

**YIT's financial statements bulletin for 2007:
STRONG AND BALANCED PROFITABLE GROWTH CONTINUED**

YIT Group's strong and balanced growth continued in 2007. The Group met all its published financial targets. Revenue increased by 13% and operating profit by 31% on the previous year. The order backlog also reached an all-time high level. The Board of Directors proposes raising the dividend per share for the thirteenth year in a row and that a dividend of EUR 0.80 per share be paid for 2007.

"Profitable growth continued in all our geographic areas of operation and business segments, even though uncertainties in the economy increased towards the end of the year. Brisk business premise construction increased the demand for building equipment system services in the Nordic countries. There was increase in deliveries of energy efficiency-related solutions and service agreements. In Russia, residential sales picked up considerably towards the end of the year. We expanded our network of branch offices in Russia by establishing a joint venture in Rostov-na-Donu," says President and CEO Hannu Leinonen.

"Service and maintenance agreements that increase stability in the long-term accounted for 37% of the Group's revenue. In Finland, the rise in business premise and infrastructure construction kept construction activity growing as a whole, despite the slackening of residential demand, which has been strong for several years. Partnership agreements and our specific competence maintained the demand for our industrial services," continues Leinonen.

Profitable growth in all business segments

In Building Systems, operating profit increased by 28% to EUR 112.2 million (2006: EUR 87.6 million). Operating profit margin rose to 6.8% (6.2%). Revenue increased by 17%. Order backlog grew by 18%.

Operating profit in Construction Services increased by 17% to EUR 200.6 million (EUR 170.8 million). Operating profit margin remained excellent, amounting to 12.3% (11.8%). Revenue increased by 13%. Order backlog grew by 29%.

Operating profit in Industrial and Network Services was EUR 41.2 million (EUR 18.0 million) and operating profit margin 8.4% (3.8%). Profitability improved compared to the previous year, even when excluding the non-recurring items resulting from the sale of the Network Services business and adjustment expenses from the operating profit. Revenue increased by 3% and order backlog by 19% on the previous year.

Revenue increased by 13 per cent

YIT Group's revenue for 2007 grew by 13%, without significant acquisitions, to EUR 3,706.5 million (2006: EUR 3,284.4 million). Finland accounted for 52% of revenue (55%), other Nordic countries for 33% (32%), Russia for 9% (7%) and Lithuania, Latvia and Estonia for 6% (6%). Revenue in Russia increased by 49% to EUR 322.6 million (EUR 216.9 million).

Operating profit increased by 31 per cent

The Group's operating profit increased by 31% to EUR 337.8 million (EUR 258.8 million). Operating profit margin improved to 9.1% (7.9%). Earnings per share increased by 30% to EUR 1.77 (EUR 1.36). Return on investment was 26.2% (24.8%).

The positive impact of non-recurring items from the sale of the Network Services unit on operating profit amounted to EUR 14.4 million and on profit after taxes EUR 9.0 million. Excluding these non-recurring items the comparable growth in YIT Group's operating profit was 25%, operating profit margin 8.7%, earnings per share EUR 1.70 and growth in earning per share 25%.

Stronger financial position

Cash flow from operations increased. The gearing ratio decreased to 62.9% (75.1%). Net debt was EUR 514.8 million (EUR 506.5 million). Financial expenses increased as a result of higher interest rates and increase in the amount of capital invested in Russia. Capital investment in Russia increased as a result of business growth, land

acquisition and development and ongoing production. At year's end, 33% (23%), or EUR 460 million (EUR 279 million), of the Group's invested capital was tied up in Russia. The balance sheet total at the end of the year was EUR 2,461.3 million (EUR 2,117.8 million). The Group's equity ratio was 36.7% (34.5%).

Dividend proposal EUR 0.80

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share (EUR 0.65) be paid for the 2007 financial year. YIT is raising its dividends for the thirteenth year in a row.

Order backlog grew by 25 per cent

The Group's order backlog is solid. At year's end the order backlog was 25% bigger than the year before, reaching EUR 3,509.3 million (EUR 2,802.3 million). The order backlog has a healthy margin.

The number of personnel grew

At the end of 2007, the Group employed 24,073 (22,311) people. Of YIT's employees, 48% work in Finland, 36% in the other Nordic countries, 9% in Russia and 7% in Lithuania, Latvia and Estonia. As a result of the sale of the Network Services unit, approximately 1,000 Finnish employees left YIT at the beginning of 2008.

Outlook for 2008

The demand for building system services is solid throughout the market area and the segment's order backlog is good. YIT aims at increasing its market share in building systems in all of the Nordic countries.

In Russia, strong demand for housing continues. YIT's strong order backlog and volume of ongoing residential production provide good prerequisites for meeting the targets set for the Russian business.

In Finland, construction remains at a good level on the whole but is more focused on business premise and infrastructure construction that have a strong order backlog. The outlook for residential production has weakened after last summer.

Industrial Services enjoy a good order backlog. Business opportunities are found particularly in outsourcing of industrial maintenance in Finland.

The economic outlook for YIT's area of operations remains favourable, even though uncertainties in the economy have increased.

Consequently, we estimate that the revenue and profit before taxes for 2008 will increase compared to the previous year.

Annual General Meeting

YIT Corporation's Annual General Meeting will be held on Thursday, March 13, 2008, from 1:00 pm (Finnish time) onwards at Finlandia Hall, Mannerheimintie 13 e, 00100 Helsinki, Finland. 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 8, 2008.

Annual Report 2007 and Interim Reports in 2008

The Annual Report for 2007 will be published on YIT's Internet site in Finnish and English during week of Feb 18th. Interim Reports will be released on April 25, July 25 and October 29, 2008. Financial reports and other investor information can be viewed on our site, www.yitgroup.com.

YIT Group's business segment structure was revised as of the beginning of 2008, with Construction Services being divided into two segments. The segments are Building Systems, Construction Services Finland, International Construction Services and Industrial Services. YIT will publish comparable figures for 2007 on the Construction Services Finland and International Construction Services segments as a stock exchange release before the publishing of Jan-Mar/2008 Interim Report.

Information sessions, webcast and conference call

An event for investment analysts and portfolio managers will be held at YIT's head office in English on Friday, 8 February. 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 in Finland: +358 9 2313 9201 or UK: +44 20 7162 0025.

A webcast of the presentation given by CEO Hannu Leinonen 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.

Time zone	The investor event, conference call and webcast presentation will start at	Recording of the webcast presentation will be available at
EEST (Helsinki)	10:00 a.m.	12:00 a.m.
CEST (Paris, Stockholm)	9:00 a.m.	11:00 a.m.
BST (London)	8:00 a.m.	10:00 a.m.
US EDT (New York)	3:00 a.m.	5:00 a.m.

YIT CORPORATION

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FINANCIAL STATEMENTS BULLETIN JANUARY 1 - DECEMBER 31, 2007

REVENUE INCREASED BY 13 PER CENT

YIT Group's revenue for 2007 grew by 13%, without significant acquisitions, to EUR 3,706.5 million (2006: EUR 3,284.4 million). Finland accounted for 52% of revenue (55%), other Nordic countries for 33% (32%), Russia for 9% (7%) and Lithuania, Latvia and Estonia for 6% (6%). Revenue in Russia increased by 49% to EUR 322.6 million (EUR 216.9 million).

Revenue by segment (MEUR)

	1-12/ 2007	1-12/ 2006	Change	Proportion of the Group's revenue 1-12/2007
Building Systems	1,650.0	1,415.1	17%	45%
Construction Services	1,634.9	1,452.2	13%	44%
Industrial and Network Services *)	489.8	476.9	3%	13%
Other items	-68.3	-59.8	14%	-2%
YIT Group	3,706.5	3,284.4	13%	100%

*) Revenue of the Network Services unit amounted to EUR 77 million for 2007. The sale of the business unit was completed on December 31, 2007.

YIT's service chain covers the entire investment life cycle. Life cycle strategy aims at better service capability, business growth and steady cash flow. Service and maintenance of buildings, industry and traditional infrastructure accounts for a significant proportion of the Group's revenue. In 2007, service and maintenance operations generated EUR 1,355.8 million (EUR 1,222.4 million), in other words 37% (37%) of total revenue.

With regard to revenue trends, YIT also monitors the development of consumer services, long-term service agreements, project development and contracting. In 2007, consumer services accounted for 20% of revenue (24%), long-term service agreements for 28% (28%), project development for 15% (9%) and contracting for 37% (39%). YIT's strategic aim is to increase the relative share of revenue in consumer services, long-term service agreements and project development.

YIT Group's strategic target for revenue growth is 10 per cent annually on average. In addition, YIT has set a separate target to increase its revenue in Russia by 50% annually on average in 2006 - 2009.

OPERATING PROFIT INCREASED BY 31 PER CENT

The Group's operating profit increased by 31% to EUR 337.8 million (EUR 258.8 million). Operating profit margin improved to 9.1% (7.9%).

Operating profit by segment (MEUR)

	1-12/ 2007	1-12/ 2006	Change	Proportion of the Group's operating profit 1-12/2007
Building Systems *)	112.2	87.6	28%	33%
Construction Services	200.6	170.8	17%	59%
Industrial and Network Services **)	41.2	18.0	129%	12%
Other items	-16.2	-17.6	-8%	-5%
YIT Group	337.8	258.8	31%	100%

Operating profit margin by segment

	1-12/2007	1-12/2006
Building Systems *)	6.8%	6.2%
Construction Services	12.3%	11.8%
Industrial and Network Services **)	8.4%	3.8%
YIT Group	9.1%	7.9%

*) Provisions associated with certain expired agreements were cancelled in Building Systems. The positive impact on the operating profit for 2006 amounted to EUR 7.2 million.

**) The operating profit for the Industrial and Network Services includes the following non-recurring items:

In 2007: EUR +14.4 million due to the sale of the Network Services business unit and EUR -1.0 million due to restructuring of the Network Services business unit.

In 2006: EUR -5.1 million due to restructuring of the Network Services business unit.

Profit before taxes improved 28% on the previous year and was EUR 305.6 million (EUR 238.2 million). The result after taxes and minority interest amounted to 224.9 million (EUR 171.0 million). Earnings per share increased by 30% to EUR 1.77 (EUR 1.36). Return on investment was 26.2% (24.8%).

The positive impact of non-recurring items from the sale of the Network Services unit on operating profit amounted to EUR 14.4 million and on profit after taxes EUR 9.0 million. Excluding these non-recurring items the comparable growth in YIT Group's operating profit was 25%, operating profit margin 8.7%, earnings per share EUR 1.70 and growth in earning per share 25%.

YIT's strategic target for 2007 - 2009 is to increase the operating profit margin to 9% of revenue. The strategic target for return on investment is 22%.

DIVIDEND PROPOSAL EUR 0.80

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share (EUR 0.65) be paid for the 2007 financial year, representing 45.2% (47.8%) of earnings per share. YIT is raising its dividends for the thirteenth year in a row.

The strategic target for dividend payout is 40 - 60% of annual earnings after taxes and minority interest.

The Board of Directors' proposal for the distribution of profit is presented at the end of the financial statements bulletin.

ORDER BACKLOG GREW BY 25 PER CENT

The Group's order backlog is solid. At year's end the order backlog was 25% bigger than the year before, reaching EUR 3,509.3 million (EUR 2,802.3 million). The order backlog has a healthy margin.

Order backlog by segment (MEUR)

	12/ 2007	12/ 2006	Change	Proportion of the Group's order backlog 12/2007
Building Systems	707.7	601.7	18%	20%
Construction Services	2,646.5	2,053.5	29%	76%
Industrial and Network Services	219.2	184.0	19%	6%
Other items	-64.1	-36.9	74%	-2%
YIT Group	3,509.3	2 802.3	25%	100%

The order backlog comprises the uninvoiced portion of orders and contracts from customers as well as residential and business premise development projects that involve a sales risk. In accordance with the IFRS accounting principles, residential development projects are recognised as income using the formula percentage of completion multiplied by percentage of sale. Business premise development projects are recognised as income using the principle percentage of completion multiplied by percentage of sale multiplied by occupancy rate. Contracted projects are recognised as income based on the percentage of completion.

The order backlog of Construction Services comprises contracting production and residential and business premise development projects. Contracted projects are sold in full. Business premise development projects are sold to investors either prior to construction or during an early phase of construction. Steadily growing service and maintenance operations account for 63% of Building Systems' revenue and 58% of Industrial and Network Services' revenue. Due to their nature, part of the maintenance and servicing operations are not included in the order backlog. The remainder of the order backlog of these business segments mainly comprises contracted projects that have been sold in full.

THE GROUP STRENGTHENED ITS FINANCIAL POSITION

Cash flow from operations increased. The gearing ratio decreased to 62.9% (75.1%). Net debt was EUR 514.8 million (EUR 506.5 million). Financial expenses increased as a result of higher interest rates and increase in the amount of capital invested in Russia. Capital investment in Russia increased as a result of business growth, land acquisition and development and ongoing production. At year's end, 33% (23%), or EUR 460 million (EUR 279 million), of the Group's invested capital was tied up in Russia. The Group's equity ratio was 36.7% (34.5%).

The target level for the equity ratio is 35%.

Short-term credit was converted into long-term credit by means of two EUR 50 million private placement bonds in March. The Group's financing sources were increased in December by signing an agreement on a commercial paper and bond loan programme for the Baltic capital market.

Financial income during the period amounted to EUR 2.6 million (EUR 2.6 million), exchange rate losses to EUR 3.8 million (EUR 2.7 million) and financial expenses to EUR 31.0 million (EUR 20.5 million). Net financial expenses were EUR 32.2 million (EUR 20.6 million), or 0.9% (0.6%) of revenue.

Fixed-interest loans accounted for 64% (39%) of the Group's entire loan portfolio. Loans raised directly on the capital and money markets amounted to 56% (59%).

The construction-stage contract receivables sold to financing companies totalled EUR 257.7 million (EUR 272.1 million) at the end of the period. Of this amount, EUR 102.9 million (EUR 120.4 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprises off-balance sheet items in accordance with IAS 39. The interest on receivables sold to financing companies, EUR 10.9 million (EUR 9.3 million), is included in financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residential units, EUR 34.0 million (EUR 28.6 million), are also included in interest-bearing liabilities, but the interest on them of EUR 1.8 million (EUR 0.7 million) is booked in project expenses, as it is included in housing corporation maintenance charges.

Interest-bearing liabilities included EUR 1.7 million (EUR 3.1 million) in leasing commitments.

The balance sheet total at the end of the review period was EUR 2,461.3 million (EUR 2,117.8 million).

CAPITAL EXPENDITURES AND ACQUISITIONS

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 51.6 million (EUR 50.4 million) during the financial period, representing 1.4% (1.5%) of revenue. Investments in construction equipment amounted to EUR 15.4 million (EUR 17.3 million) and investments in information technology to EUR 7.5 million (EUR 5.1 million). Other investments including acquisitions amounted to EUR 28.7 million (EUR 28.0 million). Acquired and divested business operations are disclosed in the tables of the financial statements bulletin.

CHANGES IN GROUP STRUCTURE

A separate business segment, International Construction Services, was formed from YIT Construction Services' operations in the Russia and Baltic countries as of the beginning of 2008. The Construction Services' operations in Finland continues as a separate segment, Construction Services Finland.

The Industrial and Network Services segment was renamed Industrial Services as of January 1, 2008 due to the sale of the Network Services business unit.

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

CHANGES IN GROUP MANAGEMENT

On June 1, 2007, Sakari Ahdekivi (44), M.Sc. (Econ.), was appointed as CFO of YIT Corporation and as a member of the Group's Management Board as from September 1, 2007.

In October, the division of tasks in YIT's Group management was realigned with regard to Sakari Ahdekivi, CFO, Sakari Toikkanen, Executive Vice President, and Antero Saarilahti, Senior Vice President, Administration. Juha Kostiainen, Senior Vice President, Business Development, was appointed as Senior Vice President, Corporate Communications and Business Development.

Kari Kauniskangas, M.Sc. (Eng.) was appointed as Director of the International Construction Services segment formed at the beginning of 2008. He has previously headed the s Business Premises unit of Construction Service. Ilpo Jalasjoki, M.Sc. (Eng.) was appointed as Director of the Construction Services Finland segment. He has previously headed the Construction Services segment.

The Group's Management Board was condensed as of the beginning of 2008. The Management Board comprises the Group's parent company's President and CEO, Executive Vice President, CFO and Presidents of the business segments. The extended Management Board also includes the Vice President, Corporate Communications and Business Development and the Vice President, Investor Relations.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting was held on March 16, 2007. The Annual General Meeting adopted the 2006 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. It was confirmed that a dividend of EUR 0.65 would be paid per share, or a total of EUR 82.4 million. March 21, 2007, was set as the record date and March 28, 2007, as the payout date.

The Annual General Meeting elected the Board of Directors and the auditor. The Annual General Meeting decided to amend Articles 3, 4, 6, 8, 9, 10 and 11 of the Articles of Association and the terms and conditions of the share option programmes in accordance with the amended Articles of Association. It was decided to increase the share capital by means of a reserve fund transfer. The amendment to the Articles of Association and the increase in the share capital were entered in the Trade Register on March 30, 2007.

A stock exchange release on the resolutions passed at the Annual General Meeting was published on March 16, 2007.

EMPLOYEE NUMBERS RISE

In 2007, the Group employed 23,394 (21,846) people on average. At the end of the year, the Group had 24,073 employees (22,311). Of YIT's employees, 48% work in Finland, 36% in the other Nordic countries, 9% in Russia and 7% in Lithuania, Latvia and Estonia. As a result of the sale of the Network Services unit, approximately 1,000 Finnish employees left YIT at the beginning of 2008.

Personnel by segment

	12/2007	12/2006	Change	Share of the Group's employees
Building Systems	12,646	11,643	9%	53%
Construction Services	6,419	5,693	13%	27%
Industrial and Network Services	4,663	4,642	-	19%
Corporate Services	345	333	4%	1%
YIT Group	24,073	22,311	8%	100%

Personnel by country

	12/2007	12/2006	Change	Share of the Group's employees
Finland	11,586	11,355	2%	48%
Sweden	4,403	4,137	6%	18%
Norway	3,008	2,618	15%	13%
Denmark	1,267	1,286	-1%	5%
Russia	2,154	1,293	67%	9%
Estonia, Latvia, Lithuania	1,655	1,622	2%	7%
YIT Group	24,073	22,311	8%	100%

DEVELOPMENT BY BUSINESS SEGMENT

BUILDING SYSTEMS

Building Systems continued improving profitability and focused on revenue growth. Building Systems' revenue increased by 17% to EUR 1,650.0 million (2006: EUR 1,415.1 million). Service and maintenance operations accounted for 63% of the segment's revenue (64%).

The operating profit increased by 28% to EUR 112.2 million (EUR 87.6 million). Operating profit margin improved to 6.8% (6.2%). Return on investment rose to 45.3% (34.4%).

Provisions associated with certain expired agreements were cancelled in Building Systems during Oct-Dec/2006. The positive impact on the operating profit for 2006 amounted to EUR 7.2 million.

The order backlog at the end of the period grew by 18% to EUR 707.7 million (EUR 601.7 million).

At the end of the year, the segment employed 12,646 people (11,643).

Building Systems revenue by country, MEUR

	1-12/ 2007	1-12/ 2006	Change	% of the segment's revenue for 1-12/2007
Sweden	606.4	541.0	12%	37%
Norway	440.3	345.9	27%	27%
Finland	384.9	327.4	18%	23%
Denmark	165.6	146.4	13%	10%
Estonia, Latvia, Lithuania and Russia	52.8	54.4	-3%	3%
Total	1,650.0	1,415.1	17%	100%

Strengthening market position

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

Favourable demand continued throughout the operating area

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

Increasing service agreements

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

Growing demand for energy services

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

CONSTRUCTION SERVICES

The Construction Services revenue grew by 13% compared to the previous year to EUR 1,634.9 million (EUR 1,452.2 million). The maintenance operations accounted for 4% of revenue (4%).

Construction Services revenue by country, MEUR

	1-12/ 2007	1-12/ 2006	Change	% of the segment's revenue for 1-12/2007
Finland	1,134.8	1,083.0	5%	69%
Russia	296.8	189.9	56%	18%
Baltic countries	191.9	169.6	13%	12%
Other countries	11.4	9.7	18%	1%
Total	1,634.9	1,452.2	13%	100%

The operating profit increased by 17% to EUR 200.6 million (EUR 170.8 million). The operating profit margin remained excellent, amounting to 12.3% (11.8%). Return on investment remained good, 21.9% (24.1%).

The order backlog increased by 29% to EUR 2,646.5 million (EUR 2,053.5 million).

At the end of the year, the segment employed 6,419 people (5,693).

Construction Services was divided into two segments as of the beginning of 2008. The operations in Russia and the Baltic countries were formed into a separate business segment, International Construction Services. Construction Services Finland will continue as a segment of its own.

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

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

Residential demand weakened after several strong years. The number of residential units sold to providers of rental housing increased, while the number of units sold directly to consumers decreased. Increased employment rates, income and wealth, continuing migration and moderate interest rates support residential demand in the long-term.

Growth in the construction of leisure-time residences and centres continued according to plan. YIT collaborated with various cities with the aim of developing the residential offering and commercial and tourism-related services.

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

Brisk residential construction continued in Russia

In Russia, need and interest in new residential units remained high. Exceptionally rapid growth in housing prices in 2006 weakened the ability to purchase homes in early 2007. During 2007, the increase in housing prices remained moderate. In the latter half of the year, YIT's residential sales picked up considerably. Residential development project activity was accelerated by establishing a

joint venture in Rostov-na-Donu with Russian private shareholders. In Russia, YIT has residential projects also in St. Petersburg, Moscow, Moscow Oblast, Yaroslavl, Yekaterinburg and Kazan.

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

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

The average selling price of residential units built by YIT in Russia was about 51% (2006: 35%) of the average selling price of privately financed residences sold in Finland in 2007, and in the Baltic countries about 59% (55%). In October-December, the corresponding figures were 54% (43%) in Russia and 60% (53%) in the Baltic countries.

Residential construction in 2007 (2006), number of residential units

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

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

In Finland, privately financed development projects sold to investors are included in the residential units sold.

Plot reserves strengthened

In Finland, land for residential building was acquired in Helsinki, e.g., the Leppäsuo city block, along with additional building rights at the old Konepaja area, during the year. Acquisitions of office building

rights included 15,000 m2 of floor area in Käpylä, Helsinki, and 10,000 m2 of floor area for the extension of the Martinsilta Retail Village in Espoo.

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

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

Plot reserves, December 31, 2007 (December 31, 2006) Building rights and planning potential, 1,000 m2 of floor area

	Finland	Russia	Estonia, Latvia, Lithuania
Residential plots	1,735 (1,723)	1,915 (1,761)	420 (367)
Business premise plots	839 (927)	521 (400)	23 (35)
Total	2,574 (2,650)	2,436 (2,161)	443 (402)
Capital tied into plot reserves, EUR million	344.3 (325.1)	162.9 (129.2)	59.9 (51.0)

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

INDUSTRIAL AND NETWORK SERVICES

Industrial and Network Services revenue increased by 3% to EUR 489.8 million (EUR 476.9 million). The maintenance and service operations accounted for 58% of revenue (60%). Finland accounted for 92% of revenue, other countries for 8%.

Operating profit was EUR 41.2 million (EUR 18.0 million). Operating profit margin was 8.4% (3.8%). Profitability improved compared to the previous year, even when excluding the non-recurring items resulting from the sale of the Network Services business and adjustment expenses from the operating profit.

The operating profit for the Industrial and Network Services includes the following non-recurring items: In 2007: EUR +14.4 million due to the sale of the Network Services business unit and EUR -1.0 million due to restructuring of the Network Services business unit.

In 2006: EUR -5.1 million due to restructuring of the Network Services business unit.

Return on investment was 68.6% (28.8%). If the positive impact of non-recurring item of EUR 14.4 million due to the sale of Network Services business is excluded from the operating profit, the return on investment was 45.3%.

The order backlog at the end of the period grew by 19% to EUR 219.2 million (EUR 184.0 million).

At the end of the year, the segment employed 4,663 people (4,642).

The Network Services business unit was divested

YIT Industrial and Network Services Ltd sold the Network Services business unit to Relacom Finland Oy through an agreement signed on November 20, 2007. The transaction price amounted to EUR 25 million. Following approval by the Competition Authority, the transaction was agreed and the price paid on December 31, 2007. As of the beginning of 2008, the Industrial and Network Services segment was renamed Industrial Services. The Network Services unit's revenue for 2007 amounted to EUR 77 million.

Strengthening competence in energy efficiency services

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

Solid demand for industrial maintenance

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

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

Investment projects gained, especially in exports

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

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

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

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.

In 2007, shares in YIT Corporation could be subscribed for under the Series E and F share options issued in 2004 and under the Series K and L share options issued in 2006.

Share capital and number of shares

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

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

The Annual General Meeting held on March 16, 2007, also decided that the full subscription price shall be entered into the share capital when shares are subscribed for with the share options. In 2007, 441,200 shares were subscribed for with the Series E and F share options from 2004 and Series K and L share options from 2006. As a result of the subscriptions, the share capital was increased by a total of EUR 2,893,770.80 in five instalments.

In April the number of shares declined by 400 due to invalidation of company's own shares.

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

Own shares

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

At the end of 2007, YIT Corporation did not hold any of its own shares. During 2007, no shares in the parent company were owned by subsidiaries.

Authorisations of the Board of Directors

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

No share issues were organised during the period and the company did not float convertible bonds or bonds with warrants. At the end of the period, the Board of Directors did not have valid share issue authorisations or authorisations to issue convertible bonds or bonds with warrants or to purchase or dispose of the company's own shares.

Trading in the share

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

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

Share turnover grew significantly compared with 2006. Share turnover in 2007 amounted to 245,671,719 shares (184,576,963). The value of share turnover was EUR 5,448.3 million (EUR 3,536.1 million). The average daily turnover was 982,687 shares (657,460).

Trading with share options

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

Increase in non-Finnish ownership

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

During the year, four so-called flagging notifications of change in ownership were made. Schroder Investment Management Compliance Limited announced on May 1, 2007 that its holding has increased to over 5% of YIT's shares as the result of a share transaction on December 13, 2006, and on October 30, 2007 that its holding had fallen to under 5% of YIT's shares as the result of a share transaction on October 26, 2007. Varma Mutual Pension Insurance Company announced on September 28, 2007 and Sampo Life Insurance Company Ltd on May 3, 2007 that their holdings had fallen to under 5% of YIT's shares.

MARKET SITUATION

In its January forecast, Nordea estimates that the Euro region's economic growth will slow down moderately to 1.8%. Economic growth in the Nordic countries, excluding Denmark, is expected to continue to outpace the EU average. Installations of building equipment systems will increase by approximately 3% annually in the Nordic countries in 2008 - 2009. Technical maintenance of buildings will rise by approximately 3 - 4% annually. According to Euroconstruct, construction will see average annual growth of 2 - 3% in Finland. Residential demand has softened, but migration, increased employment rates and positive income trends ensure stable long-term demand for new housing in Finland and increased renovation of old residential units. This year, growth in business premise construction will outpace residential construction in the Nordic countries. Growth will slacken in exports and industrial output in Finland and other Nordic countries, but modernisation requirements will increase the need for industry and energy sector investments and maintenance.

In Russia, the economic growth outpaces the Nordic countries, and the country is benefiting from the high oil prices. Confidence in the political and economic stability of Russia has improved. The state is debt free, and the foreign exchange reserves are higher than the economy's foreign debt. According to the Bank of Finland Institute for Economies in Transition (BOFIT) the population's buying power has improved and private consumption has become the driver for economic growth. In 2008 - 2009 Construction will see average annual growth of 5 - 6% in Russia. Investments are on the rise, particularly in residential construction. Construction is not among the industries specified as having strategic significance to national security or foreign trade, and political actors support growth in residential production. Solid demand for housing in the Russian metropolises will continue also in the long-term.

In Estonia, Latvia and Lithuania, estimates of economic growth have lowered considerably based on Nordea's review in January, but growth continues to outpace the Nordic countries. Increased employment rates have significantly improved consumer buying power, and the rapidly growing consumption is driving the national economies. Economic growth that has been too rapid considering the resources has led to overheating phenomena, the most severe of which is rapid inflation. Rapid inflation impairs the economic outlook in Latvia and Estonia in particular. VTT Technical Research Centre of Finland estimates that in the Baltic countries, growth in construction activity will slow down to 6 - 7%. Housing production has started to decline.

Global warming, increasing demand for consumer services and changes in the public sector's service production have an effect on the demand for YIT's services. The prevention of global warming and high energy prices increase the demand for energy-saving services and low-energy construction and provide new business opportunities, particularly in the Building Systems and Industrial Services segments. Cities and municipalities aim to improve operational efficiency by opening up the production of services to competition, which in addition to service and maintenance, also creates demand for a variety of life cycle responsibility models and energy saving solutions, extensive regional development projects and community construction.

Competition for skilled labour is increasing in all of the countries where YIT operates. In the Nordic countries, the ageing of the population reduces the labour market pool. Education policy focuses on higher education on a significantly broad scale, which worsens the labour shortage in manual trades. According to VTT Technical Research Centre of Finland, rapid economic growth in Russia and the Baltic countries has led to a greater shortage of skilled workers as well as inflationary salaries and wages, and growth in foreign labour.

STRATEGIC TARGETS

On September 25, 2007, The Board of Directors of YIT Corporation confirmed the Group's strategy and financial targets for 2008 - 2010. The financial targets were confirmed without changes. The strategic annual growth target is 10% on average, the operating profit target is 9% of revenue by 2009, return on investment target is 22%, equity ratio target is 35% and dividend payout target is 40 - 60% of annual earnings after taxes and minority interest. In addition, YIT has set a separate target to increase its revenue in Russia by 50% annually on average in 2006 - 2009.

Business operations in current YIT areas will be strengthened during the next few years. In the Building Systems segment, the aim is to take a larger market share throughout the area of operations, particularly in the Nordic countries and additionally in the Baltic countries and Russia. In Construction Services, growth focuses on Russia and increasing the proportion of business premise development projects. Residential construction activity in Russia will be added by strengthening YIT's presence in the cities where the company already operates and by continuing to expand to new cities with populations in excess of a million. In Industrial Services, the strategic focus is on outsourcing of maintenance services in Finland.

In addition, expansion of the geographic area of operations will be pursued during the period. With regard to International Construction Services, the objective is to start up residential development projects in Central Eastern Europe. In Building Systems, the opportunities for expanding the offering to Western Europe are being explored.

A stock exchange release on the confirmation of the strategic targets was published on September 26, 2007.

MAJOR BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

YIT's risk management policy specifies the Group's most significant risks and methods of mitigating strategic and administrative risks. A more detailed account of YIT's risk management policy and the most significant risks will be published in the Annual Report for 2007 and of financial risks in the notes to the 2007 financial statements.

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 sales risk included in the order backlog is mainly comprised of completed but unsold residential units. Sales risk is managed by adjusting residential start-ups with sales trends. In Russia, sales of

residential units take place mainly towards the end of the project, and the construction time is approximately 2 years. In Finland and the Baltic countries, the construction time is approximately a year. A more detailed account of the order backlog structure is presented above under Order backlog.

YIT's geographic and business structure balance the impact of economic fluctuation on the Group's revenue and profits. Nordic countries generate approximately 85% of YIT's revenue and Russia and the Baltic countries 15%. Steadily growing service and maintenance operations, that are not sensitive to economic fluctuations, account for 37% of YIT's revenue. The majority of business comprise operations, where investments are minor. Slightly under a third of operations consist of more capital-intensive operations, residential developer-contracted projects and property development projects where capital is tied to plot reserves and ongoing production.

OUTLOOK FOR 2008

The demand for building system services is solid throughout the market area and the segment's order backlog is good. YIT aims at increasing its market share in building systems in all of the Nordic countries.

In Russia, strong demand for housing continues. YIT's strong order backlog and volume of ongoing residential production provide good prerequisites for meeting the targets set for the Russian business.

In Finland, construction remains at a good level on the whole but is more focused on business premise and infrastructure construction that have a strong order backlog. The outlook for residential production has weakened after last summer.

Industrial Services enjoy a good order backlog. Business opportunities are found particularly in outsourcing of industrial maintenance in Finland.

The economic outlook for YIT's area of operations remains favourable, even though uncertainties in the economy have increased.

Consequently, we estimate that the revenue and profit before taxes for 2008 will increase compared to the previous year.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The distributable equity of YIT Corporation on December 31, 2007 is:

• retained earnings	164,177,004.33
• profit for the financial period	<u>106,056,579.65</u>
	270,233,583.98
	=====

The Board of Directors proposes to the Annual General Meeting that the profit be disposed of as follows:

• Payment of a dividend EUR 0.80 per share to shareholders	101,774,297.60
• Transfer to retained earnings	<u>168,459,286.38</u>
	270,233,583.98
	=====

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good and in the view of the Board of Directors the proposed dividend payout does not jeopardise the company's solvency.

Helsinki, February 7, 2008

Reino Hanhinen
Chairman

Eino Halonen
Vice chairman

Sari Baldauf

Antti Herlin

Teuvo Salminen

Hannu Leinonen
President and CEO

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1. KEY FIGURES OF YIT GROUP

KEY FIGURES

	12/2007	12/2006	change, %
Earnings per share, EUR *)	1.77	1.36	30
Diluted earnings per share, EUR	1.77	1.35	31
Equity per share, EUR	6.40	5.29	21
Average share price during the period, EUR	22.15	19.24	15
Share price at end of period, EUR	14.99	20.95	-28
Market capitalization at end of period, MEUR	1,907.0	2,656.0	-28
Weighted average share-issue adjusted number of shares outstanding, thousands	126,872	125,357	1
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	127,028	126,773	-
Share-issue adjusted number of shares outstanding at end of period, thousands	127,218	126,777	-
Net interest-bearing debt at end of period, MEUR	514.8	506.5	2
Return on investment, from the last 12 months, %	26.2	24.8	-
Return on equity, %	30.5	28.3	-
Equity ratio, %	36.7	34.5	-
Gearing ratio, %	62.9	75.1	-
Gross capital expenditures, MEUR	51.6	50.4	2
% of revenue	1.4	1.5	-7
Order backlog at end of period, MEUR	3,509.3	2,802.3	25
of which order backlog outside Finland	1,999.2	1,490.0	34
Average number of personnel	23,394	21,846	7

*) The positive impact of non-recurring items from the sale of the Network Services unit on net profit amounted to EUR 9.0 million.

YIT GROUP FIGURES BY QUARTER

	I/2006	II/2006	III/2006	IV/2006	I/2007	II/2007	III/2007	IV/2007
Revenue, MEUR	768.8	818.0	789.5	908.1	833.5	939.3	906.8	1,027.0
Operating profit, MEUR	53.7	60.1	58.6	86.4	61.2	78.5	89.4	108.7
% of revenue	7.0	7.3	7.4	9.5	7.3	8.4	9.9	10.6
Financial income, MEUR	1.3	0.4	0.6	0.3	0.6	0.5	0.6	0.8
Exchange rate differences, MEUR	-0.6	-0.6	-0.6	-0.9	-0.1	-1.6	0.5	-2.6
Financial expenses, MEUR	-4.3	-4.6	-5.9	-5.7	-6.9	-7.6	-8.1	-8.4
Profit before taxes, MEUR	50.1	55.3	52.7	80.1	54.8	69.8	82.4	98.5
% of revenue	6.5	6.8	6.7	8.8	6.6	7.4	9.1	9.6
Balance sheet total, MEUR	1,722.0	1,847.2	1,925.5	2,117.8	2,155.9	2,346.1	2,418.4	2,461.3
Earnings per share, EUR	0.29	0.31	0.28	0.48	0.31	0.42	0.47	0.57
Equity per share, EUR	4.23	4.54	4.83	5.29	4.95	5.38	5.85	6.40
Share price at end of period, EUR	22.38	19.17	18.27	20.95	25.80	23.35	20.84	14.99
Market capitalization at end of period, MEUR	2,792.9	2,406.7	2,294.4	2,656.0	3,270.8	2,963.1	2,644.7	1,907.0
Return on investment, from the last 12 months, %	28.1	28.2	25.2	24.8	25.4	25.7	25.8	26.2
Equity ratio, %	33.5	34.5	34.6	34.5	31.8	32.4	33.8	36.7
Net interest-bearing debt at end of period, MEUR	334.2	342.5	416.8	506.5	540.9	548.9	591.4	514.8
Gearing ratio, %	62.7	59.5	68.1	75.1	85.6	79.8	79.1	62.9
Gross capital expenditures, MEUR	9.1	18.7	29.9	50.4	15.8	21.5	33.5	51.6
Order backlog at end of period, MEUR	2,007.2	2,151.3	2,246.2	2,802.3	2,995.4	3,275.2	3,172.5	3,509.3
Personnel at end of period	21,140	21,873	22,188	22,311	22,418	23,474	23,836	24,073

SEGMENT INFORMATION BY QUARTER**Revenue by business segment (MEUR)**

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

*) Revenue of the Network Services unit amounted to EUR 77 million for 2007. The sale of the business unit was completed on December 31, 2007.

Operating profit by business segment (MEUR)

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

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

**) The operating profit of the Industrial and Network Services business segment in October-December/2007 includes a positive impact of EUR +14.4 million due to divestment of Network Services business unit. Operating profit in July-September/2006 includes EUR -5.1 million and in January-March/2007 EUR -1.0 million in costs for the downsizing of Network Services carried out in 2006.

Order backlog by business segment at end of period (MEUR)

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

2. CONSOLIDATED FINANCIAL STATEMENTS JAN 1 - DEC 31, 2007

CONSOLIDATED INCOME STATEMENT JAN 1 - DEC 31, 2007 (MEUR)

	1-12/2007	1-12/2006	change, %
Revenue	3,706.5	3,284.4	13
of which activities outside Finland	1,798.5	1,477.4	22
Operating income and expenses	-3,342.7	-3,002.8	11
Share of results of associated companies	1.2	1.3	-8
Depreciation and write-downs	-27.2	-24.1	13
Operating profit	337.8	258.8	31
% of revenue	9.1	7.9	-
Financial income	2.6	2.6	-
Exchange rate differences	-3.8	-2.7	41
Financial expenses	-31.0	-20.5	51
Profit before taxes	305.6	238.2	28
% of revenue	8.2	7.3	-
Income taxes	-77.6	-62.8	24
Profit for the report period	228.0	175.4	30
% of revenue	6.2	5.3	-
Attributable to			
Equity holders of the parent company	224.9	171.0	32
Minority interests	3.1	4.4	-30
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	1.77	1.36	30
Diluted earnings per share, EUR	1.77	1.35	31

CONSOLIDATED INCOME STATEMENT OCT 1 - DEC 31, 2007 (MEUR)

	10-12/2007	10-12/2006	change, %
Revenue	1,027.0	908.1	13
of which activities outside Finland	529.7	429.7	23
Operating income and expenses	-910.7	-815.7	12
Share of results of associated companies	0.2	0.5	-60
Depreciation and write-downs	-7.8	-6.5	20
Operating profit	108.7	86.4	26
% of revenue	10.6	9.5	11
Financial income	0.8	0.3	*)
Exchange rate differences	-2.6	-0.9	*)
Financial expenses	-8.4	-5.7	47
Profit before taxes	98.5	80.1	23
% of revenue	9.6	8.8	9
Income taxes 3)	-24.6	-19.2	28
Profit for the report period	73.9	60.8	22
% of revenue	7.2	6.7	7
Attributable to			
Equity holders of the parent company	72.8	60.3	21
Minority interests	1.1	0.5	*)
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.57	0.48	19
Diluted earnings per share, EUR	0.58	0.48	21

*) Change over 100%.

CONSOLIDATED BALANCE SHEET (MEUR)

	12/2007	12/2006	change, %
ASSETS			
Non-current assets			
Property, plant and equipment	92.5	91.8	1
Goodwill	240.6	248.8	-3
Other intangible assets	27.1	15.6	74
Shares in associated companies	3.6	2.9	24
Investments	2.5	3.0	-17
Receivables	15.1	13.4	13
Deferred tax assets	27.2	21.1	29
Current assets			
Inventories	1,265.0	1,006.4	26
Trade and other receivables	727.5	688.9	6
Cash and cash equivalents	60.2	25.9	*)
Total assets	2,461.3	2,117.8	16
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	149.1	63.4	*)
Other equity	665.4	607.1	10
Minority interests	3.8	3.9	-3
Total equity	818.3	674.4	21
Non-current liabilities			
Deferred tax liabilities	71.5	52.5	36
Pension liabilities	7.5	11.6	-35
Provisions	34.2	32.2	6
Interest-bearing liabilities	356.9	275.8	29
Other liabilities	1.7	8.4	-80
Current liabilities			
Trade and other payables	928.3	788.0	18
Provisions	24.8	18.3	36
Interest-bearing current liabilities	218.1	256.6	-15
Total equity and liabilities	2,461.3	2,117.8	16

*) Change over 100%.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	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
Bonus issue	82.8	-82.8	-	-	-	-	-	-	-
Shares subscribed with options	2.9	-	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	1.0	-	-	-
Change in translation differences	-	-	-	-	-4.5	-	-1.3	-	-
Employee share option scheme	-	-1.0	-	0.2	-	-	4.2	-	-
Net profit for the period	-	-	-	-	-	-	224.9	3.0	-
Dividend paid	-	-	-	-	-	-	-82.4	-0.1	-
Other change	-	-	0.2	0.0	-	-	-0.1	-2.9	-
Equity on Dec 31, 2007	149.1	0.0	1.0	13.9	-9.0	2.0	657.6	3.8	818.4
	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2006	62.4	77.2	0.7	2.5	-3.0	-0.1	420.0	3.8	563.5
Shares subscribed with options	1.0	5.6	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	0.9	-	-	-
Change in the fair value of other investments	-	-	-	-	-	0.2	-	-	-
Change in translation differences	-	-	-	-	-1.5	-	-0.3	-	-
Employee share option scheme	-	1.0	-	11.2	-	-	-9.6	-	-
Net profit for the period	-	-	-	-	-	-	171.0	4.4	-
Dividend paid	-	-	-	-	-	-	-68.9	-	-
Other change	-	-	0.1	-	-	-	0.1	-4.3	-
Equity on Dec 31, 2006	63.4	83.8	0.8	13.7	-4.5	1.0	512.3	3.9	674.4

CONSOLIDATED CASH FLOW STATEMENT (MEUR)

	1-12/2007	1-12/2006	change, %
Cash flows from operating activities			
Net profit for the period	228.0	175.4	30
Reversal of accrual-based items	120.5	106.8	13
Change in working capital			
Change in trade and other receivables	-32.9	-140.0	-77
Change in inventories	-259.8	-319.5	-19
Change in current liabilities	118.7	105.6	12
Change in working capital, total	-174.0	-353.9	-51
Interest paid	-27.3	-24.9	10
Interest received	2.4	2.4	-
Taxes paid	-66.2	-54.1	22
Net cash generated from operating activities	83.4	-148.3	*)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	-14.1	-11.1	27
Proceeds from sale of shares in associated companies	0.4	0.0	-
Purchase of property, plant and equipment	-28.7	-33.8	-15
Purchase of intangible assets	-6.4	-3.1	*)
Increases in other investments	-0.1	-	*)
Disposals of subsidiaries and businesses	31.7	2.5	*)
Proceeds from sale of property, plant and equipment	4.4	3.0	47
Proceeds from sale of other investments	0.0	0.5	*)
Net cash used in investing activities	-12.9	-42.0	-69
Cash flow from financing activities			
Proceeds from share issues	2.9	6.6	-56
Decrease in loan receivables	0.1	0.1	-
Change in current liabilities	-49.1	61.9	*)
Proceeds from borrowings	168.1	175.0	-4
Repayments of borrowings	-74.2	-37.4	98
Payments of financial leasing debts	-1.4	-1.9	-26
Dividends paid	-82.6	-68.9	20
Net cash used in financing activities	-36.2	135.4	*)
Net change in cash and cash equivalents	34.3	-54.8	*)
Cash and cash equivalents at the beginning of the period	25.9	80.6	-68
Change in the fair value of the cash equivalents	-	0.1	*)
Cash and cash equivalents at the end of the period	60.2	25.9	*)

*) Change over 100%.

3. NOTES

ACCOUNTING PRINCIPLES OF THE FINANCIAL STATEMENTS BULLETIN

YIT Corporation's financial statements bulletin for January 1 - December 31, 2007 has 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, 2007 and SIC and IFRIC interpretations have been complied with in the drafting of the statements. The financial statements are based on the audited Financial Statements of 2007.

Application of amended or interpreted IFRS standards as from January 1, 2007

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

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

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

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

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 the period Jan-Mar/2007, the Board of Directors amended exchange rate risk management so that the value of YIT's equity is no longer hedged against exchange rate changes. Foreign exchange positions are reported once per year to the Audit Committee.

The Group's strategic financial targets guide the use and management of the Group's capital. Achieving the profitable growth target 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 2007.

SEGMENT INFORMATION

In 2007 YIT's business operations were divided into three business segments: Building Systems, Construction Services and Industrial and Network Services

Revenue by business segment (MEUR)

	1-12/2007	1-12/2006	change, %
Building Systems	1,650.0	1,415.1	17
Construction Services	1,634.9	1,452.2	13
Industrial and Network Services *)	489.8	476.9	3
Other items	-68.2	-59.8	14
YIT Group, total	3,706.5	3,284.4	13

*) Revenue of the Network Services unit amounted to EUR 77 million for 2007. The sale of the business unit was completed on December 31, 2007.

Operating profit by business segment (MEUR)

	1-12/2007	1-12/2006	change, %
Building Systems	112.2	87.6	28
Construction Services	200.6	170.8	17
Industrial and Network Services	41.2	18.0	*)
Other items	-16.2	-17.6	-8
YIT Group, total	337.8	258.8	31

*) Change over 100%.

Order backlog by business segment at end of period (MEUR)

	12/2007	12/2006	change, %
Building Systems	707.7	601.7	18
Construction Services	2,646.5	2,053.5	29
Industrial and Network Services	219.2	184.0	19
Other items	-64.1	-36.9	74
YIT Group, total	3,509.3	2802.3	25

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (MEUR)

	1-12/2007	1-12/2006
Building Systems		
Released provisions	-	7.2
Industrial and Network Services		
Rearrangements	-1.0	-5.1
Divestment of Network Services business unit	14.4	-
YIT Group, total	13.4	2.1

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

The operating profit of the Industrial and Network Services business segment in October-December/2007 includes a positive impact of EUR +14.4 million due to divestment of Network Services business unit. Operating profit in July-September/2006 includes EUR -5.1 million and in January-March/2007 EUR -1.0 million in costs for the downsizing of Network Services carried out in 2006.

ACQUIRED BUSINESSES (MEUR)

In 2007, YIT Group made minor company and business acquisitions in Finland, Sweden, Norway and Denmark in the Building Systems and Industrial and Network Services segments. The most significant of these acquisitions were Comfort Nord AS, Brodrene Hagenes AS and Halden Automasjon AS in Norway, Cellpipe AB in Sweden, Monies & Andersens Eff. A/S in Denmark and Inesco Oy in Finland.

The total cost of these acquisitions amounted to EUR 14.6 million. The acquisitions did not result in unallocated goodwill. Goodwill was mainly allocated to intangible assets.

During the financial period, shareholding in ZAO YIT Moskovia was increased by 5.1% to 92.9% in the Construction Services segment.

	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	1.1	1.1
Intangible assets	11.9	0.0
Inventories	2.6	2.6
Trade and other receivables	8.7	8.7
Cash and cash equivalents	2.4	2.4
Other liabilities	-10.1	-10.1
Acquired net assets	16.6	4.7
Total consideration	16.6	
Goodwill	0.0	
The effect on cash flow:		
To be paid in cash	17.6	
Cash and cash equivalents in acquired entity	-2.4	
Accrued payments	-1.1	
Cash flow on acquisitions	14.1	

DIVESTED BUSINESSES (MEUR)

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

YIT Construction Ltd and its Lithuanian subsidiary AB YIT Kausta signed an agreement on October 2, 2007 on the sale of their shares in UAB Kausta Guder. The transaction was completed following approval of the Lithuanian competition authorities on November 30, 2007.

	1-12/2007
The effect on revenue and net profit:	
Revenue	91.5
Operating expenses	-88.7
Profit before taxes	2.8
Taxes	0.6
Net profit	2.2
The effect on balance sheet assets and liabilities :	
Property, plant and equipment	3.7
Intangible assets	8.3
Inventories	3.7
Trade and other receivables	1.4
Cash and cash equivalents	0.2
Trade and other liabilities	1.6
Interest-bearing liabilities	0.1
Minority interest	1.4
Net assets	14.2
The effect on cash flow:	
Paid in cash	32.2
Direct costs related to disposals	0.3
Cash and cash equivalents in disposed entity	0.2
Cash flow on disposals	31.7

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (MEUR)

	1-12/2007	1-12/2006	change, %
Carrying value at the beginning of period	91.8	77.1	19
Increase	29.4	33.6	-13
Increase through acquisitions	1.1	2.4	-54
Decrease	-4.0	-2.6	54
Decrease through disposals	-2.4	-0.3	*)
Depreciation and value adjustments	-20.3	-18.6	9
Reclassification	-3.1	0.2	*)
Carrying value at the end of period	92.5	91.8	1

*) Change over 100%.

INVENTORIES (MEUR)

	12/2007	12/2006	change, %
Raw materials and consumables	19.4	19.5	-
Work in progress	488.3	378.2	29
Land areas and plot owing companies	567.1	500.0	13
Shares in completed housing and real estate companies	80.0	64.9	23
Advance payments	104.4	35.2	*)
Other inventories	5.7	8.6	-33
Total inventories	1,265.0	1,006.4	26

*) Change over 100%.

NOTES ON EQUITY (MEUR)

	Number of shares	Share capital	Share premium reserve	Treasury shares	Total
Share capital and share premium reserve					
Jan 1, 2007	126,777,072	63.4	83.8	0.0	147.2
Bonus issue	-	82.8	-82.8	-	0.0
Reclassification	-	-	-1.0	-	-1.0
Annulment of treasury shares	-400	-	-	0.0	0.0
Share subscription with options	441,200	2.9	-	-	2.9
Dec 31, 2007	127,217,872	149.1	0.0	0.0	149.1

INTEREST-BEARING LIABILITIES (MEUR)**Bonds**

	Fair value	Carrying value	Nominal value
Bonds in financial statements December 31, 2006	275.3	275.0	275.0
Redemptions during to period	-50.0	-50.0	-50.0
Valuation of the above bonds on Sept 30, 2007	223.5	225.0	225.0
Bonds raised during the review period			
(1) 1/2007-2014, interest rate 5.284%, EUR	49.2	50.0	50.0
(2) 2/2007-2012, interest rate 5.165%, EUR	49.2	49.9	50.0
Total bonds Dec 31, 2007	321.9	324.9	325.0

Terms of the bonds raised during the review period in brief:

1) Loan-period March 26, 2007 - March 26, 2014, interest payments by quarter in arrear, starting on June 26, 2007. The bond is unsecured. ISIN code FI0003024216. The interest rate is 3 months Euribor + 0.50%. (Private Placement).

2) Loan-period March 29, 2007 - March 29, 2012, interest payments by quarter in arrear, starting on June 29, 2007. The bond is unsecured. ISIN code SE0001991068. The interest rate is 3 months Euribor + 0.40%. (Private Placement).

Interest rate risk associated with interest-bearing liabilities

On the closing date, interest-bearing liabilities accounted for 64% (39%) of the Group's total loan portfolio and the weighted average interest rate was 4.555% (4.291%).

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

Interest rate swaps are used to hedge against rate adjustments of floating rate loans: 3 month Euribor-linked loans with a nominal value of EUR 175 million and 6 month Euribor-linked loans with a nominal value of EUR 35 million. These hedges qualify for effective hedging requirements and changes in fair value of the interest rate swaps are, according to company accounting principles, recognised in fair value reserve. Interest rate swaps decrease the weighted average interest of the entire loan portfolio by 0.349 percentage point.

Interest rate swaps are also used to hedge against readjustments of 3 month Euribor-linked loans with a nominal value of EUR 100 million and 1 month Euribor-linked trade receivables with a nominal value of EUR 62 million. IAS 39-compliant hedge accounting is not applied to these derivative instruments, and changes in their fair value have been recognised in the income statement in accordance with the accounting principles applied in the financial statements.

At the end of 2007, the duration of long-term liabilities and interest rate swaps hedging them was 1.28 years (1.52 years).

CHANGE IN CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS (MEUR)

	12/2007	12/2006	muutos, %
Collateral given for own commitments			
Corporate mortgages	29.3	29.3	-
Pledged shares	-	1.5	*)
Other commitments			
Repurchase commitments	202.9	252.5	-20
Operating leases	294.3	202.1	46
Rental guarantees for clients	7.8	6.5	20
Other contingent liabilities	0.7	0.8	*)
Other guarantees	12.4	-	*)
Liability under derivative contracts			
Value of underlying instruments			
Interest rate derivatives	399.8	173.4	*)
Foreign currency forward contracts	245.5	202.7	21
Market value			
Interest rate forward contracts	3.5	2.0	75
Foreign currency forward contracts	3.6	1.7	*)
Contingent assets	11.1	11.1	-

*) Change over 100%.

TRANSACTIONS WITH ASSOCIATED COMPANIES (MEUR)

	1-12/2007	1-12/2006	change, %
Sales to associated companies	4.8	1.2	*)
Purchases from associated companies	40.1	0.4	*)
Trade and other receivables	0.1	2.6	-96
Trade and other liabilities	0.8	-	*)

*) Change over 100%.