

YIT's Interim Report January 1 - June 30, 2010:**ORDER BACKLOG GREW - MARKET POSITION WAS STRENGTHENED BY A BUSINESS ACQUISITION IN CENTRAL EUROPE****Segment reporting in April-June: Order backlog, operating profit and revenue higher than in Q1/2010**

- The segments' combined order backlog grew from the end of March by 8 percent to EUR 3,067.4 million (3/2010: EUR 2,837.0 million). In Construction Services Finland, the order backlog has grown by 28 percent since the end of March as YIT has started up new residential and business premises projects. The order backlog of Building and Industrial Services increased by 6 percent since the end of March due to active improvement of market position and a slight recovery of the market situation. In International Construction Services, the order backlog remained nearly at the same level as in the end of March.
- In April-June, the segments' combined operating profit was 28 percent higher than in January-March, amounting to EUR 57.1 million (1-3/2010: EUR 44.5 million). Operating profit was clearly higher in April-June than in January-March in all segments.
- The segments' combined revenue was 11 percent higher in April-June than in January-March, amounting to EUR 914.3 million (1-3/2010: EUR 820.8 million). Revenue grew in all segments during the second quarter.

Group reporting in January-June: Outlook for 2010 unchanged

Due to the new recognition principles adopted at the beginning of 2010 the completion schedules of development construction sites affect the revenue recognition of the Group. This causes great fluctuations between the different quarters in Group figures and means that in 2010 the Group revenue and profit will clearly focus on later part of the year.

- Group's revenue decreased by 5 percent from previous year to EUR 1,620.0 million (1-6/2009: EUR 1,706.0 million).
- Group's profit before taxes increased by 39 percent from previous year to EUR 54.6 million (1-6/2009: EUR 39.2 million).
- Group's earnings per share increased by 48 percent from previous year to EUR 0.31 (1-6/2009: EUR 0.21).

YIT estimates that in 2010 the Group's revenue will increase and profit before taxes will increase significantly compared to 2009. (The estimate has not been changed after the financial statements bulletin released on February 4, 2010.)

Residential developments are only recognised in Group-level figures when the project is completed, while in segment reporting they are recognised already as construction progresses. Both in Finland and in Russia, the number of completed units in residential development in January-June was considerably lower than in the previous year - in Finland 375 (1-6/2009: 819) and in Russia 641 (1-6/2009: 2,461). Especially in Russia significantly more residential units will be completed during the second half of the year than in the first half of 2010.

In Building Systems, YIT is becoming the second largest player in Germany

During the first half of the year, YIT has strengthened its position in the building systems market through several business acquisitions. In June, YIT agreed to acquire the business operations of Caverion GmbH, providing building system services. Caverion's revenue was about EUR 440 million in 2009, and its number of personnel was 1,900. The acquisition will double YIT's operations in Central Europe and make YIT the second largest provider of building system services in Germany. During the current year, YIT has also carried out business acquisitions in Denmark, Norway and Sweden.

YIT's goal is to increase service and maintenance operations for building systems and industry, the demand for which is developing steadily. Of the revenue of Building and Industrial Services, service and maintenance operations accounted for 62 percent (1-6/2009: 53%) or EUR 633.3 million (1-6/2009: EUR 567.9 million) in January-June.

Increased number of residential start-ups

Residential sales remained favourable in both Finland and Russia. In April-June, YIT sold a total of 755 residential units (1-3/2010: 623), of which 471 were sold directly to consumers (1-3/2010: 506). In Russia, YIT sold a total of 682 (1-3/2010: 817) residential units in April-June. Increase of YIT's residential prices in Russia improved profitability but lowered the number of residential sales during the second quarter.

Start-ups in residential development have increased as the year has progressed, and clearly more new residential projects have been started than in the previous year. During April-June, YIT began the construction of a total of 1,067 (1-3/2010: 570) residential units in Finland. The number of residential units under construction in Finland is a record-breaking high, 4,292 units. In Russia, YIT started the construction of 1,074 (1-3/2010: 798) residential units and in the Baltic countries 122 (1-3/2010: 111) residential units in April-June.

In Finland, YIT has also strengthened its position in the business premises market. During the first half of the year, projects were begun in Hyvinkää, in which the value of YIT's construction and building system work totals about EUR 100 million. In addition, a few significant business premises construction contracts were made.

KEY FIGURES

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the beginning of the financial year 2010. Due to the adoption of the interpretation, Group-level reporting and segment-level reporting differ. The difference is reported as IFRIC 15 adjustments.

Development of segments and the Group

	4-6/2010	1-3/2010	Change		1-6/2010	1-6/2009	Change
Revenue							
Building and Industrial Services	547.4	477.0	15%		1,024.4	1,067.1	-4%
Construction Services Finland	275.2	252.9	9%		528.1	492.8	7%
International Construction Services	112.1	106.9	5%		219.0	148.8	47%
Other items	-20.4	-16.0	28%		-36.4	-31.9	14%
YIT's segments total	914.3	820.8	11%		1,735.1	1,676.8	3%
IFRIC 15 adjustments	-59.6	-55.5	7%		-115.1	29.2	-
YIT Group, total	854.7	765.3	12%		1,620.0	1,706.0	-5%
Operating profit							
Building and Industrial Services	28.2	21.6	31%		49.8	56.8	-12%
Construction Services Finland	26.4	23.1	14%		49.5	40.8	21%
International Construction Services	7.6	4.6	65%		12.2	-29.0	-
Other items	-5.1	-4.8	6%		-9.9	-8.4	18%
YIT's segments total	57.1	44.5	28%		101.6	60.2	69%
IFRIC 15 adjustments	-21.2	-10.6	100%		-31.8	11.8	-
YIT Group, total	35.9	33.9	6%		69.8	72.0	-3%
Order backlog							
Building and Industrial Services	1,025.3	964.2	6%		1,025.3	984.7	4%
Construction Services Finland	1,154.7	905.4	28%		1,154.7	846.9	36%
International Construction Services	946.8	1,013.2	-7%		946.8	1,126.8	-16%
Other items	-59.4	-45.8	30%		-59.4	-42.0	41%
YIT's segments total	3,067.4	2,837.0	8%		3,067.4	2,916.4	5%
IFRIC 15 adjustments	261.8	315.5	-17%		261.8	203.6	29%
YIT Group, total	3,329.2	3,152.5	6%		3,329.2	3,120.0	7%

Key figures of Group reporting (IFRIC)

	4-6/2010	1-3/2010	Change		1-6/2010	1-6/2009	Change
Profit before taxes, EUR million	27.9	26.7	4%		54.6	39.2	39%
Profit for the review period, EUR million	20.4	18.9	8%		39.4	26.6	48%
Earnings/share, EUR	0.16	0.15	7%		0.31	0.21	48%
Return on investment (last 12 months), %	10.7	11.3	-		10.7	11.5	-
Gearing ratio at end of period, %	64.7	65.0	-		64.7	98.1	-
Operating cash flow after investments, MEUR	31.7	33.8	-6%		65.5	59.7	10%
Personnel at end of period	23,877	23,211	3%		23,877	24,763	-4%

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

YIT will hold an information session on the Interim Report for investors, analysts and the media on Friday, July 23, 2010, 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 material is 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 designated number +44 (0)20 7162 0077 at 9:55 a.m. (Finnish time, EEST) at the latest, i.e. at least 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 Internet site by sending an e-mail to InvestorRelations@yit.fi or by telephone on +358 20 433 2467.

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INTERIM REPORT JANUARY 1 - JUNE 30, 2010

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ADOPTION OF A NEW IFRS INTERPRETATION FROM JANUARY 1, 2010

YIT has applied the IFRIC 15 Agreements for the Construction of Real Estate IFRS interpretation from the beginning of the financial year 2010. Due to the adoption 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 the project is completed, while in segment reporting they are recognised already as construction progresses. The difference is reported as IFRIC 15 adjustments.

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 this Interim Report.

GROUP'S FINANCIAL DEVELOPMENT

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 segments total or combined figure. The figures for 2010 and 2009 are comparable.

REVENUE AT THE SAME LEVEL AS THE PREVIOUS YEAR

The combined revenue of YIT's segments remained in January-June at previous year's level and amounted to EUR 1,735.1 million (1-6/2009: EUR 1,676.8 million). Changes in foreign exchange rates increased the combined revenue of YIT's segments by EUR 69.8 million compared with the same period in previous year.

Building and Industrial Services, covering all countries in which YIT operates, generated the majority of the revenue. The segment's revenue was higher in April-June than in the first quarter, but revenue for the whole first half of the year was lower compared with the previous year. In International Construction Services and also Construction Services Finland, revenue increased in January-June compared with the previous year.

After IFRIC 15 adjustments, YIT Group's revenue was EUR 1,620.0 million (1-6/2009: EUR 1,706.0 million). The Group's revenue decreased by 5 percent compared with the previous year. The completion schedules of development construction sites affect the revenue recognition of the Group. This causes great fluctuations between the different quarters. Both in Finland and in Russia, the number of residential units of own development completed in January-June was considerably lower than in the previous year - in Finland 375 (1-6/2009: 819) and in Russia 641 (1-6/2009: 2,461). Especially in Russia significantly more residential units will be completed during the second half of the year than in the first half of 2010.

Revenue, EUR million

	4-6/2010	1-3/2010		1-6/2010	1-6/2009	Change
Building and Industrial Services	547.4	477.0		1,024.4	1,067.1	-4%
Construction Services Finland	275.2	252.9		528.1	492.8	7%
International Construction Services	112.1	106.9		219.0	148.8	47%
Other items	-20.4	-16.0		-36.4	-31.9	14%
YIT's segments total	914.3	820.8		1,735.1	1,676.8	3%
IFRIC 15 adjustments	-59.6	-55.5		-115.1	29.2	-
YIT Group, total	854.7	765.3		1,620.0	1,706.0	-5%

Profitable growth is YIT's key strategic target. Revenue growth is pursued by a Group structure that is balanced in terms of geography and business operations. Particularly in Building and Industrial Services, the aim is to develop service and maintenance operations, the demand of which is developing steadily.

In January-June 2010, Finland accounted for 44 percent (46%) of the Group's revenue, Sweden for 17 percent (15%), Norway for 14 percent (12%), Central Europe for 10 percent (11%), Russia for 9 percent (7%), Denmark for 4 percent (5%) and the Baltic countries for 1 percent (2%).

Service and maintenance operations generated EUR 658.6 million (1-6/2009: EUR 592.4 million), in other words, 41 percent (35%) of consolidated revenue. The majority of the Group's service and maintenance operations are related to building systems and industrial processes in the Nordic countries and Central Europe, and part to road maintenance in Finland. Service and maintenance operations in Building and Industrial Services increased compared with the previous year.

THE SEGMENTS' OPERATING PROFIT AND PROFITABILITY IMPROVED SIGNIFICANTLY

The combined operating profit of YIT's segments increased by 69 percent to about EUR 101.6 million (1-6/2009: EUR 60.2 million). The operating profit margin calculated on the basis of the segment figures was 5.9 percent (3.6%).

In Building and Industrial Services, operating profit improved in April-June as operating volumes grew, but operating profit for the first half of the year remained lower than in the previous year. In Construction Services Finland, operating profit grew clearly from the previous year as operations focused on residential development. In International Construction Services, profitability has improved due to favourable development in residential sales. Increase of YIT's residential prices in Russia improved profitability but lowered the number of residential sales during the second quarter.

Residential development is recognised in Group reporting only after the sites are completed. After IFRIC 15 adjustments, the Group's operating profit decreased by 3 percent from the previous year, totalling EUR 69.8 million (EUR 72.0 million). The Group's operating profit margin was 4.3 percent (4.2%).

Operating profit, EUR million

	4-6/2010	1-3/2010		1-6/2010	1-6/2009	Change
Building and Industrial Services	28.2	21.6		49.8	56.8	-12%
Construction Services Finland	26.4	23.1		49.5	40.8	21%
International Construction Services	7.6	4.6		12.2	-29.0	-
Other items	-5.1	-4.8		-9.9	-8.4	18%
YIT's segments total	57.1	44.5		101.6	60.2	69%
IFRIC 15 adjustments	-21.2	-10.6		-31.8	11.8	-
YIT Group, total	35.9	33.9		69.8	72.0	-3%

Operating profit margin

	4-6/2010	1-3/2010		1-6/2010	1-6/2009
Building and Industrial Services	5.2%	4.5%		4.9%	5.3%
Construction Services Finland	9.6%	9.1%		9.4%	8.3%
International Construction Services	6.8%	4.3%		5.6%	-19.5%
YIT's segments total	6.2%	5.4%		5.9%	3.6%
YIT Group, total	4.2%	4.4%		4.3%	4.2%

EARNINGS PER SHARE IMPROVED

The Group's profit before taxes increased by 39 percent compared with the year before to EUR 54.6 million (1-6/2009: EUR 39.2 million). Earnings per share increased by 48 percent to EUR 0.31 (EUR 0.21).

Financial expenses decreased compared with the previous year's comparison period due to lower hedging costs of the ruble and a decrease in net liabilities, and generally lower interest rates.

ORDER BACKLOG GREW DURING THE FIRST HALF OF THE YEAR

YIT's segments' combined order backlog totalled EUR 3,067.4 million (6/2009: EUR 2,916.4 million) at the end of June increasing 8 percent since the end of March when it amounted to EUR 2,837.0 million.

Building and Industrial Services' order backlog started to grow during the first half of the year due to active improvement of market position and a slight recovery of the market situation. In Construction Services Finland, the order backlog has clearly grown as YIT has started up new residential and business premises projects.

In International Construction Services, the order backlog remained nearly at the same level as in the end of March. In the second quarter, a contract worth approximately EUR 40 million for the construction of the frames and façades of two tower buildings in Riga, Latvia, was removed from the segment's order backlog as YIT decided to cancel the contract with the customer. The cancellation of the contract has no cost effects.

After IFRIC adjustments, YIT Group's order backlog amounted to EUR 3,329.2 million (6/2009: EUR 3,120.0 million) at the end of June, and to EUR 3,152.5 million at the end of March 2010.

Order backlog, EUR million

	6/2010	3/2010		6/2009		Change, 6/2009- 6/2010
Building and Industrial Services	1,025.3	964.2		984.7		4%
Construction Services Finland	1,154.7	905.4		846.9		36%
International Construction Services	946.8	1,013.2		1,126.8		-16%
Other items	-59.4	-45.8		-42.0		41%
YIT's segments total	3,067.4	2,837.0		2,916.4		5%
IFRIC 15 adjustments	261.8	315.5		203.6		29%
YIT Group, total	3,329.2	3,152.5		3,120.0		7%

OPERATING CASH FLOW POSITIVE

The cash flow from business operations was positive in April-June despite of plot acquisitions and start-ups of new development projects. In January-June, operating cash flow after investments amounted to EUR 65.5 million (1-6/2009: EUR 59.7 million), of which EUR 31.7 million was generated in April-June.

At the end of June, the Group's invested capital amounted to EUR 1,582.7 million (6/2009: EUR 1,603.3 million) remaining at the same level as in the end of March when it totalled EUR 1,582.9 million. Return on investment remained clearly weaker than the target level, amounting to 10.7 percent for the last 12 months (11.5%). Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total. The Group's balance sheet total at the end of June was EUR 3,067.9 million (EUR 2,993.3 million).

Of the Group's invested capital 36 percent (35%), or EUR 570.5 million (EUR 554.3 million), was tied up in Russia. At the beginning of 2010, invested capital in Russia amounted to EUR 557.6 million. The strengthening of the ruble increased the invested capital in Russia by EUR 64.5 million in January-June. The Group's invested capital in Russia is mainly in the International Construction Services segment.

GROUP'S FINANCIAL POSITION REMAINED GOOD

The gearing ratio decreased compared with the previous year, amounting to 64.7 percent (6/2009: 98.1%) at the end of June 2010. The equity ratio was 31.8 percent (28.1%). Net financing debt decreased on the previous year to EUR 514.8 million (EUR 699.7 million). Cash reserves amounted to EUR 271.6 million (EUR 188.4 million) at the end of June. During the second quarter, dividends worth a total of EUR 50.0 million were paid based on the decision of the Annual General Meeting. During the third quarter of the year, YIT will pay EUR 73 million for the shares in Caverion GmbH, acquired in Central Europe.

The capital structure was reinforced in March 2010 by establishing a bond programme of EUR 400 million, 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.

Net financial expenses decreased to EUR 15.1 million (EUR 32.8 million), or 0.9 percent (2.0%) of the Group's revenue. The exchange rate differences included in the net financial expenses, totalling EUR -4.2 million (EUR -14.7 million), consisted nearly entirely of the costs of hedging debt investments in Russia. At the end of June 2010, EUR 190.3 million of the invested capital in Russia comprised debt investments and EUR 380.2 million were equity investments or similar fixed net investments.

Financial liabilities totalled EUR 786.4 million (EUR 888.1 million) at the end of June, and its average interest rate was 3.4 percent (3.6%). Fixed-interest loans accounted for 62 percent (51%) of the Group's financial liabilities. Of the loans, 37 percent (35%) had been raised directly on the capital and money markets. The maturity distribution of long-term loans is balanced.

The total amount of construction-stage contract receivables sold to financial institutions grew as residential development projects increased, amounting to EUR 128.6 million (EUR 76.0 million). Of this amount, EUR 119.8 million (EUR 67.3 million) is included in interest-bearing liabilities on the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. Interest expenses on receivables sold to financing companies amounted to EUR 0.9 million (EUR 1.2 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, EUR 36.5 million (EUR 48.4 million) at the end of June, are included in interest-bearing liabilities. The interest on the participations, EUR 0.5 million (EUR 1.5 million), is included in housing corporation charges and is thus booked in project expenses.

CAPITAL EXPENDITURES AND ACQUISITIONS

Gross capital expenditures on non-current assets included on the balance sheet totalled EUR 18.1 million (EUR 10.6 million) during January-June, representing 1.1 percent (0.6%) of revenue. Investments in construction equipment amounted to EUR 4.2 million (EUR 3.6 million) and investments in information technology to EUR 4.1 million (EUR 3.6 million). Other investments, including acquisitions, amounted to EUR 9.8 million (EUR 3.4 million).

In June, YIT agreed to acquire the business operations of Caverion GmbH, providing building system services in Central Europe. Caverion's revenue in 2009 was EUR 440 million, of which 80 percent came from Germany. Other countries where the company operates are the Czech Republic, Hungary and Poland. Caverion's personnel number 1,900. The operating profit for 2009 amounted to EUR 10.9 million. The company's financial position is stable and its net debt is negative. The price of Caverion's shares totals EUR 73 million. Entry into force of the acquisition requires approval from the competition authorities. It is estimated that the acquisition will be completed by August 31, 2010.

In addition, YIT has implemented other, smaller business acquisitions in Building and Industrial Services during the first half of the year. Of these, the most important is the acquisition of Carl Christensen & Co in Denmark, which was agreed on after the period under review. Revenue of the company was EUR 33 million in 2009.

In International Construction Services, YIT increased its holding in YIT Don to 100 percent in January.

Business acquisitions and the companies consolidated to YIT Group are discussed in more detail in the notes to this Interim Report.

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

- Revenue amounted to EUR 1,024.4 million (1-6/2009: EUR 1,067.1 million) in January-June. Revenue remained 4 percent lower in the first half of the year than in previous year due to a decrease in new building system and industrial investments. Changes in foreign exchange rates increased the revenue by EUR 51.8 million compared with the same period in previous year. In April-June, revenue was 15 percent higher than in January-March amounting to EUR 547.4 million (1-3/2010: EUR 477 million).
- Operating profit for January-June decreased by 12 percent from previous year to EUR 49.8 million (1-6/2009: EUR 56.8 million). The operating profit margin was 4.9 percent (1-6/2009: 5.3%). Operating profit improved in April-June as operating volumes grew and was 31 percent higher than in January-March amounting to EUR 28.2 million (1-3/2010: EUR 21.6 million).
- The order backlog amounted to EUR 1,025.3 million (6/2009: EUR 984.7 million) at the end of June and was 6 percent higher than in the end of March when it was EUR 964.2 million. The decrease of the segment's order backlog stopped during the second half of the year and turned to growth due to active improvement of market position and a slight recovery of the market.

Market position strengthened through business acquisitions - revenue from Central Europe will double

Finland accounted for EUR 260.2 million (EUR 314.7 million) of the segment's revenue in January-June, Sweden for EUR 270.6 million (1-6/2009: EUR 257.7 million), Norway for EUR 230.1 million (EUR 208.7 million), Central Europe for EUR 163.2 million (EUR 176.1 million), Denmark for EUR 62.6 million (EUR 77.9 million), the Baltic countries and Russia for EUR 19.2 million (EUR 13.9 million) and export countries for EUR 18.5 million (EUR 18.1 million). Development in Sweden and Norway is partly related to the strengthening of the currencies.

Building and Industrial Services' goal is to strengthen its local market positions both organically and through business acquisitions. In June, YIT agreed to acquire the business operations of Caverion GmbH, providing building system services in Central Europe. The price of Caverion's shares totals EUR 73 million. Caverion's revenue was EUR 440 million in 2009, of which 80 percent came from Germany. The acquisition will double YIT's business operations in Central Europe and make YIT the second largest building systems provider in Germany. The entry into force of the acquisition requires approval by the competition authorities. It is estimated the acquisition will be completed by August 31, 2010.

In addition, YIT has implemented other, smaller business acquisitions in Building and Industrial Services during the first half of the year. Of these, the most important is the acquisition of Carl Christensen & Co in Denmark, which was agreed on after the review period. Revenue of the company was EUR 33 million in 2009.

The revenue of the companies obtained through business acquisitions totals close to EUR 500 million at an annual level.

New investments still low

New investments in building systems recovered slightly, but still remained at a low level. In Finland, YIT entered into an agreement covering comprehensive building services technology and five years' maintenance for a shopping and service centre constructed by YIT for Kesko in Hyvinkää. Building system projects are implemented at sites such as an ecologically constructed office tower owned by the Local Government Pension Institution in Keilaniemi, Espoo, four Prisma store premises and new buildings for Turku University Hospital. YIT

is delivering the entire building systems technology for the centre of excellence of St. Olav's Hospital in Trondheim, Norway, and for the Assens sports area in Denmark.

In Germany, YIT agreed on a large air-conditioning, cooling, sanitation and sprinkler systems delivery for the European Central Bank's new head office in Frankfurt am Main. The aim is to construct the office premises so they are 30 percent more energy-efficient than statutorily required by utilising ground and waste heat and natural air-conditioning. In addition, YIT is delivering sanitation and sprinkler technology for the Pasing Arcade residential and shopping centre in Munich and air-conditioning systems for a school centre in Stuttgart. In Vienna, Austria, the building systems of Ramada hotels are being renewed and HVAC technology is being delivered to a care and service home, for example.

On the whole, the demand for industrial investments remained low. During the period, YIT obtained an order worth EUR 7 million for LKAB's ore mine project. The order includes pump, piping and valve installations for a new mine level in Kiruna, Sweden. In Finland, YIT is responsible for the air-conditioning, heating, automation, cooling and electricity contract for the turbine and fuel processing of Kuopio Energy's new Haapaniemi 3 power plant utilising biofuels.

Service and maintenance accounted for 62 percent of the segment's revenue

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. Of the revenue of Building and Industrial Services, service and maintenance operations accounted for 62 percent (1-6/2009: 53%) or EUR 633.3 million (EUR 567.9 million) in January-June.

YIT has improved the offering of service and maintenance operations by developing a ServiFlex concept where customers can agree on extensive service entities in a single contract. The launch of the concept progressed according to plan in the review period. In Finland, the first ServiFlex service contracts were entered into in Tornio for the maintenance of Würth's new business premises, and in Joensuu for the technical maintenance of the shopping centre Metropoli. In addition, YIT is responsible for the service and maintenance of the security systems of about 300 Itella premises nationwide. In Norway, service and maintenance contracts in accordance with the ServiFlex concept were entered into with HeidelbergCement, for example.

In Solna, Sweden, Locum AB extended the contract with YIT on the service and maintenance of hospital technology in the Karolinska University Hospital area. Under the extension contract of at least five years, YIT is responsible for the functioning of such matters as air-conditioning, heating, electricity and backup power, alarm systems, sterilisation techniques and lifts in an area covering close to 400,000 square metres.

As for industrial services, YIT implemented, among other things, a maintenance outage of TVO's Olkiluoto 1 nuclear power plant unit that was the largest in the history of the power plant and a refuelling outage of unit 2, plus a maintenance shutdown of Neste Oil's Porvoo refinery. A modernisation project of a soda recovery boiler was implemented at Stora Enso's Imatra mills, and process electricity, instrumentation and automation installations of furnace 1 were completed at Rautaruukki's Raahen steel works.

New contracts and extension projects in energy saving services

YIT aims to be a pioneer in energy-saving services for buildings and industry, whose demand is expected to increase in the next few years. Energy-saving may be part of both new construction and renovation projects as well as maintenance agreements.

In Finland, a number of new Energy Service Company (ESCO) contracts were entered into concerning turn-key deliveries of energy saving projects in order to increase the energy-efficiency of the facilities of the City of Jyväskylä, for example; and in Kuopio, the heating system of a school was replaced by ground heat. In Sweden, YIT will continue its energy-efficiency projects in the facilities of the Västerbotten Province until 2016 by implementing measures agreed on the basis of an earlier energy-efficiency survey in hospitals and health centres. The largest energy saving project in the history of Denmark, the ESCO project of the municipality of Høje Taastrup, has also progressed from the analysis stage to the renewal of the building systems to be more energy-friendly. In Norway, YIT is delivering energy-efficient building systems for the office premises of Porsgrunn Naeringspark to be constructed in Slippen, and solutions utilising renewable energy for the Sørlandsenteret shopping centre in Kristiansand. In Bremen, Germany, an agreement was entered into concerning an energy saving project for the facilities of the Ministry of Finance.

CONSTRUCTION SERVICES FINLAND

- The revenue for January-June increased by 7 percent compared with previous year to EUR 528.1 million (1-6/2009: EUR 492.8 million). In the second quarter, revenue amounted to EUR 275.2 million (1-3/2010: EUR 252.9 million) and was 9 percent higher than in the first quarter.
- Operating profit for January-June increased by 21 percent to EUR 49.5 million (1-6/2009: EUR 40.8 million) as operations focused on residential development. Profitability remained good, with an operating profit margin of 9.4 percent (1-6/2009: 8.3%). In April-June operating profit was 14 percent higher than in January-March increasing to EUR 26.4 million (1-3/2010: EUR 23.1 million).
- The order backlog grew by 36 percent from the previous year, amounting to EUR 1,154.7 million in the end of June (6/2009: EUR 846.9 million), thanks particularly to new residential start-ups and a few significant business premises projects. The order backlog grew 28 percent from the end of March, at which time it stood at EUR 905.4 million.
- The segment's capital tied into plot reserves totalled EUR 288.7 million (6/2009: EUR 354.6 million) at the end of June. The plot reserves included 1,675,000 (1,711,000) m² of floor area of residential plots and 943,000 (793,000) m² of floor area of plots for business premises.

Residential sales continued to be good and residential start-ups were increased

YIT's goal is to strengthen its position as the largest housing developer in Finland. Residential sales continued to be good during the first half of the year. During January-June, YIT sold 977 (1-6/2009: 677) residential units directly to consumers, of which 506 were sold in the first quarter and 471 units in the second quarter. Additionally YIT sold rental housing projects to investors.

The focus of housing construction has shifted back to residential development projects aimed directly at consumers. During the first half of the year, YIT has started the construction of a total of 1,236 residential units aimed directly at consumers, of which 453 were in the first quarter and 783 were in the second quarter. In April-June, residential development projects aimed at consumers were started in more than 20 localities around Finland. During the first half of the year, YIT has additionally started the construction of 401 rental apartments around Finland. About 120 of these will be implemented for ICECAPITAL.

The number of residential units under construction remained at a record high level, and totalled 4,292 (6/2009: 2,095) at the end of June. This number of residential units under construction has more than doubled from the year before. More than 70 percent of the units under construction have been sold. YIT had 1,324 (834) residential units on sale at the end of June. The number of completed, unsold residential units has decreased to a low level, amounting to 133 (302) at the end of June.

Residential construction in Finland, number of residential units

	4-6/2010	1-3/2010		1-6/2010	1-6/2009	Change
Sold	755	623		1 378	1 332	3%
- of which directly to consumers	471	506		977	677	44%
Start-ups	1,067	570		1,637	1,056	55%
- of which aimed directly at consumers	783	453		1,236	417	196%
Completed	751	368		1,119	849	32%
- of which aimed directly at consumers	272	103		375	819	-54%
Under construction at the end of the period	4,292	3,975		4,292	2,095	105%
- of which sold at the end of the period	3,101	3,132		3,101	1,563	98%
Unsold at the end of the period	1,324	1,011		1,324	834	59%
- of which completed	133	168		133	302	-56%

New projects in business premises construction resulting from the company's own development work

During the first half of the year, significant projects were begun in Hyvinkää, where the value of YIT's construction and building systems work totals about EUR 100 million. A project where the main tenant will be Kesko was sold to Varma Mutual Pension Insurance Company for close to EUR 80 million in May. In addition, the construction of a Prisma store was begun for the S Group.

In Turku, YIT agreed on an extension project for the University Hospital. The value of the contract is about EUR 45 million, and it includes the internal construction work for the E, F and G parts of the T hospital, covering more than 60,000 gross square metres. YIT has been involved in implementing the frame construction of the T hospital and also acts as the electricity and sprinkler contractor at the site. The total value of YIT's work at the site amounts to about EUR 70 million.

As for business premises development, the construction of a car dealership building in Herttoniemi was started, among other projects. In terms of construction contracts, the construction of the Kaunisto senior home was begun in Hyvinkää. In Helsinki, YIT is the contractor for the extension of Finlandia Hall. The Carlyle Group chose YIT to modernise the facilities for the traffic security agency Trafi in Vallila, Helsinki. The repair construction work for the training centre of the Finnish Association for People with Physical Disabilities was started in Järvenpää.

Steady demand on the infrastructure market

During the first half of the year, YIT had large-scale road projects underway 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. During the period under review, YIT entered into several contract agreements, such as the construction of the Otaniemi drive tunnel for the western metro line project, and obtained small road maintenance contracts from municipalities. YIT's market share has increased in the national road maintenance.

The infrastructure construction market was steady during the first half of the year, but competition continued to be tight. New opportunities will open up in the market in the current and the following year in terms of large road projects, rock engineering, mine industry investments and the outsourcing of municipalities' technical services.

INTERNATIONAL CONSTRUCTION SERVICES

- Revenue for January-June increased by 47 percent compared with previous year and amounted to EUR 219.0 million (1-6/2009: EUR 148.8 million). Changes in ruble exchange rate increased the revenue by EUR 19.1 million compared with the same period in previous year. In the second quarter, revenue was 5 percent higher than in the first quarter amounting to EUR 112.1 million (1-3/2010: EUR 106.9 million). Revenue increased particularly due to fairly good residential sales in Russia and the progress of construction.
- Operating profit for January-June increased to EUR 12.2 million (1-6/2009: EUR -29.0 million). Operating profit margin was 5.6 percent (1-6/2009: -19.5%). In April-June, operating profit was 65 percent higher than in January-March amounting to EUR 7.6 million (1-3/2010: EUR 4.6 million). Increase of YIT's residential prices in Russia improved profitability but lowered the number of residential sales during the second quarter.
- The order backlog was EUR 946.8 million (6/2009: EUR 1,126.8 million) at the end of June, compared with EUR 1,013.2 million at the end of March. In the second quarter, a contract worth EUR 40 million for the construction of the frames and façades of two tower buildings in Riga, Latvia, was removed from the segment's order backlog as YIT decided to cancel the contract with the customer. The cancellation of the contract has no cost effects. The order backlog includes residential units whose construction was suspended in Russia in October 2008 due to market uncertainties. At the end of June 2010, the value of projects that were still suspended amounted to EUR 199 million (6/2009: EUR 281 million).
- The segment's capital tied into plot reserves totalled EUR 294.4 million (6/2009: EUR 235.4 million) at the end of June. The plot reserves included 2,394,000 (2,363,000) m² of floor area of residential plots

and 699,000 (701,000) m2 of floor area of plots for business premises in Russia, the Baltic countries and the Czech Republic.

Russian residential sales continued to be fairly good - a considerable number of units will be completed during the second half of the year

Russia accounted for 92 percent (1-6/2009: 79%) of the segment's revenue in January-June. Revenue from Russia increased by 71 percent from the previous year to EUR 201.8 million (EUR 118.2 million). Capital tied into plot reserves in Russia totalled EUR 217.5 million (EUR 157.8 million) at the end of June. The plot reserves included 2,042,000 (2,018,000) m2 of floor area of residential plots and 563,000 (565,000) m2 of floor area of plots for business premises.

Of business premises projects, production facilities for Dermosil in Gorelovo near St. Petersburg and extension work for Atria's factory are underway. The development of the Gorelovo area will be continued.

The volumes of residential sales increased in the first half of the year compared with the previous year. In January-June, YIT sold 1,499 (817) residential units in Russia. The number of residential units sold during the first quarter was 817 units and during the second quarter 682 units, of which 70 units were sold to an industrial actor in the region of Moscow Oblast.

YIT's good sales portfolio for completed and nearly completed projects and good housing demand have enabled an increase in selling prices in all of its operating towns during the first half of 2010. The price development of residential units on the market is uneven and the average residential unit selling prices have declined in some cities as new projects are being started and companies continue to construct projects that were frozen before the recession. Typically the selling prices of apartments are lower in projects that are in their early stage of construction.

Residential sales have been supported by the gradual improvement of the economy, decreased housing loan interest rates and increased availability of loans to customers as well as YIT's own marketing and promotion activities and housing loan collaboration with banks.

During the first half of the year, 641 (2,461) residential units were completed. During the second half of the year, significantly more residential units will be completed in Russia than in the first half of the year. The number of completed unsold residential units decreased to a low level at the end of June, 646 units.

YIT has increased the number of residential start-ups in Russia in response to demand since the second half of 2009. The construction of 798 residential units was started in the first quarter, and 1,074 units in the second.

Residential construction in Russia, number of residential units

	4-6/2010	1-3/2010		1-6/2010	1-6/2009	Change
Sold	682	817		1,499	817	83%
Start-ups	1,074	798		1,872	0	-
Completed	320	321		641	2,461	-74%
Under construction at the end of the period 1)	5,425	4,671		5,425	5,969	-9%
- of which were sold at the end of the period	2,094	1,986		2,094	2,004	4%
Unsold at the end of the period	3,977	3,585		3,977	4,747	-16%
- of which were completed	646	900		646	782	-17%

1) At the end of June 2010, YIT had 1,204 (6/2009: 2,485) residential units at Russian sites whose construction was suspended in the autumn of 2008. These residential units are not included in the figure of 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.

More start-ups in the Baltic countries

Lithuania, Estonia, Latvia and the Czech Republic accounted for 7 percent (1-6/2009: 21%) of the segment's revenue for January-June. The revenue of the units in these countries decreased by 47 percent to EUR 16.3

million (EUR 30.6 million) compared with the previous year. Capital tied into plot reserves in the Baltic countries and the Czech Republic totalled EUR 76.9 million (EUR 77.6 million) at the end of June. The plot reserves included 352,000 (345,000) m² of floor area of residential plots and 136,000 (136,000) m² of floor area of plots for business premises.

The Baltic residential construction market has recovered somewhat during the first half of the year. During the first quarter, YIT started its first residential construction projects for more than two years, and the start-ups were continued during the second quarter. In total, the construction of 233 (1-6/2009: 0) residential units was started in the Baltic countries, of which 111 were in the first quarter and 122 were in the second quarter. At the end of June, there were 233 (42) residential units under construction.

YIT has a low number of residential units on sale in the Baltic countries. During the first half of the year, 20 (200) residential units were sold in Lithuania, Estonia and Latvia. In the end of June there were 253 (96) unsold residential units, 26 (81) of them completed. The number of residential units completed during the period was 0 (550).

The volume of construction in the Baltic countries has increased slightly. In the second quarter, YIT continued construction under a few considerable business premises contracts, and obtained smaller construction contracts, such as the modernisation of the city block of the neurology department of Kaunas University in Lithuania, the repair work on a waste water treatment plant in Upeslejas, Latvia, and the construction of a printing press building for Metaprint and LabelPrint and the extension of a fuel tank production plant of Eesti Energia in Estonia.

YIT's goal is to also utilise opportunities opening up in the construction market in Central Eastern European countries.

PERSONNEL

In January-June 2010, the Group employed 23,400 (1-6/2009: 25,073) people on average. At the end of the period, the Group employed 23,877 (6/2009: 24,763) people. Of YIT's employees, 41 percent (40%) worked in Finland, 36 percent (35%) in the other Nordic countries, 10 percent (12%) in Russia, 8 percent (9%) in Central Europe and 4 percent (4%) in the Baltic countries.

YIT's goal is to ensure sufficient and skilled personnel by investing in the development and well-being at work of its current personnel and its image as an employer. A total of about 1,000 summer employees have been hired by the Group. In order to support research and education activities in the field, YIT is donating a total of EUR 500,000 to Finnish universities.

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 0.8 million during the period under review.

Personnel by business segment

	6/2010	3/2010		6/2009		Change, 6/2009- 6/2010
Building and Industrial Services	17,521	17,355		18,208		-4%
Construction Services Finland	3,403	3,014		3,208		6%
International Construction Services	2,591	2,498		2,965		-13%
Corporate Services	362	344		382		-5%
YIT Group, total	23,877	23,211		24,763		-4%

Personnel by country/region

	6/2010	3/2010		6/2009		Change, 6/2009- 6/2010
Finland	9,694	9,160		9,905		-2%
Sweden	4,222	4,149		4,288		-2%
Norway	3,277	3,246		3,207		2%
Russia	2,433	2,448		2,895		-16%
Central Europe	2,008	2,059		2,144		-6%
Denmark	1,211	1,224		1,367		-11%
Baltic countries	1,032	925		957		8%
YIT Group, total	23,877	23,211		24,763		-4%

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, confirmed the composition of the Board of Directors to be same as in previous year, decided on the Board of Directors' fees and elected the auditor.

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 can be subscribed for in 2010 under the Series N share options issued by YIT Corporation in 2006 between April 1 and November 30, 2010.

Share capital and number of shares

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

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 disposal of shares, as well as any decisions leading to changes in the share capital.

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.

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 disposal of treasury shares.

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

At the beginning of the period under review, YIT's share price was EUR 14.45, and the closing rate on the last trading day of the period was EUR 14.78 (6/2009: EUR 7.40). The share price increased 2 percent during January-June. The highest price of the share during January-June 2010 was EUR 17.96 (EUR 8.54), the lowest EUR 12.98 (EUR 4.31). The average price was EUR 15.85 (EUR 6.03).

Market capitalisation at the end of the period was EUR 1,848.7 million (EUR 925.6 million). The market capitalisation has been calculated excluding the shares held by the company.

Share turnover in January-June 2010 amounted to 76,363,340 shares (106,083,288). The value of turnover was EUR 1,210.6 million (EUR 637.6 million). The average daily turnover was 620,840 shares (869,535).

A total of 23,014 Series N share options issued in 2006 were traded in January-June at an average price of EUR 1.06. No shares were subscribed for during the period with the share options.

Number of shareholders

At the beginning of the review period, the number of registered shareholders was 29,678 (25,515) and 32,702 (28,940) at the end of the period. The number of private investors increased by approximately 2,600 during January-June. At the beginning of the year, a total of 38.7 percent (36.5%) of the shares were owned by nominee-registered and non-Finnish investors, while this figure was 34.9 percent (36.3%) at the end of the period.

During January-June 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 notified 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.

ESTIMATE OF FUTURE TRENDS

Market situation

In the Building and Industrial Services segment, the growth in the demand for building system service and maintenance will continue. The increasing amount of technology in buildings and new investments will increase the need for service and maintenance operations. The efficiency enhancement measures of companies and government open up opportunities for the outsourcing of real estate services. The demand for energy-efficiency services will increase in the next few years in the Nordic countries, Germany and Austria, in particular, with public sector stimulus measures and renewed environmental legislation. New investments in business premises will remain low. The construction of business premises will continue at a moderate level. In new construction projects, public sector investments will be realised. The demand for renovation and reconstruction projects will continue to grow. Industrial investments are at a low level in Finland, but the demand for industrial maintenance services will remain relatively stable.

With regard to Construction Services Finland, housing demand is expected to continue to be good, construction of business premises to remain low as a whole and infrastructure construction to remain relatively steady. The demand for owner-occupied housing continues to be supported by low interest rates and increased consumer confidence. The need for new housing is also maintained by the smaller size of household-dwelling units, migration and population growth. The increase in residential prices has steadied in the second quarter and the supply of new residential units on the market has increased with new start-ups of residential projects. A rise in interest rates may increase insecurity in the housing market in the future. With regard to the business premises market, construction of offices and industrial premises will remain at a low level. Demand for retail and warehouse premises will remain moderate. The need for renovation will rise steadily. The weakness of municipal finances leads to uncertainty concerning the number of public sector construction projects. In the Finnish infrastructure market, new traffic-related projects will begin in this and the next year at the same time with

decreasing demand in the municipal sector. Opportunities will also open in connection with road and regional maintenance contracts. The overcapacity of infrastructure construction keeps the competitive situation tight.

With regard to International Construction Services, housing demand in Russia is expected to continue to be steady. There is still a great need for housing in Russia, and the demand outlook for residential units aimed at YIT's customer segment is good in the long term. Russia's economic situation and consumer behaviour are strongly dependent on the development of oil prices and the ruble exchange rate. In addition, the development of the housing loan market, interest rates, employment rates and spending power and expectations of inflation will have an impact on residential sales. YIT estimates that the increase in housing demand will continue. The price development of housing is uneven on the market. In Russia, the underutilisation rate of offices is high and their construction is low, but the demand for industrial premises and business premises is increasing. Baltic residential demand is picking up, and the price level has turned into growth in central locations as supply is low. The volume of other construction has also turned slightly up. No significant improvement of the market situation is to be expected in the near future. The confirmation of the adoption of the euro in Estonia increases the confidence in the positive development of the country's economy.

Strategic targets

YIT Corporation's Board of Directors confirmed the Group's strategy for 2010-2012 on August 19, 2009. The Group's strategic target levels are: average annual revenue growth of 5-10 percent, 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 Building and Industrial Services, YIT aims to be the leading provider of technical system maintenance and a pioneer in energy-saving services in the Nordic countries and Central Europe. The target is to increase service and maintenance operations at a rate exceeding that of other operations. Growth is sought both organically and through acquisitions.

In Construction Services Finland, YIT's aim is to reinforce its position in all of its three key construction segments: housing, business premises and infrastructure.

In the International Construction Services segment, YIT aims to increase housing production according to market demand. The strong need for housing has not decreased in Russia, and the demand outlook for residential units aimed at YIT's customer segment is good in the long term, which provides opportunities for growth. In the Baltic countries and Central Eastern Europe as well, YIT will aim to take advantage of emerging market opportunities. The segment will also aim at better profitability and more efficient use of capital.

Most significant business risks and uncertainties

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. A more detailed account of YIT's risk management policy and the most significant risks has been published in the Annual Report 2009. Financing risks are described in more detail in the notes to the financial statements for 2009.

The most significant operational short-term business risks and uncertainties are connected with the development of business system and industrial projects, the continuity of the favourable development of residential sales and the sales and price risk of the order backlog mainly due to unsold residential units. The order backlog of building and industrial services has increased during the first half of the year. At the end of June 2010, the number of residential units that are completed or under construction but unsold totalled 3,977 (6/2009: 4,747) in Russia, 1,324 (6/2009: 834) in Finland and 253 (6/2009: 96) in the Baltic countries. In addition, there are 1,204 residential units in Russia whose construction has been suspended. 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 housing production figures are presented under Development by business segment.

There is a currency risk related to investments in ruble terms. Capital invested in Russia totalled EUR 570.5 million (6/2009: EUR 554.3 million) at the end of the period. The amount of net equity investments at the end of the period was EUR 380.2 million (6/2009: EUR 317.5 million). The net investments in the Russian subsidiaries are unhedged in accordance with the finance 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 190.3 million (6/2009: EUR 236.9 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.

YIT tests the value of its plots as required by the IFRS accounting principles. Plot reserves are measured at acquisition cost and the value is impaired if 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.

OUTLOOK FOR 2010

YIT estimates that in 2010 the Group's revenue will increase and profit before taxes will increase significantly compared to 2009. (The estimate has not been changed after the financial statements bulletin released on February 4, 2010.)

The Group revenue and profit will clearly focus on later part of the year, because the completion schedules of development sites affect the revenue recognition of the Group. Due to the new recognition principles adopted at the beginning of 2010, residential developments are only recognised in Group-level figures when the project is completed. Both in Finland and in Russia, the number of completed units in residential development in January-June was considerably lower than in the previous year - in Finland 375 (1-6/2009: 819) and in Russia 641 (1-6/2009: 2,461). Especially in Russia more residential units will be completed during the second half of the year than in the first half of 2010.

The demand for housing is expected to remain at a good level in 2010 in Finland as well as Russia.

In Finland, residential demand continues to be supported by low interest rates, increased consumer confidence and structural factors, such as migration, population growth and decreasing family sizes. The increase in residential prices has steadied in the second quarter and the supply of new residential units on the market has increased. YIT had 4,292 (6/2009: 2,095) residential units under construction at the end of June 2010, of which more than 70 percent were sold. There were 1,324 (6/2009: 834) residential units on sale, of which completed units numbered 133 (6/2009: 302). The good plot reserves and geographically extensive operations enable an increase in residential development in 2010.

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 good in the long term. YIT's selling prices of residential units have increased in all towns where it operates. Consumer confidence has increased. The increase in housing financing and loan opportunities supports residential sales. New residential projects have been started up in the market, but the supply of completed or nearly completed apartments is still limited. YIT had 5,425 (6/2009: 5,969) residential units under construction at the end of June 2010. There were 3,977 (6/2009: 4,747) residential units on sale, of which completed units accounted for 646 (6/2009: 782). Residential start-ups will be increased in 2010 in accordance with demand.

The development of consumer confidence and interest rates influence housing demand in both Finland and Russia. In Russia, housing demand is also dependent on oil prices and the ruble exchange rate.

The opportunities for organic growth in Building and Industrial Services are supported by the need for service and maintenance as well as renovation and public sector projects. There are many small companies operating in the technical building system market, and the consolidation of the market will provide opportunities for acquisitions. Industrial investments are at a low level in Finland, but the demand for industrial maintenance services will remain relatively stable. New investments in technical building systems will remain low in all YIT markets, particularly due to the low volumes of business premises construction. 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.

In the Finnish infrastructure market, new traffic-related projects will begin in this and the next year at the same time with decreasing demand in the municipal sector. Opportunities will also open in connection with road and regional maintenance contracts. YIT has large-scale road projects underway in infrastructure services. The Group has special expertise in infrastructure and a solid position as the largest private provider of road maintenance services in Finland.

Helsinki, July 23, 2010

Board of Directors

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The information presented in the Interim Report is unaudited

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1. KEY FIGURES OF YIT GROUP

From the beginning of 2010, Group-level reporting has applied the new IFRIC 15 interpretation, according to which housing developments are recognised at the time of delivery and 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

	6/2010	6/2009	Change, %	12/2009
Earnings/share, EUR	0.31	0.21	48	0.55
Diluted earnings per share, EUR	0.31	0.21	48	0.55
Equity/share, EUR	6.35	5.67	12	6.09
Average share price during the period, EUR	15.85	6.03	129	8.52
Share price at end of period, EUR	14.78	7.40	100	14.45
Market capitalisation at end of period, MEUR	1,848.7	925.6	100	1,807.4
Weighted average share-issue adjusted number of shares outstanding, thousands	125,078	125,255	0	125,167
Diluted weighted average share-issue adjusted number of shares outstanding, thousands	125,078	125,255	0	125,167
Share-issue adjusted number of shares outstanding at end of period, thousands	125,078	125,078	0	125,078
Net interest-bearing debt at the end of period, MEUR	514.8	699.7	-26	529.1
Return on investment during the last 12 months, %	10.7	11.5	-7	11.0
Equity ratio, %	31.8	28.1	13	32.4
Gearing ratio, %	64.7	98.1	-34	69.2
Gross capital expenditures, MEUR	18.1	10.6	71	27.9
% of revenue	1.1	0.6	83	0.8
Order backlog at end of period, MEUR 1)	3,329.2	3,120.0	7	2,983.3
of which order backlog outside Finland	1,769.8	1,826.4	-3	1,885.7
Average number of personnel	23,400	25,073	-7	24,497

1) Portion of binding orders and development not recognised as income.

YIT GROUP FIGURES BY QUARTER

	I/2009	II/2009	III/2009	IV/2009	I/2010	II/2010
Revenue, MEUR	843.2	862.8	754.3	1 025.3	765.3	854.7
Operating profit, MEUR	28.7	43.3	32.8	63.3	33.9	35.9
% of revenue	3.4	5.0	4.3	6.2	4.4	4.2
Financial income, MEUR	1.3	0.4	0.9	1.9	0.7	1.1
Exchange rate differences, MEUR	-9.6	-5.1	-7.8	-5.9	-2.3	-1.9
Financial expenses, MEUR	-11.6	-8.2	-8.8	-6.2	-5.6	-7.2
Profit before taxes, MEUR	8.8	30.4	17.1	53.1	26.7	27.9
% of revenue	1.0	3.5	2.3	5.2	3.5	3.3
Balance sheet total, MEUR	2,998.6	2,993.3	3,041.6	2,777.1	2,994.8	3,067.9
Earnings/share, EUR	0.06	0.15	0.08	0.26	0.15	0.16
Equity/share, EUR	5.46	5.67	5.78	6.09	6.08	6.35
Share price at end of period, EUR	5.05	7.40	13.01	14.45	17.10	14.78
Market capitalisation at end of period, MEUR	631.6	925.6	1,627.0	1,807.4	2,138.8	1,848.7
Return on investment during the last 12 months, %	16.5	11.5	11.1	11.0	11.3	10.7
Equity ratio, %	27.0	28.1	28.2	32.4	30.2	31.8
Net interest-bearing debt at end of period, EUR million	674.1	699.7	674.4	529.1	496.0	514.8
Gearing ratio, %	98.3	98.1	92.9	69.2	65.0	64.7
Gross capital expenditures, MEUR	6.7	3.9	5.1	12.2	9.4	8.7
Order backlog at end of period, MEUR	3,256.3	3,120.0	3,059.6	2,983.3	3,152.5	3,329.2
Personnel at end of period	25,239	24,763	24,003	23,480	23,211	23,877

SEGMENT INFORMATION BY QUARTER

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

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

The new interpretation has been applied in Group-level reporting from the beginning of 2010. Accordingly, residential developments are recognised at the time of delivery, whereas commercial real estate development projects are, as a rule, recognised on the basis of the percentage of completion or alternatively at the time of delivery.

The 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
Building and Industrial Services	537.9	529.2	483.9	573.9	477.0	547.4
Construction Services Finland	239.8	253.0	246.3	290.6	252.9	275.2
International Construction Services	61.4	87.4	97.6	113.0	106.9	112.1
Other items	-15.5	-16.4	-12.8	-17.0	-16.0	-20.4
YIT's segments total	823.7	853.2	815.0	960.5	820.8	914.3
IFRIC 15 adjustments	19.5	9.7	-60.7	64.7	-55.5	-59.6
YIT Group, total	843.2	862.8	754.3	1,025.3	765.3	854.7

Operating profit by business segment (EUR million)

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

Operating profit margin by segment, %

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

1) The court of arbitration issued its award in the dispute between YIT Industrial and Network Services and Neste Oil Corporation on September 30, 2009. The dispute concerned the mechanical installation contract of production line 4 at Neste Oil's Porvoo oil refinery carried out by YIT between 2004 and 2006. 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
Building and Industrial Services	1,048.3	984.7	946.7	850.4	964.2	1,025.3
Construction Services Finland	819.8	846.9	909.9	1,007.5	905.4	1,154.7
International Construction Services 1)	1,239.1	1,126.8	998.4	960.1	1,013.2	946.8
Other items	-62.1	-41.9	-54.2	-44.4	-45.8	-59.4
YIT's segments total	3,045.0	2,916.4	2,800.8	2,773.6	2,837.0	3,067.4
IFRIC 15 adjustments	211.3	203.6	258.8	209.7	315.5	261.8
YIT Group, total	3,256.3	3,120.1	3,059.6	2,983.3	3,152.5	3,329.2

1) In October 2008, YIT suspended the construction of certain residential projects in the start-up phase in Russia. The sales of these projects had not yet begun. At the end of June, the still suspended sites included 1,204 (6/2009: 2,485) residential units, the value of which in the order backlog totalled EUR 199 million (6/2009: EUR 281 million).

2. CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 - JUNE 30, 2010

From the beginning of 2010, Group-level reporting has applied the new IFRIC 15 interpretation, according to which housing developments are recognised at the time of delivery and commercial real estate development projects on the basis of percentage of completion or at the time of delivery. The figures for 2010 and 2009 are comparable.

CONSOLIDATED INCOME STATEMENT JANUARY 1 - JUNE 30, 2010 (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Revenue	1,620.0	1,706.0	-5	3,485.6
of which activities outside Finland	908.0	902.9	1	1,885.7
Operating income and expenses	-1,532.8	-1,616.8	-5	-3,283.3
Share of results of associated companies	-0.4	-0.4	-	-0.6
Depreciation and value adjustments	-17.0	-16.8	1	-33.6
Operating profit 1)	69.8	72.0	-3	168.1
% of revenue	4.3	4.2	2	4.8
Financial income	1.8	1.7	6	4.5
Exchange rate differences	-4.2	-14.7	-71	-28.4
Financial expenses	-12.8	-19.8	-35	-34.7
Profit before taxes	54.6	39.2	39	109.5
% of revenue	3.4	2.3	240	3.1
Income taxes	-15.2	-12.6	21	-41.4
Profit for the review period	39.4	26.6	48	68.1
% of revenue	2.4	1.6	1100	2.0
Attributable to				
Equity holders of the parent company	39.1	26.8	46	68.3
Non-controlling interest	0.3	-0.2	-250	-0.2
Earnings per share attributable to the equity holders of the parent company				
Earnings/share, EUR	0.31	0.21	48	0.55
Diluted earnings per share, EUR	0.31	0.21	48	0.55

1) Operating profit 7-9/2009 includes EUR -3.2 million related to the award issued by the court of arbitration on September 30, 2009, concerning the mechanical installation contract of production line 4 at Neste Oil's Porvoo oil refinery carried out by YIT between 2004 and 2006.

STATEMENT OF COMPREHENSIVE INCOME JANUARY 1 - JUNE 30, 2010 (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Profit for the review period	39,4	26,6	48	68,1
Other comprehensive income and expenses				
- Change in the fair value of interest derivatives	-5,3	-1,0	430	-3,1
-- Deferred taxes	0,7	0,3	133	0,0
-- Transferred to the income statement	2,3	1,0	130	3,1
- Change in translation differences	46,0	-14,9	-	-5,8
- Other change	0,0	0,1	-100	-0,0
Other comprehensive income and expenses, total	43,7	-14,7	-397	-5,8
Total comprehensive income	83,1	11,9	598	62,3
Attributable to				
Equity holders of the parent company	82,5	11,7	605	63,1
Non-controlling interest	0,6	0,2	200	-0,8

CONSOLIDATED INCOME STATEMENT APRIL 1 - JUNE 30, 2010 (EUR million)

	4-6/2010	4-6/2009	Change, %
Revenue	854.7	862.8	-1
of which activities outside Finland	471.1	461,3	2
Operating income and expenses	-810.3	-810.7	0
Share of results of associated companies	0.0	-0.4	-
Depreciation and value adjustments	-8.5	-8.4	1
Operating profit 1)	35.9	43.3	-17
% of revenue	4.2	5.0	-16
Financial income	1.1	0.4	175
Exchange rate differences	-1.9	-5.1	-63
Financial expenses	-7.2	-8.2	-12
Profit before taxes	27.9	30.4	-8
% of revenue	3.3	3.5	-6
Income taxes	-7.5	-10.6	-29
Profit for the review period	20.4	19.8	3
% of revenue	2.4	2.3	4
Attributable to			
Equity holders of the parent company	20.2	19.7	3
Non-controlling interest	0.2	0.1	100
Earnings per share attributable to the equity holders of the parent company			
Earnings/share, EUR	0.16	0.15	7
Diluted earnings per share, EUR	0.16	0.15	7

CONSOLIDATED BALANCE SHEET (EUR million)

	6/2010	6/2009	Change 6/2009- 6/2010, %	31 Dec 2009	1 Jan 2009
ASSETS					
Non-current assets					
Property, plant and equipment	97.0	99.3	-2	99.8	104.6
Goodwill	291.0	291.0	0	291.0	291.0
Other intangible assets	36.7	33.7	9	32.8	35.1
Shares in associated companies	2.8	3.4	-18	3.2	3.8
Other investments	2.0	2.6	-23	2.0	2.5
Other receivables	15.6	12.5	25	14.4	12.7
Deferred tax assets	53.9	42.7	26	43.1	40.4
Current assets					
Inventories	1,579.5	1,601.9	-1	1,477.6	1,715.4
Trade and other receivables	717.8	717.8	0	640.1	731.2
Cash and cash equivalents	271.6	188.4	44	173.1	201.7
Total assets	3,067.9	2,993.3	2	2,777.1	3,138.4
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	149.2	149.2	0	149.2	149.2
Other equity	645.0	560.8	15	612.7	615.6
Non-controlling interest	2.0	3.2	-38	2.2	3.8
Total equity	796.2	713.2	12	764.1	768.6
Non-current liabilities					
Deferred tax liabilities	75.3	62.3	21	66.8	63.2
Pension liabilities	17.1	18.7	-9	17.6	19.7
Provisions	46.3	48.7	-5	49.0	45.0
Interest-bearing liabilities	580.1	525.4	10	502.0	516.2
Other liabilities	6.6	3.5	89	3.3	4.0
Current liabilities					
Trade and other liabilities	1,301.6	1,208.2	8	1,133.5	1,298.2
Provisions	38.4	50.6	-24	40.6	43.6
Interest-bearing current liabilities	206.3	362.7	-43	200.2	379.9
Total equity and liabilities	3,067.9	2,993.3	2	2,777.1	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
January 1, 2010	149.2	1.7	11.6	-41.5	-1.7	-10.6	653.2	761.9	2.2	764.1
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	39.1	-	0.3	39.4
Other comprehensive income items:										
Change in the fair value of interest derivatives	-	-	-	-	-5.3	-	-	-	-	-5.3
- Deferred tax asset	-	-	-	-	0.7	-	-	-	-	0.7
- Transferred to income statement	-	-	-	-	2.3	-	-	-	-	2.3
Change in translation differences	-	-	-	44.1	-	-	1.6	-	0.3	46.0
Other change	-	-	-	-	-	-	0.0	-	-	-
Comprehensive income, total	0.0	0.0	0.0	44.1	-2.3	0.0	40.7	82.5	0.6	83.1
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-50.5	-	-0.8	-51.3
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	0.3	-	-	-	-	-0.3	-	-	0.0
Share-based incentive scheme	-	-	-	-	-	-	0.3	-	-	0.3
Transactions with owners, total	0.0	0.3	0.0	0.0	0.0	0.0	-50.5	-50.2	-0.8	-51.0
June 30, 2010	149.2	2.0	11.6	2.6	-4.0	-10.6	643.4	794.2	2.0	796.2
Restated equity balance on January 1, 2009	149.2	1.4	13.9	-35.2	-1.7	-6.6	643.8	764.8	3.8	768.6
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Profit for the review period	-	-	-	-	-	-	26.8	-	-0.2	26.6
Other comprehensive income items:										
Change in the fair value of interest derivatives	-	-	-	-	-1.0	-	-	-	-	-1.0
- Deferred tax asset	-	-	-	-	0.3	-	-	-	-	0.3
- Transferred to income statement	-	-	-	-	1.0	-	-	-	-	1.0
Change in translation differences	-	-	-	-17.1	-	-	2.0	-	0.2	-14.9
Other change	-	-	-	-	-	-	-0.3	-	0.2	-0.1
Comprehensive income, total	-	-	-	-17.1	0.3	-	28.5	11.7	0.2	11.9
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-62.5	-	-0.8	-63.3

Acquisition of treasury shares	-	-	-	-	-	-4.0	-	-	-	-4.0
Transfer from retained earnings	-	0.3	-	-	-	-	-0.3	-	-	0.0
Employee share option scheme	-	-	-2.3	-	-	-	2.3	-	-	0.0
Transactions with owners, total	0.0	0.3	-2.3	0.0	0.0	-4.0	-60.5	0.0	-0.8	-67.3
June 30, 2009	149.2	1.7	11.6	-52.5	-1.4	-10.6	612.0	710.0	3.2	713.2
Equity balance on January 1, 2009	149.2	1.4	13.9	-35.2	-1.7	-6.6	682.1	803.1	4.6	807.7
Change in recognition principles, IFRIC 15	-	-	-	-	-	-	-38.3	-38.3	-0.8	-39.1
Restated equity balance on January 1, 2009	149.2	1.4	13.9	-35.2	-1.7	-6.6	643.8	764.8	3.8	768.6

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Cash flows from operating activities				
Net profit for the period	39.4	26.6	48	68.3
Reversal of accrual-based items	41.9	95.9	-56	166.4
Change in working capital				
Change in trade and other receivables	-38.7	31.0	-225	98.1
Change in inventories	-6.6	48.9	-113	173.5
Change in current liabilities	123.0	-86.4	-242	-154.1
Change in working capital, total	77.7	-6.5	-	117.5
Interest paid	-16.6	-19.6	-15	-35.3
Other financial items, net	-35.3	-2.3	14	-22
Interest received	1.7	2.0	-15	4.7
Taxes paid	-28.6	-19.6	46	-38.7
Net cash used in operating activities	80.2	76.5	5	260.9
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-5.4	-7.5	-28	-7.5
Purchase of property, plant and equipment	-7.6	-7.3	4	-20.8
Purchase of intangible assets	-3.8	-3.2	19	-7.2
Increases in other investments	-0.1	0.0	-	0.0
Proceeds from sale of tangible and intangible assets	2.2	1.1	100	4.1
Proceeds from sale of investments	0.0	0.0	-	0.3
Net cash used in investing activities	-14.7	-16.9	-13	-31.1
Operating cash flow after investments	65.5	59.7	10	229.8
Cash flow from financing activities				
Change in current liabilities	5.5	-52.1	-111	-138.6
Proceeds from borrowings	100.0	60.0	67	60.0
Repayments of borrowings	-24.1	-16.2	49	-110.6
Payments of financial leasing debts	-0.3	-0.1	200	-0.3
Acquisition of treasury shares	0.0	-4.0	-	-4.0
Dividends paid	-51.4	-62.8	-18	-63.4
Net cash used in financing activities	29.7	-75.2	-139	-256.9
Net change in cash and cash equivalents	95.2	-15.6	-710	-27.1
Cash and cash equivalents at beginning of period	173.1	197.7	-12	197.7
Change in the fair value of cash equivalents	2.4	0.2	12	2.5
Cash and cash equivalents at end of period	270.7	182.3	48	173.1

3. NOTES

ACCOUNTING PRINCIPLES OF THE INTERIM REPORT

YIT Corporation's Interim Report for January 1 - June 30, 2010, has been drafted in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report is unaudited. In the preparation of its interim report, YIT has applied the same accounting principles as in the annual financial statements 2009 with the difference that the following new standards, interpretations and changes to existing standards, approved by the European Union, have been adopted from January 1, 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, the revenue generated by YIT's own residential development projects will be 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 building work started using the percentage of completion method.

In YIT's own 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. The projects already sold will be recognised when the construction work has started or when the project is complete. The share of income and expenses to be recognized will 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 building work started. YIT usually sells its commercial real estate development projects 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 can be recognised in accordance with the old practice also in the future.

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 to the income statement (EUR million)

	1-3/ 2009	4-6/ 2009	7-9/ 2009	10-12/ 2009		1-3/ 2009	1-6/ 2009	1-9/ 2009	1-12/ 2009
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 to the balance sheet (EUR million)

	1 Jan 2009	3/2009	6/2009	9/2009	12/2009
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 assets	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 to the cash flow statement (EUR million)

	1-3/2009	1-6/2009	1-9/2009	1-12/2009
Net cash used in 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 system, the quarterly revenue and profits of the YIT Group will 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 has no impact on the figures covering YIT's segments published by the Group as the information will continue to be calculated in accordance with existing accounting principles.

YIT published comparable income statements, balance sheets, cash flow statements and key figures for 2009 in a stock exchange release issued on March 23, 2010.

Other standards and interpretations

Other standards and interpretations adopted on January 1, 2010, which have had a negligible or no effect in the period under review include:

- IFRS3 (revised): Business Combinations. All the acquisition-related costs have been expensed during the period, which had an insignificant impact on reported figures.
- IAS 27 (revised): Consolidated and Separate Financial Statements
- IFRIC 12: Service Concession Arrangements
- IFRIC 16: Net Investment in a Foreign Operation
- IFRIC 17: Distribution of non cash assets to owners
- IFRIC 18: Transfers of Assets from Customers
- IFRIC 9 ja IAS 39 (Amendment): Reassessment of embedded derivatives on reclassification
- IAS 39 (Amendment): Financial Instruments: Recognition and measurement – Eligible Hedged Items'
- IFRS 2 (Amendment): Share based payments
- Improvements to IFRS-amendments 2009

Exchange rates used in the preparation of the interim report

		Average rates 1-6/2010	Balance sheet rates June 30, 2010		Average rates 1-6/2009	Balance sheet rates June 30, 2009
EUR 1=	SEK	9.7944	9.5259		10.8585	10.8125
	NOK	8.0070	7.9725		8.8956	9.0180
	DKK	7.4418	7.4488		7.4493	7.4470
	EEK	15.6466	15.6466		15.6466	15.6466
	LVL	0.7028	0.7028		0.7028	0.7028
	LTL	3.4528	3.4528		3.4528	3.4528
	RUB	39.9143	38.2820		44.0807	43.8810
	HUF	271.63	286.00		289.92	271.55

	CZK	25.7320	25.6910		27.1350	25.8820
	PLN	4.0025	4.1470		4.4727	4.4520

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 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 2009.

SEGMENT INFORMATION

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

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

In Group-level reporting, the new interpretation has been applied from the beginning of 2010. Accordingly, housing developments are recognised at the time of delivery, whereas commercial real estate development projects are, as a rule, recognised on the basis of the percentage of completion or alternatively at the time of delivery.

The figures for 2010 and 2009 are comparable.

YIT Group's Management Board has been designated as the highest operational decision-maker responsible for the allocation of resources to operational segments and the assessment of their performance.

Revenue by business segment (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Building and Industrial Services	1,024.4	1,067.1	-4	2,124.9
- internal to the Group	-33.6	-30.3	11	-58.6
- external	990.8	1,036.8	-4	2,066.3
Construction Services Finland	528.1	492.8	7	1,029.7
- internal to the Group	-0.6	-1.0	-40	-1.8
- external	527.5	491.8	7	1,028.0
International Construction Services	219.0	148.8	47	359.4
- internal to the Group	-2.6	-1.7	53	-3.1
- external	216.4	147.1	47	356.3
Other items	0.4	1.1	-64	1.8
YIT's segments total	1,735.1	1,676.8	3	3,452.4
IFRIC 15 adjustments	-115.1	29.2	-494	33.2
YIT Group, total - external	1,620.0	1,706.0	-5	3,485.6

Operating profit by business segment (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Building and Industrial Services 1)	49.8	56.8	-12	119.3
Construction Services Finland	49.5	40.8	21	81.9
International Construction Services	12.2	-29.0	142	-17.8
Other items	-9.9	-8.4	18	-17.9
YIT's segments total	101.6	60.2	69	165.5
IFRIC 15 adjustments	-31.8	11.8	-	2.6
YIT Group, total	69.8	72.0	-3	168.1

1) The court of arbitration issued its award in the dispute between YIT Industrial and Network Services and Neste Oil Corporation on September 30, 2009. The dispute concerned the mechanical installation contract of production line 4 at Neste Oil's Porvoo oil refinery carried out by YIT between 2004 and 2006. 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)

	6/2010	6/2009	Change, %	12/2009
Building and Industrial Services	1,025.3	984.7	4	850.4
Construction Services Finland	1,154.7	846.9	36	1,007.5
International Construction Services 1)	946.8	1,126.8	-16	960.1
Other items	-59.4	-42.0	41	-44.4
YIT's segments total	3,067.4	2,916.4	5	2,773.6
IFRIC 15 adjustments	261.8	203.6	29	209.7
YIT Group, total	3,329.2	3,120.0	7	2,983.3

1) In October 2008, YIT suspended the construction of certain residential projects in the start-up phase in Russia. The sales of these projects had not yet begun. At the end of June, sites that were still suspended included 1,204 (6/2009: 2,485) residential units, the value of which totalled EUR 199 million (6/2009: EUR 281 million) in the order backlog.

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Building and Industrial Services	0	-	-	-3.2
Total	0	-	-	-3.2

The court of arbitration issued its award in the dispute between YIT Industrial and Network Services and Neste Oil Corporation on September 30, 2009. The dispute concerned the mechanical installation contract of production line 4 at Neste Oil's Porvoo oil refinery carried out by YIT between 2004 and 2006. The effect of the ruling on Building and Industrial Services' operating profit for Q3/2009 was EUR -3.2 million.

ACQUIRED AND DIVESTED BUSINESSES (EUR million)

YIT has 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, Fristads Rör-El AB, G:sson Teleteknik AB and Ferm VVS in Sweden, Ugelvik Nettet AB and Haug og Ruud AS in Norway and Brdr. Petersens Eftf. A/S in Denmark.

Moreover, in June YIT agreed to acquire the business operations of Caverion GmbH, providing building systems in Central Europe. Caverion's revenue in 2009 was EUR 440 million, of which 80 percent came from Germany. Other countries where the company operates are the Czech Republic, Hungary and Poland. Caverion's personnel number 1,900. In 2009, the operating profit was EUR 10.9 million. The company's financial position is stable and its net debt is negative. The price of Caverion's shares totals EUR 73 million. Entry into force of the acquisition requires approval from the competition authorities. It is estimated that the acquisition will be completed by August 31, 2010.

In International Construction Services, YIT increased its holding in YIT Don to 100 percent in January.

There were no business divestments during the period under review.

Acquired net assets and goodwill:

	1-6/2010
Payments made	
Cash	6.1
Equity instruments	0
Conditional payments	0.3
Payments made, total	6.4
Asset item based on a compensation obligation	0
Fair value of previously owned assets	0
Payments made, total	6.4
Expenses related to acquisitions (recognised as expenses)	0.3
Amounts recognised for assets acquired and liabilities undertaken	
Cash and cash equivalents	0.7
Property, plant and equipment	0.6
Customer relationships and contract portfolios	4.9
Unpatented technology	0
Inventories	0.4
Trade and other receivables	2.2
Deferred tax liabilities, net	0
Pension liabilities	0
Loans	0
Trade and other liabilities	-2.4
Conditional debt	0
Specifiable net assets, total	6.4
Non-controlling interest	0
Goodwill	0
Total entity value	6.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Carrying value at beginning of period	99.8	104.6	-5	104.6
Additions	7.7	8.9	-13	21.5
Increase through acquisitions	0.6	0.0	-	0.0
Deductions	-1.8	-2.2	-18	-3.4
Depreciation and value adjustments	-11.7	-11.5	2	-22.9
Reclassification	2.4	-0.5	-	0.0
Carrying value at end of period	97.0	99.3	-2	99.8

INVENTORIES (EUR million)

	6/2010	6/2009	Change, %	12/2009
Raw materials and consumables	22.2	18.1	23	18.8
Work in progress	747.6	797.2	-6	610.0
Land areas and plot owning companies	583.2	590.0	-1	572.1
Shares in completed housing and real estate companies	177.4	159.5	11	224.8
Advance payments	48.0	36.6	31	51.5
Other inventories	1.1	0.5	120	0.4
Total inventories	1,579.5	1,601.9	-1	1,477.6

NOTES ON EQUITY

	Number of shares, 1000	Share capital (EUR million)	Treasury shares (EUR million)
Share capital and share premium reserve			
January 1, 2010	125,078,422	149.2	-10.6
June 30, 2010	125,078,422	149.2	-10.6

INTEREST-BEARING LIABILITIES (EUR million)

	Fair value	Balance sheet value	Nominal value
Bonds in the financial statements on December 31, 2009	189.2	199.9	200.0
Valuation of the above on June 30, 2010	188,0	196.3	200.0
Bonds raised during the review period:			
Fixed interest			
1/2010-2015, fixed-rate coupon of 4.823% EUR 1)	101,0	99.8	100.0
Bonds, total on June 30, 2010	289,0	296.1	300.0

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

1) Loan period March 26, 2010 to March 26, 2015, annual interest payments on March 26 in arrears. No collateral has been lodged for the loan. ISIN code FI4000012067.

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

	6/2010	6/2009	Change, %	12/2009
Collateral given for own commitments				
- Floating charges	29.3	29.3	0	29.3
- Other collateral lodged	0	51.4	-	45.2
Other contingent liabilities				
- Repurchase commitments	124.7	119.3	5	106.4
- Rent liability	306.7	335.7	-9	321.9
- Rental guarantees for clients	12.6	9.2	37	9.2
- Other contingent liabilities	0.5	0.6	-17	0.4
- Other guarantees	5.2	-	-100	-
Liability under derivative contracts				
- Value of underlying instruments				
-- Interest rate derivatives	308.6	213.8	44	362.3
-- Currency derivatives	283.7	131.2	117	375.4
-- Commodity derivatives	0.7	-		-

- Market value				
-- Interest rate derivatives	-11.1	-6.7	66	-5.9
-- Currency derivatives	-4.7	1.9	-347	-9.4
-- Commodity derivatives	0.0	-	-	-
YIT Corporation's guarantees on behalf of its subsidiaries	1,021.0	920.3	11	943.3

TRANSACTIONS WITH ASSOCIATED COMPANIES (EUR million)

	1-6/2010	1-6/2009	Change, %	1-12/2009
Sales to associated companies	0.9	4.0	-78	1.3
Purchases from associated companies	0.1	1.6	-94	0.2
Trade and other receivables	0.0	0.1	-100	0.1
Trade and other liabilities	0.1	0.0	100	0.1