



YIT Corporation's Interim Report, January 1 – March 31, 2005

Transition to IFRS

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). YIT Corporation's IFRS comparative information for the 2004 financial year and a summary of the major changes were released as a stock exchange release on April 6, 2005. The IFRS opening balance sheet dated January 1, 2004, quarterly IFRS and FAS figures for 2004, notes to the income statement and balance sheet, and the accounting policy applied in the IFRS financial statements were provided as annexes to the release.

The Interim Report for January-March 2005 is drafted in accordance with IFRS recognition and measurement policies. The comparative figures for 2004 presented in the Interim Report are also in line with IFRS. Due to revisions to IFRS standards, the comparative figures presented in the Interim Report differ in some respects from the figures presented in the stock exchange release published on April 6.

The IFRS-based financial information may have to be adjusted before it is included as information on the comparative period in the Group's first IFRS financial statements, which will be drafted for the financial period ending on December 31, 2005. This is due to the revisions currently being made to IFRS norms.

Revenue on a par with Q1 2004

In the January-March period, the YIT Group's revenue declined slightly compared with the previous year and amounted to EUR 663.9 million (1-3/2004: EUR 669.9 million). Of the revenue, 47 per cent was generated by Building Systems, 40 per cent by Construction Services, 8 per cent by Services for Industry and 5 per cent by Data Network Services.

Revenue by segment (EUR million)

	1-3/2005	1-3/2004	Change, %
Building Systems	319.5	316.1	1%
Construction Services	272.0	288.3	-6%
Services for Industry	55.6	50.4	10%
Data Network Services	30.0	24.4	23%
Other items	-13.2	-9.3	42%
YIT Group, total	663.9	669.9	-1%

YIT's service chain spans the entire life cycle of investments. YIT employs a life cycle strategy to seek better competitiveness, business growth and a steadier flow of income. A share of the Group's revenue comes from its industrial, property, telecom network and traditional infrastructure maintenance and servicing business. During the review period, the share of revenue accounted for by the upkeep business was EUR 240.5 million (EUR 246.5 million), representing 36 per cent (37%) of total revenue.

The share of the Group's revenue accounted for by its international operations was EUR 272.5 million (EUR 264.5 million), or 41 per cent (39%). Of the revenue, 59 per cent came from Finland, 34 per cent from the other Nordic countries, 4 per cent from the Baltic countries and 2 per cent from Russia.

YIT's strategy is to bolster its construction services in the Baltic countries and Russia and, in addition to these services, strengthen its building system and data network services in all the Nordic countries.

Profit before taxes up 12 per cent

Operating profit grew by 7 per cent compared with the previous year and amounted to EUR 40.1 million (EUR 37.5 million). The operating profit margin was 6.0 (5.6%).

Operating profit by segment (EUR million)

	1-3/2005	1-3/2004	Change, %
Building Systems	8.2	4.5	82%
Construction Services	29.4	32.7	-10%
Services for Industry	1.5	0.1	*)
Data Network Services	4.8	1.3	*)
Other items	-3.8	-1.1	*)
YIT Group, total	40.1	37.5	7%

*) Change over 100 per cent

Profit before taxes grew by 12 per cent to EUR 37.5 million (EUR 33.4 million). Profit after taxes amounted to EUR 28.3 million (EUR 22.2 million). Return on investment at the end of the 12-month period ending at the conclusion of the review period was 19.7 per cent. During financial year 2004 the return of investment was 19.2 per cent.

Earnings per share rose to EUR 0.46 (EUR 0.36), up 28 per cent on the previous year. Equity per share was EUR 6.95 (EUR 5.96). The equity ratio was 30.1 per cent (26.7%).

Order backlog grew by one-fifth

The Group's market position is strong. The Group's uninvoiced backlog of orders was 20 per cent higher at the end of the review period than a year earlier, having risen to EUR 1,909.4 million (EUR 1,585.2 million). At the turn of the year, the backlog of orders was EUR 1,823.4 million. The Group's backlog for international orders increased to EUR 728.9 million (EUR 582.8 million), representing 38 per cent (37%) of the total backlog. The margin of the order backlog is good. Due to their nature, part of the Group's maintenance and servicing operations are not included in the order backlog. The backlog of Data Network Services is based on customers' volume forecasts.

Order backlog by segment (EUR million)

	3/2005	3/2004	Change, %
Building Systems	574.0	557.2	3%
Construction Services	1,131.0	842.6	34%
Services for Industry	151.1	76.0	99%
Data Network Services	83.3	109.4	-24%
Other items	-30.0	-	-
YIT Group, total	1,909.4	1 585,2	20%

The group's financial position remains good

The Group's financial position remained good during the review period. Interest-bearing liabilities amounted to EUR 407.3 million (EUR 434.7 million) at the end of the period and liquid assets amounted to EUR 39.2 million (EUR 55.5 million). Net debt amounted to EUR 368.1 million (EUR 379.1 million). At the end of the review period, the gearing ratio was 85.6 per cent (103.1%).

Financial income during the period amounted to EUR 0.3 million (EUR 0.4 million), exchange rate gains to EUR 1.5 million (EUR 0.2 million) and financial expenses to EUR 4.5 million (EUR 4.7 million). Net financial expenses were EUR 2.6 million (EUR 4.1 million), or 0.4 per cent (0.6%) of revenue.

The proportion of fixed-interest loans in the Group's entire loan portfolio was 49 per cent (36%). Loans raised directly on the capital and money markets amounted to 49 per cent (42%) of the loan portfolio.

The construction-stage contract receivables sold to financing companies totalled EUR 194.3 million (EUR 216.2 million) at the end of the period. Of this amount, EUR 119.8 million (EUR 122.4 million) is included in interest-bearing liabilities in the balance sheet and the remainder comprise off-balance sheet items as per IAS 39. The interest on sold receivables paid to financing companies,

EUR 1.3 million (EUR 1.5 million), is included in net financial expenses in its entirety.

Total assets in the consolidated balance sheet amounted to EUR 1,508.2 million (EUR 1,465.3 million) at the end of the period.

Capital expenditures and acquisitions

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 7.0 million (EUR 7.3 million) during the January-March period, representing 1.1 per cent (1.1%) of revenue. Investments in construction equipment amounted to EUR 4.5 million (EUR 1.4 million) and investments in information technology to EUR 0.7 million (EUR 1.3 million). Other production investments came in at EUR 0.5 million (EUR 0.8 million). Other investments amounted to EUR 1.3 million (EUR 3.8 million).

Changes in the group structure

YIT Construction Ltd's Estonian subsidiary AS FKSM was renamed during the review period. As from the beginning of March, the company's name is AS YIT Ehitus.

Number of employees 21,000

During the review period, the YIT Group employed 21,267 (21,625) people on average. At the end of the period, the Group had 21,096 employees (21,654). Of YIT's employees, 54 per cent work in Finland, 36 per cent in the other Nordic countries and 10 per cent in the Baltic countries and Russia.

Personnel by business segment, March 31, 2005

	No.	Share of the Group's employees
Building Systems	11,937	57%
Construction Services	4,698	22%
Services for Industry	2,785	13%
Data Network Services	1,381	7%
Corporate Services	295	1%
YIT Group, total	21,096	100%

Personnel by country, March 31, 2005

	No.	Share of the Group's employees
Finland	11,381	54%
Sweden	4,134	20%
Norway	2,432	11%
Denmark	1,108	5%
Baltic countries	1,205	6%
Russia	836	4%
YIT Group, total	21,096	100%

Resolutions passed at the Annual General Meeting

YIT Corporation's Annual General Meeting was held on March 16, 2005. The Annual General Meeting adopted the 2004 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. It was confirmed that a dividend of EUR 0.70 would be paid per share (EUR 0.60 for 2003), or a total of EUR 42.9 million (EUR 36.6 million). March 21, 2005, was set as the record date and March 30, 2005, as the payout date.

The Annual General Meeting confirmed that the number of Board members shall be set at five. The following persons were re-elected to seats on the company's Board of Directors: Ilkka Brotherus,

Eino Halonen, Reino Hanhinen, Antti Herlin and Teuvo Salminen. At its organization meeting on March 30, 2005, the Board of Directors elected Ilkka Brotherus as its chairman and Eino Halonen as its vice chairman.

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 unanimously decided to purchase a minimum of 200 to a maximum of 2,000,000 of the company's own shares with distributable shareholders' equity in accordance with the proposal by the Board of Directors. In addition, it authorized the Board of Directors to decide on the disposal of a maximum of 2,000,000 of the company's own shares which will be acquired for the company on the basis of the decision of the Annual General Meeting in such a manner and for such purposes as are meant in the proposal by the Board of Directors. The Board's proposal concerning share buyback and disposal was made public in a stock exchange release on February 15, 2005.

Share capital and shares

YIT Corporation's share capital was EUR 61,292,854 at the beginning of the review period and the number of shares outstanding was 61,292,854. The share capital was not raised during the review period.

Authorizations to increase the share capital

During the review period, no shares 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.

The company did not own any of its shares during the report period. The subsidiaries did not own shares in the parent company. YIT Corporation's Annual General Meeting held on March 16, 2005, decided to buy back YIT shares and authorize the Board of Directors to dispose of own shares as described above.

Market capitalization rises to EUR 1.3 billion

The average share price during the January-March period was EUR 20.89 (EUR 15.08), with a high of EUR 24.50 (EUR 17.53) and a low of EUR 17.90 (EUR 15.19). The closing rate was EUR 21.84 (EUR 15.40). During the comparative period, the nominal value of the share was changed from two euros to one euro (split) by a decision of the Annual General Meeting, thereby doubling the number of shares. The doubling of the number of shares was entered in the Trade Register on March 26, 2004, and public trading in the new shares began on the Helsinki Stock Exchange on March 29, 2004. The figures have been converted to correspond with the doubled number of shares.

Share turnover during the period amounted to EUR 241.5 million (EUR 166.0 million), with 11,556,662 (11,008,766) shares being traded. Market capitalization at the end of the period was EUR 1,338.6 million (EUR 940.1 million).

Number of private and international investors rises again

The number of registered shareholders was 7,456 (4,928) at the beginning of the review period and 7,864 (6,008) at its end. The number of private investors grew by slightly over 400 in the January-March period.

According to the nominee registers, 25.5 per cent of the shares (19.9%) were owned by foreigners at the beginning of the period and 27.1 per cent (20.7%) at the end. Other foreign ownership at the end of the review period amounted to 2.4 per cent

(2.2%); thus, a total of 29.5 per cent (22.9%) of the company's shares outstanding were owned by international investors.

Good market situation continues in Northern Europe

The Nordic countries are booming. Financial research institutions estimate that the national economies of the Nordic countries will develop at a stable rate of 2-3 per cent in 2005 and 2006, outpacing growth in the EU by about one percentage point. The current information indicates that rates in the euro area will remain at a relatively low level for a few more years, supporting investments and demand for housing. Housing sales can be expected to be as brisk as in the previous year. Growth in exports and industrial output increases the need for industrial investments and maintenance in the Nordic countries. Russia and Norway benefit from the high price of oil. The rate of growth in Russia, Estonia, Latvia and Lithuania is about twice as fast as in the Nordic countries.

Finland

In March 2005, the Research Institute of the Finnish Economy ETLA estimated that Finland's GDP will rise by 3 per cent this year and 3.2 per cent the next. In the five-year period from 2005-2009, the average rate of growth would be 2.9 per cent. According to ETLA, investment growth in Finland will amount to 4 per cent this year and 4.8 per cent the next. Average annual growth in investments in 2005-2009 will be 3.7 per cent. The industrial investment survey that was published in January indicates that the downturn in investments ended last year. During the present year, fixed investments by industry will increase by 5 per cent. According to ETLA, construction investments in the present year will continue at the same rate as in 2004, in other words by 2.7 per cent this year and 3.9 per cent the next. The market for industrial, property and

infrastructure maintenance will expand as the outsourcing trend progresses. The outsourcing of telecom operators' field functions is expected to continue in the future. Growth in the number of broadband connections is also on the rise.

According to the business cycle report published by the construction cycle group of the Ministry of Finance in January 2005, the volume of building construction will grow by 3-4 per cent this year. Demand for housing and business premises for commercial services will remain vigorous in Finland's growth centres. Industrial building start-ups swung to growth last year and office construction has begun to recover. Renovation will increase at an annual rate of 2-3.5 per cent during the present decade. The Research Institute of the Finnish Economy ETLA predicts that civil engineering will grow by 4.3 per cent in 2005. Total construction output will increase at an average annual rate of 2.5 per cent from 2005 to 2009, that is, faster than in the previous five-year period. 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).

Sweden

At the end of March, the Swedish National Institute of Economic Research KI estimated that Sweden's workday-adjusted GDP had grown by 2.9 per cent last year; the rising trend was driven by exports and KI forecast growth of 3.0 and 3.2 per cent for 2005 and 2006, respectively. Domestic consumption and rapidly rising investments are now the engines of growth. The consumption expenditure of households will grow by 2.6 per cent in 2005 and by 3.1 per cent in 2006. Investment growth is broad-based, covering industry, the service sector and housing investments. Fixed investments will grow by 7.6 per cent this year and by 6.7 per cent in 2006. Fixed investments by industry will

increase by 14.2 per cent this year and 9.9 per cent in 2006. The factors underlying growth are the high capacity utilization ratio, low interest rates and good profitability. According to the business cycle barometer published at the end of March, the business climate for industry levelled off in the first quarter. The industrial confidence indicator had declined and production plans suggested that growth would be more moderate than in January. However, the outlook for private service sectors had improved substantially. Investments by the service sector are also growing buoyantly during the present year and will continue to do so next year. Construction grew towards the end of the year and even more new orders are coming in. The number of employees has been increased and one half of construction companies expect that construction will grow during the year. Housing investments increased by 22 per cent last year; growth will continue at a rate of 9 and 3 per cent in 2005 and 2006, respectively. The construction of 27,400 new residential units was started up last year. The Swedish Construction Federation BI predicts that the number of start-ups will rise to 29,500 residential units this year. Other building construction will see a decrease during the present year. According to the business cycle report published in November by Installatörerna, the installation engineering employers' union of Sweden, growth in the field will amount to 3-4 per cent both this year and the next. Last December, Euroconstruct estimated that the value of new building construction will increase by 4.2, 7.7 and 2.4 per cent in 2005, 2006 and 2007. The corresponding growth forecasts for renovation are 3.1, 2.8 and 2.5 per cent.

Norway

The Norwegian economy is booming. According to Statistics Norway, the country's GDP grew by 3.5 per cent in 2004 due to strong household consumption and rising investments. The prices of residences increased by 10.5 per cent last year. Residential start-ups numbered 30,000, or 30 per cent more than in the previous year. Low interest rate levels, good trends in salaries and wages, and tax cuts will lead to greater domestic consumption during the present year and the next as well. Housing construction remains brisk. Investment growth will accelerate to 10.8 per cent, as investments by the oil sector in particular will rise vigorously this year. GDP in mainland Norway will grow by 3.8 per cent in 2005 and by 2.4 per cent next year. According to Statistics Norway, revenue from construction increased by 10.8 per cent last year, and revenue from electrical installation works was up 10.1 per cent. On the basis of the business cycle barometer released in the last quarter of the previous year, the production volume is expected to head upwards yet again in the first quarter of 2005. The fact that company managers intend to make more investments also suggests that the business climate outlook will remain positive in the longer term, too. The outlook for the forest, metal and chemical industries in particular has improved. Production volume and the capacity utilization ratio are seeing further growth and the increase in new orders in both the export and domestic markets leads to growth in order backlogs. Norwegian State Railways is starting up a ten-year railway investment programme valued at NOK 26.4 billion (USD 4.2 billion). Last December, Euroconstruct estimated that the construction of new buildings will see annual growth of only one per cent this year and the next, followed by a decline of 2.3 per cent in 2007. Renovation would grow by 3.5, 3.0 and 2.5 per cent in 2005, 2006 and 2007, respectively.

Denmark

The rapid growth of Denmark's GDP in the first half of last year slowed down in the third quarter and picked up again towards the end of the year; full-year growth amounted to 2.2 per cent. Consumption and investments continued to grow at a brisk rate, but slower exports and greater imports cut into production growth. Exports will continue to grow only at a moderate rate due to the slow recovery of Germany, an important export country for Denmark, and the stronger euro. In February, Nordea anticipated that GDP growth would amount to 2.5 and 1.9 per cent in 2005 and 2006, respectively. Household consumption and housing investments are also expected to increase briskly in 2005 and 2006 thanks to a positive incomes trend, stimulatory economic policy, low interest rates and housing loans with repayment-free periods. In February, the Danish Construction Association estimated that residential production has good growth potential in 2005 and 2006. Growth in demand has raised the prices of older flats by 11 per cent on average and that of single-family houses by 7.2 per cent. High prices also increase the profitability of repair works on the old housing stock. Danske Bank and Nordea estimate that housing prices will rise by 8-10 per cent this year. Work to repair the damage wreaked by the storm in early January increases the volume of construction and repair works, and thus the growth in repair works will rise to 6 per cent this year. The construction of business premises and industrial facilities also swung to growth last year. The Danish Construction Association anticipates that total construction output will increase by 4 per cent this year. Last December, Euroconstruct predicted that construction output will grow by 1.5 per cent in both 2005 and 2006 and by 3-4 per cent in 2007.

Baltic countries

Growth in investments and GDP in the Baltic countries significantly outpaces growth in the Nordic countries. Growth is expected to remain at a level of 5-8 per cent during the next few years. The growth of these economies is supported by the high educational level in the area and the EU membership of Estonia, Latvia and Lithuania. Last year, investment growth amounted to 21.5 per cent in Lithuania, 17.6 per cent in Latvia and 8 per cent in Estonia. According to Nordea's financial review in February, growth in investments will stabilize at around 10 per cent. In the next few years, the growth rate of construction investments will also be in the double digits. Economic growth and the greater affluence of the population have strengthened demand for new housing. Inflation in Estonia and Lithuania is 2-3 per cent, while in Latvia it is 4-5 per cent.

Russia

The high price of oil supports Russian economic growth. Nordea predicts that GDP will grow by 5.5 per cent this year and by 4.7 per cent the next. The inflation rate is levelling off, but is still around 10 per cent. According to the Federal State Statistics Service of Russia (Rosstat), investments rose by a further 10.9 per cent last year; however, growth has begun to slow down in spite of the high price of oil and the high capacity utilization ratio. In the first quarter of the present year, investments increased by 7.6 per cent, whereas the corresponding figure for the previous year was 13.1 per cent. Thanks to the good incomes trend, household consumption has become the primary engine of growth. Real wages and salaries rose by 12 per cent last year. 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 the January-March period, Building Systems' revenue remained at the previous year's level, and was EUR 319.5 million (EUR 316.1 million). The maintenance and servicing business accounted for 56 per cent of the revenue of the business segment. The breakdown of revenue by country was as follows: Sweden, 38 per cent, Finland, the Baltic countries and Russia, 30 per cent, Norway, 22 per cent, and Denmark, 10 per cent.

The business segment's operating profit grew substantially to EUR 8.2 million (EUR 4.5 million).

The order backlog at the end of the period was EUR 574.0 million (EUR 557.2 million). The breakdown of the backlog by country was: Sweden, 38 per cent, Finland (including the Baltic countries and Russia), 29 per cent, Norway, 14 per cent, and Denmark, 19 per cent. At the end of the period, the business segment had 11,937 employees (12,530). Of them, 4,123 worked in Sweden, 3,808 in Finland, 2,432 in Norway, 1,108 in Denmark and 466 in the Baltic countries and Russia.

Order backlogs of construction companies are on the rise in Sweden

YIT Sverige AB's revenue was EUR 121.4 million (EUR 112.5 million). The maintenance and servicing business accounted for 44 per cent of its revenue. The order backlog was EUR 168.1 million (EUR 176.3 million).

The order backlogs of construction companies saw further growth in the first months of the year. The favourable trends are expected to hold sway. During the review period, the growing order backlogs did not as yet lead to greater construction activity. Contract prices are expected to remain at their current level.

YIT made two nationwide maintenance agreements during the review period. The two-year agreement signed with Carlsberg Sverige AB comprises refrigeration-related installation and maintenance. The other agreement, made with Max Hamburgerrestauranger, includes the maintenance of the air-conditioning, refrigeration and heating of all the company's restaurants in Sweden.

In Kiiruna, LKAB continued its cooperation with YIT by ordering installation works for a water pumping station as well as piping. In the nuclear power industry, an order for the design and implementation of a new security system came in from Forsmarks Nuclear Group. This access control system will be implemented using YIT's OnGuard technology.

A property management agreement was made with Nordisk Renting in Stockholm. This agreement is the first order to be carried out under the previously signed framework agreement.

Good outlook for building equipment systems and servicing in Finland

YIT Kiinteistötekniikka Oy's revenue in Finland, the Baltic countries and Russia amounted to EUR 96.2 million (EUR 103.3 million). The share of revenue accounted for by the maintenance and servicing business was 64 per cent. The order backlog amounted to EUR 216.7 million (EUR 200.6 million).

The market for property maintenance and servicing continued to grow in the first quarter of the year due to the greater implementation of a wider range of technical systems as well as outsourcing. Housing renovation works also grew. Growth is expected in the construction of business premises, with particularly favourable development in both renovation and modernization works. It is believed that demand for the construction of commercial premises will decline, albeit remaining

good. Public construction is expected to remain at a moderate level in growth municipalities. The industrial markets are stimulated by the start-up of large-scale investments and the growth in the order backlog of the shipbuilding industry.

Construction remained highly active in the Russian and Baltic markets. This trend is expected to continue. Clients are increasingly interested in the energy conservation concept and life cycle model implementation. It is expected that there will be interest in Envac's waste collection system – which is based on new pneumatic technology – in the Moscow market.

In building equipment systems, an agreement was made on the design control and building equipment works of the City of Turku's Portsakoti service home. In the industrial sector, electrical installation works were started up as part of Neste Oil Oyj's Diesel project. In the shipbuilding industry, numerous electrification works were agreed for a luxury cruise ship to be built at Aker Finnyards' Turku shipyard. The company made an end-to-end service agreement covering Veritas Oy's locations in Helsinki and Tampere. A property management and service agreement was extended with Telia-Sonera Finland.

In Lithuania, an order for HEPAC and automation installation works was received for a spa that will be built in the City of Druskininkai and for the Babilonas shopping centre in Panevezys. Process electricity works will be delivered for the second stage of the glass wool factory built by Saint-Gobain Isover in Yegorievsk, Russia.

The Innopark business park in Hämeenlinna and the Intelligate office building will be implemented in cooperation with YIT Construction Services. Cooperation is under way at many residential sites in Finland and St Petersburg, and YIT Centres are implemented as joint projects all around Finland.

The development of life cycle responsibility models and related tools continued in association with customers. One example of the utilization of information and automation systems is the "e-manual", which makes it possible to keep track of water and energy consumption of residences in real-time over the Internet. In order to improve productivity, processes were standardized, outlays were made on achieving higher efficiency in procurements and logistics, and efforts were made to prune fixed expenses. Personnel training focused on supervisory skills and customer service.

Construction remains on a growth track in Norway

YIT Building Systems AS' revenue amounted to EUR 71.5 million (EUR 75.6 million). The share of revenue accounted for by the maintenance and servicing business was 76 per cent. The order backlog amounted to EUR 81.2 million (EUR 88.5 million).

Start-ups of both commercial premises and residences in Norway grew by about 40 per cent compared with the previous year. Residential construction in the municipalities surrounding Oslo has grown manifold. In the case of commercial premises, further growth is expected in both new construction and renovation. Construction of housing will continue to increase more buoyantly than that of commercial premises.

One of the major orders landed during the review period was a total solution for the building equipment systems of a new office block measuring 25,500 m² in Stavanger. The block, which has six storeys, a basement level and mechanical equipment rooms, and a parking facility, is owned by Seabrokers Eiendom AS and leased to Vetco Able. A total solution for building equipment systems will also be supplied to the SmartClub shopping centre in Oslo. The property is owned by CG Holding, with which YIT has made a framework

agreement. Building equipment systems are also being provided for the extension of the classy Dr. Holms Hotel mountain retreat. YIT will supply an Envac automated waste collection system to the AHUS hospital in the vicinity of Oslo.

The agreement with VanDerLande to maintain and operate luggage processing systems at Gardermoen Airport in Oslo continued.

Development cooperation with Carnegie Mellon University continued with a view to assessing opportunities for utilizing ventilation ducts in wireless communications.

Construction industry swings to growth in Denmark

YIT A/S' revenue amounted to EUR 31.0 million (EUR 25.5 million). The share of revenue accounted for by the maintenance and servicing business was 30 per cent. The order backlog amounted to EUR 108.0 million (EUR 91.8 million).

The outlook for the construction industry turned positive during the past few months. This trend is driven by residential construction, but growth is also expected in the construction of commercial and public premises and industrial facilities. The growth of the service sector leads to greater construction of commercial and business premises in spite of the high number of vacant premises. Those on the market for such premises prefer new buildings due to their flexible spatial solutions and modern building equipment systems. Demand for property maintenance continued to rise.

During the first months of the year, an order came in from Biogen Idec for the design and implementation of numerous technical systems at a pharmaceutical plant that will be built in Copenhagen. An electrical pole reconditioning project will be carried out for SEAS, the Danish energy company. YIT also received an order for a safety

technology project involving gas leaks, which will be delivered to the shipyard industry.

Broad-scale personnel development continued during the review period with a view to improving work satisfaction. Project management personnel were given training in project management and leadership. Business development zeroed in on the management of the entire value chain and solutions spanning numerous technical systems.

Construction Services

In the first quarter, Construction Services' revenue declined by 6 per cent compared with the previous year and amounted to EUR 272.0 million (EUR 288.3 million). The maintenance business accounted for 4 per cent and international operations for 14 per cent of revenue.

Operating profit was down on the previous year and amounted to EUR 29.4 million (EUR 32.7 million). The order backlog was over a one third higher than in the previous year, having risen to a record high of EUR 1,131.0 million (EUR 842.6 million). The business segment had 4,698 employees (4,693) at the end of the period.

In the first quarter, YIT directed its efforts at developing housing sales in Finland and enlarging developer-contracted residential construction in Russia and the Baltic countries. Demand for market-financed housing picked up the pace in Finland compared with the end of last year and remained good in the Moscow region, St Petersburg and the Baltic countries.

Brisk housing sales

Housing sales in Finland were as brisk in the first quarter as in the corresponding period of the previous year in both the Greater Helsinki Area and the other growth centres. In the January-March period, 689 (775) market-financed non-rental residential units were sold in Finland.

During the review period, the construction of 469 (1-3/2004: 504) residential units was started up, of which all 469 (437) were market-financed. At period's end, a total of 2,640 (3,237) residential units were under construction, of which 2,505 (3,006) were market-financed. In the first months of the year, 790 (652) market-financed residences were completed. There were 213 (122) completed unsold residences at the end of the period.

Helsingin Svingi, a top-notch market-financed housing site, was started up in Katajanokka, Helsinki. It will have 52 residential units. Sales of apartments in Helsingin Cirrus, the tallest block of flats in Finland, got under way and a third of them were sold in but a few weeks. The architectural competition for the development of the Merijalinranta area in Oulu was concluded during the review period. YIT acquired this area in 2004, at which point the zoning changes were started up. The plot is located close to the centre of town, on the banks of the Oulujoki river. High-calibre market-financed non-rental residences will be built on the plot.

Residential construction continues to grow in Russia and the Baltic countries

In international operations, growth in residential construction in Russia and the Baltic countries continued in line with the strategy. The construction of 446 (1,767) new residences was started up in Russia, Estonia, Latvia and Lithuania during the review period. At the end of the period, 4,216 (2,380) market-financed non-rental residential units were still under construction, while the number of residences completed was 410 (54). During the review period, 361 (229) residential units were sold in Russia and the Baltic countries. There were 32 (10) completed unsold residences at the end of March.

During the past 12 months, the selling prices of the residences built by YIT in the Russian and Baltic markets have averaged slightly under one-third of the prices of market-financed residences sold in Finland.

Market outlook remains good

It is estimated that the market outlook for developer-based residential construction will remain good in all of YIT's market areas. In Finland, the present year can be anticipated to be as brisk as the previous year. Housing prices are generally expected to rise significantly in Russia. In Finland, the outlook is bolstered by the population shift from one municipality to another, consumers' belief in the positive development of their own finances and the low interest rate level. Strong economic growth supports demand for new residences in Russia and the Baltic countries. YIT can meet housing demand thanks to its good plot reserves. New housing legislation has come into force in Russia. It is expected that over the long term it will impart stability to residential production and security to homebuyers.

The estimated number of market-financed residential start-ups in 2005 is about 2,500-3,000 in Finland (start-ups in 2004: 2,717 of which 2,515 were market-financed) and about 3,000 in Russia and the Baltic countries (3,873).

YIT's plot reserves, March 31, 2005

	Building rights and zoning potential, 1,000 m ² of floor area	Capital tied into plot reserves, EUR million
Finland		
Residential plots	1,383	163
Business premise plots	845	124
Total	2,228	287
Baltic countries and Russia		
Residential plots	480	30
Total	2,708	317

Logistics projects given the go-ahead in building construction

The high vacancy rate of business premises in Finland put the brakes on the start-up of new business premise projects. Demand remained reasonable in the case of commercial and logistics premises. Competition for new business premise construction and renovation contracts remained tight. Industrial construction projects are expected to recover as investments get under way.

In January, following the largest single property deal in YIT's history, the construction of the DHL Business Park logistics centre was started up. The centre is being built in Vantaa in the vicinity of the Helsinki-Vantaa Airport and has a pricetag of EUR 50 million. Its main tenant will be DHL and the premises are owned by Tapiola Mutual Pension Insurance Company and Tapiola General Mutual Insurance Company.

In Turku, YIT started up Turun Intelligate, a major business premises project being carried out on a developer-contracted basis, and in Espoo, the logistics hub project Koskelo Trade Park. The main tenant of Turun Intelligate will be the debt collection company Contant. The project investor is Tapiola. Koskelo Trade Park's main tenant will be Rautaruukki.

The most significant renovation site kicked off during the first months of the year was As Oy Ostostie, which is being implemented as a competitive contract for the Housing Production Department of the City of Helsinki.

Favourable development in the backlog of works in water supply and environmental construction

The backlog of works continued to develop favourably in water supply and environmental construction. In the January-March period, an agreement was made with the Kirishskaja Gres power plant in Russia to modernize its water treatment pro-

cess and facilities. In Estonia, the Kunda pulp mill process and wastewater treatment plant project was started up for Estonian Cell.

Good order backlog in infrastructure construction

Demand remained moderate in the market for civil engineering – infrastructure construction – in spite of the fact that delays with the financing decisions on the Council of State's route programme have pushed back numerous projects to the years ahead. The order backlog also remained good.

During the review period, YIT and the Finnish Road Enterprise submitted a bid to the Finnish Road Administration for the construction and maintenance of the Lohja-Muurila section of the E18 motorway under a life-cycle model. The winner of the competitive bidding will be decided in autumn 2005.

YIT won competitive bids for the construction of the Haarajoki and Mäntsälä station arrangements on the Kerava-Lahti railway line as well as basic improvements on Highway 4 close to the centre of the municipality of Ii. An agreement was made with Outokumpu Chrome Oy for tunnelling at the Kemi mine. A contract for the construction of a pier for timber at the Rauma mill came in from UPM. The extension of the parkade of the Jumbo shopping centre was started up in Vantaa.

Business development

The main thrust in business development was on achieving higher efficiency in cash flow management and keeping fixed costs under control. YIT sought to harness production control and an electronic customer feedback system to improve productivity and upgrade process efficiency. The development of procurements and the YIT Home customer process continued, as did the expansion of the YIT Home brand into residential construction in Russia and the Baltic countries. In the case of

personnel, the main focus was on the development of hiring and orientation processes and cooperation with educational institutions.

A partnership agreement was made with the VVO Group for the development of an industrial refurbishing concept. It is intended for blocks of flats built in the 1950-70s. This project is based on a modular approach and seeks to shorten lead times and lessen the inconvenience to residents and property owners.

Services for Industry

Services for Industry's revenue amounted to EUR 55.6 million (EUR 50.4 million). The maintenance business accounted for 62 per cent of revenue. The share of international operations was 11 per cent (7%) of total revenue.

Operating profit was EUR 1.5 million (EUR 0.1 million). The order backlog at the end of the period had nearly doubled compared with the figure a year earlier and was EUR 151.1 million (EUR 76.0 million). Installation works as part of Neste Oil Oyj's Diesel project in Porvoo comprise a significant share of the backlog. Of the backlog, EUR 13.1 (EUR 4.4 million) million represents international deliveries and projects. At the end of the period, the business segment had 2,785 employees (2,824).

Market situation improves as investments get under way

In the case of investments by industry, the market situation took a significant turn for the better during the past few months. Numerous large-scale investments were already ongoing in the January-March period, such as the construction of Finland's fifth nuclear power plant in Olkiluoto and the Diesel project of Neste Oil Oyj's refinery in Porvoo.

The market outlook is moderately positive for all of the product and service groups of YIT's Services for Industry. The order backlog of services

for the energy industry has grown steadily for several years now, rising to a record level during the quarter now ended. The Finnish marine industry has picked up thanks to the new orders landed by shipyards. The backlog of works in services for the process industry is also on the rise. Investments by the forest industry have increased substantially in both Finland and Sweden. In addition, extensive projects to modernize nuclear power plants have been decided upon in Sweden. Growth in demand for metal products has continued to increase prices, creating uncertainty in the market.

In March, all of YIT's engineering workshops operated at full capacity. The situation in installation works is expected to improve at the beginning of the second quarter. YIT's internal cooperation in services for industry was stepped up with the Building Systems business segment in both St Petersburg in Russia and Sweden.

Production in the first months of the year is primarily exported

During the review period, investments by the energy industry remained at a low ebb in Finland. The piping produced in the first quarter will mainly be exported. Soda recovery boiler piping will be delivered for Andritz in Portugal, boiler piping for Foster Wheeler in Germany and the Philippines, high-pressure turbine piping for Teollisuuden Voima's TVO1 and TVO2 nuclear power plants on behalf of Alstom Power Sweden Ab, and piping for a Freedom Class cruiser and the ship Tallink III on behalf of Aker Finnyards.

The bulk of the order backlog in tank production is also going for export. Process tanks will be delivered to Scotland to UPM's Caledonia mills and for Estonian Cell's Kunda CTMP in Estonia. In Finland, desalinated water storage tanks will be supplied for the third nuclear power plant in Olkiluoto on behalf of Siemens Ag.

A greater volume of small piping in particular has been supplied to the wood-processing industry. During the review period, an agreement on hydraulic piping deliveries was made with Metso for International Paper's two paper machines in Svetogorsk and the paper machine of UPM's Tervasaari mill.

The major installation projects in the energy industry are piping for a combined cycle gas power plant in Riga, Latvia, on behalf of Demag Delaval Industrial Turbomachinery Ab as well as mechanical and automation installation works as part of the Diesel project being started up in Porvoo. The largest installation sites in the wood-processing industry comprise piping deliveries for the deinking facility extension of UPM's Kaipola plants, for the CTMP plant of M-real's mills in Kaskinen and for the paper machine replacement at Stora Enso's Summa mills.

Steady demand in maintenance

During the first months of the year, industrial maintenance operations were at their ordinary seasonal level – in other words, business was sedate. The demand for outsourcing services was brisk.

As YIT has changed over to IFRS, the affiliate Oy Botnia Mill Service Ab will be consolidated into the YIT Group as a subsidiary as from the beginning of 2005. Botnia Mill Service took on total responsibility for the maintenance of Metsä-Botnia's pulp mill in Kemi at the beginning of the year, and 38 persons transferred into Botnia Mill Service's employ. A maintenance design agreement was made with M-real Tako Board, and as a result six designers transferred over to BMS.

During the review period, YIT made an agreement with Saint-Gobain Isover on the project to modernize the Yegorievsk glass wool factory as well as the maintenance of the factory in Russia. Five-year maintenance service agreements were made with both TVO's and Metsä-Botnia's mills in

Rauma. The partnership agreement for the maintenance of Shell's service stations was renewed during the period. Agreements with Stora Enso, UPM and Outokumpu's Tornio plant were also extended.

Data Network Services

Data Network Services' revenue in the January-March period amounted to EUR 30.0 million (EUR 24.4 million). About 87 per cent of revenue (77%) was based on long-term customer agreements and 13 per cent (23%) on project production. Operating profit was EUR 4.8 million (EUR 1.3 million). The order backlog at the end of the period – which is based on the volume forecasts of customers – amounted to EUR 83.3 million (EUR 109.4 million). At the end of the period, the business segment had 1,381 employees (1,335).

The first quarter of 2005 was an improvement on the previous year. Significant factors contributing to the improvement in earnings were the continuous development of production control and the upgrading of operational efficiency as well as good sales of broadband connections. The increase in the relative share of business accounted for by long-term customer agreements was due to the scarcity of fixed and mobile network investment projects.

Competition between operators continued to heat up in the telecom business. Competition subjects the field to heavy cost pressures. The market for installation services will continue to open up to external service providers as competition tightens.

The near-future trend in broadband connection deliveries is expected to be in line with the current situation. Demand for IT helpdesk services offered with broadband deliveries will develop favourably. Investments in the mobile network and demand for related installation and maintenance services will remain low due to the tough competition.

Broadband installation works continue apace

Operators sought to ensure that broadband connections are highly attractive to prospective new subscribers by offering free installation, low monthly charges and a greater range of service packages. Demand for additional services offered with broadband connections already saw growth during the review period.

The government's broadband strategy has served to promote growth in the number of connections. The objective is to break the milestone of 1,000,000 connections by the end of the present year. As 2004 drew to a close, there were 780,000 broadband connections in Finland, and thus it is likely that the government's target will be reached on schedule.

Market for installation services opening

The market for installation services continued to open up during the first months of the year. One example of the outsourcing trend is that Kuopion Puhelin Oy's (Kuopio Telephone Group) installation business was transferred to YIT as from the beginning of 2005. New customer agreements were signed with operators during the review period, expanding the customer base and increasing the work volume of YIT's installation services.

The outsourcing of installation works is expected to continue to develop favourably. The grace periods of prior outsourcing arrangements have either ended or are about to end, creating new opportunities for YIT.

Investments in the 3G network remain slight

Investments in the mobile network and demand for installation services remained at a low ebb during the review period. Investments in 3G – a third-generation technology that enables faster data transfer – are expected to be realized as network evolution occurring in step with new service development and the resulting need for

greater network capacity. However, if tie-in deals for 3G phones and subscriptions are permitted, this would not have an immediate effect on network construction and maintenance.

Developing service processes and products

Development efforts in Data Network Services focused on creating new technical service packages in association with the customers as well as boosting efficiency in production control and operations. The modernization of the IT platform used in production control and logistics progressed in line with plans. Cooperation with educational institutions continued with a view to ensuring that enough labour will be available in the future.

Events after the end of the review period

The Series D share options issued in 2002 were made available for trading on the Main List of the Helsinki Stock Exchange as from April 1, 2005.

At its meeting on April 11, 2005, YIT Corporation's Board of Directors decided to appoint Hannu Leinonen, M.Sc. (C.E.), as YIT Corporation's Group CEO and Sakari Toikkanen, Lic. (Tech.), as executive vice president and the deputy to the Group CEO. Leinonen is the current managing director of YIT Primatel Ltd and Toikkanen the current executive vice president of YIT Building Systems Oy. The new executives will assume their positions on January 1, 2006, when current Group CEO Reino Hanhinen retires. As of the beginning of 2006, Hanhinen will become the chairman of YIT's Board of Directors. The current chairman of the Board, Ilkka Brotherus, will assume the vice chairmanship of the Board. Esko Mäkelä will continue to serve as executive vice president until December 31, 2006, with responsibility for investor relations.

On April 27, 2005, YIT Construction Ltd signed an agreement to found ZAO YIT Citystroj in Moscow. The company's field of business is

the developer contracting of housing in the City of Moscow. YIT's holding in the new company is 65 per cent, and that of Russian private shareholders is 35 per cent.

Outlook for 2005

We estimate that the pre-tax result for 2005 will be significantly better than in the previous year.

Helsinki, May 3, 2005

Board of Directors

Consolidated Financial Statements, March 31, 2005

(Unaudited)

Adoption of IAS/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). YIT Corporation's IFRS comparative information for the 2004 financial year and a summary of the major changes were released as a stock exchange release on April 6, 2005. The IFRS opening balance sheet dated January 1, 2004, quarterly IFRS and FAS figures for 2004, notes to the income statement and balance sheet, and the accounting policy applied in the IFRS financial statements were provided as annexes to the release.

The Interim Report for January-March 2005 is drafted in accordance with IFRS recognition and measurement policies. The comparative figures for 2004 presented in the Interim Report are also in line with IFRS. Due to revisions to IFRS standards, the comparative figures presented in the Interim Report differ in some respects from the figures presented in the stock exchange bulletin published on April 6.

The IFRS-based financial information may have to be adjusted before it is included as information on the comparative period in the Group's first IFRS financial statements, which will be drafted for the financial period ending on December 31, 2005. This is due to the revisions currently being made to IFRS norms.

CONSOLIDATED INCOME STATEMENT (EUR million)

	IFRS Jan-Mar/ 2005	IFRS Jan-Mar/ 2004	Change,%	IFRS Jan-Dec/ 2004
Revenue	663.9	669.9	-1	2,780.1
- of which international activities	272.5	264.5	3	1,183.2
Operating income and expenses	-618.4	-626.0	-1	-2,600.7
Depreciation and write-downs	-5.4	-6.4	-16	-22.3
Operating profit	40.1	37.5	7	157.1
% of revenue	6.0	5.6	-	5.7
Financial income	0.3	0.4	-25	2.1
Exchange rate differences	1.5	0.2	*)	-1.1
Financial expenses	-4.5	-4.7	-4	-18.1
Profit before taxes	37.5	33.4	12	140.0
% of revenue	5.6	5.0	-	5.0
Income taxes	-9.2	-11.2	-18	-39.5
Profit for the report period 1)	28.3	22.2	27	100.5
% of revenue	4.3	3.3	-	3.6
Attributable to				
Equity holders of the parent company	28.2	22.1	28	99.1
Minority interests	0.1	0.1	-	1.4
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, EUR	0.46	0.36	28	1.62
Diluted earnings per share, EUR	0.45	0.36	25	1.60

*) Change over 100 %

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.

After the changeover to IAS, partial credits to account have been carried out using the principle of degree of completion multiplied by degree of sale.

CONSOLIDATED INCOME STATEMENT (the first quarter of 2005 compared with the last quarter of 2004, EUR million)

	IFRS Jan-Mar/ 2005	IFRS Oct-Dec/ 2004	IFRS Change, %
Revenue	663.9	722.1	-8
- of which international activities	272.5	325.1	-16
Operating income and expenses	-618.4	-681.4	-9
Depreciation and write-downs	-5.4	-6.4	-16
Operating profit	40.1	34.3	19
% of revenue	6.0	4.8	-
Financial income	0.3	1.0	-70
Exchange rate differences	1.5	-1.0	*)
Financial expenses	-4.5	-4.6	-
Profit before taxes	37.5	29.7	26
% of revenue	5.6	4.1	-
Income taxes	-9.2	-7.1	30
Profit for the report period 1)	28.3	22.6	25
% of revenue	4.3	3.1	-
Attributable to			
Equity holders of the parent company	28.2	22.2	29
Minority interests	0.1	0.4	-75
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.46	0.36	28
Diluted earnings per share, EUR	0.45	0.35	28

*) Change over 100 %

CONSOLIDATED BALANCE SHEET (EUR million)

	IFRS Mar 31, 2005	IFRS Mar 31, 2004	Change,%	IFRS Dec 31, 2004
ASSETS				
Non-current assets				
Property, plant and equipment	77.9	103.6	-25	81.0
Goodwill	248.9	242.4	3	248.8
Other intangible assets	12.6	12.7	-1	13.1
Investments	4.1	3.9	5	4.1
Receivables	8.5	6.8	25	7.8
Deferred tax assets	24.4	23.4	4	26.1
Current assets				
Inventories	634.4	534.4	19	629.3
Trade and other receivables	458.1	482.5	-5	469.9
Investments	0.1	-	-	-
Cash and cash equivalents	39.2	55.6	-29	36.1
Total assets	1,508.2	1,465.3	3	1,516.2
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	61.3	61.0	-	61.3
Other equity	364.8	302.6	21	380.0
Minority interests	4.0	4.0	-	4.1
Total equity	430.1	367.6	17	445.4
Non-current liabilities				
Deferred tax liabilities	21.1	12.2	73	19.9
Pension liabilities	10.0	5.5	82	9.8
Provisions	23.6	22.9	3	26.5
Interest-bearing liabilities	220.6	265.5	-17	224.0
Other liabilities	4.3	3.1	39	3.7
Current liabilities				
Trade and other payables	587.8	598.0	-2	601.9
Provisions	24.0	21.3	13	23.6
Interest-bearing current liabilities	186.7	169.2	10	161.4
Total equity and liabilities	1,508.2	1,465.3	3	1,516.2

RECONCILIATION OF PROFIT FOR THE PERIOD (EUR million)

	Jan-Mar/2004	Jan-Dec/2004
Profit for the period according to FAS	16.4	84.0
IFRS adjustments		
Minority interests	0.1	1.4
Recognition of revenue by reference to the stage of completion (IAS 11)	1.3	-2.9
Deferred taxes (IAS 12)	-3.4	-6.4
Provisions (IAS 37)	-0.3	-6.8
Goodwill amortization (IAS 38)	7.3	30.4
Other items 2)	0.8	0.8
Total IFRS adjustments	5.8	16.5
Profit for the period according to IFRS	22.2	100.5

2) Other items affecting the determination of net profit include finance leasing, options and affiliates that become subsidiaries.

RECONCILIATION OF SHAREHOLDERS' EQUITY (EUR million)

	Mar 31, 2004	Dec 31, 2004
Shareholders' equity according to FAS	388.2	457.2
IFRS adjustments		
Minority interests	4.0	4.1
Recognition of revenue by reference to the stage of completion (IAS 11)	-13.6	-17.8
Deferred taxes (IAS 12)	10.1	7.1
Provisions (IAS 37)	-27.3	-33.8
Goodwill amortization (IAS 38)	2.5	25.6
Other items 3)	3.7	3.0
Total IFRS adjustments	-20.6	-11.8
Shareholders' equity according to IFRS	367.6	445.4

3) Other items affecting the determination of shareholders' equity include finance leasing, options and pension liabilities.

EFFECTS OF IAS 32 AND IAS 39 ADJUSTMENTS (EUR million)

IAS 32 and 39 have been adopted as from January 1, 2005.

Shareholders' equity according to IFRS on Dec 31, 2004	445.4
Effects of the transition to IAS 32 and 39	
Measurement of loans (IAS 39)	-0.7
Total adjustments	-0.7
Shareholders' equity on Jan 1, 2005	444.7
Dividends paid	-42.9
Result for the period	28.3
Shareholders' equity on March 31, 2005	430.1

The accounting policy applied in the YIT Group's IFRS financial statements for 2004 and 2005 were presented in a stock exchange bulletin published on April 6, 2005.

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	IFRS Jan-Mar/ 2005	IFRS Jan-Mar/ 2004	Change,%	IFRS Jan-Dec/ 2004
Cash flows from operating activities				
Profit for the report period	28.3	22.2	28	100.5
Reversal of accrual-based items	17.4	20.8	-16	77.8
Change in working capital	-0.8	9.0	*)	-57.6
Interest paid	-9.0	-4.4	*)	-20.6
Interest received	2.4	1.2	*)	1.1
Taxes paid	-8.4	-6.6	27	-32.5
Net cash used in operating activities 4)	29.9	42.2	-29	68.7
Cash flows from investing activities				
Purchases of property, plant and equipment	-6.6	-5.5	19	-27.4
Purchases of intangible assets	-0.6	-0.9	-33	-3.5
Proceeds from disposal of property, plant and equipment	1.1	4.1	-73	6.3
Proceeds from disposal of intangible assets	-	0.8	*)	0.2
Effects of the changes in exchange rates	-0.1	0.2	-	-1.6
Net cash used in investing activities	-6.2	-1.7	*)	-26.0
Cash flows from financing activities				
Proceeds from issue of share capital	-	-	-	1.6
Decrease in loans receivable	-	1.8	*)	2.2
Proceeds from borrowings	27.8	36.3	-23	37.9
Repayment of borrowings	-2.9	-45.9	-94	-68.7
Payment of financial leasing debts	-2.6	-2.0	30	-4.3
Dividends paid	-42.9	-36.6	17	-36.8
Net cash used in financing activities 4)	-20.6	-46.4	-56	-68.1
Changes in cash and cash equivalents	3.1	-5.9	*)	-25.4
Cash and cash equivalents at beginning of period	36.1	61.5	-41	61.5
Cash and cash equivalents at end of period	39.2	55.6	-29	36.1

*) Change over 100%

4) The change in the treatment of balance sheet items in developer contracting affects the classification of the cash flow statement compared with FAS.

KEY FIGURES

	IFRS Mar/2005	IFRS Mar/2004	Change, %	IFRS Dec/2004
Earnings per share, EUR *)	0.46	0.36	28	1.62
Diluted earnings per share, EUR *)	0.45	0.36	25	1.60
Equity per share, EUR *)	6.95	5.96	17	7.20
Average share price during the period, EUR *)	20.89	15.08	39	15.92
Share price at end of period, EUR *)	21.84	15.40	42	18.36
Market capitalization at end of period, EUR million *)	1,338.6	940.1	42	1,125.3
Weighted average share-issue adjusted number of shares outstanding, thousands *)	61,293	61,047	-	61,123
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted *)	62,171	61,627	-	61,823
Share-issue adjusted number of shares outstanding at end of period, thousands *)	61,293	61,047	-	61,293
Net interest-bearing debt at end of period, EUR million	368.1	379.1	-3	349.3
Return on investment, % 5)	19.7	-		19.2
Equity ratio, %	30.1	26.7		31.0
Gearing ratio, %	85.6	103.1		78.4
Gross capital expenditures on non-current assets, EUR million	7.0	7.3	-4	35.6
-% of revenue	1.1	1.1	-	1.3
Order backlog at end of period, EUR million 6)	1,909.4	1,585.2	20	1,823.4
- of which international orders	728.9	582.8	25	645.0
Average personnel	21,267	21,625	-2	21,884

*) YIT's number of shares doubled in March 2004, when the split of the nominal value of shares came into effect. The key figures concerning share value in the January-March period of 2004 have been adjusted for comparability.

5) Calculated for the period from April 1, 2004 – March 31, 2005, using the balance sheet figures at March 31, 2004, and March 31, 2005. No comparative figure for 2004 is available.

6) Portion of binding orders not recognized as income.

CONTINGENT LIABILITIES (EUR million)

	IFRS Mar/2005	IFRS Mar/2004	Change, %	IFRS Dec/2004
Repurchase commitments	167.8	179.0	-6	174.5

COMMITMENTS (EUR million)

	IFRS Mar/2005	IFRS Mar/2004	Change, %	IFRS Dec/2004
Collateral given for own commitments				
- Corporate mortgages	29.3	29.3	-	29.3
- Securities pledged	-	0.2	-	-
Other commitments				
- Guarantees on behalf of others	1.6	2.1	-24	2.5
-- Leasing commitments	32.7	49.6	-34	40.2
-- Other commitments	0.6	0.5	20	0.6
Liability under derivative contracts 7)				
- Value of underlying instruments				
-- Interest rate swaps	70.0	20.0	*)	70.0
-- Foreign currency forward contracts	82.3	21.4	*)	56.7
- Market value				
-- Interest rate swaps	69.4	19.4	*)	69.2
-- Foreign currency forward contracts	81.6	19.8	*)	54.4

*) Change over 100%

7) Derivative contracts have been taken out mainly to hedge foreign currency loans and foreign currency cash flows from projects.

REVENUE BY BUSINESS SEGMENT (EUR million)

	IFRS Jan-Mar/ 2005	IFRS Jan-Mar/ 2004	Change, %	IFRS Jan-Dec/ 2004
Building Systems	319.5	316.1	1	1,321.2
Construction Services	272.0	288.3	-6	1,147.2
Services for Industry	55.6	50.4	10	232.1
Data Network Services	30.0	24.4	23	127.0
Other items	-13.2	-9.3	42	-47.4
YIT Group, total	663.9	669.9	-1	2,780.1

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

	IFRS Jan-Mar/ 2005	IFRS Jan-Mar/ 2004	Change, %	IFRS Jan-Dec/ 2004
Building Systems	8.2	4.5	82	34.1
Construction Services	29.4	32.7	-10	101.9
Services for Industry	1.5	0.1	*)	6.9
Data Network Services	4.8	1.3	*)	20.7
Other items	-3.8	-1.1	*)	-6.5
YIT Group, total	40.1	37.5	7	157.1

*) Change over 100%

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

	IFRS Mar/2005	IFRS Mar/2004	Change, %	IFRS Dec/2004
Building Systems	574.0	557.2	3	557.8
Construction Services	1,131.0	842.6	34	1,066.4
Services for Industry	151.1	76.0	99	116.5
Data Network Services *)	83.3	109.4	-24	82.7
Other items	-30.0	-	-	-
YIT Group, total	1,909.4	1,585.2	20	1,823.4

*) Based on customers' forecasts.

QUARTERLY FIGURES, Q1/2004-Q1/2005

	IFRS Q1/ 2004	IFRS Q2/ 2004	IFRS Q3/ 2004	IFRS Q4/ 2004	IFRS Q1/ 2005
Revenue, MEUR	669.9	729.2	658.9	722.1	663.9
Operating profit, MEUR	37.5	37.9	47.4	34.3	40.1
- % of revenue	5.6	5.2	7.2	4.8	6.0
Financial income, MEUR	0.7	0.8	0.4	2.0	7.5
Financial expenses, MEUR	-4.8	-4.9	-4.7	-6.5	-10.1
Profit before taxes, MEUR	33.4	33.8	43.1	29.7	37.5
- % of revenue	5.0	4.6	6.5	4.1	5.6
Balance sheet total, MEUR	1,465.3	1,506.1	1,514.0	1,516.2	1,508.2
Earnings per share, EUR *)	0.36	0.36	0.54	0.36	0.46
Equity per share, EUR *)	5.96	6.32	6.85	7.20	6.95
Share price at end of period, EUR *)	15.40	16.74	15.85	18.36	21.84
Market capitalization at end of period, EUR million	940.1	1,023.8	969.7	1,125.3	1,338.6
Return on investment, from the last 12 months, %	1)	1)	1)	19.2	19.7
Equity ratio, %	26.7	27.6	30.2	31.0	30.1
Net interest-bearing debt at end of period, MEUR	379.1	397.4	370.0	349.3	368.1
Gearing ratio, %	103.1	101.7	87.5	78.4	85.6
Gross capital expenditures, EUR million	7.3	19.0	24.3	35.6	7.0
Order backlog at end of period, MEUR	1,585.2	1,722.2	1,708.2	1,823.4	1,909.4
Personnel at end of period	21,654	21,952	22,013	21,680	21,096

*) YIT's number of shares doubled in March 2004, when the split of the nominal value of shares came into effect. The key figures concerning share value in Q1/2004 have been adjusted for comparability.

1) Comparative IFRS information is not available.

REVENUE BY BUSINESS SEGMENT (EUR million)

	IFRS Q1/ 2004	IFRS Q2/ 2004	IFRS Q3/ 2004	IFRS Q4/ 2004	IFRS Q1/ 2005
Building Systems	316.1	335.7	310.9	358.5	319.5
Construction Services	288.3	315.5	266.0	277.4	272.0
Services for Industry	50.4	59.4	57.9	64.4	55.6
Data Network Services	24.4	30.8	35.2	36.6	30.0
Other items	-9.3	-12.2	-11.1	-14.8	-13.2
YIT Group, total	669.9	729.2	658.9	722.1	663.9

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

	IFRS Q1/ 2004	IFRS Q2/ 2004	IFRS Q3/ 2004	IFRS Q4/ 2004	IFRS Q1/ 2005
Building Systems	4.5	7.4	8.5	13.7	8.2
Construction Services	32.7	25.4	27.9	15.9	29.4
Services for Industry	0.1	2.7	3.1	1.0	1.5
Data Network Services	1.3	3.8	8.9	6.7	4.8
Other items	-1.1	-1.4	-1.0	-3.0	-3.8
YIT Group, total	37.5	37.9	47.4	34.3	40.1

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

	IFRS Q1/ 2004	IFRS Q2/ 2004	IFRS Q3/ 2004	IFRS Q4/ 2004	IFRS Q1/ 2005
Building Systems	557.2	566.5	564.6	557.8	574.0
Construction Services	842.6	963.0	940.0	1,066.4	1,131.0
Services for Industry	76.0	73.5	115.5	116.5	151.1
Data Network Services *)	109.4	119.2	88.1	82.7	83.3
Other items	-	-	-	-	-30.0
YIT Group, total	1,585.2	1,722.2	1,708.2	1,823.4	1,909.4

*) Based on customers' forecasts.

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