



YIT Corporation's Interim Report, January 1 – June 30, 2005

New business segment structure as from June 1, 2005

YIT's business segment structure was firming up on June 1, 2005, by merging Services for Industry and Data Network Services to form a single business segment: Industrial and Network Services. YIT's business operations are now divided into three business segments: Building Systems, Construction Services and Industrial and Network Services. In addition, the industrial electricity, automation and HEPAC businesses of YIT Kiinteistötekniikka Oy will be transferred into the Industrial and Network Services business segment at the beginning of 2006.

The Industrial and Network Services business segment's comparative figures for 2004 presented in the Interim Report have been calculated by combining the financial figures of the Services for Industry and Data Network Services business segments.

IFRS

YIT changed over to IFRS (International Financial Reporting Standards) on January 1, 2005. The Interim Reports for 2005 are drafted in accordance with IFRS recognition and measurement policies. The comparative figures for 2004 presented in the Interim Reports are also in line with IFRS.

Revenue holds steady

In the January-June period, the YIT Group's revenue remained on a par with the previous year and amounted to EUR 1,409.0 million (1-6/2004: EUR 1,399.1 million). Of the revenue, 46 per cent was generated by Building Systems, 41 per cent by Construction Services and 13 per cent by Industrial and Network Services.

Revenue by segment (EUR million)

	1-6/2005	1-6/2004	Change, %
Building Systems	667.5	651.8	2
Construction Services	585.8	603.8	-3
Industrial and Network Services	186.3	165.0	13
Other items	-30.6	-21.5	42
YIT Group, total	1,409.0	1,399.1	1

YIT's service chain spans the entire life cycle of investments. YIT follows a life cycle strategy to seek better service capabilities, business growth and a steadier flow of income. Part of the Group's revenue comes from its industrial, property, telecom network and traditional infrastructure maintenance and servicing business. During the review period, the revenue generated by the upkeep business was EUR 532.5 million (EUR 498.3 million), representing 38 per cent (36%) of total revenue.

Of the revenue, 58 per cent came from Finland, 33 per cent from the other Nordic countries, 5 per cent from the Baltic countries and 3 per cent from Russia.

YIT's strategy is to bolster its construction services in the Baltic countries and Russia, building system services in the Nordic and Baltic countries as well as industrial and data network services in its entire market area.

Profit before taxes rises by one-third

All the business segments improved their operating profit and profitability. Operating profit grew by 27 per cent on the previous year and was EUR 95.5 million (EUR 75.4 million). The operating profit margin was 6.8 per cent (5.4%).

Operating profit by segment (EUR million)

	1-6/2005	1-6/2004	Change, %
Building Systems	22.5	11.9	89
Construction Services	63.3	58.1	9
Industrial and Network Services	15.6	8.0	95
Other items	-5.9	-2.6	*)
YIT Group, total	95.5	75.4	27

*) Change over 100 per cent

Profit before taxes grew by 34 per cent to EUR 90.0 million (EUR 67.2 million). Profit after taxes amounted to EUR 66.8 million (EUR 44.8 million). Return on investment at the end of the 12-month period ending at the conclusion of the review period was 21.8 per cent. During the 2004 financial year, return on investment was 19.2 per cent.

Earnings per share amounted to EUR 1.09 (EUR 0.72), up 51 per cent on the previous year. Equity per share was EUR 7.53 (EUR 6.32). The equity ratio was 31.8 per cent (27.6%). The gearing ratio was 66.6 per cent (101.7%).

Growth in the order backlog

The Group's market position is strong. The unvoiced backlog of orders was 16 per cent higher at the end of the review period than a year earlier, having risen to EUR 1,999.2 million (EUR 1,722.2 million). At the end of March, the order backlog stood at EUR 1,909.4 million. 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.

Order backlog by segment (EUR million)

	6/2005	6/2004	Change, %
Building Systems	602.6	566.5	6
Construction Services	1,263.3	963.0	31
Industrial and Network Services	187.3	192.7	-3
Other items	-54.0	-	-
YIT Group, total	1,999.2	1,722.2	16

The Group's financial position remains good

The Group's financial position remained good during the review period. Interest-bearing liabilities amounted to EUR 349.0 million (EUR 435.4 million) at the end of the period and liquid assets to EUR 35.4 million (EUR 38.0 million). Net debt was EUR 313.6 million (EUR 397.4 million). At the end of the review period, the gearing ratio was 66.6 per cent (101.7%).

Financial income during the period amounted to EUR 1.0 million (EUR 0.9 million), exchange rate gains to EUR 2.1 million (EUR 0.5 million) and financial expenses to EUR 8.6 million (EUR 9.6 million). Net financial expenses were EUR 5.5 million (EUR 8.2 million), or 0.4 per cent (0.6%) of revenue.

The proportion of fixed-interest loans in the Group's entire loan portfolio was 57 per cent (36%). Loans raised directly on the capital and money markets represented 45 per cent (43%) of the loan portfolio.

The construction-stage contract receivables sold to financing companies totalled EUR 156.8 million (EUR 212.3 million) at the end of the period. Of this amount, EUR 74.6 million (EUR 109.9 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 2.6 million (EUR 2.9 million), is included in net financial expenses in its entirety.

Participations in the housing corporation loans of unsold completed residences, EUR 32.0 million (EUR 7.9 million), are also included in interest-bearing liabilities, but the interest on them is booked in project expenses, as said interest is included in housing corporation maintenance charges. Interest-bearing liabilities included EUR 6.6 million in leasing commitments (EUR 36.6 million).

Total assets in the consolidated balance sheet amounted to EUR 1,612.2 million (EUR 1,506.1 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 14.1 million (EUR 19.0 million) during the January-June period, representing 1.0 per cent (1.4%) of revenue. Investments in construction equipment amounted to EUR 7.3 million (EUR 3.1 million) and investments in information technology to EUR 1.5 million (EUR 2.9 million). Other production investments came in at EUR 1.1 million (EUR 1.4 million). Other investments amounted to EUR 4.2 million (EUR 11.6 million).

Changes in the group structure and management

In April, YIT Construction Ltd signed an agreement to found ZAO YIT Citystroi in Moscow. This joint venture'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.

At its meeting on April 11, 2005, YIT Corporation's Board of Directors decided to appoint YIT Primatel Ltd's Managing Director Hannu Leinonen, M.Sc. (C.E.), as YIT Corporation's Group CEO and YIT Building Systems Oy's Executive Vice President Sakari Toikkanen, Lic. (Tech.), as executive

vice president and the deputy to the Group CEO. 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 senior vice president until December 31, 2006, with responsibility for investor relations.

YIT's business segment structure was firmed up on June 1, 2005, by merging Services for Industry and Data Network Services to form a single business segment: Industrial and Network Services. Pekka Frantti, M.Sc. (Eng.), division director at YIT Kiinteistötekniikka Oy, was appointed as the president of the new business segment. In addition, the industrial electricity, automation and HEPAC businesses of YIT Kiinteistötekniikka Oy will be transferred into the Industrial and Network Services business segment at the beginning of 2006.

Number of employees: 21,000

During the review period, the YIT Group employed 21,153 (21,700) people on average. At the end of the period, the Group had 21,297 employees (21,952). Of YIT's employees, 55 per cent work in Finland, 35 per cent in the other Nordic countries and 10 per cent in the Baltic countries and Russia.

Personnel by business segment, June 30, 2005

	No.	Share of the Group's employees
Building Systems	11,774	55%
Construction Services	4,923	23%
Industrial and Network Services	4,284	20%
Corporate Services	316	2%
YIT Group, total	21,297	100%

Personnel by country, June 30, 2005

	No.	Share of the Group's employees
Finland	11,625	55%
Sweden	4,114	19%
Norway	2,433	11%
Denmark	1,028	5%
Baltic countries	1,380	7%
Russia	717	3%
YIT Group, total	21,297	100%

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. Due to the subscription of shares on the basis of Series C and D share options from 2002, the share capital increased by EUR 380,706 on May 6, 2005, and by EUR 325,538 on June 27, 2005. At the end of the period, the share capital was EUR 61,999,098 and the number of shares was 61,999,098.

During the review period, 274,570 Series C share options were traded at an average price of EUR 31.62/option and 266,316 Series D share options at an average price of EUR 36.60/option.

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.

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 a minimum of 200 to a maximum of 2,000,000 of the company's own shares and authorized the Board of Directors to decide on the disposal of these shares.

Market capitalization sees growth of 67 per cent in a year

The average share price during the January-June period was EUR 23.60 (EUR 15.68), with a high of EUR 28.69 (EUR 17.53) and a low of EUR 17.90 (EUR 13.51). The closing rate was EUR 27.60 (EUR 16.74).

Share turnover during the period amounted to EUR 689.3 million (EUR 356.6 million), with 29,209,949 (22,740,475) shares being traded. Market capitalization at the end of the period was EUR 1,711.2 million (EUR 1,023.8 million).

YIT was placed in the Dow Jones STOXX 600 index on May 17, 2005, when the index selection criteria were reviewed. The company was added to the index and its market indices as from June 20, 2005.

A third of the shares in international ownership

The number of registered shareholders was 7,456 (4,928) at the beginning of the review period and 8,304 (6,613) at its end. The number of private investors grew by slightly over 800 in the January-June 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 31.6 per cent (24.3%) at the end. Other foreign ownership at the end of the review period amounted to 2.2 per cent (1.5%); thus, a total of 33.8 per cent (25.8%) of the company's shares outstanding were owned by international investors.

Monitoring and anticipating the market situation

Slightly under 90 per cent of YIT's revenue is generated by the Construction Services and Building Systems business segments. Variations in the total demand for the services of these business segments are due largely to cyclical fluctuations in construction investments and the market for property repairs and maintenance. Industrial and Network Services' market situation in turn hinges on the investment cycles of industry and data network operators as well as the rate at which maintenance, servicing and installation operations are outsourced. Over the longer term, the structure of demand will be increasingly weighted in favour of labour-intensive servicing, repair and modernization works due the ageing property and capital stock and the greater complexity of new technical systems. So as to be able to react to changes in good time, YIT monitors and anticipates the trend in both the market structure and cyclical variations.

Market situation remains good in Northern Europe

The Nordic countries are still booming. Financial research institutions estimate that the national economies of the Nordic countries will develop at a stable rate of about 2-3 per cent in 2005-2007, outpacing growth in the EU by approximately one percentage point. The good trend in incomes and the improving employment situation support household consumption. The current information indicates that interest rates in the euro zone will remain at a relatively low level during the forecast period, maintaining investments and demand for housing. The Nordic construction market represents 7.5 per cent of the Western European construction market. The Nordic construction market will grow by 3.5 per cent during the present year. In 2006 and 2007, growth will slacken to 1.9 and

1.8 per cent, respectively. Housing sales in Finland will 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 May, the Research Institute of the Finnish Economy ETLA estimated that Finland's GDP will rise by 2.2 per cent this year and 3.7 per cent the next. In the five-year period from 2005-2009, the average rate of growth would be 2.9 per cent. Demand for exports from Finland declined as a result of weaker-than-expected economic growth in the euro zone and the lengthy labour dispute in the Finnish paper industry, and consequently the growth forecast for the present year was adjusted downwards. The improvement in the employment count, the good trend in incomes and the low interest rate level support household consumption and demand for housing. According to ETLA, investment growth in Finland will amount to 3.8 per cent this year and 4.8 per cent the next. Finland's industrial confidence indicator rose in July, topping the Western European standings in relative terms. In the January-April period, the revenue of companies in the metal and electronics industries was up 10 per cent on the corresponding period of the previous year, while exports were 13 per cent higher. Order backlogs have seen growth of 8 per cent, meaning that the favourable trend will keep on track during the next few months. According to the investment survey of the Confederation of Finnish Industries EK in June, fixed investments by industry will increase by 10 per cent during the present year. In addition, investments by the electrical, gas and water supply sectors will rise by 25 per cent. Construction investments will

grow by 2.6 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.

According to the business cycle report published by the construction cycle group of the Ministry of Finance towards the end of June, the volume of building construction will grow by 3-4 per cent this year; growth will continue in 2006, albeit at a slightly slower rate. Residential construction and repair works will remain brisk. Residential start-ups will number 31,000-32,000 this year and 30,000-31,000 the next. Construction of industrial and commercial premises will also be on the up and office construction has now passed its low point. Annual growth in renovation works will be 2-3.5 per cent during the present decade. The Research Institute of the Finnish Economy ETLA predicts that both building construction and civil engineering will grow by 3.5 per cent in 2005. Total construction output will increase at an average annual rate of 2.4 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 June, the Swedish National Institute of Economic Research KI estimated that Sweden's workday-adjusted GDP had grown by 3.6 per cent last year, driven by exports. The rate of industrial growth has slackened during the past few months due to the weakening of export demand. Growth in domestic consumption has also been restrained. Investments by industry and the service sector are on the rise and so is residential construction thanks to the high capacity utilization ratio in

industry, solid earnings, the positive incomes trend enjoyed by households and the low interest rates. KI lowered its GDP growth estimate for the present year to 2.1 per cent, but stated that the boom will continue and forecast growth of 3.1 and 3.0 per cent for 2006 and 2007, respectively. Domestic consumption and investments are now the engines of growth. Investment growth is broad-based, covering industry, the service sector and housing investments. Fixed investments in the national economy will grow by 7.8 per cent this year and by 6.0 and 4.8 per cent in 2006 and 2007. Fixed investments by industry will increase by 16.1 per cent this year and 8.7 and 3.9 per cent in 2006 and 2007. Investments by the service sector will also see buoyant growth of slightly over 5 per cent during the present year and the next two years. Construction investments increased by 16.1 per cent last year. According to the business cycle barometer released in July, the order backlogs of construction companies have increased, and these companies expect to see further growth. The National Board of Housing, Building and Planning (Boverket) notes that 60 per cent of municipalities have reported a housing shortage. KI states that growth in housing investments will continue at a rate of 10.4 per cent this year and by 7.1 and 7.3 per cent during the next two years. The construction of 27,400 new residential units was started up last year. In June, Euroconstruct predicted that the number of start-ups will rise to 30,500 residential units this year and to 32,500 and 33,000 during the next two years. In 2005-2007, new construction of other types of buildings will increase by 4.0, 9.4 and 10.0 per cent. In the same timeframe, renovation will see growth of 2.5, 4.7 and 3.0 per cent.

Norway

According to the business cycle report released by Statistics Norway in June, the country's GDP grew by 3.5 per cent in 2004 due to strong household

consumption and rising investments. GDP in mainland Norway will grow by 3.8 per cent in 2005 and by 2.3 per cent next year. Low interest rate levels, good trends in salaries and wages, and tax cuts will increase domestic consumption by just over 4 per cent during the present year and the next. Investment growth will pick up the pace to 12.5 per cent as investments by the oil sector increase by 25 per cent this year. If the price of oil remains relatively high in the future, investments will also keep riding high. In the industrial business cycle barometer released in July, industrial executives indicated that they expect to see growth in output and investments in the near future. 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. Housing construction remains brisk. According to Statistics Norway, the construction of 12,300 residential units was started up in the January-May period of the present year, up 20 per cent on the corresponding period of the previous year. Start-ups of other types of buildings during the first five months of the present year outnumbered the corresponding year-ago figure by 7.4 per cent. In June, Euroconstruct estimated that the construction of new buildings will see growth of 6.1 per cent this year and a drop of 2.9 per cent in 2006. Renovation would grow by 3.3, 1.3 and 2.7 per cent in 2005, 2006 and 2007, respectively.

Denmark

The rapid growth of Denmark's GDP in the first half of the previous year slowed down in the third quarter and then picked up again towards the end of the year; full-year growth amounted to 2.4 per cent. Consumption and investments continued to grow at a brisk rate. Exports rose by 4 per cent, but a 7.4 per cent increase in imports cut into growth in domestic output. In May, Nordea anticipated that GDP growth would amount to 2.6, 2.2 and 1.8 per

cent in 2005, 2006 and 2007, respectively. Growth in exports will slacken to 3.6 per cent this year – due to factors such as the slow recovery of Germany, an important export country for Denmark, and the stronger euro – but will increase to over 4 per cent during the next two years. Household consumption is also expected to increase at a rapid clip during the present year thanks to a positive incomes trend and stimulatory economic policy. During the next two years, household consumption will only rise moderately. Investment growth will accelerate to 5.2 per cent this year. Investments in residential buildings rose at a rate of over 10 per cent during the previous two years. Growth will keep on track during the present year and the next – 6.7 and 4 per cent, respectively – thanks to low interest rates and new kinds of housing loans. In real terms, construction company revenue during the first four months of the present year was 4 per cent higher than last year. The Danish Construction Association estimates that the work required to repair the damage wreaked by the storm in early January will increase the volume of construction and repair works; this means growth in repair works this year. In June, Euroconstruct estimated that the construction of new housing will see steady growth of 5 per cent in 2005-2007, while other building construction will increase by 3 per cent each year. Over and above the work to repair storm damage, other repair works will only see slight growth. According to the business cycle barometer published in July, construction companies were still upbeat about the economy.

Baltic countries

Growth in investments and GDP in the Baltic countries significantly outpaces growth in the Nordic countries, and is expected to remain at a level of 5-7 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, investments increased by 13.0 per cent in Lithuania, 13.8 per cent in Latvia and 6.9 per cent in Estonia. According to Nordea's financial review in May, growth in investments in 2005-2007 will level off at around 10 per cent in Lithuania and Latvia and 7-9 per cent in Estonia. Over the next few years, the growth rate of construction investments will also be in the double digits. Inflation in Estonia and Lithuania is 2-3 per cent; in Latvia, inflation will decline from its current level of 5 per cent to 3 per cent in 2007. Real interest rates have been negative in all three countries, but the slowing down of inflation will quickly swing them to zero. The interest rate spread with the euro will narrow as the countries seek EMU membership. Estonia and Lithuania will most likely achieve EMU entry in 2007, with Latvia following suit a year later. Affordable borrowing, economic growth and the greater affluence of the population have increased demand for new residences and renovation. Last year, 12,500 residential units were completed in the Baltic countries. In 2005-2007, the number of completed residences will rise to 16,000-18,000. VTT estimates that this year 3,500 residential units will be completed in Estonia, 4,500 in Latvia and 8,000 in Lithuania.

Russia

The high price of oil supports Russian economic growth. In July, the Russian Government estimated that GDP and industrial output will rise by 5.8 per cent during the present year. In May, Nordea predicted that GDP will grow by 5.7 per cent this year and by 4.9 per cent the next. The slackening of growth from last year's rate of 7.1 per cent is due to the slowdown of growth in investments and industrial output. Inflation will surge to almost 12 per cent this year, but will level off at 10 per cent during the next two years. Last year, investments grew by 10.8 per cent, but have begun to lose

momentum in spite of the high price of oil and the high capacity utilization ratio. This year, investment growth will drop to 7 per cent and further to 6 per cent the next. It is expected that investments will pick up the pace to 8 per cent in 2007. Thanks to the good incomes trend, household consumption has become the primary engine of growth. It is estimated that household consumption will grow by 9 per cent during the present 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-June period, Building Systems' revenue was EUR 667.5 million (EUR 651.8 million). The maintenance and servicing business accounted for 59 per cent of the revenue of the business segment. The breakdown of revenue by country was as follows: Sweden, 39 per cent, Finland, the Baltic countries and Russia, 30 per cent, Norway, 22 per cent, and Denmark, 9 per cent.

The business segment's operating profit grew substantially to EUR 22.5 million (EUR 11.9 million). The operating profit margin for the January-June period was 3.4 per cent (1.8%). It was 4.1 per cent in the second quarter.

The order backlog at the end of the period was EUR 602.6 million (EUR 566.5 million). The breakdown of the backlog by country was: Sweden, 28 per cent, Finland, the Baltic countries and Russia, 41 per cent, Norway, 14 per cent, and Denmark, 17 per cent. At the end of the period, the business segment had 11,774 employees (12,310). Of them, 4,101 worked in Sweden, 3,744 in Finland, 2,433 in Norway, 1,028 in Denmark and 468 in the Baltic countries and Russia.

Construction market reviving in Sweden

YIT Sverige AB's revenue was EUR 259.5 million (EUR 238.5 million). The maintenance and servicing business accounted for 51 per cent of its revenue. The order backlog was EUR 168.2 million (EUR 193.6 million).

After a long sedate period, the construction market revived somewhat during the second quarter. Repair and maintenance projects comprise the major share of the market, but start-ups of new housing are now also on the up. In the years ahead, the favourable trends are expected to hold sway in different fields of construction. After many months of growth, industrial output declined in the first months of the year. In April-June, the trend became positive again.

During the review period, YIT landed a challenging order for the construction of a pharmaceutical cleanroom from the Regea Institute for Regenerative Medicine in Tampere, Finland. An agreement was made with IP-Only Telecommunications AB for the maintenance and servicing of a 4,500 km-long fibre-optic network, Nordic Ring, in Sweden.

In installation works for industry, an agreement was made with Götaverken Miljö AB to install electrical and monitoring systems for the new flue gas treatment equipment of Sysav's waste-to-energy heating plant in Malmö. An order came in from Tetra Pak Inventing for the installation of a new ammonia facility to improve plant air-conditioning and the cooling of production processes. Among other deliveries, steam piping and a new steam turbine will be installed for Billerud AB.

In cooperation with YIT Industria Ltd, which is part of the YIT Industrial and Network Services business segment, YIT Sverige AB handles deliveries of piping for the Ryaverket power plant in Gothenburg and their installation on behalf of Siemens Industrial Turbomachinery.

During the summer, maintenance and investment projects were implemented at the nuclear power plants of Ringhals, Forsmark and Oskarshamn.

Property maintenance market on the up in Finland

YIT Kiinteistötekniikka's revenue in Finland, the Baltic countries and Russia amounted to EUR 202.3 million (EUR 214.9 million). The share of revenue accounted for by the maintenance and servicing business was 63 per cent. The order backlog was EUR 249.8 million (EUR 205.9 million).

The market for property maintenance and servicing continued to grow in Finland due to the greater amount and diversity of technical systems as well as the outsourcing of services. Greater activity is expected in the renovation and modernization of business premises. Demand for the construction of commercial premises levelled off, but remained good. The markets are stimulated by the start-up of large-scale investments in industry and the growth in the order backlog of the shipbuilding industry. The forest industry pushed back investments in refurbishing and repair works due to the problematic labour market situation.

Construction remained brisk in Russia and the Baltic countries. YIT's business operations grew compared with the previous year and are expected to see further growth in the latter half of the year.

During the report period, major building equipment system projects were ongoing at the Turku hospital of internal medicine and the ICT building under construction in the Turku Science Park. Extension works at Atria's pig slaughterhouse and meat products plant continued in Nurmo. HEPACE refurbishing works were started up on the commercial premises of the Anttila shopping centre in Lahti. In cooperation with YIT Construction Services, the building of DHL

Business Park got under way in Vantaa, and the construction of the Innopark business park in Hämeenlinna and the Intelligate office building in Turku continued.

Electrical installation works were ongoing in Neste Oil Corporation's Diesel project. Electrical and automation works were carried out for Teollisuuden Voima as part of the annual maintenance of the Olkiluoto nuclear power plant. In the forest industry, the replacement of hall air-conditioning at Lang Papier's paper mill began in Germany, and hall air-conditioning works for Adolf Jass Schwarza were seen to completion. In the shipbuilding industry, electrification works were performed for Kvaerner Masa-Yards as part of the project to extend Royal Caribbean International's "Enchantment of the Seas" cruise ship. Electrification works will also be carried out on the Freedom Class luxury cruise ship under construction at Aker Finnyards' Turku shipyard.

A cooperation agreement with Kesko was extended by three years. The agreement covers property maintenance and upkeep services at about 400 Finnish sites. YIT Kiinteistötekniikka Oy also attends to the property services of the YIT Centres located around Finland.

Building equipment system works were started up at the Mega shopping centre in Kaunas, Lithuania, which is being implemented in association with YIT Construction Services, and at the Akropolis shopping centre in Klaipeda. Technical installation works commenced at an ice hockey arena in Tserepovets, Russia.

Growth in servicing and refurbishing projects in Norway

YIT Building Systems AS' revenue amounted to EUR 147.3 million (EUR 148.2 million). Growth was seen in maintenance operations and servicing agreements. The share of revenue accounted for by the maintenance and servicing business was

78 per cent. The order backlog amounted to EUR 80.7 million (EUR 80.2 million).

Compared with the previous year, demand for new commercial premises improved in the first half of the year. However, there are great geographical differences in demand and the number of start-ups has declined in some areas. Refurbishing works grew steadily. In addition, the number of new housing start-ups increased.

One of the most significant orders that came in during the report period was a EUR 22 million agreement comprising heating and ventilation systems for the new Akershus University Hospital AHUS in the proximity of Oslo. YIT received three larger-scale projects to install the ClimaCeil electricity and ventilation system at schools. The Norwegian Traffic Authorities also opted for ClimaCeil as part of the end-to-end building equipment solution of their new inspection station.

The project carried out for BI Norwegian School of Management at the Nydalen campus has been seen to completion and the new business premises were handed over to the school in June 2005. Electrotechnical deliveries for Norwegian State Railways' wind tunnel project continued outside Oslo, with YIT serving as Balfour Beatty's subcontractor.

At the beginning of September, Nortelco System-Teknikk will become part of the YIT Group following the acquisition of the company. Thanks to this deal, YIT is assured of market leadership in audiovisual systems and video conference services in Norway.

An agreement was made with Carnegie Mellon University whereby YIT has an exclusive right to apply the university's wireless local-area network (WLAN) patents in building equipment solutions. The technology is mature for deployment.

Construction industry rebounds in Denmark

YIT A/S' revenue amounted to EUR 59.9 million (EUR 51.2 million). The share of revenue accounted for by the maintenance and servicing business was 32 per cent. The order backlog amounted to EUR 104.4 million (EUR 86.8 million).

The outlook for the Danish economy remained good during the review period. However, industrial activity was slight due to outsourcing, the transfer of production to Eastern Europe and the weakening of exports in the euro zone. After numerous muted years, the construction industry began to rebound. Housing construction is picking up at the fastest pace, but it is expected that there will be growth in the construction of commercial premises as well as business premises for the public sector. Some branches of the construction industry are already facing a shortage of employees, which leads to rising construction costs. Demand for maintenance services offered to both companies and private individuals is on the rise.

A design & build agreement to construct the new factory of sunscreen manufacturer Riemann & Co A/S was made during the review period. YIT acts as the project developer and is responsible for coordinating cooperation between the parties involved. In data networks, the installation of GSM network poles continued on behalf of the network operator Sonofon.

A property management agreement was made with the baking company Skallebæk, opening up new geographical territories for YIT's property management services and giving them an inroad into the food industry.

A cooperation agreement was made with Bosal-Sekura Industries, covering the technical maintenance and servicing of a production plant in its entirety. An agreement was made with DK-Beton, Denmark's largest concrete manufacturer, encompassing the servicing of electrical and automation equipment at all of its factories. Both

agreements include the opportunity to monitor ongoing and planned servicing works with YIT's eProMan system.

Personnel development zeroed in on honing leadership, management by objectives and business management. Business development has boosted the efficiency of numerous technologies and the implementation of design & build projects encompassing the entire value chain.

Construction Services

In the January-June period, Construction Services' revenue declined by 3 per cent compared with the previous year and amounted to EUR 585.8 million (EUR 603.8 million). The maintenance business accounted for 3 per cent of revenue, or EUR 19.1 million. Of the revenue, 82 per cent was generated in Finland and the remaining 18 per cent, or EUR 105.1 million, largely in Russia, Estonia, Latvia and Lithuania.

Operating profit increased by 9 per cent to EUR 63.3 million (EUR 58.1 million). The operating profit margin was 10.8 per cent (9.6%). The order backlog was over 31 per cent higher than in the previous year, having risen to EUR 1,263.3 million (EUR 963.0 million). The margin of the order backlog is good. The business segment had 4,923 employees (5,030) at the end of the period.

Demand for housing remains good

Demand for market-financed residences remained solid during the entire second quarter in Finland, the environs of Moscow, St Petersburg and the capital cities of the Baltic countries.

In the first part of the year, 1,635 (1-6/2004: 1,382) market-financed non-rental residential units were sold in Finland. During the January-June period, the construction of 1,951 (1,556) residential units was started up, of which 1,885 (1,453) were market-financed. At period's end, a total of 3,059 (3,251) residential units were under construction,

of which 2,924 (3,115) were market-financed. In the first part of the year, 1,787 (1,551) market-financed residences were completed. There were 265 (134) completed unsold residences at the end of the period.

The construction of Helsingin Ventus, the last of the residential buildings slated for the Tilkka area of Helsinki, got under way during the report period. The building is intended for senior citizens, and its residents will be offered assisted-living services.

Bolstering the company's position in the housing market of Moscow

Growth in residential construction in Russia and the Baltic countries continued in line with the strategy. During the second quarter, YIT and Russian private individuals founded ZAO YIT Citystroj to engage in the developer contracting of housing in the City of Moscow. The new company bolsters YIT Construction Services' position in the housing market of Moscow.

During the review period, 978 (538) residential units were sold in Russia and the Baltic countries. The construction of 610 (2,821) new residences was started up in Russia, Estonia, Latvia and Lithuania during the review period. At the end of the period, 4,380 (3,562) market-financed non-rental residential units were still under construction, while the number of residences completed was 410 (110). There were 15 (3) completed unsold residences at the end of June.

Market-financed housing start-ups in Finland to number about 2,900 in 2005

It is estimated that Construction Services will start up about 2,900 market-financed residential units in Finland in 2005. The number of housing start-ups in 2004 was 2,717, of which 2,515 were market-financed. In addition, it is estimated that over 3,000 residential units will go into construc-

tion in Russia and the Baltic countries (start-ups in 2004: 3,873).

Growth in housing prices was restrained in Finland, Russia and the Baltic countries in the April-June period. 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.

It is expected that the market outlook for developer-based residential construction will remain good in all of YIT's market areas. 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, establishing a good operating environment for residential developer contracting.

Plot reserves

The plot reserves recorded in YIT's balance sheet amounted to 2,857,000 square metres of floor area at the end of June. The capital tied to the reserves amounted to EUR 323 million.

During the second quarter, YIT made a significant cooperation agreement with M-real Corporation for the zoning and stage-by-stage acquisition of a 70-hectare tract of land in Lie-lahti, Tampere. The eventual aim is to develop a suburban residential community on the shores of Näsijärvi Lake in cooperation with the City of Tampere. Construction will begin immediately once zoning is completed. The development of the area means that residential developer contracting will be on a sound operational footing in Tampere for many years to come.

YIT's plot reserves, June 30, 2005

	Building rights and zoning potential, 1,000 m ² of floor area	Capital tied into plot reserves, EUR million
Finland		
Residential plots	1,498	156
Business premise plots	807	116
Total	2,305	272
Russia and Baltic countries		
Residential plots	552	51
Total	2,857	323

Construction of business premises and renovation

Competition remained severe in the construction of new business premises and renovation. Demand for new offices remained low in Finland due to the high vacancy rate of premises. Demand remained acceptable in the case of retail and logistics premises. Industrial construction projects are expected to increase as investments get under way.

During the report period, YIT sold to Nordisk Renting the YIT Centres that will be built in Vapaala (Vantaa), Kuopio and Vaasa. YIT acts as the property developer and implementer, and will stay on as a tenant once the premises are completed.

A contract agreement was made with HK-Ruokatalo for the construction of a refrigerated storage facility for the Forssa production plants. An agreement was made with the City of Hyvinkää to build the Tapainlinna school.

During the report period, the construction of the DHL Business Park began in Viinikkala, Vantaa, next to Helsinki-Vantaa Airport. The most significant renovation project that was kicked off was the renovation of the Vuosaari church for the Parish Union of Helsinki.

A major agreement was signed in Kaunas, Lithuania, under which the Mega shopping and leisure centre will be built for AB Baltic Shopping Centers. The project has a pricetag of about EUR 50 million. In St Petersburg, a contract agreement was made to build the Leto shopping centre for OOO Aljans.

Water supply and environmental construction

During the report period, the backlog of works saw further growth in water supply and environmental construction. In Finland, an agreement concerning the delivery of a water treatment plant extension for the Porvoo refinery was made with Neste Oil Corporation. An agreement was made with the Treatment Plant for the Turku Region to deliver equipment for the Kakolanmäki wastewater treatment plant in Turku.

A contract agreement was made with Jurmala Udens, under which the Sloka wastewater treatment plant will be built in Jurmala, Latvia.

Civil engineering

The order backlog of civil engineering – infrastructure construction – remained good. Demand continued to be moderate in spite of the fact that delays with the financing decisions on the Council of State's route programme have pushed back the start-up of numerous projects.

Of the competitive bids that were won in the first months of the year, the construction of the Haarakoki and Mäntsälä station arrangements on the Kerava-Lahti railway line commenced on behalf of the Finnish Rail Administration, as did the basic improvement works on Highway 4 in the centre of the municipality of Ii for the Finnish Road Administration.

During the quarter under review, an agreement valued at EUR 15 million was made with Gasum to build a parallel natural gas pipeline from the

western bank of the Kymijoki river to Niinikoski, Orimattila. A contract agreement to build the Longinoja indoor ice arena in Malmi, Helsinki, was made with Helsinki Ice Sport Center.

Industrial and Network Services

Industrial and Network Services was created on June 1, 2005, by merging Services for Industry and Data Network Services to form a single business segment. The Industrial and Network Services business segment's comparative figures for 2004 presented in the Interim Report have been calculated by combining the financial figures of the Services for Industry and Data Network Services business segments.

The business segment structure was streamlined with a view to increasing efficiency in the management and administration of both the Group and the business segment. The dovetailing of resources serves to promote the development of maintenance-related processes and outsourcing concepts. The technological and business synergy benefits yielded by the merger of business segments will enable greater diversity in end-to-end deliveries and services. In addition, YIT Kiinteistötekniikka Oy's industrial electricity, automation and HEPAC operations in Finland will be transferred into the Industrial and Network Services business segment at the beginning of 2006.

In the January-June period, Industrial and Network Services had revenue of EUR 186.3 million (EUR 165.0 million). Maintenance and business based on long-term customer agreements accounted for 77 per cent of revenue, while operations in countries other than Finland generated 8 per cent.

Operating profit was EUR 15.6 million (EUR 8.0 million). The operating profit margin was 8.4 per cent (4.8%). The order backlog at the end of the period amounted to EUR 187.3 million (EUR 192.7 million). In the case of network services, the order

backlog is based on customers' forecasts of their business volumes. At the end of the period, the business segment had 4,284 employees (4,311).

Higher investments increase demand for engineering products and installation works

Investments by industry rose and, towards the end of the period, YIT's personnel worked at full capacity both at the engineering workshops and in installation tasks. A major share of the order backlog is accounted for by Neste Oil Corporation's Diesel project, for which steel structure deliveries and equipment installation works were ongoing and high-pressure piping installation works were being started up. In addition, YIT has numerous agreements for automation and instrumentation works as part of the refinery project.

In the first part of the year, many engineering products were exported. The most significant deliveries of piping comprised boiler piping for Andritz in Portugal, Foster Wheeler in Germany and the Philippines, and Kvaerner Power in Indonesia and China. A new order that was landed in tank production was for the delivery of tanks for UPM's Caledonian Paper's extension project in Scotland; tanks will be both built on site and at the engineering workshops. In Estonia, the delivery of process tanks for Estonian Cell's Kunda CTMP plant was completed for the most part during the review period.

The most significant installation works comprised high-pressure turbine piping for Alstom Power Sweden Ab, support replacements for Teollisuuden Voima's nuclear power plants, and piping for a combined cycle gas power plant in Riga, Latvia, on behalf of Demag Delaval Industrial Turbomachinery.

Of the large investment projects that were ongoing in the forest industry, the following were seen to completion: a piping project for a paper machine at Stora Enso's mills in Summa, piping

and equipment installation works at UPM's deinking facility in Kaipola, and a pipe bridge for M-real's mill in Kaskinen. Additional works on evaporating facility piping at M-real's mill in Kaskinen will continue until September as part of the Helmi project. Hydraulic and lubrication piping were delivered on behalf of Metso for International Paper's two paper machines in Svetogorsk as well as for the paper machine of UPM's Tervasaari mill. YIT has also installed process piping as part of UPM's Tarmo project in Tervasaari.

The Finnish marine industry has clearly picked up the pace as shipyards have landed new orders. In the first part of the year, piping, machine units and modules were supplied to Aker Finnyards for a Freedom Class cruise ship, Tallink III and RoRo ships.

More total deliveries in maintenance services

After the first months of the year, typically a sedate period for industrial maintenance, demand returned to normal in April-June. Operations were slightly more brisk than in the previous year, with the exception of the forest industry. The strike and labour lockout in the forest industry hindered operations towards the end of the review period and the start-up of numerous maintenance assignments was delayed until the autumn. The dispute over the collective agreement also had a knock-on effect on branches of industry closely related to the forest industry.

During the report period, shutdown works were carried out at sites such as Teollisuuden Voima's Olkiluoto nuclear power plant. Demand remained good in the outsourcing of maintenance services. The partnership agreement on the end-to-end care of maintenance made with Nokian Capacitors Ltd got under way in May and the management agreement on the maintenance of Oy Metsä-Botnia Ab's Kaskinen mill in April.

YIT seeks to consistently increase the share of its business accounted for by operation and maintenance services. In industrial maintenance, there is growth potential particularly in fields such as mechanical wood processing, the pulp and paper industry, the chemical industry and the basic metal industry. Total deliveries of maintenance are being purchased in greater amounts. Customers expect outsourcing to improve plant productivity and functionality – accordingly, the service providers' expertise and comprehension of the customer's processes are increasingly important. YIT places a particularly great emphasis on strategic partnerships, bolstering customer relationships, comprehensive problem-solving and improving its services.

Broadband trend remains strong and the market for installation services continues to open

Competition between operators maintained the opening up of the market for installation services to external service providers in the telecom sector, but also increased cost pressures. During the report period, the telephone companies Pietarsaaren Seudun Puhelin and Loviisan Puhelin outsourced their installation functions to YIT. Services for the building and upkeep of IT environments were also bolstered with an outsourcing agreement.

Sales of broadband connections remained buoyant during the report period and demand for additional services offered with them saw further growth. The national broadband strategy's objective of breaking the milestone of one million broadband connections before the end of 2005 was achieved well ahead of schedule in June.

The effort to beef up the efficiency of operations and hone production control progressed according to plan during the review period. Another goal was to increase the number of summer train-

ees – this was also achieved, with a record number of trainees on the job.

After the slower summer season, the broadband market is anticipated to rebound in the latter part of the year. The trend in the demand for IT helpdesk services is expected to be favourable. Investments in telecom networks and demand for related installation services will remain slight due to the severe price competition between operators.

Events after the end of the review period

On July 1, 2005, the Helsinki Stock Exchange adopted the new Global Industry Classification Standard as another step in the harmonization of the securities markets of the Nordic and Baltic countries. Under the new standard, YIT's Sub-Industry classification is "Construction & Engineering". The company's Industry Group is "Capital Goods" and its Sector is "Industrials".

Outlook for 2005

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

Helsinki, August 4, 2005

Board of Directors

Consolidated Financial Statements, June 30, 2005

(Unaudited)

New business segment structure

YIT's business segment structure was firmed up on June 1, 2005, by merging Services for Industry and Data Network Services to form a single business segment: Industrial and Network Services. YIT's business operations are now divided into three business segments: Building Systems, Construction Services and Industrial and Network Services.

The Industrial and Network Services business segment's comparative figures for 2004 presented in the Interim Report have been calculated by combining the financial figures of the Services for Industry and Data Network Services business segments.

IFRS standards

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

The Interim Reports for 2005 are drafted in accordance with IFRS recognition and measurement policies. The comparative figures for 2004 presented in the Interim Reports are also in line with IFRS.

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. 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.

CONSOLIDATED INCOME STATEMENT (EUR million)

	IFRS Jan-Jun/ 2005	IFRS Jan-Jun/ 2004	Change,%	IFRS Jan-Dec/ 2004
Revenue	1,409.0	1,399.1	1	2,780.1
- of which activities outside Finland	594.7	574.0	4	1,183.2
Operating income and expenses	-1,302.4	-1,344.5	-1	-2,600.7
Depreciation and write-downs	-11.1	-12.2	-9	-22.3
Operating profit	95.5	75.4	27	157.1
% of revenue	6.8	5.4	-	5.7
Financial income	1.0	0.9	11	2.1
Exchange rate differences	2.1	0.5	*)	-1.1
Financial expenses	-8.6	-9.6	-10	-18.1
Profit before taxes	90.0	67.2	34	140.0
% of revenue	6.4	4.8	-	5.0
Income taxes	-23.2	-22.4	4	-39.5
Profit for the report period 1)	66.8	44.8	49	100.5
% of revenue	4.7	3.2	-	3.6
Attributable to				
Equity holders of the parent company	67.0	44.2	52	99.1
Minority interests	-0.2	0.6	*)	1.4
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, EUR	1.09	0.72	51	1.62
Diluted earnings per share, EUR	1.06	0.72	47	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 second quarter of 2005 compared with the first quarter of 2005, EUR million)

	IFRS Apr-Jun/ 2005	IFRS Jan-Mar/ 2005	IFRS Change, %
Revenue	745.1	663.9	12
- of which activities outside Finland	322.2	272.5	18
Operating income and expenses	-684.0	-618.4	11
Depreciation and write-downs	-5.7	-5.4	6
Operating profit	55.4	40.1	38
% of revenue	7.4	6.0	23
Financial income	0.7	0.3	*)
Exchange rate differences	0.6	1.5	-60
Financial expenses	-4.1	-4.5	-9
Profit before taxes	52.6	37.4	41
% of revenue	7.1	5.6	27
Income taxes	-14.0	-9.2	52
Profit for the report period	38.6	28.2	37
% of revenue	5.2	4.2	24
Attributable to			
Equity holders of the parent company	38.8	28.2	38
Minority interests	-0.3	0.1	*)
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.63	0.46	37
Diluted earnings per share, EUR	0.61	0.45	36

*) Change over 100 %

CONSOLIDATED BALANCE SHEET (EUR million)

	IFRS June 30, 2005	IFRS June 30, 2004	Change,%	IFRS Dec 31, 2004
ASSETS				
Non-current assets				
Property, plant and equipment	78.3	103.5	-24	81.0
Goodwill	248.8	248.2	-	248.8
Other intangible assets	12.5	12.5	-	13.1
Investments	4.1	3.9	5	4.1
Receivables	9.1	5.9	54	7.8
Deferred tax assets	21.3	22.5	-5	26.1
Current assets				
Inventories	685.4	572.6	20	629.3
Trade and other receivables	517.3	499.0	4	469.9
Investments	-	0.8	*)	-
Cash and cash equivalents	35.4	37.2	-5	36.1
Total assets	1,612.2	1,506.1	7	1,516.2
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	62.0	61.2	1	61.3
Other equity	404.7	325.3	24	380.0
Minority interests	3.9	4.2	-7	4.1
Total equity	470.6	390.7	20	445.4
Non-current liabilities				
Deferred tax liabilities	23.3	14.4	62	19.9
Pension liabilities	10.0	5.6	79	9.8
Provisions	33.0	27.6	20	26.5
Interest-bearing liabilities	177.1	244.1	-27	224.0
Other liabilities	3.9	3.3	18	3.7
Current liabilities				
Trade and other payables	711.1	613.8	16	601.9
Provisions	11.3	15.3	-26	23.6
Interest-bearing current liabilities	171.9	191.3	-10	161.4
Total equity and liabilities	1,612.2	1,506.1	7	1,516.2

RECONCILIATION OF PROFIT FOR THE PERIOD (EUR million)

	Jan-Jun/2004	Jan-Dec/2004
Profit for the period according to FAS	35.0	84.0
IFRS adjustments		
Minority interests	0.6	1.4
Recognition of revenue by reference to the stage of completion (IAS 11)	-0.2	-2.9
Deferred taxes (IAS 12)	-4.9	-6.4
Provisions (IAS 37)	0.2	-6.8
Goodwill amortization (IAS 38)	14.9	30.4
Other items 2)	-0.8	0.8
Total IFRS adjustments	9.8	16.5
Profit for the period according to IFRS	44.8	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)

	Jun 30, 2004	Dec 31, 2004
Shareholders' equity according to FAS	407.4	457.2
IFRS adjustments		
Minority interests	4.2	4.1
Recognition of revenue by reference to the stage of completion (IAS 11)	-15.1	-17.8
Deferred taxes (IAS 12)	8.6	7.1
Provisions (IAS 37)	-26.8	-33.8
Goodwill amortization (IAS 38)	10.1	25.6
Other items 3)	2.3	3.0
Total IFRS adjustments	-16.7	-11.8
Shareholders' equity according to IFRS	390.7	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	67.0
Conversion of options to shares	0.7
Profits from option issue	3.6
Change in the translation difference fund	-2.6
Other changes	0.1
Shareholders' equity on Jun 30, 2005	470.6

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

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	IFRS Jan-Jun/ 2005	IFRS Jan-Jun/ 2004	Change,%	IFRS Jan-Dec/ 2004
Cash flows from operating activities				
Profit for the report period	66.8	44.8	49	100.5
Reversal of accrual-based items	40.3	42.1	-4	77.8
Change in working capital	6.8	-27.6	*)	-57.6
Interest paid	-15.4	-9.4	64	-20.6
Interest received	6.6	1.5	*)	1.1
Taxes paid	-18.6	-17.3	8	-32.5
Net cash used in operating activities 4)	86.5	34.1	*)	68.7
Cash flows from investing activities				
Acquisition of affiliates	-0.2	-	-	-
Purchases of property, plant and equipment	-12.6	-15.6	-19	-27.4
Purchases of intangible assets	-1.3	-1.3	-	-3.5
Proceeds from disposal of property, plant and equipment	2.3	4.7	-51	6.3
Proceeds from disposal of intangible assets	0.2	0.1	*)	0.2
Effects of the changes in exchange rates	0.2	0.2	-	-1.6
Net cash used in investing activities	-11.4	-11.9	-	-26.0
Cash flows from financing activities				
Proceeds from issue of share capital	4.3	0.8	*)	1.6
Decrease in loans receivable	0.2	1.9	-89	2.2
Proceeds from borrowings	0.3	45.4	-99	37.9
Repayment of borrowings	-34.5	-54.0	-37	-68.7
Payment of financial leasing debts	-3.5	-3.0	17	-4.3
Dividends paid	-42.9	-36.8	17	-36.8
Net cash used in financing activities 4)	-75.8	-45.7	66	-68.1
Changes in cash and cash equivalents	-0.7	-23.5	-97	-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	35.4	38.0	-7	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 Jun/2005	IFRS Jun/2004	Change, %	IFRS Dec/2004
Earnings per share, EUR	1.09	0.72	51	1.62
Diluted earnings per share, EUR	1.06	0.72	47	1.60
Equity per share, EUR	7.53	6.32	19	7.20
Average share price during the period, EUR	23.60	15.68	51	15.92
Share price at end of period, EUR	27.60	16.74	65	18.36
Market capitalization at end of period, EUR million	1,711.2	1,023.8	67	1,125.3
Weighted average share-issue adjusted number of shares outstanding, thousands	61,412	61,058	1	61,123
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	63,091	61,622	-	61,823
Share-issue adjusted number of shares outstanding at end of period, thousands	61,999	61,160	1	61,293
Net interest-bearing debt at end of period, EUR million	313.6	397.4	-21	349.3
Return on investment, % 5)	21.8	-	-	19.2
Equity ratio, %	31.8	27.6	-	31.0
Gearing ratio, %	66.6	101.7	-	78.4
Gross capital expenditures on non-current assets, EUR million	14.1	19.0	-26	35.6
- % of revenue	1.0	1.4	-	1.3
Order backlog at end of period, EUR million 6)	1,999.2	1,722.2	16	1,823.4
- of which international orders	738.2	639.4	15	645.0
Average personnel	21,153	21,700	-3	21,884

5) Calculated for the period from July 1, 2004 - June 30, 2005, using the balance sheet figures at June 30, 2004, and June 30, 2005. No comparative figure for 2004 is available.

6) Portion of binding orders not recognized as income.

CONTINGENT LIABILITIES (EUR million)

	IFRS Jun/2005	IFRS Jun/2004	Change, %	IFRS Dec/2004
Repurchase commitments	246.0	175.8	40	184.5

COMMITMENTS (EUR million)

	IFRS Jun/2005	IFRS Jun/2004	Change, %	IFRS Dec/2004
Collateral given for own commitments				
- Corporate mortgages	29.3	29.3	-	29.3
Other commitments				
- Guarantees on behalf of others	0.9	2.1	-57	2.5
-- Leasing commitments	34.4	49.0	-30	40.2
-- Other commitments	0.7	0.6	17	0.6
Liability under derivative contracts 7)				
- Value of underlying instruments				
-- Forward rate agreements	0.7	-	-	-
-- Interest rate swaps	70.0	20.0	*)	70.0
-- Foreign currency forward contracts	95.8	48.3	98	56.7
- Market value				
-- Forward rate agreements	0.6	-	-	-
-- Interest rate swaps	68.7	19.7	*)	69.2
-- Foreign currency forward contracts	94.5	47.9	97	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-Jun/ 2005	IFRS Jan-Jun/ 2004	Change, %	IFRS Jan-Dec/ 2004
Building Systems	667.5	651.8	2	1,321.2
Construction Services	585.8	603.8	-3	1,147.2
Industrial and Network Services	186.3	165.0	13	359.1
Other items	-30.6	-21.5	42	-47.4
YIT Group, total	1,409.0	1,399.1	1	2,780.1

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

	IFRS Jan-Jun/ 2005	IFRS Jan-Jun/ 2004	Change, %	IFRS Jan-Dec/ 2004
Building Systems	22.5	11.9	89	34.1
Construction Services	63.3	58.1	9	101.9
Industrial and Network Services	15.6	8.0	95	27.6
Other items	-5.9	-2.6	*)	-6.5
YIT Group, total	95.5	75.4	27	157.1

*) Change over 100 %

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

	IFRS Jun/2005	IFRS Jun/2004	Change, %	IFRS Dec/2004
Building Systems	602.6	566.5	6	557.8
Construction Services	1,263.3	963.0	31	1,066.4
Industrial and Network Services	187.3	192.7	-3	199.2
Other items	-54.0	-	-	-
YIT Group, total	1,999.2	1,722.2	16	1,823.4

QUARTERLY FIGURES, Q1/2004-Q2/2005

	IFRS/ Q1/ 2004	IFRS/ Q2/ 2004	IFRS/ Q3/ 2004	IFRS/ Q4/ 2004	IFRS/ Q1/ 2005	IFRS/ Q2/ 2005
Revenue, MEUR	669.9	729.2	658.9	722.1	663.9	745.1
Operating profit, MEUR	37.5	37.9	47.4	34.3	40.1	55.4
- % of revenue	5.6	5.2	7.2	4.8	6.0	7.4
Financial income, MEUR	0.4	0.5	0.3	0.9	0.3	0.7
Exchange rate differences, MEUR	0.2	0.3	-0.6	-1.0	1.5	0.6
Financial expenses, MEUR	-4.7	-4.9	-4.0	-4.5	-4.5	-4.1
Profit before taxes, MEUR	33.4	33.8	43.1	29.7	37.4	52.6
- % of revenue	5.0	4.6	6.5	4.1	5.6	7.1
Balance sheet total, MEUR	1,465.3	1,506.1	1,514.0	1,516.2	1,508.2	1,612.2
Earnings per share, EUR	0.36	0.36	0.54	0.36	0.46	0.63
Equity per share, EUR	5.96	6.32	6.85	7.20	6.95	7.53
Share price at end of period, EUR	15.40	16.74	15.85	18.36	21.84	27.60
Market capitalization at end of period, EUR million	940.1	1,023.8	969.7	1,125.3	1,338.6	1,711.2
Return on investment, from the last 12 months, %	1)	1)	1)	19.2	19.7	21.8
Equity ratio, %	26.7	27.6	30.2	31.0	30.1	31.8
Net interest-bearing debt at end of period, MEUR	379.1	397.4	370.0	349.3	368.1	313.6
Gearing ratio, %	103.1	101.7	87.5	78.4	85.6	66.6
Gross capital expenditures, EUR million	7.3	19.0	24.3	35.6	7.0	14.1
Order backlog at end of period, MEUR	1,585.2	1,722.2	1,708.2	1,823.4	1,909.4	1,999.2
Personnel at end of period	21,654	21,952	22,013	21,680	21,096	21,297

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	IFRS/ Q2/ 2005
Building Systems	316.1	335.7	310.9	358.5	319.5	348.0
Construction Services	288.3	315.5	266.0	277.4	272.0	313.8
Industrial and Network Services	74.8	90.2	93.1	100.9	85.6	100.7
Other items	-9.3	-12.2	-11.1	-14.7	-13.2	-17.4
YIT Group, total	669.9	729.2	658.9	722.1	663.9	745.1

OPERATING PROFIT BY BUSINESS SEGMENT (EUR million)

	IFRS/ Q1/ 2004	IFRS/ Q2/ 2004	IFRS/ Q3/ 2004	IFRS/ Q4/ 2004	IFRS/ Q1/ 2005	IFRS/ Q2/ 2005
Building Systems	4.5	7.4	8.5	13.7	8.2	14.3
Construction Services	32.7	25.4	27.9	15.9	29.4	33.9
Industrial and Network Services	1.4	6.5	11.9	7.7	6.3	9.3
Other items	-1.1	-1.4	-0.9	-3.0	-3.8	-2.1
YIT Group, total	37.5	37.9	47.4	34.3	40.1	55.4

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	IFRS/ Q2/ 2005
Building Systems	557.2	566.5	564.6	557.8	574.0	602.6
Construction Services	842.6	963.0	940.0	1,066.4	1,131.0	1,263.3
Industrial and Network Services	185.4	192.7	203.6	199.2	234.4	187.3
Other items	-	-	-	-	-30.0	-54.0
YIT Group, total	1,585.2	1,722.2	1,708.2	1,823.4	1,909.4	1,999.2

