

**Construction Services
Finland**

Picture: As Oy Kuopion Siltavahti,
Kuopio, Finland



**Building Services
Northern Europe**

Picture: Svenska Teatern,
Helsinki, Finland



**International
Construction Services**

Picture: Oriental,
St. Petersburg, Russia



**Building Services
Central Europe**

Picture: Gallileo Tower,
Frankfurt am Main, Germany



Interim Report 1-6/2011

Together we can do it.



YIT's Interim Report January 1 – June 30, 2011:

Good profitability in Construction Segments, Building Services in Germany developed strongly

SEGMENT REPORTING 1–6/2011 (1–6/2011): Clear growth in revenue

- The operating profit of the segments was 19 percent higher than in the previous year, amounting to EUR 120.7 million (1-6/2010: EUR 101.6 million). Operating profit was higher in Building Services Central Europe, Construction Services Finland and International Construction Services.
- Revenue of the segments was 25 percent higher than in the previous year, increasing to EUR 2,163.8 million (1-6/2010: EUR 1,735.1 million). The growth of the business was supported by an acquisition in Central Europe completed at the beginning of September 2010, continuously favourable residential sales and the picking up of the business premises market in Finland.
- The order backlog of the segments was 14 percent higher than the year before, amounting to EUR 3,509.4 million (6/2010: EUR 3,067.4 million). The order backlog of Building Services Central Europe increased clearly compared to the previous year, which was largely attributable to the acquisition completed at the beginning of September 2010. The order backlog increased from the end of March 2011 in Building Services Northern Europe, Construction Services Finland and International Construction Services.

SEGMENT REPORTING 4-6/2011 (4-6/2010): Clear growth in operating profit

- The operating profit of the segments was 23 percent higher than in the previous year, amounting to EUR 70.3 million (4-6/10: EUR 57.1 million).
- Revenue of the segments was 24 percent higher than in the previous year, amounting to EUR 1,136.9 million (4-6/10: EUR 914.3 million).

GROUP REPORTING 1-6/2011 (1-6/2010): Earnings per share increased significantly

- The Group's profit before taxes increased by 79 percent from the previous year to EUR 97.7 million in January–June (1-6/2010: EUR 54.6 million).
- Earnings per share increased by 84 percent to EUR 0.57 (1-6/2010: EUR 0.31).

GUIDANCE: Profitable growth will continue in 2011

YIT Corporation reiterates its estimate issued in connection with the financial statements for 2010 according to which, in 2011, the combined revenue of the business segments will grow and operating profit will grow clearly compared to 2010.

YIT estimates residential sales to continue to be good in both Finland and Russia. In particular, residential construction activity in Russia, German building services and Building Services Northern Europe will provide opportunities for improving profitability.

The increased uncertainty of the general macroeconomic development may have a negative effect also on decision-making by YIT's customers and thereby the development and performance of YIT's business operations.

The profit outlook is based on segment reporting, i.e. recognition of income based on the percentage of completion.

KEY FIGURES

Development of the segments and the Group

Revenue, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Building Services Northern Europe	985.6	867.6	14%		509.4	460.8	11%
Building Services Central Europe	368.2	157.2	134%		191.1	86.9	120%
Construction Services Finland	621.8	528.1	18%		332.3	275.2	21%
International Construction Services	220.8	219.0	1%		120.5	112.1	7%
Other items	-32.6	-36.8			-16.4	-20.7	
YIT's segments total	2,163.8	1,735.1	25%		1,136.9	914.3	24%
IFRIC 15 adjustment	-56.9	-115.1			0.3	-59.6	
YIT Group total	2,106.9	1,620.0	30%		1,137.2	854.7	33%

Operating profit, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Building Services Northern Europe	35.9	44.9	-20%		18.8	25.1	-25%
Building Services Central Europe	16.1	4.9	229%		12.1	3.1	290%
Construction Services Finland	58.4	49.5	18%		32.8	26.4	24%
International Construction Services	20.7	12.2	70%		12.3	7.6	62%
Other items	-10.4	-9.9			-5.7	-5.1	
YIT's segments total	120.7	101.6	19%		70.3	57.1	23%
IFRIC 15 adjustment	-13.6	-31.8			-2.4	-21.2	
YIT Group total	107.1	69.8	53%		67.9	35.9	89%

Operating profit margin, %	1-6/11	1-6/10			4-6/11	4-6/10	
Building Services Northern Europe	3.6	5.2			3.7	5.4	
Building Services Central Europe	4.4	3.1			6.3	3.6	
Construction Services Finland	9.4	9.4			9.9	9.6	
International Construction Services	9.4	5.6			10.2	6.8	
YIT's segments total	5.6	5.9			6.2	6.2	
YIT Group total	5.1	4.3			6.0	4.2	

Order backlog, EUR million	6/11	6/10	Change		6/11	3/11	Change
Building Services Northern Europe	879.5	748.5	18%		879.5	804.9	9%
Building Services Central Europe	554.1	276.8	100%		554.1	573.2	-3%
Construction Services Finland	1,239.5	1,154.7	7%		1,239.5	1,176.0	5%
International Construction Services	896.4	946.8	-5%		896.4	862.7	4%
Other items	-60.2	-59.4			-60.2	-61.2	
YIT's segments total	3,509.4	3,067.4	14%		3,509.4	3,355.6	5%
IFRIC 15 adjustment	287.5	261.8			287.5	343.4	
YIT Group total	3,796.9	3,329.2	14%		3,796.9	3,699.0	3%

Key figures of Group reporting (IFRIC 15)

	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Profit before taxes, EUR million	97.7	54.6	79%		63.0	27.9	126%
Profit for the review period, EUR million	71.0	39.4	80%		46.1	20.4	126%
Earnings/share, EUR	0.57	0.31	84%		0.37	0.16	131%
Operating cash flow after investments, EUR million	15.9	65.5	-76%		-0.2	31.7	-101%

	6/11	6/10	Change		6/11	3/11	Change
Return on investment (last 12 months) %	15.6	10.7			15.6	14.0	
Equity ratio, %	29.7	31.8			29.7	28.5	
Gearing ratio, %	79.9	64.7			79.9	75.2	
Personnel at the end of period	26,807	23,877	12%		26,807	25,748	4%

Group reporting (IFRIC 15)

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the beginning of 2010. Due to the application of the interpretation, Group reporting and segment reporting differ. The difference between the accounting policies is reported as an IFRIC 15 adjustment.

As a result of the accounting policy, Group figures can fluctuate greatly between quarters. In accordance with the accounting policy, residential development projects are only recognised in Group figures upon project delivery, while in segment reporting they are recognised as construction progresses.

In the case of YIT's 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. Sold projects are recognised either when the construction work has started or when the project is complete. The share of income and expenses to be recognised is calculated by multiplying the percentage of completion by the percentage of sale multiplied by the occupancy rate. YIT usually sells commercial real estate development projects to investors either prior to construction or during an early phase.

Residential sales to consumers remained favourable

YIT's goal is to be a leader in residential construction in all of its market areas – Finland, Russia, the Baltic countries and Central Eastern Europe. In January–June, the focus of residential construction was still on residential development projects sold directly to consumers. In addition to continued favourable demand, YIT's residential sales in Russia were supported by YIT's established position as a reliable construction company, YIT's diverse housing offering, YIT's own marketing and promotion activities and extensive housing loan collaboration with banks.

In January–June, YIT increased the number of residential start-ups compared to the previous year and started the construction of a total of 3,836 residential units aimed at consumers (1–6/2010: 3,341). Of the start-ups, 1,945 took place in April–June (4–6/2010: 1,979). Of the start-ups in January–June, 1,280 were in Finland (1–6/2010: 1,236, 2,240 in Russia (1-6/2010: 1 872) and 316 in the Baltic countries and Central Eastern Europe (1–6/2010: 233).

The residential start-ups responded to favourable demand among consumers and increased the number of residential units for sale. During January–June, YIT sold a total of 2,661 residential units directly to consumers (1–6/2010: 2,496), of which 1,394 in April–June (4–6/2010: 1,168). During January–June, YIT sold a total of 1,048 residential units directly to consumers in Finland (1–6/2010: 977), 1,457 in Russia (1-6/2010: 1,499) and 156 in the Baltic countries and Central Eastern Europe (1–6/2010: 20).

YIT has also been active in the Finnish business premises market, which picked up further during the review period. The decrease in rents stopped in 2010, interest among foreign investors has increased and investors' yield requirements have begun to decrease. Leasing of YIT's commercial development projects advanced well during the review period, and YIT sold two commercial development projects during the second quarter.

Improving the profitability in Building Services

As a result of the acquisition completed at the beginning of September 2010, the significance of Central Europe to the Group has increased clearly. YIT's business segment structure was revised from March 1, 2011, with Building and Industrial Services being divided into two segments: Building Services Northern Europe and Building Services Central Europe. From March 1, 2011, YIT's four business segments are: Building Services Northern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services. YIT's comparable figures for 2010 according to the new business segment structure were published in a separate stock exchange release on March 24, 2011.

Karl-Walter Schuster (61) was appointed as the head of Building Services Central Europe and as a member of the Group Management Board as of March 1, 2011. Matti Malmberg (51) was appointed as the head of Building Services Northern Europe and as a member of the Group Management Board as of June 29, 2011.

The Group's strategic goal is to increase building system, industrial service and maintenance operations in the Nordic countries and Central Europe. Service and maintenance revenue in Building Services Northern Europe was EUR 610.6 million (1–6/2010: EUR 588.8 million) and in Building Services Central Europe EUR 94.3 million (1–6/2010: EUR 44.5 million). During the review period, the share of service and maintenance was significantly lower in Building Services Central Europe (26%) than in Building Services Northern Europe (62%), and therefore the opportunities for increasing it in Building Services Central Europe are good.

The operating profit of Building Services Northern Europe was weakened by tight price competition, especially in project operations, and the continued relatively low level of new investments in building systems and demand for industrial services. The profitability of the Building Services Northern Europe segment was also burdened by a provision of EUR 3.0 million related to an individual customer project. The profitability of building services in Denmark and industrial services in Finland continued to be low during the second quarter. Building Services Northern Europe is undergoing a restructuring of operations in industrial services in Finland and in Building Services Denmark. The aim is to improve profitability at the segment level also through rearrangements of the branch office network, selective project acquisition and making procurement more efficient.

The profitability of the business operations acquired in Central Europe at the beginning of September 2010 was below YIT's average profitability, but efforts to improve their profitability have succeeded according to plans.

Annual growth objective was raised to more than 10 percent

In August 2010, the Group's strategic annual revenue growth target was increased to more than 10 percent on average. In Russia, YIT's strong market position and improved operating environment enable growth; therefore, the number of residential start-ups was increased clearly during 2010, and increasing the number also continued during the review period. In Finland, the focus continues to be on projects sold directly to consumers and, following the revival of the market, also on own-based business premises development.

YIT has a diverse residential offering under construction in both Finland and Russia, and the number of start-ups will increase during 2011 compared to the previous year. In Building Services, the focus of business operations will be shifted to service and maintenance. The recovery of investments in building systems, especially in Germany, will also offer opportunities for project operations.

NEWS CONFERENCE, WEBCAST AND CONFERENCE CALL

YIT will hold a news conference on the interim report on Thursday, August 4, 2011, at 10:00 a.m. (Finnish Time, EEST). The news conference will be held in English and will be held at YIT's head office at Panuntie 11, 00620 Helsinki, Finland. The event is intended for analysts, portfolio managers and the media.

The news conference and the presentation, given by the company's President and CEO, Juhani Pitkäkoski, can be viewed live on YIT's website at www.yitgroup.com/webcast. The live webcast will start at 10:00 a.m. The webcast replay will be available at the same address starting at approximately 12:00 noon.

It is also possible to participate in the event through a conference call. Participants are requested to call the assigned number (+44 (0)20 7162 0077) at least five minutes before the conference call begins, at 9:55 a.m. (Finnish time, EEST) at the latest.

During the webcast and conference call, questions must be asked in English. After the session, there will also be an opportunity for the media to ask questions in Finnish.

Schedule in different time zones:

	Interim Report published	The investor and analyst event, conference call and live webcast	Recorded webcast available
EEST (Helsinki)	8:00	10:00	12:00
CEST (Paris, Stockholm)	7:00	9:00	11:00
BST (London)	6:00	8:00	10:00
US EDT (New York)	1:00	3:00	5:00

Financial reports and other investor information are available at YIT's website, www.yitgroup.com/investors. The materials may be ordered via the website, by sending an e-mail to InvestorRelations@yit.fi or by telephone on +358 20 433 2257.

YIT Corporation

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INTERIM REPORT JANUARY 1 – JUNE 30, 2011

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GROUP'S FINANCIAL DEVELOPMENT

Changes in organisational structure and Group management

As a result of the acquisition completed at the beginning of September 2010, the significance of Central Europe to the Group has increased significantly. YIT's business segment structure was revised from March 1, 2011, with Building and Industrial Services being divided into two segments: Building Services Northern Europe and Building Services Central Europe. From March 1, 2011, YIT's four business segments are: Building Services Northern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services. YIT's comparable figures for 2010 according to the new business segment structure were published in a separate stock exchange release on March 24, 2011.

Karl-Walter Schuster (61) was appointed as the head of Building Services Central Europe and as a member of the Group Management Board as of March 1, 2011. Previously, he acted as the head of the Central Europe division within the Building and Industrial Services business segment. Matti Malmberg (51) was appointed as the head of Building Services Northern Europe and as a member of the Group Management Board as of June 29, 2011. Previously, he acted as the Senior Vice President in charge of Building Systems Finland, Russia and the Baltic countries.

During the second quarter, YIT Corporation's Board of Directors established a new committee with the purpose of assisting the Board in matters related to the development of YIT's business. The members of this Working Committee are the Board of Directors' chairman Henrik Ehrnrooth (chair) and vice chairman Reino Hanhinen, as well as Michael Rosenlew, appointed by the Board of Directors from among its number.

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 reporting and segment reporting differ. The key difference is that residential developments are only recognised in Group figures upon project delivery, while in segment reporting they are recognised as construction progresses.

In the case of YIT's 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. Sold projects are recognised either when the construction work has started or when the project is complete. The share of income and expenses to be recognised is calculated by multiplying the percentage of completion by the percentage of sale multiplied by the occupancy rate. YIT usually sells commercial real estate development projects to investors either prior to construction or during an early phase.

The Group's financial performance is presented using both figures compliant with Group reporting and figures compliant with segment reporting, referred to as the performance of the segments or the segments total figure. The difference between the accounting policies is reported as an IFRIC 15 adjustment.

Revenue of the segments increased by a quarter on the previous year

Revenue, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Building Services Northern Europe	985.6	867.6	14%		509.4	460.8	11%
Building Services Central Europe	368.2	157.2	134%		191.1	86.9	120%
Construction Services Finland	621.8	528.1	18%		332.3	275.2	21%
International Construction Services	220.8	219.0	1%		120.5	112.1	7%
Other items	-32.6	-36.8			-16.4	-20.7	
YIT's segments total	2,163.8	1,735.1	25%		1,136.9	914.3	24%
IFRIC 15 adjustment	-56.9	-115.1			0.3	-59.6	
YIT Group total	2,106.9	1,620.0	30%		1,137.2	854.7	33%

Revenue of YIT's segments increased by 25 percent in January–June compared to the previous year, amounting to EUR 2,163.8 million (1–6/2010: EUR 1,735.1 million). Revenue increased across all segments. The revenue of Building Services Central Europe increased compared to the year before mainly as the result of the acquisition completed in September 2010. Changes in foreign exchange rates increased the segments' revenue for the review period by EUR 33.2 million compared to the previous year.

Following the IFRIC 15 adjustment, YIT Group's revenue increased by 30 percent from the previous year and was EUR 2,106.9 million for January–June (1-6/2010: EUR 1,620.0 million). The completion schedules of property development projects affect the Group's revenue recognition, and therefore Group figures may fluctuate greatly between different quarters. In January–June, the number of residential units completed in Russia was lower than the year before, while in Finland, the Baltic Countries and Central Eastern Europe, more residential units were completed than the year before.

In January–June 2011, Finland accounted for 42 percent (44%) of the Group's revenue, Sweden for 16 percent (17%), Germany for 13 percent (6%), Norway for 12 percent (14%), Russia for 7 percent (9%), Denmark for 4 percent (4%), the Baltic countries for 1 percent (1%) and other countries for 5 percent (5%).

Operating profit of the segments increased clearly during the second quarter

Operating profit, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Building Services Northern Europe	35.9	44.9	-20%		18.8	25.1	-25%
Building Services Central Europe	16.1	4.9	229%		12.1	3.1	290%
Construction Services Finland	58.4	49.5	18%		32.8	26.4	24%
International Construction Services	20.7	12.2	70%		12.3	7.6	62%
Other items	-10.4	-9.9			-5.7	-5.1	
YIT's segments total	120.7	101.6	19%		70.3	57.1	23%
IFRIC 15 adjustment	-13.6	-31.8			-2.4	-21.2	
YIT Group total	107.1	69.8	53%		67.9	35.9	89%

Operating profit margin, %	1-6/11	1-6/10			4-6/11	4-6/10	
Building Services Northern Europe	3.6	5.2			3.7	5.4	
Building Services Central Europe	4.4	3.1			6.3	3.6	
Construction Services Finland	9.4	9.4			9.9	9.6	
International Construction Services	9.4	5.6			10.2	6.8	
YIT's segments total	5.6	5.9			6.2	6.2	
YIT Group total	5.1	4.3			6.0	4.2	

The operating profit of YIT's segments increased by 19 percent in January–June compared to the previous year, amounting to EUR 120.7 million (1–6/2010: EUR 101.6 million). The operating profit margin calculated on the basis of the segment figures was 5.6 percent (1–6/2010: 5.9 %). The operating profit of the segments includes EUR -4.4 million (1–6/2010: EUR -1.0 million) of borrowing costs according to IAS 23. The IAS 23 standard defines the recording method of borrowing costs in long-term construction projects.

Profitability was improved by the focus of operations on residential development projects in Construction Services Finland and the sale of two commercial development projects during the second quarter. The profitability of International Construction Services improved through growth in residential sales and an increase in housing prices in Russia. As for Building Services Central Europe, operating profit improved particularly with the German operations improving their performance. The profitability of Building Services Central

Europe improved also as the result of the divestment of operations in Hungary in the second quarter, with an effect of EUR 5.0 million on the segment's operating profit.

In Building Services Northern Europe, the operating profit fell short of the previous year due to tight price competition, especially in project operations, and the relatively low level of investments in building systems and demand for industrial services. The profitability of the Building Services Northern Europe segment was also burdened by a provision of EUR 3.0 million related to an individual customer project.

In Group reporting, residential development projects are only recognised as income upon project delivery. Following the IFRIC 15 adjustment, the Group's operating profit increased by 53 percent compared to the previous year, amounting to EUR 107.1 million (1–6/2010: EUR 69.8 million). Following the IFRIC 15 adjustment, the Group's operating profit margin was 5.1 (1–6/2010: 4.3%).

Earnings per share improved significantly

Financial expenses decreased compared to the previous year, mainly due to the increasingly lower hedging costs of the ruble and higher IAS 23 adjustment.

The Group's profit before taxes increased by 79 percent from the previous year to EUR 97.7 million in January–June (1-6/2010: EUR 54.6 million).

Earnings per share increased by 84 percent from the previous year to EUR 0.57 (1–6/2010: EUR 0.31).

Order backlog continued to strengthen

Order backlog, EUR million	6/11	6/10	Change	6/11	3/11	Change
Building Services Northern Europe	879.5	748.5	18%	879.5	804.9	9%
Building Services Central Europe	554.1	276.8	100%	554.1	573.2	-3%
Construction Services Finland	1,239.5	1,154.7	7%	1,239.5	1,176.0	5%
International Construction Services	896.4	946.8	-5%	896.4	862.7	4%
Other items	-60.2	-59.4		-60.2	-61.2	
YIT's segments total	3,509.4	3,067.4	14%	3,509.4	3,355.6	5%
IFRIC 15 adjustment	287.5	261.8		287.5	343.4	
YIT Group total	3,796.9	3,329.2	14%	3,796.9	3,699.0	3%

The order backlog of YIT's segments was EUR 3,509.4 million at the end of June (6/2010: EUR 3,067.4 million); approximately 14 percent more than at the end of June the previous year. The order backlog increased by 5 percent from the end of March 2011, at which time it stood at EUR 3,355.6 million.

The order backlog of Building Services Central Europe increased significantly compared to the previous year as a result of the acquisition completed at the beginning of September 2010. The order backlog increased from the end of March 2011 in Building Services Northern Europe, Construction Services Finland and International Construction Services. The order backlog of Construction Services increased particularly as a result of increasing residential development projects and an increase in the volume of business premises construction in Finland.

Following the IFRIC 15 adjustment, YIT Group's order backlog was EUR 3,796.9 million at the end of June (6/2010: EUR 3,329.2 million).

Capital expenditure and acquisitions

Gross capital expenditure on non-current assets included on the balance sheet totalled EUR 23.3 million (1–6/2010: EUR 18.1 million) during January–June, representing 1.1 percent (1–6/2010: 1.1%) of revenue. Investments in construction equipment amounted to EUR 7.1 million (1–6/2010: EUR 4.2 million) and investments in information technology to EUR 4.9 million (1–6/2010: EUR 4.1 million). Other investments, including acquisitions, amounted to EUR 11.3 million (1–6/2010: EUR 9.8 million).

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 Europe. The acquired company's business culture, areas of competence and payback time of the purchase price of the acquired company are key criteria.

During the second quarter, YIT completed three acquisitions in the Nordic countries and entered into agreements on further two acquisitions. In Sweden, YIT acquired Orad i Sydost AB, a company specialising in industrial pipeworks with an annual revenue of approximately EUR 1.5 million. The company has 13 employees. YIT also acquired Johnson Control's Commercial Refrigeration business in Sweden, with annual revenue of approximately EUR 15 million. The acquired unit is one of the leading refrigeration companies in Sweden, with more than 100 employees across Sweden. YIT also acquired Frisk Ventilation, a supplier of ventilation-related services, in Sweden, with annual revenue of approximately EUR 7 million and 23 employees.

During the review period, the company agreed on the acquisition of MISAB Sprinkler & VVS AB in Sweden. The company provides complete solutions for plumbing and sprinkler, ventilation, fire protection and industrial systems. The company's annual revenue is approximately EUR 7 million and it employs 40 people. The acquisition took effect on July 1, 2011.

In Finland, during the review period, YIT entered into an agreement on the acquisition of the business operations of Sakari Timonen Oy, a specialist in refrigeration engineering. In addition to the business operations, the company's personnel will also be transferred to YIT. The company's annual revenue is approximately EUR 1 million. The business acquisition took effect on July 1, 2011.

During the second quarter, YIT implemented its strategy by selling its holding in the German company AGO AG and its Hungarian business operations. The shares in AGO AG were part of the acquisition that took effect at the beginning of September 2010, whereby YIT acquired a holding of 59.25 percent in the German company specialising in the production and sales of energy, with annual revenue of approximately EUR 50 million. The revenue of the Hungarian operations divested by YIT during the second quarter amounted to approximately EUR 10 million in 2010.

Business acquisitions and companies consolidated into the Group are discussed in more detail in the tables to the interim report.

Investments in growth impaired cash flow

The Group's operating cash flow for the review period after investments amounted to EUR 15.9 million (1-6/2010: EUR 65.5 million). In April–June, the Group's operating cash flow for the review period after investments amounted to EUR -0.2 million (4–6/2010: EUR 31.7 million). Operating cash flow in the second quarter was affected particularly by growth in development production under construction, plot investments and seasonal increase in receivables in Building Services.

At the end of June, the Group's invested capital amounted to EUR 1,816.1 million (3/2011: EUR 1,726.6 million). Of the Group's invested capital, 29 percent (3/2011: 32%), or EUR 531.9 million (3/2011: EUR 558.2 million) was invested in Russia. Exchange rate changes of the ruble decreased the capital invested in Russia by EUR 1.5 million in April–June.

The Group's capital invested in Russia is primarily accounted for by the International Construction Services segment. Capital invested in Russia decreased in spite of an increase in residential production. The use of capital has been made more efficient by decreasing the size of projects, selling apartments at an earlier construction phase and increasing the share of mortgage deals.

Return on investment improved, amounting to 15.6 percent for the last 12 months (4/2010–3/2011: 14.0%). Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total. The balance sheet total at the end of June was EUR 3,387.4 million (3/2011: EUR 3,274.8 million).

The Group's financial position enables the implementation of the growth strategy

YIT has a diverse capital structure and a strong liquidity position. Cash reserves amounted to EUR 234.1 million (3/2011: EUR 267.6 million) at the end of June. In addition, committed credit and overdraft facilities amounting to a total of EUR 223.9 are available. The committed limit agreements do not include an obligation to maintain financial key ratios, i.e. covenants.

The gearing ratio increased slightly compared to the end of March 2011, amounting to 79.9 percent at the end of June 2011 (3/2011: 75.2%). The equity ratio improved to 29.7 percent (3/2011: 28.5%). Net financing debt increased from the end of March 2011 to EUR 702.7 million (3/2011: EUR 626.1 million).

Net financial expenses decreased to EUR 9.4 million during the review period (1–6/2010: EUR 15.1 million), or 0.4 percent (1–6/2010: 0.9%) of the Group's revenue. The net financial expenses include EUR 6.3 million (1–6/2010: EUR 2.8 million) of capitalisations in compliance with IAS 23. The exchange rate differences

included in the net financial expenses, totalling EUR -2.1 million (1-6/2010: EUR -4.2 million), were comprised almost entirely of costs of hedging debt investments in Russia. At the end of June 2011, EUR 117.9 million (3/2011: EUR 140.3 million) of the capital invested in Russia were comprised of debt investments and EUR 414.4 million (3/2011: EUR 417.9 million) were equity investments or similar fixed net investments. 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.

Financial liabilities amounted to EUR 936.8 million (3/2011: EUR 893.8 million) at the end of June, and their average interest rate was 3.5 percent (3/2011: 3.2%). Fixed-interest loans accounted for 58 percent (3/2011: 52%) of the Group's financial liabilities. Of the loans, 41 percent (3/2011: 32%) had been raised directly from the capital and money markets. The maturity distribution of long-term loans is balanced. A total of EUR 74.1 million of long-term loans will mature during the latter half of 2011.

During the second quarter, YIT issued, under the company's programme for issuance of notes, a EUR 100 million bond targeted at institutional and other selected investors. Due June 20, 2016, the bond carries an annual fixed coupon rate of 4.750 percent and has an issue price of 99.843 percent. The effective yield of the bond is 4.786 percent.

Large residential projects were completed during the second quarter in Finland, and the total amount of construction-stage contract receivables sold to financial institutions decreased from the end of March 2011 as a result. The total amount of construction-stage contract receivables sold to financial institutions amounted to EUR 197.8 million at the end of June (3/2011: EUR 252.4 million). Of this amount, EUR 190.6 million (3/2011: EUR 237.9 million) is included in interest-bearing liabilities on the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. Interest expenses on receivables sold to financing companies amounted to EUR 2.2 million (1-6/2010: EUR 0.9 million) during the review period and these are fully included in the financial expenses of the review period.

Participations in the housing corporation loans of unsold completed residential units amounted to EUR 37.3 million (3/2011: EUR 25.2 million) at the end of June, and they are included in interest-bearing liabilities. The interest on the participations, EUR 0.5 million (1-6/2010: EUR 0.5 million), is included in housing corporation charges and is thus booked in project expenses.

YIT paid out dividends of EUR 81.3 million for 2010 during the second quarter in compliance with the resolution of the Annual General Meeting.

The Group's balanced business structure and solid financial position enable the implementation of YIT's growth strategy and the acquisitions and plot investments required by it.

STRATEGIC OBJECTIVES

YIT Corporation's Board of Directors confirmed the Group's strategy for 2011–2013 on August 18, 2010. The key strategic objective is profitable growth. The Group's annual revenue growth target was increased to more than 10 percent on average. The prior target was an average annual revenue growth of 5–10 percent. The Group's other strategic target levels remain unchanged: return on investment of 20 percent, operating cash flow after investments must be sufficient for dividend payout and the reduction of debt, equity ratio of 35 percent and dividend payout of 40–60 percent of net profit for the period.

In terms of business operations, the focus areas of YIT's growth are building system service and maintenance operations and residential construction. Growth will be sought both organically and through acquisitions. YIT seeks growth by strengthening its local market position and through geographical expansion to new countries. Building system services will be increased in the Nordic countries and Central Europe and residential construction in Finland, Russia, the Baltic countries and Central Eastern Europe. The Group's potential new market areas are the United Kingdom, the Netherlands and Belgium in building system services and Poland in construction services.

YIT published a stock exchange release on the confirmation of the strategy on August 19, 2010, and materials for the Capital Market Day focusing on the strategic focus areas on September 2, 2010.

DEVELOPMENT BY BUSINESS SEGMENT

The development by business segment is presented using figures compliant with segment reporting.

BUILDING SERVICES NORTHERN EUROPE

Key figures

	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Revenue, EUR million	985.6	867.6	14%		509.4	460.8	11%
Operating profit, EUR million	35.9	44.9	-20%		18.8	25.1	-25%
Operating profit margin, %	3.6	5.2			3.7	5.4	

	6/11	6/10	Change		6/11	3/11	Change
Order backlog, EUR million	879.5	748.5	18%		879.5	804.9	9%

Revenue, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Finland	299.3	282.1	6%		159.5	151.9	5%
Sweden	325.1	266.8	22%		169.4	142.9	19%
Norway	255.7	236.7	8%		128.3	122.5	5%
Denmark	80.8	62.7	29%		39.4	32.5	21%
Russia and the Baltic countries	24.7	19.3	28%		12.8	11.0	16%
Total	985.6	867.6	14%		509.4	460.8	11%

The revenue of Building Services Northern Europe increased by 14 percent in January–June compared to the previous year, amounting to EUR 985.6 million (1–6/2010: EUR 867.6 million). Revenue for the second quarter increased by 11 percent to EUR 509.4 million (4–6/2010: EUR 460.8 million). Changes in foreign exchange rates increased the revenue for January–June by EUR 34.0 million compared to the previous year. The increase in revenue was widespread: revenue increased in all countries.

The segment's operating profit fell short of the year before due to strict price competition, especially in project operations and the relatively low level of new investments in building systems and demand for industrial services. The segment's operating profit for the second quarter was burdened by a provision of EUR 3.0 million related to an individual customer project.

Profitability was highest in Norway during the review period: increasing the share of service and maintenance operations has had a positive impact on profitability in Norway. Profitability remained at a moderate level also in Finland and Sweden during the review period. The profitability of building system services in Denmark and industrial services in Finland continued to be low during the second quarter.

Building Services Northern Europe is undergoing a restructuring of operations in industrial services in Finland and in building services Denmark. The aim is to improve profitability at the segment level also through rearrangements of the branch office network, selective project acquisition and making procurement more efficient.

The order backlog at the end of June was 18 percent higher than the year before, and 9 percent higher than at the end of March 2011. The order backlog increased in all countries except for Denmark.

During the second quarter, YIT completed three acquisitions in Sweden and entered into agreements on two further acquisitions. The acquisitions complemented YIT's offering, competence portfolio and geographical service network. The combined revenue of the acquired business operations was approximately EUR 30 million in 2010.

Service and maintenance revenue grew during the first half of 2011

YIT's goal is to be the leading provider of technical system maintenance in the Nordic countries and Central Europe. The target is to increase service and maintenance operations at a faster rate than other operations.

Service and maintenance operations generated EUR 610.6 million (1–6/2010: EUR 588.8 million), or 62 percent (1–6/2010: 68%) of the segment's total revenue.

YIT has improved the offering of service and maintenance operations by developing a ServiFlex concept where customers can agree on extensive service entities in a single contract. The iServiflex service was launched in industrial services during the first quarter. Customers increasingly appreciate simplicity in purchasing services, and the number of extensive service agreements is estimated to increase.

During the second quarter, YIT entered into a ServiFlex agreement with the SILVAN retailer chain, among others. The agreement covers electrical work and services related to pipework and ventilation in the chain's 39 outlets in Denmark. The agreement is an extension of the cooperation between YIT and the SILVAN chain, whereby YIT implements energy-saving solutions at eight of the chain's outlets. In Finland, YIT signed more than 20 new ServiFlex agreements during the second quarter on the servicing and maintenance of various office and residential buildings, business properties and production plants across the country.

During the second quarter, YIT signed a contract on pipeline collection systems for waste in the new Kalasatama and Jätkäsaari residential areas in Helsinki with companies owned by the City of Helsinki. YIT will design and construct automatic Envac pipeline systems for waste collection in the areas and assume responsibility for their care and maintenance after commissioning. The investments will be realised in 2012–2030 as the construction of the areas proceeds, and the maintenance period will be about 20 years from the completion of the investments. The installation work will begin in Jätkäsaari in July and the system is estimated to be in use in 2012. The Kalasatama system will be in use in 2014. The value of the investments will be around EUR 80 million and maintenance around EUR 20 million.

YIT signed a four-year nationwide framework agreement with DSB (Danish State Railways) during the second quarter on the maintenance of refrigeration and ventilation systems in all DSB buildings across Denmark, including railway stations, office buildings and workshops. The agreement can be extended by one year.

In addition, during the second quarter YIT entered into several agreements on the delivery of building system services to Finnish schools and public buildings.

New investments still relatively low

New investments in building systems recovered slightly during the review period, but still remained at a relatively low level. Demand among industrial customers was also focused on service and maintenance, and the demand for new investments remained at a low level during the second quarter.

In Denmark, an extensive student housing complex will be constructed at Aalborg University, with 130 new residential units for students. YIT will implement the pipework and ventilation solutions as a subcontractor as a result of the order secured during the second quarter. In addition, 142 residential units for students will be renovated in the Aalborg area, with YIT responsible for the delivery of the building system solutions. The agreement covers electrical, piping and ventilation work.

In Norway, YIT signed an agreement on the delivery of an automatic Envac pipeline system for waste collection in the Ranheim residential area with the Trondheim municipality during the second quarter. The waste collection system will cover 2,000 households and one school.

In Kiruna, Sweden, YIT will install 40 kilometres of new pipeline systems at an LKAB (state-owned Swedish mining company) mine located 1,365 metres below sea level. The pipeline is intended for water, pressurised air, gases and grease. During the second quarter, YIT also agreed with PEAB on the implementation of building system solutions at the new Siemens premises in Finspång, Sweden, for 750 employees after completion. The premises will be certified according to the LEED certificate. YIT also agreed during the second quarter on the installation of a new security system platform at all Swedish branch offices of one of the world's leading pharmaceutical companies. The project will be implemented in several phases, continuing until 2017.

YIT Industrial Services agreed with Andritz Oy on the delivery of 21 module-structured air treatment machines to a pulp mill built in Punta Pereira in Uruguay. The module-structured air treatment machines will be used for cooling the electrical rooms of the pulp mills and for pressurising the facilities with chemically treated air. The machines will be delivered to Uruguay in December 2011, and installed in early 2012.

BUILDING SERVICES CENTRAL EUROPE

Key figures

	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Revenue, EUR million	368.2	157.2	134%		191.1	86.9	120%
Operating profit, EUR million	16.1	4.9	229%		12.1	3.1	290%
Operating profit margin, %	4.4	3.1			6.3	3.6	

	6/11	6/10	Change		6/11	3/11	Change
Order backlog, EUR million	554.1	276.8	100%		554.1	573.2	-3%

Revenue, EUR million	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Germany	296.8	102.1	191%		155.7	58.1	168%
Austria	46.6	46.5	0%		24.7	25.0	-1%
Poland, the Czech Republic, Hungary and other countries	24.8	8.6	188%		10.7	3.8	182%
Total	368.2	157.2	134%		191.1	86.9	120%

Building Services Central Europe revenue more than doubled in January–June compared to the previous year, mainly as the result of an acquisition that took effect at the beginning of September 2010. An increase in new building system investments also contributed to the growth of the revenue for the review period. Changes in foreign exchange rates did not have a substantial impact on the revenue compared to the year before.

In Building Services Central Europe, operating profit improved particularly with the German operations improving their performance. The divestment of the Hungarian operations during the second quarter, which had an effect of EUR 5.0 million on the segment's operating result, improved the profitability of Building Services Central Europe. Excluding divestment of the Hungarian operations, the segment's operating profit margin for the second quarter was 3.7 percent (4–6/2010: 3.6%). Profitability was at a moderate level in Germany and Austria.

The order backlog at the end of June was 100 percent higher than the previous year, amounting to EUR 554.1 million (6/2010: EUR 276.8 million). In particular, the order backlog increased as a result of the acquisition completed at the beginning of September 2010. The improved market situation and YIT's strengthened market position also contributed to the growth of the order backlog.

Acquisition expanded operations in Central Europe

YIT aims to offer building system services, especially those requiring technical expertise, close to its customers. The goal is to reinforce the local market position organically and through acquisitions.

An acquisition whereby YIT acquired a company offering technical building system services in Central Europe was completed at the beginning of September 2010. The profitability of the acquired company was below YIT's average profitability, and YIT aims to improve the operating profit margin of the acquired operations by one percentage point per year. The development of the acquired business has proceeded as planned.

During the second quarter, YIT implemented its strategy by selling its share in the German company AGO AG and its Hungarian business operations. The shares in AGO AG were part of the acquisition that took effect at the beginning of September 2010, whereby YIT acquired a holding of 59.25 percent in the German company specialising in the production and sales of energy, with annual revenue of approximately EUR 50 million. The revenue of the Hungarian operations divested by YIT during the second quarter amounted to approximately EUR 10 million in 2010.

Service and maintenance revenue more than doubled

Service and maintenance operations generated EUR 94.3 million (1-6/2010: EUR 44.5 million), or 26 percent (1–6/2010: 28%) of the segment's total revenue for the review period.

In Germany, YIT entered into a long-term agreement on 24-hour service and maintenance with Wacker in Nünchritz, during the second quarter. YIT also agreed on service deliveries with Hamburg Fairs, Infineon and Osram, among others. In addition, YIT will provide services to the high level clean-room premises of the University of Tübingen. In Cologne, YIT is responsible for the operation of the energy centres of the head

office of the television company RTL. The head office is one of the largest office properties in Europe. In Poland, YIT entered into several long-term service agreements, covering, among others, more than 73,000 m² of logistics premises at the Airport Center Modlniczka in the vicinity of Krakow and Swiecie and Blonie in the vicinity of Warsaw. These logistics centres offer premises and services for the food, retail and automotive industries, among others.

YIT's ServiFlex concept is in use in Germany and Austria, and it was also implemented in Poland and the Czech Republic during the second quarter. Service and maintenance agreements pursuant to the concept were signed during the second quarter on the comprehensive technical maintenance of a park and riding centre in Erdberg, Austria, the office building of the Raiffeisen travel bureau in Vienna and several Austrian health centres, among others. In Germany, YIT signed a ServiFlex agreement with a high-security laboratory in Essen and Ciba Vision's production plant in Hessen, among others.

Demand for new investments remained at a favourable level in Germany

Demand for new building system investments remained at a favourable level in Germany during the second quarter. Demand improved slightly in Austria. In Central Eastern Europe, the market is recovering slowly.

During the second quarter, YIT entered into an extensive agreement with a food packaging plant close to Poznan in Poland. The agreement covers the engineering and implementation of an outdoor water and sewer system as well as gas, HPAC, fire protection and property management systems. YIT will additionally install a heating oil system in the plant. During the second quarter, YIT also entered into an agreement on the delivery of electrical work to the Kaufland supermarket built in Myszkow, Poland.

YIT made several significant agreements on new investments in Germany during the second quarter. Among others, YIT agreed on the delivery of all building system solutions to Bundesdruckerei's 36,000 m² building in Berlin. As part of a project secured similarly in the second quarter, YIT will deliver all of the electrical work to a pumping power station located in Kaprun, Austria, and the tunnel leading to it.

CONSTRUCTION SERVICES FINLAND

Key figures

	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Revenue, EUR million	621.8	528.1	18%		332.3	275.2	21%
Operating profit, EUR million	58.4	49.5	18%		32.8	26.4	24%
Operating profit margin, %	9.4	9.4			9.9	9.6	

	6/11	6/10	Change		6/11	3/11	Change
Order backlog, EUR million	1,239.5	1,154.7	7%		1,239.5	1,176.0	5%

Revenue increased in January–June by 18 percent from the previous year as production volumes remained at a high level in residential construction and business premises construction picked up. The revenue for the second quarter increased by 21 percent from the previous year to EUR 332.3 million (EUR 275.2 million). The volume of infrastructure services was normal in the second quarter.

The operating profit for the review period increased by 18 percent compared to the previous year, with residential and business premises construction focusing on property development projects as planned. The operating profit of the segment includes EUR -3.1 million of borrowing costs according to IAS 23 (1–6/2010: EUR -0.9 million). The operating profit margin for the review period increased slightly compared to the previous year, while infrastructure services continued to have a negative impact on the segment's profitability. The operating profit for the second quarter increased clearly from the previous year to EUR 32.8 million (4–6/2010: EUR 26.4 million). The operating profit for the second quarter includes EUR -1.6 million of borrowing costs according to IAS 23 (4–6/2010: EUR -0.6 million).

The order backlog increased by 7 percent from the previous year, particularly as a result of new residential and business premises development project start-ups. Compared to the end of March 2011, the order backlog increased by 5 percent, amounting to EUR 1,239.5 million (3/2011: EUR 1,176.0 million).

The segment's capital tied into plot reserves totalled EUR 293.4 million at the end of June (6/2010: EUR 288.7 million). The plot reserves included 1,602,000 m² of floor area of residential plots (6/2010: 1,675,000) and 855,000 m² of floor area of plots for business premises (6/2010: 943,000).

Residential sales to consumers continued at a good level – sales inventory was increased with new start-ups

YIT's goal is to strengthen its position as the largest housing developer in Finland. Residential sales continued at a good level in the second quarter. During January–June, YIT sold a total of 1,048 residential units (1–6/2010: 977) directly to consumers, of which 513 in the second quarter (4–6/2010: 471). Sales continued on a normal level in July. Housing prices increased at a moderate rate during the review period.

The focus of YIT's housing construction is on residential development projects aimed directly at consumers in accordance with market demand. In January–June, YIT started the construction of a total of 1,280 residential units aimed directly at consumers (1–6/2010: 1,236). Of the start-ups, 675 took place in April–June (4–6/2010: 783). YIT has 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. During the second quarter, YIT and VR-Group Ltd. entered into letters of intent concerning the acquisition of building rights in Helsinki, Turku and Hämeenlinna. If the final agreements materialise, their value will be approximately EUR 70 million, and they concern residential and commercial building rights for more than 100,000 square metres of floor area.

The new residential start-ups have maintained the sales inventory at a sufficiently high level. At the end of June, YIT had 1,907 unsold residential units (6/2010: 1,324). The number of completed, unsold residential units has remained at a relatively low level, amounting to 208 (6/2010: 133) at the end of June. Of the residential units under construction, 56 percent have been sold (6/2010: 72%), which decreases YIT's sales risk.

Residential construction in Finland, number of residential units

	1-6/11	1-6/10	Change		4-6/11	1-3/11	Change
Sold	1,347	1,378	-2%		755	592	22%
- of which directly to consumers	1,048	977	7%		513	535	-4%
Start-ups	1,579	1,637	-4%		917	662	28%
- of which directly to consumers	1,280	1,236	4%		675	605	10%
Completed	2,134	1,119	91%		1,254	880	30%
- of which directly to consumers	1,226	375	227%		701	525	25%
Under construction at the end of the period	3,875	4,292	-10%		3,875	4,212	-9%
- of which sold at the end of the period	2,176	3,101	-30%		2,176	2,619	-20%
For sale at the end of the period	1,907	1,324	44%		1,907	1,745	8%
- of which completed	208	133	56%		208	152	27%

Business premises market picked up

The positive development of the business and office premises market continued during the second quarter. The decrease in business premises rents has stopped, and investors' yield requirements have somewhat decreased. The order backlog of YIT's business premises operations increased clearly from the year before. Interest in Finland among international property investors has also increased. The leasing of business premises under construction proceeded well during the second quarter: lease agreements were signed on approximately 19,000 m² of premises.

During the second quarter, YIT sold the Tiilitie Trade Park logistics property in Vantaa, with a total floor area of approximately 27,000 m² once complete. The property will be constructed in two phases, of which the first phase of approximately 10,000 m² was completed in June 2011 and the second phase is estimated to be complete in spring 2012. The total value of the transaction was approximately EUR 40 million.

During the second quarter, YIT also sold the Triotto office building in Käpylä, Helsinki. The construction of the office building with a floor area of approximately 15,500 m² was started in January 2011, and it is due for completion in two phases during 2012. The total value of the transaction amounted to approximately EUR 57 million.

During the review period, YIT announced that it will start the construction of the energy-efficient office building Ratinankaari in Tampere in July 2011. The value of the building is approximately EUR 35 million, and its first phase is due for completion in spring 2013.

Turn for the better in infrastructure services

Demand for infrastructure construction was relatively low in the review period, and competition in the field continued to be tight. Investments have decreased in the municipal sector and decision-making has been postponed. Major road projects are expected to start this year and next year, including the construction and renovation of the E18 motorway between Koskenkylä and Kotka. YIT is participating in the tenders for the E18 project, which will be implemented using the Public-Private-Partnership, or PPP, model, in cooperation with Destia. The order authorisation for the project is EUR 650 million. The preferred bidder announcement is estimated to be made during the third quarter of 2011.

In addition, opportunities will open up in road and regional maintenance contracts, rock engineering and investments in mining operations.

During January–June, YIT had large-scale road projects under construction in infrastructure services, such as the major project related to the improvement of the Kehä I ring road, a project involving bridge and road work in Savonlinna, and a tunnel for the Kehärata (Ring line) project in Vantaa. In addition, YIT has the Helsinki western metro line project tunnel contracts secured in early 2011 currently under construction.

After the review period, activity in infra services increased and YIT won a project for the covering work of the Motorway 3 at Hämeenlinna, Finland, with a value of approximately EUR 30 million. The construction of the covering will begin in September 2011, and the entire project will be completed in phases during spring 2013.

INTERNATIONAL CONSTRUCTION SERVICES

Key figures

	1-6/11	1-6/10	Change		4-6/11	4-6/10	Change
Revenue, EUR million	220.8	219.0	1%		120.5	112.1	7%
Operating profit, EUR million	20.7	12.2	70%		12.3	7.6	62%
Operating profit margin, %	9.4	5.6			10.2	6.8	

	6/11	6/10	Change		6/11	3/11	Change
Order backlog, EUR million	896.4	946.8	-5%		896.4	862.7	4%

Revenue for the review period remained on par with the previous year, with residential sales in Russia continuing at a favourable level and the Baltic countries and Central Eastern European businesses experiencing growth. The operating profit for the second quarter increased by 7 percent from the previous year to EUR 120.5 million (4–6/2010: EUR 112.1 million). The segment's residential sales continued at a good level in July as well.

The operating profit for the second quarter increased significantly from the previous year to EUR 20.7 million (1–6/2010: EUR 12.2 million). Operating profit improved particularly through increased residential selling prices, successful balancing of sales and pricing, improved product and offering portfolio and streamlining measures in YIT's own cost structure implemented in 2009. The operating profit of the segment includes EUR -1.3 million (1–6/2010: EUR -0.1 million) of borrowing costs according to IAS 23. The operating profit for the second quarter increased by 62 percent from the previous year to EUR 12.3 million (4–6/2010: EUR 7.6 million). The operating profit for the second quarter includes EUR -0.8 million (4–6/2010: EUR -0.1 million) of borrowing costs according to IAS 23.

The sale of projects at an earlier stage of construction than before had an effect on the recognition of revenue and operating profit: little revenue is recognised for projects that are sold in their early stage of construction. The volume of operations increased in the Baltic countries, the Czech Republic and Slovakia in the second quarter, but remained at a relatively low level nevertheless, which impaired the segment's profitability.

The order backlog decreased slightly from the previous year, but increased by 4 percent from March 2011. The segment's order backlog was improved by the strengthening of the ruble, which had an impact of EUR +7.7 million in January–June. The order backlog includes two housing projects whose construction was halted in Russia in October 2008 due to market uncertainties. At the end of June 2011, the value of projects that

were still suspended amounted to EUR 90 million (6/2010: EUR 199 million). Restarting the suspended projects will not increase the order backlog.

The segment's capital tied into plot reserves totalled EUR 370.9 million (6/2010: EUR 294.4 million) at the end of June. The plot reserves included 2,504,000 m² of floor area of residential plots (6/2010: 2,394,000) and 702,000 m² of floor area of plots for business premises in Russia, the Baltic countries, the Czech Republic and Slovakia (6/2010: 699,000).

Russian residential sales remained at a good level in the second quarter

YIT has operated in Russia for 50 years, and the company aims to increase housing production in Russia according to market demand in the current operating areas and to improve its reputation as a reliable housing construction company. Russia generated 85 percent (1-6 /2010: 92%) of the revenue of International Construction Services for January–June. Revenue decreased by 7 percent in Russia compared to the previous year, amounting to EUR 187.4 million (1-6/2010: EUR 201.8 million).

The capital tied into plot reserves in Russia totalled EUR 288.4 million at the end of June (6/2010: EUR 217.5 million). The plot reserves included 2,149,000 m² of floor area of residential plots (6/2010: 2,042,000) and 559,000 m² of floor area of plots for business premises (6/2010: 563,000). During the review period, YIT acquired a 2.9-hectare plot in the centre of St. Petersburg. Approximately 500 residential units, or more than 50,000 m² of residential buildings, will be built on the plot. The construction of residential units on the plot is scheduled to begin in 2012, and the project will be implemented in several phases.

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. The production under construction is concentrated in St. Petersburg and cities in the Moscow region, but start-ups also took place in Yekaterinburg and Rostov during the review period. YIT decided to expand its operations to the city of Serpukhov, located 100 kilometres from Moscow. YIT aims to take part in plot auctions that will be arranged in 2011 in Serpukhov.

During January–June, YIT sold a total of 1,475 residential units in Russia (1–6/2010: 1,499), of which 782 in the second quarter (4–6/2010: 682). 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 the second quarter, the customer has taken out a housing loan in 51 percent of YIT's residential sales. Residential demand is supported by the gradual improvement of the economy, consumer confidence remaining at a good level, increased availability of loans to customers and decreased housing loan interest rates. During the review period, residential sales focused increasingly on projects at an early stage of construction in Russia, meaning that little revenue is recognised for the sold residential units.

During the review period, housing prices increased at a moderate rate in Russia. YIT increased the prices of its residential units in all of the cities where it operates in Russia. Residential demand improved compared to the previous year, especially in Moscow Oblast.

YIT has actively started new residential projects in Russia, and the aim is to increase the number of residential start-ups during 2011 compared to 2010. There is a clearly higher number of projects at an early stage of construction, i.e. the frame work stage, compared to the situation a year ago. The number of residential start-ups in the second quarter remained on par with the first quarter, amounting to 1,089 residential units (4–6 /2010: 1,074). The number of residential units for sale has increased during the year, amounting to 4,993 at the end of June (6/2010: 3,977). The number of completed unsold residential units decreased from the previous year, amounting to 409 at the end of June (6/2010: 646). Of the residential units under construction, 28 per cent have been sold (6/2010: 39%).

A total of 343 residential units were completed in Russia during the review period (1–6/2010: 641). After the handover of residential projects, YIT offers its customers service and maintenance. At the end of the review period, YIT was in charge of the service and maintenance of approximately 10,000 residential units.

During the review period, YIT established a precast concrete plant in the city of Voskresensk near Moscow, with the aim of producing precast concrete for YIT's residential construction activity in the Moscow region. The production at the plant will begin at the end of 2011, and the plant will reach its planned production volume by the end of 2012. In the initial phase, the plant's production volume will correspond to approximately one-third of the needs of YIT's residential production in the Moscow region. The plant is also responsible for the installation of its precast concrete elements at YIT sites. The plant is a joint venture, with YIT holding 76 percent of the shares.

Residential construction in Russia, number of residential units

	1-6/11	1-6/10	Change		4-6/11	1-3/11	Change
Sold	1,457	1,499	-3%		782	675	14%
Start-ups	2,240	1,872	20%		1,089	1,151	-6%
Completed 1)	343	641	-46%		238	105	56%
Under construction at the end of the period 2)	6,346	5,425	17%		6,346	5,495	13%
- of which sold at the end of the period	1,762	2,094	-16%		1,762	1,375	22%
For sale at the end of the period	4,993	3,977	26%		4,993	4,687	6%
- of which completed	409	646	-37%		409	567	-39%

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

2) At the end of June 2011, YIT had 365 (6/2010: 1,204) residential units at Russian sites whose construction was suspended in the autumn of 2008. These residential units are not included in the figure for residential units under construction shown in the table. Changes in the number of residential units may take place after the start of construction due to the division or combination of residences.

Construction of business premises is picking up slowly in Russia

YIT's volume in the Russian business premises market remained at a low level during the review period. Marketing of the Gorelovo industrial park close to St. Petersburg has been continued. The competitive advantages of the area are its good location and completed infrastructure connections. The demand for the area is good, and negotiations with potential customers will continue.

Residential demand increased in the Baltic countries and Central Eastern Europe

YIT's aim is to increase its residential production in the Baltic and Central Eastern European countries. The volume of YIT's residential production increased in these countries during the second quarter, but continues to be at a low level. Estonia, Latvia, Lithuania, the Czech Republic and Slovakia accounted for 15 percent of the revenue of International Construction Services for January–June (1-6/2010: 8%). Revenue generated in these countries increased by 94 percent compared to the year before to EUR 33.4 million (1-6/2010: EUR 17.2 million). The capital tied into plot reserves in the Baltic countries, the Czech Republic and Slovakia totalled EUR 82.5 million at the end of June (6/2010: EUR 75.8 million). The plot reserves included 335,000 m² of floor area of residential plots (6/2010: 352,000) and 143,000 m² of floor area of plots for business premises (6/2010: 136,000).

The focus of YIT's operations has been shifted from project contracting to residential construction with new residential start-ups. The construction of 316 residential units was started in Estonia, Latvia, Lithuania and the Czech Republic during January–June (1–6/2010: 233). Of the start-ups, 181 took place in the second quarter (4–6 /2010: 122). At the end of June, there were 611 residential units under construction (6/2010: 233).

YIT's residential inventory is still relatively low in the Baltic countries, the Czech Republic and Slovakia. In January–June, a total of 156 residential units were sold in these countries (1-6/2010: 20). At the end of June, there were 609 residential units for sale (6/2010: 253) and of these 106 were completed (6/2010: 26). The number of residential units completed during the review period was 81 (1–6/2010: 0).

Residential demand has turned to growth in the Baltic countries, the Czech Republic and Slovakia. In particular, the demand for residential units in central locations has picked up.

Residential construction in the Baltic countries and Central Eastern Europe, number of residential units

	1-6/11	1-6/10	Change		4-6/11	1-3/11	Change
Sold	156	20	680%		99	57	42%
Start-ups	316	233	36%		181	135	25%
Completed	81	0	212%		0	81	
Under construction at the end of the period	611	233	162%		611	430	30%
- of which sold at the end of the period	108	6	more than a thousand		108	47	56%
For sale at the end of the period	609	253	141%		609	527	13%
- of which completed	106	26	308%		106	144	-36%

BUILDINGS AND INDUSTRY NEED ENERGY-SAVING SERVICES

YIT aims to be a leader in energy-saving services for buildings and industry, where demand is expected to increase in the next few years. The demand for energy efficiency services is supported by the tightening of legislation and the increase in energy prices: customers increasingly pay attention to energy consumption and savings potential. Energy-saving may be part of both new construction and renovation projects as well as maintenance agreements. Energy-saving is an essential part of business in all of YIT's segments.

In Sweden, YIT agreed on the installation of the electrical grid of 40 windmills to be installed in Gabrielsberget. In Norway, YIT will deliver energy-saving services to 80 Statkraft hydropower plants. The project was preceded by a successful pilot phase where YIT was responsible for the energy-saving services of ten power plants. The value of the final agreement is approximately EUR 6 million. In Finland, YIT signed an agreement on the energy reviews of seven airports with Finavia. The agreement is an extension of energy reviews that YIT has already carried out at three other Finnish airports.

During the second quarter, YIT agreed on a project in which the modern building system solutions of the University of Bielefeld, Germany, will be developed and simulated in YIT's research and development laboratory in Aachen. These solutions include, among others, utilisation of ground heat, exhaust air cooling and concrete core cooling. In Hamburg, Germany, YIT will modernise the 60,000 m² Kapstadtring office building to meet the strictest energy regulations. YIT will utilise its research centre also in this project in developing the special technology related to the energy-saving solutions for the building.

In Austria, YIT will deliver heating, air conditioning, plumbing, ventilation and automation systems to the new head office of Andritz, among others. The floor area of the eight-storey office building constructed in Vienna is approximately 30,000 m²: YIT will provide ground heat-based energy solutions for the building, utilising also solar panels and other energy-efficient solutions.

The public sector is among the most important and active customers for energy-saving services. During the second quarter, YIT agreed on a project to construct one of the most energy-efficient residential areas in Sweden with the municipalities of Morastrand and Mora, among others. The project includes the auditing of municipal buildings and housing corporations in the areas and the implementation of the identified energy efficiency measures. YIT signed an agreement with the municipality of Piteå on improving the energy efficiency of the municipality's 12 schools.

In Central Europe, YIT signed agreements during the second quarter on the implementation of energy-saving services in a hospital in Stade, Germany, and a school in Austria, among others. The lighting, heating, air conditioning and automation of the Stade hospital will be modernised. The solutions to be implemented in Austria include a solar panel-based solution that aims to cut the school's energy consumption by a minimum of 25 percent.

In Construction Services Finland, all of YIT's property development projects are built as low-energy buildings that consume 30 percent less energy on average. Interest in energy-saving services is also increasing in Russia.

PERSONNEL

In January-June 2011, the Group employed 26,021 (1–6/2010: 23,400) people on average. At the end of the period, the Group employed 26,807 (6/2010: 23,877) people. In connection with the acquisition made in Central Europe, approximately 2,000 employees were transferred to YIT's Building Services Central Europe at the beginning of September 2010.

During 2010, it was decided to adopt a new share-based incentive scheme, aimed at supporting the company's strategy of profitable growth and supplementing the already available incentive schemes. The scheme covers approximately 250 people in 2011. The cost effect of the incentive scheme was about EUR 2.7 million in January–June (1–6/2010: EUR 1.0 million).

Personnel by business segment

The largest segment by personnel was Building Services Northern Europe, employing 61 percent (6/2010: 65%) of YIT's personnel. Building Services Central Europe employed 13 percent (6/2010: 8%), Construction Services Finland 14 percent (6/2010: 14%), International Construction Services 10 percent (6/2010: 11%) and Corporate Services 2 percent (6/2010: 2%) of the personnel.

Personnel by business segment	6/11	6/10	Change	6/11	3/11	Change
Building Services Northern Europe	16,269	15,527	5%	16,269	15,712	4%
Building Services Central Europe	3,597	1,994	80%	3,597	3,712	-3%
Construction Services Finland	3,730	3,403	10%	3,730	3,253	15%
International Construction Services	2,785	2,591	7%	2,785	2,677	4%
Corporate Services	426	362	18%	426	394	8%
YIT Group, total	26,807	23,877	12%	26,807	25,748	4%

Personnel by country

Of YIT's employees, 37 percent worked in Finland (6/2010: 41%), 35 percent in the other Nordic countries (6/2010: 36%), 10 percent in Germany (6/2010: 4), 9 percent in Russia (6/2010: 10%), 4 percent in the Baltic countries (6/2010: 4%) and 5 percent in other countries (6/2010: 5%).

Personnel by country	6/11	6/10	Change	6/11	3/11	Change
Finland	10,031	9,694	3%	10,031	9,144	10%
Sweden	4,681	4,222	11%	4,681	4,484	4%
Norway	3,423	3,277	4%	3,423	3,462	-1%
Germany	2,706	1,066	154%	2,706	2,771	-2%
Russia	2,465	2,433	1%	2,465	2,410	2%
Denmark	1,369	1,211	13%	1,369	1,357	1%
Baltic countries	1,074	1,032	4%	1,074	1,013	6%
Other countries (Central Europe excluding Germany)	1,058	942	12%	1,058	1,107	-4%
YIT Group, total	26,807	23,877	12%	26,807	25,748	4%

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting was held on March 11, 2011. The Annual General Meeting adopted the 2010 financial statements, discharged the members of the Board of Directors and the President and CEO from liability, confirmed the dividend as proposed by the Board of Directors, decided on the Board of Directors' fees and elected the auditor. The Annual General Meeting confirmed the composition of the Board of Directors: Henrik Ehrnrooth (Chairman), Reino Hanhinen (Vice Chairman), Eino Halonen, Kim Gran, Antti Herlin and Satu Huber were re-elected as Board members. In addition, Michael Rosenlew was elected as a new Board member.

In its organisational meeting on March 11, 2011, the Board elected the chairmen and members of the Audit Committee and the Nomination and Rewards Committee from among its number.

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 11, 2011. The stock exchange releases and a presentation of the members of the Board of Directors are available at YIT's website, www.yitgroup.com.

SHARES, SHARE OPTIONS AND SHAREHOLDERS

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

The company has no outstanding share option programmes.

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 2011 (2010: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2010: 127,223,422).

Treasury shares and authorisations of the Board of Directors

In accordance with the Limited Liability Companies Act, the 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 11, 2011, to authorise the Board of Directors to decide on purchases of the company's shares and on share issues as proposed by the Board of Directors. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 2,145,000 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 2010 earning period under the share-based incentive scheme for YIT's management on April 28, 2011, which were conveyed as a directed share issue without consideration. In the share issue, 196,910 YIT Corporation shares were issued and conveyed to the key persons participating in the Share Ownership Plan according to the terms and conditions of the plan. By the end of the review period, 1,524 shares had been returned to YIT. At the end of the review period, the company held 1,949,614 of its own shares. During the review period, no shares in the parent company were owned by subsidiaries.

At the end of the period, the parent company's Board of Directors did not have authorisations to issue convertible bonds or bonds with warrants.

Trading in shares

The price of YIT's share was EUR 18.65 at the beginning of the year (January 1, 2010: EUR 14.44). The closing rate of the share on the last trading day of the review period was EUR 17.24 (June 30, 2010: EUR 14.78). The share price decreased by 8 percent during January–June. The highest price of the share in January–June was EUR 21.92 (1-6/2010: EUR 17.96), the lowest was EUR 15.41 (1-6/2010: EUR 12.98) and the average price was EUR 19.58 (1-6/2010: EUR 15.85). Share turnover on Nasdaq OMX in January–June amounted to 61,761,586 shares (1-6/2010: 76,363,340). The value of turnover was EUR 1,204.7 million (1-6/2010: EUR 1,210.6 million).

YIT Corporation's market capitalisation at the end of the review period was EUR 2,159.7 million (6/2010: EUR 1,848.7 million). The market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of June, the number of registered shareholders was 32,975 (6/2010: 32,702). At the end of March 2011, the number of shareholders was 32,278. The number of private investors increased by approximately 450 during the second quarter. At the end of June, a total of 39.3 percent (6/2010: 38.7%) of the shares were owned by nominee-registered and non-Finnish investors.

During January–June, 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.

MAJOR SHORT-TERM BUSINESS RISKS AND RISK MANAGEMENT

YIT has specified the major risk factors and their management from the point of view of the Group as a whole, taking the special characteristics of YIT's business operations and environment into consideration. Risks are divided into strategic, operational, financial and event risks.

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. Cash flow-generating (building system and industrial services, contracting) and capital-intensive business operations (residential and commercial development production) balance the risks related to business operations and the use of capital and enable better risk management at the Group level.

Operations have been expanded geographically so that economic fluctuations impact operations at different times in different markets. Continuous monitoring and analysis make it possible to react quickly to changes in the operating environment and also to utilise the business opportunities provided by the changes.

The Group's aim is to grow profitably, both organically and through acquisitions. The building services operations in Central Europe have grown as the result of the acquisition completed at the beginning of September 2010. The integration and development of the acquired companies has proceeded as planned.

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. A strong increase in interest rates is a key risk related to the demand for residential units.

YIT tests the value of its plots as required by the 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. No write-offs were made to plots in the review period.

Financing and financial risks include liquidity, credit and counterparty, interest rate and currency risks and risks related to the reporting process. Financing and financial risks are managed through accounting and financing policies, internal control as well as internal and external audit.

YIT's most significant currency risk is related to investments in ruble terms. Capital invested in Russia totalled EUR 531.9 million (3/2011: EUR 558.2 million) at the end of the period. The amount of net equity investments at the end of the period was EUR 414.4 million (3/2011: EUR 417.9 million). The net investments in the Russian subsidiaries are unhedged in accordance with the treasury policy, and a potential devaluation of the ruble would have a negative impact equal to the amount of equity on the Group's shareholders' equity. Debt investments amounted to EUR 117.9 million (3/2011: EUR 140.3 million) at the end of the period, and this exposure was hedged in full. The difference in the interest rates between the euro and ruble have an effect on hedging costs and therefore net financial expenses.

Possible event risks include accidents related to personal or information security and sudden and unforeseen material damage to premises, project sites and other property, such as due to fire, collapse and 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 was published in the Annual Report 2010. Financing risks are described in more detail in the notes to the financial statements for 2010.

OUTLOOK FOR 2011

YIT Corporation reiterates its estimate issued in connection with the financial statements for 2010 according to which, in 2011, the combined revenue of the business segments will grow and operating profit will grow clearly compared to 2010.

YIT estimates residential sales to continue to be good in both Finland and Russia. In particular, residential construction activity in Russia, German building services and Building Services Northern Europe will provide opportunities for improving profitability.

The increased uncertainty of the general macroeconomic development may have a negative effect also on decision-making by YIT's customers and thereby the development and performance of YIT's business operations.

The profit outlook is based on the segment reporting, i.e. recognition of income based on the percentage of completion.

Building Services Northern Europe

In Building Services Northern Europe, the service and maintenance market is estimated to grow at a faster rate than the project market, which is dependent on new investments. The opportunities for growth in service and maintenance are favourable in all Nordic countries. The building system services market is developing in the Baltic countries and Russia, but it will take some time for the culture of purchasing services to strengthen. New investments in building systems are expected to begin to increase slightly compared to the low level of the previous year, and typically a growth in new investments can be seen in the demand for building system services with a delay. New investments in building systems are expected to grow by 2–3 percent in business premises construction and 3–5 percent in residential construction during 2011.

The efficiency enhancement measures of companies and government open up opportunities for the outsourcing of real estate services. Investments by industrial customers began to increase in Finland in the previous year, and their increase is expected to continue. The demand for industrial maintenance services will continue to be relatively steady.

Building Services Central Europe

In Building Services Central Europe, the service and maintenance market as well as the project market, which is dependent on new investments, are expected to grow. The opportunities for growth in service and maintenance are favourable in all countries, the German and Austrian markets in particular offer good growth opportunities. The building system services market in Central Eastern Europe (Poland, the Czech Republic and Romania) is developing.

New investments in building systems are expected to return to a relatively good level in Central Europe, and the outlook for the project business is moderately good, especially in Germany and Austria. New investments in building systems are expected to increase by 2–4 percent in 2011. Investments by industrial customers are expected to continue to increase.

YIT has an extensive network of local offices in both the Nordic countries and the markets where Building Services Central Europe operates, and a strong market position in building system and industrial service and maintenance operations, projects and energy-efficiency services. Growth in the demand for energy-efficiency services is possible in the next few years with high energy prices and tightening environmental legislation. There are many small companies operating in the technical building system market, and the consolidation of the market will provide opportunities for acquisitions. YIT's strength is its extensive service portfolio and possibility to guarantee a high level of service to its customers. YIT's goal is to be the leading provider of technical system maintenance in the Nordic countries and Central Europe.

Construction Services Finland

With regard to Construction Services Finland, housing demand is expected to continue to be good. In Finland, residential demand is supported by relatively low interest rates and structural factors, such as migration, population growth and decreasing family sizes. According to the construction industry's estimates, the construction of 33,500 residential units will start in 2011, while VTT's long-term estimate of the need for new housing is 35,000 residential units per year.

The supply situation of new residential units has normalised, and the supply of new residential units on the market is higher than in recent years. YIT actively started new residential projects in 2010 and the first half of 2011, which offers the company a solid starting point for the rest of 2011.

The increase in housing prices has levelled off, and YIT expects moderate growth in prices in the future. Construction costs have begun to increase moderately. YIT's good plot reserves and geographically extensive operations make it possible to continue residential development start-ups and residential production at a high level in 2011. YIT aims to increase the number of residential start-ups in 2011 compared to 2010.

The business premises market has picked up: investors' yield requirements have decreased, and business premises rents are expected to begin to increase in 2011. Vacancy rates are still high, and new investments in

office property is likely to remain at a relatively low level. A number of offices, especially old and vacant ones, will not return into use as business premises due to their poor location or condition. The demand for the construction of logistics and business premises is moderate. The need for renovation will rise steadily.

YIT has major road projects underway in infrastructure services, and the Finnish infrastructure market will see new traffic-related projects being started in 2011 and 2012. Opportunities will also open up in road and regional maintenance contracts, rock engineering and investments in mining operations. The need for stabilising public finance has an impact on the public sector's investments, and there is an element of uncertainty connected with the project start-up decisions. The competition in infrastructure construction will remain tight, but the latter half of 2011 is expected to be brisker than the first two quarters. YIT has special expertise in infrastructure and a solid position as the largest private provider of road maintenance services in Finland.

International Construction Services

YIT aims to consolidate its position throughout the business area of the International Construction Services segment.

There is a great need for new housing in Russia, and therefore the demand outlook for residential units aimed at YIT's customer segment is strong in the long term. The demand for housing in Russia is supported by continued relatively good consumer confidence and improved availability of housing loans. In Russia, housing demand also depends on oil prices and the ruble exchange rate.

During the review period, housing prices increased at a moderate rate in Russia. The supply in the residential market has normalised with the start-up of new residential projects. YIT has strengthened its reputation as a reliable construction company and developed its sales process. The availability of loans to customers has been improved through extensive cooperation with banks.

The residential market is showing signs of picking up in the Baltic countries and Central Eastern Europe as well. Consumers need more room and quality of housing in the long term in the Baltic countries and Central Eastern Europe. Residential demand has improved in these countries.

Residential start-ups will be increased in 2011 in accordance with the demand throughout the area of operations of International Construction Services: Russia, the Baltic countries, the Czech Republic and Slovakia. YIT aims to increase the number of residential start-ups in 2011 compared to 2010. So far, the business premises market has been softer than residential construction in all of the countries where International Construction Services are present. Construction of offices is low in Russia, but the demand for industrial and business premises is increasing. Several business premises projects are being prepared in the Baltic countries and Central Eastern Europe and will probably start before the end of the year.

Residential demand and housing prices are expected to increase throughout the area of operations of International Construction Services, which provides opportunities for improving profitability, particularly in Russia, which provides opportunities for improving profitability. Construction costs are expected to increase in all of the countries in which International Construction Services operates.

EVENTS AFTER THE REVIEW PERIOD

The Building Services Northern Europe segment has acquired the business operations of Sakari Timonen Oy in Finland. The transaction took effect on July 1, 2011. The acquired operations cover the installation, servicing and repair of air conditioning and refrigeration equipment. The company's revenue was approximately EUR 1 million in 2010. In addition, the Building Services Northern Europe segment acquired all of the shares in MISAB Sprinkler & VVS AB in Sweden. The company's core business consists of sprinkler and pipeline deliveries to fire protection systems. The company's revenue for 2010 was approximately EUR 7 million, and it will be consolidated into the YIT Group as of July 1, 2011. The total purchase prices of the acquisitions made after the review period amount to approximately EUR 2.3 million. The acquisitions are not expected to result in goodwill.

INTERIM REPORT JAN 1 - JUN 30, 2011: TABLES

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

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Key figures

YIT Group figures by quarter

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2. Consolidated financial statements Jan 1 - Jun 30, 2011

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1. KEY FIGURES OF YIT GROUP

KEY FIGURES

	6/11	6/10	Change	12/10
Earnings per share, EUR	0.57	0.31	84%	1.12
Diluted earnings per share, EUR	0.57	0.31	84%	1.12
Equity per share, EUR	7.00	6.35	10%	7.04
Average share price during the period, EUR	19.58	15.85	26%	16.35
Share price at the end of period, EUR	17.24	14.78	17%	18.65
Market capitalization, MEUR	2,159.7	1,848.7	17%	2,332.7
Weighted average share-issue adjusted number of shares outstanding, thousands	125,113	125,078	0%	125,078
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	125,113	125,078	0%	125,078
Share-issue adjusted number of shares outstanding at end of period, thousands	125,274	125,078	0%	125,078
Net interest-bearing debt at the end of period, MEUR	702.7	514.8	36%	640.9
Return on investment, from the last 12 months, %	15.6	10.7		14.3
Equity ratio, %	29.7	31.8		31.9
Gearing ratio, %	79.9	64.7		72.6
Gross capital expenditures, MEUR	23.1	18.1	28%	129.8
% of revenue	1.1	1.1		3.4
Unrecognised order backlog at the end of period, MEUR	3,796.9	3,329.2	14%	3,535.7
of which order backlog outside Finland	2,068.3	1,769.8	17%	1,857.7
Average number of personnel	25,754	23,400	11%	24,317

YIT GROUP FIGURES BY QUARTER

	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Revenue, MEUR	1,137.2	969.7	1,338.0	829.6	854.8	765.3
Operating profit, MEUR	67.9	39.2	116.4	33.9	35.9	33.9
% of revenue	6.0	4.0	8.7	4.1	4.2	4.4
Financial income, MEUR	0.3	2.4	0.7	1.1	1.1	0.7
Exchange rate differences, MEUR	-0.8	-1.3	-0.8	-2.3	-1.9	-2.3
Financial expenses, MEUR	-4.4	-5.6	-3.1	-5.7	-7.2	-5.6
Profit before taxes, MEUR	63.0	34.7	113.2	27.0	27.9	26.7
% of revenue	5.7	3.6	8.5	3.3	3.3	3.5
Balance sheet total, MEUR	3,387.4	3,274.8	3,117.1	3,234.6	3,067.9	2,994.8
Earnings per share, EUR	0.37	0.20	0.65	0.16	0.16	0.15
Equity per share, EUR 1)	7.00	6.64	7.04	6.30	6.35	6.08
Share price at end of period, EUR	17.24	20.92	18.65	17.39	14.78	17.10
Market capitalization, MEUR	2,159.7	2,616.6	2,332.7	2,175.1	1,848.7	2,138.8
Return on investment, from the last 12 months, %	15.6	14.0	14.3	10.6	10.7	11.3
Equity ratio, %	29.7	28.5	31.9	29.2	31.8	30.2
Net interest-bearing debt at the end of period, MEUR	702.7	626.1	640.9	636.6	514.8	496.0
Gearing ratio, %	79.9	75.2	72.6	80.5	64.7	65.0
Gross capital expenditures, MEUR	14.6	8.7	30.7	81.0	8.7	9.4
Order backlog at the end of period, MEUR	3,796.9	3,699.0	3,535.7	3,727.5	3,329.2	3,152.5
Personnel at the end of period	26,807	25,748	25,832	25,943	23,877	23,211

SEGMENT INFORMATION BY QUARTER

Revenue by business segment (EUR million)

	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Building Services Northern Europe	509.4	476.2	519.2	416.8	460.8	406.8
Building Services Central Europe	191.1	177.1	258.7	134.2	86.9	70.4
Construction Services Finland	332.3	289.5	294.2	279.7	275.2	252.9
International Construction Services	120.5	100.3	139.7	111.9	112.1	106.9
Other items	-16.4	-16.2	-24.2	-18.4	-20.7	-16.2
YIT's segments total	1,136.9	1,026.9	1,187.6	924.2	914.3	820.8
IFRIC 15 adjustments	0.3	-57.2	150.4	-94.6	-59.6	-55.5
YIT Group total	1,137.2	969.7	1,338.0	829.6	854.7	765.3

Operating profit by business segment (EUR million)

	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Building Services Northern Europe	18.8	17.1	23.5	20.2	25.1	19.9
Building Services Central Europe	12.1	4.0	8.9	2.7	3.1	1.7
Construction Services Finland	32.8	25.6	29.4	29.3	26.4	23.1
International Construction Services	12.3	8.4	13.4	9.2	7.6	4.6
Other items	-5.7	-4.7	-5.5	-3.4	-5.1	-4.8
YIT's segments total	70.3	50.4	69.7	57.9	57.1	44.5
IFRIC 15 adjustments	-2.4	-11.2	46.7	-24.0	-21.2	-10.6
YIT Group total	67.9	39.2	116.4	33.9	35.9	33.9

Operating profit margin by business segment (%)

	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Building Services Northern Europe	3.7	3.6	4.5	4.8	5.4	4.9
Building Services Central Europe	6.3	2.3	3.4	2.0	3.6	2.4
Construction Services Finland	9.9	8.8	10.0	10.5	9.6	9.1
International Construction Services	10.2	8.4	9.6	8.2	6.8	4.3
YIT's segments total	6.2	4.9	5.9	6.3	6.2	5.4
YIT Group total	6.0	4.0	8.7	4.1	4.2	4.4

In the second quarter 2011, a EUR 3.0 million provision booked affects negatively Building Services Northern Europe's operating profit and a EUR 5.0 million gain on the sale of Hungarian businesses affects positively Building Services Central Europe's operating profit.

In 2010, the operating profit of Building Systems segment included EUR 6.3 million non- recurring expenses related to acquisitions made during the year. Of the non-recurring items, EUR 1.4 million was recognised in the third quarter of the year in Building Services Northern Europe and EUR 1.9 million in Building Services Central Europe. EUR 3.0 million of non-recurring expenses were booked in Building Services Central Europe in the fourth quarter.

Order backlog by business segment at end of period (EUR million)

	6/11	3/11	12/10	9/10	6/10	3/10
Building Services Northern Europe	879.5	804.9	757.4	743.0	748.5	697.9
Building Services Central Europe	554.1	573.2	507.0	589.1	276.8	266.3
Construction Services Finland	1,239.5	1,176.0	1,173.2	1,205.2	1,154.7	905.4
International Construction Services 1)	896.4	862.7	870.8	884.8	946.8	1,013.2
Other items	-60.2	-61.2	-58.3	-55.2	-59.4	-45.8
YIT's segments total	3,509.4	3,355.6	3,250.1	3,366.9	3,067.4	2,837.0
IFRIC 15 adjustments	287.5	343.4	285.6	360.6	261.8	315.5
YIT Group total	3,796.9	3,699.0	3,535.7	3,727.5	3,329.2	3,152.5

1) At the end of June 2011, the value of projects that were still suspended amounted to EUR 90 million (6/10: EUR 199 million)

2. CONSOLIDATED FINANCIAL STATEMENTS JAN 1 - JUN 30, 2011

CONSOLIDATED INCOME STATEMENT JAN 1 - JUN 30, 2011 (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Revenue	2,106.9	1,620.0	30%	3,787.6
of which activities outside Finland	1,219.6	908.0	34%	2,343.6
Other operating income and expenses	-1,980.3	-1,532.8	29%	-3,531.1
Share of results of associated companies	-0.1	-0.4	-75%	-0.5
Depreciation and write-downs	-19.4	-17.0	14%	-35.9
Operating profit	107.1	69.8	53%	220.1
% of revenue	5.1	4.3		5.8
Financial income	2.7	1.8	50%	3.7
Exchange rate differences	-2.1	-4.2	-50%	-7.3
Financial expenses	-10.0	-12.8	-22%	-21.7
Profit before taxes	97.7	54.6	79%	194.8
% of revenue	4.6	3.4		5.1
Income taxes 1)	-26.7	-15.2	76%	-54.2
Profit for the report period	71.0	39.4	80%	140.6
% of revenue	3.4	2.4		3.7
Attributable to				
Equity holders of the parent company	70.9	39.1	81%	140.3
Minority interests	0.1	0.3	-67%	0.3
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, EUR	0.57	0.31	84%	1.12
Diluted earnings per share, EUR	0.57	0.31	84%	1.12

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

STATEMENT OF COMPREHENSIVE INCOME JAN 1 - JUN 30, 2011 (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Profit for the report period	71.0	39.4	80%	140.6
Other comprehensive income				
- Change in the fair value of interest derivatives	1.4	-3.0		-1.0
-- Deferred tax	-0.4	0.7		0.3
- Change in translation differences	1.8	46.0	-96%	29.2
- Other change	-0.5	0.0		0.0
Other comprehensive income. total	2.3	43.7	-95%	28.5
Total comprehensive income	73.3	83.1	-12%	169.1
Attributable to				
Equity holders of the parent company	72.8	82.5	-12%	168.7
Minority interests	0.5	0.6	-17%	0.4

CONSOLIDATED INCOME STATEMENT APR 1 - JUN 30, 2011 (EUR million)

	4-6/11	4-6/10	Change
Revenue	1,137.2	854.7	33%
of which activities outside Finland	628.1	471.1	33%
Other operating income and expenses	-1,059.6	-810.3	31%
Share of results of associated companies	0.1	0.0	
Depreciation and write-downs	-9.8	-8.5	15%
Operating profit	67.9	35.9	89%
% of revenue	6.0	4.2	
Financial income	0.3	1.1	-73%
Exchange rate differences	-0.8	-1.9	-58%
Financial expenses	-4.4	-7.2	-39%
Profit before taxes	63.0	27.9	126%
% of revenue	5.5	3.3	
Income taxes 1)	-16.9	-7.5	125%
Profit for the report period	46.1	20.4	126%
% of revenue	4.1	2.4	
Attributable to			
Equity holders of the parent company	46.1	20.2	128%
Minority interests	0.0	0.2	-100%
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.37	0.16	131%
Diluted earnings per share, EUR	0.37	0.16	131%

CONSOLIDATED BALANCE SHEET (EUR million)

	6/11	6/10	Change	12/10
ASSETS				
Non-current assets				
Property, plant and equipment	106.4	97.0	10%	106.7
Goodwill	349.4	291.0	20%	350.9
Other intangible assets	52.3	36.7	43%	50.5
Shares in associated companies	2.6	2.8	-7%	2.7
Other investments	3.4	2.0	70%	3.4
Other receivables	18.2	15.6	17%	15.9
Deferred tax assets	51.8	53.9	-4%	44.7
Current assets				
Inventories	1,592.0	1,579.5	1%	1,484.9
Trade and other receivables	977.2	717.8	36%	889.3
Cash and cash equivalents	234.1	271.6	-14%	148.3
Assets held for sale				19.8
Total assets	3,387.4	3,067.9	10%	3,117.1
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	149.2	149.2	0%	149.2
Other equity	727.9	645.0	13%	730.8
Non-controlling interest	2.2	2.0	10%	2.9
Total equity	879.3	796.2	10%	882.9
Non-current liabilities				
Deferred tax liabilities	91.6	75.3	22%	77.2
Pension liabilities	26.9	17.1	57%	26.9
Provisions	49.6	46.3	7%	49.5
Borrowings	555.5	580.1	-4%	504.6
Other liabilities	20.5	6.6	211%	10.3
Current liabilities				
Trade and other payables	1,338.5	1,301.6	3%	1,218.8
Provisions	44.2	38.4	15%	45.1
Current borrowings	381.4	206.3	85%	284.6
Liabilities of assets held for sale				17.2
Total equity and liabilities	3,387.4	3,067.9	10%	3,117.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR million)

	Attributable to equity holders of the parent company								Non-controlling interest	Total equity
	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on January 1. 2011	149.2	2.0	0.0	-14.2	-2.4	-10.6	756.1	880.1	2.8	882.9
Comprehensive income										
Profit for the period							70.9	70.9	0.1	71.0
Other comprehensive income:										
Change in the fair value of interest derivatives					1.4			1.4		1.4
- Deferred tax asset					-0.4			-0.4		-0.4
Change in translation differences				1.6			-0.2	1.4	0.4	1.8
Other change		-0.2					-0.3	-0.5		-0.5
Comprehensive income, total	0.0	-0.2	0.0	1.6	1.0	0.0	70.4	72.8	0.5	73.3
Transactions with owners										
Dividend paid							-81.3	-81.3	-0.2	-81.5
Share-based incentive scheme			2.9			0.9	0.8	4.6		4.6
Transfer from retained earnings		0.2	1.8				-2.0	0.0		0.0
Transactions with owners, total	0.0	0.2	4.7	0.0	0.0	0.9	-82.5	-76.7	-0.2	-76.9
Changes in ownership shares in subsidiaries										
Changes in group ownership shares in subsidiaries - no loss of control							0.9	0.9	-0.9	0.0
Changes in ownership shares in subsidiaries, total	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9	-0.9	0.0
Equity on June 30, 2011	149.2	2.0	4.7	-12.6	-1.4	-9.7	744.9	877.1	2.2	879.3

	Attributable to equity holders of the parent company								Non-controlling interest	Total equity
	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on January 1. 2010	149.2	1.7	11.6	-42.4	-1.7	-10.6	654.1	761.9	2.2	764.1
Comprehensive income										
Profit for the period							39.1	39.1	0.3	39.4
Other comprehensive income:										
Change in the fair value of interest derivatives					-3.0			-3.0		-3.0
- Deferred tax asset					0.7			0.7		0.7
Change in translation differences				44.1			1.6	45.7	0.3	46.0
Comprehensive income, total				44.1	-2.3		40.7	82.5	0.6	83.1
Transactions with owners										
Dividend paid							-50.5	-50.5	-0.8	-51.3
Transfer from retained earnings		0.3					-0.3	0.0		0.0
Share-based incentive scheme							0.3	0.3		0.3
Transactions with owners, total		0.3					-50.5	-50.2	-0.8	-51.0
Equity on June 30, 2010	149.2	2.0	11.6	1.7	-4.0	-10.6	644.3	794.2	2.0	796.2

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Cash flows from operating activities				
Net profit for the period	71.0	39.4	80%	140.6
Reversal of accrual-based items	53.1	41.9	27%	130.3
Change in working capital				
Change in trade and other receivables	-76.2	-38.7	97%	-77.3
Change in inventories	-98.0	-6.6	over thousand	60.3
Change in current liabilities	135.1	123.0	10%	-135.4
Change in working capital, total	-39.1	77.7		-152.4
Interest paid	-18.2	-16.6	10%	-27.5
Other financial items, net	-4.3	-35.3	-88%	-37.2
Interest received	1.6	1.7	-6%	3.5
Taxes paid	-36.5	-28.6	28%	-50.5
Net cash generated from operating activities	27.6	80.2	-66%	6.8
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-5.0	-5.4	-7%	-45.4
Purchase of property, plant and equipment	-13.4	-7.6	76%	-19.9
Purchase of intangible assets	-4.1	-3.8	8%	-8.4
Increases in other investments	0.0	-0.1		-1.3
Proceeds from sale of subsidiaries, net of cash	5.9			
Proceeds from sale of tangible and intangible assets	2.2	2.2	0%	6.5
Proceeds from sale of other investments	2.7	0.0		0.0
Net cash used in investing activities	-11.7	-14.7	-20%	-68.5
Operating cash flow after investments	15.9	65.5	-76%	-61.7
Cash flow from financing activities				
Change in current liabilities	46.8	5.5	751%	34.2
Proceeds from borrowings	175.0	100.0	75%	100.0
Repayments of borrowings	-71.2	-24.1	195%	-50.4
Payments of financial leasing debts	-1.6	-0.3	433%	-0.1
Dividends paid and other distribution of assets	-81.5	-51.4	59%	-51.2
Net cash used in financing activities	67.5	29.7	127%	32.5
Net change in cash and cash equivalents	83.4	95.2	-12%	-29.3
Cash and cash equivalents at the beginning of the period	147.6	173.1	-15%	173.1
Change in the fair value of the cash equivalents	0.3	2.4	-88%	3.8
Cash and cash equivalents at the end of the period	231.3	270.7	-15%	147.6

3. NOTES

ACCOUNTING PRINCIPLES OF THE INTERIM REPORT

YIT Corporation's Interim Report for January 1 - June 30, 2011 has been drawn up in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report has not been audited. YIT has applied the same accounting policy and IFRS standards and interpretations in the drafting of the Interim Report as in its annual financial statements for 2010. However, the following new standards, interpretations and amendments on current standards that have been approved by EU have been applied as of January 1, 2011:

- IAS 24 (revised): Related party disclosures
- IFRIC 14 (amendment): Prepayments of a minimum funding requirement
- IFRIC 19: Extinguishing financial liabilities with Equity instruments

- IAS 32 (amendment): Classification of Rights Issues
- Improvements to IFRSs, issued in July 2010

Currency exchange rates used in the Interim Report

		Average rate 1-6/11	Balance sheet rate June 30, 2011	Average rate 1-6/10	Balance sheet rate June 30, 2010
1 EUR =	CZK	24.3490	24.3450	25.732	25.691
	DKK	7.4561	7.4587	7.4418	7.4488
	EEK	-	-	15.6466	15.6466
	HUF	269.4200	266.1100	271.63	286
	MYR	4.2552	4.3626	-	-
	NOK	7.8235	7.7875	8.007	7.9725
	PLN	3.9520	3.9903	4.0025	4.147
	RUB	40.1453	40.4000	39.9143	38.282
	SEK	8.9391	9.1739	9.7944	9.5259
	SGD	1.7655	1.7761	-	-
	USD	1.4033	1.4453	-	-
	LTL	3.4528	3.4528	3.4528	3.4528
	LVL	0.7028	0.7028	0.7028	0.7028

FINANCIAL RISK MANAGEMENT

Financial risks include liquidity, interest rate, currency and credit risk, and their management is a part of the Group's financing policy. The Board of Directors has approved the Corporate Finance Policy. The Group's Finance Department is responsible for the practical implementation of the policy in association with the business segments and units.

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

A more detailed account of financial risks has been published in the notes to the financial statements for 2010.

SEGMENT INFORMATION

The chief operating decision-maker has been identified as the YIT Group's Management Board, which review the Group's internal reporting in order to assess performance and allocate resources to the segments.

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. Construction Services Finland and International Construction Services segments' reporting to the Management board do not apply Group's accounting principles in revenue recognition of own residential and commercial real estate development projects. The revenue from own residential and commercial development projects is recognised on the basis of the percentage of degree of completion and the degree of sale, using percentage of completion method. According to Group's accounting principles revenue from own residential and commercial development projects is recognised at the completion. The impact on revenue and operating profit of two revenue recognition principles is shown in the line IFRIC 15 - adjustment.

Revenue by business segment (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Building Services Northern Europe	985.6	867.6	14%	1,803.6
- Group internal	-28.9	-33.9	-15%	-71.0
- external	956.7	833.7	15%	1,732.6
Building Services Central Europe	368.2	157.2	134%	550.2
- Group internal	-0.1	-0.2	-50%	-0.5
- external	368.1	157.0	134%	549.6
Construction Services Finland	621.8	528.1	18%	1,102.0
- Group internal	-0.7	-0.6	17%	-1.9
- external	621.1	527.5	18%	1,100.1
International Construction Services	220.8	219.0	1%	470.6
- Group internal	-3.7	-2.6	42%	-7.1
- external	217.1	216.4	0%	463.5
Other items	0.8	0.4		1.2
YIT's segments total	2,163.8	1,735.1	25%	3,847.0
IFRIC 15 adjustments	-56.9	-115.1		-59.4
YIT Group total - external	2,106.9	1,620.0	30%	3,787.6

Operating profit by business segment (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Building Services Northern Europe 1)	35.9	44.9	-20%	88.7
Building Services Central Europe 2)	16.1	4.9	229%	16.4
Construction Services Finland	58.4	49.5	18%	108.1
International Construction Services	20.7	12.2	70%	34.7
Other items	-10.4	-9.9		-18.8
YIT's segments total	120.7	101.6	19%	229.1
IFRIC 15 adjustments	-13.6	-31.8		-9.0
YIT Group total	107.1	69.8	53%	220.1

In the second quarter 2011, a EUR 3.0 million provision booked affects negatively Building Services Northern Europe's operating profit and a EUR 5.0 million gain on the sale of Hungarian businesses affects positively Building Services Central Europe's operating profit.

In 2010, the operating profit of Building Systems segment included EUR 6.3 million non- recurring expenses related to acquisitions made during the year. Of the non-recurring items, EUR 1.4 million was recognised in the third quarter of the year in Building Services Northern Europe and EUR 1.9 million in Building Services Central Europe. EUR 3.0 million of non-recurring expenses were booked in Building Services Central Europe in the fourth quarter.

Order backlog by business segment at end of period (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Building Services Northern Europe	879.5	748.5	18%	757.4
Building Services Central Europe	554.1	276.8	100%	507.0
Construction Services Finland	1,239.5	1,154.7	7%	1,173.2
International Construction Services 1)	896.4	946.8	-5%	870.8
Other items	-60.2	-59.4		-58.3
YIT's segments total	3,509.4	3,067.4	14%	3,250.1
IFRIC 15 adjustments	287.5	261.8		285.6
YIT Group total	3,796.9	3,329.2	14%	3,535.7

1) At the end of June 2011, the value of projects that were still suspended amounted to EUR 90 million (6/10: EUR 199 million)

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-6/11	1-6/10	1-12/10
Building Services Northern Europe	-3.0	0.0	-1.4
Building Services Central Europe	5.0	0.0	-4.9
YIT Group total	2.0	0.0	-6.3

In the second quarter 2011, a EUR 3.0 million provision booked affects negatively Building Services Northern Europe's operating profit and a EUR 5.0 million gain on the sale of Hungarian businesses affects positively Building Services Central Europe's operating profit.

In 2010, the operating profit of Building Systems segment included EUR 6.3 million non-recurring expenses related to acquisitions made during the year. Of the non-recurring items, EUR 1.4 million was recognised in the third quarter of the year in Building Services Northern Europe and EUR 1.9 million in Building Services Central Europe. EUR 3.0 million of non-recurring expenses were booked in Building Services Central Europe in the fourth quarter.

BUSINESS COMBINATIONS AND DISPOSALS (EUR million)

Building Services Northern Europe - segment acquired during the review period in Sweden NNE Pharmaplan AB in January, Orab I Sydost AB specialising in industrial pipe works in April and Johnson Control's Commercial Refrigeration - businesses and Frisk Ventilation AB a supplier of ventilation - related services in May. Total acquisition price amounted to EUR 5.9 million. With these local acquisitions YIT strengthens the market share and the acquisition price over the net assets acquired will be allocated to customer base.

Composition of acquired net assets and goodwill (EUR million)

	1-6/11
Consideration	
Cash	5.5
Contingent consideration	0.4
Total consideration	5.9
Acquisition-related costs (recognised as expenses)	0.2
Recognised amounts of identifiable assets acquired and liabilities assumed	6/11
Cash and cash equivalents	0.5
Property, plant and equipment	0.1
Intangible rights	5.4
Inventories	0.2
Trade and other receivables	2.8
Current liabilities	-3.1
Total identifiable net assets	5.9
Non-controlling interest	0.0
Goodwill	0.0
Total entity value	5.9

Building Services Central Europe - segment disposed its 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.

Disposals (milj. e)

Effect on revenue and net profit:		1-6/11
Revenue		4.7
Operating expenses		-4.1
Profit before taxes		0.6
Taxes		-0.1
Net profit		0.5
Effect on balance sheet assets and liabilities:		6/11
Property, plant and equipment		0.1
Goodwill		1.4
Inventories		0.2
Trade receivables		3.4
Cash and cash equivalents		5.7
Trade and other liabilities		-4.2
Interest bearing liabilities		0.0
Net assets		6.6
Effect on cash flow:		6/11
Received in cash		12.2
Direct costs related to disposals		-0.6
Cash and cash equivalents in disposed entity		-5.7
Cash flow on disposals		5.9

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Carrying value at the beginning of period	106.7	99.8	7%	99.8
Increase	13.4	7.7	74%	24.4
Increase through acquisitions	0.1	0.6	-67%	12.4
Decrease	-2.0	-1.8	11%	-6.1
Decrease through disposals	-0.1			
Depreciation and value adjustments	-12.1	-11.7	3%	-23.9
Reclassification	0.4	2.4	-83%	0.1
Carrying value at the end of period	106.4	97.0	10%	106.7

INVENTORIES (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Raw materials and consumables	27.7	22.2	25%	26.4
Work in progress	701.7	747.6	-6%	639.0
Land areas and plot owing companies	665.4	583.2	14%	589.3
Shares in completed housing and real estate companies	157.6	177.4	-11%	181.2
Advance payments	38.6	48.0	-20%	48.2
Other inventories	1.0	1.1	-9%	0.9
Total inventories	1,592.0	1,579.5	-1%	1,484.9

NOTES ON EQUITY (EUR million)

Share capital and share premium reserve	Number of shares	Share capital (EUR million)	Treasury shares (EUR million)
Shares outstanding on January 1, 2011	125,078,422	149.2	-10.6
Transfer of treasury shares 27.5.2011	196,910		0.9
Return of treasury shares 30.6.2011	-1,524		0.0
Shares outstanding on June 6, 2011	125,273,808	149.2	-9.7

BORROWINGS (EUR million)

		Fair value	Carrying value	Nominal value
Bonds in financial statements December 31, 2010		285.4	292.6	292.9
Valuation of the above bonds on June 30, 2011		285.8	289.0	289.3
Bonds raised during the review period:				
Fixed-rate bonds				
1/2011 -2016, interest rate 4,75 % 1)	EUR	101.9	99.6	100.0
Total bonds on June 30, 2011		387.7	388.6	389.3

Terms of the bonds raised during the revenue period in brief:

1) Loan period June 20, 2011 - June 20, 2016, interest payments in arrear at June 20. The bond is unsecured. ISIN code FI4000026653.

CHANGE IN CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS (EUR million)

	6/11	6/10	Change	12/10
Collateral given for own commitments				
- Corporate mortgages	29.3	29.3	0%	29.8
- Other mortgages	0.6	0.0		0.6
Other commitments				
- Repurchase commitments	228.1	124.7	83%	141.0
- Operating leases	321.0	306.7	5%	322.5
- Rental guarantees for clients	5.2	12.6	-59%	8.0
- Other contingent liabilities	4.0	0.5	700%	4.2
- Other guarantees	5.2	5.2	0%	5.2
Liability under derivative contracts				
- Value of underlying instruments				
-- Interest rate derivatives	385.9	308.6	25%	304.6
-- Currency derivatives	174.8	283.7	-38%	203.2
-- Commodity derivatives	0.2	0.7	-71%	0.5
- Market value				
-- Interest rate derivatives	-5.8	-11.1	-48%	-10.6
-- Currency derivatives	-2.9	-4.7	-38%	0.3
-- Commodity derivatives	0.0	0.0		0.1
YIT Corporation's guarantees on behalf of its subsidiaries	1,279.5	1,021.0	24%	1,202.5

TRANSACTIONS WITH ASSOCIATED COMPANIES (EUR million)

	1-6/11	1-6/10	Change	1-12/10
Sales to associated companies	0.7	0.9	-22%	1.5
Purchases from associated companies	0.0	0.1		0.2
Trade and other receivables	0.3	0.0		0.0
Trade and other liabilities	0.0	0.1		0.0

EVENTS AFTER THE REVIEW PERIOD

The Building Services Northern Europe segment has acquired the business operations of Sakari Timonen Oy in Finland. The transaction took effect on July 1, 2011. The acquired operations cover the installation, servicing and repair of air conditioning and refrigeration equipment. The company's revenue was approximately EUR 1 million in 2010. In addition, the Building Services Northern Europe segment acquired all of the shares in MISAB Sprinkler & VVS AB in Sweden. The company's core business consists of sprinkler and pipeline deliveries to fire protection systems. The company's revenue for 2010 was approximately EUR 7 million, and it will be consolidated into the YIT Group as of July 1, 2011. The total purchase prices of the acquisitions made after the review period amount to approximately EUR 2.3 million. The acquisitions are not expected to result in goodwill.