

**YIT Corporation****EUR 100,000,000 Notes due 2021****EUR 150,000,000 Notes due 2023**

On June 11, 2018, YIT Corporation (the “**Issuer**,” and together with its consolidated subsidiaries, “**YIT**”) issued senior unsecured notes with a principal amount of EUR 100,000,000 (the “**2021 Notes**”) and senior unsecured notes with a principal amount of EUR 150,000,000 (the “**2023 Notes**”, and together with the 2021 Notes, the “**Notes**”). The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on June 5, 2018 (the “**Offering**”). The principal amount of each book-entry unit (in Finnish *arvo-osuuden yksikkökoko*) is EUR 1,000. The 2021 Notes bear interest at the fixed rate of 3.150 per cent per annum and the 2023 Notes bear interest at the fixed rate of 4.250 per cent per annum. The maturity of the 2021 Notes is on June 11, 2021 and the maturity of the 2023 Notes is on June 11, 2023, unless the Issuer prepays the 2021 Notes or the 2023 Notes in accordance with the terms and conditions of the Notes. The proceeds from the issue of the Notes will be used first to repay and refinance the Issuer’s EUR 100,000,000 6.250 per cent notes due 2020 and EUR 50,000,000 5.500 per cent notes due 2021 (the “**Existing Notes**”), after which any remaining proceeds would be used for general corporate purposes of the group.

This document (this document and the documents incorporated herein by reference jointly referred to as the “**Listing Prospectus**”) has been prepared solely for the purpose of admission to listing of the Notes on the official list of Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) and does not constitute any offering of the Notes. Application has been made to have the Notes listed on the Helsinki Stock Exchange (the “**Listing**”), and the Listing is expected to take place on or about June 12, 2018 under the trading code “YITJ315021” for the 2021 Notes and “YITJ425023” for the 2023 Notes.

Besides filing this Listing Prospectus with the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) and the application to the Helsinki Stock Exchange, neither the Issuer nor the Joint Lead Managers (defined hereafter) have taken any action, nor will they take any action to render any public offer of the Notes or their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of a public offer.

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Investment in the Notes involves certain risks, see “*Risk Factors*” in this Listing Prospectus. Among other things, the investor bears the risk that the Issuer will be unable to repay the Notes and no separate collateral has been set for the Notes. The Notes rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Each investor investing in the Notes is bound by the terms and conditions of the Notes. See “*Terms and Conditions for the 2021 Notes*” and “*Terms and Conditions for the 2023 Notes*” (together, the “**Terms and Conditions of the Notes**”).

The Notes have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or under the applicable securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Joint Lead Managers**

## IMPORTANT INFORMATION

In this Listing Prospectus, the “**Issuer**” refers to YIT Corporation; “**YIT**” and the “**Group**” refer to YIT Corporation and its consolidated subsidiaries, unless the context requires otherwise; “**Lemminkäinen**” refers to Lemminkäinen Corporation or Lemminkäinen Corporation and its consolidated subsidiaries, as the context may require, in each case prior to the completion of the Merger; the “**Merger**” refers to the merger of Lemminkäinen into YIT pursuant to a statutory absorption merger, the completion of which was registered with the trade register maintained by the Finnish Patent and Registration Office (the “**Finnish Trade Register**”) on February 1, 2018.

This Listing Prospectus has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”), the Decree of the Finnish Ministry of Finance on prospectuses referred to in Chapters 3 to 5 of the Finnish Securities Market Act (1019/2012), the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, (Annexes II, IV, V and XXII) implementing Directive 2003/71/EC of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, and the regulations and guidelines issued by the FIN-FSA. The FIN-FSA has approved this Listing Prospectus, but assumes no responsibility for the correctness of the information contained herein. The registration number of the FIN-FSA’s approval decision is FIVA 29/02.05.04/2018.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and such documents form part of this Listing Prospectus. See “*Documents Incorporated by Reference*”.

OP Corporate Bank plc (“**OP**”) and Skandinaviska Enskilda Banken AB (publ) (“**SEB**”) have acted as structuring advisers, arrangers, joint lead managers and bookrunners (together, the “**Joint Lead Managers**”) in relation to the Offering and sale of the Notes. The Joint Lead Managers will not be responsible to anyone other than YIT for providing the protections afforded to their respective clients nor for providing any advice in relation to the contents of this Listing Prospectus. The Joint Lead Managers are not acting for anyone else in connection with the Listing and will not be responsible to anyone other than YIT for providing the protections afforded to its respective clients nor for providing any advice in relation to the Listing or the contents of this Listing Prospectus. Investors should rely only on the information contained in this Listing Prospectus. Without prejudice to any obligation of YIT to publish a supplement to prospectus pursuant to applicable rules and regulations, neither the delivery of this Listing Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of YIT since the date of the Listing Prospectus or that the information herein is correct as of any time subsequent to the date of the Listing Prospectus.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of YIT and the Terms and Conditions of the Notes, including the risks and merits involved. Neither YIT, the Joint Lead Managers nor any of their respective affiliated parties or representatives is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by YIT or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by YIT or the Joint Lead Managers. No representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. The Joint Lead Managers assume no responsibility for the accuracy or completeness of the information and, accordingly, disclaims to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Listing Prospectus or any such statement. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by YIT or the Joint Lead Managers as to the future. Investors are advised to inform themselves of any stock exchange releases published by YIT since the date of this Listing Prospectus.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes in any jurisdiction outside of Finland, or otherwise to permit a public offering of the Notes. YIT and the Joint Lead Managers expect persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. Neither YIT nor the Joint Lead Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular:

- the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, Singapore or any other jurisdiction in which it would not be permissible to offer the Notes; and
- this Listing Prospectus may not be sent to any person in the aforementioned jurisdictions.

This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish. The Issuer is responsible for the correctness of Finnish language translation of the summary.

The Notes are governed by Finnish law and any dispute arising in relation the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

### **MiFID II product governance / Professional investors, ECPs and retail investors target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **Important – EEA retail investors**

The Notes have a fixed rate of interest and the redemption amounts are fixed as described in this Listing Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the "**PRIPs Regulation**") has been prepared by the Issuer.

## CONTENTS

IMPORTANT INFORMATION .....	II
CONTENTS .....	IV
SUMMARY .....	1
TIIVISTELMÄ .....	14
RISK FACTORS .....	27
GENERAL INFORMATION .....	58
The Issuer and Certain Other Parties .....	58
Responsibility Statement .....	58
Auditors of the Issuer .....	58
Financial Information .....	58
Special Cautionary Notice Regarding Forward-looking Statements .....	60
Market and Industry Information .....	61
Additional Information .....	61
Availability of Documents .....	61
No Incorporation of Website Information .....	61
Notice to Prospective Investors in the European Economic Area (other than Finland) .....	61
Notice to Prospective Investors in the United Kingdom .....	62
Notice to Prospective Investors in the United States .....	62
TERMS AND CONDITIONS FOR THE 2021 NOTES .....	63
TERMS AND CONDITIONS FOR THE 2023 NOTES .....	88
ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES .....	113
INFORMATION ABOUT THE ISSUER .....	114
Overview .....	114
History .....	114
Strategy .....	116
Financial Targets .....	116
Overview of the Business Operations .....	117
Operating Environment .....	118
Investments .....	118
Group Legal Structure .....	118
Shares and Share Ownership .....	119
Material Contracts .....	119
Legal Proceedings .....	119
SELECTED FINANCIAL INFORMATION .....	122
UNAUDITED PRO FORMA FINANCIAL INFORMATION .....	126
BOARD OF DIRECTORS AND MANAGEMENT BOARD .....	141
ADDITIONAL INFORMATION .....	148
Significant Changes in the Issuer's Financial Position .....	148
Future Outlook .....	148
FINNISH TAXATION .....	151
DOCUMENTS INCORPORATED BY REFERENCE .....	152
DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION .....	153
ANNEX A – AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION .....	A-1

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in the summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

### A – Introduction and Warnings

#### A.1 Warning

*This summary should be read as an introduction to this Listing Prospectus. Any decision to invest in the Notes should be based on a consideration of this Listing Prospectus as a whole by prospective investors. Where a claim relating to the information contained in this Listing Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Listing Prospectus or if it does not provide, when read together with the other parts of this Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes.*

#### A.2 Consent to the use of the Listing Prospectus for subsequent resale and final placement of the Notes, the offer period and the terms and conditions attached to the consent

Not applicable.

### B - Issuer

#### B.1 Legal and commercial name of the Issuer

YIT Corporation.

#### B.2 Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of the Issuer

The domicile of YIT is Helsinki, Finland. YIT is a public limited liability company incorporated in Finland and operating under Finnish law.

#### B.4b Known trends affecting the Issuer and the Issuer’s industries

YIT operates in 11 countries: Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. As of February 1, 2018, YIT has had six reportable segments, which consists of Housing Finland and CEE, Housing Russia, Business premises, Infrastructure projects, Paving as well as Partnership properties. Except for the Housing Russia segment, each reportable segment consists of operations in several operating countries. The operating environment for each main segment varies depending on the market and region in question. During the period under review, the market landscape for YIT’s products and services have been generally stable in all operating regions.

The general economic development, functioning of the financial markets and the political environment in YIT’s operating countries have a significant impact on the company’s business. Finland accounts for the majority of the company’s revenue, which highlights the significance of Finland’s economic development for YIT’s business. Although the situation seems to have improved, there is still significant uncertainty related to the economic development of Russia, which is one of YIT’s largest markets.

YIT's operating segments are impacted by various global megatrends such as urbanisation, sustainability, and digitalisation. Furthermore, YIT is utilizing several urban development trends in its business operations such as more compact urban structures, development of public transport, smart cities, urban culture as well as mixed use (i.e. combining housing, jobs and services).

**B.5 Description of the Group and the Issuer's position within the Group**

The YIT Group consists of the parent company YIT Corporation and subsidiaries and associate companies located in several different countries.

**B.8 Selected key pro forma financial information**

The unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented for illustrative purposes only to give effect to the merger of Lemminkäinen Corporation ("**Lemminkäinen**") into YIT on February 1, 2018 (the "**Merger**"). The Merger is accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS 3, Business Combinations with YIT determined as the acquirer of Lemminkäinen for accounting purposes.

The Unaudited Pro Forma Financial Information for the year ended December 31, 2017, and for the three months ended March 31, 2018, combines historical consolidated income statements of YIT and Lemminkäinen to give effect to the Merger as if it had occurred on January 1, 2017. As the Merger was completed on February 1, 2018, the effect of Lemminkäinen's results of operations and the acquired assets and liabilities assumed are included in YIT's consolidated financial information as from the acquisition date and Lemminkäinen is fully consolidated to YIT's statement of financial position as at March 31, 2018. Accordingly, no pro forma statement of financial position is presented in the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EU) N:o 809/2004, as amended, and on a basis consistent with IFRS as adopted by the EU. The Unaudited Pro Forma Financial Information for the year ended December 31, 2017 is prepared on a consistent basis with the accounting policies applied in YIT's audited consolidated financial statements for the year ended December 31, 2017. The Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 is prepared on a consistent basis with the accounting policies applied in YIT's unaudited interim consolidated financial statements for the three months ended March 31, 2018. The Unaudited Pro Forma Financial Information has been derived from the audited consolidated financial statements of YIT for the year ended December 31, 2017, YIT's unaudited consolidated interim report as for the three months ended March 31, 2018, the audited consolidated financial statements of Lemminkäinen for the year ended December 31, 2017 and from the audited consolidated financial statements of Lemminkäinen for the one month period ended January 31, 2018.

The Unaudited Pro Forma Financial Information reflects adjustments to historical financial information to give pro forma effect to events that are directly attributable to the Merger and which are factually supportable, and that management believes are reasonable under the circumstances. The Unaudited Pro Forma Financial Information has been prepared by management for illustrative purposes only and is not necessarily indicative of the result of YIT's operations that would have been realised had the Merger occurred as of the date indicated, nor is it meant to be indicative of any anticipated future results of operations that YIT may experience going forward. In addition, the accompanying unaudited pro forma combined income statements do not reflect any cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred by YIT.

*Unaudited pro forma income statement information for the three months ended March 31, 2018*

<b>Unaudited pro forma income statement EUR million, unless otherwise indicated</b>	<b>YIT historical Jan 1 –March 31, 2018</b>	<b>Lemminkäinen reclassified Jan 1 – Jan 31, 2018</b>	<b>Merger</b>	<b>YIT pro forma</b>
<b>Revenue</b>	<b>532.3</b>	<b>70.2</b>	<b>-0.3</b>	<b>602.2</b>
Other operating income	4.7	0.5	-	5.2
Change in inventories of finished goods and work in progress	59.5	4.7	-	64.2
Production for own use	0.2	0.0	-	0.2
Materials and supplies	-115.0	-13.7	1.8	-126.9
External services	-309.1	-50.2	-	-359.3
Personnel expenses	-105.4	-21.8	2.5	-124.6
Other operating expenses	-93.3	-15.8	6.5	-102.6
Share of results in associated companies and joint ventures	-0.2	-0.5	-	-0.7
Depreciation, amortisation and impairment	-8.3	-1.1	0.5	-8.9
<b>Operating profit</b>	<b>-34.6</b>	<b>-27.5</b>	<b>11.1</b>	<b>-51.1</b>
Financial income and expenses, total	-8.1	-4.0	5.3	-6.8
<b>Result before taxes</b>	<b>-42.7</b>	<b>-31.5</b>	<b>16.4</b>	<b>-57.8</b>
Income taxes	7.0	2.0	-3.3	5.7
<b>Result for the period</b>	<b>-35.8</b>	<b>-29.5</b>	<b>13.1</b>	<b>-52.2</b>
<b>Attributable to</b>				
Equity holders of the parent company	-35.8	-29.5	13.1	-52.2
Non-controlling interest	-	-0.0	-	-
<b>Earnings per share, attributable to the equity holders of the parent company</b>				
Basic, EUR	-0.20			-0.25
Diluted, EUR	-0.20			-0.25
<b>Weighted average number of shares outstanding</b>				
Basic, 1,000 pcs	180,801			209,692
Diluted, 1,000 pcs	180,801			209,692

*Unaudited pro forma income statement information for the year ended December 31, 2017*

<b>Unaudited pro forma income statement EUR million, unless otherwise indicated</b>	<b>YIT historical</b>	<b>Lemminkäinen reclassified</b>	<b>Merger</b>	<b>YIT pro forma</b>
<b>Revenue</b>	<b>1,993.8</b>	<b>1,887.7</b>	<b>-19.0</b>	<b>3,862.5</b>
Other operating income	37.4	8.3	-	45.7
Change in inventories of finished goods and work in progress	-83.1	-14.9	-	-97.9
Production for own use	0.7	0.3	-	0.9
Materials and supplies	-276.8	-494.4	-5.4	-776.5
External services	-985.9	-829.3	-	-1,815.3
Personnel expenses	-275.7	-310.3	-2.5	-588.5
Other operating expenses	-309.7	-174.0	-9.4	-493.1
Share of results in associated companies and joint ventures	-0.9	0.1	-	-0.7
Depreciation, amortisation and impairment	-14.2	-31.8	-13.7	-59.7
<b>Operating profit</b>	<b>85.5</b>	<b>41.8</b>	<b>-50.0</b>	<b>77.4</b>
Financial income and expenses, total	-14.6	-16.0	4.0	-26.7
<b>Result before taxes</b>	<b>70.9</b>	<b>25.7</b>	<b>-46.0</b>	<b>50.7</b>
Income taxes	-14.3	-19.3	9.3	-24.3
<b>Result for the period</b>	<b>56.6</b>	<b>6.4</b>	<b>-36.7</b>	<b>26.3</b>

**Attributable to**

Equity holders of the parent company	56.6	6.4	-36.7	26.3
Non-controlling interest	-	0.0	-	0.0

**Earnings per share, attributable to the equity holders of the parent company**

Basic, EUR	0.45			0.13
Diluted, EUR	0.44			0.12

**Weighted average number of shares outstanding**

Basic, 1,000 pcs	125,730			209,606
Diluted, 1,000 pcs	127,636			211,934

- B.9 Profit forecast or estimate** This Listing Prospectus does not contain a profit forecast or estimate.
- B.10 Qualifications in audit report on historical financial information** The audit reports on historical financial information do not contain any qualifications.
- B.12 Selected historical key financial information** The following tables present selected consolidated financial information for YIT as at and for the three months ended March 31, 2018 and 2017 and as at and for the financial years ended December 31, 2017 and 2016. The financial information presented below has been derived from YIT's unaudited consolidated interim report as at and for the three months ended March 31, 2018, including unaudited comparative financial information as at and for the three months ended March 31, 2017, as well as from the audited consolidated financial statements as at and for the financial year ended December 31, 2017 and the audited consolidated financial statements as at and for the financial year ended December 31, 2016.

YIT's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. YIT's unaudited consolidated financial information as at and for the three months ended March 31, 2018 has been prepared in accordance with the IFRS, but all the requirements of the IAS 34: Interim Financial Reporting have not been met.

There has been no material adverse change in the future outlook of YIT since the publication of the last audited financial statements.

There have been no significant changes in YIT's financial or trading position since March 31, 2018, which is the date of the last published report on the financial standing of YIT.

<b>Consolidated statement of income</b> <b>EUR million, unless otherwise indicated</b>	<b>January 1 - March 31,</b>		<b>January 1 – December 31,</b>	
	<b>2018</b> <b>(unaudited)</b>	<b>2017</b> <b>(unaudited)</b>	<b>2017</b> <b>(audited)</b>	<b>2016</b> <b>(audited, unless otherwise indicated)</b>
<b>Revenue</b>	532.3	452.2	1,993.8	1,678.3
Other operating income	4.7	1.9	37.4	12.8
Change in inventories of finished goods and in work in progress	59.5	4.6	-83.1	13.0
Production for own use	0.2	0.1	0.7	0.3
Materials and supplies	-115.0	-55.4	-276.8	-245.2
External services	-309.1	-229.9	-985.9	-892.4
Personnel expenses	-105.4	-65.8	-275.7	-250.3
Other operating expenses	-93.3	-99.5	-309.7	-281.7
Share of results in associated companies and joint ventures	-0.2	0.2	-0.9	-0.6
Depreciation, amortisation and impairment	-8.3	-3.5	-14.2	-16.5



<b>Operating profit</b>	<b>-34.6</b>	<b>4.7</b>	<b>85.5</b>	<b>17.7</b>
Financial income	1.6	0.5	1.9	1.7
Exchange rate differences (net)	-0.1	2.1	2.6	-9.6 <sup>1)</sup>
Financial expenses	-9.5	-2.8	-19.1	-12.2 <sup>1)</sup>
Financial income and expenses, total	-8.1	-0.3	-14.6	-20.1
<b>Result before taxes</b>	<b>-42.7</b>	<b>4.5</b>	<b>70.9</b>	<b>-2.5</b>
Income taxes	7.0	-1.0	-14.3	-4.7
<b>Result for the period</b>	<b>-35.8</b>	<b>3.4</b>	<b>56.6</b>	<b>-7.1</b>
<b>Attributable to</b>				
Equity holders of the parent company	-35.8	3.4	56.6	-7.1
Non-controlling interests	-	-	-	-
<b>Earnings per share, attributable to the equity holders of the parent company</b>				
Basic, EUR	-0.20	0.03	0.45	-0.06
Diluted, EUR	-0.20	0.03	0.44	-0.06

<sup>1)</sup> Reclassified to correspond YIT's current presentation. Reclassified information is unaudited.

Statement of comprehensive income EUR million	January 1 - March 31,		January 1 – December 31,	
	2018 (unaudited)	2017 (unaudited)	2017 (audited)	2016 (audited)
Result for the period	-35.8	3.4	56.6	-7.1
<b>Items that may be reclassified subsequently to profit/loss:</b>				
Cash flow hedges	0.0	0.1	0.3	0.5
– Deferred tax from previous	-0.0	-0.0	-0.1	-0.1
Change in translation differences	-9.8	29.4	-31.4	75.2
Items that may be reclassified subsequently to profit/loss, total	-9.8	29.5	-31.1	75.6
<b>Items that will not be reclassified to the statement of income:</b>				
Change in fair value of defined benefit pension	-	-	-	-1.1
– Deferred tax	-	-	-	0.2
Items that will not be reclassified to the statement of income, total	-	-	-	-0.9
<b>Other comprehensive income, total</b>	<b>-9.8</b>	<b>29.5</b>	<b>-31.1</b>	<b>74.7</b>
<b>Total comprehensive result</b>	<b>-45.5</b>	<b>33.0</b>	<b>25.5</b>	<b>67.6</b>
<b>Attributable to</b>				
Equity holders of the parent company	-45.5	33.0	25.5	67.6
Non-controlling interest	-	-	-	-

Consolidated statement of financial position EUR million	As at March 31,		As at December 31,	
	2018 (unaudited)	2017 (unaudited)	2017 (audited, unless otherwise indicated)	2016 (audited, unless otherwise indicated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	214.2	55.0	54.8	53.2
Goodwill	311.3	8.1	8.1	8.1
Other intangible assets	58.5	12.5	11.3	11.9
Investments in associated companies and joint ventures	142.0	75.1	120.1	63.5
Equity investments	2.3	0.4	0.4	0.4
Interest-bearing receivables	38.4	39.1	46.0	34.6 <sup>1)</sup>
Other receivables	1.7	2.9	1.6	3.2 <sup>1)</sup>

Deferred tax assets	72.5	55.4	53.2	54.2
Non-current assets total	840.8	248.5	295.6	229.1
<b>Current assets</b>				
Inventories	2,081.0	1,793.2	1,592.5	1,746.6
Trade and other receivables	440.2	206.2	211.8 <sup>1)</sup>	233.6 <sup>1)</sup>
Interest-bearing receivables	15.2	0.8	1.6 <sup>1)</sup>	1.8 <sup>1)</sup>
Tax receivables	6.2	8.5	2.1	6.5
Cash and cash equivalents	65.2	77.7	89.7	66.4
Current assets total	2,607.8	2,086.5	1,897.8	2,054.9
<b>Total assets</b>	<b>3,448.6</b>	<b>2,335.0</b>	<b>2,193.3</b>	<b>2,284.0</b>
<b>Equity and liabilities</b>				
Share capital	149.7	149.2	149.2	149.2
Legal reserve	1.5	1.5	1.5	1.5
Other reserves	554.1	-	0.7	-0.0
Treasury shares	-7.2	-8.3	-7.2	-8.3
Translation differences	-226.2	-155.6	-216.5	-185.0
Fair value reserve	-0.0	-0.2	-0.0	-0.3
Retained earnings	548.1	582.9	636.9	606.7
Total equity attributable to the equity holders of the company	1,019.9	569.6	564.7	563.9
<b>Equity total</b>	<b>1,019.9</b>	<b>569.6</b>	<b>564.7</b>	<b>563.9</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	37.1	15.8	9.9	17.6
Pension obligations	2.4	2.1	2.1	2.1
Provisions	82.4	46.6	46.0	44.8
Borrowings	483.5	247.4	344.5	249.1
Other liabilities	56.6	73.9	53.7	51.0
Total non-current liabilities	661.9	385.7	456.2	364.6
<b>Current liabilities</b>				
Advances received	842.5	488.9	494.3	473.9 <sup>1)</sup>
Trade and other payables	424.9	429.6	392.7	395.2 <sup>1)</sup>
Income tax payables	5.0	6.8	13.0	4.4
Provisions	45.3	33.9	26.3	31.7
Borrowings	449.0	420.5	246.3	450.4
Total current liabilities	1,766.8	1,379.7	1,172.5	1,355.5
<b>Liabilities total</b>	<b>2,428.7</b>	<b>1,765.5</b>	<b>1,628.7</b>	<b>1,720.1</b>
<b>Total equity and liabilities</b>	<b>3,448.6</b>	<b>2,335.0</b>	<b>2,193.3</b>	<b>2,284.0</b>

<sup>1)</sup> Reclassified to correspond YIT's current presentation. Reclassified information is unaudited.

<b>Consolidated cash flow statement data</b> <b>EUR million</b>	<b>January 1 - March 31,</b>		<b>January 1 – December 31,</b>	
	<b>2018</b> <b>(unaudited)</b>	<b>2017</b> <b>(unaudited)</b>	<b>2017</b> <b>(audited)</b>	<b>2016</b> <b>(audited)</b>
Net cash generated from operating activities	-125.1	57.6	235.2	35.9
Net cash used in investing activities	-27.6	-16.8	-70.9	-79.2
Net cash used in financing activities	106.8	-32.4	-139.6	-18.4
Net change in cash and cash equivalents	-45.9	8.4	24.7	-61.7
Cash and cash equivalents at the beginning of the period	89.7	66.4	66.4	122.2
Cash generated from merger	21.6	-	-	-
Change in the fair value of the cash equivalents	-0.3	2.9	-1.5	6.0
Cash and cash equivalents at the end of the period	65.2	77.7	89.7	66.4

## Key figures

As at March 31,

2018

(unaudited)

EUR million, unless otherwise indicated

Net interest-bearing debt at end of period	EUR million	813.8
Gearing ratio at end of period	%	79.8 %
Equity ratio at end of period	%	39.1 %
Order backlog at end of period	EUR million	4,640.8

## Definitions of key figures

Key figure	Definitions	Reason for use
<b>Interest-bearing debt</b>	Non-current borrowings and current borrowings	Interest-bearing debt is a key figure to measure YIT's total debt financing.
<b>Interest-bearing net debt</b>	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables	Interest-bearing net debt is an indicator to measure YIT's net debt financing.
<b>Equity ratio, %</b>	Total equity / total assets less advances received	Equity ratio is one of YIT's key long-term financial targets and is a key figure to measure the relative proportion of equity used to finance YIT's assets.
<b>Gearing, %</b>	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables / total equity	Gearing ratio helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
<b>Order backlog</b>	Order backlog includes all work ordered by customers of which revenue has not been recognised. Additionally, self-developed projects are included to order backlog when required permissions to start are received. Completed self-developed production is removed from order backlog when it (for example housing unit) is sold and recognised as revenue	Order backlog is considered to provide meaningful supplemental information for investors.

**B.13 Recent events materially relevant to evaluation of the Issuer's solvency** There have been no events materially relevant to evaluation of the Issuer's solvency since March 31, 2018, which is the date of the last published report on YIT's solvency.

**B.14 Dependency of the Issuer of other entities within the Group** The operations of the Group are primarily conducted through directly or indirectly owned subsidiaries of the Issuer. The Issuer provides Group-level services to its subsidiaries.

**B.15 Description of the Issuer's principal activities** YIT is one of the biggest construction companies in Finland and a major player in Northern Europe with reputable brands in Nordic countries, Russia, the Baltic countries and central Eastern Europe. YIT develops and builds apartments, business premises and entire areas, and is also specialised in demanding infrastructure construction and paving. YIT has focus in creating more functional, more attractive and more sustainable cities and environments.

As of February 1, 2018, YIT's six reportable segments are Housing Finland and CEE, Housing Russia, Infrastructure projects, Business premises, Paving as well as Partnership properties. YIT operates in 11 countries: Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. YIT offers construction services for the industrial and public sectors, and residential and

business premises construction services in Finland and Russia, as well as road maintenance and paving and maintenance services after the hand-over of apartments to its consumer customers in Russia. According to YIT's estimate, it has a strong market position in the infrastructure construction and building construction segments in Northern Europe and is one of the largest paving providers in the Nordic countries, one of the largest residential construction companies in Finland and one of the largest foreign residential construction companies in Russia. The company also operates as a paving contractor in infrastructure construction projects in Russia.

In February 1, 2018, YIT merged with Lemminkäinen aiming to create a platform to grow to one of the leading urban developers in the Northern European construction market. YIT has approximately 9,300 employees and the pro forma revenue (unaudited) for the merged companies amounted to EUR 3.9 billion in 2017.

YIT Corporation is domiciled in Helsinki, and its registered address is Panuntie 11, FI-00620 Helsinki, Finland. YIT's shares have been listed on Nasdaq Helsinki Ltd (the "Helsinki Stock Exchange") since 1995.

- |             |   |  |
|-------------|---|--|
| <b>B.16</b> | <b>Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control</b> | Not applicable. To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person. |
| <b>B.17</b> | <b>Issuer Ratings</b>   | Not applicable. No credit ratings have been assigned to the Issuer or the Notes.   |

#### C - Securities

- |            |  |   |
|------------|--|---|
| <b>C.1</b> | <b>Type and class of securities being offered</b>                            | <p>Senior unsecured fixed rate notes with the principal amount of EUR 100,000,000 due 2021 (the "2021 Notes") and senior unsecured fixed rate notes with a principal amount of EUR 150,000,000 due 2023 (the "2023 Notes" and together with the 2021 Notes, the "Notes").</p> <p>The ISIN code of the 2021 Notes is FI4000330824 and the ISIN code of the 2023 Notes is FI4000330832.</p> <p>The Notes were offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit is EUR 1,000.</p>   |
| <b>C.2</b> | <b>Currency</b>  | Euro.   |
| <b>C.5</b> | <b>Description of restrictions on free transferability of the Securities</b> | Each Note is freely transferable after it has been registered into the respective book-entry account.   |
| <b>C.8</b> | <b>Rights attached to securities / ranking of Securities</b>                 | <p>The Notes (including the obligation to pay interest thereon) constitute direct, unguaranteed and unsecured obligations of the Issuer ranking pari passu among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p> <p>The holders of the 2021 Notes (the "2021 Noteholders") have the right to attend the noteholders' meeting or the procedure in writing in respect of the 2021 Notes. The holders of the 2023 Notes (the "2023 Noteholders", and together with the "2021 Noteholders", the "Noteholders") have the right to attend the noteholders' meeting or the procedure in writing in respect of the 2023 Notes.</p> |

<b>C.9</b>	<b>Interest and yield; name of representative of debt security holders</b>	<p>The 2021 Notes bear interest at the fixed rate of 3.150 per cent per annum.</p> <p>The 2023 Notes bear interest at the fixed rate of 4.250 per cent per annum.</p> <p>The interest on the 2021 Notes will be paid semiannually in arrears commencing on December 11, 2018 and thereafter on each June 11 and December 11 (“<b>2021 Notes Interest Payment Date</b>”) until June 11, 2021 (the “<b>2021 Notes Final Maturity Date</b>”).</p> <p>The interest on the 2023 Notes will be paid semiannually in arrears commencing on December 11, 2018 and thereafter on each June 11 and December 11 (“<b>2023 Notes Interest Payment Date</b>”) until June 11, 2023 (the “<b>2023 Notes Final Maturity Date</b>”).</p> <p>The effective yield of the 2021 Notes is 3.175 per cent and the effective yield of the 2023 Notes is 4.295 per cent.</p> <p>The Noteholders are represented by the noteholders’ meeting or a procedure in writing.</p>
<b>C.10</b>	<b>Explanation on how the interest amount is affected by value of the underlying</b>	Not applicable. The Notes have no derivative component that would affect the interest amount.
<b>C.11</b>	<b>Listing</b>	Application has been made to have the Notes listed on the Helsinki Stock Exchange (the “ <b>Listing</b> ”), and the Listing is expected to take place on or about June 12, 2018 under the trading code “YITJ315021” for the 2021 Notes and “YITJ425023” for the 2023 Notes.

**D – Risks**

<b>D.2</b>	<b>Risks relating to the Issuer</b>	<p><b>Risks relating to YIT and its operating environment include, but are not limited to, the following:</b></p> <ul style="list-style-type: none"> <li>• Uncertainties and unfavourable developments in the economy and the financial markets could have a material adverse effect on YIT’s business and customers, results of operations, financial position and liquidity, as well as the availability of financing.</li> <li>• Changes in the economy and the financial markets and the political instability in YIT’s main market areas could affect YIT’s business and customers.</li> <li>• Construction is a regulated industry, and changes in legislation concerning YIT’s business operations as well as developments in case law may be unfavourable for YIT.</li> <li>• The competitive situation in the Scandinavian infrastructure construction market could have a negative impact on YIT.</li> <li>• Significant fluctuations in the prices of raw materials and the cost of energy or difficulties in the sourcing of raw materials and energy could have a material adverse effect on YIT.</li> <li>• The operating environment in Russia may include risks relating to amendments of legislation, business environment, development of the real estate market and sanctions against Russia and counter-sanctions which could have a material adverse effect on YIT, should they materialise.</li> <li>• The operating environment in the central Eastern European markets contains political, economic and legal risks which, if realised, could have a material adverse effect on YIT.</li> <li>• The construction sector is inflicted by a lack of competent personnel in some of YIT’s operating areas.</li> <li>• YIT may not necessarily be able to execute its strategy or adapt it to changes in the operating environment, or the chosen or executed strategy may be wrong.</li> <li>• YIT may not necessarily be able to realize some or any of the estimated benefits of the Merger in the manner or within the timeframe currently estimated, and it may not necessarily be successful in combining the business operations of YIT and Lemminkäinen.</li> <li>• YIT may not necessarily succeed in developing its services or solutions in a manner corresponding to that of its competitors, or YIT may be forced to make additional investments as a result of digitalization.</li> </ul>
------------	-------------------------------------	---

- YIT may not necessarily be able to maintain the profitability of its business due to failures in tendering processes, project management or preparation of project contracts.
- Projects could be delayed, their scope could change during the construction stage or they could be cancelled for reasons beyond YIT's control.
- Individual construction projects can be very extensive and thus have a significant effect on the profitability of YIT's business.
- Failure in the recruitment of competent management or personnel or loss of key personnel could have a material adverse effect on YIT's ability to carry out its operations or expand.
- YIT is exposed to risks relating to the costs of professionally skilled labour and the results of collective labour negotiations, as well as to potential work stoppages due to labour market disputes or organisational changes.
- YIT is dependent on its subcontractors and suppliers of materials and other products, as well as the quality of the materials and work delivered by them and the delivery time, and YIT may be held responsible for faults caused by subcontractors.
- YIT is exposed to errors and misconducts committed by its own or its subcontractors' employees, and is responsible for its subcontractors' work performance.
- YIT is exposed to the sales and price risks of self-developed residential and business premises construction and may fail in acquiring of building plots.
- Changes in the business premises requirements of YIT's customers and in the operating environment of the consumer business could have a material adverse effect on demand for new business premises and business premises construction.
- Maintaining the national security of supply and crisis construction could have a material adverse effect on YIT's business, financial position and future prospects.
- Failure in the management of YIT's capital and investments could have a material adverse effect on its business, results of operations and financial position.
- YIT may face a larger liability than expected for its deliveries and life-cycle projects as well as significant warranty-period liabilities.
- Risks related to corporate acquisitions could have a material adverse effect on YIT.
- Variations in weather conditions could have an impact on the progress and volume of YIT's projects.
- Increased environmental regulation and potential liability associated with environmental compliance could increase YIT's costs or restrict its business operations.
- YIT's operating capability is dependent on ICT infrastructure, as well as management, reporting and monitoring systems, that could become damaged due to external or internal factors.
- YIT is a party to associated companies and joint ventures which are subject to risks relating to, among other, disagreements regarding decision making and business operating, as well as distribution of liabilities among other parties.
- The materialisation of risks related to consortiums and alliance projects could have a material adverse effect on YIT.
- Disturbances in YIT's business could have a material adverse effect on YIT.
- The materialisation of risks related to occupational health and safety could have a material adverse effect on YIT.
- Failure to meet customer and stakeholder expectations or to comply with product requirements and standards could have a material adverse effect on YIT's business and brand value and expose it to compensation claims.
- The materialisation of risks related to regulation and legal proceedings could have a material adverse effect on YIT's business.
- YIT has been exposed to the risk of damages related to the legal proceedings in asphalt cartel and quality concerns of ready-mixed concrete.
- Failure in the protection of intellectual property rights could have a material adverse effect on YIT.
- YIT may fail to maintain its insurance coverage or the terms and conditions of YIT's insurances may not cover all of YIT's losses or all claims for damage resulting from potential future accidents.
- YIT may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.

- YIT could fail in arranging effective internal control of its financial reporting and is subjected to the risk that its financial reporting is inaccurate or misleading.
- YIT is jointly liable for certain commitments regarding the partial demerger of Caverion Corporation and YIT in 2013.
- YIT's reputation could be damaged, which could have an unfavourable effect on YIT's customer acquisition as well as its ability to recruit and retain key personnel.
- The fair value of YIT's real estate properties and other owned assets may fluctuate, and YIT may not be able to sell properties at a financially reasonable price or at all.
- YIT may not necessarily receive financing or guarantees on competitive terms or at all and may not necessarily be able to fulfil its obligations under financing arrangements.
- YIT is exposed to liquidity and financial risks.
- The interest rate on YIT's financing arrangements may fluctuate.
- YIT is exposed to foreign exchange risks especially with respect to the Russian rouble, the Norwegian krone, the Swedish krona, the Danish krone, the Polish zloty and the Czech koruna.
- YIT is exposed to credit and counterparty risks.
- YIT's tax burden may increase due to changes in tax legislation or its application or as a result of a tax audit, and YIT may not be able to utilise its deferred tax assets.
- Any impairments on goodwill, other intangible or tangible assets, investments or inventories could have a material adverse effect on YIT's financial position and result.
- The timing of the revenue recognition of projects could cause YIT's result to fluctuate.
- Due to the adoption of the "IFRS 16 – Leases" standard, YIT will be forced to change its accounting policies and may be forced to adjust some of the consolidated financial statements it has published and change the way in which it conducts its business operations.
- The Unaudited Pro Forma Financial Information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from the actual operating results of YIT following completion of the Merger.

### **D.3 Risks relating to the securities**

### **Risks relating to the Notes include, but are not limited to, the following:**

- The Notes may not be a suitable investment for all investors.
- Investors may lose their investment in the Notes.
- No guarantee or security.
- The Notes or the Issuer are not currently rated by any rating agency.
- Active trading market for the Notes may not develop.
- Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates.
- YIT may incur additional debt without the consent of the Noteholders.
- No voting rights in the Issuer's general meetings.
- No assurance on change of laws or practices.
- The Notes do not, as a principal rule, contain covenants governing the Issuer's operations and do not limit its ability to merge with its subsidiaries, effect asset sales or otherwise effect significant transactions that may have an adverse effect on the Notes and the Noteholders.
- The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems.
- Repurchase of the Notes by the Issuer prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding.
- The Issuer may not be able to finance the repurchase of the Notes following a Change of Control Event or a Demerger Event.
- The Issuer is not obliged to compensate for withholding tax or similar on the Notes.
- Modification of the Terms and Conditions of the Notes, such as change of Issuer or change of the interest rate or the nominal amount of the Notes, bind all Noteholders.
- Legal investment considerations may restrict certain investments.
- The right to payment under the Notes may become void due to prescription.

- The rights of the Noteholders depend on Intertrust (Finland) Oy's (the "Agent") actions and financial standing.

## E – Offer

<b>E.2b</b>	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	Use of proceeds: The proceeds from the issue of the Notes will be used first to repay and refinance the Issuer's EUR 100,000,000 6.250 per cent notes due 2020 and EUR 50,000,000 5.500 per cent notes due 2021 (the "Existing Notes"), after which any remaining proceeds would be used for general corporate purposes of the group.
<b>E.3</b>	<b>Terms and conditions of offer</b>	<p>Issue date: June 11, 2018</p> <p>Maturity date: 2021 Notes June 11, 2021 and 2023 Notes June 11, 2023.</p> <p>Aggregate nominal amount of the Issue: 2021 Notes EUR 100,000,000 and 2023 Notes EUR 150,000,000.</p> <p>Issue price: 100 per cent of the nominal amount of the Notes.</p> <p>Interest payment dates of the Notes: Semiannually in arrears commencing on December 11, 2018 and thereafter on each June 11 and December 11.</p> <p>Interest: 2021 Notes 3.150 per cent per annum and the 2023 Notes 4.250 per cent per annum.</p> <p>Effective yield of the Notes: 2021 Notes 3.175 per cent and 2023 Notes 4.295 per cent.</p> <p>Redemption: At par, bullet, maturity.</p> <p>Early redemption (Issuer call option), 2021 Notes: The Issuer may, by giving not less than fifteen (15) Business Days' notice to the 2021 Noteholders and the Agent, redeem all, but not only some, of the outstanding 2021 Notes in full (a) any time from and including the First Call Date to, but excluding, the Second Call Date at an amount per 2021 Note equal to 100 per cent. of the Nominal Amount plus 50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and (b) any time from and including the Second Call Date to, but excluding, the Final Maturity Date at an amount per 2021 Note equal to 100 per cent. of the Nominal Amount plus 25 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest.</p> <p>Early redemption (Issuer call option), 2023 Notes: The Issuer may, by giving not less than fifteen (15) Business Days' notice to the 2023 Noteholders and the Agent, redeem all, but not only some, of the outstanding 2023 Notes in full (a) any time from and including the First Call Date to, but excluding, the Second Call Date at an amount per 2023 Note equal to 100 per cent. of the Nominal Amount plus 50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and (b) any time from and including the Second Call Date to, but excluding, the Third Call Date at an amount per 2023 Note equal to 100 per cent. of the Nominal Amount plus 25 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and (c) any time from and including the Third Call Date to, but excluding, the Final Maturity Date of the 2023 Notes at an amount per 2023 Note equal to 100 per cent. of the Nominal Amount plus 12.50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest.</p> <p>Minimum Subscription Amount: EUR 100,000.</p> <p>Covenants, mandatory repurchases and events of default: Restrictions on additional financial indebtedness, mergers, disposals, demergers, continuation of business, negative pledge, change of control, admission to trading, undertakings towards the Agent, non-payment, breach or invalidity of the Terms and Conditions of the Notes,</p>



insolvency, cross-default.

Clearing: The Notes are issued in dematerialised form in the Infinity book-entry securities system of Euroclear Finland Ltd.

Applicable law: Finnish Law.

- |            |   |  |
|------------|---|--|
| <b>E.4</b> | <b>Interest material to issue including conflicting interests</b> | Interest of the Joint Lead Managers and the Agent: Business interest customary in the financial markets. |
| <b>E.7</b> | <b>Estimated expenses charged to investor</b>                     | Not applicable. No expenses will be charged to the investor by the Issuer in respect of the Notes.       |

## TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä ”osatekijät”. Nämä osatekijät on numeroitu jaksoittain A–E (A.1 – E.7).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä kuvataan lyhyesti ja sen yhteydessä mainitaan ”ei sovellu”.

### Jakso A – Johdanto ja varoitukset

#### A.1 Johdanto

Tätä tiivistelmää on pidettävä tämän Listalleottoesitteen johdantona. Mahdollisten sijoittajien on perustettava Velkakirjoja koskeva sijoituspäätöksensä tähän Listalleottoesitteeseen kokonaisuutena. Jos tuomioistuimessa pannaan vireille tähän Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi jäsenvaltioiden kansallisen lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan tämän Listalleottoesitteen käännskustannuksista. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat jättäneet tiivistelmän, sen käänös mukaan luettuna, mutta vain jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen suhteessa tämän Listalleottoesitteen muihin osiin tai jos siinä ei anneta yhdessä tämän Listalleottoesitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat Velkakirjoihin sijoittamista.

#### A.2 Suostumus arvopapereiden edelleenmyyntiin ja lopulliseen sijoittamiseen, tarjousaika ja suostumuksen ehdot

Ei sovellu.

### Jakso B - Liikkeeseenlaskija

#### B.1 Liikkeeseenlaskijan virallinen nimi ja muu liiketoiminnassa käytetty toiminimi

YIT Oyj.

#### B.2 Liikkeeseenlaskijan kotipaikka ja oikeudellinen muoto, Liikkeeseenlaskijaan sovellettava laki ja Liikkeeseenlaskijan perustamismaa

YIT:n kotipaikka on Helsinki. YIT on Suomessa perustettu julkinen osakeyhtiö, johon sovelletaan Suomen lakia.

#### B.4b Kuvaus mahdollisista tiedossa olevista suuntauksista, jotka vaikuttavat liikkeeseenlaskijaan ja sen toimialaan

YIT toimii 11 maassa: Suomessa, Venäjällä, Ruotsissa, Norjassa, Tanskassa, Virossa, Latviassa, Liettuassa, Tšekissä, Slovakiassa ja Puolassa. YIT:n kuusi raportoitavaa toimialaa 1.2.2018 alkaen ovat Asuminen Suomi ja CEE, Asuminen Venäjä, Infraprojektit, Päälylystys, Toimitilat sekä Kiinteistöt. Asuminen Venäjä -toimialaa lukuun ottamatta kaikilla toimialoilla on toimintoja useassa toimintamaassa. Toimintaympäristö kullakin toimialalla vaihtelee alueittain ja markkinoiden mukaan. Katsauskausien aikana YIT:n tuotteiden ja palvelujen markkinatilanne on pysynyt pääasiassa vakaana kaikilla sen toimialoilla.

YIT:n toimintamaiden yleinen talouskehitys, rahoitusmarkkinoiden toimivuus ja poliittinen ympäristö vaikuttavat merkittävästi yhtiön liiketoimintaan. Suurin osa yhtiön liikevaihdosta tulee Suomesta, mikä korostaa Suomen talouskehityksen merkitystä YIT:n liiketoiminnalle. Yhtiön suurimpiin markkinoihin lukeutuvan Venäjän talouskehitykseen liittyy edelleen epävarmuustekijöitä, vaikka tilanne vaikuttaakin parantuneen.

Useat globaalit megatrendit kuten kaupungistuminen, vastuullisuus sekä digitalisaatio tukevat YIT:n liiketoiminta-alueita. Lisäksi YIT hyödyntää liiketoiminnassaan monia kaupunkikehityksen trendejä kuten yhdyskuntarakenteiden tiivistymistä, joukkoliikenteen kehittymistä, älykkäitä kaupunkeja, kaupunkikulttuuria sekä monikäyttöä (asumisen, palvelujen ja työpaikkojen yhdistämistä).

**B.5 Kuvaus konsernista, johon Liikeseenlaskija kuuluu, ja Liikeseenlaskijan asemassään**

YIT-konserni muodostuu emoyhtiö YIT Oyj:stä sekä useissa eri maissa sijaitsevista tytäryrityksistä.

**B.8 Valikoidut keskeiset pro forma -taloudelliset tiedot**

Tilintarkastamattomat pro forma -taloudelliset tiedot ("Tilintarkastamattomat pro forma -taloudelliset tiedot") on esitetty ainoastaan tarkoituksena havainnollistaa Lemminkäinen Oyj:n ("Lemminkäinen") sulautumista YIT:hen 1.2.2018 ("Sulautuminen"). Sulautuminen käsitellään kirjanpidossa liiketoimintojen yhdistämisenä IFRS 3 Liiketoimintojen yhdistäminen -standardin mukaista hankintamenetelmää käyttäen, ja YIT on määritetty Lemminkäisen hankkivaksi osapuoleksi kirjanpitoa varten.

Tilintarkastamattomat pro forma -taloudelliset tiedot 31.12.2017 päättyneeltä vuodelta sekä 31.3.2018 päättyneeltä kolmen kuukauden jaksolta yhdistelevät YIT:n ja Lemminkäisen konsernien historialliset tuloslaskelmat tarkoituksena havainnollistaa Sulautumista ikään kuin Sulautuminen olisi toteutunut 1.1.2017. Sulautuminen tuli voimaan 1.2.2018, ja koska Lemminkäisen liiketoiminnan tulos sekä hankitut varat ja vastattaviksi otetut velat sisältyvät YIT-konsernin taloudellisiin tietoihin hankinta-ajankohdasta lähtien, Lemminkäinen on yhdistelty YIT:n taseeseen 31.3.2018. Täten Tilintarkastamattomissa pro forma -taloudellisissa tiedoissa ei esitetä pro forma -tasetta.

Tilintarkastamattomat pro forma -taloudelliset tiedot on laadittu Euroopan komission asetuksen (EY) n:o 809/2004, muutoksineen, liitteen II mukaisesti sekä noudattaen EU:n hyväksymiä IFRS-standardeja. Tilintarkastamattomat pro forma -taloudelliset tiedot 31.12.2017 päättyneeltä vuodelta on laadittu niiden laatimisperiaatteiden mukaisesti, joita YIT on soveltanut 31.12.2017 päättyneeltä tilikaudelta laaditussa tilintarkastetussa konsernitilinpäätöksessään. Tilintarkastamattomat pro forma -taloudelliset tiedot 31.3.2018 päättyneeltä kolmen kuukauden jaksolta on laadittu niiden laatimisperiaatteiden mukaisesti, joita YIT on soveltanut 31.3.2018 päättyneeltä kolmen kuukauden jaksolta laaditussa tilintarkastamattomassa osavuositarkastuksessaan. Tilintarkastamattomat pro forma -taloudelliset tiedot on johdettu YIT:n tilintarkastetusta konsernitilinpäätöksestä 31.12.2017 päättyneeltä tilikaudelta, YIT-konsernin tilintarkastamattomasta osavuositarkastuksesta 31.3.2018 päättyneeltä kolmen kuukauden jaksolta, Lemminkäisen tilintarkastetusta konsernitilinpäätöksestä 31.12.2017 päättyneeltä tilikaudelta ja Lemminkäisen tilintarkastetusta konsernitilinpäätöksestä 31.1.2018 päättyneeltä yhden kuukauden jaksolta.

Tilintarkastamattomia pro forma -taloudellisia tietoja laadittaessa historiallisiin taloudellisiin tietoihin on tehty oikaisuja, jotka koskevat välittömästi Sulautumisesta johtuvien tapahtumien pro forma -vaikutusta ja jotka ovat perusteltavissa tosiseikoin sekä perustuvat tiettyihin oletuksiin joiden johto uskoo olevan kohtuullisia vallitsevissa olosuhteissa. Johto on laatinut tilintarkastamattomat pro forma -taloudelliset tiedot ainoastaan havainnollistamistarkoituksessa eivätkä ne välttämättä siksi anna kuvaa siitä, millainen YIT:n todellinen liiketoiminnan tulos olisi ollut, jos Sulautuminen olisi toteutunut mainittuna päivänä, eikä niiden myöskään ole tarkoitus antaa viitteitä YIT:n ennakoitusta liiketoiminnan tuloksesta tulevaisuudessa. Tilintarkastamattomat yhdistetyt pro forma -tuloslaskelmat eivät myöskään kuvasta mitään kustannussäästöjä, synergiaetuja tai integrointikustannuksia, joita odotetaan muodostuvan tai joita mahdollisesti on syntynyt Sulautumisen seurauksena.

*Tilintarkastamaton pro forma -tuloslaskelmatietoja 31.3.2018 päättyneeltä kolmen kuukauden jaksolta:*

<b>Tilintarkastamaton pro forma -tuloslaskelma</b> <b>Miljoonaa euroa, ellei toisin ilmoitettu</b>	<b>YIT</b> <b>historiallinen</b> <b>1.1-31.3.2018</b>	<b>Lemminkäinen</b> <b>uudelleenluokiteltu</b> <b>1.1-31.1.2018</b>	<b>Sulautuminen</b>	<b>YIT pro</b> <b>forma</b>
<b>Liikevaihto</b>	<b>532,3</b>	<b>70,2</b>	<b>-0,3</b>	<b>602,2</b>
Liiketoiminnan muut tuotot	4,7	0,5	-	5,2
Valmiiden ja keskeneräisten tuotteiden varastojen muutos	59,5	4,7	-	64,2
Valmistus omaan käyttöön	0,2	0,0	-	0,2
Aineiden ja tarvikkeiden käyttö	-115,0	-13,7	1,8	-126,9
Ulkopuoliset palvelut	-309,1	-50,2	-	-359,3
Henkilöstökulut	-105,4	-21,8	2,5	-124,6
Liiketoiminnan muut kulut	-93,3	-15,8	6,5	-102,6
Osuus osakkuus- ja yhteisyritysten tuloksesta	-0,2	-0,5	-	-0,7
Poistot ja arvonalentumiset	-8,3	-1,1	0,5	-8,9
<b>Liikevoitto</b>	<b>-34,6</b>	<b>-27,5</b>	<b>11,1</b>	<b>-51,1</b>
Rahoitustuotot ja -kulut yhteensä	-8,1	-4,0	5,3	-6,8
<b>Tulos ennen veroja</b>	<b>-42,7</b>	<b>-31,5</b>	<b>16,4</b>	<b>-57,8</b>
Tuloverot	7,0	2,0	-3,3	5,7
<b>Katsauskauden tulos</b>	<b>-35,8</b>	<b>-29,5</b>	<b>13,1</b>	<b>-52,2</b>
<b>Jakautuminen</b>				
Emoyhtiön omistajille	-35,8	-29,5	13,1	-52,2
Määräysvallattomille omistajille	-	-0,0	-	-
<b>Emoyhtiön omistajille kuuluvasta tuloksesta laskettu osakekohtainen tulos</b>				
Laimentamaton, EUR	-0,20			-0,25
Laimennettu, EUR	-0,20			-0,25
<b>Ulkona olevien osakkeiden lukumäärän painotettu keskiarvo</b>				
Laimentamaton, 1 000 kpl	180 801			209 692
Laimennettu, 1 000 kpl	180 801			209 692

*Tilintarkastamaton pro forma -tuloslaskelmatietoja 31.12.2017 päättyneeltä tilikaudelta:*

<b>Tilintarkastamaton pro forma -tuloslaskelma</b> <b>Miljoonaa euroa, ellei toisin ilmoitettu</b>	<b>YIT</b> <b>historiallinen</b>	<b>Lemminkäinen</b> <b>uudelleenluokiteltu</b>	<b>Sulautuminen</b>	<b>YIT pro</b> <b>forma</b>
<b>Liikevaihto</b>	<b>1 993,8</b>	<b>1 887,7</b>	<b>-19,0</b>	<b>3 862,5</b>
Liiketoiminnan muut tuotot	37,4	8,3	-	45,7
Valmiiden ja keskeneräisten tuotteiden varastojen muutos	-83,1	-14,9	-	-97,9
Valmistus omaan käyttöön	0,7	0,3	-	0,9
Aineiden ja tarvikkeiden käyttö	-276,8	-494,4	-5,4	-776,5
Ulkopuoliset palvelut	-985,9	-829,3	-	-1 815,3
Henkilöstökulut	-275,7	-310,3	-2,5	-588,5
Liiketoiminnan muut kulut	-309,7	-174,0	-9,4	-493,1
Osuus osakkuus- ja yhteisyritysten tuloksesta	-0,9	0,1	-	-0,7
Poistot ja arvonalentumiset	-14,2	-31,8	-13,7	-59,7
<b>Liikevoitto</b>	<b>85,5</b>	<b>41,8</b>	<b>-50,0</b>	<b>77,4</b>
Rahoitustuotot ja -kulut yhteensä	-14,6	-16,0	4,0	-26,7
<b>Tulos ennen veroja</b>	<b>70,9</b>	<b>25,7</b>	<b>-46,0</b>	<b>50,7</b>
Tuloverot	-14,3	-19,3	9,3	-24,3
<b>Katsauskauden tulos</b>	<b>56,6</b>	<b>6,4</b>	<b>-36,7</b>	<b>26,3</b>

**Jakautuminen**

Emoyhtiön omistajille	56,6	6,4	-36,7	26,3
Määräysvallattomille omistajille	-	0,0	-	0,0

**Emoyhtiön omistajille kuuluvasta tuloksesta laskettu osakekohtainen tulos**

Laimentamaton, EUR	0,45			0,13
Laimennettu, EUR	0,44			0,12

**Ulkona olevien osakkeiden lukumäärän painotettu keskiarvo**

Laimentamaton, 1 000 kpl	125 730			209 606
Laimennettu, 1 000 kpl	127 636			211 934

- B.9 Tulosennuste tai -arvio** Tämä Listalleottoesite ei sisällä tulosennustetta tai -arviota.
- B.10 Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa esitetyt muistutukset** Historiallisia taloudellisia tietoja koskevissa tilintarkastuskertomuksissa ei ole esitetty muistutuksia.
- B.12 Valikoidut historialliset keskeiset taloudelliset tiedot** Seuraavissa taulukoissa on esitetty YIT:n keskeisiä konsernin taloudellisia tietoja 31.3.2018 ja 31.3.2017 päättyneiltä kolmen kuukauden jaksoilta ja 31.12.2017 ja 31.12.2016 päättyneiltä tilikausilta. Alla esitetty taloudellinen tieto on peräisin YIT:n tilintarkastamattomasta osavuositarkastuksesta 31.3.2018 päättyneeltä kolmen kuukauden jaksolta, sisältäen tilintarkastamattomat vertailukelpoiset taloudelliset tiedot 31.3.2017 päättyneeltä kolmen kuukauden jaksolta sekä tilintarkastetusta konsernitilinpäätöksestä 31.12.2017 päättyneeltä tilikaudelta ja tilintarkastetusta konsernitilinpäätöksestä 31.12.2016 päättyneeltä tilikaudelta.
- YIT:n konsolidoidut tilinpäätökset on laadittu Euroopan unionin käyttöön ottamien kansainvälisten IFRS-tilinpäätösstandardien ("IFRS") mukaisesti. YIT:n tilintarkastamaton osavuositarkastus 31.3.2018 päättyneeltä kolmen kuukauden jaksolta on laadittu IFRS:n mukaisesti, mutta osavuositarkastuksen laadinnassa ei ole sovellettu kaikkia IAS 34 Osavuositarkastukset -standardin vaatimuksia.
- Viimeisen tilintarkastetun tilinpäätöksen julkistamispäivän jälkeen YIT:n kehitysnäkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia.
- YIT:n taloudellisessa asemassa tai kaupankäyntipositiossa ei ole tapahtunut merkittäviä muutoksia 31.3.2018 jälkeen, mikä on viimeksi julkistetun osavuositarkastuksen päivämäärä.

Konsernin tuloslaskelma Miljoonaa euroa, ellei toisin ilmoitettu	1.1.-31.3.		1.1.-31.12.	
	2018 (tilintarkastama ton)	2017 (tilintarkastama ton)	2017 (tilintarkastettu)	2016 (tilintarkastettu, ellei toisin ilmoitettu)
<b>Liikevaihto</b>	532,3	452,2	1 993,8	1 678,3
Liiketoiminnan muut tuotot	4,7	1,9	37,4	12,8
Valmiiden ja keskeneräisten tuotteiden varastojen muutos	59,5	4,6	-83,1	13,0
Valmistus omaan käyttöön	0,2	0,1	0,7	0,3
Aineiden ja tarvikkeiden käyttö	-115,0	-55,4	-276,8	-245,2
Ulkopuoliset palvelut	-309,1	-229,9	-985,9	-892,4
Henkilöstökulut	-105,4	-65,8	-275,7	-250,3
Liiketoiminnan muut kulut	-93,3	-99,5	-309,7	-281,7
Osuus osakkuus- ja yhteisyritysten tuloksesta	-0,2	0,2	-0,9	-0,6
Poistot ja arvonalentumiset	-8,3	-3,5	-14,2	-16,5
<b>Liikevoitto</b>	<b>-34,6</b>	<b>4,7</b>	<b>85,5</b>	<b>17,7</b>
Rahoitustuotot	1,6	0,5	1,9	1,7
Kurssierot (netto)	-0,1	2,1	2,6	-9,6 <sup>1)</sup>
Rahoituskulut	-9,5	-2,8	-19,1	-12,2 <sup>1)</sup>
Rahoitustuotot ja -kulut yhteensä	-8,1	-0,3	-14,6	-20,1
<b>Tulos ennen veroja</b>	<b>-42,7</b>	<b>4,5</b>	<b>70,9</b>	<b>-2,5</b>
Tuloverot	7,0	-1,0	-14,3	-4,7
<b>Katsauskauden tulos</b>	<b>-35,8</b>	<b>3,4</b>	<b>56,6</b>	<b>-7,1</b>
<b>Jakautuminen</b>				
Emoyhtiön omistajille	-35,8	3,4	56,6	-7,1
Määräysvallattomille omistajille	-	-	-	-
<b>Emoyhtiön omistajille kuuluvasta tuloksesta laskettu osakekohtainen tulos</b>				
Laimentamaton, EUR	-0,20	0,03	0,45	-0,06
Laimennettu, EUR	-0,20	0,03	0,44	-0,06

<sup>1)</sup> Oikaistu vastaamaan YIT:n nykyistä esittämistapaa. Oikaistut tiedot ovat tilintarkastamattomia.

Laaja tuloslaskelma Miljoonaa euroa	1.1.-31.3.		1.1. - 31.12.	
	2018 (tilintarkastama ton)	2017 (tilintarkastama ton)	2017 (tilintarkastettu)	2016 (tilintarkastettu)
Katsauskauden tulos	-35,8	3,4	56,6	-7,1
<b>Erät, jotka saatetaan myöhemmin siirtää tulosvaikutteiseksi:</b>				
Rahavirran suojaukset	0,0	0,1	0,3	0,5
– Laskennallinen vero edellisestä	-0,0	-0,0	-0,1	-0,1
Muuntoerot	-9,8	29,4	-31,4	75,2
Erät, jotka saatetaan myöhemmin siirtää tulosvaikutteiseksi yhteensä	-9,8	29,5	-31,1	75,6
<b>Erät, joita ei siirretä tulosvaikutteisiksi:</b>				
Etuuspohjaisten eläkkeiden arvonmuutos	-	-	-	-1,1
– Laskennallinen vero	-	-	-	0,2
Erät, joita ei siirretä tulosvaikutteisiksi, yhteensä	-	-	-	-0,9
<b>Muut konsernin kirjatut tuotot ja kulut, yhteensä</b>	<b>-9,8</b>	<b>29,5</b>	<b>-31,1</b>	<b>74,7</b>
<b>Katsauskauden laaja tulos</b>	<b>-45,5</b>	<b>33,0</b>	<b>25,5</b>	<b>67,6</b>
<b>Jakautuminen</b>				
Emoyhtiön omistajille	-45,5	33,0	25,5	67,6
Määräysvallattomille omistajille	-	-	-	-

Konsernitase Miljoonaa euroa	31.3.		31.12.	
	2018 (tilintarkastama ton)	2017 (tilintarkastama ton)	2017 (tilintarkastettu, ellei toisin ilmoitettu)	2016 (tilintarkastettu, ellei toisin ilmoitettu)
<b>Varat</b>				
<b>Pitkäaikaiset varat</b>				
Aineelliset hyödykkeet	214,2	55,0	54,8	53,2
Liikearvo	311,3	8,1	8,1	8,1
Muut aineettomat hyödykkeet	58,5	12,5	11,3	11,9
Osuudet osakkuus- ja yhteisyrityksissä	142,0	75,1	120,1	63,5
Oman pääoman ehtoiset sijoitukset	2,3	0,4	0,4	0,4
Korolliset saamiset	38,4	39,1	46,0	34,6 <sup>1)</sup>
Muut saamiset	1,7	2,9	1,6	3,2 <sup>1)</sup>
Laskennalliset verosaamiset	72,5	55,4	53,2	54,2
Pitkäaikaiset varat yhteensä	840,8	248,5	295,6	229,1
<b>Lyhytaikaiset varat</b>				
Vaihto-omaisuus	2 081,0	1 793,2	1 592,5	1 746,6
Myyntisaamiset ja muut saamiset	440,2	206,2	211,8 <sup>1)</sup>	233,6 <sup>1)</sup>
Korolliset saamiset	15,2	0,8	1,6 <sup>1)</sup>	1,8 <sup>1)</sup>
Tuloverosaamiset	6,2	8,5	2,1	6,5
Rahavarat	65,2	77,7	89,7	66,4
Lyhytaikaiset varat yhteensä	2 607,8	2 086,5	1 897,8	2 054,9
<b>Varat yhteensä</b>	<b>3 448,6</b>	<b>2 335,0</b>	<b>2 193,3</b>	<b>2 284,0</b>
<b>Oma pääoma ja velat</b>				
Osakepääoma	149,7	149,2	149,2	149,2
Vararahasto	1,5	1,5	1,5	1,5
Muut rahastot	554,1	-	0,7	-0,0
Omat osakkeet	-7,2	-8,3	-7,2	-8,3
Muuntoerot	-226,2	-155,6	-216,5	-185,0
Arvonmuutosrahsto	-0,0	-0,2	-0,0	-0,3
Kertyneet voittovarot	548,1	582,9	636,9	606,7
Emoyhtiön omistajille kuuluva oma pääoma yhteensä	1 019,9	569,6	564,7	563,9
<b>Oma pääoma yhteensä</b>	<b>1 019,9</b>	<b>569,6</b>	<b>564,7</b>	<b>563,9</b>
<b>Pitkäaikaiset velat</b>				
Laskennalliset verovelat	37,1	15,8	9,9	17,6
Eläkevelvoitteet	2,4	2,1	2,1	2,1
Varaukset	82,4	46,6	46,0	44,8
Rahoitusvelat	483,5	247,4	344,5	249,1
Muut velat	56,6	73,9	53,7	51,0
Pitkäaikaiset velat yhteensä	661,9	385,7	456,2	364,6
<b>Lyhytaikaiset velat</b>				
Saadut ennakot	842,5	488,9	494,3	473,9 <sup>1)</sup>
Ostovelat ja muut velat	424,9	429,6	392,7	395,2 <sup>1)</sup>
Tuloverovelat	5,0	6,8	13,0	4,4
Varaukset	45,3	33,9	26,3	31,7
Rahoitusvelat	449,0	420,5	246,3	450,4
Lyhytaikaiset velat yhteensä	1 766,8	1 379,7	1 172,5	1 355,5
<b>Velat yhteensä</b>	<b>2 428,7</b>	<b>1 765,5</b>	<b>1 628,7</b>	<b>1 720,1</b>
<b>Oma pääoma ja velat yhteensä</b>	<b>3 448,6</b>	<b>2 335,0</b>	<b>2 193,3</b>	<b>2 284,0</b>

<sup>1)</sup> Oikaistu vastaamaan YIT:n nykyistä esittämistapaa. Oikaistut tiedot ovat tilintarkastamattomia.

Konsernin rahavirtalaskelmatietoja Miljoonaa euroa	1.1. – 31.3.		1.1. – 31.12.	
	2018 (tilintarkastama ton)	2017 (tilintarkastama ton)	2017 (tilintarkastettu)	2016 (tilintarkastettu)
Liiketoiminnan nettorahavirta	-125,1	57,6	235,2	35,9
Investointien nettorahavirta	-27,6	-16,8	-70,9	-79,2
Rahoituksen nettorahavirta	106,8	-32,4	-139,6	-18,4
Rahavarojen muutos	-45,9	8,4	24,7	-61,7
Rahavarat katsauskauden alussa	89,7	66,4	66,4	122,2
Sulautumisessa tulleet rahavirrat	21,6	-	-	-
Valuuttakurssien muutoksen vaikutus	-0,3	2,9	-1,5	6,0
Rahavarat katsauskauden lopussa	65,2	77,7	89,7	66,4

### Tunnuslukuja

Miljoonaa euroa, ellei toisin ilmoitettu	31.3.	
	2018 (tilintarkastamaton)	
Korollinen nettovelka kauden lopussa	Miljoonaa euroa	813,8
Velkaantumisaste kauden lopussa	%	79,8 %
Omavaraisuusaste kauden lopussa	%	39,1 %
Tilaukanta kauden lopussa	Miljoonaa euroa	4 640,8

### Tunnuslukujen laskentakaavat

Tunnusluku	Määritelmä	Miksi YIT esittää tunnusluvun
<b>Korolliset velat</b>	Pitkä- ja lyhytaikaiset rahoitusvelat	Korolliset velat on mittari, joka osoittaa YIT:n velkarahoituksen kokonaismäärää.
<b>Korollinen nettovelka</b>	Korolliset velat vähennettyinä rahavaroilla ja korollisilla saamisilla	Korollinen nettovelka on mittari, joka osoittaa YIT:n velkarahoituksen nettomäärää.
<b>Omavaraisuusaste, %</b>	Oma pääoma yhteensä / varat yhteensä vähennettyinä saaduilla ennakoilla	Omavaraisuusaste on yksi YIT:n keskeisistä pitkän aikavälin taloudellisista tavoitteista ja on keskeinen mittari oman pääoman suhteellisesta käyttämisestä varojen rahoittamiseen.
<b>Velkaantumisaste, %</b>	Korolliset velat vähennettyinä rahavaroilla ja korollisilla saamisilla / oma pääoma yhteensä	Velkaantumisaste auttaa ymmärtämään kuinka paljon velkaa YIT käyttää varojensa rahoitukseen suhteessa oman pääomansa arvoon.
<b>Tilaukanta</b>	Tilaukantaan kirjataan asiakkaan tilaamat työt, siltä osin kun niitä ei ole tuloutettu. Lisäksi omaperusteisen tuotannon hanke kirjataan tilaukantaan sen saatua tarvittavat aloitusluvut. Valmis omaperusteinen tuotanto poistuu tilaukannasta kun se (esimerkiksi asunto) myydään ja kirjataan liikevaihdoksi.	Tilaukannan katsotaan antavan merkityksellistä lisätietoa sijoittajille.



- B.13 Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä** YIT:n maksukyvyssä ei ole tapahtunut merkittäviä muutoksia 31.3.2018 jälkeen, mikä on viimeksi julkistetun osavuositarkastuksen päivämäärä.
- B.14 Liikkeeseenlaskijan riippuvuus muista konserniin kuuluvista yksiköistä** Konsernin liiketoimintaa harjoitetaan pääasiallisesti Liikkeeseenlaskijan suoraan tai välillisesti omistamien tytäryhtiöiden kautta. Liikkeeseenlaskija tarjoaa konsernitason palveluja tytäryhtiöilleen.
- B.15 Kuvaus Liikkeeseenlaskijan päätoimialoista** YIT on yksi Suomen suurimmista rakennusyhtiöistä ja merkittävä pohjoiseurooppalainen rakennusyhtiö, jolla on hyvämaineiset brändit Pohjoismaissa, Venäjällä, Baltian maissa sekä keskeisessä Itä-Euroopassa. YIT kehittää ja rakentaa asuntoja, toimitiloja sekä kokonaisia alueita ja on myös vaativan infrarakentamisen erikoisosaaja ja päällystäjä. YIT keskittyy luomaan entistä toimivampia, vetovoimaisempia ja kestävämpiä kaupunkeja ja elinympäristöjä.
- YIT:n kuusi raportoitavaa toimialaa 1.2.2018 alkaen ovat Asuminen Suomi ja CEE, Asuminen Venäjä, Infraprojektit, Päällystys, Toimitilat sekä Kiinteistöt. YIT toimii 11 maassa: Suomessa, Venäjällä, Ruotsissa, Norjassa, Tanskassa, Virossa, Latviassa, Liettuassa, Tšekissä, Slovakiassa ja Puolassa. YIT tarjoaa rakennusalan palveluja teollisuudelle, julkiselle sektorille, asunto- ja toimitilarakentamista Suomessa ja Venäjällä sekä lisäksi teiden kunnossapitoa ja päällystystä sekä huolto- ja ylläpitopalveluja asuntojen luovutuksen jälkeen kuluttaja-asiakkailleen Venäjällä. YIT:n arvion mukaan sillä on vahva markkina-asema infrarakentamisessa ja talonrakentamisessa Pohjois-Euroopassa ja se on yksi suurimmista päällystäjistä Pohjoismaissa, yksi suurimmista asuntorakentajista Suomessa sekä Venäjällä yksi suurimmista ulkomaisista asuntorakentajista. Venäjällä YIT toimii myös päällystäjänä infrarakentamisessa.
- YIT yhdistyi Lemminkäisen kanssa 1.2.2018 luodakseen pohjan, jolla se voi kasvaa yhdeksi johtavista kaupunkikehittäjistä Pohjois-Euroopan rakentamisen markkinoilla. YIT:llä on noin 9 300 työntekijää ja yhtiön vuoden 2017 pro forma -vuotuinen liikevaihto (tilintarkastamaton) oli noin 3,9 miljardia euroa.
- YIT Oyj:n kotipaikka on Helsinki ja sen rekisteröity osoite on Panuntie 11, 00620 Helsinki. YIT:n osakkeet ovat olleet listattuina Nasdaq Helsinki Oy:ssä ("Helsingin Pörssi") vuodesta 1995 lähtien.
- B.16 Kuvaus siitä, onko Liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonteesta** Ei sovellu. Liikkeeseenlaskijan tietojen mukaan Liikkeeseenlaskija ei ole suoraan tai välillisesti minkään tahon määräysvallassa.
- B.17 Liikkeeseenlaskijan luokitukset** Ei sovellu. Liikkeeseenlaskijalle tai sen Velkakirjoille ei ole annettu luottoluokituksia.

## Jakso C - Arvopaperit

- C.1 Tarjottavien arvopapereiden tyyppi ja laji** Parhaalla etusijalla oleva kiinteäkorkoinen vakuudeton velkakirjalaina, jonka pääoman määrä on 100.000.000 euroa ja joka erääntyy 2021 ("**2021 Velkakirja**") ja parhaalla etusijalla oleva kiinteäkorkoinen vakuudeton velkakirjalaina, jonka pääoman määrä on 150.000.000 euroa ja joka erääntyy 2023 ("**2023 Velkakirja**" ja yhdessä 2021 Velkakirjojen kanssa "**Velkakirjat**").
- 2021 Velkakirjojen ISIN-koodi on FI4000330824 ja 2023 Velkakirjojen ISIN-koodi on FI4000330832.
- Merkittäväksi tarjottujen Velkakirjojen vähimmäismerkintämäärä oli 100.000 euroa. Kunkin arvo-osuuden yksikkökoko on 1.000 euroa.
- C.2 Valuutta** Euro.
- C.5 Kuvaus arvopapereiden vapaata luovutettavuutta koskevista rajoituksista** Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille.
- C.8 Arvopapereihin liittyvät oikeudet/ etuoikeusjärjestys** Velkakirjat (sisältäen velvollisuuden maksaa niille korkoa) ovat Liikkeeseenlaskijan suoria, takaamattomia ja vakuudettomia sitoumuksia, ja niillä on sama etuoikeusjärjestys toistensa kanssa ja sama etuoikeusjärjestys Liikkeeseenlaskijan kaikkien muiden vakuudettomien ja subordinoimattomien maksusitoumusten kanssa lukuun ottamatta sitoumuksia, jotka voivat olla pakottavien ja yleisesti sovellettavien lain säännösten nojalla etusijalla.
- 2021 Velkakirjojen haltijoilla ("**2021 Velkakirjojen Haltijat**") on oikeus osallistua 2021 Velkakirjojen haltijoiden kokoukseen tai kirjalliseen prosessiin. 2023 Velkakirjojen haltijoilla ("**2023 Velkakirjojen Haltijat**" ja yhdessä 2021 Velkakirjojen Haltijoiden kanssa "**Velkakirjanhaltijat**") on oikeus osallistua 2023 Velkakirjojen haltijoiden kokoukseen tai kirjalliseen prosessiin.
- C.9 Korko ja tuotto; velkapapereiden haltioiden edustajan nimi** 2021 Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 3,150 prosenttia.
- 2023 Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 4,250 prosenttia.
- 2021 Velkakirjoille kertyvä korko maksetaan puolivuositain jälkikäteen alkaen 11.12.2018 ja tämän jälkeen 11.6. ja 11.12. ("**2021 Velkakirjojen Koronmaksupäivä**") 11.6.2021 saakka ("**2021 Velkakirjojen Viimeinen Maturiteettipäivä**").
- 2023 Velkakirjoille kertyvä korko maksetaan puolivuositain jälkikäteen alkaen 11.12.2018 ja tämän jälkeen 11.6. ja 11.12. ("**2023 Velkakirjojen Koronmaksupäivä**") 11.6.2023 saakka ("**2023 Velkakirjojen Viimeinen Maturiteettipäivä**").
- 2021 Velkakirjojen efektiivinen tuotto on 3,175 prosenttia ja 2023 Velkakirjojen efektiivinen tuotto on 4,295 prosenttia.
- Velkakirjojen haltijoita edustaa velkakirjojen haltijoiden kokous tai kirjallinen prosessi.
- C.10 Tiedot siitä, kuinka kohde-etuuden arvo vaikuttaa koron määrään** Ei sovellu. Velkakirjojen korko ei ole sidottu kohde-etuuteen.
- C.11 Listalleotto** Liikkeeseenlaskija on tehnyt hakemuksen Velkakirjojen ottamiseksi julkisen kaupankäynnin kohteeksi Helsingin Pörssissä ("**Listalleotto**"), ja Listalleotto tapahtuu arviolta 12.6.2018. Kaupankäyntitunnus 2021 Velkakirjalle on "YITJ315021" ja kaupankäyntitunnus 2023 Velkakirjalle on "YITJ425023".

## Jakso D - Riskit

### D.2 Liikkeeseenlaskijaan liittyvät riskit YIT:hen ja sen toimintaympäristöön liittyviä riskitekijöitä ovat muun muassa seuraavat:

- Talouden ja rahoitusmarkkinoiden epävarmuudet ja epäsuotuisa kehitys voivat vaikuttaa olennaisen haitallisesti YIT:n liiketoimintaan ja asiakkaisiin, liiketoiminnan tulokseen, taloudelliseen asemaan, maksuvalmiuteen sekä pääoman saatavuuteen.
- Talouden ja rahoitusmarkkinoiden muutokset ja poliittinen epävarmuus YIT:n päämarkkina-alueilla voivat vaikuttaa YIT:n liiketoimintaan ja asiakkaisiin.
- Rakentaminen on säännelty toimiala, ja muutokset YIT:n toimialaa koskevassa lainsäädännössä sekä oikeuskäytännön kehitys saattavat olla YIT:lle epäedullisia.
- Skandinavian inframarkkinoiden kilpailutilanne saattaa vaikuttaa YIT:hen kielteisesti.
- Merkittävät raaka-aineiden ja energiakustannusten hinnanvaihtelut tai vaikeudet raaka-aineiden ja energian saatavuudessa voivat vaikuttaa YIT:hen olennaisen haitallisesti.
- Toimintaympäristö Venäjällä saattaa sisältää lainsäädännön muutoksiin, liiketoimintaympäristöön, kiinteistömarkkinan kehitykseen ja Venäjään kohdistettuihin sanktioihin ja vastasanktioihin liittyviä riskejä, jotka voivat toteutuessaan vaikuttaa YIT:hen olennaisen haitallisesti.
- Toimintaympäristö keskisen Itä-Euroopan markkinoilla sisältää poliittisia, taloudellisia ja juridisia riskejä, jotka voivat toteutuessaan vaikuttaa olennaisen haitallisesti YIT:hen.
- Rakennusala vaivaa pula ammattitaitoisesta henkilöstöstä erällä YIT:n toiminta-alueilla.
- YIT ei välttämättä kykene toteuttamaan strategiaansa, sovittamaan sitä toimintaympäristön muutoksia vastaavaksi, tai valittu tai toteutettu strategia voi olla väärä.
- YIT ei välttämättä kykene saavuttamaan osaa Sulautumisesta syntyväksi arvioiduista hyödyistä tai mitään niistä tällä hetkellä arvioidulla tavalla tai arvioidussa aikataulussa eikä se välttämättä onnistu yhdistämään YIT:n ja Lemminkäisen liiketoimintoja.
- YIT ei välttämättä onnistu kehittämään palvelujaan tai ratkaisujaan kilpailijoita vastaavalla tavalla, tai YIT:n voi olla pakko tehdä lisää investointeja digitaalisen kehityksen seurauksena.
- YIT ei välttämättä kykene pitämään liiketoimintaansa kannattavana tarjousprosessien tai projektinhallinnan tai hankesopimusten laadinnan epäonnistumisen vuoksi.
- Projektit voivat viivästyä, niiden laajuus saattaa muuttua rakennusvaiheessa tai projekteja saattaa peruuntua yleistä, joihin YIT ei voi vaikuttaa.
- Yksittäiset rakennusprojektit voivat olla erittäin laajoja ja vaikuttaa merkittävästi YIT:n toiminnan kannattavuuteen.
- Epäonnistuminen osaavan johdon tai henkilökunnan rekrytoinnissa tai avainhenkilöiden menettäminen voivat vaikuttaa YIT:n kykyyn harjoittaa liiketoimintaansa tai kasvaa.
- YIT altistuu riskeille, jotka liittyvät ammattitaitoisen työvoiman kustannuksiin ja työehtosopimusneuvottelujen tuloksiin sekä mahdollisiin työnsisäksisiin työmarkkinakiistojen johdosta tai organisaatiomuutosten yhteydessä.
- YIT on riippuvainen alihankkijoistaan, materiaalien ja muiden tuotteiden toimittajista sekä näiden toimittamien materiaalien ja työn laadusta ja toimitusajasta, ja YIT voi joutua vastaamaan alihankkijoiden aiheuttamista virheistä.
- YIT altistuu omien tai alihankkijoidensa työntekijöiden virheille ja väärinkäytöksille ja on vastuussa alihankkijoidensa työsuorituksesta.
- YIT altistuu omaperusteisen asunto- ja toimitilarakentamisen myynti- ja hintariskeille ja saattaa epäonnistua tonttien hankinnassa.
- Muutokset YIT:n asiakkaiden tilavaatimuksissa ja kuluttajaliiketoiminnan operatiivisessa ympäristössä voivat vaikuttaa olennaisen haitallisesti uusien toimitilojen ja toimitilarakentamisen kysyntään.
- Huoltovarmuuden ylläpito ja kriisirakentaminen voivat vaikuttaa olennaisen haitallisesti YIT:n liiketoimintaan, taloudelliseen asemaan ja tulevaisuudennäkymiin.

- Epäonnistunut pääoman tai sijoitusten hallinta voi vaikuttaa olennaisen haitallisesti YIT:n liiketoimintaan, liiketoiminnan tulokseen ja taloudelliseen asemaan.
- YIT:lle voi syntyä ennakoitua suurempi vastuu toimituksistaan ja elinkaarihankkeistaan sekä merkittäviä takuuajan vastuita.
- Yrityskauppoihin liittyvät riskit voivat vaikuttaa YIT:hen olennaisen haitallisesti.
- Sääolosuhteiden vaihtelut voivat vaikuttaa YIT:n projektien edistymiseen ja volyyymiin.
- Lisääntyvät ympäristömääräykset ja potentiaaliset ympäristövastuut voivat lisätä YIT:n kustannuksia tai rajoittaa sen toiminnan harjoittamista.
- YIT:n toimintaedellytykset ovat riippuvaisia IT-infrastruktuurista sekä johtamis-, raportointi- ja seurantajärjestelmistä, jotka voivat vahingoittaa ulkopuolisten tai sisäisten tekijöiden johdosta.
- YIT on osallisena osakkuus- ja yhteisyrityksissä, joihin liittyy riskejä muun muassa päätöksenteossa ja liiketoiminnan harjoittamisessa ilmenevistä erimielisyyksistä sekä vastuunjaosta eri osapuolten välillä.
- Työyhteenliittymiin ja allianssihankkeisiin liittyvien riskien toteutuminen voi vaikuttaa olennaisen haitallisesti YIT:hen.
- Häiriöt YIT:n liiketoiminnassa voivat vaikuttaa olennaisen haitallisesti YIT:hen.
- Työterveyteen ja -turvallisuuteen liittyvien riskien toteutuminen saattaa vaikuttaa YIT:hen olennaisen haitallisesti.
- Epäonnistuminen asiakkaiden ja sidosryhmien odotuksiin vastaamisessa tai tuotevaatimusten ja -standardien noudattamisessa saattaa vaikuttaa olennaisen haitallisesti YIT:n toimintaan ja brändiarvoon ja altistaa YIT:n korvausvaateille.
- Sääntelyyn ja oikeudenkäynteihin liittyvien riskien toteutuminen saattaa vaikuttaa YIT:n liiketoimintaan olennaisen haitallisesti.
- YIT on altistunut asfalttikartellioikeudenkäyntiin ja valmisbetonin laatuongelmiin liittyvien vahingonkorvausten riskille.
- Epäonnistuminen immateriaalioikeuksien suojaamisessa saattaa vaikuttaa YIT:hen olennaisen haitallisesti.
- YIT saattaa epäonnistua vakuutusturvansa ylläpidossa tai YIT:n vakuutusten ehdot eivät välttämättä kata kaikkia YIT:n tappioita tai kaikkia potentiaalisista tulevista vahingoista aiheutuvia korvausvaatimuksia.
- YIT saattaa epäonnistua tieto- ja kyberturvallisuusriskien tunnistamisessa, resursoinnissa ja hallinnassa sekä sääntelyn noudattamisessa.
- YIT saattaa epäonnistua taloudellisen raportoinnin tehokkaassa sisäisessä valvonnassa ja altistuu riskille siitä, että sen taloudellinen raportointi on epätarkkaa tai harhaanjohtavaa.
- YIT on yhteisvastuullinen tietyistä sitoumuksista liittyen Caverion Oyj:n ja YIT:n osittaisjakautumiseen vuonna 2013.
- YIT:n maine voi vahingoittua, millä saattaa olla epäedullinen vaikutus YIT:n asiakashankintaan sekä kykyyn rekrytoida ja pitää palveluksessa avainhenkilöstöä.
- YIT:n kiinteistöjen ja muun omistuksessa olevan omaisuuden käypä arvo voi vaihdella eikä YIT välttämättä kykene toteuttamaan kiinteistömyyntejä taloudellisesti kohtuullisella hinnalla tai ollenkaan.
- YIT ei välttämättä saa rahoitusta tai takauksia kilpailukykyisin ehdoin tai lainkaan eikä välttämättä pysty noudattamaan rahoitusjärjestelyistä johtuvia velvoitteitaan.
- YIT altistuu maksuvalmius- ja rahoitusriskeille.
- YIT:n kulloistenkin rahoitusjärjestelyiden korot saattavat vaihdella.
- YIT altistuu valuuttakurssiriskeille etenkin suhteessa Venäjän ruplaan, Norjan, Ruotsin ja Tanskan kruunuun, Puolan zlotyyn ja Tšekin korunaan.
- YIT altistuu luotto- ja vastapuoliriskeille.
- YIT:n verorasitus voi kasvaa johtuen verolakien tai niiden soveltamisen muutoksista tai verotarkastuksen seurauksena, ja YIT ei ehkä kykene hyödyntämään laskennallisia verosaamisiaan.
- Mahdollinen liikearvon, muun aineettoman tai aineellisen omaisuuden, sijoitusten tai vaihto-omaisuuden arvon alentuminen saattaa vaikuttaa olennaisen haitallisesti YIT:n taloudelliseen asemaan ja tulokseen.
- Projektien tuloutuksen ajankohta voi aiheuttaa heilahtelua YIT:n tulokseen.
- "IFRS 16 – Vuokrasopimukset" -standardin käyttöönoton johdosta YIT joutuu muuttamaan tilinpäätöksen laatimisperiaatteitaan sekä saattaa joutua oikaisemaan julkaisemiaan konsernitilinpäätöksiä ja muuttamaan liiketoiminnan toimintatapaansa.

- Tämän Listalleottoesitteen Tilintarkastamattomat pro forma -taloudelliset tiedot on esitetty ainoastaan havainnollistamistarkoituksessa ja voivat poiketa olennaisesti Sulautumisen jälkeisestä YIT:n todellisesta liiketoiminnan tuloksesta.

### D.3 Arvopapereihin liittyvät riskit Joukkovelkakirjalainaan liittyviä riskitekijöitä ovat muun muassa seuraavat:

- Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille.
- Sijoittajat voivat menettää Velkakirjoihin tekemänsä sijoituksen.
- Velkakirjoista ei ole asetettu vakuutta tai annettu takausta.
- Liikkeeseenlaskijalla tai Velkakirjoilla ei ole luottoluokitusta.
- Velkakirjoille ei välttämättä muodostu aktiivisia jälkimarkkinoita.
- Koska Velkakirjoille on asetettu kiinteä korko, saattaa niiden hinta laskea markkinakorkojen muuttuessa.
- YIT voi velkaantua lisää ilman Velkakirjojen haltijoiden suostumusta.
- Velkakirjat eivät anna äänioikeutta Liikkeeseenlaskijan yhtiökokouksissa.
- Ei ole varmuutta Velkakirjoihin liittyvien lakien tai käytäntöjen muuttumisen vaikutuksista.
- Velkakirjoille ei pääsääntöisesti ole asetettu kovenanteja, jotka ohjaisivat Liikkeeseenlaskijan toimintaa ja jotka estäisivät sitä fuusioitumasta sen tytäryhtiöiden kanssa, myymästä omaisuuseriä tai muuten sellaisen merkittävän järjestelyn toteuttamista, jolla voi olla haitallinen vaikutus Velkakirjoihin ja Velkakirjojen haltijoihin.
- Velkakirjoihin liittyvien transaktioiden toteutuminen riippuu Euroclear Finland Oy:n toiminnasta ja järjestelmästä.
- Velkakirjojen takaisinosto Liikkeeseenlaskijan toimesta ennen niiden erääntymistä saattaa vaikuttaa haitallisesti Liikkeeseenlaskijaan ja liikkeessä oleviin Velkakirjoihin.
- Liikkeeseenlaskija ei välttämättä kykene rahoittamaan Velkakirjojen takaisinostoa määräysvallan vaihtumisen tai jakautumistapahtuman yhteydessä.
- Liikkeeseenlaskijalla ei ole velvollisuutta hyvittää Velkakirjoihin liittyviä ennakonpidätyksiä tai muita vastaavia veroja.
- Velkakirjojen ehtoja, koskien esimerkiksi Liikkeeseenlaskijaa ja Joukkovelkakirjalainojen korkoa ja nimellisarvoa, voidaan muokata, ja nämä muutokset sitovat kaikkia velkakirjanhaltijoita.
- Laista johtuvat sijoituksia ohjaavat seikat voivat rajoittaa tiettyjä sijoituksia.
- Oikeus vastaanottaa maksuja Velkakirjojen perusteella voi lakata vanhentumisen vuoksi.
- Velkakirjojen haltijoiden oikeudet riippuvat Intertrust (Finland) Oy:n ("Agentti") toimista ja taloudellisesta asemasta.

### Jakso E – Tarjous

- E.2b Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen**
- Hankittavien varojen käyttö: Velkakirjojen liikkeeseenlaskusta kertyvät varat käytetään ensisijaisesti Liikkeeseenlaskijan 100.000.000 euron 6,250 prosentin Velkakirjojen, jotka erääntyvät 2020, sekä 50.000.000 euron 5,500 prosentin Velkakirjojen, jotka erääntyvät 2021, takaisinmaksuun ja uudelleenrahoitukseen ("**Olemassaolevat Velkakirjat**"), minkä jälkeen mahdollisesti jäljelle jäävät varat käytettäisiin yleisiin konsernin yritystoimintaan liittyviin käyttötarkoituksiin.
- E.3 Tarjousehdot**
- Liikkeeseenlaskupäivä: 11.6.2018
- Eräpäivä: 2021 Velkakirjat 11.6.2021 ja 2023 Velkakirjat 11.6.2023.
- Liikkeeseenlaskun kokonaismäärä: 2021 Velkakirjat 100.000.000 euroa ja 2023 Velkakirjat 150.000.000 euroa.
- Merkintähinta: 100 prosenttia Velkakirjojen liikkeeseenlaskun kokonaismäärästä.
- Velkakirjojen Koronmaksupäivät: puolivuositain jälkikäteisesti 11.12.2018 alkaen ja tämän jälkeen 11.6. ja 11.12. kunakin vuonna.
- Korko: 2021 Velkakirjojen vuotuinen korko on 3,150 prosenttia ja 2023 Velkakirjojen vuotuinen korko on 4,250 prosenttia.

Velkakirjojen efektiivinen tuotto: 2021 Velkakirjat 3,175 prosenttia ja 2023 Velkakirjat 4,295 prosenttia.

Lunastus: nimellisarvosta, kertalyhenteisesti, eräpäivänä.

Ennenaikainen lunastus (Liikkeeseenlaskijan osto-optio), 2021 Velkakirja: Liikkeeseenlaskija voi ilmoittamalla siitä 2021 Velkakirjan Haltijoille ja Agentille vähintään viisitoista (15) Pankkipäivää aikaisemmin lunastaa kaikki liikkeeseenlasketut 2021 Velkakirjat, mutta ei vain osaa liikkeeseenlasketuista 2021 Velkakirjoista, (a) milloin tahansa Ensimmäisestä Lunastuspäivästä alkaen ja se mukaan lukien Toiseen Lunastuspäivään asti sitä lukuun ottamatta, summalla, joka vastaa jokaisen 2021 Velkakirjan osalta 100 prosenttia kyseisen 2021 Velkakirjan nimellisarvosta lisätynä määrällä, joka vastaa 50 prosenttia korosta (laskettuna nimellisarvolle yhdelle vuodelle) yhdessä kertyneen mutta maksamattoman Koron kanssa; ja (b) milloin tahansa Toisesta Lunastuspäivästä alkaen ja se mukaan lukien Viimeiseen Maturiteettipäivään asti sitä lukuun ottamatta, summalla joka vastaa jokaisen 2021 Velkakirjan osalta 100 prosenttia kyseisen 2021 Velkakirjan nimellisarvosta lisätynä määrällä, joka vastaa 25 prosenttia korosta (laskettuna nimellisarvolle yhdelle vuodelle) yhdessä kertyneen mutta maksamattoman Koron kanssa.

Ennenaikainen lunastus (Liikkeeseenlaskijan osto-optio), 2023 Velkakirja: Liikkeeseenlaskija voi ilmoittamalla siitä 2023 Velkakirjanhaltijoille ja Agentille vähintään viisitoista (15) Pankkipäivää aikaisemmin lunastaa kaikki liikkeeseenlasketut 2023 Velkakirjat, mutta ei vain osaa liikkeeseenlasketuista 2023 Velkakirjoista, (a) milloin tahansa Ensimmäisestä Lunastuspäivästä alkaen ja se mukaan lukien Toiseen Lunastuspäivään asti sitä lukuun ottamatta, summalla, joka vastaa jokaisen 2023 Velkakirjan osalta 100 prosenttia kyseisen 2023 Velkakirjan nimellisarvosta lisätynä määrällä, joka vastaa 50 prosenttia korosta (laskettuna nimellisarvolle yhdelle vuodelle) yhdessä kertyneen mutta maksamattoman Koron kanssa; ja (b) milloin tahansa Toisesta Lunastuspäivästä alkaen ja se mukaan lukien Kolmanteen Lunastuspäivään asti sitä lukuun ottamatta, summalla joka vastaa jokaisen 2023 Velkakirjan osalta 100 prosenttia kyseisen 2023 Velkakirjan nimellisarvosta lisätynä määrällä, joka vastaa 25 prosenttia korosta (laskettuna nimellisarvolle yhdelle vuodelle) yhdessä kertyneen mutta maksamattoman Koron kanssa; ja (c) milloin tahansa Kolmannesta Lunastuspäivästä alkaen ja se mukaan lukien 2023 Velkakirjan Viimeiseen Maturiteettipäivään asti sitä lukuun ottamatta, summalla, joka vastaa jokaisen 2023 Velkakirjan osalta 100 prosenttia kyseisen 2023 Velkakirjan nimellisarvosta lisätynä summalla, joka vastaa 12,50 prosenttia korosta (laskettuna nimellisarvolle yhdelle vuodelle) yhdessä kertyneen mutta maksamattoman Koron kanssa.

Minimimerkintä: 100.000 euroa.

Kovenantit ja ennenaikaisen takaisinoston ja eräännyttämisen edellytykset: lisävelkaantumisen, sulautumisten, omaisuuden myynnin, ja jakautumisten rajoitus, liiketoiminnan jatkaminen, vakuudenannon rajoitus, määräysvallan vaihtuminen, kaupankäynnin kohteeksi saattaminen, velvoitteet Velkakirjanhaltijoiden asiamiestä (Agenttia) kohtaan, maksulaiminlyönti, Velkakirjojen ehtojen rikkominen tai pätemättömyys, maksukyvyttömyys, ristiineräännyttäminen.

Selvitys: Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n Infinity-arvo-osuusjärjestelmässä.

Sovellettava laki: Suomen laki.

**E.4 Liikkeeseenlaskuun liittyvät olennaiset intressit, mukaan lukien eturistiriidat**

Järjestäjien ja Agentin intressit: Tavanomainen liiketoimintaintressi rahoitusmarkkinoilla.

**E.7 Arvioidut sijoittajilta veloitettavat kustannukset**

Ei sovellu. Liikkeeseenlaskija ei veloita kuluja sijoittajalta Joukkovelkakirjalainaan liittyen.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Notes. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are described below. All of these factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In particular, the order in which the risk factors are presented does not reflect the probability of their realization or order of importance. Should one or more of the risk factors described herein materialize, it could have a material adverse effect on the Group's business, financial condition and results of operations and, therefore, on the Issuer's ability to fulfill its obligations under the Notes as well as the market price of the Notes.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons that may not be considered significant risks by the Issuer based on information currently available to it or that it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Listing Prospectus and reach their own views prior to making any investment decision.*

*This Listing Prospectus contains forward-looking statements that involve risks and uncertainties. The Group's actual results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Listing Prospectus. See "General Information—Special Cautionary Notice Regarding Forward-looking Statements."*

### **Risks relating to YIT and its Operating Environment**

***Uncertainties and unfavourable developments in the economy and the financial markets could have a material adverse effect on YIT's business and customers, results of operations, financial position and liquidity, as well as the availability of financing.***

In recent years, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility as a result of, among others, the debt crisis in certain European countries. Although general economic conditions and financial market conditions have improved somewhat recently, this does not guarantee that similar volatility will not continue in the future. YIT is particularly exposed to macroeconomic conditions affecting Northern Europe, Russia and the Baltic and central Eastern European region.

Concerns about geopolitical tensions in the Middle East, North Korea and Eastern Ukraine, debt crises and political developments in certain EU countries, such as the United Kingdom's planned exit from the EU ("**Brexit**"), as well as the policies and unpredictability of the new administration in the United States have had an impact on the global economic conditions and will most likely continue to do so in the future. While many European countries have seen their economies improve recently and confidence indicators are rising, there still remains a risk of the eurozone's economic conditions weakening or the political atmosphere changing. This could lead to some European countries leaving the eurozone or to the break-up of the entire eurozone, resulting in further adversity in economic conditions in Europe. As a result of these or other geopolitical tensions or political developments, market uncertainty and volatility could increase.

It is difficult to predict the trend in market conditions because it is influenced by macro-level changes in the financial markets and many other factors, including, among others, the stock, bond and derivative markets and measures taken by various administrative and regulatory authorities and central banks, which YIT cannot influence. Uncertainty remains in the global markets and it cannot be ruled out that the global economy could fall back into a recession, or even depression, which could be deeper and longer lasting than the recessions of recent years.

General economic development and changes in the operating environment could have a material effect on YIT's business. A weakening of Europe's economic conditions, a potentially unfavourable trend in the global economy and persistent uncertainty in the financial markets could have an unfavourable effect on YIT's financing expenses and the availability of bank and equity financing. A slowdown in economic growth, an economic downturn or any other unfavourable economic development in YIT's business areas could affect YIT's business in several different ways. Moreover, YIT may not necessarily be able to exploit all the opportunities offered by economic cycles, or YIT could fail to adapt its business to a long-term economic downturn or stagnation. Weaker availability of financing or a higher financing cost could also have a negative impact on demand for YIT's products and services, such as apartments and business premises. The materialisation of any of the aforementioned risks could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Changes in the economy and the financial markets and the political instability in YIT's main market areas could affect YIT's business and customers.***

YIT operates in 11 countries. In 2017, 69 per cent of YIT's revenue was generated in Finland, 18 per cent in Russia, 7 per cent in the Baltic countries and 6 per cent in the central Eastern European countries. In 2017, Lemminkäinen in turn generated approximately 66 per cent of its net sales in Finland, approximately 21 per cent in Scandinavia, approximately 5 per cent in Russia and approximately 8 per cent in the Baltic countries. A slowdown or a downturn in economic growth or any other negative economic, demographic or political changes in YIT's operating region could have a material adverse effect on YIT through, for example, a decrease in demand, an increase in operating or financing expenses or subcontractors' difficulties in fulfilling their contractual obligations.

The construction sector is cyclical in nature and its volume and profitability vary as a result of economic conditions, the amount of investments in real estate and other factors. Changes in the general economic conditions, which usually are reflected in changes in GDP, have an impact on the overall demand for the construction industry. In Finland, growth in construction has historically developed parallel with the trend in GDP. The general economic situation in Finland has started to improve after years of uncertainty, as GDP grew 2.1 per cent in 2016<sup>1</sup> and by 2.6 per cent in 2017 when compared with the situation of the previous year<sup>2</sup>. In 2017, the basis for the growth in Finland is considered to be on a more stable ground, and it is supported by growth of the private consumption and also by picking up the increase of export sector. The annual growth of the Finnish economy is expected to amount to approximately 2.6 per cent in 2018 and approximately 2.2 per cent in 2019.<sup>3</sup> The consumer confidence in Finland has strengthened to a record level during the first half of 2017<sup>4</sup>, and continued to be strong in 2018, and the consumer demand for apartments is supported by the low interest rates.<sup>5</sup> The generally positive market condition has supported private investments. The growth of investments in construction sector is, however, expected to decrease during the coming years.<sup>6</sup>

A lower or negative level of general economic activity or, in particular, investments made in fixed assets could have material adverse effects on the overall revenue and profitability of the construction sector. Moreover, the interest rate level, consumer and business confidence, vacancy rates in properties and the unemployment rate all have an effect on the construction and real estate market. Construction projects commissioned by the public sector, such as the state or municipalities, are also dependent on the amount of public spending and tax revenue, as well as on political decisions.

Recently the demand for new housing units in Finland has focused more intensely on small and medium size apartments in urban growth centres, and this trend is expected to continue.<sup>7</sup> Banks' stringent lending terms, longer selling periods for used apartments and the general uncertainty over the economy may lengthen selling times and reduce demand for housing, especially outside growth centres. The outlook for building construction growth for different regions in Finland has also diverged, as demand for building construction has generally been weaker in the northern and eastern parts of the country and outside growth centres in general. Slowdown of the recovery of the Finnish economy and indebtedness of public sector may cause the consumer purchasing power and the general confidence to decrease, which could have a negative impact on the housing demand. As for non-residential construction, the vacancy rate for business premises in Finland is high due to slow economic growth, and demand for new business premises has remained low. Individual major projects and public sector projects are, however, estimated to keep the non-residential construction stable in 2018 and 2019. Renovation services in Finland are driven particularly by the age structure of housing.<sup>8</sup>

The prolonged poor condition of public finances, both on the state and municipal level, may continue to limit spending on the construction of infrastructure, paving and the related maintenance, which could diminish overall demand for these business areas in Finland. Moreover, a proposal has been floated in Finland for the establishment of a state-owned company focusing on infrastructure construction, which could have an impact on the sector's competitive situation. The planned state investments in paving, however, are expected to keep demand for paving relatively stable during 2018. In Finland, infrastructure construction in the beginning of 2018 was supported by major infrastructure construction

<sup>1</sup> Official Statistics of Finland: National Accounts [e-publication]. ISSN=1795-8881. 2016. Helsinki: Statistic Finland [referred: 21.7.2017]. Access method: [http://www.stat.fi/til/vtp/2016/vtp\\_2016\\_2017-07-13\\_tie\\_001\\_fi.html](http://www.stat.fi/til/vtp/2016/vtp_2016_2017-07-13_tie_001_fi.html)

<sup>2</sup> Official Statistics of Finland (OSF): Quarterly national accounts [e-publication]. ISSN=1797-9765. 1st quarter 2017. Helsinki: Statistics Finland [referred: 21.7.2017]. Access method: [http://www.stat.fi/til/ntp/2017/01/ntp\\_2017\\_01\\_2017-06-01\\_tie\\_001\\_en.html](http://www.stat.fi/til/ntp/2017/01/ntp_2017_01_2017-06-01_tie_001_en.html)

<sup>3</sup> Financial Review, Spring 2018, Ministry of Finance (the Economics Department), April 13, 2018

<sup>4</sup> Official Statistics of Finland (OSF): Consumer survey [e-publication]. ISSN=1799-1382. January 2016. Helsinki: Statistics Finland [referred: 21.7.2017]. Access method: [http://www.stat.fi/til/kbar/2016/01/kbar\\_2016\\_01\\_2016-01-27\\_tie\\_001\\_en.html](http://www.stat.fi/til/kbar/2016/01/kbar_2016_01_2016-01-27_tie_001_en.html)

<sup>5</sup> Financial review on housing markets 2/2017 (Finnish), the Mortgage Society of Finland: [http://www.hypo.fi/wp-content/uploads/2017/05/Asuntomarkkinakatsaus\\_toukokuu2017.pdf](http://www.hypo.fi/wp-content/uploads/2017/05/Asuntomarkkinakatsaus_toukokuu2017.pdf)

<sup>6</sup> Financial review, Summer 2017, Ministry of Finance: <http://vm.fi/documents/10623/4609452/TKkesaEN/ef3c9507-f596-4bec-9ef1-c14f2501802e?version=1.0>

<sup>7</sup> Construction 2017–2018, Economic trends in construction March 14, 2017, Ministry of Finance.

<sup>8</sup> Construction 2018–2019 spring, March 27, 2018, Ministry of Finance. <http://vm.fi/documents/10623/7432802/Raksu+2018/62da948f-d718-4504-ae44-4070ae64af1d?version=1.0>



projects in urban growth centres and the overall construction market growth. Infrastructure construction market is expected to continue to grow slightly from the level of the year 2017. The Government's decisions regarding transport projects in the General Government Fiscal Plan as well as major cities' investments in infrastructure improve the outlook for both paving and infra projects. The condition of public finances is still poor, even though the situation of financing has slightly improved on short term due to positive cyclical effects.<sup>9</sup>

YIT's operations in Russia could be impacted by the negative development of the rouble's exchange rate, the weakened conditions of the Russian economy and the prolonged political uncertainty, or an escalation of EU and Russian sanctions. Fluctuation in oil prices and volatility of rouble, geopolitical tensions and inflation could have an effect on demand for housing as reflected by decreased purchasing power and consumer confidence. Moreover, Russia's political culture, legislation as well as its interpretations, and official practices compared to Finland, as well as the uncertainty and changes in interpretations in the legal system, administrative proceedings and law-enforcement mechanisms, could expose YIT's business in Russia to risks.

In the Baltic countries, demand for infrastructure construction and paving is largely linked to the availability of European Union's (hereinafter also the "EU") project funding. Cuts in EU funding could thus have a material adverse effect on the market situation in the region. Growth in the national economies of the central Eastern European countries has outpaced the EU average, and has been largely linked to the market situation of EU in general and, in particular, Germany. In these countries, the markets of residential premises have grown, which, however, has started to show as a lack of production resources and increase in cost pressure. General international political and economic uncertainty, increasing nationalism especially in Poland and inconsistent legislative procedures, coupled with an unpredictable building permit process, could have a material adverse effect on housing production in the central Eastern European countries. Additionally, political uncertainty and prolonged economic sanctions in Russia could have a material adverse effect on demand of housing in the Baltic countries.

In Sweden and Norway, the situation of the infrastructure construction market is currently good, due to the ongoing multi-year state-funded traffic infrastructure development programmes, and the countries are also investing heavily in the development of energy production. Weak performance of the macro economy might, however, result to diminishing demand of public and private sector infrastructure construction also in Sweden and Norway. The housing market in Sweden, on the other hand, has for a while indicated signs of overheating, and a correction in the Swedish housing market may cause weakening in the demand for new residential premises, decreasing the price level of residential premises and reducing the collateral value of the residential premises. The possible correction in the Swedish housing market could have an effect on the balance sheets of the banks operating in Sweden and thereby reflect on the Finnish housing market.

Any decline in demand of housing construction, paving or infrastructure construction and any of the aforementioned changes in YIT's main market areas could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Construction is a regulated industry, and changes in legislation concerning YIT's business operations as well as developments in case law may be unfavourable for YIT.***

Construction is a regulated industry and the predictability of the legal operating environment is essential for YIT. Authorities, such as municipalities, have the jurisdiction to prepare plans for land use that steer construction companies' operations. Construction work may commence only after the necessary permits have been obtained from the authorities. In addition, the actual construction work entails cooperation with various authorities and inspections to be carried out by such authorities at different stages of construction. There are no guarantees that the authorities will grant YIT the permits it needs or that permit decisions, as a result of potential complaints, are not overturned or amended in a way that is unfavourable for YIT's business. Unfavourable administrative decisions or decisions made in any administrative court as well as prolonged permit procedures including hearing and complaint processes may make it more difficult to execute projects, delay their timetables or even result in their cancellation, or result in depreciations of the properties included in YIT's statement of financial position. These risks may have a material adverse effect on YIT's business, financial position and results of operations. More information on risks relating to regulation and legal proceedings is presented in section "– *The materialisation of risks related to regulation and legal proceedings could have a material adverse effect on YIT's business.*"

YIT is dependent on cooperation with the authorities whose jurisdiction includes duties relating to YIT's business. In particular, changes in legislation, official regulations or case law pertaining to land use and construction or changes in

---

<sup>9</sup> Construction 2018–2019 spring, March 27, 2018, Ministry of Finance.

the interpretations of such provisions in an unfavourable manner for YIT, or a deterioration of YIT's reputation in the eyes of the authorities, or unfavourable official proceedings could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The competitive situation in the Scandinavian infrastructure construction market could have a negative impact on YIT.***

The growing infrastructure construction market in Scandinavia has attracted several large construction companies from Central and Southern Europe and increased price competition and, especially in Sweden, competition for workforce. YIT's failure to offer attractive solutions and competitive prices as well as recruit and retain skilled personnel in these markets could have a material adverse effect on YIT's ability to manage the ongoing projects, win new customers and maintain its competitiveness in respect of its employees on the one hand and its customers on the other. This, in turn, could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Significant fluctuations in the prices of raw materials and the cost of energy or difficulties in the sourcing of raw materials and energy could have a material adverse effect on YIT.***

Changes in the availability and market prices of raw materials used in YIT's business operations have a material impact on the profitability of its business. Especially fluctuations in the price of bitumen, which is dependent on the market price of oil, are significant for YIT's paving business. In general, a global overproduction decreases the price of raw materials and increases availability, whereas underproduction reduces availability, potentially increasing the market price of the raw materials. The prices of raw materials or energy can also increase as a result of natural disturbances or problems with YIT's supply agreements. In its business operations, YIT manages the bitumen price risk with contractual terms and derivatives. However, there is no certainty that YIT will be able to hedge against the price risk of bitumen in the future. The trend in the market price of oil could also affect YIT's financial position through Russia, as there has historically been a correlation between the state of the Russian economy and the price development of oil. Should the Russian economy fall into a deeper recession due to a decline in the price of oil this could have a negative impact on YIT's financial development.

A significant part of YIT's operating costs arises from the procurement of subcontracting services and construction materials. In long-term service contracts, YIT has committed to a certain service and price level. Thus a rise in the procurement prices could have a negative effect on YIT's profitability. YIT aims to anticipate for the trend in costs by having prices linked to cost and commodity indexes and by hedging against price increase by using fixed procurement prices if appropriate. Whenever necessary, foreign exchange forward contracts are also used to hedge procurements made in foreign currencies. These measures may not necessarily be sufficient or hedge YIT as intended. The availability of mineral aggregates and other raw materials needed for construction may also be limited from time to time in certain geographical operating regions of YIT. For example, the production of mineral aggregates in Russia is concentrated to remote areas such as Karelia and Belarus. Due to the long distance transportations, the transportation costs may represent a significant proportion of the raw materials' overall prices, and thus changes in the transportation costs could significantly impact their purchasing prices.

YIT's ability to timely pass price increases on to its customers through increases in the prices of its own products is dependent on several external factors, such as the negotiating power of YIT's largest customers. Moreover, due to specific contractual provisions, competitive pressures or other factors, there may be significant delays before any price increase can be put into effect. If the prices of raw materials rise significantly or there are significant interruptions in the supply of any raw materials, YIT may have to purchase its raw materials from alternative sources, which could have a considerable impact on YIT's ability to offer competitively priced products to its customers in a timely manner. Additionally, a failure in hedging against the price risk of bitumen, in particular, could have a significant effect on the profitability of YIT's paving business. Therefore, a rise in the prices of raw materials, energy and services (such as transportation), that cannot be transferred to the prices of YIT's products or, that cannot be hedged against, could have a material adverse effect on YIT's business, financial position and results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The operating environment in Russia may include risks relating to amendments of legislation, business environment, development of the real estate market and sanctions against Russia and counter-sanctions which could have a material adverse effect on YIT, should they materialise.***

YIT's operations outside Finland are exposed to additional risks in comparison to Finnish operations, such as differing business cultures, differences in legislation, potential administrative challenges, factors related to labour force, unfavourable tax implications, currency exchange rate fluctuations and challenges in the deployment of YIT's internal guidelines and control systems. Other countries can also be more exposed to political, economic and social uncertainties than Finland.

The business and political risks in Russia are higher than in the other countries in which YIT operates, and the country's operating environment is generally more unstable. Differences in the political culture and atmosphere, Russia's legislation, its interpretations and official practices, as well as the uncertainty of interpretations and changes in the legal system, administrative proceedings and law-enforcement, could expose YIT to significant risks, which are described below.

The legislation in Russia may be deficient, contradictory or difficult to predict, and its enforcement may be rushed, poorly prepared or delayed. Local administrative proceedings concerning, among others, zoning, building permits, building supervision and the commissioning of properties may be burdensome and could result in permits not being issued or decisions not being implemented within the timeframe planned by YIT, in an expected manner or at all. Russian authorities also have extensive discretionary power when granting or revoking, for example, operating licences, other licences and building permits, carrying out tax audits and investigating business operations. This could lead to unexpected changes in interpretations, application procedures and requirements set for the projects by authorities. Even the terms and conditions of already concluded investment agreements might not hedge YIT against these risks, which could lead to a delay in or disruption of constructing, need for reprimands and additional costs, which in turn could have a material adverse effect on the marginal profits and timetables of projects implemented on the basis of such investment agreements.

Changes in regulation concerning residential transactions are expected to lead to increased volatility in supply and demand for apartments as well as changes in sales practices. Demand is expected to focus primarily on affordable apartments also in Russia. Inflation in construction costs is expected to remain moderate.<sup>10</sup>

Russian legislation and regulations based on regional legislation may be mutually inconsistent. There exists a risk that the decisions of regional or local administration could be amended or abolished at the federal level, or that regional legislation will have to be amended so as to comply with superior legislation. Moreover, decisions and interpretations made by authorities at different administrative levels or authorities with different administrative jurisdictions may be mutually contradictory. These political risks and changes in legislation could be unfavourable for YIT, for example, in situations where legislation would allow property to be confiscated directly, licences and rights granted by administration to be unexpectedly revoked or currency exchange restrictions preventing repatriating profits or capital gains. Moreover, potential lawsuits could result in expenses, and if YIT cannot manage its confiscated assets while a dispute resolution process is pending, it could also cause losses and disruptions to YIT's business. Besides, the effective use of legal remedies is more uncertain and difficult than in some of the other markets in which YIT operates.

Additionally, YIT's operations in Russia may be affected by the sanctions imposed as of now or in the future by the European Union, the United States or other members of the United Nations, or by the counter-sanctions imposed on the last mentioned countries by Russia. The European Union, the United States or other members of the United Nations may impose sanctions on certain private individuals or companies, or on transactions or activities in countries or regions that are material to YIT's business. Current or future sanctions imposed against Russia could lead to a further weakening of the Russian economy and the, which could have a negative effect on YIT's business in Russia. Although YIT aims to comply with the sanctions imposed against Russia using its best efforts, YIT cannot guarantee that it has the ability to comply with such sanctions or any new international sanctions imposed against Russia without taking material measures. Failure to comply with sanctions could lead to significant monetary penalties. Russia, on the other hand, may impose counter-sanctions on these countries or on foreign companies, which could make their business operations in Russia materially more difficult.

A realization of the aforementioned risks could have a material adverse effect on the costs or profitability of YIT's operations in Russia, which could have a material adverse effect on YIT's business, financial position, results of

---

<sup>10</sup> Federal Law No. 218-FZ on the Public Law Company for the Protection of Rights of Individuals Who are Shared Construction Participants in the Event of Insolvency (Bankruptcy) of Developers and on Amendments to Certain Legislative Acts of the Russian Federation of July 29, 2017 <https://www.lexology.com/library/detail.aspx?g=d885d77e-16e8-4baf-ad6c-7b2135173091>

operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The operating environment in the central Eastern European markets contains political, economic and legal risks which, if realised, could have a material adverse effect on YIT.***

YIT has operations in 11 countries, including certain markets in central Eastern Europe, such as the Baltic countries, Poland, the Czech Republic and Slovakia. The central Eastern European markets are exposed to higher political, economic and social uncertainty than countries with more developed institutional structures, as well as to a risk of losses due to changes in legislation, actions and interpretations taken by authorities, economic or social upheaval or other material factors. The most significant risks to operations and investments in the central Eastern European markets are risks that relate to imposing export restrictions or restrictions on currency trading, inflation as well as changes in tax legislation and enforcement procedures. Operations in certain central Eastern European countries may also include a risk of expropriation and nationalisation of assets. The realization of any of the above-mentioned risks could materially diminish or completely remove the benefits gained by YIT from operating in these markets which could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas.***

The construction sector in Finland is inflicted by a lack of competent workforce, especially in the project management and planning positions and competition for skilful workforce is tough. YIT has reacted on this by educating its current employees further to supervisors, employing approximately 800 summer trainees annually and transferring routine tasks done by professionals of the construction sector to professionals of other sectors. Additionally, contractual parties set requirements for the competence and other qualifications of employees, for example Finnish language skills, due to of which the lack of workforce cannot always be compensated with foreign subcontractors. On the other hand, competent employees are not necessarily willing to move with projects to different places.

The availability of workforce in Scandinavia has been affected especially by growing infrastructure construction market which has attracted several large construction companies from Central and Southern Europe to the markets and increased price competition as well as competition for workforce. For additional information, see “ – *The competitive situation in the Scandinavian infrastructure construction market could have a negative impact on YIT.*” In addition to Finland and Scandinavia, in the central Eastern European countries, in particular in the Czech Republic and Slovakia, the lack of employees has caused cost pressure during 2017. The lack of competent personnel may increase employment expenses, tighten the competition between the companies operating in the sector, reduce contractual profit margins, prevent from participating in contract tenders and complicate growth, and there are no guarantees that the measures of YIT to manage these risks are successful. The lack of competent personnel, and the associated risks mentioned above, especially in Finland or other operating regions of YIT may have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may not necessarily be able to execute its strategy or adapt it to changes in the operating environment, or the chosen or executed strategy may be wrong.***

Successful execution of YIT's strategy depends on several factors, of which some are at least partially beyond the control of YIT. YIT may not necessarily be able to successfully execute its strategy in its main markets and achieve its financial targets due to the market situation or a failure in the management of YIT. There are also no guarantees that the strategy chosen by YIT is the right one.

YIT's target is to become one of the leading players in the urban development in the Northern Europe. YIT strives to further improve its quality and customer experience and to continuously offer its customers new, innovative services and solutions. YIT's more balanced product and service offering and wider geographical presence will improve YIT's tolerance for cyclicity and risks. A better tolerance for cyclicity supports cash flow generation and helps to reach growth targets. YIT's success is based, first and foremost, on a skilful personnel and the continuous development of competence. The management of YIT will continue to examine and develop the strategy, which the Board of Directors of YIT will approve at a later date. For more information on YIT's strategy, see “*Information about the Issuer – Strategy*”.

If YIT is unable to successfully implement its strategy or if the chosen strategy turns out to be wrong, it could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may not necessarily be able to realize some or any of the estimated benefits of the Merger in the manner or within the timeframe currently estimated, and it may not necessarily be successful in combining the business operations of YIT and Lemminkäinen.***

The Merger of YIT and Lemminkäinen was completed on February 1, 2018 and YIT is in the process of combining the business operations of YIT and Lemminkäinen. Achieving the estimated benefits of the Merger will depend largely on the timely and efficient combination of the business operations of YIT and Lemminkäinen. The combination will involve certain risks and uncertainties, and there can be no assurance that YIT will achieve any of the estimated benefits of the Merger, including the reduction of administrative costs, the development of procurement, the streamlining of the organisation, the coordination ways of working and processes and other synergy benefits, within the currently estimated timeframe, or that any such benefits can be achieved at all. There can be no assurance that YIT can reach growth targets or the preliminary long-term financial targets or that YIT's revenue remains at the level of combined revenues of YIT and Lemminkäinen should they continue their operations independently. Adverse developments in general economic conditions could limit, prevent or delay YIT's ability to realize estimated benefits, which could have a material adverse effect on YIT's business, financial position and results of operations. Risks and challenges related to the combination of the business operations of YIT and Lemminkäinen include, but are not limited to, the following:

- YIT's resources are subject to considerable demands relating to managing of the combination. The combination requires significant amounts of management's time which may impair management's ability to effectively run YIT's business during that process;
- the efficiency, reliability, continuity and consistency of the combined group functions, financing operations, control as well as administrative and support functions, such as cash management, internal and other financing, hedging against market risks, insurance, financial control and reporting, information technology, communications and compliance functions;
- the implementation of a new organisational and governance model;
- unexpected investments in equipment, IT systems and other business crucial infrastructure;
- the working capacity of senior management and key personnel under heavy workload and their continued employment with YIT; and
- the ability to react to market changes when combining business and support functions.

The annual total synergies resulting from the combination are estimated to be approximately EUR 40-50 million and to be materialised in full by the end of 2020. Of this, EUR 40 million is expected to be achieved starting from the first quarter 2020. The estimates on the total synergies expected to arise from the Merger and the combination of the business operations of YIT and Lemminkäinen as well as the related integration costs have been prepared by YIT and Lemminkäinen and are based on a number of estimates and assumptions. Such estimates describe the expected future impact of the Merger and the combination of business operations of YIT and Lemminkäinen on the business, financial position and results of operations of YIT. The assumptions related to the estimated synergies and related integration costs are inherently uncertain and subject to a wide variety of significant business, economic and competitive risks and uncertainties.

***YIT may not necessarily succeed in developing its services or solutions in a manner corresponding to that of its competitors, or YIT may be forced to make additional investments as a result of digitalization.***

YIT's market position is dependent on the continuous development of services, solutions and production methods and processes, as well as long-term customer relationships. YIT's future growth and success will depend on its continued ability to identify and respond changes in consumer, investor, public sector and industrial sector behaviour and demand, develop its production and production processes, improve its operational efficiency, reduce production costs and introduce new and improved services or solutions to the market in a timely manner in all of its key business operations using its existing or new production methods and processes. YIT's future growth and success depends also on its continuous ability to produce and market services and solutions in changing markets.

The construction sector is competitive, and during the last few years, particularly in Finland, the sector has been introduced with new actors, which could provide markets with new operating models and products. If the current competitors or new players in the field succeed in developing their production processes or the services and solutions they offer thus gaining an innovative and competitive advantage, and YIT fails to respond to this or, if the competitors

can utilize, for example, the opportunities of digitalisation better than YIT, it could have a material adverse effect on YIT's business, financial position and results of operations.

There can be no assurance that YIT will be successful in continuing to meet its customers' needs and developing new services or solutions in a manner that will be accepted by its customers. YIT may not be able to recover investments it has made in the development of new services or solutions, and it may not possess the sufficient resources to keep pace with the productivity improvement made possible by, for example, digitalisation. A failure by YIT to exploit developing digitalisation, predict customer behaviour sufficiently and develop its business operations and improve operational efficiency could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may not necessarily be able to maintain the profitability of its business due to failures in tendering processes, project management or preparation of project contracts.***

The profitability of YIT's projects may be affected by several factors, such as competition in the tendering process or in the selling of apartments, efficient tendering process management, the size and complexity of projects, the projects' financing costs, the availability of skilled project managers and other key personnel, volatility in the raw material prices and general cost inflation, customers' potential requests for modifications and potential delays in project timetables.

YIT's results of operations is largely dependent on successful project management, which includes, for example, a reliable determination of overall costs that requires estimation of YIT's management, determination of quantity information and conditions, successful pricing, optimal use of resources, careful project planning and scheduling, the ability to procure raw materials at a competitive price, strict cost control, appropriate handling of modification requests and the execution of projects as agreed within the agreed timeframe, as well as efficient and timely processing of compensation claims. It is also possible that YIT fails in the preparation of project contracts, which may cause unexpected costs or other liabilities for YIT, for example, due to errors in timeframe estimates or unexpected construction stages or additional work. In addition, contractual terms limiting YIT's liability may be less effective than expected by YIT. It is also not possible to include comprehensive limitations of liability in all of the contracts YIT concludes, based on which individual contracts may include terms and conditions deviating from YIT's standard contract forms to the detriment of YIT.

YIT is responsible for a substantial number of projects in all of its countries of operation. All projects involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control as well as timetable and cost monitoring. Managing several projects requires that YIT's project management processes are effective, so that several overlapping internal teams and subcontractor networks can be managed simultaneously in, for example, technical work, design and construction.

Failures in project management or the preparation of project contracts in the aforementioned areas, for example, could have a material adverse effect on the profitability of projects and the time the gained revenue will be recorded. This could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Projects could be delayed, their scope could change during the construction stage or they could be cancelled for reasons beyond YIT's control.***

A part of YIT's business is based on projects in which YIT does not act as the developer and thus cannot influence on the decisions of the party ordering the construction work. Therefore, YIT is exposed to risks relating to project delays, changes in the scope of projects once the work has already started, disputes concerning the way how additional work and modifications are performed as well as costs or cancellation of projects. Should such risks materialise, it could lead to, for example, unrealised expected earnings, incorrect allocation of resources, exceeding of the budget and prolonged negotiations, disputes and processes for claims.

During the financial periods presented in this Listing Prospectus, both YIT and Lemminkäinen have recognized revenues on the basis of the percentage-of-completion method as regards certain parts of the companies' respective business operations, and invoicing has been based on monthly progress. If YIT continues to record revenues on the basis of the percentage-of-completion method, delay in a project could impact YIT's invoicing, revenue, operative cash flow and profitability.

Project changes, delays or cancellations and their resulting impacts on the projects' profitability or delays in related income recognition could thus have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Individual construction projects can be very extensive and thus have a significant effect on the profitability of YIT's business.***

YIT is one of the largest construction companies in Finland and is involved in the implementation of very large and complex projects from time to time. Large development projects and construction contracts involve the same risks as smaller projects, but the risks can be remarkably extensive and they might concentrate, since the uncertainty over the outcome and liabilities of a project, as well as public interest, will grow along with the size of a project. Larger projects also involve a risk of increased monetary liabilities if a project is delayed or otherwise fails due to factors caused by YIT or which are beyond its sphere of influence. In addition, the settlement of such liabilities in the last instance through official or legal means may be significantly more expensive than in smaller projects. Large development projects and construction contracts may also involve additional risks due to, among others, the complexity of design and construction, the influence of major stakeholders on the project, the availability of essential resources and financing, and safety and environmental factors.

The profitability of a single major project may have a significant impact on YIT's profitability, and performance disruptions in such a project could result in substantial liabilities or costs. Should YIT face problems in its major development projects or construction contracts caused by, for example, inadequate project management, or if such projects are delayed or cancelled, the materialisation of these and other aforementioned risks could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure in the recruitment of competent management or personnel or loss of key personnel could have a material adverse effect on YIT's ability to carry out its operations or expand.***

YIT's success is dependent on, among others, its top management, project management and other personnel, as well as YIT's ability to recruit, develop, train, motivate and retain competent personnel. YIT may face difficulties in attracting top professionals for key management and project management positions, including a risk of losing its key personnel to its competitors particularly in the markets where YIT is not a well-known employer. The profitability of large projects, in particular, is mainly dependent on the input of project management and experts on all levels. Potential difficulties faced by YIT in attracting competent personnel or the loss of key personnel could thus impact the profitability of projects, addition to which YIT may not be able to win customer relationships or even make offers for the possible projects, if competent personnel is not sufficiently available. The lack of personnel with the applicable competence and experience in key and project management positions could also increase liability risks and affect YIT's ability to grow in some of its operating areas. See also above " – *The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas.* ".

The realization of risks relating to the recruitment of personnel and the retaining of top management and key personnel could lead to higher operating expenses, losses of customer relationships and profits, loss of know-how, damage to reputation and potential liabilities which, in turn, could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to risks relating to the costs of professionally skilled labour and the results of collective labour negotiations, as well as to potential work stoppages due to labour market disputes or organisational changes.***

YIT's business is labour-intensive, and the general wage level in the construction industry and the cost of employing competent key personnel in the countries where YIT operates have a significant impact on YIT's profitability. In the construction industry, changes in labour costs have a significant effect, as labour costs represent a material part of operating expenses, either through direct costs of labour or through subcontractors' labour costs. When YIT outsources labour-intensive parts of a project to subcontractors, labour costs are reflected in the contract price paid by YIT to the subcontractor. See also above " – *The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas.* ".

The materialisation of risks related to the costs of skilled labour could lead to an increase in operating expenses. In 2017, YIT's personnel expenses totalled EUR 275.7 million, and the corresponding figure for Lemminkäinen was EUR 310.3 million. In many of YIT's operating countries, such as Finland, Sweden, Norway and Denmark, the wage level of

a large number of employees in YIT is determined on the basis of collective bargaining agreements signed by trade unions and employer organisations. Organisations representing YIT and other employers may not necessarily be able to renegotiate satisfactory collective bargaining agreements when they expire, which could lead to, among others, increased labour costs. Any price increase due to rising costs could affect the demand for YIT's solutions and services, which in turn could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Companies operating in the construction sector may face strikes or other industrial actions, and also YIT may face unexpected strikes and other industrial actions, or its business may otherwise become exposed to industrial actions (such as strikes against YIT's subcontractors). Strikes and other industrial actions may lead to significant disruptions in YIT's business operations or an interruption of its business. YIT's existing collective bargaining agreements may not necessarily prevent strikes and work stoppages at its business locations, and such strikes, work stoppages or other industrial actions could have a material adverse effect on YIT's business, results of operations and financial position.

YIT believes that it has good relations with its employees and the trade unions representing them. However, there can be no assurance that the future development of YIT's business will not impact these relations and that no strikes or work stoppages will take place on its construction sites in the future. Moreover, labour disputes in the transportation industry could prevent the delivery of the products and raw materials needed by YIT, and labour disputes affecting YIT's key suppliers could have a material adverse effect on YIT's business. A prolonged labour dispute that leads to a material interruption in the overall business of YIT, increased labour costs or adverse changes to the present terms of collective bargaining agreements could have a material adverse effect on YIT's business, financial position, reputation and results of operations and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is dependent on its subcontractors and suppliers of materials and other products, as well as the quality of the materials and work delivered by them and the delivery time, and YIT may be held responsible for faults caused by subcontractors.***

YIT is dependent on the suppliers of products and services needed for the execution of projects, especially in the infrastructure and building construction business. The subcontractor risk is especially emphasised in operating regions with a lower level of development, i.e. Russia, the Baltic countries and central Eastern Europe. Key suppliers consist of designers, subcontractors and suppliers of prefabricated building elements and construction materials as well as suppliers of certain raw materials. The construction industry may occasionally experience shortages of materials or skilled subcontractors, especially during periods of vigorous economic growth and high demand for construction services. Additionally, due to its use of subcontractors and material suppliers, YIT is exposed to risks related to the operations and financial position of such companies and risks of having business relations with such parties. YIT may not, for example, be able to conclude contracts with subcontractors and material suppliers under acceptable terms. Further, the quality, timing and cost-efficiency of the work performed or the quality and delivery times of the materials delivered by these operators may be inadequate and could lead to defects and faults.

As a result of the execution of the Merger between YIT and Lemminkäinen, all assets, debts and liabilities of Lemminkäinen, including on-going litigations, were transferred to YIT. For example, a possible quality issue has arisen in connection with one of Lemminkäinen's constructing projects concerning ready-mixed-concrete, which is supplied by an external entity and which does not necessarily and entirely meet the applicable strength conditions (more information provided in section "*Information about the Issuer – Legal proceedings*"). The possibility of similar cases to occur on YIT's construction projects cannot be excluded. It is also possible that the subcontractors and material suppliers face financial or other difficulties or problems related to, for example, the availability of labour, which could hamper their ability to deliver their products and services.

YIT may also be held liable for any defects or faults caused by its subcontractors even if YIT had fulfilled all its obligations concerning the supervision of work performed by subcontractors or their personnel. As a result, YIT may be claimed compensation for defects or faults in design, procurement and the quality of work that are detected during the liability period. Moreover, in building construction, especially in housing construction, a subcontractor's warranty liability towards the main contractor, i.e. YIT, is usually shorter than the main contractor's. There is a statutory 10-year liability for builders towards their customers in housing construction in Finland, which means that YIT could be held liable for errors committed by its subcontractors. Furthermore, it is possible that a subcontractor is financially unable to compensate for its errors or otherwise contests the claim regarding its liability, in which case it cannot be ruled out that YIT will not receive any compensation from a subcontractor, even if the division of the liability for damages would have been comprehensively agreed between such a subcontractor and YIT.



Problems faced by subcontractors, such as their financial or production-related problems, could have a material adverse effect on YIT's business. Additionally, YIT may not necessarily be able to find alternative subcontractors without delay to replace some of its subcontractors, or YIT may be forced to use a subcontractor of whose performance it does not possess prior experience. YIT may also become liable for damages for an accident at work suffered by a subcontractor if it occurs on YIT's construction site.

Possible errors or faults committed by subcontractors, their non-compliance with quality standards or delays or faults in the delivery of materials and other products as well as other aforementioned risks related to subcontractors could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to errors and misconducts committed by its own or its subcontractors' employees, and is responsible for its subcontractors' work performance.***

Construction projects include technical and operational risks, and the projects require continuous management of project plans, steering of the planning and implementation processes, quality control plans and supervision of implementation. YIT may also be liable for risks relating to subcontractors in terms of their compliance with their obligations, the quality of their work and them adhering to timetables, in addition to which costs may arise from additional work and modifications performed by subcontractors.

In addition to YIT's own employees, a certain number of subcontractors work on the company's construction sites on behalf of YIT. Due to human errors committed by YIT's employees or subcontractors, projects under construction could suffer sudden and unforeseen damages, such as fires, water damage or other damages, that could result in unforeseen expenses for YIT. An employee or subcontractor of YIT may also act against applicable laws, recommendations or YIT's guidance or its ethical and other operating principles, misuse or leak confidential information or otherwise abuse his or her position in YIT for dishonest or criminal ends. YIT's internal supervision practices and procedures may not provide sufficient protection from misconduct by its personnel or the personnel of its subcontractors, or from the abuse of confidential information or one's position. YIT has made every effort to avoid bad recruitments, to guide and supervise employees and subcontractors, and to make the necessary corrective measures. However, the risk of YIT becoming exposed to its employees' and subcontractors' errors and misconducts cannot be ruled out, which could lead to significant liabilities and costs for YIT.

The Finnish legislation concerning contractor's liability requires that the company that concludes a contract concerning work to be performed by leased labour or subcontractors must ensure that its subcontractors comply with their statutory obligations. Hence, when YIT uses a subcontractor or leased labour, it must make sure before signing the agreement that its contractual partner has been registered with the appropriate tax registers, paid its taxes and duly observed its obligations as an employer. In this context, the information must also be obtained concerning foreign companies. Deficiencies in these check-ups or failure to perform them altogether could lead to a penalty for negligence. Moreover, the construction industry applies reverse VAT liability, which places additional requirements to the management of subcontracting. Operating in other countries, YIT must comply with the requirements and obligations imposed by the particular country's legislation or regulation concerning contracting. If the subcontractors used by YIT do not comply with laws and regulations, YIT will also be exposed to a reputation risk.

If any of the aforementioned risks materialises, it could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to the sales and price risks of self-developed residential and business premises construction and may fail in acquiring of building plots.***

Part of YIT's operations is implemented through self-developed projects. In construction projects concerning self-developed residential and business premises, YIT is solely responsible for the execution of the projects and the procurement and development of the plots. Plots are acquired from both the public and the private sector. Housing and business premises projects involve risks related to the acquisition, availability and geographical location of plots, the outcome of zoning, approvals by the authorities, infrastructure connections, environmental regulations, the management of capital and financing expenses, terms of payment, the contractual terms of plot acquisitions and other contract terms, as well as YIT's ability to sell the apartments and business premises. In addition, some of the self-developed projects are built on plots owned by building plot funds, in which case YIT pays the funds rent for the plots and becomes exposed to risks related to long-term contractual liabilities. There are also no guarantees that YIT will, in the future, be able to acquire suitable sites for projects relating to repurposing of premises and to execute such projects according to

its plans. YIT has mitigated the risk relating to plot acquisitions with competence related to predicting demand, efficient project management and careful due diligence. If any of the aforementioned risks were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

YIT is also exposed to the sales, leasing and price risks related to self-developed residential and business premises construction projects. Demand for housing and business premises projects is materially affected by factors such as the financing available for the customer and its cost. If the banking regulation were to become stricter or the interest rates were to rise, it could have a negative effect on the demand for housing and business premises projects. In addition, plot procurement agreements concluded with the state or municipalities may in some cases also include clauses obligating YIT to complete construction on the procured plot within a certain time period, regardless of the demand and pricing situation, in which case YIT's exposure to the demand and price risk is increased.

The planning stage for YIT's self-developed construction projects normally lasts 1–2 years from the time a plot is acquired, and the construction stage itself lasts 1–2 years. Therefore, YIT is usually exposed to the market risk related to the demand and the prices of apartments for a period of 2–4 years. Although new self-developed residential projects are only started if the site has a sufficient reservation rate or otherwise secured demand, the sales of unreserved apartments within the planned timeframe may be challenging. The existing reservation rates or demand are no guarantees of purchasers being able to meet the terms of their commitment. These risks are especially enhanced in weak market situation. Any delays in selling apartments cause further delays in the revenue recognition, which, in turn, has an impact on YIT's result. Unsold apartments tie up capital, which may have an unfavourable effect on YIT's financing position. YIT may also be forced to reduce the selling prices of apartments, which has a negative impact on its results of operations.

In the business premises market, cyclical fluctuations in the economy and economic development have a profound impact on the market as well as the demand for business premises. Tenants' (including anchor tenants) reputation, expected turnover rate and ability to pay rent, as well as the occupancy rate and rent level of leased sites, have an effect on property investors' cash flow outlook. Together these factors affect property investors' willingness to invest in new projects. New self-developed business premises projects are only started if the site has a sufficient occupancy rate or otherwise secured demand, which means projects are not started especially during weak market conditions. Self-developed business premises projects are ordinarily sold to property investors by the initial stages of construction, at the latest. However, not even projects in which buyers have reserved business premises in advance are risk-free, as some of the buyers may not be able to fulfil their commitments, especially in an unstable economic situation.

Potential inability of YIT to sell or lease apartments or self-developed business premises projects, an increase in the customers' financing costs, problems with the procurement of plots, and depreciation of the value of plots or other property could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Changes in the business premises requirements of YIT's customers and in the operating environment of the consumer business could have a material adverse effect on demand for new business premises and business premises construction.***

Electronic commerce is becoming more and more important for companies that operate in the consumer business. A part of YIT's customers may transfer their consumer businesses fully or partially online, which could reduce customers' needs for new business premises and have a material adverse effect on the demand for commercial properties. In addition, the proliferation of open-plan offices and distance working have reduced demand for office premises. A decline in demand for new business premises and construction of business premises could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Maintaining the national security of supply and crisis construction could have a material adverse effect on YIT's business, financial position and future prospects.***

In an economic, humanitarian or military crisis, YIT could be subjected to important obligations with regard to maintaining the national security of supply, for example, in crisis construction especially in Finland. Such obligations could materially hinder YIT's business operations, which could lead to disturbances in performance in YIT's ongoing projects, and on the other hand, weaken YIT's ability and opportunity to carry out its business operations in line with its strategy. Moreover, if such crises are prolonged, it could also prolong the security of supply obligations, which could further increase the aforementioned risks in YIT's business. Obligations relating to the national security of supply, such

as crisis construction, could have a material adverse effect on YIT's business, financial position and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure in the management of YIT's capital and investments could have a material adverse effect on its business, results of operations and financial position.***

The management of YIT's capital structure, capital tied up in business operations and the amount of interest-bearing liabilities present a risk to YIT. Factors affecting the amount of YIT's interest-bearing liabilities include, for example, the expansion of the business operations and investments in production equipment, plot reserves and buildings. YIT has in particular tied up capital in plot reserves and their development as well as in ongoing construction projects (work in progress). The availability of capital and liquidity are critical for YIT's business operations, organic growth and the utilisation of strategic opportunities.

YIT's loan and financing agreements contain financial covenants, including YIT's gearing (the ratio of net debt to equity), interest cover ratio (EBITDA to net interest payments), as well as equity ratio (the ratio of shareholders' equity to balance sheet total). All financial covenants are calculated at the group level. The covenants related to these agreements have not been breached. The covenants may affect YIT's future financing and/or require negotiations with creditors. YIT's ability to fulfil its covenants could be influenced by significant investments or other changes in its operational capability and capital structure. In addition, events beyond YIT's control, such as changes in the capital and financial markets, foreign exchange rates, interest rates or loan margins, and cyclical fluctuations may have an effect on YIT's ability to fulfil its covenants. It is also possible that YIT, at any given time, could face difficulties in raising capital, which could lead to YIT's insolvency. There are no guarantees that YIT will be able to fulfil its financial covenants in the future.

YIT has aimed to mitigate the risk related to capital management by improving the relation of its net working capital to revenue as well as utilising various partnership models in its business operations where investments are small, such as in infrastructure construction. In business operations requiring higher amounts of capital, such as self-developed residential projects and property development projects, YIT has aimed to balance its capital investments in accordance with the market situation by reducing or increasing plot investments and housing and property development project initiations. It is expected that YIT will continue these measures in the future and assesses investments in line with its approved investment policy. In the Finnish housing market, YIT may also compensate for low consumer demand by selling apartments to professional investors. YIT has monitored the amount and structure of its capital by revising the amount of dividend it distributes, buying back its own shares and issuing new shares or selling its assets to reduce its debts. In Russia, YIT aims to reduce the capital tied up in Russia in total by approximately RUB 6 billion (approximately EUR 85 million<sup>11</sup>) by the end of 2018 as compared to the situation in June, 2016. Measures taken to release capital in challenging market situations involve the risk of financial losses.

Regardless of the active measures taken for managing capital and investment risks, YIT may fail to sufficiently manage such risks, which could have a material adverse effect on the availability of capital and liquidity and hence also on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may face a larger liability than expected for its deliveries and life-cycle projects as well as significant warranty-period liabilities.***

YIT has striven, as possible, to employ contract clauses that limit contractual liability, but such clauses may be less effective than anticipated. In addition, it has not been possible to include comprehensive limitations of liability in all of the contracts YIT has concluded, due to which individual contracts may include terms and conditions deviating from their standard contract forms to the detriment of YIT. YIT's contractual liabilities vary in accordance with different contract and agreement models. The liabilities and the risks arising from them are particularly emphasised in projects in which YIT has also been responsible for planning.

YIT may face liabilities due to, among others, the warranty obligations of long-term contracts or life-cycle projects, delays in agreed contracts or violations of other binding agreements of YIT. Such liabilities may arise regardless of YIT and be due to events or actors beyond YIT's control. The amount and extent of the liabilities of YIT have not necessarily always been assessed and limited effectively, and the efficiency of such contractual limitations on liabilities is uncertain. A potential realization of liability may have a negative effect on the customer relationships behind the

---

<sup>11</sup> The amount is calculated by applying the exchange rate of March 30, 2018.

agreements or result in significant monetary costs or losses of profit. In addition, determining the responsibility and negotiating for it may take a considerable amount of time and attention.

If any of the risks related to contractual liabilities were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Risks related to corporate acquisitions could have a material adverse effect on YIT.***

YIT aims to grow organically, addition of which YIT may strive to develop its business through corporate acquisitions, divestments of businesses or other corporate transactions. Corporate transactions may involve obligations and risks related to their nature or value. Risks related to the operations, financing, integration problems, market and macro-economic reasons and other factors could have a material adverse effect on YIT's business and financial position.

Secondly, in a situation where YIT could be pursuing acquisitions, there are no guarantees that it will be able to find suitable acquisition targets and execute the planned transactions. In case YIT aims to divest a part of its operations, there is a risk of a desirable purchaser cannot be found or that necessary regulatory or competition approvals cannot be obtained on commercially reasonable terms or at all, or that such divestments may have unexpected negative effects on YIT's other operations.

Thirdly, there can be no assurance that YIT will be able to finalise any such transaction within the required timeframe, at the desired price and commercial conditions, or at all, and there can be no guarantee that the integration of past or future acquisitions, and extraction of synergies, or the payment or other terms of past or future divestments will be materialised according to plan, that the counterparty to the transaction will fulfil its obligations under the transaction to YIT, or that the corporate transactions would not lead to materially adverse consequences due to the violations of the warranties and representations either given by or given to YIT. Expansion into new geographical regions through, for instance, corporate acquisition also involves the requirement to manage political, cultural and legal risks.

If corporate transactions are not realised as planned or within the anticipated timeframe or at all, or some of the other risks concerning corporate acquisitions presented above should materialise, it could reduce or delay the expected benefits of the transactions or exclude them entirely. This could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Variations in weather conditions could have an impact on the progress and volume of YIT's projects.***

Variations in weather conditions could hamper YIT's operations in the construction, paving and road maintenance business, delaying YIT's projects for which it often has tied up large amounts of capital. For example, cold and very snowy winters and exceptionally high rainfall could interrupt the implementation of projects and increase construction expenses, shorten the working season or cause significant delays to YIT's projects. Interruptions or significant delays to projects or a shortening of the working season could lead to losses of income, expose YIT to compensation obligations towards its customers, or weaken YIT's cash flow. These, in turn, could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Increased environmental regulation and potential liability associated with environmental compliance could increase YIT's costs or restrict its business operations.***

The majority of YIT's environmental impacts comes from its production facilities, selected construction materials and construction waste, transportation and emissions from construction. In connection with its business operations, YIT stores and handles, for example, oils, lubricants and other chemicals. YIT's most significant environmental risks consist of potential emissions of substances that are harmful to the environment. Other environmental risks could include, among other things, inadvertent supply to YIT of raw materials that contain harmful substances in excess of regulatory limits.

YIT may also, from time to time, purchase or sell land that has been formerly used for industrial purposes. The alteration of zoning of such land for residential purposes or the acquiring of building permits may require cleaning operations, reconstruction or modification measures in order to comply with the environmental legislation. There are no guarantees that the liability for performing such measures could be fully eliminated in the agreement on the acquisition or sales of such plots, and secondly, the liability may fall on YIT despite such contractual arrangements. Liabilities could also arise with regard to areas used in YIT's previous operations and which YIT no longer owns or controls, for

example areas where asphalt plants have located. Any possible financial liabilities for damage caused by YIT to the environment would depend on the gravity of the damage. The land areas used in projects could also have separate environmental protection value, and, in addition, a built-up environment could involve historical preservation value, which must be taken into consideration when executing a project. Such factors may cause delays or changes to the planned implementation of projects and thereby increase project costs.

YIT monitors its environmental impacts on a regular basis and develops its operations accordingly. YIT aims to operate responsibly and develop its operations in accordance with sustainable development principles. However, there can be no guarantees that YIT will be able to manage its environmental affairs in accordance with environmental laws and regulations as in force from time to time. Any future environmental laws that may be adopted or new interpretations or altered application practises of the existing ones may impose additional costs on the operations of YIT. Such liability for costs may also arise with regard to real estate properties that YIT owns, has previously owned, or where it has previously had operations, or in connection with a closure of production facilities.

YIT's business requires environmental and other regulatory permits and licences that are subject to modification, renewal or, under certain conditions, revocation by the issuing authority. Deficiencies in the management of YIT's permit application process or changes in environmental legislation or its interpretation by the authorities could significantly delay the process for obtaining the necessary environmental permits and licences or preclude certain previously allowed activities altogether. Furthermore, inadequate compliance with environmental legislation or enforcement of new environmental regulations could lead to increased costs, preventing YIT from developing its businesses and affecting the results of operations.

In a decision issued in April 2017, the Helsinki Court of Appeal ruled that Lemminkäinen had neglected the compliance with the conditions of its environmental permit at the Sammonmäki asphalt plant and sentenced two of Lemminkäinen's employees to pay day fines and ordered EUR 3.4 million in illegal profits to be confiscated from Lemminkäinen by the State. Lemminkäinen and one of its employees requested leave to appeal from the Supreme Court concerning Helsinki Court of Appeal's decision. In the Supreme Court's decision, leave to appeal was nevertheless rejected, which means that the verdict by the Court of Appeal will remain valid and enforceable. For more information, see "*Information about the Issuer – Legal Proceedings*".

Changes in the costs related to environmental compliance and potential liabilities arising from non-compliance with environmental legislation or regulations could considerably increase the costs of YIT's operations. Should significant environmental damage occur, it could also have a negative effect on YIT's reputation. Legislation also makes it possible in certain cases to exclude actors who have violated environmental legislation or regulations from public procurements. Any of these factors could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT's operating capability is dependent on ICT infrastructure, as well as management, reporting and monitoring systems, that could become damaged due to external or internal factors.***

Effective implementation of YIT's business is dependent on YIT's IT infrastructure, software and external ICT service providers, especially with regard to management, reporting and monitoring systems and the information they generate. The systems used by YIT have been developed and updated in recent years. The development and updating of the systems aims at improving their operational reliability and the accuracy of generated information. However, the updates already applied or possibly to be applied in the future can, in practice, increase short-term uncertainties related to the systems' use. Moreover, the systems used by YIT may be exposed to operational interruptions or disturbances, information saved in the systems may be lost or the information generated by the systems may prove incorrect or incomplete as a result of, for example, system updates, power cuts, data security breaches, human error, accidents or natural disasters. Similarly, problems or disturbances in the integration of ICT infrastructure or ICT systems following the Merger could have a negative effect on the continuity of YIT's business and its financial reporting. For information on cyber risks, see also " – *YIT may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.*".

Difficulties in maintaining, updating, integrating or outsourcing ICT and data processing systems and problems with the quality or information security of services and data could adversely affect YIT's business and administration. A failure in the maintenance of management, reporting and monitoring systems that are essential to YIT and the ICT infrastructure required by its operations could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is a party to associated companies and joint ventures which are subject to risks relating to, among other, disagreements regarding decision making and business operating, as well as distribution of liabilities among other parties.***

YIT is a party to associated companies and joint ventures, especially in Finland, and may also in the future become a party to associated companies and joint ventures through of which significant construction projects are also implemented. For example, the shopping centre project Tripla Mall and the Hamina–Vaalimaa motorway project as well as the office property projects in Tietotie 6 and Keilaniemenranta are implemented jointly through joint ventures or associated companies owned by YIT together with its contractual partners (YIT's ownership in the joint venture implementing Tripla project is 38.75 per cent, in the joint venture implementing the Hamina–Vaalimaa motorway 20 per cent of all the shares and votes in the joint venture and 50 per cent ownership in the associated company Regenero Oy implementing the office property projects in Tietotie 6 and Keilaniemenranta). The use of associated company and joint venture structures may be increased in the future also within the new business area Partnership Properties, which started on January 1, 2018.

Operating through associated companies and joint ventures involves risks. Agreements regarding associated companies and joint venture agreements may require unanimous consent or approval by shareholders' qualified majority in certain business or corporate law related decisions, which could possibly slow down or impede decision making process or make it impossible. In addition, disagreements between business partners may arise that concern, for example, implementation of projects, necessary actions and development of operations, or other typical risks involved in joint ownership structure, such as (i) possible joint or secondary liability for construction projects and any faults or delays in such projects or other liability for associated companies or joint ventures and their operations, (ii) challenges relating to maintaining uniform standards, processes and procedures as well as management systems or (iii) potential termination of the of joint ownership, or compulsory purchase or sales procedures initiated by the partner based either on its right or an alleged breach of any applicable joint venture agreement. Any such disagreements or risks as described above could have a material adverse effect on YIT's business, financial position and results of operations. YIT's ability to withdraw funds (including dividends) from or liquidate its holdings in associated companies or joint ventures can be conditional to the consent of the other parties to such entities or other contractual mechanisms. In certain occasions, YIT may be obliged by the agreements regarding associated companies or joint venture agreements to invest additional equity in these entities in addition to the already invested equity, the amount of which could be significant. Additionally, the parties financing such associated companies and joint ventures may provide that YIT guarantees loans granted to such associated companies and joint ventures. The risks related to guarantees and financial arrangements are described in more detail in the section “ – YIT may not necessarily receive financing or guarantees on competitive terms or at all and may not necessarily be able to fulfil its obligations under financial arrangements.”.

Any of the aforementioned factors may have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The materialisation of risks related to consortiums and alliance projects could have a material adverse effect on YIT.***

YIT may be a party in consortiums and alliance projects in which it does not have independent control. YIT's ability to withdraw funds from the fees received by a consortium and capacity to undertake measures that are deemed necessary could be dependent on the consent of the other parties to the consortium. Disputes between the business partners or other typical risks related to consortiums and alliance projects could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. These risks may involve, among others, any possible joint, individual or secondary liabilities for the consortiums' projects or business operations, the difficulty of maintaining consistent processes and procedures, or termination of the consortium by a business partner.

***Disturbances in YIT's business could have a material adverse effect on YIT.***

Operational risks in YIT's business are related to the functioning of internal processes or systems, the legal operating environment, the functioning of YIT's management and IT systems and YIT's ability to retain expert employees at its service. In addition, YIT is exposed to operational risks posed by the external operating environment, such as disturbances to the distribution of electricity or water, breakage of its equipment, fires and water damage, potential disturbances to payment transactions, for example, in Russia and other disturbances. Operational risks and the resulting losses could be due to inadequate internal processes and inconsistent procedures within YIT, errors committed by employees or subcontractors, the inability to comply with legislative requirements or YIT's internal guidelines, faults in equipment or disturbances to information systems or external systems, as well as natural catastrophes.

YIT has undertaken measures to manage operational risks and to mitigate any losses arising from them. However, there are no guarantees that such measures will be sufficient to manage all the operational risks to which YIT will be exposed. If any of the aforementioned risks or any other operational risk materialises, it could have, either severally or jointly with other risks, a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The materialisation of risks related to occupational health and safety could have a material adverse effect on YIT.***

Risks related to occupational health and safety may result in accidents inflicted in YIT's business operations. Construction sites are inherently dangerous working environments where serious or even fatal accidents may occur. Moreover, construction involves a great deal of work stages that involve a high physical strain. The most common injuries affect the back, knees and shoulders and, especially in paving, to fingers and lower extremities. YIT's business may also involve a risk of exposure to substances harmful to health and, in connection with renovations, also to asbestos. Any of the potential accidents could inflict injuries to the employees and disturb construction and other projects, which could result in a liability for YIT to compensate damages as well as delay projects and oblige YIT to take preventive or restoring measures. These and other costs and liabilities could have a material adverse effect on YIT's business, financial position and results of operations, reputation and ability to recruit competent personnel.

In its safety procedures, YIT has particularly focused on pre-emption and planning, making safety observations and improving the quality of the management's construction site rounds. The number of occupational accidents per one million work hours at YIT was 13 in 2017, whereas the corresponding figure in 2016 was 11. In 2017, one fatal accident occurred in YIT's operations in CEE countries, with the consequence of performing the necessary measures for investigating the accident and preventing its recurrence going forward. Also, YIT communicated the accident and its underlying causes in all of its operating countries to prevent similar accidents in the future. The number of occupational accidents per one million work hours at Lemminkäinen was 7 in 2017, whereas the corresponding figure for 2016 was 9.

In paving, a substantial safety risk is the by-passing traffic of the paving sites, which can cause serious injuries or fatal accidents. For example, in 2017 two fatal accidents involving employees of Lemminkäinen occurred at Lemminkäinen paving sites in Russia. Both the company's own employees as well as other road users may be subject to this risk. The risk is mitigated by careful planning, traffic arrangements as well as different warning lights and signs, but the risk cannot be completely excluded as the roads are kept open during the paving works.

YIT has issued group-wide guidelines and standard operating procedures for occupational health and safety and provides regular personnel training. YIT has also monitored the development of occupational safety at the unit, business division, business segment, management team and Board of Directors levels. Negligence in occupational safety could increase the number of fatal and serious accidents that cause permanent injury, which could expose YIT to the risk of additional costs in the form of, inter alia, corporate fines for occupational safety violations, damage claims and the costs of early retirement. The accident frequency rate may also become a factor that customers evaluate when considering YIT's eligibility for a tendering process, and it may thus limit YIT's ability to participate in tendering competitions.

YIT may fail to adequately manage the risks involved in occupational health and safety, thus if any of these were to materialise, it could lead to additional costs, loss of profits, reputational damage or potential compensation liabilities, which, in turn, could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure to meet customer and stakeholder expectations or to comply with product requirements and standards could have a material adverse effect on YIT's business and brand value and expose it to compensation claims.***

YIT's solutions and services are designed to meet customer expectations in terms of standards and quality, as well as comply with applicable laws and regulations. However, there are no guarantees that YIT's solutions and services will meet all of the aforementioned expectations and/or requirements in all circumstances or within the agreed timeframe. YIT's insurance coverage may not necessarily be sufficient to cover all potential liabilities related to YIT's solutions and services. Therefore, insurance may not necessarily cover, fully or at all, major claims or a series of smaller claims, for damages related to YIT's solutions or services or advice given to the customers in connection with solutions and services. This could have a material adverse effect on YIT's business, result, financial position and results of operations. YIT may be claimed for damages if it delivers faulty solutions or services. In addition, YIT could be liable to repair, either as a warranty work or otherwise, flaws or deficiencies detected in projects even after the warranty period has expired, and in residential construction generally even for a period of ten years, and in life-cycle projects for even a

longer period. If YIT were required to pay damages relating to its agreements or repair errors or deficiencies for which it has not prepared by subcontractor liabilities, it could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

If YIT fails to meet customer expectations or to comply with legal and regulatory requirements, this could, among other things, reduce YIT's sales and impair its brand value or lead to a liability to pay damages, which in turn could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The materialisation of risks related to regulation and legal proceedings could have a material adverse effect on YIT's business.***

YIT and its employees must comply with wide variety of laws and regulations enacted on both the EU and national level, including regulations on occupational safety, information security, environmental, labour and competition regulations, as well as corporate and securities market laws, accounting and tax laws, and in lately also import bans triggered by sanctions imposed on Russia. As part of its operations, YIT has taken and commenced to take measures for preparing for the recent and future legislative changes, such as the EU's general data protection regulation which has been directly applicable as of May 25, 2018. However, there are no guarantees that YIT will be able to successfully adapt its operations or strategy to changes in the regulatory framework the interpretation thereof, or to the loss of benefits associated with a certain status or permit. Such changes and failures in measures required by such changes could have a material adverse effect on YIT's result, or leading to an increase in its expenses or a slowing or even halting of the development of certain investments activities.

YIT's business is guided by its Business Principles, which is supplemented by various internal policies, principles and guidelines which YIT defines. There is a risk that YIT's employees could disregard the stipulations contained in legislation, regulations, permits and authority approvals, or YIT's internal guidelines. Liabilities could also be transferred to YIT for past or ongoing omissions or violations through corporate transactions or restructurings.

Claims made by YIT's customers or counterparties or the authorities against YIT could lead to legal proceedings, for instance, related to contractual liabilities, violations of environmental legislation, employer obligations, liability under securities market law, or anti-trust or anti-bribery matters or criminal issues. The outcome of such legal proceedings could be that YIT is obligated to pay damages or fines or that it is adjudged liable for damage based on joint and several liability on behalf of a third party, or to divest certain operations or to refrain from acquiring businesses, or otherwise refrain from increasing its market share in certain markets. Such legal proceedings could also have a negative effect on YIT's reputation from the perspective of its current and potential customers and counterparties, which could result in a loss of customers. Furthermore, there can be no assurance, that these kinds of proceedings could result YIT being excluded from some public procurement procedures. In addition, YIT could face material adverse consequences if contractual obligations were not enforceable as anticipated or if they were to be enforced in a manner adverse to YIT. For more information on YIT's pending legal proceedings, see "*Information about the Issuer – Legal Proceedings*". Any breaches or violations of internal or external regulations by YIT's employees could also have a direct material adverse effect on YIT if, for example, this resulted in corporate fines.

YIT may have to adjust its operations to changes in the regulatory system, if it is subject to any legal proceedings resulting in liability for YIT to pay fines or damages or imposing specific obligations on YIT, or excluding YIT on a case-by-case basis from public procurement procedures. This could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT has been exposed to the risk of damages related to the legal proceedings in asphalt cartel and quality concerns of ready-mixed concrete.***

On November 28, 2013, the District Court of Helsinki gave its decisions in the legal proceedings concerning damages related to the asphalt cartel. The capital amount of the claims against Lemminkäinen, partly based on alleged joint and several liability together with the other asphalt industry companies, amounted to a total of approximately EUR 121 million. Regarding the partly accepted 35 claims, the District Court ordered the defendants to pay in total approximately EUR 60 million, of which damages amounted to approximately EUR 34 million and interest and legal expenses to approximately EUR 26 million. Among the defendants, Lemminkäinen's share of the damages awarded to the claimants amounted to approximately EUR 48 million, of which damages of approximately EUR 26 million and interest and legal expenses of approximately EUR 22 million. Lemminkäinen paid its share of the damages and costs ordered by the



District Court in January 2014. In addition, Lemminkäinen paid on the basis of joint and several liability approximately EUR 10 million in damages and costs ordered for another defendant that was expected to be unable to pay its share.

Lemminkäinen appealed on March 31, 2014 to the Court of Appeal against all 35 decisions in which the claimants' claims were partly accepted. Altogether 23 claimants (22 municipalities and the Finnish State) lodged appeals with the Court of Appeal. On October 20, 2016, the Court of Appeal of Helsinki gave its decisions in the legal proceedings concerning the damages related to the asphalt cartel. Regarding the 37 claims against Lemminkäinen, Lemminkäinen and other asphalt industry companies are entitled to receive reimbursements in total approximately EUR 20 million (consisting of capital amount of approximately EUR 14 million less as well as interest and legal expenses of approximately EUR 6 million less than according to the decisions of the District Court). Of these reimbursements, Lemminkäinen is entitled to receive refunds (based on Lemminkäinen's own share and those shares of other defendants that Lemminkäinen has paid) in total approximately EUR 19 million consisting of capital as well as interest and legal expenses. Lemminkäinen recorded the reimbursement as income in its fourth-quarter result in 2016.

Lemminkäinen has as such deemed the claims for damages unfounded. After Helsinki Court of Appeal's decisions, Lemminkäinen has settled with 17 municipalities and the State of Finland. The parties agreed not to request leave to appeal from the Supreme Court or to withdraw their leave to appeal concerning the Helsinki Court of Appeal's decisions.

On September 6, 2017, the Supreme Court announced that it had granted leave to appeal to Lemminkäinen and the city of Vantaa regarding the legal proceedings concerning the damages related to the asphalt cartel. Concerning Lemminkäinen, there were 13 pending requests for leave to appeal submitted by Lemminkäinen as well as 19 requests for leave to appeal submitted by municipalities in the Supreme Court concerning the Helsinki Court of Appeal's decisions on October 20, 2016 regarding damages related to the asphalt cartel.

Lemminkäinen was granted leave to appeal in the cases concerning the cities of Mikkeli and Rovaniemi. The leave to appeal concerns the question whether the liability for compensation of Lemminkäinen has decreased due to the fact that the other parties' liability was time barred. The cities of Mikkeli and Rovaniemi were not granted leave to appeal. The other applications for leave to appeal by Lemminkäinen will await the decisions to be rendered in the cases where leave to appeal was granted (with the exception of the city of Kaarina, the application for leave to appeal of which will be decided on separately by the Supreme Court).

The leave to appeal granted to the city of Vantaa concerns the question whether Skanska Asfaltti Oy, NCC Industry Oy and Asfaltmix Oy were liable for damages caused by the cartel to the city based on the fact that the companies had acquired businesses from companies involved in the cartel. The question whether leave to appeal will be granted to Lemminkäinen and to the city of Vantaa, concerning other than the above mentioned issues, will be resolved in connection with the appeal. According to the Supreme Court's decisions on September 6, 2017, the applications for leave to appeal of 14 other cities or municipalities concerning Lemminkäinen were dismissed entirely. The application for leave to appeal by the city of Espoo will await the decisions to be rendered in the cases where leave to appeal was granted.

In addition, Lemminkäinen has been served summons regarding 21 claims against Lemminkäinen and other asphalt companies for damages. The capital amount of these claims is approximately EUR 26 million. For these claims, the company has made a provision worth approximately EUR 3.2 million based on the Helsinki Court of Appeal's decisions and the subsequent Supreme Court's decisions regarding the applications for leave to appeal.

In its construction business Lemminkäinen uses as a raw material, among other things, ready-mixed concrete. During the year 2016, especially in some infrastructure construction projects, suspicions have arisen that the ready-mixed concrete used in Finland would not entirely fulfil the predetermined quality requirements. As discussed in public in Finland, some quality problems have arisen for example during the construction of the concrete deck of the T3 building of Turku University Hospital, where Lemminkäinen is the project management contractor. It is claimed that the ready-mixed concrete would not fulfil the quality requirements, which even has led to the demolition of some structures.

The Hospital District of Southwest Finland, as client in the project for the construction of the concrete deck of the T3 building of Turku University Hospital, has presented claims for damages to Lemminkäinen relating to the quality of the ready-mixed concrete. The capital amount of these claims is currently approximately EUR 17 million.

According to Lemminkäinen, the responsible party for the quality of the concrete is the supplier. Consequently, Lemminkäinen has filed a claim to the District Court of Helsinki for compensation from the supplier, Rudus Oy, regarding the expenses relating to possible quality deviations. The capital amount of the claim is currently

approximately EUR 20 million. Lemminkäinen has not made any provisions for the claims. For more information on legal proceedings, see *“Information about the Issuer – Legal proceedings”*.

Should Lemminkäinen or YIT be ordered to pay damages related to the asphalt cartel exceeding those ordered in the Helsinki Court of Appeal’s decision on October 20, 2016 or the supplier of the concrete would not be ruled fully or at all liable for the caused damage or it would not be able to pay any of the possibly ruled damages, it could have a material adverse effect on YIT’s business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure in the protection of intellectual property rights could have a material adverse effect on YIT.***

YIT protects its intellectual property rights by, among other things, acquiring patents and trademarks and supervising them in its main markets. In addition to its patent portfolio and trademarks, YIT’s measures for protecting its intellectual property consist of business secrets, know-how, the development of new products and services and technological development in combination with non-disclosure agreements and certain other agreements protecting intellectual property rights. However, there can be no assurance that the measures YIT takes will effectively deter competitors from improper use of its intellectual property in all of its operating countries. Competitors may infringe the intellectual property rights owned or licensed by YIT, or disputes could arise as to ownership of intellectual property owned, used or licensed by YIT, and intellectual property may otherwise become known or the competitors could independently develop similar know-how. Moreover, certain technologies and processes used by YIT may be subject to the intellectual property rights of third parties. Such third parties may take legal actions against the infringements of their intellectual property rights, and any such claim could delay or prevent the sale or delivery of YIT’s products or services. Any failure by YIT to protect intellectual property or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on YIT’s business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may fail to maintain its insurance coverage or the terms and conditions of YIT’s insurances may not cover all of YIT’s losses or all claims for damage resulting from potential future accidents.***

YIT maintains insurance covering, among others, property damage, business interruption and product and general liability under terms and in amounts considered to be consistent with industry practices. However, YIT is not fully insured against all risks, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms or at all. Notwithstanding the insurance coverage that YIT carries, the occurrence of an insurance event that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles or self-insured retentions, or losses arising from events not covered by insurance policies, such as certain natural catastrophic events, could have a material adverse effect on YIT’s business, financial position and results of operations. Natural catastrophic events to which YIT may be exposed include, among others, windstorms, exceptional weather conditions, for example in the winter, and floods, which are inherently unpredictable in terms of both their occurrence and severity. YIT may also become exposed to the risk of terrorism, the materialisation of which could have a material adverse effect on YIT’s industry and business and thereby, on the Issuer’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.***

Information and cyber security risks in YIT’s operations are related to the detection of abnormalities in information security, adequate resourcing for cyber security and business interruptions caused by IT, data network and cloud computing services. In addition, the EU General Data Protection Regulation includes, among others, cyber security requirements. Information and cyber security risks and the costs related to them could be caused by inadequate internal processes and inconsistent procedures within YIT, mistakes or misconducts committed by employees or subcontractors, inability to detect abnormalities in information security and to address them effectively, inadequate technical information security controls (e.g. in cloud computing services), deficits in YIT’s internal guidelines, equipment failures or disturbances in information systems or external systems, denial-of-service attacks or cyber-crime. YIT may not necessarily be able to ensure that its internal supervision practices and procedures will protect it from misconduct, abuse of confidential information or misuse of positions of trust by its own personnel, subcontractors or the personnel of its customers and partner network. There can be no assurance that YIT will not suffer losses from such deficiencies in internal supervision procedures or by possible misconducts.

YIT has undertaken measures to manage these risks and to mitigate any related. However, there are no guarantees that such measures will be sufficient to manage all the information and cyber security risks to which YIT is exposed to. Should any of the aforementioned risks or any other information or cyber security risk materialise, it could have, either individually or collectively with other risks, a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT could fail in arranging effective internal control of its financial reporting and is subjected to the risk that its financial reporting is inaccurate or misleading.***

Effective internal controls are necessary for YIT to provide reliable financial information. YIT has implemented internal control and risk management systems as well as policies and controls regarding its financial reporting. If YIT, in spite of all precautionary measures, fails in maintaining effective internal control of the financial reporting or in adopting or integrating necessary new control procedures, it may have a material adverse effect on YIT's ability to produce and provide its management with timely, reliable, accurate and up-to-date financial information on the development of the business operations. These factors could thus lead to wrong decisions or actions by its management. The international operations of YIT are also subject to a risk of failure in uniform application of standards, administrative practices, as well as operating and reporting systems. Inaccurate and/or misleading financial reporting could also cause investors and other third parties to lose confidence in YIT's reported financial information or result in sanctions and liability for damages pursuant to securities market legislation if the information published by YIT on the market were incomplete or inaccurate.

Realization of any of the risks described above could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is jointly liable for certain commitments regarding the partial demerger of Caverion Corporation and YIT in 2013.***

Pursuant to the Finnish Companies Act, companies involved in a demerger shall be jointly and severally liable for the liabilities of the demerging company that have arisen before the implementation of the demerger has been registered. However, the liabilities of the demerging company that according to the draft terms of demerger devolve on another company shall be borne by a company only to the maximum amount of the net assets remaining with or transferred to it. In the partial demerger implemented at the end of June 2013, the assets, debts and liabilities related to YIT building services business were transferred to Caverion Corporation and the assets, debts and liabilities of the construction business remained with YIT. Therefore, it is possible that YIT may in an insolvency be liable for the debts and liabilities transferred to Caverion Corporation according to the draft terms of demerger, including debts and liabilities that have arisen during the period between the signing of the draft terms of the demerger and the registration of the implementation of the demerger and which had been allocated to Caverion Corporation in the draft terms of demerger. Based on, among others, the information disclosed by Caverion Corporation, it is not entirely excluded that YIT could be held liable for violations of law or regulations in the operation of Caverion Corporation that have taken place before the demerger. If any of these liabilities were to materialise, they could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT's reputation could be damaged, which could have an unfavourable effect on YIT's customer acquisition as well as its ability to recruit and retain key personnel.***

The references and recommendations given by existing customers and company's good reputation in general play a key role in customer acquisition and the competition for skilled personnel. YIT's reputation and brand may be exposed to negative publicity concerning YIT's operations, the entire construction industry and YIT's competitors. Thus, negative publicity over aspects relating to, for example, the quality of construction, occupational safety, compliance with laws and regulations, implementation of corporate responsibility or fulfilment of other obligations may materially damage the Company's reputation among its customers and its present and potential future employees, which could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The fair value of YIT's real estate properties and other owned assets may fluctuate, and YIT may not be able to sell properties at a financially reasonable price or at all.***

The fair value and market prices of real estate properties are affected by many factors, such as general and local economic conditions, interest rates, inflation expectations, GDP growth, private consumption, market rent, vacancy rates, real estate investors' return requirements and competition. In addition, urban planning and construction projects could have an impact on property values. The valuation of properties is based on assumptions that could prove incorrect, such as assumption on the future development of the real estate market, market return requirements and market rent. Any incorrect assumptions used as a basis for estimates or incomplete estimates could lead to valuations that differ materially from a property's market value. This could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Many factors affect the market value of properties held for sale, such as general economic conditions, interest rates, inflation expectations, investors' return requirements and the competitive situation. The sale of properties that are considered secondary in the market could also prove to be difficult for YIT. There are no guarantees that YIT will be able to execute property sales at acceptable prices in the future, or at prices that exceed the fair value of similar properties of YIT. The postponement of the sale of real estate assets or their sale at a loss could slow down YIT's planned growth, which could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. The postponement of the sale of real estate assets or their sale at a loss could also impact YIT's ability to refinance certain financing arrangements in accordance with plans. In addition to the properties, the aforementioned factors could affect the value of other assets owned by YIT, such as infrastructure assets (e.g. shares in road companies).

***YIT may not necessarily receive financing or guarantees on competitive terms or at all and may not necessarily be able to fulfil its obligations under financing arrangements.***

Uncertainty in the financial markets could lead to an increased cost and weaker availability of external financing required by YIT's business. YIT aims to mitigate the risk related to the availability of financing by concluding credit agreements with varying maturities and diversifying its counterparty risk, concluding committed revolving credit facilities and seeking financing by means of commercial papers and bonds. Although YIT's management believes that YIT currently has sufficient sources of capital and assets to serve its liabilities and that YIT's financial position enables it to obtain new financing, it is possible that YIT – at any given time – could face difficulties in raising capital and financing, which could lead to insolvency.

Failures in the efficient management of capital, including breaches of financial covenants included in financing arrangements and financing agreements or negligence related to YIT's financing arrangements, could result in premature termination of financing agreements or acceleration of credits and other financing arrangements. Such failures could also result in triggering of cross default clauses in other loan or financing arrangements of YIT, which could lead to premature acceleration of these other loan or financing arrangements. This could also hinder the availability of financing for YIT and distress YIT's liquidity and capital structure. It is not certain that YIT will be able to fulfil its financial covenants or any other obligations under financing agreements or receive financing it needs at a competitive price or at all in the future. YIT also operates in business areas in which guarantees are typically granted for customers or other stakeholders, for example for prepayments received, the fulfilment of contractual obligations and flaws during the warranty period. Such guarantees are typically granted by a bank, insurance company or parent company. As at March 31, 2018, YIT had granted, directly or indirectly, guarantees of in total EUR 1,475.6 million on behalf of companies that are part of its group. There can be no assurances that YIT will be able to obtain sufficient guarantees at a competitive price or at all.

If any of the aforementioned risks were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to liquidity and financial risks.***

YIT's primary sources of liquidity are cash flow from operations, cash and cash equivalents, loans drawn down under committed credit limits, bilateral loans, bonds, funds raised under a commercial paper programme, factoring and project-specific loans obtained for self-developed residential and business premises production. YIT's treasury function is responsible for adequacy of the group's liquidity and availability of sufficient credit limits and sources of funding. Unfavourable developments in the general economic situation could have a significant effect on YIT's ability to obtain

funding from the traditional financial markets. Long-term housing company loans concerning unsold shares in finished housing companies in the possession of YIT are recorded as current borrowings. When the construction is completed and the project company is sold, YIT no longer has responsibility of repaying or refinancing these borrowings.

As of March 31, 2018, 31 per cent of YIT's interest-bearing liabilities consisted of bonds, 25 per cent consisted of commercial papers, 6 per cent consisted of pension loans, 15 per cent consisted of loans from financial institutions, 18 per cent consisted of housing corporation loans, 2 per cent consisted of finance lease liabilities and 4 per cent consisted of other loans. YIT's current interest-bearing liabilities as of March 31, 2018 totalled EUR 449.0 million. YIT's non-current interest-bearing liabilities as of March 31, 2018 totalled EUR 483.5 million.

YIT manages the effects of cyclical fluctuations in short-term liquidity on the group's liquidity by using commercial paper programmes and committed revolving credit facilities and overdrafts. The funding received through YIT's commercial paper programmes, however, is highly dependent on the functioning of the commercial paper markets, and any disruptions to these markets could have a material adverse effect on YIT's liquidity. On August 24, 2017 YIT concluded an agreement on a EUR 300 million committed revolving credit facility, which replaced YIT's previous revolving credit facility agreement on February 1, 2018. See "*Information about the Issuer – Material Contracts*".

Difficulties in refinancing the group's short-term debts as they fall due could have a material adverse effect on YIT's liquidity. Since the proportion of short-term debts to the group's total interest-bearing debts is high, YIT could face difficulties in refinancing its short-term loans, which in turn could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The interest rate on YIT's financing arrangements may fluctuate.***

Fluctuations in interest rates may have an effect on YIT's value, its result and cash flows. YIT's interest rate risk consists mainly of short and long term loans, receivables sold to banks and financial institutions, interest-bearing receivables and interest rate derivatives. As of March 31, 2018, 76 per cent of YIT's interest-bearing liabilities, including the effect of derivative instrument, were at fixed rate. Fluctuations in interest rates may also cause variation to YIT's annual contributions to benefit based pension plans and benefit liabilities. YIT uses interest rate swaps to manage interest rate risk.

Fluctuations in interest rates have a direct impact on both YIT's financing expenses as well as YIT's customers' investment decisions, and therefore on YIT's cash flows from operations. Rising interest rates would increase both YIT's as well as its customers' financing expenses and could therefore potentially reduce the demand for residential units.

YIT has entered into agreements in foreign currencies. Such contracts have been hedged using, among others, forward contracts. Forward contracts in foreign currencies expose YIT's result to interest rate risk. The main currencies in respect of which YIT is exposed to interest rate risk are the Russian rouble, the Norwegian krone, the Swedish krona, the Danish krone, the Polish zloty and the Czech koruna.

All increases or decreases in interest rates will impact YIT's finance expenses and its future refinancing expenses. If interest rates decrease, YIT may have to pay interest in higher rates than it would have, had it not hedged its interest rate risk and may therefore have to bear the expenses for the hedging without receiving any benefits. Furthermore, the payment default of a counterparty in a hedging transaction or the premature termination of a hedging transactions may lead to higher interest expenses without any benefit from hedging transactions. Further, YIT may be unable to use hedging instruments in accordance with its hedging strategy. It may also be exposed to increasing hedging expenses or it may be incapable of obtaining hedging in the first place. It is not certain that YIT is able to succeed in hedging against interest rate fluctuations or that YIT's hedging strategy is sufficient to dilute the material negative impact that interest rate fluctuations may have on its business operations.

Irrespective of the measures taken to manage interest rate risk, YIT may fail in adequately managing such risks, which could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to foreign exchange risks especially with respect to the Russian rouble, the Norwegian krone, the Swedish krona, the Danish krone, the Polish zloty and the Czech koruna.***

YIT is exposed to foreign exchange risks, both translation and transaction risks, arising from exchange rate fluctuations. The translation risk arises from the translation of foreign subsidiaries' income statements and balance sheets to YIT's operating currency. In practice, YIT's translation risk arises from YIT's equity investments in foreign units and from their undistributed profits. The transaction risk arises from the foreign currency denominated transactions from operations and financing. YIT has aimed to hedge against foreign exchange transaction risks primarily through operational means. In addition, transaction risks have been hedged by using foreign exchange loans or foreign exchange derivatives. The main currencies with respect to which YIT is exposed to the foreign exchange risk are the Russian rouble, the Norwegian krone, the Swedish krona, the Danish krone, the Polish zloty and the Czech koruna. The most significant foreign exchange risk relates to YIT Group's rouble-denominated equity investments in the Russian units.

YIT strives to mitigate foreign exchange risk by, among other things, keeping net investments in other countries at an optimal level and hedging against transaction risks. Any unfavourable changes in foreign exchange rates, especially in the group's operating currencies, could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT is exposed to credit and counterparty risks.***

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards YIT. YIT is exposed to credit and counterparty risks through all of its trade receivables and receivables related to financing intermediaries, such as cash, deposits, derivatives, receivables under guarantees and other receivables. Currently, YIT manages its credit risk by retaining the ownership right to buildings under construction, such as housing and office buildings, until payment has been received in full. YIT manages its credit risk also through prepayments, by retaining pledged assets (e.g. interim certificates and mortgage deeds) until the completion of the construction if the ownership right is transferred at the beginning of the project, with accelerated payment schedules for projects, with guarantees, with credit risk insurances and with careful background checks on customers. That includes a review of customer's credit history, for example from rating agencies, in accordance with YIT's credit policies. Sale of trade receivables (factoring) also reduces the credit risk. In 2017, YIT's impairments of trade receivables totalled EUR 0.2 million, and in 2016, EUR 0.5 million.

If any of the counterparties fail to fulfil their obligations towards YIT, it could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***YIT's tax burden may increase due to changes in tax legislation or its application or as a result of a tax audit, and YIT may not be able to utilise its deferred tax assets.***

Due to the international nature of its business, YIT is subject to tax laws and regulations of several jurisdictions, especially with respect to transfer pricing. Pursuant to applicable regulations, companies must conclude any intra-group transactions on an arm's length basis and provide sufficient documentation thereof in accordance with applicable rules of the relevant jurisdictions. YIT has transfer pricing guidelines. Despite this, tax authorities may question the conformance of the transfer pricing rules YIT follows in its operations. Therefore, YIT's tax burden is dependent on certain elements in tax laws and regulations in different jurisdictions and their application and interpretation. Changes in tax laws and regulations and their interpretation and application could increase YIT's tax burden significantly, which could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The management's estimates form a part of the criteria for recording deferred tax assets. The most common deductible temporary difference between taxation and accounting is a tax loss. The management must estimate whether a sufficient amount of taxable income will be generated in the future against which unused tax loss carry forwards can be utilised. A deferred tax asset is recorded on losses only to the extent of taxable income that it is probable will be generated in future years against which YIT will be able to utilise its tax loss carry forwards. YIT's deferred tax assets in the consolidated statement of financial position totalled EUR 72.5 million as of March 31, 2018. YIT's ability to generate taxable income will be subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If lower taxable income than the amount assumed when estimating YIT's deferred tax assets, then the value of the deferred tax assets would be reduced, which could have a material adverse effect on YIT's business, financial position and results of operations. In addition, the value of YIT's deferred tax assets would be

reduced if tax rates are reduced. The loss of tax loss carry forwards or YIT's inability to utilise tax loss carry forwards in full could have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

YIT has participated, and may also participate in the future, in corporate transactions. Tax authorities may reject some of the views presented by YIT and as a consequence levy back taxes or reject tax refund demands.

YIT can be, from time to time, subject to normal tax audits performed by national tax authorities. Future tax audits or other review actions of tax or other relevant authorities could lead to additional taxes, such as income taxes, withholding taxes and property taxes, capital gains taxes, asset transfer taxes and value added taxes, being levied. This could lead to an increase in YIT's tax liabilities either through the tax in question being levied directly on YIT or through YIT being considered liable to pay the tax as a secondary tax-liable entity.

Ongoing and future tax audits and claims could have an effect on YIT. Tax authorities could question some of YIT's views, as a result of which additional taxes could be levied, or some tax assets questioned in YIT's taxation. YIT is not aware of any material items that are under review or disputed for which tax expenses have not been recorded. Although YIT currently believes that the aforementioned processes do not have a significant effect on YIT's financial position and profitability, the materialisation of any of the abovementioned risks could have a material adverse effect on YIT's business, financial position and results of operations and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Any impairments on goodwill, other intangible or tangible assets, investments or inventories could have a material adverse effect on YIT's financial position and result.***

As of March 31, 2018, following the Merger of YIT and Lemminkäinen, YIT's statement of financial position included EUR 311.3 million in goodwill, EUR 58.5 million in other intangible assets, such as customer relationships, patents and software, EUR 214.2 million in tangible assets and EUR 142.0 million in investments in associated companies and joint ventures.

Other intangible and tangible assets are amortised and depreciated over their useful life. These assets and the investments in associated companies and joint ventures are tested for impairment if events or changes in circumstances indicate that the carrying value of an asset exceeds its fair value. Goodwill is not amortised but instead tested annually for impairment and whenever there are indications of impairment. The key assumptions affecting the present value of cash flows are developments in the market and the competitive situation, the extent and profitability of the tested business and the discount factor. In impairment testing, the discounted present value of the recoverable cash flows of each cash-generating unit are compared to the unit's carrying value. If the present value of a cash-generating unit's cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Changes in income, growth development or the cash flow forecasts based on YIT's strategic plans, the discount rate or terminal growth could lead to write-downs on goodwill, which could weaken YIT's result. Other events or circumstances that lower the value of goodwill may include greater economic uncertainty, growing competition and factors leading to a decline in sales or profitability.

YIT's inventories as of March 31, 2018 stood at EUR 2,081.0 million. YIT's inventories are recorded at the lower of cost or net realisable value. The cost of the acquired Lemminkäinen inventory was fair valued at the merger date. Key components of YIT's inventories include unfinished and finished apartments, unfinished and finished business premises, unbuilt plots of land and mineral aggregate reserves. Apartments, business premises and plots are especially sensitive to the market risk. The geographical location of such assets at both the national and regional level may affect the level of the market risk, as there may be significant regional differences in demand and market growth.

If YIT's management's discretion, assumptions or estimates or market conditions change, the estimate of the recoverable amount of goodwill and other intangible assets or tangible assets or the value of investments in associated companies and joint ventures or inventories could decline significantly, causing impairments. Impairment losses could have a material adverse effect on YIT's business, financial position, results of operations, reputation and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The timing of the revenue recognition of projects could cause YIT's result to fluctuate.***

Residential development projects are projects developed by YIT which are not sold as construction begins and of which individual apartments are sold instead of entire buildings. The revenue from residential development projects, where the

criteria for revenue recognition over time are not met, is recognised at a point in time when the control of the asset is transferred to the customer i.e. the asset is completed and handed over to the customer. Revenue recognition of completed projects is based on the degree of sale. If the completion of residential development project deviates from original plan, the timing of the revenue recognition of such a project could cause YIT's result to fluctuate from one reporting period to another.

Revenue from construction and paving services are recognised over time, if the criteria for revenue recognition over time is met. The amount of revenue recognised from such a contract may fluctuate from one period to another if the projects percentage of completion deviates from original plan. Additionally, timing of revenue recognition may fluctuate due to changes to contract scope after work has been started, disputes related to additional work or modifications, or due to the cancellation of the projects.

If the management estimates that a construction project will generate a loss, i.e. its total expenses will exceed its total revenue, the loss is recognised as an expense immediately. If YIT's management is unable to estimate the total result reliably, revenue from a customer contract is recognized only to the extent that an amount equivalent to costs incurred will probably be recoverable and costs are recognised as an expense during the financial year in which they are incurred.

The timing of the revenue recognition of the projects could cause YIT's result to fluctuate from one reporting period to another. In addition to revenue recognition having a direct effect on the result for the period in question, fluctuations in the result could also affect, among other things, YIT's ability to fulfil the covenants relating to its revolving credit facilities which are reviewed quarterly, and could thus have a material adverse effect on YIT's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Due to the adoption of the "IFRS 16 – Leases" standard, YIT will be forced to change its accounting policies and may be forced to adjust some of the consolidated financial statements it has published and change the way in which it conducts its business operations.***

The International Accounting Standards Board ("IASB") has published the "IFRS 16 – Leases" standard, which will become effective on January 1, 2019, although may be implemented by the companies prior this date. The EU has adopted the "IFRS 16 – Leases" standard and YIT is currently analysing the standard's potential impacts on their consolidated financial statements upon first-time adoption.

As of the date of this Listing Prospectus, YIT had not yet determined the final effects of the "IFRS 16 – Leases" standard on its consolidated financial statements. However, taking into account that YIT leases, among others, business premises, plots, company cars, construction site premises (containers) and machinery from external parties both for periods exceeding 12 months as well as under contracts that can be terminated without notice, the adoption of "IFRS 16 – Leases" in 2019 is expected to have an impact on YIT's consolidated financial statements. The impact is due to the recognition of the present values of the lease liabilities on the leased assets on the statement of financial position when applying the standard. The amount of YIT's off-balance sheet lease liabilities for operating leases as at March 31, 2018 was EUR 157.8 million. In addition, based on these operating leases, the current paid lease expenses will be reclassified as depreciation and financial expenses. Although currently the adoption of the IFRS 16 standard is not expected to impact YIT's cost of debt or ability to raise new financing, there are no guarantees that this will remain so in the future. For more information, see the risk factor " – YIT may not necessarily receive financing or guarantees on competitive terms or at all and may not necessarily be able to fulfil its obligations under financial arrangements." above.

As a result of the new IFRS standards, YIT may be required to change its accounting policies to alter its operational policies to that they reflect new financial reporting standards or to restate its published consolidated financial statements. Such changes could have a significant impact on YIT's business, results of operations and financial position and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes, or they could cause a material deviation from the targets concerning profitability and the balance sheet structure.



***The Unaudited Pro Forma Financial Information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from the actual operating results of YIT following completion of the Merger.***

The Unaudited Pro Forma Financial Information is presented for illustrative purposes only and is not necessarily indicative of the results of YIT's operations that would have been realised had the Merger occurred as of the date indicated, nor is it meant to be indicative of any anticipated future results of operations that YIT may experience going forward. The Unaudited Pro Forma Financial Information has been prepared based upon certain assumptions and estimates that YIT currently believes are reasonable. The Unaudited Pro Forma Financial Information reflects the impact on the results of operations from the allocation of the purchase consideration to the Lemminkäinen's acquired assets and liabilities assumed, alignment of the presentation of Lemminkäinen's income statement information with YIT's presentation, alignment of the accounting policies of Lemminkäinen with those of YIT and the impact of the refinancing under the financing agreements contingent on the Merger. For additional information, see "*Unaudited Pro Forma Financial Information.*"

### **Risks relating to the Notes**

The following risk factors are, among other things, material in order to assess the risks associated with the Notes. Words and expressions in this section shall have the meaning defined in the Terms and Conditions of the Notes.

***The Notes may not be a suitable investment for all investors.***

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Investors may lose their investment in the Notes.***

Investors of the Notes are exposed to a credit risk in respect of the Issuer. The investor's possibility to receive payment under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which in turn is to a large extent dependent on developments in the Issuer's business and financial performance. Should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of its investment decisions.

***No guarantee or security.***

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of the Issuer's bankruptcy. Accordingly, in addition to that any adverse change in the financial condition or prospects of the Issuer may have an adverse effect on the liquidity of the Notes, and may result in a decline in their market price, such adverse change may endanger the probability that the Noteholders will receive prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Noteholders pursuant to the Notes from time to time.

***The Notes or the Issuer are not currently rated by any rating agency.***

The Notes or the Issuer are not currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes and/or increase the borrowing costs of the Issuer.

One or more independent credit rating agency may independently assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

***Active trading market for the Notes may not develop.***

The Notes constitute a new issue of securities and there has been no prior public market for the Notes. Although application has been made to list the Notes on the Helsinki Stock Exchange, there can be no assurance that such application will be approved. Further, even if the listing application is approved, there can be no assurance that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such a market. In the absence of a secondary market, Notes may be difficult to sell at a satisfactory market price and the investor should be aware that it may realize a loss upon sale if Notes are sold prior to the redemption date. Even if the Notes are listed on an exchange, trading in the Notes will not always take place. Thus, it may be difficult and costly for the holder of the Notes to sell Notes within a short time frame, or at all, and it may be difficult for the holder to obtain a price that is equivalent to the price obtainable for securities that are traded in a liquid secondary market.

The liquidity and the market price for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market price of the Notes, which may trade at a discount to the price at which the Noteholder invested in the Notes. Moreover, if additional and competing products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

***Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates.***

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, benchmark rates of central banks, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the prospective investors in the Notes should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

***YIT may incur additional debt without the consent of the Noteholders.***

YIT may be able to incur additional debt in the future. Although Clause 9.1 (*Negative Pledge*) and Clause 9.7 (*Limitation on Financial Indebtedness*) of the Terms and Conditions of the Notes contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial and secured. Under the Terms and Conditions of the Notes, in addition to specified permitted indebtedness and secured indebtedness, YIT will be able to incur additional indebtedness so long as the ratio of Consolidated EBITDA to Total Net Interest Costs for the Relevant Period ending on the last day of the period covered by the most recent consolidated financial statements published by the Issuer in accordance with Clause 8.1 (*Information from the Issuer*) is no less than 2.0, where the Total Net Interest Costs shall in the said calculation include the aggregate pro forma finance costs of the incurred Financial Indebtedness for the following 12 month period. If the Consolidated EBITDA to Total Net Interest Costs is less than 2.0, YIT's ability to incur debt will be limited to that described in Clause 9.7.3 of the Terms and Conditions of the Notes. Incurring additional debt permitted under the Terms and Conditions of the Notes may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer.

***No voting rights in the Issuer's general meetings.***

The Notes carry no voting rights with respect to the general meetings of shareholders of the Issuer. Consequently, in the Issuer's general meetings of shareholders the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

***No assurance on change of laws or practices.***

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices change. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision being given or administrative practice being changed after the date of this Listing Prospectus. Hence, if materialized, such an event may have an adverse effect on Issuer's business, financial condition, results of operations and future prospects and, thereby, Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Such an event may also cause financial losses or damage to the Noteholders.

***The Notes do not, as a principal rule, contain covenants governing the Issuer's operations and do not limit its ability to merge with its subsidiaries, effect asset sales or otherwise effect significant transactions that may have an adverse effect on the Notes and the Noteholders.***

The Issuer and its subsidiaries may be able to merge, effect asset sales or otherwise effect significant transactions without the consent of the Noteholders. Although the Terms and Conditions of the Notes contain restrictions on the Issuer's ability to enter into an asset sale transaction, these restrictions are subject to several significant qualifications and exceptions.

In the event Issuer was to enter into such a transaction, Noteholders could be materially and adversely affected. Furthermore, the Terms and Conditions of the Notes do not restrict any of the current shareholders of the Issuer from disposing any or all of their shareholdings.

***The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems.***

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd. Pursuant to the Act on the Book-Entry System and Clearing Activities (348/2017, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland Ltd. or its account operator. The Notes are dematerialized securities, and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland Ltd. and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland Ltd.'s systems to process the Notes are likely to be changed materially due to the introduction of the Target 2 securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland Ltd. and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

***Repurchase of the Notes by the Issuer prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding.***

As specified in the Terms and Conditions of the Notes, the Noteholders are entitled to demand the repurchase of the Notes at a price per Note equal to 100 per cent of the nominal amount of the Note together with accrued but unpaid interest in case of a Change of Control Event or a Demerger Event (see Clause 7.5 (*Mandatory repurchase due to a Change of Control Event or a Demerger Event (put option)*)). Such repurchase may have an adverse effect on YIT's business, financial condition, results of operations and future prospects and, thereby, on YIT's ability to fulfil its

obligations under the Notes of such Noteholders who elect not to exercise their right to get their Notes repurchased, as well as the market price and value of such Notes.

As specified in the Terms and Conditions of the Notes, the Issuer is, at the times specified in the Terms and Conditions of the Notes, entitled to repurchase the 2021 Notes or 2023 Notes at a price per Note equal to 100 per cent of the nominal amount of the Note, added with the repurchase fee defined in the Terms and Conditions of the Notes and the accrued but unpaid interest. Such repurchase may have an adverse effect on YIT's business, financial condition, results of operations and future prospects and, thereby, on YIT's ability to fulfil its obligations under the remaining Notes, as well as the market price and value of such Notes.

In addition, as specified in the Terms and Conditions of the Notes, YIT may at any time purchase Notes in any manner and at any price prior to maturity. Only if such purchases are made through a tender offer, such tender must be available to all Noteholders on equal terms. YIT is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to YIT in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by a tender offer or otherwise – may have an adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

Furthermore, if at least 75 per cent of the aggregate nominal principal amount of the Notes has been repurchased pursuant to a demand by the Noteholders based on a Change of Control Event or a Demerger Event, the Issuer is entitled to repurchase also the remaining outstanding Notes at a price per Note equal to 100 per cent of the nominal amount of the Note together with accrued but unpaid interest by notifying the Noteholders of such repurchase. Such repurchase initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

***The Issuer may not be able to finance the repurchase of the Notes following a Change of Control Event or a Demerger Event.***

Upon a Change of Control Event or a Demerger Event, the Noteholders are entitled to demand repurchase of the Notes at a price per Note equal to 100 per cent of its nominal amount together with accrued but unpaid interest. The source for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer. If a Change of Control Event or a Demerger Event occurs, there can be no assurance that the Issuer will have or will be able to generate sufficient funds to repurchase the Notes that have been requested to be repurchased.

***The Issuer is not obliged to compensate for withholding tax or similar on the Notes.***

In the event of any withholding tax, public levy or similar being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding tax or similar. Furthermore, the Noteholders do not have any right to a premature redemption of the Notes based on the same.

***Modification of the Terms and Conditions of the Notes, such as change of Issuer or change of the interest rate or the nominal amount of the Notes, bind all Noteholders.***

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. Pursuant to Clause 13.5 of the Terms and Conditions of the Notes, consent of the Noteholders representing at least 75 per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a procedure in written is required for the following matters: a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6, a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 7 (*Redemption and repurchase of the Notes*), a change to the Interest Rate or the Nominal Amount of the Notes, a change to the terms for the distribution of proceeds set out in Clause 11 (*Distribution of proceeds*), a change to the terms dealing with the requirements for Noteholders' consent set out in Clause 13 (*Decisions by Noteholders*), a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes, a mandatory exchange of the Notes for other securities and early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 10 (*Acceleration of the Notes*) or as otherwise permitted or required by the Terms and Conditions of the Notes.

The Terms and Conditions of the Notes contain provisions for Noteholders to call and attend meetings or participate in a procedure of writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings or in a procedure of writing will bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or participate in a procedure of writing and Noteholders who voted in a manner contrary to the

majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting or participate in a procedure of writing and Noteholders who voted in a manner contrary to the majority.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***The right to payment under the Notes may become void due to prescription.***

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years.

***The rights of the Noteholders depend on Intertrust (Finland) Oy's (the "Agent") actions and financial standing.***

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Agent (being on the Issue Date Intertrust (Finland) Oy) to act on its behalf and to perform administrative functions relating to the Notes. The Agent shall have, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. However, the rights, duties and obligations of the Agent as the representative of the Noteholders will be subject to the provisions of the Terms and Conditions of the Notes and the Agency Agreement, and there is no specific legislation or established market practice in Finland which would govern the Agent's performance of its duties and obligations relating to the Notes. A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders. Under the Terms and Conditions of the Notes, the funds collected by the Agent as the representative of the Noteholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions of the Notes. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Furthermore, it cannot be excluded that the successor Agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Intertrust (Finland) Oy, being the Agent on the Issue Date, has a professional indemnity insurance which the Agent considers to be in line with market practice. There is however no assurance whether this insurance will be maintained/renewed until the maturity of the Notes or whether any successor Agent will have liability insurance.

Materialization of any of the above risks may have an adverse effect on the enforcement of the rights of the Noteholders and the rights of the Noteholders to receive payments under the Notes.

## GENERAL INFORMATION

### **The Issuer and Certain Other Parties**

#### ***Issuer***

YIT Corporation  
Panuntie 11  
FI-00620 Helsinki, Finland

#### ***Joint Lead Managers***

OP Corporate Bank plc  
Gebhardinaukio 1  
FI-00013 OP, Helsinki, Finland

Skandinaviska Enskilda Banken AB (publ)  
Eteläesplanadi 18 / P.O. Box 630  
FI-00101 Helsinki, Finland

#### ***Legal Advisor to the Issuer***

Hannes Snellman Attorneys Ltd  
Eteläesplanadi 20  
FI-00130 Helsinki, Finland

#### ***Auditor of the Issuer***

PricewaterhouseCoopers Oy  
Itämerentori 2  
FI-00180 Helsinki, Finland  
Chief Auditor: Juha Wahlroos

#### ***Agent***

Intertrust (Finland) Oy  
Kaisaniemenkatu 4  
FI-00100 Helsinki, Finland

### **Responsibility Statement**

This Listing Prospectus has been prepared by the Issuer and the Issuer accepts responsibility regarding the information contained in this Listing Prospectus. To the best knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### **Auditors of the Issuer**

The Annual General Meeting held on March 16, 2018 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as YIT's auditor, with Juha Wahlroos, Authorised Public Accountant, as the responsible auditor.

YIT's audited consolidated financial statements as at and for the years ended December 31, 2017 and December 31, 2016, incorporated by reference into this Listing Prospectus, have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Juha Wahlroos, Authorised Public Accountant, as the responsible auditor.

### **Financial Information**

#### ***Historical Financial Information of YIT***

YIT's unaudited consolidated financial information as at and for the three months ended March 31, 2018, including unaudited consolidated comparative financial information as at and for the three months ended March 31, 2017, and YIT's audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016 have been incorporated by reference into this Listing Prospectus. YIT's audited consolidated financial statements have been

prepared in accordance with the IFRS as adopted by the European Union. YIT's unaudited consolidated financial information as at and for the three months ended March 31, 2018 has been prepared in accordance with the IFRS, but all the requirements of the IAS 34: Interim Financial Reporting have not been met.

### ***Historical Financial Information of Lemminkäinen***

Lemminkäinen's audited consolidated financial statements as at and for the one month ended January 31, 2018, and Lemminkäinen's audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016 have been incorporated by reference into this Listing Prospectus. Lemminkäinen's audited consolidated financial statements have been prepared in accordance with the IFRS as adopted by the European Union.

Lemminkäinen's audited consolidated financial statements as at and for the one month ended January 31, 2018 and as at and for the years ended December 31, 2017 and December 31, 2016 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Markku Katajisto, Authorised Public Accountant, as the responsible auditor.

### ***Unaudited Pro Forma Financial Information***

The unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented for illustrative purposes only to give effect to the Merger of YIT and Lemminkäinen.

The Unaudited Pro Forma Financial Information for the year ended December 31, 2017, and for the three months ended March 31, 2018, combines historical consolidated income statements of YIT and Lemminkäinen to give effect to the Merger as if it had occurred on January 1, 2017. As the Merger was completed on February 1, 2018, the effect of Lemminkäinen's results of operations and the acquired assets and liabilities assumed are included in YIT's consolidated financial information as from the acquisition date and Lemminkäinen is fully consolidated to YIT's statement of financial position as at March 31, 2018. Accordingly, no pro forma statement of financial position is presented in the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II to the Commission Regulation (EU) N:o 809/2004, as amended, and on a basis consistent with IFRS as adopted by the EU. The Unaudited Pro Forma Financial Information for the year ended December 31, 2017 is prepared on a consistent basis with the accounting policies applied in YIT's audited consolidated financial statements for the year ended December 31, 2017. The Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 is prepared on a consistent basis with the accounting policies applied in YIT's unaudited interim consolidated financial statements for the three months ended March 31, 2018.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are based upon certain assumptions, described in the accompanying notes thereto, that management believes are reasonable under the circumstances. The Unaudited Pro Forma Financial Information has been prepared by management for illustrative purposes only and is not necessarily indicative of the results of YIT's operations that would have been realised had the Merger occurred as of the date indicated, nor is it meant to be indicative of any anticipated future results of operations that YIT may experience going forward. In addition, the accompanying unaudited pro forma combined income statements do not reflect any cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred by YIT.

The Unaudited Pro Forma Financial Information does not include all information required to be included in financial statements prepared in accordance with IFRS and they should be read together with the historical financial information of YIT and Lemminkäinen incorporated by reference to this Listing Prospectus.

See also "*Unaudited Pro Forma Financial Information*" and "*Risk Factors—Risks Relating to YIT and its Operating Environment—The Unaudited Pro Forma Financial Information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from the actual operating results of YIT following completion of the Merger.*"

### ***Alternative Performance Measures***

This Listing Prospectus includes certain performance measures of YIT's financial performance and financial position, which, in accordance with the "*Alternative Performance Measures*" guidance issued by ESMA are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures.

YIT presents the following alternative performance measures:

- Operating profit, which is defined as net result for the period before taxes and net finance expenses.

- Adjusted operating profit, which is defined as operating profit excluding adjusting items.
- Adjusted EBITDA, which is defined as adjusted operating profit excluding depreciation and amortisation.
- Adjusting items, which are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, gains or losses arising from the divestments of a business or part of a business, costs on the basis of statutory personnel negotiations and adaptation measures, and cost impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation (“PPA”).
- Adjusted earnings per share, which is defined as earnings per share excluding adjusting items included in the operating profit and adjusting items related to Merger included in financial expenses including tax impact.
- Interest-bearing debt, which is defined as total of non-current borrowings and current borrowings.
- Interest-bearing net debt at the end of the period, which is defined as interest-bearing debt less cash and cash equivalents and interest-bearing receivables.
- Equity ratio at the end of the period, %, which is calculated by dividing total equity by total assets less advances received.
- Gearing at the end of the period, %, which is calculated by dividing interest-bearing debt less cash and cash equivalents and interest-bearing receivables by total equity.

YIT presents alternative performance measures as additional information to financial measures presented in the consolidated statement of income, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS. YIT believes that adjusted operating profit and adjusted EBITDA measures provide meaningful supplemental information to the financial measures presented in the consolidated income statement prepared in accordance with IFRS to YIT’s management and the readers of consolidated financial statements by excluding items outside ordinary course of business, which reduce comparability from period to period. YIT presents equity ratio, interest-bearing debt, interest-bearing net debt and gearing as complementing measures, which are, in YIT’s view, useful measures of YIT’s ability to obtain financing and service its debts and provides additional information of the cash flow needs of YIT’s operations.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way and, therefore, the alternative performance measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies.

### ***Rounding***

The financial information set forth in this Listing Prospectus has been rounded. Accordingly, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

### **Special Cautionary Notice Regarding Forward-looking Statements**

Certain statements in this Listing Prospectus, including but not limited to certain statements set forth under the captions “*Risk Factors*”, “*Information about the Issuer*” and “*Additional Information – Future Outlook*”, are based on the beliefs of YIT’s management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. When used in this Listing Prospectus, the words “aims,” “anticipates,” “assumes,” “believes,” “estimates,” “expects,” “will,” “intends,” “may,” “plans,” “should” and similar expressions as they relate to YIT or YIT’s management identify certain of these forward-looking statements. The forward-looking statements are not guarantees of the future operational or financial performance of YIT and they involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of YIT, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.



In addition to factors that may be described elsewhere in the Listing Prospectus, such risks, uncertainties and other important factors include, among other things, the risks described in the section “*Risk Factors*” which could cause YIT’s actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, YIT’s actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected. The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

### **Market and Industry Information**

This Listing Prospectus contains information about YIT’s markets and estimates regarding YIT’s competitive position therein. Such information is prepared by YIT based on third-party sources and YIT’s own internal estimates. In many cases, there is no publicly available information on such market data. YIT believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry sectors in which it operates as well as its position within these industry sectors. Although YIT believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and YIT cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Where certain market data and market estimates contained in this Listing Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Joint Lead Managers have independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the YIT management’s estimates.

### **Additional Information**

The Issuer or its debt securities have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

### **Availability of Documents**

This Listing Prospectus will be published on YIT’s website on or about June 11, 2018. In addition, this Listing Prospectus will be available on request from the Issuer.

### **No Incorporation of Website Information**

The contents of YIT’s website or any other website do not form a part of this Listing Prospectus (except for the documents incorporated by reference into this Listing Prospectus as set forth in “*Documents Incorporated by Reference*”), and prospective investors should not rely on such information in making their decision to invest in the Notes.

### **Notice to Prospective Investors in the European Economic Area (other than Finland)**

This Listing Prospectus has been prepared on the basis that all offers of the Notes in the European Economic Area (the “**EEA**”) will be made pursuant to an exemption under the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”), as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Joint Lead Managers to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Joint Lead Managers has authorized, nor do they authorize, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA which has implemented the Prospectus Directive (each a “**Relevant Member State**”), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive (as amended by Directive 2010/73/EU), if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by the Issuer or the Joint Lead Managers.

For the purposes herein, the expression an “offer to the public” in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

#### **Notice to Prospective Investors in the United Kingdom**

This Listing Prospectus does not constitute an offer of Notes to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Notes. Consequently this Listing Prospectus is being distributed only to, and is directed at (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (c) high net worth entities falling within article 49(2) of the Order, and other persons to whom it may be lawfully communicated (all such persons together being referred to as “**relevant persons**”). In addition, this Listing Prospectus is, in any event only directed at persons who are “qualified investors” pursuant to the Prospectus Directive. Any person who is not a relevant person should not act or rely on this document or any of its contents.

#### **Notice to Prospective Investors in the United States**

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act, except in certain transactions exempt from registration requirements of the Securities Act).

**TERMS AND CONDITIONS FOR THE 2021 NOTES**



**TERMS AND CONDITIONS FOR**

**YIT CORPORATION**

**EUR 100,000,000**

**SENIOR UNSECURED FIXED RATE NOTES**

**ISIN: FI4000330824**

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the Issue Date).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such Group Company or an Affiliate of the Issuer is directly registered as owner of such Notes.

“**Affiliate**” means, in relation to any specified Person, another Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent.

“**Agent**” means Intertrust (Finland) Oy, incorporated under the laws of Finland with corporate registration number 2343108-1, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Book-Entry Securities System**” means the Infinity system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* 348/2017, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki and the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

“**Business Day Convention**” means the first following day that is a CSD Business Day.

“**Capital Securities**” means any outstanding debt instrument issued by the Issuer from time to time that is (i) classified as a capital security instrument under the Accounting Principles and (ii) subordinated to the Notes including any debt instrument classified as a capital loan under Chapter 12 of the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended) and any debt instrument classified as a debenture under Section 34, subsection 2 of the Promissory Notes Act (Fin: *Velkakirjalaki* 622/1947, as amended).

“**Change of Control Event**” means the occurrence of an event or series of events whereby any Person or a group of Persons, acting in concert, acquires control over the Issuer and where “control” means (a) acquiring ownership of more than 50 per cent of the voting share capital of the Issuer or (b) becoming capable of appointing the majority of the board of directors of the Issuer, and “acting in concert” means that a Person or a group of Persons pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or attempting otherwise to obtain or consolidate control of the Issuer.

“**Consolidated EBITDA**” means, in respect of a Relevant Period, the consolidated operating profit of the Group for such period before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation.

“**Consolidated Equity**” means the total consolidated shareholders’ equity of the Group (i) minus own shares; (ii) plus non-controlling interest (iii) plus any subordinated loan, note (including any Capital Securities) or debt facility, provided that any liabilities under such loan, note or debt facilities are at all times subordinated (including but not limited to in priority and maturity) to the Notes.

“**Consolidated Total Assets**” means the total consolidated assets of the Group minus advance payments received.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**Demerger**” means a demerger pursuant to Chapter 17 of the Finnish Companies Act (*Osakeyhtiölaki* 624/2006 as amended from time to time).

“**Demerger Event**” means in respect of the Issuer, completion of a demerger pursuant to Chapter 17 of the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended).

“**Equity Ratio**” means the ratio of Consolidated Equity to Consolidated Total Assets.

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Union relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in paragraphs (a) to (f) of Clause 10.1.

“**Final Maturity Date**” means 11 June 2021.

“**Finance Documents**” means these Terms and Conditions and any other document by which these Terms and Conditions are amended or any part thereof waived in compliance with Clause 16 (*Amendments and waivers*).

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles as in force on the Issue Date, be treated as a finance lease or a capital lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any amount raised under any other transaction (including the obligation to pay deferred purchase price) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution for any interest bearing liabilities; and
- (h) (without double-counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**First Call Date**” means the first CSD Business Day falling 1.5 years after the Issue Date, i.e. 11 December 2019.

“**Force Majeure Event**” has the meaning set forth in Clause 21.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Group Project Company**” means any company established by a Group Company for the purposes of project development and/or construction (Fin: *hankekehitys ja/tai rakentaminen*) and being a Subsidiary of the Issuer.

“**Incurrence Test**” means the financial test defined in Clause 9.5.

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 6.1 to 6.3.

“**Interest Cover Ratio**” means the ratio of Consolidated EBITDA to Total Net Interest Costs for the Relevant Period ending on the last day of the period covered by the most recent consolidated financial statements published by the Issuer in accordance with Clause 8.1 (*Information from the Issuer*).

“**Interest Payment Date**” means 11 June and 11 December each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 11 December 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

“**Interest Rate**” means 3.150 per cent. *per annum*.

“**Issue Date**” means 11 June 2018.

“**Issuer**” means YIT Corporation, a public limited liability company incorporated under the laws of Finland with business identity code 0112650-2.

“**Issuing Agency Agreement**” means the agreement dated 5 June 2018 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Notes (as amended and restated from time to time).

“**Issuing Agent**” means OP Corporate Bank plc acting as issuer agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“**Material Group Company**” means, at any time, a Group Company which is not a Project Company and which:

- (a) has total assets representing five (5) per cent. or more of consolidated total assets of the Group; or

- (b) has total turnover representing five (5) per cent. or more of consolidated total turnover of the Group,

in each case calculated on a consolidated basis (and, for the avoidance of doubt, excluding any intra-Group items).

“**Merger**” means the merger of Lemminkäinen Oyj (business identity code 0110775-8) (as merging company) into the Issuer (as acquiring company).

“**Merger Adjustments**” means the following exceptional costs relating to the Merger (i) transaction costs, fees and expenses, including but not limited to adviser fees incurred by the Issuer and Lemminkäinen Oyj in connection with the Merger, (ii) purchase price allocation as presented by the Issuer in the merger accounts and (iii) post-Merger integration costs, fees and expenses of the Issuer incurred for the purposes of achieving the post-Merger synergy benefits.

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Non-Group Project Company**” means any company, other than a Group Project Company, of whose shares Group Companies own 50 per cent or less and which is not considered as Subsidiary of the Issuer, for the purposes of project development and/or construction (Fin: *hankekehitys ja/tai rakentaminen*).

“**Noteholder**” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 14 (*Noteholders’ Meeting*).

“**Notes**” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“**Project Companies**” means all Group Project Companies and Non-Group Project Companies together, each being a “**Project Company**”.

“**Project Debt**” means any Financial Indebtedness incurred by a Project Company in relation to any assets or projects solely for the purposes of financing the whole or any part of the acquisition, creation, construction or development of such assets or projects, to the extent that the financial institutions to which such Financial Indebtedness is owed have recourse solely to the assets or to the shares of that Project Company or its affiliated company, which is also a Project Company (or not at all).

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Time**” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first (1.) CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 11 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders’ Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 14.3 or Clause 15.3, as applicable; and
- (c) otherwise, the end of the fifth (5.) CSD Business Day prior to another relevant date.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 7 (*Redemption and repurchase of the Notes*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year. The first Reference Date shall be 30 June 2018.

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Second Call Date**” means the first CSD Business Day falling 2.5 years after the Issue Date, i.e. 11 December 2020.

“**Security**” means any mortgage, charge (fixed or floating), assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever over the assets of a Group Company, or any agreement, whether conditional or otherwise, to create any of the same (for the avoidance of doubt, each time not including any guarantee), or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is required to be re-acquired or acquired by a Group Company.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time).

“**Total Interest Costs**” means all interest, commissions, periodic fees and other financing charges (whether, in each case, paid, payable or capitalised), incurred (irrespective of the currency) by the Group during a Relevant Period (including the interest element payable under any finance lease), and for the avoidance of doubt excluding (i) any fees and commissions payable in relation to an acquisition, (ii) any interest capitalised in accordance with the IAS 23 standard, (iii) any decrease in the value on any interest rate hedging instruments and (iv) any foreign exchange losses (whether realised or unrealised).

“**Total Interest Income**” means all interest and other financing charges received or receivable (irrespective of the currency) by the Group during a Relevant Period and for the avoidance of doubt excluding (i) any increase in the value on any interest rate hedging instruments and (ii) any foreign exchange gains (whether realised or unrealised).

“**Total Net Interest Costs**” means the Total Interest Costs less Total Interest Income during a Relevant Period.

“**Total Nominal Amount**” means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 15 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) an Event of Default is continuing if it has not been remedied or waived;
- (d) a provision of law is a reference to that provision as amended or re-enacted;



- (e) words denoting the singular number shall include the plural and vice versa; and
- (f) a time of day is a reference to Helsinki time.

- 1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.
- 1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2. ISSUANCE AND STATUS OF THE NOTES**

- 2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.
- 2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement.
- 2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents and (ii) agrees to be bound by these Terms and Conditions.
- 2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 1,000 (the “Nominal Amount”). The aggregate nominal amount of the Notes is EUR 100,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.5 The Notes constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 2.6 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 The subscription period of the Notes shall commence and end on 5 June 2018. Bids for subscription shall be submitted to OP Corporate Bank plc, Gebhardinaukio 1, FI-00510 Helsinki, tel. +358 10 252 7970 or Skandinaviska Enskilda Banken AB (publ), c/o Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Eteläesplanadi 18, Helsinki, FI-00130 Helsinki, Finland, telephone: + 358 (0)9 616 20 560, attention: Debt Capital Markets during the subscription period and within regular business hours. Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be created by the CSD and routed by the Issuing Agent to the Book-Entry Securities System to be recorded at the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.

## **3. USE OF PROCEEDS**

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing certain existing indebtedness of the Issuer and general corporate purposes of the Group.

#### **4. NOTES IN BOOK-ENTRY FORM**

- 4.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- 4.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 4 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.
- 4.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes.
- 4.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 4.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 4.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 4.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

#### **5. PAYMENTS IN RESPECT OF THE NOTES**

- 5.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 5.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 5.3 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- 5.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

#### **6. INTEREST**

- 6.1 Each Note carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 6.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 6.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 6.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

## **7. REDEMPTION AND REPURCHASE OF THE NOTES**

### **7.1 Redemption at maturity**

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

### **7.2 Issuer's purchase of Notes**

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **7.3 Voluntary total redemption (call option)**

7.3.1 The Issuer may redeem all, but not only some, of the outstanding Notes in full:

- (a) any time from and including the First Call Date to, but excluding, the Second Call Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus 50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and
- (b) any time from and including the Second Call Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus 25 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest.

7.3.2 Redemption in accordance with Clause 7.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

### **7.4 Early redemption due to illegality (call option)**

7.4.1 The Issuer may redeem all, but not only some, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

7.4.2 The Issuer shall give notice of any redemption pursuant to Clause 7.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

7.4.3 A notice of redemption in accordance with Clause 7.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

### **7.5 Mandatory repurchase due to a Change of Control Event or Demerger Event (put option)**

7.5.1 Upon the occurrence of a Change of Control Event or a Demerger Event, each Noteholder shall have the right to request that all of its Notes be repurchased at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the relevant event pursuant to Clause 8.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Demerger Event.

7.5.2 The notice from the Issuer pursuant to Clause 8.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice

from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 8.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 7.5.1.

- 7.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 7.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 7.5 by virtue of the conflict.
- 7.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 7.5 may at the Issuer's discretion be retained, sold or cancelled.
- 7.5.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 7.5, if a third party in connection with the occurrence of a Change of Control Event or a Demerger Event offers to purchase the Notes in the manner and on the terms set out in this Clause 7.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 7.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit. The Issuer shall not be required to repurchase any Notes pursuant to this Clause 7.5.5 if it has exercised its right to redeem all of the Notes in accordance with Clause 7.3 (*Voluntary total redemption (call option)*) prior to the occurrence of the Change of Control Event or Demerger Event.
- 7.5.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 7.5, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 7.5.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 7.5.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.
- 7.5.7 Each Noteholder agrees, with respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (Fin: *Osaakeyhtiölaki* 624/2006, as amended) to object to a Demerger Event if (and only if) such Noteholder has requested repurchase of any of its Notes in connection with the occurrence of a Demerger Event provided that the Issuer pays the repurchase amount to the relevant Noteholder on the repurchase date.

## **8. INFORMATION TO NOTEHOLDERS**

### **8.1 Information from the Issuer**

- 8.1.1 The Issuer will make the following information available to the Noteholders and the Agent by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each period in respect of which the Issuer is required to publish a statutory interim report, its unaudited consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period; and
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer.
- 8.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Demerger Event. Such notice may be given in advance of the occurrence of a Change of Control Event or Demerger Event and be conditional upon the occurrence of any such event if a definitive agreement is in place providing for a Change of Control Event or a Demerger Event.

8.1.3 The Issuer shall:

- (a) within five (5) Business Days from the publication of the financial statements pursuant to paragraphs (a) and (b) of Clause 8.1.1 submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 9.4 (*Financial Undertakings*), (ii) confirming Material Group Companies, and (iii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it); and
- (b) upon the incurrance of Financial Indebtedness, submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 9.5 (*Incurrance Test*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it).

8.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

## **8.2 Information from the Agent**

8.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 10.3.

## **8.3 Publication of Finance Documents**

After the Issue Date the latest versions of the Finance Documents shall be available to the Noteholders and Persons considering an investment in the Notes at the office of the Agent during normal business hours.

## **9. GENERAL UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the Material Group Companies will) comply with the undertakings set forth in this Clause 9 for so long as the Notes remain outstanding.

### **9.1 Negative pledge**

9.1.1 The Issuer shall ensure that at all times, the aggregate amount of interest bearing debt secured by Security provided by the Issuer and/or its Subsidiaries shall not exceed an amount equal to ten (10) per cent. of the total consolidated assets of the Group as determined by reference to the latest consolidated financial statements of the Group.

9.1.2 The above does not apply to any Security:

- (a) arising by operation of law;
- (b) over goods or documents of title to goods arising in the ordinary course of documentary credit transactions;
- (c) created by a margin arrangement regarding derivatives made in the ordinary course of business;
- (d) which is short term and created as a retention of title by a seller in connection with a purchase by a Group Company of goods in the ordinary course of business;
- (e) which is a pledge of shares in a Project Company;

- (f) over intra-Group receivables arising under any cash pool arrangement entered into by a Group Company in the ordinary course of its banking arrangements;
- (g) related to rental or lease agreements made in the ordinary course of business;
- (h) provided by a Group-Project Company in respect of Project Debt only;
- (i) granted by the Issuer over an asset sold to a customer securing advance payments received from the same; or
- (j) granted for any pension loans from pension insurance companies (Fin: *TyEL takaisinlainaus*).

## **9.2 Mergers**

- 9.2.1 The Issuer shall not (and shall procure that no other Material Group Company will) carry out any merger (or other business combination or corporate reorganisation involving the consolidation of assets and obligations) of the Issuer or such other Material Group Company with any other Person other than a Group Company provided that the Issuer (if involved) is the surviving entity.
- 9.2.2 Any Noteholder, whether or not it elects to exercise the right to require prepayment in the case of a Demerger Event, is deemed to have waived any and all statutory rights under applicable Finnish law to oppose the Demerger in its capacity as a Noteholder. The Noteholders have by these Terms and Conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw any notices opposing the Demerger.

## **9.3 Disposals**

- 9.3.1 The Issuer will not permit the higher of consideration receivable or the book value of all assets of the Group sold, leased or otherwise disposed of to exceed (i) 20 per cent. of the total consolidated assets of the Group during any calendar year in comparison to end of March 2018 interim report until 2018 annual consolidated audited financial statements are published and thereafter in comparison to the latest consolidated annual financial statements and (ii) 30 per cent. of the total consolidated assets of the Group in comparison to end of March 2018 interim report in aggregate until the Final Maturity Date. The above does not apply to any sale, lease, transfer or other disposal:
- (a) of any assets made in the ordinary course of business of the disposing entity for market value and on arms' length terms;
  - (b) of property or assets in exchange for other property or assets comparable or superior as to type, value and quality; or
  - (c) arising under sale or securitisation of receivables on a non-recourse basis, provided that such disposal is conducted on an arms' length basis; or
  - (d) of obsolete assets.

## **9.4 Financial undertakings**

*Equity Ratio:* The Issuer shall ensure that the Equity Ratio according to the latest interim or annual report, whichever is most recent, shall on each Reference Date equal or exceed 25% determined in accordance with the Accounting Principles as in force on the Issue Date.

## **9.5 Incurrence Test**

The Incurrence Test for the purposes of Clause 9.5 is met if the Interest Cover Ratio is no less than 2.0 determined in accordance with the Accounting Principles as in force on the Issue Date.

## 9.6 Adjustments to the Consolidated EBITDA

For the purpose of calculating the Consolidated EBITDA for any Relevant Period, Consolidated EBITDA shall be adjusted by:

- (a) including the operating profit before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation (calculated on the same basis as Consolidated EBITDA) of a member of the Group (or attributable to a business or assets) acquired during the Relevant Period for that part of the Relevant Period prior to its becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets;
- (b) excluding the operating profit before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation (calculated on the same basis as Consolidated EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during the Relevant Period for that part of the Relevant Period;
- (c) adding back (i) any potential damages or compensation (including, for the avoidance of doubt, any interest) awarded by the court, (ii) any damages (including, for the avoidance of doubt, any interest) agreed to be payable by the Group in any out-of-court settlements related to claims made or reservations of claim rights related to the same, (iii) any reservations, in case of each aforesaid item (i) to (iii), relating to the legal processes disclosed in section “Legal Proceedings” on pages 119-121 of the listing prospectus, dated 11 June 2018, related to the Notes, which are booked according to IFRS to have an impact on Consolidated EBITDA in the Group’s external accounting, and (iv) all legal costs and expenses related to the aforesaid items (i) to (iii) (including, for the avoidance of doubt, the costs of both the Group’s and the counterparties’ advisors in case such expenses are ruled to be payable by the Group); and
- (d) excluding any Merger Adjustment, which is booked according to IFRS as having an impact on Consolidated EBITDA in the Group’s external accounting, up to an aggregate amount of EUR 80,000,000 to the extent that such Merger Adjustment is incurred no later than during a financial period ending 31 December 2019. For the avoidance of doubt, any adjustment to the calculation of the Consolidated EBITDA pursuant to this paragraph (d) between the period beginning on 1 July 2017 and ending on 31 December 2019 will cumulatively reduce the EUR 80,000,000 basket under this paragraph (d) (i.e. the basket is an allowance to make add-backs, cumulatively not exceeding EUR 80,000,000, into compliance calculations for rolling 12-month periods ending on or before 31 December 2019).

## 9.7 Limitation on Financial Indebtedness

9.7.1 As long as any Note remains outstanding, the Issuer shall not (and shall ensure that no other Group Company will) incur, directly or indirectly, any Financial Indebtedness unless the Incurrence Test is met at the time of incurrence of such Financial Indebtedness.

9.7.2 At the time of the incurrence of new Financial Indebtedness, for the purposes of calculating the Incurrence Test, (i) the aggregate pro forma finance costs of the incurred Financial Indebtedness for the following 12 month period are added to the Total Net Interest Costs and (ii) to the extent such Financial Indebtedness is used to refinance existing Financial Indebtedness, finance costs of that repaid Financial Indebtedness are deducted from the Total Net Interest Costs.

9.7.3 Clause 9.7.1 does not apply to any Financial Indebtedness:

- (a) that is Project Debt;
- (b) the total outstanding amount of which under (i) any revolving credit facilities with financial institutions, (ii) any commercial paper program and/or (iii) any overdraft facility does not exceed EUR 500,000,000 at any time;
- (c) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles as in force on the Issue Date, be treated as a finance lease or a capital lease and not exceeding EUR 50,000,000 during a financial period.

- (d) arising under any pension loans from pension insurance companies (Fin: *TyEL takaisinlainaus*) in a maximum aggregate principal amount at any time outstanding not exceeding EUR 250,000,000;
- (e) existing as at the Issue Date and any refinancing thereof during the following 12 month period as of the date of incurrence of such new Financial Indebtedness, provided that the principal amount of such refinancing does not exceed the principal amount of the existing Financial Indebtedness being refinanced; or
- (f) any financial indebtedness not permitted by the paragraphs (a) to (e) above and where the outstanding aggregate principal amount of such financial indebtedness for the Group does not exceed EUR 50,000,000 at any time.

## **9.8 Admission to trading**

- 9.8.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on regulated market of the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).
- 9.8.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of Nasdaq Helsinki Ltd and the CSD, subsist.

## **9.9 Undertakings relating to the Agency Agreement**

- 9.9.1 The Issuer shall, in accordance with the Agency Agreement:
  - (a) pay fees to the Agent;
  - (b) indemnify the Agent for costs, losses and liabilities;
  - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
  - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

## **10. ACCELERATION OF THE NOTES**

- 10.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing over fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 10.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:
  - (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
    - (i) is caused by technical or administrative error; and
    - (ii) is remedied within five (5) Business Days from the due date;



- (b) the Issuer does not comply with these Terms and Conditions (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any Financial Indebtedness of a Material Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (e) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant Group Company (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 10.5) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 10,000,000 (or its equivalent in other currencies); or
- (f) the Issuer or the Group as a whole ceases or threatens to cease all or a material part of its business.

10.2 The Agent may not accelerate the Notes in accordance with Clause 10.1 by reference to a specific Event of Default if it is no longer continuing.

10.3 The Agent shall notify the Noteholders and the Issuer (if the Issuer is not aware) of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days), decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

10.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

10.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

10.6 In the event of an acceleration of the Notes in accordance with this Clause 10, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

## **11. DISTRIBUTION OF PROCEEDS**

11.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 10 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 13.12;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 6.4;
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 11.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 11.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 11.1(a).
- 11.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 11 as soon as reasonably practicable.
- 11.4 If the Issuer or the Agent shall make any payment under this Clause 11, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid.

## **12. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 12.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 12.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 12.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 12.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

## **13. DECISIONS BY NOTEHOLDERS**

- 13.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 13.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the

Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.

13.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

13.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 12 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:

(a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 14.3, in respect of a Noteholders' Meeting; or

(b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 15.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

13.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3:

(a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6;

(b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 7 (*Redemption and repurchase of the Notes*);

(c) a change to the Interest Rate or the Nominal Amount;

(d) a change to the terms for the distribution of proceeds set out in Clause 11 (*Distribution of proceeds*);

(e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 13;

(f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;

(g) a mandatory exchange of the Notes for other securities; and

(h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 10 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

13.6 Any matter not covered by Clause 13.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1(a) or (b)), an acceleration of the Notes.

- 13.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 13.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 13.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 14.1) or initiate a second Written Procedure (in accordance with Clause 15.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 13.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 13.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 13.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 13.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 13.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 13.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) its Affiliates, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate of the Issuer.
- 13.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

#### **14. NOTEHOLDERS' MEETING**

- 14.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 14.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 17.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 14.1.

- 14.3 The notice pursuant to Clause 14.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 14.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.
- 14.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

## 15. WRITTEN PROCEDURE

- 15.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.
- 15.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 15.1 to each Noteholder with a copy to the Agent.
- 15.3 A communication pursuant to Clause 15.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 15.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 15.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 13.5 or 13.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 13.5 or 13.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 16. AMENDMENTS AND WAIVERS

- 16.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*).
- 16.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 16.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 16.1, setting out the date from which the amendment or waiver will be effective and ensure that any amendments to these Terms and Conditions are published in the manner stipulated in Clause 13.14. The

Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

- 16.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **17. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **17.1 Appointment of Agent**

- 17.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:

- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by these Terms and Conditions together with all such rights, powers, authorities and discretions as are incidental thereto; and
- (b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 10.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes and to receive any funds in respect of the Notes and as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders);

and otherwise as provided by the applicable law (including, for the avoidance of doubt, the Act on Noteholders' Agents (574/2017, as amended) (Fin: *laki joukkolainanhaltijoiden edustajasta*).

- 17.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.

- 17.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- 17.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- 17.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **17.2 Duties of the Agent**

- 17.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the execution or enforceability of the Finance Documents.

- 17.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 17.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.

- 17.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- 17.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 17.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 17.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 11 (*Distribution of proceeds*).
- 17.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 17.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 17.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 17.2.9.

### **17.3 Limited liability for the Agent**

- 17.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 17.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 17.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 17.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 13 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 10.1.
- 17.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

## **17.4 Replacement of the Agent**

- 17.4.1 Subject to Clause 17.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.
- 17.4.2 Subject to Clause 17.4.7, if the Agent is (i) Insolvent, (ii) has been removed from the register of noteholders' agents maintained by the Finnish Financial Supervisory Authority and as referred to in Section 15 of the Act on Noteholders' Agents (574/2017, as amended), (iii) is no longer independent in respect of the Issuer as referred to in Section 9 of the Act on Noteholders' Agents, or (iv) otherwise unable to continue to act as a Noteholders' Agent for the Noteholders according to the applicable law, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.
- 17.4.3 Any successor Agent appointed pursuant to this Clause 17.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances and which has the authority to do so pursuant to the Act on Noteholders' Agents.
- 17.4.4 A Noteholder or Noteholders representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 17.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.
- 17.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 17.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 17.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 17.4.9 In the event that there is a change of the Agent in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **18. NO DIRECT ACTIONS BY NOTEHOLDERS**

- 18.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yrityssaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under the Finance Documents.



18.2 Clause 18.1 shall not apply if:

- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 18.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 17.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 17.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17.2.10 before a Noteholder may take any action referred to in Clause 18.1; and
- (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 18.1.

18.3 The provisions of Clause 18.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 7.5 (*Mandatory repurchase due to a Change of Control Event or Demerger Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## 19. PRESCRIPTION

19.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.

19.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## 20. NOTICES

20.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Finnish Trade Register or to another separate e-mail address informed by the Agent;
- (b) if to the Issuing Agent, shall be given at the address registered with the Finnish Trade Register with the attention of Debt Capital Markets;
- (c) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated "To the attention of CFO"; and
- (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer, and if so deemed necessary or desirable by the Issuer, by way of a stock exchange release.

20.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 20.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 20.1 or, in the case of e-mail, when actually received in a readable form.

20.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## **21. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 21.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “Force Majeure Event”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 21.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 21.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 21.4 The provisions in this Clause 21 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

## **22. GOVERNING LAW AND JURISDICTION**

- 22.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- 22.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.

**APPENDIX 1 (Form of Compliance Certificate)**

COMPLIANCE CERTIFICATE

To: INTERTRUST (FINLAND) OY as Agent

From: YIT CORPORATION as Issuer

In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

**We refer to the senior unsecured fixed rate notes issued by us on 11 June 2018 with an aggregate nominal amount of EUR 100,000,000 (the “Notes”).**

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Term and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.
2. We confirm that the following companies are Material Group Companies: [●].
- [3. We confirm that no Event of Default is continuing.]<sup>1</sup>
4. We confirm that the Equity Ratio is [●].
5. [We confirm that in respect of relevant the Relevant Period, the Interest Cover Ratio is [●]].
6. This compliance certificate is governed by Finnish law.

YIT CORPORATION  
as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_

<sup>1</sup> If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

**TERMS AND CONDITIONS FOR THE 2023 NOTES**



**TERMS AND CONDITIONS FOR**

**YIT CORPORATION**

**EUR 150,000,000**

**SENIOR UNSECURED FIXED RATE NOTES**

**ISIN: FI4000330832**

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the Issue Date).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such Group Company or an Affiliate of the Issuer is directly registered as owner of such Notes.

“**Affiliate**” means, in relation to any specified Person, another Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent.

“**Agent**” means Intertrust (Finland) Oy, incorporated under the laws of Finland with corporate registration number 2343108-1, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Book-Entry Securities System**” means the Infinity system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* 348/2017, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki and the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

“**Business Day Convention**” means the first following day that is a CSD Business Day.

“**Capital Securities**” means any outstanding debt instrument issued by the Issuer from time to time that is (i) classified as a capital security instrument under the Accounting Principles and (ii) subordinated to the Notes including any debt instrument classified as a capital loan under Chapter 12 of the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended) and any debt instrument classified as a debenture under Section 34, subsection 2 of the Promissory Notes Act (Fin: *Velkakirjalaki* 622/1947, as amended).

“**Change of Control Event**” means the occurrence of an event or series of events whereby any Person or a group of Persons, acting in concert, acquires control over the Issuer and where “control” means (a) acquiring ownership of more than 50 per cent of the voting share capital of the Issuer or (b) becoming capable of appointing the majority of the board of directors of the Issuer, and “acting in concert” means that a Person or a group of Persons pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or attempting otherwise to obtain or consolidate control of the Issuer.

“**Consolidated EBITDA**” means, in respect of a Relevant Period, the consolidated operating profit of the Group for such period before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation.

“**Consolidated Equity**” means the total consolidated shareholders’ equity of the Group (i) minus own shares; (ii) plus non-controlling interest (iii) plus any subordinated loan, note (including any Capital Securities) or debt facility, provided that any liabilities under such loan, note or debt facilities are at all times subordinated (including but not limited to in priority and maturity) to the Notes.

“**Consolidated Total Assets**” means the total consolidated assets of the Group minus advance payments received.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**Demerger**” means a demerger pursuant to Chapter 17 of the Finnish Companies Act (*Osakeyhtiölaki* 624/2006 as amended from time to time).

“**Demerger Event**” means in respect of the Issuer, completion of a demerger pursuant to Chapter 17 of the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended).

“**Equity Ratio**” means the ratio of Consolidated Equity to Consolidated Total Assets.

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Union relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in paragraphs (a) to (f) of Clause 10.1.

“**Final Maturity Date**” means 11 June 2023.

“**Finance Documents**” means these Terms and Conditions and any other document by which these Terms and Conditions are amended or any part thereof waived in compliance with Clause 16 (*Amendments and waivers*).

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles as in force on the Issue Date, be treated as a finance lease or a capital lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any amount raised under any other transaction (including the obligation to pay deferred purchase price) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution for any interest bearing liabilities; and
- (h) (without double-counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**First Call Date**” means the first CSD Business Day falling 2.5 years after the Issue Date, i.e. 11 December 2020.

“**Force Majeure Event**” has the meaning set forth in Clause 21.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Group Project Company**” means any company established by a Group Company for the purposes of project development and/or construction (Fin: *hankekehitys ja/tai rakentaminen*) and being a Subsidiary of the Issuer.

“**Incurrence Test**” means the financial test defined in Clause 9.5.

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 6.1 to 6.3.

“**Interest Cover Ratio**” means the ratio of Consolidated EBITDA to Total Net Interest Costs for the Relevant Period ending on the last day of the period covered by the most recent consolidated financial statements published by the Issuer in accordance with Clause 8.1 (*Information from the Issuer*).

“**Interest Payment Date**” means 11 June and 11 December each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 11 December 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

“**Interest Rate**” means 4.250 per cent. *per annum*.

“**Issue Date**” means 11 June 2018.

“**Issuer**” means YIT Corporation, a public limited liability company incorporated under the laws of Finland with business identity code 0112650-2.

“**Issuing Agency Agreement**” means the agreement dated 5 June 2018 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Notes (as amended and restated from time to time).

“**Issuing Agent**” means OP Corporate Bank plc acting as issuer agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“**Material Group Company**” means, at any time, a Group Company which is not a Project Company and which:

- (a) has total assets representing five (5) per cent. or more of consolidated total assets of the Group; or

- (b) has total turnover representing five (5) per cent. or more of consolidated total turnover of the Group,

in each case calculated on a consolidated basis (and, for the avoidance of doubt, excluding any intra-Group items).

“**Merger**” means the merger of Lemminkäinen Oyj (business identity code 0110775-8) (as merging company) into the Issuer (as acquiring company).

“**Merger Adjustments**” means the following exceptional costs relating to the Merger (i) transaction costs, fees and expenses, including but not limited to adviser fees incurred by the Issuer and Lemminkäinen Oyj in connection with the Merger, (ii) purchase price allocation as presented by the Issuer in the merger accounts and (iii) post-Merger integration costs, fees and expenses of the Issuer incurred for the purposes of achieving the post-Merger synergy benefits.

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Non-Group Project Company**” means any company, other than a Group Project Company, of whose shares Group Companies own 50 per cent or less and which is not considered as Subsidiary of the Issuer, for the purposes of project development and/or construction (Fin: *hankekehitys ja/tai rakentaminen*).

“**Noteholder**” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 14 (*Noteholders’ Meeting*).

“**Notes**” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“**Project Companies**” means all Group Project Companies and Non-Group Project Companies together, each being a “**Project Company**”.

“**Project Debt**” means any Financial Indebtedness incurred by a Project Company in relation to any assets or projects solely for the purposes of financing the whole or any part of the acquisition, creation, construction or development of such assets or projects, to the extent that the financial institutions to which such Financial Indebtedness is owed have recourse solely to the assets or to the shares of that Project Company or its affiliated company, which is also a Project Company (or not at all).

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Time**” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first (1.) CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 11 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders’ Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 14.3 or Clause 15.3, as applicable; and
- (c) otherwise, the end of the fifth (5.) CSD Business Day prior to another relevant date.



“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 7 (*Redemption and repurchase of the Notes*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year. The first Reference Date shall be 30 June 2018.

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Second Call Date**” means the first CSD Business Day falling 3.5 years after the Issue Date, i.e. 13 December 2021.

“**Security**” means any mortgage, charge (fixed or floating), assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever over the assets of a Group Company, or any agreement, whether conditional or otherwise, to create any of the same (for the avoidance of doubt, each time not including any guarantee), or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is required to be re-acquired or acquired by a Group Company.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time).

“**Third Call Date**” means the first CSD Business Day falling 4.5 years after the Issue Date, i.e. 12 December 2022.

“**Total Interest Costs**” means all interest, commissions, periodic fees and other financing charges (whether, in each case, paid, payable or capitalised), incurred (irrespective of the currency) by the Group during a Relevant Period (including the interest element payable under any finance lease), and for the avoidance of doubt excluding (i) any fees and commissions payable in relation to an acquisition, (ii) any interest capitalised in accordance with the IAS 23 standard, (iii) any decrease in the value on any interest rate hedging instruments and (iv) any foreign exchange losses (whether realised or unrealised).

“**Total Interest Income**” means all interest and other financing charges received or receivable (irrespective of the currency) by the Group during a Relevant Period and for the avoidance of doubt excluding (i) any increase in the value on any interest rate hedging instruments and (ii) any foreign exchange gains (whether realised or unrealised).

“**Total Net Interest Costs**” means the Total Interest Costs less Total Interest Income during a Relevant Period.

“**Total Nominal Amount**” means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 15 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

- (c) an Event of Default is continuing if it has not been remedied or waived;
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) words denoting the singular number shall include the plural and vice versa; and
- (f) a time of day is a reference to Helsinki time.

1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. ISSUANCE AND STATUS OF THE NOTES

2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.

2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement.

2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents and (ii) agrees to be bound by these Terms and Conditions.

2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 1,000 (the “Nominal Amount”). The aggregate nominal amount of the Notes is EUR 150,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.5 The Notes constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

2.6 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

2.7 The subscription period of the Notes shall commence and end on 5 June 2018. Bids for subscription shall be submitted to OP Corporate Bank plc, Gebhardinaukio 1, FI-00510 Helsinki, tel. +358 10 252 7970 or Skandinaviska Enskilda Banken AB (publ), c/o Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Eteläesplanadi 18, Helsinki, FI-00130 Helsinki, Finland, telephone: + 358 (0)9 616 20 560, attention: Debt Capital Markets during the subscription period and within regular business hours. Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be created by the CSD and routed by the Issuing Agent to the Book-Entry Securities System to be recorded at the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.

## 3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing certain existing indebtedness of the Issuer and general corporate purposes of the Group.

#### **4. NOTES IN BOOK-ENTRY FORM**

- 4.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- 4.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 4 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.
- 4.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes.
- 4.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 4.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 4.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 4.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

#### **5. PAYMENTS IN RESPECT OF THE NOTES**

- 5.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 5.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 5.3 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- 5.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

#### **6. INTEREST**

- 6.1 Each Note carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 6.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 6.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 6.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

## **7. REDEMPTION AND REPURCHASE OF THE NOTES**

### **7.1 Redemption at maturity**

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

### **7.2 Issuer's purchase of Notes**

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **7.3 Voluntary total redemption (call option)**

7.3.1 The Issuer may redeem all, but not only some, of the outstanding Notes in full:

- (a) any time from and including the First Call Date to, but excluding, the Second Call Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus 50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest;
- (b) any time from and including the Second Call Date to, but excluding, the Third Call Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus 25 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and
- (c) any time from and including the Third Call Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus 12.50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest.

7.3.2 Redemption in accordance with Clause 7.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

### **7.4 Early redemption due to illegality (call option)**

7.4.1 The Issuer may redeem all, but not only some, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

7.4.2 The Issuer shall give notice of any redemption pursuant to Clause 7.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

7.4.3 A notice of redemption in accordance with Clause 7.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

### **7.5 Mandatory repurchase due to a Change of Control Event or Demerger Event (put option)**

7.5.1 Upon the occurrence of a Change of Control Event or a Demerger Event, each Noteholder shall have the right to request that all of its Notes be repurchased at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the relevant event pursuant to Clause 8.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Demerger Event.

- 7.5.2 The notice from the Issuer pursuant to Clause 8.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 8.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 7.5.1.
- 7.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 7.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 7.5 by virtue of the conflict.
- 7.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 7.5 may at the Issuer's discretion be retained, sold or cancelled.
- 7.5.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 7.5, if a third party in connection with the occurrence of a Change of Control Event or a Demerger Event offers to purchase the Notes in the manner and on the terms set out in this Clause 7.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 7.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit. The Issuer shall not be required to repurchase any Notes pursuant to this Clause 7.5.5 if it has exercised its right to redeem all of the Notes in accordance with Clause 7.3 (*Voluntary total redemption (call option)*) prior to the occurrence of the Change of Control Event or Demerger Event.
- 7.5.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 7.5, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 7.5.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 7.5.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.
- 7.5.7 Each Noteholder agrees, with respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (Fin: *Osaakeyhtiölaki* 624/2006, as amended) to object to a Demerger Event if (and only if) such Noteholder has requested repurchase of any of its Notes in connection with the occurrence of a Demerger Event provided that the Issuer pays the repurchase amount to the relevant Noteholder on the repurchase date.

## **8. INFORMATION TO NOTEHOLDERS**

### **8.1 Information from the Issuer**

- 8.1.1 The Issuer will make the following information available to the Noteholders and the Agent by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each period in respect of which the Issuer is required to publish a statutory interim report, its unaudited consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period; and
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer.

8.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Demerger Event. Such notice may be given in advance of the occurrence of a Change of Control Event or Demerger Event and be conditional upon the occurrence of any such event if a definitive agreement is in place providing for a Change of Control Event or a Demerger Event.

8.1.3 The Issuer shall:

- (a) within five (5) Business Days from the publication of the financial statements pursuant to paragraphs (a) and (b) of Clause 8.1.1 submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 9.4 (*Financial Undertakings*), (ii) confirming Material Group Companies, and (iii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it); and
- (b) upon the incurrence of Financial Indebtedness, submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 9.5 (*Incurrence Test*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it).

8.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

## **8.2 Information from the Agent**

8.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 10.3.

## **8.3 Publication of Finance Documents**

After the Issue Date the latest versions of the Finance Documents shall be available to the Noteholders and Persons considering an investment in the Notes at the office of the Agent during normal business hours.

## **9. GENERAL UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the Material Group Companies will) comply with the undertakings set forth in this Clause 9 for so long as the Notes remain outstanding.

### **9.1 Negative pledge**

9.1.1 The Issuer shall ensure that at all times, the aggregate amount of interest bearing debt secured by Security provided by the Issuer and/or its Subsidiaries shall not exceed an amount equal to ten (10) per cent. of the total consolidated assets of the Group as determined by reference to the latest consolidated financial statements of the Group.

9.1.2 The above does not apply to any Security:

- (a) arising by operation of law;
- (b) over goods or documents of title to goods arising in the ordinary course of documentary credit transactions;
- (c) created by a margin arrangement regarding derivatives made in the ordinary course of business;

- (d) which is short term and created as a retention of title by a seller in connection with a purchase by a Group Company of goods in the ordinary course of business;
- (e) which is a pledge of shares in a Project Company;
- (f) over intra-Group receivables arising under any cash pool arrangement entered into by a Group Company in the ordinary course of its banking arrangements;
- (g) related to rental or lease agreements made in the ordinary course of business;
- (h) provided by a Group-Project Company in respect of Project Debt only;
- (i) granted by the Issuer over an asset sold to a customer securing advance payments received from the same; or
- (j) granted for any pension loans from pension insurance companies (Fin: *TyEL takaisinlainaus*).

## **9.2 Mergers**

- 9.2.1 The Issuer shall not (and shall procure that no other Material Group Company will) carry out any merger (or other business combination or corporate reorganisation involving the consolidation of assets and obligations) of the Issuer or such other Material Group Company with any other Person other than a Group Company provided that the Issuer (if involved) is the surviving entity.
- 9.2.2 Any Noteholder, whether or not it elects to exercise the right to require prepayment in the case of a Demerger Event, is deemed to have waived any and all statutory rights under applicable Finnish law to oppose the Demerger in its capacity as a Noteholder. The Noteholders have by these Terms and Conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw any notices opposing the Demerger.

## **9.3 Disposals**

- 9.3.1 The Issuer will not permit the higher of consideration receivable or the book value of all assets of the Group sold, leased or otherwise disposed of to exceed (i) 20 per cent. of the total consolidated assets of the Group during any calendar year in comparison to end of March 2018 interim report until 2018 annual consolidated audited financial statements are published and thereafter in comparison to the latest consolidated annual financial statements and (ii) 50 per cent. of the total consolidated assets of the Group in comparison to end of March 2018 interim report in aggregate until the Final Maturity Date. The above does not apply to any sale, lease, transfer or other disposal:
- (a) of any assets made in the ordinary course of business of the disposing entity for market value and on arms' length terms;
  - (b) of property or assets in exchange for other property or assets comparable or superior as to type, value and quality; or
  - (c) arising under sale or securitisation of receivables on a non-recourse basis, provided that such disposal is conducted on an arms' length basis; or
  - (d) of obsolete assets.

## **9.4 Financial undertakings**

*Equity Ratio:* The Issuer shall ensure that the Equity Ratio according to the latest interim or annual report, whichever is most recent, shall on each Reference Date equal or exceed 25% determined in accordance with the Accounting Principles as in force on the Issue Date.

## **9.5 Incurrence Test**

The Incurrence Test for the purposes of Clause 9.5 is met if the Interest Cover Ratio is no less than 2.0 determined in accordance with the Accounting Principles as in force on the Issue Date.

## **9.6 Adjustments to the Consolidated EBITDA**

For the purpose of calculating the Consolidated EBITDA for any Relevant Period, Consolidated EBITDA shall be adjusted by:

- (a) including the operating profit before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation (calculated on the same basis as Consolidated EBITDA) of a member of the Group (or attributable to a business or assets) acquired during the Relevant Period for that part of the Relevant Period prior to its becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets;
- (b) excluding the operating profit before interest, direct taxes arising as a result of profit, depreciation and intangible amortisation (calculated on the same basis as Consolidated EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during the Relevant Period for that part of the Relevant Period;
- (c) adding back (i) any potential damages or compensation (including, for the avoidance of doubt, any interest) awarded by the court, (ii) any damages (including, for the avoidance of doubt, any interest) agreed to be payable by the Group in any out-of-court settlements related to claims made or reservations of claim rights related to the same, (iii) any reservations, in case of each aforesaid item (i) to (iii), relating to the legal processes disclosed in section “Legal Proceedings” on pages 119-121 of the listing prospectus, dated 11 June 2018, related to the Notes, which are booked according to IFRS to have an impact on Consolidated EBITDA in the Group’s external accounting, and (iv) all legal costs and expenses related to the aforesaid items (i) to (iii) (including, for the avoidance of doubt, the costs of both the Group’s and the counterparties’ advisors in case such expenses are ruled to be payable by the Group); and
- (d) excluding any Merger Adjustment, which is booked according to IFRS as having an impact on Consolidated EBITDA in the Group’s external accounting, up to an aggregate amount of EUR 80,000,000 to the extent that such Merger Adjustment is incurred no later than during a financial period ending 31 December 2019. For the avoidance of doubt, any adjustment to the calculation of the Consolidated EBITDA pursuant to this paragraph (d) between the period beginning on 1 July 2017 and ending on 31 December 2019 will cumulatively reduce the EUR 80,000,000 basket under this paragraph (d) (i.e. the basket is an allowance to make add-backs, cumulatively not exceeding EUR 80,000,000, into compliance calculations for rolling 12-month periods ending on or before 31 December 2019).

## **9.7 Limitation on Financial Indebtedness**

9.7.1 As long as any Note remains outstanding, the Issuer shall not (and shall ensure that no other Group Company will) incur, directly or indirectly, any Financial Indebtedness unless the Incurrence Test is met at the time of incurrence of such Financial Indebtedness.

9.7.2 At the time of the incurrence of new Financial Indebtedness, for the purposes of calculating the Incurrence Test, (i) the aggregate pro forma finance costs of the incurred Financial Indebtedness for the following 12 month period are added to the Total Net Interest Costs and (ii) to the extent such Financial Indebtedness is used to refinance existing Financial Indebtedness, finance costs of that repaid Financial Indebtedness are deducted from the Total Net Interest Costs.

9.7.3 Clause 9.7.1 does not apply to any Financial Indebtedness:

- (a) that is Project Debt;
- (b) the total outstanding amount of which under (i) any revolving credit facilities with financial institutions, (ii) any commercial paper program and/or (iii) any overdraft facility does not exceed EUR 500,000,000 at any time;



- (c) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles as in force on the Issue Date, be treated as a finance lease or a capital lease and not exceeding EUR 50,000,000 during a financial period.
- (d) arising under any pension loans from pension insurance companies (Fin: *TyEL takaisinlainaus*) in a maximum aggregate principal amount at any time outstanding not exceeding EUR 250,000,000;
- (e) existing as at the Issue Date and any refinancing thereof during the following 12 month period as of the date of incurrence of such new Financial Indebtedness, provided that the principal amount of such refinancing does not exceed the principal amount of the existing Financial Indebtedness being refinanced; or
- (f) any financial indebtedness not permitted by the paragraphs (a) to (e) above and where the outstanding aggregate principal amount of such financial indebtedness for the Group does not exceed EUR 50,000,000 at any time.

## **9.8 Admission to trading**

9.8.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on regulated market of the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

9.8.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of Nasdaq Helsinki Ltd and the CSD, subsist.

## **9.9 Undertakings relating to the Agency Agreement**

9.9.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

## **10. ACCELERATION OF THE NOTES**

10.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing over fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 10.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with these Terms and Conditions (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any Financial Indebtedness of a Material Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (e) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant Group Company (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 10.5) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 10,000,000 (or its equivalent in other currencies); or
- (f) the Issuer or the Group as a whole ceases or threatens to cease all or a material part of its business.

10.2 The Agent may not accelerate the Notes in accordance with Clause 10.1 by reference to a specific Event of Default if it is no longer continuing.

10.3 The Agent shall notify the Noteholders and the Issuer (if the Issuer is not aware) of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days), decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

10.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

10.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

10.6 In the event of an acceleration of the Notes in accordance with this Clause 10, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

## 11. DISTRIBUTION OF PROCEEDS

- 11.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 10 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 13.12;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 6.4;
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 11.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 11.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 11.1(a).
- 11.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 11 as soon as reasonably practicable.
- 11.4 If the Issuer or the Agent shall make any payment under this Clause 11, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid.

## 12. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 12.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 12.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 12.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 12.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

### 13. DECISIONS BY NOTEHOLDERS

13.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

13.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.

13.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

13.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 12 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:

- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 14.3, in respect of a Noteholders' Meeting; or
- (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 15.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

13.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3:

- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6;
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 7 (*Redemption and repurchase of the Notes*);
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 11 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 13;
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 10 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

- 13.6 Any matter not covered by Clause 13.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1(a) or (b)), an acceleration of the Notes.
- 13.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 13.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 13.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 14.1) or initiate a second Written Procedure (in accordance with Clause 15.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 13.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 13.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 13.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 13.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 13.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 13.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) its Affiliates, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate of the Issuer.
- 13.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

#### **14. NOTEHOLDERS' MEETING**

- 14.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

- 14.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 14.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 17.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 14.1.
- 14.3 The notice pursuant to Clause 14.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 14.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.
- 14.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

## 15. WRITTEN PROCEDURE

- 15.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.
- 15.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 15.1 to each Noteholder with a copy to the Agent.
- 15.3 A communication pursuant to Clause 15.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 15.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 15.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 13.5 or 13.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 13.5 or 13.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 16. AMENDMENTS AND WAIVERS

- 16.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*).

- 16.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 16.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 16.1, setting out the date from which the amendment or waiver will be effective and ensure that any amendments to these Terms and Conditions are published in the manner stipulated in Clause 13.14. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 16.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **17. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **17.1 Appointment of Agent**

17.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:

- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by these Terms and Conditions together with all such rights, powers, authorities and discretions as are incidental thereto; and
- (b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 10.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes and to receive any funds in respect of the Notes and as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders);

and otherwise as provided by the applicable law (including, for the avoidance of doubt, the Act on Noteholders' Agents (574/2017, as amended) (Fin: *laki joukkolainanhaltijoiden edustajasta*).

17.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.

17.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

17.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

17.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **17.2 Duties of the Agent**

17.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the execution or enforceability of the Finance Documents.

- 17.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 17.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- 17.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- 17.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 17.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 17.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 11 (*Distribution of proceeds*).
- 17.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 17.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 17.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 17.2.9.

### **17.3 Limited liability for the Agent**

- 17.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 17.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 17.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.



17.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 13 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 10.1.

17.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

#### **17.4 Replacement of the Agent**

17.4.1 Subject to Clause 17.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.

17.4.2 Subject to Clause 17.4.7, if the Agent is (i) Insolvent, (ii) has been removed from the register of noteholders' agents maintained by the Finnish Financial Supervisory Authority and as referred to in Section 15 of the Act on Noteholders' Agents (574/2017, as amended), (iii) is no longer independent in respect of the Issuer as referred to in Section 9 of the Act on Noteholders' Agents, or (iv) otherwise unable to continue to act as a Noteholders' Agent for the Noteholders according to the applicable law, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.

17.4.3 Any successor Agent appointed pursuant to this Clause 17.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances and which has the authority to do so pursuant to the Act on Noteholders' Agents.

17.4.4 A Noteholder or Noteholders representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

17.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.

17.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

17.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

17.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

17.4.9 In the event that there is a change of the Agent in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## 18. NO DIRECT ACTIONS BY NOTEHOLDERS

- 18.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yrittysaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under the Finance Documents.
- 18.2 Clause 18.1 shall not apply if:
- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 18.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 17.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 17.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17.2.10 before a Noteholder may take any action referred to in Clause 18.1; and
  - (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 18.1.
- 18.3 The provisions of Clause 18.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 7.5 (*Mandatory repurchase due to a Change of Control Event or Demerger Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## 19. PRESCRIPTION

- 19.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- 19.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## 20. NOTICES

- 20.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Finnish Trade Register or to another separate e-mail address informed by the Agent;
  - (b) if to the Issuing Agent, shall be given at the address registered with the Finnish Trade Register with the attention of Debt Capital Markets;
  - (c) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated "To the attention of CFO"; and
  - (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer, and if so deemed necessary or desirable by the Issuer, by way of a stock exchange release.
- 20.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 20.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an

envelope addressed to the address specified in Clause 20.1 or, in the case of e-mail, when actually received in a readable form.

- 20.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## **21. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 21.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "Force Majeure Event"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 21.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 21.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 21.4 The provisions in this Clause 21 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

## **22. GOVERNING LAW AND JURISDICTION**

- 22.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- 22.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.

**APPENDIX 1 (Form of Compliance Certificate)**

COMPLIANCE CERTIFICATE

To: INTERTRUST (FINLAND) OY as Agent

From: YIT CORPORATION as Issuer

In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

**We refer to the senior unsecured fixed rate notes issued by us on 11 June 2018 with an aggregate nominal amount of EUR 150,000,000 (the “Notes”).**

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Term and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.
2. We confirm that the following companies are Material Group Companies: [●].
- [3. We confirm that no Event of Default is continuing.]<sup>1</sup>
4. We confirm that the Equity Ratio is [●].
5. [We confirm that in respect of relevant the Relevant Period, the Interest Cover Ratio is [●]].
6. This compliance certificate is governed by Finnish law.

YIT CORPORATION  
as Issuer

\_\_\_\_\_  
Name:

<sup>1</sup> If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorizations:	Authorization by the Board of Directors of the Issuer dated May 24, 2018.
Type of the Issue:	Individual issue of Notes. The maximum principal amounts of the 2021 Notes (EUR 100,000,000) and 2023 Notes (EUR 150,000,000) were issued on June 11, 2018.
Issue Price:	100 per cent of the nominal amount.
Interests of the Joint Lead Managers and the Agent:	Business interest normal in the financial markets.
Form of the Notes:	Dematerialized securities issued in book-entry form in the book-entry system maintained by Euroclear Finland Oy.
Depository and Settlement System:	Euroclear Finland Oy, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland, Infinity system of Euroclear Finland Oy.
Agent for the Noteholders:	Intertrust (Finland) Oy, Kaisaniemenkatu 4, 00100 Helsinki, Finland.
Issuing Agent:	OP Corporate Bank plc, Gebhardinaukio 1, 00510 Helsinki, Finland.
Listing:	Application has been made for the Notes to be admitted to public trading listed on the Helsinki Stock Exchange.
Estimated time of listing:	On or about June 12, 2018.
Estimated net amount of the proceeds:	Approximately EUR 249.2 million.
Estimated cost of issue and listing:	Approximately EUR 0.8 million.
Rate of interest of the Notes:	The 2021 Notes 3.150 per cent per annum. The 2023 Notes 4.250 per cent per annum.
Effective yield of the Notes:	The effective yield of the 2021 Notes is 3.175 per cent. The effective yield of the 2023 Notes is 4.295 per cent.
ISIN Code of the Notes:	ISIN Code of the 2021 Notes is FI4000330824. ISIN Code of the 2023 Notes is FI4000330832.
Reasons for offer and use of proceeds:	Refinancing of maturing debt and for general corporate purposes of the Group.

## INFORMATION ABOUT THE ISSUER

### Overview

YIT is one of the biggest construction companies in Finland and a major player in Northern Europe with reputable brands in Nordic countries, Russia, the Baltic countries and central Eastern Europe. YIT develops and builds apartments, business premises and entire areas, and is also specialised in demanding infrastructure construction and paving. YIT has focus in creating more functional, more attractive and more sustainable cities and environments.

As of February 1, 2018, YIT's six reportable segments are Housing Finland and CEE, Housing Russia, Infrastructure projects, Business premises, Paving as well as Partnership properties. YIT operates in 11 countries: Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. YIT offers construction services for the industrial and public sectors, and residential and business premises construction services in Finland and Russia, as well as road maintenance and paving and maintenance services after the hand-over of apartments to its consumer customers in Russia. According to YIT's estimate, it has a strong market position in the infrastructure construction and building construction segments in Northern Europe and is one of the largest paving providers in the Nordic countries, one of the largest residential construction companies in Finland and one of the largest foreign residential construction companies in Russia. The company also operates as a paving contractor in infrastructure construction projects in Russia.

In February 1, 2018, YIT merged with Lemminkäinen aiming to create a platform to grow to one of the leading urban developers in the Northern European construction market. YIT has approximately 9,300 employees and the pro forma revenue (unaudited) for the merged companies amounted to EUR 3.9 billion in 2017.

YIT Corporation is domiciled in Helsinki, and its registered address is Panuntie 11, FI-00620 Helsinki, Finland. YIT's shares have been listed on the Helsinki Stock Exchange since 1995.

### History

#### *YIT (Prior to the Merger)*

YIT's story begins in 1912, at the Helsinki branch office established by the Swedish company Ab Allmänna Ingeniörsbyrån in the then Grand Duchy of Finland. The company's goal was to enter the Russian market through Finland. These efforts were, however, curbed by World War I and Finland's independence, and the operations ceased. Finnish businessmen resumed the operations by founding Ab Allmänna Ingeniörsbyrån – Yleinen Insinööritoimisto Oy in 1920. The company quickly established a solid reputation and built water supply systems for most of Finland's cities. In its current form, YIT is composed of an entity consisting of Yleinen Insinööritoimisto Oy, Pellonraivaus Oy, established during World War II (and changed its name to Perusyhtymä Oy in 1968), and Insinööritoimisto Vesto Oy.

In 1961, Pellonraivaus Oy acquired the majority of shares in YIT and Vesto, thereby becoming the parent company of both companies, which nonetheless remained independent entities. The companies competed with each other in different sectors of the construction industry. From 1977 to 1982, the companies were engaged in extensive construction exports to the Soviet Union. In 1986, Vesto's operations were integrated into those of Yleinen Insinööritoimisto Oy. The following year, the operations of Yleinen Insinööritoimisto Oy were incorporated to the operations of Perusyhtymä Oy, which changed its name into YIT-Yhtymä Oy. Thus all of the operations of YIT's predecessor companies were transferred under the same company. YIT-Yhtymä went public in 1995, by listing on the Helsinki Stock Exchange. The company also expanded its operations from construction to building system services by acquiring the Finnish company Oy Huber in 1997. YIT branched out into Russia by acquiring the St. Petersburg based construction company called ZAO Lentek. Because of the acquisition, YIT undertook housing development instead of construction projects in Russia, and acquired plots.

In the 2000s, YIT grew into an international group through corporate acquisitions in both building system services and housing construction. In the 2000s, YIT acquired Calor Ab in Sweden, ABB's Building Systems business operations in eight countries as well as the building system services -business operations of the German company MCE AG in six countries. By 2008, YIT had, according to its estimates, become one of the largest foreign building companies in Russia. In addition to St. Petersburg, housing construction expanded to Moscow, Yekaterinburg and Rostov.

In 2010, YIT acquired a small Slovakian construction company, with the objective of becoming a major housing construction company in the central Eastern European countries, alongside Russia and the Baltic countries. During the same year, YIT acquired the building system services business of the German company Caverion Corporation, and thereby building system services became YIT's largest business segment. In the 2010s, YIT had two important business segments: construction and building system services.

In 2013, YIT demerged into two separate listed companies. Building System services were transferred into Caverion Corporation, and YIT continued to develop construction services.

In autumn 2013, YIT launched a capital release programme, within the framework of which over EUR 380 million of capital was released from the balance sheet by autumn 2016. The capital release programme included the release of capital through the reduction of the inventory of unsold completed apartments, sales of self-developed business premises under construction and sales of slow-moving assets. In addition, the capital release programme included utilisation and development of new off-balance sheet partnership models. The programme was completed at the end of 2016, and the target of releasing about EUR 380 million of capital was achieved on schedule. The targets were in part more than achieved. For example, the inventory of unsold completed apartments was reduced more than targeted. The programme reduced the net debt significantly and strengthened the cash flow, but in the short term, it had a negative impact on profitability.

After the demerger, YIT continued to build the foundations for growth in the central Eastern European countries, and it established a new unit in Poland in 2015. In 2016, YIT established a unit focusing on innovation of long-term development projects, as well as a joint venture called Regenero in the Helsinki capital region.

On June 19, 2017, the Boards of Directors of Lemminkäinen and YIT agreed on the combination of the two companies and concluded a combination agreement and signed a merger plan, under which Lemminkäinen merged into YIT through a statutory absorption merger where all assets and liabilities of Lemminkäinen were transferred without a liquidation procedure to YIT. The Merger was completed and the completion of the Merger was registered with the Finnish Trade Register on February 1, 2018. Upon the completion of the Merger, the EUR 300 million revolving credit facility became available to YIT. For unaudited pro forma financial information illustrating, inter alia, the effect of the Merger on the Issuer's results of operations, see "*Unaudited Pro Forma Financial Information.*"

### ***Lemminkäinen***

Lemminkäinen was founded in Helsinki in 1910 by a group of entrepreneurial master builders. At first, the company's business was limited to waterproofing and bituminous yard and street works. Lemminkäinen soon added concrete products, such as stairway steps, to its product range. In 1920, the company opened its own roofing felt factory, and in the 1930s the company's research and development work focused on asphalt production.

Lemminkäinen's strong growth began in the 1970s when the company was developed into a diversified international construction company. Lemminkäinen's construction project exports were initially targeted at the former Soviet Union and Africa. In 1975, Lemminkäinen acquired a majority interest in Oy Alfred Palmberg Ab, which became the hub of the company's building construction operations. In 2000, Lemminkäinen acquired Tekmanni Oy, a technical building services company. After the acquisitions, Lemminkäinen operated in all areas of the construction sector including infrastructure construction, building construction, construction materials and technical building services.

In 1989, Lemminkäinen's shares were listed for the first time on Helsinki Stock Exchange's OTC List, and were transferred to Helsinki Stock Exchange's official list in 1995.

The years 2000–2008 were a period of rapid growth for the company. The biggest business area was building construction in Finland, where the company focused especially on own non-residential development and construction. At the end of this period, Lemminkäinen reorganised its operations outside Finland. Lemminkäinen decided to exit to a large extent from international project construction and concentrated on growth in infrastructure construction in the Nordic countries as well as residential construction in St. Petersburg, Russia. Until 2009, Lemminkäinen was a holding company consisting of several independent subsidiaries. This structure supported Lemminkäinen's growth during the economic boom that continued for an exceptionally long time especially in Finland. However, the financial crisis in 2008–2009 showed that its previous structure and operating model were no longer competitive and that Lemminkäinen's development required a clarification of the company structure and more standardised operating methods. The development towards one united Lemminkäinen started in 2010 with the merger of certain subsidiaries into Lemminkäinen Corporation and the centralisation of all activities under one trademark and brand.

The focusing on core business operations continued after 2010. During 2010–2014, the company divested its roofing and concrete operations (Lemminkäinen Rakennustuotteet Oy) as well as its technical building services business (Lemminkäinen Talotekniikka Oy; former Tekmanni Oy). In 2013 and 2014, Lemminkäinen also divested its telecom network business, which focused on professional project management and implementation services for mobile telecom network projects around the world. After the divestments, the company continues to operate in infrastructure and building construction in the Baltic Sea region.

As of January 1, 2015, the infrastructure construction was divided into two business segments: Paving and Infra projects. In the autumn of 2015, Lemminkäinen decided not to start new development projects in building construction in Russia for the time being. During the third quarter of 2015, Lemminkäinen divested its road maintenance business in Norway and building construction business in Sweden.

## Strategy

YIT's goal is to become one of the leading players in the urban development market in Northern Europe. YIT strives to improve its quality and customer experience further and to continuously provide its customers with new innovative services and solutions. YIT's more balanced product and service offering and wider geographical presence are expected to improve YIT's tolerance for cyclicalities and risks. An improved tolerance for cyclicalities supports cash flow generation and helps achieve growth targets. YIT's success will be based, first and foremost, on a professionally skilled personnel and the continuous development of competence.

YIT's business is divided in the following business areas, which will enable development and connecting of cities more broadly than before:

**Housing:** Construction and development of apartments and entire residential areas.

**Business premises:** Construction and development of offices, business, production and logistics premises and public buildings, solutions for the health care sector, and property development services. Renovation is also part of the service portfolio.

**Infrastructure projects:** Transport infrastructure construction, including bridges, underground construction, earthworks and foundation, building of energy, water supply and industrial plants, paving, as well as maintenance.

**Partnership properties** (new segment as of January 1, 2018): On June 19, 2017, YIT announced that its Board of Directors has decided to establish the new Partnership Properties business area. The business area focuses on financing the development of significant projects as well as owning and timely divestment of developed properties. According to its strategy, YIT targets to make the majority of big and long-term investments with partners. The objective of the new business area is to improve the group's growth capability, to improve completion and visibility on the reporting of partnership projects and to enable the creation of a project portfolio with stable cash flows.

Visionary urban development is the glue that holds all the business areas together. A significant competitive edge is created by combining the different business areas' technical and project development expertise for creating new large projects. YIT's investment capacity will grow significantly with the help of the new Partnership Properties business area. YIT's Board of Directors will eventually decide on the more detailed structure of the company's operational and financial reporting.

The management of YIT will continue to examine and develop the strategy, which the Board of YIT will approve at a later date.

## Financial Targets

The preliminary long-term financial targets of YIT are:

- return on capital employed of more than 12 per cent (ROCE >12%);
- equity ratio of more than 40 per cent;
- positive cash flow after dividend payout;
- annually growing dividend per share.

The financial targets of YIT will be specified during the ongoing strategy process and will be published during 2018.

*The statements set forth in this section include forward-looking statements and are not guarantees of YIT's financial performance in the future. YIT's actual results of operations and financial position could differ materially from the results of operations or financial position presented in or implied by such forward-looking statements as a result of numerous factors discussed in, among other sections, "General Information – Special Cautionary Notice Regarding Forward-looking Statements", "Risk factors" and "Additional Information – Future Outlook". These forward-looking statements should be treated with caution.*



## **Overview of the Business Operations**

The six reported segments of YIT with effect from February 1, 2018 are Housing Finland and CEE, Housing Russia, Business premises, Infrastructure projects, Paving and Partnership properties.

For unaudited pro forma financial information for YIT by segment for the three months ended March 31, 2018 and the year ended December 31, 2017, see “*Unaudited Pro Forma Financial Information*”.

### ***Housing Finland and CEE***

The Housing Finland and CEE segment consists of YIT’s former Housing Finland and CEE segment and the residential construction business of Lemminkäinen’s Building Construction, Finland segment. The segment’s business comprises the development and construction of apartments and entire residential areas as well as leisure-time residences. The segment’s main focus is on self-developed projects, and YIT mainly sells the constructed apartments to both consumers and investors. Additionally, YIT develops and offers various living services and concepts. The segment’s geographical markets are Finland, the Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania.

### ***Housing Russia***

The Housing Russia segment consists of the self-developed residential construction business and living services of YIT’s former Housing Russia segment and Lemminkäinen’s residential contracting and property management business in Russia. The segment’s business comprises development and construction of apartments and entire residential areas in Russia. YIT has operated in Russia in over 55 years with both self-developed and contracting projects. YIT focuses on self-developed housing construction, while maintenance, property management as well as additional services have lately become increasingly important in residential construction projects. Additionally, YIT has two industrial park projects in Russia.

### ***Business premises***

The Business premises segment consists of the business premises construction and project development businesses that were previously under YIT’s Business Premises and Infrastructure segment, along with the commercial construction, project development and commercial property and facilities management businesses of Lemminkäinen’s Building Construction segment. The majority of the revenue is generated in Finland. In this segment YIT pursues both self-developed projects and contracting. For its self-developed projects YIT acquires users and tenants for the premises as well as develops, constructs and divests the premises. Self-developed projects typically include offices, retail premises, as well as logistics or care sector premises. In contracting, projects typically include public facilities, industrial properties and business premises. In addition to new construction, YIT also carries out renovation projects. The segment’s geographical markets are Finland, Estonia, Latvia, Lithuania and Slovakia.

### ***Infrastructure projects***

The Infrastructure projects segment consists of the Infra Services division of YIT’s Business Premises and Infrastructure segment, excluding the Maintenance unit, and Lemminkäinen’s Infra projects segment. The operations cover the construction of roads, bridges, railways and metro stations as well as building power plants, water supply and industrial plants. YIT also offers wind power plant foundation solutions as well as related services and maintenance. Additionally, YIT excavates tunnels and mines and reinforces soil using various methods. The segment operates in Finland, Sweden, Norway, Estonia, Latvia and Lithuania.

### ***Paving***

The Paving segment consists of Lemminkäinen’s Paving segment and YIT’s Maintenance unit. The segment’s operations include paving and production of mineral aggregates as well as stabilisation, crushing and waterproofing. The segment also maintains road and street networks. The company cooperates with its customers to produce paving for especially demanding works, such as airport runways with extremely high quality demands. Approximately half of the segment’s revenue originates from public procurement by states and municipalities. Paving and mineral aggregate production are capital-intensive businesses tying capital into machinery and equipment, plots and current assets. The Paving segment operates in Finland, Sweden, Norway, Denmark and Russia.

### ***Partnership properties***

The Partnership properties segment was established on January 1, 2018. The income for the segment derives from investments, i.e. from rental income and increased value of the assets following their completion. Additionally, the

segment will potentially have revenue from diverse service agreements associated with the possession or acquisition of its partially owned assets.

The objective of the segment is to improve visibility on the reporting of partnership projects, to improve the capability to execute major projects together with partners and to facilitate the creation of a project portfolio generating rental revenue cash flows. In the long term, YIT aims to continue its practice of divesting its holdings to final investors at the time it sees fit.

### **Operating Environment**

YIT operates in 11 countries: Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. As of February 1, 2018, YIT has had six reportable segments, which consists of Housing Finland and CEE, Housing Russia, Business premises, Infrastructure projects, Paving as well as Partnership properties. Except for the Housing Russia segment, each reportable segment consists of operations in several operating countries. The operating environment for each main segment varies depending on the market and region in question. During the period under review, the market landscape for YIT's products and services have been generally stable in all operating regions.

The general economic development, functioning of the financial markets and the political environment in YIT's operating countries have a significant impact on the company's business. Finland accounts for the majority of the company's revenue, which highlights the significance of Finland's economic development for YIT's business. Although the situation seems to have improved, there is still significant uncertainty related to the economic development of Russia, which is one of YIT's largest markets.

YIT's operating segments are impacted by various global megatrends such as urbanisation, sustainability, and digitalisation. Furthermore, YIT is utilizing several urban development trends in its business operations such as more compact urban structures, development of public transport, smart cities, urban culture as well as mixed use (i.e. combining housing, jobs and services).

### **Investments**

Gross investments of YIT in January – March 2018 amounted to EUR 24.3 million compared to EUR 17.3 million in January – March 2017. The gross investments represented 4.6 per cent of YIT's revenue in January – March 2018 compared to 3.8 per cent in the corresponding period in 2017. The investments comprised mainly of investments in building equipment, information technology and joint ventures, among other things.

YIT has not made any final decisions on any other significant investment projects that would not have started as of yet.

YIT expects to finance its ongoing investments with cash generated from operating activities and, when necessary, external financing.

### **Group Legal Structure**

The Issuer was incorporated on September 1, 1987 and it is a public limited liability company organized under the laws of Finland. The registered business name of the Issuer is YIT Oyj in Finnish, YIT Abp in Swedish and YIT Corporation in English, and it is domiciled in Helsinki, Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 0112650-2. The Issuer's registered office is located at Panuntie 11, FI-00620 Helsinki, Finland, and its telephone number is +358 20 433 111.

Pursuant to Article 2 of its articles of association, the Issuer's objects are to engage in production in the construction industry, manufacture and leasing of and trade with building materials and components in Finland and abroad. In addition to the foregoing activities, the Issuer shall buy and sell real estate property and shares in real estate and housing companies as well as lease apartments and properties complete with buildings and facilities and engage in other activities related to the foregoing. The Issuer may also trade in securities. The Issuer may engage in the activities in accordance with its declared objects either directly and/or through its subsidiaries and affiliated companies and joint ventures. The Issuer may offer services in the areas of administration, personnel management, financing, accounting, legal matters, taxation, investor relations and communications as well as other services to the Group companies and affiliated companies.

The YIT Group consists of the parent company YIT Corporation and subsidiaries and associate companies located in several different countries. In addition to Finland, YIT operates in Russia, Denmark, Sweden, Norway, Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania.

The Group's parent company YIT Corporation is responsible for, amongst other things, the management of YIT Group and financing, financial administration, human resources, legal matters, communications and marketing at the Group level. YIT Group's business operations are carried out by YIT Corporation's local subsidiaries utilising local resources and operating models.

### Shares and Share Ownership

As at the date of this Listing Prospectus, the Issuer's fully paid share capital amounts to EUR 149,716,748.22 and the total number of shares in the Issuer is 211,099,853. The Issuer holds 1,102,054 own shares. The shares in the Issuer have no nominal value and are listed on the Helsinki Stock Exchange with the trading code YTY1V.

The following table sets forth the five largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Finland Ltd. as at April 30, 2018:

<b>As at April 30, 2018</b>	
	<b>Per cent of shares and votes</b>
Varma Mutual Pension Insurance Company	7.55%
PNT Group Oy	7.25%
Onvest Sijoitus Oy	4.21%
Pentti Heikki Oskari Estate	3.86%
Ilmarinen Mutual Pension Insurance Company	2.66%
Other shareholders	74.5%
Total	100.00%

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person.

### Material Contracts

Other than the contracts described below, there are no material contracts that have not been entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

### Financing Agreement

On August 24, 2017 YIT entered into a EUR 300 million revolving credit facility agreement with Nordea Bank AB (publ) Finnish Branch, Danske Bank A/S, OP Corporate Bank plc, Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ), Investment Banking, SEB, Swedbank AB (publ) acting as lead arrangers and arrangers and LähiTapiola Yritysrahoitus I Ky as arranger and Danske Bank as agent. The revolving credit facility became available to YIT on February 1, 2018 and was used to replace YIT's earlier EUR 200 million revolving credit facility, dated October 25, 2016.

The new revolving credit facility will mature for repayment after 3 years of the signing of the agreement with one-year extension option. The interest rate paid on the loans drawn down under the revolving credit facility agreement consists of the sum of the applicable margin and the Euribor rate. The margin charged on the revolving credit facility will be determined on the basis of the company's indebtedness (the ratio of net debt to EBITDA).

The new revolving credit facility agreement includes the usual terms and conditions concerning early repayment and cancellation as well as the usual financial covenants, business covenants, insurances and acceleration clauses (with certain exceptions and conditions). The loans drawn down under the new revolving credit facility agreement are unsecured and non-guaranteed.

### Legal Proceedings

YIT operates in several countries and from time-to-time disputes arise in the course of the day-to-day operations of the company. Except for the proceedings described here below, YIT has not been party to any material litigation, arbitration proceedings or administrative proceedings within the past twelve months that may have a material effect on the financial position or profitability of YIT, and YIT is not aware of any such proceedings being pending or threatened.

As a result of the execution of the Merger between YIT and Lemminkäinen, all assets, debts and liabilities of Lemminkäinen, including on-going litigations, were transferred to YIT.

### ***Legal proceedings regarding damages related to the asphalt cartel***

On November 28, 2013, the District Court of Helsinki gave its decisions in the legal proceedings concerning damages related to the asphalt cartel. The capital amount of the claims against Lemminkäinen, partly based on alleged joint and several liability together with the other asphalt industry companies, amounted to a total of approximately EUR 121 million. Regarding the partly accepted 35 claims, the District Court ordered the defendants to pay in total approximately EUR 60 million, of which damages amounted to approximately EUR 34 million and interest and legal expenses to approximately EUR 26 million. Among the defendants, Lemminkäinen's share of the damages awarded to the claimants amounted to approximately EUR 48 million, of which damages of approximately EUR 26 million and interest and legal expenses of approximately EUR 22 million. Lemminkäinen paid its share of the damages and costs ordered by the District Court in January 2014. In addition, Lemminkäinen paid on the basis of joint and several liability approximately EUR 10 million in damages and costs ordered for another defendant that was expected to be unable to pay its share.

Lemminkäinen appealed on March 31, 2014 to the Court of Appeal against all 35 decisions in which the claimants' claims were partly accepted. Altogether 23 claimants (22 municipalities and the Finnish State) lodged appeals with the Court of Appeal. On October 20, 2016, the Court of Appeal of Helsinki gave its decisions in the legal proceedings concerning the damages related to the asphalt cartel. Regarding the 37 claims against Lemminkäinen, Lemminkäinen and other asphalt industry companies are entitled to receive reimbursements in total approximately EUR 20 million (consisting of capital amount of approximately EUR 14 million less as well as interest and legal expenses of approximately EUR 6 million less than according to the decisions of the District Court). Of these reimbursements, Lemminkäinen is entitled to receive refunds (based on Lemminkäinen's own share and those shares of other defendants that Lemminkäinen has paid) in total approximately EUR 19 million consisting of capital as well as interest and legal expenses. Lemminkäinen recorded the reimbursement as income in its fourth-quarter result in 2016.

Lemminkäinen has as such deemed the claims for damages unfounded. After Helsinki Court of Appeal's decisions, Lemminkäinen has settled with 17 municipalities and the State of Finland. The parties agreed not to request leave to appeal from the Supreme Court or to withdraw their leave to appeal concerning the Helsinki Court of Appeal's decisions.

On September 6, 2017, the Supreme Court announced that it had granted leave to appeal to Lemminkäinen and the city of Vantaa regarding the legal proceedings concerning the damages related to the asphalt cartel. Concerning Lemminkäinen, there were 13 pending requests for leave to appeal submitted by Lemminkäinen as well as 19 requests for leave to appeal submitted by municipalities in the Supreme Court concerning the Helsinki Court of Appeal's decisions on October 20, 2016 regarding damages related to the asphalt cartel.

Lemminkäinen was granted leave to appeal in the cases concerning the cities of Mikkeli and Rovaniemi. The leave to appeal concerns the question whether the liability for compensation of Lemminkäinen has decreased due to the fact that the other parties' liability was time barred. The cities of Mikkeli and Rovaniemi were not granted leave to appeal. The other applications for leave to appeal by Lemminkäinen will await the decisions to be rendered in the cases where leave to appeal was granted (with the exception of the city of Kaarina, the application for leave to appeal of which will be decided on separately by the Supreme Court).

The leave to appeal granted to the city of Vantaa concerns the question whether Skanska Asfaltti Oy, NCC Industry Oy and Asfaltmix Oy were liable for damages caused by the cartel to the city based on the fact that the companies had acquired businesses from companies involved in the cartel. The question whether leave to appeal will be granted to Lemminkäinen and to the city of Vantaa, concerning other than the above mentioned issues, will be resolved in connection with the appeal. According to the Supreme Court's decisions on September 6, 2017, the applications for leave to appeal of 14 other cities or municipalities concerning Lemminkäinen were dismissed entirely. The application for leave to appeal by the city of Espoo will await the decisions to be rendered in the cases where leave to appeal was granted.

In addition, Lemminkäinen has been served summons regarding 21 claims against Lemminkäinen and other asphalt companies for damages. The capital amount of these claims is approximately EUR 26 million. For these claims, the company has made a provision worth approximately EUR 3.2 million based on the Helsinki Court of Appeal's decisions and the subsequent Supreme Court's decisions regarding the applications for leave to appeal.

### ***Legal proceedings related to quotas for the amount of recycled asphalt used***

On April 11, 2017, the Helsinki Court of Appeal gave its decision concerning environmental infraction charges. The decision is related to the quotas for the amount of recycled asphalt used in asphalt mass production, as defined in the environmental permits of the Lemminkäinen's Sammonmäki asphalt plant in Finland. As the District Court, the Court of Appeal viewed that the use of recycled asphalt in asphalt production does not spoil the environment. However, two

Lemminkäinen employees were sentenced to fines for breaching the environmental protection law as the asphalt plant had used more recycled asphalt than allowed in the environmental permit. In addition, Lemminkäinen was sentenced to a confiscation of illegal profit of EUR 3.4 million. Lemminkäinen deemed the claim without foundation. Lemminkäinen and one of its employees requested leave to appeal from the Supreme Court concerning Helsinki Court of Appeal's decision. In the Supreme Court's decision, leave to appeal was nevertheless rejected, which means that the verdict by the Court of Appeal will remain valid and enforceable.

***Quality concerns related to ready-mixed concrete***

Ready-mixed concrete, among other things, has been used in construction business as a raw material. During the year 2016, especially in some infrastructure projects, suspicions have arisen that the ready-mixed concrete used in Finland would not entirely fulfill the predetermined quality requirements. The Hospital District of Southwest Finland, as client in the project for the construction of the concrete deck of the T3 building of Turku University Hospital, has presented claims for damages to Lemminkäinen relating to the quality of the ready-mixed concrete. The capital amount of these claims is currently approximately EUR 17 million. According to Lemminkäinen, the responsible party for the quality of the concrete is the supplier. Consequently, Lemminkäinen has filed a claim for compensation from the supplier regarding the expenses relating to possible quality deviations. The capital amount of the claim is currently approximately EUR 20 million.

## SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information for YIT as at and for the three months ended March 31, 2018 and 2017 and as at and for the financial years ended December 31, 2017 and 2016. The financial information presented below has been derived from YIT's unaudited consolidated interim report as at and for the three months ended March 31, 2018, including unaudited comparative financial information as at and for the three months ended March 31, 2017, as well as from the audited consolidated financial statements as at and for the financial year ended December 31, 2017, including unaudited comparative financial information as at and for the financial year ended December 31, 2016.

YIT's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. YIT's unaudited consolidated financial information as at and for the three months ended March 31, 2018 has been prepared in accordance with the IFRS, but all the requirements of the IAS 34: Interim Financial Reporting have not been met.

The selected financial information provided herein should be read in conjunction with YIT's audited consolidated financial statements as at and for the financial years ended December 31, 2017 and 2016 and with the unaudited interim report for the three months ended March 31, 2018, incorporated by reference to this Listing Prospectus.

Consolidated statement of income EUR million, unless otherwise indicated	January 1 - March 31,		January 1 – December 31,	
	2018 (unaudited)	2017 (unaudited)	2017 (audited)	2016 (audited, unless otherwise indicated)
<b>Revenue</b>	532.3	452.2	1,993.8	1,678.3
Other operating income	4.7	1.9	37.4	12.8
Change in inventories of finished goods and in work in progress	59.5	4.6	-83.1	13.0
Production for own use	0.2	0.1	0.7	0.3
Materials and supplies	-115.0	-55.4	-276.8	-245.2
External services	-309.1	-229.9	-985.9	-892.4
Personnel expenses	-105.4	-65.8	-275.7	-250.3
Other operating expenses	-93.3	-99.5	-309.7	-281.7
Share of results in associated companies and joint ventures	-0.2	0.2	-0.9	-0.6
Depreciation, amortisation and impairment	-8.3	-3.5	-14.2	-16.5
<b>Operating profit</b>	<b>-34.6</b>	<b>4.7</b>	<b>85.5</b>	<b>17.7</b>
Financial income	1.6	0.5	1.9	1.7
Exchange rate differences (net)	-0.1	2.1	2.6	-9.6 <sup>1)</sup>
Financial expenses	-9.5	-2.8	-19.1	-12.2 <sup>1)</sup>
Financial income and expenses, total	-8.1	-0.3	-14.6	-20.1
<b>Result before taxes</b>	<b>-42.7</b>	<b>4.5</b>	<b>70.9</b>	<b>-2.5</b>
Income taxes	7.0	-1.0	-14.3	-4.7
<b>Result for the period</b>	<b>-35.8</b>	<b>3.4</b>	<b>56.6</b>	<b>-7.1</b>
<b>Attributable to</b>				
Equity holders of the parent company	-35.8	3.4	56.6	-7.1
Non-controlling interests	-	-	-	-
<b>Earnings per share, attributable to the equity holders of the parent company</b>				
Basic, EUR	-0.20	0.03	0.45	-0.06
Diluted, EUR	-0.20	0.03	0.44	-0.06

<sup>1)</sup> Reclassified to correspond YIT's current presentation. Reclassified information is unaudited.

Statement of comprehensive income EUR million	January 1 - March 31,		January 1 – December 31,	
	2018 (unaudited)	2017 (unaudited)	2017 (audited)	2016 (audited)
Result for the period	-35.8	3.4	56.6	-7.1
<b>Items that may be reclassified subsequently to profit/loss:</b>				
Cash flow hedges	0.0	0.1	0.3	0.5
– Deferred tax from previous	-0.0	-0.0	-0.1	-0.1
Change in translation differences	-9.8	29.4	-31.4	75.2
Items that may be reclassified subsequently to profit/loss, total	-9.8	29.5	-31.1	75.6
<b>Items that will not be reclassified to the statement of income:</b>				
Change in fair value of defined benefit pension	-	-	-	-1.1
– Deferred tax	-	-	-	0.2
Items that will not be reclassified to the statement of income, total	-	-	-	-0.9
<b>Other comprehensive income, total</b>	<b>-9.8</b>	<b>29.5</b>	<b>-31.1</b>	<b>74.7</b>
<b>Total comprehensive result</b>	<b>-45.5</b>	<b>33.0</b>	<b>25.5</b>	<b>67.6</b>
<b>Attributable to</b>				
Equity holders of the parent company	-45.5	33.0	25.5	67.6
Non-controlling interest	-	-	-	-

Consolidated statement of financial position EUR million	As at March 31,		As at December 31,	
	2018 (unaudited)	2017 (unaudited)	2017 (audited, unless otherwise indicated)	2016 (audited, unless otherwise indicated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	214.2	55.0	54.8	53.2
Goodwill	311.3	8.1	8.1	8.1
Other intangible assets	58.5	12.5	11.3	11.9
Investments in associated companies and joint ventures	142.0	75.1	120.1	63.5
Equity investments	2.3	0.4	0.4	0.4
Interest-bearing receivables	38.4	39.1	46.0	34.6 <sup>1)</sup>
Other receivables	1.7	2.9	1.6	3.2 <sup>1)</sup>
Deferred tax assets	72.5	55.4	53.2	54.2
Non-current assets total	840.8	248.5	295.6	229.1
<b>Current assets</b>				
Inventories	2,081.0	1,793.2	1,592.5	1,746.6
Trade and other receivables	440.2	206.2	211.8 <sup>1)</sup>	233.6 <sup>1)</sup>
Interest-bearing receivables	15.2	0.8	1.6 <sup>1)</sup>	1.8 <sup>1)</sup>
Tax receivables	6.2	8.5	2.1	6.5
Cash and cash equivalents	65.2	77.7	89.7	66.4
Current assets total	2,607.8	2,086.5	1,897.8	2,054.9
<b>Total assets</b>	<b>3,448.6</b>	<b>2,335.0</b>	<b>2,193.3</b>	<b>2,284.0</b>
<b>Equity and liabilities</b>				
Share capital	149.7	149.2	149.2	149.2
Legal reserve	1.5	1.5	1.5	1.5
Other reserves	554.1	-	0.7	-0.0
Treasury shares	-7.2	-8.3	-7.2	-8.3
Translation differences	-226.2	-155.6	-216.5	-185.0
Fair value reserve	-0.0	-0.2	-0.0	-0.3
Retained earnings	548.1	582.9	636.9	606.7
Total equity attributable to the equity holders of the company	1,019.9	569.6	564.7	563.9
<b>Equity total</b>	<b>1,019.9</b>	<b>569.6</b>	<b>564.7</b>	<b>563.9</b>

<b>Non-current liabilities</b>				
Deferred tax liabilities	37.1	15.8	9.9	17.6
Pension obligations	2.4	2.1	2.1	2.1
Provisions	82.4	46.6	46.0	44.8
Borrowings	483.5	247.4	344.5	249.1
Other liabilities	56.6	73.9	53.7	51.0
Total non-current liabilities	661.9	385.7	456.2	364.6
<b>Current liabilities</b>				
Advances received	842.5	488.9	494.3	473.9 <sup>1)</sup>
Trade and other payables	424.9	429.6	392.7	395.2 <sup>1)</sup>
Income tax payables	5.0	6.8	13.0	4.4
Provisions	45.3	33.9	26.3	31.7
Borrowings	449.0	420.5	246.3	450.4
Total current liabilities	1,766.8	1,379.7	1,172.5	1,355.5
<b>Liabilities total</b>	<b>2,428.7</b>	<b>1,765.5</b>	<b>1,628.7</b>	<b>1,720.1</b>
<b>Total equity and liabilities</b>	<b>3,448.6</b>	<b>2,335.0</b>	<b>2,193.3</b>	<b>2,284.0</b>

<sup>1)</sup> Reclassified to correspond YIT's current presentation. Reclassified information is unaudited.

<b>Consolidated cash flow statement data</b> <b>EUR million</b>	<b>January 1 - March 31,</b>		<b>January 1 – December 31,</b>	
	<b>2018</b> <b>(unaudited)</b>	<b>2017</b> <b>(unaudited)</b>	<b>2017</b> <b>(audited)</b>	<b>2016</b> <b>(audited)</b>
Net cash generated from operating activities	-125.1	57.6	235.2	35.9
Net cash used in investing activities	-27.6	-16.8	-70.9	-79.2
Net cash used in financing activities	106.8	-32.4	-139.6	-18.4
Net change in cash and cash equivalents	-45.9	8.4	24.7	-61.7
Cash and cash equivalents at the beginning of the period	89.7	66.4	66.4	122.2
Cash generated from merger	21.6	-	-	-
Change in the fair value of the cash equivalents	-0.3	2.9	-1.5	6.0
Cash and cash equivalents at the end of the period	65.2	77.7	89.7	66.4

### **Key figures**

**As at March 31,**

<b>EUR million, unless otherwise indicated</b>	<b>2018</b> <b>(unaudited)</b>
Net interest-bearing debt at end of period	EUR million 813.8
Gearing ratio at end of period	% 79.8 %
Equity ratio at end of period	% 39.1 %
Order backlog at end of period	EUR million 4,640.8



### *Definitions of key figures*

<b>Key figure</b>	<b>Definitions</b>	<b>Reason for use</b>
<b>Interest-bearing debt</b>	Non-current borrowings and current borrowings	Interest-bearing debt is a key figure to measure YIT's total debt financing.
<b>Interest-bearing net debt</b>	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables	Interest-bearing net debt is an indicator to measure YIT's net debt financing.
<b>Equity ratio, %</b>	Total equity / total assets less advances received	Equity ratio is one of YIT's key long-term financial targets and is a key figure to measure the relative proportion of equity used to finance YIT's assets.
<b>Gearing, %</b>	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables / total equity	Gearing ratio helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
<b>Order backlog</b>	Order backlog includes all work ordered by customers of which revenue has not been recognised. Additionally, self-developed projects are included to order backlog when required permissions to start are received. Completed self-developed production is removed from order backlog when it (for example housing unit) is sold and recognised as revenue.	Order backlog is considered to provide meaningful supplemental information for investors.

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial information (the “**Unaudited Pro Forma Financial Information**”) is presented for illustrative purposes only to give effect to the Merger of YIT and Lemminkäinen. The Unaudited Pro Forma Financial Information is prepared based on the historical results of YIT and Lemminkäinen prepared in accordance with IFRS as issued by the IASB and as adopted by the European Union. For additional information on the historical results of YIT and Lemminkäinen, refer to the audited historical consolidated financial information and the unaudited interim consolidated financial information of YIT and Lemminkäinen incorporated by reference into this Listing Prospectus and available on the company website [www.yitgroup.com](http://www.yitgroup.com).

### *The Merger of YIT and Lemminkäinen*

On June 19, 2017 the Boards of Directors of YIT and Lemminkäinen signed the merger plan to combine the two companies through a merger (the “**Merger**”). The Merger was, among other things, conditional upon approval by the Extraordinary General Meetings of YIT and Lemminkäinen and the Finnish Competition and Consumer Authority. On September 12, 2017 the Extraordinary General Meetings of YIT and Lemminkäinen approved the Merger. Approval from the Finnish Competition and Consumer Authority was received on January 26, 2018. Following the approvals, the Boards of Directors of YIT and Lemminkäinen resolved on January 31, 2018 to execute the Merger in accordance with the merger plan. As a result, new shares issued to Lemminkäinen's shareholders as merger consideration were admitted to trading on Nasdaq Helsinki (the “**Helsinki Stock Exchange**”) on February 1, 2018.

### *Basis of presentation*

The Merger is accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS 3, Business Combinations (“**IFRS 3**”) with YIT determined as the acquirer of Lemminkäinen for accounting purposes. The acquisition method of accounting applies the fair value concepts defined in IFRS 13, Fair Value Measurement, and requires, among other things, that the identifiable assets acquired and liabilities assumed in a business combination are recognised at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognised as goodwill. The accounting for the acquisition presented herein is provisional and represents the values recorded by YIT on the acquisition date in its consolidated accounts. The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EU) N:o 809/2004, as amended.

The Unaudited Pro Forma Financial Information for the year ended December 31, 2017, and for the three months ended March 31, 2018, combines historical consolidated income statements of YIT and Lemminkäinen to give effect to the Merger as if it had occurred on January 1, 2017. As the Merger was completed on February 1, 2018, the effect of Lemminkäinen's results of the operations and the acquired assets and liabilities assumed are included in YIT's consolidated financial information as from the acquisition date and Lemminkäinen is fully consolidated to YIT's statement of financial position as at March 31, 2018. Accordingly, no pro forma statement of financial position is presented in the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information for the year ended December 31, 2017 is derived from the audited consolidated financial statements of YIT for the year ended December 31, 2017 and the audited consolidated financial statements of Lemminkäinen for the year ended December 31, 2017, which are incorporated by reference to this Listing Prospectus. The Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 is derived from the unaudited interim financial statements of YIT for the three months ended March 31, 2018 and the audited consolidated financial statements of Lemminkäinen for the one month ended January 31, 2018, which are also incorporated by reference to this Listing Prospectus.

The Unaudited Pro Forma Financial Information for the year ended December 31, 2017 is prepared on a consistent basis with the accounting policies applied in YIT's audited consolidated financial statements for the year ended December 31, 2017. The Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 is prepared on a consistent basis with the accounting policies applied in YIT's unaudited interim consolidated financial statements for the three months ended March 31, 2018. On January 1, 2018 YIT adopted IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers. In accordance with the transitional provisions of IFRS 9 and IFRS 15, YIT has not restated prior year comparatives. The adoption of IFRS 9 and IFRS 15 did not have a material impact on YIT's financial statements, for more information in the adoption of IFRS 9 and IFRS 15, refer to the section 4 in the unaudited interim report for the three months ended March 31, 2018, incorporated by reference to this Listing Prospectus. The Unaudited Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

The Unaudited Pro Forma Financial Information reflects adjustments to historical financial information to give pro forma effect to events that are directly attributable to the Merger and which are factually supportable. YIT's Unaudited Pro Forma Financial Information and explanatory notes purport to present how YIT's financial performance may have appeared had the businesses actually been combined for the periods presented.

YIT has performed an alignment of Lemminkäinen's IFRS accounting policies to ensure comparability in the Unaudited Pro Forma Financial Information. Accordingly, certain reclassifications and accounting policy alignments were made to amounts in Lemminkäinen's historical financial statements to align with YIT's presentation as described further in Note 1 to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are based upon certain assumptions, described in the accompanying notes thereto, that management believes are reasonable under the circumstances. The Unaudited Pro Forma Financial Information has been prepared by management for illustrative purposes only and is not necessarily indicative of the result of YIT's operations that would have been realised had the Merger occurred as of the date indicated, nor is it meant to be indicative of any anticipated future results of operations that YIT may experience going forward. In addition, the accompanying unaudited pro forma combined income statements do not reflect any cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred by YIT.

All amounts presented are in millions of euros unless otherwise indicated. The Unaudited Pro Forma Financial Information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

*Unaudited pro forma income statement for the three months ended March 31, 2018*

EUR million, unless otherwise indicated	YIT historical Jan 1 – March 31, 2018	Lemminkäinen reclassified Jan 1 – Jan 31, 2018 (Note 1)	Merger (Note 2)	Note	YIT pro forma
<b>Revenue</b>	<b>532.3</b>	<b>70.2</b>	<b>-0.3</b>	2a	<b>602.2</b>
Other operating income	4.7	0.5	-		5.2
Change in inventories of finished goods and work in progress	59.5	4.7	-		64.2
Production for own use	0.2	0.0	-		0.2
Materials and supplies	-115.0	-13.7	1.8	2a	-126.9
External services	-309.1	-50.2	-		-359.3
Personnel expenses	-105.4	-21.8	2.5	2b	-124.6
Other operating expenses	-93.3	-15.8	6.5	2b	-102.6
Share of results in associated companies and joint ventures	-0.2	-0.5	-		-0.7
Depreciation, amortisation and impairment	-8.3	-1.1	0.5	2a	-8.9
<b>Operating profit</b>	<b>-34.6</b>	<b>-27.5</b>	<b>11.1</b>		<b>-51.1</b>
Financial income and expenses, total	-8.1	-4.0	5.3	2a, 2c	-6.8
<b>Result before taxes</b>	<b>-42.7</b>	<b>-31.5</b>	<b>16.4</b>		<b>-57.8</b>
Income taxes	7.0	2.0	-3.3	2a, 2b, 2c	5.7
<b>Result for the period</b>	<b>-35.8</b>	<b>-29.5</b>	<b>13.1</b>		<b>-52.2</b>
<b>Attributable to</b>					
Equity holders of the parent company	-35.8	-29.5	13.1		-52.2
Non-controlling interest	-	-0.0	-		-
<b>Earnings per share, attributable to the equity holders of the parent company</b>					
Basic, EUR	-0.20				-0.25
Diluted, EUR	-0.20				-0.25
<b>Weighted average number of shares outstanding</b>					
Basic, 1,000 pcs	180,801				209,692
Diluted, 1,000 pcs	180,801				209,692

*Refer to accompanying notes to Unaudited Pro Forma Financial Information*

*Unaudited pro forma income statement for the year ended December 31, 2017*

<b>EUR million, unless otherwise indicated</b>	<b>YIT historical</b>	<b>Lemminkäinen reclassified (Note 1)</b>	<b>Merger (Note 2)</b>	<b>Note</b>	<b>YIT pro forma</b>
<b>Revenue</b>	<b>1,993.8</b>	<b>1,887.7</b>	<b>-19.0</b>	2a	<b>3,862.5</b>
Other operating income	37.4	8.3	-		45.7
Change in inventories of finished goods and work in progress	-83.1	-14.9	-		-97.9
Production for own use	0.7	0.3	-		0.9
Materials and supplies	-276.8	-494.4	-5.4	2a	-776.5
External services	-985.9	-829.3	-		-1,815.3
Personnel expenses	-275.7	-310.3	-2.5	2a, 2b	-588.5
Other operating expenses	-309.7	-174.0	-9.4	2a, 2b	-493.1
Share of results in associated companies and joint ventures	-0.9	0.1	-		-0.7
Depreciation, amortisation and impairment	-14.2	-31.8	-13.7	2a	-59.7
<b>Operating profit</b>	<b>85.5</b>	<b>41.8</b>	<b>-50.0</b>		<b>77.4</b>
Financial income and expenses, total	-14.6	-16.0	4.0	2a, 2c	-26.7
<b>Result before taxes</b>	<b>70.9</b>	<b>25.7</b>	<b>-46.0</b>		<b>50.7</b>
Income taxes	-14.3	-19.3	9.3	2a, 2b, 2c	-24.3
<b>Result for the period</b>	<b>56.6</b>	<b>6.4</b>	<b>-36.7</b>		<b>26.3</b>
<b>Attributable to</b>					
Equity holders of the parent company	56.6	6.4	-36.7		26.3
Non-controlling interest	-	0.0	-		0.0
<b>Earnings per share, attributable to the equity holders of the parent company</b>					
Basic, EUR	0.45				0.13
Diluted, EUR	0.44				0.12
<b>Weighted average number of shares outstanding</b>					
Basic, 1,000 pcs	125,730				209,606
Diluted, 1,000 pcs	127,636				211,934

*Refer to accompanying notes to Unaudited Pro Forma Financial Information*

## Notes to Unaudited Pro Forma Financial Information

Tabular amounts in millions of euros (“EUR million”) unless indicated otherwise.

### 1) Alignment of Lemminkäinen’s financial information presentation with YIT’s accounting policies and presentation

YIT has performed a review of Lemminkäinen’s accounting policies to determine whether any adjustments were necessary to ensure comparability in the Unaudited Pro Forma Financial Information. Certain presentation differences between income statements of Lemminkäinen and YIT have been aligned to ensure comparability in the Unaudited Pro Forma Financial Information and are reflected in the table below. Further, an accounting policy alignment regarding the assumed provisions relating to Lemminkäinen’s 10-year commitments for the construction of housing and business premises in Finland has been identified and it is fair valued in the Acquisition balance sheet. The impact of this alignment in the income statement for the year ended December 31, 2017 is described in Note 2a (iv).

Further, also Lemminkäinen adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on January 1, 2018 using the transitional provisions allowed under these standards not restating comparatives, aligned with YIT’s adoption method. The adoption of these standards did not have a material impact on Lemminkäinen’s financial statements, for more information refer to the audited consolidated financial statements as at and for the one month ended January 31, 2018.

YIT is not aware of any other accounting policy differences that could have a material impact on the Unaudited Pro Forma Financial Information.

The following reclassifications were made to align Lemminkäinen’s historical income statement presentation for the one month ended January 31, 2018 with YIT’s financial statement presentation:

EUR million	For the one month ended January 31, 2018			
	Lemminkäinen historical (audited)	Reclassifications	Note	Lemminkäinen reclassified
Revenue	68.2	2.1	(i)	70.2
Use of materials and services	-63.9	63.9	(ii)	-
Materials and supplies	-	-13.7	(ii)	-13.7
External services	-	-50.2	(ii)	-50.2
Other operating expenses	-13.7	-2.1	(i)	-15.8
Depreciation and amortisation	-1.1	1.1	(iii)	-
Depreciation, amortisation and impairment	-	-1.1	(iii)	-1.1

- (i) Reclassification of EUR 2.1 million from Revenue to Other operating expenses.
- (ii) Reclassification of EUR 63.9 million from Use of materials and services to Materials and supplies (EUR 13.7 million) and External services (EUR 50.2 million).
- (iii) Reclassification of EUR 1.1 million from Depreciation and amortisation to Depreciation, amortisation and impairment (EUR 1.1 million).

The following reclassifications were made to align Lemminkäinen’s historical income statement presentation for the year ended December 31, 2017 with YIT’s financial statement presentation:

EUR million	For the year ended December 31, 2017			
	Lemminkäinen historical (audited)	Reclassifications	Note	Lemminkäinen reclassified
Revenue	1,847.2	40.5	(i)	1,887.7
Use of materials and services	-1,323.7	1,323.7	(ii)	-
Materials and supplies	-	-494.4	(ii)	-494.4
External services	-	-829.3	(ii)	-829.3
Other operating expenses	-133.4	-40.5	(i)	-174.0
Depreciation and amortisation	-31.5	31.5	(iii)	-
Impairment	-0.3	0.3	(iii)	-
Depreciation, amortisation and impairment	-	-31.8	(iii)	-31.8

- (i) Reclassification of EUR 40.5 million from Revenue to Other operating expense.
- (ii) Reclassification of EUR 1,323.7 million from Use of materials and services to Materials and supplies (EUR 494.4 million) and External services (EUR 829.3 million).
- (iii) Reclassification of EUR 31.5 million from Depreciation and amortisation and EUR 0.3 million from Impairment to Depreciation, amortisation and impairment (EUR 31.8 million)

## 2) *The Merger*

The following pro forma adjustments give effect to the Merger on the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018.

<b>For the three months ended March 31, 2018</b>					
<b>EUR million</b>	<b>Acquisition (Note 2a)</b>	<b>Reference</b>	<b>Transaction costs (Note 2b)</b>	<b>New Financing Agreements (Note 2c)</b>	<b>Total Merger adjustments</b>
<b>Revenue</b>	<b>-0.3</b>	2a (vi)	-	-	<b>-0.3</b>
Materials and supplies	1.8	2a (iii), (vi)	-	-	1.8
Personnel expenses	-		2.5	-	2.5
Other operating expenses	-		6.5	-	6.5
Depreciation, amortisation and impairment	0.5	2a (i), (ii)	-	-	0.5
<b>Operating profit</b>	<b>2.0</b>		<b>9.1</b>	-	<b>11.1</b>
Financial income and expenses, total	0.4	2a (vii)	-	4.9	5.3
<b>Result before taxes</b>	<b>2.4</b>		<b>9.1</b>	<b>4.9</b>	<b>16.4</b>
Income taxes	-0.5	2a (viii)	-1.8	-1.0	-3.3
<b>Result for the period</b>	<b>1.9</b>		<b>7.2</b>	<b>3.9</b>	<b>13.1</b>

The following pro forma adjustments give effect to the Merger on the Unaudited Pro Forma Financial Information for the year ended December 31, 2017.

<b>For the year ended December 31, 2017</b>					
<b>EUR million</b>	<b>Acquisition (Note 2a)</b>	<b>Reference</b>	<b>Transaction costs (Note 2b)</b>	<b>New Financing Agreements (Note 2c)</b>	<b>Total Merger adjustments</b>
<b>Revenue</b>	<b>-19.0</b>	2a (vi)	-	-	<b>-19.0</b>
Materials and supplies	-5.4	2a (iii), (vi)	-	-	-5.4
Personnel expenses	0.1	2a (v)	-2.5	-	-2.5
Other operating expenses	-2.9	2a (iv)	-6.5	-	-9.4
Depreciation, amortisation and impairment	-13.7	2a (i), (ii)	-	-	-13.7
<b>Operating profit</b>	<b>-40.9</b>		<b>-9.1</b>	-	<b>-50.0</b>
Financial income and expenses, total	4.7	2a (vii)	-	-0.8	4.0
<b>Result before taxes</b>	<b>-36.2</b>		<b>-9.1</b>	<b>-0.8</b>	<b>-46.0</b>
Income taxes	7.3	2a (viii)	1.8	0.2	9.3
<b>Result for the period</b>	<b>-28.8</b>		<b>-7.2</b>	<b>-0.6</b>	<b>-36.7</b>

The adjustments are separated into different sections based on the nature of the adjustment as described below under each section in the respective footnotes.

### *2 a) Acquisition – Purchase price allocation to acquired assets and assumed liabilities*

The Merger is accounted for using the acquisition method of accounting where YIT is the acquirer. Under the acquisition method of accounting, purchase consideration has been allocated to assets acquired and liabilities assumed

based on their estimated fair values as of the acquisition date February 1, 2018. The excess of the purchase consideration over the provisional fair value of the identifiable net assets acquired has been allocated to goodwill in YIT's consolidated accounts as at March 31, 2018.

The following table presents the provisional fair values of the acquired net assets of Lemminkäinen on the acquisition date of February 1, 2018 (“**Acquisition balance sheet**”):

<b>EUR million</b>	<b>Note</b>	<b>Acquired assets and assumed liabilities at fair value</b>
Property, plant and equipment	(i)	164.4
Other intangible assets	(ii)	50.9
Investments in associated companies and joint ventures		4.1
Equity investments		1.8
Interest-bearing receivables		-
Other receivables		0.3
Deferred tax assets	(viii)	8.2
<b>Total non-current assets</b>		<b>229.7</b>
Inventories	(iii)	415.5
Trade and other receivables		255.8
Income tax receivables		1.1
Cash and cash equivalents		21.6
<b>Total current assets</b>		<b>694.0</b>
<b>Total assets</b>		<b>923.7</b>
Deferred tax liabilities	(viii)	22.7
Pension obligations		0.3
Provisions	(iv)	37.5
Borrowings	(2a vii), (2c)	123.5
Other liabilities		0.0
<b>Total non-current liabilities</b>		<b>183.9</b>
Advances received		139.9
Trade and other payables		215.7
Income tax liabilities		0.5
Provisions		13.7
Borrowings		111.6
<b>Total current liabilities</b>		<b>481.4</b>
<b>Total liabilities</b>		<b>665.4</b>
<b>Net assets acquired (excluding goodwill)</b>		<b>258.4</b>
<b>Non-controlling interest</b>		<b>0.0</b>
<b>Purchase consideration</b>		<b>556.7</b>
<b>Goodwill</b>		<b>298.3</b>

#### *The fair value of the Purchase Consideration*

The purchase consideration transferred amounting to EUR 556.7 million is based on the fair value of EUR 6.62 of the YIT share on the Helsinki Stock Exchange on January 31, 2018 (closing price) and the aggregate number of 83,876,431 new shares issued as merger consideration. Lemminkäinen's shareholders received as merger consideration 3.6146 shares for each share they held in Lemminkäinen. The purchase consideration transferred includes a fair value element of the existing Lemminkäinen long-term share based incentive program of which EUR 1.4 million was allocated to pre-combination services representing replacement awards.



Pro forma adjustments

- i. A fair value adjustment of EUR 37.7 million has been recorded to Property, plant and equipment to the Acquisition balance sheet as at January 31, 2018 to reflect the total fair value of EUR 164.4 million determined using either the cost or market approach. The fair value adjustment relates mainly to industrial properties, asphalt plants and paving equipment and mineral aggregate deposits.

Accordingly, a pro forma adjustment of EUR 0.2 million, has been recorded in the Unaudited Pro Forma Financial Information for the three months period ended March 31, 2018 and EUR 3.0 million for the year ended December 31, 2017, to reflect the net additional depreciation expense arising from the fair value adjustment. The remaining depreciation period for the acquired fair valued Property, plant and equipment is estimated to be between 5–32 years.

- ii. Aggregate fair value of Other intangible assets totalled to EUR 50.9 million, which includes EUR 44.6 million of intangible assets related to customer relationships, brands and order backlog that were recognised in the Acquisition balance sheet. Fair values for the intangible assets have been determined using appropriate valuation methods including the multi-period excess earnings method for the customer relationship, excess earnings method for the order backlog and relief from royalty method for the acquired brand portfolio. Carrying amount for technology based acquired assets were considered to approximate their fair values.

A net pro forma adjustment of EUR 0.7 million has been made as a reduction of the reported amortisation expenses in the unaudited pro forma income statement for the three months ended March 31, 2018. For the year ended December 31, 2017, a pro forma adjustment of EUR 10.7 million has been recorded to reflect the additional amortisation expense arising from the fair value adjustments. The table below presents the remaining useful life assigned to the identified intangible assets and the estimated amortisation recorded in the Unaudited Pro Forma Financial Information for the intangible assets in the PPA.

**For the three months ended March 31, 2018**

<b>EUR million</b>	<b>Fair value adjustment</b>	<b>Useful life</b>	<b>Amortisation recorded in historical figures</b>	<b>Pro forma adjustment</b>	<b>Pro forma amortisation</b>
Customer relationships	16.6	5-15 years	-0.4	-0.2	-0.6
Brands	18.9	15 years	-0.2	-0.1	-0.3
Order backlog	9.2	3 years	-1.3	1.0	-0.3
<b>Total</b>	<b>44.6</b>		<b>-1.9</b>	<b>0.7</b>	<b>-1.2</b>

**For the year ended December 31, 2017**

<b>EUR million</b>	<b>Fair value adjustment</b>	<b>Useful life</b>	<b>Amortisation recorded in historical figures</b>	<b>Pro forma adjustment</b>	<b>Pro forma amortisation</b>
Customer relationships	16.6	5-15 years	-	-2.5	-2.5
Brands	18.9	15 years	-	-1.3	-1.3
Order backlog	9.2	3 years	-	-7.0	-7.0
<b>Total</b>	<b>44.6</b>		-	<b>-10.7</b>	<b>-10.7</b>

- iii. A fair value adjustment of EUR 22.6 million has been recorded to inventories in the Acquisition balance sheet to reflect the fair value of acquired inventories of EUR 415.5 million. YIT expects the acquired inventory to turn over within a 5-year period. As a result, a pro forma adjustment of EUR 1.5 million has been recorded as a reduction of costs in materials and supplies in the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 and EUR 13.7 million as an increase of costs in materials and supplies for the year ended December 31, 2017, to reflect the expected usage of the acquired inventory. This adjustment will not have a continuing impact on YIT's results beyond the estimated utilisation period.

- iv. For the year ended December 31, 2017, a pro forma adjustment of EUR -2.9 million has been recognised in the Unaudited Pro Forma Financial Information to reflect the impact of an accounting policy alignment in the assumed provisions relating to Lemminkäinen's 10-year commitments for the construction of housing and business premises in Finland.
- v. Lemminkäinen's share-based rewards earned under the Lemminkäinen long-term incentive plan prior to the Merger that had not vested will be settled with YIT's shares in accordance with the terms of the incentive plan. The portion of the fair value reflecting post-merger services has been recorded as personnel expenses over the remaining vesting period of the awards. Accordingly, a pro forma adjustment of EUR 0.1 million reducing personnel expenses has been recorded in the Unaudited Pro Forma Financial Information for the year ended December 31, 2017.
- vi. A pro forma adjustment has been booked to eliminate transactions between YIT and Lemminkäinen for the periods presented taking place prior to the Merger. These eliminations had an impact of EUR -0.3 million on revenue for the three months ended March 31, 2018 and EUR -19.0 million for the year ended December 31, 2017, and an impact of EUR 0.3 million on materials and supplies for the three months ended March 31, 2018 and EUR 8.3 million for the year ended December 31, 2017. The adjustment did not have an impact on operating profit for the three months ended March 31, 2018. The impact on operating profit was EUR -10.7 million for the year ended December 31, 2017.
- vii. A fair value adjustment of EUR 9.7 million was recorded for the assumed Lemminkäinen's bond in Acquisition balance sheet. As a result, pro forma adjustments of EUR 0.4 million and EUR 4.7 million, both reducing the existing financial expenses, has been recognised in the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 and the year ended December 31, 2017, respectively, to reflect the impact of the fair value adjustment using the effective interest rate method.
- viii. Pro forma adjustment for income tax expenses arising from the fair value adjustments has been booked in the Unaudited Pro Forma Financial Information using a blended tax rate of 20.4%, which is based on the underlying jurisdictions where the income or expense will be recorded. The effective tax rate for YIT could significantly differ in the future depending on the post-acquisition activities, geographical mix of net income and tax planning strategies. The pro forma adjustment for income tax expenses arising from the bond fair value is recorded in the Unaudited Pro Forma Financial Information with a tax rate of 20.0%.

## **2 b) Transaction costs**

A total of EUR 15.1 million transaction costs included in other operating expenses and personnel expenses, excluding consent fees described in Note 2c, have been incurred by YIT and Lemminkäinen in connection with the Merger. The transaction costs comprise primarily of financial, legal and advisory costs as well as personnel expenses directly related to the Merger. A pro forma adjustment relating to transaction costs of EUR 9.1 million recorded in personnel expenses and other operating expenses for the three months ended March 31, 2018 is recorded to transfer such costs to the year ended December 31, 2017.

The pro forma adjustment for income tax expenses arising from the Transaction costs is recorded in the Unaudited Pro Forma Financial Information with a tax rate of 20.0% as the transaction costs have arisen at the parent company level in Finland.

These pro forma adjustments do not have a continuing impact on YIT's result of operations.

## **2 c) New Financing Agreements**

In connection with the planning of the Merger of YIT and Lemminkäinen, YIT agreed a financing commitment for the EUR 240 million bridge financing agreement and a EUR 300 million revolving credit facility from Nordea and Danske Bank. The purpose of the bridge financing was to act as back-up facility to refinance certain existing debts of YIT and Lemminkäinen, if needed. YIT has evaluated its liquidity position and financial structure and as a result, cancelled the EUR 240 million bridge financing agreement on February 20, 2018 since it was no longer needed. The new EUR 300 million revolving credit facility replaced earlier YIT and Lemminkäinen credit facilities and it is currently unused.

The following tables present the impact of pro forma adjustments relating to the New Financing Agreements resulting from the Merger. The adjustment to net financial items in the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 and for the year ended December 31, 2017 as presented in the tables below:

<b>For the three months ended March 31, 2018</b>					
<b>EUR million</b>	<b>Fees and expenses related to bridge financing facility (i)</b>	<b>Fees and expenses related to revolving credit facilities (ii)</b>	<b>Interest adjustment of Lemminkäinen's hybrid bond (iii)</b>	<b>Costs related to the bond's investor fees (iv)</b>	<b>Total adjustment</b>
Financial income and expenses, total	1.0	2.0	1.4	0.5	4.9

<b>For the year ended December 31, 2017</b>					
<b>EUR million</b>	<b>Fees and expenses related to bridge financing facility (i)</b>	<b>Fees and expenses related to revolving credit facilities (ii)</b>	<b>Interest adjustment of Lemminkäinen's hybrid bond (iii)</b>	<b>Costs related to the bond's investor fees (iv)</b>	<b>Total adjustment</b>
Financial income and expenses, total	-1.0	1.3	-0.6	-0.5	-0.8

- i. Remaining fees and expenses of EUR 1.0 million related to the EUR 240 million bridge financing agreement that were recognised by historical YIT in the three months ended March 31, 2018 have been transferred in the Unaudited Pro Forma Financial Information from the three months ended March 31, 2018 to record them in the year ended December 31, 2017.
- ii. In relation to the revolving credit facilities, pro forma adjustments of EUR 2.0 million and EUR 2.0 million, both reducing the existing financial expenses, have been recognised to Financial income and expenses, total in the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 and year ended December 31, 2017, respectively. These adjustments replace the financial expenses recorded historically by YIT and Lemminkäinen on the old revolving credit facilities with the associated expenses arising on the new EUR 300 million facility as if the new revolving credit facility had been in place for both periods presented. Additionally, a pro forma adjustment of EUR -0.7 million was recognised to expense the remaining accrued arrangement fee of YIT's old revolving credit facility in the Unaudited Pro Forma Financial Information for the year ended December 31, 2017.
- iii. Lemminkäinen announced on January 31, 2018 that it would redeem its hybrid bond in accordance with terms and conditions on March 30, 2018, and as a result thereof the payment took place on April 3, 2018. The redemption took place using YIT's available facilities with an annual estimated interest of 1.6% which has formed the basis for the pro forma adjustment for the cost of refinancing. Accordingly, incremental interest expenses of EUR 0.1 million and EUR 0.6 million is recognised for the refinanced hybrid bond in the Unaudited Pro Forma Financial Information for the three months ended March 31, 2018 and year ended December 31, 2017, respectively. Additionally, a pro forma adjustment of EUR 1.5 million has been recorded in the Unaudited Pro Forma Financial Information to eliminate the interest expense of the hybrid bond for the three months ended March 31, 2018.
- iv. A pro forma adjustment has been recorded relating to the investor fee of Lemminkäinen bond that was contingent of the consummation of the Merger, by transferring the EUR 0.5 million of fees incurred in 2018 to the year ended December 31, 2017.

The pro forma adjustment for income tax expenses arising from the New Financing Agreements is recorded in the Unaudited Pro Forma Financial Information with a tax rate of 20.0%.

YIT will continue to incur costs on the new revolving credit facility and the refinanced hybrid bond.

### *Additional pro forma information*

#### Pro forma earnings per share

Pro forma basic earnings per share is calculated by dividing the pro forma result for the period attributable to the equity holders of the parent company by the pro forma weighted average number of shares outstanding as adjusted for the Merger.

Pro forma diluted earnings per share is calculated by adding the historical dilution effect to the calculated pro forma weighted average number of shares. The Merger is assumed to have dilution effect regarding Lemminkäinen's long-term incentive program.

The following table presents pro forma basic and diluted earnings per share:

	<b>For the three months ended March 31, 2018</b>	<b>For the year ended December 31, 2017</b>
Pro forma result for the period attributable to the equity holders of the parent company, EUR million	-52.2	26.3
Weighted average number of shares outstanding – historical, 1,000 pcs	209,692	125,730
Merger consideration shares issued to Lemminkäinen's shareholders, 1,000 pcs	-	83,876
Pro forma weighted average number of shares outstanding – basic, 1,000 pcs	209,692	209,606
Dilution effect – historical, 1,000 pcs	-	1,906
Dilution effect from Lemminkäinen's long-term incentive program, 1,000 pcs	-	422
Pro forma weighted average number of shares – diluted, 1,000 pcs	209,692	211,934
<b>Pro forma earnings per share attributable to the equity holders of the parent company – basic, EUR</b>	<b>-0.25</b>	<b>0.13</b>
<b>Pro forma earnings per share attributable to the equity holders of the parent company – diluted, EUR</b>	<b>-0.25</b>	<b>0.12</b>

#### Pro forma segment information

YIT has prepared the following unaudited pro forma segment information to reflect the combined company's segment performance on a pro forma basis which also comprise the comparative information under IFRS 8 that YIT's CODM monitors. YIT's chief operating decision maker (CODM) is YIT Group's Management Board. The new segment structure consists of six reportable segments: Housing Finland and CEE, Housing Russia, Business Premises, Infrastructure projects, Paving and Partnership properties.

Unaudited pro forma segment information is based on historical financial information of YIT and Lemminkäinen prepared under IFRS, adjusted for changes in the composition of the segments, the established new segment Partnership properties and elimination of intercompany items between YIT and Lemminkäinen and the new segments.

The following table sets forth unaudited pro forma segment information:

EUR million	For the three months ended March 31, 2018	For the year ended December 31, 2017
<b>Revenue</b>	<b>602.2</b>	<b>3,862.5</b>
Housing Finland and CEE	242.9	1,156.2
Housing Russia	38.3	421.0
Business Premises	183.0	902.2
Infrastructure projects	93.7	686.0
Paving	52.7	768.9
Partnership properties	-	-
Other items and eliminations	-8.3	-71.8
<b>Adjusted operating profit</b>	<b>-43.2</b>	<b>138.9</b>
Housing Finland and CEE	20.5	83.0
Housing Russia	-13.8	4.9
Business Premises	-2.2	51.5
Infrastructure projects	-8.6	17.4
Paving	-30.8	4.7
Partnership properties	-0.2	-0.5
Other items and eliminations	-8.1	-22.0

#### Alternative performance measures

YIT presents certain key figures related to the combined company's business performance on a pro forma basis to give effect to the Merger as if it had taken place at an earlier date.

Certain of these key figures are not accounting measures defined or specified under IFRS and therefore are considered as alternative performance measures. YIT presents these alternative performance measures as additional information to the financial measures presented in the pro forma information prepared in accordance with IFRS. Management believes that these key figures provide meaningful supplemental information on the combined company's pro forma results of operations and financial position, and are widely used by analysts, investors and other parties and provide additional information to analyse the combined company's performance and capital structure.

YIT presents adjusted EBITDA, adjusted operating profit and adjusted EPS in addition to EBITDA, operating profit and EPS to reflect the underlying business performance and to enhance comparability from the period to period. Adjusted performance measures exclude material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, integration costs related to Merger, transaction costs related to Merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, gains or losses arising from the divestments of a business or part of a business, costs on the basis of statutory personnel negotiations and adaption measures, and cost impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA").

Alternative performance measures should not be viewed in isolation or as a substitute to measures presented in the pro forma information prepared in accordance with IFRS. Companies do not calculate alternative performance measures in a uniform way, and therefore YIT's alternative performance measures may not be comparable with similarly named measures presented by other companies.

The following tables set forth:

- Reconciliation of pro forma adjusted operating profit to pro forma operating profit;
- Reconciliation of pro forma adjusted earnings per share adjusted with adjusting items, as defined later this section, after taking into consideration the tax effect of the adjusting items; and
- Reconciliation of adjusted pro forma EBITDA to adjusted pro forma operating profit.

### Reconciliation of pro forma adjusted operating profit

EUR million	For the three months ended March 31, 2018	For the year ended December 31, 2017
<b>Operating profit (IFRS)</b>	<b>-51.1</b>	<b>77.4</b>
<b>Adjusting items</b>		
Write-down of inventories	-	14.0
Restructuring and divestments	3.9	-
Transaction costs related to Merger	-	15.1
Integration costs related to Merger	1.0	3.8
Costs, compensations and reimbursements related to court proceedings	-	1.4
Inventory fair value adjustment from PPA <sup>1)</sup>	0.9	13.7
Depreciation and amortisation expenses from PPA <sup>1)</sup>	1.9	13.7
<b>Adjusting items, total</b>	<b>7.8</b>	<b>61.5</b>
<b>Adjusted operating profit</b>	<b>-43.2</b>	<b>138.9</b>

<sup>1)</sup> PPA refers to merger related fair value adjustments.

### Reconciliation of pro forma adjusted earnings per share

	For the three months ended March 31, 2018	For the year ended December 31, 2017
<b>Pro forma result for the period attributable to the equity holders of the parent company, EUR million</b>	<b>-52.2</b>	<b>26.3</b>
Adjusting items, total (included in operating profit) <sup>1)</sup>	7.8	61.5
Adjusting items related to Merger included in financial expenses		
Bond consent solicitation fees in the income statement	-	0.9
Fees and expenses related to bridge financing facility	-	1.4
Arrangement fee from the old revolving credit facility	-	0.7
Reduction of financial expenses due to the Lemminkäinen bond fair value adjustment	-1.1	-4.7
Adjusting items related to Merger included in financial expenses, total	-1.1	-1.8
<b>Adjusting items, total (included in operating profit)<sup>1)</sup> and adjusting items related to Merger included in financial expenses, total</b>	<b>6.7</b>	<b>59.7</b>
Tax impact	-0.6	-11.8
<b>Pro forma adjusted result for the period attributable to the equity holders of the parent company, EUR million</b>	<b>-46.0</b>	<b>74.3</b>
Pro forma weighted average number of shares outstanding – basic, 1,000 pcs	209,692	209,606
<b>Pro forma adjusted earnings per share attributable to the equity holders of the parent company – basic, EUR</b>	<b>-0.22</b>	<b>0.35</b>

<sup>1)</sup> Adjusting items, total (included in operating profit) are presented in the table Reconciliation of pro forma adjusted operating profit.

## Reconciliation of adjusted pro forma EBITDA

EUR million	For the three months ended March 31, 2018	For the year ended December 31, 2017
<b>Adjusted operating profit</b>	<b>-43.2</b>	<b>138.9</b>
Depreciation and amortisation <sup>1)</sup>	8.9	59.7
Depreciation and amortisation expenses from PPA <sup>2)</sup>	-1.9	-13.7
<b>Adjusted pro forma EBITDA</b>	<b>-36.3</b>	<b>185.0<sup>3)</sup></b>

<sup>1)</sup>Including depreciation and amortisation expenses from PPA.

<sup>2)</sup>PPA refers to merger related fair value adjustments.

<sup>3)</sup>Figure has been restated.

## Definitions of key figures

Key figure	Definitions	Reason for use
<b>Operating profit</b>	Net result for the period before taxes and net finance expenses equaling to the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax related items.
<b>Adjusted operating profit</b>	Operating profit excluding adjusting items.	
<b>Adjusting items</b>	Adjusting items are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, integration costs related to Merger, transaction costs related to Merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, gains or losses arising from the divestments of a business or part of a business, costs on the basis of statutory personnel negotiations and adaption measures, and cost impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA").	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.
<b>Adjusted EBITDA</b>	Adjusted operating profit excluding depreciation and amortisation.	Adjusted EBITDA is presented in order to give investor information on YIT's ability to service debt. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations and depreciation and amortisation thus improving comparability from period to period.

**Adjusted  
per share**

**earnings**

Earnings per share excluding adjusting items included in the operating profit and adjusting items related to Merger included in financial expenses including tax impact.

Adjusted earnings per share is presented in addition to earnings per share in order to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.

---



## **BOARD OF DIRECTORS AND MANAGEMENT BOARD**

### **General**

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of YIT, the administration and management of YIT is divided between the shareholders, the Board of Directors and the Managing Director (i.e. the President and CEO of YIT). YIT's Management Board assists the Managing Director in running YIT's operations.

The shareholders participate in supervision and control of YIT through passing resolutions in the General Meetings. The General Meetings are usually convened by the Board of Directors. In addition, a General Meeting shall be held if this is requested in writing by YIT's auditor or by shareholders representing no less than one tenth of all the shares issued by YIT.

The business address of the members of the Board of Directors, the President and CEO and the Management Board is c/o YIT Corporation, Panuntie 11, FI-00620 Helsinki, Finland.

In addition to laws and regulations in force at the time in question, the rules of the Helsinki Stock Exchange and YIT's Articles of Association, YIT's governance complies without exceptions with the Finnish Corporate Governance Code 2015 issued by the Securities Market Association (Corporate Governance Code).

Based on an independent assessment, all members of YIT's Board of Directors are independent of YIT. In addition, all members of YIT's Board of Directors are independent of the major shareholders of YIT.

### **Board of Directors**

The Annual General Meeting appoints annually YIT's Board of Directors, which comprises of, pursuant to YIT's Articles of Association, the Chairman, the Vice Chairman and a minimum of three (3) and a maximum of seven (7) members. The term of office of each member of the Board of Directors expires at the end of the next Annual General Meeting following their election.

The Board of Directors is responsible for YIT's administration and the appropriate organisation of its operations, and that the control of YIT's accounts and finances is appropriately arranged. The Board of Directors decides on matters of principle and on issues that are extensive in view of the scope and nature for YIT. The Board of Directors' task is to steer YIT's operations in a manner that will add the greatest possible added value to the capital invested in YIT over the long term.

YIT's Board of Directors appoints the President and CEO (i.e. the Managing Director of YIT), and decides on his or her remuneration and other terms and conditions of service that are defined in a written contract of service. The Board of Directors also approves guiding values, strategy and operating policies of the Group, and ensures that they are up-to-date and correctly implemented. The Board of Directors also ensures that YIT has a functional system of internal control, that the Group's internal risk management principles have been defined and that the key business risks have been identified and are being systematically monitored. The Board of Directors approves the operational guidelines and annual plan for the internal audit, and also assesses the effectiveness of internal audit.

YIT's President and CEO (i.e. the Managing Director) as referendary and Corporate General Counsel as secretary of the Board of Directors attend the meeting of the Board of Directors. Other members of the Management Board and other management attend meetings as required.

YIT's Annual General Meeting held on March 16, 2018 confirmed that the Board of Directors consists of the Chairman, Vice Chairman and five members. Harri-Pekka Kaukonen was elected the Chairman of the Board, Eero Heliövaara Vice Chairman of the Board and Erkki Järvinen, Olli-Petteri Lehtinen, Inka Mero, Kristina Pentti-von Walzel and Tiina Tuomela members of the Board.

The table below presents the members of YIT's Board of Directors as at the date of this Listing Prospectus.

<b>Name</b>	<b>Born</b>	<b>Position</b>	<b>Board member since</b>
Harri-Pekka Kaukonen	1963	Chairman	2018
Eero Heliövaara	1956	Member	2018
Erkki Järvinen	1960	Member	2013
Olli Petteri Lehtinen	1960	Member	2018
Inka Mero	1976	Member	2016
Kristina Pentti-von Walzel	1978	Member	2018
Tiina Tuomela	1966	Member	2017

*Harri-Pekka Kaukonen* has been the Chairman of YIT's Board of Directors and the Personnel Committee since 2018. Kaukonen serves currently as the Chairman of the Board of Directors of Lindström Oy, Suomen Asuntoneuvoja Oy, Esperri Care Holding Oy, Suomen Vaka-palvelut II Oy and as the Vice Chairman of the Board of Directors of Tieto Corporation and Evli Fund Management Company Ltd. In addition, he serves as a member of the Board of Directors of Ahlstrom-Munksjö Oyj. Previously, Kaukonen has served as a member of the Board of Directors of Lemminkäinen, Oral Hammaslääkärit Plc, Renideo Group Oy, Renideo Holding Oy and UMNI Oy. Kaukonen has also served as a member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company in 2014–2016 and as a member of the Board of Directors of Ahlstrom Oyj, AR Packaging AB, Karem Oy, Lindström Oy and East Office of Finnish Industries Oy. In addition, Kaukonen has served as the President and CEO of Sanoma Corporation in 2011–2015, in various executive positions at Oy Karl Fazer Ab in 2003–2011, most recently as EVP, Head of Bakery and Confectionery Business Area, and he was also a partner at McKinsey & Company, Inc. in 1999–2003. Kaukonen holds Ph.D., and M.Sc. (Eng.) from Helsinki University of Technology. Mr Kaukonen is independent of YIT and its major shareholders.

*Eero Heliövaara* has been the Vice Chairman of YIT's Board of Directors and a member of the Audit Committee since 2018. Heliövaara serves currently as a member of the Board of Directors of Lympha Touch Inc. and as the Vice Chairman of the Board of Directors of the Foundation of the Finnish Cancer Institute. Heliövaara was the Director General in the Ownership Steering Department of Prime Minister's Office in 2013–2017, a Board Professional and an Angel Investor in 2010–2012, the President and CEO of SRV Group Plc in 2006–2009 and Pohjola Group Plc in 2001–2005 and the Executive Vice President of Ilmarinen Mutual Pension Insurance Company in 1998–2001. He holds the degrees of M.Sc. (Eng.) and M.Sc. (Econ.). Mr Heliövaara is independent of YIT and its major shareholders.

*Erkki Järvinen* has been a member of YIT's Board of Directors since 2013 and the Chairman of YIT's Audit Committee since 2016. He currently serves as the CEO of Oy Snellman Ab and as a member of the Board of Directors of Tokmanni Group Corporation, as a member of the Board of Directors of Association of Finnish Advertisers and as the Vice Chairman of the Board of Directors of Snellman Ltd. Järvinen has also served as a member of the Uusimaa Regional Management Board of the Confederation of Finnish Industries (EK) and a member of the Board of Directors of East Office of Finnish Industries Ltd, Chemical Industry Federation of Finland and Helsinki Region Chamber of Commerce and Economic Information Office. Järvinen was the President and CEO of Tikkurila Group in 2009–2017 and Rautakirja Corporation in 2001–2008, and the President of Kiosk operations in 1997–2001. He holds the degree of M.Sc. (Econ.). Mr Järvinen is independent of YIT and its major shareholders.

*Olli Petteri Lehtinen* has been a member of YIT's Board of Directors and the Audit Committee since 2018. Lehtinen serves currently as the Chairman of the Board of Directors of Nordea Bank Russia, where he has been a member of the Board of Directors since 2013 and the Chairman of the Board of Directors since 2016. Lehtinen served as a Director of various positions in Nordea Bank Concern in Finland and Nordic Countries in 2001–2017 and as a Senior Partner and a Co-Owner of Vectia Ltd in 2000–2001. He holds the degree of M.Sc. (Econ.). Mr Lehtinen is independent of YIT and its major shareholders.

*Inka Mero* has been a member of YIT's Board of Directors and the Personnel Committee since 2016. She is a Co-Founder and the Chairman of the Board of Directors of Pivot5 Oy, KoppiCatch, Inc. and Industryhack Oy. In addition, Mrs Mero is a member of the Board of Directors of Fiskars Corporation and Nokian Tyres Plc. Previously, she served as CEO of Playforia Oy in 2006–2008, as a Director of Nokia Plc in 2005–2006, as the VP Sales and Marketing of Digia Plc in 2001–2005 and as an Investment Manager of Sonera Corporation in 1996–2001. She holds the degree of M.Sc. (Econ.). Mrs Mero is independent of YIT and its major shareholders.

*Kristina Pentti-von Walzel* has been a member of YIT's Board of Directors and the Audit Committee since 2018. Currently she serves as CEO and as the Chairman of the Board of Directors of Laponie Ltd and as a member of the Board of Directors of the Foundation for Economic Education and CMI Crisis Management Initiative. Pentti-von Walzel has also served as a member of the Board of Directors of Maj and Tor Nessling's Foundation, Libera

Foundation, Guggenheim Helsinki Foundation, Lemminkäinen, the Finnish Family Firms Association, Aspo Plc and the Finnish Children and Youth Foundation (FCYF). In addition, she has served as a Director of Libera instituutti Ltd, a Director of Libera Foundation and a Campaign Director of Svenska handelshögskolan. Her work experience includes placements in the Ministry for Foreign Affairs of Finland as well as various positions in personnel management and the financial services industry for companies, such as Mandatum Stockbrokers Ltd and Fortum Corporation. She has been an entrepreneur since 2014. She holds a M.Sc. (Econ.) and a B.Sc. (Pol.Sc.). Mrs Pentti-von Walzel is independent of YIT and its major shareholders.

*Tiina Tuomela* has been a member of YIT's Board of Directors since 2017 and a member of the Personnel Committee since 2018. Mrs Tuomela serves currently as a member of the Board of Directors of several companies of the Fortum Corporation. In addition, she is a member of the Board of Industrial Power Corporation and Kemijoki Oyj. Previously, Mrs Tuomela served as the Executive Vice President, Nuclear and Thermal Power Division of Fortum Corporation in 2014–2016, as the Vice President, Finance in Power Division of Fortum Power and Heat Oy in 2009–2014, as the Vice President, Business Control and Support, Generation of Fortum Power and Heat Oy in 2005–2009, as well as in several managerial positions (business control, investments, strategy) at Fortum in 1990–2005. She holds the degrees of MSc (Eng.) and MBA. Mrs Tuomela is independent of YIT and its major shareholders.

## **Board Committees**

### ***General***

The Board of Directors has two committees: the Personnel Committee and the Audit Committee.

The Board of Directors elects the members and Chairmen of the committees from among its members at its constitutional meeting following the Annual General Meeting. The committees assist the Board of Directors by preparing proposals and recommendations in their areas of expertise for the Board's decisions. All committees have written standing orders ratified by the Board of Directors. The committees report to the Board of Directors on the matters dealt with by them and the required actions on a regular basis at the Board of Directors' meeting following each committee meeting.

### ***Personnel Committee***

The task of the Personnel Committee is to assist the Board of Directors in matters related to appointing and rewarding key personnel. Among other things, the Personnel Committee prepares proposals for the development of the Group's corporate culture and HR policy, remuneration and incentive schemes, the rules for performance-based bonuses and the proposals for performance-based bonuses paid to the management. In addition, identifying talents, the development of key personnel and planning for management successors fall under the preparation responsibility of the Committee.

The Committee convenes as necessary and as summoned by the Chairman. It has a minimum of three and a maximum of five members who all have knowledge of Group's business operations and business segments as well as HR and reward-related matters. The majority of the members of the Personnel Committee must be independent of YIT. The President and CEO and other members of YIT's executive management cannot be members of the Personnel Committee.

On the date of this Listing Prospectus, the members of the Personnel Committee were Harri-Pekka Kaukonen (the Chairman), Inka Mero and Tiina Tuomela. The Senior Vice President, Human Resources, acts as the secretary of the Personnel Committee.

### ***Audit Committee***

The Audit Committee assists the Board of Directors in the supervision of the Group's reporting and accounting processes. Its tasks include, among others, overseeing YIT's financial reporting process, the effectiveness of internal control, internal audit and risk management systems, as well as monitoring and assessing the audit. The Committee participates in the preparation of the Group's financing policy, financing plan and financing arrangements. The Committee reviews YIT's financial statements and interim reports and monitors auditing. It evaluates compliance with laws and regulations and follows the Group's financial position.

The Committee convenes at least four times per year and more often if necessary. It comprises of three to five members, the majority of whom must be independent of YIT. In addition, at least one of the members of the Committee must be independent of major shareholders. Persons who have extensive knowledge the Group's business operations and business segments and sufficient knowledge of accounting and accounting principles are elected as members.

On the date of this Listing Prospectus, the members of the Audit Committee were Erkki Järvinen (the Chairman), Eero Heliövaara, Olli Petteri Lehtinen and Kristina Pentti-von Walzel. The Corporate General Counsel acts as the secretary of the Audit Committee.

### **Shareholders' Nomination Board**

The Annual General Meeting of YIT Corporation decided on March 15, 2016 to establish a Shareholders' Nomination Board to prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting. Moreover, the Annual General Meeting affirmed the standing orders for the Shareholders' Nomination Board.

The Shareholders' Nomination Board is a body comprised of YIT's shareholders or their representatives, the duty of which is to, in accordance with the Board of Directors' diversity principles, prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting and, where necessary, for the Extraordinary General Meeting. The primary purpose of the Shareholders' Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience in view of YIT's needs, and to prepare proposals, with justifications, on the election and remuneration of members of the Board of Directors to the General Meeting for this purpose. The Nomination Board comprises of YIT's three major shareholders or the representatives nominated by these shareholders. In addition, the Chairman of the Board of Directors can be invited to the Nomination Board as a specialist member upon the Nomination Board's decision. The right to nominate members to represent shareholders rests with three shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd or another operator on the last weekday of August in the year preceding the General Meeting and who hold the largest number of votes conferred by shares according to the shareholders' register.

The Shareholders' Nomination Board has been established to serve until further notice. The term of office of the Nomination Board members ends at the appointment of new members every year.

The Shareholders' Nomination Board shall submit its proposal to YIT's Board of Directors every year, by the last weekday of January preceding the next Annual General Meeting.

The proposals of the Shareholders' Nomination Board are published in a stock exchange release and included in the notice of meeting. Furthermore, the Shareholders' Nomination Board shall present and justify their proposal and give an account of its operations to the Annual General Meeting.

The Merger between YIT and Lemminkäinen was completed on February 1, 2018. YIT's Extraordinary General Meeting, which approved the Merger on September 12, 2017, resolved that, in deviation from the current standing order of the YIT Shareholders' Nomination Board, the right to nominate members to the Nomination Board shall rest with the three largest shareholders who are registered in the shareholders' register on the registration date of the execution of the Merger. According to the mentioned standing order, a shareholder group can agree on appointing a joint representative to the Nomination Board. The following shareholders have agreed on appointing a joint representative: PNT Group Oy, Noora Forstén, Fideles Oy, Kristina Pentti-von Walzel, Eva Pentti-Kortman and Kristian Pentti.

YIT's three largest shareholders on February 1, 2018, in accordance with the shareholder register maintained by Euroclear Finland Ltd, including the shareholder group, are the above mentioned shareholder group, Varma Mutual Pension Insurance Company and Onvest Sijoitus Oy. On the date of this Listing Prospectus, the people nominated as their representatives to YIT's Nomination Board were Juhani Mäkinen, Counsellor of Law, the shareholder group (14.89% of shares and votes), Risto Murto, President and CEO, Varma Mutual Pension Insurance Company (7.55% shares and votes) and Maarit Toivanen-Koivisto, Chair of the Board of Directors, Onvest Oy (4.21% shares and votes).

### **President and CEO (i.e. the Managing Director of YIT)**

The President and CEO attends to YIT's day-to-day administration in accordance with the Finnish Companies Act, YIT's corporate governance and the authorizations granted and instructions laid down by the Board of Directors. The President and CEO is responsible for the preparation of significant strategic measures at the Group level and the implementation of the measures decided by the Board of Directors. In addition, the President and CEO ensures that YIT has sufficient management resources and that its governance operates properly. The President and CEO also ensures that its accounting is lawful and asset management is organised reliably.

## Management Board

YIT Group's Management Board is the highest operational decision-making body and is responsible for allocating resources to the business segments. The Management Board is also responsible for assessing the performance of the business segments.

The President and CEO and other members appointed by the Board of Directors make up the Group's Management Board. The President and CEO appoints the Management Board's secretary. The Group Management Board, which meets on a regular basis, approximately once a month, assists the Group CEO with operational planning and management and prepares matters that are to be processed by the Board of Directors. Among other duties, the Management Board formulates and coordinates the Group's strategic and annual planning, supervises the implementation of plans and financial reporting and prepares significant investments and mergers and acquisitions. The development of the Group's internal co-operation and promoting joint development projects are among the Management Board's key duties. The President and CEO is responsible for the decisions made by the Management Board. The task of the members of the Management Board is to implement the decisions in their own areas of responsibility.

The table below presents the members of YIT's Management Board as at the date of this Listing Prospectus.

Name	Born	Position	Management Board member since
Kari Kauniskangas	1974	President and CEO	2013 <sup>1</sup>
Ilkka Salonen	1965	CFO, Deputy to President and CEO	2018
Jan Gustafsson	1974	Executive Vice President, Strategy and Development	2018
Teemu Helpolainen	1962	Executive Vice President, Housing Russia segment	2013
Antti Inkilä	1969	Executive Vice President, Housing Finland and CEE segment	2015
Harri Kailasalo	1969	Executive Vice President, Infrastructure Projects segment	2018
Juha Kostiaainen	1965	Executive Vice President, Urban Development	2016
Esa Neuvonen	1967	Executive Vice President, Business Premises segment and Partnership Properties segment	2016
Juhani Nummi	1967	Executive Vice President, Integration	2013
Pii Raulo	1967	Executive Vice President, Human Resources	2011
Heikki Vuorenmaa	1981	Executive Vice President, Paving segment	2018

<sup>1</sup> President and CEO since 2013 and a member of YIT's Management Board since 2008.

*Kari Kauniskangas* has been a member of YIT's Management Board since 2008, and he has served the President and CEO of YIT Corporation as of the beginning of 2013. Mr Kauniskangas serves currently as the Managing Director of YIT Construction Ltd, a member of the Board of the Finnish-Russian Chamber of Commerce and East Office of Finnish Industries. In addition, Kauniskangas is a member of the Supervisory Board of Varma Mutual Pension Insurance Company. Previously, he served as the Executive Vice President and the Deputy to the President and CEO of YIT Corporation in 2008–2013, the Head of International Construction Services of YIT Construction Ltd in 2008–2013, Business Premises, the Head of Division, the Senior Vice President in 2005–2007, the Regional Manager of Housing Construction Oulu in 2001–2005 and in various positions at YIT Construction Ltd in 1997–2000. He holds the degrees of M.Sc. (Eng.) and B.Sc. (Econ.).

*Ilkka Salonen* has been a member of YIT's Management Board and CFO, the Deputy to President and CEO since 2018. Salonen serves currently as a member of the Board of Directors of Metsäliitto Cooperative and Parmaco Oy. Previously, Salonen served as CFO of Lemminkäinen Corporation and as the Chairman of the Board of Directors of Forest BtL Oy and VH-Holding 1 Oy, as a member of the Board of Directors of Governia Oy, Sinisen Reservin Säätiö and Koy Keloriva and as a member of the Board of Directors and CEO of Nihde Finance Oy. In addition, he has served as a member of the Board of Directors of Neste Jacobs Oy and Nynas AB. Previously, Salonen has also served as a Director and Advisor to the Board of Directors of Forest BtL Oy, CFO and a member of the Executive Team of Neste Oil, Pohjola Bank, Pohjola Group Oyj and Comptel Corporation. He has also served as the Deputy CEO of Comptel Corporation and Pohjola Bank Plc, as well as the Corporate Planning Director at Comptel Corporation. He has also acted as an Analyst at Handelsbanken and Postipankki (currently Danske Bank Plc). Salonen holds a M.Sc. (Econ.) and Vocational Qualification in Business Information Technology. He also holds a CEFA degree.

*Jan Gustafsson* has been a member of YIT's Management Board and the Executive Vice President, Strategy and Development since 2018. Previously, Gustafsson served as a member of the Group Executive Team and the Executive Vice President of HR of Lemminkäinen. In addition, he has served in Paroc Group as the Senior Vice President of Building Insulation Business Unit in 2015–2016, the Senior Vice President of Human Resources in 2010–2015, the Executive Vice President of Building Insulation division in 2008–2010, the Executive Vice President of Technical

Insulation division in 2004–2008, the Export Director of Technical Insulation division in 2002–2004, a legal counsel in 1999–2002 and has served as a member of the Board of Directors of Toisaalta Oy. Gustafsson holds a Master of Laws degree.

*Teemu Helppolainen* has served as a member of YIT's Management Board since 2013 and the Executive Vice President, Housing Russia segment since 2018. He serves currently as the Vice Chairman and as a member of the Board of Directors of Association of European Businesses. Previously, Helppolainen served in YIT as the Head of the Housing Russia segment in 2015–2018 and as the Head of business area Russia in 2014, as the Senior Vice President, International Construction Services, Moscow and Russian Regions in 2009–2014 and as the Senior Vice President, Moscow Region in 2008–2009. In addition, he served as the Director of Russian and Ukrainian operations of Raisio Nutrition Ltd in 2005–2008. He holds the degree of M.Sc. (Econ.).

*Antti Inkilä* has been a member of YIT's Management Board and the Executive Vice President, Housing Finland and CEE segment since 2018. Inkilä serves currently as a Vice Member of the Board of the District of Metropolitan Area of Confederation of Finnish Construction Industries. Previously, Mr Inkilä served in YIT Construction as the Head of the Housing Finland and CEE segment, the Head of the Apartment Houses Metropolitan Area unit in 2008–2014, the Head of Business Unit, Asuintalot Uusimaa in 2008, the Chief of Developer Contracting of Apartment Houses Metropolitan Area in 2006–2008, the Production Manager of Apartment Houses Metropolitan Area and in various positions at YIT Construction Ltd since 1994. He holds the degree of M.Sc. (Tech.).

*Harri Kailasalo* has been a member of YIT's Management Board and the Executive Vice President, Infrastructure Projects segment since 2018. Kailasalo serves currently as a Chairman of the Board of Directors of the Confederation of Finnish Industries CFCI, as a member of the Board of Directors of the Confederation of Finnish Industries (EK) and as a Chairman of the Supervisory Board of Etera Mutual Pension Insurance Company. Previously, Kailasalo served as the Executive Vice President of Infra Projects of Lemminkäinen in 2012–2018, as the Senior Vice President of Business Operations in 2011 and as Senior Vice President of Civil Engineering in 2009–2011 in Lemminkäinen Infra Oy. He has served in Lemminkäinen Infra Oy/Lemon Ltd as the Construction Manager of Civil Engineering in 2000–2009. In addition, he has served in Lemon Ltd as the Production Manager of Civil Engineering in 1998–2000. Kailasalo holds the degree of M.Sc. (Eng.).

*Juha Kostiainen* has been a member of YIT's Management Board and the Executive Vice President, Urban Development since 2018. Mr. Kostiainen is currently a member of the Management Board of the New Energy Programme of Academy of Finland, the Chairman of the Board of Regenero Oy, a member of the Board of European International Contractors and Tyrsky Consulting Oy. In addition, Mr Kostiainen is Adjunct professor of strategic urban development at the University of Tampere. Previously, Mr Kostiainen served in YIT Corporation as the Senior Vice President, Sustainable Urban Development in 2016–2018 and Urban Development and Corporate Relations in 2012–2016. In addition, Kostiainen served as a member of the of Advisory Board of Infrastructure and Public Services of VTT – Technical Research Centre of Finland Ltd, as Finnish Innovation Fund Sitra's Director responsible for communications and public affairs in 2012, the Programme Director in 2009–2011 and the Business Director in 2009. Kostiainen has served in YIT as the Senior Vice President, Corporate Communications and Business Development in 2007–2008, the Vice President, Business Development in 2005–2007 and the Vice President, Corporate Planning 2003–2005. In addition, he served in YIT Construction as a Development Manager in 2001–2003 and as a Business Sector Manager of City of Tampere in 1997–2001. He holds the degrees of M.Sc. (Tech) and D.Sc. (Adm.).

*Esa Neuvonen* has served as a member of YIT's Management Board and the Executive Vice President, Business Premises segment and Partnership Properties segment since 2018. Neuvonen serves currently as a member of the office board of Svenska Handelsbanken's Pasila Office and as a member of the Advisory Counsel of Nordea Corporate Merchant Banking. Previously, he served as the Chief Financial Officer of YIT Corporation in 2016–2018, the Chief Financial Officer of Sato Corporation in 2009–2016, the Senior Vice President of TeliaSonera's Integrated Enterprise Services, Business Control and Development in 2007–2008, TeliaSonera Finland's CFO/Vice President, the Head of Finance and Business Control in 2005–2006, TeliaSonera Finland's CFO/Vice President, the Head of Finance and Administration in 2003–2005 and Sonera Corporation's Vice President, Sales&Marketing, Finance and Business Support in 2003–2005. He holds the degree of M.Sc. (Econ.).

*Juhani Nummi* has been a member of YIT's Management Board and the Executive Vice President, Integration since 2018. Previously, Mr Nummi was the Senior Vice President, Business Development in 2013–2018, YIT Construction Ltd's Senior Vice President, Business Development, Construction Services Finland in 2006–2013 and Development Manager in 2003–2006. In addition, he was the Product Manager of Proha Oyj/Artemis Finland Oy in 2001–2003. He holds the degree of M.Sc. (Eng.).

*Pii Raulo* has been a member of YIT's Management Board and the Executive Vice President, Human Resources since 2018. She also serves currently as a member of the Supervisory Board of Etera Mutual Pension Insurance Company. Previously, Raulo served as YIT Corporation's Senior Vice President, Human Resources in 2011–2018, HR Director of YIT Construction Services Finland in 2008–2011 and HR manager in 2004–2007, as well as Manager of Administration at McKinsey & Company in 1997–2004. She holds the degree of M.Sc. (Econ.).

*Heikki Vuorenmaa* has been a member of YIT's Management Board and the Executive Vice President, Paving segment since 2018. Previously, Vuorenmaa served in Lemminkäinen as the Executive Vice President in Paving Segment in 2017–2018 and as the Senior Vice President, Procurement in 2015–2017. In addition, Vuorenmaa has served in Microsoft Mobile Ltd as a Director, Phone Sourcing in 2014–2015, in Nokia Corporation as a Director, Product Outsourcing in 2012–2014 and as a Director, Operations & Supply chain in 2008–2012 and as the Business Controller, Wood Products Industry in Metsä Group in 2005–2008. Vuorenmaa holds the degree of M.Sc. (Econ.).

### **Conflicts of Interests**

Provisions regarding conflicts of interest of the members of the Board of Directors are set forth in the Finnish Companies Act. According to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors shall be disqualified from the consideration of a matter pertaining to a contract between the member and the company. A member shall likewise be disqualified from the consideration of a matter pertaining to a contract between the company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the company. The provisions of the section in question on a contract apply correspondingly to other transactions and court proceedings.

As far as YIT is aware, the members of the Board of Directors, the Chairman, Management Board, or the President and CEO have no conflicts between their duties at YIT and their private interests or other duties.

There are no family relationships between the members of the Board of Directors, the President and CEO, and the members of the Management Board.

## ADDITIONAL INFORMATION

### Significant Changes in the Issuer's Financial Position

There have been no significant changes in YIT's financial or trading position since March 31, 2018, which is the date of the last published report on the financial standing of YIT.

There have been no events materially relevant to evaluation of the Issuer's solvency since March 31, 2018, which is the date of the last published report on YIT's solvency.

### Future Outlook

Due to the Merger of YIT and Lemminkäinen, YIT does not issue numerical guidance for the Group but is issuing a general outlook that describes future development instead. YIT's outlook is based on assumptions and the management's estimates of the development of demand in the Group's operating environment and segments. The Board of Directors will assess, and later announce, whether it is appropriate to issue numerical guidance for the merged company.

There has been no material adverse change in the future outlook of YIT since the publication of the last audited financial statements.

### Outlook

In its Interim Report for January – March 2018 published on April 26, 2018, YIT has published the outlook for 2018:

#### “Outlook by segment

**Housing Finland and CEE:** Consumer demand for apartments is expected to remain at a good level. Activity among large residential investors is expected to be lower than in the previous years.

**Housing Russia:** Demand for apartments is expected to remain at the same level as seen on average in the second half of 2017. Residential prices are expected to remain low.

**Business premises:** Rental demand for business premises is expected to remain at the previous year's level in growth centres. The contracting market is expected to remain active, but contract sizes are expected to decrease on average.

**Infrastructure projects:** Infrastructure construction market is expected to continue to grow slightly from the level of the year 2017.

**Paving:** The total volume of the paving market is expected to grow slightly in YIT's area of operation.

**Partnership properties:** Activity among property investors is expected to remain at a good level, particularly for centrally located projects in the Helsinki metropolitan area and in major growth centres.

The adjusted operating profit is expected to fluctuate significantly between the quarters.

In its annual cash flow planning, YIT targets to a positive cash flow after the dividend payout. The same principle applies to planning the 2018 cash flow.

YIT has adjusted its estimate on the total amount and timing of the synergy benefits of the Merger. YIT estimates that the total synergies are larger and they will be achieved sooner than earlier announced. The company estimates the total annual synergies related to the Merger to have an impact of EUR 40-50 million by the end of 2020. Of this, EUR 40 million is expected to be achieved starting from the first quarter 2020. Previously the company estimated the annual total synergies to be EUR 40 million, and they were estimated to be reached in full by the end of 2020.

YIT estimates that in 2018 approximately 5,000 – 5,500 apartments in Finland and CEE, and approximately 3,000 apartments in Russia will be completed, most of them during the last quarter of 2018.

In the beginning of the year, YIT has signed several significant long-term lease agreements and estimates to sell several large business premises to final investors in the Helsinki metropolitan area during the remainder of the year.



## **Outlook by region**

### ***Finland***

Consumer demand for apartments is expected to remain at a good level. Activity among large residential investors is expected to be lower than in the previous years. Location and the price level will continue to play a key role.

The divergent development of apartment prices and demand between growth centres and the rest of Finland is expected to continue. The availability of mortgages is expected to remain good. The increased supply of apartments is anticipated to prevent the overheating of the market and therefore the rise of housing prices.

The rental demand for business premises is expected to remain at the previous year's level in growth centres. Activity among property investors is expected to remain at a good level, particularly for centrally located projects in the Helsinki metropolitan area and in major growth centres. The contracting market is expected to remain active, but contract sizes are expected to decrease on average.

Renovation is expected to grow moderately due to increasing urbanisation and aging of building stock.

High construction activity has led to increased competition for skilled professionals and the situation is expected to continue. Construction costs are estimated to increase slightly. Construction volume is expected to remain at a high level.

The increased regulation and higher capital requirements imposed on financial institutions may affect construction and property development.

Infrastructure construction market is expected to continue to grow slightly from the level of the year 2017. The Government's decisions regarding transport projects in the General Government Fiscal Plan as well as major cities' investments in infrastructure improve the outlook for both paving and infra projects. The state's planned investments in basic road maintenance are expected to keep demand relatively stable for paving in 2018. Demand for infra projects is maintained by complex infrastructure projects in urban growth centres as well as transport projects and industrial investments.

### ***Russia***

The demand for apartments is expected to remain at the same level as seen on average in the second half of 2017. In Russia, the low point of the economic cycle is now in the past, but residential demand is anticipated to only improve slowly and price levels are expected to remain low. The improved economic situation is anticipated to have a cautiously favourable impact on the residential market. Expectations of interest rate cuts are expected to influence consumer behaviour.

Expectations for lower interest rates are estimated to affect consumer behaviour. Changes in regulation concerning residential transactions are expected to lead to increased volatility in supply and demand for apartments as well as changes in sales practices. Demand is expected to focus primarily on affordable apartments also in Russia. Inflation in construction costs is expected to remain moderate.

Construction and repair projects on major roads are expected to maintain demand for paving.

### ***The Baltic countries and CEE countries***

Residential demand is expected to remain at a good level. Residential prices are estimated to increase further. The prices of plots have increased and competition for plots is expected to remain intense. The availability of financing and low interest rates are expected to continue to support residential demand. The shortage of resources is expected to increase inflation in construction costs. The contracting market for business premises is expected to remain at the current level or decrease slightly in the Baltic countries.

In the Baltic countries, the volume of infrastructure construction is expected to continue to grow due to the states' investments in improving urban and transport infrastructure.

### ***Scandinavia***

In Norway and Sweden, infrastructure construction is boosted by multi-year, state-funded traffic infrastructure development programmes. In both countries, infrastructure construction is expected to grow in 2018. Large-scale road

and railway projects are ongoing or planned in Sweden and Norway, which will increase demand for infra projects and paving. In addition, especially Norway is investing in the development and renewal of energy production.

In Denmark, demand for paving is expected to decline as public investments in road infrastructure are decreasing.

### **Factors affecting the guidance**

The most significant factors with which YIT can answer the market demand are sales and pricing, project and project risk management, product development and the product offering, measures to reduce production costs, cost management and measures affecting the capital efficiency.

Factors outside of YIT's sphere of influence are mainly related to global economic development, the functionality of financing markets and the interest rate, the political environment, economic development in areas of operation, changes in demand for apartments and business premises, the availability of resources such as key persons, the functionality of the labour markets, changes in public and private sector investments and changes in legislation, permit and authorisation processes and the duration thereof, as well as the development of foreign exchange rates.

Due to the long-term nature of construction and urban development projects, the changes in demand may be quicker than the company's ability to adapt its offering.”

## FINNISH TAXATION

*The following summary is based on the tax laws of Finland in effect on the date of this Listing Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary is not exhaustive and does not take into account or discuss the tax laws of any country other than Finland. The following does not address tax considerations applicable to investors that may be subject to special tax rules. Such investors include, among others, tax-exempt entities, controlled foreign corporations, corporate entities not carrying on a business, individuals carrying on a business and general or limited partnerships. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences relating to investment in the Notes.*

Interest paid on the Notes by the Issuer is subject to tax in accordance with the Finnish tax laws and regulations. The Issuer (or a Finnish credit institution, broker or a Finnish branch of a foreign credit institution) is liable to withhold tax on interest paid in accordance with applicable laws and regulations as well as guidelines issued by tax authorities.

If the recipient of interest paid on the Notes is an individual residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is subject to a preliminary withholding tax in accordance with the Finnish Withholding Tax Act (Fi: *ennakkoperintälaki*) (1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (Fi: *tuloverolaki*) (1535/1992, as amended). The current withholding tax rate and capital income tax rate is 30 per cent. Should the amount of capital income received by a resident natural person or undistributed estate of a deceased Finnish resident exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds the EUR 30,000 threshold. However, advance tax withholdings will still be made at the rate of 30 per cent. The Finnish Act on Source Tax on Interest Income (Fi: *laki korkotulon lähdeverosta*) (1341/1990, as amended) is not applicable to the Notes.

If Notes are disposed during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income of an individual residing in Finland or an undistributed estate of a deceased Finnish resident. The Issuer or a securities dealer shall deduct a preliminary withholding tax from the secondary market compensation paid to an individual residing in Finland or an undistributed estate of a deceased Finnish resident.

In case the purchaser of the Notes is liable to pay the interest accrued from the Issue Date until the payment date of the subscription in connection with acquisition of the Notes in the secondary market (secondary market compensation), the purchaser is entitled to deduct the paid interest from the taxable income of the year of subscription.

If the recipient of interest paid on the Notes is a corporation, as defined in the Finnish Income Tax Act, residing in Finland, such interest is subject to final taxation of the recipient corporation in accordance with the Finnish Business Income Tax Act (Fi: *laki elinkeinotulon verottamisesta*) (360/1968, as amended). The current rate of corporate income tax is 20 per cent.

Payment of interest to a recipient, who is neither a resident in Finland for taxation purposes nor engaged in trade or business in Finland through a permanent establishment for income tax purposes, is not subject to Finnish withholding tax. The payer of interest is obliged to ascertain that the recipient is not resident in Finland for tax purposes. The recipient is obliged to disclose his non-resident investor status to the Issuer. If a recipient fails to provide such information, the Issuer will be entitled to withhold or deduct amounts from a payment in respect of the Notes, if it is required to do so under Finnish law.

The Noteholders are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus. Should any of the documents incorporated by reference into this Listing Prospectus themselves incorporate by reference further information, such information does not form a part of this Listing Prospectus. The documents incorporated by reference are available on the Issuer's website at [www.yitgroup.com/en/investors](http://www.yitgroup.com/en/investors).

### YIT

- Unaudited consolidated financial information as at and for the three months ended March 31, 2018, including unaudited consolidated comparative financial information as at and for the three months ended March 31, 2017, excluding any references to pro forma financial information (YIT's Interim Report January – March 2018);
- Board of Directors' report, audited consolidated financial statements, audited parent company financial statements and auditor's report as at and for the year ended December 31, 2017 (included on YIT's annual report as at and for the year ended December 31, 2017);
- Board of Directors' report, audited consolidated financial statements, audited parent company financial statements and auditor's report as at and for the year ended December 31, 2016 (included on YIT's annual report as at and for the year ended December 31, 2016).

### Lemminkäinen

- Audited consolidated financial statements as at and for the one month ended January 31, 2018 (Lemminkäinen's Financial Statements January 2018);
- Board of Directors' report, audited consolidated financial statements, audited parent company financial statements and auditor's report as at and for the year ended December 31, 2017 (included on Lemminkäinen's annual report as at and for the year ended December 31, 2017);
- Board of Directors' report, audited consolidated financial statements, audited parent company financial statements and auditor's report as at and for the year ended December 31, 2016 (included on Lemminkäinen's financial statements as at and for the year ended December 31, 2016).

## **DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION**

For as long as any of the Notes are outstanding, this Listing Prospectus, the documents incorporated by reference into this Listing Prospectus, the Articles of Association of the Issuer and the Extract from the Finnish Trade Register concerning the Issuer may be inspected at the registered office of the Issuer located at Panuntie 11, FI-00620 Helsinki, Finland, on weekdays during normal business hours.

The Issuer publishes annual reports, including its audited consolidated financial statements, unaudited quarterly interim financial information and other information as required by the Helsinki Stock Exchange. All reports and stock exchange releases of the Issuer are published in Finnish and English. Copies of these documents can be obtained from the Issuer at Panuntie 11, FI-00620 Helsinki, Finland, and the Issuer's website at [www.yitgroup.com/en/investors](http://www.yitgroup.com/en/investors).

**ANNEX A – AUDITOR’S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

## ***Independent auditor's assurance report on the compilation of pro forma financial information included in the Listing Prospectus***

### ***To the Board of Directors of YIT Corporation***

We have completed our assurance engagement to report on the compilation of pro forma financial information of YIT Corporation by the Board of Directors of YIT Corporation. The pro forma financial information comprises pro forma income statements for the three months ended 31 March 2018 and for the year ended 31 December 2017 and related notes, and it is set out in the section "Unaudited Pro Forma Financial Information" of the Listing Prospectus issued by YIT Corporation and dated on 11 June 2018. The applicable basis used by the Board of Directors of YIT Corporation in compiling the pro forma financial information is specified in Annex II of Commission Regulation (EC) No 809/2004 and described in the section "Unaudited Pro Forma Financial Information" of the Listing Prospectus.

The pro forma financial information has been compiled by the Board of Directors of YIT Corporation to illustrate the impact of the Merger set out in the section "Unaudited Pro Forma Financial Information" of the Listing Prospectus on YIT Corporation's financial performance for the three months ended 31 March 2018 and for the year ended 31 December 2017, as if the Merger had taken place at 1 January 2017. As part of this process, information about the company's financial performance has been extracted by the Board of Directors of YIT Corporation from the company's financial statements for the year ended 31 December 2017, on which an audit report has been published and the company's interim report for the three months ended 31 March 2018, on which no review report has been published.

### ***The Board of Director's responsibility for the pro forma financial information***

The Board of Directors of YIT Corporation is responsible for compiling the pro forma financial information in accordance with the Commission Regulation (EC) No 809/2004.

### ***The Practitioner's Independence and Quality Control***

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***The practitioner's responsibilities***

Our responsibility is to express an opinion, as required by item 7 of Annex II of Commission Regulation (EC) No 809/2004, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of YIT Corporation on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors, in all material respects, in accordance with Commission Regulation (EC) No 809/2004.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Opinion*

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated in the section "Unaudited Pro Forma Financial Information"; and
- the basis stated is consistent with the accounting policies applied by YIT Corporation

### *Restriction to the distribution of the report*

This report has been issued solely for the purposes of including in the Listing Prospectus prepared in accordance with Commission Regulation (EC) No 809/2004.

Helsinki 11 June 2018

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Juha Wahlroos  
Authorised Public Accountant



[This page has intentionally been left blank]