



YIT – More life in sustainable cities

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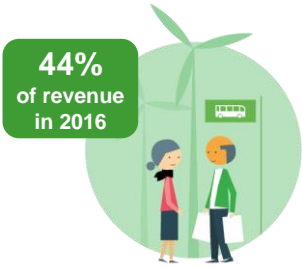


1

Strategy and merger update

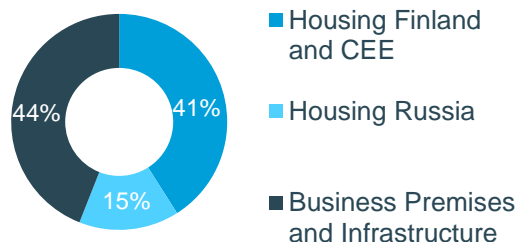


Balanced business portfolio

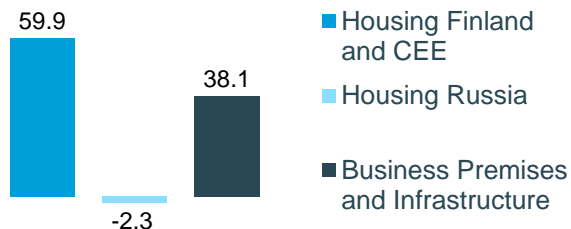
	 <p>HOUSING FINLAND AND CEE</p>	 <p>HOUSING RUSSIA</p>	 <p>BUSINESS PREMISES AND INFRASTRUCTURE</p>
BUSINESS OPERATIONS	We construct and develop apartments and entire residential areas.	We construct and develop apartments and entire residential areas, and we operate in service and maintenance businesses.	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.

A real estate developer and construction company with positive market outlook

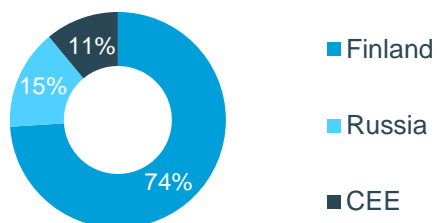
Revenue by segment*, EUR 1.8 bn



Adjusted operating profit by segment, EUR 80 million



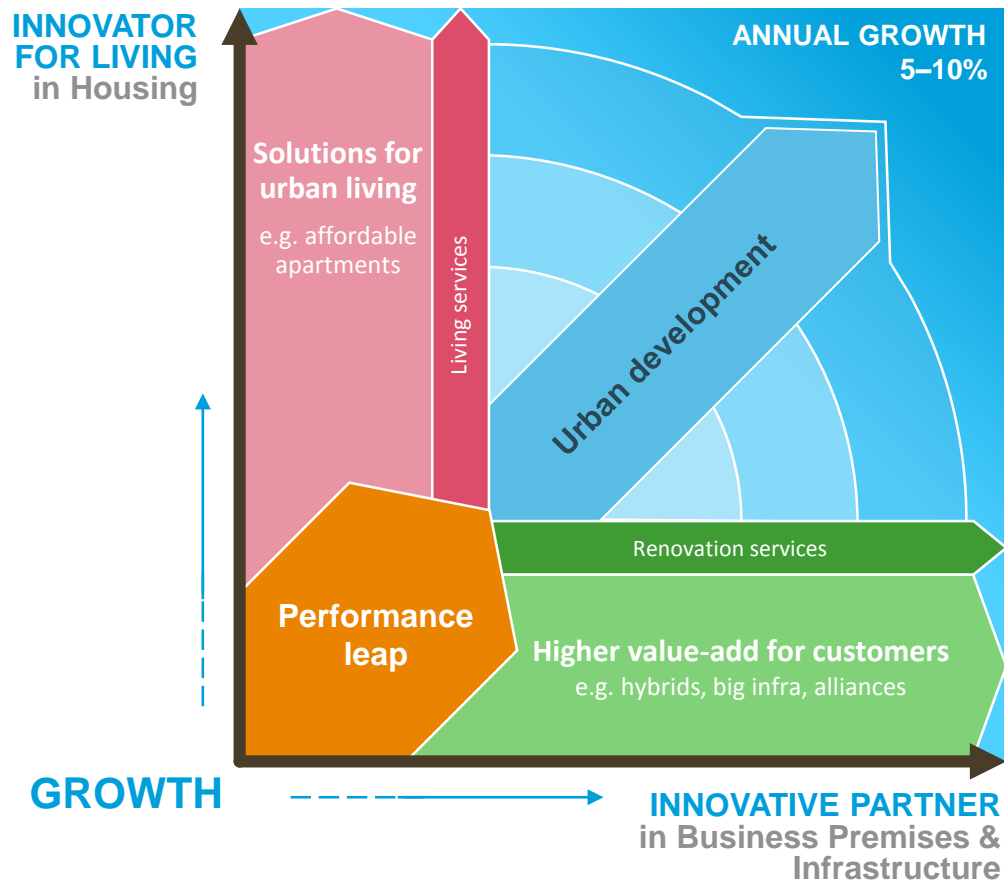
Revenue by geographical area



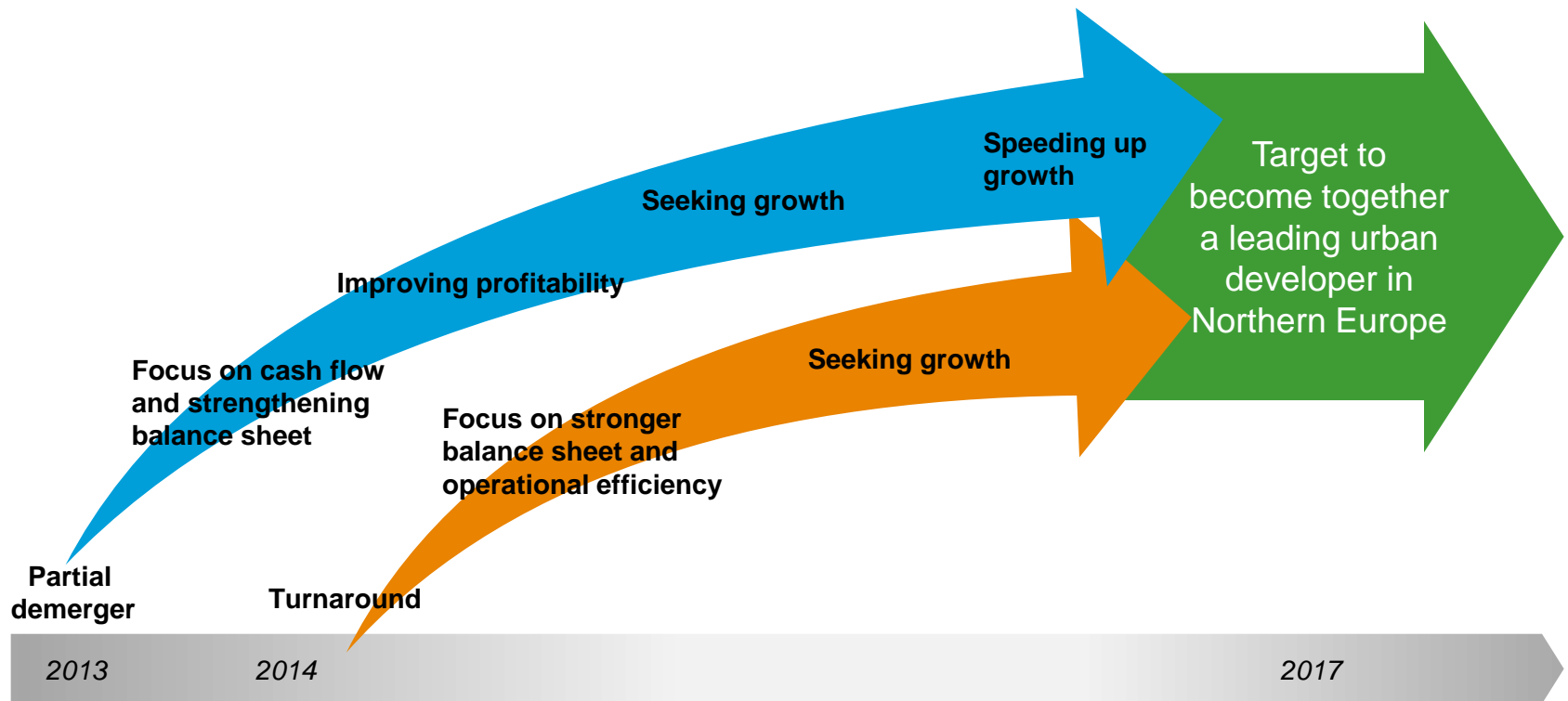
2016 figures based on segment reporting (POC)
 *%-shares excluding other items

Renewed strategy for 2017–2019

More life in sustainable cities



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

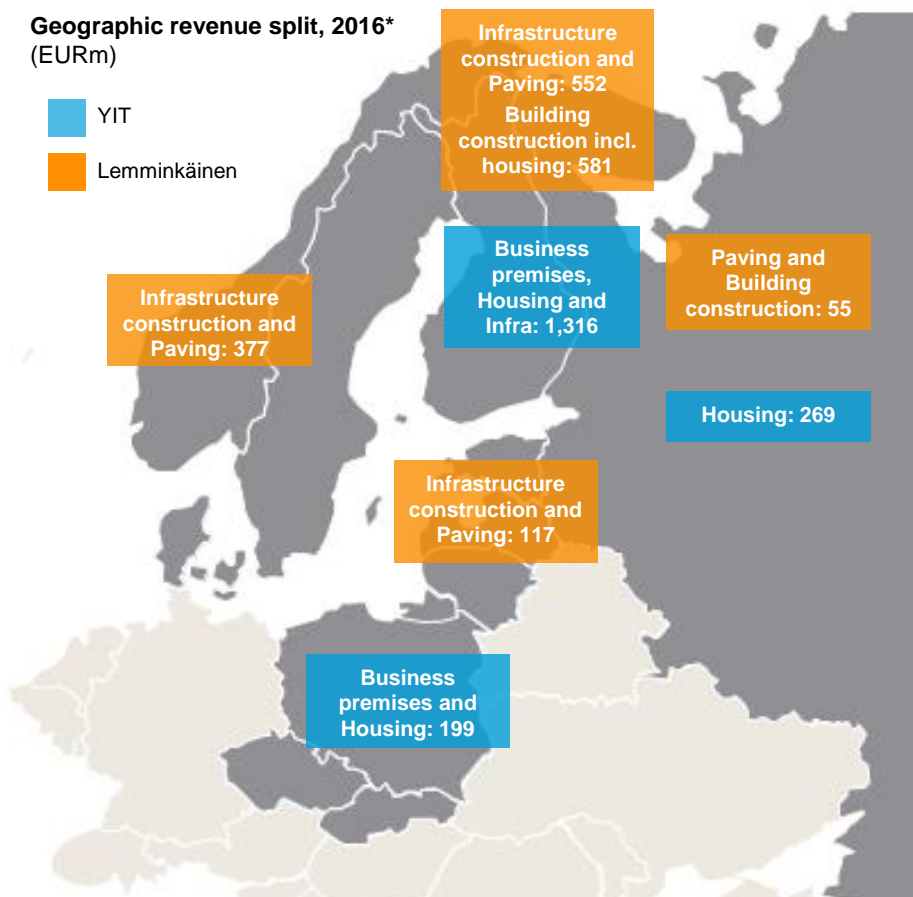
Enhanced investment case

- Significant market value, good liquidity of the share
- Balanced and improved risk profile
- Growing dividend expectation

Combined portfolio 2016

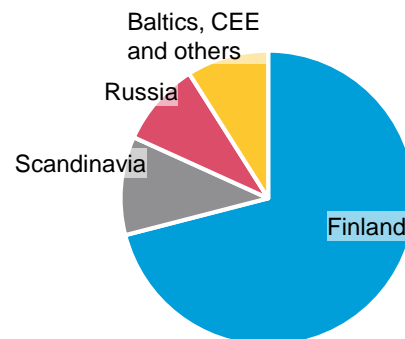
Geographic revenue split, 2016*
(EURm)

YIT
Lemminkäinen

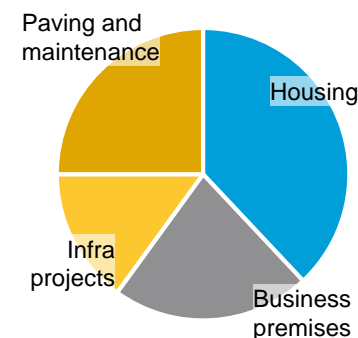


Illustrative combined revenue splits 2016*

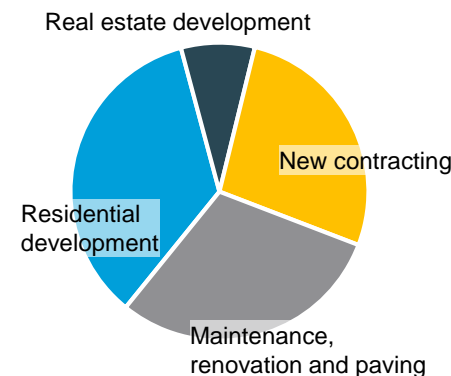
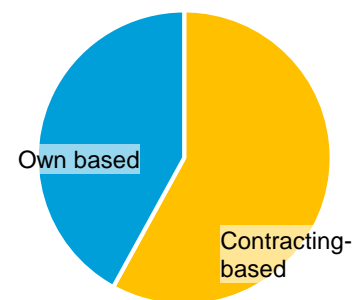
Geographic split*



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.

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*

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

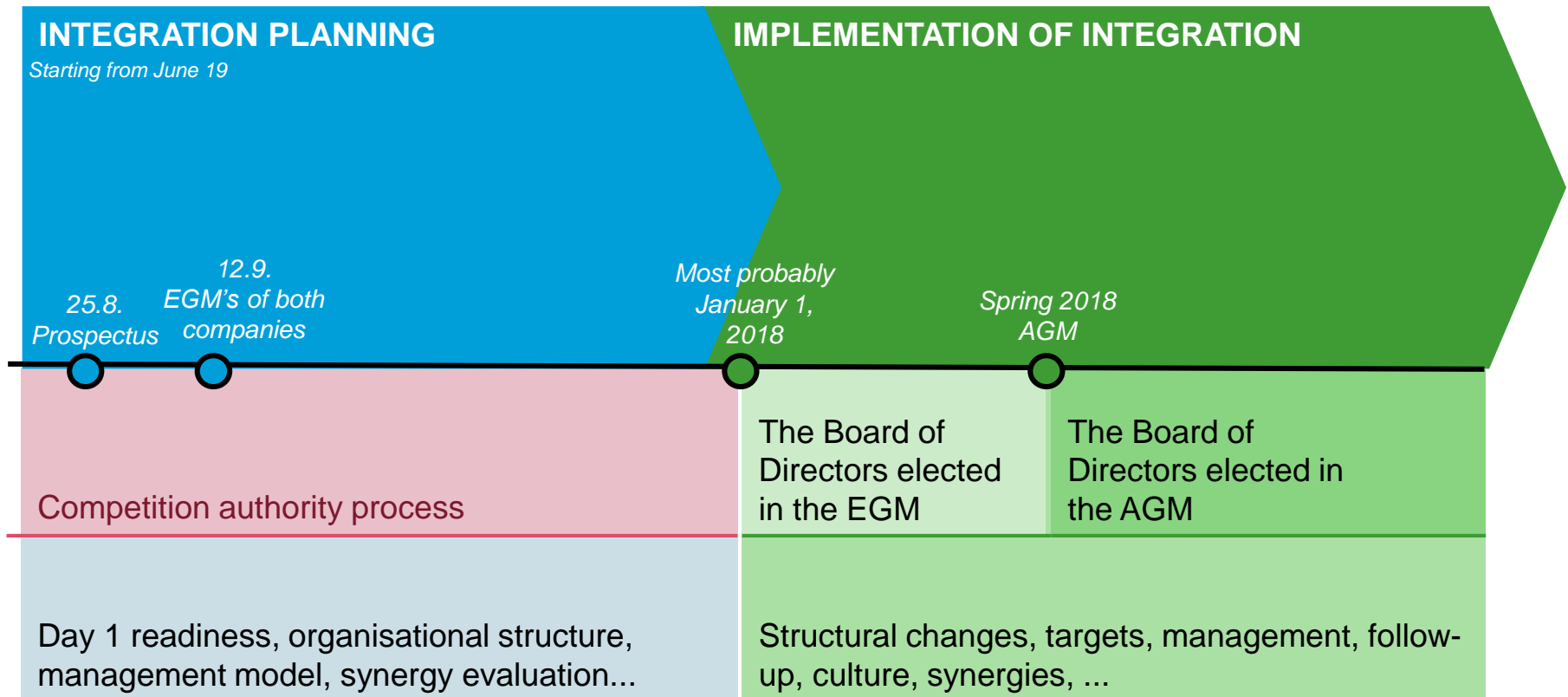
To be specified, when merger is completed and management team starts operation



Helsinki Central Library
Helsinki, Finland

The merger of YIT and Lemminkäinen

Next steps in the merger process



2

Housing Finland and CEE



Housing Finland and CEE

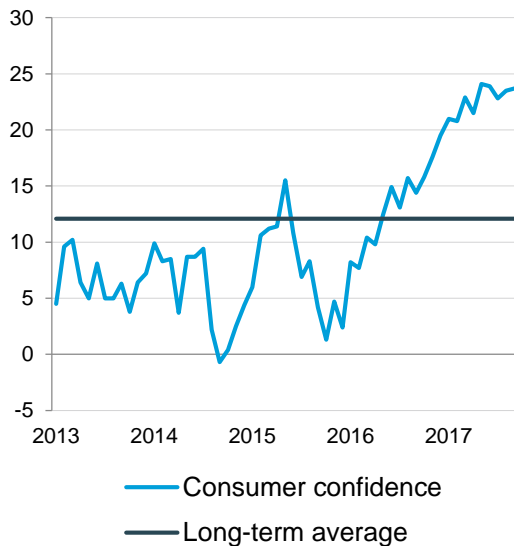
Operating environment in Finland in Q3

- Consumer confidence was on a record high level
- Residential investors were more selective, demand focused on capital region, Turku and Tampere

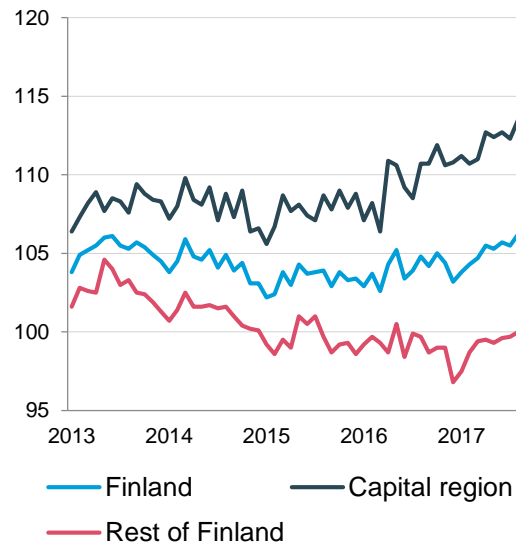
- Consumer demand was on a good level, no signs of overheating, supply on a high level
- Demand for larger apartments continued to improve in addition to the good demand for affordable apartments

- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans increased

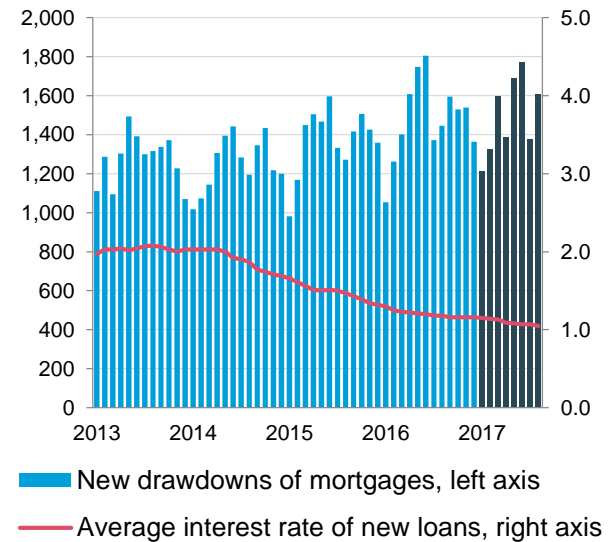
Consumer confidence



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



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

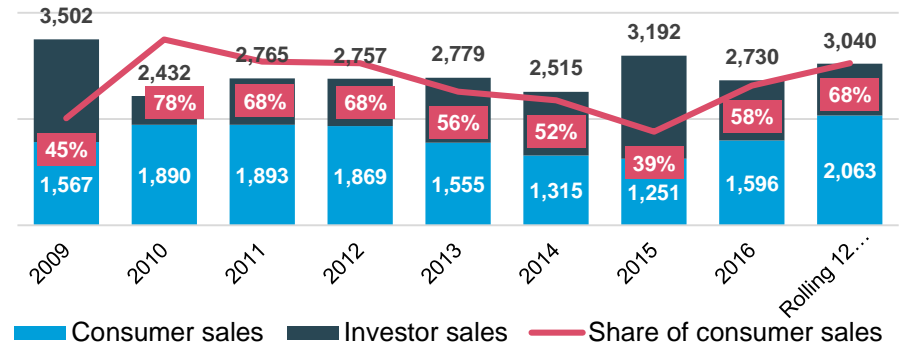


Sources: Statistics Finland and Bank of Finland

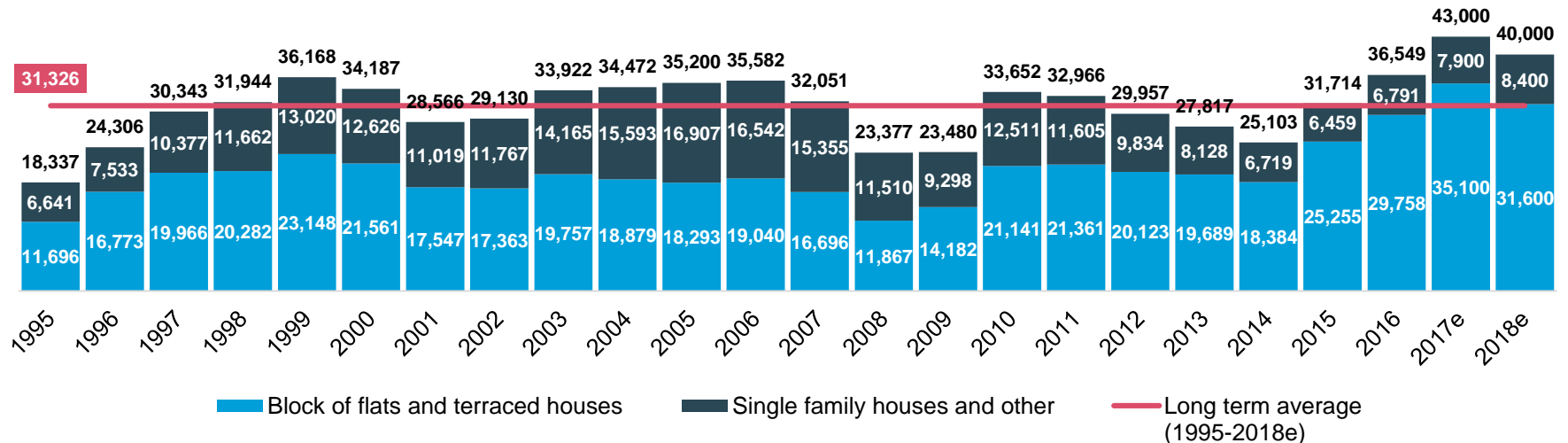
High construction volumes compensating quiet years in the past

- Sales are proceeding well, clear change in mix from investors to consumers
- Good development in growth areas in Finland
- Urbanisation trend favors blocks of flats
 - 500,000-600,000 people to move from countryside to cities by 2030

Change in YIT's sales mix (pcs)



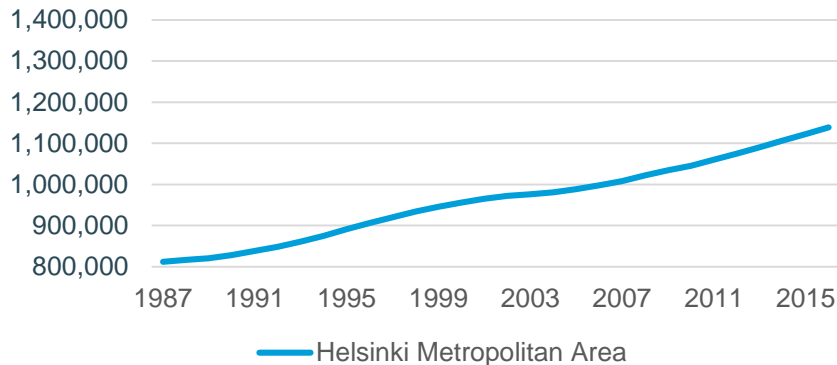
Housing start-ups in Finland in general (pcs)



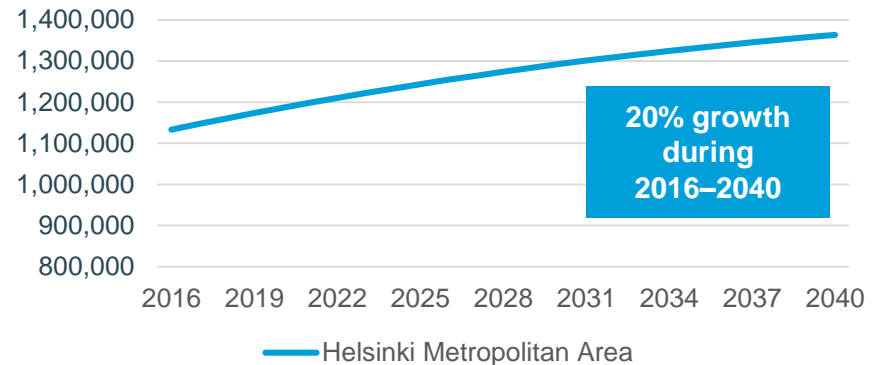
Urbanisation is supporting growth

- Population growth continues in growth centres despite the overall slowing trend in Finnish population growth

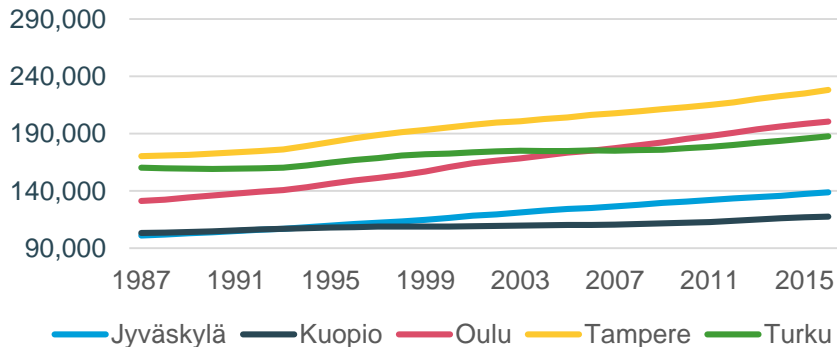
Population development in HMA



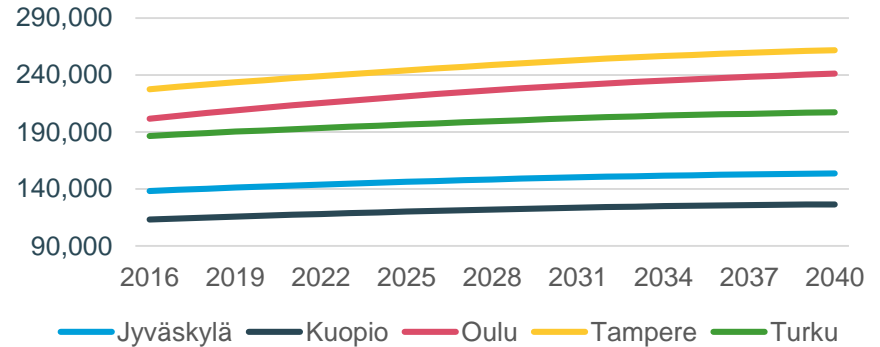
Population development forecast until 2040 in HMA



Population development in other growth centres



Demographic growth trend until 2040



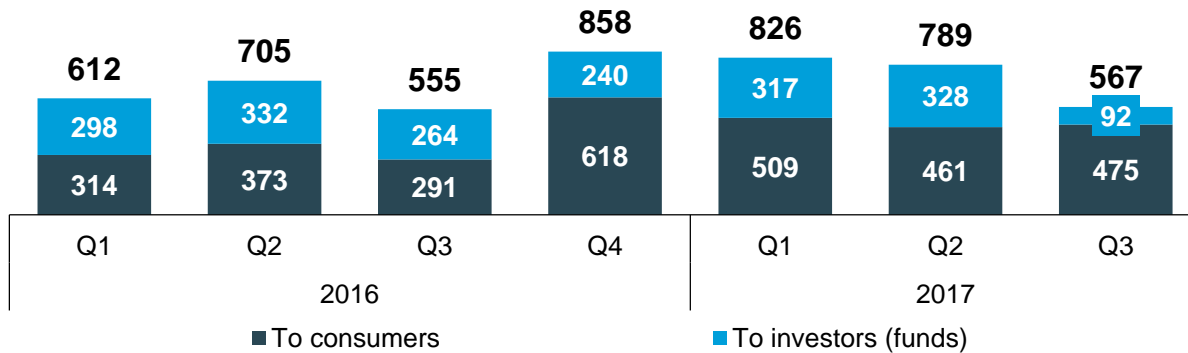
Housing Finland and CEE

Sales and start-ups in Finland in Q3

Sold apartments (units)

2016: 2,730

1-9/2017: 2,182

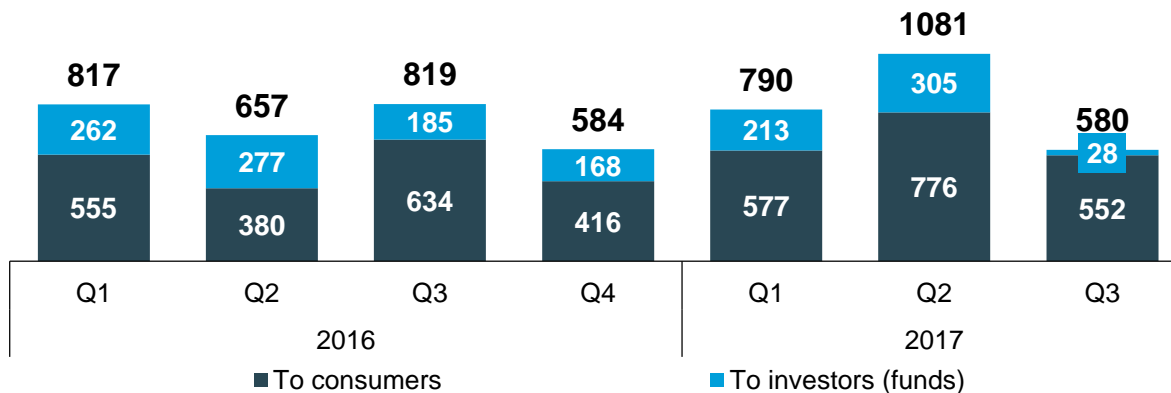


- Consumer sales increased by 63%
- Share of units sold to consumers record-high: 84% (Q3/2016: 52%)
- 64 apartments sold in bundles to investors (Q3/2016: 80 units)
- In October, estimated sales to consumers are around 160 units (10/2016: around 200 units)

Apartment start-ups (units)

2016: 2,877

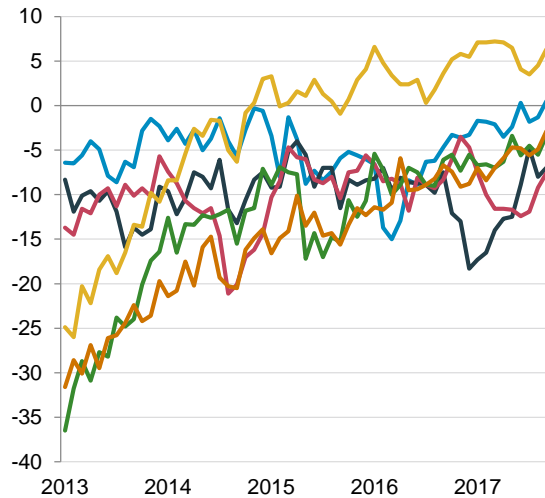
1-9/2017: 2,451



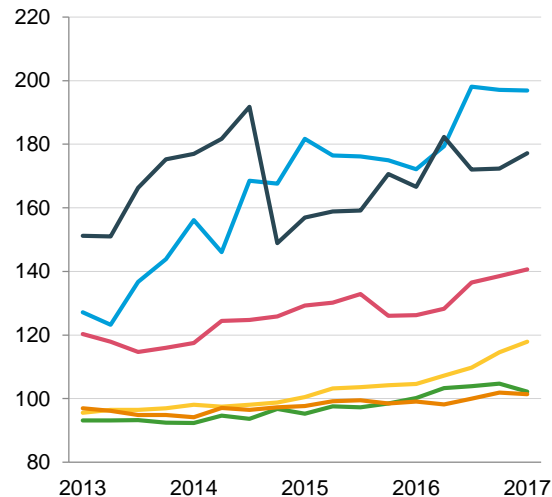
Operating environment in the CEE countries in Q3

- Residential demand was on a good level in Estonia, Lithuania, Slovakia and the Czech Republic
- 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

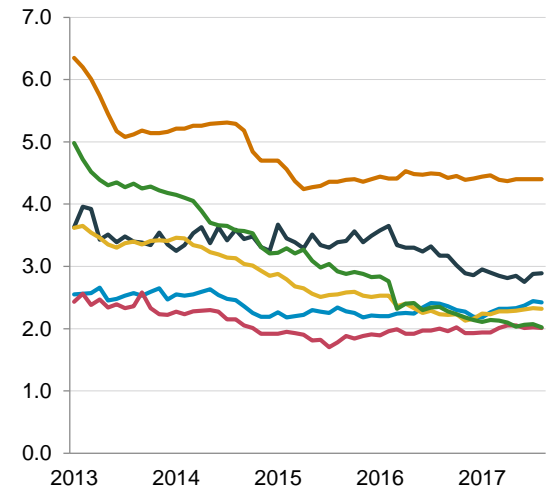
Consumer confidence



House price index, new dwellings (2010=100)



Average interest rate of mortgages (%)



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

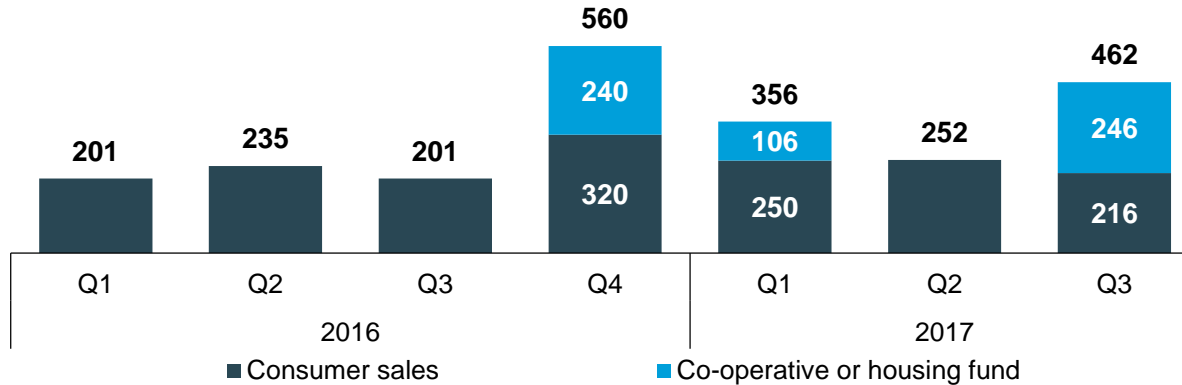
Sources: European Commission, Eurostat and National Central Banks

Sales and start-ups in the CEE countries in Q3

Sold apartments (units)

2016: 1,197

1-9/2017: 1,070



- Number of units sold to consumers grew by 7% y-o-y

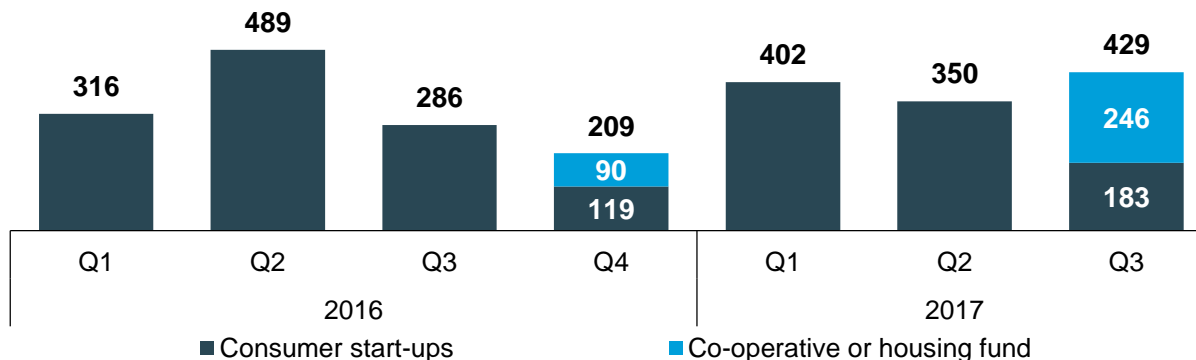
- Number of start-ups increased by 50%

- Two apartment building projects with total of 246 units was sold to YCE Housing I fund

Apartment start-ups (units)

2016: 1,300

1-9/2017: 1,181

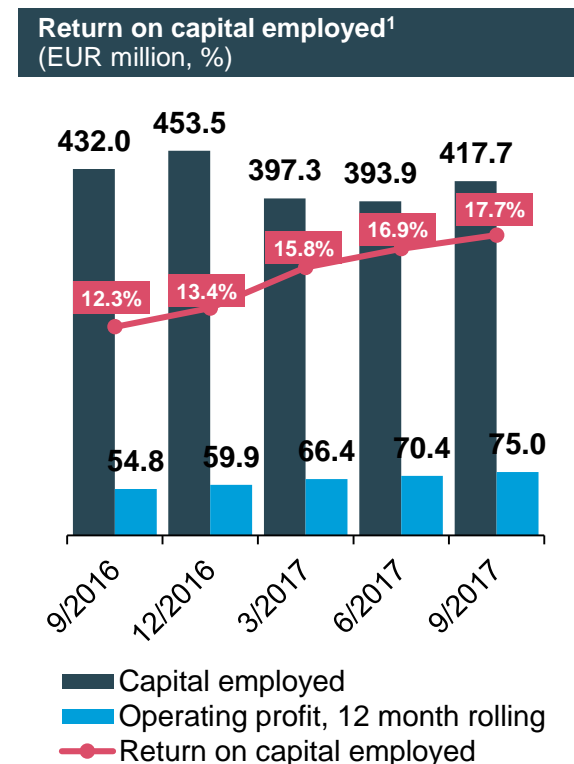
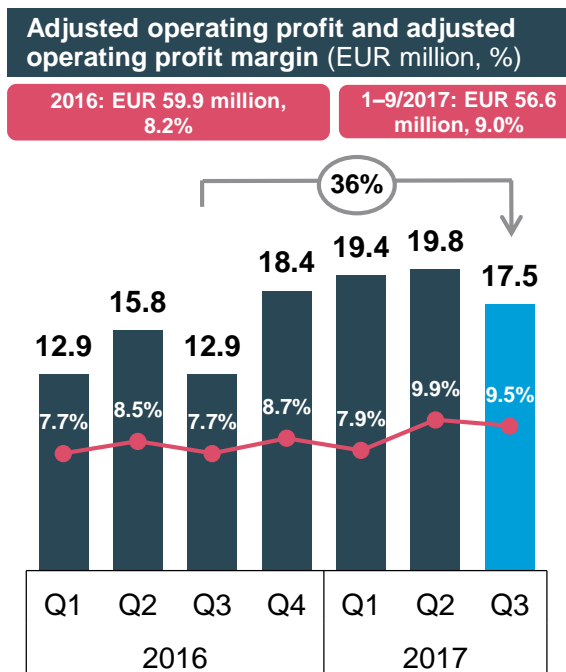
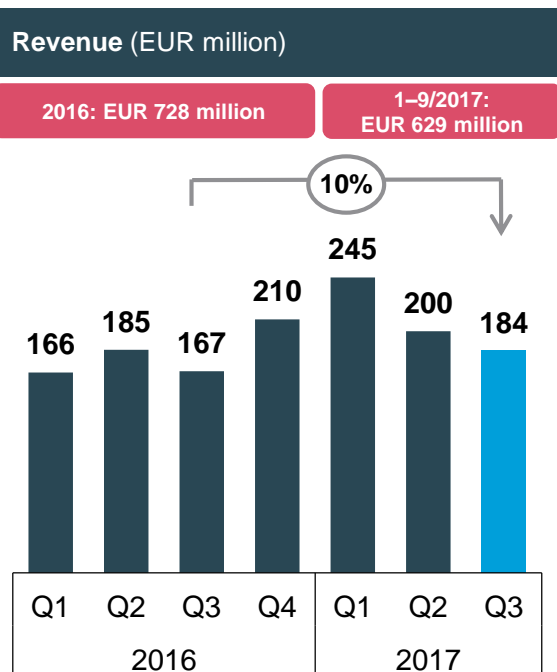


- In October, estimated sales to consumers are around 100 units (10/2016: around 100 units)

Housing Finland and CEE

Revenue, adjusted operating profit and ROCE in Q3

- Revenue increased by 10% y-o-y due to good sales especially in CEE
- Operating profit and profitability improved due to strong consumer sales
- ROCE continued to improve and was almost 18%



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.

3

Housing Russia



Lytkarino residential project
Moscow region, Russia

Housing Russia

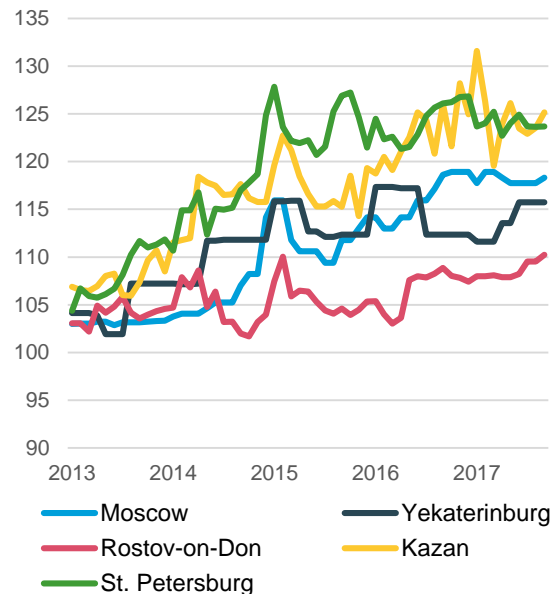
Operating environment in Q3

- Consumers continued to be cautious despite of slight improvement of the Russian economy
- Consumer purchase power still on a low level
- Consumer demand for housing improved in Moscow region and stayed on a low level in other cities
- Residential prices remained stable on average, supply still on a high level
- Mortgage interest rates for new apartments continued to decrease and are below the level of 10%
- The key rate cuts further increased expectations of a decrease in interest rates

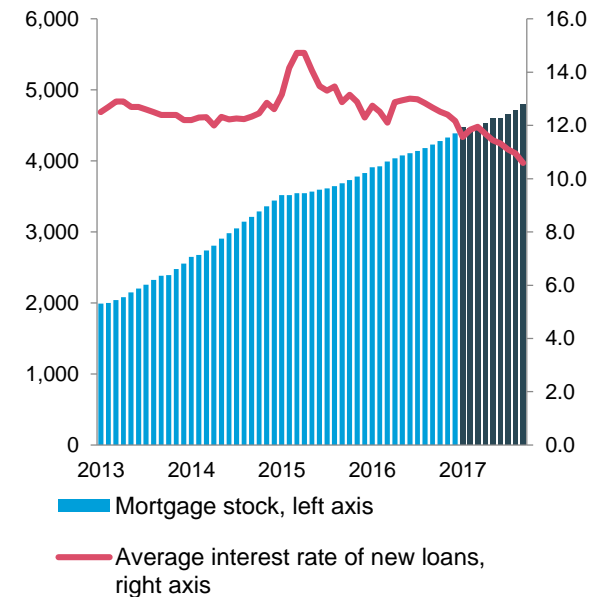
EUR/RUB exchange rate



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



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



Sources: Bloomberg, YIT and Central Bank of Russia

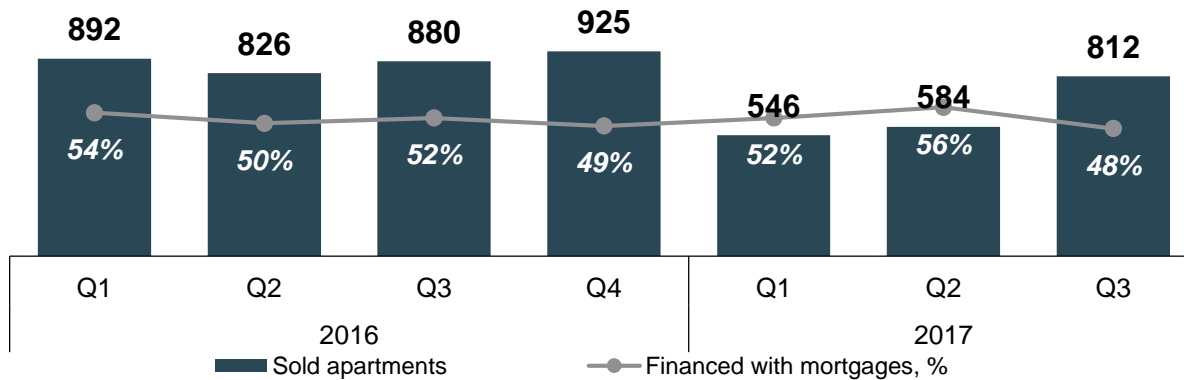
Housing Russia

Sales and start-ups in Q3

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

2016: 3,523 (51%)

1-9/2017: 1,942 (52%)

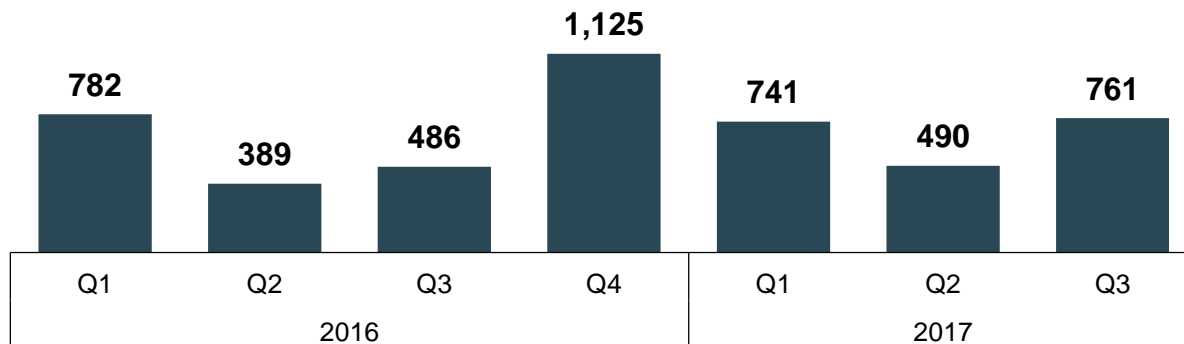


- Number of sold units decreased by 8% y-o-y
 - No changes in price lists
 - Sales increased by 39% from Q2, growth especially in economy segment
- Start-ups were increased in order to maintain the critical construction volume, target to release capital remains
- Share of sales financed with mortgages decreased to 48%
- In October, consumer sales estimated to be around 250 units (10/2016: over 300 units)

Apartment start-ups (units)

2016: 2,782

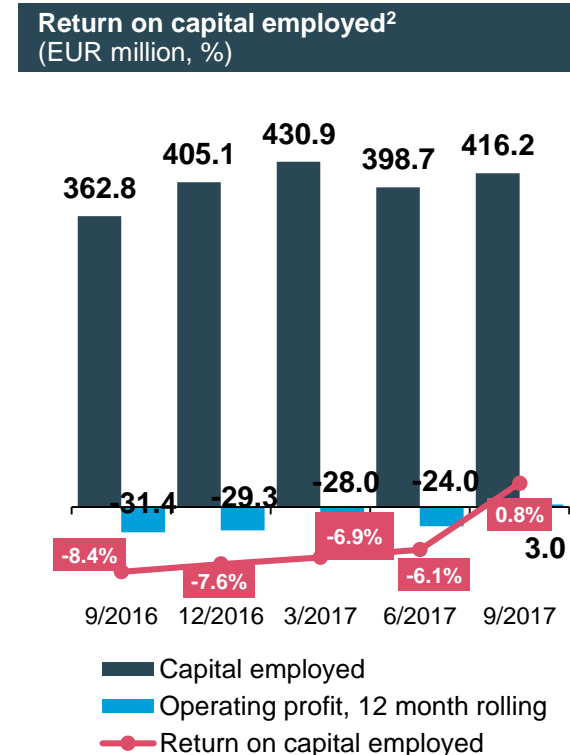
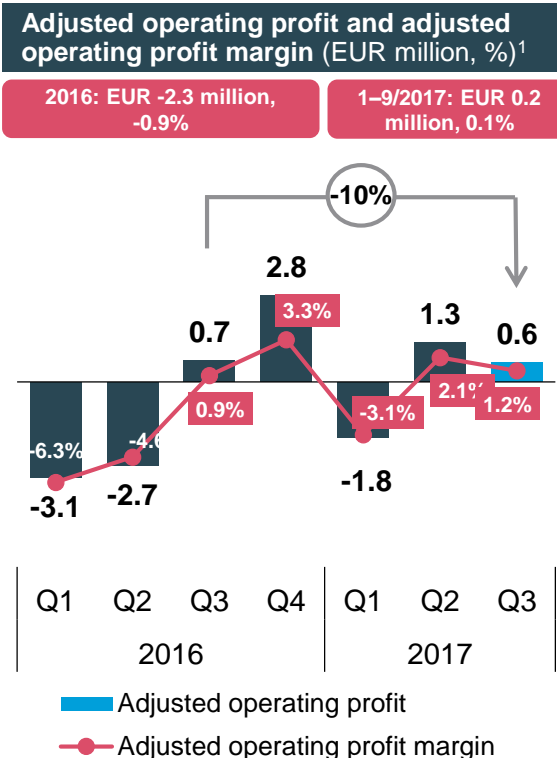
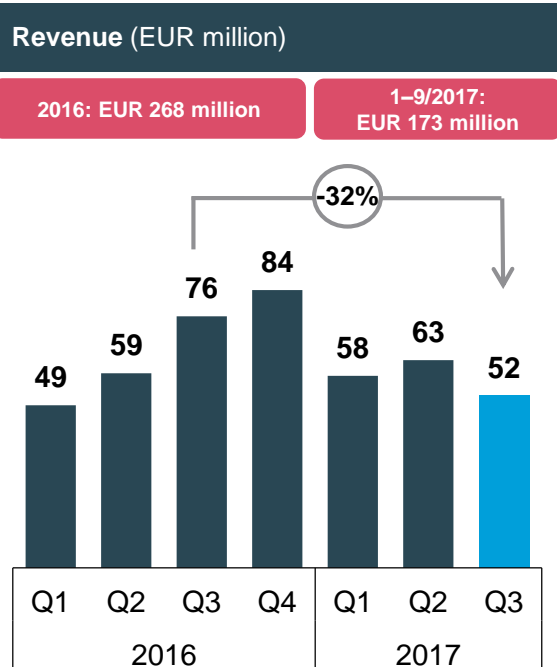
1-9/2017: 1,992



Housing Russia

Revenue, adjusted operating profit and ROCE in Q3

- Revenue decreased by 34% at comparable FX due to weak sales in St. Petersburg leading to lower average sales price
- Operating profit was positive in Q3 due to improved gross margins
- ROCE is still weak, however improved due to exclusion of write-down booked in Q3/2016 from rolling 12 months operating profit



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.

4

Business Premises and Infrastructure

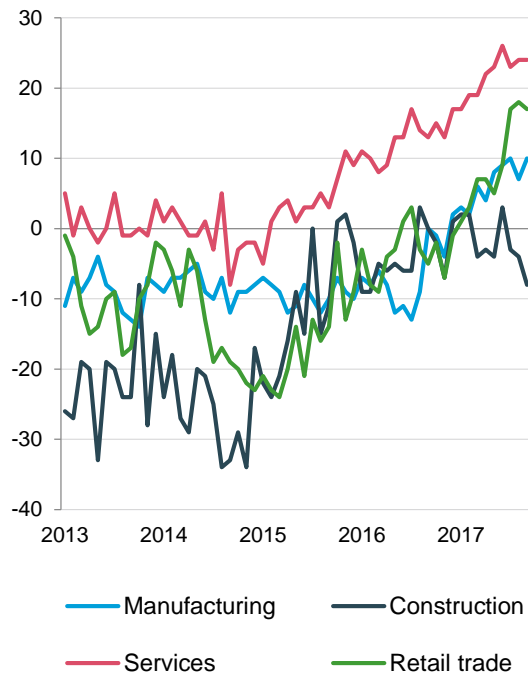


Business Premises and Infrastructure

Operating environment in Q3

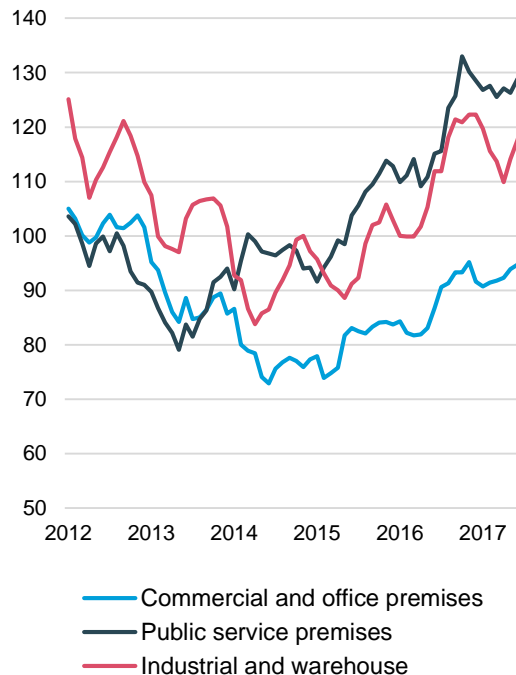
- Investor demand for business premises in prime growth centres was on a good level in Finland
- In Finland, the good overall market sentiment supported private investments

Confidence indicators in Finland



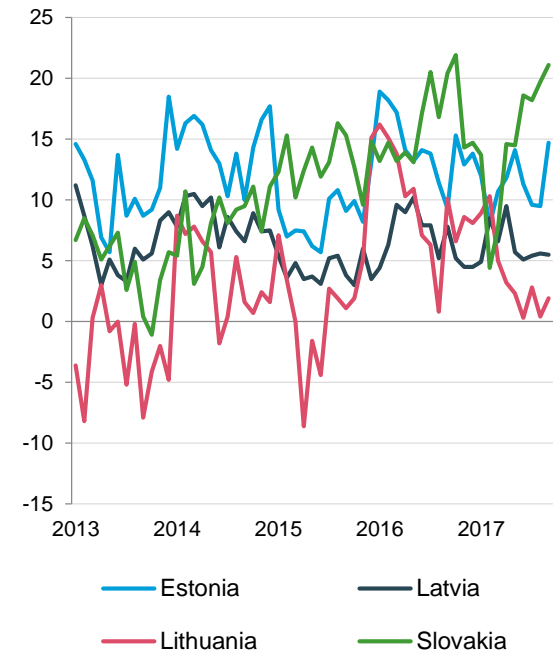
- The Finnish tender market and infrastructure market were active especially in the capital region and growth centres

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

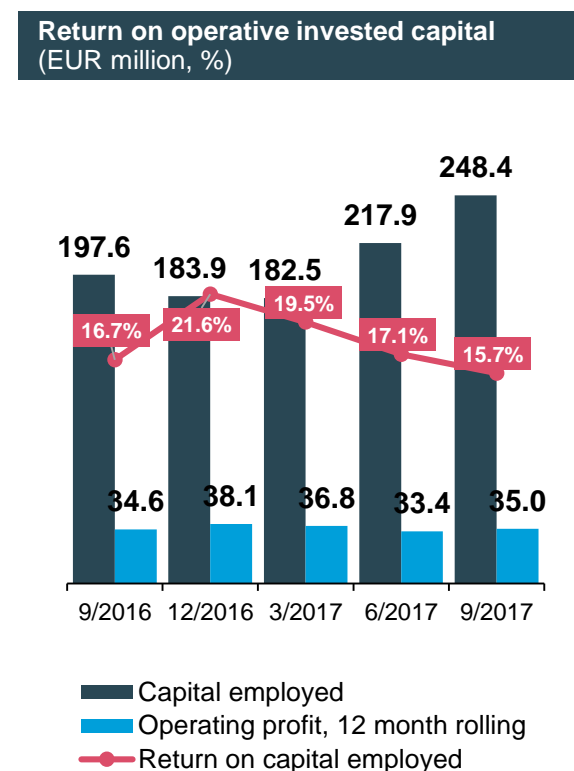
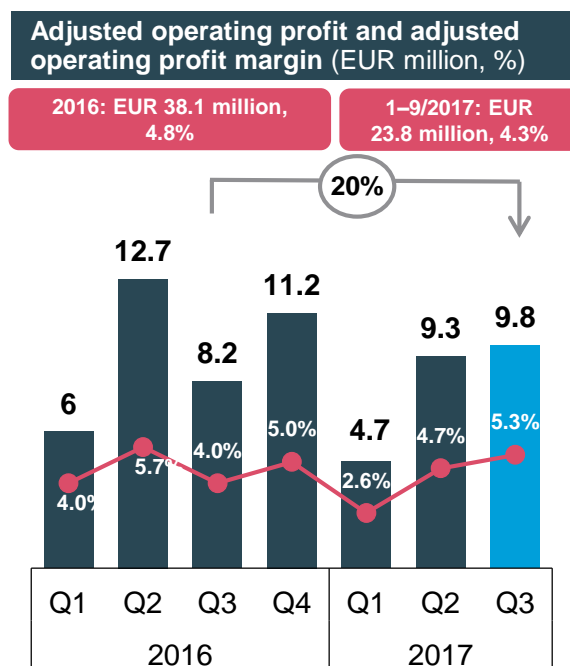
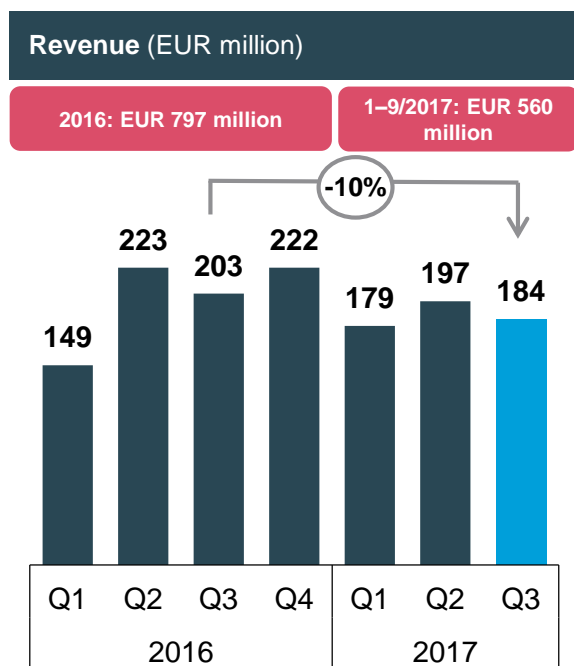


Sources: EK Confederation of Finnish Industries, Statistics Finland and European Commission

Business Premises and Infrastructure

Revenue, adjusted operating profit and ROCE in Q3

- Revenue decreased by 10% y-o-y
- Operating profit increased by 20% y-o-y, profitability on a good level
- Capital employed increased due to investments in the Tripla project



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

Tripla project: Pasila, Helsinki in the future



- EUR 1 billion hybrid project: offices, shopping and congress center, hotels, public transport terminal and apartments
- Project length ~ 10 years, constructed in phases
- Located in Pasila ~3.5 km away from the Central Railway Station of Helsinki
- Daily people flow through Pasila railway station ~80,000
- YIT as a developer, constructor and owner (partly)
- YIT one of the four finalists for Helsinki High Rise competition

Large projects proceeded according to plan in Q3

- The construction of the Tripla hotel was started
- The occupancy rate of Mall of Tripla increased to approximately 57% at the end of review period ahead of schedule
- New tender-based projects booked in Q3
 - Part of EUR 39 million life cycle school projects in Espoo
 - Road maintenance contracts, EUR ~100 million
 - Water towers in Finland, EUR 12 million in total
 - Several contracting projects in Lithuania, EUR 24 million in total



4

Looking ahead and conclusions



Market outlook, expectations for 2017

Finland

- Consumer demand to remain on a good level
- Activity of large investors to remain on a lower level compared to previous years, the importance of location and price level remains significant
- Residential price polarisation between growth centres and other Finland to continue
- Availability of mortgages to remain good
- Increased supply of apartments to prevent the market overheating
- 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, but the average project size to decrease
- 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

- The low point of the economic cycle has been passed, housing demand anticipated to improve slowly and price levels to remain stable on a low level
- The moderate recovery 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 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 going forward as well
- Residential prices to increase slightly
- Shortage of resources to increase construction cost inflation
- The price level of plots has increased, the competition for plots to remain on a high level



Guidance for 2017 (segment reporting, POC) unchanged

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**.

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

- At the end of September, 59% 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.
- A contract on the sale of the Kasarmikatu 21 office project in Helsinki for an international investor was signed in August. 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.



West Harbour's Terminal 2
Helsinki, Finland

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

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Important information regarding the merger of YIT and Lemminkäinen

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The combined income statement information has been calculated assuming the activities had been included in one entity from the beginning of each period. The preliminary revenue, adjusted operating profit and operating profit of the combined company have been calculated as a sum of combined financial information for the twelve months ended 31 December 2016. The combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information.

This presentation includes estimates relating to the synergy benefits expected to arise from the Merger and the combination of the business operations of YIT and Lemminkäinen, which have been prepared by YIT and Lemminkäinen and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the Merger and the combination of the business operations of YIT and Lemminkäinen on the combined company's business, financial condition and results of operations. The assumptions relating to the estimated synergy are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual synergy benefits from the Merger and the combination of the business operations of YIT and Lemminkäinen, if any, to differ materially from the estimates in this presentation. Further, there can be no certainty that the Merger will be completed in the manner and timeframe described in this presentation, or at all.

Notice to Lemminkäinen Corporation Shareholders in the United States

The YIT Corporation shares to be issued in connection with the merger have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being issued in reliance on the exemption from registration set forth in Rule 802 under the Securities Act.

YIT Corporation and Lemminkäinen Corporation are Finnish companies and the issuance of YIT Corporation shares will be subject to procedural and disclosure requirements in Finland that may be different from those of the United States. Any financial statements or other financial information included on this presentation may have been prepared in accordance with non-U.S. accounting standards that may not be comparable to the financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. shareholders of Lemminkäinen Corporation to enforce their rights and any claims they may have arising under U.S. federal securities laws in connection with the merger, since YIT Corporation and Lemminkäinen Corporation are located in non-U.S. jurisdictions, and some or all of YIT Corporation's and Lemminkäinen Corporation's officers and directors may be residents of countries other than the United States. As a result, U.S. shareholders of Lemminkäinen Corporation may not be able to sue YIT Corporation or Lemminkäinen Corporation or their respective officers and directors in a court in Finland for violations of U.S. federal securities laws. Further, it may be difficult to compel YIT Corporation or Lemminkäinen Corporation to subject themselves to the jurisdiction or judgment of a U.S. court.

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.**