



YIT – More life in sustainable cities

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Contents

1	YIT in brief	3
2	Strategy and business model	8
3	Latest highlights	14
4	Housing Finland and CEE	19
5	Housing Russia	29
6	Business Premises and Infrastructure	35
7	Key financials	43
8	Looking ahead and conclusions	51
9	Why invest in YIT?	54
10	Appendices	58

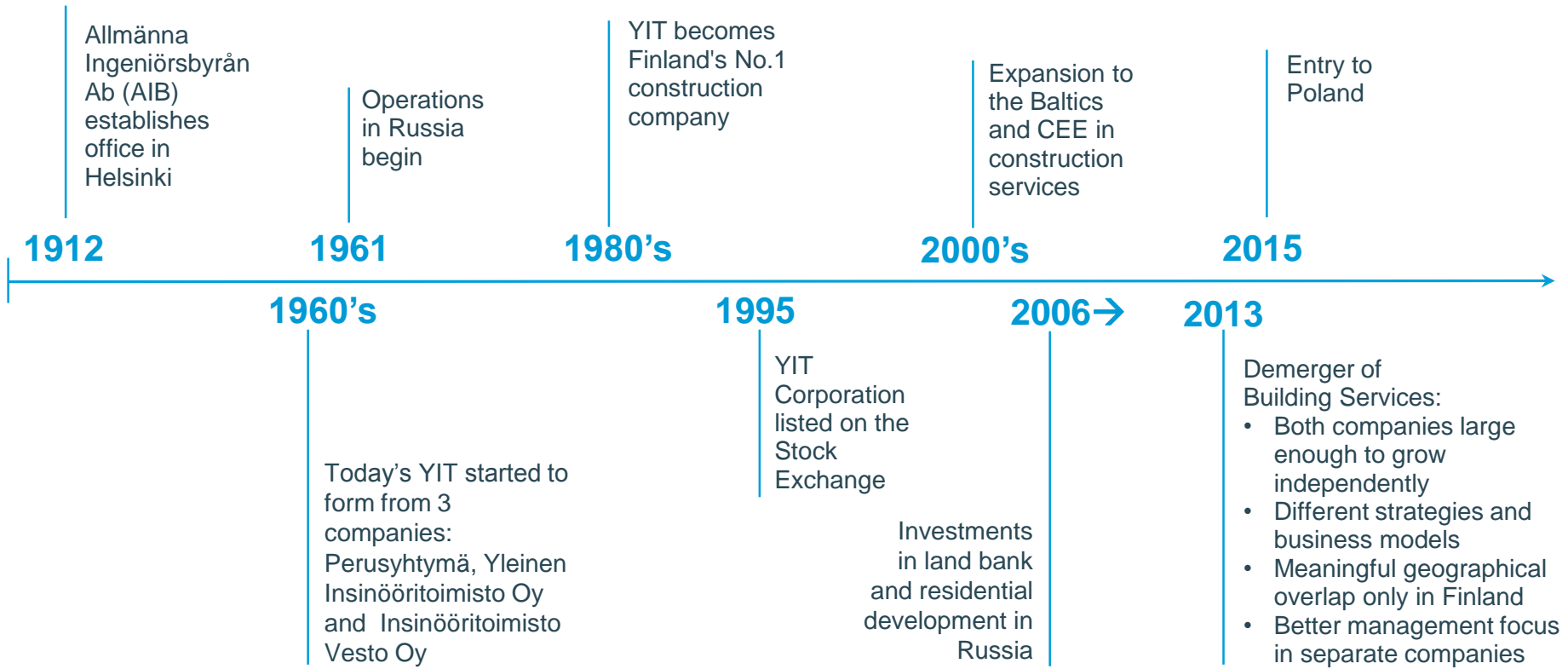


1

YIT in brief

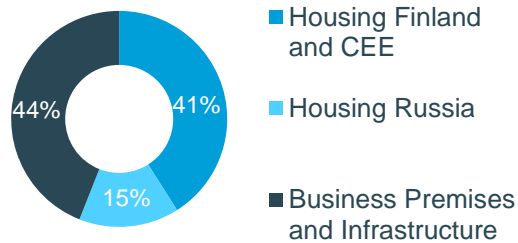


Over 100 years in Finland, over 50 in Russia, growing presence in CEE

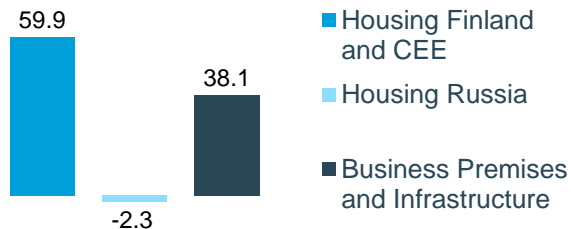


A real estate developer and construction company with solid track record

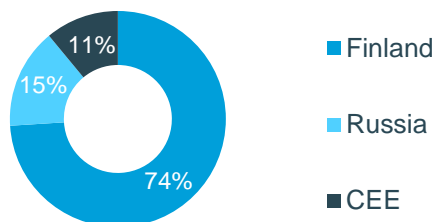
Revenue by segment*, EUR 1.8 bn





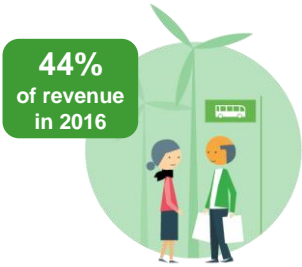
Adjusted operating profit by segment, EUR 80 million



Revenue by geographical area



Balanced business portfolio

	 <p>HOUSING FINLAND AND CEE</p>	 <p>HOUSING RUSSIA</p>	 <p>BUSINESS PREMISES AND INFRASTRUCTURE</p>
BUSINESS OPERATIONS	We construct and develop apartments and entire residential areas.	We construct and develop apartments and entire residential areas, and we operate in service and maintenance businesses.	We build offices, shopping centres, care facilities, roads, bridges, rail and metro stations, harbours and more. We also operate in the area of road and street maintenance.
OPERATING COUNTRIES	Finland, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, Poland	Seven regions in Russia: Rostov-on-Don, Yekaterinburg, Kazan, Moscow, Moscow region, St. Petersburg, Tyumen	Business premises: Finland, Estonia, Latvia, Lithuania, Slovakia Infra: Finland
CUSTOMERS	Households, private and institutional investors	Primarily households	Businesses, the public sector and institutional investors
MAIN COMPETITORS	Lemminkäinen, SRV, Skanska, Bonava, Lehto Group, Lapti, Merko Ehitus, local players in different countries	PIK, LSR, Etalon, SU-155, Lemminkäinen, local players in different cities	Lemminkäinen, SRV, Skanska, NCC, Merko Ehitus, Destia, Kreate, Peab, Consti, Lehto etc.

Our vision – More life in sustainable cities

OUR VISION

OUR GROWTH ENGINE

OUR DNA

OUR MISSION

OUR VALUES



CARE

A STEP AHEAD

COOPERATION

PERFORMANCE

2

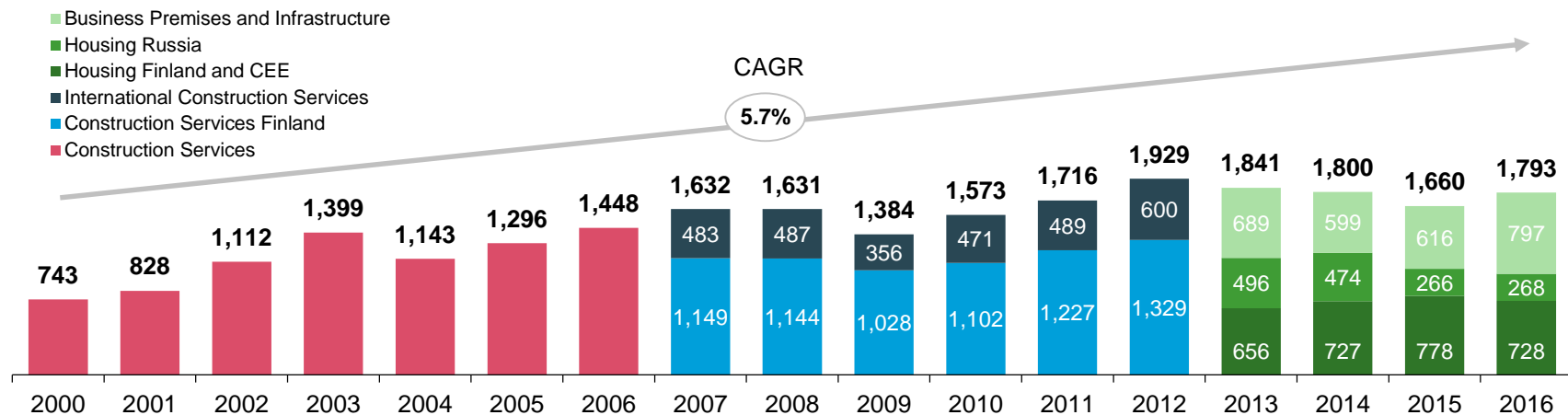
Strategy



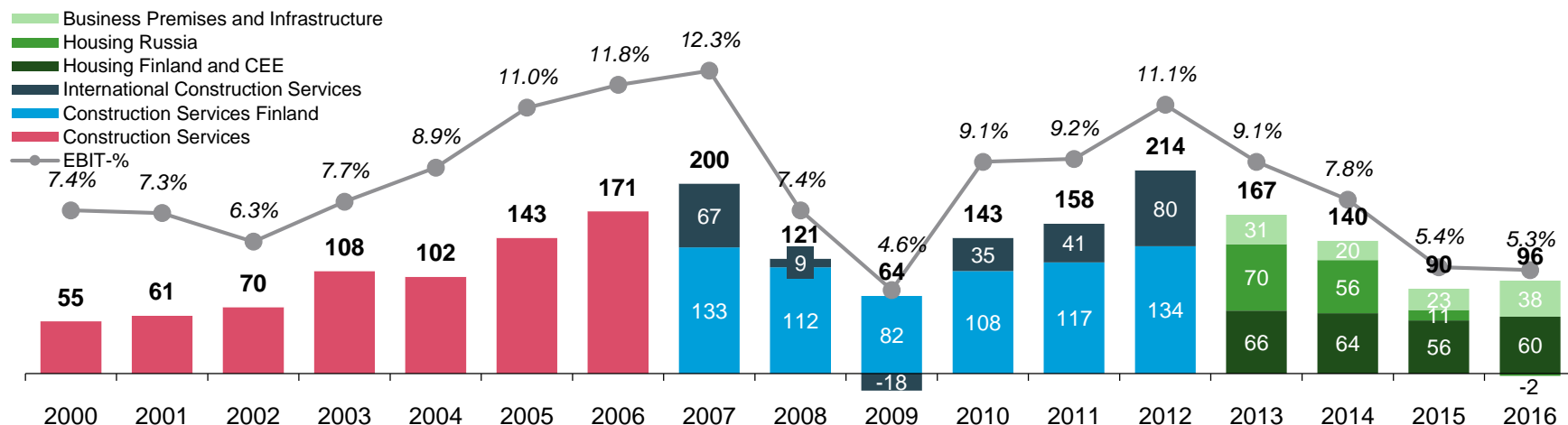
Konepaja residential area
Helsinki, Finland

Revenue growth and healthy profitability through economic cycles

Revenue development (EUR million) by business segment



Adjusted operating profit (EBIT) development (EUR million) by business segment, excluding group costs



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

Focus on reforming our operations

**Coach, encourage
and train people**

**Improve internal
agility**

**Provide
easy-to-use services**

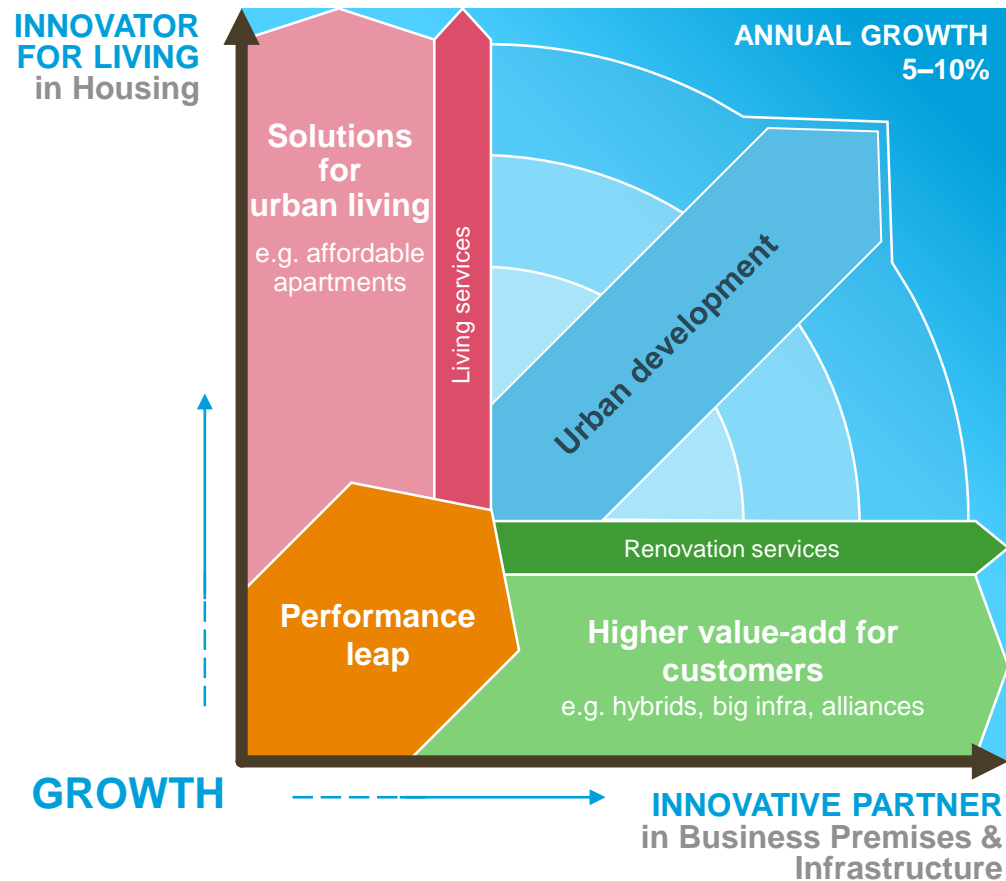
**Reduce
construction costs**

**Build true
partnerships**

**Improve
capital efficiency**

Renewed strategy for 2017–2019

More life in sustainable cities



We are making a difference

CARE FOR CUSTOMERS



- Proactive customer experience management
- WOW service attitude
- Digital customer journey

VISIONARY URBAN DEVELOPMENT



- Strengthened long-term city development
- Hybrid and area development
- Concepts

PASSIONATE EXECUTION



- Latest knowledge and more diversity
- Empowered teams
- Standardisation and pre-fabrication

INSPIRING LEADERSHIP



- Involving and encouraging people
- Network excellence
- Preferred employer

Financial targets

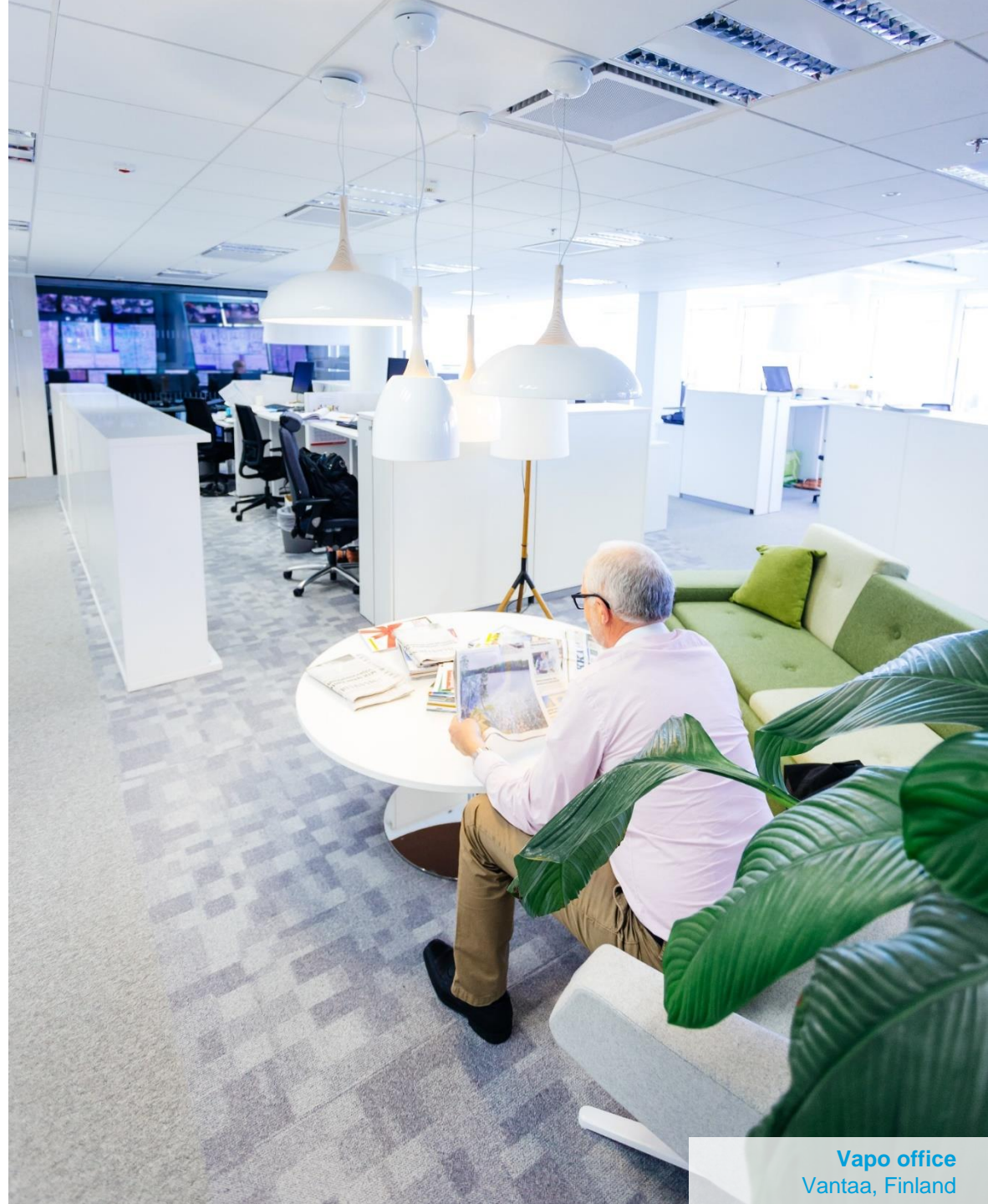
Long-term financial target	Target level	Outcome 2016
Revenue growth	5–10% annually on average	8%, 9% at comp. fx
Return on investment	15%	4.7% (7.0%)*
Operating cash flow after investments	Sufficient for dividend payout	EUR -43.1 million
Equity ratio	40%	35.1%
Dividend payout	40 to 60% of net profit for the period	373.3% (95.3%)**

All figures according to segment reporting (POC)

*Calculated with adjusted EBIT **Calculated with adjusted EPS

3

Latest highlights



Key messages in Q1/2017

- Group revenue and operating profit grew clearly, profitability as expected
- Strong residential sales in Finland and CEE
- Housing Russia was weak due to low sales
- Revenue grew in Business Premises and Infrastructure, profitability was low
- Strong cash flow supported by capital efficiency measures, leading to the decrease in net debt

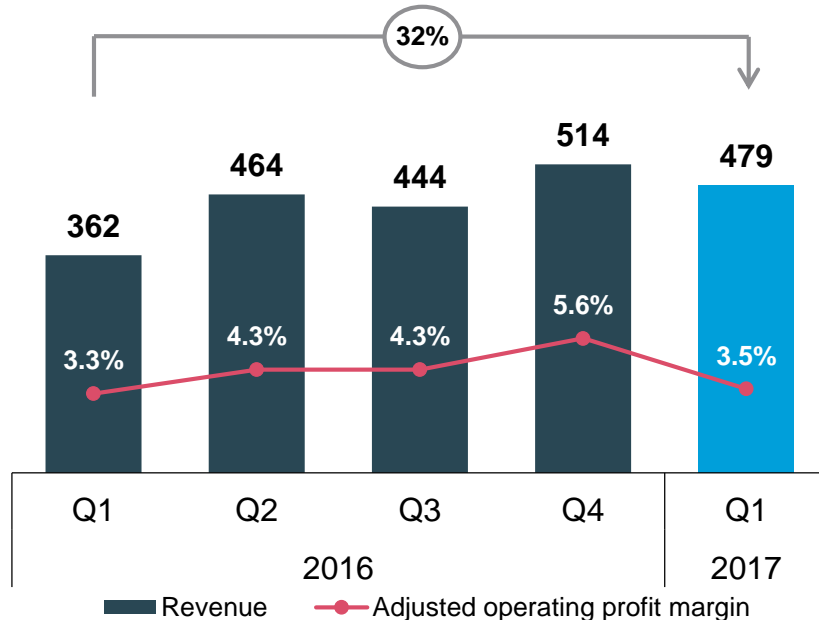


Revenue increased in Q1, profitability stable

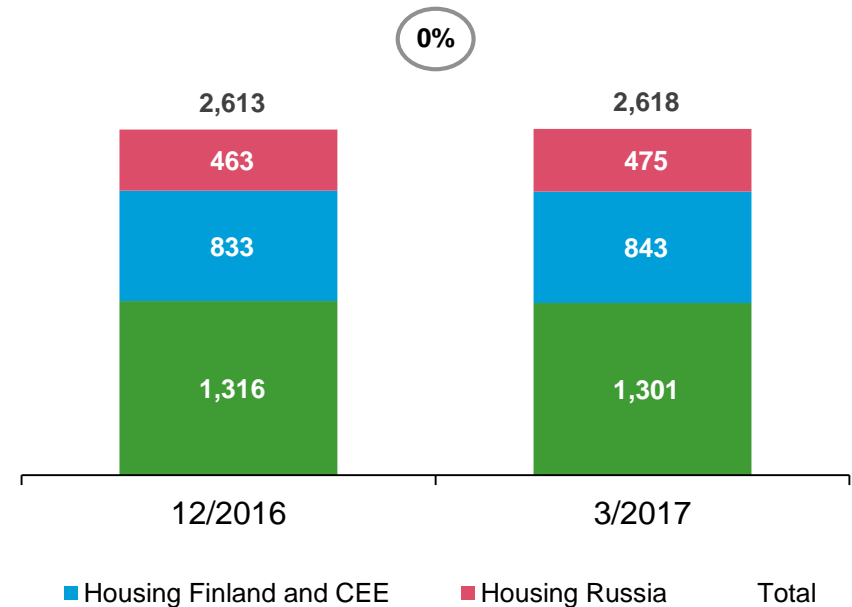
- Revenue increased by 32% y-o-y, boosted by capital efficiency measures of approximately EUR 50 million, and strong consumer sales especially in Finland
- Profitability remained stable y-o-y
- Order backlog remained stable q-o-q

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

2016: EUR 1,784 million, 4.5%



Order backlog (EUR million)



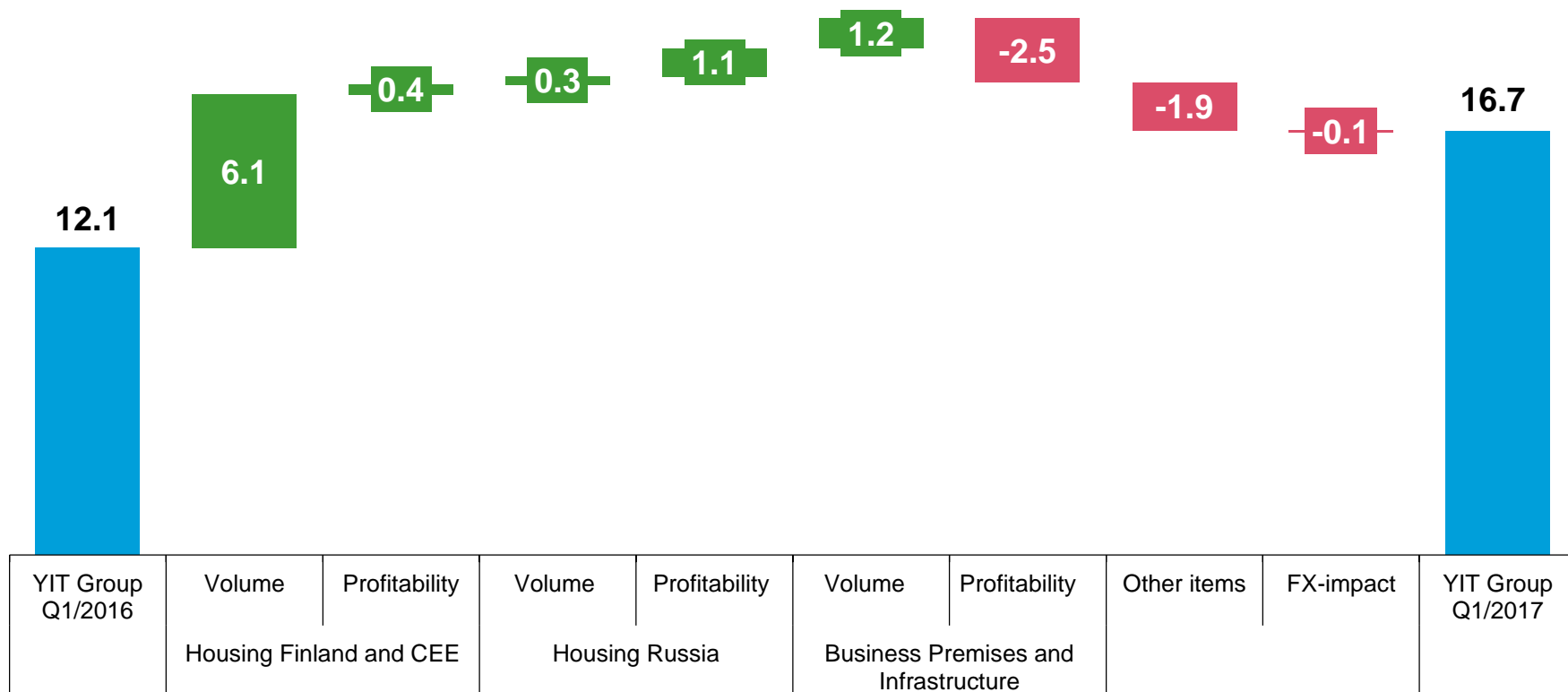
All figures according to segment reporting (POC)

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

EBIT-bridge Q1/2016–Q1/2017

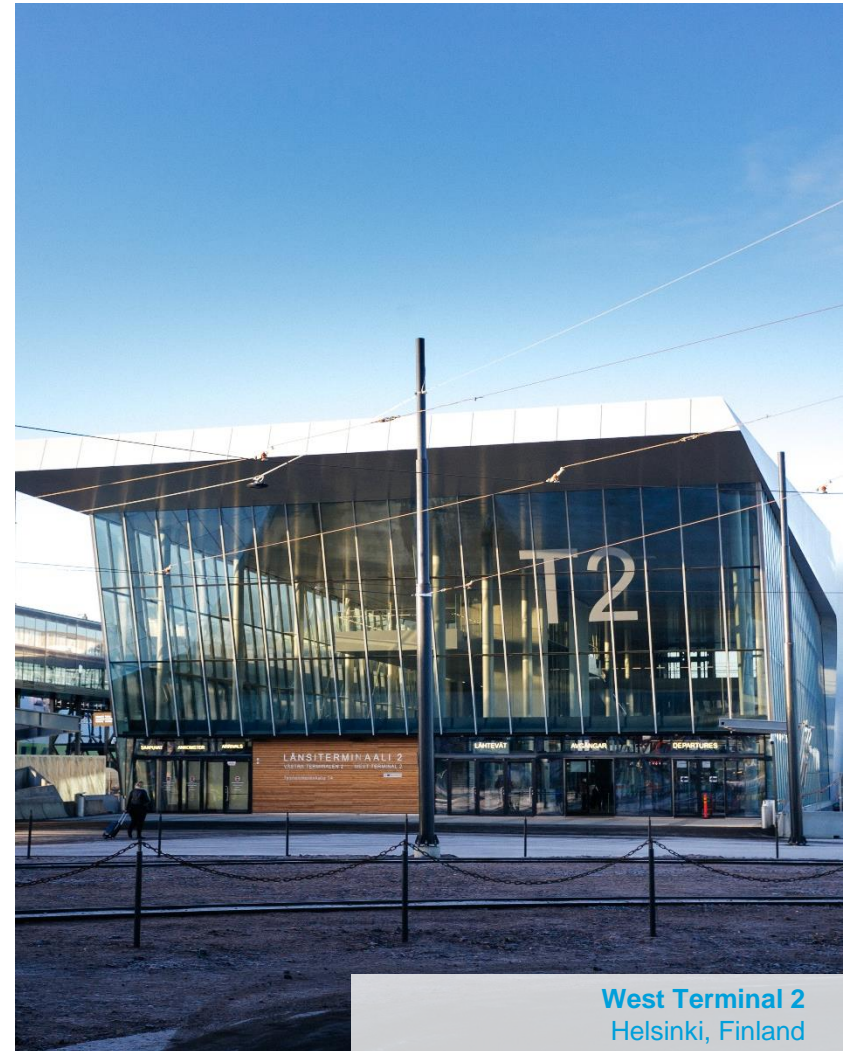
- Positive EBIT development in Housing Finland and CEE due to strong residential sales
- Profitability of Business Premises and Infrastructure was low due to weakened margins in certain projects in the CEE countries and seasonality of infra

Adjusted operating profit (EUR million), change Q1/2016–Q1/2017: 38%



Several successes recently

- Several new projects won in Business Premises and Infrastructure segment
 - Terminal project for Posti in Vantaa, Finland started, EUR ~29 million
 - Office and logistics property in Vantaa, Finland sold, EUR ~35 million
- Final agreement signed on the implementation of the Tripla hotel, approximately EUR ~88 million
- West Terminal 2 project in Helsinki, Finland successfully completed 5 weeks in advance
- Residential sales increase in Finland and CEE countries in Q1 y-o-y
- 3 residential projects sold to a YCE Housing I fund to support YIT's growth strategy in the CEE countries



West Terminal 2
Helsinki, Finland

4

Housing Finland and CEE

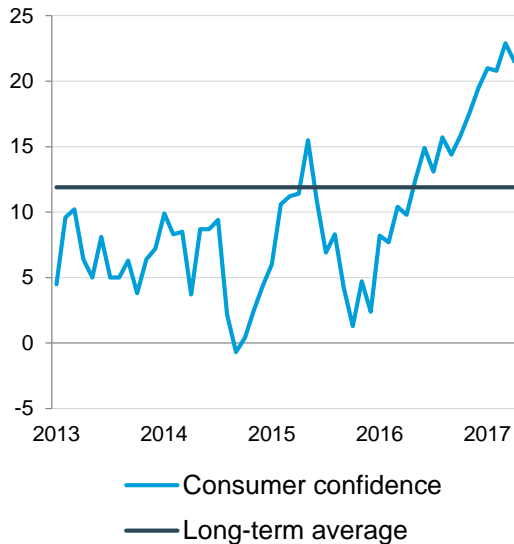


Housing Finland and CEE

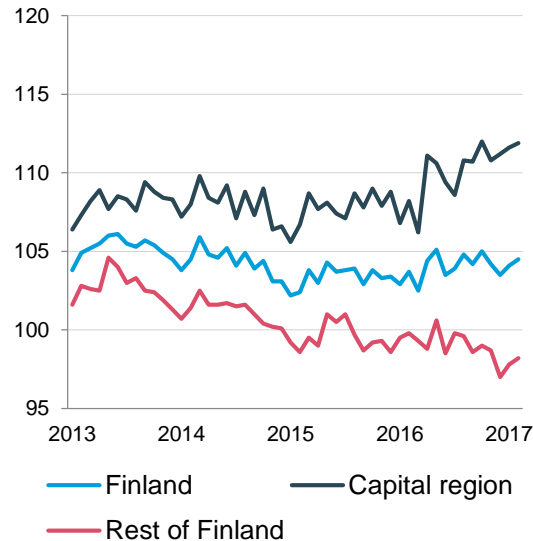
Operating environment in Finland in Q1

- Consumer confidence on a record high level
- Residential investors more selective, demand focused on capital region
- Good demand especially for affordable apartments in the growth centres
- Demand for larger apartments continued to improve
- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans continued to increase y-o-y

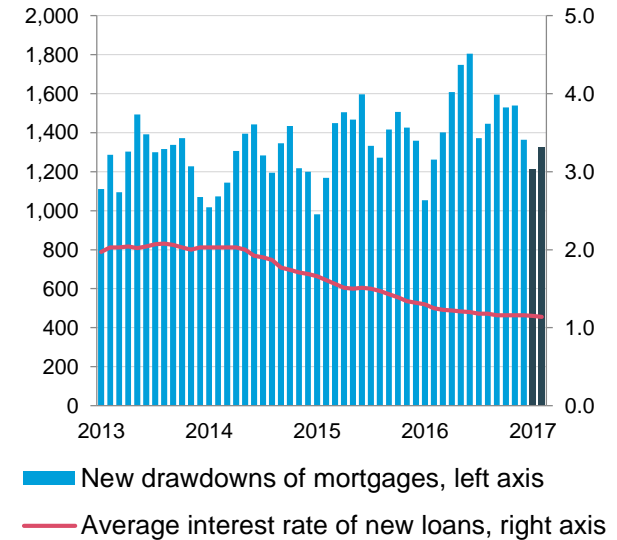
Consumer confidence



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



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



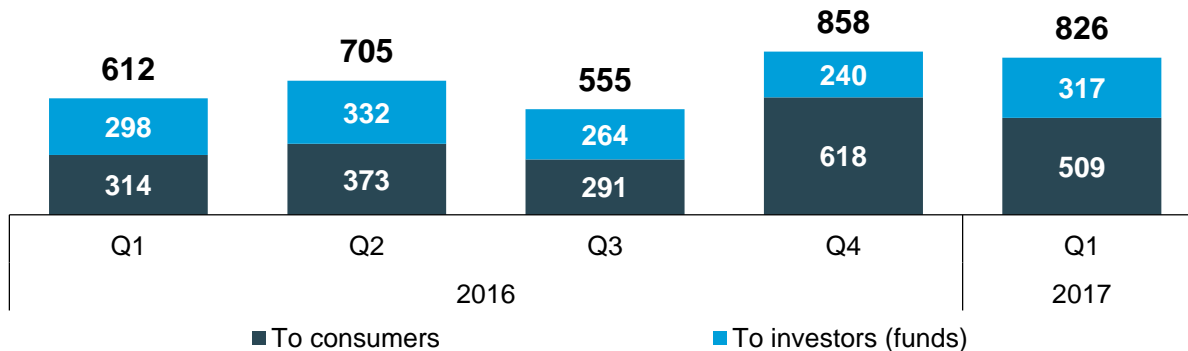
Sources: Statistics Finland and Bank of Finland

Housing Finland and CEE

Sales and start-ups in Finland in Q1

Sold apartments (units)

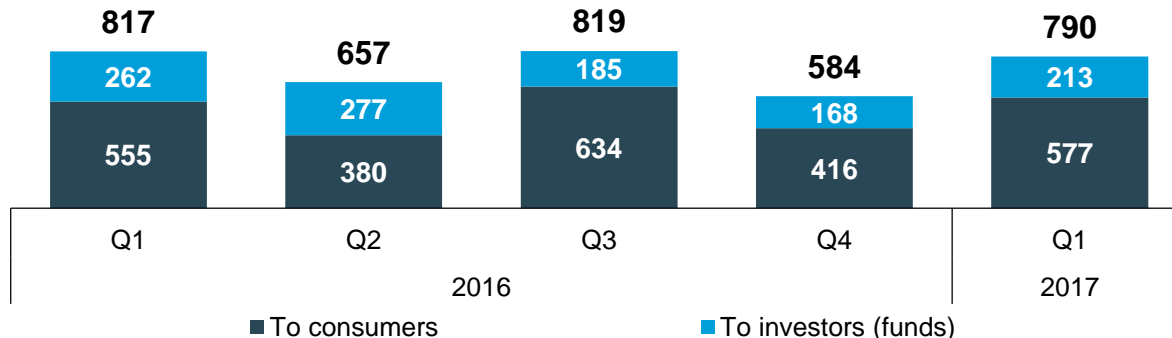
2016: 2,730



- Strong consumer sales, +76% y-o-y
- Share of units sold to consumers: 62% (Q1/2016: 51%)
- 104 apartments sold in bundles to investors (Q1/2016: 36 units)
- Agreements signed to construct 8 projects to investors of which over half was started in Q1
- In April, estimated sales to consumers around 130 units (4/2016: around 130 units)

Apartment start-ups (units)

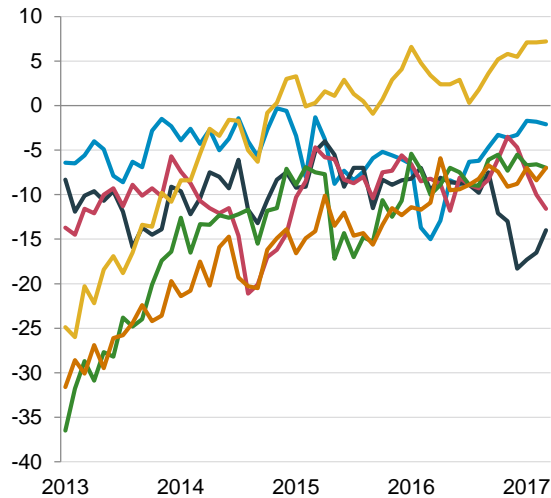
2016: 2,877



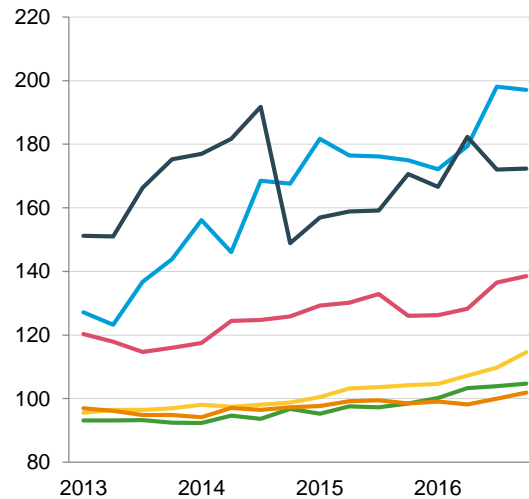
Operating environment in the CEE countries in Q1

- Residential demand on a good level especially in Slovakia and the Czech Republic
- Prices of new apartments increased slightly
- Competitive situation was reflected as cost pressure
- Interest rates of mortgages on a low level
- Consumers' access to financing remained good

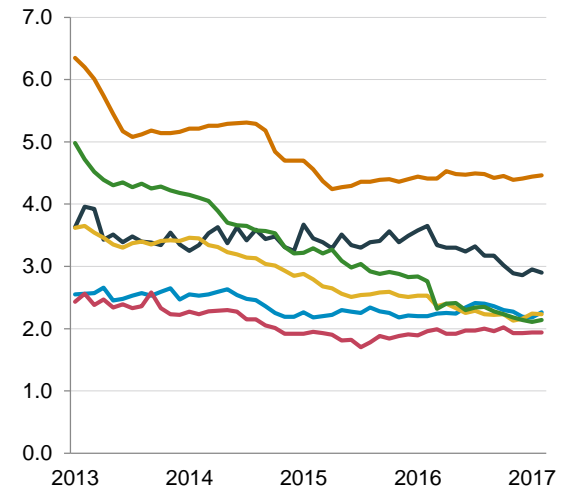
Consumer confidence



House price index, new dwellings (2010=100)



Average interest rate of mortgages (%)



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

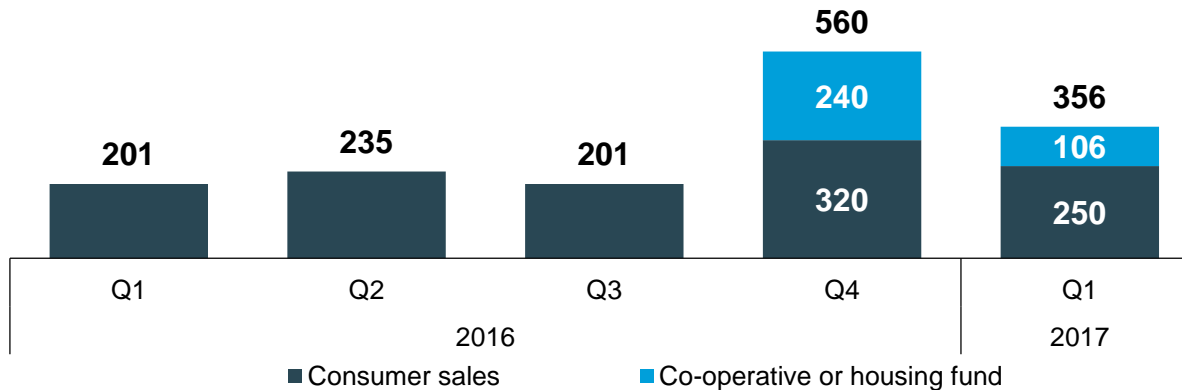
Sources: European Commission, Eurostat and National Central Banks

Housing Finland and CEE

Sales and start-ups in the CEE countries in Q1

Sold apartments (units)

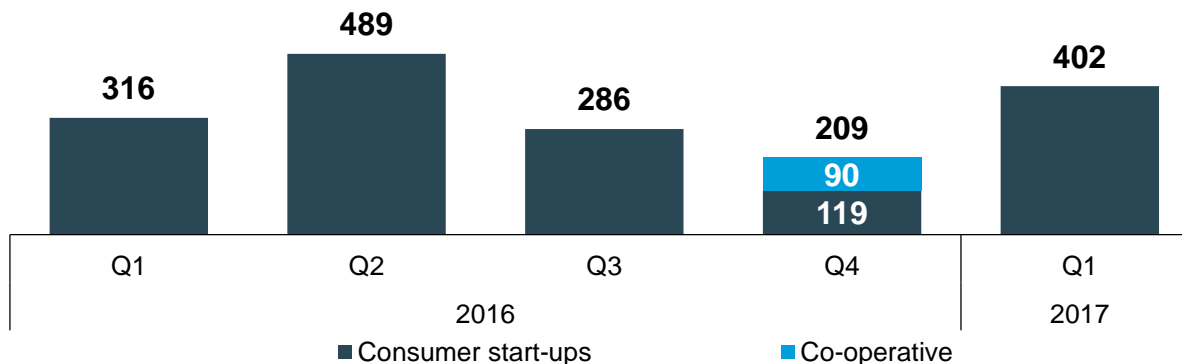
2016: 1,197



- Number of units sold to consumers grew by 24% y-o-y
- An apartment building project in Bratislava, Slovakia with a total of 106 units was sold to YCE Housing fund I
- A plot for an area development project of ~350-400 apartments acquired in Prague, the Czech Republic
- In April, estimated sales to consumers around 80 units (4/2016: around 80 units)

Apartment start-ups (units)

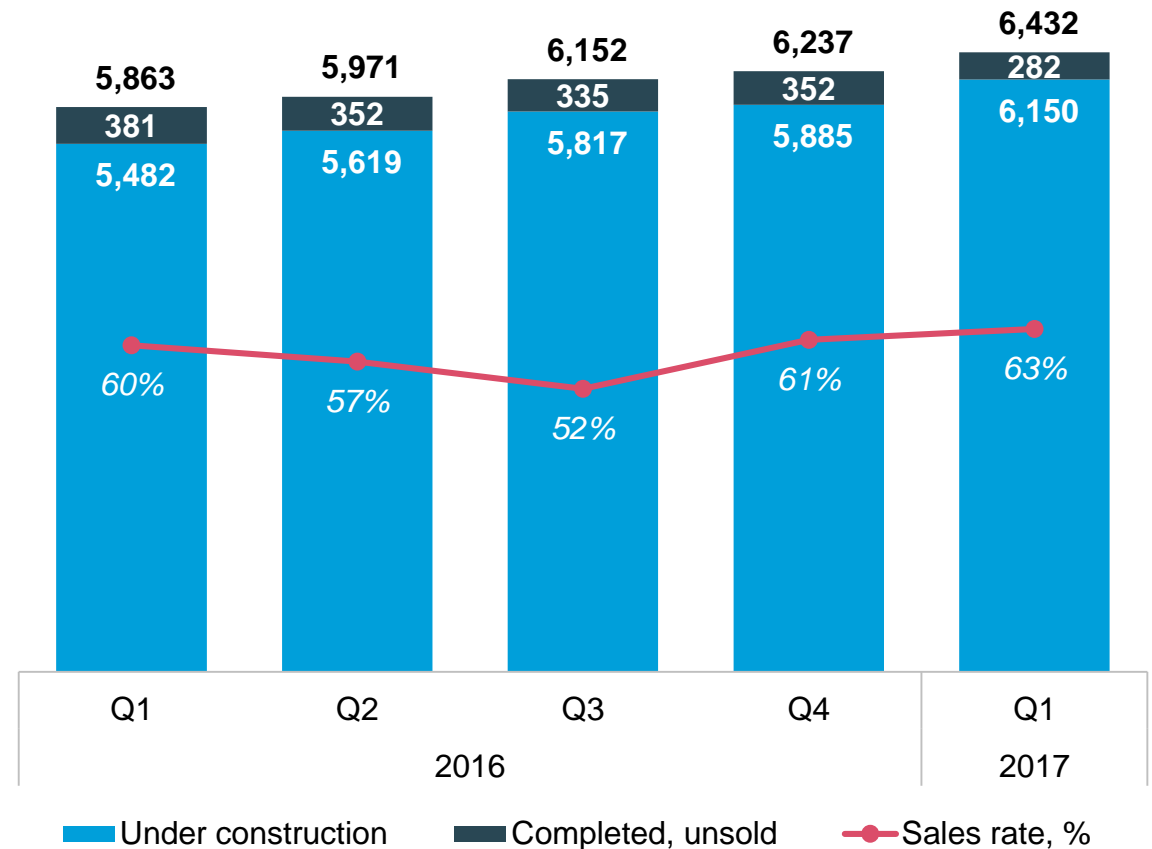
2016: 1,300



The production volume (units) continued to grow in Q1

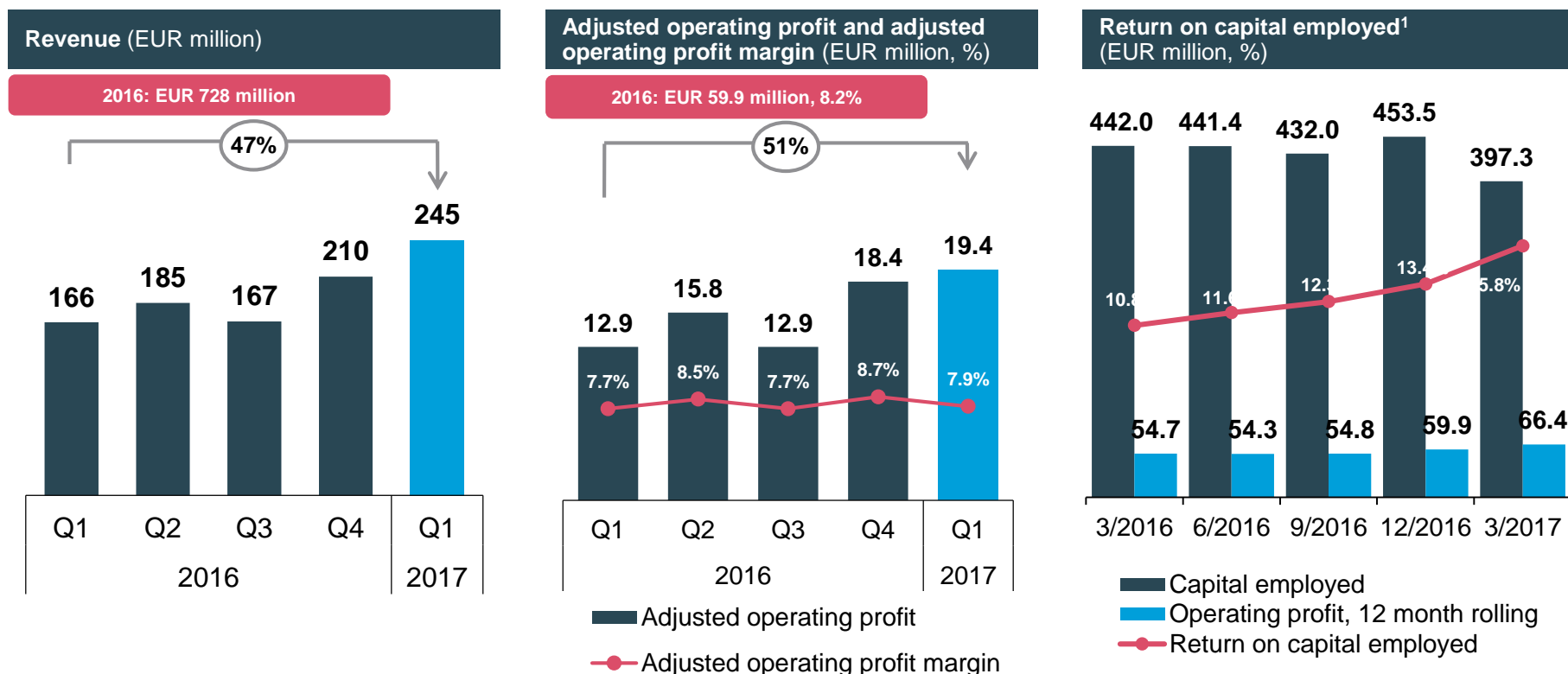
- Number of unsold completed apartments on a low level
- Sales rate of the inventory increased due to higher sales rate in CEE
- The share of CEE of the sales portfolio (units) 46% (3/2016: 43%)

Apartment inventory (units)



Revenue, adjusted operating profit and ROI in Q1

- Revenue increased by 47% y-o-y, boosted by strong residential sales as well as capital efficiency measures
- Operating profit improved clearly due to strong residential sales, limited profitability improvement due to capital efficiency measures, such as plot sales
- ROCE continued to improve and was over 15% (strategic Group ROI target level 15%)



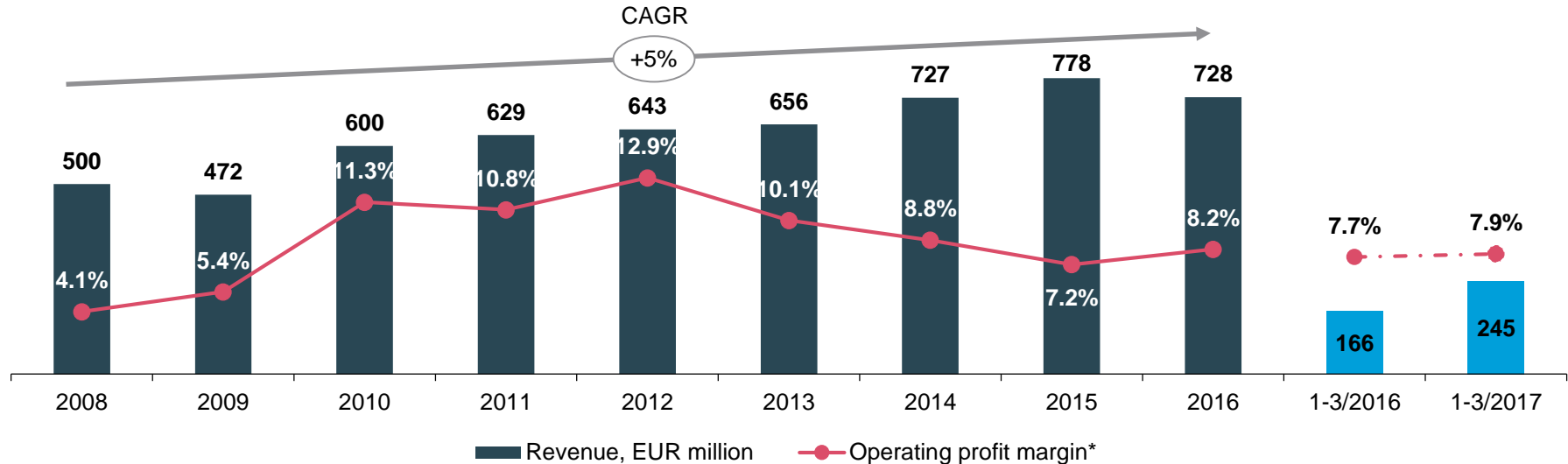
All figures according to segment reporting (POC).

¹As of the beginning of 2017, in order to clarify its financial figures terminology, YIT starts to use the terms Capital Employed and Return on Capital Employed (ROCE) for segment reporting instead of previously used Operative Invested Capital and Return on Operative Invested Capital (ROI). The formulas for these financial figures remain untouched.

Housing Finland and CEE

Slight improvement to profitability in Q1

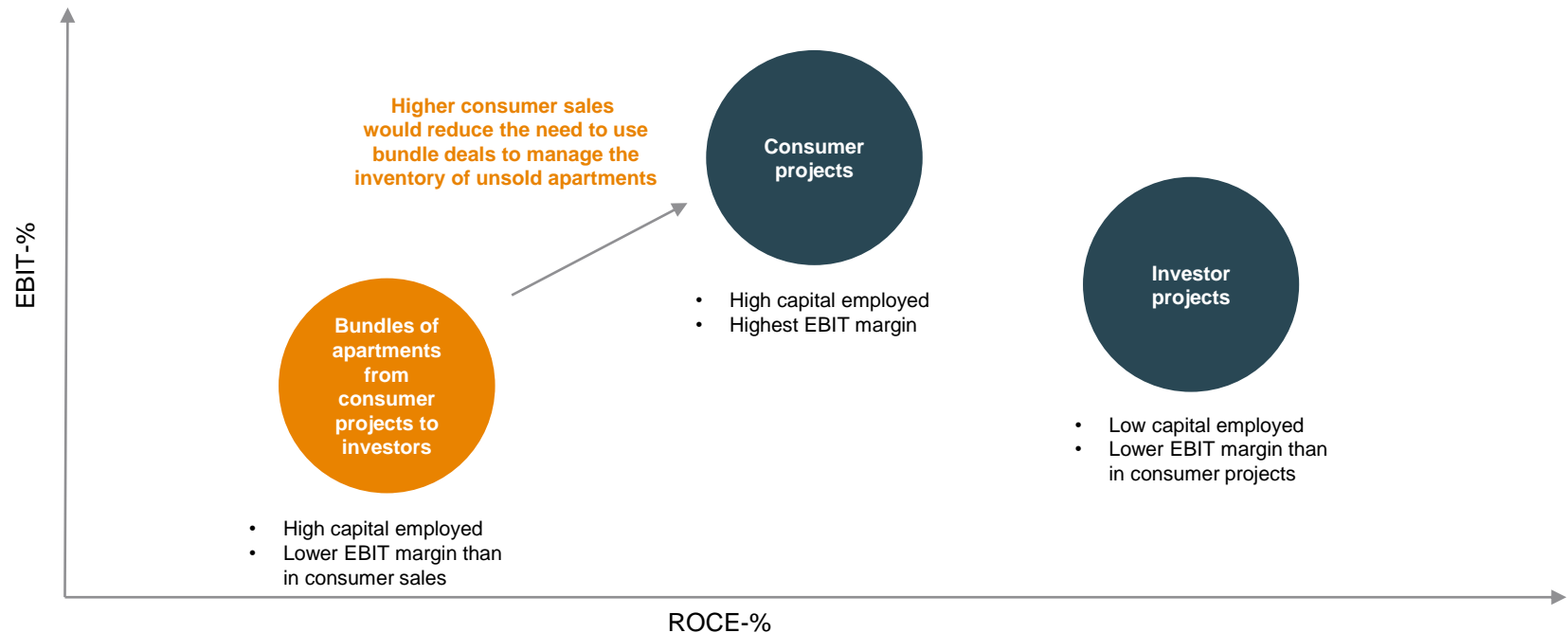
- In Q1, revenue increased by 47% y-o-y due to good consumer sales.
- Profitability improvement limited by capital efficiency measures, such as plot sales
- The increased share of consumer sales in Housing Finland and CEE is likely to have a moderate positive impact on the adjusted operating profit of the segment but the impacts of the shift to consumers will be visible in the result gradually.



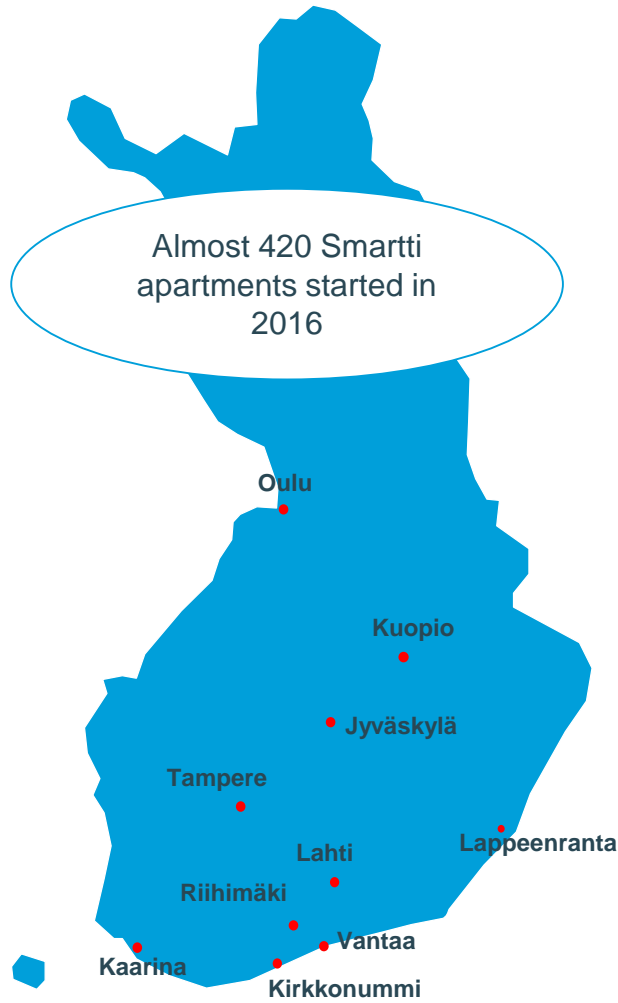
* Excluding adjustments. Note: The historical figures for 2008-2012 are calculated for illustrative purposes and are not completely comparable with YIT's segment structure. The main difference is in the division of fixed costs, which in the historical figures are weighted according to revenue and in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

Impact of the mix in Finnish housing

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



Smartti concept launched and nine projects started in 2016



- Smartti, a new affordable and flexible housing concept successfully launched in spring 2016
- Affordable, yet stylish homes with standardized modularity and pre-fabrication
- Nine Smartti projects started in Finland in H2/2016 according to targets – demand has been very good
- The Smartti innovations will also be utilised in more traditional production
- Ambition to introduce “Smartti ideology” to other operating countries
- Customer pays 15% of debt-free price when signing the contract and remaining 15% when the home is about to be completed. 70% is cooperative mortgage with a five-year grace period



5

Housing Russia



Inkeri residential project
St. Petersburg, Russia

Housing Russia

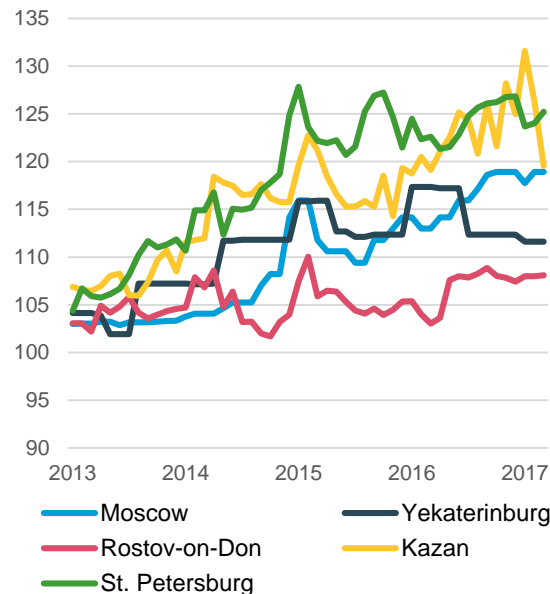
Operating environment in Q1

- Consumers were cautious despite the stabilisation of the Russian economy
- The ruble continued to strengthen which further increased the caution of consumers and expectations for depreciation of the ruble
- Residential demand was weak
- Residential prices remained stable on average
- The ending of the mortgage subsidy program at the end of 2016 was reflected in residential demand
- Mortgage interest rates for new apartments decreased back to level of around 11%

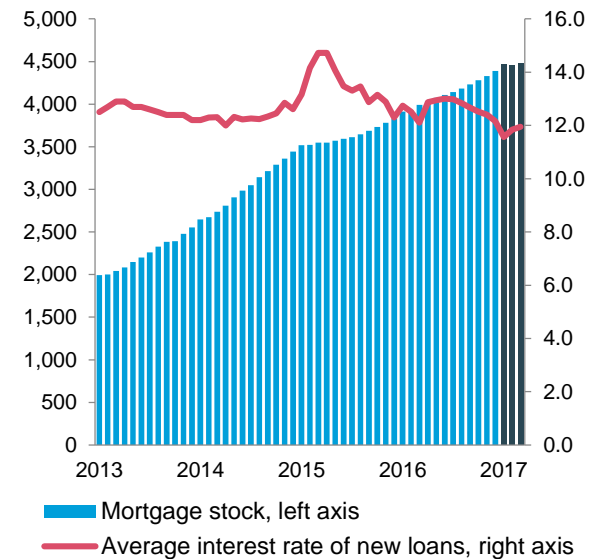
EUR/RUB exchange rate



**Prices of new apartments
(index 2012=100)**



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



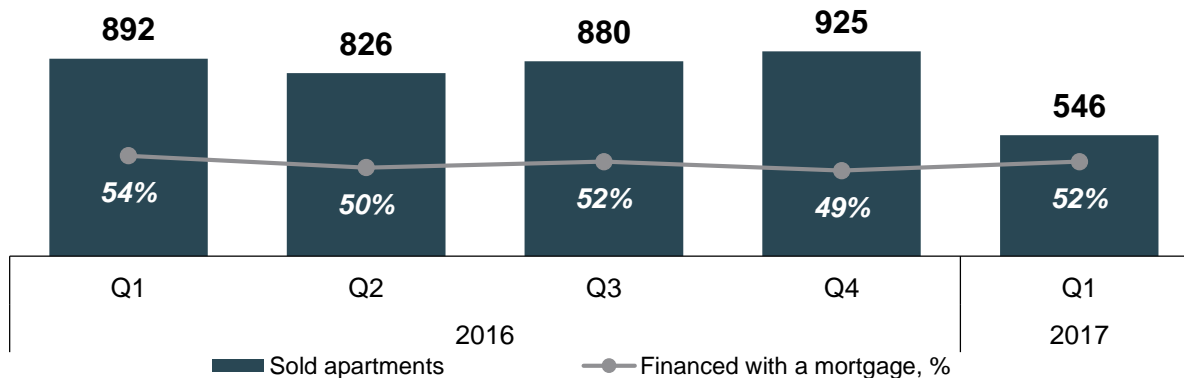
Sources: Bloomberg, YIT and Central Bank of Russia

Housing Russia

Sales and start-ups in Q1

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

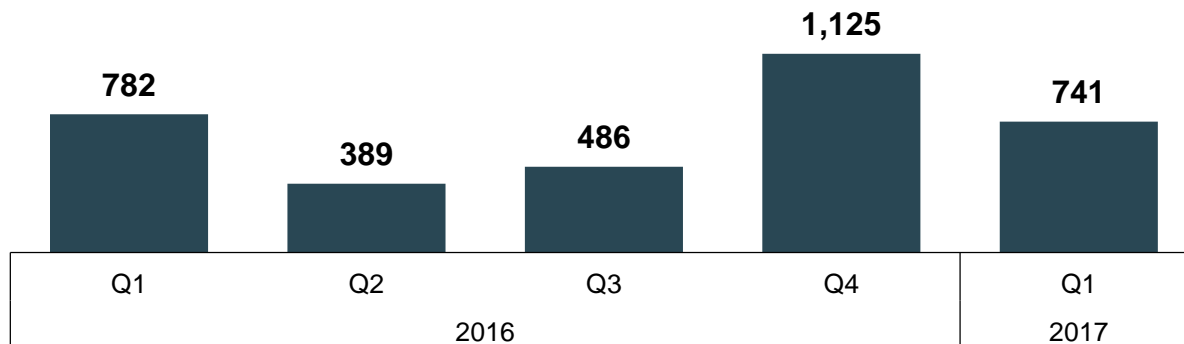
2016: 3,523 (51%)



- Number of sold units decreased by 39% y-o-y
 - No changes in price lists
- Start-ups decreased slightly y-o-y
 - New projects started in Yekaterinburg and Moscow region

Apartment start-ups (units)

2016: 2,782



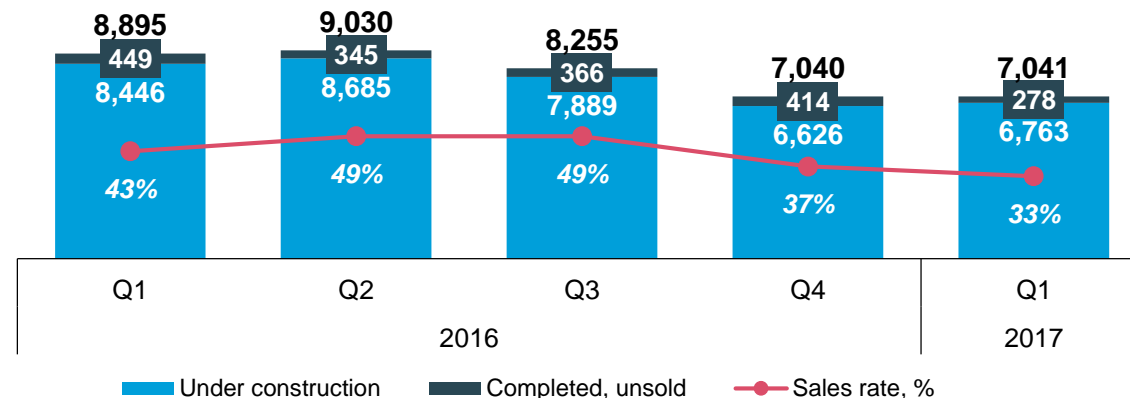
- Share of sales financed with mortgages continued on a stable level, number of mortgages low though
- In April, consumer sales estimated to be below 200 units (4/2016: over 250 units)

Housing Russia

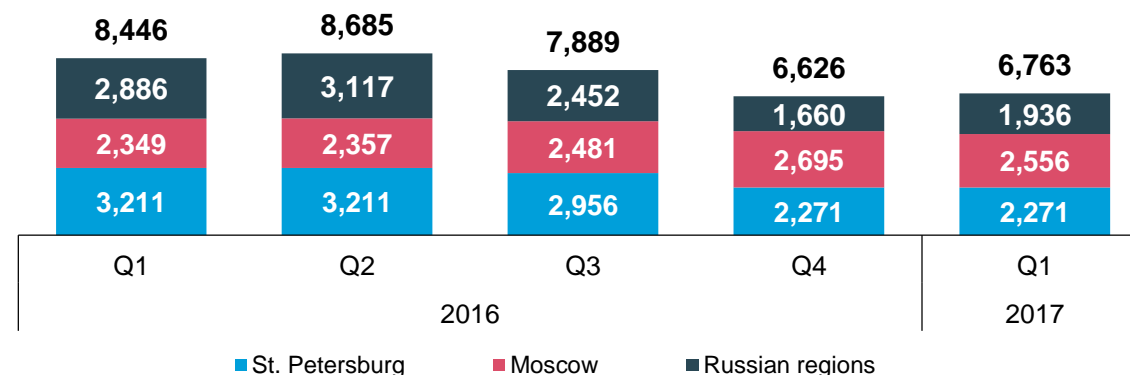
Apartment inventory on a low level

- Sales rate declined due to completions
- At the end of March, YIT Service was responsible for the maintenance and the living services of over 26,000 apartments (12/2016: over 26,000)

Apartment inventory (units)

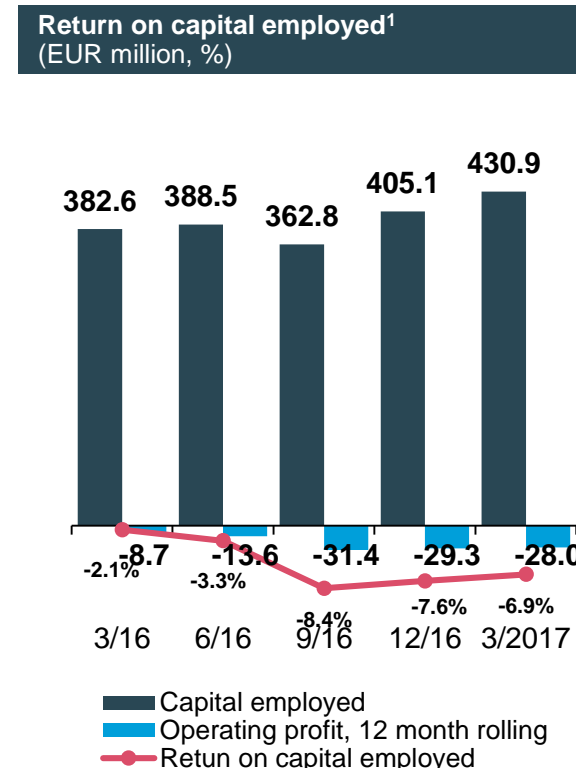
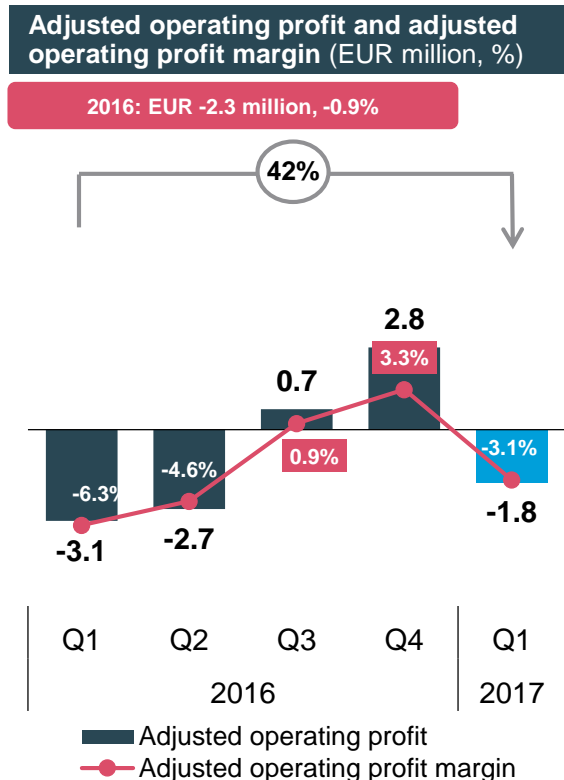
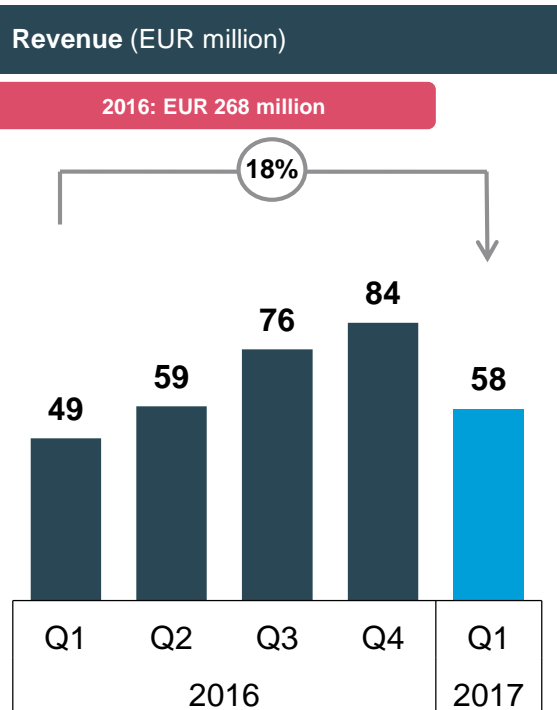


Apartments under construction by area (units)



Revenue, adjusted operating profit and ROI in Q1

- Revenue decreased by 11% y-o-y at comparable exchange rates due to low residential sales
- Capital employed increased due to strengthened ruble, ROCE was on an unsatisfactory level
 - Target to reduce the capital employed and continue to improve operating profit



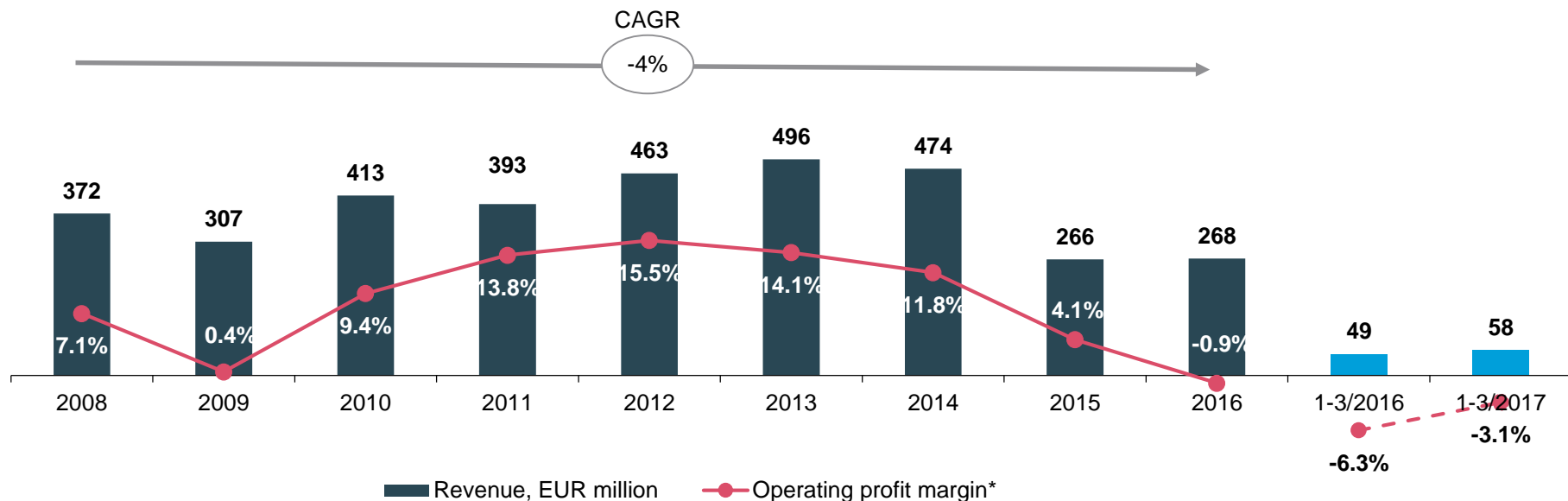
All figures according to segment reporting (POC).

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Housing Russia

Profitability burdened by low sales

- Revenue decreased in
- The operating profit was weighed down by the lower apartment sales compared to previous year
- Target to reduce the capital employed by continuing active sales
 - Target by the end of 2018: RUB 6 billion (approx. EUR 80 million)



*Excluding adjustments

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6

Business Premises and Infrastructure

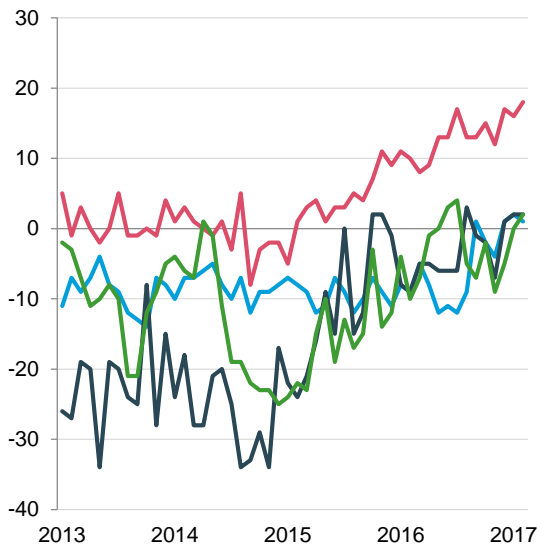


Business Premises and Infrastructure

Operating environment in Q1

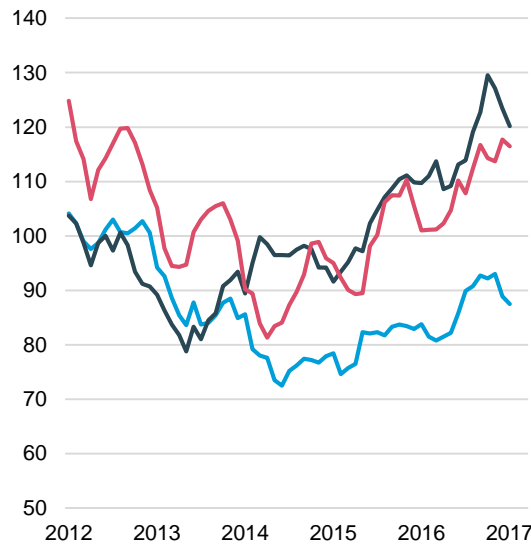
- Investor demand for business premises in central locations on a good level in Finland
- The tender market was active especially in the capital region
- The Finnish market for infrastructure remained stable
- Investor demand for business premises good in the Baltic countries and Slovakia

Confidence indicators in Finland



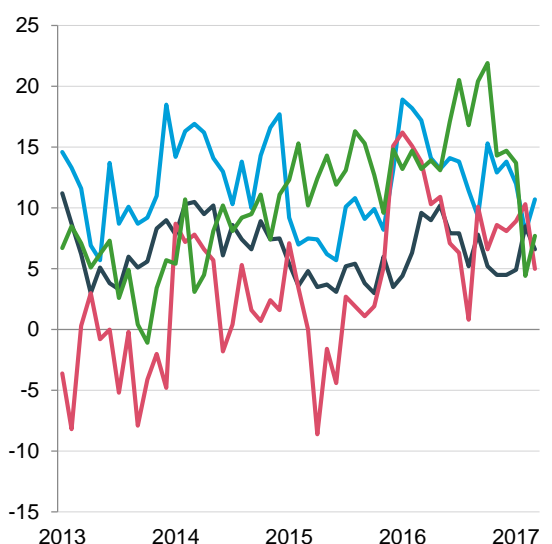
— Manufacturing — Construction
— Services — Retail trade

Volume of new construction in Finland (index 2010=100)



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

Retail trade confidence in the Baltic countries and Slovakia



— Estonia — Latvia
— Lithuania — Slovakia

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

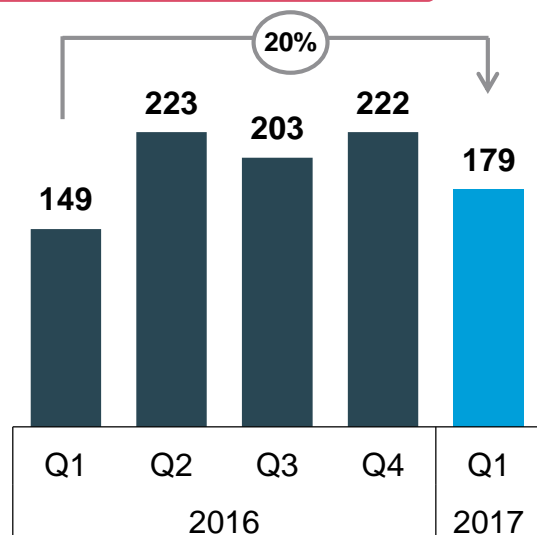
Business Premises and Infrastructure

Revenue, adjusted operating profit and ROI in Q1

- Revenue increased by 20% y-o-y, due to business premises construction and progress in Mall of Tripla
- Operating profit decreased by 22% y-o-y
- ROCE remained on a satisfactory level

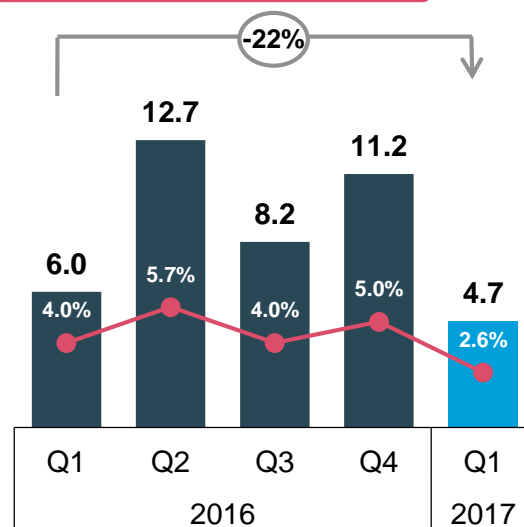
Revenue (EUR million)

2016: EUR 797 million



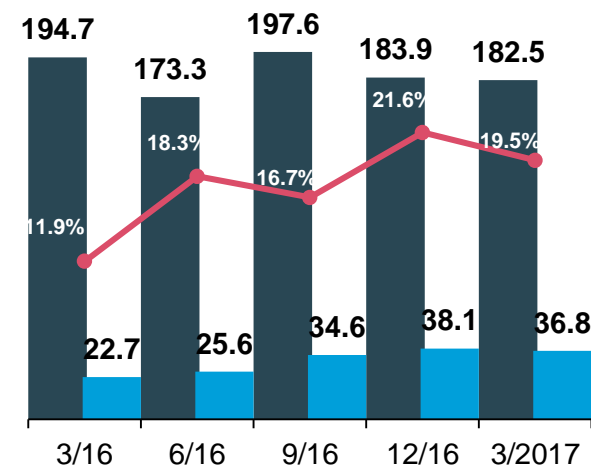
Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2016: EUR 38.1 million, 4.8%



■ Adjusted operating profit
—●— Adjusted operating profit margin

Return on operative invested capital (EUR million, %)



■ Capital employed
■ Operating profit, 12 month rolling
—●— Return on capital employed

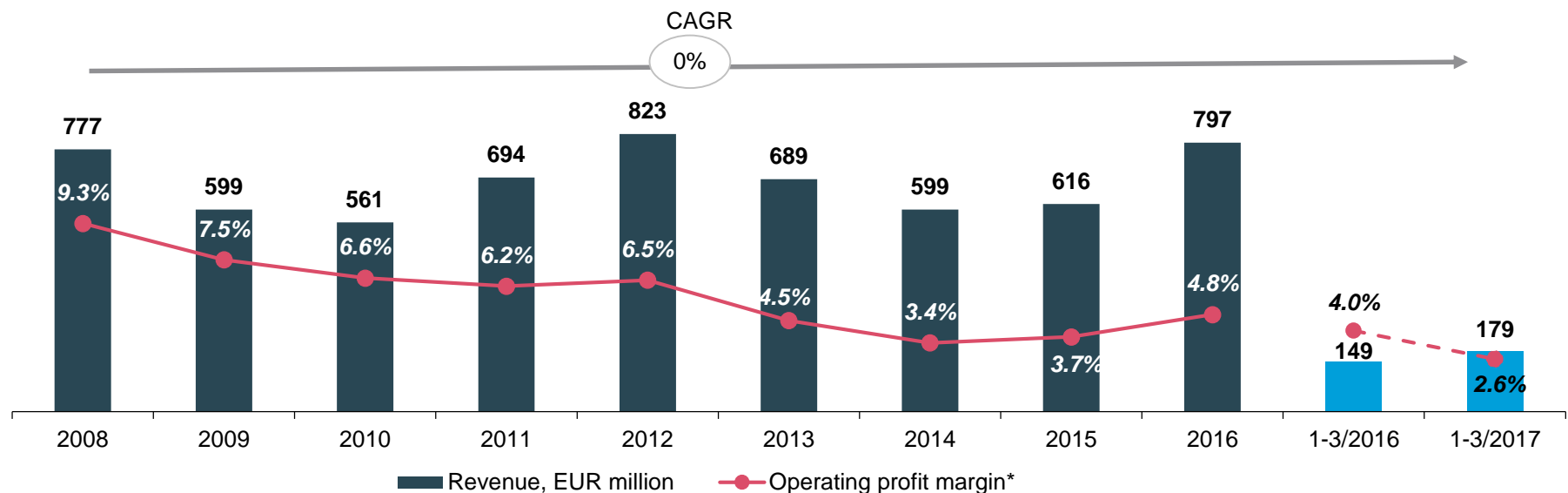
All figures according to segment reporting (POC)

2015 figures restated due to transfer of YIT's equipment business from Other items to Business Premises and Infrastructure

Business Premises and Infrastructure

Revenue grew in Q1, but profitability low

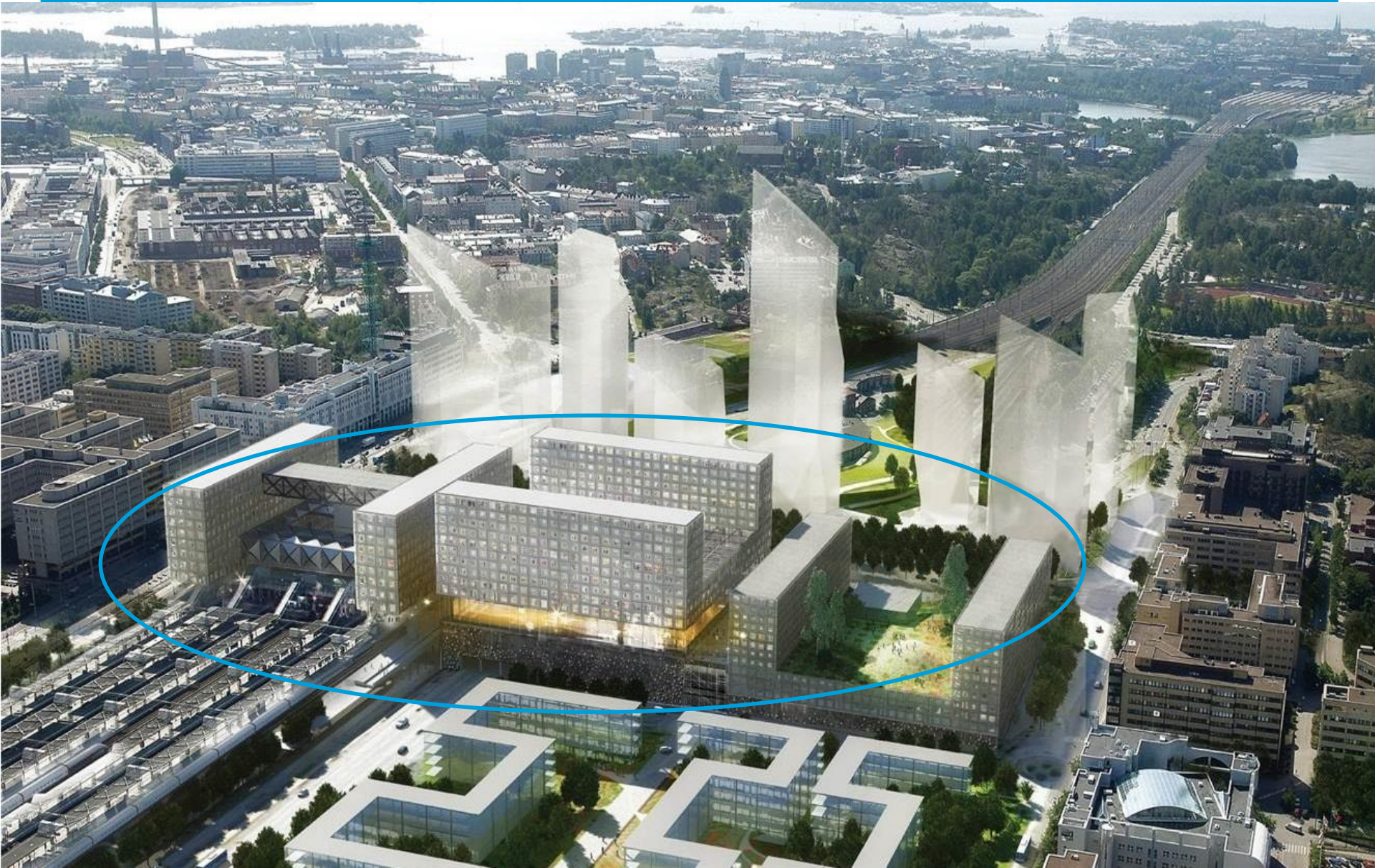
- Revenue increased by 20% y-o-y, due to business premises construction and progress in Mall of Tripla
- Profitability was low due to weakened margins in certain projects in the CEE countries and seasonality of infra



* Excluding adjustments

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

Tripla project: Pasila in the future



Tripla project supports growth in the coming years

Tripla project in brief	Indicative value split	Current topics
<ul style="list-style-type: none"> • EUR 1 billion hybrid project: offices, shopping and congress center, hotels, public transport terminal and apartments • Combines the breadth of YIT know-how in different areas of construction • Project length ~ 10 years, constructed in phases • Located in Pasila ~3.5 km away from the Central Railway Station of Helsinki • Connection point for all rail traffic in HMA • Daily people flow through Pasila railway station ~80,000 • 500,000 persons within the reach of 30 min by public transportation 	<div> <div>Parking and foundations</div> <div>~10%</div> </div> <div> <div>Mall of Tripla</div> <div>~40-50%</div> </div> <div> <div>Business park offices</div> <div>~10%</div> </div> <div> <div>Hotel</div> <div>~5-10%</div> </div> <div> <div>Railway station and HQ offices</div> <div>~10-15%</div> </div> <div> <div>Residential</div> <div>~10-15%</div> </div>	<ul style="list-style-type: none"> ✓ Final agreement on the implementation of the hotel signed, preliminary value approximately EUR 88 million ✓ Leasing negotiations for office facilities under way ✓ Customer register is gathered for the housing construction project

Note: The charts are an illustration of YIT's perception on a general level and do not reflect the actualized figures of YIT Group.

Mall of Tripla in a nutshell

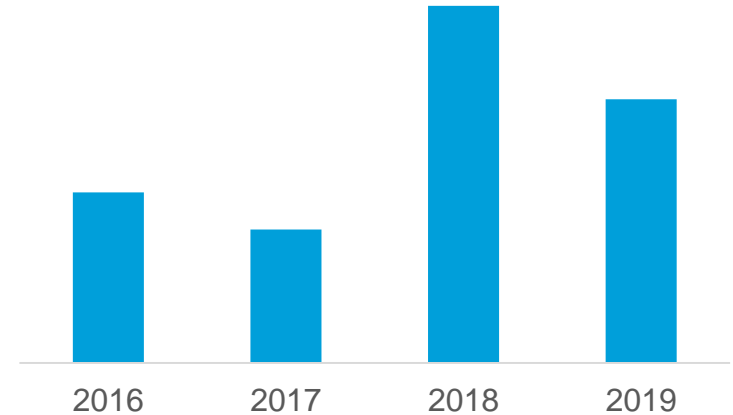
What has been achieved so far?

- Valid building permits and required decisions from public authorities obtained
- Financing package of ~EUR 300 million secured
- Investor deals closed, value ~EUR 600 million
- Foundation works, excavation and piling done
- Revenue and profit recognition started
- 45% of the premises rented out, anchor tenants secured

JOINT VENTURE PARTNERS (JV)



Illustration of revenue recognition*



*Based on the assumption that YIT won't reduce its shareholding during the construction. Figures illustrative.

Revenue recognition principles

- Revenue and EBIT recognition in line with construction progress
- However, 38.75% will be recognised as revenue and EBIT after YIT sells its share in the JV
- YIT has the right to reduce its shareholding to 20% during the construction
- YIT may sell the remainder of its shareholding at the earliest 3 years after the shopping centre is completed

The largest ongoing projects in the segment

The largest ongoing self-developed business premises projects

Project, location	Value, EUR million	Project type	Completion rate, %	Estimated completion	Sold/ for sale	Leasable area, sq.m.
Mall of Tripla, Helsinki	~600	Retail	27%	2019	YIT's ownership 38,75%	85,000
Kasarmikatu 21, Helsinki	n/a	Office	52%	12/17	YIT's ownership 40%	16,000
K3 Wihuri, Vantaa	n/a	Logistics/ Office	12%	4/18	Sold	25,000
K3 Posti terminal, Vantaa	~29	Logistics	0%	6/18	Sold	26,000
Extension of Business Park Rantatie, Helsinki	~25	Office	66%	11/17	Sold	6,000

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate, %	Estimated completion
E18 Hamina-Vaalimaa motorway	~260	Infra	73%	12/18
Tampere light railway	~110	Infra	2%	12/21
Myllypuro Campus, Metropolia	~70	Public premises	2%	8/19
Helsinki Central Library	~50	Public premises	15%	9/18
Naantali CHP power plant	~40	Infra	93%	9/17

7

Key financials



Key figures

EUR million	1–3/2017	1–3/2016	Change	1–12/2016
Revenue	479.2	362.4	32%	1,783.6
Operating profit	16.7	12.1	38%	52.9
Operating profit margin, %	3.5%	3.3%		3.0%
Adjusted operating profit	16.7	12.1	38%	79.9
Adjusted operating profit margin, %	3.5%	3.3%		4.5%
Order backlog	2,618.3	2,246.8	17%	2,613.1
Profit before taxes	12.6	-0.8		13.8
Profit for the review period ¹	8.9	-0.6		7.4
Earnings per share, EUR	0.07	-0.00		0.06
Operating cash flow after investments	40.8	-25.1		-43.3
Return on investment, last 12 months, %	5.2%	4.7%		4.7%
Equity ratio, %	35.4%	34.1%		35.1%
Interest-bearing net debt (IFRS)	551.1	554.5	-1%	598.6
Gearing (IFRS), %	103.6%	108.6%		112.3%
Personnel at the end of the period	5,407	5,276	2%	5,261

¹Attributable to equity holders of the parent company

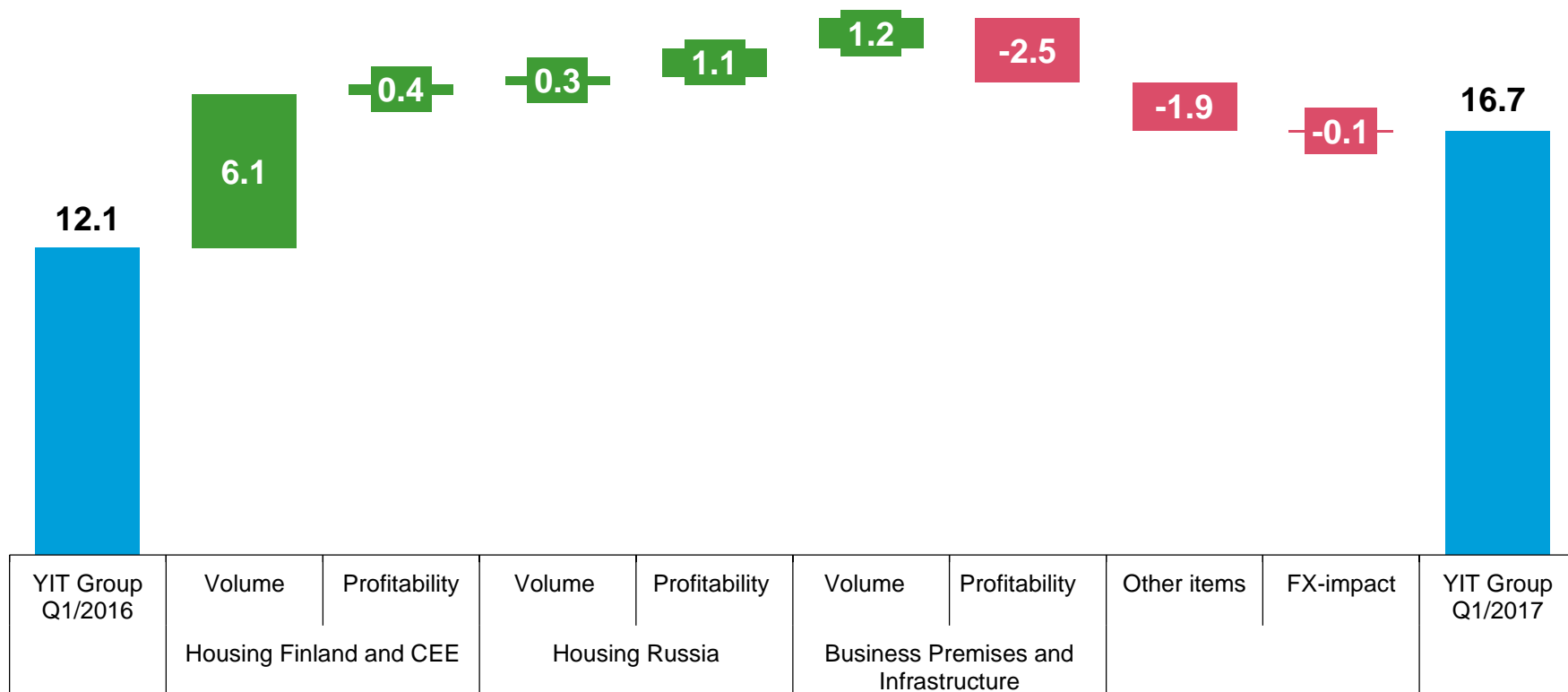
All figures according to segment reporting (POC), unless otherwise noted

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

EBIT-bridge Q1/2016–Q1/2017

- Positive EBIT development in Housing Finland and CEE due to strong residential sales
- Profitability of Business Premises and Infrastructure was low due to weakened margins in certain projects in the CEE countries and seasonality of infra

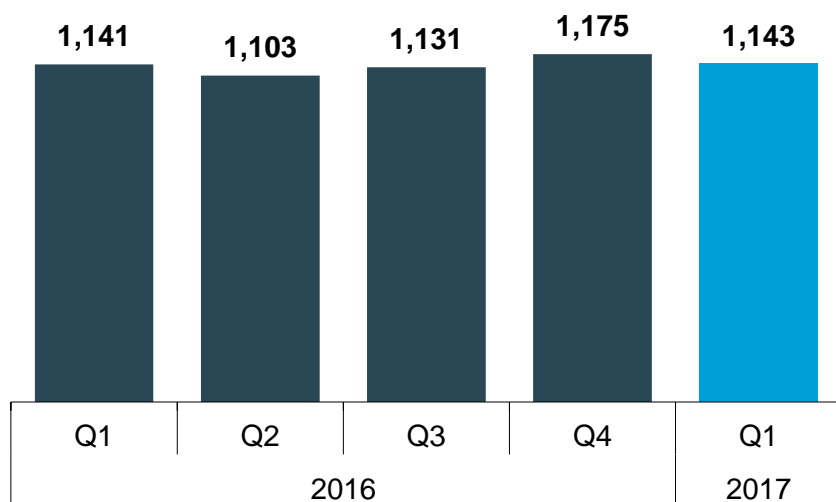
Adjusted operating profit (EUR million), change Q1/2016–Q1/2017: 38%



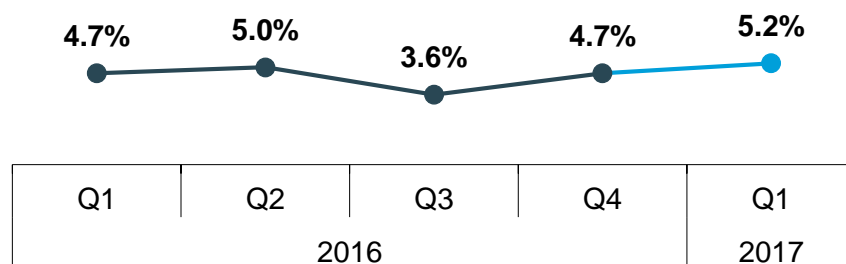
ROI continued to improve in Q1

- Invested capital decreased slightly q-o-q
- ROI continued to improve, but still unsatisfactory
- Target to reduce capital employed in Russia by approximately RUB 6 billion by the end of 2018

Invested capital (EUR million)



Return on investment (%), rolling 12 months



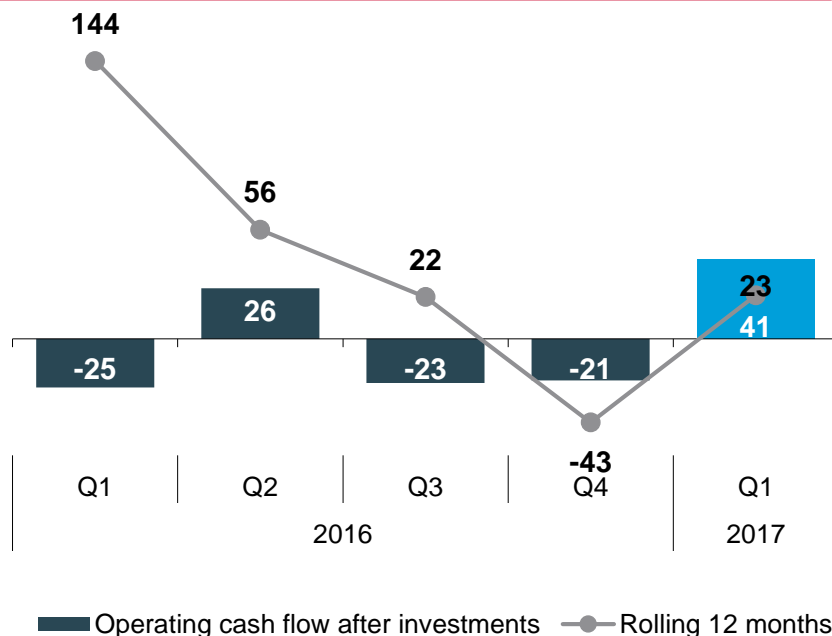
All figures according to segment reporting (POC)

Strong cash flow in Q1

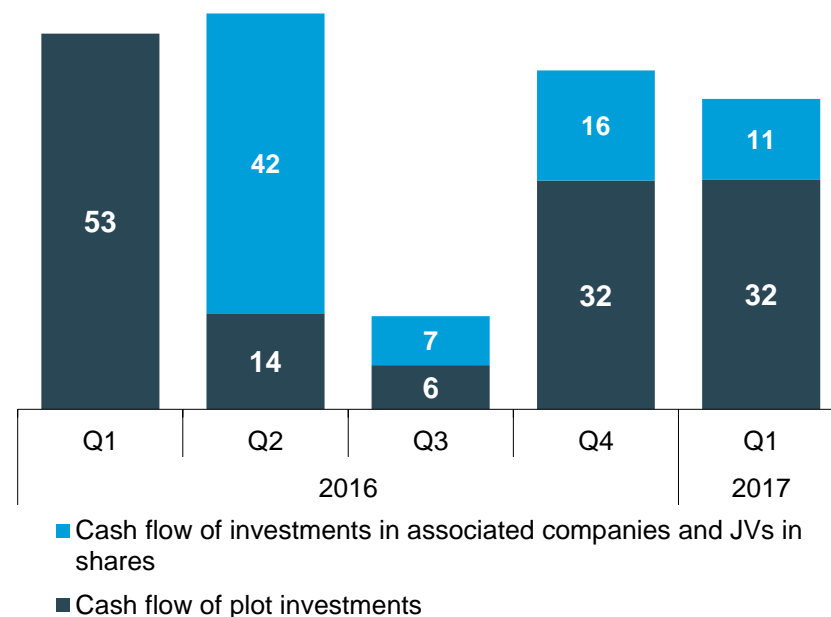
- Cash flow improved due to strong sales and capital efficiency measures, such as plot cooperation
- The rolling 12 months cash flow on the targeted level

Operating cash flow after investments (EUR million)

Long-term target:
Sufficient operating cash flow after investments for dividend payout



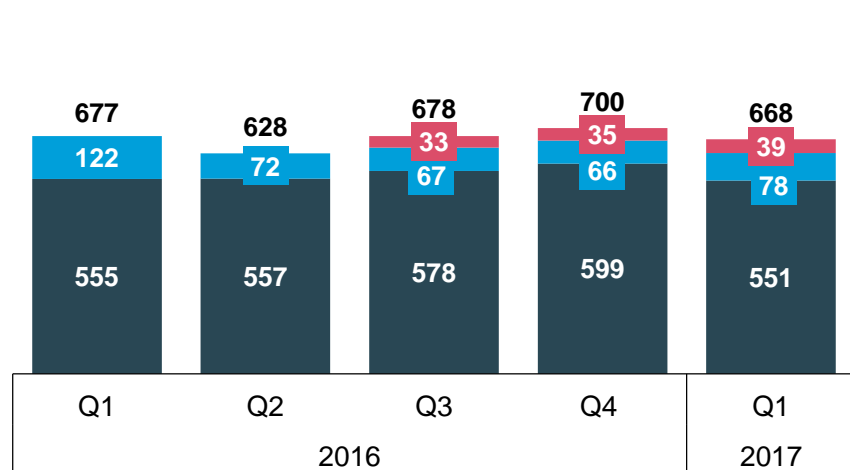
Cash flow of plot investments and investment in associated companies and JVs in shares (EUR million)



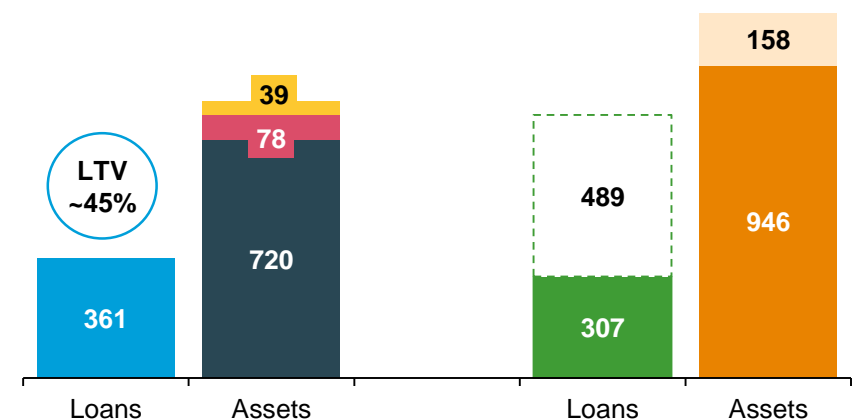
Net debt decreased in Q1

- Net debt declined due to strong cash flow
 - Net debt definition¹ revised as of beginning of 2017, comparison figures adjusted accordingly

Interest-bearing debt (EUR million), IFRS



Illustrative loan-to-value levels at the end of Q1 (EUR million), IFRS



- Interest-bearing debt excluding construction stage financing
- Interest-bearing receivables²
- Cash and cash equivalents
- Land areas and plot owning companies, shares in associated companies and JVs

- Construction-stage financing²
- Advances received
- Work in progress
- Shares in completed housing and real estate

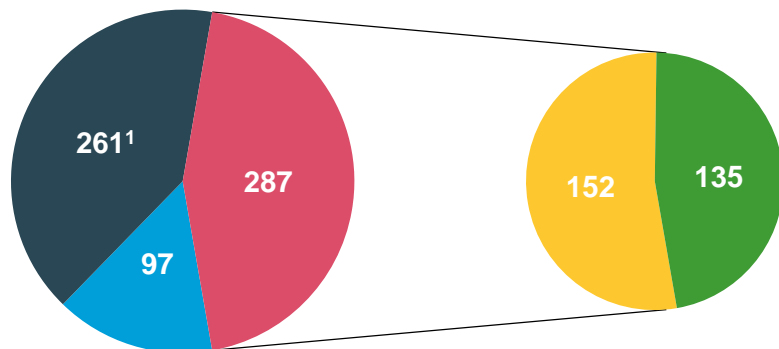
¹ As of the beginning of 2017, YIT considers interest-bearing receivables as part of net interest-bearing debt. Interest-bearing receivables are related to cooperation projects that support YIT's strategy. The most essential instalment was an interest-bearing receivable of EUR 33.5 million regarding the obligation to redeem the parking spaces in Tripla project, booked in the balance sheet in Q3/2016. Other interest-bearing receivables are loans granted for joint ventures.

² Items related to Tripla parking spaces included in interest-bearing receivables whereas financing related to Tripla plot is included in construction stage financing

Plots in the balance sheet by segments and geography

Plot reserves in the balance sheet 3/2017, (EUR million)

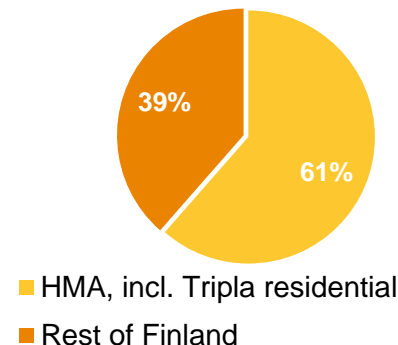
In total EUR 645 million



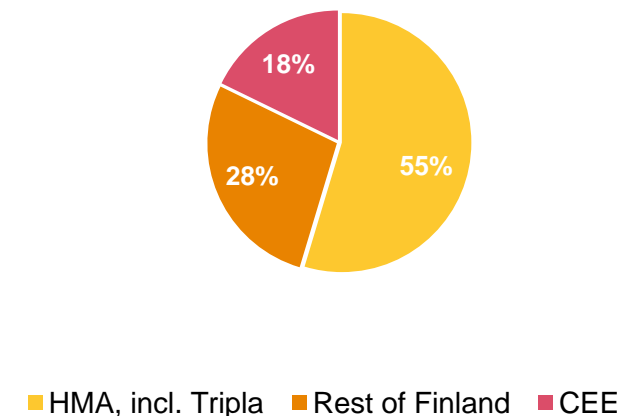
- Business Premises and Infrastructure
- Housing Russia
- Housing Finland and CEE
- Finnish housing
- CEE housing

¹Includes Gorelovo industrial park

Division by geography in Finnish housing



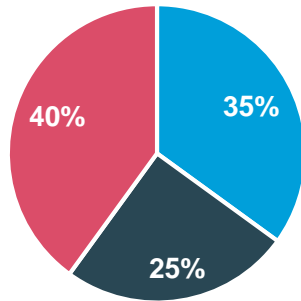
Division by geography in Business Premises and Infrastructure



Plot reserve consists of own plots, pre-agreements and rental plots

Plot reserve in thousand floor square metres 3/2017, consists of own plots, pre-agreements and rental plots, 5.1. million floor sq. m in total

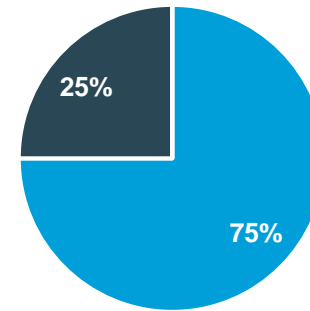
Finnish housing, total 1.9 million floor sq.m



Average annual use of plot reserves ~150,000–200,000 floor sq.m.

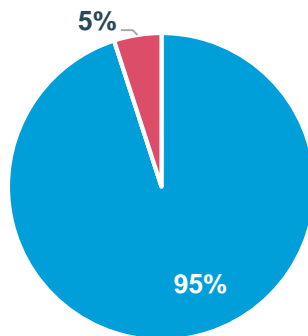
~ 75% of the own and rental plots have confirmed zoning

Housing Russia, total 2.1 million floor sq.m



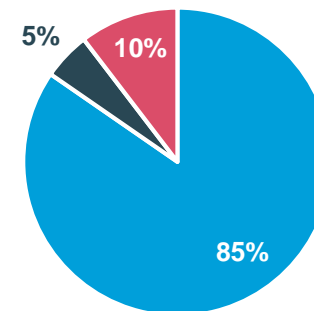
Average annual use of plot reserves ~150,000–200,000 floor sq.m.

CEE housing, total 0.5 million floor sq.m



Average annual use of plot reserves ~80,000–120,000 floor sq.m.

Business Premises and Infrastructure, total 0.6 million floor sq.m



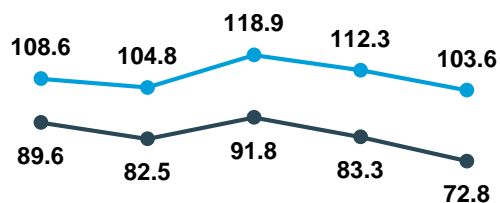
Average annual use of plot reserves ~30,000–70,000 floor sq.m.

■ Own ■ Rental ■ Pre-agreements

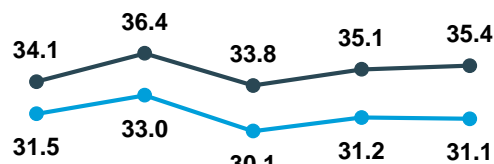
Financial key ratios improved in Q1

- Significant improvement in gearing ratio q-o-q due to strong cash flow
- Net debt/EBITDA multiple affected by the new net debt definition, comparison figures adjusted accordingly
- Gearing calculation and loan covenants not affected by the new net debt definition

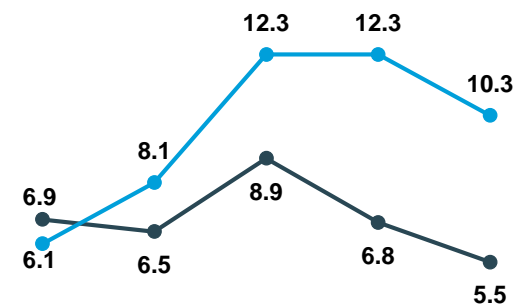
Gearing (%)



Equity ratio (%)



Net debt/EBITDA (Multiple, x)



Q1	Q2	Q3	Q4	Q1
2016				2017

—●— POC —●— IFRS

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

Q1	Q2	Q3	Q4	Q1
2016				2017

—●— POC —●— IFRS

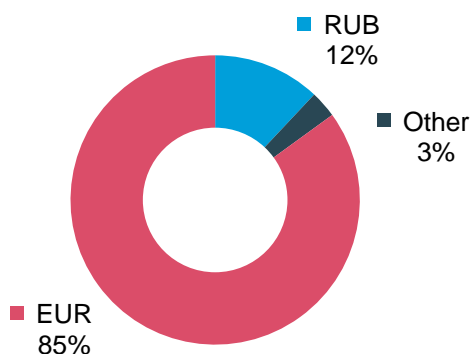
Financial covenant tied to the equity ratio (minimum level of 25.0%, IFRS) in bank loans, the syndicated RCF agreement and the bonds issued in 2015 and 2016.

Q1	Q2	Q3	Q4	Q1
2016				2017

—●— POC —●— IFRS

Ruble strengthened in Q1

Revenue split Q1/2017 (POC)



Impact of changes in foreign exchange rates (EUR million)

	Q1/2017
Revenue, POC ¹	13.9
Adjusted EBIT, POC ¹	-0.1
Order backlog, POC ²	29.9
Equity, IFRS (translation difference) ²	29.4

¹ Compared to the corresponding period in 2016

² Compared to the end of previous quarter

Principles of managing currency risks:

- Sales and project costs typically in same currency, all foreign currency items hedged
→ **no transaction impact**
- Currency positions affecting the income statement, such as loans to subsidiaries, are hedged
- Equity and equity-like investments in foreign currency not hedged
 - Considered to be of permanent nature
 - FX changes recognized as translation difference in equity
- Invested capital in Russia in 3/2017:
 - Equity and equity-like investments: EUR 392.9 million
 - Loans to subsidiaries: EUR 28.8 million

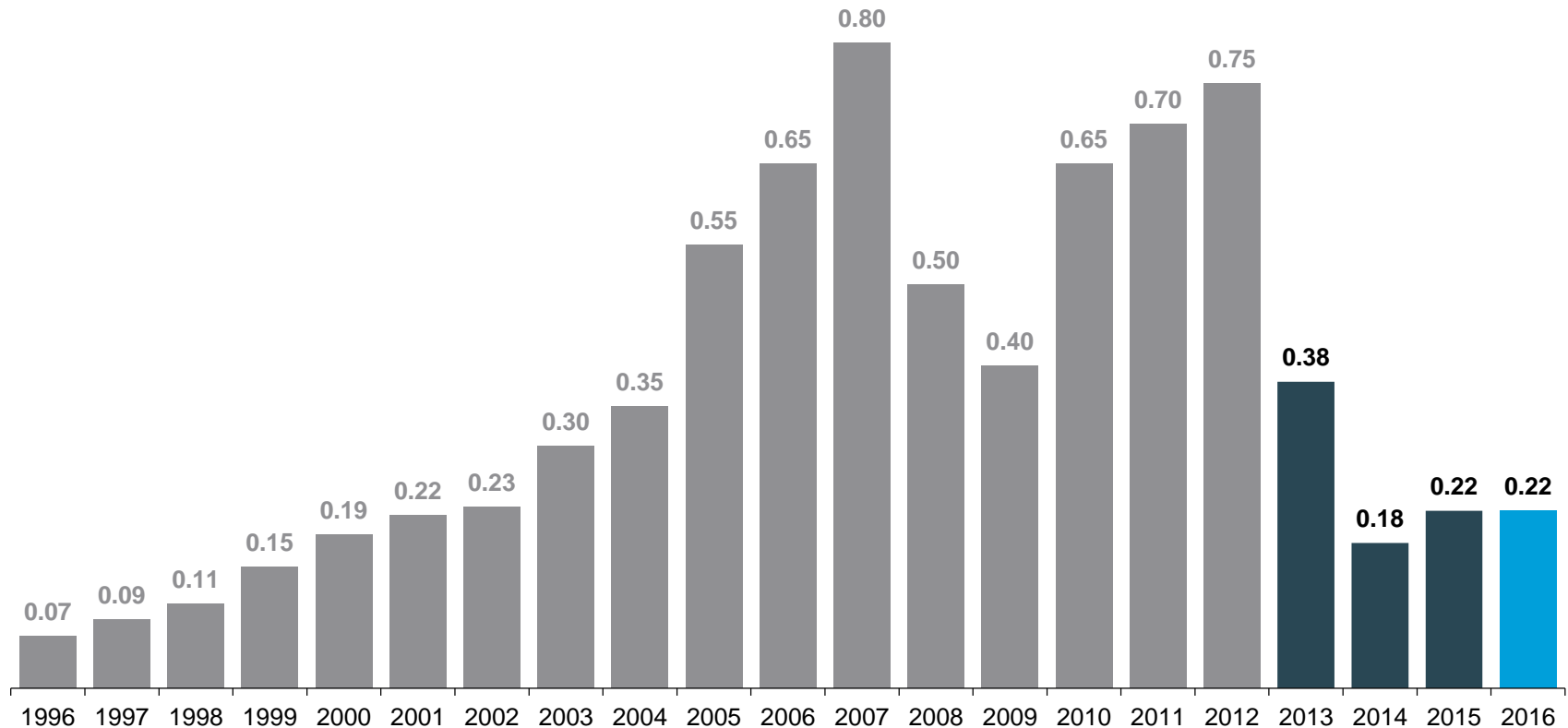
EUR/RUB exchange rates

	Q1/2017	Q1/2016	Q4/2016
Average rate	62.5321	82.3682	74.1466
Quarter-end rate	60.3130	76.3051	64.3000

Dividend for 2016: EUR 0.22

Dividend / share (EUR)

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



8

Looking
ahead and
conclusions



Market outlook, expectations for 2017

Finland

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



Russia

- Macro environment to remain stable on the current level, the stabilisation of the economy to have a moderate, positive impact on the residential market
- Expectations of weakening of ruble and decrease of interest rate to influence consumer behaviour
- Residential prices stable
- Residential demand to focus on affordable apartments
- Construction cost inflation to moderate



CEE

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



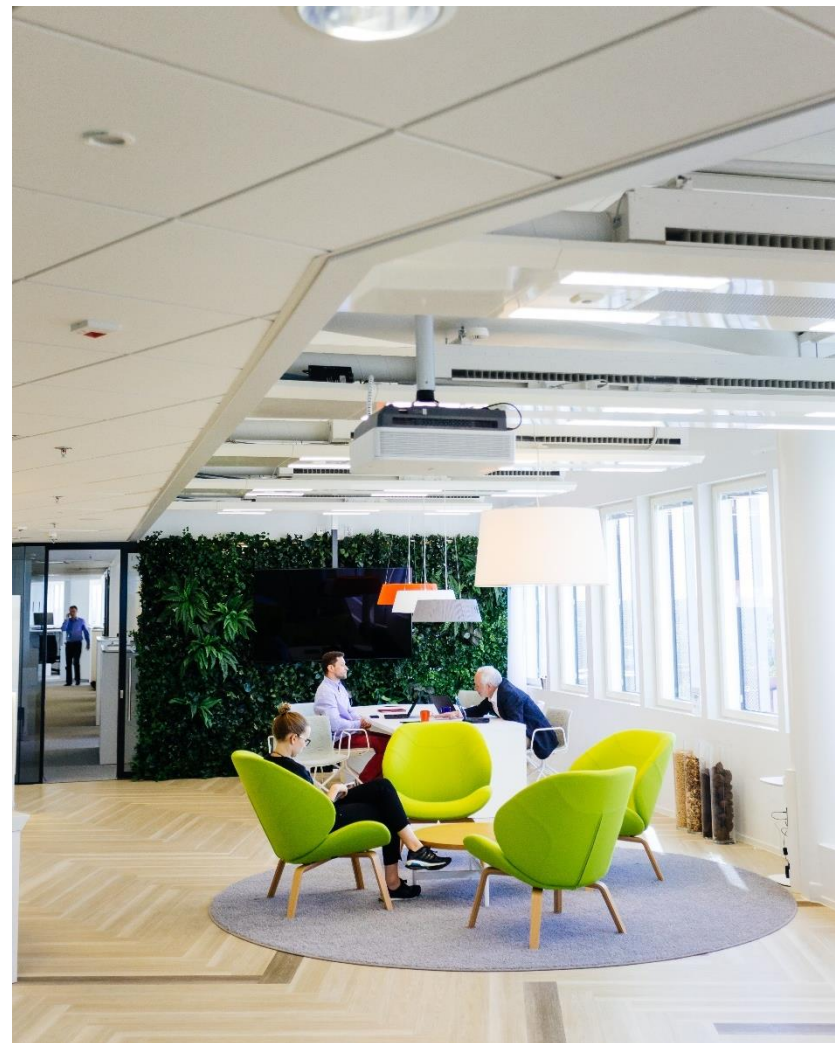
Guidance for 2017 unchanged (segment reporting, POC)

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

The adjusted operating profit¹ is estimated to be in the range of **EUR 90-105 million**.

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

- At the end of March, 61% of the Group order backlog was sold.
- Projects already sold or signed pre-agreements are estimated to contribute nearly 60% of rest of 2017 revenue.
- The increased share of consumer sales in Housing Finland and CEE is likely to have a moderate positive impact on the adjusted operating profit of the segment but the impacts of the shift to consumers will be visible in the result gradually.
- In Housing Russia, the adjusted operating profit is estimated to be positive but to remain on a low level. Capital release actions in Russia are likely to have a negative impact on the profitability.



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

9

Why invest
in YIT?



Kasarmikatu 21 office building
Helsinki, Finland

Trends and drivers provide long-term growth opportunities

Growing need for new apartments, services and infrastructure

Urbanisation

Metropolitan areas growing and becoming denser, migration to growth centres

Need for infrastructure and mixed use construction

Demographic Changes

Ageing population
Smaller family sizes and growing number of households

New business opportunities

Digitalisation

Consumers demand services 24/7 online

New services for occupancy time increase

Need for more flexible work premises

Poor condition of buildings and infrastructure

Significant need for renovation construction

The emptying of office properties in Finland creates opportunities for changing the uses of buildings

Megatrends driving market development



Our answers

We focus on growth centres in all of our operating countries

We invest in hybrid projects

We are active in the construction of care facilities

We focus on small and affordable apartments

We develop the digital YIT Plus service

We focus on building and developing concepts for flexible premises

We invest in renovation construction

In infrastructure projects, we develop our alliance and PPP project expertise

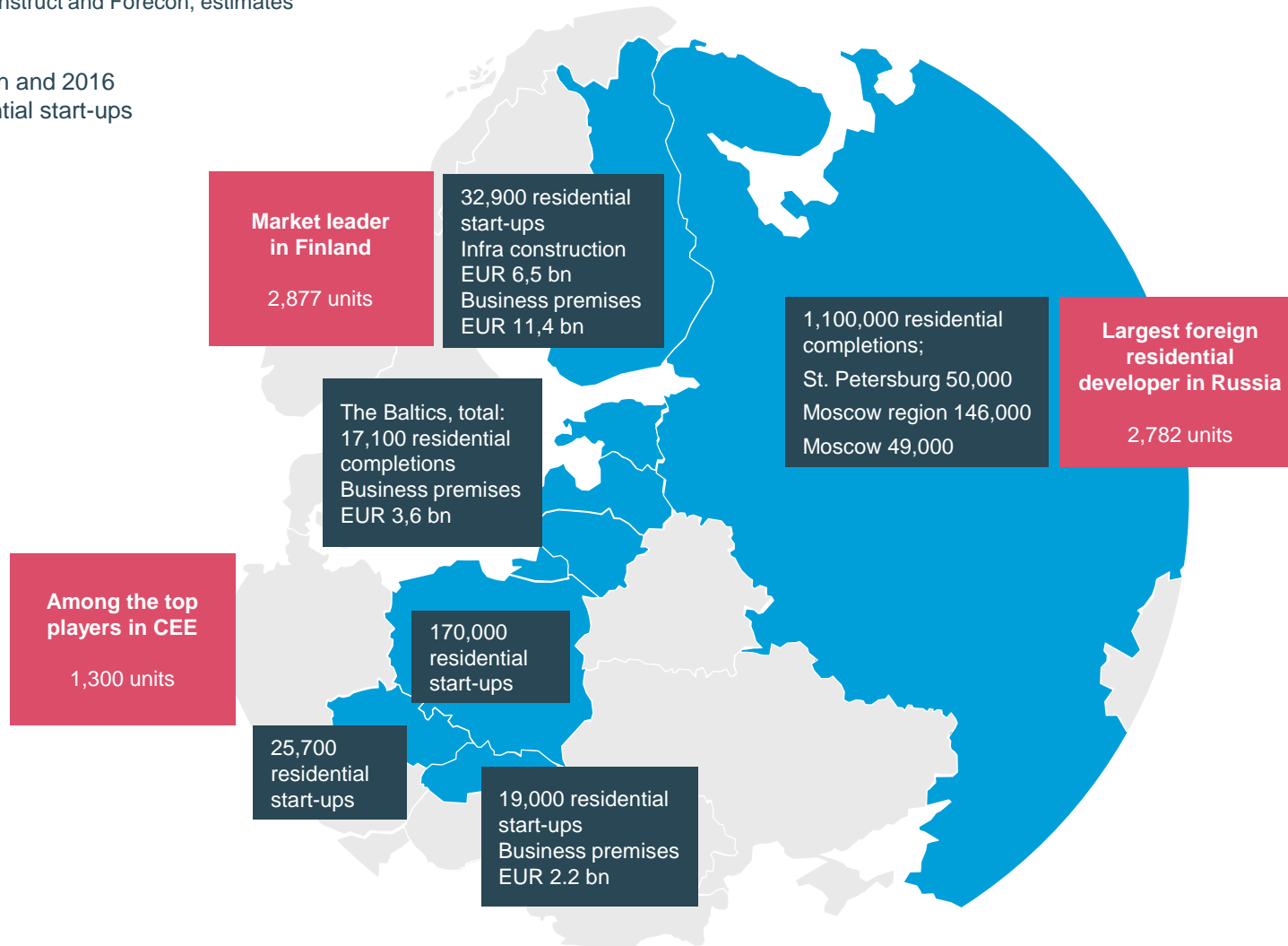
Strong market position in all markets

Market sizes in 2016

Euroconstruct and Forecon, estimates

YIT

Position and 2016
residential start-ups



YIT's competitive edges



- ✓ High-quality brand and reputation as a reliable company
- ✓ Innovative concepts and effective design management
- ✓ Strong plot reserve and development capabilities
- ✓ Broad special expertise and strong references
- ✓ Ability to construct demanding projects that combine housing, business premises and infrastructure
- ✓ Broad partner network and excellent cooperation with stakeholders

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

“Developer of the year 2014”
in the Czech Republic

**“Real estate developer
of the year 2015”** in Slovakia

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

10

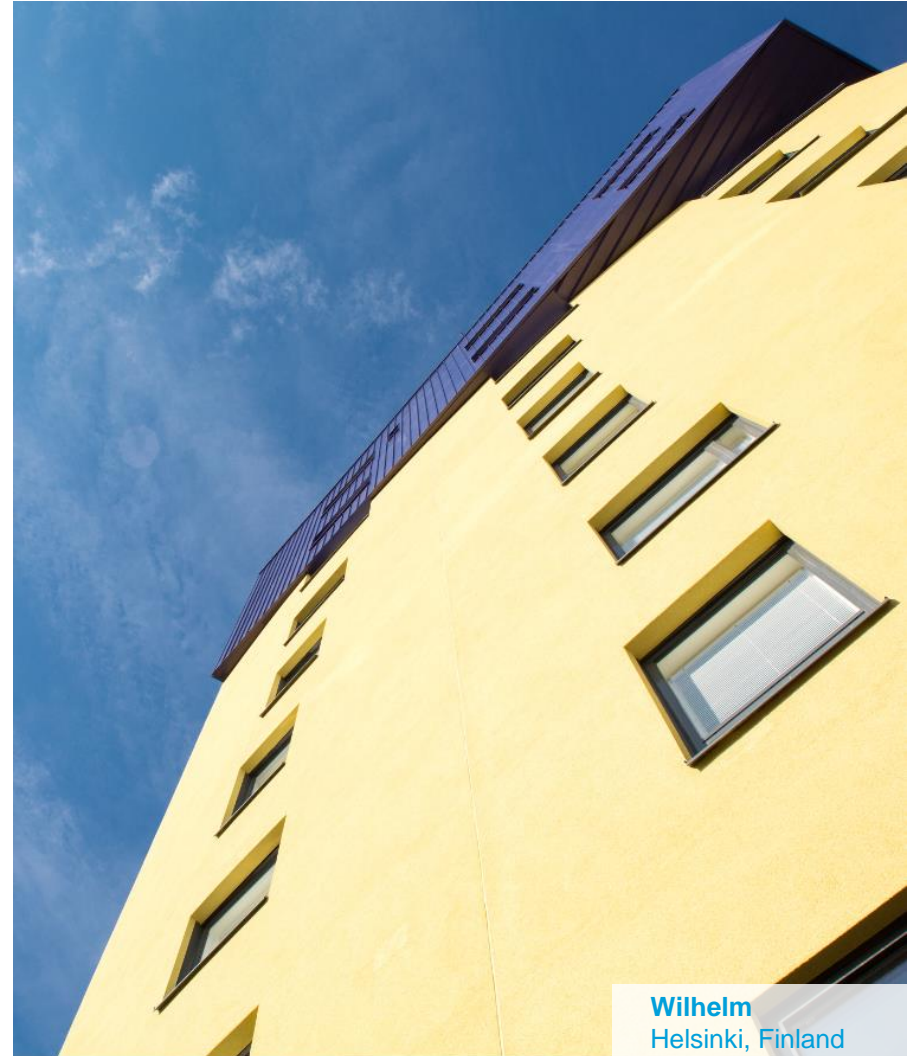
Appendices



Konepaja residential area
Helsinki, Finland

Appendices

- I. Additional financial information
- II. Housing indicators
- III. Business premises and infrastructure construction indicators
- IV. Ownership



Wilhelm
Helsinki, Finland

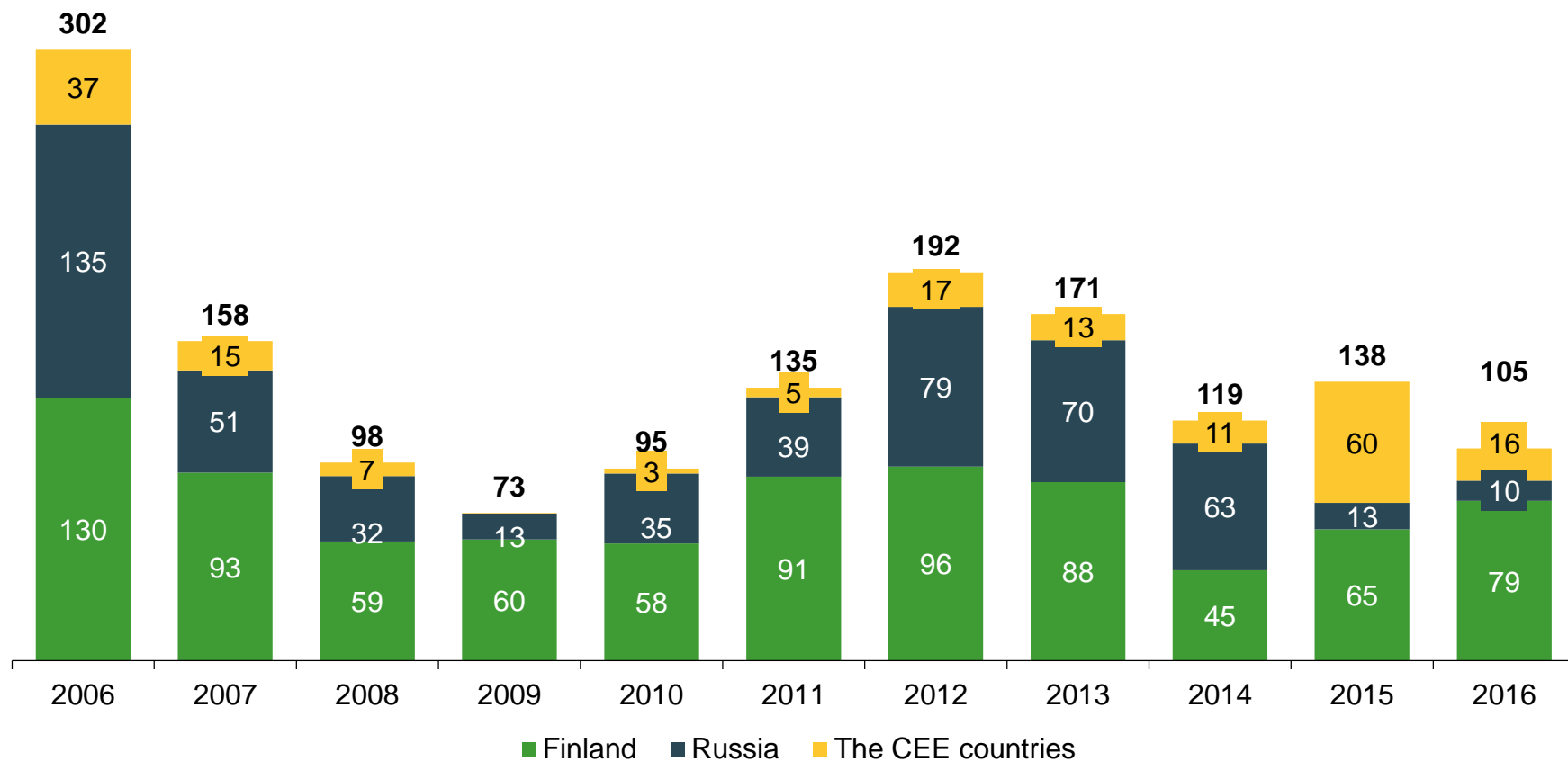




Additional financial information

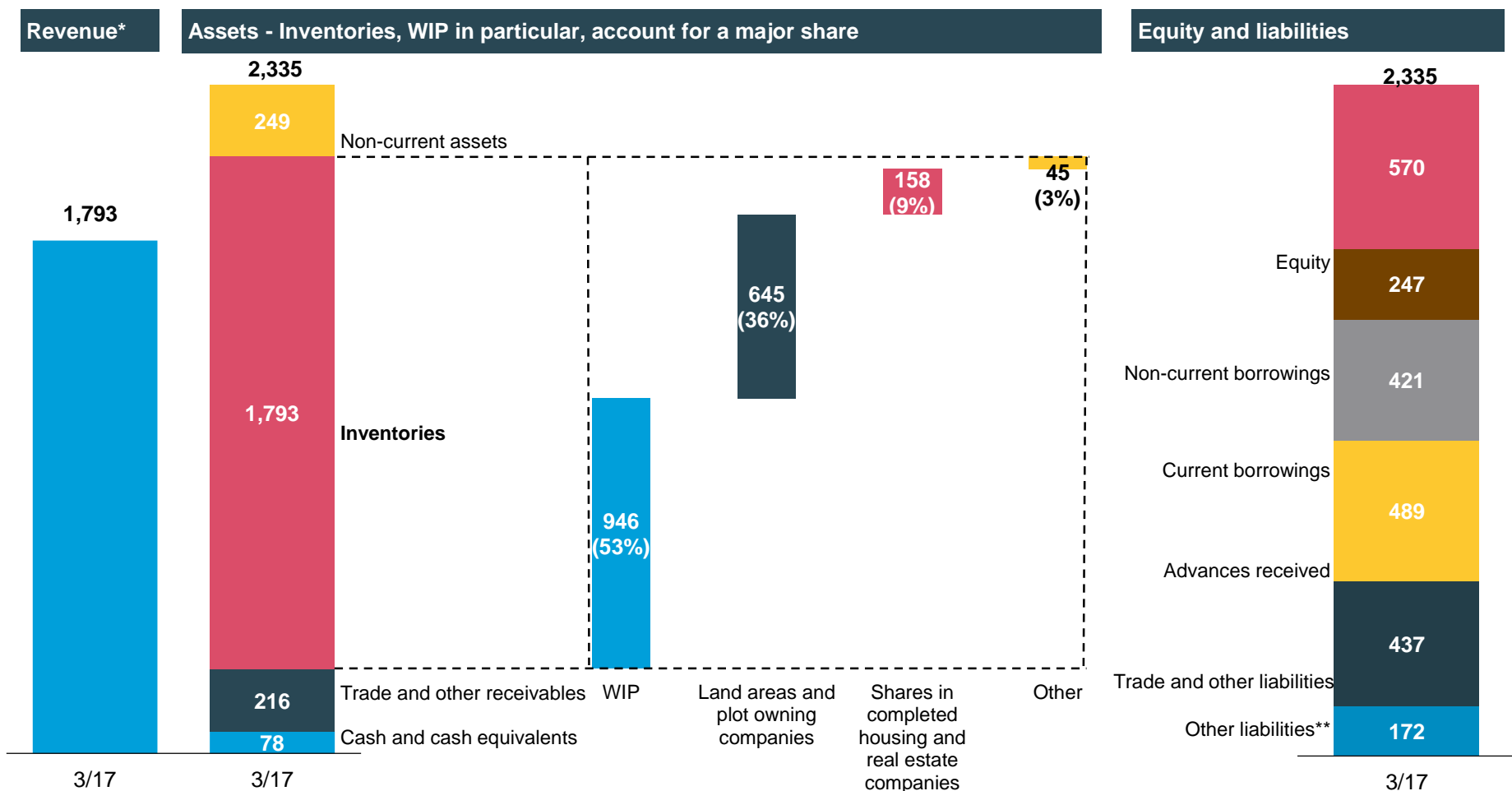


Cash flow of plot investments



Consolidated balance sheet

March 31, 2017 (EUR million)



Note: Figures based on Group reporting (IFRS)

* Last 12 months

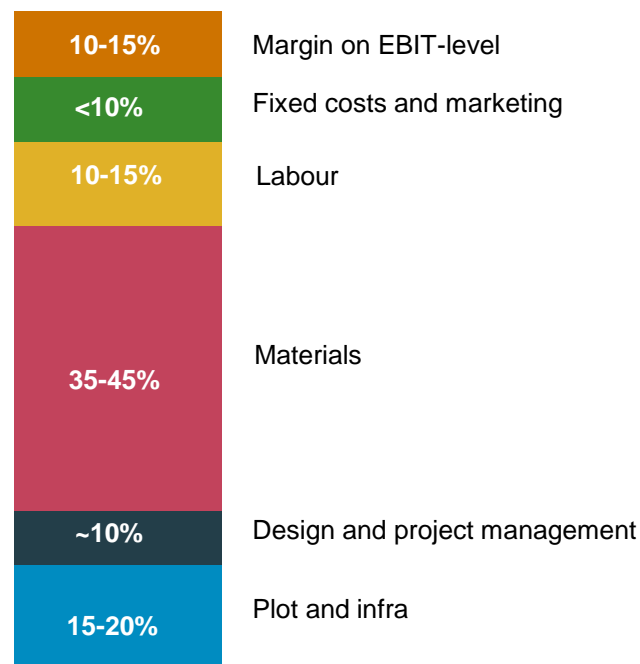
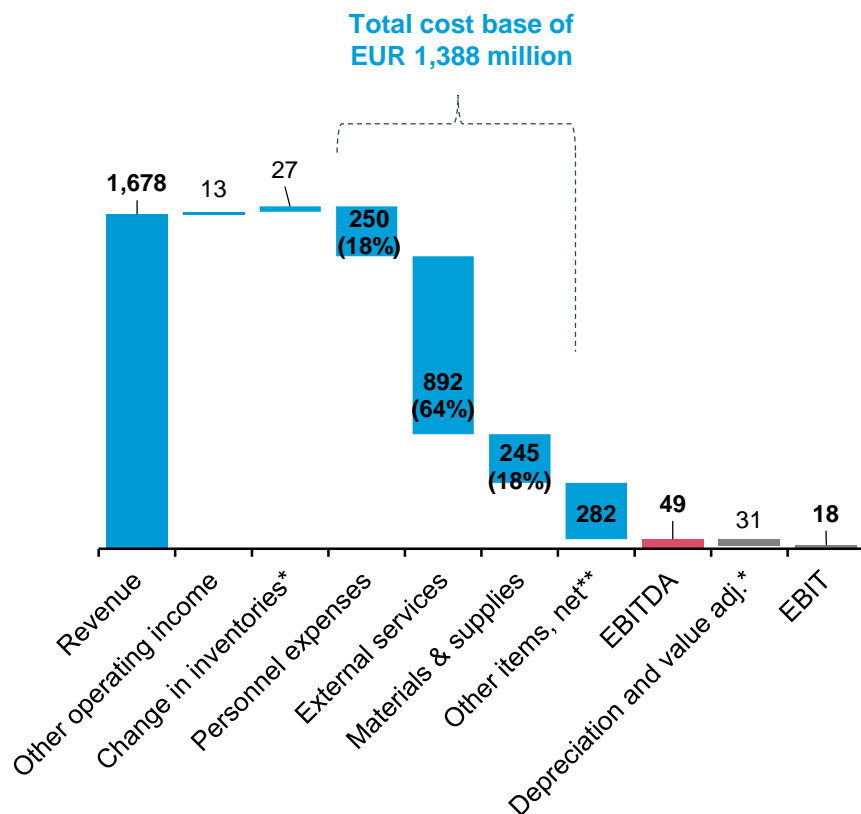
** Includes deferred tax liabilities, pension obligations, provisions and other liabilities

YIT's cost base in 2016

External services account for a major share of YIT's costs

IFRS, EUR million (% of cost base before EBITDA)

Indicative cost structure of a Finnish residential project



*) Adjusted for interest expenses included in operating profit

**) Includes: Other operating expenses, share of results in associated companies and production for own use

NOTE: Figures based on Group reporting (IFRS)

Construction stage financing

Financing of construction in a typical residential development project in Finland:

- YIT's subsidiary YIT Construction sells the contract receivables from Housing corporations (also owned by YIT) to financial institutions
 - Due upon completion
 - Sold in line with the progress of the project
- Customers' down payments 15% of value

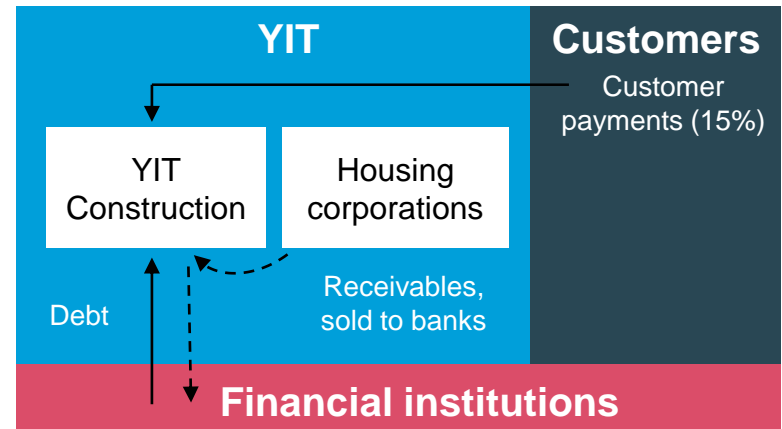
→ Financing for construction

Limited refinancing risk:

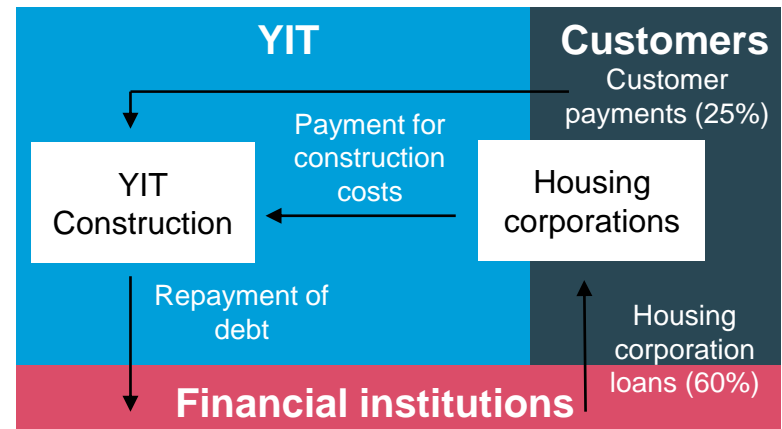
- Sold receivables are included in current borrowings as they are linked to current assets. However, there is limited refinancing risk:
- Upon completion, Housing corporations pay for the construction by drawing housing corporation loans
 - 50-70% loan-to-value
 - +20 year maturities
 - The terms and conditions are agreed upon already when starting construction
- Customers pay the rest of the sales price

→ Refinancing of the sold receivables

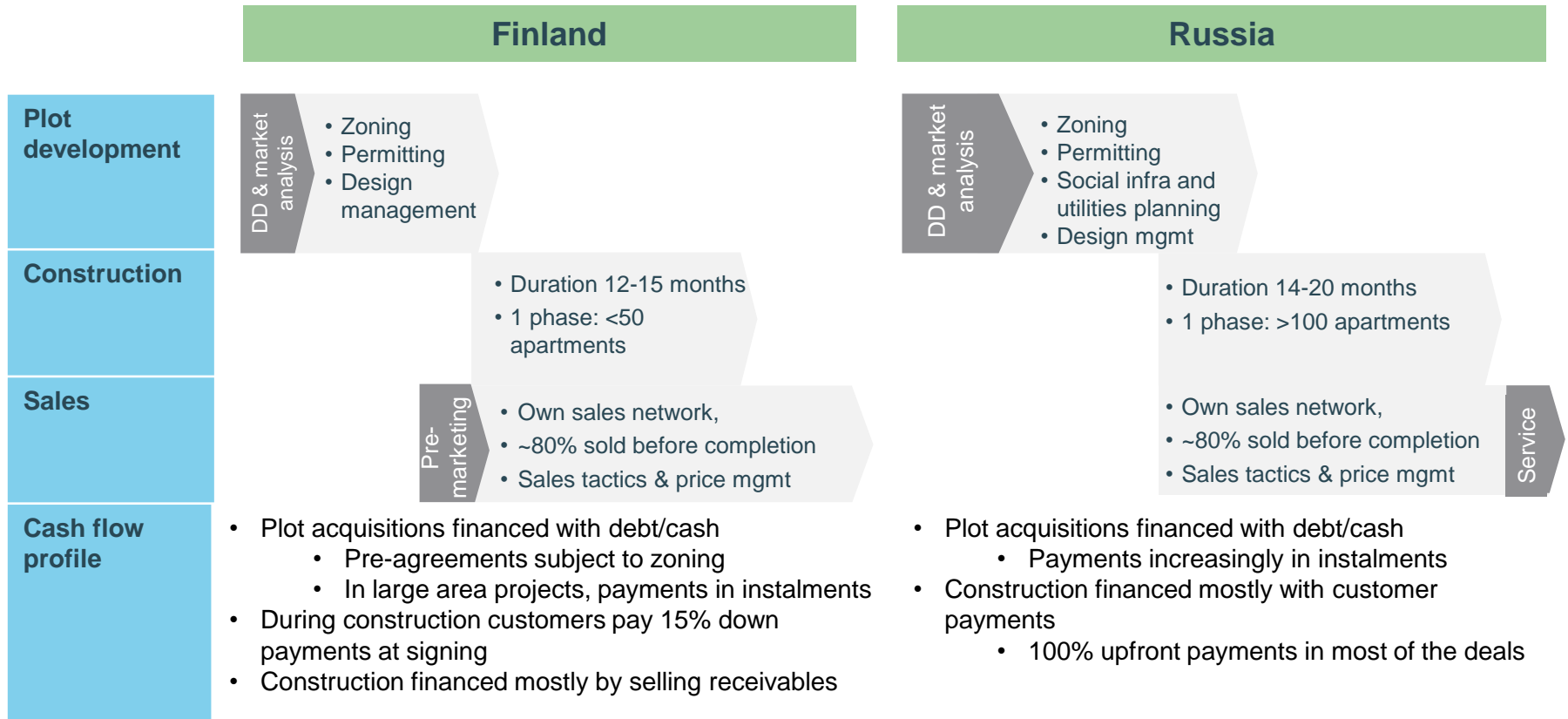
During construction:

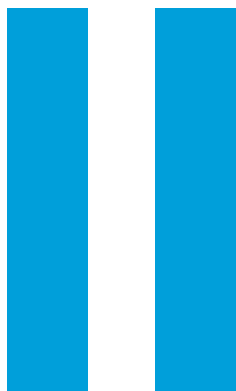


Upon completion:



Business model in self-developed housing varies between countries





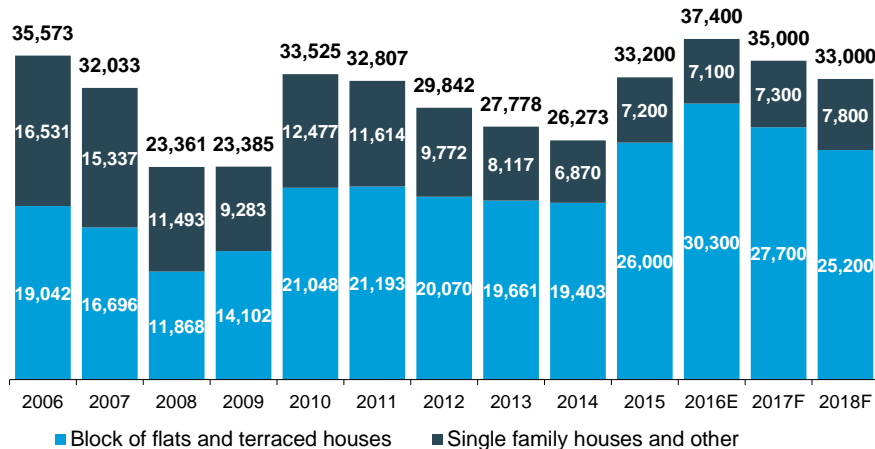
Housing indicators



Finland

Start-ups expected to decrease slightly in 2017 and 2018

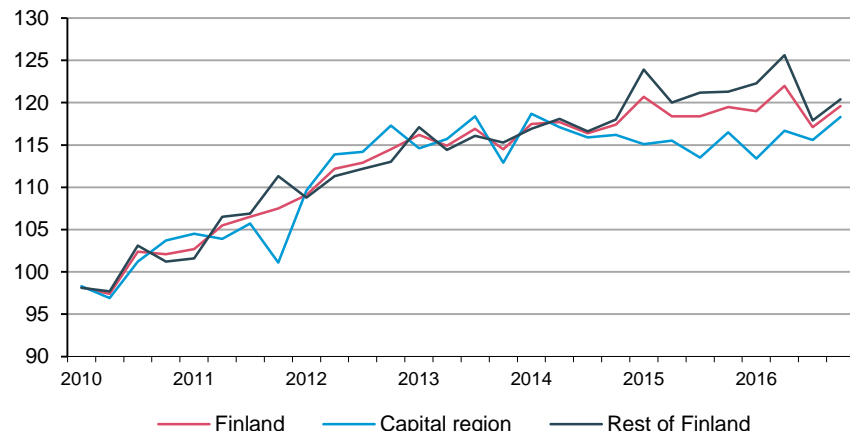
Residential start-ups (units)



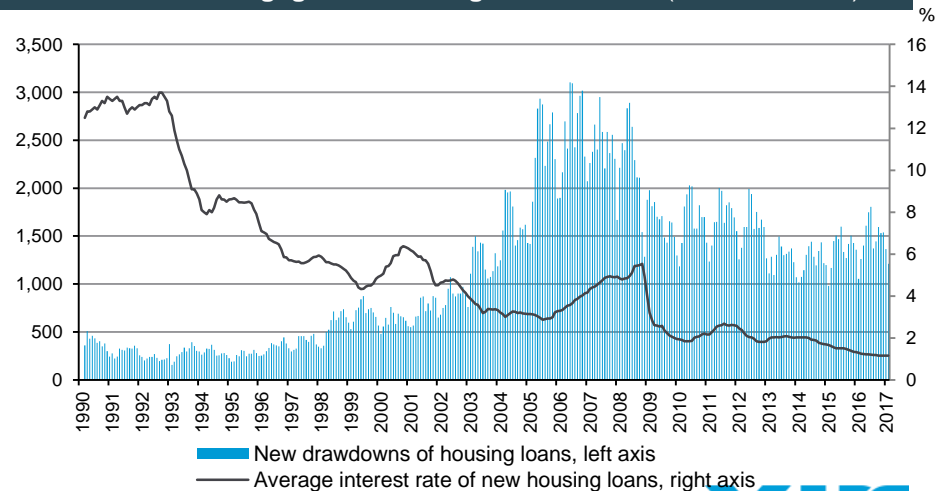
Consumers' views on economic situation in one year's time (balance)



Prices of new dwellings (index 2010=100)



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

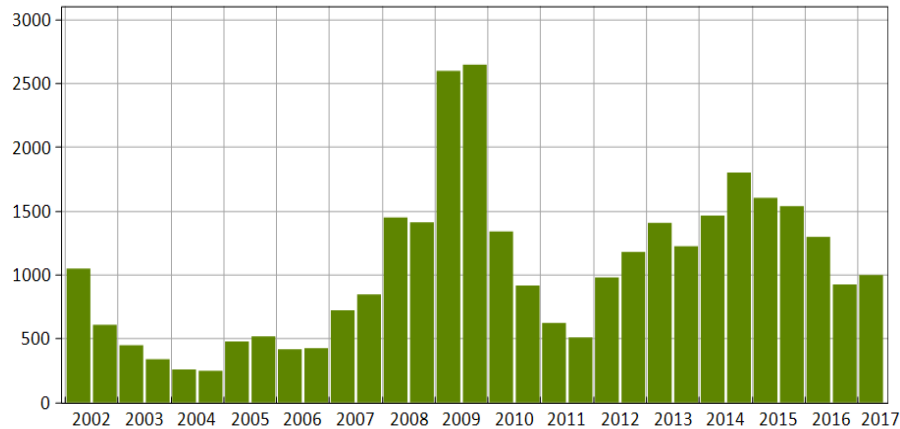


Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2018F Euroconstruct, December 2016, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland

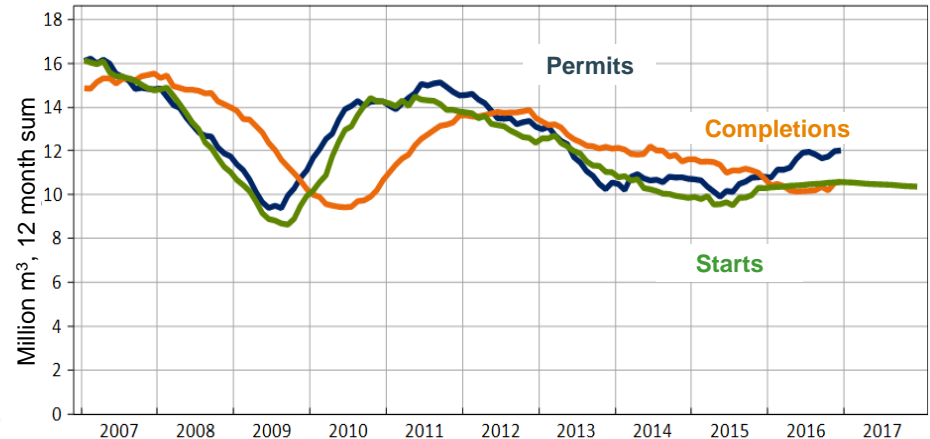
Finland

Housing indicators have improved slightly

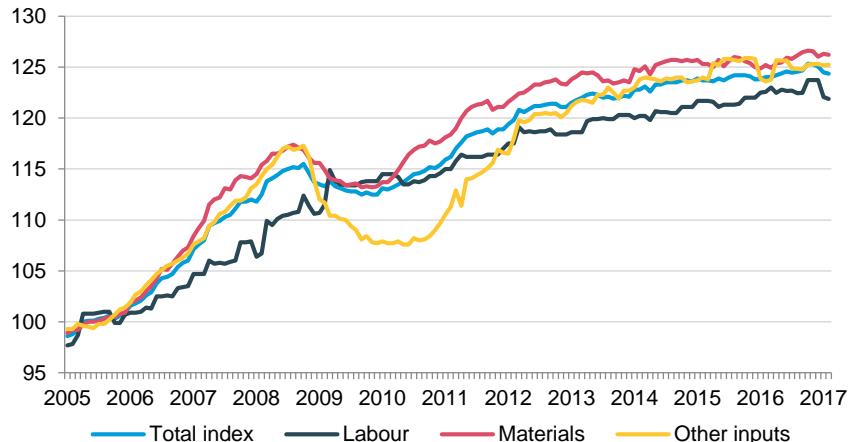
Unsold completed units (residential development projects)



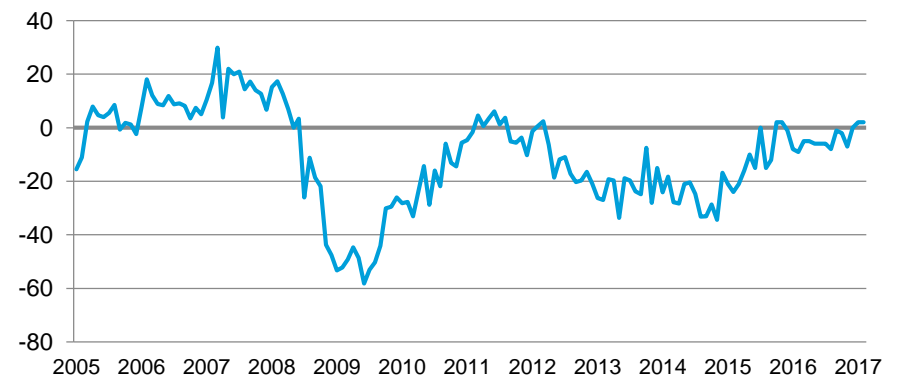
Residential building permits, start-ups and completions (million m³)



Construction cost index (2005=100)



Construction confidence (balance)

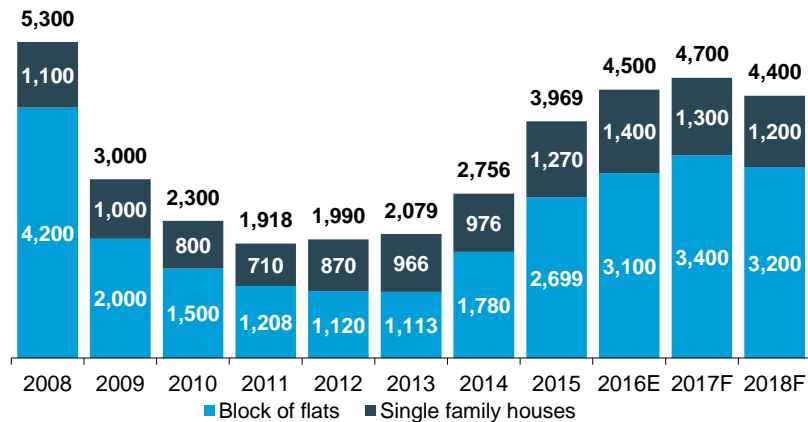


Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT,
 Construction cost index: Statistics Finland, Construction confidence: Confederation of Finnish Industries EK
 YIT | 71 | Investor presentation, May 2017

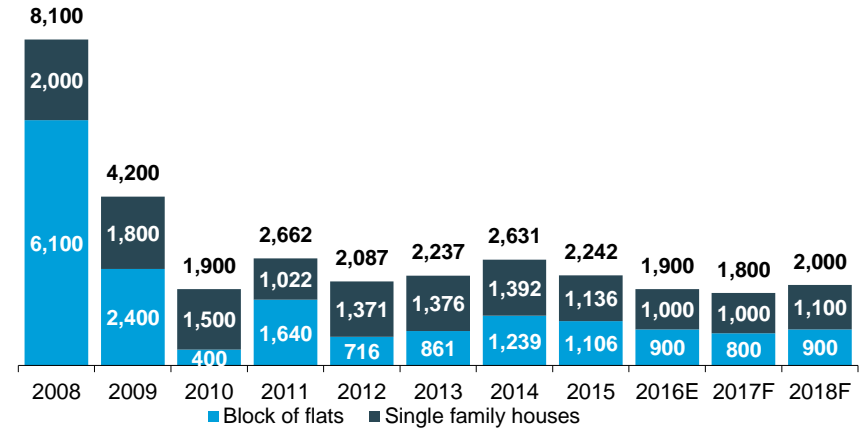
The Baltic Countries

Residential construction is expected to level off

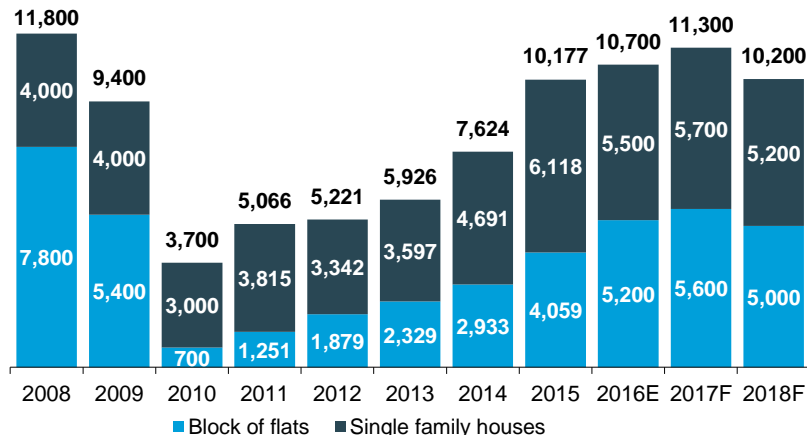
Residential completions in Estonia (units)



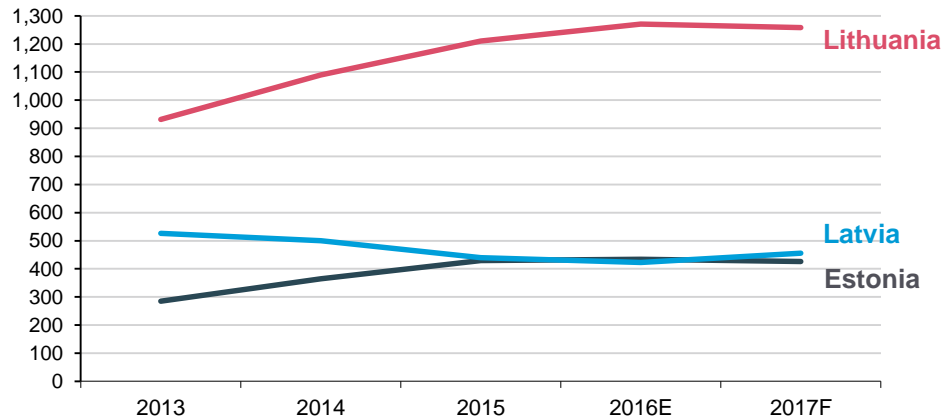
Residential completions in Latvia (units)



Residential completions in Lithuania (units)



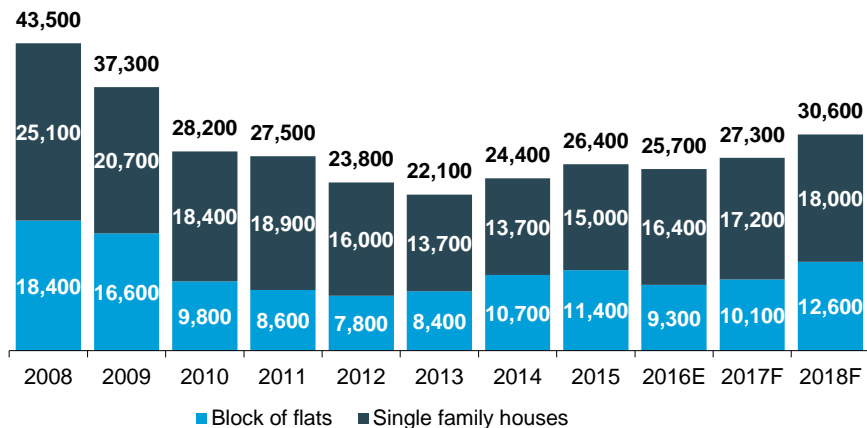
New residential construction volume (EUR million)



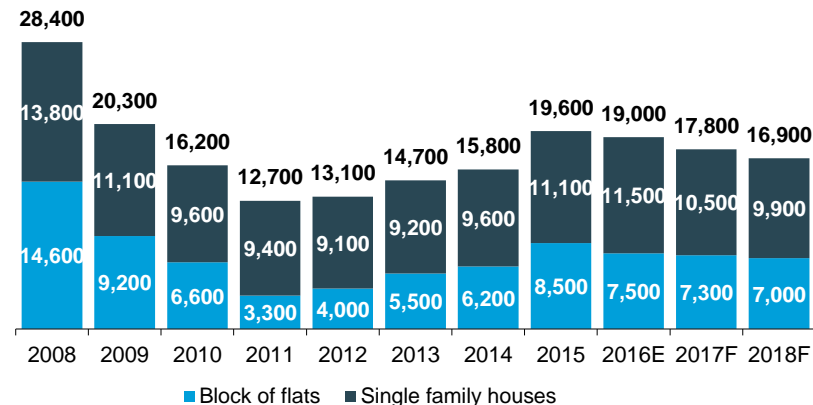
The Czech Republic, Slovakia and Poland

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

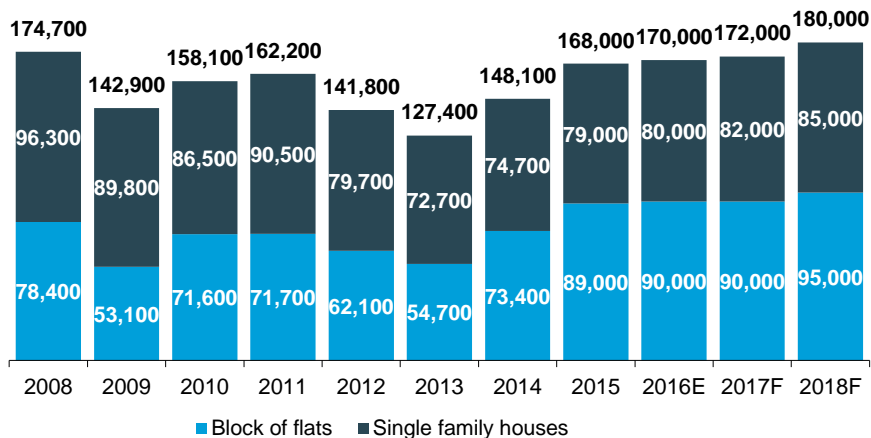
Residential start-ups in the Czech Republic (units)



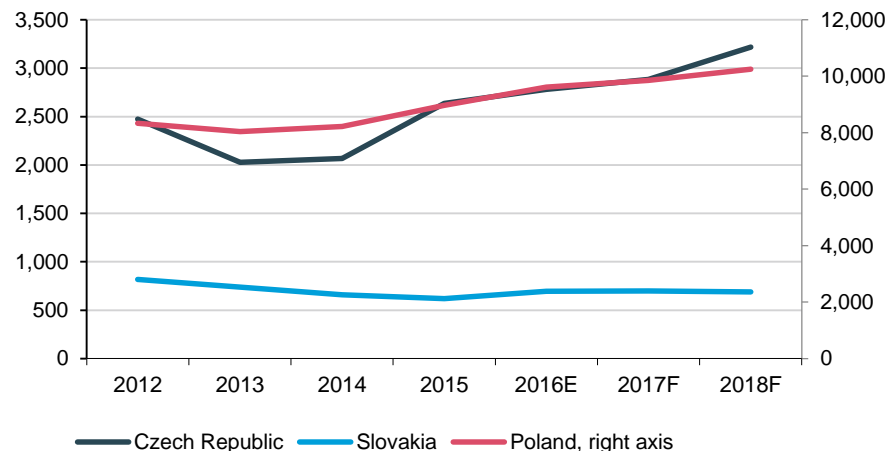
Residential start-ups in Slovakia (units)



Residential start-ups in Poland (units)



New residential construction volume (EUR million)

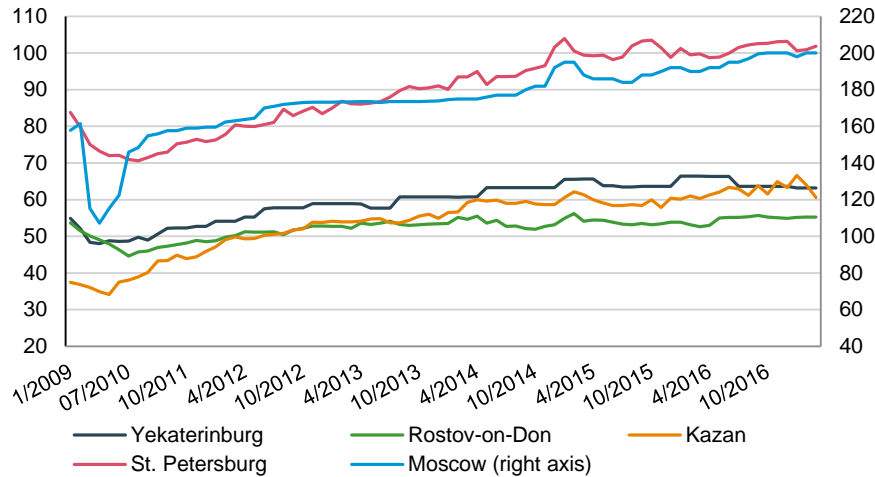


Source: Euroconstruct, December 2016

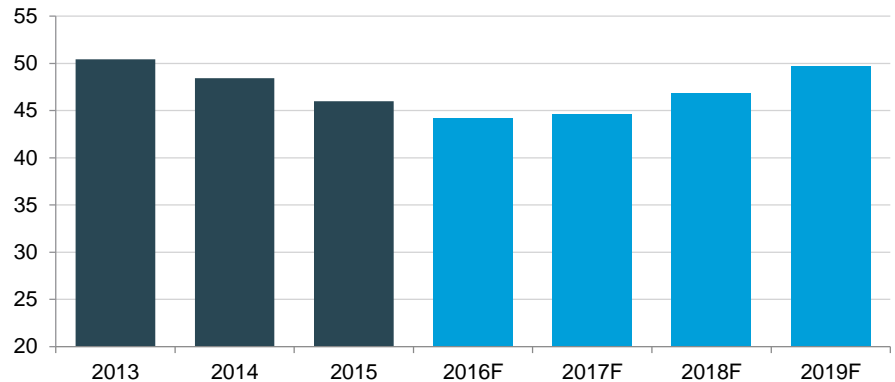
Russia

Housing indicators

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

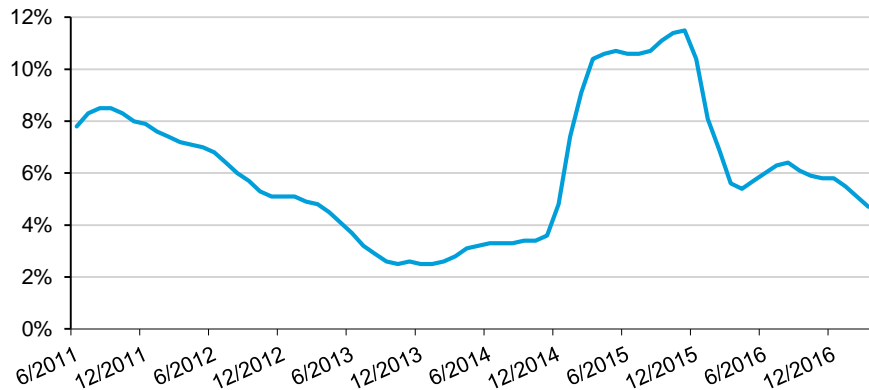


New residential construction volume (EUR billion*)

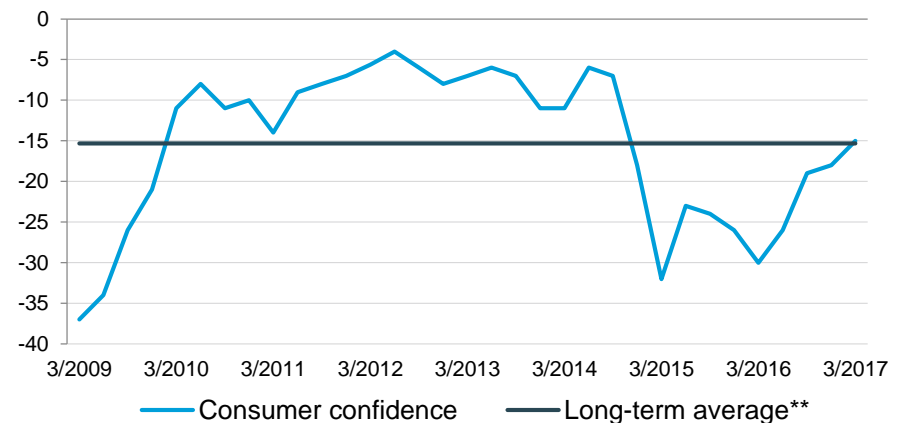


*Fixed EUR/RUB exchange rate of 68.072

Inflation in building materials (%)



Consumer confidence



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

**Average 12/1998-3/2017

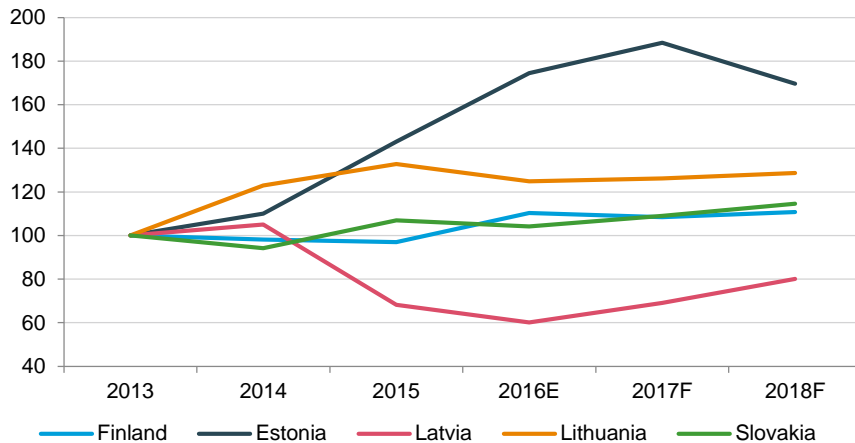


Business premises and infrastructure construction indicators

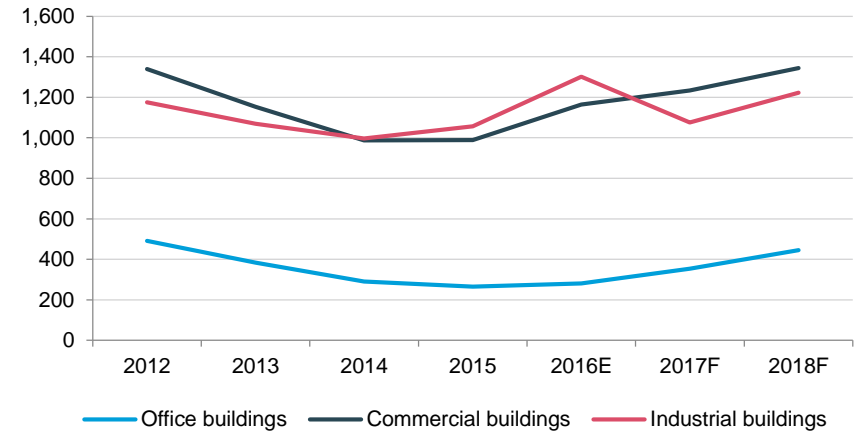


New non-residential construction forecasted to pick up slightly in the Baltic countries in 2017

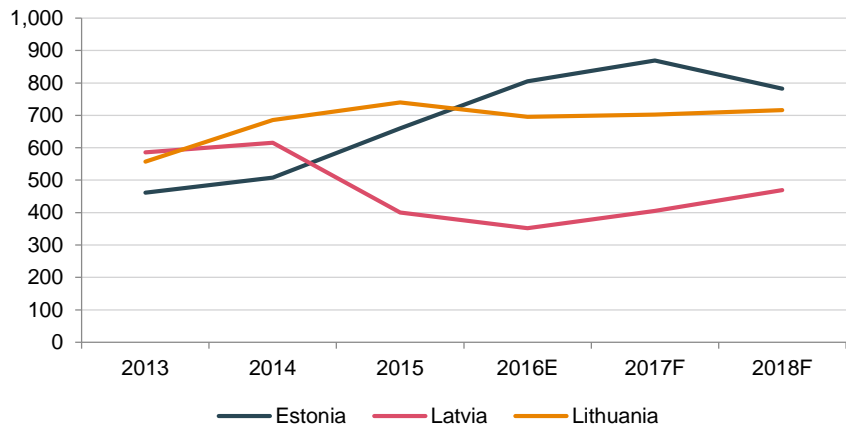
New non-residential construction volumes (index 2012=100)



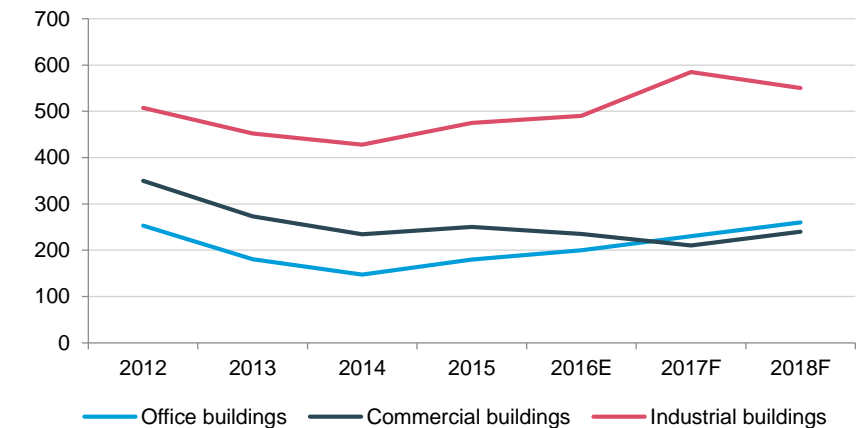
New non-residential construction in Finland (EUR million)



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



New non-residential construction in Slovakia (EUR million)

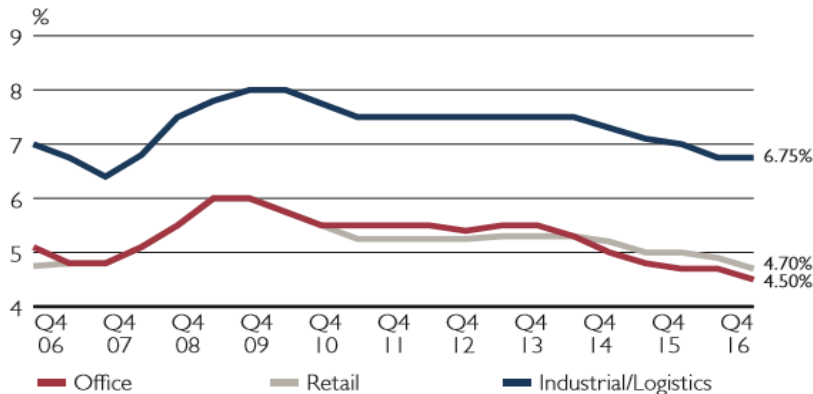


Sources: Euroconstruct and Forecon, December 2016

Finland

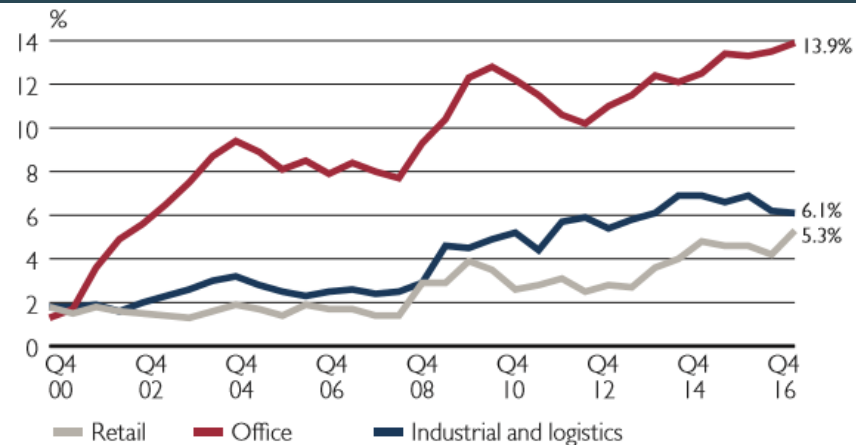
Prime yields expected to decrease slightly

Prime yields in Helsinki Metropolitan Area (%)

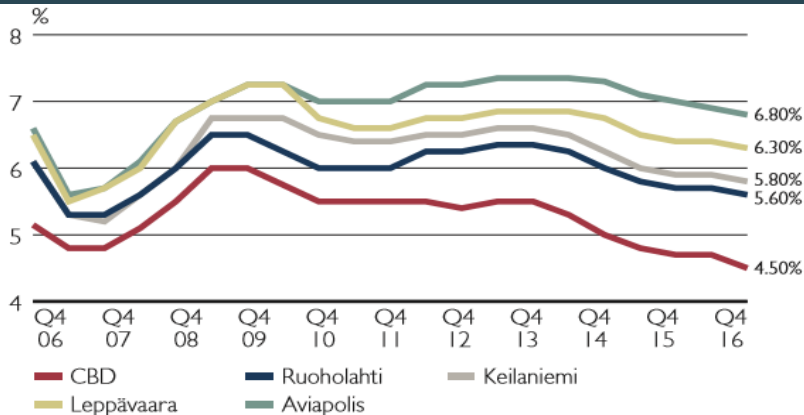


Particularly long lease agreements decrease yields by 0.1–0.5% points.

Vacancy rates in Helsinki Metropolitan Area (%)

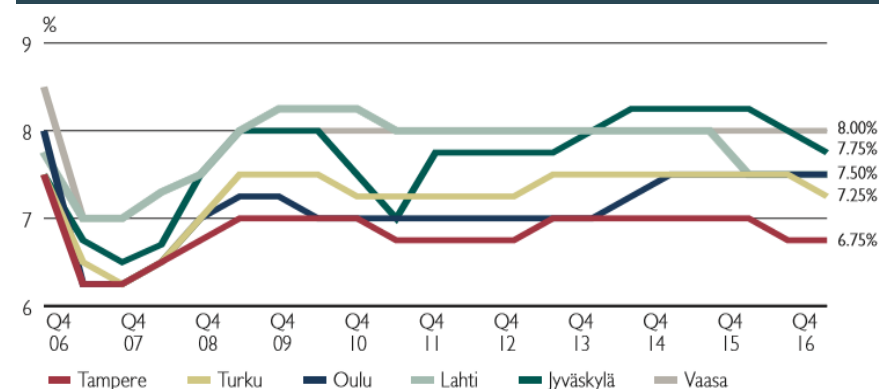


Office yields in Helsinki Metropolitan Area, %



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

Prime yields in growth centres, %

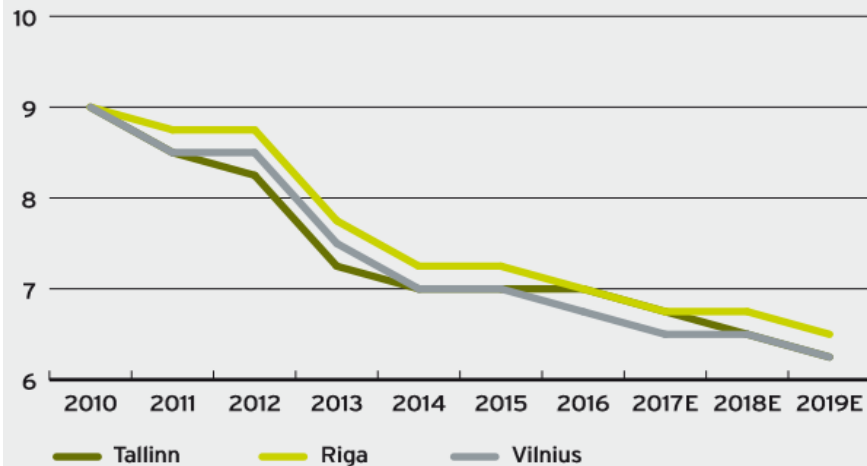


Particularly long lease agreements currently decrease yields by 0.1–0.5% points.

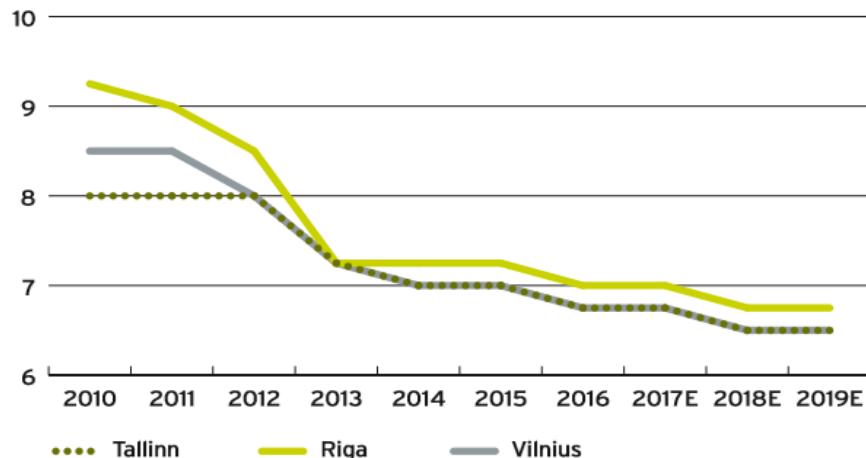
The Baltic countries

Yields are expected decrease slightly

Prime office yields in the Baltic countries (%)

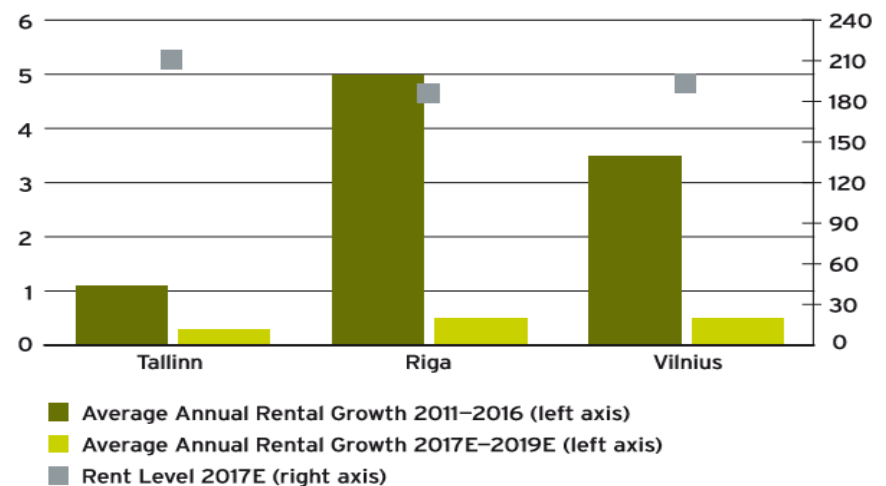


Prime retail yields in the Baltic countries (%)

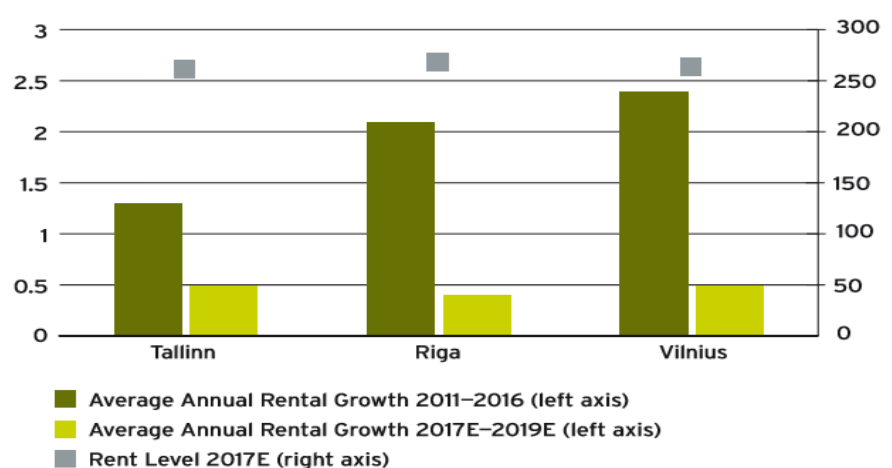


Source: Newsec Property Outlook, March 2017

Prime office rents in the Baltic countries, (% , EUR / sq. m. / year)



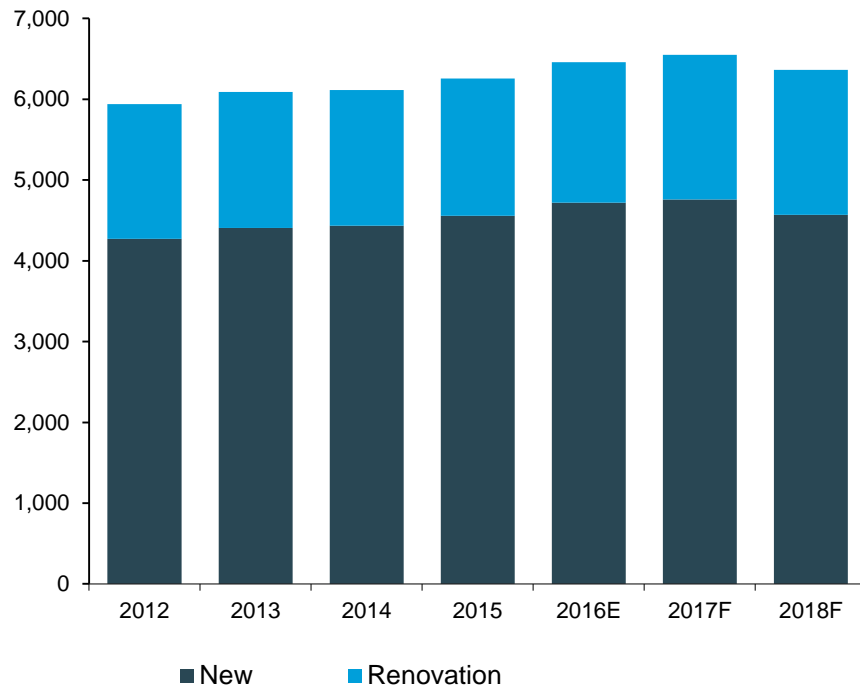
Prime retail rents in the Baltic countries, (% , EUR / sq. m. / year)



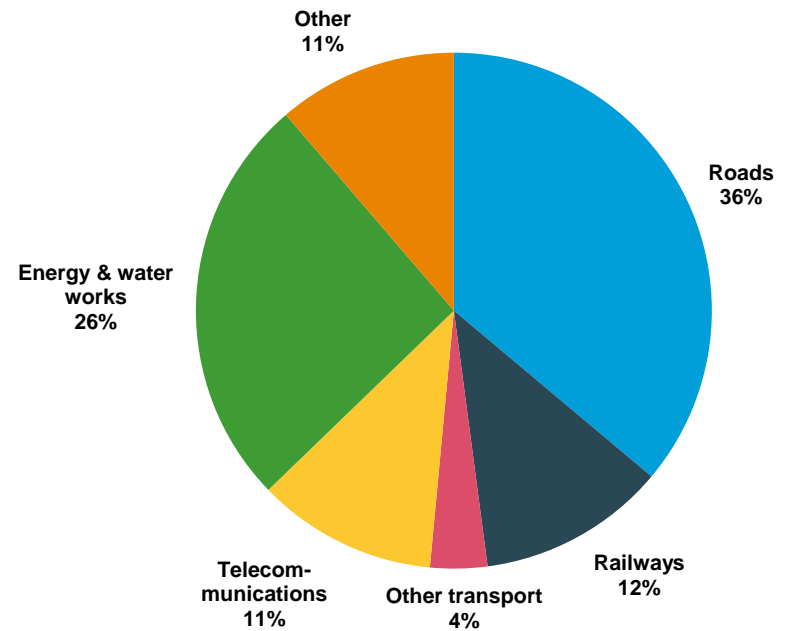
Infrastructure construction in Finland

Market expected to remain stable in 2017

Infrastructure market in Finland (EUR million)



Infrastructure sectors in Finland (2016)



Sources: Euroconstruct, December 2016

IV

Ownership

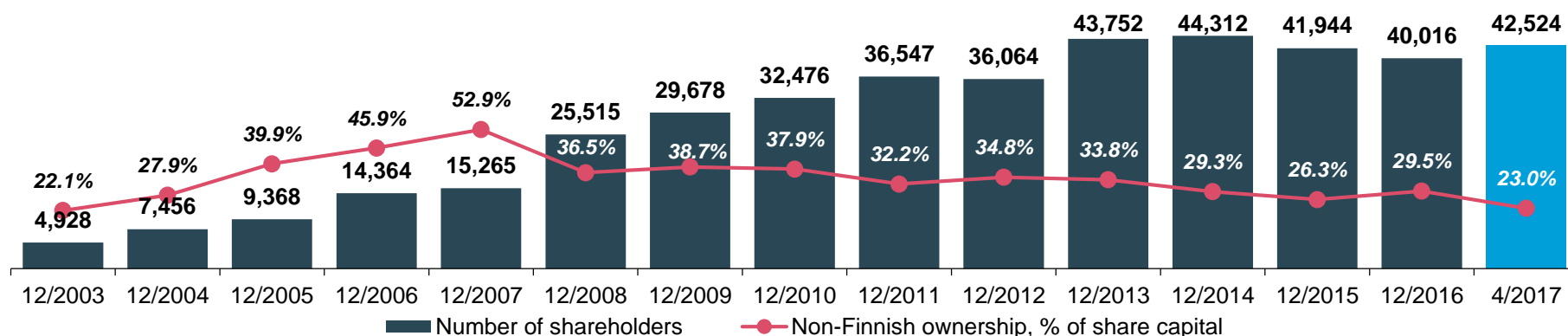


YIT's major shareholders

April 30, 2017

Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. OP Funds	4,875,392	3.83
3. Herlin Antti	4,710,180	3.70
4. Elo Mutual Pension Insurance Company	3,335,468	2.62
5. The State Pension Fund	2,975,000	2.34
6. Danske Invest funds	2,846,329	2.24
7. Ilmarinen Mutual Pension Insurance Company	2,037,573	1.60
8. YIT Corporation	1,646,767	1.29
9. Aktia funds	1,530,000	1.20
10. Etera Mutual Pension Insurance Company	1,410,000	1.11
Ten largest total	37,366,709	29.36
Nominee registered shares	27,950,873	21.97
Other shareholders	61,905,840	48.67
Total	127,223,422	100.00

Number of shareholders and share of non-Finnish ownership, January 31, 2017



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we can
do it.**