YIT CORPORATION FINANCIAL STATEMENTS BULLETIN Feb 6, 2009 at 8:00 am

YIT's financial statements for 2008:
REVENUE INCREASED, OPERATING PROFIT DECREASED - QUICK MEASURES TAKEN TO REACT TO MARKET CHANGES

In 2008:
- Revenue increased by 6 per cent to EUR 3,939.7 million (2007: EUR 3,706.5 million).
- Operating profit decreased by 23 per cent to EUR 260.6 million (EUR 337.8 million).
- Operating profit margin was 6.6 (9.1 %).
- Profit before taxes decreased by 37 per cent to EUR 193.1 million (EUR 305.6 million).
- Earnings per share decreased by 41 per cent to EUR 1.05 (EUR 1.77).
- Return on investment was 17.5 per cent (26.2%).
- Order backlog decreased by 8 per cent to EUR 3,233.7 million (EUR 3,509.3 million). EUR 356 million of order backlog was in housing projects that have been stopped in Russia.
- At the end of the year, the Group employed 25,784 (24,073) people.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 per share (EUR 0.80) be paid for the 2008 financial year.

Fourth quarter:
- Revenue increased by 2 per cent on the previous year to EUR 1,050.7 million (10-12/2007: EUR 1,027.0 million).
- The steep devaluation of the ruble in November-December resulted in exchange rate losses totalling EUR 25.0 million (EUR 3.8 million) for the year as a whole.
- Profit before taxes decreased by 95 per cent to EUR 5.4 million (EUR 98.5 million).
- Operating cash flow after investments amounted to EUR 61.3 million (EUR 75.3 million).

Earnings development and financial standing

Revenue increased in the Building Systems segment. Operating profit increased in Building Systems and Industrial Services excluding the capital gains of EUR 14.4 million from the sale of the Network Services unit in 2007. Revenue and operating profit developed favourably also in civil engineering and construction of business premises.

Construction revenue increased in Russia, remained at the previous year's level on the whole in Finland and decreased in the Baltic countries. A strong contraction in housing demand decreased the operating profit of Construction Services Finland. International Construction Services' operating profit decreased clearly due to weakened market conditions and non-recurring costs associated with the projects in the Gorelovo area in Russia. The negative impact of these projects during the second and third quarters of the year totalled approximately EUR 20 million. Operating profit decreased by approximately EUR 36 million compared to 2007 in the Baltic countries. In Russia, residential sales continued favourably during January-September but weakened rapidly during the last months of the year.

The Group's invested capital increased by EUR 260.5 million during the year. Capital got tied up especially in ongoing production during 2008. At year’s end, 33 per cent (33%), or EUR 545.2 million (EUR 460.0 million), of the invested capital was tied up in Russia.

The Group's financial position was strengthened during the fourth quarter by increasing cash reserves by EUR 153.6 million through taking out pension loans and long-term and short-term bank loans. Good cash flow from operations during the fourth quarter also increased the cash reserves. At the end of the year, cash reserves were EUR 201.7 million (EUR 60.2 million). The gearing ratio was 79.8 per cent (62.9%).

Measures to adapt to and leverage market change

The Group implemented several quick-acting measures as the financial market crisis impacted YIT countries. The Group's financial position was strengthened during the fourth quarter by increasing cash reserves by taking out pension loans and long-term and short-term bank loans. The need for capital was reduced by postponing housing start-ups to a better market situation and considerably reducing plot acquisition and other investments. In Russia, a decision was made in October to halt the construction in certain residential projects in the start-up phase; in these projects the sales had not yet begun. In the Baltic countries, YIT decreased actively the number of unsold residential units. The closing of the sales of several business premises were realised successfully at the end of the year. The Group carried out measures to cut EUR 40 million in fixed costs on annual level. The effect of these measures will be seen fully by the third quarter of 2009. In procurement, purchase agreements were adjusted to the market conditions.

The company’s aim is to maintain good competitiveness in the tightening market conditions. Towards the end of the year, the focus was shifted from adjusting the cost structure through rapidly effecting measures to strengthening sales and developing operations. In Finland, agreements were made on housing sales in larger entities during the latter part of the year and several preliminary agreements were signed on starting the construction of rental housing during 2009. YIT will continue to reduce production costs through efficient procurement and by developing work methods. Cost-efficiency will be increased also by utilising common processes more broadly in business operations as well as support services. Measures to improve the efficiency of invested capital and support cash flow will be continued. Market opportunities that are interesting to YIT will open up as public investments and rental housing production increase and the refurbishment, servicing and maintenance operations and investments in energy sector continue brisk.

New strategic targets for the 2009 - 2011 strategy period

On February 5, 2009, the Board of Directors of YIT Corporation confirmed the financial targets for the strategy period 2009-2011. The cash flow target was set for the first time at Group level. Operating cash flow after investments during strategy period must be sufficient for dividend payout and repayment of debt. The previous numerical revenue growth target of 10 per cent on average per year was abandoned. The target is positive revenue growth. The return on investment target was set at 20 per cent by the end of strategy period, versus the previous target of 22 per cent. The targets for equity ratio and dividend payout remained unchanged. The operating profit target of 9 per cent of revenue was abandoned.

Similarly, the separate target set for the Russian operations - average annual revenue growth of 50 per cent during the period 2006-2009 - was abandoned as the forecastability of the country's economic development in the next few years has weakened substantially.

Other targets remained unchanged. Target for equity ratio is 35 per cent and for dividend payout 40 to 60 per cent of net profit for the period.

In 2008, YIT Group's operating cash flow after investments amounted to EUR -19.4 million, revenue growth was 6 per cent, return on investment was 17.5 per cent, the equity ratio was 30.7 per cent and the Board's proposal for dividend payout for 2008 is 47.6 per cent.

Outlook for 2009

Due to the exceptional uncertainties in the general market situation, the Group's revenue and profit estimate for 2009 will be specified at a later time.

The revenue and profit uncertainties are related to the general economic environment and its impact on building and repair investments, as well as housing sales in Finland and Russia.

At the end of 2008, YIT's order backlog was EUR 3.2 billion, of which EUR 356 million was in postponed housing projects in Russia. The order backlog margins are at normal levels. The order backlog margins of unsold housing production are dependent on the development of housing prices and construction costs.

Approximately half of the revenue in Building and Industrial Services is derived from service and maintenance operations, where demand will develop relatively steadily in spite of the uncertain market conditions. The demand for renovation will continue to grow. Investments in industry and commercial real estate will decrease.

In Finland, housing construction is estimated to decrease, and focus will be on interest-subsidised and market-financed rental housing production. On the other hand, decreasing interest rates support housing demand. Construction of business premises is estimated to halve compared to the previous year. On the whole, building construction will decrease. The number of infrastructure projects will be steady or grow as a result of public sector stimulus measures in 2009.

In Russia, the strong need for housing and the high volume of YIT’s ongoing housing production provide a basis for increasing revenue. The unpredictability of revenue and profit development has increased due to the weakening Russian economy, the ruble exchange rate and consumer confidence. The weak market situation in the Baltic countries will continue.

Annual General Meeting

YIT Corporation's Annual General Meeting will be held on Wednesday, March 11, 2009, from 1:00 pm (Finnish time, EEST) onwards in Finlandia Hall, Conference Wing, Hall A, address Mannerheimintie 13, 00100 Helsinki, Finland (entrances M1 and K1). The full notice of the meeting, including the Board of Directors’ proposals to the Annual General Meeting, will be published as a separate stock exchange release on February 6, 2009.

Annual Report 2008 and Interim Reports in 2009

The Annual Report including financial statements for 2008 will be published on YIT’s Internet site in Finnish and English during the week of Feb 16, 2009. Interim Reports will be released on April 24, July 24 and October 28, 2009. Financial reports and other investor information can be viewed on our website, www.yitgroup.com.

Information sessions, webcast and conference call

On Friday, February 6, an event for analysts and portfolio managers will be held at YIT’s head office at 10:00 am (Finnish time, EEST) in English and a press conference at 13:00 pm in Finnish. The address is Panuntie 11, 00620 Helsinki, Finland. Investment analysts and portfolio managers can also participate in the event through a conference call. Conference call participants are requested to call a minimum of 5 minutes prior to the start of the event: +44 (0)20 7162 0077.

A webcast of the presentation given by President and CEO Juhani Pitkäkoski in the analyst and portfolio manager event can be viewed live at www.yitgroup.com/webcast. The webcast replay will be available at the same address.

Schedule in different time zones

Time zone	Financial Statements will be published at	The investor event, conference call and webcast presentation will start at	Recording of the webcast presentation will be available at
EEST (Helsinki)	8:00 a.m.	10:00 a.m.	12:00 a.m.

CEST (Paris, Stockholm)	7:00 a.m.	9:00 a.m.	11:00 a.m.
BST (London)	6:00 a.m.	8:00 a.m.	10:00 a.m.
US EDT (New York)	1:00 a.m.	3:00 a.m.	5:00 a.m.

YIT CORPORATION

Juhani Pitkäkoski
President and CEO

For further information, please contact:
Sakari Ahdekivi, Chief Financial Officer, +358 20 433 2258, sakari.ahdekivi@yit.fi
Petra Thorén, Senior Vice President, Investor Relations, +358 40 764 5462, petra.thoren@yit.fi

Distribution: NASDAQ OMX, main media, www.yitgroup.com

FINANCIAL STATEMENTS BULLETIN JANUARY 1 – DECEMBER 31, 2008

REVENUE INCREASED BY 6 PER CENT

YIT Group's revenue for 2008 grew by 6 per cent to EUR 3,939.7 million (2007: EUR 3,706.5 million). Building Systems is the largest segment by revenue, generating a half of YIT Group's revenue and operating profit. Revenue increased in the Building Systems segment.

Finland accounted for 47% of revenue (52%), other Nordic countries for 33% (33%), Russia for 10% (9%), Central Europe for 5% and the Baltic countries for 4% (6%). The fastest growth took place in Russia, where revenue increased by 25% to EUR 402.3 million (EUR 322.6 million).

In Central Europe, the building system operations acquired from Germany, Austria, Poland, the Czech Republic, Hungary and Romania were transferred to YIT on August 1, 2008. The property development company acquired in the Czech Republic was consolidated into YIT Group as of July 1, 2008.

Revenue by segment (MEUR)

	2008	2007	Change	% of the Group's revenue for 2008
Building Systems 1)	1,975.0	1,650.0	20%	50%
Construction Services Finland	1,147.9	1,158,2	-1%	29%
International Construction Services	493.5	486.1	2%	13%
Industrial Services 2)	429.7	489.8	-12%	11%
Other items	-106.4	-77.6	37%	-3%
YIT Group, total	3,939.7	3,706.5	6%	100%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008. The revenue of these operations for August-December 2008 amounted to EUR 182.6 million.
2) Revenue for 2007 includes the Network Services unit, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

YIT's service chain covers the investments, servicing and maintenance as well as the modernisation of premises' purpose of use. The extensive service chain aims at better service capability, business growth and steady income flow. Service and maintenance of buildings, industry and traditional infrastructure accounts for a significant proportion of the Group's revenue. In 2008, service and maintenance operations generated EUR 1,299.2 million (EUR 1,355.8 million), in other words 33% (37%) of total revenue.

OPERATING PROFIT DECREASED BY 23 PER CENT

The Group's operating profit decreased by 23 per cent to EUR 260.6 million (EUR 337.8 million). Operating profit margin was 6.6 per cent (9.1%). Return on investment was 17.5% (26.2%).

Operating profit increased in Building Systems and Industrial Services excluding the capital gains of EUR 14.4 million from the sale of the Network Services unit in 2007. In Construction Services Finland, revenue and operating profit developed favourably in civil engineering and construction of business premises, but the segment’s operating profit decreased on the previous year due to a sharp decline in residential sales.

International Construction Services' operating profit decreased clearly due to weakened market conditions and non-recurring costs associated with the projects in the Gorelovo area in Russia. The negative impact of these projects during the second and third quarters of the year totalled approximately EUR 20 million. Operating profit decreased by approximately EUR 36 million compared to 2007 in the Baltic countries. In Russia, residential sales continued favourably during January-September but weakened rapidly during the last months of the year.

Operating profit by segment (MEUR)

	2008	2007	Change	Proportion of the Group's operating profit 2008
Building Systems 1)	131.8	112.2	17%	51%
Construction Services Finland 2)	111.7	133.5	-16%	43%
International Construction Services	9.0	67.2	-87%	3%
Industrial Services 3)	30.2	41.2	-27%	11%
Other items	-22.1	-16.2	35%	-8%
YIT Group, total	260.6	337.8	-23%	100%

Operating profit margin by segment

	2008	2007
Building Systems 1)	6.7%	6.8%
Construction Services Finland 2)	9.7%	11.5%
International Construction Services	1.8%	13.8%
Industrial Services 3)	7.0%	8.4%
YIT Group, total	6.6%	9.1%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.
2) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for 1-3/2008.
3) The operating profit of the Industrial Services segment for 1-12/2007 includes proceeds from the sale of the Network Services unit in the amount of EUR +14.4 million and EUR -1.0 million due to restructuring of the Network Services unit. The Network Services division was divested on December 31, 2007.

EARNINGS PER SHARE EUR 1.05

Profit before taxes decreased by 37 per cent from the previous year to EUR 193.1 million (EUR 305.6 million). Earnings per share decreased by 41 per cent to EUR 1.05 (EUR 1.77).

Financial expenses increased as a result of the devaluation of the ruble, higher interest rates compared to the previous year and an increase in net debt as a result of increased capital invested in Russia. The steep devaluation of the ruble in November-December resulted in exchange rate losses totalling EUR 25.0 million (EUR 3.8 million) for the year as a whole.

DIVIDEND PROPOSAL EUR 0.50

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 per share (EUR 0.80) be paid for the 2008 financial year, representing 47.6 per cent (45.2%) of earnings per share.

The Board of Directors' proposal for the use of distributable equity is presented at the end of the financial statements.

ORDER BACKLOG EUR 3.2 BILLION

The Group's order backlog decreased by 8 per cent during the year to EUR 3,233.7 million (EUR 3,509.3 million) at the end of the year. EUR 356 million of order backlog was in housing projects that have been stopped in Russia. The order backlog has a normal margin. The order backlog margins of unsold housing production are dependent on the development of housing prices and construction costs. The order backlog of the Building Systems segment increased as the operations acquired in Central Europe were transferred to YIT. The order backlog decreased in the other business segments. In International Construction Services, the order backlog decreased as a result of the devaluation of the ruble by approximately EUR 170 million during the fourth quarter.

53 per cent of Building Systems revenue and 48 per cent of Industrial Services revenue are derived from service and maintenance operations. Due to their nature, part of the maintenance and servicing operations are not included in the order backlog. The remainder of the order backlog of these business segments mainly comprises contracted projects that have been sold in full.

The order backlog of the Construction Services Finland and International Construction Services business segments comprises tender-based production and real estate and residential development with a sales risk. Residential development accounts for the majority of the order backlog of International Construction Services. In Construction Services Finland, the order backlog is evenly distributed between tender-based construction and projects with a sales risk.

The International Construction Services business segment has the biggest order backlog; the segment's projects are long and their value is high. The construction time of housing projects is approximately 2.5 years in Russia and about one year in the Baltic countries and Finland.

Order backlog by segment (MEUR)

	2008	2007	Change	Proportion of the Group's order backlog 2008
Building Systems 1)	841.9	707.7	19%	26%
Construction Services Finland	874.2	1,183.8	-26%	27%
International Construction Services 2)	1,369.3	1,462.7	-6%	42%
Industrial Services 3)	208.3	219.2	-5%	7%
Other items	-60.0	-64.1	-6%	-2%
YIT Group, total	3,233.7	3,509.3	-8%	100%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008. The order backlog of these operations amounted to EUR 265,6 million at the end of 2008.
2) Due to uncertainties in the market situation, YIT has halted the construction of certain residential projects in the start-up phase in Russia. The sales of these projects had not yet begun. These projects have 2,485 residential units and they accounted for approximately EUR 356 million in the order backlog at year's end.

3) The order backlog 12/2007 does not include the Network Services division, which was divested on December 31, 2007.

The order backlog includes that portion of customer orders and ongoing development projects that has not been recognized as income. In accordance with the IFRS accounting principles, residential development projects are recognised as income using the formula percentage of completion multiplied by percentage of sale. Business premise development projects are recognised as income using the principle percentage of completion multiplied by percentage of sale multiplied by occupancy rate. Contracted projects are recognised as income based on the percentage of completion. Contracted projects are sold in full. Business premise development projects are usually sold to investors either prior to construction or during an early phase thereof. At the year’s end, there was one real estate development project under construction the selling of which had not been closed.

THE GROUP'S FINANCIAL POSITION WAS STRENGTHENED

Due to the global financial market crisis, the Group's financial position was strengthened during the fourth quarter by increasing cash reserves by EUR 153.6 million. Cash reserves amounted to EUR 201.7 million (EUR 60.2) at year's end. The reserves were strengthened by taking out pension loans as well as long-term and short-term bank loans. Good cash flow from operations during the fourth quarter also increased the cash reserves.

A significant share of YIT’s business operations requires little capital. Capital is particularly tied to the plot reserves, their development and ongoing production. At year’s end, 33 per cent (33%), or EUR 545.2 million (EUR 460 million), of the Group’s invested capital was tied up in Russia.

The gearing ratio was 79.8 per cent (62.9%). Net financing debt increased to EUR 644.5 million (EUR 514.8 million). Operating cash flow after investments during the fourth quarter amounted to EUR 61.3 million (EUR 75.3 million) and EUR -19.4 million (EUR 71.2 million) in January-December.

Net financial expenses increased to EUR 67.5 million (EUR 32.2 million), or 1.7 per cent (0.9%) of revenue. The steep devaluation of the ruble in November-December resulted in exchange rate losses, included in net financial expenses, totalling EUR 25.0 million (EUR 3.8 million). Fixed-interest loans accounted for 51 per cent (64%) of the Group’s entire loan portfolio. Loans raised directly on the capital and money markets amounted to 32 per cent (56%). The maturity distribution of the loan portfolio is balanced.

The construction-stage contract receivables sold to financing companies totalled EUR 163.3 million (EUR 257.7 million) at the end of the period. Of this amount, EUR 95.5 million (EUR 102.9 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. The interest on receivables sold to financing companies, EUR 15.1 million (EUR 10.9 million), is included in financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residential units, EUR 48.2 million (EUR 33.9 million), are also included in interest-bearing liabilities, but the interest on them of EUR 2.3 million (EUR 1.8 million) is booked in project expenses, as it is included in housing corporation charges.

The balance sheet total at the end of the review period was EUR 2,973.9 million (EUR 2,461.3 million).

The Group's equity ratio was 30.7 per cent (36.7%).

CAPITAL EXPENDITURES AND ACQUISITIONS

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 85.2 million (EUR 51.6 million) during the financial period, representing 2.2 per cent (1.4%) of revenue. Investments in construction equipment amounted to EUR 14.2 million (EUR 15.4 million) and investments in information technology to EUR 5.5 million (EUR 7.5 million). Other investments including acquisitions amounted to EUR 65.5 million (EUR 28.7 million). Acquired and divested business operations are disclosed in the notes to the financial statements.

The most significant business acquisition during the period was the acquisition of MCE AG's building system service business in Germany, Austria, Poland, the Czech Republic, Hungary and Romania in the Building Systems segment. The revenue of these business operations for 2007 amounted to EUR 355 million, and the employees transferred to YIT numbered about 2,100. The value of the acquisition was EUR 55 million. The transaction was finalised on August 1, 2008.

CHANGES IN GROUP STRUCTURE

YIT Group's business operations are divided into business segments, which in 2008 were Building Systems, Construction Services Finland, International Construction Services and Industrial Services.

YIT Group's business segment structure was revised as of the beginning of 2008, with Construction Services being divided into two segments: Construction Services Finland and International Construction Services, which includes the business operations in Russia, the Baltic countries and Central Eastern Europe. The Industrial and Network Services segment was renamed Industrial Services as of January 1, 2008 due to the sale of the Network Services unit.

At the beginning of 2009, the Building Systems and Industrial Services segments merged into a new segment, Building and Industrial Services.

CHANGES IN GROUP MANAGEMENT

Kari Kauniskangas, M.Sc. (Eng.), B.Sc. (Econ.) was appointed Head of the International Construction Services segment formed at the beginning of 2008. Ilpo Jalasjoki, M.Sc. (Eng.) was appointed Head of the Construction Services Finland segment. Tero Kiviniemi, M.Sc. (Eng.), EMBA was appointed on September 25, 2008 as Head of the Construction Services Finland business segment, effective from 1 January 2009, as the previous head of the business segment, Ilpo Jalasjoki, retires on a part-time pension during the spring 2009.

Christel Berghäll, M.Sc. (Econ.) was appointed on August 11, 2008 as Senior Vice President, Human Resources of YIT Group as of November 3, 2008. Veikko Myllyperkiö, M.Sc. (Pol.Sc.) was appointed as Senior Vice President, Corporate Communications of YIT Corporation on December 3, 2008.

The Board of Directors of YIT Corporation appointed on November 20, 2008 Juhani Pitkäkoski, LL.M. as the President and CEO of YIT Corporation and Kari Kauniskangas, M.Sc. (Eng.), B.Sc. (Econ.) as his deputy. The former President and CEO, Hannu Leinonen, left the company. The former Deputy to the President and CEO, Sakari Toikkanen, assumed the position of Senior Vice President, Business Development.

In December 2008, the composition of the Group Management Board was decided to be revised so that effective January 1, 2009 it will comprise: President and CEO and Head of the Building and Industrial Services business segment, Deputy to the Group's President and CEO and Head of International Construction Services business segment, Head of the YIT Construction Services Finland business segment, Managing Director of YIT’s building systems company in Norway, and Senior Vice President responsible for development in building systems, Head of industrial services, the Group's Chief Financial Officer, the Group's Senior Vice President, Business Development, the Group's Senior Vice President, Human Resources. The Group’s Senior Vice President, Administration, serves as the secretary of the Management Board.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting was held on March 13, 2008. The Annual General Meeting adopted the 2007 financial statements and discharged the members of the Board of Directors and the President and CEO from liability, and confirmed that a dividend of EUR 0.80 would be paid per share, or a total of EUR 101.8 million, in accordance with the Board's proposal. April 2, 2008, was set as the dividend payout date. The General Meeting confirmed the composition of the Board of Directors and re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor. YIT Corporation published stock exchange releases on the resolutions passed at the Annual General Meeting on March 13, 2008.

YIT Corporation held an Extraordinary General Meeting on October 6, 2008. The meeting decided to authorise the Board of Directors to purchase the company's own shares and to dispose of them, as proposed by the Board of Directors. The authorisation granted to the Board of Directors covers 10% of the company's shares, i.e. the acquisition of a maximum of 12,722,342 company shares, purchased with the company's unrestricted equity, and the disposal of the shares according to conditions described in more detail in the Board of Directors' proposal. YIT Corporation published a stock exchange release on the resolutions passed at the Extraordinary General Meeting on October 6, 2008.

LEGAL PROCEEDINGS

On March 10, 2008, the Supreme Court in Finland announced its ruling regarding the disputes arising from the refurbishing of SOK's former head office, Kiinteistö Oy Vilhonkatu 7, which was completed in 1999. The ruling had a positive effect of EUR 5.7 million on YIT's profit before taxes. The sum was recognised in full in YIT's result for January-March 2008.

The disagreement that has arisen in the final financial settlement for the mechanical installation works on production line 4, which was completed at Neste Oil's Porvoo oil refinery in Finland in the summer of 2007, was submitted to the court of arbitration in April 2008. In September, Neste Oil specified its claims against YIT Industrial and Network Services in the court of arbitration proceedings by also claiming compensation for lost production. Neste Oil's claims amount to a total of EUR 107 million. YIT is contesting Neste Oil's claims and has presented claims against Neste Oil, mainly based on the alterations and additional work performed, and the additional costs that arose from the prolongation of the contract. YIT published stock exchange releases concerning the matter on April 1, 2008 and September 1, 2008.

In addition, the Group is engaged in other minor legal proceedings that are connected to ordinary operations and whose outcomes are difficult to predict. However, these proceedings do not have a significant effect on the Group's financial standing.

NUMBER OF PERSONNEL WAS ADJUSTED

In 2008, the Group employed 25,057 (23,394) people on average. Of the personnel, 67 per cent (68%) were non-salaried employees and 33 per cent (32%) salaried employees. A total of 89 per cent (90%) were men and 11 per cent (10%) women.

The number of personnel increased in Building Systems when the operations acquired in Central Europe were transferred to YIT. The number of employees decreased in Construction Services Finland and in the Baltic countries.

At the end of the year, the Group had 25,784 employees (24,073). Of YIT's employees, 39 per cent work in Finland, 36 per cent in the other Nordic countries, 12 per cent in Russia, 8 per cent in Central

Europe and 5 per cent in the Baltic countries. The largest segment by personnel is Building Systems, employing nearly 60 per cent of YIT's personnel.

Due to the weakened general market conditions, it was agreed in 2008 to terminate the employment of about 1,200 people in the Group.

Personnel by business segment

	12/2008	12/2007	Share of the Group's employees
Building Systems 1)	15,334	12,646	59%
Construction Services Finland	3,271	3,431	13%
International Construction Services	3,277	2,988	13%
Industrial Services 2)	3,554	4,663	14%
Corporate Services	348	345	1%
YIT Group, total	25,784	24,073	100%

Personnel by country

	12/2008	12/2007	Share of the Group's employees
Finland 2)	10,180	11,586	39%
Sweden	4,523	4,403	17%
Norway	3,280	3,008	13%
Russia	3,089	2,154	12%
Germany, Austria, Poland, the Czech Republic, Hungary, Romania 1)	2,094	-	8%
Denmark	1,448	1,267	6%
Lithuania, Estonia, Latvia	1,170	1,655	5%
YIT Group, total	25,784	24,073	100%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.
2) As a result of the sale of the Network Services division, approximately 1,000 Finnish employees left YIT, in the Industrial Services segment, at the beginning of 2008.

DEVELOPMENT BY BUSINESS SEGMENT

Building Systems

In 2008:
- Building Systems' revenue increased by 20% to EUR 1,975.0 million (EUR 1,650.0 million).
- Service and maintenance operations accounted for 53 per cent (63%) of the segment's revenue.
- Operating profit increased by 17 per cent to EUR 131.8 million (EUR 112.2 million).
- Operating profit margin was 6.7 per cent (6.8%).
- Return on investment was 51.8 per cent (55.3%). The method of presenting intra-Group financial items in the segments has been revised. The comparison figures have been adjusted according to the same principle.
- Order backlog increased by 19 per cent to EUR 841.9 million (EUR 707.7 million) at the end of the year.
- At the end of the year, the segment had 15,334 employees (12,646).

Fourth quarter:

- Building Systems' revenue increased by 25% to EUR 597.5 million (EUR 479.7 million).
- Operating profit decreased by 9 per cent to EUR 37.2 million (EUR 41.1 million).

Building Systems revenue by country, MEUR

	1-12/ 2008	1-12/ 2007	Change	Share of the segment's revenue for 1-12/2008
Sweden	632.6	606.4	4%	32%
Norway	490.1	440.4	11%	25%
Finland	428.3	384.9	11%	22%
Denmark	169.9	165.6	3%	9%
Germany, Austria, Poland, the Czech Republic, Hungary and Romania 1)	182.6	-	-	9%
Lithuania, Estonia, Latvia and Russia	71.4	52.7	35%	3%
Total	1,975.0	1,650.0	20%	100%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.

Strengthening market position

In the Building Systems segment, YIT acquired MCE AG's building system service business in Germany, Austria, Poland, the Czech Republic, Hungary and Romania. The revenue of these business operations for 2007 amounted to EUR 355 million, and the employees transferred to YIT numbered about 2,100. The transaction was finalised on August 1, 2008. The acquisition provided YIT with a foothold in new markets. The profitability of the acquired operations can be improved by shifting operations towards long-term service agreements and maintenance and servicing operations. Synergy benefits are achieved from the harmonisation of operations, expanded service offering and in procurement activities. The integration of the acquired operations was carried out successfully during 2008. The revenue of the operations acquired in Central Europe for August-December amounted to EUR 182.6 million. At the end of the year, the order backlog of these operations was EUR 265.6 million and their employees numbered 2,094.

In addition, minor company and business acquisitions were made in Finland, Norway, Sweden and Denmark. Competence was strengthened particularly in piping deliveries and as a supplier of energy efficiency solutions by acquiring a company specialising in building automation in Finland.

In Finland, the business operations in the areas of investor, lease management and financial administration services for property management were sold.

Demand for building systems levelled off

The building system service market development continued favourably during the first half of the year, and the demand for technical system installations was good. The demand for building equipment system services levelled off towards the end of the year in the Nordic countries, Central Europe and Russia and decreased in the Baltic countries.

Good demand for service agreements continued

The demand for building system repair and maintenance work and various service agreements remained stable in the Nordic countries and Russia. The demand for repair and maintenance work was also good in Central Europe. The demand for property management services remained good.

Growing demand for energy services

Increasing attention has been paid to the energy efficiency of buildings and their building systems due to an increase in regulations. Improving the energy efficiency of the existing building stock boosts the number of repair and modernisation projects and the need for real estate maintenance services.

In the Nordic countries, several agreements were made on building system investments that increase energy efficiency. The costs will be funded by the realised energy saving. Energy consumption management is also included in several service agreements.

Construction Services Finland

In 2008:

- Construction Services Finland's revenue remained at the previous year‘s level and was EUR 1,147.9 million (EUR 1,158.2 million).
- Maintenance business accounted for 6 per cent (5%) of revenue.
- Operating profit decreased by 16 per cent to EUR 111.7 million (EUR 133.5 million).
- Operating profit margin was 9.7 (11.5%).
- Return on investment was 28.0 per cent (35.3 %). The method of presenting intra-Group financial items in the segments has been revised. The comparison figures have been adjusted according to the same principle.
- Order backlog decreased by 26 per cent to EUR 874.2 million (EUR 1,183.8 million).
- Capital tied into plot reserves in Finland amounted to EUR 350.5 million (EUR 344.3 million) at the end of the year.
- At the end of the year, the segment had 3,271 employees (3,431).

Fourth quarter:

- Construction Services Finland's revenue decreased by 6 per cent to EUR 268.6 million (EUR 287.2 million).
- Operating profit decreased by 35 per cent to EUR 18.8 million (EUR 29.0 million).

The figures for 2007 are comparison figures calculated as the business segment structure changed on January 1, 2008.

In Construction Services Finland, revenue and operating profit developed favourably in civil engineering and construction of business premises, but the segment’s operating profit decreased on the previous year due to a sharp decline in residential sales.

The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for 1-3/2008.

Construction of business premises continued

Office, business and logistics premise construction was brisk. In the Helsinki region, the demand for new business premises remained favourable as companies invested in the quality, functionality and cost-efficiency of their premises.

In early 2008, YIT started the construction of the Maalitori office building in Vantaa, the Graanintie 6 business premise in Mikkeli, the Koskelo Trade Park logistics centre in Espoo, and the construction of a shopping centre in Piispanristi in Turku as real estate development projects. In addition, agreements were signed on several tender-based projects: an office building is constructed for Lindström Invest in Helsinki and head office premises for Tapiola in Espoo. No new property development projects were started towards the end of the year, but preparations for them continued.

Sales of several office premises with start-ups in 2007 were closed in accordance with what was agreed previously. YIT sold the Entresse shopping centre in Espoo, extension of YIT's head office and the Duetto premises in Helsinki and the Porttipuisto shopping centre and Avia Line office buildings in Vantaa to real estate investors. Tapiola became the final investor in the Atomi block in Riihimäki.

Housing sales decreased compared to previous year

The number of sold residences decreased compared to last year. During the first months of the year, YIT had an exceptionally high number of premium sites on sale, which kept the value of the sales steady. Towards the end of the year, housing sales decreased considerably and their value decreased as housing sales concentrated on smaller residential units and more economical sites. YIT sold residential units to investors as larger entities in different parts of Finland and succeeded in keeping the number of completed but unsold residential units low. Both individual private investors and investor groups purchased YIT Homes during the last months of the year.

Two significant preliminary agreements were made towards the end of the year on the construction of rental housing; with IceCapital concerning more than 700 residential units and with VVO concerning more than 200. Construction of leisure-time residences and centres continued in different locations in Finland. Agreements were signed, for instance, on the construction of a leisure facility at Levi and cooperation in the development of the Vanajanlinna area in Hämeenlinna during the year.

Housing start-ups were decreased due to market uncertainties. A total of 1,920 (2,733) residential units were sold in Finland, 1,542 (2,424) were started and 2,464 (3,011) were completed. At the end of the year, there were 1,887 (2,809) residential units under construction, of which 760 (1,189) had not been sold. There were 358 (280) completed but unsold residential units. In Finland, the construction time of housing projects is approximately a year.

YIT decided to adopt low-energy building in its entire residential development in Finland. All YIT Homes sold to customers planned in 2008 or later will be built as low-energy houses.

Favourable demand in infrastructure construction

The demand for civil engineering remained good. An agreement was signed with the Finnish Road Administration, Uusimaa Region, on a sizeable four-year road construction project to improve the functioning of the Kehä I ring road in Leppävaara, Espoo. The value of the agreement including the traffic control systems is EUR 88 million.

In the municipal sector, a first-of-a-kind agreement was made, according to which the municipality of Inkoo outsourced all production and personnel of its technical administration to YIT. A joint venture was established with the city of Mikkeli that offers services related to the technical infrastructure in Eastern Finland. YIT is the largest private maintainer of roads in Finland. YIT's market share of maintenance of the state-owned roads is 20 per cent, including a total of 14 contracts for Road Administration.

Plot reserve

Capital tied into plot reserves in Finland amounted to EUR 350.5 million (EUR 344.3 million) at the end of the year. The plot reserve included residential plots with 1,770,000 m2 (1,735,000 m2) of floor area and business premise plots with 827,000 m2 (839,000 m2) of floor area. Plot investments were decreased.

Plot reserves include plots that have been planned and an estimate of the potential building rights on areas that are under land use planning. The building rights provided by regional development agreements made with landowners remain as off-balance sheet items until the construction of each phase of the plan being implemented begins or YIT pays for the plots in accordance with the agreements.

International Construction Services

In 2008:

- International Construction Services' revenue remained on the previous year's level and was EUR 493.5 million (EUR 486.1 million).
- Revenue increased by 27 per cent in Russia and decreased by 38 per cent in the Baltic countries.
- Operating profit decreased by 87 per cent to EUR 9.0 million (EUR 67.2 million).
- Operating profit margin decreased to 1.8 per cent (13.8%).
- Return on investment was 1.7 per cent (13.9 %). The method of presenting intra-Group financial items in the segments has been revised. The comparison figures have been adjusted according to the same principle.
- Order backlog decreased by 6 per cent to EUR 1,369.3 million (EUR 1,462.7 million). EUR 356 million of order backlog was in housing projects that have been stopped in Russia.
- International Construction Services' capital tied into plot reserves amounted to EUR 228.9 million (EUR 233.2 million) at the end of the year.
- At the end of the year, the segment had 3,277 employees (2,988).

Fourth quarter:

- International Construction Services' revenue decreased by 37 per cent to EUR 96.4 million (EUR 152.0 million).
- Operating result was EUR -9.2 million (EUR 21.7 million).

The figures for 2007 are comparison figures calculated as the business segment structure changed on January 1, 2008.

International Construction Services' operating profit decreased clearly due to weakened market conditions and non-recurring costs associated with the projects in the Gorelovo area in Russia. The negative impact of these projects totalled approximately EUR 20 million during the year. During the second quarter, costs were recognised in the operating profit of International Construction Services due to a delay in the property development projects in the Gorelovo area. During the third quarter, additional costs were recognised for the projects in the Gorelovo area due to increased costs related to infrastructure and specifications in their allocation. Operating profit decreased by approximately EUR 36 million compared to 2007 in the Baltic countries. In Russia, residential sales continued favourably during January-September but weakened rapidly during the last months of the year.

The order backlog of International Construction Services decreased by approximately EUR 170 million during the fourth quarter as a result of the devaluation of the ruble. Due to uncertainties in the market situation, YIT made in October a decision to halt the construction of certain residential projects in the start-up phase in Russia. The sales of these projects had not yet begun. These projects have 2,485 residential units and they accounted for approximately EUR 356 million in the order backlog at year's end.

International Construction Services revenue by country, MEUR

	2008	2007	Change	Share of the segment's revenue 1-12/2008
Russia	368.2	290.8	27%	75%
Estonia, Latvia,	118.7	192.2	-38%	24%

Lithuania				
Other countries	6.6	3.1	113%	1%
Total	493.5	486.1	2%	100%

Acquisition in the Czech Republic

YIT Construction Ltd signed an agreement on May 29, 2008, on a business acquisition that aims to expand housing production to the Czech Republic. The effective date of the transaction was July 1, 2008. YIT's holding in the acquired YIT Stavo company is initially 85 per cent, while private shareholders working in the company hold 15 per cent of its shares.

Residential sales continued favourably for most of the year

In Russia, residential sales continued favourably during January-September but weakened rapidly during the last months of the year. The impact of the global financial market crisis on the Russian market and tightening loan terms for companies caused several players to accelerate their residential sales from October; this stopped the increase in housing prices that had continued for a long time. In some areas, nominal prices declined. The rapid increase in interest rates, tightening terms of housing loans and estimates of future price trends weakened consumer confidence and made them refrain from buying residential units. The positive income trends of households and the need to improve the quality of living will support the demand for housing in Russia in the long term.

In Russia, 2,793 (2,168) residential units were sold, 3,622 (4,441) were started and 2,600 (1,573) were completed. At the end of the year, there were 8,407 (9,870) residential units under construction, of which 5,287 (7,179) had not been sold. There were 247 (11) completed but unsold residential units.

Slight changes in the number of residential units may take place after the start of construction due to the dividing or combining of residences. The definition of completed but unsold residential units has been specified at the turn of the year. The revision increased the number of completed but unsold residential units by 136. Due to uncertainties in the market situation, YIT has halted the construction of certain residential projects in the start-up phase in Russia. The sales of these projects had not yet begun. These projects have 2,485 residential units. These residential units are not included in the under construction figures above.

YIT has ongoing housing development projects in St. Petersburg, eleven cities in the Moscow region, Moscow, Yaroslavl, Yekaterinburg, Rostov-on-Don and Kazan.

Permits to make Gorelovo sites operational

In St. Petersburg, the construction of real estate development projects on YIT-owned plots that started at the beginning of 2007 continued.

YIT's new office building in St. Petersburg was completed, and operations began during the year. The final sales agreement on the site was signed with Evli funds in December.

In September, the local authorities of the Leningrad region granted YIT the official permits for putting into operation the Gorigo logistics centre and the Atria logistics centre. The food plant completed in the Gorelovo area requires the building technical solution and implementation of the final water and drain connections before it can be put into operation.

Construction of new real estate development projects were not started in 2008. In St. Petersburg the development of plots continued. In order to commence the construction of business and office premises, a company named ZAO YIT Properties was established in the Moscow region.

Active housing sales in the Baltic countries

The market situation in the Baltic countries softened considerably. The markets were weak in Estonia, Latvia and Lithuania. Demand for housing remained low and the activities of construction companies have focused on tender-based contracts. The overall volume of construction decreased clearly. Some public investments were postponed and suspended due to the weakened economic situation.

YIT engaged actively in housing sales and managed to decrease the number of unsold residential units compared to the previous year. There were no new housing start-ups. In 2008, 733 (372) residential units were sold in Estonia, Latvia and Lithuania, 0 (541) were started and 736 (1,090) were completed. At the end of the year, there were 592 (1,328) residential units under construction, of which 115 (929) had not been sold. There were 181 (100) completed but unsold residential units. The definition of completed but unsold residential units has been specified at the turn of the year. The revision increased the number of completed but unsold residential units by 84. In the Baltic countries, the construction time of housing projects is approximately a year.

Plot reserve

Capital tied up in plot reserves in Russia amounted to EUR 145.7 million (EUR 162.9 million) at the end of the year. The plot reserve included residential plots with 2,256,000 m2 (1,915,000 m2) of floor area and business premise plots with 565,000 m2 (521,000 m2) of floor area. Plot acquisitions were decreased but the development of existing plots continued. YIT signed a few preliminary agreements on plot acquisitions that will be paid in instalments as the projects are realised.

Capital tied up in plot reserves in the Baltic countries amounted to EUR 83.2 million (EUR 70.3 million) at the end of the year. Plot development costs have been added to the capital tied up in plot reserves in 2007. The plot reserve included residential plots with 398,000 m2 (420,000 m2) of floor area and business premise plots with 62,000 m2 (23,000 m2) of floor area. Some plots were acquired in the Baltic countries according to previously signed agreements and plot development continued.

Plot reserves include plots that have been planned and an estimate of the potential building rights on areas that are under land use planning. The building rights provided by regional development agreements made with landowners remain as off-balance sheet items until the construction of each phase of the plan being implemented begins or YIT pays for the plots in accordance with the agreements.

Industrial Services

In 2008:
- Industrial Services' revenue amounted to EUR 429.7 million (EUR 489.8 million).
- Service and maintenance operations accounted for 48 per cent (58%) of revenue.
- Finland accounted for 88 per cent of revenue, Russia for 2 per cent and England, Sweden and other export countries for 10 per cent.
- Operating profit was EUR 30.2 million (EUR 41.2 million).
- Operating profit margin was 7.0 per cent (8.4%).
- Return on investment was 74.6 per cent (102.1%). The method of presenting intra-Group financial items in the segments has been revised. The comparison figures have been adjusted according to the same principle.
- The order backlog amounted to EUR 208.3 million (EUR 219.2 million) at the end of the year.
- At the end of the year, the segment had 3,554 employees (4,663).

Fourth quarter:
- Industrial Services' revenue amounted to EUR 119.2 million (EUR 130.8 million).
- Operating profit was EUR 8.7 million (EUR 22.3 million).

The figures for 2007, excluding the order backlog, include the figures for the Network Services division, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million. The operating profit for 1-12/2007 includes proceeds from the sale of the Network Services unit in the amount of EUR +14.4 million and EUR -1.0 million due to restructuring of the Network Services unit. Approximately 1,000 people left YIT as a result of the divestment of Network Services.

Steady demand for industrial maintenance services

Demand for maintenance services remained steady. Maintenance agreements were made and extended with Borealis, UPM's Seikku sawmill and Altia's Rajamäki factory as well as on the annual maintenance of the Loviisa nuclear power plant.

Shutdown maintenance was carried out in all Finnish nuclear power plants, all of Botnia's pulp mills in Finland and several other industrial plants. YIT's and Botnia’s joint venture Botnia Mill Service is responsible for the maintenance of all of Botnia’s pulp mills in Finland.

Demand for investments varied by industry

In Finland, demand for industrial investment projects decreased in the forest industry due to financial problems in the sector. Demand for industrial investments remained good in the energy, steel and mining industries in early 2008 but softened towards the end of the year. Deliveries were agreed with Rautaruukki, Outokumpu Steel and the Talvivaara Mine Project. Interest in energy efficiency was on the rise in the industry. New comprehensive energy-saving projects were conducted, for example with Kemira Pigments and Ovako Wire.

Export deliveries were agreed in Sweden, United Kingdom, Portugal and Ukraine. Agreements on new deliveries to export destinations of Finnish forest industry companies were signed as well.

In Russia, deliveries included machine and equipment installations to the SaratovStroiSteklo glassworks.

SHARES, SHARE OPTIONS AND SHAREHOLDERS

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

Shares in YIT Corporation could be subscribed for in 2008 under the Series K, L and M share options issued in 2006 between April 1 and November 30, 2008. The subscription period with the Series K and L share options ended on November 30, 2008.

Share capital and number of shares

YIT Corporation’s share capital was EUR 149,104,766.72 at the beginning of the review period and the number of shares outstanding was 127,217,872.

A total of 5,550 shares were subscribed for with the Series K, L and M share options from 2006 in 2008. As a result of the subscriptions, the share capital was increased by EUR 111,981.50 on April 29, 2008.

At the end of the period, the share capital amounted to EUR 149,216,748.22 and the number of shares was 127,223,422.

Own shares and authorisations of the Board of Directors

In accordance with the Companies Act, the General Meeting decides on the buyback and conveyance of shares, as well as any decisions leading to changes in the share capital.

YIT Corporation did not hold any of its own shares at the beginning of 2008.

YIT Corporation held an Extraordinary General Meeting on October 6, 2008. The meeting decided to authorise the Board of Directors to purchase the company's shares within 18 months of the authorisation and to dispose them within five years from the authorisation. The authorisation granted to the Board of Directors covers 10% of the company's shares, i.e. the acquisition of a maximum of 12,722,342 company shares, purchased with the company's unrestricted equity, and the disposal of the shares according to conditions described in more detail in the Board of Directors’ proposal.

During 2008, YIT purchased 1,425,000 of its own shares in accordance with the authorisation granted by the Extraordinary General Meeting on October 6, 2008. Shares were acquired in four batches during 2008: November 28 (470,000 shares at an average price of EUR 4.67), December 1 (430,000 shares at an average price of EUR 4.68), December 2 (450,000 shares at an average price of EUR 4.57), December 3 (75,000 shares at an average price of EUR 4.54).

At the end of 2008, YIT Corporation held 1,425,000 of its own shares. During 2008, no shares in the parent company were owned by subsidiaries.

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

Trading in the share

At the end of 2008, the closing rate of YIT’s share was EUR 4.58 (2007: EUR 14.99). YIT's share price decreased by 69 per cent during 2007.

The highest price of the share during 2008 was EUR 19.99 (27.90) and the lowest was EUR 3.70 (EUR 14.79). The average price was EUR 10.89 (EUR 22.15). YIT Corporation’s market capitalisation at the end of the year was EUR 576.2 million (EUR 1,907.0 million). Market capitalisation at the end of the year 2008 excludes the own shares held by YIT Corporation.

Share turnover in 2008 amounted to 295,155,593 shares (245,671,719). The value of share turnover was EUR 3,221.4 million (EUR 5,448.3 million). The average daily turnover was 1,166,623 shares (982,687).

Trading with share options

During the report year, 81,662 Series K share options were traded at an average price of EUR 0.96, 150,180 Series L share options were traded at an average price of EUR 0.96 and 67,240 Series M share options were traded at an average price of EUR 2.15.

Number of shareholders increased

During 2008, the number of registered shareholders rose from 15,265 to 25,515, that is, by 67 per cent. The number of private investors increased by more than 9,500. At the beginning of the year, a total of 52.9 per cent (45.9%) of the shares were owned by nominee-registered and non-Finnish investors, while this figure was 36.5 per cent (52.9%) at year’s end.

During 2008, five so-called flagging notifications of change in ownership were made in accordance with Chapter 2, section 9 of the Securities Market Act.

Julius Baer Holding Ltd announced on May 19, 2008, that the fraction of YIT Corporation shares and votes held by companies belonging to it had increased to over 5 per cent and on July 15, 2008, that the fraction had decreased to under 5 per cent.

Corbis S.A and Fennogens Investments S.A announced on October 3, 2008, that their combined holdings had increased to 5.70 per cent of YIT Corporation's shares and votes. The companies are owned by the same parties. Fennogens Investments S.A announced on November 7, 2008, that its holding had increased to 5.85 per cent of YIT Corporation's shares and votes. Structor S.A announced on November 25, 2008, that its holding had increased to 10.02 per cent of YIT Corporation's shares and votes. At the same time it was notified that YIT Corporation shares owned by Fennogens Investments S.A and Corbis S.A have been transferred to Structor S.A, and thus these two companies no longer hold YIT shares.

MARKET SITUATION IN JANUARY 2009

The world economy is in recession. The OECD composite leading indicators published in mid-January show a deep recession in all significant financial areas in the world this year. The OECD predicts that the economy of the eurozone will continue to decline during the first half of this year and that economic growth will remain under the long-term average until mid-2010. At the end of January, the European Commission expected that the GDP of the Eurozone will decrease by 1.8 per cent this year and increase by 0.5 per cent in 2010.

According to Euroconstruct's December forecast, the construction of new housing and business premises will decrease in all Nordic countries both this and next year. Servicing and maintenance, renovation of housing and energy-saving investments will develop steadily. Public investments will increase. The economic situation in civil engineering will remain stable. Construction as a whole will decrease this year in the Nordic countries and level off or turn to moderate growth in 2010 apart from Finland.

The Russian Ministry of Economic Development and Trade predicted this year's GDP to decrease by 0.3 per cent. The forecast is based on a price of USD 41 per barrel of Urals oil and the implementation of the revival measures prepared by the government. The Baltic economies weakened considerably in 2008. Nordea predicts GDP to decrease by 4.5 per cent in Estonia, 6.0 in Latvia and 3.0 in Lithuania this year. The rate of decrease is expected to slow down in all Baltic economies next year.

The German economy will decrease by more than 2 per cent this year according to IFO's December estimate, and a slight decline will continue in 2010. The Austrian Institute of Economic Research, WIFO, predicts that GDP will decrease by 0.5 per cent this year and grow by 0.9 per cent next year. Growth prospects in the Central Eastern Europe countries have weakened due to tightened international financing, current account deficits and slump of European export countries.

SHORT-TERM AND LONG-TERM TARGETS

At the end of September 2008, YIT Group's strategic focus was shifted towards improving cash flow, adjusting the cost structure and ensuring the financial position after the economic conditions and the global financial market crisis had impacted YIT countries. The Group implemented several quick-acting measures. The Group's financial position was strengthened during the fourth quarter by increasing cash reserves by taking out pension loans and long-term and short-term bank loans. The need for capital was reduced by postponing housing start-ups to a better market situation and considerably reducing plot acquisition and other investments. In Russia, a decision was made in October to halt the construction in certain residential projects in the start-up phase; in these projects the sales had not yet begun. In the Baltic countries, YIT decreased actively the number of unsold residential units. The closing of the sales of several business premises were realised successfully at the end of the year. The Group carried out measures to cut EUR 40 million in fixed costs on annual level. The effect of these measures will be seen fully by the third quarter of 2009. In procurement, purchase agreements were adjusted to the market conditions.

The company’s aim is to maintain good competitiveness in the tightening market conditions. Towards the end of the year, the focus was shifted from adjusting the cost structure through rapidly effecting measures to strengthening sales and developing operations. In Finland, agreements were made on housing sales in larger entities during the latter part of the year and several preliminary agreements were signed on starting the construction of rental housing during 2009. YIT will continue to reduce production costs through efficient procurement and by developing work methods. Cost-efficiency will be increased also by utilising common processes more broadly in business operations as well as support services. Measures to improve the efficiency of invested capital and support cash flow will be continued. Market opportunities that are interesting to YIT will open up as public investments and rental housing production increase and the refurbishment, servicing and maintenance operations and investments in energy sector continue brisk.

After the review period on February 5, 2009, the Board of Directors of YIT Corporation confirmed the financial targets for the strategy period 2009-2011. The cash flow target was set for the first time at Group level. Operating cash flow after investments during strategy period must be sufficient for dividend payout and repayment of debt. The previous numerical revenue growth target of 10 per cent on average per year was abandoned. The target is positive revenue growth. The return on investment target was set at 20 per cent by the end of strategy period, versus the previous target of 22 per cent. The targets for equity ratio and dividend payout remained unchanged. The operating profit target of 9 per cent of revenue was abandoned.

Similarly, the separate target set for the Russian operations - average annual revenue growth of 50 per cent during the period 2006-2009 - was abandoned as the forecastability of the country's economic development in the next few years has weakened substantially.

Other targets remained unchanged. Target for equity ratio is 35 per cent and for dividend payout 40 to 60 per cent of net profit for the period.

In 2008, YIT Group's operating cash flow after investments amounted to EUR -19.4 million, revenue growth was 6 per cent, return on investment was 17.5 per cent, the equity ratio was 30.7 per cent and the Board's proposal for dividend payout for 2008 is 47.6 per cent.

MAJOR BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The most significant short-term business risks and uncertainties are connected with the sales risk of the order backlog and foreseeing and reacting to changes in the operating environment. The most important changes in the operating environment are oil price, which has a strong impact on the economic situation in Russia, and consumer confidence in Finland and Russia.

The sales risk included in the order backlog is mainly comprised of residential units under construction and completed but unsold residential units. At the end of the year, YIT's residential units under construction or completed but unsold residential units totalled 5,534 in Russia, 1,118 in Finland and 296 in the Baltic countries. In addition, there are 2,485 residential units in Russia whose construction was halted in the start-up phase. The development of consumer confidence brings uncertainty in the development of housing sales. Sales risk is managed by matching the number of housing start-ups with the number of sold residential units. A more detailed account of the structure of the order backlog is presented above under Order backlog and of housing production and measures under Development by business segment.

In Russia, the devaluation of the ruble originating in the financial market crisis has continued rapidly after the turn of the year. The ruble may lose 18 per cent of its value of the turn of the year within the limits of the ruble basket announced by the Bank of Russia on January 22.

The equities of the Russian subsidiaries, EUR 163.7 million, are unhedged in accordance with the finance policy, and the devaluation of the ruble has a negative impact equal to the amount of equity on the Group's shareholders' equity. Net equity investments in Russia were increased at the turn of the year.

If the devaluation of the ruble continues, this will have a decreasing impact on YIT's revenue and operating profit and an increasing impact on financial expenses in 2009. The decision to increase net equity investments in Russia will decrease the impact of fluctuations in the exchange rate of the ruble on financial expenses. On the other hand, financial expenses are increased by an exchange rate loss of EUR 10.5 million due to the valuation of the ruble forward position at the turn of the year, mainly allocated to the first quarter of 2009.

The risks in Gorelovo are connected with the final costs of implementing the technical solution of the water and sewer connections of the area. Negotiations on the connections are underway. The final costs arising from the delay of the inauguration of the food factory being built to the area will be specified later in accordance with the terms of the agreement made with the customer.

At the end of the year, the value of plots was tested in accordance with the requirements of the IFRS accounting principles. The testing did not result in any material changes in the value of plot reserves. Plot reserves are measured at acquisition cost and the value is impaired only when it is estimated that the building being constructed on the plot will be sold at a price lower than the sum of the price of the plot and the construction costs. If the poor market conditions continue, the risk of write-offs to plot values increases.

YIT's risk management policy defines the Group's most significant risks and methods of managing them from the point of view of the entire Group. A more detailed account of YIT's risk management policy and the most significant risks is published in the Annual Report 2008 and of the financing risk in the notes to the financial statements for 2008.

OUTLOOK FOR 2009

Due to the exceptional uncertainties in the general market situation, the Group's revenue and profit estimate for 2009 will be specified at a later time.

The revenue and profit uncertainties are related to the general economic environment and its impact on building and repair investments, as well as housing sales in Finland and Russia.

At the end of 2008, YIT's order backlog was EUR 3.2 billion, of which EUR 356 million was in postponed housing projects in Russia. The order backlog margins are at normal levels. The order backlog margins of unsold housing production are dependent on the development of housing prices and construction costs.

Approximately half of the revenue in Building and Industrial Services is derived from service and maintenance operations, where demand will develop relatively steadily in spite of the uncertain market conditions. The demand for renovation will continue to grow. Investments in industry and commercial real estate will decrease.

In Finland, housing construction is estimated to decrease, and focus will be on interest-subsidised and market-financed rental housing production. On the other hand, decreasing interest rates support housing demand. Construction of business premises is estimated to halve compared to the previous year. On the whole, building construction will decrease. The number of infrastructure projects will be steady or grow as a result of public sector stimulus measures in 2009.

In Russia, the strong need for housing and the high volume of YIT's ongoing housing production provide a basis for increasing revenue. The unpredictability of revenue and profit development has increased due to the weakening Russian economy, the ruble exchange rate and consumer confidence. The weak market situation in the Baltic countries will continue.

EVENTS AFTER THE END OF THE REVIEW PERIOD

On February 5, 2009, the Board of Directors of YIT Corporation confirmed the financial targets for the strategy period 2009-2011. The cash flow target was set for the first time at Group level. Operating cash flow after investments during strategy period must be sufficient for dividend payout and repayment of debt. The previous numerical revenue growth target of 10 per cent on average per year was abandoned. The target is positive revenue growth. The return on investment target was set at 20 per cent by the end of strategy period, versus the previous target of 22 per cent. The targets for equity ratio and dividend payout remained unchanged. The operating profit target of 9 per cent of revenue was abandoned.

Similarly, the separate target set for the Russian operations - average annual revenue growth of 50 per cent during the period 2006-2009 - was abandoned as the forecastability of the country's economic development in the next few years has weakened substantially.

Other targets remained unchanged. Target for equity ratio is 35 per cent and for dividend payout 40 to 60 per cent of net profit for the period.

BOARD OF DIRECTORS' PROPOSAL FOR THE USE OF DISTRIBUTABLE EQUITY

The distributable equity of YIT Corporation on December 31, 2008 amounts 240.378.235,50 euros, of which profit for the financial year 2008 is 78.522.970,02 euros.

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

- Payment of a dividend EUR 0,50 per share to shareholders	62.899.211,00
- Remains in distributable equity	177.479.024,50
	240.378.235,50

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 Board of Directors the proposed dividend payout does not jeopardise the company's solvency.

Helsinki, February 5, 2009

Reino Hanhinen Chairman	Eino Halonen Vice chairman
Antti Herlin	Teuvo Salminen
Kim Gran	Juhani Pitkäkoski President and CEO

FINANCIAL STATEMENTS BULLETIN JAN 1 - DEC 31, 2008: TABLES -
(The financial statements bulletin is based on the audited financial statements for 2008.)

1. Key figures of YIT Group

2. Consolidated financial statements January 1 – December 31, 2008

3. Notes

1. KEY FIGURES OF YIT GROUP

KEY FIGURES

	12/2008	12/2007	Change, %
Earnings per share, EUR 1)	1.05	1.77	-41
Diluted earnings per share, EUR 1)	1.05	1.77	-41
Equity per share, EUR	6.38	6.40	-
Average share price during the period, EUR	10.89	22.15	-51
Share price at end of period, EUR	4.58	14.99	-69
Market capitalization at end of period, MEUR	576.2	1,907.0	-70
Weighted average share-issue adjusted number of shares outstanding, thousands	127,104	126,872	-
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	127,104	127,028	-
Share-issue adjusted number of shares outstanding at end of period, thousands	125,798	127,218	-1
Net interest-bearing debt at end of period, MEUR	644.5	514.8	25
Return on investment, from the last 12 months, %	17.5	26.2	-33
Return on equity, %	16.5	30.5	-46
Equity ratio, %	30.7	36.7	-16
Gearing ratio, %	79.8	62.9	27
Gross capital expenditures, MEUR	85.2	51.6	63
% of revenue	2.2	1.4	50
Order backlog at end of period, MEUR 2)	3,233.7	3,509.3	-8
of which order backlog outside Finland	2,118.9	1,999.2	6
Average number of personnel	25,057	23,394	7

1) The net profit for October-December/2007 includes non-recurring positive items of EUR 9.0 million due to the sale of the Network Services division on December 31, 2007.
2) Portion of binding orders not recognized as income.
*) Change over 100%.

YIT GROUP FIGURES BY QUARTER

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008	III/2008	IV/2008
Revenue, MEUR	833.5	939.3	906.8	1,027.0	927.0	991.2	970.8	1,050.7
Operating profit, MEUR	61.2	78.5	89.4	108.7	78.6	70.5	63.1	48.4
% of revenue	7.3	8.4	9.9	10.6	8.5	7.1	6.5	4.6
Financial income, MEUR	0.6	0.5	0.6	0.8	3.2	0.6	0.9	1.2
Exchange rate differences, MEUR	-0.1	-1.6	0.5	-2.6	-0.8	-2.6	6.0	-27.6
Financial expenses, MEUR	-6.9	-7.6	-8.1	-8.4	-10.7	-8.0	-13.0	-16.7
Profit before taxes, MEUR	54.8	69.8	82.4	98.5	70.3	60.5	56.9	5.4
% of revenue	6.6	7.4	9.1	9.6	7.6,	6.1	5.9	0.5
Balance sheet total, MEUR	2,155.9	2,346.1	2,418.4	2,461.3	2,525.8	2,605.5	2,868.5	2,973.9
Earnings/share, EUR	0.31	0.42	0.47	0.57	0.40	0.33	0.29	0.03
Equity per share, EUR	4.95	5.38	5.85	6.40	5.97	6.32	6.61	6.38
Share price at end of period, EUR	25.80	23.35	20.84	14.99	17.97	15.98	7.30	4.58
Market capitalization at end of period, MEUR	3,270.8	2,963.1	2,644.7	1,907.0	2,286.1	2,033.0	928.7	576.2
Return on investment, from the last 12 months, %	25.4	25.7	25.8	26.2	28.1	25.6	21.9	17.5
Equity ratio, %	31.8	32.4	33.8	36.7	33.3	34.5	33.4	30.7
Net interest-bearing debt at end of period, MEUR	540.9	548.9	591.4	514.8	462.7	625.2	696.9	644.5
Gearing ratio, %	85.6	79.8	79.1	62.9	60.6	77.2	82.5	79.8
Gross capital expenditures, MEUR	15.8	5.7	12.0	18.1	11.8	14.0	51.1	8.3
Order backlog at end of period, MEUR	2,995.4	3,275.2	3,172.5	3,509.3	3,627.0	3,670.4	3,964.9	3,233.7
Personnel at end of period	22,418	23,474	23,836	24,073	23,644	24,978	26,688	25,784

SEGMENT INFORMATION BY QUARTER

Revenue by business segment (EUR million)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008	III/2008	IV/2008
Building Systems 1)	367.7	410.3	392.3	479.7	418.1	480.5	478.9	597.5
Construction Services Finland	291.5	307.0	272.5	287.2	284.9	308.6	285.8	268.6
International Construction Services	79.3	115.2	139.6	152.0	154.3	119.5	123.3	96.4
Industrial Services 2)	110.7	129.6	118.7	130.8	90.9	110.9	108.7	119.2
Other items	-14.1	-22.8	-16.4	-22.7	-21.2	-28.3	-25.9	-31.0
YIT Group, total	833.5	939.3	906.7	1 027.0	927.0	991.2	970.8	1,050.7

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008. The revenue of these operations for August-December 2008 amounted to EUR 182.6 million.
2) Revenue for 2007 includes the Network Services unit, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

Operating profit by business segment (EUR million)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008	III/2008	IV/2008
Building Systems 1)	18.8	25.6	26.7	41.1	26.3	32.6	35.7	37.2
Construction Services Finland 2)	35.6	35.5	33.4	29.0	35.4	29.4	28.1	18.8
International Construction Services	5.6	16.0	23.9	21.7	16.1	6.1	-4.0	-9.2
Industrial Services 3)	5.0	5.8	8.1	22.3	5.2	8.5	7.8	8.7
Other items	-3.8	-4.4	-2.7	-5.4	-4.4	-6.1	-4.5	-7.0
YIT Group, total	61.2	78.5	89.4	108.7	78.6	70.5	63.1	48.5

Operating profit margin by segment, %

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008	III/2008	IV/2008
Building Systems 1)	5.1%	6.2%	6.8%	8.6%	6.3%	6.8%	7.5%	6.2%
Construction Services Finland 2)	12.2%	11.6%	12.3%	10.1%	12.4%	9.5%	9.8%	7.0%
International Construction Services	7.1%	13.9%	17.1%	14.3%	10.4%	5.1%	-3.2%	-9.5%
Industrial Services 3)	4.5%	4.5%	6.8%	17.0%	5.7%	7.7%	7.2%	7.3%
YIT Group, total	7.3%	8.4%	9.9%	10.6%	8.5%	7.1%	6.5%	4.6%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.

2) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for January-March/2008.

3) Operating profit for 2007 includes the Network Services unit, which was sold on December 31, 2007. Operating profit for January-March/2007 includes EUR -1.0 million in costs for the downsizing of Network Services. The operating profit for October-December/2007 includes positive non-recurring items of EUR 14.4 million from the divestment of Network Services division.

Order backlog by business segment at end of period (EUR million)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008	III/2008	IV/2008
Building Systems 1)	670.3	721.8	740.5	707.7	825.3	799.9	1,046.4	841.9
Construction Services Finland	1,026.1	1,193.1	1,128.9	1,183.8	1,306.4	1,264.8	1,085.9	874.2
International Construction	1,111.8	1,185.2	1,134.4	1,462.7	1,381.7	1,483.7	1,678.2	1,369.3

Services								
Industrial Services 2)	228.8	213.6	221.7	219.2	224.3	222.8	238	208.3
Other items	-41.6	-38.5	-53.0	-64.1	-110.7	-100.8	-83.6	-60.0,
YIT Group, total	2,995.4	3,275.2	3,172.5	3,509.3	3,627.0	3,670.4	3,964.9	3,233.7

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.
2) The order backlog I/2007, II/2007 and III/2007 include the Network Services division, which was divested on December 31, 2007.

2. CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2008

CONSOLDIATED INCOME STATEMENT JANUARY 1 - DECEMBER 31, 2008 (EUR million)

	1-12/2008	1-12/2007	Change, %
Revenue	3,939.7	3,706.5	6
of which activities outside Finland	2,072.9	1,798.5	15
Operating income and expenses	-3,647.2	-3,342.7	9
Share of results of associated companies	-0.1	1.2	*)
Depreciation and write-downs	-31.8	-27.2	17
Operating profit	260.6	337.8	-23
% of revenue	6.6	9.1	-27
Financial income 1)	5.9	2.6	*)
Exchange rate differences	-25.0	-3.8	*)
Financial expenses	-48.4	-31.0	56
Profit before taxes	193.1	305.6	-37
% of revenue	4.9	8.2	-41
Income taxes	-58.8	-77.6	-24
Profit for the report period	134.3	228.0	-41
% of revenue	3.4	6.2	-45
Attributable to:			
Equity holders of the parent company	132.9	224.9	-41
Minority interests	1.4	3.1	-55
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	1.05	1.77	-41
Diluted earnings per share, EUR	1.05	1.77	-41

1) The financial income of the period January-March/2008 includes EUR +2.2 million due to the ruling of the Supreme Court of disputes over the refurbishing of SOK's former head office in Finland.
*) Change over 100%.

CONSOLIDATED INCOME STATEMENT OCTOBER 1 - DECEMBER 31, 2008 (EUR million)

	10-12/2008	10-12/2007	Change, %
Revenue	1,050.7	1,027.0	2
of which activities outside Finland	586.8	529.7	11
Operating income and expenses	-993.5	-910.7	9
Share of results of associated companies	-0.1	0.2	*)
Depreciation and write-downs	-8.7	-7.8	12
Operating profit 1)	48.4	108.7	-55
% of revenue	4.6	10.6	-56
Financial income	1.2	0.8	50
Exchange rate differences	-27.6	-2.6	*)
Financial expenses	-16.7	-8.4	99
Profit before taxes	5.4	98.5	-95
% of revenue	0.5	9.6	-95
Income taxes	-2.6	-24.6	-89
Profit for the report period 2)	2.8	73.9	-96
% of revenue	0.3	7.2	-96
Attributable to:			
Equity holders of the parent company	2.7	72.8	-96
Minority interests	0.1	1.1	-91
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.03	0.57	-95
Diluted earnings per share, EUR	0.03	0.58	-95

1) The operating profit for October-December/2007 includes positive non-recurring items of EUR 14.4 million from the divestment of Network Services division on December 31, 2007.
2) The net profit for October-December/2007 includes non-recurring items of EUR 9.0 million due to the sale of the Network Services division on December 31, 2007.
*) Change over 100%.

CONSOLIDATED BALANCE SHEET (EUR million)

	12/2008	12/2007	Change, %
ASSETS			
Non-current assets			
Property, plant and equipment	104.6	92.5	13
Goodwill	291.0	240.6	21
Other intangible assets	35.1	27.1	30
Shares in associated companies	3.8	3.6	6
Investments	2.5	2.5	-
Receivables	12.7	15.1	-16
Deferred tax assets	34.6	27.2	27
Current assets			
Inventories	1,509.9	1,265.0	19
Trade and other receivables	778.0	727.6	7
Cash and cash equivalents	201.7	60.2	*)
Total assets	2,973.9	2,461.3	21
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	149.2	149.1	0
Other equity	653.9	665.4	-2
Minority interests	4.6	3.8	21
Total equity	807.7	818.3	-1
Non-current liabilities			
Deferred tax liabilities	68.4	71.5	-4
Pension liabilities	19.7	7.5	*)
Provisions	45.0	34.2	32
Financing liabilities	516.2	356.9	45
Other liabilities	4.0	1.7	*)
Current liabilities			
Trade and other payables	1,140.8	928.4	23
Provisions	42.0	24.8	69
Current financing liabilities	330.1	218.1	51
Total equity and liabilities	2,973.9	2,461.3	21

*) Change over 100%.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR million)

	Share capital	Share premium reserve	Legal reserve	Other reserves	Cumulative translation differences	Fair value reserve	Own shares	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2008	149.1	-	1.0	13.9	-9.0	2.0	0.0	657.5	3.8	818.3
Items entered directly in shareholders' equity										
- Change in the fair value of interest derivatives	-	-	-	-	-	-4.8	-	-	-	-4.8
-- Deferred taxes	-	-	-	-	-	1.2	-	-	-	1.2
Change in fair value						-0.1				-0.1
- Change in translation differences	-	-	-	-	-26.2	-	-	-9.6	-	-35.8
- Other change	-	-	0.4	-	-	-	-		-0.4	-
Items entered directly in shareholders' equity, total	'-	-	0.4		-26.2	-3.7		-9.6	-0.4	-39.5
Net profit for the period	-	-	-	-	-	-	-	132.9	1.4	134.3
Income and expenses entered during the period total			0.4		-26.2	-3.7		123.2	1.1	94.8
- Dividend paid, EUR 0.80 per share	-	-	-	-	-	-	-	-101.8	-0.2	-102.0
- Own share buyback	-	-	-	-	-	-	-6.6	-	-	-6.6-
- Shares subscribed with options	0.1	-	-	-	-	-	-	-	-	0.1
- Employee share option scheme	-	-	-	-	-	-	-	3.1	-	3.1
Equity on Dec 1, 2008	149.2	-	1.4	13.9	-35.2	-1.7	-6.6	682.1	4.6	807.7
	Share capital	Share premium reserve	Legal reserve	Other reserves	Cumulative translation differences	Fair value reserve	Own shares	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2007	63.4	83.8	0.8	13.7	-4.5	1.0	-	512.3	3.9	674.4
Items entered directly in shareholders' equity										
- Change in the fair value of interest derivatives	-	-	-	-	-	1.3	-	-	-	1.3
-- Deferred taxes	-	-	-	-	-	-0.3	-	-	-	-0.3
- Change in translation differences	-	-	-	-	-4.5	-	-	-1.3	-	-5.8
- Other change	-	-1.0	0.2	0.0	-	-	-	-0.2	-2.9	-3.9
Items entered directly in shareholders' equity, total		-1.0	0.2		-4.5	1.0		-1.5	-2.9	-8.7
Net profit for the period	-	-	-	-	-	-	-	224.9	3.0	227.9
Income and expenses entered during the period total		-1.0	0.2		-4.5	1.0	0.0	223.4		-
- Dividend paid, EUR 0.65 per share	-	-	-	-	-	-	-	-82.4	-0.1	82.5
- Bonus issue	82.8	-82.8	-	-	-	-	-	-	-	-

- Shares subscribed with options	2.9	-	-	-	-	-	-	-	-	2.9
- Employee share option scheme	-	-	-	0.2	-	-	-	4.2	-	-
Equity on Dec 1, 2007	149.1	0.0	1.0	13.9	-9.0	2.0	0.0	657.5	3.8	818.3

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-12/2008	**1-12/2007**	**Change, %**
Cash flow from operating activities			
Net profit for the period	134.3	228.0	-41
Reversal of accrual-based items	197.1	125.0	47
Change in working capital			
Change in trade and other receivables	4.5	-32.9	-95
Change in inventories	-318.2	-259.8	21
Change in current liabilities	132.4	114.9	15
Change in working capital, total	-181.3	-177.8	4
Interest paid	-45.5	-28.8	67
Realised exchange rate gains and losses	2.7	1.5	80
Interest received	5.7	2.4	*)
Taxes paid	-65.3	-66.2	-19
Net cash generated from operating activities	47.8	84.1	-49
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	-38.9	-14.1	*)
Acquisition of subsidiaries	-0.2	0.0	-
Proceeds from sale of shares in associated companies	0	0.4	*)
Purchase of property, plant and equipment	-33.5	-28.7	17
Purchase of intangible assets	-4.1	-6.4	-36
Increases in other investments	0	-0.1	*)
Disposals of subsidiaries and businesses	4.2	31.7	-87
Disposals of subsidiaries and businesses	0	4.4	*)
Proceeds from sale of tangible and intangible assets	4.7	0.0	-
Proceeds from sale of investments	0.6	-	-
Net cash used in investing activities	-67.2	-12.9	*)
Operating cash flow after investments	-19.4	71.2	*)
Cash flow from financing activities			
Proceeds from share issues	0.1	2.9	-97
Decrease in loan receivables	0.0	0.1	*)
Change in current liabilities	103.3	-50.1	*)
Proceeds from borrowings	265.0	168.1	58
Repayments of borrowings	-97.5	-74.2	31
Payments of financial leasing debts	-0.5	-1.4	-64
Own share buyback	-6.6	-	-
Dividends paid	-102.0	-82.6	23
Net cash used in financing activities	161.8	-37.2	*)
Net change in cash and cash equivalents	142.4	34.0	*)
Cash and cash equivalents at the beginning of the period	59.2	25.9	*)
Change in the fair value of the cash equivalents	-3.9	-0.7	*)
Cash and cash equivalents at the end of the period	197.7	59.2	*)

*) Change over 100%.

3. NOTES

ACCOUNTING PRINCIPLES APPLIED IN THE FINANCIAL STATEMENT

YIT Corporation's financial statements for January 1 – December 31, 2008 have been drafted in line with the IAS 34 Interim Financial Reporting standard. The consolidated financial statements have been drafted in compliance with the International Financial Reporting Standards, and the IAS/IFRS standards approved by the EU Commission by December 31, 2008 and SIC and IFRIC interpretations have been complied with in the drafting of the statements. Standard amendments or new interpretations that took effect in 2008 have not had a significant effect on the Group's financial statements for 2008. The financial statements bulletin is based on the audited financial statements for 2008.

Evaluation of the future effect of new standards and interpretations

IASB has published the following new or revised standards and interpretations that the EU Commission has not endorsed by December 31, 2008, and which the Group has not yet applied. The Group will, however, adopt them as from the effective date of each standard or interpretation or the beginning of the following financial period. According to the Group management's evaluation the following revised standards and interpretations will have a significant effect on the Group's financial reporting.

- <u>IAS 23 (revised) Borrowing Costs:</u> The revised standard requires that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, such as a construction project, shall be capitalised as part of the cost of that asset The Group has previously expensed borrowing costs in the period during which they have emerged, which was previously approved. The revision of the standard impacts YIT Group such that borrowing costs attributable to construction projects that begin on January 1, 2009, or thereafter, will be allocated to the project and capitalised in the balance sheet. Capitalised borrowing costs are recognised through profit and loss with an effect on operating profit when the project revenue is recognised.

- <u>IFRIC 15 Agreements for the Construction of Real Estate</u>: The interpretation provides guidance on when to account for revenue from the construction of real estate based on delivery according to the IAS 18 standard and when the percentage of completion method can be used in accordance with the IAS 11 standard. The entry into force of the interpretation will change YIT Group's revenue recognition from housing developer contracting to take place mainly at the time of delivery, while so far revenue and operating profit have been recognised based on the percentage of completion and percentage of sale. In this respect, the amendment will mainly have an impact on the reporting of revenue, operating profit, profit for the period, inventories, advances received, interest-bearing liabilities, shareholders' equity and balance sheet total. The amendment will also have an impact on the indicators. Application of the percentage of completion method may continue in other construction projects while terms according to IAS 18:14 are fulfilled continuously as the construction progresses. The impression at the closing date was that the EU Commission will enforce the interpretation during early 2009 and that it should be applied to the financial period starting on January 1, 2010.

Other revised standards and interpretations that are described in the accounting principles of the Financial Statements 2008 will have a minor or no effect on the Group's financial reporting.

FINANCIAL RISK MANAGEMENT

Financial risks include liquidity, interest rate, currency and credit risk, and their management is a part of the Group's financing policy. The Board of Directors has approved the Corporate Finance Policy. The Group's Finance Department is responsible for the practical implementation of the policy in association with the business segments. During October-December/2008, the foreign exchange hedging policy was revised so that ruble hedging is replaced by hedging against the ruble basket, up to the counter value of EUR 165 million, as ruble forward contracts expire.

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

A more detailed account of financial risks will be published in the notes to the financial statements for 2008.

SEGMENT INFORMATION

YIT's business operations were divided into four business segments: Building Systems, Construction Services Finland, International Construction Services and Industrial Services.

YIT Group's business segment structure was revised as of the beginning of 2008, with Construction Services being divided into two segments: Construction Services Finland and International Construction Services, which includes the business operations in Russia, the Baltic countries and Central Eastern Europe.

The figures for 2007 are comparison figures calculated as the business segment structure changed on January 1, 2008.

Revenue by business segment (EUR million)

	1-12/2008	1-12/2007	Change, %
Building Systems 1)	1,975.0	1,650.0	20%
Construction Services Finland	1,147.9	1,158.2	-1%
International Construction Services	493.5	486.1	2%
Industrial Services 2)	429.7	489.8	-12%
Other items	-106.4	-77.6	37%
YIT Group, total	3,939.7	3,706.5	6%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008. The revenue of these operations for August-December 2008 amounted to EUR 182.6 million.
2) Revenue for 2007 includes the Network Services unit, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

Operating profit by business segment (EUR million)

	1-12/2008	1-12/2007	Change, %
Building Systems 1)	131.8	112.2	17%
Construction Services Finland 2)	111.7	133.5	-16%
International Construction Services	9.0	67.2	-87%
Industrial Services 3)	30.2	41.2	-27%
Other items	-22.1	-16.23	35%
YIT Group, total	260.6	337.8	-23%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.

2) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for January-March/2008.

3) Operating profit for 2007 includes the Network Services unit, which was sold on December 31, 2007. Operating profit for January-March/2007 includes EUR -1.0 million in costs for the downsizing of Network Services. The operating profit for October-December/2007 includes positive non-recurring items of EUR 14.4 million from the divestment of Network Services division.

Order backlog by business segment at end of period (EUR million)

	12/2008	12/2007	Change, %
Building Systems 1)	841.9	707.7	19%
Construction Services Finland	874.2	1,183.8	-26%
International Construction Services	1,369.3	1,462.7	-6%
Industrial Services 2)	208.3	219.2	-5%
Other items	-60.0	-64.1	-6%
YIT Group, total	3,233.7	3,509.3	-8%

1) The business operations acquired from Central Europe transferred to YIT on August 1, 2008.
2) The order backlog 12/2007 does not include the Network Services division, which was divested on December 31, 2007.

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-12/2008	1-12/2007
Industrial Services		
Rearrangements	-	-1.0
Divestment of Network Services division	-	14.4
Construction Services Finland	3.5	-
Total	3.5	13.4

The operating profit for the Industrial Services segment for January-March/2007 includes EUR -1.0 million due to costs from restructuring of the Network Services division. The Network Services division was divested on December 31, 2007.

The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for January-March/2008.

ACQUIRED BUSINESSES (MEUR)

In the Building Systems segment, YIT acquired MCE AG's building system service business in Germany, Austria, Poland, the Czech Republic, Hungary and Romania. The transaction was finalised on August 1, 2008. The value of the acquisition was EUR 55 million, after contractual liabilities and obligations the purchase price is EUR 36.1 million. Expert fees of EUR 1.6 million were included in the purchase price. The purchase price was paid in cash. Of the paid premium, EUR 5.4 million was allocated to customer acquisition in the servicing business. The transaction resulted in preliminary goodwill of EUR 50.4 million. According to the management's estimate, the goodwill is based on the foothold on new market areas provided by the MCE subgroup and the opportunities of directing business operations towards long-term service and maintenance agreements and servicing and maintenance work. These measures make it possible to improve the profitability of the operations. In addition, possible synergy benefits are seen to be achieved from the harmonisation of processes, expanded service offering and in procurement activities. The MCE subgroup's effect on YIT Group's revenue for 2008 is EUR 182.6 million. Revenue of the MCE subgroup for 2008 as a whole would have amounted to EUR 387.3 million.

The effect of the acquisition of MCE subgroup in 2008 on the Group's net assets is presented below:

	The fair value in balance sheet	Seller's carrying amount before the consolidation
The effect on balance sheet assets and liabilities:		
Property, plant and equipment	5.2	6.3
Intangible assets	5.4	10.6
Inventories	1.7	1.7
Trade and other receivables	98.2	104.2
Cash and cash equivalents	0.9	0.9
Other liabilities	-124.8	-124.4
Acquired net assets	-14.3	-1.5
Total consideration	36.1	
Goodwill	50.4	

The effect on cash flow:		
Paid in cash	36.1	
Cash and cash equivalents in acquired entity	0.0	
Cash flow on acquisitions	36.1	
Unpaid items	-7.5	
Cash flow on acquisitions	28.5	

In addition, YIT Group made smaller business acquisitions. Competence as a supplier of energy efficiency solutions was strengthened in the Building Systems segment by acquiring Computec, an expert in building automation, in Finland, and other acquisitions were made in Finland, Norway, Sweden and Denmark. YIT Construction Ltd acquired an 85% share of the Czech company Euro Stavokonsult s.r.o. on July 1, 2008.

The total cost of acquisitions made during the financial period amounted to EUR 47.4 million. The minor acquisitions did not result in goodwill. The paid premiums were allocated to intangible assets.

The effect of the other acquisitions made in 2008 on the Group's net assets is presented below:

	The fair value in balance sheet	**Seller's carrying amount before the consolidation**
The effect on balance sheet assets and liabilities:		
Property, plant and equipment	0.9	0.9
Intangible assets	1.0	1.0
Inventories	9.5	0.4
Trade and other receivables	1.4	1.4
Cash and cash equivalents	3.5	3.5
Other liabilities	-5.0	-4.7
Acquired net assets	11.3	2.6
Total consideration	11.3	
Goodwill	0.0	
The effect on cash flow:		
Paid in cash	11.3	
Cash and cash equivalents in acquired entity	0.9	
Cash flow on acquisitions	10.4	

DIVESTED BUSINESSES (MEUR)

YIT Kiinteistötekniikka Oy sold the business operations in the areas of investor, lease management and financial administration services for property management. The effective date of the transaction was July 1, 2008.

	Jan 1 - Dec 31, 2008
The effect on revenue and net profit:	
Revenue	5.9
Operating expenses	-5.1
Profit before taxes	0.8
Taxes	-0.2
Net profit	0.6
The effect on balance sheet assets and liabilities:	

Property, plant and equipment	0
Intangible assets	0
Inventories	0
Trade and other receivables	0
Cash and cash equivalents	0
Trade and other payables	0
Interest-bearing liabilities	0
Net assets	0
The effect on cash flow:	
Received in cash	5.3
Direct costs related to disposals	-1.1
Cash and cash equivalents in disposed entity	0
Cash flow on disposals	4.2

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (MEUR)

	1-12/2008	**1-12/2007**	**Change, %**
Carrying value at the beginning of period	92.5	91.8	1
Increase	33.2	29.4	13
Increase through acquisitions	6.2	1.1	*)
Decrease	-3.4	-4.0	-15
Decrease through disposals	0.0	-2.4	*)
Depreciation and value adjustments	-24.6	-20.3	21
Reclassification	0.7	-3.1	*)
Carrying value at the end of period	104.6	92.5	13

*) Change over 100%.

INVENTORIES (MEUR)

	1-12/2008	**1-12/2007**	**Change, %**
Raw materials and consumables	20.1	19.4	4
Work in progress	690.5	488.3	41
Land areas and plot owning companies	579.3	567.1	2
Shares in completed housing and real estate companies	135.9	80.0	70
Advance payments	83.7	104.4	-20
Other inventories	0.4	5.8	-93
Total inventories	1 509.9	1 265.1	19

*) Change over 100%.

NOTES ON EQUITY (MEUR)

Share capital and treasury shares	**Number of shares**	**Share capital**	**Treasury shares**	**Total**
Jan 1, 2008	127,217,872	149.1	-	149.1
Share subscription with options	5,550	0.1	-	0.1
Own share buyback	-1,425,000	-	-6.6	-6.6
Dec 31, 2008	125,798,422	149.2	-6.6	142.6

INTEREST-BEARING LIABILITIES (MEUR)

No bonds were raised during the review period.

CHANGE IN CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS (MEUR)

	12/2008	12/2007	Change, %
Collateral given for own commitments			
Corporate mortgages	29.3	29.3	0
Other commitments			
Repurchase commitments	139.1	202.9	-31
Operating leases	352.2	294.3	20
Rental guarantees for clients	11.0	7.8	41
Other contingent liabilities	-	0.7	-
Other guarantees	-	12.4	-
Liability under derivative contracts			
Value of underlying instruments			
Interest rate derivatives	239.2	399.8	-40
Foreign currency derivatives	213.7	245.5	-13
Market value			
Interest rate derivatives	-5.3	3.5	*)
Foreign currency derivatives	26.8	3.6	*)
Contingent assets			
Legal proceedings	0.0	11.1	*)

*) Change over 100%.

The disagreement that has arisen in the final financial settlement for the mechanical installation works on production line 4, which was completed at Neste Oil's Porvoo oil refinery in Finland in the summer of 2007, was submitted to the court of arbitration in April 2008. In September, Neste Oil specified its claims against YIT Industrial and Network Services in the court of arbitration proceedings by also claiming compensation for lost production. Neste Oil's claims amount to a total of EUR 107 million. YIT is contesting Neste Oil's claims and has presented claims against Neste Oil, mainly based on the alterations and additional work performed, and the additional costs that arose from the prolongation of the contract. No provision is recognised in the financial statements for 2008 due to claims against YIT.

TRANSACTIONS WITH ASSOCIATED COMPANIES (MEUR)

	1-12/2008	1-12/2007	Change, %
Sales to associated companies	3.6	4.8	-25
Purchases from associated companies	14.4	40.1	-64
Trade and other receivables	0.1	0.1	-
Trade and other liabilities	0.5	0.8	-38

*) Change over 100%.

EVENTS AFTER THE END OF THE REVIEW PERIOD

On February 5, 2009, the Board of Directors of YIT Corporation confirmed the financial targets for the strategy period 2009-2011. The cash flow target was set for the first time at Group level. Operating cash flow after investments during strategy period must be sufficient for dividend payout and repayment of debt. The previous numerical revenue growth target of 10 per cent on average per year was abandoned. The target is positive revenue growth. The return on investment target was set at 20 per cent by the end of strategy period, versus the previous target of 22 per cent. The targets for equity ratio and dividend payout remained unchanged. The operating profit target of 9 per cent of revenue was abandoned.

Similarly, the separate target set for the Russian operations - average annual revenue growth of 50 per cent during the period 2006-2009 - was abandoned as the forecastability of the country's economic development in the next few years has weakened substantially.

Other targets remained unchanged. Target for equity ratio is 35 per cent and for dividend payout 40 to 60 per cent of net profit for the period.