

Annual Report 1999



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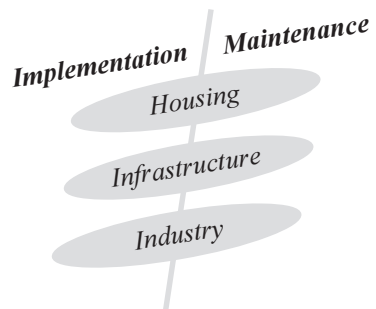
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YIT in brief

YIT is a versatile service company whose field of business is industrial and construction investments.

YIT offers a wide spectrum of design, implementation and maintenance services for residential, real-estate, industrial and infrastructure investments both in Finland and on the international market.

YIT's service chain spans the entire life cycle of the investment from design and implementation to ongoing maintenance and renovation.



For additional information, visit our web site at www.yit.fi.

YIT's Annual Report 1999 comprises two separate sections, one containing the official financial statements and this annual review. If the section on the financial statements is not provided inside the review, you can order it from:
YIT Corporation, Corporate Communications,
P.O. Box 36, FIN-00621 Helsinki, Finland,
fax +358 20 433 3746 or e-mail postit@yit.fi.

Going into the new millennium in good spirits



Economic growth continued on a strong course in Finland, setting up a solid foundation for YIT's business in 1999. The population shift stimulated construction further. Demand was especially brisk within residential and non-residential construction and HEPAC and electrical installations. The demand for maintenance services for industry remained good. Capital expenditures by industry were still at a low level in Finland, but there are already signs that they will rise.

YIT's earnings trend has been stable and getting better since the mid-90s. 1999 was another successful year for the Group. Profit before extraordinary items rose to EUR 55.2 million, return on investment to 15.5% and net sales to EUR 1,222.1 million. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.60 per share be paid for the 1999 financial year. In 1998, when we reviewed our strategy, we raised our dividend target to 30 – 50 per cent of the annual result with the aim of providing shareholders with a steady and rising yield.

Media Home: one of YIT's pioneering solutions within residential construction

YIT met the brisk demand for housing by increasing dramatically its production of market-financed housing. Last year the construction of 1,845 market-financed residential units was started up.

YIT consolidated its competitiveness and position as a trailblazer within residential construction by deciding to equip all its market-financed units with fixed broadband telecommunications networks. These households will be wired up for state-of-the-art data communications far into the future. YIT's strengths as a builder of housing are a good portfolio of plots and strong development efforts, which ensure that the company can provide excellent service and enjoy good earnings potential in coming years, as in the past.

A life cycle strategy for better service and a higher degree of upgrading

YIT's operational concept, which was defined over ten years ago, is to help customers invest productively and to maintain the value of their investments. The Group strategy aims to manage consistently, across all our business sectors, a service chain that covers the entire life cycle from design and implementation to maintenance.

Expansion of the service chain supports the growth strategy we set in 1995

By means of a chain encompassing the life cycle of an investment, we mean to achieve growth and a higher degree of upgrading in our business operations, along with an improved service capability. Customers can rely on our company for comprehensive service. Moreover, this gives YIT a steady flow of revenues during the entire life cycle of an investment.

The maintenance and servicing business – one of the focus areas of our strategy – has already grown to account for about one-fifth of the Group's net sales. Last year YIT Property Services strengthened its service chain,

• *“Finland’s entry into EMU, coupled with the increasingly diversified structure of industry, have led to a more stable operating environment for construction business.”*

making sizeable outlays on property maintenance and project management services. The role played by YIT these days is increasingly that of a service provider. Augmenting our service business reduces the amount of capital tied up in operations and thus increases our return on investment.

Values guide our development efforts

YIT's jointly-agreed core values are: to provide the best service, engage in smooth cooperation, foster lifelong learning and achieve good earnings. As a point in fact, over the last few years we have focused resources on innovative product development and on instilling in people throughout our organization a deeply ingrained sense of quality and good service. Our guiding objective is to have customers who are satisfied with our quality and service – and who gain added value from partnering up with YIT.

We have made outlays on developing our human resources and ensuring a balanced personnel structure. In addition to our internal development efforts, we are actively involved in programmes aiming at improving education for the construction field. In October last year, we entered into a cooperation agreement with the Siikaranta Insitute, which is owned by the Finnish Construction Trade Union, on the development of education leading towards a vocational diploma for employees.

Increased stability for the construction industry

The market outlook for the construction industry over the next few years is good. The future of this field, even in the long run, looks more stable than it has been for years. Calmer interest rate levels and lower inflation following Finland's entry into EMU, coupled with the increasingly diversified structure of industry, have led to a more stable operating environment for construction companies. In growth centres, the expansion of high-tech companies is increasing the demand for housing and non-residential construction alike. At the current rate of construction, it will take many years to purge pent-up demand, especially in the Greater Helsinki area.


Industrial investments are picking up

Industrial investments are rebounding and industry is becoming more confident in its future. The outlook for the export industry has also improved and order books have become stronger. Industry has announced that major investments will be made in the forest, metal and energy sectors over the next few years. This means greater demand for YIT Huber's capital investment services for industry after a few dormant years.

The company's outlook for the future is solid

The YIT Group's earnings outlook for 2000 is good. We expect that our profit before extraordinary items and our net sales will increase on the previous year.

Dear customers, partners in cooperation and shareholders, I would like to extend my thanks to you for the confidence you have shown in YIT and its operations. I would also like to thank our entire YIT team for working to ensure our joint future. May this year bring success to us all.

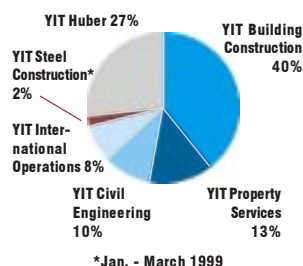


The YIT Group's key figures for 1999 and 1998

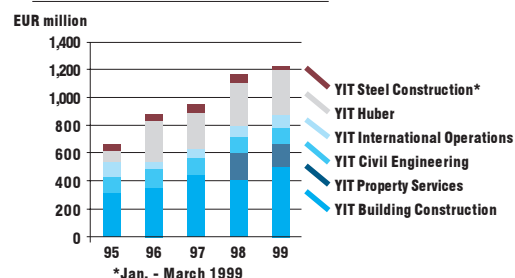
	EUR million		FIM million	
	1999	1998	1999	1998
Net sales	1,222.1	1,167.7	7,266	6,943
change on the previous year, %	4.7	24.1		
share of international business	165.3	200.0	983	1,189
Operating profit	62.3	54.5	370	324
% of net sales	5.1	4.7		
Profit before extraordinary items	55.2	46.0	328	274
Profit before taxes	73.7	45.8	438	273
Profit for the financial year	60.7	28.4	361	169
Balance sheet total	702.7	677.3	4,178	4,027
Interest-bearing net debt	117.1	157.5	696	937
Shareholders' equity	271.5	225.6	1,614	1,341
Gross capital expenditures on non-current assets	35.6	35.9	213	208
Backlog of orders not recognized as income at Dec. 31	479.1	477.5	2,849	2,839
Earnings per share, EUR/FIM	1.59	0.98	9.45	5.81
Equity per share, EUR/FIM	9.25	7.69	55.00	45.72
Dividend per share, EUR/FIM	0.60*	0.42	3.57*	2.50
Share price at Dec. 31, EUR/FIM	10.90	7.40	64.81	44.00
Market capitalization at Dec. 31	315.0	217.1	1,873	1,291
Return on investment, %	15.5	13.7		
Return on equity, %	18.3	13.9		
Equity ratio, %	41.6	37.3		
Gearing ratio, %	42.8	66.6		
Average personnel	8,721	7,340		

* Board of Directors' proposal

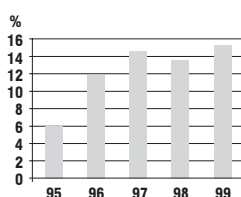
Net sales by division 1999



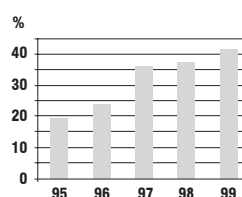
Trend in net sales by division, 1995 - 1999



Return on investment, 1995 - 1999



Equity ratio, 1995 - 1999



The divisions' services in brief

CONSTRUCTION SERVICES

YIT BUILDING CONSTRUCTION

is responsible for the Group's residential construction in the entire country. Outside the Uusimaa region, its field of business includes other types of building and industrial construction over and above residential construction. Building construction services also include plot procurement and design supervision.

YIT PROPERTY SERVICES

operates in the Uusimaa region. The division builds commercial and office premises, public buildings and industrial and storage premises. YIT Property Services offers a service chain that encompasses the entire life cycle of a property, from project development and the development of property business investment products to versatile property project implementation services, including project management, Design & Build, contracting and renovation. In addition to property investment implementation services, YIT's service chain includes property maintenance and upkeep services.

YIT CIVIL ENGINEERING

provides civil engineering services, from large-scale infrastructure projects to individual special projects and products. The division's products include earthwork, tunnelling, municipal engineering, regional construction, stabilization and other special ground engineering works as well as bridge, harbour and water treatment plant construction. Over the past few years, infrastructure maintenance and upkeep services have been added to the division's range of services.

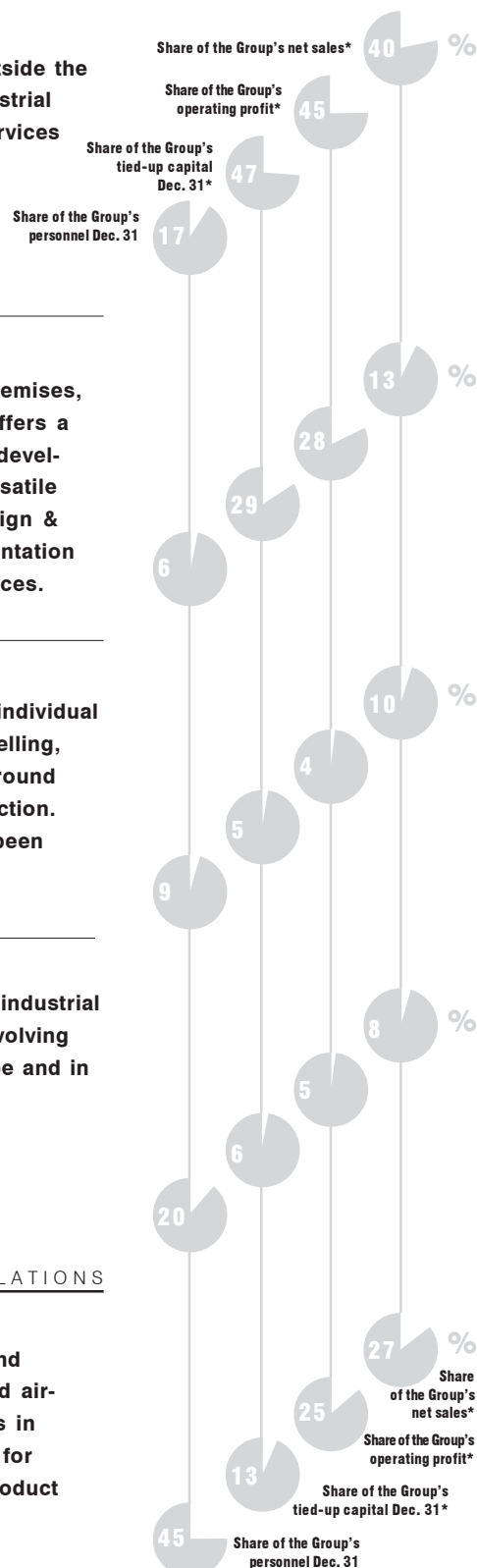
YIT INTERNATIONAL OPERATIONS

offers design and implementation services for construction, infrastructure and industrial projects in Russia, the other CIS countries and the Baltic countries. Projects involving water and environmental services are carried out in Northern and Eastern Europe and in some countries in the Far and Middle East.

SERVICES FOR INDUSTRY AND HEPAC AND ELECTRICAL INSTALLATIONS

YIT HUBER

provides servicing, maintenance and capital investment services for industry and contracting, refurbishing and upkeep services in HEPAC (heating, plumbing and air-conditioning) and electrical installations. The company has foreign subsidiaries in Sweden, Norway, Russia and Estonia. In the field of capital investment services for industry, YIT Huber is the largest company in the Nordic countries in its own product areas, and when it comes to maintenance operations and HEPAC and electrical installations it is one of the major players in Finland.

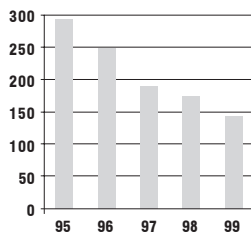


* = Net of the division's external Group eliminations

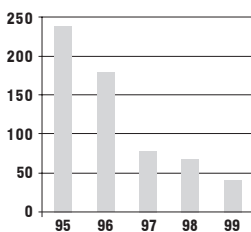
Financial indicators

1995 - 1999

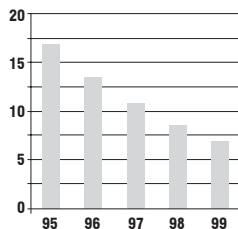
Interest-bearing liabilities,
EUR million



Gearing ratio, %



Net financial expenses, EUR million



Currency exchange rates
at Dec. 31, 1999

1 EUR =	5.94573	FIM
	1.0046	USD
	0.6217	GBP
	8.5625	SEK
	8.0765	NOK
	15.6466	EEK
	27.601	RUR

CONSOLIDATED INCOME STATEMENTS

(EUR million)

	1999	1998	1997*	1996*	1995*
Net sales	1,222.1	1,167.7	941.4	876.3	660.0
Change, %	4.7	24.1	7.4	32.8	21.0
Share of international business	165.3	200.0	171.1	157.4	156.2
Operating expenses	1,141.2	1,095.7	871.4	818.2	630.4
Depreciation and write-downs	18.6	17.5	16.0	15.9	10.6
Operating profit	62.3	54.5	54.0	42.2	19.0
% of net sales	5.1	4.7	5.7	4.8	2.9
Financial income and expenses, net	-7.1	-8.5	-10.8	-13.6	-16.8
Profit before extraordinary items	55.2	46.0	43.2	28.6	2.2
% of net sales	4.5	3.9	4.6	3.2	0.3
Extraordinary income	18.5	0.1	10.8	1.6	0.1
Extraordinary expenses		0.3	1.2	2.2	0.2
Profit before taxes	73.7	45.8	52.8	28.0	2.1
% of net sales	6.0	3.9	5.6	3.2	0.3
Profit for the financial year	60.7	28.4	40.9	20.7	0.1

CONSOLIDATED BALANCE SHEETS

Assets

Intangible assets	20.6	17.5	15.7	17.5	18.8
Tangible assets	78.3	88.1	78.6	93.8	96.5
Investments					
Own shares	4.2				
Other investments	11.4	13.8	10.5	10.8	17.3
Inventories	175.4	222.2	217.5	181.3	205.1
Receivables	389.2	320.1	300.9	259.7	257.8
Short-term investments	13.4	5.1	3.7	9.9	12.1
Cash and cash equivalents	10.2	10.5	16.4	8.8	17.9
Total assets	702.7	677.3	643.3	581.8	625.5

Liabilities

Share capital	58.8	49.3	49.3	41.0	41.0
Other shareholders' equity	212.7	176.3	157.6	82.4	63.9
Minority interest	6.7	11.1	10.1	7.6	6.7
Obligatory reserves	6.7	3.2	4.4	4.2	8.4
Long-term liabilities					
Interest-bearing	125.2	128.4	120.9	166.5	184.5
Non-interest-bearing	4.8	9.3	7.1	18.2	20.9
Short-term liabilities					
Interest-bearing	15.5	44.7	69.1	82.6	110.0
Advances received	43.7	42.4	41.2	37.0	46.6
Other non-interest-bearing	228.6	212.6	183.6	142.3	143.5
Total liabilities	702.7	677.3	643.3	581.8	625.5

KEY FIGURES

Return on investment, %	15.5	13.7	14.5	11.8	6.0
Return on equity, %	18.3	13.9	21.7	19.0	neg.
Equity ratio, %	41.6	37.3	36.0	24.0	19.3
Quick ratio	1.7	1.3	1.3	1.2	1.1
Gearing ratio, %	42.8	66.6	78.4	175.9	237.1
Gross capital expenditures on non-current assets	35.6	35.9	24.7	15.5	18.2
% of net sales	2.9	3.1	2.4	1.8	2.8
Backlog of orders at Dec. 31	479.1	477.5	411.7	319.7	346.1
of which orders from clients abroad	46.8	89.2	91.8	57.7	76.9
Personnel, average	8,721	7,340	6,531	7,184	5,661

* The figures for 1995 - 1997 are based on the earlier Accounting Act.

YIT's operational concept: fertile ground for a life cycle strategy

	CAPITAL INVESTMENT DESIGN AND IMPLEMENTATION	CAPITAL INVESTMENT SERVICING AND MAINTENANCE
INFRASTRUCTURE	Civil engineering, water supply and waste water treatment	Infrastructure maintenance, plant maintenance
HOUSING AND REAL-ESTATE	Building and industrial construction, property development HEPAC*	Renovation, servicing and maintenance for properties, HEPAC*
INDUSTRY AND ENERGY	Piping, tanks, investment services for industry	Servicing and maintenance of process and power industry

● — YIT Construction's field of operations

● — YIT Huber's field of operations

* HEPAC=Heating, plumbing and air-conditioning

YIT's service chain has been expanded from design and implementation to maintenance in all business sectors in accordance with the Group's strategy.

Our operational concept is to help customers invest productively whilst maintaining the value of their investments.

The objectives of the YIT Group's core strategy for 2000 - 2002 are to achieve profitable growth

In line with the operational concept, the Group strategy aims to manage the service chain covering the life cycle of investments in all of YIT's business sectors, that is, in housing, property, industry and infrastructure. The life cycle strategy seeks to achieve growth, a higher degree of upgrading in business operations, better service capability and a stream of profits throughout the entire life cycle of investments.

In construction, the aim is to retain a leading position in new building and renovation in Finland. We are seeking growth in market-financed housing production, the property business and civil engineering. YIT's strengths are a good portfolio of plots and constant development efforts.

We are vigorously increasing the share of maintenance and upkeep services in all our business sectors: properties, industry and infrastructure. Development creates a growing market for YIT and the basis for a steady cash flow.

In the case of investment services for industry, we mean to consolidate our market leadership in Finland, and in HEPAC and electrical operations we are strengthening our expertise in electrical installation and automation technology.

The main thrust of our international operations is construction in the Baltic Rim, where we aim to gradually establish a business presence by leveraging our specialized know-how. In services for industry, international operations focus on Scandinavia and the rest of Western Europe.

As far as our corporate culture is concerned, our goal is to strengthen our service culture throughout the entire organization. Our main objective is to have customers who are satisfied with our quality and service – and who have gained added value from our service chain.

Good progress towards the financial indicator targets

The financial indicator targets in the table were confirmed during a review of the Group's strategy in summer 1998. Good progress has been made towards attaining these targets.

Financial indicators: target levels and the actual figures, 1995 - 1999

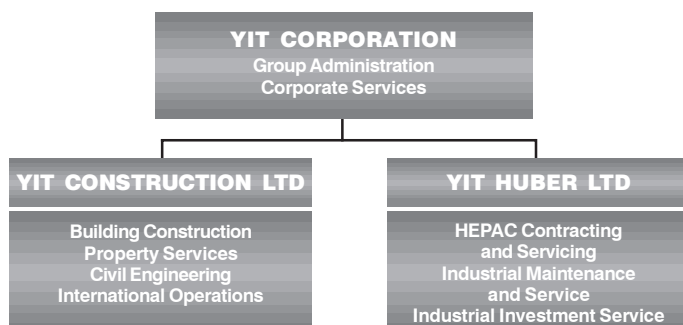
	Target level	1999	1998	1997	1996	1995
Annual growth in net sales, %	10 - 15	4.7	24.1	7.4	32.8	21.0
Return on investment, %	18	15.5	13.7	14.5	11.8	6.0
Equity ratio, %	45	41.6	37.3	36.0	24.0	19.3
Dividend payout, %	30 - 50	37.7	43.0	27.4	28.8	neg.



“The life cycle strategy seeks to achieve growth, a higher degree of upgrading in business operations, better service capability and a stream of profits throughout the entire life cycle of investments.”

Transparency through the development of the Group structure

As from the beginning of 2000, the YIT Group's business operations were organized into two newly-established subsidiaries that are wholly-owned by YIT Corporation: YIT Construction Ltd and YIT Huber Ltd.



The objective of the structural realignment is to improve the transparency of the Group's financial information. The new structure also creates an improved basis for developing the Group's services.

Competitive strategies of the divisions

YIT Building Construction's strategic focus areas are increasing market-financed housing production, the construction of business premises and turn-key contracting. YIT Home will remain in the vanguard of progress. Operations and services are developed using a customer-centred approach. The division's strategy aims to raise the return on investment by boosting the efficiency of design supervision and by optimizing land acquisitions.

YIT Property Services' vision is to be the leading service company in the property cluster, with a comprehensive service chain ranging from the design and implementation of investments to maintenance. Its customers are property users and investors in the Uusimaa region. The division aims to increase the return on investment by stepping up the turnover rate of the capital tied up in business operations and by developing property projects that are attractive to investors. Its key processes are project development, project management, design & build and project financing.

YIT Civil Engineering aims to be the country's leading civil engineering outfit. Its know-how draws on decades of experience and comprises a solid foundation for profitable operations. In infrastructure maintenance, the division aims to be the trailblazer among the companies in its field. Growth potential is being utilized efficiently in the growth centres. The division's top-of-the-line expertise is selectively exported to neighbouring regions. Business operations are furthered by making outlays on the constant, customer-centred development of operations and service.

YIT International Operations means to achieve conservative growth and earnings potential. The core issue is to ensure profitability, with the Baltic Rim as the engine of operations. AB Kausta, a subsidiary of the division, will be developed into Lithuania's leading contractor. Setting-up abroad is being amplified within the framework of a controlled profitability trend in Latvia, Estonia, St. Petersburg and Moscow. Water and environmental services are being targeted at the emerging markets of the Baltic area under the turn-key contracting concept.

YIT-Huber's central objective is to increase its volume in the maintenance business. The share of operations accounted for by HEPAC and electrical installations is being increased by means of acquisitions and recruitment. The division aims to become a major European player in the delivery of piping for power plants, and a leader in Sweden. The division will strengthen its market leadership in capital investment services for industry in Finland. The division is devoting considerable attention to achieving profitable growth in Sweden, Norway and, in the case of other exports, in other markets for special products.



Developing a competitive advantage

R&D is one of the cornerstones of the YIT Group's competitiveness. The major development projects in 1999 involved the telecommunications connections of YIT Homes, the information management of the construction process and improving the reliability of packaging processes in the food industry. Additional development projects that were carried out within the divisions are described in the reviews of the divisions, and development projects concerning quality, environmental, health and safety issues are discussed in their own section.

YIT Home's telecommunications networks meet the needs of the future

Due to the rapid evolution of telecommunications technology, the typical array of cabling in apartment buildings is becoming inadequate for the task. High-performance telecommunications networks that provide access to new kinds of services for households are now required to supplement standard telephone and TV cables. The lifespan of the cabling in residential buildings is measured in decades. For this reason, these cables must remain up to the task even when the future changes the playing field, and they must be able to support network services.

YIT has decided to install fast broadband telecommunications networks into all its market-financed housing projects, ensuring that these housing units will offer powerful telecommunications capabilities far into the future. On February 7, 2000, after the end of the review period, YIT publicized its decision to equip its market-financed housing units with fixed Internet access as well.

In association with telecommunications companies and other service providers, YIT is developing electronic services for housing, such as smart fire and security systems, electronic commerce, the transfer of video images, property maintenance and remote control, internal communications within housing corporations as well as services related to telecommuting, education and care for the elderly and disabled. YIT Home is turning into a true Media Home.



“After the end of the review period, YIT publicized its decision to equip its market-financed housing units with fixed Internet access.”

A breakthrough in information management for construction projects

YIT's new information management system for use in construction processes (COVE) progressed from the pilot phase to a wider implementation capability. This model-based project management program makes it possible to step beyond construction blueprints into a virtual building. The program boosts the efficiency of production control and the planning and speed of logistics as well as provides higher accuracy in tender, quantity and cost calculations. This model allows the fast simulation of alternative solutions and their cost impacts, thereby facilitating the customer's decision-making.

The model is based on the research carried out by Jarmo Laitinen, D.Sc. (Tech.), while working on his doctoral dissertation at YIT. During the past year, the user-friendliness of the program was improved and it was employed at pilot sites, including the Itämerentori property in the Ruoholahti quarter of Helsinki. According to Rob Howard, a British professor, YIT has an advantage of at least a few years on its competitors because it would take a considerable amount of time for competitors to develop an equivalent system.

The international GLOBEMEN project, which is funded by the EU Commission, also examines how to facilitate the transfer of information between the parties involved in a production project. The Finnish parties to the GLOBEMEN project include not only YIT but also Fortum Corporation and the Technical Research Centre of Finland VTT.

Improving the reliability of the food industry's packaging processes

In 1999, YIT Service carried out an R&D project aiming to upgrade the reliability of the packaging processes of one of its customers to the state-of-the-art on the global scale. The project was implemented together with the customer's production organizations by analyzing the factors hindering the operational reliability of packaging processes and by finding operational and technical measures to effect improvements. The sites involved were four of Valio's fresh product dairies. VTT Automation acted as an external expert and the project was funded by Tekes, the National Technology Agency of Finland. The methods used were vulnerability analysis of production processes, which was developed by VTT, and the Structured Analysis and Design Technique (SADT).

The results of the project show that the use of the technology that has been developed allows for the rapid specification of the operational reliability of the production process, the analysis of the underlying factors that weaken reliability and the finding of rectification methods. Although such rectification measures have not been implemented systematically as yet, the operational reliability of certain dairies has risen by over ten percentage points during the course of this project.

YIT Service is working on a self-learning condition monitoring system

In 1999, YIT Service has headed a maintenance-related development effort that is being performed as an EU project. The project aims to develop a self-learning condition monitoring system based on neural networks. The project is being carried out in association with British research institutions and companies. Finnish industrial companies are also involved, and the project is being funded by Tekes. The objective is to put the equipment and systems that are developed as a result of the project into production use during the present year.



COVE boosts production processes by improving information management.



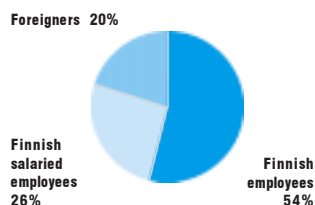
The reliability of packaging processes was improved at Valio's dairies.



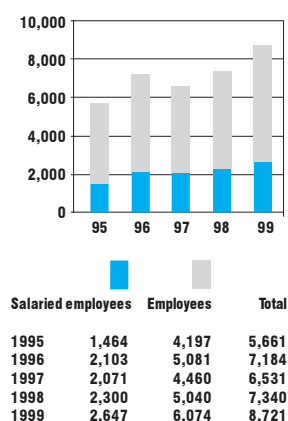
YIT Service made strong outlays on condition monitoring.

YIT focuses resources on personnel development

Breakdown of personnel, Dec. 31, 1999



Average personnel, 1995 - 1999



The YIT Group employed an average of 8,721 people in 1999 (7,340 people in 1998). At year's end, the Group had a total payroll of 8,282 people. Most salaried employees are permanently employed with the Group.

A diverse personnel structure supports earnings performance

The average age of Finnish employees working for the YIT Group is 42 years. More and more attention has been paid to the development of a balanced and diverse personnel structure both through recruitment and job rotation.

Of YIT's salaried employees, almost 10% have completed a university degree, about 30% have a college degree and likewise around 30% have a lower technical or business degree. A greater share of employees now also have a vocational degree. About 300 trainees were in summer 1999 in positions geared towards supporting vocational studies.

The average duration of a stint of employment is 11 years. YIT appreciates long-term employment relationships by such means as an extra bonus that is based on the duration of employment.

Jointly-agreed upon values emphasize customer service and teamwork

Excellence in service, well-run cooperation, continuous learning and good performance were approved as YIT's shared core values

in 1996. These values are evident also in the Group's key results, which are confirmed annually. The values and key results guide the company's development efforts and managerial practices.



Management by results is YIT's chosen mode of operations

The YIT Group employs management by results. The goals of each salaried employee for the financial period are agreed during a performance evaluation discussion with his or her supervisor. The realization of objectives is evaluated during monitoring and evaluation discussions.

YIT strives to offer competitive benefits to its personnel. The majority of salaried employees are covered by a bonus system. The amount of the bonuses that are paid depends not only on the financial results of the entire Group and the division and unit in question, but also on the realization of personal key results. About 150 of the Group's key employees have share options under the 1998 share option programme.

Making outlays on personnel development

Personnel development continued very active within the YIT Group, both within the framework of the Group's and divisions' development programmes. The major competence areas and therefore the main topics in personnel development besides actual basic vocational skills are quality, customer service, cooperation, management by results, information technology, foreign languages, safety and working with fire. Several job orientation events were organized for new employees. At these events, the Group and its key operating principles are introduced.

A considerable number of diploma and final projects are carried out as practical examinations in various fields within YIT. Consequently, the completion of practical examinations has become a very workable and natural recruitment channel.

“The aim is to create YIT the best system for the development of work site personnel in Finland.”

In order to strengthen employee training, YIT made a significant cooperation agreement with the Siikaranta Institute, which is owned by the Finnish Construction Trade Union, in the autumn 1999. The aim of this cooperative endeavour is to create for YIT Finland's best system for the development of work site personnel. The backbone of the training agreement comprises vocational diplomas approved by the National Board of Education. YIT has actively participated in the development of these diplomas. People started taking the diplomas in Helsinki in the autumn 1999 and at the beginning of 2000 in Tampere and Oulu as well.

Annual opinion assessments as development tools

YIT monitors the development of the climate of the working community by means of annual surveys directed at the personnel. The results are used widely in such efforts as the planning of development operations. The study carried out in autumn 1999 covered employees for the first time.

According to the survey, development has been very satisfactory at the Group level. The differences in unit-specific results have been accounted for in the direction of development work. Likewise, the differences between various groups of employees have been accounted for.

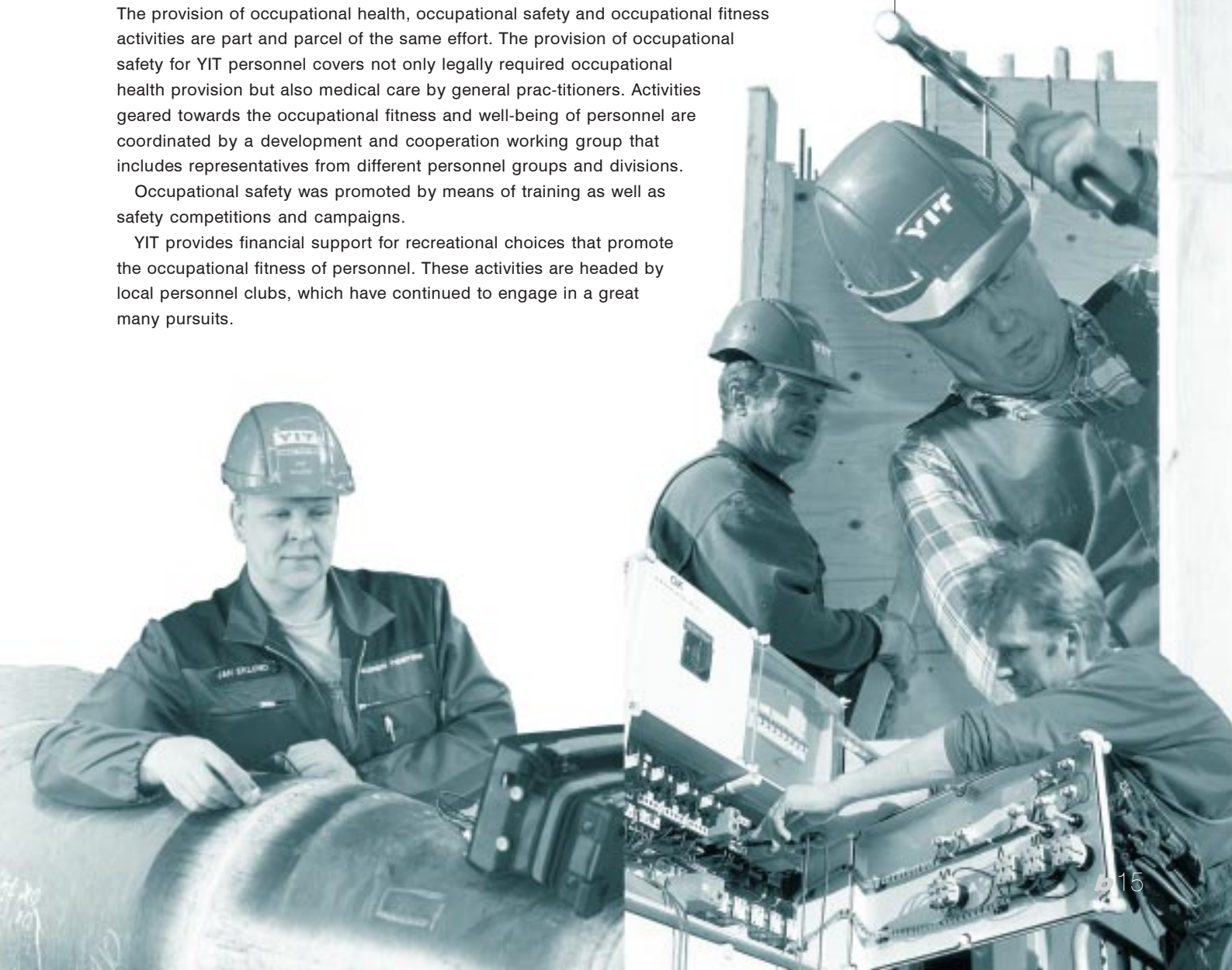
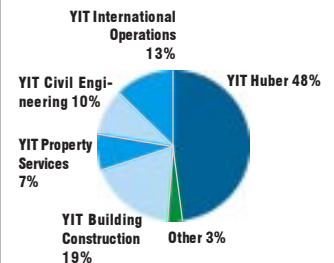
Attending to health, safety and occupational fitness

The provision of occupational health, occupational safety and occupational fitness activities are part and parcel of the same effort. The provision of occupational safety for YIT personnel covers not only legally required occupational health provision but also medical care by general practitioners. Activities geared towards the occupational fitness and well-being of personnel are coordinated by a development and cooperation working group that includes representatives from different personnel groups and divisions.

Occupational safety was promoted by means of training as well as safety competitions and campaigns.

YIT provides financial support for recreational choices that promote the occupational fitness of personnel. These activities are headed by local personnel clubs, which have continued to engage in a great many pursuits.

Personnel by division 1999



Consistent ways of operating

promote better quality, environment, health and safety

YIT's operational principles

We meet customers' needs with competitive products and services that represent high quality.

We ensure that YIT and its partners in cooperation enjoy unhindered operations and productivity.

We improve the environmental friendliness of products and operations in association with our customers.

We upgrade personnel safety and prevent accidents.

We promote the well-being of employees and the quality of working life.

Merging separate systems to form a single operating system

YIT has integrated its formerly separate quality, environmental, occupational safety and health systems into a single operating system. YIT's process-based operating system comprises Group-level operating principles, division-specific systems and project-specific plans. The divisions are currently at work on applying the system.

At the Group level, development efforts related to quality and environmental issues are guided by an environmental management group that is supported by a working group composed of experts from the divisions. In addition, the divisions have their own environmental organizations.

Focusing efforts on the development of quality

YIT has stepped up its outlays on quality development. Many units employ certified quality systems. The quality system of YIT Building Construction was put into operation in 1992 and received certification in 1996. Almost all of YIT Huber's business functions have been granted quality and environmental certificates in accordance with the ISO 9001 or the ISO 9002 and ISO 14001 standards.

YIT's quality benchmarks are: remaining on schedule, observing quality defects, customer feedback and the costs of the year-long repair and liability period. Each building construction project provides the company with customer feedback. The method used is quality assessments, where the management of design, quality planning, work site management, routine procedures, the operations of quality working groups, quality awareness, documentation, procurements and attention to the environment are all assessed.

Filing procedural and construction component descriptions

A procedural file concerning building construction (YIT-Talo) is the outcome of a study made by YIT. The file describes in detail the construction components that are used and the production methods, along with their quality requirements. The system facilitates the manufacture of a product that meets the customer's wishes using the best procedure. It is easy to develop models for solutions when these solutions are described both in writing and with pictures. On the other hand, it is easy to remove solutions that have been found to be defective.

Employing diverse means to ensure the quality of YIT Homes

YIT Home is the trademark used in YIT's market-financed housing production. It is also a complete service that boasts superior technical features and quality as well as YIT's financing alternatives. The customer who will move into a YIT Home can visit the site to have a look at his or her residence, its quality and the construction work itself under the guidance of work site staff. When residents move in, they are given instruction on the use of various equipment of the house. After the move, customer feedback is systematically collected from all the residents. The quality of the product and service is developed on the basis of this feedback.

The quality of construction and its environmental impacts go hand in hand

The environmental impacts of construction must be examined both while construction is in progress and during the entire life cycle of the building. The share of environmental impacts accounted for by work site operations is only about 1 - 2 per cent of the impacts of the building over its entire life cycle. The environmental impacts of work sites arise e.g. from construction wastes, energy consumption, vehicle traffic and the use of natural resources.

The risks that manifest themselves during the service life of a building are usually defects in the quality of construction, which decrease living comfort, health or the durability of structures or increase energy consumption. YIT's management of the environmental impacts of work sites is based on a total system including quality, environmental, moisture control and plans for work site inspection. By providing maintenance services, YIT is well placed to cushion environmental impacts occurring throughout the life cycle of investments.



“By providing maintenance services, YIT is well placed to cushion environmental impacts occurring throughout the life cycle of investments.”

Moisture control is an important factor in quality and environmental soundness

YIT's moisture control plan is a tool that is used to prepare for possible moisture control problems at work sites. During the report year, the framework of the plan was adjusted to make it more usable.

Topics to be considered in moisture control:

- expertise of the company's own employees and those of subcontractors
- drying of the base of the building
- the building envelope and roofing
- sanitary rooms and HEPAC equipment
- the materials that are used
- protection of the materials and incomplete structures
- control of concrete drying and setting up good drying conditions
- moisture measurements
- providing the user with instructions on the use and maintenance of the building

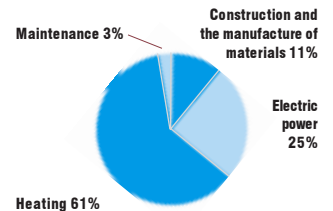
In 1999, the “Moisture-secure Bathroom” research project continued. The participants were YIT, Tekes (the National Technology Agency of Finland), VTT Building Technology, other large construction firms and manufacturers and suppliers of materials. In the study, the aspects that were assessed were the functionality of the surface structure systems used in the sanitary rooms of residences and the characteristics and compatibility of the components used in these rooms, that is, the waterproofing materials, tiles, fixing grouts, floor drains and other inlets. The product certification of the surface structure systems used in sanitary rooms has begun and the first certified sanitary room installers will graduate in February 2000.

Health and safety form the basis of occupational fitness

YIT's comprehensive provision of occupational health covers not only legally mandatory preventative health care but also medical care at the general practitioner level.

Training to improve the safety expertise of personnel is currently being held at YIT's various units. The occupational safety managers, occupational safety ombudsmen and responsible foremen of the regional units are taking part in this occupational safety level training. Weekly safety level assessments have been started up at the work sites. These assessments allow for the tracking of changes in the safety level. The objective is to improve the level of safety at work sites and thereby reduce accidents. The factors that are tracked include the work at the site, scaffolding, machines, electricity, illumination, measures taken to protect workers from falling and general order at the work site. All in all, about 1400 persons took part in safety training within the YIT Group in 1999.

Environmental impacts of a concrete frame terraced house apartment over a usage period of 50 years





Quality and environmental development programmes in 1999:

- University theses were written on the assessment of the ecological standards of residential buildings, the management of the environmental impacts of building construction sites and environmental indicators for construction sites.
- Tekes' "Water Supply 2001" programme, which aims to improve the treatment process used in purifying waste water. The programme came up with the "next generation" in activated sludge plant technology: CARMEN.
- Descriptions of procedures and construction components in building construction (YIT-Talo).
- "Moisture-secure Bathrooms" study with Tekes and VTT.
- The bulk of YIT's employees who construct and install sanitary rooms took part in sanitary room installation training, which will continue in 2000.
- In December, YIT Huber's "EHS pocket guide" was completed: it is a practical guide on how to take care of environmental, health and safety issues at work sites and offices and during maintenance work.

YIT's quality certificates in 1999

Unit	Certificate	Certificate granted by
YIT Building Construction and YIT Property Services	SFS-EN ISO 9001 Construction company's competence certificate	The Finnish Standards Association SFS Construction Quality Association RALA
YIT Civil Engineering and YIT Bygg Ab	SFS-EN ISO 9002	Det Norske Veritas
YIT Industry Ltd	SFS-EN ISO 9001	Inspecta Oy
YIT Power Ltd	ISO 9001 EN 729-2 ISO 9002 EN 729-2	Inspecta Oy Inspecta Oy
YIT Service Ltd	BS EN ISO 9001	Bureau Veritas Quality International
YIT Safetytec Oy	SFS-EN ISO 9001	The Federation of Finnish Insurance Companies
YIT International Operations and Vatten och Miljöteknik AB	SFS-EN ISO 9001	Det Norske Veritas
Makroflex Oy	SFS-EN ISO 9002	SFS Certification

YIT's environmental certificates in 1999

Unit	Certificate	Certificate granted by
YIT Industry Ltd	SFS-EN 14001	Inspecta Oy
YIT Power Ltd	SFS-EN 14001	Inspecta Oy
YIT Service Ltd	BS EN ISO 14001	Bureau Veritas Quality International
Makroflex Oy	SFS-EN ISO 14001	SFS Certification

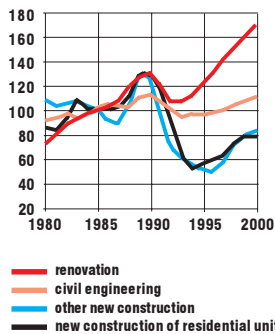
The other units are continuing with the work of developing and integrating environmental systems.

For more detailed information on the content of these certificates, visit YIT's web site at www.yit.fi.



Good market outlook for the YIT Group's main businesses

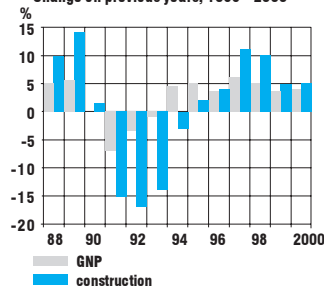
Construction volume in Finland, 1980 - 2000
1985 index = 100



Source: RTK, February 1999

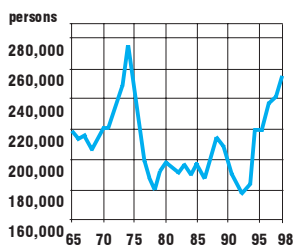
GNP and construction investments in Finland

Change on previous years, 1988 - 2000



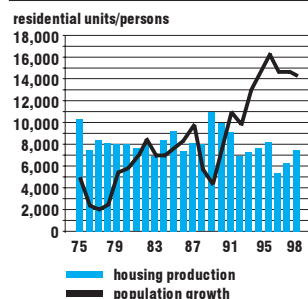
Source: ETLA, December 1999

Migration between municipalities in Finland, 1965 - 1998



Source: RTK, February 1999

Annual housing production and population growth in the Greater Helsinki area, 1975 - 1998



Source: YTV/Development Planning Unit, March 1999

The YIT Group's earnings and growth prospects for the next few years are good, thanks to the market outlook for the major business environments and the company's own strategic outlays. Finland's economic growth remains strong, supporting favourable development in the company's main fields of business. The most important factors for the success of YIT's construction business over the next few years are considered to be the outlook for the housing and property market and the outlook for civil engineering. In the case of YIT Huber, the decisive factor is the outlook for HEPAC and electrical installations and maintenance and investments by industry.

The outlook for construction in Finland remains good

The low and stable interest rate level in the EMU environment, coupled with low inflation, creates a good basis for construction, growth in private consumption and healthy corporate investment activities in Finland. In Russia and the Baltic countries, the main target areas for YIT's construction exports, the outlook remains unstable. Export outlays have been brought in line with the volumes expected in the near term, although in such a way as to maintain the company's positions.

According to an estimate made by the Confederation of Finnish Construction Industries RTK, the value of building production in Finland is about FIM 90 billion. Of this amount, civil engineering accounts for FIM 20 billion and building construction for FIM 70 billion. About 43% of building construction comprises refurbishing.

According to the Research Institute of the Finnish Economy ETLA, the GNP will grow by 4.5% in Finland in 2000. ETLA foresees a growth of 5% in construction investments in 2000, a growth of 5% in refurbishing and residential construction and other building construction investments, and a growth of 3% in civil engineering investments.

YIT expects that construction costs will develop moderately in such a way that the increase in total costs will be 2 - 3%, with growth being attributable mainly to labour costs.

Housing construction remains brisk

More housing start-ups

RTK anticipates that residential construction will continue to be brisk in Finland. According to advance information, residential start-ups in 1999 totalled about 35,000 residential units. Of these, 22,500 were flats and terraced house apartments and 12,000 were detached residences. RTK expects that 38,000 new residential units will be built in Finland during the present year. Of these, approximately 10,000 will be rental housing. About one-third of the housing stock in Finland comprises rental housing units.

The population shift into the growth centres remains strong

YIT expects that the population shift will continue to surge in activity from 2000-2005 due to the growing labour needs of high-tech companies. Demand for housing will remain high over the next few years, especially in the Greater Helsinki area, where construction has not kept up with the population shift for ten years. State-subsidized housing production has declined in recent years, remaining at about 10,000 to 11,000 residential units per year. This raises further the need to increase market-financed housing production.

“After the recession, the disposable income of Finns has grown primarily thanks to the decline in interest rates and inflation.”

Home-buyers have more purchasing power

After the years-long recession, the disposable income of Finns has grown primarily thanks to the decline in interest rates and inflation, and homes are being bought actively in spite of the increase in nominal prices. According to the statistics compiled by Huoneistokeskus real estate agency, the strongest rise in prices has been seen in the Greater Helsinki area, where the per square metre price of two-room residences in blocks of flats rose again towards the end of the year. In the rest of Finland, the trend in the prices of residential units in blocks of flats has remained stable for the most part. The real prices of residential units are, in spite of the rise in nominal prices, an average of 20% lower than the peak price levels of the 80s.

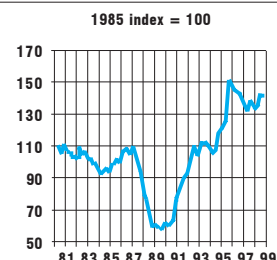
Finns still live in cramped conditions

An international study comparing living conditions indicated that Finns still live in cramped conditions, although over the long term the amount of available living space has increased in step with the greater wealth of the population. In 1960, there were 14 square metres of living floor space per inhabitant in Finland, while in 1980 this figure was 26 and at the end of the 1990 it was over 34 square metres. A comparison of capital cities around the world shows that there is negligible margin for compacting the population.

Robust property markets in the growth centres

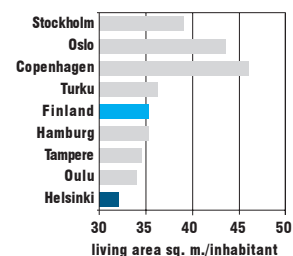
VTT Building Technology has evaluated that the aggregate market for property maintenance amounts to about FIM 80 billion, of which the growing share accounted for by the purchasing services market is about FIM 25 billion. The outlook for the property business in 2000 remains good in the Greater Helsinki area and other regional growth centres. The vacancy rate for office premises is very low in the Greater Helsinki area: the number of vacant office premises is so low as to be negligible. High-tech companies in particular need commercial and office premises.

Purchasing power of buyers of housing units, 1980 - 1999



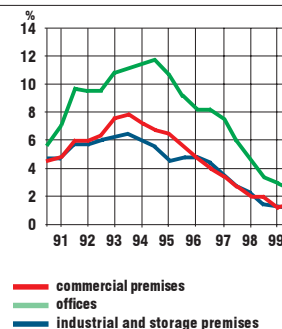
Source: OKOBANK Group, September 1999

Housing stock per person in the Helsinki area and in comparison cities, 1997



Source: Urban Research, 1999

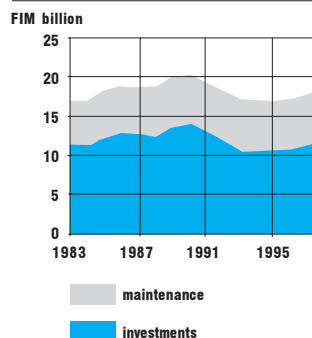
Vacancy rates of business premises in the Greater Helsinki area, 1991 - 1999



Source: Catella, September 1999

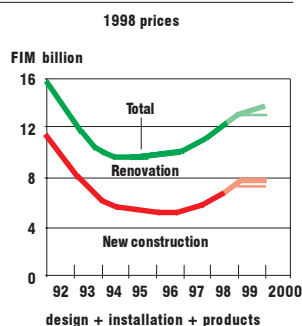


Volume of civil engineering in Finland



Source: Statistics Finland, 1999

Domestic demand on the market for HEPAC and electrical installations



Source: VTT, 1999

The property market is changing

The ownership, use and maintenance of properties are becoming differentiated. The markets aim to employ increasing competition to achieve growth in productivity and efficiency. The owner's goal is to gain the highest possible yield from invested capital. A user-centred approach is more often the factor that guides the development of the property business, and the service expectations of the users are growing in step with this.

Owners and users are focusing on the key processes of their operations and the service business is evolving as the third sector of the property cluster on the basis of the needs of the owners and users. For example, in the study commissioned last year by the Finnish Association of Building Owners and Construction Clients RAKLI, all the 40 institutional property owners who responded said that they intend to outsource the maintenance services of their properties during the next three years.

Moderate growth in civil engineering

Civil engineering has been on a growth vector since 1995. The total value of production in 1998 was about FIM 20 billion, of which investments accounted for around FIM 12.5 billion and maintenance for FIM 7.5 billion. The share which civil engineering companies can claim represents about half of the aggregate market. Advance information indicates that the business volume grew by 3% in 1999. Maintenance, management and investments grew.

ETLA expects that volume will grow further by 3% in 2000. YIT anticipates that this growth will come primarily from civil engineering related to housing and industrial construction.

Public administration has traditionally attended to maintenance work through its own organization and by using the equipment of small contractors. Over the last years, municipal authorities have begun to put out for competitive bids on maintenance work as larger regional projects. At the same time, the Finnish National Road Administration has started to invite competitive tenders for road maintenance work; to date, this has been done for ten out of about one hundred maintenance areas.

YIT Huber's market outlook is good

Construction increases demand for HEPAC and electrical installations

The economic situation in Finland and the good outlook for the construction business maintain the growth of HEPAC (heating, plumbing, air-conditioning) and electrical installations, especially in the growth centres. The increase in renovation activities also supports the growth in HEPAC sector. When undertaking major renovations of ageing buildings, the building equipment systems often have to be replaced. The demands set on the automation level of HEPAC and electrical installations have grown.

YIT expects that the demand for maintenance and servicing for HEPAC and electrical installations will continue to rise. The emphasis on the efficient use of energy and living comfort, coupled with the increase in the disposable income of consumers, lay the foundation for the growth and further development of the business. Demand for property security services is also expected to rise.

“Companies are focusing on their core competence areas and are outsourcing support services, like maintenance, that require special expertise and where outsourcing will bring about a rise in productivity.”

Industry is outsourcing its maintenance services

The market for industrial maintenance services is valued at over FIM 18 billion per year (source: the Tampere University of Technology, 1999). The bulk of this volume is still performed by the maintenance departments of these industrial plants. However, the situation is changing in such a way that companies are focusing on their core competence areas and are outsourcing support services like maintenance that require special expertise and where outsourcing will bring about a rise in productivity.

Industrial investments are on the rise

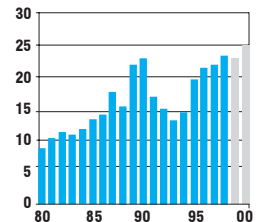
Investment operations in the forest, chemical and metal industries remained at a low level during the report year, but incipient demand on export markets partially compensated for this. The outlook for the growth of industry in Europe has improved, and the recovery of industry in Southeast Asia has continued.

In its business cycle barometer published in December 1999, the Confederation of Finnish Industry and Employers TT reported that the confidence of industry has strengthened further. According to the barometer, 80% of industry is operating at full capacity. The domestic order book reached its "normal" level for the long term last autumn and the order book of the export industry followed suit in December 1999.

Strong economic growth is maintaining the brisk demand for paper. According to TT, the capacity utilization ratio in the paper industry has now exceeded 90%. The trend in the price

Industrial investments in Finland, 1980-2000

FIM billion, at the going rates



Source: TT's investment survey, November 1999

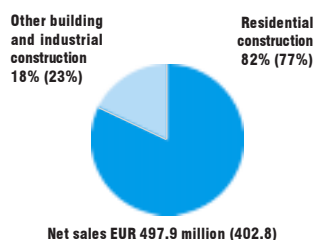


An earnings and business volume boom in

Building Construction

YIT Building Construction is responsible for the Group's residential construction in the entire country. Outside the Uusimaa region, its field of business includes other types of building and industrial construction over and above residential construction. Building construction services also include plot procurement and design supervision.

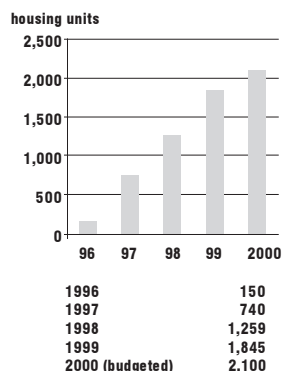
Breakdown of net sales, 1999 (1998)



Division balance sheet summary, EUR million

	1999	1998
Non-current assets	1.2	1.5
Inventories	127.3	165.9
Financial assets	207.3	123.5
Shareholders' equity	102.5	91.9
Obligatory reserves	0.6	0.8
Interest-bearing liabilities	96.6	100.0
Non-interest-bearing liabilities	136.1	97.2
Balance sheet total	335.8	290.9

Start-ups of market-financed residential construction, 1996 - 2000



Key indicators 1995 - 1999, EUR million

	1999	1998	1997	1996	1995
Net sales	497.9	402.8	435.9	346.1	311.1
Operating profit	28.1	18.8	23.2	21.9	19.2
% of net sales	5.6	4.7	5.3	6.3	6.2
Return on investment, %	14.3	11.5	7.1		
Order backlog, Dec. 31	202.5	149.4	209.4	132.5	145.0
Average personnel	1,457	1,421	1,574	1,424	1,463
Share of the Group's net sales accounted for by the division, %	40	34	46	39	47

1999 was a year of vibrant evolution for YIT Building Construction. The division made considerable outlays on the development of new products, services and its operations. The good market situation and active development efforts laid the foundation for growth in net sales and profitability.

YIT Building Construction's net sales grew to EUR 497.9 million (402.8). Operating profit rose by a good margin, hitting EUR 28.1 million (18.8). Return on investment improved to 14.3% (11.5). The strongest growth in net sales and profitability was seen in market-financed residential construction. The backlog of uninvoiced orders amounted to EUR 202.5 million (149.4) at the end of the year. The figures for 1998, the comparison year, are provided on a pro forma basis due to the reorganization that took place in March 1999, when YIT Property Services was separated from YIT Building Construction to form a separate division.

Demand for housing remained brisk in the growth centres

Demand for market-financed housing has been brisk throughout Finland, with the greatest demand being seen in the Greater Helsinki area and other growth centres due to the large-scale population shift to these areas. Demand has also risen due to the increased purchasing power of consumers and their belief that the favourable business cycle will continue.

In spite of the buoyant growth in market-financed residential construction, competition for residential and other construction contracts remained tight, especially in the provinces. During the report year, construction resources were used to their full extent in the Greater Helsinki area.

A total of 2,160 (2,699) housing units were completed in 1999. At the end of 1999, there were 168 (159) completed housing units that remained unsold.

The structure of production changed clearly from State Housing Board-supported housing construction in favour of market-financed construction. In addition to family-owned housing production, there was an

Residential construction, 1998 and 1999

	Start-ups		Under construction, Dec. 31	
	1999	1998	1999	1998
Market-financed construction, total	1,845	1,259	1,917	1,104
- of which ALFA apartments	666	211	599	211
State-supported construction, total	789	1,532	792	1,111
Total	2,634	2,791	2,709	2,215

increase in the production of market-financed rental housing that is sold to various institutional investors.

In the case of State-supported production, the developers of buildings constructed by YIT include numerous insurance companies, pension funds and non-profit developer organizations.

In addition to residential construction, YIT Building Construction erects commercial and industrial buildings and public buildings all over Finland. This type of construction and traditional tender-based contracting account for a total of one-fifth of total net sales of the division.

YIT Home: at the forefront of progress thanks to its state-of-the-art telecommunications connections

Development operations continued vigorously and focused on upgrading the YIT Home housing product. YIT Home is being worked on constantly on the basis of customers' needs. Last spring, the choice of purchasing a home was made easier for home buyers by introducing a new sales practice, where the

“The good forecasts concerning the national economy were reflected in the faith consumers have in the future, which also increases demand for housing.”

home buyer pays only 15% of the price of the housing unit at the time the deal is made and the rest when he or she moves in. The Alfa apartment model, which was launched in autumn 1998, has become very popular and its share of all of YIT's market-financed residential construction has already increased to about 40 per cent. In an Alfa apartment, the share of self-financing is lower than normal being only 30%. A condominium loan accounts for 70%. Customers have given very positive feedback on these new financing models.

In addition to the aforementioned financing models, YIT consolidated its competitiveness and position as a pioneer in residential construction by deciding, at the end of last year, to equip all the market-financed residential projects it is starting to build with state-of-the-art telecommunications connections, thereby ensuring that these housing units will boast powerful IT capabilities far into the future.

Broadband networks are installed during the construction stage, keeping costs low and making it possible to enjoy e.g. extremely fast fixed Internet access, multimedia use and security services. YIT is currently building a market-financed rental apartment block in Pitäjänmäki, Helsinki, and the telecommunications system has been developed during the construction of this building. The flats are designed to meet the needs of high-tech companies and their employees.

Great strides forward were made in developing tools for project management. The improvement of the quality system continued as part of the Group's process-based operating system. In the development of a new product model-based information management system (COVE cost estimation software), progress was made from the pilot phase to a wider implementation capability.

Asunto Oy Oulun Joutsenkaari will be completed in April 2000.



Earnings and growth outlook are still good

The outlook for building construction will remain good for many years. The growth of high-tech companies is still acting as the engine of the population shift into the growth centres, keeping demand for residential and commercial premises high in these areas. The good forecasts concerning the national economy were reflected in the faith consumers have in the future, which also increases demand for housing. The year 2000 is looking good. YIT Building Construction's net sales and operating profit are expected to grow and return on investment to improve further.

The most important projects in 1999

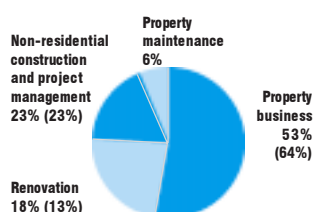
- As Oy Helsingin Kesäillanvalssi (44 residential units)
- As Oy Tampereen Pellavankulma (60 residential units)
- As Oy Jyväskylän Urhonportti (56 residential units)
- As Oy Oulun Joutsenkaari (110 residential units)
- Länsi-Auto Oy's store in Lahti
- Refurbishing and expansion of the Citymarket department store in Kotka

The facade of Asunto Oy Helsingin Kesäillanvalssi in Töölö.

Property Services surging

YIT Property Services operates in the Uusimaa region. The division builds commercial and office premises, public buildings and industrial and storage premises. YIT Property Services offers a service chain that encompasses the entire life cycle of a property, from project development and the development of property business investment products to versatile property project implementation services, including project management, design & build, contracting and renovation. In addition to property investment implementation services, YIT's service chain includes property maintenance and upkeep services.

Breakdown of net sales, 1999 (1998)



Net sales EUR 165.4 million (201.5)

Division balance sheet summary, EUR million

	1999	1998
Non-current assets	39.2	35.7
Inventories	25.3	29.3
Financial assets	82.6	95.6
Shareholders' equity	58.0	51.3
Obligatory reserves	5.0	0.5
Interest-bearing liabilities	62.4	84.1
Non-interest-bearing liabilities	21.7	24.7
Balance sheet total	147.1	160.6

Key indicators 1998 - 1999, EUR million

	1999	1998
Net sales	165.4	201.5
Operating profit	17.4	19.2
% share of net sales	10.5	9.5
Return on investment, %	13.8	
Order backlog, Dec. 31	83.6	88.5
Average personnel	517	370
Share of the Group's net sales accounted for by the division, %	13	17

1999 was YIT Property Services' first year of operations – and a time of buoyant development. The division was established in March 1999 when it was hived off from YIT Building Construction.

The division's net sales in 1999 were EUR 165.4 million (201.5) and its operating profit was EUR 17.4 million (19.2). Return on investment was 13.8%. The backlog of uninvoiced orders at the end of the financial year stood at EUR 83.6 million (88.5). The comparison figures for 1998 are given on a pro forma basis.

The profitability of the division was good. However, the earnings trend was inconsistent within the division. The result of the property business exceeded the target set for it and was good. On the other hand, the earnings of the non-residential construction unit and the renovation unit underperformed their targets.

Brisk business in the construction of commercial and office premises

Demand in the property and construction market in the Greater Helsinki area remained at last year's brisk level. The volume of the commercial and office buildings whose construction was started up rose to almost two million cubic metres. Compared with the previous year, there was a slight decline in the volume of construction start-ups of industrial and storage buildings. The volume of reno-

vation remained at the previous year's level. In the maintenance and upkeep of premises, the market for purchasing services continued to climb considerably as property owners outsourced their service provision.

A service chain imparts added value to customer service

The main focus of the effort to improve YIT Property Services has been on developing a service chain and organizational structure based on life-cycle expertise. The division strengthened its market position in aftermarket services by acquiring Kiinteistöpalvelu Rapido Oy from the Foundation for Student Housing in the Helsinki Region (HOAS) in June and Optum Kiinteistöpalvelut Oy from the OKOBANK Group in May.

During the report year, these companies and the existing maintenance functions of YIT Property Services' were merged to form YIT Rapido Property Services Ltd. At the end of the year, its service agreements in property management covered about 500 sites, or a total of around 400,000 square metres and approximately 400 sites in maintenance and upkeep, totaling about 1,000,000 square metres and 32,000 residents.

YIT Concept Project Management Services Ltd was set up in September. Its role in the service chain is to generate customer solutions for the design and implementation of property projects on the basis of a project management model.

The development of customer-centred service operations is a priority

One of the central challenges in business development is strengthening innovative property project development operations.



As a result, numerous new and intriguing cooperation projects have been started up. They will ensure that the division will be well poised to expand its business operations over the next few years. During the previous autumn, the division launched its new service concept, “YIT Property Briefcase”, in which YIT’s entire property service chain is presented.

Considerable outlays have been made on the development of the support system for business operations and project management. The major achievement has been the development of a new product model-based information management system (COVE cost estimation software). In this development project, information and project management were upgraded to a new level using the latest IT tools. The information management system had been shepherded from the pilot phase to wider implementation readiness by the end of the year.

Promising outlook for 2000

The division is promisingly well prepared for 2000. YIT expects 5 – 10% growth in start-ups of office and commercial construction. Thanks to YIT Property Services’ overhauled service structure and positioning on the market, the division has what it takes to succeed. In 2000, net sales and return on investment are expected to increase compared with the previous year. Operating profit is anticipated to remain at the same level as in 1999.

The most important projects in 1999

- The Mäkelänrinne swimming hall for Urheiluhallit Oy, which is owned by the City of Helsinki
- Radisson SAS Plaza Hotel Helsinki for SOK Corporation
- Kiinteistö Oy Metrotori in the Ruoholahti area of Helsinki, the main user and owner of the property is the Union of Technical Employees in Finland
- The final section and additional construction of the Kiinteistö Oy Länsikeskus office and commercial complex for Sponda Oyj in Olari, the property is used by Nokia Networks
- Kiinteistö Oy Itämerentori office and commercial complex in the Ruoholahti area of Helsinki; main owners: Sitra (the Finnish National Fund for Research and Development) and LEL Employment Pension Fund
- Kiinteistö Oy Itämerenkatu 5 in the Ruoholahti area of Helsinki
- Student residence in Leppäsuu, Helsinki, for HOAS, the Foundation for Student Housing in the Helsinki Region
- The refurbishing of a service home for the elderly in Töölö



Radisson SAS Plaza Hotel Helsinki was opened in July 1999.



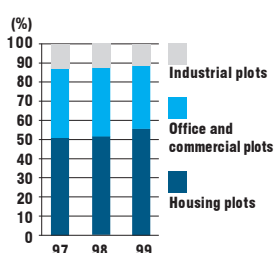
Kiinteistö Oy Itämerentori in the Ruoholahti area of Helsinki.

YIT CONSTRUCTION LTD

Significant business potential in YIT's portfolio of plots and properties

The paramount aim of YIT's property business is to achieve profitable business operations by creating the users and owners of buildings customer-oriented space solutions. Another aim is to increase the yield on YIT's property assets. The current demand for commercial and office premises in the Greater Helsinki area and other growth centres provides YIT's property business with an excellent opportunity to make good use of its portfolio of plots and properties which are included in the balance sheet. Off the balance sheet, YIT has a portfolio of properties and plots that will come under zoning and a considerable amount of completed potential development rights through various cooperation agreements.

Distribution of building rights (sq. m of floor area) according to usage purpose at Dec. 31



Investment properties as at 31 December 1999

Investment property	Floor area owned by YIT, sq. m.	Type of building	YIT's holding	Largest tenants	Net rental income %
Panuntie 11 Helsinki	12,029	Office, store	100%	YIT Corporation, Kesko Corporation	5.4
Kehä-Koskelo Espoo	8,806	Warehouse, office	51%	Fujitsu ICL Computers, ICL Data Oy	8.2
Kanta-Sarvis II *	4,952	Office	50%	Nokia Telecommunications Ltd	9.5
Tampere					
Kanta-Sarvis III *	1,875	Office	50%	Nokia Telecommunications Ltd	8.9
Tampere					
Total floor area	27,662				

Almost all investment properties have been sold

Investment properties are completely built and leased before they are sold to property investors. YIT's objective, in accordance with its strategy, is to dispose of the investment properties it owns. Investing in property over the long-term is not one of YIT's core businesses.

The occupancy rate of investment properties was 100% at the close of the year (100). Net rental income from the investment properties totalled EUR 3.2 million (5.4). The net rental income percentage was 6.6% (6.2).

During the year under review, a 20% share in the Länsi-Keskus property in Espoo, which had been retained in YIT's ownership after a real-estate deal in spring 1998, was sold to Sponda Oyj. In the latter part of the year, YIT made a preliminary agreement with OKOBANK concerning a property arrangement whereby, during the first half of 2000, OKOBANK will assume 100% ownership of properties Koy Kantasarvis II* and Koy Kantasarvis III* in the Hatanpää area of Tampere, which are jointly owned by YIT and OKOBANK.

Towards the end of the year, a decision was taken on a structural reorganization of the YIT Group. In connection with this decision, YIT Corporation's head office property

(Panuntie 11 and Panuntie 6) was retained as YIT Corporation's fixed assets and the last of the investment properties, Espoon Kehä-Koskelo, was transferred to the inventories of YIT Construction Ltd.

Development properties: upgraded to meet customers' needs

Development properties are mainly plots and sites that have not been fully built up and which can be developed into business premise solutions to meet the needs of users and investor customers.

Main development properties

The Tampella area, Tampere

Two market-financed highrise blocks were completed in the area and the construction of one highrise block was started. Almost all the flats have been sold. The area was owned by Exofennica Oy, which was merged with YIT Corporation during the report year. The construction of business premises continued in the report year with the refurbishing of premises for Radiolinja, a telecommunications company.

At the close of the year, YIT owned in the area about 145,000 square metres of zoned and unbuilt building rights as well as a renovatable property consisting of about

“The current demand for commercial and office premises in Finnish growth centres provides YIT with an excellent opportunity to make good use of its portfolio of plots and properties.”

8,000 square metres of floor area. The working group charged with making a proposal on the zoning objectives for the Ranta-Tampella area has decided on four proposals, in which the building rights to be zoned in the area range from 100,000 to 180,000 square metres of floor space.

The Sinimäki area, Espoo

During the report year, the shares outstanding in Koy Sinimäentie 8 were sold to the Tapiola Insurance Company in their entirety. The housing corporation included the Rank Xerox building and a plot measuring 31,000 square metres.

At the end of the year, YIT owned about 12,000 square metres of unbuilt floor area and about 68,000 square metres that are in the zoning process.

The Ruoholahti area, Helsinki

An extension to a metro station was completed in Ruoholahti, and it went primarily into the ownership and use of the Union of Technical Employees in Finland and the Helsinki Group of Parishes. A parking building for the use of its owners was seen to completion in the area. The construction work on the Itämerentori building is ongoing. When complete, it will be the area's landmark.

In central Ruoholahti, YIT started up construction works amounting to about 10,000 square metres of floor area on the plot it owned and then sold the property to LEL Employment Pension Fund. The total value of the projects that were in progress in the area during the year under review reached almost EUR 118 million.

The Airport area, Vantaa

This area has been partly built-up and is located near the Helsinki-Vantaa International Airport. During the review period, the zoning plan for the area was confirmed. The YIT Huber head office property, located in the area, was sold to Ilmarinen.

The old portfolio of buildings was refurbished and expanded, primarily at the expense of the main tenants KD-Tukku and Libri Logistic. At the close of the year, YIT owned in the area building rights for about 83,000 square metres of floor area, of which 15,000 square metres has been built up.

Other properties

Other properties consist of many different office, commercial and industrial premises, primarily in the country's growth centres. Net rental income from these properties totalled EUR 1.2 million (1.1). No major sales took place during the review period.



YIT Corporation's head office property is located next to the Käpylä Railway Station in Helsinki.



An extension to a metro station was completed in Ruoholahti.

Portfolio of plots and properties, 31 Dec. 1999

	Tied-up capital EUR million	Net rent EUR million	Floor area sq. m.	Building rights sq. m.	Prelim./ zoning possibility sq. m.
Housing units:					
completed and under construction	37.2				
Housing plots	94.2			529,677	393,513
Housing production, total	131.4			529,677	393,513
Under construction	17.6				
Investment properties	48.0	3.2	27,130		
Development properties	108.1	1.8	18,296	433,184	415,912
Other properties	31.7	1.2	32,202		
Property business, total	205.4	6.2	77,628	433,184	415,912
Properties held in fixed assets	15.8				
Total	352.7	6.2	77,628	962,861	809,425

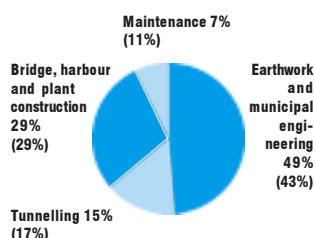
Of the tied-up capital, EUR 347.9 million (342.8) was stated in the Consolidated Balance Sheet at December 31, 1999, of which EUR 53.9 million (58.7) is included in fixed assets, EUR 150.9 million (194.6) in inventories, EUR 228.4 million (151.7) in receivables and EUR 85.3 million (62.2) in current liabilities. Off the balance sheet was EUR 4.8 million (31.9) of an external debt for companies that are held in fixed assets but are not consolidated. Property rental operations contributed EUR 4.7 million (6.2) to YIT Corporation's operating profit.

Civil Engineering

makes outlays on the development of strategic strengths

YIT Civil Engineering's field of operations encompasses the various sub-areas involved in civil engineering, from large-scale infrastructure projects to individual special projects and products. The division's products include earthwork, tunnelling, municipal engineering, regional construction, stabilization and other special ground engineering works as well as bridge, harbour and water treatment plant construction. Over the past few years, infrastructure maintenance and upkeep services have been added to the division's range of services.

Breakdown of net sales, 1999 (1998)



Net sales EUR 125.1 million (115.1)

Division balance sheet summary, EUR million

	1999	1998
Non-current assets	0.8	1.0
Inventories	4.0	2.5
Financial assets	41.1	43.6
Shareholders' equity	22.0	23.3
Obligatory reserves	0	0
Interest-bearing liabilities	0.4	1.0
Non-interest-bearing liabilities	23.5	22.8
Balance sheet total	45.9	47.1

Key indicators 1995 - 1999, EUR million

	1999	1998	1997	1996	1995
Net sales	125.1	115.1	123.6	140.3	117.9
Operating profit	2.5	-0.7	4.5	6.2	9.1
% share of net sales	1.9	-0.6	3.7	4.3	7.7
Return on investment, %	13.2	0.7	26.0		
Order backlog, Dec. 31.	43.0	57.9	44.6	60.4	45.8
Average personnel	759	709	743	886	777
Share of the Group's net sales accounted for by the division, %	10	10	13	16	18

The result rose into the black

YIT Civil Engineering's operating profit for 1999 was EUR 2.5 million (-0.7). Return on investment was 13.2% (0.7). In 1999, net sales grew by 9% to EUR 125.1 million (115.1).

The growth in net sales was especially strong in Finland, while net sales from international operations contracted in Sweden. The downward slide of earnings during the past three years was brought to a halt in 1999. Operating profit jumped into the black. Earnings were still burdened by the loss-making result of the Swedish subsidiary YIT Bygg AB, EUR 2.8 million. Earnings targets were exceeded in domestic operations. The risk profile of operations in Sweden was systematically reduced during the year now ended, such as by selling the company's business operations in the Gothenburg region to the Norwegian company Selmer ASA. At the turn of the year, the only project in progress in Sweden was the Svartviken bridge project, which is now in its final phase and will be seen to completion in summer 2000.

Brisk demand for earthwork and municipal engineering

The market situation for earthwork and municipal engineering was lively during the past

year and it is expected that demand will remain brisk in 2000 as well. In particular, earthwork related to building construction was on the rise. The demand situation for special works such as stabilization and piling was also good.

Good outlook for tunnelling

The market situation remained unchanged in tunnelling. YIT Civil Engineering retained its market leadership in spite of increased international competition. The division strengthened its position in technical construction work related to tunnelling and aims to improve its market share further. The share of operations accounted for by underground mining has risen significantly over the past few years.

Holding on to market positions in bridge, harbour and plant construction

In 1999, bridge building operations were active and YIT Civil Engineering retained its position as one of the country's major bridge builders. The division was especially competitive in the case of large and technically challenging sites. The division's first bridge-building project to Finnish National Road Administration will be carried out under the Design & Build project model. Design & Build projects enable the company to employ its extensive know-how and its own specialized equipment to offer the customer even more competitive solutions. The market situation in bridge building is expected to remain satisfactory in 2000. Towards the end of 1999, the Vuosaari Harbour project for the City of Helsinki was progressing at a fast rate and will most likely generate major new opportunities for harbour construction. In this respect, the market outlook is promising. The market situation for plant construction in Finland and the Baltic countries is expected to remain at the same level as in the previous year.

Waiting for the maintenance market to open

The division's latest product area is infrastructure maintenance. The market in Finland is valued at about FIM 7.5 billion. Main-

tenance did not open up to competition to the desired extent during the report year. However, it is expected that this will occur during the next few years. During the report year, the division's maintenance projects involved the first year of the Harjavalta maintenance project as part of the Finnish National Road Administration's pilot projects and a regional project in Suutarila for the City of Helsinki.

Developing service culture and IT strategy

The main focus areas of development efforts in 1999 were the further development of the operating system, amplifying customer skills and the service culture, and employing information technology. During the report year, the environmental impacts of maintenance and earthwork were assessed and the development of environmental indicators continued ahead.

YIT Civil Engineering's future IT needs were mapped out in 1999. The objective is to utilize IT more effectively, implement a new project management programme and train personnel. For the first time, the criteria of the Quality Award were used as tools in the planning and development of business operations.

Earnings prospects for 2000 are better than in 1999

It is expected that civil engineering will continue to rise in 2000 thanks to active housing construction and increasing industrial investments in the country's growth centres.

YIT Civil Engineering's net sales for 2000 are anticipated to remain at the previous year's level in spite of the contraction of business operations in Sweden. Operating profit and return on investment are expected to be better than in 1999.

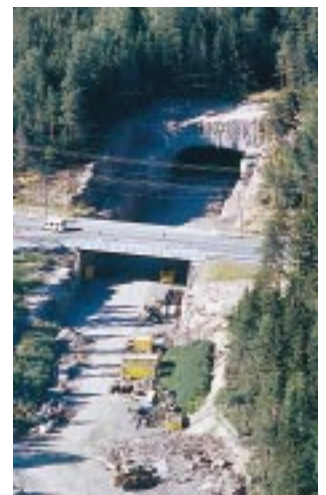


The most important projects in 1999

- The E4 highway contract between Kemi and Tornio, the Pappila pile slab works on the E18 highway and a natural gas border pipe in Räikkölä
- Finland's longest traffic tunnel on Ring Road II, the Lauttasaari common use tunnel and a vertical shaft and shaft tower for the Pyhäsalmi mine
- The Tuomaansilta Bridge in Turku and the Vihantasalmi Bridge in Mäntyharju
- The Petäjäs Bulk Cargo Pier for the Port of Rauma and stage three of the Palokangas pier for the Port of Hamina
- The Suomenoja sludge dewatering plant in Espoo, the Cement Terminal in Kantvik and a water intake plant for Daugavpilis in Latvia, the construction of a power plant was started up in Anjalankoski
- A major breakthrough was made in the reinforcement piling of the foundations of old buildings for the City of Turku
- The Harjavalta regional maintenance project, maintenance and renovation of Helsinki's urban gas network and the year-round maintenance project in the Alattikkurila and Suutarila area

The Vihantasalmi Bridge is the world's largest wooden bridge meant for vehicle traffic. It is a truss framed bridge made of glued-laminated timber. It measures 182 metres and has five spans.

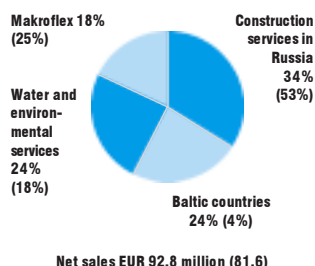
Finland's longest traffic tunnel is constructed on Ring Road II, Espoo.



Ensuring profitability is a priority in International Operations

The division offers design and implementation services for construction, infrastructure and industrial projects in Russia, the other CIS countries and the Baltic countries. Water and environmental services projects are carried out in Northern and Eastern Europe and in some countries in the Far and Middle East.

Breakdown of net sales,
1999 (1998)



Division balance sheet summary,
EUR million

	1999	1998
Non-current assets	12.8	9.8
Inventories	5.7	3.9
Financial assets	27.3	26.0
Shareholders' equity	4.9	2.3
Obligatory reserves	0	0
Interest-bearing liabilities	22.8	30.5
Non-interest-bearing liabilities	18.1	6.9
Balance sheet total	45.8	39.7

Key indicators, 1995 - 1999, EUR million

	1999	1998	1997	1996	1995
Net sales	92.8	81.6	63.1	54.5	104.8
Operating profit	2.8	4.4	10.2	-1.5	-7.9
% share of net sales	3.0	5.4	16.2	-2.8	-7.5
Return on investment, %	10.9	16.4	37.4		
Order backlog, Dec. 31	39.7	39.5	38.9	22.2	30.6
Average personnel	1,871*	822	412	948	1,705
Share of the Group's net sales accounted for by the division, %	8	7	7	6	16

* of whom abroad: 1,665

YIT International Operations' net sales rose to EUR 92.8 million (81.6). The water and environmental services unit was transferred to YIT International Operations at the beginning of 1999. Operating profit contracted to EUR 2.8 million (4.4) due to the impact of the Russian economic crisis. The backlog of un-invoiced orders remained steady during the review period and was EUR 39.7 million (39.5) at the end of the year.

Operations grew significantly within the water and environmental services unit and the Baltic units, especially in Lithuania, where YIT's subsidiary AB Kausta assumed the mantle of Lithuania's largest contractor. Russian project operations and Makroflex's sales declined due to the economic crisis in Russia. Earnings were burdened by EUR 1.5 million in non-recurring measures employed to trim operations to match the prevailing business volume. Earnings were improved by the outcome of the negotiations of a panel of arbitrators in the dispute concerning the Sertolovo precasting factory, which had an effect on full-year earnings of about EUR 5 million.

The main thrust of development and training operations involved upgrading export applications of the YIT quality system, customers' product applications and customer-centred service.

No changes in the market situation for construction services in Russia

Following the economic crisis in 1998, demand in Russia has remained at a low level. The division's customers were major local and foreign investors. After the hike in the price of oil towards the end of the year, both Western and Russian oil companies were better prepared to make investments. The outlook for net sales in 2000 is at the same level as in the previous year.

Construction services are up in the Baltic countries thanks to AB Kausta

Demand remained at a low level in the Baltic region because the Russian economic crisis was reflected in investments made in the area. In Lithuania, YIT's subsidiary AB Kausta became the country's largest construction company. Kausta's operations were improved by aggressively scaling down its cost structure. In January 2000, the precast concrete business was sold to Addtek International Oy Ab because it was not one of the core businesses. In Latvia and Estonia, operations have been focused on water supply and waste water treatment projects. In these countries, the division will continue to expand its business presence. The outlook for the Baltic countries in 2000 is at the same level as last year.

Demand for water and environmental services remained good

The main focus of operations in water and environmental services was on the Baltic Rim, where demand was good thanks to internationally-funded projects. YIT continued to enjoy a strong position and good demand in the Baltic countries. In Sweden, the outlook is promising in the forest industry and solid waste treatment. The rise in the price of oil will probably lead to higher demand in Saudi Arabia. In 2000, water and environmental services are expected to grow compared with the previous year.

“Operations grew significantly within the water and environmental services unit and the Baltic units, where YIT’s subsidiary AB Kausta assumed the mantle of Lithuania’s largest contractor.”

Makroflex insulation materials hold on to their market position

Makroflex is a registered trademark used to market polyurethane insulation materials and sealants. Makroflex has production and marketing companies in Finland and Estonia and marketing units in Russia, Sweden and Poland. In 1999 Makroflex retained its market position in its main market areas. Sales grew significantly in Western Europe, proving that the products are competitive. Sales in 2000 are expected to remain stable in all market areas. New products and new, promising customer relations in countries such as Turkey and China strengthen the brand’s position.

Outlook for exports remains at the same level as last year

The outlook for the market in 2000 is as lean as it was during the report year. However, it has been generally forecast that in 2000 the economies of Russia and the Baltic countries will experience some degree of growth. The remaining programme of works in Russia and the Baltic countries does not include any significant risks that could affect YIT International Operations’ result.

The outlook for water and environmental services is good. It is expected that YIT International Operations’ net sales for 2000 will be at the previous year’s level. It is anticipated that operating profit and return on investment will improve on the previous year’s figures.



YIT performed the finishing works on baths of Kedrovyy Log in Surgut, Russia.

The most important projects in 1999

- A business school in Moscow in association with the Japanese company Shimitsu
- Refurbishing of R.J.Reynolds’ tobacco factory and Neste service stations in St. Petersburg
- Refurbishing of Surgutneftegaz’s office premises and baths in western Siberia
- In Lithuania, Tamro’s pharmaceutical distribution factory, Kraft Jacobs Suchard’s potato crisp factory and the waste water treatment plant in Kaunas
- Waste water treatment plants in Espoo and Porvoo and numerous projects involving water and environment services for Finnish industry
- A waste water treatment plant in Riga, and the waterworks of Daugavapils and Liepaja in Latvia. Works on the Siauliai deferrization plant and the Kaunas pumping station in Lithuania
- The household waste sorting and digestion plant in Heljestorp, Sweden
- Five pumping stations in Wroclaw, Poland
- Machinery deliveries to the waste water treatment plants of Dawadmi and Sakaka in Saudi Arabia
- Deliveries of waterworks to Tam-Kyn and Thai-Binh in Vietnam
- Refurbishing of Barhiva sanatorium for Japanese Mitsui & Co. Ltd in Moscow region



In 1999, the Kaunas waste water treatment plant was selected as the construction project of the year in Lithuania.

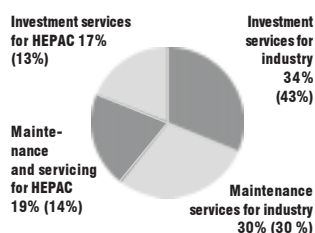
Makroflex sales grew significantly in Western Europe.



The maintenance business already accounts for half of YIT Huber's net sales

YIT Huber's field of operations includes servicing, maintenance and capital investment services for industry as well as HEPAC and electrical operations. The company has foreign subsidiaries in Sweden, Norway, Russia and Estonia. In the field of capital investment services for industry, YIT Huber is the largest company in the Nordic countries in its own product areas, and when it comes to maintenance operations and HEPAC and electrical systems it is one of the major players in Finland.

**Breakdown of net sales,
1999 (1998)**



Net sales EUR 332.7 million (315.1)

**Division balance sheet summary,
EUR million**

	1999	1998
Non-current assets	16.7	27.6
Inventories	12.0	17.9
Financial assets	83.5	80.1
Shareholders' equity	43.1	39.1
Obligatory reserves	1.1	1.6
Interest-bearing liabilities	12.7	12.2
Non-interest-bearing liabilities	64.3	72.7
Balance sheet total	121.2	125.6

Key indicators 1995 - 1999, EUR million

	1999	1998	1997	1996	1995
Net sales	332.7	315.1	276.7	298.4	91.5
Operating profit	15.3	14.1	16.0	14.0	3.5
% share of net sales	4.6	4.5	5.8	4.7	3.9
Return on investment, %	31.1	33.6	38.9		
Order backlog, Dec. 31	110.3	109.7	100.6	89.5	29.6
Average personnel	3,727	3,380	3,202	3,344	1,199
Share of the Group's net sales accounted for by the division, %	27	27	29	34	14

YIT Huber's net sales rose to EUR 332.7 million (315.1) and its operating profit to EUR 15.3 million (14.1). Return on investment was 31.1% (33.6). The share of net sales accounted for by the maintenance business climbed to 49% (44), or over EUR 165 million (140). The result was good in the HEPAC business and maintenance for industry. Energy production and shipbuilding operations fared well considering the poor market situation. Also capital investment services for industry achieved a satisfactory result in spite of the poor business climate.

The value of international operations was EUR 61.3 million (55.7), representing 18.4% of net sales (17.7). Growth took place in Sweden and Norway.

The backlog of uninvoiced orders remained at the previous year's level and stood at EUR 110.3 million (109.7).

Significant growth in the HEPAC business

Net sales of the HEPAC (heating, plumbing and air-conditioning) and electricity and automation business grew significantly due to the good business climate prevailing in construction. Earnings developed favourably once again. Net sales were also increased by the acquisition of Sähkö-Soikkeli Oy in the Greater Helsinki area – this raises the share of electrical contracting – and the purchase of the business operations of LVI-Urakointi

Helge Ahokas Oy in Lappeenranta. The HEPAC business has now net sales of about EUR 130 million per year.

The volume of the property safety business grew buoyantly and profitability was good. The share of electronic monitoring systems increased in both fire detection and shell safety as the new Autronica and Telenor product families were launched.

The brisk construction of business premises and housing, along with the general need to increase property safety, create a good basis for growth in these areas of operations in the next few years, too.

Maintenance and servicing of HEPAC and electrical installations expands

Maintenance, servicing and renovation of HEPAC and electrical installations continued to grow, with particular growth in the ventilation, automation and electrical servicing businesses. The business of refurbishing and servicing HEPAC and electrical installations has expanded to cover 24 localities in Finland. The business volume was EUR 65 million (47.4) and the earnings trend was good. The general increase in disposable income and the fact that people are seeking to live more comfortably and use energy more efficiently continue to lay a good foundation for the development of operations.

After the end of the financial period, the shares outstanding in LVI-Marjamaa Oy were acquired in their entirety, thereby significantly strengthening the market share of the HEPAC business in the Oulu economic area.

New power for maintenance services for industry

YIT Huber's business volume in maintenance services for industry exceeded EUR 100 million and profitability remained good.

The founding of Scandinavian Mill Service Oy in the spring 1999 marked a major bridgehead in the development of maintenance services for the wood-processing industry. The project brings together

*The Rosenthal 2000 project for
Ahlstrom Machinery Oy in Germany.*





Differentiation of maintenance for the production plants of Osuuskunta Karjaportti in Mikkeli and Jyväskylä.

Sanomatalo Building, Helsinki: a heating and plumbing contract and a ventilation contract.



YIT's expertise in the differentiation of maintenance services and Metso's processing know-how in the wood processing industry. YIT owns 51% of the company and Metso owns 49%. The company has set up subsidiaries in Sweden and Norway.

After the end of the financial period, SPT-automaatio Oy was acquired to round out YIT Service's electrical automation business. YIT Service's net sales of electrical automation services total about EUR 17 million per year.

Capital investment services for industry are picking up

Investment operations in the forest, metal and chemical industries were at a low level in Finland, but export demand compensated for this somewhat. The business volume of these customer sectors declined by over a quarter, but earnings remained satisfactory.

As the demand for wood-processing products grows, investments are expected to increase and the volume and profitability of YIT Huber's capital investment services to rise.

Power plant construction recovering

The energy industry business contracted due to poor demand, but profitability remained satisfactory. After a quiet year, a recovery in power plant construction is on the horizon. Numerous wood-processing groups have already announced that they will modernize their product lines and power plants over the next few years. Growth in the need for electrical energy will most likely land the division other power plant projects in the near future. If Sweden stands behind its decision to close its nuclear power plants by 2010, power generation in Sweden will be stepped up by building new power plants that utilize materials such as new biofuels.

Reliable performance and ERP systems are the focus areas in development work

YIT Huber has answered the trend in the market by seeking new methods and forms of operating. The performance reliability project carried out in cooperation with VTT Technical Research Centre of Finland provides the company with ever greater opportunities to analyze and improve the reliability of production plant performance. From the viewpoint of maintenance, this means focusing on customers' processes to a greater

extent than before. A central tenet of operations is to generate added value for customers and to achieve higher productivity by harnessing the latest technologies.

The development of a new enterprise resource planning (ERP) system that was started in autumn 1998 continued throughout the entire financial year. The new Movex system was put into operation in November in services for the energy and shipbuilding industries. Following the implementation of the system, business operations were reorganized in accordance with business processes. It is believed that this will boost efficiency significantly and further improve the quality of customer service. During the present year, the implementation of Movex will continue at other industrial units.

Considerable effort was devoted to the development of ERP systems so as to upgrade the efficiency of HEPAC business functions. The IT development effort was started in autumn 1998 and continued during the financial year. The VISIO 3 system was successfully implemented. VISIO 3 improves opportunities to make outlays on efficient customer service, increase efficiency in administration and significantly expand the use of electronic communications when exchanging information with customers and subcontractors.

Almost all of the quality and environmental systems of YIT Huber Ltd's subsidiaries have been certified in accordance with the ISO 9001/2 and ISO 14001 standards.

On January 1, 2000, after the close of the financial period, YIT Huber's operations were incorporated in connection with the development of the YIT Group's organizational structure.

YIT Huber's outlook remains good

An increasing share of YIT Huber's business operations is accounted for by maintenance, while the share of capital investment services, which are more sensitive to business cycle fluctuations, is decreasing. There is a considerable market for maintenance for industry, with an estimated value of over FIM 18 billion. The bulk of this volume is still attended to by the maintenance departments of industrial plants. The trend seems to be that companies are concentrating on their core competence areas and are outsourcing those support functions that require special exper-

tise and yield an increase in productivity once they have been outsourced. Maintenance is one of these functions. The growth of HEPAC and electrical operations is expected continue in step with the increase in building construction. Demand for capital investment services for industry is expected to rise significantly in YIT Huber's market starting in the latter half of 2000.

In 2000, YIT Huber's net sales and result are forecast to improve on the previous year. Return on investment is expected to remain at the previous year's level.

The most important projects in 1999

HEPAC, electrical and automation contracts

- Sanomatalo Building, Helsinki: including both a heating and plumbing contract and a ventilation contract
- An information centre for Kiinteistö Oy Viikki: HEPAC and electrical contract, automation and cooling
- Cooling device contract for the Aikatalo commercial and office building
- Hotel Kämp: sprinkler contract

Maintenance for industry

Partnership agreements:

- Maintenance for the production plants of Osuuskunta Karjaportti in Mikkeli and Jyväskylä
- Maintenance services for Valio Oy's ice cream factory and UHT factory in Turenki
- Renewal of numerous factory maintenance agreements with Valio
- Maintenance for Pyhännän Rakennustuote Oy and PRT Wood Oy
- Maintenance agreement with Neste service stations

Capital investment services for industry

- Rosenthal 2000 project for Ahlstrom Machinery Oy, Germany
- Troll II and Vestprosess projects for Statoil, Norway
- Pulp towers for Lang Papier, Germany
- A district heating accumulator and a 12,000 m³ oil tank for Kainuun Voima
- Numerous tanks for UPM-Kymmene, total 6,000 m³
- Piping systems for Kajaanin Voima Oy's standby boiler and top-pressure boiler plant in Kajaani



An information centre was completed at the Viikki campus of the University of Helsinki in summer 1999. The HEPAC works were carried out using the Design & Build principle.



A new partnership agreement on the development of maintenance with Pyhännän Rakennustuote Oy and PRT Wood Oy.

Administration

Supervisory Board



Members of the Supervisory Board from the left:

Antti Tanskanen, Asmo Kalpala, Iiro Viinanen, Mikko Kivimäki, Ilkka Brotherus and E.J. Toivanen.

Chairman of the Supervisory Board

Asmo Kalpala (49), M.Sc.(Econ.), Chairman of the Boards and CEO of the Tapiola Group. Chairman of the Supervisory Board of YIT Corporation and a member since 1990. Owns no YIT shares.

Vice Chairman

Iiro Viinanen (55), M.Sc.(Eng.), CEO of the Pohjola Group Insurance Corporation until February 1, 2000, Vice Chairman of the Board of Nokia Corporation, Vice Chairman of the Board of UPM-Kymmene Corporation. Member of the Supervisory Board of YIT Corporation since 1996 and Vice Chairman since 1998. Owns no YIT shares.

Members

Ilkka Brotherus (48), M.Sc.(Econ.), Managing Director of Sinituote Oy. Member of the Supervisory Board of YIT Corporation since 1998. Owns 305,400 YIT shares.

Mikko Kivimäki (61), LL.M., Chairman of the Board and Managing Director of Rautaruukki Corporation. Member of the Supervisory Board of YIT Corporation since 1990. Owns no YIT shares.

Antti Tanskanen (53), D.Sc.(Econ.), CEO of the OKOBANK Group, Chairman of the Executive Boards of the OKOBANK Group Central Cooperative and OKOBANK Osuuspankkien Keskuspankki Oyj. Member of the Supervisory Board of YIT Corporation since 1996. Owns no YIT shares.

E. J. Toivanen (72), LL.M., Chairman of the Board of Onvest Oy and Onninen Oy. Member of the Supervisory Board of YIT Corporation since 1994. Owns 94,500 YIT shares.

The task of the Supervisory Board has been to oversee the company's administration under the stewardship of its Board of Directors and President, to advise the Board of Directors in far-reaching matters that are important in principle, to appoint the members of the Board of Directors and determine their remuneration, to appoint a president for the company and decide on his salary and compensation, to convene meetings of shareholders and to put before the Annual General Meeting its statement on the annual accounts and the auditors' report as well as to take decisions in matters concerning a major contraction or expansion of the company's operations or an essential change in the company's organization.

According to the decision made by the Supervisory Board November 1, 1999, to the Annual General Meeting to be held March 6, 2000 will be proposed to amend the Articles of Association by dissolving YIT Corporation's Supervisory Board. In place of the present Board of Directors consisting of executive directors, it will be proposed that a new Board of Directors made up of non-executive directors be formed.

Board of Directors and Auditors

Chairman of the Board of Directors

Reino Hanhinen (56), M.Sc.(Eng.), President and CEO of YIT Corporation since 1987, with the Group since 1968. Member of the Board of Directors of YIT Corporation since 1987 and Chairman since 1989. Owns 33,692 YIT shares.

Vice Chairman

Esko Mäkelä (56), M.Sc.(Eng.), MBA, Executive Vice President of YIT Corporation since 1987, with the Group since 1965, in charge of YIT Corporation's administration and finance. Member of the Board of Directors of YIT Corporation since 1988 and Vice Chairman since 1989. Owns 16,050 YIT shares.

Members

Ilpo Jalasjoki (48), M.Sc.(Eng.), Senior Vice President, Head of YIT Building Construction, with the Group since 1987. Member of the Board of Directors of YIT Corporation since 1999. Owns no YIT shares.

Jouko Ketola (54), M.Sc.(Eng.), Senior Vice President, Head of YIT Huber (as from January 1, 2000, President of YIT Huber Ltd), with the Group since 1986. Member of the Board of Directors of YIT Corporation since 1996. Owns 2,000 YIT shares.

Juhani Kuusisto (51), M.Sc.(Eng.), Senior Vice President, Head of YIT Civil Engineering, with the Group since 1976. Member of the Board of Directors of YIT Corporation since 1998. Owns no YIT shares.

Raimo Lahtinen (53), M.Sc.(Eng.), Senior Vice President, Head of YIT Property Services, with the Group since 1969. Member of the Board of Directors of YIT Corporation since 1996. Owns 1,000 YIT shares.

Mikko Rekola (54), M.Sc.(Eng.), Senior Vice President, Head of YIT International Operations, with the Group since 1970. Member of the Board of Directors of YIT Corporation since 1996. Owns 9,542 YIT shares.

Auditors

Pekka Nikula (55), M.Sc.(Econ.), Authorized Public Accountant, Deputy auditor during the years 1988 - 1993, auditor since 1994. Owns no YIT shares.

SVH Pricewaterhouse Coopers Oy, Public Accountants, with **Kimmo Rautvuori** (44) M.Sc.(Econ.), Authorized Public Accountant, acting as responsible auditor. Owns no YIT shares.

Deputy auditor

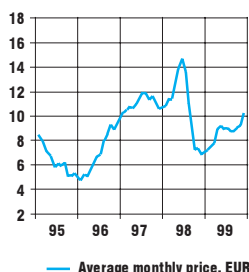
Seppo Tervo (37), M.Sc.(Econ.), Authorized Public Accountant, Deputy auditor since 1999. Owns no YIT shares.

Members of the Board of Directors from the left: Esko Mäkelä, Juhani Kuusisto, Reino Hanhinen, Ilpo Jalasjoki, Jouko Ketola, Raimo Lahtinen and Mikko Rekola.

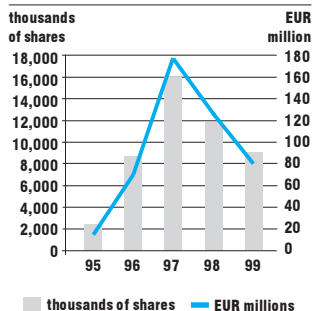


Information on YIT's shares

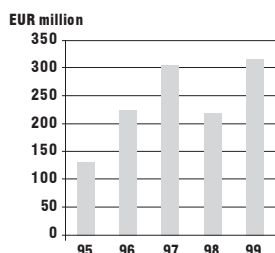
Price trend of YIT's share 1995 - 1999



Turnover in the YIT share 1995 - 1999



Market capitalization at December 31



Shares and share capital

YIT Corporation's share is quoted on the Main List of Helsinki Exchanges. The company has one series of shares and all the shares carry one vote and an equal right to a dividend. The nominal value of the share is 2 euros. The size of a trading lot is 200 shares. The shares are registered in the electronic book-entry system.

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

Increases in share capital, 1995 - 1999

Registration date	New shares no.	New number of shares	Share capital increase, EUR	New share capital, EUR
Sept. 27, 1995	3,664	24,422,662	6,162	41,075,968
Apr. 3, 1997	4,880,000	29,302,662	8,207,571	49,283,539
Nov. 5, 1998	35,000	29,337,662	58,866	49,342,405
March 12, 1999	-	29,337,662	9,332,919	58,675,324
May 11, 1999	12,500	29,350,162	25,000	58,700,324
Nov. 12, 1999	33,523	29,383,685	67,046	58,767,370

The share capital increase in 1995 was a provision for the payment of merger consideration to the shareholders of YIT-Kiinteistöt Oy. In 1997 a share issue was organized in which institutional investors were offered for subscription 4,080,000 and retail investors 700,000 shares at a subscription price of EUR 10.26 per share. The Group's employees were offered for subscription 100,000 shares at a subscription price of EUR 9.42 per share. The issue was subscribed in full. The 1998 increase in the share capital was connected with the subscriptions made on the basis of the 1994 issue of bonds with warrants.

By a resolution of the Annual General Meeting on March 8, 1999, the share capital was raised to EUR 58,675,324 by increasing the nominal value of the share, then at 1.68 euros, to 2 euros through a bonus issue. The other share capital increases in 1999 are connected with the 1994 issue of bonds with warrants. The bonds fell due on November 1, 1999.

Authorizations of the Board of Directors to increase the share capital

At the end of 1999 the Board of Directors did not have valid share issue authorizations or authorizations to issue convertible bonds or bonds with warrants.

Own shares

The Annual General Meeting held on March 8, 1999, resolved to use distributable shareholders' equity to purchase a minimum of 200,000 and a maximum of 1,000,000 YIT Corporation shares (treasury shares) on Helsinki Exchanges. Since the maximum number of these shares and the maximum number of votes they confer falls below 5% of the company's total number of shares and votes, the purchase is not considered to have a material impact on the distribution of share ownership and voting rights within the company.

On the basis of the resolution, YIT Corporation purchased from March 18 to December 31, 1999, a total of 486,300 of its own shares. The aggregate purchase price of the shares was EUR 4,219,479 and they represented a nominal value of EUR 972,600. The shares represented a proportion of 1.7% of the share capital and the total voting rights conferred by all the shares at the end of the financial year. Subsidiaries did not own shares in the parent company at the end of the financial year.



“The share price trend of YIT’s share and the latest trading data can also be seen on the company’s home pages at the address www.yit.fi.”

Share price trend and market capitalization

YIT’s share price at the beginning of 1999 was EUR 7.40 and at the end of the year it was EUR 10.90. The average price during the year was EUR 8.77. The high during the year was EUR 11.00 and the low was EUR 6.50. The taxation value of the share for 1999 is EUR 7.31.

Turnover of YIT shares on Helsinki Exchanges during 1999 was 9.1 million shares. The aggregate value of the shares traded was EUR 79.5 million. The average share turnover during a trading day was EUR 317,000.

YIT Corporation’s market capitalization at the end of 1999 was EUR 315.0 million, an increase of 48 per cent since the beginning of the year.

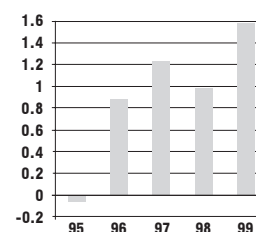
The share price trend of YIT’s share and the latest trading data can also be seen on the company’s home pages at the address www.yit.fi.

Per-share key figures 1995 - 1999

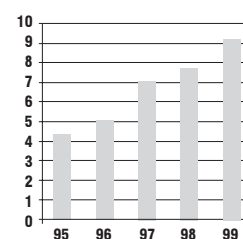
	1999	1998	1997	1996	1995
Earnings/share (EPS), EUR	1.59	0.98	1.23	0.88	-0.05
Equity/share, EUR	9.25	7.69	7.06	5.06	4.30
Dividend/share, EUR	0.60*)	0.42	0.34	0.25	0.08
Dividend/earnings, %	37.7	43.0	27.4	28.8	neg.
Effective dividend yield, %	5.5	5.7	3.3	2.8	1.6
Price/earnings multiple (P/E)	6.9	7.6	8.4	10.3	neg.
Share price trend					
Average price, EUR	8.77	10.76	11.06	8.03	6.44
Low, EUR	6.50	6.56	9.25	4.37	4.71
High, EUR	11.00	16.15	12.19	9.92	8.91
Price at Dec. 31, EUR	10.90	7.40	10.34	9.07	5.21
Market capitalization at Dec. 31, EUR million	315.0	217.1	303.1	221.4	127.3
Share turnover trend					
Share turnover, 1,000 shares	9,066	11,831	16,006	8,726	2,360
Share turnover as % of shares outstanding	31.4	40.4	57.1	35.7	9.7
Weighted average number of shares outstanding, adjusted for share issues, thousands					
	28,871	29,308	28,042	24,423	24,421
Number of shares outstanding, adjusted for share issues at Dec. 31, thousands	28,897	29,338	29,303	24,423	24,423

*) Proposal of the Board of Directors

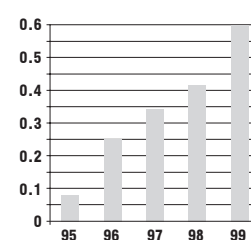
Earnings/share, EUR



Equity/share, EUR



Dividend/share, EUR



Information on YIT's shareholders

Principal shareholders at December 31, 1999

			Number of shares	Percentage of equity and voting rights
Tapiola Insurance Group				
TapiolaGeneral Mutual Insurance Company	4,036,930	13.7		
Tapiola Mutual Life Assurance Company	1,169,800	4.0		
Tapiola Mutual Pension Insurance Company	352,000	1.2		
Tapiola Corporate Life Insurance Company	177,215	0.6	5,735,945	19.5
Pohjola Group				
Pohjola Non-Life Insurance Company Ltd	2,199,567	7.5		
Pohjola Life Assurance Company Ltd	980,000	3.3		
Pohjola Group Insurance Corporation	530,433	1.8	3,710,000	12.6
Rautaruukki				
Rautaruukki Corporation	3,012,000	10.3		
Rautaruukki Workers' Pension Foundation	61,900	0.2		
Rautaruukki Officials' Pension Foundation	30,100	0.1	3,104,000	10.6
OKOBANK Group				
OKOBANK Osuuspankkien Keskuspankki Oyj	853,000	2.9		
OKOBANK Group Pension Foundation	305,300	1.0		
OKOBANK Group Pension Fund	247,100	0.9		
Aurum Life Assurance Company Ltd	100,000	0.3		
OKOBANK Group Research Foundation	20,000	0.1	1,525,400	5.2
Ilmarinen Mutual Pension Insurance Company			1,195,800	4.1
Mutual Life Insurance Company Suomi			888,970	3.0
Local Government Pensions Institution			750,000	2.6
Sampo Group				
Sampo Life Insurance Company Ltd	410,800	1.4		
Sampo Enterprise Insurance Company Ltd	200,000	0.7		
Sampo Insurance Company Ltd	50,000	0.2	660,800	2.3
YIT Corporation			486,300	1.7
LEL Employment Pension Fund			470,600	1.6
Nominee-registered				
Merita Bank Plc	1,901,961	6.5		
Other registrations	173,200	0.6	2,075,161	7.1
Other shareholders, total			8,780,709	29.7
Total			29,383,685	100.0

The number of registered shareholders at the end of 1999 was 3,322. Each nominee-registrar (five nominees) is included in this figure as a single registered shareholder. An updated list of the 30 largest shareholders can be seen on YIT's home pages at the address www.yit.fi.

Distribution by groups of shareholders at December 31, 1999

	Number of shareholders	Holding, %	Shares, total	Proportion of shares, %
Private companies	317	9.6	5,469,889	18.6
Financial and insurance institutions	66	2.0	16,290,903	55.5
Public sector entities	38	1.1	3,886,750	13.2
Non-profit institutions	114	3.4	944,468	3.2
Households	2,768	83.3	2,492,055	8.5
Foreign owners	19	0.6	297,600	1.0
Not converted to book-entries			2,020	0.0
Total	3,322	100.0	29,383,685	100.0

Distribution of shareholdings by size class at December 31, 1999

	Number of shareholders	Holding, %	Shares, total	Proportion of shares, %
1 - 100	779	23.4	44,851	0.2
101 - 1,000	1,818	54.7	799,970	2.7
1,001 - 10,000	574	17.3	1,740,879	5.9
10,001 - 100,000	120	3.6	3,861,279	13.1
100,001 - 1,000,000	25	0.8	9,418,628	32.1
1,000,001 -	6	0.2	13,516,058	46.0
Not converted to book-entries			2,020	0.0
Total	3,322	100.0	29,383,685	100.0

1998 share options

Under the terms of the 1998 share options, about 150 persons belonging to Group management and among the key employees have the right to subscribe for a total of 1.2 million YIT shares, on the basis of which the share capital can be increased by a maximum of EUR 2.4 million. If the subscription rights are exercised in full, the shares that could have been subscribed for on the basis of these share options would have corresponded to 4.1% of the total number of the company's shares outstanding at December 31, 1999.

Options/ type	Number	Shares/ option	Per-share subscription price, EUR	Share capital, EUR millions	Subscription periods	Last day of subscription
<u>A</u>	<u>600,000</u>	<u>1/1</u>	<u>12.78</u>	<u>1.2</u>	<u>20.3.-30.11.01</u>	<u>30.11.03</u>
			minimum		<u>20.3.-30.11.02</u>	
			11.77*)		<u>20.3.-30.11.03</u>	
<u>B</u>	<u>600,000</u>	<u>1/1</u>	<u>13.79</u>	<u>1.2</u>	<u>15.10.-30.11.02</u>	<u>30.11.03</u>
			minimum		<u>20.3.-30.11.03</u>	
			12.45*)			

*) The subscription price of the share will be lowered after January 1, 1999, by the amount of the per-share dividend to be distributed by the commencement of the subscription period for the shares.

Management's share ownership

At December 31, 1999, the members of YIT Corporation's Supervisory Board and Board of Directors as well as the President and the Executive Vice President owned a total of 467,984 shares, corresponding to 1.6% of the company's shares and the votes conferred by them. In addition, the share options they own under the 1998 options correspond to 20% of the total amount of share options. On the basis of these share options they can subscribe for a maximum of 240,000 shares, which at December 31, 1999, would have corresponded to 0.8% of the company's total number of shares outstanding.

Management's share ownership is presented in detail on pages 38 - 39.

Insiders

On January 17, 2000, the Board of Directors of YIT Corporation decided that the company will place in use as from March 1, 2000, new insider guidelines which follow the rules and regulations of the Guidelines for Insiders approved by the Board of Directors of Helsinki Exchanges on October 28, 1999. The YIT Group has about 80 permanent insiders. The insiders, who are designated on the basis of their positions and duties, are principally the Management Groups of the divisions, persons in charge of personnel affairs, legal affairs, accounting, finance and communications as well as the secretaries to senior management.

The company maintains its insider register within Finnish Central Securities Depository Ltd's SIRE system, which permits the shareholdings of permanent insiders to be viewed.

Dividend payout policy

In connection with the Group's strategy review in August 1998, the goal was set of paying a dividend of 30 - 50% of the annual net profit after taxes and minority interests.

	1999	1998	1997	1996	1995
Dividend/share, EUR	0.60**)	0.42	0.34	0.25	0.08
Dividend/per-share earnings, %	37.7	43.0	27.4	28.8	neg.
Dividends paid, EUR million	17.6**)	12.4	9.9	6.2	2.1

**) proposal of the Board of Directors



Stock exchange release summary for 1999

Jan. 17, YIT acquired a majority holding in AB Kausta

YIT purchased 65.6% of the shares in AB Kausta, one of Lithuania's leading construction companies. By way of this acquisition, YIT strengthened its position in the Baltic market and the Russian market as well. AB Kausta had total net sales in 1998 of EUR 16.8 million.

Jan. 22, A new way of buying YIT apartments

In its developer housing construction, YIT went over to a new home purchase scheme, in which at the moment of concluding the deal the buyer pays 15% of the price of the apartment and the remainder when the buyer moves in.

Febr. 12, Results for 1998

Net sales grew by 24% and were EUR 1,166 million. Operating profit was EUR 54.5 million and profit before extraordinary items EUR 46.0 million. The proposed dividend was EUR 0.42 per share.

Febr. 19, YIT sold its shares in PPTH Steel Ltd

YIT cut its holdings in PPTH Steel Ltd from 60% to 19%. As a result of the deal, YIT recorded EUR 14.8 million in capital gains in extraordinary items. With this deal, YIT continued its strategy to concentrate on its core business areas.

Febr. 22, YIT sold a property in Espoo to the Tapiola Group

YIT Corporation sold the property Kiinteistö Oy Sinimäentie 8 to the Tapiola Group. The debt-free purchase price was EUR 19.7 million, resulting in EUR 9.3 million in capital gains.

March 8, Decisions taken by Annual General Meeting

The Annual General Meeting adopted the 1998 financial statements and discharged from liability the persons responsible for the accounts. The company's share capital was changed in connection with the introduction of the euro. The share capital shall be a minimum of EUR 50 million and a maximum of EUR 200 million. Each share shall have a nominal value of two euros. In addition, the Annual General Meeting decided to purchase a minimum of 200,000 or a maximum of 1,000,000 of the company's own shares.

March 19, YIT Building Construction divided into two business divisions

The YIT Group's largest business division, YIT Building Construction, was divided into two business divisions. Raimo Lahtinen, M.Sc. (Eng.) was appointed to head YIT Property Services and Ilpo Jalasjoki, M.Sc. (Eng.) was appointed to head YIT Building Construction.

May 6, YIT purchased Kiinteistöpalvelu Rapido

YIT purchased Kiinteistöpalvelu Rapido Oy, which is a company specialized in the maintenance and upkeep of properties and dwellings in the Greater Helsinki area. The seller was the Foundation for Student Housing in the Helsinki Region (HOAS). The company had net sales in 1998 of EUR 9.6 million and a payroll of about 100 employees.

June 8, Interim Report January 1 - April 30, 1999

Net sales grew by 4%, profit before extraordinary items remained at the previous year's level and profit after extraordinary items grew by 102% compared with the corresponding period a year earlier.

June 29, YIT purchased Optum Kiinteistöpalvelut

YIT purchased the property management company Optum Kiinteistöpalvelut Oy from the OKOBANK Group. The company had net sales in 1998 of EUR 2.9 million and a payroll of 33 employees. YIT strengthened further its service chain in YIT Property Services.

Aug. 2, YIT Bygg sold the operations of its Gothenburg unit to Selmer

YIT Corporation's subsidiary YIT Bygg AB sold the operations of its Gothenburg unit to Selmer ASA of Norway. This sale was in line with the objective of lowering the risk portfolio of YIT's operations in Sweden. The value of the agreements to be transferred was about SEK 50 million.

Oct. 6, Interim Report January 1 - August 31, 1999

Net sales grew by 5%, profit before extraordinary items increased by 13% and profit after extraordinary items 71% from the previous year's level.

Nov. 1, YIT renews its Group structure as from January 1, 2000

The Supervisory Board took a decision in principle on the development of YIT's Group structure by organizing the Group's business operations into two subsidiaries to be formed: YIT Construction Ltd and YIT Huber Ltd. Group administration and joined services will be concentrated in the parent company, YIT Corporation.

Dec. 31, Transformation of the Group structure confirmed

The legal documents related to the transfer of business operations were signed December 31, 1999 and the transformation became into force as from January 1, 2000.

Stock Exchange Bulletins can be seen on the web site at www.yit.fi.

Information for shareholders

Annual General Meeting

The Annual General Meeting of YIT Corporation will be held on Monday, March 6, 2000, at 2 p.m. at the company's head office, Panuntie 11, Helsinki. The business to be dealt with at the meeting is presented in the official notice of meeting in the newspapers *Helsingin Sanomat* and *Kauppalehti*, February 17, 2000 and on YIT's home pages at the address www.yit.fi. The right to participate in the meeting rests with a shareholder who by March 1, 2000, at the latest has been entered as a shareholder in the company's shareholder register that is kept by Finnish Central Securities Depository Ltd.

Shareholders who wish to participate in the Annual General Meeting and to cast their votes must notify the company thereof no later than by March 2, 2000, during office hours from Monday to Friday, from 8 a.m. to 4 p.m. by phone to Pirkko Pesonen, tel. int'l: +358 20 433 2453 or Liisa Norberg, tel. int'l: +358 20 433 2257. Registrations for attendance can also be made by e-mail at pirkko.pesonen@yit.fi or liisa.nordberg@yit.fi or in writing at the address YIT Corporation, Marja Salo, P.O.Box 36, FIN-00621 Helsinki, Finland. It is requested that any proxies be submitted, before the expiry of the registration period, at the above address.

Dividend payout

The Board of Directors is proposing that a dividend of EUR 0.60 per share be paid for the 1999 financial year. The right to receive a dividend rests with a shareholder who on the record date, March 9, 2000, has been entered as a shareholder in the company's shareholder register which is kept by Finnish Central Securities Depository Ltd. The Board of Directors will propose to the Annual General Meeting that the dividend payout be made on March 16, 2000.

Financial information

YIT Corporation will publish the following financial reviews in 2000:

Financial statement bulletin 1999	February 11, 2000
Annual Report 1999	Week 8/2000 in Finnish Week 10/2000 in English and in Swedish
Interim Report for Jan.-April 2000	June 6, 2000
Interim Report for Jan.-Aug. 2000	October 5, 2000

The financial reviews will be published in Finnish, English and Swedish. They can be ordered at the address YIT Corporation, Publication Service, P.O.Box 36, FIN-00621 Helsinki, Finland, fax int'l: +358 20 433 3700 or via e-mail postit@yit.fi.

The Annual Report, Interim Reports and most important bulletins will also appear on YIT's home pages at the address www.yit.fi. The above publications can also be ordered via the Internet.

Share Register

Shareholders are requested to make notification of changes in their name and address to the bank branch office in which their book-entry account is handled. If the account is handled at Finnish Central Securities Depository Ltd, changes should be notified to the address Finnish Central Securities Depository Ltd, P.O.Box 1260, FIN-00101 Helsinki, Finland.

Investment research

At least the following analysts can provide more information about YIT Corporation as an investment

Alfred Berg ABN Amro UK	Ronny Ruohomaa	+44 171 678 6906	ronny.ruohomaa@uk.abnamro.com
Alfred Berg Finland Ltd	Robert Sergelius	+358 9 2283 2710	robert.sergelius@alfredberg.fi
Aros Securities Ltd	Gustav Lucander	+358 9 1733 7312	gustav.lucander@arossecurities.com
D. Carnegie AB, Finland Branch	Lauri Sillantaka	+358 9 6187 1713	lauri.sillantaka@carnegie.fi
Conventum Securities Ltd	Peter Grönlund	+358 9 5499 3317	peter.gronlund@conventum.fi
Enskilda Securities AB	Tommy Ilmoni	+358 9 6162 8720	tommy.ilmoni@enskilda.se
Evli Securities Plc	Janne Sarvikivi	+358 9 4766 9176	janne.sarvikivi@evli.fi
FIM Securities Ltd	Jari Westerberg	+358 9 6134 6217	jari.westerberg@fimi.fi
Handelsbanken Markets	Markus Larsson	+358 10 444 2409	markus.larsson@handelsbanken.fi
Impivaara Securities Ltd	Jeffery Roberts	+44 171 284 3937	jrobertsa@cix.compulink.co.uk
Mandatum Securities Ltd	Mika Häyry	+358 9 1667 2706	mika.hayry@mandatum.fi
Merita Securities Ltd	Harri Laajala	+358 9 1234 0313	harri.laajala@merita.fi
Nordic Partners, Inc.	Henrik Ullner	+1 212 829 4200	henrik.ullner@nordic-partners.com
Opstock Ltd	Ari Lampinen	+358 9 404 4494	ari.lampinen@opstock.fi

YIT Group's organization

January 1, 2000

GROUP MANAGEMENT President and CEO <i>Reino Hanhinen</i>	YIT CONSTRUCTION LTD President <i>Reino Hanhinen</i>	BUILDING CONSTRUCTION <i>Ilpo Jalasjoki</i> Financial Administration <i>Mauri Jormanainen</i> Development <i>Sakari Toikkanen</i> Project Development <i>Pentti Hannonen</i> Apartment Building Construction Southern Finland <i>Juhani Väisänen</i> Marketing <i>Liisa Aho</i> Production <i>Petri Suuperko</i> Rakennustoimisto Tolonen Oy <i>Ilkka Jahkonen</i> Single-Family House Construction <i>Jouni Forsman</i> Southwest Finland <i>Mikko Pirhonen</i> Turku <i>Seppo Saarivirta</i> Pori Western Finland <i>Jukka Terhonen</i> Tampere <i>Olavi Pohjapelto</i> Vaasa <i>Mikko Rätty</i> Jyväskylä Eastern Finland <i>Timo Lehmus</i> Lahti <i>Ilkka Kääriäinen</i> Kuopio, Joensuu Northern Finland <i>Taisto Järvelä</i> Oulu <i>Juhani Ylitölonen</i> Lapland	PROPERTY SERVICES <i>Raimo Lahtinen</i> Financial Administration <i>Tenho Nissinen</i> Development <i>Sakari Toikkanen</i> Project Development <i>Pentti Hannonen</i> Property Business <i>Heikki Levo</i> Non-residential Construction <i>Matti Schultz</i> Renovation Services <i>Kalle-Pekka Sävelkoski</i> YIT Rapido Property Management Services Ltd <i>Pekka Pöykkö</i> YIT Concept Project Management Services Ltd <i>Pekka Hämäläinen</i>	CIVIL ENGINEERING <i>Juhani Kuusisto</i> Financial Administration <i>Seppo Mäkinen</i> Business Development <i>Heikki Koivisto</i> Earthwork, Tunnelling and Municipal Engineering <i>Jouko Munukka</i> Earthwork and Municipal Engineering <i>Jouko Munukka</i> Tunnelling <i>Antero Kiljander</i> Regional Construction and Maintenance <i>Pekka Liisanantti</i> Development and Marketing <i>Heikki Kauranen</i> Regional Offices: Jyväskylä <i>Lahti</i> Lappeenranta <i>Oulu</i> Tampere <i>Turku</i> Helsinki Bridge, Harbour and Plant Construction <i>Juhani Kuusisto</i> Bridge-Building <i>Risto Kanervo</i> Harbours and Waterways <i>Pekka Ristikartano</i> Plant Construction <i>Jouko Hartikainen</i> YIT Bygg AB Sweden <i>Heikki Koivisto</i>	INTERNATIONAL OPERATIONS <i>Mikko Rekola</i> Financial Administration <i>Leo Mäkinen</i> Marketing and Technical Services, Special Projects <i>Markku Ukkola</i> Moscow Area and Central Russia <i>Hannu Ikävalko</i> Moscow office ZAO YIT-Genstro AO Transavtovit Baltic Countries <i>Pekka Entelä</i> AB Kausta, Lithuania Antanas Butkus YIT UAB, Lithuania YIT Latvija SIA, Latvia YIT Universaal-ehtuse AS, Estonia Makroflex Olavi Eloranta Makroflex Oy, Oitti Osmo Mikkonen AS Makroflex, Estonia Sirje Aal ZAO Makroflex Russia Water and Environmental Services <i>Reijo Sirpoma</i> YIT Vatten & Miljöteknik AB, Sweden <i>Risto Arminen</i> YIT Polska sp. z o.o., Poland <i>Krzysztof Kocon</i> St. Petersburg Area and Northwest Russia <i>Juha Vättö</i> ZAO Lentek Viktor Demidenko ZAO YIT Peter Pekka Valli-Jaakola
	YIT HUBER LTD President <i>Jouko Ketola</i> Executive Vice President <i>Christer Nyström</i> Maintenance <i>Juha Moisio</i> Financial Administration <i>Markku Virtanen</i>	HEPAC CONTRACTING AND SERVICING Huber Talotekniikka Oy <i>Eero Nuutinen</i> Huber Servitek Oy <i>Risto Kirjalainen</i> Kruunuhaan Putki Oy <i>Keijo Rantanen</i> YIT Safetytec Oy <i>Jyrki Isotalo</i>	INDUSTRIAL MAINTENANCE YIT Service Ltd <i>Juhani Pitkääkoski</i> Maintenance Surface Treatment Scandinavian Mill Service Oy <i>Jaakko Tennilä</i>	MAINTENANCE AND CAPITAL INVESTMENT SERVICES FOR INDUSTRY YIT Power Ltd <i>Raimo Poutiainen</i> YIT Industry Ltd <i>Unto Kuisma</i> NDT-TESTING Huber Testing Oy <i>Ari Juva</i>	YIT Projektör AB Sweden <i>Anders Ryberg</i> YIT Industrier AS Norway <i>Tomi Niemi</i>

Contact information

YIT CORPORATION

P.O.Box 36, Panuntie 11
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3700
E-mail firstname.surname @yit.fi
Internet www.yit.fi

YIT CONSTRUCTION LTD

P.O.Box 36, Panuntie 11
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3700

INTERNATIONAL OPERATIONS

P.O.Box 36 (Panuntie 6)
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3710

Moscow Office

Srednij Tishinskij pereulok, 28/1
123557 MOSCOW, RUSSIA
Tel. + 7 095 777 3708
Fax + 7 095 777 3710

ZAO YIT-Genstroj

Contact information as for
MOSCOW above

OAQ Transavtovit

Contact information as for
MOSCOW above

Makroflex

P.O.Box 36, Panuntie 6
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3737

Makroflex Oy

Hausjärvi Factory
P.O.Box 7
FIN-12101 OITTI
Tel. + 358 20 433 5300
Fax + 358 20 433 5301
E-mail firstname.surname
@makroflex.fi
Internet www.makroflex.fi

AS Makroflex

Pärnu mnt. 139e
11317 TALLINN, ESTONIA
Tel. + 372 6 999 70
Fax + 372 6 999 71
E-mail mf@makroflex.ee

ZAO Makroflex

Srednij Tishinskij pereulok, 28/1
123557 MOSCOW, RUSSIA
Tel. + 7 095 777 3708
Fax + 7 095 777 3710

ZAO Lentek

Primorsky pr., 52,
197374 SANKT-PETERSBURG,
RUSSIA
Tel. + 7 812 430 5002
+ 7 812 430 3822
Fax + 7 812 430 3375

ZAO YIT Peter

Contact information as for
Lentek before

YIT Universaalehituse AS

Pärnu mnt. 139e
11317 TALLINN, ESTONIA
Tel. + 372 6 999 080
Fax + 372 6 999 081
E-mail info@yitehitus.ee

YIT Latvia SIA

Kugu iela 26, suite 418
1048 RIGA, LATVIA
Tel. + 371 7 226 933
Fax + 371 7 226 932
E-mail yit@apollo.lv

YIT UAB

Savanoriu street 174a
2009 VILNIUS, LITHUANIA
Tel./Fax + 370 2 311 577

AB Kausta

Naglio g. 4a,
3014 KAUNAS,
LITHUANIA
Tel. + 370 7 452 348
Fax + 370 7 452 212
E-mail kausta@kaunas.aiva.lt

Water and Environmental services

P.O. Box 36 (Panuntie 6)
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 2066

2 (c), Bahgat Ali Street
appt. # (15)
Zamalek
CAIRO, EGYPT
Tel./Fax + 20 2 332 1102

Rm 750, Hong Kong Macau
Center Office Bldg.
Dongshi-Shitao,
PEKING 100027, CHINA
Tel. + 86 10 6501 4273
Fax + 86 10 6501 4275

YIT Vatten & Miljöteknik AB

Box 709
(Rattgatan 11)
S-261 27 LANDSKRONA,
SWEDEN
Tel. + 46 418 27575
Fax + 46 418 18683
E-mail yitvmt@yit.se

YIT Polska sp. z o.o

ul. Batorego 25
31-135 KRAKOW, POLAND
Tel. + 48 12 634 1272
Fax + 48 12 634 2792
E-mail yit_polska@pro.onet.pl

AFCM Co. Ltd

P.O. Box 2809,
RIYADH 11461,
SAUDI ARABIA
Tel. + 966 1 477 3518
+ 477 2373
Fax + 966 1 477 3453

CFTD

P6 C4C Thanh Cong,
HANOI, VIETNAM
Tel. + 84 4 835 3203
Fax + 84 4 835 3743

CIVIL ENGINEERING

P.O.Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3706

BUILDING CONSTRUCTION

P.O.Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3730

PROPERTY SERVICES

P.O.Box 36 (Panuntie 11)
FIN-00621 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3732

YIT HUBER LTD

P.O.Box 54
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 111
Fax + 358 20 433 3502

Huber Talotekniikka Oy

P.O.Box 111
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 111
Fax + 358 20 433 3838

Scandinavian Mill Service Oy

P.O.Box 54,
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 3856
Fax + 358 20 433 3876

Scandinavian Mill Service AB

S-851 94 SUNDSVALL,
SWEDEN
Office: Sundsbruk
Tel. + 46 60 16 50 00
Fax + 46 60 56 81 66

Huber Servitec Oy

P.O.Box 85, 01511 VANTAA
Street address:
Maistraatinportti 2
FIN-00240 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3840

YIT Safetytec Oy

P.O.Box 82
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 111
Fax + 358 9 8702 860

Huber Testing Oy

P.O.Box 120
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 111
Fax + 358 20 433 3841

YIT Service Ltd

P.O.Box 54,
FIN-01511 VANTAA
Street address:
Maistraatinportti 2
FIN-00240 HELSINKI
Tel. + 358 20 433 111
Fax + 358 20 433 3837

YIT Power Ltd

P.O.Box 88 (Wärtsiläntie 4)
FIN-84101 YLIVIESKA
Tel. + 358 20 433 4400
Fax + 358 8 423 226

YIT Industry Ltd

P.O.Box 84
(Robert Huberin tie 3)
FIN-01511 VANTAA
Tel. + 358 20 433 111
Fax + 358 9 822 546

YIT Industrier AS

P.O.Box 62,
N-5154 MONGSTAD,
NORWAY
Tel. + 47 56 16 74 00
Fax + 47 56 16 99 30

YIT Projektör AB

P.O.Box 42 112,
Vretenborgsvägen 20
S-126 14 STOCKHOLM, SWEDEN
Tel. + 46 (0)8 447 41 00
Fax + 46 (0)8 447 41 39

YIT has over 100 company sites in Finland and over 20 abroad. The addresses and contact information of all our company sites can be found at our web site.
The address is **www.yit.fi**.



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