Annual Report 2007

Together we can do it.

YIT is a leading service company in building systems, construction services and services for industry in Northern Europe.

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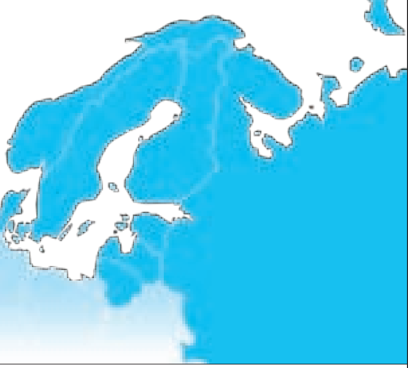
Mission

We build, develop and maintain a good living environment for people.

Operating concept

We help our customers to use the technical living environment, invest productively and maintain the value of their investments.



- Largest company in building systems in the Nordic countries and Lithuania
- Largest construction company in Finland
- Largest foreign-owned housing construction company in Russia
- One of the largest construction companies in the Baltic countries
- Largest provider of industrial services in the Nordic countries in its fields of business

Creating quality living environments in Northern Europe

- YIT's mission is to build, develop and maintain good living environment. We construct buildings and the required infrastructure. We create suitable conditions to the premises and support industrial operations.

- We are the leading company in our sector in all the countries where we operate. Our geographic area of operations offers both stability and potential for growth.

- We operate locally in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Russia and employ approx. 23,000 people.

- In 2007, the Group's revenue increased to EUR 3,706.5 million and operating profit to EUR 337.8 million. Revenue and number of personnel have both been growing strongly for over a decade. The key strategic objective is to continue to grow profitably.

- We pursue an active dividend policy. The Board of Directors proposes to the Annual General Meeting that the dividend per share be increased for the thirteenth year in a row - a record in the Stock Exchange in Helsinki.

We create, maintain and develop

Management and operation of premises
- Management of conditions, energy consumption and services offered in the premises
- Facility management and construction services, management of property investments

Building systems
- Heating, plumming, air-conditioning and electric systems, energy-saving solutions
- Service and maintenance of technical systems

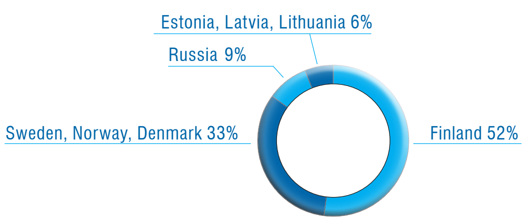
Industrial partnerships
- Management and development of maintenance activities

Buildings and areas
- Residential, office, retail and logistics premises, entire residential areas and leisure and service centres
- Renovation, modernisation, conversion of old buildings to new uses

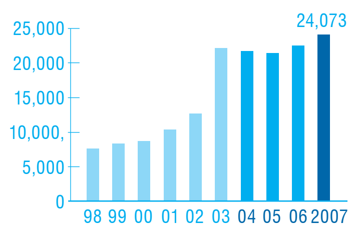
Industrial processes
- Piping, tanks, boilers, electrical, automation and ventilation systems, energy and material saving solutions
- Maintenance, annual maintenance and modernisation of processes

Infrastructure
- Earth, foundation, rock and water engineering, roads, bridges, harbours, sports areas, and waste management areas
- Maintenance of roads, streets, railway network and bridges

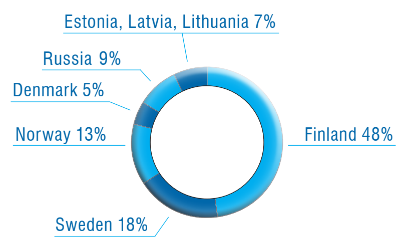
Revenue by country, %



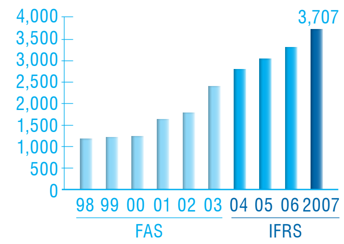
Number of employees



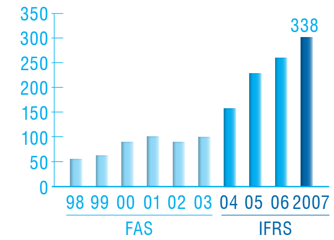
Personnel by country, %



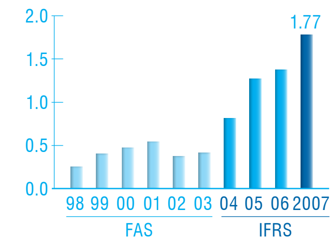
Revenue, MEUR



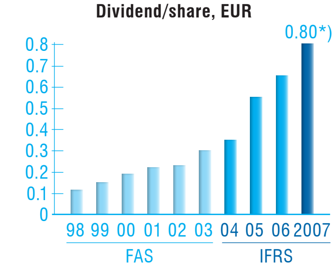
Operating profit, MEUR



Earnings/share, EUR



Dividend/share, EUR



*) Board of Directors' proposal

The YIT Group continued to grow in 2007.

Revenue was up 13 per cent and operating profit 31 per cent on the previous year.

The Board of Directors proposes raising the dividend per share for the thirteenth year in a row and that a dividend of EUR 0.80 per share be paid for 2007.

Year 2007

Strong growth continued in a profitable and balanced manner

Key figures

	2007	2006
Revenue, MEUR	**3,706.5**	3,284.4
Operating profit, MEUR	**337.8**	258.8
Profit for the financial period, MEUR	**228.0**	175.4
Operating profit margin	**9.1%**	7.9%
Return on investment	**26.2%**	24.8%
Return on equity	**30.5%**	28.3%
Equity ratio	**36.7%**	34.5%
Gearing ratio	**62.9%**	75.1%
Earnings/share, EUR	**1.77**	1.36
Equity/share, EUR	**6.40**	5.29
Dividend/share, EUR	**0.80 *)**	0.65
At year's end		
Shareholders	**15,265**	14,364
Market capitalisation, MEUR	**1,907.0**	2,656.0
Balance sheet total, MEUR	**2,461.3**	2,117.8
Order backlog, MEUR	**3,509.3**	2,802.3
Personnel	**24,073**	22,311

*) Board of Directors' proposal

- The economic outlook for YIT's area of operations remained stable, even though uncertainties in the world economy increased towards the end of the year.

- Demand for building systems increased in the Nordic countries due to brisk construction of business premises. There was also an increase in repair and maintenance works and various technical servicing and property management service agreements.

- In Finland, there was growth in both business premise and infrastructure construction, keeping the construction industry active on the whole. Residential demand softened after several strong years. Demand for industry services remained good.

- In Russia, housing demand continued to be strong. Pricing increases remained at a moderate level and sales volumes increased towards the end of the year. YIT also initiated property development projects in St. Petersburg. Brisk construction activity and foreign investment growth increased the need for building systems and industrial installations and maintenance.

- In the Baltic countries, demand for housing units weakened towards the end of the year, but the market situation for office premise construction and building systems remained fair.

Construction of business premises continued to be active in Finland. YIT initiated the extension of its head office in Helsinki. The 7-storey office and commercial building for approximately 600 YIT employees will be constructed next to the old building.

At the beginning of 2007, YIT's and Botnia's joint venture Botnia Mill Service took on the responsibility for the maintenance of Botnia's mills in Rauma and Äänekoski, Finland. In accordance with the agreement, Botnia Mill Service will be responsible for the maintenance of all of Botnia's mills in Finland.

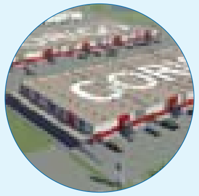
Demand for solutions connected with the management of energy consumption and energy efficiency increased in the Nordic countries. YIT carried out energy-saving investments and signed various service agreements to develop buildings' heat, electricity and water consumption in Finland, Sweden, Norway and Denmark.

Events in 2007

II

Residential development projects were expanded via a joint venture with private Russian shareholders in the city of Rostov-na-Donu. YIT is currently constructing housing units in six Russian metropolises. At the end of 2007, 9,870 residential units were under construction in Russia.

YIT's market position in building equipment systems was strengthened through business acquisitions. In Norway, service portfolio was reinforced, particularly with regard to pipework deliveries. In Denmark, YIT reinforced its position in the Copenhagen region.

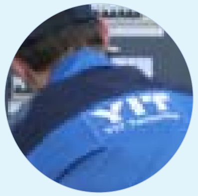


YIT Lentek and Evli Property Investments Russia signed a final agreement in May on the realisation of office and logistics premise projects worth approximately EUR 100 million on YIT's plots in St. Petersburg.

III

In Finland, the focus in residential construction was on differentiation and improving service. In August, YIT Koti and Oikotie.fi introduced a novel service for the Finnish market; where buyers can make offers for new residential units through an Internet site.

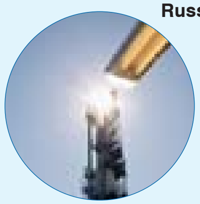
Construction of premium holiday homes continued according to plan. Construction was underway in five locations around Finland and pre-marketing ongoing in another six locations.



The Board of Directors of YIT Corporation confirmed the Group's strategy and financial targets for 2008–2010. Business operations in the present countries will be reinforced. In addition, expansion of the geographic area will be pursued during the strategy period. YIT Group's financial targets were confirmed without changes.

IV

A decision was made to modify YIT's business segment structure so that a separate business segment, International Construction Services, was formed from YIT Construction Services' operations in the Baltic countries and Russia as of the beginning of 2008



YIT reinforced its competence in industrial energy and material use solutions though a business acquisition.

Operations were focused by divesting the Network Services business unit. Network Services revenue accounted for approximately 2.5 per cent of the YIT Group revenue, and employees numbered approx. 1,000 people. The transaction was completed at the end of the year, and the Industrial and Network Services segment was renamed Industrial Services.

The year 2007 marked YIT's 95th anniversary. The company's roots extend back to 1912, when Yleinen Insinööritoimisto (the General Engineering Company) started out in the Grand Duchy of Finland.

The first major project of Allmänna Ingenjörbyrån (The General Engineering Company) was designing and building the waterworks in the city of Porvoo. The water tower in the picture was demolished in the 1980s.

Additional information

Releases published in 2007 are available on the Internet site, www.yitgroup.com.

Good base for continuing profitable growth

Our profitable growth continued in 2007. Both our revenue and operating profit increased considerably. The outlook for 2008 is also positive. Our order backlog at the beginning of the year was at an all-time high, corresponding to the workload of 11 months. We estimate that the Group's revenue and profit before taxes for 2008 will increase compared to the previous year.

In 2007, we increased our revenue in all our geographic areas of operation. In the Nordic countries, we strengthened our market position in service and maintenance of building systems and expanded our service offering according to plans. In Finland, we were particularly successful in the business premise and infrastructure markets; the increase in their order backlog compensated for the decline in residential production. We advanced in Russia according to our target level of 50 per cent annual growth and expanded our residential production to yet another metropolis.

Balanced business structure

During the first half of the year, strong economic development in all our areas of operation bolstered our growth. Towards the end of the year, uncertainties increased in spite of the favourable economic mood.

For years, the cornerstone of YIT's strategy has been to make the business structure more balanced and tolerant of economic fluctuations.

We have purposefully increased the share of our service and maintenance business. It already accounts for nearly 40 per cent of the Group's revenue, which provides stability over cyclical development.

Approximately 85 per cent of our revenue is generated in the Nordic countries, one of the most politically and economically stable areas in the world. The remainder is generated in the rapidly growing, opportunity-rich Russian and Baltic markets.

Residential and real estate development ties capital up in land and ongoing production, but its long value chain provides us with a chance for above-average profitability. These operations account for slightly under a third of YIT's revenue. The majority of our revenue is generated in property and industry process services, infrastructure construction and tender-based projects that do not require heavy capital input.

Energy efficiency emerged strongly

Success always requires the ability to adapt and utilise new opportunities. One area of interest is the management of energy use and energy efficiency; this has emerged strongly in the wake of climate change and high energy prices. We have actively developed our competence in energy use management over the years and will continue to reinforce this area further. We also provide industry with solutions for improving the energy efficiency of processes and seek better construction solutions in terms of energy consumption. We want to be a part of slowing down climate change.

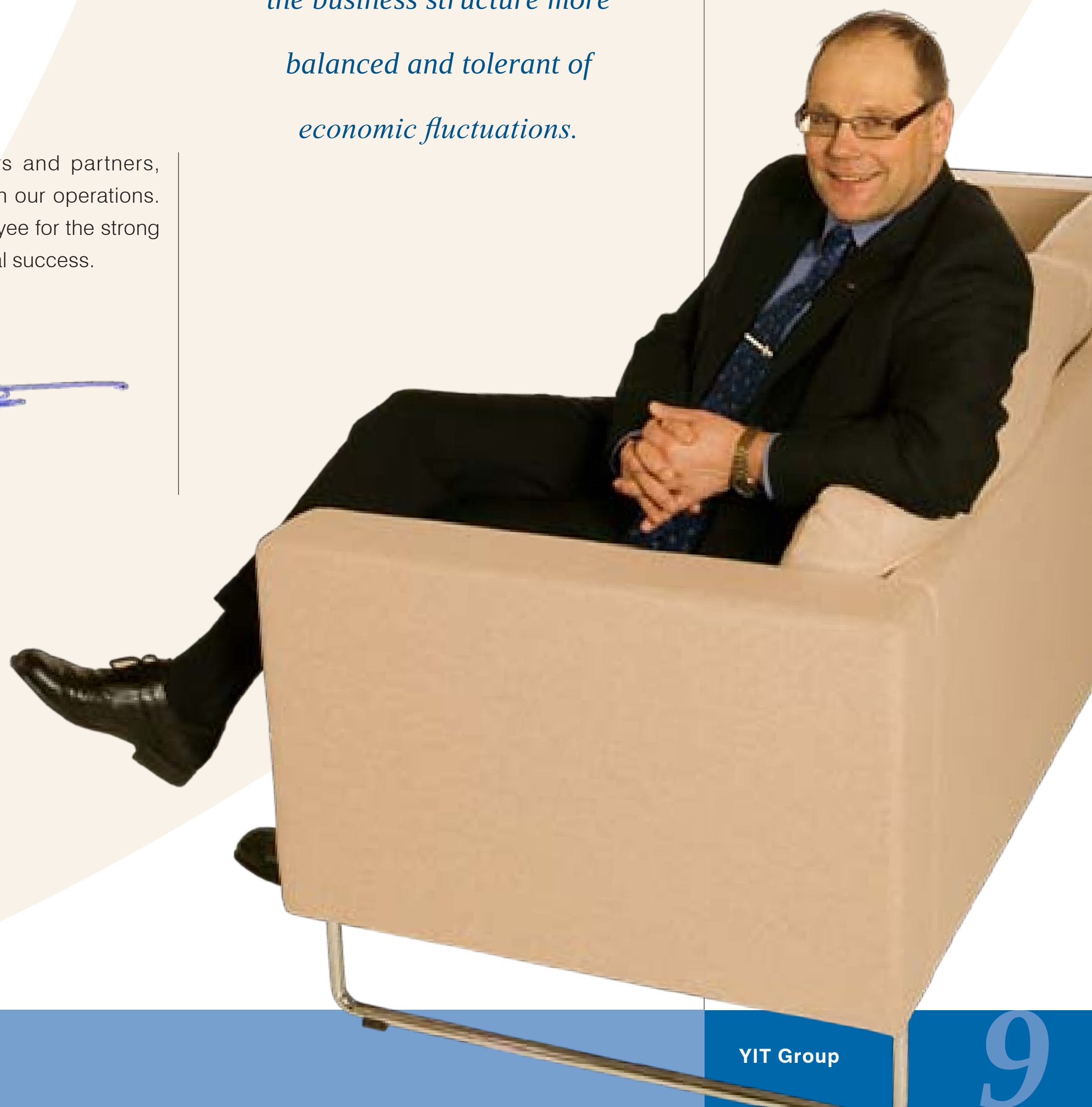
For years, the cornerstone of YIT's strategy has been to make the business structure more balanced and tolerant of economic fluctuations.

Success is determined by human competence

YIT is a labour-intensive service company with 23,000 employees. Our success is based on skilled people who are prepared to develop their work every day. With growth, finding new professionals will become more and more of a challenge. Our key starting point is to develop and take good care of our current employees, but we also need new talent. At the end of the decade, the winners will be those who are able to attract the best skilled people. We intend to be one of them.

Dear customers, shareholders and partners, I thank you for your confidence in our operations. I thank each and every YIT employee for the strong result and work towards our mutual success.

Hannu Leinonen

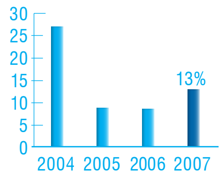


Building on a firm foundation, seizing new opportunities

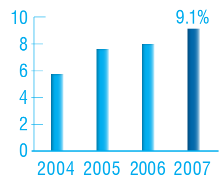
YIT's services are focused on building, developing and maintaining the technical aspects of living and working environments.

YIT's strategic aim is to ensure the opportunities for profitable growth and the stability of business operations.

Revenue growth



Operating profit margin



Cornerstones of profitable growth

Geographic base - stability and potential for growth are balanced

As societies and needs evolve, we have expanded our service portfolio to cater to new markets. The current geographic area of operations combines stability and potential for growth.

In 2007, 85% of our revenue was generated in the financially and politically stable Nordic countries and 15% in the rapidly growing Russian and Baltic markets.

Versatile competence - services facilitate investments

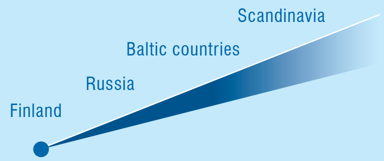
Competence has been expanded to match service needs in all sectors of the technical environment as technologies change.

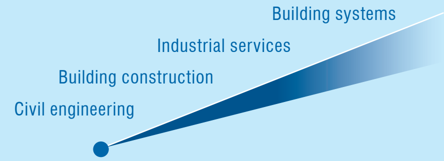
A versatile service structure makes it possible to invest in residential and real estate development projects that offer high profitability but require heavy capital input. The majority of YIT's business operations are labour intensive, requiring little investment; installation and maintenance services are examples of such business. On the other hand, capital is required particularly for growth in Russian operations regarding plot acquisition and ongoing production. At the end of 2007, Russia accounted for 33 per cent of the YIT Group's invested capital, amounting to EUR 460 million.

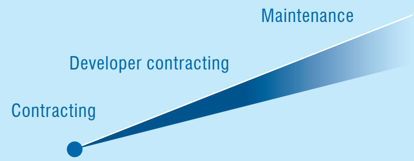
Extensive value chain - work regardless of economic fluctuations

We have extended the service chain to cover the entire project life cycle. In addition to new construction and maintenance services, we help our customers to utilise the technical environment. We develop property uses, offer services for the management of premises and their conditions, and assist industry to boost production efficiency.

Extending operations to cover the entire life cycle balances the impact of economic fluctuations. In 2007, steadily growing service and maintenance operations accounted for 37 per cent of revenue.







Focus on profitable growth during the next few years

Growth

Growth in Russia

In Russia, the aim is to increase revenue by 50 per cent annually on average during the 2006–2009 period. Residential demand will grow hand in hand with good income development, and the office construction market is going strong. Increase in the number of foreign companies creates demand for Western building systems and industry competence as well as maintenance partnerships.

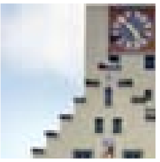
YIT is the largest foreign-owned housing construction company in Russia. Residential development projects will be stepped up by strengthening YIT's presence in the cities where the company already operates and by continuing to expand to new Russian metropolises. Business premise and logistics property development projects will be initiated in St. Petersburg. Building system services will be increased in St. Petersburg and Moscow. Industrial service offering will be expanded in the St. Petersburg region, particularly for Western customers.

Gaining a larger market share in building system services

YIT is the largest provider of building system services in the Nordic countries and Lithuania. Yet the market is very fragmented and most of the competition comes from small companies. The aim is to take a larger market share throughout the area of operations, particularly in the Nordic countries and additionally in the Baltic countries and Russia. The service portfolio will be complemented both organically and through acquisitions.

Outsourcing of industrial maintenance in Finland

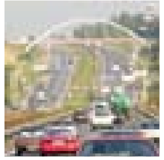
Outsourcing is expected to increase in Finnish industry. Structural changes in the forest industry, in particular, are opening up opportunities for growth. YIT's strategic target is to expand operations by taking on technical maintenance functions outsourced by industry.



New geographic areas

During the strategy period, YIT aims to launch residential development projects in Central Eastern Europe, where the need for improving living conditions resembles the situation in Russia. Expansion is sought through joint ventures or acquisitions. In addition, opportunities for expanding the offering of building system services to Western Europe through acquisitions will be explored during the strategy period.

Profitability



Longer value chain, longer agreements

Business operations will focus on projects extending over the entire value chain and long-term service agreements. With YIT being responsible for the entire service chain from planning and land acquisition to sales and maintenance, we are able to utilise our extensive competence to our customers' benefit. Long-term cooperation in the maintenance of buildings, roads or industrial plants, for instance, makes it possible to smooth the collaboration and adapt the services according to the customer's business and needs.

Social changes create needs for life cycle projects where the service provider assumes responsibility for the investment as a whole, including its service life. Interest in the development of complete residential areas is on the rise. There is a need for cooperation between the public and private sectors. In the wake of climate change, more attention will be paid to the total life cycle cost and energy efficiency.

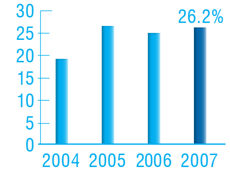
Efficiency of YIT's own operations

YIT's competitive edge and profitability will be improved by means of, e.g., efficient processes, project management, continuous coaching of competent employees and development of procurement activities. The company will be selective in tender-based construction and avoid exceptional or high-risk projects.

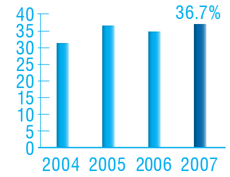
Financial targets

Average annual growth in revenue	**10%**
Operating profit margin	**9%**
Return on investment	**22%**
Equity ratio	**35%**
Dividend payout from annual result after taxes and minority interest	**40–60%**

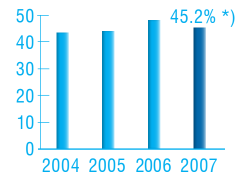
Return on investment



Equity ratio



Dividend payout



*) Board of Directors' proposal

Additional information

The Group's key figures since 1998 are presented on page 64.

Changes in the financial targets are presented on YIT's Internet site, www.yitgroup.com.

Opportunities through extensive operating environment

Installations of building systems will increase by approximately 3 per cent annually in the Nordic countries in 2008–2009. Technical maintenance of buildings will rise by approximately 3–4 per cent annually.

Construction will see average annual growth of 2–3 per cent in Finland and 5–6 per cent in Russia. In the Baltic countries, growth in construction activity will slow down to 6–7 per cent as housing production has started to decline.

Growth will slacken in exports and industrial output in Finland and other Nordic countries, but modernisation requirements will increase the need for industry and energy sector investments and maintenance.

Economic and political environment

The Nordic countries are the most stable countries in the world in terms of politics and economy. Economic growth in the Nordic countries, excluding Denmark, continues to outpace the EU average. Shortage of skilled workers and inflationary pressure are problems shared by all the Nordic countries. Rapid inflation has been quick to affect construction costs and housing prices.

In Russia, the economic growth outpaces the Nordic countries, and the country is benefiting from the high oil prices. Confidence in the political and economic stability of Russia has improved. The state is debt free, and the foreign exchange reserves are higher than the economy's foreign debt. The population's buying power has improved and private consumption has become the driver for economic growth. Investments are on the rise, particularly in residential construction. Construction is not among the industries specified as having strategic significance to national security or foreign trade. Political actors support growth in residential production.

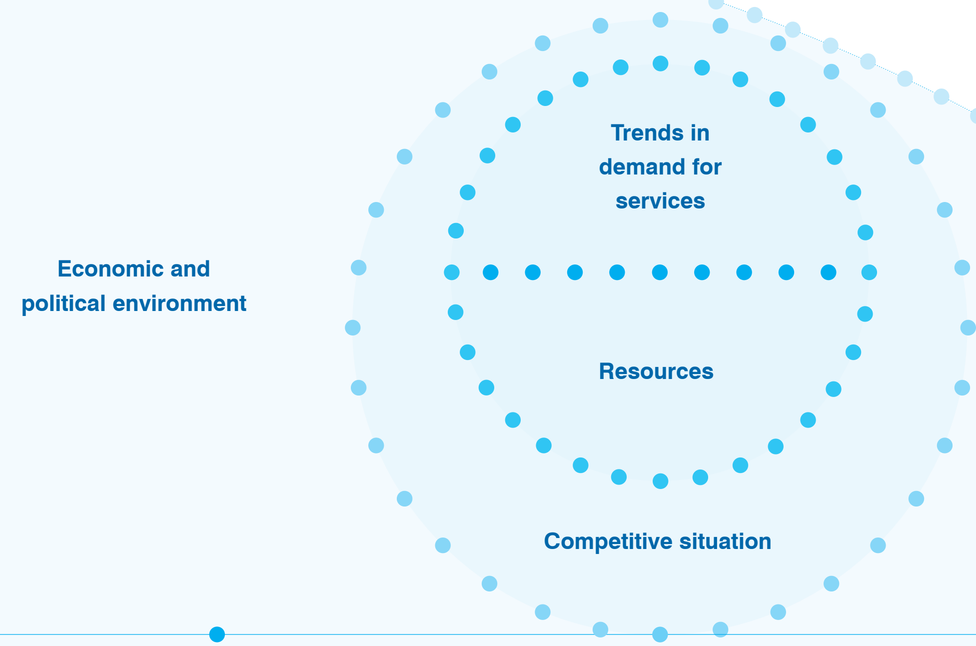
In the Baltic countries, economic growth estimates have been downgraded considerably, but growth continues to outpace the Nordic countries. Increased employment rates have significantly improved consumer buying power, and the rapidly growing consumption is driving the national economies. Economic growth that has been too rapid considering the resources has led to overheating phenomena, the most severe of which is rapid inflation.

Trends in demand for services

Prevention of climate change contributes to the business opportunities of YIT's industrial and building system services. High energy prices and regulations enforced due to climate change will increasingly lead to pursuit of energy efficiency.

Consumer behaviour is undergoing change. Purchasing services will become more commonplace, and people want to express their individuality through housing, for instance. As needs become more differentiated, entire residential areas and housing units, their furnishings and service offering will be developed and diversified.

Public institutions are seeking new methods for realising their service production. The public sector has financing problems in various countries where YIT operates. Cities and municipalities are attempting to streamline their operations by opening the production of services to competition. In addition to service and maintenance services, there is demand for a variety of life cycle responsibility models and energy saving solutions, extensive regional development projects and community construction.



Resources

Competition for skilled labour is increasing in all business countries. The availability of labour poses challenges in all of YIT's fields of business. The mobility of labour from the Baltic countries upon their entry into the EU initially served to benefit the Nordic countries, but gradually there will be a need for additional immigrant labour in all of YIT's home countries.

The population is ageing in the Nordic countries. From the middle of the present decade onwards, workforce retirees in Finland, for instance, will outnumber entrants every year. Education policy focuses on higher education on a significantly broad scale, which worsens the labour shortage in manual trades.

Rapid economic growth in Russia and the Baltic countries has led to a greater shortage of skilled workers as well as inflationary salaries and wages, and growth in foreign labour.

Increase in the cost of materials is expected to slow down as the global demand slackens. Cost benefits will be sought from procurement activities and efficient planning and project management.

Uncertainty in the capital market has increased. Euro interest rates increased to their forecast level six months earlier than estimated with the eruption of the finance crisis, which broke out in August 2007. Inflationary pressure increases uncertainty in the interest rate market.

Competitive situation

YIT has a strong market position. In YIT's lines of business, competition mainly comes from local competitors.

YIT is the market leader in building systems in the Nordic countries and Lithuania. The company's largest competitor is Bravida but the market is very fragmented. Each country hosts numerous small players. The retirement of entrepreneurs and the pursuit of higher productivity are encouraging companies to network and restructure.

YIT is Finland's largest construction company, the largest foreign-owned housing construction company in Russia and one of the biggest construction companies in the Baltic countries. YIT's major competitors in Finland are Skanska, Lemminkäinen and NCC. In Russia, the market leaders are large Russian construction companies. The major competitors in the Baltic countries are local, with the largest being the Merko Group.

YIT is the market leader in its fields of business in industrial services in the Nordic countries.

In the acquisition market, venture capitalists have been active and prices have been rather high. As a result of the financial crisis, interest rates have gone up, which will impact the realisation of business acquisitions.

References
Euroconstruct, VTT Technical Research Centre of Finland, Bank of Finland, ETLA - The Research Institute of the Finnish Economy, Konjunkturinstitutet

Additional information
Information on risk management on pages 47–49.

YIT's business segments cover today's technically rich living environment

YIT's business operations focus on the development, construction and maintenance of the technical aspects of people's living and working environments. We construct buildings and the required infrastructure. We create suitable conditions to the premises and support industrial operations.

The building system service portfolio is being complemented in the Nordic countries. Construction activity is being actively expanded in Russia. In industrial services, growth is pursued particularly from outsourcing of maintenance functions in Finland.

Structure provides balance

YIT's geographic and business structure balance the impact of economic fluctuations on the Group's revenue and profits; changes in the economy do not affect all of YIT's business areas or operations simultaneously.

Geographic distribution

One of the most stable regions in the world in terms of politics and economy - the Nordic countries - accounts for 85 per cent of YIT's revenue. The stability of the Nordic operations make it possible to expand operations in the rapidly growing Russian residential construction market.

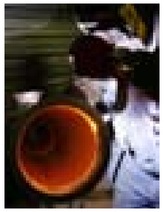
Service and maintenance services

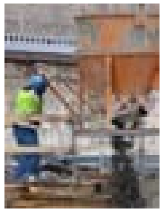
Steadily growing service and maintenance operations that are not sensitive to economic fluctuations account for 37 per cent of YIT's revenue. Approximately 63 per cent of Building Systems revenue and 58 per cent of Industrial and Network Services revenue derive from steadily growing service and maintenance operations.

Investments in production

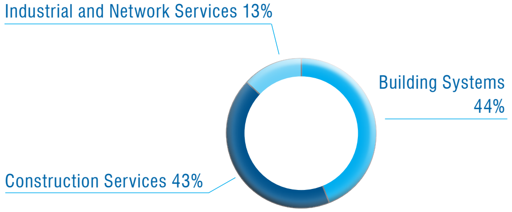
The majority of services comprise operations where investments are minor and return on investment is high. Slightly under a third of revenue is generated by capital-intensive operations, residential developer-contracted projects and property development projects, where capital is tied to plot reserves and ongoing production. In the more capital-intensive operations, the long value chain offers opportunities for higher profitability.

	Area of operation	Customers	Key figures
Building Systems			
• All building equipment system solutions • Repair and maintenance of building equipment systems • Facility management and expert services	Nordic countries, Baltic countries and Russia	• Developers and construction companies • Property investors and owners • Property service companies and building managers • Public institutions • Industry • Households	Revenue: MEUR 1,650 Operating profit: MEUR 112 Personnel: 12,646
Construction Services			
• Residential units and entire areas • Office premises and property development projects • Civil engineering	Finland, Russia and Baltic countries	• Households • Property investors and owners • Business premises users • Developers and construction companies • Public institutions	Revenue: MEUR 1,635 Operating profit: MEUR 201 Personnel: 6,419
Industrial and Network Services			
• Project deliveries to industry • Industrial maintenance • Network Services Business was divested at year's end.	Finland and Russia, rest of Europe on a project-specific basis	• Forest industry • Energy industry • Process industry • Food industry • Marine industry	Revenue: MEUR 490 Operating profit: MEUR 41 Personnel: 4,663

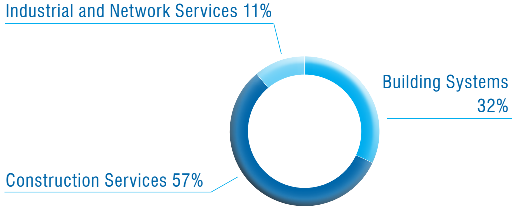




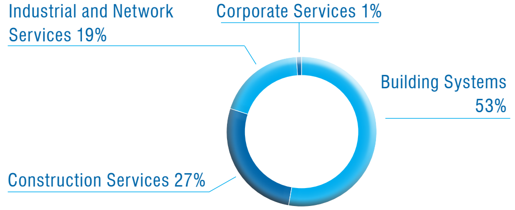
Revenue by business segment, %



Operating profit by business segment, %



Personnel by business segment, %



Business segment structure in 2008

Construction services were divided into two segments: Construction Services Finland and International Construction Services.

In the Industrial and Network Services segment, the Network Services business unit was sold at the end of 2007 and the segment was renamed Industrial Services.

Additional information

Board of Directors' report on pages 127–135.
Segment-specific figures on pages 69 and 81–82.

Largest supplier of building systems in the Nordic countries and Lithuania

YIT is the leading provider of building system services in the Nordic countries. We are also the largest company in the field in Lithuania. Building system services help to establish and maintain the desired conditions inside the property.

Our building system services cover all property-related technologies throughout their life cycles: from planning to installation, operation, maintenance and modernisation. Services are offered throughout YIT's area of operations: in the Nordic countries, Baltic countries and Russia. We have an extensive network of business locations, and we aim to be close to our customers. We focus on understanding our customers' needs and the quality of our work.

Services

Building equipment systems

Building equipment systems include heating, plumbing, air conditioning and electric systems, refrigeration solutions, access control, fire safety, intruder alarm, telecommunication and antenna systems and the automation systems controlling them, making it possible to optimise the aggregate and control it cost-efficiently. Comprehensive technical solutions include the planning and design of various systems.

Repair and maintenance of building systems

A preventive maintenance programme is compiled for building systems, on which the building system maintenance is based. Proper services reduce malfunctions in the systems and prevents the emergence of faults. They prolong the equipment's service life and aid in maintaining the desired conditions in the buildings. Preserving the condition and value serve both the property users and owners.

Facility management and expert services

Facility management includes the administration of services required in office and business premises and ensuring the proper maintenance and care of the property. Energy services include comprehensive analysis of the property's energy consumption, solutions that boost energy efficiency, services related to the management of energy consumption, and protecting energy procurement from fluctuations in price. The offering also includes building management and construction services and management of property investments.

Strategic focus areas

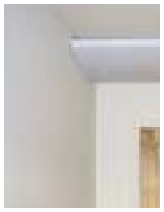
Increasing the market share in all areas of operation

Growth is pursued by expanding current operations and through acquisitions. YIT is the largest player in its field in Finland, Norway and Lithuania. Market leadership is targeted in Sweden and Denmark. In Russia, business operations will be expanded in St. Petersburg and Moscow.

In Norway and Denmark, the service range is expanded to include heating, water and sewage pipeworks, and additionally air conditioning systems in Denmark. The service network will also be reinforced further in the Copenhagen region. In the next few years, opportunities for expanding operations to Western Europe will be explored.

In the building system market, most players are small, local companies. The market shares of even the largest actors in YIT's areas of operation are slightly over 10 per cent. The retirement of entrepreneurs and the pursuit of higher productivity are encouraging companies to network, merge and carry out acquisitions.

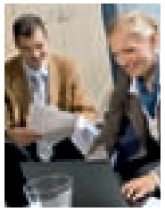
Energy efficiency technology and services



The amount of technical equipment in buildings is increasing. New business opportunities are sought especially from energy and automation services. Automation and diverse control and supervision systems assist in building energy management and improve energy efficiency. YIT already has 1,500 remote-monitored buildings comprising 7 million m2.

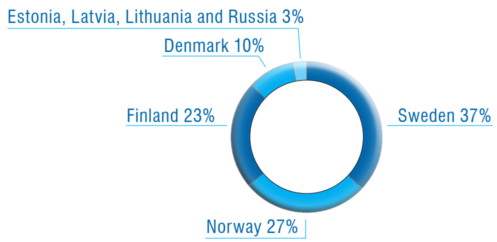
The use of prefabricated components is increased in building equipment projects. The use of prefabricated components reduces the amount of work required on the site and thus enhances flexibility and efficiency, as well as improves occupational safety.

Highlighting the life cycle chain in deliveries



Business operations focus on services where YIT's value chain and term of the agreement are long. The share of long-term service agreements covering building equipment maintenance, installations or, e.g., energy-saving solutions, will be increased. In addition, YIT will focus on Design & Build deliveries. In these projects, the customer specifies the project basis, while YIT assumes responsibility for planning, realisation and, if necessary, also maintenance services.

Revenue by country, %



Efficiency and savings through energy services

Climate change, increased regulation and higher energy prices have considerably contributed to building system solutions and boosted the adoption of energy-efficient systems.

YIT carried out energy-saving investments and signed various service agreements in Finland, Sweden, Norway and Denmark.

In energy-saving solutions, YIT carries out the planning, installation, maintenance and operation. YIT analyses the properties' energy consumption, services and adjusts the equipment to function as energy efficiently as possible and monitors energy consumption through various control systems.

Developing the energy efficiency of properties and industrial facilities makes it possible to reduce maintenance costs and carbon dioxide emissions and prolong the life cycle of building and production equipment systems.

Improved profitability, revenue growth

Revenue increased by 17 per cent.

Service and maintenance operations accounted for 63 per cent of revenue.

Operating profit increased by 28 per cent. Operating profit margin was 6.8 per cent.

Order backlog grew by 18 per cent.

At the end of the year, the segment employed 12,646 people.

Strengthening market position

Business operations were supplemented in accordance with the strategy through minor acquisitions and transactions in Sweden, Norway, Denmark and Finland. Competence in pipe installations was strengthened in Norway. In Denmark, our position was reinforced in the Copenhagen region.

Favourable demand continued throughout the operating area

The building system market development continued favourably in the Nordic countries. Brisk construction of business premises increased the demand for building system installations. There is a large volume of retail, office, logistics and industrial premises with a high standard of building systems being constructed during the next 1-1.5 years.

Increasing service agreements

There was an increase in repair and maintenance work and other service agreements. Outsourcing technical services awakened increasing interest in both the public and business sectors, particularly in Finland and Denmark. Growth in the property management service market continued.

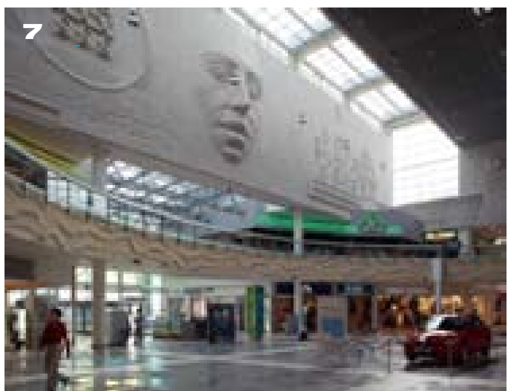
Growing demand for energy services

Increasing attention has been paid to the energy efficiency of buildings and their building systems due to an increase in regulations and energy prices. During 2007, several energy-saving agreements were signed in all Nordic countries in order to reduce consumption and costs through building system solutions. Energy consumption management is included in several service agreements.

Key figures	2007	2006	Change
Revenue, MEUR	**1,650.0**	1,415.1	17%
- share of maintenance and servicing, %	**63%**	64%	-
Operating profit, MEUR	**112.2**	87.6	28%
- % of revenue	**6,8%**	6.2%	-
Return on investment, %	**45.3%**	34.4%	-
Order backlog Dec 31, MEUR	**707.7**	601.7	18%
Personnel Dec 31	**12,646**	11,643	9%

The operating profit for 2006 includes EUR 7.2 million due to the cancellation of provisions associated with certain expired agreements.

Revenue by country, MEUR	2007	2006	Change
Sweden	**606.4**	541.0	12%
Norway	**440.3**	345.9	27%
Finland	**384.9**	327.4	18%
Denmark	**165.6**	146.4	13%
Estonia, Latvia, Lithuania and Russia	**52.8**	54.4	-3%
Total	**1,650.0**	1,415.1	17%



Deliveries and new agreements in 2007

1. In Denmark, we carried out the plumbing, air conditioning and electricity installations as well as automation and security services of the Mayfair hotel by way of a Design & Build agreement. YIT is the recommended building system service supplier also for other sites of the Norgani hotel chain.
2. In Sweden, energy efficiency agreements were signed with the Locum property management company and the cities of Stockholm, Ludvika and Strängnäs. The purpose is to reduce energy consumption and improve the quality of indoor air. The combined floor area covered by the agreement amounts to 1.3 million m².
3. In Norway, we implemented the building system solutions of a new opera house and all of its audiovisual systems. The opera stage is one of the most technologically advanced in the world, and its seating capacity is nearly 2,000. Photo: Jon-Ivar Søhus/Statsbygg
4. With the ENOVA agreement signed in Norway, it will be possible to receive funding from the Norwegian state for energy saving solutions implemented by YIT. In 2007, we installed a Clima Ceil solution that integrates all of the building systems at the headquarters of Aibel in Stavanger, owned by Seabrokers Eiendom. This project received ENOVA funding. The building's energy consumption could be cut down by nearly a third compared to similar new buildings.
5. In Finland, we are responsible for all of Finnair's property maintenance. In 2007, the agreement was supplemented by entering into a four-year energy management agreement to improve the energy efficiency of Finnair properties covering a floor area of more than 200,000 m².
6. In Finland, we implemented the HEPACE installation of the heat pump plant in the Kakolanmäki wastewater treatment plant in Turku. In addition, we will provide the building automation, sprinkler and telesecurity systems. The wastewater treatment plant, which will be commissioned at the beginning of 2009, will be the second largest wastewater treatment plant in Finland.
7. In Lithuania, we delivered a total technical solution to the Akropolis shopping centre in Kaunas. In addition, we signed an agreement on the maintenance of the shopping centre's building systems. The floor area of the building amounts to 83,480 m².

• In Russia, we implemented the heating water pipelines and concrete-embedded conduits in the Kolomyag residential site, built by YIT. The first phase of this 1,600-flat site will be completed at the end of 2008.

Large and versatile constructor

YIT is the largest construction company in Finland, the largest foreign-owned housing construction company in Russia and one of the leading companies in the Baltic countries. Construction Services provides the necessary living, working and business environments. It also satisfies the functional needs of technical infrastructure.

One of YIT's strengths as a construction company is in management of the service chain extending from the acquisition of plots and implementation to customer service and sales and after-sales services and maintenance. Operations focus on developer projects.

YIT's service chain in developer-contracting projects

1	2	3	4	5	6	7	8
Development of business idea	Land or property acquisition	Land use plan development	Site planning	Construction	Selling of residential units or leasing of premises	After-sales marketing	Maintenance and premise services

Services

Housing and community creation concept

YIT constructs developer-contracted residential buildings in Finland, Russia, Estonia, Latvia and Lithuania. In addition, it renovates and converts old residential units to new uses.

YIT collaborates with the land owner as a strategic partner to cities and municipalities in developing areas or neighbourhoods. It constructs residential units as well as plans and implements other services in the areas.

Business premises and real estate development projects

YIT constructs office, retail and logistics premises, leisure centres and engages in overhaul and renovation of buildings.

In real estate development projects, YIT develops the business idea in cooperation with the users and carries out the entire implementation. Typically, the premises are sold to a property investor and leased to users.

Civil engineering

Infrastructure-related construction services include earth construction and foundation engineering, piling and foundation reinforcement, rock and water engineering, public utility works and construction of roads, bridges and rock chambers. The company also maintains and renovates roads, streets and the rail network and related structures, such as bridges. Water and environmental technology services are also offered as project exports.

Strategic focus areas

Growth in international residential construction

YIT is the largest foreign-owned housing construction company in Russia. Russia's favourable employment rates, the strengthening of the middle class, migration to cities and legislation reform increase residential demand further. Business is expanded in the current cities by increasing the construction volume. In addition, the aim is to expand operations into Russian metropolises by establishing joint ventures with experienced local partners.

Geographic expansion will also be pursued in the next few years in Central Eastern Europe. The aim is to launch residential development projects through joint ventures and acquisitions.

Increasing business premise and infrastructure construction

Demand for business premise construction has increased throughout the Construction Services operating area. We have office, business and logistics property development projects underway in Finland, the St. Petersburg region and the Baltic countries. In Russia, strong economic growth and increase in foreign investments add to demand for business and logistics premises.

YIT has a solid market position in civil engineering in Finland. YIT is Finland's largest private provider of road maintenance services. Restructuring of the municipal service structure opens up markets for outsourcing of services and cooperation agreements.

Customer-focused differentiation

YIT is the market leader in residential construction in Finland. Customer focus will be increased by creating residential units and entire complexes tailored to different needs and life circumstances. Off-the-shelf interior and service concepts will be created for leisure time and holiday home solutions. Customer service will be enhanced by developing the presentation of residential units and interior options in showrooms and by offering the possibility to buy flats online.

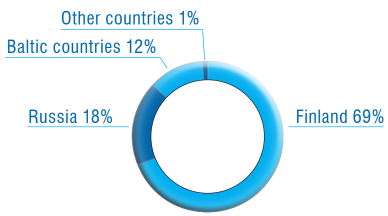
In August 2007, YIT Koti and Oikotie.fi introduced a novel service for the Finnish market; a service where buyers can make offers for new residential units online and compare various interior design alternatives.

In the Russian market, YIT will aim to increase the level of finishing. In completely finished residential units, the equipment level is similar to that in Finland, i.e. complete with surface materials and fixtures, such as kitchens

Construction services were divided into two segments on January 1, 2008: Construction Services Finland and International Construction Services.

In Finland, the service range comprises all construction services offered by YIT. In Russia and the Baltic countries, operations comprise residential and business premise construction and real estate development projects.

Revenue by country, %



Regional development that takes the environment into consideration

Taking environmental aspects into consideration has a considerable impact on the development, construction and maintenance of new residential areas.

Improved building insulation or reduction in energy consumption is not enough by itself. Housing solutions, services, traffic, energy production, water and waste management must be solved in a sustainable manner.

One possible starting point is a community where all recycling takes place locally, close to the people.

In regional development projects, an entity comprising of new and old premises is often created in the same environment. In this case, also the old buildings are offered a more energy efficient lease on life.

Year 2007

Continued growth and excellent profitability

Revenue increased by 13 per cent.

Operating profit increased by 17 per cent. Operating profit margin remained excellent and was 12.3 per cent.

Order backlog grew by 29 per cent.

At the end of the year, the segment employed 6,419 people.

Strong growth in Finnish business premise and infrastructure construction compensated for residential construction lag

Office, retail and logistics premise construction was brisk. Growth in business premise construction compensated for the impact of decreased residential construction. Demand for offices continued to be good in the Helsinki region. Investor interest in the Finnish business premise market increased. YIT launched and sold various property development projects in 2007.

Residential demand weakened after several strong years. The number of residential units sold to providers of rental housing increased, while the number of units sold directly to consumers decreased. Growth in the construction of leisure-time residences and centres continued according to plan. YIT collaborated with various cities with the aim of developing the residential offering and commercial and tourism-related services.

The market situation for civil engineering remained favourable. With regard to maintenance services, YIT won new road and street maintenance projects in different parts of Finland.

Brisk residential construction continued in Russia

In Russia, need and interest in new residential units remained high. Exceptionally rapid growth in housing prices in 2006 weakened the ability to purchase homes in early 2007. During 2007, the increase in housing prices remained moderate. In the latter half of the year, YIT's residential sales picked up considerably. Residential development project activity was accelerated by establishing a joint venture in Rostov-na-Donu with Russian private shareholders. In Russia, YIT has residential projects also in St. Petersburg, Moscow, Moscow Oblast, Yaroslavl, Yekaterinburg and Kazan.

Construction of logistics premises and a production plant started on YIT's plots in Gorelovo, in the vicinity of the St. Petersburg international airport, as did the construction of an office building in the city of St. Petersburg.

Residential demand was satisfactory in Latvia and Lithuania during the first half of the year. Towards the end of the year, demand weakened considerably and flat prices declined in the Estonian and Latvian markets. Demand for office premise construction remained satisfactory in all countries.

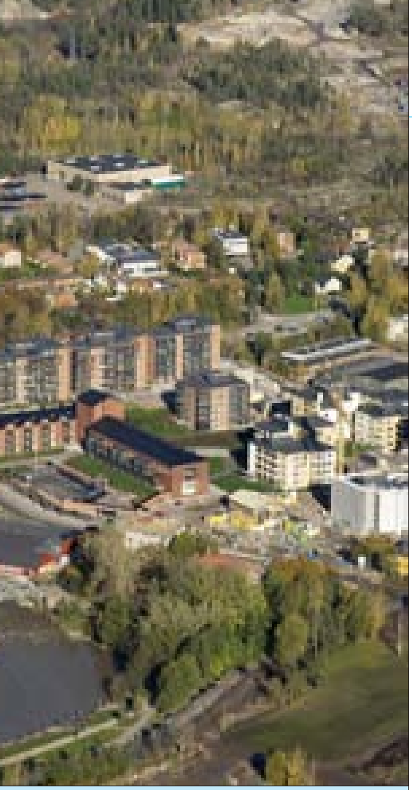
Key figures	2007	2006	Change
Revenue. MEUR	**1,634.9**	1,452.2	13%
- share of maintenance and servicing, %	**4%**	4%	-
Operating profit, MEUR	**200.6**	170.8	17%
- % of revenue	**12.3%**	11.8%	-
Return on investment, %	**21.9%**	24.1%	-
Order backlog Dec 31, MEUR	**2,646.5**	2,053.5	29%
Personnel Dec 31	**6,419**	5,693	13%

Revenue by country, MEUR	2007	2006	Change
Finland	**1,134.8**	1,083.0	5%
Russia	**296.8**	189.9	56%
Baltic countries	**191.9**	169.6	13%
Other countries	**11.4**	9.7	18%
Total	**1,634.9**	1,452.2	13%

Deliveries and new agreements in 2007

1. In the centre of Lahti, we built a 10-storey leisure centre, including a six-screen movie theatre complex, restaurants, cafes and a gym. The building's useable floor area totals approximately 6,600 m^2. The leisure centre is owned by Tapiola General Mutual Insurance Company. YIT is responsible for its planning, construction and marketing.
2. Construction of the Port of Vuosaari continued in Helsinki. Activities carried out during 2007 included installation of pier elements, the heaviest of which are 15-metre-high concrete support walls weighing 300 tonnes. They make up the port's underwater support structure.
3. On Vasilevsky Island in the centre of St. Petersburg, we constructed a residential building called Five Stars; its different parts feature 5 to 17 storeys and 340 residential units. Some of the units sold were fully finished, i.e. complete with surface materials, kitchen and sanitary installations.
4. In Kaunas, Lithuania, we implemented a property development project that included a logistics centre with 30,000 m^2 of leasable office and warehouse space.
5. Construction of premium holiday homes continued according to plan. Construction was underway in five locations around Finland and pre-marketing ongoing in another six locations.
6. Business Park Mankkaa, an office property comprising over 40,000 m^2 was completed in Espoo, Finland. It is a part of the Suurpelto area development, complying with the general plan of the city of Espoo, in which housing, work premises and services are designed to be accessible to everyone. There will be 7,000 residents and 9,000 work premises in the area.

- The first residential building in the Vanha Konepaja area was completed in Helsinki. The Konepaja area is being built into a high-quality residential area comprised of new residences and old buildings that will be renovated and contain commercial services, wellness and exercise services and cultural offerings.
- In Riga, Latvia, we constructed a residential complex with one 6-storey and two 14-storey residential buildings, comprising a total of 239 flats.
- In the city of Balashiha in Moscow Oblast, we constructed a 14-storey residential building with 95 flats as a developer-contracted project.
- In St. Petersburg, we are implementing an extensive industry and logistics facility for Evli Property Investments near St. Petersburg's international Pulkovo airport, in the Gorelovo industrial district. The 75,000 m^2 logistics centre under construction will be in use by spring 2008. It can be subsequently expanded by approximately 100,000 m^2.



Construction projects vary by country

Plot reserve

Developer-contracted housing construction and real estate development require good plot reserves.
In land management, YIT invests in ensuring that its plot reserves are well located and have rapid turnover.

YIT offers construction services in Finland, Russia and the Baltic countries. Construction projects in Finland and Russia are different by nature in terms of plot acquisition, project size and duration as well as the level of finishing of the flats.

Finland

YIT's plot reserves in Finland will suffice for about 3–4 years of construction. Plot acquisitions focus on growth centres and the surrounding municipalities.

In land management in Finland, YIT pursues long-term cooperation with landowners and municipalities. Under cooperation agreements, YIT secures areas in key locations without having to commit capital prior to construction start-up. Plots are also acquired at municipal plot auctions and purchased from private landowners.

Several significant plot acquisitions were made in 2007. In Helsinki, land for residential building was acquired in, e.g., the Leppäsuo city block, along with additional building rights at the Vanha Konepaja area. Acquisitions of office building rights included rights amounting to 15,000 m² of floor area in Käpylä, Helsinki, and 10,000 m² of floor area for the extension of the Martinsilta Retail Village in Espoo.

Russia and Baltic countries

YIT's plot reserves in Russia and the Baltic countries will suffice for 2–3 years. Plot reserves are being increased especially in Russia to facilitate growth.

YIT obtains building rights in Russia by purchasing plot investment rights at city auctions. Usually these plots must be built up in the time-frame determined by the city. YIT also obtains land by purchasing plots or their investment rights from private companies or the Russian government. In such cases, the construction schedule is usually free.

In the Baltic countries, YIT purchases most of its plots from private individuals and companies, similarly to Finland.

The Russian plot reserves were consolidated particularly in Yekaterinburg with the acquisition of investment rights to a large, approx. 90,000 m² area development project, the implementation of which will take several years. Investment rights to two plots were transferred to the joint venture established in Rostov-na-Donu.

YIT has secured an area of 46 hectares for approximately 15,000 residential units in St Petersburg, on the north side of the Novo-Orlovsky forest park. In Gorelovo, close to the international airport, YIT owns an industrial site covering 96.5 hectares.

Plot turnover 2007 (2006)

Use of plots, 1,000 of floor area	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	203 (258)	434 (332)	41 (64)
Business premise plots	82 (58)	10 (55)	13 (29)
Total	285 (316)	444 (387)	54 (93)

Plot acquisitions, 1,000 m² of floor area	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	221 (274)	519 (1 739)	55 (222)
Business premise plots	99 (67)	10 (400)	- (-)
Total	320 (341)	529 (2 139)	55 (222)

Plot reserves at year's end 2007 (2006)	Finland	Russia	Estonia, Latvia, Lithuania
Building rights and planning potential, 1,000 m² of floor area			
Residential plots	1,735 (1,723)	1,915 (1,761)	420 (367)
Business premise plots	839 (927)	521 (400)	23 (35)
Total	2,574 (2,650)	2,436 (2,161)	443 (402)
Capital tied into plot reserves, MEUR	344.3 (325.1)	162.9 (129.2)	59.9 (51.0)

Plot reserves include plots that have been planned and an estimate of the potential building rights on areas that are under land use planning.
As construction progresses, YIT gradually assumes ownership of the building rights provided by regional development agreements made with landowners.

Residential units

Finland

Number of residential units started up

In 2007, YIT started up the construction of 2,232 market financed residential units in Finland.

Construction project

Construction of a typical residential project takes approximately one year in Finland.

Finishing of residential units

In Finland, residential units are fully equipped, including e.g. modern data networks.

Russia and Baltic countries

Number of residential units started up

In 2007, YIT started up the construction of 4,441 residential units in Russia and 541 residential units in the Baltic countries. The average selling price of residential units built by YIT in Russia was about 51 per cent (2006: 35%) of the average selling price of privately financed residences sold in Finland in 2007, and in the Baltic countries about 59 per cent (55%).

Construction project

Due to the large size of the sites in Russia, the construction of a typical residential project takes approximately two years. In the Baltic countries, the average construction time is one year.

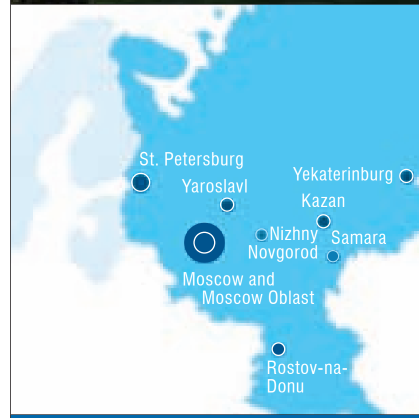
Finishing of residential units

YIT aims at increasing the number of partially and fully-finished residential units sold. In Russia, residential units are typically handed over to the buyers unfinished – that is, surface materials, kitchen and sanitary fixtures are not installed. In St. Petersburg, it is possible to purchase a fully-equipped and furnished flat from YIT.

In the Baltic countries, residential units are sold finished – with or without fixtures.

Residential construction in 2007 (2006), number of residential units	Finland			Russia	Estonia, Latvia, Lithuania
	Market financed (incl. leisure-time residences and sales to investors)	State-financed, rental housing and tender-based	Total		
Sold	2,541 (2,619)	0 (0)	2,541 (2,619)	2,168 (1,950)	372 (697)
Start-ups	2,232 (2,818)	192 (186)	2,424 (3,004)	4,441 (3,699)	541 (887)
Under construction at year's end	2,617 (3,210)	192 (186)	2,809 (3,396)	9,870 (7,248)	1,328 (1,858)
Completed	2,825 (3,025)	186 (153)	3,011 (3,178)	1,573 (1,696)	1,090 (559)
Completed and unsold at year's end	280 (235)	0 (0)	280 (235)	11 (7)	100 (0)

The method of recording the number of residential units in Russia has been changed. Residential units are recorded as completed three months after the official commissioning inspection. Previously, units were not recorded as completed until the buyer had registered ownership with the authorities. The numbers of residential units under construction, completed and completed and unsold in Russia are presented in accordance with the new recording method. Slight changes in the number of residential units in Russia and the Baltic countries may take place during construction due to combining or dividing residential units.
In Finland, market financed development projects sold to investors are included in the residential units sold.



Expansion into Russian metropolises

○ Current business locations
○ Potential expansion

YIT already has nearly five decades of experience operating in the Russian market. The past few years have seen expansion to several of Russia's largest cities in accordance with the strategy. Operations were expanded to Kazan, Yekaterinburg and Yaroslavl in 2006 and to Rostov-na-Donu in 2007. In addition, YIT engages in residential construction in St. Petersburg, Moscow and Moscow Oblast.

Leading industrial services expert

YIT is the leading Nordic provider of services for industry in its product areas. In high-pressure piping projects, YIT is one of Europe's major players. We help industry to improve its operational efficiency, productivity and reliability.

Our strengths as a provider of industrial services include a wide range of services, excellent knowledge of customers' processes and local operations close to customers. Services are offered to a variety of industries, e.g. forest, process, energy and marine industry.

Services

Project deliveries to industry

Various piping system, boiler and tank projects are delivered to industry. Services cover everything from prefabricated piping and boiler components to end-to-end projects comprising design, materials, fabrication and installation. Services also include design and installation of industrial electricity, automation, ventilation and energy-saving solutions.

Industrial maintenance

Maintenance services cover planning, management and implementation of mechanical, electrical and automation maintenance with spare part and material deliveries. The service offering includes both end-to-end maintenance partnership agreements, separate servicing and maintenance measures and modernisation projects.

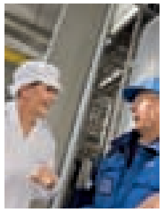
Network services

(The business operations were divested at the end of 2007.)

Network services include telecom network design, installation and maintenance services as well as on-site IT support services, electricity network installation and maintenance services.

Strategic focus areas

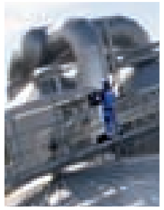
Outsourcing of industrial maintenance



High industrial capacity utilisation rates increase the need for technical maintenance. Restructuring in industry increases outsourcing maintenance services. Approximately one fourth of the operation and maintenance of production processes has been outsourced in Finland and considerably less in other Nordic countries, so the market potential is considerable.

YIT's strategic aim is to step up operations through the outsourcing of industrial maintenance, especially in the forest industry. In addition, other long-term service agreements and end-to-end partnerships agreements whereby YIT assumes responsibility for the management and development of maintenance operations and operative maintenance will be increased.

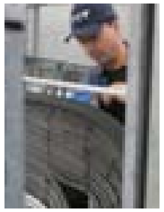
Project deliveries requiring special expertise



YIT is the market leader in industrial investment projects in Finland. Projects focus on end-to-end deliveries in which YIT can harness its wide-ranging service portfolio and design expertise. The areas of excellence include product design and prefabrication, demanding high-pressure piping systems and electric automation and ventilation projects. YIT also aims at expanding its operations geographically with key customers.

In the coming years, investments are made mainly in modernisation and the energy sector. Reacting to climate change characterises the strategy period. YIT's expertise in the field lays a firm foundation for developing new energy saving solutions.

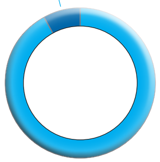
Developing operations in Russia



The increase in foreign companies operating in Russia creates demand for Western expertise in projects and maintenance partnerships. The aim is to strengthen the position as a provider of industrial services in the St. Petersburg region and to seek new areas for expansion. Strong growth is pursued in Russia, focusing on Western customers in particular.

As of the beginning of 2008, the segment's name is Industrial Services due to the sale of the Network Services business unit.

Revenue by country, %



Improving energy efficiency in industrial processes

It is possible to improve the energy and material efficiency considerably through planned industrial maintenance and plant overhauls.

YIT provides industry with solutions for improving the energy efficiency of processes and industrial plants. In 2007, YIT strengthened its competence in making industrial energy and material use more effective through the acquisition of Inesco Oy, a pioneer in the field in Finland.

Boosting the energy efficiency of industrial processes lowers operating costs, reduces greenhouse gas emissions and makes it possible to utilise the waste heat produced by the plant.

Industrial and Network Services
Year 2007

Revenue increased by 3 per cent.

The maintenance and servicing business accounted for 58 per cent of revenue.

Operating profit was EUR 41.2 million.

Order backlog grew by 19 per cent.

At the end of the year, the segment employed 4,663 people.

Good demand for industrial services continues

Solid demand for industrial maintenance

The market situation for industrial maintenance services remained favourable. Several end-to-end maintenance projects and large-scale shutdowns were performed in 2007. All significant end-to-end maintenance agreements were updated with partners in the first half of the year.

At the beginning of 2007, YIT's and Botnia's joint venture, Botnia Mill Service, took on the responsibility for the maintenance of Botnia's mills in Rauma and Äänekoski, Finland, and approx. 100 employees joined the company. With the agreement, Botnia Mill Service will be responsible for the maintenance of all of Botnia's mills in Finland.

Strengthening competence in energy efficiency services

YIT increased its competence in energy-saving solutions and as a supplier of special seals used in process and energy industry by means of two acquisitions.

Investment projects gained, especially in exports

Demand for industrial investment projects remained solid, and particular activity was seen in exports. Export deliveries of industrial piping systems, tanks and boilers were agreed in, e.g. Sweden, Norway, Spain, United Kingdom and Brazil.

In Finland, investments by the energy and process industry bolstered demand.

In Russia, agreements were made with Ahlstrom's production plant and International Paper-owned OAO Svetogorsk's mill.

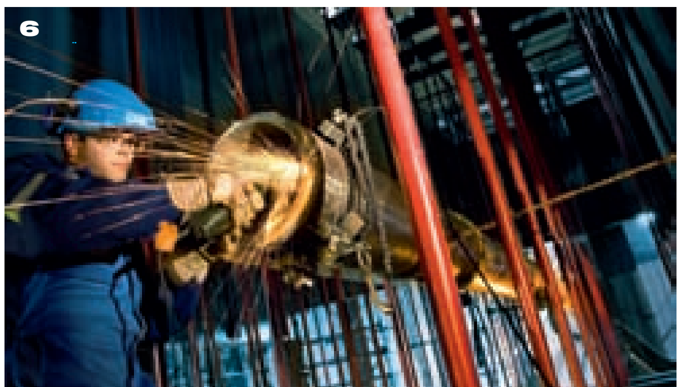
The Network Services business segment was divested

YIT sold the Network Services business unit to Relacom Finland Oy through an agreement signed on November 20, 2007. The transaction price amounted to EUR 25 million. Following approval by the Competition Authority, the transaction was agreed and the price paid on December 31, 2007.

Key figures	2007	2006	Change
Revenue, MEUR *)	489.8	476.9	3%
- share of maintenance and servicing, %	58%	60%	-
Operating profit, MEUR **)	41.2	18.0	129%
- % of revenue	8.4%	3.8%	-
Return on investment, %	68.6%	28.8%	-
Order backlog Dec 31, MEUR	219.2	184.0	19%
Personnel Dec 31	4,663	4,642	-

*) Revenue of the Network Services unit amounted to EUR 77 million for 2007.
**) Operating profit includes the following non-recurring items:
In 2007: EUR +14.4 million due to the sale of the Network Services unit and EUR -1.0 million due to restructuring of the Network Services unit.
In 2006: EUR -5.1 million due to restructuring of the Network Services unit.

Revenue by country, MEUR	2007	2006	Change
Finland	449.0	448.4	-
Other countries	40.8	28.5	43%



Deliveries and new agreements in 2007

1. To Aker-Yards we delivered piping prefabricates, pipe packages, machine and plant units and the entire smoke emergency lighting system for the Liberty of the Seas cruiser. We performed electrical and steel outfitting, electricity planning and work related to the adoption of ship systems and marine trials.
2. In Russia, we implemented the piping installations and piping insulations to the BCTMP plant of the OAO Svetogorsk paper and pulp mill owned by International Paper. YIT has extensive experience of similar projects in Finland.
3. YIT's and Botnia's joint venture Botnia Mill Service is responsible for the process maintenance of all of Botnia's pulp mills in Finland. There are more than 300 employees permanently working on-site. In addition to maintenance work, we implemented significant process improvement projects in 2007.
4. YIT and Valio have a long-term partnership agreement on the maintenance of five production plants. Maintenance includes the mechanic maintenance of process systems as well as the maintenance of electrical and automation systems. In addition, through the agreement we have realised various investment deliveries and production line-related improvement and modernisation projects.
5. We implemented six lightweight substations for Vattenfall Verkko Oy in 2007. A lightweight substation reduces the area affected by electricity network failures, which significantly reduces the number of power failures experienced by customers.
6. We delivered piping, tanks, pipe bridges, electricity distribution, instrumentation and HPAC installations and ventilation systems to UPM's Kymi pulp mill. In the mill's chemical recovery plant project, construction has been performed in phases while the mill has been fully operational at all times.

- We agreed on a piping delivery with Siemens Plc for the Marchwood natural gas combined cycle power plant in Southampton, United Kingdom. We will deliver 1,000 tonnes of piping for the project, including the distributing mains and low-pressure pipings. The delivery covers design, materials, prefabrication and installation.
- We delivered a gasometer for Outokumpu Chrome Oy to improve the energy efficiency of the plant. The gasometer is used for storing combustible gas by-product which can be utilised in the process for energy production.

Corporate responsibility is one of our core tasks

YIT's mission is to build, develop and maintain a good living environment for people. Corporate responsibility is thus integral to our core tasks.

The Group's greatest social responsibility challenge is the competition for skilled employees. We actively seek new employees and want to ensure the permanence, well-being, development, health and occupational safety of our current employees.

YIT's most significant aspects of environmental responsibility include improving the energy efficiency of our own as well as our customers' processes. In addition to environmental services, important environmental aspects in our own operations include the consumption of materials, treatment of waste and the daily activities of our own employees and subcontractors.

YIT's values

Excellence in service
- You can rely on our quality
- We find the right solutions for our customers
- We seek to forge durable customer relationships

Well-run cooperation
- Working as a team, respecting our partners
- Trust is built on openness and honesty
- At YIT, every person is important

Continuous learning
- Top-notch professional skills and project management
- Competitiveness over borders
- We build a good living environment

High performance
- Entrepreneurship is our strength
- Healthy profitability generates dividends
- We shoulder our corporate responsibility

Principles of YIT's corporate responsibility

Responsibility area	Practices	Follow-up
Financial responsibility • Long-term profitable growth and operational development • Financial, social and environmental responsibility are mutually supportive • Good results through fair play	• Since 1912, profitable growth has been our company's strategic objective • Considering the well-being of employees and the environment as prerequisites for long-term operation • Strategic target levels have been set for key figures	• Average annual growth in revenue • Operating profit margin • Return on investment • Equity ratio • Dividend payout • Direct financial impacts on various stakeholders
Social responsibility • YIT aims to be the most desirable employer in its fields of business • Physical and mental wellbeing of our employees • No illegal actions • Engaging in social dialogue and development projects • Entertainment and sponsorship provided by YIT is at a reasonable and responsible level • Responsibility for products and services	• Interesting tasks, development of professional skills, job rotation and career development • Encouraging management culture, competitive benefits, ability to participate and influence • Focus on occupational health and safety • Equal treatment of all employees • Appreciation of long-term employment relationships • Compliance with labour agreements • No tolerance of illegal labour, child labour or forced labour, nor of cartels, restraints of trade or corruption • Customer satisfaction	• Personnel • Personnel survey • Management by key results and performance bonuses • Level of site safety • Injury rate • Realisation of equality based on the personnel survey • Length of employment relationships • Customer satisfaction: unit-level surveys
Environmental responsibility • Respect for the natural, cultural and living environment • Energy efficiency of solutions and services • Efficient use of natural resources • Product life cycle management and appropriate treatment of waste • Prevention of environmental damage	• We develop the energy efficiency of our customers' processes • We consider the entire life cycle of our projects • We offer water and wastewater treatment, sludge and waste processing, biogas utilisation and environmental rehabilitation services • We monitor the environmental impact of our operations • We aim to prevent the occurrence of environmental damage through risk management	• Energy-saving projects • Life cycle projects • Other environmental projects • Electricity consumption • Fuel consumption

1. **Our operations are socially, financially and environmentally sustainable.**
2. **Responsibility is part and parcel of our day-to-day business operations at all Group levels.**
3. **By operating responsibly, we generate benefits and well-being.**

The principles of YIT's corporate responsibility were identified in cooperation with all business segments in 2005. YIT distributed its principles of corporate responsibility to all Group employees in 2006. At the same time, the principles and practices of responsible business were discussed. During 2007, the current status of responsible business was charted, indicators compiled and the unification of measurement methods was started.

Financial responsibility

YIT will continue to pursue its strategy of profitable growth. Profitable business operations affect all our stakeholders: employees, customers, partners and shareholders. Our financial result has a wider social impact through taxation. Financial profitability and long-term development have served as YIT's core principles since 1912.

Direct financial effects

Customers
Revenue
MEUR 3,706.5
(MEUR 3,284.4)

YIT

Suppliers
Raw materials, consumables and goods MEUR 1,149.9 (MEUR 1,086.3)
External services MEUR 862.8 (MEUR 823.4)

Personnel
On average 23,394 persons (21,846)
Wages, salaries and fees MEUR 856.5 (MEUR 773.2)
Pension costs MEUR 100.3 (MEUR 89.5)

Investors
Dividends MEUR 82.4 (MEUR 68.6)
Interest and finance costs MEUR 31.0 (MEUR 20.5)

Public sector
Income taxes MEUR 65.3 (MEUR 47.8)

Social responsibility

The Group's biggest social responsibility challenge is the competition for skilled employees. We want to ensure the permanence, well-being, development, health and occupational safety of our current employees. In addition to our own employees, our social responsibility extends to subcontractors and service providers. Responsibility for our products and services to our customers is a prerequisite for sustained operation.

Number of personnel on the rise

At year's end, the Group had 24,073 employees, over 1,700 more than the year before. Due to retirements and personnel turnover, the number of new YIT employees is even higher.

Of the YIT employees, 11,586 worked in Finland, 4,403 in Sweden, 3,008 in Norway, 1,267 in Denmark, 2,154 in Russia and a total of 1,655 in Estonia, Latvia and Lithuania. Strongest growth was seen in Russia, where the number of personnel increased by 860. YIT is one of the largest employers in Finland.

Job satisfaction is at a good level

YIT aims to be the most desirable employer in its fields of business. We aim to ensure both the permanence of current employees and the availability of future employees. Factors that influence permanence are management and managerial work, basic security, continuity, job satisfaction and growth of the company and the opportunities it brings. Job satisfaction among the Group's current employees also has an impact on the recruitment of new employees.

The annual personnel survey measures job satisfaction. There were 14,204 (12,035) respondents to the 2007 personnel study, representing 60 per cent (54%) of the entire Group's personnel. The average result in the study was 3.74 (3.62) on a scale of 1 to 5. The average score has improved in nearly all areas; the most in management and knowledge of operating methods. Development has been favourable also in the long term. Targets for development included encouragement at work and cooperation between units. A managerial evaluation method was adopted in all the areas of operation during the course of 2007 in accordance with YIT's values.

Continuous learning is a right and obligation

Utilising and developing one's own professional skills and making a difference are basic factors of job satisfaction. We offer development opportunities through internal and external coaching, vocational degree training and by promoting further studies. In all our areas of operation, we team up with educational institutions to develop vocational education to match practical needs.

In Russia and the Baltic countries, training is arranged both at the job-site and managerial levels. The YIT Executive coaching programme covers, e.g. a Western listed company's way of acting, strategy and values as well as service culture.

Consumer service training, which emphasises the customer service perspective, has been initiated in Finland and is being expanded to other countries.

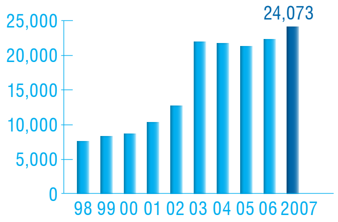
We offer opportunities for professional development, expanding one's competence through learning at work and career advancement by means of active job rotation. The major restructuring in unit management and the organisational structure in recent years have primarily been carried out by means of internal transfers.

Agreeing on meaningful objectives in development discussions

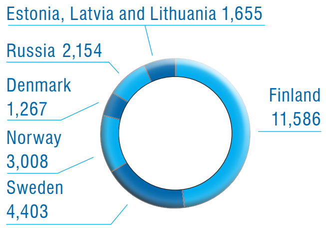
Management by key results is the Group's management system. The key results for personnel are specified annually on the basis of the company's values. During the performance development discussions, personal objectives are agreed and monitored. The goal is for each YIT employee to have a performance development discussion with his or her supervisor at least once a year. A chance to participate, influence and be consulted contributes to well-being at work.

Performance bonuses spur activities towards achieving the Group's key results, reward good performance and improve personnel motivation and commitment. Bonus size depends not only on the financial results, but also on the achievement of personal and teamwork results. Other monetary rewards in use at YIT include new-initiative bonuses and years-of-service bonuses. Approximately 330 executives and key employees have been granted YIT share options.

Personnel at year's end 1998-2007

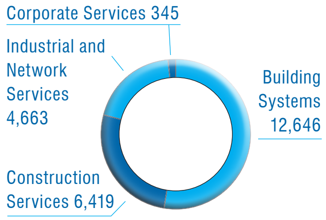


Personnel by country, Dec 31, 2007



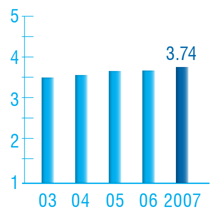
YIT Group, total 24,073

Personnel by segment Dec 31, 2007



YIT Group, total 24,073

Personnel survey result



Personnel key figures

	2007	2006
Average number of personnel	**23,394**	21,846
Non-salaried employees	**68%**	69%
Salaried employees	**32%**	31%
Men	**90%**	90%
Women	**10%**	10%

Having a say improves motivation

The personnel's ability to make an impact in the company's operation increases motivation, commitment and well-being at work. Opportunities to participate systematically emerge in result and development discussions and cooperation committees. YIT encourages employees to display initiative by holding suggestion campaigns, and cash bonuses are paid for suggestions that lead to measures for developing operations. Personnel are represented in the management boards of the business segments in order to develop operations and enhance interaction.

YIT's European Works Council (YIT EWC) is a collaboration body between the personnel and the Group management, aiming to promote open interaction, flow of information and exchange of views between the personnel and the Group management on the European-wide level. Matters communicated, discussed and dealt with at meetings of the European Works Council include the Group's structure, financial and employment situation, investments, major organisational changes, environmental and quality issues and the HR policy.

Manual skills are valued

Skilled employees are a prerequisite for future success. There is an ongoing change in attitude in European societies towards higher valuation of manual skills. Skilled labour is required, and interest in vocational training has increased.

YIT cooperates with local schools and offers students opportunities for on-the-job training. In 2007, YIT employed over 1,900 trainees and summer employees. There were approximately 350 in Norway - which is significant considering the number of employees, 3,000 - and approximately 1,000 in Finland.

Health and safety improve well-being and performance

Our goal is to be an accident-free workplace. We seek to reduce workplace injuries by ensuring that work environments are safe and by investing in safety training. Management of safety risks begins during project planning. Risk evaluations are used in making safety plans. Employees receive on-the-job orientation to safety aspects and risks at all the sites. In addition, there are site-specific safety training events.

YIT will pay special attention to occupational safety in 2007–2008 in all its areas of operation. During the campaign, safety issues will be highlighted with the help of personnel magazines and training materials in unit-specific events and site launch meetings.

The number of serious on-site accidents has fallen. Two thirds of the accidents involve tripping, slipping and falling. The safety areas requiring the most effort are working with scaffolds and ladders and falling protection. Particular improvement has been made with the use of personal protective equipment, such as breathing masks, protective eyewear and safety shoes.

Injury rate in Finland Workplace accidents/million working hours*	2005	2006	2007
YIT Kiinteistötekniikka Oy	37	34	**33**
YIT Construction Ltd	60	48	**51**
YIT Industrial and Network Services Ltd	41	34	**23**

*Injuries leading to at least one day of leave in addition to the day on which the incident occurred.

Safely at work

All YIT construction sites in all areas of operation share the same occupational safety monitoring and development system, and the same safety objectives apply to all of them. There are weekly on-site safety level measurements to observe e.g. falling protection, electrical devices and working methods.

In 2007, the average safety level at Finnish construction sites was 94 per cent (2006: 93%) and 91 per cent (90%) in other areas of operation. Building systems safety level in Finland was 90 per cent (90%). An on-site safety audit procedure was adopted in Industrial and Network Services sites.

At YIT, occupational health care is organised on a country-by-country basis and employee health is followed locally. Occupational health care services improve the occupational fitness and well-being of personnel. In addition, these activities aim to prevent workplace injuries and musculoskeletal ailments in particular.

YIT considered an equal opportunity employer

As set forth in the Group's equality plan, each and every YIT employee receives equal treatment at work regardless of gender, age or origin. We promote equality in matters of career development, pay and training opportunities. The Group intends to prevent workplace bullying as well as discrimination and harassment. According to the personnel survey, YIT is considered a rather equal opportunity employer.

More men than women typically seek employment in YIT's fields of business. In 2007, 90 per cent of YIT's employees were men and 10 per cent women.

Long-term employment appreciated

YIT values long-term employment relationships, as they facilitate sustained operation and the development of the employees.

In the next few years, the retirement of the baby boomers will pose a challenge to companies, and YIT is no exception. YIT reduces premature retirement by improving the occupational fitness of employees through occupational health care, developing occupational safety, and different kinds of courses, rehabilitation and leisure time activities that promote occupational fitness. The means used to prolong employment include flexible working time and task arrangements.

Zero tolerance for illegal labour

YIT is also responsible for the operation of its subcontractors at its sites. We instruct our partners to operate in accordance with the principles of corporate responsibility and occupational safety regulations. The use of illegal labour is not tolerated in any part of the production chain. The prohibition against the use of illegal labour is unconditional as it is not insurable nor can it be held accountable for the work done.

Quality development is a part of product liability

The tools we use to upgrade quality are customer satisfaction surveys, internal evaluations, management audits, measurements and follow-up and the correction of deviations. Our units conduct customer safety surveys on project-by-project and process-by-process bases. We use quality systems in our systematic quality development efforts. ISO 9001-certified quality systems cover 72 per cent of the Group's operations.

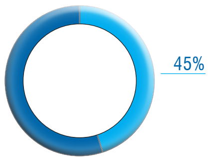
Our objective is to improve the quality of products and services, our own processes, the management of the production and supplier chain, and customer satisfaction. We invest in improving our service culture.

The Finnish Children's Parliament provides children aged 7 to 12 a channel for being heard, for the authorities and decision-makers it provides an opportunity to discuss directly with children and ask their opinions. YIT sponsors the Children's Parliament in order to support children's collective voice and participation in decision-making.

Environmental responsibility

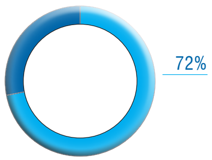
Enviromental management systems

ISO 14001 certified operations
per cent of Group revenue



Quality management systems

ISO 9001 certified operations
per cent of Group revenue



We seek to minimise the environmental impact of our operations through the management of our environmental footprint. Materials, waste and operations of our own personnel and subcontractors are considerable environmental aspects. Environmental and quality systems assist us in the management of the environmental footprint of our operations. Our environmental business seeks to have positive environmental effects.

Favourable environmental effects for customers

Higher energy efficiency via building systems

The most considerable environmental aspect in Building Systems is energy efficiency in the building and maintenance of building systems. The aim is to help customers choose the most energy efficient solutions for their heating, water, ventilation, electricity and automation systems. In many cases, it is possible to reduce energy consumption by tens of per cent through both minor choices or investments. In life-cycle projects YIT takes responsibility for the buildings' maintenance and energy consumption for decades.

Hazardous materials, such as coolants, heat-transfer liquids, oils, solvents and asbestos, are handled in the Building Systems operations. Any hazardous waste produced is dealt with in an appropriate manner.

Environmental impacts of building occur throughout its life cycle

Consumption of energy and materials, waste treatment and supervision of subcontractors are significant environmental aspects in Construction Services.

The majority of a building's energy consumption takes place during its use. Planning and taking the local conditions into consideration have a prominent role in energy consumption.

In the construction business, YIT's services include construction of water and wastewater treatment plants, sludge and waste processing and biogas utilisation. The Environmental Rehabilitation unit was founded in 2007, focusing on the cleaning and rehabilitation of contaminated soil, construction, management and closure of landfills, soil recycling and refining and utilisation of industrial by-products.

At construction sites, environmental management, occupational safety, organisation and tidiness are intertwined. We aim to minimise material wastage, and all waste is sorted appropriately. Production chain supervision and training of subcontractors and the unconditional ban on illegal labour also support environmental values.

Risk assessments performed in all industrial projects

Energy consumption is the most significant environmental aspect in Industrial Services. Often it is possible to improve the energy and material efficiency considerably in industrial maintenance and plant overhauls. In 2007, YIT strengthened its competence in making industrial energy and material use more effective through the acquisition of Inesco Oy, a pioneer in the field in Finland.

Industrial Services also handle hazardous materials, such as pickling acids, heat transfer fluids, oils, solvents and asbestos. A risk assessment is performed in all industrial projects by evaluating the risks associated with personnel safety, use of chemicals and well-being at work. Environmental objectives have been set for all offices.

Off-the-grid communities – the future way of living

In the wake of climate change, development, construction and maintenance of new residential areas must be completely re-evaluated. Improved building insulation or reduction in energy consumption is not enough. Housing solutions, services, traffic, energy production, water and waste management must be solved in a sustainable manner.

One possible starting point is a self-sufficient off-the-grid community where all recycling takes place locally, close to the people. Construction is carried out using an energy- and cost-efficient life cycle model, which takes into account the whole life span of the building already in the construction phase.

Fresh water is produced and wastewater treated locally. The required electricity is generated by way of clean small-scale combustion, solar and bioenergy.

Transport is based on non-combustion engine solutions and services are located in centres.

Earth-based heat and cold sources are utilised in the production of heating and cooling.

Waste collection and recycling is realised automatically through under-earth piping even though the volume of waste is also less than in a traditional area.

The area's digital TV and broadband are wireless, and a regional service portal supports the provision of services.

Everything takes place sustainably, locally and close to the people, minimising the environmental load.

Environmentally friendly energy storage

YIT is investigating rock foundation and test boring in Espoo, Finland, in order to construct an energy unit inside the rock. A local energy unit offers a solution for small-housing areas where centralised district heating is not an option. In addition, the same plant producing both heat and cooling energy provides significant energy savings. The plant not only reduces carbon dioxide emissions considerably, but also the local residents' energy costs.

Ecological waste management

It is possible to organise waste collection in modern living environments while taking environmental and hygiene-related aspects into consideration and simultaneously reducing the area's through traffic.

YIT implements Envac waste collection systems, with which all waste generated in the area is collected using vacuum technology underground to a waste terminal from which it will be transported away for further treatment.

The solution is both ecological and economical. Carbon monoxide, hydrocarbon, nitric oxide and particle emissions from heavy vehicles are avoided almost completely in the area. After the initial investment the costs of waste collection are considerably lower than in traditional collection systems. The system is odour-free, invisible and fully automatic.

YIT's environmental business projects in 2007

Energy services improve energy efficiency

- In Finland, the ESCO project of the Espoonlahti ice stadium succeeded in reaching the annual objective of saving 650 MWh of energy and decreasing carbon dioxide emissions.
- Heat recovery is one of the investment targets in the ESCO agreement signed with Strömfors Electric Oy.
- YIT and the Kanta-Häme Hospital District cooperated on the building of the new cooling centre of the Riihimäki unit. YIT delivers the cold energy required by the Riihimäki unit and is responsible for the operation and maintenance of the centre.
- Energy use in Finnair's premises is boosted. The total floor area covered by the agreement amounts to more than 200,000 m².
- An "energy rally" was implemented in approximately 200 Kesko properties, surveying the buildings' HEPACE and automation systems as well as other technical equipment thoroughly in order to enhance the daily energy efficiency of the properties.
- Realising the economy measures found in the energy analysis of the Elonen Group's bakery property will reduce the carbon dioxide emissions from the bakery by more than 600 tonnes per year.
- In Sweden, we signed energy efficiency agreements with Locum and the cities of Stockholm, Ludvika and Strängnäs. The floor area of the properties covered amounts to 1,297,000 m².
- YIT will actively pursue energy saving targets from daily processes in the premises of Wedholms Industrihus AB in Nyköping and Freeport Leisure Sweden AB in Kungsbacka.
- YIT is responsible for the energy efficiency of Aibel's head office in Stavanger, Norway, owned by Seabrokers Eiendom. Energy consumption could be cut down by nearly a third compared to similar new buildings.
- An ENOVA agreement has been signed in Norway, making it possible to receive funding from the Norwegian state for energy saving solutions implemented by YIT.
- YIT has delivered advanced district heating network equipment packages to the Chinese metropolises of Wuwei, Yanchuan and Tianshui. The equipment improve the breathing air quality as well as the total emissions and efficiency of heat production.

In ESCO and EPC services an energy expert makes investments for clients to increase energy efficiency. The costs are financed with the resulting savings in energy costs.

Technical expertise offered in water and waste treatment and industry

- In Finland, a letter of intent was signed with Asuntosäätiön Rakennuttaja and VVO on implementing an Envac waste collection system in the Espoo Suurpelto district. In the system, municipal waste is collected using vacuum technology underground to a waste terminal from which it will be transported away for further treatment.
- An agreement was signed with Turku Energia on the building equipment system, HEPACE, electricity and automation work and delivery of a fire extinguisher system to a heat pump plant. The heat pump plant utilises the thermal energy contained by purified wastewater and produces district heating and district cooling without emissions.
- YIT will deliver a biogas plant to Lakeuden Etappi Oy in Ilmajoki, which will process the biowaste from 18 nearby municipalities and the sludge of their wastewater treatment plants. The process produces pellets that are suitable for use as fertiliser as well as gas for the plant's energy need.
- We are building a gasometer for Outokumpu Chrome Oy in Tornio, which will store combustible gas by-product. Excess gas is recovered for energy production and controlled combustion.
- The drinking water plant of the Romanian city of Drobeta-Turnu Severin on the Danube is being upgraded in accordance with EU standards.

Energy rally spotlights energy consumption

During 2007, YIT launched an "energy rally" to improve the energy efficiency of 200 properties owned by Kesko.

Managing conditions in as energy-efficient manner as possible is a challenging task in a modern store where the number of refrigerators and other energy-consuming equipment and systems is increasing continuously. Good conditions and energy-efficient operation of the building and its equipment systems are central to sales and costs.

The energy rally project aims at improving the energy efficiency of HEPACE and automation systems and other building equipment systems. The purpose of the rally is to correct any deficiencies in the operation of the systems and to draw up proposals for any major improvements.

Accurate consumption monitoring and management make it possible to reduce the buildings' specific energy consumption while adopting new, more energy-consuming equipment and new technology in shops and department stores.

Developing the energy efficiency of properties make it possible to reduce maintenance costs and carbon dioxide emissions and prolong the life cycle of building and production equipment systems. Energy-saving investments can also be financed by savings resulting from the decreased consumption.

YIT develops solutions with Kesko for property construction, renovation, concept changes, maintenance and operation that reduce the property's life cycle consumption of material and energy. Relative energy consumption has been reduced significantly.

Corporate Governance

The administration of the YIT Corporation and YIT Group complies with Finnish legislation – particularly the Companies Act, the Securities Market Act and the Accounting Act – and the rules and instructions of the OMX Nordic Exchange Helsinki as well as the company's Articles of Association. The Annual Report describes the governance and control systems of the YIT Group in a concise manner and is supplemented with up-to-date information. The account of the governance and control systems in the YIT group was updated in December 2007. It is available on the Internet site of YIT.

Shareholder rights

YIT has one series of shares. Each share confers one vote at general meetings.

The right to participate in a general meeting rests with a shareholder who has been entered as a shareholder in the company's shareholder register ten days before the meeting and who has signed up for the general meeting in the manner stated in the Notice of Meeting.

Shareholders have the right to have items included in the agenda of the general meeting, provided they demand, in writing, the Board of Directors to do so early enough so that the item can be included in the Notice of Meeting. Shareholders have the right to pose questions at the general meeting as set forth in the Companies Act.

The minutes of a general meeting are made available for inspection by shareholders within two weeks of the meeting at YIT's head office (Panuntie 11, Helsinki, Finland).

A shareholder or shareholders who own no less than 10 per cent of all the company's shares may demand that an extraordinary general meeting be convened.

The right to a dividend rests with a shareholder who by the record date has been entered as a shareholder in the company's shareholder register that is kept by Finnish Central Securities Depository Ltd.

Annual General Meeting

YIT Corporation's Annual General Meeting is the company's highest decision-making body. The Annual General Meeting is held annually by the end of March. Extraordinary general meetings are held when the Board of Directors considers it advisable to do so or when demanded by a shareholder or shareholders owning at least 10 per cent of the shares outstanding in the company or by the company's auditor.

The Annual General Meeting decides on matters such as:

- approving the financial statements
- distribution of profits
- discharging the members of the Board of Directors and the President from liability
- the election of the Chairman, Vice Chairman and members of the Board and their remuneration
- the election of the auditor and the remuneration to be paid for the audit
- amendments to the Articles of Association
- decisions leading to changes in the share capital
- share buyback and transferring the company's own shares
- share options.

Annual General Meetings are convened by the company's Board of Directors, which proposes the matters to be included in the agenda of the meeting. The Notice of Meeting is published in the Helsingin Sanomat and Kauppalehti newspapers and on the company's Internet site. The notice announces the names of the persons who have been nominated to seats on the Board of Directors. The condition is that these persons have the support of shareholders who hold at least a total of 10 per cent of the voting rights conferred by the company's shares and that the nominees have given their consent to being elected. The name of the nominated auditor will also be announced.

The Annual General Meeting is primarily opened by the Chairman of the Board, and the other members of the Board are present in the meeting as far as possible. The President will present the result for the financial period to the Annual General Meeting.

Recommendations on the Corporate Governance of listed companies

YIT complies with the recommendations on the Corporate Governance of listed companies released by HEX Ltd, the Central Chamber of Commerce and the Confederation of Finnish Industries EK, with the exception of Recommendation 29 (Audit Committee members); the company's former Group CEO Reino Hanhinen is a member of the Audit Committee because he has a thorough understanding of the company's extensive and diverse business operations as well as its management, supervision and control systems. Recommendation can be found at http://www.omxgroup.com/.

Additional information on YIT's Internet site, www.yitgroup.com.

- The account of the governance and control systems in the YIT Group
- YIT Corporation's Articles of Association
- Resolutions of the Annual General Meetings
- The YIT Group's Guidelines for Insiders
- Up-to-date information on the shares and options held by public insiders and changes in these holdings

Composition of the Board of Directors in 2007

The Annual General Meeting held on March 16, 2007, resolved to elect a chairman, vice chairman and three ordinary members to the Board of Directors. The composition of the Board remained unchanged:

- Chairman Reino Hanhinen,
- Vice Chairman Eino Halonen and members
- Sari Baldauf,
- Antti Herlin and
- Teuvo Salminen.

Board members and their shareholdings are presented on pages 50–51.

Composition of the Audit Committee in 2007

In its first meeting on March 16, 2007, the Board of Directors re-elected Eino Halonen as the Chairman of the Audit Committee and Teuvo Salminen and Reino Hanhinen as its members.

Meetings in 2007

The Board of Directors convened 12 times in 2007. Two of these meetings were held over the telephone. The average attendance rate at meetings was 98 per cent.

The Audit Committee convened five times in 2007.

Board of Directors

The Board of Directors of the parent company, YIT Corporation, attends to the administration and the proper organisation of the operations of the Group; in addition, it directs and oversees the operations of the Group. The Board of Directors ensures that the supervision of accounting and asset management is organised appropriately. It is the duty of the Board to promote the interests of the YIT Group and all YIT Corporation shareholders. The Board members do not represent the parties that proposed them for membership on the Board.

Tasks of the Board of Directors

The key tasks and working principles of the Board of Directors are defined in the standing orders that were reviewed in December 2007. In particular, the following tasks are to be handled and decided by the Board of Directors:

- the election of the President and CEO and his deputy and deciding on their wages, remuneration and other terms of employment
- the Group's strategy and objectives
- budgets and operating plans and overseeing their realisation
- processing and approving the financial statements, report of the Board of Directors and Interim Reports
- specifying the dividend policy and making a proposal to the Annual General Meeting on the dividends to be paid for the year
- significant acquisitions and other investments
- the Group's operational structure
- ensuring the functioning of management systems
- principles of risk management
- ratifying the Group's values.

Composition and term of office of the Board of Directors

In accordance with the Articles of Association, the Annual General Meeting shall elect the Chairman, Vice Chairman and a minimum of three and a maximum of five members of the Board of Directors. A person who is 68 years old or over cannot be elected as a member.

The members' term of office begins at the Annual General Meeting which elected them and ends at the conclusion of the next Annual General Meeting.

The Board of Directors assesses its operation annually. Board members submit their assessments of Board activities during the preceding year to the Chairman of the Board. The results of the assessment will be taken into consideration when preparing the proposal for the composition of the new Board.

The Corporate Governance Recommendation for listed companies will be taken into consideration when proposing members of the Board. In 2007 the majority of the Board members were independent of YIT. All the members were independent of significant shareholders in YIT. The Board members represent a wide range of expertise and experience in different fields that complement each other.

Committees of the Board of Directors

The Board of Directors elects an Audit Committee with three members from amongst its number. The Board of Directors does not have other committees.

The Board of Directors has ratified written standing orders for the Audit Committee. It is the task of the Audit Committee to assist the Board of Directors in supervisory duties related to the YIT Group's reporting and accounting processes, including internal monitoring, risk management, internal auditing and both guiding and supervising the audit.

President and CEO

The President and CEO attends to the day-to-day administration of the company in accordance with the instructions and regulations laid down by the Board of Directors. He also ensures that the company's accounting is lawful and asset management is organised reliably. The President and CEO of the parent company serves as the chairman of the Group's Management Board and as the chairman of the Boards of the Group's business segment parent companies.

The Group's Management Board

The Group's Management Board, which meets once a month as a rule, assists the Group CEO with operational planning and management and prepares matters that are to be processed by the parent company's Board of Directors. Among other duties, the Management Board formulates and coordinates the Group's strategic and annual planning, supervises the realisation of plans and reporting, and prepares major investments and acquisitions. Its central tasks include the development of intra-Group activities, the corporate culture and the corporate image.

Organisation and internal supervision of business operations

The Group's business operations are divided into main business segments. The presidents of the business segments report to the President and CEO of YIT Corporation. The reporting and supervision of the business segments are based on budgets drafted every six months and on monthly performance reporting. Each business segment holds annual follow-up meetings led by the President and CEO of YIT Corporation; present at these meetings are the management of the business segment, the management of the business units and other key employees of the business segment.

As a rule, the Boards of Directors of the parent companies of the business segments meet on a monthly basis. The head of the business segment serves as the chairman. The members of the Boards of Directors of the business segment parent companies are the President and CEO and Chief Financial Officer of YIT Corporation, the president of the business segment in question and its financial manager. The segment Management Boards and Boards of Directors deal with matters such as the business segment's development, strategic and annual planning, the supervision of business operations and performance, investments, acquisitions and internal organisation within the business segment.

Each of the divisions and country groups within the business segments have their own Management Boards. Their central task is to deal with matters related to business planning, the monitoring of performance and the development of operations. The Management Boards, which meet on a monthly basis, also include personnel representatives.

The control and supervision of the YIT Group's business operations are performed using the management system presented above. The company employs appropriate reporting systems for monitoring business operations and supervising asset management.

The Group's accounting department provides instructions on the drafting of the financial statements and interim financial statements as well as prepares the consolidated financial statements. The parent company's finance department attends to the YIT Group's asset management and funding on a centralised basis and is responsible for the management of interest and exchange rate risks. The financial managers of the business segments monitor that reporting within the business segments is carried out in line with the instructions issued by Group management. The Group's legal affairs department provides guidelines and supports the company's business functions in making and executing agreements. The Group's personnel department controls and supervises the company's personnel policy.

President and CEO and his deputy

YIT Corporation's President and CEO is Hannu Leinonen, M.Sc. (Eng.), (born 1962), Executive Vice President and deputy to the CEO is Sakari Toikkanen, Lic. (Tech.), (born 1967). They have both served in these positions since the beginning of 2006.

Management Board in 2007

The YIT Group's Management Board comprised:

- President and CEO (Chairman)
- deputy to the CEO (Vice Chairman)
- Group CFO
- presidents of the parent companies of the main business segments
- Vice President, Corporate Communications
- Vice President, Corporate Development
- Vice President, Investor Relations
- the Group's Vice President, Administration, serves as the secretary

The President and CEO, his deputy and other members of the Management Board and their holdings are presented on pages 52–55.

Business segment structure in 2008

As of the beginning of 2008, YIT's business operations are divided into four segments: Building Systems, Construction Services Finland, International Construction Services and Industrial Services.

Construction services were divided into two segments: Construction Services Finland and International Construction Services.

In the Industrial and Network Services segment, the Network Services business unit was sold at the end of 2007 and the segment was renamed to Industrial Services.

Organisation in 2007 and 2008

2007

YIT Corporation
President and CEO Hannu Leinonen
Executive Vice President Sakari Toikkanen
CFO Sakari Ahdekivi

Building Systems
Juhani Pitkäkoski

Construction Services
Ilpo Jalasjoki

Industrial and Network Services
Pekka Frantti

2008

YIT Corporation
President and CEO Hannu Leinonen
Executive Vice President Sakari Toikkanen
CFO Sakari Ahdekivi

Building Systems
Juhani Pitkäkoski
Finance
Tuula Haataja

Sweden
Leif S. Gustafsson
Norway
Arne Malonæs
Executive Vice President of YIT Building Systems Ltd
Finland
Matti Malmberg
Denmark
Leo G. Sørensen
Estonia, Latvia, Lithuania, Russia
Pekka Hämäläinen

Construction Services Finland
Ilpo Jalasjoki
Finance
Timo Lehtinen

Residential Construction
Pasi Suutari
Building Construction
Matti Koskela
Business Premises
Timo Lehmus
Infra Services
Tero Kiviniemi

International Construction Services
Kari Kauniskangas
Finance
Timo Lehtinen

St Petersburg and Kazan
Juha Vättö
Moscow region
Teemu Helppolainen
Moscow, Yekaterinburg, Rostov-na-Donu
Hannu Ikävalko
Baltic countries
Jouni Forsman
Central Eastern Europe
Olavi Eloranta

Industrial Services
Pekka Frantti
Finance
Taina Heikkilä

Project Services
Raimo Poutiainen
Maintenance Services
Erkki Huusko
Electrification, Automation and HVAC Services
Mikko Luoma

Risk management and internal audit

The Board of Directors approves the risk management policy and its objectives, and guides and supervises the planning and execution of risk management. For a more detailed description of YIT's risk management policy, see page 47–49.

The parent company has an internal auditor whose main tasks involve business auditing and ensuring that the operating principles are consistent.

The company employs appropriate reporting systems for monitoring business operations and supervising asset management, described above, and the Group's auditor also assesses the functionality of the company's internal monitoring system as part of his supervision of the lawfulness of operations.

Insider administration

The YIT Group employs insider regulations that are consistent with the Guidelines for Insiders approved by the OMX Nordic Exchange Helsinki for listed companies.

The insiders who are subject to the disclosure obligation are the members of the parent company's Board of Directors, the Group CEO and the deputy to the CEO, the secretary of the Board of Directors, the chief auditor as well as the members and secretary of the Group's Management Board and extended Management Board. Other permanent insiders include persons responsible for matters such as administration, HR and legal affairs, accounting, finance and logistics and procurement at the Group level as well as the secretaries to senior management. In addition, the permanent insiders include the members of the Boards of Directors of the parent companies of the Group's business segments as well as the secretaries of the Presidents of these business segments and their financial managers. In total, the Group has about 50 permanent insiders.

Insiders may not buy or sell securities issued by YIT Corporation in the period preceding the publication of the financial statement bulletin or interim reports ("closed window"). The prohibition against trading begins on December 7th with regard to annual financial statements and at the end of the reporting period with regard to interim reports. Persons recorded in a project-specific insider register are barred from buying or selling YIT securities until the project is made public or lapses.

Audit

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 firm of auditors shall notify who has the principal responsibility for performing the audit. The auditor's term of office is the financial period at the time of election and ends at the conclusion of the next Annual General Meeting.

Auditor and audit fees

The Annual General Meeting on March 16, 2007 elected PricewaterhouseCoopers Oy (PwC), Authorised Public Accountants, to audit the administration and accounts in 2007. The chief auditor is Göran Lindell, Authorised Public Accountant, M.Sc. (Econ.).

Pursuant to the resolution of the Annual General Meeting, the auditor is paid as per invoice.

In 2007, the auditor (PwC) was paid EUR 1.0 million in remuneration for the audit. In addition, the auditor (PwC) was paid EUR 0.5 million in remuneration for non-audit services.

Additional information

Strategic objectives are presented on pages 10–11.

YIT's corporate governance principles as a whole, including the risk management policy, can be found on YIT's Internet site, www.yitgroup.com.

Remuneration of Board members in 2007

The Annual General Meeting held on March 16, 2007, decided to pay members of the Board of Directors remuneration for the entire term of office as follows:

Chairman	EUR 6,000 per month, or EUR 72,000 per year
Vice Chairman	EUR 4,500 per month, or EUR 54,000 per year
Members	EUR 3,500 per month, or EUR 42,000 per year

Furthermore, it was decided that a meeting fee of EUR 500 will be paid to all the members of the Board of Directors for each Board meeting and EUR 500 to the members of the Audit Committee for each committee meeting. Per diems for trips in Finland and abroad are paid in accordance with the State's travelling compensation regulations. YIT's Board members are not covered by the company's share option schemes.

The fees of YIT Corporation's Board members totalled EUR 278,500 in 2007.

Remuneration paid to the President and CEO, his deputy and the Group's Management Board in 2007

	Regular salary including fringe benefits	Bonuses paid	Option income	Total	Granted share options, L
President and CEO	**305,397**	**75,035**	**-**	**380,432**	**6,720**
Deputy to the President and CEO	**208,486**	**41,000**	**-**	**249,486**	**5,040**
The Group's Management Board (excluding the President and CEO and his deputy)	**1,033,909**	**151,563**	**79,968**	**1,265,440**	**25,240**

Shares and options held by the Board of Directors, the president and CEO and the Group's Management Board, December 31, 2007

	Shares	K options	L options
Board of Directors	**561,580**	**-**	**-**
President and CEO	**22,000**	**1,200**	**6,720**
Deputy to the President and CEO	**10,132**	**2,400**	**5,040**
The Group's Management Board (excluding the President and CEO and his deputy)	**45,720**	**12,000**	**25,240**

Share and option ownership includes direct holdings and the holdings of close associates and controlled corporations.

Compensation and incentive schemes

The Annual General Meeting decides on the fees of the Board of Directors. The Board of Directors decides on the President's and his deputy's salary, remuneration and other terms of employment. The Board also decides on the salaries and fees of the members of the Group's Management Board.

Performance bonuses

Most of the Group's salaried employees are included in a performance bonus scheme. The Board of Directors confirms the criteria for the payment of performance bonuses annually. The bonuses paid to the management are determined on the basis of the realisation of the Group's strategic profitability, growth and development objectives and personal objectives.

Share option programmes

In 2007, YIT had two share option programmes, of which the 2004 programme ended on November 30, 2007. The General Meeting decides on share option issues and the terms and conditions of the option programmes. The Board of Directors decides on the distribution of options annually on the basis of the terms and conditions of YIT's share options. For more information on share options, see pages 60–61 and 133–134.

Loans to associated parties

The President and CEO, his deputy and the members of the Board of Directors did not have cash loans from the company or its subsidiaries on December 31, 2007.

Retirement ages and termination compensation

The retirement age of the President and CEO and that of his deputy has been set at 62. The contractual retirement age of one of the members of the Group's Management Board is 60 and of another it is 62. In other respects, the statutory retirement age applies to the members of the Management Board.

The period of notice for the President and CEO and his deputy is six months. If the company terminates his contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

Risk management

Risk management policy

YIT's risk management policy aims to identify the major risk factors, taking the special characteristics of YIT's business operations and environment into consideration, and optimally manage the total risk exposure so that the company achieves its strategic and financial targets. Optimum risk management seeks to increase the company's value.

Strategic risk profile

Business structure and geographic distribution

YIT's geographic and business structure balance the impact of economic fluctuation on the Group's revenue and profits; changes in the economy do not affect YIT in all its areas of operation or all of its business segments simultaneously.

YIT holds a strong market position in select geographic areas and service sectors. The current geographic profile combines stability and potential for growth. In 2007, the Nordic countries, one of the most stable regions in the world in terms of politics and economy, accounted for 85 per cent of YIT's revenue. The stability of the Nordic operations makes it possible to expand operations rapidly in the growing Russian residential construction market.

Steady demand for service and maintenance services

Steadily growing service and maintenance operations that are unaffected by economic fluctuations accounted for 37 per cent of YIT's revenue. Approximately 63 per cent of Building Systems revenue and 58 per cent of Industrial and Network Services revenue derive from steadily growing service and maintenance operations.

Investments and cash flow are balanced

The majority of services comprise operations where investments are minor and return on investment is high. Slightly under a third of revenue is generated by capital-intensive operations, residential developer-contracted projects and property development projects, where capital is tied to plot reserves and ongoing production. In the more capital-intensive operations, the long value chain offers opportunities for higher operating profit margin.

Most significant risks and uncertainties

Strategic risk

Growing organically and through acquisitions
YIT's annual growth target is 10 per cent on average. Growth is sought both organically and through acquisitions.

The majority of YIT's business is labour-intensive, thus the availability and retention of skilled employees is a prerequisite for organic growth.

Risks associated with acquisitions and outsourcing are managed with strict criteria and process supervision. The criteria defined by YIT are suitability for the strategic objective, price and valuation, operative synergy and development opportunities, competent personnel and the corporate culture. As for the process, management particularly involves an effectively completed integration programme following the closure of a deal. A good example of a successful integration process and improvement in profitability in a large-scale business acquisition is the acquisition of Building Systems in 2003.

Rapid growth in Russia
Residential construction is by its nature dispersed into several separate sites and cities. Expansion of residential construction into new cities aims to expand the business as well as disperse geographical and partner risks. Risk management particularly focuses on finding the right local partners. Partners are expected to be well-versed in the local markets.

Real estate development projects, on the other hand, are individual large-scale projects by nature, and project management is their central issue.

Other key factors in risk management in Russia include finding competent and sufficient personnel, management of operative growth and optimisation and management of capital and cash flow. The need for capital will increase, particularly given land acquisition and ongoing production. At the end of 2007, YIT had 9,870 residential units under construction in Russia. There were 11 completed but unsold residential units.

Capital management
In business where investments are small, effective turnover of net working capital is the objective. In the more capital-intensive business operations, residential development projects and real estate development projects, capital is tied to the land reserves and ongoing production. Capital increases at the highest rate in Russia, and at the end of 2007, Russia accounted for 33 per cent of the YIT Group's invested capital.

Combining the growth strategy and active dividend policy in the strategic targets requires that the capital structure is managed and actively guided in the right direction. YIT systematically monitors the trend in net working capital and cash flow in its risk management. When other operations generate stable cash flow, growth in property development can be financed not only with the company's own cash, but also with debt. Cash flow generation has been set as one of YIT's strategic focus areas.

Tender-based contracts and cost management
Tender-based contracting is a major part of the Group's core business. YIT does not set out to increase the relative share of revenue accounted for by contracting. Rather, the Group is selective with regards to its risks and profitability. Effective contract management requires comprehensive project management expertise at all operative levels in order to keep costs under control and reach the desired profitability. Expertise is upgraded by investing in training, contractual expertise and the development of offer and risk analyses.

All business segments focus on cost management and improving cost efficiency through cost control, identification and prevention of risks, and by making operations more efficient and developing procurement activities.

Ensuring the availability and competence of skilled employees
The majority of YIT's business operations are labour intensive and local by nature. Moreover, YIT is growing organically, increasingly complex technical equipment is being used more widely, and the company's business has become highly service oriented, which further highlights the importance of competent personnel. The availability of labour is a challenge given the changing age structure of the population.

Challenges are answered by investing in the commitment of current employees, developing the employer image, cooperation with local educational institutions, expanding the recruitment and training programmes for young professionals and integrating foreign workers. YIT's appeal as an employer is increased by the desire to work in a large, international growing company with a strong corporate culture and management system, good working conditions and opportunities for development.

Financial development
Management of strategy-related risks is based on predicting changes in the business environment and markets as well as on the company's own ability to react. Continuous monitoring and analysis of financial, demographic and technological phenomena make it possible to react quickly to change and to utilise the new business opportunities provided by them.

Administrative risk

Management system
A strong corporate culture and a clear management system comprise an integral part of YIT's success factors. The regular monitoring of profitability extends throughout the entire line organisation, from the project level to the Group level with the help of an active management approach. As the organisation expands to new areas and countries, the management systems are upgraded by standardising and firmly establishing operating and reporting procedures in different countries and business segments. YIT has large-scale projects underway, e.g. with the new ERP system.

Damage risk

In the management of damage risks, it is YIT's key objective to minimise the losses caused by identified risks to YIT and thus ensure the company's financial results and continuity of operation. YIT's projects are insured with project-specific insurance policies covering any sudden and unforeseen material damage to the project site, such as fire, collapse and theft. Other assets, such as properties, machinery and equipment are insured through continuous property insurance policies in case of material damage. There are few projects that are large considering the overall extent of operations and whose insurance should be separately surveyed.

Financial risk

Financial risks include liquidity, interest rate, currency and credit risk, and their management is a part of the Group's financing policy. An account of the financing risk can be found in the notes to the financial statements for 2007 on pages 109–113.

Risk management organisation and reporting

YIT's risk management is an integral part of the Group's management, monitoring and reporting systems.

The Board of Directors approves the risk management policy and its objectives, and guides and supervises the planning and execution of risk management.

The President and CEO holds overall responsibility for risk management, including strategic risks and the management of risks related to the corporate culture, organization and key employees. The President and CEO reports to the Board of Directors.

The presidents of the business segments identify, assess and monitor the major risks of their respective business segments and draw up contingency plans for the risks. The presidents of the business segments are responsible for the implementation of risk management within their business segments. They report to the President and CEO.

Additional information
Strategic objectives are presented on pages 10–11.
YIT's corporate governance principles as a whole, including the risk management policy, can be found on YIT's Internet site, www.yitgroup.com.

Board of Directors

Reino Hanhinen

Eino Halonen

Sari Baldauf

Chairman

Reino Hanhinen

born 1943,
M.Sc. (Eng.), D.Sc. (Tech.) h.c.

Member of YIT's Board of Directors since 1988 and Chairman 1989–2000 and since 2006. Member of the Audit Committee since 2006.

Primary working experience

YIT Corporation
President and CEO 2000–2005
Managing Director 1987–2005
Perusyhtymä Oy
Managing Director 1986–1987
YIT Oy Yleinen Insinööritoimisto
Managing Director 1985–1986
Oy PPTH-Norden Ab
Managing Director 1976–1985
YIT Oy Yleinen Insinööritoimisto
Division Manager 1974–1976
Work Supervisor 1968–1974

Positions of trust

Rautaruukki Corporation
Vice Chairman of the Board of Directors 2007–
member of the Board of Directors 2006–
KONE Corporation
member of the Board of Directors 2005–

Share and share option ownership
189,800 YIT shares

Vice Chairman

Eino Halonen

born 1949,
M.Sc. (Econ.)

Member of YIT's Board of Directors since 2000 Vice Chairman since 2003 and member of the Audit Committee since 2004.
Independent Board member.

Primary working experience

Suomi Mutual Life Assurance Company
Managing Director 2000–2007
Pohjola Life Assurance Company Ltd
Managing Director 1998–1999
Merita Nordbanken
Executive Vice President,
Regional Bank Manager 1998
Merita Bank Ltd
Director and member of the Management Board 1996–1997
Kansallis-Osake-Pankki
1971–1995

Positions of trust

SATO Corporation
member of the Board of Directors 2006–
Metsäliitto Osuuskunta
member of the Board of Directors 2006–
Finsilva
member of the Board of Directors 2005–
Cramo Plc
member of the Board of Directors 2003–
OKO Bank Plc
member of the Board of Directors 2003–
Finnish Cultural Foundation
other criteria for influenced corporations 2001–
Ilmarinen Mutual Pension Insurance Company
member of the Board of Directors 2000–2007

Share and share option ownership
23,140 YIT shares

Members

Sari Baldauf

born 1955,
M.Sc. (Econ.), D.Sc. (Tech.) h.c., D.Sc. (Econ.) h.c.

Member of YIT's Board of Directors since 2006. Independent Board member.

Primary working experience

Nokia Corporation
Executive Vice President of Networks 1998–2005
member of the Nokia Group Executive Board 1994–2005
Executive Vice President of Nokia APAC 1996–1998
Chairman of the Board of Directors of Nokia China Investment Corporation 1996–2004
President of Nokia Telecommunications, Cellular Systems 1988–1996

Positions of trust

Capman Plc
member of the Board of Directors 2007–
Hewlett-Packard Company (USA)
member of the Board of Directors 2006–
F-Secure Corporation
member of the Board of Directors 2005–
SanomaWSOY Corporation
Vice Chairman of the Board of Directors 2005–
member of the Board of Directors 2003–
Savonlinna Opera Festival Ltd
Chairman of the Board of Directors 2005–
Savonlinna Opera Festival Patrons' Association
Chairman of the Board of Directors 2005–
Finnish Cultural Foundation
member of the Supervisory Board 2005–
Liikesivistysrahaston Kannatusyhdistys ry
member of the Board of Directors 2002–
International Youth Foundation (USA)
member of the Board of Directors 2000–

Share and share option ownership
6,400 YIT shares

Antti Herlin

born 1956,
D.Sc. (Econ.) h.c., D.Sc. (Arts) h.c., Chairman of KONE Corporation's Board of Directors.

Member of YIT's Board of Directors since 2004. Independent Board member.

Primary working experience

KONE Corporation
Chairman of the Board of Directors 2003–
Vice Chairman of the Board of Directors 1996–2003
member of the Board of Directors 1991–
CEO 1996–2006

Positions of trust

Confederation of Finnish Industries EK
Chairman of the Board of Directors 2007–
Vice Chairman of the Board of Directors 2005–2006
member of the Board of Directors 2004–
Ilmarinen Mutual Pension Insurance Company
Vice Chairman of the Supervisory Board 2004–
member of the Supervisory Board 2001–
Technology Industries of Finland
member of the Board of Directors 1996–

Share and share option ownership
322,560 YIT shares

Teuvo Salminen

born 1954,
M.Sc. (Econ.), Deputy CEO of Pöyry Plc.

Member of YIT's Board of Directors since 2001 and member of the Audit Committee since 2004. Independent Board member.

Primary working experience

Pöyry Plc
Deputy CEO 1999–
Division Manager 1997–1999
CFO 1988–1997
Financial Manager 1985–1988
Uudenmaan Tilintarkastustoimisto (Auditing office)
partner 1978–1984

Positions of trust

Capman Plc
Vice Chairman of the Board of Directors 2005–
member of the Board of Directors 2001–

Share and share option ownership
19,680 YIT shares

Antero Saarilahti, Senior Vice President, Administration of YIT Corporation serves as the secretary of the Board of Directors. The presentation on him can be found on page 55.

A Board member is considered to be independent when he or she is not dependent on the company and its significant shareholders as required in the recommendation on the Corporate Governance of listed companies issued by HEX Ltd, the Central Chamber of Commerce and the Confederation of Finnish Industries EK.

The information on share and option ownership includes the holdings of the persons themselves, their close associates and their controlled corporations at the end of 2007.


Antti Herlin


Teuvo Salminen

Additional information
Up-to-date information on holdings is presented on YIT's Internet site, www.yitgroup.com.

Management Board


Hannu Leinonen


Sakari Toikkanen


Sakari Ahdekivi

Chairman

Hannu Leinonen

born 1962, M.Sc. (Eng.)

President and CEO of YIT Corporation.
In the Group's employ since 2002.

Primary working experience

YIT Corporation
President and CEO 2006–
YIT Primatel Ltd
Managing Director 2001–2005
Sonera Telecom
Director 1999–2001
Sonera Oyj, Network Services
Director 1996–1999
Skanska Oy
Procurement Manager 1994–1996
Haka Oy
Procurement Manager 1992–1994
Research Engineer 1989–1992

Positions of trust

Ilmarinen Mutual Pension Insurance Company
member of the Supervisory Board 2008–

Share and share option ownership

22,000 YIT shares
1,200 K options
6,720 L options

Vice Chairman

Sakari Toikkanen

born 1967, Lic. (Tech.)

Executive Vice President of YIT Corporation.
In the Group's employ since 1997.

Primary working experience

YIT Corporation
Executive Vice President 2006–
YIT Building Systems Ltd
Executive Vice President 2003–2005
YIT Corporation
Vice President, Corporate Planning 2001–2003
YIT Construction Ltd
Development Manager 1999–2000
Quality Manager 1997–1998
Helsinki University of Technology
Researcher 1993–1996

Share and share option ownership

10,132 YIT shares
2,400 K options
5,040 L options

Members

Sakari Ahdekivi

born 1963, M.Sc. (Econ.)

Chief Financial Officer of YIT Corporation.
In the Group's employ since 2007.

Primary working experience

YIT Corporation
Chief Financial Officer (CFO) 2007–
Huhtamäki Oyj
Chief Financial Officer (CFO) 2005–2007
ABB Automation Technologies (USA)
Division Controller 2003–2005
ABB Automation Technologies (Switzerland)
Group VP, Business Area Controller 1999–2002
ABB Automation Ltd (UK)
Financial Controller 1997–1999
ABB Industry Oy
Business Controller 1994–1997

Share and share option ownership

Does not own YIT shares or share options.

Pekka Frantti

born 1964, M.Sc. (Eng.)

President of **YIT Industrial and Network Services Ltd**.
In the Group's employ since 2003.

Primary working experience

YIT Industrial and Network Services Ltd
President 2005–
YIT Kiinteistötekniikka Oy
Division Manager 2003–2005
ABB Oy
Vice President, Commercial & Public Buildings and International Operations 2001–2003
ABB Installaatiot Oy
Division Manager, Baltic and Russian Operations 1998–2001
ABB Sakti Industri (Indonesia)
Division Manager 1995–1998
ABB Installaatiot Oy
Marketing Manager 1991–1995
ABB Trafo-BB GmbH (Germany)
Area Manager 1990–1991
ABB Industry Oy
Project Manager 1988–1990

Positions of trust

Technology Industries of Finland
member of the Board of Directors 2007–

Share and share option ownership

6,720 YIT shares
2,400 K options
5,040 L options

Ilpo Jalasjoki

born 1951, M.Sc. (Eng.)

President of **YIT Construction Ltd**.
In the Group's employ since 1987.

Primary working experience

YIT Construction Ltd
President 2000–
Division Manager 1999–2000
YIT Tolonen Oy
Managing Director 1987–1999
Kummila Oy
Residential Construction Manager 1981–1987
Rakennusliike Eero Keränen Oy
Technical Manager 1979–1981
National Housing Board
Office Engineer 1977–1979
VTT Technical Research Centre of Finland
Researcher 1975–1977

Positions of trust

Infra ry
member of the Board of Directors 2008–
Talonrakennusteollisuus ry
member of the Board of Directors 2007–
Ilmarinen Mutual Pension Insurance Company
member of the Supervisory Board 2004–2007

Share and share option ownership

Does not own YIT shares.
2,400 K options
5,040 L options

Juha Kostiainen

born 1965, M.Sc. (Eng.), Ph.D. (Adm.)

YIT Corporation, Senior Vice President, Corporate Communications and Business Development
In the Group's employ since 2001.

Primary working experience

YIT Corporation
Vice President, Corporate Communication and Business Development 2007–
Vice President, Business Development 2005–2007
Vice President, Corporate Planning 2003–2005
University of Tampere
adjunct professor, strategic development of city-regions 2005–
YIT Construction Ltd
Development Manager 2001–2003
City of Tampere
Business Sector Manager 1997–2001
Finn-Medi Research Ltd
Managing Director 1995–1997
Prizztech Ltd
Managing Director 1992–1995

Positions of trust

Suomi Mutual Life Assurance Company
member of Policyholders' Representative Assembly 2004–
Coxa, Hospital for Joint Replacement
Chairman of the Supervisory Board 2001–

Share and share option ownership

Does not own YIT shares.
1,600 K options
3,360 L options


Pekka Frantti


Ilpo Jalasjoki


Juha Kostiainen

Management Board


Veikko Myllyperkiö


Juhani Pitkäkoski


Petra Thorén

Members

Veikko Myllyperkiö

born 1946, M.Sc. (Pol.Sc.)

YIT Corporation, Director
In the Group's employ since 2001.

Primary working experience

YIT Corporation
Director 2007–
Vice President, Corporate Communications.
2001–2007
The Confederation of Finnish Construction Industries
Director, business policy, business cycle monitoring and communications 1991–2000
The Federation of the Finnish Building Industry
counsel, construction
business cycle forecasts 1984–1991
VTT Technical Research Centre of Finland
Researcher 1971–1984

Share and share option ownership

5,000 YIT shares
1,600 K options
3,400 L options

Juhani Pitkäkoski

born 1958, LL.M.

President of **YIT Building Systems Ltd**
In the Group's employ since 1988.

Primary working experience

YIT Building Systems Ltd
President 2003–
YIT Installation Ltd
Managing Director 2002–2003
YIT Industry Ltd
Executive Vice President 2000–2002
YIT Service Ltd
Managing Director 1998–2000
YIT Corporation
Unit Manager 1997–1998
Oy Huber Teollisuus Ab
Managing Director 1994–1996
Oy Huber Ab
Director of the Factory Service unit 1991–1994,
Attorney-at-Law 1988–1991
The Electrical Contractors' Association of Finland
Attorney-at-Law 1986–1988

Share and share option ownership

26,000 YIT shares
2,400 K options
5,040 L options

Petra Thorén

born 1969, M.Sc. (Econ.)

YIT Corporation, Senior Vice President,
Investor Relations
In the Group's employ since 2002.

Primary working experience

YIT Corporation
Vice President, Investor Relations 2006–,
Manager, Investor Relations 2002–2005
Mandatum & Co, Corporate Finance
Analyst 1999–2002
Alfred Berg Corporate Finance
Analyst 1998–1999

Positions of trust

Foundation for the advancement of tennis in Finland
member of the Board of Directors 2006–
Finnish Tennis Association
Vice Chairman of the Board of Directors 2008–
member of the Board of Directors 2005–

Share and share option ownership

8,000 YIT:n shares
1,600 K options
3,360 L options

Secretary

Antero Saarilahti

born 1948, M.Sc. (Eng.)

YIT Corporation, Senior Vice President,
Administration
In the Group's employ since 1971.

Antero Saarilahti

Primary working experience

YIT Corporation
Vice President, Administration 2004–
Personnel director 1989–2003
IT department manager 1987–1995
Perusyhtymä Oy
Group administration manager 1986–1987
Vesto Oy
Administration manager 1981–1986
Technical office manager 1974–1980
planning engineer 1971–1973

Positions of trust

Etera Mutual Pension Insurance Company
Chairman of the Supervisory Board 2007–
member of the Supervisory Board 2006–
Kaiko Oy
Chairman of the Board of Directors 1985–

Share and share option ownership

9,972 YIT shares
1,600 K options
3,360 L options

Auditor

PricewaterhouseCoopers Oy, Authorized Public Accountants, with ***Göran Lindell***, Authorized Public Accountant, M.Sc. (Econ.), as chief auditor.
Göran Lindell does not own YIT shares.

Management Board in 2008

As of the beginning of 2008 the Group's Management Board comprises the President and CEO, Deputy to the President and CEO, CFO of the Group and the heads of the business segments.
In addition, the Group's Extended Management Board includes the Senior Vice President, Corporate Communications and Business Development and the Senior Vice President, Investor Relations.

The information on share and option ownership includes the holdings of the persons themselves, their close associates and their controlled corporations at the end of 2007.

Additional information
Up-to-date information on holdings is presented on YIT's Internet site, www.yitgroup.com.

Investor Relations

The aim of YIT's Investor Relations is to continuously and consistently communicate all essential information on YIT to all market parties so that the price of YIT's share reflects its fair value. We seek to provide the market with highly accurate information and to maintain openness and transparency. A service-minded attitude is one of our operating principles.

Investors calendar 2008

Financial Statement Bulletin 2007	February 8 at 8:00
Annual Report	week of February 18
Annual General Meeting	March 13 at 13:00
Interim Report for Jan - Mar	April 25 at 8:00
Interim Report for Jan - Jun	July 25 at 8:00
Interim Report for Jan - Sep	October 29 at 8:00

During the period between the end of a reporting period and the publication of the respective Interim Report, YIT's representatives do not provide comments on the company's financial state or meet capital market representatives.

Publishing of results online

The interim and annual results conferences can be viewed as live webcasts on the YIT Internet site in English and afterwards as recordings.

Publications and releases

Financial reports and other YIT publications can be ordered from YIT's Investor Relations. On the website, you may sign up for the release emailing list.

Printed copies of the Annual Report are mailed to all shareholders included in the register kept by Finnish Central Securities Depository Ltd.

Address changes

Shareholders are requested to make notification of changes in their address to the bank branch office in which their book-entry account is handled.

If the account is handled at Finnish Central Securities Depository Ltd, notifications of address changes should be sent to Finnish Central Securities Depository Ltd, P.O. Box 1110, FI-00101 Helsinki, Finland.

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Finland

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Mari Pikkarainen,
Communications Officer
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mari.pikkarainen@yit.fi

Requests for investor meetings
Liisa Nordberg,
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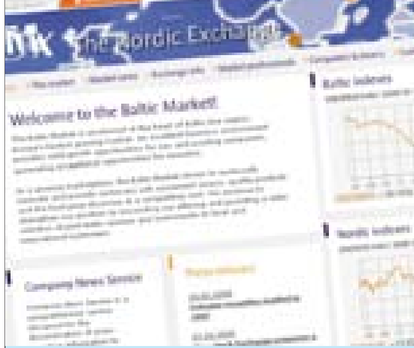
liisa.nordberg@yit.fi

Analyst coverage

ABN Amro Bank N.V.	Jan Brännback
Carnegie Investment Bank AB, Finland	Tuomas Ratilainen
Credit Agricole Cheuvreux Nordic AB	Andreas Dahl
Danske Markets Equities	Robin Johansson
Deutsche Bank AG, Helsinki Branch Global Equities	Timo Pirskanen
Enskilda Securities	Lasse Rimpi
eQ Bank	Tomi Tiilola
Evli Bank Plc	Mika Karppinen
Glitnir Bank	Jari Westerberg
Goldman Sachs International	Karen Hooi
Handelsbanken Capital Markets	Ari Järvinen
Impivaara Securities Ltd	Jeffery Roberts
Kaupthing Bank	Ronny Viljanen
Merrill Lynch	Mark Hake
Pohjola Bank plc	Matias Rautionmaa
UBS	Albin Sandberg



Trading codes:
The shares and share options of YIT Corporation are quoted on the OMX Nordic Exchange Helsinki. YIT is in the Large Cap segment under the Industrials sector.

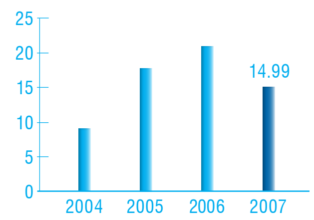
YIT's share:
YTY1V
Series K share option:
YTY1VEW106
Series L share option:
YTY1VEW206
Series M share option:
YTY1VEW306

Quotation of the Series M share options will begin on April 1, 2008.

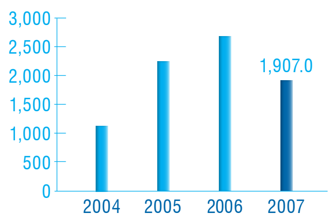
The shares and share options are included in the book-entry system maintained by Finnish Central Securities Depository Ltd.

Additional information
Analysts' contact details and consensus estimates and recommendations concerning the share can be found on YIT's Internet site, www.yitgroup.com.
Information on shareholder rights on page 40.

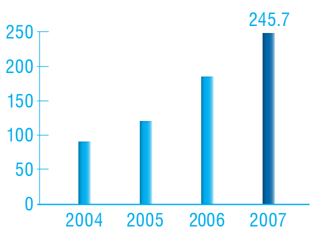
Share price, EUR



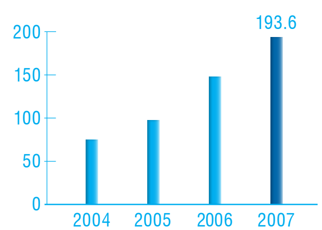
Market capitalisation, MEUR



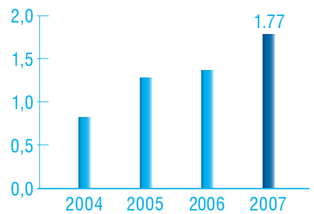
Share turnover, 1,000,000 shares



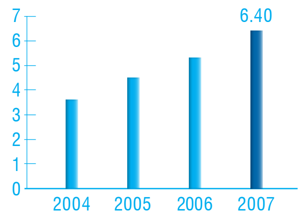
Share turnover of shares outstanding, %



Earnings/share, EUR



Equity/share, EUR



The splitting of the nominal value of the share in 2004 and 2006 has been taken into account in all figures.

Additional information

Per-share indicators for 10 years on page 67.

Share

YIT Corporation's share is quoted on the OMX Nordic Exchange Helsinki in the Large Cap segment under the Industrials sector.

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

Share price trend

At the end of 2007, the closing rate of YIT's share was EUR 14.99 (2006: 20.95). YIT's share price decreased by 28 per cent during 2007.

The highest price of the share during 2007 was EUR 27.90 (23.88) and the lowest was EUR 14.79 (EUR 15.20). The average price was EUR 22.15 (EUR 19.24). YIT Corporation's market capitalisation at the end of the year was EUR 1,907.0 million (EUR 2,656.0 million), 28 per cent less than the previous year.

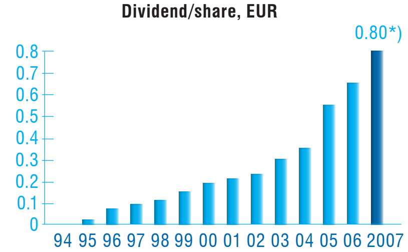
Share turnover

Share turnover grew significantly compared with 2006. Share turnover in 2007 amounted to 245,671,719 shares (184,576,963). The value of share turnover was EUR 5,448.3 million (EUR 3,563.1 million). The average daily turnover was 982,687 shares (657,460).

Dividend payout

YIT seeks to pursue an active dividend policy. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.80 per share be paid for the 2007 financial year, representing 45.2 per cent of earnings per share. YIT is raising its dividends for the thirteenth year in a row.

Dividend/share, EUR



Dividend payout1994–2007 (1998-2003: FAS, 2004-2007: IFRS)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	**2007**
Dividend/share, EUR	-	0.02	0.07	0.09	0.11	0.15	0.19	0.21	0.23	0.30	0.35	0.55	0.65	**0.80 *)**
Dividend/earnings per share, %	-	neg.	28.8	27.4	43.0	37.7	39.5	39.7	60.4	73.2	43.2	43.7	47.8	**45.2 *)**
Dividends paid, MEUR	-	2.1	6.2	9.9	12.4	17.3	22.0	24.5	26.3	36.6	42.9	68.6	82.4	**101.8 *)**

*) Board of Directors' proposal

Share capital and number of shares

At the beginning of 2007, YIT Corporation's share capital was EUR 63,388,536.00 and the number of shares outstanding was 126,777,072.

The YIT Corporation's Annual General Meeting held on March 16, 2007, decided to increase the company's share capital by EUR 82,822,459.92 to EUR 146,210,995.92 by means of transferring the funds in the share premium reserve into the share capital. New shares were not issued when the share capital was increased. The Articles of Association were amended by the resolution of the Annual General Meeting so that references to the minimum and maximum share capital and the nominal value of shares were deleted. The amendments to the Articles of Association and the increase in the share capital were entered in the Trade Register on March 30, 2007.

The Annual General Meeting held on March 16, 2007, also decided that the full subscription price shall be entered into the share capital when shares are subscribed for with the share options.

In 2007, 440,800 shares were subscribed for with the Series E and F share options from 2004 and Series K and L share options from 2006. As a result of the subscriptions, the share capital was increased by a total of EUR 2,893,770.80 in five instalments.

In April the number of shares declined by 400 due to the invalidation of the shares held by the company.

At the end of 2007, the share capital amounted to EUR 149,104,766.72 and the number of shares was 127,217,872.

Increases in share capital in 2007

Registration date	Number of new shares	New number of shares	Increase in share capital, EUR	New share capital, EUR
Mar 30, 2007	-	126,777,072	82,822,459.92	146,210,995.92,
Apr 30, 2007	75,588	126,852,260	477,848.00	146,688,843.92
Jun 26, 2007	46,246	126,898,506	305,047.40	146,993,891.32
Aug 20, 2007	7,752	126,906,258,	75,992.00	147,069,883.32,
Oct 30, 2007	6,960	126,913,218	80,842.00	147,150,725.32
Dec 10, 2007	304,654	127,217,872	1,954,041.40	149,104,766.72

Authorisations to increase the share capital

No share issues were organised in 2007 and the company did not float convertible bonds or bonds with warrants. At the end of the year, the Board of Directors did not have valid share issue authorizations or authorizations to issue convertible bonds or bonds with warrants.

Treasury shares

At the beginning of 2007, YIT Corporation held 400 treasury shares, representing 0.0 per cent of the company's shares. The shares were purchased in December 2005. The Board of Directors of YIT Corporation decided to invalidate the shares held by the company, and the invalidation was entered in the Trade Register on April 10, 2007.

At the end of 2007, YIT Corporation did not hold any treasury shares. The Board of Directors did not have valid authorisations to purchase or dispose of YIT's own shares. During 2007, no shares in the parent company were owned by subsidiaries.

Share option programmes

In 2007, YIT had two share option programmes, of which the 2004 programme ended on November 30, 2007.

The share options are intended to be part of the YIT Group's incentive and commitment scheme. The General Meeting decides on share option issues and the terms and conditions of the option programmes. The Board of Directors decides on the distribution of options annually on the basis of the terms and conditions of YIT's share options. The shares subscribed for with share options confer all the shareholder rights as of the share capital increase registration date.

The share option programme from 2004 was directed at management and key employees in the Building Systems business segment who were not part of the 2002 programme, and it includes the Series E and F share options.

The share option programme from 2006 is directed at the Group's management and key employees and includes the Series K, L, M and N share options.

Distribution of share options

YIT Construction Ltd subscribed for the Series F share options for staggered distribution to the Building Systems business segment's management and key employees in 2005–2007 on the basis of the achievement of the objectives set for the business segment's result (EBITA %).

YIT Construction Ltd subscribed for the Series K, L, M and N share options for distribution in 2006, 2007, 2008 and 2009, on the basis of the decision by the Board of Directors of YIT Corporation, to those who are either in the employ of or will be hired into the employ of the YIT Group companies, the President and CEO of YIT Corporation, the deputy to the CEO, and other members of the Group's management and its key employees.

YIT Construction Ltd does not have the right to subscribe for YIT shares with the options.

By the beginning of the subscription periods, members of the Group's management and its key employees had been distributed

- a total of 167,400 Series E share options
- a total of 140,560 Series F share options
- a total of 241,800 Series K share options
- a total of 593,460 Series L share options

Management's share option ownership

On December 31, 2007, the President and CEO and his deputy had a total of 3,600 Series K share options from 2006 and 11,760 Series L share options from 2006. Members of the Board of Directors are not covered by the company's share option programmes.

If these options were to be exercised in full, YIT Corporation's number of shares would increase by 15,360 on the basis of the subscriptions, increasing the share capital by EUR 315,340.80; on December 31, 2007, this amount would have represented 0.0 per cent of the company's number of votes and 0.2 per cent of the share capital.

On December 31, 2007, the YIT Corporation's Management Board, excluding the President and CEO and his deputy, had a total of 12,000 Series K share options from 2006 and 25,240 Series L share options from 2006. If these options were to be exercised in full, YIT Corporation's number of shares would increase by 37,240 on the basis of the subscriptions, increasing the share capital by EUR 764,537.20; on December 31, 2007, this amount would have represented 0.0 per cent of the company's number of votes and 0.5 per cent of the share capital.

Option ownership includes the individuals' direct holdings and the holdings of their close associates and controlled corporations.

Share subscriptions on the basis of share options

Series E and F shares

During the subscription period, a total of 333,400 shares were subscribed for with Series E share options and 281,120 with Series F share options. In 2007, 154,520 shares were subscribed for with Series E share options.

The subscription period with the Series E and F share options ended on November 30, 2007.

Series K and L shares

In 2007, 1,600 shares were subscribed for with Series K share options and 1,360 with Series L share options.

A maximum of 237,600 shares can be subscribed for with the remaining Series K share option and a maximum of 592,100 shares with the remaining Series L share options.

Trading with share options in 2007

During the report year,

- 76,299 Series E share options were traded at an average price of EUR 35.27
- 120,791 Series F share options were traded at an average price of EUR 37.42
- 41,304 Series K share options were traded at an average price of EUR 5.44
- 141,164 Series L share options were traded at an average price of EUR 4.63.

Summary of the share option programmes

YIT Corporation's Annual General Meeting held on March 16, 2007 resolved to amend Article 3 of the Articles of Association such that references to the nominal value of shares and the minimum and maximum share capital was deleted. The references were simultaneously deleted from the terms and conditions of the share option programmes. It was also decided that the full subscription price shall be entered into the share capital when shares are subscribed for with the share options.

	Series E	Series F	Series K	Series L	Series M	Series N
Option subscription period	Year 2004	Year 2004	By May 31, 2006	By May 31, 2006	By May 31, 2006	By May 31, 2006
Maximum number of options	180,000	420,000	300,000	900,000	900,000	900,000
Subscribers	approx. 65 people	YIT Construction Ltd	YIT Construction Ltd	YIT Construction Ltd	YIT Construction Ltd	YIT Construction Ltd
Quoted on the stock exchange from	April 1, 2006	April 1, 2007	April 1, 2007	April 1, 200	April 1, 2008 (target)	April 1, 2009 (target)
Share subscription period April 1 - November 30 in	2006-2007	2007	2007-2008	2007-2008	2008-2009	2009-2010
Subscription price for 1 share	EUR 6.80	EUR 6.15	20,53 e/kpl	20,53 e/kpl	EUR 20.53 less the per-share dividend *)	EUR 20.53 less the per-share dividend *)
Number of shares each share option entitles its bearer to subscribe for	2	2	1	1	1	1

Share subscription period for Series E and F share options ended in 2007.

*) The share subscription price with the Series M share options will be lowered in 2008 and the Series N share options in 2008 and 2009 by the amount of dividend per share decided on by the Annual General Meetings.

Additional information

The complete terms and conditions of the share option programmes are available on YIT's Internet site, www.yitgroup.com.

More information on share options can be found in notes to the financial statements on pages 133–134.

Management's ownership information can also be found on pages 46, 50–55 and 62.

Shareholders

Management's share ownership

On December 31, 2007, the members of YIT Corporation's Board of Directors as well as the President and CEO and his deputy held a total of 593,712 (December 31, 2006: 579,912) YIT shares, corresponding to 0.5 per cent (0.5) of the company's shares and the votes conferred by them.

On December 31, 2007, the members of YIT Corporation's Management Board, excluding the President and CEO and his deputy held a total of 45,720 (December 31, 2006: 121,292) YIT shares, corresponding to 0.0 per cent (0.1) of the company's shares and the votes conferred by them.

Share ownership includes the individuals' direct holdings and the holdings of their close associates and controlled corporations.

Management's ownership information can also be found on pages 46, 50–55 and 61.

During 2007, the number of registered shareholders rose from 14,364 to 15,265, that is, by 6 per cent. The number of private investors increased by approximately 760. At the beginning of the year, a total of 45.9 per cent (39.9%) of the shares were owned by nominee-registered and non-Finnish investors, while this figure was 52.9 per cent (45.9%) at year's end.

During 2007, the following notifications of changes in holdings were made in accordance with Chapter 2, section 9 of the Securities Market Act.

May 3

Sampo Life Insurance Company Ltd announced that its holding has fallen to under 5 per cent of YIT's shares as the result of a share transaction on May 2, 2007.

May 4

Schroder Investment Management Compliance Limited announced that its holding has increased to over 5 per cent of YIT's shares as the result of a share transaction on December 13, 2006.

September 28

Varma Mutual Pension Insurance Company announced that its holding has fallen to under 5 per cent of YIT's shares as the result of a share transaction on September 27, 2007.

October 30

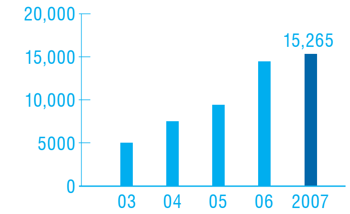
Schroder Investment Management Compliance Limited announced that its holding has fallen to under 5 per cent of YIT's shares as the result of a share transaction on October 26, 2007.

Principal shareholders on December 31, 2007

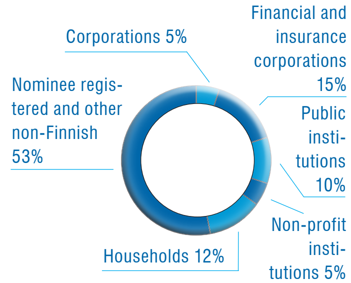
			Number of shares	% of shares and votes
1	Suomi Mutual Life Assurance Company		7,071,180	5.56
2	Sampo Life Insurance Company Ltd		5,704,804	4.48
3	Varma Mutual Pension Insurance Company		4,236,600	3.33
4	Ilmarinen Mutual Pension Insurance Company		2,684,447	2.11
5	Tapiola Group		,	
	Tapiola Mutual Pension Insurance Company	886,600		
	Tapiola Mutual Life Assurance Company	616,517		
	Tapiola General Mutual Insurance Company	287,000		
	Tapiola Corporate Life Insurance Company	121,960	1,912,077	1.50
6	Etera Mutual Pension Insurance Company		1,784,400	1.40
7	Svenska litteratursällskapet i Finland r.f.		1,393,800	1.10
8	Odin Norden C/O Odin Forvaltning As		1,380,166	1.08
9	Brotherus Ilkka		1,224,740	0.96
10	State Pension Fund		1,200,000	0.94
	Nominee registered shares		64,640,059	50.81
	Others total		33,985,599	26.73
	Total		127,217,872	100.00

This information is based on the shareholder list maintained by Finnish Central Securities Depository Ltd.

Number of shareholders



Ownership by shareholder groups, Dec 31, 2007



Distribution of shareholdings by size class, December 31, 2007

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
1–100	3,458	22.65	237,912	0.19
101–1,000	8,582	56.22	3,715,845	2.92
1,001–10,000	2,814	18.43	8,239,134	6.48
10,001–100,000	348	2.28	9,851,861	7.74
100,001–1,000,000	51	0.33	15,528,758	12.21
1,000,001–	12	0.08	89,644,362	70.47
Total	15,265	100.00	127,217,872	100.00

Each nominee register is recorded in the share register as a single shareholder.

Ownership by shareholder groups, December 31, 2007

	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
Corporations	1,187	7.78	6,878,203	5.41
Financial and insurance corporations	85	0.56	19,413,188	15.26
Public institutions	48	0.31	12,977,674	10.20
Non-profit institutions	358	2.35	5,986,284	4.71
Households	13,473	88.26	14,697,014	11.55
Non-Finnish shareholders	114	0.75	67,265,509	52.87
(of which nominee registered)	(19)	(0.0)	(64,640,059)	(50.81)
Total	15,265	100.00	127,217,872	100.00

Each nominee register is recorded in the share register as a single shareholder.

Non-Finnish and nominee registered holdings, December 31, 2007

	Number of shareholders	Number of shares	Proportion of shares, %
Non-Finnish shareholders	95	2,625,450	2.06
Nominee registers located outside Finland	7	525,552	0.41
Nominee registers located in Finland	12	64,114,507	50.40
Total	114	67,265,509	52.87

Nominee registers, December 31, 2007

	Number of shares	Proportion of shares. %
Nordea Bank Finland Plc	29,720,741	23.36
Skandinaviska Enskilda Banken Ab	25,515,743	20.06
Svenska Handelsbanken Ab	7,603,595	5.98
OKO Bank Plc	805,652	0.63
Northern Trust Global Services Ltd	451,000	0.35
Others	543,328	0.43
Total	64,640,059	50.81

Nominee-registration

Instead of opening up a book-entry account, foreign investors can enter their shareholdings in Finnish companies in a nominee register. By means of nominee-registration, the portfolios of several investors can be managed through one account. The register does not directly indicate the names of the shareholders, and each nominee register is recorded in a company's – such as YIT's – Share Register as a single shareholder. Nominee-registered shares cannot be used to exercise the voting rights conferred by shares unless the shareholder enters himself as a shareholder in the company's shareholder register before the General Meeting.

Key financial figures

INCOME STATEMENT 1998–2007

		1998	1999	2000	2001	2002	2003	2004	2004	2005	2006	2007
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
Revenue	MEUR	1,167.7	1,222.1	1,235.4	1,623.1	1,763.0	2,389.7	3,033.4	2,780.1	3,023.8	3,284.4	**3,706.5**
- change from previous year	%	24.1	4.7	1.1	31.4	8.6	35.5	26.9		8.8	8.6	**12.9**
- of which activities outside Finland	MEUR	200.0	165.3	146.4	330.5	386.9	672.5	1,212.7	1,183.2	1,326.6	1,477.4	**1,798.5**
Operating income and expenses	MEUR	-1,095.7	-1,141.2	-1,126.8	-1,497.2	-1,643.5	-2,253.3	-2,850.6	-2,600.4	-2,772.2	-3,002.8	**-3,341.5**
Depreciation and write-downs		-13.9	-12.6	-13.6	-16.1	-16.5	-17.3	-17.1	-22.3	-23.9	-24.1	**-27.2**
Depreciation of goodwill	MEUR	-3.6	-6.0	-5.3	-10.1	-13.2	-20.5	-30.6				
Operating profit		54.5	62.3	89.7	99.7	89.8	98.6	135.1	157.4	227.7	258.8	**337.8**
- % of revenue	%	4.7	5.1	7.3	6.1	5.1	4.1	4.5	5.7	7.5	7.9	**9.1**
Financial income and expences, net	MEUR	-8.5	-7.1	-10.2	-10.9	-12.2	-14.2	-16.8	-17.4	-12.9	-20.6	**-32.2**
Profit before extraordinary items	MEUR	46.0	55.2	79.5	88.8	77.6	84.4	118.2	140.0	214.8	238.2	**305.6**
- % of revenue	%	3.9	4.5	6.4	5.5	4.4	3.5	3.9	5.0	7.1	7.3	**8.2**
Extraordinary income	MEUR	0.1	18.5	-	-	-	-	-	-	-	-	**-**
Extraordinary expenses	MEUR	0.3	-	-0.1	-	-	-	-	-	-	-	**-**
Profit before taxes		45.8	73.7	79.4	88.8	77.6	84.4	118.2	140.0	214.8	238.2	**305.6**
- % of revenue	%	3.9	6.0	6.4	5.5	4.4	3.5	3.9	5.0	7.1	7.3	**8.2**
Profit for the period	MEUR	28.4	60.7	54.7	61.6	43.0	48.4	84.0	100.5	156.9	175.4	**228.0**
- % of revenue	%	2.4	5.0	4.4	3.8	2.4	2.0	2.8	3.6	5.2	5.3	**6.2**
Attributable to:												
Equity holders of the company									99.1	155.5	171.0	**224.9**
Minority interest									1.4	1.4	4.4	**3.1**

BALANCE SHEET 1998–2007

		1998	1999	2000	2001	2002	2003	2004	2004	2005	2006	2007
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
ASSETS												
Intangible assets	MEUR	88.1	78.3	85.2	69.7	61.9	66.8	68.4	81.0	77.1	91.8	**92.5**
Goodwill on consolidation	MEUR	13.0	13.0	14.3	47.4	72.0	246.9	224.2	248.8	248.8	248.8	**240.6**
Tangible assets	MEUR	4.5	7.6	9.5	7.2	9.5	11.8	12.3	13.1	13.4	15.6	**27.1**
Investments												
Treasury shares	MEUR	-	4.2	7.8	6.5	7.2	-	-	-	-	-	**-**
Other investments	MEUR	13.8	11.4	11.0	6.3	7.1	7.9	6.8	4.2	4.8	5.9	**6.2**
Inventories	MEUR	222.2	175.4	249.4	259.3	338.1	380.8	421.6	629.3	685.2	1,006.4	**1,265.0**
Receivables	MEUR	320.1	389.2	411.0	483.0	503.5	781.0	822.1	503.7	578.1	723.4	**769.7**
Current investments	MEUR	5.1	13.4	1.4	18.6	10.7	11.9	0.7	0.7	-	-	**-**
Cash and cash equivalents	MEUR	10.5	10.2	11.2	18.4	28.2	48.4	34.2	35.4	80.7	25.9	**60.2**
Total assets	MEUR	677.3	702.7	800.8	916.4	1,038.2	1,555.5	1,590.3	1,516.2	1,688.1	2,117.8	**2,461.3**
EQUITY AND LIABILITIES												
Share capital	MEUR	49.3	58.8	58.8	58.8	59.5	61.0	61.3	61.3	62.4	63.4	**149.1**
Other equity	MEUR	176.3	212.7	250.2	291.6	313.7	347.3	395.9	380.0	497.4	607.1	**665.4**
Minority interest	MEUR	11.1	6.7	1.6	3.2	2.9	3.4	3.6	4.1	3.7	3.9	**3.8**
Provisions	MEUR	3.2	6.7	6.9	10.1	14.2	27.3	26.0	59.9	57.5	50.5	**59.0**
Non-current liabilities												
Interest-bearing	MEUR	128.4	125.2	89.2	133.5	130.4	202.6	214.0	224.0	172.4	275.8	**356.9**
Non interest-bearing	MEUR	9.3	4.8	3.3	7.7	7.8	8.3	15.7	23.6	40.9	72.5	**80.7**
Current liabilities												
Interest-bearing	MEUR	44.7	15.5	38.9	14.2	12.6	62.2	47.5	171.5	162.6	256.6	**218.1**
Advances received	MEUR	42.4	43.7	47.1	54.5	71.8	100.6	106.7	77.5	134.9	163.6	**230.4**
Other non interest-bearing	MEUR	212.6	228.6	304.8	342.8	425.3	742.8	719.6	514.3	556.3	624.4	**697.9**
Total shareholders' equity and liabilities	MEUR	677.3	702.7	800.8	916.4	1,038.2	1,555.5	1,590.3	1,516.2	1,688.1	2,117.8	**2,461.3**

KEY FINANCIAL FIGURES 1998–2007

		1998	1999	2000	2001	2002	2003	2004	2004	2005	2006	2007
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
Cash flow from operating activities	MEUR	53.6	64.4	47.3	40.3	76.7	97.6	35.4	59.2	167.3	-148.3	**82.9**
Return on equity	%	13.9	18.3	19.1	19.1	12.2	12.5	19.6	24.3	31.1	28.3	**30.5**
Return on investment	%	13.7	15.5	21.2	21.6	17.8	16.8	19.6	19.1	26.4	24.8	**26.2**
Equity ratio	%	37.3	41.6	40.2	40.3	38.2	28.3	31.1	31.0	36.3	34.5	**36.7**
Net interest-bearing debt	MEUR	-	117.1	115.4	110.7	104.1	204.4	226.6	359.4	254.4	506.5	**514.8**
Gearing ratio	%	66.6	42.8	38.1	31.9	28.2	49.6	49.2	80.7	45.1	75.1	**62.9**
Gross capital expenditures on non-current assets	MEUR	35.9	35.6	34.3	75.1	60.6	232.9	31.0	35.6	30.1	50.4	**51.6**
- % of revenue	%	3.1	2.9	2.8	4.6	3.4	9.7	1.0	1.3	1.0	1.5	**1.4**
Research and development expenditure	MEUR	6.7	8.4	10.0	12.0	13.0	16.0	18.0	18.0	19.0	21.0	**22.0**
- % of revenue	%	0.6	0.7	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	**0.6**
Order backlog on Dec 31	MEUR	477.5	479.1	574.7	735.8	938.8	1,490.1	1,604.9	1,823.4	1,878.8	2,802.3	**3,509.3**
- of which orders from outside Finland	MEUR	89.2	46.8	57.3	180.2	255.0	569.5	621.0	645.0	752.4	1,490.0	**1,999.2**
Number of employees on Dec 31		7,536	8,282	8,605	10,264	12,633	21,939	21,680	21,680	21,289	22,311	**24,073**
Average number of employees		7,340	8,721	8,189	10,118	11,990	16,212	21,884	21,884	21,194	21,846	**23,394**

SHARE-RELATED KEY FIGURES 1998-2007

		1998	1999	2000	2001	2002	2003	2004	2004	2005	2006	2007
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
Earnings/share, basic	EUR	0.25	0.40	0.48	0.54	0.37	0.41	0.69	0.81	1.26	1.36	**1.77**
Earnings/share, diluted	EUR					0.37	0.41	0.68	0.80	1.23	1.35	**1.77**
Eguity/share	EUR	1.92	2.32	2.63	2.98	3.14	3.35	3.73	3.60	4.49	5.29	**6.40**
Dividend/share	EUR	0.11	0.15	0.19	0.21	0.23	0.30	0.35	0.35	0.55	0.65	**0.80*)**
Dividend/earnings	%	43.0	37.7	39.5	39.7	60.4	73.2	51.1	43.2	43.7	47.8	**45.2*)**
Effective dividend yield	%	5.7	5.5	5.5	6.3	5.4	4.5	3.8	3.8	3.0	3.1	**5.3**
Price/earnings multiple (P/E)		7.6	6.9	7.2	6.3	11.3	16.4	13.4	11.3	14.3	15.4	**8.5**
Share price trend												
Average price	EUR	2.69	2.19	3.18	3.17	4.10	5.18	7.96	7.96	13.99	19.24	**22.15**
Low	EUR	1.64	1.63	2.60	2.61	3.30	3.50	6.76	6.76	8.95	15.20	**14.79**
High	EUR	4.04	2.75	3.55	3.49	4.91	6.93	9.42	9.42	18.25	23.88	**27.90**
Price on Dec 31	EUR	1.85	2.73	3.40	3.38	4.20	6.73	9.18	9.18	18.07	20.95	**14.99**
Market capitalisation on Dec 31	MEUR	217.1	315.0	389.3	389.7	489.9	821.1	1,125.3	1,125.3	2,254.4	2,656.0	**1,907.0**
Share turnover trend												
Share turnover	1,000	47,324	36,264	43,300	17,792	39,648	58,558	91,160	91,160	120,368	184,577	**245,672**
Share turnover as percentage of shares outstanding	%	40.4	31.4	37.6	15.5	34.2	49.5	74.6	74.6	97.4	147.2	**193.6**
Weighted average share-issue adjusted number of shares outstanding	1,000	117,232	115,484	115,048	114,988	115,880	118,208	122,246	122,246	123,544	125,357	**126,872**
Weighted average share-issue adjusted number of shares outstanding, diluted	1,000					117,028	118,496	123,646	123,646	126,522	126,773	**127,028**
Share-issue adjusted number of shares outstanding on Dec 31	1,000	117,352	115,588	114,504	115,472	116,716	122,092	122,586	122,586	124,794	126,777	**127,218**

*) Board of Directors' proposal

FINANCIAL DEVELOPMENT BY QUARTER I/2006-IV/2007

	I/ 2006	II/ 2006	III/ 2006	IV/ 2006	I/ 2007	II/ 2007	III/ 2007	IV/ 2007
Revenue, MEUR	768.8	818.0	789.5	908.1	833.5	939.3	906.8	**1,027.0**
Operating profit, MEUR	53.7	60.1	58.6	86.4	61.2	78.5	89.4	**108.7**
- % of revenue	7.0	7.3	7.4	9.5	7.3	8.4	9.9	**10.6**
Financial income, MEUR	1.3	0.4	0.6	0.3	0.6	0.5	0.6	**0.8**
Exhange rate differences, MEUR	-0.6	-0.6	-0.6	-0.9	-0.1	-1.6	0.5	**-2.6**
Financial expenses, MEUR	-4.3	-4.6	-5.9	-5.7	-6.9	-7.6	-8.1	**-8.4**
Profit before taxes, MEUR	50.1	55.3	52.7	80.1	54.8	69.8	82.4	**98.5**
- % of revenue	6.5	6.8	6.7	8.8	6.6	7.4	9.1	**9.6**
Total balance sheet assets, MEUR	1,722.0	1,847.2	1,925.5	2,117.8	2,155.9	2,346.1	2,418.4	**2,461.3**
Earnings per share, EUR	0.29	0.31	0.28	0.48	0.31	0.42	0.47	**0.57**
Equity per share, EUR	4.23	4.54	4.83	5.29	4.95	5.38	5.85	**6.40**
Share price at the end of period, EUR	22.38	19.17	18.27	20.95	25.80	23.35	20.84	**14.99**
Market capitalization at the end of period, MEUR	2,792.9	2,406.7	2,294.4	2,656.0	3,270.8	2,963.1	2,644.7	**1,906.8**
Return on investment, rolling 12 months, %	28.1	28.2	25.2	24.8	25.4	25.7	25.8	**26.2**
Return on equity, %	-	-	-	28.3	-	-	-	**30.5**
Equity ratio, %	33.5	34.5	34.6	34.5	31.8	32.4	33.8	**36.7**
Net interest-bearing debt at the end of period, MEUR	334.2	342.5	416.8	506.5	540.9	548.9	591.4	**514.8**
Gearing ratio, %	62.7	59.5	68.1	75.1	85.6	79.8	79.1	**62.9**
Gross capital expenditures, MEUR	9.1	18.7	29.9	50.4	15.8	21.5	33.5	**51.6**
Order backlog at the end of period, MEUR	2,007.2	2,151.3	2,246.2	2,802.3	2,995.4	3,275.2	3,172.5	**3,509.3**
Personnel at the end of period	21,140	21,873	22,188	22,311	22,418	23,474	23,836	**24,073**

FINANCIAL DEVELOPMENT OF THE BUSINESS SEGMENTS BY QUARTER I/2006-IV/2007

REVENUE BY BUSINESS SEGMENT, MEUR

	I/ 2006	II/ 2006	III/ 2006	IV/ 2006	I/ 2007	II/ 2007	III/ 2007	IV/ 2007
Building Systems	325.6	348.4	335.2	405.9	367.7	410.3	392.3	**479.7**
Construction Services	350.8	368.1	337.0	396.3	369.2	416.3	410.6	**438.8**
Industrial and Network Services	107.7	116.9	128.3	124.0	110.7	129.6	118.7	**130.8**
Other items	-15.3	-15.4	-11.0	-18.1	-14.1	-16.9	-14.9	**-22.3**
YIT Group	768.8	818.0	789.5	908.1	833.5	939.3	906.7	**1,027.0**

OPERATING PROFIT BY BUSINESS SEGMENT, MEUR

	I/ 2006	II/ 2006	III/ 2006	IV/ 2006	I/ 2007	II/ 2007	III/ 2007	IV/ 2007
Building Systems	11.7	19.8	21.1	35.0	18.8	25.6	26.7	**41.1**
Construction Services	40.7	40.5	39.6	50.0	41.2	51.5	57.3	**50.6**
Industrial and Network Services	5.3	5.0	2.5	5.2	5.0	5.8	8.1	**22.3**
Other items	-4.0	-5.2	-4.6	-3.8	-3.8	-4.4	-2.7	**-5.3**
YIT Group	53.7	60.1	58.6	86.4	61.2	78.5	89.4	**108.7**

ORDER BACKLOG BY BUSINESS SEGMENT, MEUR

	I/ 2006	II/ 2006	III/ 2006	IV/ 2006	I/ 2007	II/ 2007	III/ 2007	IV/ 2007
Building Systems	517.6	584.1	582.7	601.7	670.3	721.8	740.5	**707.7**
Construction Services	1,296.5	1,391.8	1,524.4	2,053.5	2,137.9	2,378.3	2,263.3	**2,646.5**
Industrial and Network Services	219.5	208.4	180.3	184.0	228.8	213.6	221.7	**219.2**
Other items	-26.4	-33.0	-41.2	-36.9	-41.6	-38.5	-53.0	**-64.1**
YIT Group	2,007.2	2,151.3	2,246.2	2,802.3	2,995.4	3,275.2	3,172.5	**3,509.3**

YIT Corporation's Financial Statements and Board of Directors' Report for 2007

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Consolidated financial statements, IFRS

CONSOLIDATED INCOME STATEMENT

1000 EUR	Note	2007	2006
Revenue	2,4,5	**3,706,540**	3,284,397
Other operating income	6	**21,216**	7,962
Change in inventories of finished goods and in work in progress		**104,534**	124,868
Production for own use		**1,671**	3,857
Materials and services for own use		**-1,945,997**	-1,780,423
Personnel expenses	9	**-1,069,104**	-968,755
Depreciation and value adjustments	7, 10	**-455,140**	-390,342
Share of results in associated companies	16	**1,244**	1,337
Other operating expenses	8	**-27,201**	-24,131
Operating profit		**337,763**	258,770
Financial income		**2,587**	2,573
Exchange rate differences (net)		**-3,810**	-2,656
Financial expenses		**-30,982**	-20,522
Financial income and expenses	11	**-32,205**	-20,605
Profit before taxes		**305,558**	238,165
Income taxes	12	**-77,582**	-62,769
Net profit for the financial year		**227,976**	175,396
Attributable to:			
Equity holders of the company		**224,901**	170,957
Minority interest		**3,075**	4,439
Earnings per share for profit attributable to the equity holders of the Company during the financial year			
Basic earnings per share, EUR	13	**1.77**	1.36
Diluted earnings per share, EUR		**1.77**	1.35

Consolidated financial statements, IFRS

CONSOLIDATED BALANCE SHEET

1000 EUR	Note	2007	2006
ASSETS			
Non-current assets			
Tangible assets	14	**92,509**	91,836
Goodwill	15	**240,591**	248,808
Other intangible assets	15	**27,077**	15,623
Investments in associated companies	16	**3,615**	2,929
Other investments	17	**2,538**	2,970
Receivables	18	**15,121**	13,394
Deferred tax receivables	19	**27,159**	21,104
Total non-current assets		**408,610**	396,664
Current assets			
Inventories	20	**1,265,033**	1,006,381
Trade and other receivables	21,30	**727,486**	688,930
Cash and cash equivalents	22	**60,198**	25,850
Total current assets		**2,052,717**	1,721,161
TOTAL ASSETS		**2,461,327**	2,117,825

1000 EUR	Note	2007	2006
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the Company	23		
Share capital		**149,104**	63,389
Share premium reserve		**-**	83,750
Legal reserve		**1,009**	849
Other reserves		**13,857**	13,723
Treasury shares		**-**	-7
Translation differences		**-9,016**	-4,540
Fair value reserve		**1,925**	1,045
Retained earnings		**657,628**	512,355
		814,507	670,564
Minority interest		**3,843**	3,859
Total equity		**818,350**	674,423
Non-current liabilities			
Deferred tax liabilities	19	**71,485**	52,522
Pension obligations	24	**7,512**	11,573
Provisions	25	**34,161**	32,229
Interest-bearing liabilities	26	**356,885**	275,787
Other liabilities	27	**1,698**	8,444
Non-current liabilities		**471,741**	380,555
Current liabilities			
Trade and other liabilities	27	**920,180**	779,014
Income tax liabilities		**8,101**	8,966
Provisions	25	**24,821**	18,265
Current interest-bearing liabilities	26	**218,133**	256,602
Total current liabilities		**1,171,236**	1,062,847
Total liabilities		**1,642,977**	1,443,402
TOTAL EQUITY AND LIABILITIES		**2,461,327**	2,117,825

Consolidated financial statements, IFRS

CONSOLIDATED CASH FLOW STATEMENT

1000 EUR	Note	2007	2006
Cash flow from operating activities			
Net profit for the financial year		**227,976**	175,396
Adjustments for			
Depreciations		**27,201**	24,131
Reversal of accrual-based items		**2,207**	1,207
Financial income and expenses		**32,205**	20,605
Gains on the sale of tangible and intangible assets		**-18,659**	-433
Gains on the sale of investments		**0**	-1,493
Taxes		**77,582**	62,769
Total adjustments		**120,536**	106,786
Change in working capital			
Change in trade and other receivables		**-32,898**	-140,007
Change in inventories		**-259,826**	-319,575
Change in trade and other payables		**114,236**	101,033
Change in provisions		**4,429**	4,605
Change in working capital		**-174,059**	-353,944
Interest paid		**-27,316**	-24,892
Interest received		**2,249**	2,267
Dividends received		**154**	214
Taxes paid		**-66,163**	-54,100
Net cash generated from operating activities		**83,378**	-148,273

1000 EUR	Note	2007	2006
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	3	**-14,074**	-11,103
Disposals of associated companies		**392**	0
Purchases of property, plant and equipment		**-28,686**	-33,839
Purchases of intangible assets		**-6,443**	-3,139
Increases in other investments		**-116**	-39
Disposals of subsidiaries and operations	4	**31,687**	2,540
Proceeds from sale of tangible and intangible assets		**4,386**	3,049
Proceeds from sale of other investments		**0**	519
Net cash used in investing activities		**-12,854**	-42,012
Cash flow from financing activities			
Proceeds from share issues		**2,893**	6,618
Proceeds from borrowings		**168,136**	175,000
Repayment of borrowings		**-74,237**	-37,379
Repayment of current loans		**61**	86
Decrease in loan receivables		**-49,123**	61,946
Payments of financial leasing debts		**-1,355**	-1,973
Dividends paid		**-82,550**	-68,856
Net cash used in financing activities		**-36,175**	135,442
Net change in cash and cash equivalents		**34,349**	-54,843
Change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		**25,850**	80,590
Foreign exchange rate effect on cash and cash equivalents		**0**	103
Cash and cash equivalents at the end of the financial year	22	**60,198**	25,850

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1000 EUR	Equity attributable to the equity holders of the Company										
	Share capital	Share premium-reserve	Legal reserve	Other reserve	Cumulative translation differences *)	Fair value reserve	Treasury shares	Retained earnings	**Total**	**Minority interest**	**Total equity**
Equity on Jan 1, 2006	62,397	77,196	705	2,520	-2,947	-111	-7	420,014	**559,767**	3,752	563,519
Shares subscribed with options	992	5,627	-	-	-	-	-	-	-		
Change in the fair value of interest derivatives	-	-	-	-	-	977	-	-	-		
Change in the fair value of other investments 1)	-	-	-	-	-	179	-	-	-		
Change in translation differences	-	-	-	-	-1,593	-	-	-267	-		
Share based payments-option charge	-	927	-	11,203	-	-	-	-9,586	-		
Net profit for the financial year	-	-	-	-	-	-	-	170,956	-	4,439	
Dividend paid	-	-	-	-	-	-	-	-68,856	-		
Other change	-	-	144	-	-	-	-	94	-	-4,332	
Equity on Dec 31, 2006	63,389	83,750	849	13,723	-4,540	1,045	-7	512,355	**670,564**	3,859	674,423
Equity on Jan 1, 2007	63,389	83,750	849	13,723	-4,540	1,045	-7	512,355	**670,564**	3,859	674,423
Bonus issue	82,822	-82,822									
Shares subscribed with options	2,893	-	-	-	-	-	-	-	-		
Change in the fair value of interest derivatives	-	-	-	-	-	910	-	-	-		
Change in the fair value of other investments 1)	-	-	-	-	-	-30	-	-	-		
Change in translation differences	-	-	-	-	-4,476	-	-	-1,302	-		
Share based payments-option charge	-	-927	-	133	-	-	-	4,245	-		
Net profit for the financial year	-	-	-	-	-	-	-	224,901	-	3,075	
Dividend paid	-	-	-	-	-	-	-	-82,405	-	-146	
Other change	-	-1	160	1	-	-	7	-166	-	-2,945	
Equity on Dec 31, 2007	149,104	0	1,009	13,857	-9,016	1,925	0	657,628	**814,507**	3,843	818,350

1 Change in the fair value of available-for-sale investments (Note 17).

*) On December 31, 2003 the positive cumulative translation differences are included in legal reserve and the negative cumulative translation differences are included in retained earnings

1. ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED ACCOUNTS

Company profile

YIT is a service company focused on building and maintaining the technical structures of the modern living environment. The Group provides capital investment and maintenance services for the property and construction sector as well as industry and telecom networks. YIT's main market areas are the Nordic countries, the Baltic countries and Russia. The Group's business segments are: Building Systems, Construction Services, and Industrial and Network Services.

The Group's parent company is YIT Corporation. The parent company is domiciled in Helsinki, and its registered address is Panuntie 11, 00620, Helsinki, Finland. The parent company's shares have been listed on OMX Helsinki Stock Exchange since 1995.

Copies of the consolidated financial statements are available at www.yitgroup.com or the parent company's head office, address Panuntie 11, 00620 Helsinki, Finland. YIT Corporation's Board of Directors approved the consolidated financial statements for publication on February 7, 2008.

ACCOUNTING POLICY APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

The consolidated financial statements are drafted in line with IFRS (International Financial Reporting Standards). The IAS/IFRS standards approved by the EU Commission by December 31, 2007 and SIC and IFRIC interpretations have been complied with in the drafting of the statements. The notes to the consolidated financial statements also comply with Finnish accounting legislation and community law. The figures in the financial statements are presented in thousands of euros.

The consolidated financial statements have been prepared using the original acquisition cost, with the exception of available-for-sale investments, financial assets and liabilities measured at fair value through profit and loss, derivative contracts and hedged items in fair value hedging, all of which are measured at their fair value. Share-based payments (options granted) are measured at fair value at the time of granting.

Application of amended standards or interpretations as from January 1, 2007

The Group has applied the following amendments to the standards or new interpretations as from January 1, 2007:

- IFRS 7 Financial Instruments: Disclosures and IAS 1, Presentation of Financial Statements (Amendment). Due to the application of these standards, the notes to the consolidated financial statements have been supplemented, and notes 29 and 30 have been added.

The following interpretations that have come into force have not had an effect on the Group's financial reporting:

- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies.
- IFRIC 8, Scope of IFRS 2, applying to share-based payment transactions.
- IFRIC 9, Reassessment of Embedded Derivatives.
- IFRIC 10, Interim Financial Reporting and Impairment. The adoption has not had an effect on the Group's financial reporting.

Estimate of the future effect of new standards

The Group has not resorted to early application of the IFRS standards or interpretations coming into force in 2008 or thereafter. The Group management is exploring the effect of the application of the following standards and interpretations on financial reporting:

- IAS1 (Amendment), Presentation of Financial Statements.
- IAS 23, Borrowing Costs (Amendment).
- IAS 27 (Revised), Consolidated and separate financial statements.
- IFRS 3 (Revised), Business combinations.
- IFRS 8 Operating Segments.

The following interpretations that have been released and will come into force at a later date will not affect the Group's financial reporting:

- IFRIC 11, IFRS 2 Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 13, Customer Loyalty Programmes.
- IFRIC 14, IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Use of estimates

When financial statements are prepared in accordance with IFRS, the Group management must make estimates and exercise judgement in the application of the accounting policies. Estimates and assumptions have an effect on the amounts of assets, liabilities and contingent liabilities in the balance sheet of the financial statements and the amounts of revenues and expenses reported for the financial period. Estimates and assumptions have been used, for instance, in the impairment testing of goodwill and both intangible assets and property, plant and equipment; determining the depreciation periods of intangible assets and property, plant and equipment; the income recognition of construction contracts; the calculation of guarantee and liability provisions; and the recognition of deferred taxes.

Income recognition

Services provided

Income from services is recognised when the service has been performed.

Construction contracts

The income and costs of construction contracts are recorded as revenue and expenses on the basis of the degree of completion when the end result of the project can be estimated reliably. The degree of completion is calculated on the basis of the share of the estimated total cost of a contract represented by the costs realised at the time of assessment. If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately. Construction contracts are recognised as income on the basis of estimates. If the estimates of the end result of a construction contract change, the sales and profits recognised are amended in the financial period when the change first becomes known and can be evaluated.

The income and costs from developer contracting are recognised as revenue on the basis of the percentage of degree of completion and the degree of sale. Costs in excess of the degree of completion are capitalized in incomplete construction contracts.

Income from construction projects including leasing liabilities is recognised as revenue on the basis of the percentage of degree of completion and the degree of lease income. Leasing liabilities are treated as contract expenses. A provision for leasing liabilities is made if the remaining margin of the construction project is lower than the amount of the remaining leasing liability.

Impairment

At each closing date, the YIT Group evaluates whether there are indications of impairment in any asset item. If impairment is indicated, the recoverable amount of said asset is estimated. In addition, the recoverable amount is assessed annually for each of the following asset items regardless of whether impairment is indicated: goodwill, intangible assets with an unlimited economic lifetime and incomplete intangible assets.

The recoverable amount is the fair value of the asset item less selling costs or the value in use, whichever is higher. The recoverable amount of financial assets is either the fair value or the present value of future cash flows discounted at the original effective interest. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered in the income statement. An impairment loss is reversed when the situation changes and the amount recoverable from the asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed. Estimates must be used in the calculation of recoverable amounts. For more information on impairment testing, see note 16.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialization of the payment obligation is probable and the size of the obligation can be reliably estimated. If compensation for a share of the obligation can be received from a third party, the compensation is recorded as a separate asset item, but only when it is practically certain that said compensation will be received.

Provisions are booked for loss-making agreements when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the agreement.

A guarantee provision is recorded when a completed project is recognised in the income statement. The amount of the guarantee provision is set on the basis of experience of the materialisation of warranty costs.

The amount of 10-year provisions for commitments in the construction industry is set on the basis of experience of the materialization of commitments.

Subsidiaries

The consolidated financial statements include YIT Corporation and subsidiaries it owns either directly or indirectly and in which it has over 50% of the voting rights or in which the Group has a controlling interest otherwise. “Controlling interest” means the right to dictate a company’s financial and business principles in order to benefit from its operations. The acquisition cost method has been used in eliminating cross-ownership of shares. Acquired subsidiaries are included in the consolidated financial statements as from the moment when the Group has assumed a controlling interest, and divested subsidiaries are included until the moment when the Group ceases to have a controlling interest. All intra-Group transactions, receivables, liabilities and profits are eliminated in the consolidation. Unrealised losses are not eliminated if they are due to impairment.

Associates

The consolidated financial statements include associates in which the YIT Group either holds 20-50% of the voting rights or in which the Group has a significant influence otherwise but not a controlling interest. Associates have been consolidated using the equity method. If the Group’s share of an associates’ losses exceeds the carrying amount, losses in excess of the carrying amount are not consolidated unless the Group has committed itself to fulfilling the obligations of the associates. Unrealised profits between the Group and associates have been eliminated in accordance with the Group’s holding. An investment in an associate includes the goodwill arising from acquisition, which has been tested for impairment.

Joint ventures

Joint ventures are companies in which the YIT Group exercises a shared controlling interest with other parties. The YIT Group’s holdings in joint ventures are consolidated proportionally on a line-by-line basis. The consolidated financial statements include the Group’s share of joint venture assets, liabilities, profit and expenses.

Functional currency and presentation currency

The financial statement items of each Group company are measured using the currency of its business environment (“functional currency”). The consolidated financial statements are presented in euros, which is the Group’s functional and presentation currency.

Translation of items denominated in foreign currency

The income statements of foreign Group companies have been translated to euros using the average exchange rates quoted by the European Central Bank for the calendar months of the financial period, and the balance sheets have been translated using the rates on the closing date. The translation of the result for the period using different exchange rates in the income statement and balance sheet results in a translation difference, which is entered in shareholders’ equity.

Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the hedging result of net investment are entered in shareholders’ equity. When a subsidiary is sold, accumulated translation differences are recorded in the income statement as part of capital gains or losses on the sale. Translation differences arising before January 1, 2004, are recorded in retained earnings in connection with the transition to IFRS and they will not be entered in the income statement in the event of the sale of a subsidiary at a later date.

Both the goodwill arising from the acquisition of a foreign unit and the adjustments of acquired assets and liabilities to their fair values have been treated as the assets and liabilities of the foreign unit in question and translated at the rate on the closing date. The goodwill and fair value adjustments of acquisitions carried out prior to January 1, 2004, have been booked in euro amounts.

Transactions in foreign currency have been recorded in euros at the exchange rate on the date of the transaction. Monetary items denominated in foreign currency have been translated to euro amounts using the exchange rates on the closing date. Gains and losses from transactions in foreign currency and the translation of monetary items have been entered in the income statement. Capital gains and losses on business operations are included in the corresponding items above operating profit. Exchange rate gains and losses from financing are included in financial income and expenses.

Currency exchange rates used in YIT consolidated financial statements

	Average Rate in 2007	Exchange rate Dec 31, 2007	Exchange rate Dec 31,2006
1 EUR = USD	1.3705	1.4721	1.3170
SEK	9.2503	9.4415	9.0404
NOK	8.0164	7.9580	8.2380
DKK	7.4512	7.4583	7.4560
EEK	15.6466	15.6466	15.6466
LVL	0.7028	0.7028	0.7028
LTL	3.4528	3.4528	3.4528
RUB	35.0183	35.986	34.680

Fixed assets

Property, plant and equipment

Property, plant and equipment have been valued at the original acquisition cost less depreciation and impairment.

Assets are amortized on a straight-line basis over their estimated economic lifetime. Land is not amortized. The estimated economic lifetimes are:

Buildings	5 - 40 years
Machinery and equipment	3 - 15 years
Other property, plant and equipment	4 - 40 years

The residual values and economic lifetimes of assets are checked in each financial statement. If necessary, they are adjusted to reflect the changes in the expected financial benefits. Capital gains and losses on the sale of property, plant and equipment are included in the operating result.

Costs of debt

Costs of debt are expensed in the financial period in which they were incurred. Construction-stage interest is not capitalized. Transaction costs arising directly from the raising of loans – and which are clearly connected with a certain loan – are included in the original periodized acquisition cost of the loan and are periodized as interest expenses using the effective interest rate method.

Public grants

Public grants are recognised as decreases in the carrying amounts of property, plant and equipment. Grants are recognised as revenue through smaller depreciation over the economic life of the asset.

Investment properties

The YIT Group has no assets that are categorized as investment properties.

Intangible assets

Goodwill

In the case of companies acquired after January 1, 2004, goodwill corresponds to the share of the acquisition cost in excess of the Group's share of the fair value of the acquiree's net assets at the time of acquisition. The goodwill on the consolidation of business functions prior to this date corresponds to the carrying amount as per the previously employed accounting standards, which has been used as the deemed cost. Neither the classification nor accounting treatment of these acquisitions has been adjusted when drafting the opening consolidated IFRS balance sheet. Goodwill is subjected to an annual impairment test. To this end, goodwill is allocated to cash-generating units. Goodwill is measured at the original acquisition cost less impairment. Impairment is expensed directly in the income statement.

Research and development expenditure

Research expenditure is expensed in the income statement. Expenditure on the design of new or more advanced products is capitalized as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilized commercially and is expected to yield future financial benefits. Capitalized development expenditure is amortized over the economic life, which is estimated to be 5-10 years. Amortization begins when the asset is ready to be used. Incomplete assets are tested annually for impairment. Development expenses that are not expected to yield financial benefits are expensed in the income statement. To date, the Group's research and development expenditure has not met capitalization criteria.

Other intangible assets

Patents and licenses are entered in the balance sheet and expensed in the income statement on a straight-line basis over their economic lifetime. The depreciation period is 7-25 years. Brands with an unlimited economic lifetime are entered in the balance sheet; they are not depreciated, but are instead subjected to an impairment test on each closing date. The Group has not had such brands to date.

Inventories

Inventories are measured either at the acquisition cost or at the net realisable value, whichever is lower. The acquisition cost of materials and supplies is determined using the weighted average price method. The acquisition cost of finished and incomplete works comprises raw materials, direct costs of labour, other direct costs and the appropriate portion of the variable general costs of manufacture and fixed overhead. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sales. In measuring shares and real estate properties held in inventories, the available market information and the level of the yield on the properties are taken into account.

Lease agreements

Lease agreements concerning property, plant and equipment in which the Group holds a material share of the risks and benefits of ownership are classified as financial lease agreements. A financial lease agreement is entered in the balance sheet at either the fair value of the leased asset on the starting date of the lease agreement or the current value of the minimum rents, whichever is lower. Assets acquired under financial lease agreements are depreciated over their economic lifetime or the period of lease, whichever is shorter. The lease commitments of financial lease agreements are included in interest-bearing liabilities.

Lease agreements in which the risks and benefits of ownership are retained by the lessor are treated as other lease agreements. Rents paid on other lease agreements are expensed in even instalments in the income statement over the duration of the rental period. Incentives received are deducted from the rents paid on the basis of the time pattern of the user's benefit.

Employee benefits

Pension liabilities

The Group has different defined contribution and defined benefit pension plans in its business territories. The local regulations and practices of the countries in question are applied in these plans. Contributions to defined contribution pension plans are entered in the income statement in the financial period during which the charge applies. In defined benefit pension plans, the present value of future pension payments on the closing date is presented less the fair value of the plan-related assets on the closing date and adjusted with the actuarial profits and losses and retroactive labour costs. Pension liabilities are calculated by independent actuaries. Pension expenditure is expensed in the income statement, periodising the costs over the time in employment of the employees. Actuarial profits and losses in excess of a certain range of variation are entered for the average remaining time in employment of the employees.

All occupational pensions accrued in Finland have been treated as defined contribution plans. Supplementary pension insurance liabilities in Finland are recorded on a defined benefit basis. Occupational pensions in Sweden have been insured under a pension scheme shared with numerous employers. It has not been possible to acquire sufficient information about these pension liabilities to divide liabilities and assets by employer. Occupational pensions in Sweden have been treated on a defined contribution basis. An unemployment pension debt has been recorded for persons dismissed in connection with corporate arrangements. This liability has been estimated to be payable by the employer in accordance with the future pension.

Share options

The YIT Group has applied IFRS 2 Share-based Payment to all share option schemes in which options have been granted after November 7, 2002, and to which rights have not vested before January 1, 2005. No expenses on prior share option schemes have been presented in the income statement. The fair value of share options is determined as at the time granted and expensed in even instalments in the income statement over the vesting period of the rights. The expense determined at the time of granting the option is based on the Group's estimate of the number of options to which it is assumed that rights will vest by the end of the vesting period. The fair value is determined using the Black-Scholes pricing model. When share options are exercised, the cash payments (adjusted for any transaction costs) received on the basis of share subscriptions are entered in the share capital (nominal value) and the share premium fund. The Group updates its estimate of the final number of options on each closing date. Changes in estimates are recorded in the income statement.

Income taxes

Tax expenses in the income statement comprise taxes on the taxable income for the financial period and the deferred tax liabilities. Taxes on the taxable income for the financial period are calculated on the taxable income on the basis of the tax base in force in the country in question. Taxes are adjusted for the taxes of previous financial periods, if applicable.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. The largest temporary differences arise from the depreciation differences of property, plant and equipment, voluntary provisions in Sweden, defined benefit pension plans, provisions deductible at a later date, unused tax losses and measurement at fair value in connection with acquisitions.

No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future.

Deferred taxes have been calculated using the statutory tax bases or the tax bases whose confirmed content has been announced by the closing date.

Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialize in the future.

Financial assets and liabilities

The YIT Group has broken down its financial assets into the following categories in accordance with IAS 39: held for trading financial assets, financial assets originally measured
at fair value through profit and loss, loans and receivables, and available-for-sale financial assets and hedge accounting derivatives. Financial assets are classified in accordance with the purpose underlying the acquisition of the financial asset. The assets are categorized on initial recognition. The Group records financial assets and liabilities in the balance sheet when it becomes party to the contractual terms of the instrument. Transaction costs are included in the original carrying amount of financial assets when the item in question is not measured at fair value through profit or loss. All acquisitions and sales of financial assets are booked on the clearing day.

Financial assets are derecognised from the balance sheet when the contractual right to cash flows from an item included in financial assets ends or when control over said cash flows has been assigned to the transferee in connection with the transfer of trade receivables. Financial liabilities are derecognised from the balance sheet when the obligation itemized in the contract has been fulfilled, cancelled or has ceased to exist.

Financial assets

Only derivatives that do not meet the criteria for hedge accounting have been classified as being held for trading. The items in this group are measured at fair value. Both realised and unrealised gains and losses due to changes in fair value are recorded in the income statement in the financial period in which they were incurred.

"Loans and receivables" are assets whose related payments are fixed or definable. They are not quoted in well-functioning markets; and the company's primary intention is not to sell them in the short term. Loans and receivables are included in current and non-current financial assets and they are measured at the periodised acquisition cost. Trade receivables are measured on the basis of the probable benefits to the company; items deemed to be credit losses are thus accounted for in the value of trade receivables. Trade receivables from housing corporation shares are measured at the selling price in the deed of sale of the residential unit, adjusted for the degree of completion of the unit.

Available-for-sale financial assets primarily comprise shares and participations that are measured at fair value or at cost. Changes in the fair value of available-for-sale financial assets are entered in the fair value reserves in shareholders' equity. Changes in fair value are transferred from shareholders' equity to the income statement when the investment is sold or its value has declined such that an impairment loss must be recognised on it.

Liquid funds comprise cash, bank deposits withdrawable on demand and liquid short-term investments. The maturity of items classified into liquid funds is no more than three months from the date of acquisition. Liquid funds are recorded in the balance sheet at the original amount.

Financial liabilities

Financial liabilities are originally booked at their fair value on the basis of the consideration received. Transaction costs have been included in the original carrying amount of financial liabilities. Non-current financial liabilities are later valued at the periodised acquisition cost using the effective interest rate method.

Derivative contract-based liabilities are broken down into held for trading financial assets or hedge accounting derivatives. Unrealised and realised profit and loss from changes in the fair value of derivative instruments not used in hedge accounting are recognised under Financial income and expenses in the income statement for the period during which they emerge.

Debts due to developer contracting have been presented in interest-bearing current liabilities in accordance with their nature. In the case of unsold shares, contract receivables sold to financing companies are recognised as liabilities in their entirety and, in the case of sold shares, to the extent that they exceed the debt outstanding on the sold shares in accordance with the degree of completion. Loans from external financial institutions drawn down by housing corporations have been accounted for as liabilities to the extent that they apply to unsold shares.

Derivative contracts and hedge accounting

The YIT Group treats derivative contracts in accordance with IAS 39 Financial Instruments: Recognition and Measurement. All derivatives are initially measured at cost, which is their fair value on the transaction date, and they are later measured at fair value. Gains and losses arising from measurement at fair value are treated in accounting as dictated by the purpose of the derivative contract.

The Group treats derivative contracts either as hedges of cash flows from variable-interest liabilities, hedges for net investment in a foreign unit, or as derivative contracts that do not meet hedge accounting criteria under IAS 39.

When hedge accounting is initiated, the Group documents the relationship between the hedged item and the hedging instruments as well as the Group's risk management objectives and hedging strategy as required under IAS 39. Both when hedging is initiated, and before and after the drafting of each of its financial statements, the Group keeps a record of its estimates of whether changes in the fair value of the hedging instrument or the cash flows will reverse the fair value of the hedged item or changes in the cash flows highly effectively.

The Group applies cash flow hedge accounting to variable-interest loans. Changes in the fair value of the effective component of derivative instruments used as cash flow hedges are recorded directly in the fair value reserves in shareholders' equity and the ineffective component under financial income and expenses in the income statement. Gains and losses entered in shareholders' equity are transferred into the income statement in the financial period during which the hedged item is recorded in the income statement as an adjustment to interest expenses.

When a hedging instrument matures or is sold, or when the criteria for hedge accounting are no longer fulfilled, the gains or losses accrued from the hedging instrument are retained in shareholders' equity until the business transaction is consummated. If the transaction is no longer expected to be consummated, gains or losses accrued in shareholders' equity are immediately recognised in the income statement.

Although certain derivative contracts meet the requirements for effective hedging set by the Group's risk management, they do not in all respects meet the requirements of hedge accounting in accordance with IAS 39, even though they are effective financial hedging instruments. Revaluation of derivative contracts to which hedge accounting is not applied is recognised in profit or loss.

The fair values of derivatives are determined by comparing their carrying amount with their realisable value. Verifiable market prices or market-priced valuation by the counterparties of the derivatives are used to calculate their realisable values.

The fair values of hedge accounting derivatives with maturities in excess of a year are presented in non-current receivables or liabilities. The fair values of other derivatives are disclosed in current receivables and liabilities.

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2. SEGMENT INFORMATION

Segment information is given by business segments and by geographical segments determined. YIT group's primary reporting format is a business segment. The business segments follow the structure of YIT group organisation and financial reporting. Pricing of transactions between the business segments equals with the common price list in force.

Segment assets are those operating assets that are employed by a segment in its operating activities or can be allocated to the segment on a reasonable basis. The unallocated items include tax assets, financial assets and group level assets. Capital expenditures include increases of tangible and intangible assets to be employed longer than one financial period.

Business segments

YIT Group is organised into the following business segments:

Building Systems:
Servicing, repairs, renovation and modernization works required in homes, servicing and maintenance of the building equipment systems of properties as well as property management, refurbishing, modernization and new HEPAC, electrical and automation systems and individual contracted maintenance and servicing works.

Construction Services:
Residences: block of flats, single-family houses, leisure solutions, maintenance of roads, streets and properties, small-scale construction carried out under service agreements, project development, construction investments, renovation and property development projects, as well as infrastructure construction and development projects.

Industrial and Network Services:
IT helpdesk services, terminal device installation, household data network installation, updates and servicing, maintenance, installation and small-scale construction services for industrial plants and processes as well as data networks, industrial investments in electrical, automation and ventilation systems, piping and tanks, date network construction and installation projects. Network Services was disposed 31.12.2007. From the beginning of the year 2008, the segment is called Industrial Services.

2007 1000 EUR	Building Systems	Construction Services	Industrial and Network Services	Other and eliminations	Group
External sales	1,594,896	1,632,052	478,055	1,537	**3,706,540**
Inter-segment sales	55,101	2,888	11,788	-69,777	**-**
Sales	1,649,997	1,634,940	489,843	-68,240	**3,706,540**
Share of results of associated companies	12	1,232			**1,244**
Operating profit	112,199	200,610	41,170	-16,216	**337,763**
Unallocated items 1)					**-112,862**
Group operating profit					**224,901**
Segment's asset	763,998	1,566,481	240,958	-137,269	**2,434,168**
Unallocated assets 2)					**27,159**
Total assets	763,998	1,566,481	240,958	-137,269	**2,461,327**
Segment's liabilities	469,592	1,074,211	161,769	-134,081	**1,571,491**
Unallocated liabilities 3)					**71,485**
Total liabilities	469,592	1,074,211	161,769	-134,081	**1,642,976**
Gross capital expenditures	6,510	7,502	2,848	17,137	**33,997**
Depreciations	7,684	2,897	3,699	12,920	**27,201**
Impairments					
Goodwill charged to P/L	-	-	8,218	-	**8,218**
Other accrued charges to P/L					
Change in provisions and pension obligations	-1,155	4,963	725	-106	**4,427**

The unallocated items are the following:

1) Financial income and expenses, taxes and minority interest

2) Deferred tax receivables

3) Derferred tax liabilities

2006 1000 EUR	Building Systems	Construction Services	Industrial and Network Services	Other and eliminations	Group
External sales	1,367,173	1,447,883	468,557	784	3,284,397
Inter-segment sales	47,898	4,314	8,382	-60,594	-
Sales	1,415,071	1,452,197	476,939	-59,810	3,284,397
Share of results of associated companies	17	1,320	-	-	1,337
Operating profit	87,618	170,835	17,983	-17,666	258,770
Unallocated items 1)					-87,813
Net profit for the year					170,957
Segment's asset	635,924	1,335,801	198,477	-73,481	2,096,721
Unallocated assets 2)					21,104
Total assets	635,924	1,335,801	198,477	-73,481	2,117,825
Segment's liabilities	418,919	886,475	151,225	-65,739	1,390,880
Unallocated liabilities 3)					52,522
Total liabilities	418,919	886,475	151,225	-65,739	1,443,402
Gross capital expenditures	4,251	11,471	2,759	16,090	34,571
Depreciations	7,012	1,855	3,833	11,431	24,131
Impairments	-	-	-	-	-
Other accrued charges to P/L					
Change in provisions and pension obligations	-229	-339	5,201	-27	4,606

The unallocated items are the following:

1) Financial income and expenses, taxes and minority interest

2) Deferred tax receivables

3) Derferred tax liabilities

Geographical segments

YIT Group's geographical segments are Finland, Scandinavia (Sweden, Denmark and Norway), Russia, Baltic countries (Estonia, Latvia, Lithuania)

and Other countries. Revenue are presented by location of customers and assets are presented by location of assets.

2007, 1000 EUR	Finland	Scandinavia	Russia	Baltic countries	Other countries	Eliminations	Group
Revenue	1,907,998	1,228,596	322,594	222,234	25,118		3,706,540
Segment's asset	1,760,342	538,716	563,257	237,101	46	-665,294	2,434,168
Gross capital expenditures	20,137	5,809	5,891	2,160			33,997

2006, 1000 EUR	Finland	Scandinavia	Russia	Baltic countries	Other countries	Eliminations	Group
Revenue	1,807,005	1,049,434	216,906	196,863	14,189	-	3,284,397
Segment's asset	1,562,238	422,939	354,096	208,796	44	-451,392	2,096,721
Gross capital expenditures	21,981	3,312	7,099	4,793	-	-2,614	34,571

3. ACQUISITIONS

Acquisitions in 2007

In 2007, the YIT Group made only small acquisitions of companies and business operations in Finland, Sweden, Norway and Denmark. The acquisitions were made for Building Systems and Industrial and Network Services business segments. They served to bolster further YIT's current local operations.

The major acquisition were 100% holdings in Comfort Nord AS, in Brodrene Hagenes AS and in Halden Automasjon AS in Norway, and 100% holdings in Cellpipe AB in Sweden and in Monies & Andersens Eftf. A/S in Denmark, and 100% holding in Inesco Oy in Finland. Their total purchase price was EUR 14,6 million. The acquisitions did not generate unallocated goodwill. Goodwill was primaly allocated to intangible assets.

During the financial year, YIT increased its holding in ZAO YIT Moskovia by 5.1% to 92.9%.

Specification of acquired net assets

1000 EUR	Fair value	Seller's carrying amount
Cash and cash equivalents	2,408	2,408
Tangible assets	1,101	1,101
Intagible assets	11,956	4
Inventories	2,560	2,560
Receivables	9,018	9,018
Deferred tax liability (net)	-291	-291
Pension liabilities	0	0
Interest-bearing liabilities	0	0
Other liabilities	-10,138	-10,138
Acquired net assets	16,614	4,662

Cost of business combination

1000 EUR	
To be paid in cash	**16,614**
Direct costs related to acquisition	**0**
Total consideration	**16,614**
Acquired net assets	**16,614**
Goodwill	**0**

Cash outflow on the acquisition

1000 EUR	
To be paid in cash in acquisitions and increases in holdings	**17,638**
Direct costs related to acquisition	**0**
Cash and cash equivalents in acquired entity	**2,408**
Cash outflow on the acquisition	**-15,230**
Unpaid part at balance sheet date	**1,156**
Total cash flow on the acquisition	**-14,074**

Acquisitions in 2006

In 2006, the YIT Group made small acquisitions of companies and business functions in Finland, Sweden and Norway. The acquisitions were made for the Building Systems, Construction Services and Industrial and Network Services business segments. They served to bolster YIT's current local operations.

The major acquisitions were a 100 per cent holding in the Konepaja Alueputkitus Group and 100 per cent stakes in Fläktteknik i Umeå AB (Sweden) and URD Klima Mo AS (Norway). Their total purchase price was EUR 6.0 million. The acquisitions did not generate unallocated goodwill. Goodwill was primarily allocated to intangible assets and inventories.

The major acquirees were merged into existing operations, and thus it is not possible to assess the separate effect of the acquisitions on the 2006 result.The acquirees are small in relation to the Group's size.

During the financial year, YIT increased its holding in ZAO YIT Moskovia by 36.8 % to 87.8% and in AB YIT Kausta group by 9.4% to 95.1%.

Specification of acquired net assets

1000 EUR	Fair value	Seller's carrying amount
Cash and cash equivalents	5,133	5,133
Tangible assets	2,448	2,091
Intagible assets	4,691	5
Inventories	3,049	941
Receivables	5,893	5,893
Other liabilities	-8,995	-8,995
Acquired net assets	12,219	5,068

Cost of business combination

1000 EUR	
Paid in cash	12,219
Direct costs related to acquisition	0
Total consideration	12,219
Acquired net assets	12,219
Goodwill	0

Cash outflow on the acquisition

1000 EUR	
Paid in cash	12,219
Direct costs related to acquisition	0
Cash and cash equivalents in acquired entity	5,133
Cash outflow on the acquisition	-7,086
Acquisition of minority interest	-4,017
Total cash flow on the acquisition	-11,103

4. DISPOSALS

Disposals in 2007

In 2007 YIT Group sold 71% holding in YIT Kausta Guder, a subsidiary of a Lithuanian group company YIT Kausta and YIT Industrial and Network Services sold the operations of Network Services business unit.

The effect of disposed companies and businesses on the revenue, net profit for the year and cash flow was the following:

1000 EUR	1.1.-31.12.2007
Revenue	91,513
Operating expenses	-88,735
Operating profit	2,778
Financial expenses	19
Profit before taxes	2,797
Taxes	576
Net profit	2,221
Received in cash	32,196
Direct cost related to disposals	278
Cash in disposed	231
Cash flow effect	31,687

Net assets of the disposed subsidiaries and businesses

1000 EUR	2007
Property, plant and equipment	3,709
Intangible assets	78
Goodwill	8,218
Inventories	3,734
Trade receivables	1,445
Cash and cash equivalents	231
Total assets	17,415
Deferred tax liabilities	65
Interest bearing liabilities	102
Trade payables and other liabilities	1,573
Total liabilities	1,740
Minority interest	1,435
Net assets	14,240

The total consideration received from the disposals amounted to EUR 32.2 million and the net disposed assets amounted to EUR 14.2 million, accordingly the gain on disposals before taxes amounted to EUR 18.0 million. The gain on the disposals after taxes amounted to EUR 11.7 million.

Disposals in 2006

In 2006, the Lithuanian subsidiary AB YIT Kausta sold a structural steel plant and YIT Industrial and Network Services sold the ship electrification operations of Telesilta business unit.

The effect of disposed companies and businesses on the revenue, net profit for the year and cash flow was the following:

1000 EUR	1.1.- 31.12.2006
Revenue	5,183
Operating expenses	-5,246
Profit before taxes	-63
Taxes	-24
Net profit	-87
Received in cash	2,694
Direct cost related to disposals	151
Cash in disposed	3
Cash flow effect	2,540

Net assets of the disposed subsidiaries and businesses

1000 EUR	2006
Property,plant and equipment	268
Intangible assets	0
Inventories	1,486
Trade receivables	0
Cash and cash equivalents	0
Total assets	1,754
Trade payables and other liabilities	115
Total liabilities	115
Net assets	**1,639**

The total consideration received from the disposals amounted to EUR 3.0 million and the net disposed assets amounted to EUR 1.7 million, accordingly the gain on disposals before taxes amounted to EUR 1.4 million. The tax effect is EUR 0.3 million and the gain on the disposals after taxes is EUR 1.1 million.

5. LONG-TERM CONSTRUCTION CONTRACTS

1000 EUR	2007	2006
Contract revenue recognised as revenue in the period	**2,657,893**	2,396,867
Contract costs incurred and recognised profits less recognised losses to date for work in progress	**1,938,564**	1,840,623
Gross amount due from customers	**173,410**	194,731
Gross amount due to customers	**230,412**	163,623

The expenditure incurred and the profits recognized for the long-term projects, that exceed the amount invoiced for the project, the difference is disclosed in "Trade and other receivables" in the balance sheet. If the expenditure incurred and the profits recognized are lower than the amount invoiced for the project, the difference is disclosed in "Trade and other payables".

6. OTHER OPERATING INCOME

1000 EUR	2007	2006
Gains on the sale of tangible assets	**911**	914
Rent income	**1,439**	1,319
Gains on disposed companies or businesses	**17,956**	1,361
Other income	**910**	4,368
Total	**21,216**	7,962

7. OTHER OPERATING EXPENSES

1000 EUR	2007	2006
Losses on the sale of tangible assets	**208**	154
Rent expenses	**92,701**	84,079
Voluntary indirect personnel expenses	**16,952**	13,282
Other variable expenses for work in progress	**257,911**	220,199
Other fixed expenses	**87,368**	72,628
Total	**455,140**	390,342

8. DEPRECIATIONS AND IMPAIRMENTS

1000 EUR	2007	2006
Depreciations		
Intangible assets		
on intangible rights	**6,254**	4,979
on other intangible assets	**628**	587
Tangible assets		
on buildings and structures	**1,215**	1,111
on machinery and equipment	**16,524**	14,301
on machinery and equipment,	**1,450**	2,304
on other tangible assets	**1,130**	849
Total	**27,201**	24,131
Impairments		
on goodwill	**0**	0
on other tangible assets	**0**	0
on machinery and equipment	**0**	0
Total	**0**	0

9. EMPLOYEE BENEFIT EXPENSES

1000 EUR	**2007**	2006
Wages and salaries	**856,467**	773,157
Pension costs - defined contribution plan	**95,654**	87,446
Pension costs- defined benefit plan	**4,621**	2,127
Other post-employment benefits	**-121**	-68
Share options granted to employees	**3,451**	2,544
Other indirect employee costs	**109,032**	103,549
Total	**1,069,104**	968,755

Average number of personnel by business segment

1000	**2007**	2006
Building Systems	**12,124**	11,283
Construction Services	**6,173**	5,444
Industrial and Network Services	**4,757**	4,796
Other	**340**	323
Total	**23,394**	21,846

The key management compensation in total are disclosed in Note 35. Related party transactions.

10. RESEARCH AND DEVELOPMENT EXPENSES

YIT Group's research and development expenses amounted to about EUR 22.0 million in 2007 and EUR 21.0 million in 2006. The research and development expenses have been mainly recognised as a part of the costs of long-term projects and have been recorded as project costs.

11. FINANCIAL INCOME AND EXPENSES

1000 EUR	**2007**	2006
Financial income		
Dividend income on available for sale investments	**161**	22
Interest income on loans and other receivables	**2,257**	2,307
Changes in fair values on financial instruments		
at fair value through profit and loss account	**10**	0
Other financial income on loans and other receivables	**159**	244
Financial income, total	**2,587**	2,573
Financial expenses		
Interest expenses on liabilities at amortized cost	**-21,038**	-10,572
Interest expenses on receivables sold to financing companies	**-10,504**	-8,886
Other financial expenses on liabilities at amortized cost	**-357**	-890
Interest expenses on hedging derivatives	**917**	-130
Transfer from equity to P/L account	**0**	0
Interest expenses on non-hedging derivatives	**189**	0
Realized losses on available for sale investments 1)	**-99**	0
Changes in fair values on financial instruments at fair value through profit and loss account	**0**	0
Interest expenses on finance leases	**-90**	-44
Financial expenses, total	**-30,982**	-20,522
Exchange rate gains	**22,645**	19,409
Exchange rate losses	**-26,455**	-22,065
Exchange rate differences, net	**-3,810**	-2,656
Financial expenses, net	**-32,205**	-20,605

1) Transfer from equity

Exchange rate losses include realized cost of EUR 3.7 million (EUR 2.5 million) relating to interest rate differencies between euro and ruble and realized cost of EUR 1.5 million (EUR 0 million) relating to interest rate differencies between baltic currencies and euro. The change in Group's finance policy to stop hedging relating to exhange rate risk of equity items caused EUR 1.5 million exhange rate gain (Note 30).

12. INCOME TAXES

Income taxes in the income statement

1000 EUR	2007	2006
Current taxes	**65,286**	47,302
Taxes for prior years	**30**	471
Deferred taxes	**12,266**	14,996
Total income taxes	**77,582**	62,769

The reconciliation between income taxes in the consolidated income statement and income taxes at the statutory tax rate in Finland (26%) is as follows:

1000 EUR	2007	2006
Consolidated profit before taxes	**305,558**	238,165
Income taxes at the tax rate in Finland (26%)	**79,445**	61,923
Effect of different tax rates outside Finland	**-1,718**	-1,369
Tax exempt income	**-832**	-6,296
Non-deductible expenses	**4,766**	5,532
Deductible expenses	**-1,854**	0
Net results of associated companies	**-323**	-348
Impact of the changes in the tax rates on deferred taxes	**98**	0
Impact of losses for which deferred tax asset is recognised	**-5,385**	0
Taxes for prior years	**30**	471
Group eliminations	**3,355**	2,856
Income taxes in the income statement	**77,582**	62,769

13. EARNINGS PER SHARE

	2007	2006
Profit attributable to the equity holders of the Company, EUR 1000	**224,901**	170,957
Weighted average number of shares, 1000	**126,872**	125,357
Earnings per share, EUR	**1.77**	1.36

Diluted earnings per share is calculated by adjusting number of shares to assume conversion of all diluting potential shares. YIT Corporation has share options, which increase the number of potential dilutive ordinary shares, when the exercise price with an option is lower than the market value of the Company share. The diluting effect is the number of shares that the Company has to issue gratuitously because the received funds from the exercised options do not cover the fair value of the shares. The fair value of the Company share is the average market price of the shares during the period.

	2007	2006
Profit attributable to the equity holders of the Company, EUR 1000	**224,901**	170,957
Weighted average number of shares, 1000	**126,872**	125,357
Effect of the option warrants, EUR 1000	**156**	1,416
Diluted average number of shares, 1000	**127,028**	126,773
Diluted earnings per share, EUR	**1.77**	1.35

14. TANGIBLE ASSETS

2007 1000 EUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments	Total
Historical cost at January 1	2,865	32,653	160,701	8,381	2,103	**206,703**
Translation differences	-13	-106	-727	-5	0	**-851**
Increases	0	2,083	25,182	1,136	966	**29,367**
Acquisitions	0	0	1,101	0	0	**1,101**
Decreases	-81	-292	-4,544	-370	0	**-5,287**
Disposals	0	-723	-2,564	-422	0	**-3,709**
Reclassifications	0	-159	-39	-364	-2,103	**-2,665**
Historical cost at December 31	2,771	33,456	179,110	8,356	966	**224,659**
Accumulated depreciations and value adjustments at January 1	0	-17 003	-93,577	-4,287	0	**-114,867**
Translation differences	0	16	404	5	0	**425**
Depreciations	0	-1,215	-17,973	-1,130	0	**-20,318**
Accumulated depreciations of reclassifications	0	60	1,696	854	0	**2,610**
Accumulated depreciations and value adjustments at December 31	0	-18,142	-109,450	-4,558	0	**-132,150**
Carrying value January 1	2,865	15,650	67,124	4,094	2,103	**91,836**
Carrying value December 31	2,771	15,314	69,660	3,798	966	**92,509**

2006 1000 EUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments	Total
Historical cost at January 1	2,855	29,535	134,693	6,088	226	173,397
Translation differences	10	18	167	-	-	195
Increases	0	3,107	25,756	2,594	2,132	33,589
Acquisitions	0	0	2,448		0	2,448
Decreases	0	-7	-2,108	-239	-255	-2,609
Disposals	-	-	-243	-25	-	-268
Reclassifications	0	0	-12	-37	0	-49
Historical cost at December 31	2,865	32,653	160,701	8,381	2,103	206,703
Accumulated depreciations and value adjustments at January 1	-	-15,882	-76,979	-3,438	-	-96,299
Translation differences	-	-12	-180	0	-	-192
Depreciations	-	-1,111	-16,605	-849	-	-18,565
Accumulated depreciations of reclassifications	-	2	187	0	-	189
Accumulated depreciations and value adjustments at December 31	-	-17,003	-93,577	-4,287	-	-114,867
Carrying value January 1	2,855	13,653	57,714	2,650	226	77,098
Carrying value December 31	2,865	15,650	67,124	4,094	2,103	91,836

Finance lease assets

Tangible assets include assets leased by finance lease agreements as follows:

Machinery and Equipment 1000 EUR	2007	2006
Historical cost at January 1	**14,280**	14,078
Translation differences	**-97**	116
Increases	**699**	855
Decreases	**-605**	-795
Reclassifications	**-24**	26
Accumulated depreciations	**-11,504**	-10,192
Carrying value December 31	**2,749**	4,088

No impairment losses have been recognised in the years 2007 and 2006. The government grant received are not material. The received government grants have been deducted from the carrying value.

15. INTANGIBLE ASSETS

2007 1000 EUR	Intangible assets	Goodwill	Other capitalised expenses	Advance payments	Total
Historical cost at January 1	32,448	325,820	9,957	918	**369,143**
Increases	3,198	0	795	2,450	**6,443**
Acquisitions	11,956	0	0	0	**11,956**
Decreases 1)	-250	-8,218	-39	-8	**-8,515**
Reclassifications	944	0	125	-911	**158**
Translation differences	52	67	28	1	**148**
Historical cost at December 31	48,348	317,669	10,866	2,450	**379,333**
Accumulated depreciations January 1	-19,191	-77,012	-8,509	0	**-104,712**
Depreciations	-6,254	0	-628	0	**-6,882**
Translation differences	21	-66	-25	0	**-70**
Accumulated depreciations of reclassifications	21	0	-22	0	**-1**
Accumulated depreciations December 31	-25,403	-77,078	-9,184	0	**-111,665**
Carrying value January 1	13,257	248,808	1,448	918	**264,431**
Carrying value December 31	22,945	240,591	1,682	2,450	**267,668**

1) Decrease in goodwill is caused by the disposal of Network services business.

2006 1000 EUR	Intangible assets	Goodwill	Other capitalised expenses	Advance payments	Total
Historical cost at January 1	26,846	325,867	8,731	13	361,457
Increases	2,075	0	158	906	3,139
Acquisitions	3,646	0	1,045	0	4,691
Decreases	-33	0	0	-1	-34
Reclassifications	0	0	51	0	51
Translation differences	-86	-47	-28	0	-161
Historical cost at December 31	32,448	325,820	9,957	918	369,143
Accumulated depreciations January 1	-14,201	-77,059	-7,952	0	-99,212
Depreciations	-4,979	0	-587	0	-5,566
Translation differences	-8	47	27	0	66
Accumulated depreciations of reclassifications	-3	0	3	0	0
Accumulated depreciations December 31	-19,191	-77,012	-8,509	0	-104,712
Carrying value January 1	12,645	248,808	779	13	262,245
Carrying value December 31	13,257	248,808	1,448	918	264,431

YIT group's goodwill is allocated to the business segments and to the cash generating units (CGU) as follows:

	2007	2006
Building Systems		
Finland	**68,876**	68,876
Sweden	**41,805**	41,805
Denmark	**69,698**	69,698
Norway	**7,600**	7,600
Russia and Baltic	**-**	-
Construction Services		
Building and Residential construction	**-**	-
Business environments	**-**	-
Infrastructure	**-**	-
International operations	**10,861**	10 861
Industrial and Network Services	**41,750**	49,968
Total goodwill	**240,590**	248,808

The recoverable amount of all cash generating units (CGU) is based on the value in use calculations. The recoverable cash flows are based on three -year projections and on cash flows growing at a standard rate in line with these projections. In the impairment testing on September 2007 a growth rate of 2% has been used and the factor does not exceed the long-term actual growth of the business segments in question. The discount factor employed is YIT's latest confirmed pre-tax WACC (Weighted Average Cost of Capital), which is increased by an additional risk factor that is defined by CGU. A WACC of 8.5% was used in the testing. The risk factors used for the business segments were: Network Services 2%, Building Systems 1% and International operations in Construction Services 3%. The risk factors are always reassessed during testing and can vary between 1-3%.

The goodwill test results are evaluated by comparing the recoverable amount (E) with the carrying amount of the CGU (T), as follows:

	Ratio			Estimate
E		<	T	Impairment
E	0 - 20%	>	T	Slightly above
E	20 - 50%	>	T	Clearly above
E	50% -	>	T	Substantially above

The recoverable amount exceeded the carrying amount substantially in all cash generating units that have goodwill. Decrease of 8.218 thousand euros was caused by the disposal of Network services business unit.

16. INVESTMENTS IN ASSOCIATED COMPANIES

1000 EUR	**2007**	2006
Historical costs on January 1	**2 929**	1 784
Share of the profit	**1 244**	1 337
Increases	**0**	0
Disposals	**-302**	0
Dividend	**-256**	-192
Historical costs on December 31	**3 615**	2 929

The carrying amounts of the shares in associated companies does not include goodwill in 2007 and 2006.

YIT Group's associated companies

1000 EUR	Domicile	Assets	Liabilities	Revenue	Profit/loss	Ownership %
Haapaveden Puhdistamo Oy	Haapavesi	1,593	1,415	926	-24	41.0%
Arandur Oy	Vantaa	1,776	1,579	4,989	34	33.3%
AS Normanni Linnagrupp	Tallinn	52	0	0	0	50.0%
AS Tartu Maja Betoontooted	Tartto	20,605	6,430	26,491	4,845	25.0%
OOO Euroeni	St. Petersburg	2	-	-	3	25.0%
OOO Eurostroi	St. Petersburg	1	-	-	-	25.0%

17. OTHER INVESTMENTS

Other investments include quoted and unquoted investments, that have been classified available-for-sale investments. The quoted equity investments have been valued at fair value at closing date. For the unquoted investments the fair value can not be reliably determined. The unquoted investments have been valued at cost less possible impairments.

1000 EUR	**2007**	2006
Carrying value January 1	**2,970**	3,009
Increases	**116**	39
Decreases	**-518**	-257
Transfer from equity to P/L account	**0**	0
Changes in fair values	**-30**	179
Carrying value December 31	**2,538**	2,970

Quoted	**187**	217
Unquoted	**2,351**	2,753

18. NON-CURRENT RECEIVABLES

1000 EUR	**2007 Carrying value**	**2007 Fair value**	2006 Carrying value	2006 Fair value
Trade receivables	**97**	**97**	76	76
Loan receivables	**8**	**8**	69	69
Other receivables	**820**	**820**	1,000	1,000
Defined benefit pension assets	**11,083**	**11,083**	10,290	10,290
Accrued receivables of derivatives	**3,113**	**3,113**	1,959	1,959
Total Non-current receivables	**15,121**	**15,121**	13,394	13,394

19. DEFERRED TAX RECEIVABLES AND LIABILITIES

Changes in deferred tax receivables and liabilities

2007 1000 EUR	Jan.1	Translation difference	Recognised in the income statement	Recognised in equity	Acquisitions/ Disposals	Dec. 31
Deferred tax receivables:						
Provisions	15,049	28	1,054	-	26	**16,157**
Tax losses carried forward	1,156	-120	5,385	-	6	**6,427**
Pension obligations	1,288	34	-28	-	-	**1,294**
Percentage of completion method	1,515	-24	-783	-	-365	**343**
Other items	2,096	-5	853	-	-6	**2,938**
Total deferred tax receivables	21,104	-87	6,481	-	-339	**27,159**
Deferred tax liabilities:						
Allocation of intangible assets	19,770	330	5,156		234	**25,490**
Accumulated depreciation differences	5,976	-257	3,235	-	-	**8,954**
Percentage of completion method	19,235	-442	9,424	-	-	**28,217**
Fixed production overheads to WIP	1,486	-	-601	-	-	**885**
Fair value adjustments of derivatives	343	-	30	320	-	**693**
Other items	5,712	106	1,428	-	-	**7,246**
Total deferred tax liabilities	52,522	-263	18,672	320	234	**71,485**
Translation differences			75			
Deferred tax receivables, net	-31,418	176	-12,266	-320	-573	**-44,326**

All significant deferred tax receivables have been recognized in the Group's financial statement. The unrecognized deferred tax receivable from past years regarding YIT Sverige AB's confirmed loss has been recognized during the fiscal year 2007.

2006 1000 EUR	Jan.1	Translation difference	Recognised in the income statement	Recognised in equity	Acquisitions/ Disposals	Dec. 31
Deferred tax receivables:						
Provisions	13,264	-6	1,788	-	3	15,049
Tax losses carried forward	5,298	68	-4,210	-	-	1,156
Fair value adjustments of derivatives	97	-	-97	-	-	0
Pension obligations	2,028	-1	-739	-	-	1,288
Percentage of completion method	165	-5	1,355	-	-	1,515
Consolidation and eliminations	178	-	-178	-	-	0
Other items	2,528	-11	-445	-	24	2,096
Translation difference	-	-	-361	-	-	-
Total deferred tax receivables	23,558	45	-2,887	-	27	21,104
Deferred tax liabilities:						
Allocation of intangible assets	15,838	-23	292	-	4 247	19,770
Fair value adjustments of tangible and intangible assets	28	-	28	-	-	0
Accumulated depreciation differences	2,777	295	-3,082	-	-178	5,976
Percentage of completion method	6,655	-122	-12,620	-	82	19,235
Fixed production overheads to WIP	2,737	-	1,251	-	-	1,486
Consolidation and eliminations	24	-	24	-	-	0
Fair value adjustments of derivatives	0	-	-	343	-	343
Other items	8,404	-24	1,998	-	-669	5,712
Total deferred tax liabilities	36,463	126	-12,109	343	3,482	52,522
Deferred tax receivables, net	-12,905	-81	-14,996	-343	-3,455	-31,418

All significant deferred tax receivables have been recognized in the Group's financial statement. The unrecognized deferred tax receivable from past years regarding YIT Sverige AB's confirmed loss has been recognized during the fiscal year 2007.

Deferred tax liability on undistributed earnings of subsidiaries, where the tax will be paid on the distribution of earnings, has not been recognized in the consolidated balance sheet, because distribution of the earnings is in the control of the Group and it is not probable in the near future.

20. INVENTORIES

1000 EUR	2007	2006
Raw materials and consumables	**19,436**	19,467
Work in progress	**488,270**	378,168
Land areas and plot-owing companies	**567,114**	500,016
Shares in completed housing and real estate companies	**80,032**	64,872
Advance payments	**104,417**	35,264
Other inventories	**5,764**	8,594
Total inventories	**1,265,033**	1,006,381

The write-downs of inventories to net realisable value amounted to 3.673 thousand euros in 2007 and 991 thousand euros in 2006.

YIT Group has acquired land areas in Finland and abroad for the construction activities. The acquisition of a land area may be done by buying the ownership of property or of shares of a plot- owning company. The goodwill arisen from the acquisitions of plot-owning companies have been included in the total amount of Land areas and plot-owning companies in inventories.

21. TRADE AND OTHER RECEIVABLES

1000 EUR	**2007 Carrying value**	**2007 Fair value**	2006 Carrying value	2006 Fair value
Trade receivables	**451,702**	**451,702**	417,420	417,420
Loan receivables	**3,149**	**3,149**	3,063	3,063
Loan receivables from associated companies	**67**	**67**	2,629	2,629
Accrued income from long-term projects	**173,410**	**173,410**	194,731	194,731
Accrued income	**42,857**	**42,857**	38,693	38,693
Accrued tax receivables	**3,673**	**3,673**	6,921	6,921
Receivables from derivative agreements	**4,479**	**4,479**	1,795	1,795
Other receivables	**48,149**	**48,149**	23,678	23,678
Total	**727,486**	**727,486**	688,930	688,930
Interest bearing receivables	**3,216**		5,692	
Non-interest bearing receivables	**724,270**		683,238	

The trade receivables of the YIT Group have been 426,770 thousand euros on average in 2007 (2006: 383,448 thousand euros).

22. CASH AND CASH EQUIVALENTS

1000 EUR	**2007 Carrying value**	**2007 Fair value**	2006 Carrying value	2006 Fair value
Cash and cash equivalents	**60,198**	**60,198**	25,843	25,843
Current investments	**0**	**0**	7	7
Total	**60,198**	**60,198**	25,850	25,850

23. EQUITY

Share capital and share premium reserve

1000 EUR	Number of shares, 1000	Share capital	Share premium reserve	Treasury shares	Total
Jan 1, 2006	62,397,152	62,397	77,196	-7	139,586
Share split 1:2	62,397,152				
Share offering	-	-			
Shares subscribed with options	1,982,368	992	6,554		7,546
Purchase of treasury shares					
Dec 31, 2006	126,776,672	63,389	83,750	-7	147,132
Jan 1, 2007	126,777,062	63,389	83,750	-7	147,132
Bonus issue		82,822	-82,822		
Annulment of treasury shares	-400	-	-	7	7
Shares subscribed with options	441,200	2,893			2,893
Transfer to other reserves			-928		-928
Dec 31, 2007	127,217,872	149,104	0	0	149,104

The number of YIT Corporation's shares was 127,217,872 and the share capital amounted to 149,104 thousand euros at December 31, 2007.
All the issued and subscribed shares have been fully paid to the company.

As decided in the Annual General Meeting March 16, 2007 YIT Corporation's share premium fund was abolished and company's share capital increased by bonus issue.

Also it was decided to abandon the rulings in Articles of Associations regarding share nominal value and the maximum and minimum share capital. The increases in share capital in 2007 and 2006 resulted from share subscriptions carried out on the basis of share options 2006 and 2004.

Treasury shares
At the beginning of the year 2007 YIT Corporation held 400 treasury shares, which were voided on April 10, 2007.
The voiding reduced the number of YIT oyj's shares by 400, and decreased retained earnings by EUR 7,050.

Legal and other reserves
Legal reserves include the distributable earnings that have been booked to legal reserve based on the rule of Articles of Associations or by decision of Annual General Meeting. Other reserves include other equity reserves based on the regulation of local group companies.

Translation differences
Translation differences include the exchange rate differences recognised in group consolidation. Also, on the net investment in foreign subsidiaries, which are hedged with currency forwards, the portion of the gains and losses of effective hedges is recognised in equity.

Fair value reserves
Fair value reserves include movements in the fair value of the available-for-sale financial assets and the derivative instruments used for cash flow hedging.

Dividends
After the balance sheet date the Board has proposed to Annual General meeting a dividend of 0.80 euros per share.

Share options
The Group has got a share option schemes since March 7, 2002. The options, which have been granted after November 7, 2002 and to which rights have not vested before January 1, 2005 have been recognised according to IFRS 2. No expenses on the prior share option schemes have been charged to profit and loss account.

Group's share option schemes and principal terms are the following:

Grant year	Ratio	Exercise price, EUR	Subscription periods
2006K 1)	1:1	20.5300	1.4.-30.11 in years 2007-2008
2006L 2)	1:1	20.5300	1.4.-30.11 in years 2007-2008
2006M 3)	1:1	20.5300	1.4.-30.11 in years 2008-2009
2006N 4)	1:1	20.5300	1.4.-30.11 in years 2009-2010

1) Granted in 2006 to the Group's management and key employees
2) Granted to Group's management and key employees in 2007, according to the objectives for the growth and profitability in 2006
3) Will be granted to Group's management and key employees in 2008, if the objectives for the growth and profitability are achieved in 2007
4) Will be granted to Group's management and key employees in 2009, if the objectives for the growth and profitability are achieved in 2008
The option rights will be lapsed when leaving YIT group before the option rights have been vested.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2007 Average exercise price in euro/share	**2007 Options 1000**	2006 Average exercise price in euro/share	2006 Options 1000
January 1	**15.74**	**371,240**	4.32	643,279
Granted	**18.54**	**688,660**	19.50	274,440
Exercised	**6.73**	**223,380**	3.62	540,312
Lapsed	**10.86**	**6,820**	17.01	6,167
December 31	**20.53**	**829,700**	16.25	371,240

The average price of the options exercised during the year 2007 was EUR 6.73 and during the year 2006 EUR 3.62.

Share options outstanding at the end of year have the following expiry date and exercise prices:

Expiry	**Exercise price**	2007
2008	**20.53**	829,700

Based on the outstanding share options at the year-end the potential maximum increase in share capital is 17,033,741 euros and 829,700 shares.

In 2007 no new option schemes were declared.The fair value of options granted in 2006, determined using the Black & Scholes valuation model, was in average EUR 5,770 per share. The key factors used in the valuation are:

	2007	2006
Average weighted price of share (EUR)	**-**	21.93
Average weighted exercise price (EUR)	**-**	21.18
Volatility	**-**	23.70%
Duration	**-**	3.8
Risk free interest	**-**	3.82%
Dividends	**-**	0%

The expected volatility have been determined on the basis of the actual volatility of YIT share for the period before the granting date corresponding the duration of option schemes.

24. EMPLOYEE BENEFIT OBLIGATIONS

YIT group's subsidiary YIT Building Systems AS in Norway has a pension arrangement determined to be a defined benefit plan. The employees employed before September 1, 2003 were entitled to joint the defined benefit plan, the number of those people at the year-end 2007 was 1,648 (1,859).The employees employed after the September 1, 2003 are entitled to joint the defined contribution plan. The pension obligation for the defined benefit plan have been calculated based on the number of years employed and the salary level at the retirement age. The voluntary pension arrangements in Finland have been determined to be a defined benefit plan.

Unemployment pension liabilities have been recognized for employees made redundant in connection with corporate rearrangements. These liabilities have been estimated to be payable by the employer on accordance with future pensions.

Expenses recognized in income statement:	2007	2006
Charge for defined benefit pension plans	**4,621**	2,127
Charge for other post-employment benefits	**-121**	-68

The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	**74,902**	57,902
Fair value of plan assets	**-71,457**	-63,436
Deficit/surplus	**3,445**	-5,534
Present value of unfunded obligations	**5,034**	4,138
Unrecognised actuarial gains/losses	**-15,233**	-4,486
Net liability	**-6,754**	-5,882
Defined benefit pension assets (Note 19)	**11,038**	10,290
Defined benefit pension liability	**4,284**	4,408
Other post-employment benefit liability	**3,228**	7,165
Pension obligations in the balance sheet	**7,512**	11,573

The movement in the defined benefit obligation over the year:	2007	2006
January 1	**58,959**	54,041
Current service cost	**3,264**	2,244
Interest cost	**2,976**	2,435
Actuarial gains/losses	**11,475**	782
Benefits paid	**-1,772**	-1,600
December 31	**74,902**	57,902

The movement in the fair value of plan assets over the year:	2007	2006
January 1	**65,681**	57,709
Expected return on plan assets	**3,779**	3,762
Employer contributions	**3,770**	3,565
Benefits paid	**-1,772**	-1,599
December 31	**71,457**	63,437

The actual return on plan assets in the year 2007 was EUR 4.1 million euro (EUR 3.9 million).

The principal actuarial assumptions used were as follows:	2007	2006
Discount rate	**4.6%**	4.6%
Expected return on plan assets	**5.6%**	5.6%
Future salary increases	**4.5%**	2.5%
Future pension increases	**4.3%**	2.0%

The assumptions regarding the future mortality rate are based on statistics of actual experience. The used average life expectancy in years of pensioner retiring at the age of 67 is for male 17 years and for female 18 years.

25. PROVISIONS

1000 EUR	**Provisions for long-term projects**	**Provisions for loss making projects**	**Other provisions**	**Total**
January 1,2007	35,923	1,975	12,596	**50,494**
Translation difference	27	-39	-10	**-23**
Provision additions	12,216	237	10,631	**23,084**
Released during the period (+)	-7,948	-1 401	-2,782	**-12,131**
Reversals of unused provisions (-)	-184	0	-2,257	**-2,441**
December 31, 2007	40,033	771	18,178	**58,982**
Current	28,333	0	5,828	**34,161**
Non-current	11,700	771	12,350	**24,821**
Total	40,033	771	18,178	**58,982**

Provisions for long-term projects include provisions for contractual guarantees and for 10-year commitments in construction industry. The amount to 10-year commitments in construction industry is determined on the basis of experience of the realization of commitments. Other provisions include the provision for rental guarantees and provisions for restructuring.

26. INTEREST-BEARING LIABILITIES

1000 EUR	**2007 Carrying value**	**2007 Fair value**	2006 Carrying value	2006 Fair value
Non-current liabilities				
Bonds	**249,929**	**246,896**	225,022	225,277
Loans from credit institutions	**104,696**	**103,571**	46,320	45,747
Pension loans	**420**	**410**	1,467	1,416
Other loans	**525**	**525**	525	525
Finance lease liabilities	**1,315**	**1,315**	2,453	2,453
Total	**356,885**	**352,717**	275,787	275,418
Current liabilities				
Bonds	**74,971**	**74,985**	49,986	49,986
Loans from credit institutions	**4,885**	**4,885**	14,630	14,630
Pension loans	**1,047**	**1,047**	5,416	5,416
Commercial papers	**0**	**0**	35,185	35,185
Developer contracting liabilities				
Receivables sold to financing companies 1)	**102,863**	**102,863**	120,415	120,415
Liability in housing corporation loans 2)	**33,951**	**33,951**	28,610	28,610
Other loans	**0**	**0**	1,727	1,727
Finance lease liabilities	**416**	**416**	633	633
Total	**218,133**	**218,147**	256,602	256,602

The fair values of bonds and commercial papers are based on the market price of the bonds at the closing date. The fair values for other loans are based on discounted cash flows. Discount rate is defined to be the rate YIT Group was to pay for an equivalent external loan at year-end. It consists of risk free market rate and company and maturity-related risk premium of 0.30-1.50% (0.20-1.20%) pa.

1) The construction-stage contract receivables sold to financing companies totalled EUR 257.5 million (in 2006 EUR 272.1 million) at year end. Of this amount, EUR 102.9 million (EUR 120.4 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises receivables with qualify for derecognition according to IAS 39.15-37 and AG 36-52.The interest paid on sold receivables to the financing companies, EUR 10,9 million (EUR 9,3 million), is all included in net financial expenses.

2) The interest on shares in the housing corporation loans of unsold completed residences is recognized in project expenses, because it's included in housing corporation maintenance charges.

Bonds

1000 EUR	Interest rate	Currency	2007
Fixed-rate bonds			
3/2003-2009 1)	4.750	EUR	50,000
Floating-rate bonds			
1/2006-2011 2)	5.224	EUR	50,000
2/2006-2016 3)	5.245	EUR	50,000
3/2006-2008 4)	4.915	EUR	75,000
1/2007-2014 5)	5.284	EUR	50,000
2/2007-2012 6)	5.165	EUR	50,000
			325,000

Terms of the bonds in brief:
1) Loan-period 1.10.2003-1.10.2009, interest payments in arrear at October 1, annually. The bond is unsecured. ISIN code FI0003014142.
2) Loan-period 27.9.1006-27.9.2011, interest payments in arrear at December 27th, March 27th, June 27th and September 27th annually. Interest rate is 3 months Euribor + 0.45%. The bond is unsecured. ISIN code FI0003022442. (Private Placement).
3) Loan period 28.9.2006-28.9.2016, interest payments 28th December, 28th March, 28t. June and 28th September in arrear. Interest rate is 3 months Euribor +0.48%. Amortizations á 3 570 000 euros semiannually 28th March and 28th September, will start 28th March 2010. Loan is not secured. ISIN code SE0001826686. (Private Placement).
4) Loan-period 22.12.2006-22.12.2008, interest payments annually 22nd March, 22nd June, 22nd September and 22nd December in arrear. Interest rate is months Euribor +0.15%. The bond is unsecured. ISIN code FI0003023309. (Private Placement).
5) Loan-period 26.3.2007-26.3.2014, interest payments annually 26th March, 26th June, 26th September and 26th December in arrear. Interest rate is 3 months Euribor +0.50%. Loan is not secured. ISIN code FI0003024216. (Private Placement).
6) Loan-period 29.3.2007-29.3.2012, interest payments 29th March, 29th June, 29th September and 29th December in arrear. Interest rate is 3 months Euribor +0.40%. Loan is not secured. ISIN code SE0001991068. (Private Placement).

Interest rate risk management connected to loans
The proportion of fixed-interest loans in the Group's entire loan portfolio was 64 per cent (39%) and corresponding weighted average rate 4.555% (4.291%).

The weighted average rate of floating rate loans was 5.563% (4.108%). The weighted average rate of the whole loan portfolio was 4.921% (4.180%). These figures include the effect of interest rate swaps.

Interest rate swaps are designated as hedges of floating rate loans: 3 month Euribor -linked loan with carrying value of EUR 175 million and 6 month Euribor -linked loan with carrying value of EUR 35 million. These hedges qualify for effective hedging requirements according to IAS 39 and changes in fair value are, according to company accounting principles, recognized in fair value reserve. The weighted average rate of the whole loan portfolio is lowered by 0.349 percentage point via interest rate swaps.

Some Interest rate swaps are also designated as hedges of floating rate loans: 3 month Euribor -linked loan with carrying value of EUR 100 million and 1 month Euribor -linked 'receivables sold to financing companies' with carrying value of EUR 62 million. These hedges do not qualify for effective hedging requirements according to IAS 39 and changes in fair value are, according to company accounting principles, recognized in profit and loss account.

The duration of long term loans and derivative instruments hedging these loans was 1.28 years (1.52 years) at the end of 2007.

Finance lease liabilities

1000 EUR	2007	2006
Finance lease liabilities fall due in as follows:		
No later than 1 year	**1,177**	1,995
1-5 years	**667**	1,273
Later than 5 years	**0**	18
Total minimum lease payments	**1,844**	3,286
Present value of minimum lease payments		
No later than 1 year	**416**	1,911
1-5 years	**1,315**	1,157
Later than 5 years	**-**	18
Total present value of minimum lease payments	**1,731**	3,086
Future finance charges	**113**	200
Finance expenses charged to income statement	**113**	137

YIT Group's main finance lease agreements are the agreements of cars, machinery and equipment both in production and offices.

27. TRADE AND OTHER PAYABLE

1000 EUR	2007 Carrying value	2006 Carrying value
Non-current liabilities		
Trade payables	**444**	297
Other liabilities	**1,254**	8,147
Total non-current payables	**1,698**	8,444
Current liabilities		
Trade payables	**185,652**	185,283
Accrued expenses	**218,425**	178,088
Liabilities of derivative instruments	**457**	102
Accrued expenses in work in progress	**160,122**	149,196
Advances received	**230,412**	163,623
Other payables	**125,112**	102,722
Total current payables	**920,180**	779,014

Accrued expenses	2007	2006
Accrued employee-related liabilities	**155,697**	139,675
Interest expenses	**4,763**	2,813
Other accrued expenses	**57,965**	35,600

The carrying value of the non-interest bearing liabilities reflects nearly the fair value of them.

28. FAIR VALUES OF DERIVATIVE INSTRUMENTS

Nominal values	**2007**	2006
1000 EUR		
Foreign exchange forward contracts	**245,477**	202,675
Interest rate swaps	**399,790**	173,362

Fair values	**2007**	**2007**	**2007**	2006	2006	2006
1000 EUR	**Positive fair value (carrying value)**	**Negative fair value (carrying value)**	**Net value**	Positive fair value (carrying value)	Negative fair value (carrying value)	Net value
Foreign exchange forward contracts						
Hedge accounting applied	**0**	**0**	**0**	500	-218	282
Hedge accounting not applied	**4,324**	**-721**	**3,603**	2,933	-1,522	1,411
Total	**4,324**	**-721**	**3,603**	3,433	-1,740	1,693
Interest rate derivatives						
Hedge accounting applied	**2,401**	**0**	**2,401**	1,169	0	1,169
Hedge accounting not applied	**1,153**	**-22**	**1,131**	790	0	790
Total	**3,554**	**-22**	**3,532**	1,959	0	1,959

All derivatives are hedges according to Group's financial risk management policy, but hedge accounting, as defined in IAS 39, is applied only to certain derivative contracts.

Foreign exchange forward contracts are mainly designated as hedges of financial items and have been charged to profit and loss account. Foreign exchange forward contracts maturity dates are within 2008.

The duration of Group's interest bearing loans has been increased by interest rate derivatives. The changes in the fair value of derivatives with hedge accounting applied for, are recognised in fair value reserve in equity and the changes in fair value of derivatives with hedge accounting not applied for, are recognised in profit and loss account (Note 26). All the interest rate derivatives are long-term agreements corresponding the maturity of hedged liability, except for the derivatives of nominal value of EUR 100 million, which are due within the year 2008.

Interest rate options are designated as hedges of rental agreements linked to floating interest rates. Changes in fair values have been recognized in Income Statement.

29. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

2007 1000 EUR	Financial assets available for sale	Loans and other receivables	Initial recognition at fair value through profit or loss	Held for trading	Derivatives / hedge accounting	Finance liabilities	Carrying value	Fair value	Note
Valuation	Fair value	Measured at amortised cost	Fair value	Fair value	Fair value	Measured at amortised cost			
Non-current financial assets									
Other investments									
Investments available for sale	2,538						2,538	2,538	17
Receivables									
Interest bearing loan receivables		8					8	8	18
Trade receivables and other receivables		917					917	917	18
Insurances paid in advance 1)			11,083				11,083	11,083	18
Derivatives				1,121	1,992		3,113	3,113	18,28
Current financial assets									
Trade receivables and other receivables									
Interest bearing loan receivables		3,216					3,216	3,216	21
Trade receivables and other receivables		716,118					716,118	716,118	21
Income tax receivables		3,673					3,673	3,673	21
Derivatives				4 071	408		4,479	4,479	21,28
Cash and cash equivalents		60,198					60,198	60,198	22
Total by valuation group	**2,538**	**784,130**	**11,083**	**5,192**	**2,400**	**0**	**805,343**	**805,343**	
Non-current financial liabilities									
Interest bearing liabilities						356,885	356,885	352,717	26
Other liabilities									
Trade payables and other liabilities						1,698	1,698	1,698	27
Current financial liabilities									
Interest bearing liabilities						218,133	218,133	218,147	26
Trade payables and other liabilities									
Trade payables and other liabilities						919,723	919,723	919,723	26,27
Derivatives				457			457	457	27,28
Income tax liabilities						8,100	8,100	8,100	
Total by valuation group	**0**	**0**	**0**	**457**	**0**	**1,504 539**	**1,504,996**	**1,500,842**	

1) Defined benefit pension asset

2006 1000 EUR	Financial assets available for sale	Loans and other receivables	Initial recognition at fair value through profit or loss	Held for trading	Derivatives / hedge accounting	Finance liabilities	Carrying value	Fair value	Note
Valuation	Fair value	Measured at amortised cost	Fair value	Fair value	Fair value	Measured at amortised cost			
Non-current financial assets									
Other investments									
Investments available for sale	2,970						2,970	2,970	17
Receivables									
Interest bearing loan receivables		69					69	78	18
Trade receivables and other receivables		1,076					1,076	1,076	18
Insurances paid in advance 1)			10,290				10,290	10,290	18
Derivatives				790	1 169		1,959	1,959	18, 28
Current financial assets									
Trade receivables and other receivables									
Interest bearing loan receivables		5,692					5,692	5,692	21
Trade receivables and other receivables		674,522					674,522	442,893	21
Income tax receivables		6,921					6,921	6,921	21
Derivatives				1,645	150		1,795	1,795	21, 28
Cash and cash equivalents		25,850					25,850	25,850	22
Total by valuation group	**2,970**	**714,130**	**10,290**	**2,435**	**1,319**	**0**	**731,144**	**499,524**	
Non-current financial liabilities									
Interest bearing liabilities						275,787	275,787	275,418	26
Other liabilities									
Trade payables and other liabilities						8,444	8,444	8,444	27
Current financial liabilities									
Interest bearing liabilities						256,602	256,602	256,602	26
Trade payables and other liabilities									
Trade payables and other liabilities						778,912	778,912	778,912	26, 27
Derivatives				2	100		102	102	27, 28
Income tax liabilities						8,966	8,966	8,966	
Total by valuation group	**0**	**0**	**0**	**2**	**100**	**1,328,711**	**1,328,813**	**1,328,444**	

1) Defined benefit pension asset

30. FINANCIAL RISK MANAGEMENT

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

The Board of Directors has approved the Corporate Finance Policy. The Group's Finance Department is responsible for the practical implementation of the policy in association with the business units.

Interest rate risk management
The objective of managing interest rate risk is to optimise net interest expenses across the business cycle.

Interest rate risks are examined from the perspective of both the financial balance sheet and the entire balance sheet. Changes in interest rates not only impact the Group's net interest expenses, but also residential demand and thereby future cash flows. The main focus in interest rate risk management in 2007 has been on managing interest rate risks having an effect on items affecting the profit and loss account. Maturity of the Group's interest-bearing net debt is followed-up on a monthly basis based on the interest rate fixing period.

Group's net position's next interest change

1000 EUR

	2007	2006
< 1month	**-189,724**	-329,071
1-3 months	**-62,206**	-75,000
3-12 months	**-183,841**	-79,065
1-5 years	**-188,261**	-142,402
Total	**-624,032**	-625,538

The figures in the table are nominal values.
Off-balance receivables sold to financing companies amounting to EUR 154.9 million (EUR 151.7 million) are included in the figures above.

At the balance sheet date, a one-percentage unit change in the interest rates would have had an impact of EUR 2.6 million (EUR 4.1 million) on the Group's annual net interest expenses.

At the balance sheet date, a one-percentage unit change in the interest rates would have had a valuation impact of EUR 3.1 million on the operating profit from interest rate derivatives outside the scope of hedge accounting. The impact of this change in interest rates on the valuation of interest rate derivatives in the scope of hedge accounting would have been EUR 3.5 million on fair value reserve under shareholder's equity.

Loans from external parties are as a rule euro-denominated. The parent company is also exposed to interest rate risk of other currencies by using foreign exchange forward contracts to hedge against the currency rate risks of foreign currency-denominated loans to subsidiaries. With the euro interest rate held unchanged, a one-percentage unit change in the Russian Rouble interest rate would have had an impact of EUR 3 million on the Group's operating profit. The sensitivity analysis is based on the existing currency forward contracts at the balance sheet date.

The loan portfolio comprises the main part of the company's financial balance sheet. The interest rate risk connected with interest-bearing liabilities is managed by changing the composition of the loan portfolio either by undertaking actual loan operations or through derivatives. The derivative instruments used are listed in the Corporate Finance Policy approved by the Board of Directors.

The decision on the duration target set for long-term loans is taken by the Board of Directors. The Vice President, Corporate Finance, can take decisions within the framework of the 2-year duration target with a deviation of +/- 1.0 year. A central factor affecting the Group's duration target is the plot reserve, which is a major inventory item.

Examined separately from the above-mentioned duration target is the interest rate exposure of receivables sold to financing companies. For this exposure the duration is made up, on the one hand, of the maturities of the limits set and, on the other hand, of the construction time of the projects to be financed. Hedging decisions on this exposure are taken by the Group's Chief Financial Officer (CFO).

The company as a rule applies hedge accounting as per IAS 39 for hedging the interest rate risk. (Notes 26 and 28)

Responsibility for the Group's interest rate risk management rests with the parent company's Finance Department.

Credit and counterparty risk
Most of the Group's business activities are based on established and trustworthy customer relations and contractual terms commonly used in the Group's field of business. Invoicing is based on 14-30-day payment terms as a rule. New customers are thoroughly evaluated via e.g. credit agencies. The Group has no significant concentrations of credit risk as the range of customers is wide and geographically spread out in the Group's area of operations.

In the case of residential and business premises that are not paid up until the handing-over of the project, receivables and the related counterparty risks are transferred to the financiers. Transfers qualify for IAS 39 derecognition.

Responsibility for the credit risk related to trade receivables rests with the business units. (Note 21)

Trade receivables ageing 31.12.2007

1000 EUR Ageing	Carrying value	Write offs and provisions	Gross amount
Undue	**378,055**	0	378,055
1-90 days	**61,549**	-809	62,357
91-180 days	**5,226**	-478	5,703
181-360 days	**3,841**	-588	4,430
over 360 days	**3,032**	-740	3,772
Total	**451,702**	**-2 615**	**454,317**

According to the Group's principle concerning the valuation of trade receivables, 50% of unsecured and uncertain receivables overdue more than 180 days and 100% of those overdue more than 360 days is recognised as an expense.

Due to the application of the percentage of completion method, a part of the items considered write-downs is included in the project cost estimate and taken into consideration as weakened margin forecast. Write-downs on loss-making projects are included in the provisions for losses.

According to the Corporate Finance Policy only short-term liquidity management investments are made. YIT Corporation's Board of Directors approves the counterparties and their limits for short-term investments. Responsibility for counterparty risk related to financial instruments rests with the parent company's Finance Department.

The maximum credit risk of the Group on December 31, 2007 was the carrying amount of financial assets.

Liquidity risk
The objective of liquidity management is to optimise the use of liquid funds for operational financing.

Furthermore, the YIT Group aims to minimise net interest expenses and bank costs.

The Group's liquidity management is based on the financial budget composed once every 6 months, a monthly financial forecast and short-term, up-to-date cashflow forecast.

The Finance Department ensures that a sufficient number of different financing sources are available and the maturity profile of external loans is controlled. The parent company's Finance Department handles the YIT Group's asset management and funding on a centralized basis. YIT's internal debt relationships exist directly between the Group's parent company and the subsidiaries.

The tools used in liquidity management are Group bank accounts with an overdraft, financing credit facilities and commercial paper programmes. Unused financial programmes and mainly uncommitted credit facilities totalled EUR 525 million (EUR 411 million) on December 31, 2007. Deposits will not be used as a liquidity buffer until the Group's equity ratio exceeds the strategic target limit (35%).

The table below describes the maturity of financial liabilities and interests based on contracts. The figures are undiscounted. Future interest flows of floating rate loans and interest rate swaps are based on the interest of December 31, 2007 (December 31, 2006). Cash flows of foreign currency-denominated loans are translated into euros at the balance sheet date exchange rates. Cash flows of currency forward contracts are translated into euros at forward rates.

Financial liabilities and interests maturity analysis 31.12.2007 based on contracts

1000 EUR	2008	2009	2010	2011	2012	2013-	Total	Note
Bonds	91,720	62,965	17,730	67,084	63,145	91,892	394,536	26,29
Loans from financial institutions	10,645	13,174	37,947	13,218	48,925	11,136	135,045	26,29
Pension loans	1,089	428	0	0	0	0	1,517	26,29
Receivables sold to financing companies 1)	0	0	0	0	0	0	0	26,29
Financial leasing	107,965	1,634	0	0	0	0	109,599	26,29
Other interest bearing liabilities 2)	1,177	639	12	12	4	0	1,844	26,29
Trade payables and other liabilities	34,952	31	31	31	31	556	35,632	26,29
Interest derivatives	920,180	849	849	0	0	0	921,878	27,29
Hedge accounting applied								
Hedge accounting not applied	-1 692	-1,131	974	-382	0	0	-2,231	27,28,29
Currency derivatives	-240	0	0	0	0	0	-240	27,28,29
Cash outflow								
Cash inflow	241,848	0	0	0	0	0	241,848	27,28,29
Cash inflow	245,477	0	0	0	0	0	245,477	27,28,29

Financial liabilities and interests maturity analysis 31.12.2006 based on contracts

1000 EUR	2007	2008	2019	2010	2011	2012-	Total	Note
Bonds	61,480	84,448	56,555	11,095	60,796	39,094	313,468	26,29
Loans from financial institutions	17,281	6,214	8,681	10,798	10,338	19,043	72,355	26,29
Pension loans	5,613	1,089	428	0	0	0	7,130	26,29
Commercial papers	36,000	0	0	0	0	0	36,000	26,29
Receivables sold to financing companies 1)	121,020	3,298	0	0	0	0	124,318	26,29
Financial leasing	2,102	1,131	44	5	4	0	3,286	26,29
Other interest bearing liabilities 2)	30,388	31	31	31	31	556	31,068	26,29
Trade payables and other liabilities	747,489	4,870	4,870	0	0	0	757,229	27,29
Interest derivatives								
Hedge accounting applied	-88	159	163	28	28	0	290	27,28,29
Hedge accounting not applied	0	0	0	0	0	0	0	27,28,29
Currency derivatives								
Cash outflow	196,651	4,318	0	0	0	0	200,969	27,28,29
Cash inflow	198,289	4,386	0	0	0	0	202,675	27,28,29

1) Receivables sold to financing companies are financial liabilities connected with developer-contracted housing projects that are set off by payments made by the buyers of residential units.
2) Includes the shares in the housing corporation loans of unsold completed residential projects, whose duration depends on the turnover of residential sales.

Currency risk

The objective of managing currency risk at YIT is to reduce the uncertainty caused by currency rate movements on profit through cash flows and the valuation of business receivables and liabilities.

The currency risk consists of economic risk (impact of exchange rate fluctuations on the company's competitiveness), translation risk (translation differences arising from foreign subsidiaries) and transaction risk (currency risk of foreign currency-denominated cash flow).

The hedging of economic risk is undertaken only by separate decision of the Chief Financial Officer (CFO).

The principle adhered to in managing translation risk is that the value of the YIT Group's shareholders' equity in the functional currency is not hedged against changes in foreign exchange rates. Equity of foreign subsidiaries and similar long-term investments are not hedged.

The hedging of the translation position was abandoned during the report period. IAS 39-compliant hedge accounting was used in the hedges, and therefore profits and losses recognised in the fair value reserve under shareholders' equity are recognised in the income statement in accordance with the accounting principles when the net investment is abandoned. Hedge accounting under IAS 39 was abandoned for these items on December 31, 2006. The exchange rate profit of EUR 1.5 million due to the distribution of the hedging instruments was recognised for the report period.

An increase or decrease of 5 per cent in the exchange rate of the euro to the Russian Rouble, Swedish Crown and Norwegian Crown would have had an impact of EUR 11.9 million on translation differences under consolidated shareholders' equity. The change percentage represents the average exchange rate change over the previous 12 months.

Transaction risk is hedged on a company-specific basis against the functional currency of the company in question. According to the Corporate Finance Policy, all committed items in the transaction position must be hedged. The business units/subsidiaries are responsible for identifying and hedging their transaction risks.

Hedging is performed by the parent company's Finance Department, either as intra-Group or external transactions. The company does not as a rule apply hedge accounting as per IFRS for the transaction position. The most significant currencies hedged during the year 2007 were RUB, SEK, NOK and USD.

Intra-group loans are issued in each subsidiary's functional currency. Loans taken by the parent company are as a rule euro-denominated. The parent company hedges the arising currency risk with currency forward contracts.

The strengthening or weakening of the euro does not have a significant impact on the result. The sensitivity analysis takes into consideration currency forward contracts that net the impacts of changes in exchange rates.

Translation position 31.12.2007

1000 EUR	**2007 Net investment**	2006 Net investment
SEK	**78,842**	61,508
NOK	**8,725**	-12,888
DKK	**15,288**	7,469
RUB	**150,919**	118,329
Other currencies	**65,242**	43,529

Group's interest bearing liabilities by currency 31.12.2007

1000 EUR	**2007**	2006
EUR	**511,321**	528,701
LVL	**23,478**	0
RUB	**38,825**	16
NOK	**911**	635
SEK	**479**	1,214
LTL	**0**	1,790
EEK	**4**	33

Trade receivables and trade payables by currency 31.12.2007

1000 EUR

Trade receivables

Invoicing currency	Currency amount	1000 EUR	share
EUR	213,965	213,999	47%
NOK	687,113	86,346	19%
SEK	908,617	96,237	21%
RUB	701,551	5,344	1%
USD	42	29	0%
EEK	152,891	9,772	2%
DKK	224,612	30,116	7%
LTL	6,733	9,013	2%
LVL	840	847	0%
Other	0	0	0%
Total		451,702	100%

Trade payables

Invoicing currency	Currency amount	1000 EUR	share
EUR	69,205	67,426	36%
NOK	158,115	19,870	11%
SEK	375,972	39,827	21%
RUB	595,017	23,673	13%
USD	1,220	832	0%
EEK	98,501	6,295	3%
DKK	91,676	12,292	7%
LTL	50,733	14,693	8%
LVL	539	1,168	1%
Other	1,198	19	0%
Total		186,096	100%

The currency distribution of trade receivables and trade payables corresponds to the functional currency of the invoicing and invoiced companies, thus there is no open exchange rate risk associated with it.

31. OTHER LEASE AGREEMENTS

YIT Group as lessee
The future minimum lease payments under non-cancellable operating leases:

1000 EUR	2007	2006
No later than 1 year	**43,730**	40,560
1 - 5 years	**108,298**	86,250
Later than 5 years	**142,240**	75,322
	294,267	202,132

The operating lease payments charged to income statement in 2007 amounted to 49,389 thousand euros (in 2006 42,795 thousand euros).

The YIT Group has leased the office facilities in use. The operating lease agreements of office facilities have a period of validity up to fifteen years. Most of the agreements include the possibility of continuing after the initial expiry date. The index, renewal and other terms of the lease agreements of office facilities are dissimilar to each other. Operating leases include also the liabilities of operating lease agreements of employee cars, which have the average duration of five years.

32. COMMITMENTS AND CONTINGENT LIABILITIES

1000 EUR	2007	2006
Collateral given for own liabilities		
Corporate mortgages	**29,265**	29,265
Pledged shares	**0**	1,490
Other commitments		
Rental guarantees for clients	**7,849**	6,475
Other contingent liabilities	**676**	776
Other guarantees	**12,390**	0
Investment commitments		
Repurchase commitments	**202,938**	252,506
Contingent assets		
Legal proceedings	**11,116**	11,116

The Group is engaged in numerous legal proceedings that are connected to ordinary operations and whose outcomes are difficult to predict. Contingent assets include an item that has been paid to the Group under a court ruling but which has not been given final confirmation. The item will be recognized as income when the final ruling is known. It is the understanding of the Group that the other legal proceedings do not have significant effect on the Group's result.

33. SUBSIDIARIES

(Excluding the real estate companies included in inventories.)

Company name	Domicile	Holding -%
Shares in subsidiaries, owned by the parent company		
YIT Rakennus Oy	Helsinki	100.00
YIT Building Systems Oy	Helsinki	100.00
YIT Teollisuus- ja verkkopalvelut Oy	Vantaa	100.00
YIT Kalusto Oy	Urjala	100.00
YIT Tietotekniikka Oy	Helsinki	100.00
Shares in subsidiaries, owned by YIT Construction Ltd		
YIT Concept Projektinjohtopalvelut Oy	Helsinki	100.00
AS YIT Ehitus	Tallinn	100.00
AS Keskkonnaehitus	Tallinn	100.00
AS Koidu Kinnisvara	Tallinn	100.00
OÜ Plasma Project	Tallinn	100.00
OÜ FKSM KE	Tallinn	100.00
OÜ Servituudihaldus	Tallinn	100.00
OÜ Polaron Holding	Tallinn	100.00
OÜ Vintano	Tallinn	100.00
Nordic Arenduse AS	Tallinn	100.00
SIA YIT Celtnieciba	Riga	100.00
SIA Ebelmuiza Ligzda	Riga	100.00
YIT Vatten & Miljöteknik AB	Landskrona	100.00
ZAO YIT-Genstroi	Moscow	100.00
YIT Invest Export Oy	Helsinki	100.00
ZAO YIT Moskovia	Moscow	92.88
OOO UYT Service	Moscow	51.00
YIT Environment Oy	Helsinki	100.00
YIT Project Invest Oy	Helsinki	100.00
ZAO YIT Lentek	St. Petersburg	100.00
Urepol Oy	Helsinki	100.00
ZAO YIT Don	Rostov-na-Donu	60.00
YIT Polska Sp zo.o	Cracow	100.00

Company name	Domicile	Holding -%
Shares in subsidiaries, owned by YIT Construction Ltd		
AB YIT Kausta	Kaunas	95.08
UAB LEZ Terminalas	Kaunas	100.00
UAB YIT Kausta Bustas	Vilnius	100.00
YIT Salym Development Oy	Helsinki	100.00
ZAO YIT Saint -Petersburg	St. Petersburg	100.00
Tortum Oy Ab	Helsinki	100.00
ZAO YIT Uralstroi	Moscow	71.00
Finn-Stroi Oy	Helsinki	100.00
ZAO YIT CityStroi	Moscow	65.00
ZAO TPK Strojmaterialy	Moscow	100.00

Company name	Domicile	Holding -%
Shares in subsidiaries, owned by YIT Building Systems Ltd		
YIT Sverige AB (Group)	Solna	100.00
Calor Fastigheter AB	Solna	100.00
Calor AB	Solna	100.00
Calor nr 1 AB	Solna	100.00
Carlsson & Myrberg AB	Solna	100.00
Smedby Värme & Sanitet AB	Solna	100.00
Värmebolaget i Västerås AB	Solna	100.00
Fläktteknik i Umeå AB	Solna	100.00
Cellpipe AB	Solna	100.00
YIT Kiinteistötekniikka Oy	Helsinki	100.00
YIT-Huber East Oy	Helsinki	100.00
YIT-Huber Invest Oy	Helsinki	100.00
ZAO YIT-Peter	St. Petersburg	100.00
YIT Elmek Ltd	Moscow	100.00
YIT Building Systems AS	Austrheim	100.00
AS YIT Emico	Tallinn	81.67
YIT Tehsistem SIA	Riga	100.00
YIT A/S	Fredericia	100.00
YIT Monies & Andersens Efif. A/S	Vanløse	100.00
YIT Technika UAB	Vilnius	100.00

Company name	Domicile	Holding -%
Shares in subsidiaries, owned by YIT Industry and Network Ltd		
YIT Teollisuus Invest Oy	Helsinki	100.00
OOO YIT Industria	St. Petersburg	100.00
Inesco Oy	Espoo	100.00
Oy Botnia Mill Service Ab	Kemi	49.83
Kiinteistö Oy Leppävirran Teollisuustie 1	Leppävirta	60.00

34. JOINT VENTURES

Group has a joint control of 33.3% in a company SWTP Constrcution Oy.
The following assets,liabilities, revenues and expenses of the joint venture company are included into consolidated balance sheet and income statement

1000 EUR	**2007**	2006
Non-current assets	**-**	-
Current assets	**54**	409
Non-current liabilities	**-**	-
Current liabilities	**85**	406
Revenues	**0**	0
Expenses	**-34**	-175

35. RELATED PARTY TRANSACTIONS

1000 EUR	**2007**	2006
Sales of goods and services	**4,827**	1,192
Purchases of goods and services	**40,094**	368
Trade and other receivables	67	2,601
Trade and other liabilities	827	0

Goods and services to associated companies are sold on the basis of price lists in force with non-related parties.

Key management compensation 1)		
Salaries and other short-term employee benefits	**2,174**	3,889
Termination benefits	**1,246**	987
Share-based payments, options EUR 2)	**231,598**	82,420
Share-based payments, options	**52,600**	18,720

1) The Board of Directors, President and CEO, Deputy to the President and CEO and the Management Board
2) The value of the options is based on the fair value determined at the granting date by using the Black & Scholes valuation model.

Retirement age
Retirement age of President and CEO and Executive Vice President and deputy to CEO has been set at 62. The contractual retirement age of one of the members of the Group's Management Board is 60. In other respects the statutory retirement age applies to the members of the Management Board.

Termination compensation
The period of notice of the president and CEO and the deputy to the president and CEO is six months. If the company terminates his contract, the CEO or the deputy to the CEO shall also be paid separate compensation amounting to 12 months salary.

Loans to related parties		
Loans to associated companies	**63**	13
Loans to key management	**-**	-

Parent company's financial statements, FAS

INCOME STATEMENT PARENT COMPANY

1000 EUR	Note	2007	2006
Revenue	1	**0**	39
Other operating income	2	**18,033**	16,082
Personnel expenses	3	**6,471**	6,077
Depreciation and value adjustments	4	**1,606**	1,199
Other operating expenses		**27,981**	25,502
		36,057	32,778
Operating profit		**-18,024**	-16,657
Financial income and expenses	5	**186**	-3,784
Profit before extraordinary items		**-17,838**	-20,442
Extraordinary items	6	**161,100**	133,202
Profit before taxes		**143,262**	112,761
Change in depreciation difference	7	**170**	-261
Income taxes	8	**-37,375**	-28,079
Net profit for the financial period		**106,057**	84,420

Parent company's financial statements, FAS

BALANCE SHEET, PARENT COMPANY

1000 EUR	Note	2007	2006
ASSETS			
Non-current assets			
Intangible assets	9		
Intangible rights		**144**	144
Other capitalize expenditure		**1,958**	2,092
		2,102	2,236
Tangible assets	9		
Land and water areas		**1,019**	1,019
Buildings and structures		**3,434**	2,945
Machinery and equipment		**1,916**	2,444
Other tangible assets		**189**	211
		6,558	6,619
Investments	10		
Shares in Group companies		**336,924**	336,924
Other shares and holdings		**189**	246
		337,112	337,170
Total non-current assets		**345,772**	346,025
Current assets			
Receivables	11		
Trade receivables		**1,141**	1,686
Loan receivables		**491,776**	394,989
Other receivables		**162,418**	130,582
Accrued income		**9,994**	2,264
		665,329	529,521
Current investments	12	**15,503**	24
Cash and cash equivalents		**1,836**	417
Total current assets		**682,669**	529,962
TOTAL ASSETS		**1,028,441**	875,987

1000 EUR	Note	2007	2006
EQUITY AND LIABILITIES			
Equity	13		
Share capital		**149,105**	63,389
Share premium reserve		**0**	82,822
Treasury shares		**0**	-7
Retained earnings		**164,177**	162,168
Net profit for the financial year		**106,057**	84,420
Total equity		**419,338**	392,793
Appropriations			
Accumulated depreciation difference	14	**215**	385
Liabilities			
Non-current liabilities	15		
Bonds		**250,000**	225,000
Loans from credit institutions		**65,478**	45,841
Pension loans		**692**	1,746
Advances received		**735**	0
Accrued expenses		**54**	164
		316,959	272,751
Current liabilities	16		
Bonds		**75,000**	50,000
Loans from credit institutions		**4,806**	14,631
Pension loans		**1,047**	5,416
Advances received		**59**	40
Trade payables		**1,892**	1,707
Other current liabilities		**202,581**	133,475
Accrued expenses		**6,544**	4,789
		291,929	210,057
Total liabilities		**608,888**	482,809
TOTAL EQUITY AND LIABILITIES		**1,028,441**	875,987

Parent company's financial statements, FAS

CASH FLOW STATEMENT

1000 EUR	2007	2006
Cash flow from operating activities		
Profit before extraordinary items	**-17,838**	-20,442
Adjustments for		
Depreciations	**1,606**	1,199
Reversal of accrual-based items	**-122**	-
Gains on the sale of tangible and intangible assets	**-146**	-42
Financial income and expenses	**-186**	3,785
Extraordinary income	**0**	1,440
	-16,686	-14,060
Change in working capital		
Change in trade and other receivables	**409**	-1,009
Change in trade and other payables	**910**	-1,939
Net cash flow from operating activities before financial items and taxes	**-15,367**	-17,008
Interest paid	**-48,555**	-30,870
Dividends received	**24**	12
Interest received an financial income	**42,127**	23,272
Taxes paid	**-36,985**	-26,921
Net cash generated from operating activities	**-58,756**	-51,515
Cash flow from investing activities		
Purchases of tangible and intangible assets	**-1,711**	-3,150
Proceeds from sale of tangible and intangible assets	**302**	-
Proceeds from sale of other investments	**201**	49
Net cash used in investing activities	**-1,208**	-3,101

1000 EUR	2007	2006
Cash flow from financing activities		
Proceeds from share issues	**2,894**	6,618
Increase in loan receivables	**-96,786**	-113,616
Increase in current loans	**70,719**	-26,739
Proceeds from borrowings	**128,458**	175,000
Repayment of borrowings	**-74,237**	-37,257
Dividends paid	**-82,405**	-68,637
Group contributions received	**128,220**	105,042
Net cash used in financing activities	**76,863**	40,411
Net change in cash and cash equivalents	**16,899**	-14,205
Cash and cash equivalents at the beginning of the financial year	**441**	8,525
Cash and cash equivalents received in merger	**0**	6,121
Cash and cash equivalents at the end of the financial year	**17,340**	441

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

1. REVENUE	2007	2006
Revenue by business segment		
Other items	-	39
Total	-	39
Revenue by geographical area		
Finland	-	39
Total	-	39

2. OTHER OPERATING INCOME	2007	2006
Capital gains on disposals of fixed assets	**183**	43
Other	**17,850**	16,039
Total	**18,033**	16,082

3. INFORMATION CONCERNING PERSONNEL AND KEY MANAGEMENT	2007	2006
Personnel expenses		
Wages, salaries and fees	**5,689**	4,990
Pension expenses	**306**	696
Other indirect personnel costs	**476**	391
Total	**6,471**	6,077
Salaries and fees to the management		
President and executive Vice President	**630**	571
Members of the Board of Directors, money	**279**	199
Total	**909**	770
Average personnel	**92**	83
The fees for the auditors		
PriceWaterhouseCoopers Oy, Authorised Public Accountants		
Statutory audit	**143**	107
Other audit services	**154**	104
Total	**297**	211

4. DEPRECIATIONS AND VALUE ADJUSTMENTS	2007	2006
Depreciations on other capitalized expenditures	**591**	363
Depreciations on buildings and structures	**242**	217
Depreciations on machinery and equipment	**742**	582
Depreciation on other tangible assets	**30**	36
Total	**1,606**	1,199

5. FINANCIAL INCOME AND EXPENSES	2007	2006
Dividend income		
From Group companies	-	-
From others	**24**	12
Total	**24**	12
Interest income from non-current investments		
From Group companies	**6,575**	5,413
From other companies	**2**	4
Total	**6,577**	5,417
Other interest and financial income		
From Group companies	**22,656**	7,897
From other companies	**625**	247
Total	**23,281**	8,144
Other interest and financial expenses		
From Group companies	**-6,439**	-3,808
From other companies	**-19,285**	-10,075
Total	**-25,724**	-13,883
Exhange rate gains	**20,116**	11,756
Exhange rate losses	**-24 088**	-15,230
Total financial income and expenses	**186**	-3,784

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

6. EXTRAORDINARY ITEMS	2007	2006
Extraordinary income		
Group contributions	161,100	129,540
Liquidation of subsidiary	-	4,982
Total	161,100	134,522
Extraordinary expenses		
Group contributions	-	-1,320
Extraordinary items, total	161,100	133,202

7. APPROPRIATIONS	2007	2006
The accumulated difference between the depreciations according to plan and depreciations in taxation	170	-261

8. INCOME TAXES	2007	2006
Income taxes on extraordinary items	-41,886	-34,633
Income taxes on operating activities	4,591	6,480
Income taxes on previous years	-80	74
Total	-37,375	-28,079

9. CHANGES IN FIXED ASSETS	2007	2006
Intangible assets		
Intangible rights		
Historical cost at January 1	144	144
Increases	-	-
Decreases	-	-
Historical cost at December 31	144	144
Accumulated depreciations and value adjustments Jan 1	0	0
Accumulated depreciations and value adjustments Dec 31	0	0
Book value at December 31	144	144

	2007	2006
Other capitalized expenditures		
Historical cost at January 1	8,056	6,400
Increases	457	1,656
Decreases	-	-
Historical cost at December 31	8,513	8,056
Accumulated depreciations and value adjustments Jan 1	5,964	5,601
Depreciations for the period	591	363
Accumulated depreciations and value adjustments Dec 31	6,555	5,964
Book value at December 31	1,958	2,092
Total intangible assets	2,102	2,236
Tangible assets		
Land and water areas		
Historical cost at January 1	1,019	1,019
Increases	-	-
Decreases	-	-
Historical cost at December 31	1,019	1,019
Book value at December 31	1,019	1,019
Buildings and structures		
Historical cost at January 1	6,394	6,287
Increases	731	107
Decreases	-	-
Historical cost at December 31	7,125	6,394
Accumulated depreciations and value adjustments Jan 1	3,448	3,231
Depreciations for the period	242	217
Accumulated depreciations and value adjustments Dec 31	3,690	3,448
Book value at December 31	3,434	2,945

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

	2007	2006
Machinery and equipment		
Historical cost at January 1	**8,073**	6,687
Increases	**515**	1,386
Decreases	**-300**	-
Historical cost at December 31	**8,288**	8,073
Accumulated depreciations and value adjustments Jan 1	**5,630**	5,048
Depreciations for the period	**742**	582
Accumulated depreciations and value adjustments Dec 31	**6,372**	5,630
Book value at December 31	**1,916**	2,444
Other tangible assets		
Historical cost at January 1	**848**	848
Increases	**8**	-
Decreases	**-**	-
Historical cost at December 31	**856**	848
Accumulated depreciations and value adjustments Jan 1	**637**	601
Depreciations for the period	**30**	36
Accumulated depreciations and value adjustments Dec 31	**667**	637
Book value at December 31	**189**	211
Total tangible assets	**6,558**	6,619

10. INVESTMENTS	2007	2006
Shares in Group companies		
Historical cost at January 1	**336,924**	359,708
Increases	**-**	-
Decreases	**-**	-22,784
Historical cost at December 31	**336,924**	336,924
Other shares and holdings		
Historical cost at January 1	**246**	253
Increases	**-**	-
Decreases	**-58**	-6
Historical cost at December 31	**189**	246
Total investments	**337,112**	337,170

11. RECEIVABLES	2007	2006
Non-current receivables		
Receivables from Group companies		
Loan receivables	**87,826**	89,817
Total	**87,826**	89,817
Loan receivables	**0**	54
Accrued income	**480**	563
Non-current receivables	**88,306**	90,434
Current receivables		
Trade receivables	**64**	8
Receivables from Group companies		
Trade receivables	**1,076**	1,678
Loan receivables	**403,950**	305,119
Other receivables	**161,100**	129,540
Accrued income	**5,383**	1,321
Total	**571,509**	437,658
Receivables from associated companies		
Trade receivables	**-**	-
Total	**-**	-
Other receivables	**1,099**	823
Accrued tax receivables	**219**	219
Accrue income	**4,132**	379
Total current receivables	**577,023**	439,087
Total receivables	**665,329**	529,521

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

	2007	2006
Accrued income		
Accrued interests	**5,383**	1,339
Exhange rate derivatives	**4,046**	134
Other items	**86**	228
Total	**9,515**	1,701

12. CASH AND CASH EQUIVALENTS	2007	2006
Current investments		
Current investments	**15,503**	24
Market value	**15,541**	40
Difference	**38**	16

13. EQUITY	2007	2006
Share capital Jan 1	**63,389**	62,397
Bonus issue from share premium fund	**82,823**	-
Subscriptions with share options	**2,893**	992
Share capital Dec 31	**149,105**	63,389
Share premium fund reserve 1	**82,823**	77,196
Bonus issue to share capital	**-82,823**	5,627
Share premium reserve Dec 31	**-**	82,823
Treasury shares Jan 1	**-7**	-7
Annulment of treasury shares	**7**	
Treasury shares Dec 31	**-**	-7

	2007	2006
Retained earnings Jan 1	**246,581**	230,805
Dividends paid	**-82,405**	-68,637
Retained earnings Dec 31	**164,176**	162,168
Net profit for the financial period	**106,057**	84,420
	270,233	246,588
Total equity	**419,338**	392,792
Distributable funds at December 31		
Retained earnings	**164,176**	162,168
Treasury shares	**-**	-7
Net profit for the financial period	**106,057**	84,420
Distributable fund from shareholders' equity	**270,233**	246,581

14. APPROPRIATIONS	2007	2006
Accumulated depreciation difference Jan 1	**385**	124
Increase	**-170**	261
Accumulated depreciation difference Dec 31	**215**	385

15. NON-CURRENT LIABILITIES	2007	2006
Liabilities falling due after five years		
Bonds	**78,580**	35,720
Loans from credit institutions	**10,500**	17,500
Total	**89,080**	53,220

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

	2007	2006
Bonds		
Floating-rate bond 1/2007		
2007-2014, interest 3 month Euribor + 0,51%	**50,000**	-
Floating-rate bond 2/2007		
2007-2012, interest 3 month Euribor + 0,40%	**50,000**	-
Fixed-rate bond 3/2003		
2003-2009, interest 4,75%	**50,000**	50,000
Floating-rate bond 1/2006		
2006-20011, interest 3 month Euribor + 0,45%	**50,000**	50,000
Floating-rate bond 2/2006		
2006-2016, interest 3 month Euribor + 0,48%	**50,000**	50,000
Floating-rate bond 3/2006		
2006-2008, interest 3 month Euribor + 0,15%	**-**	75,000
Total	**250,000**	225,000

16. CURRENT LIABILITIES	2007	2006
Liabilities to Group companies		
Trade payables	**1,495**	1,348
Other liabilities	**202,336**	96,608
Accrued expenses	**-**	1,327
Total	**203,831**	99,283
Accrued expenses		
Pension expenses	**1,259**	1,171
Income taxes	**2,032**	1,642
Interest expenses	**3,206**	1,941
Other	**47**	35
Total	**6,544**	4,789

17. COMMITMENTS AND CONTINGENT LIABILITIES	2007	2006
Mortgages given as security for loans	**29,265**	29,265
Pension liabilities are entered in the balance sheet under non-current pension loans.		
Non-cancellable operating lease liabilities	**174,584**	112,190
Leasing commitments		
Payable during the current financial year	**8**	4
Payable in subsequent years	**36**	44
Total	**44**	48
Other commitments		
Other commitments	**115**	173
Total	**115**	173
Guarantees		
On behalf of Group companies	**870,638**	806,967
Total	**870,638**	806,967
Derivative contracts		
Foreign currency forward contracts		
Fair value	3,703	1,693
Value of underlying instruments	280,047	202,675
Interest rate swaps and future contracts		
Fair value	2,411	1,169
Value of underlying instruments	372,000	145,000
Interest rate options bought		
Fair value	1,120	790
Value of underlying instruments	27,790	28,362

Parent company's financial statements, FAS | NOTES TO THE FINANCIAL STATEMENT, EUR THOUSANDS |

18. SALARIES AND FEES TO THE MANAGEMENT

Compensation and incentive schemes

The Annual General Meeting decides on the fees of the Board of Directors. The Board of Directors decides on the President's and his deputy's salary, remuneration and other terms of employment. The Board also decides on the salaries and fees of the members of the Group's Management Board.

Performance bonuses

Most of the Group's salaried employees are included in a performance bonus scheme. The Board of Directors confirms the criteria for the payment of performance bonuses annually. The bonuses paid to the management are determined on the basis of the realisation of the Group's strategic profitability, growth and development objectives and personal objectives.

Share option programmes

In 2007, YIT had two share option programmes, of which the 2004 programme ended on November 30, 2007. The General Meeting decides on share option issues and the terms and conditions of the option programmes. The Board of Directors decides on the distribution of options annually on the basis of the terms and conditions of YIT's share options.

Remuneration of Board members in 2007

The Annual General Meeting held on March 16, 2007, decided to pay members of the Board of Directors remuneration for the entire term of office as follows:

- Chairman EUR 6,000 per month, or EUR 72,000 per year
- Vice Chairman EUR 4,500 per month, or EUR 54,000 per year
- Members EUR 3,500 per month, or EUR 42,000 per year

Furthermore, it was decided that a meeting fee of EUR 500 will be paid to all the members of the Board of Directors for each Board meeting and EUR 500 to the members of the Audit Committee for each committee meeting. Per diems for trips in Finland and abroad are paid in accordance with the State's travelling compensation regulations. YIT's Board members are not covered by the company's share option schemes.

The fees of YIT Corporation's Board members totalled EUR 278,500 in 2007.

Remuneration paid to the President and CEO, his deputy and the Group's Management Board in 2007

	Regular salary including fringe benefits	Bonuses paid	Option income	Total	Granted share options, L
President and CEO	305,397	75,035	-	380,432	6,720
Deputy to the President and CEO	208,486	41,000	-	249,486	5,040
The Group's Management Board (excluding the President and CEO and his deputy)	1,033,909	151,563	79,968	1,265,440	25,240

Shares and options held by the Board of Directors, the president and CEO and the Group's Management Board, December 31, 2007

	Shares	K options	L options
Board of Directors	**561,580**	-	-
President and CEO	**22,000**	1,200	6,720
Deputy to the President and CEO	**10,132**	2,400	5,040
The Group's Management Board (excluding the President and CEO and his deputy)	45,720	12,000	25,240

Share and option ownership includes direct holdings and the holdings of close associates and controlled corporations.

Loans to associated parties

The President and CEO, his deputy and the members of the Board of Directors did not have cash loans from the company or its subsidiaries on December 31, 2007.

Retirement ages and termination compensation

The retirement age of the President and CEO and that of his deputy has been set at 62. The contractual retirement age of one of the members of the Group's Management Board is 60 and of another it is 62. In other respects, the statutory retirement age applies to the members of the Management Board.

The period of notice for the President and CEO and his deputy is six months. If the company terminates his contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

EARNINGS TREND AND FINANCIAL STANDING

Revenue increased by 13 per cent

YIT Group's revenue for 2007 grew by 13%, without significant acquisitions, to EUR 3,706.5 million (2006: EUR 3,284.4 million). Finland accounted for 52% of revenue (55%), other Nordic countries for 33% (32%), Russia for 9% (7%) and Lithuania, Latvia and Estonia for 6% (6%). Revenue in Russia increased by 49% to EUR 322.6 million (EUR 216.9 million).

YIT's service chain covers the entire investment life cycle. Life cycle strategy aims at better service capability, business growth and steady cash flow. Service and maintenance of buildings, industry and traditional infrastructure accounts for a significant proportion of the Group's revenue. In 2007, service and maintenance operations generated EUR 1,355.8 million (EUR 1,222.4 million), in other words 37% (37%) of total revenue.

Operating profit increased by 31 per cent

The Group's operating profit increased by 31% to EUR 337.8 million (EUR 258.8 million). Operating profit margin improved to 9.1% (7.9%).

Profit before taxes improved 28% on the previous year and was EUR 305.6 million (EUR 238.2 million). The result after taxes and minority interest amounted to 224.9 million (EUR 171.0 million). Earnings per share increased by 30% to EUR 1.77 (EUR 1.36). Return on investment was 26.2% (24.8%).

The positive impact of non-recurring items from the sale of the Network Services unit on operating profit amounted to EUR 14.4 million and on profit after taxes EUR 9.0 million. Excluding these non-recurring items the comparable growth in YIT Group's operating profit was 25%, operating profit margin 8.7%, earnings per share EUR 1.70 and growth in earning per share 25%.

Order backlog grew by 25 per cent

The Group's order backlog is solid. At year's end the order backlog was 25% bigger than the year before, reaching EUR 3,509.3 million (EUR 2,802.3 million). The order backlog has a healthy margin.

The order backlog comprises the uninvoiced portion of orders and contracts from customers as well as residential and business premise development projects that involve a sales risk. In accordance with the IFRS accounting principles, residential development projects are recognised as income using the formula percentage of completion multiplied by percentage of sale. Business premise development projects are recognised as income using the principle percentage of completion multiplied by percentage of sale multiplied by occupancy rate. Contracted projects are recognised as income based on the percentage of completion.

The order backlog of Construction Services comprises contracting production and residential and business premise development projects. Contracted projects are sold in full. Business premise development projects are sold to investors either prior to construction or during an early phase of construction. Steadily growing service and maintenance operations account for 63% of Building Systems' revenue and 58% of Industrial and Network Services' revenue. Due to their nature, part of the maintenance and servicing operations are not included in the order backlog. The remainder of the order backlog of these business segments mainly comprises contracted projects that have been sold in full.

The Group strengthened its financial position

Cash flow from operations increased. The gearing ratio decreased to 62.9% (75.1%). Net debt was EUR 514.8 million (EUR 506.5 million). Financial expenses increased as a result of higher interest rates and increase in the amount of capital invested in Russia. Capital investment in Russia increased as a result of business growth, land acquisition and development and ongoing production. At year's end, 33% (23%), or EUR 460 million (EUR 279 million), of the Group's invested capital was tied up in Russia. The Group's equity ratio was 36.7% (34.5%).

The target level for the equity ratio is 35 per cent. The strategic target for dividend payout is 40–60 per cent of annual earnings after taxes and minority interest.

Short-term credit was converted into long-term credit by means of two EUR 50 million private placement bonds in March. The Group's financing sources were increased in December by signing an agreement on a commercial paper and bond loan programme for the Baltic capital market.

Financial income during the period amounted to EUR 2.6 million (EUR 2.6 million), exchange rate losses to EUR 3.8 million (EUR 2.7 million) and financial expenses to EUR 31.0 million (EUR 20.5 million). Net financial expenses were EUR 32.2 million (EUR 20.6 million), or 0.9% (0.6%) of revenue.

Fixed-interest loans accounted for 64% (39%) of the Group's entire loan portfolio. Loans raised directly on the capital and money markets amounted to 56% (59%).

The construction-stage contract receivables sold to financing companies totalled EUR 257.7 million (EUR 272.1 million) at the end of the period. Of this amount, EUR 102.9 million (EUR 120.4 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. The interest on receivables sold to financing companies, EUR 10.9 million (EUR 9.3 million), is included in financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residential units, EUR 33.9 million (EUR 28.6 million), are also included in interest-bearing liabilities, but the interest on them of EUR 1.8 million (EUR 0.7 million) is booked in project expenses, as it is included in housing corporation maintenance charges.

Interest-bearing liabilities included EUR 1.7 million (EUR 3.1 million) in leasing commitments.

The balance sheet total at the end of the review period was EUR 2,461.3 million (EUR 2,117.8 million).

KEY FIGURES

	2007	2006	2005
Income statement summary			
Revenue, MEUR	**3,706.5**	3,284.4	3,023.8
Operating profit, MEUR	**337.8**	258.8	227.7
% of revenue	**9.1**	7.9	7.5
Profit before taxes, MEUR	**305.6**	238.2	214.8
Profit for the financial period, MEUR	**228.0**	175.4	156.9
Attributable to:			
Equity holders of the company, MEUR	**224.9**	171.0	155.5
Minority interest, MEUR	**3.1**	4.4	1.4
Other key figures			
Cash flow from operating activities, MEUR	**83.4**	-148.3	167.3
Return on equity, %	**30.5**	28.3	31.1
Return on investment, %	**26.2**	24.8	26.4
Equity ratio, %	**36.7**	34.5	36.3
Net interest-bearing debt, MEUR	**514.8**	506.5	254.4

Gearing ratio, %	**62.9**	75.1	45.1
Gross capital expenditures on non-current assets MEUR	**51.6**	50.4	30.1
% of revenue	**1.4**	1.5	1.0
Research and development expenditure, MEUR	**22,0**	21,0	19.0
% of revenue	**0,6**	0,6	0.6
Order backlog on Dec 31, MEUR	**3,509.3**	2,802.3	1,878.8
Operations outside Finland, MEUR	**1,999.2**	1,490.0	752.4
Personnel Dec 31	**24,073**	22,311	21,289
Number of personnel on average during the year	**23,394**	21,846	21,194
Per-share figures			
Earnings/share, EUR	**1.77**	1.36	1.26
Earnings/share, diluted, EUR	**1.77**	1.35	1.23
Equity/share, EUR	**6.40**	5.29	4.49
Dividend/share, EUR	**0.80 *)**	0.65	0.55
Dividend/earnings, EUR	**45.2 *)**	47.8	43.7
Effective dividend yield, EUR	**5.3**	3.1	3.0
Price/earnings ratio (P/E)	**8.5**	15.4	14.3
Share price trend			
Average price, EUR	**22.15**	19.24	13.99
Low, EUR	**14.79**	15.20	8.95
High, EUR	**27.90**	23.88	18.25
Price on Dec 31, EUR	**14.99**	20.95	18.07
Market capitalisation on Dec 31, MEUR	**1,907.0**	2,656.0	2,254.4
Share turnover trend			
Share turnover, thousands	**245,672**	184,577	120,368
Share turnover as percentage of shares outstanding	**193.6**	147.2	97.4
Weighted average share-issue adjusted number of shares outstanding, thousands	**126,872**	125,357	123.544
Weighted average share-issue adjusted number of shares outstanding, diluted, thousands	**127,028**	126,773	126.522
Share issue-adjusted number of shares outstanding on Dec 31, thousands	**127,218**	126,777	124.794

*) Board of Directors' proposal

DEFINITIONS OF KEY FINANCIAL FIGURES

Return on investment (%) = $\dfrac{\text{Profit before taxes + interest expenses and other financial expenses + / - exchange rate differences}}{\text{Balance sheet total - non-interest bearing liabilities (average for the period)}}$ x 100

Return on equity (%) = $\dfrac{\text{Net profit for the financial year}}{\text{Shareholders' equity - own shares + minority interest (average)}}$ x 100

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

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

Share issue-adjusted earnings per share (EUR) = $\dfrac{\text{Net profit for the financial year (attributable to equity holders)}}{\text{Share issue-adjusted average number of outstanding shares during the period}}$

Equity/share (EUR) = $\dfrac{\text{Equity attributable to the equity holders}}{\text{Share issue-adjusted number of outstanding shares on December 31}}$

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

Dividend per earnings (%) = $\dfrac{\text{Dividend per share}}{\text{Earnings per share}}$ x 100

Effective dividend yield (%) = $\dfrac{\text{Share issue-adjusted dividend per share}}{\text{Share issue-adjusted share price on Dec 31}}$ x 100

Price per earnings ratio (P/E-ratio) = $\dfrac{\text{Share issue-adjusted share price on Dec 31}}{\text{Share issue-adjusted earnings per share}}$

Market capitalisation = (Number of shares - own shares) x share price on the closing date by share series

Share turnover (%) = $\dfrac{\text{Number of shares traded}}{\text{Total number of outstanding shares (average for the period)}}$ x 100

MAJOR EVENTS DURING THE FINANCIAL PERIOD

Capital expenditures and acquisitions

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 51.6 million (EUR 50.4 million) during the financial period, representing 1.4% (1.5%) of revenue. Investments in construction equipment amounted to EUR 15.4 million (EUR 17.3 million) and investments in information technology to EUR 7.5 million (EUR 5.1 million). Other investments including acquisitions amounted to EUR 28.7 million (EUR 28.0 million).

In 2007, YIT Group made minor company and business acquisitions in Finland, Sweden, Norway and Denmark in the Building Systems and Industrial and Network Services segments. The most significant of these acquisitions were Comford Nord AS, Brodrene Hagenes AS and Halden Automasjon AS in Norway, Cellpipe AB in Sweden, Monies & Andersens Eftf. A/S in Denmark and Inesco Oy in Finland.

During the financial period, the shareholding in ZAO YIT Moskovia was increased by 5.1 per cent to 92.9% in the Construction Services segment.

YIT Industrial and Network Services sold the Network Services business unit to Relacom Finland Oy through an agreement signed on November 20, 2007. The transaction price amounted to EUR 25 million. Following approval by the Competition Authority, the transaction was agreed and the price paid on December 31, 2007.

YIT Construction Ltd and its Lithuanian subsidiary AB YIT Kausta signed an agreement on October 2, 2007 on the sale of their shares in UAB Kausta Guder. The transaction was completed following the approval of the Lithuanian competition authorities on November 30, 2007.

Changes in Group structure

A separate business segment, International Construction Services, was formed from YIT Construction Services' operations in the Russia and Baltic countries as of the beginning of 2008. The Construction Services' operations in Finland continues as a separate segment, Construction Services Finland.

The Industrial and Network Services segment was renamed Industrial Services as of January 1, 2008 due to the sale of the Network Services business unit.

As of the beginning of 2008, YIT's four segments are: Building Systems, Construction Services Finland, International Construction Services and Industrial Services.

Changes in Group management

On June 1, 2007, Sakari Ahdekivi (44), M.Sc. (Econ.), was appointed as CFO of YIT Corporation and as a member of the Group's Management Board as from September 1, 2007.

In October, the division of tasks in YIT's Group management was realigned with regard to Sakari Ahdekivi, CFO, Sakari Toikkanen, Executive Vice President, and Antero Saarilahti, Vice President, Administration. Juha Kostiainen, Vice President, Business Development, was appointed as Vice President, Corporate Communications and Business Development.

Kari Kauniskangas, M.Sc. (Eng.) was appointed as Director of the International Construction Services segment formed at the beginning of 2008. He has previously headed the Business Premises unit of Construction Services. Ilpo Jalasjoki, M.Sc. (Eng.) was appointed as Director of the Construction Services Finland segment. He has previously headed the Construction Services segment.

The Group's Management Board was condensed as of the beginning of 2008. The Management Board comprises the Group's parent company's President and CEO, Executive Vice President, CFO and Presidents of the business segments. The extended Management Board also includes the Vice President, Corporate Communications and Business Development and the Vice President, Investor Relations.

Resolutions passed at the Annual General Meeting

YIT Corporation's Annual General Meeting was held on March 16, 2007. The Annual General Meeting adopted the 2006 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. It was confirmed that a dividend of EUR 0.65 would be paid per share, or a total of EUR 82.4 million. March 21, 2007, was set as the record date and March 28, 2007, as the payout date.

The Annual General Meeting elected the Board of Directors and the auditor. The Annual General Meeting decided to amend Articles 3, 4, 6, 8, 9, 10 and 11 of the Articles of Association and the terms and conditions of the share option programmes in accordance with the amended Articles of Association. It was decided to increase the share capital by means of a reserve fund transfer. The amendment to the Articles of Association and the increase in the share capital were entered in the Trade Register on March 30, 2007.

A stock exchange release on the resolutions passed at the Annual General Meeting was published on March 16, 2007.

Research and development

The development of personnel and operating systems is a part of YIT's daily business operations. The Group's investments in research and development efforts in 2007 amounted to approx. EUR 22.0 million, representing 0.6 per cent of revenue. In 2006, investments in research and development amounted to EUR 21.0 million (0.6% of revenue) and in 2005, EUR 19.0 million (0.6% of revenue).

Personnel

In 2007, the Group employed 23,394 (21,846) people on average. At the end of the year, the Group had 24,073 employees (22,311). Of the personnel, 68 per cent (69%) were non-salaried employees and 32 per cent (31%) salaried employees. A total of 90 per cent (90%) were men and 10 per cent (10%) women. Of YIT's employees, 48 per cent work in Finland, 36 per cent in the other Nordic countries, 9 per cent in Russia and 7 per cent in Lithuania, Latvia and Estonia. As a result of the sale of the Network Services unit, approximately 1,000 Finnish employees left YIT at the beginning of 2008.

Wages, salaries and fees paid to the employees of the Group totalled EUR 856.5 million. In 2006, wages, salaries and fees amounted to EUR 773.2 million and in 2005 to EUR 720.3 million.

As a labour-intensive company, the well-being and retention of personnel are crucial to YIT. The Group carries out an annual personnel survey measuring job satisfaction. In 2007, the response rate was 60 per cent (54%), with 14,204 (12,035) respondents. The results of the survey improved in all fields. The overall rating was 3.74 (3.62) on a scale of 1 to 5.

Personnel by segment

	Share of the Group's employees	12/2007	12/2006	12/2005
Building Systems	**53%**	12,646	11,643	11,731
Construction Services	**27%**	6,419	5,693	5,115
Industrial and Network Services	**19%**	4,663	4,642	4,126
Corporate Services	**1%**	345	333	317
YIT Group	**100%**	24,073	22,311	21,289

Personnel by country

	Share of the Group's employees	12/2007	12/2006	12/2005
Finland	**48%**	11,586	11,355	11,159
Sweden	**18%**	4,403	4,137	4,143
Norway	**13%**	3,008	2,618	2,485
Denmark	**5%**	1,267	1,286	1,103
Russia	**9%**	2,154	1,293	907
Estonia, Latvia, Lithuania	**7%**	1,655	1,622	1,492
YIT Group	**100%**	24,073	22,311	21,289

Environmental issues

Material usage and waste treatment are significant environmental issues in YIT's operations. ISO 14001-certified business operations account for 45 per cent of Group revenue. YIT's most significant environmental business services include solutions to improve energy efficiency and construction projects for water and wastewater treatment plants and industrial plants.

Legal proceedings

The most significant legal proceedings in 2007 were those associated with disputes arising from the renovation of SOK's former head office, Kiinteistö Oy Vilhonkatu 7, which was completed in 1999. With its ruling in November 2006, the Supreme Court has granted Kiinteistö Oy Vilhonkatu 7 limited leave to appeal against the decision of the Helsinki Court of Appeal. Kiinteistö Oy Vilhonkatu 7 paid EUR 11.1 million to YIT on the basis of the decision of the Helsinki Court of Appeal on February 15, 2006. The sum will not be recognised as income until the final ruling in the matter is known. YIT has published stock exchange releases on the matter on February 24, 2003, February 14, 2006, April 18, 2006 and November 24, 2006.

DEVELOPMENT BY BUSINESS SEGMENT

Building Systems

Building Systems continued improving profitability and focused on revenue growth. Building Systems' revenue increased by 17% to EUR 1,650.0 million (2006: EUR 1,415.1 million). Service and maintenance operations accounted for 63% of the segment's revenue (64%).

The operating profit increased by 28% to EUR 112.2 million (EUR 87.6 million). Operating profit margin improved to 6.8% (6.2%). Return on investment rose to 45.3% (34.4%).

Provisions associated with certain expired agreements were cancelled in Building Systems during Oct-Dec/2006. The positive impact on the operating profit for 2006 amounted to EUR 7.2 million.

The order backlog at the end of the period grew by 18% to EUR 707.7 million (EUR 601.7 million).

At the end of the year, the segment employed 12,646 people (11,643).

Building Systems revenue by country, MEUR

	1-12/ 2007	1-12/ 2006	Change	% of the segment's revenue for 1-12/2007
Sweden	**606.4**	541.0	12%	37%
Norway	**440.3**	345.9	27%	27%
Finland	**384.9**	327.4	18%	23%
Denmark	**165.6**	146.4	13%	10%
Estonia, Latvia, Lithuania and Russia	**52.8**	54.4	-3%	3%
Total	**1,650.0**	1 415.1	17%	100%

Strengthening market position

Business operations were supplemented in accordance with the strategy through minor acquisitions and transactions in Sweden, Norway, Denmark and Finland. Competence in pipe installations was strengthened in Norway. In Denmark, position was reinforced in the Copenhagen region.

Favourable demand continued throughout the operating area

The building system market development continued favourably in the Nordic countries. Brisk construction of business premises increased the demand for building system installations. There is a large volume of retail, office, logistics and industrial premises with a high standard of building systems being constructed during the next 1-1.5 years.

Increasing service agreements

There was an increase in repair and maintenance work and other service agreements. Outsourcing technical services awakened increasing interest in both the public and business sectors, particularly in Finland and Denmark. Growth in the facilities management service market continued.

Growing demand for energy services

Increasing attention has been paid to the energy efficiency of buildings and their building systems due to an increase in regulations and energy prices. During 2007, several energy-saving agreements were signed in all Nordic countries in order to reduce consumption and costs through building system solutions. Energy consumption management is included in several service agreements.

Construction Services

The Construction Services revenue grew by 13% compared to the previous year to EUR 1,634.9 million (EUR 1,452.2 million). The maintenance operations accounted for 4% of revenue (4%).

Construction Services revenue by country, MEUR

	1-12/2007	1-12/2006	Change	% of the segment's revenue for 1-12/2007
Finland	**1,134.8**	1,083.0	5%	69%
Russia	**296.8**	189.9	56%	18%
Baltic countries	**191.9**	169.6	13%	12%
Other countries	**11.4**	9.7	18%	1%
Total	**1,634.9**	1,452.2	13%	100%

The operating profit increased by 17% to EUR 200.6 million (EUR 170.8 million). The operating profit margin remained excellent, amounting to 12.3% (11.8%). Return on investment remained good, 21.9% (24.1%).

The order backlog increased by 29% to EUR 2,646.5 million (EUR 2,053.5 million).

At the end of the year, the segment employed 6,419 people (5,693).

Construction Services was divided into two segments as of the beginning of 2008. The operations in Russia and the Baltic countries were formed into a separate business segment, International Construction Services. Construction Services Finland will continue as a segment of its own.

Strong growth in Finnish business premise and infrastructure construction compensated for residential construction lag

Office, retail and logistics premise construction was brisk. Growth in business premise construction compensated for the impact of decreased residential construction. Demand for offices continued to be good in the Helsinki region. Investor interest in the Finnish business premise market increased. YIT launched and sold various property development projects in 2007.

Residential demand weakened after several strong years. The number of residential units sold to providers of rental housing increased, while the number of units sold directly to consumers decreased.

Growth in the construction of leisure-time residences and centres continued according to plan. YIT collaborated with various cities with the aim of developing the residential offering and commercial and tourism-related services.

The market situation for civil engineering remained favourable. With regard to maintenance services, YIT won road and street maintenance projects in different parts of Finland.

Brisk residential construction continued in Russia

In Russia, need and interest in new residential units remained high. Exceptionally rapid growth in housing prices in 2006 weakened the ability to purchase homes in early 2007. During 2007, the increase in housing prices remained moderate. In the latter half of the year, YIT's residential sales picked up considerably. Residential development project activity was accelerated by establishing a joint venture in Rostov-na-Donu with Russian private shareholders. In Russia, YIT has residential projects also in St. Petersburg, Moscow, Moscow Oblast, Yaroslavl, Yekaterinburg and Kazan.

Construction of logistics premises and a production plant started on YIT's plots in Gorelovo, in the vicinity of the St. Petersburg international airport, as did the construction of an office building in the city of St. Petersburg.

Residential demand was satisfactory in Latvia and Lithuania during the first half of the year. Towards the end of the year, demand weakened considerably and flat prices declined in the Estonian and Latvian markets. Demand for office premise construction remained satisfactory in all countries.

The average selling price of residential units built by YIT in Russia was about 51% (2006: 35%) of the average selling price of privately financed residences sold in Finland in 2007, and in the Baltic countries about 59% (55%). In October-December, the corresponding figures were 54% (43%) in Russia and 60% (53%) in the Baltic countries.

Residential construction in 2007 (2006), number of residential units

	Finland			Russia	Estonia, Latvia, Lithuania
	Market-financed (incl. leisure residences and investor deals)	State-financed, rental housing and tender-based	Total	Total	Total
Sold	2,541 (2,619)	0 (0)	2,541 (2,619)	2,168 (1,950)	372 (697)
Start-ups	2,232 (2,818)	192 (186)	2,424 (3,004)	4,441 (3,699)	541 (887)
Under construction at year's end	2 617 (3,210)	192 (186)	2,809 (3,396)	9,870 (7,248)	1,328 (1,858)
Completed	2,825 (3,025)	186 (153)	3,011 (3,178)	1,573 (1,696)	1,090 (559)
Completed and unsold at year's end	280 (235)	0 (0)	280 (235)	11 (7)	100 (0)

The method of recording the number of residential units in Russia has been changed. Residential units are recorded as completed three months after the official commissioning inspection. Previously, units were not recorded as completed until the buyer had registered ownership with the authorities. The numbers of residential units under construction, completed and completed and unsold in Russia are presented in accordance with the new recording method. Slight changes in the number of residential units in Russia and the Baltic countries may take place during construction due to combining or dividing them.

In Finland, privately financed development projects sold to investors are included in the residential units sold.

Plot reserves strengthened

In Finland, land for residential building was acquired in Helsinki, e.g., the Leppäsuo city block, along with additional building rights at the old Konepaja area, during the year. Acquisitions of office building rights included 15,000 m² of floor area in Käpylä, Helsinki, and 10,000 m² of floor area for the extension of the Martinsilta Retail Village in Espoo.

The Russian plot reserves were consolidated particularly in Yekaterinburg with the acquisition of investment rights to a large, approx. 90,000 m² area development project, the implementation of which will take several years. Investment rights to two plots were transferred to the joint venture established in Rostov-na-Donu.

In St Petersburg YIT has an area of 46 hectares for approximately 15,000 residential units, on the north side of the Novo-Orlovsky forest park. In Gorelovo, close to the international airport, YIT owns an industrial site covering 96.5 hectares.

Plot reserves, December 31, 2007 (December 31, 2006)
Building rights and planning potential, 1,000 m² of floor area

	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	1,735 (1,723)	1,915 (1,761)	420 (367)
Business premise plots	839 (927)	521 (400)	23 (35)
Total	2,574 (2,650)	2,436 (2 161)	443 (402)
Capital tied into plot reserves, EUR million	344.3 (325.1)	162.9 (129.2)	59.9 (51.0)

Plot reserves include those that have been planned and an estimate of the potential building rights on areas that are under land use planning. The building rights provided by regional development agreements made with landowners remain as off-balance sheet items until the construction of each phase of the plan being implemented begins.

Industrial and Network Services

Industrial and Network Services revenue increased by 3% to EUR 489.8 million (EUR 476.9 million). The maintenance and service operations accounted for 58% of revenue (60%). Finland accounted for 92% of revenue, other countries for 8%.

Operating profit was EUR 41.2 million (EUR 18.0 million). Operating profit margin was 8.4% (3.8%). Profitability improved compared to the previous year, even when excluding the non-recurring items resulting from the sale of the Network Services business and adjustment expenses from the operating profit.

The operating profit for the Industrial and Network Services includes the following non-recurring items: In 2007: EUR +14.4 million due to the sale of the Network Services business unit and EUR -1.0 million due to restructuring of the Network Services business unit.

In 2006: EUR -5.1 million due to restructuring of the Network Services business unit.

Return on investment was 68.6% (28.8%). If the positive impact of non-recurring item of EUR 14.4 million due to the sale of Network Services business is excluded from the operating profit, the return on investment was 45.3%.

The order backlog at the end of the period grew by 19% to EUR 219.2 million (EUR 184.0 million).

At the end of the year, the segment employed 4,663 people (4,642).

The Network Services business unit was divested

YIT Industrial and Network Services Ltd sold the Network Services business unit to Relacom Finland Oy through an agreement signed on November 20, 2007. The transaction price amounted to EUR 25 million. Following approval by the Competition Authority, the transaction was agreed and the price paid on December 31, 2007. As of the beginning of 2008, the Industrial and Network Services segment was renamed Industrial Services. The Network Services unit's revenue for 2007 amounted to EUR 77 million.

Strengthening competence in energy efficiency services

YIT increased its competence in energy-saving solutions and as a supplier of special seals used in process and energy industry by means of two acquisitions.

Solid demand for industrial maintenance

The market situation for industrial maintenance services remained favourable. Several end-to-end maintenance projects and large-scale shutdowns were performed in 2007. All significant end-to-end maintenance agreements were updated with partners in the first half of the year.

At the beginning of 2007, YIT and Botnia's joint venture Botnia Mill Service took on the responsibility for the maintenance of Botnia's mills in Rauma and Äänekoski, Finland, and approx. 100 employees joined the company. With the agreement, Botnia Mill Service will be responsible for the maintenance of all of Botnia's mills in Finland.

Investment projects gained, especially in exports

Demand for industrial investment projects remained solid, and particular activity was seen in exports. Export deliveries of industrial piping systems, tanks and boilers were agreed in, e.g. Sweden, Norway, Spain, United Kingdom and Brazil.

In Finland, investments by the energy and process industry bolstered demand.

In Russia, agreements were made with Ahlstrom's production plant and International Paper-owned OAO Svetogorsk's mill.

MANAGEMENT AND ADMINISTRATION

The governance and control systems of the YIT Group supplemented with up-to-date information can be found in the Company's Annual Report and Internet site.

Organisation of business operations

YIT Group's business operations are divided into business segments, which in 2007 were Building Systems, Construction Services and Industrial and Network Services. Presidents of the segments report to the President and CEO of YIT Corporation.

The Group's Management Board assists the President and CEO in the planning of operations and operative management and prepares issues to be discussed in the Board of Directors of the parent company.

Board of Directors, President and CEO and his deputy

The Annual General Meeting of YIT Corporation elects the Chairman, Vice Chairman and members of the Board of Directors. The Annual General meeting on March 16, 2007 resolved to keep the composition of the Board unchanged: Chairman Reino Hanhinen, Vice Chairman Eino Halonen and members Sari Baldauf, Antti Herlin and Teuvo Salminen. In its first meeting on March 16, 2007, the Board of Directors elected Eino Halonen as the Chairman of the Audit Committee and Teuvo Salminen and Reino Hanhinen as its members.

The Board of Directors convened 12 times in 2007, and the attendance rate at meetings was 98 per cent. The Audit Committee convened five times.

The Board of Directors elects the President and CEO of the Company. YIT Corporation's President and CEO is Hannu Leinonen, M.Sc. (Eng.), Executive Vice President and deputy to the CEO is Sakari Toikkanen, Lic. (Tech.).

Members of the Board of Directors and the Group's management are presented in YIT's Annual Report and Internet site.

Auditor

The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor, with Göran Lindell, Authorized Public Accountant, as chief auditor.

Management's share and share option ownership

On December 31, 2007, the members of YIT Corporation's Board of Directors as well as the President and CEO and his deputy held a total of 593,712 (December 31, 2006: 579,912) YIT shares, corresponding to 0.5 per cent (0.5) of the company's shares and the votes conferred by them.

On December 31, 2007, the President and CEO and his deputy had a total of 3,600 Series K share options from 2006 and 11,760 Series L share options from 2006. Members of the Board of Directors are not covered by the company's share option programmes. If these options were to be exercised in full, YIT Corporation's number of shares would increase by 15,360 on the basis of the subscriptions, increasing the share capital by EUR 315,340.80; on December 31, 2007, this amount would have represented 0.0 per cent of the company's number of votes and 0.2 per cent of the share capital.

Share and option ownership includes the individuals' direct holdings and the holdings of their close associates and controlled corporations.

Loans to associated parties

The President and CEO, his deputy and the members of the Board of Directors did not have cash loans from the company or its subsidiaries on December 31, 2007.

Termination compensation

The period of notice for the President and CEO and his deputy is six months. If the company terminates his contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

SHARES

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

Share capital and number of shares

YIT Corporation's share capital was EUR 63,388,536.00 at the beginning of 2007 and the number of shares outstanding was 126,777,072.

The YIT Corporation's Annual General Meeting held on March 16, 2007, decided to increase the company's share capital by EUR 82,822,459.92 to EUR 146,210,995.92 by means of transferring the funds in the share premium reserve into the share capital. New shares were not issued when the share capital was increased. The Articles of Association were amended by the resolution of the Annual General Meeting so that references to the minimum and maximum share capital and the nominal value of shares were deleted. The amendments to the Articles of Association and the increase in the share capital were entered in the Trade Register on March 30, 2007.

The Annual General Meeting held on March 16, 2007, also decided that the full subscription price shall be entered into the share capital when shares are subscribed for with the share options. In 2007, 441,200 shares were subscribed for with the Series E and F share options from 2004 and Series K and L share options from 2006. As a result of the subscriptions, the share capital was increased by a total of EUR 2,893,770.80 in five instalments.

In April the number of shares declined by 400 due to invalidation of company's own shares.

At the end of 2007, the share capital amounted to EUR 149,104,766.72 and the number of shares was 127,217,872.

Trading in the share

At the end of 2007, the closing rate of YIT's share was EUR 14.99 (2006: EUR 20.95). YIT's share price decreased by 28% during 2007.

The highest price of the share during 2007 was EUR 27.90 (EUR 23.88) and the lowest was EUR 14.79 (EUR 15.20). The average price was EUR 22.15 (EUR 19.24). YIT Corporation's market capitalisation at the end of the year was EUR 1,907.0 million (EUR 2,656.0 million), 28% less than the previous year.

Share turnover grew significantly compared with 2006. Share turnover in 2007 amounted to 245,671,719 shares (184,576,963). The value of share turnover was EUR 5,448.3 million (EUR 3,536.1 million). The average daily turnover was 982,687 shares (657,460).

Own shares

At the beginning of 2007, YIT Corporation held 400 of its own shares, representing 0.0% of the company's shares. The shares were purchased in December 2005. The Board of Directors of YIT Corporation decided to invalidate the shares held by the company, and the invalidation was entered in the Trade Register on April 10, 2007.

At the end of 2007, YIT Corporation did not hold any of its own shares. During 2007, no shares in the parent company were owned by subsidiaries.

Authorisations of the Board of Directors

In accordance with the Companies Act, the General Meeting decides on the buyback and conveyance of shares as well as any decisions leading to changes in the share capital.

No share issues were organised during the period and the company did not float convertible bonds or bonds with warrants. At the end of the period, the Board of Directors did not have valid share issue authorisations or authorisations to issue convertible bonds or bonds with warrants or to purchase or dispose of the company's treasury shares.

SHARE OPTION PROGRAMMES

In 2007, shares in YIT Corporation could be subscribed for under the Series E and F share options issued in 2004 and under the Series K and L share options issued in 2006. The 2004 share option programme ended on November 30, 2007.

The General Meeting decides on share option issues and the terms and conditions of the option programmes. The Board of Directors decides on the distribution of options annually on the basis of the terms and conditions of YIT's share options. The shares subscribed for with share options confer all the shareholder rights as of the share capital increase registration date.

The terms and conditions of the share option programmes were amended in accordance with the resolution passed at the Annual General Meeting of YIT Corporation held on March 16, 2007. The references to the minimum and maximum share capital and nominal value of the share were deleted. It was also decided that the full subscription price shall be entered into the share capital when shares are subscribed for with the share options. The option programme terms can be found in their entirety on the Company's Internet site.

2004 share option programme

The 2004 Annual General Meeting decided to grant a maximum of 180,000 Series E share options and a maximum of 420,000 Series F share options for subscription to the management and key employees of the new Building Systems business segment. The share option programme covers approx. 65 people who were not part of the 2002 share option programme. Each share option entitled its holder to subscribe for two YIT Corporation shares.

The Series E share options were issued in summer 2004. YIT Construction Ltd subscribed for the Series F share options for staggered distribution to the Building Systems business segment's management and key employees in 2005 - 2007 on the basis of the achievement of the objectives set for the business segment's result (EBITA %).

The subscription price of a share subscribed for with the Series E share options is EUR 6.80 per share and the subscription price of shares with the Series F share options is EUR 6.15 per share.

Shares could be subscribed for with the Series E share options from April 1 - November 30, 2006 and April 1 - November 30, 2007, and with the Series F share options from April 1 - November 30, 2007.

At the beginning of the subscription periods, a total of 167,400 Series E share options and a total of 140,560 Series F share options had been distributed to the Group's management and key employees. A total of 333,400 shares were subscribed for with Series E share options and 281,120 with Series F share options.

During the report year, 76,299 Series E share options were traded at an average price of EUR 35.27 and 120,791 Series F share options at an average price of EUR 37.42.

2006 share option programme

The Annual General Meeting in 2006 decided to grant a maximum of 300,000 Series K, 900,000 Series L, 900,000 Series M and 900,000 Series N share options for subscription without consideration. Each Series K, L, M and N share option entitles its holder to subscribe for one YIT Corporation share.

YIT Construction Ltd subscribed for the 2006 share options for distribution in 2006 (K), 2007 (L), 2008 (M) and 2009 (N), on the basis of the decision by the Board of Directors of YIT Corporation, to those who are either in the employ of or will be hired into the employ of the YIT Group companies, the president and CEO of YIT Corporation, the deputy to the CEO, and other members of the Group's management and its key employees. The criteria for the distribution of Series L, M and N share options are return on investment and revenue growth.

YIT Corporation's Board of Directors will confirm the subscription prices of shares prior to the commencement of the subscription periods. The subscription price of Series K and L share options is EUR 20.53 per share.

Shares can be subscribed for annually in the period from April 1 to November 30. Shares can be subscribed for with the Series K share options in 2007-2008, the Series L share options in 2007-2008, the Series M share options in 2008-2009 and the Series N share options in 2009-2010.

At the beginning of the subscription periods, a total of 241,800 Series K share options and a total of 593,460 Series L share options had been distributed to the Group's management and key employees. A total of 1,600 shares had been subscribed for with Series K share options and 1,360 shares with Series L share options by November 20, 2007. Thus, a maximum of 237,600 shares can be subscribed for with the remaining Series K share option and a maximum of 592,100 shares with the remaining Series L share options.

During the report year, 41,304 Series K share options were traded at an average price of EUR 5.44 and 141,164 Series L share options at an average price of EUR 4.63.

SHAREHOLDERS

During 2007, the number of registered shareholders rose from 14,364 to 15,265, that is, by 6 per cent. The number of private investors increased by approximately 760. At the beginning of the year, a total of 45.9 per cent (39.9%) of the shares were owned by nominee-registered and non-Finnish investors, while this figure was 52.9 per cent (45.9%) at year's end.

Flagging notifications

During the year, four so-called flagging notifications of change in ownership were made. Schroder Investment Management Compliance Limited announced on May 1, 2007 that its holding has increased to over 5% of YIT's shares as the result of a share transaction on December 13, 2006, and on October 30, 2007 that its holding had fallen to under 5% of YIT's shares as the result of a share transaction on October 26, 2007. Varma Mutual Pension Insurance Company announced on September 28, 2007 and Sampo Life Insurance Company Ltd on May 3, 2007 that their holdings had fallen to under 5% of YIT's shares.

Shareholders December 31, 2007

		Number of shares	% of shares and votes
Suomi Mutual Life Assurance Company		7,071,180	5.56
Sampo Life Insurance Company Ltd		5,704,804	4.48
Varma Mutual Pension Insurance Company		4,236,600	3.33
Ilmarinen Mutual Pension Insurance Company		2,684,447	2.11
Tapiola Mutual Pension Insurance Company	886,600		
Tapiola Mutual Life Assurance Company	616,517		
Tapiola General Mutual Insurance Company	287,000		
Tapiola Corporate Life Insurance Company	121,960		
Tapiola Group total		1,912,077	1.50
Etera Mutual Pension Insurance Company		1,784,400	1.40
Svenska litteratursällskapet i Finland r.f.		1,393,800	1.10
Odin Norden C/O Odin Forvaltning As		1,380,166	1.08
Brotherus Ilkka		1,224,740	0.96
State Pension Fund		1,200,000	0.94
Nominee registered shares		64,640,059	50.81
Others total		33,985,599	26.73
Total		**127,217,872**	**100.00**

Ownership by shareholder groups, December 31, 2007

	Number of share-holders	Proportion, %	Number of shares	Proportion, %
Corporations	1,187	7.78	6,878,203	5.41
Financial and insurance corporations	85	0.56	19,413,188	15.26
The public sector	48	0.31	12,977,674	10.20
Non-profit institutions	358	2.35	5,986,284	4.71
Households	13,473	88.26	14,697,014	11.55
Non-Finnish shareholders	114	0.75	67,265,509	52.87
(of which nominee registered)	(19)	(0.0)	(64,640,059)	(50.81)
Total	**15,265**	**100.00**	**127,217,872**	**100.00**

Distribution of shareholdings by size class, December 31, 2007

Number of shares	Number of share-holders	Proportion, %	Number of shares	Proportion, %
1–100	3,458	22.65	237,912	0.19
101–1,000	8,582	56.22	3,715,845	2.92
1,001–10,000	2,814	18.43	8,239,134	6.48
10,001–100,000	348	2.28	9,851,861	7.74
100,001–1,000,000	51	0.33	15,528,758	12.21
1,000,001–10,000,000	12	0.08	89,644,362	70.47
Total	**15,265**	**100.00**	**127,217,872**	**100.00**

This information is based on the shareholder list maintained by Finnish Central Securities Depository Ltd. Each nominee register is recorded in the share register as a single shareholder. The portfolios of many investors can be managed through one nominee register.

ESTIMATE OF FUTURE TRENDS

Strategic targets

On September 25, 2007, The Board of Directors of YIT Corporation confirmed the Group's strategy and financial targets for 2008 - 2010. The financial targets were confirmed without changes. The strategic annual growth target is 10% on average, the operating profit target is 9% of revenue by 2009, return on investment target is 22%, equity ratio target is 35% and dividend payout target is 40 - 60% of annual earnings after taxes and minority interest. In addition, YIT has set a separate target to increase its revenue in Russia by 50% annually on average in 2006 - 2009.

Business operations in current YIT areas will be strengthened during the next few years. In the Building Systems segment, the aim is to take a larger market share throughout the area of operations, particularly in the Nordic countries and additionally in the Baltic countries and Russia. In Construction Services, growth focuses on Russia and increasing the proportion of business premise development projects. Residential construction activity in Russia will be added by strengthening YIT's presence in the cities where the company already operates and by continuing to expand to new cities with populations in excess of a million. In Industrial Services, the strategic focus is on outsourcing of maintenance services in Finland.

In addition, expansion of the geographic area of operations will be pursued during the period. With regard to International Construction Services, the objective is to start up residential development projects in Central Eastern Europe. In Building Systems, the opportunities for expanding the offering to Western Europe are being explored.

A stock exchange release on the confirmation of the strategic targets was published on September 26, 2007.

Most significant business risks and uncertainties

YIT's risk management policy aims to identify the major risk factors, taking the special characteristics of YIT's business operations and environment into consideration, and optimally manage the total risk exposure so that the company achieves its strategic and financial targets.

YIT's risk management is an integral part of the Group's management, monitoring and reporting systems. The Board of Directors approves the risk management policy and its objectives, and guides and supervises the planning and execution of risk management. The President and CEO holds the highest operational responsibility for the risk management policy. The President and CEO reports to the Board of Directors. The management of the business segments identify and estimate the most significant risks of their respective business segments and compose a risk contingency plan. The management of the segments report to the President and CEO.

Strategic risks are associated with the management of organic growth and through acquisitions, rapid growth in the business in Russia, capital expenditure, management of costs in tender-based projects, ensuring the sufficiency and competence of skilled personnel, and forecasting and reacting to changes in the operating environment. At year's end, 33 per cent (23%), or EUR 460 million (EUR 279 million), of the Group's invested capital was tied up in Russia.

Damage risks include sudden and unforeseen material damage to the project site and other property, such as due to fire, collapse and theft. Projects are insured with project-specific insurance policies. Other assets, such as properties, machinery and equipment are insured through continuous property insurance policies in case of material damage. There are few projects that are large considering the overall extent of operations and whose insurance should be separately surveyed.

Financial risks include liquidity, interest rate, currency and credit risk, and their management is a part of the Group's financing policy. The Board of Directors has approved the Corporate Finance Policy. The Group's Finance Department is responsible for the practical implementation of the policy in association with the business segments. In 2007, the Board of Directors amended exchange rate risk management so that the value of YIT's equity is no longer hedged against exchange rate changes. Foreign exchange positions are reported once per year to the Audit Committee.

The most significant short-term business risks and uncertainties are connected with the sales risk of the order backlog and foreseeing and reacting to changes in the operating environment.

YIT's geographic and business structure balance the impact of economic fluctuation on the Group's revenue and profits. Nordic countries generate approximately 85% of YIT's revenue and Russia and the Baltic countries 15%. Steadily growing service and maintenance operations, that are not sensitive to economic fluctuations, account for 37% of YIT's revenue. The majority of business comprise operations, where investments are minor. Slightly under a third of operations consist of more capital-intensive operations, residential developer-contracted projects and property development projects where capital is tied to plot reserves and ongoing production.

A more detailed account of the financial risks will be published in the notes to the 2007 financial statements.

Outlook for 2008

The demand for building system services is solid throughout the market area and the segment's order backlog is good. YIT aims at increasing its market share in building systems in all of the Nordic countries.

In Russia, strong demand for housing continues. YIT's strong order backlog and volume of ongoing residential production provide good prerequisites for meeting the targets set for the Russian business.

In Finland, construction remains at a good level on the whole but is more focused on business premise and infrastructure construction that have a strong order backlog. The outlook for residential production has weakened after last summer.

Industrial Services enjoy a good order backlog. Business opportunities are found particularly in outsourcing of industrial maintenance in Finland.

The economic outlook for YIT's area of operations remains favourable, even though uncertainties in the economy have increased.

Consequently, we estimate that the revenue and profit before taxes for 2008 will increase compared to the previous year.

Board of directors' proposal for the distribution of profit

The distributable equity of YIT Corporation on December 31, 2007 is:

- retained earnings	164,177,004.33
- profit for the financial period	106,056,579.65
	270,233,583.98

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

- Payment of a dividend to shareholders EUR 0.80 per share	101,774,297.60
- Transfer to retained earnings	168,459,286.38
	270,233,583.98

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

Helsinki, February 7, 2008

Reino Hanhinen
Chairman

Eino Halonen
Vice Chairman

Sari Baldauf

Antti Herlin

Teuvo Salminen

Hannu Leinonen
President and CEO

Auditors’ report

To the shareholders of YIT Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of YIT Corporation for the period 1.1. – 31.12.2007. The Board of Directors and the President and CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company’s financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company’s balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors and the parent company’s financial statements and administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the President and CEO of the parent company have complied with the rules of the Companies’ Act.

Consolidated financial statements
In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company’s financial statements,
report of the Board of Directors and administration
In our opinion the parent company’s financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company’s financial statements give a true and fair view of the parent company’s result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company’s financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

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

Helsinki, 7 February 2008

PricewaterhouseCoopers Oy
Authorised Public Accountants

Göran Lindell
Authorised Public Accountant

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