



*YIT Corporation
Annual Report
2000*

YIT

Information for investors

Annual General Meeting

The Annual General Meeting of YIT Corporation will be held on Thursday, March 8, 2001, at 15:00 at the company's head office, Panuntie 11, Helsinki. The notice of meeting was published on February 12, 2001, in Helsingin Sanomat and Kauppalehti, and on YIT's site at www.yit.fi. The right to participate in the meeting rests with a shareholder who by February 26, 2001, at the latest has been entered as a shareholder in the company's shareholder register that is kept by Finnish Central Securities Depository Ltd.

Shareholders who wish to participate in the Annual General Meeting must notify the company thereof no later than by 16:00 on March 5, 2001, either by telephoning +358 20 433 2453 or +358 20 433 2257 or by emailing pirkko.pesonen@yit.fi or liisa.nordberg@yit.fi. Shareholders may also notify the company by writing to YIT Corporation, Marja Salo, P.O. Box 36, FIN-00621 Helsinki, Finland. It is requested that any proxies be submitted, before the expiry of the registration period, at the above address.

Dividend payout

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.75 per share be paid for the 2000 financial year. The right to receive a dividend rests with a shareholder who on the record date, March 13, 2001, has been entered as a shareholder in the company's shareholder register that is kept by Finnish Central Securities Depository Ltd. The Board of Directors will propose to the Annual General Meeting that the dividend payout be started on March 20, 2001.

YIT's Annual Report can be ordered from YIT Corporation, Corporate Communications, P.O. Box 36, FIN-00621 Helsinki, Finland, fax +358 20 433 3746 or e-mail postit@yit.fi.

The Annual Report 2000 is a translation of YIT Corporation's Finnish-language Annual Report for 2000.

Financial information

YIT Corporation will change over to quarterly reporting in 2001. Interim reports will be published as follows:

Interim Report for
the January-March period May 7, 2001

Interim Report for
the January-June period August 3, 2001

Interim Report for
the January-September period November 2, 2001

The Annual Report and Interim Reports will be published in Finnish and English. A printed version of the Annual Report will be mailed to all shareholders. Interim Reports will not be printed; rather, they will be published as stock exchange releases and on the company's site at www.yit.fi. Mailed or emailed copies of Interim Reports can be ordered from YIT Corporation, Corporate Communications, P.O. Box 36, FIN-00621 Helsinki, Finland, telephone +358 20 433 2467 or fax +358 20 433 3746. One may also sign up for the publication mailing list via the company's site.

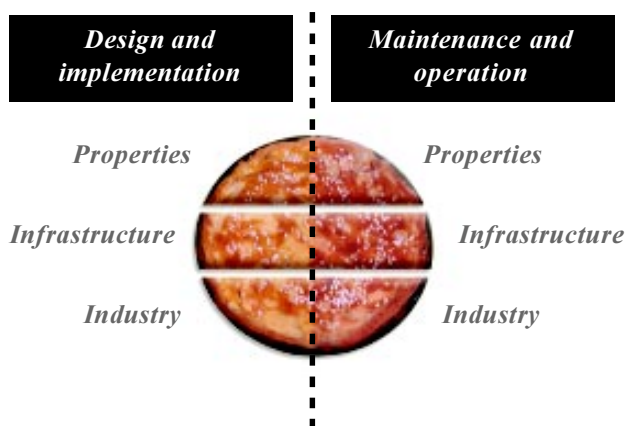
Address changes

Shareholders are requested to make notification of changes in their name and address or holdings to the brokerage firm or bank branch office in which their book-entry account is handled. If the account is handled at Finnish Central Securities Depository Ltd, changes should be notified to the address Finnish Central Securities Depository Ltd, P.O. Box 1260, FIN-00101 Helsinki, Finland.

YIT offers services for the entire life cycle of an investment

YIT provides total service in the field of capital investments and maintenance. The company offers design, implementation, maintenance and operation services for residential, real estate, industrial and infrastructure investments both in Finland and on the international market.

YIT's service chain spans the entire life cycle of an investment.



Our services are presented in greater detail on page 7.

The business operations of the YIT Group have been divided into two fully-owned subsidiaries of YIT Corporation, YIT Construction Ltd and YIT Installation Ltd, and their subgroups. The Group's management and corporate services are attended to by the parent company, YIT Corporation, which is a listed company.

Information for investors	2
YIT in brief	3
President's review	4
The YIT Group's key figures for 2000 and 1999	6
The divisions' services in brief	7
Financial indicators 1996 - 2000	8
YIT's operational concept is based on a life cycle strategy	9
Good market outlook for the YIT Group's main businesses	12
Developing a competitive advantage	16
YIT takes care of its personnel	18
Putting the accent on the environment, quality, health and safety in all operations	20
YIT CONSTRUCTION LTD	24
YIT's portfolio of plots and properties	
- the strength of the future	24
YIT Building Construction's earnings continue to rise at a rapid clip	26
YIT Property Services surging	30
YIT Infraservices - services for the entire life cycle of infrastructure	32
YIT International Operations consolidates its position	34
YIT INSTALLATION LTD	36
Industry is investing again	
- growth continues in maintenance	36
Corporate Governance	42
Board of Directors, January 1, 2001	44
The Group's Management Board, January 1, 2001	45
Information on YIT's shares	46
Information on YIT's shareholders	49
Investment studies	51
Key events in 2000	52
Report of the Board of Directors, Jan. 1 - Dec. 31, 2000	53
Income statements	57
Balance sheets	58
Cash flow statements	60
Notes to the financial statements	61
Definitions of financial indicators	62
Board of Directors' proposal for the distribution of profit	76
Auditors' report	76
YIT Group's organization	77
Contact information	78

YIT's active dividends policy continues



The Group's earnings for 2000 improved as expected

YIT Corporation's shareholder value is developing favourably. The company's operations have evolved steadily since the mid-1990s and in 2000 generated good financial result. Profit before extraordinary items rose to EUR 79.5 million, return on investment to 21.2 per cent and net sales to EUR 1.2 billion. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.75 per share be paid. YIT's goal is to achieve a steady flow of returns for shareholders in the future as well. Our strategic dividends target is 30-50 per cent of full-year earnings.

The centralization of the population and jobs continues

The present favourable trend in the property and construction market is based on the expansion of the operations of companies active in the new economy and their centralization in the growth centres of our country. In spite of the brisk rate of construction, the amount of business premises and residential properties in the growth centres is not enough to meet demand. The construction of new commercial, office and residential buildings as well as refurbishing required to modernize premises continue to increase in the growth centres.

YIT operates in the growth centres

The regional coverage of YIT's operations encompasses, in line with the long-term strategy it has selected, the aforementioned growth areas where business and construction are booming. The growth in the demand for construction and property services in these areas is higher than average, offering YIT market prospects that are superior to the volume trend for the whole country.

Industrial investments and maintenance services are on the rise

Towards the end of last year, industrial investments began to grow at a rapid clip. The high capacity utilization ratio led to fast-paced growth in industrial investments and industrial construction permits at the end of 2000. The outsourcing of industrial maintenance services is continuing in step with the proliferation of industrial investment and modernization projects. In addition to industry, companies in other fields of business are focusing on their core business and are outsourcing their facility and property services from companies specializing in them.



A service chain spanning the life cycle

YIT’s operational concept is to help our customers invest profitably and retain the value of their investments. In order to implement this operational concept, we have extended our service chain to cover the entire life cycle of projects, from development to design and via construction and investment services to maintenance and operation in all our business areas.

YIT is a top-notch service company

Thanks to our goal-directed efforts, our organization has been developed from its former role as a constructor to a company that offers high-quality, comprehensive service in the field of investments and maintenance. We are systematically integrating the expertise of our construction and building equipment system units with IT network and welfare services to create accessories for YIT Media Homes and modern business premises. In addition, we are preparing to offer these features for the existing stock of buildings.

A long service chain imparts stability and provides synergy benefits to our customers

Even now, we are able to implement all the construction and maintenance services required during the entire life cycle of investment and infrastructure projects using the resources of the YIT Group’s own specialized organizational units. The synergy benefits generated by YIT Construction and YIT Installation’s joint efforts improve our profitability and also benefit our customers and owners.

YIT Smart and Sonera Living – smart buildings and services

YIT’s reputation as a high-quality service company rests on our corporate culture’s emphasis on making strong outlays on the development of products and services. The YIT Smart R&D programme generates new solutions for technical building services and networks utilizing the latest information technology. These solutions are used to control the economical maintenance, health factors and safety of properties and structures. Sonera Living Oy, a joint company that was founded last year, offers network and security services and products for residences: accessories for the homes of tomorrow’s information society.

The acquisition of Calor represents a major inroad into the Nordic market

In the growing market for heating, plumbing, air-conditioning and electrical installations and industrial maintenance services in the Nordic countries, we have substantially upgraded our performance by acquiring the shares outstanding in the Swedish company Calor AB in their entirety. We expect the deal to result in significant synergy benefits in technical expertise, development efforts and procurements as well as the flexible use of larger resources, even during large investment projects.

Our vocational training programme guarantees quality and productivity

According to a survey of large corporations carried out by Taloustutkimus Oy, YIT is the most desired employer in its field of business. Our reputation as a good employer is based on usually long employment relationships and respect for tradespeople. At YIT, every person is important. YIT’s respect for professional skills is evident in its large-scale personnel training programmes which are held at the YIT Service Institute and in cooperation with the Siikaranta Institute. Training, in the manner of development efforts, aims to combine service expertise with technical proficiency in the entire service chain of our business.

Good outlook for 2001

The forecasts of financial research institutions indicate that Finland’s economic situation will remain positive. The two-year incomes policy agreement, complete with its tax solutions, will increase household incomes and thus also private consumption and people’s ability to buy homes. Demand for business premises and housing will remain strong in the growth centres. The reasonable interest rate level and low inflation in the euro zone lay a good foundation for increasingly brisk investment activities within industry as well. The buoyant growth of YIT’s net sales and the anticipated improvement of earnings in 2001 further serve to enable us to carry on with our active dividends policy.

Dear customers, cooperation partners and shareholders, I would like to thank you for your trust in our operations. I would also like to extend my thanks to all YIT employees for their contributions to our mutual success. I wish you a successful 2001.

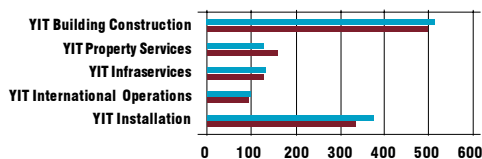
Reino Hanhinen
President

The YIT Group's key figures for 2000 and 1999

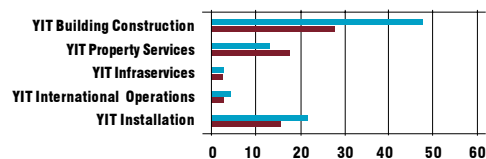
	EUR million		FIM million	
	2000	1999	2000	1999
Net sales	1,235.4	1,222.1	7,345	7,266
change on the previous year, %	1.1	4.7		
share of international business	146.4	165.3	870	983
Operating profit	89.7	62.3	533	370
% of net sales	7.3	5.1		
Profit before extraordinary items	79.5	55.2	473	328
Profit before taxes	79.4	73.7	472	438
Profit for the financial period	54.7	60.7	325	361
Balance sheet total	800.8	702.7	4,761	4,178
Net interest-bearing debt	115.4	117.1	686	696
Shareholders' equity	309.0	271.5	1,837	1,614
Gross capital expenditures on non-current assets	34.3	35.6	204	212
Backlog of orders not recognized as income at Dec. 31	574.7	479.1	3,417	2,849
	EUR		FIM	
Earnings per share	1.90	1.59	11.30	9.45
Equity per share	10.52	9.25	62.55	55.00
Dividend per share	0.75*)	0.60	4.46*)	3.57
Share price at Dec. 31	13.60	10.90	80.86	64.81
Return on investment, %	21.2	15.5		
Return on equity, %	19.1	18.3		
Equity ratio, %	40.2	41.6		
Gearing ratio, %	38.1	42.8		
Personnel, average	8,189	8,721		

*) Board of Directors' proposal to the Annual General Meeting

Net sales by division, EUR million

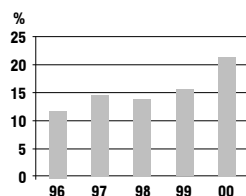


Operating profit by division, EUR million

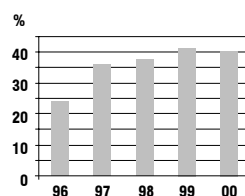


— Net sales and operating profit 2000
— Net sales and operating profit 1999

Return on investment, 1996-2000



Equity ratio, 1996-2000



The divisions' services in brief

CONSTRUCTION SERVICES

YIT CONSTRUCTION LTD

YIT Building Construction

is responsible for the Group's residential construction in the entire country. Outside the Uusimaa region, its field of business includes other types of building construction over and above residential construction.

YIT Property Services

offers a service chain that encompasses the entire life cycle of a property. Units specialized in project and office services, services for the construction of business facilities and renovation services operate in the Uusimaa region. Its area of operations in project management services and maintenance and operation services covers the whole of Finland.

YIT Infraservices

offers civil engineering services ranging from large-scale infrastructure projects to individual special projects and products. The division's services include earthworks, tunnelling, network and regional construction, stabilization and other special ground engineering works as well as bridge, harbour and water treatment plant construction. Infrastructure maintenance and upkeep services comprise a significant new business area.

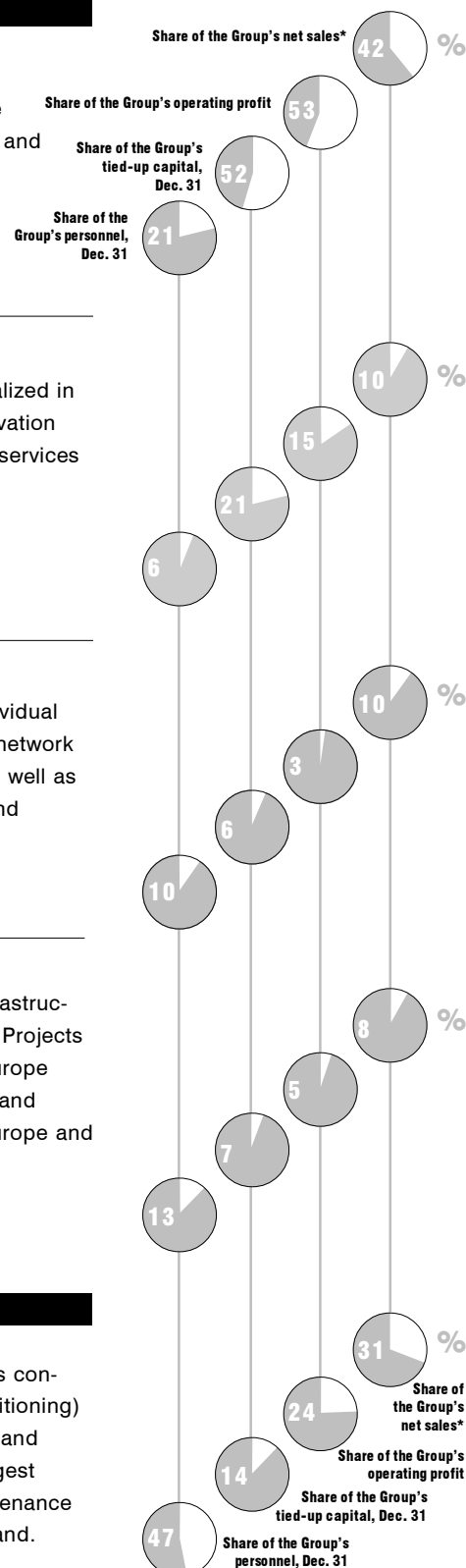
YIT International Operations

offers development, design, implementation and upkeep services for construction, infrastructure and industrial projects in Russia, the other CIS countries and the Baltic countries. Projects involving water and environmental projects are carried out in Northern and Eastern Europe and in some countries in the Far and Middle East. Makroflex's polyurethane insulation and sealant products are manufactured in Finland and Estonia and marketed in Russia, Europe and the Far East.

SERVICES FOR INDUSTRY AND TECHNICAL BUILDING SERVICES

YIT INSTALLATION LTD

provides maintenance, operation and capital investment services for industry as well as contracting, refurbishing and upkeep services in HEPAC (heating, plumbing and air-conditioning) and electrical installations. YIT Installation has subsidiaries in Sweden, Norway, Russia and Estonia. In the field of capital investment services for industry, YIT Installation is the largest company in the Nordic countries in its own product areas, and when it comes to maintenance operations and HEPAC and electrical contracting, it is one of the major players in Finland.



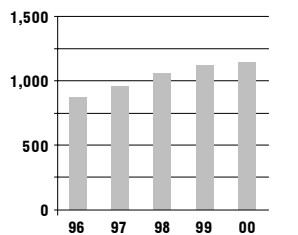
* = Net of the division's external Group eliminations



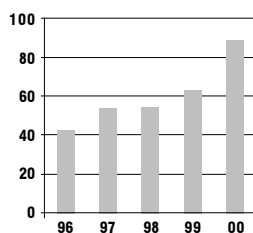
Financial indicators

1996 - 2000

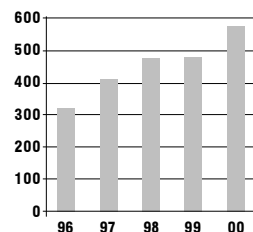
Net sales, EUR million



Operating profit, EUR million



Backlog of orders not recognized as income, EUR million



Currency exchange rates at Dec. 31, 2000

1 EUR =	5.94573	FIM
	0.9305	USD
	0.6241	GBP
	8.8313	SEK
	8.2335	NOK
	15.6466	EEK
	26.589	RUB

CONSOLIDATED INCOME STATEMENTS

(EUR million)	2000	1999	1998	1997	1996
Net sales	1,235.4	1,222.1	1,167.7	941.4	876.3
change, %	1.1	4.7	24.1	7.4	32.8
share of international business	146.4	165.3	200.0	171.1	157.4
Operating income and expenses	1,126.8	1,141.2	1,095.7	871.4	818.2
Depreciation and write-downs	18.9	18.6	17.5	16.0	15.9
Operating profit	89.7	62.3	54.5	54.0	42.2
% of net sales	7.3	5.1	4.7	5.7	4.8
Financial income and expenses (net)	-10.2	-7.1	-8.5	-10.8	-13.6
Profit before extraordinary items	79.5	55.2	46.0	43.2	28.6
% of net sales	6.4	4.5	3.9	4.6	3.2
Extraordinary income	0	18.5	0.1	10.8	1.6
Extraordinary expenses	0.1	0	0.3	1.2	2.2
Profit before taxes	79.4	73.7	45.8	52.8	28.0
% of net sales	6.4	6.0	3.9	5.6	3.2
Profit for the financial period	54.7	60.7	28.4	40.9	20.7

CONSOLIDATED BALANCE SHEETS

	2000	1999	1998	1997	1996
Assets					
Intangible assets	23.8	20.6	17.9	15.7	17.5
Tangible assets	85.2	78.3	88.1	78.6	93.8
Investments					
Own shares	7.8	4.2			
Other investments	11.0	11.4	13.8	10.5	10.8
Inventories	249.4	175.4	222.2	217.5	181.3
Receivables	411.0	389.2	320.1	300.9	259.7
Marketable securities	1.4	13.4	5.1	3.7	9.9
Cash and cash equivalents	11.2	10.2	10.5	16.4	8.8
Total assets	800.8	702.7	677.3	643.3	581.8
Liabilities					
Share capital	58.8	58.8	49.3	49.3	41.0
Other shareholders' equity	250.2	212.7	176.3	157.6	82.4
Minority interests	1.6	6.7	11.1	10.1	7.6
Provisions for liabilities and charges	6.9	6.7	3.2	4.4	4.2
Long-term liabilities					
Interest-bearing	89.2	125.2	128.4	120.9	166.5
Non-interest-bearing	3.3	4.8	9.3	7.1	18.2
Current liabilities					
Interest-bearing	38.9	15.5	44.7	69.1	82.6
Advances received	47.1	43.7	42.4	41.2	37.0
Other non-interest-bearing	304.8	228.6	212.6	183.6	142.3
Shareholders' equity and liabilities total	800.8	702.7	677.3	643.3	581.8

KEY FIGURES

Return on investment, %	21.2	15.5	13.7	14.5	11.8
Return on equity, %	19.1	18.3	13.9	21.7	19.0
Equity ratio, %	40.2	41.6	37.3	36.0	24.0
Net interest-bearing debt, EUR million	115.4	117.1	157.5	170.2	230.4
Quick ratio	1.2	1.7	1.3	1.3	1.2
Gearing ratio, %	38.1	42.8	66.6	78.4	175.9
Gross capital expenditures on non-current assets, EUR million	34.3	35.6	35.9	24.7	15.5
% of net sales	2.8	2.9	3.1	2.4	1.8
Backlog of orders not recognized as income at Dec. 31, EUR million	574.7	479.1	477.5	411.7	319.7
of which orders from abroad	57.3	46.8	89.2	91.8	57.7
Personnel, average	8,189	8,721	7,340	6,531	7,184

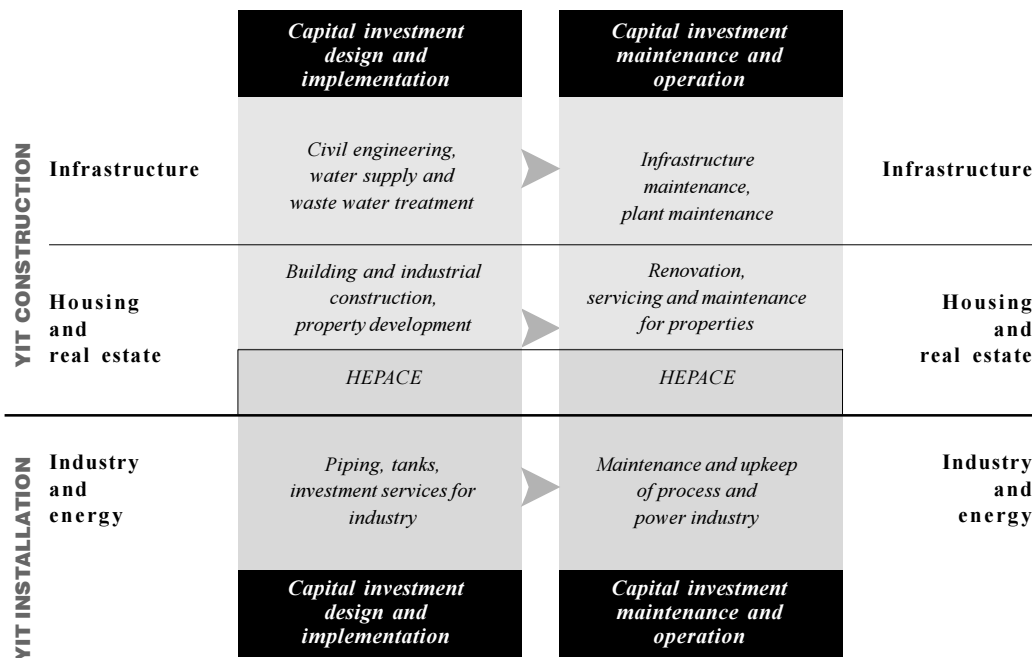
The figures for 1996 - 97 are based on the earlier Accounting Act.

Per-share key figures are presented on page 48.

Definitions of financial indicators are presented on page 62.

“YIT’s range of products and services is being vigorously upgraded with the aid of new technology.”

*YIT’s
operational concept
is based on
a life cycle strategy*



YIT’s service chain has been expanded from design and implementation to maintenance in all business sectors in accordance with the Group’s strategy.





*YIT helps
customers
to invest
productively
and
maintain the
value of their
investments.*

The YIT Group's core strategy for 2001 - 2003 is to achieve profitable growth

In line with the operational concept, our Group strategy aims to provide and manage a service chain covering the life cycle of investments in all of YIT's business sectors. The life cycle strategy seeks to achieve better service capability, growth in our business operations and a steadier stream of profits.

In construction, our aim is to retain and consolidate our position as market leader in Finland. We are seeking growth in market-financed housing production, the construction of commercial and industrial facilities and project management services. YIT's particular strengths are a good portfolio of plots and constant development efforts.

The scale of maintenance and upkeep services is expanding dramatically in all our business areas: properties, industry and infrastructure. Thanks to the vibrant development of the construction and property cluster, YIT is well poised to make the most of the growing markets.

In the case of capital investment services for industry, we mean to consolidate our market leadership in Scandinavia. Technical building services comprise a highly significant growth area for YIT. Growth is being supported by extending the service chain and augmenting our technical expertise.

The main thrust of YIT's international operations is construction in the Baltic Rim, where we aim to bolster local operations by establishing a stronger business presence in the major target areas in Russia and the Baltic countries. In services for industry and HEPAC and electrical installation services, international operations focus on Scandinavia and the rest of Western Europe. In this area, we aim to achieve highly significant growth through the acquisition of the Swedish Calor Group.

YIT's range of products and services is being vigorously upgraded with the aid of new technology. YIT's versatile expertise means that it has good synergy potential for accomplishing this. Development is being supported by means of networking with leading companies in different fields of business.

As far as our corporate culture is concerned, our goal is to strengthen our service and quality culture throughout the entire organization. We are ensuring that our personnel's expertise is the Group's competitive and superiority factor.

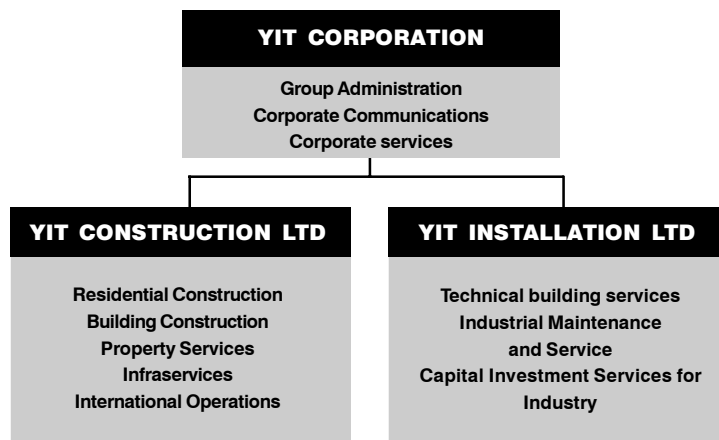
YIT is developing all of its operations as a service company and as a responsible pioneer in its fields of business.

Goal-directed progress towards the financial indicator targets

The YIT Group's financial indicator targets, which are of strategic value for investors, were confirmed during a review of the Group's strategy in 1998. Purposeful progress has been made towards attaining these targets, and in some cases they have been surpassed.

Financial indicators: target levels and the actual figures, 1996 - 2000

	Target level	2000	1999	1998	1997	1996
Annual growth in net sales, %	10 - 15	1.1	4.7	24.1	7.4	32.8
Return on investment, %	18	21.2	15.5	13.7	14.5	11.8
Equity ratio, %	45	40.2	41.6	37.3	36.0	24.0
Dividend payout, %	30 - 50	39.5	37.7	43.0	27.4	28.8



Competitive strategies of the divisions

YIT Building Construction's and **YIT Residential Construction's** strategic focus areas are to vigorously develop and increase market-financed housing production and the construction of business premises. Operations focus on Finland's growth centres. The design supervision of housing production is being upgraded and strategic acquisitions of land are being made to ensure that competitiveness can be retained in key locations within the growth centres. Thanks to its efficient and flexible construction, the division remains prepared to rapidly overhaul its modes of production in line with changes in demand.

YIT Property Services' vision is to be the leading service company in the property cluster, with a comprehensive service chain ranging from the design and implementation of investments to maintenance. The division's aim is to expand its business operations vigorously by developing its services and products. The product concept behind the construction of commercial premises is being worked on in association with other YIT units with the aim of coming up with modern and flexible spatial solutions and services for property users and investors. Growth focuses on property development, project management services and maintenance services.

YIT Infraservices aims to be the country's leading provider of infrastructure construction and maintenance services. Its expertise, which is based on long experience as well as the latest equipment and technology, comprises a solid foundation for profitable operations. Now that the maintenance market is significantly opening up in the infrastructure cluster, YIT is aiming to be the trailblazer in this field. In addition, foundation works for building construction in growth centres offer substantial growth potential for the division.

YIT International Operations means to achieve conservative growth, avoiding excessive risks, with a view to maintaining its position and ensuring that its earnings potential is good. Operations focus on the Baltic Rim. The competitiveness of the division's specialist expertise in water and environmental services is being improved by means of corporatization measures and strong development efforts. The Makroflex polyurethane sealing foam brand and its marketing are being developed vigorously.

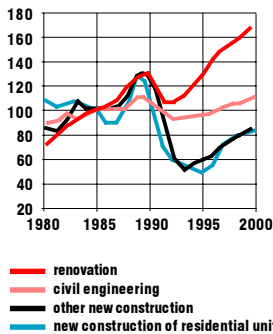
YIT Installation's objective is to ramp up its operations in all its main business areas. Technical building services are continuing to grow thanks to acquisitions and the development of services. The industrial maintenance market will grow further due to the continuation of the outsourcing trend. The division aims to become an even weightier European player in the delivery of piping for power plants. The division will retain its market leadership in capital investment services for industry in Finland and, now that Calor has been acquired in Sweden, YIT will take on the mantle of the field's largest player in Sweden, too. Scandinavia now more clearly comprises the division's home market.



Good market outlook for the YIT Group's main businesses

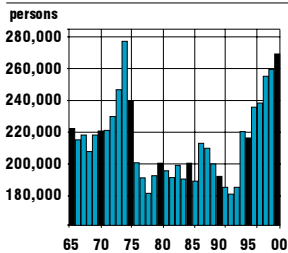
Construction volume in Finland, 1980 - 2000

1985 index = 100



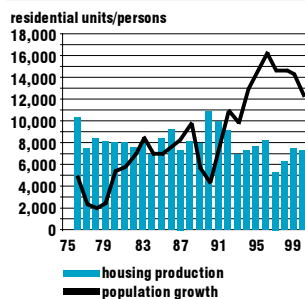
Source: Statistics Finland/RTK

Migration between municipalities in Finland 1965 - 2000



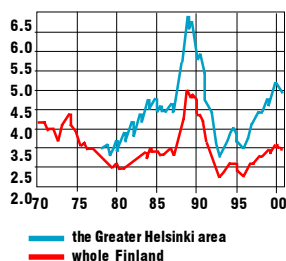
Source: RTK

Annual housing production and population growth in the Greater Helsinki area, 1975 - 1999



Source: YTV/Development Planning Unit, March 2000

Price of a 60 m² residence/ Disposable income of households



Source: OKOBANK, January 2001

YIT's business operations are targeted at growing markets

The YIT Group's business and technology strategy has been developed so as to be in line with the trends in the economies of its main market areas and the structural changes in the population. YIT has centralized its operations, both geographically and in terms of business sectors, in areas which are growing faster than the rest of the economy. This serves to ensure that the Group's rising profitability trend can be maintained and that it can step up production substantially. At the end of 2001, YIT will have a payroll of over 10,000 people. Of them, slightly under one fifth will work in Sweden on HEPAC and electrical installations and capital investment and maintenance services for industry.

The markets for capital investment and maintenance services in Finland and Sweden are still growing at a faster rate than the GNP. The structural change in the economy is the motive force behind the rapid population shift into the growth centres. Natural population growth is faster in these centres than in the rest of the country, even simply due to the age structure. The housing shortage in the growth centres remains an issue and the vacancy rate of business premises is at a historical low. It is becoming more common for companies to outsource maintenance, facility and office services that are not part of their core business, and this increases the demand for YIT's services. Sales are being increased by offering products based on new technology for the regulation of building equipment systems and processes in YIT Media Homes and business premises; these products also serve as the basic technological backbone of security, entertainment and information services.

The growth of the national economy supports demand for capital investment and maintenance services

According to financial research institutions, Finland's GNP will grow by slightly over 4 per cent in 2001. The improvement of the employment rate, the two-year incomes policy, the reduction of income taxation and the slowing down of inflation will increase the real disposable income of households by about 4 per cent. Consumption demand is also expected to keep accelerating at a rate of about 4 per cent. Capital investments by industry already began to pick up towards the end of the previous year and, according to the investment survey carried out by TT, the Confederation of Finnish Industry and Employers, growth will remain brisk in 2001. Total investments in the national economy will increase by slightly under 7 per cent. ETLA, the Research Institute of the Finnish Economy, estimates that the GNP will grow by an average of 3.5 per cent annually and construction by 5 per cent annually in the five-year period ahead. As new construction slows down, the growth of renovation will increase. The Swedish construction federation Byggingustierna estimates that the medium-term average annual growth in Swedish construction will be about five per cent.

Growth in industrial, commercial and office construction

According to the business climate group of the Ministry of Finance, the construction of new houses in Finland will grow by 6 per cent in 2001. The growth in new construction will abate slightly and renovation will increase. The annual sum of construction permits was 7 per cent higher at the beginning of the year than a year earlier. Concurrently, permits for the construction of industrial, commercial and office buildings have increased by one fifth.

“The YIT Group’s business and technology strategy has been developed so as to be in line with the trends in the economies of its main market areas and the structural changes in the population.”

Residential construction is still highly energetic

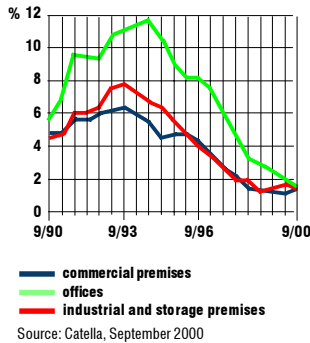
At the beginning of the year, the annual sum of housing permits was at the previous year’s level. Many housing permits were granted at the end of 1999, and the number of start-ups rose to 34,600 residential units. Thus, during 2000, a great many residential units were under construction. Towards the end of the year, the construction of some market-financed sites was pushed back to the next year. The number of residential start-ups increased to 36,000 – 37,000 residential units. According to RTK, the Confederation of Finnish Construction Industries, the production of market-financed high-rise blocks and terraced houses will continue to increase in 2001. The housing production figures for the entire country include the decline in housing production in areas which have suffered from the population drain into the growth centres and also the higher-than average increase in the rate of production in the growth centres.

Households are confident in the favourable development of their financial situation. At the end of the year, lending increased and more people intended to buy homes of their own. The surge in housing sales is supported by the anticipated positive trend in incomes and the prevailing view that the interest rate levels will decline moderately. The real prices of residences remain one fifth lower than in 1989 and the wherewithal of family units to buy homes is significantly better thanks to the rise in income levels.





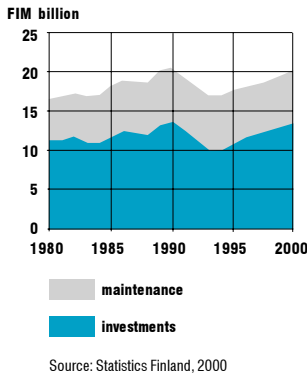
Vacancy rates of business premises in the Greater Helsinki area, 1990 - 2000



The population shift into the growth centres remains brisk

Most housing production needs stem from the efforts and opportunities of the population in the growth centres to improve their level of housing. In addition, people moving into these areas need residences. In 2000, about 270,000 people changed their municipality of residence. The bulk of residential unit turnover took place in the existing housing stock. The increase in the population of the growth centres further augments the need for services and labour. In 2000, slightly under 35,000 new residential units were completed in the entire country. The pressures to step up housing production are mounting, because there are no vacant residential units on the market which are in a habitable condition.

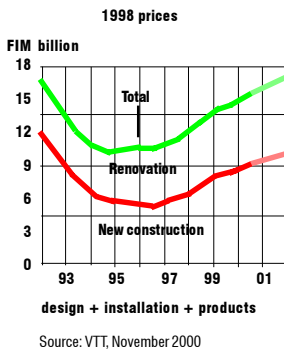
Volume of civil engineering in Finland



Robust property markets in the growth centres

VTT Building Technology has evaluated that the aggregate market for property maintenance amounts to about FIM 80 billion, of which the growing share accounted for by the outsourced services market is about FIM 25 billion. The outlook for the property and property services business is good in the Greater Helsinki area and other growth centres. The vacancy rate for business premises remains very low – about 2 per cent. Internationally, a 4-5 per cent vacancy rate is considered desirable in a stable property market. The current situation means that the rents of business premises are subjected to growth pressures and that investments in business premises remain profitable. New business premises are often used by companies involved in new technologies and the new economy. The share accounted for by biotechnology companies has increased recently. The provision of maintenance, office and other corporate services – even including welfare services – for the new breed of business parks improves the growth prospects of YIT's service business.

Domestic demand on the market for HEPAC and electrical installations



Slow growth in civil engineering

The steep hikes in the prices of energy fuels and bitumen last year increased the costs of earthworks, weakened profitability and put the brakes on potential growth in demand. The total volume of civil engineering production remained at the previous year's level. Growth was seen in earthworks prices related to the construction of buildings and telecommunications networks. This year, the decrease in the price of oil will alleviate cost pressures and improve profitability. Municipalities' growing interest in regional maintenance and the outsourcing of the maintenance of infrastructure networks will improve the prospects of YIT's maintenance business, which has already got off to a good start.

Industrial investments in Finland, 1980-2001



In connection with the Finnish Road Administration's privatization project, the maintenance of public roads will be gradually opened to competitive bidding by private companies. Of its approximately one hundred maintenance areas, ten have been opened for competitive bidding to date. Thanks to the transitional aid granted by the State, road production enjoys a competitive advantage. However, YIT already has experience of maintenance contracts which it has secured. The maintenance business will be expanded profitably in the future as well.

“Investment operations in the forest, chemical and metal industries grew in Finland, and it appears that this growth will continue in 2001.”

Construction increases demand for HEPAC and electrical installations

The economic situation in Finland and the good outlook for the construction business increase the demand for HEPAC (heating, plumbing, air-conditioning) and electrical contracting, especially in the growth centres. The increase in renovation also supports the growth of technical building services. The demands set on the automation level of HEPAC and electrical installations have grown. YIT expects that the demand for maintenance and upkeep services for HEPAC will remain good. Energy-efficiency and living comfort will be emphasized. The increase in the disposable income of consumers lays the foundations for the growth of business operations. Demand for property security services is also expected to rise.

Outsourcing of industrial maintenance services continues

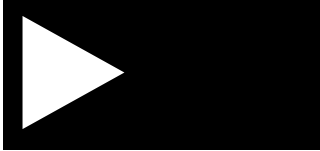
The market for industrial maintenance services in Finland is valued at over FIM 18 billion per year by the Tampere University of Technology. The maintenance departments of various industrial plants still perform two thirds of this volume, but an increasing share of services is being outsourced. Companies are focusing on their core competence areas and are outsourcing support services like maintenance that require special expertise and where outsourcing will bring about a rise in productivity. In Sweden, the outsourcing of industrial maintenance is expected to develop the same way as in Finland.

Industrial investments are on the rise

Investment operations in the forest, chemical and metal industries grew in Finland, and it appears that this growth will continue in 2001. The business cycle survey carried out in November 2000 by TT, the Confederation of Finnish Industry and Employers indicates that investments will rise by a further 15 per cent. The forest and metal industries make the most investments. It is estimated that industrial investments will pick up in Sweden in the latter half of the present year. In the light of these facts, YIT anticipates an increase in the demand for capital investment services for industry during the present year.



Developing a competitive advantage



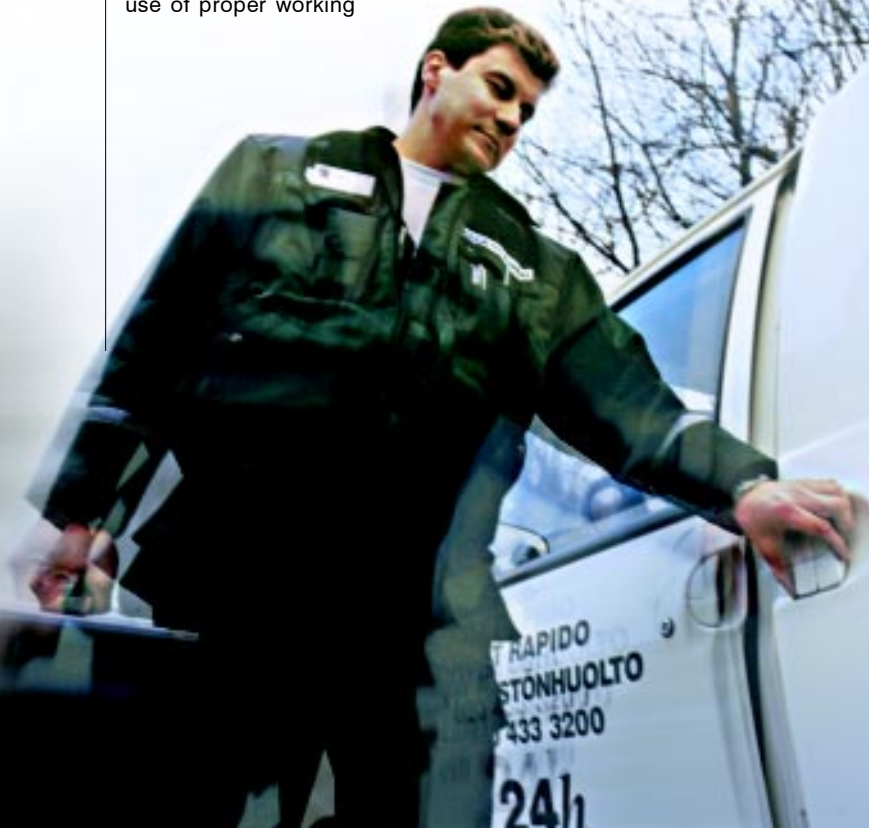
YIT aims to hold on to its position as the pioneer in the development of business operations and services. For this reason, R&D is one of the cornerstones of the YIT Group. Among the most significant development projects in 2000 were the YIT Building Warranty service agreement, Media Homes and YIT Smart.

The YIT Building Warranty is your guarantee of good living and ownership

Brand maintenance, familiar from the world of automobiles, is now available for buildings erected by YIT. YIT takes on the responsibility for the design and construction of housing and business premises and, by means of a separate YIT Building Warranty service agreement, also commits itself to being responsible for the maintenance and upkeep of the property. As the designer and constructor of the building, YIT has the fullest knowledge of the property and can guarantee that the required inspections and repairs are performed at the right time and in the correct way. Thus, the YIT Building Warranty service agreement ensures that the condition and value of the building will remain high during the entire life cycle of the property.

The Building Warranty service agreement specifies, on a site-specific basis and in detail, the measures, tasks and inspections that must be carried out for the property and the building equipment systems as specified in the maintenance manual. The maintenance manual guides the owner of the property in the systematic maintenance and upkeep of the property. Any possible problems can be detected in time during regular inspections that are carried out in the manner described in the maintenance manual, which means that delays will not cause additional repair costs.

The quality requirements set out in the Building Warranty call for the use of proper working



methods during design and implementation, the selection of durable materials, economical building equipment system solutions and surface materials that can be cared for easily. In the long run, the Building Warranty minimizes property-related expenses.

YIT Homes are Media Homes

In the autumn of 1999, YIT decided to install telecommunications cabling into all its market-financed housing projects that were in the design stage, and in February 2000 resolved to augment them with fixed Internet access as well. The first Media Homes were completed last summer, and now all YIT Homes under construction are Media Homes.

A Media Home boasts a broadband information network and fixed Internet access as standard features, serving as the foundation for the ancillary services of today and tomorrow. These services include security systems, regulation, metering and control devices for homes, telecommuting connections, video conferencing and entertainment services.

To develop the ancillary services of the future, YIT and Sonera founded a joint company, Sonera Living Oy, in June 2000. Its field of business includes hooking up residences to networks and providing network services that make the lives of the residents easier. One of the first added value services to be offered to residents by Sonera Living is the opportunity to make Internet protocol (IP) phone calls from YIT Homes.

YIT Smart: the technical building service systems of the future

In the autumn of 2000, YIT launched a large-scale technology programme aiming to develop new technical building service solutions that utilize construction IT. The solutions and services that are the outcome of these development efforts aim to improve residential comfort and the pleasantness of workplaces, decrease the costs of properties over their life cycles and facilitate property management and maintenance. The demands placed on the indoor climate of buildings, safety, telecommunications connections and various media and office services are growing constantly. The ease with which premises can be modified is also becoming more important. Even during the design phase, one must take into account that the usage purpose of the building may change.

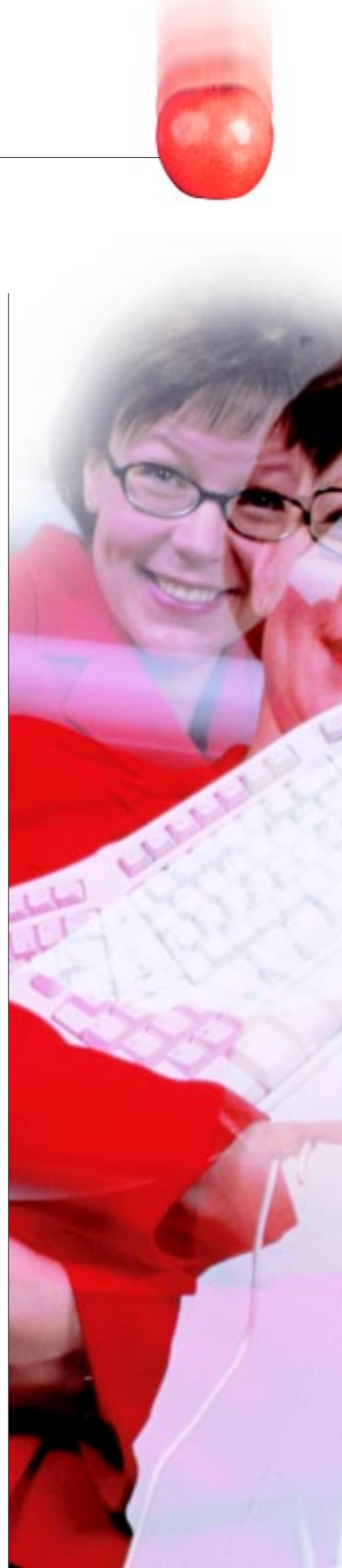
The service life, energy efficiency and upkeep of properties and their technical building service systems are increasingly important when striving to achieve overall economy in the construction and use of properties. YIT Smart aims to package technical building services as products and offer them as part of construction projects. As a supplier of total services, YIT can take on the responsibility for the properties it builds: their quality, functionality and economy over their entire life cycle. In the future, technical building service systems will not only emphasize technical quality, but also place a greater emphasis on functional quality. Development efforts are an integral part of business operations, and customers are involved in these efforts.

At the beginning of November, Markku J. Virtanen, DTech, was appointed as the head of the YIT Smart development project and the technology director of technical building service systems.

A self-learning condition monitoring system

The NeuralMaine self-learning condition monitoring system can be easily customized for the monitoring of different types of sites. The system observes defects in the machinery and learns from them on its own and can predict malfunctions before they occur. When machinery malfunctions can be identified at an early stage, they can be rectified without shutting down the production process. Thus, repairs can be carried out in a controlled fashion. The system can be adapted to monitor different types of machines.

The NeuralMaine system was developed in cooperation with VTT Manufacturing Technology and YIT's customers. The system has already been deployed in production operations. The development project has been funded by Technology Development Centre Tekes.



YIT takes care of its personnel

Breakdown of personnel, Dec. 31, 2000



The YIT Group employed an average of 8,189 people in 2000 (8,721 people in 1999). At year's end, the Group had a total payroll of 8,605 people (8,282), of whom 7,501 (6,613) were Finns. Most salaried employees are permanently employed. YIT intends to strongly increase the number of long-term employment relationships among its other employees, too.

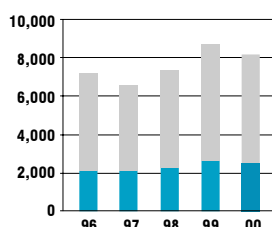
A balanced personnel structure supports earnings performance

The average age of Finnish employees working for the YIT Group is 42 years. Much attention has been paid to ensuring a balanced personnel structure both through recruitment and job rotation.

Of YIT's salaried employees, almost 10% have completed a university degree, about 30% have a college degree and likewise around 30% have a two-year technical degree or the equivalent. A greater share of employees now also have a vocational degree. Over 300 trainees were in positions related to vocational studies during the report year.

The average duration of a stint of employment is 9 years. YIT values long-term employment relationships, and shows its appreciation by such means as an extra bonus that is based on the duration of employment.

Average personnel, 1996 - 2000



	Salaried employees	Employees	Total
1996	2,103	5,081	7,184
1997	2,071	4,460	6,531
1998	2,300	5,040	7,340
1999	2,647	6,074	8,721
2000	2,552	5,637	8,189

Jointly-agreed upon values guide operations

In 1996, excellence in service, well-run cooperation, continuous learning and good performance were approved as YIT's shared core values. These values inform the Group's key results, which are also confirmed annually. They also contribute to each YIT employee's setting of objectives. The values and key results thus guide the company's development efforts and managerial practices.

Management by objectives is YIT's chosen mode of operations

The YIT Group employs management by objectives. The goals of each salaried employee for the financial period are agreed during a performance evaluation and development discussion with his or her supervisor. The realization of objectives is evaluated during monitoring and evaluation discussions.

The majority of salaried employees are covered by a bonus system. The amount of the bonuses that are paid depends not only on the financial results of the entire Group and the division and unit in question, but also significantly on the realization of personal key results. About 140 of the Group's key employees have share options under the 1998 share option programme.

The development of the personnel's expertise continues to be diverse

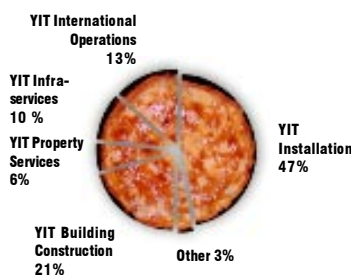
Continuous learning is YIT's key core value; it is the right and obligation of every YIT employee. Development efforts are a tool for the implementation of strategies and the management of expertise is assuming ever-greater importance as a success factor for the company.

Personnel development continued to very active within the YIT Group, both within the framework of the Group's, divisions' and units' own development programmes. In 2000, numerous job orientation events were organized for new employees, employees from acquired companies and trainees.

During autumn 2000, information on successful and functional solutions and observed errors was collected at building construction sites. The large-scale training programme on technical quality is based on this material. Training is being organized for all such salaried employees and employees of YIT Construction who have had technical education.

In order to strengthen employee training, YIT made a cooperation agreement with the Siikaranta Institute, which is owned by the Finnish Construction Trade Union, in autumn 1999. The aim of this cooperative endeavour is to create for YIT Finland's best system for

Personnel by division, Dec. 31, 2000





YIT offers young people a chance to establish their own careers at a high-quality service company.

the development of work site personnel. The training programmes have got off to a brisk start, with 260 people participating. In 2000, the first new vocational and specialized vocational degree programmes were completed in the field of building construction, as were the first vocational degree programmes for property managers. In 2001, the training programme will also expand to cover civil engineering.

Salaried employees in construction actively completed vocational degrees in building production and specialized vocational degrees for site managers. Site manager training was extended into areas involving specialist expertise. Coaching for specialized vocational degrees was organized for the charge-hands of teams of workmen; the coaches were employees of the company and other top experts in the field.

The YIT Service Institute opened its doors in 2000. One of its objectives is to continuously train industrial maintenance professionals. 120 YIT employees took part in its training programmes.

YIT monitors the development of the climate of the working community by means of annual surveys directed at the personnel. The results are used in such efforts as the planning of development operations. According to the survey carried out in October 2000, the development of the climate of the working community has been satisfactory at the Group level. About 2,500 YIT employees responded to the survey.

Attending to health and occupational fitness comprehensively

The provision of occupational health, occupational safety and occupational fitness activities is part and parcel of the same effort and is developed in cooperation with personnel and the company's comprehensive operations system. The provision of occupational health care for personnel covers not only legally required occupational health provision but also medical care by general practitioners.

Activities geared towards the occupational fitness (TYKY) and well-being of personnel are coordinated by a development and cooperation working group that includes representatives from different personnel groups and divisions. A great many rehabilitation courses have been organized in cooperation with various pension security institutions and an extensive TYKY programme was implemented within YIT Service Ltd. The occupational fitness of employees is also examined by means of the "Resources at Work" survey. The feedback on TYKY has been very positive.

YIT provides financial support for the recreational choices of its personnel. These activities are mainly headed by local personnel societies and clubs, which have continued to engage in a great many pursuits.



Putting the accent on the environment, quality, health and safety in all operations

YIT's operations system

YIT has integrated its key operating principles pertaining to quality, the environment, safety and health into a single operations system, which is based on jointly-agreed values. The process-based operations system comprises Group-level operating principles, division-specific systems and project-specific plans.

Extensive quality training

During last autumn, a wealth of information on successful solutions and observed errors was collected at building construction sites. The largest-scale training programme on technical quality in YIT's history was drafted on the basis of this information. Personnel training is already under way and training is being organized for all such salaried employees and employees of YIT Construction who have had technical education. Close to 800 salaried employees are taking part in training.

Environmental, health and security considerations are compiled in a single booklet

The management of issues inherent in the operations system were improved within YIT Installation in 2000 by handing to each employee an "EHS pocket guide" for use as an aid during daily work. This booklet includes general information on environmental, health and security issues and risk management at installation sites, during maintenance and while working at an office.

The EHS pocket guide is part of YIT Installation's array of training, guidance and orientation materials. It was written by experts on various business areas in cooperation with employees and salaried employees. The practical application of the guidelines has been seen to by means of info flashes held at work sites and during training and operations system information sessions. The use of the EHS pocket guide is constantly monitored through means such as customer feedback and audits.

We must assess environmental impacts over the entire life cycle of investments

The environmental impacts of construction must be examined both while construction is in progress and during the entire service life – i.e., the life cycle – of the building. The risks that manifest themselves during the service life of a building are usually defects in the quality of design, construction or maintenance that decrease living comfort, health, the durability of structures or increase energy consumption. YIT considers the environmental impacts of its operations and products over their entire life cycle and offers its customers solutions with which they can improve the management of environmental compliance. YIT's management of the environmental impacts of work sites is based on a total system including quality, environmental, moisture control and work site inspection plans.

An example of a project that takes the environment into consideration is the vertical waterproofing structures that were set up for the disposal site of Stora Enso's factory in Varkaus. The project aimed to isolate the factory's disposal site such that the runoff water cannot flow into water-courses. Compactness tests and measurements indicate that the waterproofing structures work as planned.



A worker must be sure of his or her safety at every moment. The dummy in the photo is wearing YIT work apparel and a welding mask that darkens automatically when the arc flame is lit.



Taking care of personnel is vitally important

Attending to occupational health care as part of a consistent operations system has significantly improved joint efforts in health care and the results seen in occupational health care. All occupational health care is informed by the desire to maintain the occupational fitness of personnel. In 2000, the focus areas were promoting the well-being of personnel, participating in the prevention of accidents and standardizing the local network of occupational health care. Success has been gauged by means of various surveys.

Work must be safe

The guiding principle of occupational safety is that every accident can be prevented. We will get results when occupational safety is inte-

grated as a fixed component into day-to-day supervision and work at sites.

Basic safety skills have been upgraded during various training events. In vocational degree and work supervisor training, safety is one of the key focus areas. ▶

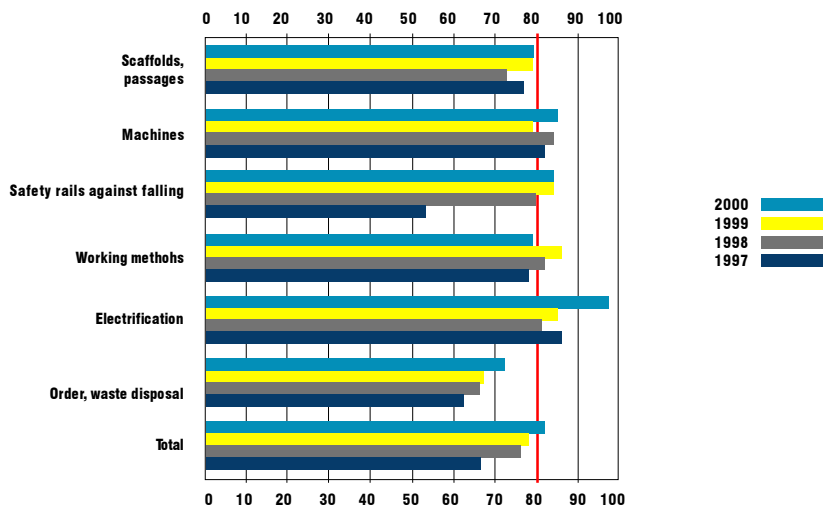


YIT Construction Ltd's and the Finnish Institute of Occupational Health's Cold Work Action Programme has established an operating model and procedures for assessing and managing occupational health and safety risks caused by working in cold conditions in the construction industry.



Development of safety on high-rise sites

(measured with the TR meter)



At the regional units of YIT Construction, general foremen, security officers, occupational safety ombudsmen and charge-hands have been trained to use a TR meter, which indicates the level of occupational safety.

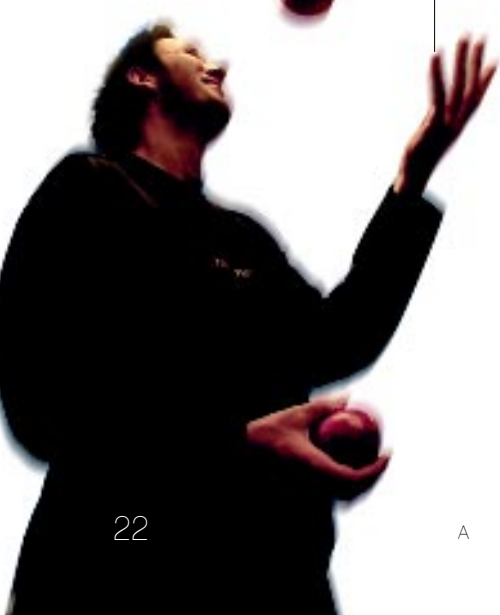
Together with VTT, the Technical Research Centre of Finland, YIT Installation has carried out a research project entitled "Attending to safety during installation projects and the tools employed". The study led to documentation on safety management, including comprehensive instructions on issues related to occupational safety and occupational health care during the implementation of projects. A similar project

on safety management and development was completed at YIT Safetytec Oy.

The operations model that is the outcome of the project will be documented and integrated into the operations system.



*Photo, right: ACE 2000 -project.
Power plant, Stora Enso,
Inkeroinen, Anjalankoski.*





YIT's portfolio of plots and properties – the strength of the future



YIT Construction's aim is to offer customer-focused space solutions for property users and owners. YIT actively acquires developable properties in good locations and plots that are ripe for construction in the growth centres. In addition to its portfolio of plots and properties which are included in the balance sheet, YIT has, through various agreements, a substantial portfolio of zoned plots and plots that will come under zoning.

YIT's portfolio of plots and development properties is a resource that is an integral element in the future of its core business; a sufficiently large portfolio ensures the continuity of business operations. However, the capital turnover rate must be rapid enough so that the profitability target set for business operations can be achieved. In line with its strategy, YIT has disposed of the bulk of its investment properties.

During 2000, residential plots having 175,000 m² of floor area went into production, as did 57,000 m² of floor area of plots for business premises. In the same period, 274,000 m² of floor area in building rights for residential buildings and 84,000 m² of floor area in building rights for business premises were acquired in Finland's growth centres. During 2000, new plots for future housing and commercial construction were acquired at a cost of EUR 57.4 million.

YIT's portfolio of plots grew in 2000 and amounted to 1.8 million m² of floor area at year's end. Half of it consists of confirmed building rights and the other half is in the process of being zoned.

There are enough zoned housing plots for three years' worth of housing production. New building rights are systematically acquired in areas of concentrated demand.

Thanks to its well-located stock of plots, YIT can offer design, implementation and maintenance services for business premises around the country in line with its customers' needs.

Major plot stocks in the Greater Helsinki area

The most important housing construction rights owned by YIT are located in the Aurinkolahti area of Vuosaari, Lauttasaari and the Matinkylä area of Espoo.

Major commercial plot reserves that will be put to use in the near future are located in Herttoniemi in Helsinki, on Tynnyrintekijäkatu street in Sörnäinen, the airport area in Vantaa and the Klovi and Matinkylä areas of Espoo.

Major plot stocks in Tampere

YIT's most important plot reserves earmarked for housing construction in Tampere are located in the Kanta-Tampella area. 46,000 m² of floor area in confirmed building rights remain unused. These rights will be used for market-financed construction of family-owned and rental housing. The area of Ranta-Tampella, which is jointly owned by YIT and the City of Tampere, also includes an area with 100,000 – 150,000 m² of floor area that is being zoned. In the Haapalinnankylä area of Tampere, YIT has 15,000 m² of floor area in

building rights that are specified in the city plan; it has been planned that this area will be used for state-supported rental housing production. Also under zoning is a total of about 60,000 m² of floor area in the Lamminpää and Järvensivu areas of Tampere and in Siivikkala, Ylöjärvi.

The most significant office building rights in Tampere are part of the Fenix project in the Kanta-Tampella area, where 50,000 m² of floor area in building rights remain unused. In addition, building rights on the Koy Pendoliino and Tullinaukio Hotel plots, which are close to the travel centre that is under construction, amount to 12,000 m² of floor area in all. In the Hatanpää area – the direction in which the city centre is expanding – YIT has about 15,000 m² of floor area under zoning on Hatanpää's Highway 11 and 10,000 m² of floor area in confirmed building rights in Ranta-Sarvis. The office building rights that can be used in the Tampereen Portti area of Tampere amount to 30,000 m² of floor area. In addition, there are 65,000 m² of floor area in building rights on separate sites in Tampere.

YIT's portfolio of plots at Dec. 31, 2000

1,000 m² of floor area*

	Residential plots	Plots for business premises	Total
The Greater Helsinki area	301	257	558
Turku	21	63	84
Tampere	148	233	381
Jyväskylä	52	0	52
Lahti	48	0	48
Oulu	63	36	99
Other Finland	368	259	627
Total Dec. 2000	1,001	848	1,849
Total Dec. 1999	923	849	1,772

*) Building rights and in the process of being zoned



Photo, above: Fenix project, Kanta-Tampella, Tampere.

YIT Rapido Property Management Services Ltd offers comprehensive property maintenance and management services.

Photo, left: Koy Helsingin Kaarlenkatu 9-11, Helsinki.

Major plot stocks in Turku

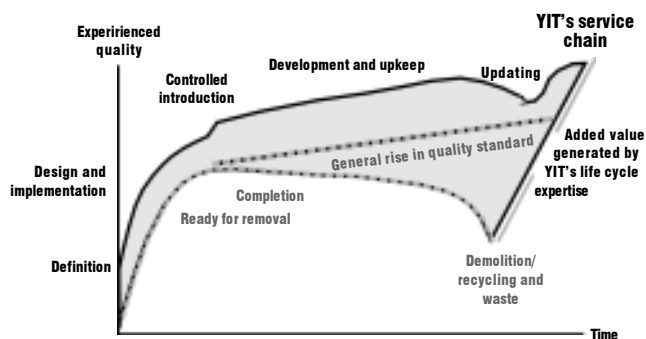
Turku's most important technology centre project is being rapidly erected in the vicinity of BioCity in Kupittaa. YIT's building rights suitable for commercial and office construction in the area amount to about 34,000 m² of floor area. The residential plot portfolio comprises plots in the hearts of Turku, Raisio, Naantali and Kaarina, where YIT owns a total of about 30,000 m² of floor area in housing building rights. In addition, the company's residential building rights in the Autinen-Raunistula area, which is located close to the centre of Turku, amount to 9,800 m² of floor area. In the Piispanristi area of Kaarina, 16,500 m² of floor area have been zoned and about 30,000 m² of floor area are in the process of being zoned. Building rights under zoning in the Meriterassi area of Naantali amount to about 40,000 m² of floor area.

Major plot stocks in Oulu

YIT owns an area measuring 7 hectares in the Etu-Lyötty area of the city of Oulu; a zoning change opens up about 60,000 m² of floor area in building rights for housing and business premises on this plot. YIT's building rights for housing in the Kaakkuri area of the city of Oulu amount to 7,800 m² of floor area. Most of these rights will be used for the YIT Smart development project entitled "The

high-rise of the future". In the Talvikangas area of the city of Oulu, YIT will develop a compact area of single-family houses in association with Kastelli-Talo. Building rights amount to slightly under 8,000 m² of floor area. In close-by areas, YIT also owns 7,200 m² of floor area in housing building rights in the centre of the municipality of Oulunsalo and about 20,000 m² of floor area in building rights for housing and business premises in the centre of the municipality of Kempele.

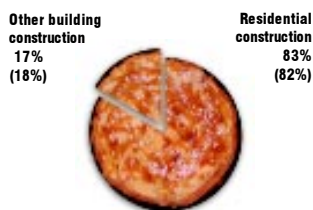
Added value generated by life cycle expertise



YIT Building Construction's earnings continue to rise at a rapid clip

YIT Building Construction is responsible for the Group's residential construction in the entire country. Outside the Uusimaa region, its field of business includes other types of building construction over and above residential construction.

Breakdown of net sales, 2000 (1999)

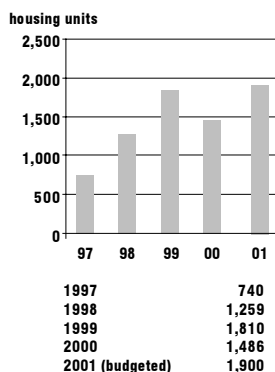


Net sales EUR 516.1 million (497.7)

Division balance sheet summary, EUR million

	2000	1999
Non-current assets	1.3	1.2
Inventories	189.2	127.3
Financial assets	209.3	207.3
Shareholders' equity	111.5	102.5
Obligatory reserves	0.2	0.6
Interest-bearing liabilities	93.0	96.6
Non-interest-bearing liabilities	195.1	136.1
Balance sheet total	399.8	335.8

Start-ups of market-financed residential construction, 1997 - 2001



Key indicators 1996 - 2000, EUR million

	2000	1999	1998	1997	1996
Net sales	516.1	497.9	402.8	435.9	346.1
Operating profit	47.7	28.1	18.8	23.2	21.9
% of net sales	9.2	5.6	4.7	5.3	6.3
Return on investment, %	23.8	14.3	11.5	7.1	
Order backlog, Dec. 31	221.8	202.5	149.4	209.4	132.5
Average personnel	1,569	1,457	1,421	1,574	1,424
Share of the Group's net sales accounted for by the division, %	42	40	34	46	39
Share of the Group's operating profit accounted for by the division, %	53	45	34	43	52

The buoyant growth in YIT Building Construction's earnings continued in 2000. Operating profit rose by 70% to EUR 47.7 million (28.1). Return on investment improved to 23.8% (14.3). The highest improvement in profitability was seen in market-financed housing production. Profitability was improved by the good market situation, the strong portfolio of plots and the company's own development measures.

The division's net sales rose to EUR 516.1 million (497.9). The backlog of uninvoiced orders stood at EUR 221.8 million (202.5) at the end of the year.

The population shift into the growth centres keeps demand for residential and business premises high

High-tech companies continued to grow buoyantly, acting as the engine of the population shift into the growth centres. Demand for residential and business premises remained at a high level in the growth centres. In housing construction, growth focused on market-financed construction of non-rental housing. This trend was underpinned by the increase in the disposable income of consumers, the rise in the rent levels and the contraction of state-supported housing production in the Greater Helsinki area.

In addition to the Greater Helsinki area, market-financed rental housing was constructed in cities such as Tampere, Oulu, Jyväskylä, Lappeenranta and Rovaniemi.

State-supported construction focused on Tampere and the Greater Helsinki area.

During 2000, a total of 2,825 residential units (2,160) were completed, of which 1,646 (1,147) were market financed. At the end of 2000, there were a total of 240 (168) completed residences that remained unsold.

Residential construction, 1999 and 2000

	Start-ups		Under construction, Dec. 31	
	2000	1999	2000	1999
Market-financed construction, total	1,486	1,810	1,656	1,882
- of which Alfa apartments *)	321	666	347	599
State-supported construction, total	1,458	824	1,406	827
Total	2,944	2,634	3,062	2,709

*) In Alfa apartments the share of self-financing is 30%. A condominium loan accounts for 70%.

The major start-ups of business premises outside the Greater Helsinki area were the Euro-Market in Lahti, the office projects of Finn-Medi and Viinikanneliö in Tampere and the Intelligate office project in Kupittaa, Turku. The demand for business premises rose buoyantly during the entire year.

Acquiring plots in growth centres

Major outlays were made on the acquisition of plots in the growth centres in 2000. Substantial building rights were purchased for market-financed housing production in the Greater Helsinki area; the most important acquisition was the purchase from Fortum of a plot of land measuring about 3.8 hectares on the boundary of the Vanhakaupunki and Viikki areas. A preliminary agreement on the deal was signed in November. An area measuring about 7 hectares in the heart of Oulu was purchased from VR Corporation. Outlays were made on developing the Tampella area in Tampere and on acquiring new plots for business premises. The division acquired a significant amount of building rights for single-family houses in Jyväskylä. In net terms, the portfolio of plots was increased by EUR 17 million. Completed building land amounts to about 940,000 m² of floor area, while close to 600,000 m² of floor area is under zoning. The floor area that was put to use in 2000 amounted to just under 210,000 m².

As Oy Helsingin Meripoika, Vuosaari, Helsinki.

“YIT strengthened its competitiveness and consolidated its position as the pioneer in residential construction by upgrading YIT Homes into Media Homes.”





Asunto Oy Helsingin Horisontti will be completed in May 2002 in Aurinkolahti, Helsinki.

Development efforts remain brisk

Development efforts continued dynamically in 2000. Major outlay areas were design supervision, continuous customer-focused product development and quality training.

YIT Homes were upgraded into Media Homes. In February, the company decided to equip all the market-financed YIT Homes it constructs with fixed Internet access. Earlier, a decision had been taken to install broadband telecommunications cabling. At the end of the review period, over 2,000 Media Homes were under construction. YIT and Sonera's joint company, Sonera Living Oy, went into business in June. The joint company hooks up both old and new residential properties to broadband networks and develops different types of residential network services for residents.

The YIT Building Warranty service agreement was published towards the end of the autumn. Under this agreement, YIT commits itself to also taking on responsibility for the maintenance and upkeep of the properties it designs and builds, and for doing so as specified in the instructions laid out in the maintenance manual. Thus, YIT is prepared to take on more extensive responsibility for the durability of the property than is customary. During the first phase, the YIT Building Warranty was introduced in the Greater Helsinki area, Tampere and Oulu.

YIT Smart, the joint technology programme for technical building service systems and construction, was launched at the Group-level in November. It aims to combine

new technology with technical building service systems. In the future, Media Homes will be offered ancillary services that utilize broadband Internet access.

Earnings and growth outlook are still good

The outlook for building construction remains good. The growth of high-tech companies is still the force behind the population shift into the growth centres, keeping demand for residential and business premises high in these areas. Forecasts indicate that the national economy will continue to evolve vigorously; coupled with the reasonable interest rate levels, this means that the demand for residential units is well set to remain at a good level. YIT Building Construction's net sales, operating profit and return on investment are expected to grow further.



Alholmens Kraft's power plant in Pietarsaari.

The most important projects in 2000

- As Oy Espoon Laguuni (100 residential units)
- As Oy Helsingin Oskar (51 residential units)
- As Oy Helsingin Merenhelmi (37 residential units)
- As Oy Helsingin Helmenkalastaja (44 residential units)
- As Oy Helsingin Strömbergintie 6-8 (168 residential units)
- VVO/Kallvikintie and ASO/Vuosaarentie (155 residential units)
- Viidakkopolku 4 and 6 in Vantaa (98 residential units)
- Finn-Medi Gamma in Tampere
- The lidesranta area in Tampere (office building and over 200 residential units)
- Euro-Market in Lahti
- Alholmens Kraft's power plant in Pietarsaari
- Luosto's Lusti spa in Lapland

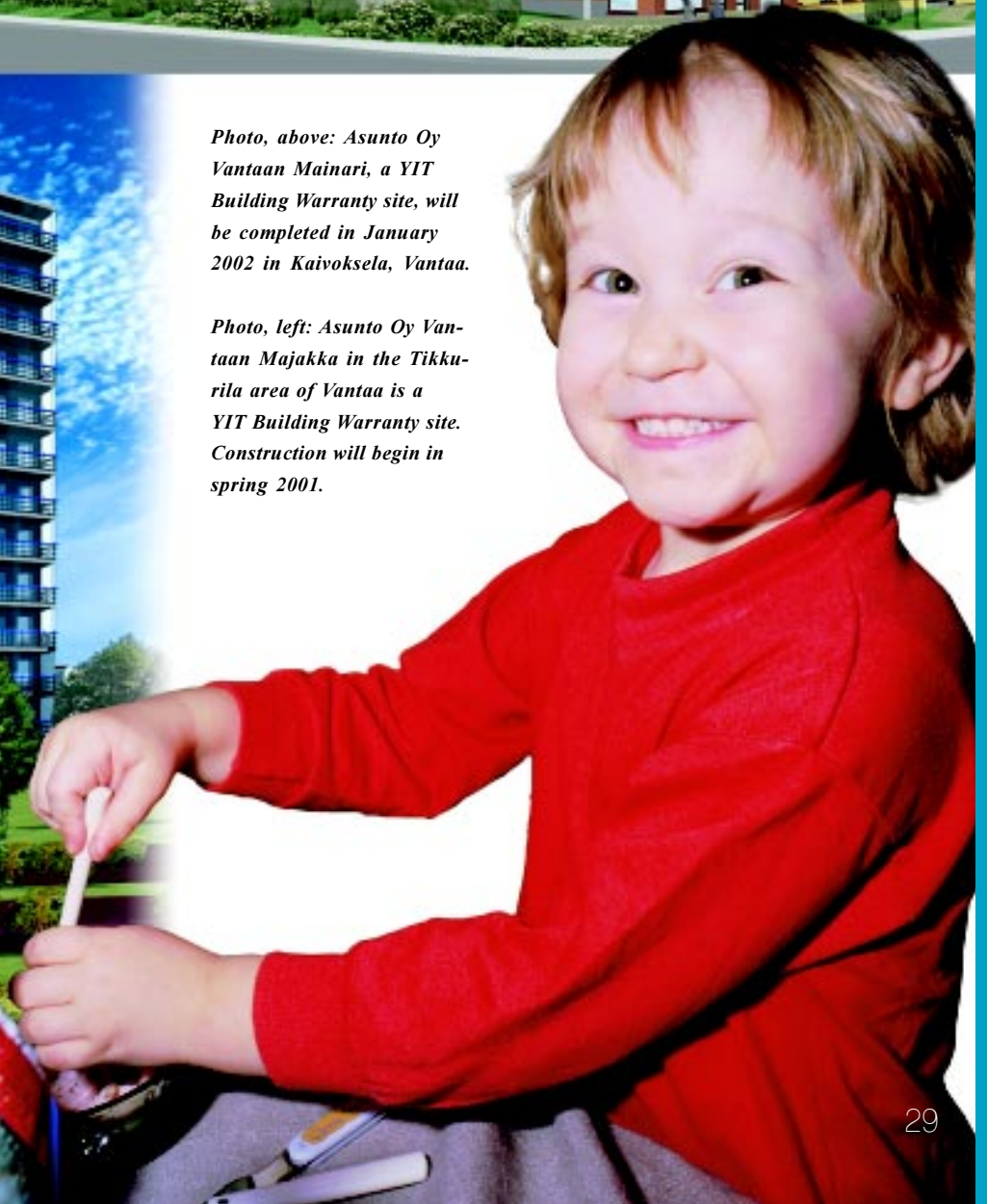
*“High-tech companies continued to grow buoyantly,
acting as the engine of the population shift into the growth centres.”*



Photo, above: Asunto Oy Vantaan Mainari, a YIT Building Warranty site, will be completed in January 2002 in Kaivoksela, Vantaa.



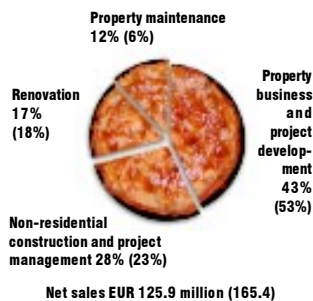
Photo, left: Asunto Oy Vantaan Majakka in the Tikkurila area of Vantaa is a YIT Building Warranty site. Construction will begin in spring 2001.



YIT Property Services surging

YIT Property Services offers a service chain that encompasses the entire life cycle of a property. In the Uusimaa region, the division has units specializing in services for projects and business premises, the construction of business premises and renovation. In project management services and maintenance and operation services, the division's area of operations is the whole of Finland.

Breakdown of net sales, 2000 (1999)



Key indicators 1998 - 2000, EUR million

	2000	1999	1998
Net sales	125.9	165.4	201.5
Operating profit	13.1	17.4	19.2
% of net sales	10.4	10.5	9.5
Return on investment, %	12.8	13.8	
Order backlog, Dec. 31	109.0	83.6	88.5
Average personnel	538	517	370
Share of the Group's net sales accounted for by the division, %	10	13	17
Share of the Group's operating profit accounted for by the division, %	15	28	35

The Division was established in March 1999 when it was hived off from YIT Building Construction. The figures for 1998 are on a pro forma basis.

Division balance sheet summary, EUR million

	2000	1999
Non-current assets	4.6	39.2
Inventories	31.3	25.3
Financial assets	83.1	82.6
Shareholders' equity	59.3	58.0
Obligatory reserves	5.1	5.0
Interest-bearing liabilities	25.1	62.4
Non-interest-bearing liabilities	29.5	21.7
Balance sheet total	119.0	147.1

In 2000, YIT Property Services had net sales of EUR 125.9 million (165.4) and its operating profit was EUR 13.1 million (17.4). Return on investment was 12.8% (13.8). The backlog of uninvoiced orders at the end of the financial year stood at EUR 109.0 million (83.6). The division's relative profitability remained at the previous year's good level; on the other hand, the trend in volume did not meet expectations due to factors such as projects being pushed back.

Vigorous growth in the market for business premises in the Greater Helsinki area

The growth in demand remained strong, especially in the case of commercial and office buildings in the Greater Helsinki area. Start-ups of commercial and office buildings rose to over 2.5 million m³. Start-ups of industrial and storage buildings fell by half compared with the previous year. Slight growth was seen in the volume of renovation works. The market for operation and upkeep services also kept growing.

The operations of the new business units stabilize

The largest property services project to be seen to completion was Kiinteistö Oy

Itämerentori in the Ruoholahti area of Helsinki (gross floor area of about 32,000 m²), which was handed over at the end of November. The main users of the property are the Finnish National Fund for Research and Development Sitra, SVH PricewaterhouseCoopers Oy and Helsingin Osuuskauppa HOK (the Helsinki Cooperative Society). Innopoli II was a major Design & Build project started up in September. The YIT Group's comprehensive chain of expertise is deployed during the Innopoli II project: the technical construction is being performed by YIT Property Services, the earthworks by YIT InfraserVICES and the HEPAC and electrical installations by Huber Talotekniikka Oy.

YIT Concept Project Management Services Ltd made concerted efforts to work on its service concept; as a new service provider, it actively markets its expertise to cooperation partners. At the end of the financial year, the company was engaged in project management projects for two major IT companies based in the Keilalahti area of Espoo, Intentia Oy and Microsoft Oy.

YIT Rapido Property Management Services Ltd continued to grow vigorously. New business locations were opened: in February, by acquiring Ension Isännöinti- ja Kiinteistötoimisto Oy in Oulu, and in June by acquiring Kalevan Kiinteistöhuolto Oy in Tampere. About 852,000 m² (400,000) of floor area were covered by property management service agreements at the end of the year, and about 1,600,000 m² (1,000,000) of floor area by maintenance and servicing. The most significant sites for which operation and maintenance services are provided are the Pohjola Group's properties in Oulu, Espoonkruunu Oy's area in Northern Espoo and the factory of the Orion Group's Noiro division in Kauklahti.

A large-scale development programme for property services

In June, major development projects were started up in the areas of managerial skills in client relationships, the value generated by life cycle expertise and the commodification of the business premises of the future. Skills for managing customer relationships were



developed during an autumn-long coaching programme. This development project represents an outlay area that will provide a significant competitive advantage in the next financial year.

The life cycle project determined the value that YIT's service chain, which encompasses the entire life cycle of a property, generates for the customer (see the chart on page 25).

The YIT Office development project was established to define the characteristics of the business premises of the future and which services will be provided for them. The project is being developed in close cooperation with customers and YIT Smart, which aims to combine information technology with building equipment systems.

Good outlook for 2001

The division is well prepared for 2001. Demand for projects involving the construction of commercial and business premises continues to be strong, as does demand for maintenance services and the refurbishing of



Project management contracts for Intenia Oy's and Microsoft Oy's office buildings in Keilalahti, Espoo.

residences. The coverage of the service chain and the division's pronounced emphasis on development leave it well poised to succeed. In 2001, net sales, operating profit and return on investment are expected to improve on the previous year.

The most important projects in 2000

Construction of business premises:

- Underground library facility for the library of the University of Helsinki
- Foundation for Student Housing in the Helsinki Region (HOAS): dormitory and offices, Leppäsuo, Helsinki
- Oy Sinebrychoff Ab, extension, Kerava

Renovation:

- Koy Helsingin Kaarlenkatu 9-11, Helsinki
- Service home in Töölö, Helsinki
- Asunto Oy Niilon-Salpa, renovation of the façade, Vantaa
- Renovation of three Teboil service stations

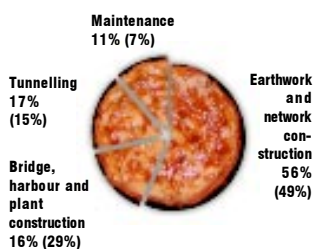
Oy Sinebrychoff Ab, extension, Kerava.



YIT InfraserVICES – services for the entire life cycle of infrastructure

YIT InfraserVICES offers civil engineering services ranging from large-scale infrastructure projects to individual special projects and products. The division's services include earthwork, tunnelling, network and regional construction, stabilization and other special ground engineering works as well as bridge, harbour and water treatment plant construction. Infrastructure maintenance and upkeep services comprise a significant new business area.

Breakdown of net sales, 2000 (1999)



Net sales EUR 128.1 million (125.1)

Division balance sheet summary, EUR million

	2000	1999
Non-current assets	0.7	0.8
Inventories	3.1	4.0
Financial assets	35.1	41.1
Shareholders' equity	22.7	22.0
Obligatory reserves	0.1	0
Interest-bearing liabilities	2.0	0.4
Non-interest-bearing liabilities	14.1	23.5
Balance sheet total	38.9	45.9

Key indicators 1996 - 2000, EUR million

	2000	1999	1998	1997	1996
Net sales	128.1	125.1	115.1	123.6	140.3
Operating profit	2.6	2.5	-0.7	4.5	6.2
% of net sales	2.0	1.9	-0.6	3.7	4.3
Return on investment, %	14.7	13.2	0.7	26.0	
Order backlog, Dec. 31.	54.0	43.0	57.9	44.6	60.4
Average personnel	787	759	709	743	886
Share of the Group's net sales accounted for by the division, %	10	10	10	13	16
Share of the Group's operating profit accounted for by the division, %	3	4	-	8	15

YIT InfraserVICES' net sales in 2000 amounted to EUR 128.1 million (125.1). Operating profit was EUR 2.6 million (2.5) and return on investment was 14.7% (13.2). The backlog of uninvoiced orders amounted to EUR 54.0 million (43.0).

Net sales grew and were slightly higher than last year, while operating profit remained at the previous year's level. Major outlays were made on the development of new business functions and equipment.

High demand in earthwork and network construction

The market situation for earthwork and infrastructure works was favourable and demand is expected to remain good in 2001 as well. The population shift into the growth centres kept demand at a high level, especially in the case of earthworks related to building construction. The demand situation for special works such as stabilization and piling was also good.

The Finnish Road Enterprise received almost all of the Finnish Road Administration's works via negotiation proceedings and, through competition, a great many external projects as well. Even at the end of 2000, it was evident that, without the implementation of special measures, the reform of the Finnish

Road Administration will lead to market disturbances in the field.

The long-term outlook for tunnelling is good

The market situation remained satisfactory in tunnelling. YIT InfraserVICES held on to its strong market position in spite of greater international competition. The division consolidated its position in technical construction works related to tunnelling and successfully increased its market share. Underground mining still accounts for a significant share of production.

Net sales contract in bridge, harbour and plant construction

In 2000, net sales from bridge building operations contracted, but YIT InfraserVICES retained its position as the leading bridge builder in large and technically challenging projects. The market situation for bridge building is expected to remain satisfactory in 2001. The market for harbour construction was small in 2000. It is expected that the market situation for plant construction in Finland will stay at the same level in 2001 as in 2000.

A major breakthrough in regional maintenance for the municipal sector

Outlays on R&D and the marketing of services covering the life cycle of infrastructure brought results. YIT InfraserVICES made a multi-year comprehensive agreement with the municipality of Oulunsalo whereby the division will attend to year-round regional maintenance. Maintenance works on public roads will open up to private operators to a greater extent, because in 2001 a quarter of the Finnish Road Administration's maintenance works on its road network will be put out for bidding. By the end of the four-year transition period, all road maintenance will be opened to competition. For two years now, YIT InfraserVICES has carried out a pilot maintenance contract in Harjavalta. 2000 was a breakthrough year in the case of industrial maintenance as well. During the report year, two multi-year service agreements were made with industrial companies.

Developing service culture and operations further – the name of the division is changed

In order to highlight the change in the division's mode of operations, the former name of YIT Civil Engineering was changed to YIT InfraserVICES. The new name more aptly describes the division's range of services extending over the entire life cycle of investments.

Development operations devote considerable effort to upgrading the division's special equipment, its own products, operating procedures and the entire service chain. The division aimed to turn the construction of broadband data transfer networks into a service package by developing service products, its network of partners and starting up concerted marketing measures.

Outlook for 2001

In 2001, the volume of infrastructure construction is expected to decline slightly. It is anticipated that building construction will continue to be brisk in the growth centres, but the public sector will remain subdued. However, YIT InfraserVICES' net sales for 2001 are expected to reach last year's level. Improvement is foreseen in operating profit and return on investment.



Natural gas trunk pipeline between Lappeenranta and Luumäki.



Allhall: a full-scale football hall in Ahvenanmaa.



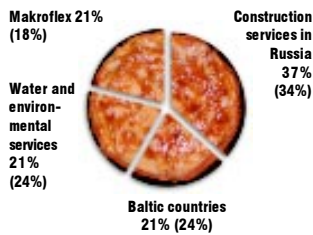
The most important projects in 2000

- The Pappila pile slab works on the E18 highway and the Toijala harbour road
- Natural gas trunk pipeline between Lappeenranta and Luumäki
- Preliminary construction in Arabiaranta and earthworks on the belt line in Helsinki
- Finland's longest traffic tunnel on Ring Road II, quarrying to expand the waste water treatment plant in the Viikki area of Helsinki as well as the vertical shaft and shaft tower of the Pyhäsalmi mine
- Allhall, a full-sized football hall in Ahvenanmaa
- The Matosalmi bridge in Saarijärvi and the Uskelanjoki bridge in Salo
- The renovation of the Riihimäki waste water treatment plant; the Daugavpils water intake plant in Latvia
- Regional maintenance works on public roads in Harjavalta
- Maintenance and renovation of the urban gas network and the western district heating network of Helsinki
- Multi-year service agreement to provide regional maintenance for the municipality of Oulunsalo

YIT International Operations consolidates its position

YIT International Operations offers design, implementation and maintenance services for construction, infrastructure and industrial projects in Russia, the other CIS countries and the Baltic countries. Projects involving water and environmental services are carried out in Northern and Eastern Europe and some countries in the Far and Middle East. Makroflex's polyurethane insulation and sealant products are manufactured in Finland and Estonia and marketed in Russia, Europe and the Far East.

Breakdown of net sales,
2000 (1999)



Net sales EUR 98.7 million (92.8)

Division balance sheet summary,
EUR million

	2000	1999
Non-current assets	10.5	12.8
Inventories	6.8	5.7
Financial assets	28.0	27.3
Shareholders' equity	7.4	4.9
Obligatory reserves	0	0
Interest-bearing liabilities	21.8	22.8
Non-interest-bearing liabilities	16.1	18.1
Balance sheet total	45.3	45.8

Key indicators, 1996 - 2000, EUR million

	2000	1999	1998	1997	1996
Net sales	98.7	92.8	81.6	63.1	54.5
Operating profit	4.5	2.8	4.4	10.2	-1.5
% of net sales	4.6	3.0	5.4	16.2	-2.8
Return on investment, %	17.1	10.9	16.4	37.4	
Order backlog, Dec. 31	50.8	39.7	39.5	38.9	22.2
Average personnel	1,081*	1,871	822	412	948
Share of the Group's net sales accounted for by the division, %	8	8	7	7	6
Share of the Group's operating profit accounted for by the division, %	5	5	8	19	-

* of whom abroad 909

YIT International Operations' net sales rose to EUR 98.7 million (92.8). Operating profit was up 61%, hitting EUR 4.5 million (2.8). Return on investment was 17.1% (10.9). The backlog of unvoiced orders grew, and amounted to EUR 50.8 million (39.7) at the end of the year.

The business volume rose slightly in Russian project operations and in sales of Makroflex, and remained unchanged in water and environmental services and Baltic operations.

Construction services are up in Russia

In Russia, the division's customers were major local and foreign investors. The trend in Russia's economy was positive during the report year, fostering belief in the favourable development of the conditions for investments.

Construction services are at the previous year's level in the Baltic countries

Demand swung up in Estonia and Latvia, but continued to weaken in Lithuania. YIT's subsidiary AB Kausta strengthened its market position as the leading contractor in its field in Lithuania. The implementation of water supply and waste water treatment projects continued in Latvia and Estonia.

Water and environmental services remain at last year's level

The main focus of operations in water and environmental services was on the Baltic Rim, where demand remained good. In Sweden, the outlook is good in the forest industry and solid waste treatment. The backlog of orders in these fields strengthened towards the end of the year. The unit's operations were incorporated in Finland: YIT Environment Oy started its operations on January 1, 2001. Water and environmental services are expected to grow in 2001 compared with the previous year.

Volume of Makroflex insulation products grows

Makroflex is a registered trademark used to market polyurethane insulation and sealant products. Makroflex has production and marketing companies in Finland and Estonia and marketing companies in Russia, Sweden and Poland. In 2000, it strengthened its market position in its main market areas. Sales grew significantly in Russia and Turkey. Sales in 2001 are expected to grow steadily in all market areas.

Outlook for earnings and growth is comparable to last year

Moderate economic growth is foreseen for Russia, Estonia and Latvia in 2001. Growth will still remain modest in Lithuania. The growth of construction in the area matches the general rate of growth.

The market for Makroflex polyurethane sealing foam is expected to grow steadily.

YIT International Operations' net sales are expected to come in at the previous year's level, while it is anticipated that operating profit and return on investment will grow slightly in 2001.

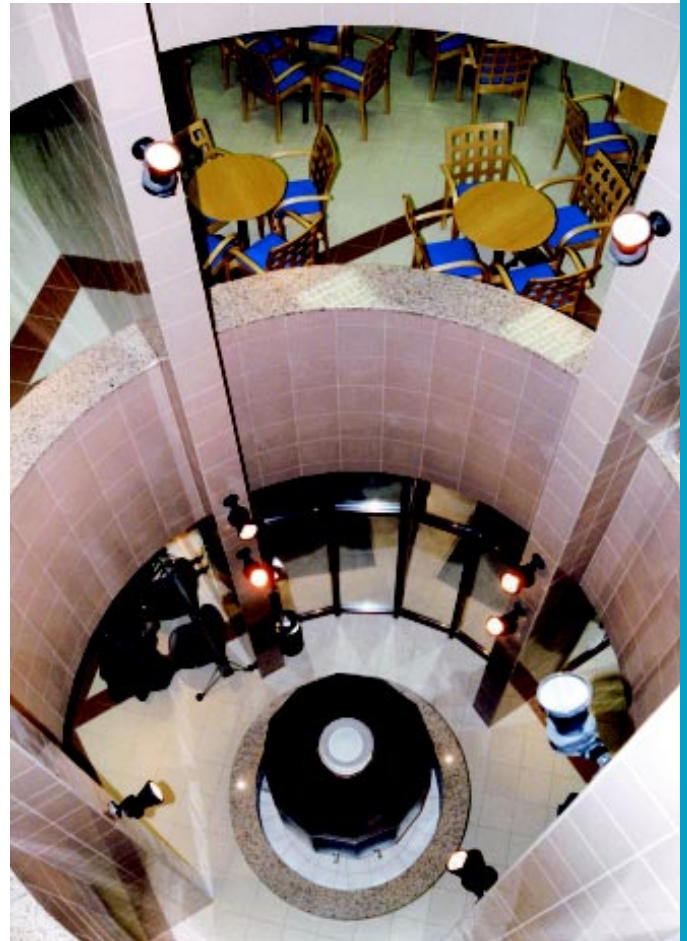
“The trend in Russia’s economy was positive during the report year, fostering belief in the favourable development of the conditions for investments.”



Top photo: Heljestorp household waste sorting and septic treatment plant in Sweden.



Construction of the Maksima supermarket in Vilnius, Lithuania.



Finishing works on a sanatorium for Surgutneftegaz in Surgut, Russia.

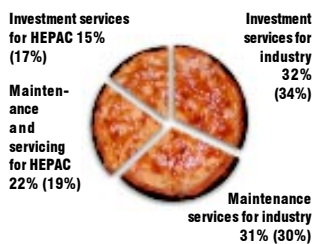
The most important projects in 2000

- Construction of a business school with the Japanese company Shimitsu in Moscow
- Refurbishing of the Barhiva sanatorium with the Japanese company Mitsui & Co. Ltd in the Moscow region
- Finishing works on a sanatorium for Surgutneftegaz in Surgut, Russia
- Design, material deliveries and supervision of installation at the Sebastrade Group’s production plant and car dealership in Georgia
- Material deliveries and installation works for Kuusakoski Oy’s metal processing plant in Vyborg and St. Petersburg
- Lightweight buildings for the Caspian oil pipeline in Kazakhstan and Russia on behalf of the Caspian Pipeline Consortium
- Construction of the Maksima supermarket in Vilnius, Lithuania
- Construction of a state-owned production plant in Lithuania
- Waste water treatment plant for Stora Enso in Hyltebruk, Sweden
- Heljestorp’s household waste sorting and septic treatment plant in Sweden
- Sludge treatment plant project in Riga in Latvia

Industry is investing again – growth continues in maintenance

The fields of business of YIT Installation (YIT Huber Ltd until the beginning of 2001) are operation and maintenance services for industry, capital investment services for industry as well as HEPAC and electrical installations. Abroad, YIT Installation has subsidiaries in Sweden, Norway, Russia and Estonia. In the field of capital investment services for industry, it is the largest company in its own product areas in the Nordic countries, and when it comes to maintenance operations and HEPAC and electrical contracting, it is one of the major players in Finland.

Breakdown of net sales, 2000 (1999)



Net sales EUR 377.4 million (332.7)

Division balance sheet summary, EUR million

	2000	1999
Non-current assets	31.9	16.7
Inventories	18.3	12.0
Financial assets	95.9	83.5
Shareholders' equity	41.5	43.1
Obligatory reserves	1.5	1.1
Interest-bearing liabilities	9.9	12.7
Non-interest-bearing liabilities	93.3	64.3
Balance sheet total	146.2	121.2

Key indicators 1996 - 2000, EUR million

	2000	1999	1998	1997	1996
Net sales	377.4	332.7	315.1	276.7	298.4
Operating profit	21.5	15.3	14.1	16.0	14.0
% of net sale	5.7	4.6	4.5	5.8	4.7
Return on investment, %	42.3	31.1	33.6	38.9	
Order backlog, Dec. 31	139.1	110.3	109.7	100.6	89.5
Average personnel	3,864	3,727	3,380	3,202	3,344
Share of the Group's net sales accounted for by the division, %	31	27	27	29	34
Share of the Group's operating profit accounted for by the division, %	24	25	26	30	33

In 2000, YIT Installation's net sales grew by 13 per cent to EUR 377.4 million (332.7). The growth in net sales was attributable to industrial maintenance and capital investment services for industry. In industrial investments, the order book and programme of works began to strengthen from the summer onwards. Investments by the forest industry in particular began to increase significantly after a few quiet years.

Operating profit was EUR 21.5 million (15.3). Earnings included about EUR 6 million in capital gains on the sale of Huber Testing Oy. Return on investment was 42.3% (31.1). The backlog of uninvoiced orders at year's end grew by 26% to EUR 139.1 million (110.3). Business functions were strengthened during the financial year, and the network was rounded out with numerous acquisitions. The total net sales of the acquired companies amount to about EUR 40 million per annum.

The value of international operations was EUR 91.6 million (61.3), representing 24% of net sales (18). Industrial investments declined significantly in Norway. At the end of October, YIT signed a letter of intent on the acquisition of the Swedish company Calor AB; the final agreement was inked on January 8, 2001. Calor AB is the market leader in industrial

pipework contracting in Sweden. In the case of heating and plumbing contracting, it is the third largest player. Calor has a subsidiary in Finland, Kalmeri Oy, which specializes in industrial piping contracting. The Calor Group had net sales of EUR 183.4 million in 2000. The approval of the competition authorities is still required for the consummation of the deal.

Providing technical building services as a complete service

Technical building service systems have been developed so that the division can be increasingly prepared to provide them in the form of customer-focused total service. The division's capacity to offer total service will improve further when the construction and maintenance services of the HEPAC and electrical installations business units are merged to form a company named YIT Huber during 2001. Total net sales of HEPAC and electrical installations rose to EUR 139 million (130).

Net sales from new construction of HEPAC and electrical installations grew mainly due to the good business climate in construction. Earnings developed favourably. The share accounted for by electrical contracting was stepped up. Total projects delivered under the Design & Build principle increased buoyantly. The net sales and profitability of the property security business rose further. The new Autronica and Telenor products have been well-received by the market, and thanks to them the share of the volume accounted for by electronic surveillance systems increased. The brisk construction of business premises and housing in the growth centres and the more extensive attention being paid to life cycle costs create a good basis for growth in these businesses in the next few years, too.

The regional network for technical building services was augmented. Outlays were made on regional and customer-focused service, and the product range was diversi-

Photo, above: Kiinteistö Oy Itämerentori, Helsinki, HEPAC works.

Photo, below: The piping of the water treatment plant of Stora Enso's factories in Kaukopää.



fied. The HEPAC and electrical installations business unit was strengthened in the growth centres of Oulu and the Greater Helsinki area. LVI-Marjamaa Oy and LVI-Forum Oy were acquired in Oulu. The acquired companies and the division's existing HEPAC and electrical installation operations in the region were combined to form a single unit that is the market leader in the Oulu area. Järvenpään Putki- ja Metallityö Oy and Nykyilmastointi Oy were acquired in the Greater Helsinki area. Virkkalan LVI Oy was acquired in Virkkala.

In November, YIT launched the YIT Smart technology project to develop the technical building services of the future. It aims to come up with new total solutions and services for technical building service systems to meet the different and changing needs of property users, owners and developers.

A wealth of new maintenance partnership agreements

The volume of YIT Installation's maintenance and operation services for industry grew to a total of over EUR 113.7 million (100). Ten comprehensive maintenance partnership agreements were made during the report year. Under a partnership agreement, YIT assumes complete responsibility for the operation of a production plant and its development. The joint objective of YIT and the customer is to improve the productivity of the plant's production process.

Industrial maintenance services have been dynamically turned into products. SPT-automaatio Oy was acquired in Kouvola and Sähkö ja Automaatio SRS Oy in Seinäjoki in order to strengthen the company's automation expertise. Scandinavian Mill Service AB, a joint company of YIT and Metso that specializes in maintenance operations for the pulp and paper industry, acquired the shares outstanding in the Swedish company Hydrolin Gemet AB in their entirety. The company offers maintenance and repair services in the Gävle area, primarily for the forest and metal industries.

In 2001, the maintenance market is expected to remain at the previous year's level. The commodification of maintenance services

will be pursued. Strong outlays on the development of maintenance will also continue.

Capital investment services for industry pick up

After the spring, investment activities in both the forest and chemical industries picked up clearly in Finland, and they have operated at full capacity since summer. The business volume of these customer sectors grew significantly and the earnings trend was positive. The order book strengthened substantially. The investments that have already been concluded in the metal industry will keep demand at a good level even during the whole of next year. As demand for wood-processing products rises, investments are expected to increase again. The net sales and profitability of YIT Installation's capital investment services are expected to rise in the present year.

Capital investment services for industry were strengthened by acquiring the Leppävirta factory, which specializes in the manufacture of storage tanks, from Hackman Oyj as well as Porin Karhuputki Oy in Pori.

Power plant construction surges

Net sales of services for power plants and the shipyard industry grew after the uneventful 1999. Growth was propelled by energy generation plant construction in Finland. During the report year, significant projects were also carried out in Germany and Ireland. The relative profitability level declined slightly compared with the previous year. In the shipyard industry, demand remained high all year, and the same trend is expected to continue this year as well. In the case of power plants, business operations are expected to remain almost at the same level as in 2000. The extensive development project on the operations system which began last year continued during the report year and the integrated operations control system was put into operation.

Photo, near right: HEPAC and sprinkler works for Scandic Hotel Simonkenttä, Helsinki.

Photo, right: Technical building service projects in Keilalahti: a complete technical building service system for Kone Building (HEPAC, electrical, automation and sprinkler works). HEPAC and sprinkler works for the extension of Nokia's head office and air-conditioning works for Suomen MSD Oy, Espoo.

Photo, below right: YIT Service made numerous maintenance partnership agreements, such as with furniture manufacturer Incap Furniture. The photo was taken at the Kärsämäki factories.



Development is part of business operations

YIT Smart

YIT Smart is the Group's strategic development project that aims to come up with added value services for construction and especially new technical building service solutions and service packages that utilize information technology.

YIT Service Institute

The YIT Service Institute comprises a training programme launched to meet the competence needs of the future. The training programme is deployed at all times and is part of YIT's maintenance research and development strategy. The fundamental premise is to anticipate competence needs in a customer-focused manner. Personnel training and the planning of development efforts are performed by anticipating technological evolution and customers' needs for different types of maintenance services. The programme includes special training on maintenance, interaction skills and managerial training. Workplace supervisor training, specialized technical expertise, apprenticeship training and IT skills training are also included in the programme for 2001. The YIT Service Institute's objective is to train 200-300 maintenance professionals per year.

Training programmes devoted to HEPAC and electrical installations and industrial services

In HEPAC and electrical installations, the focus areas of training, apart from technology, are customer service and sales. In addition, effort is devoted to the training of project managers and workplace supervisors and to vocational degrees for installers and charge-hand training.

In addition to traditional apprenticeship training, training programmes and the advancement of professional qualifications will be implemented for capital investment services for industry in 2001 in accordance with the YIT Service Institute model. The recruitment of young people will be slotted into the programme so as to ensure continuity.

To hire new employees, YIT Installation forges and maintains good relations with the universities, vocational polytechnics and vocational education institutions in its field. The division aims to be the most attractive employer in its field of business. Events where students are informed of the employment opportunities offered by the company are organized at universities and educational institutions.

Good outlook for YIT Installation

Economic growth is forecast to remain strong in YIT Installation's main market areas in Northern Europe. The growth prognosis for construction sets up a good demand situation for technical building services in the growth centres. In addition, the growth in the renovation of HEPAC and electrical installations is expected to continue at its established level in populated areas.

In Finland, the forest and basic industries, YIT Installation's main customers, began to make large-scale investments in summer 2000; the level of investments will continue to be good during the present year. The outsourcing of industrial maintenance and servicing works is expected to continue as in previous years.

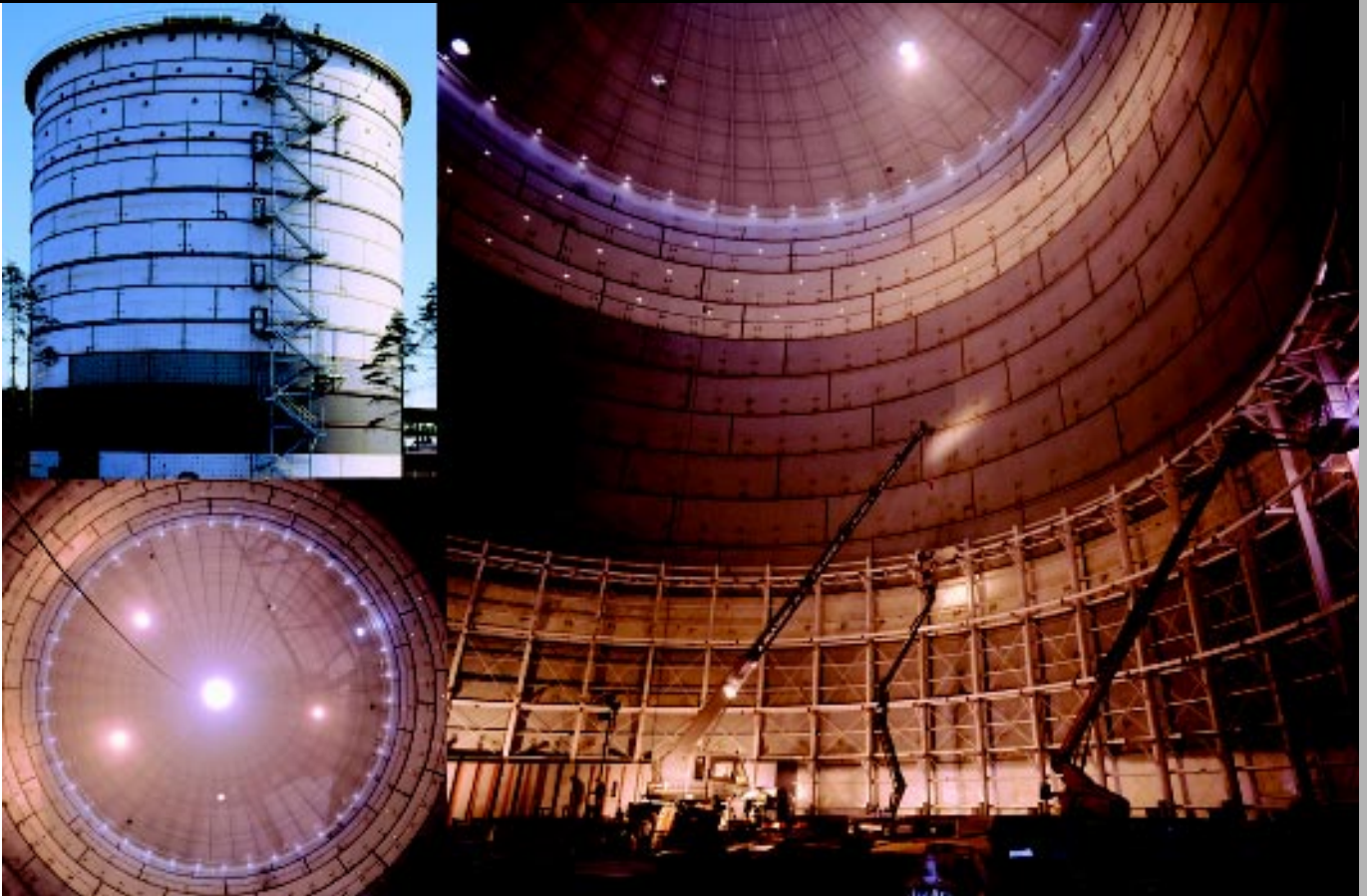
The growth in construction in Sweden is expected to be about five per cent in the next few years. The growth in housing production will be markedly faster. It is anticipated that industrial investments will increase in the latter half of 2001. The demand situation is thus improving in Sweden. Industrial investments fell substantially in Norway in 2000. In the second half of 2001, investments are expected to pick up slightly in Norway as well.

In 2001, YIT Installation's net sales and earnings are expected to improve on the previous year. Return on investment will decline following the acquisition of Calor AB, but will remain at a good level.



Hyötytuuli Oy's wind farm in Meri-Pori, surface treatment works.

*“Economic growth is forecast to remain strong in
YIT Installation’s main market areas in Northern Europe.”*



A new dry gas bell measuring 50,000 cubic metres for Rautaruukki Corporation, Raahе.

The most important projects in 2000

Technical building services

- Pakkalanrinne, shopping mall, Vantaa, HEPAC and electrical installations
- Kiinteistö Oy Itämerentori, Helsinki, HEPAC contract
- Expansion of the Itäkeskus shopping mall, Helsinki, ventilation contract
- Expansion of Nokia Corporation’s head office, Espoo, HEPAC contract
- Grani shopping mall, Kauniainen, HEPAC contract
- KONE Building, HEPAC and electrical installations
- Mannerheimintie 93, renovation, HEPAC contract
- Viikki Greenhouses, renovation and extension, HEPAC contract

Capital investment services for industry

- Piping for the Edenderry peat power plant, Ireland
- Piping for the Gruvö soda recovery boiler plant, Sweden
- Piping for Wacker-Chemie’s power plant, Germany
- Piping for the Peravang paper mill’s power plant, Indonesia
- Numerous piping deliveries for Kvaerner Masa-Yards Oy’s shipyards in Helsinki and Turku and Aker Finnyards Oy’s shipyard in Rauma
- Natural gas pipeline between the town of Nokia and Kulju
- Tanks and pressure vessels for Agroetanol AB’s ethanol factory, Norrköping, Sweden
- Blast-furnace gas bell for Rautaruukki Corporation, Raahе
- Metsä-Botnia’s Pulp 2000 project: incl. Transparent tanks, pressure vessels and piping



YIT’s surface treatment services include product painting and quality control.

Maintenance services for industry

- Numerous maintenance partnerships, of which the most significant ones were:
- Maintenance for Osuusteurastamo Karjaportti’s production plant in Kouvola
- Maintenance of HK Ruokatalo Oyj’s production plant in Forssa
- Maintenance of Yhtyneet Sahat Oy’s sawmill in Parkano

Corporate Governance



Annual General Meeting

The Annual General Meeting is the company's highest decision-making body. YIT Corporation's Annual General Meeting is held annually by the end of March. It takes decisions on matters such as approving the financial statements, the payment of dividends and the election of Board members and the auditor. The Annual General Meeting also decides on the remuneration to be paid to Board members and the auditor.

Board of Directors of the Group's parent company

The operations of the YIT Group are guided and overseen by the Board of Directors of YIT Corporation. It takes decisions on matters that are of far-reaching significance to the Group and which are significant in principle. These matters include, but are not limited to, confirming the Group's strategy and objectives, approving budgets and operating plans and overseeing their realization, and confirming the Group's organization structure as well as major acquisitions and other investments.

According to the Articles of Association, the Board of Directors shall include a minimum of five and a maximum of seven members. At present, the Board has six members; they are presented on page 44. The Board members are primarily representatives of major shareholders. The company's president and CEO is also a Board member. The members' term of office begins at the Annual General Meeting which elected them and ends at the conclusion of the subsequent Annual General Meeting.

The Board of Directors elects a chairman and vice chairman from amongst its members. In 2000, the chairman was Antti Tanskanen, CEO of the OKOBANK Group, and the vice chairman was Asmo Kalpala, CEO of the Tapiola Group. As a rule, the Board of Directors convenes monthly.

The Board of Directors elects the company's president and CEO and decides on his salary and other benefits. Since 1987, the parent company's president and CEO has been Reino Hanhinen, who was also elected as Group CEO effective June 1, 2000. The deputy to the president and CEO is Executive Vice President Esko Mäkelä.

The Group's Management Board

The YIT Group's strategic planning is prepared and coordinated by the Group's Management Board. In addition to the Group strategy, its central tasks include the preparation of the Group's annual planning and major acquisitions as well as the development of intra-Group activities, the corporate culture and the corporate image. The Management Board includes Group CEO Reino Hanhinen and Executive Vice President Esko Mäkelä as well as Ilpo Jalasjoki, president of YIT Construction Ltd, Jouko Ketola, president of YIT Installation Ltd, and, since the beginning of 2001, Veikko Myllyperkiö, vice president, corporate communications. The secretary of the Group's Management Board is Antero Saarihahti, vice president, corporate planning and personnel.

Boards of Directors of YIT Construction Ltd and YIT Installation Ltd

The YIT Group's business operations are divided into two wholly-owned subsidiaries of YIT Corporation: YIT Construction Ltd and YIT Installation Ltd and their subgroups. The Boards of Directors of these companies deliberate on issues pertaining to company strategy, annual planning, the tracking of results, acquisitions and other investments, the monitoring of the business climate and markets, and the development and administration of the organization. Matters that are of far-reaching significance and significant in principle are, however, decided on by the Board of Directors of the parent company in line with the operating principles approved for the Board of Directors in March 2000.

The chairman of the Boards of Directors of YIT Construction Ltd and YIT Installation Ltd is the Group CEO and the members are the executive vice president of the parent company, the presidents of the companies and the directors of the divisions. As a rule, the Boards of Directors convene monthly.

Auditor

According to the Articles of Association, the company shall have one auditor that must be a firm of auditors approved by the Central Chamber of Commerce. The auditor's term of office is the financial year when the auditor was elected. The Annual General Meeting, held on March 6, 2000, elected SVH PricewaterhouseCoopers Oy, Authorized Public Accountants, to audit the administration and accounts in 2000. The chief auditor is Pekka Nikula, Authorized Public Accountant.

Insider regulations

Effective from March 1, 2000, the YIT Group has applied insider regulations that are in line with the Guidelines for Insiders approved by the Board of Directors of Helsinki Exchanges on October 28, 1999.

Statutory insiders, as determined on the basis of their positions, are the members of the parent company's Board of Directors, the president, the executive vice president and the chief auditor. Specified insiders, as determined on the basis of their positions, include, but are not limited to, the management boards of the divisions, persons responsible for personnel and legal affairs, accounting, financing and communications, as well as the secretaries to senior management. The Group has about 80 permanent insiders in all.

The company maintains its insider register in Finnish Central Securities Depository Ltd's SIRE system. The up-to-date holdings of insiders are available for inspection at the office of Finnish Central Securities Depository Ltd. The address is Eteläesplanadi 20, 00130, Helsinki.

Board of Directors, January 1, 2001



From the left: Asmo Kalpala, Ilkka Brotherus, Antti Tanskanen, Eino Halonen, Reino Hanhinen and Mikko Kivimäki.

Chairman

Antti Tanskanen, b. 1946, D.Sc.(Econ.), CEO of the OKOBANK Group, Chairman of the Executive Boards of the OKOBANK Group Central Cooperative and OKOBANK Osuuspankkien Keskuspankki Oyj, member of the Supervisory Board of YIT Corporation, 1996 to March 2000, and Chairman of the Board of Directors since March 2000. Owns no YIT shares.

Vice chairman

Asmo Kalpala, b. 1950, M.Sc.(Econ.), Chairman of the Boards and CEO of the Tapiola Group, member and Chairman of the Supervisory Board of YIT Corporation, 1990 – March 2000, and Vice Chairman of the Board of Directors since March 2000. Owns no YIT shares.

Members

Ilkka Brotherus, b. 1951, M.Sc.(Econ.), Managing Director of Sinituote Oy, member of the Supervisory Board of YIT Corporation, 1998 – March 2000, and member of the Board of Directors since March 2000. Owns 366,800 YIT shares (including his own holdings, those of his underage child and those held by organizations in which he has a controlling interest).

Eino Halonen, b. 1949, M.Sc. (Econ.), Managing Director of Suomi Mutual Life Assurance Company, member of YIT's Board of Directors since March 2000. Owns no YIT shares.

Reino Hanhinen, b. 1943, M.Sc.(Eng.), President and CEO of YIT Corporation since 1987 and Group CEO since June 2000, member of the Board of Directors of YIT Corporation since 1988 and Chairman from 1989 – March 2000. Owns 33,692 YIT shares. Has the right to subscribe for 60,000 shares on the basis of the 1998 share options.

Mikko Kivimäki, b. 1939, LL.M., Chairman of the Board and Managing Director of Rautaruukki Corporation, member of the Supervisory Board of YIT Corporation, 1990 – March 2000, and a member of the Board of Directors since March 2000. Owns no YIT shares.

Auditor

SVH PricewaterhouseCoopers Oy, Authorized Public Accountants, with **Pekka Nikula**, Authorized Public Accountant, as chief auditor. Pekka Nikula owns no YIT shares.

The Group's Management Board, January 1, 2001



From the left: Jouko Ketola, Esko Mäkelä, Reino Hanhinen, Veikko Myllyperkiö, Antero Saarilahti (secretary) and Ilpo Jalasjoki.

Chairman

Reino Hanhinen, b. 1943, M.Sc.(Eng.), President and CEO of YIT Corporation since 1987 and Group CEO since June 2000, with the Group since 1968, member of the Board of Directors of YIT Corporation since 1988 and Chairman from 1989 – March 2000. Owns 33,692 YIT shares. Has the right to subscribe for 60,000 shares on the basis of the 1998 share options.

Vice Chairman

Esko Mäkelä, b. 1943, M.Sc.(Eng.), MBA, Executive Vice President of YIT Corporation since 1987, in charge of YIT Corporation's administration and finance, with the Group since 1965, member of the Board of Directors of YIT Corporation from 1988 – March 2000 and Vice Chairman from 1989 – March 2000. Owns 16,050 YIT shares. Has the right to subscribe for 30,000 shares on the basis of the 1998 share options.

Members

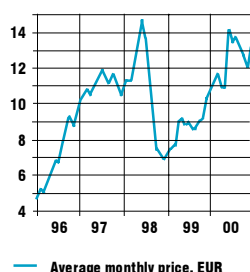
Ilpo Jalasjoki, b. 1951, M.Sc.(Eng.), President of YIT Construction Ltd since 2000, with the Group since 1987, member of the Board of Directors of YIT Corporation from 1999 – March 2000. Owns no YIT shares. Has the right to subscribe for 30,000 shares on the basis of the 1998 share options.

Jouko Ketola, b. 1945, M.Sc.(Eng.), President of YIT Installation Ltd since 2000, with the Group since 1986, member of the Board of Directors of YIT Corporation from 1996 – March 2000. Owns 2,000 YIT shares. Has the right to subscribe for 30,000 shares on the basis of the 1998 share options.

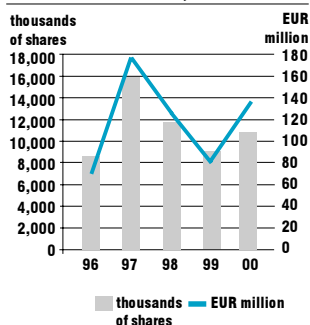
Veikko Myllyperkiö, b. 1946, M.Sc. (Pol.Sc.), Vice President, Corporate Communications, with the Group since the beginning of 2001. Owns no YIT shares. Has the right to subscribe for 10,000 shares on the basis of the 1998 share options.

Information on YIT's shares

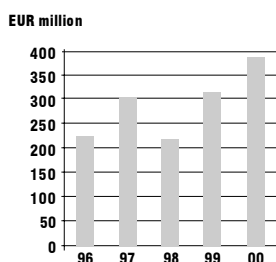
Share price trend, 1996 - 2000



Share turnover trend, 1996 - 2000



Market capitalization at December 31



Shares and share capital

YIT Corporation's share is quoted on the Main List of Helsinki Exchanges. The company has one series of shares and all the shares carry one vote and an equal right to a dividend. The nominal value of the share is 2 euros. The size of a trading lot is 200 shares. The shares are registered in the book-entry system.

According to the Articles of Association, YIT Corporation's minimum share capital is EUR 50 million and the maximum share capital is EUR 200 million. Within these limits the share capital can be increased or decreased without amending the Articles of Association.

At the end of 2000, the company had 29,383,685 shares and its share capital amounted to EUR 58,767,370.

Increases in share capital, 1996 - 2000

Registration date	New shares, no.	New number of shares	Share capital increase, EUR	New share capital, EUR
Apr. 3, 1997	4,880,000	29,302,662	8,207,571	49,283,539
Nov. 5, 1998	35,000	29,337,662	58,866	49,342,405
March 12, 1999	-	29,337,662	9,332,919	58,675,324
May 11, 1999	12,500	29,350,162	25,000	58,700,324
Nov. 12, 1999	33,523	29,383,685	67,046	58,767,370

In 1997 a share issue was organized in which institutional investors were offered for subscription 4,080,000 and retail investors 700,000 shares at a subscription price of EUR 10.26 per share. The Group's employees subscribed for 100,000 shares at a subscription price of EUR 9.42 per share. The 1998 increase in the share capital was connected with the subscriptions made on the basis of the 1994 issue of bonds with warrants.

By a resolution of the Annual General Meeting in March 1999, the share capital was raised to EUR 58,675,324 by increasing the nominal value of the share, then at 1.68 euros, to 2 euros through a bonus issue. The other share capital increases in 1999 were connected with the 1994 issue of bonds with warrants. The bonds fell due on November 1, 1999. The share capital was not increased in 2000.

Authorizations to increase the share capital

At the end of 2000 the Board of Directors did not have valid share issue authorizations or authorizations to issue convertible bonds or bonds with warrants.

Purchase obligation clause

YIT Corporation's Articles of Associations include a pre-emptive purchase obligation clause. According to this clause, a shareholder whose stake in the company's shares outstanding or the votes conferred by them either reaches or exceeds one third and/or half must offer to purchase the remainder of the shares issued by the company and the securities entitling to these shares as defined in the Companies Act.

Authorization to purchase and transfer the company's own shares

The Annual General Meeting held in spring 2000 resolved to use distributable shareholders' equity to purchase a minimum of 200 and a maximum of 900,000 YIT Corporation shares on Helsinki Exchanges. Since the maximum number of these shares and the maximum number of votes they confer falls below 5% of the company's total number of shares and votes, the purchase is not considered to have a material impact on the distribution of share ownership and voting rights within the company.



YIT participated in the Sijoitus Invest 2000 fair.

On the basis of the resolution, YIT Corporation purchased, in 2000, a total of 271,000 of its own shares for EUR 3.6 million at an average price of EUR 13.12. At the end of the period, the company held a total of 757,300 of its own shares, representing 2.6% of the total number of shares. Subsidiaries did not own shares in the parent company.

The Annual General Meeting further authorized the Board of Directors to decide on transferring a maximum of 1,386,300 of the company’s own shares bought for use as consideration in acquisitions, for example. The authorization is valid until March 6, 2001. In connection with the acquisition of the shares outstanding in Calor AB, the Board of Directors decided to transfer 660,000 of the company’s own shares as part of the purchase price. The transfer will take place after the competition authorities have approved the deal.

Sale of shares on the grand total account

On March 6, 2000, the Board of Directors resolved to sell those shares which have not been transferred to the book-entry system on behalf of their owners. When the decision was made, there were a total of 2,020 shares on the grand total account, representing 0.01% of the company’s total number of shares. According to the Companies Act, the shares may be sold after April 5, 2001.

Share price trend and market capitalization

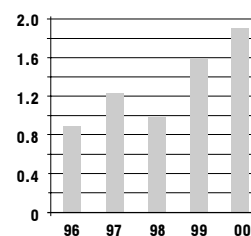
YIT’s share price rose by 25% during 2000. At the beginning of the year, it was EUR 10.90 and at the end of the year it was EUR 13.60. The share price trend was clearly better than the general trend in Helsinki Exchanges, because, as measured by the HEX All-share Index, share prices were 11% lower at the end of 2000 than at the turn of the previous year. The average decline in share prices, as measured by the HEX Portfolio Index, was 25%.

In 2000, the highest price of YIT’s share was EUR 14.20 (EUR 11.00 in 1999) and the lowest was EUR 10.40 (EUR 6.50). The taxation value of the share for 2000 is EUR 9.10 (7.31).

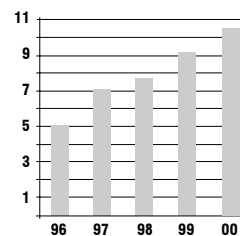
Turnover of YIT shares on Helsinki Exchanges during 2000 was 10.8 million shares. The aggregate value of the shares traded was EUR 137.8 million with an average price of EUR 12.73. Market capitalization at the end of 2000 was EUR 389.3 million, an increase of 24 per cent since the beginning of the year.

The share price trend of YIT’s share and the latest trading data can also be seen on the company’s site, www.yit.fi.

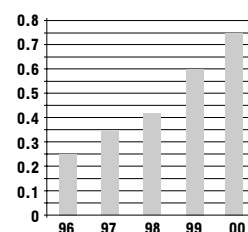
Earnings/share, EUR



Equity/share, EUR



Dividend/share, EUR



Per-share key figures 1996 - 2000

	2000	1999	1998	1997	1996
Earnings/share (EPS), EUR	<u>1.90</u>	<u>1.59</u>	<u>0.98</u>	<u>1.23</u>	<u>0.88</u>
Equity/share, EUR	<u>10.52</u>	<u>9.25</u>	<u>7.69</u>	<u>7.06</u>	<u>5.06</u>
Dividend/share, EUR	<u>0.75*)</u>	<u>0.60</u>	<u>0.42</u>	<u>0.34</u>	<u>0.25</u>
Dividend/earnings, %	<u>39.5</u>	<u>37.7</u>	<u>43.0</u>	<u>27.4</u>	<u>28.8</u>
Effective dividend yield, %	<u>5.5</u>	<u>5.5</u>	<u>5.7</u>	<u>3.3</u>	<u>2.8</u>
Price/earnings multiple (P/E)	<u>7.2</u>	<u>6.9</u>	<u>7.6</u>	<u>8.4</u>	<u>10.3</u>
Share price trend					
Average price, EUR	<u>12.73</u>	<u>8.77</u>	<u>10.76</u>	<u>11.06</u>	<u>8.03</u>
Low, EUR	<u>10.40</u>	<u>6.50</u>	<u>6.56</u>	<u>9.25</u>	<u>4.37</u>
High, EUR	<u>14.20</u>	<u>11.00</u>	<u>16.15</u>	<u>12.19</u>	<u>9.92</u>
Price at Dec. 31, EUR	<u>13.60</u>	<u>10.90</u>	<u>7.40</u>	<u>10.34</u>	<u>9.07</u>
Market capitalization at Dec. 31, EUR million	<u>389.3</u>	<u>315.0</u>	<u>217.1</u>	<u>303.1</u>	<u>221.4</u>
Share turnover trend					
Share turnover, 1,000 shares	<u>10,825</u>	<u>9,066</u>	<u>11,831</u>	<u>16,006</u>	<u>8,726</u>
Share turnover as % of shares outstanding	<u>37.8</u>	<u>31.4</u>	<u>40.4</u>	<u>57.1</u>	<u>35.7</u>
Weighted average number of shares outstanding, adjusted for share issues,					
thousands	<u>28,762</u>	<u>28,871</u>	<u>29,308</u>	<u>28,042</u>	<u>24,423</u>
Number of shares outstanding, adjusted for share issues at Dec. 31,					
thousands	<u>28,626</u>	<u>28,897</u>	<u>29,338</u>	<u>29,303</u>	<u>24,423</u>

*) Proposal of the Board of Directors

The formulas for the indicators are presented on page 62.

Information on YIT's shareholders

Principal shareholders at December 31, 2000

			Number of shares	Percentage of equity and voting rights
Tapiola Group				
Tapiola General Mutual Insurance Company	4,036,930	13.7		
Tapiola Mutual Life Assurance Company	1,047,200	3.6		
Tapiola Mutual Pension Insurance Company	372,000	1.3		
Tapiola Corporate Life Insurance Company Ltd	177,215	0.6	5,633,345	19.2
Pohjola Group				
Pohjola Non-Life Insurance Company Ltd	2,199,567	7.5		
Pohjola Life Assurance Company Ltd	730,000	2.5		
Pohjola Group Insurance Corporation	530,433	1.8	3,460,000	11.8
Sampo Group				
Sampo Life Insurance Company Ltd	2,507,780	8.5		
Sampo Enterprise Insurance Company Ltd	200,000	0.7		
Leonia Bank plc	36,000	0.1	2,743,780	9.3
Varma-Sampo Mutual Pension Insurance Company				
			2,161,352	7.4
Mutual Life Assurance Company Suomi				
			1,617,370	5.5
Ilmarinen Mutual Pension Insurance Company				
			1,175,800	4.0
OKOBANK Group				
OKOBANK Osuuspankkien Keskuspankki Oyj	825,000	2.8		
Aurum Life Assurance Company Ltd	50,000	0.2		
OKOBANK Group Research Foundation	20,000	0.1		
OKOBANK Group Pension Foundation	10,300	0.0		
OKOBANK Group Pension Fund	10,100	0.0	915,400	3.1
YIT Corporation				
			757,300	2.6
Local Government Pensions Institution				
			750,000	2.6
Kaleva Mutual Insurance Company				
			666,000	2.4
Nominee-registered (foreign investors)				
			3,396,072	11.6
Other shareholders, total				
			6,107,266	20.5
Total				
			29,383,685	100.0



The number of registered shareholders at the end of 2000 was 3,093. Each nominee-registrar (seven nominees) is included in this figure as a single registered shareholder.

An updated list of the 30 largest shareholders can be seen on YIT's site, www.yit.fi.

Distribution by groups of shareholders at December 31, 2000

	Holding %	Proportion of shares %
Private companies	8.1	7.0
Financial and insurance institutions	1.4	64.7
Public sector entities	1.0	17.4
Non-profit institutions	3.0	2.4
Households	85.9	7.9
Foreign owners	0.6	0.6
Total	100.0	100.0

Distribution of shareholdings by size class at December 31, 2000

Shares	Number of shareholders	Holding %	Shares, total No.	Proportion of shares %
1 - 100	778	25.1	44,632	0.1
101 - 1,000	1,727	55.7	718,514	2.5
1,001 - 10,000	484	15.6	1,571,430	5.3
10,001 - 100,000	87	2.8	2,576,590	8.8
100,001 - 1,000,000	16	0.5	6,497,608	22.1
1,000,001 -	8	0.3	17,973,171	61.2
Not converted to book-entries			1,740	0.0
Total	3,100	100.0	29,383,685	100.0

1998 share options

Under the terms of the 1998 share options, about 140 persons belonging to Group management and among the key employees have the right to subscribe for a total of 1.2 million YIT shares, on the basis of which the share capital can be increased by a maximum of EUR 2.4 million. If the subscription rights are exercised in full, the shares that could have been subscribed for on the basis of these share options would have corresponded to 4.1% of the total number of the company's shares outstanding at December 31, 2000.

Options/ type	Number	Shares/ option	Per-share subscription price, EUR	Share capital, EUR million	Subscription periods	Last day of subscription
A	600,000	1/1	12.78 minimum 11.77*)	1.2	Mar. 20 - Nov. 30, 2001 Mar. 20 - Nov. 30, 2002 Mar 20 - Nov. 30, 2003	Nov. 30, 2003
B	600,000	1/1	13.79 minimum 12.45*)	1.2	Oct. 15 -Nov. 30, 2002 Mar. 20 - Nov. 30, 2003	Nov. 30, 2003

*) The subscription price of the share will be lowered after January 1, 1999, by the amount of the per-share dividend to be distributed by the commencement of the subscription period for the shares.

Management’s share ownership

At December 31, 2000, the members of YIT Corporation’s Board of Directors as well as the president and the executive vice president owned a total of 416,542 shares, corresponding to 1.4% of the company’s shares and the votes conferred by them. These figures included their own holdings and those of their underage children and corporations in which they have a controlling interest.

The 1998 options held by the president and the executive vice president corresponded to 7.5% of the total amount of share options. On the basis of these share options they can subscribe for a maximum of 90,000 shares, which at December 31, 2000, would have corresponded to 0.3% of the company’s total number of shares outstanding. Members of the Board of Directors who are not employed by the company are not covered by the share option programme.

Management’s share ownership is presented in detail on pages 44-45.



Dividend payout policy

In connection with the Group’s strategy review in August 1998, the goal was set of paying a dividend of 30 - 50% of the annual net profit after taxes and minority interests.

	2000	1999	1998	1997	1996
Dividend/share, EUR	0.75*)	0.60	0.42	0.34	0.25
Dividend/per-share earnings, %	39.5	37.7	43.0	27.4	28.8
Dividends paid, EUR million	22.0*)	17.6	12.4	9.9	6.2

*) Proposal of the Board of Directors

Investment studies

The investment analysts listed below actively follow YIT as an investment site:

		Phone	e-mail
Alfred Berg Finland Ltd	Robert Sergelius	+358 9 2283 2710	robert.sergelius@alfredberg.fi
ArosMaizels Equities Ltd	Harri Laajala	+358 9 1234 0313	harri.laajala@arosmaizels.com
D. Carnegie AB, Finland Branch	Lauri Sillantaka	+358 9 6187 1233	lauri.sillantaka@carnegie.fi
Conventum Securities Ltd	Peter Grönlund	+358 9 5499 3317	peter.gronlund@conventum.fi
Enskilda Securities AB	Ville Ahoranta	+358 9 6162 8716	ville.ahoranta@enskilda.fi
Evli Securities Plc	Janne Sarvikivi	+358 9 4766 9176	janne.sarvikivi@evli.com
FIM Securities Ltd	Jari Westerberg	+358 9 6134 6217	jari.westerberg@fimi.fi
Handelsbanken Markets	Gustav Lucander	+358 10 444 2409	gustav.lucander@handelsbanken.fi
Impivaara Securities Ltd	Jeffery Roberts	+44 20 7284 3937	impivaara@pomor.com
Mandatum Securities Ltd	Henry Nurminen	+358 10 2364 709	henry.nurminen@mandatum.fi
Nordic Partners Inc.	Henrik Ullner	+1 212 829 4200	henrik.ullner@nordic-partners.com
Opstock Ltd	Henri Parkkinen	+358 9 404 4409	henri.parkkinen@oko.fi

Key events in 2000

February 7

YIT decided to make fixed Internet access a feature of all the market-financed YIT Homes it constructs. Previously, a decision had been made to equip YIT Homes with broadband telecommunications cabling.

February 21

Fidelity International Ltd announced that its and its subsidiaries' holding in YIT had risen to 5.7%.

March 6

The Annual General Meeting approved the Board of Directors' proposal to dissolve the Supervisory Board and elected a Board of Directors comprised primarily of representatives of major owners. The Annual General Meeting also made a decision concerning the acquisition of the company's own shares and authorized the Board of Directors to decide on the transfer of the company's own shares.

March 14

The new Board of Directors elected Antti Tanskanen, CEO of the OKOBANK Group, as chairman and Asmo Kalpala, CEO of the Tapiola Group, as vice chairman.

March 24

Sonera and YIT signed a letter of intent concerning the founding of a joint company. The company's business is to hook up new and existing residential properties to broadband telecommunications networks, offer data transfer solutions to customers and provide various residential content services.

May 5

The Board of Directors appointed President and CEO Reino Hanhinen as Group CEO effective June 1. At the same time, Ilpo Jalasjoki, M.Sc. (Eng.), was appointed as President of YIT Construction Ltd.

May 22

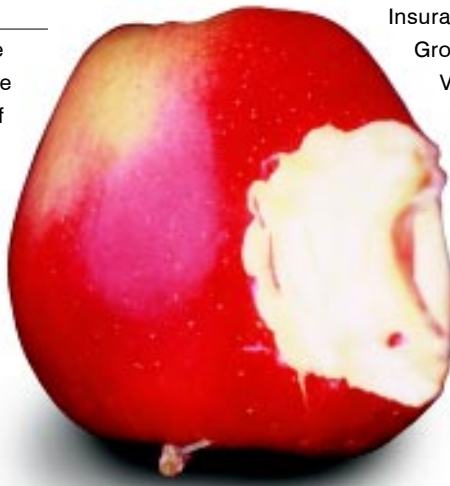
YIT Construction Ltd's new business organization was confirmed and Jouko Kempainen, Jukka Terhonen, Timo Lehmus, Juhani Kuusisto and Mikko Rekola, who are all Masters of Science in Engineering, were appointed as the heads of the business divisions.

June 5

Sonera and YIT's joint company, Sonera Living Oy, started up its operations. Tom Sandvik, M.Sc. (Eng.), was appointed as its managing director. Sonera owns 51% of the company and YIT 49%.

June 22

Rautaruukki sold its holding of 3.1 million YIT shares to Varma-Sampo Mutual Pension Insurance Company, Sampo Life Insurance Company Ltd and Kaleva Mutual Insurance Company. The Sampo-Leonia Group's holding in YIT rose to 8.4% and Varma-Sampo's to 7.4%.



September 28

YIT launched a large-scale technology programme that aims to develop added value services for construction and especially new technical building service solutions that utilize information technology. Research Professor Markku J. Virtanen of VTT, the Technical Research Centre of Finland, was appointed to head this development project, which is entitled YIT Smart.

October 10

The YIT Building Warranty service agreement was published. The Building Warranty extends the scope of the developer's responsibilities and covers the management, upkeep and maintenance of properties. The Building Warranty makes it possible to significantly influence the costs and durability of a property and how healthy and pleasant it is to live in it over its entire life cycle.

October 27

YIT signed a letter of intent concerning the purchase of the shares outstanding in the Swedish company Calor AB in their entirety. Calor has net sales of about EUR 183 million, of which 70% comes from heating and plumbing contracting and 30% from investment and maintenance services for industry.

December 18

Suomi Mutual Life Assurance Company announced that its holding in YIT has risen to 5.5%.

YIT also publishes its stock exchange and press releases on its site, www.yit.fi.

Report of the Board of Directors, Jan. 1 - Dec. 31, 2000

The Group's earnings increases substantially, dividend yields up

YIT Group's operating profit for 2000 rose by 44% to EUR 89.7 million (EUR 62.3 million in 1999). Profit before extraordinary items increased by 44% to EUR 79.5 million (55.2) and profit after extraordinary items to EUR 79.4 million (73.7). The steel structure business that was sold in March 1999 had an effect on earnings totalling EUR 14.7 million in the comparison year, of which EUR 14.3 million in capital gains were included under extraordinary items. The YIT Construction subgroup accounted for 76% (75) of operating profit and the YIT Installation subgroup for 24% (25).

Return on investment increased to 21.2% (15.5). Earnings per share rose to EUR 1.90 (1.59) and equity per share to EUR 10.52 (9.25). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.75/share (0.60) be paid.

The YIT Group's net sales were at the same level as in the previous year, or EUR 1,235.4 million (1,222.1). The YIT Construction subgroup's business operations accounted for 69% (73) of net sales and the YIT Installation subgroup's operations for 31% (27).

The Group's backlog of orders – i.e., the value of work not recognized as income – grew by 20% and had risen to EUR 574.7 million at the end of the review period, of which the order backlog for international operations accounted for EUR 57.3 million (46.8). At the beginning of the year, the order backlog was EUR 479.1 million (477.5). The margin of the order backlog was good. The order backlog grew in all divisions, the relatively biggest growth was seen in YIT Property Services and YIT International Operations. Apart from the order backlog, the bulk of the Group's significant servicing and maintenance operations is directly recorded in net sales; these operations accounted for 22% of net sales in 2000.

Making goal-directed progress towards the financial indicators

During a review of the Group's strategy in August 1998, the following targets for financial indicators were confirmed: 10-15% for the average annual growth in net sales, 18% for return on investment and 45% for the equity ratio. The target for the dividend payout was increased to 30-50% of the net profit for the year after taxes and minority interests.

For the most part, good progress has been made towards attaining these targets, and in some cases they have been surpassed. However, equity committed to the burgeoning residential business slowed down the improvement of the equity ratio. The results for 2000 and 1999 are as follows: return on investment, 21.2% (15.5), equity ratio 40.2% (41.6), and dividends on earnings per share (the Board of Directors' proposal to the Annual General Meeting), 39.5% (37.7). In percentage terms, the growth in net sales was 1.1% (4.7).

The good market situation increases demand for YIT's services

The good market situation was especially evident in construction. The population shift was the driving force behind demand, which was brisk in the construction of residential and business premises in the country's growth centres. The most vigorous growth was seen in market-financed residential construction. Capital investments by industry increased significantly after a few quiet years and the demand for industrial maintenance services increased in line with expectations.

The divisions enjoy a good earnings trend

At the end of 2000, the YIT Group's divisions were YIT Building Construction, YIT Property Services, YIT InfraserVICES, and YIT International Operations – the divisions focusing on construction and related added value services - and YIT Installation, which concentrates on capital investment and maintenance services for industry along with technical building services.

On the whole, the earnings trends of the divisions were at a good level. YIT Building Construction's operating profit rose significantly compared with the previous year, hitting EUR 47.7 million (28.1). YIT Property Services' operating profit declined to EUR 13.1 million (17.4) due to factors such as the large-scale sales of property that were included in the previous year's financial result. However, the relative profitability of the division remained at the previous year's good level. YIT InfraserVICES' operating profit was at the same level as in 1999, amounting to EUR 2.6 million (2.5). YIT International Operations' operating profit grew by 61% to EUR 4.5 million (2.8). YIT Installation's operating profit increased to EUR 21.5 million (15.3), which included about EUR 6 million in capital gains on the sale of business operations.

YIT Building Construction's net sales rose to EUR 516.1 million (497.9), YIT Installation's to EUR 377.4 million (332.7) and YIT InfraserVICES' to EUR 128.1 million (125.1). The net sales of YIT International Operations increased to EUR 98.7 million (92.8). YIT Property Services' net sales amounted to EUR 125.9 million (165.4). The contraction in net sales was due to factors such as projects being pushed back.

The Group's financial position is good

The Group's financial position remained good during the review period. The equity ratio was 41.6% (37.3) at the beginning of the period and 40.2% at the end. The Group's interest-bearing liabilities amounted to EUR 128.1 million (140.7) at the end of the financial period and net debt to EUR 115.4 million (117.1). Net financial expenses were EUR 10.2 million (7.1), or 0.8% (0.6) of net sales.

The growth in the Group's working capital resulting from developer contracting was controlled by selling part of the construction-stage contract receivables to financing companies. The total of sold receivables was EUR 108.1 million (48.2) at the end of the year. The interest paid on them to the financing companies, EUR 4.0 million (0.7), is included in net

financial expenses. Liquid assets at the close of the year amounted to EUR 12.7 million (23.6).

The proportion of fixed-interest loans in the Group's loan portfolio was 90% (87). Loans raised directly on the market amounted to 46% (42).

Using acquisitions to implement the strategy of profitable growth

YIT's corporate strategy aims to manage the service chain over the entire life cycle of investments in property, industry and infrastructure. In the past few years, maintenance and servicing capabilities in particular have been strengthened in all sectors. The objective is to impart both stability and growth to the Group's business operations. All in all, the share of the Group's net sales accounted for by the maintenance business rose to 22% (17) in 2000, and totalled EUR 275.1 million (205.8). The acquisitions carried out in 2000 served to implement the Group's chosen strategy.

YIT Installation's service network devoted to HEPAC and electrical installations was rounded out by acquiring LVI-Marjamaa Oy and LVI-Forum Oy in Oulu. These companies had net sales of about EUR 8.5 million in 1999. Järvenpään Putki- ja Metallityö Oy and Nykyilmastointi Oy were acquired in the Greater Helsinki area. These companies had net sales of EUR 5.6 million in 1999. Virkkalan LVI Oy, which had net sales of EUR 2.5 million in 1999, was acquired in Virkkala.

In order to bolster its automation expertise in maintenance services for industry, the company acquired SPT-automaatio Oy in Kouvola and Sähkö ja Automaatio SRS Oy in Seinäjoki. These companies had net sales of about EUR 5 million in 1999. Scandinavian Mill Service AB, YIT and Metso's joint company, acquired the shares outstanding in the Swedish company Hydrolin Gemet AB in their entirety. Hydrolin Gemet AB has annual net sales of EUR 4.4 million. Capital investment services for industry were strengthened by acquiring from Hackman Oyj the Leppävirta-based Hadwaco Ltd Oy's process equipment business. The net sales of the acquired business amount to about EUR 10 million per annum. Porin Karhuputki Oy, which has annual net sales of EUR 5.5 million, was acquired in Pori.

In June, YIT Installation Ltd bought out Kvaerner Masa-Yards Oy's 40 per cent holding in YIT Power Ltd, which thus became a wholly-owned subsidiary of YIT Installation Ltd. Likewise, the minority interest in YIT Safetytec Oy was bought out. The most significant divestment was the sale of Huber Testing Oy to Inspecta Oy in April.

In October 2000, YIT signed a letter of intent on the purchase of the shares outstanding in the Swedish company Calor AB in their entirety. The deal was signed on January 8, 2001. Calor AB is the market leader in industrial piping contracting in Sweden and ranks third in heating and plumbing contracting. The company's net sales in 2000 amounted to EUR 183.4 million and it had a payroll of about 1,400.

Property servicing and maintenance operations were expanded to Oulu when YIT Rapido Property Management Services Ltd acquired Ension Isännöinti- ja Kiinteistötoimisto Oy in February. Kalevan Kiinteistöhuolto Oy was acquired in Tampere in June.

Capital expenditures on non-current assets total EUR 34.3 million

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 34.3 million (35.6), representing 2.8% (2.9) of net sales. Investments in construction equipment amounted to EUR 8.5 million (7.1) and investments in information technology to EUR 7.1 million (6.7). Production investments totalled EUR 1.5 million (9.2) and other investments on non-current assets, including acquisitions, EUR 17.2 million (12.6).

Major outlays on vocational training

In 2000 the YIT Group employed an average of 8,189 people (8,721). The number of personnel was 8,605 (8,282) at the end of the financial year; of them, 7,501 (6,613) were Finns. Most of YIT's salaried employees are permanently employed. In the case of non-salaried employees, the number of long-term employment relationships has also increased strongly. Recruitment and job rotation have been used with a view to ensuring a balanced personnel structure.

Management by objectives is the YIT Group's chosen mode of operations. The majority of the salaried employees are covered by an incentive scheme. The size of the bonuses that are paid depends not only on the financial results of the entire Group, division and the unit for which each employee works, but also on the realization of personal key results. About 140 members of the Group's management and key employees have share options under the 1998 share option programme.

Continuous learning is YIT's key core value and personnel development has continued to be brisk both at the Group level and in the units. 260 YIT employees took part in training programmes organized in cooperation with the Siikaranta Institute. In 2000, the first new vocational and specialized vocational degree programmes were completed in the field of building construction, as were the first vocational degree programmes for property managers.

The YIT Service Institute opened its doors in 2000. Its objective is to train 200-300 industrial maintenance professionals per year.

In addition to technical professional skills, training has focused on the development of customer service expertise, interaction skills and managerial skills. Close contact has been maintained with the field's professional institutions.

In 2000, the Group's financial outlays on the development of personnel and operational systems amounted to about EUR 10 million (8.4), which represents 0.8% (0.7) of net sales.

Streamlining the corporate structure

At the beginning of 2000, the YIT Group's business operations were organized into two newly-established subsidiaries that are wholly-owned by YIT Corporation: YIT Construction Ltd and YIT Huber Ltd, and into their subgroups. The names of the companies were changed to YIT Construction Ltd and YIT Installation Ltd effective from the beginning of 2001. The new names were entered in the Trade Register on December 31, 2000. Group administration and joint services are attended to by the parent company, YIT Corporation, which is a listed company.

The aim of the structural reorganization is to improve the transparency of the Group's financial information and to clarify the Group's service structure and corporate image. In addition, the new structure creates an improved basis for developing the Group's services.

The new business organization of YIT Construction Ltd came into force on June 1, 2000. The regional building construction network outside Southern Finland was separated from the YIT Building Construction division – which covered the entire country – to form its own group.

In financial reports, these two divisions are still viewed as comprising a single business division, YIT Building Construction. The other divisions of YIT Construction Ltd are YIT Property Services, YIT Infraservices and YIT International Operations.

YIT Installation Ltd's field of business comprises maintenance and operation services for industry, capital investment services for industry and technical building services. The business operations are carried out by subsidiaries, which together form the YIT Installation division.

On June 1, 2000, YIT Corporation's Board of Directors appointed President and CEO Reino Hanhinen as Group CEO. At the same time, Ilpo Jalasjoki, M.Sc. (Eng.), was appointed as President of YIT Construction Ltd. Jouko Ketola, M.Sc. (Eng.), will stay on as President of YIT Installation Ltd.

The operations of Sonera Living Oy, which is jointly owned by Sonera and YIT, got under way in June. Sonera Corporation owns 51% of the company and YIT Construction Ltd owns 49%.

YIT Corporation's IT department was separated out to form a limited company in August. It went into business in September 2000 under the name YIT Information Technology Ltd. The company focuses on providing internal services for the Group.

Rationalization through mergers of subsidiaries

In order to rationalize operations, acquired companies have been merged into their parent companies. YIT Facility Management Oy was merged into YIT Rapido Property Management Services Ltd in January, followed by Ension Isännöinti- ja Kiinteistötoimisto Oy in August. Suomen Infrac Oy was merged into YIT Installation Ltd in October, while in November LVI-Marjamaa Oy was merged into Huber Servitek Oy and Sähkö- ja automaatio SRS Oy into YIT Service Ltd.

At the end of the year, the merger of Kalevan Kiinteistöhuolto Oy into YIT Rapido Property Management Services Ltd was still in the pipeline.

The winding up of Oulun Ykär Oy and Länsi-Pohjan Asennus Oy was seen to completion in August.

Share price up 25%

YIT Corporation's share capital was EUR 58,767,370 at the beginning of 2000 and the number of shares outstanding was 29,383,685. The nominal value of the share is EUR 2. The share capital was not increased in 2000.

In accordance with the decision made by the Annual General Meeting, the dividend paid for the 1999 financial year was EUR 0.60 per share (EUR 0.42 in 1998), or a total of EUR 17.3 million (12.4). The dividend represented 37.7% (43.0) of earnings per share.

The average share price during the financial year was EUR 12.73 (EUR 8.77 in 1999), with a high of EUR 14.20 (11.00) and a low of EUR 10.40 (6.50). At the end of the financial year, the share price was EUR 13.60 (10.90). The share price increased by 25% during the financial year. Full-year share turnover amounted to EUR 137.8 million (79.5), with 10,824,610 shares being traded (9,066,171).

YIT Corporation's market capitalization at the beginning of 2000 was EUR 315.0 million (217.1) and EUR 389.3 million at the end.

Changes in the ownership structure

The number of registered shareholders was 3,322 (3,510) at the beginning of 2000 and 3,093 at the end. According to the figures for nominee registrations, foreigners' holdings in the company were 7.1% (12.1) at the beginning of the year and 11.6% at the end.

The American company Fidelity International Ltd announced in February that its and its subsidiaries' holding in YIT had risen to 5.7%. In June, Rautaruukki sold its 3.1 million shares in YIT to Varma-Sampo Mutual Pension Insurance Company, Sampo Life Insurance Company Limited and Kaleva Mutual Insurance Company. After the deal, the Sampo-Leonia Group's stake in YIT rose to 8.4% and Varma-Sampo's to 7.4%. In December, Suomi Mutual Life Assurance Company's shareholding in YIT rose to 5.5%.

The Annual General Meeting, held on March 6, 2000, resolved to sell those shares which have not been transferred into the book-entry system on behalf of their owners. At the time when the decision was made, there were 2,020 shares on the grand total account, representing 0.01% of the company's shares. According to the Companies Act, the shares can be sold after April 5, 2001.

Authorizations to buy and transfer the company's own shares

The Annual General Meeting held on March 6, 2000, decided to purchase a minimum of 200 and a maximum of 900,000 YIT Corporation shares on Helsinki Exchanges with distributable shareholders' equity. Because the maximum amount of the shares and the votes conferred by them are less than 5% of the company's entire shares outstanding and voting rights, the purchase of the shares is not considered to have a significant effect on the distribution of shareholdings and voting rights within the company.

On the basis of this decision, YIT Corporation purchased a total of 271,000 of its own shares on Helsinki Exchanges during the period from July 11 to December 31, 2000, at an average price of EUR 13.12 per share. The total purchase price of the acquired shares was EUR 3,554,042 and they had a nominal value of EUR 542,000. The shares represented 0.9% of the company's shares outstanding and the votes conferred by them.

At the end of the period, the company held a total of 757,300 of its own shares, representing 2.6% of the company's shares outstanding and the votes conferred by them. Subsidiaries did not own any shares in the parent company at the end of the financial year.

The Annual General Meeting held on March 6, 2000, further authorized the Board of Directors to decide on the transfer of a

maximum of 1,386,300 shares purchased for the company, waiving shareholders' pre-emptive right to subscribe for shares. The shares may be transferred as consideration during acquisitions and when the company purchases assets related to its business operations. The shares can also be transferred by selling them on Helsinki Exchanges. This authorization is in force for one year from the date of the resolution of the Annual General Meeting. The authorization was not used during 2000.

On January 8, 2001, the Board of Directors decided to transfer 660,000 of its own shares as part of the purchase price during the acquisition of the shares outstanding in Calor AB. The transfer of shares will take place once the competition authorities in Finland and Sweden have approved the deal. The shares will be transferred at their average price on the day of transfer as determined in public trading on Helsinki Exchanges.

Share options and authorizations to issue shares and bonds

The 1998 share options entitle 140 members of the Group's management and key employees to subscribe for a total of 1.2 million YIT shares. On the basis of these share options, the share capital can be increased by a maximum of EUR 2.4 million. If the share options are used in full, the shares subscribed for on their basis would have represented 4.1% of the company's shares outstanding on December 31, 2000. On the basis of these options, shares can be subscribed for during the period from March 20, 2001, to November 30, 2003.

At the end of the financial year, the Board of Directors did not have any valid authorizations to issue shares, convertible bonds or bond loans with warrants.

The Supervisory Board is replaced with an external Board of Directors

The Annual General Meeting held on March 6, 2000, unanimously approved the Board of Directors' proposal to thoroughly revise the Articles of Association. Accordingly, it was decided that the Supervisory Board will be dissolved and replaced with an external Board of Directors. It was decided to elect the following persons to seats on the company's Board of Directors until the end of the subsequent Annual General Meeting: Ilkka Brotherus, managing director of Sinituote Oy, Eino Halonen, managing director of Suomi Mutual Life Assurance Company, Reino Hanhinen, Group CEO of YIT Corporation, Asmo Kalpala, chairman and CEO of the Tapiola Group, Mikko Kivimäki, president and CEO of Rautaruukki Corporation, and Antti Tanskanen, CEO of the OKOBANK Group. At its organization meeting on March 13, 2000, the Board of Directors elected Antti Tanskanen as chairman and Asmo Kalpala as vice chairman.

According to the approved Articles of Association, the company shall have one auditor that must be a firm of auditors approved by the Central Chamber of Commerce. The Annual General Meeting elected SVH PricewaterhouseCoopers Oy, Authorized Public Accountants, as the company's auditor. The chief auditor is Pekka Nikula, Authorized Public Accountant.

Events since the end of 2000

The Water and Environmental Services department of YIT International Operations was incorporated on January 1, 2001, under the name YIT Environment Oy.

With the deal signed on January 4, 2001, YIT Installation Ltd's subsidiary Huber Servitek Oy acquired the shares outstanding in LVIS-Malm Oy in their entirety; the acquired company operates in Pori and Rauma and has net sales of about EUR 3.3 million.

On January 8, 2001, YIT Corporation signed an agreement to purchase the shares outstanding in the Swedish company Calor AB in their entirety in accordance with the letter of intent signed in October. The purchase price of about EUR 57 million will be paid with SEK 431 million and 660,000 YIT Corporation shares, which represent 2.25% of the company's shares outstanding.

Digita Oy, YIT InfraserVICES and SITO-Konsultit Oy made a cooperation agreement on January 17, 2001, on the basis of which the companies will offer total services for the construction of broadband data transmission networks.

On January 24, 2001, YIT announced that it would equip most of its upcoming market-financed residential units with centralized alarm systems. At the same time, residents of YIT Homes will be offered the opportunity to acquire security systems of their own choice for their residences.

Cooperative VVO Corporation and YIT signed a cooperation agreement at the end of January 2001, whereby YIT will build one thousand residences for VVO. Of these residences, 700 will be built to alleviate the housing shortage in the Greater Helsinki area, and the rest will be erected in other growth centres. The construction of the first sites will commence in early spring 2001.

On February 5, 2001 a decision was made to merge Huber Servitek Oy and Huber Talotekniikka Oy that are subsidiaries of YIT Installation Ltd. The merger will take place in 2001 and the company will be called YIT Huber Ltd.

The outlook for 2001 is good

The forecasts issued by financial research institutions indicate that Finland will continue to enjoy a good financial situation. The reasonable interest rate levels in the euro zone and low inflation lay a good foundation for healthy investment activities by industrial companies. The two-year incomes policy agreement and its tax solutions will increase household incomes, thereby also stimulating private consumption and improving people's wherewithal to buy homes.

YIT's operations focus on Finland's growth centres. The growth of the Group's net sales is supported by the demand for residential and business premises in these areas, which is stimulated by high-tech companies and remains brisk. The solid demand for technical building services will continue. According to the estimates of ETLA, the Research Institute of the Finnish Economy, industrial investments will pick up in 2001 and 2002. The market for industrial, property and infrastructure maintenance will expand as the outsourcing trend progresses.

YIT's net sales will grow significantly in 2001, thanks to the acquisition of Calor AB and other factors, and we expect that our profit before extraordinary items will improve.

	Note	Consolidated		Parent Company*	
		2000	1999	2000	1999
Net sales	1)	1,235,379	1,222,078	10,396	776,942
Change in inventories of finished goods and work in progress		3,708	-9,020		-1,737
Production for own use		2,135	823		13
Share of profits of associated companies		-129	334		
Other operating income	2)	12,836	4,739	6,568	3,442
Materials and services	3)	717,491	741,402	32	538,688
Personnel expenses	4)	272,723	255,071	4,470	100,314
Depreciation and write-downs	5)	18,892	18,594	5,450	4,120
Other operating expenses		155,160	141,652	9,894	101,697
		1,164,266	1,156,719	19,846	744,819
Operating profit	6)	89,663	62,235	-2,882	33,841
Financial income and expenses	7)	-10,213	-7,060	-1,081	-3,438
Profit before extraordinary items		79,450	55,175	-3,963	30,403
Extraordinary items	8)	-35	18,507	53,144	32,676
Profit before taxes		79,415	73,682	49,181	63,079
Appropriations	9)			618	-470
Income taxes	10)	-24,372	-12,154	-13,648	-10,304
Minority interests		-340	-830		
Profit for the financial period		54,703	60,698	36,151	52,305

*) The figures for 2000 and 1999 are not comparable due to transfers of business operations carried out on January 1, 2000

Currency exchange rates at Dec. 31, 2000

1 EUR =	5.94573	FIM
	0.9305	USD
	0.6241	GBP
	8.8313	SEK
	8.2335	NOK
	15.6466	EEK
	26.589	RUB

BALANCE SHEETS (EUR thousands)

	Note	Consolidated		Parent Company	
		2000	1999	2000	1999
ASSETS					
Non-current assets	11)				
Intangible assets					
Intangible rights		250	1,715	142	142
Goodwill		581	691		376
Other long-term expenditure		9,256	5,836	4,752	5,216
		10,087	8,242	4,894	5,734
Goodwill on consolidation		13,716	12,323		
Tangible assets	11)				
Land and water areas		14,162	14,116	682	1,394
Buildings and constructions		31,478	29,911	1,022	1,397
Machinery and equipment		38,448	32,756	7,579	9,592
Other tangible assets		896	646	164	362
Advance payments		176	892		368
		85,160	78,321	9,447	13,113
Long-term investments	12)				
Shares in Group companies				238,065	47,704
Shares in associated companies		2,643	1,788	918	2,039
Other shares and holdings		3,563	4,547	1,300	3,112
Own shares		7,773	4,219	7,773	4,219
Other investments		4,857	5,086	29,275	30,317
		18,836	15,640	277,331	87,391
Total non-current assets		127,799	114,526	291,672	106,238
Current assets					
Inventories					
Materials and supplies		10,157	6,428		283
Work in progress	21)	42,250	32,714		22,650
Other inventories	13)	193,329	135,191		126,855
Advance payments		3,630	1,064		3
		249,366	175,397		149,791
Receivables	14)				
Deferred tax asset		3,721	4,694		
Accounts receivable		176,488	140,471	2,762	87,840
Loan receivables		165,507	169,928	155,055	196,705
Other recivables		3,714	4,044	55,040	21,391
Accrued income and prepaid expenses		61,557	70,052	3,811	52,568
		410,987	389,189	216,668	358,504
Marketable securities	15)	1,442	13,404	927	12,514
Cash and cash equivalents		11,250	10,165	3,193	4,079
Total current assets		673,045	588,155	220,788	524,888
Total assets		800,844	702,681	512,460	631,126

	Note	Consolidated		Parent Company	
		2000	1999	2000	1999
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	16)	58,767	58,767	58,767	58,767
Share premium account		53,492	53,492	53,492	53,492
Reserve for own shares		7,773	4,219	7,773	4,219
Reserve fund		486	496		
Retained earnings		133,823	93,814	126,666	95,254
Profit for the financial period		54,703	60,698	36,151	52,305
		309,044	271,486	282,849	264,037
Minority interests		1,568	6,727		
Accumulated appropriations	17)			875	1,508
Provisions for liabilities and charges	18)	6,868	6,661		5,525
Liabilities					
Deferred tax liability	19)	2,229	1,628		
Long-term liabilities	19)				
Bonds		33,638	58,866	33,638	58,866
Loans from financial institutions		20,785	25,728	111,795	54,059
Pension loans		35,274	43,352	34,727	43,327
Accounts payable		15			
Other long-term liabilities		586	434	119	117
		90,298	128,380	180,279	156,369
Current liabilities	20)				
Bonds		25,228		25,228	
Bonds with warrants and convertible bonds		3	3	3	3
Loans from financial institutions		7,220	8,352	4,630	7,209
Pension loans		5,676	5,676	5,676	5,676
Advances received	21)	47,108	43,712		24,979
Debts to construction fund		116,833	82,323		79,851
Accounts payable		45,756	34,970	237	18,852
Other current liabilities		41,244	28,317	7,874	17,228
Accrued expenses and deferred income		101,769	84,446	4,809	49,889
		390,837	287,799	48,457	203,687
Total liabilities		483,364	417,807	228,736	360,056
Total shareholders' equity and liabilities		800,844	702,681	512,460	631,126

CASH FLOW STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
Cash flow from operating activities				
Profit before extraordinary items	79,450	55,175	-3,963	30,403
Adjustments:				
Depreciation according to plan	18,892	18,594	5,450	4,120
Other income and expenses, not involving disbursements	336	3,238		3,708
Gains on sale of tangible and intangible assets	-6,424	-801	-33	-635
Financial income and expenses	10,213	7,060	1,081	3,438
Cash flow before change in working capital	102,467	83,266	2,535	41,034
Change in working capital				
Change in short-term non-interest-bearing receivables	-21,744	-61,595	-3,275	-25,961
Change in inventories	-73,969	46,573	32	37,461
Change in short-term non-interest-bearing liabilities	74,147	12,436	-1,744	28,936
Cash flow from operations before financial items and taxes	80,901	80,680	-2,452	81,470
Interests paid and other financial expenses	-11,249	-8,217	-9,419	-8,780
Dividends received	366	409	61	2,282
Interest received and other financial income	734	1,881	7,534	2,845
Taxes paid	-23,437	-10,326	-14,677	-7,211
Net cash from operating activities	47,315	64,427	-18,953	70,606
Cash flow from investing activities				
Capital expenditures on tangible and intangible assets	-32,422	-33,807	-4,214	-7,343
Proceeds from sales of tangible and intangible assets	4,071	17,981	1,467	753
Portfolio investments	-1,764	-624	-6,804	-11,334
Proceeds from sales of investments	7,747	15,274	2,898	19,976
Cash flow from investing activities	-22,368	-1,176	-6,653	2,052
Cash flow from financing activities				
Rights issue		403		403
Purchase of own shares	-3,554	-4,219	-3,554	-4,219
Change in loan receivables	235	-2,769	-11,850	-32,070
Proceeds from short-term liabilities	574	1,466	4,625	1,671
Payments of short-term liabilities	-1,466	-30,694	-1,671	-31,987
Proceeds from long-term liabilities	848	15,461	62,367	18,777
Payments of long-term liabilities	-14,637	-21,873	-15,202	-19,264
Dividends paid	-17,824	-13,055	-17,338	-12,335
Group contributions received				14,809
Cash flow from financing activities	-35,824	-55,280	17,377	-64,215
Change in liquid funds	-10,877	7,971	-8,229	8,443
Liquid funds at January 1	23,569	15,598	16,593	8,150
Transfer of business operations			4,244	
Liquid funds at December 31	12,692	23,569	4,120	16,593

ACCOUNTING POLICY

YIT Corporation (Trade Register number 89.623) is the parent company of the YIT Group. The company is domiciled in Helsinki. Copies of the consolidated financial statements are available at the address YIT Corporation, Panuntie 11, 00620 Helsinki.

Consolidation

Extent of the consolidated financial statements

The consolidated financial statements include the parent company YIT Corporation and all principal Group and associated companies included in investments.

Intra-Group transactions and margins

The revenue and expenses between Group companies have been eliminated in the consolidation, as have internal margins and the distribution of profit, intercompany receivables and liabilities as well as intercompany share ownership.

Intercompany share ownership

The acquisition cost method has been used in eliminating cross-ownership of shares. In practice this means that the purchase price of the shares in subsidiaries has been eliminated against their balance sheet equity at the moment of acquisition. In carrying out the elimination, the Group goodwill arising as the difference between subsidiaries' acquisition value and the balance sheet values has been entered in the Consolidated Balance Sheet as goodwill. The goodwill items arising before 1995 have been amortized according to a 10 per cent straight-line schedule. The goodwill arising after 1995 has been amortized on a straight-line basis over 5 and 7 year periods.

Minority interests

The shares of minority interest shareholders in the equity, depreciation difference and net profit of subsidiaries is shown as a separate item on the liabilities side of the Consolidated Balance Sheet and in the Consolidated Income Statement.

Associated companies

The financial statement data of associated companies has been consolidated using the equity method. The Group's minority interests in the aggregate results of associated companies are shown as a separate item in the income statement.

Fixed assets and depreciation

The balance sheet values of fixed assets are based on the original purchase price less depreciation according to plan.

In the income statement, depreciation is calculated as planned depreciation – i.e., based on the economic life of the assets. The depreciation periods are as follows:

Buildings	5 - 40 years
Machinery and equipment	3 - 10 years
Other fixed assets	4 - 40 years

Inventories

Inventories have been valued at the direct purchase cost or the probable market cost, whichever is lower. In valuing real estate properties held in inventories, the available market information and the level of the yield on the properties have been taken into account.

The use of materials and supplies has been booked according to the FIFO principle.

Change in inventories

The change in the Group's inventories cannot be derived from the balance sheets due to changes that have taken place in the Group structure.

Recording of income from projects

Income from construction projects has been recorded according to the degree of completion. The degree of completion is calculated on the basis of the costs realized according to the physical degree of completion and the total cost estimate. Projects that are partially credited to earnings are spread over two financial periods. The margin on so-called developer contracting projects has been recognized as income on the basis of the degree of completion or the degree of sale of the shares in a condominium or property, whichever is lower. The forecast loss on loss-making projects included in the backlog of orders has been booked to expense in its entirety.

Items denominated in foreign currency

Receivables and liabilities in foreign currency have been valued at the exchange rate on the last day of the year. The part of loan receivables and liabilities covered by forward contracts has been valued according to the exchange rates of the contracts.

In carrying out the consolidation, the financial statements of foreign subsidiaries have been translated into euros at the average exchange rate quoted by the Bank of Finland on the balance sheet date. The net translation difference arising therefrom has been credited to non-restricted shareholders' equity.

Pension arrangements

Pension security for the employees of Group companies has mainly been covered through policies with external pension insurance companies. Pension liabilities that are directly recorded as expenses are shown in the balance sheet under long-term liabilities.

Leasing payments

Leasing payments are recorded as annual expenses and rents for future years are presented in the Notes to the Financial Statements.

Guarantee liabilities

10-year liabilities in the construction industry are recorded as expenses when they are incurred.

Appropriations

In the financial statements of individual companies, depreciation in excess of or under plan is stated as part of the net profit for the financial year less the deferred tax liability.

In the consolidated financial statements, the accumulated difference between planned and total depreciation is divided between the deferred tax liability and non-restricted equity. The deferred tax liability has been calculated according to the tax base of 29%.

Direct taxes

The taxes estimated on the results of Group companies for the year are entered in the consolidated income statement, as are adjustments to taxes for previous financial years and imputed deferred taxes. Imputed deferred taxes and tax assets are calculated on the periodization differences between the taxation calculations and the financial statements, applying the tax rate of 29%.

MANAGEMENT OF FINANCIAL RISKS

The financial risks connected with the YIT Group's business operations consist of foreign exchange, interest rate and liquidity risks.

Foreign exchange risk

The objective of managing foreign exchange risk across YIT's units is to hedge earnings generated by operations against foreign exchange risks.

Subsidiaries' contractual currency flows are hedged on a company-specific basis against the base currency of the company in question. Hedging is performed by the parent company's Finance Department, either as intra-Group or external transactions.

The Group's net exposure is hedged against foreign exchange risks by means of loans, deposits and derivative instruments. The derivative instruments used are forward exchange contracts, swaps and options.

The position to be hedged includes contractual accounts receivable and accounts payable as well as assets and liabilities denominated in foreign currency.

Interest rate risk

The management of interest rate risk across YIT's units is centralized within the parent company's Finance Department.

Interest rate risks are examined from the perspective of

both the financial balance sheet and the entire balance sheet. The main focus in 2000 was on managing interest rate risks having an effect on earnings in the financial balance sheet.

The loan portfolio comprises the bulk of the company's financial balance sheet. The interest rate risk connected with interest-bearing liabilities is regulated by changing the composition of the loan portfolio either by undertaking actual loan operations or through derivatives. The derivative instruments used are swaps and forward rate agreements (futures).

Liquidity risk

The parent company's Finance Department handles the YIT Group's asset management funding on a centralized basis. YIT's internal debt relationships exist directly between the Group's parent company and the subsidiaries.

The Group's liquidity management is based on the financial budget (annual budget for 2000 and rolling forecasts for each four-month period) as well as on short-term, up-to-date cash funds planning.

The tools used in liquidity management are Group bank accounts with an overdraft, financing credit facilities and commercial paper programmes. Deposits will not be used as a liquidity buffer until the Group's equity ratio exceeds the strategic target limit (45%).

DEFINITIONS OF FINANCIAL INDICATORS

$$\text{Return on investment (\%)} = \frac{\text{Profit before extraordinary items and taxes} + \text{interest expenses and other financial expenses}}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average for the period)}} \times 100$$

$$\text{Return on equity (\%)} = \frac{\text{Profit before extraordinary items} - \text{taxes}}{\text{Shareholders' equity} - \text{own shares} + \text{minority interest (average for the period)}} \times 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Shareholders' equity} - \text{own shares} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}} \times 100$$

$$\text{Quick ratio} = \frac{\text{Financial assets}}{\text{Current liabilities} - \text{advances received}}$$

$$\text{Gearing ratio (\%)} = \frac{\text{Interest-bearing liabilities} - \text{liquid financial assets}}{\text{Shareholders' equity} - \text{own shares} + \text{minority interest}} \times 100$$

$$\text{Share issue-adjusted earnings per share (EUR)} = \frac{\text{Profit before extraordinary items} - \text{taxes} \pm \text{minority interest from profit/loss for the period}}{\text{Share issue-adjusted average number of outstanding shares during the period}}$$

$$\text{Equity per share (EUR)} = \frac{\text{Shareholders' equity} - \text{own shares}}{\text{Share issue-adjusted number of outstanding shares at the end of the period}}$$

$$\text{Share issue-adjusted dividend per share (EUR)} = \frac{\text{Dividend for the period per share}}{\text{Adjustment ratios of share issues during the period and afterwards}}$$

$$\text{Dividend per earnings (\%)} = \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

$$\text{Effective dividend yield (\%)} = \frac{\text{Share issue-adjusted dividend per share}}{\text{Share issue-adjusted share price as of December 31}} \times 100$$

$$\text{Price/earnings multiple (P/E)} = \frac{\text{Share issue-adjusted share price at the end of the period}}{\text{Share issue-adjusted earnings per share}}$$

$$\text{Market capitalization} = (\text{Number of shares} - \text{own shares}) \times \text{share price as of December 31 by share types}$$

$$\text{Share turnover (\%)} = \frac{\text{Shares traded (number of shares)}}{\text{Total number of outstanding shares (average during the period)}} \times 100$$

NOTES TO THE INCOME STATEMENTS	Consolidated		Parent Company	
	2000	1999	2000	1999
1. Net sales				
Net sales by division				
YIT Building Construction	516,095	497,884		456,768
YIT Property Services	125,875	165,360		157,407
YIT Infraservices	128,121	125,132		117,146
YIT International Operations	98,670	92,842		45,621
YIT Installation	377,398	332,686		
YIT Steel Construction		19,755		
Other items	-10,780	-11,581	10,396	
Total	1,235,379	1,222,078	10,396	776,942
Net sales include:				
Sales of company-built condominium shares	117,250	133,568		122,281
Net sales by market area				
Finland	1,091,567	1,056,804	10,395	733,994
Nordic countries	40,479	69,625	1	2,570
Russia	44,508	39,500		24,652
Baltic countries	32,730	38,200		7,199
Other Europe	23,527	12,019		3,770
Asia	1,697	4,871		3,700
Africa	871	1,008		1,008
America		51		49
Total	1,235,379	1,222,078	10,396	776,942
2. Other operating income				
Gains on the sales of fixed assets	6,497	841	33	610
Other	6,339	3,898	6,535	2,832
Total	12,836	4,739	6,568	3,442
3. Materials and services				
Materials and supplies				
Purchases during the period	465,849	402,503		272,700
Change in inventories	-62,247	42,768	32	36,903
	403,602	445,271	32	309,603
External services	313,889	296,131		229,085
Total	717,491	741,402	32	538,688
4. Data on the personnel and members of administrative bodies				
Personnel expenses				
Wages and salaries	215,162	196,538	4,689	78,319
Pension expenses	33,567	29,836	-177	11,494
Other social expenses	23,994	28,697	-42	10,501
Total	272,723	255,071	4,470	100,314
Management's salaries and remuneration				
Presidents and Executive Vice Presidents	4,131	2,114	514	452
Members of Supervisory Board		37		37
Members of Board of Directors	85	7	79	
Total	4,216	2,158	593	489

NOTES TO THE FINANCIAL STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
Average number of personnel by division				
YIT Building Construction	1,569	1,457		
YIT Property Services	538	517		
YIT InfraserVICES	787	759		
YIT International Operations	1,081	1,871		
YIT Installation	3,864	3,727		
YIT Steel Construction		113		
Others	350	277		
Total	8,189	8,721		
Personnel at year-end	8,605	8,262		
Pension commitments to members of the Board of Directors and Presidents				
The President and Executive Vice President of the parent company and Presidents of two Group companies are entitled to retire at the age of 60. The Presidents of other Group companies retire at the statutory age.				
5. Depreciation and write-downs				
Depreciation on intangible assets	2,427	1,294	1,749	977
Depreciation on buildings and constructions	1,648	1,731	110	175
Depreciation on machinery and equipment	9,565	9,630	3,529	2,788
Depreciation on other tangible assets	235	259	62	180
Amortization on goodwill	5,017	5,680		
Total	18,892	18,594	5,450	4,120
6. Operating profit by division				
YIT Building Construction	47,731	28,098		
YIT Property Services	13,067	17,354		
YIT InfraserVICES	2,648	2,448		
YIT International Operations	4,467	2,832		
YIT Installation	21,499	15,279		
YIT Steel Construction		725		
Other items	251	-4,501		
Total	89,663	62,235		
7. Financial income and expenses				
Dividend income				
From Group companies				2,761
From associated companies				151
From others	231	409	85	405
Total	231	409	85	3,317
Interest income on non-current investments				
From Group companies			7,066	1,350
From others	429	305	326	258
Total	429	305	7,392	1,608
Other interest and financial income				
From Group companies			712	668
From others	876	1,576	257	847
Total	876	1,576	969	1,515

	Consolidated		Parent Company	
	2000	1999	2000	1999
Write-downs on investments				
Revaluations on non-current investments		444		444
Write-downs on non-current investments		-186		
Total		258		444
Interest expenses and other financial expenses				
To Group companies			-9,174	-1,147
To others	-11,749	-9,608	-353	-9,175
Total	-11,749	-9,608	-9,527	-10,322
Total financial income and expenses	-10,213	-7,060	-1,081	-3,438
Financial income and expenses include exchange rate differences, net	231	520	105	364
8. Extraordinary items				
Extraordinary income				
Gains on the sales of fixed assets		14,282		13,300
Group contribution			53,179	19,376
Deferred taxes		4,225		
Total		18,507	53,179	32,676
Extraordinary expenses				
Losses on merger and winding up	-35		-35	
Total	-35		-35	
Total extraordinary items	-35	18,507	53,144	32,676
9. Appropriations				
Difference between depreciation according to plan and depreciation reported in taxation			618	-470
10. Income taxes				
Income taxes on extraordinary items		-3,724		-3,724
Income taxes on regular business operations	-22,872	-10,327	-13,751	-6,750
Income taxes for previous years	74	126	103	170
Change in deferred tax liability	-1,574	1,771		
Total	-24,372	-12,154	-13,648	-10,304

NOTES TO THE BALANCE SHEETS

11. Changes in fixed assets

Intangible assets

Intangible rights

Acquisition cost at January 1	1,795	1,250	178	178
Increases	39	559		
Decreases	254	14		
Transfer of business operations			36	
Transfers to another asset group	1,236			
Acquisition cost at December 31	344	1,795	142	178

NOTES TO THE FINANCIAL STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
Accumulated depreciation and write-downs at January 1	80	36	36	36
Transfer of business operations			36	
Depreciation for the period	14	44		
Accumulated depreciation at December 31	94	80		36
Book value at December 31	250	1,715	142	142
Goodwill				
Acquisition cost at January 1	3,032	2,909	1,062	1,062
Increases	190	123		
Decreases	5			
Transfer of business operations			1,062	
Acquisition cost at December 31	3,217	3,032		1,062
Accumulated depreciation and write-downs at January 1	2,341	1,992	686	544
Transfer of business operations			686	
Depreciation for the period	295	349		142
Accumulated depreciation and write-downs at December 31	2,636	2,341		686
Book value at December 31	581	691		376
Other long-term expenditure				
Acquisition cost at January 1	9,972	6,353	9,001	5,699
Increases	4,469	3,537	1,505	3,302
Transfers from another asset group	1,215	88		
Decreases	180	6	46	
Transfer of business operations			382	
Acquisition cost at December 31	15,476	9,972	10,078	9,001
Accumulated depreciation and write-downs at January 1	4,136	3,062	3,785	2,824
Transfer of business operations			208	
Accumulated depreciation of decreases and transfers	34			
Depreciation for the period	2,118	1,074	1,749	961
Accumulated depreciation and write-downs at December 31	6,220	4,136	5,326	3,785
Book value at December 31	9,256	5,836	4,752	5,216
Total intangible assets	10,087	8,242	4,894	5,734
Goodwill on consolidation				
Acquisition cost at January 1	36,140	30,254		
Increases	6,410	5,886		
Acquisition cost at December 31	42,550	36,140		
Accumulated depreciation and write-downs at December 31	28,834	23,817		
Book value at December 31	13,716	12,323		

	Consolidated		Parent Company	
	2000	1999	2000	1999
Tangible assets				
Land and water areas				
Acquisition cost at January 1	14,116	14,931	1,394	1,394
Increases	54	102		
Decreases	8	917		
Transfer of business operations			712	
Acquisition cost at December 31	14,162	14,116	682	1,394
Book value at December 31	14,162	14,116	682	1,394
Buildings and constructions				
Acquisition cost at January 1	46,563	53,851	5,503	5,469
Increases	3,343	5,738	82	39
Decreases	128	13,026		5
Transfer of business operations			2,058	
Acquisition cost at December 31	49,778	46,563	3,527	5,503
Accumulated depreciation and write-downs at January 1	16,652	17,509	4,106	3,936
Transfer of business operations			1,711	
Accumulated depreciation of decreases and transfers		2,657		
Depreciation for the period	1,648	1,800	110	170
Accumulated depreciation and write-downs at December 31	18,300	16,652	2,505	4,106
Book value at December 31	31,478	29,911	1,022	1,397
Machinery and equipment				
Construction equipment bought after Jan. 1, 1995 price over EUR 8,400				
Acquisition cost at January 1	25,602	24,025	3,804	3,804
Increases	10,476	11,989		
Decreases	1,986			
Transfer of business operations			165	
Transfers to another asset group	160	10,412		
Acquisition cost at December 31	33,932	25,602	3,639	3,804
Accumulated depreciation and write-downs at January 1	10,585	7,172	3,804	3,804
Transfer of business operations			165	
Accumulated depreciation of decreases and transfers	808	823		
Depreciation for the period	4,322	4,236		
Accumulated depreciation and write-downs at December 31	14,099	10,585	3,639	3,804
Book value at December 31	19,833	15,017		

NOTES TO THE FINANCIAL STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
Other equipment and construction equipment bought before Jan. 1, 1995*)				
Book value at January 1	17,739	18,595	9,592	8,422
Increases	7,341	6,120	2,242	3,976
Transfers from another asset group		34		
Decreases	1,222	1,668	564	14
Transfer of business operations			162	
Transfers to another asset group		33		
Book value at December 31 before depreciation	23,858	23,048	11,108	12,384
Depreciation for the period	5,243	5,309	3,529	2,792
Book value at December 31	18,615	17,739	7,579	9,592
Total book value of equipment at December 31	38,448	32,756	7,579	9,592
*) All construction equipment and other equipment bought before Jan. 1, 1995 and subsequently purchased construction equipment having an acquisition cost under EUR 8,400 and other equipment.				
Other tangible assets				
Acquisition cost at January 1	1,442	1,827	924	907
Increases	516	118	11	31
Transfers from another asset group	160	34		
Decreases	127	497	115	14
Transfer of business operations			216	
Transfers to another asset group	64	40		
Acquisition cost at December 31	1,927	1,442	604	924
Accumulated depreciation and write-downs at January 1	796	963	562	507
Transfer of business operations			184	
Accumulated depreciation of decreases and transfers		269		
Depreciation for the period	235	102	62	55
Accumulated depreciation and write-downs at December 31	1,031	796	440	562
Book value at December 31	896	646	164	362
Advance payments and construction in progress				
Acquisition cost at January 1	892	475	368	458
Increases	553	524	341	
Decreases	1,269	107	709	90
Book value at December 31	176	892		368
Total balance sheet value of machinery and equipment at December 31	28,814	18,264		
Total tangible assets	85,160	78,321	9,447	13,113
12. Long-term investments				
Shares in Group companies				
Acquisition cost at January 1			47,704	41,651
Increases			226,187	11,099
Transfer of business operations			34,040	
Decreases			1,786	5,046
Acquisition cost at December 31			238,065	47,704

	Consolidated		Parent Company	
	2000	1999	2000	1999
Shares in associated companies				
Acquisition cost at January 1	1,788	2,025	2,039	2,274
Increases	1,171	184		
Transfer of business operations			1,121	
Decreases	316	421		235
Acquisition cost at December 31	2,643	1,788	918	2,039
Other shares and holdings				
Acquisition cost at January 1	4,547	6,366	3,112	2,730
Increases	410	1,082		684
Transfer of business operations			1,742	
Decreases	1,394	742	70	302
Transfers to another asset group		2,159		
Acquisition cost at December 31	3,563	4,547	1,300	3,112
Own shares				
Acquisition cost at January 1	4,219		4,219	
Increases	3,554	4,219	3,554	4,219
Acquisition cost at December 31	7,773	4,219	7,773	4,219
Receivables from Group companies				
Acquisition cost at January 1			25,246	26,024
Transfers to another asset group			722	778
Acquisition cost at December 31			24,524	25,246
Receivables from associated companies				
Acquisition cost at January 1	5,071	5,391	5,071	5,391
Decreases	320	320	320	320
Acquisition cost at December 31	4,751	5,071	4,751	5,071
Other investments				
Acquisition cost at January 1	15			
Increases	91	7		
Transfers from another asset group		8		
Acquisition cost at December 31	106	15		
Total other investments	4,857	5,086	29,275	30,317
Total investments	18,836	15,640	277,331	87,391
13. Inventories				
Other inventories				
Land and plot-owning companies	105,391	58,197		52,481
Shares in housing and real estate corporations under construction	58,159	48,846		48,326
Shares in completed housing corporations	13,709	12,734		11,128
Shares in completed real estate corporations	13,599	12,963		12,820
Others	2,471	2,451		2,100
Total	193,329	135,191		126,855

NOTES TO THE FINANCIAL STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
14. Receivables				
Long-term receivables				
Accounts receivable		41		
Receivables from Group companies				
Loan receivables			139,597	20,701
Total			139,597	20,701
Loan receivables	2,809	3,044	2,809	3,044
Other receivables	140	53		1
Accrued income and prepaid expenses	361	318	329	318
Total	3,310	3,415	3,138	3,363
Total long-term receivables	3,310	3,456	142,735	24,064
Deferred tax asset	3,721	4,694		
Short-term receivables				
Accounts receivable	176,440	140,418	4	86,350
Receivables from Group companies				
Accounts receivable			2,758	1,478
Loan receivables			12,414	6,726
Other receivables			55,000	19,376
Accrued income and prepaid expenses			1,544	271
Total			71,716	27,851
Receivables from associated companies				
Accounts receivable	48	12		12
Other receivables		29		29
Accrued income and prepaid expenses		7		
Total	48	48		41
Loan receivables	162,698	166,884	235	166,234
Other receivables	3,574	3,962	40	1,985
Accrued income and prepaid expenses	61,196	69,727	1,938	51,979
Total short-term receivables	403,956	381,039	73,933	334,440
Total receivables	410,987	389,189	216,668	358,504
Loan receivables from limited companies included in other inventories, total	162,314	165,943		165,320
Accrued income and and prepaid expenses				
Periodization differences caused by partial recognition of income	43,285	59,033		48,695
Other items	18,272	11,019	3,811	3,873
Total	61,557	70,052	3,811	52,568
In accordance with the principle of conservatism, deferred tax assets do not account for tax assets arising from the confirmed losses of foreign subsidiaries.				
15. Marketable securities				
Repurchase price	1,561	17,080	1,026	16,144
Book value	1,442	13,404	927	12,514
Difference	119	3,676	99	3,630

	Consolidated		Parent Company	
	2000	1999	2000	1999
16. Shareholders' equity				
Share capital at January 1	58,767	49,342	58,767	49,342
Bonds with warrants		92		92
Transfer from reserve fund		9,333		9,333
Share capital at December 31	58,767	58,767	58,767	58,767
Share premium account at January 1	53,492	247	53,492	247
Bonds with warrants		311		311
Transfer from reserve fund		52,934		52,934
Share premium account at December 31	53,492	53,492	53,492	53,492
Reserve for own shares at January 1	4,219		4,219	
Transfer from retained earnings	3,554	4,219	3,554	4,219
Reserve for own shares at December 31	7,773	4,219	7,773	4,219
Reserve fund at January 1	496	62,699		62,267
Transfer from retained earnings		25		
Transfer to share premium account		-52,934		-52,934
Transfer to share capital		-9,333		-9,333
Translation difference	-10	39		
Reserve fund at December 31	486	496		
Retained earnings at January 1	154,512	113,328	147,559	111,809
Dividend payout	-17,339	-12,336	-17,339	-12,336
Transfer to reserve fund		-25		
Change in translation differences	212	335		
Depreciation difference of a subsidiary sold		-3,111		
Other changes	-8	-158		
Transfer to reserve for own shares	-3,554	-4,219	-3,554	-4,219
Retained earnings at December 31	133,823	93,814	126,666	95,254
Profit for the financial period	54,703	60,698	36,151	52,305
	188,526	154,512	162,817	147,559
Total shareholders' equity	309,044	271,486	282,849	264,037
Distributable funds at December 31				
Retained earnings	133,823	93,814	126,666	95,254
Profit for the financial period	54,703	60,698	36,151	52,305
Increases in share capital	-109	-110		
Portion of accumulated depreciation difference entered in shareholders' equity	-4,272	-1,933		
Distributable funds from shareholders' equity	184,145	152,469	162,817	147,559
17. Accumulated appropriations				
Depreciation difference at January 1			1,508	1,038
Transfer of business operations			-15	
Decrease/increase			-618	470
Depreciation difference at December 31			890	1,508

NOTES TO THE FINANCIAL STATEMENTS (EUR thousands)

	Consolidated		Parent Company	
	2000	1999	2000	1999
18. Provisions for liabilities and charges				
Provisions for pensions	13			
Obligatory provisions for long-term projects				
Provisions for guarantees	1,422	822		
Provisions for loss-making work	4,586	4,529		4,529
Other obligatory provisions				
Provisions for rental guarantees	789	1,032		996
Other provisions	58	278		
Total	6,868	6,661		5,525
Change in provisions for liabilities and charges				
Change in obligatory provisions for long-term projects	657		-4,529	
Change in other obligatory provisions	-450		-996	
Total	207		-5,525	
19. Long-term liabilities				
Deferred tax liability				
On appropriations	2,229	1,628		
Total	2,229	1,628		
Liabilities falling due after five years				
Loans from financial institutions	6,550	8,396	6,523	8,364
Pension loans	12,324	17,714	12,299	17,714
Total	18,874	26,110	18,822	26,078
Loans from financial institutions include a debt to subsidiaries on the Group bank account			95,261	33,024
20. Current liabilities				
Liabilities to Group companies				
Accounts payable			97	2,988
Other liabilities			6,913	1,238
Accrued expenses and deferred income			324	130
Total			7,334	4,356
Liabilities to associated companies				
Accounts payable	2			
Other liabilities	380	682	380	682
Total	382	682	380	682
Accrued expenses and deferred income				
Periodization differences caused by partial recognition of income	45,282	30,625		27,997
Periodization differences in recognition of personnel expenses	39,330	31,170	1,001	12,667
Other items	17,157	22,651	3,808	9,225
Total	101,769	84,446	4,809	49,889

	Consolidated		Parent Company	
	2000	1999	2000	1999
21. Effect of partial recognition of projects on balance sheet items				
Inventories/Work in progress	347,094	323,544		234,329
./. Partial recognition of income	304,844	290,830		211,679
Work in progress entered in the balance sheet	42,250	32,714		22,650
Liabilities/Advances received	407,733	454,816		302,171
./. Partial recognition of income	360,625	411,104		277,192
Advances received entered in the balance sheet	47,108	43,712		24,979
22. Contingent liabilities				
Mortgages given as security of loans, total	65,604	65,699	52,180	52,180
Mortgages given for own commitments are mainly given as security of pension loans.				
Shares pledged as security of loans, total	7,322	9,885	7,322	9,862
Other collateral given for own commitments				
Mortgages on real estate	925			
Other	185			
Collateral given for others				
Securities pledged		942		942
Pension liabilities are entered in the balance sheet under long-term liabilities.				
Leasing commitments				
Payable during the current financial year	3,320	2,316	214	185
Payable in subsequent years	6,186	5,309	415	444
Total	9,506	7,625	629	629
Other commitments				
Repurchase commitments for contract receivables sold to financing companies	73,049	21,571	444	21,218
Other contingent liabilities	402	241	402	241
Total	73,451	21,812	846	21,459
Guarantees				
On behalf of Group companies			254,992	69,912
On behalf of associated companies	527	1,226	527	1,226
On behalf of others	1,505	4,856	1,505	4,856
Total	2,032	6,082	257,024	75,994
Mortgages given by companies held in inventories				
For the debts of Group companies		2,355		2,355
Derivative contracts				
Foreign currency forward contracts				
Going value	12,333	28,385	12,690	27,225
Value of underlying assets	11,443	29,021	13,497	27,857

NOTES TO THE FINANCIAL STATEMENTS
23. Shares and holdings

Name	Group's holding, %	Number of shares	Nominal value	Book value EUR 1,000	Group's share of equity EUR 1,000	Profit/loss EUR 1,000
SHARES IN GROUP COMPANIES, OWNED BY THE PARENT COMPANY						
YIT Construction Ltd, Helsinki	100.00	5,000,000	EUR 50,000	193,140	205,130	11,990
YIT Installation Ltd, Helsinki	100.00	1,000,000	EUR 10,000	26,259	33,678	7,419
YIT Kalusto Oy, Urjala	100.00	25,000	EUR 5,000	5,170	8,250	1,423
YIT Tietotekniikka Oy, Helsinki	100.00	2,500,000	EUR 5,000	5,018	5,020	1
YIT-Yhtymän Lomakeskus Oy, Helsinki	100.00	2,300	FIM 2,300	1,811	1,838	14
Kiinteistö Oy Panuntie 11, Helsinki	100.00	12,521	FIM 125	6,667	6,633	0
Total				238,065		

SHARES IN SUBSIDIARIES, OWNED BY YIT CONSTRUCTION LTD

Rakennustoimisto Tolonen Oy, Hämeenlinna	100.00	800	EUR 720	6,365	743	1
YIT Rapido Property						
Management Services Ltd, Helsinki	100.00	14,000	EUR 140	4,582	747	-304
Kalevan Kiinteistöhuolto Oy	100.00		FIM	494*)	119	-7
YIT Concept Project						
Management Services Ltd, Helsinki	100.00	40	EUR 8	8	8	0
YIT Bygg AB, Västerås	100.00	500	SEK 2,000	222	167	-800
YIT Vatten & Miljöteknik AB, Landskrona	100.00	5,000	SEK 500	65*)	441	310
AS Makroflex, Tallinn	100.00	480	EEK 14,064	847	4,711	904
YIT Universaalehituse AS, Tallinn	100.00	700	EEK 700	49	339	-18
YIT Latvija SIA, Riga	100.00	259	LVL 26	37	340	-210
YIT UAB, Vilnius	100.00	2,000	LTL 200	36	65	7
ZAO YIT-Genstroj, Moscow	100.00	2,500	RUB 887,500	127	33	0
YIT Invest Export Oy, Helsinki	100.00	2,000	FIM 300	52	50	0
YIT Environment Oy	100.00	500,000	FIM 595	1,001	1,011	9
YIT Project Invest Oy, Helsinki	100.00	60,000	FIM 6,000	1,009	1,117	108
ZAO Lentek, St. Petersburg	88.00	880	RUB 10	1,009*)	1,009	440
Makroflex Oy, Oitti	100.00	2,700	EUR 1,350	1,578	1,295	-4
ZAO Makroflex, Moscow	100.00	1,000	RUB 100	0*)		0
YIT Saumaeriste Oy, Helsinki	100.00	3,000	FIM 300	50	50	0
YIT Polska Sp z. o. o, Cracow	100.00	100	PLN 100	27	-368	-90
AB Kausta, Kaunas	69.77	6,976,790	LTL 8,690	1,899	2,547	669
UAB Kausta Guder, Lithuania	51.00	168,300	LTL 168	45*)		
UAB Kausta Guder, Lithuania	20.00	66,000	LTL 66	72		
YIT Salym Development Oy, Helsinki	100.00	500	FIM 50	8	8	0
Total				17,969		

*) The figures of the subgroup are not included in the sum total.

SHARES IN SUBSIDIARIES, OWNED BY YIT INSTALLATION LTD

YIT Safetytec Oy, Helsinki	100.00	606	EUR 119	1,278	2,985	1,778
Huber Servitek Oy, Helsinki	100.00	3,000	EUR 510	1,520	982	11
Virkkalan LVI Oy, Lohja	100.00	16	FIM 16	350*)	338	1
LVI-Forum Oy, Oulu	100.00	30	FIM 15	1,196*)	1,527	454
Järvenpään Putki- ja						
Metallityö Group, Järvenpää	100.00	2,027	FIM 20	1,687*)	1,463	337
Nykyilmastointi Oy, Järvenpää	100.00	3,200	FIM 16	87*)	0	0
Huber Talotekniikka Oy, Helsinki	100.00	10,000	EUR 1,700	3,476	3,728	38
YIT Industry Ltd, Helsinki	100.00	5,000	EUR 850	1,580	2,087	4
Porin Karhuputki Oy, Pori	100.00	100	FIM 50	1,025*)	826	269
Scandinavian Mill Service Oy, Helsinki	51.00	51	FIM 77	459	392	-132
Scandinavian Mill Service AB, Sundsvall	100.00	1,700	SEK 1,700	203*)	-56	-248
SMS Hydrolin AB, Gävle	100.00	9,500	SEK 950	1,472*)	558	-46
Scandinavian Mill Service AS, Asker	100.00	50	NOK 3	6*)		

Name	Group's holding, %	Number of shares	Nominal value	Book value EUR 1,000	Group's share of equity EUR 1,000	Profit/loss EUR 1,000
YIT Projektör AB, Stockholm	100.00	125,000	SEK 12,500	760	912	-2,277
AS YIT Huber, Tallinn	100.00	4,000	EEK 400	25	5	-24
YIT Service Oy, Helsinki	100.00	10,000	EUR 850	1,357	1,729	265
YIT Power Oy, Ylivieska	100.00	87,000	EUR 2,465	7,222	8,270	2,578
SPT-Automaatio Oy, Kouvola	100.00	1,400	FIM 140,000	1,379	1,049	159
Länsitekno Oy, Helsinki	100.00	15,000	FIM 150	6,057	1,923	11
Kruunuhaan Putki Oy, Helsinki	100.00	60	EUR 10	657*)		
As Oy Nurmipetäjä, Helsinki	100.00	467	EUR 4	286*)		
YIT-Huber East Oy, Helsinki	100.00	500	FIM 50	8		
YIT-Huber Invest Oy, Helsinki	100.00	2,000	FIM 200	34		
ZAO YIT-Peter, St. Petersburg	100.00	1,000	RUB 1,000	0*)	97	81
YIT Industrier A/S, Mongstad	100.00	2,601	NOK 2,601	441	688	-204
Total				25,596		

*) The figures of the subgroup are not included in the sum total.

SHARES IN ASSOCIATED COMPANIES, OWNED BY THE PARENT COMPANY

Kiinteistö Oy Panuntie 6, Helsinki	43.75	3,046	FIM 30	918	899	-18
Finn-Stroi Oy, Helsinki	31.56	1,010	FIM 10	0	5	0
Total				918		

SHARES IN ASSOCIATED COMPANIES, OWNED BY SUBSIDIARIES

Sonera Living Oy, Helsinki	49.00	208,250	EUR 833	835	486	-709
Kiinteistö Oy Juronaki, Rovaniemi	27.76	349	FIM 100	146	165	2
Arabian Finnish Contracting and Maintenance Co Ltd, Saudi Arabia	49.00	2,450	SAR 2,450	571	708	-36
Kiinteistö Oy Leppävirta	40.00	20	EUR 841	336	333	-32
Oy Botnia Mill Service Ab	40.00	2,400	FIM 2,400	404	640	334
Total				2,292		

SHARES AND HOLDINGS IN OTHER COMPANIES, OWNED BY THE PARENT COMPANY

Helsinki Exchanges Group Ltd Oy, Helsinki		24,400		25		
OKR-Liikkeeseenlaskijat Osuuskunta, Helsinki		6	FIM 120	20		
PPTH Steelmanagement Oy, Peräseinäjoki	19.00	10,070	EUR 50	8		
Rautaruukki Corporation, Oulu		198,160	FIM 1,982	747		
Shares in housing and real estate corporations				264		
Shares and holdings in telephone companies				145		
Other shares and holdings, total				91		
Total				1,300		

SHARES AND HOLDINGS IN OTHER COMPANIES, OWNED BY SUBSIDIARIES

E. Hiltunen Oy, Helsinki	4.70	4,765	FIM 95	96		
Kiinteistö Oy Joensuun Sepänahjo, Joensuu	14.96	1,515	FIM 3	128		
Oy Datacity Center, Turku	3.29	1,000	FIM 100	17		
As Oy Jyväskylänkatu 4, Jyväskylä		81		40		
Shares in housing and real estate corporations				1,043		
Shares and holdings in telephone companies				73		
Other shares and holdings, total				463		
Total				1,860		

**BOARD OF DIRECTORS' PROPOSAL
FOR THE DISTRIBUTION OF PROFIT**

According to the Consolidated Balance Sheet as at 31 December 2000, the Group's distributable equity is EUR 184,145,000.00.

The distributable equity of the parent company, YIT Corporation, shown in the balance sheet as at 31 December 2000 is EUR 162,817,133.93 which is made up as follows:

- retained earnings	126,666,182.44
- net profit for the financial period	36,150,951.49
	<hr/>
	162,817,133.93

The Board of Directors proposes that the profit be disposed of as follows:

- Payment of a dividend of 37.5% of the nominal value or EUR 0.75 per share to shareholders	21,964,788.75
- Transfer to retained earnings	140,852,345.18
	<hr/>
	162,817,133.93

Helsinki, February 8, 2001

Antti Tanskanen
Asmo Kalpala
Ilkka Brotherus
Eino Halonen
Mikko Kivimäki
Reino Hanhinen
President

The above statements have been prepared in accordance with generally accepted accounting principles in Finland.

We have today submitted the report of the audit carried by us.

Helsinki, February 13, 2001

SVH PricewaterhouseCoopers Oy
Authorized Public Accountants

Pekka Nikula
Authorized Public Accountant

AUDITORS' REPORT

To the shareholders of YIT Corporation

We have audited the accounting, the financial statements and the corporate governance of YIT Corporation for the financial year ended 31 December 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company's income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President. Based on our audit, we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. The purpose of our audit of corporate governance is to examine that the members of the Supervisory Board and the Board of Directors and the President have legally complied with the rules of the Companies' Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of the financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position.

The financial statements with the consolidated financial statements can be adopted and the members of the Supervisory Board and the Board of Directors and the President of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable funds is in compliance with the Companies' Act.

Helsinki, February 13, 2001

SVH PricewaterhouseCoopers
Authorized Public Accountants

Pekka Nikula
Authorized Public Accountant

YIT Group's organization

YIT CORPORATION President and CEO *Reino Harhinen*

Corporate Communications and Investor Relations Vice President <i>Veikko Myllyperkiö</i>	Corporate Services Executive Vice President <i>Esko Mäkelä</i>			
	Corporate Planning and Personnel <i>Antero Saarilahti</i>	Corporate Finance <i>Jaakko Mäkyinen</i>	YIT Information Technology Ltd <i>Reino Myllymäki</i>	YIT Kalusto Oy <i>Kimmo Karppanen</i>
	Legal Services <i>Jorma Liisanantti</i>	Operational Accounting <i>Leila Vanhanen</i>	Office Services <i>Oiva Siltanen</i>	

YIT CONSTRUCTION LTD President *Ilpo Jalasjoki*

Development and Marketing <i>Sakari Toikkanen</i>	RESIDENTIAL CONSTRUCTION <i>Jouko Kempainen</i>			
	Apartment Building Construction Southern Finland <i>Jouko Kempainen</i>		Marketing <i>Liisa Aho</i>	Production <i>Petri Suuperko</i>
Financial Administration <i>Harri Koponen</i>			Rakennustoimisto Tolonen Oy <i>Ilkka Jahkonen</i>	Single-Family House Construction (Metropolitan Area) <i>Jouni Forsman</i>
Personnel and Office Services <i>Antero Saarilahti</i> <i>Oiva Siltanen</i> (YIT Corporation)	BUILDING CONSTRUCTION <i>Jukka Terhonen</i>			
	Business Development <i>Mikko Kaunisto</i>	Southwest Finland <i>Mikko Pirhonen</i>	Southeast Finland <i>Jukka Pohjola</i>	Jyväskylä region <i>Mikko Rätty</i>
Project Development <i>Pentti Hannonen</i>		Tampere region <i>Antti Varpe</i>	Ostrobothnia <i>Timo Ketola</i>	Eastern Finland <i>Ilkka Kääriäinen</i>
				Oulu region <i>Taisto Järvelä</i>
			Lapland <i>Juhani Ylitölonen</i>	
	PROPERTY SERVICES <i>Timo Lehmus</i>			
	Property Business and Project Development <i>Seppo Martikainen</i>	YIT Concept Project Management Services Ltd <i>Pekka Hämäläinen</i>	Non-residential Construction <i>Matti Schultz</i>	Renovation Services <i>Matti Koskela</i>
			YIT Rapido Property Management Services Ltd <i>Pekka Pöykkö</i>	
	INFRA SERVICES <i>Juhani Kuusisto</i>			
	Earthwork, Tunnelling and Network Construction <i>Jouko Munukka</i>	Regional Construction and Maintenance <i>Pekka Liisanantti</i>	Technical Construction Works, Project Development <i>Heikki K. Hannukkala</i>	YIT Bygg AB
	INTERNATIONAL OPERATIONS <i>Mikko Rekola</i>			
	Marketing and Technical Services and Special Projects <i>Markku Ukkola</i>	Moscow Area and Central Russia <i>Hannu Ikävalko</i>	Baltic Countries <i>Mikko Rekola</i>	Makroflex <i>Olavi Eloranta</i>
			YIT Environment Ltd <i>Juha Varpula</i>	St. Petersburg Area and Northwest Russia <i>Juha Vättö</i>

YIT INSTALLAATIOT LTD President *Jouko Ketola*

Executive Vice President <i>Christer Nyström</i>	HEPACE CONTRACTING AND SERVICING			
	<i>Risto Kirjalainen</i>	Huber Talotekniikka Oy	Huber Servitec Oy	Kruunuhaan Putki Oy <i>Keijo Rantanen</i>
Financial Administration <i>Simo-Pekka Niemi</i>				YIT Safetytec Oy <i>Jyrki Isotalo</i>
	INDUSTRIAL MAINTENANCE			
	YIT Service Ltd <i>Juha Moisio</i>	Scandinavian Mill Service Oy <i>Jaakko Tennilä</i>		
	MAINTENANCE AND CAPITAL INVESTMENT SERVICE FOR INDUSTRY			
	YIT Power Ltd <i>Raimo Poutiainen</i>	YIT Industry Ltd <i>Unto Kuisma</i>	YIT Projektör AB (Sweden) <i>Klas Nystrand</i>	YIT Industrier AS (Norway) <i>Tomi Niemi</i>

Contact information

YIT CORPORATION

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111, Fax +358 20 433 3700
E-mail firstname.surname@yit.fi, Internet www.yit.fi
Trade register number 89.623

YIT CONSTRUCTION LTD

P.O. Box 36 (Panuntie 11), FIN-00621 HELSINKI
Tel. +358 20 433 111, Fax +358 20 433 3736

YIT INTERNATIONAL OPERATIONS

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 3710

YIT Environment Oy

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 2066

YIT Vatten & Miljöteknik AB

Box 709 (Rattgatan 11)
S-261 27 LANDSKRONA,
SWEDEN
Tel. +46 418 27575
Fax +46 418 18683
E-mail yitvmt@yit.se

YIT Polska sp. z o.o

ul. Batorego 25
31-135 KRAKOW, POLAND
Tel. +48 12 634 1272
Fax +48 12 634 2792
E-mail yit_polska@pro.onet.pl

Moscow Office

Srednij Tishinskij pereulok, 28/1
123557 MOSCOW, RUSSIA
Tel. +7 095 777 37 08
Fax +7 095 777 37 10

ZAO YIT-Genstroj

Contact information as for
MOSCOW above

Makroflex

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 3737
Internet www.makroflex.com

Makroflex Oy

Hausjärvi Factory, P.O. Box 7
FIN 12101 OITTI
Tel. +358 20 433 5300
Fax +358 20 433 5301

AS Makroflex

Pärnu mnt. 139e
11317 TALLINN, ESTONIA
Tel. +372 6 999 70
Fax +372 6 999 71
E-mail
mf@makroflex.ee

ZAO Makroflex

Srednij Tishinskij pereulok, 28/1
123557 MOSCOW, RUSSIA
Tel. +7 095 777 37 08
Fax +7 095 777 37 10

ZAO Lentek

Primorsky pr., 52
197374 SANKT-PETERSBURG,
RUSSIA
Tel. +358 9 4242 8261
Fax +358 9 4242 8263

ZAO YIT Peter

Contact information as for
Lentek above

YIT Universaalehituse AS

Pärnu mnt. 139e
11317 TALLINN, ESTONIA
Tel. +372 6 999 080
Fax +372 6 999 081
E-mail info@yitehitus.ee

YIT Latvia SIA

K. Ulmana gatve 5
LV-1004 RIGA, LATVIA
Tel. +371 7 066 166
Fax +371 7 066 167
E-mail yit@apollo.lv

YIT UAB

Savanoriu street 174a
2009 VILNIUS, LITHUANIA
Tel./Fax +370 2 311 577

AB Kausta

Naglio g. 4a,
LT-3014 KAUNAS, LITHUANIA
Tel. +370 7 452 348
Fax +370 7 452 212
E-mail kausta@kaunas.aiva.lt

YIT BUILDING CONSTRUCTION

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 3730

YIT PROPERTY SERVICES

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 3732

YIT INFRASERVICES

P.O. Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. +358 20 433 111
Fax +358 20 433 3706

YIT INSTALLATION LTD

P.O. Box 54 (Robert Huberin tie 3), FIN-01511 VANTAA
Tel. +358 20 433 111, Fax +358 20 433 3502

Huber Talotekniikka Oy

P.O. Box 111
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. +358 20 433 111
Fax +358 20 433 3853

Huber Servitec Oy

P.O. Box 85,
FIN-01511 VANTAA
(Visiting address:
Maistraatinportti 2,
FIN-00240 HELSINKI)
Tel. +358 20 433 111
Fax +358 20 433 3840

YIT Safetytec Oy

P.O. Box 82
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. +358 20 433 111
Fax +358 9 870 2860

YIT Service Ltd

P.O. Box 54
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. +358 20 433 111
Fax +358 20 433 3876

Scandinavian

Mill Service Oy
P.O. Box 54
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. +358 20 433 111
Fax +358 20 433 3876

Scandinavian

Mill Service AB
S-851 94 SUNDSVALL, SWEDEN
Tel. +46 60 16 50 00
Fax +46 60 56 82 95

SMS Hydrolin AB

Industrigatan 14
S-80 283 GÄVLE, SWEDEN
Tel. +46 26 54 56 00
Fax +46 26 54 56 90

YIT Power Ltd

P.O. Box 88 (Wärtsiläntie 4)
FIN-84101 YLIVIESKA
Tel. +358 20 433 4400
Fax +358 8 423 226

YIT Industry Ltd

P.O. Box 84
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. +358 20 433 111
Fax +358 20 433 3842

Calor AB

Box 1810 (Armégatan 40)
S-171 22 SOLNA, SWEDEN
Tel. +46 8 705 32 00
Fax +46 8 735 69 07
Internet www.calor.se

YIT Projektör AB

Box 42 112 (Elektravägen 49)
S-126 14 STOCKHOLM, SWEDEN
Tel. +46 8 447 41 00
Fax +46 8 447 41 39

YIT Industrier AS

PB 62 (Litlås industriområde)
N-5154 MONGSTAD,
NORWAY
Tel. +47 56 16 74 00
Fax +47 56 16 99 30

YIT has more than 130 regional offices in Finland and over 20 offices abroad. In addition, Calor has 70 locations in Sweden and five in Finland. More contact information on the Internet at www.yit.fi.



www.yit.fi