YIT

Q3

Interim Report 1-9/2014

Interim Report January 1 – September 30, 2014: Active investor sales boosted cash flow and revenue

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

July–September 2014
(Segment reporting, POC)

- Revenue increased by 7% to EUR 485.7 (454.7) million. At comparable exchange rates, revenue increased by 10%.
- Operating profit amounted to EUR 33.5 (37.4) million and operating profit margin was 6.9% (8.2).
- The order backlog decreased by 6% from the end of June, amounting to EUR 2,736.0 million.
- Operating cash flow after investments amounted to EUR 40.7 (-82.0) million.

January–September 2014
(Segment reporting, POC)

- Revenue remained at previous year's level and was EUR 1,340.2 (1,337.6) million. At comparable exchange rates, revenue increased by 4%.
- Operating profit amounted to EUR 95.1 (111.6) million and operating profit margin was 7.1% (8.3).
- Operating cash flow after investments amounted to EUR 12.0 (-164.2) million.

Guidance for 2014 lowered in October

The Group revenue based on segment reporting is estimated to grow by 0–5% at comparable exchange rates. The operating profit margin based on segment reporting is estimated to be in the range of 6.5–7.3% excluding non-recurring items.

Increased uncertainty over the general macroeconomic development impacts YIT's business operations and customers.

Kari Kauniskangas, President and CEO:

Active investor sales and efforts to strengthen cash flow started to bear fruit in the third quarter. This was reflected in increased revenue, strong operating cash flow and net debt beginning to decrease.

The result of the Business Premises and Infrastructure segment improved in the third quarter, supported by the sales of self-developed business premises projects. Our strategy of increasing the number of cooperation projects also progressed successfully, as we signed agreements on new alliance contracts. In the Housing segment, revenue grew but profitability declined.

We lowered our guidance for 2014 regarding the operating profit margin in October. Sales in Russia are estimated to fall below the previously projected level, and the operating profit margin is also weighed down by actions implemented throughout the Group to ensure strong cash flow for the remainder of the year. We will continue our efforts to improve project profitability and cash flow within the framework of a new Group-wide competitiveness programme, and our goal is to increase return on investment to 15 per cent and reduce net debt to under EUR 600 million by the end of 2016 in accordance with our new short-term targets.

Our strategic focus areas were kept unchanged as a result of our annual strategy work. However, the significance of financial operating space is emphasised in a changing operating environment, and in order to even out cyclicality, the weighting of Central Eastern Europe will be increased as the third geographic pillar in parallel with Finland and Russia.

Our success depends on continuously improving the customer experience and producing a high added value for the customer. One example of success was YIT project finishing second in the public vote at the Jyväskylä Housing Fair in Finland, which was the highest ranking ever achieved by an apartment building project in voting at the fair.

Key figures

Segment reporting, POC

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	**485.7**	**454.7**	**7%**	**1,340.2**	**1,337.6**	**0%**	**1,858.8**
Housing	296.4	270.4	10%	881.4	804.5	10%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*177.4*	*140.0*	*27%*	*537.2*	*460.2*	*17%*	*656.2*
Russia	*119.0*	*130.4*	*-9%*	*344.4*	*344.3*	*0%*	*496.0*
Business Premises and Infrastructure	188.8	181.4	4%	456.9	517.2	-12%	688.9
Other items	0.5	2.8		1.9	15.9		17.8
Operating profit	33.5	37.4	-10%	95.1	111.6	-15%	152.8
Operating profit margin, %	6.9%	8.2%		7.1%	8.3%		8.2%
Operating profit excluding non-recurring items	**33.5**	**37.4**	**-10%**	**95.1**	**111.6**	**-15%**	**154.0**
Housing	25.1	34.8	-28%	84.0	100.4	-16%	136.3
Finland, the Baltic countries and Central Eastern Europe	*13.3*	*14.7*	*-9%*	*46.3*	*50.8*	*-9%*	*66.2*
Russia	*11.7*	*20.1*	*-42%*	*37.7*	*49.6*	*-24%*	*70.2*
Business Premises and Infrastructure	10.3	8.0	29%	17.3	21.0	-17%	31.0
Other items	-1.8	-5.4		-6.3	-9.8		-13.4
Operating profit margin, % excluding non-recurring items	**6.9%**	**8.2%**		**7.1%**	**8.3%**		**8.3%**
Housing	8.5%	12.9%		9.5%	12.5%		11.8%
Finland, the Baltic countries and Central Eastern Europe	*7.5%*	*10.5%*		*8.6%*	*11.0%*		*10.1%*
Russia	*9.9%*	*15.4%*		*10.9%*	*14.4%*		*14.1%*
Business Premises and Infrastructure	5.4%	4.4%		3.8%	4.1%		4.5%
Profit before taxes	22.6	29.9	-24%	66.5	90.3	-26%	122.8
Profit for the review period[1]	16.8	23.1	-27%	51.0	69.6	-27%	93.9
Earnings per share, EUR	0.13	0.18	-28%	0.41	0.55	-25%	0.75
Operating cash flow after investments	40.7	-82.0		12.0	-164.2		-87.9
Return on investment (last 12 months), %	9.1%	12.3%		9.1%	12.3%		10.3%
Equity ratio at end of period, %	35.8%	37.0%		35.8%	37.0%		37.8%
Net interest-bearing debt at end of period	741.6	774.4	-4%	741.6	774.4	-4%	707.6
Order backlog at end of period	2,736.0	2,813.4	-3%	2,736.0	2,813.4	-3%	2,713.7

[1] Attributable to equity holders of the parent company

Group reporting, IFRS

	9/14	9/13	Change	9/14	6/14	Change	12/13
Net interest-bearing debt, EUR million	817.9	857.3	-5%	817.9	860.2	-5%	781.7
Gearing ratio, %	127.2%	123.7%		127.2%	130.4%		112.0%

Group financial development based on segment reporting

Accounting principles applied in the interim report

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

The Building Services segment was transferred to Caverion Corporation in the partial demerger of June 2013 and the comparison figures for 2013 in the explanatory statement of the interim report concern continuing operations. The result of Building Services for January–June 2013 is reported under discontinued operations in the tables section.

Revenue, POC

EUR million	7–9/14	7–9/13	Change	Change at comparable exchange rates	1–9/14	1–9/13	Change	Change at comparable exchange rates	1–12/13
Revenue	**485.7**	**454.7**	**7%**	**10%**	**1,340.2**	**1,337.6**	**0%**	**4%**	**1,858.8**
Housing	296.4	270.4	10%	14%	881.4	804.5	10%	16%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*177.4*	*140.0*	*27%*	*27%*	*537.2*	*460.2*	*17%*	*17%*	*656.2*
Russia	*119.0*	*130.4*	*-9%*	*1%*	*344.4*	*344.3*	*0%*	*15%*	*496.0*
Business Premises and Infrastructure	188.8	181.4	4%	4%	456.9	517.2	-12%	-12%	688.9
Other items	0.5	2.8			1.9	15.9			17.8

July–September

The Group's revenue increased by 7% year-on-year. At comparable exchange rates, revenue increased by 10%. Revenue grew especially in the Housing Finland, the Baltic countries and Central Eastern Europe business area due to active investor sales in Finland and good consumer demand in the Baltic countries and Central Eastern Europe.

The revenue of the Business Premises and Infrastructure segment was supported by the sales of several business premises that took place during July–September.

January–September

The Group's revenue remained at previous year's level. At comparable exchange rates, revenue increased by 4%. The Housing segment's revenue showed strong development in Finland, the Baltic countries and Central Eastern Europe, and increased also in Russia at comparable exchange rates on the back of exceptionally strong sales early in the year. The segment's revenue growth was also supported by the plot sales to the Hypo Group worth approximately EUR 25 million.

The revenue of the Business Premises and Infrastructure segment decreased due to the weak business premises market among other things.

Result, POC

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Operating profit	**33.5**	**37.4**	**-10%**	**95.1**	**111.6**	**-15%**	**152.8**
Housing	25.1	34.8	-28%	84.0	100.4	-16%	135.8
Finland, the Baltic countries and Central Eastern Europe	*13.3*	*14.7*	*-9%*	*46.3*	*50.8*	*-9%*	*65.7*
Russia	*11.7*	*20.1*	*-42%*	*37.7*	*49.6*	*-24%*	*70.2*
Business Premises and Infrastructure	10.3	8.0	29%	17.3	21.0	-17%	30.5
Operating profit margin, %	**6.9%**	**8.2%**		**7.1%**	**8.3%**		**8.2%**
Housing	8.5%	12.9%		9.5%	12.5%		11.8%
Finland, the Baltic countries and Central Eastern Europe	*7.5%*	*10.5%*		*8.6%*	*11.0%*		*10.0%*
Russia	*9.9%*	*15.4%*		*10.9%*	*14.4%*		*14.1%*
Business Premises and Infrastructure	5.4%	4.4%		3.8%	4.1%		4.4%
Non-recurring items							-1.2

July–September

Operating profit declined by 10% year-on-year. The operating profit margin was 6.9% (7–9/13: 8.2%).

The operating profit margin was weighed down by factors such as changes in the sales mix in the Housing segment as well as actions to ensure strong cash flow.

Changes in foreign exchange rates had a negative impact of EUR 1.3 million on operating profit.

January–September

Operating profit declined by 15% year-on-year. The operating profit margin was 7.1% (1–9/13: 8.3%).

The operating profit margin was weighed down by actions to ensure strong cash flow and weak residential price development in Russia, among other things.

Changes in foreign exchange rates had a negative impact of EUR 6.7 million on operating profit.

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Profit before taxes	22.6	29.9	-24%	66.5	90.3	-26%	122.8
Profit for the review period[1]	16.8	23.1	-27%	51.0	69.6	-27%	93.9
Earnings per share, EUR	0.13	0.18	-28%	0.41	0.55	-25%	0.75
Effective tax rate, %	25.5%	22.7%		23.2%	23.0%		23.6%

[1]Attributable to equity holders of the parent company

Order backlog, POC

EUR million	9/14	9/13	Change	9/14	6/14	Change	12/13
Order backlog	**2,736.0**	**2,813.4**	**-3%**	**2,736.0**	**2,923.9**	**-6%**	**2,713.7**
Housing	2,033.6	2,115.7	-4%	2,033.6	2,172.0	-6%	2,070.8
Finland, the Baltic countries and Central Eastern Europe	*929.8*	*1,053.9*	*-12%*	*929.8*	*953.2*	*-2%*	*970.8*
Russia	*1,103.8*	*1,061.8*	*4%*	*1,103.8*	*1,218.8*	*-9%*	*1,100.0*
Business Premises and Infrastructure	702.3	697.7	1%	702.3	751.9	-7%	642.9

The order backlog decreased by 6% from the end of June. Changes in foreign exchange rates decreased the order backlog by EUR 80.7 million compared to the end of June. Order backlog of Business Premises and Infrastructure decreased due to sales of business premises. At the end of September, 35% of the order backlog had been sold (6/14: 35%).

Acquisitions and capital expenditure

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Gross capital expenditure on non-current assets	3.2	0.9	244%	8.8	14.8	-41%	20.2
% of revenue	0.7%	0.3%		0.7%	1.1%		1.1%
Depreciation	3.1	4.2	-27%	9.6	14.7	-35%	17.4

The company did not make any acquisitions in the period under review. Gross capital expenditure on non-current assets in January–September amounted to EUR 8.8 million, or 0.7% of revenue. Investments in construction equipment amounted to EUR 2.2 million (1–9/13: EUR 4.0 million) and investments in information technology totalled EUR 3.8 million (1–9/13: EUR 2.8 million). Other investments amounted to EUR 2.7 million (1–9/13: EUR 8.0 million).

Cash flow and invested capital

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Operating cash flow after investments	40.7	-82.0		12.0	-164.2		-87.9
Cash flow of plot investments	-21.1	-34.1	-38%	-97.4	-131.3	-26%	-171.4

EUR million	9/14	9/13	Change	9/14	6/14	Change	12/13
Invested capital	1,562.8	1,592.8	-2%	1,562.8	1,603.8	-3%	1,558.8
Return on investment (last 12 months), %	9.1%	12.3%		9.1%	9.6%		10.3%

Operating cash flow after investments for January–September amounted to EUR 12.0 million. The cash flow of plot investments totalled EUR -97.4 million. The company paid dividends of EUR 47.7 million for 2013 in compliance with the resolution of the Annual General Meeting.

Return on investment declined from the end of June mostly due to the decrease in the 12 month rolling operating profit.

One of YIT's key focus areas is to improve capital efficiency. In January–September, capital was released by measures including apartment sales to investors, an agreement on plot cooperation worth EUR 50 million and the sale of self-developed business premises projects and slow-moving assets worth approximately EUR 70 million.

Development by business segment

Housing

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	296.4	270.4	10%	881.4	804.5	10%	1,152.2
Operating profit	25.1	34.8	-28%	84.0	100.4	-16%	135.8
Operating profit margin, %	8.5%	12.9%		9.5%	12.5%		11.8%
Operating profit excluding non-recurring items	25.1	34.8	-28%	84.0	100.4	-16%	136.3
Operating profit margin, % excluding non-recurring items	8.5%	12.9%		9.5%	12.5%		11.8%
Operative invested capital at end of period	1,177.0	1,243.9	-5%	1,177.0	1,243.9	-5%	1,225.8
Return on operative invested capital (last 12 months), %	9.9%	n/a		9.9%	n/a		11.2%
Order backlog at end of period	2,033.6	2,115.7	-4%	2,033.6	2,115.7	-4%	2,070.8

Housing Finland, the Baltic countries and Central Eastern Europe

Operating environment

Finnish consumer confidence remained weak in January–September, and consumers were cautious in their purchase decisions. Housing investors remained active. The development of residential prices has been polarised as prices have increased moderately in the Helsinki region while having decreased slightly in the rest of Finland. The demand for small, reasonably priced apartments has remained high. The interest rates on mortgages remained low, and margins on loans decreased slightly.

Positive macroeconomic development has supported the residential markets in the Baltic countries and Central Eastern Europe, although the geopolitical tensions have weighed on the consumer confidence. Residential prices increased moderately in the Baltic countries and Central Eastern Europe during the review period. The interest rates on mortgages were low in all operating countries, and consumers' access to financing remained good.

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	177.4	140.0	27%	537.2	460.2	17%	656.2
Operating profit	13.3	14.7	-9%	46.3	50.8	-9%	65.7
Operating profit margin, %	7.5%	10.5%		8.6%	11.0%		10.0%
Operating profit excluding non-recurring items	13.3	14.7	-9%	46.3	50.8	-9%	66.2
Operating profit margin, % excluding non-recurring items	7.5%	10.5%		8.6%	11.0%		10.1%
Operative invested capital at end of period	613.0	671.5	-9%	613.0	671.5	-9%	651.8
Return on operative invested capital (last 12 months), %	9.5%	n/a		9.5%	n/a		10.3%
Order backlog at end of period	929.8	1,053.9	-12%	929.8	1,053.9	-12%	970.8

July–September

The revenue of the Housing Finland, the Baltic countries and Central Eastern Europe business area increased by 27% year-on-year. The revenue growth in Finland was attributable to active sales to investors and high completion rate of the sold apartments. In the Baltic countries and Central Eastern Europe sales to consumers increased from the comparison period.

The business area's operating profit decreased by 9% year-on-year, and the operating profit margin stood at 7.5% (7–9/13: 10.5%). The profitability was negatively impacted by increased share of investor projects in production and actions to ensure strong cash flow. Positive profitability development continued in the Baltic countries and Central Eastern Europe.

Investor sales in Finland remained active in July–September, and YIT started the construction of apartment projects for TA-Yhtiöt and VVO, among others. In addition, YIT agreed on the sale of 137 apartments that are mostly completed or close to completion to Ålandsbanken Housing fund, of which 96 apartments were recorded in July-September sales and the rest in October sales.

The focus of operations is in increasing the amount of small and affordable apartments.

January–September

The business area's revenue grew by 17% year-on-year. Of the business area's revenue, Finland accounted for 89%, Estonia, Latvia and Lithuania for 5%, and the Czech Republic and Slovakia for 6%. The revenue grew due to the positive development of housing sales in the Baltic countries and Central Eastern Europe, active investor sales in Finland and the plot sales to the Hypo Group worth approximately EUR 25 million.

The business area's operating profit decreased by 9% year-on-year, and the operating profit margin stood at 8.6% (1–9/13: 11.0%). Profitability was weighed down by actions to ensure strong cash flow in Finland. Profitability improved in the Baltic countries and Central Eastern Europe.

Residential construction in Finland, units	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Sold	576	624	-8%	1,894	2,056	-8%	2,779
of which initially started to consumers[1]	440	489	-10%	1,192	1,484	-20%	2,057
Start-ups	447	553	-19%	1,821	2,114	-14%	2,483
of which to consumers	311	418	-26%	1,119	1,542	-27%	1,761
Completed	668	620	8%	1,928	2,240	-14%	3,161
of which to consumers	487	377	29%	1,278	1,463	-13%	2,094
Under construction at end of period	3,455	4,114	-16%	3,455	4,114	-16%	3,562
of which sold at end of period, %	60%	57%		60%	57%		59%
For sale at end of period	1,917	2,339	-18%	1,917	2,339	-18%	1,988
of which completed	533	559	-5%	533	559	-5%	513
Capital invested in the plot reserve at end of period, EUR million	172.2	196.1	-12%	172.2	196.1	-12%	197.6
Plot reserve at end of period, floor sq. m.	1,809,000	1,854,000	-2%	1,809,000	1,854,000	-2%	1,854,000
Cost of completion at end of period, EUR million	238.7	315.5	-24%	238.7	315.5	-24%	286.0

[1] Includes sales to residential property funds: 7–9/14: 96 apartments; 7–9/13: 108 apartments; 1–9/14: 201 apartments; 1–9/13: 329 apartments; 1–12/13: 502 apartments

Residential construction in the Baltic countries and Central Eastern Europe, units	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Sold	158	133	19%	545	376	45%	521
Start-ups	172	134	28%	694	534	30%	723
Completed	131	139	-6%	482	285	69%	382
Under construction at end of period	1,281	970	32%	1,281	970	32%	1,062
of which sold at end of period, %	25%	21%		25%	21%		21%
For sale at end of period	1,106	906	22%	1,106	906	22%	950
of which completed	146	141	4%	146	141	4%	111
Capital invested in the plot reserve at end of period, EUR million	70.3	69.6	1%	70.3	69.6	1%	70.0
Plot reserve at end of period, floor sq. m.	352,000	361,000	-2%	352,000	361,000	-2%	361,000
Cost of completion at end of period, EUR million	56.0	45.0	24%	56.0	45.0	24%	43.4

Housing Russia

Operating environment

In the first months of the year, housing demand in Russia grew as a result of the ruble weakening, which led to consumers transferring their assets to fixed property. However, in spring, housing demand fell from the high level seen earlier in the year, and in July-September demand remained at previous quarter's level with particular focus on small apartments. Residential prices remained stable on average in January–September. The mortgage rates were on a slight increase in the end of the review period, but the mortgage stock continued to grow.

Local competitors have continued to increase their production volumes.

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	119.0	130.4	-9%	344.4	344.3	0%	496.0
Operating profit	11.7	20.1	-42%	37.7	49.6	-24%	70.2
Operating profit margin, %	9.9%	15.4%		10.9%	14.4%		14.1%
Operating profit excluding non-recurring items	11.7	20.1	-42%	37.7	49.6	-24%	70.2
Operating profit margin, % excluding non-recurring items	9.9%	15.4%		10.9%	14.4%		14.1%
Operative invested capital at end of period	564.0	572.4	-1%	564.0	572.4	-1%	574.0
Return on operative invested capital (last 12 months), %	10.2%	n/a		10.2%	n/a		12.3%
Order backlog at end of period	1,103.8	1,061.8	4%	1,103.8	1,061.8	4%	1,100.0

July–September

The revenue of the Housing Russia business area decreased by 9% year-on-year. At comparable exchange rates, revenue increased by 1%.

The business area's operating profit decreased by 42%, and the operating profit margin stood at 9.9% (7–9/13: 15.4%). Profitability was negatively impacted by modest residential price development.

In July-September, apartment start-ups were in line with consumer sales. In addition to consumer sales, the company made a bundle deal of 47 apartments in Moscow region.

In July-September, consumers used mortgages in 46% of YIT's residential deals in Russia. At the end of September 2014, YIT was responsible for the service and maintenance of approximately 17,300 apartments in Russia.

January–September

The revenue of the Housing Russia business area remained at the level of the comparison period. At comparable exchange rates, revenue grew by 15%.

The business area's operating profit decreased by 24%, and the operating profit margin stood at 10.9% (1–9/13: 14.4%). Profitability was negatively impacted by factors such as more modest residential price development than in the comparison period and higher share of lower-margin projects.

Residential construction in Russia, units	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Sold	983[1]	1,162	-15%	3,176[2]	3,088	3%	4,480
Start-ups	939	1,106	-15%	3,328	3,193	4%	5,099
Completed[3]	1,312	727	80%	2,542	1,952	30%	2,976
Under construction at end of period	11,612	9,897	17%	11,612	9,897	17%	10,780
of which sold at end of period, %	39%	38%		39%	38%		37%
For sale at end of period	7,383	6,654	11%	7,383	6,654	11%	7,177
of which completed	354	562	-37%	354	562	-37%	416
Capital invested in the plot reserve at end of period[4], EUR million	251.1	304.4	-18%	251.1	304.4	-18%	320.1
Plot reserve at end of period[4], floor sq. m.	2,463,000	2,621,000	-6%	2,463,000	2,621,000	-6%	2,798,000
Cost of completion at end of period, EUR million	642.0	500.0	28%	642.0	500.0	28%	540.0

[1] Includes a bundle deal of 47 apartments.
[2] Includes bundle deals of 177 apartments.
[3] Completion of the residential projects requires commissioning by the authorities.
[4] Figures include Gorelovo industrial park

Under construction at end of period, units	9/14	9/13	Change	9/14	6/14	Change	12/13
St. Petersburg	4,136	2,223	86%	4,136	4,136	0%	3,267
Moscow region	3,558	4,305	-17%	3,558	3,618	-2%	4,309
Yekaterinburg, Kazan, Rostov-on-Don, Tyumen and Moscow	3,918	3,369	16%	3,918	4,184	-6%	3,204

Business Premises and Infrastructure

Operating environment

The Finnish business premises market remained weak in January–September, especially in office and commercial construction. End-users continued to be cautious in renting new business premises; investor interest in prime locations remained on a good level. The market for contracting remained stable.

The positive macroeconomic outlook has supported the business premises markets in the Baltic countries and Central Eastern Europe. The demand for business premises contracting has picked up especially in Estonia and Lithuania.

The infrastructure market in Finland remained relatively stable in the review period, and private equity investors were active in M&A in the sector.

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	188.8	181.4	4%	456.9	517.2	-12%	688.9
Operating profit	10.3	8.0	29%	17.3	21.0	-17%	30.5
Operating profit margin, %	5.4%	4.4%		3.8%	4.1%		4.4%
Operating profit excluding non-recurring items	10.3	8.0	29%	17.3	21.0	-17%	31.0
Operating profit margin, % excluding non-recurring items	5.4%	4.4%		3.8%	4.1%		4.5%
Operative invested capital at end of period	229.3	215.9	6%	229.3	215.9	6%	189.8
Return on operative invested capital (last 12 months), %	12.1%	n/a		12.1%	n/a		20.6%
Order backlog at end of period	702.3	697.7	1%	702.3	697.7	1%	642.9

Business premises, EUR million	9/14	9/13	Change	9/14	6/14	Change	12/13
Capital invested in the plot reserve	95.4	103.2	-8%	95.4	88.2	8%	93.5
Plot reserve, sq. m.	1,111,536	988,000	13%	1,111,536	1,116,433	0%	1,125,000
Cost of completion	55.1	44.8	23%	55.1	67.7	-19%	21.2

July–September

The segment's revenue increased by 4% year-on-year. Revenue was lifted by the sales of several business premises projects that took place during July–September.

Operating profit increased by 29% year-on-year, and the segment's operating profit margin was 5.4% (7–9/13: 4.4%). The positive development in profitability was attributable to higher sales volume.

In September, YIT sold self-developed business premises projects worth approximately 85 million euros. Agreements were signed on the sale of the shopping centre of Tikkurila Commercial Centre Dixi, the Grand Office business premises and the Osmontie office premises. In addition, YIT signed agreements with the eQ Care non-UCITS fund on the sale of day care and assisted living facilities worth approximately EUR 25 million.

In July-September, YIT won several new contracts, of which the most significant was the contract signed on the construction of a CHP power plant for Turun Seudun Energiatuotanto with the alliance model. The value of the contract for YIT is around EUR 40 million.

The E18 Koskenkylä-Kotka motorway was opened for traffic ahead of schedule and the Tripla project proceeded as planned.

January–September

The segment's revenue decreased by 12% year-on-year. Revenue was weighed down particularly by the weak Finnish business premises market.

Operating profit declined by 17% year-on-year, and the segment's operating profit margin was 3.8% (1–9/13: 4.1%). Profitability was weakened by low volume.

The largest ongoing self-developed business premises projects

Project, location	Value, EUR million	Project type	Completion rate, %	Estimated completion	Sold/unsold	Leasable area, sq. m.
Dixi, Tikkurila railway station, Vantaa	~35	Retail	95%	12/14	Sold	5,200
Dixi, Tikkurila railway station, Vantaa	~20	Office	95%	12/14	Sold	6,000
Lauttasaari shopping centre, Helsinki	-	Retail	3%	2/17	Unsold	5,700
BW Tower, Lahti	-	Office	13%	11/15	Unsold	7,500
Aleksanterinkatu 11 Koy, Lahti	-	Retail	73%	6/15	Unsold	6,700

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate, %	Estimated completion
E18 Pulteri	~190	Infra	97%	1/15
E18 Hamina bypass	~60	Infra	93%	12/14
Ring Road III junction	~40	Infra	35%	12/16
Naantali CHP power plant	~40	Infra	0%	9/17
Espoo’s road maintenance contract	~30	Infra	0%	10/19

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

EUR million	7–9/14	7–9/13	Change	1–9/14	1–9/13	Change	1–12/13
Revenue	492.4	363.0	36%	1,249.3	1,245.7	0%	1,743.0
Operating profit	28.1	11.7	140%	59.6	75.0	-20%	104.0
Operating profit margin, %	5.7%	3.2%		4.8%	6.0%		6.0%
Profit before taxes	21.3	8.8	143%	43.6	67.2	-35%	95.0
Profit for the review period[1]	16.3	7.6	114%	33.5	52.5	-36%	70.3
Earnings per share, EUR	0.13	0.06	117%	0.27	0.42	-36%	0.56
Operating cash flow after investments	40.7	-82.0		12.0	-164.2		-87.9
Order backlog at end of period	3,278.5	3,259.5	1%	3,278.5	3,259.5	1%	3,184.6
Invested capital at end of period	1,551.6	1,602.9	-3%	1,551.6	1,602.9	-3%	1,556.2
Return on investment (last 12 months), %	6.1%	9.8%		6.1%	9.8%		7.0%
Effective tax rate, %	23.9%	13.5%		23.3%	22.0%		26.1%

[1] Attributable to equity holders of the parent company

July–September

The Group's revenue increased by 36% year-on-year after IFRS adjustments. The increase in revenue was due to higher handovers of self-developed apartments to buyers and the sale of business premises projects.

After IFRS adjustments, the Group's operating profit increased by 140% year-on-year, and the Group's operating profit margin was 5.7% (7–9/13: 3.2%). The profitability improvement was due to higher revenue.

In group reporting, self-developed residential projects are only recognised as income upon project handover. The timing of completion of self-developed projects affects the Group's revenue recognition, and therefore group figures may fluctuate greatly between different quarters. In addition, in group reporting the interest expenses are capitalised according to IAS 23, which causes differences in operating profit and financial expenses between segment reporting and group reporting.

January–September

The Group's revenue remained at previous year's level after IFRS adjustments.

After IFRS adjustments, the Group's operating profit declined by 20% year-on-year, and the Group's operating profit margin was 4.8% (1–9/13: 6.0%). Profitability was weighed down by factors such as actions to ensure strong cash flow and changes in the sales mix.

Capital structure and liquidity position

IFRS, EUR million	9/14	9/13	Change	9/14	6/14	Change	12/13
Net interest-bearing debt	817.9	857.3	-5%	817.9	860.2	-5%	781.7
Cash and cash equivalents	90.9	52.4	73%	90.9	75.3	21%	76.3
Interest-bearing debt	908.8	909.7	0%	908.8	935.5	-3%	858.0
From the capital and money markets	343.9	472.4	-27%	343.9	430.5	-20%	451.8
From banks, financial institutions and insurance companies	292.2	149.9	95%	292.2	216.4	35%	132.9
Construction-stage contract receivables sold to financial institutions	167.0	191.4	-13%	167.0	186.0	-10%	181.4
Participations in the housing corporation loans of completed apartments	105.7	95.1	11%	105.7	102.6	3%	91.4
Other loans		0.9					0.5
Average interest rate, %	3.04%	2.70%		3.04%	2.95%		2.73%
Revolving credit facilities	330.0	280.0	18%	330.0	330.0	0%	330.0
Overdraft facilities	59.7	65.6	-9%	59.7	64.6	-8%	65.1
Net financial expenses, cumulative	-16.0	-7.7	107%	-16.0	-9.3	73%	-9.0
Costs of hedging	-3.5	-3.7	-5%	-3.5	-1.7	106%	-1.5
Equity ratio, %	31.9%	33.6%		31.9%	32.2%		34.3%
Gearing ratio, %	127.2%	123.7%		127.2%	130.4%		112.0%

YIT's liquidity position remained strong in January–September. Cash and cash equivalents amounted to EUR 90.9 million at the end of September. In addition, YIT had undrawn overdraft facilities amounting to EUR 59.7 million. In October, YIT signed a EUR 300 million syndicated long-term unsecured revolving credit facility to replace the bilateral revolving credit facilities granted by the same group of banks. The amount of revolving credit facilities totalled EUR 330.0 million at the end of September.

YIT Corporation's revolving credit facilities and bank loans include a covenant requiring the Group's equity ratio based on the IFRS balance sheet to be higher than 25.0%. In addition, the new revolving credit facility includes a covenant requiring the Group's gearing ratio based on the IFRS balance sheet to be below 150.0%. The covenant concerning gearing ratio (IFRS) will be removed if YIT's gearing ratio is below 100.0% for two consecutive quarters. At the end of September, the equity ratio was 31.9% and the gearing ratio was 127.2%.

The total amount of interest-bearing debt decreased to EUR 908.8 million at the end of September and net interest-bearing debt was EUR 817.9 million.

The decrease in net interest-bearing debt was supported by progress in the capital release program. A total of EUR 11.0 million of long-term loans will mature during the remainder of 2014.

Net financial expenses increased in January–September year-on-year and amounted to EUR 16.0 million (1–9/13: EUR 7.7 million). Interest expenses at the amount of EUR 12.6 million (1–9/13: EUR 13.6 million) were capitalized in accordance with IAS 23.

The interest on participations in housing corporation loans is included in housing corporation charges and is thus booked in project expenses. Interest on the participations amounted to EUR 2.4 million in January–September (1–9/13: EUR 2.0 million).

At the end of September, EUR 137.9 million of the capital invested in Russia was comprised of debt investments (6/14: EUR 151.3 million) and EUR 364.9 million was equity investments or similar permanent net investments (6/14: EUR 400.4 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

Personnel

Personnel by business segment	9/14	9/13	Change	9/14	6/14	Change	12/13
Housing	3,848	3,872	-1%	3,848	4,004	-4%	3,818
Finland, the Baltic countries and Central Eastern Europe	*1,839*	*1,864*	*-1%*	*1,839*	*2,017*	*-9%*	*1,832*
Russia	*2,009*	*2,008*	*0%*	*2,009*	*1,987*	*1%*	*1,986*
Business Premises and Infrastructure	1,877	2,164	-13%	1,877	2,022	-7%	2,037
Group Services	307	348	-12%	307	332	-8%	317
Personnel by country	**9/14**	**9/13**	**Change**	**9/14**	**6/14**	**Change**	**12/13**
Finland	3,332	3,702	-10%	3,332	3,685	-10%	3,515
Russia	1,992	1,993	0%	1,992	1,975	1%	1,968
The Baltic countries and Central Eastern Europe	708	689	3%	708	698	1%	689
Group, total	**6,032**	**6,384**	**-6%**	**6,032**	**6,358**	**-5%**	**6,172**

In January–September, the Group employed 6,172 people on average (1–9/13: 6,624). Personnel expenses totalled EUR 195.4 million (1–9/13: EUR 215.0 million). Accident frequency (number of accidents per one million hours worked) was 13 (1–9/13: 11).

The cost effect of YIT's share-based incentive scheme was approximately EUR 0.8 million (1–9/13: EUR 1.8 million).

Strategic objectives

At its meeting on September 11, 2014, YIT Corporation's Board of Directors decided to keep the company's strategic focus areas unchanged. The weakened macroeconomic outlook in Russia and Finland underlines the importance of sufficient financial operating space. In the Housing segment, YIT pursues growth through self-developed projects. In the Business Premises and Infrastructure segment, the aim is to increase the share of projects where the added value produced by YIT for the customer is high. In order to even out cyclicality, the weighting of Central Eastern Europe will be increased as the third geographic pillar in parallel with Finland and Russia.

The implementation of the strategy and reaching the financial targets is supported by the launch of a Group-wide competitiveness programme, under which short-term targets have been defined for 2015 and 2016. The long-term financial targets remain unchanged.

YIT's strategy and financial targets were described at YIT's Capital Markets Day on September 25, 2014, in Helsinki, Finland. The presentation materials and recordings from the Capital Markets Day are available at www.yitgroup.com/investors.

YIT's long-term financial targets	Target level
Revenue growth	5–10% annually on average
Return on investment	20%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt
Equity ratio	40%
Dividend payout	40–60% of net profit for the period

YIT's short-term targets for years 2015 and 2016	Target level
Revenue growth	0–5% annually on average
Return on investment	15%
Net debt (IFRS)	Below EUR 600 million

The target levels excluding the net debt target are based on segment reporting method (POC).

Resolutions passed at the Annual General Meeting

YIT published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 18, 2014. The stock exchange releases and a presentation of the members of the Board of Directors are available on YIT's website at www.yitgroup.com.

Shares and shareholders

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

Share capital and number of shares

YIT Corporation's share capital and the number of shares outstanding did not change during the review period. YIT Corporation's share capital was EUR 149,216,748.22 at the beginning of 2014 (2013: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2013: 127,223,422).

Treasury shares and authorisations of the Board of Directors

The Annual General Meeting of YIT Corporation resolved on March 18, 2014, to authorise the Board of Directors to purchase the company's shares as proposed by the Board of Directors. In addition to this, the Board of Directors maintains a valid share issue authorisation issued by YIT's Annual General Meeting on March 10, 2010. The authorisation is valid for five years after the date it was granted. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 1,633,286 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. During the review period, 5,392 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,638,678 treasury shares at the end of September 2014.

Trading on shares

The price of YIT's share was EUR 10.17 at the beginning of the year. The closing price of the share on the last trading day of the review period on September 30, 2014, was EUR 6.11. YIT's share price decreased by approximately 40% during the review period. The highest price of the share during the review period was EUR 10.70, the lowest EUR 5.99 and the average price was EUR 8.02. Share turnover on Nasdaq Helsinki during the review period was 100 million shares. The value of the share turnover was EUR 799 million.

During the review period, 74 million YIT Corporation shares changed hands in alternative market places, corresponding to approximately 43% of the total share trade, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation on the last trading day of the review period on September 30, 2014, was EUR 767.3 million. The market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of September 2014, the number of registered shareholders was 44,681 (9/13: 42,402). At the end of September, a total of 28.5% of the shares were owned by nominee-registered and non-Finnish investors (9/13: 33.6%).

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

Most significant short-term business risks and risk management

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

YIT is developing the Group's business structure to be balanced and resistant to economic fluctuations. The Group operates in seven countries and therefore economic fluctuations impact operations at different times in different countries and markets. The Group's business areas balance each other and improve the Group's resistance to economic fluctuations. Fluctuation in consumer demand for housing in Finland has been balanced through investor deals of residential projects, which has contributed to decreasing the Group's exposure to such fluctuations. The company aims to react to changes in the operating environment in time and to utilise the new business opportunities provided by them through continuous monitoring and analysis.

YIT's typical operational risks include risks related to plot investments, sales risk of self-developed residential and business premises projects, and risks related to contract tenders, service agreements, project management and personnel. YIT manages sales risk by adjusting the number of housing start-ups according to the estimated residential demand and the number of unsold apartments (the figures for residential production are presented under Development by business segment) and by normally securing anchor tenants prior to starting a business premises project and the investor in an early phase of construction. Changes in the availability of mortgages and real estate financing are key risks related to the demand for apartments.

One of YIT's strategic focus areas is widening the financial operating space, and accordingly targets have been set on releasing capital. A risk of loss of income is related to capital release efforts in a challenging market environment.

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

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

Approximately 74% of the IFRS revenue during the review period was derived from euro countries. The Russian ruble is one of the Group's key currencies. The Group's most significant currency risk is related to ruble-denominated investments. Capital invested in Russia totalled EUR 502.8 million at the end of the review period (9/13: EUR 429.3 million). The amount of equity or equivalent net investments at the end of the period came to EUR 364.9 million (9/13: EUR 429.3 million). The equity investments in the Russian subsidiaries are unhedged in accordance with the treasury policy, and a weakening of the ruble has a negative impact on the Group's shareholders' equity. Debt investments in Russian subsidiaries amounted to EUR 137.9 million at the end of the review period (9/13: EUR 121.3 million), and this exposure was hedged in full. The differences in the interest rates between the euro and ruble have an effect on hedging costs and therefore net financial expenses.

Possible event risks include accidents related to personal or information security and sudden and unforeseen material damage to premises, project sites and other property, resulting from fire, collapse or theft, for example. YIT complies with a group-wide security policy covering the different areas of security. A more detailed account of YIT's risk management policy and the most significant risks were published in the Annual Report 2013.

Prolongation of the geopolitical tensions would probably have a negative effect on YIT's business operations in Russia. The management will closely monitor the development of the situation and its potential effects. The business operations in Russia will be continued normally by developing projects according to demand. Capital turnover will be further improved, which will result in a reduction in the amount of invested capital in Russia.

Events after the review period

In October, residential sales to consumers are estimated to be around 150 units in Finland, around 70 units in the Baltic countries and Central Eastern Europe and around 400 units in Russia.

Outlook for 2014

Guidance for 2014 lowered in October

The Group revenue based on segment reporting is estimated to grow by 0-5% at comparable exchange rates. The operating profit margin based on segment reporting is estimated to be in the range of 6.5-7.3% excluding non-recurring items.

Increased uncertainty over the general macroeconomic development impacts YIT's business operations and customers.

Housing

In the long term, residential demand in Finland will be supported by migration to growth centres. Furthermore, the population and the number of households will increase with continued migration and the increasing number of one-person households. YIT estimates that the demand for small apartments, in particular, will remain good.

Apartment start-ups are expected to decrease in Finland. According to RT's (Confederation of Finnish Construction Industries) October 2014 estimate, the construction of 25,000 apartments will start in Finland during 2014. According to a report published by VTT Technical Research Centre of Finland in January 2012, the annual need for the production of new apartments amounts to 24,000–29,000 apartments.

YIT estimates that residential prices in Finland will remain stable on average in 2014, but the polarisation of prices will continue. The increase in construction costs is expected to be moderate. The interest rates of mortgages are forecasted to remain low. However, the macroeconomic uncertainty and consumer confidence being below the long-term average are expected to continue to affect the Finnish housing market.

Residential demand in the Baltic countries is expected to be supported by economic growth. Furthermore, the poor condition of residential buildings creates a need for new, high-quality apartments. The volume of residential construction is estimated to grow in the Baltic countries and Slovakia (Forecon and Euroconstruct, June 2014). Euroconstruct (June, 2014) estimated that residential start-ups will decline slightly in the Czech Republic. YIT estimates that housing prices will increase slightly in the Baltic countries and Central Eastern Europe. The weakened macroeconomic outlook in Russia is expected to have an effect also on the Baltic economies.

In Russia, the volume of residential construction is estimated to remain unchanged from the previous year (Forecon, June 2014). YIT estimates that housing prices in Russia will remain stable on average and that interest rates on mortgages will increase towards the end of the year. The weakened macroeconomic outlook in Russia may have a negative effect on the housing market.

The long-term outlook for Russian residential construction is good. Living space per person is still clearly lower than in Western Europe and housing is in poor condition, which creates the need for new, high-quality housing. Furthermore, the middle class is expected to grow in proportion to the population and the number of households is expected to increase. The development of the mortgage market in Russia has also contributed to the expansion of the potential buyer base. YIT has promoted the availability of mortgages to consumers through extensive cooperation with partner banks.

Business Premises and Infrastructure

The demand for business premises is expected to remain weak in Finland. Commercial construction is expected to remain unchanged year-on-year, while office construction is slowed down by high vacancy rates (RT, October 2014). Real estate investors' interest in good projects in prime locations is expected to be good, and long-term tenants are appreciated.

In the Baltic countries, business premises construction is estimated to increase by 9% in 2014 (Forecon, June 2014). In Slovakia, business premises construction is expected to decrease by 8% in 2014 (Euroconstruct, June 2014).

Infrastructure construction in Finland is estimated to decrease slightly year-on-year (RT, October 2014). Competition is expected to remain tight, especially for smaller contracts. The government is expected to initiate further investment into the rail network in the capital region (west metro extension).

Interim Report January 1 – September 30, 2014: Tables

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

1 Summary of Financial Statements

2 Notes, segment reporting

3 Notes, IFRS

1 Summary of Financial Statements

1.1 Consolidated income statement, IFRS and segment reporting POC

EUR million	7-9/14 IFRS	7-9/13 IFRS	Change IFRS	7-9/14 POC	7-9/13 POC	Change POC
Revenue	492.4	363.0	36%	485.7	454.7	7%
of which activities outside Finland	164.7	102.7	60%	168.3	164.9	2%
Other operating income and expenses	-461.3	-347.1	33%	-449.2	-413.1	9%
Share of results of associated companies and joint ventures	0.0	0.0	104%	0.0	0.0	104%
Depreciation	-3.1	-4.2	-27%	-3.1	-4.2	-27%
Operating profit	28.1	11.7	140%	33.5	37.4	-10%
% of revenue	5.7%	3.2%		6.9%	8.2%	
Financial income and expenses	-6.7	-2.9	129%	-10.9	-7.5	46%
Profit before taxes	21.3	8.8	143%	22.6	29.9	-24%
% of revenue	4.3%	2.4%		4.7%	6.6%	
Income taxes [1)]	-5.1	-1.2	329%	-5.8	-6.8	-15%
Profit for the review period	16.2	7.6	114%	16.8	23.1	-27%
Equity holders of the parent company	16.3	7.6	114%	16.8	23.1	-27%
Non-controlling interest	0.0	0.0		0.0	0.0	
Earnings per share, attributable to the equity holders of the parent company, diluted and undiluted, EUR	0.13	0.06	117%	0.13	0.18	-28%

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

EUR million	1-9/14 IFRS	1-9/13 IFRS	Change IFRS	1-12/13 IFRS	1-9/14 POC	1-9/13 POC	Change POC	1-12/13 POC
Continuing operations								
Revenue	1,249.3	1,245.7	0%	1,743.0	1,340.2	1,337.6	0%	1,858.8
of which activities outside Finland	369.1	348.7	6%	488.4	459.6	430.5	7%	622.9
Other operating income and expenses	-1,180.4	-1,156.0	2%	-1,621.6	-1,235.9	-1,211.4	2%	-1,688.7
Share of results of associated companies and joint ventures	0.2	0.0		0.0	0.2	-0.0		0.0
Depreciation	-9.6	-14.7	-35%	-17.4	-9.6	-14.7	-35%	-17.4
Operating profit	59.6	75.0	-20%	104.0	95.1	111.6	-15%	152.8
% of revenue	4.8%	6.0%		6.0%	7.1%	8.3%		8.2%
Financial income and expenses	-16.0	-7.7	107%	-9.0	-28.6	-21.3	34%	-30.0
Profit before taxes	43.6	67.2	-35%	95.0	66.5	90.3	-26%	122.8
% of revenue	3.5%	5.4%		5.5%	5.0%	6.7%		6.6%
Income taxes 1)	-10.2	-14.8	-31%	-24.8	-15.5	-20.7	-25%	-29.0
Profit for the review period	33.4	52.5	-36%	70.2	51.0	69.5	-27%	93.8
Equity holders of the parent company	33.5	52.5	-36%	70.3	51.0	69.6	-27%	93.9
Non-controlling interest	-0.1	0.0		-0.1	-0.0	0.0		-0.1
Discontinued operations								
Profit for the review period		288.4		287.5		288.4		287.5
Equity holders of the parent company		288.4		287.5		288.4		287.5
Non-controlling interest								
Continuing and discontinued operations, total								
Profit for the review period	33.4	340.8	-90%	357.6	51.0	357.9	-86%	381.3
Equity holders of the parent company	33.5	340.9	-90%	357.7	51.0	358.0	-86%	381.3
Non-controlling interest	-0.1			-0.1	-0.0			-0.1
Earnings per share, attributable to the equity holders of the parent company, diluted and undiluted, EUR								
Continuing operations	0.27	0.42	-36%	0.56	0.41	0.55	-25%	0.75
Discontinued operations		2.30		2.30		2.30		2.29
Continuing and discontinued operations, total	0.27	2.72	-90%	2.86	0.41	2.85	-86%	3.04

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

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1.2 Statement of comprehensive income, IFRS

EUR million	1-9/14	1-9/13	Change	1-12/13
Continuing operations				
Profit for the review period	33.4	52.5	-36%	70.2
Items that may be reclassified subsequently to profit/loss:				
Cash flow hedges	0.3	2.6	-87%	3.0
-Deferred tax	-0.1	-1.6	-96%	-0.8
Change in fair value of for available for sale investments	0.0			0.0
-Deferred tax	0.0			0.0
Change in translation differences	-37.2	-36.2	3%	-49.7
Other items	0.2			
Other comprehensive income, total	-36.7	-35.2	4%	-47.5
Total comprehensive result	-3.2	17.2		22.7
Attributable to equity holders of the parent company	-3.2	17.3		22.8
Attributable to non-controlling interest	-0.1	0.0		-0.1
Discontinued operations				
Total comprehensive result		288.4		287.5
Attributable to equity holders of the parent company		288.4		287.5
Attributable to non-controlling interest				
Continuing and discontinued operations total				
Total comprehensive result	-3.2	305.6		310.2
Attributable to equity holders of the parent company	-3.2	305.7		309.6
Attributable to non-controlling interest	-0.1	0.0		-0.1

1.3 Consolidated balance sheet, IFRS and segment reporting POC

EUR million	9/14 IFRS	9/13 IFRS	Change IFRS	12/13 IFRS	9/14 POC	9/13 POC	Change POC	12/13 POC
ASSETS								
Non-current assets								
Property, plant and equipment	59.2	70.4	-16%	65.2	59.2	70.4	-16%	65.2
Goodwill	10.9	10.9	0%	10.9	10.9	10.9	0%	10.9
Other intangible assets	9.8	4.0	145%	7.1	9.8	4.0	145%	7.1
Shares in associated companies and joint ventures	0.7	0.4	65%	0.5	0.7	0.4	65%	0.5
Other investments	0.8	0.9	-9%	0.8	0.8	0.9	-9%	0.8
Other receivables	2.9	1.0	185%	0.6	2.9	1.0	185%	0.6
Deferred tax assets	43.1	47.7	-10%	42.4	34.3	38.0	-10%	34.1
Current assets								
Inventories	2,032.1	2,029.8	0%	2,055.8	1,597.4	1,657.3	-4%	1,668.0
Trade and other receivables	317.3	317.3	0%	288.0	375.1	374.8	0%	342.8
Cash and cash equivalents	90.9	52.4	73%	76.3	90.9	52.4	73%	76.3
Total assets	**2,567.8**	**2,534.8**	**1%**	**2,547.5**	**2,182.0**	**2,210.1**	**-1%**	**2,206.3**
EQUITY AND LIABILITIES								
Equity								
Share capital	149.2	149.2	0%	149.2	149.2	149.2	0%	149.2
Other equity	493.2	538.4	-8%	543.5	580.7	611.2	-5%	620.1
Non-controlling interest	0.3	0.4	-14%	0.4	0.4	0.4	13%	0.5
Equity total	**642.8**	**688.0**	**-7%**	**693.1**	**730.4**	**760.8**	**-4%**	**769.8**
Non-current liabilities								
Deferred tax liabilities	20.4	14.1	45%	14.4	33.0	22.8	45%	25.1
Pension liabilities	0.7	0.7		0.7	0.7	0.7		0.7
Provisions	40.5	42.8	-5%	42.5	40.5	42.8	-5%	42.5
Borrowings	296.4	316.6	-6%	305.1	296.4	316.6	-6%	305.1
Other liabilities	30.4	27.7	10%	35.0	30.4	27.7	10%	33.1
Current liabilities								
Advances received	553.3	475.3	16%	514.3	142.8	147.8	-3%	161.9
Trade and other payables	347.2	355.4	-2%	370.5	349.2	359.3	-3%	370.1
Provisions	23.7	21.2	12%	19.0	22.6	21.5	5%	19.1
Borrowings	612.4	593.1	3%	552.9	536.0	510.1	5%	478.8
Liabilities total	**1,925.0**	**1,846.8**	**4%**	**1,854.4**	**1,451.6**	**1,449.3**	**0%**	**1,436.4**
Total equity and liabilities	**2,567.8**	**2,534.8**	**1%**	**2,547.5**	**2,182.0**	**2,210.1**	**-1%**	**2,206.3**

1.4 Consolidated cash flow statement

EUR million	7-9/14	7-9/13	Change	1-9/14	1-9/13	Change	1-12/13
Net profit for the period	16.2	7.6	114%	33.4	52.5	-36%	70.2
Reversal of accrual-based items	17.5	11.8	49%	45.5	48.7	-7%	61.3
Change in trade and other receivables	-14.5	11.0		-30.1	-54.4	-45%	-42.8
Change in inventories	24.9	-136.0		-54.2	-243.3	-78%	-296.8
Change in current liabilities	-0.5	28.5		46.7	90.7	-48%	186.9
Change in working capital, total	9.9	-96.5		-37.6	-206.9	-82%	-152.7
Cash flow of financial items	-1.6	-2.3	-32%	-17.5	-26.7	-35%	-27.6
Taxes paid	0.1	-4.5		-6.3	-37.5	-83%	-43.7
Continuing operations, total	42.2	-83.9		17.6	-170.0		-92.5
Discontinued operations	-0.8	-2.0	-60%	-2.9	-28.9	-90%	30.7
Net cash generated from operating activities	**41.4**	**-85.9**		**14.7**	**-198.8**		**-123.2**
Acquisition of subsidiaries, net of cash	-0.0			-0.5	-4.6	-90%	-4.9
Cash outflow from investing activities	-3.2	-0.9	252%	-8.8	-10.5	-15%	-15.1
Cash inflow from investing activities	1.6	2.8	-41%	3.7	20.8	-82%	24.7
Continuing operations, total	-1.6	1.9		-5.6	5.8		4.7
Discontinued operations					-17.2		-17.2
Net cash used in investing activities	**-1.6**	**1.9**		**-5.6**	**-11.4**	**-51%**	**-12.5**
Operating cash flow after investments	**39.9**	**-84.1**		**9.1**	**-210.2**		**-135.7**
Change in loan receivables	4.3	-8.1		5.5	1.4	291%	5.1
Change in current liabilities	-52.4	93.9		-28.1	163.8		133.2
Proceeds from borrowings	80.0			177.4	27.7	540%	27.7
Repayments of borrowings	-54.4			-98.5	-113.2	-13%	-132.9
Payments of financial leasing debts	-0.1			-0.2	0.0		-0.3
Dividends paid	-0.0			-47.7	-94.0	-49%	-94.0
Continuing operations, total	-22.6	85.9		8.4	-14.3		-61.2
Discontinued operations					147.2		147.2
Net cash used in financing activities	**-22.6**	**85.9**		**8.4**	**132.9**	**-94%**	**86.0**
Net change in cash and cash equivalents	17.3	1.9	834%	17.4	-77.3		-49.7
Cash and cash equivalents at the beginning of the period	75.3	49.7	52%	76.3	174.6	-56%	174.6
Cash and cash equivalents transferred in demerger					-43.8		-43.8
Change in the fair value of the cash equivalents	-1.9	-0.3	525%	-3.0	-2.2	35%	-4.7
Cash and cash equivalents at the end of the period	90.9	51.2	77%	90.9	51.2	77%	76.3

1.5 Consolidated statement of changes in equity, IFRS

	Equity attributable to equity holders of the parent company									
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	869.8	1,005.9	3.3	1,009.2
Correction of prior financial period error							-5.7	-5.7		-5.7
Adjusted equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	864.1	1,000.2	3.3	1,003.5
Comprehensive income										
Profit for the period							340.9	340.9	0.0	340.9
Other comprehensive income:										
Cash flow hedges					2.6			2.6		2.6
- Deferred tax asset					-1.6			-1.6		-1.6
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				-36.2				-36.2		-36.2
Comprehensive income, total				**-36.2**	**1.0**		**340.9**	**305.2**	**0.0**	**305.6**
Transactions with owners										
Dividend distribution							-94.0	-94.0	0.0	-94.0
Share-based incentive schemes			-3.8			1.0	4.1	1.3		1.3
Assets transferred in the demerger, fair value							-514.9	-514.9		-514.9
Demerger effect		-0.4		-7.7	0.1			-8.0	-0.6	-8.6
Transactions with owners, total		**-0.4**	**-3.8**	**-7.7**	**0.1**	**1.0**	**-604.8**	**-615.7**	**-0.6**	**-616.3**
Changes in ownership shares in subsidiaries										
Acquisition of non-controlling interest, no loss of control							-2.7	-2.7	-2.3	-5.0
Changes in ownership shares in subsidiaries, total							**-2.7**	**-2.7**	**-2.3**	**-5.0**
Equity on September 30, 2013	**149.2**	**1.5**	**0.0**	**-50.1**	**-2.3**	**-8.2**	**597.5**	**687.7**	**0.4**	**688.0**

In the interim report, an error pertaining to previous financial periods was corrected. In accordance with retrospective accounting for errors pursuant to IAS 8, the overvaluation of work-in-progress inventory resulting from the error has been corrected in the opening equity for 2013. The effect of correcting the error retrospectively in the opening equity for 2013 was EUR -5.7 million.

	Equity attributable to equity holders of the parent company									
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	869.8	1,005.9	3.3	1,009.2
Correction of prior financial period error							-5.7	-5.7		-5.7
Adjusted equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	864.1	1,000.2	3.3	1,003.5
Comprehensive income										
Profit for the period							357.7	357.7	-0.1	357.6
Other comprehensive income:										
Cash flow hedges					3.0			3.0		3.0
- Deferred tax asset					-0.8			-0.8		-0.8
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				-49.7				-49.7		-49.7
Comprehensive income, total				**-49.7**	**2.2**	**0.0**	**357.7**	**310.2**	**-0.1**	**310.1**
Transactions with owners										
Dividend distribution							-94.0	-94.0		-94.0
Share-based incentive schemes			-3.8			1.0	4.5	1.7		1.7
Assets transferred in the demerger, fair value							-515.2	-515.2		-515.2
Demerger effect		-0.4		-7.7	0.1			-8.0	-0.6	-8.6
Transactions with owners, total		**-0.4**	**-3.8**	**-7.7**	**0.1**	**1.0**	**-604.7**	**-615.7**	**-0.6**	**-616.3**
Changes in ownership shares in subsidiaries										
Acquisition of non-controlling interest, no loss of control							-2.2	-2.2	-2.2	-4.4
Changes in ownership shares in subsidiaries, total							**-2.2**	**-2.2**	**-2.2**	**-4.4**
Equity on December 31, 2013	**149.2**	**1.5**	**0.0**	**-63.5**	**-1.2**	**-8.2**	**614.9**	**692.7**	**0.4**	**693.1**

	Equity attributable to equity holders of the parent company									
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2014	149.2	1.5	0.0	-63.5	-1.2	-8.2	614.9	692.7	0.4	693.1
Comprehensive income										
Profit for the period							33.5	33.5	-0.1	33.4
Other comprehensive income:										
Cash flow hedges					0.3			0.3		0.3
- Deferred tax asset					-0.1			-0.1		-0.1
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				-37.2				-37.2		-37.2
Other change							0.2	0.2		0.2
Comprehensive income, total				**-37.2**	**0.2**		**33.7**	**-3.2**	**-0.1**	**-3.3**
Transactions with owners										
Dividend distribution							-47.7	-47.7		-47.7
Share-based incentive schemes							0.6	0.6		0.6
Transactions with owners, total							**-47.1**	**-47.1**		**-47.1**
Change in non-controlling interest										
Equity on September 30, 2014	**149.2**	**1.5**	**0.0**	**-100.6**	**-0.9**	**-8.2**	**601.5**	**642.5**	**0.3**	**642.8**

2 Notes, segment reporting

2.1 Segment reporting accounting principles

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

In addition in group reporting the interest expenses are capitalized according to IAS 23 standard, which causes differences in operating profit and financial expenses between segment reporting and group reporting.

The chief operating decision-maker is the YIT Group's Management Board, which reviews the Group's internal reporting in order to assess performance and allocate resources to the segments.

2.2 Revenue, segment reporting POC

Continuing operations, EUR million	1-9/14	1-9/13	Change	1-12/13
Housing	881.4	804.5	10%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*537.2*	*460.2*	*17%*	*656.2*
Russia	*344.4*	*344.3*	*0%*	*496.0*
Business Premises and Infrastructure	456.9	517.2	-12%	688.9
Other items	1.9	15.9		17.8
Revenue total, POC	1,340.2	1,337.6	0%	1,858.8
IFRS adjustment	-90.9	-91.9		-115.9
Revenue total, IFRS	1,249.3	1,245.7	0%	1,743.0

2.3 Operating profit and operating profit margin, segment reporting POC

Operating profit

Continuing operations, EUR million	1-9/14	1-9/13	Change	1-12/13
Housing	84.0	100.4	-16%	135.8
Finland, the Baltic countries and Central Eastern Europe	*46.3*	*50.8*	*-9%*	*65.7*
Russia	*37.7*	*49.6*	*-24%*	*70.2*
Business Premises and Infrastructure	17.3	21.0	-17%	30.5
Other items	-6.3	-9.8		-13.6
Operating profit total, POC	95.1	111.6	-15%	152.8
IFRS adjustment	-35.4	-36.6		-48.8
Operating profit total, IFRS	59.6	75.0	-20%	104.0

Operating profit margin

Continuing operations, %	1-9/14	1-9/13	1-12/13
Housing	9.5%	12.5%	11.8%
Finland, the Baltic countries and Central Eastern Europe	*8.6%*	*11.0%*	*10.0%*
Russia	*10.9%*	*14.4%*	*14.1%*
Business Premises and Infrastructure	3.8%	4.1%	4.4%
Group total, POC	7.1%	8.3%	8.2%
Group total, IFRS	4.8%	6.0%	6.0%

2.4 Order backlog, segment reporting POC

Continuing operations, EUR million	9/14	9/13	Change	12/13
Housing	2,033.6	2,115.7	-4%	2,070.8
Finland, the Baltic countries and Central Eastern Europe	*929.8*	*1,053.9*	*-12%*	*970.8*
Russia	*1,103.8*	*1,061.8*	*4%*	*1,100.0*
Business Premises and Infrastructure	702.3	697.7	1%	642.9
Order backlog, POC	2,736.0	2,813.4	-3%	2,713.7
IFRS adjustment	542.6	446.1		470.9
Order backlog, IFRS	3,278.5	3,259.5	1%	3,184.6

2.5 Personnel

At the end of the period	9/14	9/13	Change	12/13
Housing	3,848	3,872	-1%	3,818
Finland ,the Baltic countries and Central Eastern Europe	*1,839*	*1,864*	*-1%*	*1,832*
Russia	*2,009*	*2,008*	*0%*	*1,986*
Business Premises and Infrastructure	1,877	2,164	-13%	2,037
Group Services	307	348	-12%	317
Personnel, total	6,032	6,384	-6%	6,172

2.6 Group figures by quarter, segment reporting POC

Revenue by segments

Continuing operations, EUR million	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	296.4	303.8	281.3	347.7	270.4	247.9	286.2
Finland, the Baltic countries and Central Eastern Europe	*177.4*	*187.0*	*172.9*	*196.0*	*140.0*	*131.6*	*188.6*
Russia	*119.0*	*116.8*	*108.5*	*151.7*	*130.4*	*116.3*	*97.6*
Business Premises and Infrastructure	188.8	147.0	121.1	171.7	181.4	177.0	158.8
Other items	0.5	0.6	0.7	1.9	2.8	6.1	7.0
Revenue total, POC	485.7	451.4	403.1	521.3	454.7	430.9	452.0
IFRS adjustment	6.8	-97.7	0.0	-24.0	-91.7	6.2	-6.4
Revenue total, IFRS	492.4	353.7	403.2	497.3	363.0	437.1	445.6

Operating profit by segments

Continuing operations, EUR million	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	25.1	30.0	28.9	35.5	34.8	30.6	35.0
Finland, the Baltic countries and Central Eastern Europe	*13.3*	*16.2*	*16.8*	*14.9*	*14.7*	*13.7*	*22.4*
Russia	*11.7*	*13.8*	*12.2*	*20.5*	*20.1*	*17.0*	*12.6*
Business Premises and Infrastructure	10.3	6.9	0.2	9.5	8.0	9.9	3.1
Other items	-1.8	-2.1	-2.3	-3.8	-5.4	-2.2	-2.2
Operating profit total, POC	33.5	34.7	26.9	41.2	37.4	38.3	35.9
IFRS adjustment	-5.4	-26.3	-3.7	-12.2	-25.7	-6.0	-4.9
Operating profit total, IFRS	28.1	8.3	23.2	29.0	11.7	32.3	31.0

Operating profit margin by segments

Continuing operations,%	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	8.5%	9.9%	10.3%	10.2%	12.9%	12.3%	12.2%
Finland, the Baltic countries and Central Eastern Europe	*7.5%*	*8.6%*	*9.7%*	*7.6%*	*10.5%*	*10.4%*	*11.9%*
Russia	*9.9%*	*11.8%*	*11.2%*	*13.5%*	*15.4%*	*14.6%*	*12.9%*
Business Premises and Infrastructure	5.4%	4.7%	0.2%	5.5%	4.4%	5.6%	1.9%
Group total, POC	6.9%	7.7%	6.7%	7.9%	8.2%	8.9%	7.9%
Group total, IFRS	5.7%	2.4%	5.8%	5.8%	3.2%	7.4%	7.0%

Key figures, segment reporting POC

	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Profit before taxes, EUR million	22.6	25.7	18.2	32.5	29.9	29.8	30.6
Profit for the review period, attributable to equity holders of the parent company, EUR million							
-continuing operations	16.8	20.0	14.3	24.3	23.1	23.0	23.4
-discontinued operations				-0.9	0.0	286.2	2.2
-continuing and discontinued operations total	16.8	20.0	14.3	23.3	23.1	309.2	25.6
Earnings per share, diluted and undiluted, EUR							
-continuing operations	0.13	0.16	0.11	0.19	0.18	0.18	0.19
-discontinued operations				-0.01		2.29	0.01
-continuing and discontinued operations, total	0.13	0.16	0.11	0.18	0.18	2.47	0.20
	9/14	6/14	3/14	12/13	9/13	6/13	3/13
Equity per share, EUR	5.81	5.98	5.63	6.17	6.10	6.01	6.23
Invested capital, EUR million	1,562.8	1,603.8	1,553.7	1,558.8	1,592.8	1,492.5	1,443.4
Return on investment, from the last 12 months	9.1%	9.6%	10.2%	10.3%	12.3%	13.9%	15.0%
Equity ratio	35.8%	36.4%	35.0%	37.8%	37.0%	38.5%	40.7%
Net interest-bearing debt, EUR million	741.6	776.3	766.6	707.6	774.4	688.1	597.5
Gearing	101.5%	103.2%	108.4%	91.3%	101.1%	91.2%	76.4%
Personnel at the end of the period	6,032	6,358	6,076	6,172	6,384	6,904	6,689

The balance sheet-based key figures presented in the table have been calculated on the basis of the balance sheet according to segment reporting. The comparison periods exclude the assets and liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

Order backlog by segments

Continuing operations, EUR million	9/14	6/14	3/14	12/13	9/13	6/13	3/13
Housing	2,033.6	2,172.0	2,027.3	2,070.8	2,115.7	2,092.7	1,996.4
Finland, the Baltic countries and Central Eastern Europe	*929.8*	*953.2*	*956.7*	*970.8*	*1,053.9*	*1,080.0*	*890.7*
Russia	*1,103.8*	*1,218.8*	*1,070.6*	*1,100.0*	*1,061.8*	*1,012.7*	*1,105.7*
Business Premises and Infrastructure	702.3	751.9	669.4	642.9	697.7	718.0	713.8
Order backlog total, POC	2,736.0	2,923.9	2,696.7	2,713.7	2,813.4	2,810.8	2,710.2
IFRS adjustment	542.6	556.5	449.7	470.9	446.1	365.2	335.7
Order backlog total, IFRS	3,278.5	3,480.3	3,146.4	3,184.6	3,259.5	3,176.0	3,045.9

Operative invested capital

Continuing operations, EUR million	9/14	6/14	3/14	12/13	9/13	6/13	3/13
Housing	1,177.0	1,223.5	1,198.2	1,225.8	1,243.9	1,182.0	1,175.8
Finland ,the Baltic countries and Central Eastern Europe	*613.0*	*621.9*	*649.0*	*651.8*	*671.5*	*617.3*	*586.2*
Russia[1)]	*564.0*	*601.6*	*549.2*	*574.0*	*572.4*	*564.8*	*575.4*
Business Premises and Infrastructure	229.3	233.2	208.8	189.8	215.9	176.9	146.3

Return on operative invested capital

Continuing operations, Rolling 12 months, %	9/14	6/14	3/14	12/13
Housing	9.9%	10.7%	10.9%	11.2%
Finland, the Baltic countries and Central Eastern Europe	*9.5%*	*10.1%*	*9.7%*	*10.3%*
Russia[1)]	*10.2%*	*11.4%*	*12.4%*	*12.3%*
Business Premises and Infrastructure	12.1%	12.0%	15.6%	20.6%

Only operational items are taken into account in calculating the segments’ invested capital.
[1)] Includes the Gorelovo industrial park.

3 Notes, IFRS

3.1 Group figures by quarter, IFRS

	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Revenue, EUR million	492.4	353.7	403.2	497.3	363.0	437.1	445.6
Operating profit , EUR million	28.1	8.3	23.2	29.0	11.7	32.3	31.0
% of revenue	5.7%	2.4%	5.8%	5.8%	3.2%	7.4%	7.0%
Financial income and expenses net, EUR million	-6.7	-4.8	-4.4	-1.2	-2.9	-4.1	-0.7
Profit before taxes, EUR million	21.3	3.5	18.8	27.8	8.8	28.2	30.3
% of revenue	4.3%	1.0%	4.7%	5.6%	2.4%	6.4%	6.8%
Earnings per share, EUR							
-continuing operations	0.13	0.02	0.12	0.14	0.06	0.18	0.18
-discontinued operations				-0.01		2.28	0.02
-continuing and discontinued operations total	0.13	0.02	0.12	0.13	0.06	2.46	0.20
Gross capital expenditures, EUR million	3.2	3.6	2.0	5.4	0.9	5.2	9.6
% of revenue	0.7%	1.0%	0.5%	1.1%	0.3%	1.2%	0.9%

	9/14	6/14	3/14	12/13	9/13	6/13	3/13
Balance sheet total, EUR million	2,567.8	2,633.4	2,509.9	2,547.5	2,534.8	2,421.5	3,638.6
Equity per share, EUR	5.12	5.25	5.06	5.56	5.52	5.54	7.52
Average share price during the period, EUR	8.02	8.37	8.88	13.01	14.11	15.75	16.74
Share price at the end of the period , EUR	6.11	8.41	7.73	10.16	10.29	13.19	16.25
Weighted average share-issue adjusted number of shares outstanding, diluted and undiluted, 1,000 pcs	125,588	125,589	125,590	125,529	125,507	125,462	125,383
Share-issue adjusted number of shares outstanding at the end of the period, 1,000 pcs	125,585	125,586	125,588	125,590	125,591	125,596	125,380
Market capitalisation at the end of the period, EUR million	767.3	1,056.2	970.8	1,276.0	1,292.3	1,656.6	2,037.4
Return on investment, from the last 12 months	6.1%	5.2%	6.1%	6.1%	8.3%	10.7%	10.5%
Equity ratio	31.9%	32.2%	31.6%	34.3%	33.6%	34.9%	31.1%
Net interest-bearing debt, EUR million	817.9	860.2	840.3	781.7	857.3	764.4	839.0
Gearing ratio	127.2%	130.4%	132.1%	112.0%	123.7%	109.8%	88.9%
Unrecognised order backlog at the end of the period, EUR million	3,278.5	3,480.3	3,146.4	3,184.6	3,259.5	3,176.0	3,045.9
-of which activities outside Finland, EUR million	1,697.3	1,838.2	1,568.3	1,617.8	1,548.5	1,462.1	1,506.7
Personnel at the end of the period	6,384	6,358	6,076	6,172	6,384	6,904	6,689
Personnel, average from the beginning of the year	6,172	6,169	6,102	6,575	6,682	6,692	6,658

The balance sheet-based key figures presented in the table have been calculated on the basis of the official balance sheet for the comparison periods, the balance sheet 3/13 includes the assets and liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger that took place on June 30, 2013. Also the business operations of Caverion Corporation were included in the YIT share and its value until June 30, 2013. For these reasons, pre-demerger figures are not comparable to the figures after the demerger.

3.2 Accounting principles of the Interim Report

YIT Corporation's Interim Report for January 1 – September 30, 2014, has been drawn up in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report has not been audited. In the Interim Report the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in column and total sums.

The Interim Report has been prepared in compliance with the International Financial Reporting standards, and the principles for preparing the Interim Report are the same as those used for preparing the financial statements December 31, 2013.

In the interim report, an error pertaining to previous financial periods was corrected. The error was due to the incorrect processing of value added tax in the project reporting of one of YIT's Russian subsidiaries. In accordance with retrospective accounting for errors pursuant to IAS 8, the overvaluation of work-in-progress inventory resulting from the error has been corrected in the opening equity for 2013. The effect of correcting the error retrospectively in the opening equity for 2013 was as follows: work-in-progress inventory EUR -7.1 million, deferred tax assets EUR +1.4 million, and equity EUR -5.7 million. The error did not have any effect on the result for 2013 and 2014, nor did it have any cash flow effect. Correcting the error has only a minor effect on the key figures for previous periods presented in the interim report 9/2014, and they have therefore not been adjusted.

Currency exchange rates used in the Interim Report

		Average rate 1-9/14	Average rate 1-9/13	Balance sheet rate 9/14	Balance sheet rate 9/13
1 EUR =	CZK	27.5045	25.7509	27.5000	25.7300
	PLN	4.1756	4.2013	4.1776	4.2288
	RUB	48.0330	41.6665	49.7653	43.8240
	LTL	3.4528	3.4528	3.4528	3.4528

3.3 Definitions of key financial figures

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

3.4 Unusual items affecting operating profit

EUR million	1-9/14	1-9/13	Change	1-12/13
Housing				-0.5
Business Premises and Infrastructure				-0.5
Other items				-0.2
Group total				**-1.2**

At the end of 2013, the company made decisions to change the business control structure and make rearrangements in shared services. In addition, it was decided to adjust the organisation of Finnish business operations to the current market situation. In December 2013, the company launched cooperation negotiations concerning fixed salaried employees. A total of 750 salaried employees fell within the sphere of the negotiations. The negotiations were completed in January 2014, and approximately 50 dismissals were carried out. The costs amounted EUR 1.2 million incurred for the restructuring are recognised in the last quarter of year 2013.

3.5 Business combinations and disposals

There have been no acquisitions or disposals in year 2014.

3.6 Discontinued operations

The profit of the discontinued operations and profit recognised from asset valuation of assets held for sale are as follows:

EUR million	1-9/14	1-9/13	Change	1-12/13
Revenue		1,260.6		1,260.6
Other income and expenses		-1,249.8		-1,249.8
Profit before taxes		10.8		10.8
Taxes		-3.0		-3.0
Profit of business transferred to Caverion after taxes		7.8		7.8
Recognised profit from asset valuation of discontinued operations		293.0		293.0
Demerger costs		-17.4		-18.0
Taxes related to demerger costs		4.9		4.5
Profit for the review period, discontinued operations		**288.4**		**287.5**

3.7 Property, plant and equipment

EUR million	9/14	9/13	Change	12/13
Carrying value at the beginning of the period	65.2	110.6	-41%	110.6
Translation difference	-0.8	-1.4	-39%	-1.6
Increase	5.5	5.9	-7%	8.1
Decrease	-1.8	-3.0	-39%	-9.3
Discontinued operations		-29.9		-29.9
Depreciation and value adjustments	-8.7	-11.1	-22%	-13.5
Reclassifications	-0.1	-0.8	-82%	0.8
Carrying value at the end of the period	**59.2**	**70.4**	**-16%**	**65.2**

3.8 Inventories

EUR million	9/14	9/13	Change	12/13
Raw materials and consumables	7.5	11.0	-32%	10.2
Work in progress	1,080.4	1,028.7	5%	1,047.1
Land areas and plot owning companies	588.4	673.3	-13%	681.2
Shares in completed housing and real estate companies	256.4	244.8	5%	235.7
Advance payments	98.9	71.3	39%	81.0
Other inventories	0.5	0.7	-21%	0.4
Total inventories	**2,032.1**	**2,029.8**	**0%**	**2,055.8**

3.9 Notes on equity

Share capital and share premium reserve	Number of outstanding shares, pcs	Share capital, EUR million	Treasury shares, EUR million
Shares outstanding on January 1, 2014	125,590,136	149.2	-8.2
Return of treasury shares January 1 - March 31, 2014	-2,208		
Return of treasury shares April 1 – June 30, 2014	-1,852		
Return of treasury shares July 1 – September 30, 2014	-1,332		
Shares outstanding on September 30, 2014	**125,584,744**	**149.2**	**-8.2**

3.10 Financial risk management

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

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

A more detailed account of financial risks has been published in the notes to the financial statements for 2013.

3.11 Borrowings and fair value

Borrowings which have different fair value and carrying value

EUR million	9/14 Carrying value	9/14 Fair value	12/13 Carrying value	12/13 Fair value
Non-current liabilities				
Bonds	105.3	110.3	210.5	218.9
Loans from credit institutions	79.6	79.0	20.0	21.0
Pension loans	111.3	103.6	73.6	72.8
Other loans			0.6	0.6
Non-current liabilities, total	296.1	292.9	304.8	313.3
Current liabilities				
Bonds	105.4	107.5	83.8	83.9

The fair values of bonds are based on the market price at the closing date. The fair values of other non-current loans are based on discounted cash flows. Discount rate is defined to be the rate YIT Group was to pay for equivalent external loans at the closing date. It consists of risk free market rate and company and maturity related risk premium of 1.73-3.16% p.a. (1.60-3.30% p.a.).

Fair value estimation

Group measures the fair value measurement hierarchy as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data.

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

Assets, EUR million	9/14 Level 1	9/14 Level 2	12/13 Level 1	12/13 Level 2
Available -for-sale investments	0.1		0.1	
Derivatives (hedge accounting not applied)				1.8
Total assets	**0.1**		**0.1**	**1.8**

Liabilities, EUR million	9/14 Level 1	9/14 Level 2	12/13 Level 1	12/13 Level 2
Derivatives (hedge accounting not applied)		3.8		1.7
Derivatives (hedge accounting applied)		1.2		1.5
Total liabilities		**5.0**		**3.2**

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

3.12 Change in contingent liabilities and assets and commitments

EUR million	9/14	9/13	Change	12/13
Collateral given for own commitments				
Corporate mortgages				
Guarantees on behalf of its associated companies	6.8	6.8		6.8
Other commitments				
Repurchase commitments	473.6	343.5	38%	319.0
Operating leases	153.7	191.3	-20%	165.0
Rental guarantees for clients	1.7	0.4	321%	1.6
Other contingent liabilities				
Guarantees given				
Liability under derivative contracts				
Value of underlying instruments				
Interest rate derivatives	320.5	290.5	10%	338.0
Foreign exchange derivatives	81.7	131.2	-38%	146.5
Commodity derivatives				0.0
Fair value				
Interest rate derivatives	-6.1	-2.3	165%	-2.4
Foreign exchange derivatives	1.1	0.3	267%	1.3
Commodity derivatives				0.0
YIT Corporation’s guarantees on behalf of its subsidiaries	956.5	970.8	-1%	956.7

As a result of the partial demerger registered on June 30, 2013, YIT Corporation had secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 128.8 million on September 30, 2014 (EUR 177.8 million in September 30, 2013).

3.13 Transactions with associated companies and joint ventures

EUR million	1-9/14	1-9/13	Change	1-12/13
Sales	22.5	53.1	-58%	74.6
Purchases				
EUR million	**9/14**	**9/13**	**Change**	**12/13**
Trade and other receivables	0.0	0.0	12%	0.0
Trade and other liabilities				

Together
we can
do it.