased by 23 percent in January–December compared to the previous year, amounting to EUR 599.6 million (1–12/2011: EUR 489.2 million).

The operating profit for January–December almost doubled from the previous year to EUR 73.9 million (1–12/2011: EUR 37.2 million). The segment's operating profit for January–December includes EUR -6.5 million of borrowing costs according to IAS 23 (1–12/2011: EUR -3.7 million).

Excessive levels of ammonia were found in residential units built by the company in St. Petersburg in September 2011, caused by an additive used by the concrete supplier. YIT made a provision of EUR 10.0 million during the third quarter of 2011 to cover the costs of rectifying the problem. The incurred costs have been lower than expected, due to which the company has cancelled EUR 7.0 million of the said provision in the third quarter of 2012. The costs materialised by the end of 2012 amounted to EUR 2.6 million. The company has received indemnities from its insurance company, covering the costs of research and renovation of the apartments. YIT has adopted increasingly strict procurement guidelines based on which the concrete suppliers are now required to have stricter control measures and delivery responsibilities.

Due to the high number of residential start-ups, the order backlog at the end of December increased by 32 percent on the previous year, amounting to EUR 1,266.1 million (12/2011: EUR 962.5 million). The segment's order backlog was partially improved by the strengthening of the ruble, which had an impact of EUR 38.4 million in January–December.

The costs of completing the current residential and business premises development projects for sale amounted to EUR 554 million at the end of December 2012 in International Construction Services (12/2011: EUR 350.0 million).

The segment's capital tied into plot reserves totalled EUR 389.3 million at the end of December (12/2011: EUR 349.2 million). The reserves included 2,590,000 square metres of residential plots (12/2011: 2,625,000) and 574,000 square metres of business premises in Russia, the Baltic countries, the Czech Republic and Slovakia (12/2011: 695,000).

The segment's return on operative invested capital for the last 12 months improved to 12.3 percent, but is still below the Group's strategic objective (20%). YIT aims to increase the segment's return on invested capital primarily by increasing the volume of operations, improving profitability and increasing further capital efficiency.

RUSSIAN RESIDENTIAL SALES CONTINUED WELL

Russia generated 77 percent of the revenue of International Construction Services for January–December (1–12 /2011: 80%). Revenue in Russia increased from the previous year to EUR 463.1 million (1–12/2011: EUR 393.2 million).

The capital tied up in plot reserves in Russia totalled EUR 302.0 million at the end of December (12/2011: EUR 269.3 million). The reserves included 2,179,000 square metres of residential plots (12/2011: 2,293,000) and 446,000 square metres of business premises (12/2011: 552,000).

RESIDENTIAL CONSTRUCTION IN RUSSIA, NUMBER OF RESIDENTIAL UNITS

	1–12/12	1–12/11	Change	10–12/12	7–9/12	4–6/12	1–3/12
Sold	**4,209**	3,561	18%	**1,288**	**1,032**	**934**	**955**
Start-ups	**5,487**	4,492	22%	**1,818**	**1,006**	**1,123**	**1,540**
Completed [1)]	**4,197**	1,576	166%	**2,217**	**622**	**765**	**593**
Under construction at the end of the period	**8,662**	7,365	18%	**8,662**	**8,995**	**8,670**	**8,313**
- of which sold at the end of the period	**3,020**	2,632	15%	**3,020**	**3,576**	**3,159**	**2,881**
For sale at the end of the period	**6,530**	5,142	27%	**6,530**	**5,961**	**5,987**	**5,799**
- of which completed	**888**	409	117%	**888**	**542**	**476**	**367**

Under construction at the end of the period	1–12/12	1–12/11	Change	10–12/12	7–9/12	4–6/12	1–3/12
St. Petersburg	**2,686**	2,396	12%	**2,686**	**2,323**	**2,290**	**2,102**
Moscow region	**3,796**	3,142	21%	**3,796**	**4,259**	**4,016**	**3,882**
Yekaterinburg, Kazan, Don Rostov and Moscow	**2,180**	1,827	19%	**2,180**	**2,413**	**2,364**	**2,329**

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

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

During 2012, YIT sold a total of 4,209 residential units (1–12/2011: 3,561) in Russia, of which 955 were sold in the first quarter, 934 in the second, 1,032 in the third and 1,288 in the fourth quarter. Residential sales have been supported by YIT's established position as a reliable construction company in Russia, YIT's diverse housing offering, YIT's own marketing and promotion measures and extensive housing loan cooperation with banks. The significance of loan financing has increased in Russia, and in 2012 customers took out housing loans in 40 percent of YIT's residential sales. Residential sales were also supported by the limited supply of new housing, continued favourable consumer confidence and oil prices. Interest rates for mortgages increased further in Russia during the year, but remained at a locally moderate level.

In January 2013 the company sold approximately 240 residential units in Russia. The first quarter of the year is always the weakest in Russia in terms of sales due to the holiday season.

Housing prices continued to increase at a moderate rate during 2012 in Russia, and YIT slightly increased the prices of its residential units in all of its operating cities in Russia.

Based on the favourable demand, YIT has actively started up new residential projects in Russia, and start-ups began in St. Petersburg, the Moscow region, Kazan, Rostov-on-Don and Yekaterinburg. In 2012, YIT expanded its operations to eight cities in the Moscow region, and during the fourth quarter to Tyumen. Tyumen, a city with almost 700,000 residents famous for its natural gas and oil reserves, is one of the wealthiest cities in Russia, located in Western Siberia approximately 300 kilometres from Yekaterinburg. Several Western companies operate in the city. The construction of a residential block is being planned on the plot acquired by YIT. A total of six 18-storey buildings will be built on the plot, with a total of 890 planned residential units.

The number of residential units for sale has been increased in a controlled manner, and the sales inventory at the end of December was geographically balanced. The number of completed but unsold residential units increased slightly at the end of the year due to several finished projects. Of the residential units under construction, 35 percent had been sold (12/2011: 36%).

After the handover of residential projects, YIT offers its customers service and maintenance in St. Petersburg, the Moscow region, Yekaterinburg and Rostov-on-Don. At the end of December 2012, YIT was responsible for the service and maintenance of approximately 14,000 residential units.

Customer interest in energy efficiency is increasing in Russia. A pilot project focusing on energy efficiency has been continued and solar panels deployed in the first residential project in Yekaterinburg.

YIT's volume in the Russian business premises market remained low in 2012.

REVIVAL OF THE RESIDENTIAL MARKET IS SLOW IN THE BALTIC COUNTRIES AND CENTRAL EASTERN EUROPE

Estonia, Latvia, Lithuania, the Czech Republic and Slovakia accounted for 23 percent of the revenue for International Construction Services for January–December (1–12/2011: 20%). Revenue generated in these countries increased by 42 percent compared to the year before to EUR 136.5 million (1–12/2011: EUR 96.0 million). The capital tied to plot reserves in the Baltic countries, the Czech Republic and Slovakia totalled EUR 87.3 million at the end of December (12/2011: EUR 79.8 million). The reserves included 411,000 square metres of residential plots (12/2011: 332,000) and 128,000 square metres of business premises (12/2011: 143,000).

Profitability improved in the Baltic countries and Central Eastern Europe in 2012, but was still below the segment average. YIT aims to shift the focus of operations from tender-based production to own residential development projects in order to improve profitability as residential demand revives.

RESIDENTIAL CONSTRUCTION IN THE BALTIC COUNTRIES AND CENTRAL EASTERN EUROPE, NUMBER OF RESIDENTIAL UNITS

	1–12/12	1–12/11	Change	10–12/12	7–9/12	4–6/12	1–3/12
Sold	**384**	364	5%	**118**	**99**	**92**	**75**
Start-ups	**530**	526	1%	**0**	**246**	**284**	**0**
Completed	**421**	288	46%	**107**	**35**	**47**	**232**
Under construction at the end of the period	**715**	614	16%	**715**	**822**	**615**	**378**
- of which sold at the end of the period	**108**	171	-37%	**108**	**131**	**110**	**104**
For sale at the end of the period	**743**	611	22%	**743**	**861**	**718**	**526**
- of which completed	**136**	168	-19%	**136**	**170**	**213**	**252**

The construction of 530 residential units was started in Estonia, Latvia, Lithuania, the Czech Republic and Slovakia during 2012 (1–12/2011: 526). At the end of December, there were 715 residential units under construction (12/2011: 614). During the review period, housing prices increased slightly in the Baltic countries and remained stable in the Czech Republic and Slovakia.

YIT's residential sales inventory has grown in the Baltic countries, the Czech Republic and Slovakia, and YIT aims to increase the number of residential units for sale in accordance with demand. In January–December, a total of 384 (1–12/2011: 364) residential units were sold in these countries. At the end of December, there were 743 residential units for sale (12/2011: 611), of these 136 were completed (12/2011: 168). The number of residential units completed during 2012 was 421 (1–12/2011: 288). YIT's Hajek residential construction project was nominated the best residential construction project of the year in Prague, the Czech Republic.

CONSTRUCTION OF BUSINESS PREMISES IN THE BALTIC COUNTRIES AND CENTRAL EASTERN EUROPE

In 2012, YIT started up the construction of a new office building in Vilnius, Lithuania. Several tender-based projects were also delivered to customers in the Baltic countries.

Most significant short-term business risks and risk management

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

YIT has developed the Group's business structure to be balanced and more tolerant of economic fluctuations. The share of steadily developing service and maintenance operations has been increased. Operations have been expanded geographically so that economic fluctuations impact operations at different times in different markets. The business model has also been developed so that the construction services can operate independently. Continuous monitoring and analysis make it possible to react quickly to changes in the operating environment and to utilise the new business opportunities provided by them.

The Group's aim is to grow profitably, both organically and through acquisitions. Risks associated with acquisitions and outsourcing are managed by selecting projects according to strict criteria and effective integration processes that familiarise new employees with YIT's values, operating methods and strategy. The Group has a uniform process and guidelines for the implementation of acquisitions.

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

No write-offs were made to plots in 2012. YIT tests the value of its plots as required by IFRS accounting principles. Plot reserves are measured at acquisition cost and the plot value is impaired when it is estimated that the building being constructed on the plot will be sold at a price lower than the sum of the price of the plot and the construction costs.

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

Approximately 60 percent of the revenue of YIT during the review period was derived from euro countries. The other key currencies are the Swedish krona and the Norwegian krone as well as the Russian ruble. The Group's most significant currency risk is related to investments denominated in rubles. Capital invested in Russia totalled EUR 585.2 million at the end of the period (12/2011: EUR 485.7 million). The amount of equity or equivalent net investments at the end of the period came to EUR 460.0 million (12/2011: EUR 400.0 million). The equity investments in the Russian subsidiaries are unhedged in accordance with the treasury policy, and a potential devaluation of the ruble would have an equal negative impact on the Group's shareholders' equity. Debt investments amounted to EUR 125.2 million at the end of the period (12/2011: EUR 85.7 million), and this exposure was hedged in full. The differences in the interest rates between the euro and ruble have an effect on hedging costs and therefore net financial expenses.

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

A more detailed account of YIT's risk management policy and the most significant risks will be published in the Annual Report 2012. Financing risks are described in more detail in the notes to the Financial Statements for 2012.

Shares

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

SHARE CAPITAL AND NUMBER OF SHARES

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

TREASURY SHARES AND AUTHORISATIONS OF THE BOARD OF DIRECTORS

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

YIT Corporation held 1,952,414 treasury shares at the beginning of the review period purchased on the basis of the authorisation given by the General Meeting of October 6, 2008.

YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which were conveyed as a directed share issue without consideration. In the share issue, 130,976 YIT Corporation shares were issued and conveyed without consideration to the key persons participating in the Share Ownership Plan according to the terms and conditions of the plan.

During 2012, 18,139 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,839,577 treasury shares at the end of December 2012.

TRADING IN SHARES

The price of YIT's share was EUR 12.38 at the beginning of the year (January 1, 2011: EUR 18.65). The closing rate of the share on the last trading day of the year on December 28, 2012, was EUR 14.78 (December 30, 2011: EUR 12.38). YIT's share price increased by approximately 19 percent during January–December. The highest price of the share in 2012 was EUR 17.25 (1–12/2011: EUR 21.92), the lowest was EUR 11.87 (1–12/2011: EUR 10.04) and the average price was EUR 14.90 (1–12/2011: EUR 15.28). Share turnover on Nasdaq OMX in January–December amounted to 96,887 thousand shares (1–12/2011: 151,023 thousand). The value of turnover was EUR 1,443.9 million (1–12:2011: EUR 2,314.0 million), source: Nasdaq OMX.

In addition to the Helsinki Stock Exchange, YIT shares are also traded in other market places, such as Chi-X, BATS and Turquoise. The share of trade volume on alternative market places increased slightly compared to the previous year during the review period. During January–December, 31,183 thousand YIT Corporation shares changed hands in alternative market places (1–12/2011: 36,621 thousand), corresponding to approximately 25 percent of the total share trade (1–12/2011: 21%). Of the alternative market places, YIT shares changed hands particularly in Chi-X, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation at the end of the review period came to EUR 1,853.2 million (12/2011: EUR 1,550.9 million). The market capitalisation has been calculated excluding the shares held by the company.

Shareholders

At the end of December 2011, the number of registered shareholders was 35,258 (12/2011: 36,547). At the end of December, a total of 34.8 percent of the shares were owned by nominee-registered and non-Finnish investors (12/2011: 32.2%).

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

SHAREHOLDERS ON DECEMBER 31, 2012

	Shares, pcs.	% of shares and votes
1. Structor S.A.	**15,430,000**	12.13
2. Varma Mutual Pension Insurance Company	**10,000,000**	7.86
3. Mandatum Life	**6,108,449**	4.80
4. Ilmarinen Mutual Pension Insurance Company	**3,774,568**	2.97
5. YIT Corporation	**1,839,577**	1.45
6. Odin funds	**1,803,611**	1.42
7. Tapiola Mutual Pension Insurance Company	**1,785,541**	1.40
8. Svenska litteratursällskapet i Finland r.f.	**1,680,400**	1.32
9. Danske Invest funds	**1,567,278**	1.23
10. Nordea funds	**1,423,706**	1.12
11. State Pension Fund	**1,370,000**	1.08
12. Brotherus Ilkka	**1,304,740**	1.03
13. Kaleva Mutual Insurance Company	**1,231,068**	0.97
14. Etera Mutual Pension Insurance Company	**1,218,031**	0.96
15. Herlin Antti	**1,085,180**	0.85
Nominee registered shares total	**26,551,217**	20.87
Other shareholders	**37,218,272**	29.25
Total	**127,223,422**	**100.00**

OWNERSHIP BY SHAREHOLDER GROUPS, DECEMBER 31, 2012

	Number of shareholders	Proportion, %	Number of shares	Proportion, %
Nominee registered and non-Finnish	222	0.6	44,303,980	34.8
Households	32,866	91.1	26,476,601	20.8
Public institutions	49	0.1	21,186,900	16.7
Financial and insurance corporations	147	0.4	16,111,677	12.7
Non-profit institutions	565	1.6	8,876,114	7.0
Non-financial corporations and housing corporations	2,215	6.1	10,268,150	8.1
Total	**36,064**	**100.0**	**127,223,422**	**100.0**

OWNERSHIP BY NUMBER OF SHARES HELD, DECEMBER 31, 2012

Number of shares	Number of shareholders	Proportion, %	Number of shares	Proportion, %
1–100	9,415	26.1	609,407	0.5
101–500	14,884	41.3	4,228,597	3.3
501–1,000	5,682	15.8	4,431,102	3.5
1,001–5,000	4,945	13.7	10,677,091	8.4
5,001–10,000	594	1.6	4,300,982	3.4
10,001–50,000	408	1.1	8,722,927	6.9
50,001–100,000	63	0.2	4,504,027	3.5
100,001–500,000	48	0.1	10,535,035	8.3
500001–	25	0.1	79,214,254	62.3
Total	**36,064**	**100.0**	**127,223,422**	**100.0**

This information is based on the shareholder list maintained by Euroclear Finland Ltd. Each nominee register is recorded in the share register as a single shareholder. The portfolios of many investors can be managed through one nominee-registered shareholder.

Outlook for 2013

YIT estimates the Group revenue based on segment reporting for 2013 to remain at last year's level and operating profit to grow in 2013. The uncertainty about the general macroeconomic development is still high and impacting YIT's business operations and customers. The first quarter is typically the weakest quarter due to the normal seasonal fluctuation of business.

BUILDING SERVICES NORTHERN EUROPE

The market situation in building services will vary by country in the Nordic countries in 2013.

The service and maintenance market is estimated to remain stable or even grow slightly in all countries in 2013. The increase in technology in buildings increases the need for new services, and the demand for energy efficiency services is expected to remain stable. The service and maintenance market is expected to grow particularly in Norway by 3–4 percent.

Demand in the project market is expected to weaken further in 2013 in Finland, Sweden and Denmark. The size of the Swedish project market as a whole is expected to decrease by approximately 5 percent during 2013, mainly due to weakening demand. In Norway, the project market is estimated to remain stable and the demand for infrastructure projects to grow during 2013.

In the Baltic countries and Russia, both the project and service market demand is estimated to remain low..

BUILDING SERVICES CENTRAL EUROPE

In Building Services Central Europe, the service and maintenance market is expected to grow at a moderate rate. The opportunities for growth in service and maintenance are still quite favourable, particularly in Germany and Austria. In Poland, the building system services market will continue to grow but suffer from oversupply, which will have a negative impact on prices. The building system services market in the rest of Central Eastern Europe (the Czech Republic and Romania) is developing slowly with a low level of activity.

Uncertainty in the project market has increased in the Central European countries in which YIT operates. Decision-making on new investments has been slowed down and the start-ups of certain projects have been postponed, partially due to the lack of funding. New building system investments are estimated to remain at the current level in Germany and Austria, whereas in Central Eastern Europe they are estimated to decrease slightly.

Growth in the demand for energy-efficient services is possible over the next few years with high energy prices and tightening environmental legislation, particularly in Germany and Austria. Services related to the maintenance of traffic infrastructure are also estimated to develop favourably.

CONSTRUCTION SERVICES FINLAND

With regard to Construction Services Finland, housing demand is expected to continue to be good, with the need for new housing remaining high. Residential demand continues to be supported by continued low interest rates, relatively stable employment rates and migration to growth centres. Furthermore, the population and the number of household-dwelling units will increase with continued migration and the increasing number of one-person households. Residential sales during the first quarter may also be partly supported by the change in asset transfer tax legislation taking force in March 2013, increasing the asset transfer tax from the current 1.6% level to 2.0%. The tax will be calculated from the debt-free price in the future.

According to Euroconstruct's December 2012 estimate, the construction of 25,000 residential units will start in Finland during 2013. According to a report published by VTT in January 2012, the annual need for the production of new residential units amounts to 24,000–29,000 residential units over the long term. YIT's goal is to strengthen its position as the leading housing developer in Finland.

YIT estimates that housing prices will remain stable in 2013. Construction costs are estimated to increase, mainly due to new energy regulations, but the increase is expected to be moderate in 2013.

With regard to the construction of business premises, real estate investors are still cautious due to the general economic situation, and in order to control risks the Helsinki metropolitan area and good tenants are appreciated. The very low level of long-term interest rates increases investors' interest in high-yield properties. According to Euroconstruct's December 2012 estimate, construction of business premises will decrease by approximately 19 percent in Finland during 2013. Vacancy rates for offices are still rather high, with the vacant building stock also including relatively old office premises in poor condition. YIT estimates that the demand will focus on modern and energy-efficient offices. YIT estimates that the renovation of business premises will grow in 2013.

According to Euroconstruct's December 2012 estimate, commercial construction will decrease by approximately 12 percent in Finland during 2013. The shift of the retail trade towards ever larger business properties and the expansion of foreign retail chains in Finland will support construction activity. Vacancy rates for commercial premises are rather low.

The infrastructure construction market is expected to remain stable and at the same level as in 2012 (Euroconstruct, December 2012). Rail and metro construction will continue to increase in 2013, and several major road projects will be underway in 2013–2014. The market situation for rock construction is expected to remain favourable. There will be a shift from rock excavation to trimming and structural engineering work. The road maintenance market is expected to remain stable, and new tenders will create opportunities for YIT.

INTERNATIONAL CONSTRUCTION SERVICES

The volume of residential construction is estimated to increase in Russia in 2013. However, the growth is expected to slow down slightly compared to the previous year.

Moscow, the Moscow region and St. Petersburg make up the largest residential markets in Russia: these areas account for approximately one-fifth of all residential construction. Residential demand has been supported by the good economic development in Russia, good consumer confidence and favourable development in the housing loan market, even though housing loan interest rates began to increase at the end of 2011. The increase in interest rates continued further during 2012 and the increase is also expected to continue in 2013.

The future outlook for Russian residential construction is good. Living space per person is still clearly lower than in Western Europe and housing is in poor condition, which creates the need for new, high-quality housing. Furthermore, the middle class is expected to grow in proportion to the population and the number of household-dwelling units is expected to increase. The development of the housing loan market in Russia has also contributed to the expansion of the potential buyer base. YIT has promoted the availability of loans to consumers through extensive cooperation with banks. YIT expects housing prices to increase in Russia in 2013, but at a slower rate than in 2012.

The volume of business premises construction is expected to grow moderately in 2013 according to VTT's statistics. YIT's largest individual market is St. Petersburg, where YIT will continue the marketing and sales of the Gorelovo industrial park.

In the Baltic countries, residential demand has been supported by improved consumer confidence and the employment situation. Residential construction is expected to remain at the level of the previous year in the Czech Republic and Slovakia in 2013. Economic growth has come to a standstill and the country has increased the value added tax on housing sales as of the beginning of 2013. In Slovakia the housing market is supported by the stable price level of housing, moderate economic growth and interest rates remaining low, the growing unemployment is seen as a risk.

Consolidated income statement

EUR million	Note	2012	2011
Revenue	2,4,5	**4,705.9**	**4,382.1**
Other operating income	6	**22.2**	14.6
Change in inventories of finished goods and in work in progress		**201.2**	128.8
Production for own use		**0.7**	0.4
Materials and supplies		**-1,314.3**	-1,343.0
External services		**-1,338.9**	-1,107.7
Personnel expenses	9	**-1,410.6**	-1,357.2
Other operating expenses	7, 10	**-562.4**	-478.8
Share of results in associated companies	16	**0.2**	0.4
Depreciation and value adjustments	8	**-44.9**	-39.6
Operating profit		**259.2**	**200.0**
Rahoitustuotot		**5.5**	4.3
Financial income		**-5.8**	-4.1
Financial expenses		**-21.0**	-24.9
Financial income and expenses	11	**-21.2**	-24.8
Profit before taxes		**238.0**	**175.2**
Income taxes	12	**-58.1**	-50.2
Net profit for the financial year		**179.9**	**125.0**
Attributable to:			
Equity holders of the company		**178.7**	124.4
Non-controlling interests		**1.2**	0.6
Earnings per share for profit attributable to the equity holders of the Company during the financial year			
Basic earnings per share, EUR	13	**1.43**	0.99
Diluted earnings per share, EUR		**1.43**	0.99

Consolidated statement of comprehensive income

EUR million	Note	2012	2011
Profit for the report period		**179.9**	**125.0**
Other comprehensive income			
Cash flow hedging	30	**0.6**	-2.0
- Deferred tax asset		**-0.1**	0.4
Change in fair value of available-for-sale assets	17	**-0.4**	0.5
- Deferred tax asset		**0.1**	-0.1
Change in translation differences		**17.4**	-8.5
Other change			-0.1
Other comprehensive income, total		**17.6**	-9.7
Total comprehensive income		**197.5**	**115.3**
Attributable to:			
Equity holders of the parent		**196.3**	114.5
Non-controlling interests		**1.2**	0.8

The notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

EUR million	Note	2012	2011
ASSETS			
Non-current assets			
Tangible assets	14	**110.6**	110.8
Goodwill	15	**346.6**	347.5
Other intangible assets	15	**61.8**	54.1
Investments in associated companies and joint ventures	16	**0.6**	3.1
Available-for-sale financial assets	17	**3.4**	3.8
Receivables	18	**16.6**	18.8
Deferred tax receivables	19	**49.8**	60.3
Total non-current assets		**589.3**	**598.5**
Current assets			
Inventories	20	**1,901.5**	1,672.6
Trade and other receivables	3, 21	**1,008.0**	1,017.4
Tax receivables		**7.5**	9.9
Cash and cash equivalents	22	**175.7**	206.1
Total current assets		**3,092.7**	**2,906.0**
TOTAL ASSETS		**3,682.0**	**3,504.5**

EUR million	Note	2012	2011
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the Company	23		
Share capital		**149.2**	149.2
Legal reserve		**1.9**	1.9
Other reserves		**3.8**	2.8
Treasury shares		**-9.2**	-9.7
Translation differences		**-6.1**	-23.4
Fair value reserve		**-3.4**	-3.6
Retained earnings		**895.9**	801.5
Total		**1,032.1**	918.7
Non-controlling interest		**3.3**	2.5
Total equity		**1,035.4**	**921.1**
Non-current liabilities			
Deferred tax liabilities	19	**98.7**	88.3
Pension obligations	24	**27.3**	26.5
Provisions	25	**48.5**	54.1
Borrowings	26	**517.1**	522.9
Other liabilities	27	**32.6**	47.9
Total non-current liabilities		**724.1**	**739.9**
Current liabilities			
Trade and other liabilities	27	**1,447.8**	1,350.1
Income tax liabilities		**14.9**	17.6
Provisions	25	**54.9**	52.2
Borrowings	26	**404.9**	423.6
Total current liabilities		**1,922.5**	**1,843.5**
Total liabilities		**2.646.6**	2.583.3
TOTAL EQUITY AND LIABILITIES		**3,682.0**	**3,504.5**

The notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

EUR million	2012	2011
Cash flow from operating activities		
Net profit for the financial year	**179.9**	125.0
Adjustments for:		
Depreciation and value adjustments	**44.9**	39.6
Reversal of accrual-based items	**6.3**	35.1
Financial income and expenses	**21.2**	24.8
Gains on the sale of tangible and intangible assets	**-3.0**	-6.1
Taxes	**58.1**	50.2
Total adjustments	**127.5**	143.5
Change in working capital:		
Change in trade and other receivables	**50.5**	-159.2
Change in inventories	**-197.6**	-196.3
Change in trade and other payables	**43.9**	189.4
Total change in working capital	**-103.2**	-166.1
Interest paid	**-35.4**	-34.3
Other financial items. net cash flow	**-9.9**	-5.3
Interest received	**4.5**	4.1
Dividends received	**0.0**	0.1
Taxes paid	**-42.0**	-49.7
Net cash generated from operating activities	**121.5**	**17.4**

EUR million	Note	2012	2011
Cash flow from investing activities			
Acquisition of subsidiaries. net of cash	3	**-7.3**	-8.9
Purchases of property. plant and equipment	14	**-26.7**	-30.0
Purchases of intangible assets	15	**-8.4**	-9.0
Increases in available-for-sale financial assets		**0.0**	-0.1
Disposals of subsidiaries and operations. net of cash	4	**0.0**	5.9
Disposal of affiliated companies		**2.9**	
Proceeds from sale of tangible and intangible assets		**7.7**	4.5
Proceeds from sale of available-for-sale financial assets		**0.7**	2.7
Net cash used in investing activities		**-31.2**	**-34.7**
Operating cash flow after investments		**90.4**	**-17.3**
Cash flow from financing activities			
Proceeds from borrowings	26	**150.0**	175.0
Repayment of borrowings	26	**-136.6**	-157.4
Change in loan receivables		**-13.9**	0.0
Change in current lliabilities. net	26	**-34.9**	139.4
Payments of financial leasing debts		**-0.7**	-0.9
Purchase of treasury shares	23	**0.0**	0.0
Dividends paid and other distribution of assets		**-88.1**	-81.5
Net cash used in financing activities		**-124.2**	**74.7**
Net change in cash and cash equivalents		**-33.9**	**57.4**
Cash and cash equivalents at the beginning of the financial year		**204.8**	147.6
Foreign exchange rate effect on cash and cash equivalents		**3.8**	-0.2
Cash and cash equivalents at the end of the financial year	22	**174.6**	**204.8**

The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Attributable to equity holders of the parent company									
EUR million	Note	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Equity on January 1, 2012		**149.2**	**1.9**	**2.8**	**-23.4**	**-3.6**	**-9.7**	**801.5**	**918.7**	**2.5**	**921.1**
Comprehensive income											
Profit for the period								178.7	178.7	1.2	179.9
Other comprehensive income											
Cash flow hedges	30					0.6			0.6		0.6
- Deferred tax						-0.1			-0.1		-0.1
Change in fair value of available-for-sale assets	17					-0.4			-0.4		-0.4
- Deferred tax asset						0.1			0.1		0.1
Change in translation differences					17.4				17.4		17.4
Comprehensive income, total					**17.4**	**0.2**		**178.7**	**196.3**	**1.2**	**197.5**
Transactions with owners											
Dividend paid, EUR 0.70/ share								-87.7	-87.7	-0.4	-88.1
Share-based incentive shemes	23			1.0			0.5	3.3	4.8		4.8
Transactions with owners, total				**1.0**	**0.0**	**0.0**	**0.5**	**-84.4**	**-82.9**	**-0.4**	**-83.3**
Equity on December 31, 2012		**149.2**	**1.9**	**3.8**	**-6.2**	**-3.4**	**-9.2**	**895.9**	**1,032.1**	**3.3**	**1,035.4**

The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Attributable to equity holders of the parent company									
EUR million	**Note**	**Share capital**	**Legal reserve**	**Other reserve**	**Cumulative translation differences**	**Fair value reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Equity on January 1, 2011		**149.2**	**2.0**	**0.0**	**-14.3**	**-2.4**	**-10.6**	**756.1**	**880.0**	**2.9**	**882.9**
Comprehensive income											
Profit for the period								124.4	124.4	0.6	125.0
Other comprehensive income											
Cash flow hedges	30					-2.0			-2.0		-2.0
- Deferred tax						0.4			0.4		0.4
Change in fair value of available-for-sale assets	17					0.5			0.5		0.5
- Deferred tax asset						-0.1			-0.1		-0.1
Change in translation differences					-9.1			0.4	-8.7	0.2	-8.5
Other changes			-0.1						-0.1		-0.1
Comprehensive income, total			**-0.1**		**-9.1**	**-1.2**		**124.9**	**114.5**	**0.8**	**115.3**
Transactions with owners											
Dividend paid, EUR 0.65/ share								-81.3	-81.3	-0.2	-81.5
Share-based incentive shemes	23			2.8			0.9	0.7	4.4		4.4
Transactions with owners, total				**2.8**			**0.9**	**-80.6**	**-76.9**	**-0.2**	**-77.1**
Changes in ownership shares in subsidiaries											
Changes in group ownership shares in subsidiaries – no loss of control								1.0	1.0	-1.0	
Non-controlling interests from business combinations										0.0	0.0
Changes in ownership shares in subsidiaries, total								**1.0**	**1.0**	**-1.0**	**0.0**
Equity on December 31, 2011		**149.2**	**1.9**	**2.8**	**-23.4**	**-3.6**	**-9.7**	**801.5**	**918.7**	**2.5**	**921.1**

The notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. YIT Group accounting principles

GENERAL INFORMATION

YIT Group provides services for the real estate, construction and industry sectors. Group companies render capital investments and maintenance services for the real estate and construction sectors as well as industry and housing construction service for consumers. YIT's main market areas are the Nordic countries, Russia, Central Europe and the Baltic countries. YIT Group's segments are Building Services Nothern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services.

The Group's parent company is YIT Corporation. The parent company is domiciled in Helsinki, and its registered address is Panuntie 11, 00620 Helsinki, Finland. The parent company's shares have been listed on Nasdaq OMX Helsinki Oy Helsinki stock exchange since 1995.

Copies of the consolidated financial statements are available at www.yitgroup.com or the parent company's head office, address Panuntie 11, 00620 Helsinki, Finland. YIT Corporation's Board of Directors approved the consolidated financial statements for publication on February 4, 2013. In accordance with the Finnish Companies Act, shareholders may approve or reject the financial statements in an Annual General Meeting held after their release. The General Meeting also has the right to pass a resolution on changing the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). All of the IAS/IFRS standards and SIC/IFRIC interpretations approved by the EU Commission by December 31, 2012 have been complied with. International Financial Reporting Standards refer to the Finnish Accounting Act and related legal code based on EU regulation 1606/2002 concerning the adoption of IFRS standards and interpretations in the EU. The notes to the consolidated financial statements also comply with the Finnish GAAP and the Companies Act that complement the IFRS standards. The figures in the financial statements are presented in thousands of euro. In the Annual Report the figures are presented in million euros doing the roundings on each line, which may cause some rounding inaccuracies in column and total sums.

The consolidated financial statements have been prepared under the historic cost convention, as modified by revaluation of available-for-sale investments, financial assets and liabilities at fair value through profit and loss and derivative instruments at fair value. Share-based payments are measured at fair value at the time of granting.

Application of revised standards and interpretations as from January 1, 2012

The effects of other standards and interpretations adopted on January 1, 2012 on the reporting period have been as follows:

- IFRS 7 (amendment): Financial instruments: Disclosures, on transfer of financial assets. Derecognising. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. The amendment did not have any impact on the consolidated financial statements.

CONSOLIDATION

Subsidiaries

The consolidated financial statements include YIT Corporation and the subsidiaries it owns either directly or indirectly and in which it has over 50% of the voting rights, or in which the Group otherwise has the controlling interest. "Controlling interest" means the right to dictate a company's financial and business principles in order to benefit from its operations. The existence of potential voting rights has also been considered when assessing whether the Group controls another entity, if the potential voting rights are currently exercisable. The purchase cost method has been used in eliminating the acquisition of subsidiaries. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group, and they are de-consolidated from the date that control ceases. All intra-Group transactions, receivables, liabilities and profits are eliminated in the consolidation. Unrealised losses are not eliminated if they are due to impairment.

The Group uses the acquisition method of accounting to account for business combinations. The total consideration to be transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The total consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's assets.

Associated companies

The consolidated financial statements include associated companies in which the YIT Group either holds 20%-50% of the voting rights or in which the Group has a significant influence otherwise but not a controlling interest. Associated companies have been consolidated using the equity method. If the Group's share of associates' losses exceeds the carrying amount, losses in excess of the carrying amount are not consolidated unless the Group has committed itself to fulfilling the obligations of the associates. Unrealised profits between the Group and associates have been eliminated in accordance with the Group's holding. An investment in an associate includes the goodwill arising from acquisition, which has been tested for impairment.

Joint ventures

Joint ventures are companies in which YIT Group exercises a shared controlling interest with other parties. YIT Group's holdings in joint ventures are consolidated using the equity method. The Group's investments in joint ventures are initially recognised at cost and the post-acquisition movements in net assets of the joint venture are adjusted against the carrying value of the investment. The Group's share of joint ventures profits or losses is recognised in the income statement. Unrealised profits between the Group and joint ventures have been eliminated in accordance with the Group's holding.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners. When the Group purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any remaining interest in the entity is re-measured at fair value, with the change in the carrying amount recognised through profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as realised and booked to income statement. If the interest is reduced but control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are booked to non-controlling interest in equity.

The Group has applied the new accounting principles to transactions occurring on or after January 1, 2010. Previously, disposals with non-controlling interest resulted in gains or losses through profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate share in reserves attributable to the subsidiary was reclassified to profit and loss. When the Group ceased to have control, the remaining proportionate interest was valued at cost. The Group applied the new amendment to the standard prospectively; no adjustments to previous figures have been made.

FOREIGN CURRENCY TRANSLATION

The financial statement items of each Group company are measured using the currency of its business environment (functional currency). The consolidated financial statements are presented in euro, which is the Group's functional and reporting currency.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of transaction or valuation, where items are re-measured. Foreign exchange rate gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "Finance income and costs". All other foreign exchange gains and losses are presented in the income statement above operating profit. Non-monetary items are mainly valued at the transaction date's foreign exchange rates. The foreign exchange rate gains or losses related to non-monetary items valued at fair value are included in the change of the fair value.

Translation of foreign Group companies

The income statements of foreign Group companies have been translated to euro using the average exchange rate quoted for the calendar months of the reporting period. The balance sheets have been translated using the rates on the closing date. The translation of the result for the period using different exchange rates in the income statement and balance sheet results in a translation difference, which is entered in equity in the retained earnings.

Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and items classified to be a part of net investments and the hedging result of these net investment are entered in shareholders' equity. When a foreign subsidiary is disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Translation differences arising before January 1, 2004, are recorded in the retained earnings at the transition to IFRS and they will not be entered in the income statement in the event of the sale of a subsidiary.

Both the goodwill arising from the acquisition of a foreign unit and the adjustments of acquired assets and liabilities to their fair values have been treated as the assets and liabilities of the foreign unit in question and translated at the rate on the closing date. The goodwill and fair value adjustments related to acquisitions before January 1, 2004, have been denominated in euro.

CURRENCY EXCHANGE RATES USED IN YIT CONSOLIDATED FINANCIAL STATEMENTS:

1 EUR =	Income statement 1–12/2012	Income statement 1–12/2011	Balance sheet 31.12.2012	Balance sheet 31.12.2011
CZK	25.146	24.591	25.151	25.787
DKK	7.4438	7.4506	7.4610	7.4342
HUF	289.32	279.78	292.30	314.58
MYR	3.9687	4.2555	4.0347	4.1055
NOK	7.4752	7.7929	7.3483	7.7540
PLN	4.1843	4.1196	4.0740	4.4580
RUB	39.9239	40.8816	40.3295	41.765
SEK	8.7061	9.0289	8.5920	8.9120
SGD	1.6059	1.7490	1.611	1.6819
USD	1.2854	1.3918	1.3194	1.2939
LVL	0.6973	0.7028	0.6977	0.7028
LTL	3.4528	3.4528	3.4528	3.4528

TANGIBLE ASSETS

Tangible asset are stated at historical cost less depreciation and impairment. Depreciation on tangible assets is calculated using the straight-line method to allocate the cost to over their estimated useful lives. Land is not depreciated. The estimated useful lives of tangible assets are the following:

Buildings	40 years
Constructions	5–10 years
Productive machinery	10 years
Machinery and equipment	5 years
Computers and computer supplies	3–5 years
Cars and trasferable vehicles	3–8 years
Other property, plant and equipment	10–40 years

The residual values and economic lifetimes of assets are assessed in each closing. If necessary, they are adjusted to reflect the changes in expected financial benefits. Capital gains or losses on the sale of property, plant and equipment are included in other operating income or losses.

GOVERNMENT GRANTS

Government grants are recognised as decreases in the carrying amount of property, plant and equipment. Grants are recognised as revenue through smaller depreciations over the economic life of an asset. Government grants relating to costs are recognised in the income statement in the same period when the costs are expensed.

INVESTMENT PROPERTY

YIT Group has no assets that are classified as investment properties.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition. The net identifiable assets include the assets and liabilities acquired and the liabilities assumed as well as the contingent liabilities. The acquisition cost is valued at fair value.

Goodwill on the consolidation of business functions before January 1, 2004, corresponds to the carrying amount as per the previously employed accounting standards, which has been used as the deemed cost in the IFRS transition. Goodwill is subjected to an annual impairment test. To this end, goodwill is allocated to cash-generating units. Goodwill is measured at the original acquisition cost less impairment. Impairment is expensed directly in the income statement. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

OTHER INTANGIBLE ASSETS

An intangible asset is initially entered in the balance sheet at acquisition cost when the acquisition cost can be reliably determined and the intangible asset is expected to yield economic benefit to the Group. Intangible assets with a known or estimated limited economic lifetime are expensed in the income statement on a straight-line basis over their economic lifetime. Intangible assets with an unlimited economic lifetime are not depreciated, but are instead subjected to an impairment test annually.

Other intangible assets acquired in connection with business acquisitions are recognised separately from goodwill if they fulfil the definition of an asset: they can be specified or are based on agreements or legal rights. Intangible assets recognised in connection with business acquisitions include the value of customer agreements and associated customer relationships, prohibition of competition agreements, and the value of acquired technology and industry-related process competence. The value of customer agreements and associated customer relationships and industry-related process competence is defined on the basis of cash flows estimated according to the durability and duration of the assumed customer relations.

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The acquisition cost is amortised on a straight-line basis over the estimated useful life. Computer maintenance costs are expensed as they are incurred

Research expenditure is expensed in the income statement. Expenditure on the design of new or more advanced products is capitalised as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilised commercially and is expected to yield future financial benefits. Capitalised development expenditure is amortised over the economic life. Amortisation begins when the asset is ready for use. Incomplete assets are tested annually for impairment. Development expenses that are not expected to yield financial benefits are expensed in the income statement. To date, the Group's research and development expenditure has not met capitalisation criteria.

The amortisation periods of other intangible assets are as follows:

Customer relations and contract bases	3–5 years
Unpatented technology	3–5 years
Computer software and other items	2–5 years
Prohibition of competition	2–3 years

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each closing date, YIT Group evaluates whether there are indications of impairment in any asset item. If impairment is indicated, the recoverable amount of said asset is estimated. In addition, the recoverable amount is assessed annually for each of the following asset items regardless of whether impairment is indicated: goodwill, intangible assets with an unlimited economic lifetime and incomplete intangible assets. The need for impairment is assessed at the level of cash-generating units.

The recoverable amount is the fair value of the asset item less the higher of selling costs or the value in use. The value in use is determined based on the discounted future net cash flows estimated to be recoverable from the assets in question or cash-generating units. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset items. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered directly in the income statement and is initially allocated to the goodwill allocated to the cash-generating unit and thereafter equally to other asset items. An impairment loss is reversed when the situation changes and the amount recoverable from the asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed. The calculation of recoverable amounts requires the use of estimates. For more information on impairment testing, see note 15.

INVENTORIES

Inventories are measured either at the lower of acquisition cost or net realisable value. The acquisition cost of materials and supplies is determined using the weighted average price method. The acquisition cost of work in progress and shares in completed housing and real estate companies comprises the value of the plot and other raw materials, planning costs, direct costs of labour, other direct costs and the appropriate portion of the variable general costs of manufacture and fixed overhead. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sales. In estimating the net realisable value of shares in completed housing and real estate companies, the available market information and the level of the yield on the properties are taken into account. In assessing the net realisable value of plots of land, their intended use is taken into account. In the valuation of plots of land used for construction, the completed products in which they will be included are taken into consideration. The carrying amount of plots of land is decreased only when the completed products are expected to be sold at a price lower than the acquisition cost. The net realisable value of other plots of land is based on the market price of the land.

LEASE AGREEMENTS

Group as lessee

Lease agreements concerning assets in which the Group holds a material share of the risks and benefits of ownership are classified as financial lease agreements. A financial lease agreement is entered in the balance sheet at the lower of the fair value of the leased asset on the starting date of the lease agreement or the current value of the minimum rents. Assets acquired under financial lease agreements are depreciated over their economic lifetime or the period of lease, whichever is shorter. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding per financial period. The lease commitments of financial lease agreements are included in the financial liabilities.

Lease agreements in which the risks and benefits of ownership are retained by the lessor are treated as other lease agreements. Rents paid on other lease agreements are expensed in even instalments in the income statement over the duration of the rental period. Incentives received are deducted from the rents paid on the basis of the time pattern of the benefit.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or assets related to discontinued operations are classified as assets held for sale when their carrying amount is to be recovered principally through a sale or disposal transfer transaction. An asset is to be classified as held for sale when the sale or disposal is highly probable, the asset is available for sale in its present condition and on customary terms, the management is committed to sell the asset and the sale is expected to be completed within one year from the date of classification. Assets held for sale are valued at the lower of their carrying amount or fair value less costs to sell. The depreciation of these assets will be discontinued at the time of reclassification.

The disposal group includes assets, which do not fall within the scope of IFRS 5, while liabilities are measured in accordance with the applicable IFRS standards also after the classification.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held of sale and meets the following conditions:

- It represents a separate major line of business or geographical area of operations
- It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- It is a subsidiary acquired exclusively with a view to resale.

Revenue from discontinued operations is presented as a separate item in the Group's OCI. Assets held for sale, disposal groups, items related to the assets held for sale and recognised directly in the shareholders' equity, and liabilities related to the disposal group are presented separately from other assets in the balance sheet.

At the balance sheet date the Group did not have discontinued operations or assets held for sale which fall within the scope of IFRS 5.

EMPLOYEE BENEFITS

Pension liabilities

The Group has different defined contribution and defined benefit pension plans in its various operating areas. The local regulations and practices of the countries in question are applied in these plans. Contributions to defined contribution pension plans are entered in the income statement in the financial period during which the charge applies.

The Group has defined benefit pension plans in Norway, Austria and Germany. Obligations connected with the Group's defined benefit plans are calculated by independent actuaries. The discount rate used in calculating the present value of the pension liability is the market rate of high-quality corporate bonds or the interest rate of treasury notes. The maturity of the reference rate substantially corresponds to the maturity of the calculated pension liability. In defined benefit plans, the pension liability presented is the current value of future pension payments at the closing date less the fair value of the plan assets at the closing date together with adjustments for actuarial gains or losses and past service costs. Pension expenditure is expensed in the income statement, periodising the costs over the time in employment of the employees. Actuarial profits and losses in excess of a certain range of variation are entered through profit and loss for the average remaining time in employment of the employees. Occupational pensions in Sweden have been insured under a pension scheme shared with numerous employers. It has not been possible to acquire sufficient information about these pension liabilities to divide liabilities and assets by employer. Occupational pensions in Sweden have been treated on a defined contribution basis. Supplementary pension insurance liabilities in Finland are recorded on a defined benefit basis.

Share-based payments

The Group has a share-based incentive plan for its key personnel. Possible rewards will be paid as a combination of YIT corporation shares and cash settlement based on achieved financial target levels. The cost effect of equity-settled share is recognised as personnel expenses and equity reserve. The cost is based on the market price of the YIT Corporation share at the grant date and it will be expensed over the vesting period. The cash-settled reward is based on the market value of YIT's share at the balance sheet date and it is expensed to personnel expenses and current liabilities until the settlement date.

The set target levels for revenue and return on invested capital are the non-market vesting conditions on the basis of which the Group makes assumptions about the expected amount of share-based payments to vest. The Group revises the estimates of the amount of share-based payments that are expected to vest at each balance sheet date and the impact on previous estimates is recognised to personnel expenses and equity reserve or current liabilities.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before normal retirement. The Group recognises termination benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. In Finland a provision is charged at the beginning of the statutory "YT procedure". In addition, benefits that the Group has offered in connection with terminations to encourage voluntary redundancy are expensed. Benefits falling due more than 12 months after the balance sheet date are discounted to present value. Other possible liabilities arising from the termination of employees in different legislations are assessed at the closing date and recognised as an expense and liability.

PROVISIONS

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable and the size of the obligation can be reliably estimated. Provisions are valued at the current value of the costs required to cover the obligation. If compensation for a share of the obligation can be received from a third party, the compensation is recorded as a separate asset item, but only when it is practically certain that said compensation will be received. Provisions are booked for loss-making agreements when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the agreement. The amount of the guarantee and Finnish 10-year provisions for commitments in the construction industry provision is set on the basis of experience of the materialisation of these commitments. Provisions for restructuring are recognised when the Group has made a detailed restructuring plan and initiated the implementation of the plan or has communicated about it. Provisions are not recognised for the continuing operations of the Group.

A contingent liability is an obligation that has possibly arisen as a result of past events and whose existence is confirmed only when the uncertain event that is beyond the Group's control is realised. In addition, an existing obligation that probably does not require the fulfilment of debt or whose amount cannot be reliably assessed is considered a contingent liability. Contingent liabilities are presented in the notes.

INCOME TAXES

Tax expenses in the income statement comprise taxes on the taxable income for the financial period and deferred tax liabilities. Taxes are entered in the income statement except when they are associated with items recognised under shareholders' equity. Taxes on the taxable income for the financial period are calculated on the taxable income on the basis of the tax rate stipulated for each country by the balance sheet date. Taxes are adjusted for the taxes of previous financial periods, if applicable. The management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The tax provisions entered in such situations are based on evaluations by the management.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future. Deferred taxes have been calculated using the statutory tax rates or the tax rates whose confirmed content has been announced by the closing date. Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialise in the future. The most significant temporary differences arise from differences of the partial debiting and taxable income of long-term projects, depreciation differences of property, plant and equipment, defined benefit pension plans, provisions deductible at a later date, measurement at fair value in connection with acquisitions, unused tax losses and voluntary provisions.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

FINANCIAL ASSETS AND LIABILITIES

Classification and entry of financial assets

The Group records financial assets at the settlement day. Financial assets are derecognised from the balance sheet when the right to cash flows from an item included in financial assets ends or when control over said cash flows has been assigned outside the Group with the related risks and revenue.

The fair values of the financial assets are market rates if one has been reliably available, or otherwise discounted values or accounting values if this is reasonably close to the fair value. The discount rate used is the rate at which the Group could possibly sell a corresponding batch on the closing date.

The Group has, at the initial recognition, classified its financial assets into the following categories on the basis of the purpose for which they have been acquired:

Financial assets originally measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss are financial assets or derivatives held for trading that do not meet the criteria for hedge accounting according to IAS 39. Currency forward contracts and interest rate swaps associated with business operations and financing to which IAS 39-compliant hedging is not applied have been classified into this category. Derivatives are originally measured at fair value when the Group becomes a contractual party to an agreement and are subsequently measured at fair value. Currency forward contracts are used for hedging against the currency exposure of exchange rates and resulting changes in fair value are entered in other operating income and expenses or financial income and expenses based on their nature in the financial period in which they were incurred. Interest rate swaps are used to hedge against changes in market interest rates, and changes in the fair value of interest rate swaps are entered in financing income or expenses in the financial period in which they were incurred. Derivatives are non-current assets when their maturity is more than 12 months (Receivables) and current assets (Trade and other receivables) when the remaining maturity is less than 12 months. Derivatives may also be liabilities; their accounting principles are specified below under “Financial liabilities.”

Loans and receivables

Loans and receivables consist of loan receivables, trade receivables and certain other receivables.

Loan receivables are current if the maturity date is within 12 months after the closing date, otherwise they are non-current. They are initially measured at fair value and subsequently valued at the periodised acquisition costs using the effective yield method less any impairment. The changes are recognised in the income statement under financial income or expenses.

Trade and other receivables are current if the maturity date is within 12 months after the closing date, otherwise they are non-current. They are initially measured at fair value and subsequently valued at the periodised acquisition costs using the effective yield method less any impairment. The changes are recognised under other operating income or expenses.

Available-for-sale financial assets

Available-for-sale financial assets not falling into the categories presented above. They are non-current financial assets that the Group will not actively dispose of in the short-term. Available-for-sale financial assets primarily comprise shares and participations acquired to support business operations, e.g. in local telecom, water and environment service companies. They are not primarily quoted in well-functioning markets and they are measured at acquisition cost less any impairment. Quoted shares are measured at fair value and others, when the fair value cannot be evaluated reliably, at the original acquisition cost. When fair value can be evaluated reliably, the changes in fair value are entered in the comprehensive income statement and are presented in the fair value reserves in shareholders’ equity, taking the tax impact into consideration. Changes in fair value are transferred from the fair value reserve to financing income or expenses when the Group disposes of an available-for-sale financial asset or its value has declined such that an impairment loss must be recognised on it. Impairment of an equity investment classified as an available-for-sale financial asset is not derecognised through profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits withdraw able on demand and liquid short-term investments whose original maturity is no more than three months. They are recorded in the balance sheet at the original acquisition cost and the yield under financing income. The available overdraft facilities are included in current liabilities in the balance sheet and netted as the Group has a contractual offsetting right to execute the net amount to the creditor.

Impairment of financial assets

Assessment as to whether there is objective evidence of an impairment of an item included in the financial assets occurs on the closing date. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. An impairment loss is reversed if the recoverable amount has changed from the date it was recognised due to a change in circumstances.

The fair value of available-for-sale financial assets is considered decreased when their value has decreased significantly over a longer term. In this case, changes to the fair value are entered from shareholders’ equity to the income statement. Impairment losses to equity investments classified as available-for-sale financial assets are not derecognised through profit or loss.

The value of loan and trade receivables in other receivables is considered to have decreased when it is apparent that the Group will not be able to collect the receivable in accordance with the original terms and conditions. The Group recognises the impairment loss concerning sales receivables immediately when there is objective evidence that the receivable cannot be collected in full. In addition, delay or default on a payment by the debtor or known financial difficulties of the debtor are considered additional factors indicative of an impairment of trade receivables. According to the Group’s principle concerning the valuation of trade receivables, 50% of unsecured and uncertain receivables overdue more than 180 days and 100% of those overdue more than 360 days is recognised as an expense. Due to the application of the percentage of completion method, part of the items considered write-downs is included in the project cost estimate and taken into consideration as weakened margin forecast. Write-downs on loss-making projects are included in the provisions for losses.

Financial liabilities

Financial liabilities are recorded in the balance sheet at the settlement day and derecognised from the balance sheet when the related obligations expire or transfer outside the Group in accordance with the agreements.

The Group has classified its financial liabilities into the following categories:

Financial liabilities at periodised acquisition cost using the effective interest rate method

These are originally measured at fair value. Transaction costs arising in connection with taking out the loan have been included in the original carrying amount. Financial liabilities may be current or non-current. Financial liabilities are later valued at the periodised acquisition cost using the effective interest rate method. Borrowing costs arising as a result of the acquisition, construction or manufacturing of a qualifying asset are capitalised as part of the acquisition cost of the asset in question when it is probable that they will produce future financial benefit and can be reliably determined. Other borrowing costs are expensed in the period during which they emerged. Fees paid on the establishment of loan facilities are recognised as expenses over the period of the facility to which it relates.

Developer contracting-related debts from contract receivables sold to financing companies are also presented in financial liabilities. The receivables sold to financing companies are included in the current borrowings during the loan period to the extent they are related to housing production or commercial real estates recognised as revenue upon completion. Loans from external financial institutions drawn down by housing corporations have been accounted for as liabilities to the extent that they apply to unsold shares.

The Group has applied from January 1, 2010 the IFRIC15 interpretation, according to which sold residential units in own residential development projects are recognised when projects are complete. As a result, all construction-stage contract receivables related to residential housing production or business premises recognised as revenue upon completion must be reported as part of the interest-bearing liabilities on the balance sheet. Previously, this part of the construction-stage contract receivables was reported as an off-balance sheet item.

The fair values of the financial liabilities are market rates if one has been reliably available, or otherwise discounted values or accounting values if this is reasonably close to the fair value. The discount rate used is the rate at which the Group could possibly buy a corresponding item on the closing date.

Financial liabilities measured at fair value

Currency forward contracts and interest rate swaps associated with business operations and financing to which IAS 39-compliant hedging is not applied have been classified into this category. Derivatives are originally measured at fair value when the Group becomes party to an agreement and is subsequently measured at fair value. Currency forward contracts are used for hedging against the currency exposure of exchange rates and resulting changes in fair value are entered in other operating income and expenses or financial income and expenses in the financial period in which they were incurred. Interest rate swaps are used to hedge against changes in market interest rates, and changes in the fair value of interest rate swaps are entered in financing income or expenses in the financial period in which they were incurred. Derivatives are non-current liabilities when their maturity is more than 12 months (Other liabilities) and current liabilities when the remaining maturity is less than 12 months (Trade and other payables).

Fair value of derivative instruments and hedge accounting

The fair value of derivative instruments equals the value the Group would receive or pay if the derivative contract would be terminated. The fair value of exchange rate forward agreements has been assessed by using the market prices at the closing day. The fair value of interest rate forward agreements are based on the counterparts' quoted prices. These quoted prices for interest rate swap agreements are derived from the discounted future cash flows, and the quoted prices for other agreements are based on general market conditions and common pricing models. The fair value of commodity derivatives is based on average market price on the balance sheet date.

Derivative instruments used in hedge accounting that meet the hedge accounting criteria under IAS 39 are entered in the balance sheet at fair value on the day that the Group becomes counterpart to the agreement. The Group has applied hedge accounting for hedging against the reference rate of floating rate loans (cash flow hedging). The Group documents the relationship between the target and the hedging instruments and assesses the effectiveness of the hedging ratio. The effectiveness of hedging is evaluated in connection with the preparation of each financial statement, at minimum. Changes in the fair value of the effective part of derivative instruments meeting the criteria for cash flow hedging are entered in the fair value reserves in shareholders' equity, taking the tax impact into consideration. Gains and losses recognised in shareholders' equity are transferred to financial income or expenses within the same financial periods as the items of the hedging target. When a hedging instrument acquired to hedge cash flow matures or is sold, or when the criteria of hedging accounting are no longer satisfied, the profit or loss accrued from the hedging instrument remains in equity until the forecasted transaction is realised. Nevertheless, if the forecasted hedged transaction is no longer expected to be implemented, the profit or loss accrued in equity is recognised immediately in the income statement.

TREASURY SHARES

If a Group company acquires YIT Corporation shares, the consideration paid for the shares and acquisition-related costs are decreased from shareholders' equity until the shares are nullified or re-circulated. When the company sells its own shares, the direct transaction costs can be decreased from the consideration received, which is then entered in shareholders' equity.

INCOME RECOGNITION

Income from product and service sales is recorded as revenue at fair value with the indirect taxes, discounts.

Goods and services sold

YIT group design, construct and sell houses and premises and develop and maintain living infrastructure. Also, YITgroup offer building services and industrial services and maintenance. Income from sales of products is recorded when the significant risks, benefits and control associated with the ownership of the goods have transferred to the buyer. Income from short-term services is recorded when the service has been performed.

Long-term service agreements and construction contracts

Long-term service agreements and construction contracts are recorded as revenue on the basis of the degree of completion when the end result of the project can be estimated reliably. The degree of completion of long-term service agreements is calculated on the basis of the share of the estimated total cost of a contract represented by the costs realised at the time of assessment. The revenue from developer contracting is recognised on the basis of the percentage of degree of completion and the degree of sale. Costs in excess of the degree of completion are capitalised in work in progress included in inventories. Revenue from construction projects including leasing liabilities is recognised as revenue on the basis of the percentage of degree of completion, degree of sale and occupancy rate. Leasing liabilities are treated as contract expenses. A provision for leasing liabilities is made if the remaining unrecognised margin of the construction project is lower than the amount of the remaining leasing liability.

YIT group may also carry out a certain construction contract or long-term service agreement through a construction consortium. A construction consortium is not an independent legal unit; instead the contracting parties are directly responsible for its operations and liabilities. Constructions contracts and long-term service agreements carried out trough a consortium are included in the relevant group company's reporting and are recorded as revenue on the basis of the degree of completion and group's share in the consortium.

Own residential and commercial real estate development projects (IFRIC 15)

From January 1, 2010, the revenue generated by YIT's own residential development projects is recognised when the project is complete i.e. when the residential units are ready to be handed over to the client. Revenue recognition of completed projects is based on degree of sale. Under the old practice, the revenue was recognised during the construction phase based on the percentage of degree of completion and the degree of sale.

YIT had sold its commercial real estate development projects that were under construction to investors before the start of construction or during the early stages of the construction work, which together with other facts means that in most cases the revenue of these projects could be recognised in accordance with the old practice. The share of income and expenses to be recognised would then also be calculated in the future by using the formula percentage of completion multiplied by the percentage of sale multiplied by the occupancy rate. In the case of YIT's new commercial real estate development projects, the recognition practice will be evaluated on a case-by-case basis and in accordance with the terms and conditions of each contract. These projects will be recognised when the construction work has started or when the project is complete.

If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately in all circumstances. Revenue recognition on the basis of the degree of completion related to long-term service agreements and construction contracts is based on estimates. If the estimates of the end result of a contract change, the sales and profits recognised are adjusted in the reporting period when the change first becomes known and can be evaluated.

Interest and dividends
Interest income is recognised using the effective yield method and dividend income when the right to dividend has materialised.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When financial statements are prepared in accordance with IFRS, the Group management must make estimates and exercise judgement in the application of the accounting policies. Estimates and assumptions have an effect on the amounts of assets, liabilities and contingent liabilities in the balance sheet of the financial statements and the final actual results may differ from the estimates. The following presents the critical accounting estimates and judgements included in the financial statements:

Estimated impairment of goodwill
Goodwill is tested for any impairment annually in accordance with the accounting policy stated in note 15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The cash flows in the value-in-use calculations are based on the management's best estimate of market development for the subsequent years.

The cash flows in the value-in-use calculations reflect the best estimate for different time period, and the sensitivity analysis for discount rate, profitability as well as terminal value have been made. As a result of impairment testing a write-down of EUR 0.9 million was made to the goodwill of Poland during the third quarter in 2012. On December 31, 2012 goodwill amounted to EUR 346.6 million.

Percentage of completion revenue recognition of long-term projects
Due to estimates included in the revenue recognition of long-term service agreement and construction projects, revenue and profit presented by financial period only rarely correspond to the equal distribution of the total profit over the duration of the project. When revenue recognition from long-term projects is based on the percentage of completion method, the final result of the projects is regularly and reliably estimated. Calculation of the total income of projects includes estimates on the total expenditure required to complete the project as well as the development of sales prices. If the estimates of the end result of a contract change, the sales and profits recognised are adjusted in the reporting period when the change first becomes known and can be evaluated. If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately. In 2012, revenue recognition through percentage of completion method amounted to EUR 3,578.0 million, representing 76 percent of the Group's revenue. (Note 5.)

Income taxes
The Group is subject to income taxes in several countries. Evaluating the total amount of income taxes at the Group level requires significant consideration, so the amount of total tax includes uncertainty. On December 31, 2012, deferred tax receivables amounted to EUR 49.8 million and deferred tax liabilities amounted to EUR 98.7 million. (Note 19.)

Provisions
The recognition of provisions is associated with estimates concerning probability and quantity. Provisions are booked for loss-making agreements when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the agreement. A guarantee provision and Finnish 10-year provisions for commitments are recorded when a project is recognised in the income statement. The amount of the guarantee and Finnish 10-year provisions for commitments in the construction industry provision is set on the basis of experience of the materialisation of these commitments. On December 31, 2012, provisions amounted to EUR 103.4 million. (Note 25.)

Pension benefits
The current value of pension obligations depends on various actuarial factors and the discount rate used. Changes in the assumptions and discount rate have an effect on the carrying amount of pension liabilities. The discount rate used is the market rate of high-quality corporate bonds or the interest rate of treasury notes for the currency in which the benefits will be realised. The maturity of the reference rate used corresponds substantially to the maturity of the calculated pension liability. Other assumptions are based on actuarial statistics and prevailing market conditions. On December 31, 2012, pension liabilities amounted to EUR 27.0 million. (Note 24.)

Inventories
On each closing date, the Group assesses the valuing of inventory and possible decrease in value based on its best estimate. The estimates are based on systematic and continuous monitoring. Plot reserves are measured at acquisition cost and the value is impaired only when it is estimated that the building being constructed on the plot will be sold at a price lower than the sum of the price of the plot and the construction costs. The valuing of plot reserves has been made by using time period of 3–4 years. On December 31, 2012, work in progress amounted to EUR 894.8 million, completed housing units amounted to EUR 232.0 million and plot reserves amounted to EUR 673.5 million. (Note 20.)

Trade receivables
The Group books write-offs or provision on receivables when it is evident that no payment can be expected. Group adopts its policy of valuing trade receivables and the bookings include estimates and critical judgements. The estimates are based on experience on realised write-offs in previous years, empirical knowledge of debt collecting, analysis made by clients and general market situation at the time. On December 31, 2012, trade receivables amounted to EUR 571.1 million. (Note 21.)

EVALUATION OF THE FUTURE IMPACT OF NEW STANDARDS AND INTERPRETATIONS.

IASB has published the following new or amended standards and interpretations, which group has not applied for or EU commission has not approved yet. YIT group will adopt them in the financial statements for the year 2013 or later.

- **IFRS 9 Financial Assets – Classification and Measurement:** The part of IFRS9 concerning the classification and measurement was published in November 2009. It represents the first milestone in the process to replace IAS 39 "Financial Instruments – Recognition and Measurement" with a new standard. IFRS9 includes new kinds of requirements for the classification and measurement of financial assets, and it will probably have an impact on accounting for financial assets in the Group. The Group will adopt the standard in its 2013 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IFRS 9 Financial Liabilities – Classification and Measurement:** The second part of IFRS 9 was published in October 2010. It complements the first phase of the revision of IAS 39 concerning the classification and measurement of financial assets issued in November 2009. According to the new standard, the accounting and presentation for financial liabilities shall remain the same except for those financial liabilities for which fair value option is applied. The Group will probably adopt the standard in its 2013 financial statements at the earliest. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IFRS 10 Consolidated financial statements and IAS 27 (amendment) separate financial statements:** The new standard set out how to apply the principle of control to identify whether an investor. Controls an investee and may affect the fact whether an entity or special purpose vehicle must be consolidated or not. The change requires additional considerations by the management and disclosures. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IFRS 11 Joint arrangements and IAS 28 Associates and joint ventures (revised):** Include guidelines how to consolidate joint arrangements. The treatment is focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IFRS 12 Disclosures of interests in other entities:** includes the disclosure requirements for all forms of interests in other entities. It increases disclosures requirements of companies with non-controlling interests or where assessment of control is used in consideration or which have been established for a specific purpose. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IFRS 13 Fair value measurement:** Standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Group will adopt the standard in its 2013 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IAS 1 (amendment) Presentation of statements of changes in equity:** The amendment clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The Group will probably adopt the standard in its 2013 financial statements at the earliest. The Group management is assessing the impact of the standard on the financial statements of the Group.
- **IAS 12 (amendment) Deferred taxes:** This amendment addresses the measurement of the deferred tax relating to an investment property. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. As a result of the amendments the assets measured using the fair value model can be seen the recovery through sale. The amended standard does not have an impact on the group reporting.
- **IAS19 (revised) Employee benefit:** Revised standard includes changes to accounting principles of defined benefit plans. The Group will adopt the standard in its 2013 financial statements. The corridor approach was eliminated and all actuarial gains and losses are to be recognised to OCI. The net asset or liability as a whole is to be booked to balance sheet. The expected return on fund assets is to be calculated using the same interest rate when discounting the net present value of pension liability. The adoption will increase the pension obligations in the balance sheet by approximately EUR 25 million and decrease the equity through OCI by approximately EUR 25 million. The change in fair value of employee benefit will be booked to OCI, when those previously were amortized through the income statement expense.
- **IFRIC 20 Stripping costs in the production phase of a surface mine:** The interpretation does not have an impact on the group reporting.
- **IFRS 7 (amendment) Financial instruments,** Disclosures – Offsetting Financial Assets and Financial Liabilities: The amended disclosures require more extensive disclosures than are currency required on offset financial asset and liabilities. The disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset in the balance sheet.
- **IAS 32 (amendment) Offsetting Financial Assets and Financial Liabilities:** The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32.The amendments clarify that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that certain gross settlement mechanisms are effectively equivalent to net settlement and would therefore satisfy the IAS 32 criterion in these instances.
- **Amendment to IFRSs 10, 11 and 12 on transition guidance:** These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Group will adopt the standard in its 2014 financial statements.
- **Annual improvements 2011:** Small and less important improvements to different standards, address six issues in the 2009–2011 reporting cycle. It includes changes to five different standards and the impacts vary by standard. The Group will adopt the standard in its 2013 financial statements.

The possible adjustments made in the previous year's figures are only done in order to remain the comparability with the actual year's figures.

2. SEGMENT INFORMATION

The Group's reportable segments are based on the internal reports regularly reviewed by the Group's Management Board. The YIT Group's Management Board is the chief operating decision-maker, which review the Group's internal reporting in order to assess performance and allocate resources to the segments.

YIT's business and reportable segments are Building Services Northern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services. Segments' operating activities are organised as follows:

BUILDING SERVICES NORTHERN EUROPE

- Servicing, repairs, renovation and modernization works required in homes.
- Servicing and maintenance of the HEPAC, electrical and automation systems and individual contracted maintenance and servicing works.
- Maintenance of industrial plants, industrial processes, installations and repairing services. Industrial investments in electrical, automation and ventilation systems, piping and tanks.

BUILDING SERVICES CENTRAL EUROPE

- Servicing, repairs, renovation and modernization works required in homes.
- Servicing and maintenance of the HEPAC, electrical and automation systems and individual contracted maintenance and servicing works.
- Maintenance of industrial plants, industrial processes, installations and repairing services. Industrial investments in electrical, automation and ventilation systems, piping and tanks.

CONSTRUCTION SERVICES FINLAND

- Residences: block of flats, single-family houses, leisure solutions.
- Maintenance of roads, streets and properties.
- Construction investments, renovation and property development projects, as well as infrastructure property development projects.

INTERNATIONAL CONSTRUCTION SERVICES

- Block of flats, single-family houses and leisure solutions. Maintenance of properties.
- Construction investments, renovation and property development projects.

OTHER ITEMS

Other items include Group internal services, rental revenue from external customers and Group level unallocated costs.

ACCOUNTING PRINCIPLES IN SEGMENT REPORTING

Building Services Northern Europe and Building Services Central Europe segments' reporting to YIT Group's management board is based on YIT Group's accounting principles. In Construction Services Finland segment's and International Construction Services segment's reporting to management YIT Group's accounting principles are applied for, except for the revenue recognition of own residential and commercial real estate development projects. In segment reporting, revenue from own residential and commercial real estate development projects is recognised on the basis of the percentage of degree of completion and the degree of sale. In Group reporting, revenue from own residential and commercial real estate development projects is recognised at the completion. Consequently, segment reporting of Construction Service in Finland and International Construction Services differs from group reporting related to items such as: revenue recognised, operating profit and profit for the year as well as balance sheet items.

The operative invested capital and return on operative invested capital (%) are included in the reports regularly reviewed by the YIT Group's Management Board. These key indicators are reported regularly to Group's Management. Operative invested capital is determined as follows:

\+ Tangible and intangible assets
\+ Goodwill
\+ Investments in associates and joint ventures
\+ Inventories
\+ Trade receivables and other non-interest-bearing receivables (excl. items related to taxes, interests and distribution of assets)
= Segments' assets
– Provisions
– Trade payables
– Advances received
– Other non-interest-bearing liabilities (excl. items related to taxes, interests and distribution of assets)
= Segments' liabilities

Segment's assets – Segment's liabilities = Operative invested capital

Return on operative invested capital %

$$= \frac{\text{Segment's operating profit + interests included in operating profit}}{\text{Operative invested capital (average) *100}}$$

OPERATING SEGMENTS 2012

EUR million	Building Services Northern Europe	Building Services Central Europe	Construction services Finland	International construction services	Other items	Items allocated to segments, total
Segments' revenue	2,089.2	714.2	1,329.0	599.6	64.8	4,796.8
Group internal	-55.0	-0.8	-1.8	-0.3	-63.0	-120.9
Revenue from external customers	**2,034.2**	**713.4**	**1,327.2**	**599.3**	**1.8**	**4,675.9**
Share of profit from associates and joint ventures	0.0		0.0	0.3		0.2
Operating profit segment/Group	**41.7**	**26.9**	**127.0**	**73.9**	**-20.7**	**248.8**
Operating profit includes:						
Depreciation and amortization	-18.3	-5.8	-0.1	-4.2	-16.4	-44.9
Change in provisions	-8.1	4.1	-0.8	5.1	0.1	0.4
Segments' assets	**890.4**	**344.8**	**944.9**	**918.3**	**78.0**	**3,176.4**
Total assets include:						
Investments	12.0	4.1	0.0	3.9	24.5	44.6
Investments in associates and joint ventures	0.1		0.4	0.0		0.6
Segments' liabilities	**569.8**	**245.9**	**363.2**	**210.0**	**-64.1**	**1,324.8**
Segment's operative invested capital	320.6	98.9	581.7	708.3		
Return on operative invested capital (last 12 months) %	12.2	31.5	23.5	12.3		

OPERATING SEGMENTS 2011

EUR million	Building Services Northern Europe	Building Services Central Europe	Construction services Finland	International construction services	Other items	Items allocated to segments, total
Segments' revenue	2,097.6	779.3	1,226.9	489.2	65.4	4,658.3
Group internal	-63.2	-0.3	-1.9	-4.2	-63.9	-133.6
Revenue from external customers	**2,034.4**	**779.0**	**1,224.9**	**485.0**	**1.5**	**4,524.7**
Share of profit from associates and joint ventures	0.0		0.1	0.3		0.4
Operating profit segment/Group	**78.8**	**33.3**	**111.6**	**37.2**	**-20.4**	**240.5**
Operating profit includes:						
Depreciation and amortization	-15.4	-4.8	-0.2	-4.7	-14.5	-39.6
Change in provisions	1.7	3.4	-5.3	-11.3	0.1	-11.5
Segments' assets	**914.4**	**341.9**	**867.2**	**794.3**	**71.6**	**2,989.4**
Total assets include:						
Investments	14.0	1.9	0.1	8.8	23.9	48.7
Investments in associates and joint ventures	0.1		0.5	2.6		3.1
Segments' liabilities	**541.5**	**269.8**	**308.7**	**192.1**	**-31.7**	**1,280.4**
Segment's operative invested capital	372.9	72.0	558.4	602.2		
Return on operative invested capital (last 12 months) %	23.8	53.8	24.0	6.5		

SEGMENT INFORMATION RECONCILIATION

EUR million	Group 2012	Group 2011
Revenue reconciliation		
Revenue, segment reporting	**4,675.9**	4,524.7
IFRIC 15 adjustment	**29.9**	-142.6
Revenue, group	**4,705.9**	**4,382.1**
Reconciliation of net profit for the financial year		
Operating profit, segment reporting	**248.8**	240.5
Unallocated items:		
Financial income and expenses	**-21.2**	-24.8
Profit before taxes, segment reporting	**227.6**	215.8
Taxes	**-55.3**	-58.0
Non-controlling interests	**-1.0**	-1.0
Net profit for the financial year, segment reporting	**171.2**	156.7
IFRIC 15 adjustment:		
Operating profit	**10.5**	-40.5
Deferred taxes	**-2.8**	7.8
Non-controlling interests	**-0.2**	0.4
Net profit for the financial year, group	**178.7**	**124.4**

EUR million	Group 2012	Group 2011
Assets		
Assets allocated to segments	**3,176.4**	2,989.4
Unallocated items:		
Cash and cash equivalents	**175.7**	206.1
Non-current receivables	**17.3**	
Tax related items	**48.2**	57.1
Periodisations of financial items	**11.6**	9.0
Assets total, segment reporting	**3,429.1**	**3,261.6**
IFRIC 15 adjustment:		
Inventories	**310.6**	324.5
Other current receivables	**-66.8**	-94.6
Deferred tax receivables	**9.1**	13.1
Assets total, group	**3,682.0**	**3,504.5**

EUR million	Group 2012	Group 2011
Liabilities		
Liabilities allocated to segments	**1,324.8**	1,280.4
Unallocated items:		
Interest-bearing liabilities	**849.9**	848.1
Tax related items	**123.5**	114.1
Periodisations of financial items	**26.2**	22.2
Liabilities total, segment reporting	**2,324.4**	**2,264.8**
IFRIC 15 adjustment:		
Interest-bearing current liabilities	**72.0**	98.4
Other current liabilities	**260.0**	228.3
Deferred tax liabilities	**-9.9**	-8.3
Liabilities total, group	**2,646.6**	**2,583.3**

GEOGRAPHICAL INFORMATION

In geographical segments revenues are presented by location of customers and assets are presented by location of assets.

EUR million	2012 Revenue from external customers	2012 Non-current assets	2011 Revenue from external customers	2011 Non-current assets
Finland	**1,928.6**	**204.5**	1,774.4	192.8
Sweden	**723.8**	**58.5**	732.7	58.2
Norway	**564.6**	**96.1**	519.2	95.5
Germany	**521.1**	**97.6**	629.5	86.3
Other Central Europe	**217.1**	**26.0**	155.4	41.7
Russia	**463.0**	**18.8**	292.2	19.8
Denmark	**142.8**	**10.6**	166.7	12.2
Baltic countries	**127.1**	**10.7**	96.5	13.5
Other Europe	**2.0**	**0.0**	0.8	
Other countries	**15.9**	**0.1**	14.7	0.0
Group total	**4,705.9**	**522.9**	**4,382.1**	**519.9**

3. Acquisitions

ACQUISITIONS IN 2012

In Sweden, YIT acquired the share capital of Elektriska Installationer i Finspång AB, a company specialising in electricity, telecommunications, data, alarm and low voltage installations, and its sister company Kraftmontage i Finspång AB, specialising in electrical installations in February. In Norway, YIT acquired the share capital of electrical installations specialist Madla Elektro AS in March. In Sweden, YIT acquired the security business operations of Level5 security in April and the share capital of electrical installations company Dala Elmontage Lindkvist & Bodin AB in May.

During the first half of the year 2012, YIT made two acquisitions in the Building Services Central Europe segment. In Austria, YIT acquired the share capital of P&P Kältenangebau GmbH, a cooling solutions and services provider, and the share capital of WM Haustechnik GmbH, an HVAC solution provider, in January 2012.

In December 2012 International Construction Services acquired 100% holding in LLC Maintenance Company "Vesta", a company specialising in contracting and services within technical building systems in Russia.

The total acquisition price amounted to EUR 9.5 million. The acquisition is not expected to result in goodwill.

ACQUISITIONS IN 2011

Building Services Northern Europe segment acquired in Sweden NNE Pharmaplan AB in January, Orab I Sydost AB specialising in industrial pipe works in April and Johnson Control's Commercial Refridgeration – businesses, Frisk Ventilation AB a supplier of ventilation – related services in May, MISAB Sprinkler & VVS AB and Sakari Timonen business operations in Julyand Mercur VVS group in September. In October International Construction Services acquired 100 percent holding in the building management and property maintenance company LLC Upravljajushjaja Kompanija

Olimp in Yekateringburg, Russia. Total acquisition price amounted to EUR 9,5 million. With these local acquisitions

YIT strengthen the market share and the acquisition price over the net assets acquired will be allocated to customer base. YIT also increased its holding in CJSC YIT Moskovia from 92.08 percent to 94.08 percent in January.

COMPOSITION OF ACQUIRED NET ASSETS AND GOODWILL

EUR million	2012	2011
Consideration		
Cash	**8.5**	9.5
Contingent consideration	**1.1**	
Total consideration	**9.5**	**9.5**

Acquisition-related costs		
recognised as expenses	**0.2**	0.3

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

EUR million	2012	2011
Cash and cash equivalents	**1.1**	0.6
Property, plant and equipment	**0.5**	0.9
Intangible assets:		
Customer base	**1.6**	11.7
Order backlog	**4.5**	
Other intangible rights	**12.9**	
Inventories	**0.9**	0.4
Trade and other receivables	**6.6**	10.6
Deferred tax liabilities, net	**-2.0**	-1.1
Trade and other liabilities	**-16.6**	-13.6
Total identifiable net assets	**9.5**	**9.5**
Non-controlling interest		
Goodwill		
Total	**9.5**	**9.5**

Revenue included in the income statement for the period	**17.4**	7.8
Profit for the period included in the income statement for the period	**0.2**	-0.2

Revenue had the consolidation taken place from the beginning of financial year	**19.2**	12.1
Profit for the period had the consolidation taken place from the beginning of the financial year	**0.4**	0.3

4. Disposals

DISPOSED BUSINESSES IN 2012
International Construction Services sold the shares held in a Russian company called UJUT Service. The sale had no significant relevance to the YIT Group.

DISPOSED BUSINESSES IN 2011
Building Services Central Europe segment disposed it's businesses in Hungary by selling three subsidiaries in Hungary at May 31, 2011. The companies were included in the acquisitions in years 2008 and 2010 in Central Europe. The goodwill related to Central Europe were reduced by EUR 1,4 million in Hungarian business divestment.

The selling price of businesses totals EUR 12.2 million. The net assets at the time of the disposal was EUR 7.0 million and the gain on the sales before tax effect EUR 5.2 million. The gain after taxes is EUR 5.2 million and it has been included in other operating income.

EFFECT ON REVENUE, NET PROFIT AND CASH FLOW

EUR million	1.1.–31.12. 2012	1.1.–31.12. 2011
Revenue	0.1	4.7
Operating expenses	-0.1	-4.1
Operating profit	0.0	0.6
Financial expenses	0.0	0.0
Profit before taxes	0.0	0.6
Taxes	0.0	0.0
Net profit	**0.0**	**0.5**
Received in cash	0.0	12.2
Direct costs related to disposals	0.0	-0.6
Cash and cash equivalents in disposed entity	0.0	-5.7
Cash flow on disposals	**0.0**	**5.9**

EFFECT ON CONSOLIDATED ASSETS AND LIABILITIES

EUR million	2012	2011
Tangible assets		0.1
Intangible assets		0.0
Goodwill		1.4
Inventories		0.2
Trade and other receivables	0.5	3.4
Cash and cash equivalents		5.7
Total assets	**0.5**	**10.7**
Deferred tax liability		0.0
Trade and other liabilities	0.5	3.7
Total liabilities	**0.5**	**3.7**
Net assets	**0.0**	**7.0**

5. Long-term construction contracts

EUR million	2012	2011
Contract revenue recognised as revenue in the period	**3,578.0**	3,367.2
Contract costs incurred and recognised profits less recognised losses to date for work in progress	**3,610.6**	2,315.0
Accrued income from long-term projects	**329.3**	339.3
Advances received	**171.6**	181.1

The expenditure incurred and the profits recognized for the long-term projects, that exceed the amount invoiced for the project, the difference is disclosed in "Trade and other receivables" in the balance sheet. Advances received and difference that arises if the expenditure and recognised income are lower than the amount of invoiced for the project, the difference is disclosed in "Trade and other payables".

6. Other operating income

EUR million	2012	2011
Gains on the sale of tangible and intangible assets	**3.1**	1.0
Rent income	**2.8**	3.2
Gains on disposed companies or businesses	**0.0**	5.2
Other income	**16.3**	5.2
Total	**22.2**	**14.6**

7. Other operating expenses

EUR million	2012	2011
Losses on the sale of tangible and intangible assets	**0.2**	0.1
Rent expenses	**146.8**	137.1
Voluntary indirect personnel expenses	**27.1**	16.9
Other variable expenses for work in progress	**218.6**	169.3
Travel expenses	**62.5**	59.4
IT expenses	**23.6**	21.7
Premises expenses	**20.0**	18.2
Other fixed expenses	**63.7**	56.1
Total	**562.4**	**478.8**

AUDIT FEE

EUR million	2012	2011
PricewaterhouseCoopers		
Audit fee	**0.9**	1.2
Statement	**0.0**	0.0
Tax services	**0.4**	0.3
Other services	**0.3**	0.1
Total	**1.6**	**1.7**

8. Depreciations and impairments

EUR million	2012	2011
Depreciations		
Intangible assets		
on allocations	**14.6**	10.5
on other intangible assets	**5.6**	5.2
Tangible assets		
on buildings and structures	**1.6**	2.0
on machinery and equipment	**17.2**	16.7
on machinery and equipment, finance lease	**0.7**	0.8
on other tangible assets	**4.2**	4.4
Total	**44.0**	**39.6**
Impairments		
on goodwill	**0.9**	
Depreciations and impairments total	**44.9**	**39.6**

9. Employee benefit expenses

EUR million	2012	2011
Wages and salaries	**1,110.1**	1,107.6
Pension costs, defined contribution plan	**88.8**	95.6
Pension costs, defined benefit plan	**9.3**	8.8
Other post-employment benefits	**0.3**	0.1
Share-based compensations	**5.1**	3.4
Other indirect employee costs	**197.1**	141.7
Total	**1,410.6**	**1,357.2**

AVERAGE NUMBER OF PERSONNEL BY BUSINESS SEGMENT

EUR million	2012	2011
Building Services Northern Europe	**15,159**	16,008
Building Services Central Europe	**3,380**	3,640
Construction Services Finland	**3,540**	3,433
International Construction Services	**2,808**	2,761
Other	**396**	403
Total	**25,283**	**26,245**

The key management compensation in total are disclosed in Note 34 Related party transactions.

10. Research and development expenses

YIT group's research and development expenses amounted to about 21.5 million euros in 2012 and 20.1 million euros in 2011. The research and development expenses have been mainly recognised as a part of the costs of long-term projects and have been recorded as a project costs.

11. Financial income and expenses

EUR million	2012	2011
Financial income		
Dividend income on available for sale investments	**0.0**	0.1
Interest income on loans and other receivables	**4.3**	3.9
Realized gains on available for sale investments	**0.5**	
Changes in fair values on financial instruments at fair value through profit and loss account	**0.4**	0.1
Other financial income on loans and other receivables	**0.3**	0.2
Financial income, total	**5.5**	**4.3**
Financial expenses		
Interest expenses on liabilities at amortized cost [1]	**-25.2**	-24.8
Interest expenses on receivables sold to financing companies	**-4.0**	-5.1
Other financial expenses on liabilities at amortized cost	**-3.9**	-3.5
Interest expenses on non-hedging derivatives	**-2.5**	-1.1
Changes in fair values on financial instruments at fair value through profit and loss account	**-2.7**	-2.3
Interest expenses on finance leases	**-0.1**	-0.3
Financial expenses	**-38.4**	**-37.1**
Interest expenses capitalised on qualifying assets [2]	**17.4**	12.2
Financial expenses, total	**-21.0**	**-24.9**
Exchange rate gains	**35.2**	33.6
Exchange rate losses	**-41.0**	-37.8
Exchange rate differences, net [3]	**-5.8**	**-4.1**
Financial expenses, net	**-21.2**	**-24.8**

1) Interest expenses on liabilities at amortized cost include EUR 2.0 million (EUR 2.3 million in year 2011) interest expenses on derivatives with hedge accounting applied for.
2) Capitalisation of interest expenses is based on effective weighted average interest of Group loan portfolio.Currency-specific factors include the impact of hedging.
3) Exchange rate losses were mainly caused by realised losses from hedging the rouble against the euro.

12. Income taxes

INCOME TAXES IN THE INCOME STATEMENT

EUR million	2012	2011
Current taxes	**41.4**	56.4
Taxes for prior years	**-1.2**	0.9
Deferred taxes	**17.9**	-7.1
Total income taxes	**58.1**	**50.2**

The reconciliation between income taxes in the consolidated income statement and income taxes at the statutory tax rate in Finland 24,5% (26,0% in year 2011) is as follows:

EUR million	2012	2011
Profit before taxes	**238.0**	175.2
Income taxes at the tax rate in Finland (24,5%/26,0%)	**58.3**	45.6
Effect of different tax rates outside Finland	**-0.9**	2.0
Tax exempt income and non-deductible expenses	**-0.4**	1.2
Net results of associated companies and joint ventures	**-0.1**	-0.1
Impact of the changes in the tax rates on deferred taxes [1)]	**-1.1**	-0.4
Impact of losses for which deferred tax asset is recognised	**-4.8**	
Impact of losses for which deferred taxes is not recognised	**1.7**	1.0
Reassessment of deferred taxes	**6.5**	0.0
Taxes for prior years	**-1.2**	0.9
Income taxes in the income statement	**58.1**	**50.2**

1) The affect of the change of tax rate in Slovakia from 19% to 23% in 2013, in Sweden from 26.3% to 22.0% in 2013 and in Finland from 26.0% to 24.5% in 2012.

13. Earnings per share

	2012	2011
Profit attributable to the equity holders of the Company, EUR million	**178.7**	124.4
Weighted average number of shares, million	**125.4**	125.2
Earnings per share, EUR	**1.43**	0.99

Diluted earnings per share is calculated by adjusting number of shares to assume conversion of all diluting potential shares. There were no diluting effects in 2012 and 2011.

	2012	2011
Profit attributable to the equity holders of the Company, EUR million	**178.7**	124.4
Weighted average number of shares, million	**125.4**	125.2
Diluted average number of shares, million	**125.4**	125.3
Diluted earnings per share, EUR	**1.43**	0.99

14. Tangible assets

2012

EUR million	Land and Water areas	Buildings and Structures	Machinery and Equipment	Other tangible assets	Advance payments	Total
Historical cost at January 1	4.2	48.6	233.1	30.9	3.0	319.7
Translation differences	0.0	0.2	2.0	0.4	0.0	2.6
Increases	0.5	0.7	25.4	2.5	-1.4	27.7
Acquisitions	0.0		0.5			0.5
Decreases	-0.1	-2.4	-21.8	-1.5	-0.7	-26.5
Reclassifications	0.0	-2.9	0.4	-0.8	0.0	-3.3
Historical cost at December 31	**4.6**	**44.2**	**239.7**	**31.5**	**0.9**	**320.9**
Accumulated depreciations and value at January 1		-24.6	-167.3	-17.1		-209.0
Translation differences	0.0	0.2	-1.4	-0.2		-1.4
Depreciations		-1.6	-18.0	-4.2		-23.8
Accumulated depreciations of reclassifications		1.6	20.2	2.2		23.9
Accumulated depreciations at December 31	**0.0**	**-24.5**	**-166.5**	**-19.3**		**-210.2**
Carrying value January 1	4.2	24.0	65.8	13.8	3.0	110.8
Carrying value December 31	**4.6**	**19.7**	**73.2**	**12.2**	**0.9**	**110.6**

2011

EUR million	Land and Water areas	Buildings and Structures	Machinery and Equipment	Other tangible assets	Advance payments	Total
Historical cost at January 1	4.2	45.9	214.8	28.8	0.5	294.2
Translation differences	0.0	-0.2	-0.2	-0.1	0.0	-0.5
Increases	0.0	4.6	18.4	2.5	4.8	30.4
Acquisitions			0.9			0.9
Decreases	0.0	-1.9	-3.1	-0.7	-0.2	-5.9
Disposals		0.0	0.0	-0.1		-0.1
Reclassifications		0.2	2.3	0.5	-2.2	0.8
Historical cost at December 31	**4.2**	**48.6**	**233.1**	**30.9**	**3.0**	**319.7**
Accumulated depreciations and value at January 1		-22.8	-151.4	-13.2		-187.5
Translation differences		0.1	0.1	0.1		0.2
Depreciations		-2.0	-17.5	-4.4		-23.9
Accumulated depreciations of reclassifications		0.2	1.6	0.4		2.2
Accumulated depreciations at December 31		**-24.6**	**-167.3**	**-17.1**		**-209.0**
Carrying value January 1	4.2	23.1	63.3	15.6	0.5	106.7
Carrying value December 31	**4.2**	**24.0**	**65.8**	**13.8**	**3.0**	**110.8**

FINANCE LEASE ASSETS

Tangible assets include assets leased by finance lease agreements as follows:

Machinery and Equipment, EUR million	2012	2011
Historical cost at January 1	**13.5**	14.0
Translation differences	**0.0**	0.0
Increases	**1.1**	0.3
Decreases	**-0.8**	-0.8
Reclassifications	**-0.1**	
Accumulated depreciations	**-12.1**	-12.1
Carrying value December 31	**1.7**	**1.5**

No impairment losses have been recognised in the years 2012 and 2011. The government grant received are not material. The received government grants have been deducted from the carrying value.

15. Intangible assets

2012

EUR million	Goodwill	Allocations from business combinations	Other intangible assets	Advance payments	Total other intangible assets
Historical cost at January 1	347.5	60.7	67.2	3.0	130.9
Increases		0.0	3.2	5.2	8.4
Acquisitions		18.9	0.0		18.9
Decreases	-0.9	-0.5	-21.7	-0.1	-22.3
Reclassifications		-0.3	0.8	-0.5	0.0
Translation differences		1.9	0.3		2.2
Historical cost at December 31	**346.6**	**80.7**	**49.8**	**7.8**	**138.2**
Accumulated depreciations January 1		-28.5	-48.3		-76.8
Depreciations		-14.5	-5.6		-20.2
Translation differences		-1.1	-0.2		-1.3
Accumulated depreciations of reclassifications		0.6	21.2		21.7
Accumulated depreciations at December 31		**-43.5**	**-33.0**		**-76.5**
Book value January 1	347.5	32.2	18.9	3.0	54.1
Book value December 31	**346.6**	**37.2**	**16.8**	**7.8**	**61.8**

2011

EUR million	Goodwill	Allocations from business combinations	Other intangible assets	Advance payments	Total other intangible assets
Historical cost at January 1	350.9	52.1	55.5	7.6	115.2
Increases		0.3	2.7	5.9	8.9
Acquisitions		11.7			11.7
Decreases	-3.4	-3.6	-0.3	-0.5	-4.3
Reclassifications		0.0	9.3	-10.0	-0.8
Translation differences		0.2	0.0		0.2
Historical cost at December 31	**347.5**	**60.7**	**67.2**	**3.0**	**130.9**
Accumulated depreciations January 1		-21.5	-43.2		-64.7
Depreciations		-10.5	-5.2		-15.6
Translation differences		-0.1	0.1		0.0
Accumulated depreciations of reclassifications		3.6			3.6
Accumulated depreciations at December 31		**-28.5**	**-48.3**		**-76.8**
Book value January 1	350.9	30.6	12.3	7.6	50.5
Book value December 31	**347.5**	**32.2**	**18.9**	**3.0**	**54.1**

ALLOCATIONS FROM BUSINESS COMBINATIONS:

EUR million	2012	2011
Customer relations and contract bases	**20.1**	29.4
Unpatented technology	**0.2**	0.7
Order backlog	**16.2**	0.5
Prohibition of competition clause	**0.6**	1.5
Total	**37.2**	**32.2**

YIT GROUP'S GOODWILL IS ALLOCATED TO THE BUSINESS SEGMENTS AND TO THE CASH GENERATING UNITS (CGU) AS FOLLOWS:

EUR million	2012	2011
Building Services Northern Europe		
Finland	**68.9**	68.9
Sweden	**41.8**	41.8
Norway	**69.7**	69.7
Denmark	**7.6**	7.6
Industrial services	**41.8**	41.8
Total Building Services Northern Europe	**229.7**	**229.7**
Building Services Central Europe		
Germany	**86.0**	86.0
Austria	**16.5**	16.5
Poland	**2.4**	3.3
Czech	**1.1**	1.1
Building Services Central Europe	**106.0**	106.9
International Construction Services	**10.9**	10.9
Total goodwill	**346.6**	347.5

The recoverable amount of all cash generating units (CGU) is based on the value in use calculations.The recoverable cash flows are based on the set out budget for year 2013 and set out strategy of years 2014–2015. A growth rate for the terminal value of 2 percent has been used in the impairment testing in 2012. The estimated business volumes are based on the current group structure. The estimates include f.ex. the business potential in building service and maintenance sector in all group countries and the outlook in demand for houses in Central East-Europe and Russia. The estimates rest on the former experience and trends in these markets. Forecast of several research institutes related to growth, demand and price trends have also been utilized when preparing the estimates.

The discount factor employed is YIT's latest confirmed pre-tax WACC (Weighted Average Cost of Capital). A WACC of 10.2–10.9 percent was used in testing of Building Services Northern Europe, 9.9–15.9 percent in Building Services Central Europe and 17.0 percent in International Construction Services.

As a result of impairment testing a write-down of EUR 0.9 million was made to the goodwill of Poland during the third quarter in 2012.

The goodwill test results are evaluated by comparing the recoverable amount (E) with the carrying amount of the CGU (T), as follows:

	Ratio			Estimate
E		<	T	Impairment
E	0–20%	>	T	Slightly above
E	20–50%	>	T	Clearly above
E	50%–	>	T	Substantially above

The recoverable amount exceeded the carrying amount substantially in all cash generating units that have goodwill except in Poland.

The sensitivity analysis for the recoverable cash flows have been made assessing the impact of changes in f.ex discount rate, profitability and terminal value. Even remarkable negative change in these factors would not lead to impairment losses of tested assets.

16. Investments in associated companies and joint ventures

	2012		
EUR million	**Associated companies**	**Joint ventures**	**Total**
Historical costs on January 1	**3.1**	0.1	3.1
Share of the profit	**0.2**	0.0	0.2
Disposals	**-2.8**		-2.8
Historical costs on December 31	**0.5**	**0.1**	**0.6**

	2011		
EUR million	**Associated companies**	**Joint ventures**	**Total**
Historical costs on January 1	**2.7**		2.7
Share of the profit	**0.4**		0.4
Increased		0.1	0.1
Historical costs on December 31	**3.1**	**0.1**	**3.1**

In year 2012 YIT sold the 25% ownership of Estonian company AS Tartu Maja Betoonitooted. The profit of EUR 0.3 million was consolidated into YIT's Income statement from period January 1–June 29, 2012.

In year 2011 YIT acquired 10.05% holding in Tieyhtiö Valtatie 7 Oy. Finnish Transport Agency has procured Tieyhtiö Valtatie 7 Oy the design, construction, maintenance and financing of the E18 Koskenkylä–Kotka motorway. Tieyhtiö Valtatie 7 Oy has signed the construction and maintenance agreements with a joint venture of YIT and Destia. The construction of the road is estimated to be completed by 2014 and the maintenance of the motorway will be carried out until 2026. The Group's share of the joint venture has been consolidated using the equity method.

The carrying amounts of the shares in associated companies does not include goodwill in 2012 and 2011.

YIT GROUP'S ASSOCIATED COMPANIES AND JOINT VENTURES AND THEIR COMBINED ASSETS, LIABILITIES, REVENUE AND PROFIT/LOSS

2012

EUR million	Domicile	Assets	Liabilities	Revenue	Profit/loss	Ownership
Arandur Oy 1)	Vantaa	4.0	3.7	5.4	0.0	33.00%
YIT Kuntatekniikka Oy 1)	Mikkeli	2.5	1.8	15.4	-0.2	40.00%
Ruoholahti 23 Oy 2)	Helsinki	2.3	2.2	1.2	0.1	50.00%
Valtatie 7 Group 2)	Helsinki	167.2	170.3	0.0	0.0	10.05%
Total		**176.0**	**178.0**	**22.0**	**-0.1**	

2011

EUR million	Domicile	Assets	Liabilities	Revenue	Profit/loss	Ownership
Arandur Oy 1)	Vantaa	4.0	3.7	5.2	0.0	33.00%
AS Tartu Maja Betoontooted 1)	Tartu	15.0	4.8	20.3	1.2	25.00%
YIT Kuntatekniikka Oy 1)	Mikkeli	2.4	1.5	12.7	0.1	40.00%
Ruoholahti 23 Oy 2)	Helsinki	13.2	13.1	1.0	0.1	50.00%
Valtatie 7 Group 2)	Helsinki	26.2	25.7	0.0	0.0	10.05%
Total		**60.9**	**48.8**	**39.2**	**1.3**	

1) Associated company
2) Joint venture

17. Available for sale investments

EUR million	2012	2011
Carrying value January 1	**3.8**	3.4
Increases	**0.1**	0.0
Decreases	**-0.2**	-0.1
Changes in fair values	**-0.4**	0.5
Translation difference	**0.1**	
Carrying value December 31	**3.4**	**3.8**

Available for sale investments consist of as follows:		
Quoted	**1.6**	2.0
Unquoted	**1.8**	1.8
Total	**3.4**	**3.8**

18. Non-current receivables

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value
Trade receivables	**0.7**	0.7	0.6	0.6
Other receivables 1)	**16.0**	16.0	18.2	18.2
Accrued receivables of derivatives			0.0	0.0
Non-current receivables, total	**16.6**	**16.6**	**18.8**	**18.8**

1) Other receivables include defined benefit plan pension assets EUR 12.3 million (EUR 15.1 million in 2011).

RECONCILIATION TO THE NOTE 29 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

EUR million	2012	2011
Trade receivables	**0.7**	0.6
Other receivables	**16.0**	18.2
Total	**16.6**	**18.8**
Defined benefit pension asset	**-12.3**	-15.1
Difference	**4.4**	**3.7**

Non-current receivables do not include receivables from related parties.

19. Deferred tax receivables and liabilities

EUR million	2012	2011
Deferred tax receivable	**49.8**	60.3
Deferred tax liability	**-98.7**	-88.3
Deferred tax liability, net	**-48.9**	**-28.0**

Changes in deferred tax receivables and liabilities:		
Deferred tax liability, net January 1	**-28.0**	-32.5
Translation difference	**-1.1**	-0.7
Changes recognised in income statement	**-17.8**	7.1
Changes recognised in comprehensive income	**0.0**	0.3
Business acquisitions	**-2.0**	-2.2
Deferred tax liability, net December 31	**-48.9**	**-28.0**

CHANGES IN DEFERRED TAX RECEIVABLES AND LIABILITIES BEFORE THE OFFSET

2012

EUR million	January 1	Translation difference	Recognised in the income statement	Recognised in compre-hensive income	Acquisitions/ Disposals	December 31
Deferred tax receivables:						
Provisions	18.9	0.2	-0.3		0.0	18.8
Tax losses carried forward	11.2	0.1	-0.1			11.2
Pension obligations	0.9	0.0	1.8			2.7
Percentage of completion method	23.5	0.5	-9.1			14.9
Inventories	4.4	0.0	4.7			9.1
Other items	11.8	0.0	4.7	-0.1	0.0	16.4
Total deferred tax receivables	**70.8**	**0.9**	**1.7**	**-0.1**	**0.0**	**73.3**
Deferred tax liabilities:						
Allocation of intangible assets	40.0	0.6	4.1		2.1	46.8
Accumulated depreciation differences	13.6	0.2	-1.3			12.6
Pension obligations	2.5	0.2	1.5			4.2
Percentage of completion method	33.9	0.6	8.1			42.7
Inventories	2.7	-0.2	4.3			6.9
Available-for-sale investments	0.1	0.0		-0.1		0.0
Other items	5.9	0.4	2.8		-0.1	9.1
Total deferred tax liabilities	**98.8**	**2.0**	**19.5**	**-0.1**	**2.0**	**122.2**

YIT has revised its classification of deferred taxes and therefore there are reclassifications between opening balance rows for year 2012.

2011

EUR million	January 1	Translation difference	Recognised in the income statement	Recognised in compre-hensive income	Acquisitions/ Disposals	December 31
Deferred tax receivables:						
Provisions	16.9	-0.2	1.6		-0.1	18.2
Tax losses carried forward	5.7		1.2		1.5	8.5
Pension obligations	1.2		0.0			1.1
Percentage of completion method	28.0	-0.1	-4.5		-0.8	22.6
Other items	10.2	-0.3	5.5	0.4	0.0	16.0
Total deferred tax receivables	**62.1**	**-0.6**	**3.8**	**0.4**	**0.6**	**66.4**
Deferred tax liabilities:						
Allocation of intangible assets	37.3		1.7		0.0	39.0
Accumulated depreciation differences	16.2		-2.0		0.0	14.2
Pension obligations	0.9		-0.2		2.0	2.8
Percentage of completion method	17.0	-0.2	5.9		0.7	23.4
Inventories	4.2		1.4			5.6
Available-for-sale investments				0.1		0.1
Fair value adjustments of derivatives	0.0					0.0
Other items	19.0	0.3	-10.0		0.0	9.4
Total deferred tax liabilities	**94.5**	**0.1**	**-3.2**	**0.1**	**2.8**	**94.4**

The deferred tax receivables on the taxable losses will be booked to the extend the benefit is expected to be able to deduct from the taxable profit in the future. No deferred tax asset of EUR 3.9 million (EUR 10.6 million in 2011) has been recognised on accumulated losses, of which some part is not approved by tax authorities. Deferred tax liability on undistributed earnings of subsidiaries, where the tax will be paid on the distribution of earnings, has not been recognised in the consolidated balance sheet, because distribution of the earnings is in the control of the Group and it is not probable in the near future.

20. Inventories

EUR million	2012	2011
Raw materials and consumables	**36.2**	27.6
Work in progress	**894.8**	792.8
Land areas and plot-owing companies	**673.5**	643.8
Shares in completed housing and real estate companies	**232.0**	158.2
Advance payments	**64.1**	49.5
Other inventories	**0.9**	0.7
Total inventories	**1,901.5**	**1,672.6**

The write-downs of inventories were EUR 0.2 million (EUR 0.0 million in 2011). Work in progress include capitalised interests EUR 16.3 million (EUR 11.9 million in 2011).

YIT Group has acquired land areas in Finland and abroad for the construction activities. The acquisition of a land area may be done by buying the ownership of property or of shares of a plot-owing company. The goodwill arisen from the acquisitions of plot-owing companies have been included in the total amount of Land areas or Work in progress in inventories.

21. Trade and other receivables

EUR million	2012 Carrying value	2011 Carrying value
Trade receivables	**571.1**	574.5
Loan receivables	**13.9**	0.0
Accrued income from long-term projects	**329.3**	339.3
Accrued income	**52.2**	64.5
Receivables from derivative agreements	**0.0**	1.1
Other receivables	**41.6**	38.0
Total	**1,008.0**	**1,017.4**

Trade receivables average amount was EUR 542.7 million in 2012 (EUR 481.2 million in 2011). Group has not received collaterals.

RECONCILIATION TO THE NOTE 29 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

EUR million	2012	2011
Loan receivables	**13.9**	0.0
Trade receivables	**571.1**	574.5
Accrued income from long-term projects	**329.3**	339.3
Other receivables	**41.6**	38.0
Total	**941.9**	**951.7**

22. Cash and cash equivalents

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value
Cash and cash equivalents	**175.7**	**175.7**	199.7	199.7
Current investments			6.4	6.4
Total	**175.7**	**175.7**	**206.1**	**206.1**

CASH AND CASH EQUIVALENTS PRESENTED IN GROUP CASH FLOW STATEMENT:

EUR million	2012	2011
Cash and cash equivalents	**175.7**	199.7
Current investments	**0.0**	6.4
Accounts with overdraft facility	**-1.1**	-1.3
Total	**174.6**	**204.8**

23. Equity

SHARE CAPITAL AND SHARE PREMIUM RESERVE

	Number of outstanding shares	Share capital EUR million	Treasury shares EUR million
Jan 1, 2011	125,078,422	149.2	-10.6
Transfer of treasury shares	196,910		0.9
Return of treasury shares	-4,324		
Dec 31, 2011	125,271,008	149.2	-9.7
Jan 1, 2012	125,271,008	149.2	-9.7
Transfer of treasury shares	130,976		0.6
Return of treasury shares	-18,139		
Dec 31, 2012	**125,383,845**	**149.2**	**-9.2**

The total number of YIT Oyj's shares was 127,223,422 and the share capital amounted to EUR 149.2 million euros at December 31, 2012. All the issued and subscribed shares have been fully paid to the company. Shares do not have a nominal value.

TREASURY SHARES

Changes in own shares if YIT corporation during the accounting period:

Time	Amount, pcs.
Jan 1, 2012	1,952,414
Treasury shares granted for years 2011 option scheme	-130,976
Return of treasury shares	18,139
Dec 31, 2012	**1,839,577**

The consideration paid for the treasury shares amounted to EUR 9.2 million and is disclosed as a separate fund in equity. The consideration paid on treasury shares decreases the distributable equity of YIT Corporation. YIT Corporation holds the own shares as treasury shares and has the right to return them to the market in the future.

LEGAL AND OTHER RESERVES

Legal reserves include the distributable earnings that have been booked to legal reserve based on the rule of Articles of Associations or by decision of Annual General Meeting.
Other reserves include reserve of unrestricted equity in parent company and other reserves based on the regulation of local group companies.

TRANSLATION DIFFERENCES

Translation differences include the exchange rate differences recognised in group consolidation. Also, on the net investment in foreign subsidiaries, which are hedged with currency forwards, the portion of the gains and losses of effective hedges is recognised in equity. There were no hedges of a net investment in a foreign operation in years 2012 and 2011.

FAIR VALUE RESERVES

Fair value reserves include movements in the fair value of the available-for-sale financial assets and the derivative instruments used for cash flow hedging.

DIVIDENDS

After the balance sheet date the Board has proposed to Annual General meeting a dividend of 0.75 euros per share.

SHARE-BASED INCENTIVE PLAN

From 2010, the Group has had a long-term share-based incentive plan for it's key personnel. The incentive plan has three separate earning periods for the years 2010, 2011 and 2012. The reward is based on the achievement of the set financial targets, which are the revenue increase and the return on investment (ROI). The possible reward will be settled in YIT's shares and in cash. The cash-settled reward will cover the tax and tax related obligations. The shares received are forbidden to sell during the commitment period. The commitment period in scheme 2010 is two years and in schemes 2011 and 2012 three years. For each earning period will be approved separate financial targets and the list of key personnel. Every year it is possible to grant maximum 700,000 shares in the scheme. Into share-based incentive plan belongs to 255 persons for 2010, 260 persons for 2011 and 250 persons for 2012.

GRANTED SHARES IN THE INCENTIVE PLANS

Year	Grant date	Maximum amount of shares	Market value at grant date
2010	4/6/10	700,000	17,52
2011	3/18/11	700,000	20,67
2012	2/29/12	700,000	15,80

Number of shares granted	2012	2011
January 1	**700,000**	700,000
Granted shares, maximum	**700,000**	700,000
Granted shares, realised	**-130,976**	-196,910
Exercised	**-569,024**	-503,090
December 31	**700,000**	**700,000**

The granted shares are the maximum amount to be delivered from the year 2010. The final outcome of the financial key targets set, affects the realised number of granted shares. The difference between the maximum and realised share number will be shown in the exercised shares. Shares granted in 2011 were based on the performance of the year 2010 and shares granted in 2012 based on the performance of the year 2011.

COSTS RECOGNISED FOR THE SHARE-BASED INCENTIVE PLAN

		The cost for the period, EUR million	
Earning period	**Persons**	**2012**	**2011**
2010	255	1.1	2.0
2011	260	1.1	1.4
2012	250	2.9	
		5.1	**3.4**

The accrued liabilities related to cash-settled part of the compensation amounts to EUR 1.7 million (in 2011 EUR 1.8 million). EUR 0.8 million (EUR 0.5 million in 2011) of the cost recognised are related to YIT Group's management board.

24. Employee benefit obligations

EUR million	2012	2011
Balance sheet obligations for:		
a) Pension benefits	**18.6**	18.2
b) Other post-employment benefits	**8.7**	8.4
Total	**27.3**	**26.5**
Balance sheet assets for:		
a) Pension benefits	**-12.3**	-15.1
Income statement charge for:		
a) Pension benefits	**9.0**	8.8
b) Other post-employment benefits	**0.3**	0.1
Total	**9.3**	**8.9**

(A) PENSION BENEFITS

The Group has a defined benefit pension plans in Norway, Germany and Austria. In all plans the pension liability has been calculated based on the number the years employed and the salary level. All the pension plans are managed in insurance companies, which follow the local pension legislation in their management.

THE AMOUNTS ARE DETERMINED AS FOLLOWS:

EUR million	2012	2011
Present value of funded obligations	**93.9**	107.8
Fair value of plan assets	**-74.4**	-69.1
Deficit/surplus	**19.5**	**38.7**
Present value of unfunded obligations	**24.0**	18.6
Unrecognised actuarial gains/losses	**-37.2**	-54.2
Net pension liability	**6.3**	**3.1**

Disclosed in the balance sheet as follows:		
Pension obligations	**18.6**	18.2
Defined benefit pension assets (Note 18)	**-12.3**	-15.1

THE MOVEMENT IN THE DEFINED BENEFIT OBLIGATION OVER THE YEAR IS AS FOLLOWS:

EUR million	2012	2011
At 1 January	**126.4**	116.6
Exchange differences	**6.0**	0.6
Current service cost	**5.5**	4.9
Interest cost	**3.6**	4.6
Contributions by plan participants	**0.0**	-0.6
Actuarial profits/losses	**-20.0**	2.8
Benefits paid	**-3.6**	-2.5
Liabilities acquired in a business combination	**0.0**	0.0
Settlements	**0.0**	0.0
At 31 December	**117.9**	**126.4**

THE MOVEMENT OF PLAN ASSETS OF THE YEAR IS AS FOLLOWS:

EUR million	2012	2011
At 1 January	**69.1**	69.3
Exchange differences	**3.8**	0.4
Expected return of plan assets	**3.0**	3.7
Actuarial profits/losses	**-3.1**	-6.7
Employer contribution	**4.0**	4.5
Benefits paid	**-2.5**	-2.0
Assets from business combinations	**0.0**	0.0
At 31 December	**74.4**	**69.1**
Expected return on the plan assets	**3.0**	3.7

THE AMOUNTS RECOGNISED IN THE INCOME STATEMENT ARE AS FOLLOWS:

EUR million	2012	2011
Current service cost	**5.4**	4.9
Interest cost	**3.6**	4.6
Expected return on plan assets	**-3.0**	-3.7
Actuarial gains (-) and losses (+)	**3.1**	2.9
Settlements	**0.0**	0.0
Total, included in personnel expenses	**9.0**	**8.8**

ACTUARIAL ASSUMPTIONS ARE AS FOLLOWS

	2012	2011
Discount rate	**3.5–3.8%**	2.6–4.6%
Rate of salary increase	**1.3–3.5%**	4.0%
Rate of pension increases	**0.2–2.3%**	0.1–2.3%
Rate of expected return on plan assets	**3.8%**	4.1%

The future mortality rate and average life expectancy in years are based on statistics in Norway, Germany and Austria.

(B) OTHER POST-EMPLOYMENT LIABILITIES

Other post-employment liabilities include a legal liability in Austria related to obligations at the termination of employment and additional pension benefits as well as unemployment liabilities in Finland.

THE AMOUNTS RECOGNISED IN THE BALANCE SHEET ARE DETERMINED AS FOLLOWS:

EUR million	2012	2011
Present value of unfunded obligations	**8.7**	8.4
Liability in the balance sheet	**8.7**	**8.4**

THE MOVEMENT IN THE DEFINED BENEFIT OBLIGATION OVER THE YEAR IS AS FOLLOWS:

EUR million	2012	2011
At 1 January	**8.4**	9.2
Contribution by plan participants	**0.6**	0.6
Actuarial losses/gains	**0.1**	-0.7
Benefits paid	**-0.3**	-0.7
At 31 December	**8.7**	**8.4**
Recognised loss	**0.3**	0.1
Total	**0.3**	**0.1**

25. Provisions

EUR million	Guarantee reserve	10-year commitments in construc- tion	Provisions for loss making projects	Restructuring provisions	Legal provisions	Rental guarantee provisions	Other provisions	Total
January 1, 2012	18.1	44.2	11.5	5.1	3.4	2.4	21.7	106.4
Translation difference	0.2	0.0	0.3	0.0	0.0		0.6	1.1
Provision additions	12.5	13.6	3.8	1.1	0.5	0.6	27.8	59.9
Released during the period	-10.5	-7.0	-3.9	-4.1	-0.6		-17.2	-43.3
Reversals of unused provisions	-1.5	-8.2	-0.4		-0.3		-10.3	-20.8
December 31, 2012	**18.7**	**42.5**	**11.3**	**2.1**	**3.1**	**3.0**	**22.6**	**103.4**
Current	5.7	36.3	2.0	1.0	0.1	0.8	2.6	48.5
Non-current	13.1	6.3	9.3	1.1	3.0	2.2	20.0	54.9
Total	**18.7**	**42.5**	**11.3**	**2.1**	**3.1**	**3.0**	**22.6**	**103.4**

Provisions for contractual guarantees and for Finnish 10-year commitments in construction is determined on the basis of experience of the realization of commitments.Other provisions include a provision for ammonia problem in St.Petersburg of EUR 10.0 million made in year 2011 and the reversal and release totalling of EUR 9.6 million booked in year 2012.

YIT has revised its estimate related to the definition of the 10-year liability for construction. The amendment had a positive impact of approximately EUR 6.1 million on the operating profit for the fourth quarter, the provision was EUR 42.5 million at the end of 2012 (EUR 44.2 million in 2011).

26. Borrowings

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value
Non-current liabilities				
Bonds	**320.9**	**330.3**	278.0	273.8
Loans from credit institutions	**88.4**	**93.9**	150.4	141.5
Pension loans	**104.6**	**99.1**	91.7	89.8
Other loans	**2.6**	**2.9**	2.6	2.5
Finance lease liabilities	**0.5**	**0.5**	0.2	0.2
Non-current liabilities, total	**517.1**	**526.7**	**522.9**	**507.8**

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value
Current liabilities				
Bonds	**7.1**	**6.9**	57.1	57.0
Loans from credit institutions	**62.0**	**62.0**	12.1	12.1
Overdraft facility used	**1.1**	**1.1**	1.3	1.3
Pension loans	**37.0**	**37.0**	27.0	27.0
Commercial papers	**43.8**	**43.8**	54.9	54.9
Developer contracting liabilities				
Receivables sold to financing companies [1)]	**175.4**	**175.4**	221.8	221.8
Liability in housing corporation loans [2)]	**77.5**	**77.5**	45.1	45.1
Other loans	**0.4**	**0.4**	3.6	3.6
Finance lease liabilities	**0.6**	**0.6**	0.7	0.7
Current liabilities, total	**404.9**	**404.6**	**423.6**	**423.5**

In the table are included all other liabilities than presented in Note 27.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 an equivalent external loans at the year-end. It consist of risk free market rate and company and maturity related risk premium of 0.80–4.00% (0.80–4.40%) p.a.

1) The construction-stage contract receivables sold to banks and other financing companies totalled EUR 265.5 million (EUR 265.6 million) at year end. Of this amount, EUR 175.4 million (EUR 221.8 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises receivables which qualify for derecognition according to IAS 39.15–37 and AG 36–52. Possible re-purchase liabilities in off-balance sheet items are related to violations in contract agreements. The interest paid on sold receivables to the financing companies, EUR 4.0 million (EUR 5.1 million), is all included in net financial expenses.

2) The interest on shares in the housing corporation loans of unsold completed residences is recognized in project expenses, because it is included in housing corporation maintenance charges.

BONDS

	Interest rate, %	Currency	Nominal value, EUR million
Floating-rate bonds			
2/2006–2016 [1]	0.666	EUR	28.6
1/2007–2014 [2]	0.693	EUR	50.0
1/2012–2014 [5]	1.941	EUR	50.0
Fixed-rate bonds			
1/2010–2015 [3]	4.823	EUR	100.0
1/2011–2016 [4]	4.750	EUR	100.0
Total			**328.6**

Terms of the bonds in brief:

1) Loan-period Sept 28, 2006–Sept 28, 2016, interest payments annually at December 28, March 28, June 28 and September 28 in arrear. Interest rate is 3 months Euribor +0.48%. Amortisations á 3,570,000 euros semi-annually March 28 and September 28, started March 28, 2010. Loan is not secured. ISIN code SE0001826686.
2) Loan period March 26, 2007–March 26, 2014, interest payments annually March 26, June 26, September 26 and December 26 in arrear. Interest rate is 3 months Euribor +0.51%.Loan is not secured. ISIN code FI0003024216.
3) Loan-period March 26, 2010–March 26, 2015, interest payments annually March 26 in arrear. Loan is not secured. ISIN code FI4000012067.
4) Loan-period June 20, 2011–June 20, 2016, interest payments annually June 20 in arrear. Loan is not secured. ISIN code FI4000026653.
5) Loan-period February 17, 2012–August 18, 2014, interest payments annually February 17, May 17, August 17 and November 17 in arrear. Interest rate is 3 months Euribor +1.75%. Loan is not secured. ISIN code FI4000037874.

FINANCE LEASE LIABILITIES

EUR million	2012	2011
Finance lease liabilities fall due in as follows:		
Minimum lease payments		
No later than 1 year	**0.6**	0.7
1–5 years	**0.5**	0.2
Later than 5 years	**0.0**	
Total minimum lease payments	**1.1**	**0.9**
Present value of minimum lease payments		
No later than 1 year	**0.5**	0.5
1–5 years	**0.5**	0.4
Later than 5 years	**0.0**	
Total present value of minimum lease payments	**1.1**	**0.9**
Future finance charges	**0.1**	0.0
Finance expenses charged to income statement	**0.1**	0.3

YIT Group's main finance lease agreements are the agreements of cars, machinery and equipment both in production and offices.

27. Trade and other payables

EUR million	2012 Carrying value	2011 Carrying value
Non-current liabilities		
Trade payables	**11.1**	29.2
Liabilities of derivative instruments	**12.6**	11.9
Other liabilities	**8.9**	6.9
Total non-current payables	**32.6**	**47.9**
Current liabilities		
Trade payables	**343.4**	333.0
Accrued expenses	**210.3**	234.4
Liabilities of derivative instruments	**3.5**	0.0
Accrued expenses in work in progress	**171.6**	181.1
Advances received	**566.6**	458.3
Other payables	**152.3**	143.2
Total current payables	**1,447.8**	**1,350.1**

ACCRUED EXPENSES

EUR million	2012	2011
Accrued employee-related liabilities	**152.6**	166.4
Interest expenses	**10.2**	10.2
Other accrued expenses	**47.6**	57.7

The carrying value of the non-interest bearing liabilities reflects nearly the fair value of them.

RECONCILIATION TO THE NOTE 29 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

EUR million	2012	2011
Non-current liabilities	**32.6**	47.9
Derivatives	**-12.6**	-11.9
Accrued expenses	**-2.8**	-1.0
Total	**17.2**	**35.1**
Current trade and other payables	**1,447.8**	1,350.1
Accrued expenses	**-210.3**	-234.4
Derivatives	**-3.5**	0.0
Accrued expenses in work in progress	**-171.6**	-181.1
Total	**1,062.4**	**934.6**

28. Nominal values and fair values of derivative instruments

NOMINAL VALUES

EUR million	2012	2011
Commodity derivatives 1)		
Steel derivatives	**1.9**	
Foreign exchange forward contracts	**220.4**	194.1
Interest rate forward contracts		
Hedge accounting applied		
Interest rate swaps	**275.5**	202.5
Hedge accounting not applied		
Cancellable interest rate swaps	**52.0**	52.0
Interest rate swaps	**148.0**	50.0
Interest rate caps	**104.1**	24.9
Interest rate forward contracts, total	**579.6**	**329.4**

1) Commodity derivates included 4,290 tons of steel in year 2012.

All derivatives are hedges according to Group's financial risk management policy, but hedge accounting, as defined in IAS 39, is applied only to certain derivative contracts. Foreign exchange forward contracts are mainly designated as hedges of financial items and have been charged to P/L in finance expenses. Foreign exchange forward contracts maturity dates are mainly within 2013. The duration of Group's interest bearing loans has been increased by interest rate derivatives. The changes in the fair value of derivatives with hedge accounting applied for, are recognised in fair value reserve in equity and the changes in fair value of derivatives with hedge accounting not applied for, are recognised in profit and loss account (Note 27 and 29). All the interest rate derivatives to which hedge accounting is applied for are long-term agreements corresponding to the maturity of hedged liability.

A variety of interest rate derivatives are designated as hedges of sold receivables linked in floating Euribor interest rate. Interest rate options are designated as hedges of rental agreements linked to floating interest rates. Changes in the fair value of these interest rate derivatives have been charged to P/L.

FAIR VALUES

EUR million	2012 Positive fair value (carrying value)	2012 Negative fair value (carrying value)	2012 Net value	2011 Positive fair value (carrying value)	2011 Negative fair value (carrying value)	2011 Net value
Foreign exchange forward contracts						
Hedge accounting applied						
Hedge accounting not applied	0.4	-2.0	-1.6	2.2	-1.1	1.1
Total	**0.4**	**-2.0**	**-1.6**	**2.2**	**-1.1**	**1.1**
Interest rate derivatives						
Hedge accounting applied		-4.7	-4.7		-5.3	-5.3
Hedge accounting not applied	0.4	-9.3	-8.9	0.0	-6.6	-6.6
Total	**0.4**	**-14.0**	**-13.6**	**0.0**	**-11.9**	**-11.9**
Commodity derivates						
Hedge accounting not applied		-0.9	-0.9			
Total		**-0.9**	**-0.9**			

29. Financial assets and liabilities by category

2012

EUR million	Available for sale investments	Loans and other receivables	Held for trading	Derivatives/ hedge accounting	Finance liabilities	Carrying value	Fair value	Note
Valuation	**Fair value**	**Measured at amortised cost**	**Fair value**	**Fair value**	**Measured at amortised cost**			
Non-current financial assets								
Available for sale investments [1]	3.4					3.4	3.4	17
Receivables								
Trade receivables and other receivables								
Derivatives (hedge accounting not applied)		4.4				4.4	4.4	18
Current financial assets								
Receivables								
Loan receivables		13.9				13.9	13.9	21
Trade receivables and other receivables		941.9				941.9	941.9	21
Cash and cash equivalents		175.7				175.7	175.7	22
Total by valuation group	**3.4**	**1,135.9**				**1,139.3**	**1,139.3**	
Non-current financial liabilities								
Borrowings					517.1	517.1	526.7	26
Other liabilities								
Trade payables and other liabilities					17.2	17.2	17.2	27
Derivatives (hedge accounting applied)				3.7		3.7	3.7	27. 28
Derivatives (hedge accounting not applied)			8.9			8.9	8.9	27. 28
Current financial liabilities								
Borrowings					404.9	404.9	404.6	26
Trade payables and other liabilities								
Trade payables and other liabilities					1,062.4	1,062.4	1,062.4	27
Derivatives (hedge accounting applied)				1.0		1.0	1.0	27. 28
Derivatives (hedge accounting not applied)			2.5			2.5	2.5	27. 28
Total by valuation group			**11.4**	**4.7**	**2,001.5**	**2,017.5**	**2,026.9**	

1) Quoted shares valued at fair value EUR 1.6 million and unquoted shares valued at cost less impairments EUR 1.8 million.

2011

EUR million	Available for sale investments	Loans and other receivables	Held for trading	Derivatives/ hedge accounting	Finance liabilities	Carrying value	Fair value	Note
Valuation	**Fair value**	**Measured at amortised cost**	**Fair value**	**Fair value**	**Measured at amortised cost**			
Non-current financial assets								
Available for sale investments 1)	3.8					3.8	3.8	17
Receivables								
Trade receivables and other receivables		3.7				3.7	3.7	18
Derivatives (hedge accounting not applied)			0.0			0.0	0.0	18. 28
Current financial assets								
Receivables								
Loan receivables		0.0				0.0	0.0	21
Trade receivables and other receivables		951.7				951.7	951.7	21
Derivatives (hedge accounting not applied)			1.1			1.1	1.1	21. 28
Cash and cash equivalents		206.1				206.1	206.1	22
Total by valuation group	**3.8**	**1,161.5**	**1.1**			**1,166.4**	**1,166.4**	
Non-current financial liabilities								
Borrowings					522.9	522.9	507.8	26
Other liabilities								
Trade payables and other liabilities					35.1	35.1	35.1	27
Derivatives (hedge accounting applied)				5.3		5.3	5.3	27. 28
Derivatives (hedge accounting not applied)			6.6			6.6	6.6	27. 28
Current financial liabilities								
Borrowings					423.6	423.6	423.5	26
Trade payables and other liabilities								
Trade payables and other liabilities					934.6	934.6	934.6	27
Derivatives (hedge accounting applied)								
Derivatives (hedge accounting not applied)				0.0		0.0	0.0	27. 28
Total by valuation group			**6.6**	**5.3**	**1,916.2**	**1,928.2**	**1,912.9**	

1) Quoted shares valued at fair value EUR 2.0 million and unquoted shares valued at cost less impairments EUR 1,8 million.

30. Financial risk management

YIT Group is exposed to variety of financial risks in its business operations. Main risks are liquidity risk, credit risk and market risks including foreign exchange and interest rate risk. The objective of the Group's financial risk management is to minimise the uncertainty which the changes in financial markets cause to the Group's financial performance.

Risk management is carried out by the Group Treasury in co-operation with operating units under policies approved by the Board of Directors. In the operating units and subsidiaries the financing is carried out by financial personnel and management. Responsibilities in between the Group Treasury and operating units are defined in the Group's treasury policy. Operating units are responsible for providing the Group Treasury with timely and accurate information on financial position, cash flows and foreign exchange position in order to ensure the Group's efficient cash and liquidity management, funding and risk management. In addition to the above, the Group's treasury policy defines main principles and methods for financial risk management, cash management and specific financing-related areas e.g. commercial guarantees, relationships with financiers and customer financing.

INTEREST RATE RISK

The Group has interest bearing receivables related to cash and cash equivalents. Otherwise its revenues and operating cash flows are mostly independent on changes in market interest rates.

Interest rate risk arises mainly from the Group's current and non-current loans, receivables sold to banks and financial institutions and related interest rate derivatives. Loans issued at floating interest rates expose the Group to cash flow interest rate risk, which is hedged by interest rate swaps. To manage the interest rate risk, the Board of Directors has defined a duration target of two years to non-current loans and to related interest rate derivative hedges. The duration may deviate +/- 1.5 year at the decision of Vice President, Group Treasurer. In order to meet the duration target, part of the loans at floating rates are converted to fixed rate using interest rate swaps. At the balance sheet date the duration of non-current loans including the derivatives was 1.84 years (2.04 years).

The cash flow risk related to floating-rate loans is hedged by using interest rate swaps. Nominal amounts of the loans hedged are EUR 30 million (EUR 35 million), EUR 50 million, EUR 100 million (EUR 100 million) and EUR 45.5 million (EUR 17.5 million) and their reference interest rates are 1 month Stibor, 1 month Libor, 3 months Euribor and 6 months Euribor interest rates respectively. The hedged cash flows will realise within seven years. As a rule, the Group applies hedge accounting as set out in IAS 39 to hedge its cash flow interest rate risk (Notes 28 to 29). The hedges are effective and according to accounting policies changes in fair value are recognised in the hedging reserve in equity.

The cash flow interest rate risk related to receivables sold to banks and financial institutions is monitored separately from the duration target of non-current loans. Hedging decisions for this exposure are made by the Chief Financial Officer (CFO) of the Group. The Group used interest rate derivatives to hedge the cash flow risk related to sold receivables. The nominal value of the hedged items is EUR 200 million (EUR 102 million) and their reference interest rate was 1 months Euribor. Hedge accounting as set out in IAS 39 is not applied and the fair value changes are recognised as financial income and expenses in the income statement in accordance with accounting policies. (Note 11)

Loans issued at fixed interest rates comprised approximately 75% (approximately 50%) of the loan portfolio. Weighted average effective interest rate of the loans at fixed rate was 3.348% (4.026%). Weighted average interest rate of the loans at floating rates was 2.254% (2.384%). The weighted average effective interest rate of the loan portfolio as a whole was 3.074% (3.210%). These figures include the effect of derivative instruments. Derivatives increase the average effective interest rate of the loan portfolio by 0.58 (increase 0.20) percentage points.

In addition to the duration target the management monitors the effect of the possible change in interest rate level on the Group's financial result on monthly basis (effect of one percentage point change in interest rate level on yearly net interest expenses). The effect on yearly net interest expenses would have been EUR 0.7 million (EUR 0.6 million) net of tax. One percentage point change in interest rates has been used for each currency and the effect of analysis has varied from EUR 0.70 million to EUR 1.83 million (EUR 0.60–1.43 million). In addition, the effect of fair valuation of interest rate derivatives for which the hedge accounting is not applied would have been EUR 5.5 million (EUR 2.7 million) net of tax on the profit for the period. If interest would have decreased to 0%, the effect would have been EUR -2.2 million net of tax on the profit for the period.

The calculation is based on the maturities of the Group's interest bearing net debt depending on the reference interest rate:

REPRICING SCHEDULE OF THE INTEREST BEARING NET DEBT

EUR million	2012	2011
< 1 month	**65.4**	29.6
1 to 3 months	**-100.8**	-171.2
3 to 12 months	**-130.6**	-106.3
1 to 5 years	**-583.8**	-420.1
> 5 years	**-9.0**	-68.0
Total	**-758.8**	**-735.9**

Figures in the table are nominal values. Off-balance sheet receivables sold to financial institutions amounting to EUR 90.1 million (EUR 43.8 million) are included in these figures.

In addition to interest bearing net debt, the foreign exchange forward contracts associated with the intra-group loans expose the Group's result to the interest rate risk. The Group's external loans are mainly denominated in euros, but the subsidiaries are financed in their functional currency. The parent company is exposed to the interest rate risk of the different functional currencies in the Group when it hedges the foreign exchange risk arising from the foreign currency denominated loans granted to subsidiaries using foreign exchange forward contracts. The most significant currency of the intra-group loans is the Russian Rouble. As the parent company hedges the receivablesdenominated in Roubles, the parent company has to pay the interest rate difference between the Rouble and Euro.

At the balance sheet date, if the interest rate related to the Russian Rouble had changed one percentage point with interest rate related to Euro stayed constant, the profit for the period would have changed EUR 0.64 million (EUR 0.46 million) after tax effect. The sensitivity analysis is based on the foreign exchange forward contracts outstanding at the balance sheet date.

A change of one percentage point in interest rates at the balance sheet date would have affected the consolidated balance sheet by EUR 1.9 million (EUR 3.5 million) net of tax. The effect would have changed the fair values of the interest rate derivatives in hedge accounting, in the fair value reserve in equity.

CREDIT AND COUNTERPARTY RISK

The Group's credit risk is related to clients with open balances or with long term agreements and to the counterparties to cash and cash equivalents and derivative agreements. The Group Treasury is responsible for the counterparty risk of the derivative instruments and cash and cash equivalents. Operating units are responsible for the credit risk related to operating items, such as trade receivables.Customers and the nature of the agreements differ in between the Group's segments. Customer specific credit risk management is carried out with the segments' finance departments in cooperation with the operating units.

The counterparties of financial instruments are chosen based on the management's estimate on their reliability. The Board of Directors accepts the main banks used by the Group and counterparties to the current investments and derivative instruments and their limits. According to the treasury policy, short-term investments related to liquidity management are made. No impairment has been recognised on the derivative instruments or the cash and cash equivalents in the period. The management does not expect any credit losses from counterparties to financing assets or derivative instruments.

The Group manages credit risk related to operating items by holding the ownership of the constructions, like apartments and office buildings, until the payment is received; taking advance payments; accelerated payment programs of projects, payment guarantees, credit risk insurances and careful examination of clients' background information.Majority of the Group's operating activities is based on established, reliable customer relationships and contractual terms generally used in the construction business. The term of payment for the invoices is mainly 14 to 30 days. The background of the new customers is examined profoundly by for example acquiring credit information. If considered necessary, guarantees are required and the clients' paying behaviour is monitored actively.The Group does not have any significant concentrations of credit risk as the clientele is widespread and geographically divided into the countries in which the Group operates.

The trade receivables, which are related to sales of office buildings which are paid only when the ownership is transferred, are transferred to banks and financial institutions. Transfers meet the conditions set out in IAS 39 for derecognition of financial assets.

The credit losses and provision for impairment of receivables were EUR 1.5 million. There were no significant credit losses or provision for impairment of receivables in 2011. The operating units are not expecting any unusual credit risk arising from trade receivables or from construction contracts. The Group's maximum exposure to credit risk at the balance sheet date is the carrying value of the financial assets.

ANALYSIS OF TRADE RECEIVABLES DEC 31, 2012

EUR million	Balance sheet amount	Impaired	Gross
Not past due [1)]	**414.2**	-4.1	418.2
1 to 90 days	**106.0**	-2.4	108.4
91 to 80 days	**28.3**	-1.3	29.5
181 to 360 days	**9.9**	-6.6	16.5
Over 360 days	**13.4**	-27.7	41.1
Total	**571.7**	**-42.0**	**613.7**

ANALYSIS OF TRADE RECEIVABLES DEC 31, 2011

EUR million	Balance sheet amount	Impaired	Gross
Not past due [1)]	**455.1**	-4.5	459.7
1 to 90 days	**73.6**	-3.4	76.9
91 to 80 days	**11.9**	-2.0	13.9
181 to 360 days	**9.3**	-4.5	13.8
Over 360 days	**24.6**	-33.9	58.5
Total	**574.5**	**-48.3**	**622.7**

1) There are no material trade receivables that would be otherwise past due but whose terms have been renegotiated. For additional information on trade receivables, please see notes 18 and 21.

LIQUIDITY RISK

The management evaluates and monitors continuously the amount of funding required by the Group's business activities to ensure adequate liquid funds to finance its operations, repay its loans at maturity and payment of annual dividends. The funding requirements are evaluated based on financial budget prepared in every six months, monthly financial forecast and short-term, timely cash planning. The Group Treasury is responsible for adequacy of funding, availability of different sources of funding and controlled maturity profile of external loans. According to financing policies, in order to minimise the refinancing risk, only 1/4 of the non-current loans can mature over one calendar year.

The Group uses cash and cash equivalents, Group accounts with overdraft facilities, financing credit facilities, commercial paper programmes and bond programmes to manage the liquidity risk. The undrawn credit and overdraft facilities were EUR 359 million (EUR 355 million). During the accounting period 2012 new committed credit facility agreements amounting in an aggregate of EUR 50 million were executed with core banks. YIT has a total of EUR 280 million in committed credit facilities, of which EUR 30 million are valid until December 2014 and EUR 250 million until December 2015. The management and acquisition of the Group's funding is centralised to the Group Treasury. As the cash management is centralised to the Group Treasury, the use of liquid funds can be optimised between the different units of the Group. At the balance sheet date the Group's cash and cash equivalents amounted to EUR 175.7 million (EUR 206.1 million).

The following table on the next page describes the contractual maturities of the financial liabilities. The amounts are undiscounted and they contain both capital repayments and the interest payments. The interest flows of floating rate loans and derivative instruments are based on interest rates prevailing on 31 December 2012 (31 December 2011). Cash flows of foreign currency denominated loans are translated into euros at the foreign currency rates prevailing at the balance sheet date. Cash flows of foreign currency forward contracts are translated into euros at forward rates.

FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risks arising from the currencies of the countries in which it operates. The risk arises mainly from the assets and liabilities in the balance sheet and net investments in foreign operations. In addition, commercial contracts of the subsidiaries cause foreign exchange risk. However, the contracts are mainly made in the units' own functional currencies.

The objective of managing foreign exchange risk at YIT is to reduce the uncertainty caused by foreign exchange rate movements on profit through cash flows and the valuation of commercial receivables and liabilities.

By decision of the Board of Directors, the investments in foreign operations are not hedged from the changes in foreign exchange rates. A part of the loans given to Russian subsidiaries by the Group are considered to form part of net investments. These loans are included in net investments in the table below.

The change in foreign exchange rates decreased the value of the Group's net investments in equity by EUR 17.3 million as at 31 December 2012 compared to financial statements as at December 31, 2011. Strengthening of the Swedish Crown, Norwegian Crown and Russian Rouble increased the net investments. An increase or decrease of 5 percentage point in the exchange rate between the Euro to the Russian Rouble, Swedish Crown and Norwegian Crown would have had an impact of EUR 22.4 million (EUR 21.9 million) on translation differences under consolidated shareholders' equity net of tax.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES AND INTEREST PAYMENTS AT DECEMBER 31, 2012

EUR million	2013	2014	2015	2016	2017	2018-	Total	Note
Bonds	18.2	117.7	116.8	111.9			364.6	26, 29
Loans from financial institutions	64.4	14.9	17.5	17.2	16.8	28.5	159.3	26, 29
Pension loans	40.7	25.8	25.2	24.5	23.9	13.1	153.2	26, 29
Receivables sold to banks/financial institutions 1)	165.4	10.8					176.3	26, 29
Finance lease liabilities	0.6	0.4	0.1	0.0	0.0		1.1	26, 29
Other financial liabilities 2)	78.0	2.9	0.8	1.5	0.0	0.0	83.3	26, 29
Commercial papers	44.3						44.3	26, 29
Trade and other payables	1,062.4						1,062.4	27, 29
Interest rate derivatives								
Hedge accounting applied	4.4	1.9	0.2	0.1	0.1	0.0	6.6	27, 28, 29
Hedge accounting not applied	2.3	2.3	2.3	2.3	2.0	0.0	11.1	27, 28, 29
Foreign currency derivatives								
cash outflow	-162.1	-8.2	-0.1				-170.4	27, 28, 29
cash inflow	160.7	8.0	0.1				168.8	27, 28, 29

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES AND INTEREST PAYMENTS AT DECEMBER 31, 2011

EUR million	2012	2013	2014	2015	2016	2017-	Total	Note
Bonds	68.5	18.2	67.3	116.9	112.0		382.9	26, 29
Loans from financial institutions	18.0	66.2	15.8	18.2	17.7	45.9	181.8	26, 29
Pension loans	30.8	29.9	15.1	14.7	14.2	26.8	131.4	26, 29
Receivables sold to banks/financial institutions 1)	207.8	16.3					224.1	26, 29
Finance lease liabilities	0.7	0.2	0.1				0.9	26, 29
Other financial liabilities 2)	3.9	0.1	0.5	0.8	1.0	0.5	6.9	26, 29
Commercial papers	55.7						55.7	26, 29
Trade and other payables	934.6						934.6	27, 29
Interest rate derivatives								
Hedge accounting applied	1.3	1.1	1.2	0.1	0.1	0.2	4.0	27, 28, 29
Hedge accounting not applied	1.5	1.5	1.5	1.2	1.2	1.2	8.0	27, 28, 29
Foreign currency derivatives								
cash outflow	-106.9	-8.2	-8.1				-123.2	27, 28, 29
cash inflow	106.9	8.7	8.7				124.3	27, 28, 29

1) Receivables sold to banks and financial institutions are financial liabilities connected with developer-contracted housing projects that are set off by payments made by the buyers of the residential units.
2) Includes the shares in the housing corporation loans of unsold completed residential projects, whose duration depends on the turnover of residential sales.

FOREIGN CURRENCY DENOMINATED NET INVESTMENTS AT THE BALANCE SHEET DATE

EUR million	2012 Net investment	2011 Net investment
SEK	**53.6**	67.4
NOK	**44.5**	52.6
DKK	**4.1**	11.7
RUB	**494.1**	460.0
LTL	**19.6**	18.5
LVL	**27.5**	26.0
Other currencies	**-2.7**	-0.9

According to the Group's treasury policy, the business units and the subsidiaries are responsible for identifying and hedging of the foreign exchange risk related to their foreign currency denominated cash flows. All firm commitments must be hedged.Hedging is performed by intra-group transactions with the Group Treasury as a counterparty. The Group Treasury hedges the Group net position and takes care of all external hedging transactions. The Group does not apply hedge accounting as set out in IAS 39 to hedge its foreign exchange risk. Accordingly, the fair value changes of derivative instrument are recognised in consolidated income statement according to the accounting policies. In 2012 the most significant currencies related to commercial agreements and their hedges were RUB and SEK. If the Euro had strengthened by 5% compared to these currencies at the balance sheet date, the fair valuation of the foreign exchange forward contracts would have caused a foreign exchange gain of EUR 0.1 million (SEK) and loss of EUR 0.5 million (RUB) after tax effect.

Loans taken by the parent company are mainly denominated in Euro, but the intra-group loans are given in the functional currency of each subsidiary. The parent company hedges this foreign exchange risk by using foreign exchange forward contracts. The most significant currency used in intra-group loans is the Russian Rouble.

In addition to foreign exchange differences due to derivatives held for trading, the strengthening or weakening of the Euro would not have had a significant impact on the Group's result, if the translation difference in consolidation is not considered. The sensitivity analysis takes into consideration the foreign exchange derivative contracts made for hedging both the internal and external loans and receivables, which offset the effect of changes in foreign exchange rates.

GROUP'S EXTERNAL LOANS

	External loans		Adjusted by derivative contracts	
EUR million	**2012**	**2011**	**2012**	**2011**
EUR	**838.0**	908.2	**746.7**	810.3
LVL				
RUB	**2.1**	1.4	**82.3**	56.8
SEK	**30.8**	34.6	**17.5**	33.7
DKK	**1.1**	1.1	**1.1**	1.1
NOK	**0.0**	1.3	**0.0**	1.3
LTL			**52.1**	32.7
GBP	**49.9**			
PLN			**0.0**	0.7
CZK			**22.2**	10.0
Total	**921.9**	**946.5**	**921.9**	**946.5**

Division of trade receivables and payables by currencies corresponds to the functional currencies of the charging and the charged companies. Accordingly, no open foreign exchange risk is included.

CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are to maintain the optimal strategic capital structure. Capital risk management of the Group aims to safeguard its ability to continue as going concern, to increase the shareholder value in the long term and secure its ability to pay dividends.

A significant part of YIT's business operations require little capital. Capital is particularly tied up in plot reserves, their development and ongoing construction production. In business where investments are small, the objective is effective turnover of net working capital. In the more capital-intensive business operations, such as residential development projects and real estate development projects, capital investments must be adjusted according to the market conditions by decreasing or increasing the number of plot investments and residential start-ups. The amount and structure of capital is controlled also by adjusting the amount of dividend, acquiring own shares, issuing new shares or selling assets in order to reduce debt.

YIT monitors its capital structure on the basis of equity ratio. The strategic goal for YIT's equity ratio set by Board of directors has been maintained at 35%.

The Group's equity ratio has been the following:

EUR million	**2012**	**2011**
Equity	**1,035.4**	921.1
Balance sheet total	**3,682.0**	3,504.5
./. Advances received (Note 27)	**-566.6**	-458.3
Capital	**3,115.3**	3,046.2
Equity ratio %	**33.2%**	30.2%

Two long term loans from Nordic Investment Bank with remaining principal of EUR 60 million contain an obligation to maintain consolidated equity of YIT Group at least at 25% calculated in accordance with percentage of completion method and as an average of four most recent quarters. The covenant has not been breached.

FAIR VALUE ESTIMATION

Group measures the fair value measurement hierarchy as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

Following table presents the group's assets and liabilities that are measured at fair value and their levels.

ASSETS 2012

EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale investments	1.6		1.8	3.4
Derivatives (hedge accounting not applied)				
Total assets	**1.6**		**1.8**	**3.4**

LIABILITIES 2012

EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		11.4		11.4
Derivatives (hedge accounting applied)		4.7		4.7
Total liabilities		**16.1**		**16.1**

ASSETS 2011

EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale investments	2.0		1.8	3.8
Derivatives (hedge accounting not applied)		1.1		1.1
Total assets	**2.0**	**1.1**	**1.8**	**4.9**

LIABILITIES 2011

EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		6.6		6.6
Derivatives (hedge accounting applied)		5.3		5.3
Total liabilities		**11.9**		**11.9**

CHANGES IN LEVEL 3 INSTRUMENTS:

EUR million	**Assets 2012**	**Liabilities 2012**	**Assets 2011**	**Liabilities 2012**
Opening balance sheet	1.8		1.8	
Transfers into/from level 3				
Purchases and sales	0.0		0.0	
Gains and losses recognised in profit or loss			0.0	
Gains and losses recognised in comprehensive profit or loss				
Closing balance	**1.8**		**1.8**	

31. Other lease agreements

YIT GROUP AS LESSEE
The future minimum lease payments under non-cancellable operating leases:

EUR million	2012	2011
No later than 1 year	**79.0**	74.4
1–5 years	**182.8**	169.3
Later than 5 years	**93.1**	86.9
Total	**355.0**	**330.7**

The lease payments of non-cancellable operating leases charged to income statement in 2011 amounted to EUR 79.8 million (2011 EUR 72.8 million).

The YIT group has leased the office facilities in use. The operating lease agreements of office facilities have a period of validity up to 15 years. Most of the agreements include the possibility of continuing after the initial expiry date. The index, renewal and other terms of the lease agreements of office facilities are dissimilar to each other. Operating leases include also the liabilities of operating lease agreements of employee cars, which have the average duration of four years.

32. Commitments and contingent liabilities

EUR million	2012	2011
Collateral given for own liabilities		
Corporate mortgages	**29.3**	31.2
Pledged assets [1]	**0.0**	0.9
Guarantees on behalf of associated companies and joint ventures	**7.0**	7.0
Other commitments		
Rental guarantees for clients	**2.1**	4.1
Other contingent liabilities	**1.3**	1.5
Investment commitments		
Repurchase commitments	**349.3**	293.1

YIT Corporation has guaranteed obligations of its subsidiaries.On December 31, 2012 the total amount of these guarantees was EUR 1,537.3 million (EUR 1,515.4 million).

The Group is engaged in numerous legal proceedings that are connected to ordinary operations and whose outcomes are difficult to predict. It is the understanding of the Group that the other legal proceedings do not have significant effect on the Group's result.

33. Subsidiaries

Excluding the real estate companies presented in inventories

Company name	Domicile	Holding, %
Shares in subsidiaries, owned by the parent company		
YIT Construction Ltd	Helsinki	100.00
YIT Building Systems Ltd	Helsinki	100.00
YIT Building Services Central Europe GmbH	Munich	100.00
YIT Industry Ltd	Vantaa	100.00
YIT Kalusto Oy	Urjala	100.00
YIT Information Services Oy	Helsinki	100.00
YIT IT East Oy	Helsinki	100.00
LLC YIT Information Systems	St.Petersburg	100.00
Perusyhtymä Oy	Helsinki	100.00
Shares in subsidiaries, owned by YIT Construction Ltd		
YIT Concept Projektinjohtopalvelut Oy	Helsinki	100.00
AS YIT Ehitus	Tallinn	100.00
AS Koidu Kinnisvara	Tallinn	100.00
OÜ Plasma Project	Tallinn	100.00
OÜ Mehhatroonikum	Tallinn	90.00
SIA YIT Celtnieciba	Riga	100.00
YIT Invest Export Oy	Helsinki	100.00
CJSC YIT Moskovia	Moscow	94.08
LLC YIT Service	Moscow	100.00
CJSC YIT Stroi	Moscow	100.00
YIT Project Invest Oy	Helsinki	100.00
CJSC YIT Lentek	St.Petersburg	100.00
LLC YIT Service	St.Petersburg	100.00
Urepol Oy	Helsinki	100.00
CJSC YIT Don	Rostov	100.00
LLC SP YIT Don	Rostov	100.00
LLC Maintenance Company "Vesta"	Rostov	100.00
YIT Polska Sp zo.o	Krakow	100.00
AB YIT Kausta	Kaunas	97.53
UAB YIT Kausta Bustas	Vilnius	100.00
YIT Salym Development Oy	Helsinki	100.00
CJSC YIT Saint-Petersburg	St.Petersburg	100.00
LLC Gorelovo Infra	St.Petersburg	100.00
Tortum Oy Ab	Helsinki	100.00
CJSC YIT Uralstroi	Yekateringburg	99.95
CJSC YIT Comfort	Yekateringburg	100.00
LLC Olymp Service	Yekateringburg	100.00
Finn-Stroi Oy	Helsinki	100.00
CJSC YIT CityStroi	Moscow	74.99
LLC Hetber	Moscow	100.00
LLC Emerkom-Spetstroi	Moscow	100.00
CJSC TPK Strojmaterialy	Moscow	100.00
YIT Jupiter Oy	Helsinki	100.00
YIT Mars Oy	Helsinki	100.00
YIT Saturnus Oy	Helsinki	100.00
YIT Sirius Oy	Helsinki	100.00
CJSC YIT VDSK	Moscow	76.00

Company name	Domicile	Holding, %
YIT Uranus Oy	Helsinki	100.00
CJSC YIT Properties	Moscow	100.00
YIT Neptunus Oy	Helsinki	100.00
LLC YIT Kazan	Kazan	100.00
YIT Stavo s.r.o [1]	Prague	100.00
YIT Reding a.s. [1]	Bratislava	100.00
Gala Residence s.r.o.	Bratislava	100.00

Shares in subsidiaries, owned by YIT Building Systems Ltd		
YIT Sverige AB (group)	Solna	100.00
EH Luftbehandling AB	Solna	100.00
Frisk Ventilation Ab	Solna	100.00
Jansson & Eriksson Ekonomisk Luftbehandling AB	Solna	100.00
MISAB Sprinkler & VVS AB	Solna	100.00
YIT i Sydost AB	Solna	100.00
Dala Elmontage Lindqvist & Bodin AB	Borlänge	100.00
Dala Elmontage Entreprenad AB	Borlänge	100.00
Elektriska Installationer i Finspång AB	Solna	100.00
Kraftmontage i Finspång AB	Solna	100.00
YIT Kiinteistötekniikka Oy	Helsinki	100.00
YIT-Huber East Oy	Helsinki	100.00
YIT-Huber Invest Oy	Helsinki	100.00
CJSC YIT-Peter	St.Petersburg	100.00
YIT Elmek Ltd	Moscow	100.00
YIT AS Oslo	Oslo	100.00
AS YIT Emico	Tallinn	100.00
YIT Tehsistem SIA	Riga	100.00
YIT A/S	Fredericia	100.00
YIT Technika UAB	Vilnius	100.00

Shares in subsidiaries, owned by YIT Industry Ltd		
YIT Teollisuus Invest Oy	Helsinki	100.00
LLC YIT Industria	St.Petersburg	100.00
Oy Botnia Mill Service Ab [2]	Kemi	49.83
Kiinteistö Oy Leppävirran Teollisuustie 1	Leppävirta	60.00

Shares in subsidiaries, owned by YIT Building Services Central Europe GmbH		
YIT Austria GmbH	Wien	100.00
YIT Germany GmbH	Munich	100.00
Caverion North America Inc.	Hillsboro	100.00
Caverion Asia PTE	Singapore	85.00
Caverion Malaysia	Butterworth	100.00
YIT Caverion GmbH	Munich	100.00
Caverion Geb.technik LLC	Moscow	100.00
YIT Cesko Republic s.r.o.	Prague	100.00
YIT Poland Sp zo.o	Warsaw	100.00
YIT Romania S.R.L.	Sibiu	100.00

1) YIT Group's share in YIT Stavo s.r.o and YIT Reding a.s. is 100% in IFRS accounting, because the minority share of YIT Stavo 15% and YIT Reding 30% are assessed to be a share based payment to the management.
2) Oy Botnia Mill Service Ab is fully consolidated due to YIT group's controlling interest.

34. Related party transactions

EUR million	2012	2011
Sales of goods and services	**70.9**	1.5
Purchases of goods and services	**3.8**	0.1
Trade and other receivables	**0.4**	0.0
Trade and other payables	**0.6**	0.0

Goods and services to associated companies are sold on the basis of price lists in force with non-related parties.

KEY MANAGEMENT COMPENSATION [1]

EUR million	2012	2011
Salaries and other short-term employee benefits	**2.7**	2.6
Termination benefits	**2.7**	2.5
Share-based incentive plan [2]	**0.5**	1.1

1) President and CEO, Deputy to President and CEO and Management Board.
2) The total value of transferred shares, cash bonus and related taxes.

SALARIES AND FEES

EUR	2012	2011
President and CEO	**750,276**	903,408
Deputy to President and CEO	**373,896**	514,303
Board of Directors		
Henrik Ehrnrooth	**94,050**	87,200
Eino Halonen [1]	**11,700**	56,450
Reino Hanhinen	**75,950**	68,850
Antti Herlin	**54,500**	53,750
Kim Gran	**51,750**	49,950
Satu Huber	**55,600**	53,250
Michael Rosenlew	**60,000**	45,850
Board of Directors, total	**403,550**	**415,300**

1) Eino Halonen was a member of the Board of Directors and Nomination and Rewards Committee until March 13, 2012.

RETIREMENT AGE

Retirement age of President and CEO and Executive Vice President and deputy to CEO has been set at 62. The contractual retirement age of one of the members of the Group's Management Board is 62 years. In other respects the statutory retirement age applies to the members of the Management Board.

TERMINATION COMPENSATION

The period of notice of the president and CEO and the deputy to the president and CEO is six months. If the company terminates his contract, the CEO or the deputy to the CEO shall also be paid separate compensation amounting to 12 months salary.

LOANS TO RELATED PARTIES

Loans to any related parties do not exist.

Income statement, Parent company, FAS

EUR million	Note	2012	2011
REVENUE		**0.0**	**0.0**
Other operating income	1	**24.2**	21.9
Personnel expenses	2	**-11.8**	-10.6
Depreciation and value adjustments	3	**-1.8**	-2.2
Other operating expenses		**-34.5**	-33.2
		-48.1	-46.0
Operating loss		**-24.0**	**-24.0**
Financial income and expenses	4	**208.4**	43.8
Profit before extraordinary items		**184.4**	**19.7**
Extraordinary items	5	**105.4**	96.0
Profit before taxes		**289.8**	**115.7**
Change in depreciation difference	6		0.0
Income taxes	7	**-20.2**	-17.5
Net profit for the financial period		**269.7**	**98.2**

Balance sheet, Parent company, FAS

EUR million	Note	2012	2011
ASSETS			
Non-current assets			
Intangible assets	8		
Intangible rights		**0.3**	0.3
Other capitalize expenditure		**1.8**	2.5
		2.1	**2.8**
Tangible assets	8		
Land and water areas		**1.5**	1.0
Buildings and structures		**3.3**	3.5
Machinery and equipment		**0.6**	0.9
Other tangible assets		**0.1**	0.1
		5.5	**5.6**
Investments	9		
Shares in Group companies		**386.9**	371.9
Other shares and holdings		**0.1**	0.1
		387.1	**372.1**
Total non-current assets		**394.7**	**380.4**
Current assets			
Long-term receivables	10		
Receivables from group companies		**541.5**	545.3
Accrued income		**0.0**	0.1
Receivables	10		
Trade receivables		**0.0**	0.0
Receivables from group companies		**561.4**	372.5
Other receivables		**0.8**	1.0
Accrued income		**1.5**	4.1
		1,105.3	**923.0**
Current investments	11	**0.0**	0.0
Cash and cash equivalents		**114.7**	138.3
Total current assets		**1,220.0**	**1,061.3**
TOTAL ASSETS		**1,614.7**	**1,441.7**

EUR million	Note	2012	2011
EQUITY AND LIABILITIES			
EQUITY	12		
Share capital		**149.2**	149.2
Non restricted equity reserve		**3.8**	2.8
Retained earnings		**219.7**	208.7
Net profit for the financial year		**269.7**	**98.2**
TOTAL EQUITY		**642.4**	**458.9**
APPROPRIATIONS			
Accumulated depreciation difference		**0.0**	0.0
PROVISIONS	13	**1.0**	0.8
LIABILITIES			
Non-current liabilities	15		
Bonds		**321.4**	278.6
Loans from credit institutions		**88.5**	150.5
Pension loans		**94.8**	73.8
Advances received		**0.0**	0.0
Non-current liabilities to group companies		**10.0**	18.0
		514.7	520.8
Current liabilities	16		
Bonds		**7.1**	57.1
Loans from credit institutions		**62.0**	12.0
Pension loans		**29.0**	19.0
Advances received		**0.0**	0.2
Trade payables		**1.7**	0.8
Current liabilities to group companies		**296.0**	304.3
Other current liabilities		**46.5**	55.2
Accrued expenses		**14.3**	12.5
		456.7	461.2
TOTAL LIABILITIES		**971.4**	**982.0**
TOTAL EQUITY AND LIABILITIES		**1,614.7**	**1,441.7**

Cash flow statement, Parent company, FAS

EUR million	2012	2011
Cash flow from operating activities		
Profit/loss before extraordinary items	**184.4**	19.7
Adjustments for:		
Depreciations	**1.8**	2.2
Reversal of accrual-based items	**0.4**	0.0
Gains on the sale of tangible and intangible assets	**-0.1**	-0.1
Financial income and expenses	**-208.4**	-43.8
Cash flow before change in working capital	**-21.9**	**-22.0**
Change in working capital		
Change in trade and other receivables	**-12.5**	1.6
Change in trade and other payables	**-10.2**	3.2
Net cash flow from operating activities before financial items and taxes	**-44.6**	**-17.2**
Interest paid	**-55.5**	-49.8
Dividends received	**74.4**	49.3
Interest received and financial income	**53.8**	43.6
Taxes paid	**-17.0**	-12.7
Net cash generated from operating activities	**11.2**	**13.2**
Cash flow from investing activities		
Purchases of tangible and intangible assets	**-1.0**	-0.8
Proceeds from sale of tangible and intangible assets	**0.1**	0.0
Increase in investments	**-10.0**	-5.0
Proceeds from sale of other investments	**0.0**	0.1
Net cash used in investing activities	**-10.9**	**-5.8**
Cash flow from financing activities		
Purchase of treasury shares	**1.3**	3.2
Change in loan receivables	**-37.7**	43.2
Change in current loans	**-13.0**	-40.2
Proceeds from borrowings	**150.0**	175.0
Repayment of borrowings	**-132.6**	-138.1
Dividends paid and other distribution of assets	**-87.7**	-81.3
Group contributions received	**96.0**	86.7
Net cash used in financing activities	**-23.8**	**48.4**
Net change in cash and cash equivalents	**-23.6**	**55.9**
Cash and cash equivalents at the beginning of the financial year	**138.3**	82.4
Cash and cash equivalents at the end of the financial year	**114.7**	138.3

Notes to income statement, Parent company

1. Other operating income

EUR million	2012	2011
Capital gains on disposals of fixed assets	**0.1**	0.1
Rent income	**16.4**	16.4
Service income	**4.2**	5.1
Other	**3.5**	0.3
Total	**24.2**	**21.9**

2. Information concerning personnel and key management

EUR million	2012	2011
Personnel expenses		
Wages, salaries and fees	**9.2**	8.9
Pension expenses	**1.6**	1.3
Other indirect personnel costs	**1.0**	0.4
Total	**11.8**	**10.6**
Salaries and fees to the management		
President and executive Vice President	**1.1**	1.4
Members of the Board of Directors	**0.4**	0.4
Total	**1.5**	**1.8**
Average personnel	**152**	**143**
The fees for the auditors		
PriceWaterhouseCoopers Oy, Authorised Public Accountants		
Audit fee	**0.2**	0.2
Tax services	**0.0**	0.0
Other services	**0.1**	0.0
Total	**0.3**	**0.3**

3. Depreciations and value adjustments

EUR million	2012	2011
Depreciations on other capitalised expenditures	**1.1**	1.3
Depreciations on buildings and structures	**0.3**	0.3
Depreciations on machinery and equipment	**0.4**	0.6
Depreciation on other tangible assets	**0.0**	0.0
Total	**1.8**	**2.2**

4. Financial income and expenses

EUR million	2012	2011
Dividend income		
From Group companies	**207.4**	49.3
From others	**0.0**	0.0
Total	**207.4**	**49.3**
Interest income from non-current investments		
From Group companies	**11.6**	13.9
Other interest and financial income		
From Group companies	**13.5**	9.6
From other companies	**1.1**	1.9
Total	**14.6**	**11.5**
Other interest and financial expenses		
Interest expenses to Group companies	**-2.1**	-4.2
Interest expenses on derivatives	**-3.4**	-1.1
Interest expenses to others	**-21.3**	-21.3
Other expenses to others	**-4.1**	-3.2
Total	**-30.9**	**-29.8**
Exchange rate gains	**34.5**	22.3
Fair value change in derivatives	**-1.6**	1.1
Exchange rate losses	**-27.2**	-24.5
Total	**5.8**	**-1.1**
Total financial income and expenses	**208.4**	**43.8**

5. Extraordinary items

EUR million	2012	2011
Extraordinary income		
Group contributions	**105.4**	96.0

6. Appropriations

EUR million	2012	2011
The accumulated difference between the depreciations	**0.0**	0.0

7. Income taxes

EUR million	2012	2011
Income taxes on extraordinary items	**-25.8**	-24.9
Income taxes on operating activities	**5.5**	7.5
Income taxes on previous years	**0.1**	0.0
Total	**-20.2**	**-17.5**

Notes to balance sheet, Parent company

8. Changes in fixed assets

EUR million	2012	2011
Intangible assets		
Intangible rights		
Historical cost at Jan 1	**0.3**	0.1
Increases	**0.0**	0.2
Historical cost at Dec 31	**0.3**	**0.3**
Book value at December 31	**0.3**	0.3
Other capitalized expenditures		
Historical cost at Jan 1	**13.5**	13.3
Increases	**0.4**	0.2
Historical cost at Dec 31	**13.9**	**13.5**
Accumulated depreciations and value adjustments Jan 1	**11.1**	9.8
Depreciations for the period	**1.1**	1.3
Accumulated depreciations and value adjustments Dec 31	**12.1**	**11.1**
Book value at December 31	**1.8**	**2.5**
Total intangible assets	**2.1**	**2.8**

EUR million	2012	2011
Tangible assets		
Land and water areas		
Historical cost at Jan 1	**1.0**	1.0
Increases	**0.5**	
Historical cost at Dec 31	**1.5**	**1.0**
Book value at December 31	**1.5**	**1.0**
Buildings and structures		
Historical cost at Jan 1	**8.3**	8.0
Increases	**-0.1**	0.3
Historical cost at Dec 31	**8.3**	**8.3**
Accumulated depreciations and value adjustments Jan 1	**4.8**	4.5
Depreciations for the period	**0.2**	0.3
Accumulated depreciations and value adjustments Dec 31	**4.9**	**4.8**
Book value at December 31	**3.3**	**3.5**
Machinery and equipment		
Historical cost at Jan 1	**10.4**	10.2
Increases	**0.2**	0.1
Historical cost at Dec 31	**10.5**	**10.4**
Accumulated depreciations and value adjustments Jan 1	**9.4**	8.8
Depreciations for the period	**0.4**	0.6
Accumulated depreciations and value adjustments Dec 31	**9.9**	9.4
Book value at December 31	**0.6**	**0.9**
Other tangible assets		
Historical cost at Jan 1	**0.9**	0.9
Historical cost at Dec 31	**0.9**	**0.9**
Accumulated depreciations and value adjustments Jan 1	**0.8**	0.7
Depreciations for the period	**0.0**	0.0
Accumulated depreciations and value adjustments Dec 31	**0.8**	**0.8**
Book value at December 31	**0.1**	**0.1**
Total tangible assets	**5.5**	**5.6**

9. Investments

EUR million	2012	2011
Shares in Group companies		
Historical cost at Jan 1	**371.9**	366.9
Increases	**15.0**	5.0
Historical cost at Dec 31	**386.9**	**371.9**
Other shares and holdings		
Historical cost at Jan 1	**0.1**	0.2
Decreases	**0.0**	0.0
Historical cost at Dec 31	**0.1**	**0.1**
Total investments	**387.1**	**372.1**

10. Receivables

EUR million	2012	2011
Non-current receivables		
Receivables from Group companies		
Loan receivables	**541.5**	545.3
Total	**541.5**	**545.3**
Receivables from others		
Accrued income	**0.0**	0.1
Non-current receivables	**541.5**	**545.4**
Current receivables		
Receivables from group companies		
Trade receivables	**4.1**	1.2
Loan receivables	**260.8**	272.3
Other receivables	**158.9**	96.0
Accrued income	**137.6**	3.0
Total	**561.4**	**372.5**
Accrued receivables, intra-group		
Accrued interest receivables	**0.7**	1.0
Exchange rate derivatives	**3.7**	2.0
Other receivables	**133.2**	0.0
Total	**137.6**	**3.0**
Accrued receivables, group external		
Exchange rate derivatives	**0.0**	1.1
Accrual tax receivables	**0.0**	1.6
Other receivables	**1.5**	1.4
Total	**1.5**	**4.1**
Other receivables, group external	**0.9**	1.0

11. Cash and cash equivalents

EUR million	2012	2011
Current investments		
Carrying value	**0.0**	0.0
Market value	**0.0**	0.0
Difference	**0.0**	**0.0**

12. Equity

EUR million	2012	2011
Share capital Jan 1	**149.2**	149.2
Share capital Dec 31	**149.2**	**149.2**
Non restricted equity reserve 1.1.	**2.8**	0.0
Share issue	**1.0**	2.8
Non restricted equity reserve Dec 31	**3.8**	**2.8**
Retained earnings Jan 1	**306.9**	289.1
Transfer of treasury shares	**0.5**	0.9
Return of treasury shares	**0.0**	0.0
Dividends paid and other distribution of assets	**-87.7**	-81.3
Retained earnings Dec 31	**219.7**	**208.7**
Net profit for the financial period	**269.7**	98.2
	489.3	**306.9**
Total equity	**642.4**	**458.9**
Distributable funds at Dec 31		
Non restricted equity reserve	**3.8**	2.8
Retained earnings	**219.7**	208.7
Net profit for the financial period	**269.7**	98.2
Distributable fund from shareholders' equity	**493.2**	**309.7**

TREASURY SHARES OF YIT OYJ

December 31, 2012 parent company had treasury shares as follows:

Amount	% of total share capital	% of voting rights
1,839,577	**1.45%**	1.45%

13. Provisions

EUR million	2012	2011
Pension fund deficit	**0.2**	0.2
Other provisions	**0.8**	0.6
Total	**1.0**	**0.8**

14. Deferred tax receivables and liabilities

EUR million	2012	2011
Deferred tax receivables		
Postponed depreciation	**1.0**	0.1
Other temporary differences	**0.0**	0.2
Pension liabilities	**0.1**	0.1
Total	**1.1**	**0.4**
Deferred tax liabilities		
Accumulated depreciation difference	**0.0**	0.0

Deferred taxes have not booked in the parent company's financial statements.

15. Non-current liabilities

EUR million	2012	2011
Liabilities falling due after five years		
Bonds	**27.7**	43.6
Loans from credit institutions	**10.8**	21.8
Pension loans	**2.0**	4.0
Other loans	**40.5**	**69.4**

EUR million	2011	2010
Joukkovelkakirjalainat		
Fixed-rate bond 1/2011, 2011–2016, interest 4.75%	**100.0**	100.0
Fixed-rate bond 1/2010, 2010–2015, interest 4.823%	**100.0**	100.0
Floating-rate bond 1/2007, 2007–2014, interest 3 month Euribor + 0.51%	**50.0**	50.0
Floating-rate bond 1/2012, 2012–2014, interest 3 month Euribor + 1.75%	**50.0**	
Floating-rate bond 2/2006, 2006–2016, interest 3 month Euribor + 0.48%	**28.6**	28.6
Total	**328.6**	**278.6**

16. Current liabilities

EUR million	2012	2011
Liabilities to Group companies		
Trade payables	**1.2**	1.3
Other liabilities	**289.7**	301.5
Accrued expenses	**5.1**	1.5
Total	**296.0**	**304.3**
Accrued expenses, intra-group		
Interest expenses	**0.1**	0.2
Exchange rate derivatives	**0.0**	1.4
Other expenses	**5.0**	0.0
Total	**5.1**	**1.5**
Accrued expenses, group external		
Personnel expenses	**3.0**	2.4
Interest expenses	**9.7**	9.5
Exhange rate forward agreements	**1.6**	0.0
Other expenses	**0.1**	0.6
Total	**14.3**	**12.5**

17. Commitments and contingent liabilities

EUR million	2012	2011
Mortgages given as security for loans	**29.3**	**29.3**
Leasing commitments for premises		
Payable during the current financial year	**13.3**	12.7
Payable in subsequent years	**122.4**	119.4
Total	**135.7**	**132.1**
Operating leasing commitments		
Payable during the current financial year	**0.0**	0.1
Payable in subsequent years	**0.1**	0.1
Total	**0.1**	**0.1**
Other commitments		
Other commitments	**0.7**	0.7
Guarantees		
On behalf of Group companies	**1,536.0**	1 510.4

EUR million	2012	2011
Derivative contracts		
External foreign currency forward contracts		
Fair value	**-1.6**	1.1
Value of underlying instruments	**220.4**	194.1
Internal foreign currency forward contracts		
Fair value	**2.8**	0.6
Value of underlying instruments	**322.5**	199.3
Interest rate swaps and future contracts		
Fair value	**-14.0**	-11.9
Value of underlying instruments	**475.6**	304.5
Interest rate options bought		
Fair value	**0.4**	0.0
Value of underlying instruments	**104.1**	24.9
Commodity derivatives		
Fair value	**-0.9**	0.0
Value of underlying instruments	**1.9**	0.0

18. Salaries and fees to management

DECISION-MAKING REGARDING REMUNERATION

YIT Corporation's Annual General Meeting decides on the fees for the Board of Directors. The Board of Directors decides on the salary and fees and other terms of employment of the CEO and other key Group employees, such as the CEO's deputy and members of the Group's Management Board.

The Personnel Committee of the Board of Directors prepares matters related to the appointment and remuneration of the Board members and the Group's key personnel as well as the Group's HR policy. Among other things, the Committee prepares proposals for the appointment of the Board members, President and CEO and other Group key personnel as well as their remuneration and other terms of employment. In addition, its tasks include preparing the Group's bonus rules and other issues related to pay policy.

REMUNERATION OF BOARD MEMBERS

The Annual General Meeting 2012 decided that the Board of Directors' be paid remuneration as follows in 2012:
• Chairman EUR 6,600 per month (EUR 79,200 per year)
• Vice Chairman EUR 5,000 per month (EUR 60,000 per year)
• Members EUR 3,900 per month (EUR 46,800 per year)

In addition, a meeting fee of EUR 550 is paid for each Board and committee meeting. Per diems for trips in Finland and abroad are paid in accordance with the State's travelling compensation regulations.

REMUNERATION OF THE BOARD

EUR	Board membership	Board meetings	Audit Committee meetings	Personnel Committee (previously Nomination and Rewards Committee) meetings	Working committee meetings	Total 2012	Total 2011
Henrik Ehrnrooth	79,200	6,600		3,300	4,950	94,050	87,200
Eino Halonen*	11,700					11,700	56,450
Reino Hanhinen	60,000	6,600	1,650	3,300	4,400	75,950	68,850
Antti Herlin	46,800	4,950		2,750		54,500	53,750
Kim Gran	46,800	4,950				51,750	49,950
Satu Huber	46,800	6,600	2,200			55,600	53,250
Michael Rosenlew	46,800	6,600	2,200		4,400	60,000	45,850
Board of Directors total	**338,100**	**36,300**	**6,050**	**9,350**	**13,750**	**403,550**	**425,050**

* Eino Halonen was a member of Board of Directors, Audit Committee and Nomination and Rewards Committee until March 13, 2012.

SHARE-BASED INCENTIVE SCHEMES

Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

MANAGEMENT REMUNERATION

The remuneration paid to the Group's Management Board is comprised of:

- Fixed salary
- Fringe benefits, such as company car and meal benefit
- Annual performance bonus, and
- Long-term incentive schemes, such as share-based incentive scheme and pension benefits

PERFORMANCE BONUSES

The basis of remuneration is a fixed salary, in addition to which most of the Group's salaried employees are included in a performance bonus scheme. The Board of Directors confirms the criteria for the payment of performance bonuses every six months.

The bonuses paid are determined on the basis of the fulfilment of personal profit objectives, the Group's financial result and fulfilment of profitability, growth and development objectives, such as occupational safety objectives. Performance and development discussions are an essential part of the management by key results system. In these discussions, employees and their superiors agree on the key objectives and their relative weighting and review the realisation of the previously agreed objectives. The key principles and objectives for the result period influencing the personal performance bonuses are specified at the business group and unit level.

The maximum annual performance bonus paid to the CEO and the Management Board may equal 40%–60% of their annual taxable pay excluding the performance bonus.

Other monetary rewards in use at YIT include new-initiative bonuses and years-of-service bonuses.

SHARE-BASED INCENTIVE SCHEME

YIT has implemented a share-based incentive scheme to support the company's strategy for profitable growth and supplement the already available incentive schemes. The scheme aims at promoting the employees in determined work, rewarding their good performance and committing them to long-term persistent work. Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

The scheme consists of three earnings periods, i.e. the calendar years 2010, 2011 and 2012. Shares will be handed over in 2011, 2012 and 2013 based on the performance the previous year. A total of approximately 700,000 shares may be rewarded annually, of which a maximum of 20,000 to the President and CEO.

Furthermore, the taxes and other charges ordered by the authorities caused by the share rewards are covered by a monetary bonus. Employees included in the incentive scheme are obligated to not transfer their shares within two years of having obtained them for the shares based on performance in 2010 and three years for the shares based on performance in 2011 and 2012, i.e. throughout the duration of the commitment period. If the employment of an employee is terminated during the commitment period, the employee must return any shares obtained as rewards to the company free of charge. Under all circumstances, the Board has the right to amend the bonuses in a reasonable manner. The Board of the company annually decides on the performance criteria and the employees included in the scope of the incentive scheme.

In 2011 the share bonus criteria included return on investment and revenue growth. YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which were conveyed as a directed share issue without consideration. In the share issue, 130,976 YIT Corporation shares were issued to 250 key persons. In 2012 the share bonus criteria included return on investment and revenue growth. By the end of 2012, 18,139 shares had been returned to YIT.

PENSION, RETIREMENT AGE AND TERMINATION COMPENSATION

The contractual retirement age of the CEO and his deputy is 62. In addition, the contractual retirement age of one of the members of the Group Management Board is 62. The statutory retirement ages apply to the other members of the Management Board. The pension of the CEO and his deputy amounts to 60% of salary accounted according to Finnish employment pension law. The contractual period of notice for is six months. If the company terminates the contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

REMUNERATION PAID TO THE CEO AND MANAGEMENT BOARD IN 2012

In addition to salary, the fringe benefits for CEO Juhani Pitkäkoski included a company car and meal benefit. In 2012, the CEO's fixed salary and fringe benefits decreased in value by a total of 3 percent. The performance bonus paid in 2012 corresponded to the monthly salary of approximately 2.5 months. The performance bonus paid is based on the Group's financial performance and personal key results set by the Board of Directors.

The bonuses paid to the CEO in 2012 totalled EUR 81,423. Of this amount, EUR 19,989 was paid according to 2011 results and EUR 61,434 according to 2012 results. The bonuses paid to other members of the Group Management Board in 2012 totalled EUR 269,852. Of this amount, EUR 135,873 was paid according to 2011 results and EUR 133,979 according to 2012 results.

The CEO was granted 4,060 shares in 2012 under the share-based incentive scheme for 2011 results. The combined value of the shares and the related monetary bonus was EUR 117,740. The other members of the Group Management Board were granted a total of 15,092 shares, and the total value of these shares and the related monetary bonus was EUR 430,535.

REMUNERATION PAID TO CEO AND MANAGEMENT BOARD

EUR	Fixed salary	Fringe benefits	Bonuses paid	Option income	Total 2012	Total 2011
President and CEO	538,912	12,200	81,423	117,740	750,276	903,408
Other members of the Group Management Board, total	1,667,352	98,790	269,852	430,535	2,466,529	2,746,690

Includes the members' total remuneration from the period they were members of the Group Management Board.

SHARES HELD BY THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO, HIS DEPUTY AND THE GROUP'S MANAGEMENT BOARD, 31.12.2012

	Shares	% of shares outstanding
Board of Directors	16,657,280	13.09
President and CEO	36,760	0.03
Deputy to the President and CEO	6,820	0.01
The Group's Management Board excluding the President and CEO and his deputy	39,192	0.03
Total	**16,740,052**	**13.16**

Share ownership includes individuals' direct holdings and the holdings of their close associates and controlled corporations. The ownership information is presented in more detail in the notes to the Financial Statements for 2012. Up-to-date information can be found on YIT's website.

Loans to associated parties

The President and CEO, his deputy and the members of the Board of Directors did not have cash loans from the company or its subsidiaries on December 31, 2012.

Board of Directors' proposal for the distribution of distributable equity

The distributable equity of YIT Corporation on December 31, 2012 is:

Retained earnings	219,690,906.87
Profit for the period	269,650,764.99
Retained earnings, total	489,341,671.86
Non-restricted equity reserve	3,823,677.13
Distributable equity, total	493,165,348.99

The Board of Directors proposes to the Annual General Meeting that the distributable equity be distposed of as follows:

Payment of a dividend from retained earnings EUR 0.75 per share to shareholders	94,037,883.75
Remains in distributable equity	399,127,465.24

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not jeopardise the company's solvency.

SIGNATURE OF THE REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

Helsinki, February 4, 2013

Henrik Ehrnrooth
Chairman

Reino Hanhinen
Vice chairman

Kim Gran

Antti Herlin

Satu Huber

Michael Rosenlew

Juhani Pitkäkoski
President and CEO

Auditor’s Report

(Translation from the Finnish Original)

TO THE ANNUAL GENERAL MEETING OF YIT CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of YIT Corporation for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company’s balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company’s accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY’S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 4 February 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Heikki Lassila
Authorised Public Accountant

Key financial figures

Income statement

		2003	2004 FAS	2004 IFRS	2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS 1)	2010 IFRS 1)	2011 IFRS 1)	2012 IFRS 1)
Revenue	EUR mill.	2,389.7	3,033.4	2,780.1	3,023.8	3,284.4	3,706.5	3,939.7	3,485.6	3,787.6	4,382.1	4,705.9
change from previous year	%	35.5	26.9		8.8	8.6	12.9	6.3	-11.5	8.7	15.7	7.4
of which activities outside Finland	EUR mill.	672.5	1,212.7	1,183.2	1,326.6	1,477.4	1,798.5	2,072.9	1,885.7	2,343.6	2,607.7	2,777.3
Operating income and expenses	EUR mill.	-2,253.3	-2,850.6	-2,600.4	-2,772.2	-3,002.8	-3,341.5	-3,647.4	-3,283.9	-3,531.6	-4,142.9	-4,401.8
Depreciation and write-downs	EUR mill.	-17.3	-17.1	-22.3	-23.9	-24.1	-27.2	-31.8	-33.6	-35.9	-39.6	-44.9
Depreciation of goodwill	EUR mill.	-20.5	-30.6									
Operating profit	EUR mill.	98.6	135.1	157.4	227.7	258.8	337.8	260.6	168.1	220.1	200.0	259.2
% of revenue	%	4.1	4.5	5.7	7.5	7.9	9.1	6.6	4.8	5.8	4.6	5.5
Financial income and expences, net	EUR mill.	-14.2	-16.8	-17.4	-12.9	-20.6	-32.2	-67.5	-58.6	-25.3	-24.7	-21.2
Prioft before extraordinary items	EUR mill.	84.4	118.2	140.0	214.8	238.2	305.6	193.1	109.5	194.8	175.2	238.0
– % of revenue	%	3.5	3.9	5.0	7.1	7.3	8.2	4.9	3.1	5.1	4.0	5.1
Profit before taxes	EUR mill.	84.4	118.2	140.0	214.8	238.2	305.6	193.1	109.5	194.8	175.3	238.0
– % of revenue	%	3.5	3.9	5.0	7.1	7.3	8.2	4.9	3.1	5.1	4.0	5.1
Profit for the period	EUR mill.	48.4	84.0	100.5	156.9	175.4	228.0	134.3	68.1	140.6	125.1	179.9
– % of revenue	%	2.0	2.8	3.6	5.2	5.3	6.2	3.4	2.0	3.7	2.9	3.8
Attributable to												
Equity holders of the parent company	EUR mill.			99.1	155.5	171.0	224.9	132.9	68.3	140.3	124.5	178.7
Non-controlling interest	EUR mill.			1.4	1.4	4.4	3.1	1.4	-0.2	0.3	0.6	1.2

1) 1) YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period beginning on January 1, 2010. The figures for 2009–2012 are comparable.

Balance sheet

		2003	2004 FAS	2004 IFRS	2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS 1)	2010 IFRS 1)	2011 IFRS 1)	2012 IFRS 1)
ASSETS												
Intangible assets	EUR mill.	66.8	68.4	81.0	77.1	91.8	92.5	104.6	99.8	106.7	110.8	110.6
Goodwill	EUR mill.	246.9	224.2	248.8	248.8	248.8	240.6	291.0	291.0	350.9	347.5	346.6
Tangible assets	EUR mill.	11.8	12.3	13.1	13.4	15.6	27.1	35.1	32.8	50.5	54.1	61.8
Investments	EUR mill.	7.9	6.8	4.2	4.8	5.9	6.2	6.3	5.3	6.1	6.9	3.9
Inventories	EUR mill.	380.8	421.6	629.3	685.2	1,006.4	1,265.0	1,509.9	1,477.6	1,484.9	1,672.6	1,901.5
Receivables	EUR mill.	781.0	822.1	503.7	578.1	723.4	769.7	825.3	697.7	969.7	1,106.4	1,015.5
Current investments	EUR mill.	11.9	0.7	0.7	0.0	0.0	0.0	36.4	0.0	0.3	0.0	0.0
Cash and cash equivalents	EUR mill.	48.4	34.2	35.4	80.7	25.9	60.2	165.3	173.1	148.0	206.1	175.7
Total assets	EUR mill.	1,555.5	1,590.3	1,516.2	1,688.1	2,117.8	2,461.3	2,973.9	2,777.1	3,117.1	3,504.5	3,682.0
EQUITY AND LIABILITIES												
Share capital	EUR mill.	61.0	61.3	61.3	62.4	63.4	149.1	149.2	149.2	149.2	149.2	149.2
Other equity	EUR mill.	347.3	395.9	380.0	497.4	607.1	665.4	653.9	611.9	730.8	769.5	882.8
Non-controlling interest	EUR mill.	3.4	3.6	4.1	3.7	3.9	3.8	4.6	3.0	2.9	2.5	3.3
Provisions	EUR mill.	27.3	26.0	59.9	57.5	50.5	59.0	86.9	89.5	94.7	106.4	103.4
Non-current liabilities												
Interest-bearing	EUR mill.	202.6	214.0	224.0	172.4	275.8	356.9	516.2	502.0	504.6	522.9	517.1
Non interest-bearing	EUR mill.	8.3	15.7	23.6	40.9	72.5	80.7	92.1	87.7	114.4	162.7	158.6
Current liabilities												
Interest-bearing	EUR mill.	62.2	47.5	171.5	162.6	256.6	218.1	330.1	200.2	284.6	423.6	404.9
Advances received	EUR mill.	100.6	106.7	77.5	134.9	163.6	230.4	346.8	418.7	349.3	458.3	566.6
Other non interest-bearing	EUR mill.	742.8	719.6	514.3	556.3	624.4	697.9	794.2	714.8	886.6	909.3	896.1
Total shareholders' equity and liabilities	EUR mill.	1,555.5	1,590.3	1,516.2	1,688.1	2,117.8	2,461.3	2,973.9	2,777.1	3,117.1	3,504.5	3,682.0

1) YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period beginning on January 1, 2010. The figures for 2009–2012 are comparable.

Other key figures

		2003	2004 FAS	2004 IFRS	2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS 1)	2010 IFRS 1)	2011 IFRS 1)	2012 IFRS 1)
Operating cash flow after investments	EUR mill.							-19.4	229.8	-61.7	-17.3	90.4
Cash flow from operating activities	EUR mill.	97.6	35.4	59.2	167.3	-148.3	84.1	47.8	260.9	6.8	17.4	121.5
Return on equity	%	12.5	19.6	24.3	31.1	28.3	30.5	16.5	8.9	17.1	13.9	18.4
Return on investment	%	16.8	19.6	19.1	26.4	24.8	26.2	17.5	11.0	14.4	12.0	14.6
Equity ratio	%	28.3	31.1	31.0	36.3	34.5	36.7	30.7	32.4	31.9	30.2	33.2
Net interest-bearing debt	EUR mill.	204.4	226.6	359.4	254.4	506.5	514.8	644.5	529.1	640.9	740.4	746.2
Gearing ratio	%	49.6	49.2	80.7	45.1	75.1	62.9	79.8	69.2	72.6	80.4	72.1
Gross capital expenditures on non-current assets,EUR million	EUR mill.	232.9	31.0	35.6	30.1	50.4	51.6	85.2	27.9	129.7	48.7	44.6
– % of revenue	%	9.7	1.0	1.3	1.0	1.5	1.4	2.2	0.8	3.4	1.1	0.9
Research and development expenditure	EUR mill.	16.0	18.0	18.0	19.0	21.0	22.0	19.0	15.2	17.5	20.1	21.5
– % of revenue	%	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.5	0.5	0.5
Order backlog as at Dec 31	EUR mill.	1,490.1	1,604.9	1,823.4	1,878.8	2,802.3	3,509.3	3,233.7	2,983.3	3,535.7	4,148.6	4,244.6
of wich orders from abroad	EUR mill.	569.5	621.0	645.0	752.4	1,490.0	1,999.2	2,072.9	1,885.7	1,857.7	2,066.9	2,273.3
Number of employees at Dec 31		21,939	21,680	21,680	21,289	22,311	24,073	25,784	23,480	25,832	25,996	25,283
Average number of employees		16,212	21,884	21,884	21,194	21,846	23,394	25,057	24,497	24,317	26,254	25,833

1) YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period beginning on January 1, 2010. The figures for 2009–2012 are comparable.

Share-related key figures

		2003	2004 FAS	2004 IFRS	2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS 1)	2010 IFRS 1)	2011 IFRS 1)	2012 IFRS 1)
Earnings/share, basic	EUR	0.41	0.69	0.81	1.26	1.36	1.77	1.05	0.55	1.12	0.99	1.43
Earnings/share, diluted	EUR	0.41	0.68	0.80	1.23	1.35	1.77	1.05	0.55	1.12	0.99	1.43
Eguity/share	EUR	3.35	3.73	3.60	4.49	5.29	6.40	6.38	6.09	7.04	7.33	8.23
Dividend/share	EUR	0.30	0.35	0.35	0.55	0.65	0.80	0.50	0.40	0.65	0.70	0.75 2)
Dividend/earnings	%	73.2	51.1	43.2	43.7	47.8	45.2	47.6	73.2	57.9	70.5	52.6 2)
Effective dividend yield	%	4.5	3.8	3.8	3.0	3.1	5.3	10.9	2.8	3.5	5.7	5.1
Price/earnings multiple (P/E)	%	16.4	13.4	11.3	14.3	15.4	8.5	4.4	26.3	16.7	12.5	10.3
Share price trend												
Average price	EUR	5.18	7.96	7.96	13.99	19.24	22.15	10.89	8.52	16.35	15.28	14.90
Low	EUR	3.50	6.76	6.76	8.95	15.20	14.79	3.70	4.31	12.98	10.04	11.87
High	EUR	6.93	9.42	9.42	18.25	23.88	27.90	19.99	14.49	19.00	21.92	17.25
Price at Dec 31	EUR	6.73	9.18	9.18	18.07	20.95	14.99	4.58	14.45	18.65	12.38	14.78
Market capitalisation at Dec 31	EUR mill.	821.1	1,125.3	1,125.3	2,254.4	2,656.0	1,907.0	576.2	1,807.4	2,332.7	1,550.9	1,853.2
Share turnover trend												
Share turnover	1,000	58,558	91,160	91,160	120,368	184,577	245,672	295,156	190,057	127,537	151,023	96,887
Share turnover of shares outstanding	%	49.5	74.6	74.6	97.4	147.2	193.6	232.2	151.8	102.0	120.6	77.3
Weighted average share-issue adjusted number of shares outstanding	1,000	118,208	122,246	122,246	123,544	125,357	126,872	127,104	125,167	125,078	125,210	125,352
Weighted average share-issue adjusted number of shares outstanding, diluted	1,000	118,496	123,646	123,646	126,522	126,773	127,028	127,104	125,167	125,078	125,210	125,352
Share -issue adjusted number of shares outstanding at Dec 31	1,000	122,092	122,586	122,586	124,794	126,777	127,218	125,798	125,078	125,078	125,271	125,384

1) YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period beginning on January 1, 2010. The figures for 2009–2012 are comparable.
2) Board of directors' proposal

YIT Corporation's Annual General meeting held on March 18, 2004 decided to change the nominal value of share from two euros to one euro, and the YIT Corporation's Annual General meenting held on March 13, 2006 decided to change the nominal value of share from one euro to 0,50 euro, The both decicions doubled the number of shares. The comparative figures have been adjusted to be comparable with the figures for 2007.

Financial development by quarter

		I/ 2011	II/ 2011	III/ 2011	IV/ 2011	I/ 2012	II/ 2012	III/ 2012	IV/ 2012
Revenue	EUR mill.	969.7	1,137.2	1,084.8	1,190.4	**1,098.4**	**1,218.9**	**1,103.6**	**1,284.9**
Operating profit	EUR mill.	39.2	67.9	35.4	57.5	**55.2**	**67.7**	**63.6**	**72.8**
– % of revenue	%	4.0	6.0	3.3	4.8	**5.0**	**5.6**	**5.8**	**5.7**
Financial income	EUR mill.	2.4	0.3	0.0	1.4	**1.4**	**2.8**	**0.1**	**1.2**
Exhange rate differences	EUR mill.	-1.3	-0.8	0.0	-2.1	**-1.0**	**-1.6**	**-1.8**	**-1.3**
Financial expenses	EUR mill.	-5.6	-4.4	-7.8	-6.9	**-5.7**	**-7.3**	**-2.6**	**-5.5**
Profit before taxes	EUR mill.	34.7	63.0	27.6	49.9	**49.9**	**61.6**	**59.2**	**67.3**
– % of revenue	%	3.6	5.5	2.5	4.2	**4.5**	**5.1**	**5.4**	**5.2**
Total balance sheet assets	EUR mill.	3,274.8	3,387.4	3,418.6	3,504.5	**3,631.9**	**3,646.9**	**3,722.3**	**3,682.0**
Earnings per share	EUR	0.20	0.37	0.15	0.27	**0.29**	**0.37**	**0.37**	**0.39**
Equity per share	EUR	6.64	7.00	6.93	7.33	**7.14**	**7.37**	**7.86**	**8.23**
Share price at the end of period	EUR	20.92	17.24	11.33	12.38	**16.12**	**13.38**	**14.93**	**14.78**
Market capitalization at the end of period	EUR mill.	2,616.6	2,159.7	1,419.3	1,550.9	**2,019.3**	**1,677.7**	**1,872.0**	**1,853.2**
Return on investment, rolling 12 months	%	14.0	15.7	15.6	12.0	**12.8**	**12.5**	**13.7**	**14.6**
Return on equity	%				13.9				**18.4**
Equity ratio	%	28.5	29.7	29.2	30.2	**28.8**	**30.0**	**31.6**	**33.2**
Net interest-bearing debt at the end of period	EUR mill.	632.6	702.7	755.0	740.4	**755.8**	**803.1**	**827.3**	**746.2**
Gearing ratio	%	75.2	79.9	86.8	80.4	**84.2**	**86.7**	**83.7**	**72.1**
Gross capital expenditures	EUR mill.	8.7	14.6	18.3	7.1	**13.6**	**10.6**	**10.1**	**10.3**
Order backlog at the end of period	EUR mill.	3,699.0	3,796.9	3,738.3	4,148.6	**4,385.3**	**4,409.3**	**4,462.0**	**4,245.1**
Personnel at the end of period		25,748	26,807	26,502	25,996	**25,703**	**26,255**	**25,788**	**25,283**

REVENUE BY BUSINESS SEGMENT

EUR million	I/ 2011	II/ 2011	III/ 2011	IV/ 2011	I/ 2012	II/ 2012	III/ 2012	IV/ 2012
Building Services Northern Europe	476.2	509.4	511.9	600.1	**513.1**	**538.1**	**485.3**	**552.7**
Building Services Central Europe	177.1	191.1	210.8	200.3	**159.4**	**179.5**	**179.5**	**195.8**
Construction Services Finland	289.5	332.3	269.4	335.7	**329.5**	**347.9**	**308.9**	**342.6**
International Constraction Services	100.3	120.5	122.5	145.9	**107.9**	**133.4**	**153.3**	**205.0**
Other items	-16.2	-16.4	-18.1	-17.5	**-11.6**	**-14.4**	**-11.7**	**-18.3**
Group total, segment reporting	1,026.9	1,136.9	1,096.5	1,264.5	**1,098.3**	**1,184.5**	**1,115.3**	**1,277.8**
IFRIC 15 adjustment	-57.2	0.3	-11.6	-74.1	**0.1**	**34.4**	**-11.7**	**7.1**
Group total, IFRS	**969.7**	**1,137.2**	**1,084.9**	**1,190.4**	**1,098.4**	**1,218.9**	**1,103.6**	**1,284.9**

OPERATING PROFIT BY BUSINESS SEGMENT

EUR million	I/ 2011	II/ 2011	III/ 2011	IV/ 2011	I/ 2012	II/ 2012	III/ 2012	IV/ 2012
Building Services Northern Europe	17.1	18.8	19.9	23.0	**14.6**	**15.3**	**15.6**	**-3.8**
Building Services Central Europe	4.0	12.1	7.9	9.3	**5.2**	**6.6**	**4.8**	**10.4**
Construction Services Finland	25.6	32.8	21.1	32.1	**29.7**	**32.0**	**27.2**	**40.2**
International Constraction Services	8.4	12.3	-0.9	17.4	**8.5**	**12.7**	**24.0**	**31.0**
Other items	-4.7	-5.7	-4.4	-5.6	**-5.7**	**-6.1**	**-3.2**	**-5.7**
Group total, segment reporting	50.4	70.3	43.6	76.2	**52.3**	**60.5**	**68.4**	**72.0**
IFRIC 15 adjustment	-11.2	-2.4	-8.2	-18.7	**2.9**	**7.1**	**-4.8**	**0.8**
Group total, IFRS	**39.2**	**67.9**	**35.4**	**57.5**	**55.2**	**67.7**	**63.6**	**72.8**

ORDER BACKLOG BY BUSINESS SEGMENT

EUR million	I/ 2011	II/ 2011	III/ 2011	IV/ 2011	I/ 2012	II/ 2012	III/ 2012	IV/ 2012
Building Services Northern Europe	804.9	879.5	886.1	913.1	**969.4**	**955.1**	**904.9**	**819.0**
Building Services Central Europe	573.2	554.1	523.9	449.5	**500.5**	**473.4**	**435.5**	**380.1**
Construction Services Finland	1,176.0	1,239.5	1,289.3	1,493.6	**1,428.0**	**1,499.9**	**1,541.0**	**1,499.0**
International Constraction Services	862.7	896.4	850.1	962.5	**1,142.9**	**1,186.7**	**1,207.4**	**1,266.1**
Other items	-61.2	-60.2	-60.3	-66.0	**-75.3**	**-69.7**	**-70.1**	**-62.8**
Group total, segment reporting	3,355.6	3,509.4	3,489.0	3,752.7	**3,965.5**	**4,045.4**	**4,018.6**	**3,901.5**
IFRIC 15 adjustment	343.4	287.5	249.3	395.9	**419.8**	**363.9**	**443.4**	**343.5**
Group total, IFRS	**3,699.0**	**3,796.9**	**3,738.3**	**4,148.6**	**4,385.3**	**4,409.3**	**4,462.0**	**4,245.1**

KEY FIGURES ACCORDING TO SEGMENT REPORTING (POC)

	I/ 2011	II/ 2011	III/ 2011	IV/ 2011	I/ 2012	II/ 2012	III/ 2012	IV/ 2012
Profit before taxes, EUR mill.	45.9	65.4	35.8	68.7	**47.1**	**54.5**	**64.0**	**61.6**
Profit for the report period, EUR mill. [1]	32.7	47.6	24.5	51.8	**34.6**	**41.7**	**49.8**	**45.2**
Earnings per share, EUR	0.26	0.38	0.20	0.41	**0.25**	**0.33**	**0.40**	**0.36**

1) Attributable to equity holders of the parent company

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period begun on January 1, 2010. Due to the application of the interpretation, Group reporting and segment reporting differ. In segment reporting, the figures will continue to be calculated based on the previous accounting principle, i.e. percentage of completion will be applied in the recognition of revenue from own residential and commercial real estate development projects.

Information for shareholders

ANNUAL GENERAL MEETING 2013

YIT Corporation's Annual General Meeting will be held on Friday, March 15, 2013, starting at 10:00 a.m. (Finnish time) at Finlandia Hall (address: Mannerheimintie 13, 00100 Helsinki, Finland). The check-in of those who have registered for the meeting, distribution of ballots and serving of coffee will start at 9:00 a.m.

PARTICIPATION RIGHTS

In order to have the right to participate in the Annual General Meeting, a shareholder must be registered in the company's shareholder register, which is maintained by Euroclear Finland Ltd, no later than on the record date of the Annual General Meeting on March 5, 2013. Shareholders whose shares are registered on their personal Finnish book-entry accounts are registered in the company's shareholder register.

A shareholder whose shares are nominee registered and who wishes to participate in the Annual General Meeting and exercise his right to vote must be entered in the company's shareholder register by March 12, 2013, by 10:00 a.m. in order to participate in the meeting.

NOTICE OF MEETING

The notice of meeting is published no later than three weeks before the meeting at the company's website. The notice contains the agenda, the names of the persons nominated to seats on the Board of Directors and the nominated auditor. The resolution proposals and documents presented to the Annual General Meeting and presentation of the nominees for the Board of Directors will also be published on YIT's website at www.yitgroup.com/agm.

REGISTRATION

Registration for the Annual General Meeting will begin on February 5, 2013, and end on March 12, 2013, at 4.00 p.m. (Finnish time). Shareholders can register:

- Online through YIT Corporation's website: www.yitgroup.com/agm
- by telefax at the number + 358 20 433 2077
- by telephone at the number + 358 44 7437500
- by sending a letter to YIT Corporation, Marja Salo, PO Box 36, FI-00621 Helsinki,Finland.

The shareholder's name, personal ID number or business ID, address and telephone number and name of any assistant, proxy or legal representative must be declared in connection with the registration. The registration must reach the company prior to the end of the registration period. It is requested that the company be notified of any proxies in connection with registration and that any proxies be sent to the address mentioned above before the expiry of the registration period.

PAYMENT OF DIVIDEND

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid from 2012. The dividend is paid to the shareholder who, by the record date (March 20, 2013), has been entered as a shareholder in the company's shareholder register maintained by Euroclear Ltd.

The Board of Directors proposes that the dividend be paid on March 27, 2013.

SHAREHOLDER RIGHTS

Shareholders have the right to have items included on the agenda of the Annual General Meeting, provided they demand, in writing, the Board of Directors to do so early enough so that the item can be included in the notice of the meeting. In order to have their items included on the agenda of the Annual General Meeting 2013, shareholders had to present their requests to YIT's corporate services by January 8, 2013.

Shareholders have the right to raise questions at the General Meeting as set out in the Companies Act. The minutes of the Annual General Meeting are made available for inspection by shareholders within two weeks of the meeting at YIT's head office (Panuntie 11, Helsinki, Finland) and on the company's website www.yitgroup.com/investors.

A shareholder or shareholders who own at least 10 percent of all the company's shares may demand that an extraordinary general meeting be convened.

ADDRESS CHANGES OF SHAREHOLDERS

Shareholders are requested to give notification of any changes of address to the bank branch office in which their book-entry account is handled.

If the account is handled by Euroclear Finland Ltd, notifications of a change of address should be sent to
Euroclear Finland Ltd
P.O. Box 1110
FI-00101 Helsinki, Finland
Street address: Urho Kekkosen katu 5C
Telephone (switchboard): +358 20 770 6000
Fax: +358 20 770 6658
E-mail: info.finland@euroclear.eu

Important dates related to the Annual General Meeting

- Registration opens: February 5, 2013
- Record date of Annual General Meeting: March 5, 2013
- Registration closes: March 12, 2013
- Annual General Meeting: March 15, 2013
- Dividend ex-date: March 18, 2013
- Dividend record date: March 20, 2013
- Proposed dividend payment: March 27, 2013

+ More information on the Annual General Meeting is available at **www.yitgroup.com/agm**

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