

YIT's financial statements for 2010:**EARNINGS PER SHARE DOUBLED – YIT ESTIMATES GROWTH IN REVENUE AND CLEAR GROWTH IN OPERATING PROFIT IN 2011****SEGMENT-LEVEL REPORTING 10–12/2010 (10–12/2009): Fourth quarter by far the strongest**

- The operating profit of the segments was 17 percent higher than in the previous year, amounting to EUR 69.7 million (10–12/2009: EUR 59.7 million). Profitability clearly improved compared to the previous year in Construction Services Finland and International Construction Services. The operating profit of Building and Industrial Services was burdened by a provision of EUR 3.0 million related to the reorganisation of business operations acquired in Central Europe.
- The revenue of the segments was 24 percent higher than in the previous year, increasing to EUR 1,187.6 million (10–12/2009: EUR 960.5 million). Revenue increased considerably in Building and Industrial Services and International Construction Services. Residential sales accelerated throughout the entire area of operations of International Construction Services.

SEGMENT-LEVEL REPORTING 1–12/2010 (1–12/2009): Profitability improved clearly

- The operating profit of the segments was 38 percent higher than in the previous year, amounting to EUR 229.1 million (1–12/2009: EUR 165.5 million). The operating profit of Construction Services Finland was considerably higher than in the previous year, with the focus of operations being shifted to residential development projects. Operating profit improved considerably in International Construction Services as well as the result of improved residential sales. The operating profit of Building and Industrial Services fell short of the year before: in particular, profitability was burdened by the low level of new investments by customers and non-recurring expenses amounting to EUR 6.3 million related to acquisitions during the last two quarters.
- The revenue of the segments was 11 percent higher than in the previous year, increasing to EUR 3,847.0 million (1–12/2009: EUR 3,452.4 million). Revenue increased across all segments.
- The order backlog of the segments was 17 percent higher than the year before, amounting to EUR 3,250.1 million (12/2009: EUR 2,773.6 million). An acquisition completed in Central Europe in August increased the order backlog at year end by EUR 274.9 million. In Russia, YIT strongly increased the number of residential start-ups in 2010 compared to the previous year.

GROUP REPORTING 1–12/2010 (1–12/2009): Earnings per share doubled

- Earnings per share increased by 104 percent to EUR 1.12 (1–12/2009: EUR 0.55).
- The Group's profit before taxes increased by 78 percent from the previous year to EUR 194.8 million in January–December (1–12/2009: EUR 109.5 million). Financial expenses were cut in half compared to the previous year.

GUIDANCE: Profitable growth will continue in 2011

YIT Corporation estimates that 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 and increasing the share of building system service and maintenance provide opportunities for improving profitability.

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

DIVIDEND PROPOSAL: Dividend increases to EUR 0.65

- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid, representing 57.9 percent of the Group's net profit for the period.

KEY FIGURES

Development of segments and the Group

Revenue, EUR million	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Building and Industrial Services	2,353.0	2,124.9	11%		777.8	573.9	36%
Construction Services Finland	1,102.0	1,029.7	7%		294.2	290.6	1%
International Construction Services	470.6	359.4	31%		139.7	113.0	24%
Other items	-78.6	-61.6	-28%		-24.1	-17.0	-
YIT's segments total	3,847.0	3,452.4	11%		1,187.6	960.5	24%
IFRIC 15 adjustment	-59.4	33.2	-		150.4	64.7	132%
YIT Group, total	3,787.6	3,485.6	9%		1,338.0	1,025.3	30%
Operating profit, EUR million							
Building and Industrial Services	105.1	119.3	-12%		32.4	37.6	-14%
Construction Services Finland	108.1	81.9	32%		29.4	20.3	45%
International Construction Services	34.7	-17.8	-		13.4	7.5	79%
Other items	-18.8	-17.9	-		-5.5	-5.7	-
YIT's segments total	229.1	165.5	38%		69.7	59.7	17%
IFRIC 15 adjustment	-9.0	2.6	-		46.7	3.6	-
YIT Group, total	220.1	168.1	31%		116.4	63.3	84%
Operating profit, %	1-12/10	1-12/09			10-12/10	10-12/09	
Building and Industrial Services	4.5%	5.6%			4.2%	6.6%	
Construction Services Finland	9.8%	8.0%			10.0%	7.0%	
International Construction Services	7.4%	-5.0%			9.6%	6.6%	
YIT's segments total	6.0%	4.8%			5.9%	6.2%	
YIT Group, total	5.8%	4.8%			8.7%	6.2%	
Order backlog, EUR million	12/10	12/09	Change		12/10	9/10	Change
Building and Industrial Services	1,264.4	850.4	49%		1,264.4	1,332.1	-5%
Construction Services Finland	1,173.2	1,007.5	16%		1,173.2	1,205.2	-3%
International Construction Services	870.8	960.1	-9%		870.8	884.8	-2%
Other items	-58.3	-44.4	-		-58.3	-55.2	-
YIT's segments total	3,250.1	2,773.6	17%		3,250.1	3,366.9	-3%
IFRIC 15 adjustment	285.6	209.7	36%		285.6	360.6	-21%
YIT Group, total	3,535.7	2,983.3	19%		3,535.7	3,727.5	-5%

Key figures of Group reporting (IFRIC 15)

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Profit before taxes, EUR million	194.8	109.5	78%		113.2	53.1	113%
Profit for the review period, EUR million	140.6	68.1	106%		82.6	32.7	153%
Earnings/share, EUR	1.12	0.55	104%		0.65	0.26	150%
Return on investment (last 12 months), %	14.3	11.0	-		-	-	-
Equity ratio, %	31.9	32.4	-		-	-	-
Gearing ratio, %	72.6	69.2	-		-	-	-
Operating cash flow after investments, EUR million	-61.7	229.8	-		-5.6	146.4	-
Personnel at end of period	25,832	23,480	10%		25,832	23,480	10%

GROUP REPORTING (IFRIC 15)

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period that begun on January 1, 2010. Due to the application of the interpretation, Group-level reporting and segment-level reporting differ. The difference between the accounting policies is reported as an IFRIC 15 adjustment.

As the result of the new accounting policy, Group-level figures can fluctuate greatly between different quarters. In accordance with the accounting policy, residential development projects are only recognised in Group-level figures when a project has been completed, while in segment reporting they are recognised already as construction progresses.

Construction Services' focus on residential development projects

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. During 2010, the focus of residential construction in Finland was successfully shifted to residential development projects sold directly to consumers, and the number of rental housing project start-ups decreased considerably compared to the year before. In addition to the increase in demand, YIT's residential sales in Russia were supported by YIT's established position as a reliable construction company, YIT's own marketing and promotion activities and extensive housing loan collaboration with banks.

In January–December, YIT started the construction of a total of 7,257 (1–12/2009: 4,119) residential units, of which 3,092 (1–12/2009: 3,447) in Finland, 3,683 (1–12/2009: 672) in Russia and 482 (1–12/2009: 0) in the Baltic countries and the Czech Republic, where YIT started its first residential project in the autumn 2010. In an acquisition completed in October, YIT acquired a majority holding in Slovakian Reding a.s.. Following the acquisition, YIT has 60 residential units under construction in Slovakia.

Residential start-ups have been a response to the continued favourable demand among consumers and keeping the number of residential units for sale sufficiently high. During January–December, YIT sold a total of 1,890 residential units directly to consumers in Finland (1–12/2009: 1,567), of which 478 were sold in October–December. In Russia, YIT sold a total of 3,073 residential units during 2010 (1–12/2009: 2,612), of which 857 were sold in October–December. YIT has also been active in the Finnish business premises market, which is showing signs of picking up: the development of rents of business premises has levelled, and investors' yield requirements have begun to decrease.

Acquisition in Central Europe increased building system services

The acquisition of a provider of technical building system services in Central Europe was agreed in June and completed at the end of August. As a result, approximately 2,000 employees joined YIT. The integration of business operations in Central Europe, which has begun according to plans, and development of these operations provide a favourable starting point for 2011.

The Group's strategic goal is to increase building system and industrial service and maintenance operations in the Nordic countries and Central Europe. Service and maintenance accounted for 57.6 percent of the revenue of Building and Industrial Services in January–December (1–12/2009: 54.2%), or EUR 1,355.0 million (1–12/2009: EUR 1,151.0 million).

The low level of new investments continued to have a negative impact on the demand for building system and industrial services and, in particular, the profitability of project operations.

Growth objective was raised

In August, the Group's strategic annual revenue growth target was increased to more than 10 percent on average. In order to ensure growth, residential start-ups were increased and the focus of operations in Finland was increasingly shifted to projects sold directly to consumers. In Russia, YIT is prepared for growth, and the number of residential start-ups was increased considerably towards the end of the year. YIT has a diverse residential offering under construction in both Finland and Russia. In Building and Industrial Services, the focus of business operations has been shifted to service and maintenance as well as renovation and modernisation projects in line with the strategy.

Annual General Meeting 2011

YIT Corporation's Annual General Meeting will be held on Friday, March 11, 2011, starting at 10:00 a.m. (Finnish time, EEST) in Finlandia Hall, Conference Wing, Hall A, located at the address: Mannerheimintie 13, Helsinki (entrance through doors M1 and K1). Full notice of the meeting, including the Board of Directors' proposals to the Annual General Meeting, will be published as a separate stock exchange release on February 4, 2011.

Financial information in 2011

The Annual Report, including financial statements for 2010, will be published on YIT's website in Finnish and English by February 18, 2010. Interim Reports will be published on April 29, August 4 and October 28, 2011.

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

YIT will hold an information session for investors, analysts and the media on Friday, February 4, 2011, at 10:00 a.m. (Finnish time, EEST) at YIT's head office, address: Panuntie 11, 00620 Helsinki, Finland. The information session will be held in English. After the session, representatives of the media can also ask questions in Finnish. The presentation materials are available in English and Finnish.

The information session can be viewed live on YIT's website, at www.yitgroup.com/webcast. The webcast replay will be available at the same address starting at approximately 12:00 noon. Participants are requested to call the number provided (+358 9 2313 9202) at 9:55 a.m. (Finnish time, EEST) at the latest, i.e. a minimum of five minutes before the conference call begins.

Schedule in different time zones:

	Interim Report published	The investor and analyst event, conference call and live webcast	Recorded webcast available
EEST (Helsinki)	08:00	10:00	12:00
CEST (Paris, Stockholm)	07:00	09:00	11:00
BST (London)	06:00	08:00	10:00
US EDT (New York)	01:00	03:00	05:00

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 at +358 20 433 2257.

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FINANCIAL STATEMENTS BULLETIN JANUARY 1 - DECEMBER 31 2010

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GROUP'S FINANCIAL DEVELOPMENT

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 begun on January 1, 2010. Due to the application of the interpretation, Group-level reporting and segment-level reporting differ. The key difference is that residential developments are only recognised in Group-level figures when a project is completed, while in segment reporting they are recognised as construction progresses. The difference between the accounting policies is reported as an IFRIC 15 adjustment.

YIT published the comparison figures for the financial year 2009, calculated on the basis of the IFRIC 15 interpretation, in a stock exchange release on March 23, 2010. The effects of the application of the interpretation on the figures have been explained in more detail in the notes to the Financial Statements 2010.

The Group's financial performance is presented with both figures compliant with Group-level reporting and figures compliant with segment reporting, referred to as the performance of the segments or the segments total figure. The figures for 2010 and 2009 are comparable.

REVENUE OF THE SEGMENTS INCREASED

The revenue of YIT's segments increased by 11 percent in January–December compared to the previous year, amounting to EUR 3,847.0 million (1–12/2009: EUR 3,452.4 million). Revenue increased across all segments. Changes in foreign exchange rates increased revenue by EUR 141.0 million compared to the previous year.

The majority of revenue was generated in the Building and Industrial Services segment. The segment's revenue increased compared to the year before as the result of the acquisition completed in Central Europe in September.

Following the IFRIC 15 adjustment, YIT Group's revenue increased by 9 percent from the previous year and was EUR 3,787.6 million for January–December (1–12/2009: EUR 3,485.6 million). The completion schedules of property development projects affect the Group's revenue recognition, and therefore Group-level figures may fluctuate greatly between different quarters. In October–December, several major residential projects were completed, particularly in Russia.

Revenue, EUR million

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Building and Industrial Services	2,353.0	2,124.9	11%		777.8	573.9	36%
Construction Services Finland	1,102.0	1,029.7	7%		294.2	290.6	1%
International Construction Services	470.6	359.4	31%		139.7	113.0	24%
Other items	-78.6	-61.6	-		-24.1	-17.0	-
YIT's segments total	3,847.0	3,452.4	11%		1,187.6	960.5	24%
IFRIC 15 adjustment	-59.4	33.2	-		150.4	64.7	132%
YIT Group, total	3,787.6	3,485.6	9%		1,338.0	1,025.3	30%

In January–December 2010, Finland accounted for 38.1 percent (45.8%) of the Group's revenue, Sweden for 15.2 percent (15.3%), Central Europe for 14.5 percent (10.7%), Russia for 13.6 percent (9.2%), Norway for 12.3 percent (11.9%), Denmark for 3.7 percent (4.2%) and the Baltic countries for 2.1 percent (2.8%).

OPERATING PROFIT AND PROFITABILITY OF THE SEGMENTS IMPROVED

The combined operating profit of YIT's segments increased by 38 percent from the year before and grew to EUR 229.1 million in January–December (1–12/2009: EUR 165.5 million). The operating profit margin calculated on the basis of the segment figures was 6.0 percent (1–12/2009: 4.8%).

Profitability was improved by shifting the focus of operations on residential development projects in Construction Services Finland. The profitability of International Construction Services improved through growth in residential sales and increase in sales prices.

In Building and Industrial Services, YIT emphasised its service and maintenance operations as planned, but the operating profit fell short of the year before due to the low level of new building system and industrial investments.

In addition, the operating profit was weakened by non-recurring expenses amounting to a total of approximately EUR 1.9 million in July–September 2010 associated with the acquisition made in Central Europe, expenses amounting to approximately EUR 1 million connected with post-acquisition personnel reductions in Denmark and expenses amounting to EUR 0.4 million connected with other acquisitions. In addition, October–December profitability was burdened by restructuring expenses of EUR 3.0 million related to the acquisition made in Central Europe. The profitability of the acquired operations is lower than the profitability of YIT's previous operations.

In Group-level reporting, residential development projects are only recognised as income when a project is completed. Following the IFRIC 15 adjustment, the Group's operating profit clearly increased compared to the previous year, amounting to EUR 220.1 million (1–12/2009: EUR 168.1 million). The Group's operating profit margin was 5.8 percent (1–12/2009: 4.8%).

Operating profit, EUR million

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Building and Industrial Services	105.1	119.3	-12%		32.4	37.6	-14%
Construction Services Finland	108.1	81.9	32%		29.4	20.3	45%
International Construction Services	34.7	-17.8	-		13.4	7.5	79%
Other items	-18.8	-17.9	-		-5.5	-5.7	-
YIT's segments total	229.1	165.5	38%		69.7	59.7	17%
IFRIC 15 adjustment	-9.0	2.6	-		46.7	3.6	-
YIT Group, total	220.1	168.1	31%		116.4	63.3	84%

Operating profit margin

	1-12/10	1-12/09		10-12/10	10-12/09
Building and Industrial Services	4.5%	5.6%		4.2%	6.6%
Construction Services Finland	9.8%	8.0%		10.0%	7.0%
International Construction Services	7.4%	-5.0%		9.6%	6.6%
YIT's segments total	6.0%	4.8%		5.9%	6.2%
YIT Group, total	5.8%	4.8%		8.7%	6.2%

EARNINGS PER SHARE DOUBLED

Earnings per share increased by 104 percent to EUR 1.12 (1–12/2009: EUR 0.55).

Financial expenses were cut in half compared to the previous year, especially due to lower hedging costs of the ruble.

The Group's profit before taxes increased by 78 percent from the previous year to EUR 194.8 million in January–December (1–12/2009: EUR 109.5 million).

The Group's tax rate normalised in 2010 and amounted to 27.8 percent (1–12/2009: 37.8%). The tax rate was exceptionally high in 2009 as several of the Group's companies in Russia and the Baltic countries made losses, and YIT estimated deferred tax assets conservatively.

DIVIDEND PROPOSAL

YIT's target for dividend payout is 40–60 percent of net profit for the period. YIT also aims to increase the dividend each year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid, representing 57.9 percent of the Group's net profit for the period.

INCREASE IN RESIDENTIAL PRODUCTION AND ACQUISITIONS INCREASED THE ORDER BACKLOG COMPARED TO THE END OF 2009

YIT's segments' order backlog was EUR 3,250.1 million at the end of the year; approximately 17 percent more than at the end of the previous year (12/2009: EUR 2,773.6 million). The order backlog remained relatively unchanged from the end of September, at which time it stood at EUR 3,366.9 million.

An acquisition made in Central Europe increased the order backlog at the end of December by EUR 274.9 million in the Building and Industrial Services segment. The order backlog transferred in the acquisition has a lower margin than YIT's earlier order backlog. In Construction Services Finland, the order backlog has clearly grown compared to the previous year as YIT has started up new residential and business premises projects. In International Construction Services, the order backlog remained at the level of the end of September.

After the IFRIC 15 adjustment, YIT Group's order backlog was EUR 3,535.7 million at the end of the year (12/2009: EUR 2,983.3 million).

Order backlog, EUR million

	12/10	12/09	Change		12/10	9/10	Change
Building and Industrial Services	1,264.4	850.4	49%		1,264.4	1,332.1	-5%
Construction Services Finland	1,173.2	1,007.5	16%		1,173.2	1,205.2	-3%
International Construction Services	870.8	960.1	-9%		870.8	884.8	-2%
Other items	-58.3	-44.4	-		-58.3	-55.2	-
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IFRIC 15 adjustment	285.7	209.7	36%		285.6	360.6	-21%
YIT Group, total	3,535.7	2,983.3	19%		3,535.7	3,727.5	-5%

CAPITAL EXPENDITURE AND ACQUISITIONS

Gross capital expenditure on non-current assets included on the balance sheet totalled EUR 129.8 million (1–12/2009: EUR 27.9 million) during January–December, representing 3.4 percent (1–12/2009: 0.8%) of revenue. Investments in construction equipment amounted to EUR 9.1 million (1–12/2009: EUR 9.0 million) and investments in information technology amounted to EUR 9.5 million (1–12/2009: 7.9 million). Other investments, including acquisitions, amounted to EUR 111.2 million (1–12/2009: EUR 11.0 million). The annual revenue of the acquired business acquisitions is approximately EUR 500 million.

In June, YIT agreed to acquire the business operations of a company providing technical building system services in Central Europe. In addition, YIT has implemented other, smaller business acquisitions in Building and Industrial Services during January–December, especially in the Nordic countries.

In the International Construction Services segment, YIT increased its holding in YIT Don, operating in Rostov-on-Don, to 100 percent in January and in YIT Citystroj operating in Moscow to 75 percent in July. An agreement whereby YIT acquired a 70 percent holding in the Slovakian construction company Reding a.s. entered into force in October.

Business acquisitions and companies consolidated into the Group are discussed in more detail in the notes to the financial statements bulletin.

GROWTH IN INVESTMENTS - OPERATING CASH FLOW AFTER INVESTMENTS WAS NEGATIVE

The Group's operating cash flow after investments amounted to EUR -61.7 million in January–December (1–12/2009: EUR 229.8 million) and EUR -5.6 million in October–December (10–12/2009: EUR 146.4 million). Operating cash flow in 2010 was affected particularly by growth in development production under construction, business acquisitions and plot investments as well as decreased advance payments for contracting.

At the end of December, the Group's invested capital amounted to EUR 1,672.0 million (12/2009: EUR 1,466.3 million), whereas it was EUR 1,601.4 million at the end of September. Of the Group's invested capital, 32.6 percent (12/2009: 38.0%), or EUR 544.9 million (12/2009: EUR 557.6 million) was invested in Russia. The invested capital in Russia has decreased due to favourable residential sales, even though exchange rate changes of the ruble increased the capital invested in Russia by EUR 29.5 million in January–December. The Group's capital invested in Russia is primarily accounted for by the International Construction Services segment.

Return on investment clearly improved during the last quarter and was 14.3 percent (12/2009: 10.6%) for the last 12 months. Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total. The balance sheet total at the end of the year was EUR 3,117.1 million (12/2009: EUR 2,777.1 million).

THE GROUP'S FINANCIAL POSITION REMAINED GOOD: NET FINANCIAL EXPENSES WERE CUT IN HALF

In 2010, YIT continued to diversify and strengthen its capital structure. A bond programme of EUR 400 million was established in March 2010, under which a EUR 100 million bond targeted at domestic investors was issued. The five-year bond carries an annual fixed rate coupon of 4.823 percent.

The Group's liquidity position is strong. Cash reserves amounted to EUR 148.3 million (12/2009: EUR 173.1 million) at the end of December. In addition, available committed credit and overdraft facilities amounted to EUR 245.2 million, including committed credit facility agreements signed in December of EUR 150 million. The committed limit agreements do not include an obligation to maintain financial key ratios, i.e. covenants. In addition, a commercial paper programme amounting to EUR 200 million is available for liquidity management.

The gearing ratio increased slightly compared with the previous year, amounting to 72.6 percent at the end of December 2010 (12/2009: 69.2%). The equity ratio was 31.9 percent (12/2009: 32.4%). Net financing debt increased from the previous year to EUR 640.9 million (12/2009: EUR 529.1 million). Dividends of a total of EUR 50.0 million were paid in the second quarter in accordance with the resolution of the Annual General Meeting. During the third quarter of the year, YIT paid EUR 73.0 million for the shares in Caverion GmbH, acquired in Central Europe. The cash reserves of Caverion were EUR 48.0 million when it was transferred to YIT and thus the cash flow effect of the acquisition (net) was EUR -25.0 million.

Net financial expenses decreased to EUR 25.3 million (1-12/2009: EUR 58.6 million), or 0.7 percent (1-12/2009: 1.7%) of the Group's revenue. The exchange rate differences included in the net financial expenses, totalling EUR -7.3 million (1-12/2009: EUR -28.4 million), were comprised almost entirely of costs of hedging debt investments in Russia. The net financial expenses include EUR 8.0 million (1-12/2009: EUR 0.6 million) of capitalisations in compliance with IAS 23. At the end of December 2010, EUR 135.6 million (12/2009: EUR 213.9 million) of the capital invested in Russia were comprised of debt investments and EUR 409.3 million (12/2009: EUR 343.8 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 789.1 million (12/2009: EUR 702.2 million) at the end of December, and their average interest rate was 3.4 percent (12/2009: 3.6%). Fixed-interest loans accounted for 60 percent (12/2009: 64%) of the Group's financial liabilities. Of the loans, 36 percent (12/2009: 28%) had been raised directly from the capital and money markets. The maturity distribution of long-term loans is balanced. EUR 98.3 million of long-term loans will mature in 2011.

The total amount of construction-stage contract receivables sold to financial institutions grew as residential development projects increased, amounting to EUR 166.7 million (12/2009: EUR 78.0 million). Of this amount, EUR 160.2 million (12/2009: EUR 69.2 million) is included in interest-bearing liabilities on the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. Due to the favourable operating cash flow for the fourth quarter, construction-stage contract receivables amounting to EUR 59.0 million were repurchased. Interest expenses on receivables sold to financing companies amounted to EUR 2.6 million (1-12/2009: EUR 1.8 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 decreased to EUR 22.6 million (12/2009: EUR 34.5 million) at the end of December, and they are included in interest-bearing liabilities. The interest on the participations, EUR 0.9 million (1-12/2009: EUR 2.3 million), is included in housing corporation charges and is thus booked in project expenses.

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 TARGETS AND THEIR ACHIEVEMENT

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 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 are 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.

Achievement of strategic targets

YIT's financial targets	Target level	Actual 2010
Revenue growth	Annually more than 10% on average	8.8%
Return on investment	20%	14.3%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt	EUR -61.7 million
Equity ratio	35%	31.9%
Dividend payout	40–60% of net profit for the period	57.9% (Board of Directors' proposal)

Return on investment and the equity ratio fell short of the company's long-term financial targets in 2010. However, return on investment improved considerably during the fourth quarter of 2010.

DEVELOPMENT BY BUSINESS SEGMENT

The development by business segment is presented using figures compliant with segment reporting. The figures for 2010 and 2009 are comparable.

BUILDING AND INDUSTRIAL SERVICES**Key figures**

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Revenue, EUR million	2,353.0	2,124.9	11%		777.8	573.9	36%
Operating profit, EUR million	105.1	119.3	-12%		32.4	37.6	-14%
Operating profit margin, %	4.5%	5.6%	-		4.2%	6.6%	-
Return on investment (last 12 months), %	24.3%	31.4%	-		-	-	-
	12/10	12/09	Change		12/10	9/10	Change
Invested capital, EUR million	447.3	418.7	7%		-	-	-
Order backlog, EUR million	1,264.4	850.4	49%		1,264.4	1,332.1	-5%

Revenue, EUR million	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Finland	544.6	594.5	-8%		151.9	144.4	5%
Sweden	576.3	532.3	8%		175.5	157.7	11%
Norway	467.3	414.6	13%		134.0	112.5	19%
Central Europe	545.5	374.6	46%		250.3	104.6	139%
Russia	25.0	9.9	153%		6.4	2.2	191%
Denmark	141.3	145.9	-3%		42.5	37.4	14%
Baltic countries	18.0	18.1	-1%		6.2	4.0	55%
Other countries	35.0	35.0	0%		11.0	11.1	-1%
Total	2,353.0	2,124.9	11%		777.8	573.9	36%

- In Building and Industrial Services, YIT proceeded in service and maintenance operations as planned. Revenue increased in January–December compared to the previous year, especially as the result of an acquisition made in Central Europe. Changes in foreign exchange rates increased revenue by EUR 100.5 million compared to the previous year.
- The growth in revenue continued extensively during the fourth quarter.

However, the segment's operating profit fell short of the year before due to the low level of new building system and industrial investments. In addition, the operating profit was weakened by non-recurring expenses amounting to a total of approximately EUR 1.9 million in July–September 2010 associated with the acquisition made in Central Europe, expenses amounting to approximately EUR 1 million connected with post-acquisition personnel

reductions in Denmark and expenses amounting to EUR 0.4 million connected with other acquisitions. In addition, October–December profitability was burdened by restructuring expenses of EUR 3.0 million related to the acquisition made in Central Europe. The profitability of the acquired operations is lower than the profitability of YIT's previous operations.

Operating profit has increased clearly in Central Europe, where YIT has succeeded in improving the profitability of the acquired business operations as planned.

Of the Nordic countries, in 2010 profitability was the highest in Norway. Increasing the share of service and maintenance operations has had a positive impact on profitability in Norway. Profitability has remained at a moderate level also in Finland and Sweden. Profitability was weak in Denmark, mainly due to acquisition-related expenses and low utilisation rate of resources.

The order backlog at the end of December was 49 percent higher than the previous year. The growth of the order backlog has been extensive throughout the business areas of Building and Industrial Services. As a result of the acquisition made in Central Europe at the end of August, the order backlog at the end of December increased by EUR 274.9 million. The transferred order backlog has a lower margin than YIT's earlier order backlog.

Acquisition expands 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.

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.

An acquisition whereby YIT acquired a company offering technical building system services in Central Europe was completed at the end of August. The profitability of the acquired company is below YIT's average profitability, and YIT aims to improve the operating profit margin of the acquired operations by one percentage point per year.

In addition, YIT has implemented several smaller acquisitions in the Nordic countries in January–December, complementing the competence portfolio and geographical service network provided by YIT.

The annual revenue of the business operations acquired in 2010 is approximately EUR 500 million.

Share of revenue accounted for by service and maintenance grew in 2010

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 1,355.0 million (1–12/2009: EUR 1,151.0 million), or 58 percent (1–12/2009: 54%) of the segment's total revenue. During the fourth quarter, service and maintenance operations generated EUR 404.5 million (10–12/2009: EUR 317.1 million), or 52 percent (10–12/2009: 55%) 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. In Norway, ServiFlex agreements were made on the maintenance of more than 20 properties owned by Vital Eiendom and with the Jakob Hatteland group of companies at three locations.

In Sweden, YIT has agreed with three hospitals and several healthcare centres on the supply, management and maintenance of technical services in Norrbotten County. A framework agreement on the installation and renewal of residential building systems was made with Vellingebostäder AB. In Finland, YIT is responsible for the building system maintenance of five Metsäliitto plants in Äänekoski. In Leuna, Germany, YIT signed an extension contract on facility management at the TOTAL oil refinery, including both building systems and infrastructure.

An agreement was made in October on the expansion of services with Yara Suomi Oy to pump and valve servicing and maintenance of pipework and steel structures at the Uusikaupunki, Harjavalta and Siilinjärvi plants.

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.

In Germany, a ten-year energy-saving project will be carried out at Germany's Foreign Office premises in Berlin. Energy savings will be pursued at ten Statkraft power stations in Norway through the renewal of automation systems. In Finland, an agreement on the total delivery of an energy-saving project was signed with the Town of Akaa, where the old heating systems of the school and sports centre will be converted to utilise bioenergy. With regard to industrial services, YIT will implement an energy-saving project at Outokumpu's steel mill in Tornio, replacing the cold rolling mill's existing system of 50 separate cooling compressors with a new cooling system based on absorption technology. In addition, YIT will be in charge of the operation and maintenance of the plant for seven years.

New investments still low

New investments in building systems recovered slightly, but still remained at a low level. Demand among industrial customers was focused on service and maintenance, and the demand for new investments remained at a low level as a whole.

According to a framework agreement made in December, YIT will deliver security solutions to 45 Avinor airports in Norway. In December, YIT agreed with the City of Mikkeli, Finland, that it will assume responsibility for the technical maintenance services and renovation of the city premises from the beginning of 2011.

In Germany, YIT will build the local heating network in Bodenmais and supply ventilation systems to the Brandenburg airport in Berlin, Byk-Chemie and the new Centre Charlemagne museum in Aachen, for example. In Poland, building systems will be delivered to the Wrocław main railway station and Łódź airport, among others. In Lithuania, YIT will design and install all technical building systems, including clean rooms, to the Kaunas University of Medicine pharmacy and the plant of Viltechmeda, a company manufacturing medical instruments.

With regard to industrial services, the overhaul of furnace 2 of Rautaruukki's Raahe mill was agreed on in November.

CONSTRUCTION SERVICES FINLAND

Key figures

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Revenue, EUR million	1,102.0	1,029.7	7%		294.2	290.6	1%
Operating profit, EUR million	108.1	81.9	32%		29.4	20.3	45%
Operating profit, %	9.8%	8.0%			10.0%	7.0%	
Return on investment (last 12 months), %	34.3%	20.5%			-	-	
	12/10	12/09			12/10	9/10	
Invested capital, EUR million	328.9	315.7	4%		-	-	-
- of which plot reserves, EUR million	285.7	325.6	-12%		285.7	283.5	1%
Order backlog, EUR million	1,173.2	1,007.5	16%		1,173.2	1,205.2	-3%

- Revenue increased in January–December as production volumes remained at a high level in residential construction and business premises construction picked up.

- Profitability improved considerably while operations focused on residential property development projects.
- The order backlog increased considerably from the previous year as YIT started up new residential and business premises projects.
- The segment's capital tied into plot reserves totalled EUR 285.7 million (12/2009: EUR 325.6 million) at the end of December. The plot reserves included 1,639,000 (12/2009: 1,630,000) m² of floor area of residential plots and 857,000 (12/2009: 908,000) m² of floor area of plots for business premises.

Residential sales continued steadily – 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 to be good during the fourth quarter, especially for low- and mid-price residential units. In January–December, YIT sold 1,890 (1–12/2009: 1,567) residential units directly to consumers: 506 in the first, 471 in the second, 435 in the third and 478 in the fourth quarter. Housing prices have increased at a moderate rate.

The focus of housing construction has been successfully shifted to residential development projects aimed directly at consumers in accordance with market demand. YIT has started the construction of a total of 2,550 residential units aimed directly at consumers in January–December, of which 547 were started during the fourth quarter. The number of rental housing project start-ups has decreased compared to the year before. In 2010, YIT has actively replenished its plot reserves by acquiring plots and making preliminary agreements amounting to a total of approximately 480,000 m² of floor area. The company therefore has good opportunities for start-ups in 2011 as well.

The new residential start-ups have maintained the sales inventory at a sufficiently high level. At the end of December, YIT had 1,570 (12/2009: 1,061) unsold residential units. The number of completed, unsold residential units has decreased to a low level, amounting to 112 (12/2009: 216) at the end of December. Two-thirds of the residential units under construction have been sold, which decreases YIT's sales risk.

Residential construction in Finland, number of residential units

	1-12/10	1-12/09	Change		10-12/10	7-9/10	4-6/10	1-3/10
Sold	2,432	3,502	-31%		478	576	755	623
- of which directly to consumers	1,890	1,567	21%		478	435	471	506
Start-ups	3,092	3,447	-10%		547	908	1,067	570
- of which directly to consumers	2,550	1,528	67%		547	767	783	453
Completed	2,249	1,562	44%		473	657	751	368
- of which directly to consumers	857	1,337	-36%		298	184	272	103
Under construction at the end of the period	4,360	3,773	16%		4,360	4,543	4,292	3,975
- of which sold at the end of the period	2,902	2,928	-1%		2,902	3,035	3,101	3,132
For sale at the end of the period	1,570	1,061	48%		1,570	1,624	1,324	1,011
- of which completed	112	216	-48%		112	116	133	168

Business premises market shows signs of picking up

The construction of business premises picked up as the year advanced. The decrease in business premise rents has stopped, and investors' yield requirements have somewhat decreased.

The construction of the Triotto office project was started as a development project in Käpylä, Helsinki, in December. The renting and construction of property development projects started earlier in 2010, the Tiilitie Trade Park in Petikko, Vantaa, with office, warehouse, production and retail facilities, and Business Park Safiiri in Espoo, were continued. The first building of the Tiilitie Logistics project has been rented in full. In 2010, YIT leased a total of approximately 80,000 m² of premises from the projects to its customers.

With regard to projects started earlier this year, for example, the shopping centre connected with the development of the Hyvinkää centre quarter, in which the value of YIT's construction and building system work is

EUR 100 million, was under construction. YIT is implementing a MotorCenter area focusing on automotive-related services and equipment in Konala, Helsinki.

YIT is also actively engaged in renovation: YIT will renovate an office building of 9,200 m² in Pitäjänmäki, Helsinki, for Aberdeen. In Espoo, YIT will carry out the renovation of the VTT Technical Research Centre of Finland's Fire Safety Technology Laboratory.

Fewer municipal investments in infrastructure services

The demand for infrastructure construction has remained relatively stable, but investments by the municipal sector have decreased and decision-making has been delayed. Major road projects are expected to start this year and the next year, such as the construction of a second rail track between Kokkola and Ylivieska and the construction and renovation of the E18 motorway between Koskenkylä and Kotka. YIT is participating in the tenders for the projects, which will be implemented using the Public-Private-Partnership, or PPP, model, in cooperation with Destia. In the Kokkola-Ylivieska rail track tenders and E18 project, the order authorization exceeds EUR 1 billion. In addition, with regard to infrastructure services, opportunities will open in rock engineering, investments by the mining industry and the outsourcing of municipalities' technical services.

During January–December, 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.

INTERNATIONAL CONSTRUCTION SERVICES

Key figures

	1-12/10	1-12/09	Change		10-12/10	10-12/09	Change
Revenue, EUR million	470.6	359.4	31%		139.7	113.0	24%
Operating profit, EUR million	34.7	-17.8	-		13.4	7.5	79%
Operating profit, %	7.4%	-5.0%	-		9.6%	6.6%	-
Return on investment (last 12 months), %	5.2%	-2.7%			-	-	
	12/10	12/09			12/10	9/10	
Invested capital, EUR million	677.3	681.3	-1%		-	-	-
- of which plot reserves, EUR million	303.6	246.5	23%		303.6	282.8	7%
Order backlog, EUR million	870.8	960.1	-9%		870.8	884.8	- 2%

- Revenue increased on the previous year as a result of strong residential sales, progress of construction and higher selling prices.
- Operating profit improved particularly through increased residential selling prices, successful balancing of sales and pricing, and streamlining measures in YIT's own cost structure implemented in 2009.
- The order backlog decreased slightly compared to the end of September. The segment's order backlog was improved by the strengthening of the ruble, which had an impact of EUR +16.0 million in October–December. The order backlog includes residential units whose construction was suspended in Russia in October 2008 due to market uncertainties. At the end of December 2010, the value of projects that were still suspended amounted to EUR 137.1 million (12/2009: EUR 282 million).
- The segment's capital tied into plot reserves totalled EUR 303.6 million (12/2009: EUR 246.5 million) at the end of December. The plot reserves included 2,498,000 (12/2009: 2,327,000) m² of floor area of residential plots and 712,000 (12/2009: 699,000) m² of floor area of plots for business premises in Russia, the Baltic countries, the Czech Republic and Slovakia.

Russian residential sales remained favourable - a considerable number of units were completed during the fourth 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 cities and improve its reputation as a reliable housing construction company. Russia generated 88 percent (1–12/2009: 85%) of the segment's revenue for January–December. Revenue increased by 35 percent in Russia compared with the previous year, amounting to EUR 412.0 million

(1-12/2009: EUR 305.7 million). The capital tied into plot reserves in Russia totalled EUR 223.6 million (12/2009: EUR 171.7 million) at the end of December. The plot reserves included 2,124,000 (12/2009: 1,974,000) m² of floor area of residential plots and 563,000 (12/2009: 563,000) m² of floor area of plots for business premises. During the year, YIT acquired approximately 300,000 m² of residential building rights in the cities where it operates in Russia.

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 majority of residential start-ups have taken place in St. Petersburg and the Moscow Oblast. Especially during the fourth quarter, start-ups took place in Yekaterinburg and Kazan as well.

In 2010, residential sales increased from the year before. In January–December, YIT sold 3,073 residential units (1–12/2009: 2,612) in Russia. The number of residential units sold during the first quarter was 817 units, during the second quarter 682, during the third quarter 717 and during the fourth quarter 857. Sales for the fourth quarter included 98 residential units sold to a corporate customer, which in part increased the sales volume.

Residential sales have been supported by YIT's established position as a reliable construction company in Russia, YIT's own marketing and promotion measures and extensive housing loan cooperation with banks. Loan financing was utilised in 28 percent of YIT's residential sales in 2010. The significance of loan financing has increased during the course of the year, and in the fourth quarter, the customer has taken out a housing loan in 42 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.

The development of prices in the Russian residential market was uneven in 2010, and the average selling prices decreased in some cities. The supply of new residential units increased during the year as YIT and competitors continued the construction of suspended projects and new residential start-ups. The increased share of projects that are in their early stage of construction in the supply had a decreasing impact on average prices, especially in the St. Petersburg and Moscow Oblast markets.

During the fourth quarter of 2010, the average price level of new residential units in Russia remained stable. The favourable demand for completed residential units and residential units close to completion made it possible to increase the prices slightly during the fourth quarter, especially in St. Petersburg. Demand also picked up in the Moscow Oblast towards the end of the year.

YIT has started new residential projects in Russia in response to demand since the second half of 2009. The number of residential units for sale has increased slightly during the year, amounting to 4,211 (12/2009: 3,603) at the end of December. The number of completed unsold residential units increased to 805 at the end of December (12/2009: 1,243).

The number of residential units under construction decreased during the fourth quarter as several large residential projects with a total of 2,486 residential units were completed in October–December. 3,426 residential units were completed during the year as a whole (1–12/2009: 4,960). After the handover of residential projects, YIT offers its customers service and maintenance. At the end of 2010, the service covered approximately 7,000 residential units in St. Petersburg and the Moscow Oblast.

Residential construction in Russia, number of residential units

	1-12/10	1-12/09	Change		10-12/10	7-9/10	4-6/10	1-3/10
Sold	3,073	2,612	18%		857	717	682	817
Start-ups	3,683	672	448%		1,140	671	1,074	798
Completed 1)	3,426	4,960	-31%		2,486	299	320	321
Under construction at the end of the period	4,457	4,174	7%		4,457	5,797	5,425	4,671
- of which sold at the end of the period	1,051	1,814	-42%		1,051	2,468	2,094	1,986
For sale at the end of the period	4,211	3,603	17%		4,211	3,931	3,977	3,585
- of which completed	805	1,243	-35%		805	602	646	900

- 1) Completion of the projects requires commissioning by the authorities.
- 2) At the end of December 2010, YIT had 685 (12/2009: 2,145) 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

As a whole, YIT's volume in the Russian business premises market was low in 2010. Extension work for Atria's factory was completed during the year. 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 increased during the year, and negotiations with potential customers will continue.

Bottom of the residential market has been bypassed 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. Estonia, Latvia, Lithuania, the Czech Republic and Slovakia accounted for 11 percent (1–12/2009: 13%) of the segment's revenue for January–December. Revenue generated in these countries increased by 14 percent compared to the year before to EUR 51.1 million (1–12/2009: EUR 44.8 million). The capital tied into plot reserves in the Baltic countries, the Czech Republic and Slovakia totalled EUR 80.0 million (12/2009: EUR 74.8 million) at the end of December. The plot reserves included 374,000 (12/2009: 353,000) m² of floor area of residential plots and 149,000 (12/2009: 136,000) m² of floor area of plots for business premises. During 2010, YIT acquired 15,000 m² of floor area of new residential plots to support its growth in the Czech Republic.

The focus of YIT's operations was shifted from contract production to residential construction. During the first quarter of 2010, YIT started its first new residential construction projects for more than two years in the Baltic countries. In the third quarter, YIT Stavo started the construction of its first housing project in the Czech Republic, to which country the Group expanded its operations through an acquisition in 2008. In October, the Group's operations expanded to Slovakia when YIT acquired a 70 percent holding in a construction company focusing on residential and business premises construction. In total, the construction of 482 (1–12/2009: 0) residential units was started in the Baltic countries and the Czech Republic, of which 111 were in the first quarter, 122 in the second quarter, 96 in the third quarter and 153 in the fourth quarter. At the end of December, there were 376 (12/2009: 0) residential units under construction, including YIT Reding's project of 60 residential units close to Bratislava.

YIT's residential inventory is still low in the Baltic countries, the Czech Republic and Slovakia. In January–December, a total of 73 (1–12/2009: 256) residential units were sold in these countries. Residential sales accelerated towards the end of the year, and 40 residential units were sold during the fourth quarter. At the end of December, there were 449 (12/2009: 40) residential units for sale, of these 116 were (12/2009: 40) completed. The number of residential units completed during 2010 was 106 (1–12/2009: 592). All of the residential units completed in 2010 were completed during the fourth quarter.

Residential demand and prices have turned to moderate growth in the Baltic countries, the Czech Republic and Slovakia. The demand for new residential units is gradually picking up with the upswing of the economy, but it is still at a low level quantitatively. As a whole, the construction market situation continued to be challenging, especially in the Baltic countries.

PERSONNEL

In January–December 2010, the Group employed 24,317 (1–12/2009: 24,497) people on average. At the end of the period, the Group employed 25,832 (12/2009: 23,480) people, whereas at the end of September the figure was 25,943. In connection with the acquisition made in Central Europe, approximately 2,000 employees were transferred to YIT's Building and Industrial Services segment at the beginning of September. YIT employed approximately 1,000 summer employees during the summer of 2010.

A personnel survey carried out late in the year showed that employees' job satisfaction has improved compared to the previous year.

Occupational safety was a key focus area for YIT in 2010. Efforts to improve occupational safety have included additional guidelines and training. YIT's management monitors the development of occupational safety comprehensively. Occupational safety is measured using a common indicator (number of accidents per one million hours worked), and the results have improved. In 2010, the accident frequency was 19. Efforts will be made to improve occupational safety in 2011 as well.

YIT harmonised its ethical guidelines to cover the entire Group in 2010. YIT aims to comply with high ethical principles, and ethical guidelines are part of YIT's operational culture.

During the first half of the year, 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 incentive scheme covers about 250 people in 2010, and its cost effect was about EUR 3.9 million in January–December.

Personnel by business segment

The largest segment by personnel was Building and Industrial Services, employing 76 percent (12/2009: 75%) of YIT's personnel. Construction Services Finland employed 12 percent (12/2009: 13%), International Construction Services 10 percent (12/2009: 11%) and Corporate Services 1 percent (12/2009: 1%) of the personnel.

Personnel by business segment	12/10	12/09	Change		12/10	9/10	Change
Building and Industrial Services	19,611	17,557	12%		19,611	19,694	0%
Construction Services Finland	3,209	2,936	9%		3,209	3,221	0%
International Construction Services	2,656	2,647	0%		2,656	2,681	-1%
Corporate Services	356	340	5%		356	347	3%
YIT Group, total	25,832	23,480	10%		25,832	25,943	0%

Personnel by country/region

Of YIT's employees, 36 percent worked in Finland (12/2009: 39%), 36 percent (12/2009: 37%) in the other Nordic countries, 15 percent (12/2009: 9%) in Central Europe, 9 percent (12/2009: 11%) in Russia and 4 percent (12/2009: 4%) in the Baltic countries.

Personnel by country/region	12/10	12/09	Change		12/10	9/10	Change
Finland	9,209	9,102	1%		9,209	9,333	-1%
Sweden	4,429	4,193	6%		4,429	4,296	3%
Central Europe	3,930	2,160	82%		3,930	3,863	2%
Norway	3,505	3,248	8%		3,505	3,461	1%
Russia	2,390	2,600	-8%		2,390	2,397	0%
Denmark	1,386	1,269	9%		1,386	1,462	-5%
Baltic countries	983	908	8%		983	1,131	-13%
YIT Group, total	25,832	23,480	10%		25,832	25,943	0%

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting was held on March 10, 2010. The Annual General Meeting adopted the 2009 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 as the same as in the previous year: Henrik Ehrnrooth (Chairman), Reino Hanhinen (Vice Chairman), Eino Halonen, Antti Herlin, Satu Huber, Lauri Ratia and Kim Gran.

In its organisational meeting on March 10, 2010, the board elected the chairmen and members of the audit committee and the nomination and rewards committee from among its members.

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 10, 2010. The stock exchange releases, the Board of Directors' proposals to the Annual General Meeting 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 a dividend.

Shares could be subscribed for in 2010 under the Series N share options issued by YIT Corporation in 2006 between April 1 and November 30, 2010. No shares were subscribed for during the period with the share options. The share option programme ended on November 30, 2010.

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 the review period (2009: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2009: 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 10, 2010, 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. The number of shares held by the company did not change during the review period. During the period, no shares in the parent company were owned by subsidiaries.

There were no share issues during the period and the company did not float convertible bonds or bonds with warrants. 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 and share options

The closing rate of YIT's share on the last trading day of 2010 was EUR 18.65 (2009: EUR 14.45). The share price increased by 29 percent during the year. The highest price of the share in 2010 was EUR 19.00 (2009: EUR 14.49), the lowest was EUR 12.98 (2009: EUR 4.31) and the average price was EUR 16.35 (2009: EUR 8.52). Share turnover on OMX Nasdaq in January–December 2010 amounted to 127,536,954 shares (1–12/2009: 190,057,125). The value of turnover was EUR 2,085.0 million (1–12/2009: EUR 1,631.4 million).

YIT Corporation's market capitalisation at the end of the period was EUR 2,332.7 million (12/2009: EUR 1,807.4 million). The market capitalisation has been calculated excluding the shares held by the company.

A total of 64,867 Series N share options issued in 2006 were traded in January–December at an average price of EUR 0.70. No shares were subscribed for during the period with the share options. During the corresponding period of the previous year, no N share options were traded.

Number of shareholders and flagging notifications

At the end of the year, the number of registered shareholders was 32,476 (2009: 29,678). The number of private investors increased by approximately 2,400 during 2010. At the end of December, a total of 37.9 percent (2009: 36.5%) of the shares were owned by nominee-registered and non-Finnish investors.

During January–December 2010, one “flagging notification” of change in ownership in YIT Corporation was made in accordance with Chapter 2, section 9 of the Securities Market Act. Varma Mutual Pension Insurance Company gave notification that its holdings had increased to above 5 percent of YIT Corporation's shares and votes following a share transaction on May 21, 2010. The company held a total of 6,570,908 YIT shares, which equals 5.17 percent of YIT Corporation's shares.

Most significant 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.

The most significant strategic risks are connected with changes in the operating environment, implementation of acquisitions and management of capital. Changes in economic, demographic, technological and political factors have an effect on the demand for YIT's services and the prevailing level of costs. The key is to manage risks related to the operating environment in the International Construction Services segment where the focus of operations is on investment-intensive residential development production in Russia, the Baltic countries and Central Eastern Europe.

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 and Industrial Services business has grown in Central Europe as the result of an acquisition completed at the end of August, and the integration and business development of the acquired companies has started according to plans.

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 the investor prior to starting a business premises project.

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 2010.

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 treasury policies, internal control as well as internal and external audit.

YIT's most significant currency risk is the currency risk related to investments in ruble terms. Capital invested in Russia totalled EUR 544.9 million (12/2009: EUR 557.6 million) at the end of the period. The amount of net equity investments at the end of the period was EUR 409.3 million (12/2009: EUR 343.8 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 135.6 million (12/2009: EUR 213.9 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 is 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 estimates that in 2011, the combined revenue of the business segments will grow and operating profit will grow clearly compared to 2010. The profit outlook is based on segment reporting, i.e. recognition of income based on the percentage of completion.

YIT estimates residential sales to continue to be good in both Finland and Russia. In particular, residential construction activity in Russia and increasing the share of building system service and maintenance provide opportunities for improving profitability.

Building and Industrial Services

In Building and Industrial Services, 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 countries, the German market in particular offers good growth opportunities. The building system services market is developing in Eastern Europe and Russia, but it will take some time for the culture of purchasing services to consolidate itself. New investments in building systems will remain at a relatively low level throughout YIT's market area due to the low level of business premises construction and the post-cyclical nature of building system services. New investments in building systems are expected to grow by 2–3 percent in business premises construction and 3–5 percent in residential construction.

Streamlining measures in the private sector and public administration open opportunities for outsourcing of facility services, even though the slowing down of decision-making in the public sector is a risk. Growth in the demand for energy-efficiency services is possible in the next few years with high energy prices and tightening environmental legislation. 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.

YIT has an extensive network of local offices in the markets where it operates and a solid market position in building system and industrial service and maintenance operations, projects and energy-efficiency services. 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, the demand is supported by low interest rates, strong consumer confidence in personal finances and structural factors, such as migration, population growth and decreasing family sizes. According to the construction industry's estimates, the construction of 30,500 residential units will start in 2011, while the 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 moderate. YIT actively started new residential projects in 2010, which offers the company a solid starting point for 2011. The increase in the prices of residential units has levelled off. YIT expects prices to continue to increase at a moderate rate. 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.

The business premises market shows signs of picking up: investors' yield requirements have decreased and rents of business premises are expected to begin rising 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 to use as business premises due to 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 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, and the first two quarters are expected to be quieter than the last 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 improved consumer confidence, improved availability of housing loans and decreased interest rates. In Russia, housing demand also depends on oil prices and the ruble exchange rate.

Housing prices have stabilised at the end of 2010. 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. In these countries, the average housing prices have begun to increase at a moderate rate. In particular, demand has improved in city centres.

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. 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.

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. Accelerating inflation in Russia will also be translated into increasing production costs.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF DISTRIBUTABLE EQUITY

The distributable equity of YIT Corporation on December 31, 2010 is EUR 299,689,283.92, of which the profit for the financial period 2010 is EUR 111,303,159.73.

The Board of Directors proposes to the Annual General Meeting that the distributable equity be disposed of as follows:

• Payment of a dividend to shareholders	
EUR 0.65 per share, or	81,300,974.30
• Remains in distributable equity	<u>218,388,309.62</u>
	299,689,283.92
	=====

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not jeopardise the company's solvency.

Helsinki, February 3, 2011

Henrik Ehrnrooth
Chairman

Reino Hanhinen
Vice chairman

Eino Halonen

Antti Herlin

Satu Huber

Lauri Ratia

Kim Gran

Juhani Pitkäkoski
President and CEO

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The information presented in the Financial Statements Bulletin has not been audited.

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Key figures

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2. Consolidated financial statements Jan 1 - Dec 31, 2010

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1. KEY FIGURES OF YIT GROUP

As from the beginning of 2010, Group reporting will apply the new IFRIC 15 interpretation, according to which own residential development projects will be recognised at the time of delivery and own commercial real estate development projects based on the percentage of completion or at the time of delivery. The figures for 2010 and 2009 are comparable.

KEY FIGURES

	12/2010	12/2009	change %
Earnings per share, EUR	1.12	0.55	104
Diluted earnings per share, EUR	1.12	0.55	104
Equity per share, EUR	7.04	6.09	16
Average share price during the period, EUR	16.35	8.52	92
Share price at end of period, EUR	18.65	14.45	29
Market capitalization at end of period, MEUR	2,332.7	1,807.4	29
Weighted average share-issue adjusted number of shares outstanding, thousands	125,078	125,167	-
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	125,078	125,167	-
Share-issue adjusted number of shares outstanding at end of period, thousands	125,078	125,078	-
Net interest-bearing debt at end of period, MEUR	640.9	529.1	21
Return on investment, from the last 12 months, %	14.3	11.0	-
Return on equity, %	17.1	8.9	-
Equity ratio, %	31.9	32.4	-
Gearing ratio, %	72.6	69.2	-
Gross capital expenditures, MEUR	129.8	27.9	365
% of revenue	3.4	0.8	-
Order backlog at end of period, MEUR 1)	3,535.7	2,983.3	19
of which order backlog outside Finland	1,857.7	1,885.7	-1
Average number of personnel	24,317	24,497	-1

1) Portion of binding orders and own development projects not recognized as income.

YIT GROUP FIGURES BY QUARTER

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010	III/2010	IV/2010
Revenue, MEUR	843.2	862.8	754.3	1,025.3	765.3	854.8	829.6	1,338.0
Operating profit, MEUR	28.7	43.3	32.8	63.3	33.9	35.9	33.9	116.4
% of revenue	3.4	5.0	4.3	6.2	4.4	4.2	4.1	8.7
Financial income, MEUR	1.3	0.4	0.9	1.9	0.7	1.1	1.1	0.7
Exchange rate differences, MEUR	-9.6	-5.1	-7.8	-5.9	-2.3	-1.9	-2.3	-0.8
Financial expenses, MEUR	-11.6	-8.2	-8.8	-6.2	-5.6	-7.2	-5.7	-3.1
Profit before taxes, MEUR	8.8	30.4	17.1	53.1	26.7	27.9	27.0	113.2
% of revenue	1.0	3.5	2.3	5.2	3.5	3.3	3.3	8.5
Balance sheet total, MEUR	2,998.6	2,993.3	3,041.6	2,777.1	2,994.8	3,067.9	3,234.6	3,117.1
Earnings per share, EUR	0.06	0.15	0.08	0.26	0.15	0.16	0.16	0.65
Equity per share, EUR	5.46	5.67	5.78	6.09	6.08	6.35	6.30	7.04
Share price at end of period, EUR	5.05	7.40	13.01	14.45	17.10	14.78	17.39	18.65
Market capitalization at end of period, MEUR	631.6	925.6	1,627.0	1,807.4	2,138.8	1,848.7	2,175.1	2,332.7
Return on investment, from the last 12 months, %	16.5	11.5	11.1	11.0	11.3	10.7	10.6	14.3
Equity ratio, %	27.0	28.1	28.2	32.4	30.2	31.8	29.2	31.9
Net interest-bearing debt at end of period, MEUR	674.1	699.7	674.4	529.1	496.0	514.8	636.6	640.9
Gearing ratio, %	98.3	98.1	92.9	69.2	65.0	64.7	80.5	72.6
Gross capital expenditures, MEUR	6.7	3.9	5.1	12.2	9.4	8.7	81.0	30.7
Order backlog, MEUR	3,256.3	3,120.0	3,059.6	2,983.3	3,152.5	3,329.2	3,727.5	3,535.7
Personnel at end of period	25,239	24,763	24,003	23,480	23,211	23,877	25,943	25,832

SEGMENT INFORMATION BY QUARTER

YIT applies the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period begun on January 1, 2010. Due to the application of the interpretation, Group reporting and segment reporting differ.

In segment reporting, the figures will continue to be calculated based on the previous accounting principle, i.e. percentage of completion will be applied in the recognition of revenue from own residential and commercial real estate development projects.

As from the beginning of 2010, Group reporting applies the new interpretation. According to the interpretation own residential development projects will be recognised at the time of delivery. Own commercial real estate development projects will be recognized based on the percentage of completion or alternatively at the time of delivery.

Figures for 2010 and 2009 are comparable.

Revenue by business segment (EUR million)

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010	III/2010	IV/2010
Building and Industrial Services	537.9	529.2	483.9	573.9	477.0	547.4	550.9	777.8
Construction Services Finland	239.8	253.0	246.3	290.6	252.9	275.2	279.7	294.2
International Construction Services	61.4	87.4	97.6	113.0	106.9	112.1	111.9	139.7
Other items	-15.5	-16.4	-12.8	-17.0	-16.0	-20.4	-18.3	-24.1
YIT's segments total	823.7	853.2	815.0	960.5	820.8	914.3	924.2	1,187.6
IFRIC 15 adjustments	19.5	9.7	-60.7	64.7	-55.5	-59.6	-94.6	150.4
YIT Group, total	843.2	862.8	754.3	1,025.3	765.3	854.7	829.6	1,338.0

Operating profit by business segment (EUR million)

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010	III/2010	IV/2010
Building and Industrial Services 1)	28.6	28.2	24.9	37.6	21.6	28.2	22.8	32.4
Construction Services Finland	20.9	19.9	20.8	20.3	23.1	26.4	29.3	29.4
International Construction Services	-23.8	-5.2	3.7	7.5	4.6	7.6	9.2	13.4
Other items	-3.6	-4.8	-3.8	-5.7	-4.8	-5.1	-3.4	-5.5
YIT's segments total	22.1	38.1	45.6	59.7	44.5	57.1	57.9	69.7
IFRIC 15 adjustments	6.6	5.2	-12.8	3.6	-10.6	-21.2	-24.0	46.7
YIT Group, total	28.7	43.3	32.8	63.3	33.9	35.9	33.9	116.4

Operating profit margin by business segment (%)

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010	III/2010	IV/2010
Building and Industrial Services 1)	5.3%	5.3%	5.1%	6.6%	4.5%	5.2%	4.1%	4.2 %
Construction Services Finland	8.7%	7.9%	8.4%	7.0%	9.1%	9.6%	10.5%	10.0 %
International Construction Services	-38.7%	-5.9%	3.8%	6.6%	4.3%	6.8%	8.2%	9.6 %
YIT's segments total	2.7%	4.5%	5.6%	6.2%	5.4%	6.2%	6.3%	5.9 %
YIT Group, total	3.4%	5.0%	4.3%	6.2%	4.4%	4.2%	4.1%	8.7 %

1) The operating profit of Building and Industrial Services in 7-9/2010 was weakened by non-recurring expenses amounting to a total of approximately EUR 1.9 million associated with the acquisition made in Central Europe, expenses amounting to approximately EUR 1 million connected with post-acquisition personnel reductions in Denmark, and EUR 0.4 million associated with other acquisitions. In addition, 10-12/2010 profitability was burdened by restructuring expenses of EUR 3.0 million related to the acquisition made in Central Europe.

On September 30, 2009, the court of arbitration issued its ruling in the dispute concerning the mechanical installation contract YIT carried out for Neste Oil's Porvoo oil refinery. The effect of the ruling on Building and Industrial Services' operating profit for Q3/2009 was EUR -3.2 million.

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

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010	III/2010	IV/2010
Building and Industrial Services 1)	1,048.3	984.7	946.7	850.4	964.2	1,025.3	1,332.1	1,264.4
Construction Services Finland	819.8	846.9	909.9	1,007.5	905.4	1,154.7	1,205.2	1,173.2
International Construction Services 2)	1,239.1	1,126.8	998.4	960.1	1,013.2	946.8	884.8	870.8
Other items	-62.1	-41.9	-54.2	-44.4	-45.8	-59.4	-55.2	-58.3
YIT's segments total	3,045.0	2,916.4	2,800.8	2,773.6	2,837.0	3,067.4	3,366.9	3,250.1
IFRIC 15 adjustments	211.3	203.6	258.8	209.7	315.5	261.8	360.6	285.6
YIT Group, total	3,256.3	3,120.1	3,059.6	2,983.3	3,152.5	3,329.2	3,727.5	3,535.7

- 1) The order backlog value of Caverion -group, which was acquired in 2010, amounted to EUR 275 million at the end of December 2010 (9/10: EUR 306 million).
- 2) The order backlog includes residential units whose construction was suspended in Russia in October 2008 due to market uncertainties. At the end of December 2010, the value of projects that were still suspended amounted to EUR 137.1 million (12/2009: EUR 282 million).

2. CONSOLIDATED FINANCIAL STATEMENTS JAN 1 - DEC 31, 2010

As from the beginning of 2010, Group reporting will apply the new IFRIC 15 interpretation, according to which own residential development projects will be recognised at the time of delivery and own commercial real estate development projects based on the percentage of completion or at the time of delivery. The figures for 2010 and 2009 are comparable.

CONSOLIDATED INCOME STATEMENT JAN 1 - DEC 31, 2010 (EUR million)

	1-12/2010	1-12/2009	change, %
Revenue	3,787.6	3,485.6	9
of which activities outside Finland	2,343.6	1,885.7	24
Operating expenses and other income	-3,531.1	-3,283.3	8
Share of results of associated companies	-0.5	-0.6	-17
Depreciation and write-downs	-35.9	-33.6	7
Operating profit 1)	220.1	168.1	31
% of revenue	5.8	4.8	-
Financial income	3.7	4.5	-18
Exchange rate differences	-7.3	-28.4	-74
Financial expenses	-21.7	-34.7	-37
Profit before taxes	194.8	109.5	78
% of revenue	5.1	3.1	-
Income taxes	-54.2	-41.4	31
Profit for the report period	140.6	68.1	106
% of revenue	3.7	2.0	-
Attributable to			
Equity holders of the parent company	140.3	68.3	105
Minority interests	0.3	-0.2	-
	140.6	68.1	106
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	1.12	0.55	104
Diluted earnings per share, EUR	1.12	0.55	104

STATEMENT OF COMPREHENSIVE INCOME JAN 1 - DEC 31, 2010 (EUR million)

	1-12/2010	1-12/2009	change. %
Profit for the report period	140.6	68.1	106
Other comprehensive income			
- Change in the fair value of interest derivatives	-1.0	-0.0	-
-- Deferred tax	0.3	0.0	-
- Change in translation differences	29.2	-5.1	-
- Other change	0.0	-0.6	-
Other comprehensive income. total	28.5	-5.7	-
Total comprehensive income	169.1	62.4	171
Attributable to			
Equity holders of the parent company	168.7	63.2	167
Minority interests	0.4	-0.8	-

CONSOLIDATED INCOME STATEMENT OCT 1 - DEC 31, 2010 (EUR million)

	10-12/2010	10-12/2009	change. %
Revenue	1,338.0	1,025.3	30
of which activities outside Finland	962.2	595.6	62
Operating income and expenses	-1,211.5	-953.4	27
Share of results of associated companies	-0.2	-0.2	
Depreciation and write-downs	-9.9	-8.4	18
Operating profit 1)	116.4	63.3	84
% of revenue	8.7	6.2	-
Financial income	0.7	1.9	-63
Exchange rate differences	-0.8	-5.9	-86
Financial expenses	-3.1	-6.2	-50
Profit before taxes	113.2	53.1	113
% of revenue	8.5	5.2	-
Income taxes	-30.6	-20.4	50
Profit for the report period	82.6	32.7	153
% of revenue	6.2	3.2	-
Attributable to			
Equity holders of the parent company	81.5	32.4	152
Minority interests	1.1	0.3	267
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.65	0.26	150
Diluted earnings per share, EUR	0.65	0.26	150

CONSOLIDATED BALANCE SHEET (EUR million)

	31.12.2010	31.12.2009	Change %	1.1.2009
ASSETS				
Non-current assets				
Property, plant and equipment	106.7	99.8	7	104.6
Goodwill	350.9	291.0	21	291.0
Other intangible assets	50.5	32.8	54	35.1
Shares in associated companies	2.7	3.2	-16	3.8
Other investments	3.4	2.0	70	2.5
Other receivables	15.9	14.4	10	12.7
Deferred tax assets	44.7	43.1	4	40.4
Current assets				
Inventories	1,484.9	1,477.6	0	1,715.4
Trade and other receivables	889.3	640.1	39	731.2
Cash and cash equivalents	148.3	173.1	-14	201.7
Assets held for sale	19.8	-	-	-
Total assets	3,117.1	2,777.1	12	3,138.4
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	149.2	149.2	0	149.2
Other equity	730.8	612.7	19	615.6
Non-controlling interest	2.9	2.2	32	3.8
Total equity	882.9	764.1	16	768.6
Non-current liabilities				
Deferred tax liabilities	77.2	66.8	16	63.2
Pension liabilities	26.9	17.6	53	19.7
Provisions	49.5	49.0	1	45.0
Interest-bearing liabilities	504.6	502.0	1	516.2
Other liabilities	10.3	3.3	212	4.0
Current liabilities				
Trade and other payables	1,218.8	1,133.5	8	1,298.2
Provisions	45.1	40.6	11	43.6
Interest-bearing current liabilities	284.6	200.2	42	379.9
Liabilities of assets held for sale	17.2	-		-
Total equity and liabilities	3,117.1	2,777.1	12	3,138.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR million)

	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 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	-	-	-	-	-	-	140.3	-	0.3	140.6
Other comprehensive income										
Change in the fair value of interest derivatives	-	-	-	-	-1.0	-	-	-	-	
- Deferred tax asset	-	-	-	-	0.3	-	-	-	-	
Change in translation differences	-	-	-	28.2	-	-	1.0	-		29.2
Comprehensive income, total	-	-	-	28.2	-0.7	-	141.3	168.8	0.3	169.1
Transactions with owners										
Dividend paid	-	-	-	-	-	-	-50.5	-	-0.8	-51.3
Share option scheme	-	-	-11.6	-	-	-	11.6	-	-	0.0
Transfer from retained earnings	-	0.3	-	-	-	-	-0.3	-	-	0.0
Share-based incentive scheme	-	-	-	-	-	-	0.9	-	-	0.9
Transactions with owners, total	-	0.3	-11.6	-	-	-	-38.3	-49.6	-0.8	-50.4
Changes in ownership shares in subsidiaries										
Changes in group ownership shares in subsidiaries - no loss of control	-	-	-	-	-	-	-1.0	-	1.0	0.0
Changes from business combinations	-	-	-	-	-	-	-	-	0.1	0.1
Changes in ownership shares in subsidiaries, total							-1.0		1.1	0.1
Balance at December 31, 2010	149.2	2.0	0.0	-14.2	-2.4	-10.6	756.1	881.1	2.8	882.9
Restated balance January 1, 2009	149.2	1.4	13.9	-37.4	-1.7	-6.6	645.9	764.7	3.8	768.5
Comprehensive income										
Profit for the period	-	-	-	-	-	-	68.3	-	-0.2	68.1
Other comprehensive income										
Change in the fair value of interest derivatives	-	-	-	-	0.0	-	-	-	-	0.0
- Deferred tax asset	-	-	-	-	-0.0	-	-	-	-	-0.0
Change in translation differences	-	-	-	-5.0	-	-	0.0	-	-0.1	-5.1
Comprehensive income, total	-	-	-	-5.0	0.0	-	68.2	63.2	-0.8	62.3
Transactions with owners										
Dividend paid	-	-	-	-	-	-	-62.5	-	-0.8	-63.3
Purchase of treasury shares	-	-	-	-	-	-4.0	-	-	-	-4.0
Transfer from retained earnings	-	0.3	-	-	-	-	-0.3	-	-	0.0
Share option scheme	-	-	-2.3	-	-	-	2.8	-	-	0.5
Transactions with owners, total	0.0	0.3	-2.3	0.0	0.0	-4.0	-60.0	-66.0	-0.8	-66.8
Balance at December 31, 2009	149.2	1.7	11.6	-42.4	-1.7	-10.6	654.1	761.9	2.2	764.1
Balance at January 1, 2009	149.2	1.4	13.9	-35.2	-1.7	-6.6	682.1	803.1	4.6	807.7
The effects of application of IFRIC 15	-	-	-	-2.2	-	-	-36.2	-38.4	-0.8	-39.2
Restated balance January 1, 2009	149.2	1.4	13.9	-37.4	-1.7	-6.6	645.9	764.7	3.8	768.5

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-12/2010	1-12/2009	Change %
Cash flows from operating activities			
Net profit for the period	140.6	68.3	106
Reversal of accrual-based items	130.3	166.4	-22
Change in working capital			
Change in trade and other receivables	-77.3	98.1	-
Change in inventories	60.3	173.5	-65
Change in current liabilities	-135.4	-154.1	-11
Change in working capital. total	-152.4	117.5	-
Interest paid	-27.5	-35.3	-22
Other financial items. net	-37.2	-22.0	69
Interest received	3.5	4.7	-28
Taxes paid	-50.5	-38.7	30
Net cash generated from operating activities	6.8	260.9	-99
Cash flows from investing activities			
Acquisition of subsidiaries. net of cash	-45.4	-7.5	505
Purchase of property. plant and equipment	-19.9	-20.8	-5
Purchase of intangible assets	-8.4	-7.2	19
Increases in other investments	-1.3	0.0	-
Proceeds from sale of tangible and intangible assets	6.5	4.1	129
Proceeds from sale of other investments	0.0	0.3	33
Net cash used in investing activities	-68.5	-31.1	110
Operating cash flow after investments	-61.7	229.8	-
Cash flow from financing activities			
Change in current liabilities	34.2	-138.6	-
Proceeds from borrowings	100.0	60.0	67
Repayments of borrowings	-50.4	-110.6	-57
Payments of financial leasing debts	-0.1	-0.3	-67
Purchase of treasury shares	0.0	-4.0	-100
Dividends paid and other distribution of assets	-51.2	-63.4	-19
Net cash used in financing activities	32.5	-256.9	-
Net change in cash and cash equivalents	-29.3	-27.1	8
Cash and cash equivalents at the beginning of the period	173.1	197.7	-12
Change in the fair value of the cash equivalents	3.8	2.5	48
Cash and cash equivalents at the end of the period	147.6	173.1	-15

3. NOTES

ACCOUNTING PRINCIPLES OF THE INTERIM REPORT

YIT Corporation's financial statements for January 1 – December 31, 2010 have been drafted in line with the IAS 34 Interim Financial Reporting standard. The consolidated financial statements have been drafted in compliance with the International Financial Reporting Standards, and the IAS/IFRS standards approved by the EU Commission by December 31, 2010 and SIC and IFRIC interpretations have been complied with in the drafting of the statements. The financial statements bulletin is based on the audited financial statements for 2010.

IFRIC 15 Agreements for the Construction of Real Estate

YIT applies the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period beginning on January 1, 2010. The IFRIC 15 interpretation contains guidelines on when the revenue generated by the construction of real estate must be recognised on the basis of the delivery of the building and when the percentage of completion method can be applied. In YIT, the new interpretation will have an impact on the recognition of own development projects involving residential and commercial real estate. The interpretation will not have any impact on construction contracting or building and industrial services.

In Group-level reports as of January 1, 2010, the revenue generated by YIT's own residential development projects are recognised when the project is complete i.e. when the residential units are ready to be handed over to the client. The share of income and expenses to be recognized will be calculated also in the future by multiplying the percentage of completion by the percentage of sale. Under the old practice, the revenue recognition began when the construction work started using the percentage of completion method.

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

In Finland, YIT finances its projects by selling construction-stage contract receivables to financing companies. According to the new interpretation, sold residential units from own development projects will be recognised as revenue when the project is complete. As a result, all construction-stage contract receivables related to residential production and sold to financing companies must be reported as part of the interest-bearing liabilities on the balance sheet. Under the old practice, part of construction-stage contract receivables related to residential production was reported as off-balance sheet items.

Due to applying the interpretation the items in consolidated income statement, consolidated balance sheet and consolidated cash flow statement for the previous periods have been adjusted for comparability as follows:

Changes in consolidated income statement (EUR million)

	1-3/09	4-6/09	7-9/09	10-12/09		1-3/09	1-6/09	1-9/09	1-12/09
Revenue	19.5	9.7	-60.7	64.7		19.5	29.2	-31.5	33.2
Operating profit	6.6	5.2	-12.8	3.6		6.6	11.8	-1.0	2.6
Profit before taxes	6.6	5.2	-12.8	3.6		6.6	11.8	-1.0	2.6
Deferred taxes	-1.3	-1.1	2.8	-1.1		-1.3	-2.4	0.4	-0.7
Profit for the period	5.3	4.1	-10.0	2.5		5.3	9.4	-0.6	1.9

Changes in consolidated balance sheet (EUR million)

	Jan 1, 2009	3/09	6/09	9/09	12/09
Inventories	205.5	186.1	183.0	230.8	168.1
Trade and other receivables	-46.8	-33.6	-33.7	-43.9	-20.7
Deferred tax receivables	5.8	6.4	6.1	8.8	3.3
Equity	-39.1	-31.8	-28.1	-38.2	-36.5
Current borrowings	49.8	38.9	28.3	34.0	31.4
Trade and other liabilities	157.4	149.2	152.3	197.6	162.0
Provisions	1.6	5.4	5.0	4.6	0.6
Deferred tax liabilities	-5.2	-2.8	-2.1	-2.3	-6.8
Balance sheet total	164.5	158.9	155.4	195.7	150.7

Changes in consolidated cash flow statement (EUR million)

	1-3/09	1-6/09	1-9/09	1-12/09
Net cash generated from operating activities	10.9	21.5	15.7	18.4
Operating cash flow after investments	10.9	21.5	15.7	18.4
Net cash used in financing activities	-10.9	-21.5	-15.7	-18.4

Under the new practice, the quarterly revenue and profits of the YIT Group will now fluctuate more in accordance with the completion dates of development projects. The new revenue recognition practice also means that it will take more time for the Group's financial figures to reflect changes in production volumes. The adoption of the interpretation will not have any impact on the figures covering YIT's segments published by the Group as the information will continue to be calculated in accordance with prior accounting principles.

YIT published the comparison figures for consolidated income statement, consolidated balance sheet, consolidated cash flow statement and key figures for 2009 in a stock exchange release published on March 23, 2010.

Other standards and interpretations that have been applied as of January 1, 2010 have minor effects on YIT during the report period. The effects are described in the accounting principles of financial statements for the year 2010.

Currency exchange rates used in the Interim Report

		Average rate 1-12/2010	Balance sheet rate December 31, 2010		Average rate 1-12/2009	Balance sheet rate December 31, 2009
1 EUR =	CZK	25.2910	25.061		26.436	26.473
	DKK	7.4471	7.4535		7.4463	7.4418
	EEK	15.6466	15.6466		15.6466	15.6466
	HUF	275.34	277.95		280.39	270.42
	MYR	4.1896	4.0950		-	-
	NOK	8.0056	7.8000		8.7287	8.3000
	PLN	3.9951	3.9750		4.3270	4.1045
	RUB	40.2718	40.82		44.1306	43.1540
	SEK	9.5447	8.9655		10.6189	10.2520
	SGD	1.7640	1.7136		-	-
	USD	1.3463	1.3362		-	1.4643
	LVL	0.7028	0.7028		0.7028	0.7028
	LTL	3.4528	3.4528		3.4528	3.4528

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

YIT applies the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the start of the financial period begun on January 1, 2010. Due to the application of the interpretation, Group reporting and segment reporting differ.

In segment reporting, the figures will continue to be calculated based on the previous accounting principle, i.e. percentage of completion will be applied in the recognition of revenue from own residential and commercial real estate development projects.

As from the beginning of 2010, Group reporting will apply the new interpretation. According to the interpretation own residential development projects will be recognised at the time of delivery. Own commercial real estate development projects will be recognized in most cases based on the percentage of completion or alternatively at the time of delivery.

The figures for 2010 and 2009 are comparable.

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.

Revenue by business segment (EUR million)

	1-12/2010	1-12/2009	Change %
Building and Industrial Services	2,353.0	2,124.9	11
- Group internal	-70.7	-58.6	21
- external	2,282.2	2,066.3	10
Construction Services Finland	1,102.0	1,029.7	7
- Group internal	-1.9	-1.8	6
- external	1,100.1	1,028.0	7
International Construction Services	470.6	359.4	31
- Group internal	-7.1	-3.1	129
- external	463.5	356.3	30
Other items	1.2	1.8	-
YIT's segments total	3,847.0	3,452.4	11
IFRIC 15 adjustments	-59.4	33.2	-
YIT Group, total - external	3,787.6	3,485.6	9

Operating profit by business segment (EUR million)

	1-12/2010	1-12/2009	Change %
Building and Industrial Services 1)	105.1	119.3	-12
Construction Services Finland	108.1	81.9	32
International Construction Services	34.7	-17.8	-
Other items	-18.8	-17.9	-
YIT's segments total	229.1	165.5	38
IFRIC 15 adjustments	-9.0	2.6	-
YIT Group. total	220.1	168.1	31

1) The operating profit of Building and Industrial Services in 7-9/2010 was weakened by non-recurring expenses amounting to a total of approximately EUR 1.9 million associated with the acquisition made in Central Europe, expenses amounting to approximately EUR 1 million connected with post-acquisition personnel reductions in Denmark, and EUR 0.4 million associated with other acquisitions. In addition, 10-12/2010 profitability was burdened by restructuring expenses of EUR 3.0 million related to the acquisition made in Central Europe.

On September 30, 2009 the court of arbitration issued its ruling in the dispute concerning the mechanical installation contract YIT carried out for Neste Oil's Porvoo oil refinery. The effect of the ruling on Building and Industrial Services' operating profit for Q3/2009 was EUR -3.2 million.

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

	12/2010	12/2009	Change %
Building and Industrial Services 1)	1,264.4	850.4	49
Construction Services Finland	1,173.2	1,007.5	16
International Construction Services 2)	870.8	960.1	-9
Other items	-58.3	-44.4	-
YIT's segments total	3,250.1	2,773.6	17
IFRIC 15 adjustments	285.6	209.7	36
YIT Group, total	3,535.7	2,983.3	19

1) The order backlog value of Caverion -group, which was acquired in 2010, amounted to EUR 275 million at the end of December 2010 (9/10: EUR 306 million).

2) The order backlog includes residential units whose construction was suspended in Russia in October 2008 due to market uncertainties. At the end of December 2010, the value of projects that were still suspended amounted to EUR 137.1 million (12/2009: EUR 282 million).

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-12/2010	1-12/2009	Change %
Building and Industrial Services	-6.3	-3.2	97
YIT Group, total	-6.3	-3.2	97

The operating profit of Building and Industrial Services in 7-9/2010 was weakened by non-recurring expenses amounting to a total of approximately EUR 1.9 million associated with the acquisition made in Central Europe, expenses amounting to approximately EUR 1 million connected with post-acquisition personnel reductions in Denmark, and EUR 0.4 million associated with other acquisitions. In addition, 10-12/2010 profitability was burdened by restructuring expenses of EUR 3.0 million related to the acquisition made in Central Europe.

On September 30, 2009 the court of arbitration issued its ruling in the dispute concerning the mechanical installation contract YIT carried out for Neste Oil's Porvoo oil refinery. The effect of the ruling on Building and Industrial Services' operating profit for Q3/2009 was EUR -3.2 million.

BUSINESS COMBINATIONS AND DISPOSALS (EUR million)

In the Building and Industrial Services segment, YIT agreed on June 23, 2010, that it will acquire the entire share capital of Caverion GmbH, the parent company of the German Caverion group of companies, providing technical building system services. Caverion Group's most significant countries of operation are Germany, Poland and Hungary. The completion of the transaction was subject to approval by the competition authorities. The Caverion group has been consolidated into YIT Group from September 1, 2010.

The final purchase price of the Caverion GmbH shares was EUR 73.0 million, and it has been paid in cash. The fair value of the acquired identifiable intangible assets is approximately EUR 4.4 million. The preliminary net fair value for the assets held for sale is approximately EUR 2.6 million and for trade receivables is EUR 35.8 million. The acquisition generated approximately EUR 59.9 million of goodwill. According to the management's estimate, the goodwill is based on the operational network provided by the Caverion Group companies, competence of the personnel and market share in the Central European market as well as shifting the focus of business operations in the acquired units towards long-term service agreements and servicing and maintenance operations. Significant synergy benefits are seen in operational models that will be harmonised, the expanding service offering and procurement.

Composition of acquired net assets and goodwill of Caverion group (EUR million)

	12/2010
Consideration	
Cash	73.0
Total consideration, transferred	73.0
Asset item based on a compensation obligation	-
Total consideration	73.0
Acquisition-related costs	1.9
(recognised as expenses in other operating expenses)	
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	48.0
Property, plant and equipment	7.8
Order backlog	1.6
Compensation for prohibition of competition	2.8
Assets held for sale	19.8
Inventories	6.4
Trade and other receivables	116.8
Deferred tax liabilities, net	-0.6
Pension liabilities	-11.7
Loans	-0.3
Trade and other liabilities	-160.7
Liabilities of the assets held for sale	-17.2
Total identifiable net assets	12.7
Non-controlling interest	0.4
Goodwill	59.9
Total	73.0
Revenue included in the income statement for the period	173.4
Profit for the period included in the income statement for the period	6.6

Revenue had the consolidation taken place from the beginning of 2010	454.1
Profit for the period had the consolidation taken place from the beginning of 2010	8.7

Moreover, YIT implemented other small business acquisitions in the Building and Industrial Services segment during the review period. The companies acquired were Eltjänst Br Björk Installation AB, Ekonomisk Luftbehandling AB, Fristads Rör-El AB, G:sson Teleteknik AB and Ferm VVS and Jansson & Eriksson AB in Sweden, Ugelvik Nasset AB, Haug og Ruud AS and Energiprosjekt in Norway and Brdr. Petersens Eftf. A/S and Carl Christensen & Co. A/S in Denmark.

In the International Construction Services segment. YIT entered into an agreement on acquiring the Slovakian construction company Reding a.s. on August 12, 2010. Reding is a construction company focusing on residential and business premises construction. The company has 150 employees. The transaction was completed on October 7, 2010, after the Slovakian competition authorities had approved the share transaction and the other terms and conditions of the agreement had been fulfilled. YIT acquired a 70 percent holding in the company. YIT has additionally agreed to purchase the remaining 30 percent from the seller gradually by 2016. The seller will continue as the company's Managing Director. 100 share of Reding a.s has been consolidated y to YIT Group from October 7, 2010.

The total cost of these other acquisitions amounts to EUR 26.1 million. The acquisitions do not result in goodwill, EUR 21.7 million of the purchase price has been allocated to intangible rights or assets in connection with the customer base, agreement base, compensation for prohibition of competition, unpatented technology or inventory.

Composition of acquired net assets and goodwill of other acquisitions (EUR million)

	12/2010
Consideration	
Cash	23.1
Total consideration, Transferred	
Contingent consideration	3.0
Asset item based on a compensation obligation	-
Total consideration	26.1
Acquisition-related costs	
(recognised as expenses in other operating expenses)	0.6
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2.6
Property, plant and equipment	4.8
Allocations of intangible assets	16.4
Inventories	12.0
Trade and other receivables	19.7
Deferred tax liabilities, net	-1.8
Pension liabilities	0.0
Loans	-2.2
Trade and other liabilities	-25.5
Conditional debt	-
Total identifiable net assets	26.1
Non-controlling interest	0.0
Goodwill	0.0
Total value	26.1

YIT increased its holding in YIT Don from 78 percent to 100 percent in January and in YIT Citystroi from 65 percent to 75 percent in July.

There were no business divestments during the period under review.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (EUR million)

	1-12/2010	1-12/2009	Change %
Carrying value at the beginning of period	99.8	104.6	-5
Increase	24.4	21.5	13
Increase through acquisitions	12.4	0.0	-
Decrease	-6.1	-3.4	79
Depreciation and value adjustments	-23.9	-22.9	4
Other	0,1	0.0	-
Carrying value at the end of period	106.7	99.8	7

INVENTORIES (EUR million)

	12/2010	12/2009	Change %
Raw materials and consumables	26.4	18.8	40
Work in progress	639.0	610.0	5
Land areas and plot owing companies	589.3	572.1	3
Shares in completed housing and real estate companies	181.2	224.8	-19
Advance payments	48.2	51.5	-6
Other inventories	0.9	0.4	125
Total inventories	1,484.9	1,477.6	0

NOTES ON EQUITY (EUR million)

	Number of shares	Share capital (EUR million)	Treasury shares (EUR million)
Share capital and share premium reserve			
Jan 1, 2010	125,078,422	149.2	-10.6
Dec 12, 2010	125,078,422	149.2	-10.6

BORROWINGS (EUR million)

	Fair value	Carrying value	Nominal value
Bonds in financial statements December 31, 2009	189.2	199.9	200.0
Valuation of the above bonds on December 31, 2010	183.5	192.8	200.0
Bonds raised during the review period:			
Fixed-rate bonds			
1/2010-2015. interest rate 4.823%. EUR 1)	101.9	99.8	100.0
Total bonds December 31, 2010	285.4	292.6	292.9

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

1) Loan period March 26. 2010 - March 26. 2015. interest payments in arrear at March 26. annually.
The bond is unsecured. ISIN code FI4000012067.

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

	12/2010	12/2009	Change %
Collateral given for own commitments			
- Corporate mortgages	29.8	29.3	0
- Other mortgages	0.0	45.2	-100
Other commitments			
- Repurchase commitments	141.0	106.4	33
- Operating leases	322.5	321.9	0
- Rental guarantees for clients	8.0	9.2	-13
- Other contingent liabilities	4.2	0.4	950
- Other guarantees	5.2	-	-
Liability under derivative contracts			
- Value of underlying instruments			
-- Interest rate derivatives	304.6	362.3	-16
-- Currency derivatives	203.2	83.5	143
-- Commodity derivatives	0.5	-	-
- Market value			
-- Interest rate derivatives	-10.6	-5.9	80
-- Currency derivatives	0.3	-9.4	-103
-- Commodity derivatives	0.1	-	-
YIT Corporation's guarantees on behalf of its subsidiaries	1,202.5	943.3	27

TRANSACTIONS WITH ASSOCIATED COMPANIES (EUR million)

	1-12/2010	1-12/2009	Change %
Sales to associated companies	1.5	1.3	15
Purchases from associated companies	0.2	0.2	0
Trade and other receivables	0.0	0.1	-100
Trade and other liabilities	0.0	0.1	-