REPORT OF THE BOARD OF DIRECTORS, JANUARY 1 - DECEMBER 31, 2006

REVENUE AND OPERATING PROFIT CONTINUE TO RISE

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

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

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

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

THE COMPANY'S FINNISH NAME IS CHANGED TO YIT OYJ

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

NOMINAL VALUE OF THE SHARE IS HALVED

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

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

YIT REVISES ITS STRATEGIC TARGET LEVELS

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

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

In addition, YIT set itself the goal of increasing its revenue in Russia by an average of 50 per cent annually during the 2006-2009 period. Growth in Russia is sought primarily by stepping up residential development as well as business premise and logistics projects. Building systems operations in St

Petersburg and Moscow will also be expanded. YIT is seeking to establish a foothold for industrial services in the St Petersburg area.

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

REVENUE GROWTH 9 PER CENT

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

Revenue by segment (EUR million)

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

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

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

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

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

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

OPERATING PROFIT GROWTH 14 PER CENT

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

Operating profit by segment (EUR million)

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

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

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

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

EARNINGS PER SHARE GROWTH 8 PER CENT

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

PROPOSED DIVIDEND: EUR 0.65

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

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

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

ORDER BACKLOG GROWTH 49 PER CENT

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

Order backlog by segment (EUR million)

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

THE GROUP'S FINANCIAL POSITION REMAINS STRONG

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

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

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

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

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

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

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

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

CAPITAL EXPENDITURES AND ACQUISITIONS

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

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

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

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

MAJOR RISKS AND RISK MANAGEMENT

YIT's risk management policy aims to identify the major risk factors, taking the special characteristics of YIT's business operations and environment into consideration, and optimally manage the overall risk level so that the company achieves its strategic and financial objectives.

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

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

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

The YIT Group's business risks are liquidity, interest rate, foreign exchange and credit risks. The Board of Directors has approved the Corporate Finance Policy. The Group's Finance Department is responsible for the practical implementation of the policy in association with the business units. An account of the financial risks is presented in the notes to the financial statements.

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

THE SUPREME ADMINISTRATIVE COURT'S RULING ON YIT'S RESIDUAL TAXES FOR 1997

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

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

RULING CONCERNING THE REFURBISHING OF KOY VILHONKATU 7 IN 1999

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

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

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

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

CHANGES IN THE GROUP MANAGEMENT

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

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

The Board of Directors elects the company's CEO. The period of notice of the CEO and the deputy to the CEO is six months. If the company terminates his contract, the CEO or the deputy to the CEO shall also be paid separate compensation amounting to 12 months' salary.

CHANGES IN THE GROUP STRUCTURE

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

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

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

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

NUMBER OF EMPLOYEES 22,300

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

Personnel by business segment, December 31, 2006 (December 31, 2005)

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

Personnel by country, December 31, 2006 (December 31, 2005)

	No.	Share of the Group's employees
Finland	11,355 (11,159)	51%
Sweden	4,137 (4,143)	18%
Norway	2,618 (2,485)	12%
Denmark	1,286 (1,103)	6%
Russia	1,293 (907)	6%
Lithuania, Latvia, Estonia	1,622 (1,492)	7%
YIT Group, total	22,311 (21,289)	100%

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

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

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

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

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

RESEARCH AND DEVELOPMENT

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

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

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

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

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

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

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

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

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

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

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

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

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

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

In addition, the Annual General Meeting decided that a maximum of 300,000 Series K, 900,000 Series L, 900,000 Series M and 900,000 Series N share options be granted for subscription without consideration. The share options will be distributed in 2006 (K), 2007 (L), 2008 (M) and 2009 (N), on the basis of the decision by the Board of Directors of YIT Corporation, to those who are either in the employ of or will be hired into the employ of the YIT Group companies, the president and CEO of YIT Corporation, the deputy to the CEO, and other members of the Group's management and its key employees.

SHARES AND SHARE CAPITAL

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

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

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

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

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

Authorizations to increase the share capital

In 2006, no share issues were organized and convertible bonds or bonds with warrants were not floated. At the end of the year, the Board of Directors did not have valid share issue authorizations or authorizations to issue convertible bonds or bonds with warrants.

Market capitalization up 18 per cent

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

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

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

Own shares

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

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

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

Substantial growth in the number of shareholders

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

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

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

SHARE OPTION PROGRAMMES

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

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

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

2002 share option programme

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

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

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

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

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

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

2004 share option programme

The 2004 Annual General Meeting decided to grant a maximum of 180,000 Series E share options and a maximum of 420,000 Series F share options for subscription to the management and key employees of the new Building Systems business segment. The share option programme covers about 65 people who were not part of the 2002 share option programme. Each share option entitles its holder to subscribe for two YIT Corporation shares having a nominal value of EUR 0.50 each. As a result of the subscriptions, the share capital can be increased by a maximum of EUR 600,000.

The Series E share options were issued in summer 2004. YIT Construction Ltd subscribed for the Series F share options and will distribute them on a staggered basis to the management and key employees of the Building Systems business segment in 2005-2007 if the objectives set for the business segment's result (EBITA-%) are achieved. Shares can be subscribed for with the Series E share options from April 1 - November 30, 2006 and April 1 - November 30, 2007, and with the Series F share options from April 1 - November 30, 2007.

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

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

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

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

2006 share option programme

The Annual General Meeting in 2006 decided to grant a maximum of 300,000 Series K, 900,000 Series L, 900,000 Series M and 900,000 Series N share options for subscription without consideration. Each Series K, L, M and N share option entitles its holder to subscribe for one YIT Corporation share having a nominal value of EUR 0.50. As a result of the subscriptions, the share capital can increase by a maximum of EUR 1,500,000.

YIT Construction Ltd subscribed for the 2006 share options for distribution in 2006 (K), 2007 (L), 2008 (M) and 2009 (N), on the basis of the decision by the Board of Directors of YIT Corporation, to those who are either in the employ of or will be hired into the employ of the YIT Group companies, the president and CEO of YIT Corporation, the deputy to the CEO, and other members of the Group's management and its key employees. The criteria for the distribution of Series L, M and N share options are return on investment and revenue growth.

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

Shares can be subscribed for annually in the period from April 1 to November 30. Shares can be subscribed for with the Series K share options in 2007-2008, the Series L share options in 2007-2008, the Series M share options in 2008-2009 and the Series N share options in 2009-2010.

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

NORTHERN EUROPE STILL BOOMING

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

Finland

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

Sweden

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

Norway

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

Denmark

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

Baltic countries

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

Russia

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

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

EARNINGS TRENDS OF THE BUSINESS SEGMENTS

BUILDING SYSTEMS

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

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

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

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

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

Revenue of the Building Systems business segment by country

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

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

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

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

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

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

CONSTRUCTION SERVICES

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

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

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

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

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

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

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

Residential construction in 2006 (2005), number of residences

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

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

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

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

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

INDUSTRIAL AND NETWORK SERVICES

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

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

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

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

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

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

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

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

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

EVENTS AFTER THE END OF THE REVIEW PERIOD

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

OUTLOOK FOR 2007

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

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

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

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

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

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

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

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

Helsinki, February 8, 2007

Reino Hanhinen Chairman	Eino Halonen Vice chairman
Sari Baldauf	Antti Herlin
Teuvo Salminen	Hannu Leinonen President and CEO

SUMMARY OF THE GROUP'S FINANCIAL STATEMENT INFORMATION DEC 31, 2006
(Figures in the financial statement bulletin are unaudited.)

1. Consolidated financial statements, Jan 1 - Dec 31, 2006

2. Other YIT Group's key figures

1. CONSOLIDATED FINANCIAL STATEMENTS, JAN 1 - DEC 31, 2006

IFRS standards

YIT changed over to IFRS (International Financial Reporting Standards) on January 1, 2005. Prior to the adoption of IFRS, YIT's financial reporting was based on Finnish Accounting Standards (FAS).

The financial statements for 2006 are drafted in accordance with IFRS recognition and measurement policies.

Business segment structure

YIT's business segment structure was firmed up on June 1, 2005, by merging Services for Industry and Data Network Services to form a single business segment: Industrial and Network Services. YIT's business operations are now divided into three business segments: Building Systems, Construction Services and Industrial and Network Services. The Industrial and Network Services business segment's comparative figures for 2005 have been calculated by combining the financial figures of the Services for Industry and Data Network Services business segments.

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

CONSOLIDATED INCOME STATEMENT (EUR million)

	IFRS Jan-Dec/ 2006	**IFRS Jan-Dec/ 2005**	**Change, %**
Revenue	**3,284.4**	3,023.8	9
- of which activities outside Finland	**1,477.4**	1,326.6	11
Operating income and expenses	**-3,002.8**	-2,772.9	8
Share of results of affiliates	**1.3**	0.7	86
Depreciation and write-downs	**-24.1**	-23.9	1
Operating profit	**258.8**	227.7	14
% of revenue	**7.9**	7.5	-
Financial income	**2.6**	1.9	37
Exchange rate differences	**-2.7**	2.0	*)
Financial expenses	**-20.5**	-16.8	22
Profit before taxes	**238.2**	214.8	11
% of revenue	**7.3**	7.1	-
Income taxes 1)	**-62.8**	-57.9	8
Profit for the report period	**175.4**	156.9	12
% of revenue	**5.3**	5.2	-
Attributable to			
Equity holders of the parent company	**171.0**	155.5	10
Minority interests	**4.4**	1.4	*)
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR **)	**1.36**	1.26	8
Diluted earnings per share, EUR **)	**1.35**	1.23	10

*) Change over 100%

**) The per-share key figures presented in the tables have been adjusted for comparability such that they account for the halving of the nominal value of the share, which came into effect on March 24, 2006 (split). The percentage changes have been calculated from the pre-split values.

1) Income taxes have been accounted for as the estimated taxes for the entire financial year.

CONSOLIDATED INCOME STATEMENT FROM LAST QUARTER (EUR million)

	IFRS Oct-Dec/ 2006	IFRS Oct-Dec/ 2005	Change, %
Revenue	**908.1**	860.0	6
- of which activities outside Finland	**429.7**	405.6	6
Operating income and expenses	**-815.7**	-787.8	4
Share of results of affiliates	**0.5**	0.2	*)
Depreciation and write-downs	**-6.5**	-7.2	-10
Operating profit	**86.4**	65.2	32
% of revenue	**9.5**	7.6	-
Financial income	**0.3**	0.6	-50
Exchange rate differences	**-0.9**	-0.6	50
Financial expenses	**-5.7**	-4.0	43
Profit before taxes	**80.1**	61.2	31
% of revenue	**8.8**	7.1	-
Income taxes 1)	**-19.2**	-17.7	9
Profit for the report period	**60.8**	43.5	40
% of revenue	**6.7**	5.1	-
Attributable to			
Equity holders of the parent company	**60.3**	42.8	41
Minority interests	**0.5**	0.7	-29
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR **)	**0.48**	0.35	35
Diluted earnings per share, EUR **)	**0.48**	0.34	41

*) Change over 100%

**) The per-share key figures presented in the tables have been adjusted for comparability such that they account for the halving of the nominal value of the share, which came into effect on March 24, 2006 (split). The percentage changes have been calculated from the pre-split values.

1) Income taxes have been accounted for as a share of the estimated taxes for the entire financial year, calculated in proportion to the result for the review period.

CONSOLIDATED BALANCE SHEET (EUR million)

	IFRS Dec 31, 2006	IFRS Dec 31, 2005	Change, %
ASSETS			
Non-current assets			
Property, plant and equipment	**91.8**	77.1	19
Goodwill	**248.8**	248.8	-
Other intangible assets	**15.6**	13.4	16
Shares in associated companies	**2.9**	1.8	61
Investments	**3.0**	3.0	-
Receivables	**13.4**	9.4	43
Deferred tax assets	**21.1**	23.6	-11
Current assets			
Inventories	**1,006.4**	685.2	47
Trade and other receivables	**688.9**	545.2	26
Cash and cash equivalents	**25.9**	80.6	-68
Total assets	**2,117.8**	1,688.1	25
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	**63.4**	62.4	2
Other equity	**607.1**	497.4	22
Minority interests	**3.9**	3.7	5
Total equity	**674.4**	563.5	20
Non-current liabilities			
Deferred tax liabilities	**52.5**	36.5	44
Pension liabilities	**11.6**	11.6	-
Provisions	**32.2**	30.1	7
Interest-bearing liabilities	**275.8**	172.4	60
Other liabilities	**8.4**	4.4	91
Current liabilities			
Trade and other payables	**788.0**	691.2	14
Provisions	**18.3**	15.8	16
Interest-bearing current liabilities	**256.6**	162.6	58
Total equity and liabilities	**2,117.8**	1,688.1	25

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR million)

	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2006	62.4	77.2	0.7	2.5	-3.0	-0.1	420.0	3.7	563.5
Shares subscribed with options	1.0	5.6	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	0.9	-	-	-
Change in the fair value	-	-	-	-	-	0.2	-	-	-
Change in translation differences	-	-	-	-	-1.5	-	-0.3	-	-
Employee share option scheme	-	1.0	-	11.2	-	-	-9.6	-	-
Net profit for the period	-	-	-	-	-	-	171.0	-	-
Dividend paid	-	-	-	-	-	-	-68.9	-	-
Other change	-	-	0.1	-	-	-	0.1	-	-
Equity on Dec 31, 2006	63.4	83.8	0.8	13.7	-4.5	1.0	512.3	3.9	674.4
	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Dec 31, 2004	61.3	71.5	0.7	1.6	-1.4	-	307.4	4.1	445.4
Transition effect of IAS 32 and 39	-	-	-	-	-	-0.4	-0.3		-0.7
Equity on Jan 1, 2005	61.3	71.5	0.7	1.6	-1.4	-0.4	307.2	4.1	444.7
Shares subscribed with options	1.1	5.7	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	0.3	-	-	-
Change in translation differences	-	-	-	-	-1.6	-	-	-	-
Employee share option scheme	-	-	-	0.9	-	-	0.1	-	-
Net profit for the period	-	-	-	-	-	-	155.5	-	-
Dividend paid	-	-	-	-	-	-	-42.9	-	-
Other change	-	-	-	-	-	-	0.1	-	-
Equity on Dec 31, 2005	62.4	77.2	0.7	2.5	-3.0	-0.1	420.0	3.7	563.4

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	IFRS Jan-Dec/ 2006	IFRS Jan-Dec/ 2005	Change, %
Cash flows from operating activities			
Net profit for the period	**175.4**	156.9	12
Reversal of accrual-based items	**106.8**	94.4	13
Change in working capital			
- Change in trade and other receivables	**-140.0**	-74.3	88
- Change in inventories	**-319.5**	-54.6	***)**
- Change in trade and other payables	**105.6**	102.1	3
Total change in working capital	**-353.9**	-26.8	***)**
Interest paid	**-24.9**	-20.8	20
Interest received	**2.4**	1.3	85
Taxes paid	**-54.1**	-37.0	46
Net cash generated from operating activities	**-148.3**	168.0	**-**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	**-11.1**	-4.7	*)
Purchase of property, plant and equipment	**-33.8**	-23.1	46
Purchase of intangible assets	**-3.1**	-1.8	72
Increases in other investments	**-**	-0.5	-
Disposals of subsidiaries and businesses	**2.5**	-	-
Proceeds from sale of property, plant and equipment	**3.0**	5.1	-41
Proceeds from sale of intangible assets	**-**	0.1	***)**
Proceeds from sale of other investments	**0.5**	0.4	25
Net cash used in investing activities	**-42.0**	-24.5	71
Cash flow from financing activities			
Proceeds from share issues	**6.6**	6.7	-1
Decrease in loan receivables	**0.1**	-	-
Change in current liabilities	**61.9**	-21.5	-
Proceeds from borrowings	**175.0**	-	-
Repayments of borrowings	**-37.4**	-36.4	3
Payments of financial leasing debts	**-1.9**	-5.1	-63
Dividends paid	**-68.9**	-42.9	61
Net cash used in financing activities	**135.4**	-99.2	*)
Net change in cash and cash equivalents	**-54.8**	44.3	-
Cash and cash equivalents at the beginning of the period	**80.6**	36.1	*)
Change in the fair value of the cash equivalents	**0.1**	0.2	-50
Cash and cash equivalents at the end of the period	**25.9**	80.6	-68

*) Change over 100%

COMMITMENTS AND CONTINGENT LIABILITIES (EUR million)

	IFRS Dec 31, 2006	IFRS Dec 31, 2005	Change, %
Collateral given for own commitments			
- Corporate mortgages	**29.3**	29.3	-
- Pledged shares	**1.5**	1.6	-6
Other commitments			
- Repurchase commitments	**252.5**	266.8	-5
- Operating leases	**202.1**	189.2	7
- Rental guarantees for clients	**6.5**	3.8	71
- Other contingent liabilities	**0.8**	0.4	*)
Liability under derivative contracts **)			
Value of underlying instruments			
-- Interest rate options, purchased	**28.4**	28.4	-
-- Interest rate swaps	**145.0**	60.0	*)
-- Foreign currency forward contracts	**202.7**	70.5	*)
Market value			
-- Interest rate options, purchased	**0.8**	0.6	33
-- Interest rate swaps	**1.2**	-0.2	*)
-- Foreign currency forward contracts	**1.7**	-0.8	*)
Contingent assets			
- Legal processes	**11.1**	-	-

*) Change over 100%

**) YIT has changed over to the presentation of the fair values of derivative contracts in net terms. The figures for the comparison periods have been adjusted accordingly.

ACQUIRED BUSINESSES

In 2006, the YIT Group made small acquisitions of companies and business functions in Finland, Sweden and Norway. The acquisitions were made for the Building Systems, Construction Services and Industrial and Network Services business segments. They served to bolster YIT's current local operations.

The major acquisitions were a 100 per cent holding in the Konepaja Alueputkitus Group and 100 per cent stakes in Fläktteknik i Umeå AB (Sweden) and URD Klima Mo AS (Norway). Their total purchase price was EUR 6.0 million. The acquisitions did not generate unallocated goodwill. Goodwill was primarily allocated to intangible rights and inventories.

The major acquirees were merged into existing operations, and thus it is not possible to assess the separate effect of the acquisitions on the 2006 result. The acquirees are small in relation to the Group's size.

During the financial year, YIT increased its holding in ZAO YIT Moskovia by 36.8 per cent to 87.8 per cent and in the AB YIT Kausta Group by 9.4 per cent to 95.1 per cent.

DIVESTED BUSINESSES

In 2006, the Lithuanian subsidiary AB YIT Kausta sold a structural steel plant and YIT Industrial and Network Services sold the ship electrification operations of the Telesilta business unit.

REVENUE BY BUSINESS SEGMENT (EUR million)

	IFRS Jan-Dec/ 2006	IFRS Jan-Dec/ 2005	Change, %
Building Systems *)	1,415.1	1,398.4	1
Construction Services	1,452.2	1,298.3	12
Industrial and Network Services *)	476.9	398.8	20
Other items	-59.8	-71.7	-17
YIT Group, total	3,284.4	3,023.8	9

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

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

	IFRS Jan-Dec/ 2006	IFRS Jan-Dec/ 2005	Change, %
Building Systems *)	87.6	56.8	54
Construction Services	170.8	143.1	19
Industrial and Network Services **)	18.0	39.1	-54
Other items	-17.6	-11.3	56
YIT Group, total	258.8	227.7	14

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

ORDER BACKLOG BY BUSINESS SEGMENT AT END OF PERIOD (EUR million)

	IFRS Dec/2006	IFRS Dec/2005	Change, %
Building Systems	601.7	492.0	22
Construction Services	2,053.5	1,242.6	65
Industrial and Network Services	184.0	173.3	6
Other items	-36.9	-29.1	27
YIT Group, total	2,802.3	1,878.8	49

2. OTHER YIT GROUP'S KEY FIGURES

KEY FIGURES

	IFRS Dec/2006	IFRS Dec/2005	Change, %
Earnings per share, EUR **)	1.36	1.26	8
Diluted earnings per share, EUR **)	1.35	1.23	10
Equity per share, EUR **)	5.29	4.49	18
Average share price during the period, EUR **)	19.24	13.99	38
Share price at end of period, EUR **)	20.95	18.07	16
Market capitalization at end of period, MEUR	2,656.0	2,254.4	18
Weighted average share-issue adjusted number of shares outstanding, thousands **)	125,357	123,544	1
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted **)	126,772	126,522	-
Share-issue adjusted number of shares outstanding at end of period, thousands **)	126,777	124,794	2
Net interest-bearing debt at end of period, MEUR	506.5	254.4	99
Return on investment, from the last 12 months, % 2)	24.8	26.4	-
Return on equity, %	28.3	31.1	-
Equity ratio, %	34.5	36.3	-
Gearing ratio, %	75.1	45.1	-
Gross capital expenditures, MEUR	50.4	30.1	67
-% of revenue	1.5	1.0	-
Order backlog at end of period, MEUR 3)	2,802.3	1,878.8	49
- of which order backlog outside Finland	1,490.0	752.4	98
Average number of personnel	21,846	21,194	3

**) The per-share key figures presented in the tables have been adjusted for comparability such that they account for the halving of the nominal value of the share, which came into effect on March 24, 2006 (split). The percentage changes have been calculated from the pre-split values.

2) Calculated for the period from January 1, 2006 - December 31, 2006, using the balance sheet figures at December 31, 2005 and December 31, 2006.

3) Portion of binding orders not recognized as income.

QUARTERLY FIGURES, Q1/2005-Q4/2006

	IFRS I/ 2005	IFRS II/ 2005	IFRS III/ 2005	IFRS IV/ 2005	IFRS I/ 2006	IFRS II/ 2006	IFRS III/ 2006	IFRS IV/ 2006
Revenue, MEUR	663.9	745.1	754.8	860.0	768.8	818.0	789.5	908.1
Operating profit, MEUR	40.1	55.7	66.7	65.2	53.7	60.1	58.6	86.4
- % of revenue	6.0	7.4	8.8	7.6	7.0	7.3	7.4	9.5
Financial income, MEUR	0.3	0.4	0.6	0.6	1.3	0.4	0.6	0.3
Exchange rate differences, MEUR	1.2	0.9	0.5	-0.6	-0.6	-0.6	-0.6	-0.9
Financial expenses, MEUR	-4.1	-4.5	-4.2	-4.0	-4.3	-4.6	-5.9	-5.7
Profit before taxes, MEUR	37.5	52.5	63.6	61.2	50.1	55.3	52.7	80.1
- % of revenue	5.6	7.1	8.4	7.1	6.5	6.8	6.7	8.8
Balance sheet total, MEUR	1,508.2	1,612.2	1,621.4	1,688.1	1,722.0	1,847.2	1,925.5	2,117.8
Earnings per share, EUR **)	0.23	0.32	0.36	0.35	0.29	0.31	0.28	0.48
Equity per share, EUR **)	3.48	3.77	4.14	4.49	4.23	4.54	4.83	5.29
Share price at end of period, EUR **)	10.92	13.80	17.65	18.07	22.38	19.17	18.27	20.95
Market capitalization at end of period, MEUR	1,338.6	1,711.2	2,193.2	2,254.4	2,792.9	2,406.7	2,294.4	2,656.0
Return on investment, from the last 12 months, %	19.7	21.8	23.7	26.4	28.1	28.2	25.2	24.8
Equity ratio, %	30.1	31.8	34.6	36.3	33.5	34.5	34.6	34.5
Net interest-bearing debt at end of period, MEUR	368.1	313.6	271.8	254.4	334.2	342.5	416.8	506.5
Gearing ratio, %	85.6	66.6	52.3	45.1	62.7	59.5	68.1	75.1
Gross capital expenditures, MEUR	7.0	14.1	22.3	30.1	9.1	18.7	29.9	50.4
Order backlog at end of period, MEUR	1,909.4	1,999.2	1,881.4	1,878.8	2,007.2	2,151.3	2,246.2	2,802.3
Personnel at end of period	21,096	21,297	21,468	21,289	21,140	21,873	22,188	22,311

**) The per-share key figures presented in the tables have been adjusted for comparability such that they account for the halving of the nominal value of the share, which came into effect on March 24, 2006 (split).

REVENUE BY BUSINESS SEGMENT (EUR million)

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

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

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

ORDER BACKLOG BY BUSINESS SEGMENT AT END OF PERIOD (EUR million)

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