

YIT Group

Interim Report Jan-Sep/2006

Hannu Leinonen
Group CEO

Event for analysts and investors
27 October 2006



Together we can do it.



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YIT Group Interim Report Jan-Sep/2006

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Revenue and operating profit growth continued

- Building Systems forged ahead with improving profitability. The business segment's operating profit rose by 47 per cent and operating margin increased to 5.2 per cent of revenue (Jan-Sep/2005 3.6%).
- Construction Services' operating profit margin remained at excellent level and was 11.4 per cent (11.6%). Revenue growth was 14 per cent and operating profit growth 12 per cent.
- Revenue increased in Industrial and Network Services but operating profit weakened due to the weak market for network services as well as personnel downsizing costs. The operating profit margin was 3.6 per cent (9.6%).

Order backlog all-time high level

- Order backlog MEUR 2,246.2 (Jan-Sep/2005: MEUR 1,881.4), growth 19%
- Revenue MEUR 2,376.3 (MEUR 2,163.8), growth 10%
- Operating profit MEUR 172.4 (MEUR 162.5), growth 6%.
Operating profit margin 7.3% (7.5%)
- Earnings per share EUR 0.88 (EUR 0.91), change -3%
- Return on investment 25.2% (23.7%)
- Financial position remains solid
 - Equity ratio 34.6% (34.6%)
 - Gearing ratio 68.1% (52.3%)

Consolidated income statement

MEUR	Jan-Sep/2006	Jan-Sep/2005	Change, %	Jan-Dec/2005
Revenue	2,376.3	2,163.8	10	3,023.8
• of which activities outside Finland	1,047.7	921.0	14	1 326.6
Operating income and expenses	-2,187.1	-1,985.1	10	-2,772.9
Shares in associated companies	0.8	0.5	60	0.7
Depreciation and write-downs	-17.6	-16.7	5	-23.9
Operating profit	172.4	162.5	6	227.7
• as percentage of revenue	7.3	7.5		7.5
Financial income	2.3	1.3	77	1.9
Exchange rate differences	-1.8	2.6	*)	2.0
Financial expenses	-14.8	-12.8	16	-16.8
Profit before taxes	158.1	153.6	3	214.8
• as percentage of revenue	6.7	7.1		7.1
Income taxes	-43.6	-40.2	8	-57.9
Profit for the period	114.6	113.4	1	156.9
• as percentage of revenue	4.8	5.2		5.2
Attributable to				
Equity holders of the company	110.7	112.7	-2	155.5
Minority interests	3.9	0.7	*)	1.4
Earnings per share, EUR	0.88	0.91	-3	1.26
Diluted earnings per share, EUR	0.87	0.89	-2	1.23

*) Change over 100%



Revenue by business segment

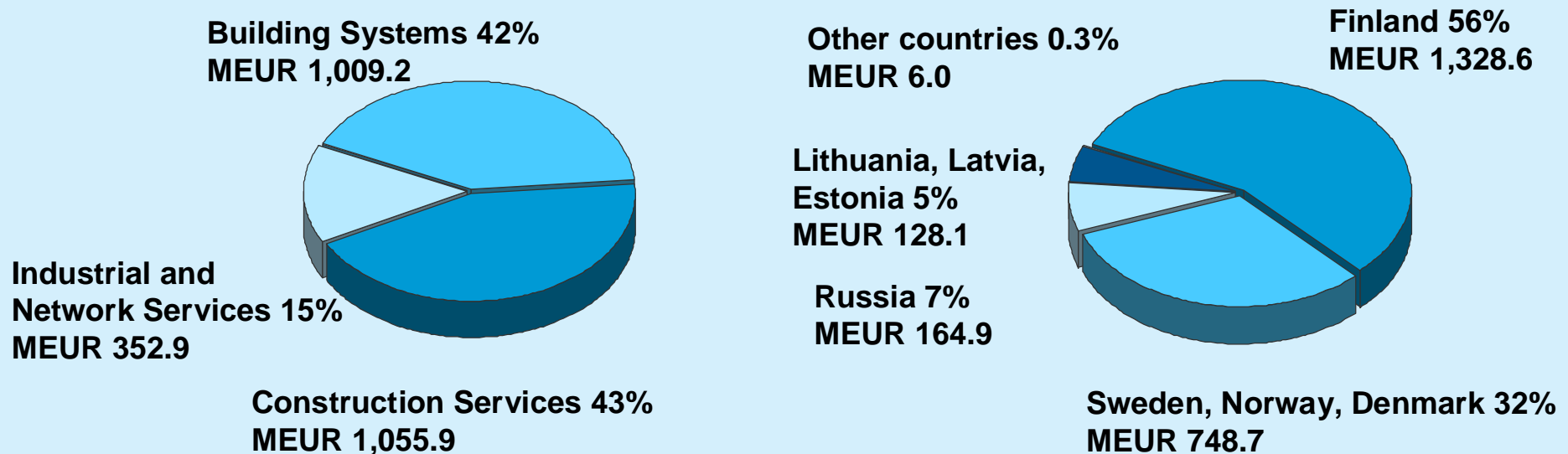
MEUR	Jan-Sep/ 2006	Jan-Sep/ 2005	Change, %	Jan-Dec/ 2005
Building Systems *)	1,009.2	994.7	1	1,398.4
Construction Services	1,055.9	925.3	14	1,298.3
Industrial and Network Services *)	352.9	291.3	21	398.8
Other items	-41.7	-47.5	-12	-71.7
YIT Group total	2,376.3	2,163.8	10	3,023.8

*) At the beginning of 2006, industrial electricity, automation and HEPAC operations were transferred to the Industrial and Network Services business segment from the Building Systems business segment. The business operations that were transferred had revenue of EUR 58.9 million in Jan-Dec/2005. Comparable growth for Building Systems was 6% and for Industrial and Network Services 6%.

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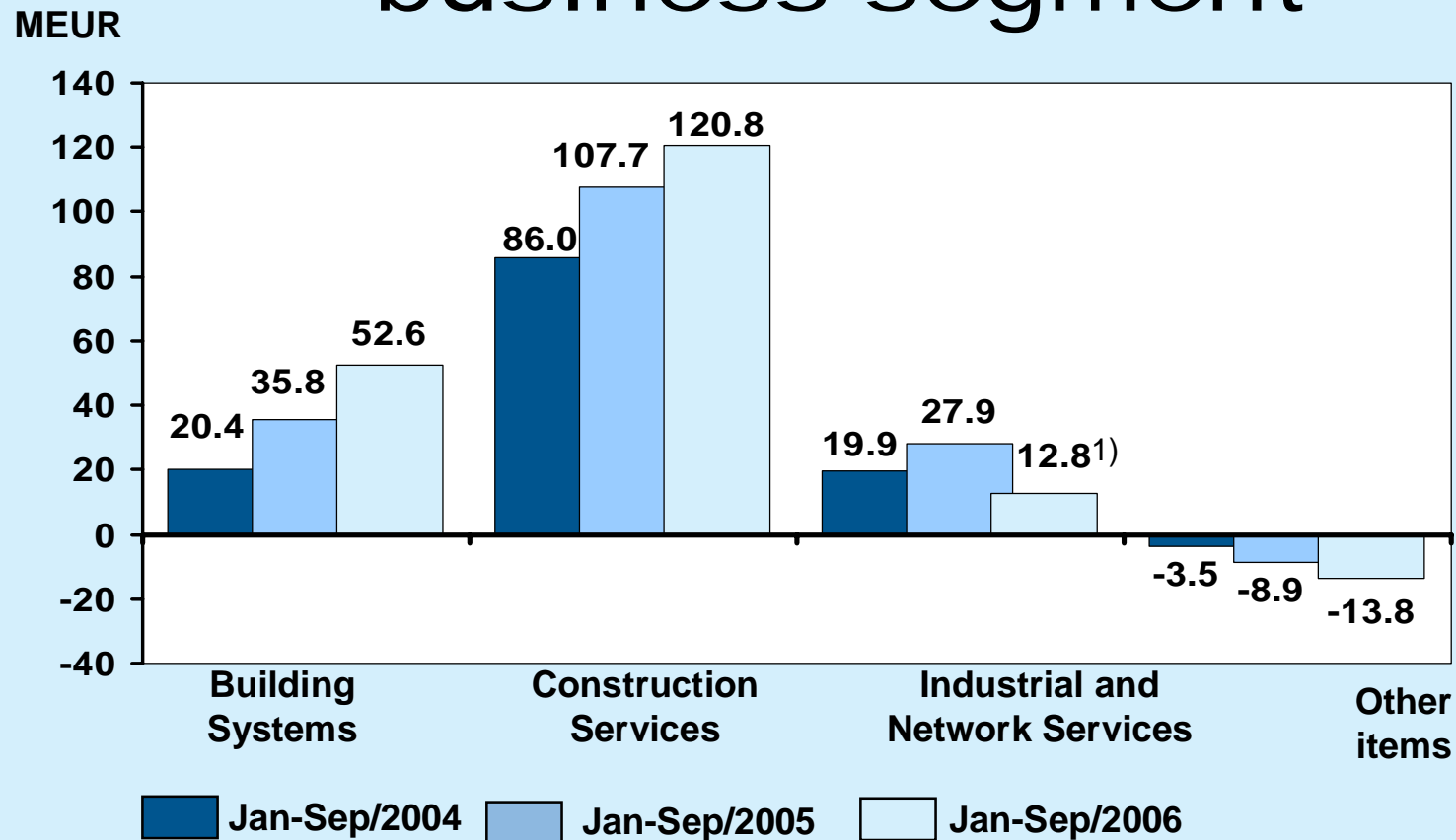


Breakdown of revenue Jan-Sep/2006



**Total revenue MEUR 2,376.3,
of which operations outside Finland MEUR 1,047.7**

Operating profit by business segment



Total operating profit Jan-Sep/2006 MEUR 172.4

Jan-Sep/2005 MEUR 162.5

Jan-Sep/2004 MEUR 122.8

1) Includes EUR 5.1 million adjustment costs for personnel reductions in Q3/2006.

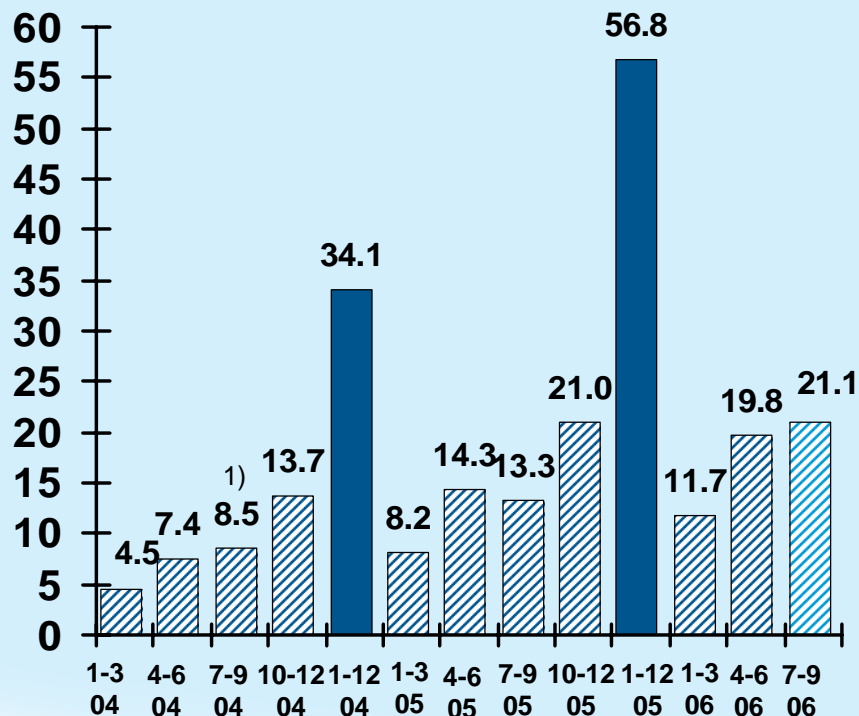
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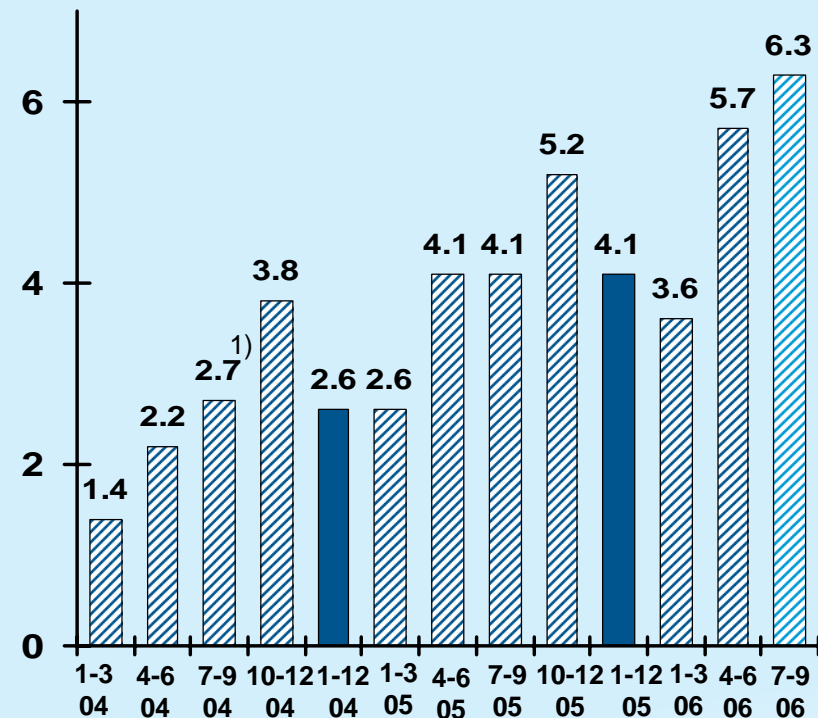
Building Systems

Operating profit by quarter

Operating profit, MEUR



Operating profit margin, %



1) Includes a loss provision of EUR 4 million due to an electrification project on two ships for the Royal Danish Navy (non-recurring item).

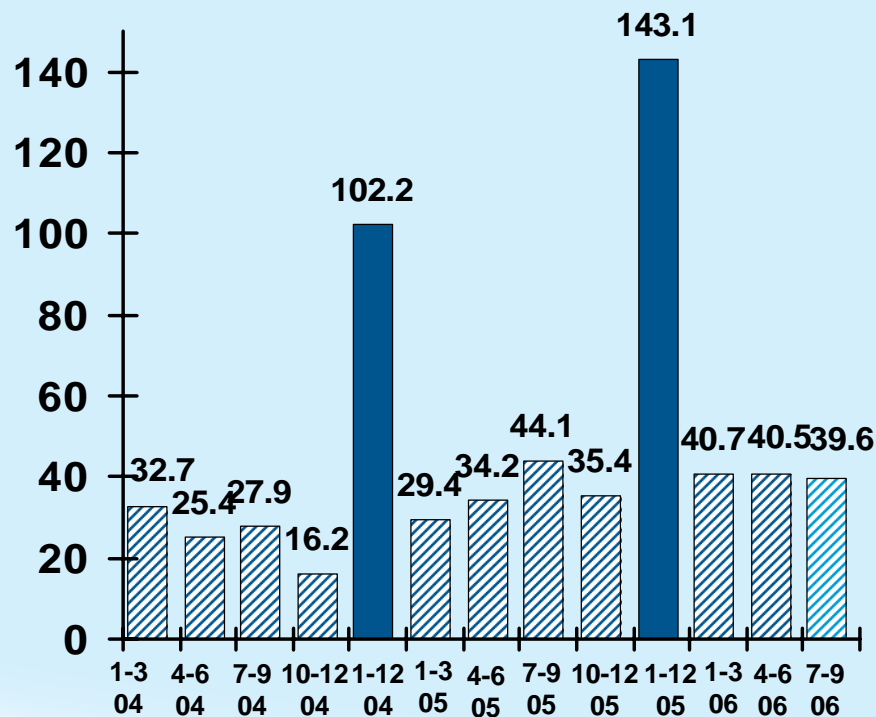
Together we can do it.



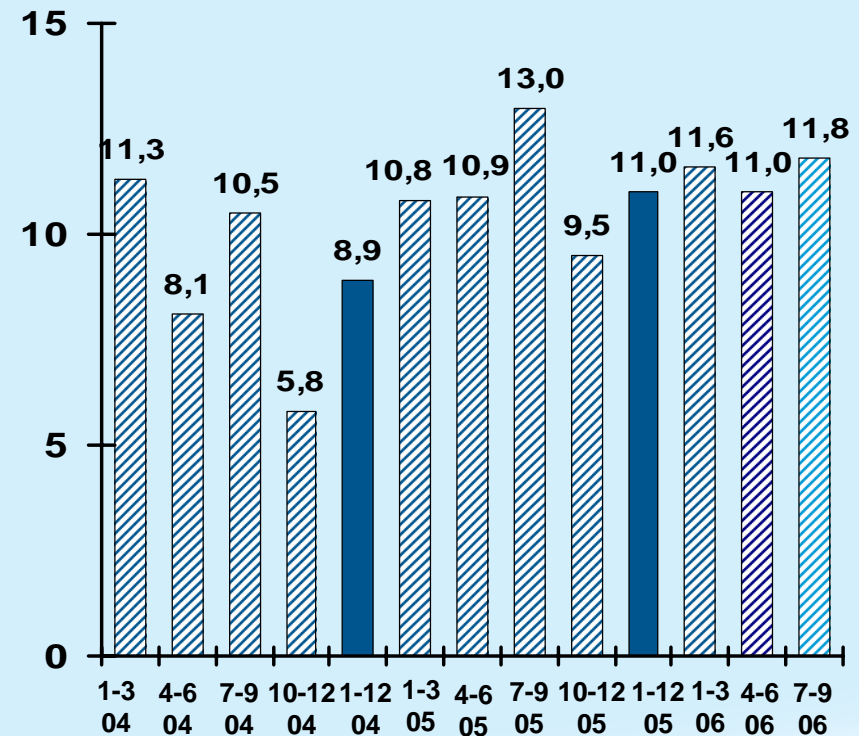
Construction Services

Operating profit by quarter

Operating profit, MEUR



Operating profit margin, %



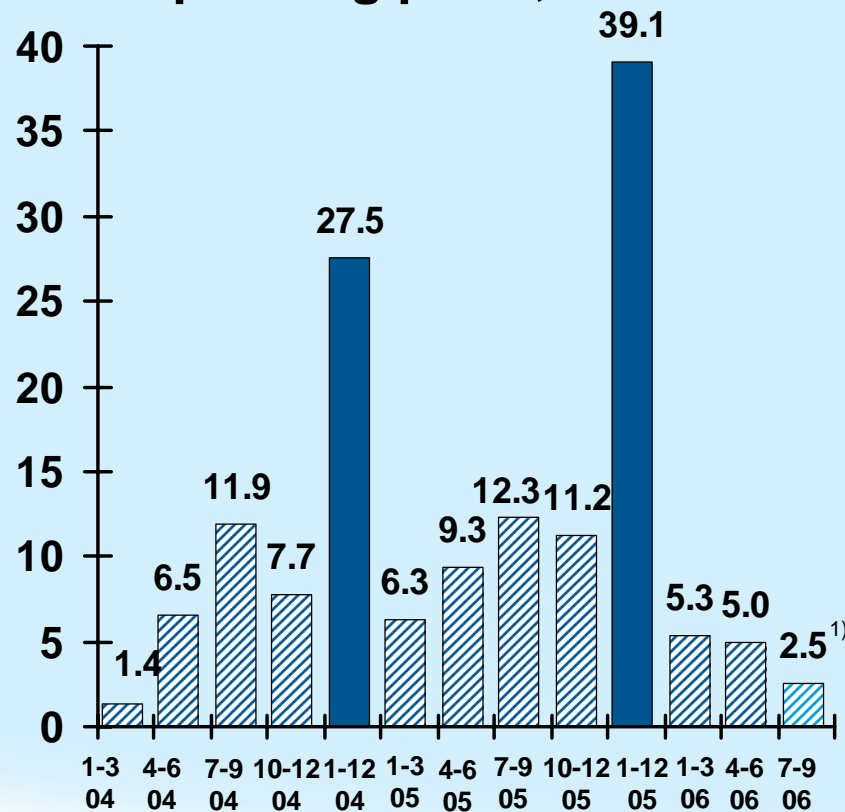
Together we can do it.



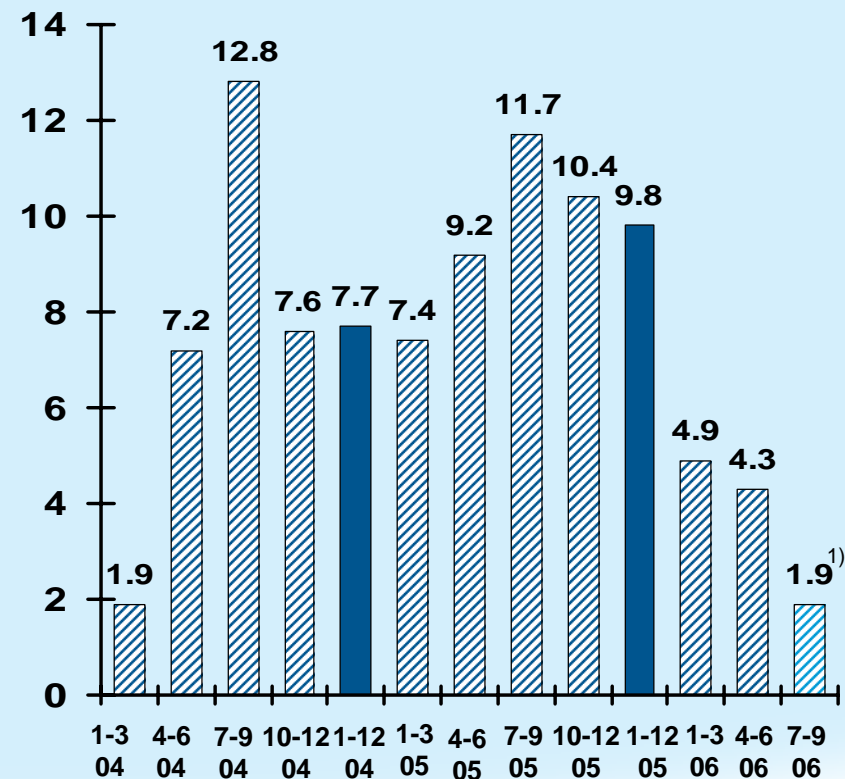
Industrial and Network Services

Operating profit by quarter

Operating profit, MEUR



Operating profit margin, %

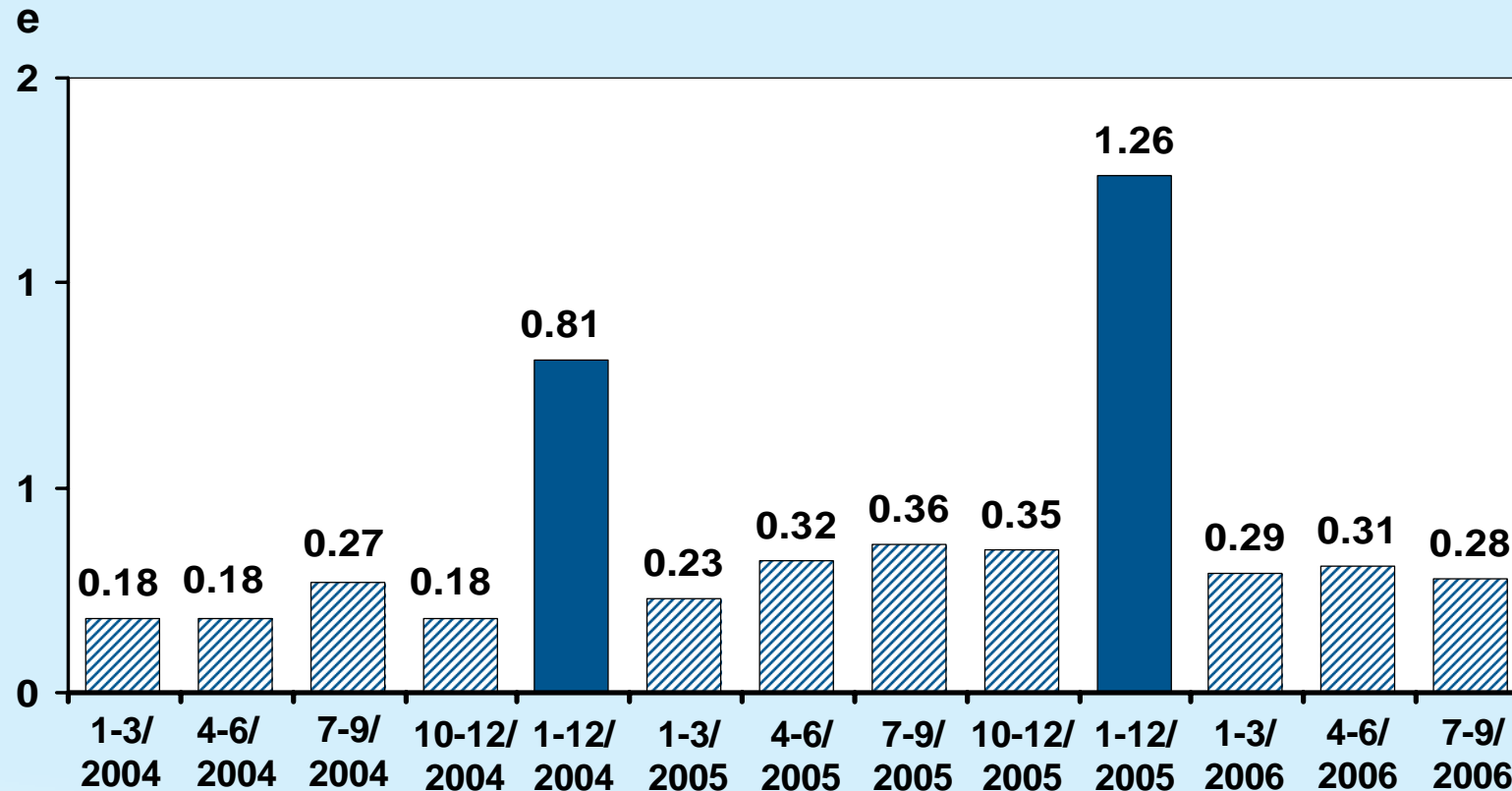


1) Includes EUR 5.1 million adjustment costs for personnel reductions in Q3/2006.

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Earnings per share per quarter

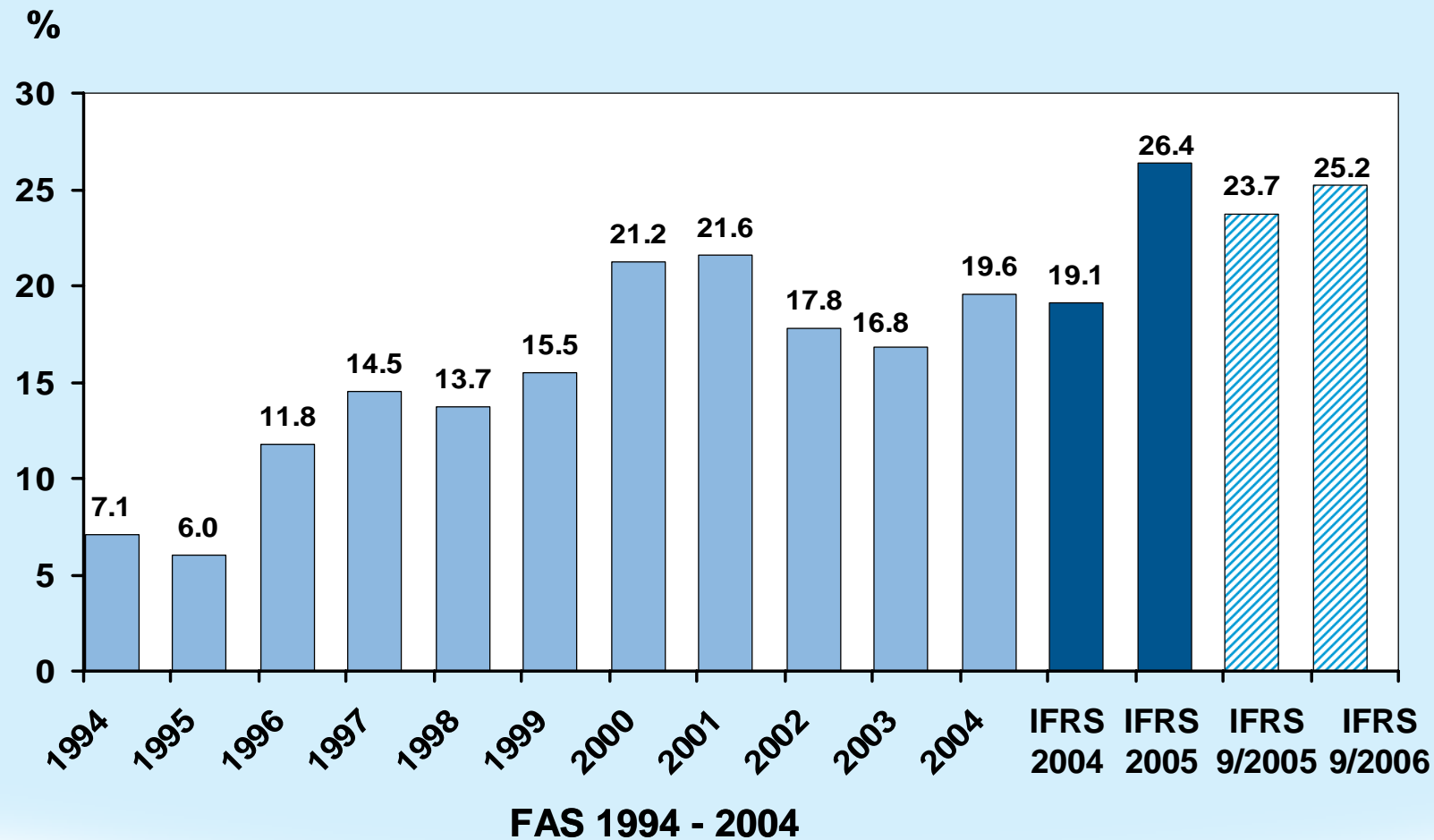


The doubling amount of shares which came into effect on March 24, 2006 (split) has been taken into account.

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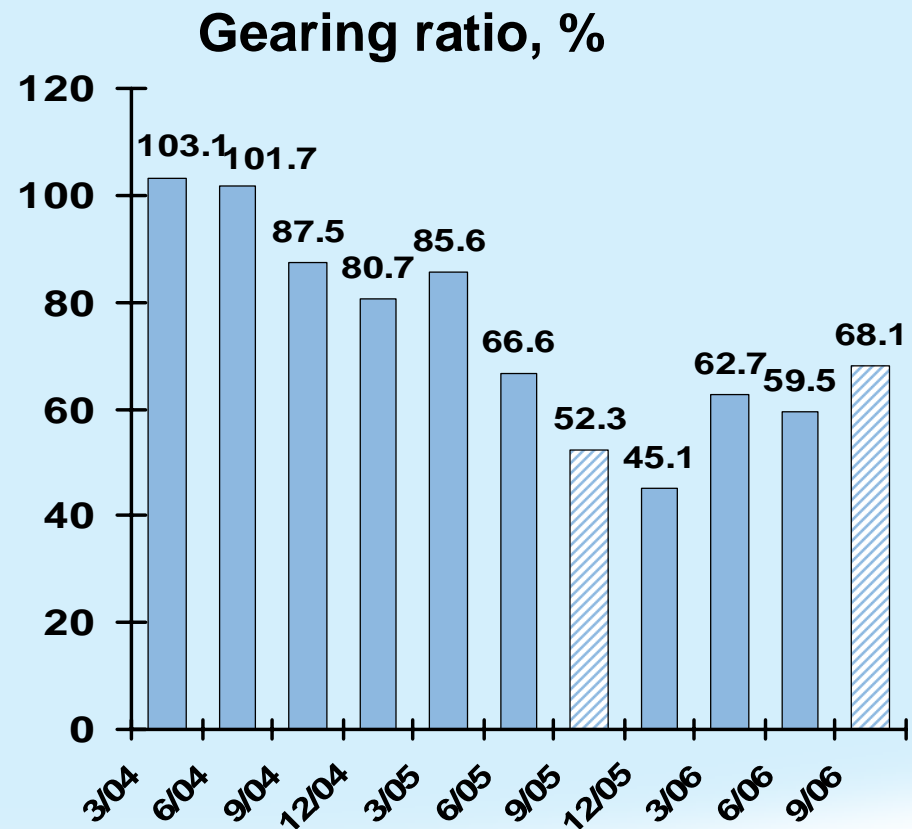
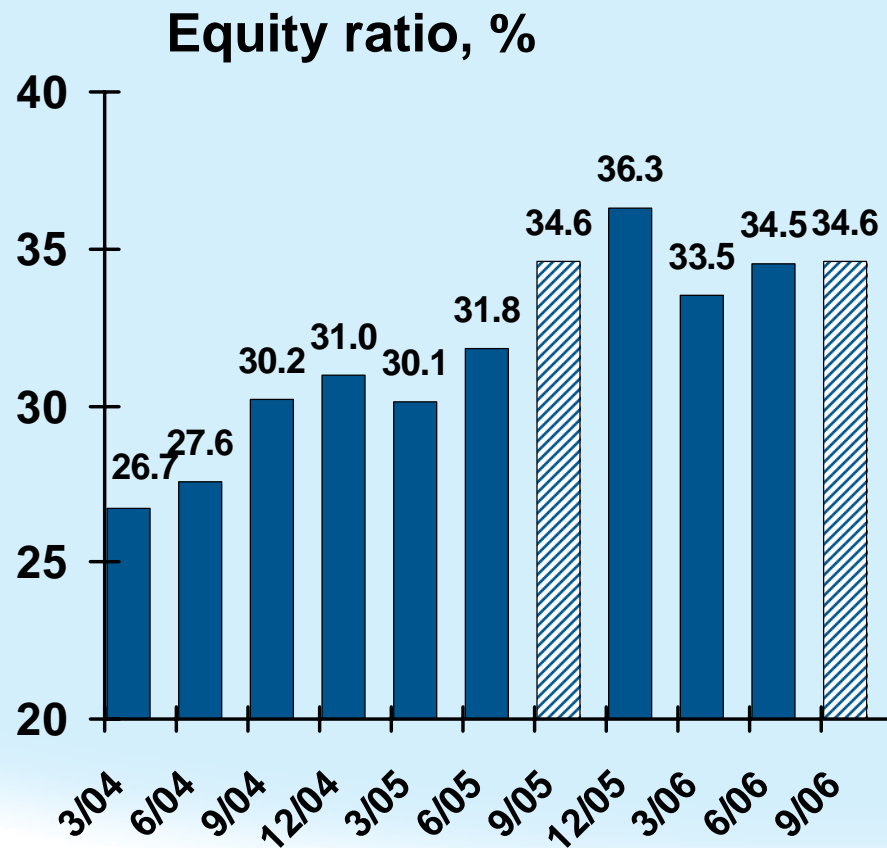
Return on investment



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Equity ratio and gearing by quarter

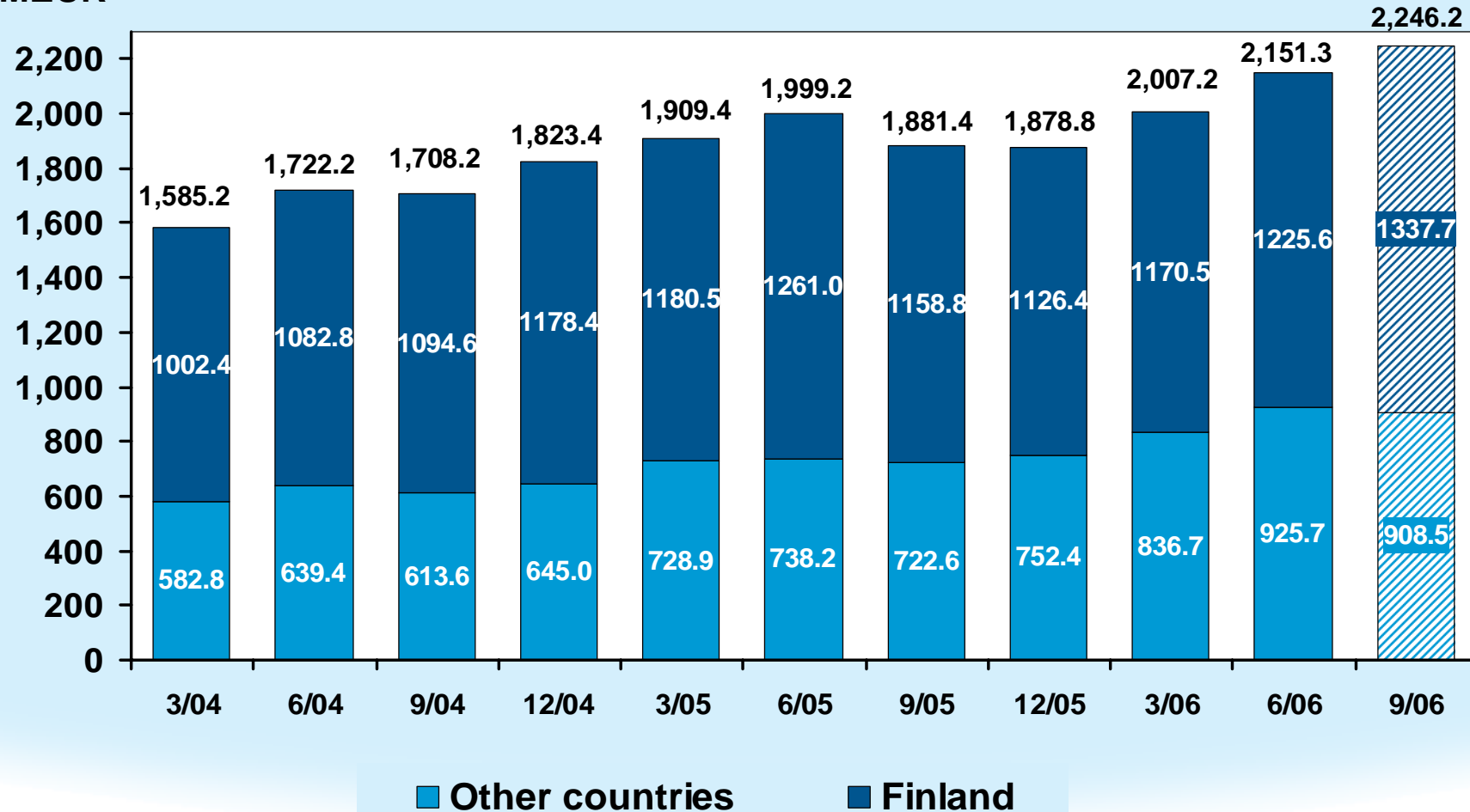


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Order backlog at end of period

MEUR

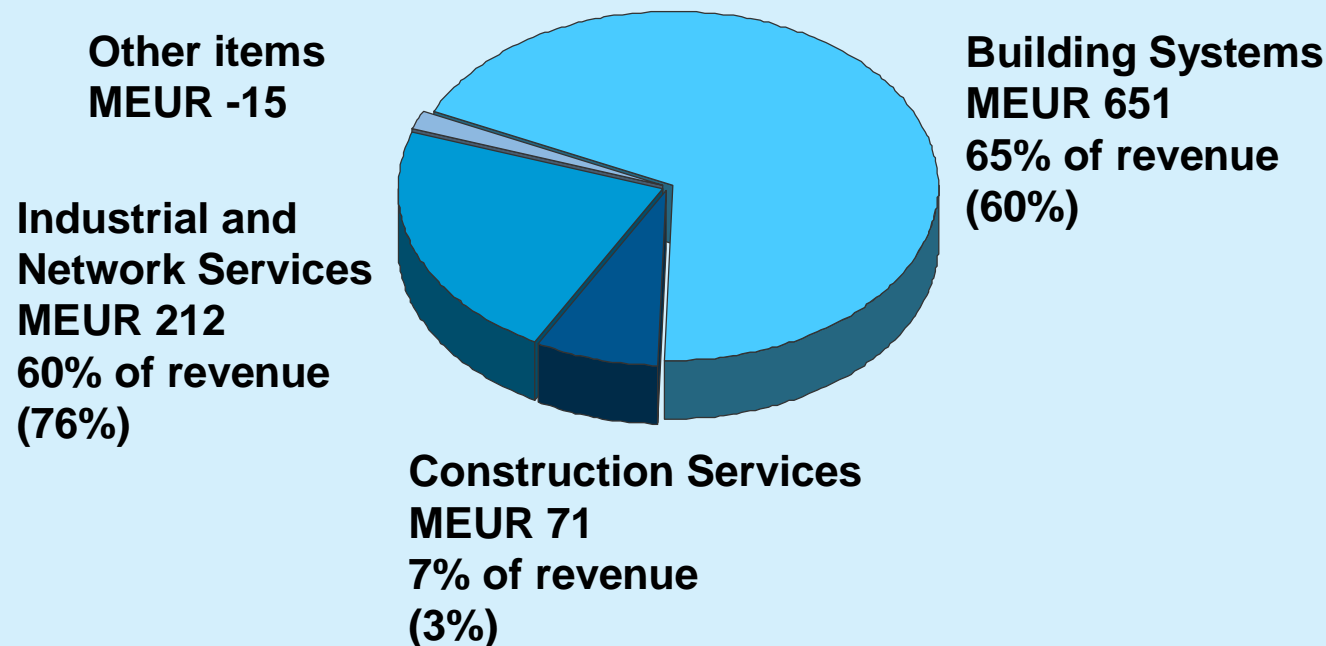


Order backlog by business segment

MEUR	Sep/2006	Sep/2005	Change, %	Dec/ 2005
Building Systems *)	582.7	575.7	1	492.0
Construction Services	1,524.4	1,193.8	28	1,242.6
Industrial and Network Services *)	180.3	158.3	14	173.3
Other items	-41.2	-46.4	-11	-29.1
YIT Group total	2,246.2	1,881.4	19	1,878.8

*) At the beginning of 2006, industrial electricity, automation and HEPAC operations were transferred to the Industrial and Network Services business segment from the Building Systems business segment. The business operations that were transferred had revenue of EUR 58.9 million in Jan-Dec/2005.

Maintenance and upkeep services by business segment Jan-Sep/2006 (Jan-Sep/2005)



YIT Group total MEUR 919.0
39% of revenue (38%)

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Strategy and Strategic Target Levels

YIT's strategic target levels

- **Average annual growth in revenue 10%**
- **Operating profit margin (EBIT) 9%**
- **Return on investment 22%**
- **Equity ratio 35%**
- **Dividend payout 40–60% of net profit for the year after taxes and minority interests**

Main growth drivers by segments

- Construction Services
 - Increasing residential development and starting project development business in Russia
 - *Organic growth*
 - *Capital*
- Building Systems
 - Rounding out the service portfolio in the Nordic and Baltic countries and St. Petersburg and Moscow
 - *Organic growth and acquisitions*
 - *Personnel*
- Industrial and Network Services
 - Outsourcings within Finnish industry
 - *Outsourcings*
 - *Personnel*

Average annual growth in Russia 50% 2006-2009

- In Construction Services main focus on development business
 - Growth in residential development
 - Start-up of project development
- ⇒ Growth in development business increases invested capital, amount of capital grows slightly faster than net sales
- In Building Systems increasing volume in St. Petersburg and Moscow
 - In Industrial Services gaining foothold in St. Petersburg

Growth Construction Services in Russia

- **Increasing residential development**
 - Growing in existing cities
 - Entering new big cities (population over one million)
 - Entering new satellite cities from the existing cities
- **Start-up of project development**

Growth Construction Services in Russia



St Petersburg, Novo-Orlovskij, 10/2006

- Two plots for blocks of flats
- Over 15 500 residences
- Start-up in 2008
- Construction in stages during several years

St Petersburg 9/2006

- Two plots for blocks of flats
- About 2 200 residences
- Construction on the plots will be started up in stages in 2007-2008

Jekaterinburg 10/2006

- Joint venture (YIT Uralstroj)
- YIT 71 %, management owners 29%
- Three plots
- About 300 residences
- Construction of plots ongoing



Current business locations



Potential expansion 2007-

Jaroslavl 10/2006

- Plot acquisition (YIT Moskovia)
- About 160 residences
- Construction to start in the beginning of 2007

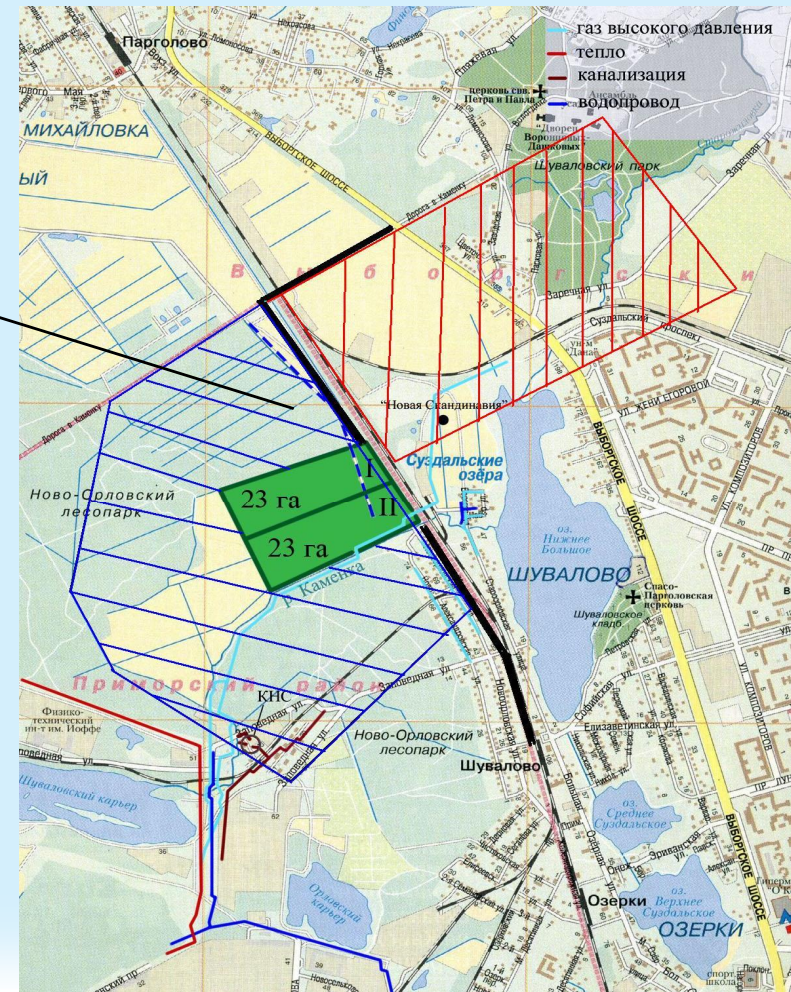
Moscow City 10/2006

- Plot acquisition (YIT CityStroi)
- About 150 residences
- Construction to start during 2007

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Location of Novo-Orlovskij plots in St Petersburg



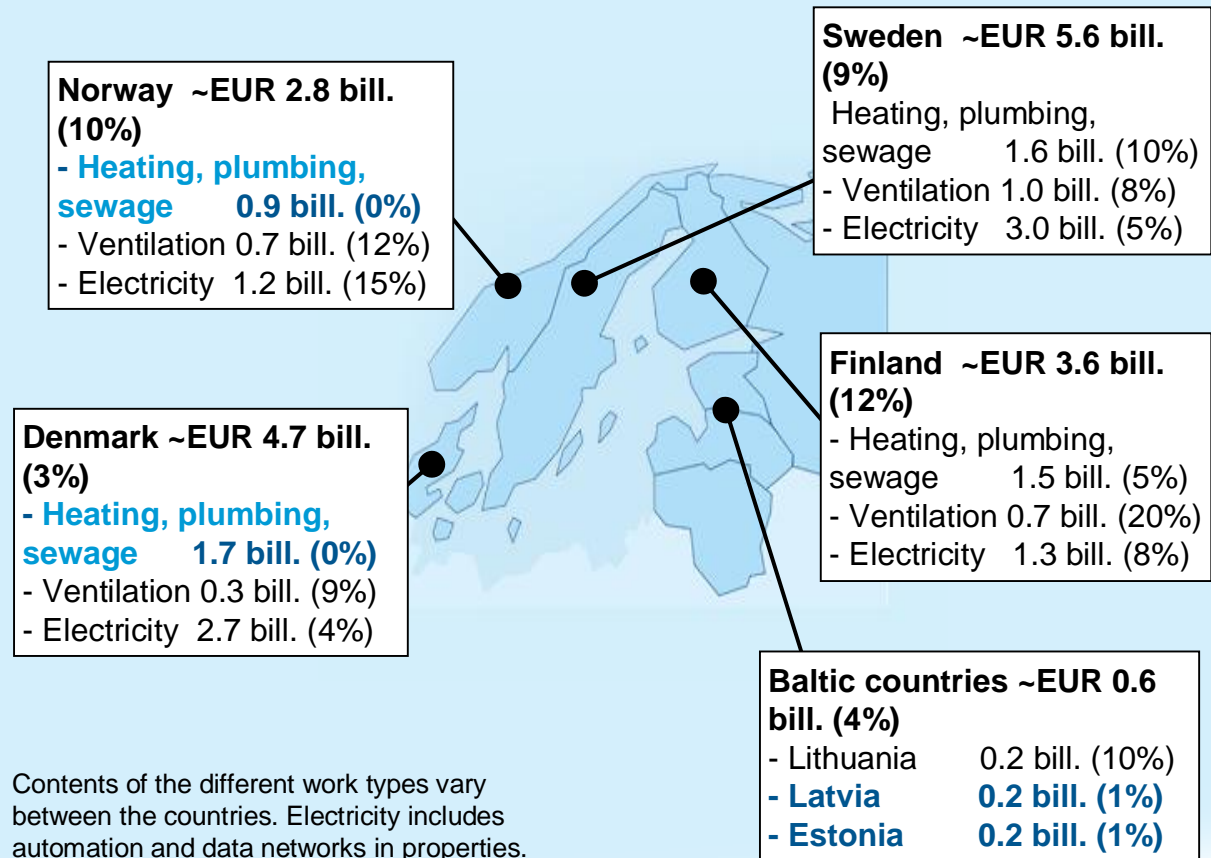
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Building Systems market by work types and YIT's market shares

Acquisition criteria

- In line with strategic goals
- Competent personnel
- Operative synergies and opportunities for company development
- Business culture
- Price



Industrial and Network Services Outsourcings

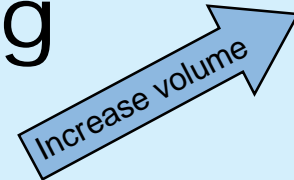
- **Maintenance of Botnia's pulp mills in Rauma and Äänekoski**
- Maintenance of Botnia's plants in Kaskinen
- IT help desk services for Hewlett & Packard
- Maintenance of Finnsementti's plant in Parainen
- Maintenance of Okmetic's plant in Vantaa
- Project and design services of M-real Kyrö's plant in Kyröskoski
- Maintenance services for Purso's plants in Siuro
- Maintenance services for Parker Hannifin's plants in Urjala

Business mix development by value chain positioning



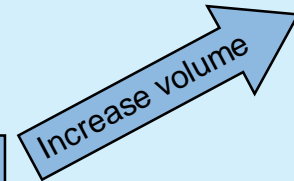
Consumer services 26% (Jan–Sep/06)

- Services offered directly to end-users
- YIT Home
- Leisure-time solutions
- Single-family houses
- Technical field services



Long-term service agreements 27%

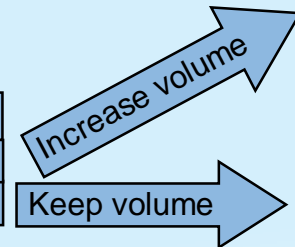
- Repeated service deliveries on agreed terms
- Building systems maintenance and services
- Industrial maintenance
- Data network maintenance, repairs, deliveries
- Road maintenance



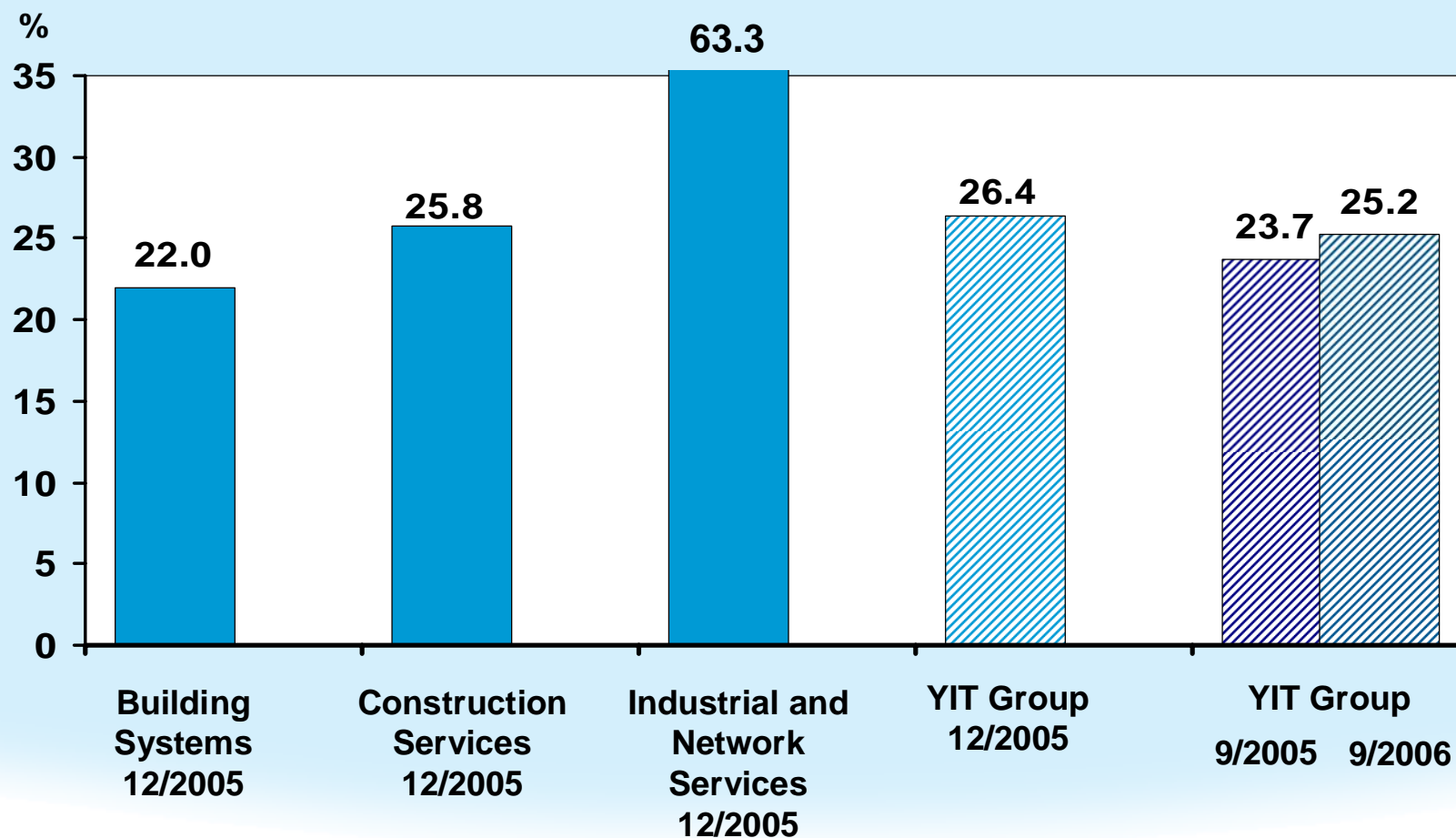
Projects 47%

- Project development
- Contracting

- Services delivered on project-specific terms
- Construction
- Building systems
- Industrial and network services



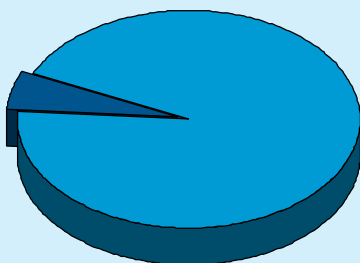
ROI by business segment



YIT Group invested capital allocation

Dec/2004

Russia 6%
MEUR 48

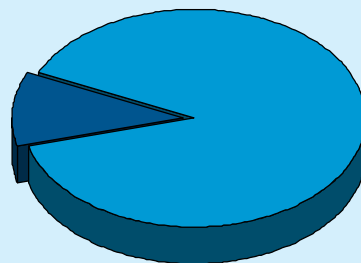


Other YIT Group 94%
MEUR 793

Total 12/2004
MEUR 841

Dec/2005

Russia 11%
MEUR 100

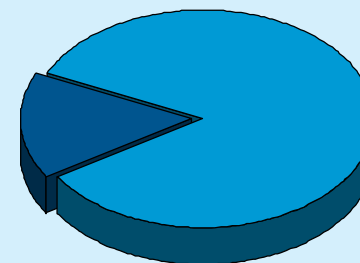


Other YIT Group 89%
MEUR 799

Total 12/2005
MEUR 899

Sep/2006

Russia 16%
MEUR 169



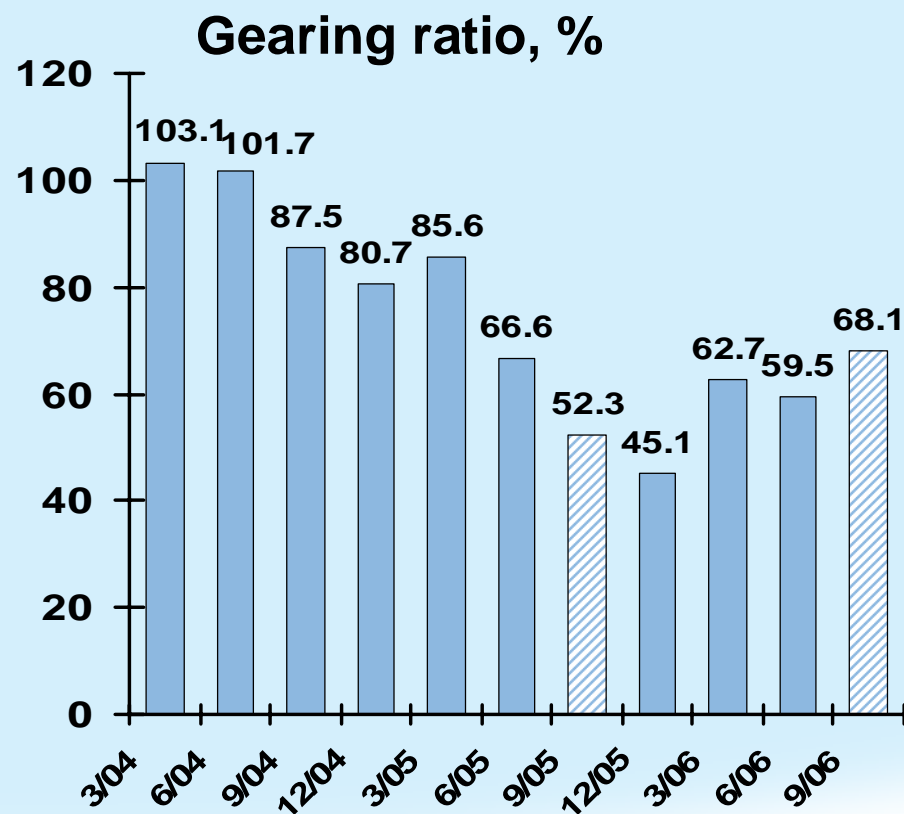
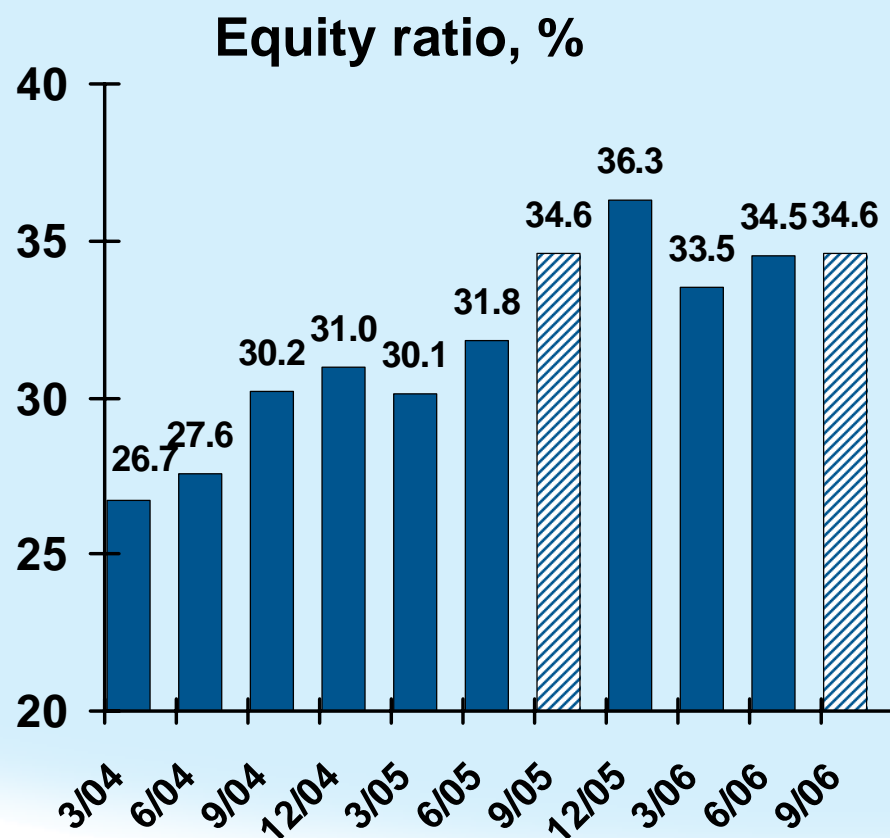
Other YIT Group 84%
MEUR 894

Total 9/2006
MEUR 1 063

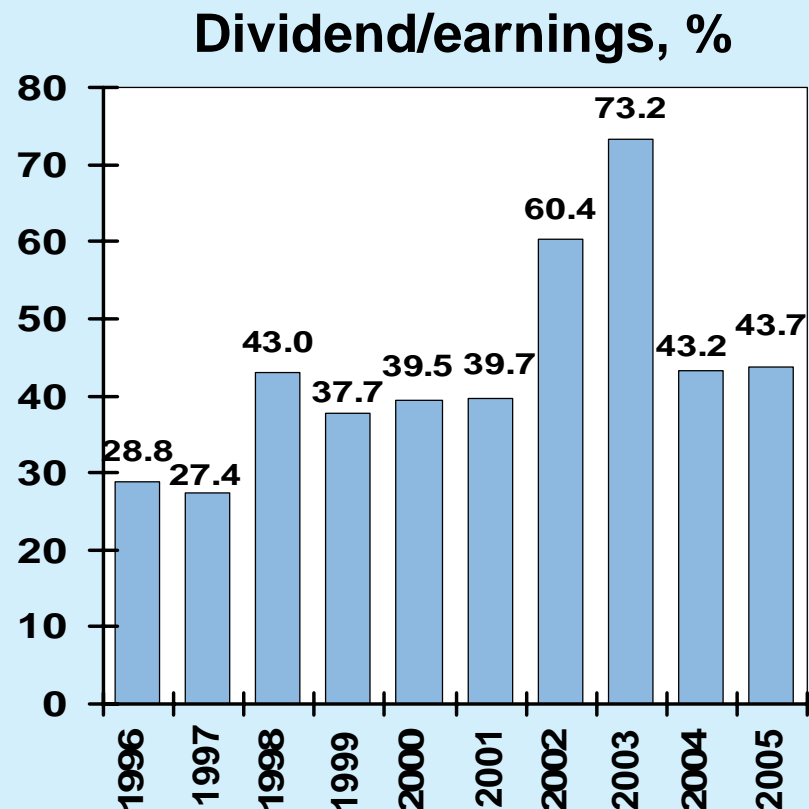
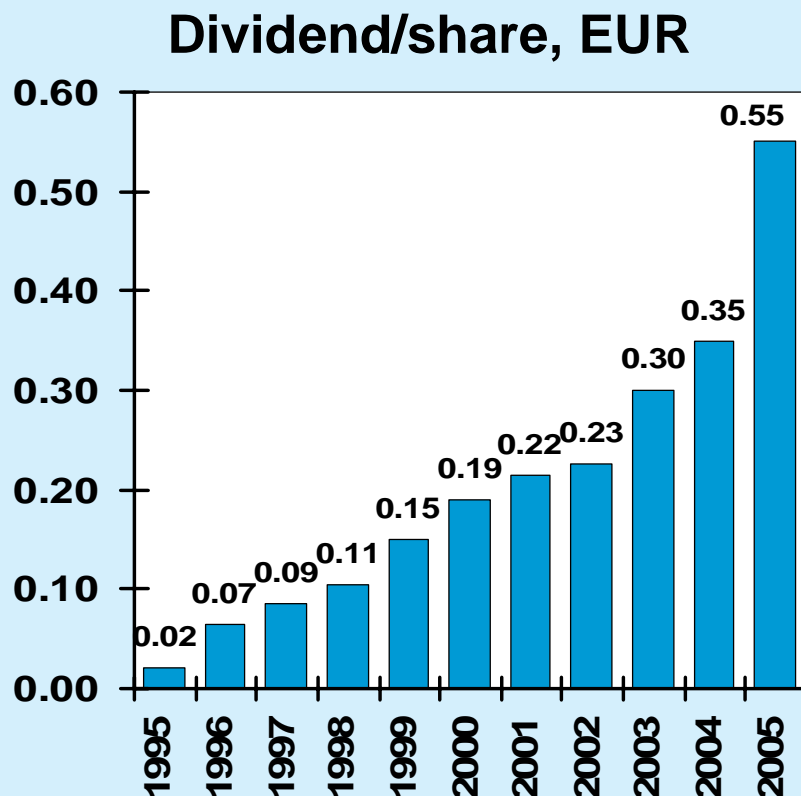
Invested capital= balance sheet total - non interest-bearing liabilities

Together we can do it. **YIT**

Solid financial position and optimal capital structure



Steady growth in dividends



**YIT's dividend policy: 40–60 % of the annual profit
after taxes and minority interests**

The doubling amount of shares which came into effect on March 24, 2006 (split) has been taken into account. Year 2004 and 2005 are IFRS numbers.

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Market and Future Outlook

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Market outlook

- The GDP of the Nordic countries is estimated to grow by 3.6% this year and on average by 2.5 per cent in 2007 and 2008, still outpacing the growth rate in Eurozone.*
- Russia and Norway benefit from the high prices of oil. The rate of growth in Russia, Estonia, Latvia and Lithuania is twice as fast as in the Nordic countries.
- The good trend in incomes and the improving employment situation support household consumption. The level of and the moderate growth rate of euro interest rates support the development in investments and housing demand.
- Growth in exports and industrial output increases the need for industrial investments and maintenance in the Nordic countries.

* Nordea Sep/2006.

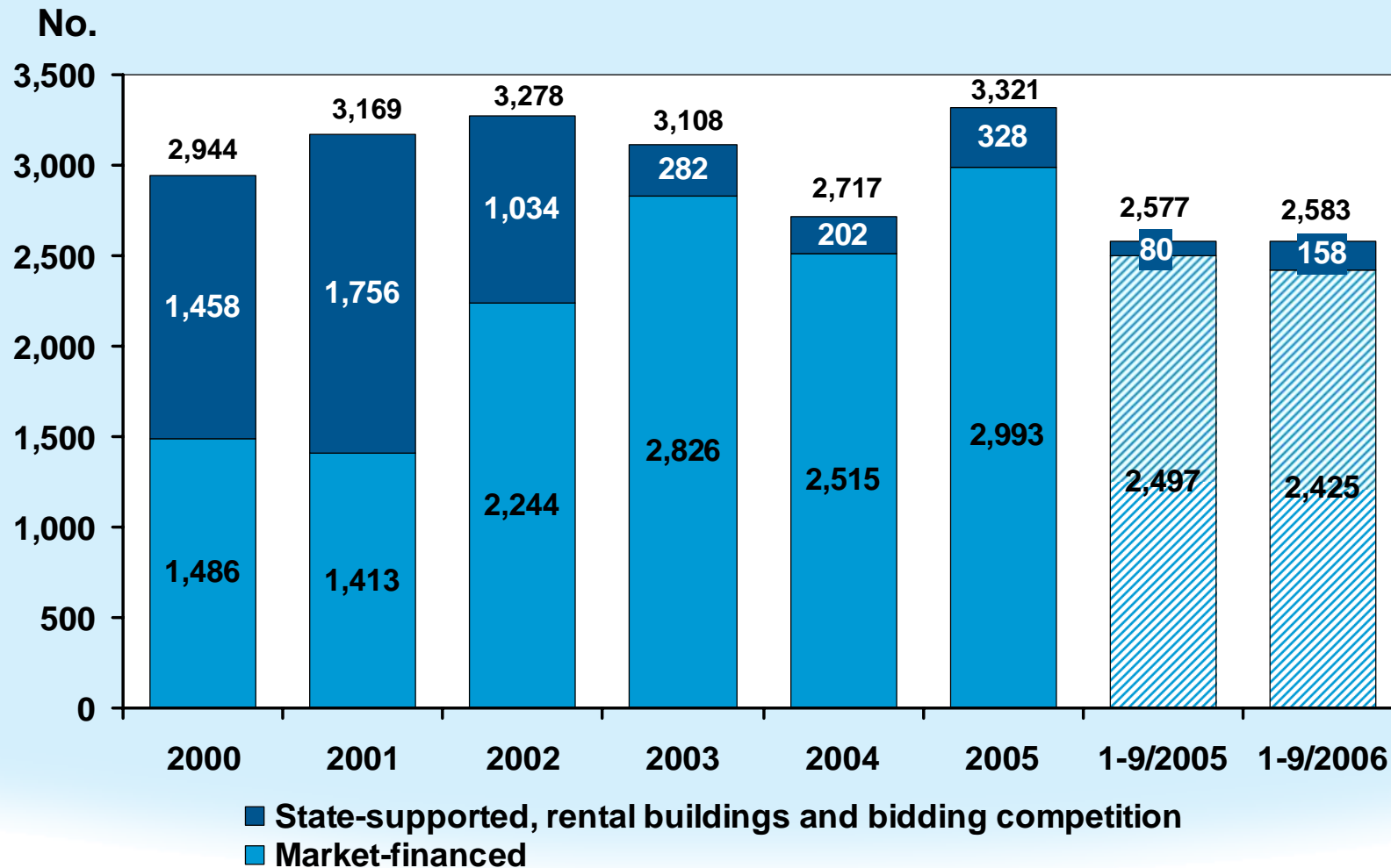
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Market development in Russia

- GDP growth in Russia on average twice as fast as in the Nordic countries
- High oil price
- Household income is increasing
- High migration
- High demand for new apartments
- Housing prices rise more than inflation
- New residential law
- Development of mortgage loan market

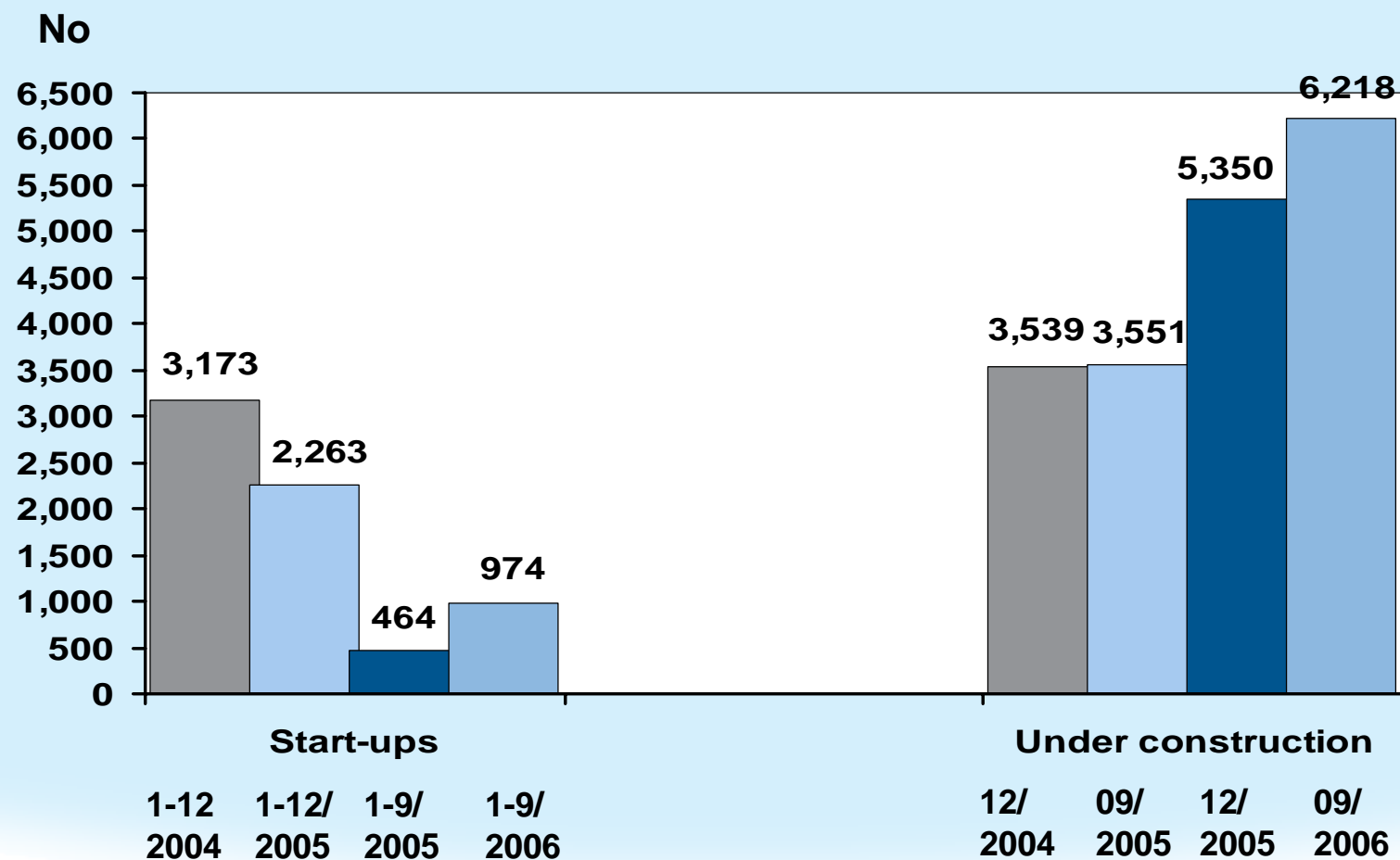
Number of start-ups in YIT's housing production in Finland



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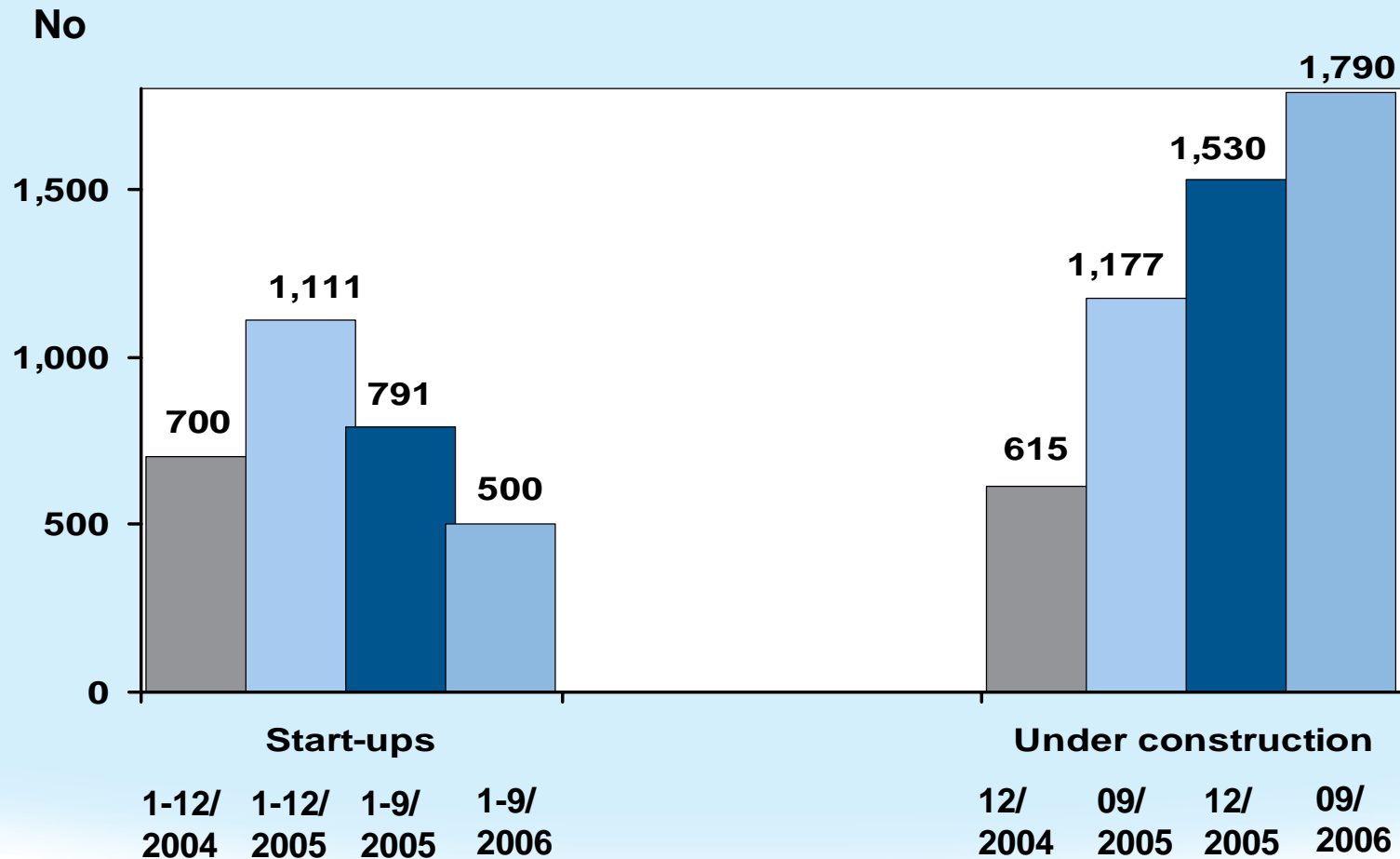
YIT's residential production Russia



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YIT's residential production Lithuania, Latvia, Estonia



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Outlook for 2006 in residential development

YIT estimates its market-financed residential start-ups:

- in Finland about 3,000 (start-ups in 2005: 2,993)
- in Russia about 3,100 (2,263)
- in the Baltic countries about 1,100 (1,111)

Outlook for 2006

- We estimate that revenue and pre-tax profit in 2006 will increase compared to the previous year.

More information on our web site

www.yit.fi

Sakari Toikkanen

Executive Vice President

tel. +358 20 433 2336

e-mail: sakari.toikkanen@yit.fi

Esko Mäkelä

Executive Vice President

tel. +358 20 433 2258

e-mail: esko.makela@yit.fi

Petra Thorén

Vice President, Investor Relations

tel. +358 20 433 2635

mobile +358 40 764 5462

e-mail: petra.thoren@yit.fi

Veikko Myllyperkio

**Vice President,
Corporate Communications**

tel. +358 20 433 2297

mobile +358 40 840 2500

e-mail: veikko.myllyperkio@yit.fi

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Appendices

- YIT Share
- Market Outlook
- Interim Report Jan-Sep/2006
- Strategic Target Levels

Appendices

YIT Share

Principal shareholders Sep 30, 2006

	No	%
1. Suomi Mutual Life Assur. Company	8,571,180	6.83
2. Sampo Life Insurance Company Ltd	7,706,450	6.14
3. Varma-Sampo	6,745,208	5.37
4. Ilmarinen Mutual Pension Ins.Co	3,365,600	2.68
5. Tapiola Insurance Group	2,490,680	1.98
6. Etera Mutual Pension Ins. Company	1,884,400	1.50
7. Odin Norden	1,448,866	1.15
8. Kaleva Mutual Insurance Company	1,436,700	1.14
9. Brotherus Ilkka	1,224,740	0.98
10. State Pension Fun	1 090,000	0.87
Nominee-registered	51,286,866	40.84
Other shareholders	39,766,530	30.52
Total	125,581,956	100.00

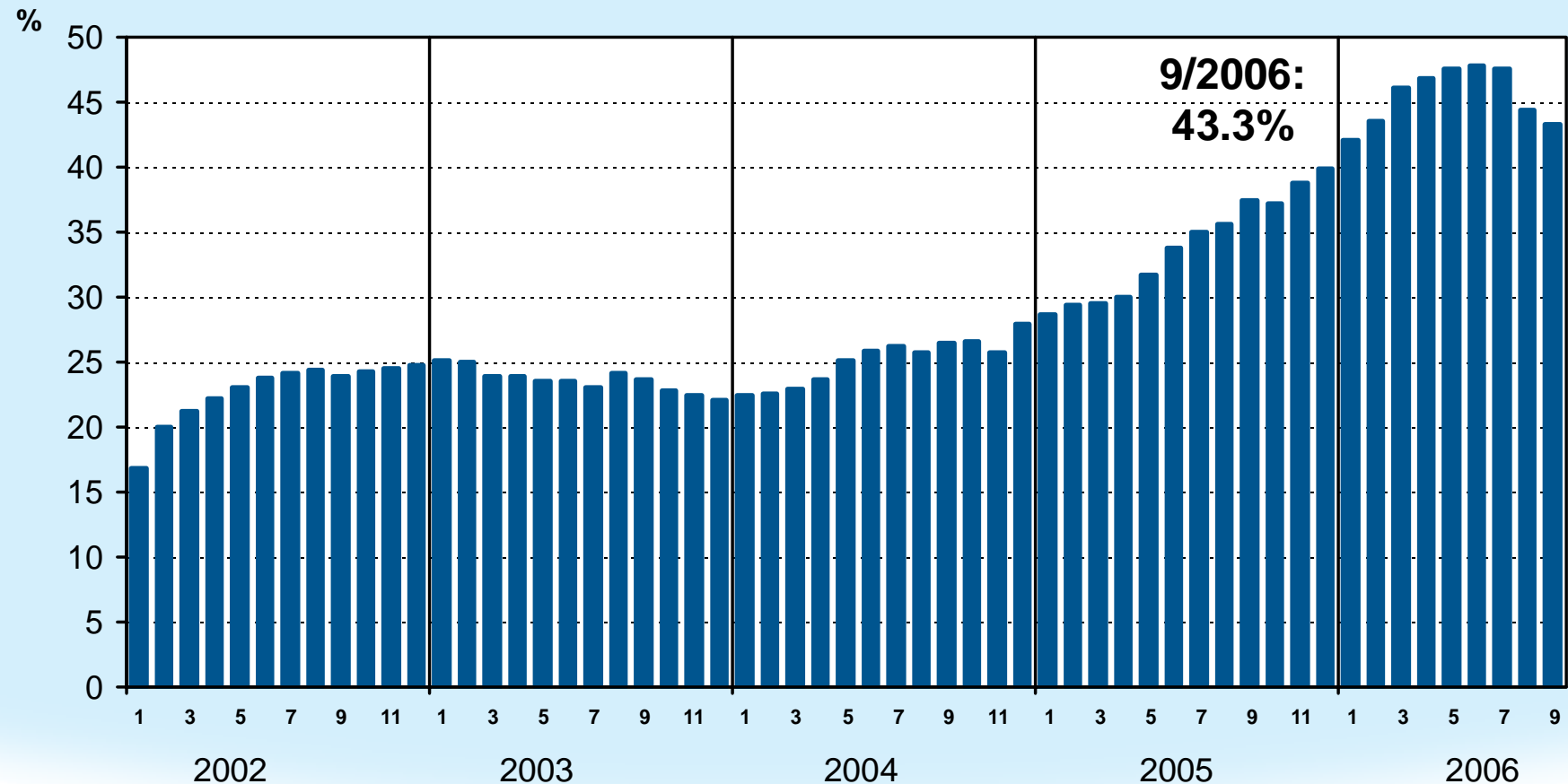
Total number of shareholders 13,965. Nominal value of the share EUR 0.50 (registered on March 24, 2006, whereby the number of shares was doubled).

Share capital EUR 62,790,978.

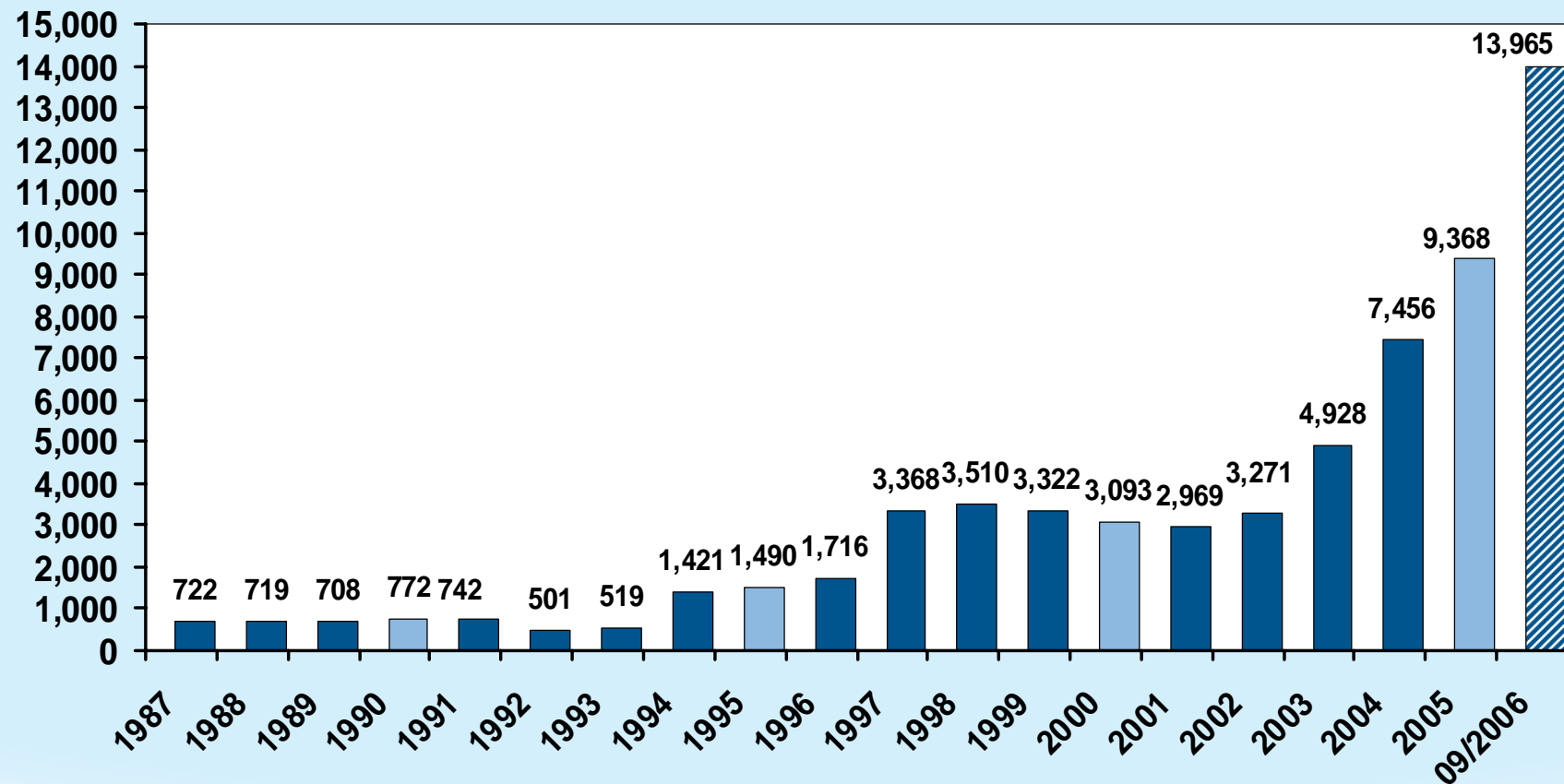
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Nominee-registered shareholders + other international ownership as percentage of equity



Number of shareholders at end of period



YIT Corporation was formed on September 2, 1987. YIT's share has been quoted on Helsinki Exchanges since September 4, 1995.

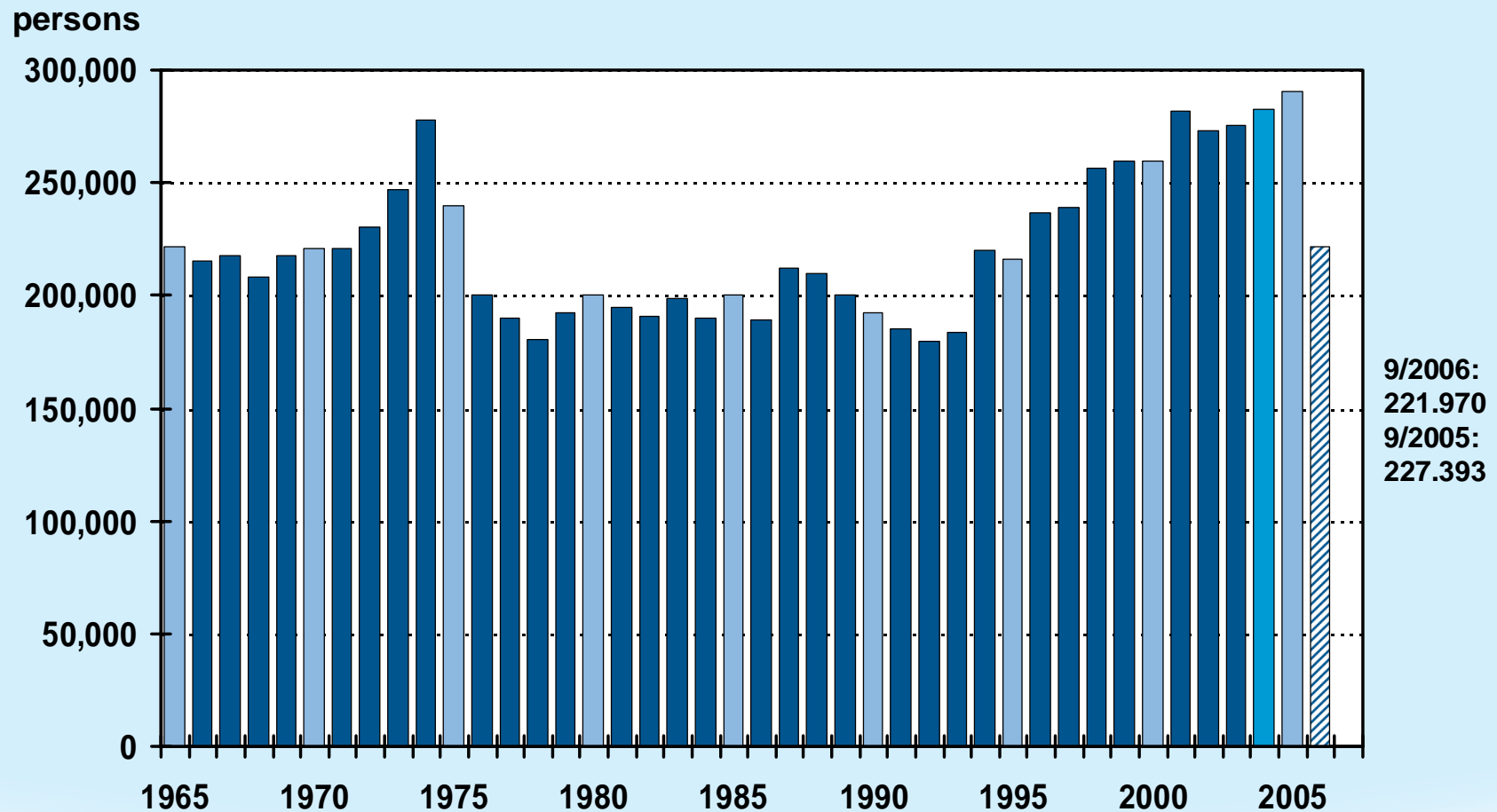
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Appendices

Market outlook

Migration between municipalities in Finland

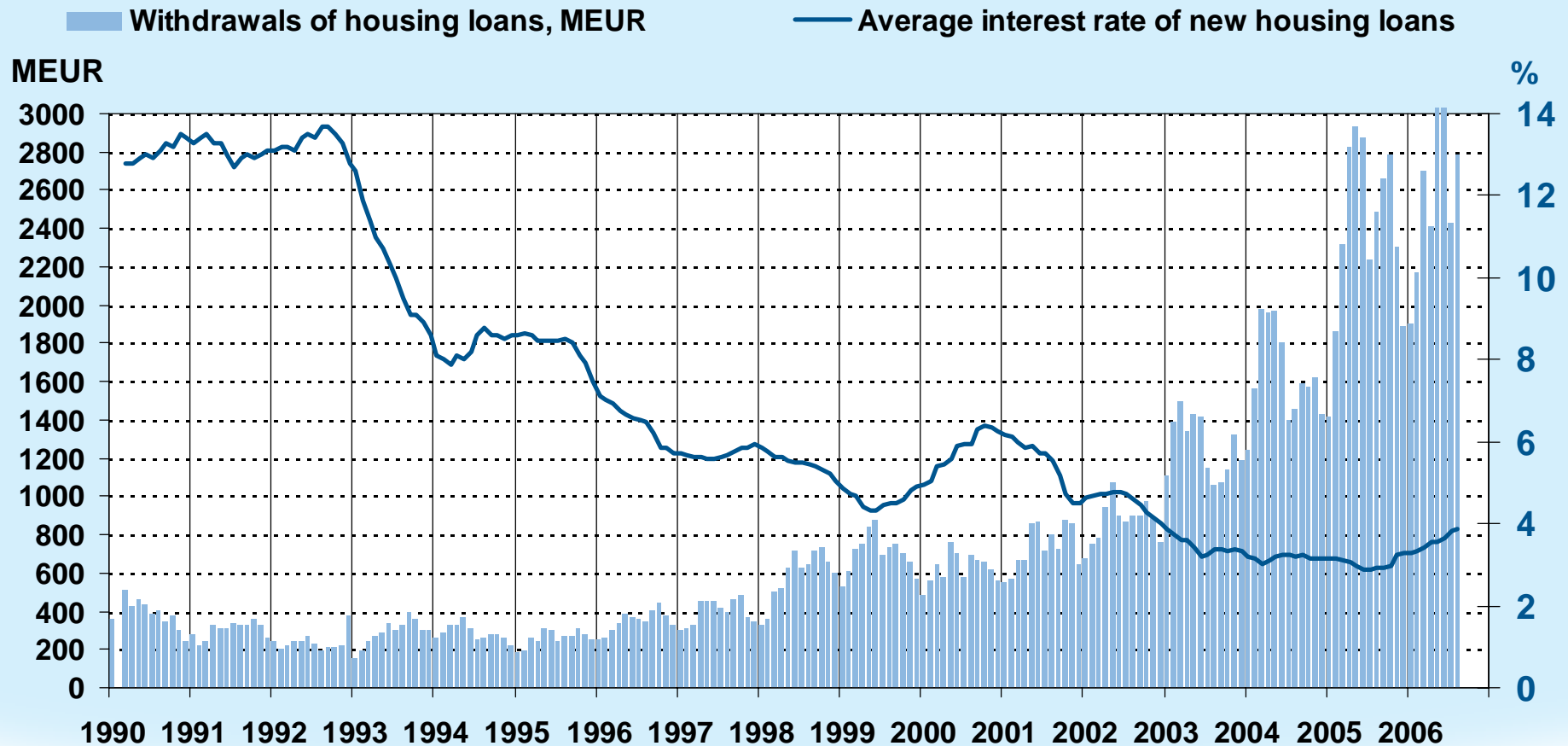


Source: Statistics Finland, October 19, 2006

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Housing loans and interest rates in Finland

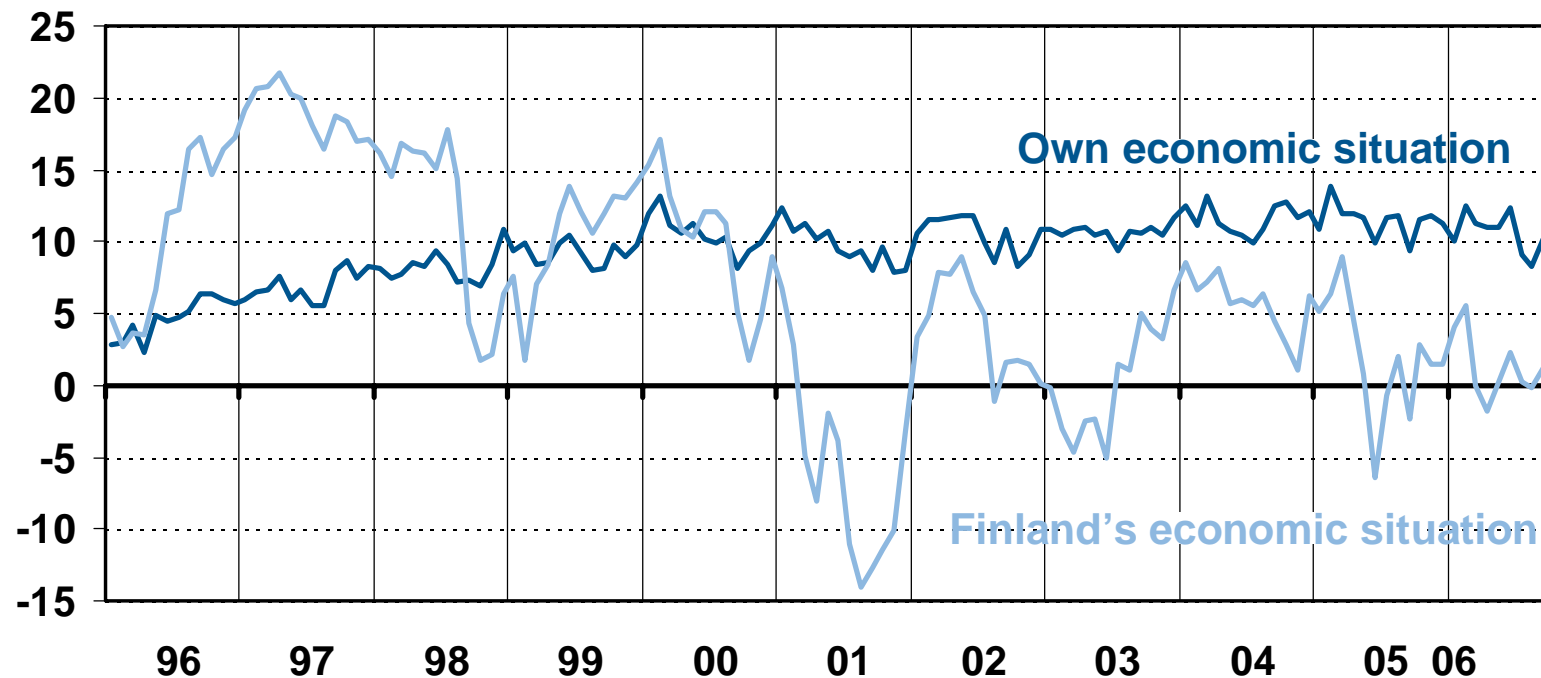


Source: Bank of Finland, September 29, 2006

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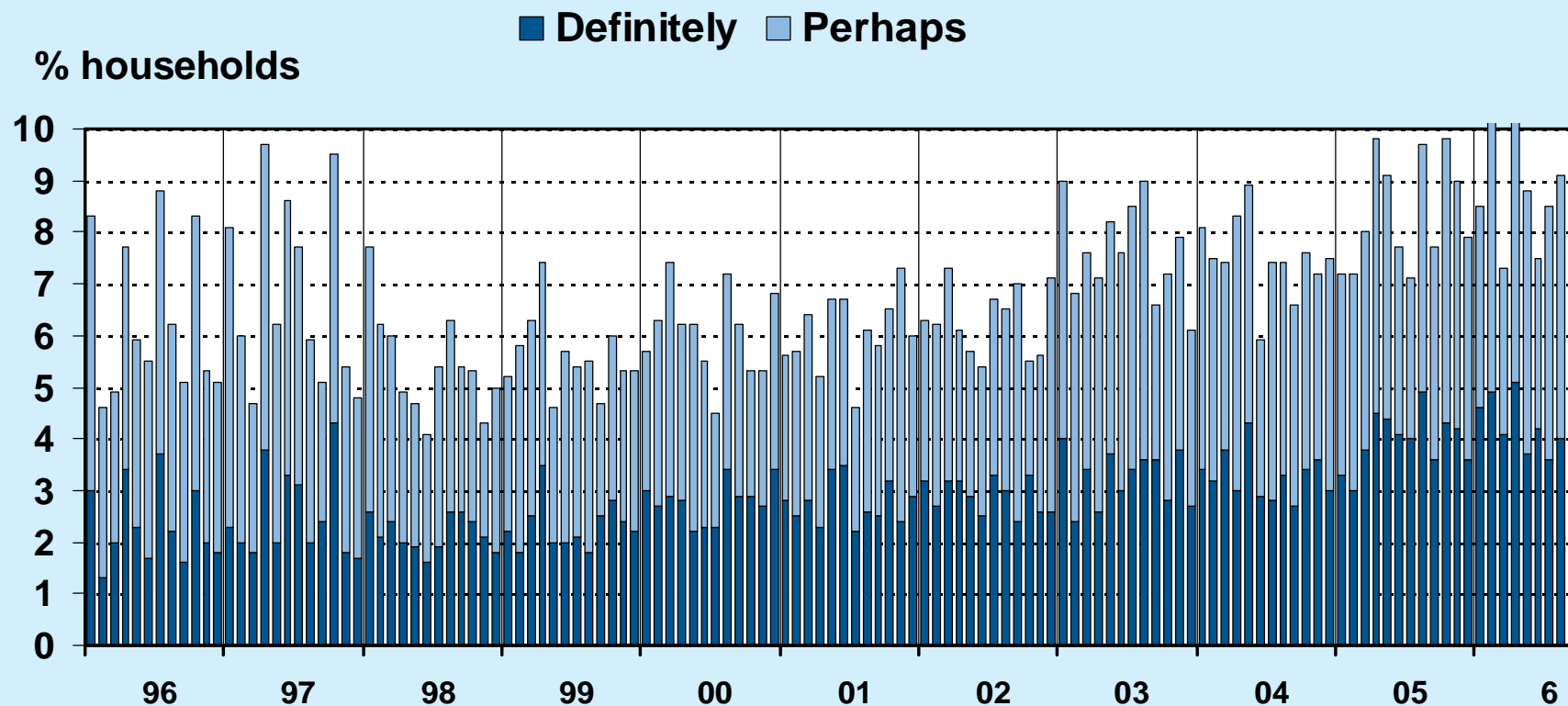
Consumers' confidence in their own household's and Finland's economy within next 12 months

Saldo (%-share of positive answers – %-share of negative answers)



Source: Statistics Finland's Consumer Survey, September 27, 2006

Households' intentions to acquire an owner-occupied flat during the next 12 months

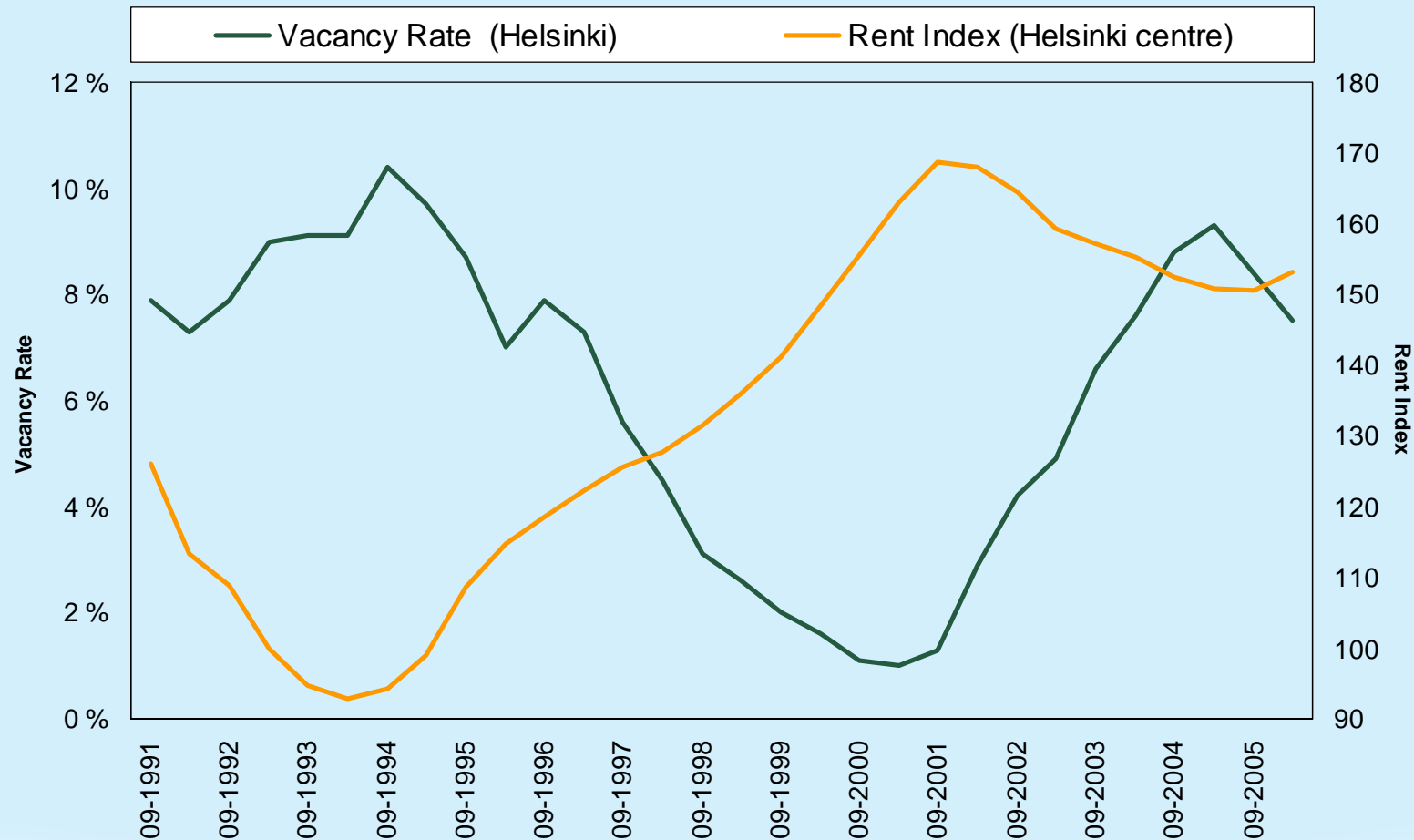


Source: Statistics Finland, September 27, 2006

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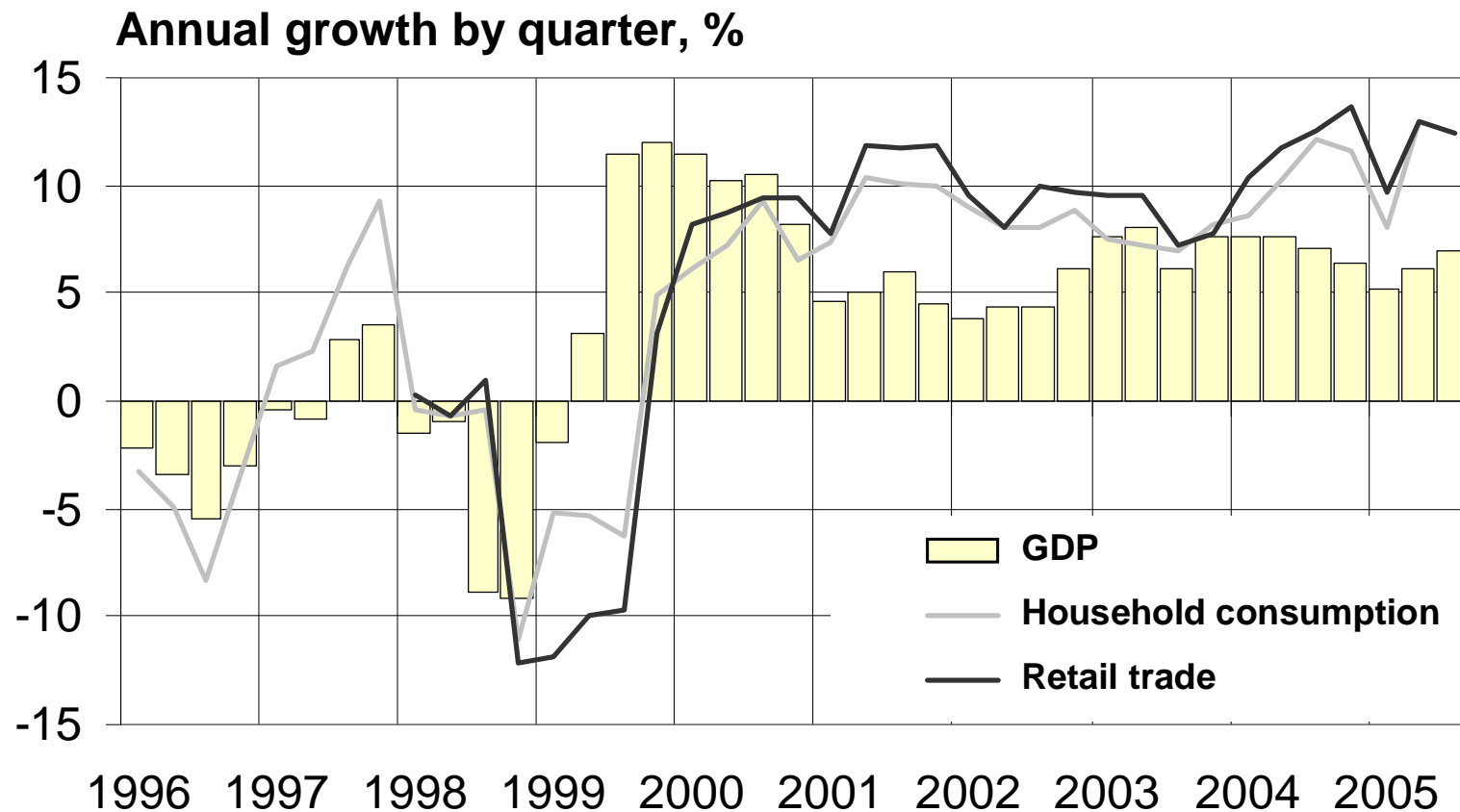


Office rent index and vacancy rate



Source: KTI and Catella Property Group

Consumption and retail trade in Russia



Source: Rosstat

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Building Systems Market trends

- Total market for Installation works in each Nordic country is about EUR 4 - 6 billion
- Building services will involve a greater amount of technological content both in investments and life cycle costs
- EU directives guide technical solutions (incl. energy conservation)
- There is a growing interest in life cycle services within the public sector
- There is a growing interest in security services
- Consumers are willing to buy more and more services
- Need for renovations increasing in all customer segments
- Need for skilful people within plumbing increasing
- Need for life cycle services increasing in Lithuania, Latvia, Estonia and Russia

Industrial and Network Services

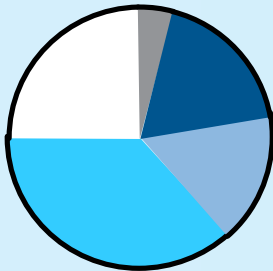
Market trends

- Forest industry continues to open up to outsourcing
- Forest industry invests outside of Finland
- Growth in industrial investments comprises mainly of large projects (OL3, Neste Oil)
- In Finland, production facility modernizations and large renovations continue
- Marine industry still growing
- Demand for industrial project deliveries growing in Russia
- Competition between network operators continues severe, which is fully seen in the demand of field services. The number of landline phones and related works declined, as was the case in previous years
- Demand for broadband deliveries has calmed down
- IT Field Service markets opening up gradually

Industrial maintenance market

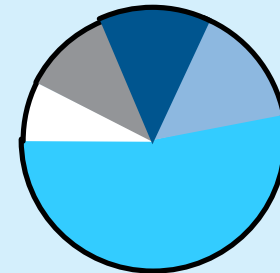
Norway MEUR 2,500

- outsourced MEUR 100 (4%)



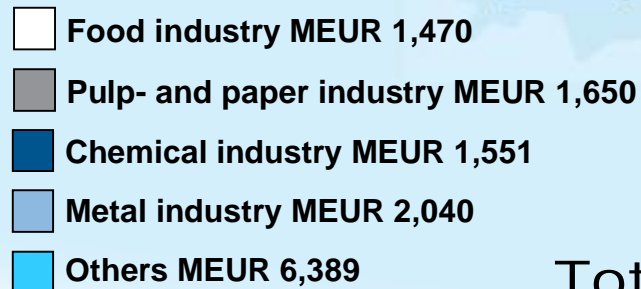
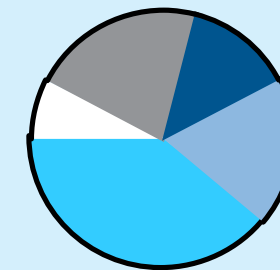
Sweden MEUR 6,600

- outsourced MEUR 500 (8%)



Finland MEUR 4,000

- outsourced MEUR 1,000 (25%)



Total market MEUR 13,100
- of which outsourced MEUR 1,600 (12%)

Together we can do it.



Appendices

Interim Report Jan-Sep/2006

Key figures

	Sep/2006	Sep/2005	Change, %	Dec/2005
Earnings per share, EUR *)	0.88	0.91	-3	1.26
Diluted earnings per share, EUR *)	0.87	0.89	-2	1.23
Equity per share, EUR *)	4.83	4.14	17	4.49
Share price at end of period, EUR *)	18.27	17.65	4	18.07
Market capitalization at end of period, MEUR	2,294.4	2,193.2	5	2,254.4
Net interest-bearing debt at end of period, MEUR	416.8	271.8	53	254.4
Return on investment, % 1)	25.2	23.7	-	26.4
Equity ratio, %	34.6	34.6	-	36.3
Gearing ratio, %	68.1	52.3	-	45.1
Gross capital expenditures, MEUR	29.9	22.3	34	30.1
Order backlog at end of period, MEUR 2)	2,246.2	1,881.4	19	1,878.8
- of which order backlog outside Finland	908.5	722.6	26	752.4
Average personnel	21,704	21,330	2	21,194

1) Last 12 months.

2) Portion of binding orders not recognized as income.

*) The doubling amount of shares which came into effect on March 24, 2006 (split) has been taken into account.

Together we can do it.



Consolidated balance sheet

MEUR ASSETS	Sep/2006	Sep/2005	Change, %	Dec/2005
Non-current assets				
Tangible assets	85.0	76.1	12	77.1
Goodwill	248.8	248.8	-	248.8
Other intangible assets	14.4	15.0	-4	13.4
Shares in associated companies	2.6	1.7	53	1.8
Other investments	2.8	2.6	8	3.0
Receivables	10.0	8.8	14	9.4
Deferred tax receivables	21.5	20.0	8	23.6
Current assets				
Inventories	839.8	672.5	25	685.2
Trade and other receivables	666.4	522.7	27	545.2
Cash and cash equivalents	34.3	53.2	-36	80.6
Total assets	1,925.5	1,621.4	19	1,688.1

Together we can do it.

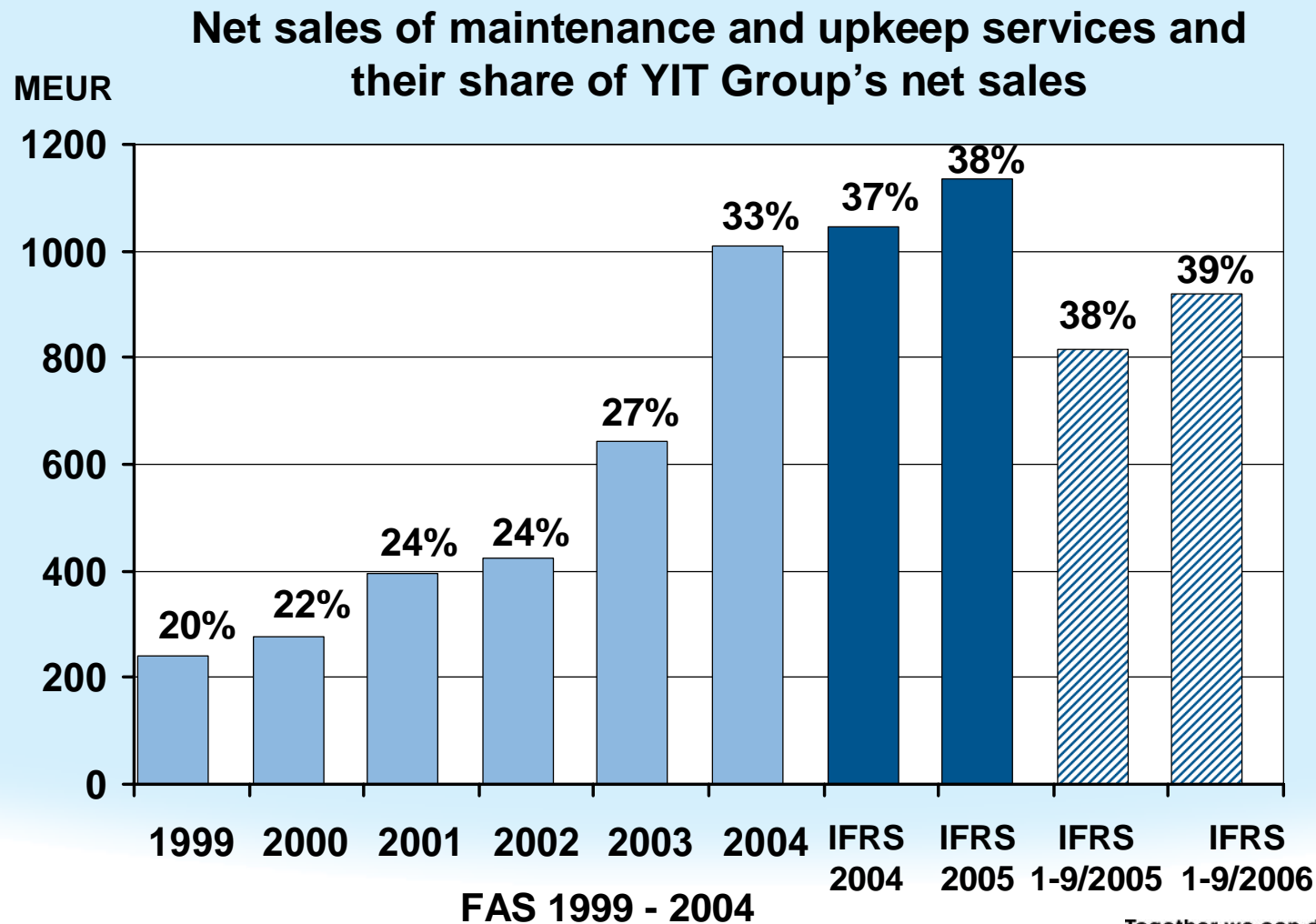


Consolidated balance sheet

MEUR EQUITY AND LIABILITIES	Sep/2006	Sep/2005	Change, %	Dec/2005
Equity attributable to equity holders of the company				
Share capital	62.8	62.1	1	62.4
Other equity	543.8	452.6	20	497.4
Minority interests	5.2	4.8	8	3.7
Total equity	611.8	519.5	18	563.5
Non-current liabilities				
Deferred tax liabilities	45.0	27.7	62	36.5
Pension liabilities	10.9	10.6	3	11.6
Provisions	30.9	30.4	2	30.1
Interest-bearing liabilities	264.6	175.3	51	172.4
Other liabilities	5.7	3.3	73	4.4
Current liabilities				
Trade and other payables	748.6	691.1	8	691.2
Provisions	21.5	13.8	56	15.8
Interest-bearing current liabilities	186.5	149.7	25	162.6
Total equity and liabilities	1,925.5	1,621.4	19	1,688.1



Expanding maintenance services

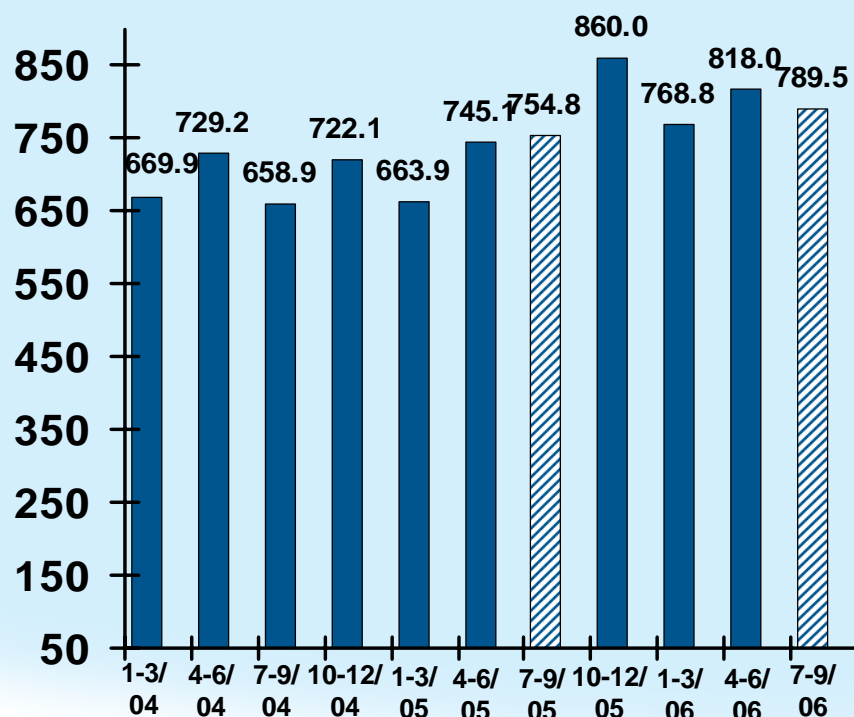


Together we can do it.

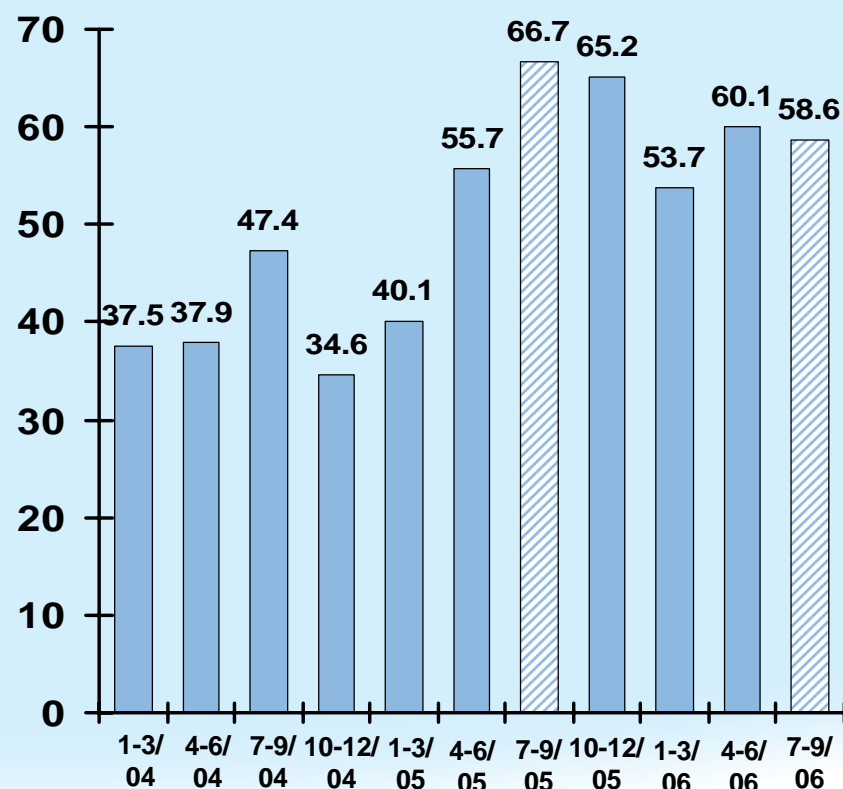


Revenue and operating profit by quarter 2004 - Q3/2006

Revenue, MEUR



Operating profit, MEUR



Together we can do it.



Operating profit by business segment

MEUR	Jan-Sep/ 2006	Jan-Sep/ 2005	Change, %	Jan-Dec/ 2005
Building Systems	52.3	35.8	47	56.8
Construction Services	120.8	107.7	12	143.1
Industrial and Network Services	12.8 ^{*)}	27.9	-54	39.1
Other items	-13.8	-8.9	55	-11.3
YIT Group total	172.4	162.5	6	227.7

^{*)} Includes EUR 5.1 million adjustment costs for personnel reductions in Q3/2006.

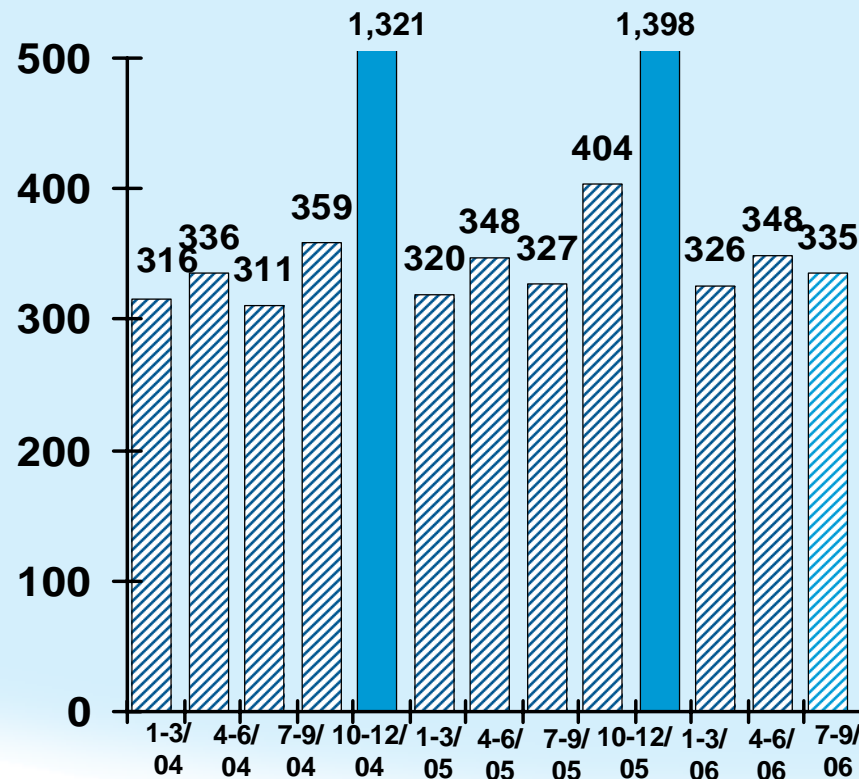
Together we can do it.



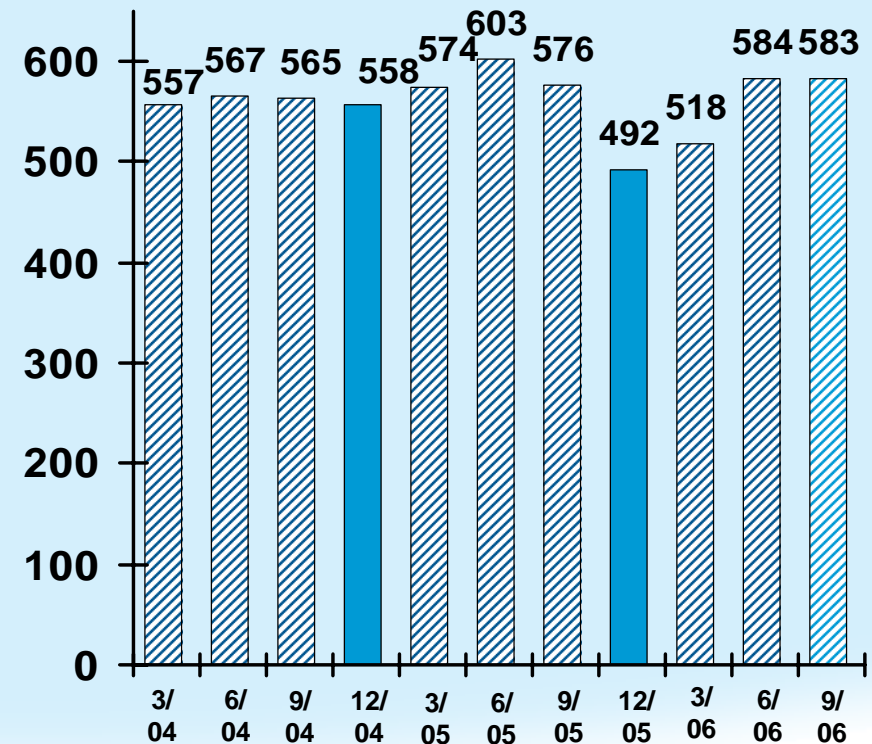
Building Systems

Revenue and order backlog by quarter 2004 - Sep/2006

Revenue, MEUR



Order backlog, MEUR



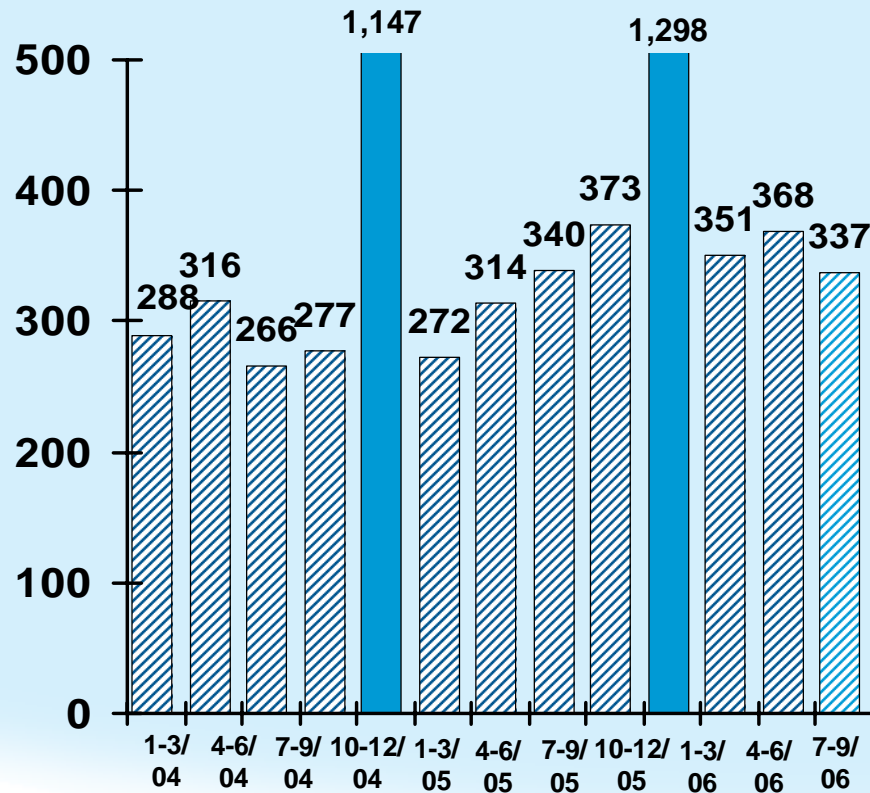
Together we can do it.



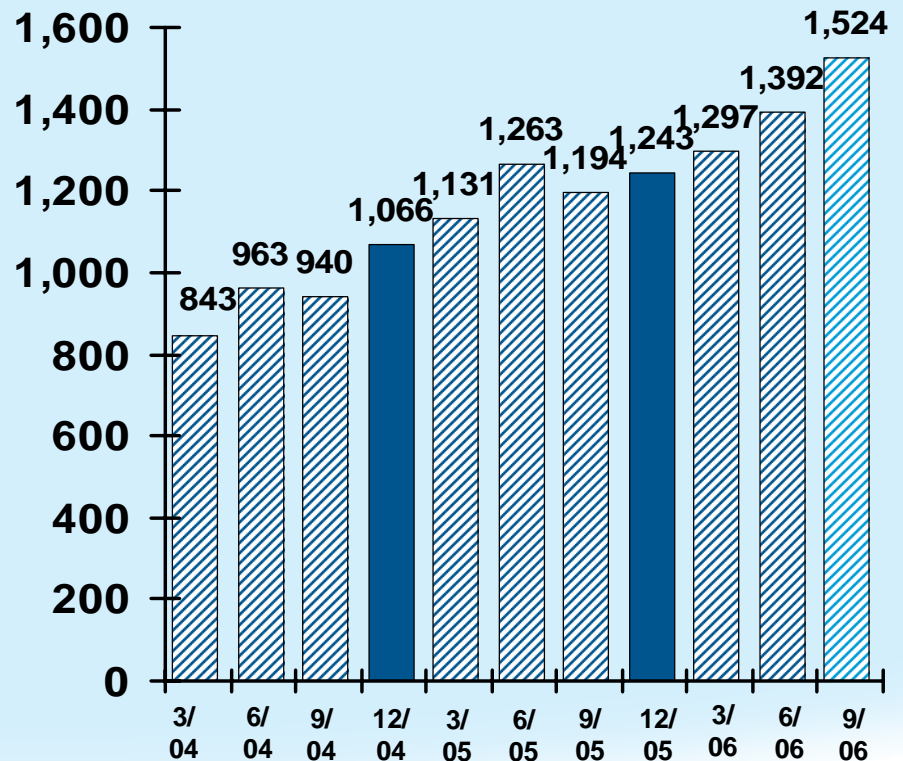
Construction Services

Revenue and order backlog by quarter 2004 - Sep/2006

Revenue, MEUR



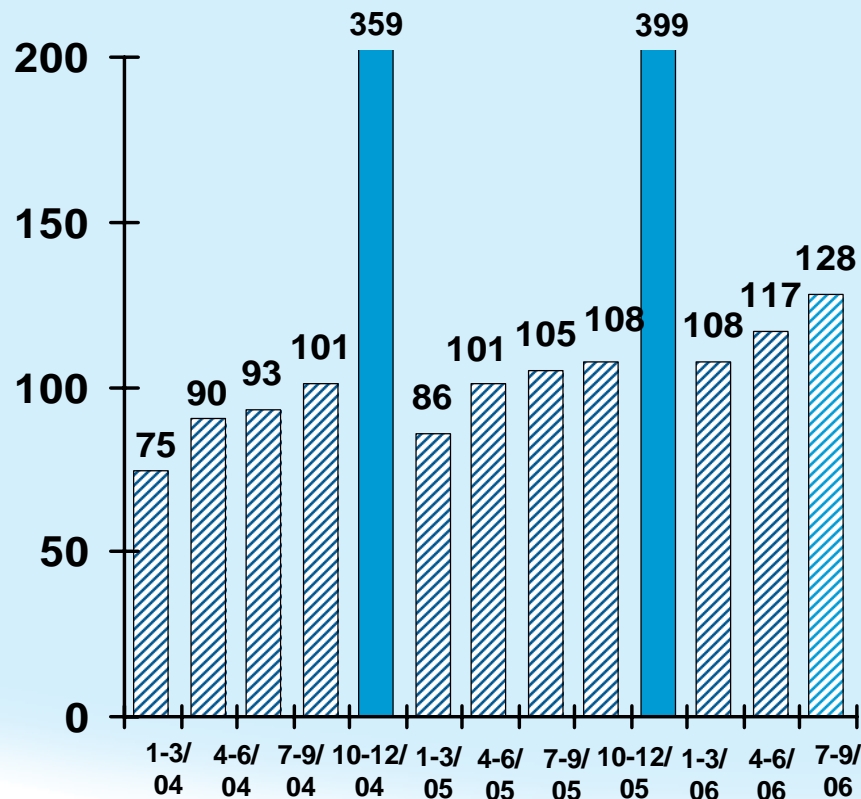
Order backlog, MEUR



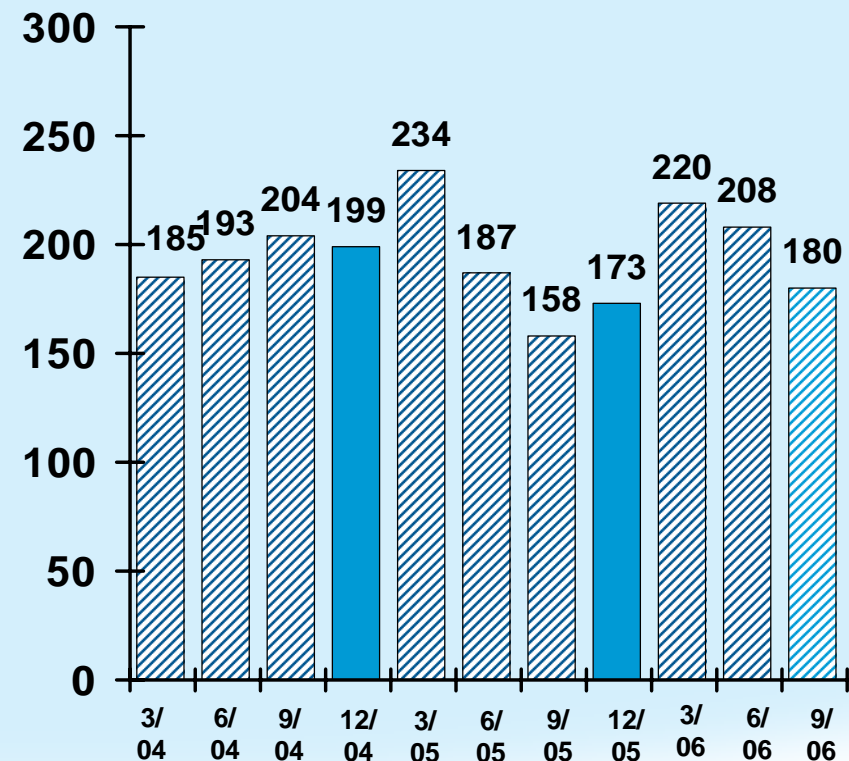
Industrial and Network Services

Revenue and order backlog by quarter 2004 - Sep/2006

Revenue, MEUR



Order backlog, MEUR

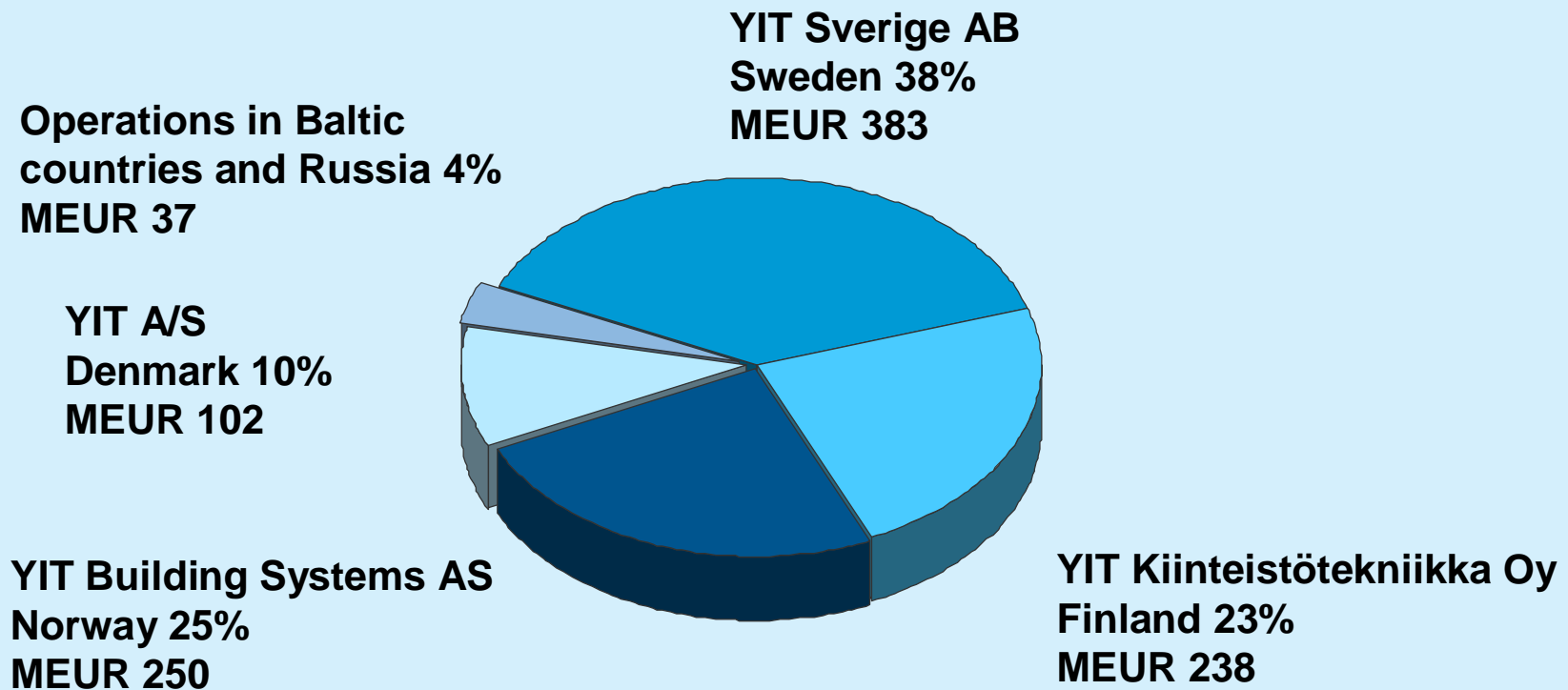


Together we can do it.



Building Systems

Breakdown of revenue Jan-Sep/2006

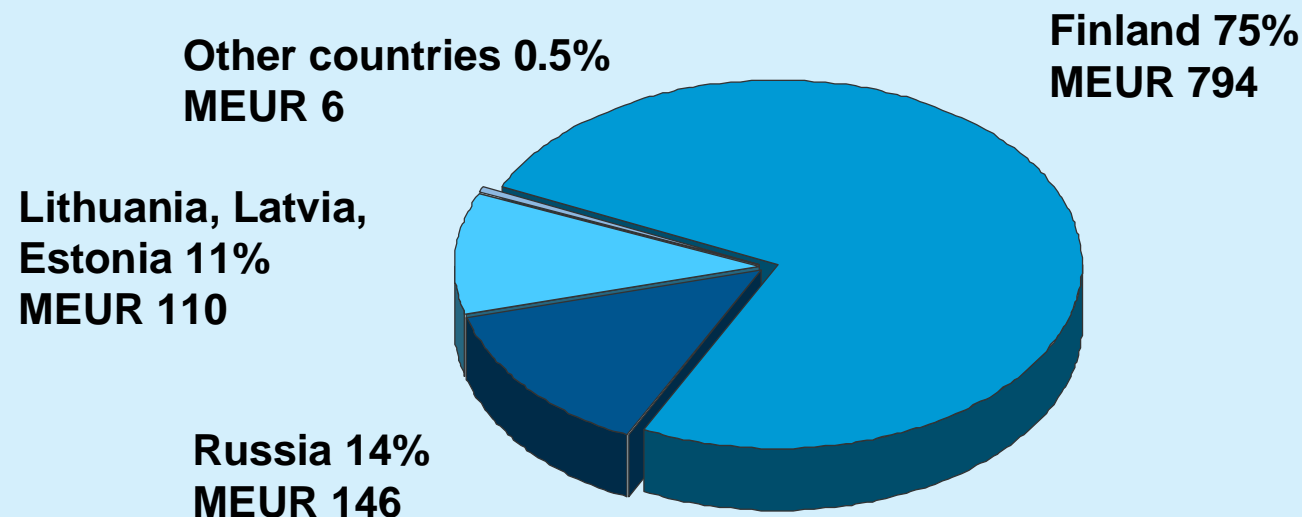


Total revenue Jan-Sep/2006
MEUR 1,009.2

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Construction Services

Breakdown of revenue Jan-Sep/2006

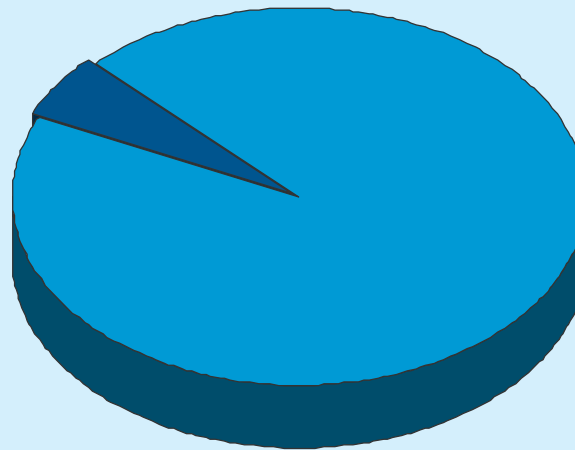


Total revenue Jan-Sep/2006
MEUR 1,055.9

Industrial and Network Services Breakdown of revenue Jan-Sep/2006

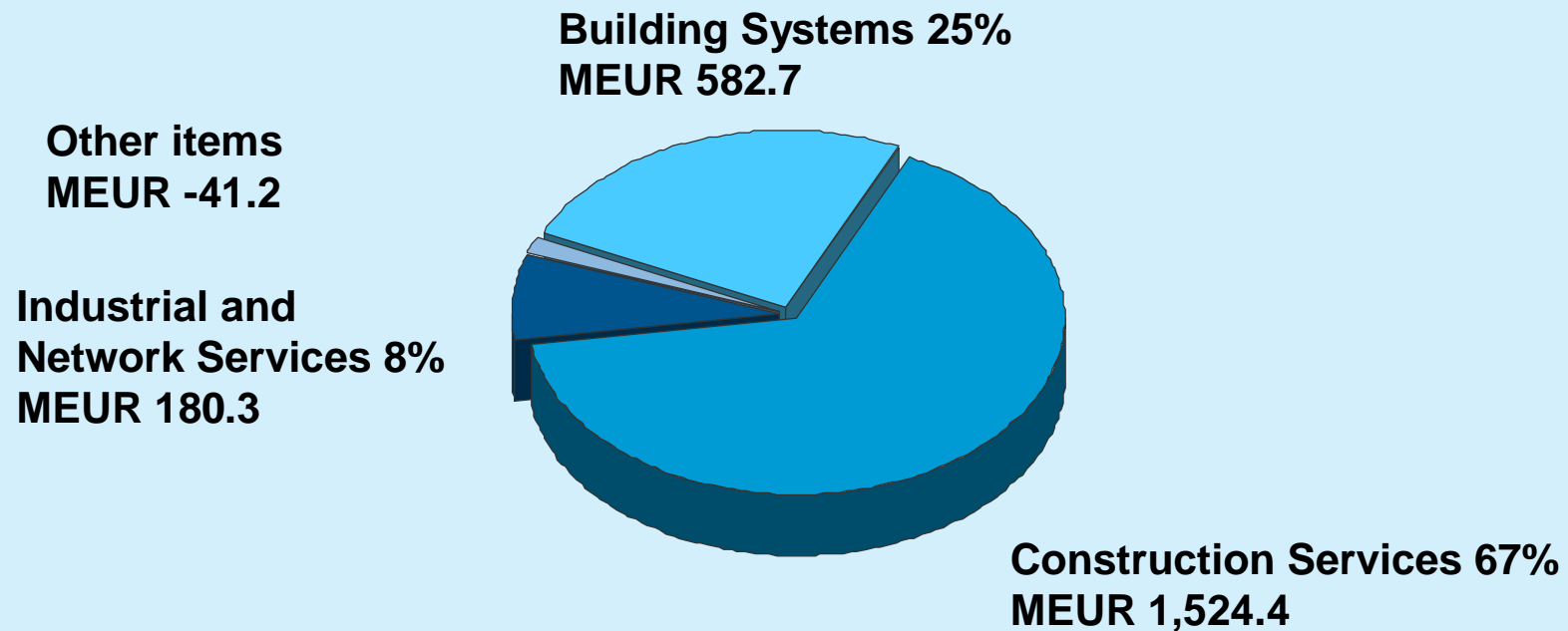
**International
operations
6%
MEUR 20**

**Finland 94%
MEUR 333**



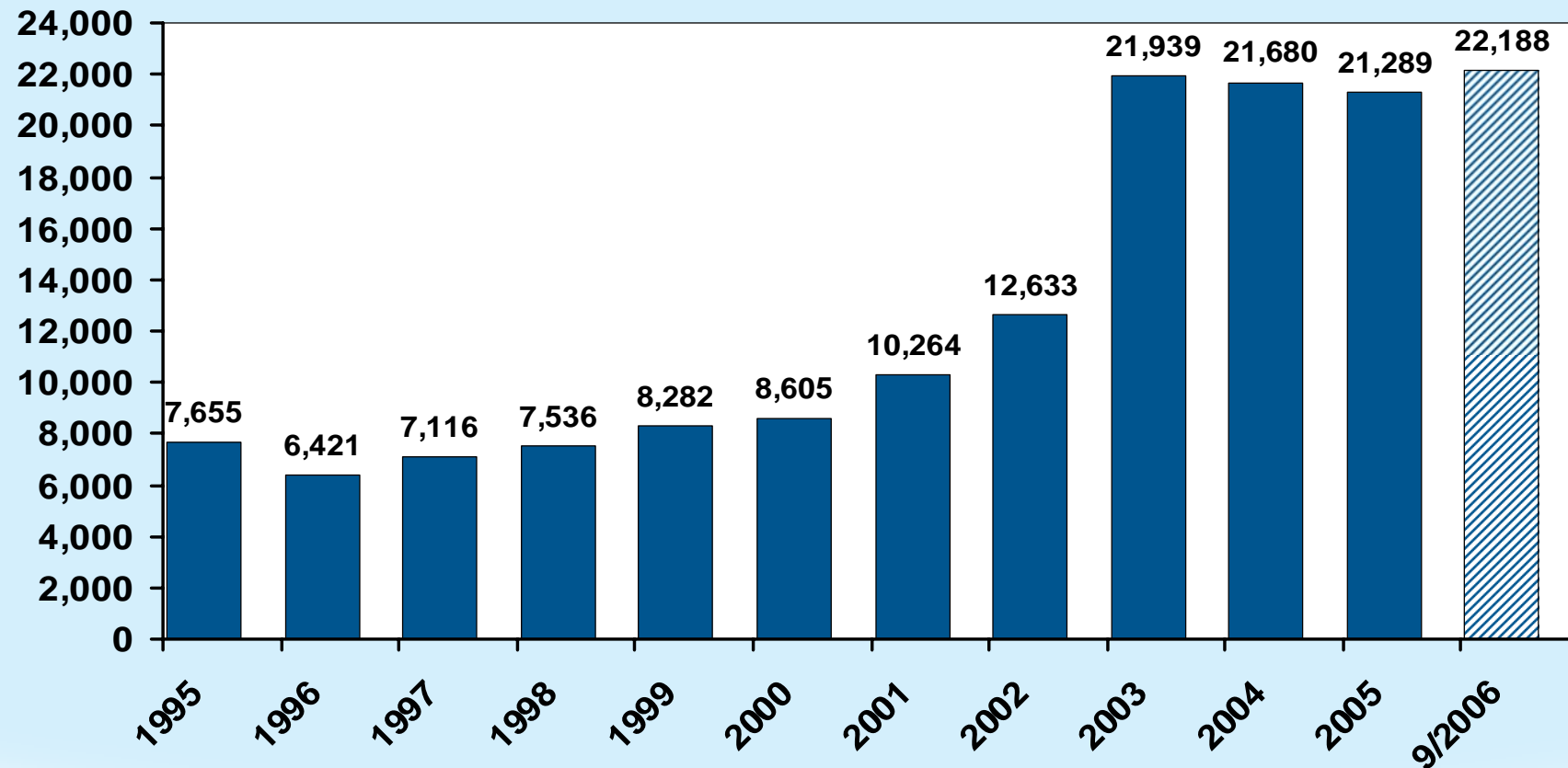
**Total revenue Jan-Sep/2006
MEUR 352.9**

Order backlog by business segment Sep/2006



Total order backlog Sep/2006
MEUR 2,246.2

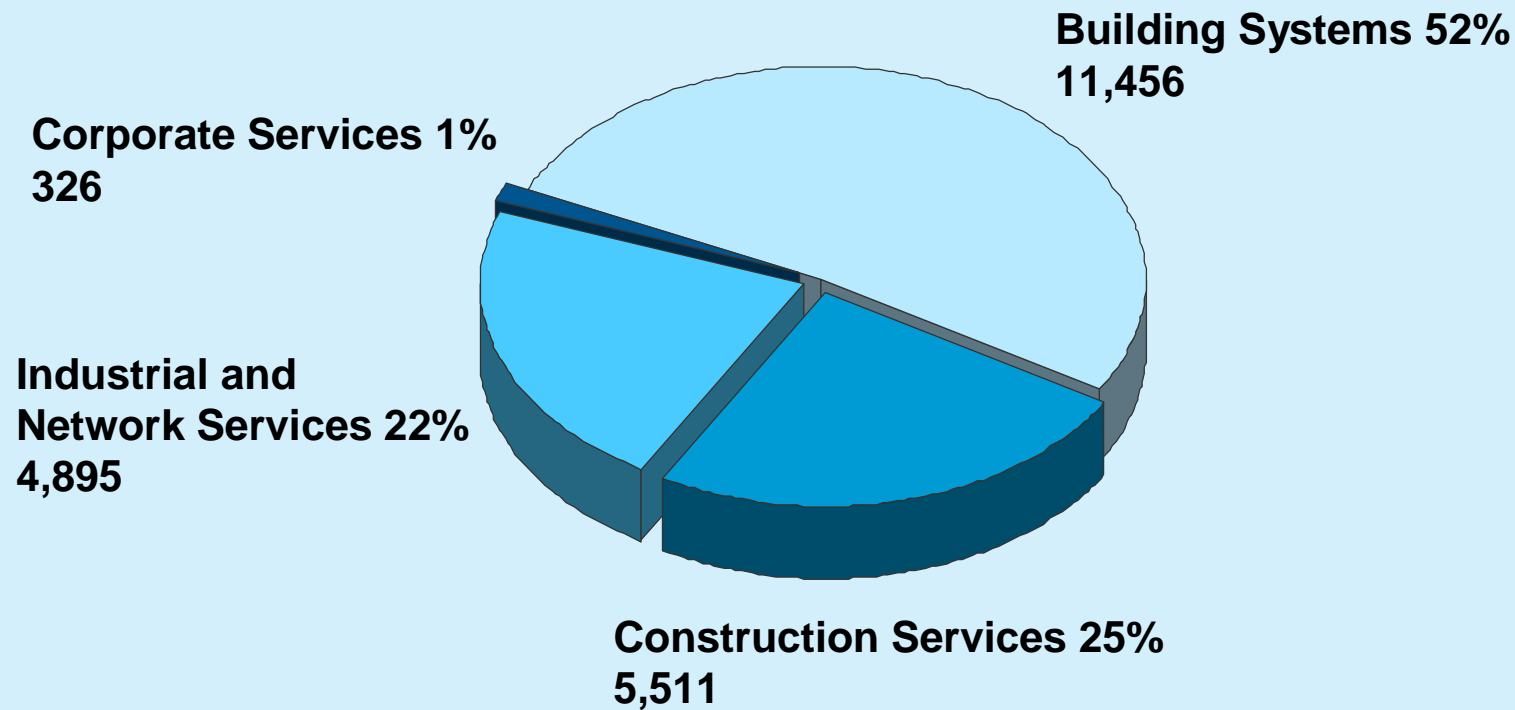
Personnel at end of period



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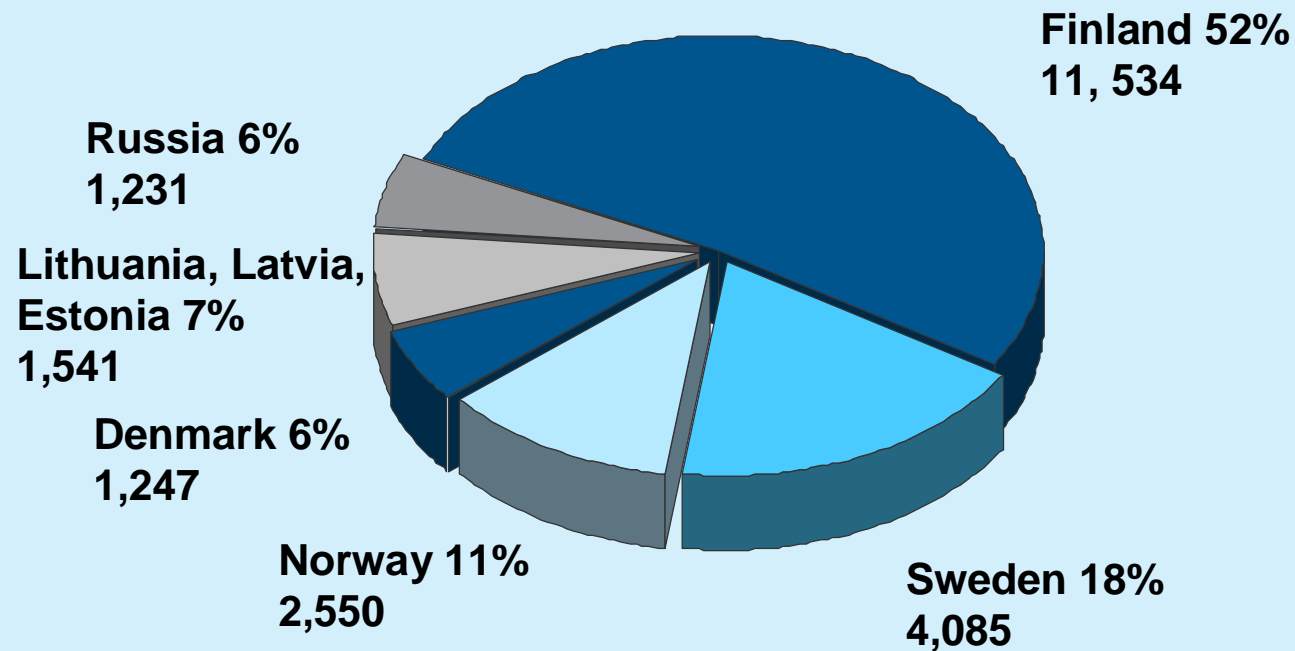
Personnel by business segment Sep/2006



Total number of employees Sep/2006
22,188 persons

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Personnel by country Sep/2006

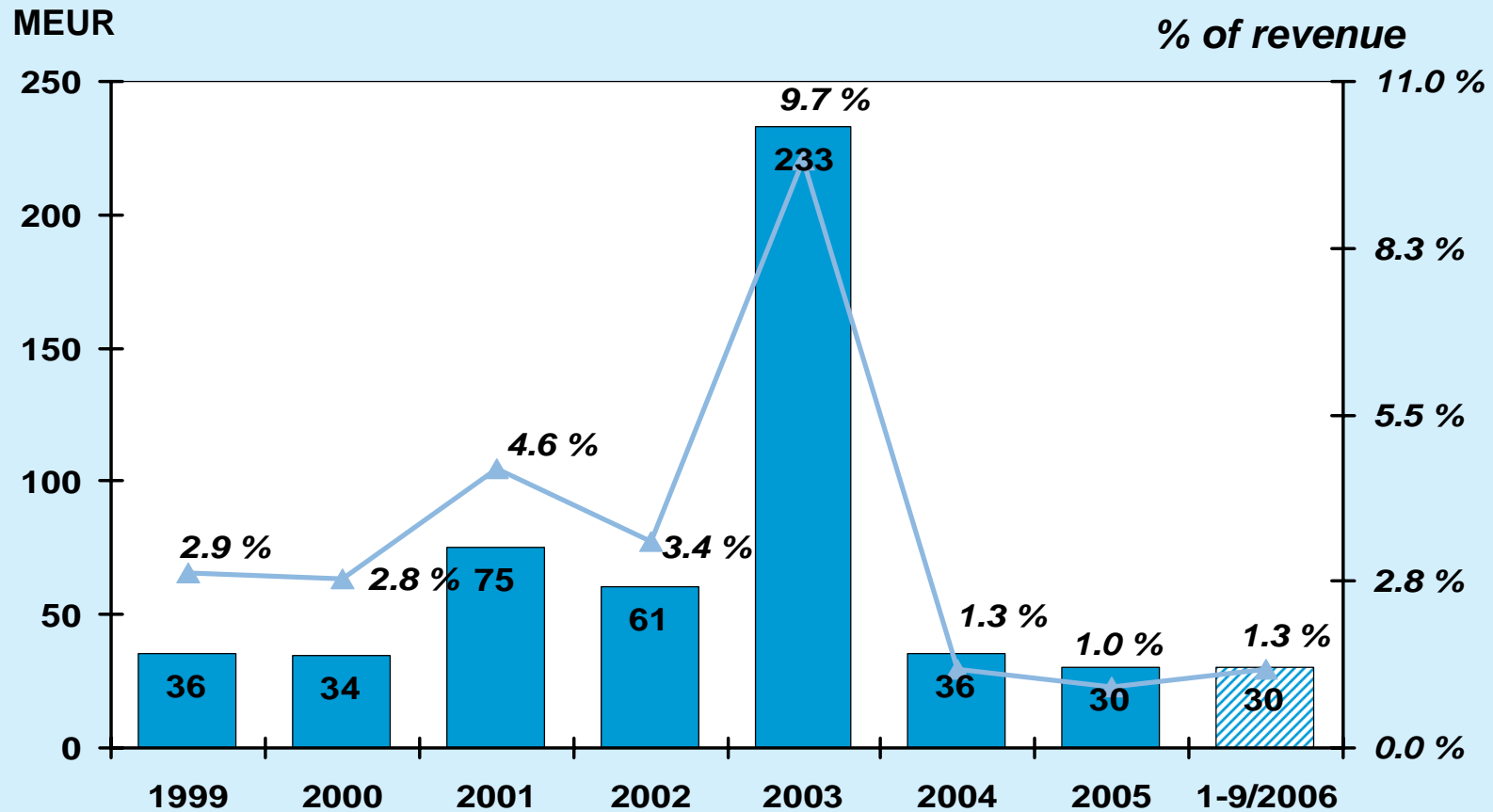


Total number of employees Sep/2006
22,188 persons

Together we can do it.



Gross capital expenditure 1999 – Jan-Sep/2006

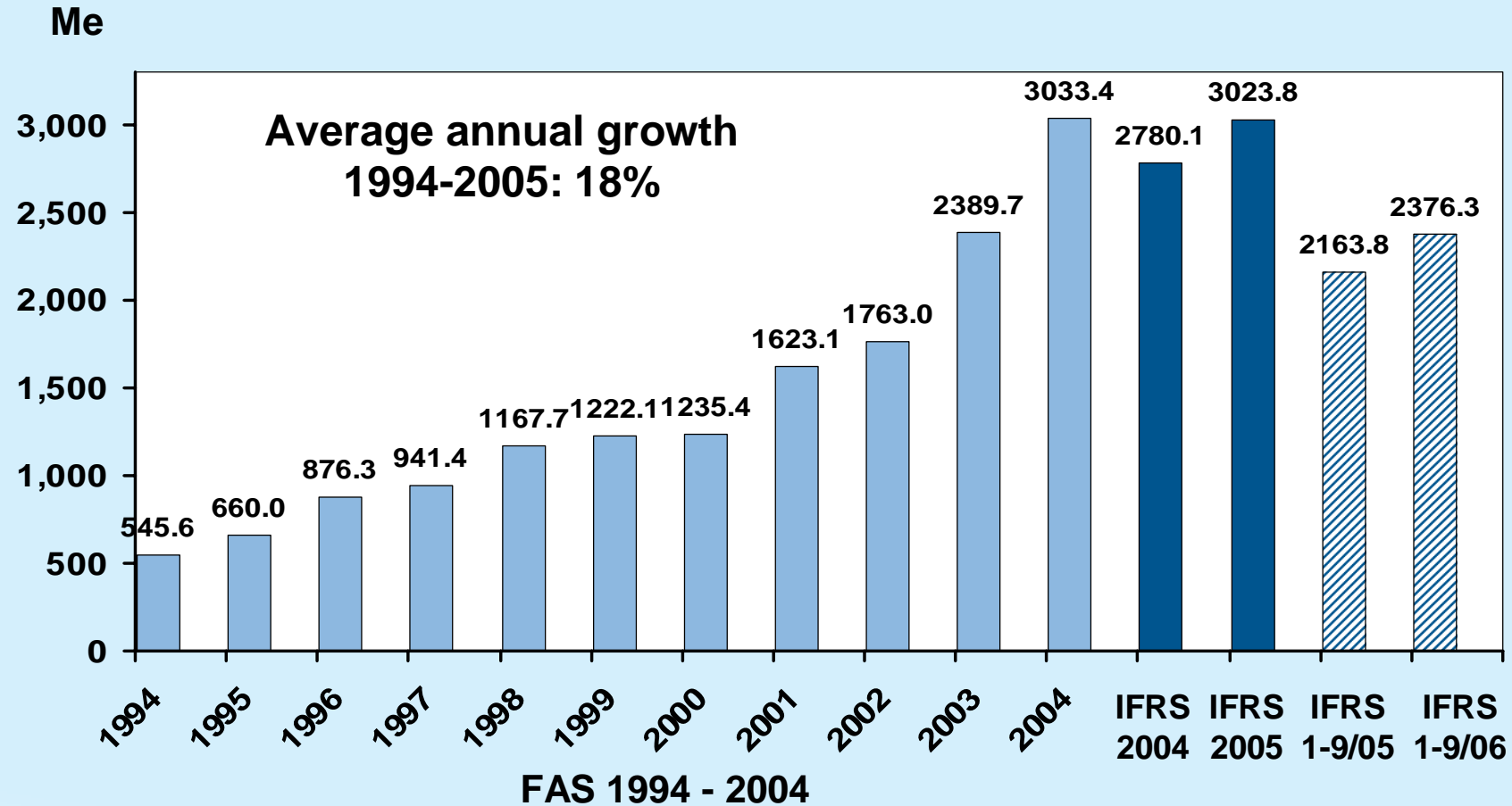


Major acquisitions: YIT Calor (2001), YIT Primatel (2002) and YIT Building Systems (2003).

Appendices

Strategic Target Levels

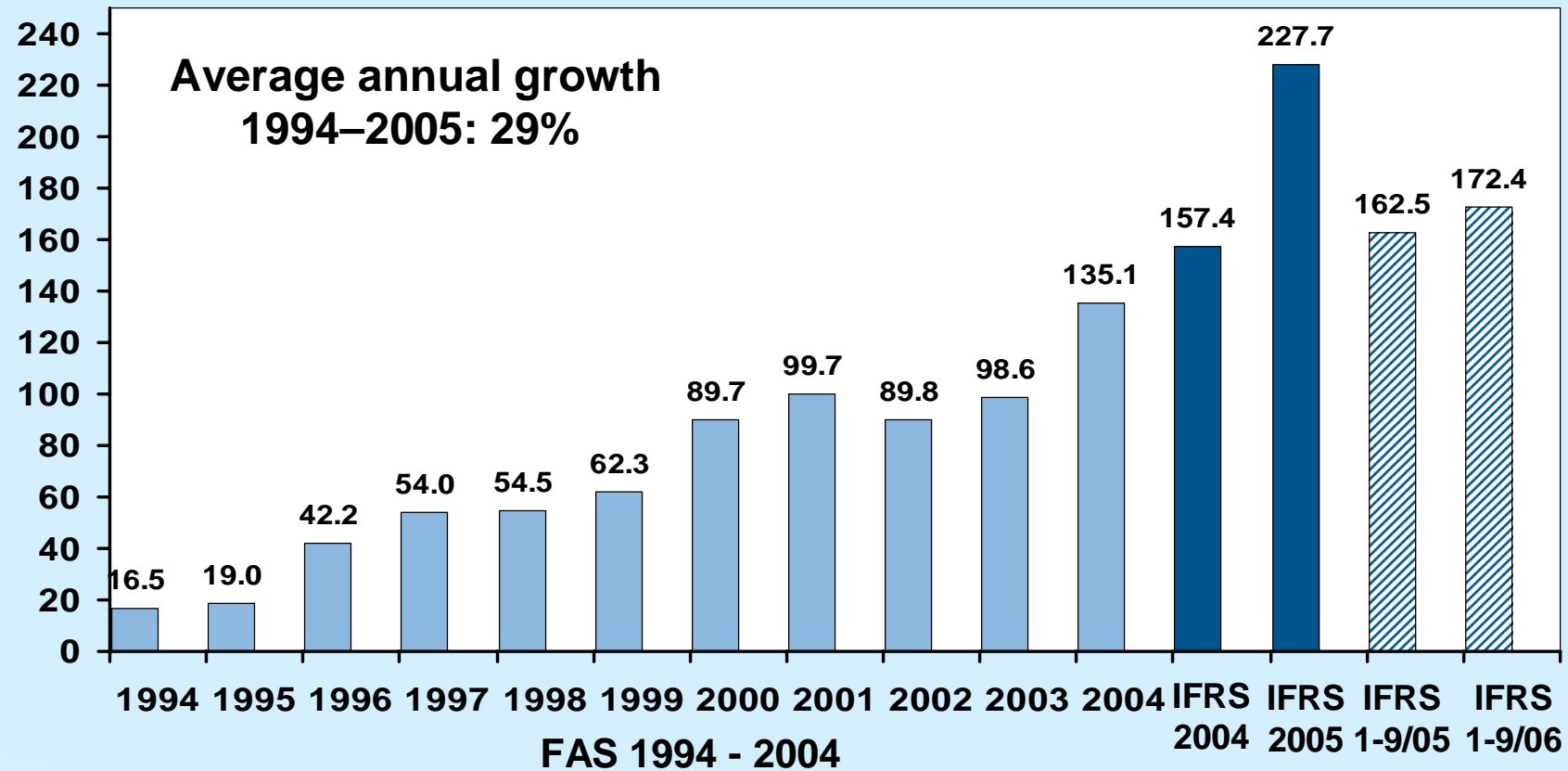
Revenue 1994 - Jan-Sep/2006



Strategic target level: growth 10% per year on average

EBIT 1994 – Jan-Sep/2006

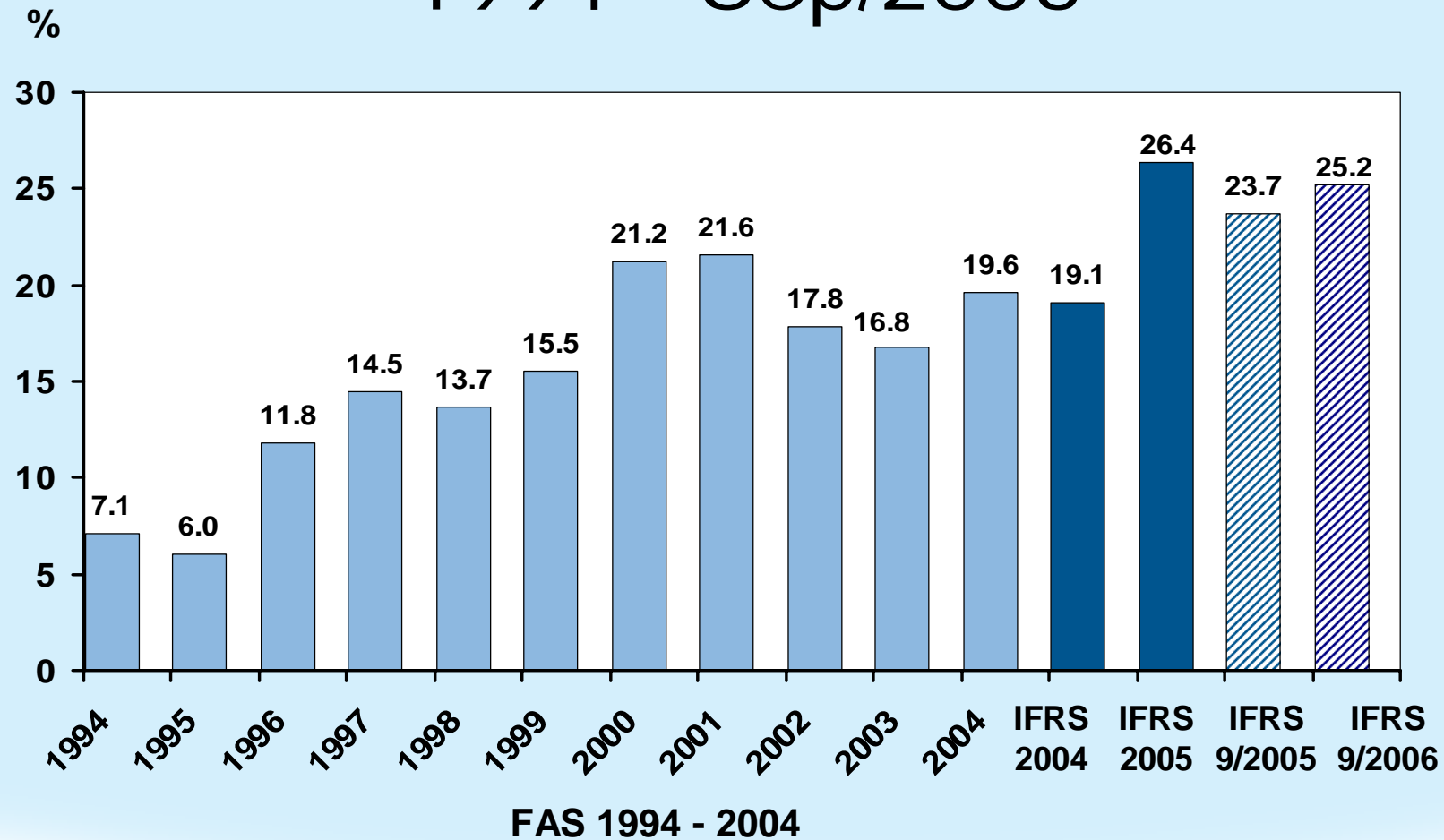
MEUR



Strategic target level: EBIT margin 9% of revenue

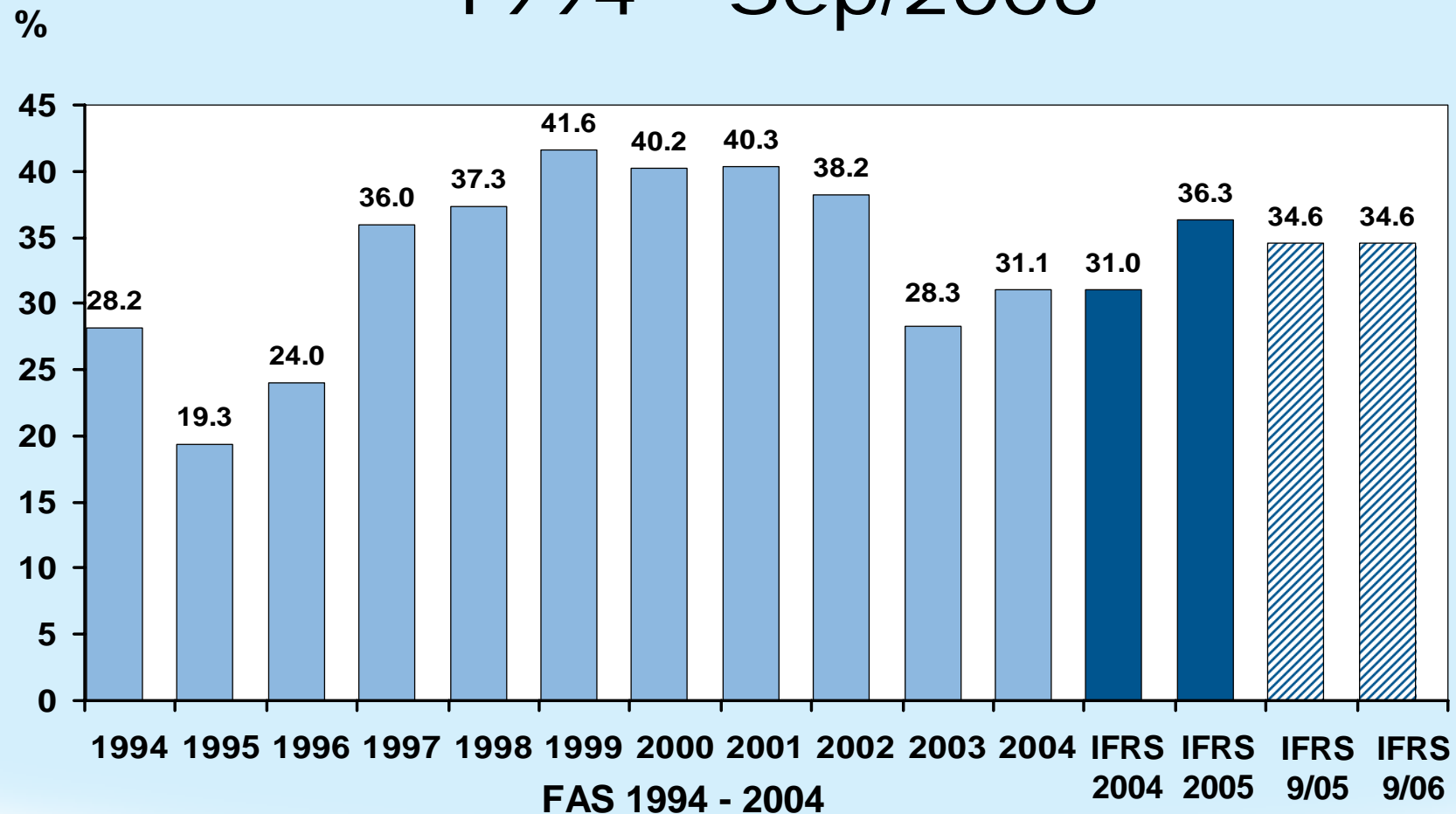
Together we can do it. **YIT**

Return on investment 1994 - Sep/2006



Strategic target level: 22%

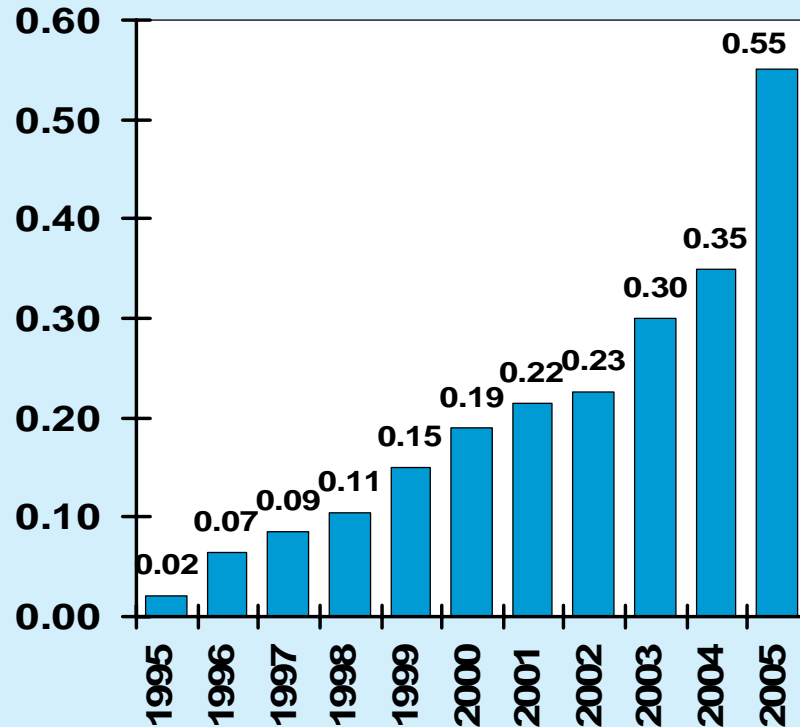
Equity ratio 1994 – Sep/2006



Strategic target level: 35%

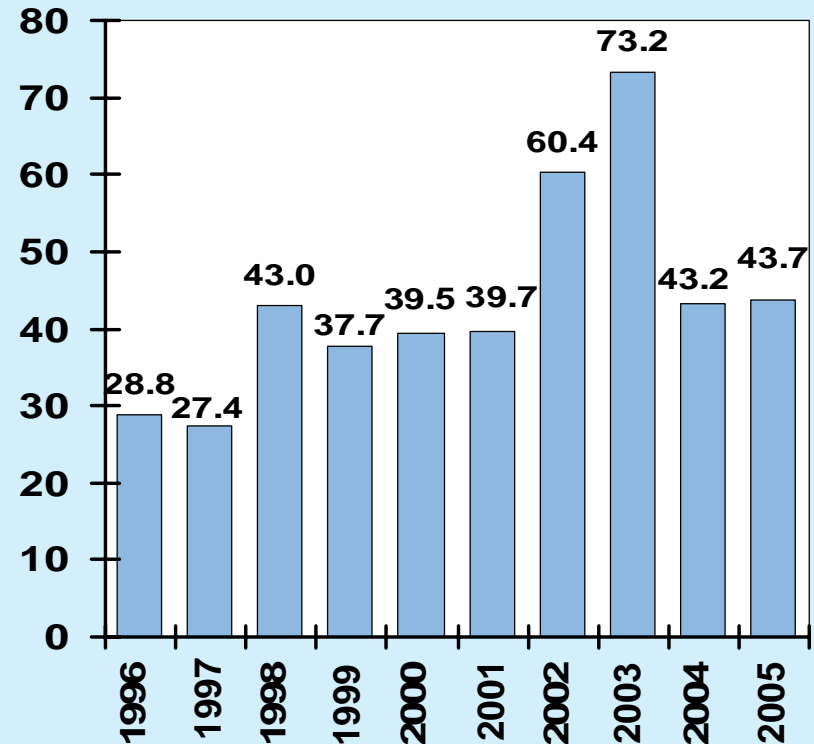
Dividend payout 1995-2005

Dividend/share, EUR



The doubling amount of shares which came into effect on March 24, 2006 (split) has been taken into account. Year 2004 and 2005 are IFRS numbers.

Dividend/earnings, %



**YIT's dividend policy: 40–60% of the annual profit
after taxes and minority interests**

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