YIT'S INTERIM REPORT, JANUARY 1 – JUNE 30, 2007: REVENUE AND OPERATING PROFIT CONTINUE TO GROW

The YIT Group's revenue and operating profit continued to rise in the first half of 2007. Revenue rose by 12 per cent and operating profit by 23 per cent compared with the previous year. The Group's order backlog strengthened yet again.

Building Systems forged ahead with improving profitability and focused on revenue growth. The business segment's operating profit was up 41 per cent and rose to 5.7 per cent of revenue (Jan-June/2006: 4.7%). Revenue was up 15 per cent. The order backlog grew by 24 per cent.

Profitability remained excellent in Construction Services. Operating profit was 11.8 per cent (11.3%) of revenue. Revenue was up 9 per cent. The order backlog grew by 71 per cent.

Industrial and Network Services' operating profit rose by 5 per cent. The operating profit margin was 4.5 per cent (4.6%). The remainder of the costs of the downscaling measures carried out in the Network Services business unit in 2006 – EUR 1.0 million – were booked in operating profit in the first quarter. The order backlog rose by 2 per cent.

"Overall demand for our services has remained good in our whole business territory. Building Systems' concerted efforts to improve profitability yielded strong earnings improvements. We also kicked off substantial revenue growth in the business segment," says Group CEO Hannu Leinonen.

"All in all, the outlook for 2007 is still favourable. Great need for housing in the large cities of Russia enables us to expand our residential production over the long term, too. Thanks to our robust order backlog and the good market situation, we are well-poised to forge ahead with profitable growth in line with our plans," adds Leinonen.

Revenue growth 12 per cent

The YIT Group's revenue for the January-June period grew by 12 per cent without major acquisitions and amounted to EUR 1,772.8 million (Jan-June/2006: EUR 1,586.8 million). Revenue in Russia grew by 5 per cent to EUR 114.7 million (EUR 109.6 million). Of YIT's revenue, 54 per cent came from Finland, 33 per cent from the other Nordic countries, 7 per cent from Russia and 6 per cent from the Baltic countries.

The share of revenue generated by the maintenance and servicing business was 36 per cent (36%), or EUR 645.3 million (EUR 563.6 million).

Operating profit growth 23 per cent

Operating profit grew by 23 per cent on the previous year and amounted to EUR 139.7 million (EUR 113.8 million). The operating profit margin was 7.9 per cent (7.2%). Earnings per share were up 22 per cent to EUR 0.73 (EUR 0.60). Return on investment for the 12-month period ending at the conclusion of the review period was 25.7 per cent (28.2%).

Financial position remains stable

Invested capital in Russia increased due to growth in business operations, the acquisition of plots and growth in ongoing production. At period's end, 28 per cent, or EUR 359 million, of the Group's invested capital was tied up in Russia. At the end of 2006, these figures were 23 per cent and EUR 279 million. Net debt rose to EUR 548.9 million (EUR 342.5 million). The gearing ratio was 79.8 per cent (59.5%). Net financial expenses amounted to EUR 15.1 million (EUR 8.4 million), representing 0.9 per cent (0.5%) of revenue. The equity ratio was 32.4 per cent (34.5%). The balance sheet total at the end of the report period was EUR 2,346.1 million (EUR 1,847.2 million).

Order backlog growth 52 per cent

The Group's uninvoiced backlog of orders strengthened once again. It was 52 per cent higher at the end of the period than a year earlier, having risen to EUR 3,275.2 million (EUR 2,151.3 million). The margin of the backlog is good.

Personnel strength rises

In the review period, the Group employed 22,712 (21,346) people on average. At the end of the period, the Group had 23,474 employees (21,873). Of YIT's employees, 51 per cent work in Finland, 35 per cent in the other Nordic countries, 7 per cent in the Baltic countries and 7 per cent in Russia.

YIT's business territory still booming

The boom in the Nordic countries peaked last year, but economic growth will continue during the next few years, outpacing the euro zone by about one percentage point. Russia and Norway still benefit from the high prices of oil. The rate of growth in the Russian, Estonian, Latvian and Lithuanian economies is over twice as fast as in the Nordic countries. The good earnings trend and the improvement in the employment count bolster household confidence in all of YIT's business countries. The construction of business premises is growing at a faster pace than housing production. Growth in exports and industrial output increases the need for industrial investments and maintenance in all the Nordic countries.

YIT estimates that it will start up more residences than last year

YIT estimates that this year it will start up the construction of about 2,700 market-financed residential units in Finland (start-ups in 2006: 2,818), about 4,500 in Russia (3,699) and about 700 in the Baltic countries (887).

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 strong 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.

Events and webcast presentation

An event for investment analysts and portfolio managers will be held at YIT's head office at 10:00 (Finnish time) on Friday, July 27, followed by a press conference at 13:00. The address is Panuntie 11, 00620 Helsinki, Finland.

A webcast presentation of the January-June 2007 results by Group CEO Hannu Leinonen can be viewed at http://webcast.magneetto.com/yit/en

YIT CORPORATION

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Group CEO

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YIT CORPORATION'S INTERIM REPORT, JANUARY 1 – JUNE 30, 2007

REVENUE GROWTH 12 PER CENT

The YIT Group's revenue for the January-June period grew by 12 per cent without major acquisitions and amounted to EUR 1,772.8 million (Jan-June/2006: EUR 1,586.8 million). Revenue in Russia grew by 5 per cent to EUR 114.7 million (EUR 109.6 million). Of YIT's revenue, 54 per cent came from Finland, 33 per cent from the other Nordic countries, 7 per cent from Russia and 6 per cent from the Baltic countries.

Revenue by business segment, EUR million

	Jan-June/2007	Jan-June/2006	Change, %	Share of the Group's revenue, Jan-June/2007, %
Building Systems	778.0	674.0	15	44
Construction Services	785.5	718.9	9	44
Industrial and Network Services	240.3	224.6	7	14
Other items	-31.0	-30.7	1	-2
YIT Group, total	1,772.8	1,586.8	12	100

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 steady stream of profits. Part of the Group's revenue comes from its industrial, property, telecom network and traditional infrastructure maintenance and servicing business. In the review period, the revenue generated by this business was EUR 645.3 million (EUR 563.6 million), representing 36 per cent (36%) of total revenue.

YIT also keeps track of trends in the shares of revenue generated by consumer services, long-term service agreements, project development and contracting. In the January-June period, consumer services accounted for 22 per cent of revenue, long-term service agreements for 28 per cent, project development for 12 per cent and contracting for 38 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.

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 23 PER CENT

Operating profit grew by 23 per cent on the previous year and amounted to EUR 139.7 million (EUR 113.8 million). The operating profit margin was 7.9 per cent (7.2%).

Operating profit by business segment, EUR million

	Jan-June/2007	Jan-June/2006	Change, %	Share of the Group's operating profit, Jan-June/2007, %
Building Systems	44.4	31.5	41	32
Construction Services	92.7	81.2	14	66
Industrial and Network Services *)	10.8	10.3	5	8
Other items	-8.2	-9.2	-11	-6
YIT Group, total	139.7	113.8	23	100

Operating profit margin by business segment, %

	Jan-June/2007	Jan-June/2006	Jan-Dec/2006
Building Systems	5.7	4.7	6.2
Construction Services	11.8	11.3	11.8
Industrial and Network Services *)	4.5	4.6	3.8
YIT Group, total	7.9	7.2	7.9

*) The operating profit of the Industrial and Network Services business segment in January-March 2007 includes the final costs of the downsizing of Network Services carried out in 2006, EUR 1.0 million. The first part of the downsizing costs, EUR 5.1 million, was booked in operating profit for July-September/2006.

Return on investment for the 12-month period ending at the conclusion of the review period was 25.7 per cent (28.2%). Earnings per share amounted to EUR 0.73 (EUR 0.60), up 22 per cent on the previous year.

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.

ORDER BACKLOG GROWTH 52 PER CENT

The Group's market position is strong. At period's end, the uninvoiced backlog of orders had strengthened further. It was 52 per cent higher at the end of the period than a year earlier, having risen to EUR 3,275.2 million (EUR 2,151.3 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

	June/2007	June/2006	Change, %	Share of the Group's order backlog, June/2007, %
Building Systems	721.8	584.1	24	22
Construction Services	2,378.3	1,391.8	71	73
Industrial and Network Services	213.6	208.4	2	6
Other items	-38.5	-33.0	17	-1
YIT Group, total	3,275.2	2,151.3	52	100

THE GROUP'S FINANCIAL POSITION REMAINS STABLE

Invested capital in Russia increased due to growth in business operations, the acquisition of plots and growth in ongoing production. At period's end, 28 per cent, or EUR 359 million, of the Group's invested capital was tied up in Russia. At the end of 2006, these figures were 23 per cent and EUR 279 million. Interest-bearing liabilities at the end of the period amounted to EUR 599.6 million (EUR 369.8 million) and liquid assets to EUR 50.7 million (EUR 27.3 million). Net debt rose to EUR 548.9 million (EUR 342.5 million). The gearing ratio was 79.8 per cent (59.5%) at period's end. The equity ratio was 32.4 per cent (34.5%). A total of EUR 82.6 million in dividends were paid during the report period (EUR 68.9 million).

The target level for the equity ratio is 35 per cent. The strategic dividend payout target is 40-60 per cent of annual earnings after taxes and minority interest.

Short-term credit was converted into long-term credit by means of two EUR 50 million private placement bonds in March.

Financial income during the period amounted to EUR 1.1 million (EUR 1.7 million), exchange rate losses to EUR 1.7 million (EUR 1.2 million) and financial expenses to EUR 14.5 million (EUR 8.9 million). Net financial expenses were EUR 15.1 million (EUR 8.4 million), or 0.9 per cent (0.5%) of revenue.

The proportion of fixed-interest loans in the Group's entire loan portfolio was 55 per cent (44%). Loans raised directly on the capital and money markets amounted to 63 per cent (44%).

The construction-stage contract receivables sold to financing companies totalled EUR 243.5 million (EUR 268.0 million) at the end of the period. Of this amount, EUR 94.5 million (EUR 93.5 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 5.2 million (EUR 4.6 million), is included in financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residences, EUR 36.4 million (EUR 19.0 million), are also included in interest-bearing liabilities, but the interest on them, EUR 0.8 million (EUR 0.3 million), is booked in project expenses, as said interest is included in housing corporation maintenance charges.

Interest-bearing liabilities included EUR 2.2 million in leasing commitments (EUR 4.0 million).

The balance sheet total at the end of the report period was EUR 2,346.1 million (EUR 1,847.2 million).

CAPITAL EXPENDITURES AND ACQUISITIONS

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 21.5 million (EUR 18.7 million) during the January-June period, representing 1.2 per cent (1.2%) of revenue. Investments in construction equipment amounted to EUR 7.6 million (EUR 6.6 million) and investments in information technology to EUR 3.1 million (EUR 2.4 million). Other investments including acquisitions amounted to EUR 10.8 million (EUR 9.7 million). Acquired business functions are disclosed in the notes to the January-June/2007 Interim Report. No businesses were divested during the period.

CHANGES IN GROUP MANAGEMENT

Sakari Ahdekivi (44), M.Sc. (Econ.), was appointed as CFO of YIT Corporation and as a member of the Group's Management Board as from September 1, 2007. He will report to Group CEO Hannu Leinonen. In addition to financial matters, his responsibilities will include other centralized corporate services. As from the beginning of September, Executive Vice President Sakari Toikkanen will focus on the Group's strategic planning and acquisitions.

MAJOR NEAR-TERM BUSINESS RISKS AND UNCERTAINTIES

YIT has specified the Group's major risks as well as means of managing strategic and administrative risks. The financial risks related to the YIT Group's business are liquidity, interest rate, foreign exchange and credit risks. Project-specific insurance coverage has been taken out for accident risks. The risks have not changed significantly after the financial statement date.

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, the company focuses on the further development of its successful corporate culture and management system.

A more detailed account of YIT's risk management policy, the major risks and their management has been published in the 2006 financial statements and Annual Report. Information is also available from www.yitgroup.com. An account of the financial risks is presented in the notes to the 2006 financial statements and in the notes to the January-June/2007 Interim Report.

NUMBER OF EMPLOYEES 23,500

In the review period, the Group employed 22,712 (21,346) people on average. At the end of the period, the Group had 23,474 employees (21,873). Of YIT's employees, 51 per cent work in Finland, 35 per cent in the other Nordic countries, 7 per cent in the Baltic countries and 7 per cent in Russia.

Personnel by business segment

	June/2007	June/2006	Share of the Group's employees, June/2007, %
Building Systems	12,007	11,102	51
Construction Services	6,371	5,534	27
Industrial and Network Services	4,755	4,914	20
Corporate Services	341	323	2
YIT Group, total	23,474	21,873	100

Personnel by country

	June/2007	June/2006	Share of the Group's employees, June/2007, %
Finland	11,814	11,673	51
Sweden	4,220	3,928	18
Norway	2,730	2,487	12
Denmark	1,253	1,182	5

Russia	1,733	1,102	7
Estonia, Latvia, Lithuania	1,724	1,501	7
YIT Group, total	23,474	21,873	100

SHARES, OPTIONS AND OWNERSHIP

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

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

Share capital and number of shares

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

In accordance with the resolution of the Annual General Meeting, the company's share capital was increased by EUR 82,822,459.92 with a reserve fund transfer on March 30, 2007. No new shares were issued in connection with the increase.

In the first half of the year, 121,834 shares were subscribed for on the basis of the Series E and F share options from 2004 and the Series K and L share options from 2006. On the basis of the share subscriptions, the share capital was increased by EUR 477,848.00 on April 30, 2007 and by EUR 305,047.40 on June 26, 2007.

At the end of the period, the share capital amounted to EUR 146,993,891.32 and the number of shares to 126,898,506.

Authorizations to increase the share capital

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

Own shares

At the beginning of 2007, YIT Corporation held 400 of its own shares, representing 0.0 per cent of the company's shares. YIT Corporation's Board of Directors decided to annul the YIT shares in the company's possession, and the annulment was entered in the Trade Register on April 10, 2007.

At the end of the review period, YIT Corporation did not hold any of its own shares. The Board of Directors of the parent company did not have authorizations to purchase or dispose of YIT's own shares. Subsidiaries did not own shares in the parent company during the period.

Trading in shares

The average share price in the January-June period was EUR 24.52 (EUR 20.48). The highest share price in the period was EUR 27.90 (EUR 23.88) and the lowest was EUR 19.81 (EUR 16.65). The closing rate at the end of the period was EUR 23.35 (EUR 19.17).

The value of share turnover during the review period amounted to EUR 2,843.6 million (EUR 1,712.1 million) and the number of shares traded to 116,127,102 (83,314,935). Market capitalization at the end of the period was EUR 2,963.1 million (EUR 2,406.7 million).

Trading in share options

The Series F share options issued in 2004 and the Series K and L share options issued in 2006 went into trading on the OMX Nordic Exchange in Helsinki as from April 2, 2007.

During the report period, 67,494 Series E share options were traded at an average price of EUR 36.28/option, 100,758 Series F share options at an average price of EUR 39.62/option, 29,950 Series K share options at an average price of EUR 6.31/option and 73,885 Series L share options at an average price of EUR 6.36/option.

Growth in share of non-Finnish ownership

The number of registered shareholders was 14,364 (9,368) at the beginning of the period and 13,957 (11,340) at its end.

A total of 45.9 per cent (39.9%) of YIT's total shares outstanding were owned by nominee-registered or non-Finnish investors at the beginning of the year and 52.7 per cent (47.8%) at the end of the period.

Sampo Life Insurance Company announced on May 3, 2007 that its holding in YIT's shares had fallen below 5 per cent. On May 1, 2007, Schroder Investment Management Compliance Limited sent an announcement that its shareholding in YIT had risen to 5.36 per cent.

BOOM CONTINUES IN YIT'S MARKET IN NORTHERN EUROPE

The outlook for the global economy is good. Economic growth is holding steady in Europe and Japan. China and India, the new industrial countries of Asia, are still seeing extremely fast growth with low inflation. Economic growth in the US is expected to experience a controlled slowdown this year and to gather momentum again next year. The boom in the Nordic countries peaked last year, but will continue during the next few years, outpacing growth in the euro zone by about one percentage point. Russia and Norway still benefit from the high prices of oil. The rate of growth in the Russian, Estonian, Latvian and Lithuanian economies is still over twice as fast as in the Nordic countries. Euro interest rates will in all likelihood rise during the present year. The favourable earnings trend and the improvement in the employment count bolster household confidence in all of YIT's business countries. The record-high population shift in Finland is continuing, maintaining stable need for the construction of new housing and leading to growth in repair works on old housing. Great need for housing in the large cities of Russia enables the company to expand residential production over the long term, too. In the Nordic countries, growth in the construction of business premises outpaces housing production. Growth in exports and industrial output increases the need for industrial investments and maintenance in all the Nordic countries.

Finland

In June, the Ministry of Finance estimated that Finland's GDP will grow by 4.3 per cent this year and 3.2 per cent the next. The improvement in the employment count, the positive trend in incomes and the still moderate interest rate level support household consumption and demand for housing. Growth in the index of wage and salary earnings will rise to 3.0 per cent this year and to 5.0 per cent the next. This change will be reflected in household consumption. Investments will grow by 5.0 per cent, with growth next year amounting to 3 per cent. The business cycle report published by the Confederation of Finnish Construction Industries RT in April states that the volume of construction will grow by 3.5 per cent this year and 3 per cent the next. Residential construction will stay at a good level. Repair works will remain brisk. According to the housing production report RT released in June, 33,000 residential units will be started up this year, while the number of start-ups was 34,000 last year. In June, Euroconstruct estimated that residential construction will decline by 2.4 per cent this year, while other types of building construction will see growth of 13.1 per cent.

Euroconstruct predicts a decline of 0.9 per cent and 0.5 per cent during the subsequent two years, with production volumes remaining high in relation to the resources available. Civil engineering will grow slightly in 2007 - 2009. According to the business cycle bulletin that was released by the Finnish Association of Building Owners and Construction Clients RAKLI in June, 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 investment survey the Confederation of Finnish Industries EK released in June indicates that the value of the fixed investments of industrial companies will grow to almost EUR 3.9 billion this year, representing an increase of slightly over eight per cent on the previous year. 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 mobile phone network will remain slight.

Sweden

In June, the Swedish National Institute of Economic Research KI estimated that Sweden's GDP will grow by 3.6 per cent this year, 3.7 per cent in 2008 and 3 per cent in 2009. The factors underlying this positive trend are the high capacity utilization ratio in industry, solid earnings, and the positive incomes trend enjoyed by households. Wages and salaries will increase by 4.3, 4.7 and 4.8 per cent in 2007 - 2009. The unemployment rate will decline from the present year's figure of 4.7 per cent to 3.7 per cent in 2009. Inflation will accelerate to over 2.5 per cent. KI expects that the Riksbank, Sweden's central bank, will keep raising its policy rate to 4.75 per cent in 2009. In 2007, exports will increase by 5.9 per cent and next year by 6.5 per cent due to international demand and the effect of the relatively weak Swedish kronor. Fixed investments will see growth of 10.6 per cent this year, but growth will slacken to 5.5 per cent next year. Fixed investments by industry will increase by 11.8 per cent this year and by 3.9 per cent the next. Investments by the service sector are higher than those of industry, with growth amounting to 8.8 per cent this year and to 7.5 per cent the next. According to the business cycle barometer KI released in June, the order backlogs of construction companies have increased, employment has improved, and companies expect to see further production growth. Almost 80 per cent of construction companies reported that the shortage of skilled labour slows down production growth, and a third expect tender prices to rise. At the end of June, the Swedish Construction Federation BI predicted that residential investments will grow by 10 per cent this year and by 2 per cent the next. Production of other types of buildings will see growth of 7 per cent this year and 4 per cent in 2008. The elimination of state subsidies from the beginning of the present year and changes in housing taxation artificially inflated housing start-ups to 42,100 units last year. The Prognoscentret market research institute in Sweden estimates that start-ups this year and the next will be correspondingly lower, 30,000 and 32,000 residential units, respectively. The labour shortage has been alleviated with foreign labour and a vigorous drive to develop productivity.

Norway

Norway's boom continues. According to the forecast released by Statistics Norway at the end of May, GDP will grow by 2.9 per cent this year and by 4.0 per cent the next. The GDP growth figures for continental Norway are 4.1 and 3.4 per cent, respectively. Household consumption will grow by 4.7 per cent this year and by 3.9 per cent the next. The vigorous growth in fixed investments that got under way in 2004 will slacken to 7.3 per cent this year on the heels of the slowdown in the growth of housing investments to 5.3 per cent this year due to capacity problems, and correspondingly to 1.5, 1.4 and 0.8 per cent in 2008-2010. Fixed investments by business and industry will rise by 8.1 per cent this year and by 3.4, 2.3 and 2.5 per cent during the next three years. Investments by the oil and gas sector will gain momentum again as from the beginning of next year, with annual growth of about 10 per cent. The construction of 33,300 residential units was started up last year. In June, the Prognosesenteret market research institute in Norway estimated that the construction of 35,000 new residential units would be started up this year and 33,500 the next. Construction of new buildings will grow by a total of 8.3 per cent this year and renovation by 2.5 per cent. Building construction during the next two years will remain high, but a capacity shortage will put the brakes on production growth. Statistics Norway expects that in the space of one year Norges Bank's key interest rate ("sight deposit rate") will rise such that the three-month money market interest rate will settle at 5.25 per cent and remain at that level until 2010. Higher interest rates, stronger currency and a labour shortage slow down growth in many sectors of the economy. Statistics Norway nevertheless expects the boom to continue until at least 2010 and the unemployment rate to drop to 2.5 per cent.

Denmark

The outlook for the Danish economy is still good. In May, Nordea anticipated that GDP growth will amount to 1.9 per cent this year. Growth will slacken to 1.4 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 1.9 per cent this year. Investments will increase by 5.6 per cent during the present year. Housing prices rose by 23.9 per cent last year. The rapid rise in prices has increased the supply of housing, as a result of which the housing market is returning to normal. The risk of a decline in prices has also grown. At the beginning of April, the Danish Construction Association estimated that the number of new residential start-ups will be 30,500 this year and 28,500 the next, compared to 33,000 last year. Growth in real incomes and full employment have strengthened the confidence of households in their own finances, which means that opportunities in the demand for housing will remain good. Housing renovation will not see growth in 2007-2009. According to Euroconstruct, the construction of other types of new buildings will increase by 4.7 per cent this year, and by 5.6 and 5.0 per cent in 2008 and 2009, with renovation works on such buildings rising by 2 per cent annually. Construction will remain buoyant during the next few years – maintaining it at a high level will entail greater use of labour from the new EU countries and Germany.

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 in June, the aggregate GDP of the Baltic countries amounted to EUR 53 billion and the value of construction to EUR 7.2 billion in 2006. In May, Nordea predicted that Latvia's GDP will grow by 9.2 per cent this year and by 7.7 per cent in 2007. GDP growth in Estonia would be 7.9 and 8.3 per cent, respectively, and in Lithuania 6.8 and 8.5 per cent. Inflation in Estonia is double the EMU average, and it is triple in Latvia. Growth in investments this year will be 13 per cent in Estonia, 14 per cent in Latvia and 10.6 per cent in Lithuania. In 2008, investments will continue to grow at a rate of about 10 per cent in these countries, and by 11.6 per cent in Lithuania. Affordable borrowing, economic growth and the greater affluence of the population have increased demand for new residences and renovation in recent years. VTT estimates that a total of about 22,000 residential units will be completed in the Baltic countries this year. Building permits have been granted for twice as many residences as have been completed. According to the estimates collected by VTT, 30 per cent more residences and other buildings were completed in Estonia last year than in 2005. The number of residences completed in Latvia grew by 50 per cent and the capacity of other types of buildings by 40 per cent. Residences and other buildings completed in Lithuania saw growth of 20 per cent. The value of the mortgage stock in Estonia has risen to 33 per cent relative to the value of GDP, which is on a par with Finland. The same figure is 29 per cent in Latvia and only 13 per cent in Lithuania. In Estonia the rapidly increased apartment prices and rise of interest rates have diminished the demand for mortgages during the first part of the year.

Russia

The high price of oil supports Russian economic growth. In May, Nordea estimated that Russia's GDP will grow by 6.9 per cent this year and by 6.5 per cent in 2008. 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 8.1 per cent this year and 7.2 per cent the next. 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, still remaining significantly faster than the EU and Nordic average over the next few years. A significant share of investments is 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. Last year, the prices of residences in some large cities saw an exceptional rise of 60-100 per cent due to the decline in supply, weakening home purchasing ability. At the beginning of this year, the rate of growth in housing prices has slackened.

DEVELOPMENT BY BUSINESS SEGMENT

BUILDING SYSTEMS

Building Systems continued to improve its profitability and focused on revenue growth. The business segment's revenue in the January-June period was up 15 per cent to EUR 778.0 million (Jan-June/2006: EUR 674.0 million). The share of the business segment's revenue accounted for by the maintenance and servicing business was 63 per cent (62%).

Operating profit grew by 41 per cent to EUR 44.4 million (EUR 31.5 million). The operating profit margin improved to 5.7 per cent (4.7%). The operating profit margin in Q2 2007 was 6.2 per cent (5.7%).

By period's end, the order backlog had grown by 24 per cent to EUR 721.8 million (EUR 584.1 million).

The business segment had 12,007 employees (11,102) at the end of the period.

Revenue of the Building Systems business segment by country, EUR million

	Jan-June/2007	Jan-June/2006	Change, %	Share of the business segment's revenue, Jan-June/2007, %
Sweden	284.8	255.9	11	37
Norway	209.6	165.5	27	27
Finland	182.6	161.8	13	23
Denmark	76.6	69.7	10	10
Estonia, Latvia, Lithuania and Russia	24.4	21.1	16	3
Total	778.0	674.0	15	100

Brisk demand in Sweden

On the whole, the market for building system services grew during the first part of the year. Many new construction projects have been carried out, especially in the public sector, and there has been growth in the construction of commercial premises. Demand for repair and maintenance works rose. Industrial activity is brisk and a great many investments are being carried out this year.

During the report period, an agreement was made with Bombardier for HEPACE deliveries for a new train servicing facility. Complete piping installation works as well as sprinkler systems will be provided for the project to modernize the turbines of the Ringhals nuclear power plant.

An energy saving agreement was signed with Locum with a view to reducing the energy consumption and costs of the Danderyd and Jakobsberg hospitals as well as improving air quality. A three-year service agreement was made with the Swedish Road Administration, covering the maintenance of four tunnels in Gothenburg, the Älvsborgs bridge and several roadside rest areas.

Market growth in Norway

The market for building system services saw growth in the first part of the year compared with the previous year. New construction increased, especially in commercial and business premises. Demand for renovation remained good. Piping deliveries have been a particular growth area in YIT's operations as the business operations have been strengthened with four small acquisitions.

Maintenance and servicing agreements from the ServiFlex concept have been well received by numerous partners both in the private and public sector.

An agreement was made with the Rikshospitalet-Radiumhospitalet university hospital in Oslo for a large-scale total technical solution to be installed in a new research building. A delivery for school and cultural premises was agreed on in Eid. A total technical solution will be implemented for the Aftenbladet newspaper's new office building in Stavanger.

Buoyant demand for services in Finland

Growth in the building systems market held steady. Demand increased on the heels of the brisk construction of commercial and business premises, especially in the Greater Helsinki Area. Growth in the market for property services and property management services outpaces investments in construction and building equipment systems. The energy efficiency and environmental friendliness of properties and their building equipment systems have become increasingly important considerations in the planning of whole city quarters and large sites.

Long-term service agreements for property upkeep, superintending and management were made with parties such as Tamro and TeliaSonera Finland. The upkeep and preventative servicing agreement with UPM was extended to cover the company's Valkeakoski properties as well.

An office building that had been built and supplied with building systems by YIT was handed over to Ahlstrom in Ruoholahti, Helsinki. YIT made an agreement with Alfred. A. Palmberg for HEPACE deliveries for Business Center Visio, developed by Fennia in Pasila, Helsinki. An agreement was made for the implementation of the full building equipment systems of the congress and exhibition centre developed in Levi by Levin Luontokeskus Oy.

Construction remains brisk in Denmark

The economy continued to develop well and construction remained brisk. The country's unemployment figures declined to an all-time low. The construction industry seeks to facilitate the mobility of labour from Germany and Eastern European countries. Demand for building system services and installation works held firm in both industry and the construction of commercial facilities and public premises. Corporate interest in the outsourcing of technical services increased.

A service agreement was made with Syd Energi Net for telecom connections to be installed in single-family houses in southern Jutland. An agreement was made with Energi Randers Produktion for modernization works at a thermal power plant; YIT has carried out works at this plant ever since it was built in 1982.

Electrical installation works will be provided for a high-quality hotel in Vejle. A new air-conditioning system will be supplied for an old building that will be used by the municipal court of Viborg. An agreement was made with Energinet.dk for the provision of a new emergency system to safeguard the national energy supply.

Good market situation in Estonia, Latvia, Lithuania and Russia

The market for building system services remained favourable in the Baltic countries and especially in Russia. Construction and western investments grew, increasing demand for building system projects and servicing.

In Russia, a delivery comprising the design and installation of ice rink technology was started up for the Pol'yot Sport Complex in Rybinsk, as was a refrigeration technology design and installation delivery for the Paramonovo bobsled track in the Moscow Oblast. In St Petersburg, the installation of building equipment systems commenced both at an office building YIT built for its own use and at two apartment buildings. Technical servicing got under way at Valio's production plant in Lobnya.

An agreement was signed in Estonia for the electrification of the University Clinic in Tartu. A construction automation project for the Hesburger chain continued in Latvia; the project enables the remote supervision of sites over the Internet from Finland. A two-year property management and servicing agreement covering a residential area was signed in Vilnius, Lithuania, and a major technical servicing agreement concerning the Akropolis shopping centre was forged in Kaunas.

CONSTRUCTION SERVICES

In the first part of the year, the revenue of Construction Services grew by 9 per cent on the previous year and amounted to EUR 785.5 million (EUR 718.9 million). The share of revenue accounted for by the maintenance business was 3 per cent (3%). Of the revenue, 74 per cent came from Finland, 13 per cent from Russia, 12 per cent from Estonia, Latvia and Lithuania, and less than one per cent from other countries.

Operating profit was up 14 per cent to EUR 92.7 million (EUR 81.2 million). The operating profit margin remained excellent, 11.8 per cent (11.3%).

The order backlog grew by 71 per cent to EUR 2,378.3 million (EUR 1,391.8 million).

The business segment had 6,371 employees (5,534) at the end of the period.

Housing demand remains good

Demand for new housing remained at a good level in Finland and the prices of residences saw moderate growth. Both the need for and interest in new housing have remained strong in Russia, but due to factors such as the surge in prices in 2006, YIT sold fewer residential units in the first part of 2007 than last year. In 2006, the prices of residences in some large cities saw an exceptional rise of 60-100 per cent due to the decline in supply, weakening home purchasing ability. At the beginning of this year, the rate of growth in housing prices has slackened. Of the Baltic countries, housing demand remained good in Lithuania and moderate in Latvia. Demand weakened in Estonia.

In April-June, the average selling price of the residences YIT built in Russia was about 43 per cent (April-June/06: 35%) of the average selling price of the market-financed residences sold by YIT in Finland, and in the Baltic countries about 61 per cent (62%).

In June, YIT expanded its operations in line with its strategy to Rostov-na-Donu in Russia by setting up a joint venture in the city with five private shareholders. The investment rights to two plots were transferred to the new joint venture. The aim is to start up construction on the first site – comprising 270 residential units – by the end of 2007. In Russia, YIT builds housing in St Petersburg, Moscow, the Moscow Oblast, Yaroslavl and Yekaterinburg. YIT also started up residential construction in Kazan in July.

In Finland, YIT and the City of Rovaniemi forged a cooperation agreement for the implementation of the Fenix project in the city centre. YIT will build about 500 new residences there during the years ahead. YIT bought a plot in the Leppäsuo area from the City of Helsinki; about 50 high-quality residences will be built on this plot. Construction of leisure-time residences and centres proceeded as planned, and negotiations to acquire new areas continued. The most significant agreement signed was the cooperation agreement covering the Pickala area in Siuntio.

YIT estimates that it will start up more residences than last year

YIT estimates that this year it will start up the construction of about 2,700 market-financed residential units in Finland (start-ups in 2006: 2,818), about 4,500 in Russia (3,699) and about 700 in the Baltic countries (887).

The market outlook for the developer contracting of housing is estimated to remain solid on the whole in YIT's market areas. Housing demand in Finland is maintained by the improvement in the employment count, the population shift, consumers' positive outlook on the development of their own finances and the still moderate interest rates. In Russia and the Baltic countries, strong economic growth, the positive trend in household earnings and the need to improve housing quality uphold the demand for residences.

At the end of June, YIT had 291 completed unsold residential units in Finland. There were 16 completed unsold apartments in Russia and none in the Baltic countries.

Residential construction in Jan-June/2007 (Jan-June/2006), number of residences

	Finland	Finland	Finland	Russia	Estonia, Latvia, Lithuania
	Market-financed (incl. leisure residences)	State-financed, rental housing and tender-based	Total	Total	Total
Sold	1,278 (1,303)	- (-)	1,278 (1,303)	692 (1,171)	264 (370)
Start-ups	1,218 (1,602)	156 (104)	1,374 (1,706)	1,141 (754)	350 (195)
Under construction at period's end	2,862 (3,462)	272 (177)	3,134 (3,639)	7,315 (5,768)	1,898 (1,485)
Completed	1,566 (1,552)	70 (80)	1,636 (1,632)	894 (314)	325 (238)
Completed and unsold at period's end	291 (147)	- (-)	291 (147)	16 (5)	- (-)

The recording of the status of residential units in Russia has changed. Apartments are deemed to have been completed three months after the authorities have performed the inauguration inspection. Previously an apartment was designated as being completed only when the homebuyer had registered it with the authorities. The figures for residences under construction, completed, and completed and unsold in the January-June/2007 and January-June/2006 periods have been presented in line with the new practice.

Plot reserves, June 30, 2007 (June 30, 2006)
Building rights and zoning potential, 1,000 m2 of floor area

	Finland	Russia	Estonia, Latvia, Lithuania
Housing plots	1,685 (1,771)	2,345 (723)	394 (274)
Business premise plots	855 (674)	415 (444)	35 (33)
Total	2,540 (2,445)	2,760 (1,167)	429 (307)
Capital tied into plot reserves, EUR million	322.0 (321.7)	133.4 (52.8)	64.8 (33.3)

Plot reserves include plots that have been zoned and an estimate of the potential building rights on areas that are under zoning. Building rights provided by regional development agreements made with landowners are not included in YIT’s balance sheet until the zoned sections are each in turn slated for construction.

Many commercial and business premise sites completed and sold in the first half of the year

The outlook for the construction of office, retail and logistics premises in Finland remained favourable in the first part of the year. Demand for offices stayed good in the Greater Helsinki Area. Construction investments by industry remained slight. Growth was seen in repairs of specific building sections.

The construction of the Grandis Retail Centre in Vantaa, the Entresse Shopping Centre in Espoo and the Matkakeskus Travel Centre in Riihimäki were kicked off in the April-June period. In the case of business premise projects, the construction projects that began in the first part of the year were the extension of YIT’s head office and the Duetto Business Park in Helsinki. The tender-based contracts that were started up included the major renovation of the Kiljava Hospital and the construction of Ahlsell’s logistics centre.

During the spring, YIT sold all the aforementioned property development projects. The Grandis Retail Centre was sold to the Finnish property fund FEA, Entresse to the Finnish company CapMan and the UK company RBS Nordisk Renting, the Atomi Shopping Centre in Riihimäki to the English property investor Boultbee, YIT’s head office to RBS Nordisk Renting and Duetto Business Park to the German fund company Union Investment.

In Russia, YIT and Evli Bank’s real estate equity fund EPI (Evli Property Investments) Russia signed the final agreement on the implementation of office and logistics facility projects valued at about EUR 100 million on YIT’s plots in St Petersburg.

Phases 1 and 2 of the FEZ logistics project were completed in Lithuania. They were leased to tenants and handed over to Genesta. Construction of phase 3 continued.

Good demand in infrastructure construction

Demand remained good in infrastructure construction. YIT made agreements with the City of Helsinki to build the Koskelantie highway interchange as well as handle the preconstruction of the

Toukoranta 3 area. An agreement was signed with Lahden Urheiluhalliyhdistys ry for the construction of the Laune ice arena, which will be used for training purposes.

When the Finnish Road Administration called for bids on the maintenance of public roads, YIT landed the seven- and five-year Nummi and Rovaniemi contracts. YIT received two three-year street area maintenance contracts from the City of Lahti.

An agreement was made for the delivery of equipment to the City of Wuwei's district-heating project in China.

INDUSTRIAL AND NETWORK SERVICES

The revenue of Industrial and Network Services grew by 7 per cent to EUR 240.3 million (EUR 224.6 million). The share of revenue accounted for by the maintenance business was 58 per cent (61%). Of the revenue, 91 per cent came from Finland and 9 per cent from other countries.

The business segment's operating profit was up 5 per cent to EUR 10.8 million (EUR 10.3 million). The operating profit margin was 4.5 per cent (4.6%). The remainder of the costs of the downscaling measures carried out in the Network Services business unit in 2006 – EUR 1.0 million – were booked in operating profit in the first quarter.

The order backlog at the end of the period amounted to EUR 213.6 million (EUR 208.4 million). The order backlog in Network Services is based on forecasts from customers, which declined since the previous year.

At the end of the period, the business segment had 4,755 employees (4,914).

Market for services for industry remains good

The market situation for maintenance and investment services for industry remained favourable. Demand is supported by large-scale maintenance shutdowns – for instance, in the Kilpilahti area and at nuclear power plants in Finland and Sweden – and investments by the energy and process industry.

During the first part of the year, all the major end-to-end maintenance agreements with partners were updated. During the report period, maintenance shutdowns were carried out for, among others, Teollisuuden Voima in Olkiluoto, Borealis in Porvoo, Forchem in Rauma and AGA in Harjavalta. YIT and Metsä-Botnia's joint venture Botnia Mill Service carried out the maintenance shutdowns at Botnia's pulp mills in Rauma, Joutseno and Äänekoski in their entirety.

Exporting deliveries for industrial investments

Demand for capital investment projects by industry remained good. Exports were particularly brisk. In Finland, tank and piping deliveries as well as electrical automation and ventilation works were carried out for UPM's Kymi REC 08 project in Kuusankoski. New agreements for this project were also signed. Steel and pipe fitting works were implemented on behalf of Aker Yards in the machine rooms of the Color Line ferry company's day ferries.

Agreements were made with Ahlstrom for tank and machinery installation deliveries for a glassfibre tissue mill in Tver, Russia. In Sweden, piping deliveries were agreed on with Alstom Industrial Turbine for the PILS project of the Oskarsham nuclear power plant.

Agreements were forged with Metso Power for the design of a soda recovery boiler and piping deliveries for the RAPP project in Indonesia and with Kemsley Mill Ltd for tank deliveries to the UK.

Market for network services is still tight

The market situation in field services for teleoperators continued to be tight.

Growth in the relative share of investment-related works can be expected in mobile networks. An agreement was made with Elisa Corporation for the construction of the 3G base station equipment of Elisa's mobile phone networks all over Finland.

In the case of electricity networks, the partnership agreement made with Vattenfall Verkko Oy has started in line with expectations. Vattenfall's electricity network maintenance, repair and construction works were handed over to YIT at the beginning of the year and about 100 people transferred into YIT's employ.

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 strong 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.

Helsinki, July 26, 2007

The Board of Directors

INTERIM REPORT JAN 1 - JUN 30, 2007: TABLES

The information presented in the Interim Report has not been audited.

1. Key figures of YIT Group

2. Consolidated financial statements Jan 1 - Jun 30, 2007

3. Notes

1. KEY FIGURES OF YIT GROUP

KEY FIGURES

	6/2007	6/2006	Change, %	12/2006
Earnings per share, EUR	0.73	0.60	22	1.36
Diluted earnings per share, EUR	0.72	0.60	20	1.35
Equity per share, EUR	5.38	4.54	19	5.29
Average share price during the period, EUR	24.52	20.48	20	19.24
Share price at end of period, EUR	23.35	19.17	22	20.95
Market capitalization at end of period, MEUR	2,963.1	2,406.7	23	2,656.0
Weighted average share-issue adjusted number of shares outstanding, thousands	126,803	124,951	1	125,357
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	127,385	126,821	0	126,773
Share-issue adjusted number of shares outstanding at end of period, thousands	126,899	125,543	1	126,777
Net interest-bearing debt at end of period, MEUR	548.9	342.5	60	506.5
Return on investment, from the last 12 months, % 1)	25.7	28.2	-9	24.8
Equity ratio, %	32.4	34.5	-6	34.5
Gearing ratio, %	79.8	59.5	34	75.1
Gross capital expenditures, MEUR	21.5	18.7	15	50.4
% of revenue	1.2	1.2	1	1.5
Order backlog at end of period, MEUR 2)	3,275.2	2,151.3	52	2,802.3
of which order backlog outside Finland	1,730.9	925.7	87	1,490.0
Average number of personnel	22,712	21,346	6	21,846

1) Calculated for the period from July 1, 2006 - June 30, 2007, using the balance sheet figures at June 30, 2006 and June 30, 2007.

2) Portion of binding orders not recognized as income.

YIT GROUP FIGURES BY QUARTER

	I/2006	II/2006	III/2006	IV/2006	I/2007	II/2007
Revenue, MEUR	768.8	818.0	789.5	908.1	833.5	939.3
Operating profit, MEUR	53.7	60.1	58.6	86.4	61.2	78.5
% of revenue	7.0	7.3	7.4	9.5	7.3	8.4
Financial income, MEUR	1.3	0.4	0.6	0.3	0.6	0.5
Exchange rate differences, MEUR	-0.6	-0.6	-0.6	-0.9	-0.1	-1.6
Financial expenses, MEUR	-4.3	-4.6	-5.9	-5.7	-6.9	-7.6
Profit before taxes, MEUR	50.1	55.3	52.7	80.1	54.8	69.8
% of revenue	6.5	6.8	6.7	8.8	6.6	7.4
Balance sheet total, MEUR	1,722.0	1,847.2	1,925.5	2,117.8	2,155.9	2,346.1
Earnings per share, EUR	0.29	0.31	0.28	0.48	0.31	0.42
Equity per share, EUR	4.23	4.54	4.83	5.29	4.95	5.38
Share price at end of period, EUR	22.38	19.17	18.27	20.95	25.80	23.35
Market capitalization at end of period, MEUR	2,792.9	2,406.7	2,294.4	2,656.0	3,270.8	2,963.1
Return on investment, from the last 12 months, %	28.1	28.2	25.2	24.8	25.4	25.7
Equity ratio, %	33.5	34.5	34.6	34.5	31.8	32.4
Net interest-bearing debt at end of period,	334.2	342.5	416.8	506.5	540.9	548.9

MEUR						
Gearing ratio, %	62.7	59.5	68.1	75.1	85.6	79.8
Gross capital expenditures, MEUR	9.1	18.7	29.9	50.4	15.8	21.5
Order backlog at end of period, MEUR	2,007.2	2,151.3	2,246.2	2,802.3	2,995.4	3,275.2
Personnel at end of period	21,140	21,873	22,188	22,311	22,418	23,474

SEGMENT INFORMATION BY QUARTER

Revenue by business segment (EUR million)

	I/2006	II/2006	III/2006	IV/2006	I/2007	II/2007
Building Systems	325.6	348.4	335.2	405.9	367.7	410.3
Construction Services	350.8	368.1	337.0	396.3	369.2	416.3
Industrial and Network Services	107.7	116.9	128.3	124.0	110.7	129.6
Other items	-15.3	-15.4	-11.0	-18.1	-14.1	-16.9
YIT Group, total	768.8	818.0	789.5	908.1	833.5	939.3

Operating profit by business segment (EUR million)

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

*) 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 and in January-March/2007 EUR 1.0 million in costs for the downsizing of Network Services carried out in 2006.

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

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

2. CONSOLIDATED FINANCIAL STATEMENTS JAN 1 - JUN 30, 2007

CONSOLIDATED INCOME STATEMENT JAN 1 - JUN 30, 2007 (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Revenue	1,772.8	1,586.8	12	3,284.4
of which activities outside Finland	816.9	693.0	18	1,477.4
Operating income and expenses	-1,621.0	-1,462.0	11	-3,002.8
Share of results of associated companies	0.6	0.4	50	1.3
Depreciation and write-downs	-12.7	-11.4	11	-24.1
Operating profit	139.7	113.8	23	258.8
% of revenue	7.9	7.2	9	7.9
Financial income	1.1	1.7	-35	2.6
Exchange rate differences	-1.7	-1.2	42	-2.7
Financial expenses	-14.5	-8.9	63	-20.5
Profit before taxes	124.6	105.4	18	238.2
% of revenue	7.0	6.6	6	7.3
Income taxes 3)	-32.1	-27.5	17	-62.8
Profit for the report period	92.5	77.9	19	175.4
% of revenue	5.2	4.9	6	5.3
Attributable to				
Equity holders of the parent company	92.0	75.6	22	171.0
Minority interests	0.5	2.3	-78	4.4
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, EUR	0.73	0.60	22	1.36
Diluted earnings per share, EUR	0.72	0.60	20	1.35

3) 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 INCOME STATEMENT APR 1 - JUN 30, 2007 (EUR million)

	4-6/2007	**4-6/2006**	**Change, %**
Revenue	939.3	818.0	15
of which activities outside Finland	445.0	366.1	22
Operating income and expenses	-854.7	-752.6	14
Share of results of associated companies	0.4	0.4	0
Depreciation and write-downs	-6.5	-5.7	14
Operating profit	78.5	60.1	31
% of revenue	8.4	7.3	14
Financial income	0.5	0.4	25
Exchange rate differences	-1.6	-0.6	*)
Financial expenses	-7.6	-4.6	65
Profit before taxes	69.8	55.3	26
% of revenue	7.4	6.8	9
Income taxes 3)	-17.4	-15.1	15
Profit for the report period	52.4	40.2	30
% of revenue	5.6	4.9	14
Attributable to			
Equity holders of the parent company	52.4	39.2	34
Minority interests	0.0	1.0	*)
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.42	0.31	35
Diluted earnings per share, EUR	0.41	0.31	32

*) Change over 100%.

3) 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)

	6/2007	6/2006	Change, %	12/2006
ASSETS				
Non-current assets				
Property, plant and equipment	92.6	82.8	12	91.8
Goodwill	248.8	248.8	0	248.8
Other intangible assets	19.6	15.0	31	15.6
Shares in associated companies	3.2	2.2	45	2.9
Investments	2.9	3.0	-3	3.0
Receivables	18.6	11.0	69	13.4
Deferred tax assets	25.6	21.9	17	21.1
Current assets				
Inventories	1,157.2	797.4	45	1,006.4
Trade and other receivables	726.9	637.8	14	688.9
Cash and cash equivalents	50.7	27.3	86	25.9
Total assets	2,346.1	1,847.2	27	2,117.8
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	147.0	62.8	*)	63.4
Other equity	536.3	507.5	6	607.1
Minority interests	4.5	5.8	-22	3.9
Total equity	687.8	576.1	19	674.4
Non-current liabilities				
Deferred tax liabilities	61.7	40.0	54	52.5
Pension liabilities	8.4	11.0	-24	11.6
Provisions	34.1	33.3	2	32.2
Interest-bearing liabilities	400.8	166.7	*)	275.8
Other liabilities	3.0	13.8	-78	8.4
Current liabilities				
Trade and other payables	931.3	786.9	18	788.0
Provisions	20.2	16.3	24	18.3
Interest-bearing current liabilities	198.8	203.1	-2	256.6
Total equity and liabilities	2,346.1	1,847.2	27	2,117.8

*) Change over 100%.

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, 2007	63.4	83.8	0.8	13.7	-4.5	1.0	512.3	3.9	674.4
Bonus issue	82.8	-82.8	-	-	-	-	-	-	-
Shares subscribed with options	0.8	-	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	2.0	-	-	-
Change in translation differences	-	-	-	-	-1.4	-	-	-	-
Employee share option scheme	-	-	-	-	-	-	1.8	-	-
Net profit for the period	-	-	-	-	-	-	92.0	-	-
Dividend paid	-	-	-	-	-	-	-82.5	-	-
Other change	-	-1.0	0.2	0.9	-	0.0	0.0	-	-
Equity on June 30, 2007	147.0	0.0	1.0	14.6	-5.9	3.0	523.6	4.5	687.8
	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	0.4	2.2							
Change in the fair value of interest derivatives	-	-	-	-	-	0.5	-	-	-
Change in translation differences	-	-	-	-	-0.3	-	-	-	-
Employee share option scheme				12.1			-11.3		
Net profit for the period	-	-	-	-	-	-	75.6		-
Dividend paid	-	-	-	-	-	-	-68.6	-	-
Other change	-	-	0.1	-	-	-	-0.1	-	-
Equity on June 30, 2006	62.8	79.4	0.8	14.6	-3.3	0.4	415.6	5.8	576.1
	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 of other investments	-	-	-	-	-	0.2	-	-	-
Change in translation differences	-	-	-	-	-1.5	-	-0.3	-	-
Employee share option scheme	-	1.0	-	11.2	-	-	-9.6	-	-
Net profit for the period	-	-	-	-	-	-	171.0	-	-
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

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Cash flows from operating activities				
Net profit for the period	92.5	76.7	21	175.4
Reversal of accrual-based items	60.3	47.3	27	106.8
Change in working capital				
Change in trade and other receivables	-37.6	-86.8	-57	-140.0
Change in inventories	-149.7	-112.8	33	-319.5
Change in current liabilities	123.6	93.7	32	105.6
Change in working capital, total	-63.7	-105.9	-40	-353.9
Interest paid	-7.9	-7.5	5	-24.9
Interest received	1.1	1.8	-39	2.4
Taxes paid	-26.1	-20.9	25	-54.1
Net cash generated from operating activities	56.2	-8.5	*)	-148.3
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-5.1	0.9	*)	-11.1
Acquisition of shares in associated companies	0.0	-0.2	*)	-
Proceeds from sale of shares in associated companies	0.5	0.0	0	0.0
Purchase of property, plant and equipment	-12.7	-15.8	-20	-33.8
Purchase of intangible assets	-2.7	-3.0	-10	-3.1
Disposals of subsidiaries and businesses	0.0	2.6	*)	2.5
Proceeds from sale of property, plant and equipment	2.3	2.1	10	3.0
Proceeds from sale of other investments	0.0	0.1	*)	0.5
Net cash used in investing activities	-17.7	-13.3	33	-42.0
Cash flow from financing activities				
Proceeds from share issues	0.8	2.6	-69	6.6
Decrease in loan receivables	0.1	0.1	0	0.1
Change in current liabilities	-54.9	69.5	*)	61.9
Proceeds from borrowings	128.5	0.0	*)	175.0
Repayments of borrowings	-4.6	-33.7	-86	-37.4
Payments of financial leasing debts	-1.0	-1.0	0	-1.9
Dividends paid	-82.6	-68.9	20	-68.9
Net cash used in financing activities	-13.7	-31.4	-56	135.4
Net change in cash and cash equivalents	24.8	-53.2	*)	-54.8
Cash and cash equivalents at the beginning of the period	25.9	80.6	-68	80.6
Change in the fair value of the cash equivalents	0.0	-0.1	*)	0.1
Cash and cash equivalents at the end of the period	50.7	27.3	86	25.9

*) Change over 100%.

3. NOTES

ACCOUNTING PRINCIPLES OF THE INTERIM REPORT

YIT Corporation's Interim Report for January 1 - June 30, 2007 has been drafted in line with IAS 34: Interim Financial Reporting. YIT has applied the same accounting policy in the drafting of the Interim Report as in its annual financial statements for 2006. The information presented in the Interim Report has not been audited.

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

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

- IFRS 7 Financial Instruments: Disclosures. The standard mainly affects the scope of the notes to the financial statements.
- IAS 1 (Amendment) Presentation of Financial Statements - Capital Disclosures. The amendment of the standard did not have an effect on this Interim Report.
- IFRIC 10 Interim Financial Reporting and Impairment. The application of the interpretation did not have an effect on this Interim Report.

FINANCIAL RISK MANAGEMENT

In the January-March/2007 period the Board of Directors amended the management of foreign exchange risk such that YIT Group's shareholders' equity in the home currency is no longer hedged against changes in foreign exchange rates. Foreign exchange positions are reported to the Audit Committee ones per year.

SEGMENT INFORMATION

YIT's business operations are divided into three business segments: Building Systems, Construction Services and Indsustrial and Network Services

Revenue by business segment (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Building Systems	778.0	674.0	15	1,415.1
Construction Services	785.5	718.9	9	1,452.2
Industrial and Network Services	240.3	224.6	7	476.9
Other items	-31.0	-30.7	1	-59.8
YIT Group, total	1,772.8	1,586.8	12	3,284.4

Operating profit by business segment (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Building Systems	44.4	31.5	41	87.6
Construction Services	92.7	81.2	14	170.8
Industrial and Network Services	10.8	10.3	5	18.0
Other items	-8.2	-9.2	-11	-17.6
YIT Group, total	139.7	113.8	23	258.8

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

	6/2007	6/2006	Change, %	12/2006
Building Systems	721.8	584.1	24	601.7
Construction Services	2,378.3	1,391.8	71	2,053.5
Industrial and Network Services	213.6	208.4	2	184.0
Other items	-38.5	-33.0	17	-36.9
YIT Group, total	3,275.2	2,151.3	52	2,802.3

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-6/2007	1-6/2006	1-12/2006
Building Systems			
Released provisions	-	-	7.2
Industrial and Network Services			
Rearrangements	-1.0	-	-5.1
YIT Group, total	-1.0	-	2.1

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

The operating profit of the Industrial and Network Services business segment in July-September/2006 includes EUR 5.1 million and in January-March/2007 EUR 1.0 million in costs for the downsizing of Network Services carried out in 2006.

ACQUIRED BUSINESSES (EUR million)

On April 2, 2007, YIT Industrial and Network Services Oy acquired T. Kanerva Oy, the only Finnish supplier of special seals used in the process and energy industry.

In January-March/2007 period, the business operations were strengthened within Building Systems business segment with four small acquisitions of companies in Sweden and Norway.

	The fair value in balance sheet	Seller's carrying amount before the consolidation
The effect on balance sheet assets an liabilities:		
Property, plant and equipment	1	1
Intangible assets	4	0
Inventories	1	1
Trade and other receivables	2	2
Cash and cash equivalents	1	1
Other liabilities	-4	-4
Acquired net assets	6	1
Total consideration	6	
Goodwill	0	
The effect on cash flow:		
Paid in cash	6	
Cash and cash equivalents in acquired entity	-1	
Cash flow on acquisitions	5	

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Carrying value at the beginning of period	91.8	77.1	19	77.1
Increase	13.0	15.4	-16	33.6
Increase through acquisitions	0.9	1.0	-10	2.4
Decrease	-1.4	-1.6	-13	-2.6
Decrease through disposals	0.0	-0.3	*)	-0.3
Depreciation and value adjustments	-9.6	-8.9	8	-18.6
Reclassification	-2.1	0.1	*)	0.2
Carrying value at the end of period	92.6	82.8	12	91.8

*) Change over 100%.

INVENTORIES (EUR million)

	6/2007	6/2006	Change, %	12/2006
Raw materials and consumables	25.8	19.1	35	19.5
Work in progress	493.3	295.4	67	378.2
Land areas and plot owing companies	520.2	398.7	30	500.0
Shares in completed housing and real estate companies	66.1	53.0	25	64.9
Advance payments	47.4	25.5	86	35.3
Other inventories	4.4	5.7	-23	8.6
Total inventories	1,157.2	797.4	45	1,006.4

NOTES ON EQUITY (EUR million)

Share capital and share premium reserve	Number of shares, 1000	Share capital	Share premium reserve	Treasury shares	Total
Jan 1, 2007	126,777,072	63.4	83.8	0.0	147.2
Bonus issue	-	82.8	-82.8	-	0.0
Reclassification	-	-	-1.0	-	-1.0
Annulment of treasury shares	-400	-	-	0.0	0.0
Share subscription with options	121,834	0.8	-	-	0.8
Jun 30, 2007	126,898,506	147.0	0.0	0.0	147.0

INTEREST-BEARING LIABILITIES (EUR million)

Bonds

	Fair value	Carrying value	Nominal value
Bonds in financial statements December 31, 2006	275.5	275.0	275.0
Valuation of the above bonds on June 30, 2007	275.6	275.0	275.0
Bonds raised during the review period			
(1) 1/2007-2014, interest rate 4.670%, EUR	50.0	49.9	50.0
(2) 2/2007-2012, interest rate 4.564%, EUR	50.5	50.0	50.0
Total bonds June 30, 2007	376.1	374.9	375.0

Terms of the bonds raised during the revenue period in brief

1) Loan period March 26, 2007 - March 26, 2014, interest payments by quarter in arrear, starting on June 26, 2007. The bond is unsecured. ISIN code FI0003024216. Interest rate is 3 months Euribor + 0.51%. (Private placement)
1) Loan period March 29, 2007 - March 29, 2012, interest payments by quarter in arrear, starting on June 29, 2007. The bond is unsecured. ISIN code SE0001991068. Interest rate is 3 months Euribor + 0.40%. (Private placement)

Interest rate risk management connected to loans

Interest rate swaps are designated as hedges of floating rate loans: 3 month Euribor-linked loan with carrying value of EUR 225 million and 6 month Euribor-linked loan with carrying value of EUR 45 million. These hedges qualify for effective hedging requirements and changes in fair value are, according to company accounting principles, recognized in fair value reserve. The weighted average rate of the whole loan portfolio is decreased by 0.182 percentage point via interest rate swaps.

The duration of long term loans and derivative instruments hedging these loans was 1.39 years at the end of the review period (1.52 years on December 31, 2006). A change of one percentage point in the interest level would June 30, 2007 have affected the annual net financial expenses by EUR 3,2 million (EUR 4.1 million on Dec 31, 2006).

CHANGE IN CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS (EUR million)

	6/2007	6/2006	Change, %	12/2006
Collateral given for own commitments				
Corporate motrgages	29.3	29.3	0	29.3
Pledged shares	1.5	2.0	-25	1.5
Other commitments				
Repurhase commitments	231.8	286.0	-19	252.5
Operating leases	259.0	191.2	35	202.1
Rental quarantees for clients	8.6	2.3	*)	6.5
Other contingent liabilities	0.8	0.6	33	0.8
Liability under derivative contracts				
Value of underlying instruments				
Interest rate options, purhased	28.1	28.4	-1	28.4
Interest rate swaps	270.0	95.0	*)	145.0
Foreign currency forward contracts	181.9	64.9	*)	202.7
Market value				
Interest rate options, purhased	1.4	1.0	40	0.8
Interest rate swaps	3.8	0.5	*)	1.2
Foreign currency forward contracts	-1.0	-1.7	-41	1.7
Contingent assets				
Legal processes	11.1	11.1	0	11.1

*) Change over 100%.

TRANSACTIONS WITH ASSOCIATED COMPANIES (EUR million)

	1-6/2007	1-6/2006	Change, %	1-12/2006
Sales to associated companies	0.5	0.4	25	1.2
Purchases from associated companies	2.0	0.0	*)	0.4
Trade and other receivables	0.0	2.6	*)	2.6
Trade and other liabilities	0.5	0.1	*)	0.0

*) Change over 100%.