Annual Report 2006

Together we can do it.

Building good technical living environment

YIT is a successful service company focused on building, developing and maintaining the technical structures of the living environment.

Over 22,000 people strong, we offer services in eight countries: Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Russia.

YIT is the Nordic market leader in building system services. The company is vigorously stepping up residential construction in Russia.

2006 was YIT's 95th year in business. The company's roots extend back to 1912, when Yleinen Insinööritoimisto (the General Engineering Firm) started out in the Grand Duchy of Finland.

YIT's share is quoted on the Nordic List on the Helsinki Stock Exchange in the Large Cap market capitalization group.

Key figures 2006

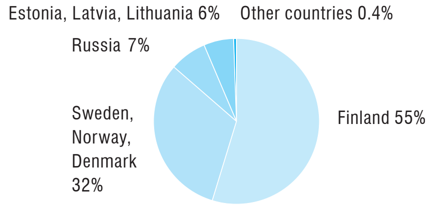
Revenue, MEUR	3,284.4
Operating profit, MEUR	258.8
Profit for the financial year, MEUR	175.4
Operating profit margin	7.9%
Return on investment	24.8%
Return on equity	28.3%
Equity ratio	34.5%
Gearing ratio	75.1%
Earnings/share, EUR	1.36
Equity/share, EUR	5.29
Dividend/share, EUR	0.65 *)

At year's end

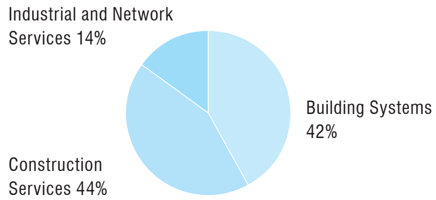
Shareholders	14,364
Share price, EUR	20.95
Market capitalization, MEUR	2,656.0
Balance sheet total, MEUR	2,117.8
Order backlog, MEUR	2,802.3
Personnel	22,311

*) Board of Directors' proposal

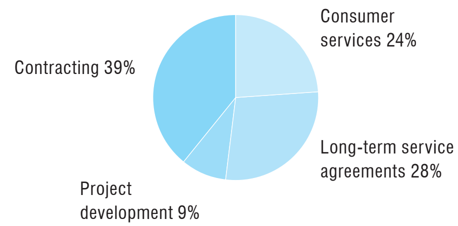
Breakdown of revenue



Breakdown of revenue



Breakdown of revenue



Market leader in building system services in the Nordic countries.

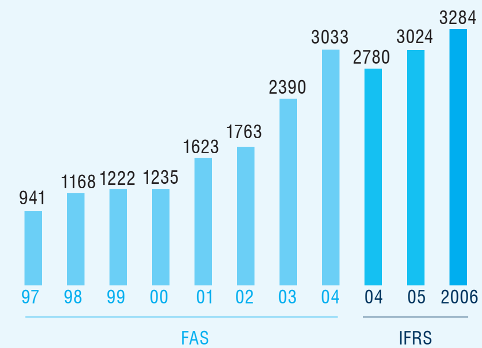
Market leader in all its fields of business in Finland.

Largest foreign-owned housing construction company in Russia.

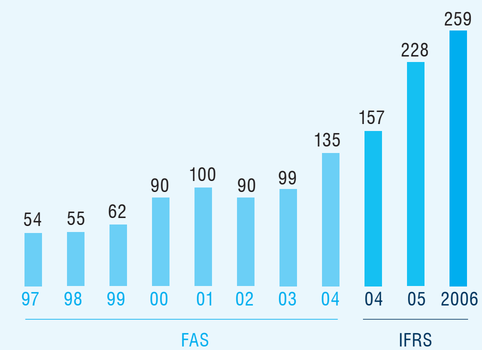
One of the largest construction companies in the Baltic countries.

Leading company providing building system services in Lithuania.

Trend in revenue, MEUR



Trend in operating profit, MEUR



Profitable growth from a solid foundation

A strong start to 2007 thanks to a large order backlog

YIT's revenue and operating profit rose to record highs in 2006. The Group's order backlog is all-time high.

Building Systems forged ahead with improving profitability. We stepped up our maintenance and servicing works as well as Design & Build projects in building systems. Construction Services racked up excellent earnings on a broad front. We powered ahead with expanding our business in Russia, both in housing construction and by starting up our own business premise and logistics projects. In Finland, we bolstered the groundwork for future growth in the construction of leisure sites and single-family houses. Industrial and Network Services enjoyed a strong trend in industrial services, but faced challenges in network services due to their significantly weaker market.

The outlook for revenue growth in 2007 is supported by the record-high order backlog, the continuing boom and YIT's major investments in the Russian market. The healthy margin of the order backlog and the company's own profitability improvement measures underlie our expectations of growth in operating profit. We estimate that revenue and operating profit in 2007 will increase compared to the previous year.

Good earnings trend is on a broad footing

In 1994–2006 annual growth in YIT's revenue has averaged 17 per cent and in operating profit 24 per cent. Our strategic goal is to grow profitably in business segments that develop, build and maintain the technical infrastructure of our living environment.

YIT's growth target, an average of 10 per cent annually, exceeds the rate of market growth. YIT is enlarging its operations at the fastest clip in Russia, where we aim to grow by an average of 50 per cent annually during the 2006–2009 period. In the past two years, we have achieved growth of 9 per cent without carrying out significant acquisitions and while maintaining a good level of profitability. In 2006, the Board of Directors set a new strategic target for YIT – to increase operating profit to 9 per cent of revenue in the 2007–2009 period. Improving profitability hinges on focusing on the chosen business segment structure, and stepping up project development, long-term service agreements and services offered to households.

Building Systems – YIT's largest business segment in terms of personnel – is pressing on with the systematic improvement of profitability by means of the development of its operations, cooperation between business segments and countries as well as the transfer of technological expertise. YIT is the market leader in the Nordic countries and Lithuania. The service range in Norway and Denmark is being diversified. Our goal in Russia, Estonia and Latvia is to build up the size of the company to a sufficient scale. The business segment's market situation will remain favourable in its entire territory.

Demand for new residences in Finland will remain at a good annual level, over 30,000. Moderate growth will continue in the construction of business premises and infrastructure in Finland. Residential construction in Russia, Estonia, Latvia and Lithuania is growing at a rapid pace and demand will continue to head upwards in the long term as well. The YIT Home service process – honed to an efficient edge in Finland – has been successfully adapted and transferred to Russia, Estonia, Latvia and Lithuania.

Rising income levels, greater appreciation for leisure time and the ageing of the population have made households more willing and able to buy services. As the values and ideal homes of people change, we have systematically begun to step up our range of services for single-family and leisure-time living as well as home renovation.

Investments by industry and the energy sector are still rising moderately in the Nordic countries, even though the pace of growth in exports and industrial output has peaked for now. We are seeking growth from the outsourcing of industrial maintenance – structural changes in the forest industry, in particular, are opening up opportunities. We have generated new revenue by enlarging our own operations into the provision of helpdesk services for corporate and home computer networks and hardware. At the beginning of 2007, we ventured into the electricity network installation and maintenance business.

Nordic stability supports rapid expansion in Russia

Our local operations in eight Northern European countries balance out the effect of cyclical fluctuations on the trend in the Group's revenue and earnings. YIT has systematically expanded its operations in one of the most economically and politically stable areas in the world – the Nordic countries.

In 2006, 87 per cent of YIT's revenue came from the Nordic countries. The stability of our operations in the Nordic countries has enabled us to rapidly expand housing production in the growing markets of Russia and the Baltic countries. Domestic consumption is already the major engine of growth in these countries and households are enjoying a positive income trend. Oil profits bolster purchasing power in Russia and the population shift into large cities will establish a firm foundation for housing demand over the decades ahead. In our view, we can tap into the great business opportunities opening up in Russia thanks to our 46 years of experience in the country and our local employees, who know the markets well.

We're professionals working together with people

The organization of our large corporation changes in step with technological advances, the development of society and our customers' needs. YIT went into business 95 years ago in Finland – and in that time, the company has lived through two world wars, the recessions of the 1930s and 1990s, and technological and lifestyle upheavals. Russia, Estonia, Latvia and Lithuania have gained their independence and made the transition to market economies. All these changes have opened up new business opportunities for YIT. Outdated technologies and business areas have inevitably fallen by the wayside. Such evolution will continue in the future.

On the way, we have accumulated comprehensive expertise and professional skills in the development, construction and maintenance of the technical infrastructure of our Northern European societies. Today, we serve our local customers in their own language in all our home countries – and build well-being and good living environment. We modernize infrastructure and keep it in shape using local labour. There is a real need and sustainable demand for the work that we do.

YIT is a labour-intensive, multi-domestic company providing technical services. The company's success is based on the professional skills and expertise of over 22,000 people. Last year, our personnel strength grew by 1,000. Moreover, we hired new professionals to replace retirees and those who left our employ. Even in light of our productivity development, to keep up with the rapid growth in our business operations – we will be able to hire thousands of new YIT employees in the years just ahead. Developing one's own know-how in a large, international and broad-based company offers challenging career development and advancement options.

Dear customers, cooperation partners and shareholders, I would like to thank you for the confidence you have shown in our operations. I would also like to extend my thanks to all YIT employees for good performance and your contributions to our mutual success.

Hannu Leinonen
Group CEO

Mission

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

Operational concept

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

- **Consumer services**
  services offered directly to households
- **Long-term service agreements**
  recurring work carried out based on a longer-term agreement
- **Project development**
  end-to-end projects in which YIT is on board over the whole chain, starting from the creation of the idea
- **Contracting**
  individual services and service packages won in competition and carried out under project-specific terms

Additional information

The Group's key indicators since 1997 on page 57.

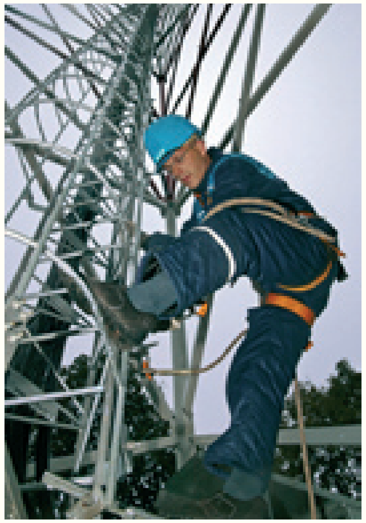
Changes in the financial target levels on YIT's internet site.

Our strategy's main target is profitable growth

Services focus on the technical living environment

YIT's mission is to build, develop and maintain good living environment. We construct buildings and lay down infrastructure. We create purpose-designed property conditions and provide support to industrial operations.

In all that we do, we need to draw on technical and financial expertise and the ability to understand customers' needs.



Expanding business operations into new services and markets

We expand our business operations so that as technology changes, our portfolio includes services for all areas of the technical structures of living environment. As the societies and needs evolve, we also expand our service offering to cover new customer groups and growing market areas.

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

Bolstering profitability by increasing YIT's share of work

Business operations focus on services in which YIT performs a great share of the work – that is, services with a high degree of added value. When YIT is responsible for the entire service chain, operating methods can be honed across the board, thereby strengthening the profitability of operations.

The longest service chain is found in services offered directly to households. In services offered to companies and institutions, our focus is on long-term service agreements and broad-scaled projects that aim to develop premises and their technical systems.

Over the next few years, the fastest growth will be seen in Russia

Key growth areas

- Residential construction is stepped up in Russia and the Baltic countries.
- The building system service portfolio and network of business locations will be expanded in the Nordic countries so that YIT's expertise covers the full range of building systems in all its operating countries.
- In services for industry, YIT's objective is to take on maintenance functions outsourced by Finnish industry.

In Russia, the aim is to increase revenue by 50 per cent annually on average during the 2006–2009 period by

- stepping up residential development,
- moving ahead with project development on business and logistics premises in St Petersburg,
- enlarging building system services in St Petersburg and Moscow and
- by gaining a foothold for industrial investment and maintenance services in the St Petersburg area.

Bolstering profitability

- The share of revenue accounted for by services offered directly to households, long-term service agreements and project development is raised.
- Tender-based projects are implemented selectively and projects containing exceptional risks are avoided.

Development themes

- Ensuring the availability and expertise of personnel
- Strengthening service expertise
- Continuous development of a consistent working culture
- Streamlining business processes
- Upgrading efficiency in procurements

Target levels for the financial indicators

Annual average 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%

The stability of operations in the Nordic countries and YIT's long experience in the market enable the company to expand its operations rapidly in the growing markets of Russia and the Baltic countries. In Russia, all YIT's business segments are broadening their service portfolios.

YIT has been in business in Russia continuously for 46 years. Residential construction was started up at the turn of the millennium. YIT is now the country's largest foreign-owned housing construction company.

In all our market areas – in services offered to companies and institutions – we increase the number of service agreements in which we work in close partnership with the customer. In the construction of business and logistics premises, the focus is on project development, in which YIT can tap its expertise to the full, from land management on up.

YIT also offers more services directly to households. The company caters to their changing needs by also building leisure-time residences and single-family houses. Home repair and modernization services are being developed as well. Telecom network services are offered to households through our customer companies.

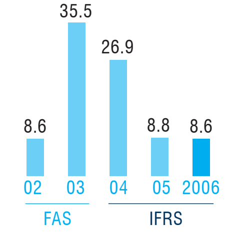
YIT seeks to ensure the availability and permanence of employees to secure its growth. Projects carried out in long-term cooperation with customers and increasing consumer services require bolstering the service attitudes of staff and the company's high profile. YIT fosters a strong corporate culture to maintain a keen competitive edge. To support profitability, business processes are standardized and the efficiency of procurements is raised.

YIT's financial goal is to achieve average revenue growth of 10 per cent annually while improving profitability. The objective is to raise operating profit to 9 per cent of revenue in the 2007–2009 strategic period. Strategic target levels have been set for capital structure and the efficiency of the employment of capital. YIT intends to keep pursuing its active dividend policy and pay out 40–60 per cent of result after taxes and minority interest as dividend.

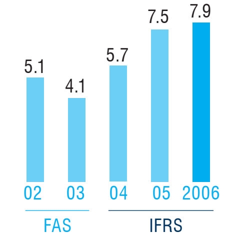
Strong growth requires invested capital

Growth in Russia is sought primarily by stepping up residential and other project development. Due to growth capital is needed for plot acquisitions and ongoing production. At year's end, 23 per cent (2005: 11%), or EUR 279 million (EUR 100 million), of the Group's invested capital was tied up in Russia. YIT's invested capital in Russian operations will grow faster than revenue in the future as well.

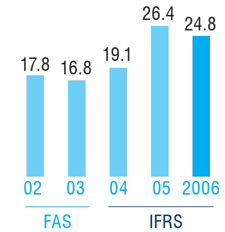
Revenue growth, %



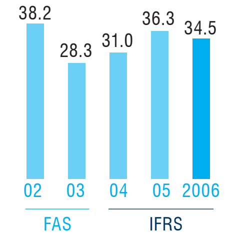
Operating profit margin, %



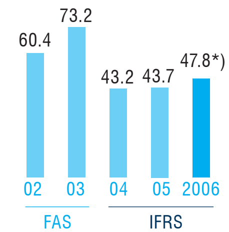
Return on investment, %



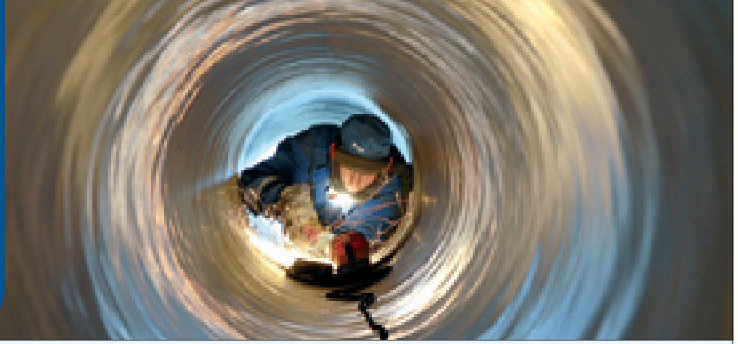
Equity ratio, %



Dividend payout, %



*) Board of Directors' proposal



Northern Europe still booming

Market monitoring

YIT monitors changes in the market structure and in economic cycles, so that the company can react to both positive and negative changes in good time.

Risk management is an integral element of the Group's management, monitoring and reporting systems. Risk management seeks to identify the major risk factors and optimally manage total risk exposure so that the company achieves its strategic and financial objectives.

Primary responsibility for the identification of risks and preparations for them is held by the units, divisions and business segments in which changes can be most quickly identified. The Group CEO holds responsibility for strategic risks as well as risks related to the corporate culture, organization and key employees.

Sources

Euroconstruct, VTT Technical Research Centre of Finland, Nordea

Additional information

The market outlook in each country is presented in the Report of the Board of Directors on pages 67–68.

More information on risk management on pages 48–49.

Economic growth in Northern Europe outpaces the EU average. It is estimated that in 2007–2008 annual growth in GDP will amount to 2–3 per cent in the Nordic countries, 6–6.5 per cent in Russia and 7.5–8.5 per cent in the Baltic countries.

The EU membership of Estonia, Latvia and Lithuania supports the growth of their economies. Euro interest rates are forecast to head upwards by 0.5–1 percentage point in 2007 and then swing into decline. The moderate trend in interest rates supports investments and housing demand, and also prevents the economy from overheating.

New implementation models for public sector service provision

In several of YIT's business countries, public administration is facing funding difficulties. Municipalities and cities are seeking to upgrade efficiency by opening up service provision to competition. In addition to maintenance and servicing, there is demand for various life-cycle responsibility models, energy saving solutions, regional development projects and community construction.

Growing need for household services

Consumers are highly confident in the development of their own finances. The positive trend in incomes and the improvement in the employment rate support household consumption. People in western countries have become wealthier. Their values and attitudes are changing in favour of purchasing services. In Finland, the population shift into the growth centres remains brisk, maintaining demand for new residential units at around 30,000 annually. Demand for residences in Russia and the Baltic countries is on the rise due to the greater affluence of households and the needs to increase living space and upgrade housing quality. Russia has instituted legislative amendments to improve housing market functionality. To increase financing options, YIT has cooperated with selected banks to make it easier to take out mortgages. In 2006, the trend in the loan market picked up the pace significantly, even though total loans remained small.

Greater demand for maintenance services

The market for technical property maintenance is seeing annual growth of about 3–4 per cent. The need for technical upkeep services in Russia and the Baltic countries is increasing on the heels of growth in foreign investments as well as the rise in quality demands in step with income levels.

The outsourcing trend in maintenance services is gaining momentum from ongoing restructuring in industry. Slightly less than one-fifth of production process maintenance has been outsourced in Finland, and far less in the other Nordic countries. This market thus offers substantial potential.

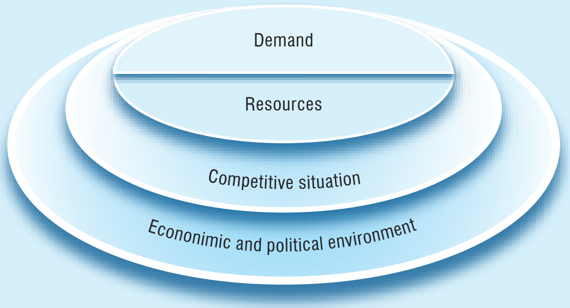
In network services, the market situation is challenging. The number of landline phones is on the wane. The rate of growth in mobile phone subscriptions and broadband connections is slackening. Technical advances have reduced the need for network maintenance and fault repairs. On the other hand, the modernization of the current stock of computers increases the need for corporate and home helpdesk services. Network modernization needs will gradually mount as the profitability of operators and service providers improves and new technologies are launched.

Investments streamed into modernization and the energy

In 2007–2008, construction will see average annual growth of 2–3 per cent in the Nordic countries, 5–6 per cent in Russia and over 10 per cent in the Baltic countries.

Renovation and modernization works in the Nordic countries are growing at a stable rate of 3–4 per cent annually. Installation of building equipment systems is rising at an annual rate of about 3 per cent.

Confidence is high in industry and fixed investments by the manufacturing industry will rise to 4.5 per cent. Growth will slacken in exports and industrial output, but both the wear and tear of the capital stock



Economic and political environment

Economic growth in YIT's market areas continues to outpace the EU average.
The economies of Russia and the Baltic countries are seeing stronger growth than those of the Nordic countries.
The new Housing Code in Russia and the EU membership of the Baltic countries stabilize and enlarge the markets.

Service demand

Demand for housing and consumer services is on the rise.
Maintenance and other service agreements are increasing.
Investments are streamed into modernization and the energy sector.

Resources

Competition for skilful labour is getting significantly tougher.
Procurement and logistic are used in pursuing added value and cost benefits.
Capital markets operate efficiently.

Competitive situation

YIT has a strong market position in fragmented markets.
Competition is local.
Prices are riding high in the acquisition market.

and modernization requirements increase the need for energy sector investments and maintenance in the Nordic countries.

Investments in network services are slight. However, new investments will have to be made sooner or later to keep up with the constant growth in the volumes of data transmitted.

Tougher competition for labour

The availability of labour poses challenges in all of YIT's fields of business. The ageing of the population is particularly pronounced in the Nordic countries. From the middle of the present decade onwards, workforce retirees in Finland 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 scarcity of professionally skilled workers and engineers as well as inflationary salaries and wages, and growth in foreign labour. 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.

YIT's market position is strong

YIT is the market leader in Building Systems in the Nordic countries. The company's largest competitor is Bravida but the market is very fragmented. There are numerous small players in all the business countries.

YIT is Finland's largest construction company. In Russia, it is the biggest foreign-owned builder of housing. YIT's major competitors in Finland are Skanska, Lemminkäinen and NCC. In Russia YIT's market share is low and 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 one of the biggest construction companies in the Baltic countries.

Industrial and Network Services is the market leader in its field in Finland. The major competitors are ABB and Relacom.

Opportunities for structural growth

Most of the companies operating in the market for building system services are small. The market shares of even the largest players in YIT's business countries are only 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.

Construction Services can expand its operations in Russia by expanding the operations of current companies and by setting up joint ventures with local partners. Restructuring in industry opens up opportunities for taking on the production process operation and maintenance tasks and property service tasks that are being outsourced.

Heated competition between operators is driving M&A activity in network services.

Venture capitalists have been active in the acquisition market and price levels have been riding quite high.

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
- **Continuous learning**
  - Top-notch professional skills and project management
  - Competitiveness over borders
  - We build a good living environment
- **Well-run cooperation**
  - Working as a team, respecting our partners
  - Trust is built on openness and honesty
  - At YIT, every person is important
- **High performance**
  - Entrepreneurship is our strength
  - Healthy profitability generates dividends
  - We shoulder our corporate responsibility

Additional information

The complete principles of YIT's corporate responsibility are available on YIT's internet site.

Financial, social and environmental responsibility support each other

Corporate responsibility is the sum of three areas that support each other: financial, social and environmental responsibility. A company that operates responsibly fosters the well-being of its customers, employees, shareholders and other interest groups, and shoulders its responsibility for the environment.

Corporate responsibility is the sum of the work of all our employees. YIT distributed its principles of corporate responsibility to all the Group's employees in 2006.

Principles of YIT's corporate responsibility

First principle:

Our operations are socially, financially and environmentally sustainable

Financial responsibility

- Responsibility for the financial result is the bottom line of YIT's operations. The company's objective is to grow profitably and develop its operations with an eye on the long term.
- Financial, social and environmental responsibility dovetail at YIT.
- We intend to rack up good earnings by playing fair.

Environmental responsibility

- Respecting nature, culture and living environments is an integral element of our core mission.
- We develop the energy efficiency of our solutions and services and of our customers' processes.
- We make eco-efficient use of natural resources in our own operations.
- We pay heed to the life-cycle management of our products. We process the resulting wastes appropriately.
- We seek to prevent environmental damage through risk management.

Social responsibility

- YIT aims to be the most desirable employer in its fields of business.
- Our goal is to ensure the physical and mental well-being of our employees.
- We do not permit illegal action such as the use of black market, child or forced labour, cartels, the restriction of competition and bribery.
- We engage in social dialogues and participate in development projects both at the national level and in our field of business.
- The entertainment provided by YIT is not unduly lavish. The principles of responsibility are complied with in sponsorships.
- We bear our responsibility for our products and services.

Second principle:

Responsibility is part and parcel of our day-to-day business operations at all levels of the Group

- Our long-term operations hinge on shouldering our responsibilities for the financial, social and environmental effects of our operations.
- Our aim is for all our employees to be committed to corporate responsibility.
- We provide also our suppliers with guidelines on how to operate in accordance with the principles of corporate responsibility. We help our customers to choose sustainable solutions.
- Our operations are transparent.

Third principle:

By operating responsibly, we generate benefits and well-being

- Our goal is that our responsible operations will generate benefits and well-being for all our interest groups – personnel, customers, shareholders, material suppliers and service providers, society, local communities and media.

Financial responsibility

YIT will continue to pursue its strategy of profitable growth. Profitable business operations affect all our cooperation partners: employees, customers, partners, and investors. Our financial result has a wider social impact through taxation. Financial profitability and long-term development have served as YIT's core principles for 95 years.

Direct financial effects

Customers:
Revenue
MEUR 3,284.4
(MEUR 3,023.8)

Suppliers
Raw materials, consumables and goods MEUR 1,086.3 (MEUR 822.5)
External services MEUR 823.4 (MEUR 682.0)

Personnel
On average 21,846 persons (21,194)
Wages, salaries and fees MEUR 773.2 (MEUR 720.3)
Pension costs MEUR 89.5 (MEUR 85.9)

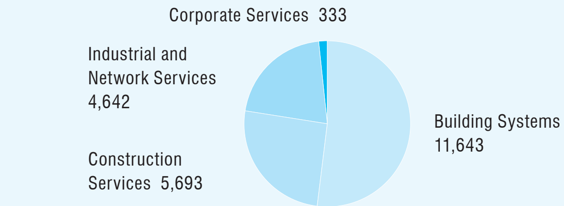
Investors
Dividends MEUR 68.6 (MEUR 42.9)

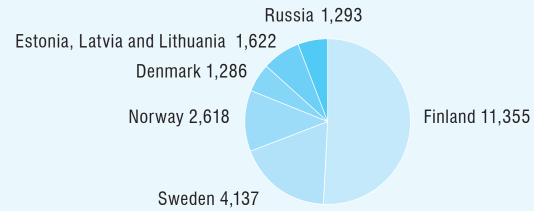
Including the dividend, the share yield was 19% (101%)
During the past five years, YIT's share price has grown more than sixfold.

Interest expenses and financial expenses MEUR 20.5 (MEUR 16.8)

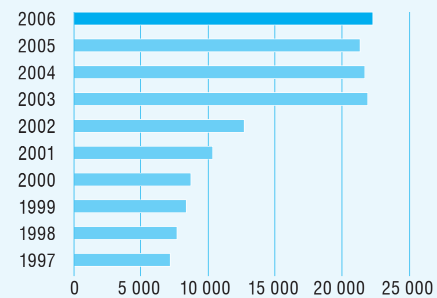
Public sector
Income taxes MEUR 47.8
(MEUR 38.9)

Total personnel 22,311





Personnel at year's end, 1997–2006



Key figures of personnel

	2006	2005
Average number of personnel	21,846	21,194
Non-salaried employees	69%	70%
Salaried employees	31%	30%
Men	90%	91%
Women	10%	9%
Average age of personnel	43 years	44 years

Social responsibility

A responsible company takes care of the wellbeing of its employees. YIT seeks to ensure the availability of skilled employees who are committed to getting the job done well – and the company wishes to retain them in its service and enable them to improve themselves.

Wanted: skilled employees

As the Group grows, we need more and more professional employees in our ranks. Competition for skilled employees is heating up. We seek to ensure that we will have competent employees on our payroll in the future by focusing on hiring new professionals and taking steps to keep our current employees happy at the company. Job rotation within the Group provides opportunities for professional development and career advancement.

In all our business countries, we team up with educational institutions to develop vocational education in line with local degree requirements. An important decision was made in Finland to ensure the availability of skilled site supervisors – a training program for construction managers is started up at universities of applied sciences in autumn 2007.

We offer many trainee positions for students, even for those in the early stages of their studies. Students are also keen to do their final project at YIT – and often stay on with the Group after completing it. In 2006, there were about 1,700 trainees and summer employees at YIT.

Injury rate

Workplace injuries/million working hours*

	2006	2005
YIT Kiinteistötekniikka Oy	34	37
YIT Construction Ltd	48	60
YIT Industrial and Network Services Ltd	34	41

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

Management by key results guides operations

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 result and development discussions, personal objectives are agreed for each employee, after which these objectives are monitored. The goal is for each YIT employee to have a result and development discussion with his or her supervisor at least once a year.

Performance bonuses spur activities towards achieving the Group's key results, reward good performance and improve personnel motivation and commitment. The amount of the bonuses that are paid depends not only on the financial results of the Group and the unit of the employee in question, but also on the realization of personal key results. Other monetary rewards in use at YIT include suggestion bonuses and years-of-service bonuses. Executives and key employees have been granted YIT share options.

Personnel study results remain good

A personnel study covering all employees is carried out each year. The study evaluates the workplace atmosphere and job satisfaction. There were 12,035 respondents to the 2006 personnel study, representing 54 per cent (2005: 54%) of the entire Group's personnel. The average result in the study was 3.62 (3.61) on a scale of 1 to 5. The average score given by non-salaried employees was 3.47 (3.47), while that of salaried employees was 3.82 (3.81).

All the units examine the results of the study, which then form the basis for decisions about development measures. The measures pay particular attention to differences between personnel groups and units. Benchmarking of supervisory work in line with YIT's values will be adopted in all our business countries in 2008.

Pulling together at the European level

The development of one's own approach to the job is the right of each and every YIT employee – and also their obligation. YIT encourages employees to display initiative by holding suggestion campaigns. Moreover, cash bonuses are paid for suggestions that lead to measures for developing operations. Personnel also have the chance to have a say in how things are done at the company during result and development discussions, in cooperation groups and using other feedback methods. Personnel are represented in the management boards of the divisions.

YIT's European Works Council was set up in October 2006. Matters dealt with at meetings of the European Works Council include the Group's financial and employment situation, investments, major organizational changes, environmental and quality issues and the HR policy.

Outlays on training

Continuous learning is one of YIT's four core values. In order to thrive, the company needs to upgrade the expertise of its personnel. We offer opportunities for professional development and career advancement by means of active job rotation, internal and external coaching, vocational degree training and encouraging employees to undertake further studies. The major realignments in unit management and the organizational structure in recent years have primarily been carried out by means of internal transfers.

Putting our equality plan into practice

More men than women typically seek employment in YIT's fields of business. In 2006, 90 per cent of YIT's employees were men and 10 per cent women. 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 promotion, pay and training opportunities. The Group intends to prevent workplace bullying as well as discrimination and harassment.

Health and safety are part of wellbeing and performance

Safety management is a vital part of management and high-performance business operations. We seek to reduce workplace injuries by ensuring that work environments are safe and by making outlays on safety training. Risk assessments and safety plans are drawn up during project planning. Employees then receive orientation on the work site. In 2006, over 300 supervisors – from site foremen to senior executives – completed safety management training.

All the Group's employees in Finland hold an occupational safety card. As from the beginning of 2007, subcontractors' employees are also required to have a valid occupational safety card.

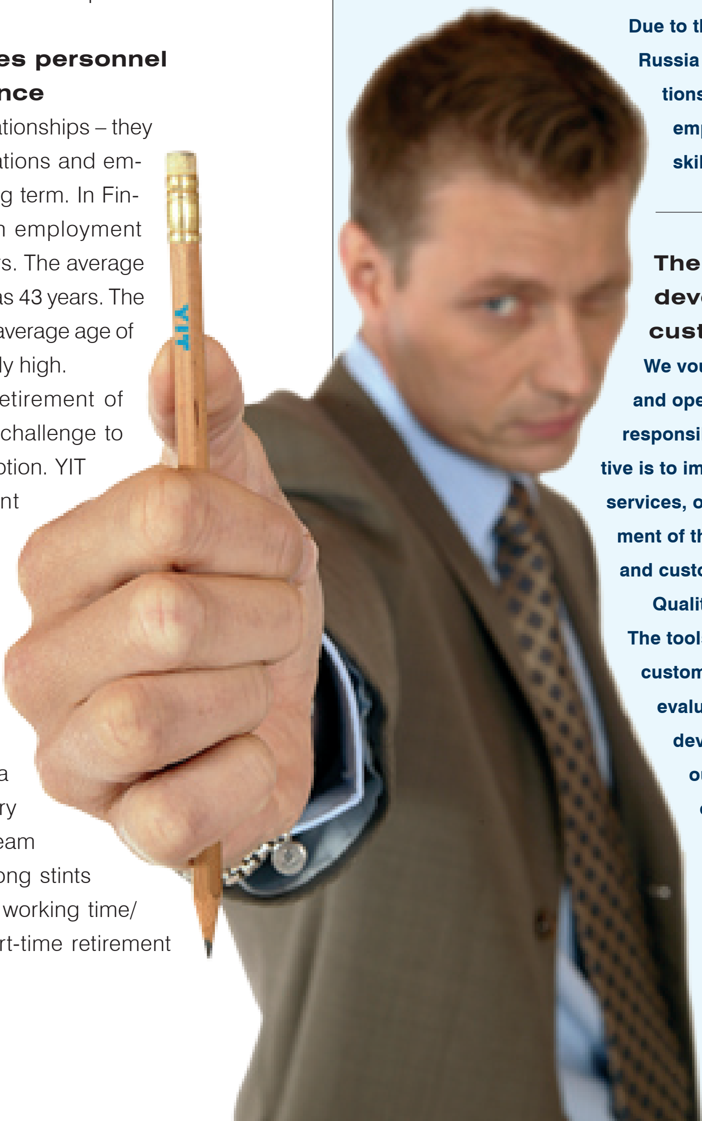
The safety level of sites is monitored systematically. The average safety level of construction sites in 2006 was 93 per cent (2005: 94%) in Finland and 90 per cent in other countries. The number of serious on-site accidents has declined. Almost 70 per cent of the accidents involve tripping, slipping and falling.

At YIT, occupational health care is organized on a country-by-country basis and the health of employees is followed locally. Occupational health care services improve the occupational fitness and well-being of personnel. In addition, these activities focus on preventing workplace injuries and musculo-skeletal ailments in particular.

Well-being improves personnel permanence

YIT values long employment relationships – they make it possible for both operations and employees to develop over the long term. In Finland, the average length of an employment relationship in 2006 was 12 years. The average age of the Group's employees was 43 years. The age structure varies by unit. The average age of experts in certain fields is notably high.

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, different kinds of courses, and other means. Mental well-being is improved by ensuring that work tasks are satisfying as a whole and by means of supervisory work and events that enhance team spirit. The means used to prolong stints of employment include flexible working time/job task arrangements and part-time retirement alternatives.



Working in Russia

The Group's growth and the differences in the cultures of different countries also pose challenges to corporate responsibility.

In Russia, we provide our employees with official and regular pay, sick leave and annual holidays with pay, both mandatory and voluntary sickness insurance, production accident insurance, good working conditions and equipment as well as training and development opportunities. The same system for monitoring and developing the occupational safety level is used at construction sites in the Baltic countries and Russia as in Finland.

Due to the labour shortage, pay levels in Russia are rising. Responsible operations make YIT more attractive as an employer when the competition for skilled labour mounts.

The goal of quality development is satisfied customers

We vouch for the quality of our products and operations – that is part of our responsibility to our customers. The objective is to improve the quality of products and services, our own processes, the management of the production and supplier chain, and customer satisfaction.

Quality is part of all our operations. The tools we use to upgrade quality are customer satisfaction surveys, internal evaluations and the correction of deviations. We use quality systems in our systematic quality development efforts. Our ISO 9001-certified quality systems cover 69 per cent of the Group's operations.

Environmental responsibility

Respecting the environment is an integral part of our core mission of building, developing and maintaining a good living environment. Our environmental business seeks to have positive environmental effects. Through the management of the environmental footprint of our own operations we aim to minimize adverse impacts.

The South-West Wastewater Treatment Plant in St. Petersburg wins EU environmental award

Every other year, the European Commission holds the European Business Awards for the Environment competition, which recognizes businesses that support the principles of sustainable development. In 2006, the project to build the South-West Wastewater Treatment Plant in St Petersburg took shared first place in the International Cooperation Award category. The plant was built by SWTP Construction, a consortium established by YIT, NCC and Skanska.

YIT is a partner in the Clean Baltic Sea project

YIT's territories are located around the Baltic Sea. We're on board the Clean Baltic Sea project so that everyone in our business countries can once again enjoy the sea.

The Clean Baltic Sea project aims to revitalize the sea by reducing phosphorous discharges that lead to eutrophication and blue-green algae growth. The donations collected in the Clean Sea Fund will be used in full to finance chemical phosphorous removal at the wastewater treatment plants of St Petersburg.

http://www.puhdasitameri.fi/

The environmental business has positive effects

Higher energy efficiency with building systems

Upgrading the energy efficiency of a property or industrial facility makes it possible to cut energy costs, to reduce carbon dioxide emissions that accelerate climate change and to extend the service life of building equipment and production technology systems.

The end-to-end energy services offered by YIT comprise energy analysis, energy efficiency, energy management and energy procurement services. Energy analysis services assess the present state of energy consumption and the potential savings. When the Directive on the Energy Performance of Buildings comes into force, energy certificates in line with the directive will be included in YIT's service range. Energy-efficiency services aim to reduce the specific consumption of energy as well as to continuously monitor and account for energy efficiency in procurements.

Energy savings at zero cost

Investments required to achieve energy savings can be financed and implemented using models such as ESCO and EPC. With these models, the investment is financed with the resulting savings on energy costs. At many sites, energy consumption can be reduced by dozens of per cent. In our ESCO agreements, the investment is financed by a bank and implemented by YIT.

Environmental services for waste and water treatment

YIT offers environmental services for water and wastewater treatment, sludge and waste processing and biogas utilization. The EU's increasingly stringent permit conditions set the bar higher for the efficiency of wastewater denitrification.

Minimizing the adverse environmental impacts of the company's own

The environmental impacts of the company's own operations are managed with environmental and operating systems. ISO 14001-certified environmental certificates cover 45 per cent of the Group's operations.

Focusing on life-cycle environmental impacts

The major environmental impact of construction is the energy consumption of buildings over their life cycles. The Directive on the Energy Performance of Buildings will come into force in EU member states in 2007. The directive aims to reduce carbon dioxide emissions by improving the energy-efficiency of buildings. The three main concerns of the directive are the implementation of energy certification, minimum standards for energy efficiency and periodic inspections of heating and cooling installations. YIT has been on board the working group preparing the methodology for the calculation of energy efficiency in Finland.

At construction sites, the management of environmental issues, occupational safety, and both order and cleanliness have a close bearing on each other. The proper treatment and sorting of wastes is cost-effective and affects both occupational safety and the state of the environment. The company seeks to minimize transport of earth from construction sites, such as by using it for landscaping at either the site itself or close-by locations. YIT is Finland's largest private provider of road maintenance services. The amount of salt used in road maintenance is optimally matched to weather conditions, seeking to prevent unnecessary soil salination.

Risk management to minimize environmental impacts

In 2006, an environmental target was set for all the business locations of the divisions offering services for industry. Particular attention is paid to the management of environmental and safety risks. A risk assessment is performed in all industrial projects by evaluating risks related to personal safety, the use of chemical substances and well-being at work.

The Group complies with EU Directive provisions on the sorting and treatment of scrapped electrical and electronic equipment. Hazardous wastes such as batteries, oil, cooling fluids and cables containing harmful substances are delivered for appropriate treatment.

Environmental business projects in 2006

In Finland, YIT made 7–8 year long energy savings agreements with the City of Espoo, Strömfors Electric Oy, City of Turku and Metso Lokomo Steels Oy.

YIT will supply the primary and supplementary machinery, building technology works, HEPACE works and building automation for the wastewater treatment plant under construction in Kakolanmäki, Turku. When it goes on stream in 2009, it will be Finland's second-largest treatment plant, processing the wastewater of about 280,000 inhabitants.

YIT is building a biogas plant in Ilmajoki, Finland. It will process sludge from wastewater treatment plants and separately collected biowastes. The plant will produce biogas to meet the energy requirements of a waste treatment centre. The leftover biomass will be pressed into pellets that are suitable for use as soil conditioners in landscape gardening.

In Sweden, YIT is assessing and implementing energy savings at all the schools and preschools in Luleå as part of the service agreement made with the city. YIT and Västfastigheter extended their agreement for the East Hospital in Gothenburg. Under this agreement, electricity and heat consumption have been reduced at the hospital. Solar panels manufactured by Naps Sweden AB have been installed on behalf of the City of Malmö.

In Norway, YIT has replaced tens of thousands of PCB-containing light tubes with more environmentally friendly and energy efficient lamps around the country. In the shopping centre owned by SektorEiendomsUtvikling in Lier, energy consumption was cut by 1.5 million kWh by automating its ventilation, heating and illumination systems.

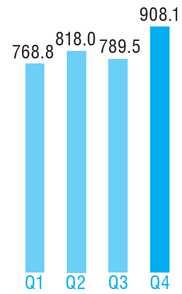
In Odense, Denmark, YIT improved the illumination and reduced the energy consumption of Bilka supermarkets owned by Danish Supermarket.

YIT supplied water treatment equipment for a thermal power plant in Myllykoski on behalf of Vamy Oy.

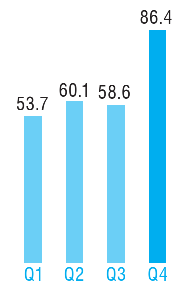
Quality and environmentally certified operations	ISO 9001 (quality)	ISO 14001 (environ-ment)
YIT Group, total	**69%**	**45%**
Building Systems		
YIT Kiinteistötekniikka Oy, Finland	42%	100%
YIT Sverige AB, Sweden		
Electrical systems	100%	100%
Climate systems	100%	100%
Facilities management	100%	100%
YIT Building Systems AS, Norway	100%	100%
YIT A/S, Denmark		100%
YIT Technika UAB, Lithuania	100%	
Construction Services		
YIT Construction Ltd		
Residential Construction	100%	
Building Construction	100%	
Business Premises	100%	
Infraservices	100%	
YIT Environment Oy	100%	
YIT Vatten och miljöteknik AB, Sweden	100%	
YIT Ehitus, Estonia	100%	100%
YIT Kausta, Lithuania	100%	100%
Industrial and Network Services		
Project Services	100%	100%
Botnia Mill Service	100%	100%

Growth in revenue and operating profit still

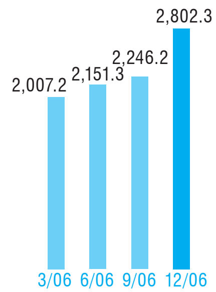
Revenue, MEUR



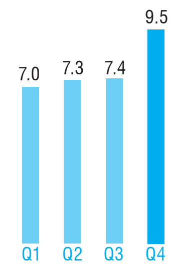
Operating profit, MEUR



Order backlog, MEUR



Operating profit margin, %



Key figures	2006	2005
Revenue, MEUR	3,284.4	3,023.8
Operating profit, MEUR	258.8	227.7
Profit for the financial year, MEUR	175.4	156.9
Opearating profit margin, %	7.9%	7.5%
Return on investment, %	24.8%	26.4%
Return on equity, %	28.3%	31.1%
Equity ratio, %	34.5%	36.3%
Gearing ratio, %	75.1%	45.1%
Earnings/share, EUR	1.36	1.26
Equity/share, EUR	5.29	4.49
Dividend/share, EUR	0.65*)	0.55
Shareholders, Dec 31	14,364	9,368
Share price, Dec 31, EUR	20.95	18.07
Market capitalisation, Dec 31, MEUR	2,656.0	2,254.4
Balance sheet total, Dec 31, MEUR	2,117.8	1,688.1
Order backlog, Dec 31, MEUR	2,802.3	1,878.8
Personnel, Dec 31	22,311	21,289

*) Board of Directors' proposal

Balance sheet summary, MEUR	2006	2005
Non-current assets	362.1	344.2
Inventories	1,006.4	685.2
Financial assets	749.3	658.7
Shareholders' equity	674.4	563.5
Obligatory provisions	62.1	57.5
Interest-bearing liabilities	532.4	335.0
Interest-free liabilities	848.9	732.1
Balance sheet total	2,117.8	1,688.1

- Revenue grew by 9%. In Russia, revenue was up 65%.
- Of the revenue, 55% came from Finland, 32% from the other Nordic countries, 7% from Russia and 6% from Lithuania, Latvia and Estonia.
- Operating profit rose by 14%.
- Consumer services accounted for 24% of revenue, long-term service agreements for 28%, project development for about 9% and contracting for about 39%.
- The financial position remained strong. The gearing ratio was 75.1% and the equity ratio 34.5%.
- The order backlog rose by 49% to an all-time high.
- The Board of Directors proposes the raising of dividends per share for the twelfth year in a row. Dividends of EUR 0.65 would be paid.

In 2006, YIT's revenue and operating profit rose to record highs.

Building Systems forged ahead with improving profitability. The business segment's operating profit rose by 54 per cent. Both maintenance and servicing as well as repair and modernization projects were on the up.

Earnings in Construction Services were excellent in all areas of operations. Development was especially vigorous in Russia, where the company expanded its operations into three new cities. The business segment's revenue grew and profitability remained excellent.

Industrial and Network Services enjoyed favourable trends in industrial investments and maintenance. The market situation for network services weakened significantly. The Network Services business unit carried out codetermination negotiations as a result of which operations were downscaled to match demand.

Outlook for 2007

We estimate that revenue and operating profit in 2007 will increase compared to the previous year.

The outlook for revenue growth is supported by the record-high order backlog, the continuing boom and YIT's major investments in the Russian market.

The healthy margin of the order backlog and the company's own profitability improvement measures underlie our expectations of growth in operating profit.

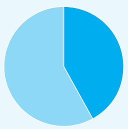
Business segments cover the technical structures of today's living environment

YIT's business operations focus on the development, construction and upkeep of the technical structures of living environment. Building Systems establishes and maintains the desired property conditions. Construction Services builds settings that meet housing, work and business needs as well as well-oiled technical infrastructure. Industrial and Network Services helps industry to upgrade production efficiency and network companies to hone the cutting-edge telecom services they provide.

The Construction Services business segment requires capital to acquire plots and fund ongoing housing construction. Building Systems and Industrial and Network Services operate in labour-intensive fields in which over 60 per cent of revenue is generated by the maintenance and servicing business.

Revenue

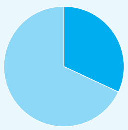
42%



MEUR 1,415.1

Operating profit

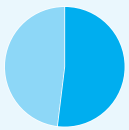
32%



MEUR 87.6

Personnel

52%

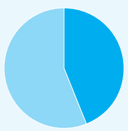


11,643

Building Systems

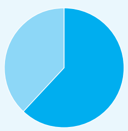
Design, installation and maintenance services for building equipment systems and property networks as well as property management in the Nordic countries, the Baltic countries and Russia

44%



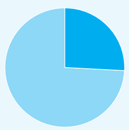
MEUR 1,452.2

62%



MEUR 170.8

26%

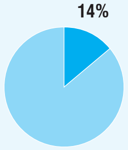


5,693

Construction Services

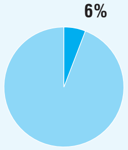
Development projects, construction and renovation of housing, other properties and industrial facilities as well as infrastructure construction and maintenance services in Finland, Russia and the Baltic countries

14%



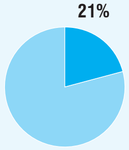
MEUR 476.9

6%



MEUR 18.0

21%



4,642

Industrial and Network Services

Services for industry's investments in piping, tanks, boilers and electrical, automation and ventilation systems, and the maintenance of production plants as well as field services for electricity networks and telecommunications and related technology in Finland and Russia, and also in the rest of Europe on a project basis

Additional information

Report of the Board of Directors on pages 62–70.

Main stock exchange releases in 2006 are on page 35.

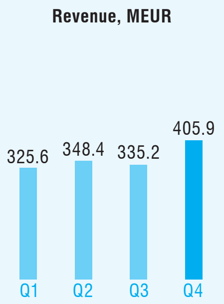
The Group's key figures 1997–2006 are presented on page 56.

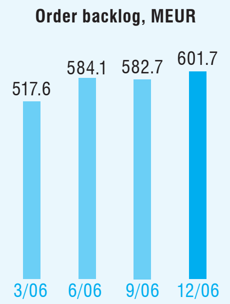
Figures by business segment are on page 61.

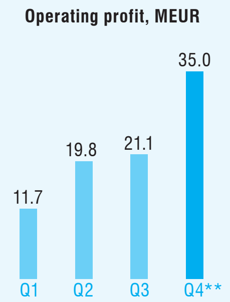
Currency exchange rates used in YIT consolidated financial statements

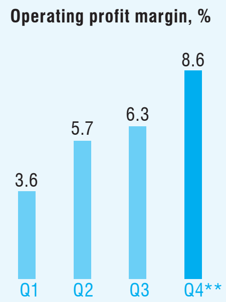
		Average exchange rate in 2006	Exchange rate Dec 31, 2006	Exchange rate Dec 31, 2005
1 EUR =	USD	1.2556	1.3170	1.1797
	GBP	0.68173	0.6715	0.68530
	SEK	9.2527	9.0404	9.3885
	NOK	8.0481	8.2380	7.9850
	DKK	7.4591	7.4560	7.4605
	EEK	15.6466	15.6466	15.6466
	LVL	0.7028	0.7028	0.7028
	LTL	3.4528	3.4528	3.4528
	RUB	34.1157	34.680	33.920

Profitability surged in Building Systems









Balance sheet summary, MEUR

	2006	2005
Non-current assets	**208.8**	229.3
Inventories	**35.2**	49.8
Financial assets	**400.5**	402.4
Shareholders' equity	**175.7**	129.9
Obligatory provisions	**20.2**	20.5
Interest-bearing liabilities	**70.3**	152.6
Interest-free liabilities	**378.3**	378.5
Balance sheet total	**644.5**	681.5

- Revenue was up 1%. *
- Operating profit grew by 54%. **
- Profitability improved significantly. The operating profit margin rose from 4.1% to 6.2%.
- The share of revenue accounted for by the maintenance and servicing business rose to 64%.

Building equipment systems were still in good demand in all the operating countries. Demand surged in Russia and the Baltic countries on the heels of strong economic growth and a rise in foreign investments.

Both maintenance and servicing as well as repair and modernization projects were on the up. Interest in the outsourcing of technical services rose due to public sector restructuring.

The market for industrial services grew in Sweden, Norway and Denmark.

** At the beginning of 2006, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The transferred business functions had revenue of EUR 58.9 million in January-December/2005. Comparable growth in revenue in 2006 was 6 per cent in Building Systems.*

*** In the October-December/2006 period, Building Systems released provisions for certain contractual obligations that had come to an end. This had a positive impact of EUR 7.2 million on operating profit.*

**** An independent country group was set up from Building Systems' business functions in the Baltic countries and Russia as from the beginning of 2006. These business functions were previously part of the same corporate entity as Finnish functions.*

Key figures

	2006	2005
Revenue, MEUR *	**1,415.1**	1,398.4
- Share of maintenance and servicing, %	**64%**	60%
Operating profit, MEUR **	**87.6**	56.8
- % of revenue	**6.2%**	4.1%
Return on investment, %	**34.4%**	22.0%
Order backlog Dec 31, MEUR	**601.7**	492.0
Employees Dec 31	**11,643**	11,731

Revenue by country, MEUR

	2006	2005	Change
Sweden	**541.0**	537.6	1%
Finland *	**327.4**	394.3	-17%
Norway	**345.9**	305.4	13%
Denmark	**146.4**	123.9	18%
Estonia, Latvia, Lithuania, Russia ***	**54.4**	37.0	47%
Total	**1,415.1**	1,398.4	1%

More services and long-term service agreements

YIT is the leading provider of building system services in the Nordic countries. We are also the field's largest company in Lithuania. Our strengths are our extensive network of business locations and the management of solutions over the entire life cycle of properties, from design to installation, operation, maintenance and modernization.

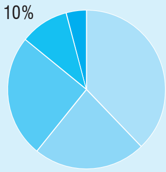
Services

- HEPAC, electrical, automation, security system and refrigeration technology implementation
- Servicing and maintenance of building equipment systems
- Facility management, property investment management as well as building management and user services
- Energy efficiency services
- Property data network installation and maintenance
- Piping deliveries for the process industry in Sweden

Customers

- Developers and construction companies
- Property investors and owners
- Property service companies and building managers
- The public sector
- Trade and industry
- Households

Revenue by country, %



Rounding out the service portfolio

Building Systems is widening its service portfolio and network of business locations. Our objective is to be able to offer a full range of building system services in all our territories. In particular, we intend to step up our maintenance and servicing business – trends in this business are more stable than in investments in spite of cyclical fluctuations in the economy.

YIT seeks to expand its operations into heating, plumbing and sewerage piping within buildings in Norway and Denmark. In addition, the service network is being bolstered in the Copenhagen area. YIT's aim in Estonia and Latvia is to rack up market share gains in all types of building equipment systems. In line with the Group's strategic objectives, business operations are being increased in St Petersburg and Moscow, Russia.

In addition to expanding its current operations, YIT seeks to grow through acquisitions. In 2006, numerous small-scale acquisitions were made to round out operations in Sweden and Norway.

Developing services for households

Demand for servicing, repair and refurbishing services for single-family houses and leisure residences is rising in step with the ageing of the population and the greater appreciation for leisure. New technical repair, servicing and renovation services for households are being developed in Finland. Once we have wrapped up the development phase, we aim to introduce these services to other localities and countries.

Increasing long-term service agreements

YIT is raising the share of business operations accounted for by long-term service agreements. These include services such as servicing of building equipment systems, the installation works, and energy saving solutions. In addition, basic renovation solutions are being developed for housing corporations in association with YIT Construction Services. Long-term service agreements can improve service quality. By upgrading work management and our own processes, we support the profitability of our business.

Public administration is opening up its technical services to competition and outsourcing. This provides opportunities for forging service agreements.

Design & Build to the fore in project operations

Building system projects put the emphasis on end-to-end Design & Build deliveries. In these projects, the customer specifies the requirements for its building system solutions. YIT then takes on responsibility for their design and implementation. In Design & Build projects, YIT can tap into its extensive service portfolio and expertise in specialized technologies, such as energy conservation, security and access control, and audiovisual systems.

In Latvia, YIT handles the maintenance of the building equipment systems of Rimi Baltic AB's logistics and office centre. In the photo: Aleksandrs Rutkevičs.

Consumer services

- Home servicing, repairs, renovation and modernization works under the YIT Home brand

Long-term service agreements

- Servicing and maintenance agreements for building equipment systems
- Facilities management
- Management of soft services
- Energy conservation and management services

Project development

- Building system projects designed in cooperation with the customer
- Design & Build system deliveries agreed without competition

Contracting

- Refurbishing, modernization and rebuilding of HEPAC, electrical and automation systems

Deliveries and new agreements in 2006

Consumer services

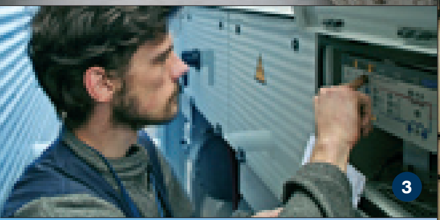
- In **Finland**, YIT launched its repair, servicing and renovation services for homeowners in Oulu and Tampere. During the report year, production and operating capabilities were set in place for home rehabilitation and renovation as well as acute repairs and servicing. Marketing of the services has been started up. In the future, the focus will be on enlarging operations.

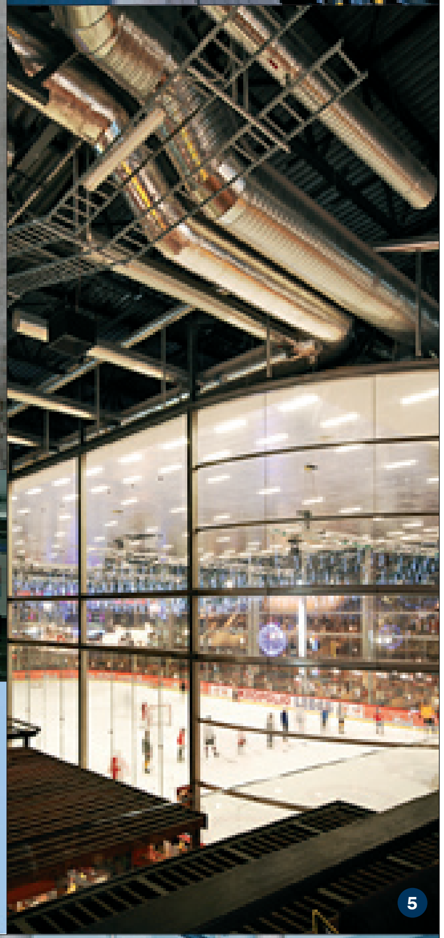
Long-term service agreements

- In **Sweden**, the servicing agreement for the 16-km Öresund's bridge between Malmö and Copenhagen was extended. The agreement is for the electrical, ventilation, piping and cooling equipment of the bridge.
- The City of Luleå and YIT agreed on the implementation of energy and environmental conservation measures at all of the city's schools under their service agreement.
- In **Finland**, a five-year agreement was forged with Finnair Plc for property and facility management services, mainly at the Helsinki-Vantaa Airport.
- A ten-year agreement was signed with the joint municipal board of the Kanta-Häme Hospital District for the implementation, operation and upkeep of a new refrigeration facility as well as for the delivery of cooling energy from the facility to the Kanta-Häme Central Hospital.
- An end-to-end agreement was made with the Foundation for Student Housing in the Helsinki Region, comprising property maintenance and repairs, monitoring of energy consumption and moving inspections.
- Energy-saving agreements were made with the City of Espoo, Strömfors Electric Oy, the City of Turku, Metso Lokomo Steels Oy and others.
- In **Norway**, an agreement was made with the Vital insurance company for the utilization of the ServiFlex service concept in numerous property projects.
- A three-year service agreement was forged with the Norwegian Armed Forces, covering the maintenance of all their fire alarms and emergency light systems.
- In **Denmark**, a long-term service agreement was made with the piping system manufacturer Logstor for the technical maintenance and servicing of production plants and equipment in Fredericia.
- As PostDanmark migrates to IP telephone systems, telecom connection cabling and electrical connection updates were delivered to 40 localities during the first stage of the transition.
- In **Lithuania**, a service agreement in force since 2001 was extended with the VP Group. At year's end it covered building equipment system servicing for most VP Market stores and the Akropolis shopping centres in Vilnius and Klaipeda.
- In **Latvia**, YIT is responsible for the maintenance of the building equipment systems of Rimi Baltic AB's logistics and office centre.
- In **Russia**, a service agreement was made for the technical maintenance and servicing of two K-Rauta hardware stores in St Petersburg.
- The McDonald's maintenance agreement was expanded in 2006 to cover over 70 restaurants.

Project development

- In **Sweden**, an agreement was forged with the steel company SSAB in Oxelösund for the design and implementation of the power, illumination and process electricity of a new furnace.
- YIT and Landstingsfastigheter Dalarna AB entered into an agreement for the design and installation of ventilation systems and piping as part of a large-scale hospital refurbishing project in Falun.
- In **Finland**, Building Systems carries out regional development and housing construction projects in cooperation with Construction Services, in which Building Systems takes on responsibility for total techni-





cal solutions. These cooperation projects include the Konepaja area and Vanhankaupunginkoski in Helsinki and Pakkala in Vantaa.

- In **Denmark** a Design & Build agreement for ventilation system replacement, electrical and piping works was made with Scion DTU, which is part of the Technical University of Denmark in Copenhagen.
- In **Lithuania** and **Latvia**, YIT and the VP Group followed up on their long-term cooperation by agreeing on numerous deliveries for the VP Group's properties. Total technical solutions were supplied for the Abras II logistics centre in Riga, Latvia, and for Akropolis shopping centres in Klaipeda, Vilnius and Kaunas, Lithuania. In Riga, a HEPACE contract was carried out at Latvia's fourth Maxima shopping centre.
- In Kaunas, Lithuania, a total technical solution was supplied for Mega, a large shopping and entertainment centre built by YIT. The client was AB Baltic Shopping Centers.
- In **Russia**, a total technical solution was provided for the Cherepovets ice arena.

1. A total technical solution was delivered in Druskininkai for a aqua park that is partly financed by the EU.

2. In Denmark YIT´s project on the Copenhagen metro consists of a turnkey solution of the electro-technical work – ranging from traction power systems to loudspeaker installation on the stations.

3. Kaspars Hofmanis working with property maintenance in SWH's office building in Latvia.

4. In Norway a ClimaCeil solution – which integrates electrical and air-conditioning systems – was installed at Vetco Aibel's business premises in Stavanger.

5. In Lithuania and Latvia, YIT and the VP Group followed up on their long-term cooperation by agreeing on numerous deliveries for the VP Group's properties. In picture Akropolis shopping centre in Klaipeda.

6. Romans Korsunovs and Sergejs Demsovs work in Riga Latvia.

Contracting

- In **Sweden**, ventilation and piping installation works will be provided for the pharmaceutical company AstraZeneca in Lund as part of a repair and extension project. The works will be performed in compliance with clean room requirements.
- An agreement was signed with Martin GmbH and LAB SA for the delivery of production and supervision systems for SYSAV's power plant.
- In **Finland**, contract agreements were made with Turun Seudun Puhdistamo Oy for HEPACE works and building automation for the wastewater treatment plant under construction in Kakolanmäki. YIT will also supply the primary and supplementary machinery for the project and building technology works.
- HEPACE, telecom and security systems and automation solutions will be provided for VVO's office building, which will be built in Ruskeasuo, Helsinki. YIT is also responsible for building construction and earthworks in this project.
- In **Norway**, HEPAC systems were delivered for the Akershus University Hospital outside Oslo.
- In Oslo, building equipment systems were supplied for the isolates of Ullevål University Hospital.
- In **Denmark**, electrical, cable and security networks as well as conference room technology installation works were supplied for the project to extend the offices of the Videnpark Trekantområdet Technology Village.
- A Design & Build agreement was made with the telecom company KMD for the electrification and IT systems of new technical facilities.
- In **Russia**, HEPACE works were carried out at the New Europe and North Pearl II residential complexes built by YIT in St. Petersburg.
- An agreement was made with Kesko Real Estate for HEPACE works at two K-Rauta hardware stores in St. Petersburg that were built by YIT.

Construction Services grows and maintains excellent profitability

- Revenue grew by 12%.
- Operating profit up 19%.
- Profitability remained excellent. The operating profit margin was 11.8%.
- The share of revenue accounted for by the maintenance business rose to 4%.
- The order backlog rose by 65% to an all-time high.

Construction Services posted excellent results in all its business areas.

Demand for housing remained good in all of YIT's territories. Development was strong, especially in Russia, where YIT expanded its operations in Moscow Oblast and into three new cities. The first housing plots were acquired in Kazan and Yaroslavl. A joint venture focusing on residential construction was established in Yekaterinburg. Construction was also started up in the city of Moscow during the report year.

In Finland, retail investments in business premise construction gained added momentum from consumer demand, and the market situation for logistics facilities remained solid. Demand for new office buildings improved during the report year and renovation saw steady growth. Construction investments by industry remained slight.

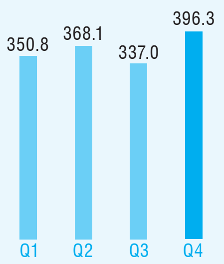
Economic growth and an increase in foreign investments stepped up demand for business and logistics premises in Russia and the Baltic countries.

The market for infrastructure construction held firm. New public road maintenance contracts were landed in Finland, consolidating YIT's position as the country's largest private road maintenance company

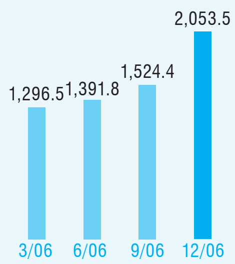
Key figures		
	2006	**2005**
Revenue, MEUR	**1,452.2**	1,298.3
- Share of maintenance, %	**4%**	3%
Operating profit, MEUR	**170.8**	143.1
- % of revenue	**11.8%**	11.0%
Return on invest %	**24.1%**	25.8%
Order backlog Dec 31, MEUR	**2,053.5**	1,242.6
Employees Dec 31	**5,693**	5,115

Revenue by country, MEUR			
	2006	**2005**	**Change**
Finland	**1,083.0**	996.5	9%
Russia	**189.9**	115.6	64%
Estonia, Latvia, Lithuania	**169.6**	177.6	-5%
Other countries	**9.7**	8.6	13%

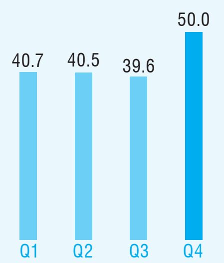
Revenue, MEUR



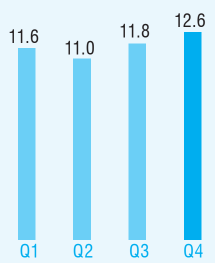
Order backlog, MEUR



Operating profit, MEUR



Operating profit margin, %



Balance sheet summary, MEUR		
	2006	2005
Non-current assets	**35.6**	25.6
Inventories	**954.5**	618.5
Financial assets	**354.3**	324.9
Shareholders' equity	**338.6**	307.9
Obligatory provisions	**30.9**	31.2
Interest-bearing liabilities	**392.0**	298.3
Interest-free liabilities	**482.9**	331.6
Balance sheet total	**1,344.4**	969.0

YIT is the largest construction company in Finland, the biggest foreign-owned housing construction company in Russia and one of the leading companies in its field in the Baltic countries. One of our strengths as a construction company is our long service chain, which extends from land acquisition and implementation to customer service, sales and upkeep.

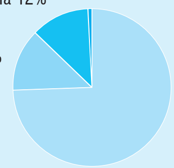
Services

- Developer contracting and refurbishing of housing
- Construction and renovation of office, retail and logistics premises as well as industrial facilities
- Regional and property development projects
- Infrastructure construction and maintenance services

Customers

- Homebuyers
- Users of business premises
- Property owners
- Property investors
- Developers and builders
- Public sector

Revenue by country, %



Growth from housing construction in Russia

Stepping up residential construction and YIT's own property development projects in Russia

The YIT Group's objective is to achieve annual revenue growth of 50 per cent on average in Russia during the 2006–2009 period. Growth in Russia is sought primarily by stepping up residential development and by moving ahead with project development on business premises and logistics facilities in St Petersburg.

YIT is raising the number of residential units built in St Petersburg and the Moscow Oblast. In addition, the company seeks to expand into selected cities with populations in excess of a million as well as Moscow's satellite cities. In addition to continuous growth in its current operations, YIT seeks to grow by establishing joint ventures into new million cities.

In 2006, Construction Services' revenue in Russia grew by 64 per cent to about EUR 190 million. Housing construction was expanded into three new cities. At year's end, 8,381 residential units were under construction.

New residential services

YIT is widening its range of services for households in Finland. Residential construction takes place largely in the country's growth centres. YIT caters to the changing needs of customers by also building leisure-time residences and single-family houses.

As from 2005, YIT began to invest in the construction of leisure-time residences that are designed with an eye on access to activities and services. New projects have already been agreed for over ten locations around Finland, for example close to ski centres. Producer-driven development of single-family houses was under preparation in 2006 in Espoo, Vantaa and Riihimäki. In these projects, YIT acquires the plot and builds houses to the specifications of their future residents. In addition, YIT modernizes old premium properties in the centre of Helsinki.

Long-term service agreements in road maintenance

YIT seeks to consolidate its position as Finland's largest private player in road maintenance. In 2006, YIT landed six new road area maintenance contracts from the Finnish Road Administration. YIT's market share in the maintenance of the Finnish government's public roads rose to 20 per cent.

Stepping up development projects

In all its market areas, YIT is shifting the focus of operations from tender-based to developer-contracted construction – enabling the company to harness its wide-ranging expertise in different phases of the service chain and projects. This boosts the efficiency of operations and risk management.

Office, commercial and logistics property development projects are carried out in Finland and the Baltic countries. In 2006, YIT also kicked off its own development projects in the St Petersburg area in Russia. Agreements were made for the construction of a logistics centre that will be owned by the EPI Russia fund and Atria's production plant on a plot YIT acquired in Gorelovo

The Balashiha apartment building in Moscow Oblast, Russia.

Plot turnover and reserves, 2006 (2005)

Use of plots, 1,000 m2 of floor area			
	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	258 (268)	332 (176)	64 (94)
Business premise plots	58 (56)	55 (-)	29 (-)
Total	316 (324)	387 (176)	93 (94)

Plot acquisitions, 1,000 m2 of floor area			
	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	274 (200)	1,739 (465)	222 (74)
Business premise plots	67 (25)	400 (26)	- (33)
Total	341 (225)	2,138 (491)	222 (107)
Value of acquired plots, MEUR	117.5 (71.3)	133.5 (29.0)	37.4 (17.7)

Plot reserves at year's end

Building rights and zoning potential, 1,000 m2 of floor area			
	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	1,723 (1,733)	1,761 (587)	367 (215)
Business premise plots	927 (676)	500 (26)	35 (33)
Total	2,650 (2,409)	2,261 (613)	402 (248)
Capital tied into plot reserves, MEUR	325.1 (268.9)	129.2 (32.5)	51.0 (24.7)

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

Growth hinges on good plot reserves

Developer-contracted housing construction and project development require good plot reserves. In land management, YIT makes outlays on ensuring that its plot reserves are well located and have rapid turnover. Plots in Finland are largely acquired in the growth centres and their surrounding municipalities. In the Baltic countries and especially in Russia the plot reserves are being bolstered to enable vigorous growth in the entire business area.

Acquiring building land through plot purchases and cooperation agreements

YIT's plot reserves in Finland will suffice for about 3–4 years of construction and in the Baltic countries and Russia for about 2–3 years.

In land management in Finland, YIT seeks to engage in long-term cooperation with landowners and municipalities. Under regional development agreements, YIT secures areas in key locations without having to commit capital before construction is started up. Plots are also acquired at city auctions and purchased from private landowners.

YIT obtains building rights in Russia by purchasing plot investment rights at city auctions. Once rights are acquired, the plot must be built up in the timeframe set 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 can also be free.

YIT purchases most of its plots in the Baltic countries from private individuals and companies. The City of Tallinn has also held several plot auctions.

Major plot acquisitions in 2006

Finland

- Building land for 250 residential units in the Länsi-Pasila area of Helsinki from Kapiteeli Plc
- A plot for 250 residential units was bought in Espoo under the cooperation agreement made with Esbogård
- Building land for about 200 residential units in the Ratina area of Tampere
- A letter of intent with the City of Vaasa for a plot reservation in the Vaskiluoto area as well as laying out the terms of zoning
- Building rights by the Länsiväylä highway in Espoo for the construction of the Martinsilta Retail Village
- Office building rights amounting to 23,000 square metres of floor area close to the new Kalasatama metro station in Helsinki

Russia

- An area for over 15,500 residential units in northern St Petersburg, on the north side of the Novo-Orlovsky forest park
- Investment rights to about 2,200 residential units at a plot auction in St Petersburg
- Investment rights to YIT's first plot in Kazan, with over 1,100 residential units
- Investment rights to YIT's first plot in Yaroslavl, with about 160 residential units
- Investment rights to three plots with about 300 residential units when a joint venture was established in Yekaterinburg
- Investment rights to three plots in Moscow, with about 350 residential units
- An area for the development of commercial and business premises in Gorelovo, close to the international airport of St Petersburg; building rights to about 400,000 m2

Baltic countries

- An area for about 600 residential units in Klaipeda, Lithuania
- Three plots in Riga, Latvia, for about 200 residential units
- An area for about 300 residential units in Tallinn, Estonia

13,600 residential units under construction

In 2006, YIT started up the construction of 2,818 market-financed residential units in Finland, 3,699 in Russia and 887 in the Baltic countries. At year's end, a total of over 13,600 residences were under construction.

The prices of residences saw moderate growth in Finland. Prices have increased strongly in the Baltic countries and especially in Russia. In October - December 2006, the average selling price of the residences built by YIT in Russia was about 43 per cent of the average selling price of market-financed residences sold in Finland, and in the Baltic countries about 53 per cent.

Residential construction in 2006 (2005), number of residences

	Finland			Russia	Estonia, Latvia, Lithuania
	Market-financed (incl. leisure-time residences)	State-financed, rental housing and tender-based	Total		
Sold	2,478 (3,094)	- (-)	2,478 (3,094)	1,950 (1,535)	697 (848)
Start-ups	2,818 (2,993)	186 (328)	3,004 (3,321)	3,699 (2,263)	887 (1,111)
Under construction at year's end	3,210 (3,417)	186 (153)	3,396 (3,570)	8,381 (5,350)	1,858 (1,530)
Completed	3,025 (2,577)	153 (158)	3,178 (2,735)	563 (466)	559 (237)
Completed and unsold at year's end	235 (110)	- (-)	235 (110)	6 (1)	- (-)

In Finland and the Baltic countries, it takes a year to build a typical housing project, while in Russia it takes two years due to the large size of the residential complexes. Finnish apartments come equipped with all the amenities – for instance, they are wired up with modern telecom connections. Conversely, in Russia residences are most often unfinished when they are handed over to homebuyers – that is, surface materials and kitchen, bedroom and sanitary fixtures are not installed. YIT seeks to increase the number of fully-finished residences sold. In Russia, homebuyers can also buy a residence that is ready to be moved into.

Market-financed and State-supported residential building projects are largely carried out on a developer-contracted basis. Residential units are also built in cooperation with developers under the Design & Build model, in which YIT is responsible for project design and implementation.

Developer-contracted projects are recognized as revenue using the formula degree of completion multiplied by the degree of sale. For instance, if 30 per cent of the construction work has been completed and 50 per cent of the apartments sold, 15 per cent of the total value of the project is recognized in YIT's revenue and earnings.

YIT's service chain in residential and business premise development and regional development projects

Business concept development	Land acquisition	Zoning development	Site design	Construction	Sale of residences or leasing of premises	After-sales marketing	Upkeep and facility services

In Finland, the country's tallest block of flats was seen to completion: Oy Helsingin Cirrus in Vuosaari, Helsinki. It has 140 flats.

YIT is building new types of leisure-time residences around Finland for easy recreational living and year-round activities.

Consumer services

- Blocks of flats and low-rise houses under the YIT Home brand for residential and leisure-time use and for purchase as investments, and personalized single-family houses in new residential areas

Long-term service agreements

- Maintenance of central government and municipal roads and streets as well as factory areas
- Small-scale construction carried out under service agreements

Project development

- The development of new office, retail and logistics premises, starting from the creation of their business concept
- Conversion of old properties to the use to which customers intend to put them
- Regional development projects covering whole city quarters or residential, business premise and recreational areas

Contracting

- All tender-based construction contracts

Deliveries and new agreements in 2006

Consumer services

- In **Finland** the top-notch housing site Asunto Oy Helsingin Svingi was completed in Katajanokka.
- Numerous major agreements for the development of residential, office and commercial properties and their conversion into market-financed housing were made in central Helsinki. The most significant new site is the premium property located at Vuorimiehenkatu street 1.
- Agreements were made for leisure-time residences in the ski centres of Pyhätunturi, Vuokatti and Sappee as well as in Meri-Teijo and Rokua.
- In **Russia**, construction continued at YIT's largest single residential site that will boast about 1,500 flats in St Petersburg. The construction of about 1,000 flats was seen to completion by year's end.
- The first site in the city of Moscow was started up.
- In **Lithuania**, works got under way on YIT's first residential site in Klaipeda. The Rivera residential complex was under construction in the proximity of downtown Vilnius. Once completed, it will feature a total of about 200 residences.
- In **Latvia**, the construction of the 340-flat Brivibas continued.
- In **Estonia**, the construction of YIT's first residential site in the city of Tartu got under way.

Long-term service agreements

- In **Finland**, YIT landed six new road area maintenance contracts from the Finnish Road Administration: in Kuhmo, Kauhajoki, Kotka, Paimio, Hämeenlinna and Hyvinkää.

Project development

- In **Finland**, the construction of housing in the Konepaja area of Helsinki got under way, and YIT also continued to develop business premises for the area.
- Agreements were made to implement leisure sites in Ylläs, Saariselkä, Tahkovuori in Nilsiä, and Himos in Jämsä.
- An agreement was made with Ahlström Capital Oy to build an office building in Salmisaari, Helsinki.
- A landmarked property on Sturenkatu street 21 in Helsinki was refurbished as a property development project and then sold to the HGR Development 1 fund. The building's tenants will include Unilever's headquarters and a Finland Post distribution centre.
- The construction of the second phase of Mankkaa Business Park began in Espoo. The site was sold to Tapiola. The main users of the premises will be Roche and Roche Diagnostics.
- Koskelo Trade Park in Espoo was sold to Etera and the parties agreed to cooperate on further construction in the area.
- The development of Okmetic's old premises for use as production facilities by an international IT company began in Mankkaa, Espoo. The property was sold to the German company Immo Invest.
- The construction of a leisure centre was started up in downtown Lahti. It will be owned by Tapiola General Mutual Insurance Company. Its tenants will include a Finnkino cinema and a Finnbody fitness centre.
- The construction of the Elektron shopping centre began in Riihimäki.
- In **Russia**, an agreement was made with the equity fund EPI Russia to build a logistics centre and office building on YIT's plots in St Petersburg and in Gorelovo, Leningrad Oblast. YIT will reserve EPI Russia the right to expand the logistics centre by about 100,000 m2.
- A new meat products plant and logistics centre will be built for Atria on a plot owned by YIT in Gorelovo.

- In **Lithuania**, an agreement was signed to sell a logistics centre to Genesta Property Nordic.

Contracting

- In **Finland**, an agreement was made with the VVO Group for the implementation of its new head office in Helsinki. In this project, YIT will be responsible not only for construction, but also earthworks and building system works.
- An agreement was made with the Osuuskauppa Hämeenmaa cooperative for the construction of a Prisma hypermarket in Riihimäki.
- An agreement was made on the extension and major renovation of a school centre in Vantaa that will be used by Varia.
- YIT agreed with the City of Espoo on the refurbishing and extension of the Mankkaanpuro school.
- An agreement was made with Agnico Eagle Ab for the excavation of a transport tunnel at the Kittilä gold mine.
- YIT and Finavia agreed on excavation and earthworks for the extension of Terminal 2 at the Helsinki-Vantaa Airport.
- At the Ratinanranta residential area, the construction of a beachfront promenade, gas and sewerage line transfers and related earthworks were implemented for the City of Tampere.
- An agreement was made with Turun Seudun Puhdistamo Oy for the implementation of building technology works at the wastewater treatment plant under construction in Kakolanmäki and the delivery of its supplementary machinery. YIT will also supply the primary machinery, HEPACE works and building automation for the project.
- An order came in from Lakeuden Etappi Oy for a turnkey delivery of a biogas plant.
- In **Lithuania**, an agreement was signed for the construction of the new Parliament Building in Vilnius.
- The construction of a new passenger terminal for Vilnius International Airport was agreed on.
- An agreement was made to perform refurbishing works at the Reval Hotel Neris in Kaunas.
- In **Estonia**, an agreement was made to build a logistics centre for Balti Logistika Haldus OU in Tallinn.
- A shopping centre construction agreement was made with OÜ Estiko Ehitus in Tartu.
- In **Russia**, an agreement was signed for an extension for Ford's car factory in Vsevolozk in the Leningrad Oblast.
- In **China**, an agreement was forged to implement the Yanchuan district-heating project.

1. The Haarajoki and Mäntsälä stations were built on the Kerava–Lahti direct line.

2. The Hämeenlinna Innopark houses companies, a technology centre and a vocational polytechnic.

3. The extension and refurbishing of the Jelgava wastewater treatment plant were seen to completion in Latvia.

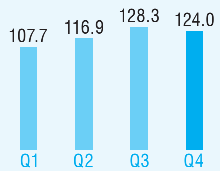
4. The inner courtyard of the Kazanskaya residential building in St Petersburg, Russia.

5. YIT is supplying primary and supplementary machinery, building technology works, HEPACE works and building automation for the wastewater treatment plant under construction in Kakolanmäki.

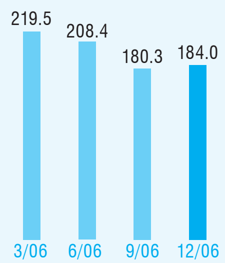
6. YIT was the designer, project director and developer-contractor of the DHL Business Park, completed in the vicinity of the Helsinki-Vantaa Airport.

Industrial and Network Services enjoys favourable trends in industrial services

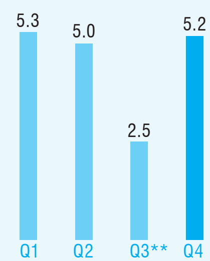
Revenue, MEUR



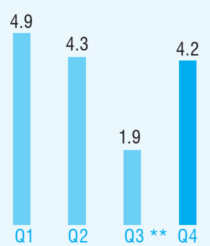
Order backlog, MEUR



Operating profit, MEUR



Operating profit margin, %



Balance sheet summary, MEUR		
	2006	2005
Non-current assets	**63.0**	43.1
Inventories	**15.9**	15.7
Financial assets	**122.4**	143.9
Shareholders' equity	**41.5**	33.2
Obligatory provisions	**10.4**	5.2
Interest-bearing liabilities	**26.1**	30.2
Interest-free liabilities	**123.3**	134.1
Balance sheet total	**201.3**	202.7

- Revenue grew by 20%. *
- Operating profit weakened by 54% due to the weak market for network services and the downsizing costs incurred due to personnel cuts. **
- The operating profit margin was 3.8%.
- The maintenance and servicing business accounted for 60% of revenue.
- Order backlog grew by 6%.

Demand for industrial maintenance services was brisk. In addition to the maintenance outsourcing and service agreements that were forged, major maintenance shut-down works were carried out for the forestry, energy, process and building materials industries.

The market situation for investment projects for industry remained favourable. Both international and Finnish demand held firm in the process and energy industry. The market situation in the marine industry continued to be excellent. The portfolio of services for customers in the petrochemical industry was expanded with the acquisition of Alueputkitus Oy and Konepaja Alueputkitus Oy.

The market situation for network services weakened significantly. Investments by teleoperators, maintenance works and fault repairs have decreased and the demand for broadband connections waned. As in previous years, the number of landline phones and related works declined.

Key figures		
	2006	**2005**
Revenue, MEUR *	**476.9**	398.8
- Share of maintenance and servicing, %	**60%**	77%
Operating profit, MEUR **	**18.0**	39.1
- % of revenue	**3.8%**	9.8%
Return on investment, %	**28.8%**	63.3%
Order backlog, Dec 31 MEUR	**184.0**	173.3
Employees Dec 31	**4,642**	4,126

Revenue by country, MEUR			
	2006	**2005**	**Change**
Finland	**448.4**	371.4	21%
Other countries	**28.5**	27.3	4%

** At the beginning of the year, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The business functions that were transferred had revenue of EUR 58.9 million in January-December/2005. Comparable growth in revenue in 2006 was 4 per cent in Industrial and Network Services.*

*** The Network Services business unit carried out codetermination negotiations to boost operational efficiency. The need for personnel cutbacks was confirmed to amount to 308 persons. The bulk of the cost effects of the personnel cuts – EUR 5.1 million – was recognized in the operating profit for Q3/2006. Additional costs, if any, will amount to about EUR 3 million at most and will be recognized in the operating profit for the first half of 2007*

Focusing on industrial maintenance

YIT is Finland's leading provider of services for industry and for telecommunications and related technology. In high-pressure piping projects, YIT is one of Europe's major players. Our strengths are our wide range of services, excellent knowledge of customers' processes and local operations close to customers.

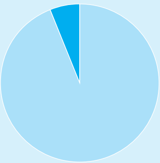
Services

- Maintenance services for industrial customers
- Piping and tank design, prefabrication and installation
- Boiler modernization, servicing and part deliveries
- Design and installation of electrical, automation and ventilation solutions for industry
- Design, installation and upkeep of telecom networks
- IT helpdesk services
- Electricity network installation and upkeep

Customers

- Forest industry
- Energy industry
- Process industry
- Food industry
- Marine industry
- Network operators
- IT hardware manufacturers and service providers
- Electricity companies

Revenue by country, %



Growth from the outsourcing of industrial maintenance

YIT's strategic objective is to expand its operations by taking on maintenance functions outsourced by industry. Growth opportunities are being opened up by restructuring, especially in the forest industry. Industrial players are outsourcing functions with a view to raising their operational efficiency, improving both the productivity and reliability of their plants, and achieving cost-savings.

The most significant outsourcing agreement in 2006 was made with Metsä-Botnia for the maintenance of pulp mills in Rauma and Äänekoski. At the beginning of 2007, YIT and Botnia's joint venture Botnia Mill Service took on the responsibility for the maintenance of all of Botnia's mills in Finland.

In addition to Finland, operations are expanded in Russia. YIT aims to gain a stronger foothold for industrial services in St Petersburg. Foreign companies are venturing into Russia in growing numbers, creating demand for western project expertise and maintenance partnerships. In 2006, YIT Industrial and Network Services founded the subsidiary OOO YIT Industria in St Petersburg.

More long-term service agreements

YIT aims to increase the share of its business accounted for by long-term industrial and data network service agreements. End-to-end partnership agreements are to the fore in services for industry – in these agreements, YIT handles the management and development of maintenance operations as well as operational maintenance works. In network services, YIT seeks to forge service agreements for IT helpdesk services. In association with customers and partners, YIT develops services for households and SMEs.

Demand for industrial maintenance works remained solid in 2006. Long-term service agreements were both renewed and made with many partners. In IT helpdesk services, Hewlett & Packard outsourced its workstation and peripheral device installation, repair, moving, and recycling services all over Finland to YIT. Early in 2007, YIT ventured into electricity distribution network maintenance in line with its strategy.

Projects zero in on end-to-end deliveries

Project deliveries focus on end-to-end deliveries in which YIT can harness its wide-ranging service portfolio and design expertise. From the customer's perspective, placing a larger order with the same partner cuts down on the supervision resources and facilitates the management of the project.

The major industrial investment project of 2006 was Diesel, ongoing at Neste Oil's Porvoo refinery. YIT's deliveries included piping and equipment installation, deliveries of steel structures and both electrical and automation works.

Telecom network investments declined substantially in 2006. Telecom connection construction and installation projects were carried out for various events and occasions. Services for electricity companies were rounded out with installation and upkeep for remote metering.

YIT is Finland's leading company in telecom field services. Its network of business locations provides Finland-wide coverage.

Long-term service agreements

- Partnership agreements that comprise the management and development of maintenance as well as all installation and maintenance services for the mechanical maintenance and electrical and automation systems of process equipment and plants
- Customer-specific service agreements that are tailored to cover the agreed maintenance works
- Telecom and electricity network maintenance, installation and small-scale construction service agreements for teleoperators and electricity companies
- Technical helpdesk services for it service providers and equipment manufacturers

Contracting

- End-to-end projects comprising design, prefabrication and installation
- Prefabrication of piping, tank and boiler components
- Telecom construction and installation works carried out under project-specific terms
- Construction and installation of electricity networks and substations

Deliveries and new agreements in 2006

Long-term service agreements

In a maintenance partnership, YIT takes on total responsibility for the maintenance of a production plant and its development.

- In **Finland** YIT took on end-to-end responsibility for the maintenance of the IT company Okmetic Oy's silicon wafer plant and Finnsementti Oy's cement factory in Parainen as from the beginning of 2006.
- End-to-end maintenance agreements were made with Parker Hannifin Oy and Purso Oy.
- Maintenance partnership agreements were renewed with companies such as the cable manufacturer Prysmian Cables & Systems Oy.
- An agreement was made with Metsä-Botnia for the outsourcing of the maintenance of pulp mills in Rauma and Äänekoski to Botnia Mill Service, a joint venture of YIT and Botnia that already attends to the maintenance of Botnia's other mills in Finland. Under the new agreements, about 100 people transferred into Botnia Mill Service's employ.

Servicing, repairs and conversion works that cannot be carried out while a plant is running are performed during industrial annual maintenance and shutdowns. A great number of interrelated works are carried out in a short period of time by as many as hundreds of people – all working in the same location at the same time. It is thus vital to stay on top of the project as a whole.

- Large-scale annual maintenance and shutdown works were carried out at sites such as Teollisuuden Voima's OL1 and OL2 nuclear power plants, Fortum's nuclear power plant in Loviisa, Neste Oil's refinery in Porvoo, Metsä-Botnia's pulp mills in Joutseno, Kaskinen and Kemi, Finnsementti's factory in Parainen and numerous Pohjolan Voima power plants.
- Early in the year, a service agreement was made with Hewlett & Packard, under which YIT will provide HP with workstation installation, moving, modification and recycling services all over Finland.
- In January 2007, YIT and Vattenfall signed a partnership agreement under which the electricity network maintenance and construction works that had until then been handled by Vattenfall were handed over to YIT. By means of this agreement, YIT ventured into energy network maintenance and about 100 persons transferred into its employ.

Contracting

- Of the major investment projects ongoing in **Finland**, YIT's deliveries for Neste Oil's Diesel project continued on a large scale until the end of the year. At peak workload, more than 700 YIT employees were on board the project.
- A large tank project was implemented for Neste Oil's Biodiesel project, and major piping and equipment installation works were performed at Neste Oil's oil refinery in Naantali. In addition, installation works were carried out as part of the replacement of an automation system, as was the replacement of switchgears and distribution boards to improve electrical network usability.
- Towards the end of the report year, numerous deliveries were agreed on for UPM's Kymi Rec -08 investment project, in which UPM will replace the chemical recovery line at the Kymi pulp mill. The project involves works such as the implementation of high-pressure and process piping, tanks, high-voltage electricity distribution, instrumentation and soda recovery boiler ventilation.
- In the marine industry, large-scale deliveries were made to all Finnish shipyards.

- In Network Services, the major delivery ongoing during the report period was related to the events held during Finland's Presidency of the EU. YIT provided telecom connection and technology installation and upkeep services to TeliaSonera Finland for events around Finland.
- In **Russia**, conversion works on the production line of Saint-Gobain Isover's glass wool factory in Yegorievsk were seen to completion, along with installation works related to raising the capacity of another production line.
- An agreement was made with ZAO Kemira Eko for the end-to-end delivery of a new sulphuric acid storage facility, including design, construction, piping, tanks, electrification and process automation.
- In **Sweden**, Industrial and Network Services cooperates with Building Systems, particularly in power plant projects.
- Piping projects as part of modernization works and maintenance shutdowns were carried out at the Ringhals 3, Forsmark 2 and Oskarshamn 2 nuclear power plants in cooperation with YIT Sverige AB.
- Piping for a combined cycle gas power plant in Gothenburg was delivered to Siemens Industrial.
- A biofuel boiler repair project was carried out in Umeå at SCA Packaging Obbola's pulp mill; YIT also agreed with Andritz Oy to design and prefabricate the main piping of a soda recovery boiler at the same mill.
- The manufacture and installation of a hood for heat recovery and cooling was implemented for the steel company SSAB.

- In **Norway**, piping for a combined cycle gas power plant was delivered as a turnkey project to Siemens Power Generation in Kårstö. The delivery was implemented in cooperation with the YIT Building Systems business segment.
- An order for the delivery of paper machine room ventilation and cooling systems came in from Rhein Papier in Plattling, **Germany**.
- An agreement was made with Botnia SA and Andritz Oy for the delivery of piping and tank prefabs for Botnia's pulp mill in **Uruguay**.
- A large-scale delivery of high-pressure piping prefabs for a soda recovery boiler was made for Kvaerner Power; these prefabs are for Suzano Papel e Celulose's pulp mill that is under construction in Mucuri, **Brazil**.

1. YIT and Botnia's joint venture Botnia Mill Service has the responsibility for the maintenance of all of Botnia's mills in Finland.

2. Projects in Sweden included piping projects for the modernization and maintenance shutdowns of the Forsmark nuclear power plant, which were performed in cooperation with YIT Sverige AB.

3. Our IT help desk services include on-site support such as the installation, conversion and repair of computers and peripherals.

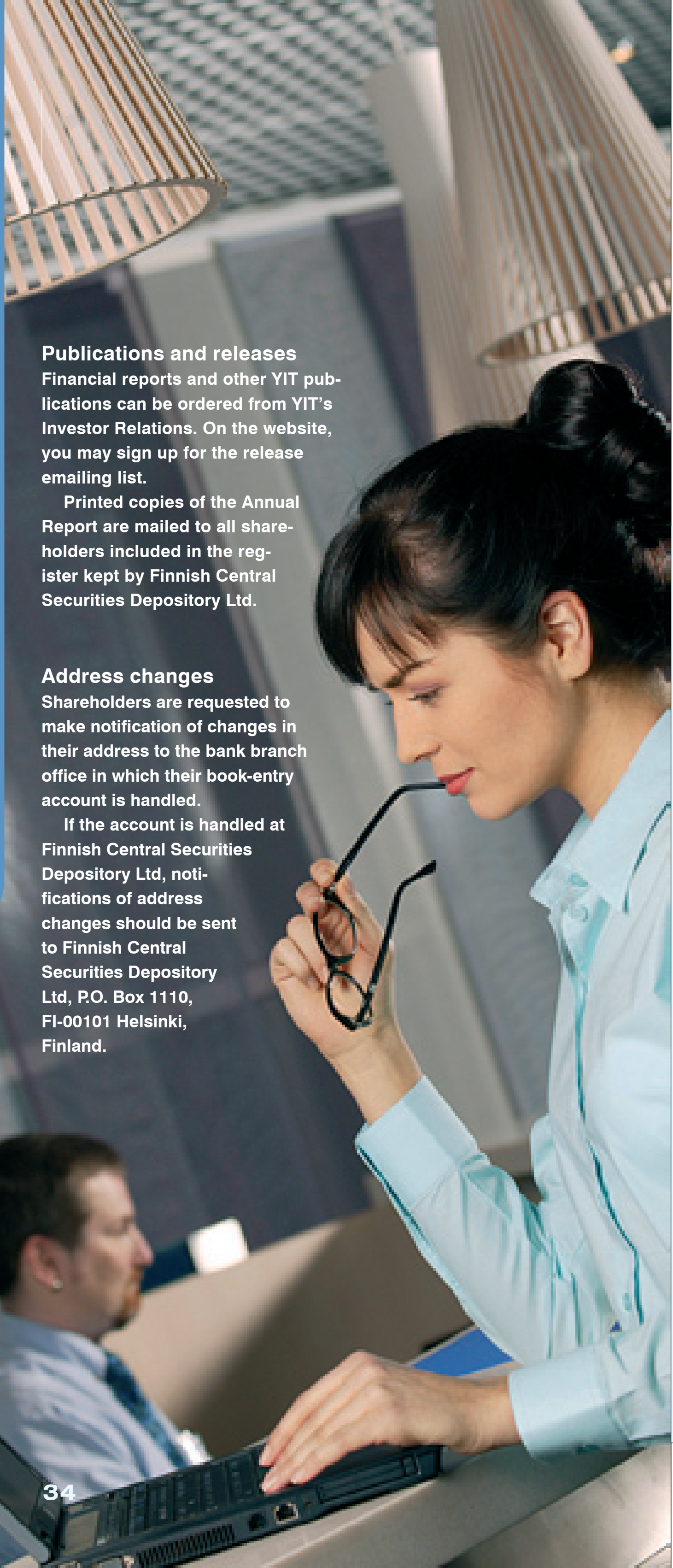
4. YIT performed electrical automation, piping, equipment installation and ventilation works for the extension of the digester facility and the rebuild of the coating line at Jujo Thermal's paper mill in Kauttua.

5. The Freedom of the Seas cruise ship sailed to Miami in spring 2006. YIT delivered piping, machine units and electrical works for the ship.

6. Turbine maintenance as well as the installation of machinery and high-pressure piping were carried out at Helsinki Energy's power plant in Vuosaari.

7. We implement and maintain fixed telecom networks, mobile messaging networks and both local area and wide area networks.

8. In Porvoo, YIT's deliveries for Neste Oil's Diesel project continued on a large scale until the end of the year.



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.

YIT as an investment

Investor Relations

The aim of YIT's Investor Relations is to communicate all the essential information on YIT to all the market parties, and to do so continuously, consistently and equitably, 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.

Strong market position

YIT is one of the leading companies in its field in all its operating countries. YIT's strategy has been to enlarge its service portfolio and business territory while maintaining good profitability. In 1994–2006, revenue has grown by 17% and operating profit by 24% annually on average.

The stability of business operations has been increased by expanding in the politically and economically stable Nordic countries and stepping up maintenance and servicing operations. This has enabled the rapid expansion of residential construction in the growing markets of Russia and the Baltic countries.

Growing profitably

The main goal of the strategy is to keep YIT on a profitable growth track. The company has set its sights on achieving average revenue growth of 10% annually. The range of building system services is being rounded out in the Nordic countries. Construction is stepped up vigorously in Russia. Growth in services for industry is sought from the outsourcing of maintenance functions in Finland.

Profitability is raised by focusing on services in which YIT performs an extensive share of the work. The company's objective is to raise operating profit to 9 % of revenue in the 2007–2009 strategic period.

A responsible company

The Group has defined principles for corporate responsibility that are followed in all operations. YIT complies with Corporate Governance guidelines that set out the principles of sound administration.

YIT has a distinct management style based on shared values and performance objectives. YIT's corporate culture is strong. The major realignments in unit management and the organizational structure in recent years have primarily been carried out by means of internal transfers.

Active dividends

YIT's target for the dividend payout is 40–60% of the annual result after taxes and minority interest. The company is now raising its dividends for the twelfth year running, a record on the Helsinki Stock Exchange. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for the 2006 financial year.

The long-term trend in the share price has been favourable. During the past five years, YIT's share price has grown over sixfold. Accounting for the share price trend and dividends, the share yield was 19% in 2006.

YIT Corporation

Investor Relations P.O. Box 36 FI-00621 Helsinki, Finland	www.yitgroup.com/investors InvestorRelations@yit.fi Fax: +358 20 433 3725
Petra Thorén **Vice President,** Investor Relations	+358 20433 2635 / +358 40 764 5462 petra.thoren@yit.fi
Veikko Myllyperkiö **Vice President,** Corporate Communications	+358 20 433 2297 / +358 40 840 2500 veikko.myllyperkio@yit.fi
Virva Salmivaara ***Communications Officer***	+358 20 433 2781 / +358 40 830 8091 virva.salmivaara@yit.fi
Requests for investor meetings ***Liisa Nordberg***	+358 20 433 2257 liisa.nordberg@yit.fi

Investor's calendar 2007

2006 Financial Statement Bulletin	**February 9 at 8:00**
Annual Report	**week 9**
Annual General Meeting	**March 16 at 13:00**
Interim Report for Jan - Mar	**April 26 at 8:00**
Interim Report for Jan - Jun	**July 27 at 8:00**
Interim Report for Jan - Sep	**October 26 at 8:00**

YIT has a two-week closed period before the publication of each of its earnings releases. During that period, the company's representatives do not provide comments on the company's financial state or meet capital market representatives.

Analyst coverage

Alfred Berg Oyj Abp	*Jan Brännback*
Carnegie Investment Bank AB	*Tuomas Ratilainen*
Credit Agricole Cheuvreux Nordic AB	*David Halldén*
Deutsche Bank AG	*Timo Pirskanen*
eQ Bank	*Tomi Tiilola*
Enskilda Securities	*Kari Paajanen*
Evli Bank Plc	*Mika Karppinen*
FIM Securities Ltd	*Jari Westerberg*
Goldman Sachs International	*Karen Hooi*
Handelsbanken Capital Markets	*Ari Järvinen*
Impivaara Securities Ltd	*Jeffery Roberts*
Kaupthing Bank Oyj	*Mika Metsälä*
Mandatum Stockbrokers Ltd	*Robin Johansson*
Merrill Lynch	*Mark Hake*
Opstock Ltd	*Matias Rautionmaa*
UBS	*Albin Sandberg*

Analysts' contact details can be found on YIT's website.

Main stock exchange releases in 2006

Feb 10. YIT's financial statement bulletin for 2005: Strong earnings growth was still on track. Revenue was EUR 3,024 million and operating profit EUR 228 million.

Feb 14. The Administrative Court ruled that YIT is to be paid about EUR 11 million in compensation for the refurbishing of Vilhonkatu 7 in 1999.

Mar 13. Publication of the resolutions of the Annual General Meeting.

Mar 14. The Board of Directors elected Reino Hanhinen as chairman and Eino Halonen as vice chairman from amongst its number. Eino Halonen (chairman), Reino Hanhinen and Teuvo Salminen were elected to the Audit Committee.

Apr 18. Kiinteistö Oy Vilhonkatu 7 and YIT sought leave to appeal to the Supreme Court concerning the ruling of the Helsinki Court of Appeal on the refurbishing of Vilhonkatu 7 in 1999.

Apr 27. YIT's Interim Report, January 1 – March 31, 2006: Revenue was EUR 767 million and operating profit EUR 54 million.

May 30. YIT announced that it will expand its residential construction in Russia to Kazan, where it had obtained its first plot.

Jun 2. YIT purchased land in Länsi-Pasila, Helsinki, from Kapiteeli for the construction of 250 residential units starting in 2007.

Jun 6. YIT's Capital Markets Day: YIT reported on its strategy of increasing services for households.

Jun 21. The Supreme Administrative Court ruled on YIT's residual taxes for 1997. According to the ruling, YIT is not entitled to deduct the losses of its merged subsidiary.

Jul 28. YIT's Interim Report, January 1 – June 30, 2006: Revenue was EUR 1,587 million and operating profit EUR 114 million.

Jul 28. YIT announced the start-up of co-determination negotiations to cut 300 person work-years at the Network Services division.

Aug 16. YIT reported that its holding in the Moscow-region housing developer ZAO YIT Moskovia had risen to over 80 per cent.

Aug 24. YIT's and Botnia's joint venture Botnia Mill Service signed a letter of intent under which it will attend to the maintenance of all of Botnia's mills in Finland as from 2007.

Sep 15. Co-determination negotiations ended at YIT Network Services. YIT reported that a third of the necessary cuts of 300 personnel would be made with alternative solutions.

Sep 19. YIT's Board of Directors confirmed the Group's strategic target levels. The target for operating profit was set at 9% of revenue. The other target levels were not amended.

Sep 20. YIT reported that it had acquired plots for 2,200 residential units in St Petersburg.

Oct 10. YIT's Capital Markets Day in Moscow: YIT's annual growth target in Russia was confirmed to be 50% on average during the 2006-2009 period.

Oct 10. YIT announced the start-up of residential construction in Yaroslavl, Russia, where the company acquired its first plot.

Oct 10. YIT CityStroi acquired a plot for 150 residential units in the city of Moscow.

Oct 27. YIT's Interim Report, January 1 – September 30, 2006: Revenue was EUR 2,376 million and operating profit EUR 172 million.

Oct 27. YIT acquired building plots for over 15,500 residential units in St Petersburg.

Oct 27. YIT announced that it will start up residential construction in Yekaterinburg, Russia, by setting up a joint venture in the city.

Nov 3. YIT and Evli agreed on EUR 100 million real-estate development projects in St Petersburg.

Nov 24. The Supreme Court granted Kiinteistö Oy Vilhonkatu 7 limited leave to appeal the ruling of the Helsinki Court of Appeal on the refurbishing of Vilhonkatu 7 in 1999.

Dec 22. YIT announced that it will build Atria's new production plant in St Petersburg.

YIT's share

YIT Corporation's share is quoted on the Nordic List on the Helsinki Stock Exchange in the Large Cap market capitalization group under the Industrials sector.

The company has one series of shares. Each share carries one vote and confers an equal right to a dividend. The nominal value of the share is 0.5 euro.

Share price trend

At the end of 2006, the closing rate of YIT's share was EUR 20.95 (2005: EUR 18.07), up 16 per cent during the report year. Including the dividend for 2005, the share yield was 19 per cent (101%).

The highest price of YIT's share during 2006 was EUR 23.88 (18.25) and the lowest was EUR 15.20 (EUR 8.95). The average price was EUR 19.24 (EUR 13.99). YIT Corporation's market capitalization at the end of the year was EUR 2,656.0 million (EUR 2,254.4 million), representing an increase of 18 per cent on the previous year.

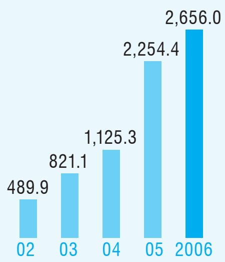
Share turnover

Share turnover also grew significantly compared with 2005. Share turnover on the Helsinki Stock Exchange in 2006 amounted to 184,576,963 shares (120,368,616). The value of share turnover was EUR 3,563.1 million (EUR 1,697.3 million). The average daily turnover was 657,460 shares (475,766).

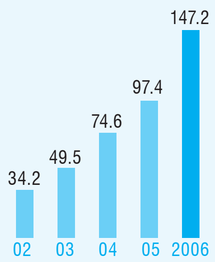
Dividend payout

YIT seeks to pursue an active dividends policy. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for the 2006 financial year, representing 47.8 per cent of earnings per share. YIT is raising its dividends for the twelfth year in a row.

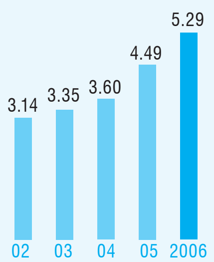
Market capitalization, MEUR



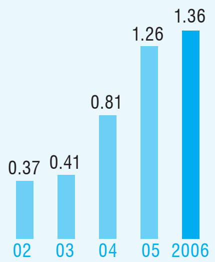
Share turnover of shares outstanding, %



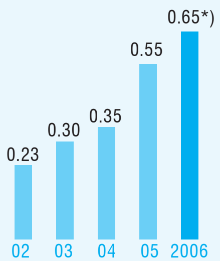
Equity/share, EUR



Earnings/share, EUR



Dividend/share, EUR



Dividend payout 2002–2006

	2002	2003	2004	2005	2006
Dividend/share, EUR	0.23	0.30	0.35	0.55	**0.65*)**
Dividend/per-share earnings, %	60.4	73.2	43.2	43.7	**47.8*)**
Dividends paid, MEUR	26.3	36.6	42.9	68.6	**82.4*)**

*) Board of Directors' proposal

The halving of the nominal value of the share in 2004 and 2006 has been taken into account in all figures. The figures for 2002–2003 have been drafted in accordance with FAS and the figures for 2004–2006 in accordance with IFRS.

Share price 2002–2006

Source: Reuters

Share capital and number of shares

At the beginning of 2006, the total number of shares issued by the company amounted to 62,397,352 and share capital amounted to EUR 62,397,352.

During the report year, the nominal value of the share was changed by a decision of the Annual General Meeting from one euro to EUR 0.50 (split) on March 23, 2006, thereby doubling the number of shares. The number of shares rose by a total of 1,982,368 on the basis of subscriptions made with the Series C and D share options from 2002 and with the Series E share options from 2004.

At the end of 2006, the number of shares was 126,777,072 and share capital amounted to EUR 63,388,536.

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

Authorizations to increase the share capital

No share issues were organized in 2006 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.

Increases in share capital 2002–2006

Registration date	Number of new shares	New number of shares	New share capital, EUR
May 6, 2002	125,100	29 508,785	59,017,570
Jun 27, 2002	124,900	29,633,685	59,267,370
Aug 26, 2002	1,400	29,635,085	59,270,170
Dec 5, 2002	111,250	29,746,335	59,492,670
May 8, 2003	2,600	29,748,935	59,497,870
Jun 26, 2003	57,751	29,806,686	59,613,372
Aug 21, 2003	311,160	30,117,846	60,235,692
Oct 31, 2003	285,350	30,403,196	60,806,392
Dec 4, 2003	120,179	30,523,375	61,046,750
Mar 26, 2004	30,523,375	61,046,750	61,046,750
May 6, 2004	35,130	61,081,880	61,081,880
Jun 28, 2004	78,060	61,159,940	61,159,940
Aug 23, 2004	18,780	61,178,720	61,178,720
Dec 9, 2004	114,134	61,292,854	61,292,854
May 6, 2005	380,706	61,673,560	61,673,560
Jun 27, 2005	325,538	61,999,098	61,999,098
Aug 19, 2005	131,176	62,130,274	62,130,274
Dec 5, 2005	267,078	62,397,352	62,397,352
Mar 24, 2006	62,397,352	124,794,704	62,397,352
Apr 28, 2006	410,480	125,205,184	62,602,592
Jun 22, 2006	338,044	125,543,228	62,771,614
Aug 18, 2006	38,728	125,581,956	62,790,978
Oct 30, 2006	190,016	125,771,972	62,885,986
Dec 7, 2006	1,005,100	126,777,072	63,388,536

The increases in the share capital in 2002–2006 resulted from share subscriptions carried out on the basis of share options. The nominal value of the share was halved (split) in 2004 and 2006; the splits were registered on March 26, 2004 and March 24, 2006 without increasing the share capital.

Trading codes on the Helsinki Stock Exchange:

YIT's share:	YTY1V
Series E share option:	YTY1VEW104
Series F share option:	YTY1VEW204
Series K share option:	YTY1VEW106
Series L share option:	YTY1VEW206

Quotation of the Series F, K and L share options will begin on April 1, 2007.

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

Additional information

Ten-year per-share key figures are presented on page 58

Share option programmes

Share subscriptions on the basis of share options

Subscriptions in 2006:
Series C share options, 373,000 shares,
Series D share options, 1,430,488 shares and
Series E share options, 178,880 shares.

The increases in the share capital on the basis of these subscriptions, totalling EUR 991,184, were entered in the Trade Register in five instalments.

The subscription period with the Series C and D share share options ended on November 30, 2006. A total of 1,710,960 shares were subscribed for with the Series C share options and a total of 2,793,732 with the Series D share options.

The subscription period with the Series E share options will continue from April 2, 2007 to November 30, 2007. By December 31, 2006, a total of 178,880 shares had been subscribed for with Series E share options. A maximum of 155,920 shares can thus be subscribed for with the remaining Series E share options.

Trading with share options in 2006

During the report year,
59,850 Series C share options were traded at an average price of EUR 66.95
310,950 Series D share options were traded at an average price of EUR 69.15
138,150 Series E share options were traded at an average price of EUR 28.42.

In 2006, YIT had three share option programmes, of which the 2002 programme ended on November 30, 2006. The General Meeting decides on share option issues and the terms and conditions of the share option programmes. On the basis of the terms and conditions of YIT's share options, the Board of Directors decides on the distribution of options annually.

The share options are intended to be part of the YIT Group's incentive and commitment scheme.

The share option programme from 2002 is directed at the Group's management and key employees and includes the Series C and D share options.

The share option programme from 2004 is directed at management and key employees in the Building Systems business segment who were not part of the 2002 programme and 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 D share options for staggered distribution to members of the Group's management and key employees in 2003–2005 on the basis of the achievement of the profitability and growth objectives set forth in the share option programme.

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 427,740 Series C share options
- a total of 698,520 Series D share options
- a total of 167,400 Series E share options

By December 31, 2006, members of the Group's management and its key employees had been distributed

- a total of 50,960 Series F share options
- a total of 244,000 Series K share options

Summary of the share option programmes								
	Series C	Series D	Series E	Series F	Series K	Series L	Series M	Series N
Option subscription period	Year 2002	Year 2002	Year 2004	Year 2004	By May 31, 2006	By May 31, 2006	By May 31, 2006	By May 31, 2006
Maximum number of options	450,000	950,000	180,000	420,000	300,000	900,000	900,000	900,000
Subscribers	approx. 110 people	YIT Construction Ltd	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, 2004	April 1, 2005	April 1, 2006	April 1, 2007 (target)	April 1, 2007 (target)	April 1, 2007 (target)	April 1, 2008 (target)	April 1, 2009 (target)
Share subscription period April 1 - November 30 in	2004–2006	2005–2006	2006–2007	2007	2007–2008	2007–2008	2008–2009	2009–2010
Subscription price for 1 share	EUR 3.2725	EUR 2.9225	EUR 6.80	EUR 6.80 less the per-share dividend *)	EUR 21.18 less the per-share dividend *)	EUR 21.18 less the per-share dividend *)	EUR 21.18 less the per-share dividend *)	EUR 21.18 less the per-share dividend *)
Number of shares each share option entitles its bearer to subscribe for	4	4	2	2	1	1	1	1
Maximum share capital increase on the basis of share subscriptions	EUR 900,000	EUR 1,900,000	EUR 180,000	EUR 420,000	EUR 150,000	EUR 450,000	EUR 450,000	EUR 450,000

*) The share subscription price with the Series F, K, L, M and N share options will be lowered before the beginning of the subscription period as follows:

- in the case of Series F, K and L share options, by the amount of dividends per share decided on by the 2007 Annual General Meeting
- in the case of Series M share options, by the amount of dividends per share decided on by the 2007 and 2008 Annual General Meetings
- in the case of Series N share options, by the amount of dividends per share decided on by the 2007, 2008 and 2009 Annual General Meetings

Management's share option ownership

On December 31, 2006, the president and CEO and the executive vice president had a total of 5,600 Series K share options. Members of the Board of Directors are not covered by the share option programmes.

If these options were to be exercised in full, YIT Corporation's number of shares would increase by 5,600 on the basis of the subscriptions, increasing the share capital by EUR 2,800; on December 31, 2006, this amount would have represented 0.0 per cent of the company's number of votes and share capital.

On December 31, 2006, the YIT Corporation's Management Board, excluding the president and CEO and the executive vice president, had a total of 1,120 Series F share options and a total of 12,000 Series K share options. If these options were to be exercised in full, YIT Corporation's number of shares would increase by 14,240 on the basis of the subscriptions, increasing the share capital by EUR 7,120; on December 31, 2006, this amount would have represented 0.0 per cent of the company's number of votes and share capital.

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

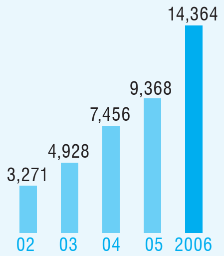
Additional information

The complete terms and conditions of the share option programmes are available on YIT's internet site.

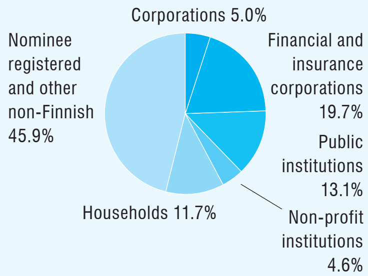
More information on share options can be found in notes to the financial statements on pages 100–101.

Management's ownership information can be found also on pages 47 and 50–54.

Number of shareholders 2002–2006



Ownership by shareholder groups, Dec 31, 2006



Purchase obligation clause

As set forth in the Securities Markets Act, a shareholder is obligated to make a public purchase offer for the company's shares when his stake exceeds three-tenths or half of the company's shares. This provision supplants the purchase obligation clause in YIT's Articles of Association.

Shareholders

During 2006, the number of registered shareholders rose from 9,368 to 14,364, that is, by 53 per cent. The number of private investors increased by more than 4,600.

At the beginning of the year, a total of 39.9 per cent (27.9%) of the shares were owned by non-Finnish investors, while this figure was 45.9 per cent (39.9%) at year's end.

During 2006, there were no changes in YIT share ownership that would have required flagging notification.

Principal shareholders, December 31, 2006

		Number of shares	% of shares and votes
Suomi Mutual Life Assurance Company		8,571,180	6.76
Sampo Life Insurance Company Ltd		7,706,450	6.08
Varma Mutual Pension Insurance Company		6,930,208	5.47
Ilmarinen Mutual Pension Insurance Company		3,692,300	2.91
Tapiola Group		2,600,680	2.05
Tapiola Corporate Life Insurance Company	226,960		
Tapiola Mutual Pension Insurance Company	859,300		
Tapiola Mutual Life Assurance Company	552,000		
Tapiola General Mutual Insurance Company	962,420		
Etera Mutual Pension Insurance Company		1,884,400	1.49
Odin Norden		1,457,766	1.15
Brotherus Ilkka		1,224,740	0.97
State Pension Fund		1,150,000	0.91
Kaleva Mutual Insurance Company		1,135,000	0.90
Nominee registered shares		54,924,015	43.32
Others		35,500,333	27.99
Total		126,777,072	100.00

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

Distribution of shareholdings by size class, December 31, 2006

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
1–100	2,803	19.51	207,900	0.16
101–1 000	8,364	58.23	3,690,017	2.91
1 001–10 000	2,792	19.44	8,201,761	6.47
10 001–100 000	335	2.33	9,025,248	7.12
100 001–1 000 000	58	0.40	17,758,654	14.01
1 000 001–10 000 000	10	0.07	42,125,822	33.23
10 000 001–100 000 000	2	0.01	45,767,670	36.10
Total	14,364	100.00	126,777,072	100.00

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

Distribution by groups of shareholders, December 31, 2006	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
Corporations	1,085	7.55	6,365,513	5.02
Financial and insurance corporations	87	0.61	25,016,880	19.73
Public institutions	52	0.36	16,627,202	13.12
Non-profit institutions	348	2.42	5,821,914	4.59
Households	12,709	88.48	14,770,816	11.65
Nominee registered and other non-Finnish	83 (17)	0.58 (0.00)	58,174,747 (54,924,015)	45.89 (43.32)
Total	14,364	100.00	126,777,072	100.00

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

Nominee registered and other non-Finnish ownership, December 31, 2006	Number of shareholders	Number of shares	Proportion of shares, %
Non-Finnish owners	66	3,250,732	2.56
Nominee registers located outside Finland	4	12,330	0.01
Nominee registers located in Finland	13	54,911,685	43.31
Total	83	58,174,747	45.89

Nominee registers, December 31, 2006	Number of shares	Proportion of shares, %
Nordea Bank Finland Plc	26,048,377	20.55
Skandinaviska Enskilda Banken Ab	19,719,293	15.55
Svenska Handelsbanken Ab	8,373,778	6.61
OKO Bank Plc	420,399	0.33
Danske Bank	264,759	0.21
Others	97,409	0.08
Total	54,924,015	43.33

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 many 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.

Management's share ownership

On December 31, 2006, the members of YIT Corporation's Board of Directors as well as the president and CEO and the executive vice president owned a total of 579,912 (December 31, 2005: 2,289,720), corresponding to 0.5 per cent (1.7) of the company's shares and the votes conferred by them.

On December 31, 2006, the members of YIT Corporation's Management Board, excluding the president and CEO and the executive vice president owned a total of 121,292 (December 31, 2005: 70,160), corresponding to 0.1 per cent (0.1) of the company's shares and the votes conferred by them.

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

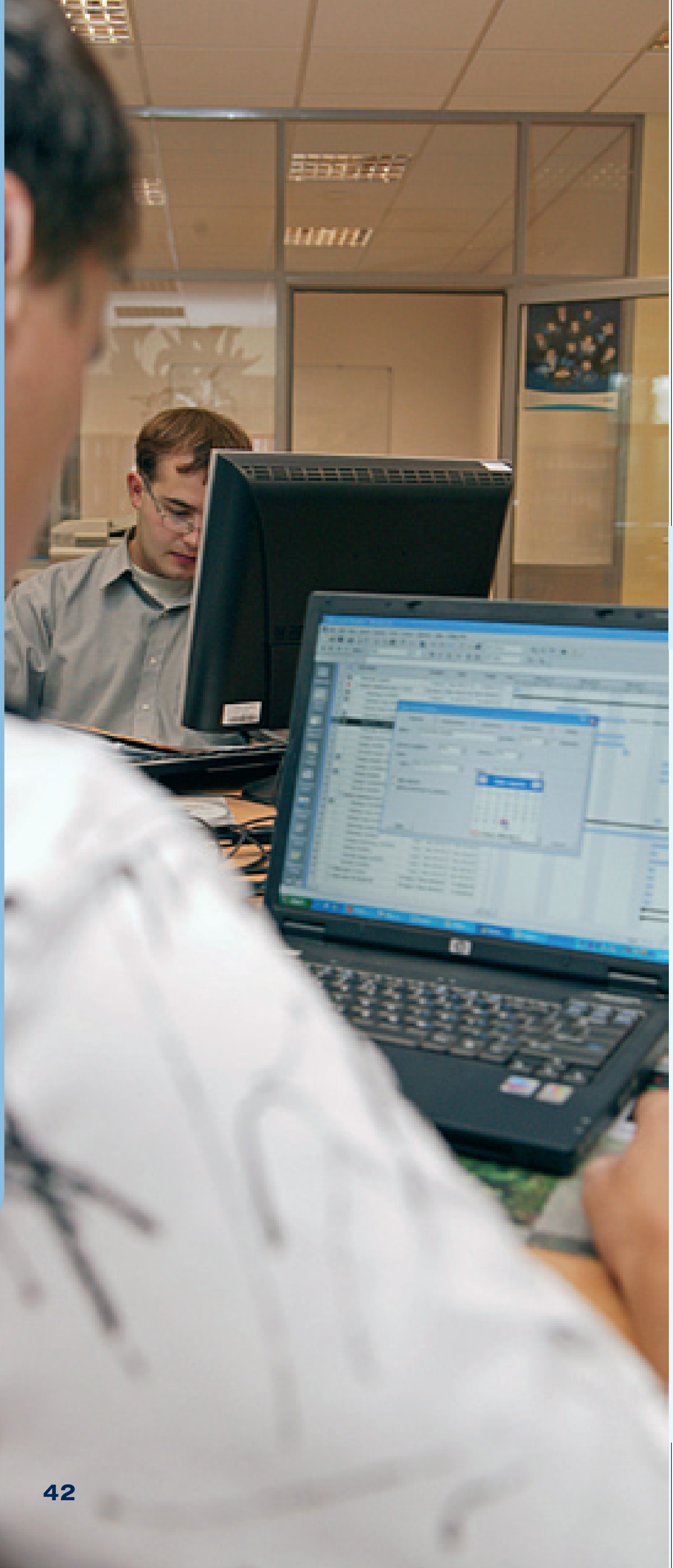
Management's ownership information can be found also on pages 47 and 50–54.

Own shares

At the end of 2006, YIT Corporation held 400 of its own shares, representing 0.0 per cent of the company's shares. In December 2005, YIT Corporation purchased 200 of the company's own shares at an average price of EUR 35.25 per share. Due to the halving of the nominal value of the share, the number of shares doubled and the share price was halved on March 24, 2006. The buyback of shares was decided on by the Annual General Meeting held in spring 2005, which decided on the buyback of a minimum of 200 and a maximum of 2,000,000 of the company's own shares. These shares do not confer the right to a dividend or voting rights at General Meetings.

At the end of the year the Board of Directors did not have authorizations to dispose of YIT's own shares.

During 2006, no shares in the parent company were owned by subsidiaries.



YIT Group's organization

YIT Corporation
President and CEO *Hannu Leinonen*
Executive Vice President *Sakari Toikkanen*

Building Systems
Juhani Pitkäkoski

Sweden
Leif S. Gustafsson

Finland
Matti Malmberg

Norway
Arne Malonæs
Executive Vice President of YIT Building Systems Ltd

Denmark
Leo G Sørensen

Estonia, Latvia, Lithuania and Russia
Pekka Hämäläinen

Construction Services
Ilpo Jalasjoki

Residential Construction
Pasi Suutari

Building Construction
Matti Koskela

Business Premises
Kari Kauniskangas

Infraservices
Juhani Kuusisto

International Operations
Timo Lehmus

Industrial and Network Services
Pekka Frantti

Project Services
Raimo Poutiainen

Maintenance Services
Juha Moisio

Network Services
Antti Nurminen

Electrification, Automation and HVAC Services
Mikko Luoma

Corporate Governance

The administration of the YIT Group and its parent company, YIT Corporation, complies with Finnish legislation – particularly the Companies Act, the Securities Market Act and the Accounting Act, and EU's IAS regulation – and the rules and instructions of the Helsinki Stock Exchange. The main principles are defined in the Articles of Association of YIT Corporation.

In addition, YIT complies with the recommendations on the Corporate Governance of listed companies that were released by HEX Ltd, the Central Chamber of Commerce and the Finnish Confederation of Industry and Employers, 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.

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.

In accordance with the Companies Act, the Annual General Meeting takes decisions on matters such as:

- approving the financial statements
- the payment of dividends
- discharging the members of the Board of Directors and the president from liability
- the election of Board members and the remuneration to be paid to them
- the election of the auditor
- amendments to the Articles of Association
- decisions leading to changes in the share capital
- share buyback and transferring the company's own shares
- deciding on 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 is also announced.

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

Shareholder rights

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 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.

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.

Additional information
The Corporate Governance Recommendation for listed companies that was released by HEX Ltd, the Central Chamber of Commerce and the Finnish Confederation of Industry and Employers TT is available from the internet site of the Helsinki Stock Exchange http://omxgroup.com/

Additional information on YIT's internet site

- **YIT Corporation's Articles of Association**
- **Resolutions of the Annual General Meeting**
- **The YIT Group's Guidelines for Insiders**
- **Up to date information on the shares and options held by insiders subject to the disclosure requirement, and changes in these holdings**

Composition of the Board of Directors in 2006

From January 1 to March 13, 2006, the Board members were Ilkka Brotherus, Reino Hanhinen, Eino Halonen, Antti Herlin and Teuvo Salminen.

At the Annual General Meeting held on March 13, 2006, five members were elected:

- **Sari Baldauf, M.Sc. (Econ.) (new member)**
- **Eino Halonen, Managing Director of Suomi Mutual Life Assurance Company**
- **Reino Hanhinen, former President and CEO of YIT Corporation**
- **Antti Herlin, Chairman of the Board of Directors of KONE Corporation**
- **Teuvo Salminen, Deputy CEO of Pöyry Plc.**

At its organization meeting on March 14, 2006, the Board of Directors elected Reino Hanhinen as its chairman and Eino Halonen as its vice chairman.

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

Composition of the Audit Committee in 2006

From January 1 to March 13, 2006, the members of the Audit Committee were Ilkka Brotherus, Eino Halonen and Teuvo Salminen.

On March 14, 2006, the Board of Directors elected Eino Halonen as chairman and Reino Hanhinen and Teuvo Salminen as members of the Audit Committee.

Meetings in 2006

The Board of Directors convened 10 times in 2006. One of these meetings was held over the telephone. The average attendance rate at meetings was 94 per cent. The Audit Committee convened four times in 2006.

Board of Directors

The Board of Directors of the parent company, YIT Corporation, attends to the administration and the proper organization 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 organized appropriately. It is the duty of the Board to promote the interests of the YIT Group and all YIT Corporation shareholders. The Board members shall 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 September 2006. The Board of Directors takes decisions on matters that are of far-reaching significance to the Group and which are significant in principle, such as:

- the election of the president and CEO and his deputy and deciding on their salary, remuneration and other terms of employment
- the Group's strategy and objectives
- budgets and operating plans and overseeing their realization
- processing and approving the financial statements, report of the Board of Directors and Interim Reports
- specifying the dividends 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 functionality of management systems
- principles of risk management
- ratifying the Group's values.

Composition and term of office of the Board of Directors

The Board of Directors shall include a Chairman and Vice Chairman as well as a minimum of three and a maximum of five members who are elected by the Annual General Meeting. 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. Decisions at the Board of Directors are taken by majority vote. If voting is split, then the chairman has the decisive vote.

A majority of the Board members is independent of YIT. All the members are independent of significant shareholders in YIT. The Board members represent a wide range of expertise and experience in different fields that complement each other.

The Board of Directors assesses its activities and working methods annually. Board members submit their assessments of Board activities to the chairman of the Board during January of the next year.

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 confirmed 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 organized reliably. The president and CEO of the parent company, whose title is Group CEO, serves as the chairman of the Group's Management Board and as the chairman of the Boards of YIT Building Systems Oy, YIT Construction Ltd and YIT Industrial and Networks Services Ltd.

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 dealt with 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 realization 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.

Organization and internal supervision of business operations

The YIT Group's business operations are divided into main business segments. The heads of the business segments report to the Group CEO. 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 follow-up meetings led by the Group CEO twice a year; 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 Group CEO serves as the chairman. The members are the deputy to the president of the Group's parent company, the president of each business segment and the directors of the divisions and units operating in different countries. The 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 organization 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 as a rule, 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 centralized 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 maintains and promotes the company's personnel policy and supports its implementation by the business functions.

YIT's organization structure is presented on page 42.

President and CEO and his deputy

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

Management Board

The YIT Group's Management Board comprises:

- **Group CEO (chairman)**
- **deputy to the Group CEO (vice chairman)**
- **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 52–54.

Auditor and audit fees

The Annual General Meeting on March 13, 2006 elected PricewaterhouseCoopers Oy (PwC), Authorized Public Accountants, to audit the administration and accounts in 2006. The chief auditor is Göran Lindell, Authorized Public Accountant, M.Sc. (Econ.).

In 2006, the auditor (PwC) was paid EUR 0.9 million in remuneration for the audit. In addition, the auditor (PwC) was paid EUR 0.2 million in remuneration for non-audit services.

Internal audit

The parent company has an internal auditor whose main tasks involve business auditing and ensuring that the operating principles are consistent. The Group's auditor assesses the functionality of the company's internal monitoring system as part of his supervision of the lawfulness of operations. The internal audit is also supervised by the Audit Committee of the Board of Directors.

The management, supervision and reporting systems used in business operations and asset management are described above.

Risk management

YIT's risk management is an integral part of the Group's management, monitoring and reporting systems. Regular reporting and monitoring is performed both at the Group and division levels.

For a more detailed description of YIT's risk management policy, see pages 48–49.

Insider administration

The YIT Group employs insider regulations that are in line with the Guidelines for Insiders approved by the Helsinki Stock Exchange 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 chief auditor as well as the members and secretary of the Group's Management Board. Other permanent insiders include persons responsible for matters such as administration, HR and legal affairs, accounting, finance, communications, investor relations 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 main 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. Project-specific insider registers are set up when necessary.

Insiders may not buy or sell securities issued by YIT Corporation in the 14-day period preceding the publication of the financial statement bulletin or interim reports ("closed window"). 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 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.

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 management are determined on the basis of the realization of the Group's strategic profitability, growth and development objectives and personal objectives

Share option programmes

In 2006, YIT had three share option programmes, of which the 2002 programme ended on November 30, 2006. The General Meeting decides on share option issues and the terms and conditions of the option programmes. On the basis of the terms and conditions of YIT's share options, the Board of Directors decides on the distribution of options annually.

For more information on share options, see pages 38–39 and 100–101.

Shares and options owned by the Board of Directors, the president and CEO and the Group's Management Board, December 31, 2006				
	Shares	E option	F option	K option
Board of Directors	549,780	-	-	-
President and CEO	20,000	-	-	3,200
Deputy to the CEO	10,132	-	-	2,400
Group's Management Board (excl. President and CEO and his deputy)	121,292	-	1,120	12,000

Share and option ownership includes direct ownings and ownings of family members and insider's controlled corporations.

Remuneration of Board members in 2006

The Annual General Meeting held on March 13, 2006, decided to pay members of the Board of Directors remuneration for the entire term of office as follows:

chairman

EUR 5,000 per month, or EUR 60,000 per year

vice chairman

EUR 3,500 per month, or EUR 42,000 per year

members

EUR 3,000 per month, or EUR 36,000 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 totaled EUR 199,000 in 2006.

Loans to closely 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, 2006.

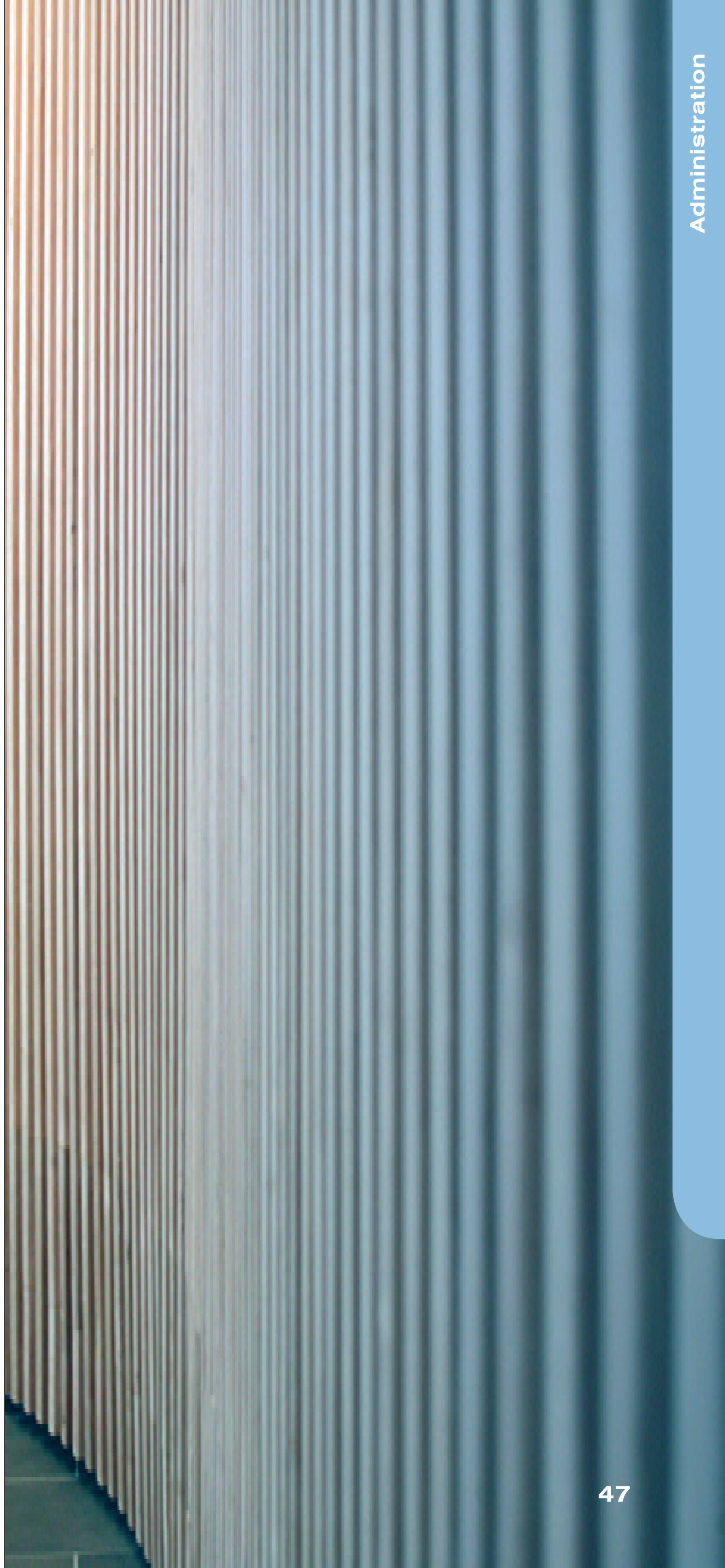
Retirement ages and termination compensation

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. In other respects, the statutory retirement age applies to the members of the Management Board.

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.

Remuneration paid to the president and CEO, his deputy and the Group's Management Board in 2006					
	Regular salary inclusive of fringe benefits	Bonuses	Option income	Total	Granted share options
President and CEO	288,910*	56,510	279,003	624,423	3,200 K options
Deputy to the CEO	189,209	37,000	820,972	1,047,181	2,400 K options
Group's Management Board (excl. President and CEO and his deputy)	885,743	175,321	957,379	2,018,443	12,000 K options

* including a years-of-service bonus paid every ten years



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 objectives. Optimal risk management seeks to increase the company's value.

YIT's risk management is an integral part of the Group's management, monitoring and reporting systems. Regular reporting and monitoring are performed both at the Group and division levels. The identification of business risks and preparations for them are primarily carried out in the units, divisions and business segments. Group Management attends to the management of risks related to strategy choices.

Risk management organization and reporting

- **The Board of Directors** approves the risk management policy and objectives as well as guides and supervises the planning and implementation of risk management.
- **The Group 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 Group 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 Group CEO.

Risk management

Strategic risks

Profitable growth

The management of risks related to strategy choices is based on anticipating changes in the business environment and markets and on agility in reacting to them. YIT has a robust market position in its selected service areas and territories. Our main strategic objective is to forge ahead with profitable growth. In order to raise profitability, YIT focuses on services in which it performs a great share of the work – that is, in which the service chain is extensive. YIT steps up the relative share of revenue generated by consumer services, long-term service agreements and project development. The target for operating profit in the strategic period from 2007–2009 is 9 per cent of revenue.

Seeking growth organically and through acquisitions

YIT's annual growth target is 10 per cent on average. The company is ramping up its operations at the fastest pace in Russia. YIT has set itself the separate goal of increasing revenue in Russia by an average of 50 per cent annually during the 2006–2009 period. The Nordic countries, which form one of the most politically and economically stable areas in the world, account for 87 per cent of YIT's revenue, operations in Russia's 7 per cent and in Baltic countries 6 per cent. The stability of Nordic operations enables the company to rapidly expand in the growing housing market of Russia. YIT has 46 years of continuous experience in the Russian market. Our local employees are well-versed in the markets. Risk management focuses on acquiring skilled employees and finding the right partners. YIT now operates in four Russian cities that have populations in excess of a million. Expansion into new cities enables the company to disperse geographical and partner risks.

Building Systems' service portfolio and network of business locations will be expanded in the Nordic countries. Growth is sought both organically and through acquisitions. In services for industry, YIT seeks growth from taking on maintenance functions outsourced by industry. The risks related to acquisitions and outsourcing are managed by stringent criteria and monitoring processes. The criteria set by YIT are: suitability for the strategic objective, operational synergies and development opportunities, competent employees, corporate culture, yield and price. The efficient implementation of a post-acquisition integration programme plays a particularly important role in process management. Good examples from the past few years are the acquisition of Primatel and Building Systems and their successful integration processes.

Capital management

YIT's target level for return on investment is 22 per cent. The ROI target reflects the channelling of growth into labour-intensive business areas which generate higher operating profit. In addition, capital is used effectively in more capital-intensive developer housing construction, where the yield requirements are higher. The need for capital is increased particularly by growth in Russian operations, the acquisition of plots and ongoing production. YIT systematically monitors the trend in net working capital and cash flow in its risk management. The management of the Group's total risk exposure is affected by the geographical allocation of capital as well as allocation into different business segments. At the end of 2006, Russia accounted for 23 per cent of the YIT Group's invested capital. When other operations generate stable cash flow, growth in developer production can be financed not only with the company's own cash, but also with debt. At the end of 2006, the gearing ratio was 75.1 per cent.

The target level for the equity ratio is 35 per cent. At the end of 2006, the equity ratio was 34.5 per cent. The target level for the equity ratio is a good fit for YIT's optimal capital structure and risk level. YIT's dividend payout target is 40–60 per cent of annual earnings after taxes and minority interest. The development of the capital structure is managed and actively guided into the right direction in accordance with the chosen target levels, in which the generation of cash flow has been set as one of YIT's strategic focus areas.

Contracting

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 their risks and profitability. Efficient contract management entails in-depth project management expertise at the level of line operations so that profitability, cost-effectiveness and good cash flow are achieved. Expertise is upgraded by making outlays on training, contractual expertise and the development of offer and risk analyses. The dissemination of the best practices and expertise between business segments is being bolstered further.

Ensuring the availability and competence of employees

YIT's business operations are greatly labour intensive. Moreover, YIT is growing organically, increasingly complex technical equipment is being used more widely, and the company's business has become highly service oriented – and this further highlights the importance of competent personnel. The company's strategic objectives are so demanding that it must be ensured that it has access to the best possible employees. YIT seeks to maintain its good image as an employer and to hold on to its position as a pioneer in its field. YIT makes outlays on continuous on-the-job learning, internal training, job rotation and the transfer of expertise between the business segments. YIT has prioritized active recruiting and cooperation with universities and educational institutions. YIT is an appealing employer for those who wish to work for a large and growing international company that has a solid corporate culture and management system and which offers good working conditions and self-improvement opportunities.

Financial development

By continuously monitoring and analyzing economic, demographic and technological phenomena, the company seeks to react to changes in time – and tap into the new business opportunities these changes open up.

YIT's structure, both in terms of its business segments and geographical reach, balances out the impact of cyclical fluctuations on the trend in consolidated revenue and earnings, because business cycles do not have a simultaneous effect in all of YIT's territories and business segments. 37 per cent of revenue is already generated by the maintenance and servicing business, which enjoys stable development in spite of cyclical fluctuations.

YIT's territories are still booming, although growth is slightly slower than in the previous year. The rate of growth in Russia and the Baltic countries is about twice as fast as in the Nordic countries. Russia and Norway still benefit from the high prices of oil. The positive earnings trend and the improvement in the employment count bolster household confidence. Euro interest rates are seeing moderate growth. The record-high population shift in Finland is continuing, maintaining stable need for the construction of new housing. Strong demand for housing in the large cities of Russia enables the company to expand residential production over the long term, too.

Administrative risks

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 organization, from the project level to the Group level, thanks to a purpose-designed operating and reporting system and an active approach to management. The management system is upgraded further by standardizing and firmly establishing operating procedures in different countries and business segments, developing consistent operating processes and systems, bolstering the service culture, and deepening cooperation with customers.

Board of Directors

		Primary working experience	Positions of trust	Share and share option ownership
	**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.	**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	**Rautaruukki Corporation** member of the Board of Directors 2006– **KONE Corporation** member of the Board of Directors 2005–	189,800 YIT shares
	**Vice Chairman** ***Eino Halonen***, born 1949, M.Sc. (Econ.), Managing Director of Suomi Mutual Life Assurance Company Member of YIT's Board of Directors since 2000, Vice Chairman since 2003 and member of the Audit Committee since 2004. Independent Board member.	**Suomi Mutual Life Assurance Company** Managing Director 2000– **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	**SATO Corporation** member of the Board of Directors 2006– **Finsilva** member of the Board of Directors 2005– **Cramo Plc** member of the Board of Directors 2003– **Federation of Finnish Insurance Companies** member of the Board of Directors 2003– **Ilmarinen Mutual Pension Insurance Company** member of the Board of Directors 2000–	11,340 YIT shares

During the first months of 2006 as a member of YIT's Board of Directors served also *Ilkka Brotherus*, Managing Director of Sinituote Oy. He was a member of YIT's Supervisory Board 1998–2000, member of the Board of Directors 2000 - March 13, 2006, Chairman of the Board of Directors 2002–2005 and Chairman of the Audit Committee 2004–2005.

Secretary of the Board of Directors

As of beginning of 2007 ***Antero Saarilahti*** Vice President, Administration has served as the secretary of the Board of Directors.

In 2006, the secretary of the Board of Directors was Executive Vice President ***Esko Mäkelä***.

Presentations on both of them can be found on pages 52–54.

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 Finnish Confederation of Industry and Employers TT.

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 2006.

	Members	Primary working experience	Positions of trust	Share and share option ownership
	***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 March 13, 2006. Independent Board member.	**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	**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– **International Youth Foundation (USA)** member of the Board of Directors 2000–	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.	**KONE Corporation** Chairman of the Board of Directors 2003–, CEO 1996–2006, Vice Chairman of the Board of Directors 1996–2003, member of the Board of Directors 1991–	**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–, Chairman of the Board of Directors 2005–2006	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.	**Pöyry Plc** Deputy CEO 1999–, Division Manager 1997–1999, CFO 1988–1997, Financial Manager 1985–1988 **Uudenmaan Tilintarkastustoimisto (Auditing office)** partner 1978–1984	**Capman Plc** Vice Chairman of the Board of Directors 2005–, member of the Board of Directors 2001–2005	19,680 YIT shares

Management Board

Primary working experience and positions of trust | Share and share option ownership

Chairman
Hannu Leinonen,
born 1962, M.Sc. (Eng.)

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

YIT Corporation
President and CEO 2006–
YIT Primatel Ltd President 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

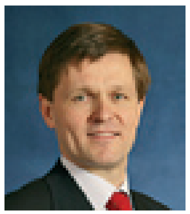
20,000 YIT shares
3,200 K options

Vice Chairman
Sakari Toikkanen,
born 1967, Lic. (Tech.)

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

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

10,132 YIT shares
2,400 K options



Members
Pekka Frantti,
born 1964, M.Sc. (Eng.)

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

YIT Industrial and Network Services Ltd President 2005–
YIT Kiinteistötekniikka Oy Vice President, Building Systems and Security Systems 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, Baltic and Russian Operations 1998–2001
ABB Installaatiot Oy Marketing Manager 1991–1995
ABB Trafo-BB GmbH (Germany) Area Manager 1990–1991
ABB Industry Oy Project Manager, Electrification projects 1988–1990
Positions of trust:
Technology Industries of Finland member of the Board of Directors 2007–

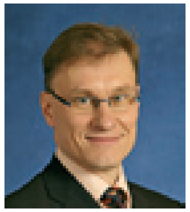
Does not own YIT shares.
1,120 F options
2,400 K options

Ilpo Jalasjoki,
born 1951, M.Sc. (Eng.)

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

YIT Construction Ltd President 2000–,
Head of YIT Building Construction division 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:
RT's Building Construction Division member of the Board of Directors 2007–
Ilmarinen Mutual Pension Insurance Company member of the Supervisory Board 2004–
Confederation of Finnish Construction Industries RT Chairman of the Board of Directors 2005–2006
Confederation of Finnish Industries EK member of the Board of Directors and executive committee 2005–2006

Does not own YIT shares.
2,400 K options

	Primary working experience and positions of trust	Share and share option ownership
 ***Juha Kostiainen***, born 1965, M.Sc. (Eng.), Ph.D. (Adm.) YIT Corporation, Vice President, Business Development. In the Group's employ since 2001.	**YIT Corporation** Vice President, Business Development 2005–, 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–	Does not own YIT shares. 1,600 K options
 ***Veikko Myllyperkiö***, born 1946, M.Sc. (Pol.Sc.) YIT Corporation, Vice President, Corporate Communications. In the Group's employ since 2001.	**YIT Corporation** Vice President, Corporate Communication 2001– **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** Construction Economy Researcher 1971–1984	7,000 YIT shares 1,600 K options
 ***Esko Mäkelä***, born 1943, M.Sc. (Eng.), MBA Executive Vice President, Investor Relations of YIT Corporation until end of 2006. In the Group's employ 1965–2006.	**YIT Corporation** Executive Vice President 1987–2006 **YIT Oy Yleinen Insinööritoimisto** Managing Director 1986–1987 **Perusyhtymä Oy** Administrative Director 1982–1986, Assistant Manager 1981–1982 **YIT Oy Yleinen Insinööritoimisto** Regional Manager, Saudi Arabia 1977–1980, Assistant Manager 1972–1977, Development Manager 1970–1972 **Positions of trust:** **Air-Ix Oy** member of the Board of Directors 2004– **Etera Mutual Pension Insurance Company** Chairman of the Board of Directors 2003–2006, member of the Board of Directors 1992–2006	80,292 YIT shares
 ***Juhani Pitkäkoski***, born 1958, LL.M. President of YIT Building Systems Ltd. In the Group's employ since 1988.	**YIT Building Systems Ltd** President 2003– **YIT Installation Ltd** President 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 **Positions of trust:** **Tapiola Mutual Pension Insurance Company** member of the Supervisory Board 2004–	26,000 YIT shares 2,400 K options

		Primary working experience and positions of trust	Share and share option ownership
	***Petra Thorén***, born 1969, M.Sc. (Econ.) YIT Corporation, Vice President, Investor Relations. In the Group's employ since 2002.	**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:** **Finnish Tennis Association** member of the Board of Directors 2006– **Foundation for the advancement of tennis in Finland** member of the Board of Directors 2005–	8,000 YIT shares 1,600 K options
	**Secretary** ***Antero Saarilahti***, born 1948, M.Sc. (Eng.) Vice President, Administration. In the Group's employ since 1971.	**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–	9,972 YIT shares 1,600 K options

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 2006.

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.

Additional information

Up-to-date information on holdings is presented on YIT's internet site.

YIT Corporation's financial statements for 2006

Key financial figures

KEY FINANCIAL FIGURES OF THE GROUP FROM 1997 TO 2006

Income statement		1997	1998	1999	2000	2001	2002	2003	2004	2004	2005	2006
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	**IFRS**
Revenue	MEUR	941.4	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**
- change from previous year	%	7.4	24.1	4.7	1.1	31.4	8.6	35.5	26.9		8.8	**8.6**
- of which activities outside Finland	MEUR	171.1	200.0	165.3	146.4	330.5	386.9	672.5	1,212.7	1,183.2	1,326.6	**1,477.4**
Operating income and expenses	MEUR	-871.4	-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**
Depreciation and write-downs	MEUR	-13.1	-13.9	-12.6	-13.6	-16.1	-16.5	-17.3	-17.1	-22.3	-23.9	**-24.1**
Depreciation of goodwill	MEUR	-2.9	-3.6	-6.0	-5.3	-10.1	-13.2	-20.5	-30.6			
Operating profit	MEUR	54.0	54.5	62.3	89.7	99.7	89.8	98.6	135.1	157.4	227.7	**258.8**
- % of revenue	%	5.7	4.7	5.1	7.3	6.1	5.1	4.1	4.5	5.7	7.5	**7.9**
Financial income and expences, net	MEUR	-10.8	-8.5	-7.1	-10.2	-10.9	-12.2	-14.2	-16.8	-17.4	-12.9	**-20.6**
Profit before extraordinary items	MEUR	43.2	46.0	55.2	79.5	88.8	77.6	84.4	118.2	140.0	214.8	**238.2**
- % of revenue	%	4.6	3.9	4.5	6.4	5.5	4.4	3.5	3.9	5.0	7.1	**7.3**
Extraordinary income	MEUR	10.8	0.1	18.5	-	-	-	-	-	-	-	**-**
Extraordinary expenses	MEUR	1.2	0.3	-	-0.1	-	-	-	-	-	-	**-**
Profit before taxes	MEUR	52.8	45.8	73.7	79.4	88.8	77.6	84.4	118.2	140.0	214.8	**238.2**
- % of revenue	%	5.6	3.9	6.0	6.4	5.5	4.4	3.5	3.9	5.0	7.1	**7.3**
Profit for the period	MEUR	40.9	28.4	60.7	54.7	61.6	43.0	48.4	84.0	100.5	156.9	**175.4**
- % of revenue	%	4.3	2.4	5.0	4.4	3.8	2.4	2.0	2.8	3.6	5.2	**5.3**
Attributable to:												
Equity holders of the company										99.1	155.5	**171.0**
Minority interest										1.4	1.4	**4.4**

Key financial figures

KEY FINANCIAL FIGURES OF THE GROUP FROM 1997 TO 2006

Balance sheet		1997	1998	1999	2000	2001	2002	2003	2004	2004	2005	2006
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
ASSETS												
Intangible assets	MEUR	78.6	88.1	78.3	85.2	69.7	61.9	66.8	68.4	81.0	77.1	**91.8**
Goodwill on consolidation	MEUR	12.8	13.0	13.0	14.3	47.4	72.0	246.9	224.2	248.8	248.8	**248.8**
Tangible assets	MEUR	2.9	4.5	7.6	9.5	7.2	9.5	11.8	12.3	13.1	13.4	**15.6**
Investments												
Treasury shares	MEUR	-	-	4.2	7.8	6.5	7.2	-	-	-	-	**-**
Other investments	MEUR	10.5	13.8	11.4	11.0	6.3	7.1	7.9	6.8	4.2	4.8	**5.9**
Inventories	MEUR	217.5	222.2	175.4	249.4	259.3	338.1	380.8	421.6	629.3	685.2	**1,006.4**
Receivables	MEUR	300.9	320.1	389.2	411.0	483.0	503.5	781.0	822.1	503.7	578.1	**723.4**
Current investments	MEUR	3.7	5.1	13.4	1.4	18.6	10.7	11.9	0.7	0.7	0.0	**0.0**
Cash and cash equivalents	MEUR	16.4	10.5	10.2	11.2	18.4	28.2	48.4	34.2	35.4	80.7	**25.9**
Total assets	MEUR	643.3	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**
EQUITY AND LIABILITIES												
Share capital	MEUR	49.3	49.3	58.8	58.8	58.8	59.5	61.0	61.3	61.3	62.4	**63.4**
Other equity	MEUR	157.6	176.3	212.7	250.2	291.6	313.7	347.3	395.9	380.0	497.4	**607.1**
Minority interest	MEUR	10.1	11.1	6.7	1.6	3.2	2.9	3.4	3.6	4.1	3.7	**3.9**
Provisions	MEUR	4.4	3.2	6.7	6.9	10.1	14.2	27.3	26.0	59.9	57.5	**50.5**
Non-current liabilities												
Interest-bearing	MEUR	120.9	128.4	125.2	89.2	133.5	130.4	202.6	214.0	224.0	172.4	**275.8**
Non interest-bearing	MEUR	7.1	9.3	4.8	3.3	7.7	7.8	8.3	15.7	23.6	40.9	**72.5**
Current liabilities												
Interest-bearing	MEUR	69.1	44.7	15.5	38.9	14.2	12.6	62.2	47.5	171.5	162.6	**256.6**
Advances received	MEUR	41.2	42.4	43.7	47.1	54.5	71.8	100.6	106.7	77.5	134.9	**163.6**
Other non interest-bearing	MEUR	183.6	212.6	228.6	304.8	342.8	425.3	742.8	719.6	514.3	556.3	**624.4**
Total shareholders' equity and liabilities	MEUR	643.3	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**

Other key figures		1997	1998	1999	2000	2001	2002	2003	2004	2004	2005	2006
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	IFRS	**IFRS**
Cash flow from operating activities	MEUR	15.9	53.6	64.4	47.3	40.3	76.7	97.6	35.4	59.2	167.3	**-148.3**
Return on equity	%	21.7	13.9	18.3	19.1	19.1	12.2	12.5	19.6	24.3	31.1	**28.3**
Return on investment	%	14.5	13.7	15.5	21.2	21.6	17.8	16.8	19.6	19.1	26.4	**24.8**
Equity ratio	%	36.0	37.3	41.6	40.2	40.3	38.2	28.3	31.1	31.0	36.3	**34.5**
Net interest-bearing debt	MEUR	-	-	117.1	115.4	110.7	104.1	204.4	226.6	359.4	254.4	**506.5**
Gearing ratio	%	78.4	66.6	42.8	38.1	31.9	28.2	49.6	49.2	80.7	45.1	**75.1**
Gross capital expenditures on non-current assets	MEUR	24.7	35.9	35.6	34.3	75.1	60.6	232.9	31.0	35.6	30.1	**50.4**
- % of revenue	%	2.4	3.1	2.9	2.8	4.6	3.4	9.7	1.0	1.3	1.0	**1.5**
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**
- % of revenue	%	-	0.6	0.7	0.8	0.7	0.7	0.7	0.6	0.6	0.6	**0.6**
Order backlog on Dec 31	MEUR	411.7	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**
- of which orders from outside Finland	MEUR	91.8	89.2	46.8	57.3	180.2	255.0	569.5	621.0	645.0	752.4	**1.490.0**
Number of employees on Dec 31		7,116	7,536	8,282	8,605	10,264	12,633	21,939	21,680	21,680	21,289	**22,311**
Average number of employees		6,531	7,340	8,721	8,189	10,118	11,990	16,212	21,884	21,884	21,194	**21,846**

Key financial figures

KEY FINANCIAL FIGURES OF THE GROUP FROM 1997 TO 2006

Share-related key figures		1997	1998	1999	2000	2001	2002	2003	2004	2004	2005	2006
		FAS	FAS	FAS	FAS	FAS	FAS	FAS	FAS	IFRS	IFRS	**IFRS**
Earnings/share, basic	EUR	0.31	0.25	0.40	0.48	0.54	0.37	0.41	0.69	0.81	1.26	**1.36**
Earnings/share, diluted	EUR						0.37	0.41	0.68	0.80	1.23	**1.35**
Eguity/share	EUR	1.77	1.92	2.32	2.63	2.98	3.14	3.35	3.73	3.60	4.49	**5.29**
Dividend/share	EUR	0.09	0.11	0.15	0.19	0.21	0.23	0.30	0.35	0.35	0.55	**0.65***
Dividend/earnings	%	27.4	43.0	37.7	39.5	39.7	60.4	73.2	51.1	43.2	43.7	**47.8**
Effective dividend yield	%	3.3	5.7	5.5	5.5	6.3	5.4	4.5	3.8	3.8	3.0	**3.1**
Price/earnings multiple (P/E)		8.4	7.6	6.9	7.2	6.3	11.3	16.4	13.4	11.3	14.3	**15.4**
Share price trend												
Average price	EUR	2.77	2.69	2.19	3.18	3.17	4.10	5.18	7.96	7.96	13.99	**19.24**
Low	EUR	2.31	1.64	1.63	2.60	2.61	3.30	3.50	6.76	6.76	8.95	**15.20**
High	EUR	3.05	4.04	2.75	3.55	3.49	4.91	6.93	9.42	9.42	18.25	**23.88**
Price on Dec 31	EUR	2.59	1.85	2.73	3.40	3.38	4.20	6.73	9.18	9.18	18.07	**20.95**
Market capitalisation on Dec 31	MEUR	303.1	217.1	315.0	389.3	389.7	489.9	821.1	1,125.3	1,125.3	2,254.4	**2,656.0**
Share turnover trend												
Share turnover	1,000	64,024	47,324	36,264	43,300	17,792	39,648	58,558	91,160	91,160	120,368	**184,577**
Share turnover as percentage of shares outstanding	%	57.1	40.4	31.4	37.6	15.5	34.2	49.5	74.6	74.6	97.4	**147.2**
Weighted average share-issue adjusted number of shares outstanding	1,000	112,168	117,232	115,484	115,048	114,988	115,880	118,208	122,246	122,246	123,544	**125,357**
Weighted average share-issue adjusted number of shares outstanding, diluted	1,000						117,028	118,496	123,646	123,646	126,522	**126,773**
Share-issue adjusted number of shares outstanding on Dec 31	1,000	117,212	117,352	115,588	114,504	115,472	116,716	122,092	122,586	122,586	124,794	**126,777**

*) Board of Directors' proposal

YIT Corporation's Annual General meeting held on March 18, 2004 decided to change the nominal value of share from two euros to one euro, and YIT Corporation's Annual General meeting held on March 13, 2006 decided to change the nominal value of share from one euro to 0.50 euro, The both decisions doubled the number of shares. The figures for 1997–2005 have been adjusted to be comparable with the figures for 2006.

Key financial figures

DEFINITIONS OF KEY FINANCIAL FIGURES

Return on investment (%) =

$$\frac{\text{Profit before taxes + interest expenses and other financial expenses + / - exchange rate differences}}{\text{Balance sheet total - non-interest - bearing liabilities (average for the period)}} \times 100$$

Return on equity (%) =

$$\frac{\text{Net profit for the financial year}}{\text{Shareholders' equity - own shares + minority interest (average)}} \times 100$$

Equity ratio (%) =

$$\frac{\text{Shareholders' equity - treasury shares + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

Gearing ratio (%) =

$$\frac{\text{Interast-bearing liabilities - liquid financial assets}}{\text{Shareholders' equity - own shares + minority interest (average)}} \times 100$$

Share issue-adjusted earnings per share (EUR) =

$$\frac{\text{Net profit for the financial year attributable to equity holders}}{\text{Share issue-adjusted average number of outstanding shares during the period}}$$

Equity per share (EUR) =

$$\frac{\text{Equity attributable to the equity holders}}{\text{Share issue-adjusted number of outstanding shares on December 31}}$$

Share issue-adjusted dividend per share (EUR) =

$$\frac{\text{Dividend per share for the financial period}}{\text{Adjustment ratios of share issues during the period and afterwards}}$$

Dividend per earnings (%) =

$$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield (%) =

$$\frac{\text{Share issue-adjusted dividend per share}}{\text{Share issue-adjusted share price on December 31}} \times 100$$

Price per earnings (P/E-ratio) =

$$\frac{\text{Share issue-adjusted share price on December 31}}{\text{Share issue-adjusted earnings per share}}$$

Market capitalization = (Number of shares - own shares) x share price on December 31

Share turnover (%) =

$$\frac{\text{Number of shares traded}}{\text{Total number of outstanding shares (average for the period)}} \times 100$$

Key financial figures

FINANCIAL DEVELOPMENT BY QUARTER

	I/ 2005	II/ 2005	III/ 2005	IV/ 2005	I/ 2006	II/ 2006	III/ 2006	IV/ 2006
Revenue, MEUR	663.9	745.1	754.8	860.0	768.8	818.0	789.5	**908.1**
Operating profit, MEUR	40.1	55.7	66.7	65.2	53.7	60.1	58.6	**86.4**
- % of revenue	6.0	7.5	8.8	7.6	7.0	7.3	7.4	**9.5**
Financial income, MEUR	0.3	0.4	0.6	0.6	1.3	0.4	0.6	**0.3**
Exhange rate differences, MEUR	1.5	0.9	0.5	-0.6	-0.6	-0.6	-0.6	**-0.9**
Financial expenses, MEUR	-4.5	-4.5	-4.2	-4.0	-4.3	-4.6	-5.9	**-5.7**
Profit before taxes, MEUR	37.4	52.5	63.6	61.2	50.1	55.3	52.7	**80.1**
- % of revenue	5.6	7.0	8.4	7.1	6.5	6.8	6.7	**8.8**
Total balance sheet assets, MEUR	1,508.2	1,612.2	1,621.4	1,688.1	1,722.0	1,847.2	1,925.5	**2,117.8**
Earnings per share, EUR	0.23	0.32	0.37	0.35	0.29	0.31	0.28	**0.48**
Equity per share, EUR	3.48	3.77	4.14	4.49	4.23	4.54	4.83	**5.29**
Share price at the end of period	10.92	13.80	17.65	18.07	22.38	19.17	18.27	**20.95**
Market capitalization at the end of period, MEUR	1,338.6	1,711.2	2,193.2	2,254.4	2,792.9	2,406.7	2,294.4	**2,656.0**
Return on investment, rolling 12 months, %	19.7	21.8	23.7	26.4	28.1	28.2	25.2	**24.8**
Return on equity, %				31.1	-	-	-	**28.3**
Equity ratio, %	30.1	31.8	34.6	36.3	33.5	34.5	34.6	**34.5**
Net interest-bearing debt at the end of period, MEUR	368.1	313.6	271.8	254.4	334.2	342.5	416.8	**506.5**
Gearing ratio, %	85.6	66.6	52.3	45.1	62.7	59.5	68.1	**75.1**
Gross capital expenditures, MEUR	7.0	14.1	22.3	30.1	9.1	18.7	29.9	**50.4**
Order backlog at the end of period, MEUR	1,909.4	1,999.2	1,881.4	1,878.8	2,007.2	2,151.3	2,246.2	**2,802.3**
Personnel at the end of period	21,096	21,297	21,468	21,289	21,140	21,873	22,188	**22,311**

Key financial figures

REVENUE BY BUSINESS SEGMENT

	I/ 2005	II/ 2005	III/ 2005	IV/ 2005	I/ 2006	II/ 2006	III/ 2006	IV/ 2006
Building Systems	319.5	348.0	327.2	403.7	325.6	348.4	335.2	**405.9**
Construction Services	272.0	313.8	339.5	373.0	350.8	368.1	337.0	**396.3**
Industrial and Network Services	85.6	100.7	105.0	107.5	107.7	116.9	128.3	**124.0**
Other items	-13.2	-17.4	-16.9	-24.2	-15.3	-15.4	-11.0	**-18.1**
YIT Group	663.9	745.1	754.8	860.0	768.8	818.0	789.5	**908.1**

OPERATING PROFIT BY BUSINESS SEGMENT

	I/ 2005	II/ 2005	III/ 2005	IV/ 2005	I/ 2006	II/ 2006	III/ 2006	IV/ 2006
Building Systems	8.2	14.3	13.3	21.0	11.7	19.8	21.1	**35.0**
Construction Services	29.4	34.2	44.1	35.4	40.7	40.5	39.6	**50.0**
Industrial and Network Services	6.3	9.3	12.3	11.2	5.3	5.0	2.5	**5.2**
Other items	-3.8	-2.1	-3.0	-2.4	-4.0	-5.2	-4.6	**-3.8**
YIT Group	40.1	55.7	66.7	65.2	53.7	60.1	58.6	**86.4**

ORDER BACKLOG BY BUSINESS SEGMENT

	I/ 2005	II/ 2005	III/ 2005	IV/ 2005	I/ 2006	II/ 2006	III/ 2006	IV/ 2006
Building Systems	574.0	602.6	575.7	492.0	517.6	584.1	582.7	**601.7**
Construction Services	1,131.0	1,263.3	1,193.8	1,242.6	1,296.5	1,391.8	1,524.4	**2,053.5**
Industrial and Network Services	234.4	187.3	158.3	173.3	219.5	208.4	180.3	**184.0**
Other items	-30.0	-54.0	-46.4	-29.1	-26.4	-33.0	-41.2	**-36.9**
YIT Group	1,909.4	1,999.2	1,881.4	1,878.8	2,007.2	2,151.3	2,246.2	**2,802.3**

Report of the Board of Directors, January 1 - December 31, 2006

Revenue and operating profit continue to rise

YIT's revenue and operating profit rose to record highs in 2006. The Group's order backlog is all-time high. The Board of Directors proposes the raising of YIT's dividends for the twelfth year in a row.

Building Systems forged ahead with improving profitability. The business segment's operating profit rose by 54 per cent. The operating profit margin grew to 6.2 per cent. Both maintenance and servicing as well as repair and modernization projects increased.

Earnings in Construction Services were excellent in all areas of operations. Development was especially vigorous in Russia, where the company expanded its operations into three new cities. In 2006, YIT started up the construction of 2,818 market-financed residential units in Finland, 3,699 in Russia and 887 in the Baltic countries. The business segment's revenue grew by 12 per cent and its operating profit by 19 per cent. Profitability remained excellent and the operating profit margin was 11.8.

Industrial and Network Services enjoyed favourable trends in industrial investments and maintenance. The business segment's operating profit declined by 54 per cent due to the weak market situation for network services and personnel downscaling measures. The operating profit margin was 3.8.

The company's Finnish name is changed to YIT Oyj

At the Annual General Meeting held on March 13, 2006, a decision was made to amend Article 1 of the Articles of Association such that the company's Finnish business name became YIT Oyj and its Swedish parallel business name YIT Abp. The English name YIT Corporation remained unchanged. The amendment was entered in the Trade Register on March 24, 2006.

Nominal value of the share is halved

At the Annual General Meeting held on March 13, 2006, a decision was made to amend Article 1 of the Articles of Association such that the nominal value of the share was changed from one euro to EUR 0.50 (split), thereby doubling the number of shares in proportion to the holding of shareholders and without raising the share capital. The split was entered in the Trade Register on March 24, 2006, and trading in the doubled number of shares began on the Helsinki Stock Exchange on March 27, 2006.

The per-share figures presented in the Board's report have been adjusted for comparability such that they account for the halving of the nominal value of the share, which came into effect on March 24, 2006.

YIT revises its strategic target levels

On September 19, 2006, YIT Corporation's Board of Directors confirmed the financial target levels for the strategic period from 2007-2009. A Group-level target for the operating profit margin (EBIT %) was set for the first time. The operating profit target that was set is 9 per cent of revenue.

The other financial target levels were not amended: average annual revenue growth of 10 per cent, return on investment of 22 per cent, an equity ratio of 35 per cent and a dividend payout ratio of 40-60 per cent of earnings after taxes and minority interest.

In addition, YIT set itself the goal of increasing its revenue in Russia by an average of 50 per cent annually during the 2006-2009 period. Growth in Russia is sought primarily by stepping up residential development as well as business premise and logistics projects. Building systems operations in St Petersburg and Moscow will also be expanded. YIT is seeking to establish a foothold for industrial services in the St Petersburg area.

The Board of Directors' decision to revise the target levels was announced in a stock exchange release on September 19, 2006, and the Russian growth target in a release dated October 10, 2006.

Revenue growth 9 per cent

The YIT Group's revenue for 2006 rose by 9 per cent exclusive of significant acquisitions and amounted to EUR 3,284.4 million (2005: EUR 3,023.8 million). Revenue in Russia grew by 65 per cent to EUR 216.9 million (EUR 131.6 million).

Revenue by segment (EUR million)

	1-12/2006	1-12/2005	Change, %	Share of the Group's revenue, 1-12/2006
Building Systems *)	**1,415.1**	1,398.4	1	43%
Construction Services	**1,452.2**	1,298.3	12	44%
Industrial and Network Services *)	**476.9**	398.8	20	15%
Other items	**-59.8**	-71.7	-17	-2%
YIT Group, total	**3,284.4**	3,023.8	9	100%

*) At the beginning of 2006, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The business functions that were transferred had revenue of EUR 58.9 million in January-December/2005. Comparable growth in revenue in 2006 was 6 per cent in Building Systems and 4 per cent in Industrial and Network Services.

YIT's service chain spans the entire life cycle of investments. The life cycle strategy seeks to achieve better service capability, growth in our business operations and a steadier stream of profits. Part of the Group's revenue comes from its industrial, property, telecom network and traditional infrastructure maintenance and servicing business. In 2006, the revenue generated by the maintenance and servicing business rose to EUR 1,222.4 million (EUR 1,136.4 million), representing 37 per cent (38%) of total revenue.

As from the beginning of 2006, YIT has monitored services for households separately. In the case of services for companies and institutions, YIT keeps track of trends in the shares of revenue generated by long-term service agreements, project development and contracting. In 2006, consumer services accounted for 24 per cent of revenue, long-term service agreements for 28 per cent, project development for about 9 per cent and contracting for about 39 per cent. YIT's strategic objective is to increase the relative share of revenue accounted for by consumer services, long-term service agreements and project development.

Of the revenue, 55 per cent came from Finland (56%), 32 per cent from the other Nordic countries (32%), 7 per cent from Russia (4%) and 6 per cent from Lithuania, Latvia and Estonia (7%).

The YIT Group's strategic target for revenue growth is 10 per cent annually on average. In addition, YIT has set itself the goal of increasing its revenue in Russia by an average of 50 per cent annually during the 2006-2009 period.

Operating profit growth 14 per cent

Consolidated operating profit grew by 14 per cent to EUR 258.8 million (EUR 227.7 million). The operating profit margin was 7.9 (7.5%).

Operating profit by segment (EUR million)

	1-12/2006	1-12/2005	Change, %	Share of consolidated operating profit, 1-12/2006
Building Systems *)	**87.6**	56.8	54	34%
Construction Services	**170.8**	143.1	19	66%
Industrial and Network Services **)	**18.0**	39.1	-54	7%
Other items	**-17.6**	-11.3	56	-7%
YIT Group, total	**258.8**	227.7	14	100%

*) In the October-December/2006 period, Building Systems released provisions for certain contractual obligations that had come to an end. This had a positive impact of EUR 7.2 million on operating profit.
**) The operating profit of the Industrial and Network Services business segment in July-September/2006 includes EUR 5.1 million in costs for the downsizing of Network Services.

Profit before taxes rose by 11 per cent on the previous year to EUR 238.2 million (EUR 214.8 million). Profit after taxes was EUR 175.4 million (EUR 156.9 million). Return on investment was 24.8 per cent (26.4%).

YIT has set itself the target of increasing its operating profit to 9 per cent of revenue in the 2007-2009 strategic period. The strategic target level for return on investment is 22 per cent.

Earnings per share growth 8 per cent

Earnings per share were up 8 per cent and amounted to EUR 1.36 (EUR 1.26). Equity per share increased to EUR 5.29 (EUR 4.49).

Proposed dividend: EUR 0.65

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 be paid per share (EUR 0.55) for the 2006 financial year, representing 47.8 per cent (43.7%) of earnings per share. YIT is now increasing the dividend for the twelfth year running.

The strategic target for the dividend payout is 40-60 per cent of the annual result after taxes and minority interest.

The Board of Directors' proposal on the use of the profits is presented at the end of the Report of the Board of Directors.

Order backlog growth 49 per cent

The Group's market position is strong. The Group's uninvoiced backlog of orders rose to a record high. It was 49 per cent higher at the end of 2006 than a year earlier, having risen to EUR 2,802.3 million (EUR 1,878.8 million). The margin of the backlog is good. Due to their nature, part of the Group's maintenance and servicing operations are not included in the order backlog.

Order backlog by segment (EUR million)

	1-12/2006	1-12/2005	Change, %	Share of the Group's backlog, 12/2006
Building Systems	**601.7**	492.0	22	21%
Construction Services	**2,053.5**	1,242.6	65	73%
Industrial and Network Services	**184.0**	173.3	6	7%
Other items	**-36.9**	-29.1	27	-1%
YIT Group, total	**2,802.3**	1,878.8	49	100%

The Group's financial position remains strong

The need for capital has increased due to growth in Russian business operations, the acquisition of plots and ongoing production. At year's end, 23 per cent (11%), or EUR 279 million (EUR 100 million), of the Group's invested capital was tied up in Russia. Interest-bearing liabilities amounted to EUR 532.4 million (EUR 335.0 million) at the end of the period and liquid assets to EUR 25.9 million (EUR 80.6 million). Net debt was EUR 506.5 million (EUR 254.4 million). The Group's financial position remained strong. The gearing ratio at period's end rose to 75.1 per cent (45.1%). The equity ratio was 34.5 per cent (36.3%). The financial target level for equity ratio is 35 per cent.

Liquidity was boosted in September by increasing the size of the commercial paper programme from EUR 100 million to EUR 200 million. In addition, short-term credit was converted into long-term credit by means of two EUR 50 million private placement bonds in September and one EUR 75 million private placement bond in December.

Financial income during the period amounted to EUR 2.6 million (EUR 1.9 million), exchange rate losses to EUR 2.7 million (exchange rate gains: EUR 2.0 million) and financial expenses to EUR 20.5 million (EUR 16.8 million). Net financial expenses were EUR 20.6 million (EUR 12.9 million), or 0.6 per cent (0.4%) of revenue.

The proportion of fixed-interest loans in the Group's entire loan portfolio was 39 per cent (49%). Loans raised directly on the capital and money markets amounted to 59 per cent (39%).

The construction-stage contract receivables sold to financing companies totalled EUR 272.1 million (EUR 268.2 million) at the end of the period. Of this amount, EUR 120.4 million (EUR 109.4 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises off-balance sheet items as per IAS 39. The interest on sold receivables paid to financing companies, EUR 9.3 million (EUR 5.3 million), is included in financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residences, EUR 28.6 million (EUR 15.3 million), are also included in interest-bearing liabilities, but the interest on them is booked in project expenses, as said interest is included in housing corporation maintenance charges.

Interest-bearing liabilities included EUR 3.1 million in leasing commitments (EUR 5.1 million).

The balance sheet total at the end of the report period was EUR 2,117.8 million (EUR 1,688.1 million).

Capital expenditures and acquisitions

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 50.4 million (EUR 30.1 million) during the financial year, representing 1.5 per cent (1.0%) of revenue. Investments in construction equipment amounted to EUR 17.3 million (EUR 11.8 million) and investments in information technology to EUR 5.1 million (EUR 2.7 million). Other production investments came in at EUR 0.9 million (EUR 1.6 million). Other investments including acquisitions amounted to EUR 27.1 million (EUR 14.0 million).

In 2006, the business functions of Building Systems were rounded out in Sweden and Norway in line with the strategy. In Sweden, YIT acquired Fläkt Teknik i Umeå AB, a company specializing in ventilation technology in Umeå, the piping company AB Smedby Värme & Sanitet in Kalmari and the electrical company El Persson in Uppsala. YIT acquired two ventilation companies in Norway, URD Klima Mo AS in Mo i Rana and Rune Nilsen Ventilasjon AS in Arendal. As a result of the transactions, a total of 48 people transferred into YIT's employ in Sweden and 30 in Norway.

YIT Construction Ltd increased its holding in the Moscow-region housing developer ZAO YIT Moskovia to 82 per cent, and later in the year to 88 per cent. YIT's previous stake in the company was 51 per cent. YIT Construction Ltd increased its holding in the Lithuanian AB YIT Kausta Group to 95.1 per cent based on an earlier agreement. AB YIT Kausta sold its structural steel plant in Kaunas to the Finnish company Peikko Group.

During the review period, YIT Industrial and Network Services Oy acquired Alueputkitus Oy and Konepaja Alueputkitus Oy, which offer maintenance and capital investment services to the petrochemical industry. The ship electrification operations of the Telesilta business unit - part of YIT Industrial and Network Services - were sold to a soon-to-be-formed company named Telesilta Oy.

Major risks and risk management

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 overall risk level so that the company achieves its strategic and financial objectives.

YIT has specified the Group's major risks as well as means of managing strategic and administrative risks. YIT's major strategic risk factors are related to growing both organically and through acquisitions, capital management, managing tender-based contracts, ensuring the availability and competence of employees and general economic development. In the case of administrative risks, YIT focuses on the further development of its successful corporate culture and management system.

YIT's risk management is an integral part of the Group's management, monitoring and reporting systems. Regular reporting and monitoring are performed both at the Group and business segment levels. The identification of business risks and preparations for them are primarily carried out in the units, divisions and business segments. The Group CEO holds overall responsibility for risk management. The Board of Directors approves the risk management policy and its objectives, and both directs and supervises the planning and implementation of risk management.

The main principles underlying the corporate governance of the YIT Group and its parent company YIT Corporation are set forth in legislation and also in YIT Corporation's Articles of Association and the rules of procedure of the Board of Directors, Audit Committee and the Group's Management Board. An account of YIT's corporate governance principles, risk management policy and the management of individual risks has been published in the 2003, 2004 and 2005 Annual Reports, and will also appear in the 2006 Annual Report. Information is also available from www.yitgroup.com.

The YIT Group's business risks are 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. An account of the financial risks is presented in the notes to the financial statements.

The key objective of the management of accident risks is to minimize YIT's losses from identified risks and thereby safeguard the company's financial result and continuity of operations. Project-specific insurance policies are taken out for YIT's projects, covering sudden and unforeseeable material damage to the project site, such as due to fire, collapsing structures and theft. Other assets, such as property, plant and machinery, are covered with continuous property insurances against material damage. YIT's business operations are diversified in eight countries and about 500 locations. The company rarely carries out projects that are so large in terms of the total scope of its operations that their insurance should be examined separately.

The Supreme Administrative Court's ruling on YIT's residual taxes for 1997

On June 21, 2006, the Supreme Administrative Court decided not to change the ruling of the Helsinki Administrative Court to enforce the residual taxes levied from YIT for 1997. According to the ruling, YIT Corporation is not entitled to deduct the confirmed losses of its merged subsidiary. This ruling of the Supreme Administrative Court has no impact on YIT's financial result for 2006, since the residual taxes paid were recorded in the financial result for 2002.

YIT has released stock exchange releases on this matter on March 14, 2002, December 31, 2002, March 3, 2003, June 1, 2004 and June 21, 2006.

Ruling concerning the refurbishing of Koy Vilhonkatu 7 in 1999

In its ruling on February 14, 2006, the Helsinki Court of Appeal ordered Kiinteistö Oy Vilhonkatu 7 to pay compensation to YIT for the conversion and additional works involved in the refurbishing of SOK's former head office property, completed in 1999, as well as the costs caused by the lengthening of the duration of the contract, with interest, and trial costs. Kiinteistö Oy Vilhonkatu 7 and YIT sought leave to appeal to the Supreme Court.

In its ruling on November 17, 2006, the Supreme Court granted Kiinteistö Oy Vilhonkatu 7 limited leave to appeal the ruling of the Helsinki Court of Appeal on the refurbishing of Vilhonkatu 7 in 1999.

On the basis of the ruling of the Helsinki Court of Appeal, SOK paid EUR 11.1 million to YIT on February 15, 2006. The amount will not be recognized in YIT's result until the appeal process is resolved.

YIT has released stock exchange releases on this matter on February 24, 2003, February 14, 2006, April 18, 2006 and November 24, 2006.

Changes in the Group management

A new Group CEO and deputy to the CEO stepped in at YIT Corporation on January 1, 2006. Hannu Leinonen, M.Sc. (Eng), assumed the position of Group CEO, and Sakari Toikkanen, Lic. (Tech.), started out as executive vice president and the deputy to the Group CEO. Leinonen previously served as the managing director of YIT Primatel Ltd and Toikkanen as executive vice president of YIT Building Systems Oy. YIT's former Group CEO Reino Hanhinen retired and became the chairman of YIT's Board of Directors at the beginning of 2006. Esko Mäkelä continued to serve as senior vice president until December 31, 2006, with responsibility for investor relations.

Petra Thorén, Investor Relations Manager, was appointed YIT Corporation's vice president, Investor Relations as of January 1, 2006, from which date on Thorén has also been a member of YIT's Management Board.

The Board of Directors elects the company's CEO. The period of notice of the CEO and the deputy to the 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.

Changes in the Group structure

An independent country group was set up from Building Systems' business functions in the Baltic countries and Russia as from the beginning of 2006. These business functions were previously part of the same corporate entity as Finnish functions.

In Construction Services, YIT Tolonen Oy was merged into YIT Construction Ltd. The residential construction company ZAO YIT Ramenje, which operates in the cities of the Moscow region, was renamed ZAO YIT Moskovia. In October, YIT established the joint venture ZAO YIT Uralstroi in Yekaterinburg with nine private individuals. YIT's holding in this residential construction company is 71 per cent.

The Industrial and Network Services business segment became a single legal company in first part of 2006. YIT Primatel Ltd, YIT Service Ltd and YIT Industria Ltd were merged into their parent company YIT Industrial and Network Services Ltd. The subsidiary OOO YIT Industria was established in St Petersburg.

At the beginning of 2006, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The business functions that were transferred had revenue of EUR 58.9 million in January-December/2005.

Number of employees 22,300

In 2006, the Group employed 21,846 (21,194) people on average. At the end of the year, the Group had 22,311 employees (21,289). Of YIT's employees, 51 per cent work in Finland, 36 per cent in the other Nordic countries, 6 per cent in Russia and 7 per cent in Lithuania, Latvia and Estonia.

Personnel by business segment

	No. December 31, 2006	No. December 31, 2005	Share of the Group's employees
Building Systems	**11,643**	11,731	52%
Construction Services	**5,693**	5,115	26%
Industrial and Network Services	**4,642**	4,126	21%
Corporate Services	**333**	317	1%
YIT Group, total	**22,311**	21,289	100%

Personnel by country

	No. December 31, 2006	No. December 31, 2005	Osuus konsernin henkilöstöstä
Finland	**11,355**	11,159	51%
Sweden	**4,137**	4,143	18%
Norway	**2,618**	2,485	12%
Denmark	**1,286**	1,103	6%
Russia	**1,293**	907	6%
Lithuania, Latvia, Estonia	**1,622**	1,492	7%
YIT Group, total	**22,311**	21,289	100%

Network Services concludes codetermination negotiations to boost operational efficiency and cut personnel

In 2006, YIT Industrial and Network Services Ltd's Network Services business unit carried out codetermination negotiations to boost operational efficiency and reduce personnel. Personnel cuts were necessary because the market situation of the Network Services business unit weakened significantly and permanently during the year now ended.

The need for personnel cutbacks was confirmed to amount to 308 persons. Of the reductions, 92 were made through pension arrangements, layoffs, transfers to new positions and other solutions. 216 persons were made redundant due to reasons of economy and production.

The bulk of the cost effects of the personnel cuts - EUR 5.1 million - was recognized in the Industrial and Network Services business segment's third-quarter result of 2006. The final cost effects depend on the success of the employment measures initiated after the conclusion of the codetermination negotiations. Additional costs will amount to about EUR 3 million at most and will be recognized in the operating profit for the first half of 2007.

YIT announced that the negotiations would be started in a stock exchange release on July 28, 2006, and reported on their conclusion on September 15, 2006.

Research and development

The development of personnel and operating systems comprises part of YIT's business operations. The Group's financial outlays on research and development efforts in 2006 amounted to about EUR 21.0 million (EUR 19.0 million), representing 0.6 per cent (0.6%) of revenue.

Resolutions passed at the Annual General Meeting

YIT Corporation's Annual General Meeting was held on March 13, 2006. The Annual General Meeting adopted the 2005 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 1.10 would be paid per share (EUR 0.70 for 2004), or a total of EUR 68.6 million (EUR 42.9 million). (Dividends per share are presented in accordance with the number of shares prior to the halving of the nominal value of the share, that is, the share split.) March 16, 2006, was set as the record date and March 23, 2006, as the payout date.

During the period from January 1 - March 13, 2006, the Board members were Reino Hanhinen (chairman), Ilkka Brotherus (vice chairman), Eino Halonen, Antti Herlin and Teuvo Salminen.

The Annual General Meeting confirmed that the number of Board members shall be set at five. Eino Halonen, Reino Hanhinen, Antti Herlin and Teuvo Salminen were re-elected to the Board, and Sari Baldauf was elected as a new member. At its organization meeting held on March 14, 2006, the Board of Directors elected Reino Hanhinen as its chairman and Eino Halonen as its vice chairman. Eino Halonen was elected as the chairman of the Audit Committee and Teuvo Salminen and Reino Hanhinen as its members.

The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the company's auditor to audit the administration and accounts during the present financial period. PricewaterhouseCoopers Oy appointed Göran Lindell, M.Sc. (Econ.), Authorized Public Accountant, as chief auditor.

The Annual General Meeting resolved to amend Articles 1, 2, 3, 4 and 9 of the Articles of Association. The amendments to the Articles of Association were entered in the Trade Register on March 24, 2006.

A decision was made to amend Article 1 of the Articles of Association such that the company's Finnish business name was changed to YIT Oyj and the Swedish parallel business name to YIT Abp.

A decision was made to amend Article 2 of the Articles of Association such that "network services" was added to the company's field of activity.

A decision was made to amend Article 3 of the Articles of Association such that the nominal value of the share was changed from one euro to EUR 0.50 (split), thereby doubling the number of shares in proportion to the holding of shareholders and without raising the share capital.

A decision was made to amend Article 4 of the Articles of Association such that the Annual General Meeting shall elect the chairman and vice chairman of the Board of Directors and a minimum of three (3) and a maximum of five (5) Board members. A person who has reached the age of 68 years shall not be elected as a member of the Board of Directors.

The term of office of a Board member begins at the General Meeting where he was elected and ends at the conclusion of the subsequent Annual General Meeting.

A decision was made to amend Article 9 of the Articles of Association such that the chairman, vice chairman and members of the Board of Directors shall be elected at the Annual General Meeting.

Due to the halving of the nominal value of the share, the Annual General Meeting decided to amend the terms of the share options from 2002 and 2004. A decision was made to change the terms of the Series C and D share options from 2002 such that each Series C and D share option entitles its bearer to subscribe for four YIT Corporation shares having a nominal value of EUR 0.50 each. On the basis of the share subscriptions, the company's share capital may be raised by a maximum amount of EUR 2,800,000. A decision was made to amend the terms of the Series E and F share options from 2004 such that each Series E and F share option entitles its bearer to subscribe for two shares having a nominal value of EUR 0.50 each. A maximum total of 1,200,000 shares can be subscribed for and the company's share capital may be raised by a maximum amount of EUR 600,000. A decision was made to change the subscription price of the shares subscribed with the Series C options to EUR 3.2725 per share and in the case of the Series D options to EUR 2.9225 per share. The meeting decided to change the terms of the Series E options such that the share subscription price is EUR 6.80. The place of share subscription on the basis of the options was changed to Nordea Bank Finland Plc's investment advisory branches.

In addition, the Annual General Meeting decided that a maximum of 300,000 Series K, 900,000 Series L, 900,000 Series M and 900,000 Series N share options be granted for subscription without consideration. The share options will be distributed 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.

Shares and share capital

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

YIT Corporation's number of shares outstanding was EUR 62,397,352 at the beginning of 2006 and the share capital was 62,397,352. Following a decision by the Annual General Meeting, the nominal value of the share was changed from one euro to EUR 0.50 (split) on March 24, 2006, thereby doubling the number of shares.

On the basis of shares subscribed for with the Series C and D share options from 2002 and the Series E share options from 2004, the number of shares rose by a total of 1,982,368 during the report year. At year's end, the number of shares was 126,777,072 and the share capital amounted to EUR 63,388,536.

According to the Companies Act, the General Meeting shall decide on the buyback and conveyance of shares as well as any decisions leading to changes in the share capital.

As set forth in the Securities Markets Act, a shareholder is obligated to make a public purchase offer for the company's shares when his stake exceeds three-tenths or half of thecompany's shares. This provision supplants the purchase obligation clause in YIT's Articles of Association.

Authorizations to increase the share capital

In 2006, no share issues were organized and convertible bonds or bonds with warrants were not floated. 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.

Market capitalization up 18 per cent

On the last day of trading in 2006, the closing rate of YIT's share was EUR 20.95 (2005: EUR 18.07), up 16 per cent during the report year.

The highest share price in 2006 was EUR 23.88 (EUR 18.25) and the lowest was EUR 15.20 (EUR 8.95). The average price was EUR 19.24 (EUR 13.99). At year's end, market capitalization was EUR 2,656.0 million (EUR 2,254.4 million), up 18 per cent on the previous year.

Share turnover grew significantly compared with 2005, with 184,576,963 (120,368,616) shares being traded on the Helsinki Stock Exchange in 2006. The value of share turnover was EUR 3,563.1 million (EUR 1,697.3 million). Average daily turnover amounted to 657,460 (475,766) shares.

Own shares

At the end of 2006, YIT Corporation held 400 of its own shares, representing 0.0 per cent of the company's shares. In December 2005, YIT Corporation purchased 200 of the company's own shares at an average price of EUR 35.25 per share. Due to the halving of the nominal value of the share, the number of shares doubled and the share price was halved on March 24, 2006. The buyback of shares was decided on by the Annual General Meeting held in spring 2005, which decided on the buyback of a minimum of 200 and a maximum of 2,000,000 of the company's own shares. These shares do not confer the right to a dividend or voting rights at General Meetings.

At the end of the year the Board of Directors did not have authorizations to purchase or dispose of YIT's own shares.

YIT's subsidiaries did not own shares in the parent company.

Substantial growth in the number of shareholders

In 2006, the number of registered shareholders grew from 9,368 to 14,364, up 53 per cent. The number of private investors grew by over 4,600.

A total of 39.9 per cent of the shares (27.9%) were owned by nominee-registered or non-Finnish investors at the beginning of the year and 45.9 per cent (39.9%) at the end.

During 2006, there were no changes in YIT share ownership that would have required a flagging notification.

Share option programmes

YIT had three share option programmes in 2006, of which the programme from 2002 ended on November 30, 2006.

Decisions on granting share options and the terms and conditions of option programmes are made by the General Meeting. On the basis of the terms and conditions of YIT's share options, the Board of Directors decides on the distribution of options annually. The number and subscription prices of shares subscribed for with share options have changed due to the halving of the nominal value of shares in 2004 and 2006.

The full terms and conditions of the share options are available on the company's Internet site at www.yitgroup.com.

2002 share option programme

The 2002 Annual General Meeting decided to grant a maximum total of 450,000 Series C share options and a maximum total of 950,000 Series D share options for subscription to the Group's management and key employees. Each Series C and D share option from 2002 entitled its holder to subscribe for four YIT Corporation shares having a nominal value of EUR 0.50. As a result of the subscriptions, the share capital could be increased by a maximum of EUR 2,800,000.

In 2002, about 110 members of the Group's management and key employees named by the Board of Directors subscribed for Series C share options. The subsidiary YIT Construction Ltd subscribed for all the Series D share options for distribution to members of the Group's management and key employees on a staggered basis from 2003-2005 if the profitability and growth targets set in the share option programme were achieved.

In accordance with the terms and conditions of the share options, the share subscription price was based on the average price of the YIT Corporation share on the Helsinki Stock Exchange in December 2001 and January 2002 plus 15%. The share subscription price was lowered by the amount of dividends per share, as specified in the terms and conditions. The subscription price of a share subscribed for with the Series C share options was EUR 3.2725 per share and with the Series D share options EUR 2.9225 per share.

The share subscription period with the Series C share options was from April 1 to November 30 in 2004 - 2006 and with the Series D share options from April 1 to November 30 in 2005 - 2006. At the beginning of the subscription periods, a total of 427,740 Series C share options and 698,520 Series D share options had been distributed to the Group's management and key employees.

In 2006, 373,000 shares were subscribed for with the Series C share options and 1,430,488 with the Series D share options. The subscription period with the Series C and D share options ended on November 30, 2006. A total of 1,710,960 shares were subscribed for with the Series C and 2,793,732 with the Series D share options.

During the report year, 59,850 Series C share options were traded at an average price of EUR 66.95 and 310,950 Series D share options at an average price of EUR 69.15.

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 about 65 people who were not part of the 2002 share option programme. Each share option entitles its holder to subscribe for two YIT Corporation shares having a nominal value of EUR 0.50 each. As a result of the subscriptions, the share capital can be increased by a maximum of EUR 600,000.

The Series E share options were issued in summer 2004. YIT Construction Ltd subscribed for the Series F share options and will distribute them on a staggered basis to the management and key employees of the Building Systems business segment in 2005-2007 if the objectives set for the business segment's result (EBITA-%) are achieved. Shares can 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.

The share subscription price is based on the average price of the YIT Corporation share on the Helsinki Stock Exchange in November and December 2003 and January 2004 plus 10% and divided by two. The share subscription price will be lowered by the amount of dividends per share, as specified in the terms and conditions. The subscription price of a share subscribed for with the Series E share options is EUR 6.80 per share. The subscription price of shares with the Series F share options will be confirmed prior to the commencement of the subscription period.

At the beginning of the subscription period, a total of 167,400 Series E share options had been distributed to the Group's management and key employees. A total of 50,960 Series F share options had been distributed to the Group's management and key employees by December 31, 2006.

In 2006, 178,880 shares were subscribed for with the Series E share options from 2006. A maximum of 155,920 shares can be subscribed for with the remaining Series E share options.

During the report year, 138,150 Series E share options were traded at an average price of EUR 28.42.

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 having a nominal value of EUR 0.50. As a result of the subscriptions, the share capital can increase by a maximum of EUR 1,500,000.

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.

The share subscription price with the 2006 K, 2006 L, 2006 M and 2006 N share options will be based on the average price of the YIT Corporation share on the Helsinki Stock Exchange in December 2005 and January and February 2006 plus 10% and divided by two. The share subscription price will be lowered by the amount of dividends per share, as specified in the terms and conditions. YIT Corporation's Board of Directors will confirm the subscription prices of shares prior to the commencement of the subscription periods.

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.

By December 31, 2006, a total of 244,000 Series K share options had been distributed to the Group's management and key employees.

Northern Europe still booming

The boom in the Nordic countries has peaked. In January, Nordea estimated that the GDP of the Nordic countries will grow by 2.9 per cent this year, significantly outpacing euro zone growth. Growth will slacken to 2.4 per cent in 2008. Russia and Norway still benefit from the high prices of oil. The rate of growth in the Russian economy is twice as fast as in the Nordic countries, while economic growth in Estonia, Latvia and Lithuania is almost three times as fast. Euro interest rates are seeing moderate growth. The positive earnings trend and the improvement in the employment count bolster household confidence. The record-high population shift in Finland is continuing, maintaining stable need for the construction of new housing and increasing repairs of old housing. Non-residential construction continues brisk. Strong demand for housing in the large cities of Russia enables the company to expand residential production over the long term, too. Growth in exports and industrial output increases the need for industrial investments and maintenance in the Nordic countries.

Finland

In January, Nordea estimated that Finland's GDP will rise by 3.2 per cent this year and further by 3.6 per cent in 2008. In other words, growth will continue to outpace the long-term average. The improvement in the employment situation, the favourable trend in incomes and the moderately growing interest rate level support household consumption and demand for housing. The rise in income levels will slacken from last year's rate of 3 per cent to 2.6 per cent, and then pick up the pace to 3.5 per cent next year. This change will be reflected in household consumption. Growth in investments in machinery and equipment will rise to 4.5. per cent this year. The business cycle report published by the Confederation of Finnish Construction Industries RT in October states that the volume of construction will grow by 2.5 per cent this year. Residential construction will remain at a good level. Repair works will remain brisk. According to RT, 33,500 residential units will be started up this year, slightly less than in the previous year. The Ministry of Finance estimates that start-ups will number over 30,000 residential units. Office construction will be on the up, especially in the Greater Helsinki Area. Construction of commercial premises will also remain brisk. Annual growth in renovation works will be 2-3.5 per cent during the present decade. Growth in new construction and renovation maintains demand in the construction and building system markets (heating, plumbing, air-conditioning, electrical and automation contracting, and maintenance). The market for industrial, property and infrastructure maintenance will expand as the outsourcing trend progresses. Growth in the number of broadband connections has slackened and investments to expand the fixed and mobile phone networks will remain slight.

Sweden

In December, the Swedish National Institute of Economic Research KI estimated that Sweden's GDP will grow by 3.6 per cent this year and 3.2 per cent in 2008. The factors underlying this positive trend are the high capacity utilization ratio in industry, solid earnings, the positive incomes trend enjoyed by households and the low interest rates. Growth is on a broad footing. In 2007, exports will increase by 6.9 per cent due to international demand and the effect of the relatively weak Swedish kronor. Fixed investments will increase by 6.3 per cent this year, but will slacken to 4.5 per cent the next. Fixed investments by industry will increase by 3.6 per cent during the present year, and next year by 2.2 per cent. Investments by the service sector are higher and growing faster than those of industry, rising by 6.4 per cent both this year and the next. KI states that growth in housing investments will continue at a rate of 5.1 per cent this year and by 3.7 per cent the next. According to the business cycle barometer KI released in January, the order backlogs of construction companies have increased, employment has improved, and companies expect to see further production growth. 60 per cent of construction companies report that the shortage of skilled labour slows down growth. In December, Euroconstruct predicted that the construction of 35,000 new residential units will be started up this year and 34,500 the next. The Swedish Construction Federation BI predicted in December that the production of other types of buildings will see growth of 10 per cent this year and decline by 2 per cent in 2008.

Norway

Norway's boom has gained momentum. According to the forecast released by Statistics Norway in December, GDP will grow by 3.1 per cent both this year and the next. Household consumption will grow by 3.6 per cent this year and continue at almost the same rate in 2008-2009. The vigorous growth in fixed investments that got under way in 2004 will slacken to 4.2 per cent this year because growth in housing investments has come to a halt. Investments by business and industry will rise by 7.6 per cent this year and by about 5 per cent during each of the next two years. In a year and a half, Norges Bank's key interest rate ("sight deposit rate") has risen by 1.75 percentage points. Statistics Norway expects the key interest rate to rise further this year, by 0.5 percentage point to 4.25 per cent. The slowdown in international economic growth will weaken the trend in the exports of continental Norway during the next two years. The construction of 29,100 residential units got under way from January to November last year, 2.3 per cent more than in the corresponding period of the previous year. Start-ups of other types of buildings during the same period amounted to 3.2 million square metres, outnumbering the year-ago figure by 11.2 per cent. Demand for business and industrial buildings is expected to keep growing in 2007-2009. Euroconstruct estimated in December that housing renovation will grow by 3 per cent annually on average from 2007-2009. Renovation of non-residential buildings will remain at the present level.

Denmark

The outlook for the Danish economy is still good. In December, Nordea anticipated that GDP growth will amount to 2.1 per cent this year. Growth will slacken to 1.5 per cent in 2008. Export growth gathered steam last year, and will continue at a rate of 6 per cent this year and 5.6 per cent the next. Growth in private consumption is estimated to slacken to 2.6 per cent this year. Investments will increase by 5.8 per cent this year. Housing prices rose by 23.9 per cent last year, but growth will slow down to about 2.8 per cent this year and further the next. Growth in housing investments will slacken to 4.5 and 1.0 per cent this year and the next, respectively. In December, Euroconstruct estimated that the number of new residential start-ups will be 29,000 this year and in the subsequent two years. Housing renovation will not see growth in these years. The construction of other types of new buildings will increase by 3.7 per cent this year, and by 3.8 and 3.9 per cent in 2008 and 2009. The value of the production of industrial buildings will rise by 10 per cent this year. Production of business buildings will grow by about 4 per cent annually in 2008 and 2009. Annual growth in repairs of business buildings is about one per cent.

Baltic countries

GDP and investments grow at a significantly faster rate in Latvia, Lithuania and Estonia than in the Nordic countries. According to VTT's estimate, the value of construction was EUR 5.8 billion in 2005. In its forecast in December, Nordea estimated that the GDP of these countries will continue to grow by 7.4-11.9 per cent in 2007 and 2008. The growth of these economies is supported by the high educational level in the area and the EU membership of Estonia, Latvia and Lithuania. Growth in investments this year will be 14 per cent in Estonia, 18 per cent in Latvia and 15 per cent in Lithuania. In 2008, investments will continue to grow at a rate of over 10 per cent in these countries. Inflation in Estonia and Lithuania is double the EMU average, and it is triple in Latvia. Rapid inflation will delay the EMU entry of these countries. The interest rate spread with the euro will narrow as the countries seek EMU membership. Affordable borrowing, economic growth and the greater affluence of the population have increased demand for new residences and renovation. VTT estimates that a total of about 21,000 residential units will be completed in the Baltic countries this year. Building permits have been granted for over twice as many residences as have been completed.

Russia

The high price of oil supports Russian economic growth. In December, Nordea estimated that Russia's GDP will grow by 6.5 per cent this year and by 6.0 per cent in 2008. In December, the

Russian Ministry of Economic Development and Trade (MERT) estimated that GDP had grown by 6.9 per cent in 2006, and nudged its growth estimates for 2007 and 2008 up to 6.2 and 5.9 per cent, respectively. The Central Bank of the Russian Federation forecast in August that growth in GDP will amount to 6 per cent in 2007 provided that the average price per barrel of Ural blend oil is USD 61. If the per-barrel price were to be USD 45, growth would remain at 5 per cent, while in the case of a higher per-barrel price of USD 75, the growth rate would rise to 6.4 per cent. Russia has recently tapped its oil funds to accelerate the repayment of the government debt. Considering its currency reserves, Russia is now in practice a debt-free country. Last year, inflation was 9.7 per cent; according to Nordea's estimate, it will slow down to 8.7 per cent this year. MERT predicts that inflation will decline to 6.5 per cent by 2010. The rate of growth in investments will rise to 18 per cent this year and continue at a rate of 12 per cent the next, remaining significantly faster than the EU and Nordic average over the next few years. A significant share of investments are earmarked for residential construction. Thanks to the good incomes trend, household consumption has become the primary engine of growth. Private consumption will rise by 15 per cent this year, comprising half of GDP. The greater affluence of the middle class has strengthened demand for market-financed residences in large cities such as Moscow and St Petersburg.

EARNINGS TRENDS OF THE BUSINESS SEGMENTS

Building Systems

In 2006, Building Systems' revenue was up one per cent compared to 2005 and amounted to EUR 1,415.1 million (EUR 1,398.4 million). Comparable growth in revenue*) in 2006 was 6 per cent. The share of the business segment's revenue accounted for by the maintenance and servicing business rose to 64 per cent (60%), or EUR 907.5 million (EUR 840.7 million).

The business segment continued to improve its profitability. Operating profit increased by 54 per cent to EUR 87.6 million (EUR 56.8 million). The operating profit margin rose to 6.2 per cent (4.1%). In the last quarter, it was 8.6 per cent (5.2%). In the October-December/2006 period, Building Systems released provisions for certain contractual obligations that had come to an end. This had a positive impact of EUR 7.2 million on operating profit. Return on investment rose to 34.4 per cent (22.0%).

The order backlog at the end of the year was 22 per cent higher than in the previous year, having risen to EUR 601.7 million (EUR 492.0 million).

The business segment had 11,643 employees (11,731) at the end of the year.

In 2006, business functions were rounded out in Sweden and Norway with numerous small acquisitions, in line with the strategy. As a result of the transactions, a total of 48 people transferred into YIT's employ in Sweden and 30 in Norway.

Revenue of the Building Systems business segment by country

	1-12/2006, MEUR	1-12/2005, MEUR	Share of the business segment's revenue, 1-12/2006
Sweden	**541.0**	537.6	38%
Finland	**327.4*)**	394.3	23%
Norway	**345.9**	305.4	25%
Denmark	**146.4**	123.9	10%
Estonia, Latvia, Lithuania and Russia	**54.4**	37.0	4%
Total	**1,415.1**	1,398.4	100%

*) At the beginning of 2006, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The transferred business functions had revenue of EUR 58.9 million in January-December/2005.

An independent country group was set up from Building Systems' business functions in the Baltic countries and Russia as from the beginning of 2006. These business functions were previously part of the same corporate entity as Finnish functions.

Demand for building equipment systems remained good in all the business countries. Demand for technical solutions and services surged in Russia and the Baltic countries on the heels of strong economic growth and a rise in foreign investments.

Both maintenance and servicing as well as repair and modernization projects were on the up. Interest in the outsourcing of technical services was increased by public sector restructuring.

The market for industrial services grew in Sweden, Norway and Denmark.

Construction Services

In 2006, the revenue of Construction Services grew by 12 per cent on the previous year and amounted to EUR 1,452.2 million (EUR 1,298.3 million). The share of revenue accounted for by the maintenance business grew to EUR 51.3 million (EUR 42.3 million), representing 4 per cent (3%) of the business segment's revenue. Of the revenue, 75 per cent came from Finland, 13 per cent from Russia, 12 per cent from Lithuania, Latvia and Estonia and less than one per cent from other countries.

Construction Services posted excellent results in all its business areas. Operating profit grew by 19 per cent to EUR 170.8 million (EUR 143.1 million). The operating profit margin remained excellent, 11.8 per cent (11.0%). Return on investment remained good and was 24.1 per cent (25.8%).

The uninvoiced backlog of orders was at a record high. The order backlog grew by 65 per cent to EUR 2,053.5 million (EUR 1,242.6 million). The margin of the backlog is good.

The business segment had 5,693 employees (5,115) at the end of the year.

Demand for housing remained good in Finland. The construction of leisure-time residences progressed in line with plans. In business premise construction, retail investments gained added momentum from consumer demand, and the market situation for logistics facilities remained solid. Demand for new office buildings improved during the report year and renovation saw steady growth. Construction investments by industry remained slight. The market for infrastructure construction held firm. New public road maintenance contracts were landed in Finland, consolidating YIT's position as the country's largest private road maintenance company.

Housing demand was robust in Russia, where YIT expanded its operations into three new cities. The first housing plots were acquired in Kazan and Yaroslavl. A joint venture focusing on residential construction was established in Yekaterinburg. Construction was also started up in the city of Moscow during the report year. Economic growth and an increase in foreign investments stepped up demand for business and logistics premises in Russia and the Baltic countries. YIT kicked off its own business premise projects in the St Petersburg area as well in 2006, such as by agreeing on the construction of a logistics centre that will be owned by the EPI Russia fund and Atria's production plant on a plot YIT acquired in Gorelovo.

The prices of residences saw moderate growth in Finland. Prices have increased strongly in the Baltic countries and especially in Russia. In October - December 2006, the average selling price of the residences built by YIT in Russia was about 43 per cent of the average selling price of market-financed residences sold in Finland, and in the Baltic countries about 53 per cent.

Residential construction in 2006 (2005), number of residences

	Finland			Russia	Estonia, Latvia, Lithuania
	Market-financed (incl. leisure-time residences)	State-financed, rental housing and tender-based	Total		
Sold	2,478 (3,094)	- (-)	2,478 (3,094)	1,950 (1,535)	697 (848)
Start-ups	2,818 (2,993)	186 (328)	3,004 (3,321)	3,699 (2,263)	887 (1,111)
Under construction at year's end	3,210 (3,417)	186 (153)	3,396 (3,570)	8,381 (5,350)	1,858 (1,530)
Completed	3,025 (2,577)	153 (158)	3,178 (2,735)	563 (466)	559 (237)
Completed and unsold at year's end	235 (110)	- (-)	235 (110)	6 (1)	- (-)

Developer-contracted housing construction and project development require good plot reserves. In Finland, YIT focuses on acquiring plots in the growth centres and their surrounding municipalities. Plot reserves are being bolstered in the Baltic countries and especially in Russia to enable vigorous growth in the entire business area. The most significant plot acquisition was made in northern St Petersburg, on the north side of the Novo-Orlovsky forest park. The plot measures about 46 hectares and over 15,500 residential units can be built on it from 2008 onwards.

Plot reserves, December 31, 2006 (December 31, 2005)
Building rights and zoning potential, 1,000 m2 of floor area

	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	1,723 (1,733)	1,761 (587)	367 (215)
Business premise plots	927 (676)	400 (26)	35 (33)
Total	2,650 (2,409)	2,161 (613)	402 (248)
Capital tied into plot reserves, EUR million	325.1 (268.9)	129.2 (32.5)	51.0 (24.7)

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

Industrial and Network Services

The revenue of Industrial and Network Services grew by 20 per cent in 2006 and amounted to EUR 476.9 million (EUR 398.8 million). Comparable growth in revenue was 4 per cent in 2006. At the beginning of 2006, industrial electricity, automation and HEPAC operations in Finland were transferred to the Industrial and Network Services business segment from YIT Kiinteistötekniikka Oy. The transferred business functions had revenue of EUR 58.9 million in January-December/2005.

The share of revenue accounted for by the maintenance business was EUR 288.2 million (EUR 305.4 million), representing 60 per cent (77%) of the business segment's revenue. Of the revenue, 94 per cent came from Finland and 6 per cent from other countries.

Trends in industrial investments and maintenance were favourable. Operating profit weakened by 54 per cent due to the weak market for network services and personnel downscaling measures. Operating profit was EUR 18.0 million (EUR 39.1 million) and the operating profit margin was 3.8 (9.8%). Return on investment was 28.8 per cent (63.3%).

The bulk of the cost effects of the personnel cuts - EUR 5.1 million - was recognized in the Industrial and Network Services business segment's third-quarter result of 2006. The final cost effects depend on the success of the employment measures initiated after the conclusion of the codetermination negotiations. Additional costs will amount to about EUR 3 million at most and will be recognized in the result for the first half of 2007.

The order backlog at the end of the period amounted to EUR 184.0 million (EUR 173.3 million). The order backlog in Network Services is based on forecasts from customers.

At the end of the period, the business segment had 4,642 employees (4,126).

Demand for industrial maintenance services was brisk. In addition to the maintenance outsourcing and service agreements that were forged, major maintenance shutdown works were carried out for the forestry, energy, process and building materials industries.

The market situation for capital investment projects for industry remained favourable. Both international and Finnish demand held firm in the process and energy industry. The market situation in the marine industry continued to be excellent.

The market situation for network services weakened significantly. Investments by teleoperators, maintenance works and fault repairs have decreased and the demand for broadband connections waned. As in previous years, the number of landline phones and related works declined.

Events after the end of the review period

On January 16, 2007, YIT and Vattenfall signed a partnership agreement under which the electricity network maintenance and construction works that had until then been handled by Vattenfall were handed over to YIT as from January 22, 2007. About one hundred persons transferred into YIT's employ. By means of this agreement, YIT ventured into energy network maintenance in line with its strategy.

Outlook for 2007

We estimate that revenue and operating profit (EBIT) in 2007 will increase compared to the previous year.

The outlook for revenue growth is supported by the record-high order backlog, the continuing boom and YIT's major investments in the Russian market. The healthy margin of the order backlog and the company's own profitability improvement measures underlie our expectations of growth in operating profit.

Board of directors' proposal for the distribution of profit

The distributable equity of YIT Corporation on December 31, 2006 is:

- Retained earnings	162,161,357.01
- Profit for the financial period	84,420,484.12
	246,581,841.13

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

- Payment of a dividend EUR 0.65 per share to shareholders	82,404,836.80
- Transfer to retained earnings	164,177,004.33
	246,581,841.13

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 jeopardize the company's solvency.

Helsinki, February 8, 2007

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. – 31.12.2006. 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, 12 February 2007

PricewaterhouseCoopers Oy
Authorised Public Accountants

Göran Lindell
Authorised Public Accountant

Consolidated financial statements, IFRS

CONSOLIDATED INCOME STATEMENT

1000 EUR	Note	2006	2005
Revenue	3,4,5,6	**3,284,397**	3,023,760
Other operating income	7	**7,962**	5,849
Change in inventories of finished goods and in work in progress		**124,868**	-660
Production for own use		**3,857**	3,235
Materials and services for own use		**-1,780,423**	-1,495,908
Personnel expenses	10	**-968,755**	-909,068
Depreciation and value adjustments	8,11	**-390,342**	-376,300
Share of results in associated companies	17	**1,337**	715
Other operating expenses	9	**-24,131**	-23,920
Operating profit		**258,770**	227,703
Financial income		**2,573**	1,867
Exchange rate differences (net)		**-2,656**	2,002
Financial expenses		**-20,522**	-16,785
Financial income and expenses	12	**-20,605**	-12,916
Profit before taxes		**238,165**	214,787
Income taxes	13	**-62,769**	-57,917
Net profit for the financial year		**175,396**	156,870
Attributable to:			
Equity holders of the company		**170,957**	155,481
Minority interest		**4,439**	1,389
Earnings per share for profit attributable to the equity holders of the company during the financial year			
Basic earnings per share, EUR	14	**1.36**	1.26
Diluted earnings per share, EUR		**1.35**	1.23

Consolidated financial statements, IFRS

CONSOLIDATED BALANCE SHEET

1000 EUR	Note	2006	2005
ASSETS			
Non-current assets			
Tangible assets	15	**91,836**	77,098
Goodwill	16	**248,808**	248,808
Other intangible assets	16	**15,623**	13,437
Investments in associated companies	17	**2,929**	1,784
Other investments	18	**2,970**	3,009
Receivables	19	**13,394**	9,413
Deferred tax receivables	20	**21,104**	23,558
Total non-current assets		**396,664**	377,107
Current assets			
Inventories	21	**1,006,381**	685,243
Trade and other receivables	22	**688,930**	545,165
Cash and cash equivalents	23	**25,850**	80,590
Total current assets		**1,721,161**	1,310,998
TOTAL ASSETS		**2,117,825**	1,688,105

1000 EUR	Note	2006	2005
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the company	24		
Share capital		**63,389**	62,397
Share premium reserve		**83,750**	77,196
Legal reserve		**849**	705
Other reserves		**13,723**	2,520
Treasury shares		**-7**	-7
Translation differences		**-4,540**	-2,947
Fair value reserve		**1,045**	-111
Retained earnings		**512,355**	420,014
		670,564	559,767
Minority interest		**3,859**	3,752
Total equity		**674,423**	563,519
Non-current liabilities			
Deferred tax liabilities	20	**52,522**	36,463
Pension obligations	25	**11,573**	11,627
Provisions	26	**32,229**	30,060
Interest-bearing liabilities	27	**275,787**	172,454
Other liabilities	28	**8,444**	4,436
Non-current liabilities		**380,555**	255,040
Current liabilities			
Trade and other liabilities	28	**779,014**	685,981
Income tax liabilities		**8,966**	5,229
Provisions	26	**18,265**	15,775
Current interest-bearing liabilities	27	**256,602**	162,561
Total current liabilities		**1,062,847**	869,546
Total liabilities		**1,443,402**	1,124,586
TOTAL EQUITY AND LIABILITIES		**2,117,825**	1,688,105

Consolidated financial statements, IFRS

CONSOLIDATED CASH FLOW STATEMENT

1000 EUR	Note	2006	2005
Cash flow from operating activities			
Net profit for the financial year		**175,396**	156,870
Adjustments for			
Depreciations		**24,131**	23,920
Reversal of accrual-based items		**1,207**	338
Financial income and expenses		**20,605**	12,916
Gains on the sale of tangible and intangible assets		**-433**	-651
Gains on the sale of investments		**-1,493**	-
Taxes		**62,769**	57,917
Total adjustments		**106,786**	94,440
Change in working capital			
Change in trade and other receivables		**-140,007**	-74,335
Change in inventories		**-319,575**	-54,640
Change in trade and other payables		**101,033**	104,461
Change in provisions		**4,605**	-2,402
		-353,944	-26,916
Interest paid		**-24,892**	-20,755
Interest received		**2,267**	1,298
Dividends received		**214**	39
Taxes paid		**-54,100**	-37,029
Net cash generated from operating activities		**-148,273**	167,947

1000 EUR	Note	2006	2005
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	4	**-11,103**	-4,711
Purchases of property, plant and equipment		**-33,839**	-23,064
Purchases of intangible assets		**-3,139**	-1,768
Increases in other investments		**-39**	-502
Disposals of subsidiaries and operations	5	**2,540**	-
Proceeds from sale of tangible and intangible assets		**3,049**	5,194
Proceeds from sale of other investments		**519**	358
Net cash used in investing activities		**-42,012**	-24,493
Cash flow from financing activities			
Proceeds from share issues		**6,618**	6,752
Purchase of treasury shares		**0**	-7
Proceeds from borrowings		**175,000**	-
Repayment of borrowings		**-37,379**	-36,402
Repayment of current loans		**86**	-
Decrease in loan receivables		**61,946**	-21,533
Payments of financial leasing debts		**-1,973**	-5,094
Dividends paid		**-68,856**	-42,905
Net cash used in financing activities		**135,442**	-99,189
Net change in cash and cash equivalents		**-54,843**	44,265
Change in cash and cash equivalents			
Cash and cash equivalents in the beginning of the financial year		**80,590**	36,106
Foreign exchange rate effect on cash and cash equivalents		**103**	243
Change in the fair value of the cash equivalents	18		-24
Cash and cash equivalents at the end of the financial year	23	**25,850**	80,590

Consolidated financial statements, IFRS

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 Dec 31, 2004	61,293	71,549	708	1,640	-1,373	-	-	307,439	**441,256**	4,139	445,395
Transition effect of IAS 32 and IAS 39						-393		-281			-674
Equity on Jan 1, 2005	61,293	71,549	708	1,640	-1,373	-393	-	307,158	**440,582**	4,139	444,721
Shares subscribed with options	1,104	5,647	-	-	-	-	-	-	-		
Change in the fair value of interest derivatives	-	-	-	-		282	-	-	-		
Change in translation differences	-	-	-	-	-1,574	-	-	-	-		
Transfer of treasury shares	-	-	-	-	-	-	-7	-	-		
Share based payments-option charge	-	-	-	880	-	-	-	60	-		
Net profit for the financial year	-	-	-	-	-	-	-	155,481	-		
Dividend paid	-	-	-	-	-	-	-	-42,905	-		
Other change	-	-	-3	-	-	-	-	220	-		
Equity on Dec 31, 2005	62,397	77,196	705	2,520	-2,947	-111	-7	420,014	**559,767**	3,752	563,519
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 **)						179					
Change in translation differences	-	-	-	-	-1,593	-	-	-267	-		
Transfer of treasury shares	-	-	-	-	-	-	-	-	-		
Share based payments-option charge	-	927	-	11,203	-	-	-	-9,586	-		
Net profit for the financial year	-	-	-	-	-	-	-	170,956	-	,	
Dividend paid	-	-	-	-	-	-	-	-68,856	-		
Other change	-	-	144	-	-	-	-	94	-		
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

*) 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.

**) Change in the fair value of available-for-sale investments (Note 18).

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 9, 2007.

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, 2006 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 and company legislation. The figures in the financial statements are presented in thousands of euro.

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, 2006

The Group has applied the following amendments to the standards or new interpretations as from January 1, 2006:

- IAS 19 (Amendment) Employee Benefits: The Group has not changed its policy for recognizing actuarial gains and losses on defined benefit pension plans. The amendment only affects the presentation of notes.
- IFRIC 4 Determining Whether an Arrangement Contains a Lease. The application of the interpretation has not had a material effect on the Group's recognition and measurement policies.

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

- IAS 21 (Amendment) The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
- IAS 39 (Amendment) Financial Instruments: Recognition and Measurement
- IFRS 4 (Amendment) Insurance Contracts – Financial Guarantee Contracts
- IFRS 6 (Amendment) Exploration for and Evaluation of Mineral Resources
- IAS 39 (Amendment) Fair Value Option
- IAS 39 (Amendment) Cash Flow Hedge – Accounting of Fore-cast Intragroup Transactions
- IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds
- IFRIC 6 Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8 Scope of IFRS2
- IFRIC 9 Reassessment of Embedded Derivatives

Estimate of the future effect of new standards

The Group has not resorted to early application of the following IFRS standards or interpretations coming into force in 2007 or thereafter:

- IFRS 7 Financial Instruments: Disclosures. The standard affects the scope of the notes to the financial statements. The Group will apply this standard as from January 1, 2007.
- IFRS 8 Operating Segments. Management is evaluating the effect of the standard on the information to be presented. It will be applied as from January 1, 2009 at the latest.
- IAS 1 (Amendment) Presentation of Financial Statements – Capital Disclosures. The Group will apply the standard as from January 1, 2007.
- IFRIC 10 Interim Financial Reporting and Impairment. The Group will apply the standard in its interim reports in 2007.

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

Use of estimates

When financial statements are prepared in accordance with IFRS, the management of the Group 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 recognized 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 realized 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 recognized as income on the basis of estimates. If the estimates of the end result of a construction contract change, the sales and profits recognized are amended in the financial period when the change first becomes known and can be evaluated.

The income and costs from developer contracting are recognized 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 recognized 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 recognized 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 recognized in the income statement. The amount of the guarantee provision is set on the basis of experience of the materialization 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. Unrealized 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 the losses of associates 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. Unrealized 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 euro 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 euro 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.

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 recognized as decreases in the carrying amounts of property, plant and equipment. Grants are recognized 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 realizable 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 realizable 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, periodizing 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 recognized 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 recognized 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, loans and receivables, and available-for-sale financial assets. 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 derecognized 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 derecognized 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 realized and unrealized 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" (excluding derivative assets) 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 periodized 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 recognized 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 periodized acquisition cost using the effective interest rate method.

The financial liabilities that are recognized in the income statement at their fair value are derivative contract-based liabilities. Realized and unrealized gains and losses on fair value changes are recognized in financial income and expenses in the income statement in the financial period when they occur.

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 recognized 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 recognized in the income statement.

Changes in the fair value of the effective component of derivative contracts that meet the criteria for the hedging of net investment in a foreign unit are recorded directly as translation differences in the Group's shareholders' equity. Gains and losses from the hedging of a net investment are recorded in the income statement when the net investment is disposed of.

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 recognized in profit or loss.

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

2. 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.

Liquidity risk

The objective of liquidity management is to optimize the use of liquid funds for operational financing. Furthermore the YIT Group's aim is to minimize net interest expenses and bank costs.

The Group's liquidity management is based on the financial budget as well as on short-term, up-to-date cash funds planning.

The Finance Department sees to it that a sufficient number of different sources of finance 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. Deposits will not be used as a liquidity buffer until the Group's equity ratio exceeds the strategic target limit (35%).

Interest rate risk

The objective of managing interest rate risk is to optimize 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. The main focus in 2006 was on managing interest rate risks having an effect on earnings in the financial balance sheet.

The loan portfolio comprises the main part of the company's financial balance sheet. The interest rate risk connected with interest-bearing liabilities is regulated by changing the composition of the loan portfolio either by undertaking actual loan operations or through derivatives. The company applies hedge accounting as per IAS 39 for hedging the interest rate risk of the portfolio.

The decision on the duration target set for long-term loans is taken by the Board of Directors, upon a presentation by the Vice President, Corporate Finance. The Vice President 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 stock of plots, which is a major asset item.

Examined separately from the above-mentioned duration target is the interest rate exposure of sales receivables that have been sold to finance companies. For this exposure the duration is made up, on the one hand, of the maturities of the limits set and, on the other, of the construction time of the projects to be financed. The Group's Management Board takes hedging decisions on this exposure.

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

Foreign exchange risk

The objective of managing currency risk at YIT is to hedge equity and earnings generated by operations against currency movements. The currency risk to be hedged consists of foreign currency-denominated cash flows (transaction risk) and the consolidation of foreign subsidiaries (translation risk). The hedging of the effect of currency fluctuation on the company's competitiveness, i.e. economic risk, is undertaken only by separate decision of the Management Board.

The principle adhered to in managing translation risk is that the value of the YIT Group's shareholders' equity in the home currency is hedged against changes in foreign exchange rates. Responsibility for the management of the Group's translation exposure rests with the parent company's Finance Department.

An identified and significant translation exposure shall be hedged if this is possible. The company applies hedge accounting as per IAS 39. Main currencies hedged during the year 2006 were RUB, SEK and NOK.

Subsidiaries' contractual currency flows (transaction risk) are hedged on a company-specific basis against the base currency of the company in question. According to the Corporate Finance Policy all committed items must be hedged. The business units and subsidiaries are responsible for identifying and hedging their transaction exposures.

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 2006 were RUB, SEK, NOK and USD.

Customer credit risk and counterparty risk

VMost 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 operating countries.

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

Responsibility for the credit risk related to trade receivables rests with the business units.

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, 2006 was the carrying amount of financial assets.

3. 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.

Constraction 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.

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					**0**
Group operating profit					**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

2005 1000 EUR	Building Systems	Construction Services	Industrial and Network Services	Other and eliminations	Group
External sales	1,336,433	1,295,614	390,750	963	3,023,760
Inter-segment sales	61,987	2 702	8,028	-72,717	-
Sales	1,398,420	1,298,316	398,778	-71,754	3,023,760
Share of results of associated companies	11	704	-	-	715
Operating profit	56,812	143,147	39,058	-11,314	227,703
Unallocated items					0
Group operating profit					227,703
Unallocated items 1)					-72,222
Net profit for the year					155,481
Segment's asset	669,182	960,691	200,832	-166,158	1,664,547
Unallocated assets 2)					23,558
Total assets	669,182	960,691	200,832	-166,158	1,688,105
Segment's liabilities	519,954	586,338	165,932	-184,101	1,088,123
Unallocated liabilities 3)					36,463
Total liabilities	519,954	586,338	165,932	-184,101	1,124,586
Gross capital expenditures	6,763	3,444	2,736	15,679	28,622
Depreciations	6,923	1,816	3,584	11,597	23,920
Impairments	-	-	-	-	-
Other accrued charges to P/L					
Change in provisions and pension obligations	1,375	-3,776	20	-22	-2,403

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

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**

2005, 1000 EUR	Finland	Scandinavia	Russia	Baltic countries	Other countries	Eliminations	Group
Revenue	1,697,123	977,523	131,618	198,833	18,663	-	3,023,760
Segment's asset	1,374,248	440,848	121,242	129,857	48	-401,696	1,664,547
Gross capital expenditures	19,055	5,889	2,206	1,472	-	-	28,622

4. ACQUISITIONS

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 primaly 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%.

Specifiation 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**

Acquisitions in 2005

In 2005 YIT Group made only minor acquisitions of companies and businesses. The acquisitions in 2005 were made by Industrial and Network -segment in Finland and by Building Systems -segment in Sweden, Norway and Estonia. The acquistions made strenghten the existing local operations. In December 2005 YIT Group acquired the 6,6% minority share of YIT Ehitus AS and owns the 100% share of the company.

The most significant acquisitions were the acquisitions of 81.67% share of Emico AS and 100% share of Nortelco System-Teknikk AS in August 2005, of which the total consideration paid was 3.2 million euros. The consolidated revenue for four months of these companies amounted to 3.3 million euros. If these acquired companies would have been consolidated from the beginning of the financial year 2005, the YIT Group's revenue had increased by 5.7 million euros.

Specifiation of acquired net assets

1000 EUR	Fair value	Seller's carrying amount
Cash and cash equivalents	263	263
Tangible assets	644	644
Intagible assets	3,556	268
Inventories	588	536
Receivables	2,034	2,034
Interest-bearing liabilities	-24	-24
Other liabilities	-2,104	-2,104
Acquired net assets	4,957	1,617

Cost of business combination

1000 EUR	
Paid in cash	4,902
Direct costs related to acquisition	55
Total consideration	4,957
Acquired net assets	4,957
Goodwill	0

Cash outflow on the acquisition

1000 EUR	
Paid in cash	4,902
Direct costs related to acquisition	55
Cash and cash equivalents in acquired entity	246
Cash outflow on the acquisition	-4,711
Acquisition of minority interest	-1,352
Total cash flow on the acquisition	-6,063

5. DISPOSALS

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	Jan 1 - Dec 31, 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 subsudiaries and businesses

1000 EUR	2006
Property,plant and equipment Intangible assets	268
Trade receivables	0
Cash and cash equivalents	1,486
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 3,000 thousand euros and the net disposed assets amounted to 1,639 thousand euros accordingly the gain on disposals before taxes amounted to 1,361 euros. The tax effect is 309 thousand euros and the gain on the disposals after taxes is 1,052 thousand euros.

Disposals in 2005

In 2005 group sold it's interests in companies OU FKSM Haidus 100%, OU Hermastu 50% and OU Vorepuu 100% and business operations of Tampereen Terästyö and property maintenance in Helsinki suburb area.

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

1000 EUR	Jan 1 - Dec 31, 2005
Revenue	7,507
Operating expenses	-8,450
Profit before taxes	-943
Taxes	0
Net profit	-943
Received in cash	1,930
Direct cost related to disposals	30
Cash in disposed	4
Cash flow effect	1,896

Net assets of the disposed subsudiaries and businesses

1000 EUR	2005
Property, plant and equipment	210
Intangible assets	8
Trade receivables	54
Cash and cash equivalents	4
Total assets	276
Trade payables and other liabilities	50
Total liabilities	50
Net assets	226

The total consideration received from the disposals amounted to 1,930 thousand euros and the net disposed assets amounted to 266 thousand euros, accordingly the gain on disposals before taxes amounted to 1,704 euros. The tax effect is 409 thousand euros and the gain on the disposals after taxes is 1,295 thousand euros.

6. LONG-TERM CONSTRUCTION CONTRACTS

1000 EUR	2006	2005
Contract revenue recognised as revenue in the period	**2,396,867**	1,998,348
Contract costs incurred and recognised profits less recognised losses to date for work in progress	**1,840,623**	1,430,461
Gross amount due from customers	**194,731**	115,471
Gross amount due to customers	**163,623**	101,919

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".

7. OTHER OPERATING INCOME

1000 EUR	2006	2005
Gains on the sale of tangible assets	**914**	1,314
Rent income	**1,319**	965
Gain on disposed companies or businesses	**1,361**	1,704
Other income	**4,368**	1,866
Total	**7,962**	5,849

8. OTHER OPERATING EXPENSES

1000 EUR	2006	2005
Losses on the sale of tangible assets	**154**	650
Rent expenses	**84,079**	79,072
Voluntary indirect personnel expenses	**13,282**	12,948
Other variable expenses for work in progress	**220,199**	218,347
Other fixed expenses	**72,628**	65,283
Total	**390,342**	376,300

9. DEPRECIATIONS AND IMPAIRMENTS

1000 EUR	2006	2005
Depreciations		
Intangible assets		
on intangible rights	**4,979**	4,462
on other intangible assets	**587**	334
Tangible assets		
on buildings and structures	**1,111**	999
on machinery and equipment	**14,301**	14,400
on machinery and equipment,	**2,304**	3,093
on other tangible assets	**849**	632
Total	**24,131**	23,920
Impairments		
on goodwill	**0**	0
on other tangible assets	**0**	0
on machinery and equipment	**0**	0
Total	**0**	0

10. EMPLOYEE BENEFIT EXPENSES

1000 EUR	2006	2005
Wages and salaries	**773,157**	720,264
Pension costs-defined contribution plan	**87,446**	82,712
Pension costs-defined benefit plan	**2,127**	1,551
Other post-employment benefits	**-68**	1,613
Share options granted to employees	**2,544**	940
Other indirect employee costs	**103,549**	101,987
Total	**968,755**	909,068

Average number of personnel by business segment

1000	2006	2005
Building Systems	11,283	11,899
Construction Services	5,444	4,776
Industrial and Network Services	4,796	4,211
Other	323	308
Total	21,846	21,194

The key management compensation in total are disclosed in Note 34. Related party transactions.

11. RESEARCH AND DEVELOPMENT EXPENSES

YIT Group's research and development expenses amounted to about 21.0 million euros in 2006 and 19.0 million euros in 2005. The research and development expenses have been mainly recognised as a part of the costs of long-term projects and have been recorded as a project costs.

12. FINANCIAL INCOME AND EXPENSES

1000 EUR	2006	2005
Dividend income	22	39
Interest income	2,307	1,183
Changes in fair values on financial instruments at fair value through profit and loss account	0	125
Other financial income	244	520
Total	2,573	1,867
Interest expenses		
Current and non-current loans	-11,160	-11,044
Receivables sold to financing companies	-9,318	-5,257
Finance leases	-44	-484
Total	-20,522	-16,785
Exchange rate gains	19,409	22,154
Exchange rate losses	-22,065	-20,152
Exchange rate differences, net	-2,656	2,002
Financial expenses, net	-20,605	-12,916

Exchange rate losses include realized losses of EUR 2.5 million of hedging interest derivatives between Euro and Ruble.

13. INCOME TAXES

Income taxes in the income statement

1000 EUR	2006	2005
Current taxes	47,302	38,755
Taxes for prior years	471	104
Deferred taxes	14,996	19,058
Total income taxes	62,769	57,917

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	2006	2005
Consolidated profit before taxes	238,165	214,788
Income taxes at the tax rate in Finland (26%)	61,923	55,845
Effect of different tax rates outside Finland	-1,369	-1,468
Tax exempt income	-6,296	-3,384
Non-deductible income	5,532	7,106
Net results of associated companies	-348	-186
Impact of the changes in the tax rates on deferred taxes	0	90
Impact of losses for which deferred tax asset is recognised	0	-189
Taxes for prior years	471	104
Group eliminations	2,856	-
Other items	0	-1
Income taxes in the income statement	62,769	57,917

14. EARNINGS PER SHARE

	2006	2005*)
Profit attributable to the equity holders of the Company, EUR 1000	**170,957**	155,481
Weighted average number of shares, 1000	**125,357**	123,544
Earnings per share, EUR	**1,36**	1,26

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.

	2006	2005*)
Profit attributable to the equity holders of the Company, EUR 1000	**170,957**	155,481
Weighted average number of shares, 1000	**125,357**	123,544
Effect of the option warrants, EUR 1000	**1,416**	1,489
Diluted average number of shares, 1000	**126,773**	125,033
Diluted earnings per share, EUR	**1,35**	1,23

*) YIT Corporation's Annual General Meeting held on March 13, 2006 decided to change the nominal value of share from one euro to 0.50 euro, thereby doubling the number of shares. The comparative figures have been adjusted accordingly.

15. TANGIBLE ASSETS

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

2005 1000 EUR	Land and Water areas	Buildings and Structures	Machinery and Equipment	Other tangible assets	Advance payments	Total
Historical cost on January 1	2,889	28,462	117,697	5,703	4,001	158,752
Increases	-	1,439	20,723	819	109	23,090
Acquisition	-	-	644	-	-	644
Decreases	-23	-545	-3,983	-65	-7	-4,623
Reclassifications	-	198	7	-369	-3,877	-4,041
Translation differences	-11	-19	-395	-	-	-425
Historical cost on December 31	2,855	29,535	134,693	6,088	226	173,397
Accumulated depreciations and value adjustments on January 1	-	-14,895	-59,928	-2,802	-	-77,625
Depreciations	-	-998	-17,494	-632	-	-19,124
Decreases	-	-	260	-	-	260
Accumulated depreciations of reclassifications	-	-	-	-4	-	-4
Translation differences	-	11	183	-	-	194
Accumulated depreciations and value adjustments on December 31	-	-15,882	-76,979	-3,438	-	-96,299
Carrying value on January 1	2,889	13,567	57,769	2,901	4,001	81,127
Carrying value on December 31	2,855	13,653	57,714	2,650	226	77,098

Finance lease assets

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

1000 EUR	Machinery and Equipment
2006	
Historical cost on January 1	**14,078**
Translation differences	**116**
Increases	**855**
Decreases	**-795**
Reclassifications	**26**
Accumulated depreciations	**-10,192**
Carrying value on December 31	**4,088**
2005	
Historical cost on January 1	13,645
Increases	564
Decreases	-829
Reclassifications	698
Accumulated depreciations	-7,834
Carrying value on December 31	6,244

No impairment losses have been recognised in the years 2006 and 2005. The government grant received are not material. The received government grants have been deducted from the carrying value.

16. INTANGIBLE ASSETS

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

2005 1000 EUR	Intangible assets	Goodwill	Other capitalised expenses	Advance payments	Total
Historical cost on January 1	21,471	325,818	8,627	352	356,268
Increases	1,055	-	146	567	1,768
Acquisitions	3,556	-	-	-	3,556
Decreases	-146	-	-131	-	-277
Reclassifications	906	-	71	-906	71
Translation differences	4	49	18	-	71
Historical cost on December 31	26,846	325,867	8,731	13	361,457
Accumulated depreciations on January 1	-9,766	-77,010	-7,619	-	-94,395
Depreciations	-4,462	-	-334	-	-4,796
Translation differences	17	-49	-8	-	-40
Accumulated depreciations of reclassifications	10	-	9	-	19
Accumulated depreciations on December 31	-14,201	-77,059	-7,952	-	-99,212
Carrying value on January 1	11,705	248,808	1,008	352	261,873
Carrying value on December 31	12,645	248,808	779	13	262,245

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

	2006	2005
Building Systems		
Finland	**68,876**	91,067
Sweden	**41,805**	41,805
Denmark	**7,600**	7,600
Norway	**69,698**	69,698
Russia and Baltic countries	**-**	-
Construction Services		
Building and residential construction	**-**	-
Business environments	**-**	-
Infrastructure	**-**	-
International operations	**10,861**	10,861
Industrial and Network Services	**49,968**	27,777
Total goodwill	**248,808**	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 2005 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 8.1% 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.

17. INVESTMENTS IN ASSOCIATED COMPANIES

1000 EUR	2006	2005
Historical costs on January 1	**1,784**	1,166
Share of the profit	**1,337**	715
Increased	**0**	0
Disposals	**0**	-1
Dividend	**-192**	-96
Historical costs on December 31	**2,929**	1,784

The carrying amounts of the shares in associated companies does not include goodwill in 2006 and 2005.

YIT Group's associated companies

1000 EUR	Domicile	Assets	Liabilities	Revenue	Profit/loss	Ownership %
Kiinteistö Oy Juronaki	Rovaniemi	597	4	58	-2	24.18%
Arabian Finnish Contracting and Maintenance Co Ltd	Saudi-Arabia	-	-	-	-	49.00%
Haapaveden Puhdistamo Oy	Haapavesi	1,597	1,388	878	-1	40.50%
Arandur Oy	Vantaa	1,440	1,277	4,852	52	33.30%
AS Normanni Linnagrupp	Tallinn	53	0	3	-1	50.00%
AS Tartu Maja Betoontooted	Tartto	13,446	2,625	19,122	5,160	25.00%
OOO Euroeni	St. Petersburg	2	-	-	3	25.00%
OOO Eurostroi	St. Petersburg	1	-	-	-	25.00%

18. OTHER INVESTMENTS

Other investments include quoted an 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 reliable determined. The unquoted investments have been valued at cost less possible impairments.

1000 EUR	2006	2005
Carrying value December 31, 2004		2,921
The effect of transition to IAS 32 and 39		24
Carrying value January 1	**3,009**	2,945
Increases	**39**	334
Decreases	**-257**	-269
Changes in fair values	**179**	-
Carrying value December 31	**2,970**	3,009
Non-current	**2,970**	3,009
Current	**-**	-
Quoted	**217**	37
Unquoted	**2,753**	2,972

19. NON-CURRENT RECEIVABLES

1000 EUR	2006	2005
Trade receivables	**76**	503
Loan receivables	**69**	155
Other receivables	**1,000**	291
Defined benefit pension assets *)	**10,290**	7,868
Accrued receivables of derivatives *)	**1,959**	596
Total non-current receivables	**13,394**	9,413

*) Non-current receivables valued at fair value, other items' carrying value equals with the fair value.

20. DEFERRED TAX RECEIVABLES AND LIABILITIES

Changes in deferred tax receivables and liabilities

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**
Translation differences	36,463	126	-12,109	343	3,482	**52,522**
						,
Total deferred tax liabilities	-12,905	-81	-14,996	-343	-3,455	**-31,418**

2005 1000 EUR	Jan.1	Translation difference	Recognised in the income statement	Recognised in equity	Acquisitions/ Disposals	Dec. 31
Deferred tax receivables:						
Provisions	13,081	-	183	-	-	**13,264**
Tax losses carried forward	4,021	-	1,277	-	-	**5,298**
Fair value adjustments of derivatives	237	-	-41	-99	-	**97**
Pension obligations	2,078	-	-50	-	-	**2,028**
Percentage of completion method	3,097	-	-2,932	-	-	**165**
Consolidation and eliminations	404	-	-226	-	-	**178**
Other items	3,380	-	-852	-	-	**2,528**
Translation difference		-	-86	-	-	**-**
Total deferred tax receivables	26,297	-	-2,726	-99	-	**23,558**
Deferred tax liabilities:						
Allocation of intangible assets	3,636	-	-12,202	-	-	**15,838**
Fair value adjustments of tangible and intangible assets	39	-	11	-	-	**28**
Accumulated depreciation differences	553	-	-2,224	-	-	**2,777**
Percentage of completion method	3,938	-	-2,717	-	-	**6,655**
Fixed production overheads to WIP	1,563	-	-1,174	-	-	**2,737**
Consolidation and eliminations	28	-	4	-	-	**24**
Other items	10,121	-	1,717	-	-	**8,404**
Translation differencies			253	-	-	**0**
Total deferred tax liabilities	19,879	-	-16,331	-	-	**36,463**
Deferred tax receivables, net	6,418	-	-19,057	-99	-	**-12,905**

The deferred tax asset of 7,464 thousand euros have not been included in the financial statements. The deferred tax receivable of 6,628 thousand euros is related to untaxed losses of YIT Sverige AB, which will be deductible in taxation from the year 2009. The rest of the unrecognised tax assets relate to untaxed losses in companies, where the realisation of the tax benefit is not seen probable.

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.

21. INVENTORIES

1000 EUR	**2006**	2005
Raw materials and consumables	**19,467**	17,191
Work in progress	**378,168**	272,536
Land areas and plot-owing companies	**500,016**	326,970
Shares in completed housing and real estate companies	**64,872**	42,079
Advance payments	**35,264**	21,904
Other inventories	**8,594**	4,563
Total inventories	**1,006,381**	685,243

The write-downs of inventories to net realisable value amounted to 991 thousand euros in 2006 and 2,267 thousand euros in 2005.

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

22. TRADE AND OTHER RECEIVABLES

1000 EUR	**2006**	2005
Trade receivables	**417,420**	360,087
Loan receivables	**3,063**	5,903
Loan receivables from associated companies	**2,629**	1,868
Accrued income from long-term projects	**194,731**	115,471
Accrued income	**38,693**	42,684
Receivables from derivative agreements	**6,921**	1,905
Other receivables	**25,473**	17,247
Total	**688,930**	545,165
Interest bearing receivables	**5,692**	7,771
Non-interest bearing receivables	**683,238**	537,394

The YIT Group's average trade receivables in 2006 amounted to 383,448 thousands euro (in 2005 349,609 thousands euro). The write-downs in 2006 were 782 thousands euro (in 2005 507 thousands euro).

23. CASH AND CASH EQUIVALENTS

1000 EUR	**2006**	2005
Cash and cash equivalents	**25,843**	80,583
Current investments	**7**	7
Total	**25,850**	80,590

24. EQUITY

Share capital and share premium reserve

1000 EUR	Number of shares, 1000	Share capital	Share premium reserve	Treasury shares	Total
Jan 1, 2005	61,292,854	61,293	71,549		132,842
Share offering	-	-	-		-
Shares subscribed with options	1,104,498	1,104	5,647		6,751
Purchase of treasury shares	-200	-	-	-7	-7
Dec 31, 2005	62,397,152	62,397	77,196	-7	139,586
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
Treasury shares	400				
Total number of shares Dec 31, 2006	126,777,072				

The number of YIT Corporation's shares was 126,777,072 and the share capital amounted to 63,388 thousand euros on December 31, 2006. According to Articles of Associations the company's minimum share capital is 50 million euros and the maximum share capital is 200 million euros. The nominal value of the share is 0.50 euros per share. All the issued and subscribed shares have been fully paid to the company. The increases in share capital in 2006 and 2005 resulted from share subscriptions carried out on the basis of share options 2004 and 2002.

Treasury shares
No treasury shares were bought or sold in 2006.
Treasury shares include the historical cost of acquired treasury shares. YIT Group bought in Helsinki Stock Excenhage 200 YIT Corporation's shares (after split 400 shares) at the price of 7.050 euros. The consideration paid have been deducted from the equity.

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 0.65 euros per share.

Share options
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
2004E 1)	1:2	6,8000	1.4.-30.11 in years 2006-2007
2004F 2)	1:2	6,8000	1.4.-30.11 in year 2007
2006K 3)	1:1	21,1800	1.4.-30.11 in years 2007-2008
2006L 4)	1:1	21,1800	1.4.-30.11 in years 2007-2008
2006M 5)	1:1	21,1800	1.4.-30.11 in years 2008-2009
2006N 6)	1:1	21,1800	1.4.-30.11 in years 2009-2010

1)) Granted in 2004 to the management and key employees of Building Systems business segment.
2) Will be granted to the management and key employees of Building Systems business segment in the years 2005-2007, if the objectives for the business segment's result (EBITA %) are achieved.
3) will be granted to Group's management and key employees in 2007, if the objectives for the growth and profitability are achieved
4) will be granted to Group's management and key employees in 2008, if the objectives for the growth and profitability are achieved
5) will be granted to Group's management and key employees in 2009, if the objectives for the growth and profitability are achieved
6) will be granted to Group's management and key employees in 2010, if the objectives for the growth and profitability are achieved
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:

	2006 Average exercise price in euro/share	**2006 Options 1000**	2004 Average exercise price in euro/share	2004 Options 1000
January 1	**4.32**	**643,279**	8.27	678,428
Granted	**19.50**	**274,440**	6.65	535,260
Exercised	**3.62**	**540,312**	6.11	552,249
Lapsed	**17.01**	**6,167**	14.70	18,160
December 31	**16.25**	**371,240**	8.63	643,279

The average price of the options exercised during the year 2005 was 3.62 euros and during the year 2004 6.11 euros.

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

Expiry	Exercise price	2006	2005	2004
2007	6.80	**127,240**	195,200	516,428
2008	21.18	**244,000**	-	162,000

Based on the outstanding share options at the year-end the potential maximum increase in share capital is 660,560 euros and 1,321,120 shares.

The fair value of options granted during the period determined using the Black & Scholes valuation model was in average 5.770 euros per share in 2006. In 2005 no new option schemes were declared. The key factors used in the valuation are:

	2006	2005
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 .

25. 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 2006 was 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:	**2006**	2005
Charge for defined benefit pension plans	**2,127**	1,551
Charge for other post-employment benefits	**-68**	1,613

The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	**57,902**	55,720
Fair value of plan assets	**-63,436**	-59,311
Deficit/surplus	**-5,534**	-3,591
Present value of unfunded obligations	**4,138**	3,708
Unrecognised actuarial gains/losses	**-4,486**	-3,455
Net liability	**-5,882**	-3,338
Defined benefit pension assets (Note 19)	**10,290**	7,868
Defined benefit pension liability	**4,408**	4,530
Other post-employment benefit liability	**7,165**	7,097
Pension obligations in the balance sheet	**11,573**	11,627

The movement in the defined benefit obligation over the year:	**2006**	2005
January 1	**54,041**	48,391
Current service cost	**2,244**	2,101
Interest cost	**2,435**	2,620
Actuarial gains/losses	**782**	4,128
Benefits paid	**-1,600**	-1,520
December 31	**57,902**	55,720

The movement in the fair value of plan assets over the year:	**2006**	2005
January 1	**57,709**	57,092
Expected return on plan assets	**3,762**	1,710
Employer contributions	**3,565**	2,254
Benefits paid	**-1,599**	-1,519
December 31	**63,437**	59,537

The actual return on plan assets in the year 2006 was 3.9 million euro (6.6%).

The principal actuarial assumptions used were as follows:	**2006**	2005
Discount rate	**4.6%**	4.3%
Expected return on plan assets	**5.6%**	5.3%
Future salary increases	**2.5%**	2.5%
Future pension increases	**2.0%**	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 16 years and for female 18 years.

26. PROVISIONS

1000 EUR	Provisions for long-term projects	Provisions for loss making projects	Other provisions	Total
January 1	33,541	982	11,312	**45,835**
Translation difference	232	30	33	**295**
Provision additions	8,990	1,402	9,825	**20,217**
Released during the period (+)	-6,799	-439	-4,009	**-11,247**
Reversals of unused provisions (-)	-41	0	-4,565	**-4,606**
December 31	35,923	1,975	12,596	**50,494**
Current	25,631	-	6,598	**32,229**
Non-current	10,292	1,975	5,998	**18,265**
Total	35,923	1,975	12,596	**50,494**

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.

27. INTEREST-BEARING LIABILITIES

1000 EUR	2006 Fair value	2006 Carrying value	2005 Fair value	2005 Carrying value
Non-current liabilities				
Bonds	**225,277**	**225,022**	102,183	100,235
Loans from credit institutions	**45,747**	**46,320**	61,077	60,233
Pension loans	**1,416**	**1,467**	7,018	6,883
Other loans	**525**	**525**	538	538
Finance lease liabilities	**2,453**	**2,453**	4,565	4,565
Total	**275,418**	**275,787**	175,381	172,454

	2006 Carrying value	2005 Carrying value
Current liabilities		
Bonds	**49,986**	30,000
Loans from credit institutions	**14,630**	1,868
Pension loans	**5,416**	5,416
Commercial papers	**35,185**	0
Developer contracting liabilities		
Receivables sold to financing companies *)	**120,415**	109,420
Liability in housing corporation loans **)	**28,610**	15,262
Other loans	**1,727**	100
Finance lease liabilities	**633**	494
Loans from associated companies	**0**	1
Total	**256,602**	162,561

The fair values of bonds 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 0.20-1.20 % pa.

*) The construction-stage contract receivables sold to financing companies totalled EUR 272.1 million (in 2005 EUR 268.2 million) at year end. Of this amount, EUR 120.4 million euros(EUR 109.4 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 9.3 million (EUR 5.3 million), is all included in net financial expenses.

**) 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.

Repayment schedule of long-term debts

1000 EUR	Bonds	Loans from credit institutions	Pension loans	Other loans	Total
Years of maturity					
2007 *)	50,010	13,836	5,416	79	**69,341**
2008	75,025	3,840	1,047	79	**79,991**
2009	50,035	6,500	420	79	**57,034**
2010	7,124	9,000	0	79	**16,203**
2011	57,126	9,000	0	79	**66,205**
2012-	35,688	17,500	0	690	**53,878**
Total	275,008	59,676	6,883	1085	**342,652**

*) Repayments in 2006 are disclosed in current liabilities valued using the effective interest rate method.

Bonds

1000 EUR	Interest rate	Currency	2006	2005
Fixed-rate bonds				
1/2001-2006 1)	5.750	EUR	**0**	30,000
3/2003-2009 2)	4.750	EUR	**50,000**	50,000
Floating-rate bonds				
2/2003-2007 3)	4.063	EUR	**50,000**	50,000
1/2006-2011 4)	4.164	EUR	**50,000**	0
2/2006-2016 5)	4.196	EUR	**50,000**	0
3/2006-2008 6)	3.857	EUR	**75,000**	0
			275,000	130,000

Terms of the bonds in brief:

1) Loan-period 3.4.2001-3.4.2006, interest payments in arrear on April 3, annually. The bond is unsecured. ISIN code FI0003009845.
2) Loan-period 1.10.2003-1.10.2009, interest payments in arrear on October 1, annually. The bond is unsecured. ISIN code FI0003014142.
3) Loan-period 1.10.2003-1.10.2007, interest payments in arrear on January 2nd, on April 1, on July 1st and on October 1st. Interest rate is 3 months Euribor + 0.65%. The bond is unsecured . ISIN code FI0003014134.
4) Loan-period 27.9.1006-27.9.2011, interest payments in arrear on 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).
5) Loan period 28.9.2006-28.9.2016, interest payments in arrear on December 28th, March 28th, June 28th and September 28th annually.
Interest rate is 3 months Euribor + 0.48%. Principal repayments 3,570,000 euro each semi-annually on March 28th and on September 28th, starting 28.9.2010. The bond is unsecured. ISIN code SE0001826686. (Private Placement).
6) Loan period 22.12.2006-22.12.2008, interest payments in arrear on March 22nd, on June 22nd, on September 22nd and on December 22nd.
Interest rate is 3 months Euribor + 0.15%. The bonds is unsecured. ISIN code FI0003023309. (Private Placement)

Interest rate risk management connected to loans

The proportion of fixed-interest loans in the Group's entire loan portfolio was 39 per cent (49%) and corresponding weighted average rate 4.291% (4.210%).

The weighted average rate of floating rate loans was 4.108% (2.885%). The weighted average rate of the whole loan portfolio was 4.180% (3.534%). 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 100 million and 6 month Euribor-linked loan with carrying value of EUR 45 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 raised by 0.003 percentage point via interest rate swaps.

The duration of long term loans and derivative instruments hedging these loans was 1.52 years (1.61 years) at the end of 2006. A change of one percentage point in the interest level would Dec 31, 2006 have affected the annual net financial expenses by EUR 4.1 million (EUR 2.4 million).

Finance lease liabilities

1000 EUR	2006	2005
Finance lease liabilities fall due in as follows:		
Minimum lease payments		
No later than 1 year	**1,995**	2,888
1-5 years	**1,273**	2,591
Later than 5 years	**18**	0
Total minimum lease payments	**3,286**	5,479
Present value of minimum lease payments		
No later than 1 year	**1,911**	2,951
1-5 years	**1,157**	2,108
Later than 5 years	**18**	0
Total present value of minimum lease payments	**3,086**	5,059
Future finance charges	**200**	420
Finance expenses charged to income statement	**137**	484

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

28. TRADE AND OTHER PAYABLE

1000 EUR	2006	2005
Non-current liabilities		
Trade payables	**297**	4,275
Liabilities of derivative instruments	**0**	150
Other liabilities	**8,147**	11
Total non-current payables	**8,444**	4,436
Current liabilities		
Trade payables	**185,283**	156,960
Accrued expenses	**178,088**	191,184
Liabilities of derivative instruments	**102**	818
Accrued expenses in work in progress	**149,196**	103,353
Advances received	**163,623**	134,898
Other payables	**102,722**	98,768
Total current payables	**779,014**	685,981

Accrued expenses	2006	2005
Accrued employee-related liabilities	**139,675**	133,423
Other accrued expenses	**38,413**	57,761

29. FAIR VALUES OF DERIVATIVE INSTRUMENTS

Notional amounts	2006	2005
1000 EUR		
Foreign exchange forward contracts	**202,675**	70,539
Interest rate swaps	**145,000**	60,000
Interest rate options bought	**28,362**	28,362

Fair values	2006	2006	2006	2005	2005	2005
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	**500**	**-218**	**282**	-	-322	-322
Hedge accounting not applied	**2,933**	**-1,522**	**1,411**	720	-1,222	-502
Total	**3,433**	**-1,740**	**1,693**	720	-1,544	-824
Interest rate swaps						
Hedge accounting applied	**1,169**	**0**	**1,169**	-	-150	-150
Hedge accounting not applied	**0**	**0**	**0**	-	-	-
Total	**1,169**	**0**	**1,169**	-	-150	-150
Interest rate options bought						
Hedge accounting applied	**0**	**0**	**0**	-	-	-
Hedge accounting not applied	**790**	**0**	**790**	597	-	597
Total	**790**	**0**	**790**	597	-	597

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 in which hedge accounting is applied are designated as hedges of net investments in foreign subsidiaries. Changes in fair values are according to accounting principles recognized in cumulative translation differences. Foreign exchange forward contracts in which hedge accounting is not applied are mainly designated as hedges of financial items. Changes in fair values have been recognized in Income Statement.

The duration of Group's long term loans has been increased by interest rate swaps. Changes in fair values have been recognized in fair value reserves in equity.

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.

30. OPERATING LEASES

Group as s lessee
The future minimum lease payments under non-cancellable operating leases:

1000 EUR	2006	2005
No later than 1 year	**40,560**	35,663
1 - 5 years	**86,250**	76,566
Later than 5 years	**75,322**	76,962
	202,132	189,191

The operating lease payments charged to income statement in 2006 amounted to 42,795 thousand euros (in 2005 39,347 thousand euros).

The YIT group has leased the office facilities in use. The operating lease agreements of office facilities have 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 three years.

31. COMMITMENTS AND CONTINGENT LIABILITIES

1000 EUR	2006	2005
Collateral given for own liabilities		
Corporate mortgages	**29,265**	29,265
Pledged shares	**1,490**	1,585
Other commitments		
Rental guarantees for clients	**6,475**	3,758
Other contingent liabilities	**776**	445
Investment commitments		
Repurchase commitments	**252,506**	266,760
Contingent assets		
Legal proceedings	**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 a significant effect on the Group's result.

32. SUBSIDIARIES

Excluding the real estate companies included in Investories.

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	87.76
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
YIT Polska Sp zo.o	Cracow	100.00
AB YIT Kausta	Kaunas	95.08
UAB Kausta Guder	Kaunas	51.00
UAB YIT Kausta Bustas	Kaunas	100.00

Company name	Domicile	Holding-%
Shares in subsidiaries, owned by YIT Construction Ltd		
UAB Kausta Guder	Kaunas	20.00
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, ownwed 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
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 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
Oy Botnia Mill Service Ab	Kemi	49.83
Kiinteistö Oy Leppävirran Teollisuustie 1	Leppävirta	60.00

33. 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	2006	2005
Non-current assets	-	-
Current assets	409	2,607
Non-current liabilities	-	-
Current liabilities	406	1,520
Revenues	-	11,605
Expenses	-175	10,521

YIT Group has given a guarantee of 2.1 million euro as the security of commitments of SWTP Construction Oy.

34. RELATED PARTY TRANSACTIONS

1000 EUR	2006	2005
Sales of goods and services	1,192	1,143
Purchases of goods and services	368	839

Goods and services to associated companies are sold on the basis of price lists in force with non-related parties.

Key management compensation

Salaries and other short-term employee benefits	1,832	2,493
Termination benefits	550	510
Share-based payments, options € *)	82,420	-
Share-based payments, options	18,720	95,825

*) 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	13	1,868
Loans to key management	-	-

35.EVENTS AFTER THE BALANCE SHEET DATE

On January 16, 2007, YIT and Vattenfall signed a partnership agreement under which the electricity network maintenance and construction works that had until the been handled by Vattenfall were handed over to YIT as from January 22, 2007. About one hundred persons transferred into YIT's employ. By means of this agreement, YIT ventured into energy network maintenance in line with its strategy.

Parent company's financial statements, FAS

INCOME STATEMENT PARENT COMPANY

1000 EUR	Note	2006	2005
Revenue	1	**39**	196
Other operating income	2	**16,082**	10,864
Personnel expenses	3	**6,077**	6,488
Depreciation and value adjustments	4	**1,199**	787
Other operating expenses		**25,502**	18,209
		32,778	25,484
Operating profit		**-16,657**	-14,424
Financial income and expenses	5	**-3,784**	-5,241
Profit before extraordinary items		**-20,442**	-19,665
Extraordinary items	6	**133,202**	105,042
Profit before taxes		**112,761**	85,377
Change in depreciation difference	7	**-261**	-124
Income taxes	8	**-28,079**	-22,162
Net profit for the financial period		**84,420**	63,091

Parent company's financial statements, FAS

BALANCE SHEET, PARENT COMPANY

1000 EUR	Note	2006	2005
ASSETS			
Non-current assets			
Intangible assets	9		
Intangible assets		**144**	144
Intangible assets		**2,092**	799
		2,236	943
Tangible assets	9		
Land and water areas		**1,019**	1,019
Buildings and structures		**2,945**	3,055
Machinery and equipment		**2,444**	1,640
Other tangible assets		**211**	247
		6,619	5,961
Investments	10		
Shares in Group companies		**336,924**	359,708
Other shares and holdings		**246**	253
		337,170	359,961
Total non-current assets		**346,025**	366,865
Current assets			
Receivables	11		
Trade receivables		**1,686**	1,464
Loan receivables		**394,989**	309,386
Other receivables		**130,582**	105,223
Accrued income		**2,264**	683
		529,521	416,756
Current investments	12	**24**	4,424
Cash and cash equivalents		**417**	4,102
Total current assets		**529,962**	425,282
TOTAL ASSETS		**875,987**	792,147

1000 EUR	Note	2006	2005
EQUITY AND LIABILITIES			
Equity	13		
Share capital		**63,389**	62,397
Share premium reserve		**82,822**	77,196
Treasury shares		**-7**	-7
Retained earnings		**162,168**	167,714
Net profit for the financial year		**84,420**	63,091
Total equity		**392,793**	370,392
Appropriations			
Accumulated depreciation difference	14	**385**	124
Liabilities			
Non-current liabilities	15		
Bonds		**225,000**	100,000
Loans from credit institutions		**45,841**	59,682
Pension loans		**1,746**	7,169
Accrued expenses		**164**	11
		272,751	166,862
Current liabilities	16		
Bonds		**50,000**	30,000
Loans from credit institutions		**14,631**	1,841
Pension loans		**5,416**	5,416
Advances received		**40**	26
Trade payables		**1,707**	1,837
Other current liabilities		**133,475**	210,176
Accrued expenses		**4,789**	5,474
		210,057	254,770
Total liabilities		**482,809**	421,632
TOTAL EQUITY AND LIABILITIES		**875,987**	792,147

Parent company's financial statements, FAS

CASH FLOW STATEMENT

1000 EUR	2006	2005
Cash flow from operating activities		
Profit before extraordinary items	**-20,442**	-19,665
Adjustments for Depreciations	**1,199**	787
Reversal of accrual-based items	**-**	-908
Gains on the sale of tangible and intangible assets	**-42**	-46
Financial income and expenses	**3,785**	5,241
Extraordinary income	**1,440**	-
	-14,060	-14,591
Change in working capital		
Change in trade and other receivables	**-1,009**	57,039
Change in trade and other payables	**-1,939**	2,168
Net cash flow from operating activities before financial items and taxes	**-17,008**	44,616
Interest paid	**-30,870**	-28,888
Dividends received	**12**	11
Interest received an financial income	**23,272**	23,165
Taxes paid	**-26,921**	-22,865
Net cash generated from operating activities	**-51,515**	16,039
Cash flow from investing activities		
Purchases of tangible and intangible assets	**-3,150**	-1,953
Proceeds from sale of tangible and intangible assets	**-**	46
Proceeds from sale of other investments	**49**	3
Investointien rahavirta	**-3,101**	-1,904

1000 EUR	2006	2005
Cash flow from financing activities		
Proceeds from share issues	**6,618**	6,752
Purchase of treasury shares	**-**	-7
Increase in loan receivables	**-113,616**	-51,800
Increase in current loans	**52,985**	209,119
Decrease in current loans	**-79,724**	-175,234
Proceeds from borrowings	**175,000**	-
Repayment of borrowings	**-37,257**	-32,257
Dividends paid	**-68,637**	-42,905
Group contributions received	**105,042**	80,322
Net cash used in financing activities	**40,411**	-6,010
Net change in cash and cash equivalents	**-14,205**	8,125
Cash and cash equivalents in the beginning of the financial year	**8,525**	400
Cash and cash equivalents received in merger	**6,121**	-
Cash and cash equivalents at the end of the financial year	**441**	8,525

Parent company's financial statements, FAS | Notes to the financial statements, EUR thousands |

1. REVENUE	2006	2005
Revenue by business segment		
Other items	39	196
Total	39	196
Revenue by geographical area		
Finland	39	196
Total	39	196

2. OTHER OPERATING INCOME	2006	2005
Capital gains on disposals of fixed assets	43	46
Other	16,039	10,818
Total	16,082	10,864

3. INFORMATION CONCERNING PERSONNEL AND KEY MANAGEMENT	2006	2005
Personnel expenses		
Wages, salaries and fees	4,990	5,161
Pension expenses	696	807
Other indirect personnel costs	391	520
Total	6,077	6,488
Salaries and fees to the management		
President and executive Vice President	571	1,145
Members of the Board of Directors, money	199	106
Members of the Board of Directors: shares 2,420 x 23,30	-	163
Total	770	1,414
Average personnel in 2006	83	76
The fees for the auditors		
PriceWaterhouseCoopers Oy, Authorised Public Accountants		
Statutory audit	177	152
Other audit services	34	65
Total	211	217

4. DEPRECIATIONS AND VALUE ADJUSTMENTS	2006	2005
Depreciations on other capitalized expenditures	363	176
Depreciations on buildings and structures	217	188
Depreciations on machinery and equipment	582	387
Depreciation on other tangible assets	36	36
Total	1,199	787

5. FINANCIAL INCOME AND EXPENSES	2006	2005
Dividend income		
From Group companies	-	-
From others	12	11
Total	12	11
Interest income from non-current investments		
From Group companies	5,413	6,145
From other companies	4	3
From other companies	5,417	6,148
Other interest and financial income		
From Group companies	7,897	2,746
From other companies	247	169
Total	8,144	2,915
Other interest and financial expenses		
From Group companies	-3,808	-3,059
From other companies	-13,549	-11,256
Total	-17,358	-14,315
Total financial income and expenses	-3,785	-5,241
Exchange rate differences included in financial income and expenses	-3,925	-816

Parent company's financial statements, FAS | Notes to the financial statements, EUR thousands |

6. EXTRAORDINARY ITEMS	2006	2005
Extraordinary income		
Group contributions	**129,540**	105,042
Liquidation of subsidiary	**4,982**	-
Total	**134,522**	105,042
Extraordinary expenses		
Group contributions	**-1,320**	-
Extraordinary items, total	**133,202**	105,042

7. APPROPRIATIONS	2006	2005
The accumulated difference between the depreciations according to plan and depreciations in taxation	**-261**	-124

8. INCOME TAXES	2006	2005
Income taxes on extraordinary items	**-34,633**	-27,310
Income taxes on operating activities	**6,480**	5,099
Income taxes on previous years	**74**	49
Total	**-28,079**	-22,162

9. CHANGES IN FIXED ASSETS	2006	2005
Intangible assets		
Intangible rights		
Historical cost on January 1	**144**	144
Increases	**-**	-
Decreases	**-**	-
Historical cost on December 31	**144**	144
Accumulated depreciations and value adjustments Jan 1	**0**	0
Accumulated depreciations and value adjustments Dec 31	**0**	0
Kirjanpitoarvo 31.12.	144	144

	2006	2005
Other capitalized expenditures		
Historical cost on January 1	**6,400**	6,129
Increases	**1,656**	271
Decreases	**-**	-
Historical cost on December 31	**8,056**	6,400
Accumulated depreciations and value adjustments Jan 1	**5,601**	5,425
Depreciations for the period	**363**	176
Accumulated depreciations and value adjustments Dec 31	**5,964**	5,601
Book value on December 31	**2,092**	799
Total intangible assets	**2,236**	943
Tangible assets		
Land and water areas		
Historical cost on January 1	**1,019**	1,019
Increases	**-**	-
Decreases	**-**	-
Historical cost on December 31	**1,019**	1,019
Book value on December 31	**1,019**	1,019
Buildings and structures		
Historical cost on January 1	**6,287**	5,667
Increases	**107**	620
Decreases	**-**	-
Historical cost on December 31	**6,394**	6,287
Accumulated depreciations and value adjustments Jan 1	**3,231**	3,043
Depreciations for the period	**217**	188
Accumulated depreciations and value adjustments Dec 31	**3,448**	3,231
Book value on December 31	**2,945**	3,055

Parent company's financial statements, FAS | Notes to the financial statements, EUR thousands |

	2006	2005
Machinery and equipment		
Historical cost on January 1	**6,687**	5,625
Increases	**1,386**	1,062
Decreases	**-**	-
Historical cost on December 31	**8,073**	6,687
Accumulated depreciations and value adjustments Jan 1	**5,048**	4,661
Depreciations for the period	**582**	387
Accumulated depreciations and value adjustments Dec 31	**5,630**	5,048
Book value on December 31	**2,444**	1,640
Other tangible assets		
Historical cost on January 1	**848**	848
Increases	**-**	-
Decreases	**-**	-
Historical cost on December 31	**848**	848
Accumulated depreciations and value adjustments Jan 1	**601**	565
Depreciations for the period	**36**	36
Accumulated depreciations and value adjustments Dec 31	**637**	601
Book value on December 31	**211**	247
Total tangible assets	**6,619**	5,961

10. INVESTMENTS	**2006**	**2005**
Shares in Group companies		
Historical cost on January 1	**359,708**	359,708
Increases	**-**	-
Decreases	**-22,784**	-
Historical cost on December 31	**336,924**	359,708
Other shares and holdings		
Historical cost on January 1	**253**	255
Increases	**-**	-
Decreases	**-6**	-2
Historical cost on December 31	**246**	253
Total investments	**337,170**	359,961

11. RECEIVABLES	**2006**	**2005**
Non-current receivables		
Receivables from Group companies		
Loan receivables	**89,817**	122,178
Total	**89,817**	122,178
Loan receivables	**54**	54
Accrued income	**563**	-
Non-current receivables	**90,434**	122,232
Current receivables		
Trade receivables	**8**	3
Receivables from Group companies		
Trade receivables	**1,678**	1,462
Loan receivables	**305,119**	187,154
Other receivables	**129,540**	105,042
Accrued income	**1,321**	606
Total	**437,658**	294,264
Receivables from associated companies	**823**	181
Other receivables	**219**	-
Accrued tax receivables	**379**	77
Accrued income	**439,087**	294,525
Total receivables	**529,521**	416,757
Accrued income		
Other items	**1,701**	683
Total	**1,701**	683

Parent company's financial statements, FAS | Notes to the financial statements, EUR thousands |

12. CASH AND CASH EQUIVALENTS	2006	2005
Current investments		
Current investments	24	4,424
Market value	31	4,431
Difference	-	-

13. EQUITY	2006	2005
Share capital Jan 1	62,397	61,293
Subscriptions with share options	992	1,104
Share capital Dec 31	63,389	62,397
Share premium fund reserve 1	77,196	71,549
Issue premium from share options	5,626	5,647
Share premium reserve Dec 31	82,822	77,196
Treasury shares Jan 1	-7	-7
Treasury shares Dec 31	-7	-7
Retained earnings Jan 1	230,805	210,619
Dividends paid	-68,637	-42,905
Retained earnings Dec 31	162,168	167,714
Net profit for the financial period	84,420	63,091
	246,588	230,805
Total equity	392,792	370,391
Distributable funds on December 31		
Retained earnings	162,168	167,714
Treasury shares	-7	-7
Net profit for the financial period	84,420	63,091
Distributable fund from shareholders' equity	246,581	230,798

14. APPROPRIATIONS	2006	2005
Accumulated depreciation difference Jan 1	124	-
Increase	261	124
Accumulated depreciation difference Dec 31	385	124

15. NON-CURRENT LIABILITIES	2006	2005
Liabilities falling due after five years		
Bonds	35,720	-
Loans from credit institutions	17,500	35,500
Total	53,220	35,500
Bonds		
Floating-rate bond 2/2003		
2003-2007, interest 3 month Euribor + 0.65%	-	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	-
Floating-rate bond 2/2006		
2006-2016, interest 3 month Euribor + 0.48%	50,000	-
Floating-rate bond 3/2006		
2006-2008, interest 3 month Euribor + 0.15%	75,000	-
Total	225,000	100,000

Parent company's financial statements, FAS | Notes to the financial statements, EUR thousands |

16. CURRENT LIABILITIES	2006	2005
Liabilities to Group companies		
Trade payables	**1,348**	1,368
Other liabilities	**96,608**	209,119
Accrued expenses	**1,327**	268
Total	**99,283**	210,755
Accrued expenses		
Pension expenses	**1,171**	1,419
Other items	**3,618**	4,055
Total	**4,789**	5,474

17. COMMITMENTS AND CONTINGENT LIABILITIES	2006	2005
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	**112,190**	115,231
Leasing commitments		
Payable during the current financial year	**-**	2
Payable in subsequent years	**-**	-
Total	**-**	2
Other commitments		
The Group's share of external debts of companies held in inventories	**173**	250
Total	**173**	250
Guarantees		
On behalf of Group companies	**806,967**	722,231
Total	**806,967**	722,231

	2006	2005
Derivative contracts *)		
Foreign currency forward contracts		
Fair value	**1,693**	-824
Value of underlying instruments	**202,675**	70,539
Interest rate swaps		
Fair value	**1,169**	-150
Value of underlying instruments	**145,000**	60,000
Interest rate options bought		
Fair value	**790**	-
Value of underlying instruments	**28,362**	-

*) The presentation of the fair values of derivative contracts in net terms.
The figures for the comparison periods have been adjusted accordingly

18. SALARIES AND FEES TO THE MANAGEMENT

Salaries and fees of the Board of Directors, President and CEO and the deputy to President and CEO are presented on page 47.

CONTACTS

YIT Corporation
P.O. Box 36 (Panuntie 11)
FI-00621 Helsinki, FINLAND
Phone +358 20 433 111
Fax +358 20 433 3700
firstname.surname@yit.fi
www.yitgroup.com
Business ID 0112650-2

Investor Relations contacts on page 35.

FINLAND

Phone +358 20 433 111
Fax +358 20 433 3700
firstname.surname@yit.fi
www.yit.fi

Building Systems

YIT Building Systems Ltd
P.O. Box 36 (Panuntie 11)
FI-00621 Helsinki, FINLAND

YIT Kiinteistötekniikka Oy
P.O. Box 222 (Mäkitorpantie 3 b)
FI-00621 Helsinki, FINLAND

Construction Services

YIT Construction Ltd
P.O. Box 36 (Panuntie 11)
FI-00621 Helsinki, FINLAND

Industrial and Network Services

YIT Industrial and Network Services Ltd
P.O. Box 54 (Robert Huberin tie 3a)
FI-01511 Vantaa, FINLAND

Botnia Mill Service Ab
P.O. Box 54 (Robert Huberin tie 3a)
FI-01511 Vantaa, FINLAND

SWEDEN

Building Systems

YIT Sverige AB
Box 1810 (Armégatan 40)
SE-171 22 Solna, SWEDEN
Phone +46 8 705 3200
Fax +46 8 735 6494
firstname.surname@yit.se
www.yit.se

NORWAY

Building Systems

YIT Building Systems AS
Ole Deviks vei 10, Box 6260 Etterstad
NO-0603 Oslo, NORWAY
Phone +47 22 87 4000
Fax +47 22 87 4910
firstname.surname@yit.no
www.yit.no

DENMARK

Building Systems

YIT A/S
Vejlevej 123
DK-7000 Fredericia, DENMARK
Phone +45 7623 2323
Fax +45 7623 2121
firstname.surname@yit.dk
www.yit.dk

ESTONIA

Building Systems

YIT Emico AS
Madara 27
EE-10612 Tallinn, ESTONIA
Phone +372 6 413 115
Fax +372 6 413 117
firstname.surname@yit.ee
www.yit.ee

Construction Services

AS YIT Ehitus
Pärnu mnt. 102 C
EE-11312 Tallinn, ESTONIA
Phone +372 665 2100
Fax +372 665 2101
yit@yit.ee
www.yit.ee

LATVIA

Building Systems

YIT Tehsistem SIA
Mukusalas str. 41B
LV-1004 Riga, LATVIA
Phone +371 7 408630
Fax +371 7 408 631
firstname.surname@yit.lv
www.yit.lv

Construction Services

YIT Celtniecība SIA
K. Ulmaņa gatve 2
LV-1004, Riga, LATVIA
Phone +371 7 606 900
Fax +371 7 606 901
yit@yit.lv
www.yit.lv

LITHUANIA

Building Systems

YIT Technika UAB
Savanoriu av. 180,
LT-03154 Vilnius, LITHUANIA
Phone +370 5 273 8200
Fax +370 5 273 8222
firstname.surname@yit.lt
www.yit.lt

Construction Services

AB YIT Kausta
Naglio g. 4a
LT-52600 Kaunas, LITHUANIA
Phone +370 37 452 348
Fax +370 37 452 212
info@yitkausta.lt
www.yit.lt

UAB YIT Kausta Būstas
Savanoriu 174a
LT-03153, Vilnius, LITHUANIA
Phone +370 5265 3075
Fax +370 5265 3075
bustas@yitkausta.lt
www.yit.lt

RUSSIA

Building Systems

OOO YIT Elmek
5th Donskoy lane, 21b
RU-119991 Moscow, RUSSIA
Phone +7 495 955 5505
Fax +7 495 954 2740
firstname.surname@yit.ru
www.yit.ru

ZAO YIT-Peter
1st Tverskaja-Yamskaya 5, floor 9
RU-125047 Moscow, RUSSIA
Phone +7 095 258 8255
Fax +7 095 258 8257
firstname.surname@yit.ru
www.yit.ru

Construction Services

Moscow office
1st Tverskaja-Yamskaya 5, floor 9
RU-125047 Moscow, RUSSIA
Phone +7 495 258 8255
Fax +7 495 258 8257
post@yit.ru
www.yit.ru

ZAO YIT Moskovia
Krasnaya 4,
RU-140000 Lubertsy, RUSSIA
Phone +7 (495) 565 4032 / 4033,
+7 495 229 75 76
Fax +7 (495) 565 4032 / 4033,
+7 495 558 66 23
yit-dom@yitdom.ru
www.yitdom.ru

ZAO YIT Lentek
Primorsky pr. 52
RU-197374 St Petersburg, RUSSIA
Phone +7 812 430 5002,
+358 (0)9 87598601
Fax +7 812 430 3375
post.spb@yit.ru
www.yitdom.ru

ZAO YIT CityStroi
Krylatskye kholmy. 30-9
121614 Moscow, RUSSIA
Phone +7 (495) 415 3192
Fax +7 (495) 415 3192
yit@yit-cs.ru
www.yitdom.ru

ZAO YIT Uralstroi
Prospekt Kosmonavtov 18, korp. 54
RU-620017 Jekaterinburg, RUSSIA
Phone +7 343 334 0332
Fax +7 343 334 0332
firstname.surname@yit.ru
www.yitdom.ru

Industrial and Network Services

OOO YIT Industria
Primorsky pr. 52
RU-197374 St Petersburg, RUSSIA
Phone +7 812 320 6201
Fax +7 812 320 6206
firstname.surname@yit.ru
www.yit.ru

Production: **YIT Corporation**

Corporate Communications March/2007

Printed in Erweko Painotuote Oy

Edition: 12,000

Papers:	cover stock	Invercote Creato Mat 300 g/m2,
	text stock 1	Galerie Art Silk 130 g/m2
	text stock 2	Munken Premium Cream 1,3 100 g/m2

YIT Corporation
P.O. Box 36 (Panuntie 11), FI-00621 Helsinki, FINLAND
Phone +358 20 433 111, Fax +358 20 433 3700
postit@yit.fi
www.yitgroup.com