YIT CORPORATION CORPORATE PRESS RELEASE INTERIM REPORT July 25, 2008 at 8:00 a.m.

YIT'S INTERIM REPORT, JANUARY 1 - JUNE 30, 2008

REVENUE AND OPERATING PROFIT WERE HIGHER THAN LAST YEAR

In January-June:
- Revenue increased by 8 per cent to EUR 1,918.2 million (1-6/2007: EUR 1,772.8 million).
- Operating profit increased by 7 per cent to EUR 149.1 million (EUR 139.7 million).
- The operating profit margin was 7.8% (7.9%).
- Profit before taxes increased by 5 per cent to EUR 130.8 million (EUR 124.6 million).
- Return on investment was 25.6% (25.7%).
- The order backlog increased by 12 per cent to EUR 3,670.4 million (EUR 3,275.2 million).
- The number of personnel at the end of June was approximately 1,500 higher than a year earlier, i.e. 24,978 (23,474).

In the second quarter:
- Revenue was 6 per cent higher than in the previous year, amounting to EUR 991.2 million (4-6/2007: EUR 939.3 million).
- Profit before taxes was EUR 60.5 million (69.8 million).

We estimate that the revenue and profit before taxes for 2008 will increase compared to the previous year. Nevertheless, uncertainties connected to the general economic development have increased and that may weaken the profit development during the last part of the year.

"YIT's revenue and operating profit during the first half of the year were higher than during the previous year. Strong development continued in Building Systems. The profitability of Industrial Services also improved. Operations in Russia grew in line with our target. During the second quarter, our operating profit decreased due to delays in the large real estate development projects being built in the Gorelovo area in St. Petersburg and the weak market situation in the Baltic countries," says President and CEO Hannu Leinonen.

"Towards the summer, the general market sentiment has become more uncertain. Over one-third of our business comprises more stable service and maintenance operations and over a quarter is made up of projects based on long-term service agreements. Our business structure stabilises the development of the Group's revenue and earnings as does the wide geographical presence. Because the order backlogs of our segments are strong, the achievement of the estimate level of earnings in the second half of the year depends in particular on the residential sales in Russia and the effect of higher interest rates on the Finnish residential market," Leinonen adds.

Information event, webcast and conference call

An event for analysts and portfolio managers will be held in English on Friday, July 25, at the Radisson SAS Royal hotel at the address Runeberginkatu 2, 00100 Helsinki. Analysts and portfolio managers may also participate in the event through a conference call. Participants are asked to call the assigned telephone number +44 (0)20 7162 0025 a minimum of 5 minutes before the conference call begins.

A webcast of the presentation given by President and CEO Hannu Leinonen at the analyst and portfolio manager event can be viewed live at www.yitgroup.com/webcast.

Schedule in different time zones

Time zone	Interim Report will be published at	The investor event, conference call and webcast presentation will start at	Recording of the webcast presentation will be available at
EEST (Helsinki)	8:00 a.m.	10:00 a.m.	12:00 a.m.
CEST (Paris, Stockholm)	7:00 a.m.	9:00 a.m.	11:00 a.m.
BST (London)	6:00 a.m.	8:00 a.m.	10:00 a.m.
US EDT (New York)	1:00 a.m.	3:00 a.m.	5:00 a.m.

The Interim Report for January-September will be published on October 29, 2008. Financial reports and other investor information are available at YIT's website, www.yitgroup.com/investors. A copy of the Interim Report may be ordered via the Internet site, by sending e-mail to InvestorRelations@yit.fi or by telephone on +358 20 433 2467.

YIT CORPORATION

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YIT CORPORATION'S INTERIM REPORT, JANUARY 1 - JUNE 30, 2008

REVENUE INCREASED BY 8 PER CENT

YIT Group's revenue for January-June increased by 8 per cent on the previous year, without significant acquisitions, to EUR 1,918.2 million (1-6/2007: EUR 1,772.8 million). Building Systems is the largest segment by revenue. The revenue of both International Construction Services and Building Systems increased.

Finland accounted for 49% of revenue (54%), other Nordic countries for 35% (33%), Russia for 11% (7%) and Lithuania, Estonia and Latvia for 5% (6%). The fastest growth took place in Russia, where revenue increased by 81% to EUR 207.3 million (EUR 114.7 million).

Revenue by segment (MEUR)

	1-6/2008	1-6/2007	Change, %	Proportion of the Group's revenue for 1-6/2008
Building Systems	898.6	778.0	16%	47%
Construction Services Finland	593.5	598.5	-1%	31%
International Construction Services	273.8	194.5	41%	14%
Industrial Services *)	201.8	240.3	-16%	11%
Other items	-49.5	-38.5	29%	-3%
YIT Group, total	1 918.2	1 772.8	8%	100%

*) The revenue for 1-6/2007 includes the Network Services division, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

YIT's service chain covers the entire life cycle of the investment. Extending operations to cover the entire life cycle enables more comprehensive service deliveries and supports the stability of business operations. Service and maintenance of buildings, industry and traditional infrastructure - operations that are not sensitive to economic fluctuations - account for a significant proportion of the Group's revenue. Service and maintenance operations have increased and the share of the maintenance and servicing business has remained stable while the Group's revenue has grown. In January-June, service and maintenance operations generated EUR 662.5 million (EUR 645.3 million), in other words 35% (36%) of total revenue.

YIT Group's strategic annual growth target is 10 per cent on average. In addition, YIT has set a separate target of increasing its revenue in Russia by 50 per cent on average in 2006-2009.

OPERATING PROFIT INCREASED BY 7 PER CENT

The Group's operating profit increased by 7 per cent on the previous year to EUR 149.1 million (EUR 139.7 million). The operating profit margin was 7.8 per cent (7.9%). Return on investment was 25.6% (25.7%).

YIT's operating profit during the first half of the year was higher than in the previous year, but operating profit fell in the second quarter. Operating profit and profitability improved at both Building Systems and Industrial Services. The operating profit of International Construction Services was weakened during the second quarter due to delays in the large real estate development projects being built in the Gorelovo area in St. Petersburg and weak market

development in the Baltic countries. In Construction Services Finland the operating profit decreased from the previous year.

Operating profit by segment (MEUR)

	1-6/ 2008	1-6/ 2007	Change	Proportion of the Group's operating profit 1-6/2008
Building Systems	58.9	44.4	33%	40%
Construction Services Finland 1)	64.8	71.1	-9%	43%
International Construction Services	22.2	21.6	3%	15%
Industrial Services 2)	13.7	10.8	27%	9%
Other items	-10.5	-8.2	28%	-7%
YIT Group, total	149.1	139.7	7%	100%

Operating profit margin by segment

	1-6/2008	1-6/2007
Building Systems	6.6%	5.7%
Construction Services Finland 1)	10.9%	11.9%
International Construction Services	8.1%	11.1%
Industrial Services 2)	6.8%	4.5%
YIT Group, total	7.8%	7.9%

1) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the operating profit of Construction Services Finland for Q1/2008.

2) The operating profit of Industrial Services in Q1/2007 includes a loss of EUR 1.0 million due to costs from the restructuring of the Network Services division. The Network Services division was divested on December 31, 2007.

The strategic target for the operating profit margin is 9 per cent. The strategic target for return on investment is 22 per cent.

PROFIT BEFORE TAXES INCREASED BY 5 PER CENT

Profit before taxes increased by 5 per cent to EUR 130.8 million (EUR 124.6 million). Earnings per share was EUR 0.73 (EUR 0.73).

Financial expenses increased as a result of higher interest rates, increased loans and an increase in the amount of capital invested in Russia.

THE ORDER BACKLOG GREW BY 12 PER CENT

The Group's order backlog is solid. At the end of the review period, the order backlog was 12% larger than the year before, reaching EUR 3,670.4 million (EUR 3,275.2 million). At the end of March 2008 the order backlog amounted to EUR 3,627.0 million.

The order backlog strengthened across all segments. The International Construction Services and Construction Services Finland segments account for the majority of the order backlog due to the long duration and high value of the projects and service agreements. In Russia, the duration of

housing projects is approximately twice as long as in Finland. Residential development accounts for the majority of the order backlog of International Construction Services. The order backlog of Construction Services Finland is divided widely and evenly between different business areas. The order backlog of International Construction Services grew the fastest.

Order backlog by segment (MEUR)

	6/ 2008	6/ 2007	Change	Proportion of the Group's order backlog 6/2008
Building Systems	799.9	721.8	11%	22%
Construction Services Finland	1,264.8	1,193.1	6%	35%
International Construction Services	1,483.7	1,185.2	25%	40%
Industrial Services *)	222.8	213.6	4%	6%
Other items	-100.8	-38.5	**)	-3%
YIT Group, total	3,670.4	3,275.2	12%	100%

*) Order backlog 6/2007 includes the Network Services division, which was sold on December 31, 2007.
**) Change over 100%.

The order backlog includes that portion of customer orders and ongoing development projects that has not been recognised as income. In accordance with the IFRS accounting principles, residential development projects are recognised as income using the formula percentage of completion multiplied by percentage of sale. Business premise development projects are recognised as income using the principle percentage of completion multiplied by percentage of sale multiplied by occupancy rate. Projects are recognised as income based on the percentage of completion.

The order backlog of the Construction Services Finland and International Construction Services segments comprises contracting production and real estate and residential development with a sales risk. Contracted projects are sold in full. Business premise development projects are sold to investors usually either prior to construction or during an early phase thereof.

61 per cent of Building Systems revenue and 48 per cent of Industrial Services revenue are derived from steadily growing service and maintenance operations. Due to their nature, part of the maintenance and servicing operations are not included in the order backlog. The remainder of the order backlog of these business segments mainly comprises contracted projects that have been sold in full.

THE GROUP'S FINANCIAL POSITION REMAINED BALANCED

The Group's financial position remained balanced. A significant part of YIT’s business operations requires little capital. Capital was particularly tied up in the plot reserves in Russia, their development and ongoing production.

The gearing ratio was 77.2 per cent (79.8%). Net debt increased to EUR 625.2 million (EUR 548.9 million). During the reporting period, the company paid EUR 101.8 million in dividends. In the previous year, the company paid EUR 82.6 million in dividends in Q1/2007.

Net financial expenses during the period were EUR 18.3 million (EUR 15.1 million), or 1.0 per cent (0.9%) of revenue.

The balance sheet total at the end of the review period was EUR 2,605.5 million (EUR 2,346.1 million).

The Group's equity ratio was 34.5 per cent (32.4%).

The target level for the equity ratio is 35 per cent. The strategic dividend payout target is 40-60% of net profit for the year after taxes and minority interests.

CAPITAL EXPENDITURES AND ACQUISITIONS

Gross capital expenditures on non-current assets included in the balance sheet totalled EUR 25.8 million (EUR 21.5 million) during January–June, representing 1.3 per cent (1.2%) of revenue. Investments in construction equipment amounted to EUR 6.9 million (EUR 7.6 million) and investments in information technology to EUR 3.6 million (EUR 3.1 million). Other investments including acquisitions amounted to EUR 15.3 million (EUR 10.8 million). Acquired business operations are indicated in the tables section of the 1-6/2008 interim report.

In the Building Systems segment, YIT acquired the building systems services units of MCE AG in Germany, Austria, Poland, the Czech Republic, Hungary and Romania. These units had total revenue of EUR 355 million in 2007, with approximately 1,900 employees. The value of the acquisition was EUR 55 million. The entry into force of the acquisition requires the approval of the competition authorities and is expected to be completed by July 31, 2008, after which the company will be consolidated to YIT figures.

In addition, Building Systems boosted its competence as a provider of energy efficiency services by acquiring building automation specialist Computec Oy in Finland and made small corporate acquisitions and purchases of business operations in Finland, Norway and Sweden. In Finland, business operations connected to investment, lease management and financial administration services in facility management were divested. The sale of the operations came into force on July 1, 2008.

In International Construction Services, an acquisition was made with the target of starting residential production in the Czech Republic. The company will be consolidated to YIT Group on July 1, 2008.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation’s Annual General Meeting was held on March 13, 2008. The Annual General Meeting adopted the 2007 financial statements, discharged the members of the Board of Directors and the President and CEO from liability, confirmed a dividend of EUR 0.80 per share pursuant to the proposal of the Board of Directors, approved the composition of the Board of Directors and re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor. YIT Corporation published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 13 and 14, 2008.

LEGAL PROCEEDINGS

On March 10, 2008, the Supreme Court in Finland announced its ruling regarding the disputes arising from the refurbishing of SOK’s former head office, Kiinteistö Oy Vilhonkatu 7, which was completed in 1999. The ruling had a positive effect of EUR 5.7 million on YIT's profit before taxes. The sum was recognised in full in YIT's result for January–March 2008.

The disagreement that has arisen in the final financial settlement for the mechanical installation works on production line 4, which was completed at Neste Oil's Porvoo oil refinery in Finland in the summer of 2007, is being processed at the court of arbitration. YIT published a stock exchange release on the matter on April 1, 2008.

THE NUMBER OF PERSONNEL INCREASED

The Group employed an average of 23,608 (22,712) people during the period under review. At the end of the period, the Group employed 24,978 (23,474) people. Of YIT's employees, 46 per cent work in Finland, 35 per cent in other Nordic countries, 13 per cent in Russia and 6 per cent in Lithuania, Estonia and Latvia. The number of personnel has increased considerably in Russia in particular.

Number of personnel by segment

	6/2008	6/2007	Change	Proportion of the Group's employees 6/2008
Building Systems	13,437	12,007	12%	54%
Construction Services Finland	3,823	3,628	5%	15%
International Construction Services	3,554	2,743	30%	14%
Industrial Services *)	3,789	4,755	-20%	15%
Corporate Services	375	341	10%	2%
YIT Group, total	24,978	23,474	6%	100%

Number of personnel by country

	6/2008	6/2007	Change	Proportion of the Group's employees 6/2008
Finland *)	11,433	11,814	-3%	46%
Sweden	4,411	4,220	5%	18%
Russia	3,175	1,733	83%	13%
Norway	3,147	2,730	15%	12%
Denmark	1,360	1,253	9%	5%
Lithuania, Estonia, Latvia	1,452	1,724	-16%	6%
YIT Group, total	24,978	23,474	6%	100%

*) As a result of the divestment of the Network Services division, approximately 1,000 Finnish employees left YIT in the Industrial Services segment, at the beginning of 2008.

DEVELOPMENT BY BUSINESS SEGMENT

BUILDING SYSTEMS

- Building Systems' revenue increased by 16% to EUR 898.6 million (EUR 778.0 million).
- Service and maintenance operations accounted for 61% (63%) of the segment's revenue.
- Operating profit increased by 33 per cent to EUR 58.9 million (EUR 44.4 million).
- Operating profit margin improved to 6.6% (5.7%).
- The order backlog increased by 11 per cent to EUR 799.9 million (EUR 721.8 million) at the end of June.
- At the end of June, the segment employed 13,437 people (12,007).

On May 29, 2008, YIT Corporation and MCE AG signed an agreement that YIT will acquire MCE's building system service business in Germany, Austria, Poland, the Czech Republic, Hungary and Romania. These units had total revenue of EUR 355 million in 2007, with approximately 1,900

employees. The entry into force of the transaction requires the approval of the competition authorities and is expected to be completed by July 31, 2008.

In addition, Building Systems boosted its competence as a provider of energy efficiency services by acquiring building automation specialist Computec Oy in Finland and made small corporate acquisitions and purchases of business operations in Finland, Norway and Sweden. In Finland, business operations connected to investment, lease management and financial administration services in facility management were divested. The sale of the operations came into force on July 1, 2008.

Building Systems revenue by country, MEUR

	1-6/ 2008	1-6/ 2007	Change	Proportion of the segment's revenue for 1–6/2008
Sweden	326.8	284.8	15%	36%
Norway	247.6	209.6	18%	28%
Finland	209.6	182.6	15%	23%
Denmark	82.7	76.6	8%	9%
Lithuania, Estonia, Latvia and Russia	31.9	24.4	31%	4%
Total	898.6	778.0	16%	100%

Demand for technical building systems remained good

Demand for building system services remained good in the Nordic countries and Russia. In the Baltic countries, investments in office, retail and logistics premises continued to boost demand for technical building systems, but price competition intensified as capacity has been freed up from residential construction.

The implementation of solutions including various building system services was agreed with, for example, a shopping centre located in Nyköping, Sweden, and the LKAB mining company in Malmberget and Gällivare, a hotel being built in Koutala, Levi in Finland, and Meilahti Hospital in Helsinki, and in Denmark with the IT company KMD. In addition, renovation of systems is being performed for Novo Nordisk and Danske Bank in Denmark. In Norway, total technical solution deliveries were agreed with Seabroker in cooperation with building company Kruse Smith, Total E&P Norge and Vennatrø Næringsutvikling. In Russia, the delivery of refrigerating technology for an artificial ice rink was agreed with Lobnya in Moscow Oblast.

Demand for service agreements increased

In the Nordic countries and Russia, demand increased for building technical repair and maintenance works and various service agreements. Demand for facility management services was also good.

Long-term maintenance and service agreements were signed with, for example, RegionFastigheter in Skåne, Sweden, and Kesko in Finland. In Norway, the number of service agreements continued to increase. In Denmark, Brødrene Hartmann A/S and Odense Steel Shipyard A/S outsourced technical maintenance work to YIT.

Growing demand for energy services

Demand for energy-efficient technical building systems is increasing and there is more willingness to invest in alternative forms of energy in order to slow down climate change. The improvement of

the energy efficiency of the existing building stock is boosting the number of repair and modernisation projects and the need for real estate services.

Several agreements were concluded in the Nordic countries on building technology investments to improve energy efficiency, which will be funded from the energy savings obtained. In Sweden, an agreement was signed with the provincial parliament of Västerbotten, in Finland with Genencor International Oy and in Denmark with the City of Copenhagen. In addition, in Denmark an energy-saving automation system was delivered to a building owned by Hededanmark A/S in Viborg. In Norway, several energy saving projects are under way within the framework of the ENOVA agreement, entitling the signatory to receive state funding.

CONSTRUCTION SERVICES FINLAND

- Construction Services Finland's revenue remained at the previous year‘s level and amounted to EUR 593.5 million (EUR 598.5 million).
- Maintenance business accounted for 5% (3%) of revenue.
- Operating profit decreased by 9 per cent to EUR 64.8 million (EUR 71.1 million).
- Operating profit margin was 10.9 per cent (11.9%).
- The order backlog increased by 6 per cent to EUR 1,264.8 million (EUR 1,193.1 million).
- Construction Services Finland's capital tied into plot reserves amounted to EUR 344.4 million (EUR 322.0 million) at the end of June.
- At the end of June, the segment employed 3,823 people (3,628).

The figures for 2007 are comparison figures calculated after the business segment structure changed on January 1, 2008.

On March 10, 2008, the Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building. The ruling had a positive effect of EUR 3.5 million on the operating profit of Construction Services Finland for Q1/2008.

Brisk business premise construction continued

Office, retail and logistics premise construction was brisk. During April-June, YIT launched real estate development projects in the Maalitori office building in Vantaa, the business premise located at Graanintie 6 in Mikkeli and the construction of phases two and three of the Koskelo Trade Park logistics centre in Espoo. In addition, the development of the Jouppi area in Seinäjoki and the Nummenrinne area in Ikaalinen into commercial centres was agreed. In June, Maalitori and the Graanintie premises were sold to Tapiola.

A preliminary agreement was signed with the Bank of Finland under which YIT will purchase part of the Bank of Finland's plot in Vantaa in order to build a logistics centre on it.

In addition, agreements were concluded, for example, on the construction of Lindström Invest Oy's office building in Helsinki and the expansion of the Duo business premise in Lahti.

In May, there was a fire at the construction site of the Riihimäki travel centre which will delay the completion of the project. The travel centre was due to be completed in November.

Residential sales decreased compared with last year

The number of residences sold decreased compared with last year. During the second quarter, residential sales remained at the same level as during the early part of the year. YIT had an exceptionally high number of premium sites on sale, which kept the value of the sales nearly at the previous year’s level. Nevertheless, the higher interest rates increase uncertainty about the development of the residential market during the second half of the year.

A total of 1,032 (1,434) residential units were sold in Finland in January-June, 945 (1,374) were started and 1,201 (1,636) were completed. At the end of June, there were 2,553 (3,134) residential units under construction and 267 (291) completed but unsold residential units.

YIT started the construction of the Ratina residential area in Tampere. The project to develop the Vanajanlinna area was agreed in Hämeenlinna. Approximately 100 leisure time residences will be built in the area. In Rovaniemi, the City of Rovaniemi and YIT held a design competition for the development of the Fenix area encompassing approximately 500 residences.

In Espoo, residences in accordance with a new model will be built next to the Merikartano service building, which are especially designed to meet the housing needs of an aging population. The development of low energy consumption houses continued. All YIT Homes designed in 2008 or after will be built as low energy consumption houses.

Demand continued to be good in civil engineering

Demand for the construction of infrastructure remained good. Significant investments in traffic infrastructure are expected over the next few years.

In April-June, an agreement was signed with Gasum Oy on the basic repairs of 27 kilometres of natural gas pipeline between Pajari and Valkeala and with the City of Helsinki on the construction of a sports hall in Myllypuro.

INTERNATIONAL CONSTRUCTION SERVICES

In January-June:
- International Construction Services' revenue increased by 41 per cent on the previous year to EUR 273.8 million (EUR 194.5 million).
- Operating profit was EUR 22.2 million (EUR 21.6 million).
- The operating profit margin decreased to 8.1 per cent (11.1%).
- The order backlog increased by 25 per cent to EUR 1,483.7 million (EUR 1,185.2 million).
- International Construction Services' capital tied up in plot reserves amounted to EUR 254.6 million (EUR 198.2 million) at the end of June.
- At the end of June, the segment employed 3,554 people (2,743).

In the second quarter:
- International Construction Services' revenue was EUR 119.5 million (EUR 115.2 million).
- Operating profit was EUR 6.1 million (EUR 16.0 million).

The figures for 2007 are comparison figures calculated after the business segment structure changed on January 1, 2008.

During the second quarter the revenue and operating profit of International Construction Services were weakened due to weak market situation in the Baltic countries and schedule delays in the large real estate development projects being built in the Gorelovo area in St. Petersburg caused by delays in the water and drain connections among other things.

On May 29, 2008, YIT Construction Ltd signed an agreement on a corporate acquisition aimed at starting housing production in the Czech Republic. The acquisition gives a foothold in a new market area in accordance with YIT's strategy. Initially, YIT's holding in YIT Stavo, the company purchased, will be 85 per cent and the management's 15 per cent. The construction of the first sites is scheduled to begin in spring 2009.

International Construction Services revenue by country, MEUR

	1-6/ 2008	1-6/ 2007	Change	Proportion of the segment's revenue for 1–6/2008
Russia	191.6	100.1	91%	70%
Lithuania, Estonia, Latvia	80.4	91.5	-12%	29%
Other countries	1.8	2.9	-38%	1%
Total	273.8	194.5	41%	100%

In Russia, residential sales continued to be strong

In Russia, demand for residences continued to be strong. The demand is supported by the positive income trends of households and the need to improve the quality of living.

Sales were at a good level in January-June. In Russia, 1,724 (692) residential units were sold, 1,973 (1,141) were started and 977 (894) were completed. At the end of June, there were 10,856 (7,315) residential units under construction. There were 52 (16) completed but unsold residential units. Slight changes in the number of residential units may take place after the start of construction due to the division or combination of residences.

As construction proceeds, the number of residences on sale by YIT will increase toward the end of the year, especially in St. Petersburg. In the Moscow region, YIT started construction at new sites in Zhukovsky and Ramenskoye, for example. The residential plot reserve was strengthened through purchases made at auctions.

YIT has ongoing residential development projects in St. Petersburg, towns in Moscow Oblast, Moscow, Yaroslavl, Yekaterinburg, Rostov-on-Don and Kazan.

Delays in real estate development projects in St. Petersburg

There have been schedule delays in the large real estate development projects being carried out in the Gorelovo area near St. Petersburg. The first phase of the logistics centre built in Gorelovo was handed over to the client during the review period. YIT's new office building in St. Petersburg was completed and came into use during the period.

Preliminary agreements were signed in the Moscow area concerning the acquisition of several large land areas for residential production and the construction of business premises. Construction on the sites is expected to start during 2009.

Weak market development in the Baltic countries

The market developed in a negative direction in the Baltic countries. The weak market situation in Estonia and Latvia continued. In Lithuania, the market situation weakened further. Demand for residences remained low and the activities of construction companies have focused on tender-based contracts. The overall volume of construction has decreased.

YIT has operated actively in order to reduce the number of unsold residences it holds. There have been no new housing starts. In January-June, 550 (264) residential units were sold in Lithuania, Estonia and Latvia, 0 (350) were started and 487 (325) were completed. At the end of June, there were 841 (1,898) residential units under construction. There were 122 (0) completed but unsold residential units.

INDUSTRIAL SERVICES

- Industrial Services' revenue amounted to EUR 201.8 million (EUR 240.3 million).
- Service and maintenance operations accounted for 48% (58%) of revenue.

- Finland accounted for 91 per cent of revenue, Russia for 2 per cent and England, Sweden and other export countries for 7 per cent.
- Operating profit increased by 27 per cent to EUR 13.7 million (EUR 10.8 million).
- The operating profit margin improved to 6.8% (4.5%).
- At the end of June, the order backlog was EUR 222.8 million (EUR 213.6 million).
- At the end of June, the segment employed 3,789 people (4,755).

The figures for 2007 include the figures for the Network Services division, which was divested on December 31, 2007. Network Services had revenue of EUR 77 million in 1-12/2007. The operating profit for Q1/2007 includes a loss of EUR 1.0 million due to the restructuring of the Network Services division. Approximately 1,000 people left YIT as a result of the divestment of Network Services.

Maintenance shutdowns at industrial maintenance services

Demand for maintenance services was good. YIT participated in maintenance shutdowns at, for example, Neste Oil's biodiesel factory, Teollisuuden Voima's Olkiluoto nuclear power station, AGA's Harjavalta factory, Fortum's Meripori power station, Forchem's pine oil factory, UPM's Seikku mill and Botnia's pulp mills in Joutseno, Kaskinen and Rauma.

New maintenance agreements were concluded with the meat processing company Pouttu and Melia that is a part of Raisio Group.

Investments in the steel and mining industry remained brisk

Demand for investment projects remained good and in Finland there were projects in the steel and mining industries in particular. Among steel companies, deliveries of pipe systems were agreed with Rautaruukki and a project to improve the energy-efficiency of a plant was agreed with Ovako Wire. A lye container will be delivered to a mine in Talvivaara and pipe systems for a concentration plant in Suurikuusikko. In the forest industry, contracts included the modernisation of the soda recovery units of Stora Enso's plant in Kaukopää and deliveries of pipe systems to UMP's Plus 5 project in Jämsänkoski.

In Russia, the implementation of containers, pipe systems, automation and working platforms in the size preparation rooms of Modern Lumber Technologies were agreed, as well as deliveries of containers and pipe systems for Mondi Syktyvkar.

In Scotland, building and process electrification will be implemented for UPM as well as industrial ventilation and cooling work. Deliveries of containers and installations of machinery and devices were agreed with Dynea to Ukraine. In Sweden, installations of pipe systems and devices were agreed for Alstom's PULS project and deliveries of warehouse containers to SCA Ortviken.

SHARES, SHARE OPTIONS AND SHAREHOLDERS

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

YIT Corporation shares can be subscribed for under the Series K, L and M share options issued in 2006 between April 1 and November 30, 2008.

Share capital and number of shares

YIT Corporation’s share capital was EUR 149,104,766.72 at the beginning of the review period and the number of shares outstanding was 127,217,872.

In the first half of the year, 5,550 shares were subscribed for under the Series K, L, and M share options issued in 2006. As a result of the share subscriptions, the share capital was increased by EUR 111,981.50 on April 29, 2008.

At the end of the reporting period the share capital was EUR 149,216,748.22 and the number of shares outstanding was 127,223,422.

Own shares

YIT Corporation did not hold any of its own shares during the period under review. No shares in the parent company were owned by subsidiaries during the period.

Authorisations of the Board of Directors

In accordance with the Companies Act, the General Meeting decides on the buyback and conveyance of shares, as well as any decisions leading to changes in the share capital.

There were no share issues during the period and the company did not float convertible bonds or bonds with warrants. At the end of the period, the Board of Directors did not have valid share issue authorisations or authorisations to issue convertible bonds or bonds with warrants, or to purchase or dispose of the company's own shares.

Trading in the share

The average share price in January-June was EUR 16.09 (EUR 24.52). The highest share price during the period was EUR 19.99 (EUR 27.90), the lowest EUR 11.78 (EUR 19.81). At the end of the period, trading closed at EUR 15.98 (EUR 23.35).

The value of share turnover during the review period was EUR 1,840.4 million (EUR 2,843.6 million) and share turnover was 114,514,882 (116,127,102) shares. YIT Corporation’s market capitalisation at the end of the period was EUR 2,033.0 million (EUR 2,963.1 million).

Increase in non-Finnish ownership

At the beginning of the review period the number of registered shareholders was 15,265 (14,364) and 15,796 (13,957) at the end of the period.

At the beginning of the year, a total of 52.9% (45.9%) of the shares were owned by nominee-registered and non-Finnish investors, while this figure was 53.0% (52.7 %) of the total number of YIT shares at the end of the period.

On May 19, 2008, Julius Baer Holding Ltd announced that the fraction of the shares and votes of YIT Corporation held by companies belonging to it had increased to 5.06 per cent as a result of a share purchase on May 7, 2008.

MARKET SITUATION

High commodity prices, high interest rates and a shortage of skilled labour are slowing down economic growth of the eurozone. After the interim report published in April, global market prices for energy, raw materials and food have increased at a higher rate than was anticipated. In addition, the Euro-rates have increased after the ECB increased its benchmark interest rate at the beginning of July. The OECD forecasts that GDP in the eurozone will increase by 1.7 per cent this year and 1.4 per cent next year. The ECB's GPD growth forecasts for 2008 and 2009 are 1.5-2.1 per cent and 1.0–2.0 per cent, respectively.

Konjunkturinstitutet said in its June survey that the economic slowdown in the Nordic countries in 2008-2009 will remain modest. The recovery will start during next year. Full-year growth in 2010 will be higher than in the previous year. Euroconstruct estimated that the growth of construction in the Nordic countries will slow down this year to 1.5 per cent. This year, growth in business premise construction will continue in the Nordic countries, whilst residential construction will decrease. In Finland, new housing starts will decrease from 30,500 last year to 28,000 this year according to the forecast of the Confederation of Finnish Construction Industries RT in June. In 2009, construction is forecast to decrease by 1.3 per cent in the Nordic countries. Next year, business premise construction will also decrease. Civil engineering and building repair projects will grow steadily. In the Nordic countries, growth in industrial production will slacken, but modernisation requirements will increase the demand for industry and energy sector investments and maintenance.

The IMF has increased its forecast of the growth of the Russian economy this year to 7.8 per cent. In April, the IMF said it expected the growth figures for 2008 and 2009 to be 6.8 per cent and 6.3 per cent respectively. Data compiled by Rosstat indicates that growth during the first quarter of this year was 8.5 per cent. Construction increased by 28 per cent and industrial production by 8 per cent. The IMF says the biggest risk to economic growth over the next few years is rising inflation and its negative effects. Inflation was 15.1 per cent in June and most experts believe that inflation will remain in double digits. There is a shortage of skilled labour in many areas. According to Rosstat, at the end of 2007 the unemployment rate in all of Russia was 6.1 per cent, but it was less than 1 per cent in Moscow and just 2 per cent in St. Petersburg. Real wages increased by 14 per cent in January-May.

The economic growth forecasts in Estonia, Latvia and Lithuania have been cut after the IMF forecast in April. Konjunkturinstitutet forecasted in June that the economies of the Baltic countries will continue to weaken. There is a risk of recession in Estonia and Latvia. The economies will start to recover during 2010 but inflation will remain high.

MAJOR BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The most significant short-term business risks and uncertainties are connected with the sales risk of the order backlog, the large-scale real estate development projects underway in Russia, and foreseeing and reacting to changes in the operating environment.

The sales risk contained in the order backlog is mainly comprised of unsold residential units that are under construction. Sales risk is managed by adjusting residential start-ups with sales trends. In Russia, sales of residential units mainly take place towards the end of the project, and the construction time is approximately two years. In Finland and the Baltic countries, the construction time is approximately one year. A more detailed account of the order backlog structure is presented above in the Order Backlog section. In Russian real estate development projects, the risks are associated with the delivery schedules of the projects and obtaining water and drain connections for the Gorelovo area. The final costs resulting from the delay of the food plant being built in the area are specified later, pursuant to the agreement made with the client.

YIT's risk management policy specifies the Group's most significant risks and methods of mitigating strategic and administrative risks. YIT's geographic and business structure balances the impact of economic fluctuation on the Group's revenue and profits.

A more detailed account of YIT's risk management policy and the most significant risks has been published in the Annual Report for 2007 and of financial risks in the notes to the 2007 financial statements.

OUTLOOK FOR 2008

The demand for building system services is solid throughout the market area and the segment's order backlog is good. YIT aims at increasing its market share in building systems in all of the Nordic countries.

In Russia, strong demand for housing continues. YIT's strong backlog and volume of ongoing residential production provide good prerequisites for meeting the targets set for the Russian business.

In Finland, construction remains at a good level on the whole but is more focused on business premise and infrastructure construction, which have a strong order backlog. The outlook for residential production has weakened since last summer. The higher interest rates increase uncertainty about the development of the residential market during the second half of the year.

Industrial Services has a good order backlog. Business opportunities are found particularly in the outsourcing of industrial maintenance in Finland.

Based on the above outlook by business segment we estimate that the revenue and profit before taxes for 2008 will increase compared to the previous year. Nevertheless, uncertainties connected to the general economic development have increased and that may weaken the profit development during the last part of the year.

EVENTS AFTER THE REPORTING PERIOD

Julius Baer Holding Ltd informed YIT on July 15, 2008 that following a share transaction on July 10, 2008 Julius Baer Holding Ltd's group of companies' holding of YIT Corporation's share capital and voting rights has decreased to 4.99 per cent.

Helsinki, July 24, 2008

Board of Directors

INTERIM REPORT JAN 1 - JUN 30, 2008: TABLES
The information presented in the Interim Report has not been audited.

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1. KEY FIGURES OF YIT GROUP

KEY FIGURES

	6/2008	6/2007	Change %	12/2007
Earnings per share, EUR 1)	0.73	0.73	0	1.77
Diluted earnings per share, EUR 1)	0.73	0.72	1	1.77
Equity per share, EUR	6.32	5.38	17	6.40
Average share price during the period, EUR	16.09	24.52	-34	22.15
Share price at end of period, EUR	15.98	23.35	-32	14.99
Market capitalization at end of period, MEUR	2,033.0	2,963.1	-31	1,907.0
Weighted average share-issue adjusted number of shares outstanding, thousands	127,220	126,803	0	126,872
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	127,220	127,385	0	127,028
Share-issue adjusted number of shares outstanding at end of period, thousands	127,223	126,899	0	127,218
Net interest-bearing debt at end of period, MEUR	625.2	548.9	14	514.8
Return on investment, from the last 12 months, %	25.6	25.7	-	26.2
Equity ratio, %	34.5	32.4	-	36.7
Gearing ratio, %	77.2	79.8	-	62.9
Gross capital expenditures, MEUR	25.8	21.5	20	51.6
% of revenue	1.3	1.2	-	1.4
Order backlog at end of period, MEUR 2)	3,670.4	3,275.2	12	3,509.3
of which order backlog outside Finland	2,075.3	1,730.9	20	1,999.2
Average number of personnel	23,608	22,712	4	23,394

1) Includes non-recurring items of EUR 9.0 million in profit after taxes in Q4/2007 from the divestment of Network Services business division on Dec 31, 2007.
2) Portion of binding orders not recognized as income.

YIT GROUP FIGURES BY QUARTER

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008
Revenue, MEUR	833.5	939.3	906.8	1,027.0	927.0	991.2
Operating profit, MEUR	61.2	78.5	89.4	108.7	78.6	70.5
% of revenue	7.3	8.4	9.9	10.6	8.5	7.1
Financial income, MEUR	0.6	0.5	0.6	0.8	3.2	0.6
Exchange rate differences, MEUR	-0.1	-1.6	0.5	-2.6	-0.8	-2.6
Financial expenses, MEUR	-6.9	-7.6	-8.1	-8.4	-10.7	-8.0
Profit before taxes, MEUR	54.8	69.8	82.4	98.5	70.3	60.5
% of revenue	6.6	7.4	9.1	9.6	7.6,	6.1
Balance sheet total, MEUR	2,155.9	2,346.1	2,418.4	2,461.3	2,525.8	2,605.5
Earnings per share, EUR	0.31	0.42	0.47	0.57	0.40	0.33
Equity per share, EUR	4.95	5.38	5.85	6.40	5.97	6.32
Share price at end of period, EUR	25.80	23.35	20.84	14.99	17.97	15.98
Market capitalization at end of period, MEUR	3,270.8	2,963.1	2,644.7	1,907.0	2,286.1	2,033.0
Return on investment, from the last 12 months, %	25.4	25.7	25.8	26.2	28.1	25.6
Equity ratio, %	31.8	32.4	33.8	36.7	33.3	34.5
Net interest-bearing debt at end of period, MEUR	540.9	548.9	591.4	514.8	462.7	625.2

Gearing ratio, %	85.6	79.8	79.1	62.9	60.6	77.2
Gross capital expenditures, MEUR	15.8	5.7	12.0	18.1	11.8	14.0
Order backlog at end of period, MEUR	2,995.4	3,275.2	3,172.5	3,509.3	3,627.0	3,670.4
Personnel at end of period	22,418	23,474	23,836	24,073	23,644	24,978

SEGMENT INFORMATION BY QUARTER

Revenue by business segment (EUR million)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008
Building Systems	367.7	410.3	392.3	479.7	418.1	480.5
Construction Services Finland	291.5	307.0	272.5	287.2	284.9	308.6
International Construction Services	79.3	115.2	139.6	152.0	154.3	119.5
Industrial Services 1)	110.7	129.6	118.7	130.8	90.9	110.9
Other items	-14.1	-22.8	-16.4	-22.7	-21.2	-28.3
YIT Group, total	833.5	939.3	906.7	1,027.0	927.0	991.2

1) The revenue for 2007 includes the Network Services division, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

Operating profit by business segment (EUR million)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008
Building Systems	18.8	25.6	26.7	41.1	26.3	32.6
Construction Services Finland 1)	35.6	35.5	33.4	29.0	35.4	29.4
International Construction Services	5.6	16.0	23.9	21.7	16.1	6.1
Industrial Services 2)	5.0	5.8	8.1	22.3	5.2	8.5
Other items	-3.8	-4.4	-2.7	-5.4	-4.4	-6.1
YIT Group, total	61.2	78.5	89.4	108.7	78.6	70.5

Operating profit margin by business segment (%)

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008
Building Systems	5.1%	6.2%	6.8%	8.6%	6.3%	6.8%
Construction Services Finland 1)	12.2%	11.6%	12.3%	10.1%	12.4%	9.5%
International Construction Services	7.1%	13.9%	17.1%	14.3%	10.4%	5.1%
Industrial Services 2)	4.5%	4.5%	6.8%	17.0%	5.7%	7.7%
YIT Group, total	7.3%	8.4%	9.9%	10.6%	8.5%	7.1%

1) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for 1-3/2008.

2) The operating profit for 2007 includes the Network Services division, which was sold on December 31, 2007. The operating profit for the Industrial Services for 1-3/2007 includes EUR -1.0 million due to costs from restructuring of the Network Services division. The operating profit for 10-12/2007 includes positive non-recurring items of EUR 14.4 million from the divestment of Network Services division.

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

	I/2007	II/2007	III/2007	IV/2007	I/2008	II/2008
Building Systems	670.3	721.8	740.5	707.7	825.3	799.9
Construction Services Finland	1,026.1	1,193.1	1,128.9	1,183.8	1,306.4	1,264.8
International Construction Services	1,111.8	1,185.2	1,134.4	1,462.7	1,381.7	1,483.7
Industrial Services 1)	228.8	213.6	221.7	219.2	224.3	222.8

Other items	-41.6	-38.5	-53.0	-64.1	-110.7	-100.8
YIT Group, total	2,995.4	3,275.2	3,172.5	3,509.3	3,627.0	3,670.4

1) The order backlog I/2007, II/2007 and III/2007 include the Network Services division, which was divested on December 31, 2007.

2. CONSOLIDATED FINANCIAL STATEMENTS JAN 1 - JUN 30, 2008

CONSOLIDATED INCOME STATEMENT JAN 1 - JUN 30, 2008 (EUR million)

	1-6/2008	**1-6/2007**	**Change, %**	**1-12/2007**
Revenue	1,918.2	1,772.8	8	3,706.5
of which activities outside Finland	976.7	816.9	20	1,798.5
Operating income and expenses	-1,754.3	-1,621.0	8	-3,342.7
Share of results of associated companies	0.1	0.6	-83	1.2
Depreciation and write-downs	-14.9	-12.7	17	-27.2
Operating profit	149.1	139.7	7	337.8
% of revenue	7.8	7.9	-	9.1
Financial income 1)	3.8	1.1	*)	2.6
Exchange rate differences	-3.4	-1.7	100	-3.8
Financial expenses	-18.7	-14.5	29	-31.0
Profit before taxes	130.8	124.6	5	305.6
% of revenue	6.8	7.0	-	8.2
Income taxes 2)	-36.6	-32.1	14	-77.6
Profit for the report period	94.2	92.5	2	228.0
% of revenue	4.9	5.2	-	6.2
Attributable to				
Equity holders of the parent company	93.2	92.0	1	224.9
Minority interests	1.0	0.5	100	3.1
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, EUR	0.73	0.73	0	1.77
Diluted earnings per share, EUR	0.73	0.72	1	1.77

1) The financial income of the review period includes EUR +2.2 million due to the ruling of the Supreme Court of disputes over the refurbishing of SOK's former head office in Finland.
2) Income taxes are divided between periods on the basis of the result of the reporting period.
*) Change over 100 %.

CONSOLIDATED INCOME STATEMENT APR 1 - JUN 30, 2008 (EUR million)

	4-6/2008	4-6/2007	Change, %
Revenue	991.2	939.3	6
of which activities outside Finland	494.2	445.0	11
Operating income and expenses	-913.1	-854.7	8
Share of results of associated companies	0.1	0.4	-75
Depreciation and write-downs	-7.7	-6.5	18
Operating profit	70.5	78.5	-10
% of revenue	7.1	8.4	-15
Financial income	0.6	0.5	20
Exchange rate differences	-2.6	-1.6	63
Financial expenses	-8.0	-7.6	5
Profit before taxes	60.5	69.8	-13
% of revenue	6.1	7.4	-18
Income taxes	-17.5	-17.4	1
Profit for the report period	43.0	52.4	-18
% of revenue	4.3	5.6	-22
Attributable to			
Equity holders of the parent company	42.6	52.4	-19
Minority interests	0.4	0	*)
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, EUR	0.33	0.42	-21
Diluted earnings per share, EUR	0.33	0.41	-20

*) Change over 100 %.

CONSOLIDATED BALANCE SHEET (EUR million)

	6/2008	6/2007	Change, %	12/2007
ASSETS				
Non-current assets				
Property, plant and equipment	95.0	92.6	3	92.5
Goodwill	240.6	248.8	-3	240.6
Other intangible assets	33.2	19.6	69	27.1
Shares in associated companies	3.9	3.2	22	3.6
Investments	2.3	2.9	-21	2.5
Receivables	19.3	18.6	4	15.1
Deferred tax assets	28.0	25.6	9	27.2
Current assets				
Inventories	1,358.6	1,157.2	17	1,265.0
Trade and other receivables	789.4	726.9	9	727.5
Cash and cash equivalents	35.2	50.7	-31	60.2
Total assets	2,605.5	2,346.1	11	2,461.3
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	149.2	147.0	1	149.1
Other equity	655.4	536.3	22	665.4
Minority interests	4.9	4.5	9	3.8
Total equity	809.5	687.8	18	818.3
Non-current liabilities				
Deferred tax liabilities	77.2	61.7	25	71.5
Pension liabilities	6.9	8.4	-18	7.5
Provisions	35.2	34.1	3	34.2
Interest-bearing liabilities	389.5	400.8	-3	356.9
Other liabilities	1.6	3.0	-47	1.7
Current liabilities				
Trade and other payables	990.8	931.3	6	928.3
Provisions	23.9	20.2	18	24.8
Interest-bearing current liabilities	270.9	198.8	36	218.1
Total equity and liabilities	2,605.5	2,346.1	11	2,461.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR million)

	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2008	149.1	0.0	1.0	13.9	-9.0	2.0	657.6	3.8	818.4
Bonus issue		-	-	-	-	-	-	-	-
Shares subscribed with options	0.1	-	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	1.0	-	-	-
Change in translation differences	-	-	-	-	-3.8	-	-	-	-
Employee share option scheme	-	-	-	-	-	-	1.6	-	-
Net profit for the period	-	-	-	-	-	-	93.2	1.0	-
Dividend paid	-	-	-	-	-	-	-101.8		-
Other change	-	-	0.4	-	-	-	-0.7	0.1	-
Equity on Jun 30, 2008	149.2	0.0	1.4	13.9	-12.8	3.0	649.9	4.9	809.5

	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2007	63.4	83.8	0.8	13.7	-4.5	1.0	512.3	3.9	674.4
Bonus issue	82.8	-82.8	-	-	-	-	-	-	-
Shares subscribed with options	0.8	-	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	2.0	-	-	-
Change in translation differences	-	-	-	-	-1.4	-	-	-	-
Employee share option scheme	-	-	-	-	-	-	1.8	-	-
Net profit for the period	-	-	-	-	-	-	92.0	0.5	-
Dividend paid	-	-	-	-	-	-	-82.4		-
Other change	-	-1.0	0.2	0.9	-	-	-0.1	0.1	-
Equity on Jun 30, 2007	147.0	0.0	1.0	14.6	-5.9	3.0	523.6	4.5	687.8

	Share capital	Share premium reserve	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Retained earnings	Minority interest	Total equity
Equity on Jan 1, 2007	63.4	83.8	0.8	13.7	-4.5	1.0	512.3	3.9	674.4
Bonus issue	82.8	-82.8	-	-	-	-	-	-	-
Shares subscribed with options	2.9	-	-	-	-	-	-	-	-
Change in the fair value of interest derivatives	-	-	-	-	-	1.0	-	-	-
Change in translation differences	-	-	-	-	-4.5	-	-1.3	-	-
Employee share option scheme	-	-	-	0.2	-	-	4.2	-	-
Net profit for the period	-	-	-	-	-	-	224.9	3.0	-
Dividend paid	-	-	-	-	-	-	-82.4	-0.1	-
Other change	-	-1.0	0.2	0.0	-	-	-0.1	-2.9	-
Equity on Dec 31, 2007	149.1	0.0	1.0	13.9	-9.0	2.0	657.6	3.8	818.4

CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-6/2008	1-6/2007	Change, %	1-12/2007
Cash flows from operating activities				
Net profit for the period	94.2	92.5	2	228.0
Reversal of accrual-based items	70.4	60.3	17	120.5
Change in working capital				
Change in trade and other receivables	-63.6	-37.6	69	-32.9
Change in inventories	-92.2	-149.7	-38	-259.8
Change in current liabilities	33.3	123.6	-73	118.7
Change in working capital, total	-122.5	-63.7	92	-174.0
Interest paid	-8.6	-7.9	9	-27.3
Interest received	3.9	1.1	*)	2.4
Taxes paid	-24.1	-26.1	-8	-66.2
Net cash generated from operating activities	13.3	56.2	-76	83.4
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-9.3	-5.1	82	-14.1
Proceeds from sale of shares in associated companies	0	0.5	*)	0.4
Purchase of property, plant and equipment	-7.8	-12.7	-39	-28.7
Purchase of intangible assets	-8.5	-2.7	*)	-6.4
Increases in other investments	-0.1	0	*)	-0.1
Disposals of subsidiaries and businesses	0	0	-	31.7
Proceeds from sale of shares in associated companies	0	0	-	4.4
Proceeds from sale of fixed assets	2.5	2.3	9	0
Proceeds from sale of other investments	0.2	0.0	*)	
Net cash used in investing activities	-23.0	-17.7	30	-12.9
Cash flow from financing activities				
Proceeds from share issues	0.1	0.8	-88	2.9
Decrease in loan receivables	0	0.1	*)	0.1
Change in current liabilities	49.4	-54.9	*)	-49.1
Proceeds from borrowings	40.0	128.5	-69	168.1
Repayments of borrowings	-2.5	-4.6	-46	-74.2
Payments of financial leasing debts	-0.3	-1.0	-70	-1.4
Dividends paid	-102.0	-82.6	23	-82.6
Net cash used in financing activities	-15.3	-13.7	12	-36.2
Net change in cash and cash equivalents	-25.0	24.8	*)	34.3
Cash and cash equivalents at the beginning of the period	60.2	25.9	*)	25.9
Cash and cash equivalents at the end of the period	35.2	50.7	-31	60.2

*) Change over 100%.

3. NOTES

ACCOUNTING PRINCIPLES OF THE INTERIM REPORT

YIT Corporation's Interim Report for January 1 - June 30, 2008 has been drafted in line with IAS 34: Interim Financial Reporting. YIT has applied the same accounting policy and IFRS standards and interpretations in the drafting of the Interim Report as in its annual financial statements for 2007. The information presented in the Interim Report has not been audited.

Assessment of the future impact of new standards and interpretations

In July 2008, IFRIC published a new interpretation guide IFRIC15: Agreements for the Construction of Real Estate, the main effect of which on YIT Group will be on the income recognition procedures for development projects. The interpretation guide must be applied from 1 January 2009, assuming the European Commission has approved it by that date. The Group's management is analysing the effects of the application of the interpretation guide on the financial data reported by the Group.

FINANCIAL RISK MANAGEMENT

The principles described in the annual financial statements 2007 have been applied in the management of financial risks.

SEGMENT INFORMATION

YIT's business operations are divided into four business segments: Building Systems, Construction Services Finland, International Construction Services and Industrial Services.

Revenue by business segment (EUR million)

	1-6/2008	1-6/2007	Change, %	1-12/2007
Building Systems	898.6	778.0	16	1,650.0
Construction Services Finland	593.5	598.5	-1	1,158.2
International Construction Services	273.8	194.5	41	486.1
Industrial Services 1)	201.8	240.3	-16	489.8
Other items	-49.5	-38.5	29	-77.6
YIT Group, total	1,918.2	1,772.8	8	3,706.5

1) The revenue for 2007 includes the Network Services division, which was sold on December 31, 2007. Network Services revenue for 1-12/2007 amounted to EUR 77 million.

Operating profit by business segment (EUR million)

	1-6/2008	1-6/2007	Change, %	1-12/2007
Building Systems	58.9	44.4	33	112.2
Construction Services Finland 1)	64.8	71.1	-9	133.5
International Construction Services	22.2	21.6	3	67.2
Industrial Services 2)	13.7	10.8	27	41.2
Other items	-10.5	-8.2	28	-16.3
YIT Group, total	149.1	139.7	7	337.8

1) The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for 1-3/2008.

2) The operating profit for 2007 includes the Network Services division, which was sold on December 31, 2007. The operating profit for the Industrial Services for 1-3/2007 includes EUR -1.0 million due to costs from restructuring of the Network Services division. The operating profit for 10-12/2007 includes positive non-recurring items of EUR 14.4 million from the divestment of Network Services division.

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

	6/2008	6/2007	Change, %	1-12/2007
Building Systems	799.9	721.8	11	707.7
Construction Services Finland	1,264.8	1,193.1	6	1,183.8
International Construction Services	1,483.7	1,185.2	25	1,462.7
Industrial Services 1)	222.8	213.6	4	219.2
Other items	-100.8	-38.5	*)	-64.1
YIT Group, total	3,670.4	3,275.2	12	3,509.3

1) The order backlog 6/2007 includes the Network Services division, which was divested on December 31, 2007.
*) Change over 100 %.

UNUSUAL ITEMS AFFECTING OPERATING PROFIT (EUR million)

	1-6/2008	1-6/2007
Industrial Services		
Rearrangements	-	-1.0
Construction Services Finland	3.5	-
YIT Group, total	3.5	-1.0

The operating profit for the Industrial Services segment for 1-3/2007 includes EUR -1.0 million due to costs from restructuring of the Network Services division. The Network Services division was divested on December 31, 2007.

The Supreme Court issued its ruling on disputes connected with the renovation of SOK's former head office building on March 10, 2008. The ruling had a positive effect of EUR 3.5 million on the Construction Services Finland operating profit for 1-3/2008.

ACQUIRED BUSINESSES (EUR million)

Building Systems segment boosted its competence as a provider of energy efficiency services by acquiring building automation specialist Computec Oy in Finland and made small corporate acquisitions and purchases of business operations in Finland, Norway and Sweden.

The total purchase price of the acquired businesses was EUR 10.4 million. Goodwill was allocated to intangible rights.

	The fair value in balance sheet	Seller's carrying amount before the consolidation
The effect on balance sheet assets and liabilities:		
Property, plant and equipment	0.8	0.8
Intangible assets	8.0	0.3
Inventories	1.3	1.3
Trade and other receivables	2.4	2.4
Cash and cash equivalents	1.0	1.0
Other liabilities	-3.1	-3.1
Acquired net assets	10.4	2.7
Total consideration	10.4	
Goodwill	0	
The effect on cash flow:		

Paid in cash	10.4	
Cash and cash equivalents in acquired entity	-1.1	
Cash flow on acquisitions	9.3	

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (EUR million)

	1-6/2008	1-6/2007	Change, %
Carrying value at the beginning of period	92.5	91.8	1
Increase	14.5	13.0	12
Increase through acquisitions	0.8	0.9	-11
Decrease	-2.3	-1.4	64
Depreciation and value adjustments	-10.2	-9.6	6
Reclassification	-0.3	-2.1	-86
Carrying value at the end of period	95.0	92.6	3

INVENTORIES (EUR million)

	1-6/2008	1-6/2007	Change, %
Raw materials and consumables	22.7	25.8	-12
Work in progress	582.8	493.3	18
Land areas and plot owing companies	599.0	520.2	15
Shares in completed housing and real estate companies	79.0	66.1	20
Advance payments	75.0	47.4	58
Other inventories	0.1	4.4	-98
Total inventories	1,358.6	1,157.2	17

NOTES ON EQUITY (EUR million)

Share capital and share premium reserve	Number of shares, 1000	Share capital	Total
Jan 1, 2008	127,217,872	149.1	149.1
Share subscription with options	5,550	0.1	0.1
Jun 30, 2008	127,223,422	149.2	149.2

INTEREST-BEARING LIABILITIES (EUR million)

No new bonds were raised during the review period.

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

	6/2008	6/2007	Change, %
Collateral given for own commitments			
Corporate mortgages	31,3	29,3	7
Real estate mortgages	1,0	-	*)
Pledged shares	-	1,5	*)
Other commitments			
Repurchase commitments	205,6	231,8	-11
Operating leases	291,1	259,0	12
Rental guarantees for clients	9,0	8,6	5
Other contingent liabilities	0,6	0,8	-25
Guarantees given	8,3	0	*)
Liability under derivative contracts			

Value of underlying instruments			
Interest rate derivatives	273,6	298,1	-8
Foreign exchange derivatives	265,8	181,9	46
Market value			
Interest rate derivatives	5,5	5,2	6
Foreign exchange derivatives	0,8	-1,0	*)
Contingent assets			
Legal processes	0	11,1	*)

*) Change over 100%.

TRANSACTIONS WITH ASSOCIATED COMPANIES (EUR million)

	1-6/2008	1-6/2007	Change, %	1-12/2007
Sales to associated companies	1.8	0.5	260	4.8
Purchases from associated companies	2.4	2.0	20	40.1
Trade and other receivables	0	0	-	0.1
Trade and other liabilities	0.4	0.5	-20	0.8

*) Change over 100%.

EVENTS AFTER THE END OF THE REVIEW PERIOD

Julius Baer Holding Ltd informed YIT on July 15, 2008 that following a share transaction on July 10, 2008 Julius Baer Holding Ltd's group of companies' holding of YIT Corporation's share capital and voting rights has fallen to 4.99 per cent.

YIT Building Systems Ltd divested the business operations connected to investment, lease management and financial administration services in facility management. The sale of the operations came into force on July 1, 2008.

On May 29, 2008, YIT Construction Ltd signed an acquisition agreement for 85 per cent holding in a Czech company, Euro Stavokonsult s.r.o. The company will be consolidated to YIT Group from July 1, 2008 onwards.