



Novo Orlovsky  
St. Petersburg, Russia

YIT – Well-managed, profitable growth from emerging markets  
with Western Corporate Governance

Roadshow Paris, May 15, 2014

Kari Kauniskangas, CEO

Marcus Lindell, IR specialist



# Contents

1	Demerger and new YIT	3
2	Strategy and business model	11
3	Key financials	20
4	Housing	35
5	Business Premises and Infrastructure	54
6	Looking ahead and conclusions	62
7	Appendices	70

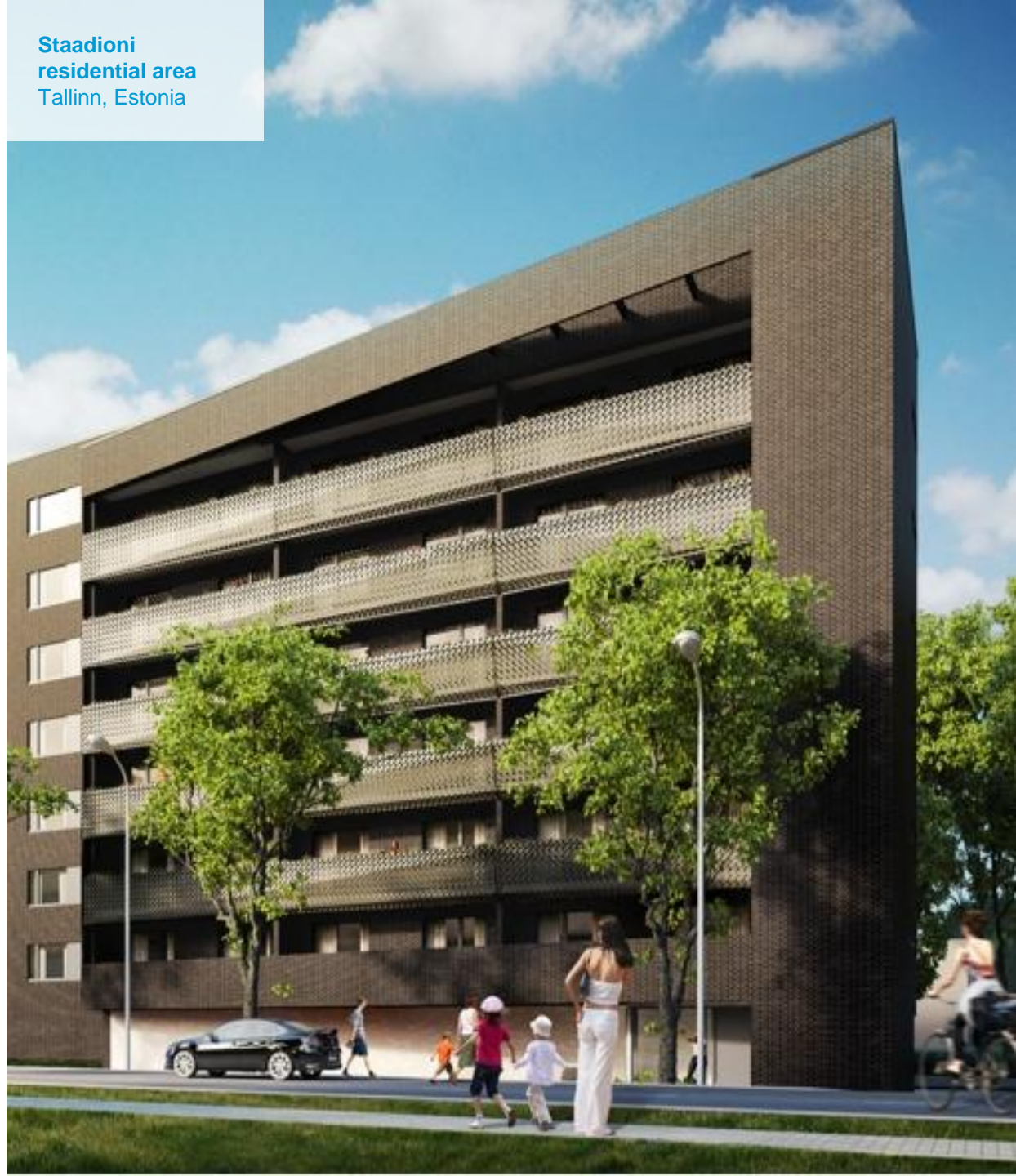


Staadioni  
residential area  
Tallinn, Estonia

# 1

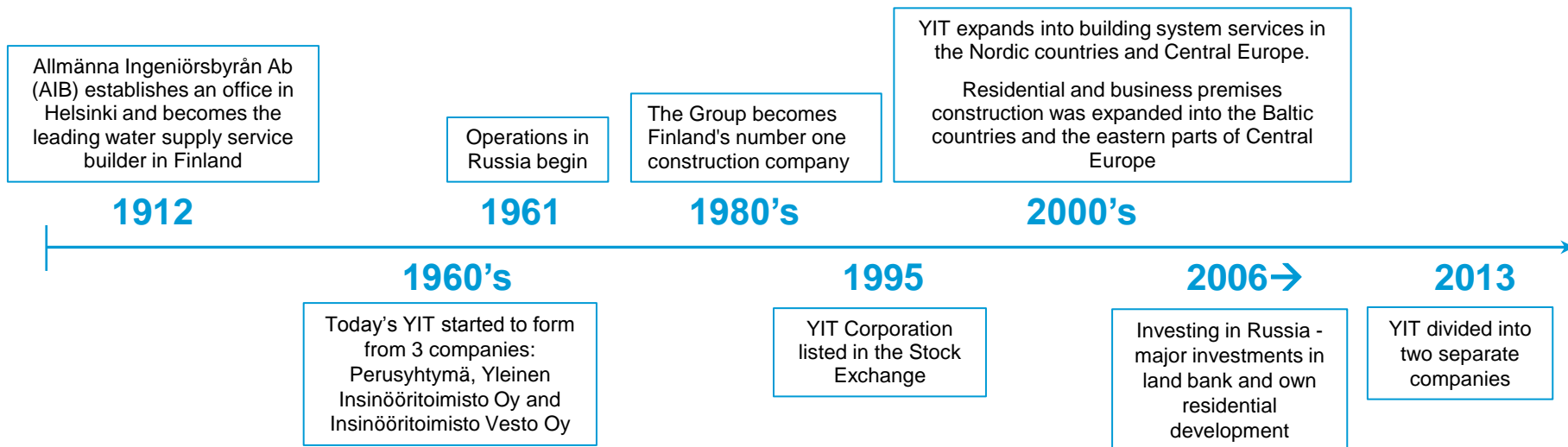
---

Demerger  
and new YIT



# Right time to move to the next development phase

## Over 100 years of experience in Finland, over 50 in Russia



### The demerger

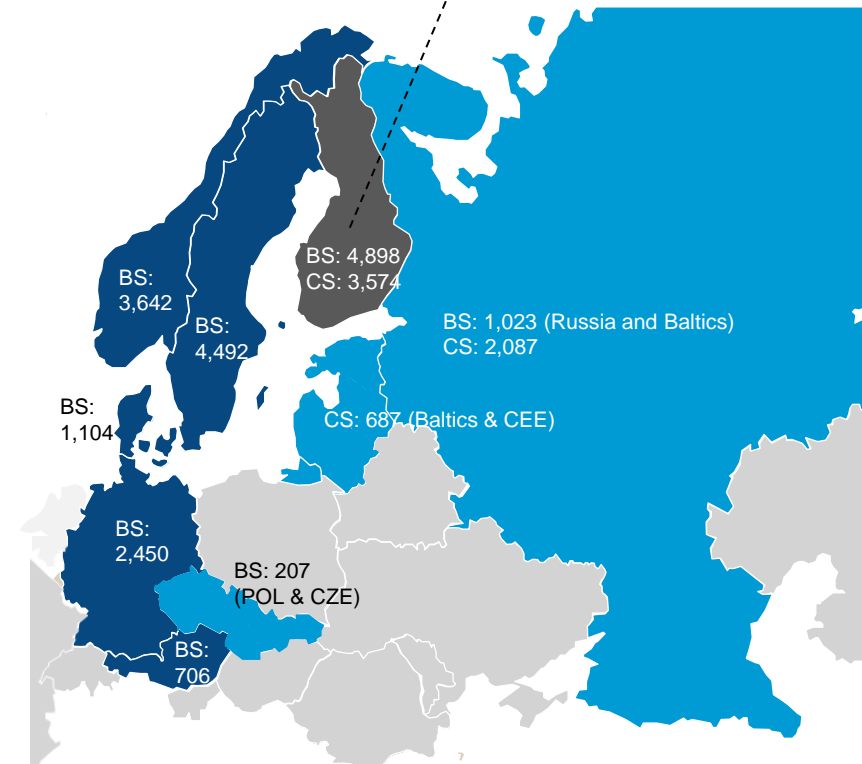
- Building Services demerged into Caverion on June 30, 2013. YIT continues to provide Construction Services
  - Initiative from the Board of Directors – supported by main owners
- Both companies large enough to grow independently

# Rationale for the partial demerger

- Independent strategies and different business models
  - Capital intensive Construction Services seeking growth from Russia, the Baltic countries and Central Eastern Europe and from Finland
  - Stable Building Services growing in developed Northern and Central Europe
- Meaningful geographical overlap only in Finland
- Better management focus in separate companies
- Good financing opportunities for both companies, large enough to grow independently
  - Stable cash generation in Building Services
  - Successful business model development in Construction Services

- Building Services sales exceeding EUR 50 million
  - Construction Services sales exceeding EUR 50 million\*
- Figure shows # of employees by country / region\*\*

*Finland is the only country with both Building Services and Construction Services sales exceeding EUR 50 million*



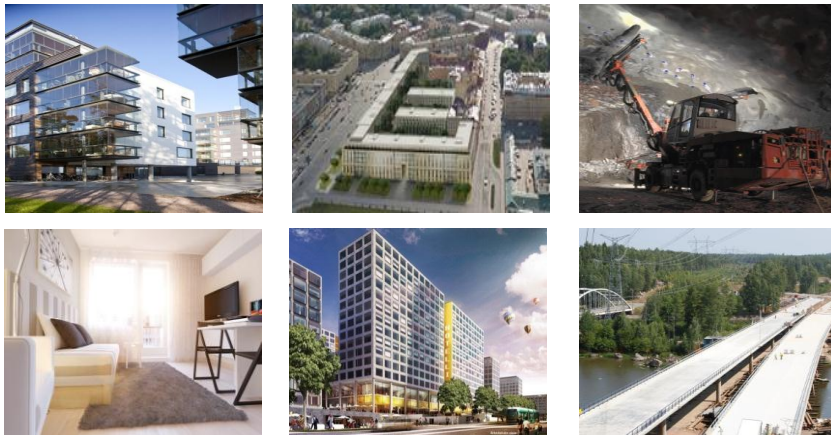
Note: Segment level figures (POC) in the annual report 2012

\*) The Baltic countries, the Czech Republic and Slovakia together have CS sales exceeding EUR 50 million

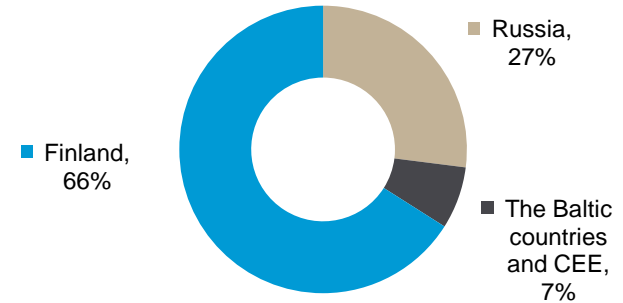
\*\*\*) Number of employees on Dec 31, 2012; In addition 396 employees in YIT Corp. and other Group Service functions and 17 BS employees in Asia

# YIT Group in brief

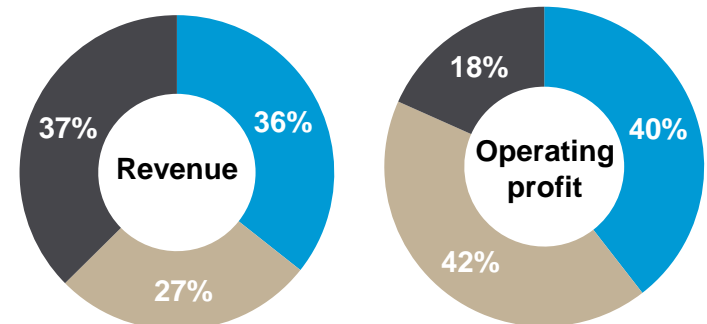
- Residential development, business premises and infrastructure
  - Focus on own-developed projects
- Operations in 7 countries
- Revenue EUR 1.9 billion in 2013
- Operating profit EUR 153 million in 2013
- More than 6,000 employees
- Share quoted on NASDAQ OMX Helsinki (Large cap, Industrials)
- Over 45,000 shareholders at the end of April 2014



Revenue by geographical area 2013



Revenue and operating profit by business area 2013

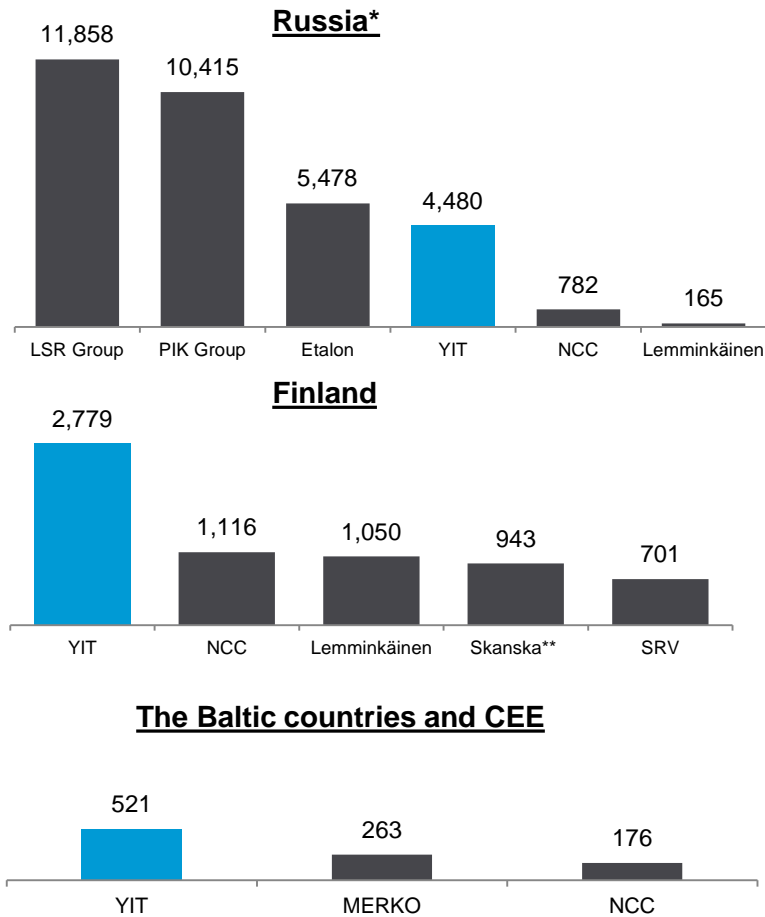


- Housing, Finland, the Baltic countries and CEE
- Housing, Russia
- Business Premises and Infrastructure

# Strong market position in all markets in Housing

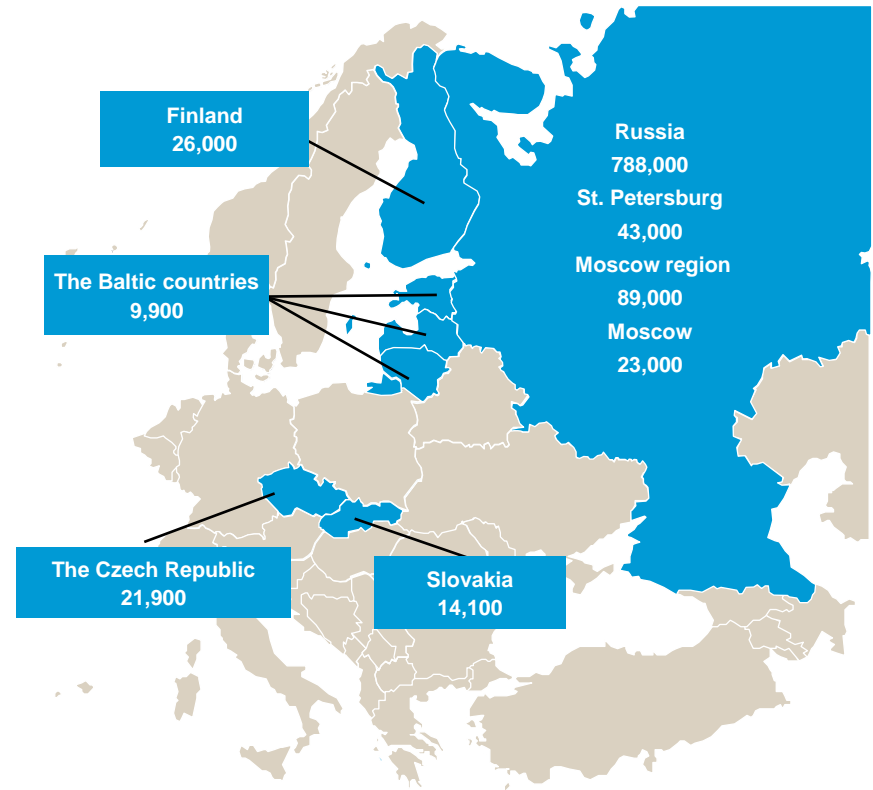
## Market leader in Finland, largest foreign residential developer in Russia

**Construction companies on YIT's markets**  
Number of apartments sold in 2013



\* Companies listed outside Russia, \*\* Own development

**YIT's markets and market sizes 2013**  
Number of apartments\*\*\*

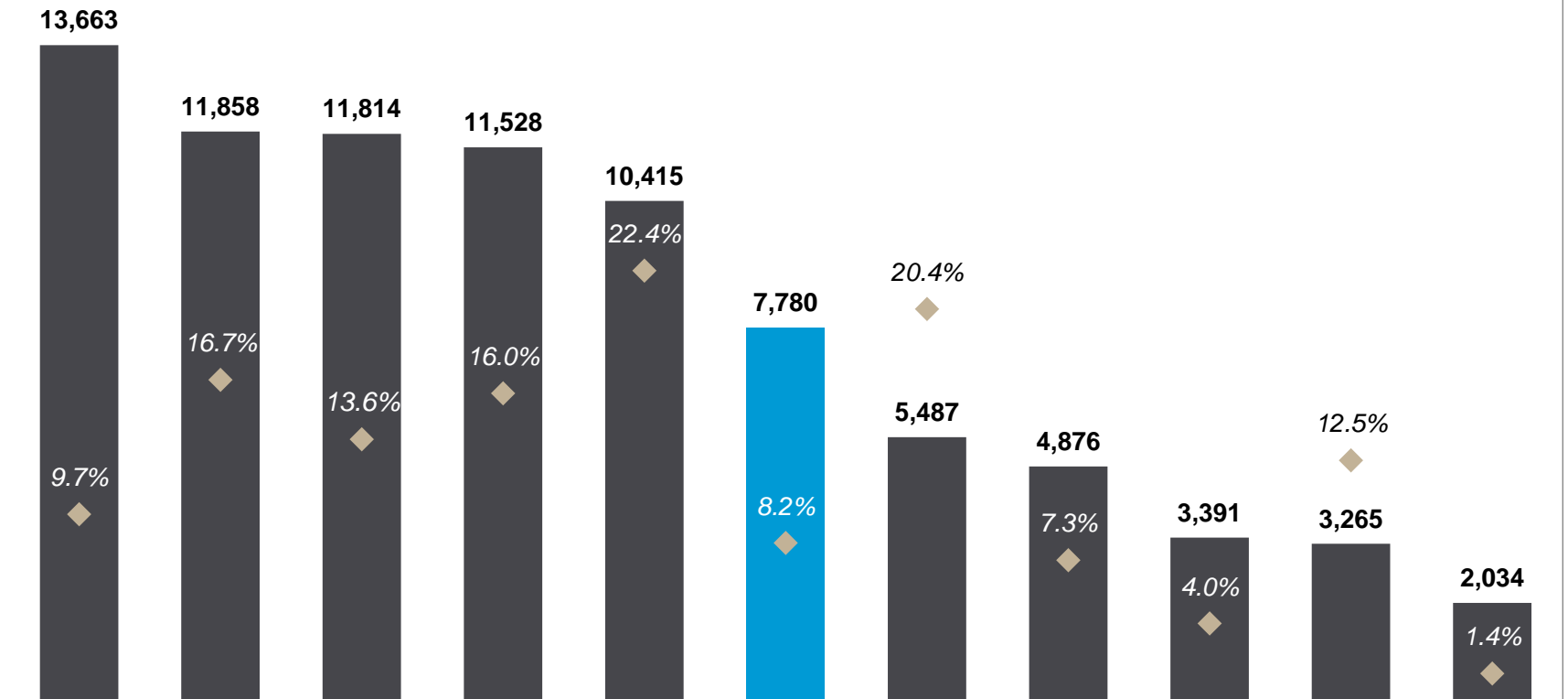


\*\*\* Source: Euroconstruct and VTT Technical Research Center of Finland

# YIT a significant player on European level in housing

■ Housing sales (pcs) in 2013

◆ EBIT % in 2013





# Board of Directors

Versatile expertise on board work, finance, construction industry and Russia



**Reino Hanhinen**  
Chairman

Born 1943  
M.Sc. (Eng.), D.Sc.  
(Tech.) h.c.

Former CEO of YIT

Independent of  
company: YES

Independent of  
owners: YES

Share ownership:  
112,800



**Kim Gran**  
Vice Chairman

Born 1954  
B.Sc. (Econ.)

President and CEO  
of Nokian Tyres Plc.

Independent of  
company: YES

Independent of  
owners: YES

Share ownership:  
7,700



**Satu Huber**  
Board Member

Born 1958  
M.Sc. (Econ.)

Deputy CEO of Elo  
Mutual Pension  
Insurance Company

Independent of  
company: YES

Independent of  
owners: YES

Share ownership:  
3,600



**Erkki Järvinen**  
Board Member

Born 1960  
M.Sc. (Econ.)

President and CEO  
of Tikkurila Group

Independent of  
company: YES

Independent of  
owners: YES

Share ownership:  
0



**Juhani Pitkäkoski**  
Board Member

Born 1958  
LL.M.

SVP, M&A of  
Caverion Corporation

Independent of  
company: NO

Independent of  
owners: YES

Share ownership:  
48,100



**Teuvo Salminen**  
Board Member

Born 1954  
M.Sc. (Econ.)

Board professional

Independent of  
company: YES

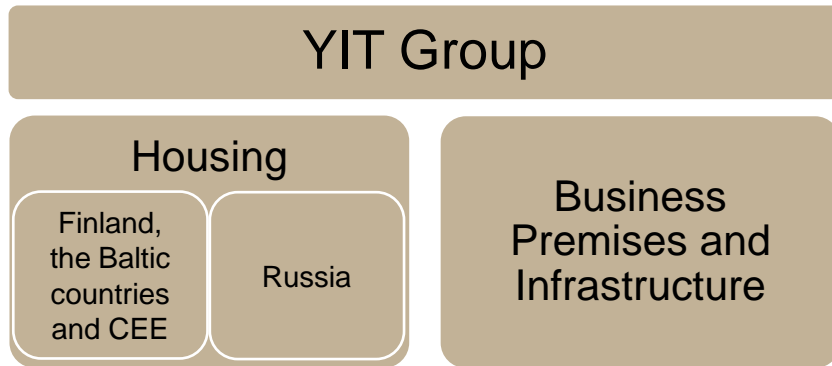
Independent of  
owners: YES

Share ownership:  
250

Ownership on April 30, 2014 including the holdings of the persons themselves, their close associates and their controlled corporations.

# Group structure and composition of the Group Management Board

## Group structure as of January 1, 2014



- The change of the segment structure aims at facilitating the effective implementation of the company's strategy as well as an increasingly customer-focused operating model

## Group Management Board



Kari Kauniskangas  
President and CEO,  
Head of Housing



Tero Kiviniemi, EVP,  
Head of Business  
Premises and  
Infrastructure



Teemu Helppolainen  
Head of  
business area  
Russia



Timo Lehtinen  
CFO



Juhani Nummi  
Business  
Development



Pii Raulo  
HR

### The extended management board includes also the heads of Business Divisions:

- Jouni Forsman
- Harri Isoviita
- Pavel Kocherezhkin
- Matti Koskela
- Timo Lehmus
- Tom Sandvik
- Mikhail Voziyanov

# 2

---

## Strategy and business model



**Smolny**  
St. Petersburg, Russia

# YIT's Strategy 2014-2016

## Well managed and profitable growth



### Growth in own development

5-10% growth per year

- Strong growth in residential development and construction in emerging markets (Russia, the Baltic countries and CEE)
- Further strengthening the position in the Finnish residential market – new concepts and best customer experience with high quality brand
- Increasing the share of self-developed projects in Business Premises and Infrastructure

### Wider financial operating space

Capital for reuse >EUR 250 m

- Releasing capital from slow-moving assets
- New funding sources and increasing utilization of partnerships in large area development
- Diverse financial instruments supporting business and customers

### Solid set up for market cycles

Cash flow annually > EUR 0

- Strengthening sales risk -free and long-term cash flow business
- Ability to react quickly to changes in the market environment
  - Housing production and sales inventory management
  - Flexibility of cost base

# Focused development to improve profitability and strengthen the forerunner position



## Group-wide development programs

Centralized coordination, decentralized development

*"Best living experience"*

### Housing development

- New housing concepts: mini-apartments, reasonably priced living
- Area development – "creating better living environments"
- Best customer experience through long-term customership
- Cost-efficiency and design management
- New online services

*"Deeper pocket"*

### Wider financial operating space

- Capital efficiency: Opportunities to grow without increasing the debt
- Financial instruments support affordability and sales of apartments as well as other properties

*"Inspiring YIT"*

### Excellent leadership and balanced values

- Strong corporate culture through balanced values; Care, A step ahead, Cooperation, Performance
- Common management and leadership principles
  - Active communication
  - Clear promotion and recruiting criteria
  - Training programs
  - Rewarding

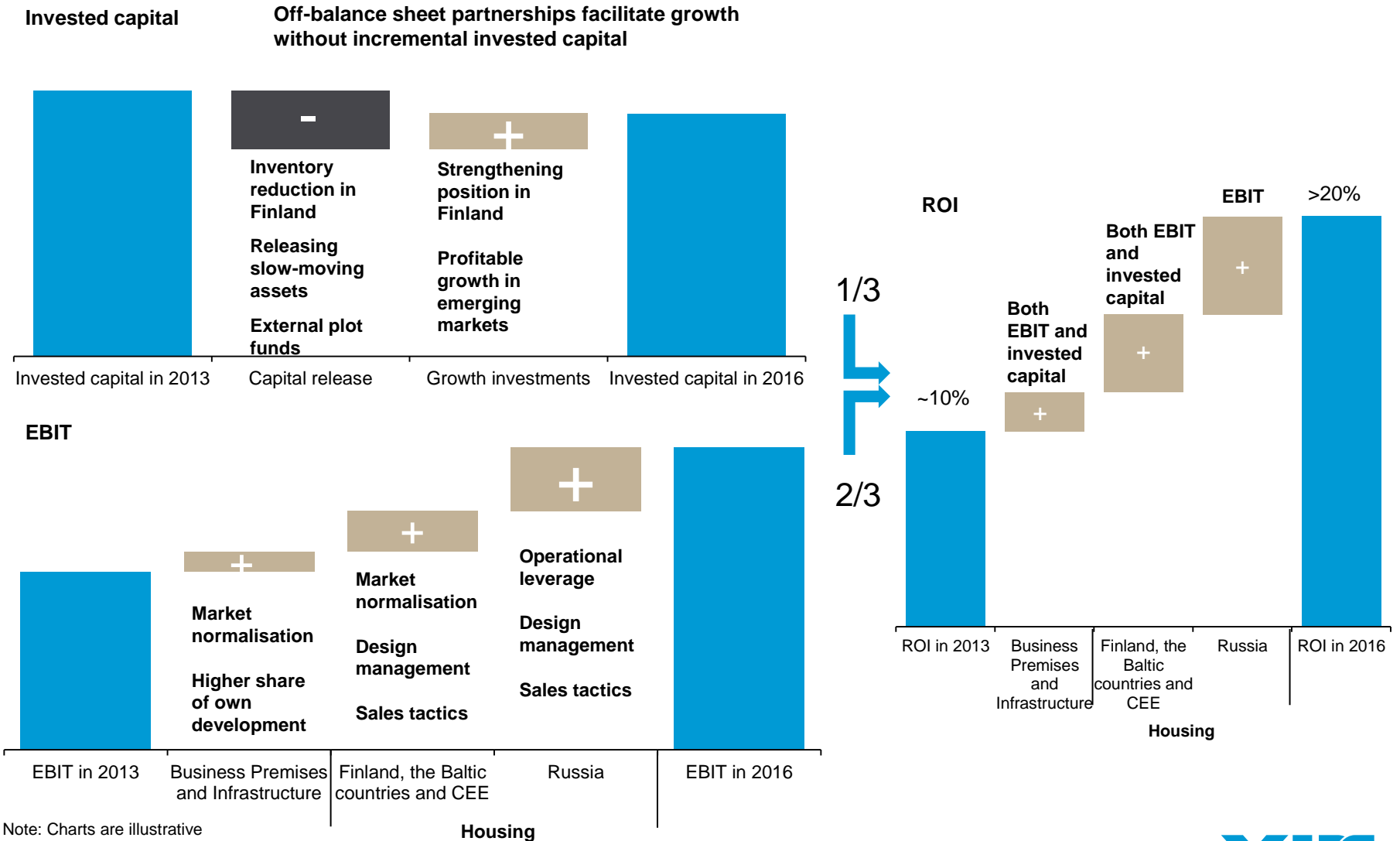
# Financial targets for 2014 – 2016

Strategic target	Target level	Status in 2013
Revenue growth	<b>5 - 10% annually on average</b> (Previously: More than 10% annually on average)	-5.1%
Return on investment (rolling 12 months)	20%	10.3%
Cash flow	Operating cash flow after investments sufficient for dividend payout and reduction of debt	EUR -87.9 million
Equity ratio	40%	37.8%
Dividend	Dividend payout 40 to 60% of net profit for the period	50.7%

Segment figures (POC)

- The business is managed according to the market situation, with focus on:
  - Profitability
  - Improving cash flow and ROI
  - Increasing capital efficiency
- YIT revised its growth target in January
  - New target: Revenue growth of 5 - 10% annually on average
  - Old target: Revenue growth of more than 10% annually on average
- Other financial targets were kept unchanged

# Roadmap to ROI > 20%

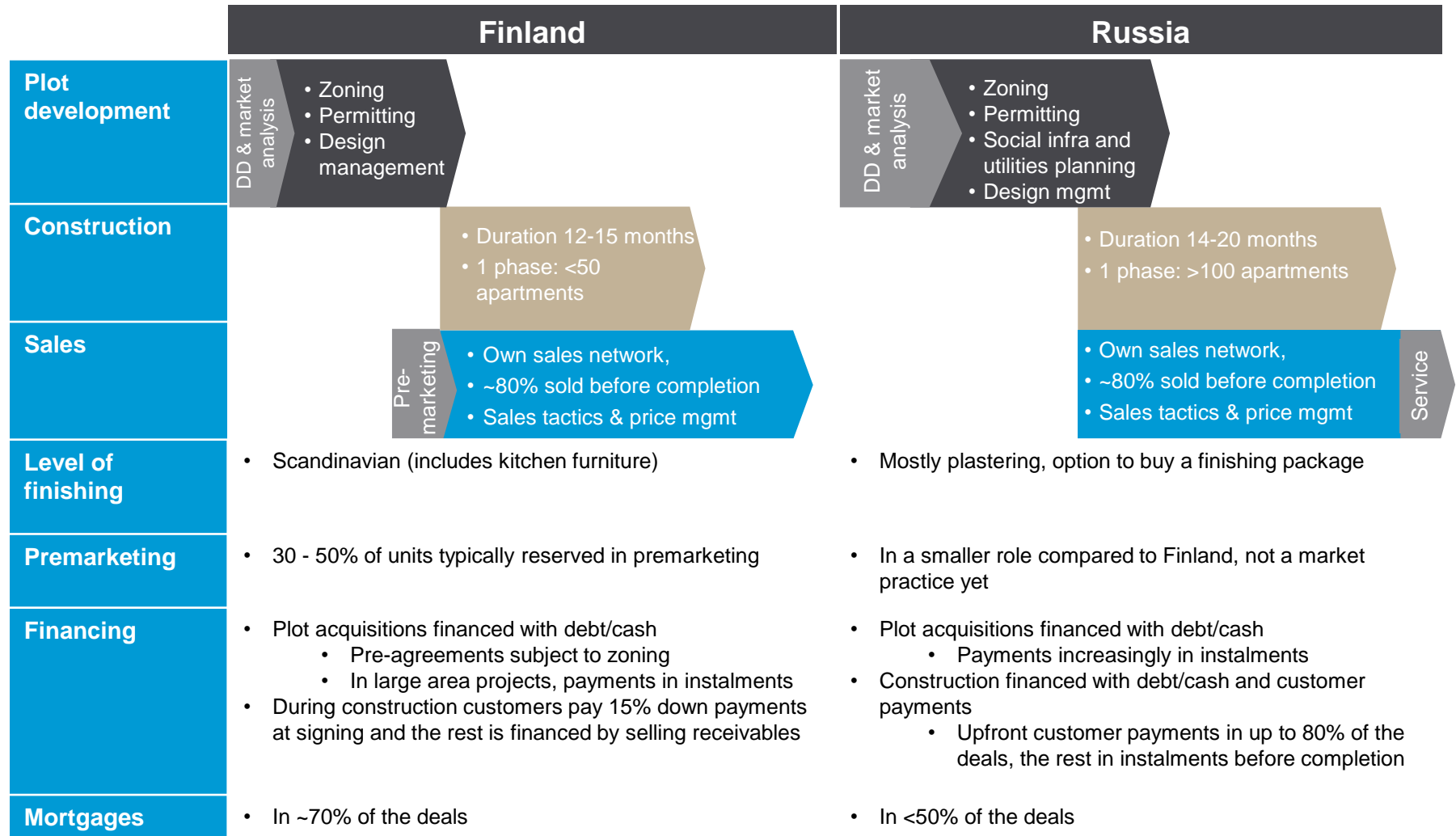


# Value creation: Long value chain with key competences in-house





# Business model – Self-developed housing



# Business model – Business Premises and Infrastructure



## Business Premises

- Contracting
  - Schools, hospitals, offices etc.
  - Very low capital employed
  - Cash flow positive, advance payments
- Own development
  - Own concepts
  - E.g. commercial centres, office buildings, logistics hubs, assisted living facilities
  - Anchor tenants typically secured before starting construction and investor in an early phase of the project
  - Financing by selling receivables after the investor is secured, off-balance sheet

## Infrastructure

Different types of projects:

- PPP
  - E.g. major route projects
  - Life-cycle model
  - Low capital employed
  - Financing arranged on a project company level, off-balance sheet
- Contracting
  - E.g. route projects, rail and metro
  - Low capital employed
  - Cash flow positive, advance payments
- Own development,
  - E.g. wind farms, parking
  - Investor before start-up
  - Project financing
- Road maintenance
  - Long-term contracts
  - Cash flow positive

Internal co-operation in large projects

# Market trends and opportunities

The pace of change is accelerating and the complexity increasing

Trends	Implications for YIT
Diverging generations	<ul style="list-style-type: none"><li>• Wealthier middle class desires high quality housing</li><li>• Smaller average size of households → more smaller and effective flats needed</li><li>• Lack of workforce and competition for young talents → employer brand important</li></ul>
Urbanization	<ul style="list-style-type: none"><li>• Major potential in urban growth centres</li><li>• Infrastructure demand in city centers rises, more and more complex solutions in use</li></ul>
Consumerism and lifestyles	<ul style="list-style-type: none"><li>• From apartment sales to living business, long-term customership and life cycle services, online 24/7</li></ul>
Globalization and new financing models	<ul style="list-style-type: none"><li>• New financial instruments for supporting enabling customer' access to financing</li><li>• International sourcing</li><li>• Public Private Partnership -projects</li></ul>
Technological development	<ul style="list-style-type: none"><li>• Online customer relations and improved understanding of customers and their needs</li><li>• Innovations enabled by new technology, integrated systems, smart traffic solutions</li></ul>
Climate change	<ul style="list-style-type: none"><li>• Energy efficient buildings, green image, sustainable solutions</li><li>• Opportunities for YIT in new energy solutions industry (wind power etc.)</li></ul>
The increasing scarcity of valuable minerals	<ul style="list-style-type: none"><li>• Increased demand for construction works in mining industry</li></ul>

# 3

## Key financials

Tripla  
Helsinki, Finland



# Q1 Highlights

- Good result in Housing due to strong housing sales in Russia and the Baltic countries and Central Eastern Europe
- Start-ups on a neutral level
- Weak performance in Business Premises and Infrastructure -segment



# Key figures

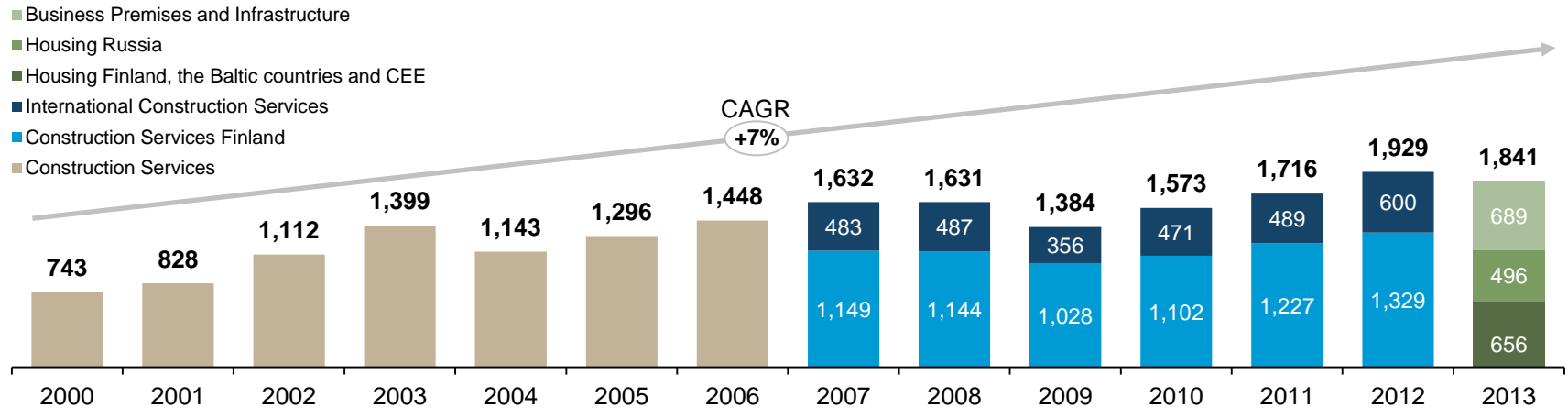
EUR million	1-3/2014	1-3/2013	Change	1-12/2013
Revenue	403.1	452.0	-11%	1,858.8
Operating profit	26.9	35.9	-25%	152.8
Operating profit margin	6.7%	7.9%		8.2%
Operating profit, excluding non-recurring items	26.9	35.9	-25%	154.0
Operating profit margin, excluding non-recurring items	6.7%	7.9%		8.3%
Order backlog	2,696.7	2,710.2	0%	2,713.7
Profit before taxes	18.2	30.6	-41%	122.8
Profit for the review period*	14.3	23.4	-39%	93.9
Earnings per share, EUR	0.11	0.19	-42%	0.75
Operating cash flow after investments	-12.3	-5.3		-87.9
Return on investment, last 12 months	10.2%	15.0%		10.3%
Equity ratio	35.0%	40.7%		37.8%
Personnel at the end of the period	6,076	6,689	-9%	6,172

\* Attributable to equity holders of the parent company

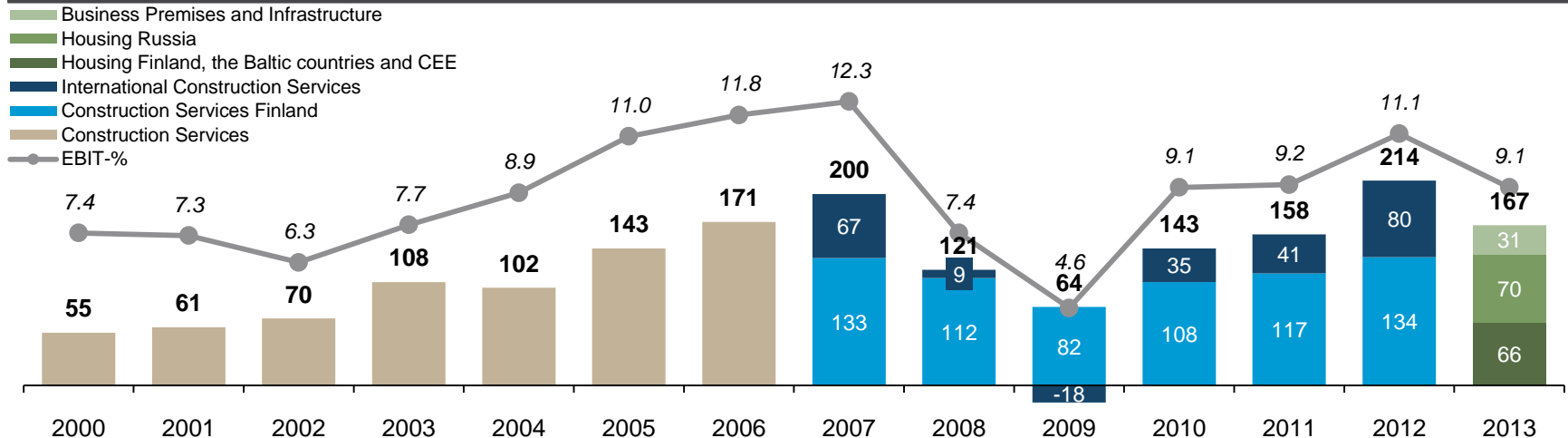
All figures according to segment reporting (POC)

# Revenue growth and healthy profitability through economic cycles

## Revenue development (EUR million) by business segment



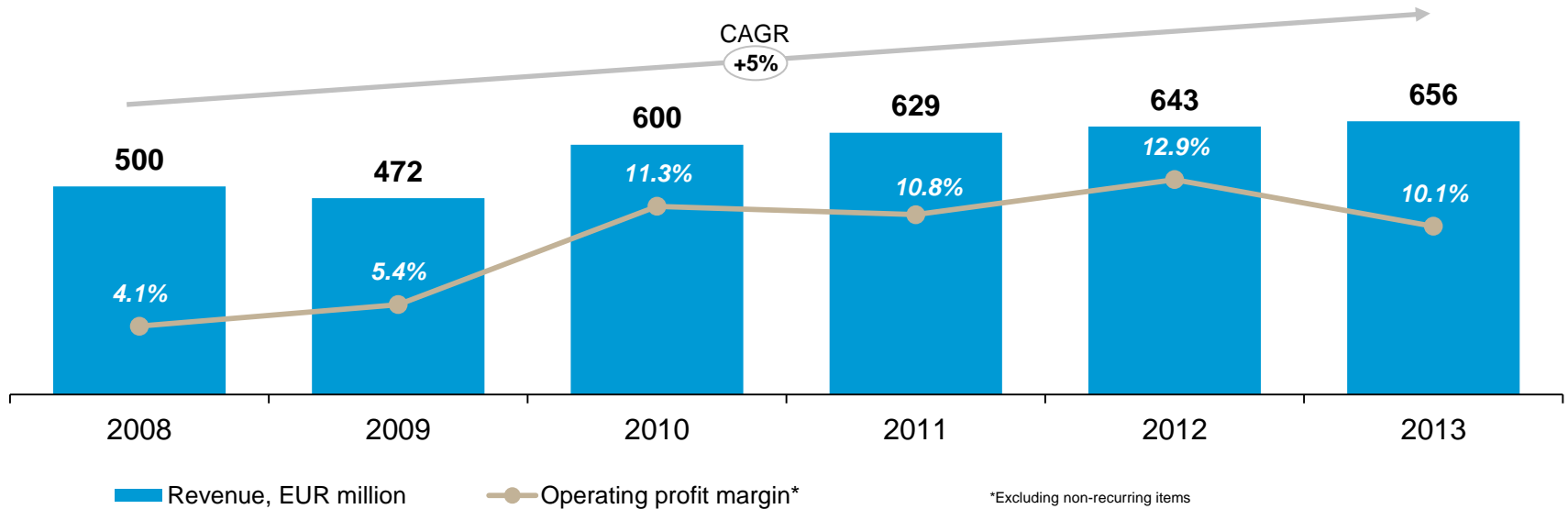
## Operating profit (EBIT) development (EUR million) by business segment, excluding group costs



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.

# Housing Finland, the Baltic countries and CEE

2008	2009	2010	2011	2012	2013
<ul style="list-style-type: none"> <li>• Weakening residential market</li> <li>• Prices declined in the Baltic countries (H2)</li> <li>• Profitability hit particularly in the Baltic countries</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on investor deals in Finland</li> <li>• Low business volumes in the Baltic countries</li> <li>• Fixed cost cuts</li> </ul>	<ul style="list-style-type: none"> <li>• Focus turned to direct consumer sales in Finland</li> <li>• Low volumes in the Baltic countries and CEE, although the bottom has been passed</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on direct consumer sales in Finland</li> <li>• Volumes increased in the Baltic countries and CEE, but still diluted profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Favourable residential sales continued in Finland</li> <li>• Low volume still in the Baltic countries and CEE</li> </ul>	<ul style="list-style-type: none"> <li>• Soft consumer demand in the residential market in Finland</li> <li>• Investor sales compensated for consumer sales</li> <li>• Gradual growth in the Baltic countries and CEE</li> </ul>
EBIT*: EUR 20.0 million	EBIT*: EUR 26.0 million	EBIT*: EUR 68.0 million	EBIT*: EUR 68.0 million	EBIT*: EUR 83.0 million	EBIT*: EUR 66.2 million



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.





# Housing Russia

**2008**

- Prices declined, especially in H2
- Profitability hit as volumes declined

EBIT\*:  
EUR 26.0 million

**2009**

- Housing prices stabilising in H2
- Fixed cost cuts

EBIT\*:  
EUR 1.0 million

**2010**

- Slight increases in residential prices

EBIT\*:  
EUR 41.0 million

**2011**

- Prices increased (regional differences)

EBIT\*:  
EUR 54.0 million

**2012**

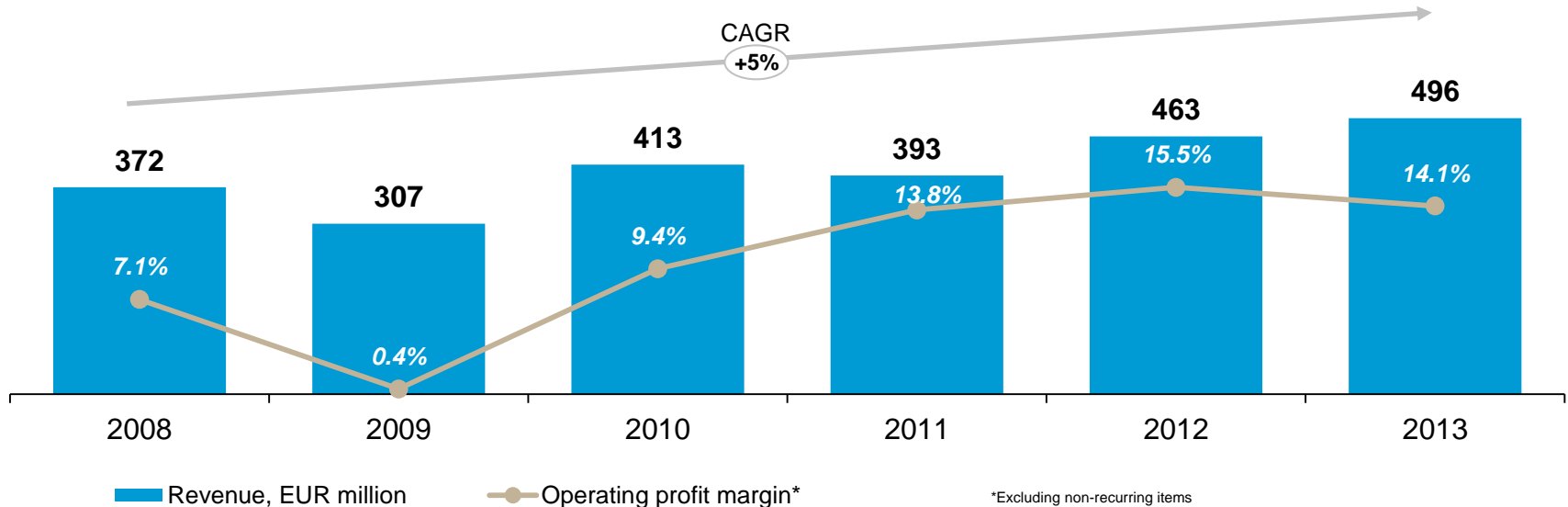
- Prices increasing and good residential sales
- Margins improving

EBIT\*:  
EUR 72.0 million

**2013**

- Stable residential prices
- Sales volume continued to develop positively

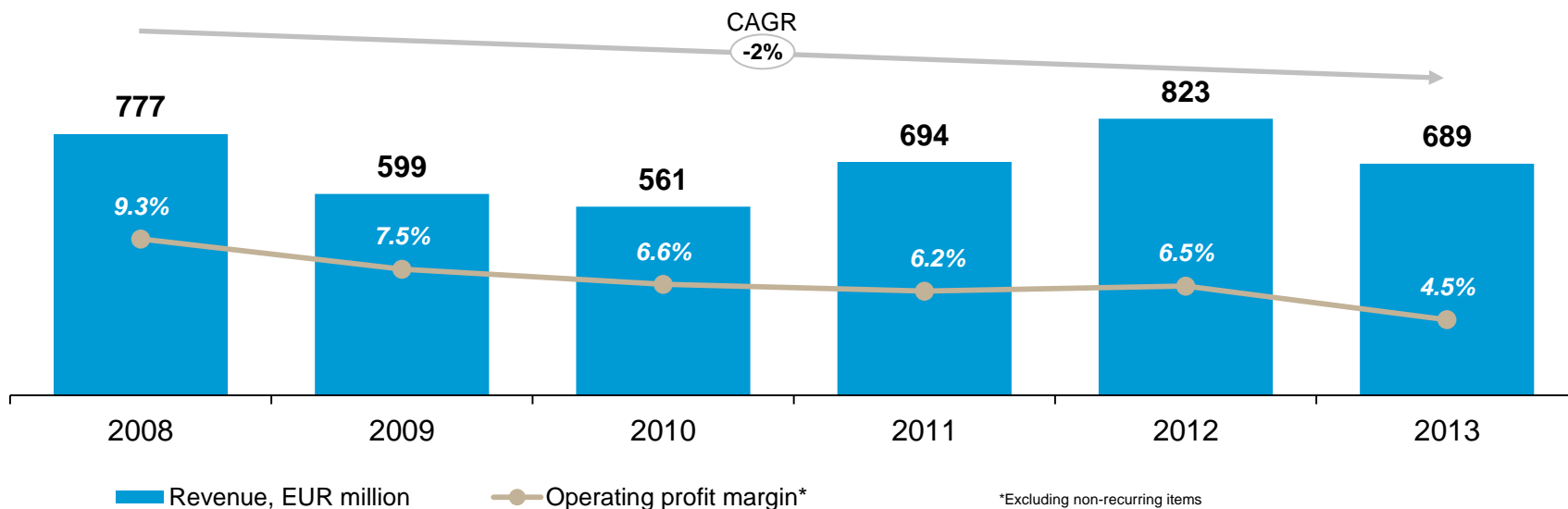
EBIT\*:  
EUR 70.2 million



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.

# Business Premises and Infrastructure

2008	2009	2010	2011	2012	2013
<ul style="list-style-type: none"> <li>• Good development in Business Premises due to “old” order backlog</li> <li>• Good development in Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Weakening business premises market</li> <li>• Good performance in Infrastructure</li> <li>• Fixed cost cuts</li> </ul>	<ul style="list-style-type: none"> <li>• Signs of improvement in the business premises market</li> <li>• Stable development in Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure weak in H1, improvement in H2</li> <li>• Result improved in Business Premises</li> </ul>	<ul style="list-style-type: none"> <li>• Stable development in Business Premises</li> <li>• Infrastructure road projects proceeded as planned</li> </ul>	<ul style="list-style-type: none"> <li>• Weak business premises market</li> <li>• Good performance in Infrastructure</li> </ul>
<b>EBIT*: EUR 72.0 million</b>	<b>EBIT*: EUR 45.0 million</b>	<b>EBIT*: EUR 37.0 million</b>	<b>EBIT*: EUR 43.0 million</b>	<b>EBIT*: EUR 53.0 million</b>	<b>EBIT*: EUR 31.0 million</b>



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.

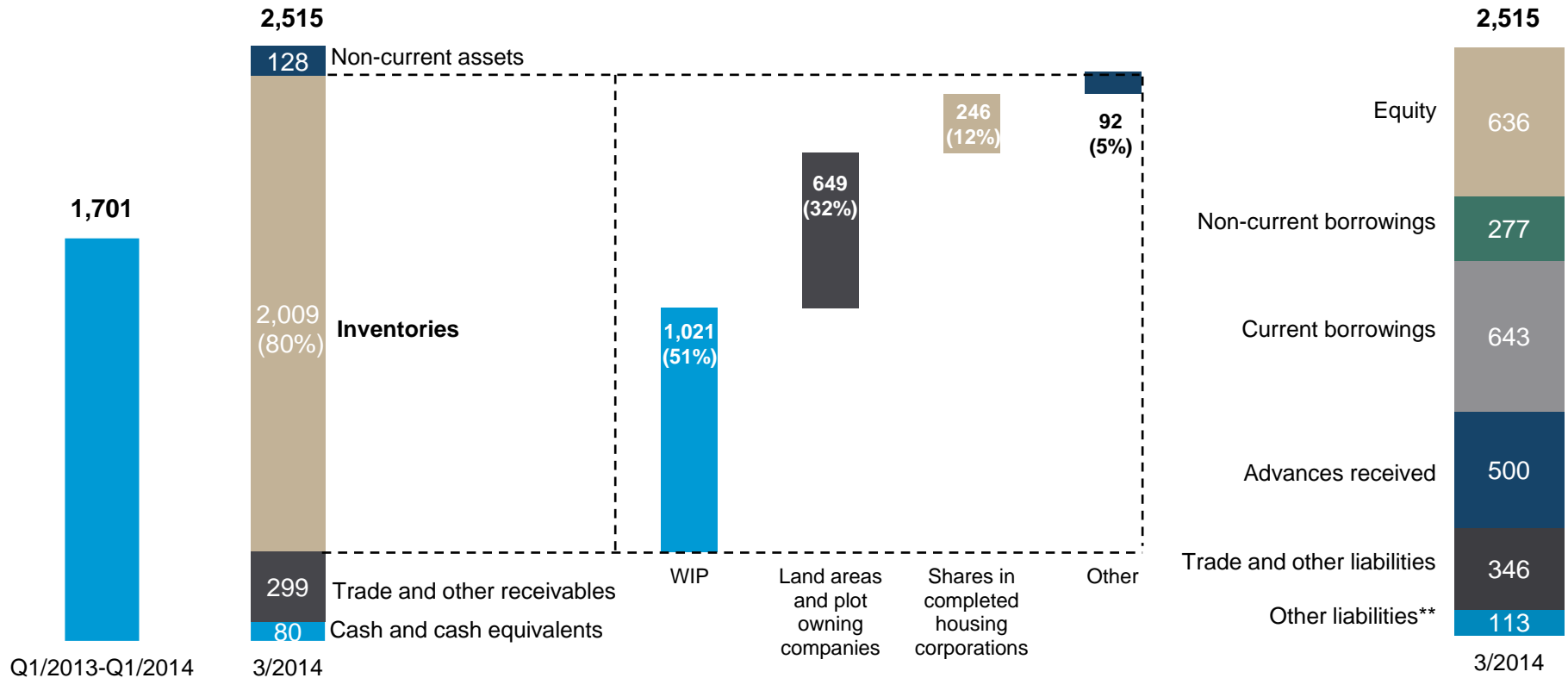
# Consolidated balance sheet

as of March 31, 2014 (EUR million)

## Revenue\*

## Assets - Inventories, WIP in particular, account for a major share

## Equity and liabilities



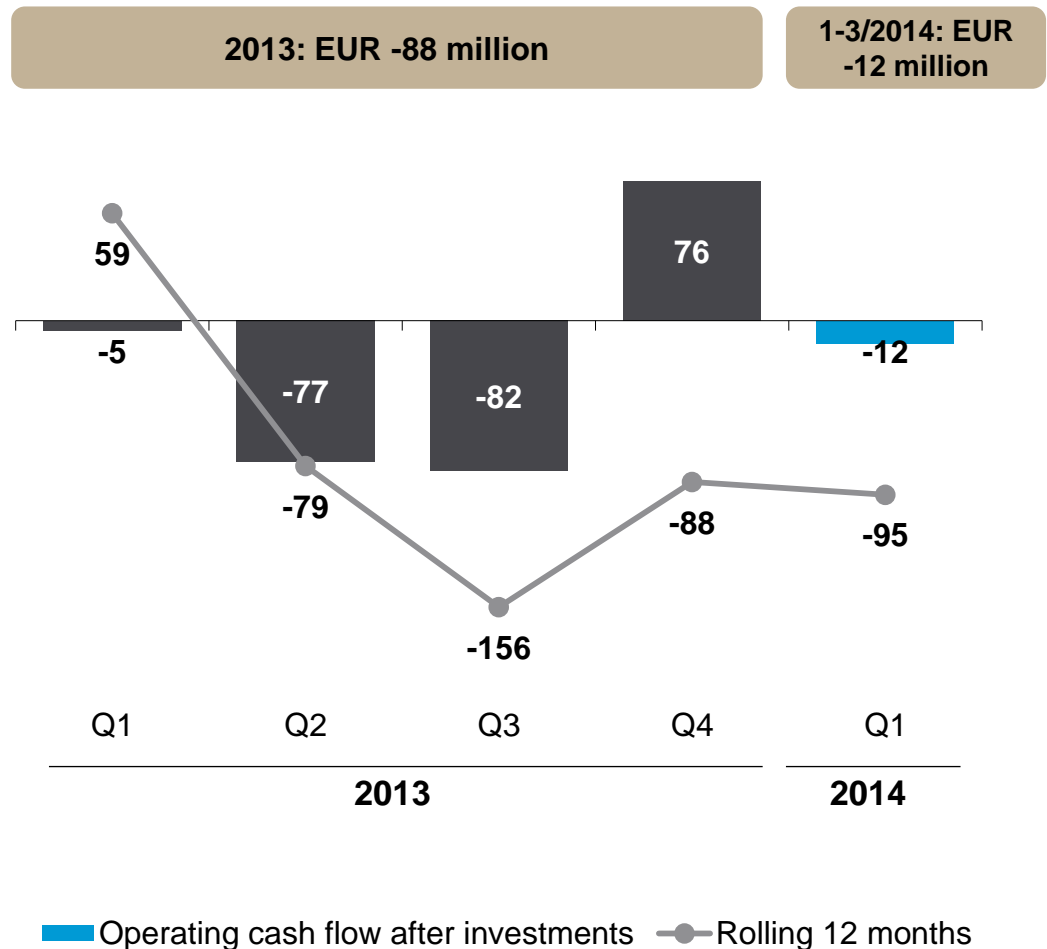
Note: All figures according to Group reporting (IFRS)

\*) Last 12 months

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

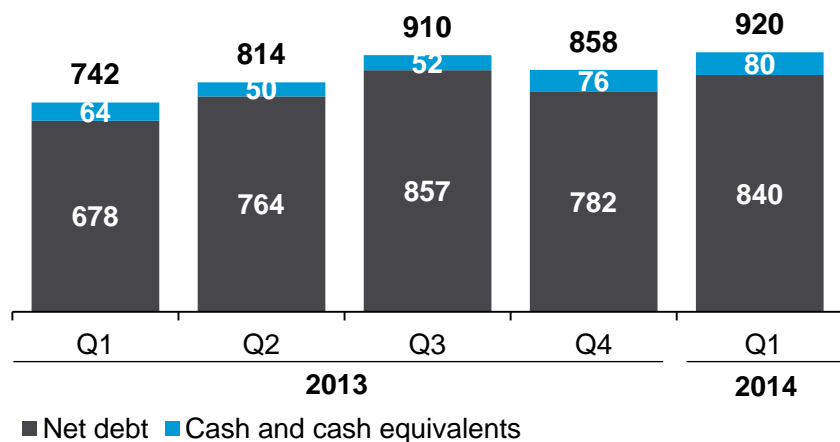
# Target to have positive cash flow in 2014

- Stronger cash flow than planned in Q1/2014
- Dividend of EUR 43 million paid in March
- Cash flow of plot investments EUR 44 million in Q1/2014
- Modest results in capital release measures

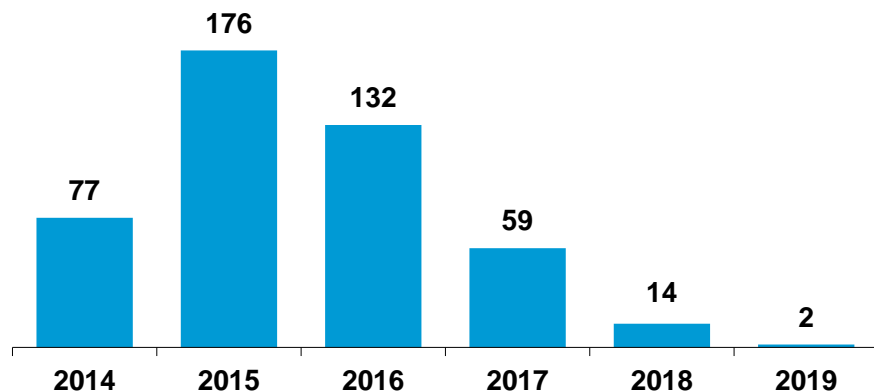


# Net debt has increased – Liquidity buffer remains strong

Interest-bearing debt (EUR million), IFRS



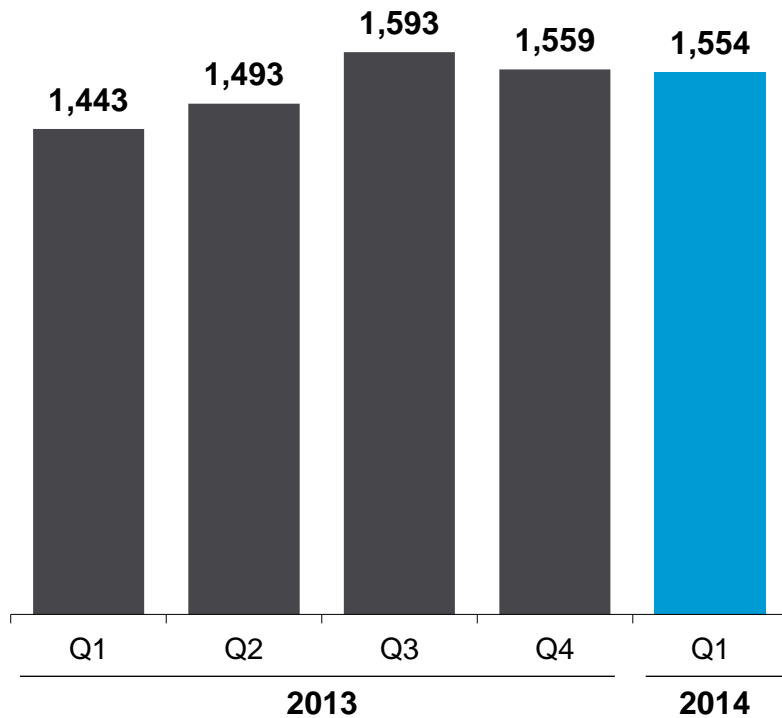
Maturity structure of long-term debt, 3/2014



- Net debt increased due to negative cash flow
- Strong liquidity buffer
  - Undrawn committed credit facilities EUR 330 million
  - Account overdrafts EUR 65 million
  - New loan agreement signed in January with undrawn amount approx. EUR 30 million
- In January YIT drew a Russian ruble denominated long term loan amounting to RUB 1.6 billion

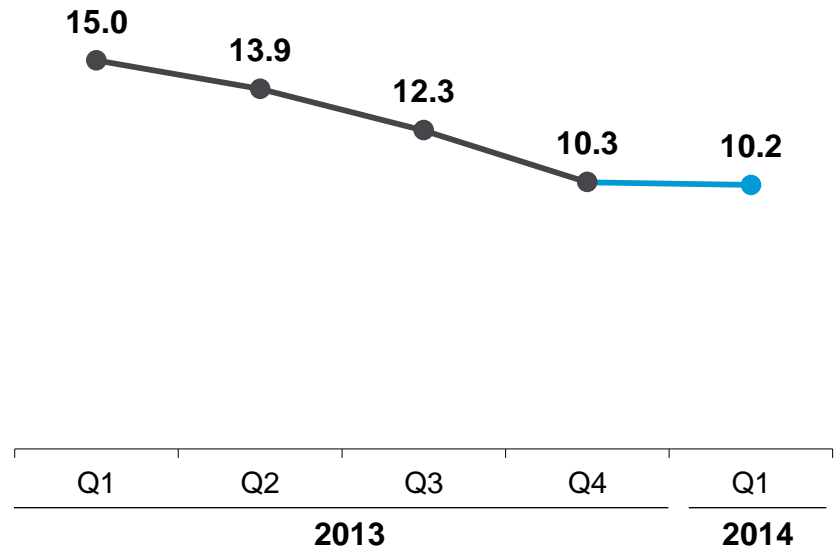
# Invested capital stable

Invested capital (EUR million)



Return on investment (%), rolling 12 months

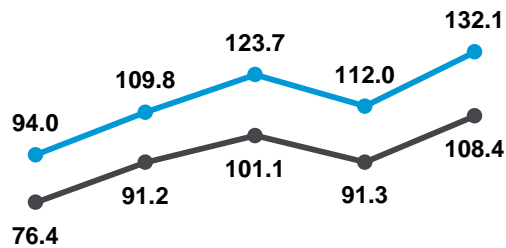
Strategic target: Return on investment 20%



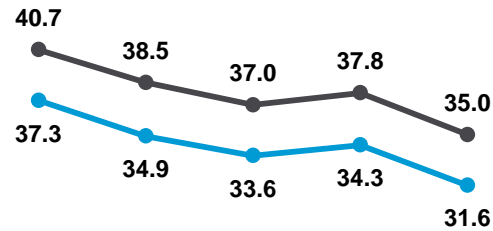
All figures according to segment reporting (POC)

# Gearing and equity ratio on an unsatisfactory level

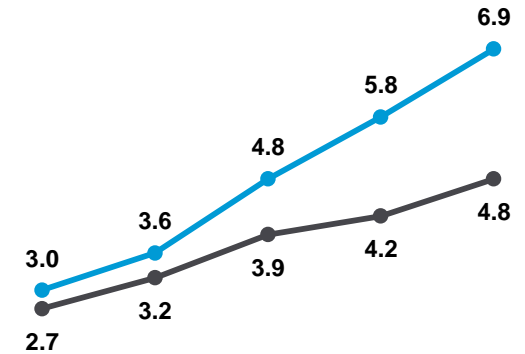
Gearing (%)



Equity ratio (%)



Net Debt/EBITDA (Multiple, x)



Note: Q1/2013 non-IFRS figures, published May 21, 2013.

Financial covenant tied to the Group's equity ratio (minimum level of 25.0%) according to Group reporting (IFRS) in bank loans and RCFs

# Modest progress in capital release

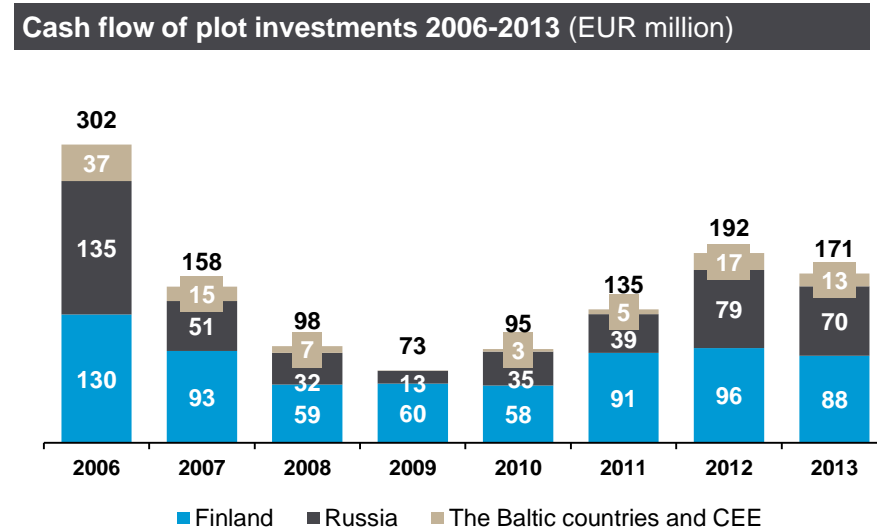
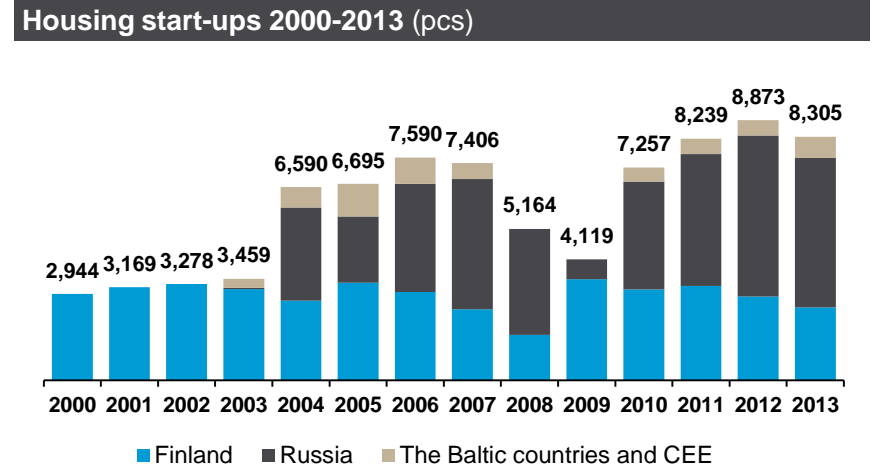
Target for capital release	Actions in Q1/2014	Cumulative progress
Reducing the inventory of unsold completed apartments in Finland >EUR 50 million	<ul style="list-style-type: none"> <li>Active sales to investors covering a wide variety of apartments</li> </ul>	<ul style="list-style-type: none"> <li>No positive net progress so far due to high completions, success in keeping invested capital on 2013-end level</li> </ul>
Selling own-developed business premises projects (currently under construction) EUR 80 million	<ul style="list-style-type: none"> <li>No sales of major ongoing business premises projects</li> <li>Sale of Bisnespaja Avia in April</li> </ul>	<ul style="list-style-type: none"> <li>Sales value of approx. EUR 30 million* (revenue recognized only partly)</li> </ul>
Slow-moving assets >EUR 150 million	<ul style="list-style-type: none"> <li>Reding Tower II sold, value EUR 8 million</li> <li>Modest progress in Russia</li> </ul>	<ul style="list-style-type: none"> <li>EUR 16 million sold or agreed (revenue recognized only partly)</li> </ul>
New off-balance sheet partnership models in plot acquisitions >EUR 100 million	<ul style="list-style-type: none"> <li>Continuous cooperation with existing partner</li> <li>Discussions with other possible investors and partners initiated</li> <li>Value of agreed partnerships EUR 1.9 million</li> </ul>	<ul style="list-style-type: none"> <li>The value of plots financed by external partner EUR 9.7 million</li> </ul>

\*In addition approx. EUR 30 million worth Phase 2 of office properties of Tikkurila Commercial Centre Dixi sold to Etera Mutual Pension Insurance Company



# Financial flexibility is good

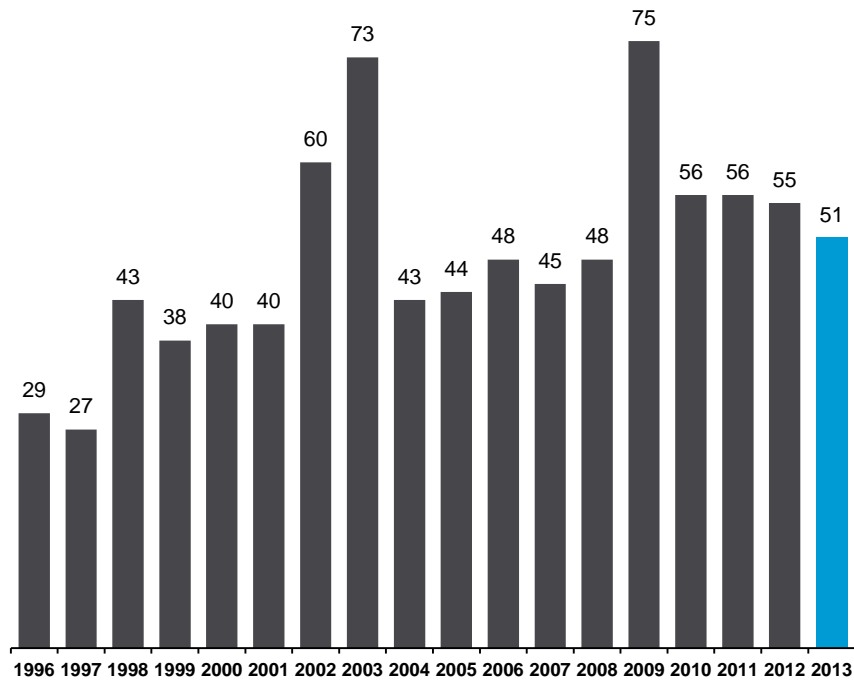
- Good ability to manage cash flow
  - Start-ups adjusted according to demand
  - Opportunity to adjust plot investments; existing plot reserve provides a good base for growth and profitability for the coming years
- Flexibility in production costs
  - Both own personnel and subcontractors at construction sites
  - Use of rental equipment to manage the volatility in production volumes
  - Temporary layoffs possible in Finland
- Focus on payment terms in plot acquisitions
  - In Russia, payment schedule for plots tied increasingly to permitting process and start-ups
  - In Finland, a common practice to have preagreements that are subject to zoning



# A solid dividend payout

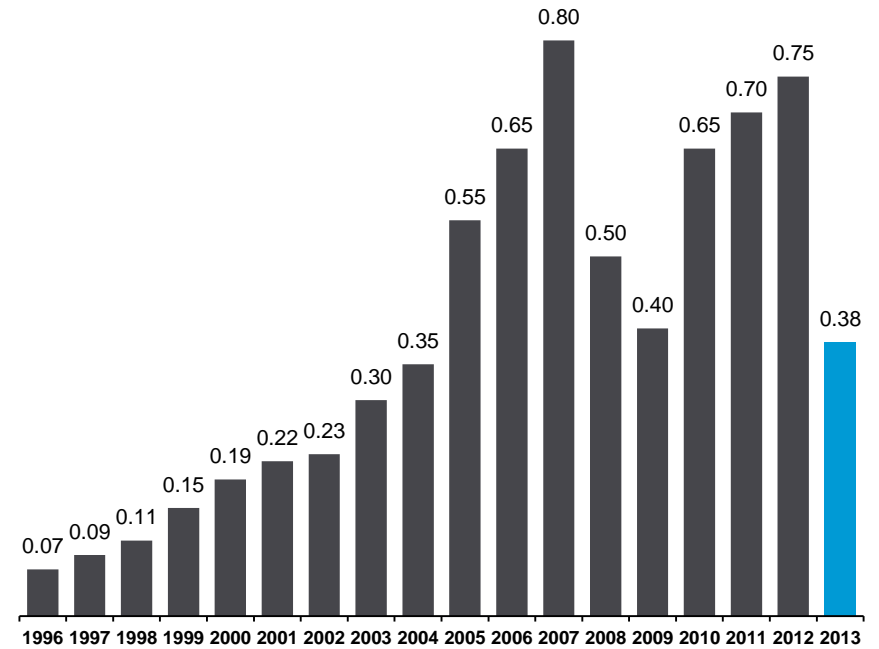
## Payout ratio (%)

Note: Historical figures are YIT Group pre demerger



## Dividend / share (EUR)

Note: Historical figures are YIT Group pre demerger



**Strategic target: Dividend payout  
40-60% of net result**

# 4

---

## Housing



Tähystäjä  
Espoo, Finland

# Housing

## Market leader in residential development

### Business areas

- **Finland, the Baltic countries and CEE**
  - Eg. Blocks of flats, terraced houses, leisure homes
  - Focus on self-developed projects, selectively contracting
- **Russia**
  - Eg. Blocks of flats, terraced houses
  - Only self-developed projects

### Competitive edges

- Over 100 years' experience in Finland and over 50 years' experience in Russia
- Strong, reliable brand and solid market position
  - Largest construction company in Finland
  - Largest foreign developer in Russia
- Superior project management skills in complex projects
- Strong plot portfolio and own sales network
- Design management
- Capability and knowledge for different kinds of projects ranging from small special works to large scale hybrids



### Housing in figures (2013)

Revenue	EUR 1,152 million
Operating profit*	EUR 136 million
Plot reserves	EUR 588 million
Employees	~3,800
Residential start-ups	8,305
Apartments under construction 12/2013)	15,404

\*Excluding non-recurring items

# Key market drivers



## Finland

- Internal migration to growth centres
- Decreasing family-sizes
- Ageing population
- Energy efficiency
- Consumerism and lifestyles

## The Baltic Countries and CEE

- Low living space and poor quality, demand for modern apartments
- Housing markets very fragmented in Central Eastern Europe - only a few bigger players in residential construction
- Improving macro outlook

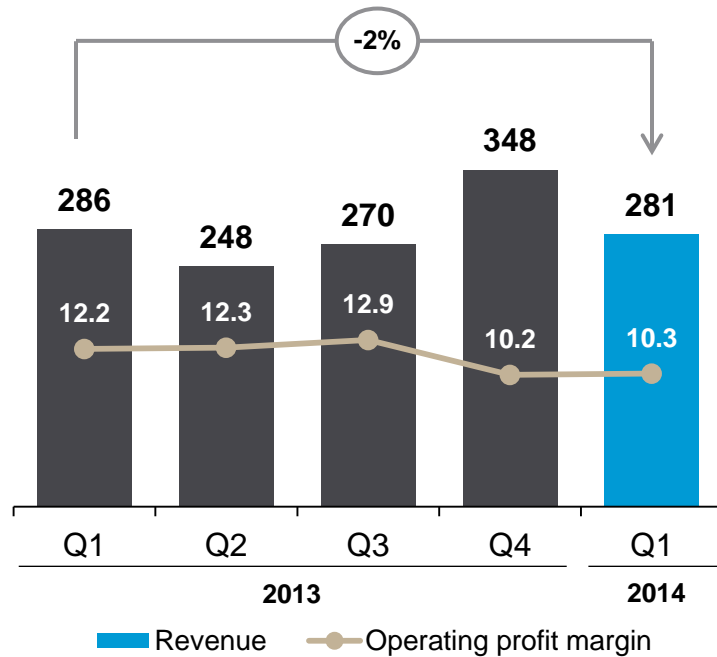
## Russia

- Internal migration to growth centres
- Increase in number of households due to decreasing family-sizes
- Low living space and poor quality of existing buildings
- Increasing share of middle class with improving purchasing power
- Political support for housing development
- Developing mortgage market

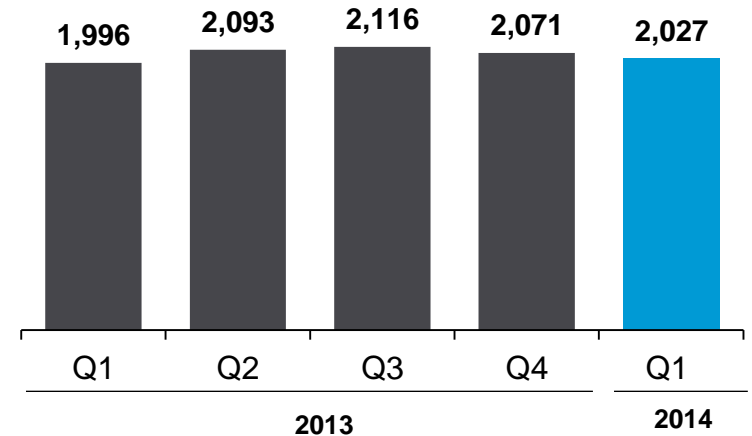
# Housing: Revenue and order backlog stable

- Revenue grew by 6% at comparable exchange rates Q1/2014
- Profitability decreased in both business areas

Revenue and profitability (EUR million, %)



Order backlog (EUR million)

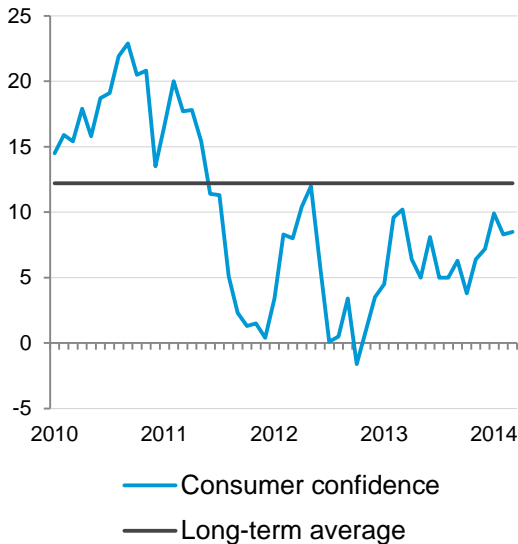


All figures according to segment reporting (POC)

# Housing: Operating environment in Q1/2014 in Finland

- Consumers continued to be cautious, but investors' activity stayed on a good level

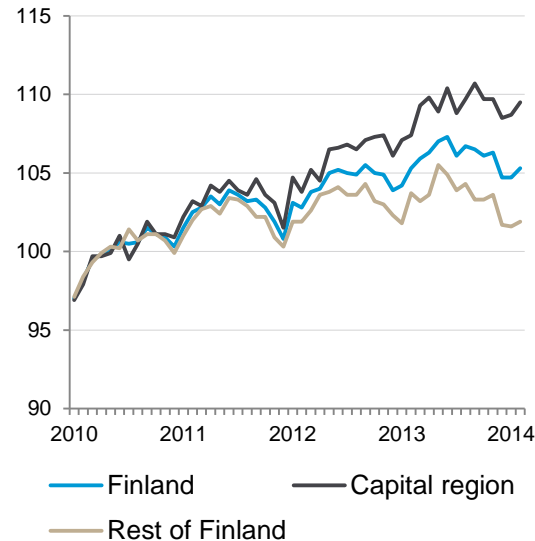
**Consumer confidence  
1/2010-3/2014**



Sources: Statistics Finland and Bank of Finland

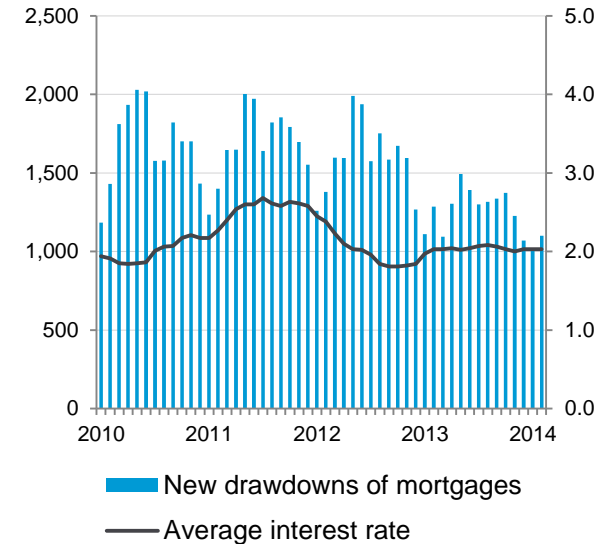
- Residential prices have remained relatively stable

**Prices of old apartments,  
Index (2010=100)**



- Interest rates of mortgages stayed on a low level and margins decreased slightly
- Consumers' access to financing has improved

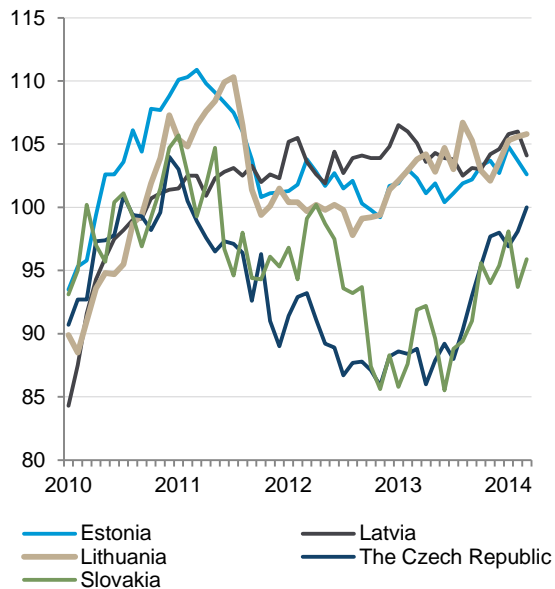
**New drawdowns of mortgages and  
average interest rate, (EUR million, %)**



# Housing: Operating environment in Q1/2014 in the Baltic countries and Central Eastern Europe (CEE)

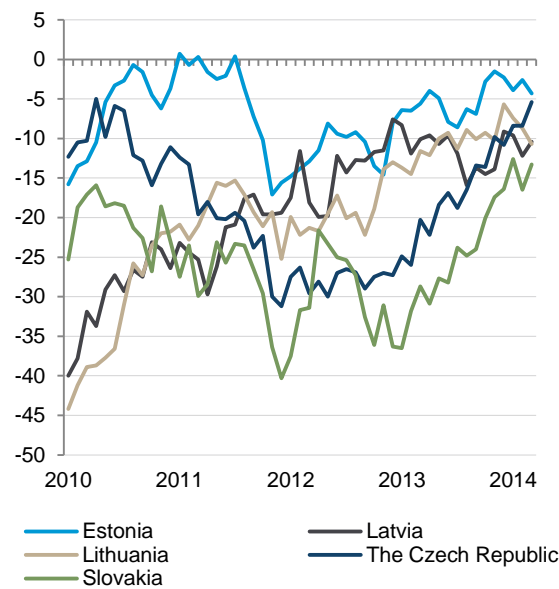
- Positive development in the macro economy has supported the residential market

**Economic sentiment**



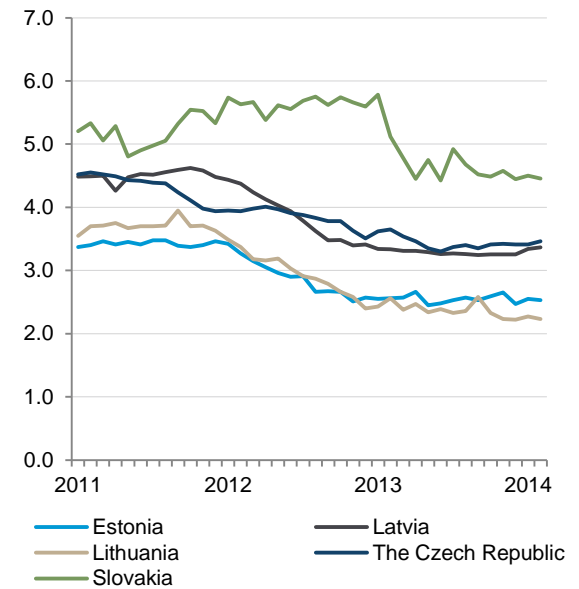
- Consumer confidence has strengthened and residential prices have increased slightly

**Consumer confidence**



- Interest rates of mortgages have remained on a low level
- Consumers' access to financing has remained good

**Average interest rate of mortgages (%)**



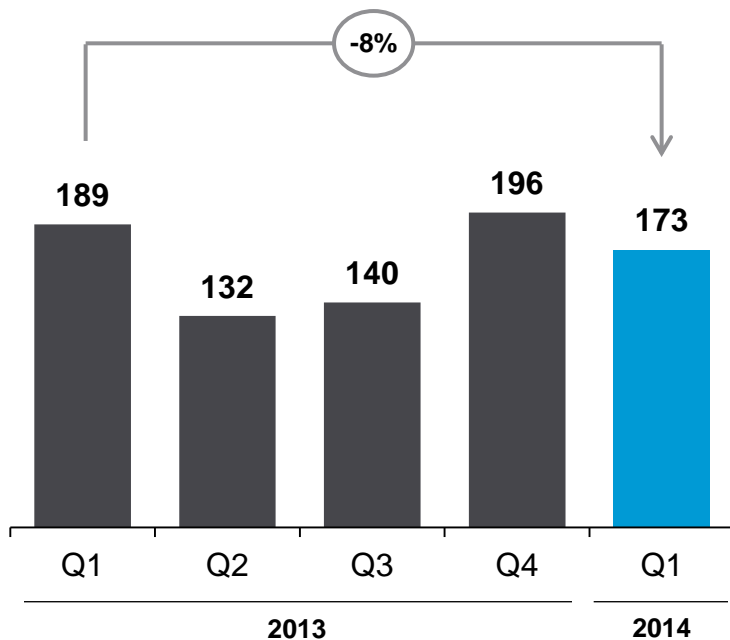
Sources: European Commission and National Central Banks



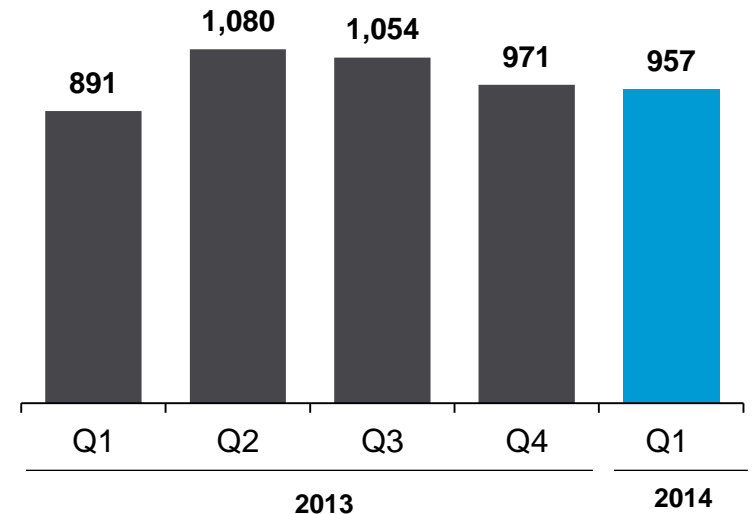
# Housing Finland, the Baltic countries and CEE: Revenue decreased

- Sales volumes have grown strongly in the Baltic countries and CEE in recent quarters
- Q1/2014 Comparison period exceptionally strong in Finland due to the change in transfer tax rate

Revenue (EUR million)



Order backlog (EUR million)

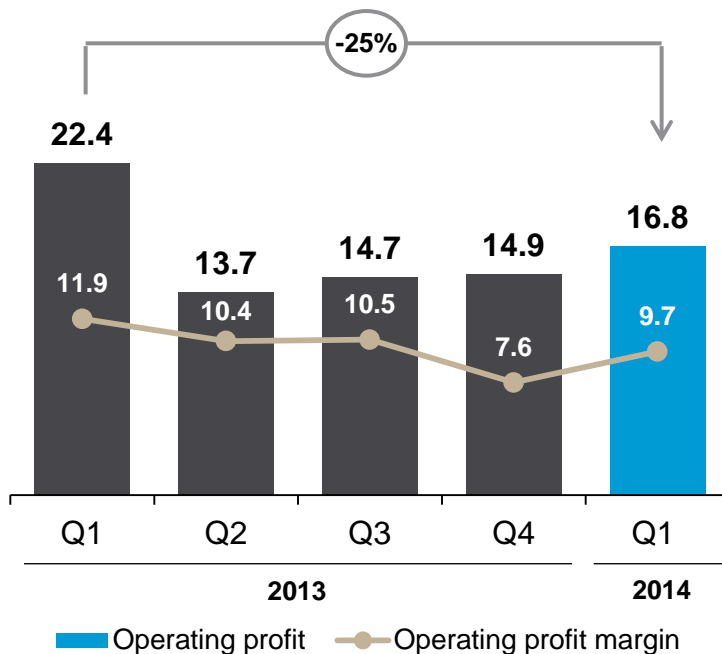


All figures according to segment reporting (POC)

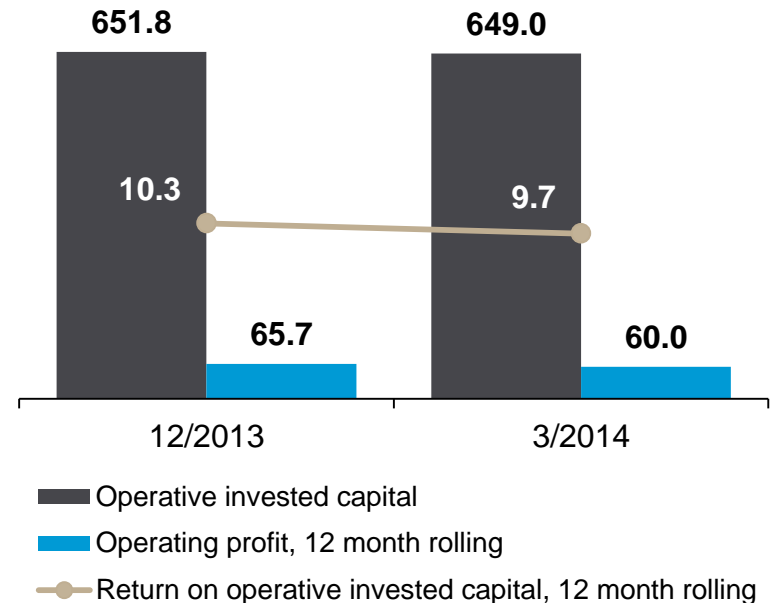
# Housing Finland, the Baltic countries and CEE: Positive trend continued in EBIT

- Change in sales mix impacts profitability
- Q1/2014 comparison period exceptionally strong due to high sales volumes in Finland
- ROI has been burdened by operating profit in Finnish housing decreasing faster than invested capital

Operating profit and profitability (EUR million, %)

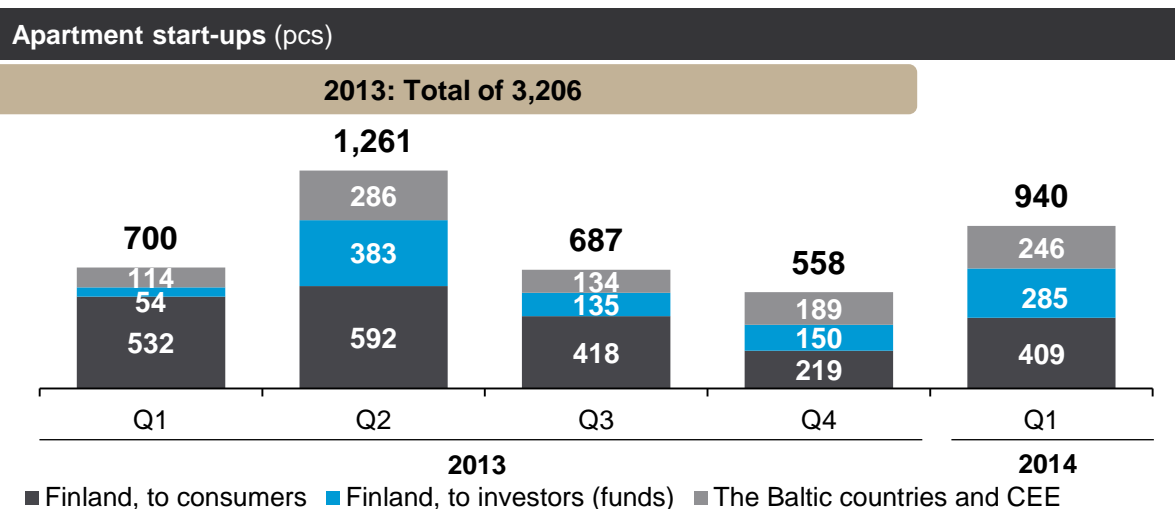
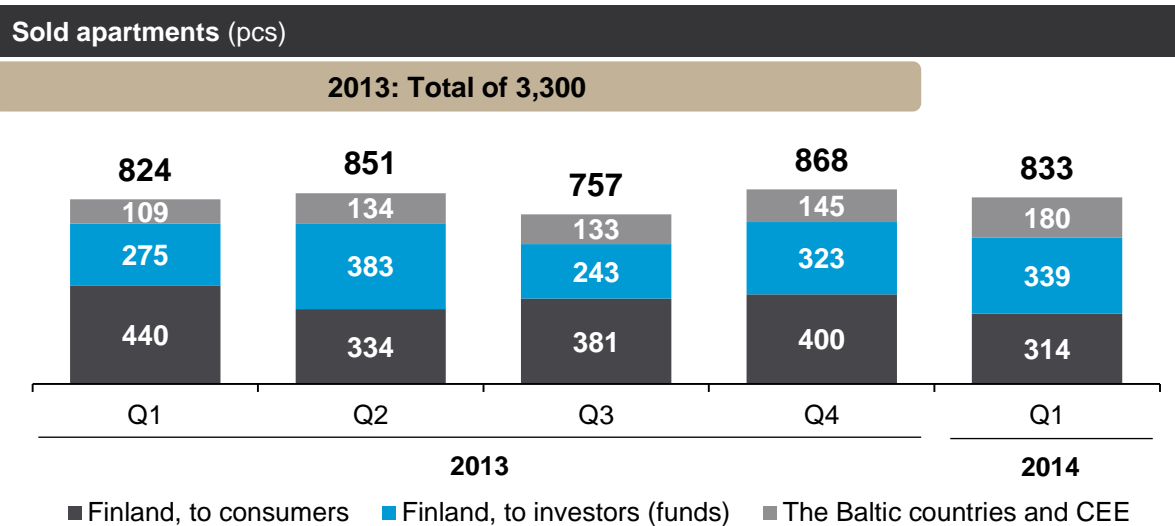


Return on operative invested capital (EUR million, %)



All figures according to segment reporting (POC)

# Housing: Sales volume satisfactory in Finland, growing housing sales in the Baltic countries and CEE



## Finland

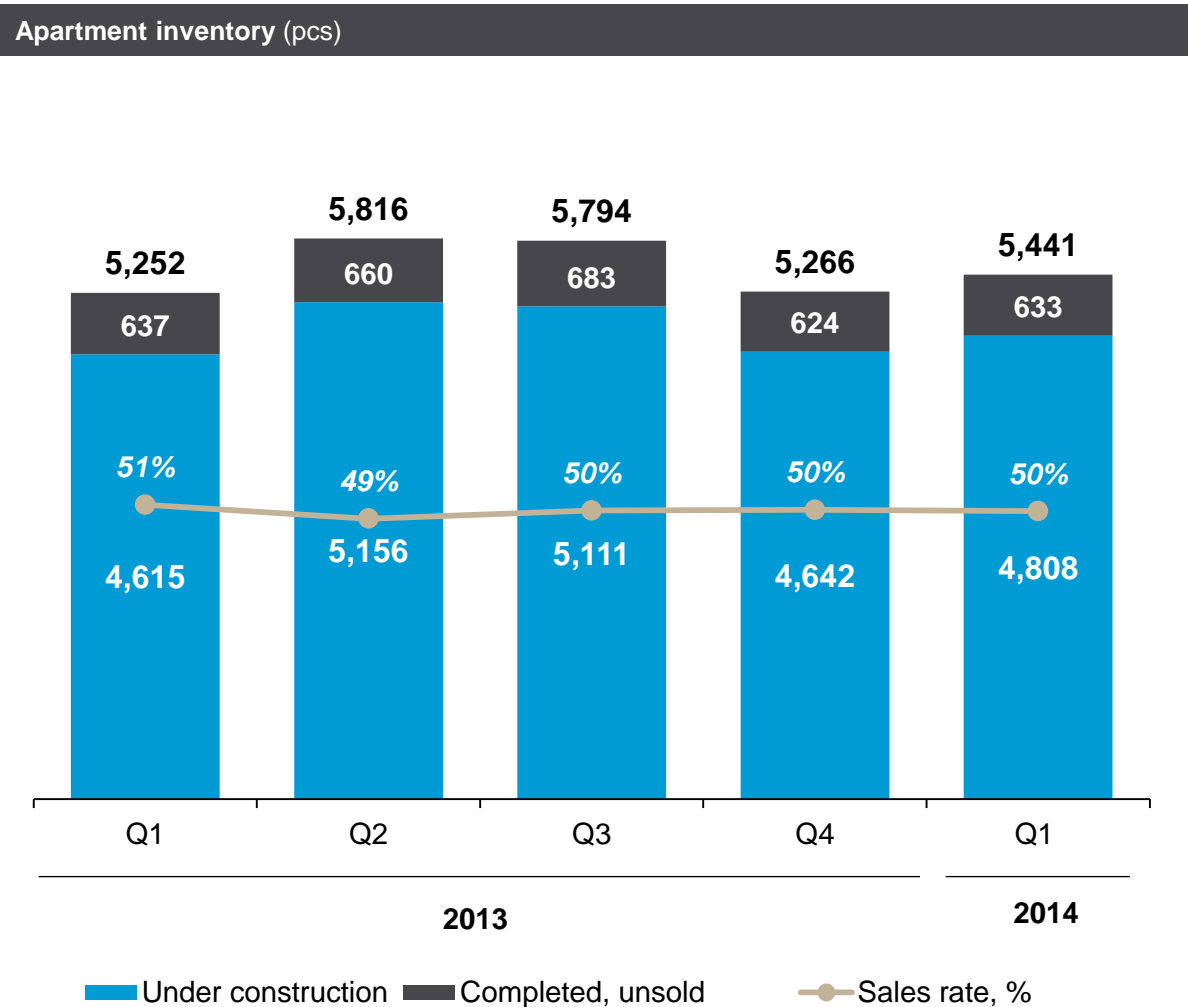
- Activity in investor sales has complemented lower consumer sales
- Consumer demand has been soft in recent quarters
  - High monthly volatility
- Start-ups are on a neutral level
  - Focus on small and reasonably priced apartments

## The Baltic countries and CEE

- Housing sales grew strongly in Q1/2014 in
  - Highest quarterly volume after 2008
- Start-ups have been increased according to positive expectations on demand

# Housing Finland, the Baltic countries and CEE: Sales portfolio now better in line with current demand

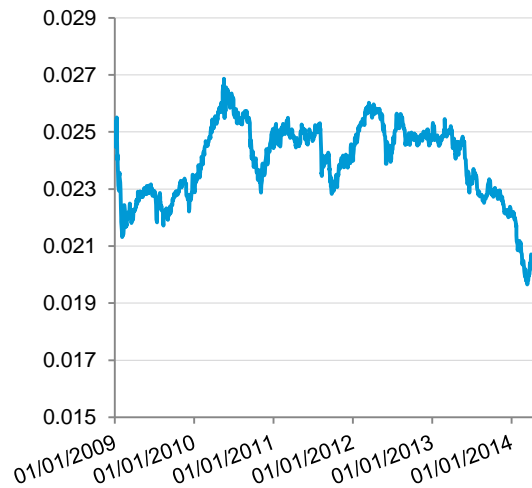
- The share of the Baltic countries and CEE of the sales portfolio has increased recently (to 33% in 3/2014 from 26% in 3/2013)
- Unsold completed apartments remained stable
- Share of sold apartments under construction has increased both in Finland and the Baltic countries and CEE



# Housing: Operating environment in Q1/2014 in Russia

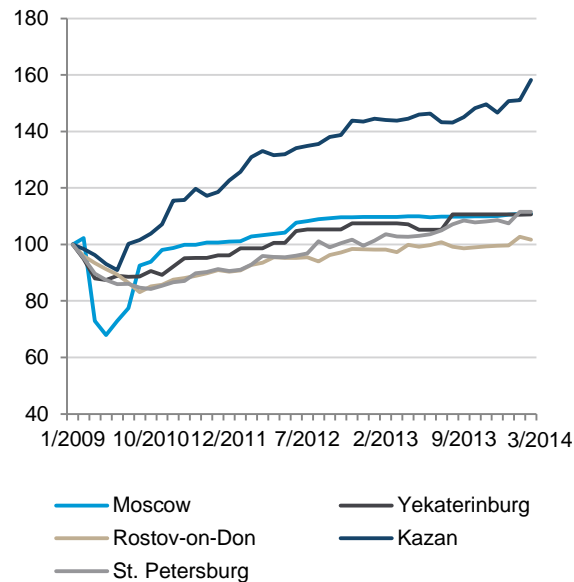
- Weakening of the ruble boosted housing sales

**RUB/EUR exchange rate**



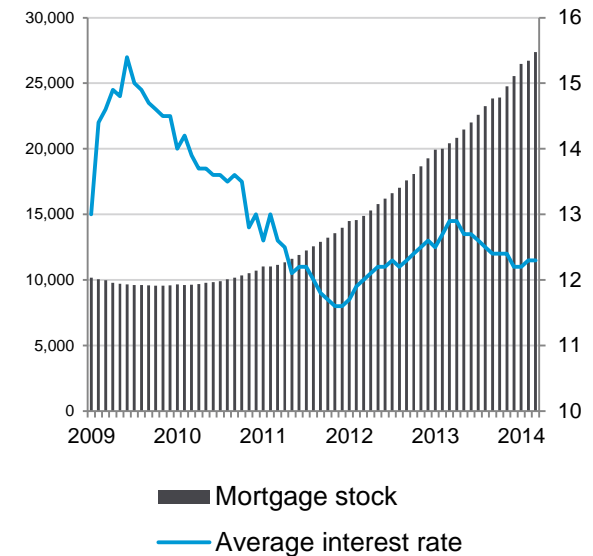
- Residential prices remained stable on average

**Prices of new apartments, Index (2009=100)**



- Mortgage interest rates have remained stable
- Consumers' access to financing has remained good

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

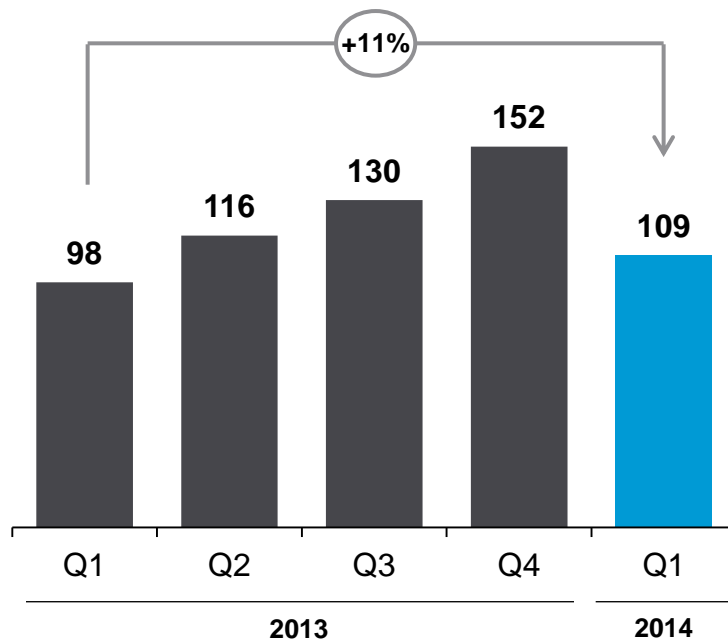


Sources: Reuters, YIT and Bank of Russia

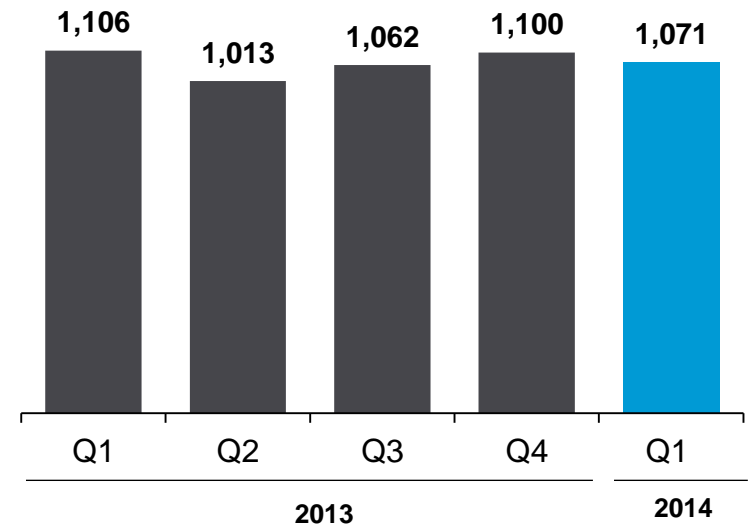
# Housing Russia: Revenue increased

- Strong growth in sales volume continues
- Increased share of sales in St. Petersburg with higher average prices in Q1/2014
- Revenue grew by 33% y-o-y at comparable exchange rates in Q1/2014

Revenue (EUR million)



Order backlog (EUR million)

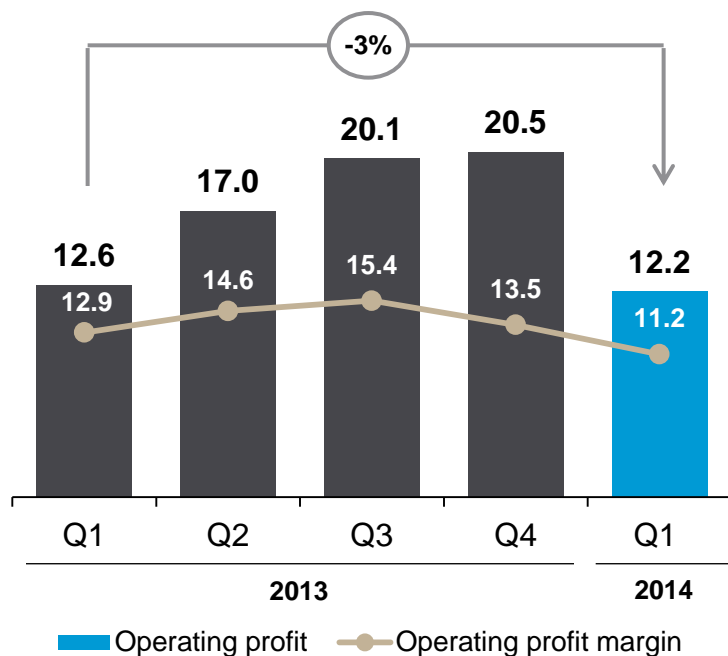


All figures according to segment reporting (POC)

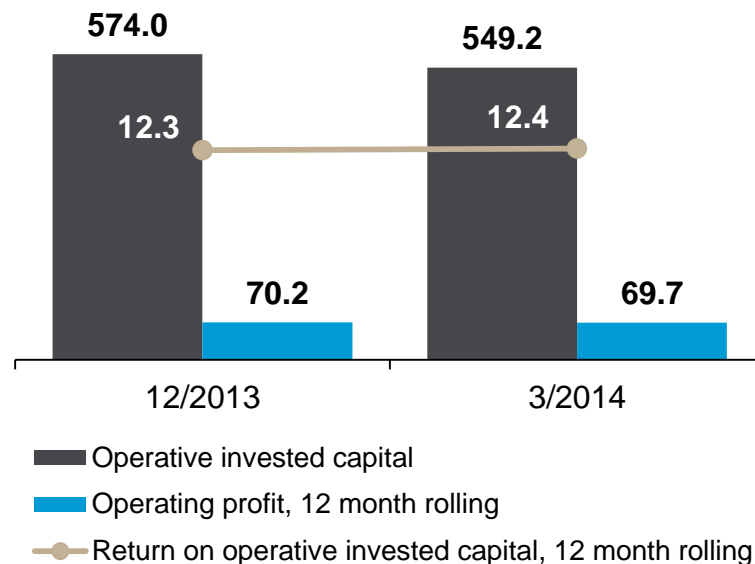
# Housing Russia: EBIT and ROI remained stable

- Profitability was impacted by modest price development and lower completion rate of sold apartments in Q1/2014
- ROI remained stable

Operating profit and profitability (EUR million, %)



Return on operative invested capital (EUR million, %)

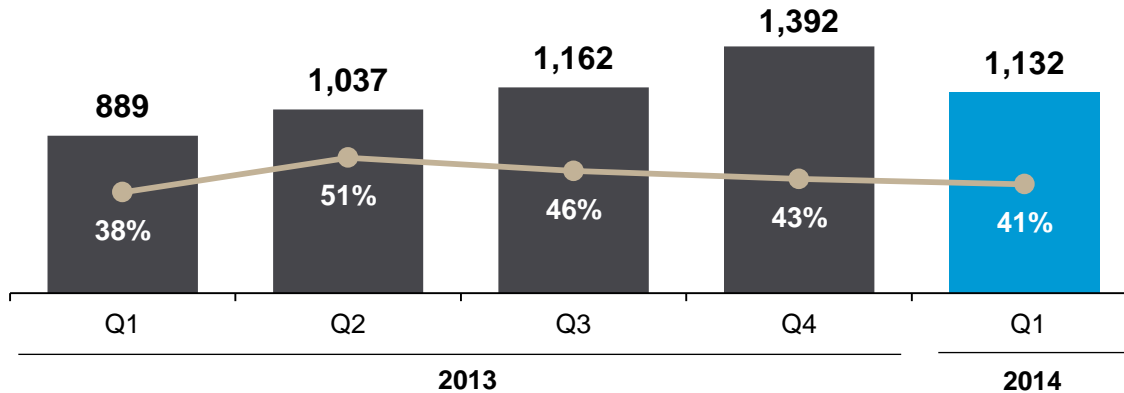


All figures according to segment reporting (POC)

# Housing Russia: Growing sales volume

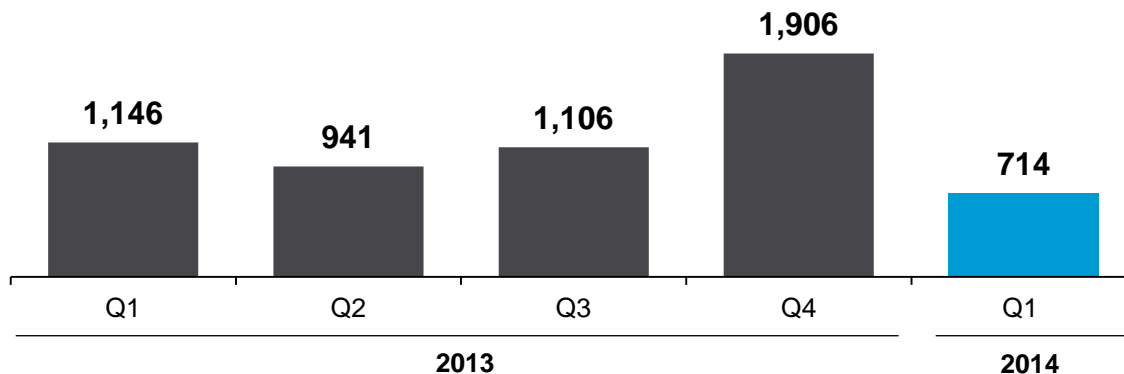
## Sold apartments (pcs) and share of sales financed with a mortgage (%)

2013: Total of 4,480 (44%)



## Apartment start-ups (pcs)

2013: Total of 5,099



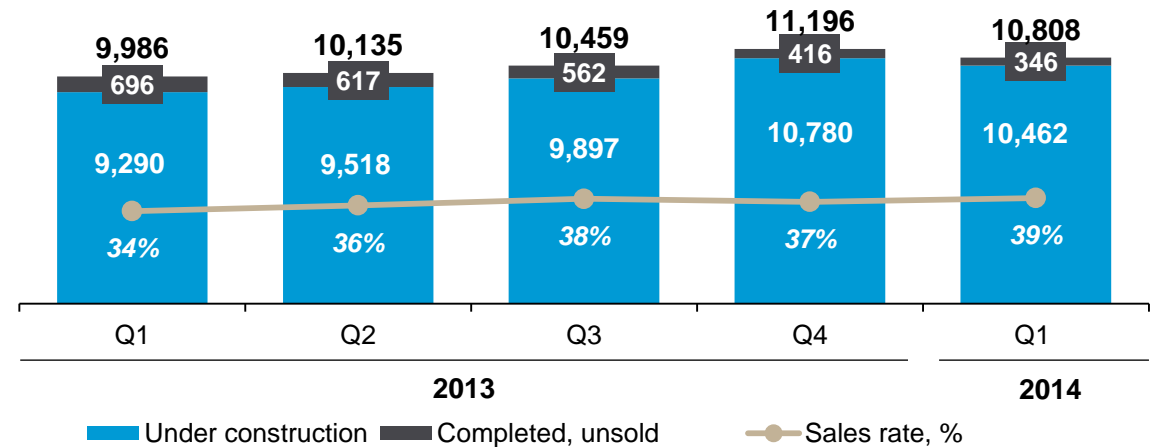
- For a Q1, very strong sales volume
- Sales have slowed down slightly in April
- Start-ups moderated due to the increased uncertainty
- Development of new projects continued normally in order to enable higher start-ups



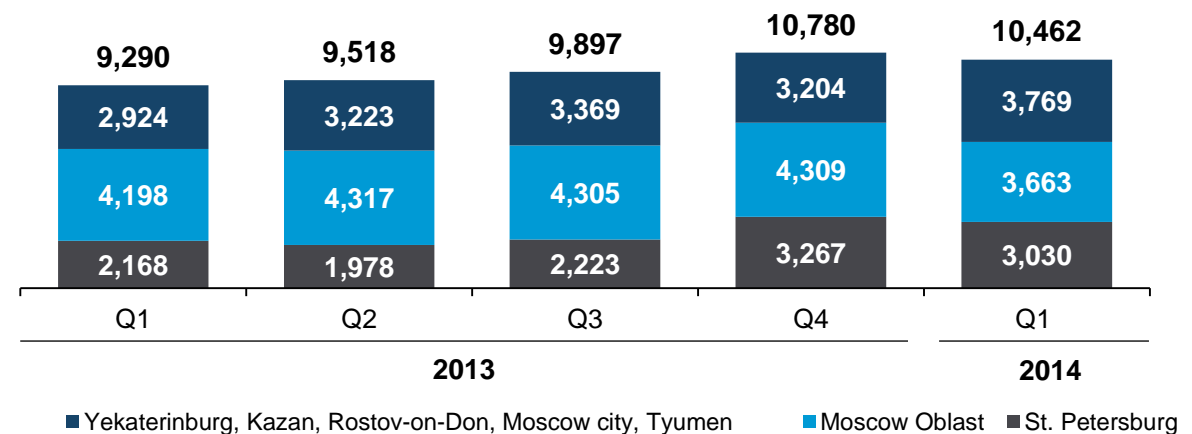
# Housing Russia: Solid sales portfolio

- Share of sold apartments under construction has increased
- Completed unsold apartments on a very low level
- Portfolio is geographically balanced

Apartment inventory (pcs)



Apartments under construction by city (pcs)



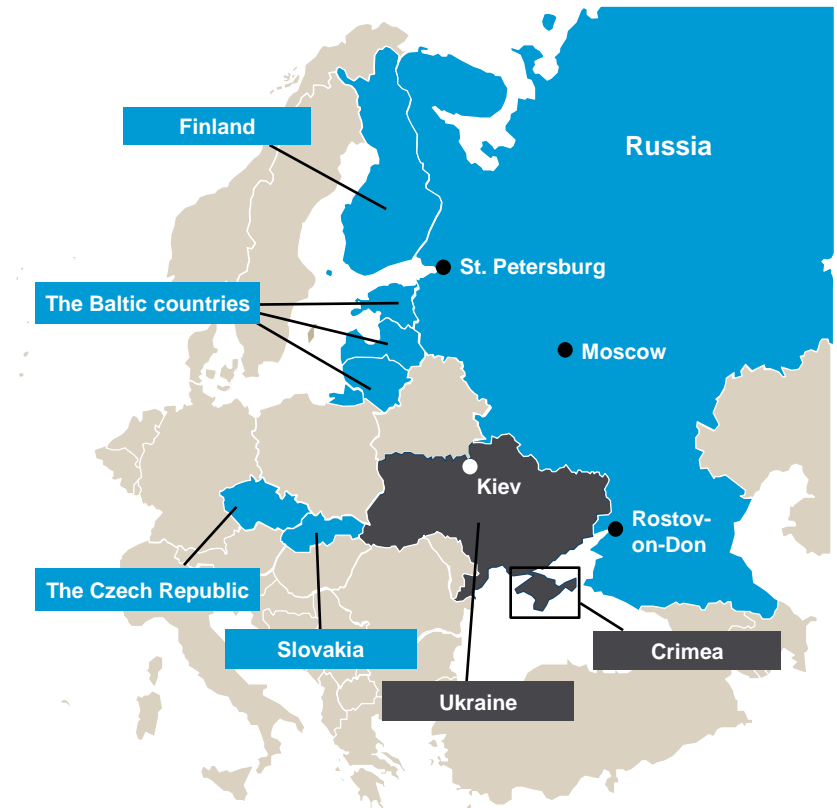
# Impacts of the Ukrainian crisis for YIT

## Effects of the crisis on Russia

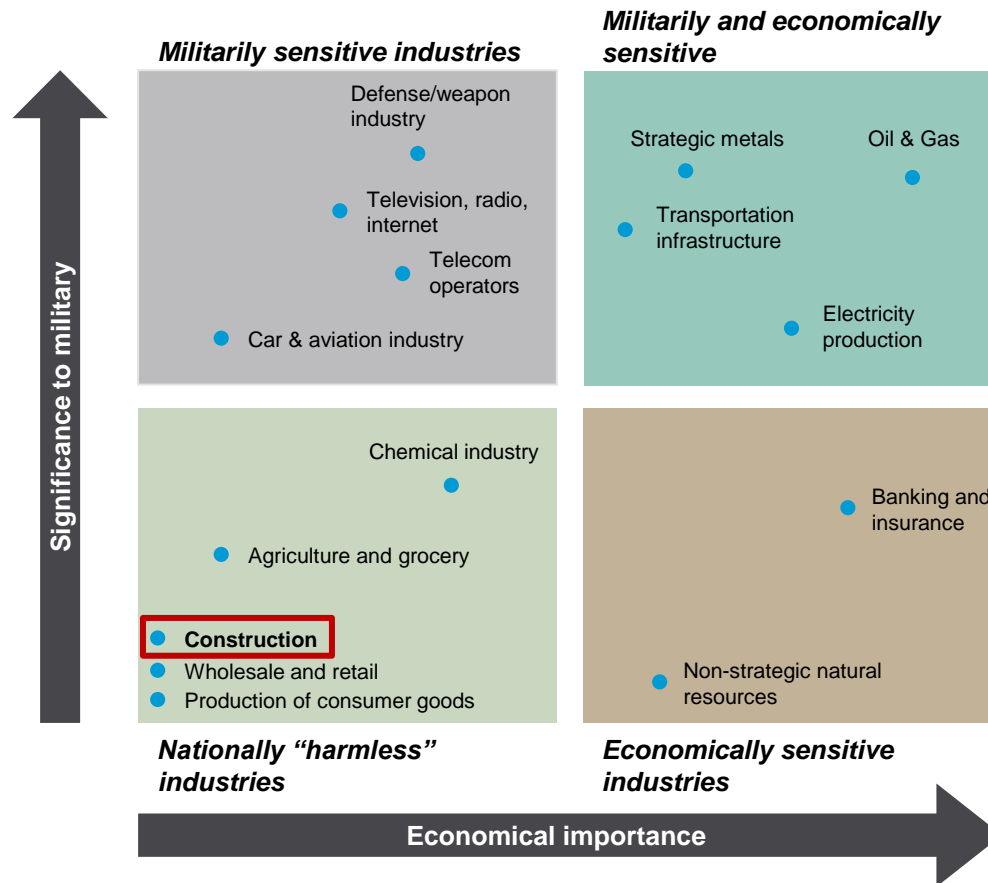
- Increased uncertainty
- The ruble exchange rate (RUB:EUR) has weakened clearly
- The Central Bank of Russia has increased its benchmark interest rate
- Growth forecasts have been cut
- Risk of further sanctions
- Customers' access to financing has remained good
- Mortgage interest rates have remained stable

## Immediate effects on YIT

- The weakening of the ruble decreases YIT's euro-denominated revenue, profit, balance sheet and equity (no impact on profitability)
- Hedging costs for Russian investments have risen as the interest rate difference has increased
- Weakening of the ruble supported residential sales in March, sales on a normal level in April
- Impacts of further sanctions are unpredictable
- Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations

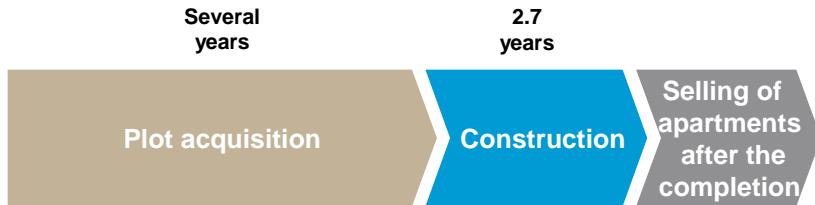


# Construction business is not a politically sensitive sector in Russia



# YIT's cash flow profile has clearly improved in Russia after the financial crisis

## Before

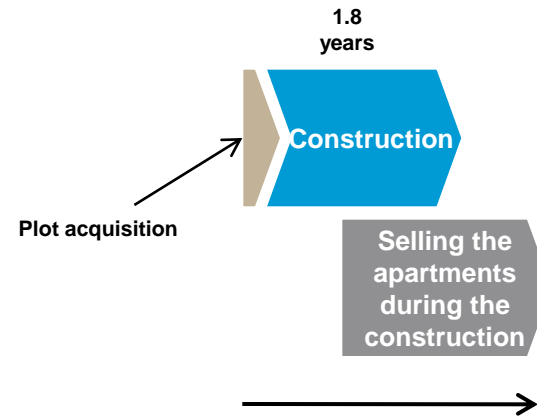


**Total: Cash conversion cycle more than 5 years**

Before the financial crisis, plot acquisitions were typically made several years prior the initiation of construction process

Furthermore the apartments were sold closer to completion or after the completion

## Today



**Total: Cash conversion cycle less than 3 years**

Today, YIT aims to pay for the acquired plots closer to starting construction

Furthermore, today the average completion rate of the apartments sold is approximately 60% - clear impact on cash flow profile

# Framework for YIT's regional expansion strategy



- Target market share in operating cities up to 10%
  - Bigger market share would increase competitive/political risks with major players and uncontrolled volume drop risk
- Expansion strategy based on "triangles"
  - One main city and satellite cities 100-350 km from local head office, population in satellite cities from 0.5 to 1.0 million inhabitants, and in every "triangle" min. 4 million
  - Operational leverage
- Entering new cities: green field through plot acquisitions with thorough legal due diligence
  - Plot acquisition strategy: one bigger plot (7-15 ha) and one small plot (1-3 ha) in production simultaneously
- Entering a market by acquiring companies as an option
  - Faster sales development, but higher risk of potential losses and plots/projects that do not fulfil YIT's commercial requirements

# 5

---

## Business Premises and Infrastructure



Commercial centre Dixi  
Vantaa, Finland

# Business Premises and Infrastructure

## Business areas

- Business Premises: Offices, shopping centres, public premises, renovation of existing premises
- Infrastructure: Roads and bridges, rock construction, water works, road maintenance

## Competitive edges

- Superior project management skills in complex projects
- Innovative concept driven business model
- Skilled personnel and special equipment
- Capability and knowledge for different kinds of projects ranging from small special works to large scale public-private-partnerships and hybrids
- Increasing focus in own development – wind parks, parking facilities etc.



## Segment in figures (2013)

Revenue	EUR 689 million
Operating profit*	EUR 31 million
Plot reserves	EUR 94 million
Employees	~2,000

\*Excluding non-recurring items

# Business Premises and Infrastructure: Key market drivers



## Business Premises

- Concentration to growth centres
- City centre development, area development
- Demand for modern and energy efficient premises
- Modernisation needs, change of purpose

## Infrastructure

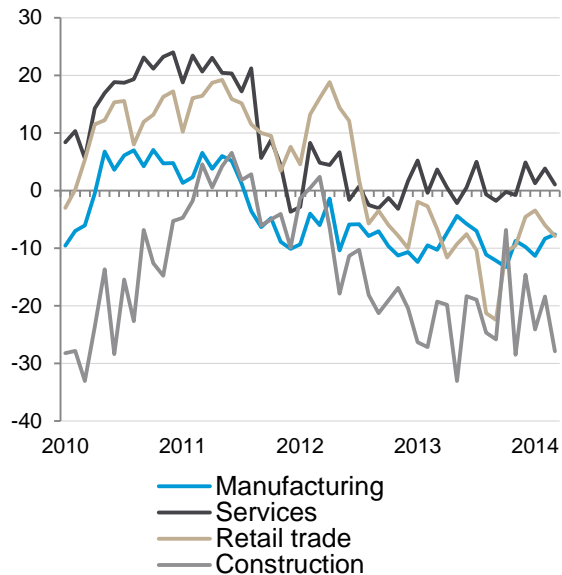
- Urbanisation increases need for more complex infrastructure in city centres
- Need to improve the road network
- Sustainable power generation investments



# Business Premises and Infrastructure: Operating environment in Q1/2014

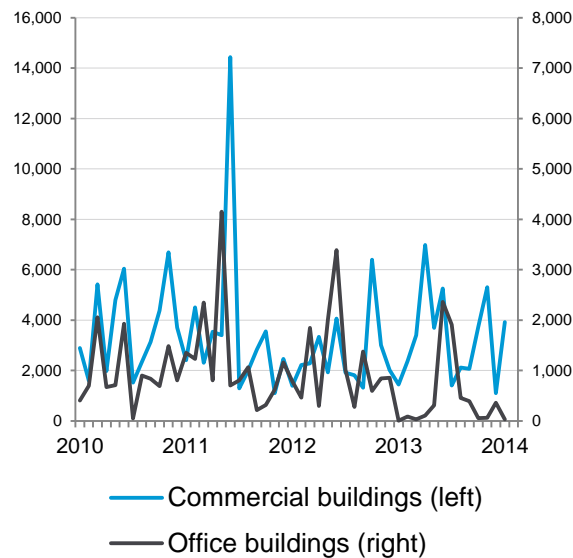
- Business premises market remained weak
- Tough competition for tender-based projects
- Infra market relatively stable

Confidence indicators in Finland



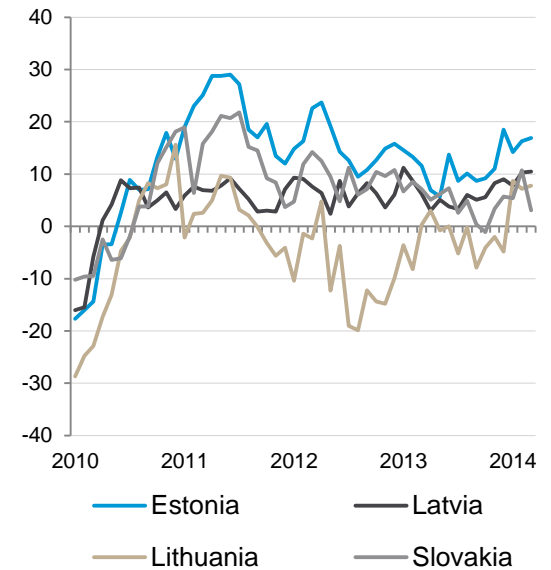
- End-users cautious in the business premises market
- Investor interest on a good level in prime locations

Granted building permits in Finland, thousand m3



- Positive macro-outlook supports the business premises market in the Baltic countries and Slovakia

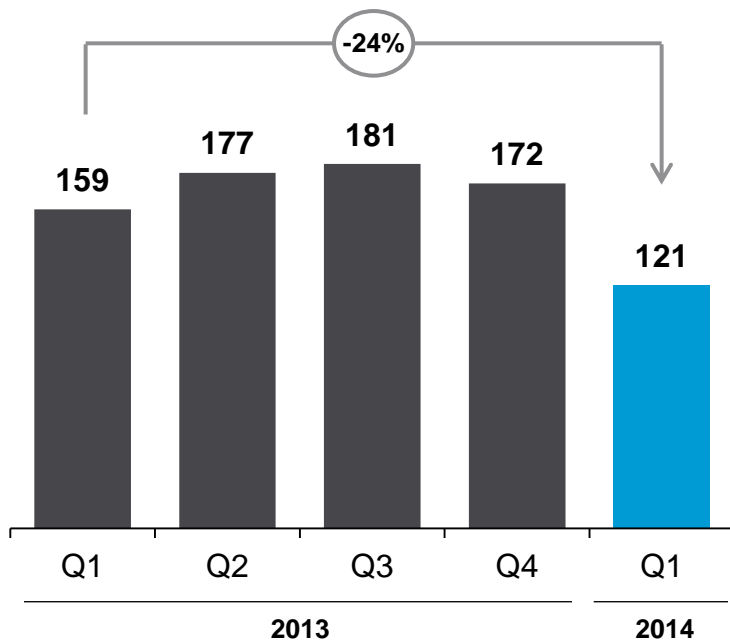
Retail trade confidence in the Baltic countries and Slovakia



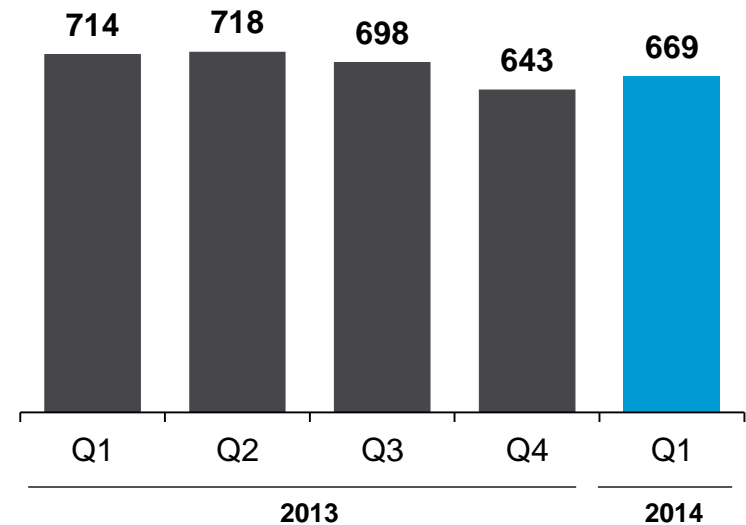
# Business Premises and Infrastructure: Decreased volumes

- Low production volumes and leasing activity impact the results in Business Premises
- Low volume in Q1/2014 in infra services due to normal seasonality and timing of projects

Revenue (EUR million)



Order backlog (EUR million)

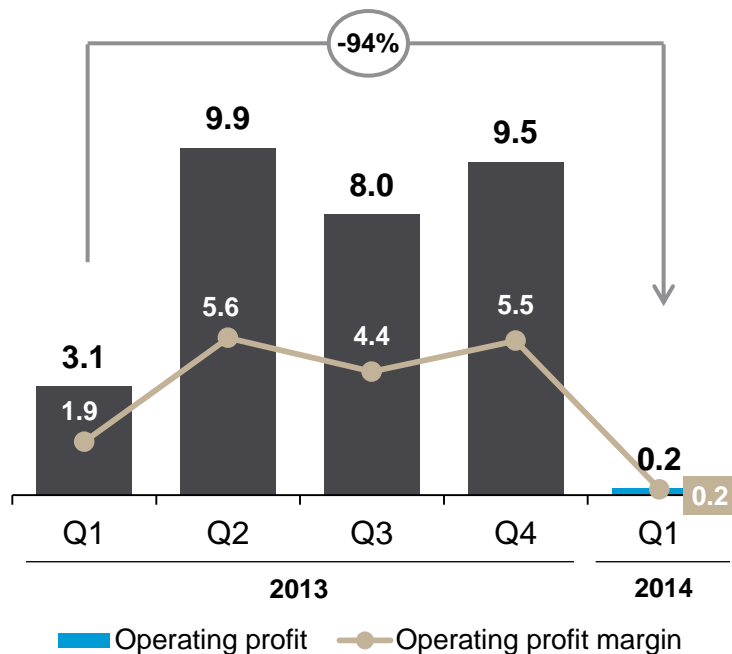


All figures according to segment reporting (POC)

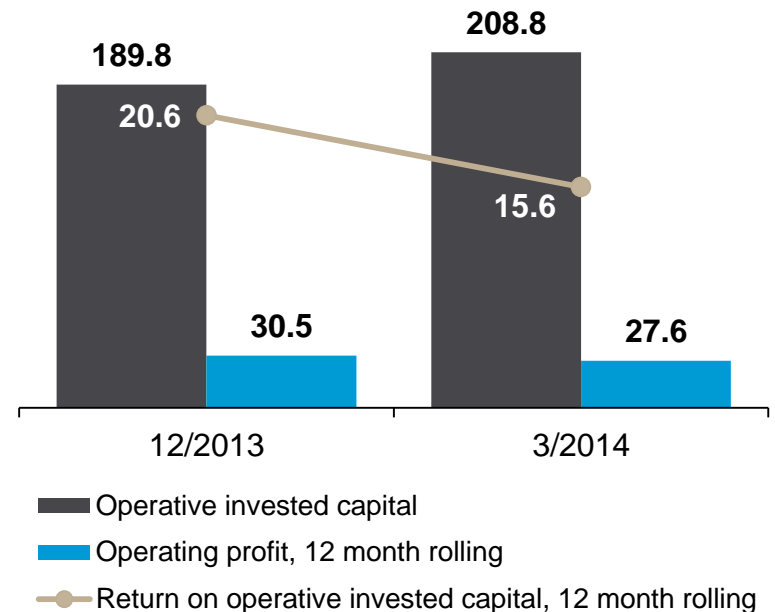
# Business Premises and Infrastructure: Weak profitability

- The segment's low volume has a negative impact on profitability
- No sales of major ongoing business premises projects impacted invested capital and operating profit negatively in Q1/2014

Operating profit and profitability (EUR million, %)



Return on operative invested capital (EUR million, %)



All figures according to segment reporting (POC)

# Business Premises:

## Recent development and major projects

- Sale of Bisnespaja Avia in April
- Existing Luttasaari mall acquired, the new hybrid complex will consist of a shopping center and three blocks of flats, total value approx. EUR 80 million
- The Tripla-project in Pasila proceeding as planned
  - Total value EUR 1 billion, construction to start in 2015
- Projects in the Baltic countries and CEE are progressing well

The largest ongoing self-developed business premises projects						
Project, location	Value, EUR million	Project type	Completion rate	Estimated completion	Sold/unsold	Leasable area sq. m.
Dixi, Tikkurila railway station, Vantaa	~20	Office	72%	12/2014	Sold	6,000
Dixi, Tikkurila railway station, Vantaa	-	Retail	72%	12/2014	Unsold	5,200
Aleksanterinkatu 11 Koy, Lahti	-	Retail	40%	6/2015	Unsold	6,700
Grand office, Vilnius, Lithuania	-	Office	88%	10/2014	Unsold	10,100



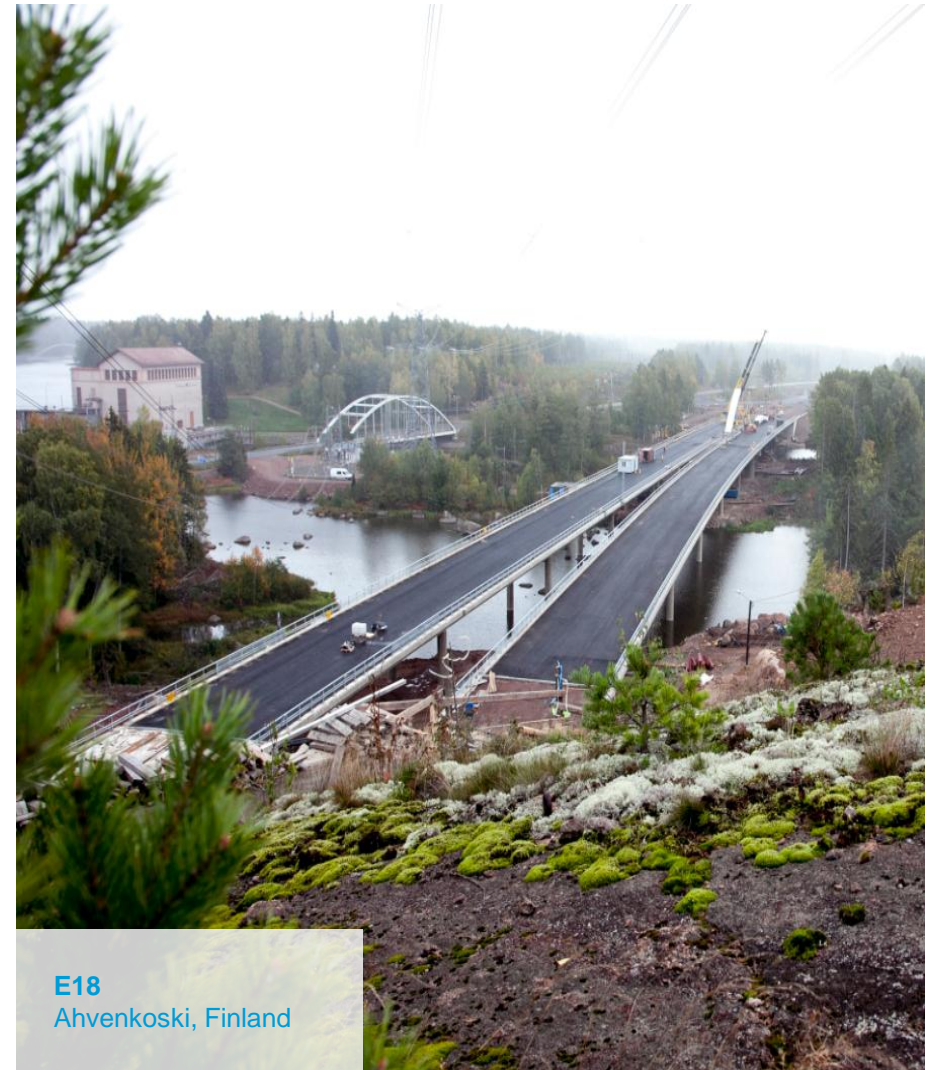
# Infrastructure:

## Projects progressing well, new orders ensured

- The upgrade of Ring Road III in Helsinki capital region started in Q1, total value of EUR 42 million
- Good progress in wind power projects
- Seasonally lower activity in E18 projects
- Several smaller projects won

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate	Estimated completion
E18 Pulteri	~190	Infra	87%	1/2015
E18, Hamina bypass	~60	Infra	82%	12/2014
Ring Railway, Aviapolis	~40	Infra	94%	6/2014
Ring Road III junction	~40	Infra	5%	12/2016
Ring Railway, Ruskeasanta	~30	Infra	94%	6/2014



E18  
Ahvenkoski, Finland

# 6

---

Looking ahead  
and conclusions



**Pushkin**  
St. Petersburg, Russia

# Key achievements post demerger

- Progress in strategic projects
  - The Tripla project in Pasila, Helsinki
  - Own-developed wind power projects in Finland
  - City plan for several large area development projects in Russian Housing
  - Several key plot acquisitions of new area projects in Finland, Russia and Slovakia
- Organizing the operations and adjusting the cost structure according to the new management structure and current market environment in Finland
- Further development of the land bank
- Specific actions to improve capital efficiency starting to gradually bear fruit
- Foundation for new YIT laid
  - Values and leadership principles as well as vision and mission defined and implementation is ongoing



# Key priorities in 2014

## 1 Customer focus

- Faultless handover
- Improving the customer experience
- Online services
- Concept development

## 2 Cost efficiency

- Development of reasonably priced products
- Improving internal processes
- Continuous education of design management in all operating countries
- Tighter cross-border cooperation in sourcing

## 3 Cash flow and capital efficiency

- Reducing the number of completed unsold apartments
- Executing sales of Business Premises projects
- Utilizing off-balance sheet partnerships in plot acquisitions
- Releasing capital from slow-moving assets





# Market outlook 2014, Housing

## Finland

- Housing start-ups expected to decrease. Forecasted start-ups 26,500 units in Finland in 2014 (RT Confederation of Finnish Construction Industries, April 2014) while the estimated long-term annual need is 24,000-29,000 units (VTT Technical Research Centre of Finland, January 2012)
- Housing prices expected to remain stable
- Macro uncertainties and below-average consumer confidence continue to impact the residential market
- Slight improvement in consumer's access to financing
- Interest rates are expected to remain low

## The Baltic countries, the Czech Republic and Slovakia

- Housing construction volumes increasing from low levels in the Baltic countries (VTT Technical Research Centre of Finland, December 2013)
- Housing start-ups expected to decrease slightly in the Czech Republic and Slovakia (Euroconstruct, November 2013)
- Housing prices expected to increase slightly

## Russia

- Housing construction is estimated to increase in 2014, but at a slower pace than in previous years (VTT Technical Research Centre of Finland, December 2013)
- YIT expects housing prices to be stable in 2014 and mortgage rates to stay on the level of 2013
- GDP growth estimates have been cut recently; ruble has weakened against the euro
- Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations

Housing starts\*



Housing prices



Interest rates



Consumer confidence



\*Source: RT Confederation of Finnish Construction Industries, April 2014

Housing construction volumes\*\*,  
The Baltic countries



Housing starts\*\*,  
the Czech Republic and Slovakia



Housing prices



\*\*Sources: Euroconstruct, November 2013 and VTT, December 2014

Housing construction volumes\*\*\*



Housing prices



Mortgage interest rates



Consumer confidence



\*\*\*Sources: Euroconstruct, November 2013

# Market outlook 2014, Business Premises and Infrastructure

## Business premises in Finland

- Business Premises market expected to remain weak as the market reacts to improvements in the economy with a lag
  - Forecasts vary: commercial construction is expected to increase by 18% and office construction to decrease by 9% (Euroconstruct, November 2013)
- Vacancy rate in the office sector is high, demand will focus on modern and energy-efficient premises

## Business premises in the Baltic countries and Slovakia

- New non-residential construction is expected to grow by 5% in the Baltic countries (VTT Technical Research Centre of Finland, December 2013)
- New non-residential construction is expected to decrease by 8% in Slovakia (Euroconstruct, November 2013)

## Infrastructure in Finland

- Infrastructure construction forecasted to decrease slightly (Euroconstruct, November 2013)
- Increased competition for smaller contracts

Market\*



Commercial construction\*



Office construction\*



Vacancy rate



\*Source: Euroconstruct, November 2013

New non-residential construction\*\*, the Baltic countries



New non-residential construction\*\*, Slovakia



\*\*Source: Euroconstruct, November 2013

Infrastructure construction\*\*\*



Competition



\*\*\*Source: Euroconstruct, November 2013

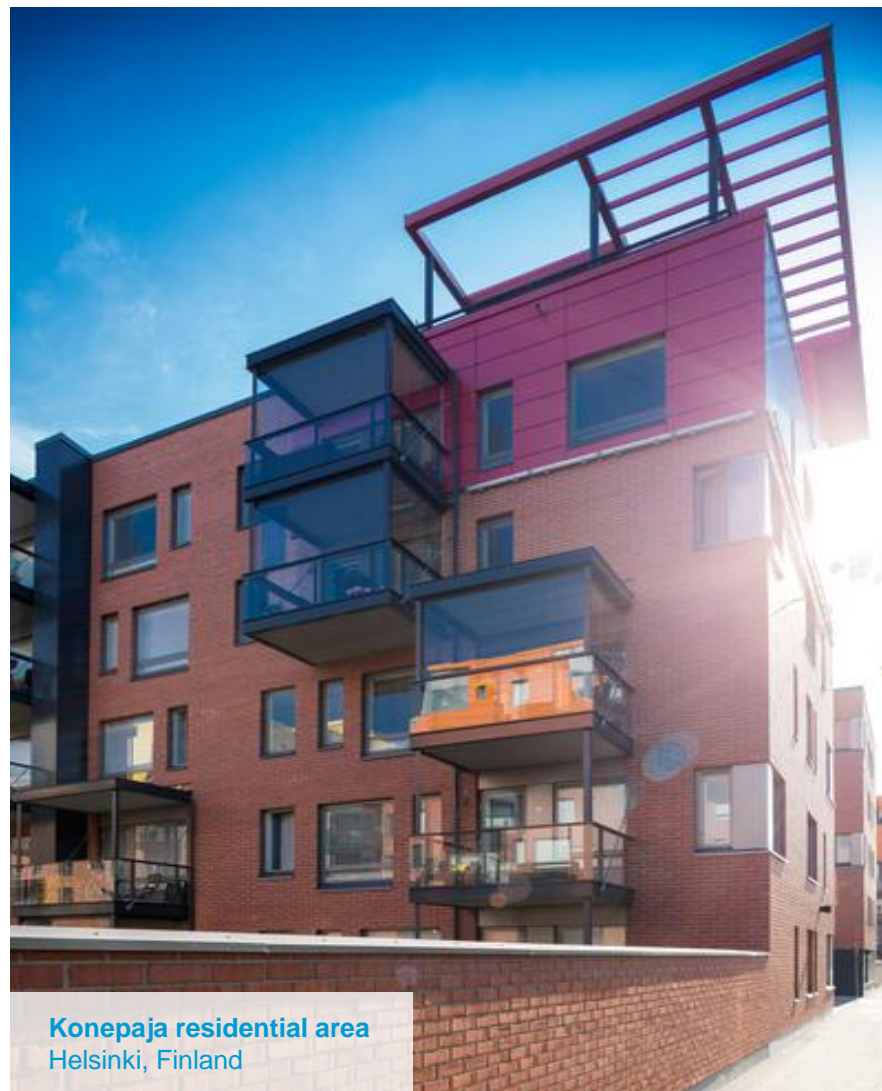
# Guidance for 2014 unchanged

**The Group revenue** based on segment reporting is estimated to grow **by 0–10%** at comparable exchange rates.

**The operating profit margin** based on segment reporting is estimated to be **in the range of 7.5–8.5%** excluding non-recurring items.

Continuing uncertainty over the general macroeconomic development impacts YIT's business operations and customers.

Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations.



# Key investment propositions

– Unique growth opportunities, superior profitability

## Strengths

Strong market knowledge, over 50 years' experience in Russia and over 100 years' in Finland

- Plot acquisitions – local know how
- Superior sales process – design management, own sales, end user orientation
- Strong market position: The largest foreign residential developer in Russia, market leader in Finland
- Solid track record: One of the most profitable construction companies in Europe throughout the business cycle, clearly the most profitable in Finland

## Unique opportunities for growth

Focused and well-managed growth

### Russia:

- Migration, urbanization, increasing share of middle class with improving purchasing power, low living space and poor quality of existing buildings
- Political support for housing and mortgage market development

### The Baltics countries and CEE:

- Low living space and quality of existing buildings, fastest economic growth in Europe

### Finland:

- Migration, decreasing family sizes and changing living needs, smaller and more efficient flats demanded
- Modern and efficient business premises needed in growth centres, emphasis on location and tenant quality
- Urbanization requires specialized knowledge in demanding infrastructure construction, new major route projects executed as public-private-partnerships

## Risk management

Good corporate governance and high ethical standards

- Balanced business portfolio allows opportunities in all market situations
- Ability and good track record to adjust start-ups
- Geographical diversification - local management know how
- Sufficient plot reserve leaves room for cash flow management
- Flexibility in production costs especially in Russia

# Concluding remarks

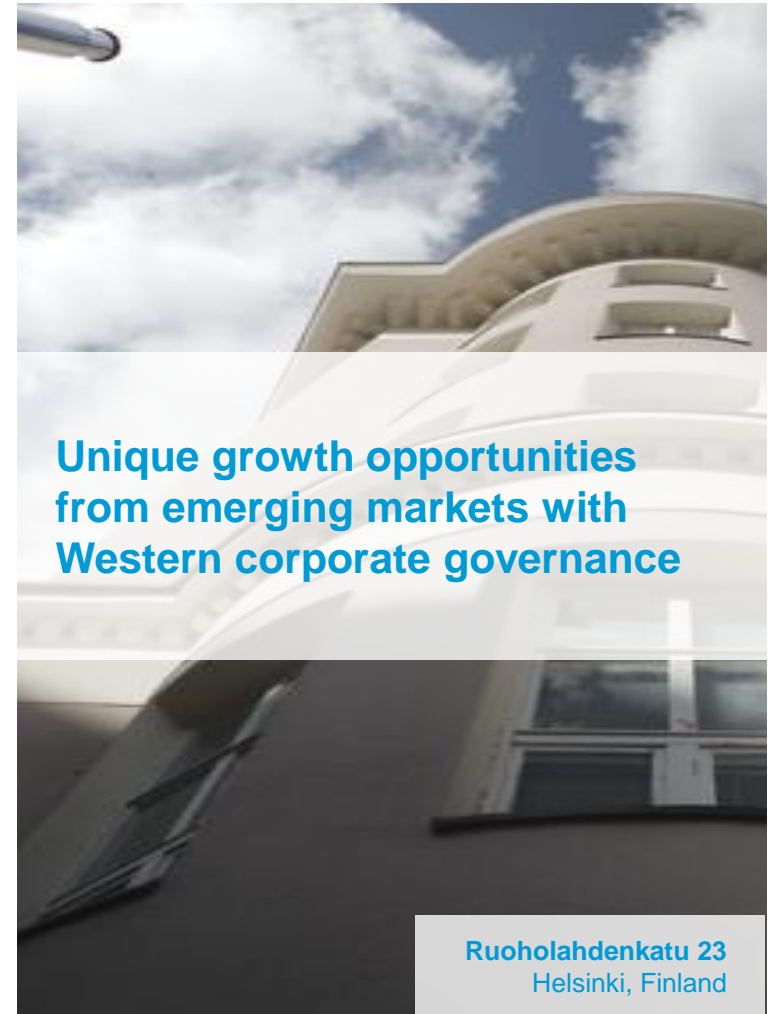
**Growth from self-developed projects, especially residential development and emerging markets**

**Solid track record in profitability through economic cycles. Room for further improvement**

**Strong market position as well as long experience from Finland and Russia thanks to excellent risk management and execution**

**Current focus on cash flow and capital efficiency**

**Solid dividend payer (payout target: 40-60%)**



# 7

---

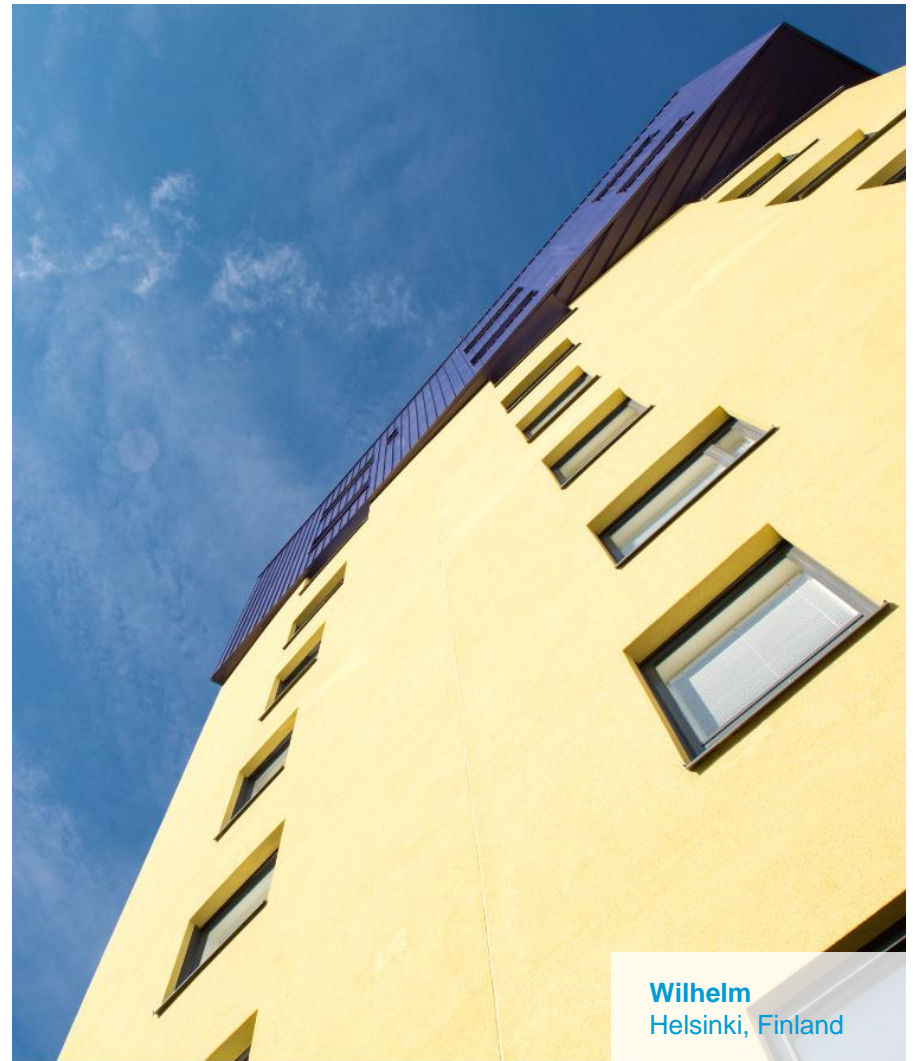
## Appendices



Kirovogradskaya street  
Moscow, Russia

# Appendices

- I. Additional financial information
- II. General economic indicators
- III. Housing indicators
- IV. Business premises and infrastructure construction indicators
- V. Construction costs
- VI. Ownership





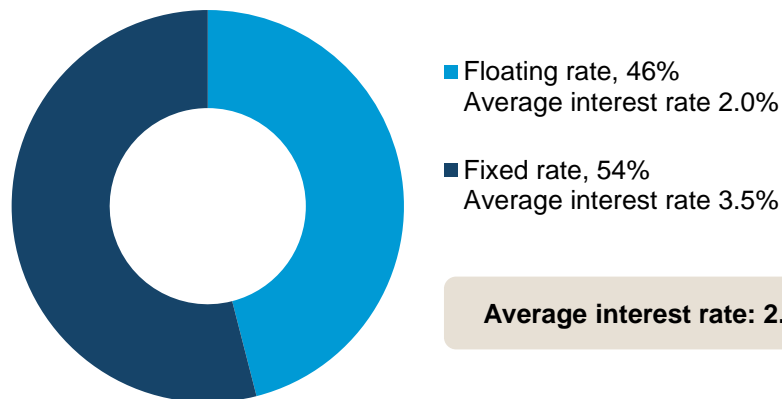
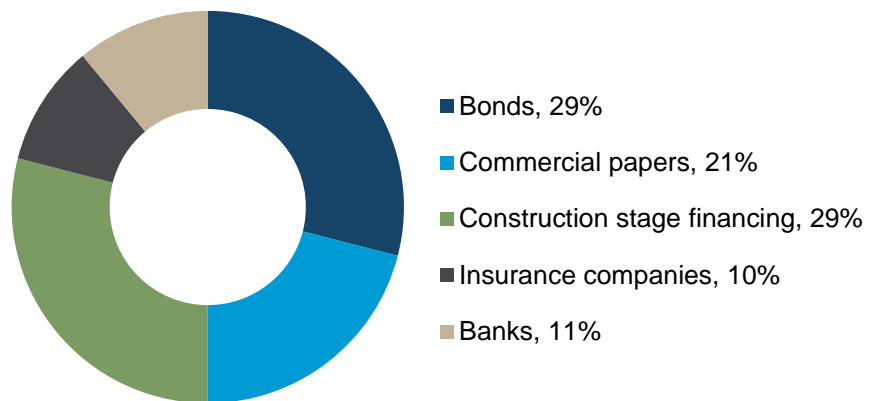
---

Additional  
Financial  
information



# Balanced debt portfolio

## Debt portfolio 3/2014, EUR 920 million

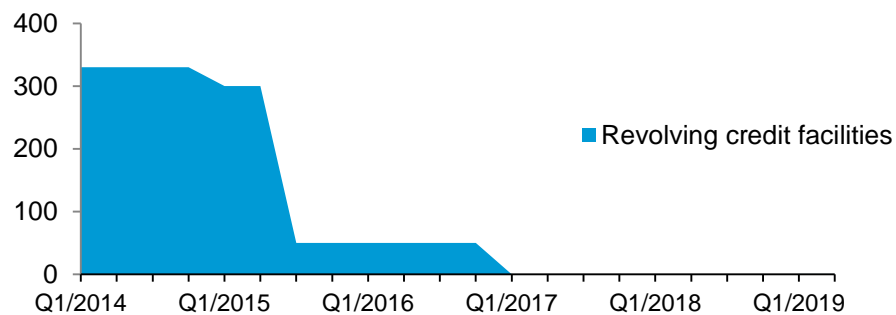
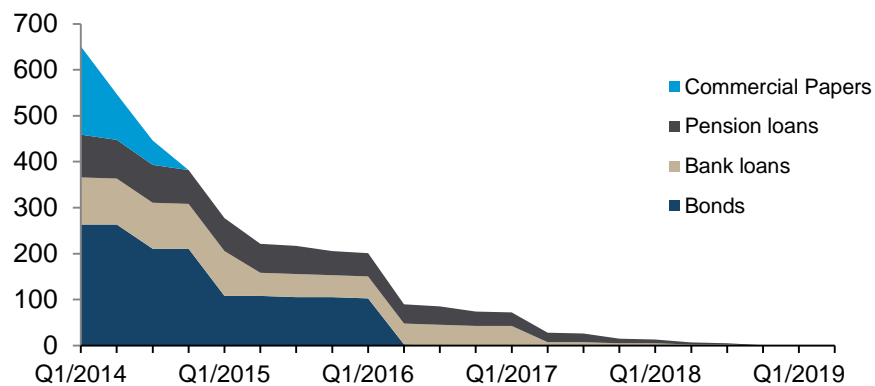


**Average interest rate: 2.8%**

## Maturity structure

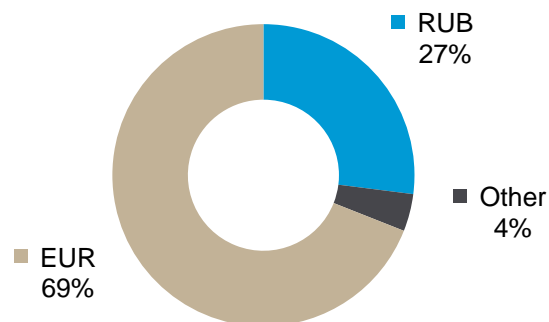
### Maturing long term debt per year (EUR million), 3/2014

Year	2014	2015	2016	2017	2018	2019
Value (EUR million)	76.9	176.2	132	58.8	14.0	1.8



# Weakening of the ruble impacts the figures

## Revenue split 2013



## Impact of changes in foreign exchange rates (EUR million)

	Q1/2014
Revenue, POC	-21.8*
EBIT, POC	-2.9*
Order backlog, POC	-81.6**
Equity, IFRS (translation difference)	-29.9**

\* Compared to the corresponding period in 2013

\*\* Compared to 12/2013

- The Russian ruble has weakened clearly
  - 8% compared to 2013 end
  - 20% compared to Q1/2013 average

## Principles of managing currency risks

- Sales and costs typically in same currency, all foreign currency items hedged  
→ no transaction impact
- Currency positions affecting the income statement are hedged
  - Loans to subsidiaries in local currency (excluding equity-like investments in Russia), EUR 121 million in 3/2014 to Russian subsidiaries
- Equity and equity-like investments in Russia not hedged
  - Considered to be of permanent nature
  - FX changes recognized as translation difference in equity
  - Total exposure: EUR 394 million in 3/2014

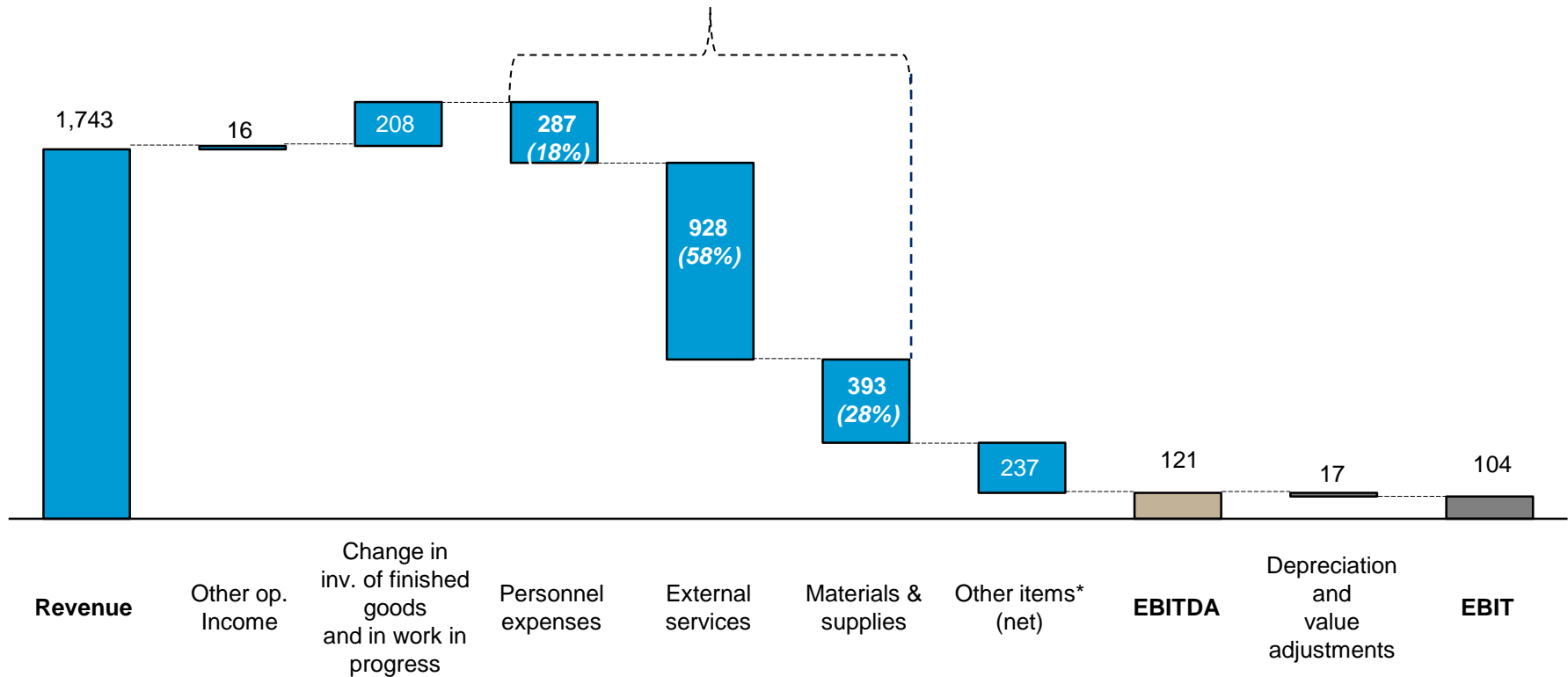
# YIT's cost base in 2013

External services account major share of YIT's costs

EUR million

(% of cost base before EBITDA)

Total cost base of  
EUR 1,608 million



\*) Includes: Other operating expenses, share of results in associated companies and production for own use  
NOTE: Figures based on Group reporting (IFRS)

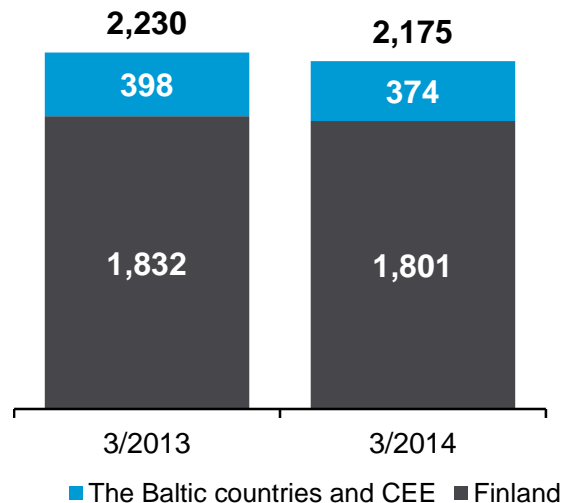
# Capital invested in plot reserves

## Housing Finland, the Baltic countries and CEE

3/2013: EUR 278 million  
Finland: 73.6%  
The Baltic countries and CEE: 26.4%

3/2014: EUR 276 million  
Finland: 72.6%  
The Baltic countries and CEE: 27.4%

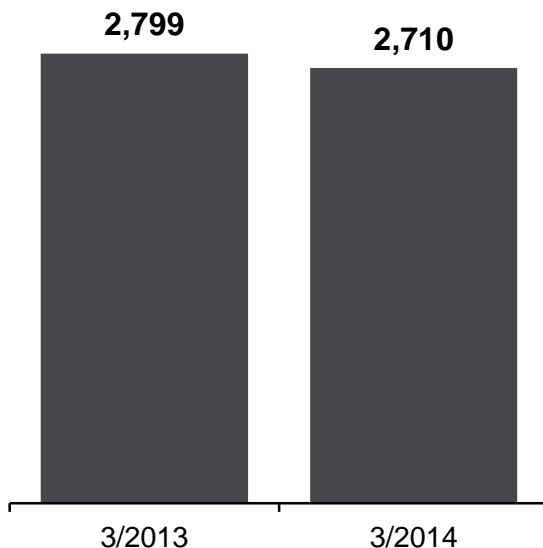
Building rights,  
thousand sq. m.



## Housing Russia\*

3/2013: EUR 314 million  
3/2014: EUR 285 million

Building rights,  
thousand sq. m.

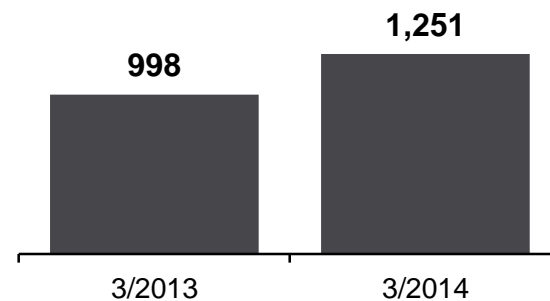


\*Includes Gorelovo industrial park

## Business Premises and Infrastructure

3/2013: EUR 98 million  
3/2014: EUR 88 million

Building rights,  
thousand sq. m.



# 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
  - The receivables are due upon completion
  - Sold in line with the progress of the project
- Customers' down payments 15% of value

### → Financing for construction

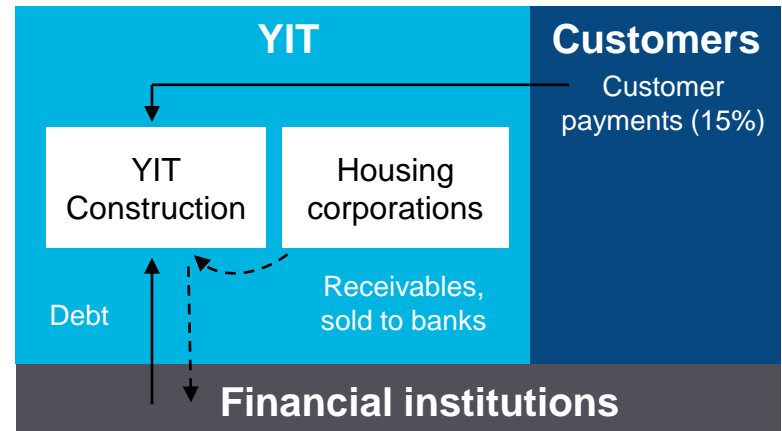
### Limited refinancing risk:

- 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

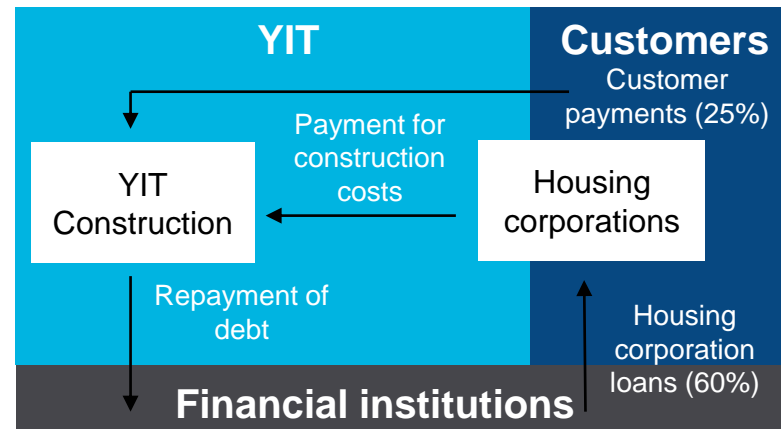
### → Refinancing of the sold receivables

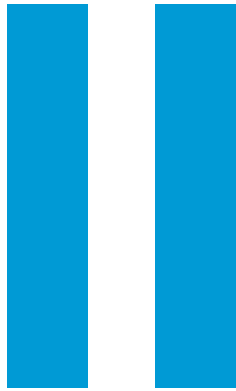
- After completion the unsold apartments are in YIT's balance sheet as shares in housing corporations. Their share in the housing corporation loans is included in current borrowings as the loans are linked to current assets.

## During construction:



## Upon completion:

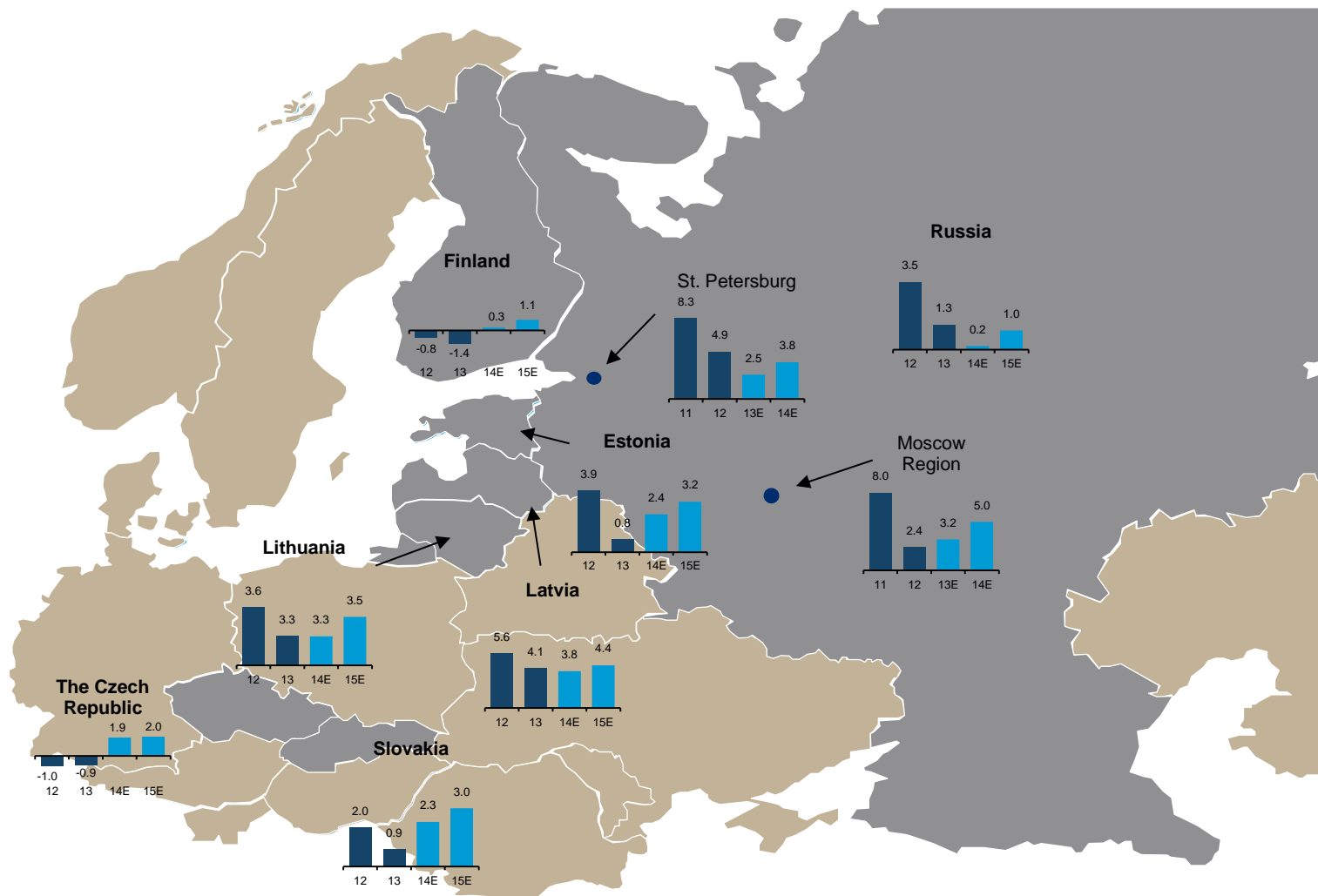




---

General  
economic  
indicators

# Strongest growth expected in the Baltic countries



Sources: IMF, April 2014

Moscow Region and St. Petersburg: Federal State Statistics Service and VTT, December 2013

# Macro Economics - Market outlook

Finland		2013	2014
	Consumption	→	→
	Investment	↓	→
	Industry	→	→
	Exports	→	↗
	Imports	→	↗
<b>Growth rate</b>	GDP (% p.a.)	-1.4	0.3-1.5

Forecast for 2015 slight growth (1.0-2.0%)

Russia		2013	2014
	Consumption	↗	→
	Investment	↓	↓
	Industry	→	→
	Exports	↓	→
	Imports	↓	↗
<b>Growth rate</b>	GDP (% p.a.)	1.3	0.0-1.0

Forecast for 2015 moderate growth (1.0-2.3%)

CEE		2013	2014
	Consumption	→	↗
	Investment	↓	→
	Industry	↓	→
	Exports	↗	↗
	Imports	↗	↗
<b>Growth rate</b>	GDP (% p.a.)	-0.9-0.9	1.9-2.3

Forecast for 2015 moderate growth (2.0-3.0%)

Baltic Countries		2013	2014
	Consumption	↗	↗
	Investment	→	↗
	Industry	↗	→
	Exports	→	↗
	Imports	↗	↗
<b>Growth rate</b>	GDP (% p.a.)	0.8-4.1	2.4-3.8

Forecast for 2015 growth (2.8-4.4%)





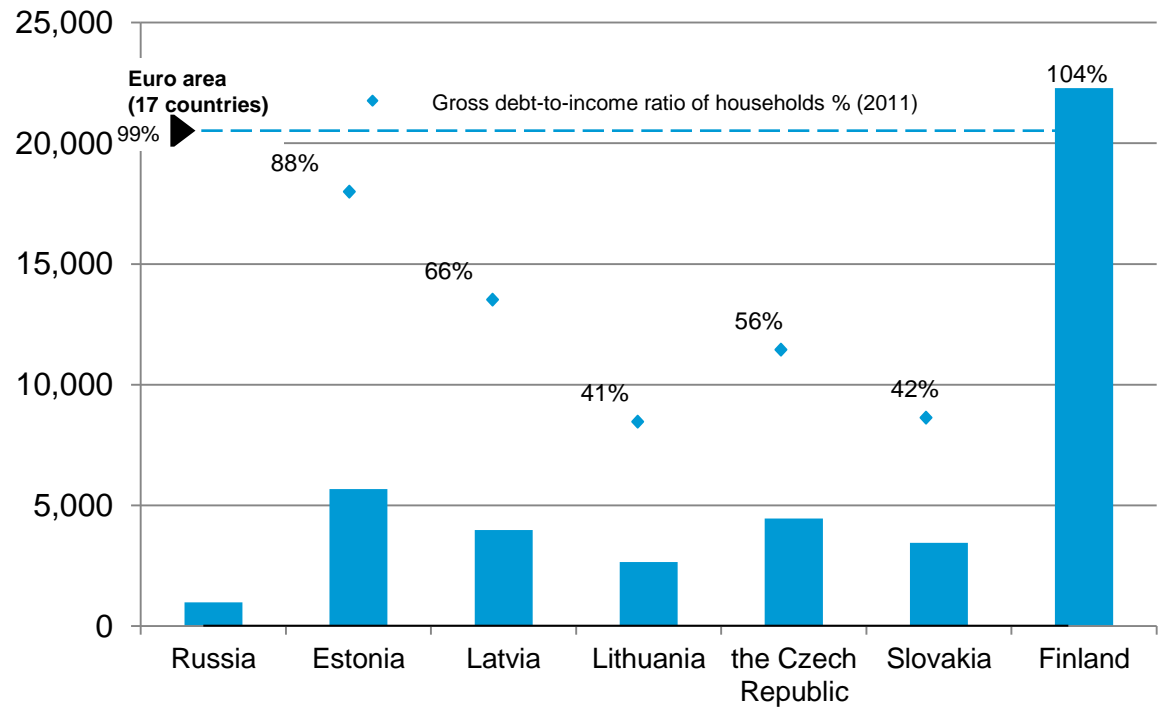
---

## Housing indicators

# Household indebtedness



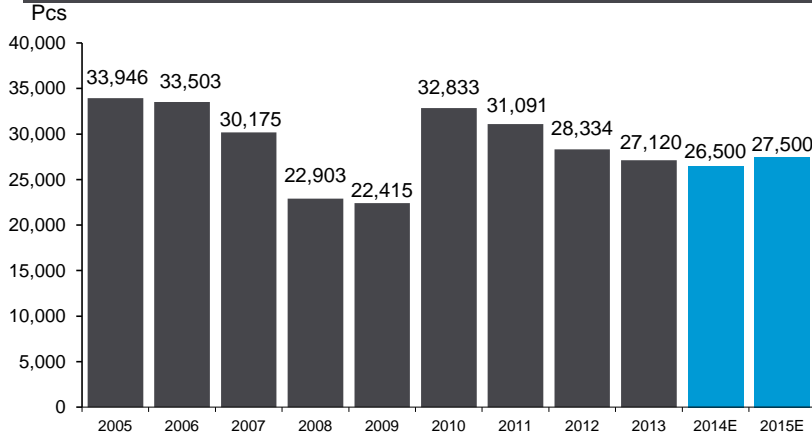
Household debt per capita in 2011, EUR



Sources: Eurostat and East Capital; No comparable data for Gross debt-to-income ratio of households % for Russia available

# Finland – Housing start-ups expected to decrease in 2014

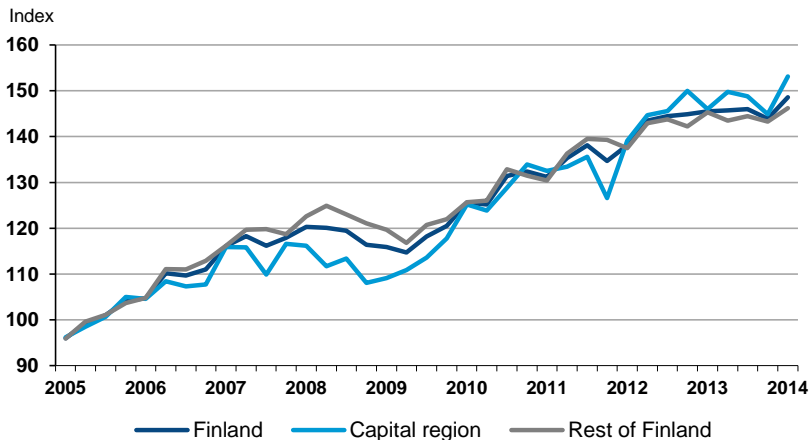
## Residential start-ups are estimated to decrease



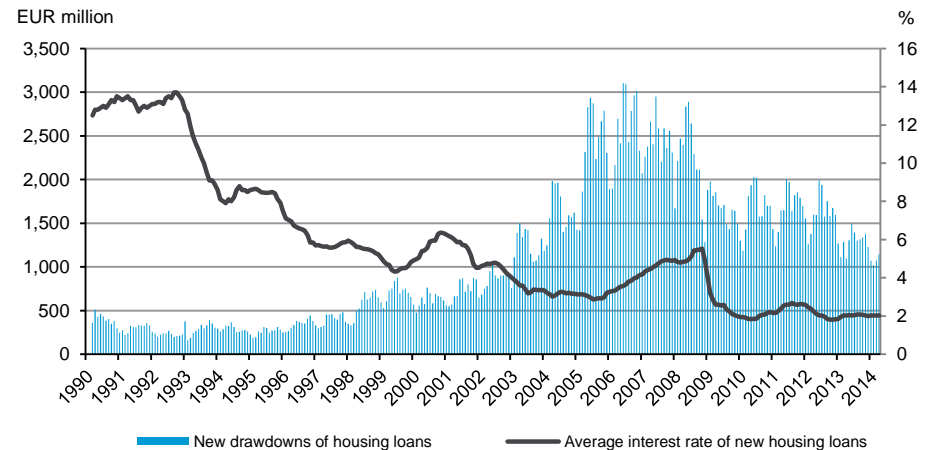
## Consumer confidence - Views on economic situation in one year



## Prices of new dwellings



## Interest rates expected to remain at a low level in 2014



Sources: Residential start-ups: 2005-2013 Statistics Finland, 2014E - 2015E RT Confederation of Finnish Construction Industries, April 2014, Consumer confidence: Statistics Finland April 28, 2014

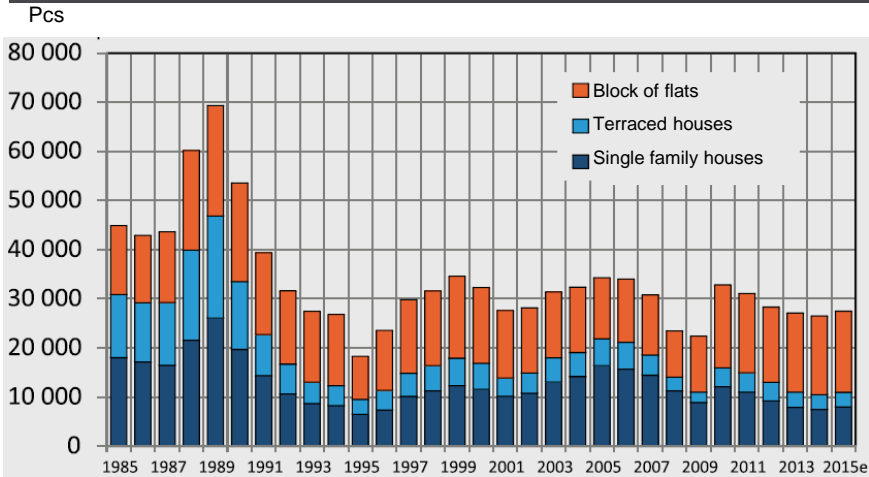
House prices: Statistics Finland April 28, 2014, Loans and Interest rates: Bank of Finland April 31, 2014

YIT | 83 | Investor presentation, May 2014

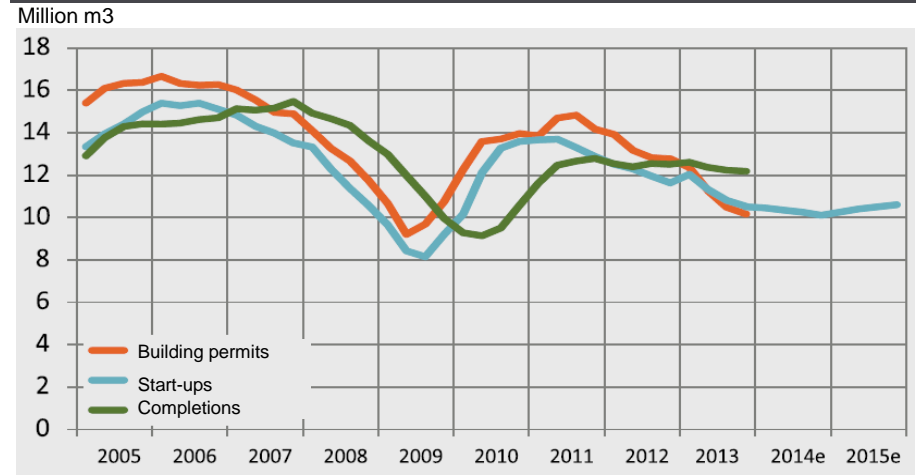


# Housing indicators have weakened slightly in Finland

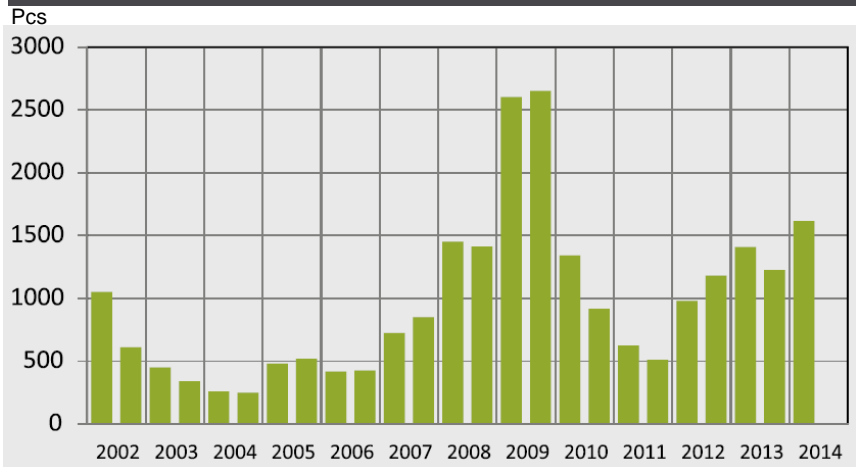
**Housing start-ups by building type**



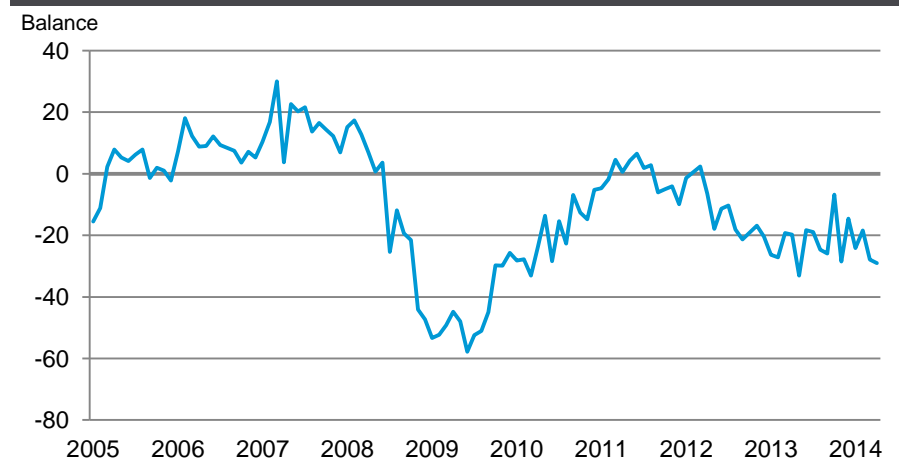
**Building permits, start-ups and completions**



**Unsold completed units (residential development projects)**



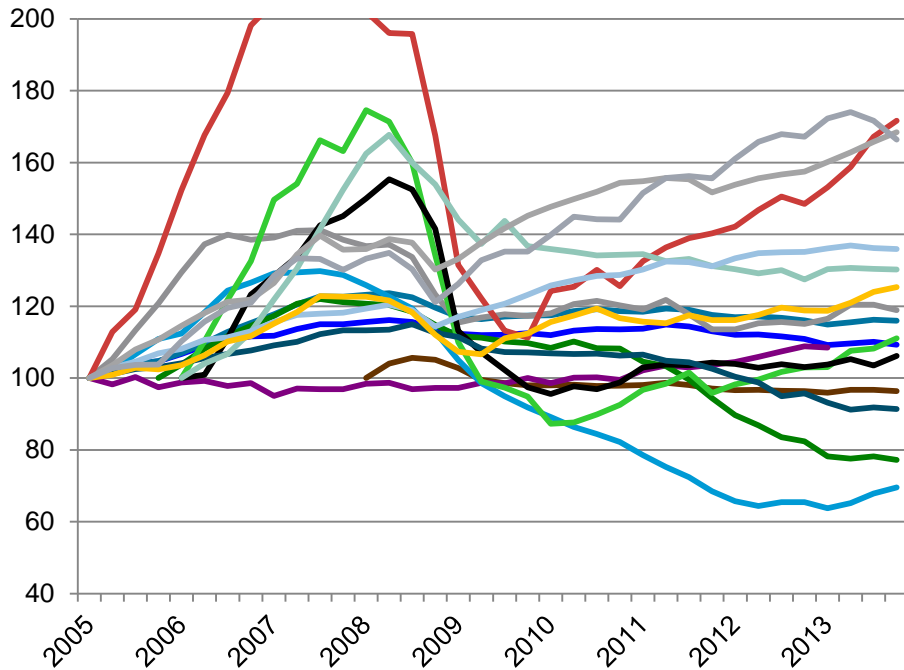
**Construction confidence**



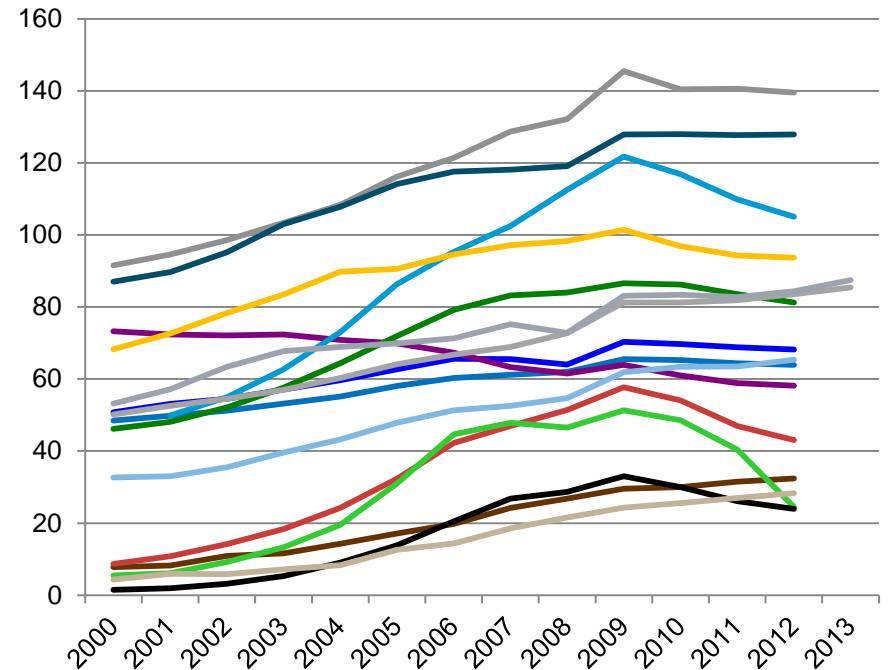
Sources: Confederation of Finnish Construction Industries RT, April 2014, Construction confidence: Statistics Finland, April 2014

# Household debt relatively low in Finland

House price index in different countries



Households debt to GDP (%)

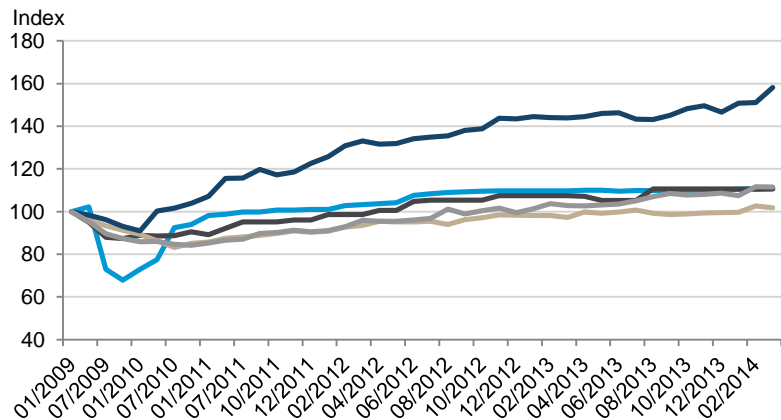
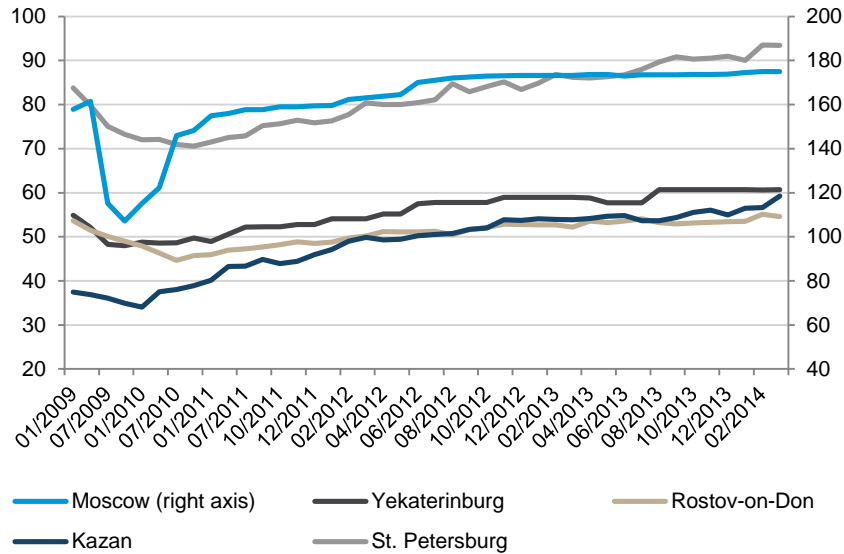


- European Union
- Denmark
- Ireland
- Lithuania
- Finland
- Norway
- Euro area
- Germany
- Spain
- Netherlands
- Sweden
- The Czech Republic
- Estonia
- Latvia
- Slovakia
- United Kingdom

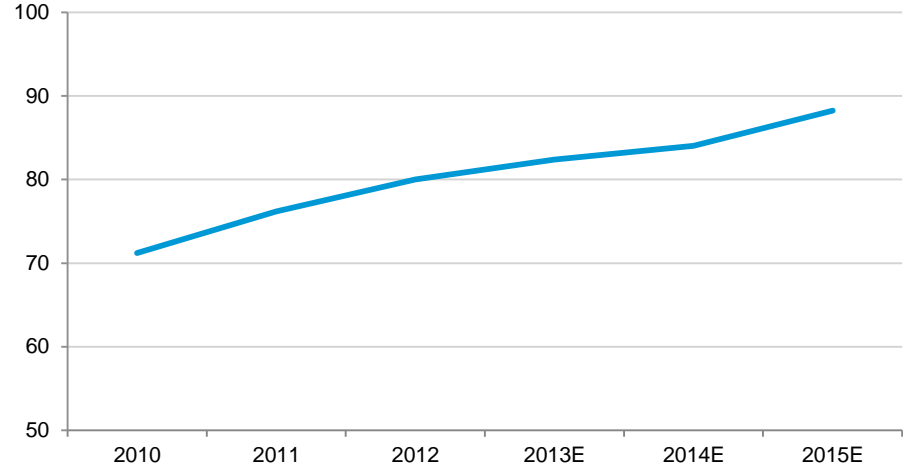
- European Union
- Denmark
- Ireland
- Lithuania
- Finland
- Norway
- Euro area
- Germany
- Spain
- Netherlands
- Sweden
- The Czech Republic
- Estonia
- Latvia
- Slovakia
- United Kingdom

# Russia – Housing indicators support demand

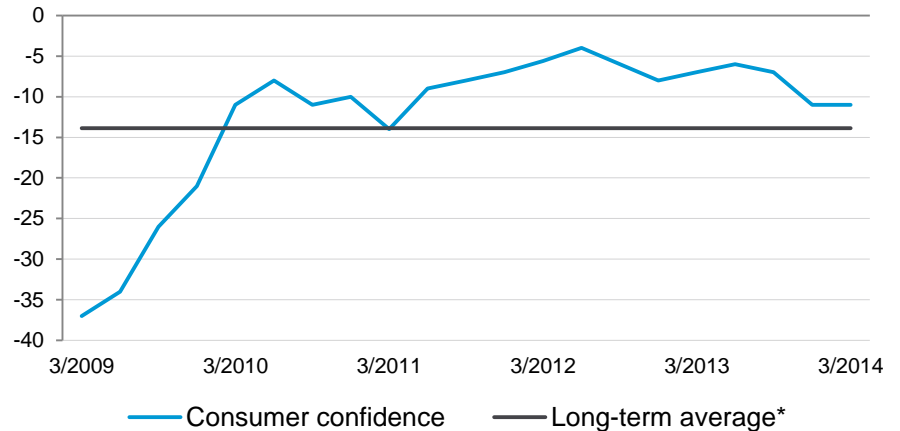
House prices in primary markets, thousand RUB (1/2009-3/2014)



New residential construction, EUR billion



Consumer confidence



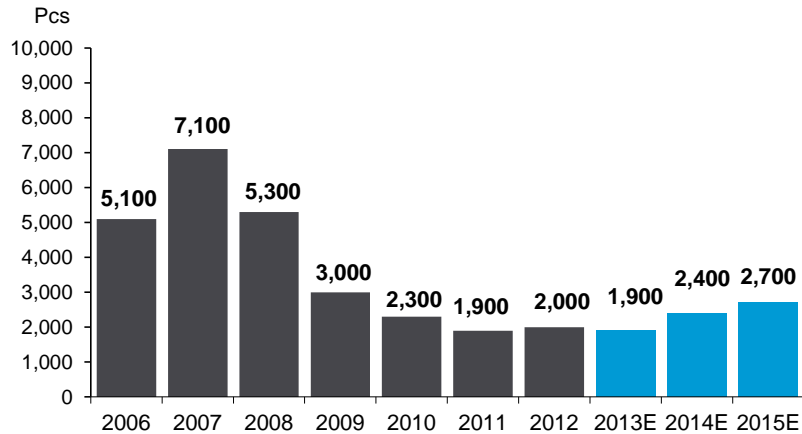
\*Average 12/1998-3/2014

Sources: House prices: YIT, Residential construction volume: VTT Technical research center of Finland, December 2013, Consumer confidence: Reuters

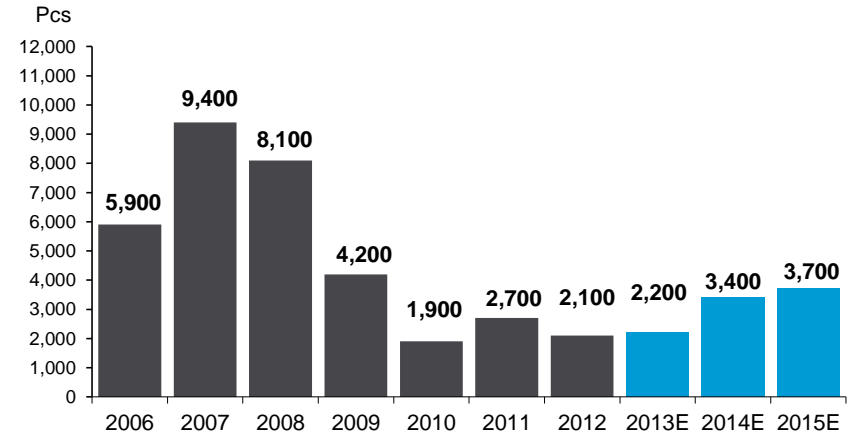


# The Baltic countries – Growth is expected in residential construction

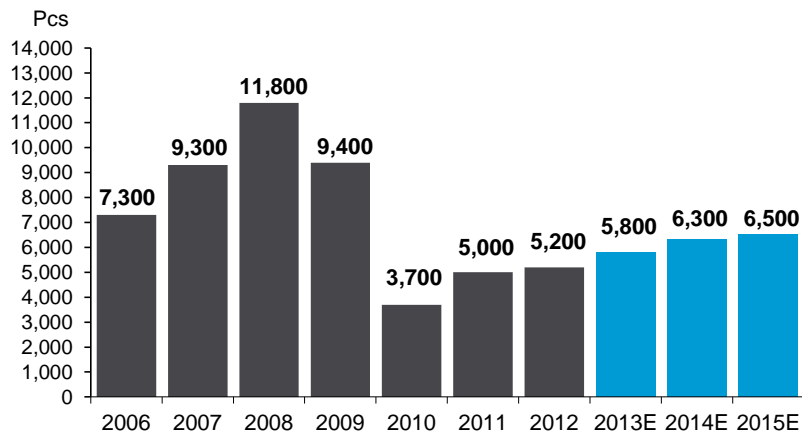
## Residential completions in Estonia



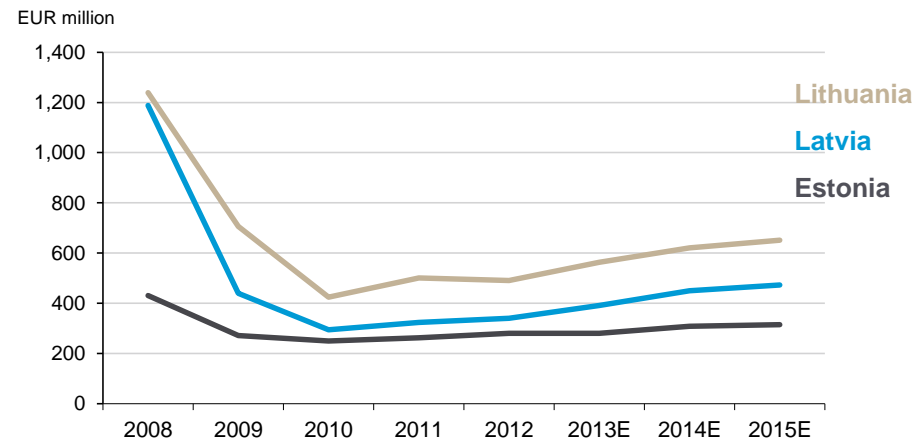
## Residential completions in Latvia



## Residential completions in Lithuania



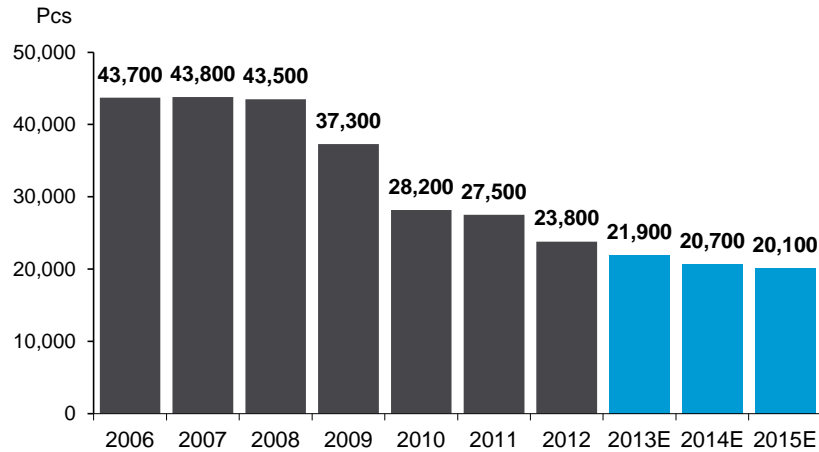
## Residential construction in the Baltic countries



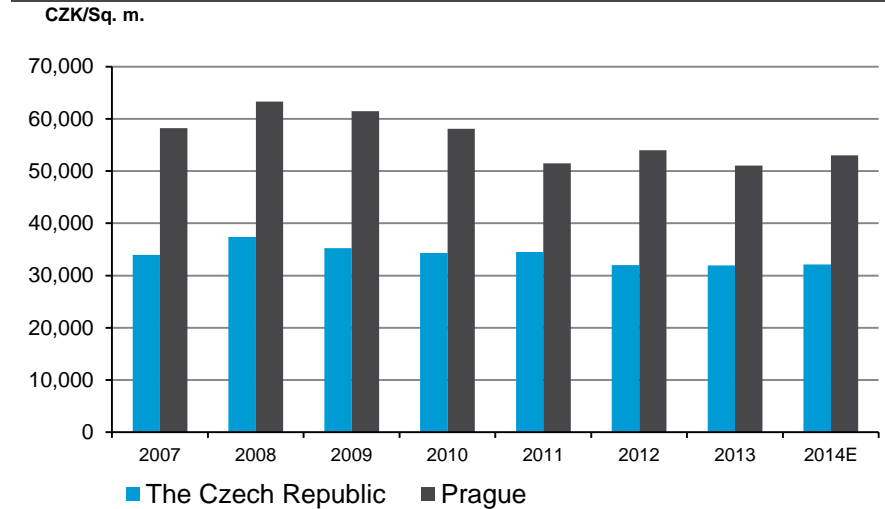
Source: VTT Technical Research Center of Finland, December 2013

# The Czech Republic and Slovakia – Start-ups forecasted to remain relatively low

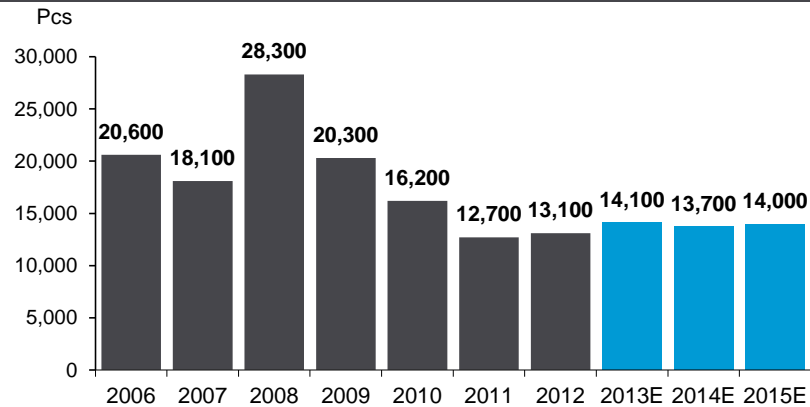
## Residential start-ups in the Czech Republic



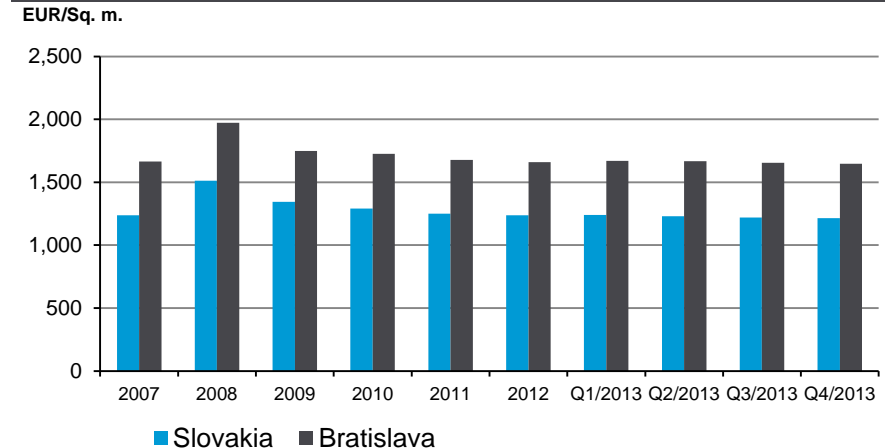
## Housing prices in the Czech Republic and Prague



## Residential start-ups in Slovakia



## Housing prices in Slovakia and Bratislava



Sources: Residential start-ups: Euroconstruct, November 2013, Other data: The Czech Republic: JLL 2013, Slovakia: National Bank of Slovakia, March 2014



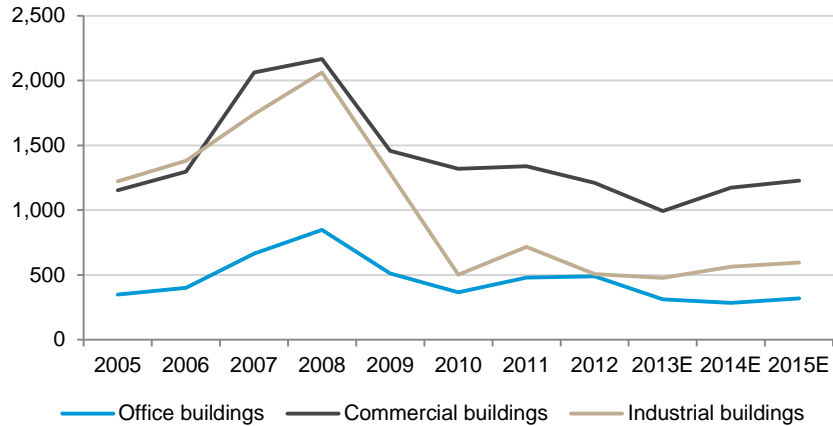
# IV

---

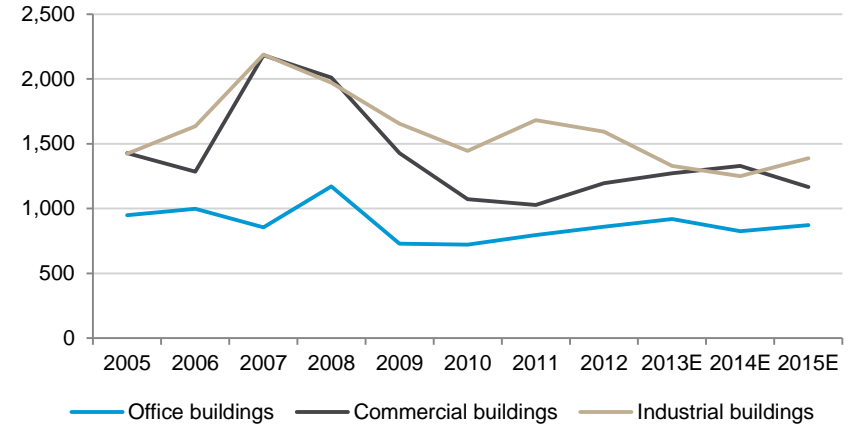
**Business  
premises and  
infrastructure  
construction  
indicators**

# Non-residential construction forecasted to pick up slightly

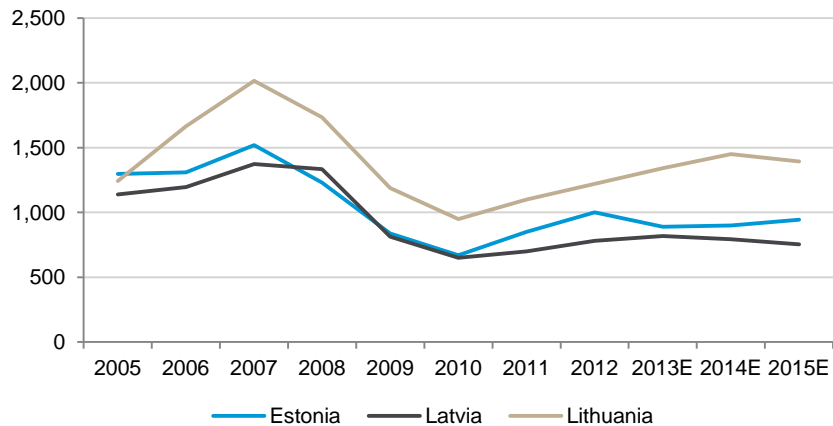
New non-residential construction in Finland, EUR million



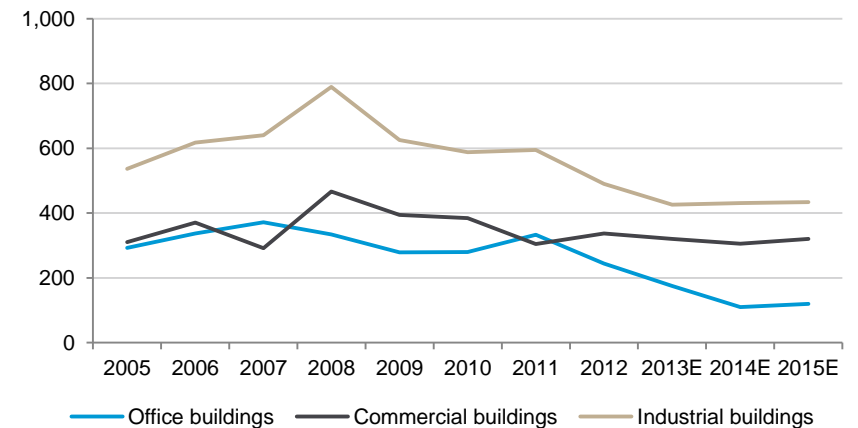
New non-residential construction in the Czech Republic, EUR million



New non-residential construction in The Baltic countries, EUR million



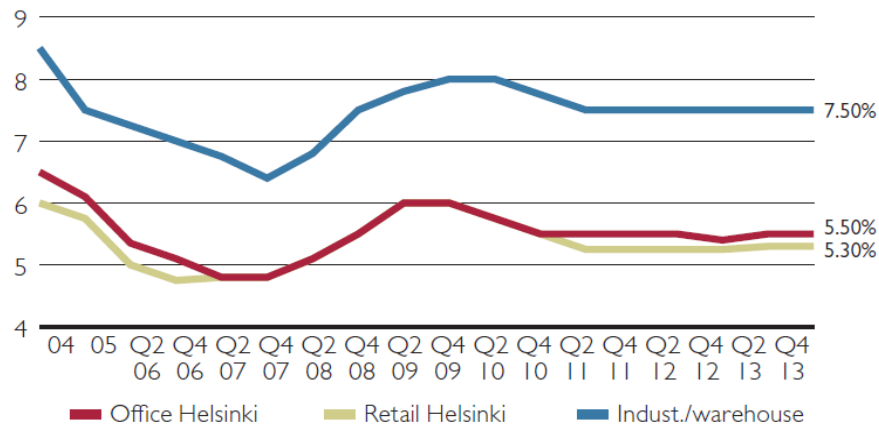
New non-residential construction in Slovakia, EUR million



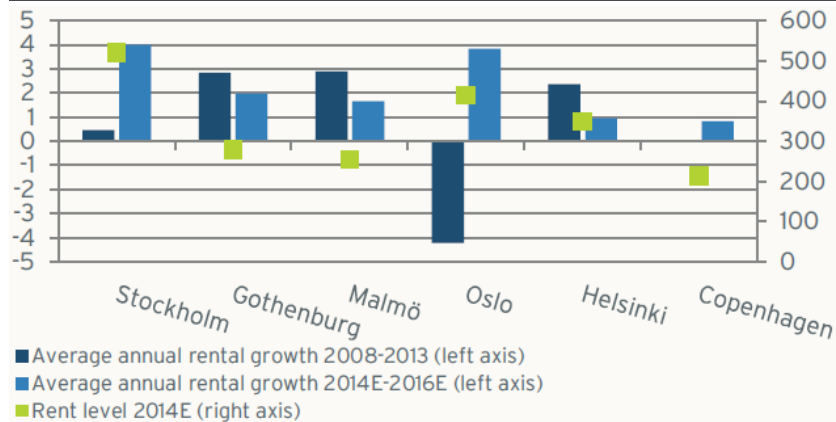
Source: VTT Technical Research Center of Finland, December 2013

# Finland – Yields have increased slightly

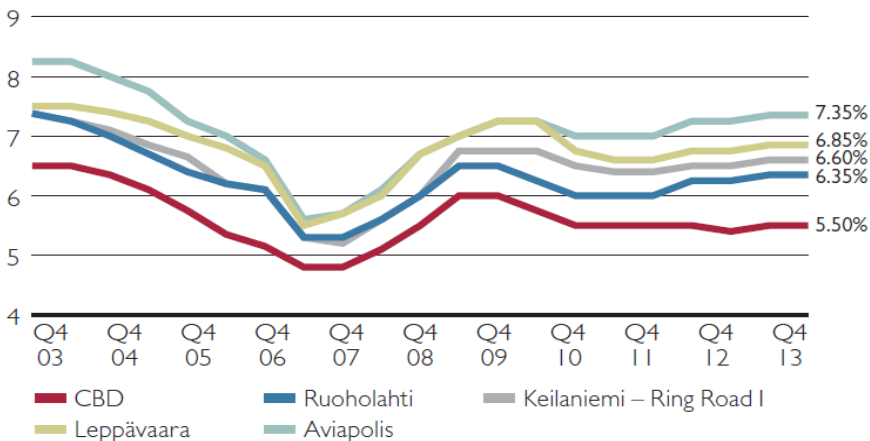
Prime yields in Helsinki Metropolitan Area, %



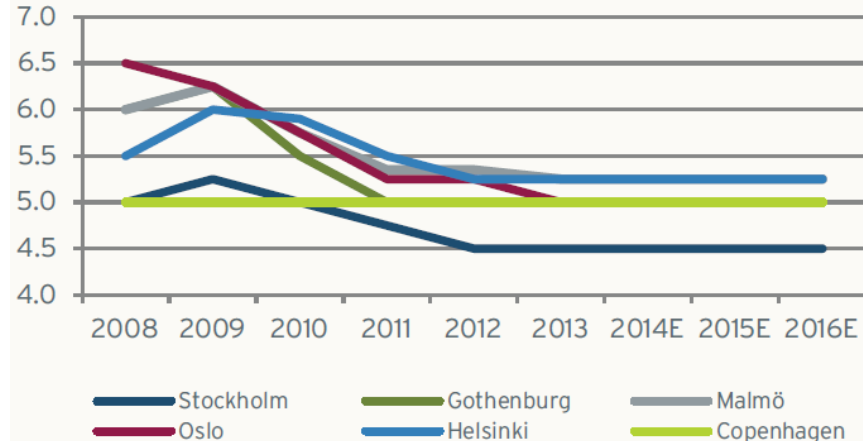
Prime office rents in the Nordic countries, % and EUR / sq. m. / year



Office yields in Helsinki Metropolitan Area, %



Prime office yields in the Nordic countries, %

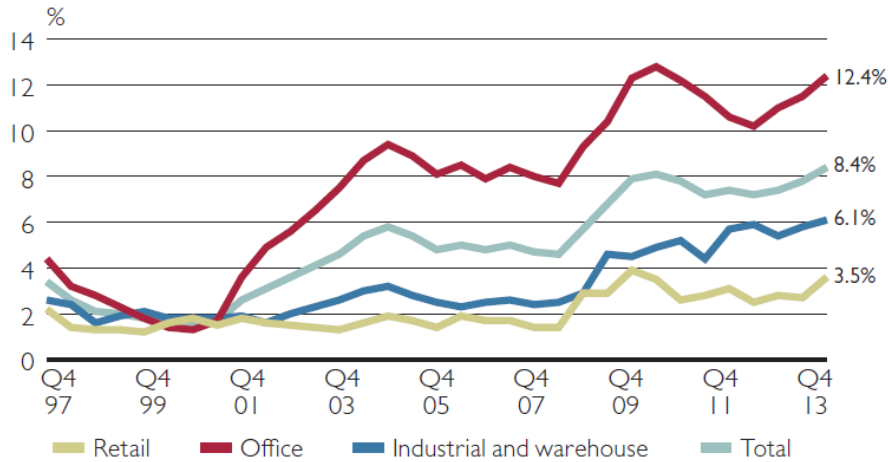


Sources: Catella Property Market Trends Finland, February 2014, Newsec Property Outlook, March 2014

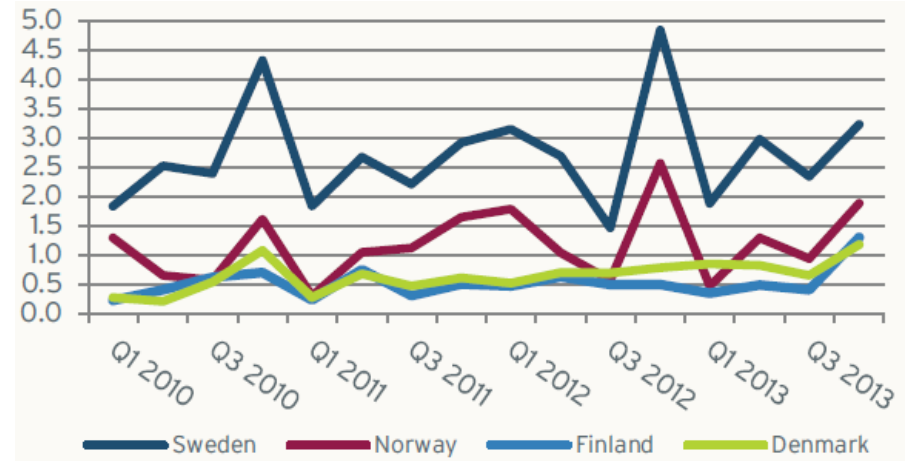


# Finland – Vacancy rates vary between sub-sectors in Helsinki

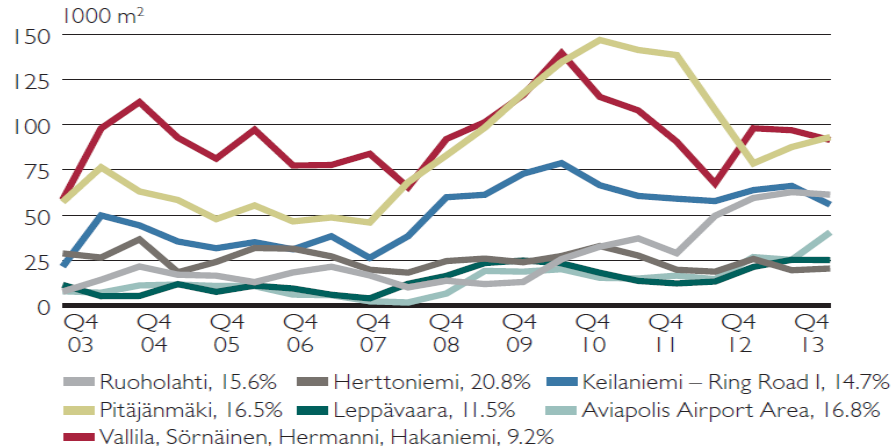
Vacancy rates in Helsinki Metropolitan Area



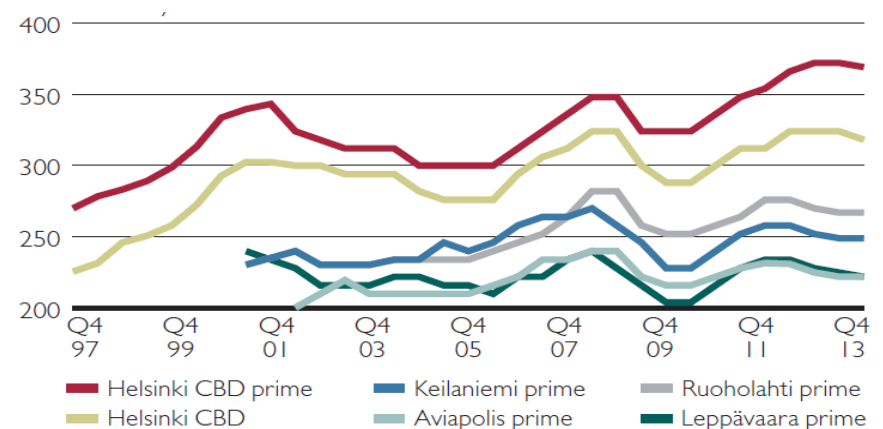
Transaction Volumes in the Nordic countries, EUR billion



Office vacancy in Helsinki Metropolitan Area

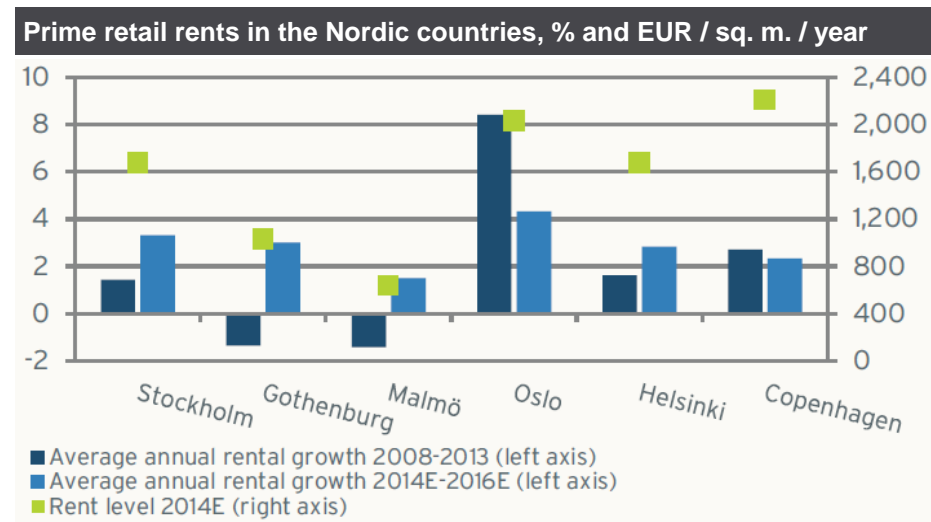
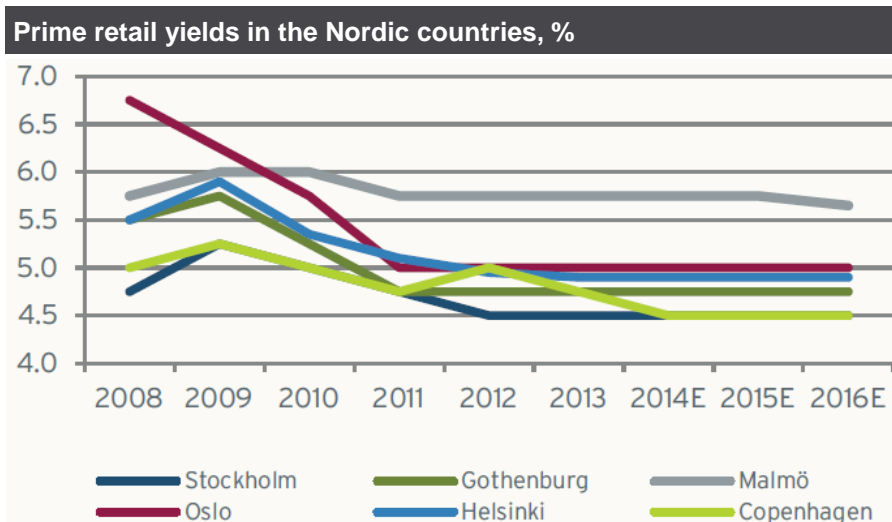
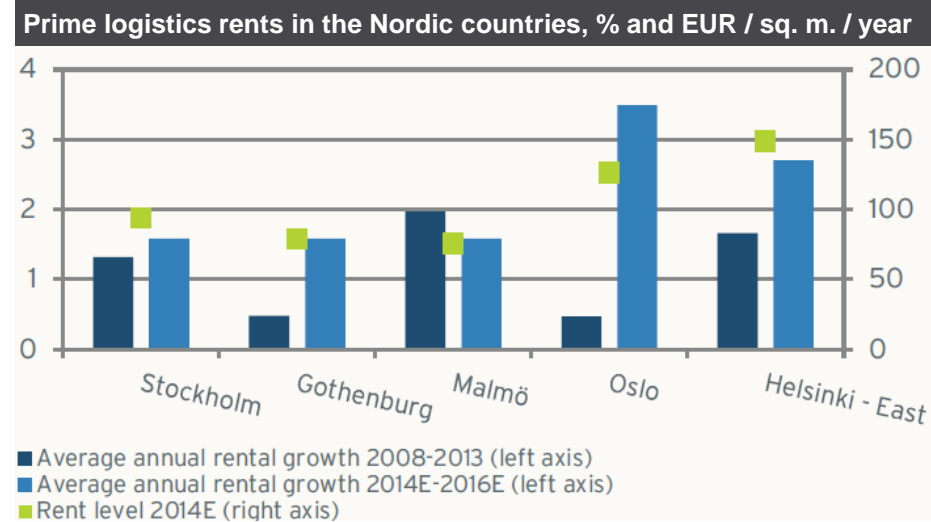
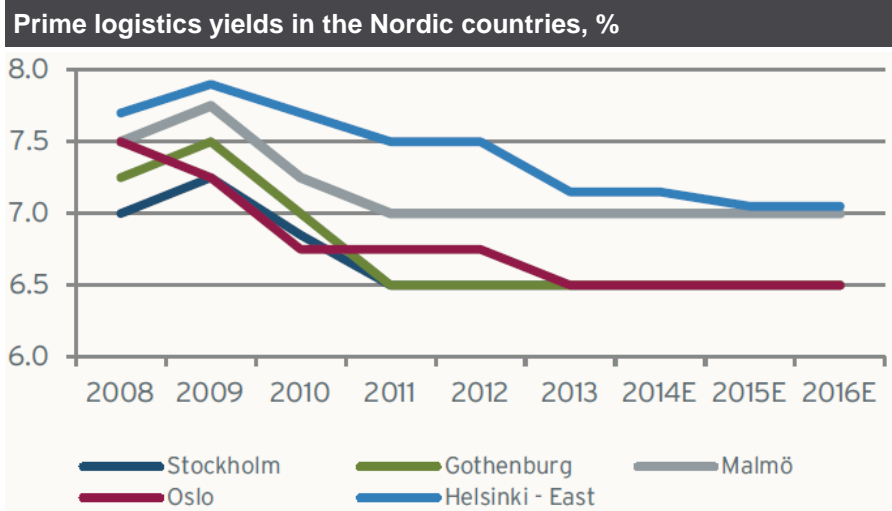


Rental levels of office space in Helsinki Metropolitan Area, EUR / sq. m. / year



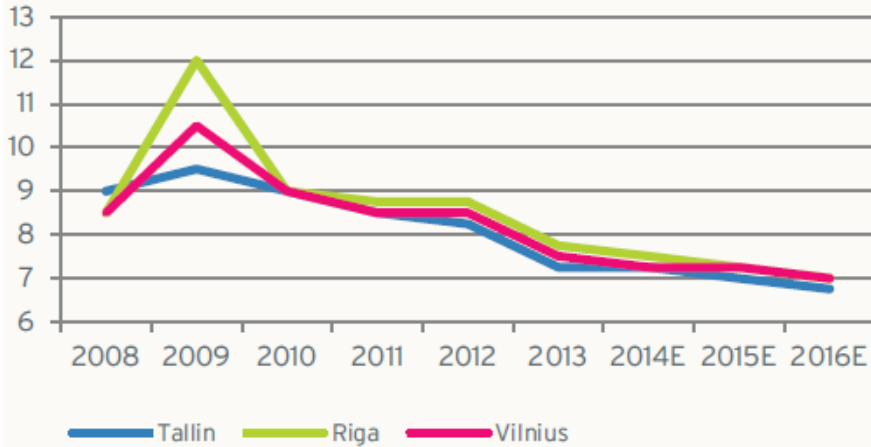
Sources: Catella Property Market Trends Finland, February 2014, Newsec Property Outlook, March 2014

# Finland – Logistics yields expected to decrease

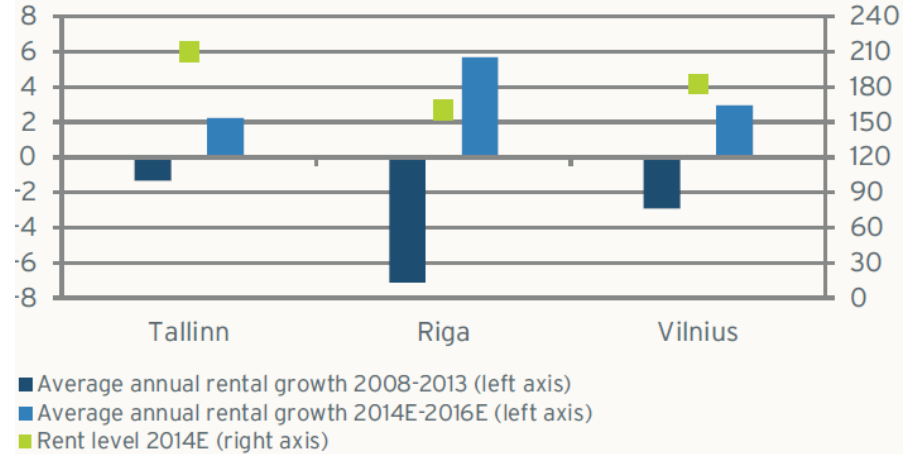


# The Baltic countries – Yields are expected to decrease

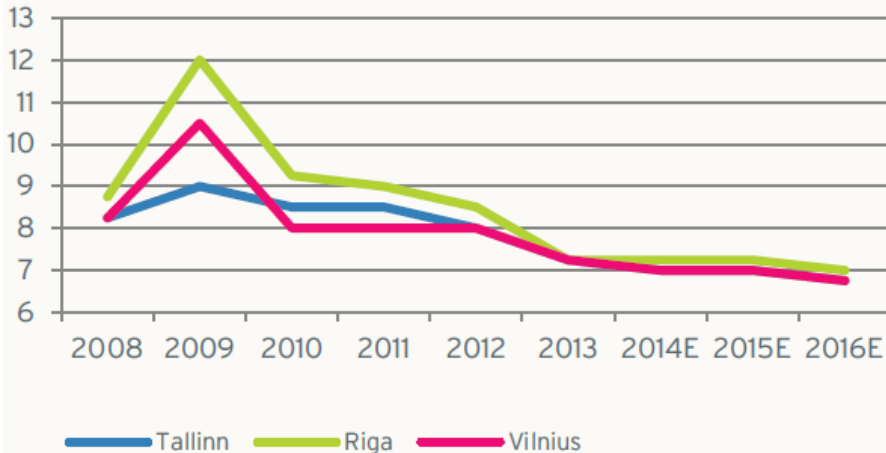
Prime office yields in the Baltic countries, %



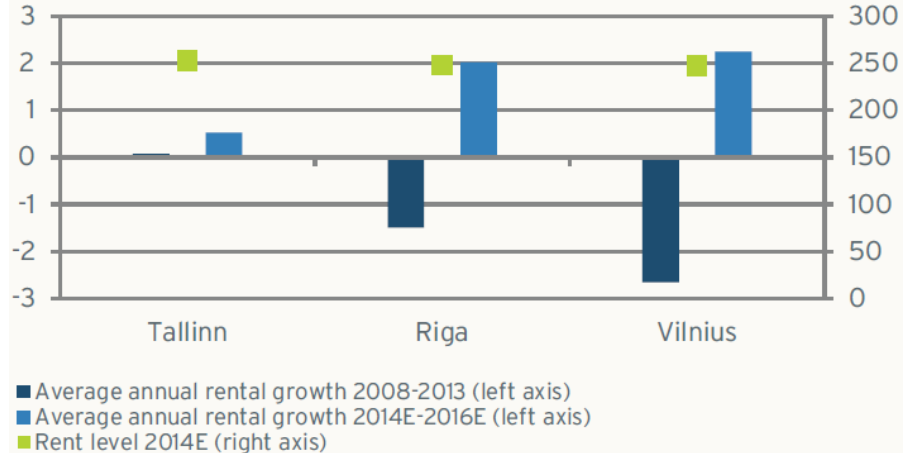
Prime office rents in the Baltic countries, % and EUR / sq. m. / year



Prime retail yields in the Baltic countries, %

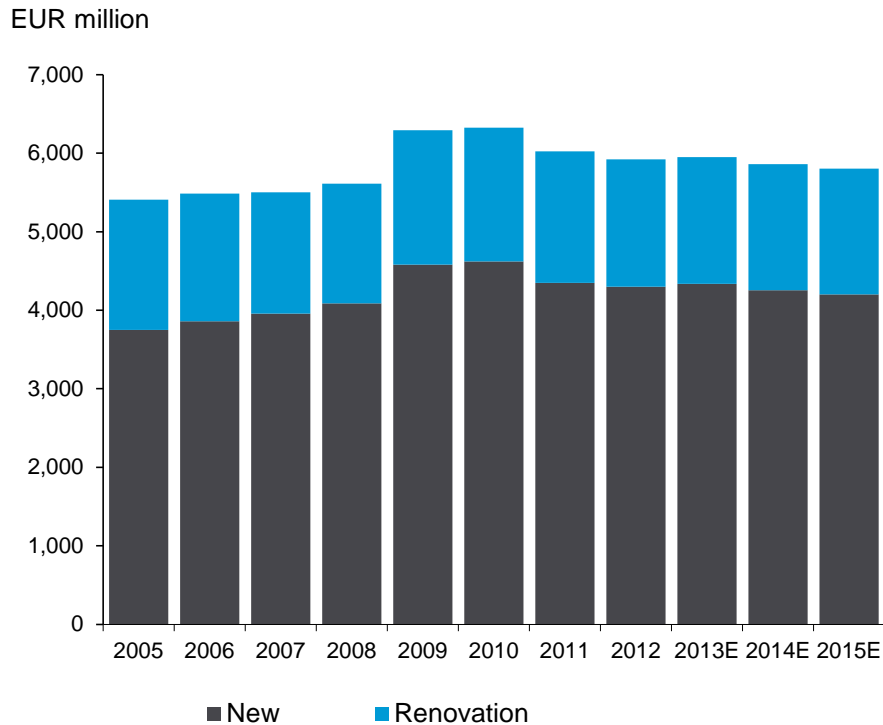


Prime retail rents in the Baltic countries, % and EUR / sq. m. / year

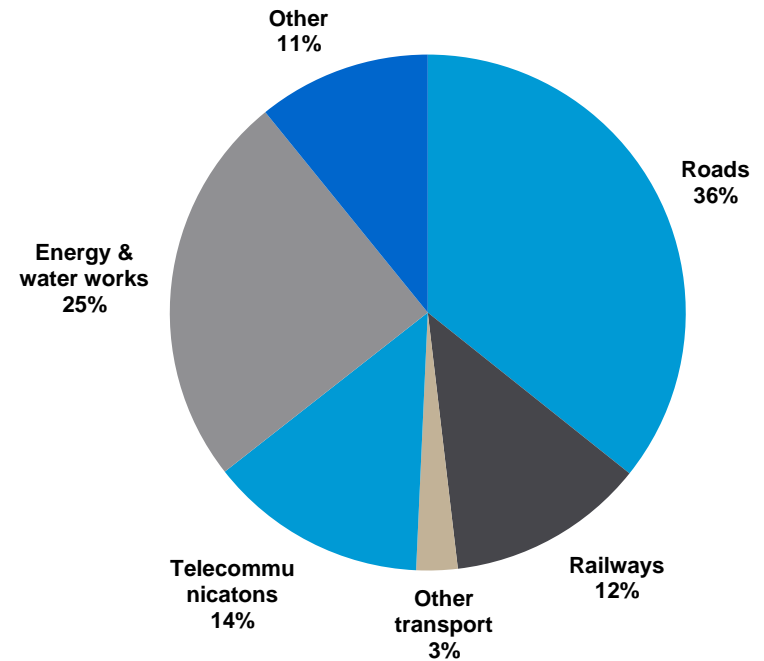


# Infrastructure construction – Market expected to decrease slightly in 2014

Infrastructure market in Finland



Infrastructure sectors in Finland (2013E)



Source: Euroconstruct, November 2013

# V

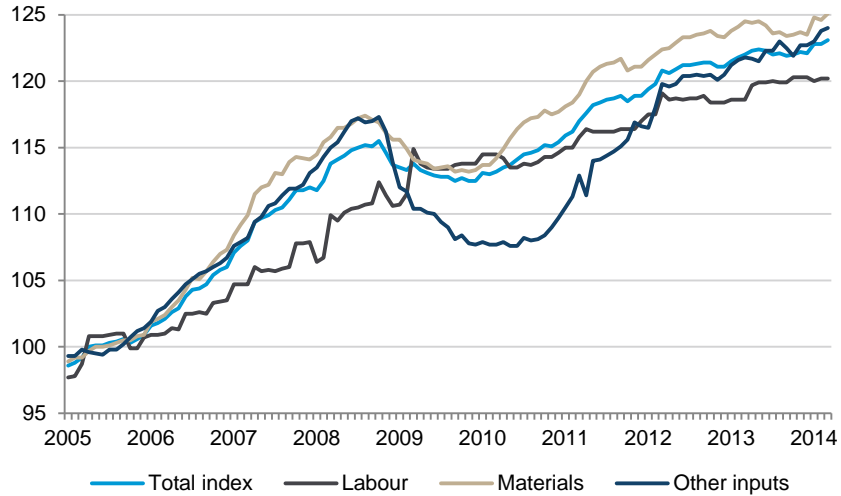
---

**Construction  
costs**

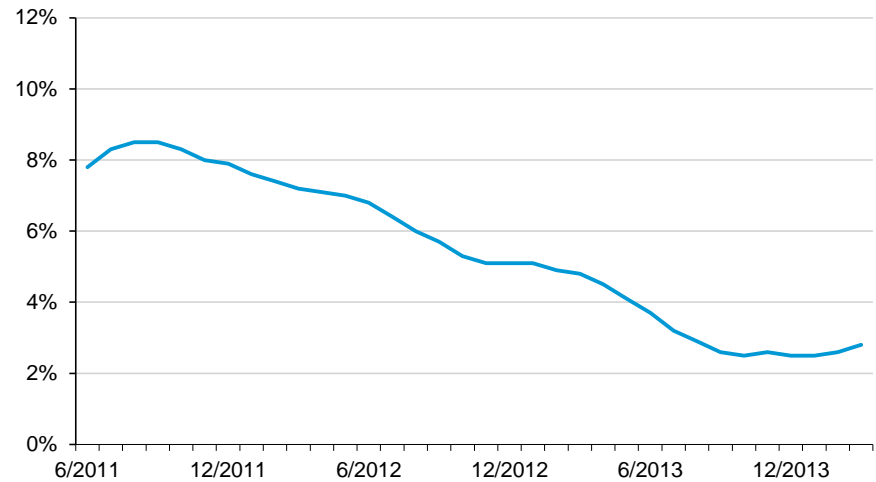


# Construction costs

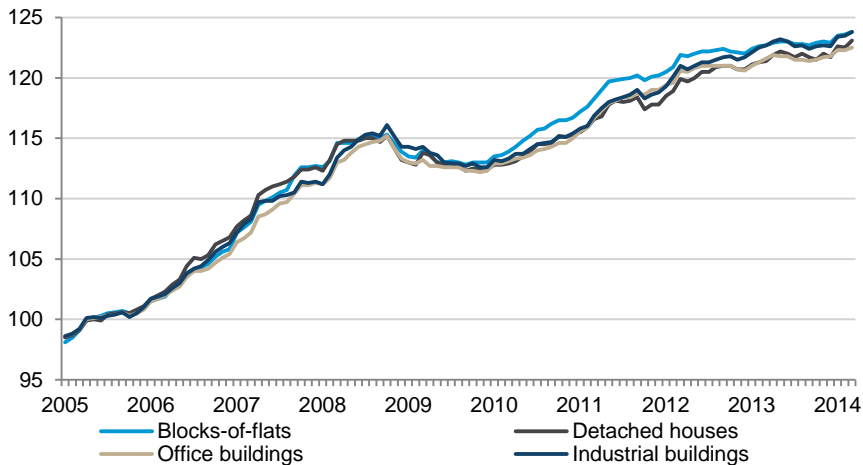
Finland – Construction cost index (2005=100)



Russia – Inflation in building materials 6/2011-3/2014



Finland – Construction costs by building type, index (2005=100)



Russia – Construction output 1/2010-2/2014 (change y-o-y)



VI

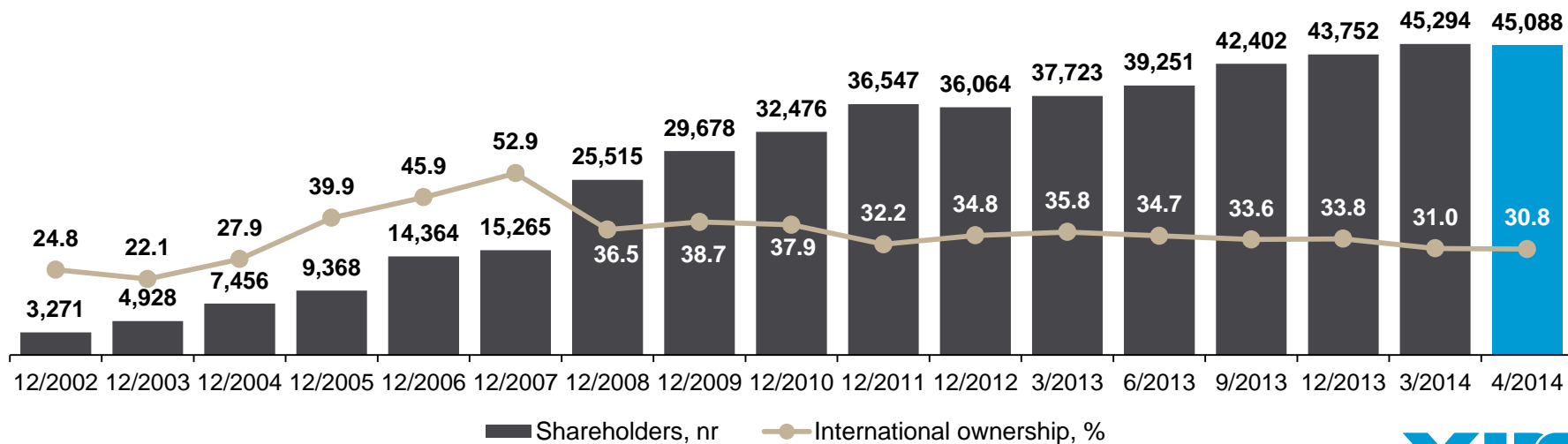
---

Ownership

# YIT's major shareholders

April 30, 2014

Shareholder	Shares	% of share capital
1. Structor S.A.	12,750,000	10.02
2. Varma Mutual Pension Insurance Company	8,432,100	6.63
3. Herlin Antti	4,274,180	3.36
4. Mandatum Life Insurance Company Limited	4,171,675	3.28
5. Elo Pension Company	3,335,468	2.62
6. Nordea funds	2,061,688	1.62
7. Svenska Litteratursällskapet i Finland r.f.	1,680,400	1.32
8. YIT Corporation	1,635,494	1.29
9. The State Pension Fund	1,635,000	1.29
10. OP funds	1,526,684	1.20
Ten largest total	41,502,689	32.62
Nominee registered shares	24,272,211	19.08
Other shareholders	61,448,522	48.30
<b>Total</b>	<b>127,223,422</b>	<b>100.00</b>



# Disclaimer

This presentation has been prepared by, and the information contained herein (unless otherwise indicated) has been provided by YIT Corporation (the “Company”). By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations. This presentation is being furnished to you solely for your information on a confidential basis and may not be reproduced, redistributed or passed on, in whole or in part, to any other person.

This presentation does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, securities of the Company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Company nor any of its respective affiliates, advisors or representatives nor any other person shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with the presentation. Each person must rely on their own examination and analysis of the Company and the transactions discussed in this presentation, including the merits and risks involved.

This presentation includes “forward-looking statements”. These statements contain the words "anticipate", “will”, "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, including without limitation those regarding the demerger plan and its execution, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this presentation. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company's financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. Neither the Company nor any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

**Together  
we can  
do it.**