



YIT – More life in sustainable cities

Investor presentation
September 2017



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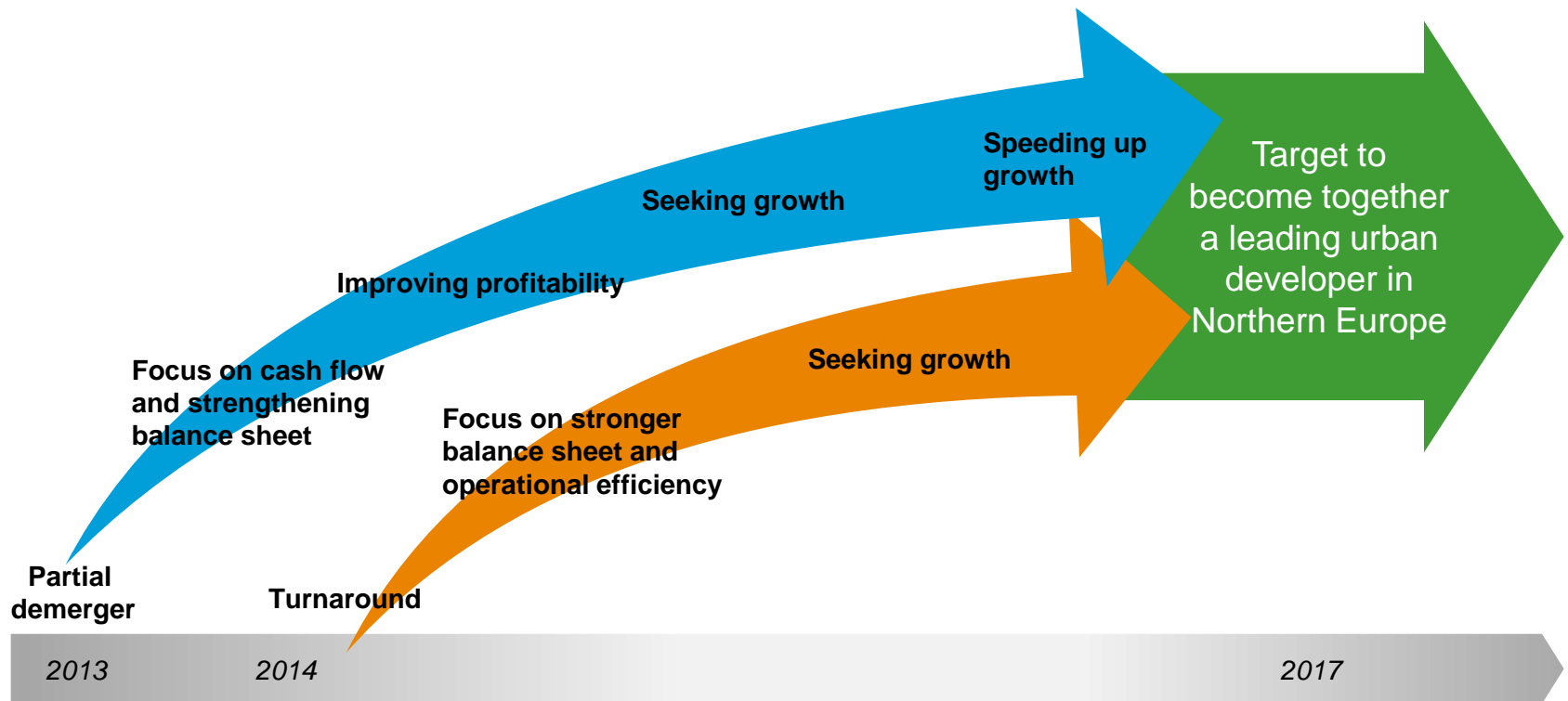
Merger of YIT and Lemminkäinen



Summary of the merger


Structure	<ul style="list-style-type: none">• The combination would be completed via an all-share absorption merger whereby Lemminkäinen would be merged into YIT• Issuance of new YIT shares as merger consideration to Lemminkäinen's existing shareholders results in a post-transaction ownership of 60% of the combined company for YIT's shareholders and 40% for Lemminkäinen's shareholders (assuming none of Lemminkäinen shareholders demands redemption of his/her shares)
Decision-making	<ul style="list-style-type: none">• Merger plan and combination agreement between the parties (signed by YIT's and Lemminkäinen's BoD on June 19)• The final decision on the merger is made by the extraordinary general meetings (EGM; 2/3 majority) of both companies• Prospectus to be published before the EGMs
Corporate Governance	<ul style="list-style-type: none">• Proposed Board of Directors: 4 x YIT and 4 x Lemminkäinen• Proposed CEO: Kari Kauniskangas (YIT) and CFO: Ilkka Salonen (Lemminkäinen)• The rest of the management group of the combined entity will include current representatives of both YIT and Lemminkäinen (TBA)• Appointments conditional on the successful completion of the merger
Deal certainty	<ul style="list-style-type: none">• Voting undertakings from the largest shareholders of both companies representing approximately 20% of shares and votes in YIT and approximately 64% of shares and votes in Lemminkäinen• Final decision on the merger to be made in EGMs later in the Autumn
Valuation consideration	<ul style="list-style-type: none">• The shareholders of Lemminkäinen will receive 3.6146 new YIT shares for each share in Lemminkäinen as the merger consideration whereby the shareholders of Lemminkäinen will receive 40% ownership in the combined company (assuming no redemption of opposing shareholders)• Based on the volume weighted average share prices of YIT and Lemminkäinen during the last three months YIT's shareholders would receive 67.1% and Lemminkäinen's shareholders would receive 32.9% of the combined entity
Timing	<ul style="list-style-type: none">• Announcement on Monday, June 19• Targeted publication of prospectus in late August• Planned date for YIT's and Lemminkäinen's EGMs is Tuesday, September 12• Closing on either November 1, 2017 or January 1, 2018, as possible

YIT's and Lemminkäinen's recent years in brief



YIT and Lemminkäinen to combine

Deal rationale

- 
- 1 Strong platform for growth**
 - Target to become a leader in urban development
 - More balanced business portfolio (Infra, Housing, Business Premises, Partnership Properties)
 - Wider geographical presence in several economic regions
 - 2 Synergies and improved competitiveness**
 - Good references and wide pool of professional people
 - Potential for profitability improvement
 - Wider opportunities for specialization and scale
 - 3 Improved financial position and reduced risk profile**
 - Counter cyclicity of businesses and geographies
 - Lower financing costs
 - Lower dependency on investment demand
 - 4 Enhanced investment case**
 - Significant market value, good liquidity of the share
 - Balanced and improved risk profile
 - Growing dividend expectation

Transaction overview



The transaction would be executed as an absorption merger whereby Lemminkäinen is merged into YIT and thereafter dissolved

3.6146 new YIT shares

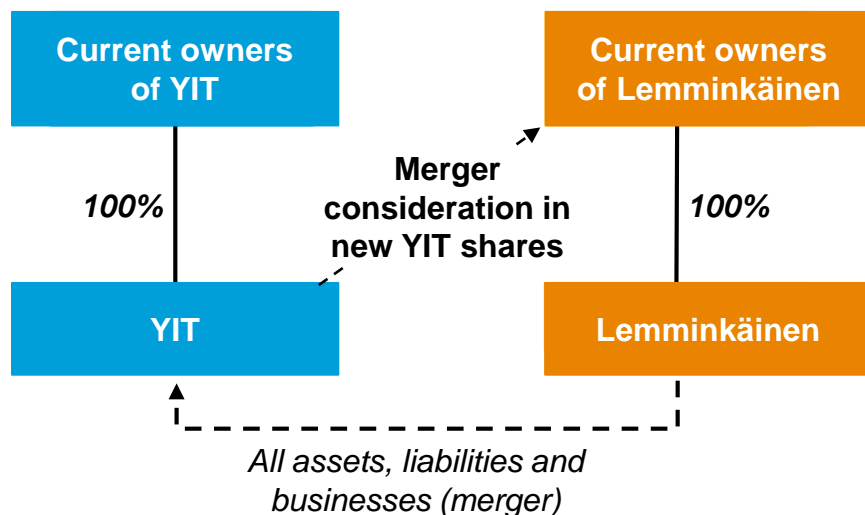
3.6146 new YIT shares would be issued for each share in Lemminkäinen as merger consideration to the shareholders of Lemminkäinen in exchange for all assets, liabilities and businesses of Lemminkäinen

60%

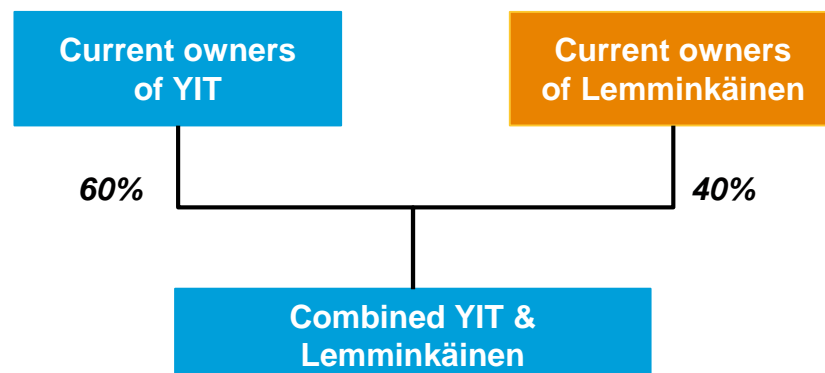
40%

After the transaction the current shareholders of YIT would own 60% of the combined entity whereas the current shareholders of Lemminkäinen would own 40% (assuming no redemption of opposing shareholders)

Transaction



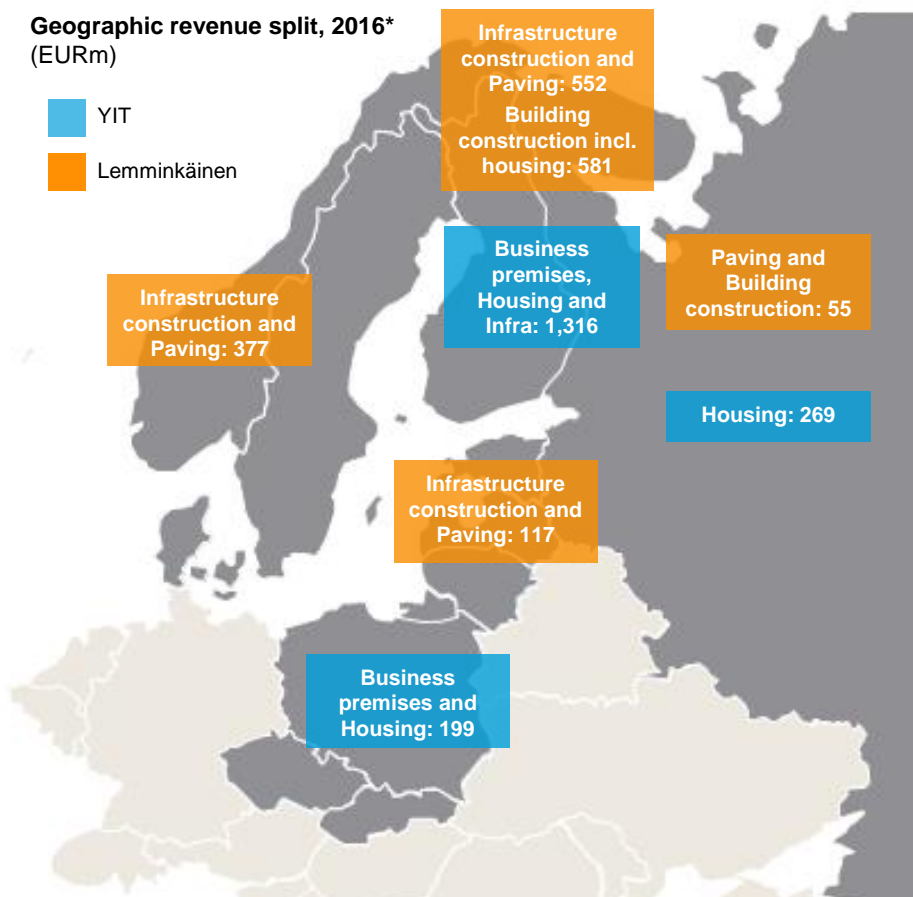
Post transaction structure



Combined portfolio 2016

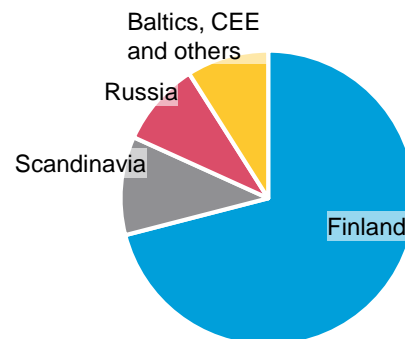
Geographic revenue split, 2016*
(EURm)

YIT
Lemminkäinen

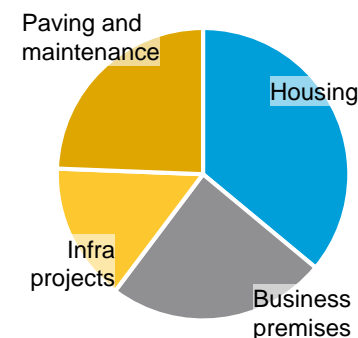


Illustrative combined revenue splits 2016*

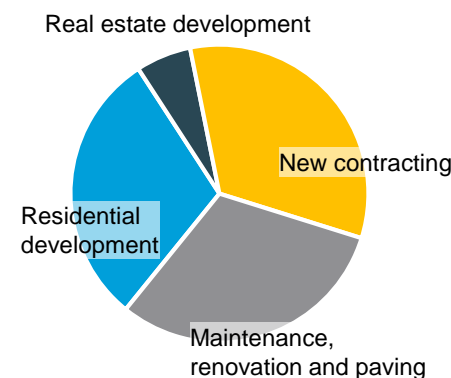
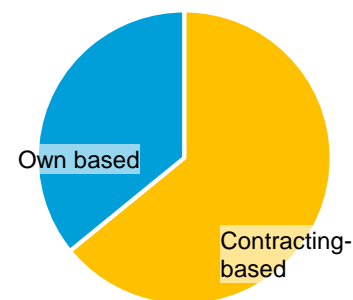
Geographic split*



Operational split*



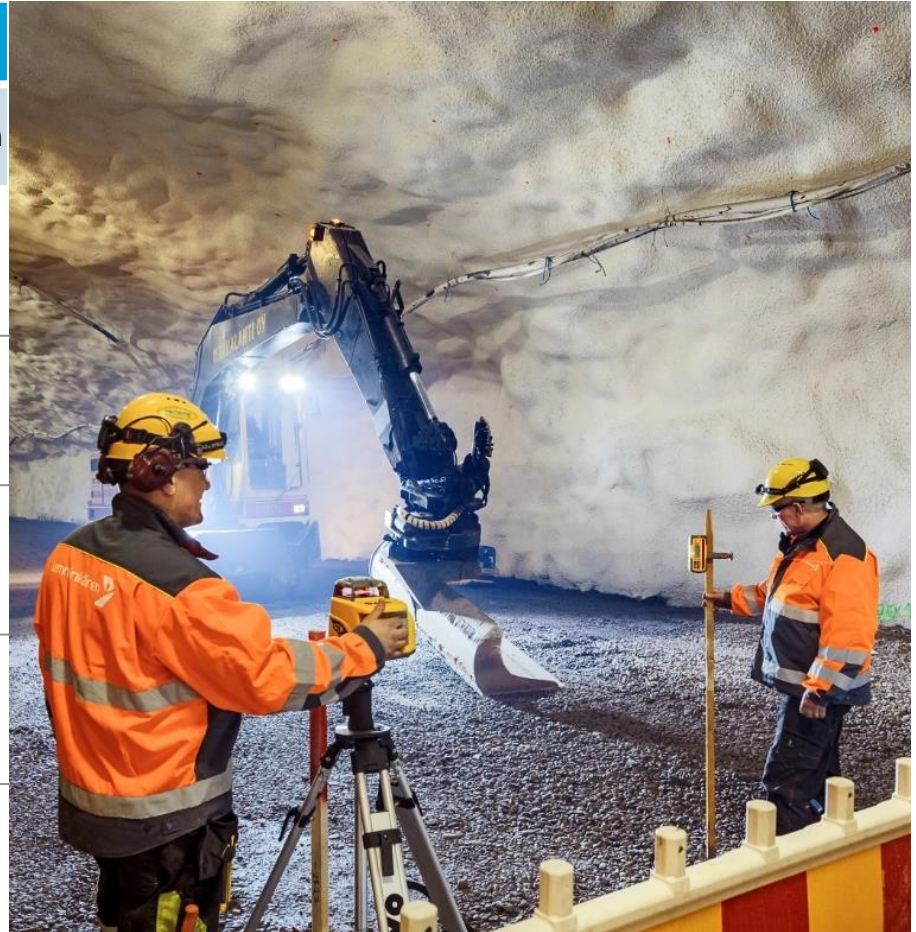
Business logic split*



* Preliminary combined high level illustrative estimates for the geographical, operational and business logic splits reflect the external and internal reporting of YIT and Lemminkäinen prepared under both POC and IFRS principles for the year 2016. Illustrative high level estimates of splits presented are based on a hypothetical situation and are not intended to project the revenue split of the Combined entity in the future. The illustrative information should not be viewed as pro forma information.

Combined income statement information (IFRS)

IFRS	1–12/2016		
EUR million	Combined	YIT	Lemminkäinen
Revenue	3,361.0	1,678.3	1,682.7
Operating profit	85.2	17.7	67.6
<i>Operating profit %</i>	2.5%	1.1 %	4.0%
Adjusted operating profit	89.7	44.7	45.1
<i>Adjusted operating profit %¹</i>	2.7%	2.7%	2.7%



The combined illustrative financial information is presented for illustrative purposes only and they should not be regarded as pro forma financial information. The combined illustrative income statement information and key figures are presented as if the business operations would have been in the same Group starting from the beginning of the year 2016.

¹⁾ Adjustments in the Combined adjusted operating profit are based on YIT's and Lemminkäinen's published financial statement information.

Synergy potential



Short-term synergies

Description

- One top management
- Combined premises and external facility services
- IT expenses
- Insurances, audit costs and other savings from being one listed entity

Operational synergies

- Skillful pool of professionals ensuring future growth and sustainable urban development
- Unified operations and functions in overlapping areas
- New opportunities within the broadened international organization
- Best practices from both sides, harmonized processes and tools
- Scalable solutions in digitalization
- Higher volume of international sourcing

***Full EBIT improvement potential per annum
EUR 40 million***

Need for stability over economic cycles

CURRENT CHALLENGES

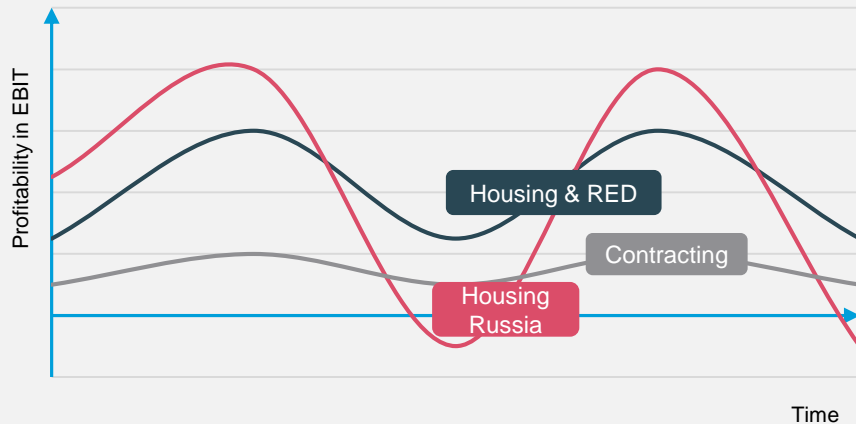
Economic uncertainty

Business
cyclicality

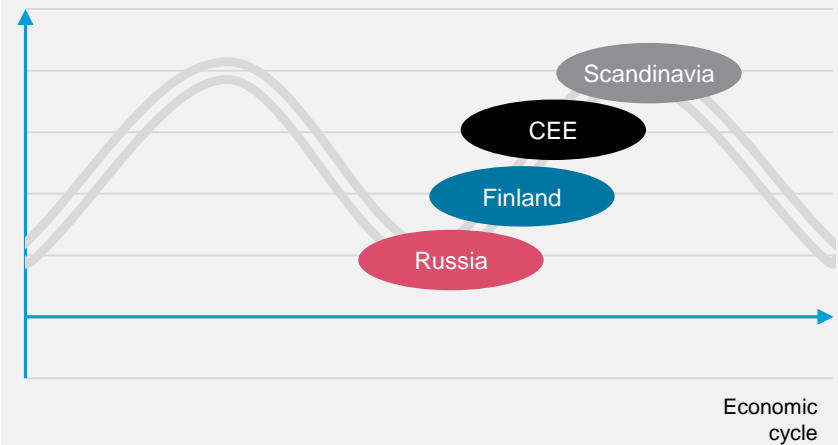
Risk aversion of
creditors

Unbalanced capacity

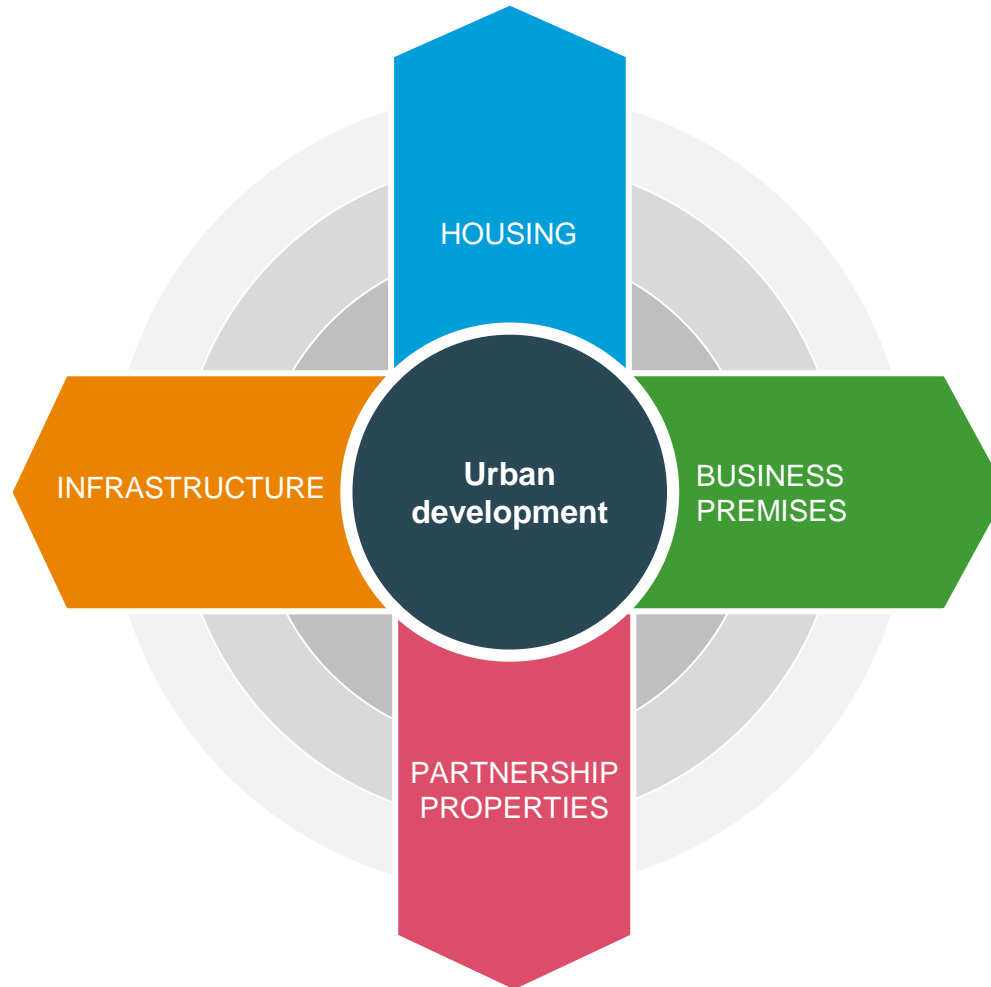
NATURE OF BUSINESSES



MARKETS & ECONOMIC CYCLES



Urban development boosts the growth of balanced business portfolio



Aspects of Urban development

Ownership & services

Execution

Project development



Preliminary financial targets

Long-term financial target	Target level
ROCE	>12 %
Dividend per share	Growing annually
Equity ratio	>40 %
Cash flow	Positive after dividend payout

To be specified, when merger is completed and management team starts operation



Helsinki Central Library
Helsinki, Finland

The combined company

Nominees for the Board of Directors

Board of Directors

Matti Vuoria
YIT
(Chairman)

Berndt Brunow
Lemminkäinen
(Vice Chairman)

Erkki Järvinen
YIT

Harri-Pekka Kaukonen
Lemminkäinen

Inka Mero
YIT

Juhani Mäkinen
Lemminkäinen

**Kristina Pentti-von
Walzel**
Lemminkäinen

Tiina Tuomela
YIT

Management

Kari Kauniskangas
President and CEO

Ilkka Salonen
CFO

Post transaction ownership base (based on shareholders on May 31)

Shareholder	Shares	%-of total shares
1 Varma Mutual Pension Insurance Company	15,945,976	7.6%
2 PNT Group Oy	15,296,799	7.2%
3 Pentti Heikki Oskari Estate	8,146,217	3.9%
4 OP funds	5,125,392	2.4%
5 Forstén Noora Eva Johanna	5,115,530	2.4%
6 Herlin Antti	4,710,180	2.2%
7 Pentti Lauri Olli Samuel	4,198,846	2.0%
8 Elo Mutual Pension Insurance Company	3,549,055	1.7%
9 Ilmarinen Mutual Pension Insurance Company	3,192,535	1.5%
10 Fideles Oy	3,188,800	1.5%
11 The State Pension Fund	2,975,000	1.4%
12 Vimpu Intressenter Ab	2,873,607	1.4%
13 Danske Invest funds	2,821,025	1.3%
14 Pentti-Von Walzel Anna Eva Kristina	2,749,192	1.3%
15 Pentti-Kortman Eva Katarina	2,715,410	1.3%
16 Etera Mutual Pension Insurance Company	2,662,224	1.3%
17 Pentti Timo Kaarle Kristian	2,368,575	1.1%
18 Mariatorp Oy	2,349,490	1.1%
19 Wipunen varainhallinta oy	2,349,490	1.1%
20 Mandatum Life Unit-Linked	2,100,557	1.0%
Top 20 total	94,433,900	44.7%
Nominee registered	40,090,483	19.0%
Other	76,575,470	36.3%
Total shares	211,099,853	100.0%

Assumptions

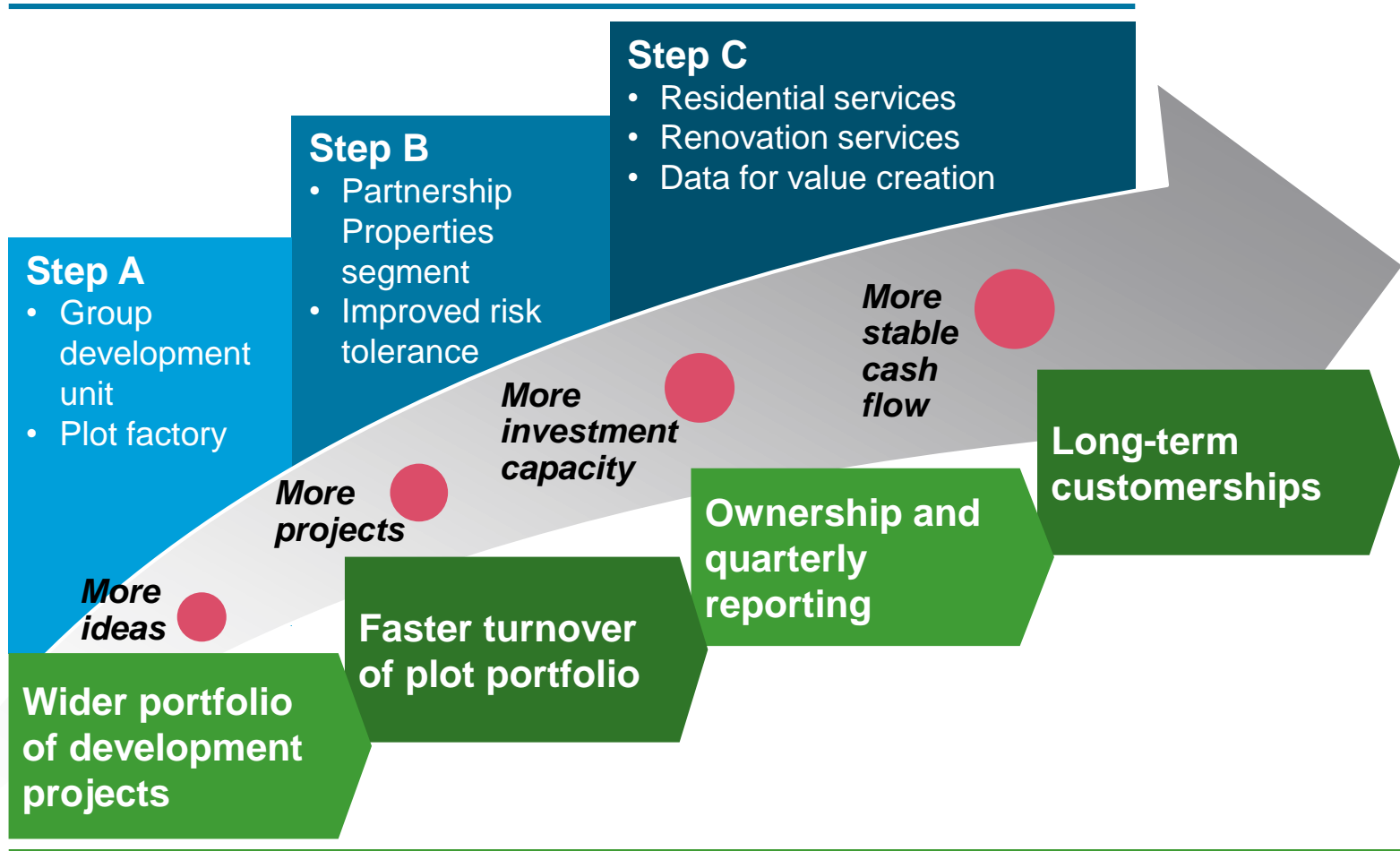
- The post transaction shareholders of the combined entity are calculated based on the latest shareholder information and a conversion ratio of 3.6146 YIT shares for each Lemminkäinen share
- As a result of the conversion, the current shareholders of YIT (excluding shares owned by YIT Corporation) would own 60% and the current shareholders of Lemminkäinen (excluding shares owned by Lemminkäinen Corporation) would own 40% of the combined entity assuming none of Lemminkäinen shareholders demands redemption of his/her shares

Timetable



New business model – More out of urban development

KEY ACTIONS



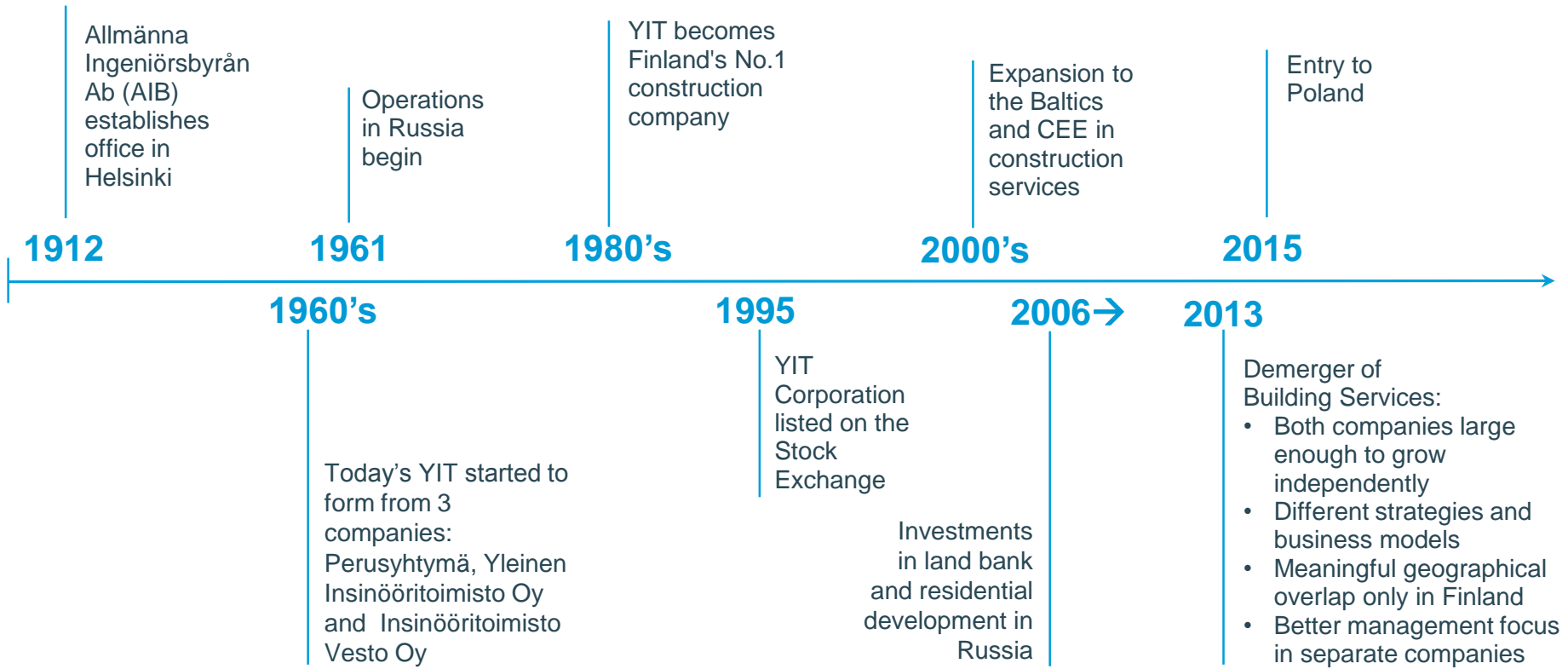
NEW APPROACH

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YIT in brief

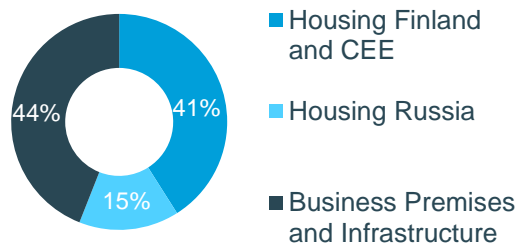


Over 100 years in Finland, over 50 in Russia, growing presence in CEE

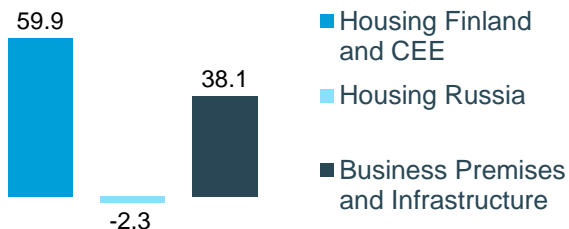


A real estate developer and construction company with solid track record

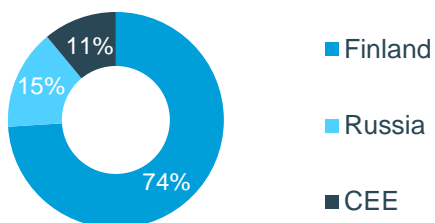
Revenue by segment*, EUR 1.8 bn





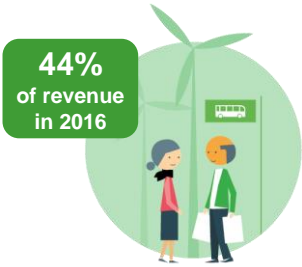
Adjusted operating profit by segment, EUR 80 million



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

3

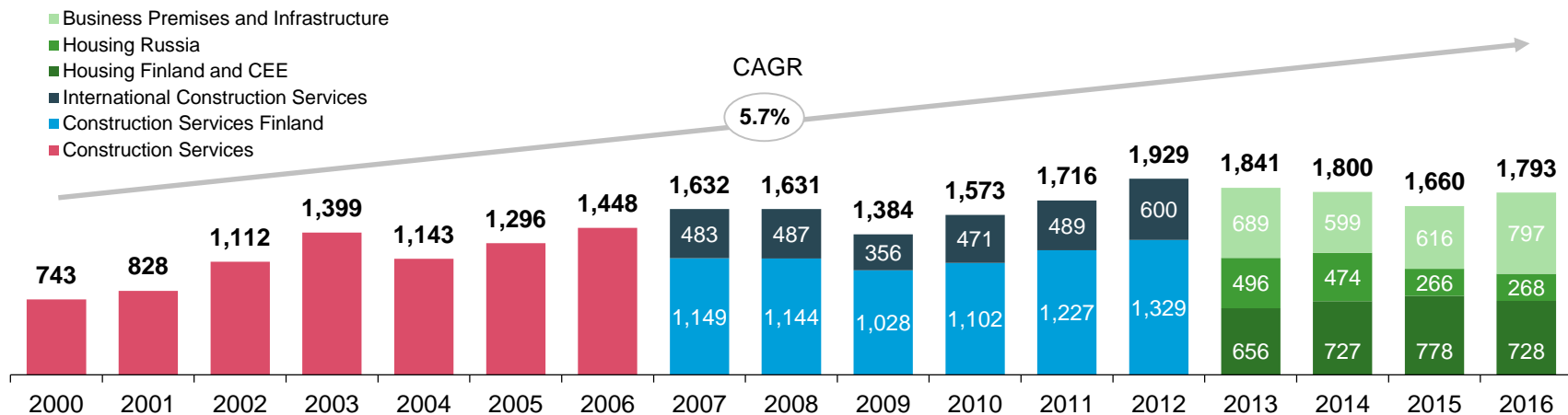
Strategy



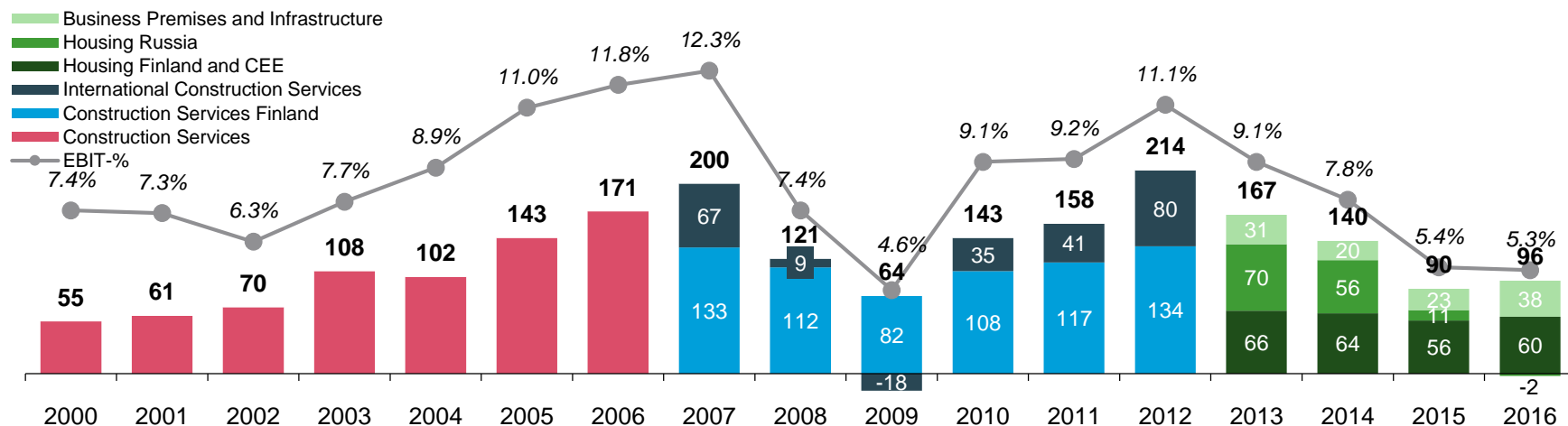
Konepaja residential area
Helsinki, Finland

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**

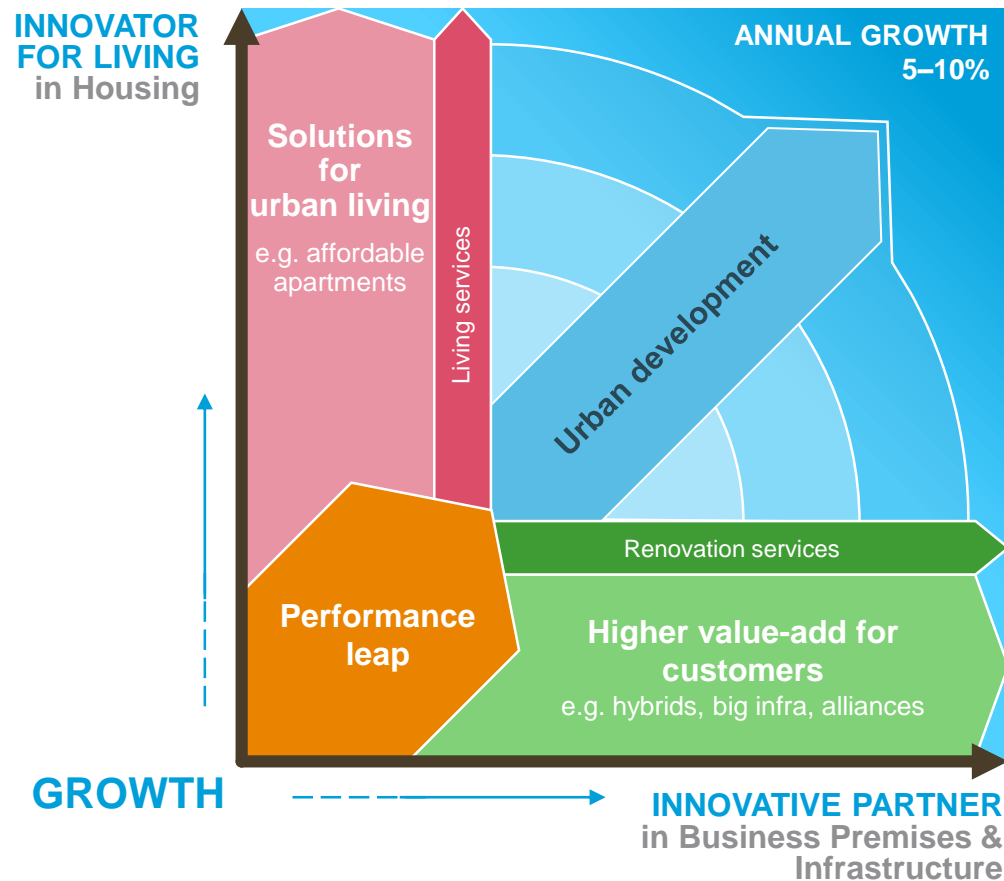
**Reduce
construction costs**

**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

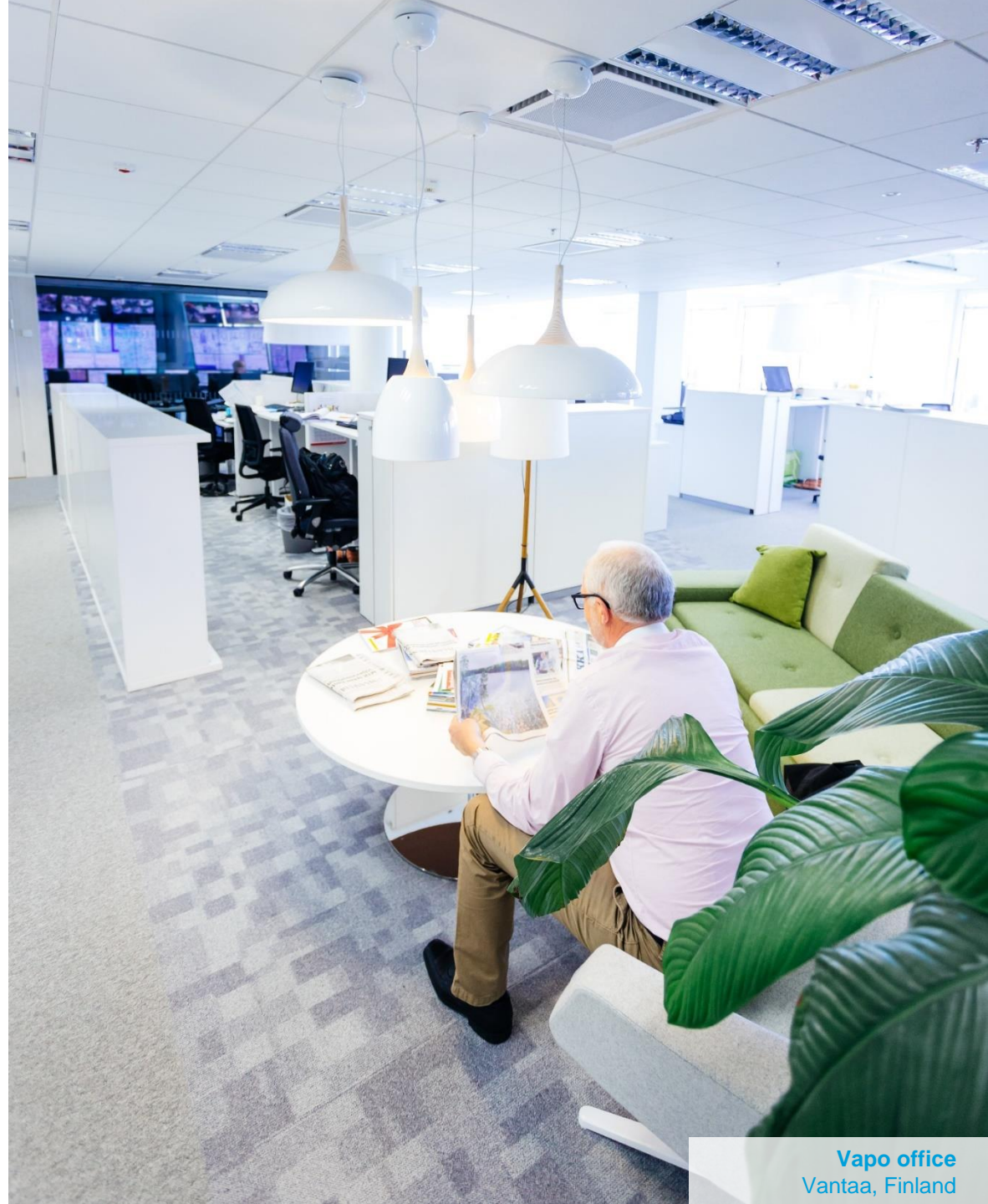
Long-term financial target	Target level	Outcome 2016
Revenue growth	5–10% annually on average	8%, 9% at comp. fx
Return on investment	15%	4.7% (7.0%)*
Operating cash flow after investments	Sufficient for dividend payout	EUR -43.1 million
Equity ratio	40%	35.1%
Dividend payout	40 to 60% of net profit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

All figures according to segment reporting (POC)

*Calculated with adjusted EBIT **Calculated with adjusted EPS

4

Latest highlights



Key messages in Q2/2017

- Strong residential sales for consumers in Finland and CEE
- Operating profit turned positive in Housing Russia despite of weak demand and sales
- Profitability of Business Premises and Infrastructure was satisfactory
- Guidance raised in July
- YIT to establish a new Partnership Properties segment in the beginning of 2018
- YIT and Lemminkäinen to combine, as announced on June 19, 2017



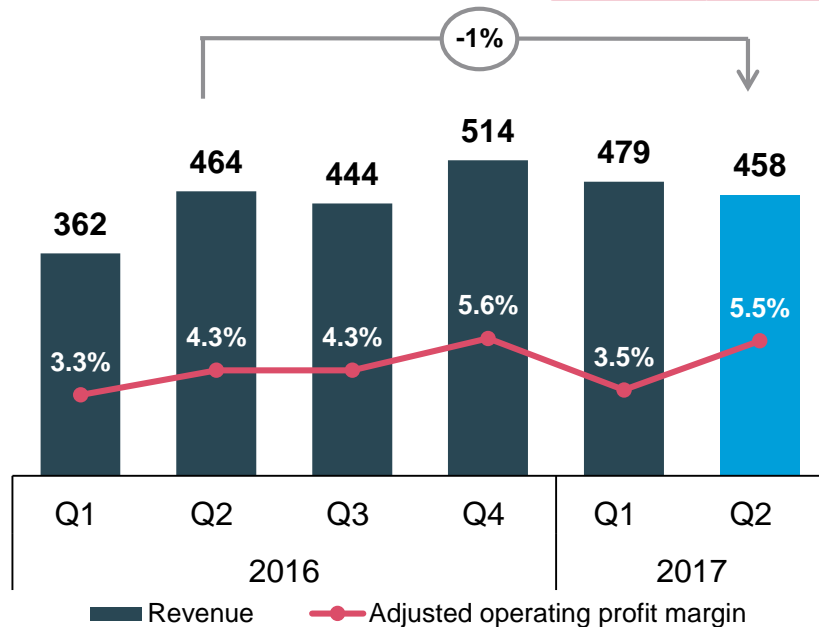
Group Profitability improved

- Revenue remained stable y-o-y
- Profitability improved y-o-y due to improvement in Housing segments
- Order backlog remained stable q-o-q

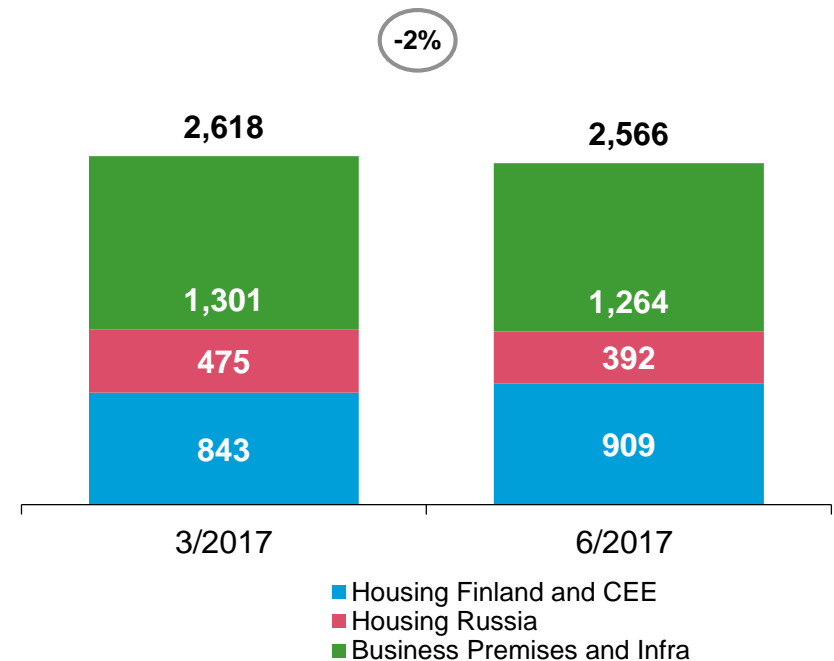
Revenue and adjusted operating profit margin (EUR million, %)

2016: EUR 1,784 million, 4.5%

1-6/2017: EUR 937 million, 4.5%



Order backlog (EUR million)



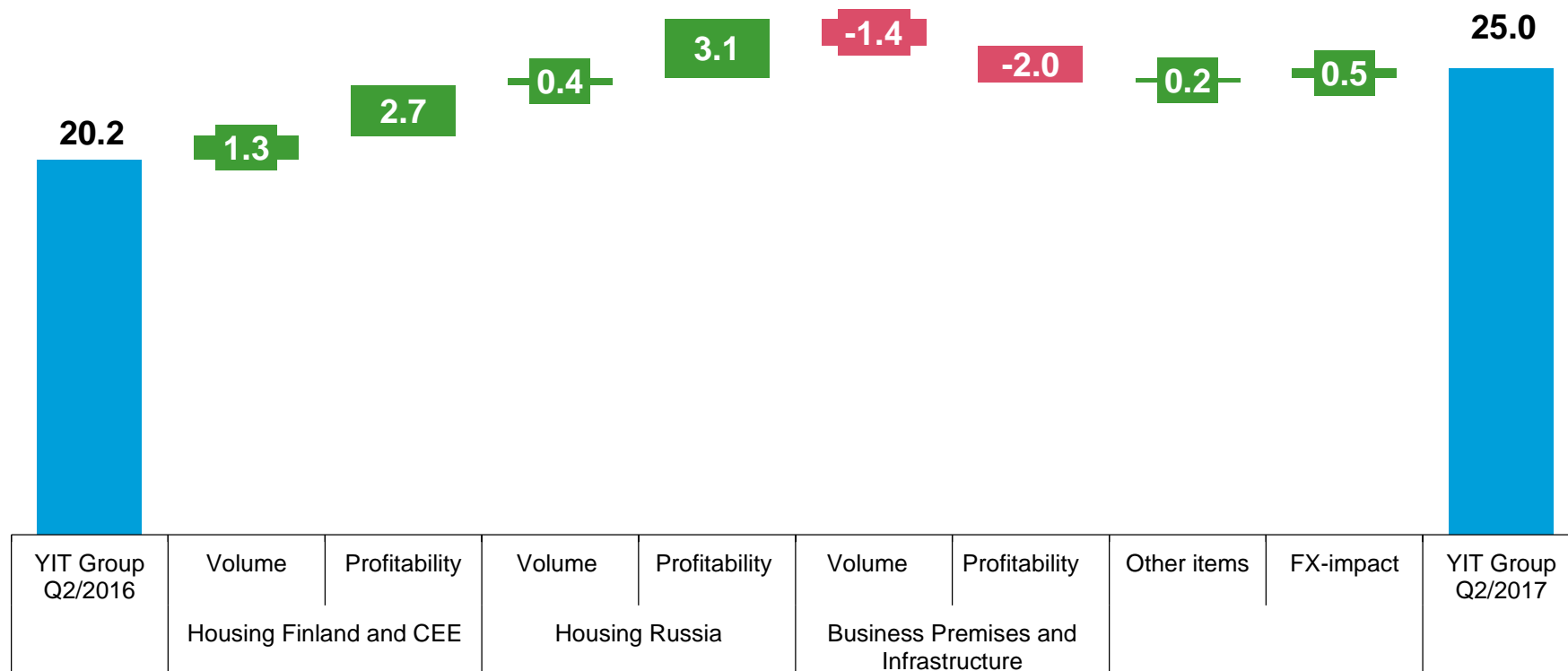
All figures according to segment reporting (POC)

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

EBIT-bridge Q2/2016–Q2/2017

- Positive EBIT development in Housing Finland and CEE due to strong consumer sales
- In Housing Russia, positive development due to improving gross margins
- In Business Premises and Infrastructure, strong comparison period due to Tripla project
- Adjustments include EUR 1.1 million cost related to the merger preparations

Adjusted operating profit (EUR million), change Q2/2016–Q2/2017: 24%



Projects in Finland in Q2

- All the large projects proceeded according to plan
- The final agreement on implementation of hotel for the Tripla project signed with value of approximately EUR 88 million
 - The occupancy rate of Mall of Tripla increased to over 50% at the end of review period ahead of schedule
- The leasing rate of the Kasarmikatu office property in Helsinki reached to 100%
 - Regarding the sales process of the project, based on the price and terms indications from potential investors and ongoing further negotiations YIT estimates that the transaction will be completed by the end of 2017



Kasarmikatu 21 office project
Helsinki, Finland

5

Housing Finland and CEE

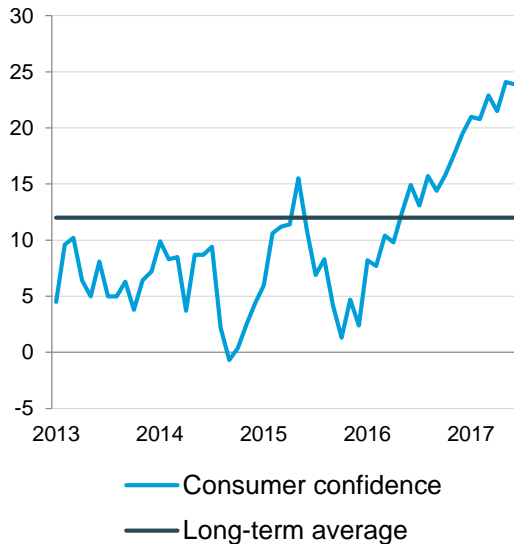


Housing Finland and CEE

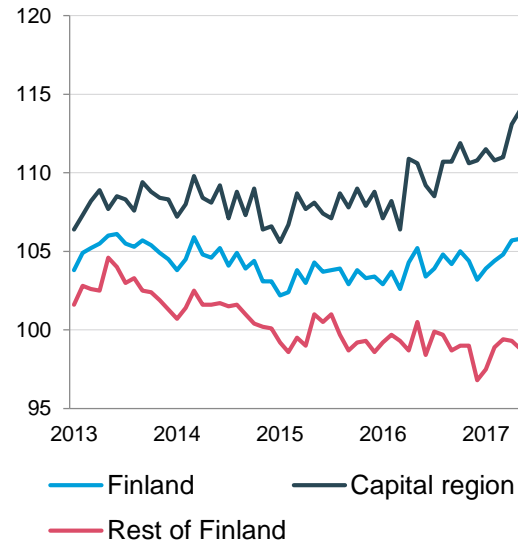
Operating environment in Finland in Q2

- Consumer confidence was on a record high level
- Residential investors were more selective, demand focused on capital region
- Consumer demand was on a good level, no signs of overheating
- Demand especially for affordable apartments in the growth centres was on a good level
- 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 decreased y-o-y

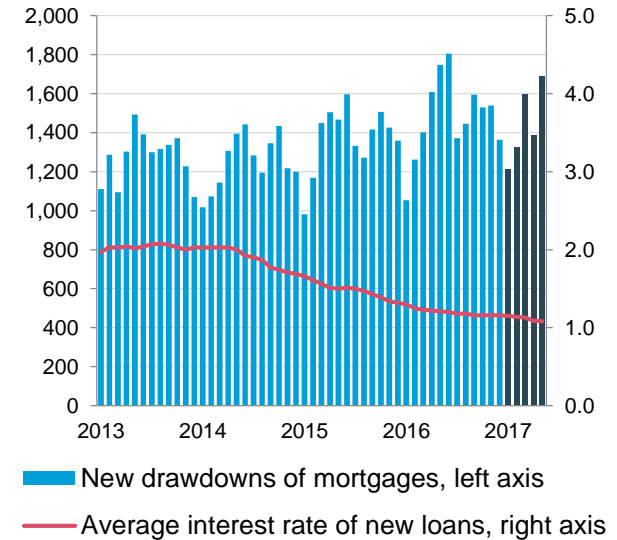
Consumer confidence



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



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



Sources: Statistics Finland and Bank of Finland

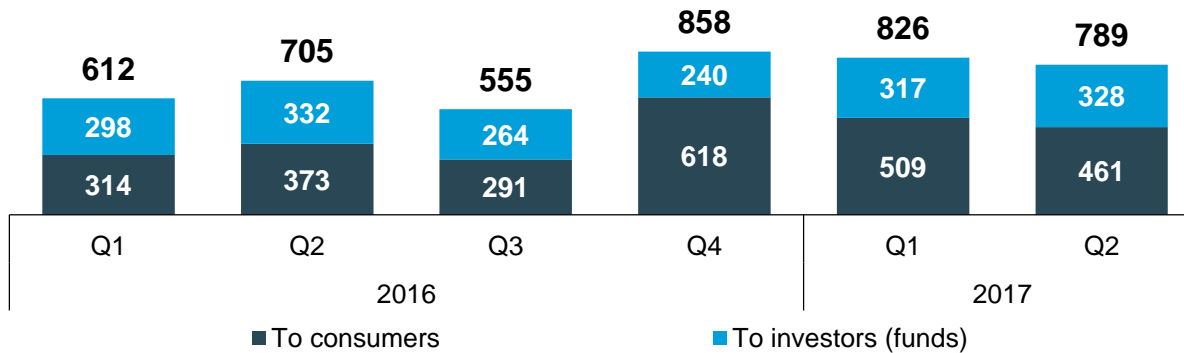
Housing Finland and CEE

Sales and start-ups in Finland in Q2

Sold apartments (units)

2016: 2,730

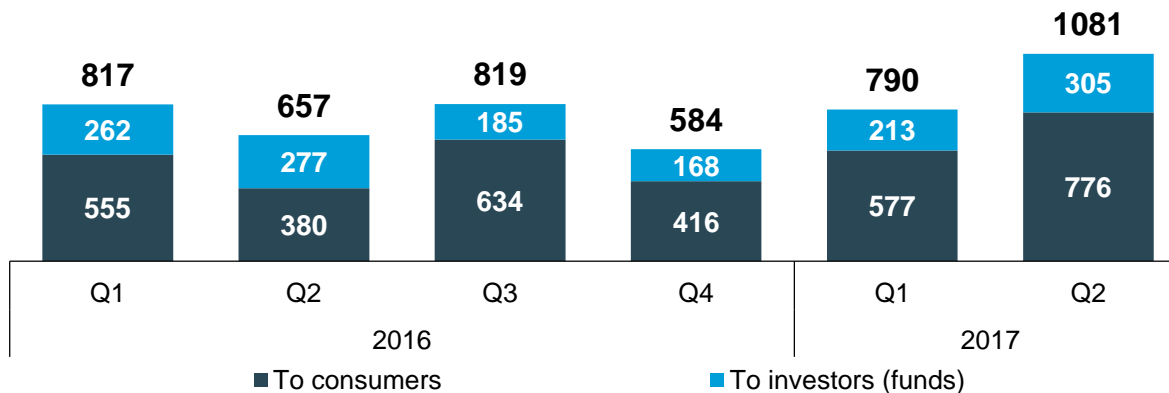
1–6/2017: 1,615



Apartment start-ups (units)

2016: 2,877

1–6/2017: 1,871

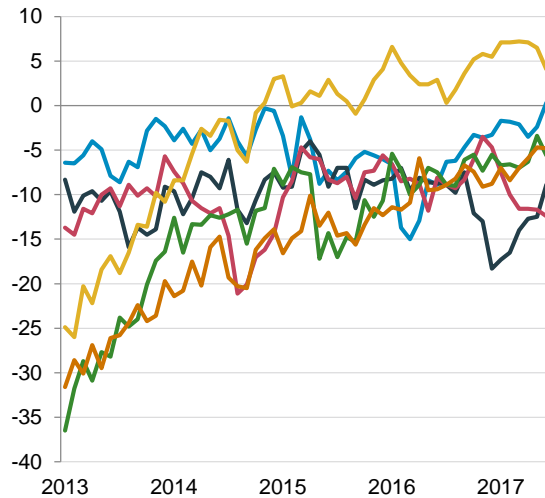


- Consumer sales increased by 23%
- Share of units sold to consumers: 58% (Q2/2016: 53%)
- 23 apartments sold in bundles to investors (Q2/2016: 54 units)
- Seven residential projects sold to investors were started in Q2
- In July, estimated sales to consumers are around 110 units (7/2016: around 90 units)

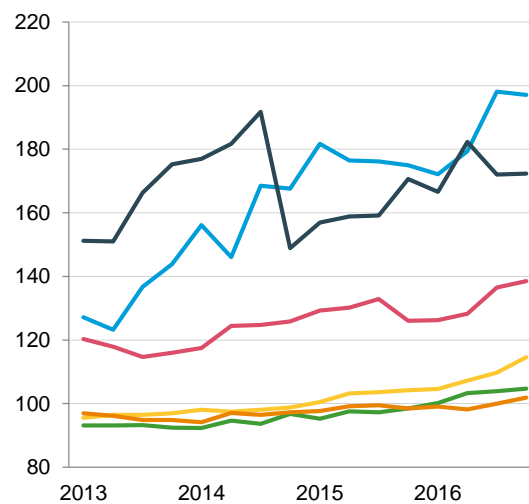
Operating environment in the CEE countries in Q2

- Residential demand was on a good level especially in Slovakia, the Czech Republic and Latvia
- Prices of new apartments increased slightly on average
- Shortage of resources caused cost pressure especially in the Czech Republic and Slovakia
- Interest rates of mortgages remained on a low level
- Consumers' access to financing remained good

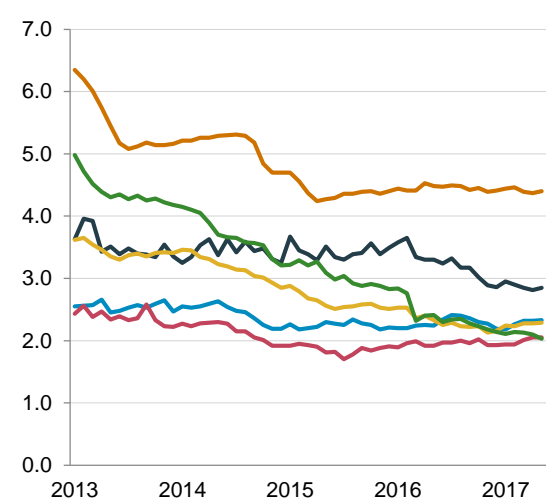
Consumer confidence



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

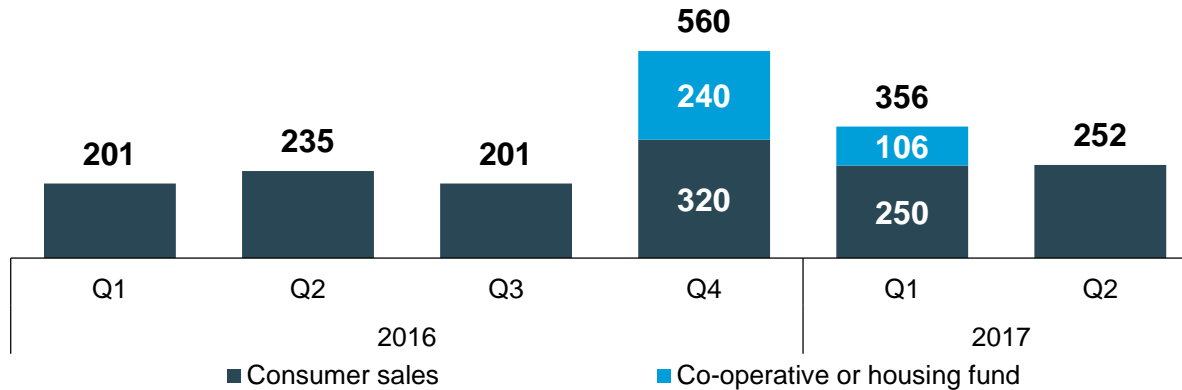
Housing Finland and CEE

Sales and start-ups in the CEE countries in Q2

Sold apartments (units)

2016: 1,197

1–6/2017: 608

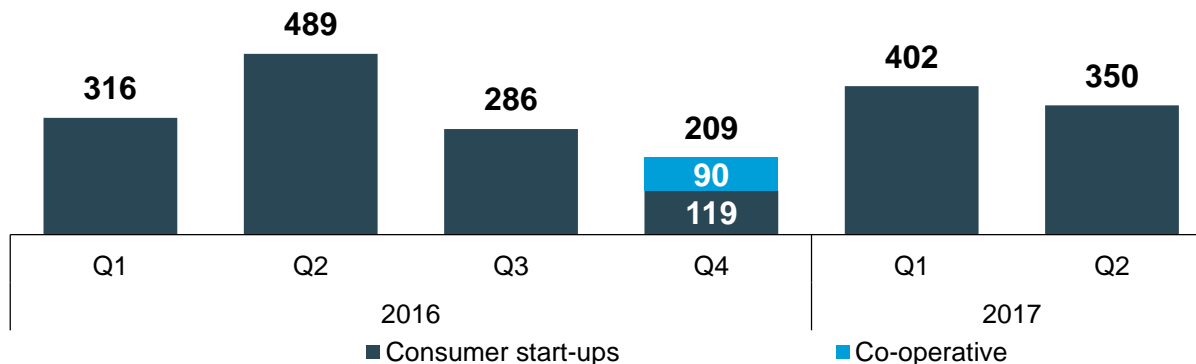


- Number of units sold to consumers grew by 7% y-o-y
- Number of start-ups decreased by 28%
- New projects started in Prague, Czech Republic; Bratislava, Slovakia and Warsaw, Poland, among others

Apartment start-ups (units)

2016: 1,300

1–6/2017: 752

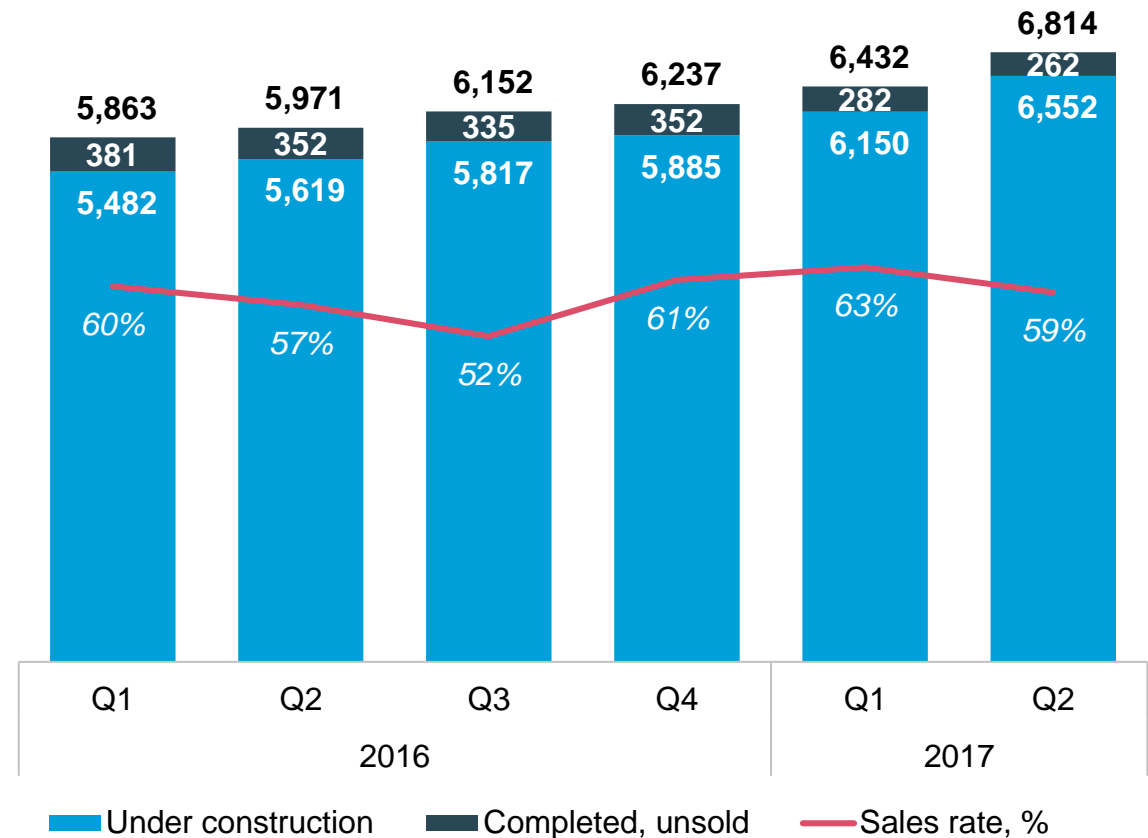


- In July, estimated sales to consumers are around 80 units (7/2016: around 60 units)

The production volume (units) continued to grow in Q2

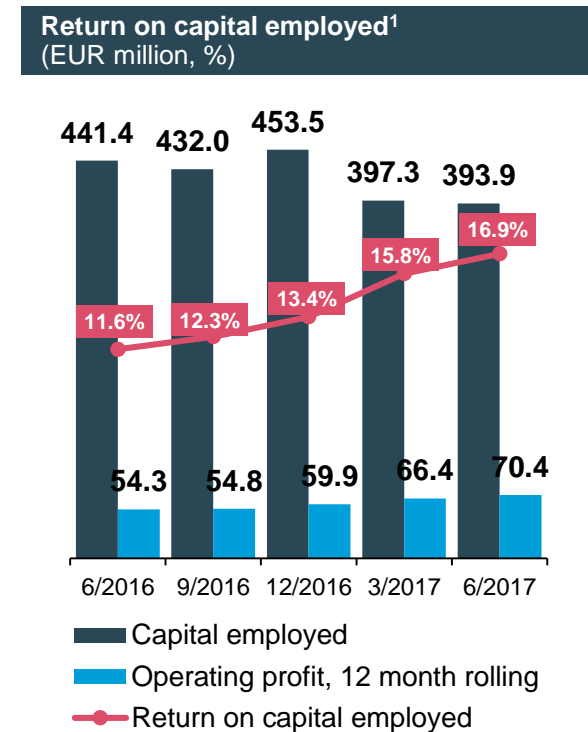
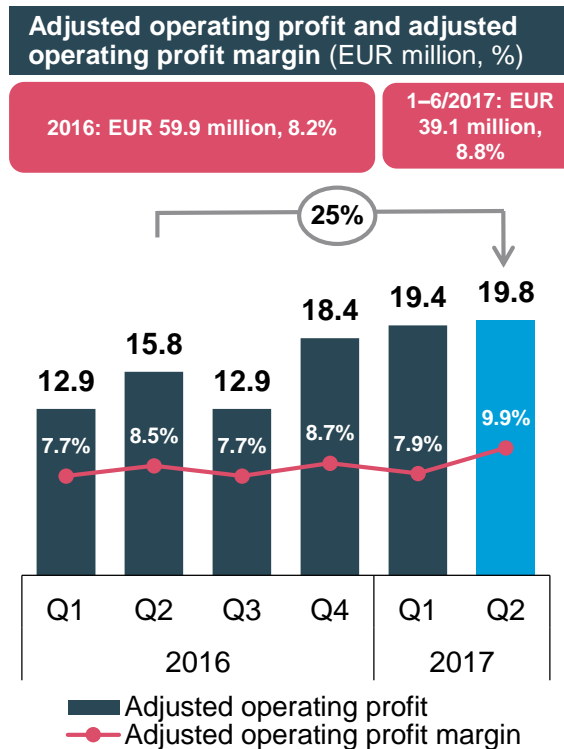
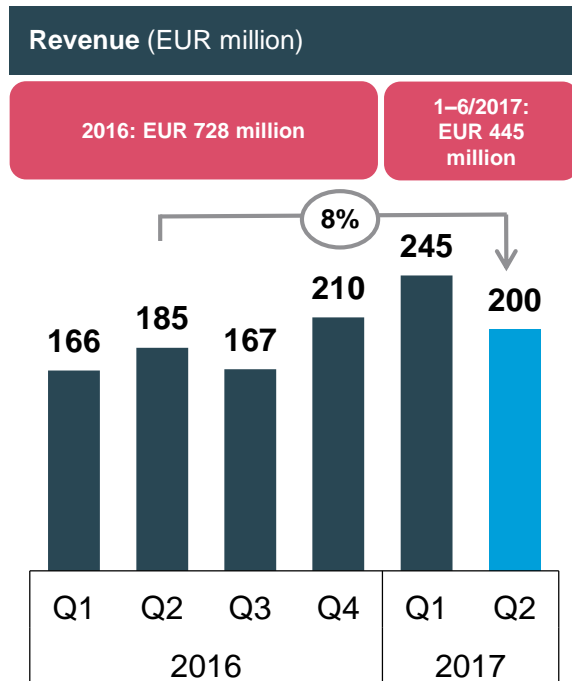
- Number of unsold completed apartments on a low level
- High number of start-ups in Finland decreased the sales rate of the inventory
- The share of CEE of the sales portfolio (units) 43% (6/2016: 49%)

Apartment inventory (units)



Revenue, adjusted operating profit and ROCE in Q2

- Revenue increased by 8% y-o-y, good development especially in the CEE countries
- Operating profit and profitability improved due to strong consumer sales both in Finland and CEE
- ROCE continued to improve and was almost 17%



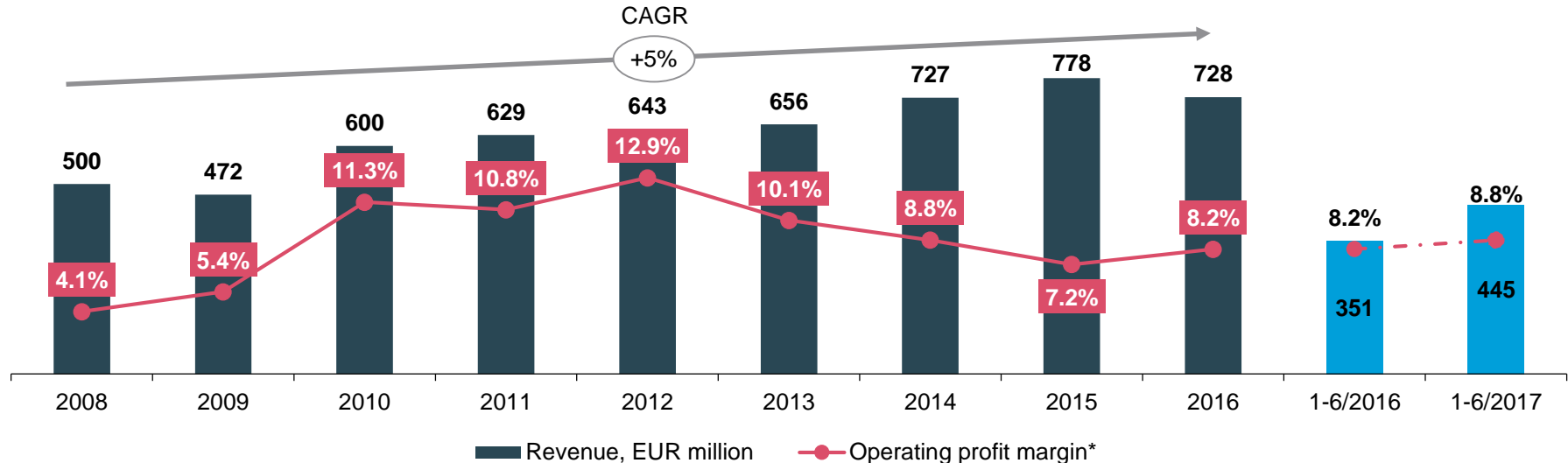
All figures according to segment reporting (POC).

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

Profitability improved in H1

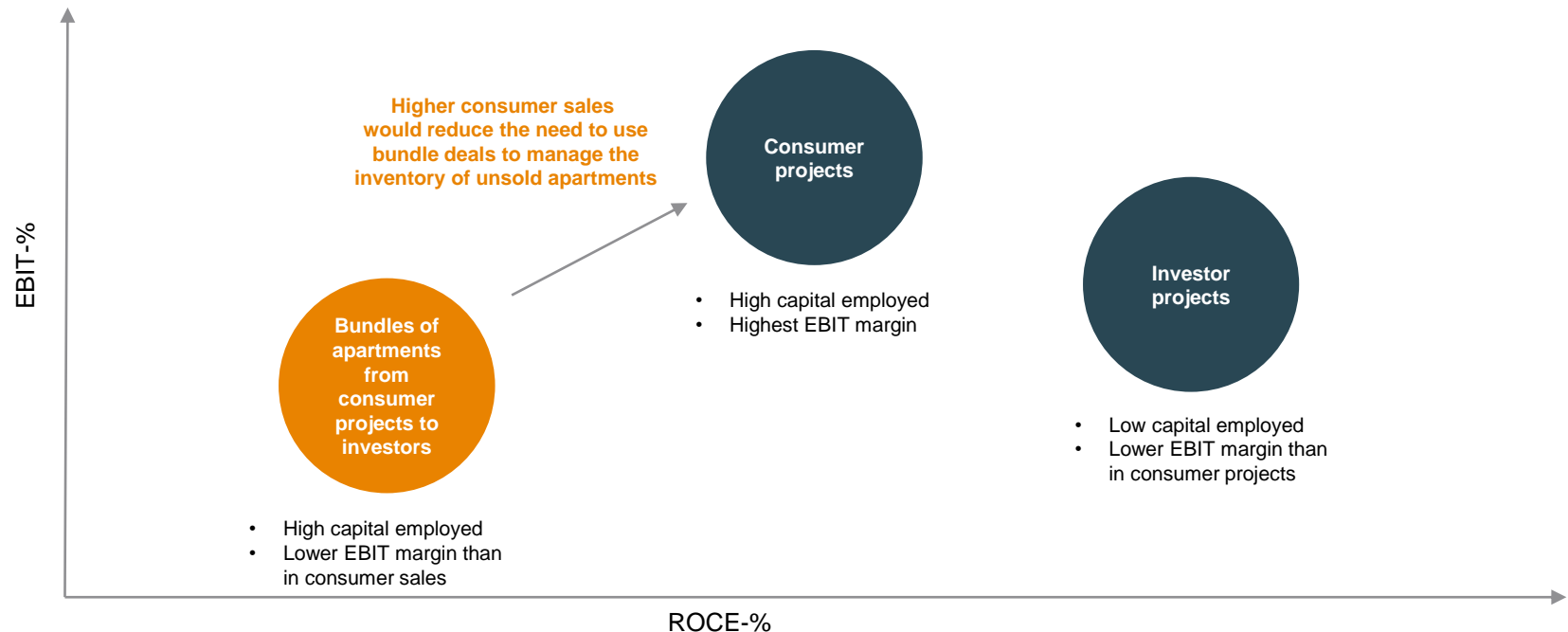
- In H1, the revenue increased by 27% due to good consumer sales and plot sales
- Operating profit increased by 37% and profitability improved
- The increased share of consumer sales in Housing Finland and CEE is likely to have a moderate positive impact on the adjusted operating profit of the segment but the impacts of the shift to consumers will be visible in the result gradually.



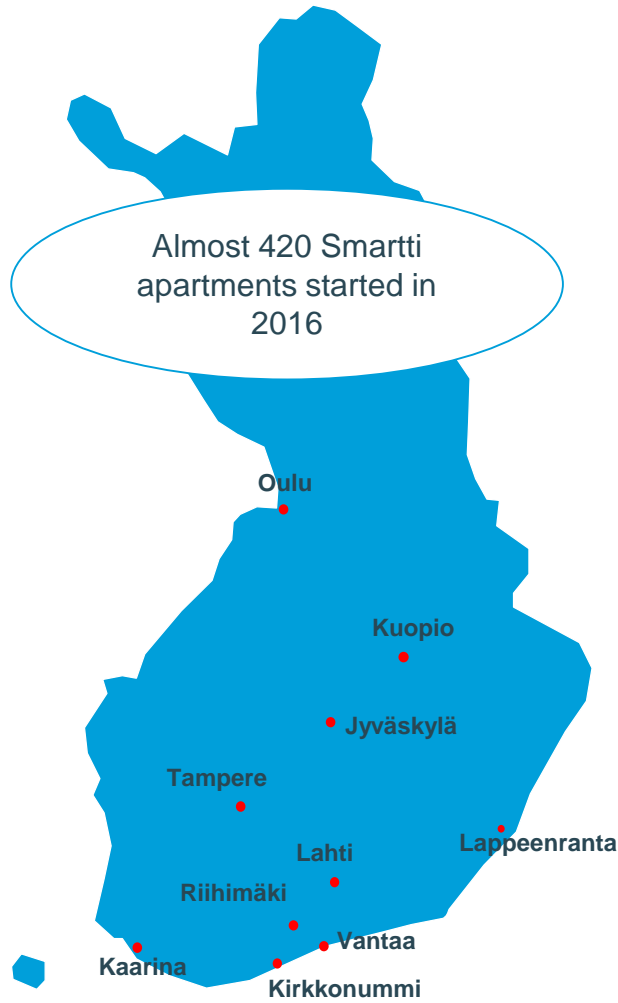
* Excluding adjustments. Note: The historical figures for 2008-2012 are calculated for illustrative purposes and are not completely comparable with YIT's segment structure. The main difference is in the division of fixed costs, which in the historical figures are weighted according to revenue and in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



6

Housing Russia



Inkeri residential project
St. Petersburg, Russia

Housing Russia

Operating environment in Q2

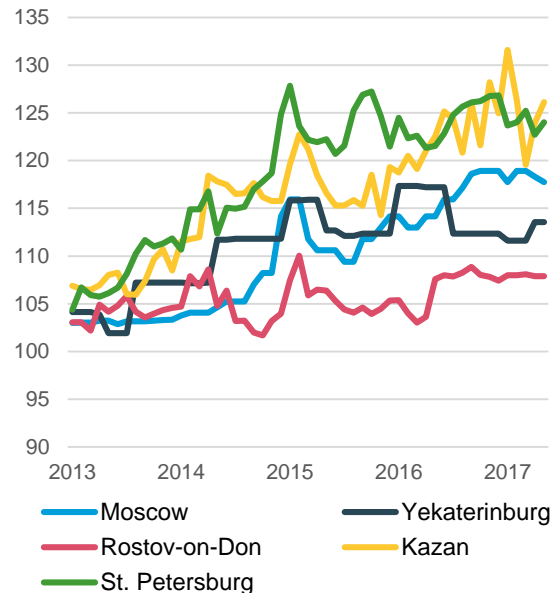
- Consumers continued to be cautious despite the stabilisation of the Russian economy
- The decline of consumer purchase power seems to have stopped

EUR/RUB exchange rate



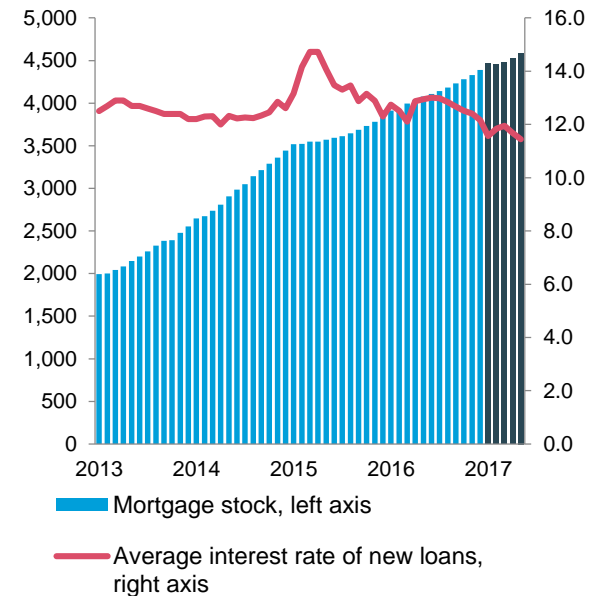
- Consumer demand for housing stayed weak
- Residential prices remained stable on average

Prices of new apartments
(index 2012=100)



- Mortgage interest rates for new apartments continued to decrease and are below the level of 11%
- The key rate cuts further increased expectations of a decrease in interest rates

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



Sources: Bloomberg, YIT and Central Bank of Russia

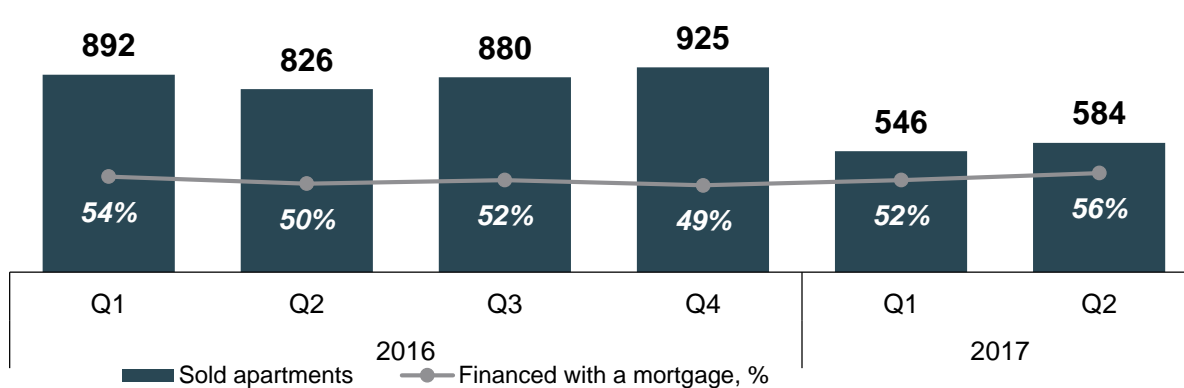
Housing Russia

Sales and start-ups in Q2

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

2016: 3,523 (51%)

1–6/2017: 1,130 (54%)

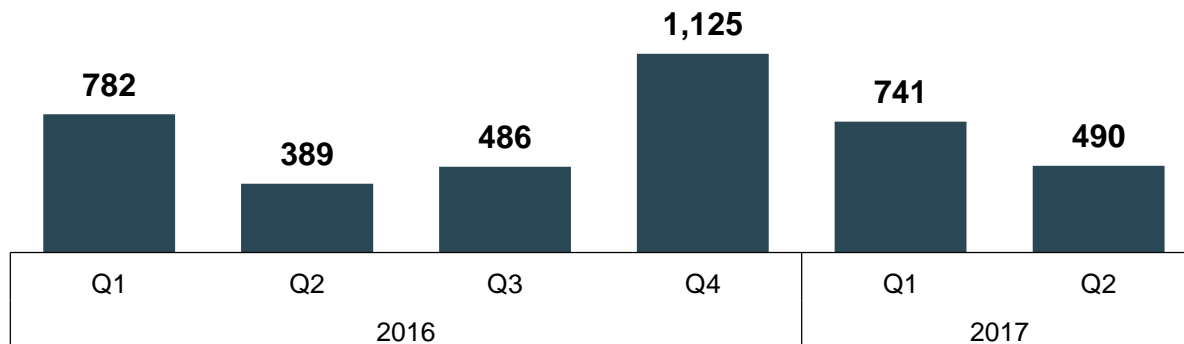


- Number of sold units decreased by 29% y-o-y
 - No changes in price lists
- Start-ups on a low level
- Share of sales financed with mortgages continued on a stable level
- In July, consumer sales estimated to be around 200 units (7/2016: around 200 units)

Apartment start-ups (units)

2016: 2,782

1–6/2017: 1,231

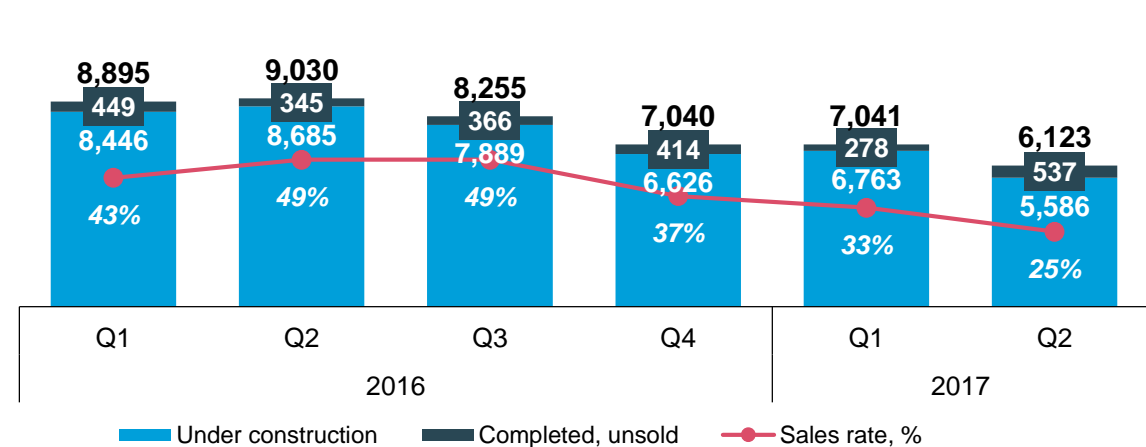


Housing Russia

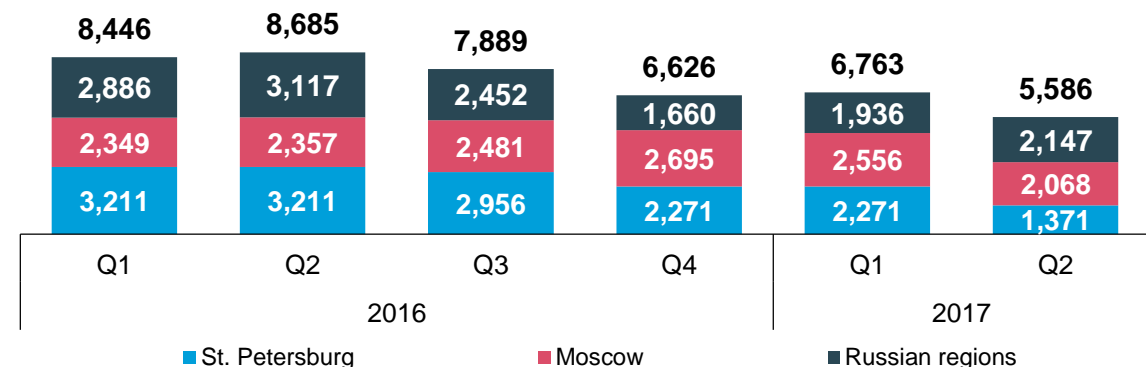
YIT Service responsible already for 37,000 clients

- Number of completions on a high level: 1,667 units
 - High number of completions had a negative effect on the sales rate and number of completed unsold
- At the end of June, YIT Service was responsible for the maintenance and the living services of over 30,000 apartments (3/2017: over 23,000) and in total 37,000 clients (incl. parking spaces and business premises)

Apartment inventory (units)



Apartments under construction by area (units)



Housing Russia

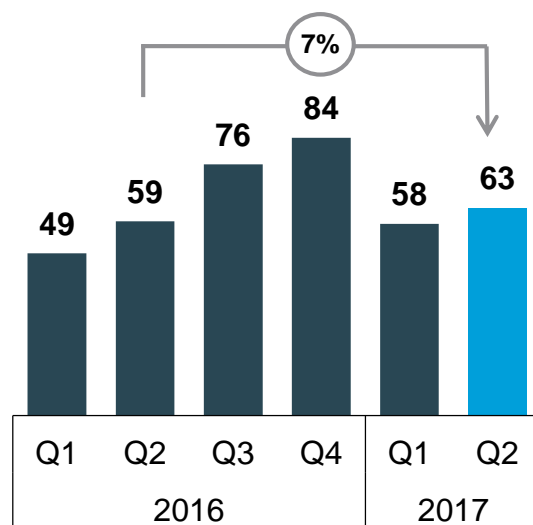
Revenue, adjusted operating profit and ROCE in Q2

- Revenue decreased by 8% at comparable FX
- Operating profit was positive in Q2 due to improved gross margins
- Capital employed decreased due to weakened ruble q-o-q, ROCE was on an unsatisfactory level

Revenue (EUR million)

2016: EUR 268 million

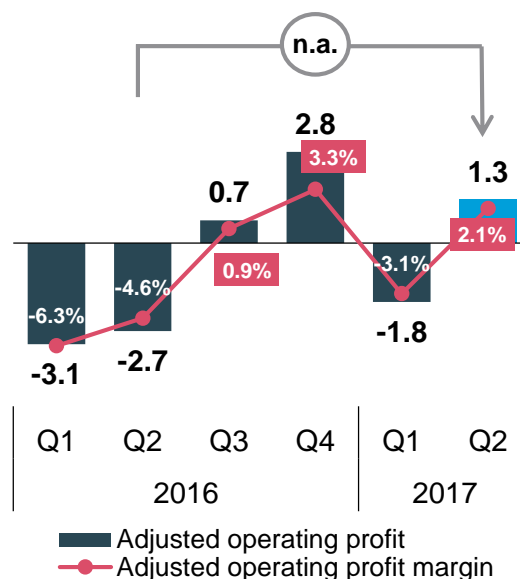
1–6/2017:
EUR 122
million



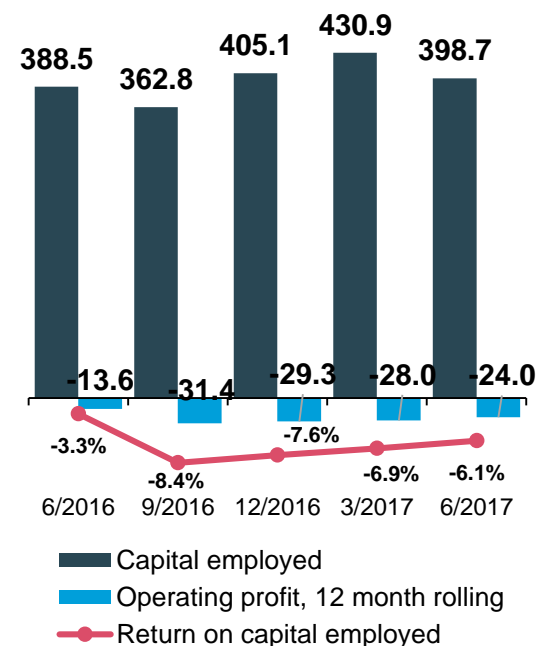
Adjusted operating profit and adjusted operating profit margin (EUR million, %)¹

2016: EUR -2.3 million, -0.9%

1–6/2017:
EUR -0.4
million, -0.4%



Return on capital employed² (EUR million, %)



All figures according to segment reporting (POC).

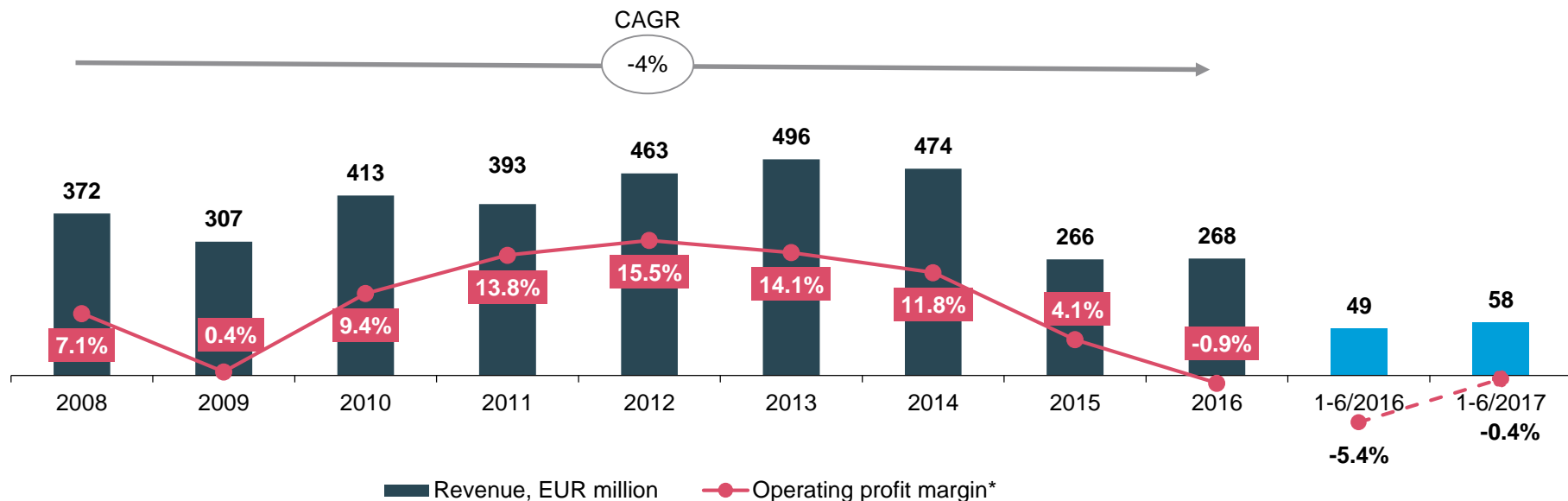
¹EUR 27 million cost booked in Q3/2017 result from Housing Russia

²As 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 Russia

Operating profit improved y-o-y in H1

- Revenue decreased by 9% y-o-y at comparable exchange rates due to low residential sales
- The operating profit was weighed down by the lower apartment sales compared to previous year, though better gross margin levels had a positive impact



*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.

7

Business Premises and Infrastructure

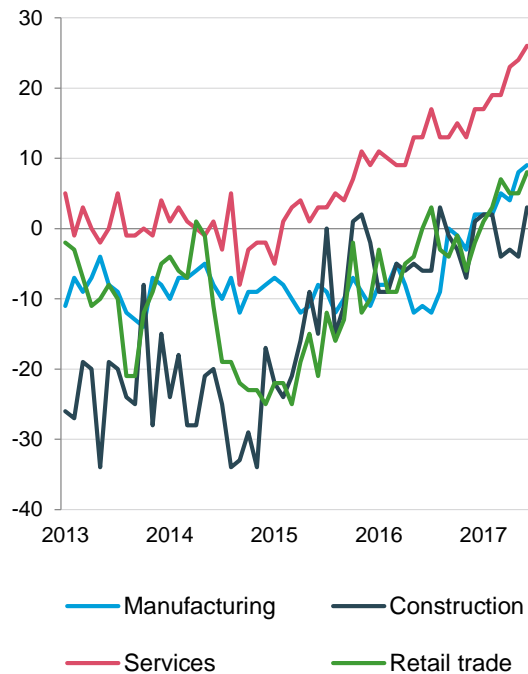


Business Premises and Infrastructure

Operating environment in Q2

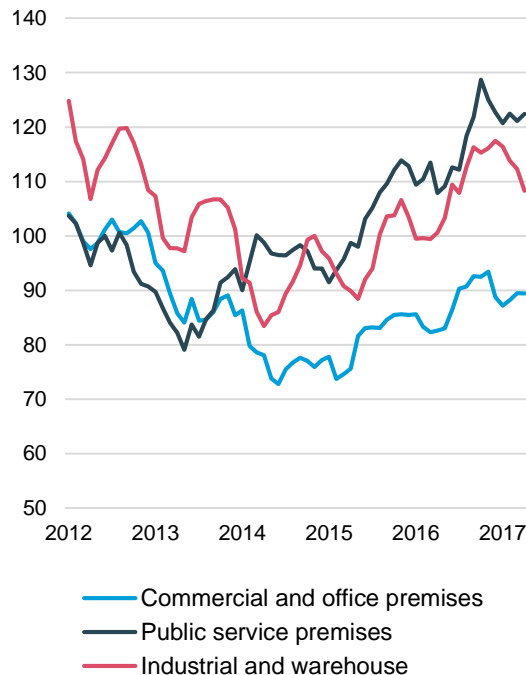
- Investor demand for business premises in prime growth centres was on a good level in Finland
- In Finland, the good overall market sentiment supported private investments

Confidence indicators in Finland



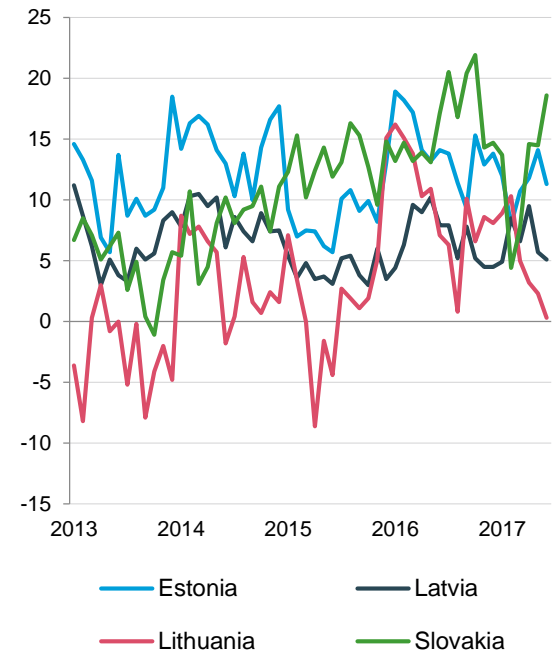
- The Finnish tender market and infrastructure market were active especially in the capital region and growth centres

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



- Investor demand for business premises was good in the Baltic countries and Slovakia
- Tender market remained stable in the Baltic countries

Retail trade confidence in the Baltic countries and Slovakia

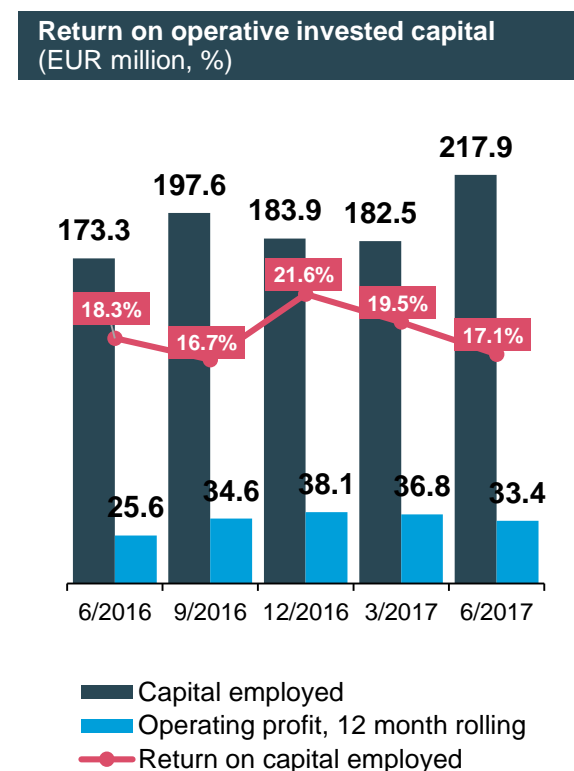
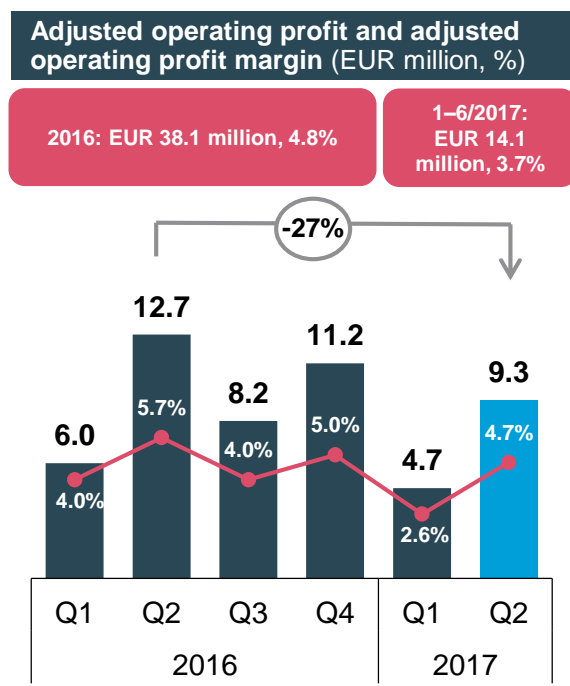
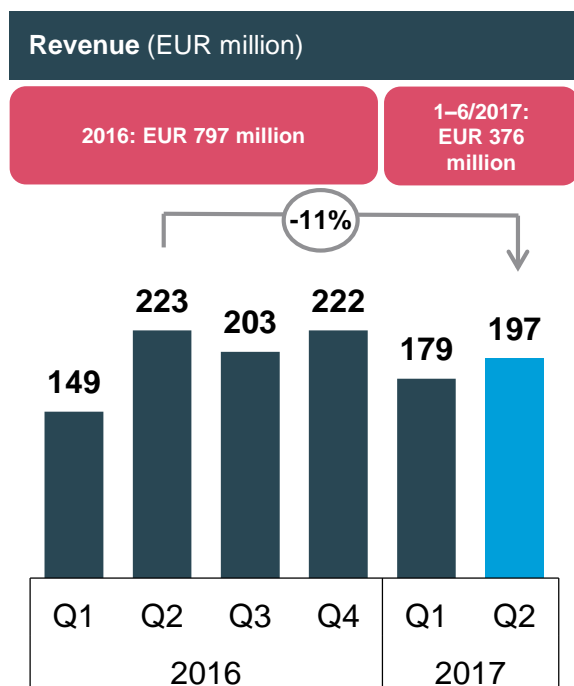


Sources: EK Confederation of Finnish Industries, Statistics Finland and European Commission

Business Premises and Infrastructure

Revenue, adjusted operating profit and ROCE in H1

- Revenue decreased by 11% due to started revenue recognition of Tripla project in the comparison period
- Operating profit decreased by 27% y-o-y, profitability back on a satisfactory level
- Capital employed increased due to investments in the Tripla project

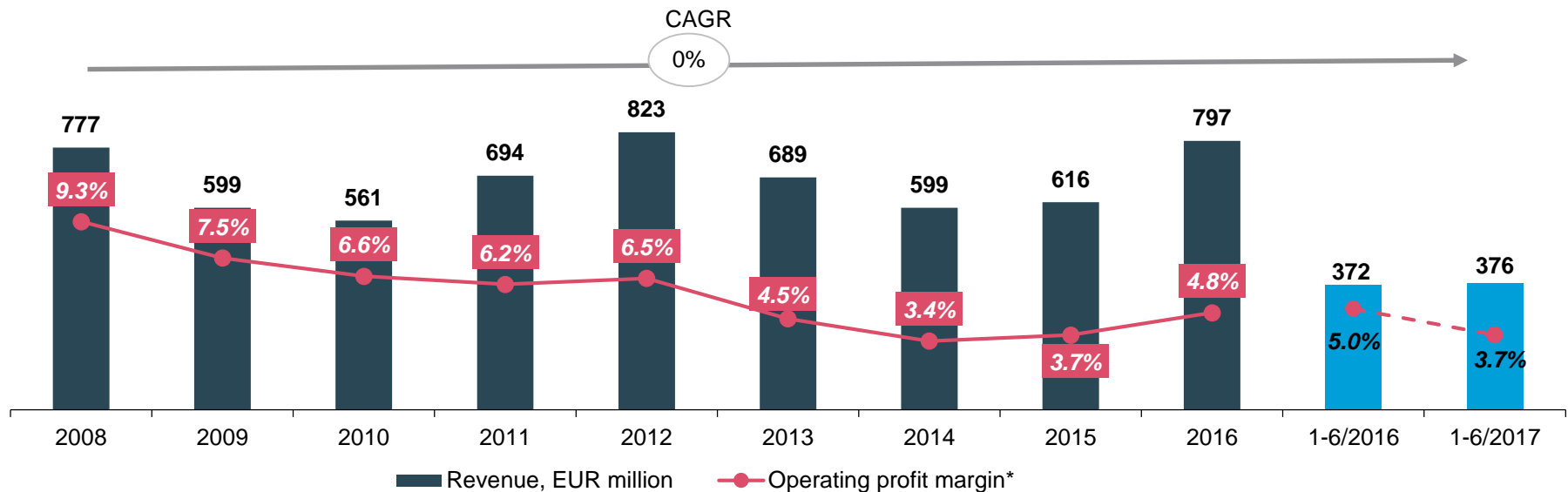


Adjusted operating profit
 Operating profit, 12 month rolling
 Adjusted operating profit margin

Business Premises and Infrastructure

Revenue stable, profitability decreased in H1

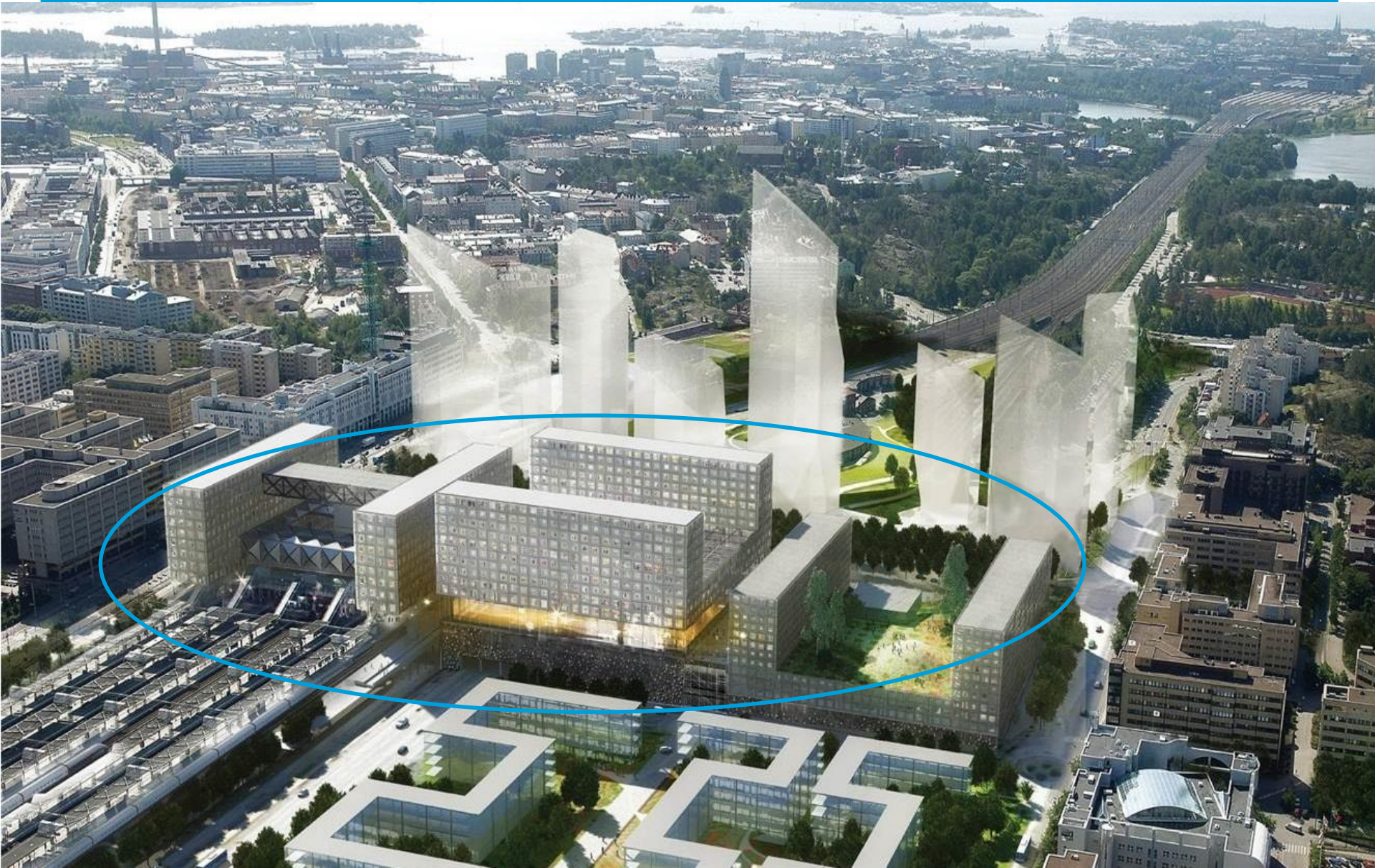
- Revenue was stable y-o-y in H1
- Profitability was low due to weakened margins in certain projects in the CEE countries and seasonality of infra



* 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, Helsinki 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 	Parking and foundations	~10%	<ul style="list-style-type: none"> ✓ Final agreement on the implementation of the hotel signed in April 2017, preliminary value approximately EUR 88 million ✓ Leasing negotiations for office facilities under way ✓ Customer register is gathered for the housing construction project
	Mall of Tripla	~40-50%	
	Business park offices	~10%	
	Hotel	~5-10%	
	Railway station and HQ offices	~10-15%	
	Residential	~10-15%	

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

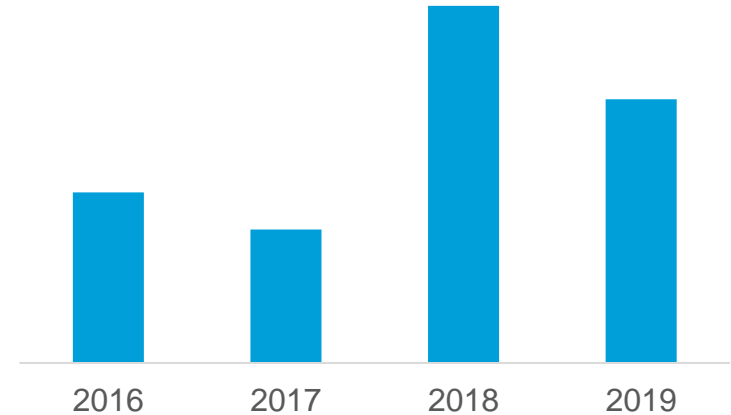
What has been achieved so far?

- 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
- Over 50% 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	Business type	Completion rate, %	Estimated completion	Sold/ for sale	Leasable area, sq.m.
Mall of Tripla, Helsinki	~600	Retail	Self-developed	32%	2019	YIT's ownership 38,75%	85,000
Kasarmikatu 21, Helsinki	n/a	Office	Self-developed	69%	12/17	YIT's ownership 40%	16,000
K3 Wihuri, Vantaa	n/a	Logistics/ Office	Self-developed	35%	4/18	Sold	25,000
K3 Posti terminal, Vantaa	~29	Logistics	Self-developed	6%	6/18	Sold	26,000
Extension of Business Park Rantatie, Helsinki	~25	Office	Self-developed	85%	11/17	Sold	6,000

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Business type	Completion rate, %	Estimated completion
E18 Hamina-Vaalimaa motorway	~260	Infra	PPP	83%	12/18
Tampere light railway	~110	Infra	Alliance model	8%	12/21
Myllypuro Campus, Metropolia	~70	Public premises	Project management contract	9%	8/19
Helsinki Central Library	~50	Public premises	Project management contract	28%	9/18
Naantali CHP power plant	~40	Infra	Alliance model	99%	9/17

8

Key financials



Key figures

EUR million	4–6/2017	4–6/2016	Change	1–6/2017	1–6/2016	Change	1–12/2016
Revenue	457.8	463.7	-1%	937.0	826.1	13%	1,783.6
Operating profit	24.0	20.2	19%	40.7	32.2	26%	52.9
Operating profit margin, %	5.2%	4.3%		4.3%	3.9%		3.0%
Adjusted operating profit	25.0	20.2	24%	41.7	32.2	29%	79.9
Adjusted operating profit margin, %	5.5%	4.3%		4.5%	3.9%		4.5%
Adjustments	-1.1			-1.1			-27.0
Order backlog	2,565.7	2,714.1	-5%	2,565.7	2,714.1	-5%	2,613.1
Profit before taxes	19.5	10.2	90%	32.1	9.5	Over hundred %	13.8
Profit for the review period ¹	15.5	7.9	97%	24.4	7.3	Over hundred %	7.4
Earnings per share, EUR	0.12	0.06	97%	0.19	0.06	Over hundred %	0.06
Operating cash flow after investments, excluding discontinued operations	8.8	26.2	-66%	49.7	1.1	Over thousand %	-43.1
Return on investment, last 12 months, %	5.6%	5.0%		5.6%	5.0%		4.7%
Equity ratio, %	34.6%	36.4%		34.6%	36.4%		35.1%
Interest-bearing net debt (IFRS)	573.3	556.6	3%	573.3	556.6	3%	598.6
Gearing (IFRS), %	115.0%	104.8%		115.0%	104.8%		112.3%
Personnel at the end of the period	5,776	5,632	3%	5,776	5,632	3%	5,261

¹Attributable to equity holders of the parent company

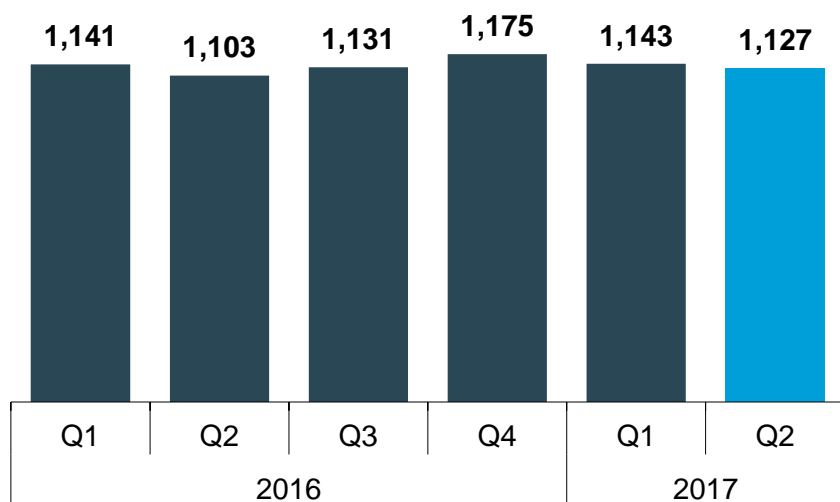
All figures according to segment reporting (POC), unless otherwise noted

Note: The adjusted operating profit does not include material reorganisation costs or impairment

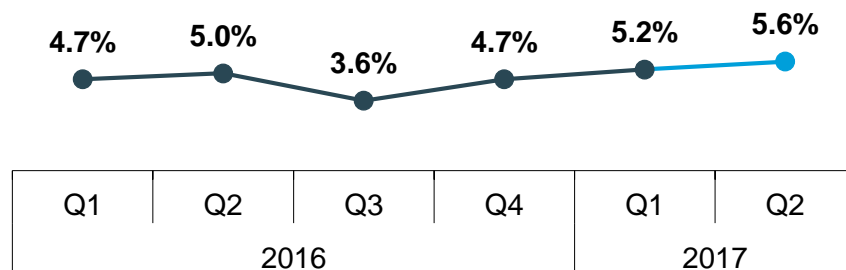
ROI continued to improve in Q2

- Invested capital remained stable q-o-q
- ROI continued to improve
- Target to reduce capital employed in Russia by approximately RUB 6 billion by the end of 2018

Invested capital (EUR million)



Return on investment¹ (%), rolling 12 months



All figures according to segment reporting (POC)

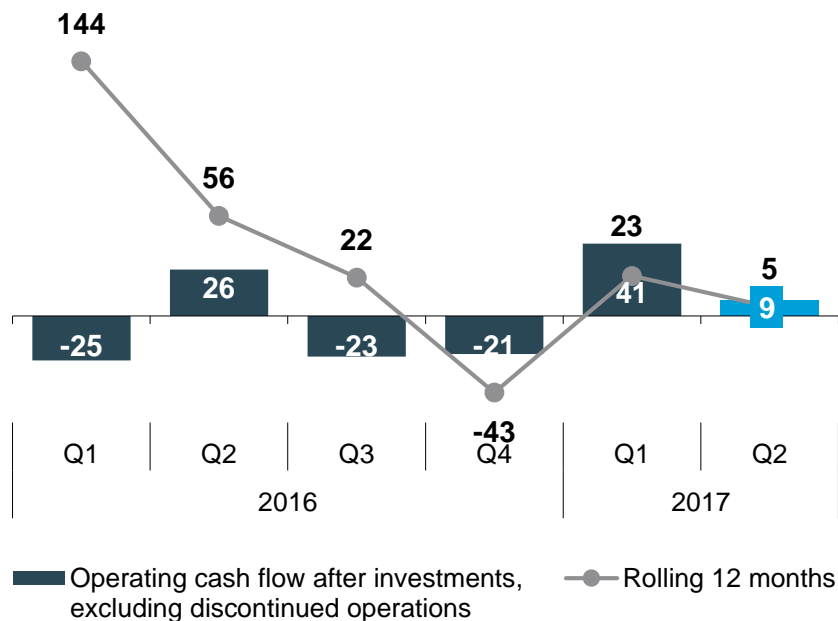
¹EUR 27 million cost booked in Q3/2016 result from Housing Russia

Cash flow in Q2

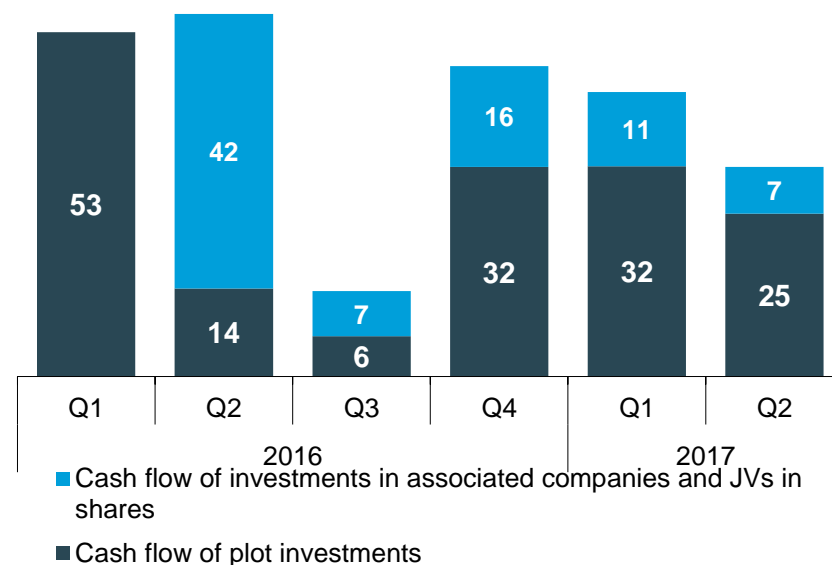
- Cash flow decreased
- In addition, dividend of EUR 27.6 million paid in Q2

Operating cash flow after investments, excluding discontinued operations (EUR million)

Long-term target:
Sufficient operating cash flow after investments,
excluding discontinued operations, for dividend payout



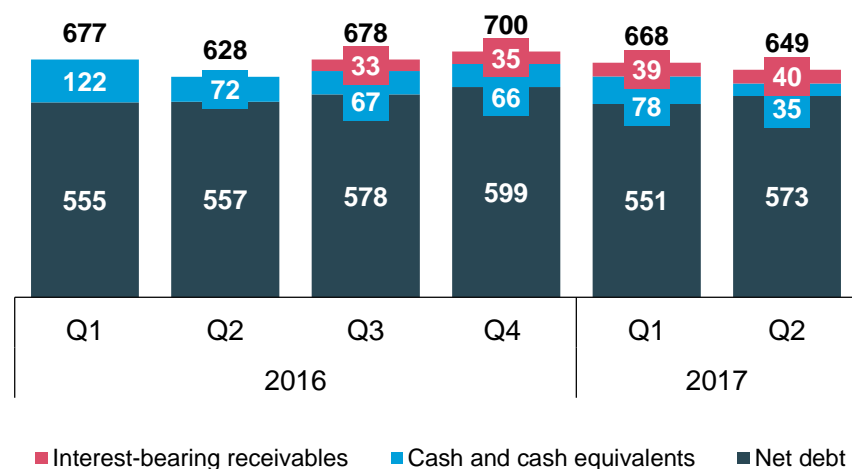
Cash flow of plot investments and investment in associated companies and JVs in shares (EUR million)



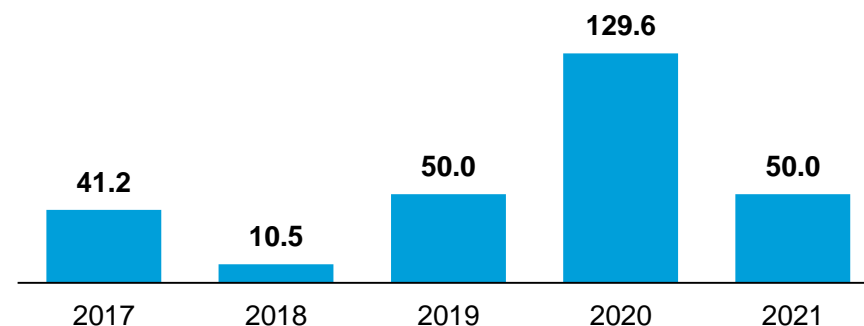
Net debt increased in Q2

- Net debt increased moderately due to dividend payout and plot investments
- EUR 30 million already refinanced of the EUR 41.2 million maturing in H2

Interest-bearing debt (EUR million), IFRS



Maturity structure of long-term debt 6/2017 (EUR million) ¹

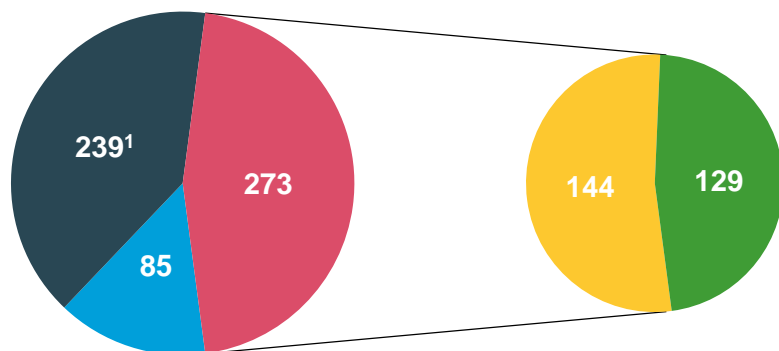


¹ Excluding construction stage financing

Plots in the balance sheet by segments and geography

Plot reserves in the balance sheet 6/2017, (EUR million)

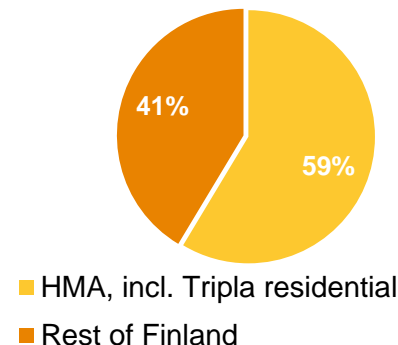
In total EUR 597 million



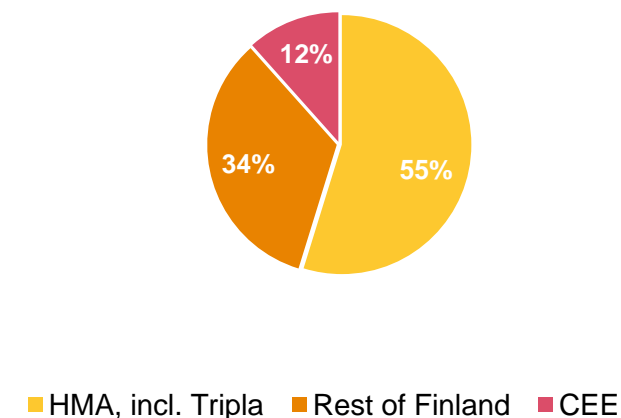
- Business Premises and Infrastructure
- Housing Russia
- Housing Finland and CEE
- Finnish housing
- CEE housing

¹Includes Gorelovo industrial park

Division by geography in Finnish housing



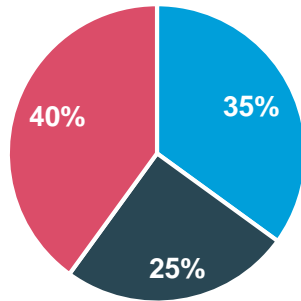
Division by geography in Business Premises and Infrastructure



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

Plot reserve in thousand floor square metres 6/2017, consists of own plots, pre-agreements and rental plots, 5.4 million floor sq. m in total (Q1/2017: 5.1)

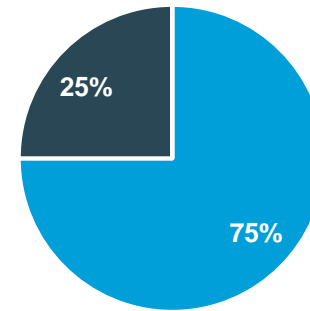
Finnish housing, total 2.0 million floor sq.m



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

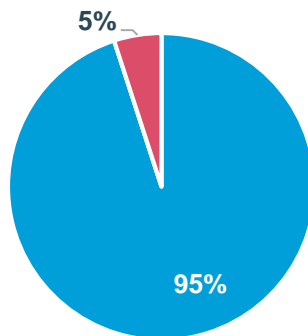
~ 70% of the own and rental plots have confirmed zoning

Housing Russia, total 2.2 million floor sq.m



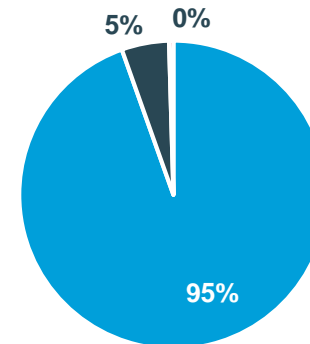
Average annual use of plot reserves ~150,000–200,000 floor sq.m.

CEE housing, total 0.6 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



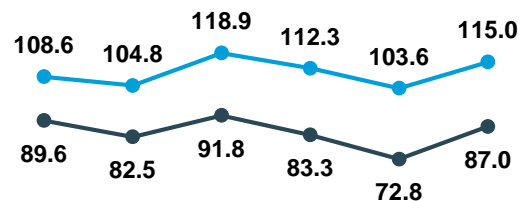
Average annual use of plot reserves ~30,000–70,000 floor sq.m.

■ Own ■ Rental ■ Pre-agreements

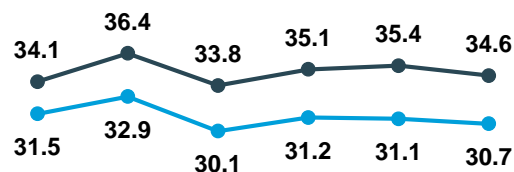
Financial key ratios in Q2

- Gearing and equity ratio impacted by the weakened ruble and dividend payout
- Net debt/EBITDA (IFRS) continued to improve

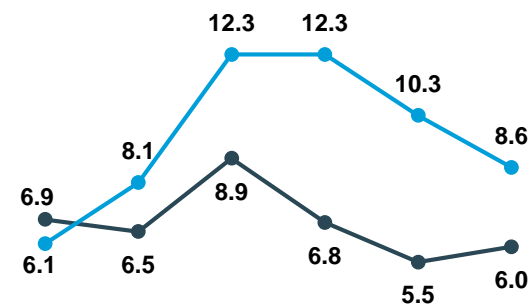
Gearing (%)



Equity ratio (%)



Net debt/EBITDA (Multiple, x)



Q1	Q2	Q3	Q4	Q1	Q2
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	Q2
2016				2017	

— POC — IFRS

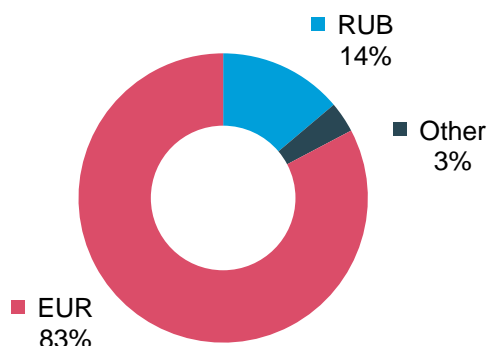
Financial covenant tied to the equity ratio (minimum level of 25.0%, IFRS) in bank loans, the syndicated RCF agreement and the bonds issued in 2015 and 2016.

Q1	Q2	Q3	Q4	Q1	Q2
2016				2017	

— POC — IFRS

Ruble weakened in Q2

Revenue split Q2/2017 (POC)



Impact of changes in foreign exchange rates (EUR million)

	Q2/2017	1-6/2017
Revenue, POC ¹	9.2	23.1
Adjusted EBIT, POC ¹	0.5	0.4
Order backlog, POC ²	-44.5	-44.5
Equity, IFRS (translation difference) ²	-49.4	-49.4

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 6/2017:
 - Equity and equity-like investments: EUR 349.5 million
 - Loans to subsidiaries: EUR 34.8 million

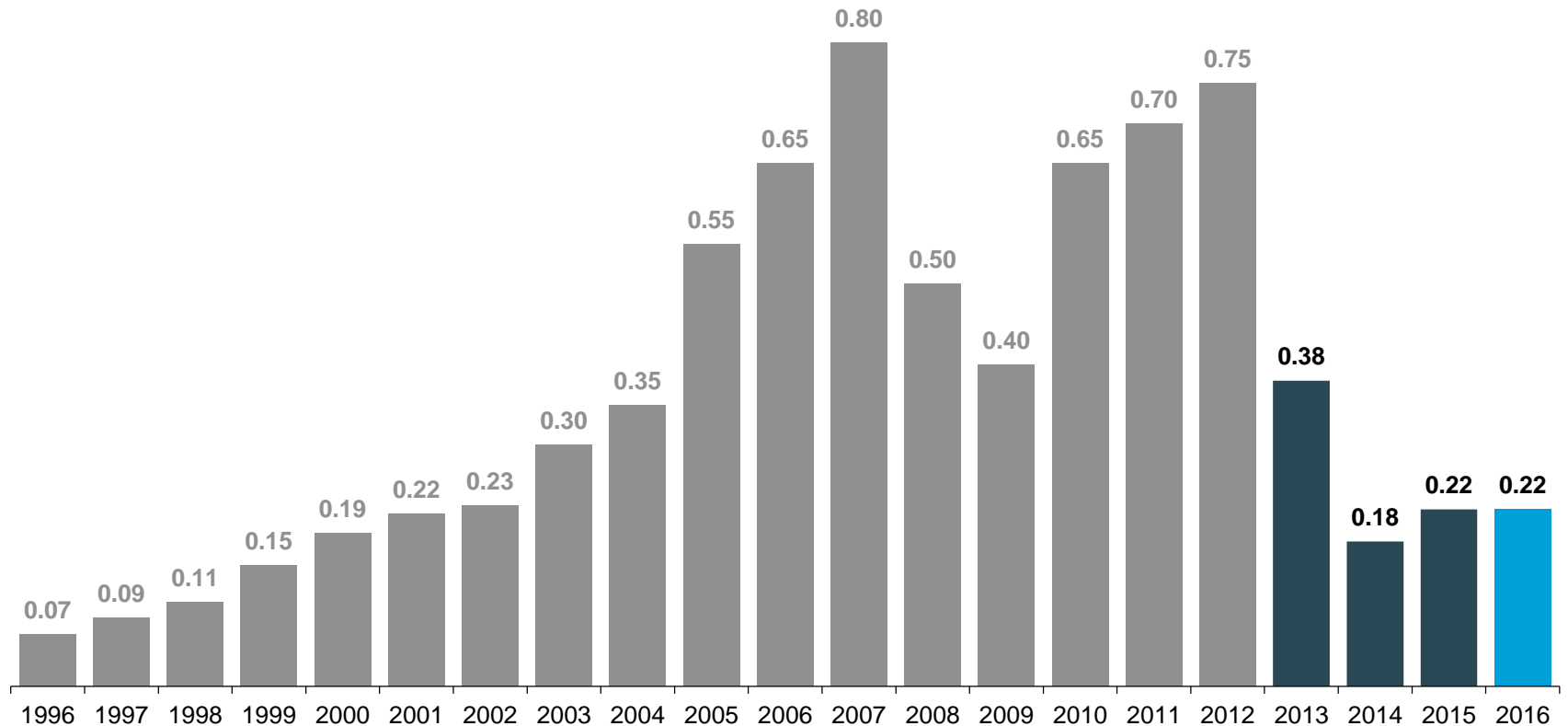
EUR/RUB exchange rates

	1-6/2017	1-6/2016
Average rate	62.7434	78.3384
Quarter-end rate	67.5449	71.5200

Dividend for 2016: EUR 0.22

Dividend / share (EUR)

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



9

Looking ahead and conclusions



Market outlook, expectations for 2017

Finland

- Consumer demand to remain on a good level
- Investor activity to decline slightly, the importance of location remains significant
- 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 expected to have a moderate, positive impact on the residential market
- The weakening of ruble and expectations of decrease of interest rate to influence consumer behaviour
- Residential prices stable
- Residential demand to focus on affordable apartments
- Construction cost inflation to remain on a moderate level



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
- Shortage of resources to increase construction cost inflation



Guidance for 2017 raised (segment reporting, POC) on July 13, 2017

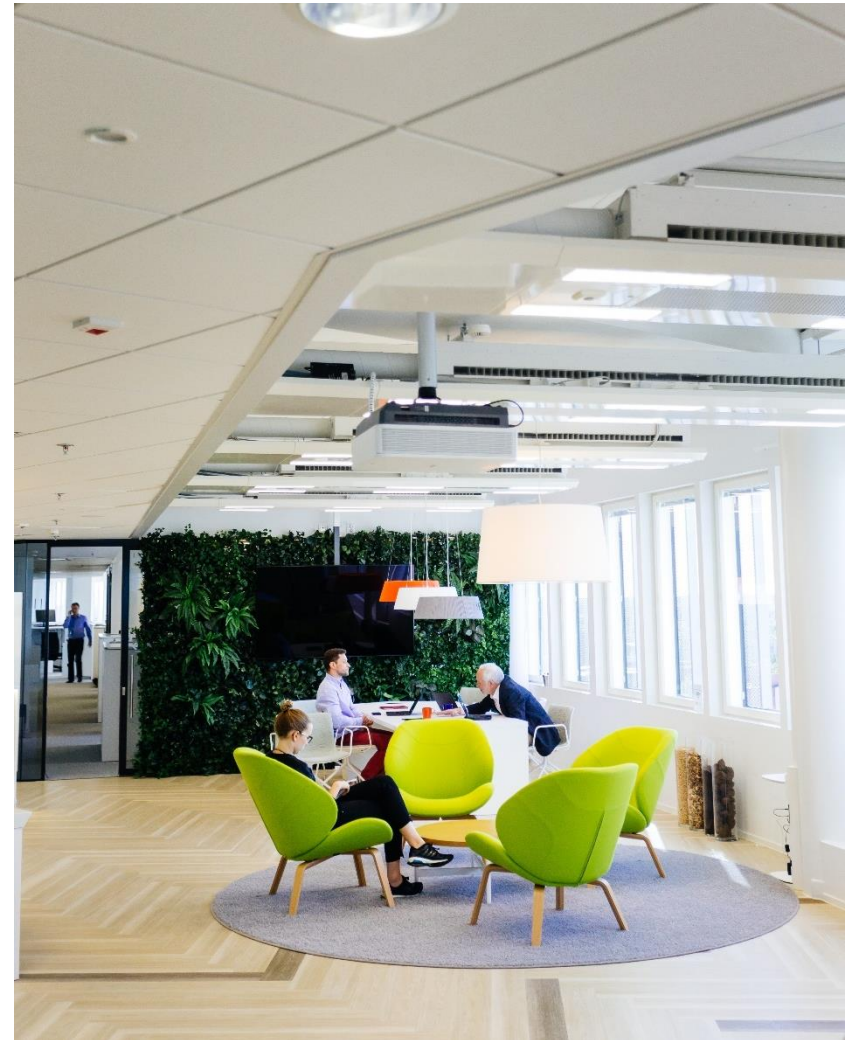
The Group revenue is estimated to **grow by 5–12%**.

The adjusted operating profit¹ is estimated to be in the range of **EUR 105–115 million**.

Previously, the Group revenue was estimated to grow by 0–10% and the adjusted operating profit was 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 June, 58% of the Group order backlog was sold.
- Projects already sold or signed pre-agreements are estimated to contribute over half 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.
- Regarding the sales process of the Kasarmikatu 21 office project in Helsinki, based on the price and terms indications from potential investors and ongoing further negotiations YIT estimates that the transaction will be completed by the end of 2017. The transaction has a positive impact on the Group's adjusted operating profit.



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

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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

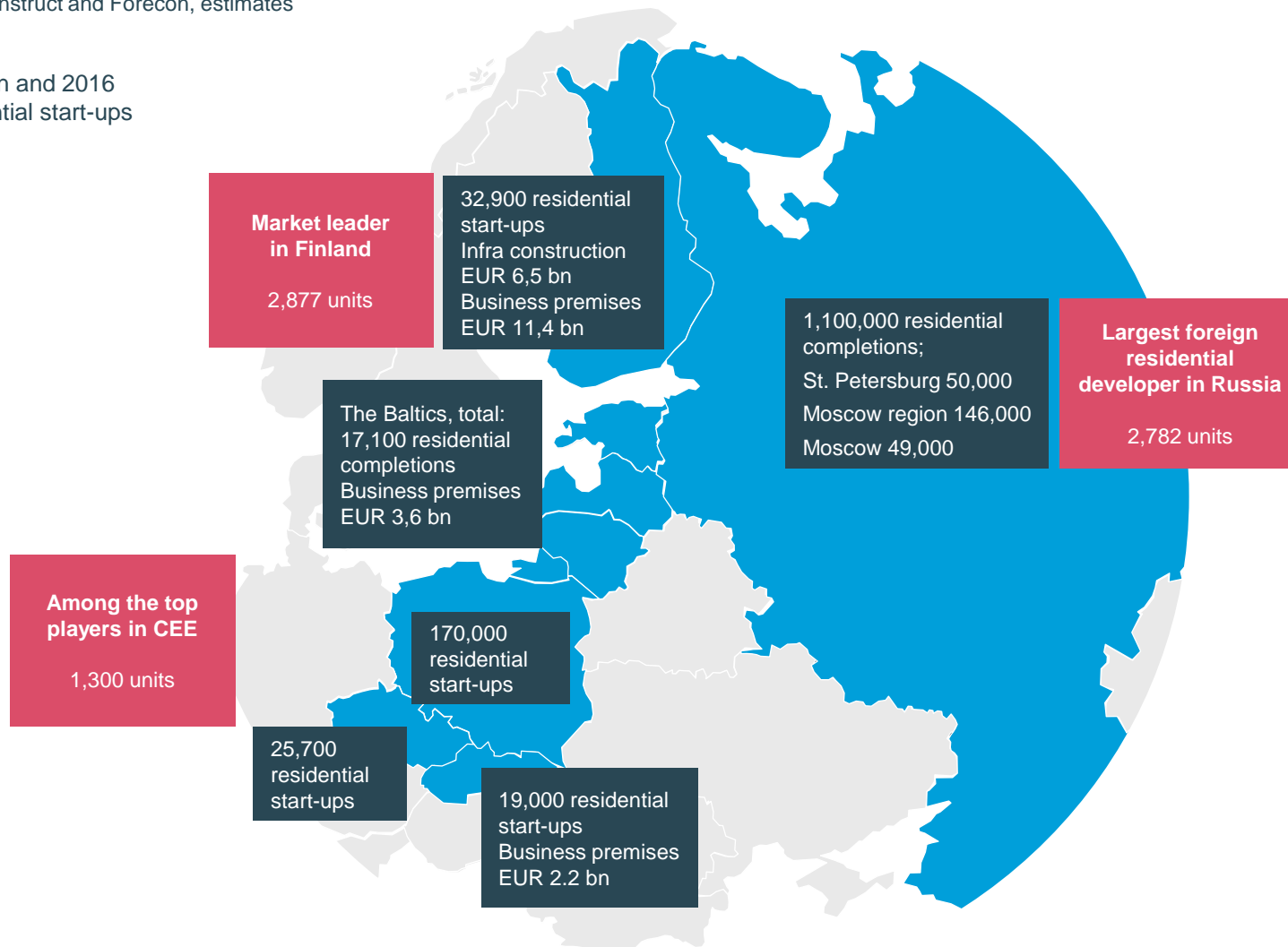
Strong market position in all markets

Market sizes in 2016

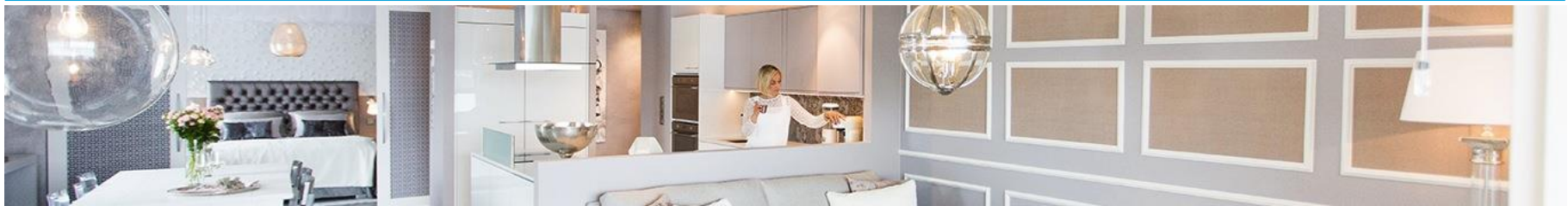
Euroconstruct and Forecon, estimates

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

11

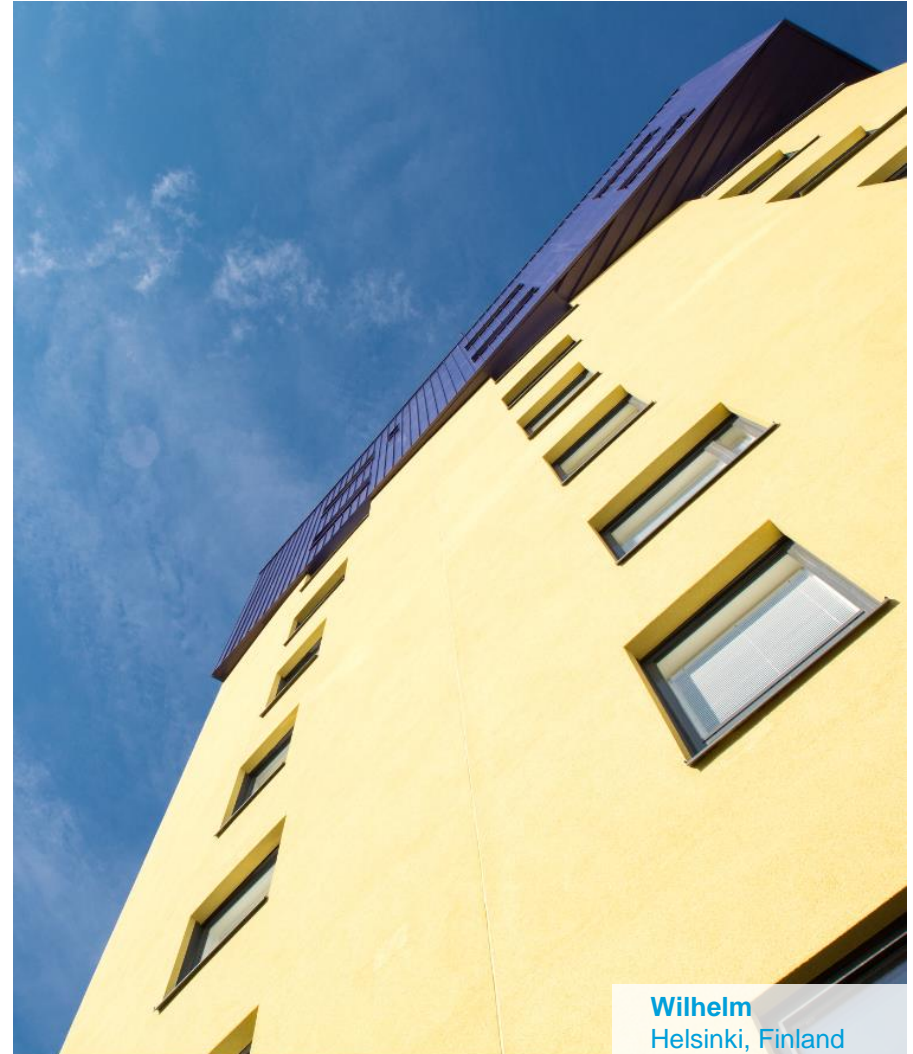
Appendices



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

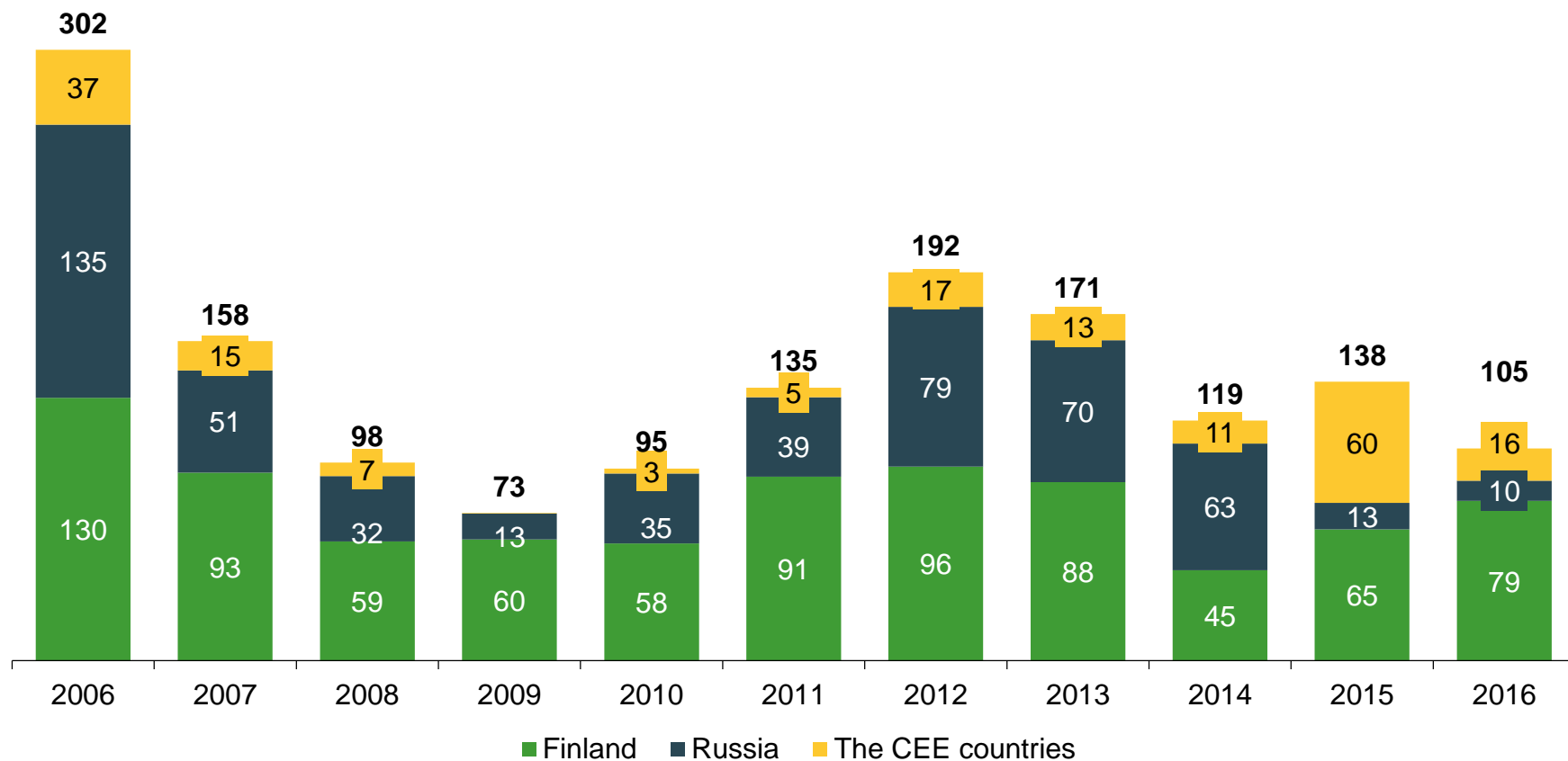




Additional financial information

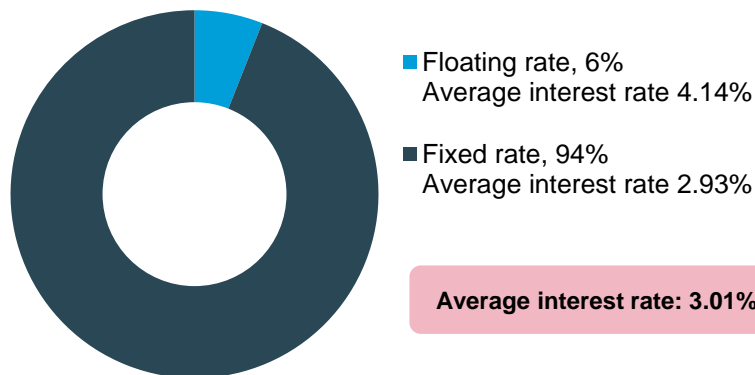
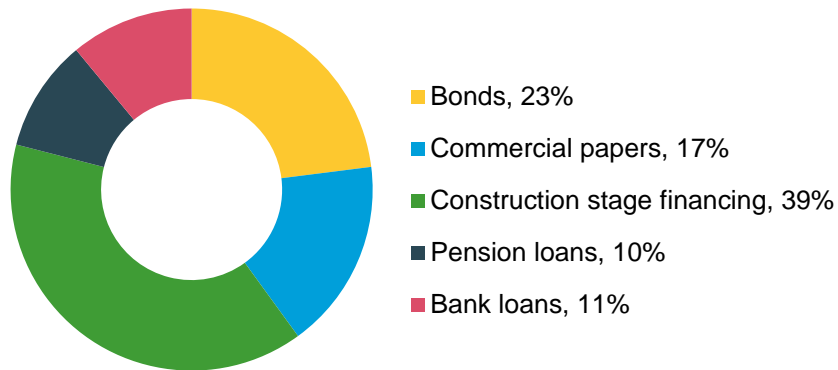


Cash flow of plot investments



Balanced debt portfolio

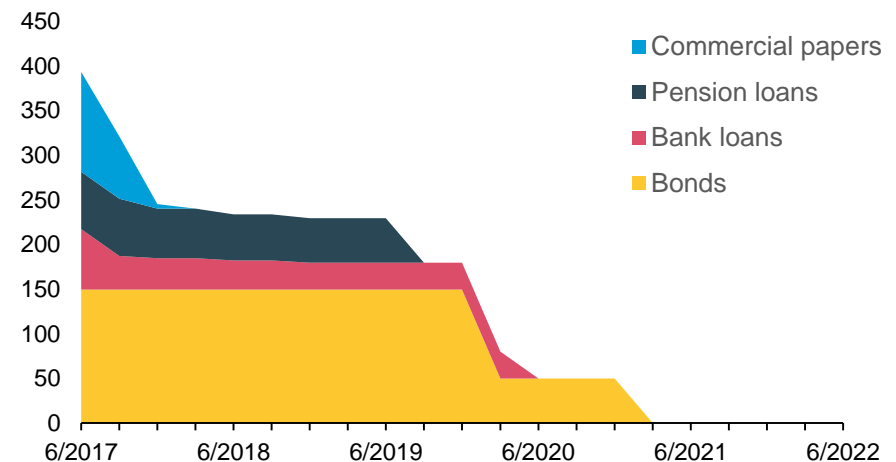
Debt portfolio at the end of the period 6/2017, EUR 649 million



Average interest rate: 3.01%

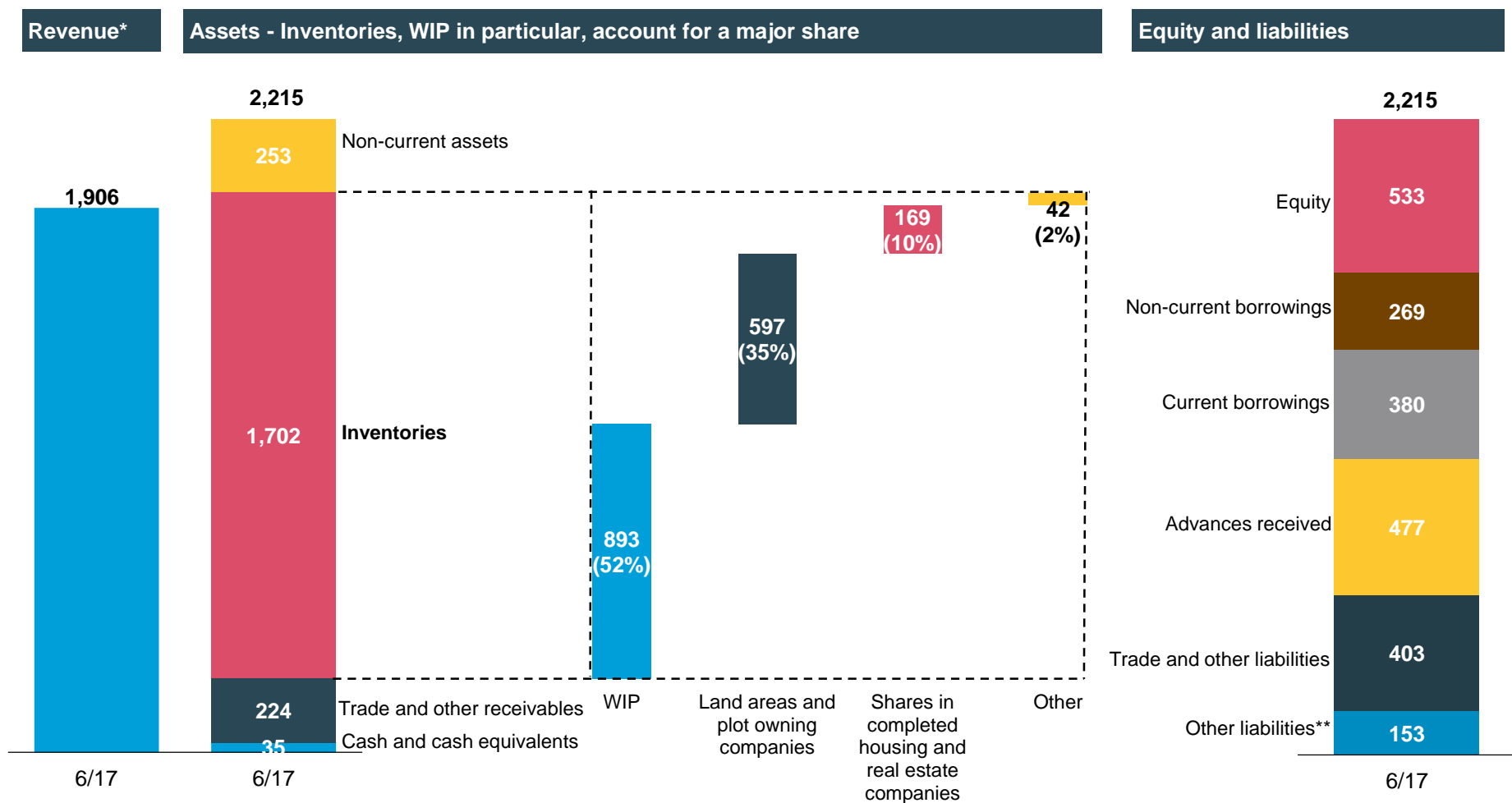
Maturity structure at the end of the period 6/2017

Maturity profile, excluding construction stage financing (EUR million)



Consolidated balance sheet

June 30, 2017 (EUR million)



Note: Figures based on Group reporting (IFRS)

* Last 12 months

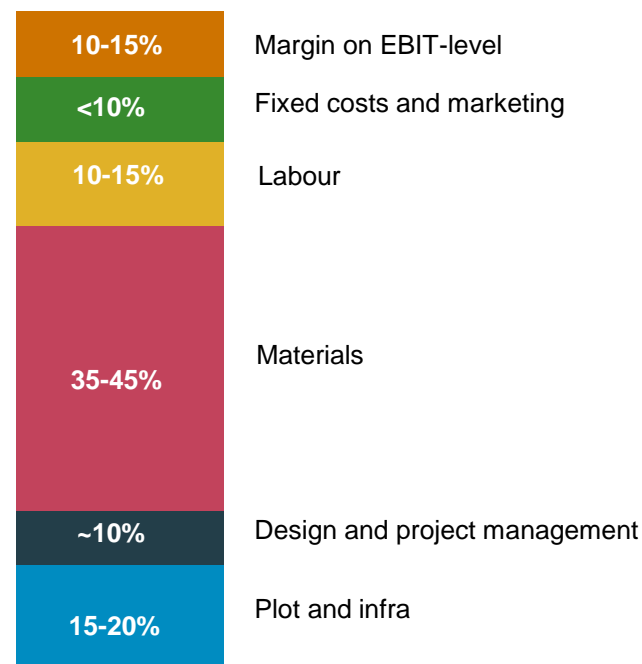
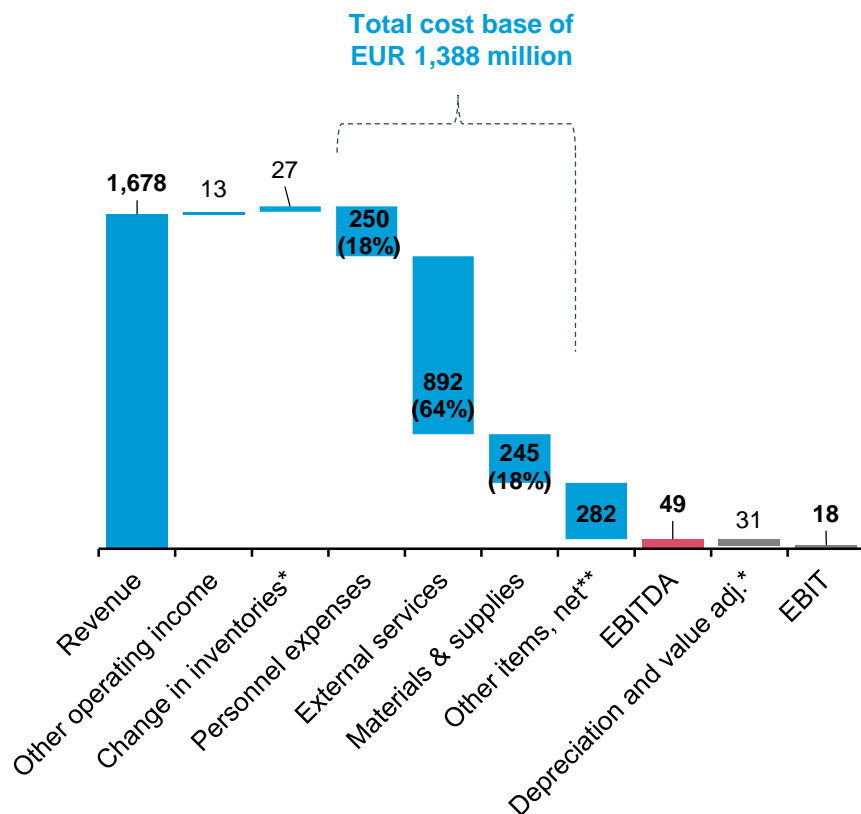
** Includes deferred tax liabilities, pension obligations, provisions and other liabilities

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

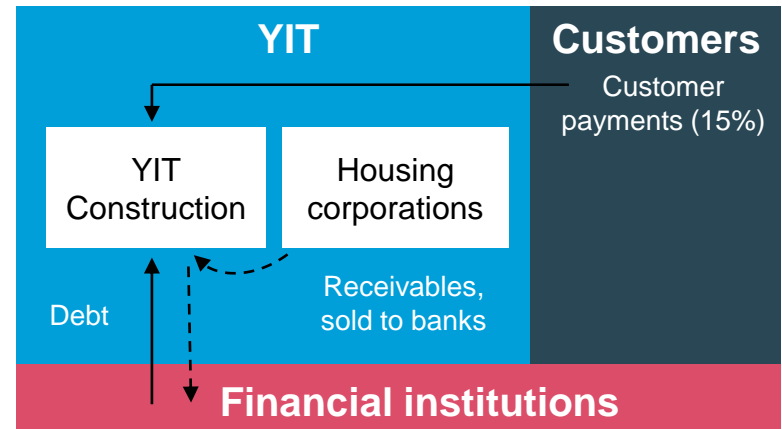
Limited refinancing risk:

- 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

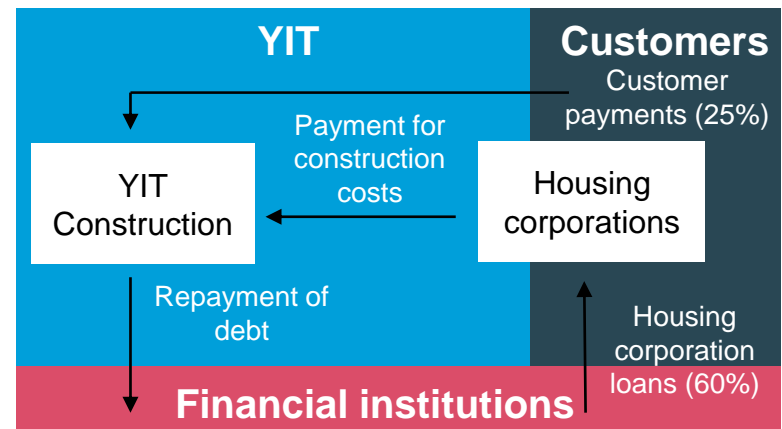
→ Refinancing of the sold receivables

- After completion the unsold apartments are in YIT's balance sheet as shares in housing corporations. Their share in the housing corporation loans is included in current borrowings as the loans are linked to current assets.

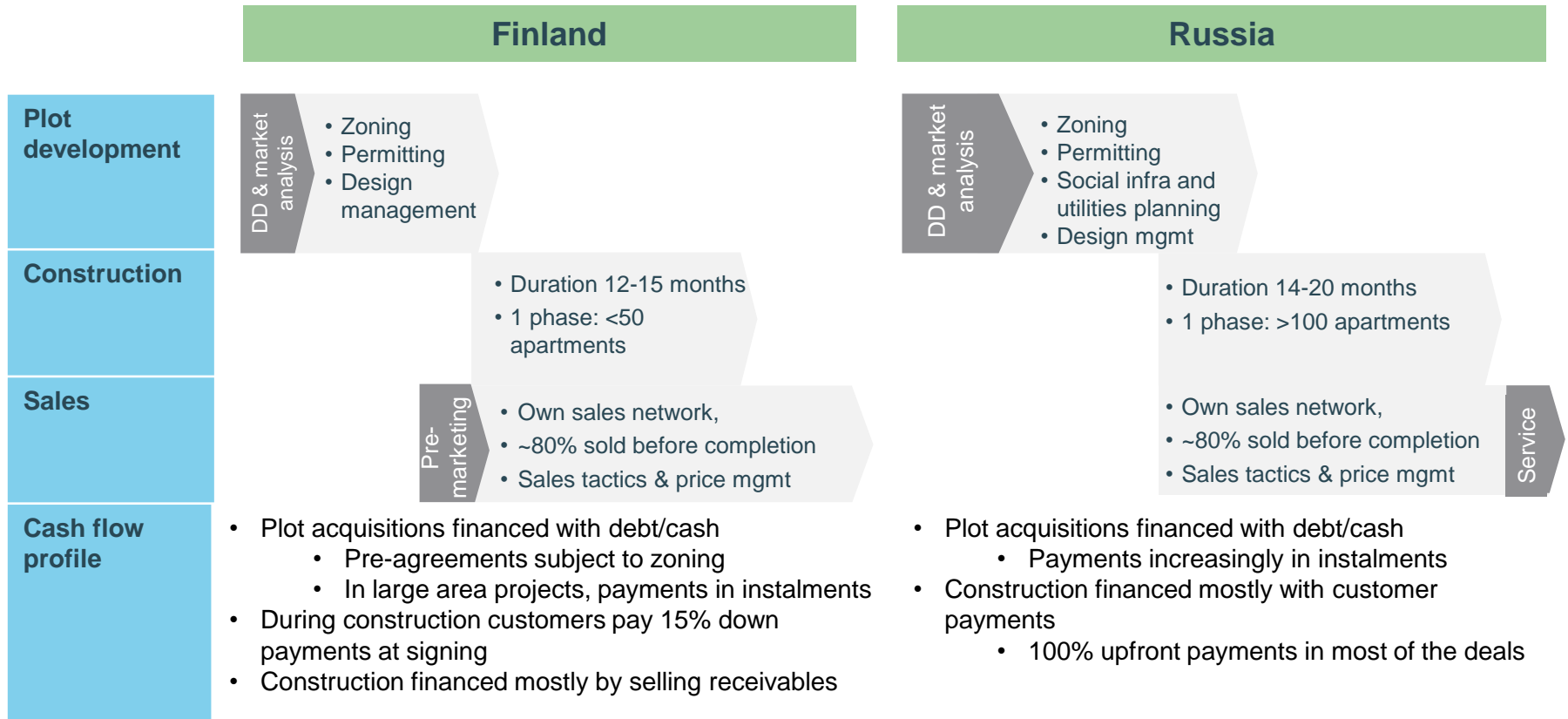
During construction:

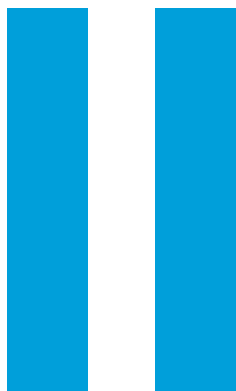


Upon completion:



Business model in self-developed housing varies between countries



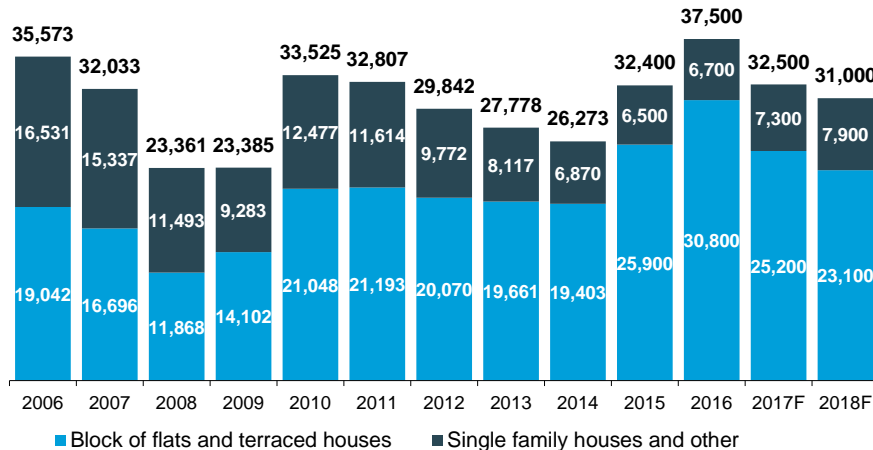


Housing indicators



Start-ups expected to decrease slightly in 2017 and 2018

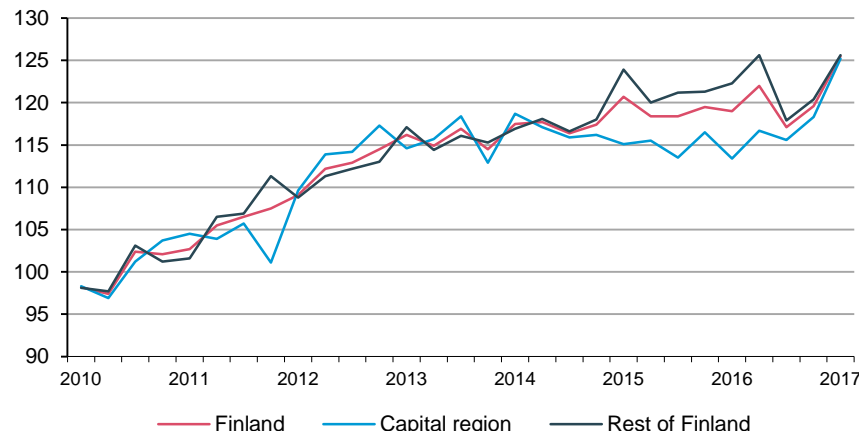
Residential start-ups (units)



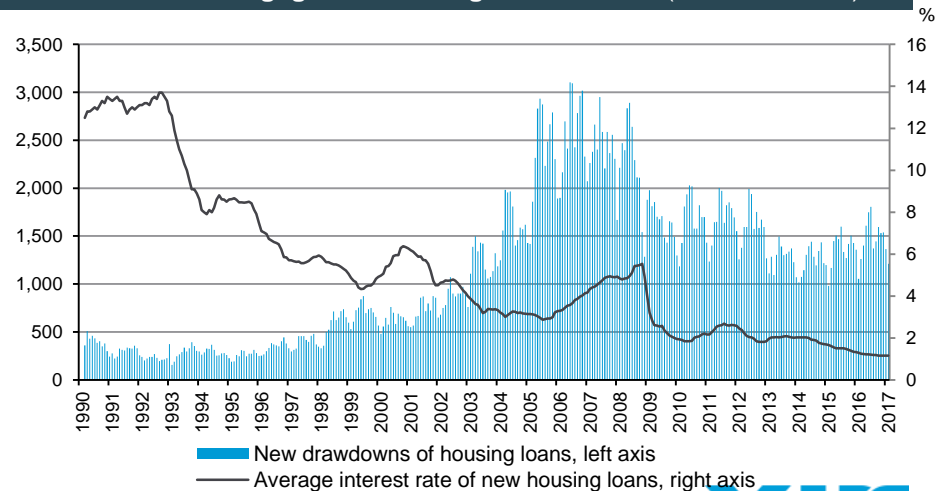
Consumers' views on economic situation in one year's time (balance)



Prices of new dwellings (index 2010=100)



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

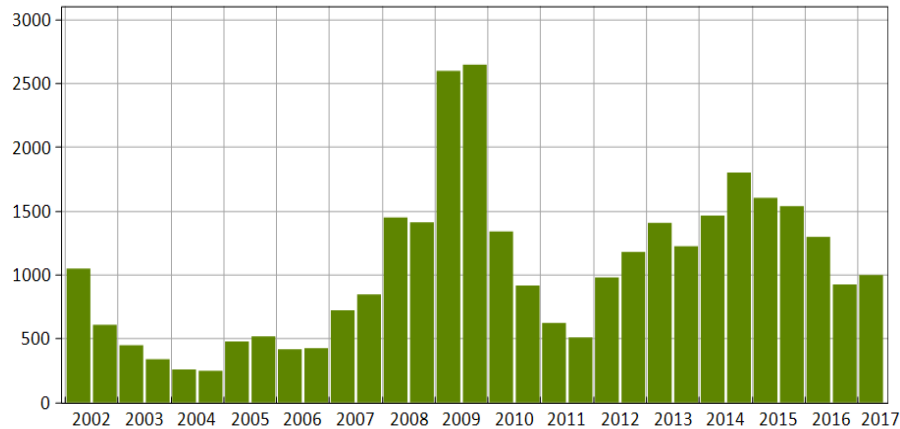


Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2018F Euroconstruct, June 2017, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland

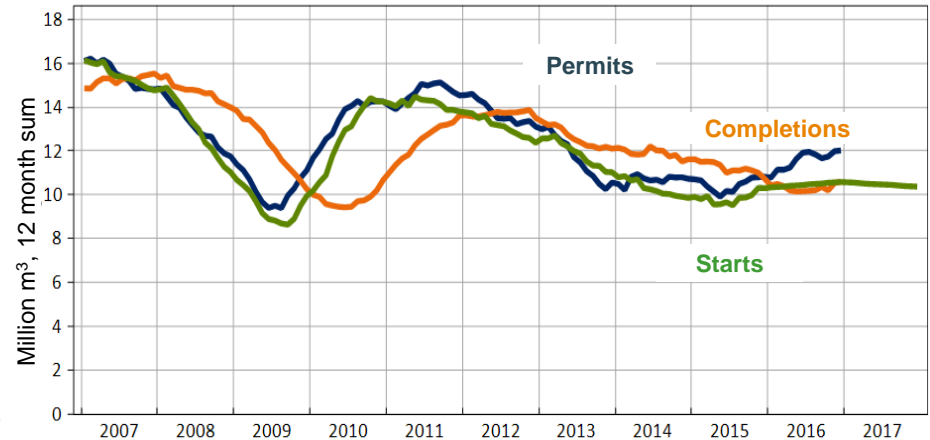
Finland

Housing indicators have improved slightly

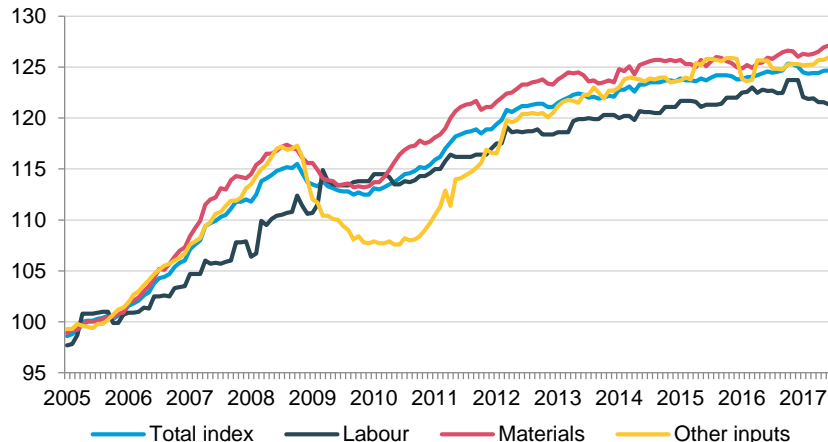
Unsold completed units (residential development projects)



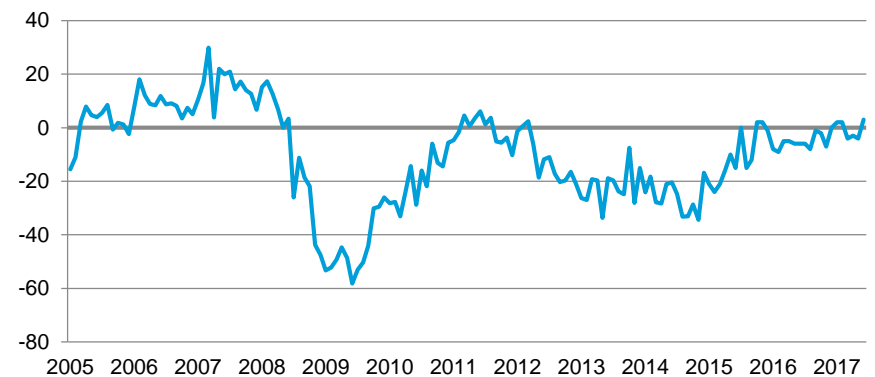
Residential building permits, start-ups and completions (million m³)



Construction cost index (2005=100)



Construction confidence (balance)

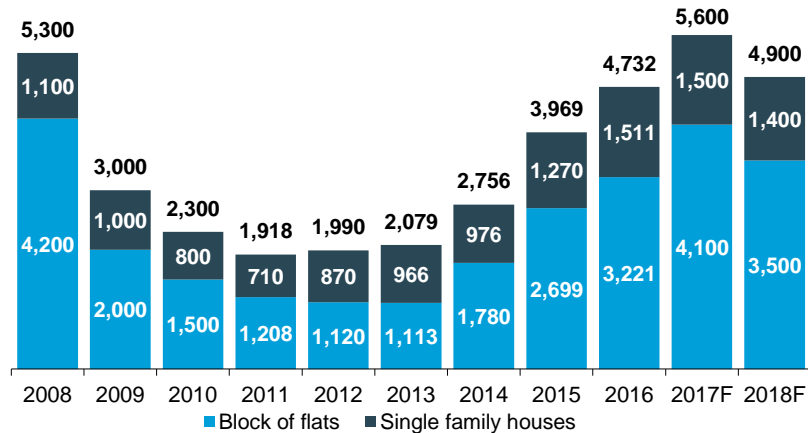


Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT,
 Construction cost index: Statistics Finland, Construction confidence: Confederation of Finnish Industries EK
 YIT | 86 | Investor presentation, September 2017

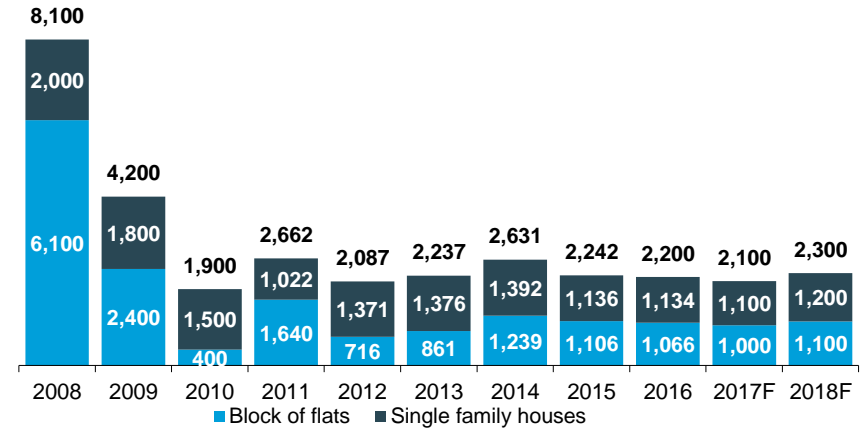
The Baltic Countries

Residential construction is expected to level off

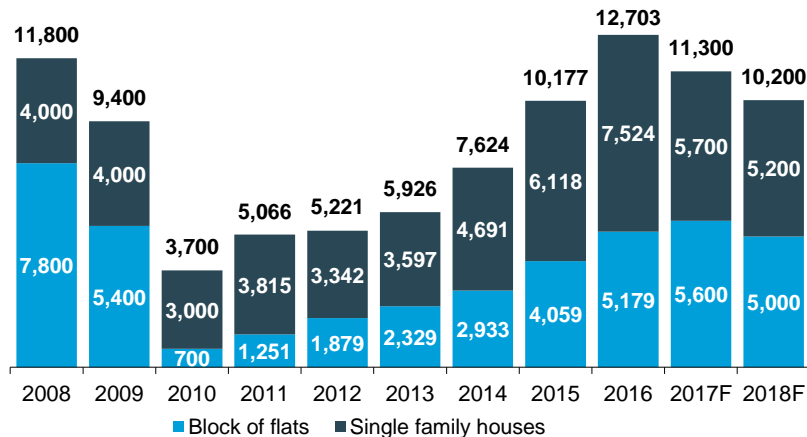
Residential completions in Estonia (units)



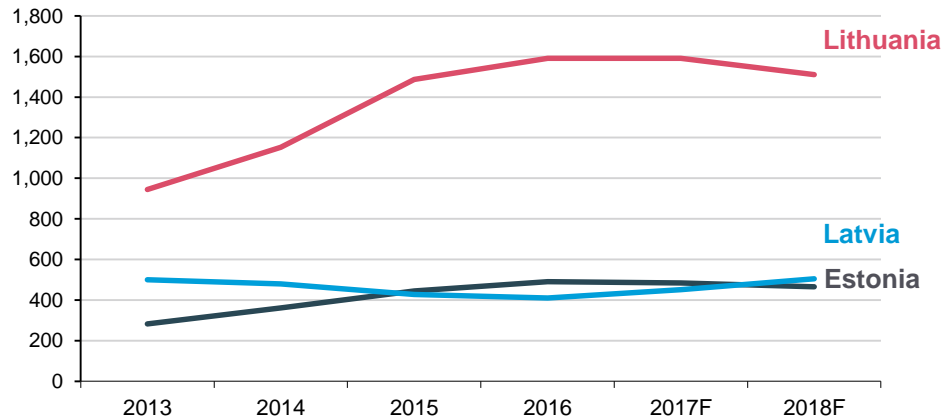
Residential completions in Latvia (units)



Residential completions in Lithuania (units)



New residential construction volume (EUR million)

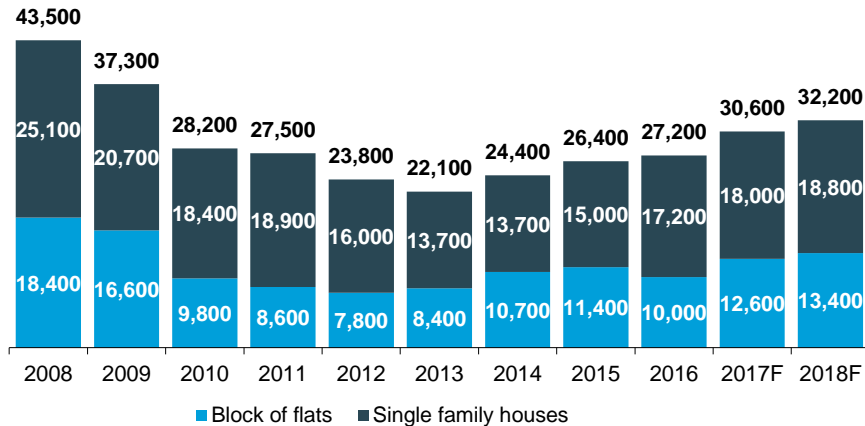


Source: Euroconstruct, June 2017

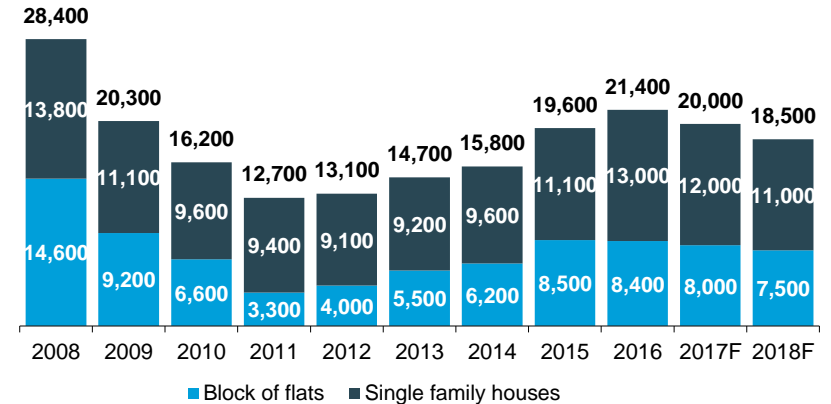
The Czech Republic, Slovakia and Poland

Start-ups forecasted to grow in the Czech Republic

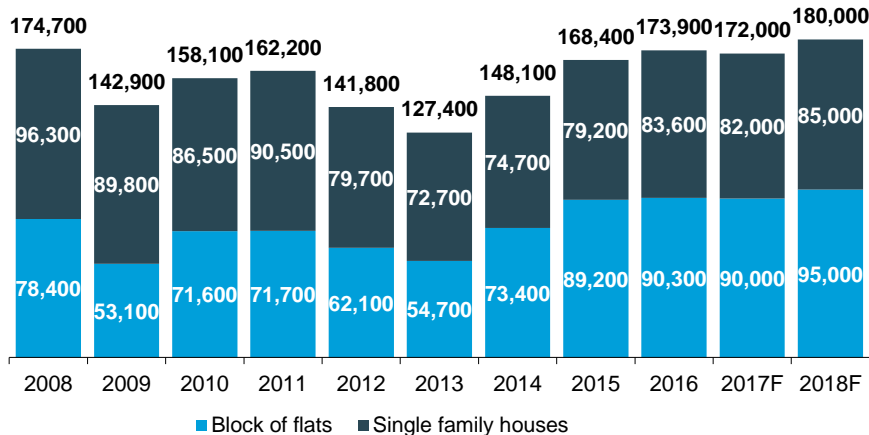
Residential start-ups in the Czech Republic (units)



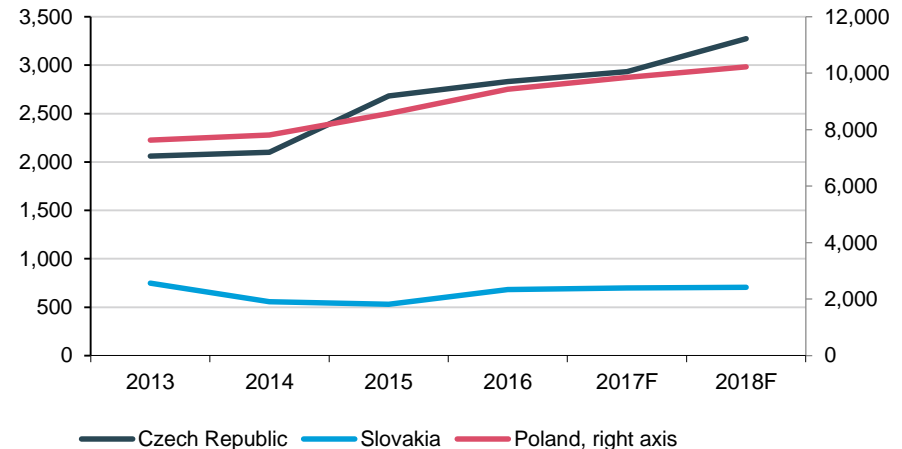
Residential start-ups in Slovakia (units)



Residential start-ups in Poland (units)



New residential construction volume (EUR million)

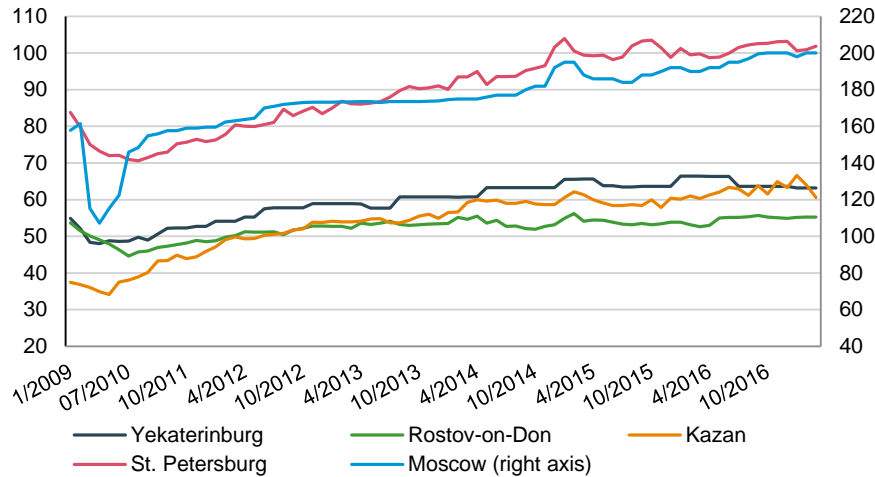


Source: Euroconstruct, June 2017

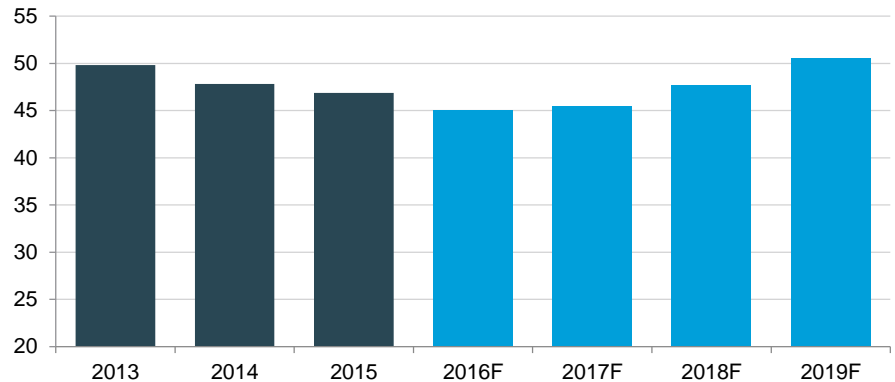
Russia

Housing indicators

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

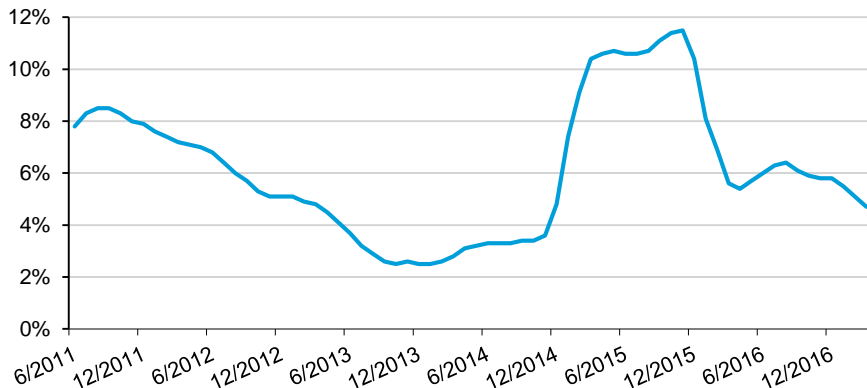


New residential construction volume (EUR billion*)

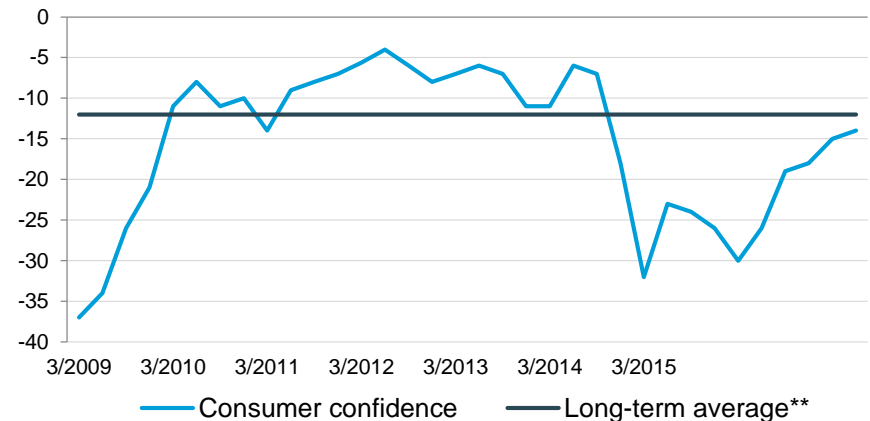


*At 2016 prices, excluding taxes. 1 EUR = 74,144 rubles

Inflation in building materials (%)



Consumer confidence



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

**Average 12/1998-6/2017

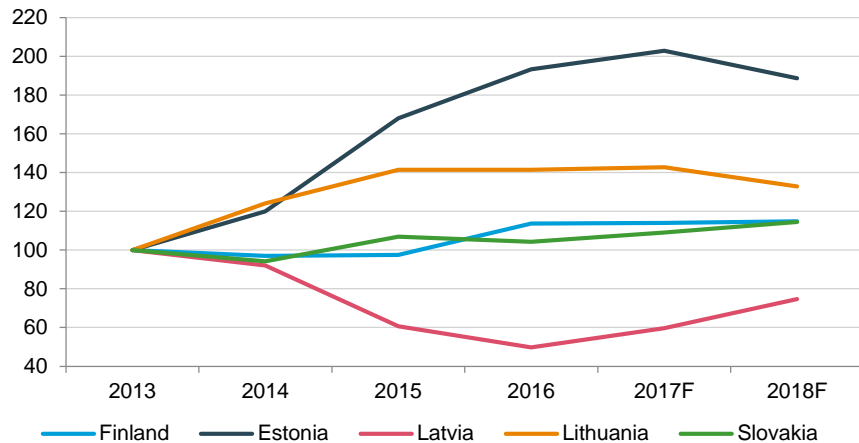


Business premises and infrastructure construction indicators

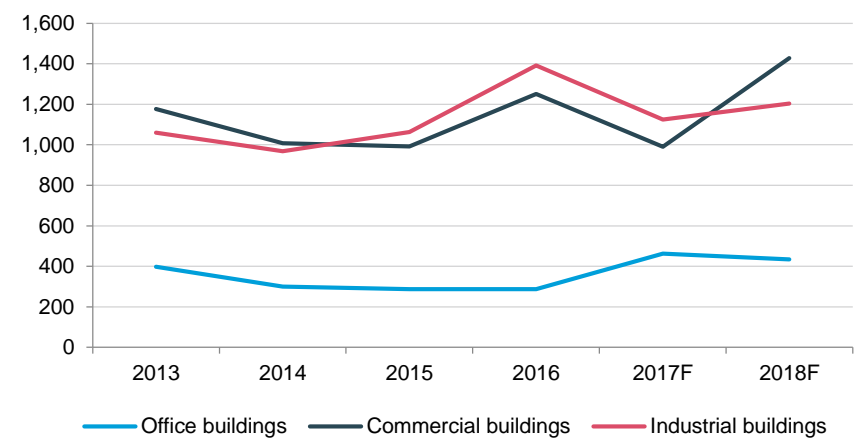


New non-residential construction forecasted to pick up slightly in the Baltic countries in 2017

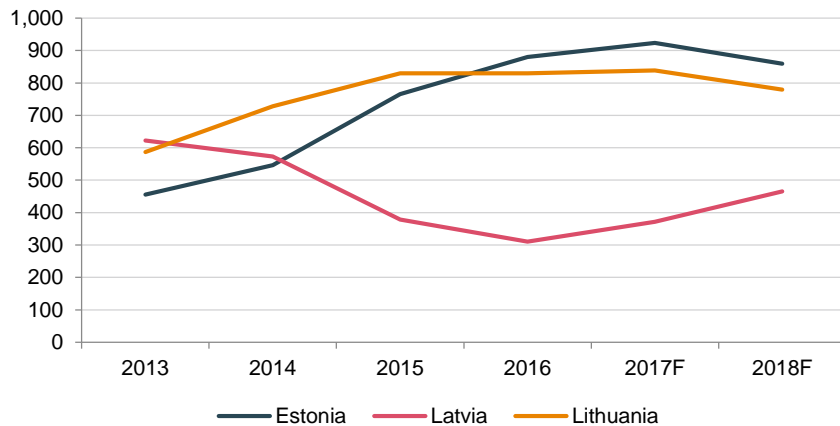
New non-residential construction volumes (index 2013=100)



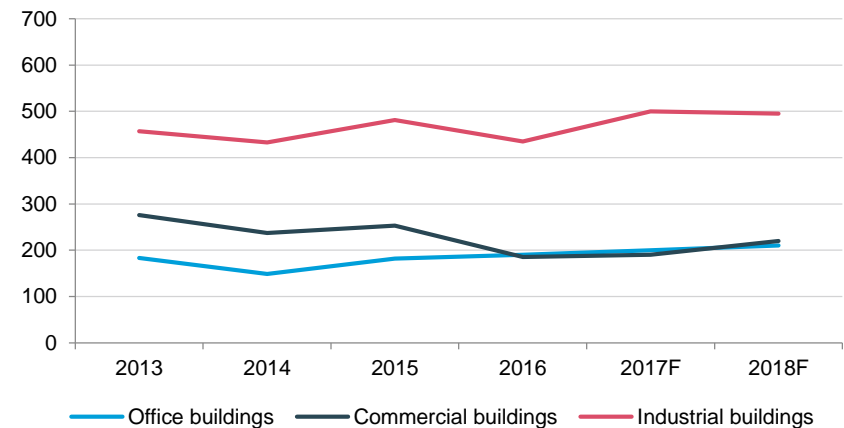
New non-residential construction in Finland (EUR million)



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



New non-residential construction in Slovakia (EUR million)

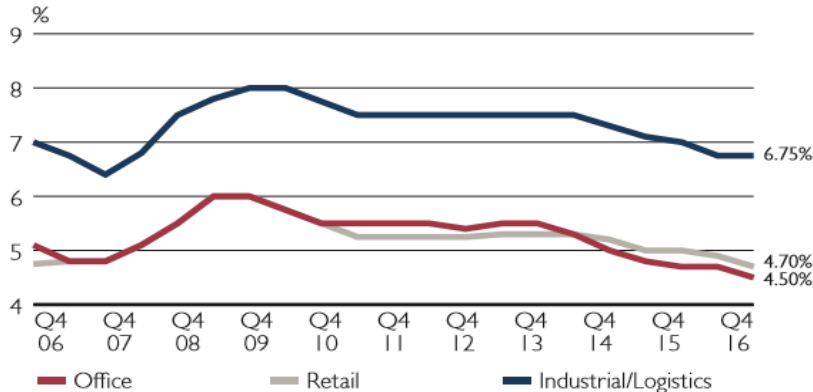


Sources: Euroconstruct and Forecon, June 2017

Finland

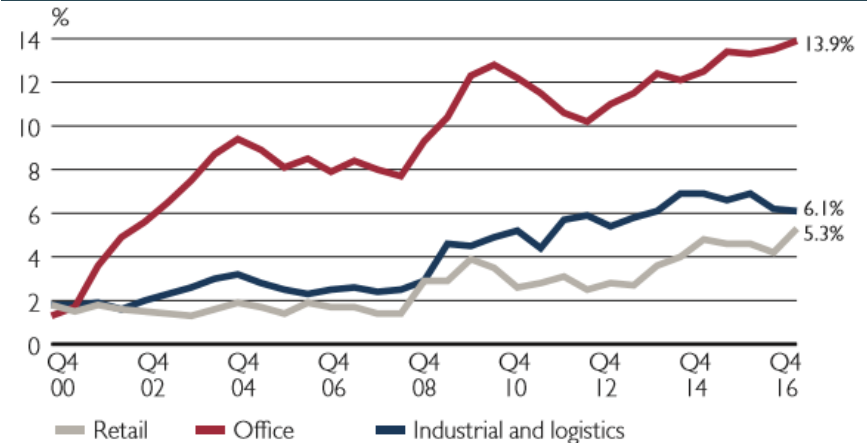
Prime yields expected to decrease slightly

Prime yields in Helsinki Metropolitan Area (%)

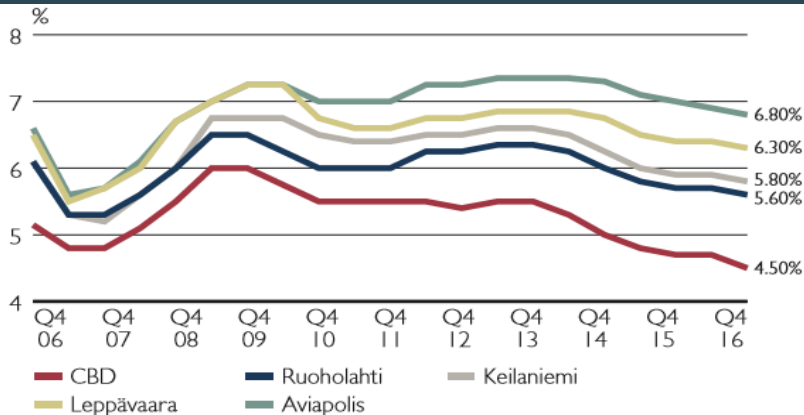


Particularly long lease agreements decrease yields by 0.1–0.5% points.

Vacancy rates in Helsinki Metropolitan Area (%)

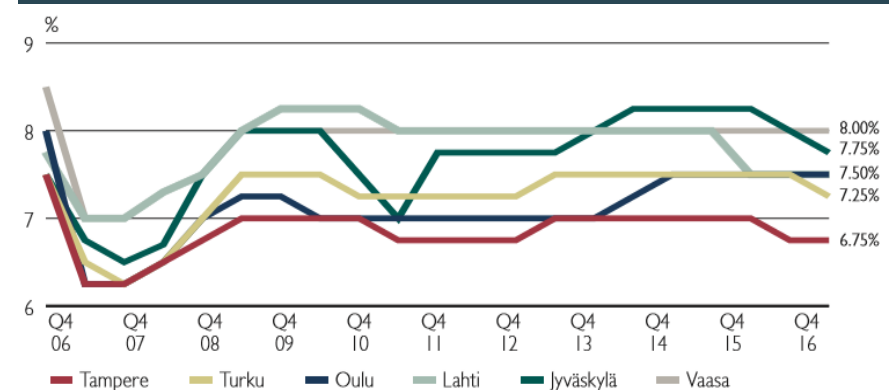


Office yields in Helsinki Metropolitan Area, %



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

Prime yields in growth centres, %

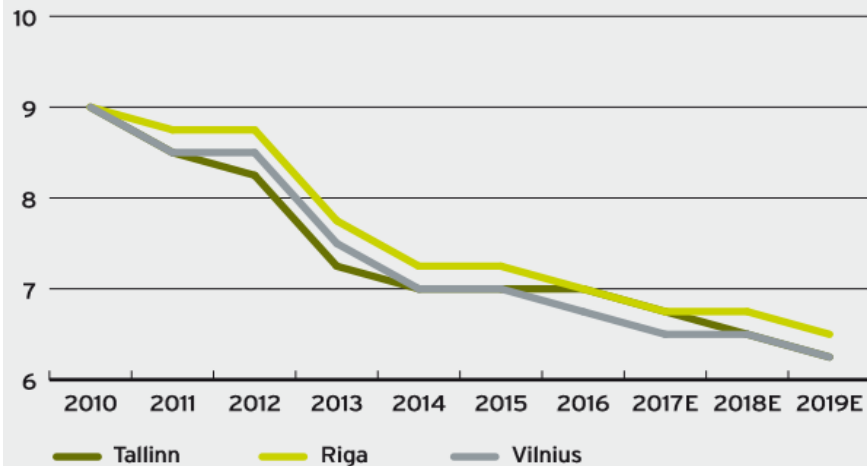


Particularly long lease agreements currently decrease yields by 0.1–0.5% points.

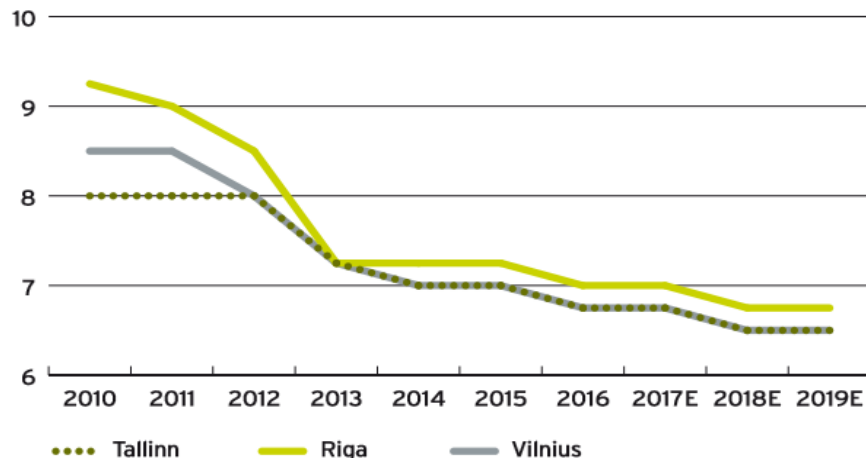
The Baltic countries

Yields are expected decrease slightly

Prime office yields in the Baltic countries (%)

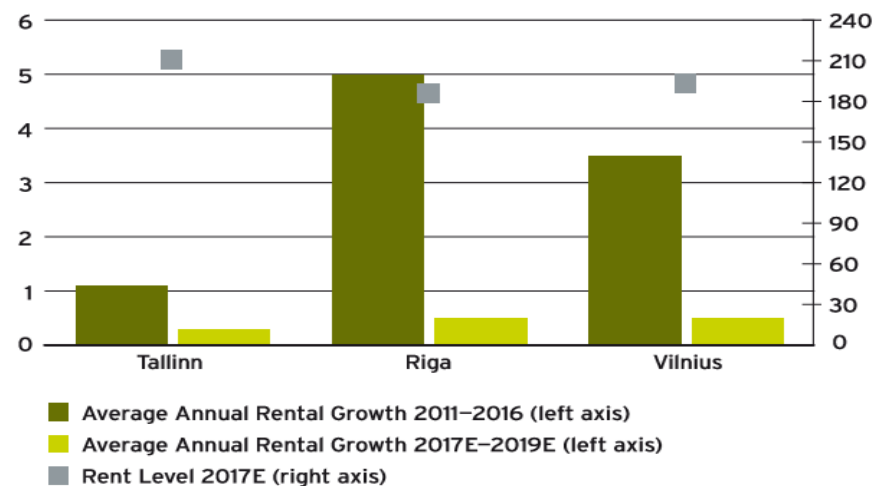


Prime retail yields in the Baltic countries (%)

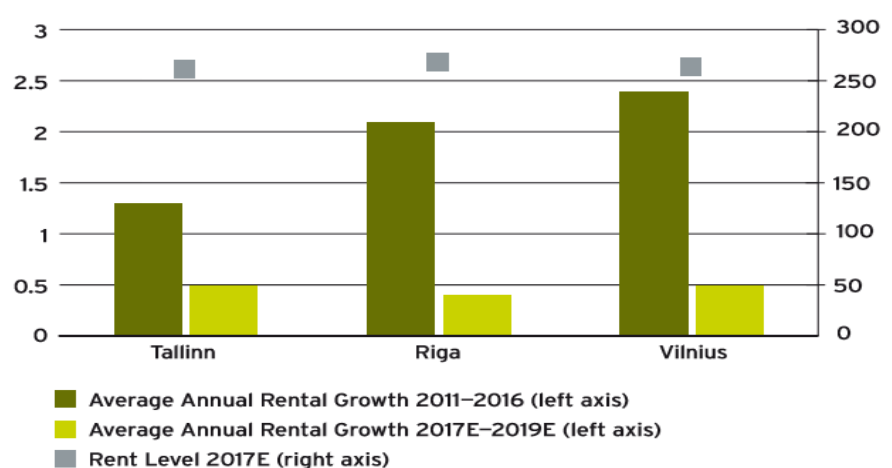


Source: Newsec Property Outlook, March 2017

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



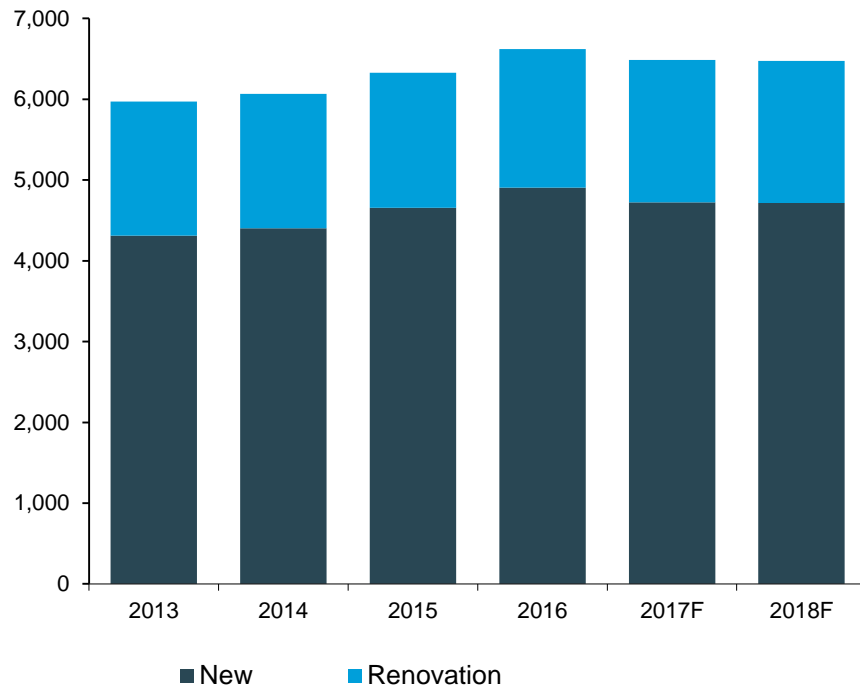
Prime retail rents in the Baltic countries, (% , EUR / sq. m. / year)



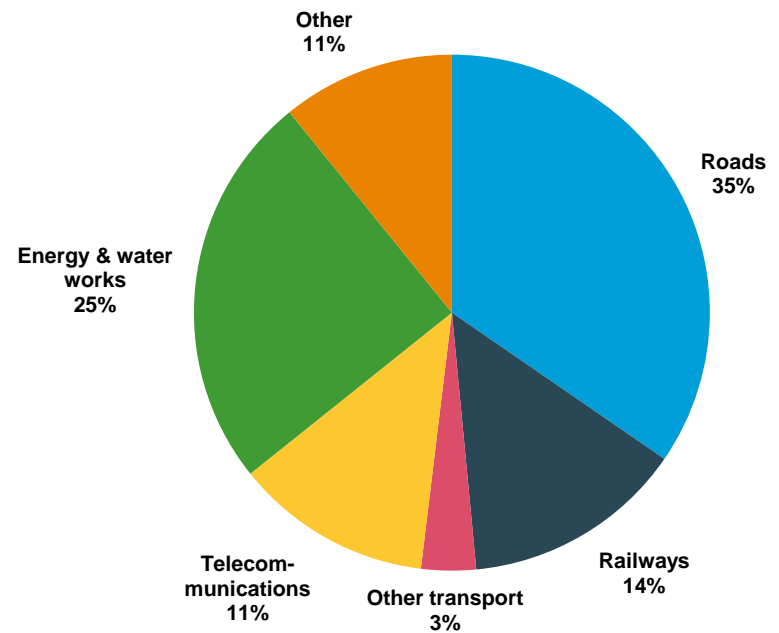
Infrastructure construction in Finland

Market expected to remain stable in 2017

Infrastructure market in Finland (EUR million)



Infrastructure sectors in Finland (2016)



Sources: Euroconstruct, June 2017

IV

Ownership

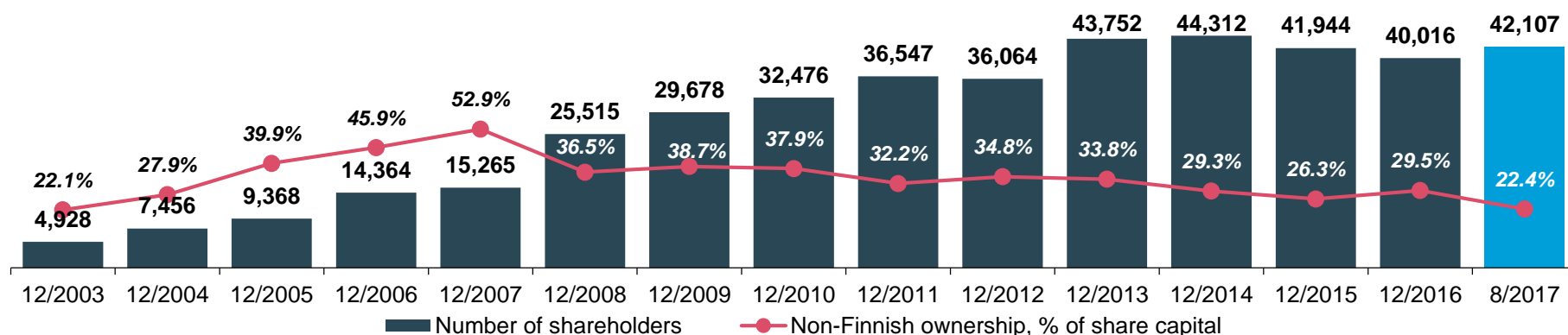


YIT's major shareholders

August 31, 2017

Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. OP Funds	5,927,552	4.66
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	2,947,517	2.32
7. Ilmarinen Mutual Pension Insurance Company	2,237,573	1.76
8. OP Cooperative	1,539,132	1.21
9. Aktia funds	1,530,000	1.20
10. Etera Mutual Pension Insurance Company	1,410,000	1.11
Ten largest total	38,612,422	30.35
Nominee registered shares	28,536,151	22.43
Other shareholders	60,074,849	47.22
Total	127,223,422	100.00

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



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You should consult the merger prospectus for more complete information about YIT, Lemminkäinen, their respective subsidiaries, their respective securities and the Merger.

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Lemminkäinen Corporation's shareholders should be aware that YIT Corporation may purchase Lemminkäinen Corporation's shares otherwise than under the merger, such as in open market or privately negotiated purchases, at any time during the pendency of the proposed merger.

**Together
we can
do it.**