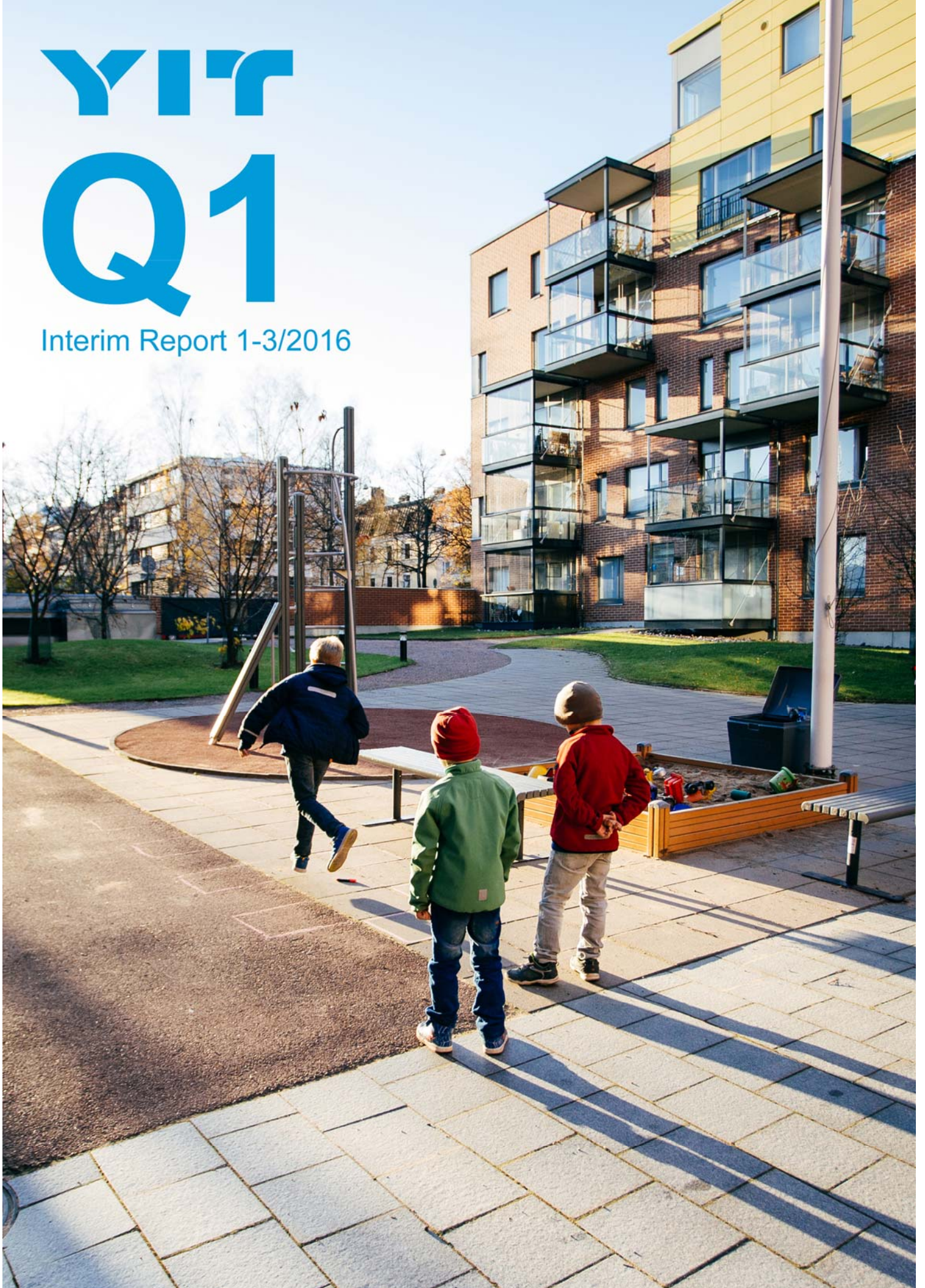


YIT

Q1

Interim Report 1-3/2016



# Interim Report January 1 – March 31, 2016: Positive development in Finland and CEE, Q1 results burdened by Russia

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

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

## January-March 2016 (Segment reporting, POC)

- Revenue decreased by 3% to EUR 362.4 (374.9) million. At comparable exchange rates, revenue decreased by 1%.
- Operating profit amounted to EUR 12.1 (20.5) million and operating profit margin was 3.3% (5.5%).
- Order backlog increased by 3% from the end of December, amounting to EUR 2,246.8 million.
- Operating cash flow after investments amounted to EUR -25.0 (15.1) million.

## Guidance for 2016 unchanged (segment reporting, POC)

The Group revenue growth is estimated to be in the range of 0–10% at comparable exchange rates.

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

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

## Kari Kauniskangas, President and CEO:

In January-March, the results were modest as we expected, but the quarter also saw a lot of positive development.

In the Business Premises and Infrastructure segment, the increase in the order backlog achieved last year started to bear fruit. The segment’s revenue grew by 22%, and the operating profit margin improved by 1.5 percentage points year-on-year. The Tripla project’s investor negotiations, renting and construction proceeded, and over EUR 500 million is expected to be added to the order backlog from the project during the second quarter of 2016.

The outlook for the Housing Finland and CEE segment is also positive. The residential demand has stayed on a good level in the CEE countries, but now we have also seen the first signs of a pick-up in consumer demand in Finland. We started clearly more new consumer projects than in the comparison period in Finland, and the good demand for the new projects was promising. We increased start-ups also in the CEE

countries, and took a significant step in Poland by acquiring our first plot in Warsaw. Our aim is to start the construction and the sales of the first residential project in Poland already during the second quarter of the year.

In the Housing Russia segment, we succeeded well in sales, but operating result turned negative due to lower revenue and changes in the pricing of certain projects. We still target to have positive operating profit for the full year, and to decrease our operative invested capital in Russia.

Our cash flow in the first quarter was negative for the first time after six positive quarters. Plot investments were high during the review period, and the Tripla project’s groundworks burdened our balance sheet. However, our goal is to close the investor deal regarding the Tripla project’s mall and parking facility already during the second quarter, after which the project will tie YIT’s capital only for the minority ownership’s part. Our efforts to improve capital efficiency will continue in all of our business segments.

## Segment reporting, POC

EUR million	1-3/16	1-3/15	Change	1-12/15
<b>Revenue</b>	<b>362.4</b>	<b>374.9</b>	<b>-3%</b>	<b>1,651.2</b>
Housing Finland and CEE	166.0	183.6	-10%	777.8
Housing Russia	49.1	71.3	-31%	266.4
Business Premises and Infrastructure	149.4	122.0	22%	615.6
Other items	-2.1	-2.0		-8.6
<b>Operating profit</b>	<b>12.1</b>	<b>20.5</b>	<b>-41%</b>	<b>65.7</b>
<b>Operating profit margin, %</b>	<b>3.3%</b>	<b>5.5%</b>		<b>4.0%</b>
<b>Adjusted operating profit</b>	<b>12.1</b>	<b>20.5</b>	<b>-41%</b>	<b>76.0</b>
Housing Finland and CEE	12.9	14.2	-9%	56.0
Housing Russia	-3.1	6.2		10.9
Business Premises and Infrastructure	6.0	3.1	96%	22.7
Other items	-3.7	-3.0		-13.5
<b>Adjusted operating profit margin, %</b>	<b>3.3%</b>	<b>5.5%</b>		<b>4.6%</b>
Housing Finland and CEE	7.7%	7.7%		7.2%
Housing Russia	-6.3%	8.7%		4.1%
Business Premises and Infrastructure	4.0%	2.5%		3.7%
Profit before taxes	-0.8	10.3		27.0
Profit for the review period <sup>1</sup>	-0.6	7.8		20.0
Earnings per share, EUR	-0.00	0.06		0.16
Operating cash flow after investments	-25.0	15.1		183.7
Return on investment (last 12 months), %	4.7%	7.5%		5.3%
Equity ratio at end of period, %	34.1%	35.2%		35.5%
Net interest-bearing debt at end of period	481.3	600.7	-20%	460.8
Order backlog at end of period	2,246.8	2,169.8	4%	2,172.9

<sup>1</sup> Attributable to equity holders of the parent company

## Group reporting, IFRS

	3/16	3/15	Change	3/16	12/15	Change
Net interest-bearing debt, EUR million	554.5	678.0	-18%	554.5	529.0	5%
Gearing ratio, %	108.6%	117.3%		108.6%	101.1%	
Equity ratio, %	31.5%	32.1%		31.5%	32.9%	

# Group financial development based on segment reporting

## Accounting principles applied in the interim report

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

## Revenue, POC

EUR million	1-3/16	1-3/15	Change	Change at comparable exchange rates	1-12/15
<b>Revenue</b>	<b>362.4</b>	<b>374.9</b>	<b>-3%</b>	<b>-1%</b>	<b>1,651.2</b>
Housing Finland and CEE	166.0	183.6	-10%	-10%	777.8
Housing Russia	49.1	71.3	-31%	-20%	266.4
Business Premises and Infrastructure	149.4	122.0	22%	22%	615.6
Other items	-2.1	-2.0			-8.6

### January-March

The Group's revenue decreased by 3% year-on-year. At comparable exchange rates, revenue decreased by 1%. In Housing Russia, revenue was burdened by year-on-year lower apartment sales and construction volume as well as the weakening of the ruble. In Housing Finland and CEE, revenue was weighed down by lower

completion rate of sold apartments in Finland than in the comparison period. The Business Premises and Infrastructure segment's revenue grew thanks to the progress of the significant projects that were secured last year.

Revenue by geographical area, %	1-3/16	1-3/15	1-12/15
Finland	76%	71%	73%
Russia	14%	19%	16%
The CEE countries	10%	10%	11%

## Result, POC

EUR million	1–3/16	1–3/15	Change	1–12/15
<b>Operating profit</b>	<b>12.1</b>	<b>20.5</b>	<b>-41%</b>	<b>65.7</b>
<b>Operating profit margin, %</b>	<b>3.3%</b>	<b>5.5%</b>		<b>4.0%</b>
<b>Adjustments</b>				<b>-10.4</b>
<b>Adjusted operating profit</b>	<b>12.1</b>	<b>20.5</b>	<b>-41%</b>	<b>76.0</b>
Housing Finland and CEE	12.9	14.2	-9%	56.0
Housing Russia	-3.1	6.2		10.9
Business Premises and Infrastructure	6.0	3.1	96%	22.7
Other items	-3.7	-3.0		-13.5
<b>Adjusted operating profit margin, %</b>	<b>3.3%</b>	<b>5.5%</b>		<b>4.6%</b>
Housing Finland and CEE	7.7%	7.7%		7.2%
Housing Russia	-6.3%	8.7%		4.1%
Business Premises and Infrastructure	4.0%	2.5%		3.7%

### January-March

The Group's operating profit declined by 41% year-on-year. Operating profit margin was 3.3% (1–3/15: 5.5%). Profitability was weighed down especially by the Housing Russia segment's negative operating result. Business Premises and Infrastructure segment's profitability improved due to the increased

volume and the improved margin content of the order backlog.

Changes in foreign exchange rates had a positive impact of EUR 0.4 million on operating profit.

EUR million	1–3/16	1–3/15	Change	1–12/15
Profit before taxes	-0.8	10.3		27.0
Profit for the review period <sup>1</sup>	-0.6	7.8		20.0
Earnings per share, EUR	-0.00	0.06		0.16
Effective tax rate, %	18.5%	24.3%		25.5%

<sup>1</sup> Attributable to equity holders of the parent company

## Order backlog, POC

EUR million	3/16	3/15	Change	3/16	12/15	Change
<b>Order backlog</b>	<b>2,246.8</b>	<b>2,169.8</b>	<b>4%</b>	<b>2,246.8</b>	<b>2,172.9</b>	<b>3%</b>
Housing Finland and CEE	857.2	784.2	9%	857.2	802.7	7%
Housing Russia	508.7	701.5	-27%	508.7	508.5	0%
Business Premises and Infrastructure	880.9	684.1	29%	880.9	861.6	2%

The order backlog increased by 3% from the end on December. At the end of March, 48% of the order backlog had been sold (12/15: 49%). The Tripla project and the Tampere light rail project were not yet included in the order backlog at the end of March. Over EUR 500 million is expected to be added to the order backlog from the Tripla project during the second quarter of

2016. The Tampere light rail project worth around EUR 100 million is estimated to be recorded in the order backlog during the second half of 2016.

Changes in foreign exchange rates increased the order backlog by EUR 27.5 million from the end of December.

## Acquisitions and capital expenditure

EUR million	1–3/16	1–3/15	Change	1–12/15
Gross capital expenditure on non-current assets	2.9	2.5	17%	12.0
% of revenue, POC	0.8%	0.7%		0.7%
Depreciation	3.2	3.0	5%	12.1

YIT did not make any business acquisitions in January-March. Gross capital expenditure on non-current assets amounted to EUR 2.9 million, or 0.8% of revenue. Investments in construction equipment amounted to EUR 2.0 million (1–3/15: EUR 0.3 million)

and investments in information technology totalled EUR 0.8 million (1–3/15: EUR 1.2 million). Other investments including acquisitions amounted to EUR 0.2 million (1–3/15: EUR 1.0 million).

## Cash flow and invested capital, POC

EUR million	1–3/16	1–3/15	Change	1–12/15
Operating cash flow after investments	-25.0	15.1		183.7
Cash flow of plot investments	-52.9	-38.4	38%	-138.1

EUR million	3/16	3/15	Change	3/16	12/15	Change
Invested capital	1,140.6	1,344.0	-15%	1,140.6	1,131.5	1%
Return on investment (last 12 months), %	4.7%	7.5%		4.7%	5.3%	

Operating cash flow after investments in January-March was EUR -25.0 million (1–3/15: EUR 15.1 million). Cash flow of plot investments was EUR -52.9 million (1–3/15: EUR -38.4 million) including EUR 13.2 million Pasila railway station, among others.

Invested capital remained on the level of the end of December. Return on investment weakened from the end of December due to the decrease in operating profit.

One of YIT's key focus areas is to improve capital efficiency. In January-March, capital was released by

measures including selling completed apartments to investors and agreeing on the sale of slow-moving assets worth around EUR 4 million. Over 80% of the ongoing EUR 380 million capital release program had been carried out by the end of March, in addition to which slow-moving assets were reduced by an impairment of EUR 9 million in the fourth quarter of 2014. The aim is to complete the program in 2016.

# Development by business segment

## Housing Finland and CEE

### Operating environment

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

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

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

EUR million	1-3/16	1-3/15	Change	1-12/15
Revenue	166.0	183.6	-10%	777.8
Operating profit	12.9	14.2	-9%	56.0
Operating profit margin, %	7.7%	7.7%		7.2%
Adjusted operating profit	12.9	14.2	-9%	56.0
Adjusted operating profit margin, %	7.7%	7.7%		7.2%
Operative invested capital at end of period	442.0	567.8	-22%	437.1
Return on operative invested capital (last 12 months), %	10.8%	9.0%		11.0%
Order backlog at end of period	857.2	784.2	9%	802.7

### January-March

The segment's revenue decreased by 10% year-on-year due to lower completion rate of sold apartments in Finland.

The segment's operating profit decreased by 9% year-on-year, but the operating profit margin remained stable at 7.7% (1-3/15: 7.7%).

In January-March, YIT started clearly more new consumer projects in Finland compared to previous quarters, and consumer sales increased by 16% year-on-year. There was good demand especially for the recently started projects. YIT signed agreements on the construction of four residential projects to residential

funds, in addition to which the company sold 36 completed apartments to residential funds.

In the CEE countries, consumer sales increased by 5%, but total sales decreased year-on-year, as in March 2015 YIT sold an apartment building of 83 apartments to a private co-operative in Prague, the Czech Republic. New projects were started for example in Prague and in Bratislava. YIT also acquired a plot in Warsaw for its first residential project in Poland. The first phase of the project is estimated to be started during the second quarter of the year.

<b>Residential construction in Finland, units</b>	<b>1–3/16</b>	<b>1–3/15</b>	<b>Change</b>	<b>1–12/15</b>
Sold	612	715	-14%	3,192
of which initially started to consumers <sup>1</sup>	350	446	-22%	1,715
Start-ups	817	559	46%	2,864
of which to consumers	555	290	91%	1,387
Completed	540	596	-9%	2,626
of which to consumers	287	404	-29%	1,600
Under construction at end of period	3,777	3,225	17%	3,500
of which sold at end of period, %	69%	69%		73%
For sale at end of period	1,467	1,429	3%	1,259
of which completed	280	432	-35%	302
Plot reserve in the balance sheet at end of period, EUR million	133.5	152.2	-12%	134.0
Plot reserve at end of period <sup>2</sup> , floor sq. m.	1,582,440	1,834,000	-14%	1,628,500
Cost of completion at end of period, EUR million	254.8	182.9	39%	213.0

<sup>1</sup> Includes sales to residential property funds: 1–3/16: 36 units; 1–3/15: 175 units; 1–12/15: 464 units. <sup>2</sup> Includes pre-agreements and rental plots.

<b>Residential construction in the CEE countries, units</b>	<b>1–3/16</b>	<b>1–3/15</b>	<b>Change</b>	<b>1–12/15</b>
Sold	201	275	-27%	1,023
Start-ups	316	140	126%	1,021
Completed	53	67	-21%	717
Under construction at end of period	1,705	1,207	41%	1,442
of which sold at end of period, %	40%	38%		40%
For sale at end of period	1,129	877	29%	1,014
of which completed	101	130	-22%	145
Plot reserve in the balance sheet at end of period, EUR million	113.3	81.6	39%	112.7
Plot reserve at end of period, floor sq. m.	582,000	437,000	33%	558,000
Cost of completion at end of period, EUR million	79.0	40.0	98%	72.0



## Housing Russia

### Operating environment

The uncertainty of Russian economy continued to be reflected in the residential market. Demand focused especially on small apartments. Residential prices remained stable on average in nominal terms, but decreased in real terms.

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

EUR million	1–3/16	1–3/15	Change	1–12/15
Revenue	49.1	71.3	-31%	266.4
Operating profit	-3.1	6.2		0.6
Operating profit margin, %	-6.3%	8.7%		0.2%
Adjusted operating profit	-3.1	6.2		10.9
Adjusted operating profit margin, %	-6.3%	8.7%		4.1%
Operative invested capital at end of period	382.6	428.5	-11%	363.0
Return on operative invested capital (last 12 months), %	-2.1%	9.0%		0.2%
Order backlog at end of period	508.7	701.5	-27%	508.5

### January-March

The segment's revenue decreased by 31% year-on-year. At comparable exchange rates, revenue decreased by 20%. The revenue was weighed down by the year-on-year lower construction volume and residential sales as well as the weakening of the ruble. The number of sold apartments was exceptionally high in the comparison period.

The operating result turned negative and the operating profit margin was -6.3% (1–3/15: 8.7%). Profitability was weighed down by year-on-year lower revenue and changes in pricing in certain projects, among other things. Weakening of the ruble had a positive impact of EUR 0.3 million on operating profit. YIT targets to reduce the operative invested capital in Russia by continuing active sales. In addition, the company targets to achieve a positive operating result in Russia for the full year.

In January-March, YIT started projects in Yekaterinburg and Moscow region, among others. The

aim of the start-ups is to maintain the critical operating volume in the cities. In the project started in Noginsk city, a modern prefabricated house has been taken into production for the first time. The new product is expected to have a positive impact on profitability.

The share of residential deals financed with mortgages was 54% (1–3/15: 34%). At the end of March, YIT was responsible for the service and maintenance of nearly 23,000 apartments in Russia.

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

Residential construction in Russia, units	1–3/16	1–3/15	Change	1–12/15
Sold	892	967	-8%	3,129
Start-ups	782	607	29%	2,542
Completed <sup>1</sup>	451	1,246	-64%	4,053
Under construction at end of period	8,446	8,972	-6%	8,100
of which sold at end of period, %	43%	42%		40%
For sale at end of period	5,221	5,554	-6%	5,329
of which completed	449	378	19%	484
Plot reserve in the balance sheet at end of period <sup>2</sup> , EUR million	193.7	225.6	-14%	174.7
Plot reserve at end of period <sup>2</sup> , floor sq. m.	2,160,000	2,407,000	-11%	2,193,000
Cost of completion at end of period, EUR million	217.0	344.0	-37%	220.0

<sup>1</sup> Completion of the residential projects requires commissioning by the authorities. <sup>2</sup> Figures include Gorelovo industrial park.

Under construction at end of period, units	3/16	3/15	Change	3/16	12/15	Change
St. Petersburg	3,211	3,302	-3%	3,211	3,211	0%
Moscow	2,349	2,990	-21%	2,349	1,736	35%
Russian regions	2,886	2,680	8%	2,886	3,153	-8%

## Business Premises and Infrastructure

### Operating environment

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

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

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

EUR million	1–3/16	1–3/15	Change	1–12/15
Revenue	149.4	122.0	22%	615.6
Operating profit	6.0	3.1	96%	22.7
Operating profit margin, %	4.0%	2.5%		3.7%
Adjusted operating profit	6.0	3.1	96%	22.7
Adjusted operating profit margin, %	4.0%	2.5%		3.7%
Operative invested capital at end of period	194.7	235.9	-17%	168.6
Return on operative invested capital (last 12 months), %	11.9%	9.4%		11.7%
Order backlog at end of period	880.9	684.1	29%	861.6

Business premises, EUR million	3/16	3/15	Change	3/16	12/15	Change
Plot reserve in the balance sheet	79.2	97.1	-18%	79.2	78.1	1%
Plot reserve, floor sq. m.	979,432	1,074,020	-9%	979,432	1,002,700	-2%
Cost of completion	28.0	41.4	-32%	28.0	13.0	115%

### January-March

The segment's revenue increased by 22% year-on-year. Revenue increased both in business premises and infra services.

Operating profit increased by 96% and operating profit margin stood at 4.0% (1–3/15: 2.5%). The improvement in profitability is explained by higher revenue and the improved margin content of the order backlog, among other things.

In January-March, YIT started new self-developed business premises projects and won both business premises and infrastructure contracts. In Helsinki city centre, in Kasarmikatu, YIT started a significant office project and in Helsinki's Kalasatama district YIT started the construction of the extension of a business park for Lindström Invest. In addition, YIT won the Nummi service centre life cycle project in Hämeenlinna, Finland, among others.

In March, YIT signed the purchase agreement on the Central Pasila Tripla project plots with the City of

Helsinki and Senate Properties. In addition to the plots, YIT bought the old Pasila railway station from Senate Properties. At the end of March, already approximately one third of the Mall of Tripla business premises were rented out. The construction and the financing negotiations of the project proceeded, and the aim is to close the investor deal of the mall and the parking facility during the second quarter.

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

### The largest ongoing self-developed business premises projects

Project, location	Value, EUR million	Project type	Completion rate, %	Estimated completion	Sold/ for sale	Leasable area, sq. m.
Kasarmikatu 21, Helsinki	n/a	Office	2%	12/17	YIT's ownership 40%	16,000
Lauttasaari shopping centre, Helsinki	~40	Retail	74%	11/16	Sold	5,700
Dixi II, Tikkurila Railway Station, Vantaa	n/a	Office	36%	4/17	Sold	8,900
Dixi II, Tikkurila Railway Station, Vantaa	n/a	Retail	36%	4/17	Sold	4,100
Lönnrotinkatu 11, Helsinki	~23	Office	41%	10/16	Sold	4,400

### The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate %	Estimated completion
E18 Hamina-Vaalimaa motorway	~260	Infra	24%	12/18
Naantali CHP power plant	~40	Infra	48%	9/17
Otaniemi metro station	~40	Infra	97%	7/16
Espoo's road maintenance contract	~30	Infra	32%	10/19
Töölö Parking Facility	~30	Infra	8%	5/19

## Group financial development based on group reporting (IFRS)

EUR million	1–3/16	1–3/15	Change	1–12/15
Revenue	337.6	394.0	-14%	1,732.2
Operating profit	6.7	27.1	-75%	81.6
Operating profit margin, %	2.0%	6.9%		4.7%
Adjusted operating profit	6.7	27.1	-75%	91.9
Adjusted operating profit margin, %	2.0%	6.9%		5.3%
Profit before taxes	-1.2	22.4		61.3
Profit for the review period <sup>1</sup>	-0.9	17.5		47.2
Earnings per share, EUR	-0.01	0.14		0.38
Operating cash flow after investments	-25.0	15.1		183.7
Order backlog at end of period	2,575.2	2,550.1	1%	2,467.3
Invested capital at end of period	1,187.6	1,374.3	-14%	1,174.3
Return on investment (last 12 months), %	4.9%	6.8%		6.4%
Effective tax rate, %	18.4%	22.1%		22.9%

<sup>1</sup> Attributable to equity holders of the parent company

### January-March

The Group's IFRS revenue decreased by 14% year-on-year. At comparable exchange rates, revenue decreased by 13%. In the housing segments, revenue decreased due to lower completions, and in the Business Premises and Infrastructure segment, revenue increased thanks to the progress of the significant projects that were secured during the previous year.

IFRS operating profit decreased by 75% year-on-year, and the Group's operating profit margin was 2.0% (1–3/15: 6.9%). Profitability was burdened by weakened projects margins and low apartment completions in Russia, among other things.

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

## Capital structure and liquidity position

IFRS, EUR million	3/16	3/15	Change	3/16	12/15	Change
Net interest-bearing debt	554.5	678.0	-18%	554.5	529.0	5%
Cash and cash equivalents	122.4	118.6	3%	122.4	122.2	0%
Interest-bearing debt	676.9	796.6	-15%	676.9	651.2	4%
Bonds	252.2	206.7	22%	252.2	204.9	23%
Commercial papers	10.0	159.5	-94%	10.0	38.8	-74%
Construction-stage financing	221.6	232.9	-5%	221.6	213.8	4%
Pension loans	100.9	121.8	-17%	100.9	102.6	-2%
Bank loans	92.2	75.7	22%	92.2	91.1	1%
Average interest rate, %	4.16%	3.89%		4.16%	3.86%	
Revolving credit facilities	300.0	300.0		300.0	300.0	
Overdraft facilities	64.5	63.3	2%	64.5	63.2	2%
Equity ratio, %	31.5%	32.1%		31.5%	32.9%	
Gearing ratio, %	108.6%	117.3%		108.6%	101.1%	

IFRS, EUR million	1–3/16	1–3/15	Change	1–12/15
Net financial expenses	-7.8	-4.7	67%	-20.3

YIT's liquidity position was strong in the end of March. Cash and cash equivalents amounted to EUR 122.4 million, in addition to which YIT had undrawn overdraft facilities amounting to EUR 63.3 million. YIT also has an undrawn, EUR 300.0 million revolving credit facility maturing in 2018.

In March, YIT issued an unsecured EUR 50 million bond as a private placement targeted to domestic institutional investors. The bond will mature on March 24, 2021, and carries a coupon of 5.500%. The bond was issued to refinance the long-term debt maturing in 2016 in its part.

YIT's revolving credit facilities, the bonds issued in 2015 and 2016 and bank loans include a covenant requiring the Group's equity ratio based on the IFRS balance sheet to be higher than 25.0%. In addition, the revolving credit facility and two bank loans include a covenant requiring the Group's gearing ratio based on the IFRS balance sheet to be below 150.0%. At the end of March, the equity ratio was 31.5% and the gearing ratio was 108.6%.

The total amount of interest-bearing debt was EUR 676.9 million at the end of March and net interest-

bearing debt increased slightly to EUR 554.5 million. A total of EUR 127.6 million of long-term loans will mature during the remainder of 2016.

Net financial expenses increased year-on-year and amounted to EUR 7.8 million (1–3/15: EUR 4.7 million). Interest expenses at the amount of EUR 5.0 million (1–3/15: EUR 5.5 million) were capitalized in accordance with IAS 23. Financial expenses of the review period were increased by unrealised losses on interest rate derivatives.

The interests on participations in housing corporation loans are included in housing corporation charges and are thus booked in project expenses. Interests on the participations amounted to EUR 0.7 million in January-March (1–3/15: EUR 0.8 million).

At the end of March, EUR 114.9 million of the capital invested in Russia was debt investments (12/15: EUR 98.6 million) and EUR 225.9 million was equity investments or similar permanent net investments (12/15: EUR 219.0 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

## Personnel

Personnel by business segment	3/16	3/15	Change	3/16	12/15	Change
Housing Finland and CEE	1,745	1,804	-3%	1,745	1,719	2%
Housing Russia	1,519	1,765	-14%	1,519	1,582	-4%
Business Premises and Infrastructure	1,821	1,765	3%	1,821	1,847	-1%
Group Services	191	200	-5%	191	192	-1%
Personnel by geographical area	3/16	3/15	Change	3/16	12/15	Change
Finland	3,077	3,118	-1%	3,077	3,104	-1%
Russia	1,507	1,748	-14%	1,507	1,569	-4%
The CEE countries	692	668	4%	692	667	4%
<b>Group, total</b>	<b>5,276</b>	<b>5,534</b>	<b>-5%</b>	<b>5,276</b>	<b>5,340</b>	<b>-1%</b>

In January-March, the Group employed 5,297 people on average (1–3/15: 5,616). In Russia, the number of personnel in the residential construction business was adjusted clearly, but the number of the service business personnel was increased due to strong growth in the volume of the service business.

Personnel expenses amounted to EUR 57.9 million (1–3/15: EUR 58.5 million). The cost effect of YIT's share-based incentive scheme was approximately EUR 0.6 million (1–3/15: EUR 0.5 million).

The Group's accident frequency (accidents per million hours worked) declined to the level of 10 (1–3/15: 11).

## Strategic objectives

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

The Board of Directors also decided to revise YIT's long-term return on investment (ROI) target to 15% from

the earlier 20% due to lower weight of Russia in invested capital and future capital allocation. Other long-term financial targets remained unchanged. Separate short-term targets were abandoned after reaching the net debt target.

YIT's strategy and financial targets were described at YIT's Capital Markets Day on September 24, 2015, in Helsinki, Finland. The presentation materials and recordings from the Capital Markets Day are available at [www.yitgroup.com/investors](http://www.yitgroup.com/investors).

Long-term financial targets	Target level
Revenue growth	5–10% annually on average
Return on investment	15%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt
Equity ratio	40%
Dividend payout	40–60% of net profit for the period

The target levels are based on segment reporting method (POC).

## Resolutions passed at the Annual General Meeting

The Annual General Meeting of YIT Corporation was held on March 15, 2016. The Annual General Meeting

adopted the 2015 financial statements and discharged the members of the Board of Directors and the President

and CEO from liability. The Annual General Meeting decided on the dividend payout, the composition of the Board of Directors and their fees, the election of the auditor and its fees as well as authorising the Board of Directors to decide on the repurchase of company shares and share issues and on establishing the Shareholders' Nomination Board. The Annual General Meeting resolved to elect a Chairman, Vice Chairman and three ordinary members to the Board of Directors, namely: Matti Vuoria as Chairman, Juhani Pitkääkoski as Vice Chairman and Satu Huber, Erkki Järvinen and Inka Mero as members.

## Shares and shareholders

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

### Share capital and number of shares

YIT Corporation's share capital and the number of shares outstanding did not change during the review period. YIT Corporation's share capital was EUR 149,216,748.22 in the beginning of 2016 (2015: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2015: 127,223,422).

### Treasury shares and authorisations of the Board of Directors

The Annual General Meeting of YIT Corporation resolved on March 15, 2016, to authorise the Board of Directors to decide on the repurchase of company shares and share issues as proposed by the Board of Directors. The authorisation is valid until March 31, 2017. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 1,644,581 treasury shares at the beginning of the year 2016. During the review period, 2,186 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,646,767 treasury shares at the end of March.

### Trading on shares

The opening price of YIT's share was EUR 5.12 on the first trading day of 2016. The closing price of the share on the last trading day of the review period on March 31, 2016, was EUR 4.97. YIT's share price decreased by approximately 3% during the review period. The highest price of the share during the review period was EUR 5.40, the lowest EUR 4.32 and the

In the organizational meeting of the Board of Directors held on March 15, 2016, the Board elected the chairmen and the members for the Personnel Committee and the Audit Committee from among its number.

YIT published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 15, 2016. The stock exchange releases and a presentation of the members of the Board of Directors are available on YIT's website at [www.yitgroup.com](http://www.yitgroup.com).

average price was EUR 4.92. Share turnover on Nasdaq Helsinki in January-March was approximately 36.8 million (1-3/15: 50.9 million) shares. The value of the share turnover was approximately EUR 180.9 million (1-3/15: EUR 270.3 million), source: Nasdaq Helsinki.

During the review period, approximately 34.9 million (1-3/15: 26.2 million) YIT Corporation shares changed hands in alternative market places, corresponding to approximately 49% (1-3/15: 34%) of the total share trade, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation on the last trading day of the review period on March 31, 2016 was EUR 624.1 million (March 31, 2015: EUR 643.0 million). The market capitalisation has been calculated excluding the shares held by the company.

### Number of shareholders and flagging notifications

At the end of March, the number of registered shareholders was 41,929 (3/15: 44,815). At the end of March, a total of 25.1% of the shares were owned by nominee-registered and non-Finnish investors (3/15: 27.2%).

On January 12, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On January 13, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On January 22, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On January 29, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the



holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On February 1, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On February 11, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On February 12, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. had exceeded the

threshold of 5 per cent. On February 15, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent.

On January 25, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of Polaris Capital Management, LLC. in YIT had gone below the threshold of 5 per cent.

On February 5, 2016, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of Structor S.A. in YIT had gone below the threshold of 5 per cent.

## Most significant short-term business risks

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

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

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

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

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

significant share of the company's expected revenue in coming years, meaning that successful project management in the projects is integral.

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

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

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

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

## Events after the review period

In April, residential sales for consumer are estimated to be around 130 units (4/15: around 140) in Finland,

around 80 units (4/15: around 70) in the CEE countries and over 250 units (4/15: around 250) in Russia.

## Outlook for 2016

### Guidance unchanged (segment reporting, POC)

The Group revenue growth is estimated to be in the range of 0–10% at comparable exchange rates.

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

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

In addition to the market outlook, the 2016 guidance is based on the following factors: At the end of March, 48% of YIT's order backlog was sold. Projects already sold and signed pre-agreements are estimated to contribute over half of Q2-Q4/2016 revenue, assuming that large projects such as Tripla progress as planned. The rest of the revenue estimate is based on estimated new sales during 2016 and capital release actions.

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

### Market outlook

#### Finland

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

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

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

#### Russia

The visibility is weak in Russia and economic uncertainty is estimated to continue to have a negative impact also on the residential market. The construction cost inflation is expected to moderate. The nominal residential prices are estimated to remain stable. Demand is estimated to focus especially on small apartments.

#### The CEE countries

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

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

# Interim Report January 1 – March 31, 2016: Tables

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

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## 1 Summary of Financial Statements

### 1.1 Consolidated income statement, IFRS and segment reporting POC

EUR million	1-3/16 IFRS	1-3/15 IFRS	Change IFRS	1-12/15 IFRS	1-3/16 POC	1-3/15 POC	Change POC	1-12/2015 POC
Revenue	337.6	394.0	-14%	1,732.2	362.4	374.9	-3%	1,651.2
of which activities outside Finland	55.4	125.4	-56%	492.1	85.4	108.7	-21%	446.6
Other operating income and expenses	-327.7	-363.8	-10%	-1,638.5	-347.1	-351.4	-1%	-1,573.4
Share of results of associated companies and joint ventures	-0.0	-0.0	392%	0.0	-0.0	-0.0	392%	0.0
Depreciation	-3.2	-3.0	5%	-12.1	-3.2	-3.0	5%	-12.1
Operating profit	6.7	27.1	-75%	81.6	12.1	20.5	-41%	65.7
% of revenue	2.0%	6.9%		4.7%	3.3%	5.5%		4.0%
Financial income and expenses	-7.8	-4.7	67%	-20.3	-12.8	-10.1	26%	-38.7
Profit before taxes	-1.2	22.4		61.3	-0.8	10.3		27.0
% of revenue	-0.3%	5.7%		3.5%	-0.2%	2.8%		1.6%
Income taxes <sup>1)</sup>	0.2	-4.9		-14.0	0.1	-2.5		-6.9
Profit for the review period	-1.0	17.4		47.2	-0.6	7.8		20.1
Equity holders of the parent company	-0.9	17.5		47.2	-0.6	7.8		20.0
Non-controlling interest	-0.0	-0.0	-9%	0.0	-0.0	-0.0	-54%	0.0
Earnings per share, attributable to the equity holders of the parent company								
Undiluted, EUR	-0.01	0.14		0.38	-0.00	0.06		0.16
Diluted, EUR	-0.01	0.14		0.37	-0.00	0.06		0.16

<sup>1)</sup>Taxes for the review period are based on the tax estimate for the whole financial year.

## 1.2 Statement of comprehensive income, IFRS

EUR million	1-3/16	1-3/15	Change	1-12/15
Profit for the review period	-1.0	17.4		47.2
<b>Items that may be reclassified subsequently to profit/loss:</b>				
Cash flow hedges	0.1	0.0	354%	0.2
-Deferred tax	-0.0	-0.0	360%	-0.0
Change in fair value of for available for sale investments				0.0
-Deferred tax				-0.0
Change in translation differences	15.7	46.5	-66%	-32.9
<b>Items that may be reclassified subsequently to profit/loss, total</b>	<b>15.8</b>	<b>46.5</b>	<b>-66%</b>	<b>-32.7</b>
<b>Items that will not be reclassified to profit/loss:</b>				
Change in fair value of defined benefit pension				-0.0
- Deferred tax asset				0.0
<b>Items that will not be reclassified to profit/loss, total</b>				<b>-0.0</b>
<b>Other comprehensive income, total</b>	<b>15.8</b>	<b>46.5</b>	<b>-66%</b>	<b>-32.7</b>
<b>Total comprehensive result</b>	<b>14.9</b>	<b>64.0</b>	<b>-77%</b>	<b>14.5</b>
Attributable to equity holders of the parent company	14.9	64.0	-77%	14.5
Attributable to non-controlling interest	-0.0	-0.0	-9%	0.0

### 1.3 Consolidated balance sheet, IFRS and segment reporting POC

EUR million	3/16 IFRS	3/15 IFRS	Change IFRS	12/15 IFRS	3/16 POC	3/15 POC	Change POC	12/2015 POC
<b>ASSETS</b>								
<b>Non-current assets</b>								
Property, plant and equipment	47.3	53.7	-12%	47.3	47.3	53.7	-12%	47.3
Goodwill	10.9	10.9	0%	10.9	10.9	10.9	0%	10.9
Other intangible assets	13.8	12.1	14%	14.1	13.8	12.1	14%	14.1
Shares in associated companies and joint ventures	0.6	0.8	-28%	0.7	0.6	0.8	-28%	0.7
Other investments	0.4	0.8	-48%	0.4	0.4	0.8	-48%	0.4
Other receivables	0.5	3.0	-82%	3.7	0.5	3.0	-82%	3.7
Deferred tax assets	42.9	45.2	-5%	40.5	35.9	37.3	-4%	34.6
<b>Current assets</b>								
Inventories	1,583.5	1,736.9	-9%	1,528.4	1,287.2	1,402.5	-8%	1,265.2
Trade and other receivables	213.3	230.7	-8%	198.3	255.1	298.9	-15%	242.3
Cash and cash equivalents	122.4	118.6	3%	122.2	122.4	118.6	3%	122.2
<b>Total assets</b>	<b>2,035.4</b>	<b>2,212.7</b>	<b>-8%</b>	<b>1,966.6</b>	<b>1,774.0</b>	<b>1,938.5</b>	<b>-8%</b>	<b>1,741.4</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share capital	149.2	149.2	0%	149.2	149.2	149.2	0%	149.2
Other equity	361.4	422.5	-14%	373.8	387.6	469.4	-17%	399.1
Non-controlling interest	0.0	0.2	-90%	0.1	0.1	0.3	-60%	0.1
<b>Equity total</b>	<b>510.7</b>	<b>571.9</b>	<b>-11%</b>	<b>523.1</b>	<b>536.9</b>	<b>618.9</b>	<b>-13%</b>	<b>548.5</b>
<b>Non-current liabilities</b>								
Deferred tax liabilities	15.8	19.7	-20%	18.5	14.5	23.0	-37%	18.0
Pension liabilities	0.9	0.9	0%	0.9	0.9	0.9	0%	0.9
Provisions	40.9	41.0	0%	40.8	39.8	41.0	-3%	40.8
Borrowings	315.5	373.8	-16%	266.1	315.5	373.8	-16%	266.1
Other liabilities	11.7	15.6	-25%	10.4	11.7	15.6	-25%	10.4
<b>Current liabilities</b>								
Advances received	412.1	418.1	-1%	376.9	199.6	171.0	17%	195.6
Trade and other payables	346.7	327.9	6%	324.7	346.6	327.7	6%	324.6
Provisions	19.8	21.1	-6%	20.2	20.3	21.2	-4%	19.6
Borrowings	361.4	422.8	-15%	385.1	288.2	345.6	-17%	317.0
<b>Liabilities total</b>	<b>1,524.7</b>	<b>1,640.7</b>	<b>-7%</b>	<b>1,443.5</b>	<b>1,237.0</b>	<b>1,319.6</b>	<b>-6%</b>	<b>1,193.0</b>
<b>Total equity and liabilities</b>	<b>2,035.4</b>	<b>2,212.7</b>	<b>-8%</b>	<b>1,966.6</b>	<b>1,774.0</b>	<b>1,938.5</b>	<b>-8%</b>	<b>1,741.4</b>

## 1.4 Consolidated cash flow statement

EUR million	1-3/16	1-3/15	Change	1-12/15
Net profit for the period	-1.0	17.4		47.2
Reversal of accrual-based items	12.3	18.5	-34%	69.1
Change in trade and other receivables	-16.3	-8.3	98%	23.7
Change in inventories	-20.3	38.0		91.4
Change in current liabilities	5.9	-40.1		11.0
Change in working capital, total	-30.8	-10.4	196%	126.2
Cash flow of financial items	-2.7	-8.8	-69%	-35.9
Taxes paid	-1.5	1.3		-10.9
Continuing operations, total	-23.7	18.2		195.7
Discontinued operations	0.0	-0.6	-92%	-1.3
<b>Net cash generated from operating activities</b>	<b>-23.7</b>	<b>17.6</b>		<b>194.4</b>
Acquisition of subsidiaries, net of cash		-2.2		-6.2
Acquisition of associated companies and joint ventures				-0.1
Disposal of associated companies and joint ventures	1.0			
Cash outflow from investing activities	-3.0	-2.4	25%	-11.6
Cash inflow from investing activities	0.6	1.6	-58%	5.8
Continuing operations, total	-1.3	-3.0	-56%	-12.1
Discontinued operations				
<b>Net cash used in investing activities</b>	<b>-1.3</b>	<b>-3.0</b>	<b>-56%</b>	<b>-12.1</b>
Continuing operations, total	-25.0	15.1		183.7
Discontinued operations, total	-0.0	-0.6	-92%	-1.3
<b>Operating cash flow after investments</b>	<b>-25.1</b>	<b>14.5</b>		<b>182.3</b>
Change in loan receivables	-0.1	1.8		2.6
Change in current liabilities	-21.0	-19.8	6%	-160.5
Proceeds from borrowings	50.0	100.0	-50%	125.0
Repayments of borrowings	-4.5	-180.3	-98%	-203.9
Payments of financial leasing debts	-0.0	0.0	-52%	-0.1
Dividends paid				-22.6
Continuing operations, total	24.4	-98.4		-259.5
Discontinued operations				
<b>Net cash used in financing activities</b>	<b>24.4</b>	<b>-98.4</b>		<b>-259.5</b>
Net change in cash and cash equivalents	-0.7	-83.8	-99%	-77.1
Cash and cash equivalents at the beginning of the period	122.2	199.4	-39%	199.4
Change in the fair value of the cash equivalents	1.0	3.0	-68%	-0.1
Cash and cash equivalents at the end of the period	122.4	118.6	3%	122.2



## 1.5 Consolidated statement of changes in equity, IFRS

Equity attributable to equity holders of the parent company										
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2015	149.2	1.5	-0.1	-227.3	-0.8	-8.3	616.1	530.3	0.3	530.6
Comprehensive income										
Profit for the period							17.5	17.5	-0.0	17.4
Other comprehensive income:										
Cash flow hedges					0.0			0.0		0.0
- Deferred tax					-0.0			-0.0		-0.0
Translation differences				46.5				46.5		46.5
<b>Comprehensive income, total</b>				<b>46.5</b>	<b>0.0</b>		<b>17.5</b>	<b>64.0</b>	<b>-0.0</b>	<b>64.0</b>
Transactions with owners										
Dividend distribution							-22.6	-22.6		-22.6
Share-based incentive schemes			-0.0			-0.0	0.3	0.3		0.3
<b>Transactions with owners, total</b>			<b>-0.0</b>			<b>-0.0</b>	<b>-22.3</b>	<b>-22.3</b>		<b>-22.3</b>
Changes in ownership shares in subsidiaries										
Change in non-controlling interest							-0.1	-0.1	-0.1	-0.2
<b>Changes in ownership shares in subsidiaries, total</b>							<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>
<b>Equity on March 31, 2015</b>	<b>149.2</b>	<b>1.5</b>	<b>-0.1</b>	<b>-181.0</b>	<b>-0.8</b>	<b>-8.3</b>	<b>611.2</b>	<b>571.7</b>	<b>0.2</b>	<b>571.9</b>

Equity attributable to equity holders of the parent company										
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2015	149.2	1.5	-0.1	-227.3	-0.8	-8.3	616.1	530.3	0.3	530.6
Comprehensive income										
Profit for the period							47.2	47.2	0.0	47.2
Other comprehensive income:										
Cash flow hedges					0.2			0.2		0.2
- Deferred tax					-0.0			-0.0		-0.0
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax					-0.0			-0.0		-0.0
Change in fair value of defined benefit pension							-0.0	-0.0		-0.0
- Deferred tax							0.0	0.0		0.0
Translation differences				-32.9				-32.9		-32.9
<b>Comprehensive income, total</b>				<b>-32.9</b>	<b>0.2</b>		<b>47.2</b>	<b>14.5</b>	<b>0.0</b>	<b>14.5</b>
Transactions with owners										
Dividend distribution							-22.6	-22.6		-22.6
Share-based incentive schemes			0.1			-0.0	1.2	1.2		1.2
<b>Transactions with owners, total</b>			<b>0.1</b>			<b>-0.0</b>	<b>-21.5</b>	<b>-21.4</b>		<b>-21.4</b>
Changes in ownership shares in subsidiaries										
Change in non-controlling interest							-0.4	-0.4	-0.3	-0.7
<b>Changes in ownership shares in subsidiaries, total</b>							<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.7</b>
<b>Equity on December 31, 2015</b>	<b>149.2</b>	<b>1.5</b>		<b>-260.2</b>	<b>-0.7</b>	<b>-8.3</b>	<b>641.4</b>	<b>523.0</b>	<b>0.1</b>	<b>523.1</b>

Equity attributable to equity holders of the parent company										
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2016	149.2	1.5		-260.2	-0.7	-8.3	641.4	523.0	0.1	523.1
Comprehensive income										
Profit for the period							-0.9	-0.9	-0.0	-1.0
Other comprehensive income:										
Cash flow hedges					0.1			0.1		0.1
- Deferred tax					-0.0			-0.0		-0.0
Translation differences				15.7				15.7		15.7
<b>Comprehensive income, total</b>				<b>15.7</b>	<b>0.1</b>		<b>-0.9</b>	<b>14.9</b>	<b>-0.0</b>	<b>14.9</b>
Transactions with owners										
Dividend distribution							-27.6	-27.6		-27.6
Share-based incentive schemes						-0.0	0.4	0.4		0.4
<b>Transactions with owners, total</b>						<b>-0.0</b>	<b>-27.2</b>	<b>-27.2</b>		<b>-27.2</b>
<b>Equity on March 31, 2016</b>	<b>149.2</b>	<b>1.5</b>		<b>-244.5</b>	<b>-0.6</b>	<b>-8.3</b>	<b>613.3</b>	<b>510.7</b>	<b>0.0</b>	<b>510.7</b>

## 2 Notes, segment reporting

### 2.1 Segment reporting accounting principles

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

In addition in group reporting the interest expenses are capitalized according to IAS 23 standard, which causes differences in operating profit and financial expenses between segment reporting and group reporting. The chief operating decision-maker is the YIT Group's Management Board, which reviews the Group's internal reporting in order to assess performance and allocate resources to the segments.

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

### 2.2 Revenue, segment reporting POC

EUR million	1–3/16	1–3/15	Change	1–12/15
Housing Finland and CEE	166.0	183.6	-10%	777.8
Housing Russia	49.1	71.3	-31%	266.4
Business Premises and Infrastructure	149.4	122.0	22%	615.6
Other items	-2.1	-2.0		-8.6
Revenue total, POC	362.4	374.9	-3%	1,651.2
IFRS adjustment	-24.8	19.0		81.0
Revenue total, IFRS	337.6	394.0	-14%	1,732.2

### 2.3 Operating profit and operating profit margin, segment reporting POC

#### Operating profit

EUR million	1–3/16	1–3/15	Change	1–12/15
Housing Finland and CEE	12.9	14.2	-9%	56.0
Housing Russia	-3.1	6.2		0.6
Business Premises and Infrastructure	6.0	3.1	96%	22.7
Other items	-3.7	-3.0		-13.6
Operating profit total, POC	12.1	20.5	-41%	65.7
IFRS adjustment	-5.4	6.6		15.9
Operating profit total, IFRS	6.7	27.1	-75%	81.6

#### Operating profit margin

%	1–3/16	1–3/15	1–12/15
Housing Finland and CEE	7.7%	7.7%	7.2%
Housing Russia	-6.3%	8.7%	0.2%
Business Premises and Infrastructure	4.0%	2.5%	3.7%
Group total, POC	3.3%	5.5%	4.0%
Group total, IFRS	2.0%	6.9%	4.7%

## Profit before taxes

EUR million	1–3/16	1–3/15	Change	1–12/15
Profit before taxes, POC	-0.8	10.3		27.0
IFRS adjustment	-0.4	12.0		34.3
Profit before taxes, IFRS	-1.2	22.4		61.3

## 2.4 Order backlog, segment reporting POC

EUR million	3/16	3/15	Change	12/15
Housing Finland and CEE	857.2	784.2	9%	802.7
Housing Russia	508.7	701.5	-27%	508.5
Business Premises and Infrastructure	880.9	684.1	29%	861.6
Order backlog, POC	2,246.8	2,169.8	4%	2,172.9
IFRS adjustment	328.4	380.3		294.4
Order backlog, IFRS	2,575.2	2,550.1	1%	2,467.3

## 2.5 Personnel

At the end of the period	3/16	3/15	Change	12/15
Housing Finland and CEE	1,745	1,804	-3%	1,719
Housing Russia	1,519	1,765	-14%	1,582
Business Premises and Infrastructure	1,821	1,765	3%	1,847
Group Services	191	200	-5%	192
Personnel, total	5,276	5,534	-5%	5,340

## 2.6 Group figures by quarter, segment reporting POC

### Revenue by segments

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

### Operating profit by segments

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

### Operating profit margin by segments

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

### Key figures, segment reporting POC

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

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

### Order backlog by segments

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

### Operative invested capital

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

### Return on operative invested capital

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

Only operational items are taken into account in calculating the segments' invested capital.

<sup>1)</sup> Includes the Gorelovo industrial park.

## 3 Notes, IFRS

### 3.1 Group figures by quarter, IFRS

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

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

<sup>1)</sup> The calculation principle for average share price was changed from the beginning of 2016. The formula used is provided in the section 3.3. Definitions of key financial figures

### 3.2 Accounting principles of the Financial Statements Bulletin

YIT Corporation's Interim Report for January 1 – March 31, 2016, has been drawn up in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report has not been audited. In the Financial Statement the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in column and total sums.

The Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS), and the principles for preparing the Interim Report are the same as those used for preparing the financial statements 2015.

#### Currency exchange rates used in the Financial Statement

	Average rates			Balance sheet rates		
	1–3/16	1–3/15	1–12/15	3/16	3/15	12/15
1 EUR = CZK	27.0393	27.6280	27.2831	27.0510	27.5330	27.0230
PLN	4.3648	4.1940	4.1828	4.2576	4.0854	4.2639
RUB	82.3682	71.0205	67.9899	76.3051	62.4400	80.6763

### 3.3 Definitions of key financial figures

Return on investment (ROI, %) =	Group's profit before taxes + interest expenses + other financial expenses <u>+/- exchange rate differences x 100</u> Balance sheet total - non-interest bearing liabilities (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies + investments + inventories + trade receivables + other non-interest bearing operational receivables *) - provisions - trade payables - advances received – other non-interest bearing liabilities *) *) excluding items associated with taxes, distribution of profit and financial items
Return on operative invested capital (%) =	<u>Segment's operating profit</u> Segment's operative invested capital (average)
Equity ratio (%) =	<u>Equity + non-controlling interest x 100</u> Balance sheet total - advances received
Gearing ratio (%) =	<u>Interest-bearing liabilities - cash and cash equivalents x 100</u> Shareholders' equity + non-controlling interest
Segment reporting, earnings / share (EUR) =	<u>Net profit for the period (attributable to equity holders), segment reporting</u> Share issue-adjusted average number of outstanding shares during the period
Group IFRS reporting, earnings / share (EUR) =	<u>Net profit for the period (attributable to equity holders), group reporting</u> Share issue-adjusted average number of outstanding shares during the period
Equity / share (EUR) =	<u>Equity</u> Share issue-adjusted number of outstanding shares at the end of the period
Market capitalisation =	(Number of shares - treasury shares) x share price on the closing date by share series
Average share price =	<u>EUR value of shares traded during period</u> Number of shares traded during period
Adjusted operating profit =	Reported operating profit – Provisions made on the basis of statutory personnel negotiations and adaptation measures – impairment of assets – other adjustment items <sup>1)</sup>

<sup>1)</sup> Adjustment items have been reported as non-recurring items and the more detailed definition is described in the accounting principles for the Financial Statements for year 2015.



### 3.4 Adjustments to operating profit

EUR million	1-3/16	1-3/15	Change	1-12/15
Housing Finland and CEE				
Housing Russia				-10.3
Business Premises and Infrastructure				
Other items				-0.1
<b>Group total</b>				<b>-10.4</b>

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

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

Adjustment items are previously reported as non-recurring items.

### 3.5 Business combinations and disposals

There have been no acquisitions or disposals in year 2016.

### 3.6 Property, plant and equipment

EUR million	3/16	3/15	Change	12/15
Carrying value at the beginning of the period	47.3	55.4	-15%	55.4
Translation difference	0.3	0.9	-72%	-0.5
Increase	2.2	1.2	77%	6.6
Decrease	-0.2	-1.3	-82%	-3.8
Depreciation and value adjustments	-2.3	-2.6	-13%	-10.3
Reclassifications	0.0	0.0	346%	-0.1
<b>Carrying value at the end of the period</b>	<b>47.3</b>	<b>53.7</b>	<b>-12%</b>	<b>47.3</b>

### 3.7 Inventories

EUR million	3/16	3/15	Change	12/15
Raw materials and consumables	6.3	6.0	5%	8.5
Work in progress	791.0	881.5	-10%	749.9
Land areas and plot owning companies	519.7	555.4	-6%	499.6
Shares in completed housing and real estate companies	198.3	215.6	-8%	203.8
Advance payments	67.4	77.7	-13%	66.0
Other inventories	0.7	0.8	-11%	0.6
<b>Total inventories</b>	<b>1,583.5</b>	<b>1,736.9</b>	<b>-9%</b>	<b>1 528.4</b>

### 3.8 Notes on equity

Share capital and share premium reserve	Number of outstanding shares, pcs	Share capital, EUR million	Treasury shares, EUR million
Shares outstanding on January 1, 2016	125,578,841	149.2	-8.3
Return of treasury shares January 1 - March 31, 2016	-2,186		-0.0
<b>Shares outstanding on March 31, 2016</b>	<b>125,576,655</b>	<b>149.2</b>	<b>-8.3</b>

### 3.9 Financial risk management

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

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

A more detailed account of financial risks has been published in the notes to the financial statements for the year 2015.

### 3.10 Borrowings and fair value

#### Borrowings which have different fair value and carrying value

EUR million	3/16 Carrying value	3/16 Fair value	12/15 Carrying value	12/15 Fair value
<b>Non-current liabilities</b>				
Bonds	149.4	150.6	99.5	100.5
Loans from credit institutions	86.2	85.4	84.9	85.4
Pension loans	79.9	76.6	81.6	76.6
<b>Non-current liabilities, total</b>	<b>315.4</b>	<b>312.6</b>	<b>266.0</b>	<b>262.5</b>
<b>Current liabilities</b>				
Bonds	102.7	104.4	105.4	107.5

The fair values of bonds are based on the market price at the closing date. The fair values of other non-current loans are based on discounted cash flows. Discount rate is defined to be the rate YIT Group was to pay for equivalent external loans at the closing date. It consists of risk free market rate and company and maturity related risk premium 2.81–5.39% (2.45–4.94% on December 31, 2015) p.a.

#### Fair value estimation

Group measures the fair value measurement hierarchy as follows:

Level 1: The fair values of financial instruments are based on quoted prices in active markets. A market can be considered active if quoted prices are regularly available and the prices represent the actual value of the instrument in liquid trading.

Level 2: Financial instruments are not traded in active and liquid markets. The value of a financial instrument can be determined based on market value and potentially partially derived value measurement. If, however, the factors affecting the fair value of the instrument are available and observable, the instrument belongs to level 2.

Level 3: The valuation of a financial instrument is not based on observable market data, and other factors affecting the fair value of the instrument are not available and observable. The following table presents the Group's assets and liabilities that are measured at fair value and their levels. Following table presents the group's assets and liabilities that are measured at fair value and their levels.

Assets, EUR million	3/16 Level 1	3/16 Level 2	12/15 Level 1	12/15 Level 2
Available-for-sale investments	0.1		0.1	
Derivatives (hedge accounting not applied)		0.4		6.2
<b>Total assets</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>6.2</b>

Liabilities, EUR million	3/16 Level 1	3/16 Level 2	12/15 Level 1	12/15 Level 2
Derivatives (hedge accounting not applied)		15.1		6.3
Derivatives (hedge accounting applied)		0.8		0.9
<b>Total liabilities</b>		<b>15.9</b>		<b>7.2</b>

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

### 3.11 Change in contingent liabilities and assets and commitments

EUR million	3/16	3/15	Change	12/15
<b>Collateral given for own commitments</b>				
Corporate mortgages				
Guarantees on behalf of its associated companies	5.0			5.0
<b>Other commitments</b>				
Repurchase commitments	405.4	469.4	-14%	396.5
Operating leases	130.8	141.2	-7%	126.9
Rental guarantees for clients	7.4	2.6	182%	7.1
<b>Liability under derivative contracts</b>				
Value of underlying instruments				
Interest rate derivatives	340.0	318.0	7%	340.0
Foreign exchange derivatives	91.0	38.8	135%	86.4
Commodity derivatives				
Fair value				
Interest rate derivatives	-9.2	-5.9	56%	-7.1
Foreign exchange derivatives	-6.3	-4.0	58%	6.1
Commodity derivatives				
YIT Corporation's guarantees on behalf of its subsidiaries	1,053.0	899.5	17%	1,058.5

As a result of the partial demerger registered on June 30, 2013, YIT Corporation had secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of on March 31, 2016 EUR 42.7 million (on March 31, 2015: EUR 110.5).

### 3.12 Transactions with associated companies and joint ventures

EUR million	1-3/16	1-3/15	Change Over thousand	1-12/15
Sales	23.4	0.2		32.3
Purchases				
EUR million	3/16	3/15	Change	12/15
Trade and other receivables	0.1	0.1	81%	0.1
Trade and other liabilities				2.3

## 4 Comparable figures for year 2015

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

EUR million	Reported	Change	New reporting
<b>Revenue</b>	<b>1-3/15</b>	<b>1-3/15</b>	<b>1-3/15</b>
Housing Finland and CEE	183.6		183.6
Housing Russia	71.3		71.3
Business Premises and Infrastructure	120.1	1.9	122.0
Other items	-0.1	-1.9	-2.0
<b>Revenue total, POC</b>	<b>374.9</b>		<b>374.9</b>
IFRS adjustment	19.0		19.0
<b>Revenue total, IFRS</b>	<b>394.0</b>		<b>394.0</b>
<b>EBIT</b>	<b>1-3/15</b>	<b>1-3/15</b>	<b>1-3/15</b>
Housing Finland and CEE	14.2		14.2
Housing Russia	6.2		6.2
Business Premises and Infrastructure	3.1	0.0	3.1
Other items	-3.0	0.0	-3.0
<b>Operating profit total, POC</b>	<b>20.5</b>		<b>20.5</b>
IFRS adjustment	6.6		6.6
<b>Operating profit total, IFRS</b>	<b>27.1</b>		<b>27.1</b>
<b>EBIT %</b>	<b>1-3/15</b>	<b>1-3/15</b>	<b>1-3/15</b>
Housing Finland and CEE	7.7%		7.7%
Housing Russia	8.7%		8.7%
Business Premises and Infrastructure	2.6%		2.5%
<b>Group total, POC</b>	<b>5.5%</b>		<b>5.5%</b>
<b>Group total, IFRS</b>	<b>6.9%</b>		<b>6.9%</b>
<b>Adjusted EBIT</b>	<b>1-3/15</b>	<b>1-3/15</b>	<b>1-3/15</b>
Housing Finland and CEE	14.2		14.2
Housing Russia	6.2		6.2
Business Premises and Infrastructure	3.1	0.0	3.1
Other items	-3.0	0.0	-3.0
<b>Operating profit total, POC</b>	<b>20.5</b>		<b>20.5</b>
IFRS adjustment	6.6		6.6
<b>Operating profit total, IFRS</b>	<b>27.1</b>		<b>27.1</b>
<b>Adjusted EBIT %</b>	<b>1-3/15</b>	<b>1-3/15</b>	<b>1-3/15</b>
Housing Finland and CEE	7.7%		7.7%
Housing Russia	8.7%		8.7%
Business Premises and Infrastructure	2.6%		2.5%
<b>Group total, POC</b>	<b>5.5%</b>		<b>5.5%</b>
<b>Group total, IFRS</b>	<b>6.9%</b>		<b>6.9%</b>

	Reported	Change	New reporting
<b>Personnel</b>	<b>3/15</b>	<b>3/15</b>	<b>3/15</b>
Housing Finland and CEE	1,804		1,804
Housing Russia	1,765		1,765
Business Premises and Infrastructure	1,668	97	1,765
Group Services	297	-97	200
<b>Personnel, total</b>	<b>5,534</b>		<b>5,534</b>

<b>Operative invested capital, EUR million <sup>1)</sup></b>	<b>3/15</b>	<b>3/15</b>	<b>3/15</b>
Housing Finland and CEE	567.8		567.8
Housing Russia	428.5		428.5
Business Premises and Infrastructure	201.2	34.7	235.9

<b>Return on operative invested capital, rolling 12 months <sup>1)</sup></b>	<b>3/15</b>	<b>3/15</b>	<b>3/15</b>
Housing Finland and CEE	9.0%		9.0%
Housing Russia	9.0%		9.0%
Business Premises and Infrastructure	11.2%		9.4%

EUR million	Reported	Change	New reporting	Reported	Change	New reporting
<b>Revenue</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>
Housing Finland and CEE	391.2		391.2	207.6		207.6
Housing Russia	140.9		140.9	69.6		69.6
Business Premises and Infrastructure	259.1	3.9	263.0	139.0	2.0	141.0
Other items	-0.3	-3.9	-4.1	-0.1	-2.0	-2.1
<b>Revenue total, POC</b>	<b>791.0</b>		<b>791.0</b>	<b>416.1</b>		<b>416.1</b>
IFRS adjustment	65.9		65.9	46.8		46.8
<b>Revenue total, IFRS</b>	<b>856.8</b>		<b>856.8</b>	<b>462.9</b>		<b>462.9</b>
<b>EBIT</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>
Housing Finland and CEE	30.3		30.3	16.2		16.2
Housing Russia	8.5		8.5	2.3		2.3
Business Premises and Infrastructure	7.0	-0.2	6.8	3.9	-0.2	3.7
Other items	-6.8	0.2	-6.6	-3.8	0.2	-3.6
<b>Operating profit total, POC</b>	<b>39.1</b>		<b>39.1</b>	<b>18.6</b>		<b>18.6</b>
IFRS adjustment	12.6		12.6	6.1		6.1
<b>Operating profit total, IFRS</b>	<b>51.7</b>		<b>51.7</b>	<b>24.6</b>		<b>24.6</b>
<b>EBIT %</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>
Housing Finland and CEE	7.8%		7.8%	7.8%		7.8%
Housing Russia	6.0%		6.0%	3.2%		3.2%
Business Premises and Infrastructure	2.7%		2.6%	2.8%		2.6%
<b>Group total, POC</b>	<b>4.9%</b>		<b>4.9%</b>	<b>4.5%</b>		<b>4.5%</b>
<b>Group total, IFRS</b>	<b>6.0%</b>		<b>6.0%</b>	<b>5.3%</b>		<b>5.3%</b>

EUR million	Reported	Change	New reporting	Reported	Change	New reporting
<b>Adjusted EBIT</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>
Housing Finland and CEE	30.3		30.3	16.2		16.2
Housing Russia	8.5		8.5	2.3		2.3
Business Premises and Infrastructure	7.0	-0.2	6.8	3.9	-0.2	3.7
Other items	-6.8	0.2	-6.6	-3.8	0.2	-3.6
<b>Operating profit total, POC</b>	<b>39.1</b>		<b>39.1</b>	<b>18.6</b>		<b>18.6</b>
IFRS adjustment	12.6		12.6	6.1		6.1
<b>Operating profit total, IFRS</b>	<b>51.7</b>		<b>51.7</b>	<b>24.6</b>		<b>24.6</b>
<b>Adjusted EBIT %</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>1-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>	<b>4-6/15</b>
Housing Finland and CEE	7.8%		7.8%	7.8%		7.8%
Housing Russia	6.0%		6.0%	3.2%		3.2%
Business Premises and Infrastructure	2.7%		2.6%	2.8%		2.6%
<b>Group total, POC</b>	<b>4.9%</b>		<b>4.9%</b>	<b>4.5%</b>		<b>4.5%</b>
<b>Group total, IFRS</b>	<b>6.0%</b>		<b>6.0%</b>	<b>5.3%</b>		<b>5.3%</b>

	Reported	Change	New reporting
<b>Personnel</b>	<b>6/15</b>	<b>6/15</b>	<b>6/15</b>
Housing Finland and CEE	1,926		1,926
Housing Russia	1,790		1,790
Business Premises and Infrastructure	1,818	112	1,930
Group Services	313	-112	201
<b>Personnel, total</b>	<b>5,847</b>		<b>5,847</b>

	6/15	6/15	6/15
<b>Operative invested capital, EUR million <sup>1)</sup></b>	<b>6/15</b>	<b>6/15</b>	<b>6/15</b>
Housing Finland and CEE	490.6		490.6
Housing Russia	443.9		443.9
Business Premises and Infrastructure	171.9	33.2	205.1

	6/15	6/15	6/15
<b>Return on operative invested capital, rolling 12 months <sup>1)</sup></b>	<b>6/15</b>	<b>6/15</b>	<b>6/15</b>
Housing Finland and CEE	9.9%		9.9%
Housing Russia	6.2%		6.2%
Business Premises and Infrastructure	9.9%		8.4%

EUR million	Reported	Change	New reporting	Reported	Change	New reporting
<b>Revenue</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>
Housing Finland and CEE	557.0		557.0	165.8		165.8
Housing Russia	204.8		204.8	63.9		63.9
Business Premises and Infrastructure	421.1	6.0	427.1	161.9	2.2	164.1
Other items	-0.1	-6.0	-6.2	0.1	-2.2	-2.0
<b>Revenue total, POC</b>	<b>1,182.7</b>		<b>1,182.7</b>	<b>391.7</b>		<b>391.7</b>
IFRS adjustment	37.9		37.9	-27.9		-27.9
<b>Revenue total, IFRS</b>	<b>1,220.6</b>		<b>1,220.6</b>	<b>363.8</b>		<b>363.8</b>

EUR million	Reported	Change	New reporting	Reported	Change	New reporting
<b>EBIT</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>
Housing Finland and CEE	42.6		42.6	12.3		12.3
Housing Russia	-0.1		-0.1	-8.6		-8.6
Business Premises and Infrastructure	14.5	0.6	15.1	7.5	0.8	8.3
Other items	-8.0	-0.6	-8.6	-1.3	-0.8	-2.1
<b>Operating profit total, POC</b>	<b>49.0</b>		<b>49.0</b>	<b>10.0</b>		<b>10.0</b>
IFRS adjustment	4.1		4.1	-8.5		-8.5
<b>Operating profit total, IFRS</b>	<b>53.2</b>		<b>53.2</b>	<b>1.5</b>		<b>1.5</b>
<b>EBIT %</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>
Housing Finland and CEE	7.7%		7.7%	7.4%		7.4%
Housing Russia	-0.1%		-0.1%	-13.4%		-13.4%
Business Premises and Infrastructure	3.5%		3.5%	4.7%		5.1%
<b>Group total, POC</b>	<b>4.1%</b>		<b>4.1%</b>	<b>2.6%</b>		<b>2.6%</b>
<b>Group total, IFRS</b>	<b>4.4%</b>		<b>4.4%</b>	<b>0.4%</b>		<b>0.4%</b>
<b>Adjusted EBIT</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>
Housing Finland and CEE	42.6		42.6	12.3		12.3
Housing Russia	10.2		10.2	1.7		1.7
Business Premises and Infrastructure	14.5	0.6	15.1	7.5	0.8	8.3
Other items	-8.0	-0.6	-8.5	-1.2	-0.8	-2.0
<b>Operating profit total, POC</b>	<b>59.4</b>		<b>59.4</b>	<b>20.3</b>		<b>20.3</b>
IFRS adjustment	4.1		4.1	-8.5		-8.5
<b>Operating profit total, IFRS</b>	<b>63.5</b>		<b>63.5</b>	<b>11.8</b>		<b>11.8</b>
<b>Adjusted EBIT %</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>1-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>	<b>7-9/15</b>
Housing Finland and CEE	7.7%		7.7%	7.4%		7.4%
Housing Russia	5.0%		5.0%	2.7%		2.7%
Business Premises and Infrastructure	3.5%		3.5%	4.7%		5.1%
<b>Group total, POC</b>	<b>5.0%</b>		<b>5.0%</b>	<b>5.2%</b>		<b>5.2%</b>
<b>Group total, IFRS</b>	<b>5.2%</b>		<b>5.2%</b>	<b>3.3%</b>		<b>3.3%</b>

	Reported	Change	New reporting
<b>Personnel</b>	<b>9/15</b>	<b>9/15</b>	<b>9/15</b>
Housing Finland and CEE	1,705		1,705
Housing Russia	1,784		1,784
Business Premises and Infrastructure	1,793	101	1,894
Group Services	292	-101	191
<b>Personnel, total</b>	<b>5,574</b>		<b>5,574</b>

<b>Operative invested capital, EUR million <sup>1)</sup></b>	<b>9/15</b>	<b>9/15</b>	<b>9/15</b>
Housing Finland and CEE	457.9		457.9
Housing Russia	390.6		390.6
Business Premises and Infrastructure	181.3	33.0	214.3

<b>Return on operative invested capital, rolling 12 months <sup>1)</sup></b>	<b>9/15</b>	<b>9/15</b>	<b>9/15</b>
Housing Finland and CEE	10.1%		10.1%
Housing Russia	2.5%		2.5%
Business Premises and Infrastructure	8.4%		7.5%

EUR million	Reported	Change	New reporting	Reported	Change	New reporting
<b>Revenue</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>
Housing Finland and CEE	777.8		777.8	220.8		220.8
Housing Russia	266.4		266.4	61.6		61.6
Business Premises and Infrastructure	607.1	8.5	615.6	186.0	2.4	188.5
Other items	-0.1	-8.5	-8.6	0.0	-2.4	-2.4
<b>Revenue total, POC</b>	<b>1,651.2</b>		<b>1,651.2</b>	<b>468.5</b>		<b>468.5</b>
IFRS adjustment	81.0		81.0	43.1		43.1
<b>Revenue total, IFRS</b>	<b>1,732.2</b>		<b>1,732.2</b>	<b>511.6</b>		<b>511.6</b>
<b>EBIT</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>
Housing Finland and CEE	56.0		56.0	13.4		13.4
Housing Russia	0.6		0.6	0.7		0.7
Business Premises and Infrastructure	21.9	0.8	22.7	7.4	0.2	7.5
Other items	-12.9	-0.8	-13.6	-4.8	-0.2	-5.0
<b>Operating profit total, POC</b>	<b>65.7</b>		<b>65.7</b>	<b>16.6</b>		<b>16.6</b>
IFRS adjustment	15.9		15.9	11.7		11.7
<b>Operating profit total, IFRS</b>	<b>81.6</b>		<b>81.6</b>	<b>28.4</b>		<b>28.4</b>
<b>EBIT %</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>
Housing Finland and CEE	7.2%		7.2%	6.0%		6.0%
Housing Russia	0.2%		0.2%	1.2%		1.2%
Business Premises and Infrastructure	3.6%		3.7%	4.0%		4.0%
<b>Group total, POC</b>	<b>4.0%</b>		<b>4.0%</b>	<b>3.6%</b>		<b>3.6%</b>
<b>Group total, IFRS</b>	<b>4.7%</b>		<b>4.7%</b>	<b>5.5%</b>		<b>5.5%</b>
<b>Adjusted EBIT</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>
Housing Finland and CEE	56.0		56.0	13.4		13.4
Housing Russia	10.9		10.9	0.7		0.7
Business Premises and Infrastructure	21.9	0.8	22.7	7.4	0.2	7.5
Other items	-12.8	-0.8	-13.5	-4.8	-0.2	-5.0
<b>Operating profit total, POC</b>	<b>76.0</b>		<b>76.0</b>	<b>16.6</b>		<b>16.6</b>
IFRS adjustment	15.9		15.9	11.7		11.7
<b>Operating profit total, IFRS</b>	<b>91.9</b>		<b>91.9</b>	<b>28.4</b>		<b>28.4</b>
<b>Adjusted EBIT %</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>1-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>	<b>10-12/15</b>
Housing Finland and CEE	7.2%		7.2%	6.0%		6.0%
Housing Russia	4.1%		4.1%	1.2%		1.2%
Business Premises and Infrastructure	3.6%		3.7%	4.0%		4.0%
<b>Group total, POC</b>	<b>4.6%</b>		<b>4.6%</b>	<b>3.6%</b>		<b>3.6%</b>
<b>Group total, IFRS</b>	<b>5.3%</b>		<b>5.3%</b>	<b>5.5%</b>		<b>5.5%</b>



	Reported	Change	New
	12/15	12/15	reporting
	12/15	12/15	12/15
<b>Personnel</b>			
Housing Finland and CEE	1,719		1,719
Housing Russia	1,582		1,582
Business Premises and Infrastructure	1,744	103	1,847
Group Services	295	-103	192
<b>Personnel, total</b>	<b>5,340</b>		<b>5,340</b>
<b>Operative invested capital, EUR million <sup>1)</sup></b>	<b>12/15</b>	<b>12/15</b>	<b>12/15</b>
Housing Finland and CEE	437.1		437.1
Housing Russia	363.0		363.0
Business Premises and Infrastructure	136.8	31.8	168.6
<b>Return on operative invested capital, rolling 12 months <sup>1)</sup></b>	<b>12/15</b>	<b>12/15</b>	<b>12/15</b>
Housing Finland and CEE	11.0%		11.0%
Housing Russia	0.2%		0.2%
Business Premises and Infrastructure	13.8%		11.7%

<sup>1)</sup> Only operational items are taken into account in calculating the segments' invested capital.

The change had no effect on the order backlog information.

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# Together we can do it.

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