



YIT – solid foundation for future growth

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YIT in brief

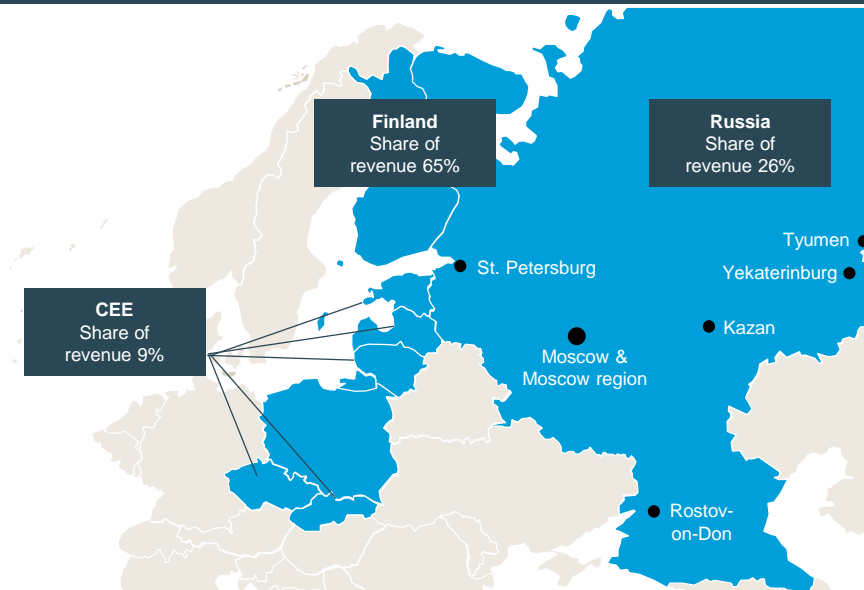


YIT – An innovative project developer and high-quality construction company

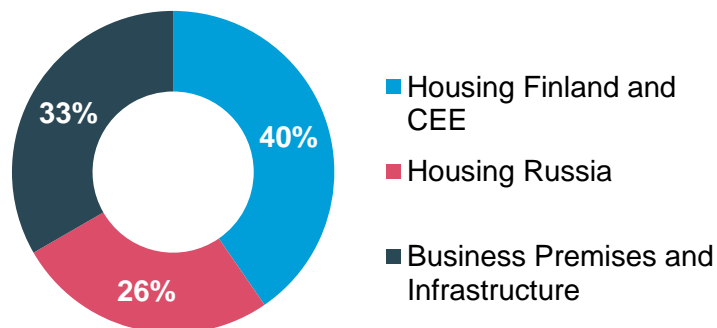
Key investment propositions

- Strong market position and extensive experience in the main markets
 - Market leader in Finland, the largest foreign residential developer in Russia
- One of the most profitable construction companies in Europe through economic cycles
- Good corporate governance and high ethical standards

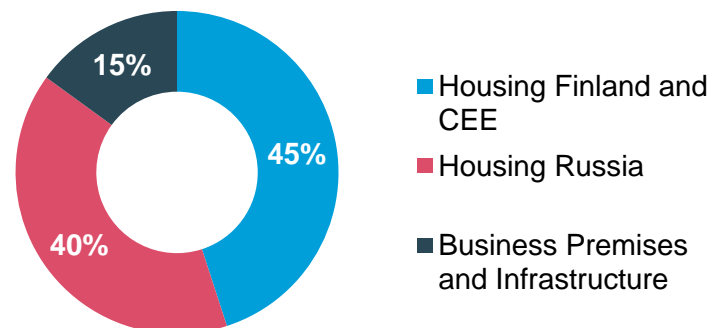
Operations in 8 countries, 5,800 employees



Revenue by segment 2014 (EUR 1.8 billion)

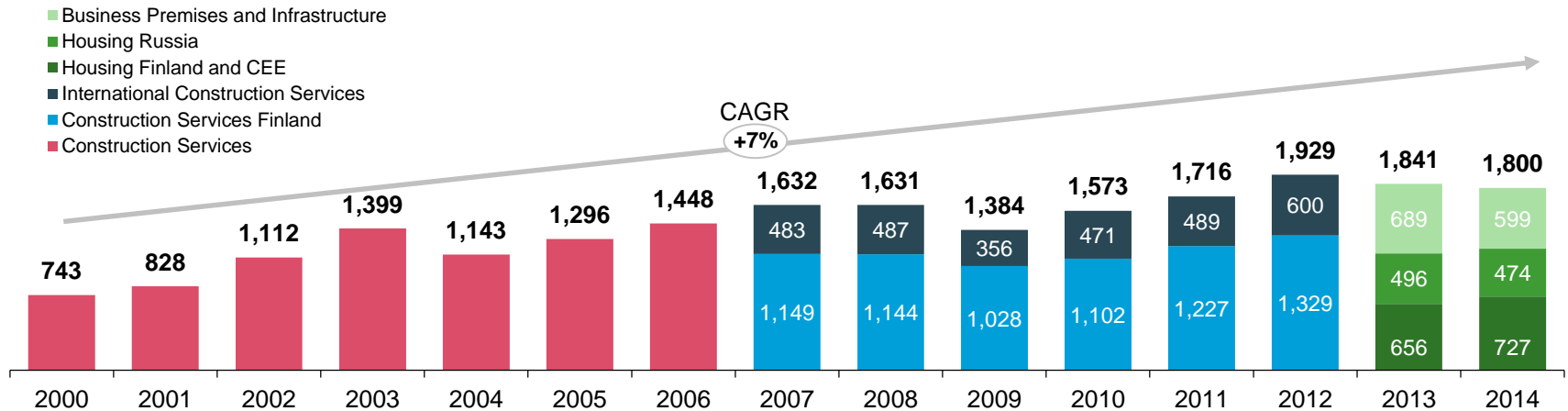


Operating profit* by segment 2014 (EUR 126 million)

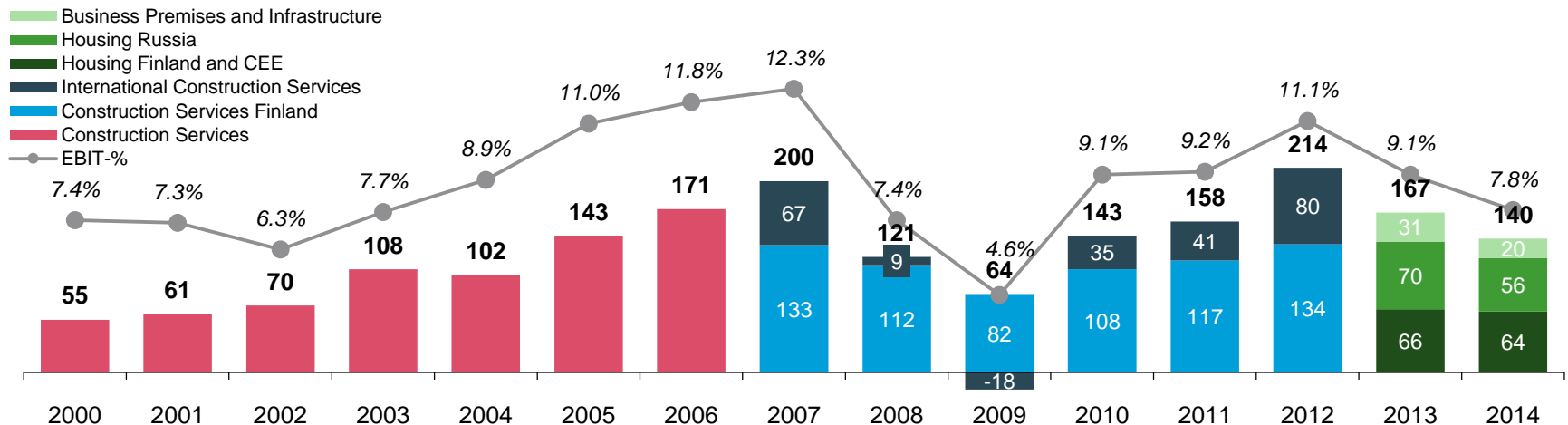


Revenue growth and healthy profitability through economic cycles

Revenue development (EUR million) by business segment



Operating profit (EBIT) development (EUR million) by business segment, excluding group costs and non-recurring items



Note: Segment level figures (POC), i.e. sum of Construction Services related segment figures in YIT financial reporting and thus excluding effect of other items.

YIT's competitive edges

- High-quality brand and reputation as a reliable company
- Innovative concepts and effective design management
- Strong plot reserve
- Own sales network in all operating countries
- Broad special expertise and strong references
- Ability to construct demanding projects that combine housing, business premises and infrastructure

“Best developer in Finland”,
Euromoney Real Estate Survey 2015

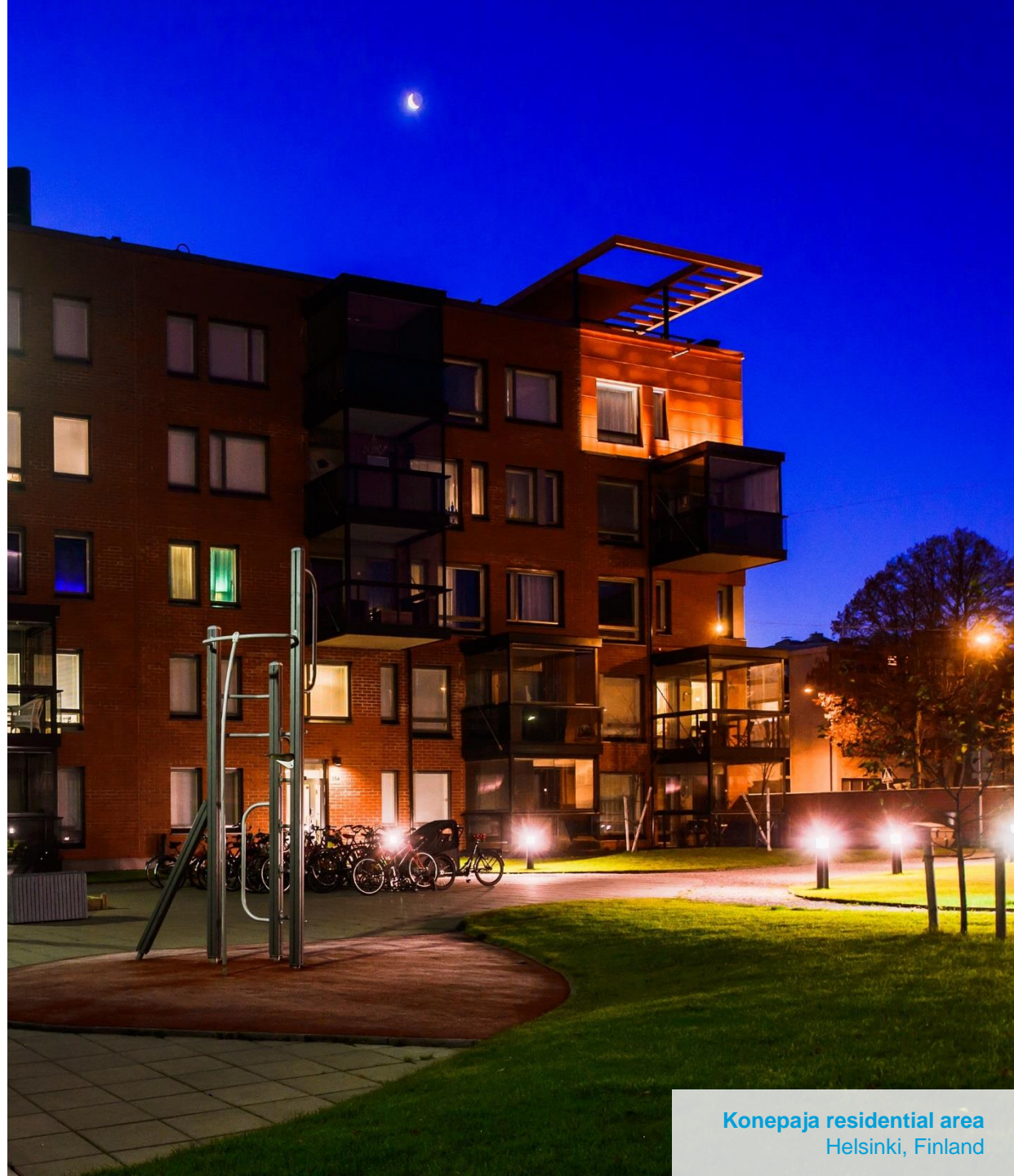
“Developer of the year 2014”
in the Czech Republic

**”Developer and Construction
Company of 2014”** in Slovakia

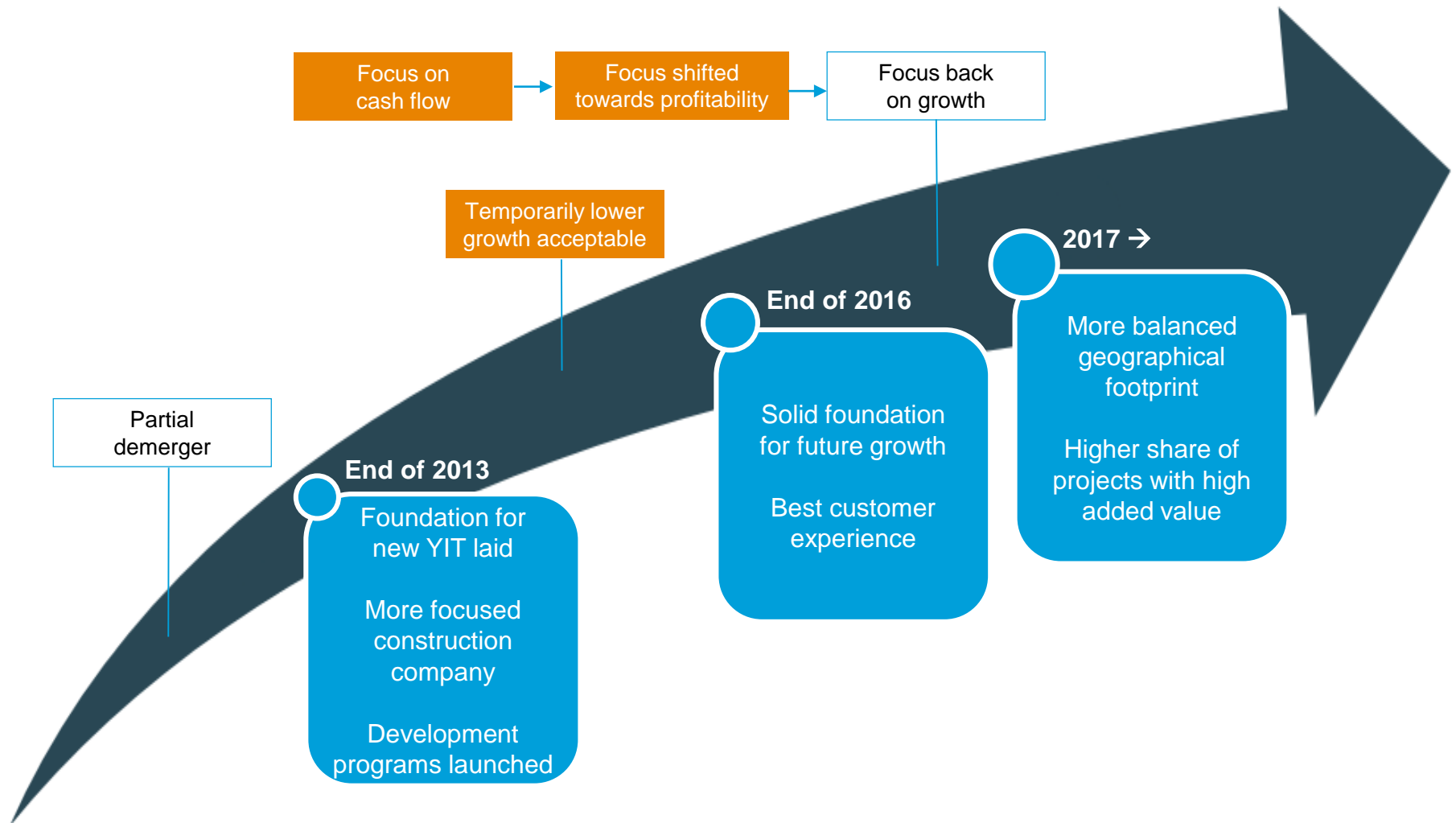
“Best Housing Project 2014”
in Latvia, Lithuania and Slovakia

2

Strategy and business model



Strategic roadmap



Strategic focus areas

Improving profitability



- Optimising the business mix
- Cost adjustments in Russia

Growth initiatives



- Secured major projects and high value added projects
- Accelerating growth in CEE, entry to Poland

Raising capital efficiency



- Completing the capital release program
- Further increasing the role of partnerships

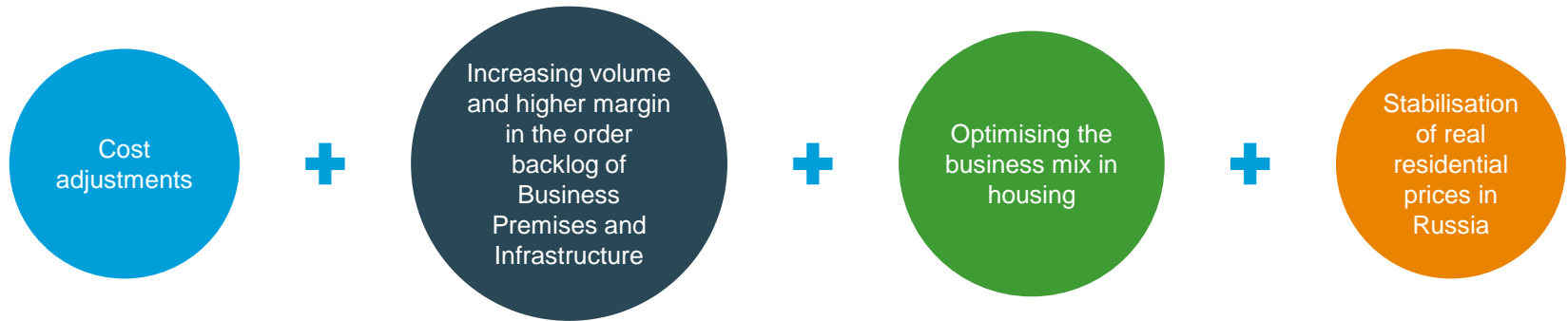
Financial targets as of September 16, 2015

- Long-term ROI target revised to 15% from the earlier 20% due to lower weight of Russia in invested capital and future capital allocation
- Other long-term financial targets unchanged
- Separate short-term targets abandoned now that the net debt target has been reached

	Long-term targets	Status 6/2015	
Revenue growth	5 - 10% annually on average	LTM: -5.1% (+0.8% at comp. fx)	●
Return on investment	15% (previously 20%)	6.4%	●
Cash flow	Operating cash flow after investments sufficient for dividend payout and reduction of debt	LTM: EUR 309 million	●
Equity ratio	40%	36.0%	●
Dividend	Dividend payout 40 to 60% of net profit for the period	40% (2014)	●

Segment figures (POC)

Clearly higher EBIT needed to reach the targeted ROI



Dependence on market development

3

Housing Finland and CEE

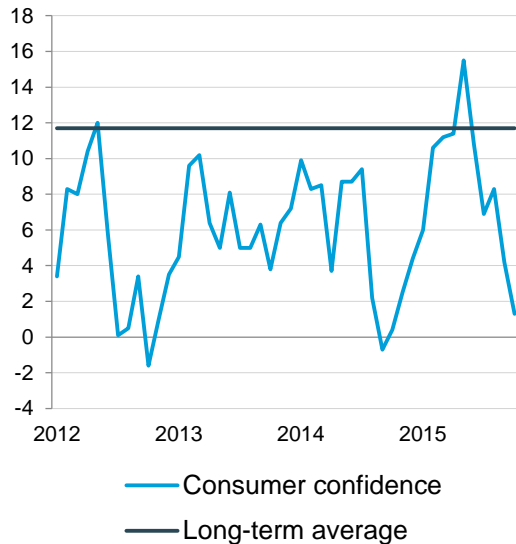


Koti Hyacint
Prague, the Czech Republic

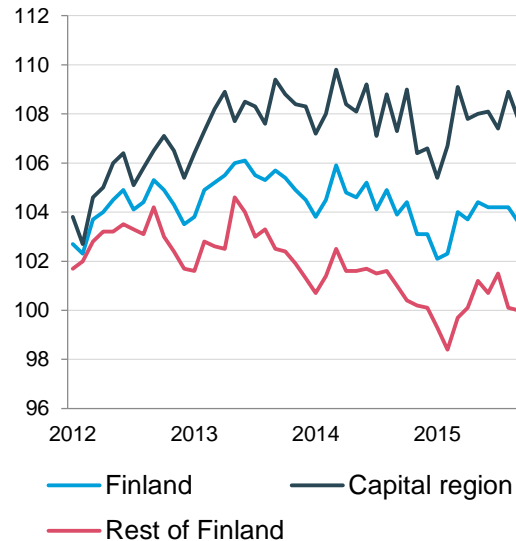
Housing Finland and CEE: Operating environment in Finland

- Consumer confidence weakened
- Good investor demand continued
- Good demand for small, affordable apartments in the growth centres
- Price pressure in large apartments
- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans increased slightly

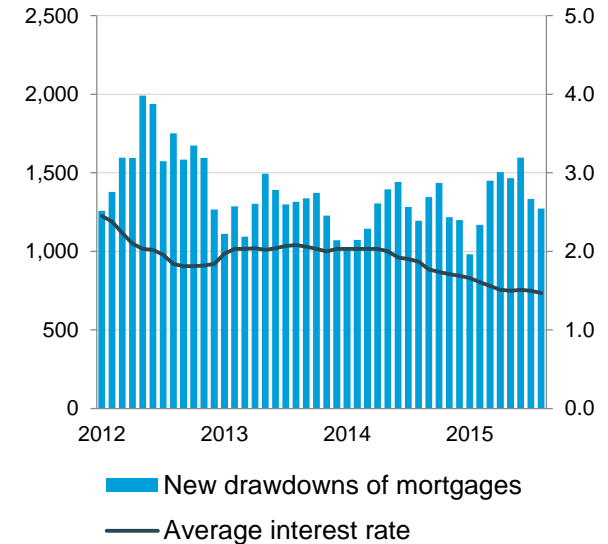
**Consumer confidence
01/2012-10/2015**



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



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

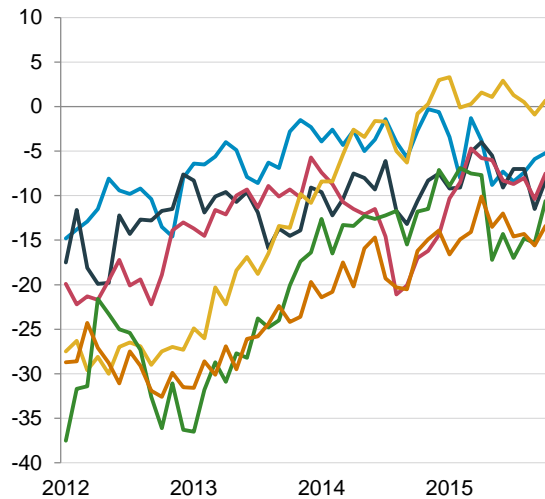


Sources: Statistics Finland and Bank of Finland

Housing Finland and CEE: Operating environment in the CEE countries

- Positive macro development supported the residential market
- The market in the Czech Republic has been especially strong
- Prices of new apartments remained relatively stable in the CEE countries
- Interest rates of mortgages have remained on a low level
- Consumers' access to financing has remained good

Consumer confidence



— Estonia

— Latvia

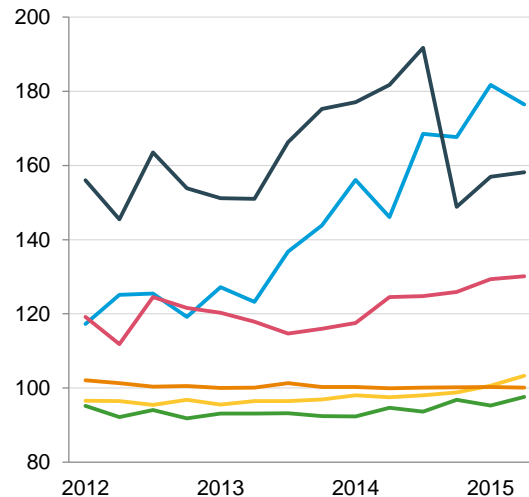
— Lithuania

— The Czech Republic

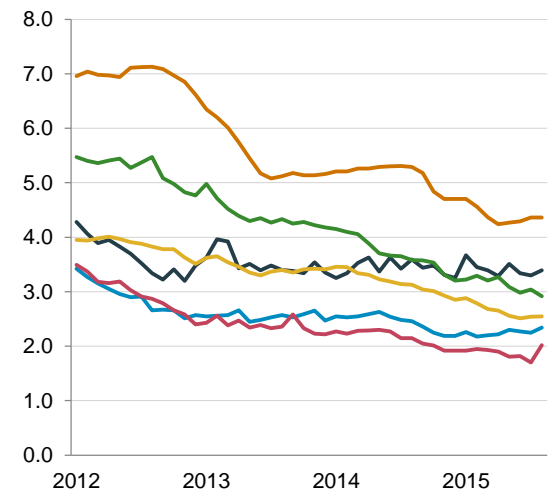
— Slovakia

— Poland

House price index, new dwellings, 2010=100



Average interest rate of mortgages (%)



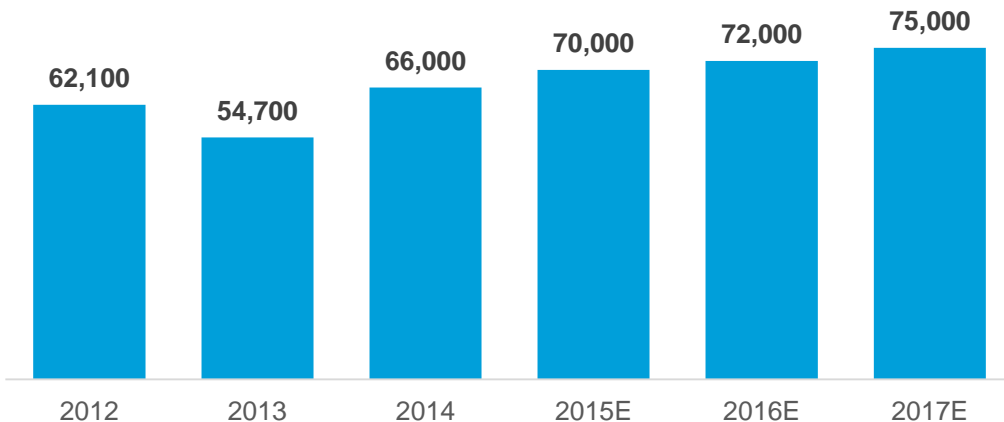
Sources: European Commission, Eurostat, Statistics Poland and National Central Banks
Note: Polish house price index is for all dwellings

Exploiting opportunities in Poland – local unit established

Why Poland?

- A population of around 40 million and growing economy
- Need to improve living conditions
- Opportunity to leverage YIT's housing process
- Utilising experience from successfully establishing greenfield operations
- Finnish brand valued in Poland

Start-ups of blocks of flats in Poland Units



Sources: Bloomberg, REAS and Euroconstruct

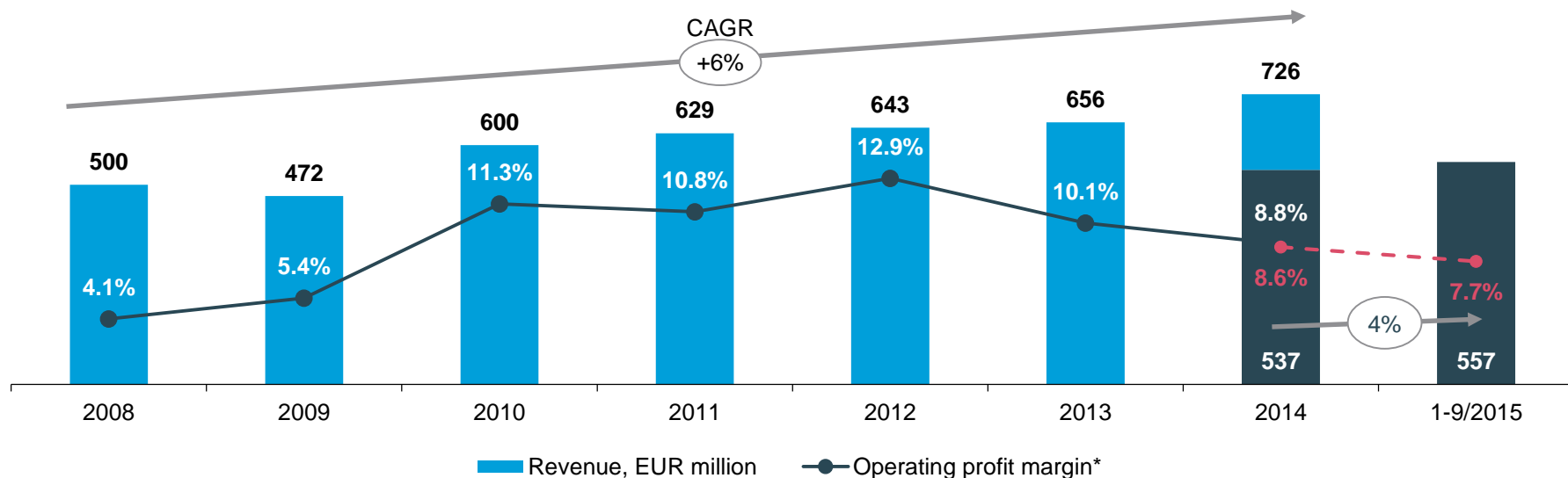
Large population

Population in Poland's largest cities



Housing Finland and CEE: long-term development

2008	2009	2010	2011	2012	2013	2014	1-9/2015
<ul style="list-style-type: none"> • Weakening market • Prices declined sharply in the Baltics 	<ul style="list-style-type: none"> • Focus on investor deals in Finland • Low business volumes in the Baltics • Fixed cost cuts 	<ul style="list-style-type: none"> • Focus turned to consumer sales in Finland • Low volumes in the Baltics and CEE 	<ul style="list-style-type: none"> • Focus on consumer sales in Finland • Volumes increased in the Baltics and CEE 	<ul style="list-style-type: none"> • Favourable residential sales continued in Finland • The Baltics and CEE continued to dilute profitability 	<ul style="list-style-type: none"> • Soft consumer demand in Finland • Active sales to investors • Gradual growth in the Baltics and CEE 	<ul style="list-style-type: none"> • Good development in the Baltics and CEE • Cash flow focus impacted profitability 	<ul style="list-style-type: none"> • Strong residential sales in the CEE countries • Profitability burdened by clearly higher share of investor sales in Finland
EBIT*: EUR 20.0 million	EBIT*: EUR 26.0 million	EBIT*: EUR 68.0 million	EBIT*: EUR 68.0 million	EBIT*: EUR 83.0 million	EBIT*: EUR 66.2 million	EBIT*: EUR 63.7 million	EBIT*: EUR 42.6 million

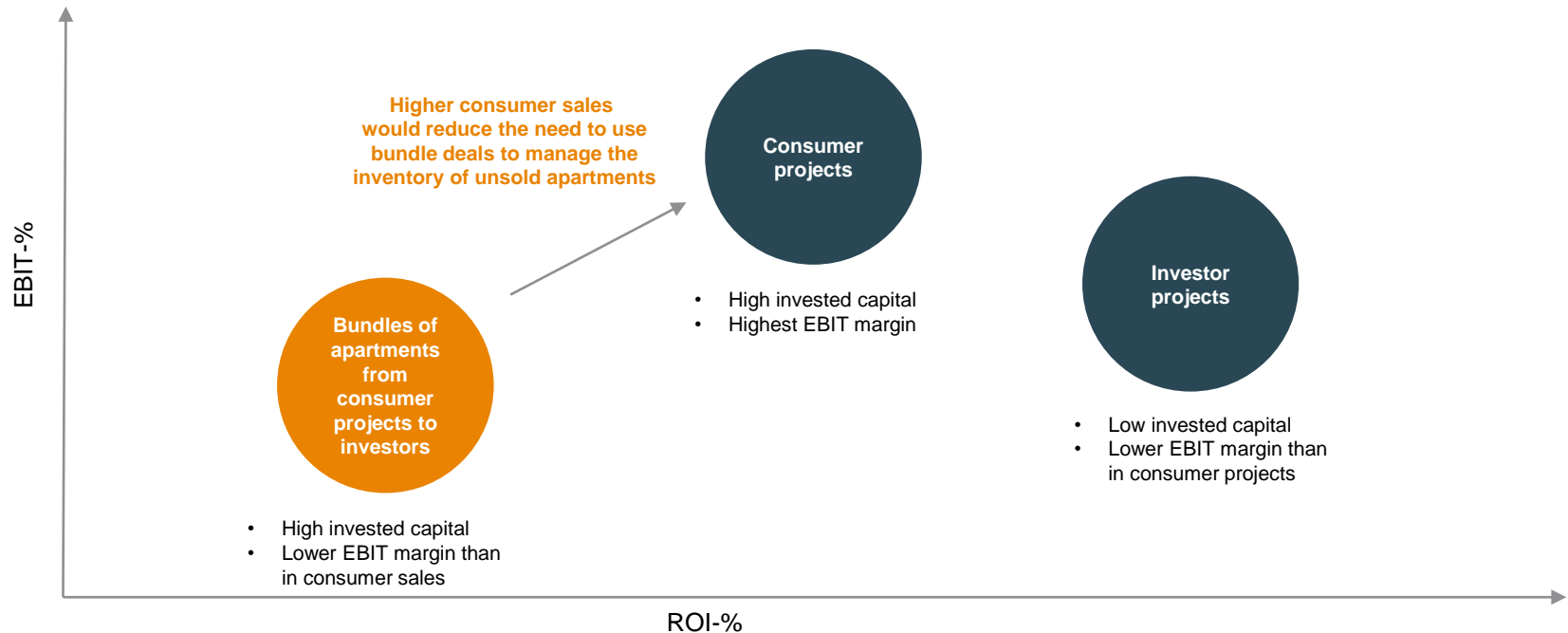


* Excluding non-recurring items.

Note: The historical figures for 2008-2012 are calculated for illustrative purposes and are not completely comparable with YIT's segment structure. The main difference is in the division of fixed costs, which in the historical figures are weighted according to revenue and in the official figures are more accurately allocated according to each segment's estimated true share of the fixed costs.

Impact of the mix in Finnish housing

- Target to increase the share of consumer sales by improving affordability of the apartments

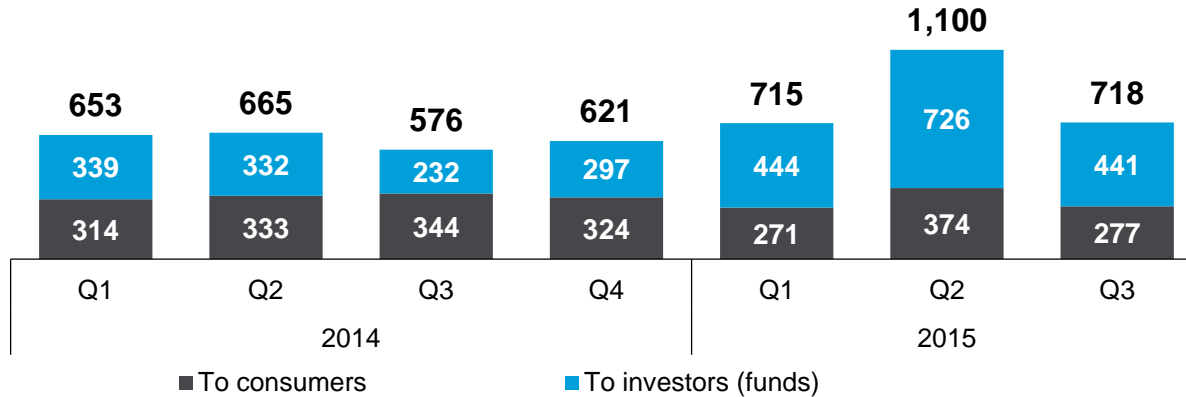


Housing Finland and CEE: Sales and start-ups in Finland

Sold apartments (units)

2014: 2,515

1-9/2015: 2,533

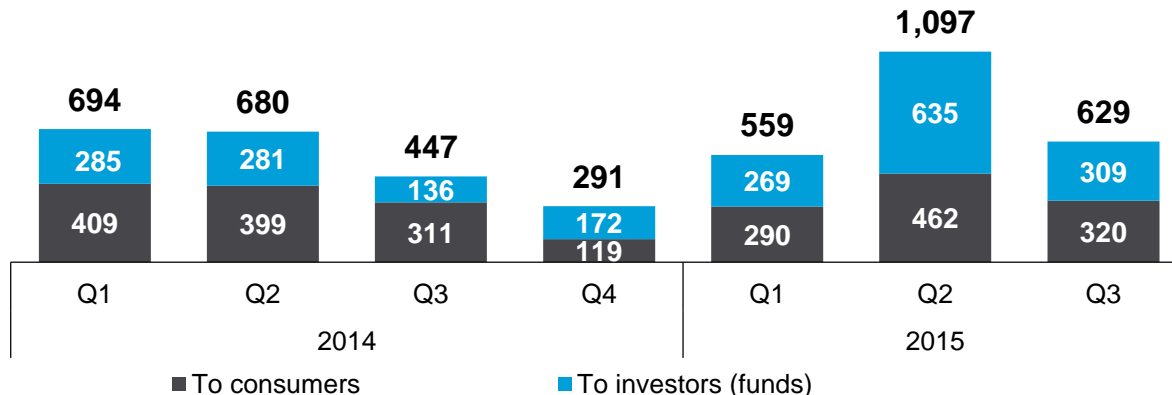


- In Q3, units sold to consumers -19% y-o-y in line with the decrease in apartments for sale
- In 1-9/2015, 398 apartments from projects initially started for consumers sold to residential property funds
- In October, sales to consumers at over 100 units (10/2014: around 150 units)

Apartment start-ups (units)

2014: 2,112

1-9/2015: 2,285

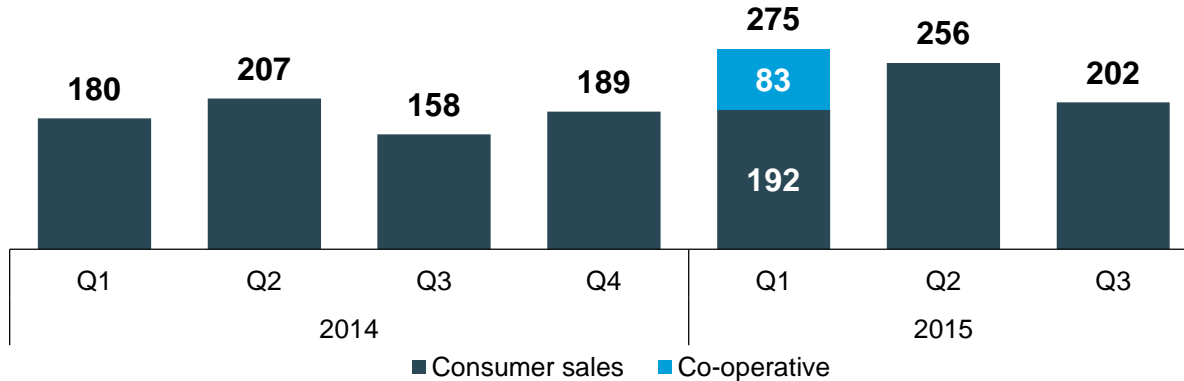


Housing Finland and CEE: Sales and start-ups in the CEE countries

Sold apartments (units)

2014: 734

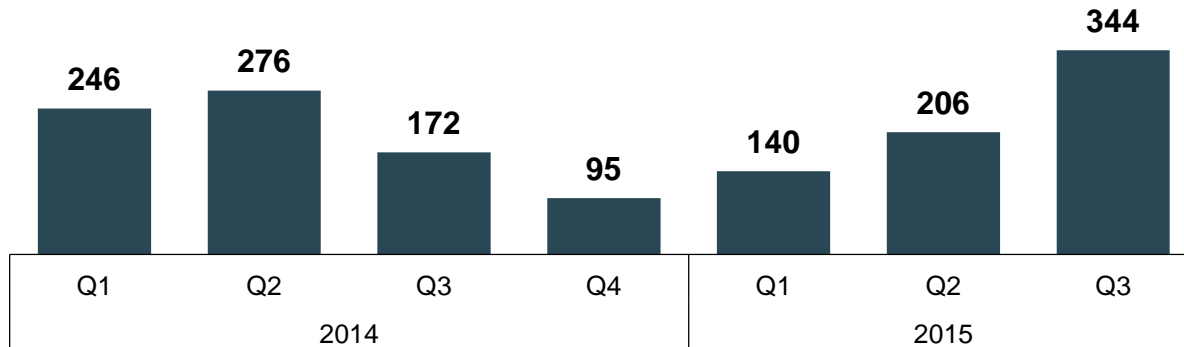
1-9/2015: 733



Apartment start-ups (units)

2014: 789

1-9/2015: 690



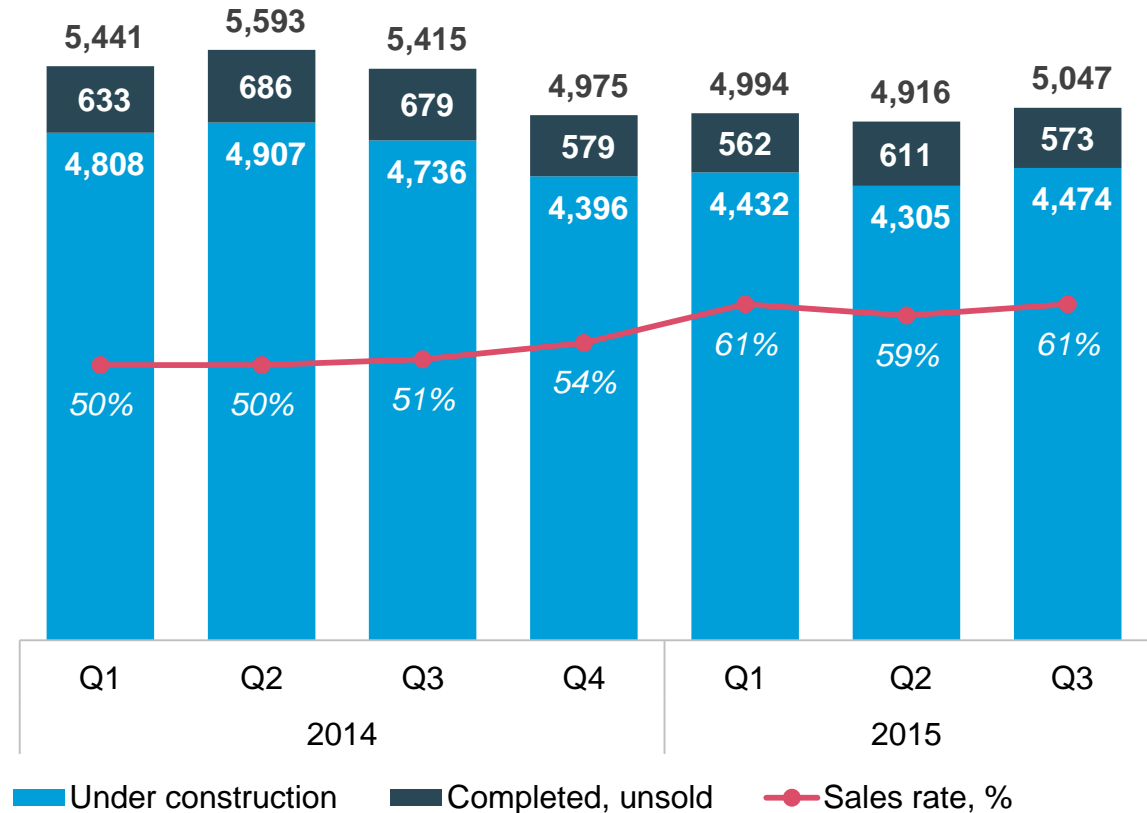
- Major area projects started in 2015:
 - Rokytka, Prague, the Czech Republic nearly 900 apartments in total
 - STEIN2, Bratislava, Slovakia more than 400 apartments in total
- A plot for nearly 1,000 apartments acquired in Bratislava, Slovakia in October
- In October, sales to consumers at around 80 units (10/2014: around 70 units)

Housing Finland and CEE:

Number of unsold completed apartments declined in Finland

- Number of unsold completed apartments in Finland down to 373 (9/2014: 533)
- 61% of units under construction already sold moderating the sales risk
- The share of CEE of the sales portfolio (units) 42% (9/2014: 37%)

Apartment inventory (units)



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Housing Russia

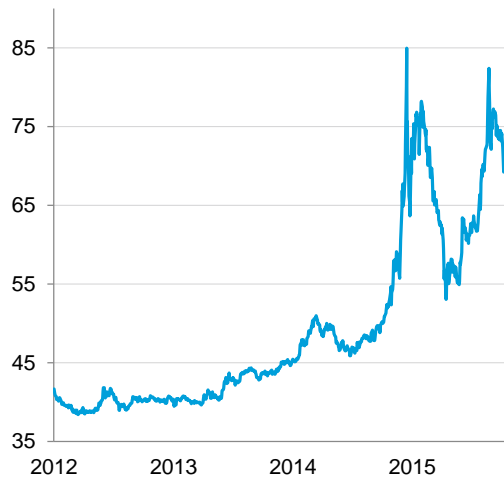


Baltym Park
Yekaterinburg, Russia

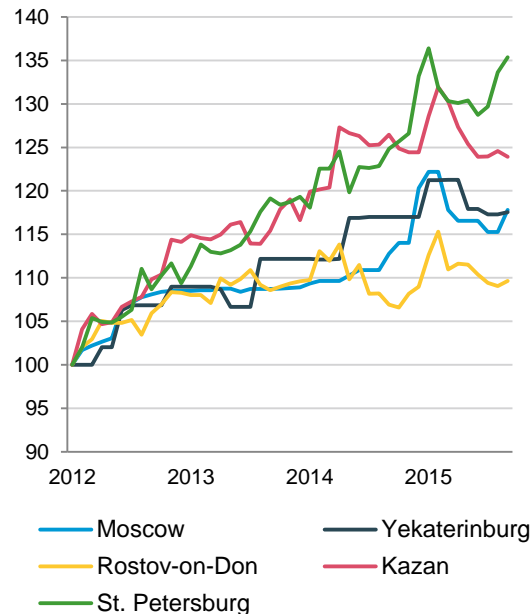
Housing Russia: Operating environment

- The ruble was volatile during the quarter
- Demand focused especially on small apartments and apartments close to completion
- Residential prices remained stable, but decreased in real terms
- Mortgage interest rates for new apartments at around 11-12% due to government's mortgage subsidy program launched in late March 2015

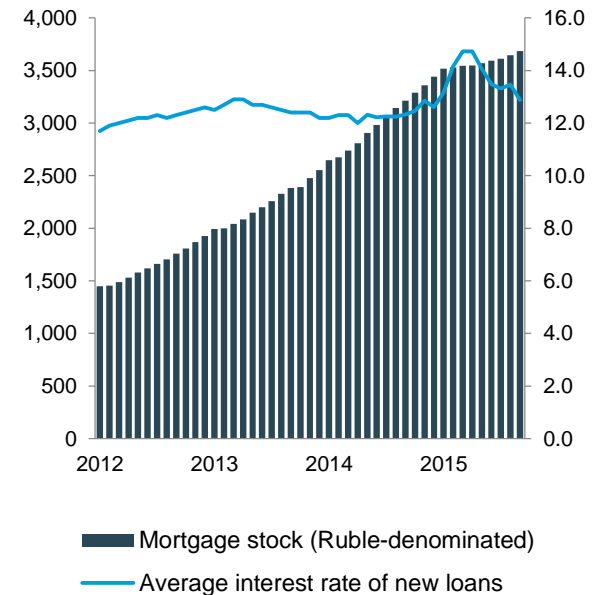
EUR/RUB exchange rate



Prices of new apartments, Index (01/01/2012=100)



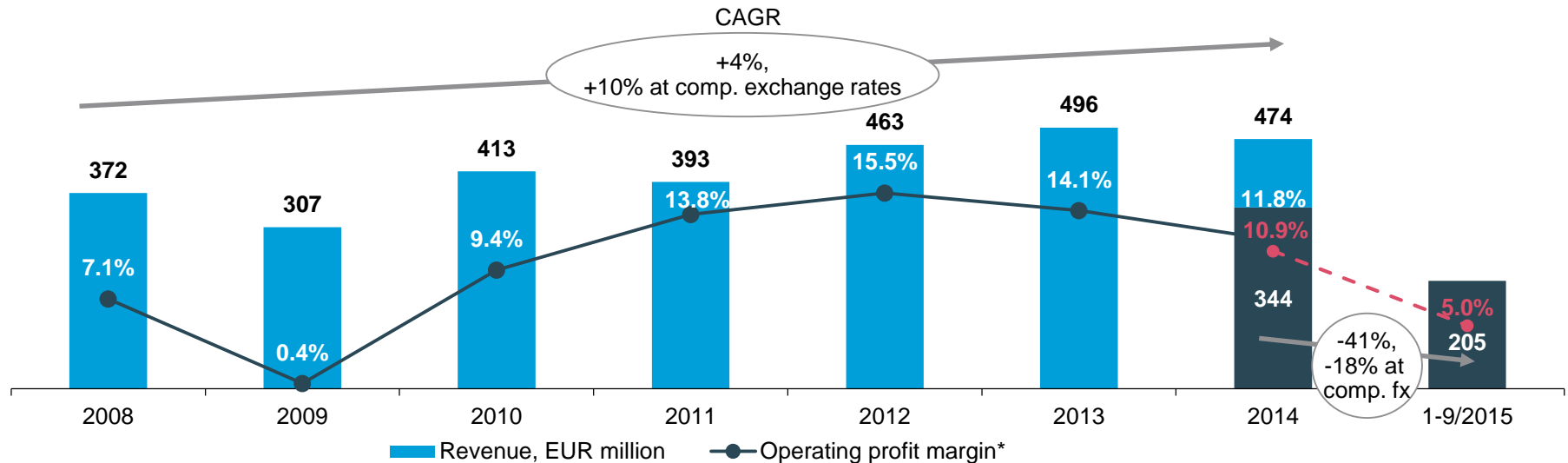
Mortgage stock and average interest rate, (RUB billion, %)



Sources: Bloomberg, YIT and Bank of Russia

Housing Russia: long-term development

2008	2009	2010	2011	2012	2013	2014	1-9/2015
<ul style="list-style-type: none"> Prices declined Profitability hit as volumes declined 	<ul style="list-style-type: none"> Housing prices stabilising in H2 Fixed cost cuts 	<ul style="list-style-type: none"> Slight increases in residential prices 	<ul style="list-style-type: none"> Prices increased (regional differences) 	<ul style="list-style-type: none"> Prices increasing and good residential sales Margins improving 	<ul style="list-style-type: none"> Stable residential prices Sales volume continued to develop positively 	<ul style="list-style-type: none"> Increased uncertainty and weakening ruble Revenue grew 15% y-o-y at comp. exchange rates 	<ul style="list-style-type: none"> Profitability burdened by lower revenue and weakened project margins, among other things
EBIT*: EUR 26.0 million	EBIT*: EUR 1.0 million	EBIT*: EUR 41.0 million	EBIT*: EUR 54.0 million	EBIT*: EUR 72.0 million	EBIT*: EUR 70.2 million	EBIT*: EUR 55.8 million	EBIT*: EUR 10.2 million



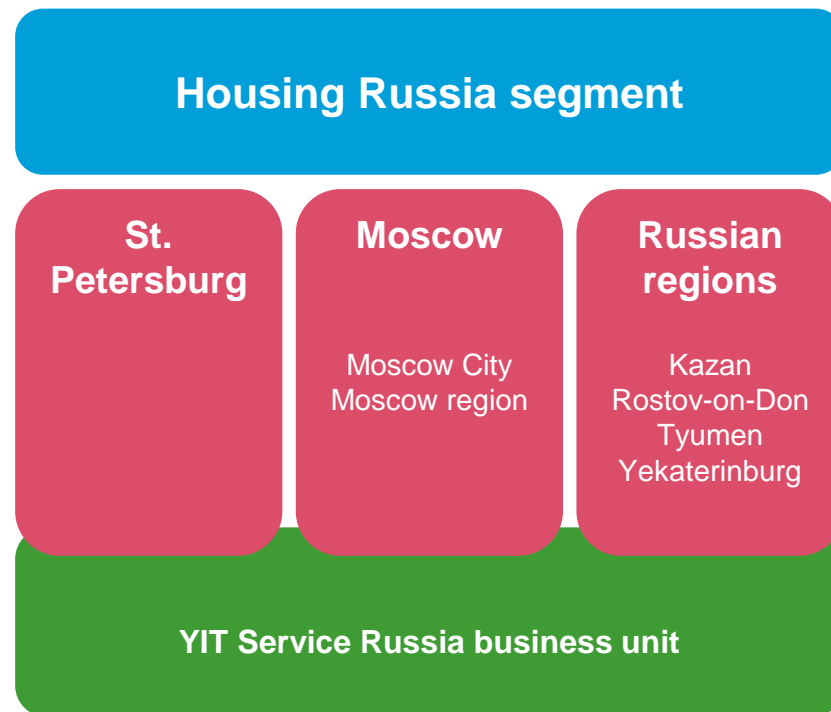
*Excluding non-recurring items

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Reorganisation of YIT's Russian operations

- Operations continue in all current locations
- Reorganisation to increase flexibility and to ensure cost efficiency and competitiveness
- Revision of the division structure and establishment of a separate business unit for Service covering all operating cities
- Centralised support functions
- The targeted annual cost savings from the measures announced now and in January 2015 are estimated to total around EUR 10 million

Structure of YIT's Russian operations as of January 1, 2016

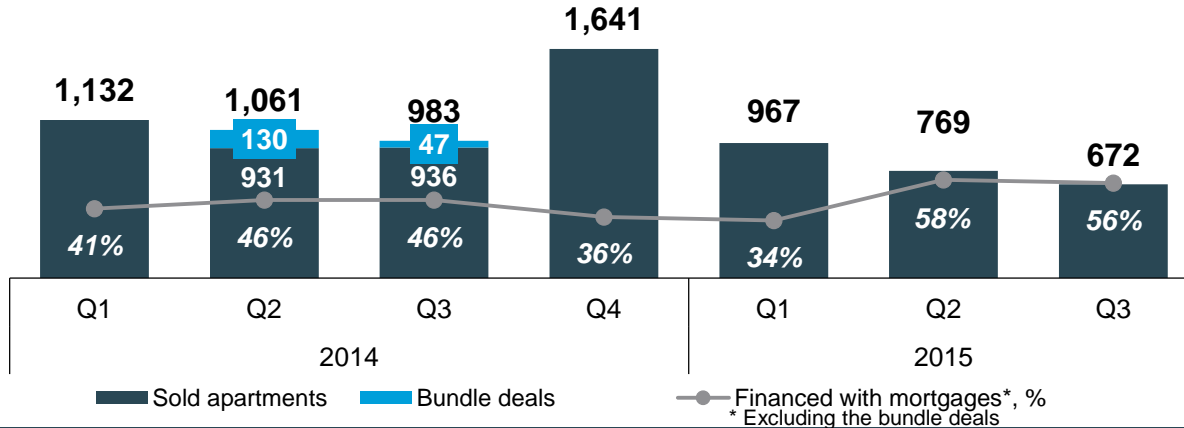


Housing Russia: Sales and start-ups

Sold apartments (units) and share of sales financed with mortgages (%)

2014: 4,817 (41%*)

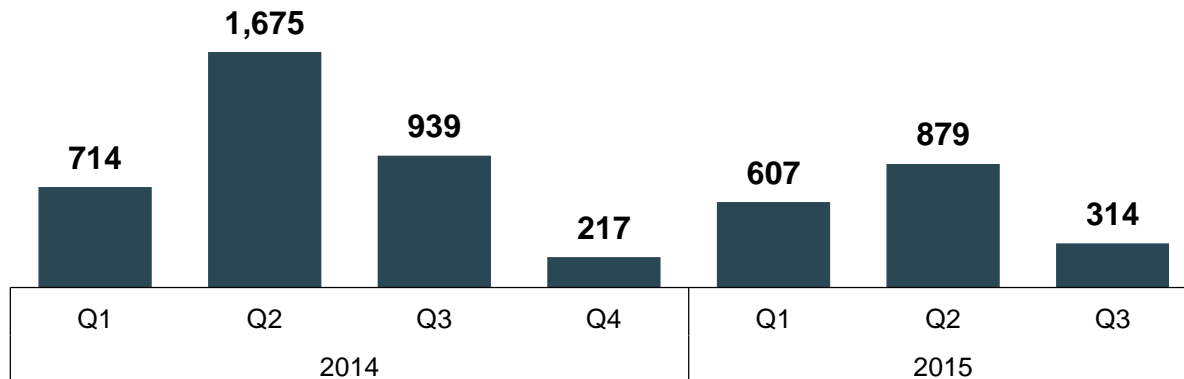
1-9/2015: 2,408 (48%)



Apartment start-ups (units)

2014: 3,545

1-9/2015: 1,800

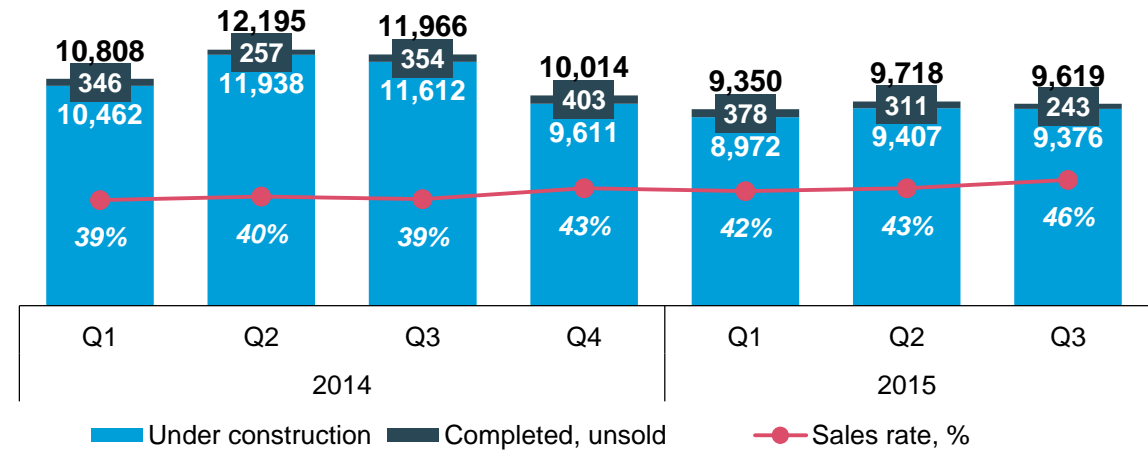


- In Q3, units sold to consumers -28% y-o-y
- Share of sales financed with mortgages increased in Q2/2015 due to the government's mortgage subsidy program launched in late March
- Start-ups lowered
- In October, registered sales to consumers at around 200 units (10/2014: around 400 units)
 - Number of preliminary agreements is around 100 units higher, but due to tightened requirements on insurances protecting consumers, YIT has not been able to register all of the deals

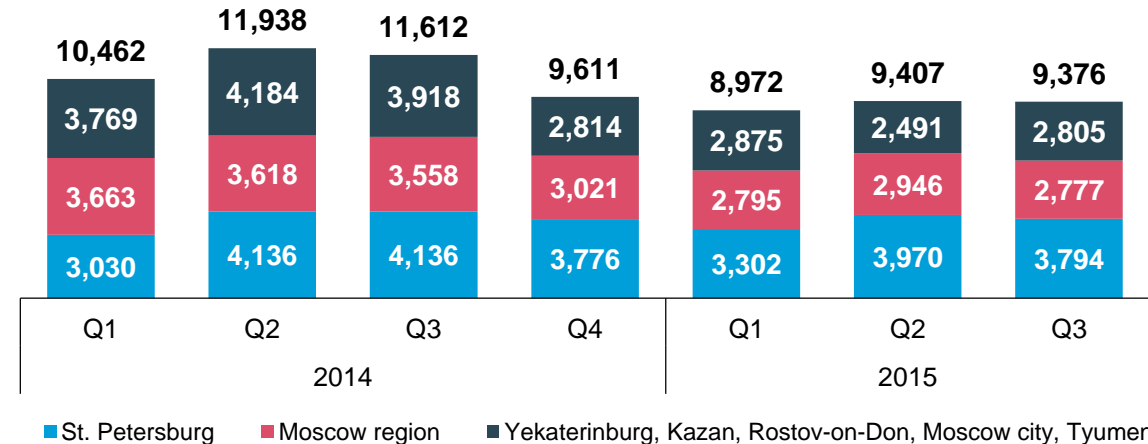
Housing Russia: Sales risk under control

- Number of completed unsold apartments exceptionally low
- Sales rate exceptionally high

Apartment inventory (units)



Apartments under construction by area (units)



Defensive mode, maintaining ability to ramp up

	"New normal"	Significant deterioration in the operating environment
Plot acquisitions	Carefully selected plot acquisitions	Stop plot acquisitions
Start-ups	Maintain at least critical volume in all units	High selectivity
Construction	As planned	Slowdown, however filling contractual obligations
Pricing	Dynamic pricing to keep the sales in line with progress in construction	Accelerate sales with pricing
Costs	Reduce fixed costs Redesign some projects	Restructuring and major adjustments of size of operations

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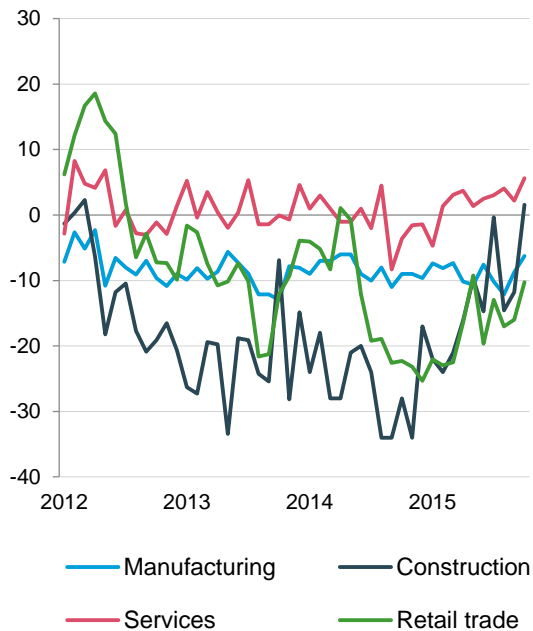
Business Premises and Infrastructure



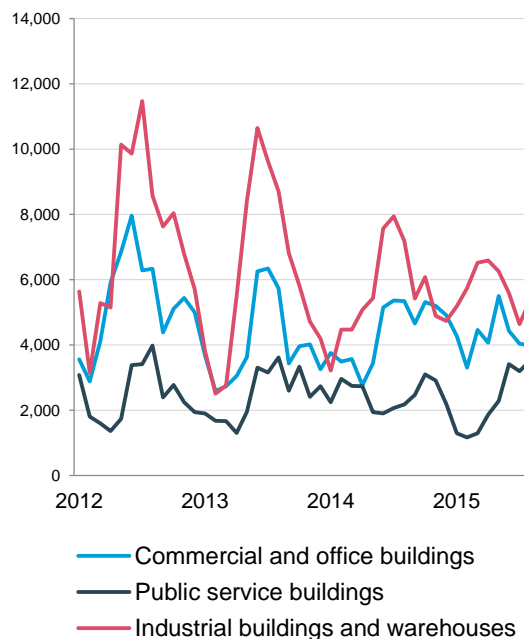
Business Premises and Infrastructure: Operating environment

- Office and commercial premises markets remained soft
- Opportunities in contracting
- Slight increase in end-user demand, but competition for tenants is intense
- Investor demand stable
- Positive macro outlook supported the business premises market in the CEE countries

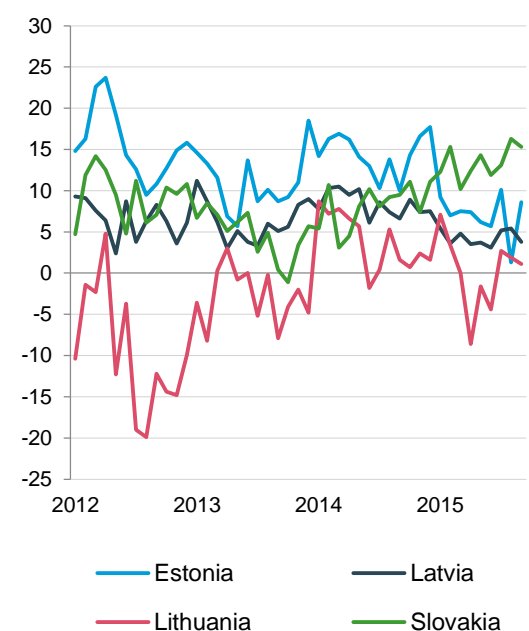
Confidence indicators in Finland



Start-ups in Finland, thousand m³, average last 3 months



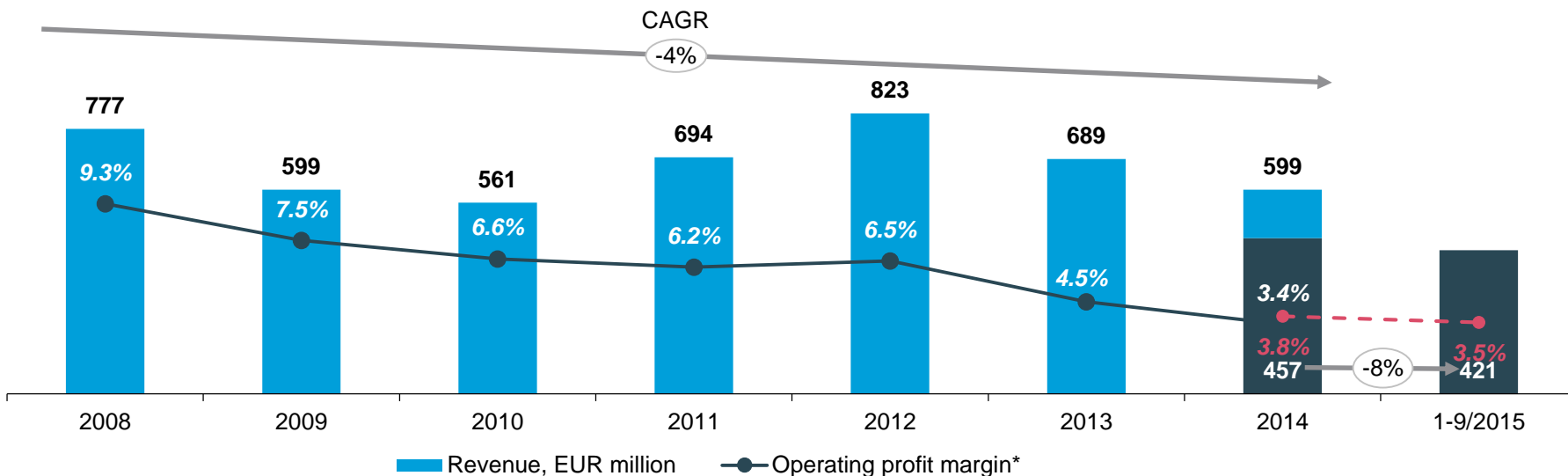
Retail trade confidence in the Baltic countries and Slovakia



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

Business Premises and Infrastructure, long-term development

2008	2009	2010	2011	2012	2013	2014	1-9/2015
<ul style="list-style-type: none"> • Good development in Business Premises due to "old" order backlog • Good development in Infra Services 	<ul style="list-style-type: none"> • Weakening business premises market • Good performance in Infra Services • Fixed cost cuts 	<ul style="list-style-type: none"> • Signs of improvement in the business premises market • Stable development in Infra Services 	<ul style="list-style-type: none"> • Infra Services weak in H1, improvement in H2 • Result improved in Business Premises 	<ul style="list-style-type: none"> • Stable development in Business Premises • Stable development in Infra Services 	<ul style="list-style-type: none"> • Weak business premises market • Good performance in Infra Services 	<ul style="list-style-type: none"> • Weak business premises market • Profitability was weakened by low volume 	<ul style="list-style-type: none"> • Revenue decreased y/y, however outlook positive due to major projects started in Q2
EBIT*: EUR 72.0 million	EBIT*: EUR 45.0 million	EBIT*: EUR 37.0 million	EBIT*: EUR 43.0 million	EBIT*: EUR 53.0 million	EBIT*: EUR 31.0 million	EBIT*: EUR 20.4 million	EBIT*: EUR 14.5 million



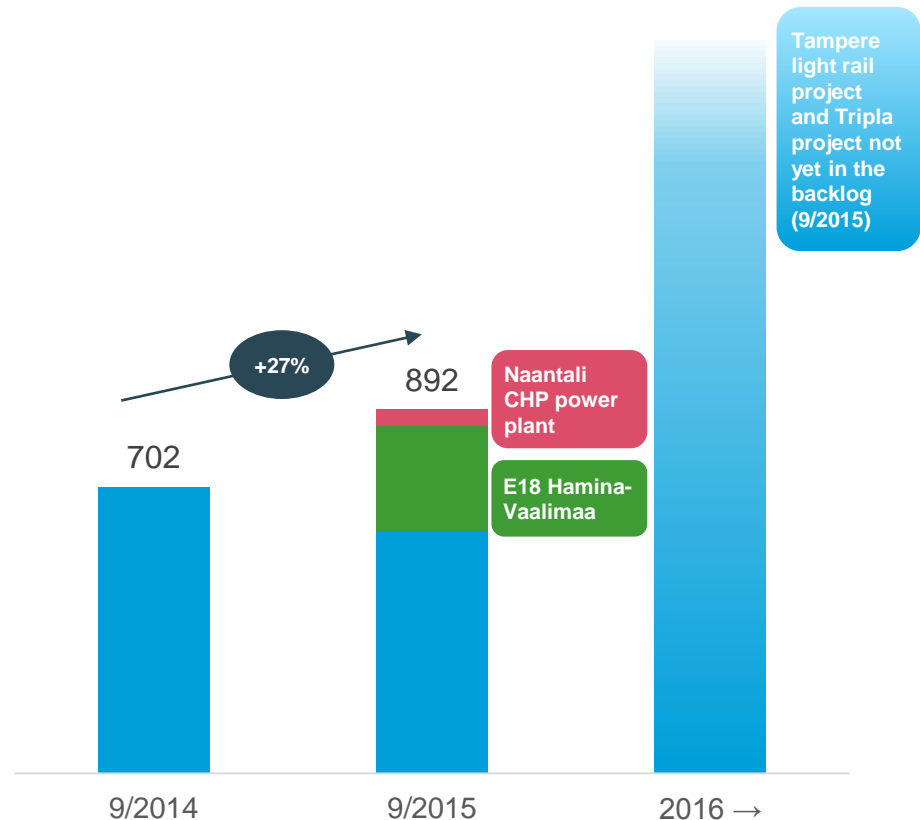
* Excluding non-recurring items

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Strong order backlog – solid foundation for future growth

- Last years spent on investing into the future, relative share of fixed costs temporarily high
- Major high value added projects secured: E18 Hamina-Vaalimaa, Naantali CHP, Tampere light rail
- Strong growth in the order backlog in all divisions, incl. CEE countries
- Margin content of the backlog on a good level

Order backlog of Business Premises and Infrastructure, EUR million



Solid execution of major projects



E18 Hamina-Vaalimaa motorway PPP project

- EUR 260 million*
- Construction started 6/2015 and to be opened for traffic in 2018
- Proceeding according to the plans (planning, preparations, sourcing, construction)
- Strong experience from previous projects - E18 Koskenkylä-Kotka (PPP), Hamina bypass, Ring Road I-III



The Tripla project

- EUR ~1 billion
- Zoning confirmed and permit process progressing
- First infra works already completed successfully
- Good interest from investors and tenants
- Exceptional in-house competence - infrastructure, business premises and residential



Tampere light rail alliance project

- EUR ~100 million*
- Development phase started in 6/2015
- Construction phase expected to start in 2016
- Strong references of the alliance members key in winning the project

* YIT's share

6

Key financials

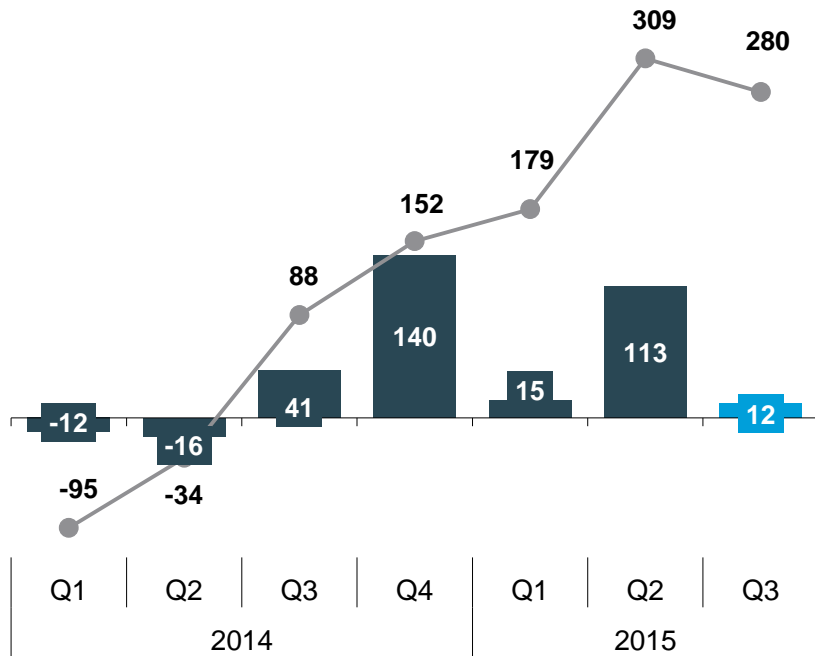


Strong cash flow during recent quarters

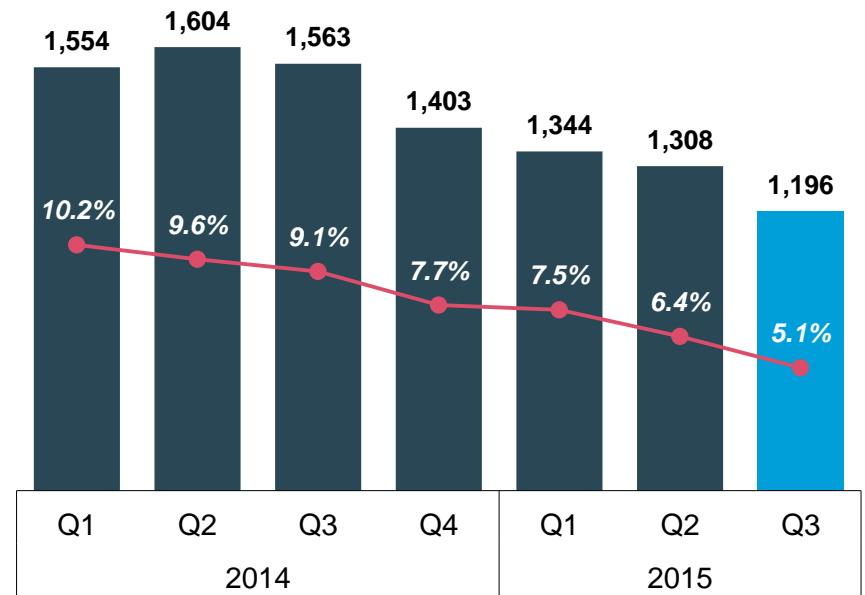
Operating cash flow after investments (EUR million)

2014: EUR 152 million

1-9/2015:
EUR 140 million



Invested capital and ROI (EUR million, %)

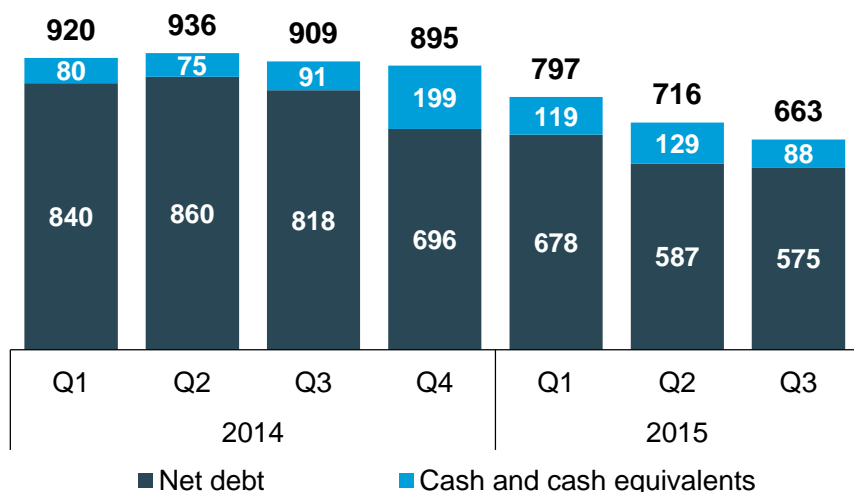


■ Operating cash flow after investments
● Rolling 12 months

■ Invested capital ● ROI

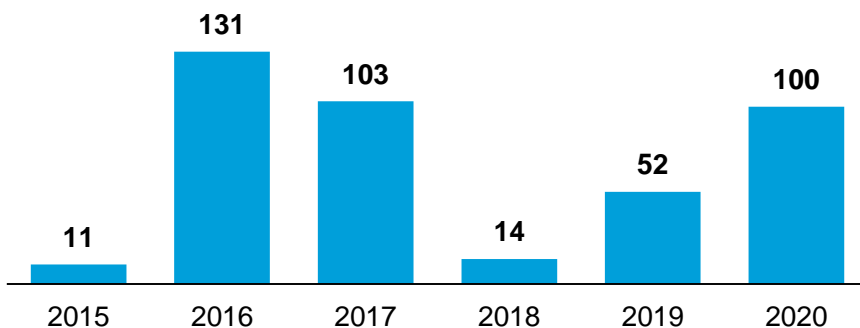
Net debt decreased further

Interest-bearing debt (EUR million), IFRS



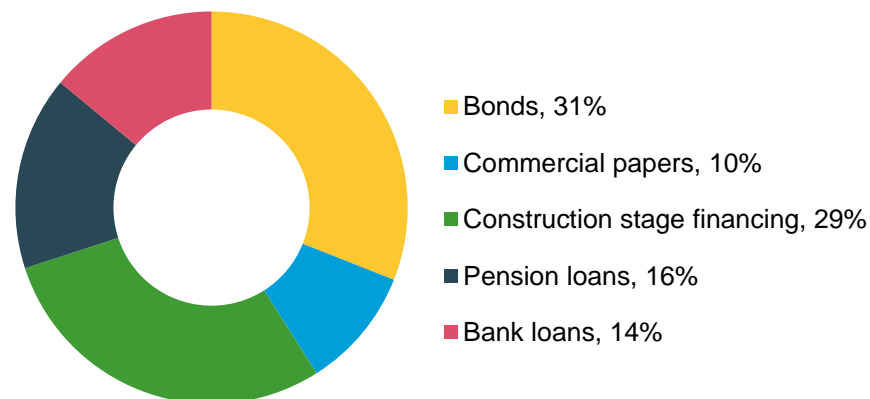
- Strong liquidity buffer
 - Cash and cash equivalents of EUR 88.1 million
 - Overdraft facilities of EUR 67.1 million of which EUR 64.8 million unused
 - Undrawn committed revolving credit facility of EUR 300 million
- Bond issue conducted during Q1/2015:
 - Unsecured EUR 100 million bond as a private placement to two domestic institutional investors
 - Maturity on March 25, 2020, a coupon of 6.25%
 - The bond has a call-option and a covenant; the equity ratio (IFRS) has to be at least 25.0%

Maturity structure of long-term debt 9/2015 (EUR million)*



* Excluding construction stage financing

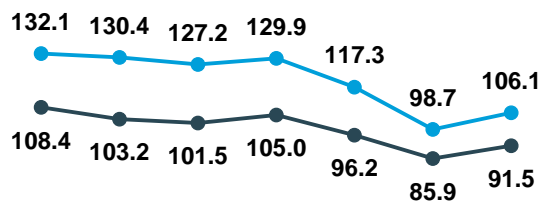
Debt portfolio at the end of the period 9/2015, EUR 663 million



Minor deterioration in financial key ratios

- Positive development from the decrease in net debt was offset by weakening of the ruble

Gearing (%)

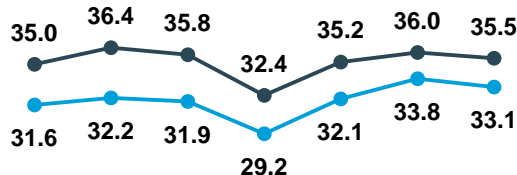


Q1	Q2	Q3	Q4	Q1	Q2	Q3
2014				2015		

● POC ● IFRS

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

Equity ratio (%)

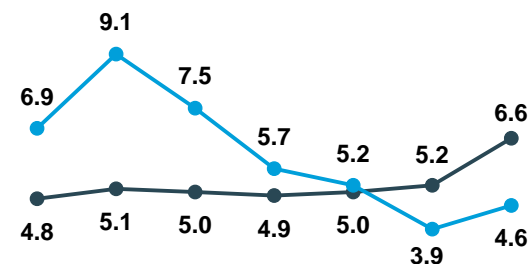


Q1	Q2	Q3	Q4	Q1	Q2	Q3
2014				2015		

● POC ● IFRS

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

Net debt/EBITDA (Multiple, x)



Q1	Q2	Q3	Q4	Q1	Q2	Q3
2014				2015		

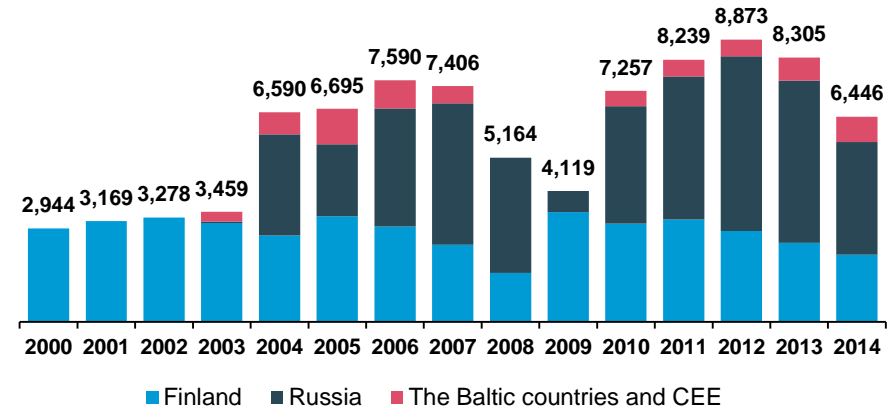
● POC ● IFRS



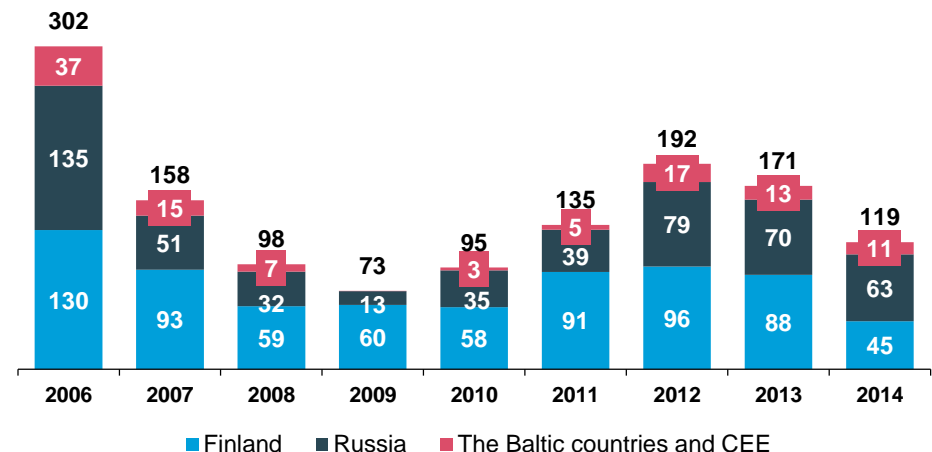
Good financial flexibility

- Good ability to manage cash flow
 - Start-ups adjusted according to demand
 - Opportunity to adjust plot investments; existing plot reserve provides a good base for the coming years
- Flexibility in production costs
 - Both own personnel and subcontractors at construction sites
 - Use of rental equipment to manage the volatility in production volumes
 - Temporary layoffs possible in Finland
- Focus on payment terms in plot acquisitions
 - In Russia, payment schedule for plots tied increasingly to permitting process and start-ups
 - In Finland, a common practice to have pre-agreements that are subject to zoning

Housing start-ups 2000-2014 (units)



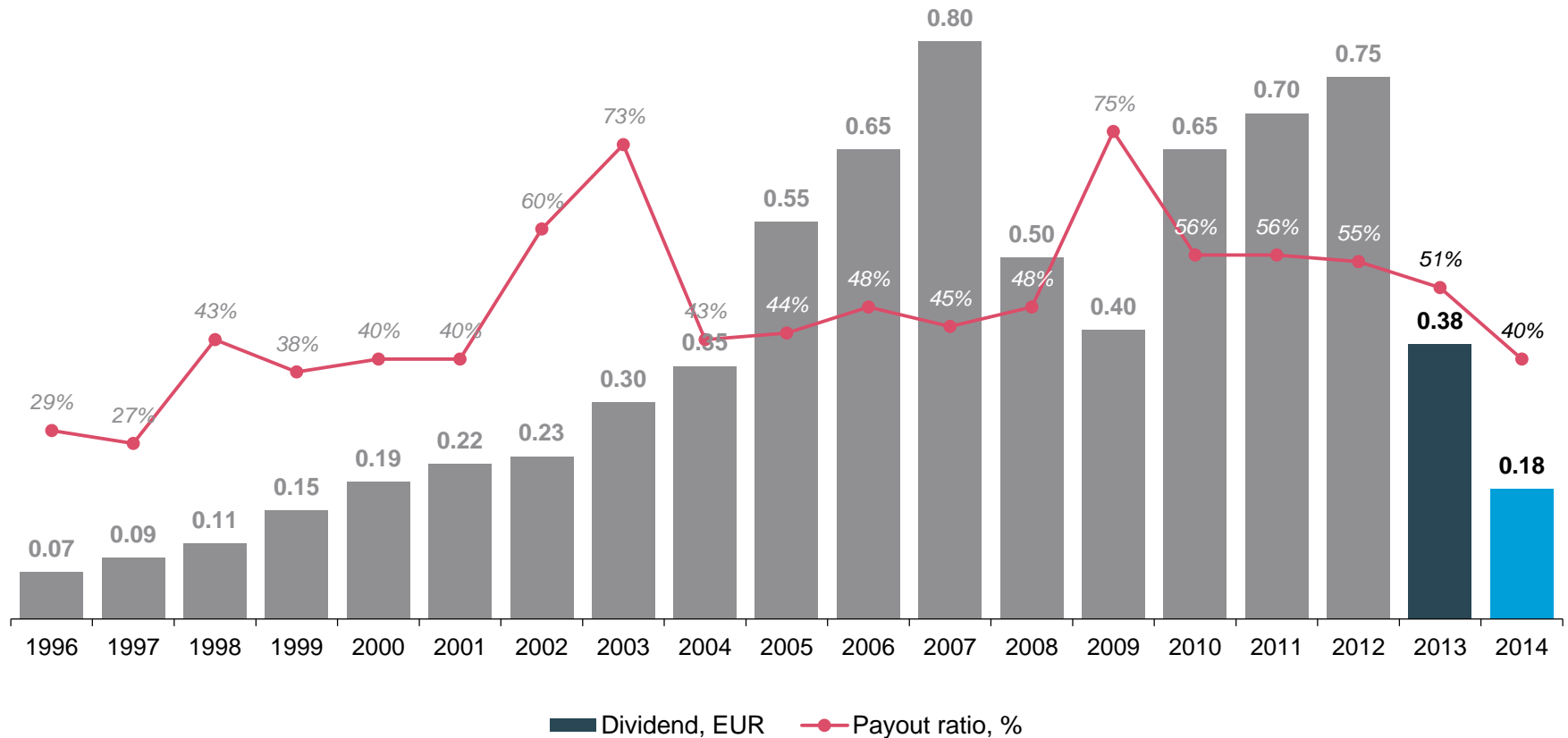
Cash flow of plot investments 2006-2014 (EUR million)



Dividend payout target 40-60% of net profit for the period

Dividend / share (EUR)

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



7

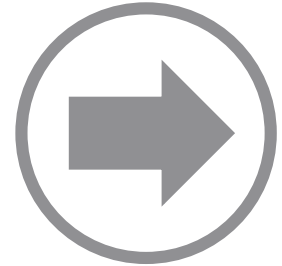
Looking
ahead and
conclusions



Market outlook, expectations for 2015

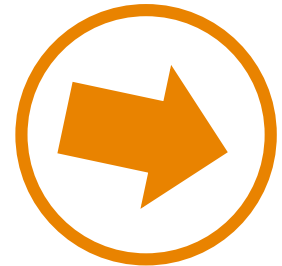
Finland

- Consumers cautious and investors active in the residential market, demand to focus on small apartments in growth centres
- Price polarisation, especially between small and large apartments
- Availability of mortgages good
- Modest demand for business premises, investor activity on a moderate level. Focus on prime locations in the Capital region
- Opportunities in contracting, but fewer large projects in the tendering phase than in the beginning of 2015



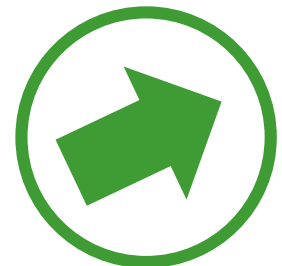
Russia

- Weak visibility
- Construction costs to increase
- Residential prices stable
- Residential demand to focus on small apartments that are completed or close to completion
- Mortgage rates for new apartments to remain stable due to government subsidies
- The issue related to tightened requirements on insurances that impacts the registration of sales contracts is expected to be solved during the remainder of the year



CEE

- The improved economic situation to support residential and business premises demand
- Access to financing to remain good
- Residential prices to increase moderately



Guidance for 2015 specified (segment reporting, POC)

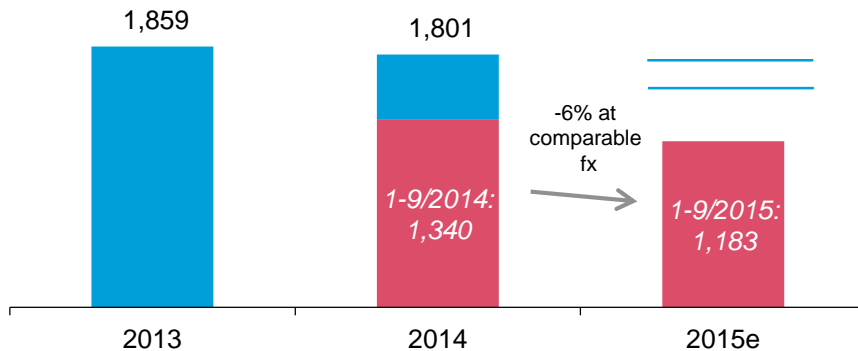
The Group revenue growth is estimated to be in the range of **-5–0%** at comparable exchange rates

The operating profit margin excluding non-recurring items is estimated to be in the range of **4–5%**

The 2015 guidance is based on the following:

- Demanding market outlook, especially in Russia
- The issue related to tightened requirements on insurances in Russia that impacts the registration of sales contracts is expected to be solved during the remainder of the year
- Close to 60% of Q4/2015 revenue from sold projects and signed pre-agreements, the rest from new sales and capital release
- Share of investor projects and contracting to increase in Finland
- Capital release dilutes the operating profit margin

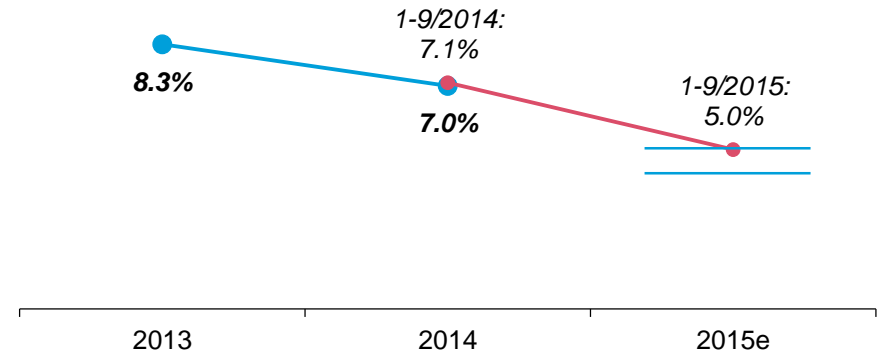
Revenue, EUR million



Figures based on segment reporting

*Operating profit margin excluding non-recurring items

Operating profit margin*, %



Concluding remarks

- Strong market position and long track record in healthy profitability and solid execution through economic cycles
- Good progress in improving capital efficiency and increasing financial operating space
- Improving profitability, growth initiatives and raising the capital efficiency further in focus going forward
- Growth opportunities especially in Business Premises and Infrastructure and in CEE, local unit established in Poland



E18 Hamina bypass

Photo: Jetro Matilainen, Finnish Transport Agency

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do it.**