



Roadshow presentation, May 2018



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1

Merger and integration

YIT

Lemminkäinen



The merger of YIT and Lemminkäinen

YIT



Revenue: EUR 1,909 million
Adjusted EBIT: EUR 122.3 million
Personnel: 5,427

YIT creates more attractive and sustainable urban environments by building housing, business premises, infrastructure and entire areas.

Lemminkäinen



Revenue: EUR 1,847 million
Adjusted EBIT: EUR 46.6 million
Personnel: 4,632

An expert in complex infrastructure construction and building construction in northern Europe and one of the largest paving companies in our market area.

2018 - MERGER

YIT is the largest Finnish and significant North European construction company. We develop and build apartments, business premises and entire areas.

We are also specialised in demanding infrastructure construction and paving. Together with our customers our 10,000 professionals are creating more functional, more attractive and more sustainable cities and environments.

We work in 11 countries: Finland, Russia, Scandinavia, the Baltic States, the Czech Republic, Slovakia and Poland.

Target to become together the leading urban developer in Northern Europe

* Revenue, adjusted EBIT and personnel at the end of period in 2017. YIT's figures according to POC (percentage-of-completion) and Lemminkäinen figures according to IFRS.

Merger rationale

1 | Strong platform for growth

- Target to become a leader in urban development
- More balanced business portfolio (housing, business premises, infrastructure projects, paving and 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

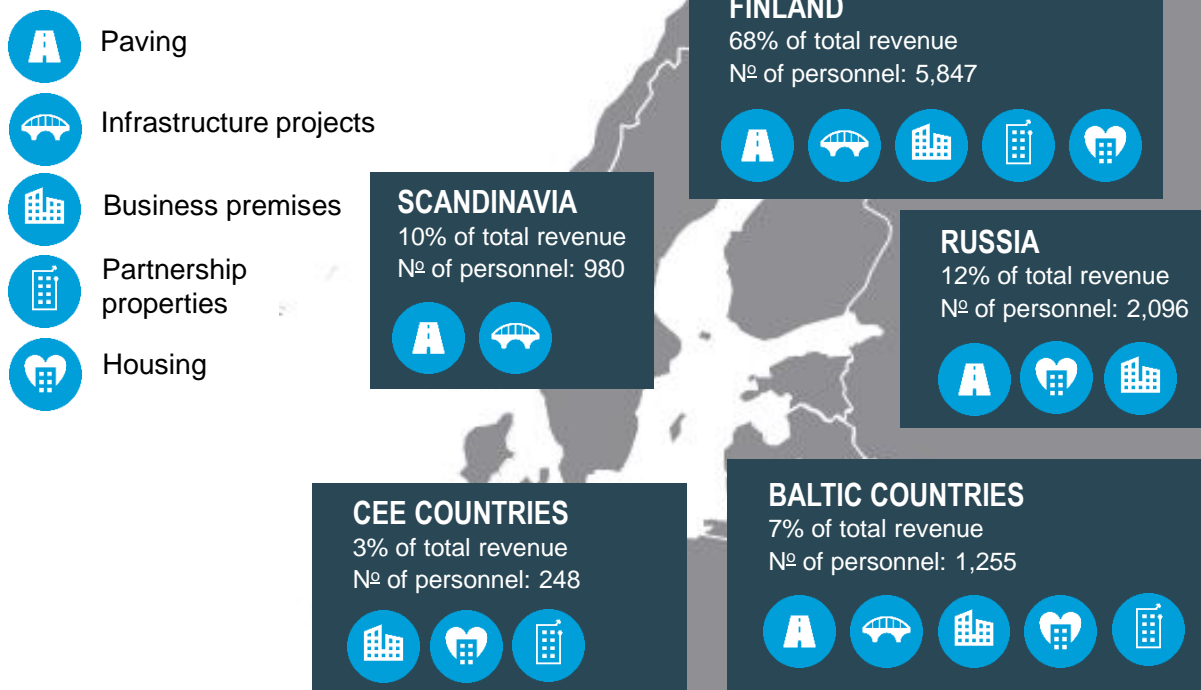
4 | Enhanced investment case

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

YIT and Lemminkäinen's combined operations 2017

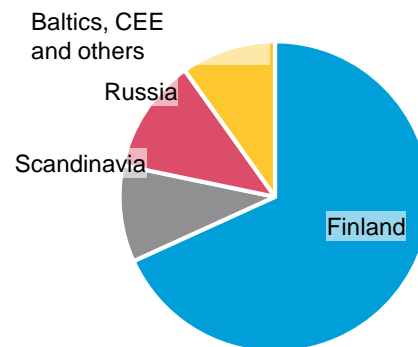
Geographic revenue split, 2017* (EURm)

Total revenue: EUR 3.8 billion

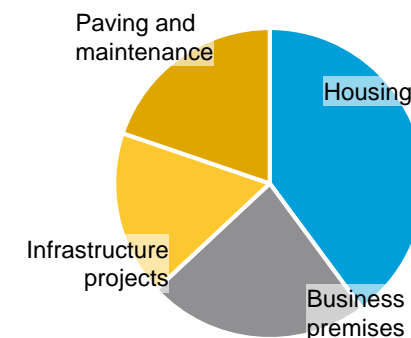


ILLUSTRATIVE COMBINED REVENUE SPLITS 2017*

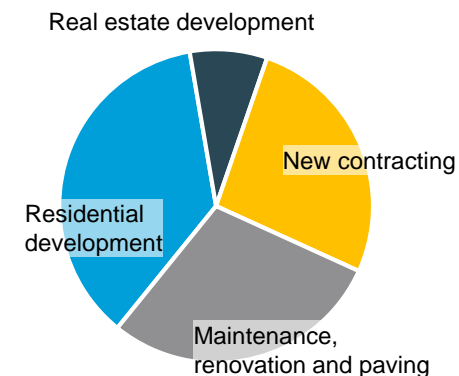
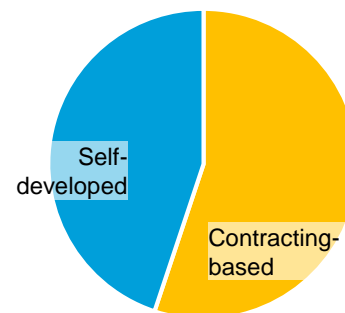
Geographic split*



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 IFRS principles for the year 2017. 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.

Pro forma and stand-alone key figures (IFRS)

IFRS	1-12/2017		
EUR million	Pro forma	YIT Stand-alone	Lemminkäinen Stand-alone
Revenue	3,862.5	1,993.8	1,847.2
Adjusted operating profit	138.9	105.6	46.6
<i>Adjusted operating profit % of revenue¹⁾</i>	3.6%	5.3%	2.5%
<i>Gearing</i>	59.9%	88.7%	40.0%
Order backlog	4,218.3	2,912.7	1,305.6
Average number of personnel 2017 ²⁾	10,431	5,233	5,198

- 1) Adjusted operating profit reflects the result of ordinary course of business and does not include material re-organization costs, impairment charges or other items affecting comparability
- 2) Number of personnel varies somewhat during a year due to the seasonal nature of the businesses.



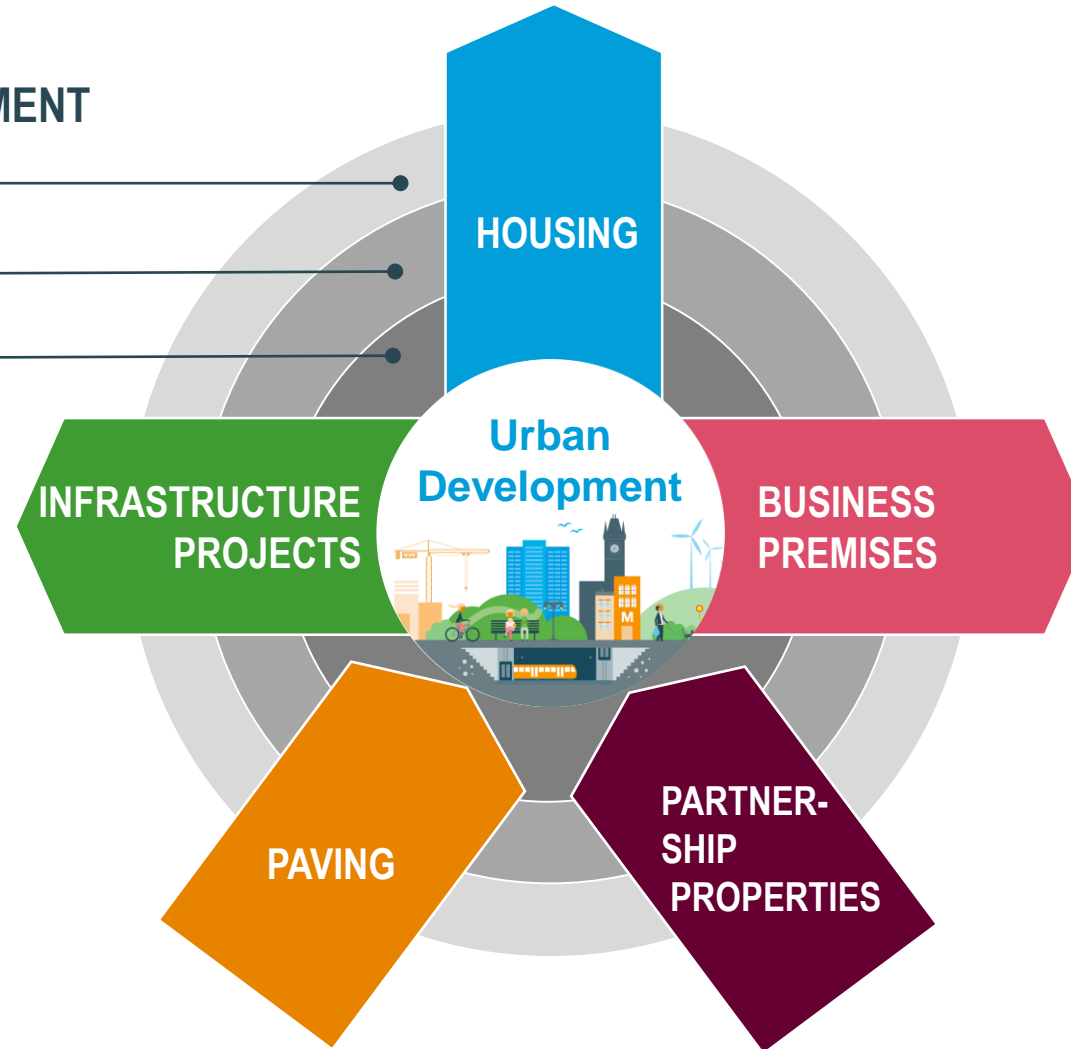
Urban development boosts the growth of balanced business portfolio

ASPECTS OF URBAN DEVELOPMENT

Project development —————●

Execution —————●

Ownership and services —————●



Preliminary financial targets

Long-term financial target	Target level
ROCE <i>[ROCE (excl. goodwill)]</i>	>12 % <i>[>15 %]</i>
Dividend per share	Growing annually
Equity ratio	>40 %
Cash flow	Positive after dividend payout

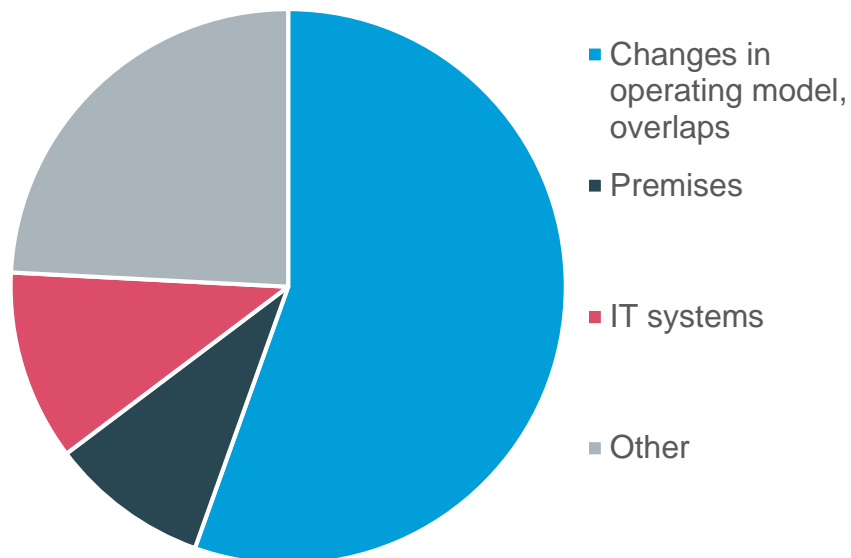
*To be specified in the on-going strategy process
and published later this year*



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Helsinki, Finland

Progress in synergy benefits and integration costs

MAIN SOURCES OF SYNERGY BENEFITS



Additional synergy benefits expected from refinancing in 2018–2019

ESTIMATED TIMING OF SYNERGY BENEFIT MEASURES, RUN RATE

Q1/2018	2018E	2019E	2020E
6	25–30	40–50	40–50

**ANNUAL SYNERGY
BENEFIT TARGET¹ AT
LEAST**

40–50
EUR MILLION

ESTIMATION OF ACHIEVED SYNERGY BENEFITS, BOOKED IN EBIT

Q1/2018	2018E	2019E	2020E
3	14–20	32–40	40–50

annual

**COST ESTIMATE AT
MAXIMUM**

40
EUR MILLION

ESTIMATED INTEGRATION COSTS²

Q1/2018	2018E	2019E	2020E
5	25	35	40

cumulative

¹ Full EBIT improvement potential per annum by the end of 2020, target set in June 2017

² Integration costs for 2017 were EUR 4 million

2

YIT in a nutshell



We offer the whole package

HOUSING FINLAND AND CEE



EUR 1.2 billion
EUR 83 million, 7.2%

Development and construction of apartments and entire living areas, living services, for consumers and investors

Mainly self-developed but also contracting

Finland
Poland, Slovakia,
the Czech Republic
Estonia, Latvia, Lithuania

HOUSING RUSSIA



EUR 400 million
EUR 5 million, 1.2%

Russia
*St. Peterburg, Moscow,
Russian regions*

BUSINESS PREMISES



EUR 900 million
EUR 52 million, 5.7%

Tailored office, retail, logistics, production, health and care premises, renovation services

Self-developed and contracting

Finland
Estonia, Latvia, Lithuania
Slovakia

INFRASTRUCTURE PROJECTS



EUR 700 million
EUR 17 million, 2.5%

Transportation infrastructure, industrial construction, water supply and power plants, excavation and reinforcement works

Contracting

Finland
Sweden, Norway
Estonia, Latvia, Lithuania

PAVING



EUR 800 million
EUR 5 million, 0.6%

Paving, production of mineral aggregates, stabilization, crushing, water-proofing, road maintenance

Contracting

Finland
Sweden, Norway, Denmark
Russia

PARTNERSHIP PROPERTIES



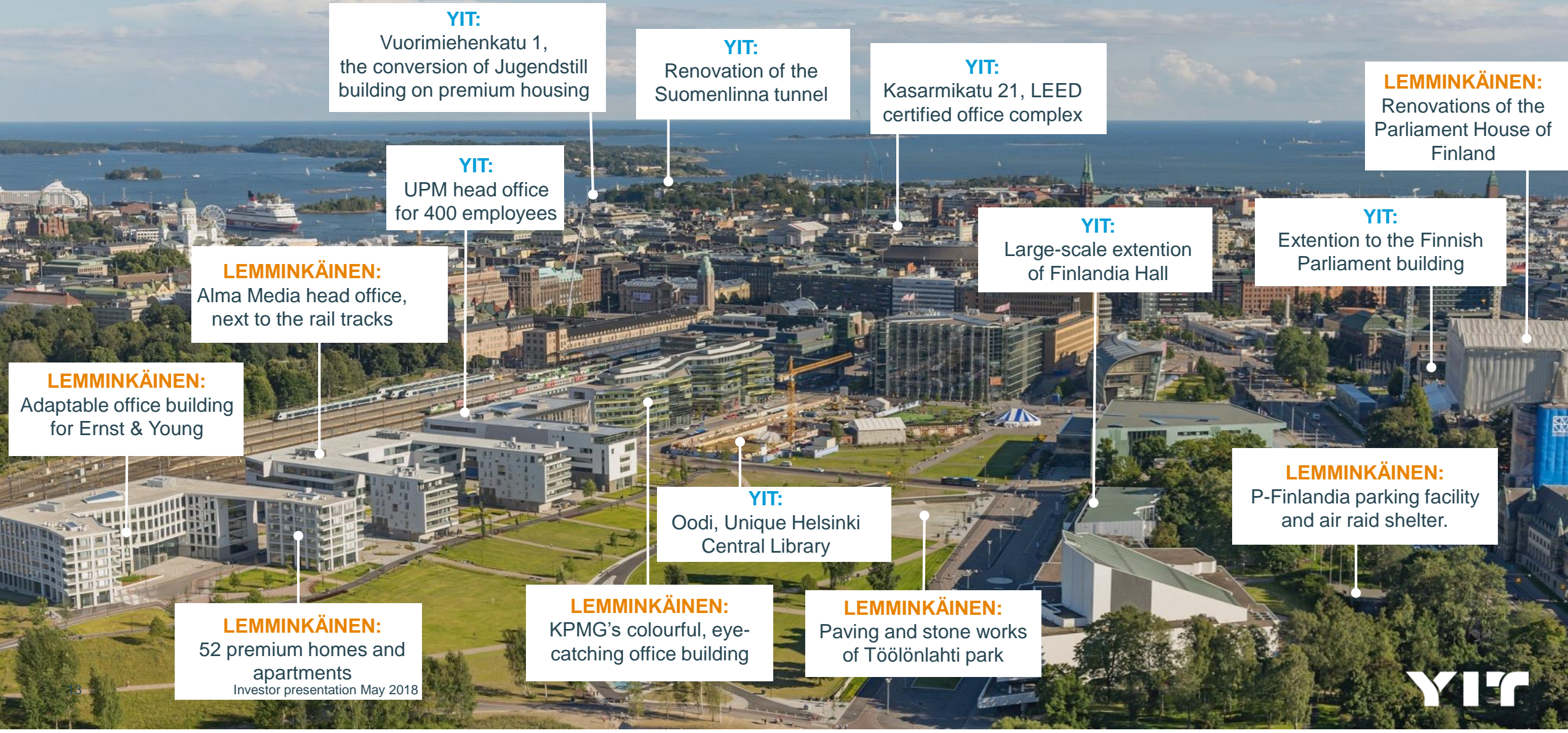
Equity investments / commitments:
EUR 152 million

Financing and partial ownership of projects together with partners

Ownership of project in:

- Business premises
- Housing Finland and CEE
- Infrastructure projects

Together we aim to be the leading urban developer in Northern Europe



YIT:

Vuorimiehenkatu 1,
the conversion of Jugendstil
building on premium housing

YIT:

Renovation of the
Suomenlinna tunnel

YIT:

Kasarmikatu 21, LEED
certified office complex

LEMINKÄINEN:

Renovations of the
Parliament House of
Finland

YIT:

UPM head office
for 400 employees

LEMINKÄINEN:

Alma Media head office,
next to the rail tracks

LEMINKÄINEN:

Adaptable office building
for Ernst & Young

YIT:

Large-scale extension
of Finlandia Hall

YIT:

Extension to the Finnish
Parliament building

YIT:

Oodi, Unique Helsinki
Central Library

LEMINKÄINEN:

KPMG's colourful, eye-
catching office building

LEMINKÄINEN:

Paving and stone works
of Töölönlahti park

LEMINKÄINEN:

P-Finlandia parking facility
and air raid shelter.

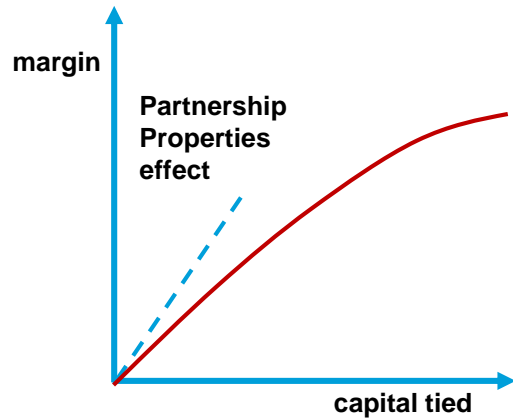
LEMINKÄINEN:

52 premium homes and
apartments

Investor presentation May 2018

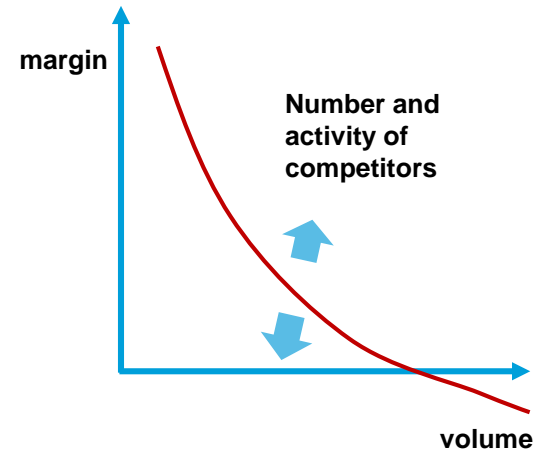
Self-developed vs. tender-based business model

SELF-DEVELOPED BUSINESS



Risks
Schedule
Demand
Sales price level
Interest level

TENDER-BASED BUSINESS



Risks
Costs
Intensity of competition
Employer's behaviour

- Through partnerships it is possible to achieve the best sides of both business models
 - Lower capital intensiveness
 - Higher margins than in traditional tendering
 - Take more out of YIT's development capability
 - Better visibility on future revenue sources
 - Creation of partnership network
- Dynamic business model in different market conditions

3

Performance in Q1/2018



Presentation of financial information in Q1

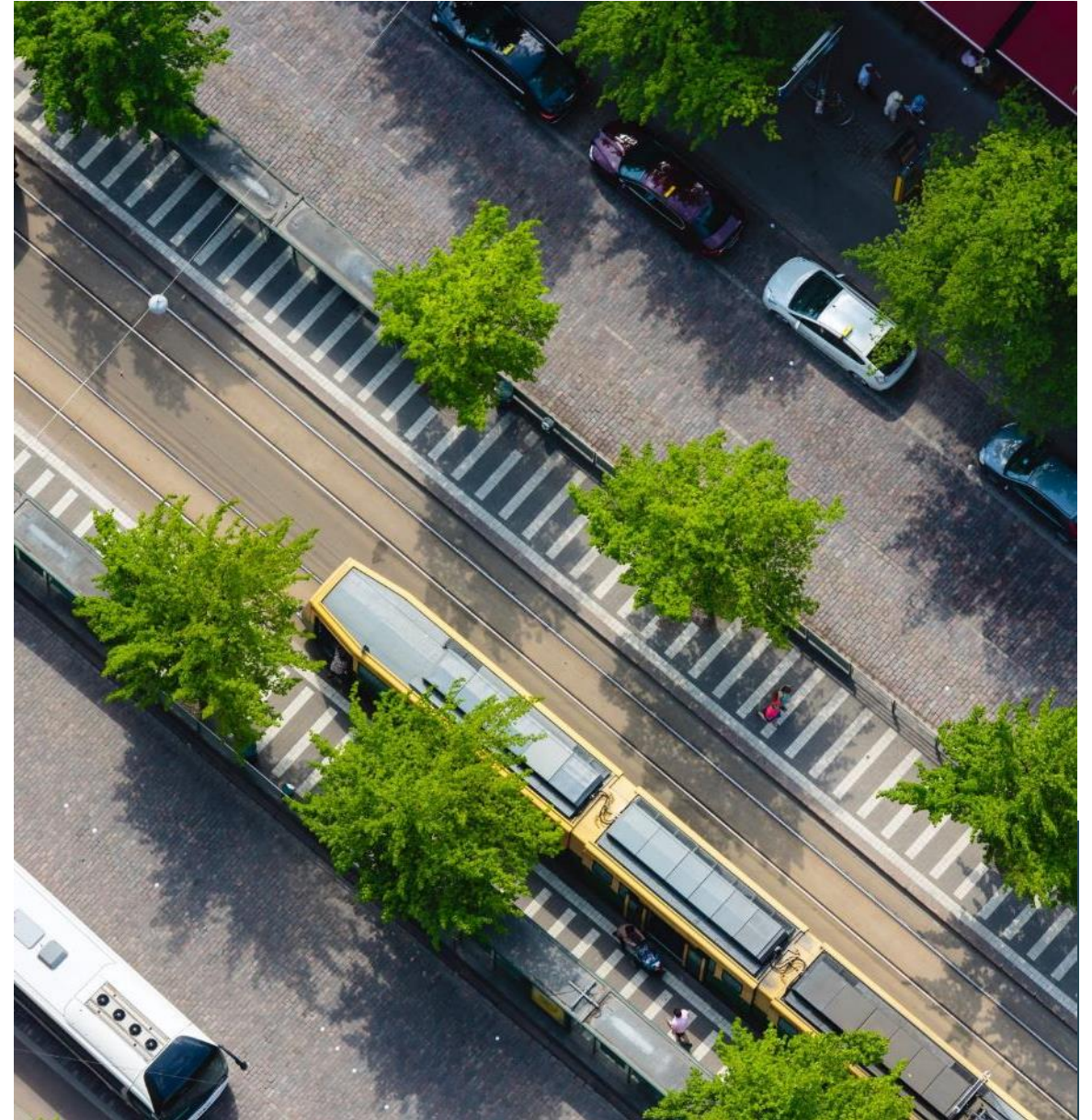
- In this presentation, all figures are pro forma figures, unless otherwise stated, to facilitate the comparability of the combined company's financial information
 - Following the merger of YIT and Lemminkäinen on February 1, 2018, YIT published pro forma figures for 2016 and 2017, which are used as comparison figures in this presentation
 - YIT reports pro forma figures for Q1/2018 to include Lemminkäinen's financial statements for January 1–January 31, 2018
 - Balance sheet based figures as at March 31, 2018 are actual reported figures
- All figures and comparisons are according IFRS reporting unless otherwise stated

Merger related fair value cost effects and goodwill have not been allocated to the segments' capital employed but are reported in segment level in "other items and eliminations". Therefore, adjustments due to merger related items have no impact on the segments' results.



Key messages in Q1/2018

- The merger was completed on February 1, 2018 and integration has started well
- The targeted synergy benefits will be realised sooner than expected, the total amount will increase
- Weakened margins in many projects in several segments
- Significant success in renting business premises – many large projects planned to be sold during 2018
- Cash flow was negative in Q1, as expected

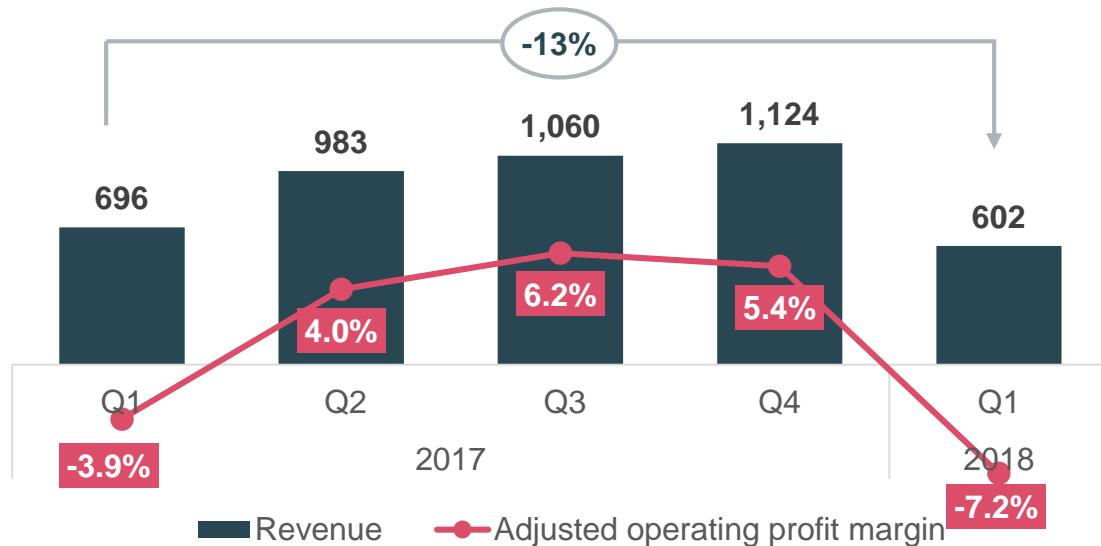


Revenue and profitability decreased

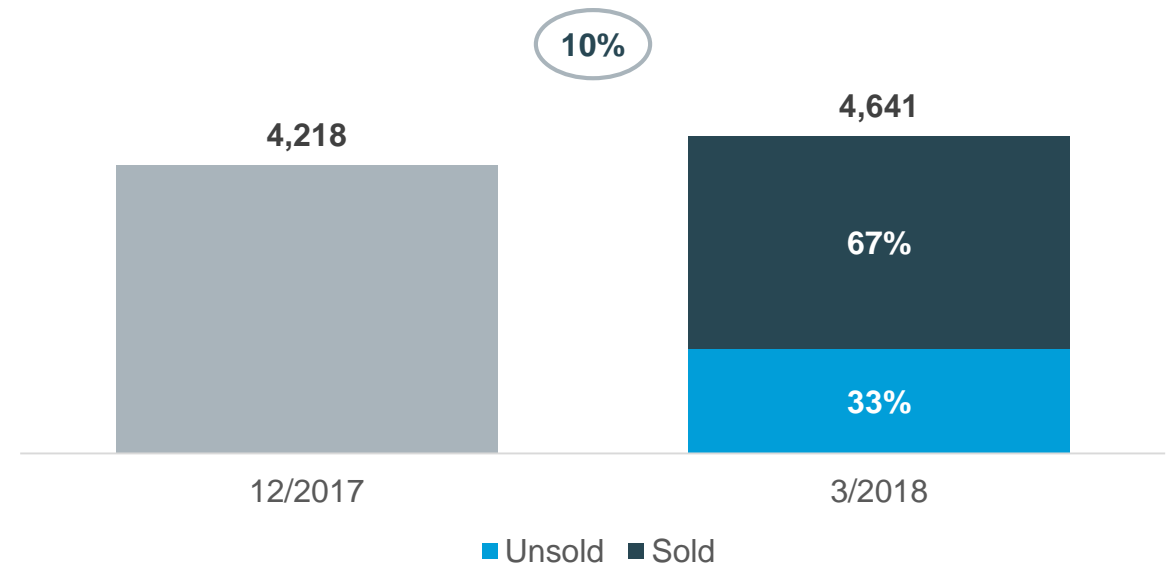
- Revenue decreased in all segments
- Profitability was negative due to normal seasonality and weakened margins in several projects
- Order backlog increased by 10% from year-end, increase especially in Infrastructure projects and Paving segments

REVENUE AND ADJUSTED OPERATING PROFIT MARGIN¹ (EUR million, %)

2017: EUR 3,863 million, 3.6%



ORDER BACKLOG (EUR million)



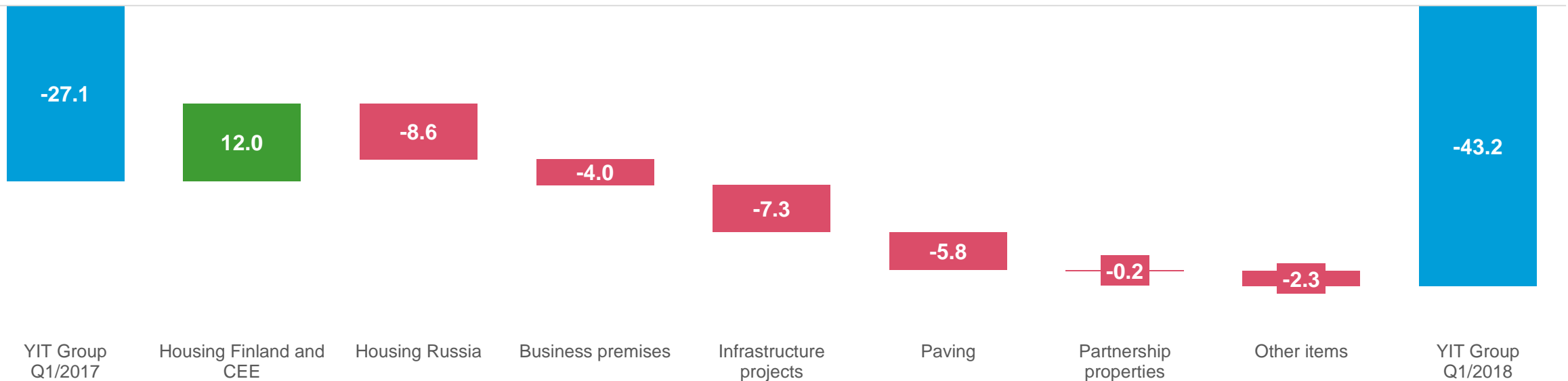
Figures above are pro forma figures. Order backlog 3/2018 is actual reported figure.

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

Group EBIT-bridge Q1/2017–Q1/2018

- The adjusted operating profit was burdened especially by lowered margins in the contracting business in Russia, in Infrastructure projects and Business premises as well as relatively low number of housing completions especially in Russia
- The improved profitability in Housing Finland and CEE segment had a positive effect on the result

ADJUSTED OPERATING PROFIT CHANGE, Q1/2017–Q2/2018 (EUR million)



Figures above are pro forma figures.

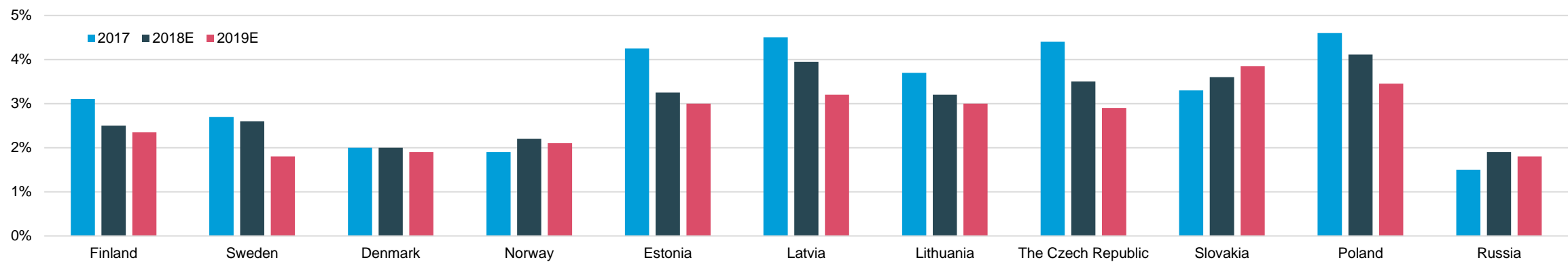
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Operating environment

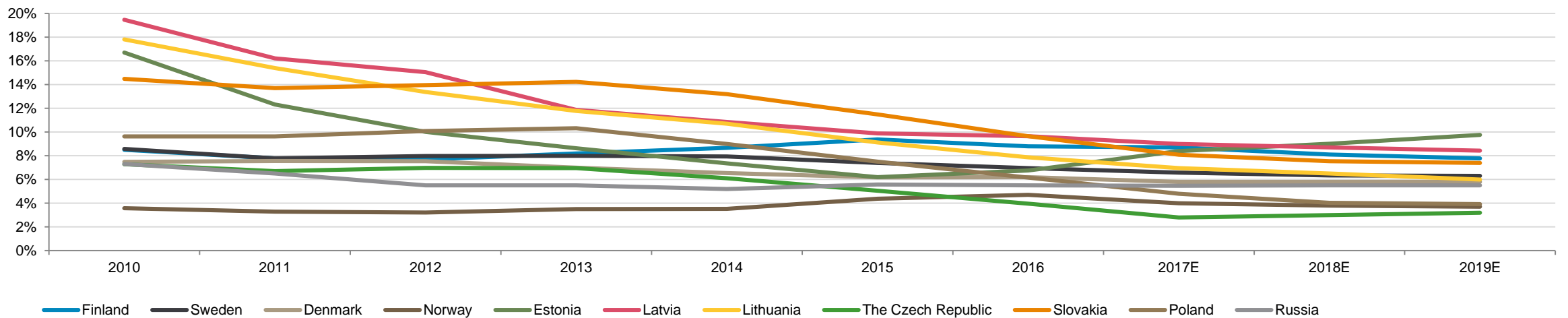


GDP growth and unemployment rate development in YIT's operating countries

GDP GROWTH IN YIT'S OPERATING COUNTRIES, %



UNEMPLOYMENT RATE IN YIT'S OPERATING COUNTRIES, %



Sources: GDP growth: Bloomberg consensus, Unemployment: IMF



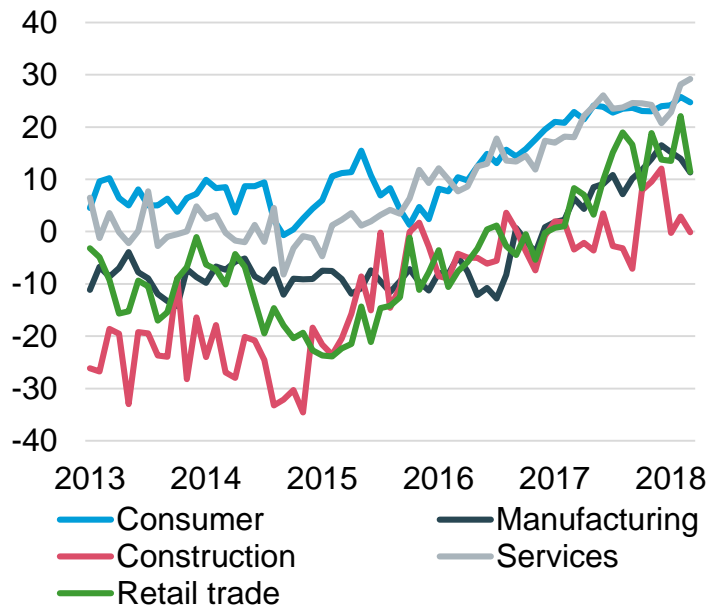
Operating environment for housing in Q1

- In Finland, consumer demand was on a good level, no signs of overheating, supply on a high level
- Residential investors' demand focused especially on capital region, Turku and Tampere

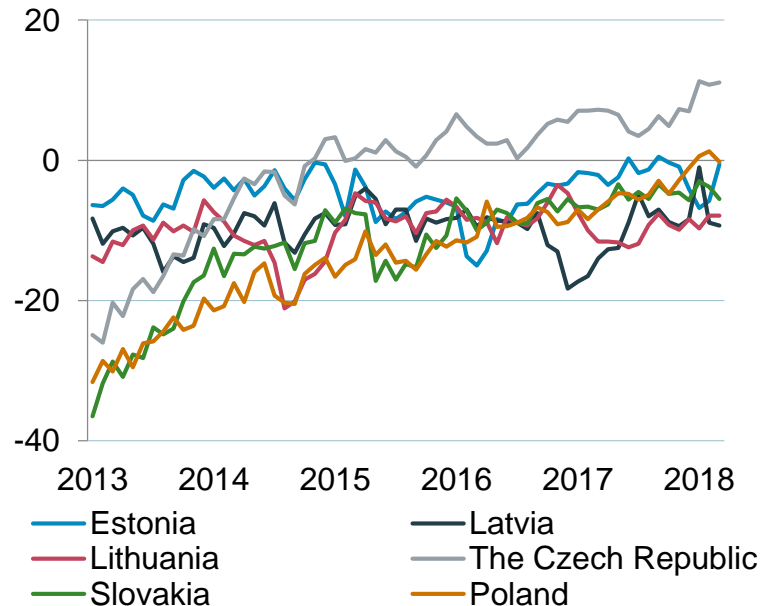
- Consumer demand was mainly brisk in the CEE countries
- Due to increased construction volume, shortage of resources caused cost pressure

- In Russia, consumers continued to be cautious despite of the mild improvement of the Russian economy
- Demand remained stable on the year-end level, improved slightly especially in the Moscow region

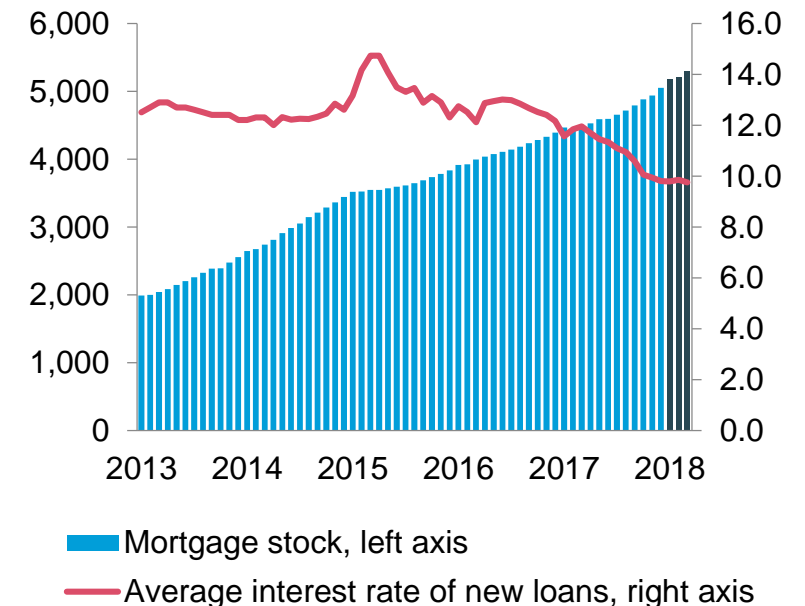
CONFIDENCE INDICATORS IN FINLAND



CONSUMER CONFIDENCE IN THE CEE COUNTRIES



MORTGAGE STOCK AND AVERAGE INTEREST RATE IN RUSSIA (RUB billion, %)



Sources: Statistics Finland and Confederation of Finnish Industries, EK; European Commission; Central Bank of Russia

Group

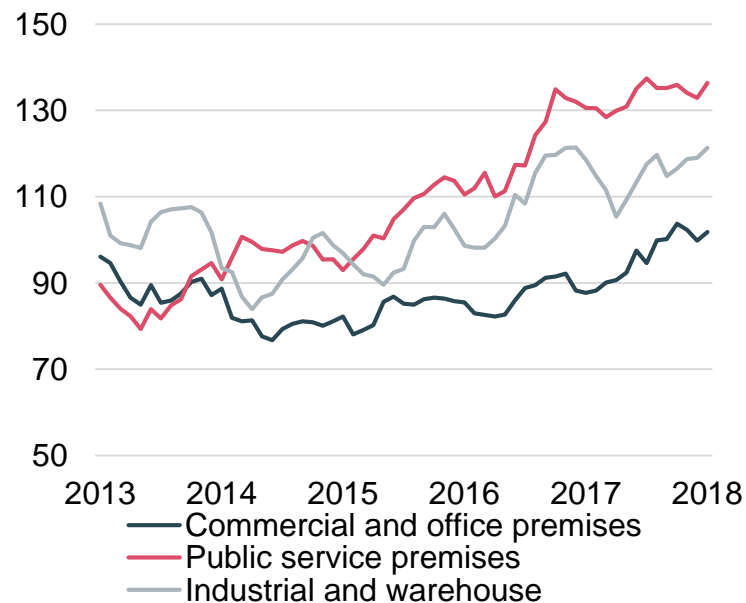
Operating environment for business premises, infrastructure projects and paving in Q1

- The volume of construction in Finland on a high level, the positive overall market sentiment supported investments
- Good investor demand for business premises in all markets

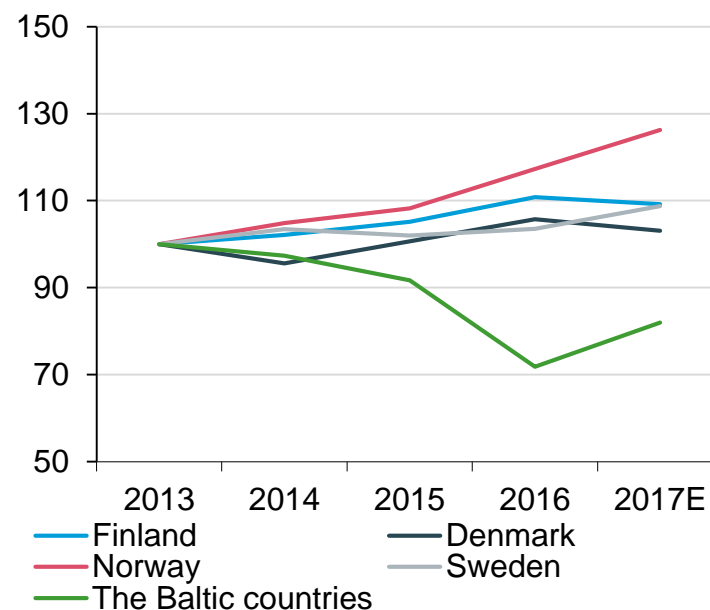
- The market for infrastructure was strong in especially in Sweden and Norway, many new infrastructure projects ongoing or in pipeline
- In Finland, the market was supported by infrastructure projects in growth centres and the general growth in the construction business

- In Finland, the state investments in paving declined slightly from the previous year's level
- The market situation in Sweden was good, the state investments in Norway increased, price competition remained tight in Denmark

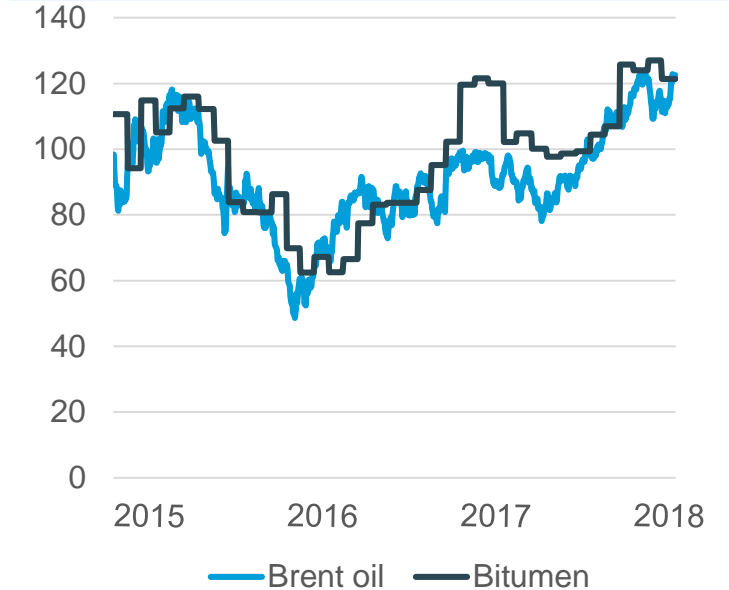
VOLUME OF NEW CONSTRUCTION IN FINLAND
(index 2010=100)



INFRASTRUCTURE MARKET
(index 2013=100)



BITUMEN AND BRENT OIL PRICE DEVELOPMENT
(index 2015=100)



Sources: Statistics Finland, Euroconstruct, December 2017, Bloomberg

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Segment reviews



HOUSING FINLAND AND CEE

HELSINGIN FIRDO RESIDENTIAL PROJECT
TRIPLA PROJECT, HELSINKI, FINLAND



Housing Finland and CEE

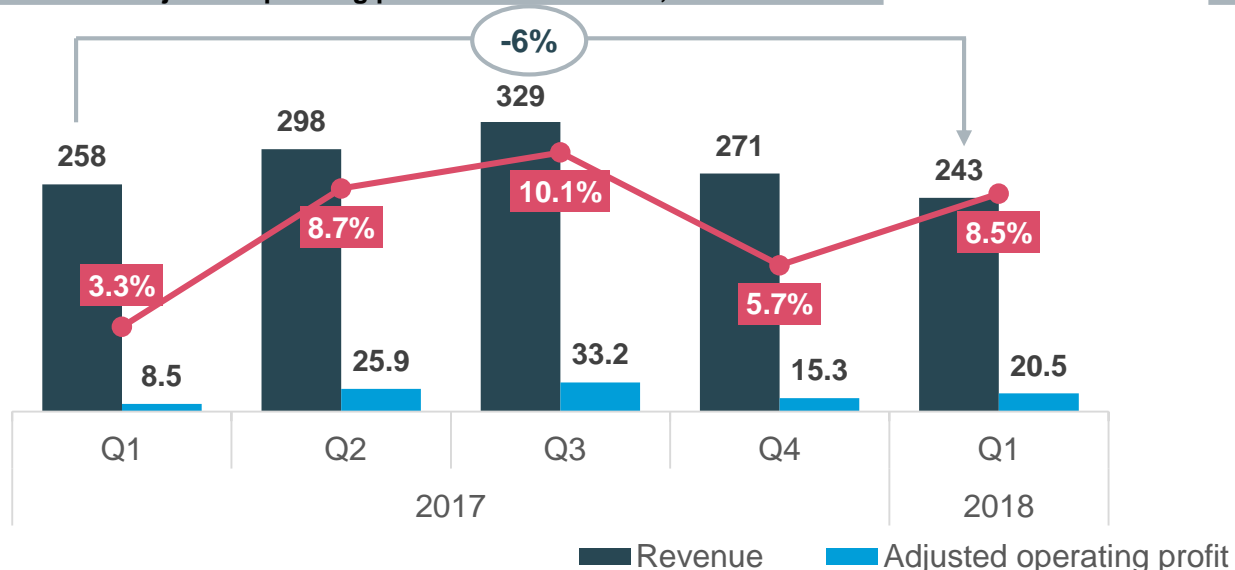
Profitability improved

IFRS

- Adjusted operating profit was boosted by completions during the period, 972 (888) apartments were completed in Finland and 162 (176) in CEE

REVENUE, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN (IFRS, EUR million, %)

2017: Revenue EUR 1,156 million,
adjusted operating profit EUR 83.0 million, 7.2%

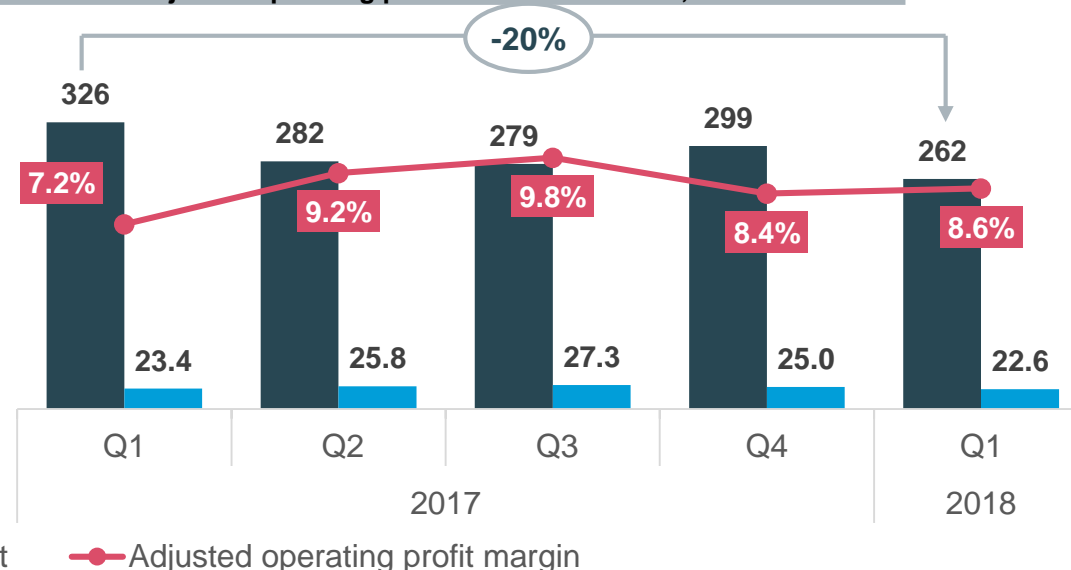


POC

- Revenue decreased by 20% y/y, comparison period boosted by capital release actions
- Adjusted operating profit decreased by 3%, profitability was boosted by efficiency measures and good consumer sales

REVENUE, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN (POC, EUR million, %)

2017: Revenue EUR 1,186 million,
adjusted operating profit EUR 101.5 million, 8.6%

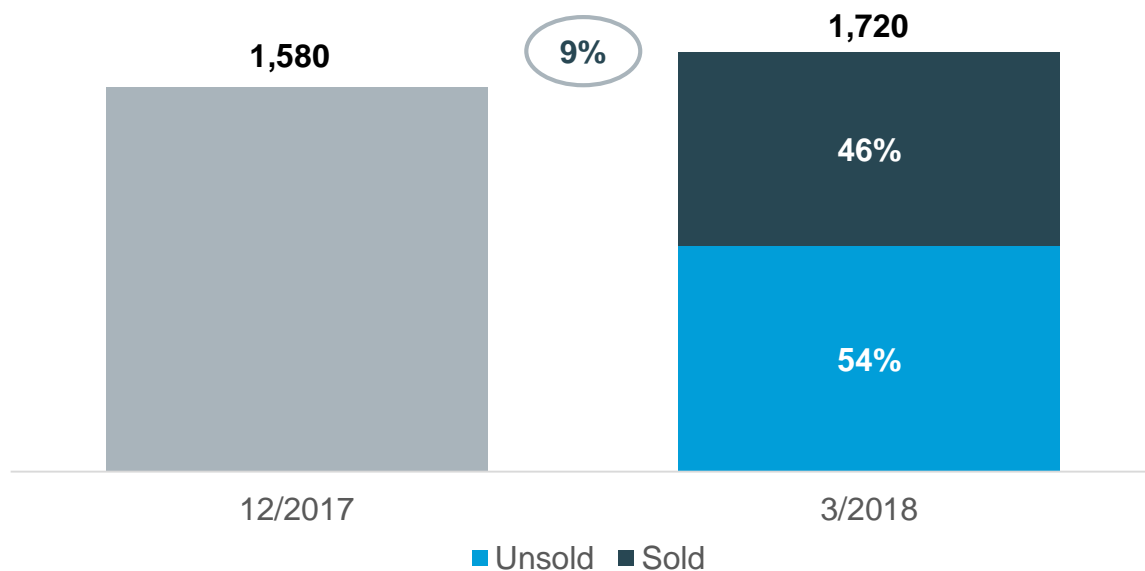


Figures above are pro forma figures.

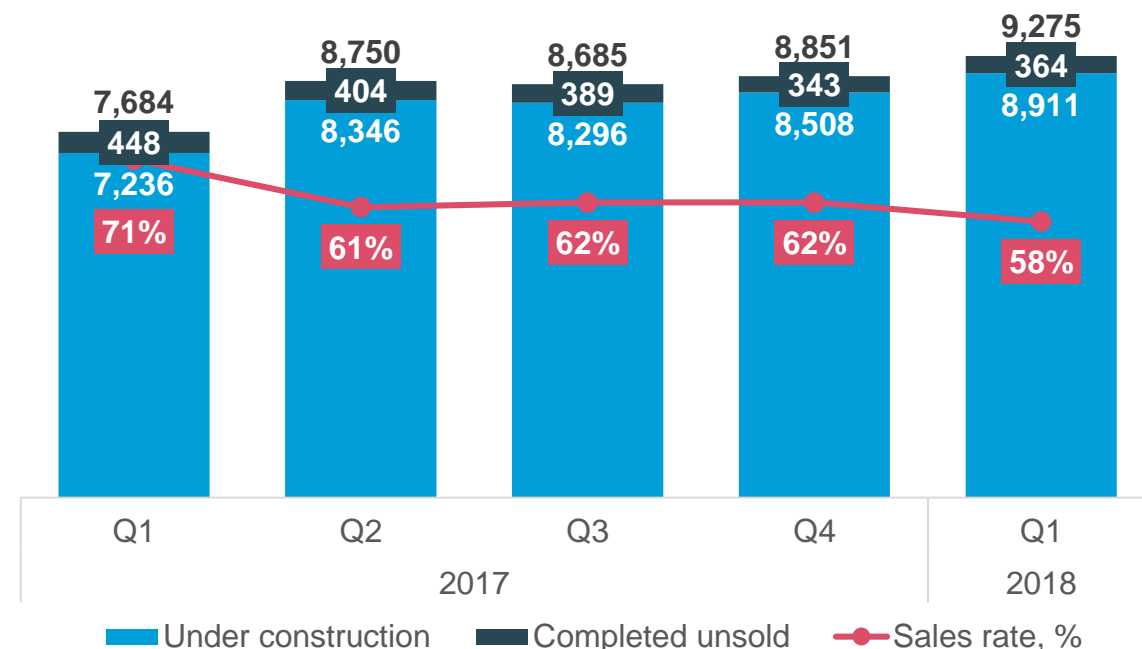
Order backlog increased by 9%

- New started projects, such as the second phase of Tripla apartments
- The share of CEE of the sales portfolio (units) was 34%

ORDER BACKLOG (EUR million)



APARTMENT INVENTORY (units)



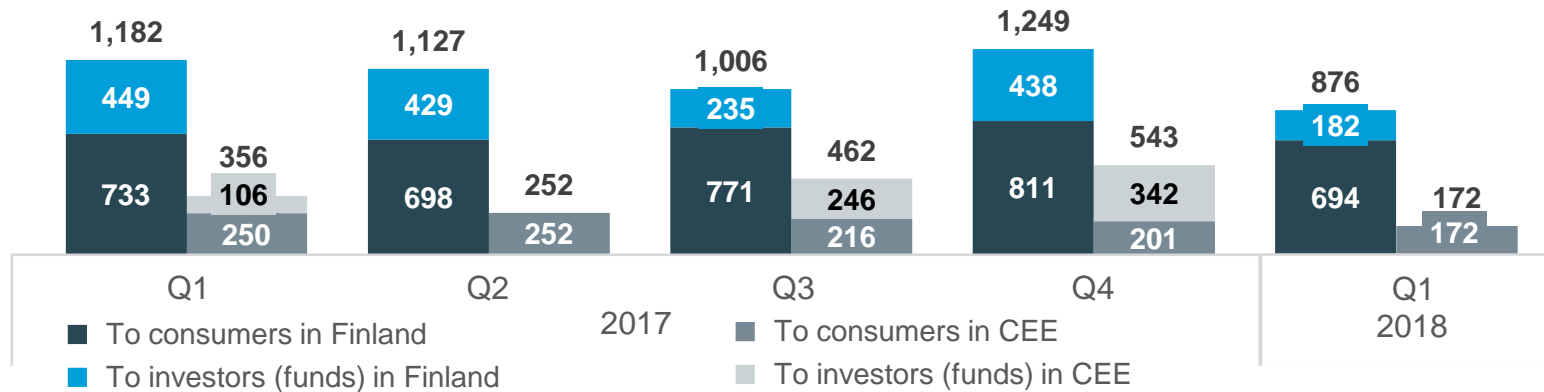
Order backlog for 12/2017 is pro forma based and 3/2018 is actual reported. Quarterly apartment inventory figures for 2017 are combined YIT and Lemminkäinen figures, and Q1/2018 is actual reported figure.

Housing Finland and CEE

Sales and start-ups in Q1

SOLD APARTMENTS (units)

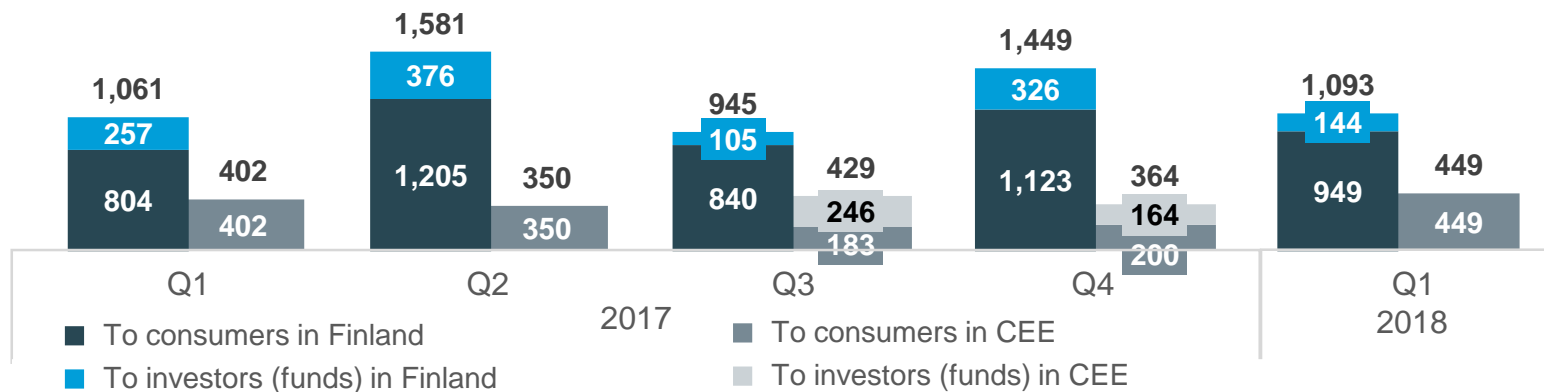
FINLAND IN 2017: 4,564 CEE IN 2017: 1,613



- Share of apartments sold to consumers was 87%
- Start-ups for consumers increased by 18% in Finland and 12% in CEE
- 38 apartments sold in bundles to investors in Finland (Q1/2017: 192)
- In April, estimated sales to consumers in Finland are 190 units (4/2017: about 170 units) and in CEE 80 units (4/2017: about 80 units)

APARTMENT START-UPS (units)

FINLAND IN 2017: 5,036 CEE IN 2017: 1,545



- Of projects earlier sold to YCE Housing I fund and recorded as investor sales, YIT sold 113 apartments further to consumers (Q1/2017: 30)
- In April, estimated sales further to consumers are 40 units (4/2017: 6)

HOUSING RUSSIA

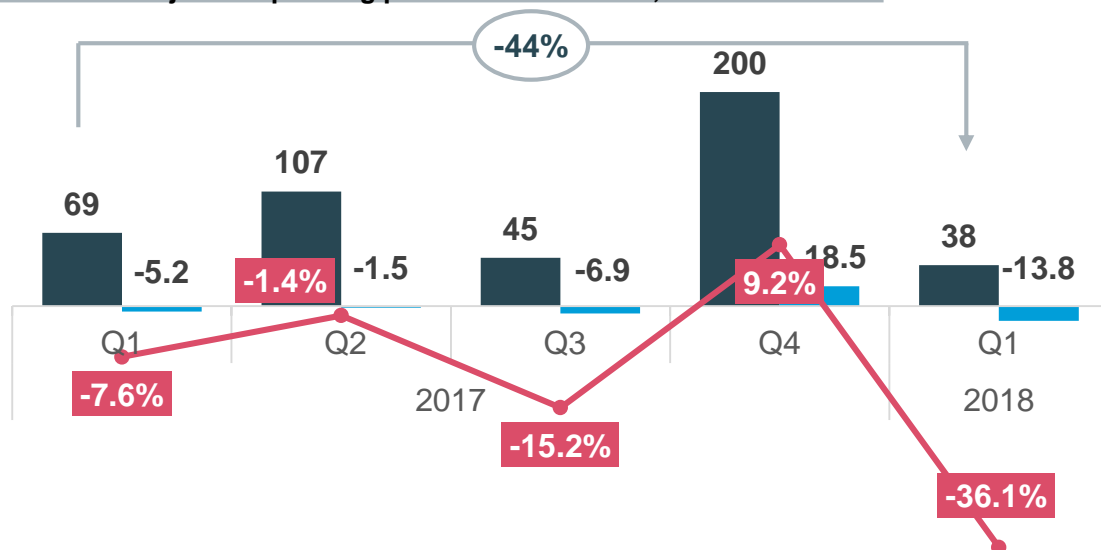
Revenue and profitability decreased, low number of completions

IFRS

- Apartment completions decreased by 61% y/y, number of completions was 233 (604) apartments

REVENUE, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN (IFRS, EUR million, %)

2017: Revenue EUR 421 million,
adjusted operating profit EUR 4.9 million, 1.2%

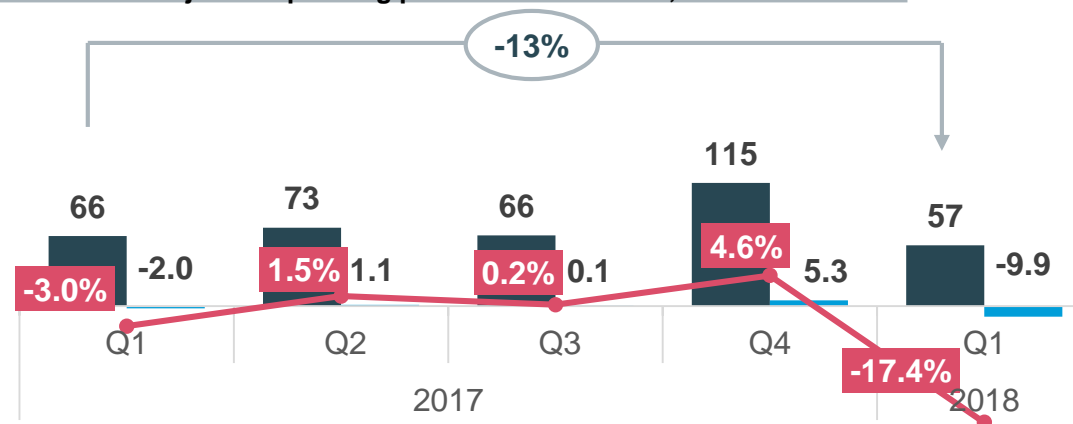


POC

- Revenue decreased y/y due to lower average price of sold apartments
- Adjusted operating profit decreased y/y due to lowered margins in contracting and intensified apartment sales actions

REVENUE, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN (POC, EUR million, %)

2017: Revenue EUR 320 million,
adjusted operating profit EUR 4.6 million, 1.4%



Figures above are pro forma figures.

■ Revenue

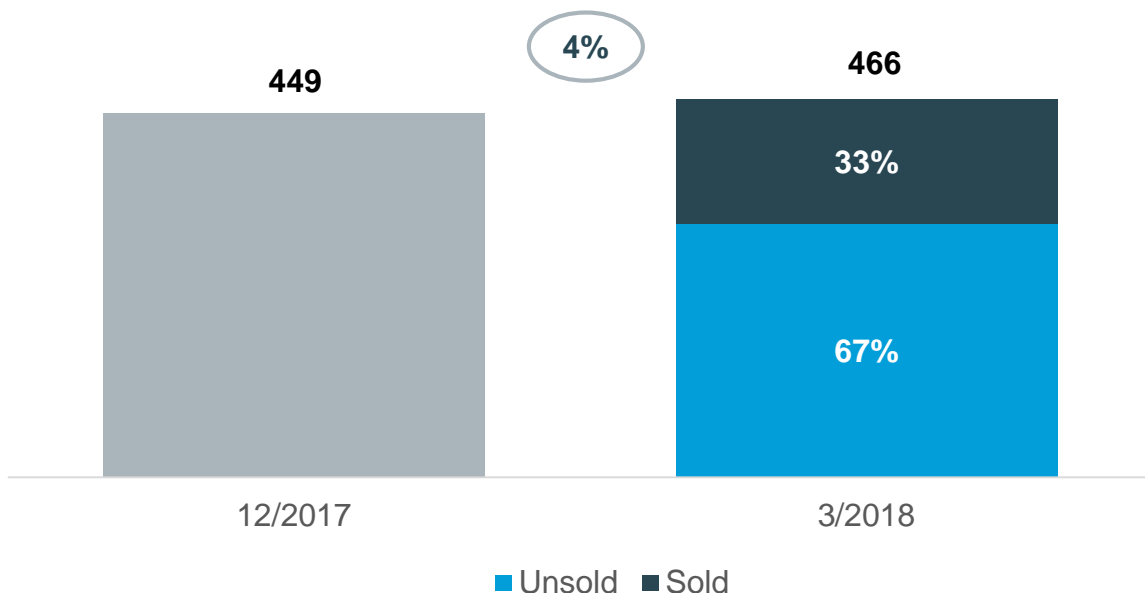
■ Adjusted operating profit

— Adjusted operating profit margin

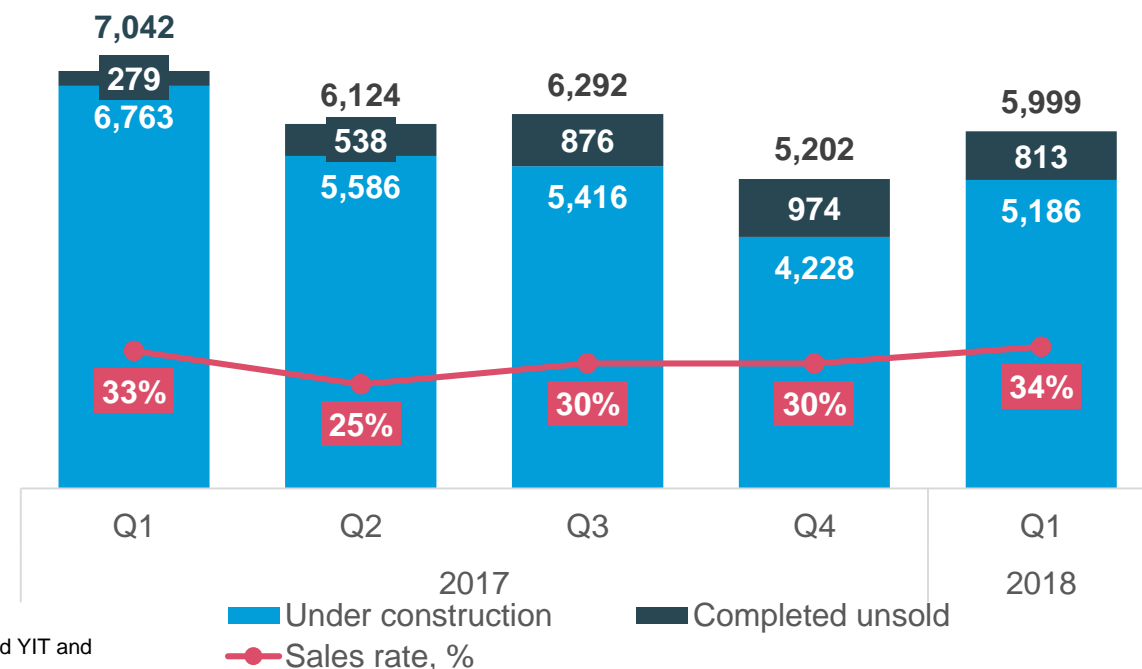
Number of completed unsold apartments decreased q/q

- Order backlog increased slightly due to increase in start-ups, projects started in St. Petersburg, Moscow region and Yekaterinburg
- At the end of March, YIT Service was responsible for the maintenance and the living services of almost 37,000 apartments (12/2017: over 34,000) and in total over 46,000 clients (incl. parking spaces and business premises) (12/2017: over 42,000)

ORDER BACKLOG (EUR million, %)



APARTMENT INVENTORY (units)

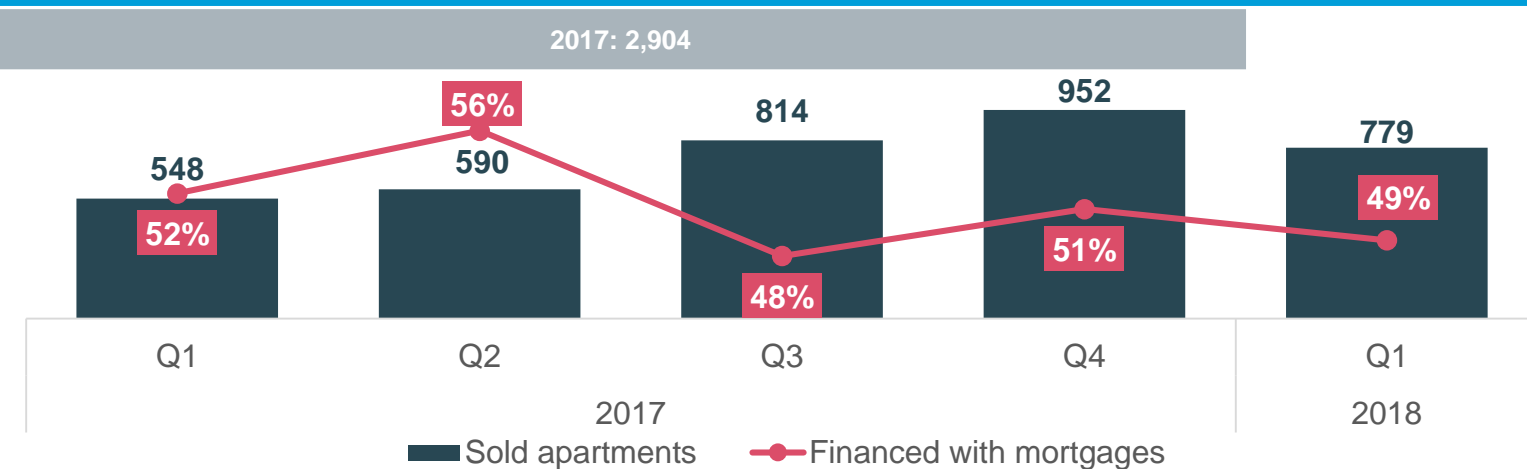


Order backlog for 12/2017 is pro forma based and 3/2018 is actual. Quarterly apartment inventory figures for 2017 are combined YIT and Lemminkäinen figures, and Q1/2018 is actual reported figure.

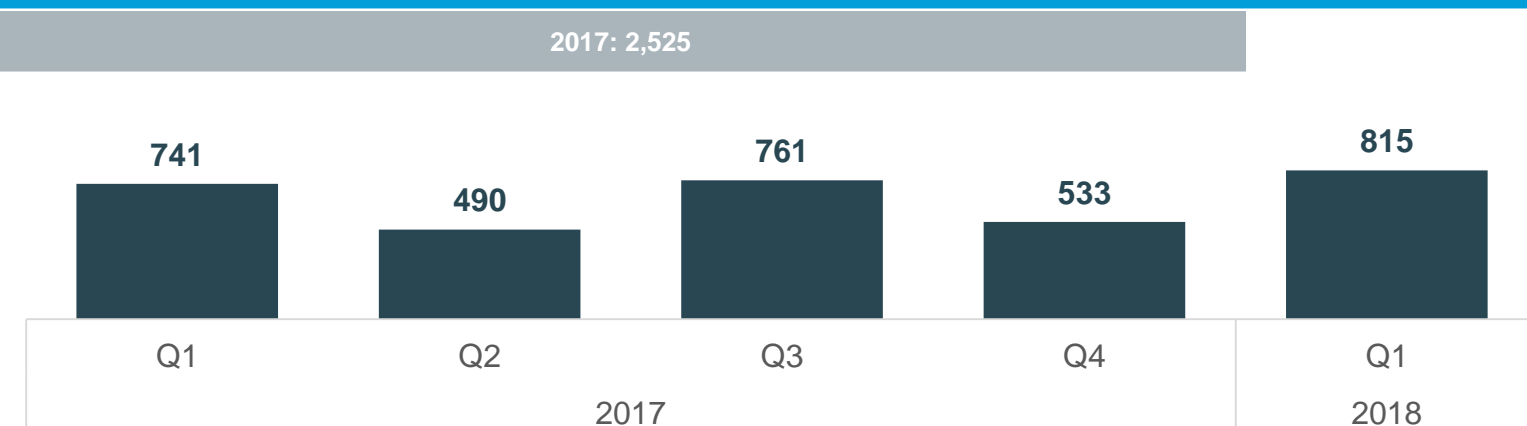
Housing Russia

Sales and start-ups in Q1

SOLD APARTMENTS (units) AND SHARE OF SALES FINANCED WITH MORTGAGE (%)



APARTMENT START-UPS (units)



- Apartment sales increased by 42%
 - Sales focused on small apartments and apartments in Moscow region
- Start-ups increased by 10%
- Share of sales financed with mortgages remained stable at 49%
- In April, estimated sales to consumers are over 250 units (4/2017: below 200 units)

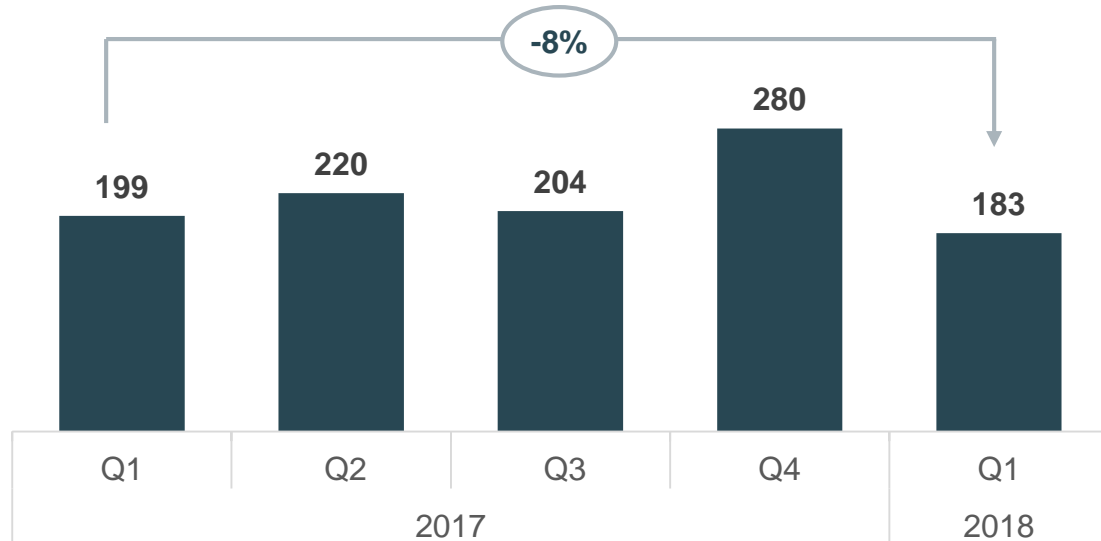
BUSINESS PREMISES

Revenue and adjusted operating profit decreased

- Revenue decreased by 8% due to completions of certain large projects last year
- Adjusted operating profit was burdened by weakened margins in certain projects

REVENUE (EUR million)

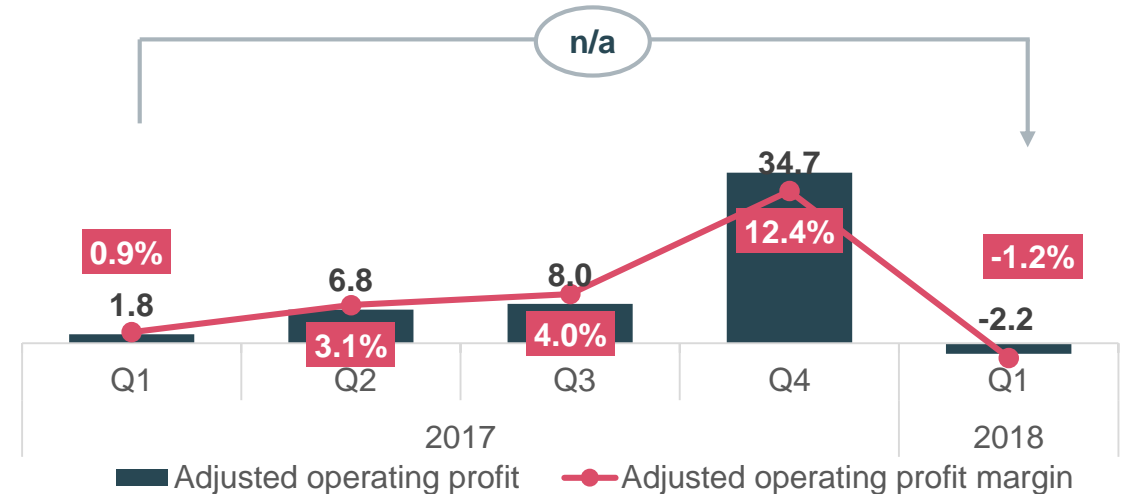
2017: EUR 902 million



Figures above are pro forma figures.

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN (EUR million, %)

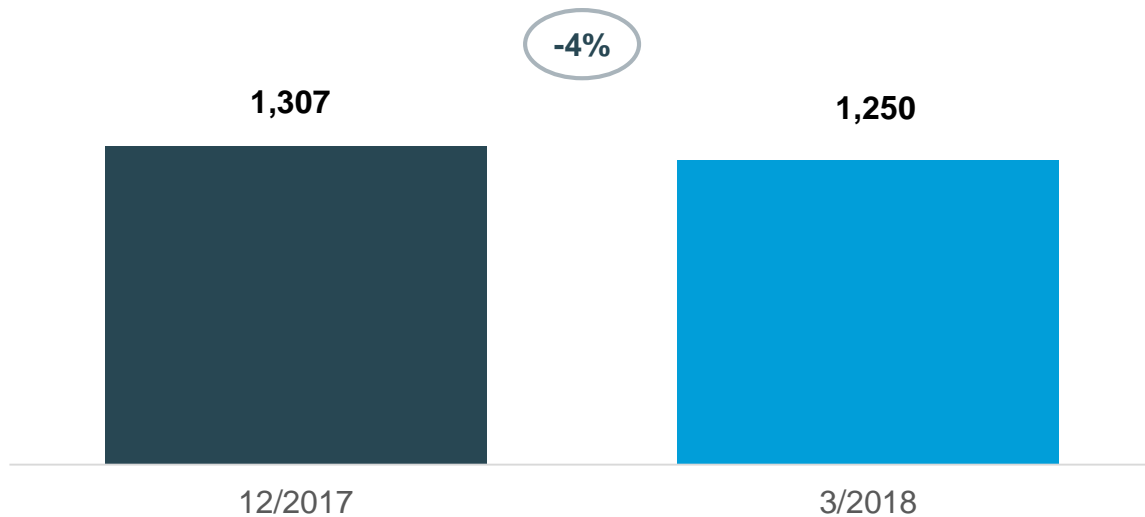
2017: EUR 51.5 million, 5.7%



Order backlog decreased slightly

- Order backlog decreased slightly compared to year-end
- Large projects proceeding according to plan
- Success in leasing of business premises properties

ORDER BACKLOG (EUR million)



Order backlog for 12/2017 is pro forma based and 3/2018 is actual reported figure.

LARGEST ONGOING BUSINESS PREMISES PROJECTS

Project, location	Project value, EUR million	Project type	Completion rate, %	Estimated completion	Sold / for sale / contracting
Mall of Tripla, Helsinki	600	Retail	52%	9/19	YIT's ownership 38.75%
Finavia terminal expansion	200	Airport	47%	12/19	Contracting
TYL Freeway logistics centre	148 (YIT's share EUR 74 M)	Logistics	97%	10/18	Contracting
Tripla hotel, Helsinki	88	Hotel	26%	3/20	Sold
Myllypuro campus, Helsinki	73	Public premises	40%	8/19	Contracting

INFRASTRUCTURE PROJECTS



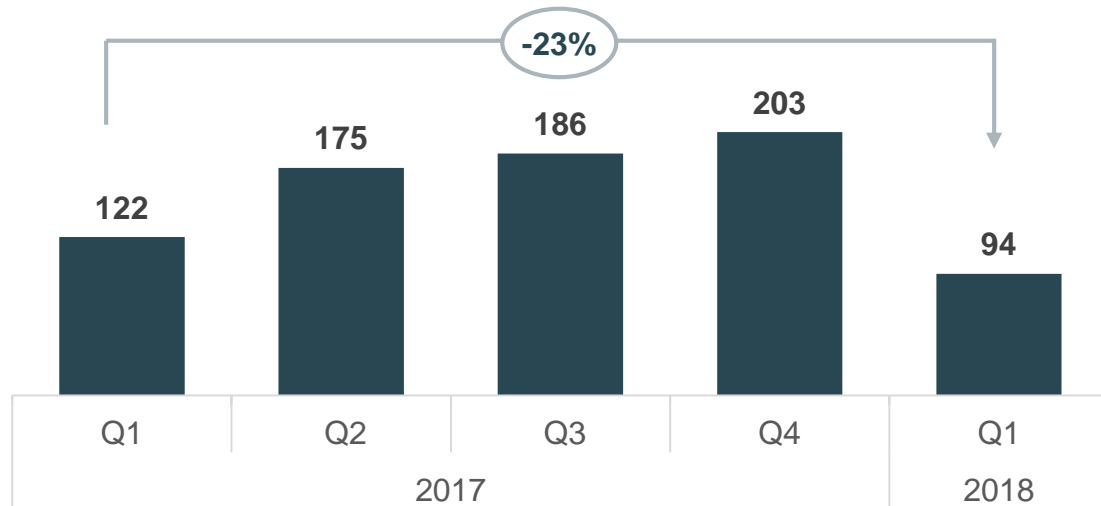
Infrastructure projects

Revenue declined by 23%

- Revenue was burdened especially by the high completion rate of the project portfolio and lower volumes than in the comparison period in Finland
- Adjusted operating profit declined due to weakened margins in certain projects

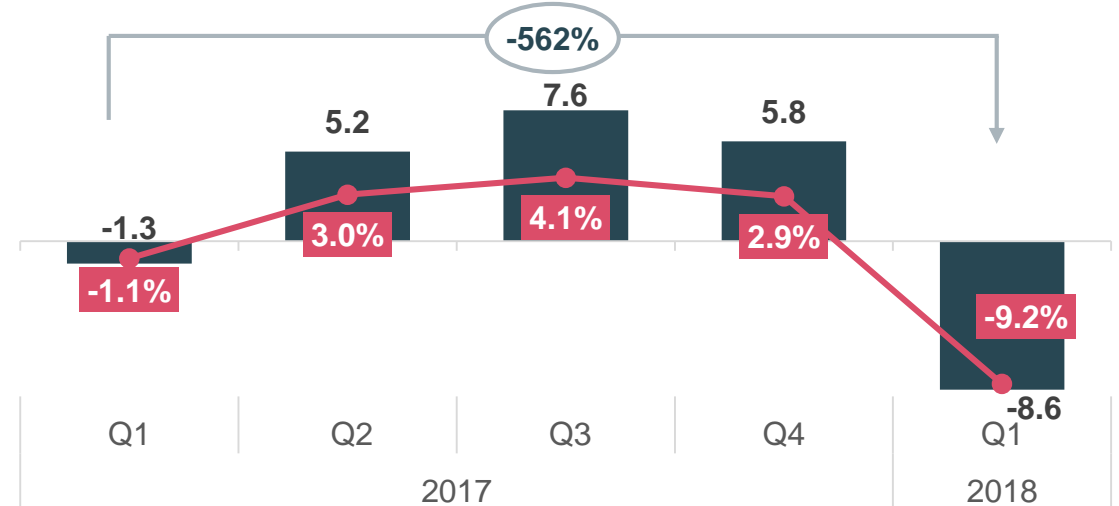
REVENUE (EUR million)

2017: EUR 686 million



ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN (EUR million, %)

2017: EUR 17.4 million, 2.5%



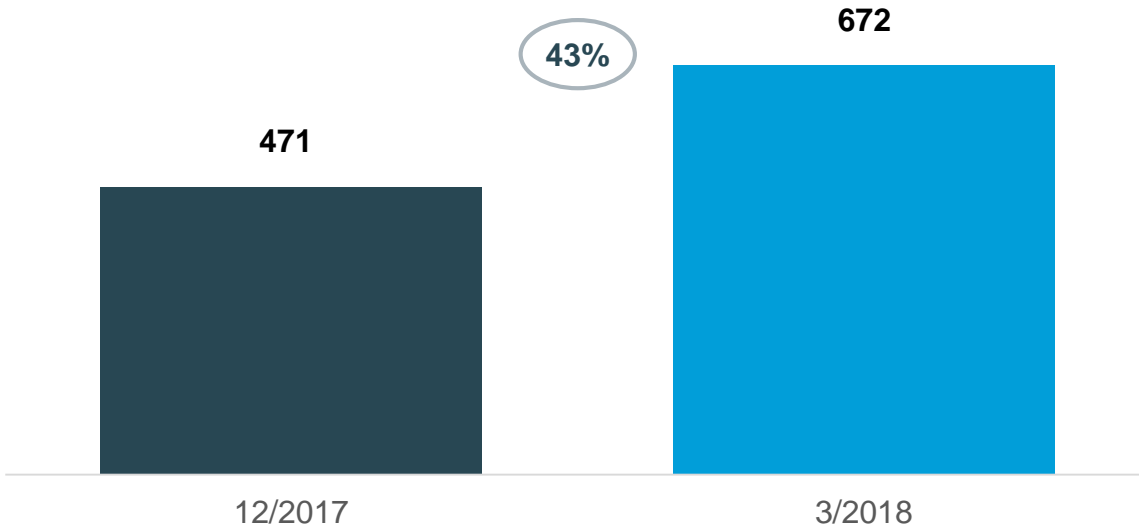
Adjusted operating profit Adjusted operating profit margin

Figures above are pro forma figures.

Order backlog increased significantly

- Order backlog increased by 43% boosted by the agreement of Blominmäki wastewater treatment plant booked in Q1
- Large projects were proceeding according to plan

ORDER BACKLOG (EUR million)



Order backlog for 12/2017 is pro forma based and 3/2018 is actual reported figure.

LARGEST ONGOING INFRASTRUCTURE PROJECTS

Project, location	Project value, EUR million	Completion rate, %	Estimated completion
E18 Hamina-Vaalimaa motorway, Finland	~260	96%	12/18
Blominmäki wastewater treatment plant, Espoo, Finland	~206	0.3%	2/22
The Rantatunneli alliance project, Tampere, Finland	~180	99%	11/18
The Light railway alliance, Tampere, Finland	~110	29%	12/21
Blominmäki excavation project, Espoo, Finland	~60	99.7%	5/18



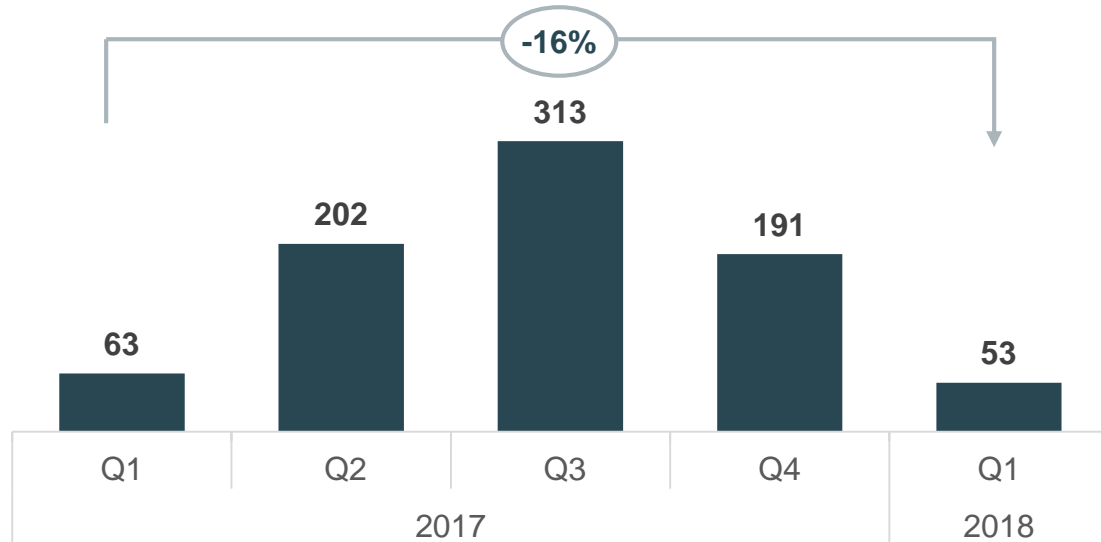
PAVING

Paving Revenue decreased by 16%

- Revenue decreased due to lower volumes especially in mineral aggregate business
- Several actions ongoing to reorganise the segment, which had an impact on the adjusted operating profit also

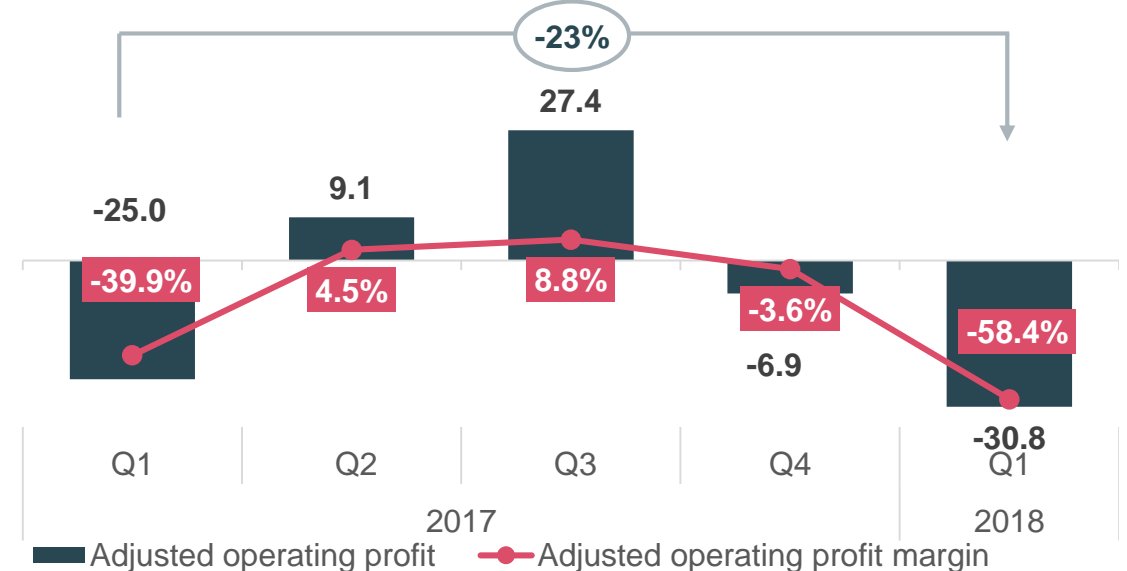
REVENUE (EUR million)

2017: EUR 769 million



ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN (EUR million, %)

2017: EUR 4.7 million, 0.6%

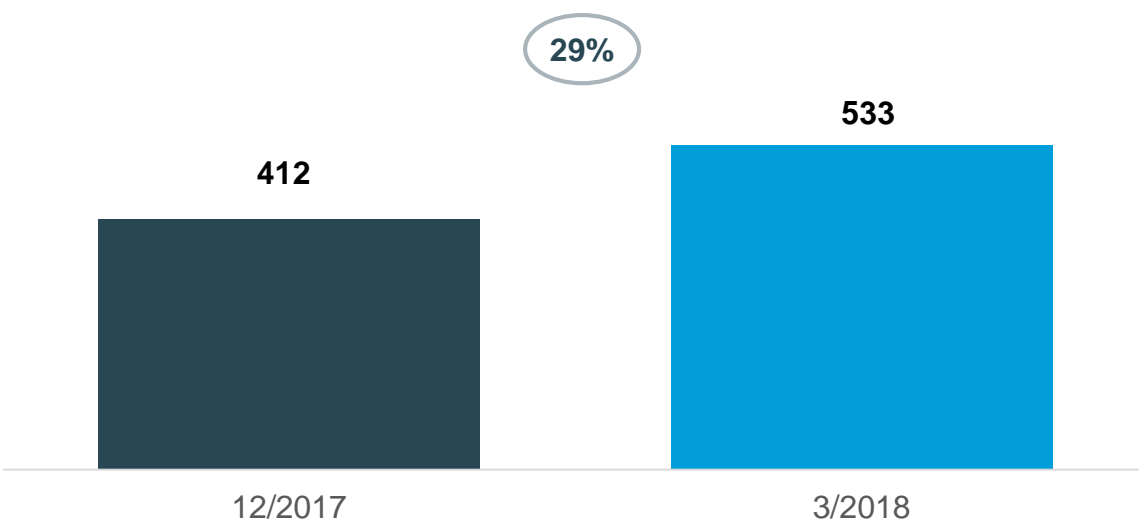


Figures above are pro forma figures.

Paving Order backlog increased, sizeable actions made to improve operative efficiency

- Order backlog increased by 6% y/y

ORDER BACKLOG (EUR million)



Order backlog for 12/2017 is pro forma based and 3/2018 is actual reported figure.

IMPROVING OPERATIVE EFFICIENCY IN SCANDINAVIA

Sizeable actions made in Sweden and Norway in order to improve operative efficiency during the beginning of the year, EUR 5.3 million adjustment items related to restructuring in Scandinavia

- Reorganisation of operations in Sweden and Norway, reduction of 150 employees during the beginning of the year
- Shutdown and sale of six of non-profitable asphalt plants
- Divestment of two partially owned subsidiaries since the reorganisation measures were started

PARTNERSHIP PROPERTIES



3D Render Oy

Improved investment capacity, new projects in pipeline

- Adjusted operating profit was EUR -0.2 million, no revenue generated due to segment's operating model
- Major projects
 - Keilaniemenranta area development project
 - Tietotie 6
 - Mall of Tripla
 - E18 Hamina-Vaalimaa motorway
 - 10 residential projects under YCE Housing I fund
- After the review period, YIT established a plot fund together with Ålandsbanken and Varma

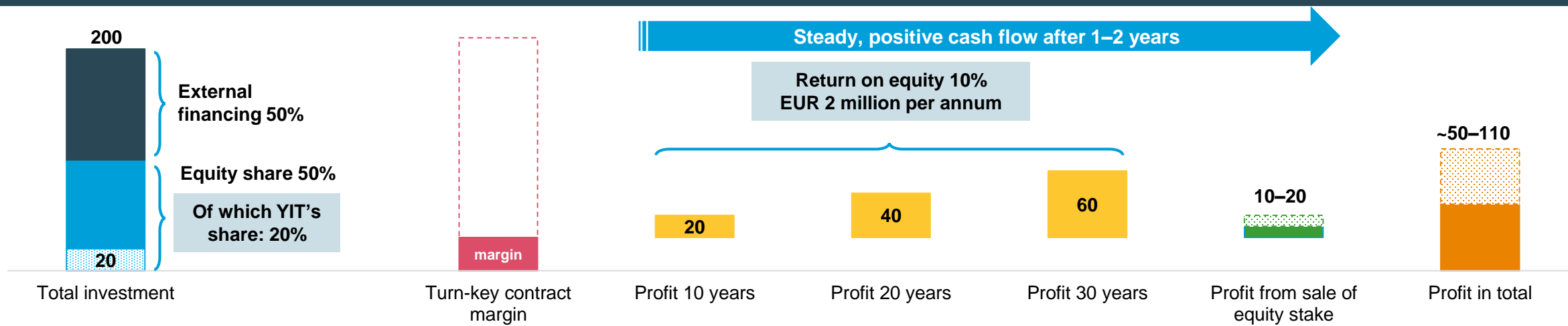
INVESTMENT CAPACITY RELATED KEY FIGURES

EUR million	Reported 3/18	Pro forma 12/17	Change
Equity investments and investment commitments	152	n/a	
of which already invested in associated companies	137	n/a	

ROE vs. cash flow in different models in own-based business

	YIT alone	Joint-venture
Development only	<ul style="list-style-type: none"> • High capital employed • High EBIT • High risk 	<ul style="list-style-type: none"> • Lower capital employed • Lower EBIT • Shared risk
Long-term cash-flow generating investment	Not possible	<ul style="list-style-type: none"> • Lower capital employed • Lower EBIT • Shared risk • Annual cash-flow

Illustrative case example



ROCE-% with 10 years (20,1%), 20 years (16,8%), 30 years (15,5%) ownership period

Tripla project: Pasila, Helsinki in the future



Tripla project supports growth in the coming years

Tripla project in brief

- Over 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

Indicative value split

Parking house and foundations

~20%

Mall of Tripla (shopping center)

~25%

Business park offices

~10%

Hotel

~10%

Railway station and HQ offices

~20%

Residential

~15%

Current topics

- ✓ Hotel sold and construction started in 2017
- ✓ The first anchor tenant for office facilities secured, construction of the offices started in the beginning of 2018
- ✓ Construction of the first residential building started in Q4/2017, apartments reserved in record time
- ✓ The Mall of Tripla occupancy rate over 70% in March 2018

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

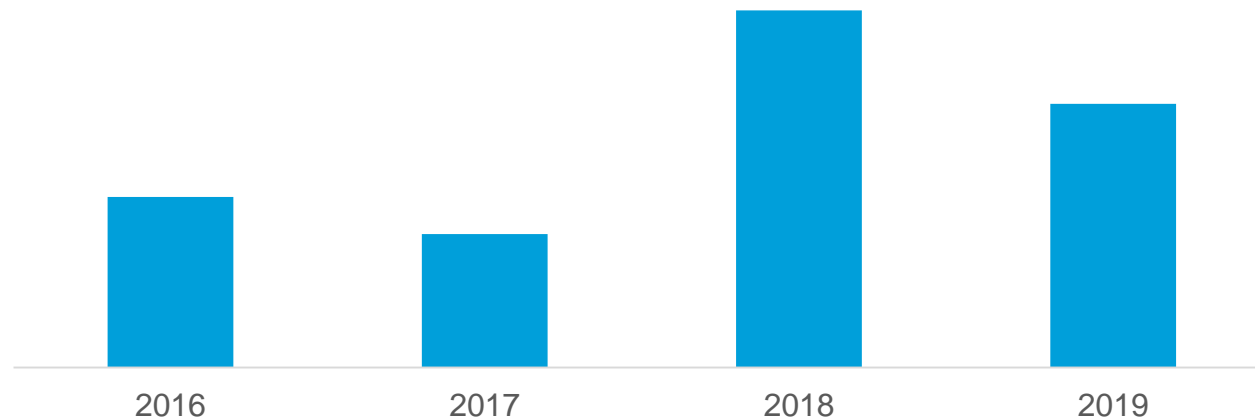
What has been achieved so far?

- Valid building permits and required decisions from public authorities obtained
- Financing package of ~EUR 300 million secured
- Investor deals closed, value ~EUR 600 million
- Revenue and profit recognition started in 2016
- Approximately 70% of the premises rented out, anchor tenants secured
- The ownership of Tripla will be reported under the Partnership properties segment starting from Q1/2018

JOINT VENTURE PARTNERS (JV)



Illustration of revenue recognition on Tripla during 2016-2019*



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

Current 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

6

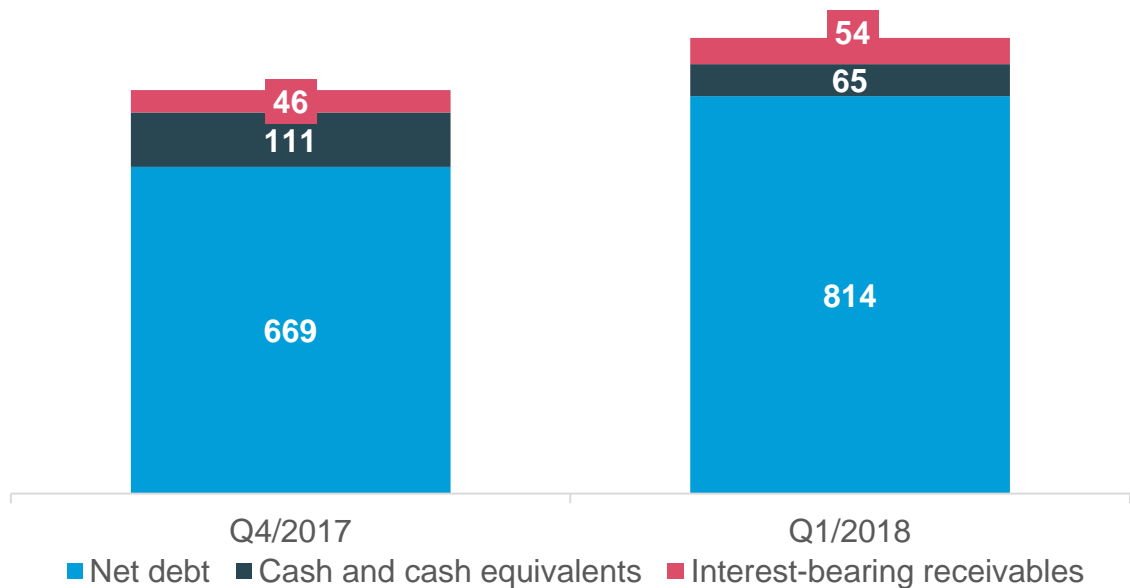
Financial position and key ratios



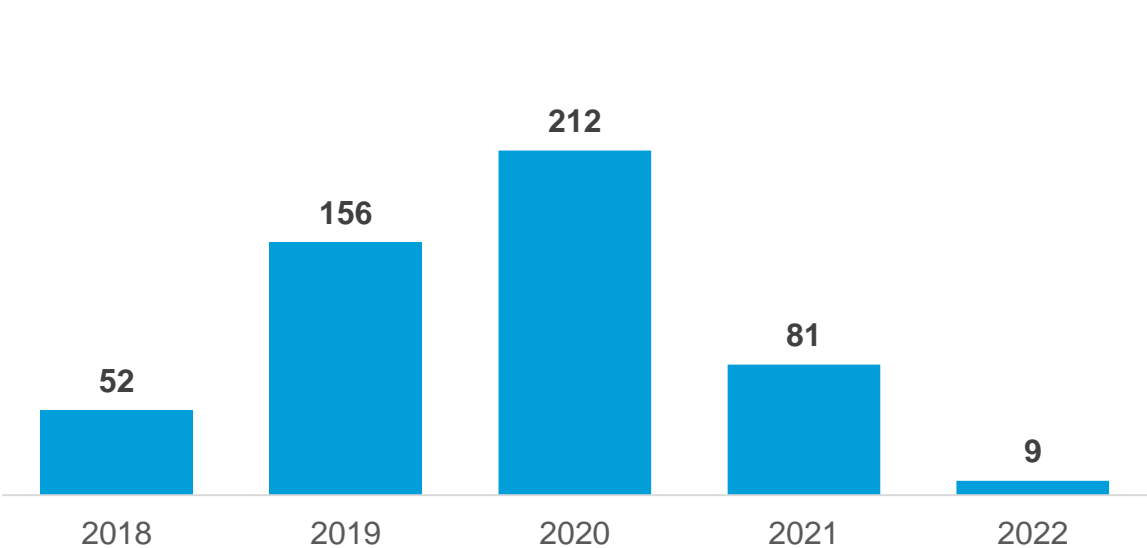
Net debt increased from year-end level

- New EUR 300 million committed revolving credit facility became available and replaced previous revolving credit facilities in February. The facility was unused on March 31, 2018.
- In February the company cancelled its EUR 240 million bridge financing agreement related to the merger as the facility was no longer needed.

INTEREST-BEARING NET DEBT (EUR million)



MATURITY STRUCTURE, NOMINAL AMOUNTS¹ (EUR million)



¹ Excluding housing corporation loans, EUR 166.2 million (these loans will be transferred to the buyers of the apartments when the units are handed over), and commercial papers, EUR 229.0 million.

Figures above for 12/2017 are pro forma based and 3/2018 are actual reported figures.



Operating cash flow was negative as expected

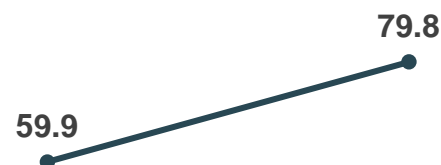
- Operating cash flow was EUR -152.7 million as expected
 - Tripla construction and JV investments
 - Plot investments (including Keilaniemenranta area development project)
 - Paving seasonality
- In its annual cash flow planning, YIT's target is to have a positive cash flow after dividends have been paid. This applies also to cash flow planning for year 2018.

EUR million	Reported 1–3/18	Pro forma 1–3/17	Pro forma 1–12/17
Operating cash flow after investments, excluding discontinued operations	-152.7	n/a	n/a
Cash flow of plot investments	-46.1	n/a	n/a
Cash flow of investments in associated companies and JVs in shares	-21.2	n/a	n/a

Financial key ratios in Q1

- Increased net debt had an impact on the financial key figures
- Equity ratio was on a healthy level

GEARING¹ (%)



EQUITY RATIO (%)



NET DEBT / ADJUSTED PRO FORMA EBITDA
(multiple, x)



Q4/2018 figures are pro forma based and Q1/2018 are actual reported figures.
¹ YIT has changed the definition of gearing so that interest-bearing receivables are included in the calculation

7

Outlook and guidance



Market outlook stable in the next 12 months

	Housing Finland and CEE	Housing Russia	Business premises	Infrastructure projects	Paving	Partnership properties
Finland	●		●	●	●	●
Russia		●			●	
<i>The CEE countries</i>						
The Baltic countries	●		●	●	●	●
The Czech Republic, Slovakia, Poland	●		●			●
<i>Scandinavia</i>						
Sweden				●	●	
Norway				●	●	
Denmark					●	

● Weakened outlook compared to the past 12 months' development

● Unchanged outlook compared to the past 12 months' development

● Improved outlook compared to the past 12 months' development

Outlook for 2018

- Due to the merger of YIT and Lemminkäinen, YIT does not issue numerical guidance for the Group but is issuing a general outlook that describes future development instead.
- YIT's outlook is based on assumptions and the management's estimates of the development of demand in the Group's operating environment and segments.
- The Board of Directors will assess, and later announce, whether it is appropriate to issue numerical guidance for the merged company.

The adjusted operating profit¹ is expected to fluctuate significantly between the quarters.

In its annual cash flow planning, YIT's target is to have a positive cash flow after dividends have been paid. This applies also to cash flow planning for year 2018.

YIT has adjusted its estimate on the total amount and timing of the synergy benefits of the merger. YIT estimates that the total synergies are larger and they will be achieved sooner than earlier announced. The company estimates the total annual synergies related to the merger to have an impact of EUR 40-50 million million by the end of 2020. Of this, EUR 40 million is expected to be achieved starting from the first quarter 2020. Previously the company estimated the annual total synergies to be EUR 40 million, and they were estimated to be reached in full by the end of 2020.

YIT estimates that in 2018, in Finland and CEE, approximately 5,000 – 5,500 apartments and approximately 3,000 apartments in Russia will be completed, the majority of them during the fourth quarter. During the first months of the year, YIT has signed several significant, long-term lease agreements and estimates to sell several large business premises in the Helsinki metropolitan area during the remainder of the year to final investors.

¹The adjusted operating profit reflects the result of ordinary course of business and it does not include material reorganisation costs, impairment charges or other items affecting comparability. Adjusted operating profit is disclosed to improve comparability between reporting periods. Adjusting items are defined more precisely in the tables in the Interim Report January–March 2018.

Market outlook for 2018 unchanged

HOUSING FINLAND AND CEE

Consumer demand for apartments is expected to remain at a good level. Activity among large residential investors is expected to be lower than in the previous years.

BUSINESS PREMISES

Rental demand for business premises is expected to remain at the previous year's level in growth centres. The contracting market is expected to remain active, but contract sizes are expected to decrease on average.

PAVING

The total volume of the paving market is expected to grow slightly in YIT's area of operation

HOUSING RUSSIA

Demand for apartments is expected to remain at the same level as seen on average in the second half of 2017. Residential prices are expected to remain low.

INFRASTRUCTURE PROJECTS

Infrastructure construction market is expected to continue to grow slightly from the level of the year 2017.

PARTNERSHIP PROPERTIES

Activity among property investors is expected to remain at a good level, particularly for centrally located projects in the Helsinki metropolitan area and in major growth centres.

8

Appendices



Appendices

- I. Key figures and additional information about financial position
- II. Ownership and organisation
- III. Residential concepts
- IV. Housing indicators
- V. Business premises, infrastructure and paving indicators





Key figures and additional information about financial position



Key figures

EUR million	Reported 1–3/2018	Pro forma 1–3/2018	Pro forma 1–3/2017	Change ¹	Pro forma 1–12/2017
Revenue	532.3	602.2	696.0	-13%	3,862.5
Operating profit	-34.6	-51.1	-52.4	3%	77.4
Operating profit margin, %	-6.5%	-8.5%	-7.5%		2.0%
Adjusted operating profit	-25.3	-43.2	-27.1	-60%	138.9
Adjusted operating profit margin, %	-4.7%	-7.2%	-3.9%		3.6%
Adjustments	9.4	7.8	25.3		61.5
Order backlog	4,640.8	4,640.8	4,655.7	0%	4,218.3
Result before taxes	-42.7	-57.8	-58.1	1%	50.7
Result for the period ²	-35.8	-52.2	-47.3	-10%	26.3
Earnings per share, EUR	-0.20	-0.25	-0.23	-9%	0.13
Operating cash flow after investments, excluding discontinued operations	-152.7	n/a	n/a		n/a
Equity ratio, %	39.1%	n/a	n/a		40.2%
Interest-bearing net debt	813.8	n/a	n/a		668.5
Gearing ³ , %	79.8%	n/a	n/a		59.9%
Number of personnel at the end of period	9,296	9,296	9,166	1%	9,721

¹The change is calculated from pro forma figures including Lemminkäinen's financial statements from January 1–31, 2018 ²Attributable to equity holders of the parent company

³ YIT has changed the definition of gearing on January 1, 2018 to include interest-bearing receivables in the calculation of this key figure. The pro forma gearing for the comparison period is given according to the new definition.

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

Examples of new projects in Q1

- Blominmäki wastewater treatment plant in Espoo, Finland (EUR ~206 million)
- Construction of athletics stadium and arena in Valmiera, Latvia (EUR ~18 million)
- Renovation of two parts of the M1 highway in Russia, (EUR ~11.5 million)
- Paving of runway, taxiways and aprons at Tampere-Pirkkala Airport in Tampere, Finland (EUR ~3.7 million)
- Agreement on the rental and sales of a plot in the Greenstate industrial park in the Gorelovo industrial area in St. Petersburg, Russia
- YIT, Pöyry and VR Track signed an alliance contract on the development phase of the second part of the Tampere light rail project
- Regenero signed a tenant agreement with the City of Espoo for premises at Tietotie 6 property in Espoo, Finland and an anchor tenant agreement with Accountor for the high-rise building in Keilaniemi, Espoo, Finland



Ruble strengthened in Q1

PRINCIPLES OF MANAGING CURRENCY RISKS

- Sales and project costs typically in same currency, all foreign currency items hedged
→ **no transaction impact**
- Currency positions affecting the income statement, such as loans to subsidiaries, are hedged
- Equity and equity-like investments in foreign currency not hedged
 - Considered to be of permanent nature
 - FX changes recognized as translation difference in equity
- Invested capital in Russia in 3/2018:
 - Equity and equity-like investments: EUR 388.4 million
 - Loans to subsidiaries: EUR 18.0 million

Impact of changes in foreign exchange rates (EUR million)	Reported 1–3/2018
Revenue, POC ¹	-4.9
Adjusted EBIT, POC ¹	-2.2
Order backlog, POC ²	-88.5

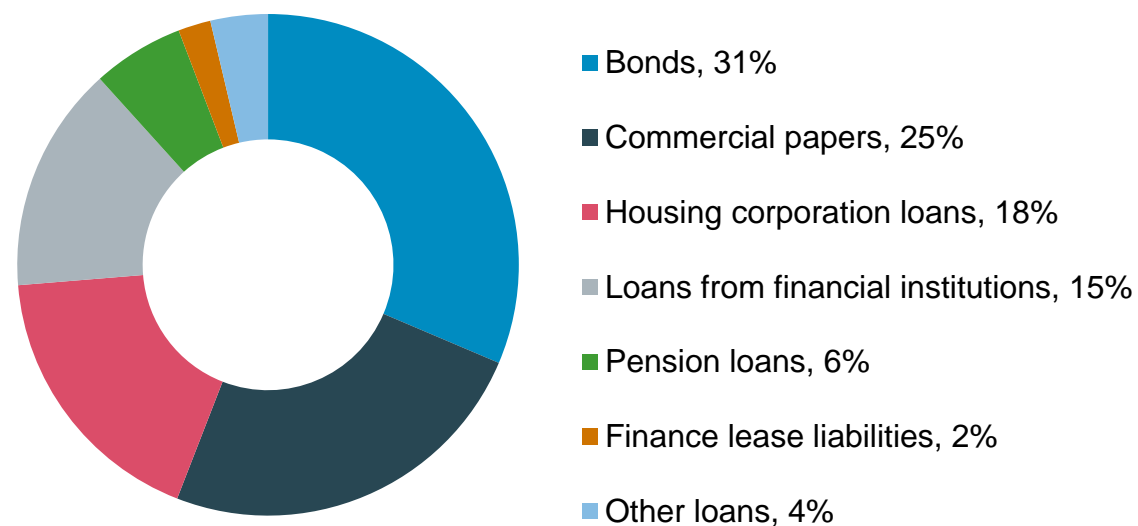
¹ Compared to the corresponding period in 2017

² Compared to the end of previous quarter

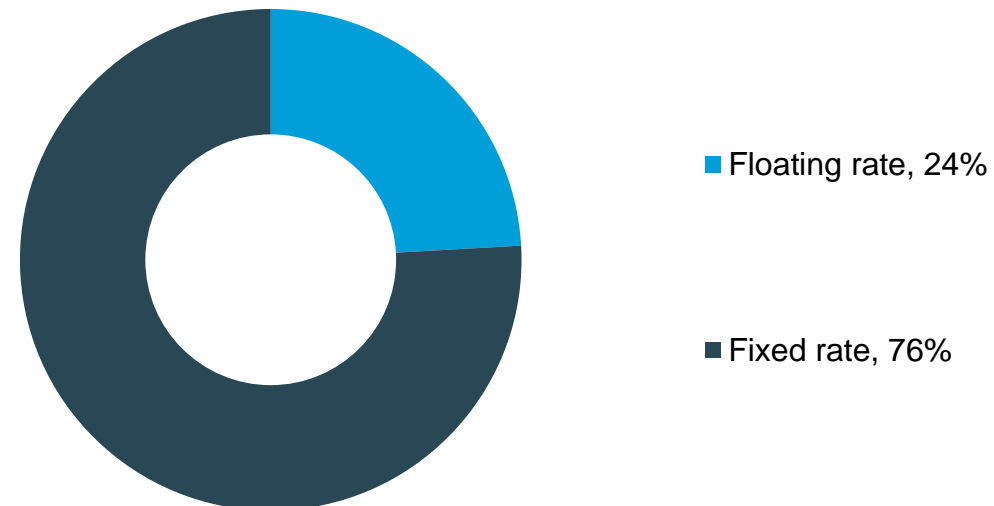
EUR/RUB exchange rates	1–3/2018	1–3/2017	1–12/2017
Average rate	69.9378	62.5321	74.1466
Quarter-end rate	70.8897	60.3130	64.3000

Balanced debt portfolio

DEBT PORTFOLIO¹ AT THE END OF THE PERIOD 3/2018, EUR 932.6 MILLION



INTEREST RATE DISTRIBUTION OF THE DEBT PORTFOLIO AT THE END OF 3/2018

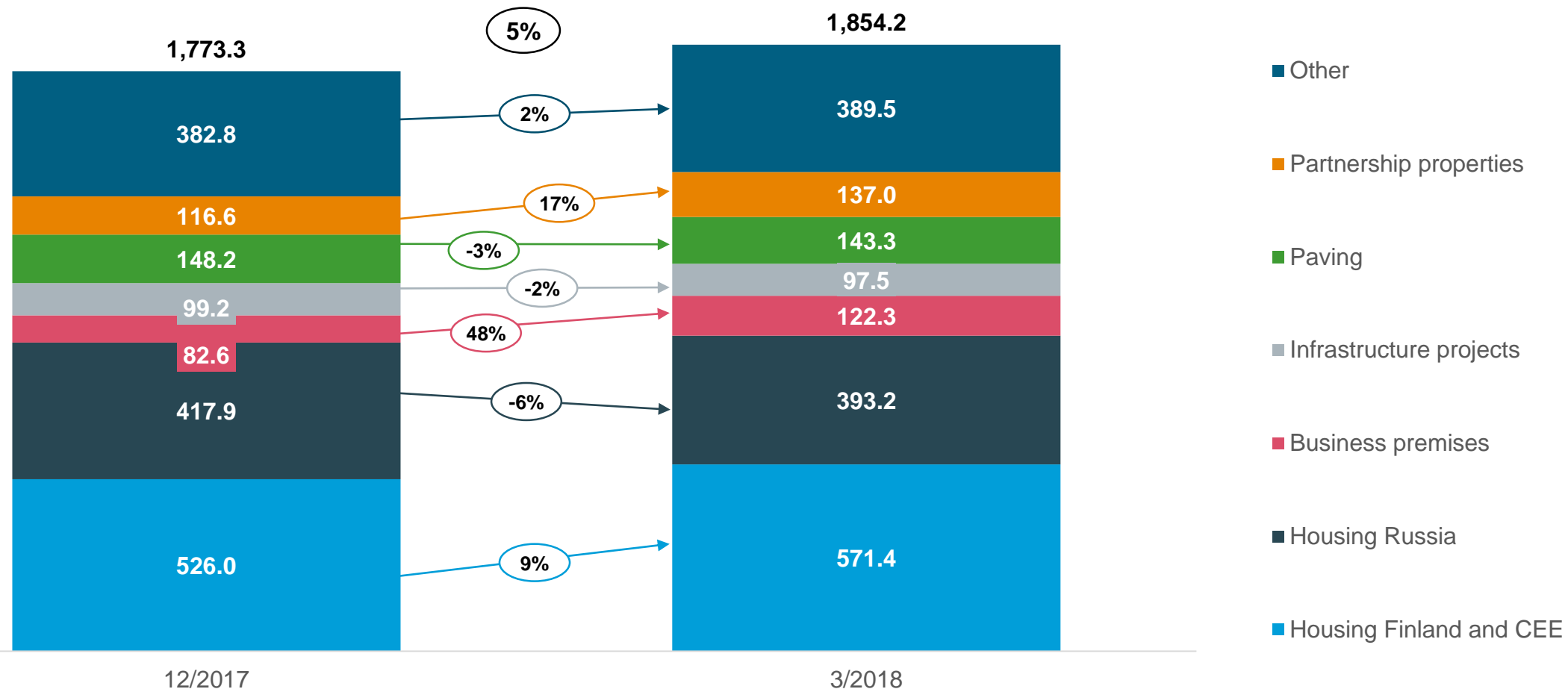


¹Debt portfolio based on actual reported figures as at March 31, 2018

Group

Capital employed increased 5% from year-end

CAPITAL EMPLOYED BY SEGMENTS¹ (at the end of period)



¹ Capital employed at the end of period, 12/2017 figures are pro forma and 3/2018 are actual reported figures.



Share ownership and organisation

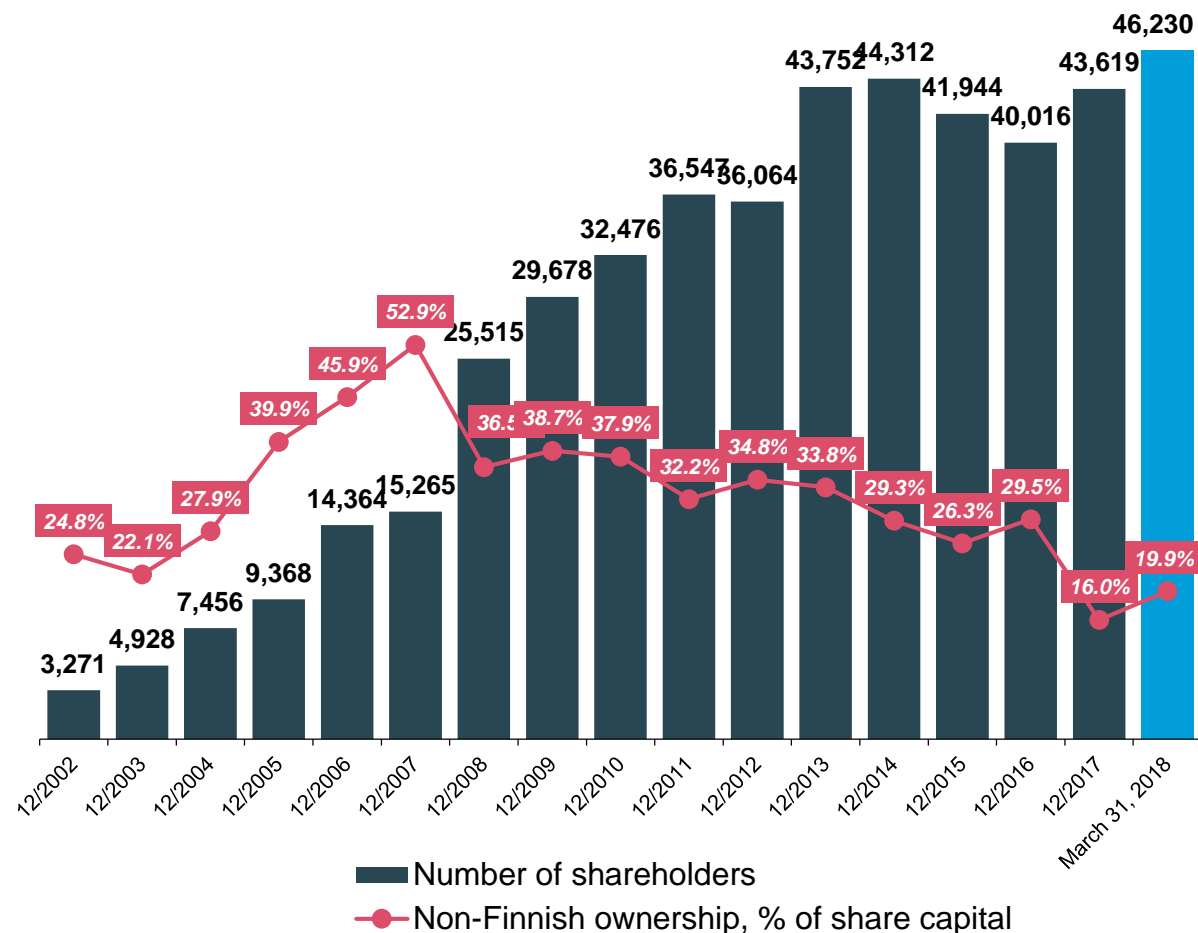


YIT's shareholders

MAJOR SHAREHOLDERS ON MARCH 31, 2018

	Shareholder	Shares	% of share capital
1.	Varma Mutual Pension Insurance Company	15,945,975	7.55
2.	PNT Group Oy	15,296,799	7.25
3.	Onvest Sijoitus Oy	8,886,302	4.21
4.	Pentti Heikki Oskari Estate	8,146,215	3.86
5.	Ilmarinen Mutual Pension Insurance Company	5,663,669	2.68
6.	Forstén Noora Eva Johanna	5,115,529	2.42
7.	Herlin Antti	4,710,180	2.23
8.	Pentti Lauri Olli Samuel	4,198,845	1.99
9.	Elo Mutual Pension Insurance Company	3,549,054	1.68
10.	The State Pension Fund	3,275,000	1.55
	Ten largest total	74,787,568	35.42
	Nominee registered shares	40,810,674	19.33
	Other shareholders	95,501,611	45.25
	Total	211,099,853	100.00

NUMBER OF SHAREHOLDERS AND SHARE OF NON-FINNISH OWNERSHIP, MARCH 31, 2018



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

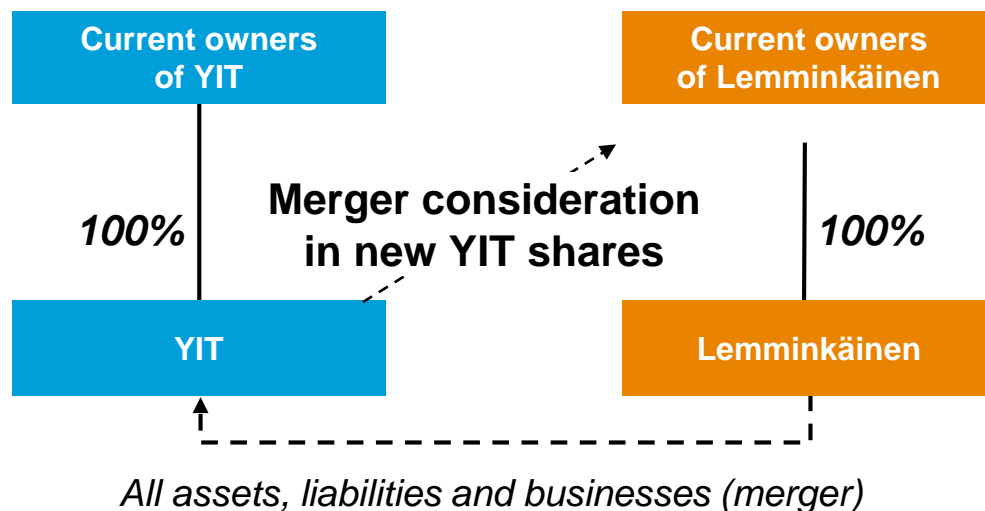
3.6146 new YIT shares would be issued for each share in Lemminkäinen as merger consideration to the shareholders of Lemminkäinen in exchange for all assets, liabilities and businesses of Lemminkäinen

60%

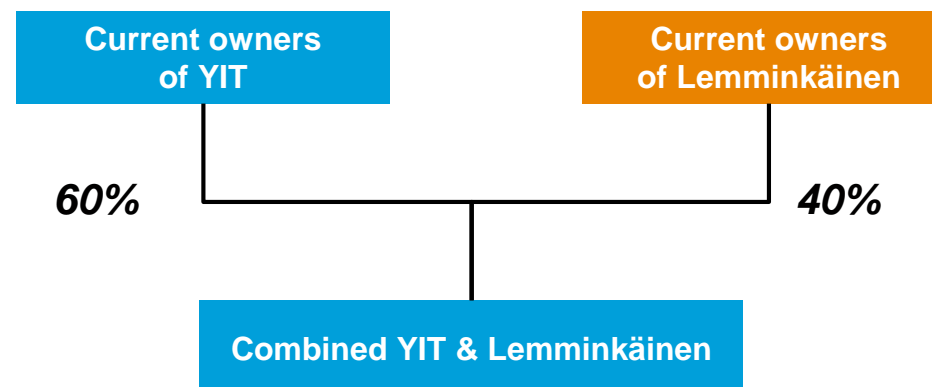
40%

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



Board of Directors as of March 16, 2018



**Harri-Pekka
Kaukonen**
Chairman of the
Board



Eero Heliövaara
Vice Chairman of
the Board



Erkki Järvinen
Member of the
Board



**Olli-Petteri
Lehtinen**
Member of the
Board



Inka Mero
Member of
the Board



**Kristina
Pentti-von
Walzel**
Member of
the Board



Tiina Tuomela
Member of the
Board

Group Management Team as of February 1, 2018



Kari Kauniskangas
President and CEO



Ilkka Salonen
CFO
Deputy to CEO



Jan Gustafsson
EVP, Strategy and
development



Teemu Helppolainen
EVP, Housing Russia



Antti Inkilä
EVP, Housing
Finland and CEE



Harri Kailasalo
EVP, Infrastructure
projects



Juha Kostiainen
EVP, Urban
development



Esa Neuvonen
EVP, Business
premises and
Partnership
properties



Juhani Nummi
EVP, Integration



Pii Raulo
EVP, Human
resources



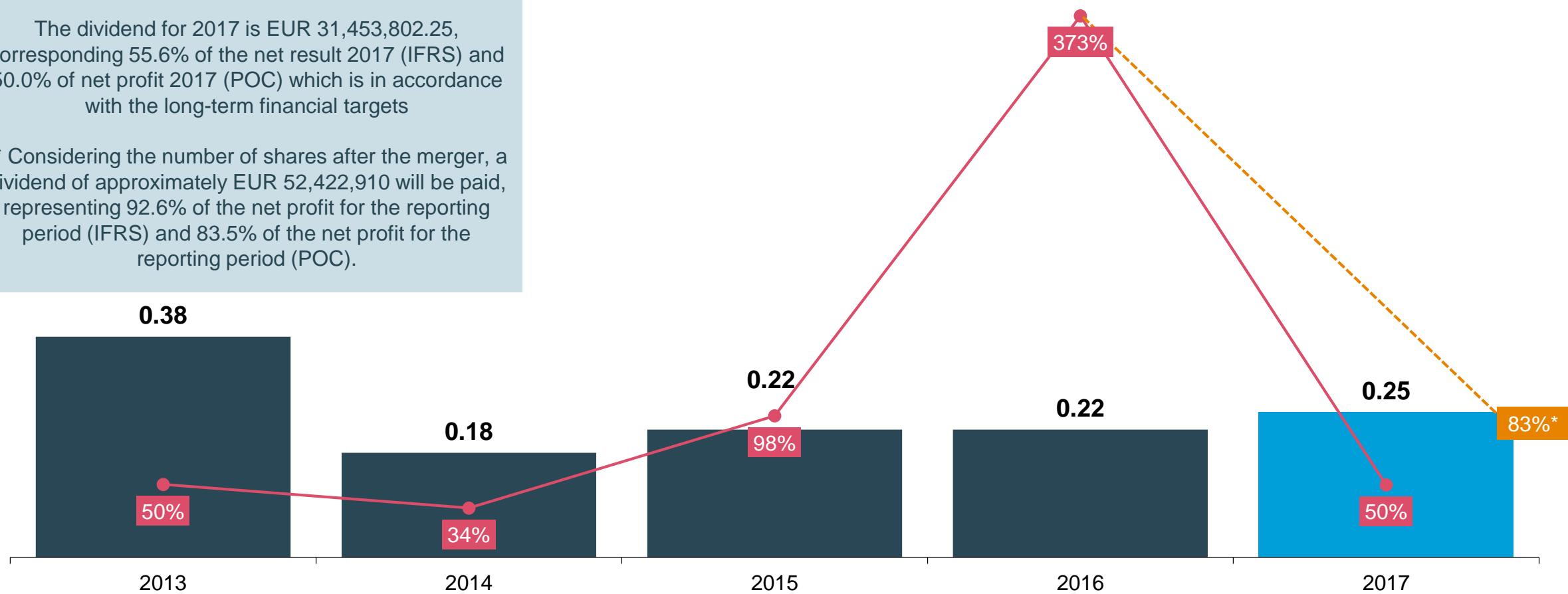
Heikki Vuorenmaa
EVP, Paving

Dividend payout

Dividend / share (EUR)

The dividend for 2017 is EUR 31,453,802.25, corresponding 55.6% of the net result 2017 (IFRS) and 50.0% of net profit 2017 (POC) which is in accordance with the long-term financial targets

** Considering the number of shares after the merger, a dividend of approximately EUR 52,422,910 will be paid, representing 92.6% of the net profit for the reporting period (IFRS) and 83.5% of the net profit for the reporting period (POC).



* Dividend payout ratio considering the number of shares after the merger



Residential concepts



Living Design Philosophy: Next phase of Smartti ideology

What is trending now?



- Interest in easy and flexible living
- Interest in using services
- Living in an apartment building and importance of yards
- Getting rid of material as a phenomenon



- Willingness to use money on living
- Need for space in an apartment

Our solution – Living Design Philosophy

Design philosophy

Digitalised customer choices

Ecosystem and partnerships

Modular prefabricated systems

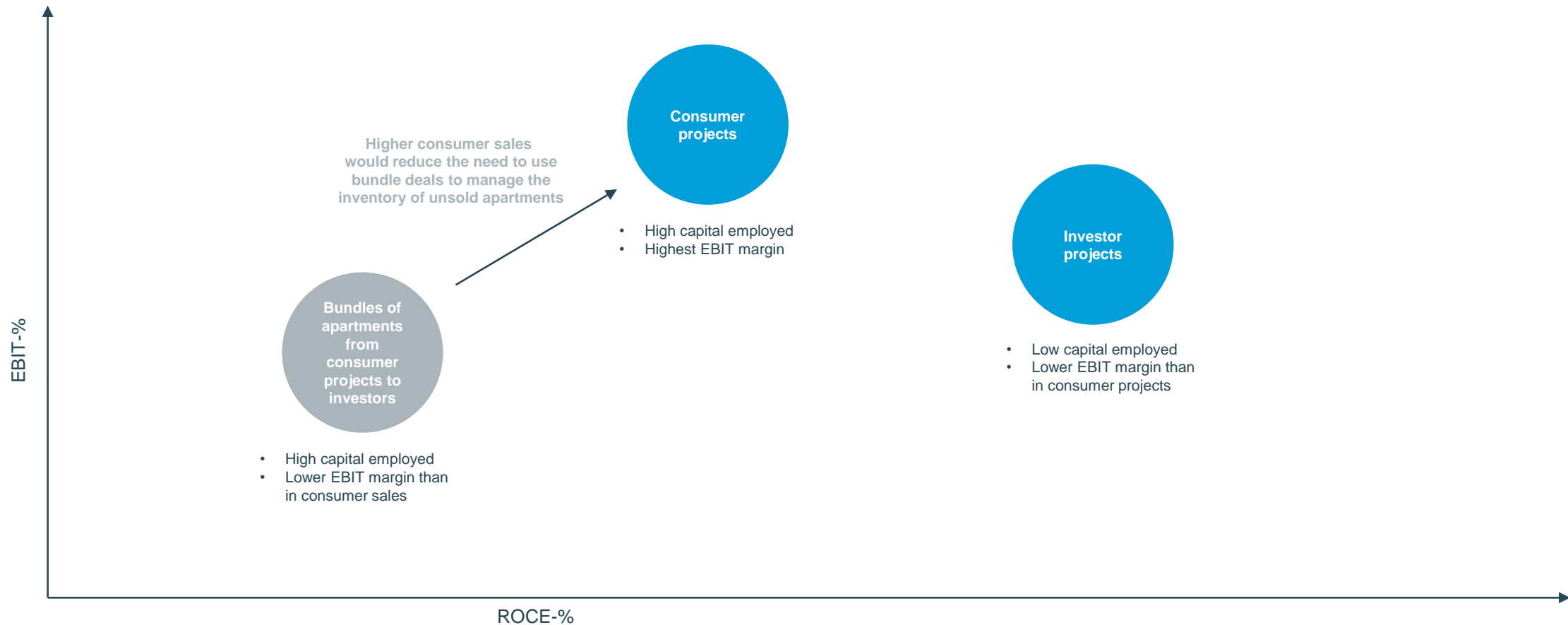
Living services such as SmartPost

Smart and multi-functional use of space

Digitalised process for purchasing and material options

Impact of the mix in Finnish housing

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



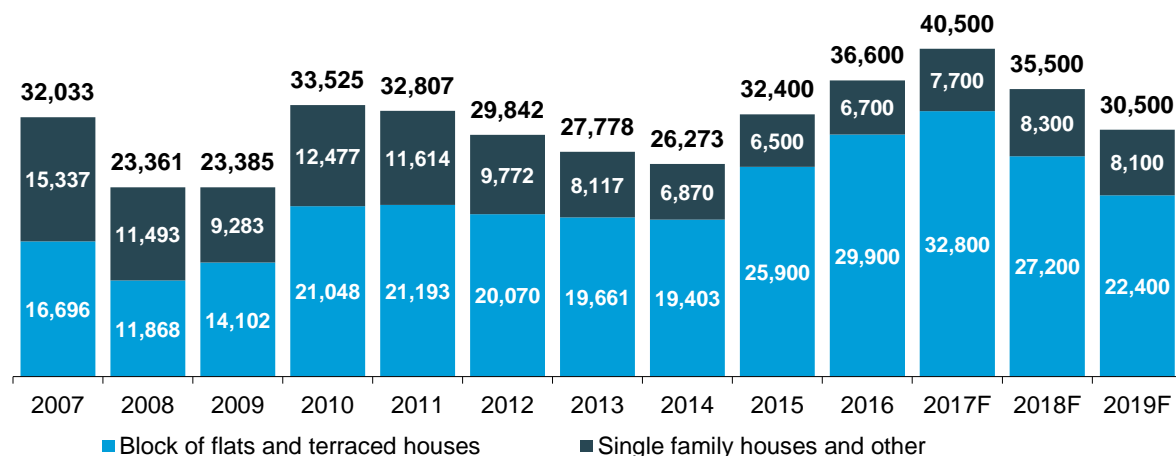
IV

Housing indicators



Start-ups expected to decrease in 2018 and 2019

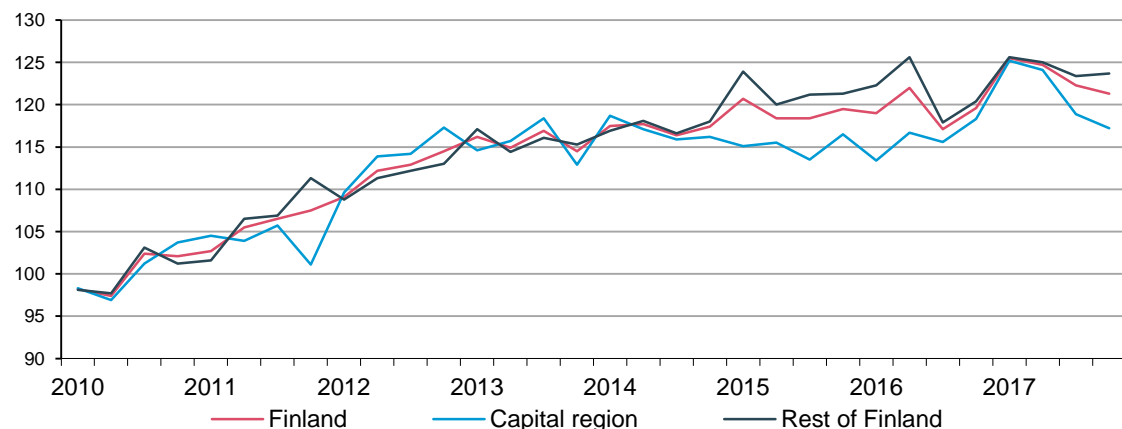
RESIDENTIAL START-UPS (units)



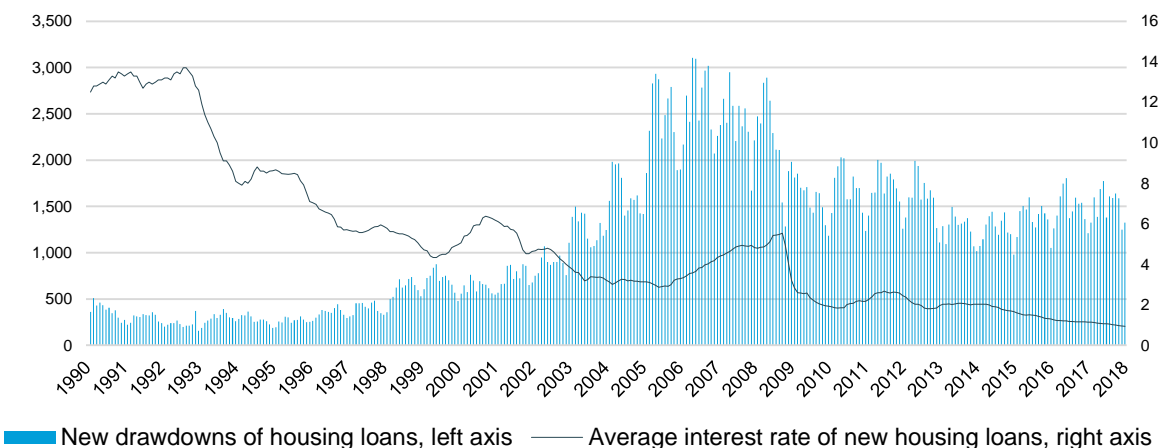
CONSUMERS' VIEWS ON ECONOMIC SITUATION IN ONE YEAR'S TIME (balance)



PRICES OF NEW DWELLINGS (index 2010=100)



VOLUME OF NEW MORTGAGES AND AVERAGE INTEREST RATE (EUR million, %)

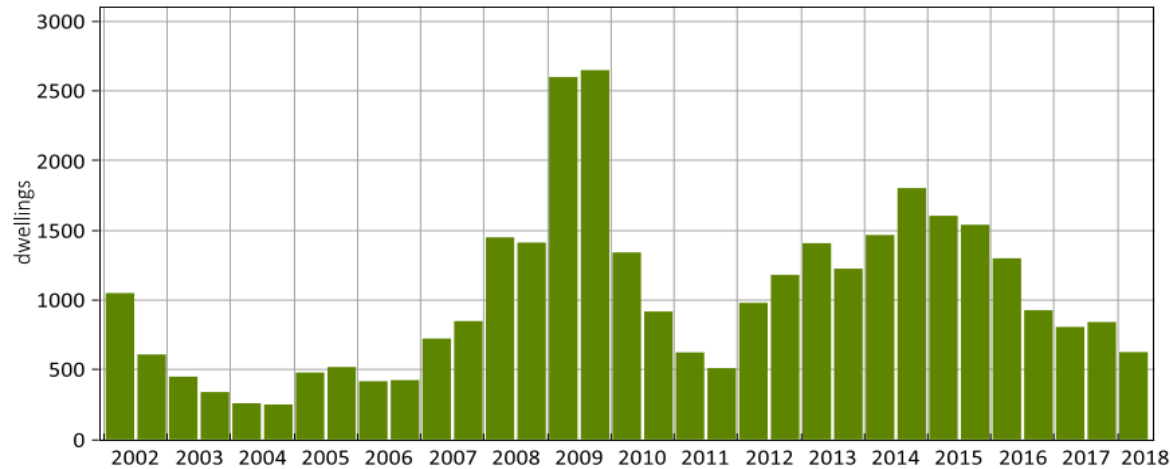


Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2019F Euroconstruct, December 2017, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland
74 Financial Statements Bulletin 2017

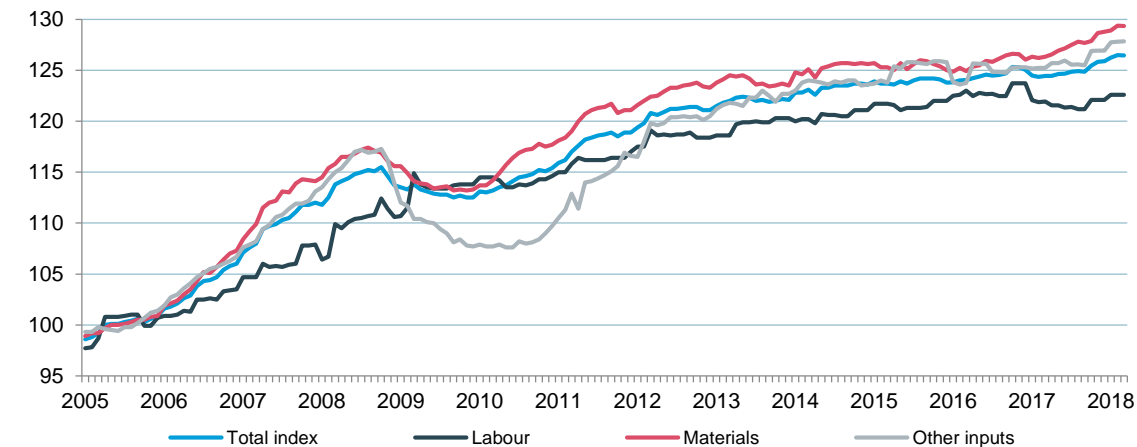
Finland

Construction indicators

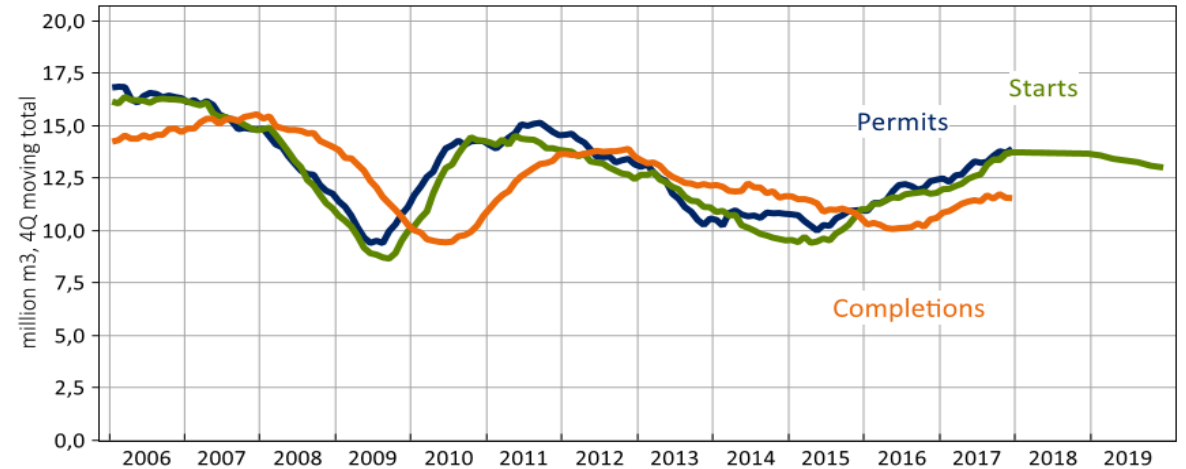
UNSOLD COMPLETED UNITS, RESIDENTIAL DEVELOPMENT PROJECTS (units)



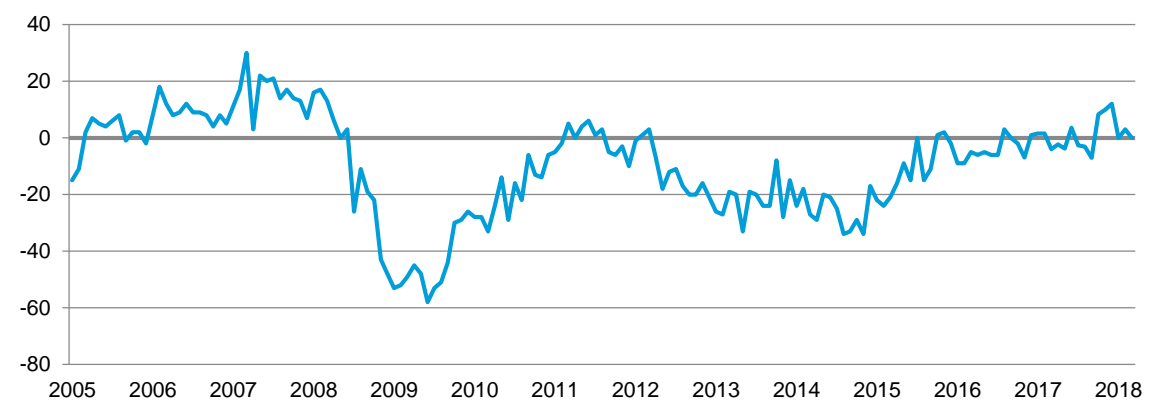
CONSTRUCTION COST INDEX (index 2005=100)



RESIDENTIAL BUILDING PERMITS, START-UPS AND COMPLETIONS (million ,m³)



CONSTRUCTION CONFIDENCE (balance)

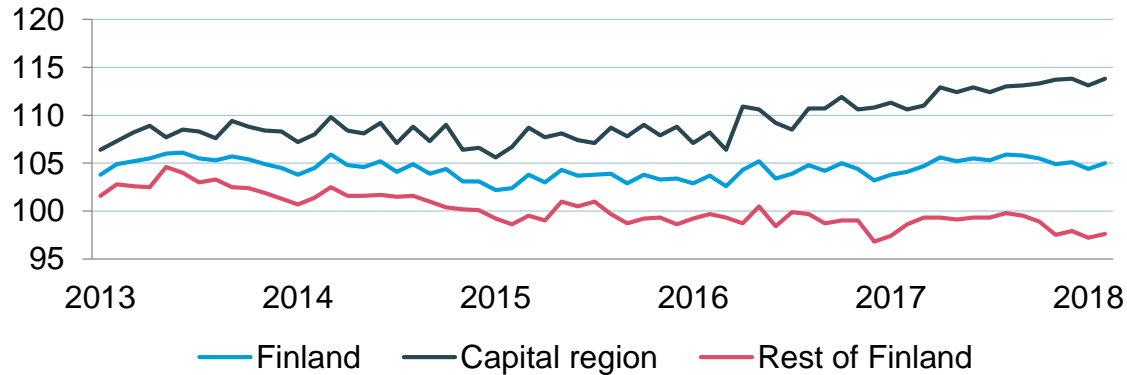


Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT, Construction cost index: Statistics

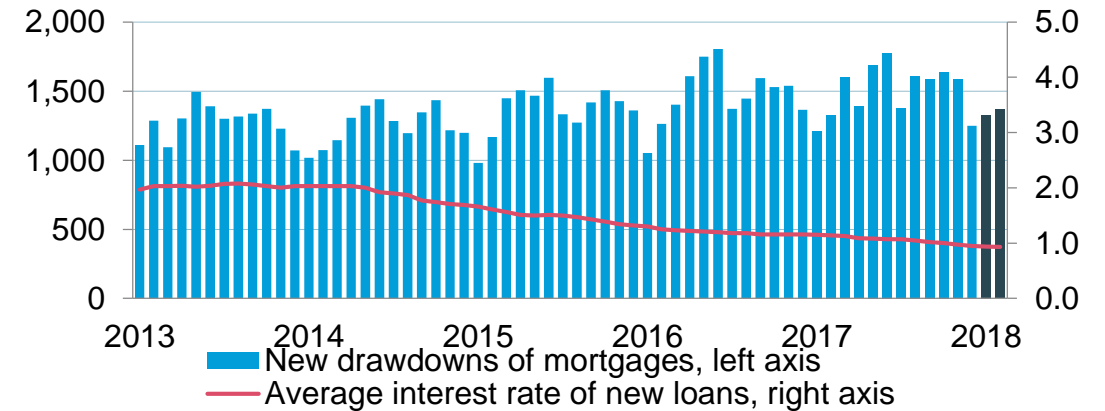
Finland, Construction confidence: Confederation of Finnish Industries EK

Operating environment in Finland and CEE

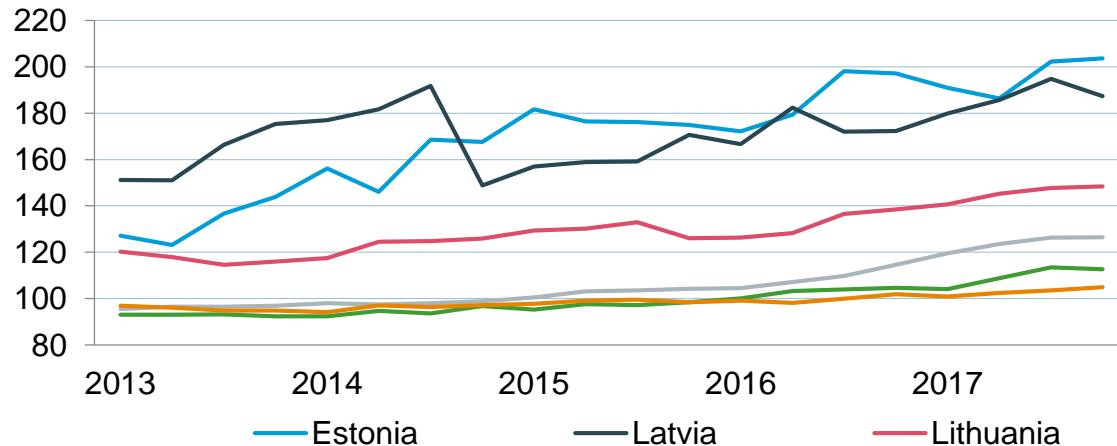
PRICES OF OLD APARTMENTS IN FINLAND
(index 2010=100)



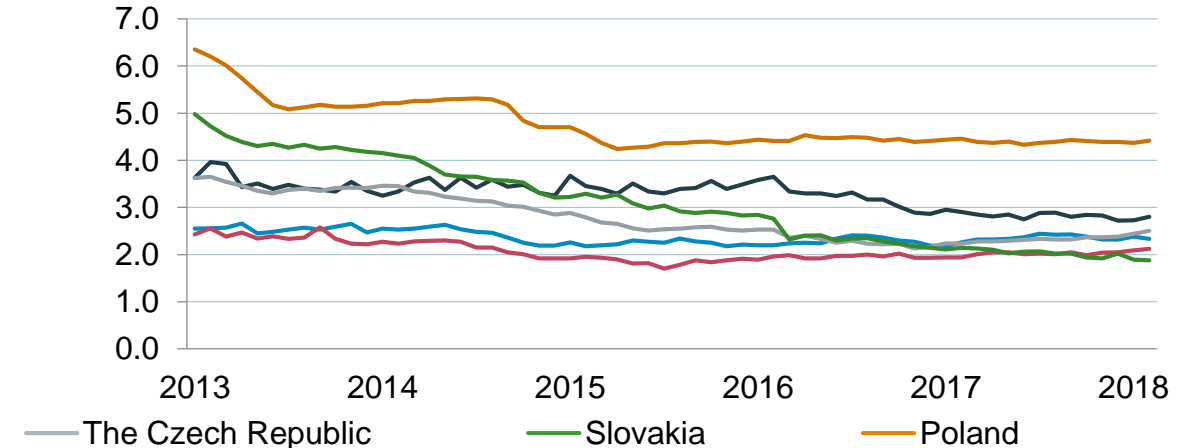
NEW DRAWDOWNS OF MORTGAGES AND AVERAGE INTEREST RATE IN FINLAND
(EUR million, %)



HOUSE PRICE INDEX, NEW DWELLINGS IN CEE COUNTRIES (2010=100)



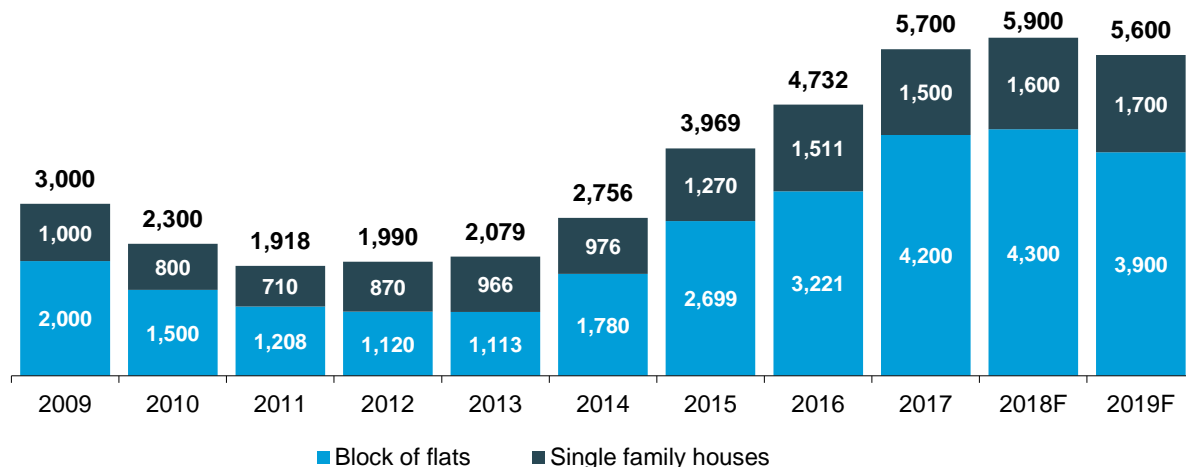
AVERAGE INTEREST RATE OF MORTGAGES IN CEE COUNTRIES (%)



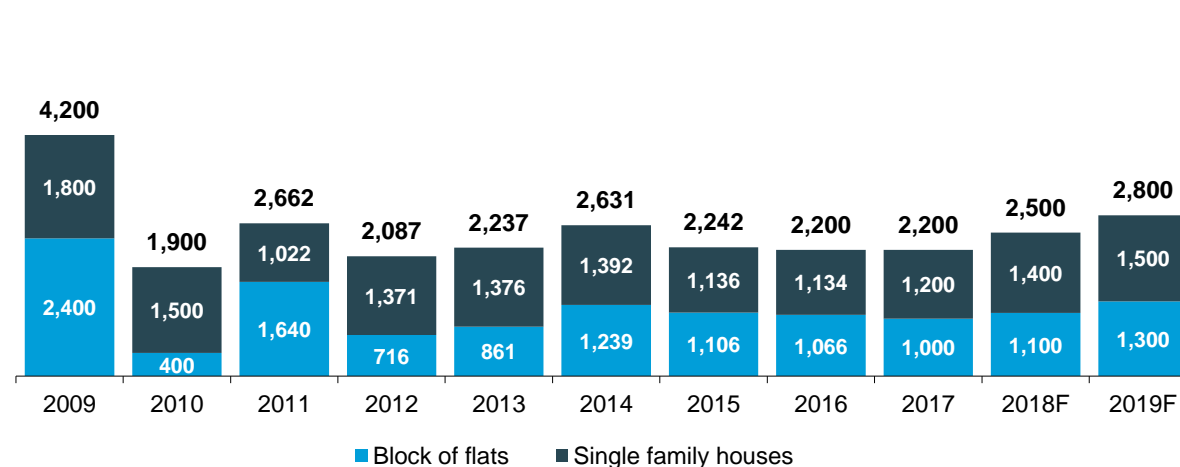
The Baltic Countries

Residential construction is expected to level off

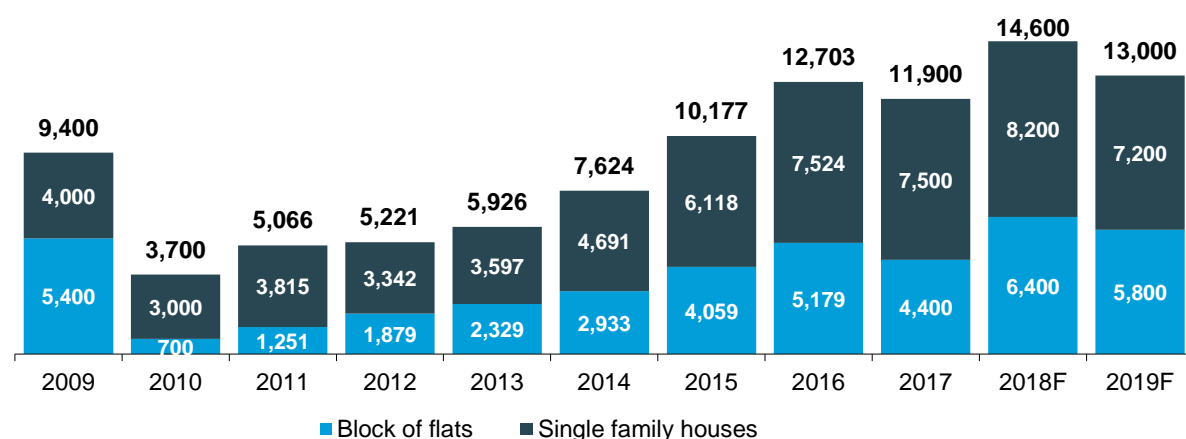
RESIDENTIAL COMPLETIONS IN ESTONIA (UNITS)



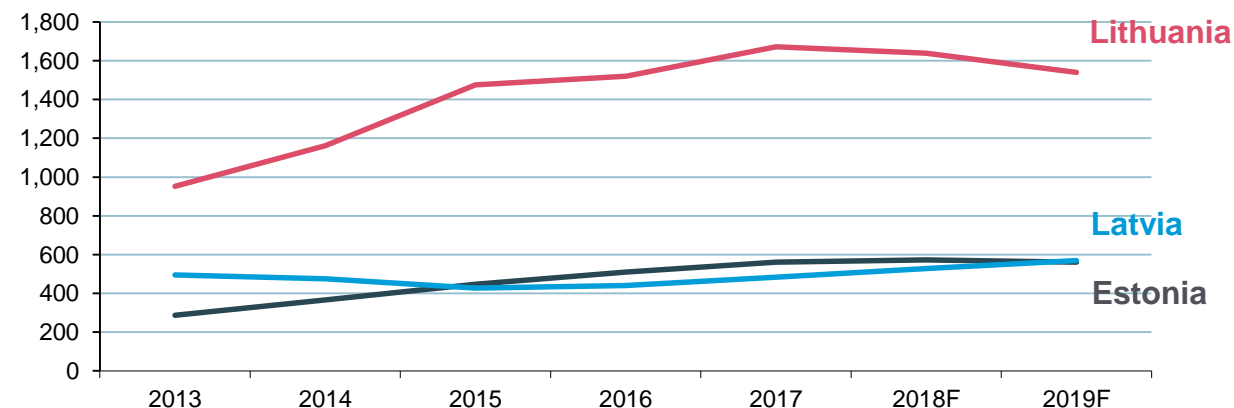
RESIDENTIAL COMPLETIONS IN LATVIA (UNITS)



RESIDENTIAL COMPLETIONS IN LITHUANIA (UNITS)



NEW RESIDENTIAL CONSTRUCTION VOLUME (EUR MILLION)

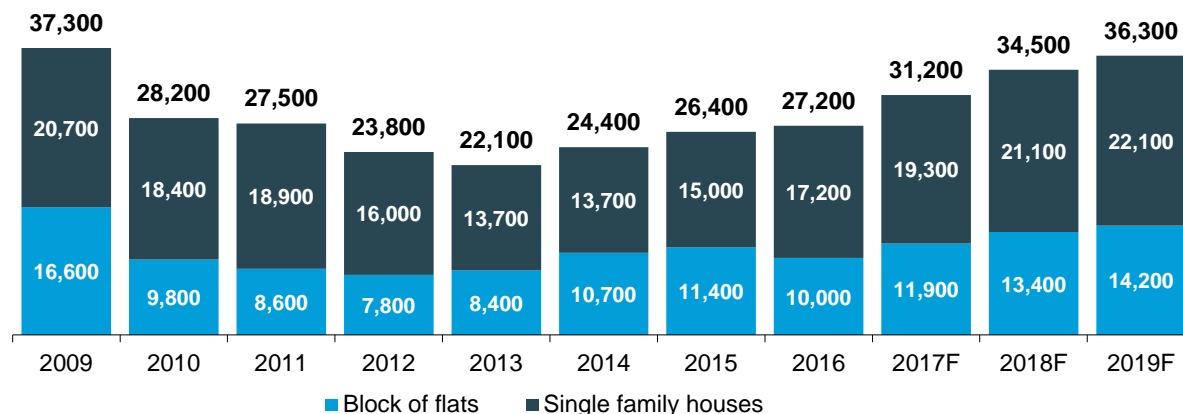


Source: Euroconstruct, December 2018

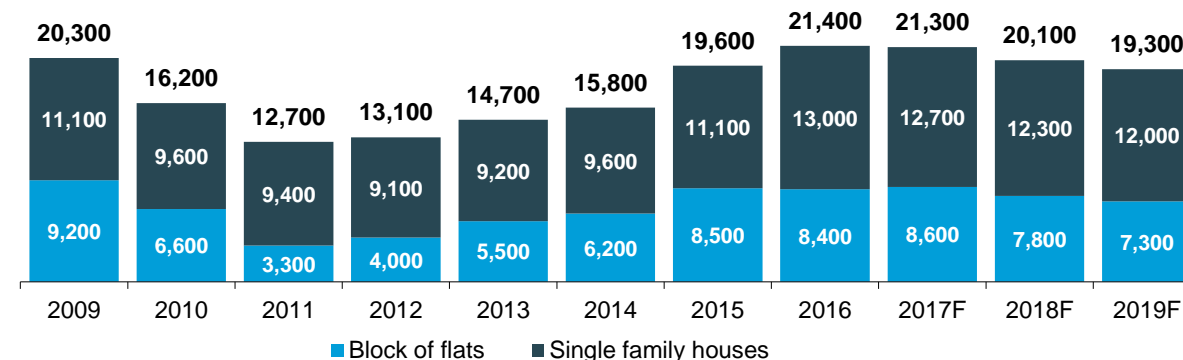
The Czech Republic, Slovakia and Poland

Start-ups forecasted to grow in the Czech Republic

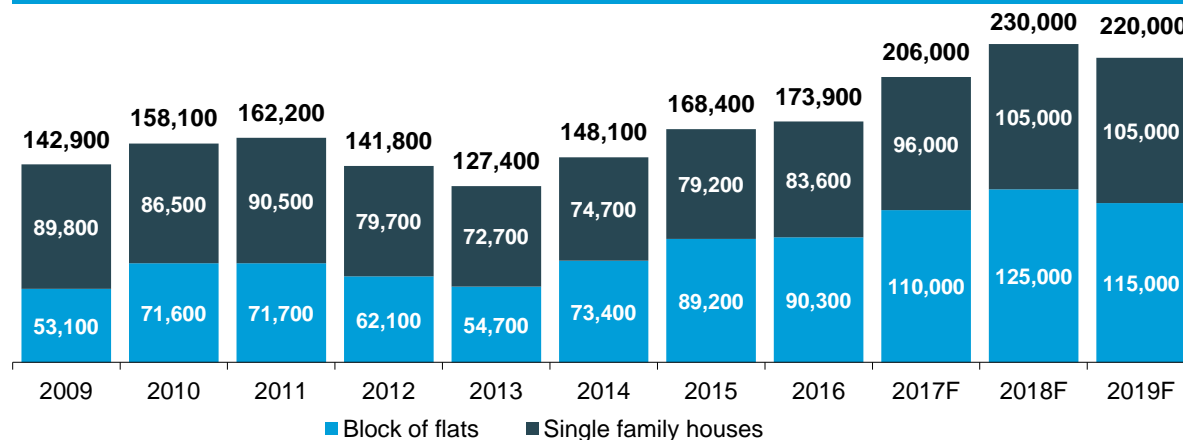
RESIDENTIAL START-UPS IN THE CZECH REPUBLIC (UNITS)



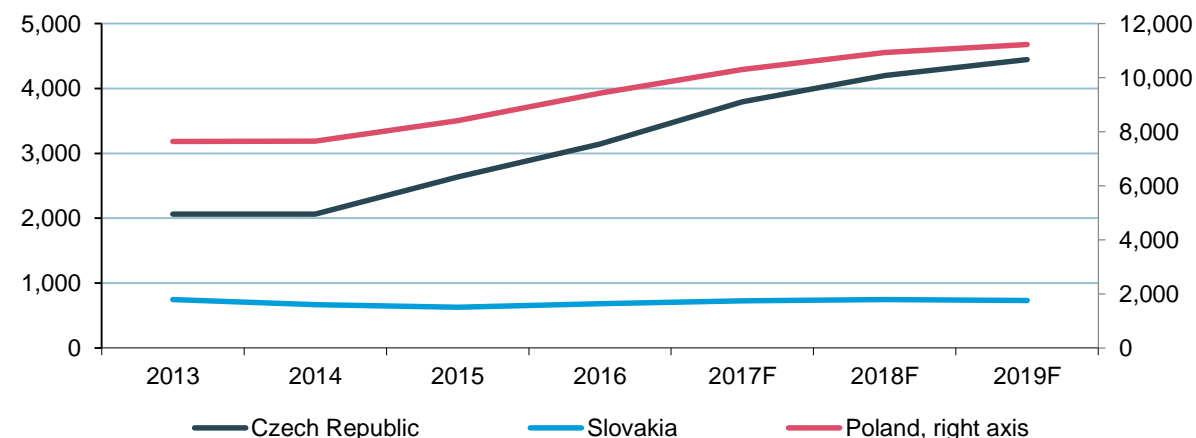
RESIDENTIAL START-UPS IN SLOVAKIA (UNITS)



RESIDENTIAL START-UPS IN POLAND (UNITS)



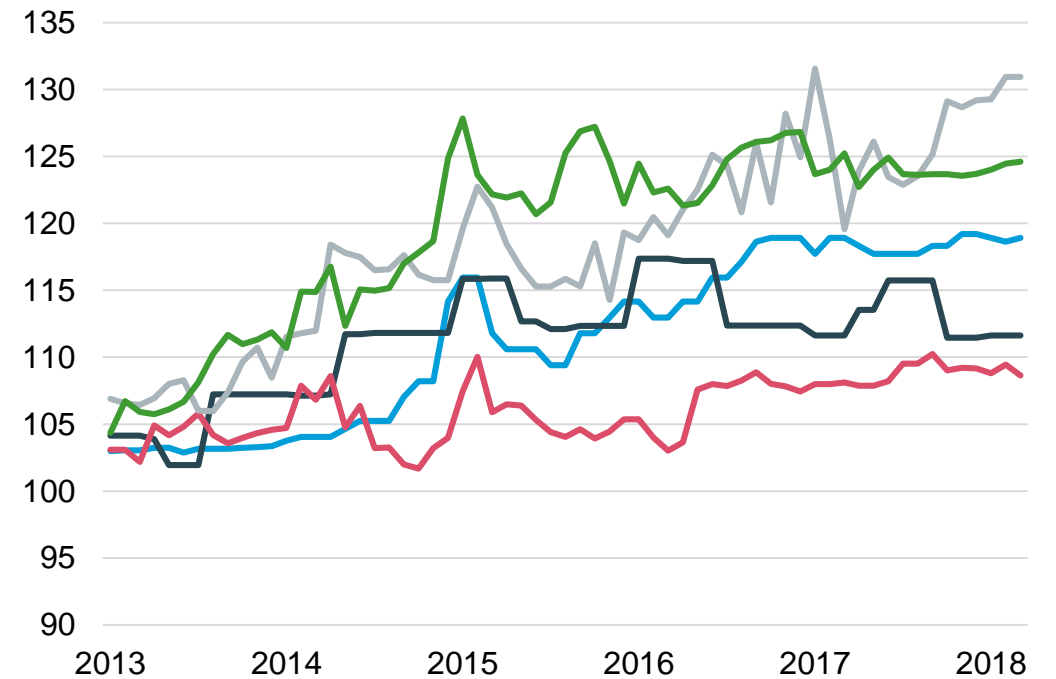
NEW RESIDENTIAL CONSTRUCTION VOLUME (EUR MILLION, %)



Source: Euroconstruct, December 2018

EUR/RUB exchange rate and prices of new apartments

EUR/RUB EXCHANGE RATE

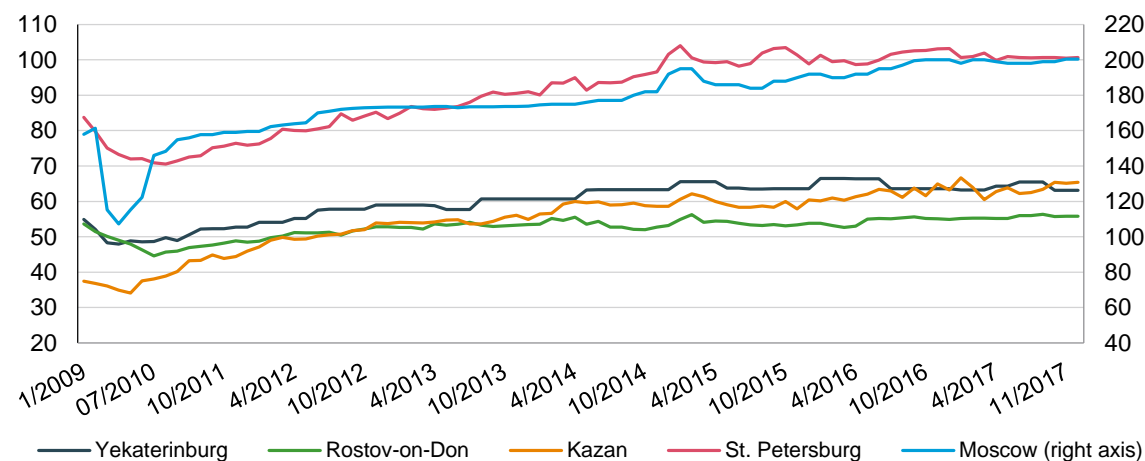
PRICES OF NEW APARTMENTS
(INDEX 2012=100)

— Moscow — Yekaterinburg — Rostov-on-Don — Kazan — St. Petersburg

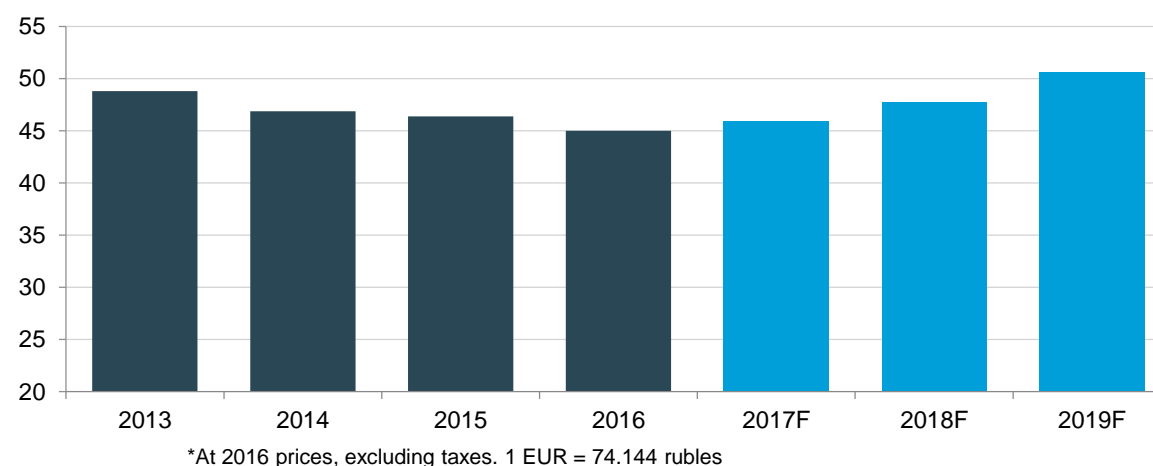
Russia

Housing indicators

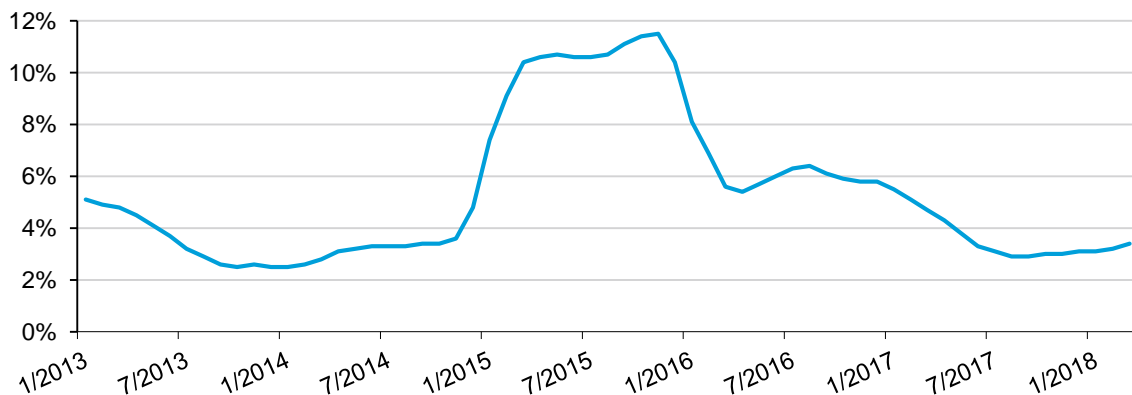
HOUSE PRICES IN PRIMARY MARKETS (thousand RUB per sq. m.)



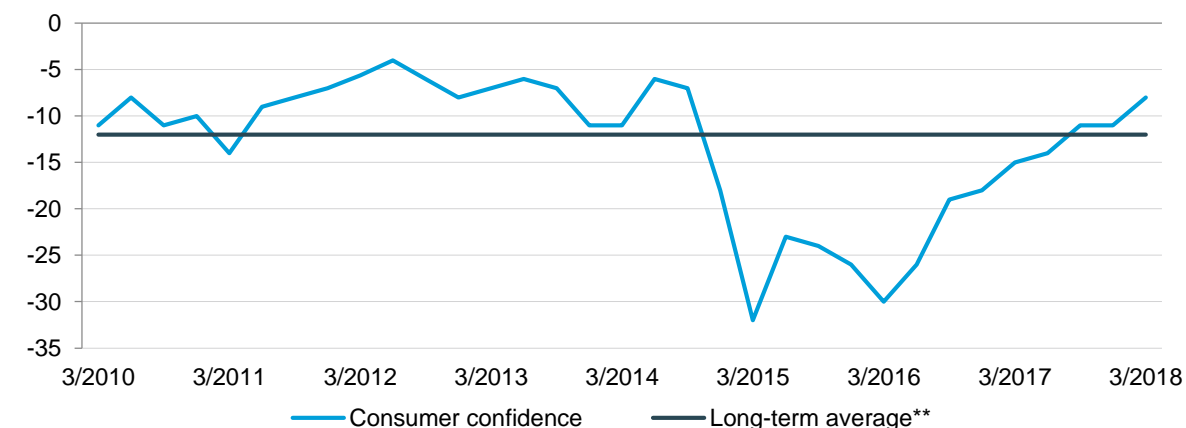
NEW RESIDENTIAL CONSTRUCTION VOLUMES (EUR billion*)



INFLATION IN BUILDING MATERIALS (%)



CONSUMER CONFIDENCE



Sources: House prices: YIT, New residential construction volume: Euroconstruct, December 2017, Inflation in building materials: PMR Construction review, January 2018, Consumer confidence: Bloomberg **Average 12/1998-3/2018

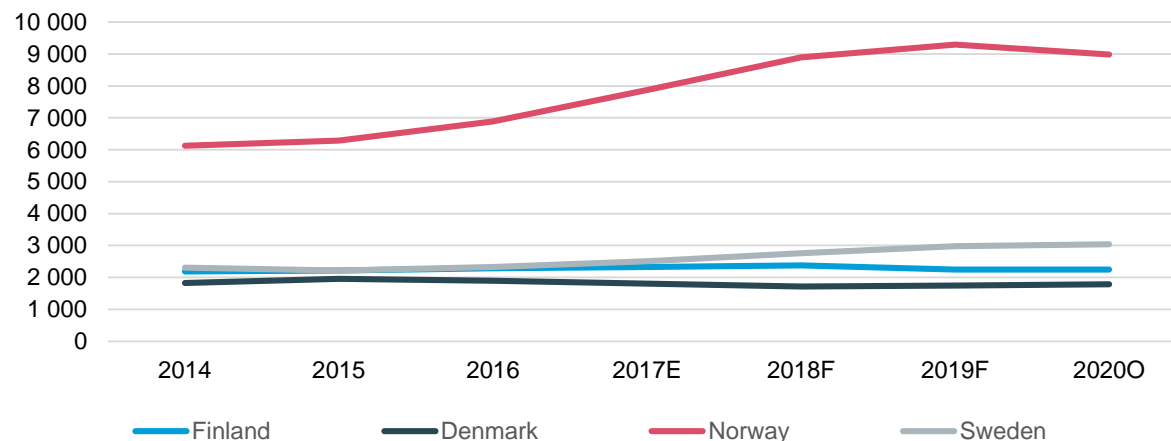


Business premises, infrastructure and paving indicators

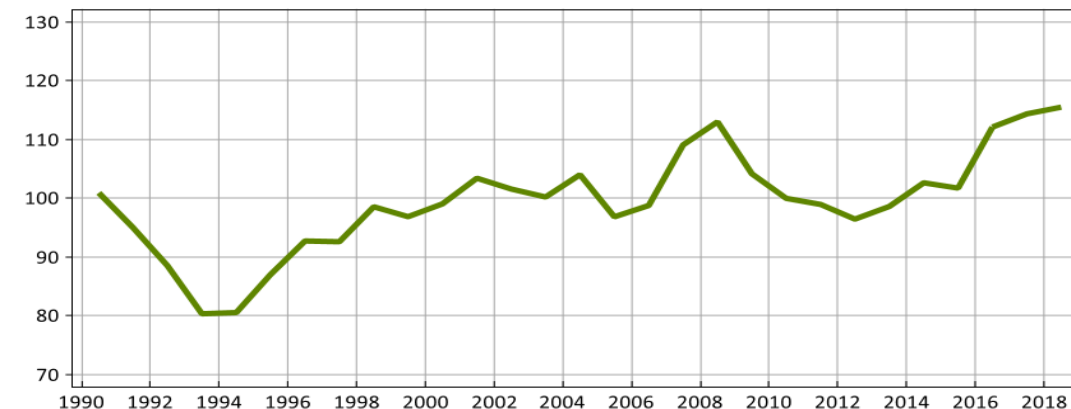


Infrastructure Operating environment

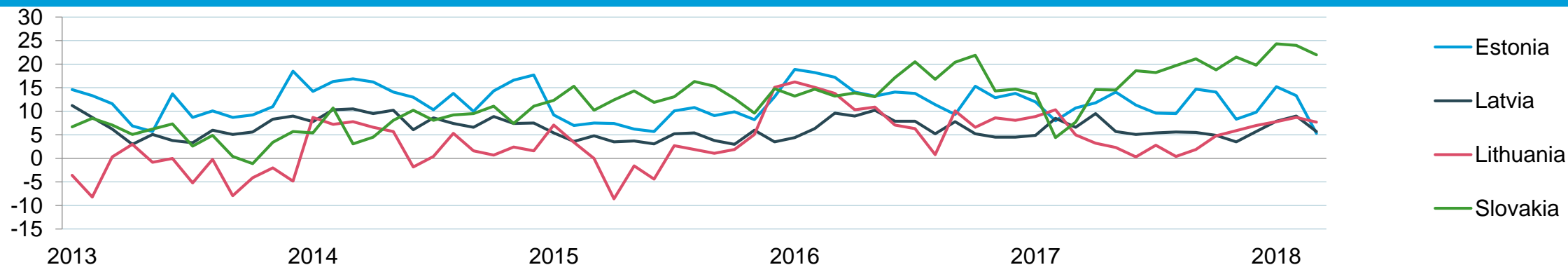
TRANSPORT INFRASTRUCTURE, ROADS (EUR million)



CIVIL ENGINEERING INVESTMENT VOLUME IN FINLAND



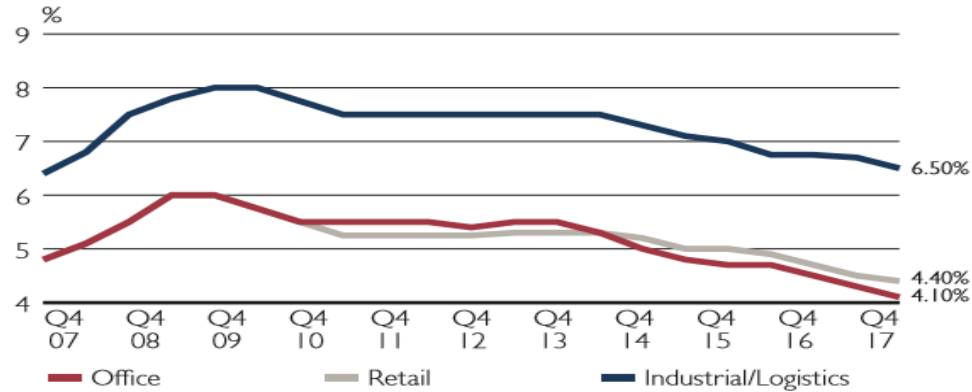
RETAIL TRADE CONFIDENCE IN THE BALTIC COUNTRIES AND SLOVAKIA



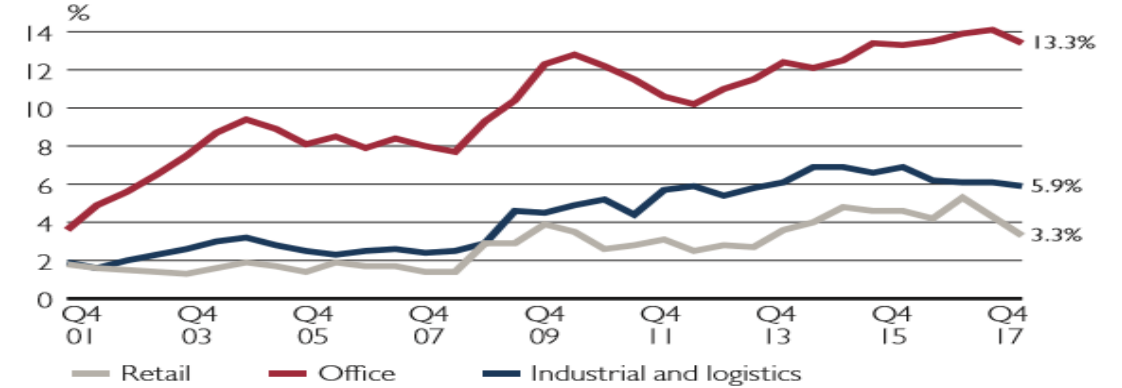
Sources: Euroconstruct December 2017, Civil engineering investment; Confederation of Finnish Construction Industries RT, European Commission

Yields, vacancy rates and transaction volume in Finland

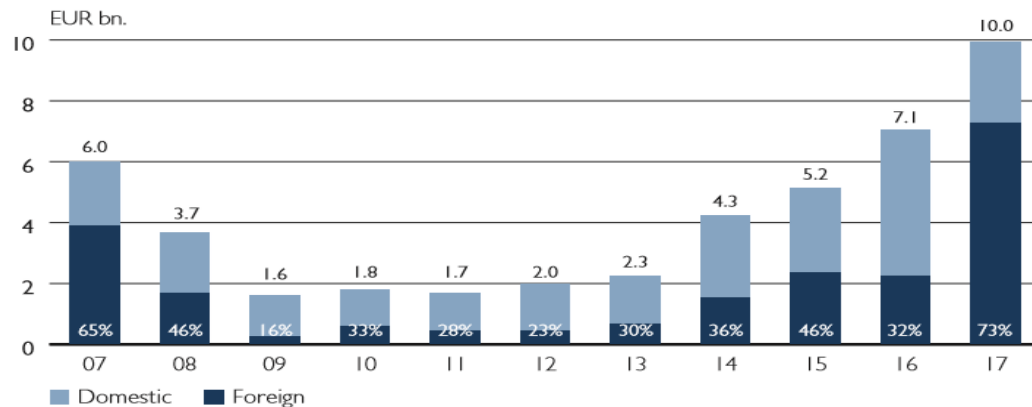
PRIME YIELDS IN HELSINKI METROPOLITAN AREA, (%)



VACANDY RATES IN METROPOLITAN AREA, (%)



TRANSACTION VOLUME IN FINLAND, (EUR million)

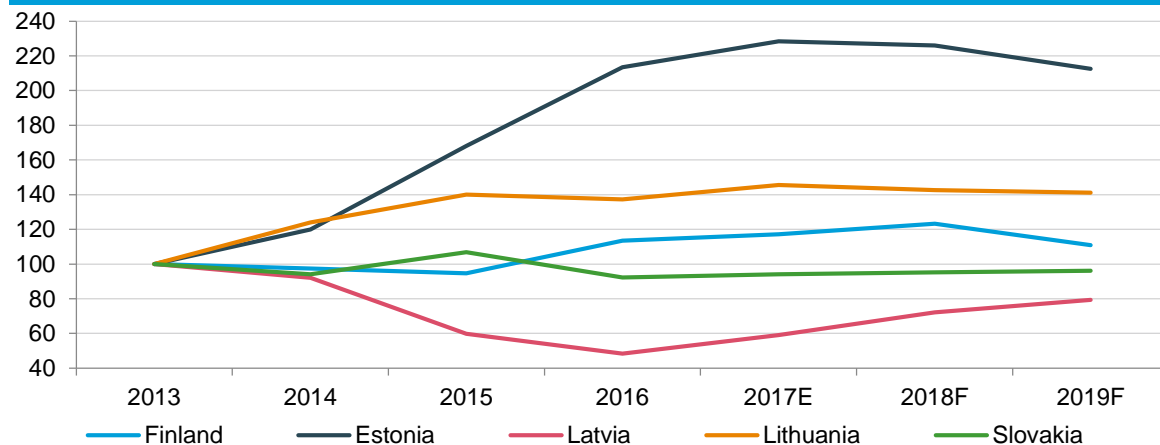


Sources: Catella Market Indicator, Spring 2018

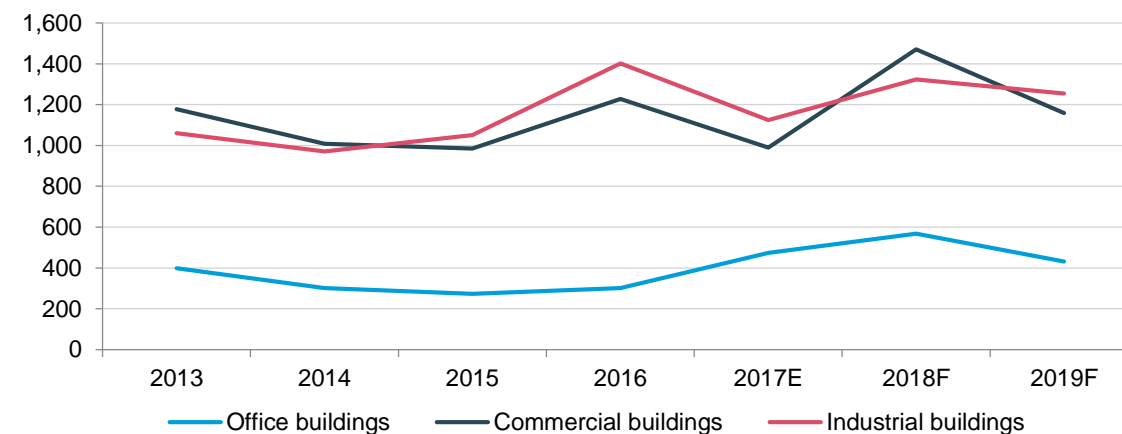
The Baltic countries

Non-residential construction volumes

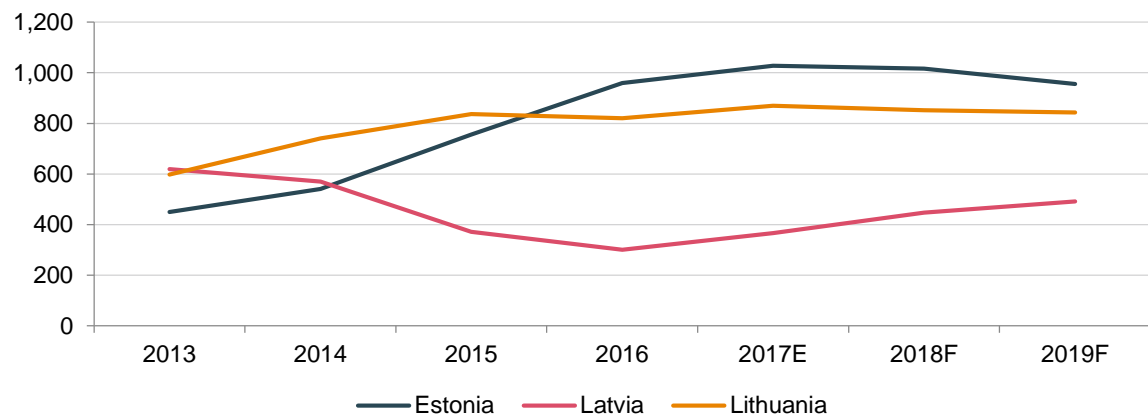
NEW NON-RESIDENTIAL CONSTRUCTION VOLUMES (index 2013=100)



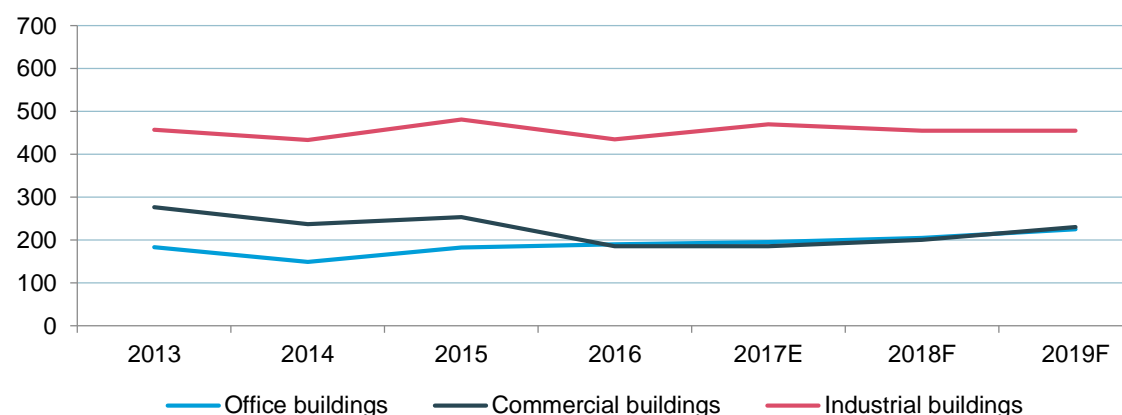
NEW NON-RESIDENTIAL CONSTRUCTION IN FINLAND (EUR million)



NEW NON-RESIDENTIAL CONSTRUCTION IN THE BALTIC COUNTRIES (EUR million)



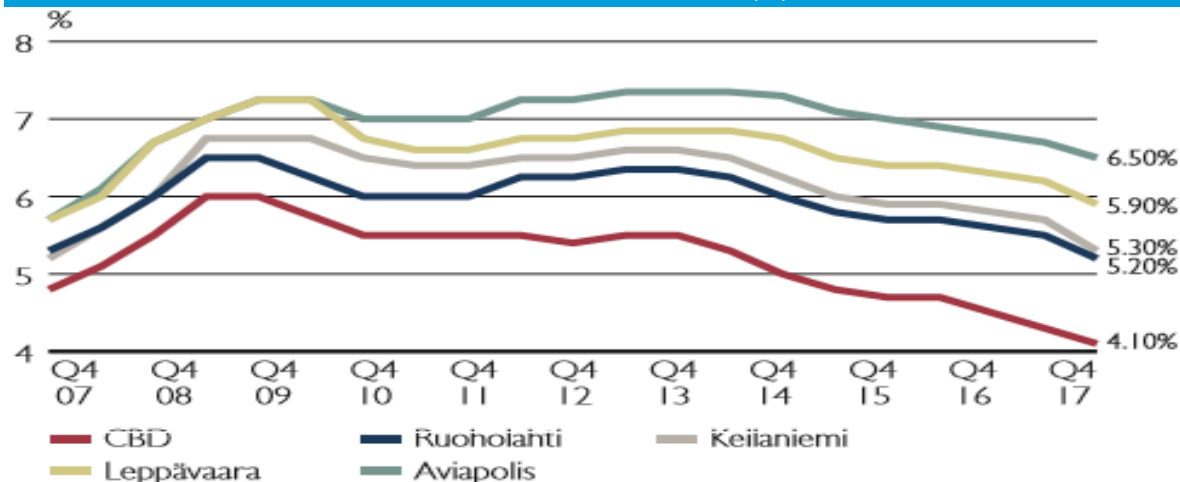
NEW NON-RESIDENTIAL CONSTRUCTION IN SLOVAKIA (EUR million)



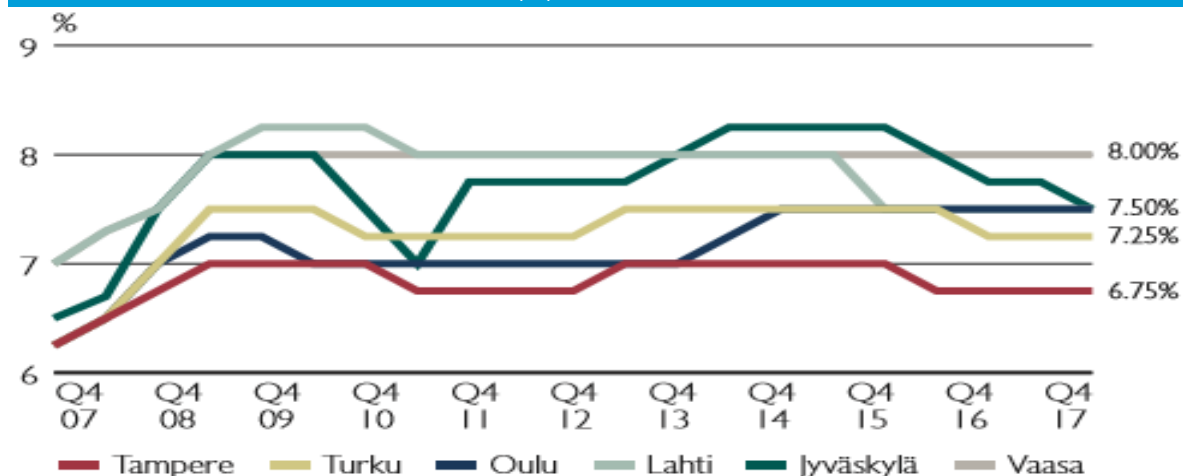
Finland

Yields and vacancy rates in Finland

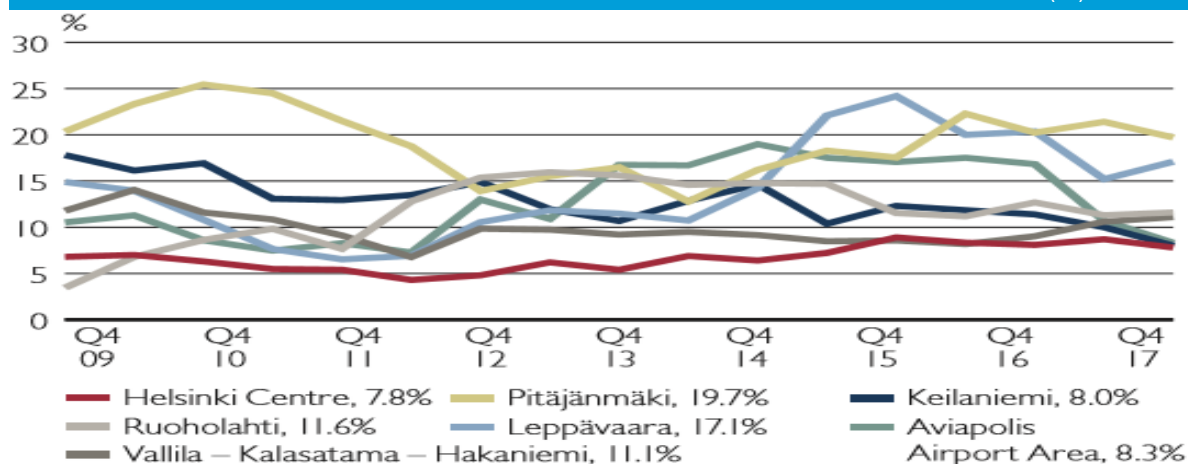
OFFICE YIELDS IN THE HELSINKI METROPOLITAN AREA (%)



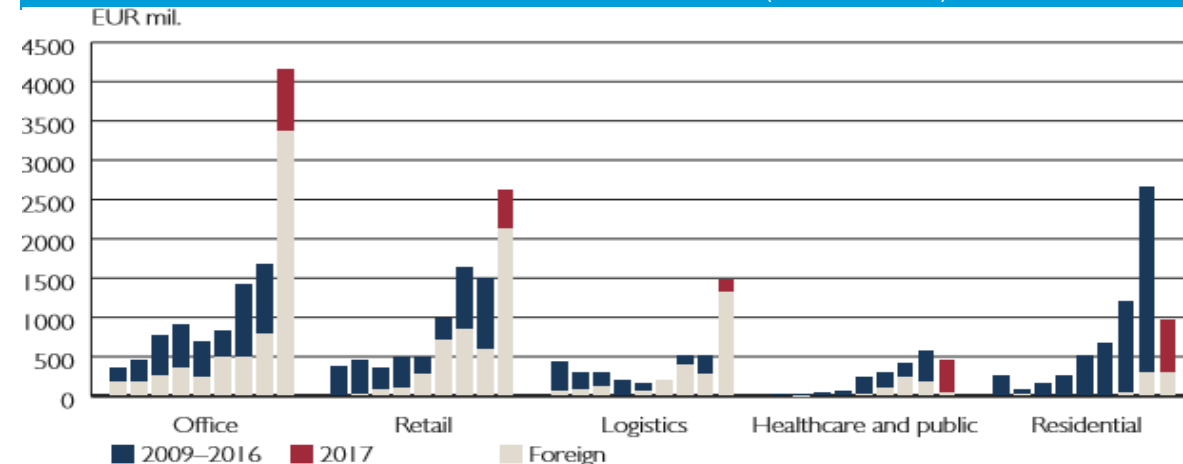
PRIME YIELDS IN GROWTH CENTRES (%)



VACANCY RATES IN SELECTED DISTRICTS IN HELSINKI METROPOLITAN AREA (%)



TRANSACTION VOLUME BY THE PURPOSE OF THE USE (EUR MILLION)

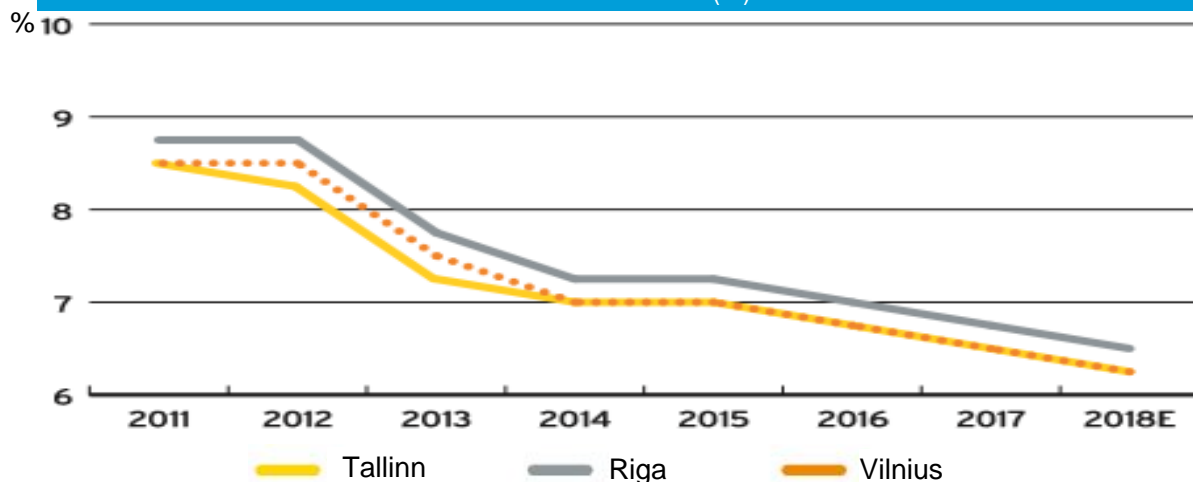


Sources: Catella Market Indicator, Spring 2018

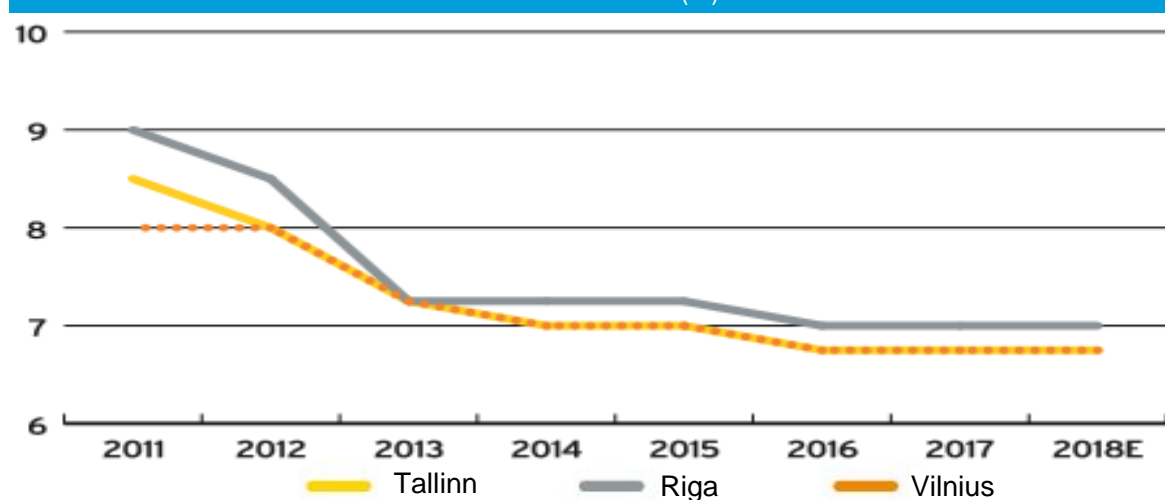
The Baltic countries

Yields are expected decrease slightly

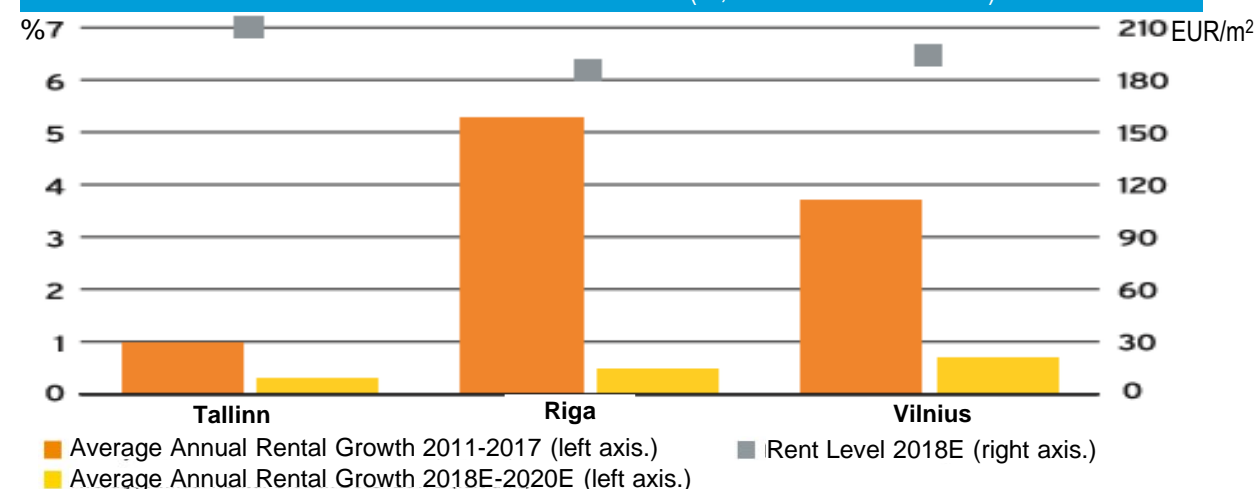
PRIME OFFICE YIELDS IN THE BALTIC COUNTRIES (%)



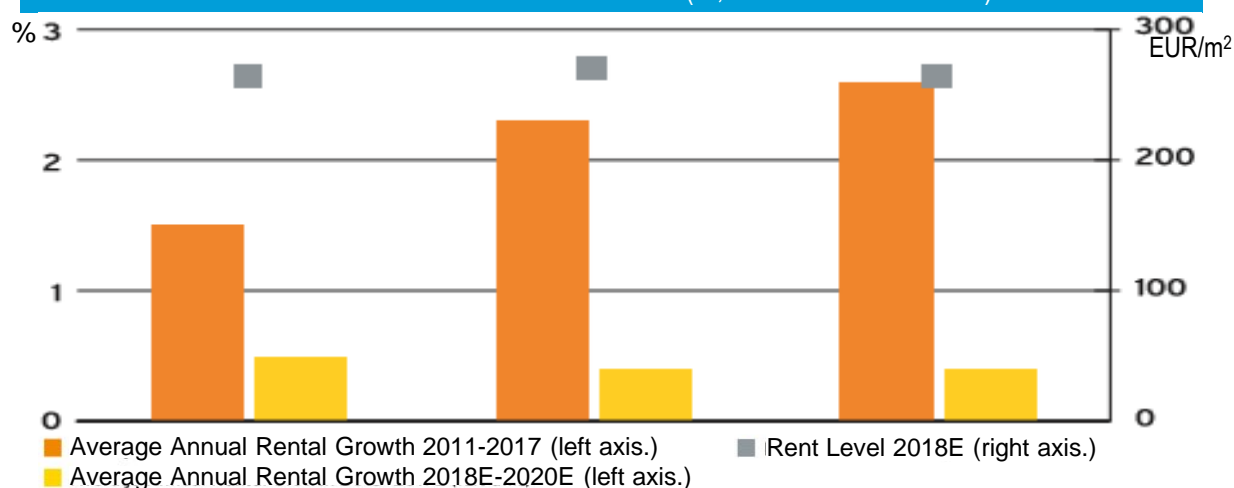
PRIME RETAIL YIELDS IN THE BALTIC COUNTRIES (%)



PRIME OFFICE RENTS IN THE BALTIC COUNTRIES (% , EUR / SQ. M. / YEAR)



PRIME RETAIL RENTS IN THE BALTIC COUNTRIES (% , EUR / SQ. M. / YEAR)



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YIT'S CAPITAL MARKETS DAY

YIT's Capital Markets Day will be held on
September 27, 2018 in Helsinki
metropolitan area, Finland

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