



Financial Statements Bulletin 2016

Kari Kauniskangas, President and CEO



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- 2 Housing Finland and CEE
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- 4 Business Premises and Infrastructure
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# 1

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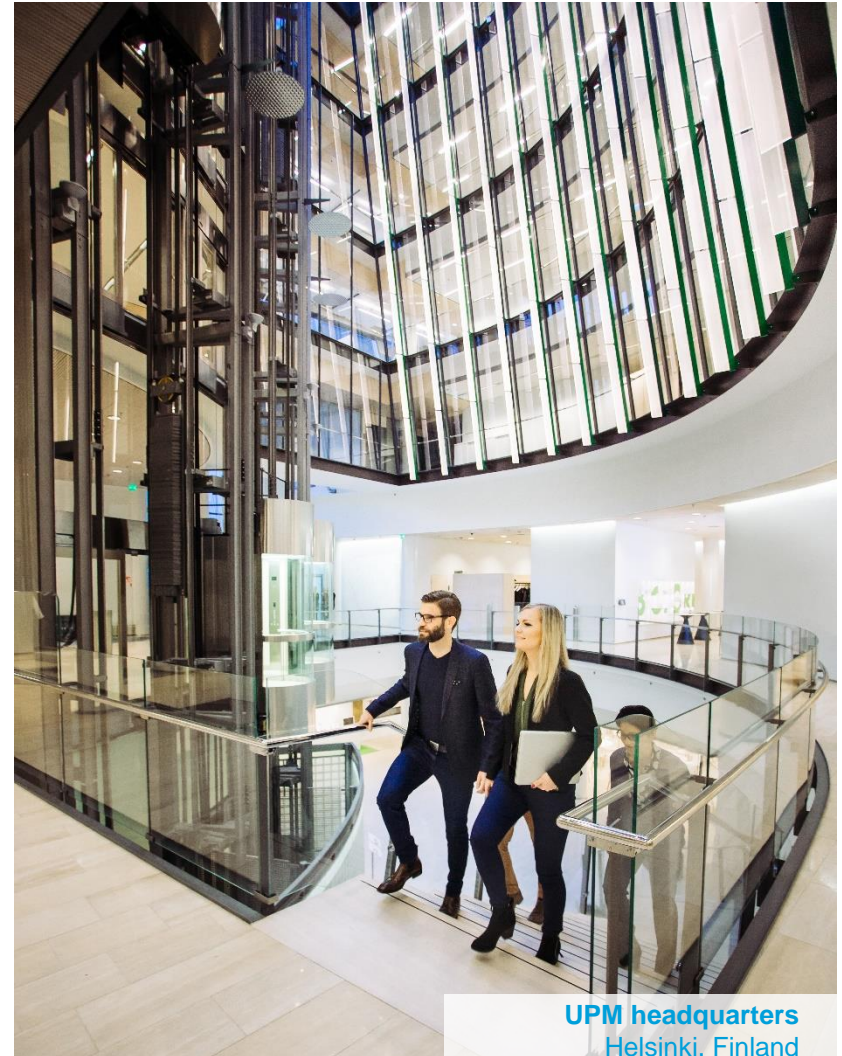
## Group development in Q4/2016





# Key messages in Q4/2016

- Exceptionally strong residential sales to consumers in new projects in Finland and the CEE countries
- Good progress in ongoing projects and a solid order backlog in Business Premises and Infrastructure
- Operating profit positive in Housing Russia due to good sales and high number of completions
- Despite the improvement, financial key ratios still on an unsatisfactory level



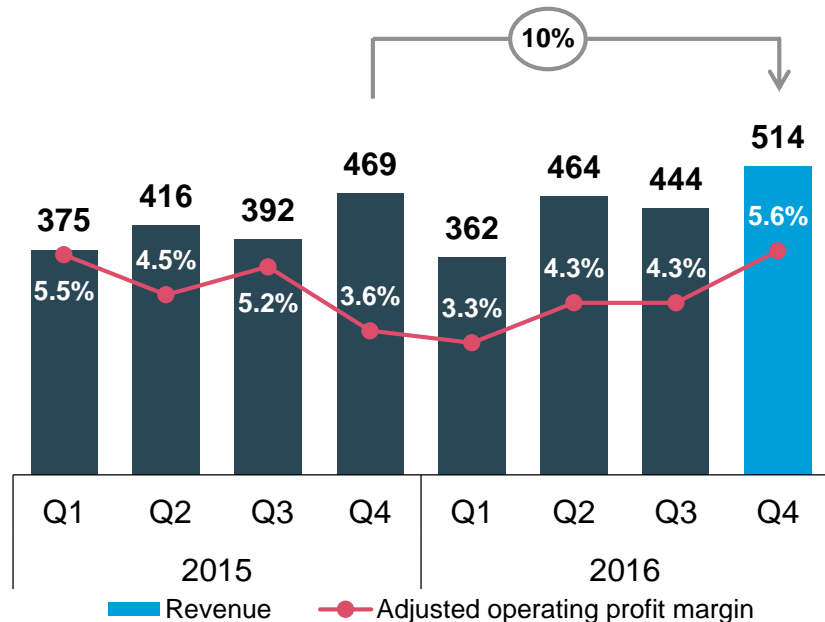
# Group: Revenue grew and profitability improved in Q4

- Revenue increased by 10% y-o-y, 9% at comparable exchange rates
- Operating profit margin improved y-o-y in all segments
- Order backlog remained stable q-o-q, share of sold backlog continued to increase

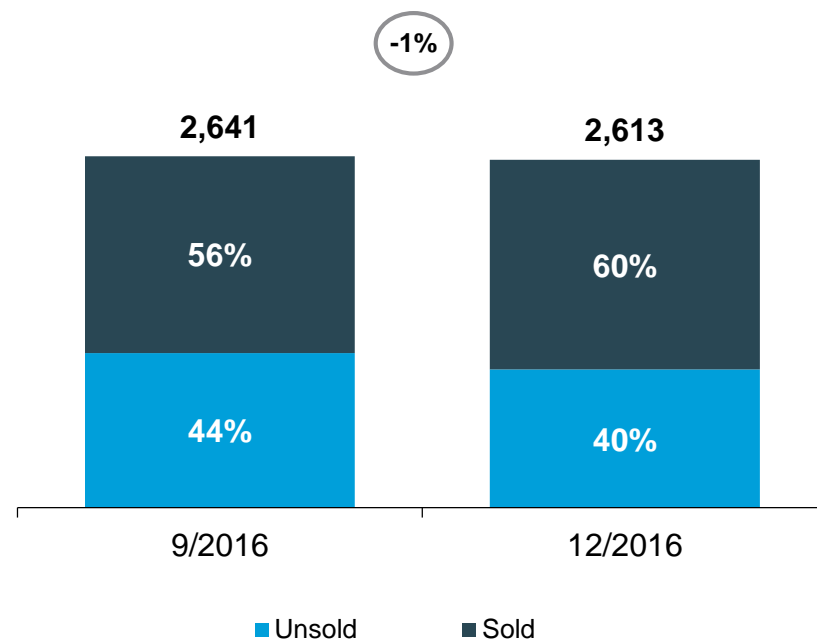
Revenue and adjusted operating profit margin (EUR million, %)

2015: EUR 1,651 million, 4.6%

2016: EUR 1,784 million, 4.5%



Order backlog (EUR million)



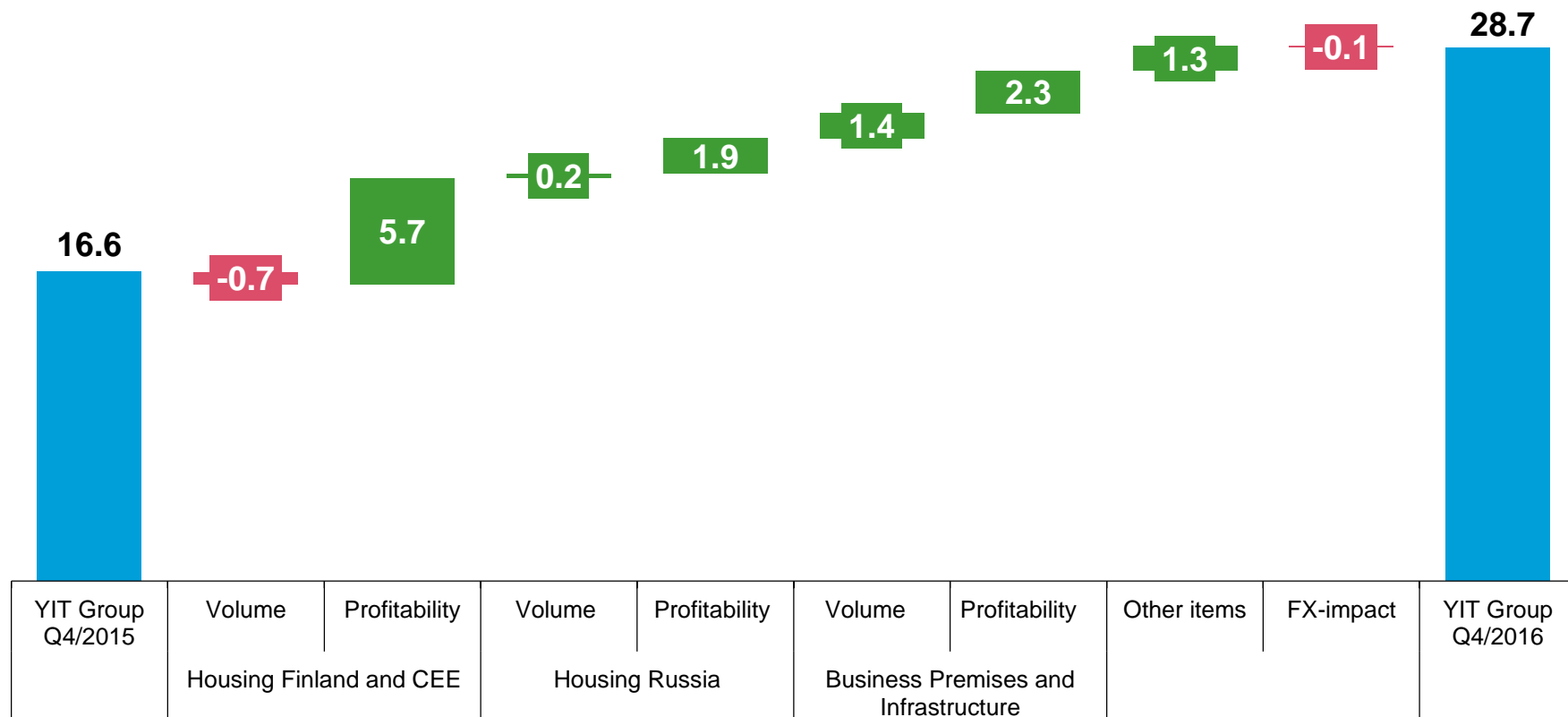
All figures according to segment reporting (POC)

Note: The adjusted operating profit margin does not include material reorganisation costs, impairment or other items impacting comparability

# EBIT-bridge Q4/2015–Q4/2016

- Positive profitability development in Housing Finland and CEE due to less capital release actions and shift in the sales mix

Adjusted operating profit (EUR million), change Q4/2015–Q4/2016: 72%





# 2

## Housing Finland and CEE

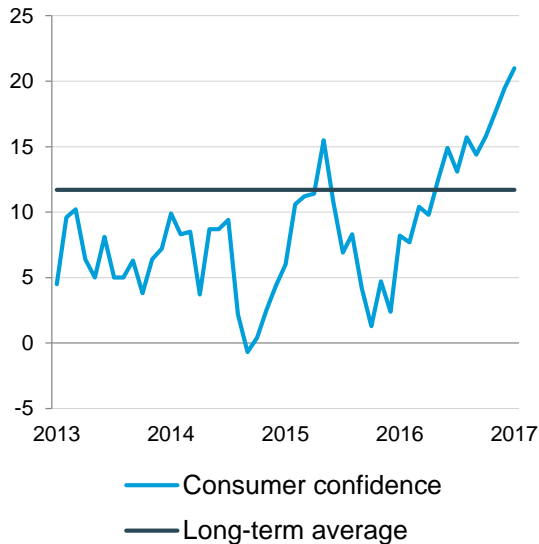


# Housing Finland and CEE

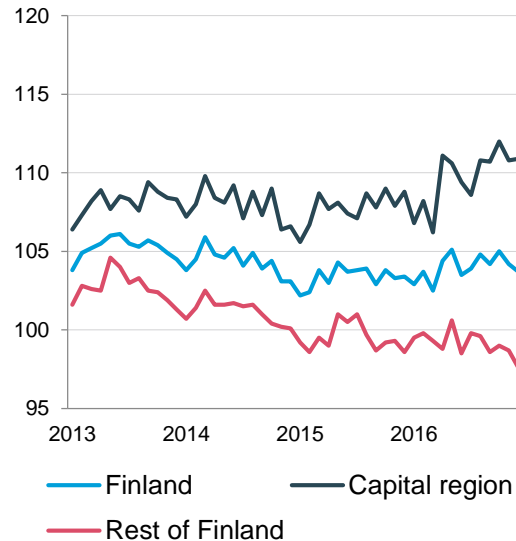
## Operating environment in Finland in Q4

- Consumer confidence improved in Q4
- Investor demand remained on a good level
- Good demand especially for small, affordable apartments in the growth centres
- Some improvement in demand for larger apartments
- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans continued to increase y-o-y

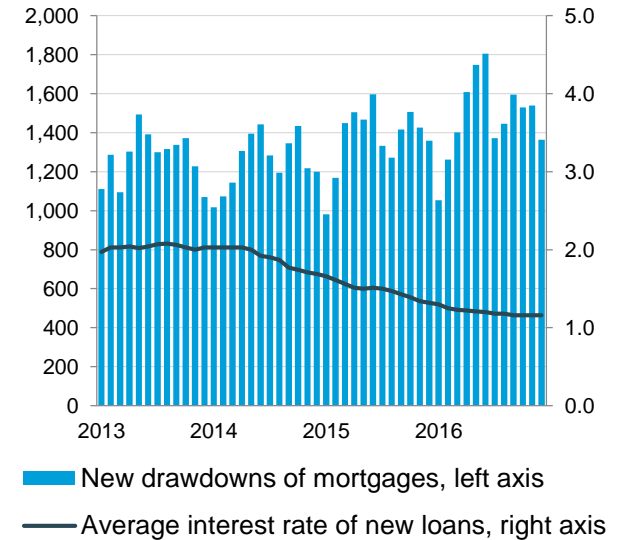
**Consumer confidence**



**Prices of old apartments  
(index 2010=100)**



**New drawdowns of mortgages and  
average interest rate (EUR million, %)**



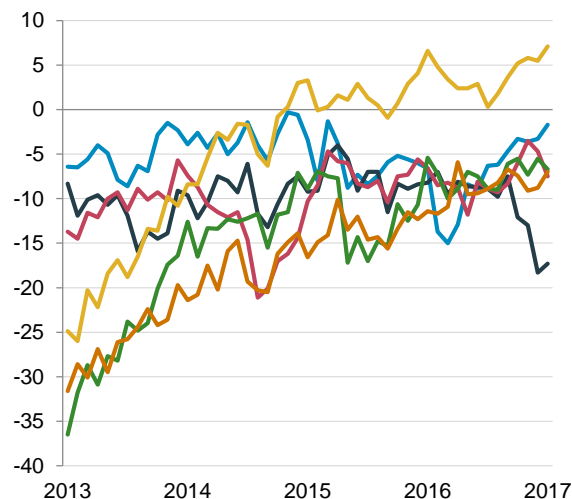
Sources: Statistics Finland and Bank of Finland



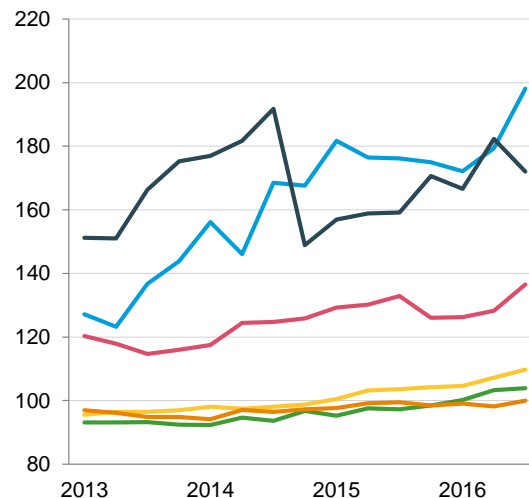
## Operating environment in the CEE countries in Q4

- Macro environment remained positive
- Residential demand on a good level
- Prices of new apartments remained relatively stable or increased slightly in the CEE countries
- Interest rates of mortgages on a low level
- Consumers' access to financing remained good

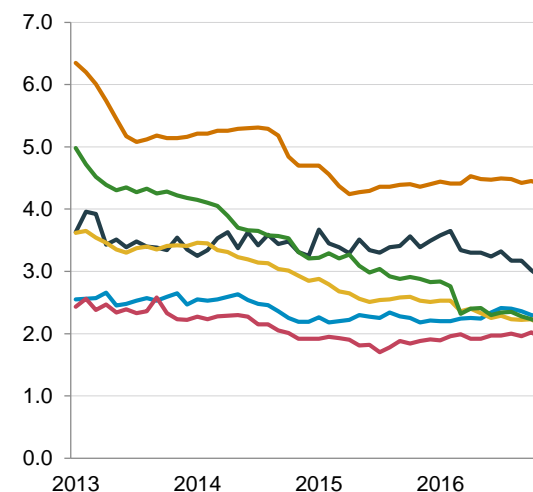
Consumer confidence



House price index, new dwellings (2010=100)



Average interest rate of mortgages (%)



— Estonia — Latvia — Lithuania — The Czech Republic — Slovakia — Poland

Sources: European Commission, Eurostat and National Central Banks

# Housing Finland and CEE

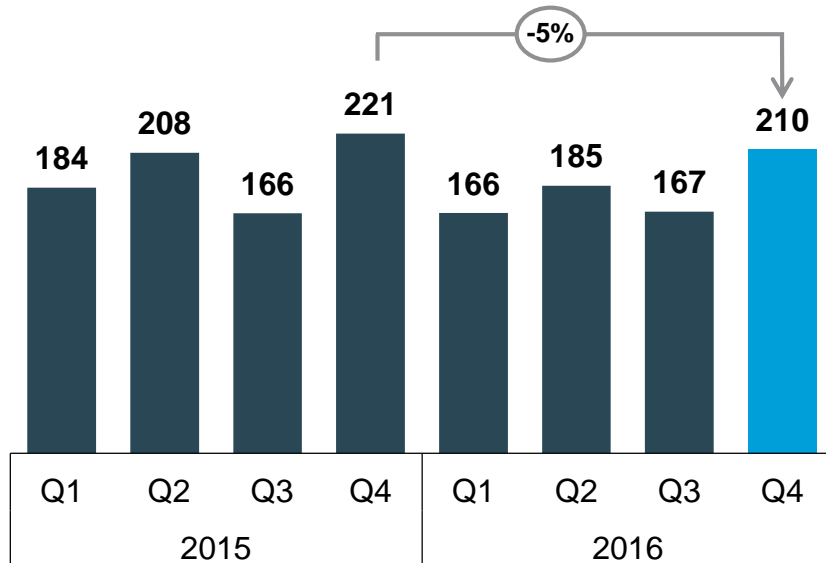
## Revenue decreased slightly in Q4

- Revenue declined by 5% y-o-y due to less capital release actions in Finland
- Exceptionally high share of unit sales for consumers was from recently started projects
- Order backlog declined by 5% q-o-q due to high completions and on average smaller size of started apartments

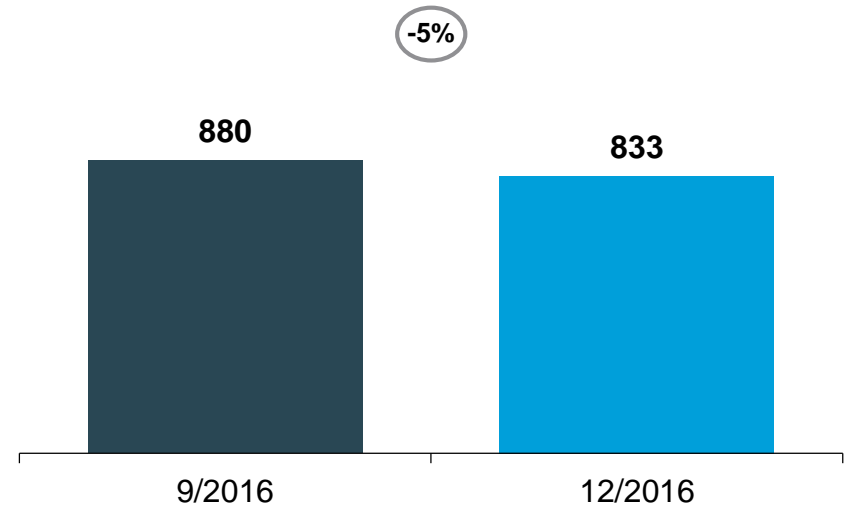
Revenue (EUR million)

2015: EUR 778 million

2016: EUR 728 million



Order backlog (EUR million)



All figures according to segment reporting (POC)



# Housing Finland and CEE

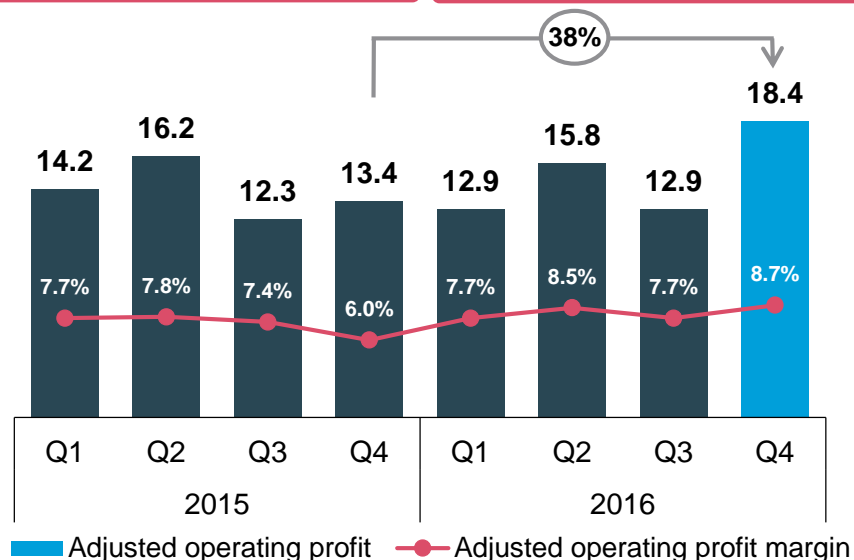
## Profitability improved in Q4

- Profitability improved y-o-y due to less capital release actions in Finland and positive change in sales mix
- ROI continued to improve due to improving operating profit

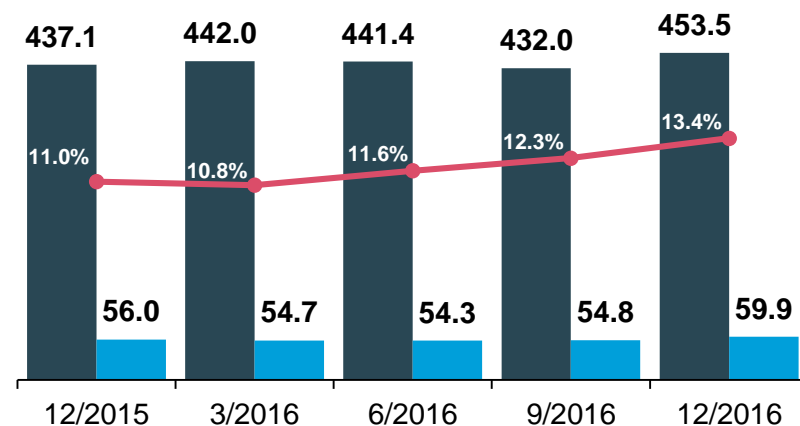
### Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2015: EUR 56.0 million, 7.2%

2016: EUR 59.9 million, 8.2%



### Return on operative invested capital (EUR million, %)



Operative invested capital  
Operating profit, 12 month rolling  
Return on operative invested capital

All figures according to segment reporting (POC)

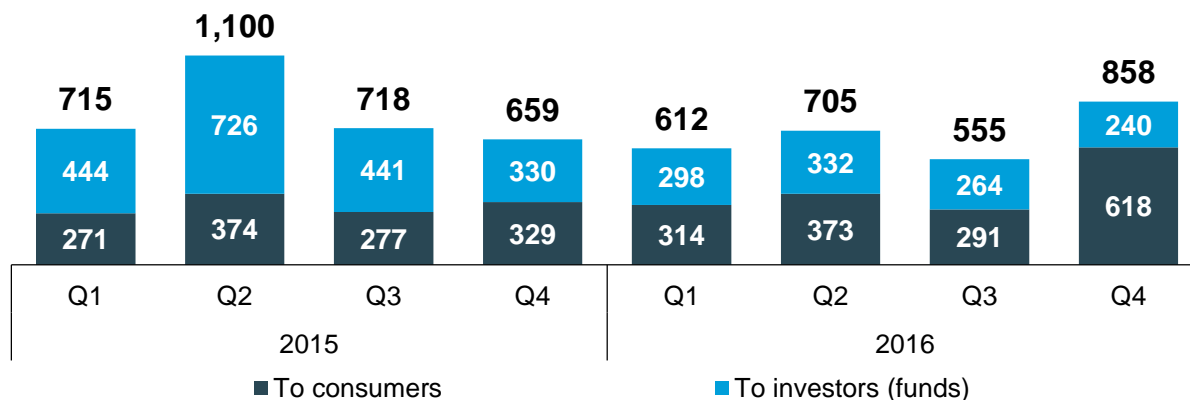
# Housing Finland and CEE

## Sales and start-ups in Finland in Q4

### Sold apartments (units)

2015: 3,192

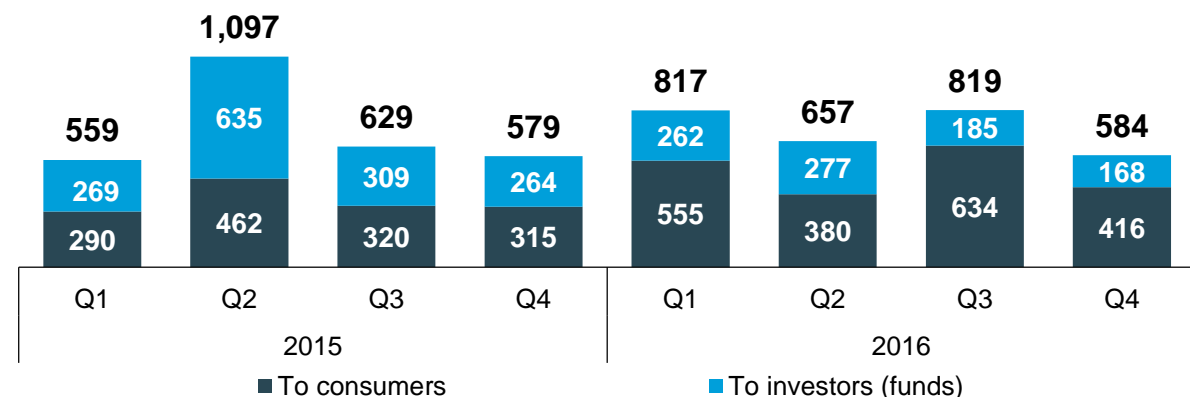
2016: 2,730



### Apartment start-ups (units)

2015: 2,864

2016: 2,877



- Strong consumer sales, number of units sold to consumers grew by 88% y-o-y in Q4/2016
- Share of units sold to consumers in Q4/2016: 72% (Q4/2015: 50%)
- 72 apartments from projects initially started for consumers sold to investors (Q4/2015: 66 units)
- In 2016, consumer sales grew by 28% y-o-y, share of units sold to consumers 58% (2015: 39%)
- In January, sales to consumers around 150 units (1/2016: around 70 units)

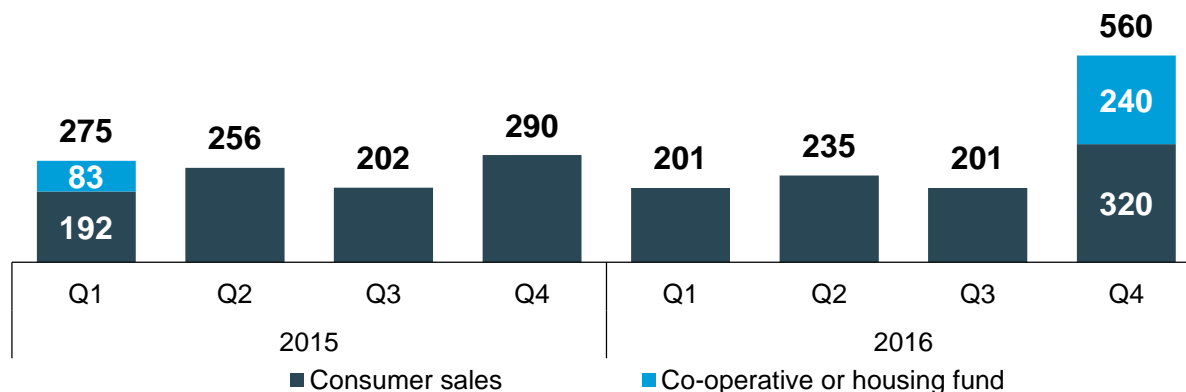


## Sales and start-ups in the CEE countries in Q4

### Sold apartments (units)

2015: 1,023

2016: 1,197

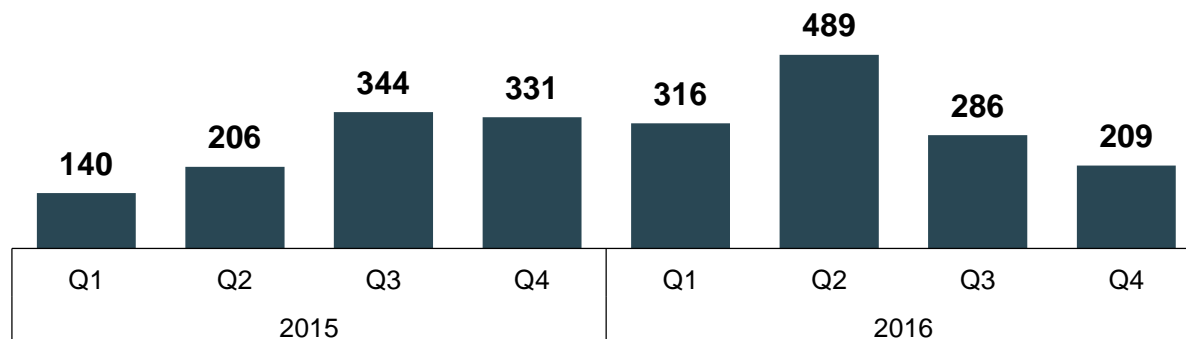


- Number of units sold to consumers grew by 10% y-o-y in Q4
- Apartment building project of 90 apartments was sold to a private co-operative in Prague
- Two apartment building projects in Tallinn and Prague with a total of 150 units were sold to a newly established housing fund, YCE Housing I
- In 2016, start-ups increased by 27% y-o-y
- In January, sales to consumers around 80 units (1/2016: around 50 units)

### Apartment start-ups (units)

2015: 1,021

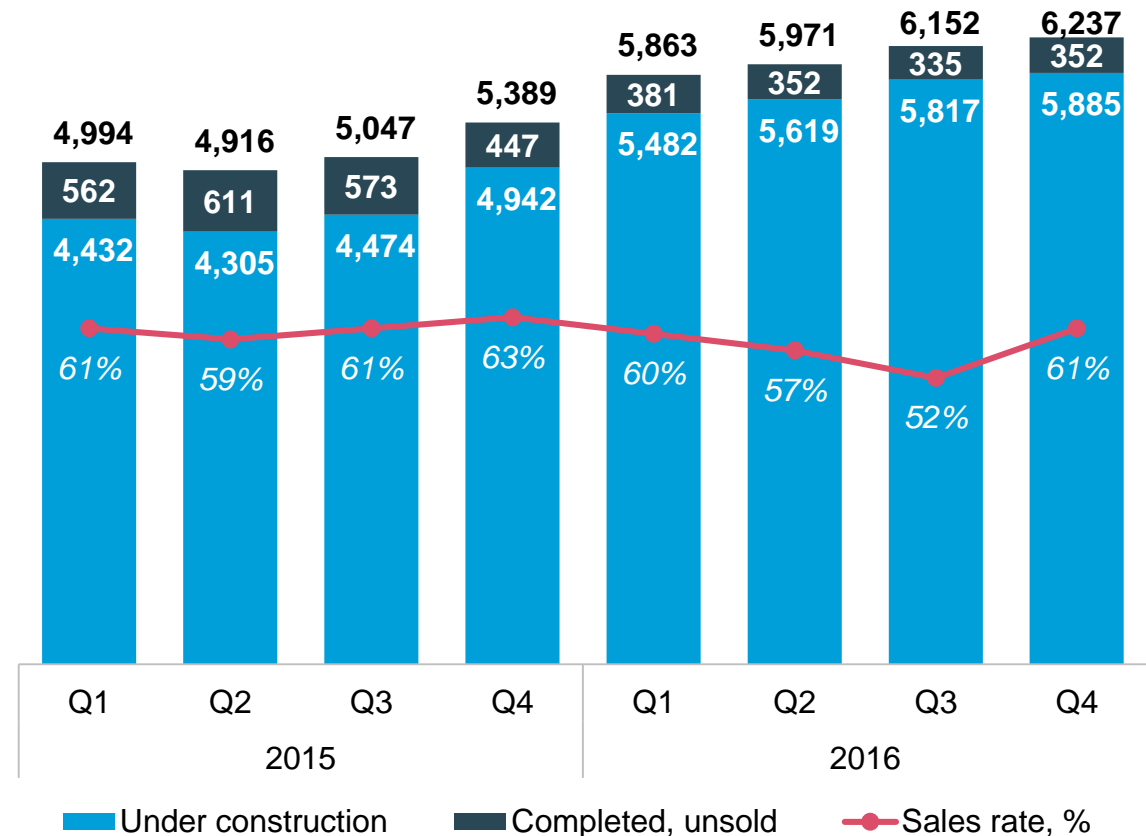
2016: 1,300



## The production volume (units) continued to grow in Q4

- Number of unsold completed apartments on a low level
- Sales rate of the inventory increased due to strong sales in recently started projects
- The share of CEE of the sales portfolio (units) 47% (12/2015: 45%)

Apartment inventory (units)





# 3

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## Housing Russia



**Novo Orlovsky**  
St. Petersburg, Russia

# Housing Russia

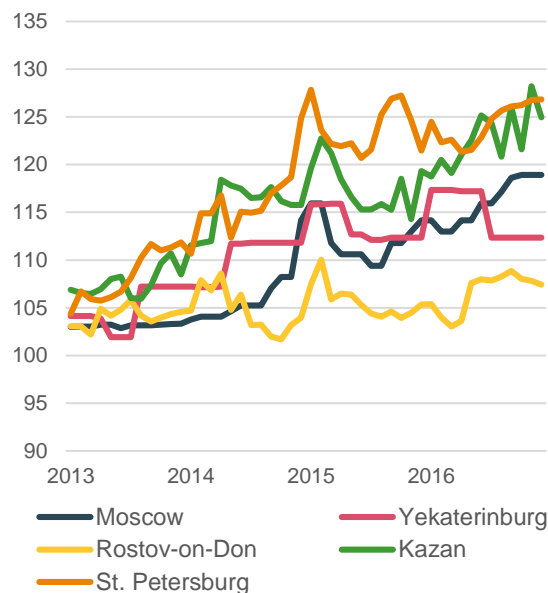
## Operating environment in Q4

- The ruble continued to strengthen during the quarter
- Demand focused especially on small apartments
- Residential prices remained stable
- Mortgage subsidy program was in effect until the end of 2016
- Mortgage interest rates for new apartments at around 12%

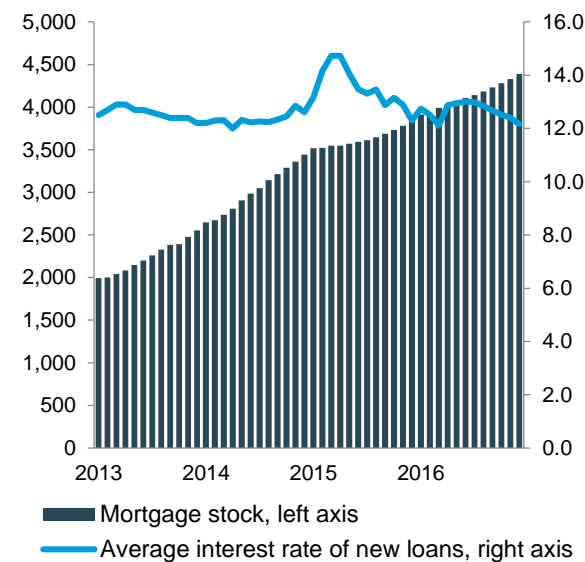
EUR/RUB exchange rate



Prices of new apartments  
(index 2012=100)



Mortgage stock and average interest rate,  
(RUB billion, %)



Sources: Bloomberg, YIT and Central Bank of Russia

# Housing Russia

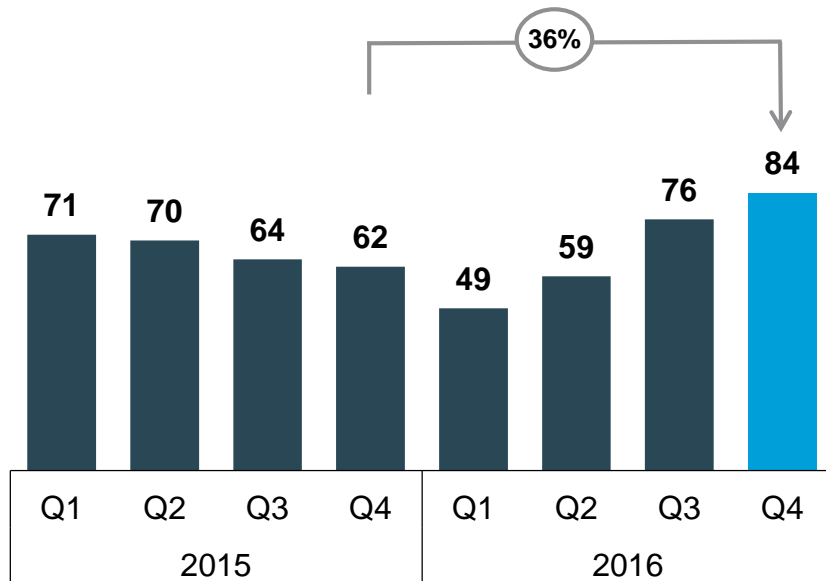
## Revenue grew clearly in Q4

- Revenue increased by 32% y-o-y at comparable exchange rates due to strong sales and high completion rate of sold apartments
- Order backlog grew slightly q-o-q due to ruble strengthening, FX impact EUR 41 million

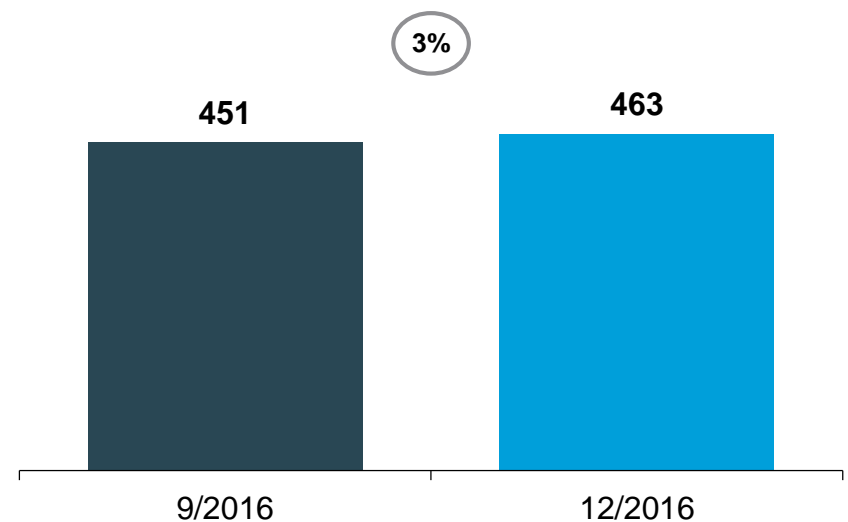
Revenue (EUR million)

2015: EUR 266 million

2016: EUR 268 million



Order backlog (EUR million)



All figures according to segment reporting (POC)

# Housing Russia

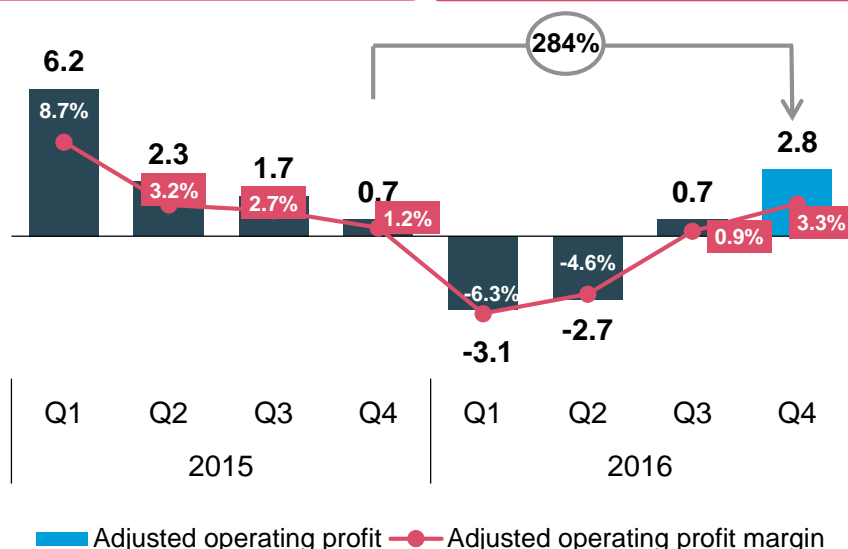
## Profitability improved in Q4

- Operating profit was positive and profitability continued to improve due to good sales and lower fixed costs
- ROI is on an unsatisfactory level, target to reduce the operative invested capital and continue to improve operating profit

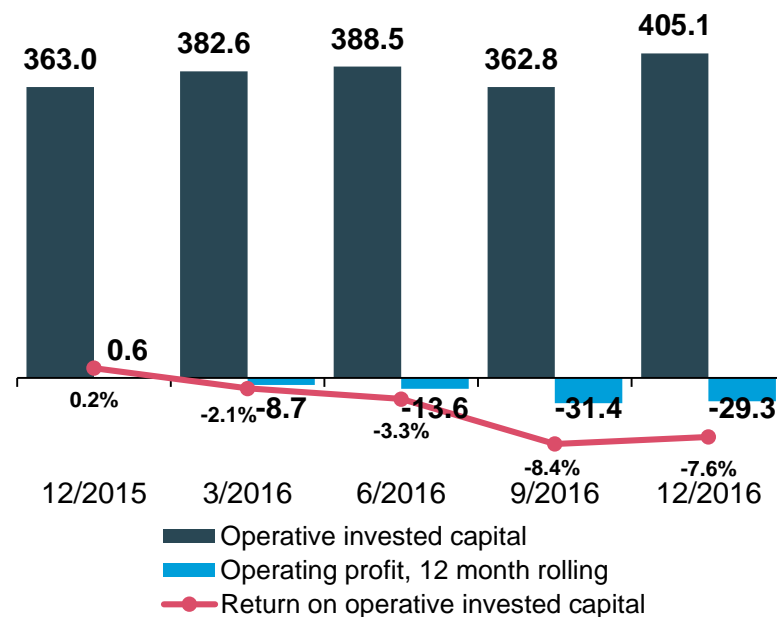
### Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2015: EUR 10.9 million, 4.1%

2016: EUR -2.3 million, -0.9%



### Return on operative invested capital (EUR million, %)



All figures according to segment reporting (POC)



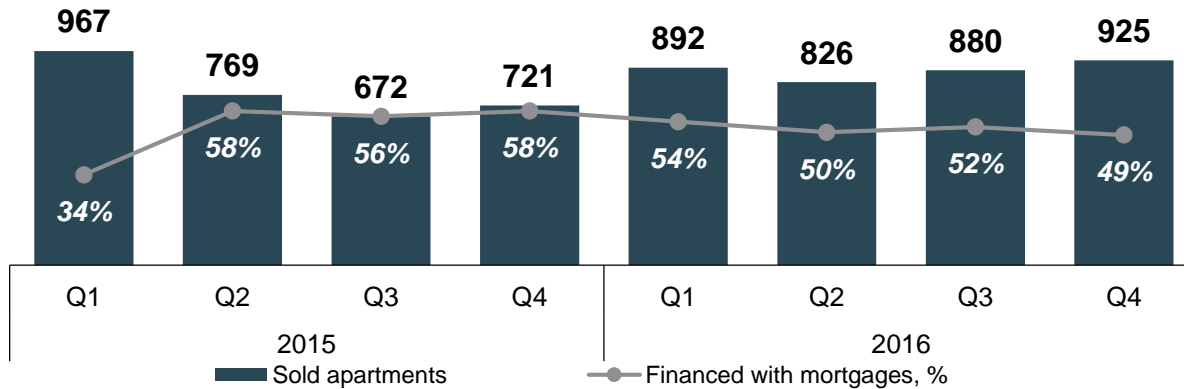
# Housing Russia

## Sales and start-ups in Q4

### Sold apartments (units) and share of sales financed with a mortgage (%)

2015: 3,129 (50%)

2016: 3,523 (51%)

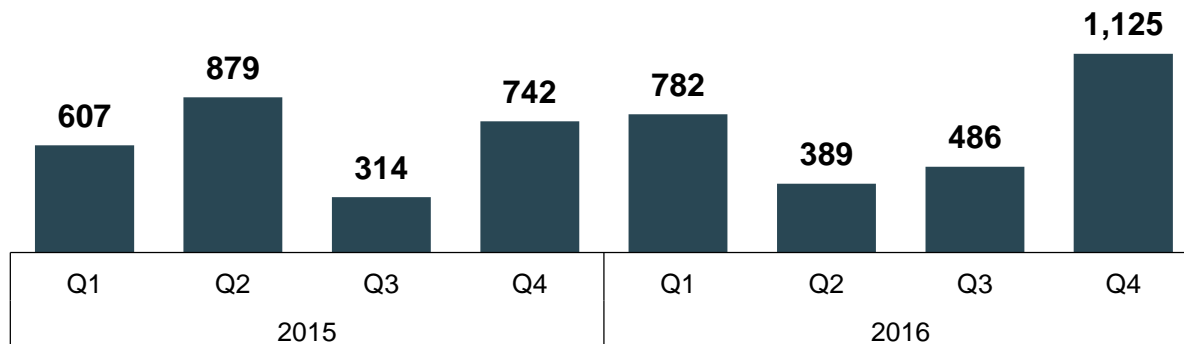


- Number of sold units grew by 28% y-o-y in Q4
- Full-year start-ups in the level of 2015
- Share of sales financed with mortgages on a high level
- In January, consumer sales around 150 units (1/2016: around 200 units)

### Apartment start-ups (units)

2015: 2,542

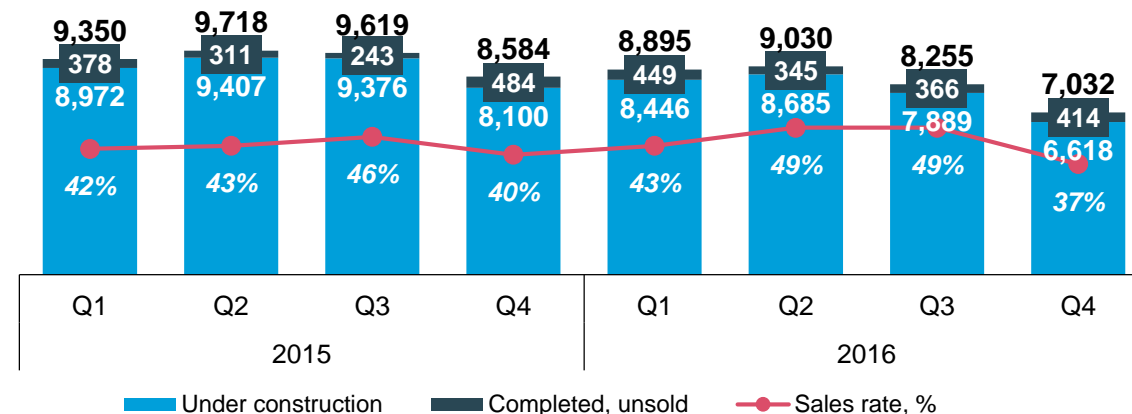
2016: 2,782



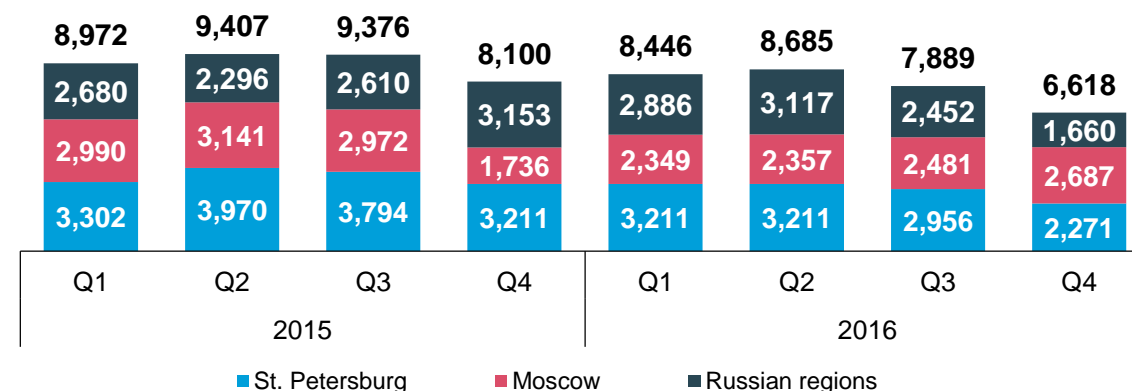
## Apartment inventory decreased due to high completions

- Exceptionally high completions in Q4 resulted in decreased inventory
- Sales rate declined due to high completions and start-ups
- At the end of December, YIT Service is responsible for the maintenance and the living services of over 26,000 apartments (9/2016: over 24,000)

Apartment inventory (units)



Apartments under construction by area (units)



# 4

## Business Premises and Infrastructure



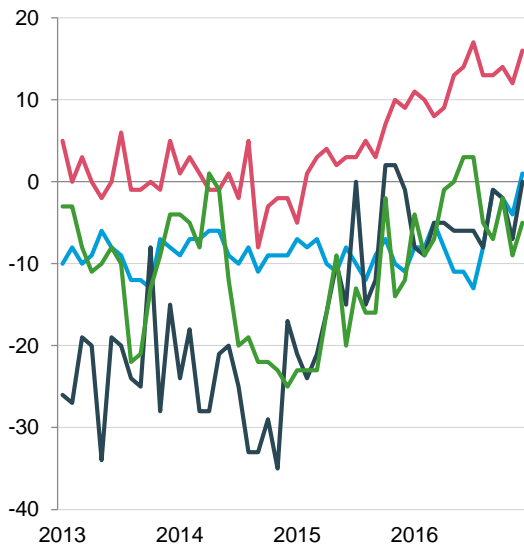
Lauttis shopping centre  
Helsinki, Finland

# Business Premises and Infrastructure

## Operating environment in Q4

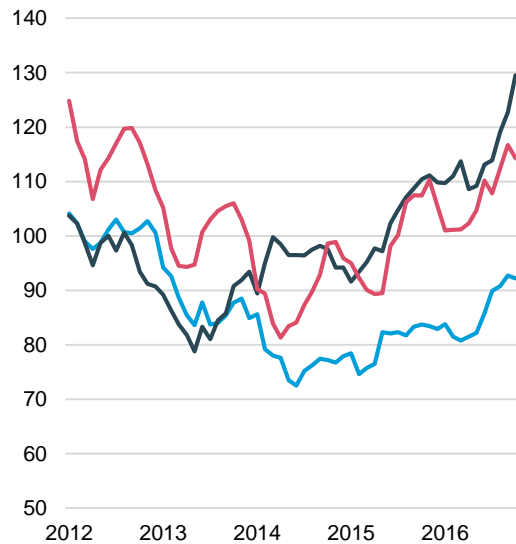
- Investor demand stable on a good level
- Several large tenants looking for new premises in Helsinki region
- The contracting market was active and several large projects were in tendering phase
- The volume of construction increased
- Positive macro outlook supported the business premises market in the CEE countries

Confidence indicators in Finland



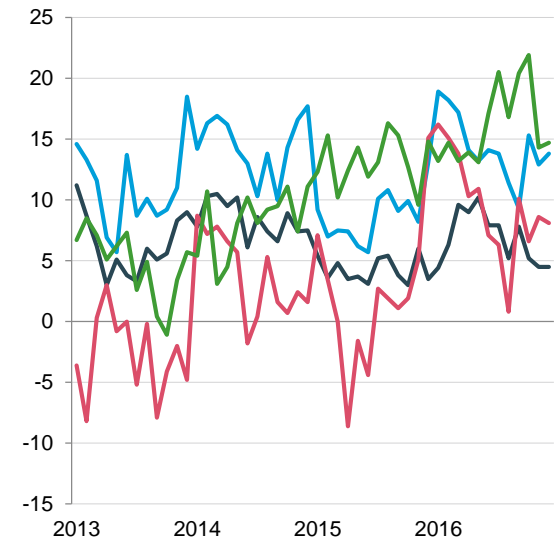
— Manufacturing — Construction  
— Services — Retail trade

Volume of new construction  
(index 2010=100)



— Commercial and office premises  
— Public service premises  
— Industrial and warehouse

Retail trade confidence in the Baltic countries and Slovakia



— Estonia — Latvia  
— Lithuania — Slovakia

Sources: EK Confederation of Finnish Industries, Statistics Finland and European Commission



## Business Premises and Infrastructure

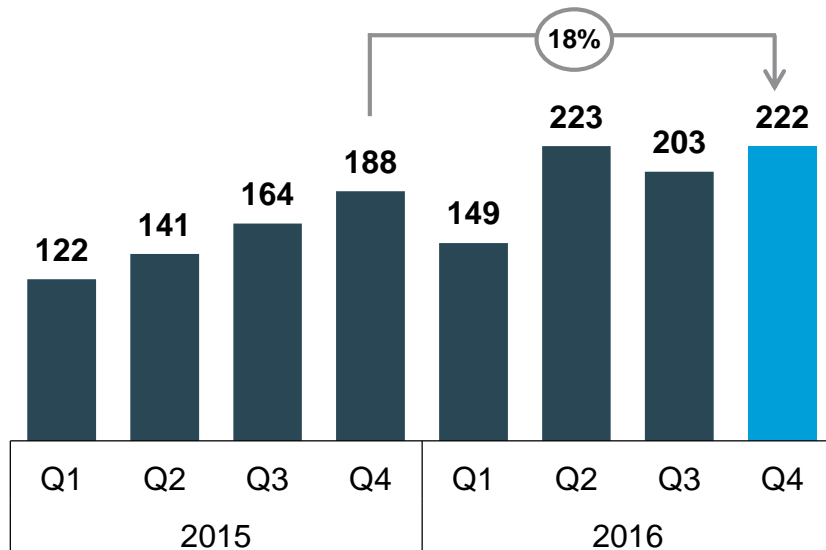
### Revenue grew in Q4

- Revenue increased by 18% y-o-y, growth due to construction of Mall of Tripla and the sale of Duetto I office premises in Vilnius
- Order backlog remained high

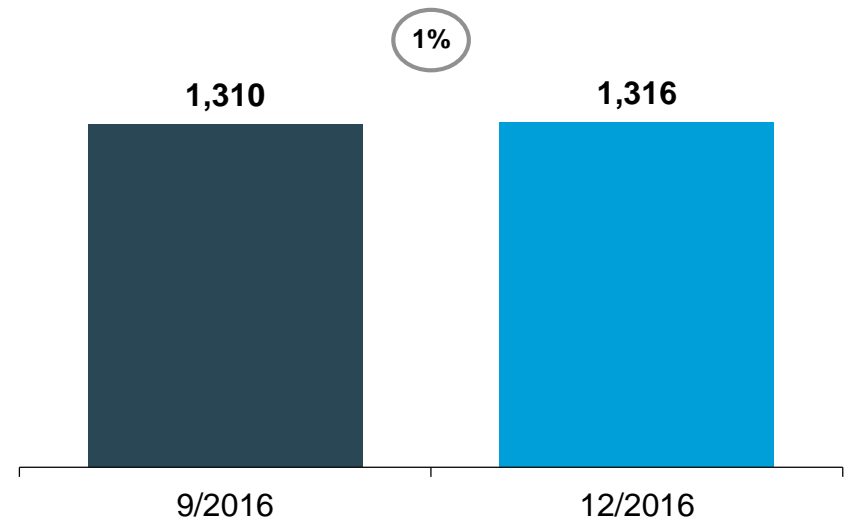
Revenue (EUR million)

2015: EUR 616 million

2016: EUR 797 million



Order backlog (EUR million)



All figures according to segment reporting (POC)  
2015 figures restated due to transfer of YIT's equipment business from Other items to Business Premises and Infrastructure

# Business Premises and Infrastructure

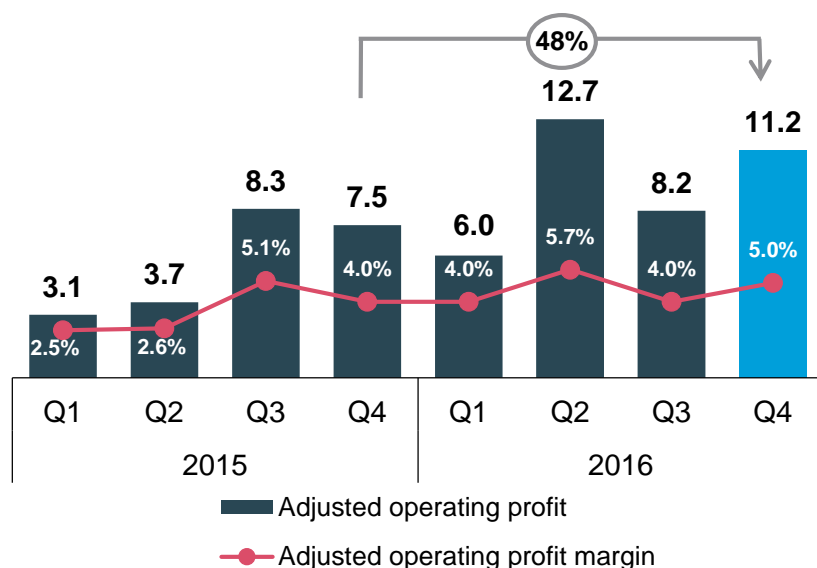
## Good profitability in Q4

- Profitability improved y-o-y due to strong performance both in Business Premises and Infra Services
- ROI improved due to solid operating profit of the segment

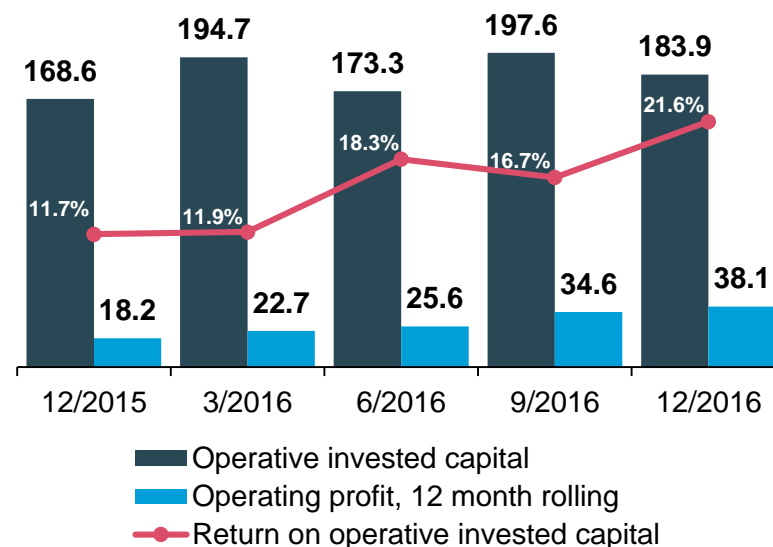
### Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2015: EUR 22.7 million, 3.7%

2016: EUR 38.1 million, 4.8%



### Return on operative invested capital (EUR million, %)

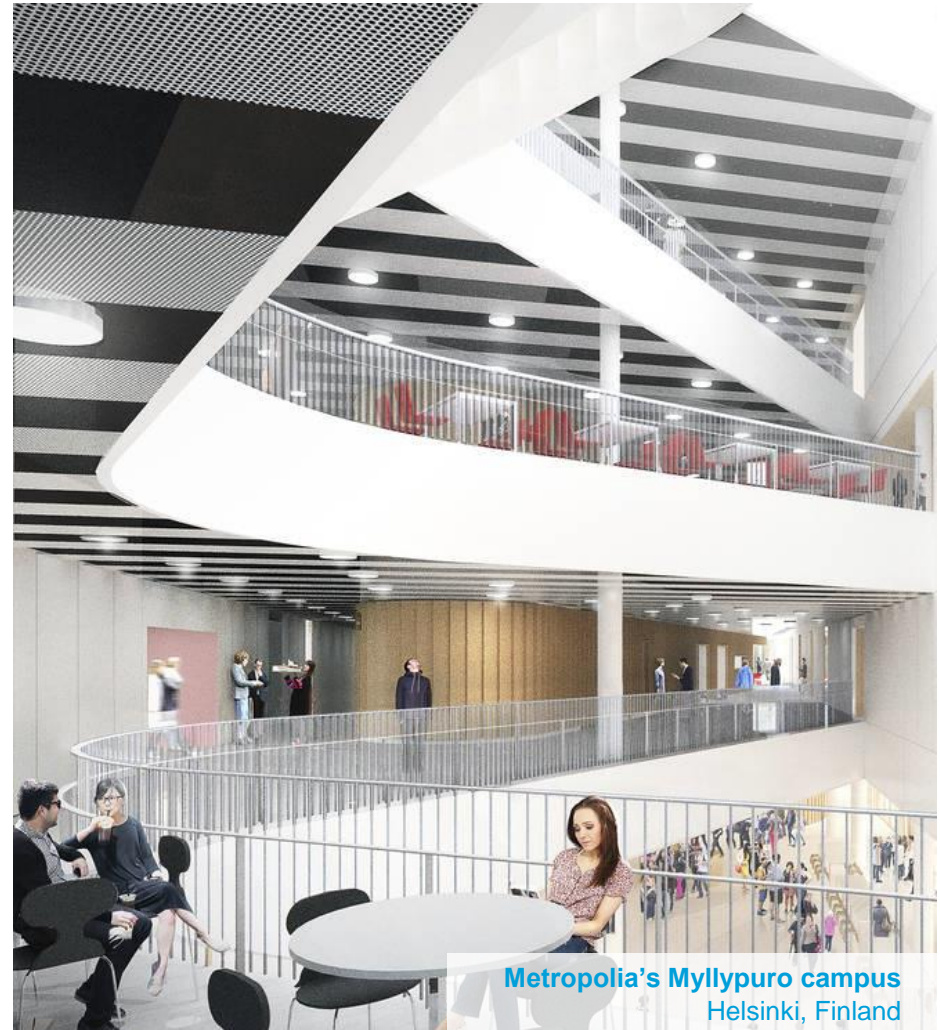


All figures according to segment reporting (POC)  
2015 figures restated due to transfer of YIT's equipment business from Other items to Business Premises and Infrastructure

# Business Premises and Infrastructure

## Several successes in Q4

- LOI signed on the implementation of the Tripla hotel
- The implementation agreement on Tampere light rail project signed, ~EUR 110 million booked in the order backlog
- YIT awarded the contract on first excavation work phase for Posiva's final disposal facility, value ~EUR 20 million
- New care projects signed and started, value ~EUR 26 million
- Metropolia's Myllypuro campus project booked in the order backlog, value >EUR 70 million
- Duetto I office building in Vilnius, Lithuania sold to Baltic Horizon Fund, value ~EUR 15 million
- Regenero, a JV formed by YIT and HGR Property Partners, acquired its first property in Espoo for a development project in January



Metropolia's Myllypuro campus  
Helsinki, Finland

# 5

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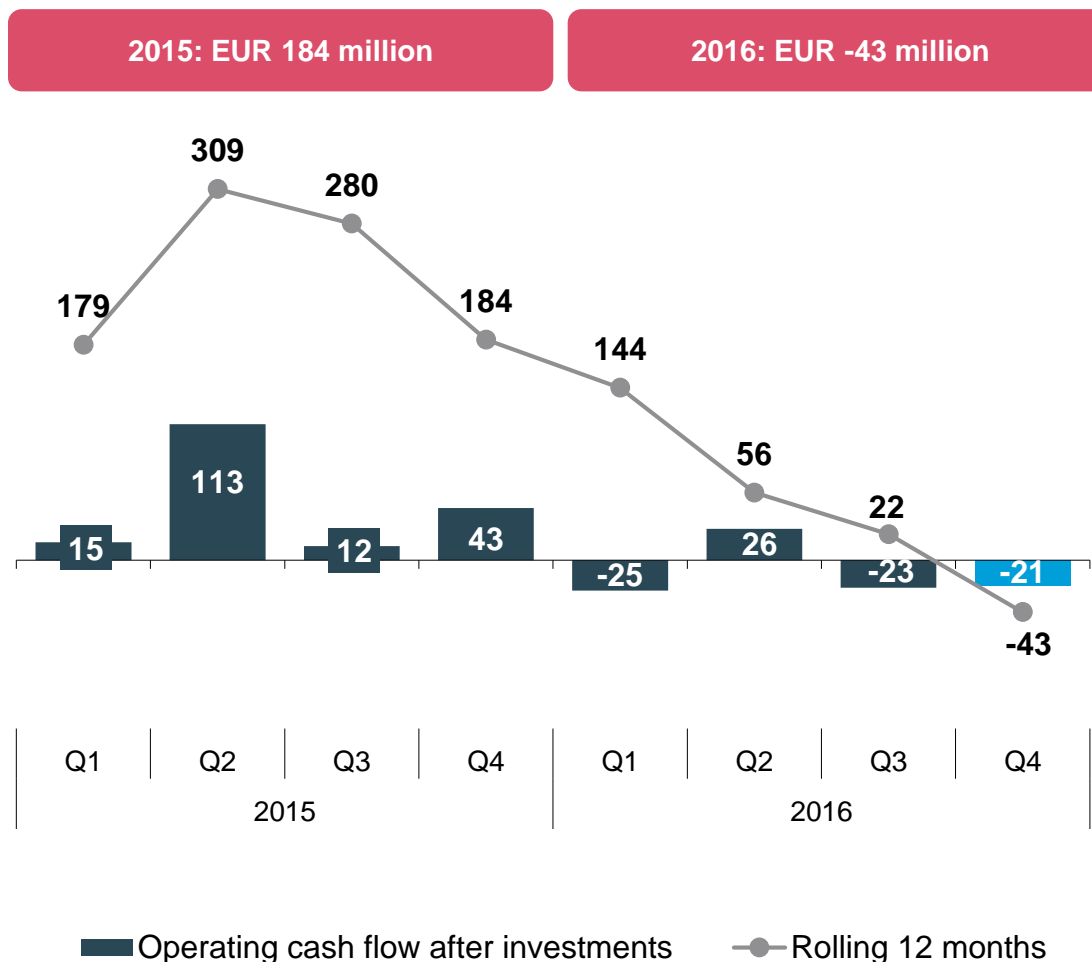
## Financial position and key ratios





# Cash flow after investments negative in Q4

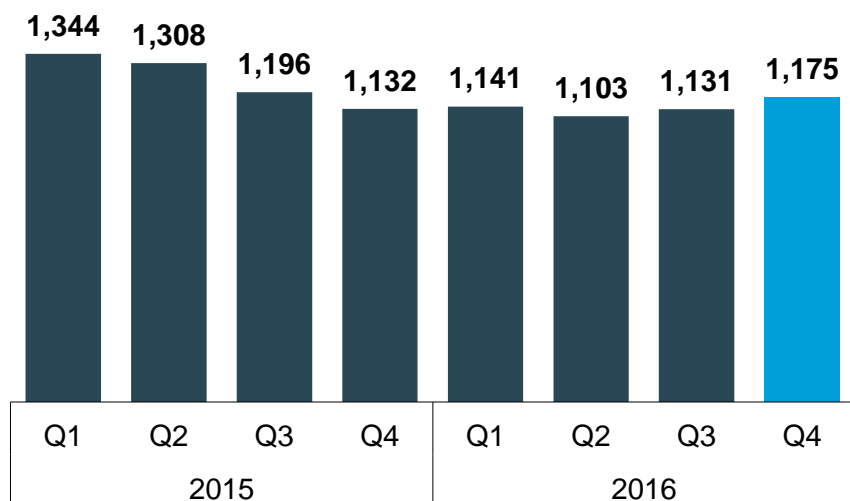
- Negative cash flow due to investments in JVs and increase in inventories in Housing Finland and CEE
- Cash flow of plot investments EUR -32.2 million (Q4/2015: EUR -53.3 million)
- Long-term financial target is to have sufficient operating cash flow after investments for dividend payout



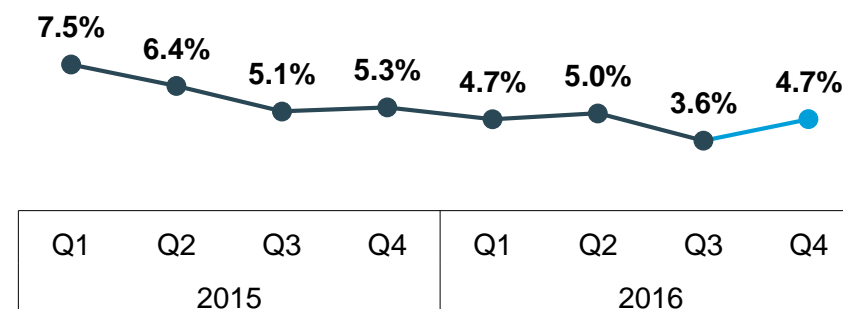
# Invested capital and ROI in Q4

- Invested capital increased slightly
- ROI is unsatisfactory, but started to improve due to strengthening operating profit
- Target to reduce invested capital in Russia by approximately RUB 6 billion by the end of 2018

Invested capital (EUR million)



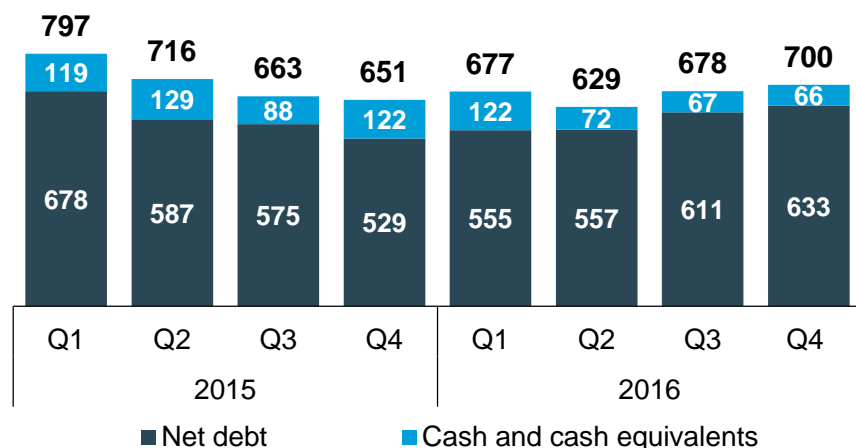
Return on investment (%), rolling 12 months



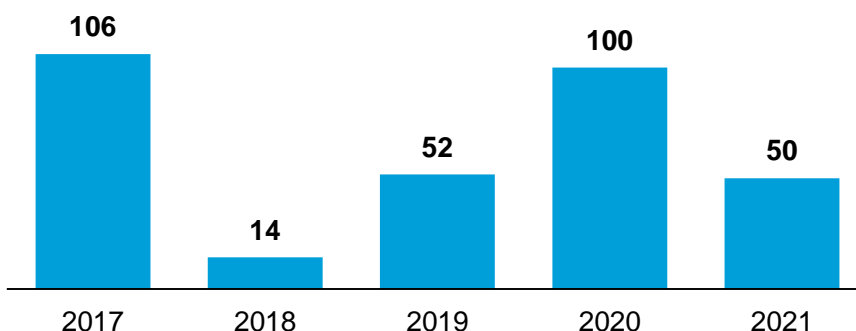
All figures according to segment reporting (POC)

# Negative cash flow led to increase in net debt

Interest-bearing debt (EUR million), IFRS



Maturity structure of long-term debt 12/2016 (EUR million)<sup>1</sup>



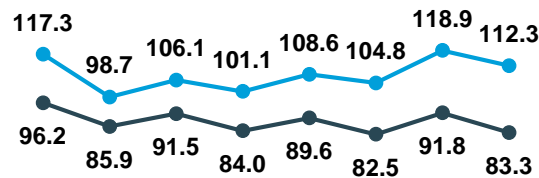
<sup>1</sup>Excluding construction stage financing

- Increase of net debt due to negative cash flow during the year
- Capital efficiency in focus going forward
- Strong liquidity buffer
  - Cash and cash equivalents of EUR 66.4 million
  - Undrawn overdraft facilities of EUR 74.6 million
  - Undrawn committed revolving credit facility of EUR 200 million
- Maturities in 2017 moderate, solid plan for refinancing

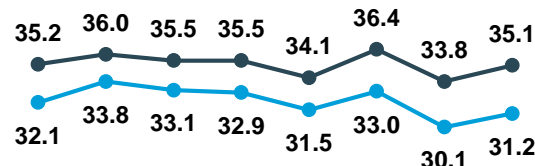
# Despite the improvement, financial key ratios still on an unsatisfactory level

- Improvement in key ratios despite of increase in net debt
- Positive translation difference in equity of EUR 35 million q-o-q

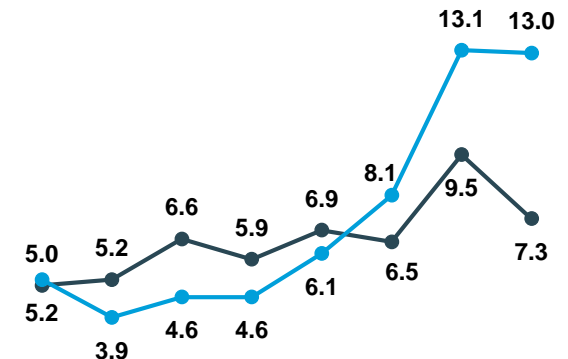
Gearing (%)



Equity ratio (%)



Net debt/EBITDA (Multiple, x)



— POC — IFRS

Financial covenant tied to gearing (maximum level of 150.0%, IFRS) in the syndicated RCF agreement and in one bank loan.

— POC — IFRS

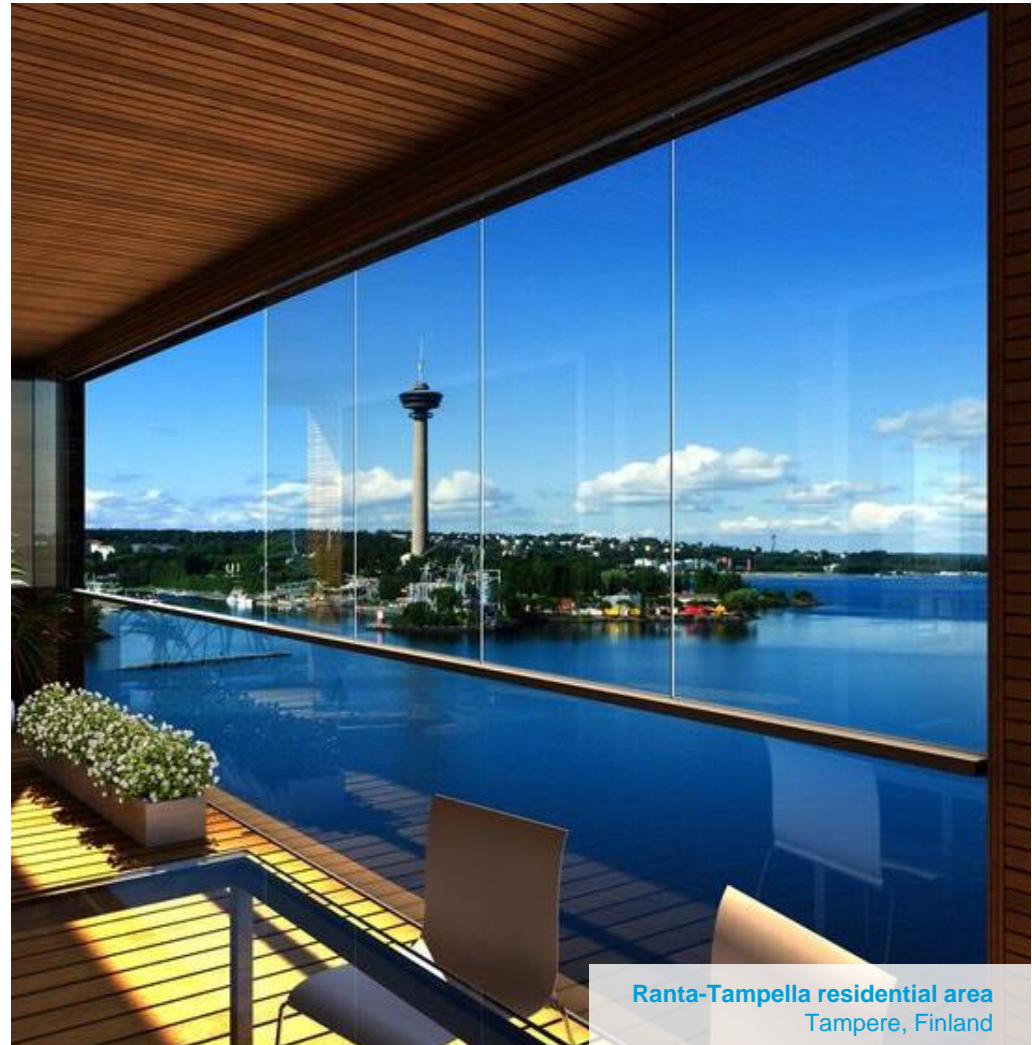
Financial covenant tied to the equity ratio (minimum level of 25.0%, IFRS) in some bank loans, the syndicated RCF agreement and the bonds issued in 2015 and 2016.

— POC — IFRS



# Summary of financials in Q4

- Positive margin development in all business segments
- New ways to improve capital efficiency taken into use
- Ruble strengthening had a positive impact on the Q4 figures
- Despite the improvement, financial key ratios still on an unsatisfactory level
- Cash flow improvement through increased capital efficiency going forward
- Financial expenses (POC) estimated to be around 15% lower y-o-y in 2017 assuming the current operating environment



Ranta-Tampella residential area  
Tampere, Finland

# 6

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The year 2016





# Highlights in 2016

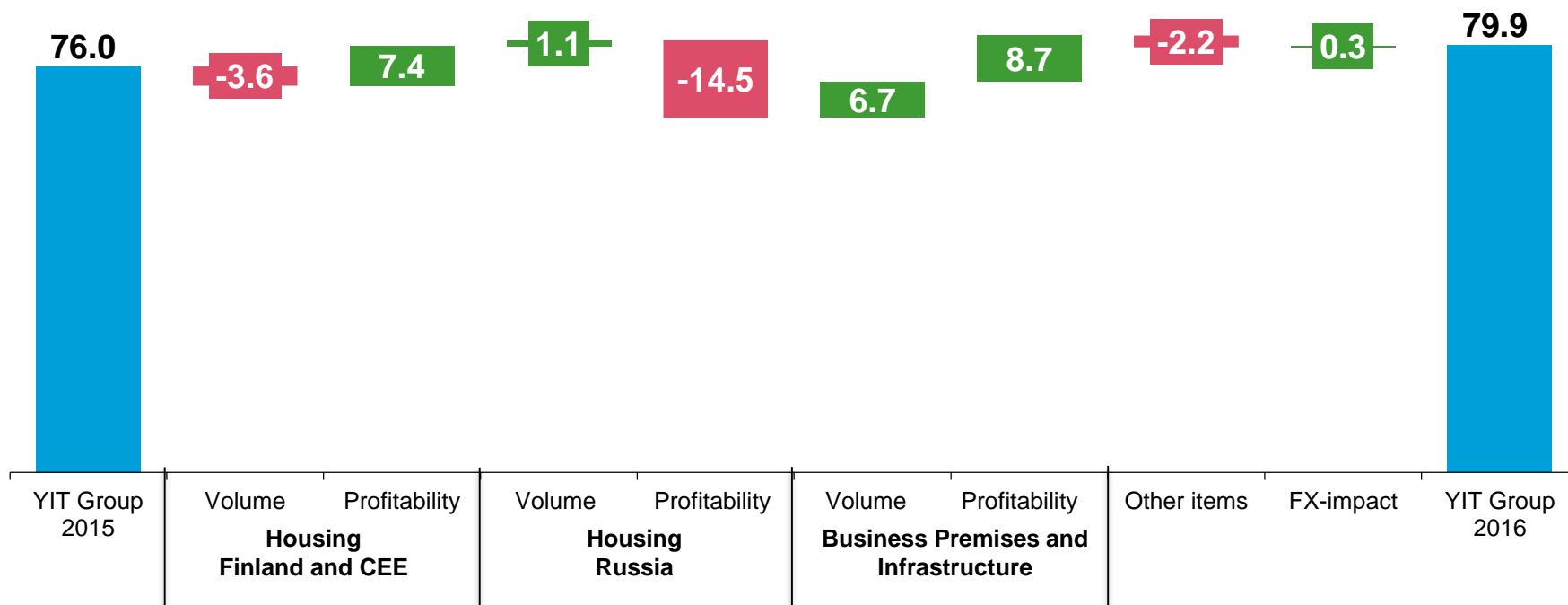
- ✓ Renewed strategy published – focus back to growth in addition to profitability
- ✓ Increased revenue and improved profitability in Business Premises and Infrastructure thanks to solid execution of major projects, success also in ensuring new projects
- ✓ Tripla proceeded as planned; investor deals of Mall of Tripla signed, LOI signed on the implementation of the hotel project
- ✓ Residential sales to consumers started to pick up in Finland – Smartti concept launched and 9 projects started
- ✓ Expansion in the CEE countries proceeded well, a housing fund established to support the growth in the area in a capital-efficient way
- ✓ Russian operations stabilised and adjusted operating profit was positive in H2
- ✓ Capital release programme completed successfully



# EBIT-bridge 2015 – 2016

- Positive development driven by Business Premises and Infrastructure segment
- In Housing Finland and CEE, shift from investor sales back to consumer sales and less capital release actions in Finland had a positive impact on profitability
- In Housing Russia, profitability burdened by lower project margins

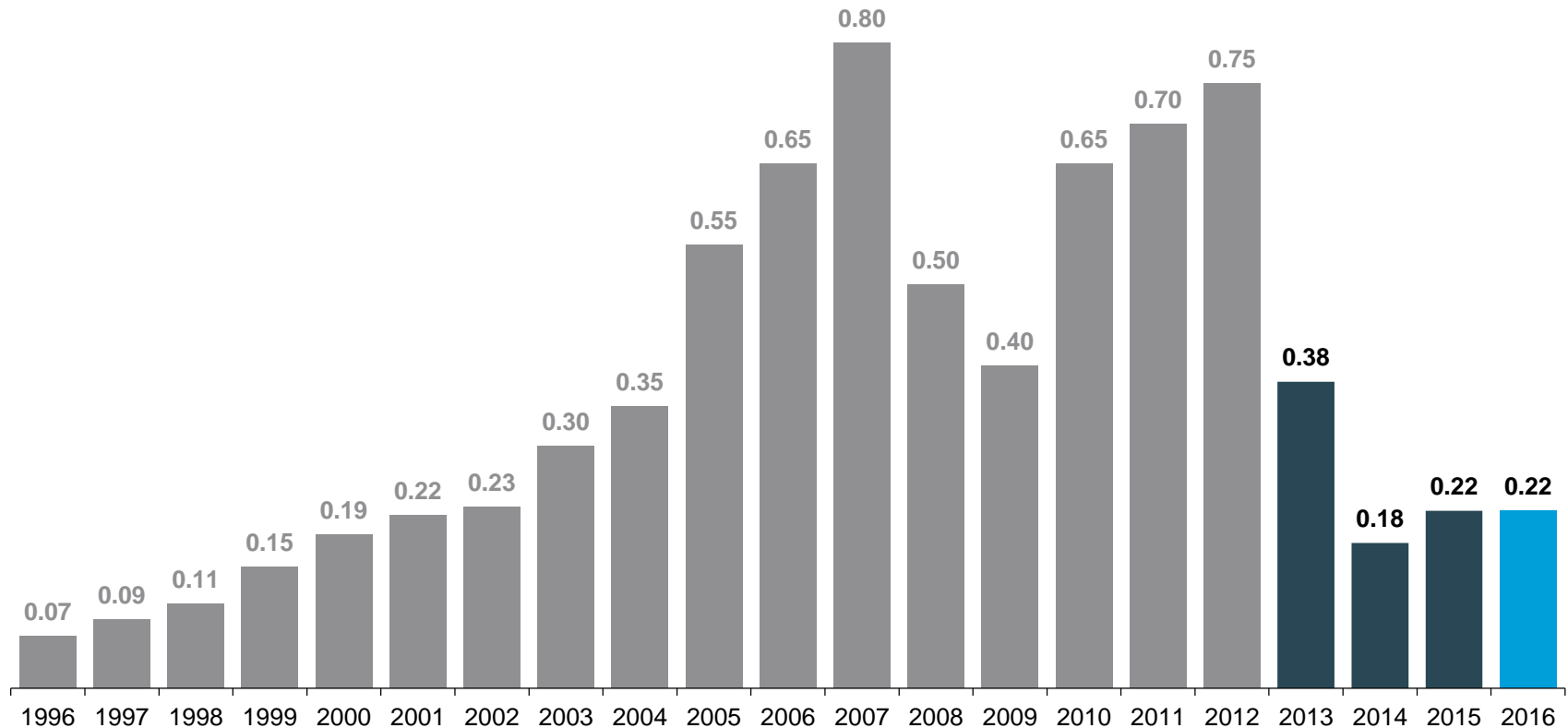
Adjusted operating profit (EUR million), change 2015 – 2016: 5%



# Proposal to AGM: Dividend of EUR 0.22

## Dividend / share (EUR)

*Note: Historical figures prior to 2013 are YIT Group pre demerger*





# 7

## Focus areas and outlook for 2017



# Key priorities in 2017

## 1 Improving profitability

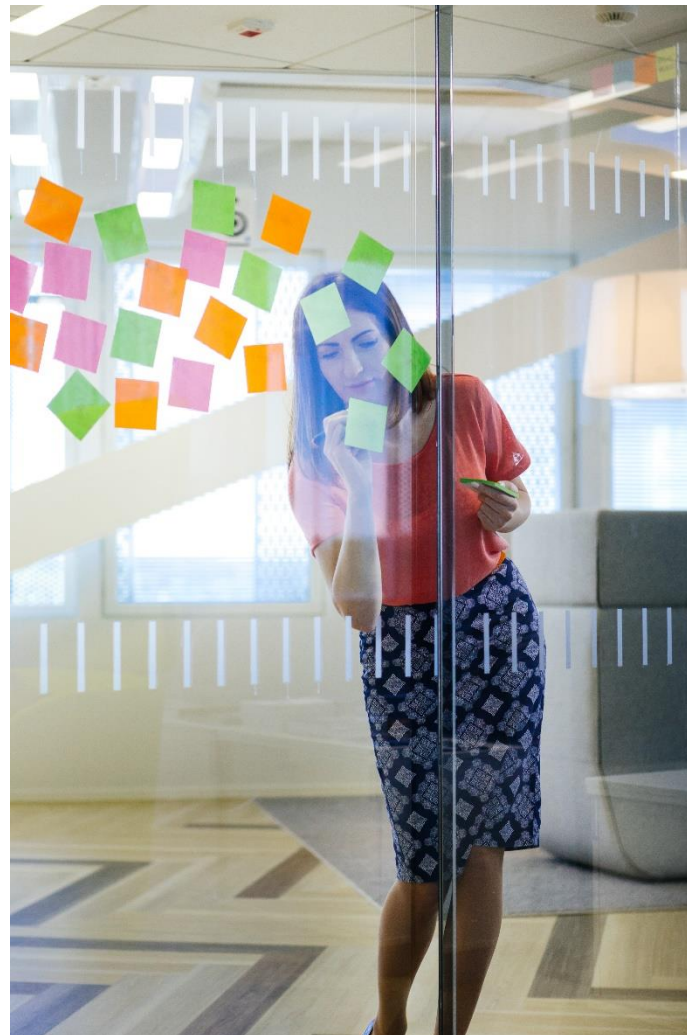
- Improving business mix
- Decreasing construction costs
- Improved and proactive care for customers

## 2 Intensifying growth

- Strengthened resources in early-phase project development
- Living and renovation services
- Managing Tripla and strong backlog of orders

## 3 Increasing capital efficiency

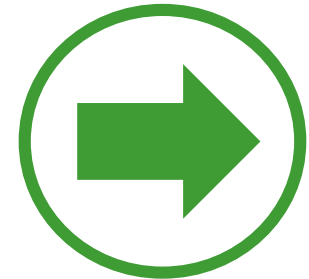
- Further increasing the role of partnerships in investments
- Continuing capital release
- Reducing invested capital in Russia



# Market outlook, expectations for 2017

## Finland

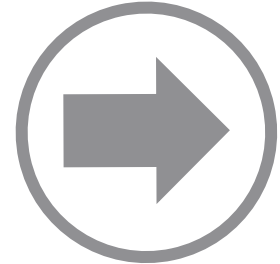
- Consumer demand to remain on a good level and to focus on small, functional and affordable apartments
- Investor activity to decline slightly, even more focus will be paid on the location
- Residential price polarisation between growth centres and other Finland to continue
- Availability of mortgages to remain good
- Tenant interest for business premises to pick up slightly in the growth centres. Investor activity on a good level, focus on prime locations in the Capital region
- Business premises contracting to remain active
- New infrastructure projects to revitalise the market
- Construction costs expected to increase slightly
- Construction volume growth expected to slow down
- Bank regulation and increased capital requirements might have an impact on the construction and real estate development
- The increased competition for skilled labour due to high construction activity expected to continue



# Market outlook, expectations for 2017

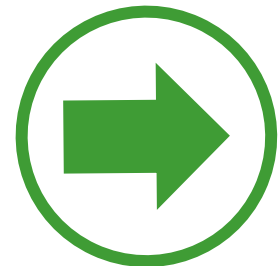
## Russia

- Macro environment to remain stable on the current level, the stabilization of the economy to have a moderate positive impact on the residential market
- Residential prices stable
- Residential demand to focus on small and affordable apartments
- The ending of the state mortgage subsidy program will create uncertainty, however the significance of the program has diminished due to decreased interest rate levels
- Construction cost inflation to moderate



## CEE

- Residential demand to remain on a good level
- Good access to financing, low interest rates to support the residential demand
- Residential prices to remain stable or increase slightly
- Construction costs to increase slightly
- Business premises tender market estimated to pick-up in most of the CEE countries





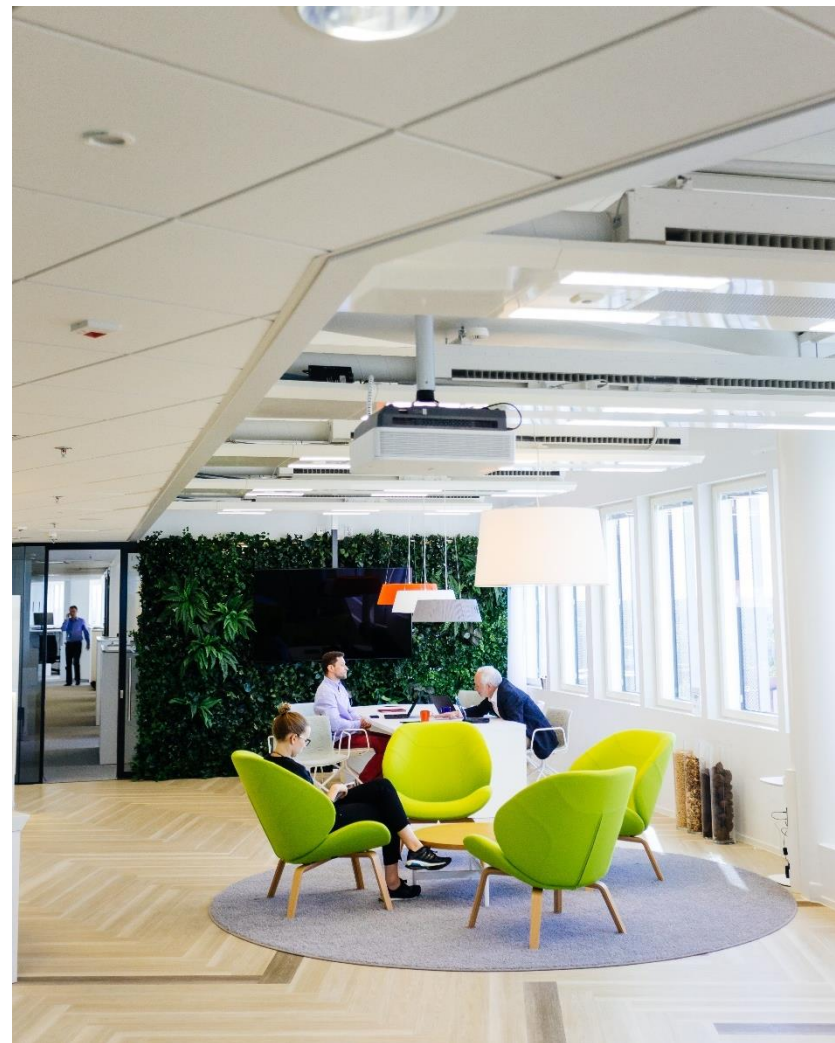
# Guidance for 2017 (segment reporting, POC)

**The Group revenue** is estimated to **grow by 0%-10%**.

**The adjusted operating profit<sup>1</sup>** is estimated to be in the range of **EUR 90-105 million**.

In addition to the market outlook, the 2017 guidance is based on the following factors:

- At the end of 2016, 60% of the Group order backlog was sold.
- Projects already sold or signed pre-agreements are estimated to contribute nearly 50% of 2017 revenue.
- The increased share of consumer sales in Housing Finland and CEE is likely to have a moderate positive impact on the adjusted operating profit of the segment but the impacts of the shift to consumers will be visible in the result gradually.
- In Housing Russia, the adjusted operating profit is estimated to be positive but to remain on a low level. Capital release actions in Russia are likely to have a negative impact on the profitability.
- Q1 expected to be the weakest quarter in terms of the adjusted operating profit but to improve slightly y-o-y.



<sup>1</sup>The adjusted operating profit does not include material reorganisation costs, impairment or other items impacting comparability



# More information

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# 7

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## Appendices





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## Key figures and additional information about financial position



# Key figures

EUR million	10–12/2016	10–12/2015	Change	1–12/2016	1–12/2015	Change
Revenue	513.7	468.5	10%	1,783.6	1,651.2	8%
Operating profit	28.7	16.6	72%	52.9	65.7	-19%
Operating profit margin, %	5.6%	3.6%		3.0%	4.0%	
Adjusted operating profit	28.7	16.6	72%	79.9	76.0	5%
Adjusted operating profit margin, %	5.6%	3.6%		4.5%	4.6%	
Order backlog	2,613.1	2,172.9	20%	2,613.1	2,172.9	20%
Profit before taxes	21.3	6.1	249%	13.8	27.0	-49%
Profit for the review period <sup>1</sup>	16.1	4.6	253%	7.4	20.0	-63%
Earnings per share, EUR	0.13	0.04	253%	0.06	0.16	-63%
Operating cash flow after investments	-21.4	43.4		-43.1	183.7	
Return on investment, last 12 months, %	4.7%	5.3%		4.7%	5.3%	
Equity ratio, %	35.1%	35.5%		35.1%	35.5%	
Interest-bearing net debt (IFRS)	633.1	529.0	20%	633.1	529.0	20%
Gearing (IFRS), %	112.3%	101.1%		112.3%	101.1%	
Personnel at the end of the period	5,261	5,340	-1%	5,261	5,340	-1%

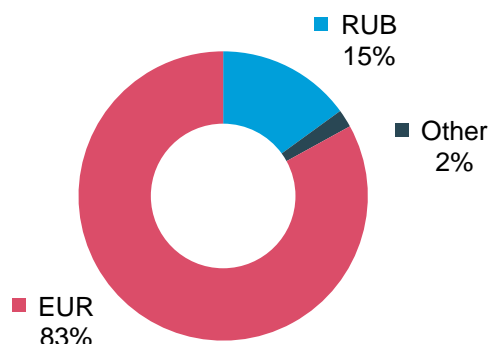
<sup>1</sup>Attributable to equity holders of the parent company

All figures according to segment reporting (POC), unless otherwise noted

Note: The adjusted operating profit does not include material reorganisation costs, impairment or other items impacting comparability

# Ruble strengthened in Q4

## Revenue split 1-12/2016 (POC)



## Impact of changes in foreign exchange rates (EUR million)

	Q4/2016	1-12/2016
Revenue, POC <sup>1</sup>	2.7	-24.0
Adjusted EBIT, POC <sup>1</sup>	-0.1	0.3
Order backlog, POC	40.6 <sup>2</sup>	93.6 <sup>3</sup>
Equity, IFRS (translation difference)	35.2 <sup>2</sup>	75.2 <sup>3</sup>

<sup>1</sup> Compared to the corresponding period in 2015

<sup>2</sup> Compared to the end of previous quarter

<sup>3</sup> Compared to the end of 2015

- EUR/RUB exchange rates:
  - Average EUR/RUB rate in 1-12/2016: 74.15 (1-12/2015: 67.99)
  - Year-end EUR/RUB rate: 64.30 (12/2015: 80.68)

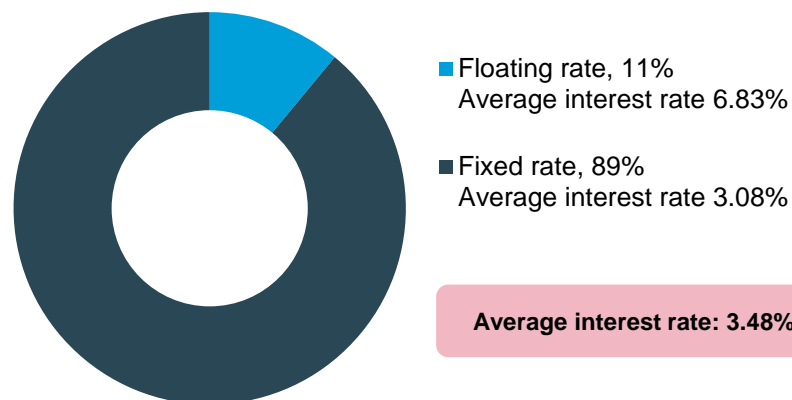
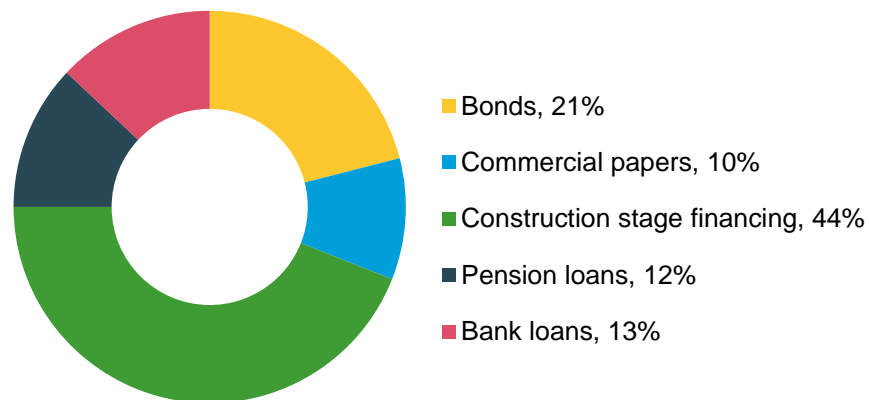
## Principles of managing currency risks:

- Sales and project costs typically in same currency, all foreign currency items hedged  
→ no transaction impact
- Currency positions affecting the income statement are hedged
  - Loans to subsidiaries in local currency, 12/2016: EUR 26.2 million to Russian subsidiaries
- Equity and equity-like investments in foreign currency not hedged
  - Considered to be of permanent nature
  - FX changes recognized as translation difference in equity
  - Exposure in Russian subsidiaries in 12/2016: EUR 362.4 million



# Balanced debt portfolio

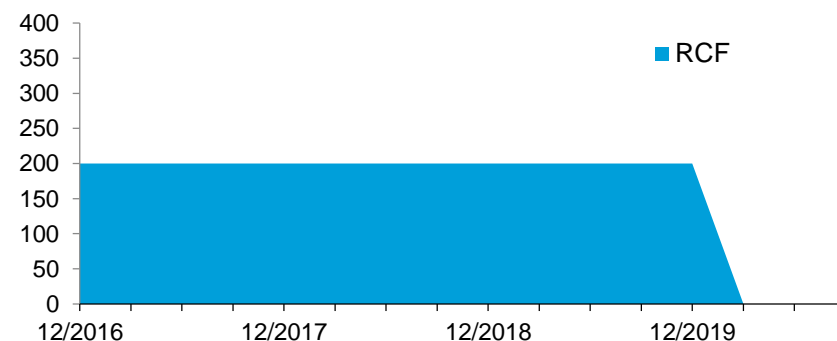
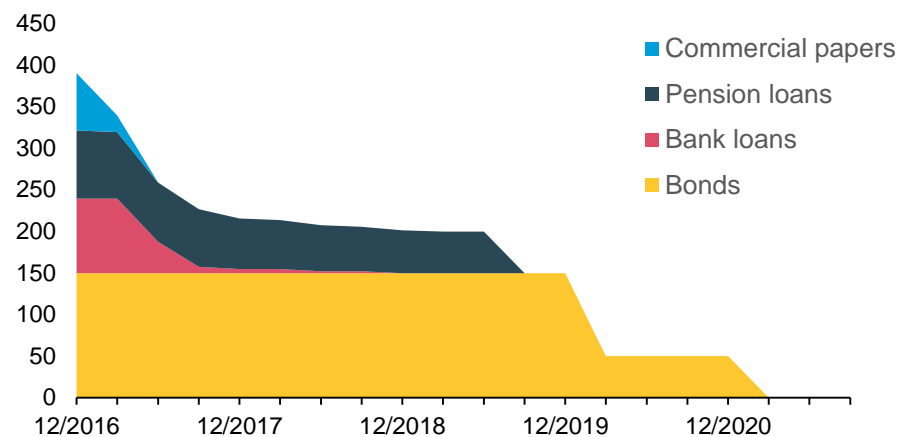
Debt portfolio at the end of the period 12/2016, EUR 700 million



**Average interest rate: 3.48%**

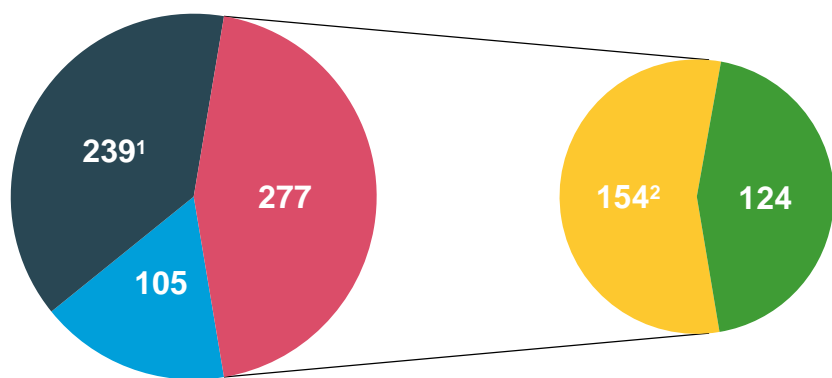
Maturity structure at the end of the period 12/2016

Maturity profile, excluding construction stage financing (EUR million)



# Solid plot portfolio, a basis for growth and financial flexibility

Plot reserves in the balance sheet 12/2016, EUR 621 million



- Business Premises and Infrastructure
- Housing Russia
- Housing Finland and CEE
- Finland
- The CEE countries

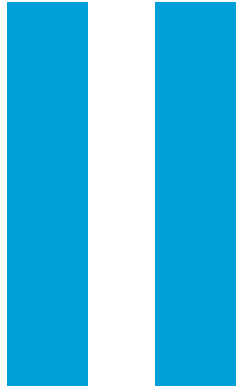
Use of plot reserves in the balance sheet in 2016, EUR 91 million

Housing Finland and CEE	60
Finland <sup>2</sup>	35
The CEE countries	25
Housing Russia <sup>3</sup>	21
Business Premises and Infrastructure	11

<sup>1</sup>Includes Gorelovo industrial park

<sup>2</sup>In Finnish housing, several projects are being constructed on rental plots, thus the balance sheet value and use of plot reserves in the balance sheet don't give accurate picture of the usable plot reserves.

<sup>3</sup>Calculated at the 12/2016 EUR/RUB exchange rate: 64.30



Share  
ownership

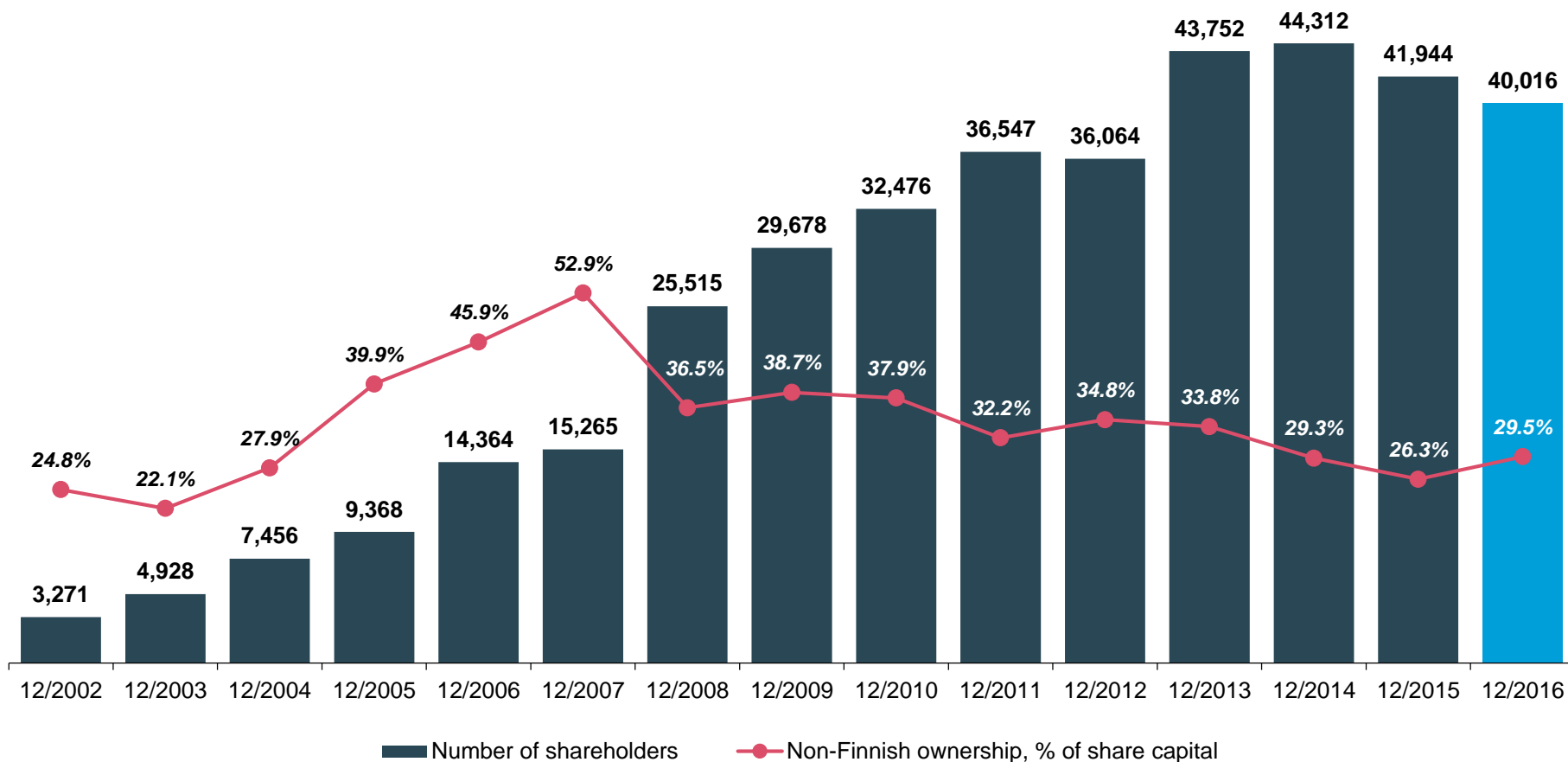
# YIT's major shareholders

December 31, 2016

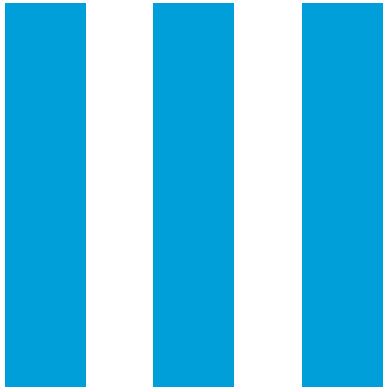
Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. Herlin Antti	4,710,180	3.70
3. OP funds	3,556,859	2.80
4. Elo Mutual Pension Insurance Company	3,335,468	2.62
5. The State Pension Fund	2,600,000	2.04
6. Danske Invest funds	2,583,762	2.03
7. Nordea funds	1,894,419	1.49
8. YIT Corporation	1,646,767	1.29
9. Etera Mutual Pension Insurance Company	1,410,000	1.11
10. Aktia funds	1,217,663	0.96
Ten largest total	34,955,118	27.47
Nominee registered shares	36,810,954	28.93
Other shareholders	55,457,350	43.60
<b>Total</b>	<b>127,223,422</b>	<b>100.00</b>

# More than 40,000 shareholders

Number of shareholders and share of non-Finnish ownership, December 31, 2016





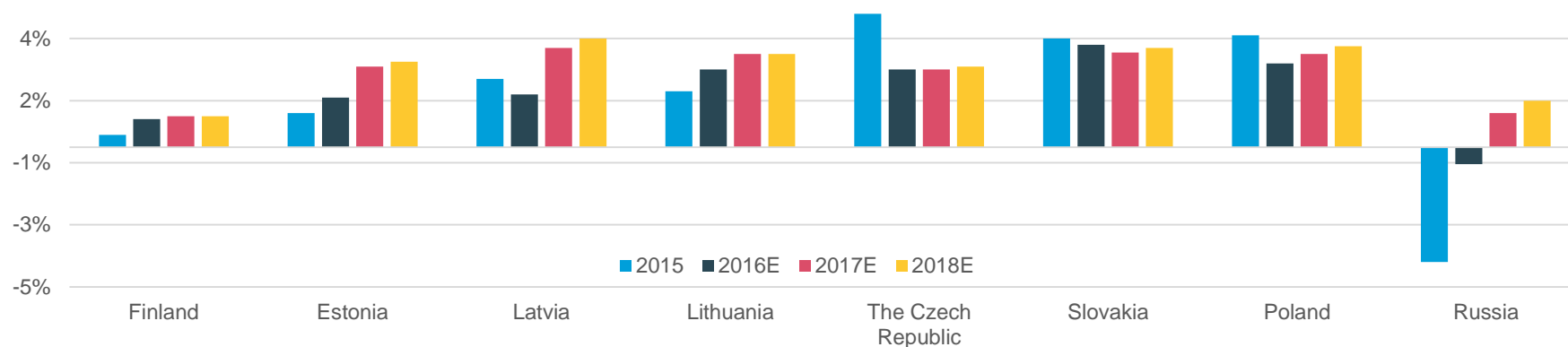


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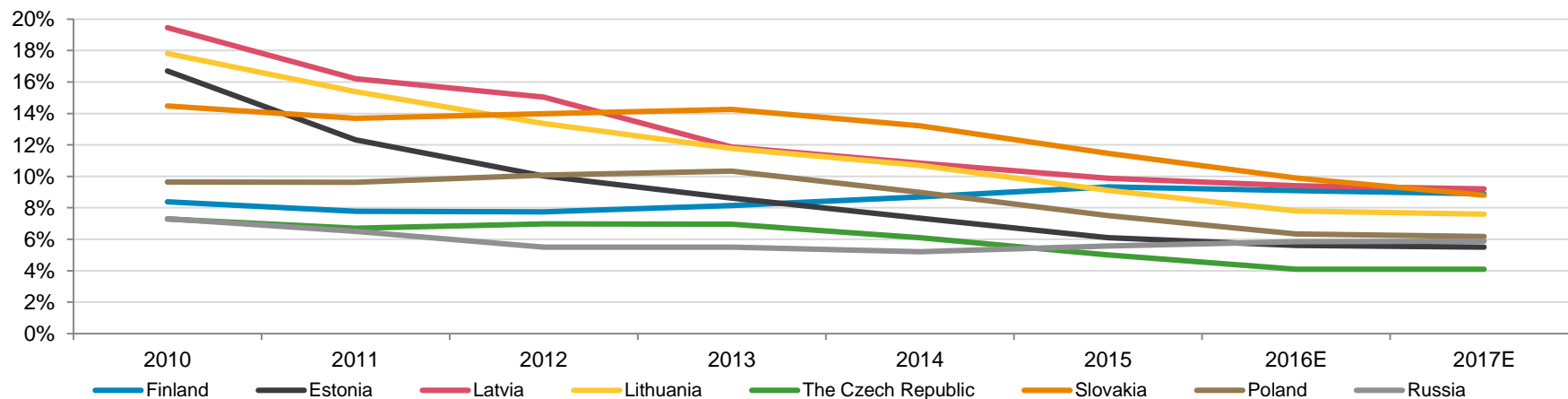
General  
economic  
indicators

# Strongest growth expected in the CEE countries

GDP growth in YIT's operating countries, %



Unemployment rate in YIT's operating countries, %



Sources: GDP growth: Bloomberg consensus, Unemployment: IMF



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## **Housing indicators**

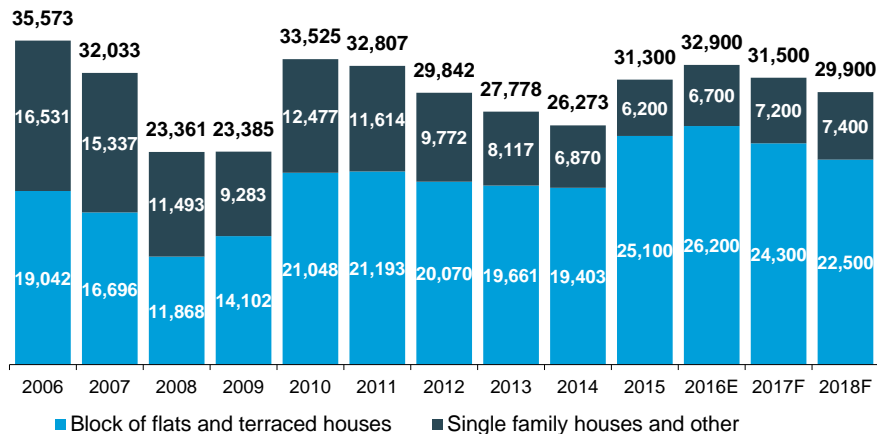
Finland

The CEE countries

Russia

# Start-ups expected to decrease slightly in 2017

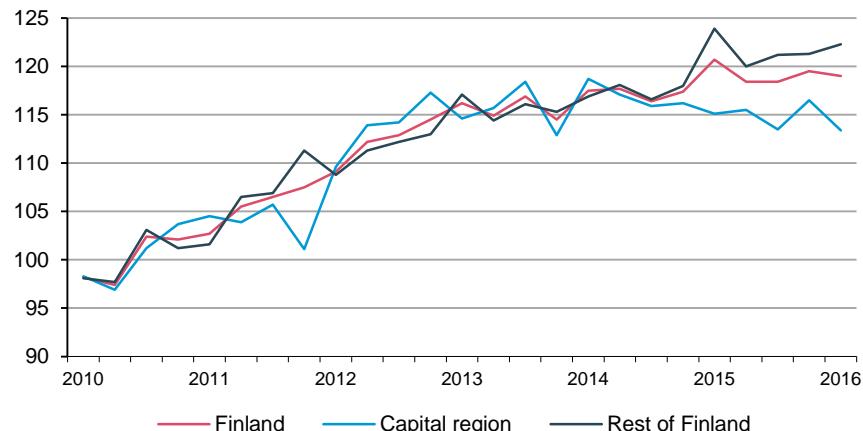
## Residential start-ups (units)



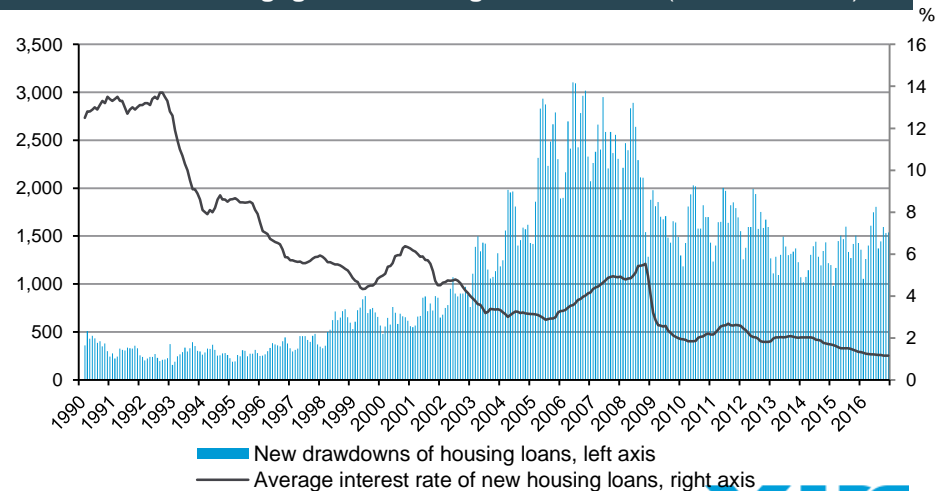
## Consumers' views on economic situation in one year's time (balance)



## Prices of new dwellings (index 2010=100)



## Volume of new mortgages and average interest rate (EUR million, %)



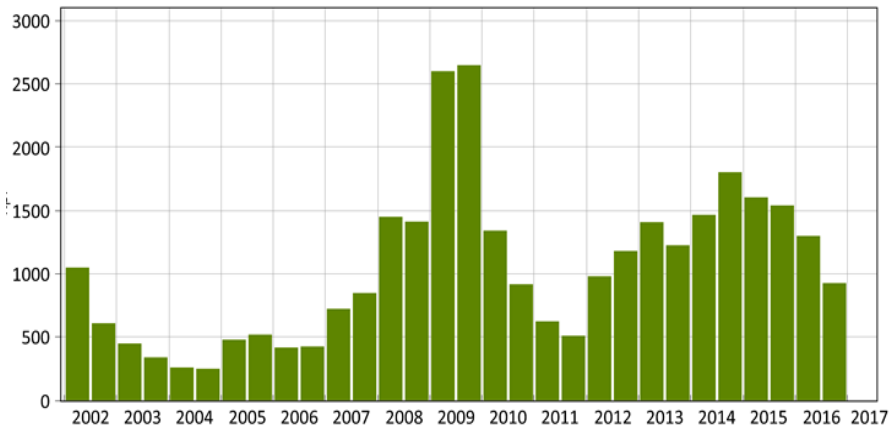
Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2018F Euroconstruct, December 2016, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland



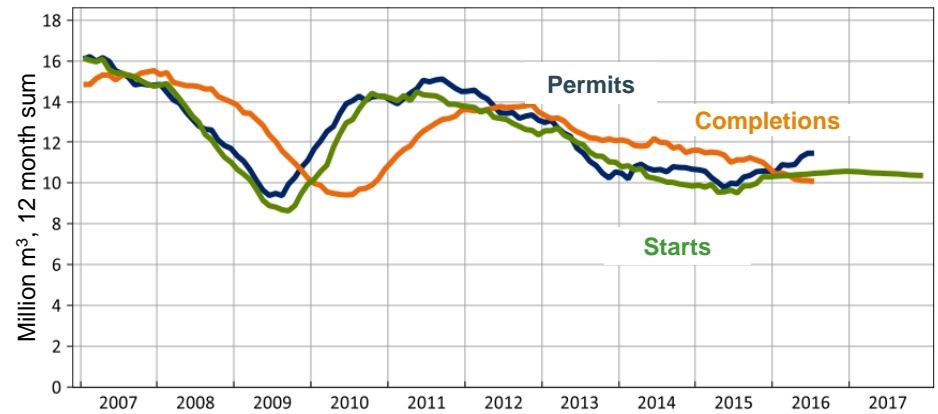
# Finland

## Housing indicators have improved slightly

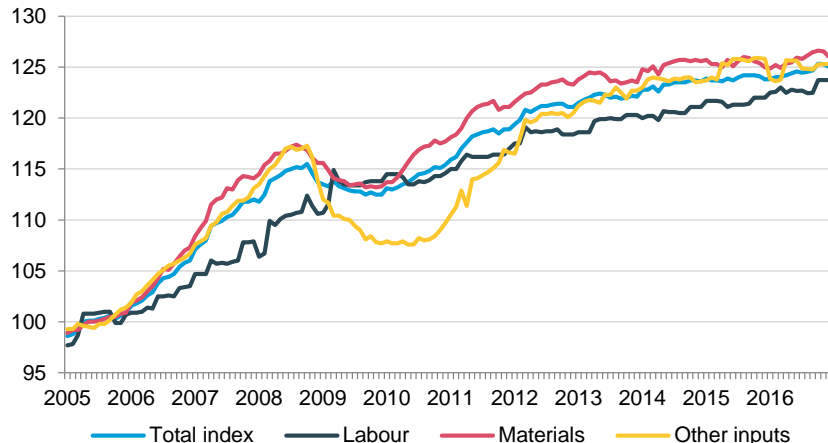
Unsold completed units (residential development projects)



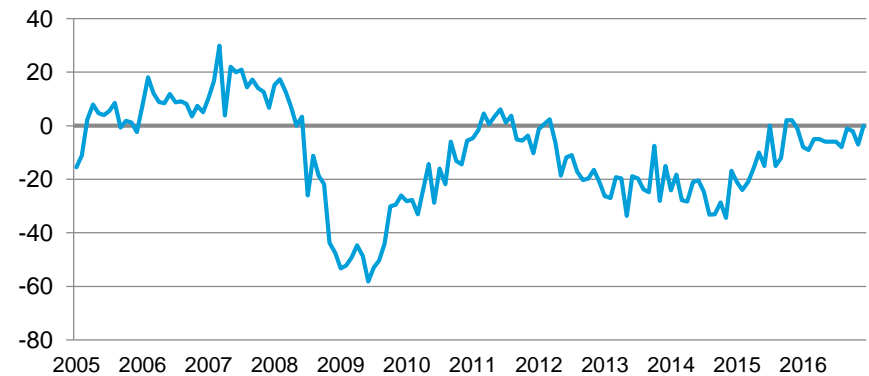
Residential building permits, start-ups and completions (million m<sup>3</sup>)



Construction cost index (2005=100)



Construction confidence (balance)

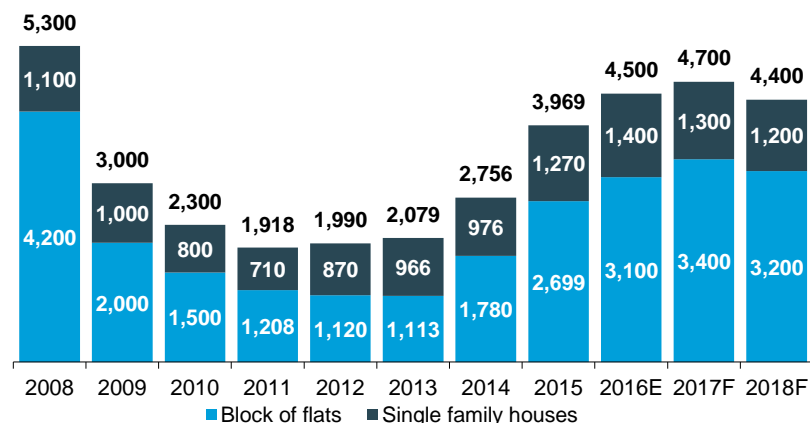


Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT,  
 Construction cost index: Statistics Finland, Construction confidence: Confederation of Finnish Industries EK  
 YIT | 55 | Financial Statements Bulletin 2016

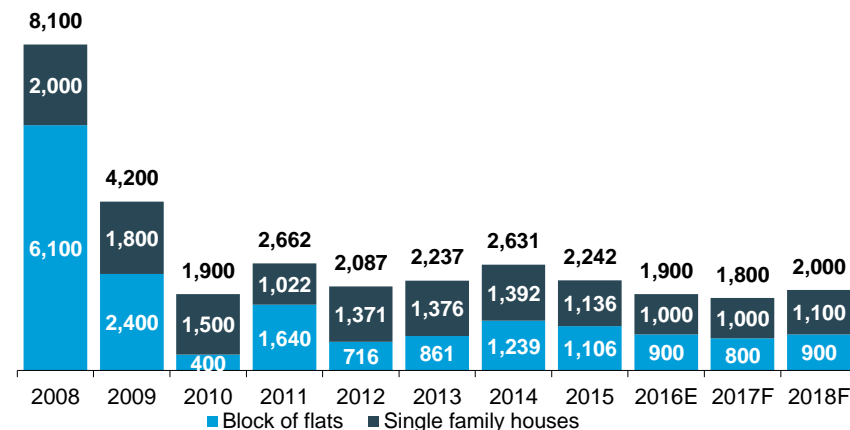
# The Baltic Countries

## Residential construction is expected to level off

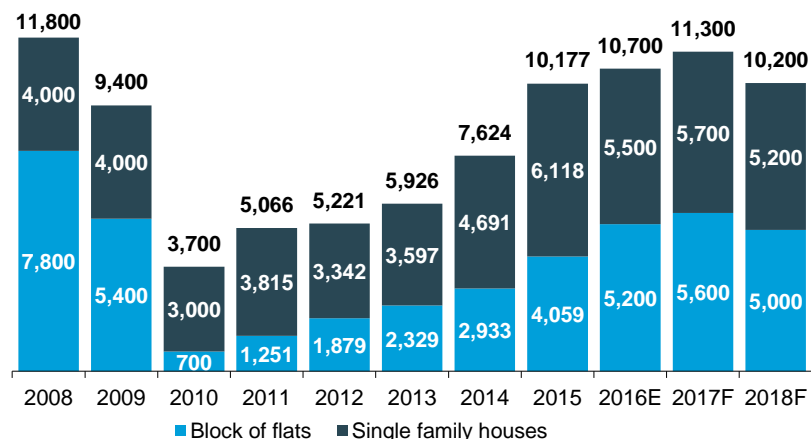
Residential completions in Estonia (units)



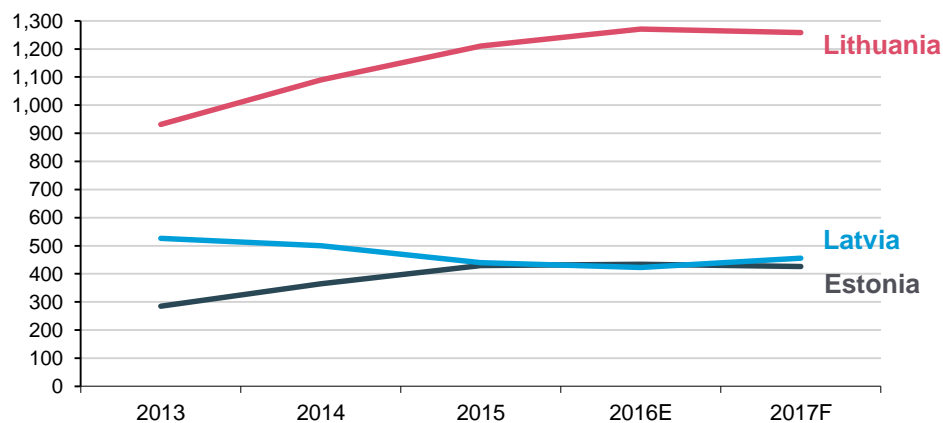
Residential completions in Latvia (units)



Residential completions in Lithuania (units)



New residential construction volume (EUR million)

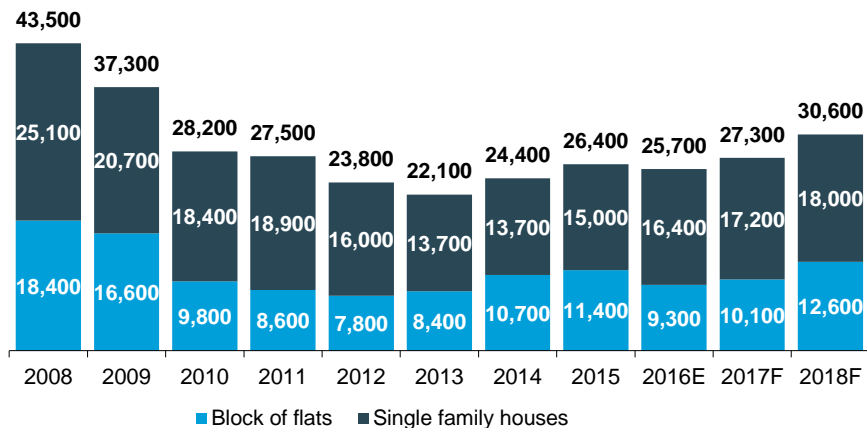


Source: Forecon, December 2016

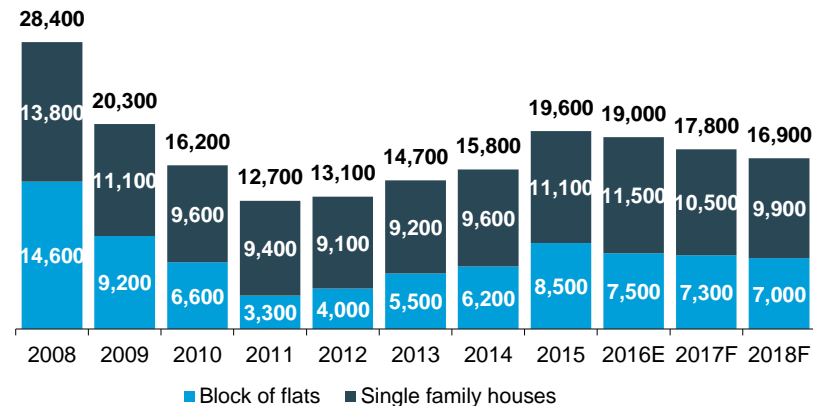
# The Czech Republic, Slovakia and Poland

## Start-ups forecasted to grow in the Czech Republic and Poland

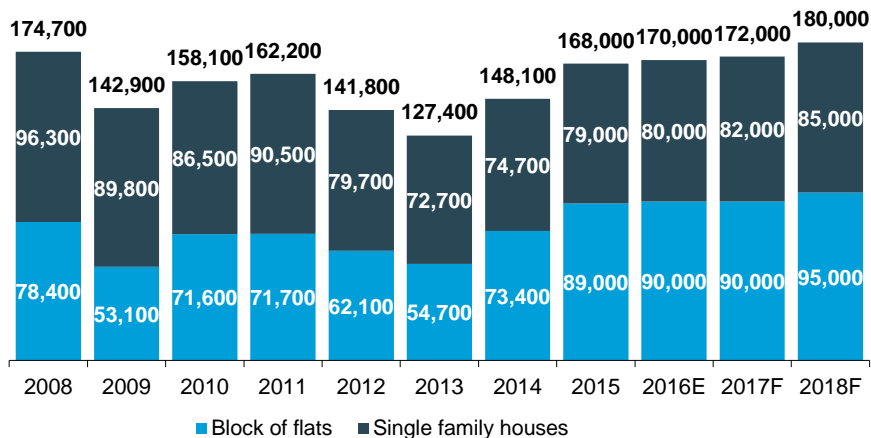
Residential start-ups in the Czech Republic (units)



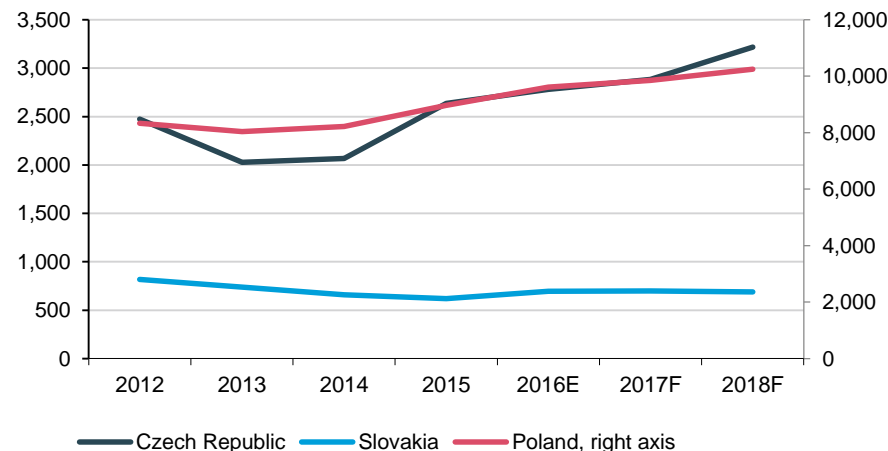
Residential start-ups in Slovakia (units)



Residential start-ups in Poland (units)



New residential construction volume (EUR million)

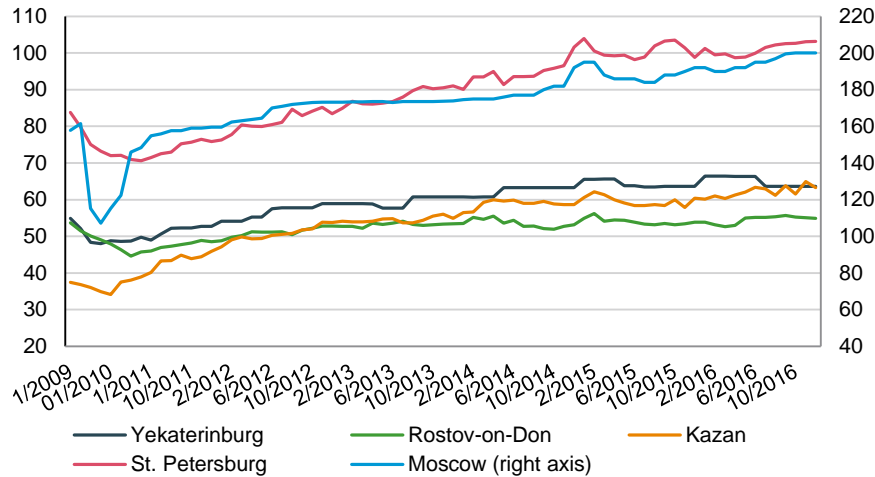


Source: Euroconstruct, December 2016

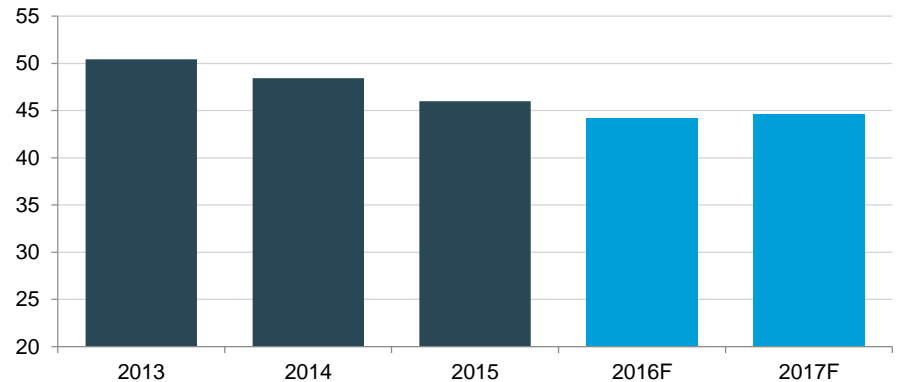
# Russia

## Housing indicators

House prices in primary markets (thousand RUB per sq. m.)

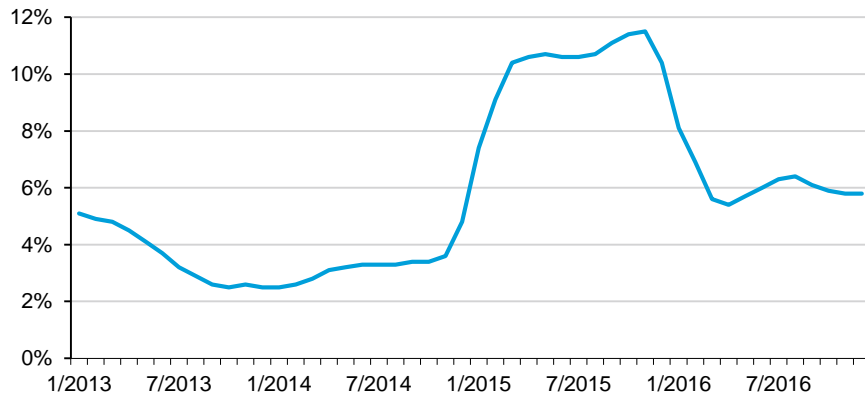


New residential construction volume (EUR billion\*)

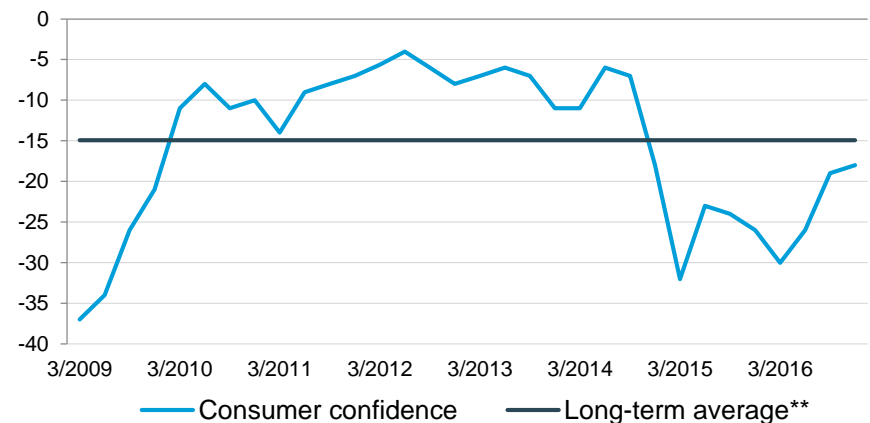


\*Fixed EUR/RUB exchange rate of 68.072

Inflation in building materials (%)



Consumer confidence



Sources: House prices: YIT, New residential construction volume: December 2016, Inflation in building materials: PMR Construction review, January 2017, Consumer confidence: Bloomberg

\*\*Average 12/1998-12/2016



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## **Business Premises**

Finland

The Baltic countries

Slovakia

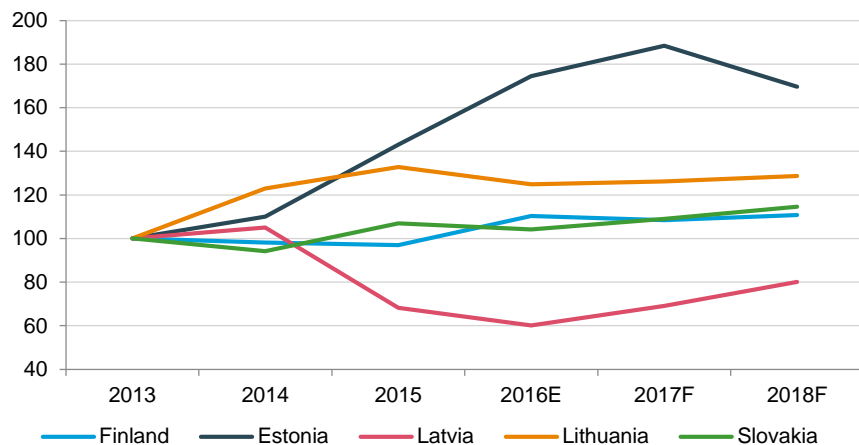
## **Infrastructure**

Finland

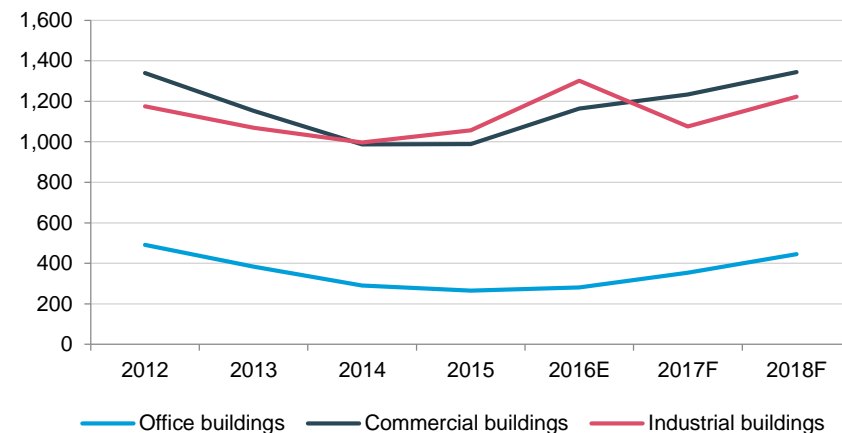


# New non-residential construction forecasted to pick up slightly in the Baltic countries in 2017

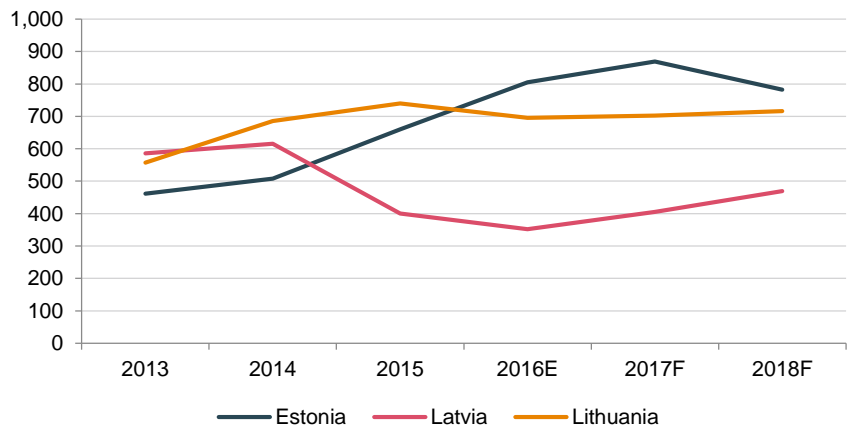
New non-residential construction volumes (index 2012=100)



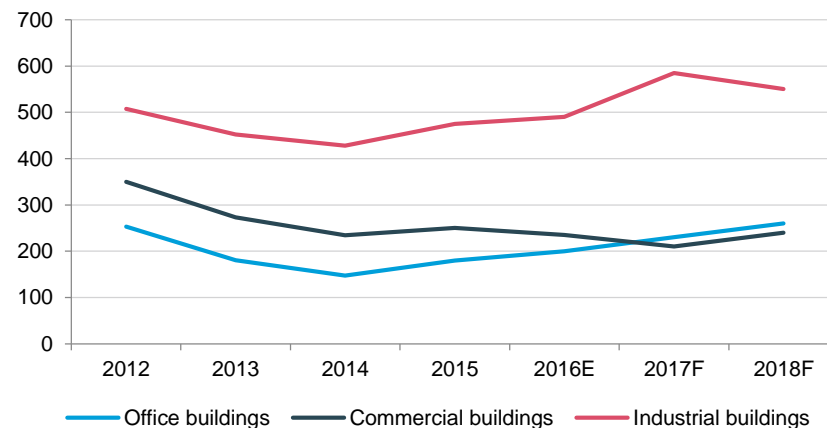
New non-residential construction in Finland (EUR million)



New non-residential construction in the Baltic countries (EUR million)



New non-residential construction in Slovakia (EUR million)

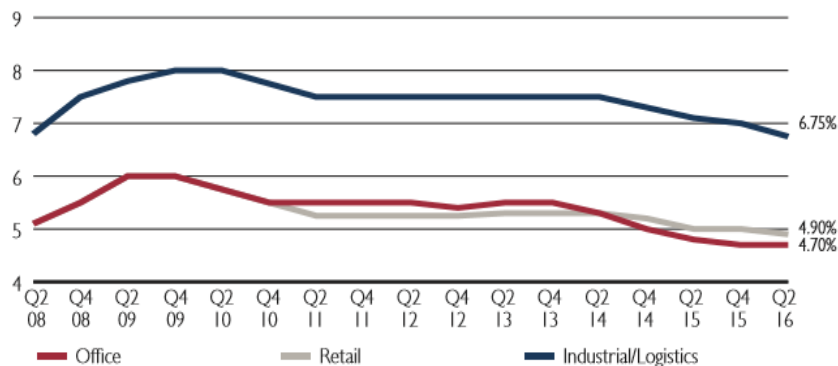


Sources: Euroconstruct and Forecon, December 2016

# Finland

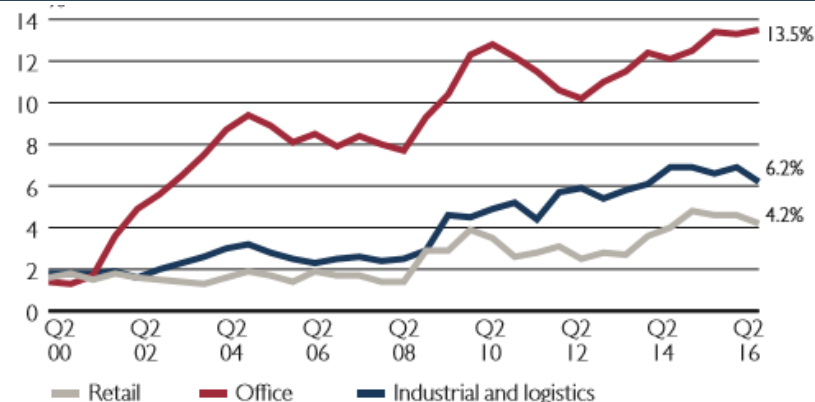
## Prime yields expected to decrease slightly

Prime yields in Helsinki Metropolitan Area (%)

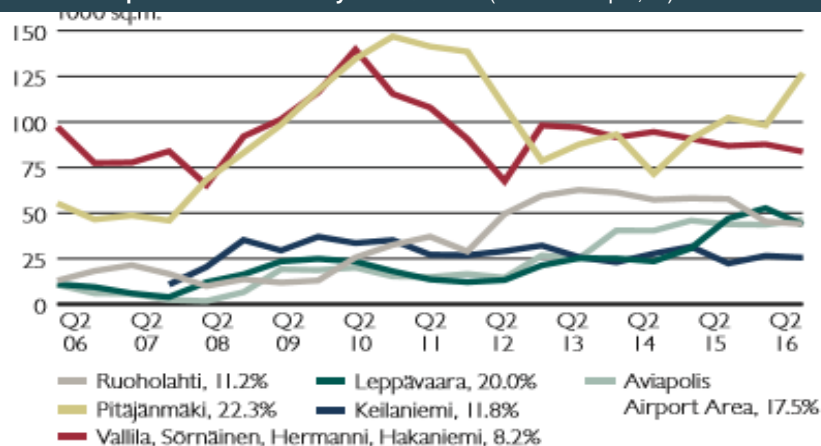


Particularly long lease agreements decrease yields by 0.1–0.5% points.

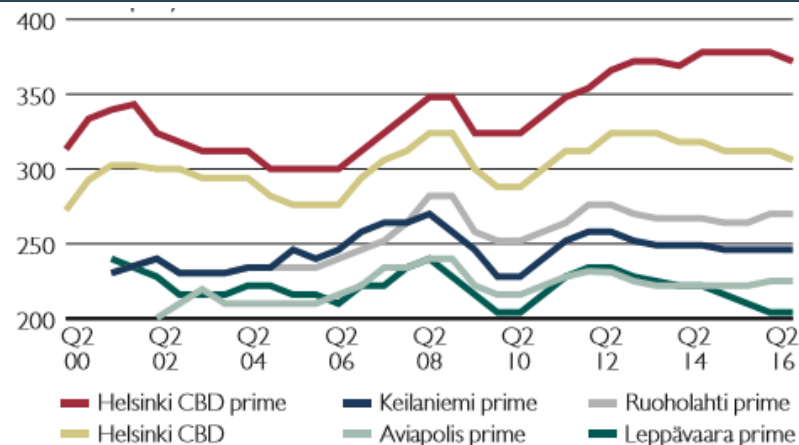
Vacancy rates in Helsinki Metropolitan Area (%)



Vacant office space and the vacancy rate Q2/2016 (thousand sq.m., %)



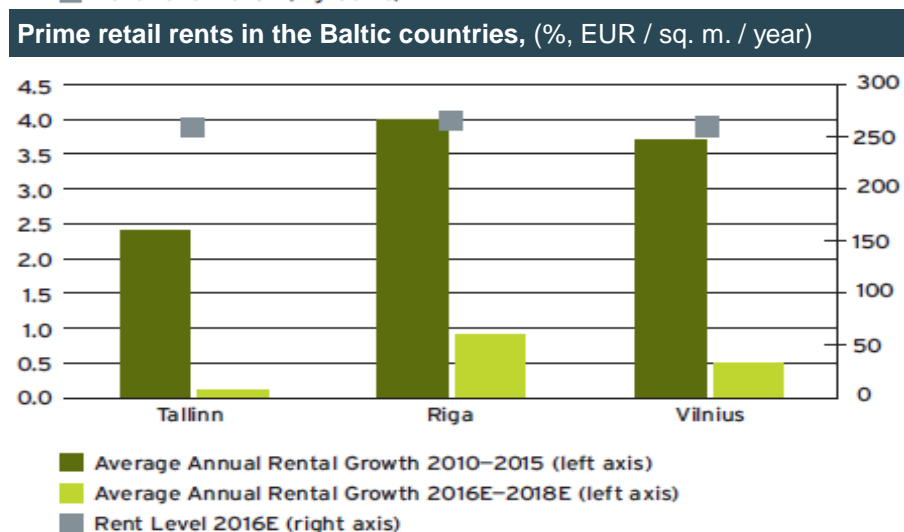
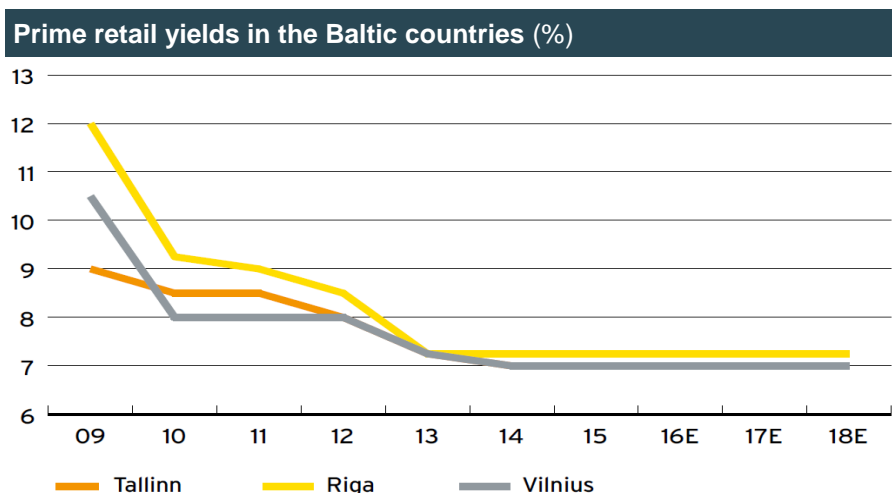
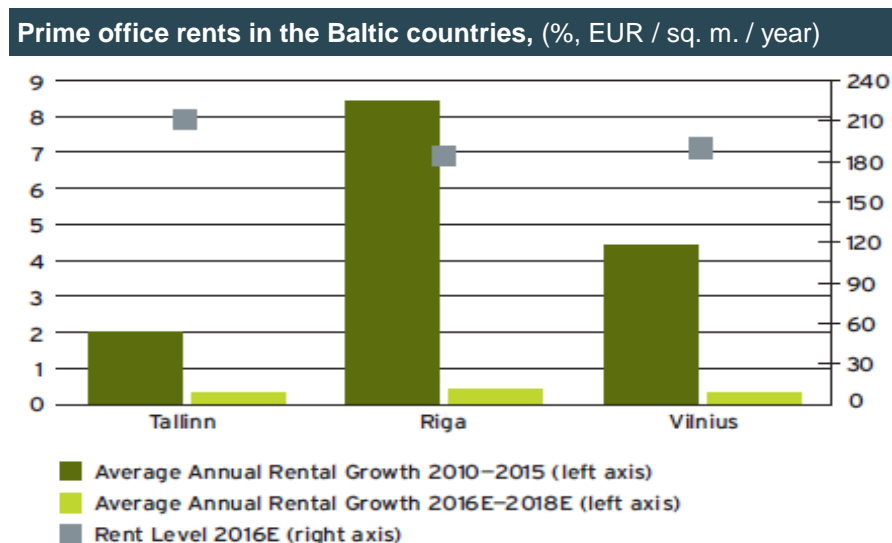
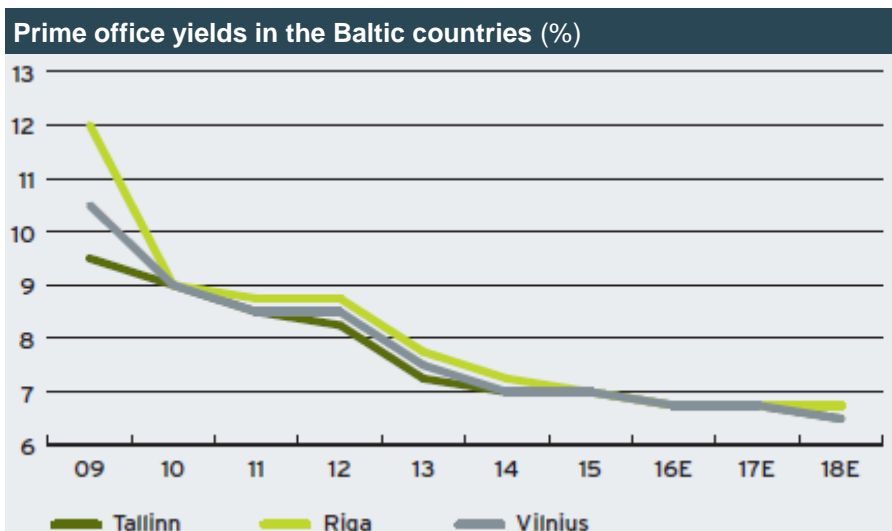
Rental levels of office premises (excl. VAT), new agreements (EUR / sq. m. / year)



Source: Catella Finland Market Indicator, September 2016

# The Baltic countries

## Yields are expected decrease slightly

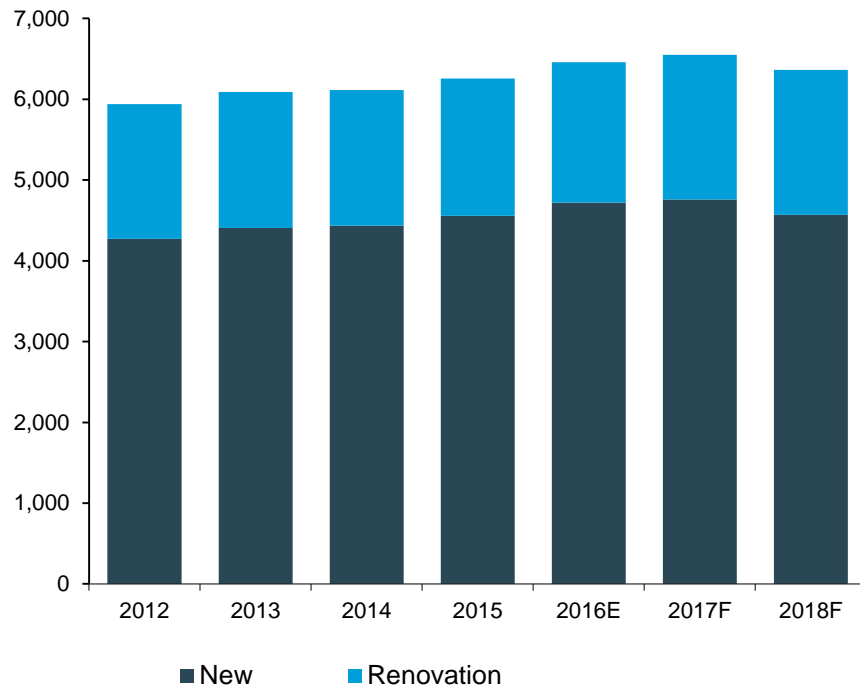


Source: Newsec Property Outlook, October 2016

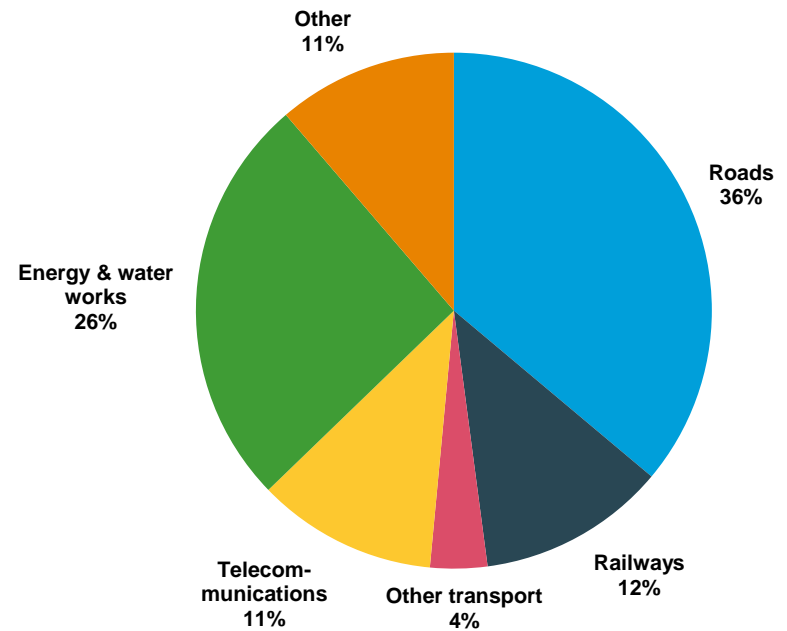
# Infrastructure construction in Finland

## Market expected to remain stable in 2017

Infrastructure market in Finland (EUR million)



Infrastructure sectors in Finland (2016)



Sources: Euroconstruct, December 2016

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we can  
do it.**