



# YIT – solid foundation for future growth

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Handelsbanken Credit Seminar  
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August 26, 2015

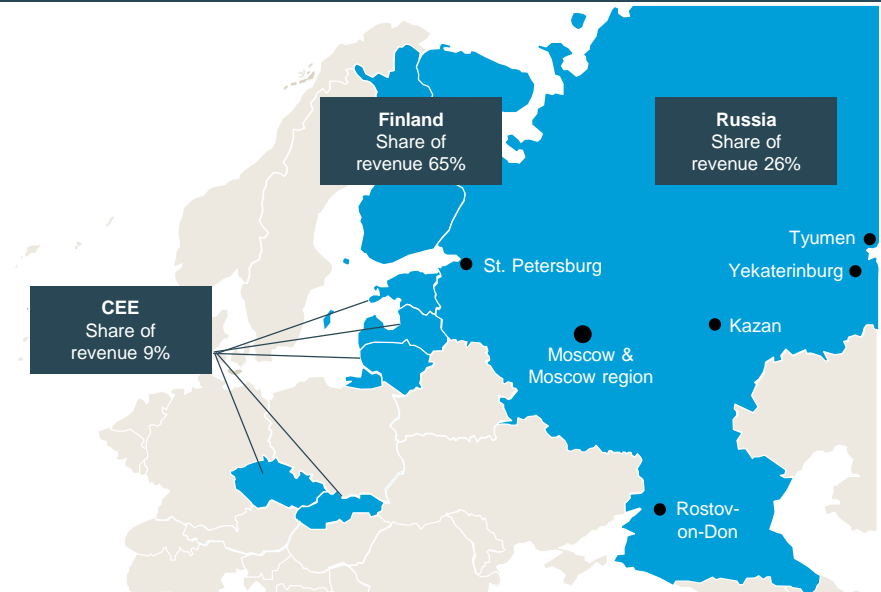


# YIT – An innovative project developer and high-quality construction company

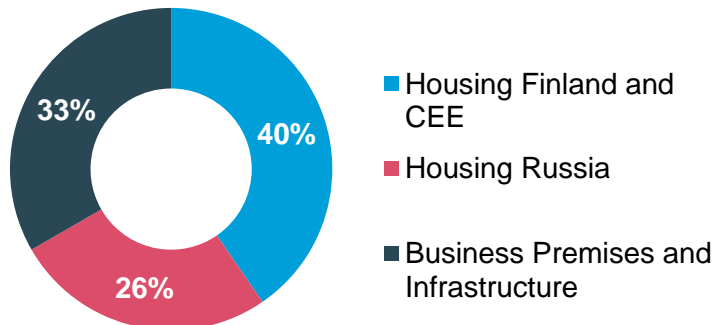
## Key investment propositions

- Strong market position and extensive experience in the main markets
  - Market leader in Finland, the largest foreign residential developer in Russia
  - Over 100 years in Finland and over 50 in Russia
- One of the most profitable construction companies in Europe through economic cycles
- Good corporate governance and high ethical standards

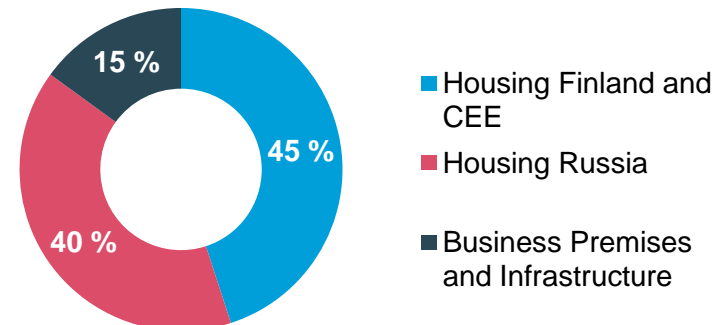
## Operations in 7 countries, 5,800 employees



## Revenue by segment 2014 (EUR 1.8 billion)



## Operating profit\* by segment 2014 (EUR 126 million)



# Contents

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- 1 Strategic focus areas
- 2 Housing Finland and CEE
- 3 Housing Russia
- 4 Business Premises and Infrastructure
- 5 Key financials
- 6 Looking ahead and conclusions
- 7 Appendices





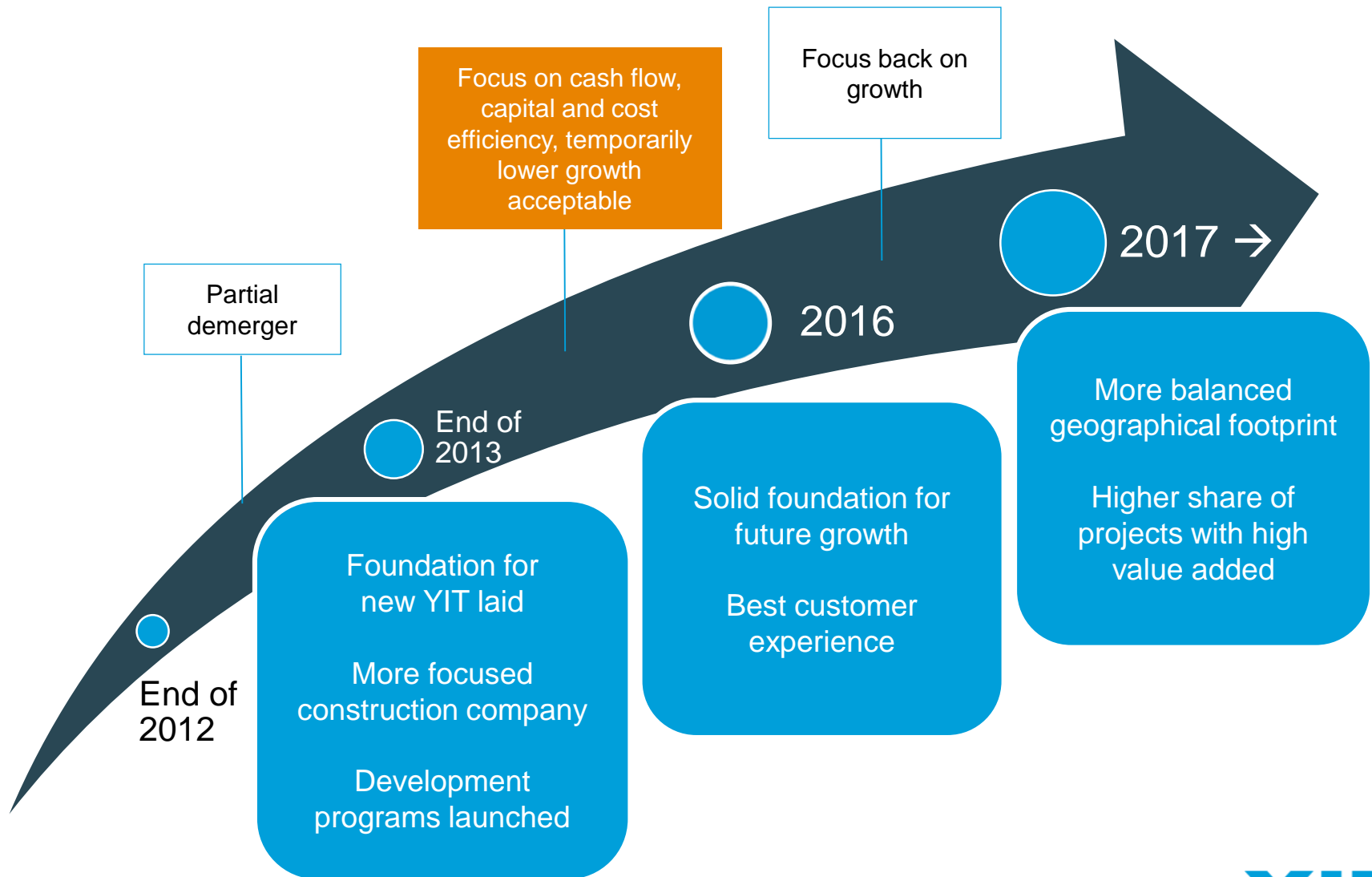
# 1

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## Strategic focus areas



# Strategic roadmap



# Good progress in the strategic focus areas



## **Wider financial operating space**

Net debt below EUR 600 million ahead of schedule due to strong cash flow  
→ Improved financial standing



## **Ensuring competitiveness and differentiation**

Focus on developing the affordability and attractiveness of the product



## **Growth from self-developed and high value added projects**

Strong growth in the CEE countries  
Success in major tender-based projects requiring special expertise  
→ Order backlog turned to growth

# Financial targets

	Long term targets	Status in 2014
Revenue growth	5 - 10% annually on average	-3%, 2% at comp. exchange rates
Return on investment	20%	7.7%
Cash flow	Operating cash flow after investments sufficient for dividend payout and reduction of debt	EUR 152 million
Equity ratio	40%	32.4%
Dividend	Dividend payout 40 to 60% of net profit for the period	40.0%

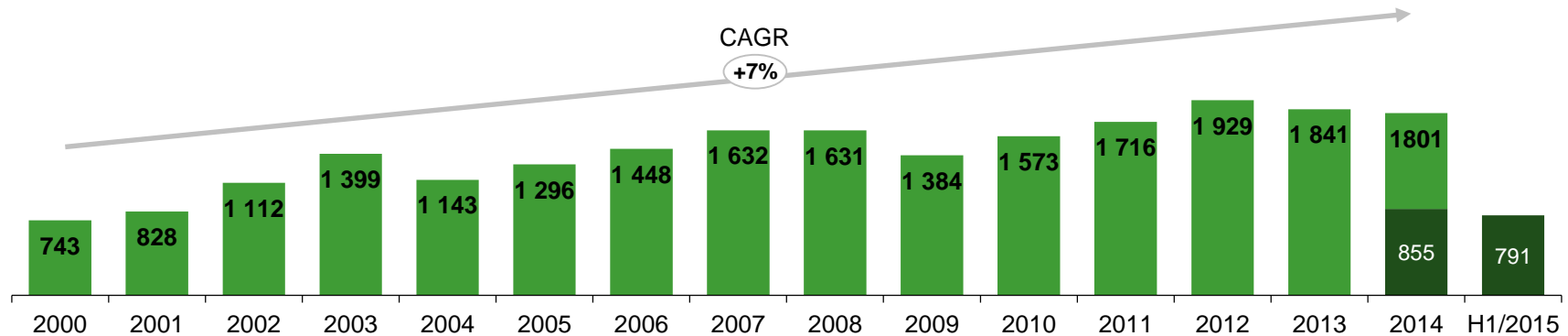
- In the short term, the focus has been on cash flow and improving capital and cost efficiency rather than growth
- The development of business continues according to the long-term targets
- Group-wide competitiveness program supports reaching the targets

	Targets for 2015 – 2016
Revenue growth	0 - 5% annually
Return on investment	15%
Net debt (IFRS)	Under EUR 600 million

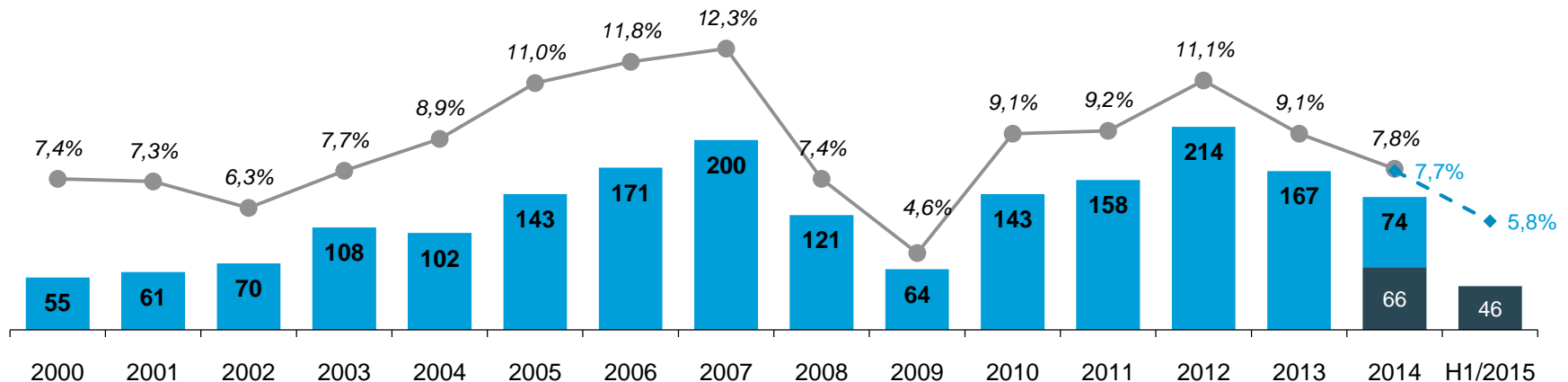
Segment figures (POC), unless otherwise noted

# Group profitability burdened by changes in the business mix, capital release and weak performance in Russia

Revenue development (EUR million) of continuing operations



Operating profit (EBIT) development (EUR million) of continuing operations, excluding group costs and non-recurring items



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.



# 2

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## Housing Finland and CEE



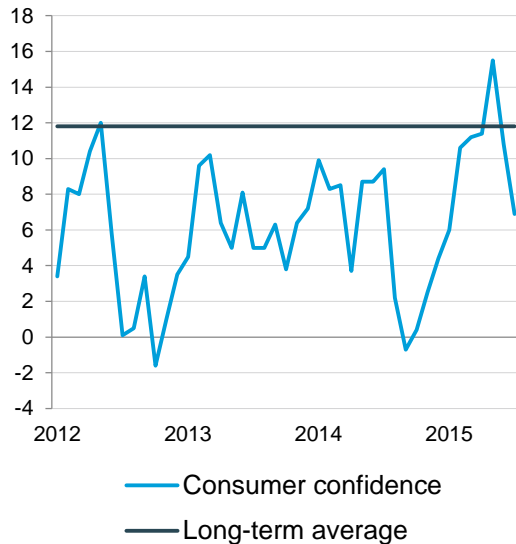
**Koti Hyacint**  
Prague, the Czech Republic

# Housing Finland and CEE:

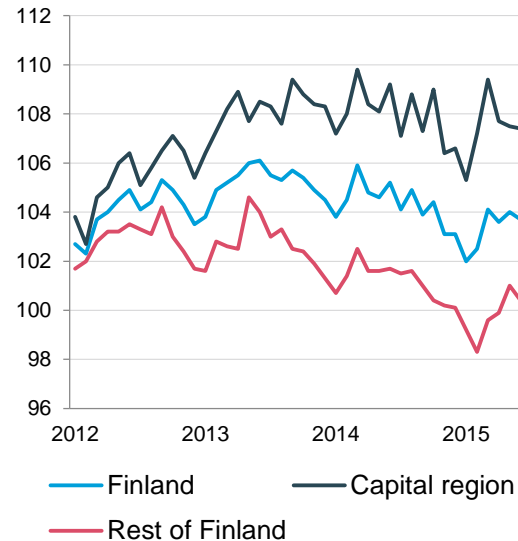
## Operating environment in Finland

- Consumers still cautious in purchase decisions
- Good investor demand continued
- Good demand for small, affordable apartments in the growth centres
- Price pressure in large apartments
- Mortgage interest rates on a low level
- The volume of new housing loans has grown lately

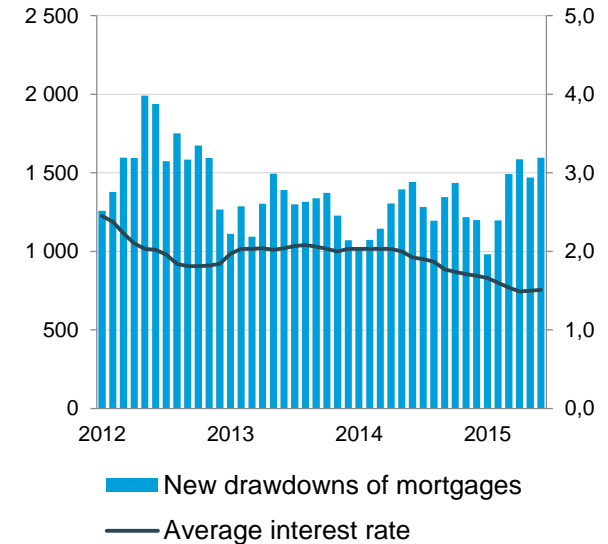
**Consumer confidence**  
01/2012-06/2015



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



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



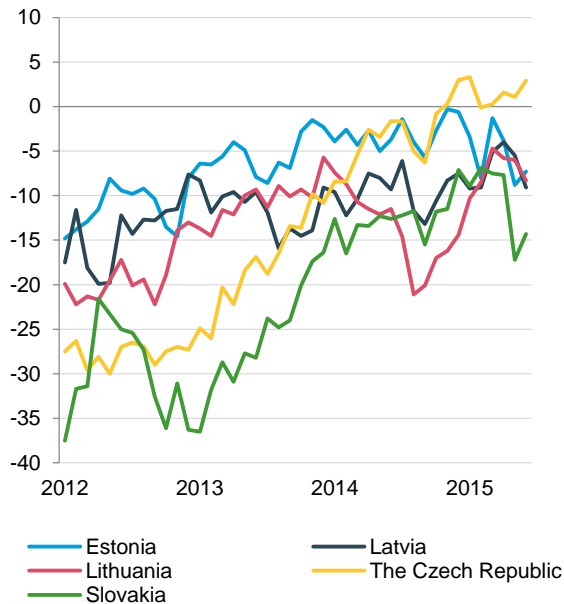
Sources: Statistics Finland and Bank of Finland

# Housing Finland and CEE:

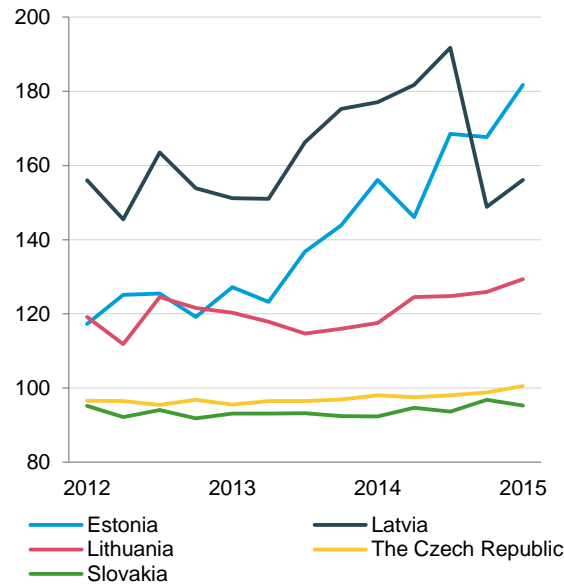
## Operating environment in the CEE countries

- Positive macro development supports the residential market
- The market in the Czech Republic and Slovakia has been especially strong
- Prices of new apartments relatively stable on average
- Interest rates of mortgages have remained on a low level
- Consumers' access to financing has remained good

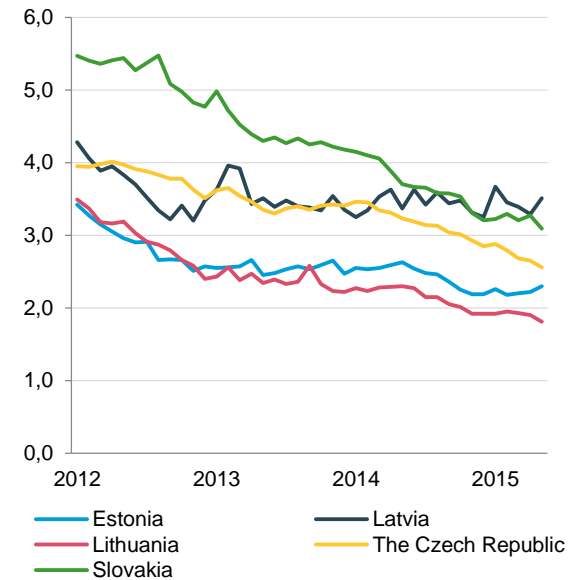
Consumer confidence



House price index, new dwellings, 2010=100



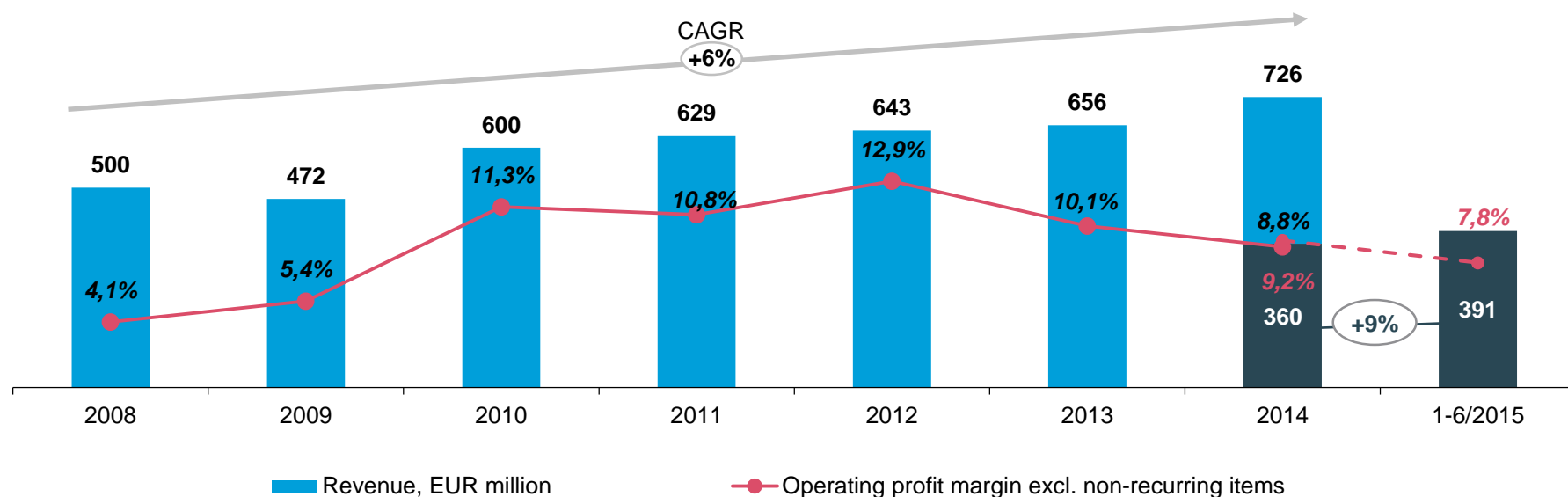
Average interest rate of mortgages (%)



Sources: European Commission, Eurostat and National Central Banks

# Housing Finland and CEE: long-term development

- Solid track record in growth and profitability
- EBIT margin currently burdened by high share of investor projects in Finland and capital release actions
- Profitability has improved clearly in the CEE countries



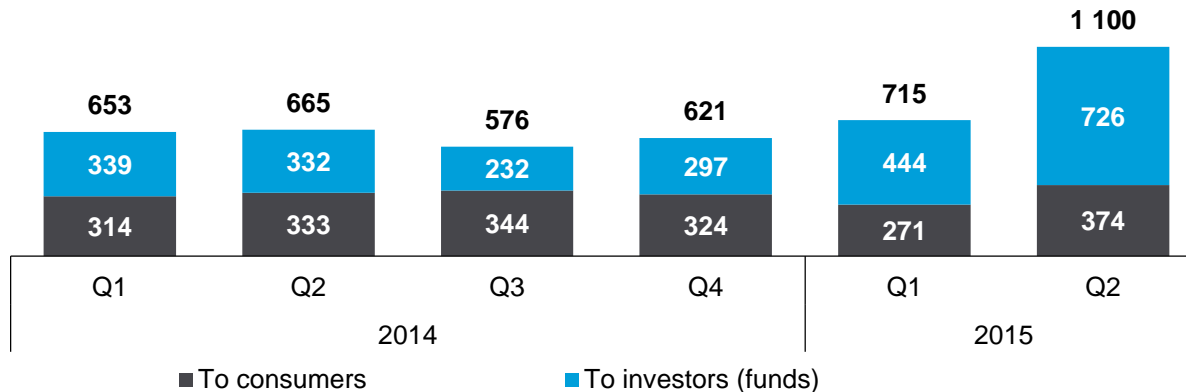
Note: The historical figures for 2008-2012 are calculated for illustrative purposes and are not completely comparable with YIT's segment structure. The main difference is in the division of fixed costs, which in the historical figures are weighted according to revenue and in the official figures are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

# Housing Finland and CEE: Sales and start-ups in Finland

## Sold apartments (units)

2014: 2,515

1-6/2015: 1,815



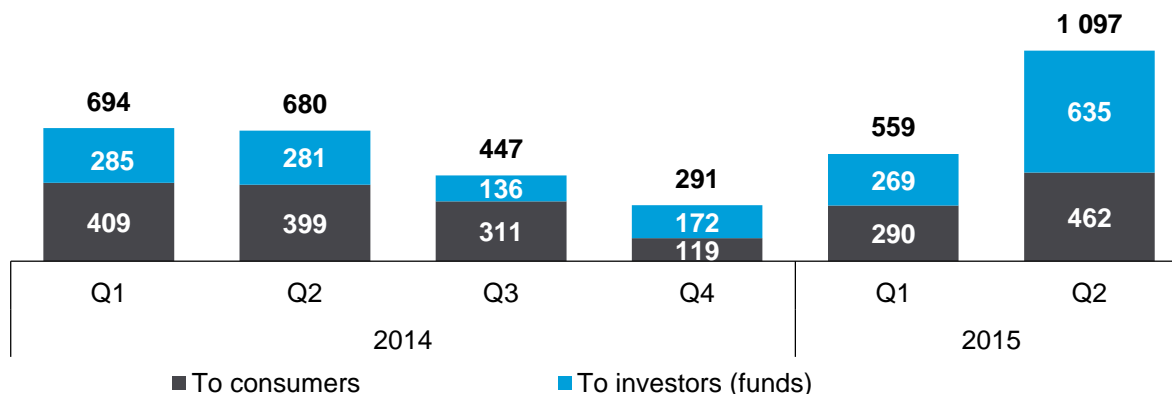
- Consumer sales (units) grew by 12% y-o-y in Q2 supported by new start-ups

- Several investor projects under the earlier signed pre-agreements started
  - Units sold to investors 64% in H1/2015 (51% in H1/2014)

## Apartment start-ups (units)

2014: 2,112

1-6/2015: 1,656



- Consumer start-ups somewhat above sales in H1/2015
  - Good reservation and conversion rate in the started projects
- In July, sales to consumers at around 90 units (7/2014: around 100 units)



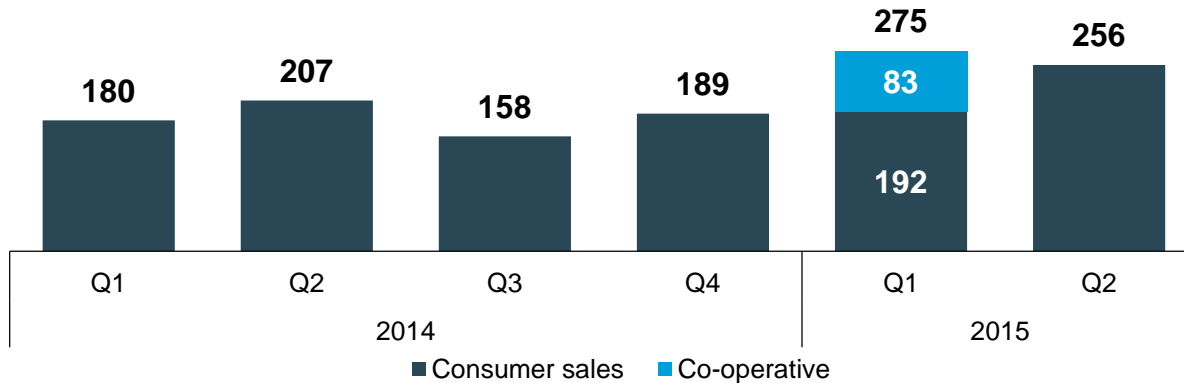
# Housing Finland and CEE:

## Sales and start-ups in the CEE countries

### Sold apartments (units)

2014: 734

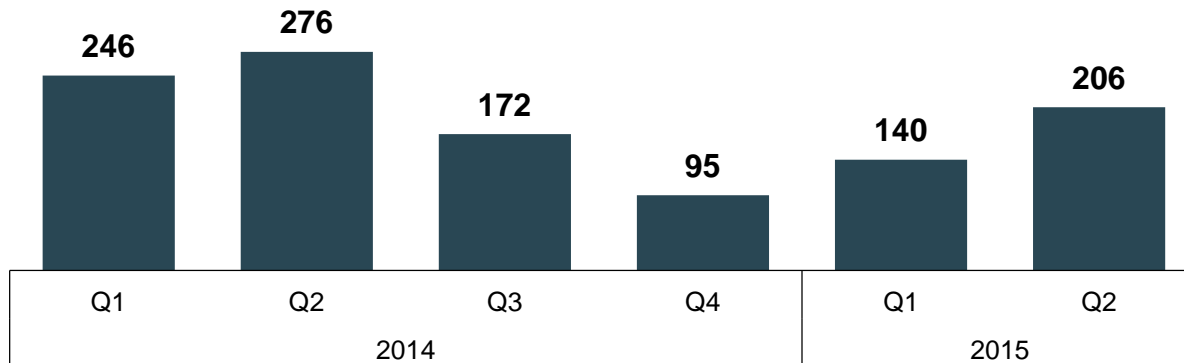
1-6/2015: 531



### Apartment start-ups (units)

2014: 789

1-6/2015: 346



- Sales (units) grew by 37% y-o-y in H1/2015
- Start-ups increased from the low level of previous quarters. Higher start-ups expected still in the coming quarters
- Plots for nearly 1,000 apartments acquired in Prague, the Czech Republic
- In July, sales to consumers at around 60 units (7/2014: around 50 units)

# Housing Finland and CEE: Sales rate remains high

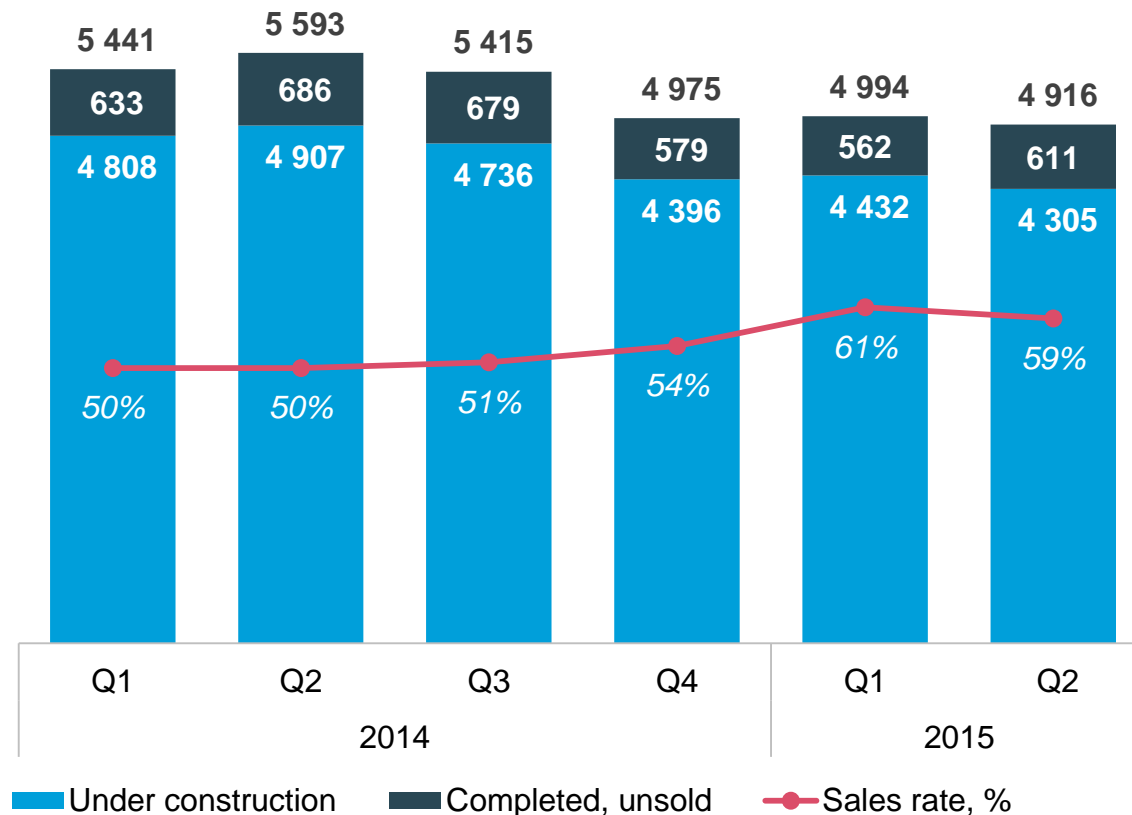
- Several completions in Finland in Q2

- Number of unsold completed apartments increased slightly

- 59% of units under construction already sold moderating the sales risk

- The share of CEE of the sales portfolio (units) 37% (35% in 6/2014)

Apartment inventory (units)



# 3

## Housing Russia



Baltym Park  
Yekaterinburg, Russia

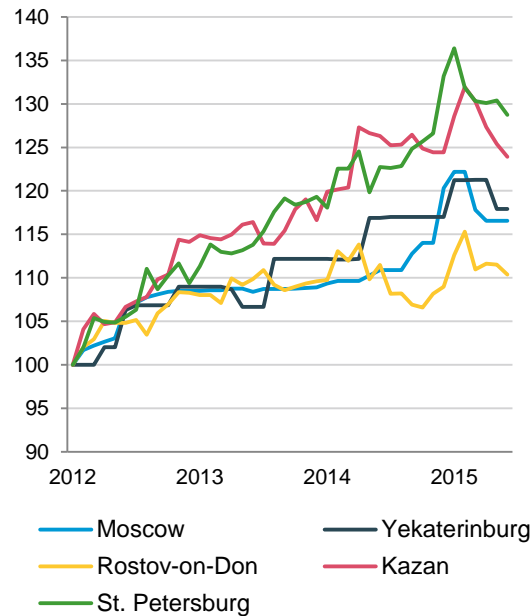
# Housing Russia: Operating environment

- The ruble has weakened again recently
- Residential prices have remained stable, but decreased in real terms
- Mortgage interest rates for new apartments at around 12% due to government's mortgage subsidy program launched in late March 2015

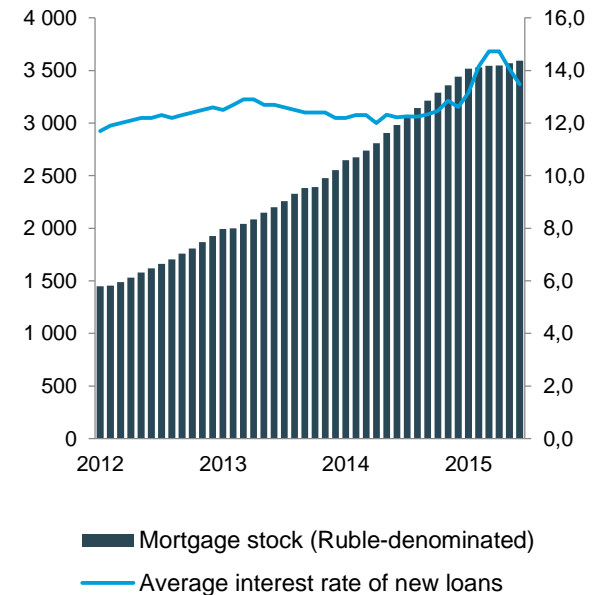
EUR/RUB exchange rate



Prices of new apartments,  
Index (01/01/2012=100)



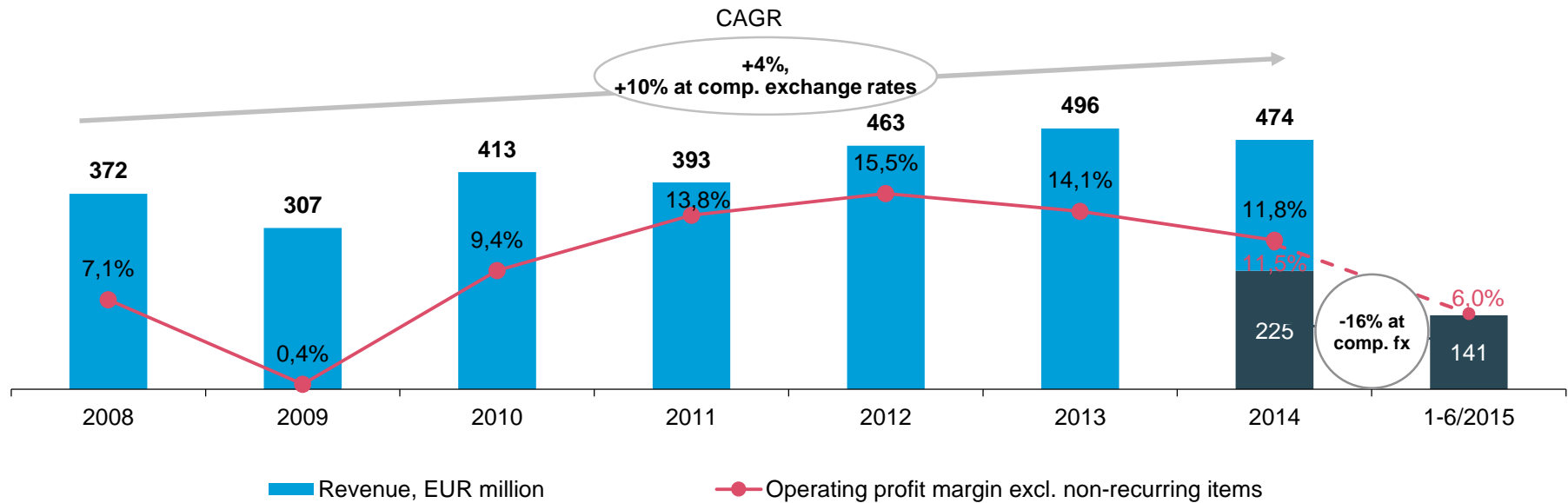
Mortgage stock and average interest rate,  
(RUB billion, %)



Sources: Bloomberg, YIT and Bank of Russia

# Housing Russia: long-term development

- Solid track record in growth and profitability
- EBIT margin currently burdened by lower volume, weakened project margins and capital release actions
- Focus now on improving profitability



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.

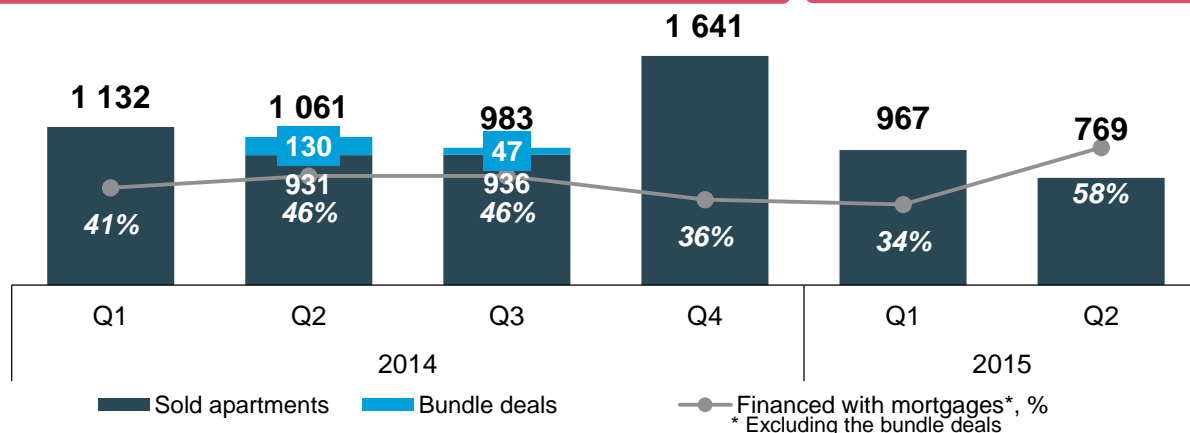


# Housing Russia: Sales and start-ups

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

2014: 4,817 (41%\*)

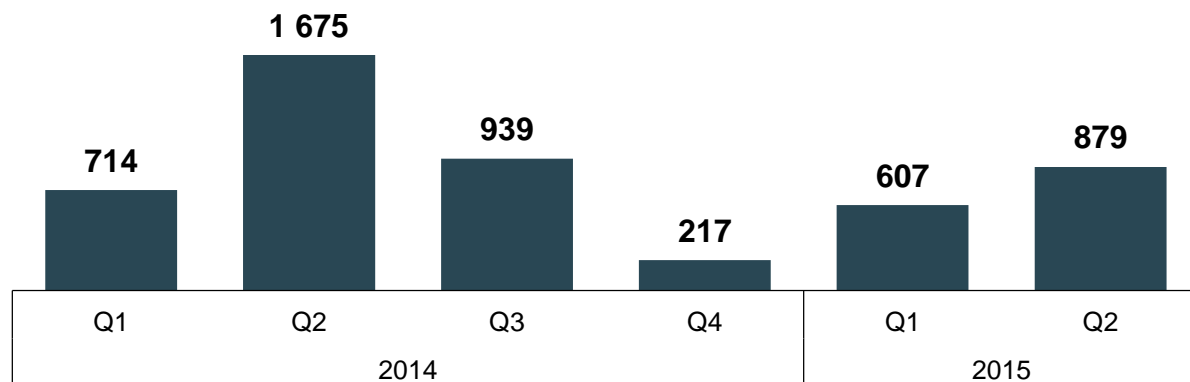
1-6/2015: 1,736 (45%)



## Apartment start-ups (units)

2014: 3,545

1-6/2015: 1,486

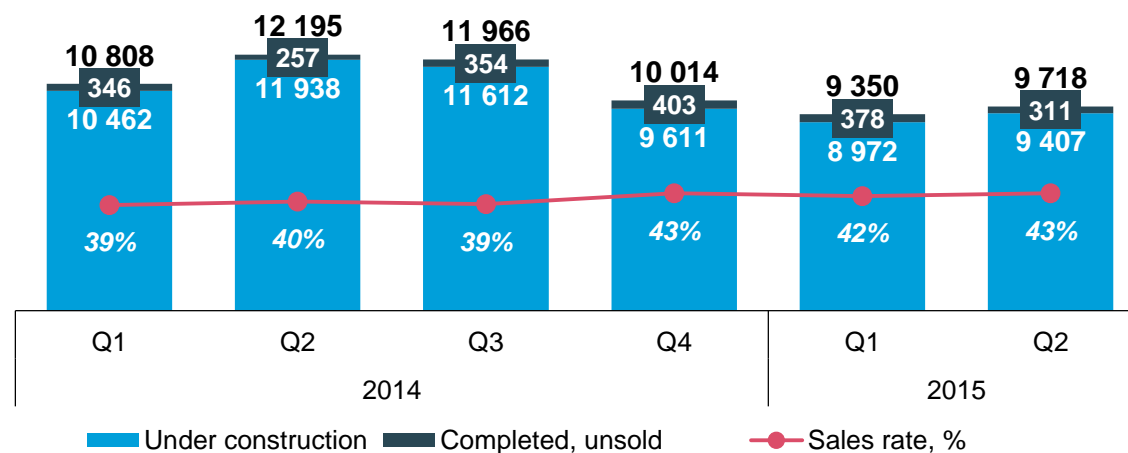


- Consumer sales (units) decreased by 16% y-o-y in H1/2015
- Share of sales financed with mortgages high in Q2/2015 due to the government's mortgage subsidy program
- Start-ups focus on maintaining volume in all cities
- In July, sales to consumers at around 200 units (7/2014: around 300 units)

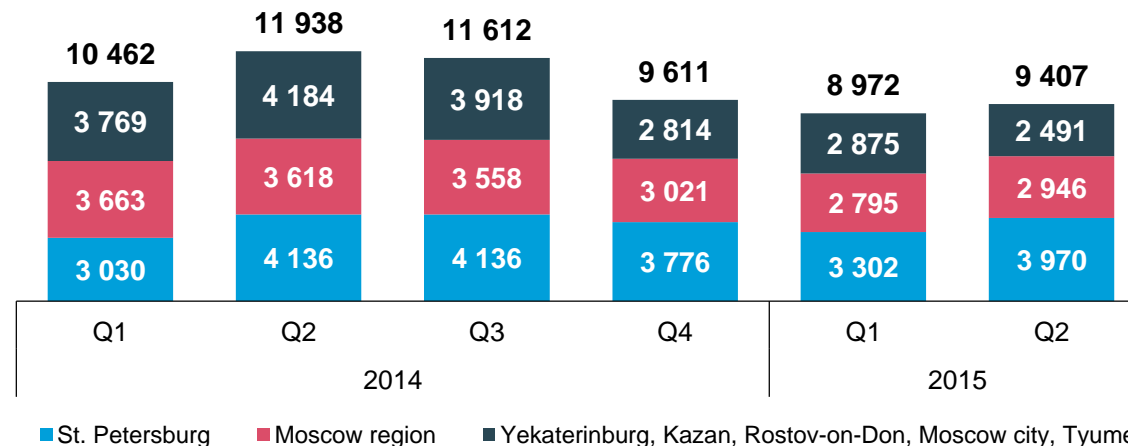
# Housing Russia: Inventory

- Completed unsold apartments still on a low level
- Sales rate stable on a high level

Apartment inventory (units)



Apartments under construction by area (units)



# 4

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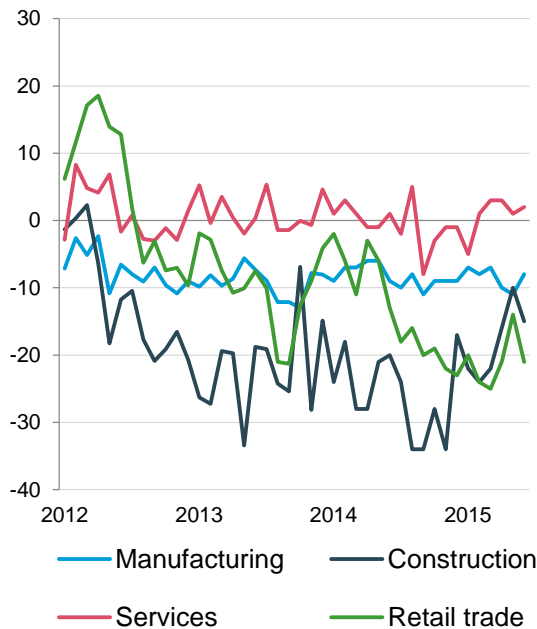
## Business Premises and Infrastructure



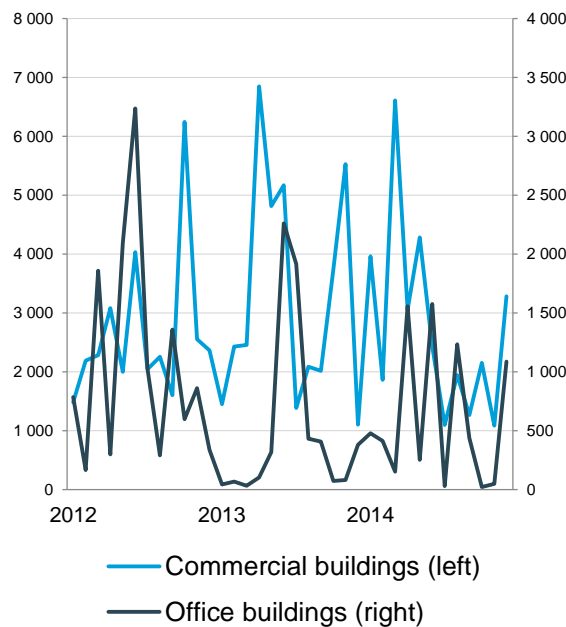
# Business Premises and Infrastructure: Operating environment

- Office and commercial premises markets soft
- Opportunities in contracting
- End-users cautious, especially in the retail sector, but signs of a slight increase in demand
- Investor demand stable
- Positive macro outlook supported the business premises market in the CEE countries

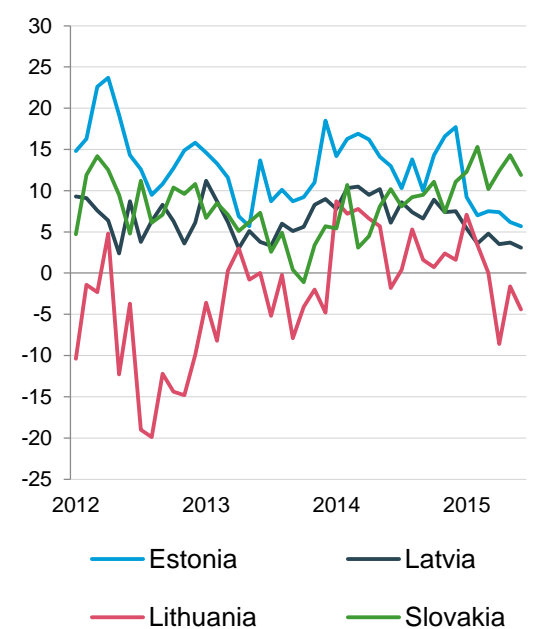
Confidence indicators in Finland



Granted building permits in Finland, thousand m<sup>3</sup>



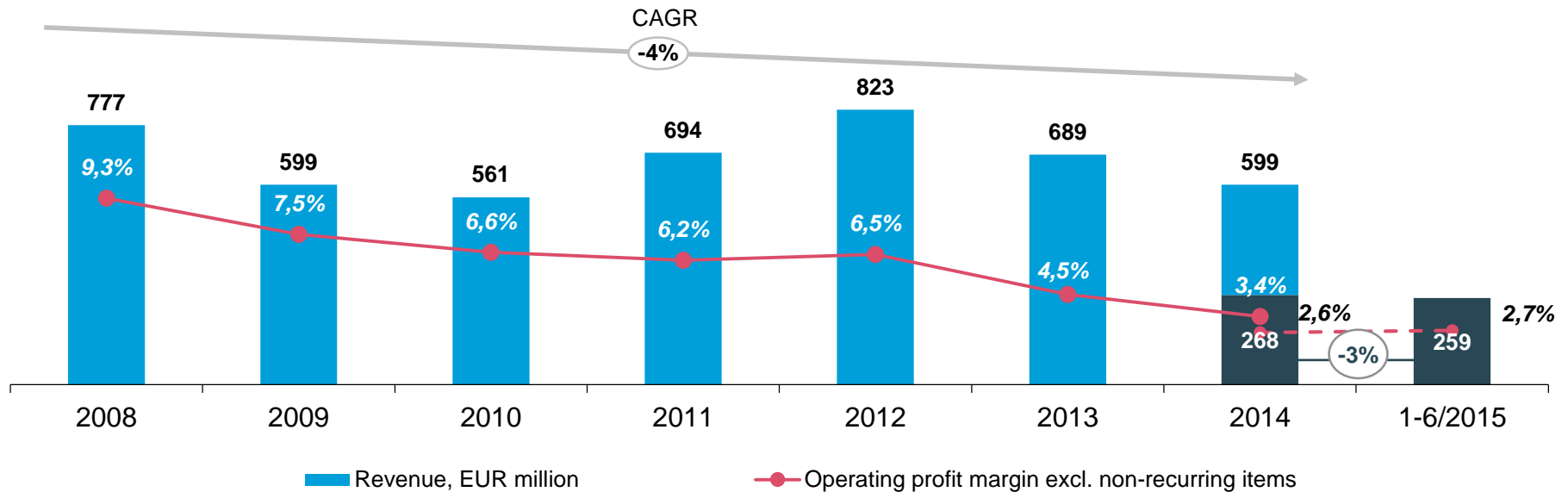
Retail trade confidence in the CEE countries



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

# Business Premises and Infrastructure, long-term development

- Negative trend in growth and profitability due to the weakening of the business premises market
- Order backlog has recently strengthened clearly providing a good base for future growth and profitability
- Tripla project will be a major growth driver in the coming years



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.

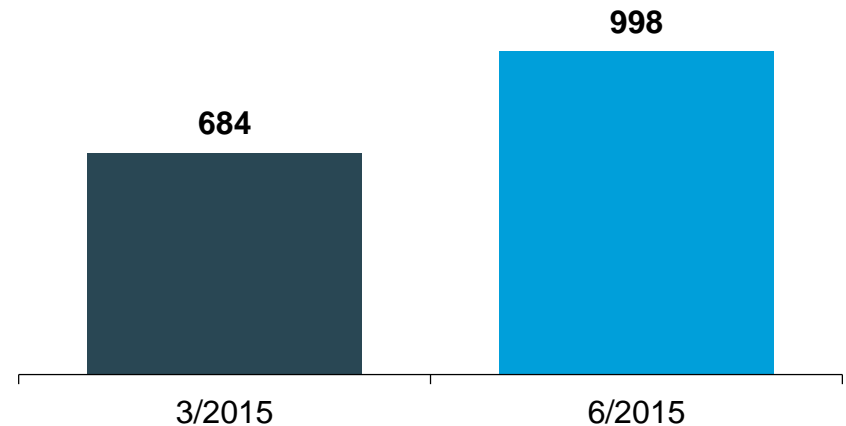


# Several new projects confirmed in 2015

Significant projects secured/started in 2015:

- E18 Hamina-Vaalimaa motorway project
- Naantali CHP power plant
- Tampere light rail line (started in July 2015, not in the backlog yet)
- Second phase of the Tikkurila commercial and office centre Dixi started
- An increasing share of high value-added co-operation projects such as alliances and PPPs

Order backlog, EUR million



# E18 Hamina-Vaalimaa PPP, an important project for Infra Services

- A consortium formed by YIT and Meridiam Infrastructure II S.á.r.l was selected as the preferred bidder for E18 Hamina-Vaalimaa PPP motorway project
- Final contract signed and EUR 260 million recorded in the order backlog
- YIT has previously carried out E18 Koskenkylä-Kotka and Hamina bypass successfully



# Tripla project supports growth in the coming years

## Tripla project

- EUR 1 billion hybrid project consisting of 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

## The location

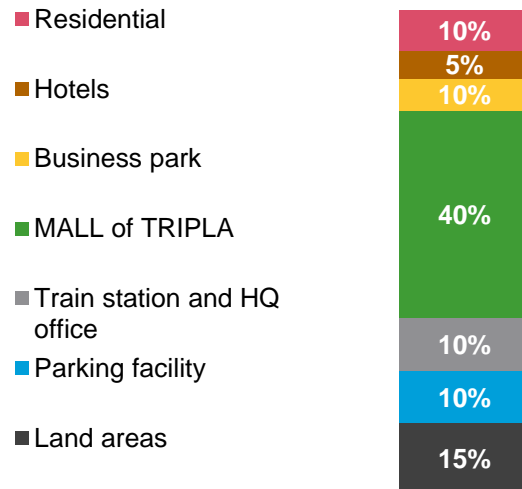
- Pasila, connection point for all rail traffic in the Helsinki Metropolitan Area
- Daily people flow through Pasila railway station verges on 80,000
- 500,000 persons within the reach of 30 min by public transportation



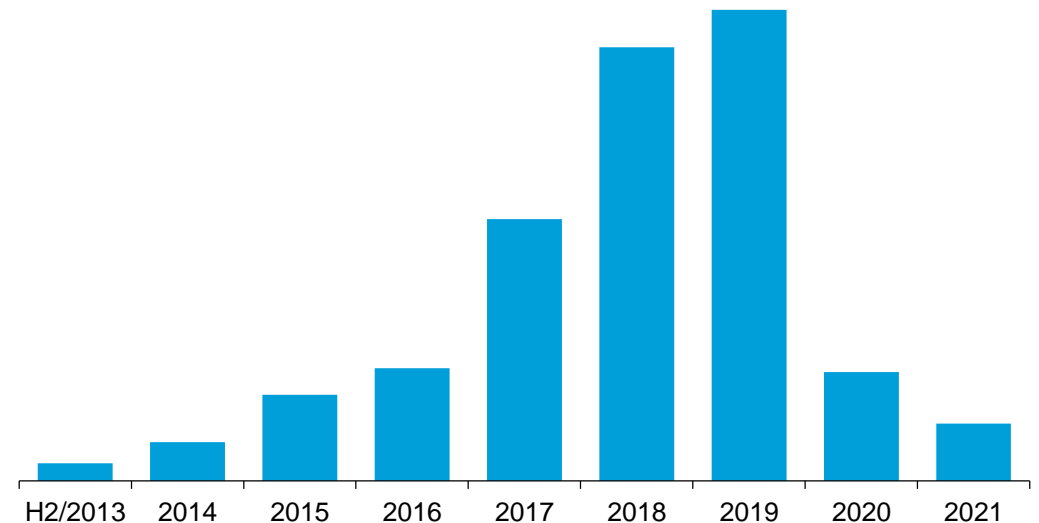
# Very good interest from investors and tenants

- City plan regarding the project became legally valid in March 2015
- After the investor/ investors have been confirmed, construction of the shopping mall expected to start in the end of 2015
- Very good reception from potential tenants, more than 150 participants attended the launch event in November 2014
  - First lease agreements signed

Indicative split of the value



Estimated timing of the investment costs during the project



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



# 5

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## Key financials



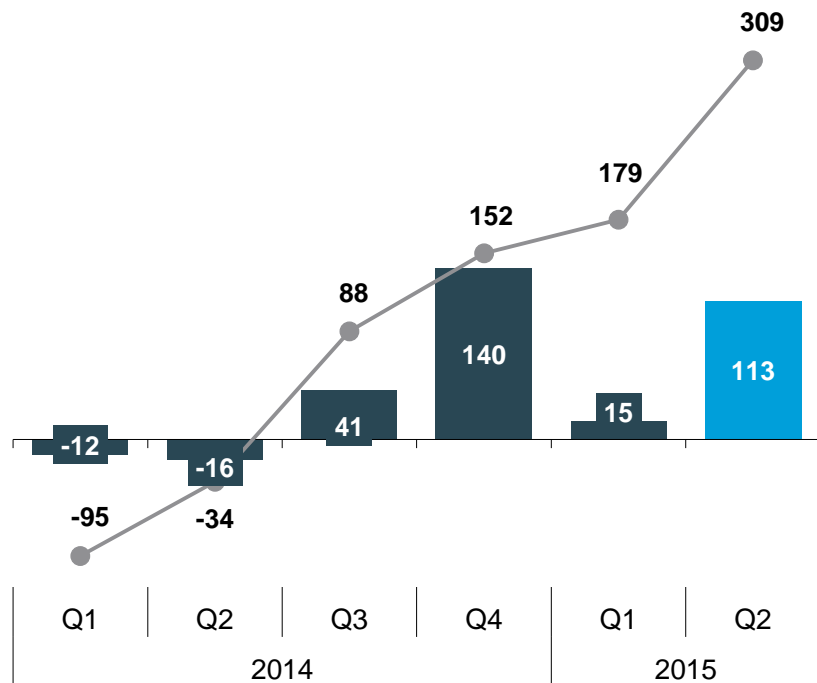


# Strong cash flow during recent quarters

## Operating cash flow after investments (EUR million)

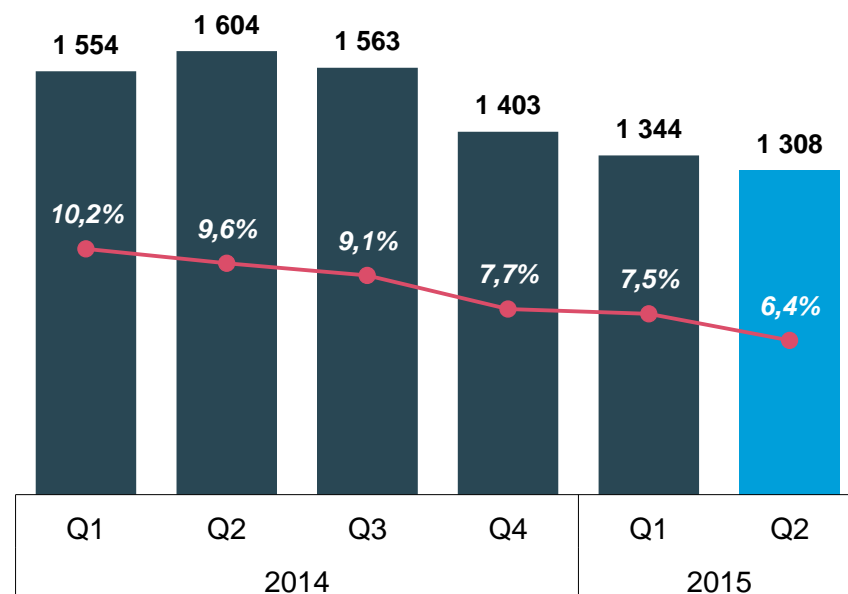
2014: EUR 152 million

1-6/2015:  
EUR 128 million



## Invested capital and ROI (EUR million, %)

Short term target by the end of 2016: ROI 15%

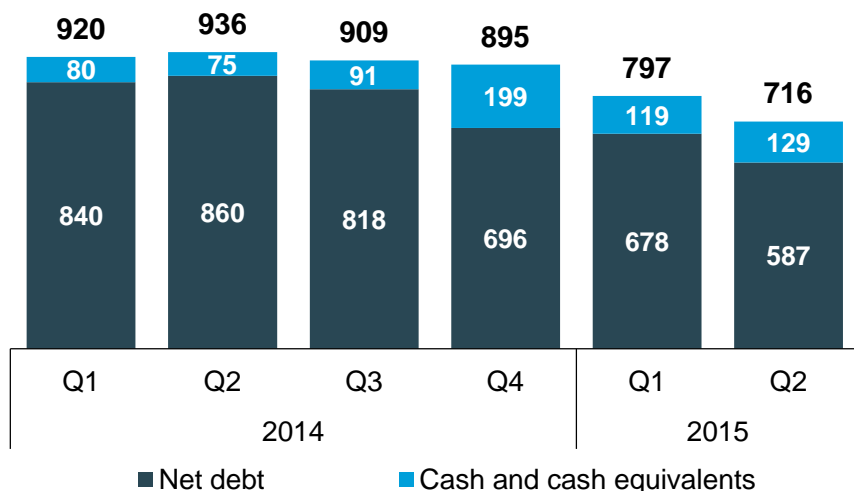


■ Operating cash flow after investments  
● Rolling 12 months

■ Invested capital ● ROI

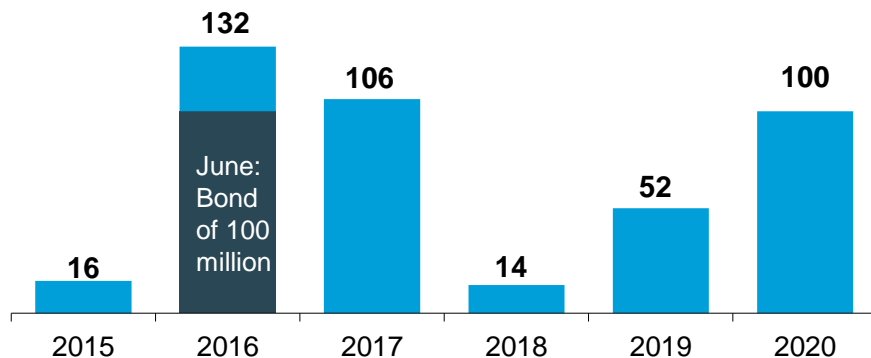
# Net debt target reached ahead of schedule

Interest-bearing debt (EUR million), IFRS



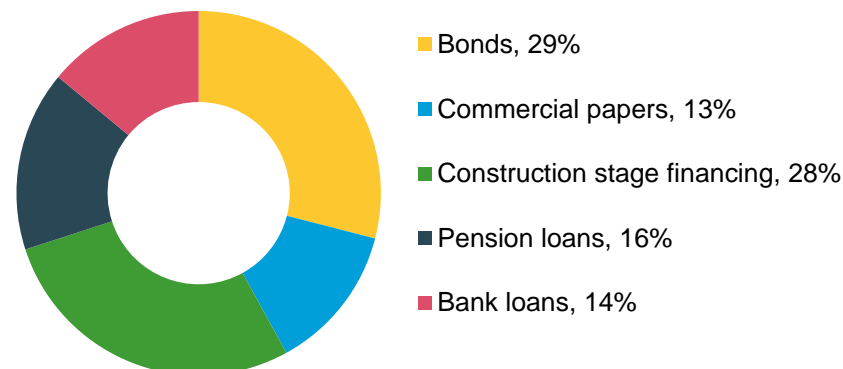
- Strong liquidity buffer
  - Cash and cash equivalents of EUR 129.0 million
  - Overdraft facilities of EUR 65.2 million
  - Undrawn committed revolving credit facility of EUR 300 million
- Bond issue conducted during Q1/2015:
  - Unsecured EUR 100 million bond as a private placement to two domestic institutional investors
  - Maturity on March 25, 2020, a coupon of 6.25%
  - The bond has a call-option and a covenant; the equity ratio (IFRS) has to be at least 25.0%

Maturity structure of long-term debt 6/2015 (EUR million)\*



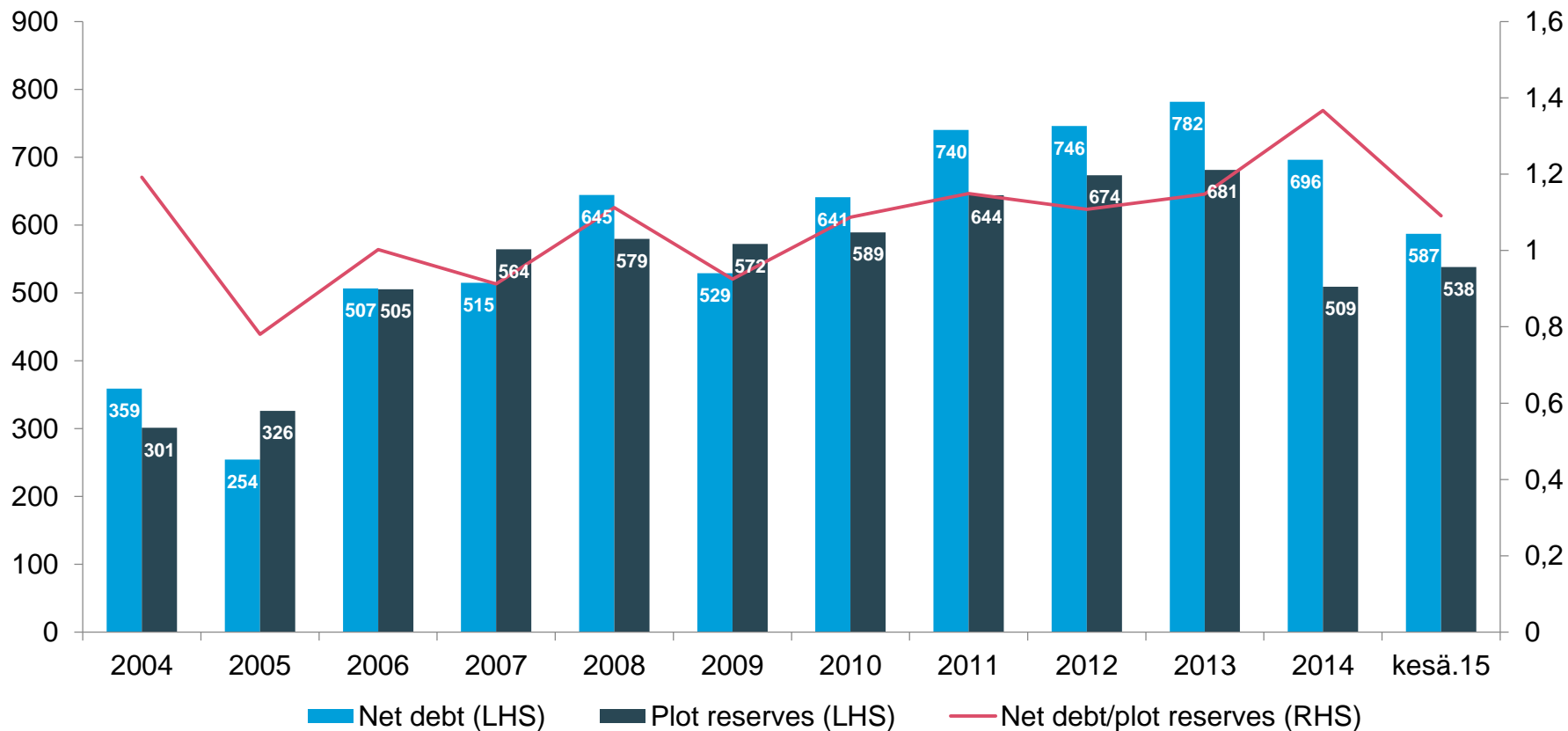
\* Excluding construction stage financing

Debt portfolio at the end of the period 6/2015, EUR 716 million



# Plot reserves vs. net debt

**Plot reserves and net debt at the end of the period**  
EUR million

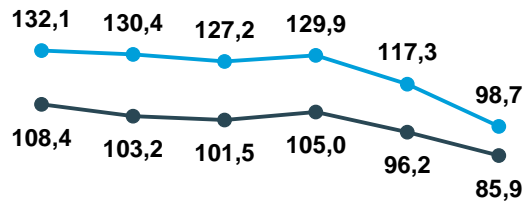


2004: according to FAS, 2005-2013: according to IFRS,  
 2000-2012 figures include liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger.

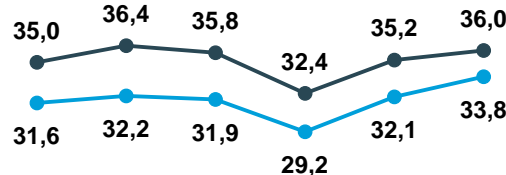
# Financial standing continued to improve in Q2, gearing below 100%

- Positive development due to the decrease in net debt and the stabilisation of the ruble against euro

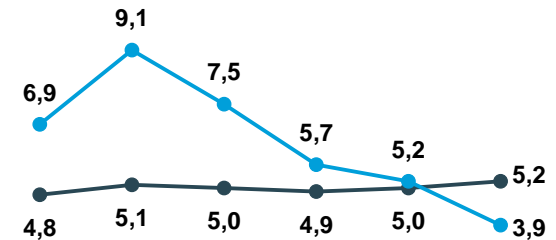
Gearing (%)



Equity ratio (%)



Net debt/EBITDA (Multiple, x)



Q1	Q2	Q3	Q4	Q1	Q2
2014				2015	

— POC — IFRS

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

Q1	Q2	Q3	Q4	Q1	Q2
2014				2015	

— POC — IFRS

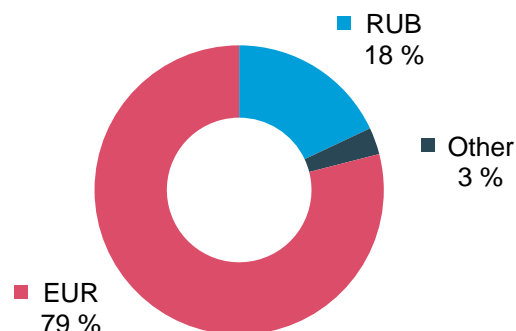
Financial covenant tied to the equity ratio (minimum level of 25.0%, IFRS) in bank loans, the syndicated RCF agreement and in the recently issued bond.

Q1	Q2	Q3	Q4	Q1	Q2
2014				2015	

— POC — IFRS

# Ruble remained stable in Q2

## Revenue split 1-6/2015



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

	Q2/2015	1-6/2015
Revenue, POC <sup>1)</sup>	-14.4	-48.5
EBIT, POC <sup>1)</sup>	-0.8	-3.7
Order backlog, POC	1.4 <sup>2)</sup>	102.8 <sup>3)</sup>
Equity, IFRS (translation difference)	-1.2 <sup>2)</sup>	46.0 <sup>3)</sup>

<sup>1)</sup> Compared to the corresponding period in 2014

<sup>2)</sup> Compared to the end of previous quarter

<sup>3)</sup> Compared to the end of 2014

- The Russian ruble remained stable in Q2
  - Average EUR/RUB rate in 1-6/2015: 64.52 (1-6/2014: 48.02)
  - Quarter-end EUR/RUB rate: 62.36 (Q1/2015: 62.44)

## 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 are hedged
  - Loans to subsidiaries in local currency, EUR 85 million in 6/2015 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 307 million in 6/2015



# Satisfactory progress in capital release

Target for capital release	Actions in Q2/2015	Cumulative progress since 9/2013
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 net progress</li> </ul>
Selling self-developed business premises projects in Finland (under construction) EUR 80 million	<ul style="list-style-type: none"> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>Over EUR 70 million</li> </ul>
Slow-moving assets >EUR 150 million*	<ul style="list-style-type: none"> <li>Letter of intent on the sale of one plot from Gorelovo industrial park signed with Telko</li> <li>Several other small deals</li> </ul>	<ul style="list-style-type: none"> <li>EUR ~69* million sold or agreed (not fully visible in revenue and cash flow yet)</li> </ul>
New off-balance sheet partnership models in plot acquisitions >EUR 100 million	<ul style="list-style-type: none"> <li>Sale of plots to HYPO, around EUR 13 million</li> </ul>	<ul style="list-style-type: none"> <li>The value of plots financed by external partners EUR ~64 million</li> </ul>

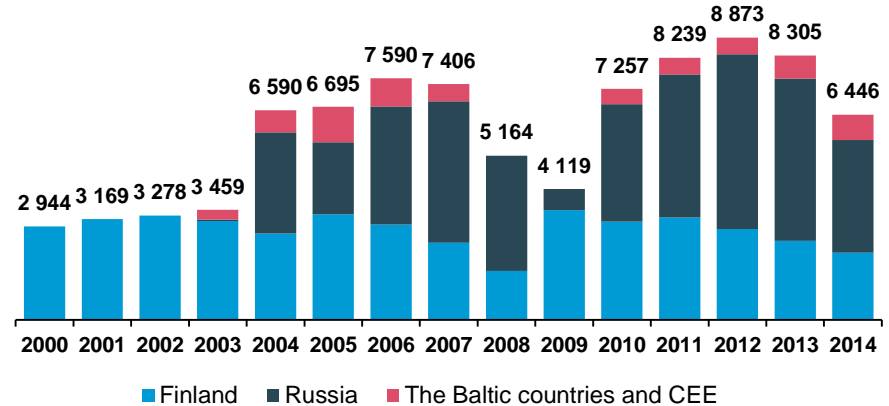
\* Target set at the balance sheet rate at 9/2013: EUR/RUB 43.8240, cumulative progress calculated using the same EUR/RUB rate.

Note: In addition to the progress presented in the table above, the slow-moving assets have been reduced by impairment of EUR 9 million made in Q4/2014

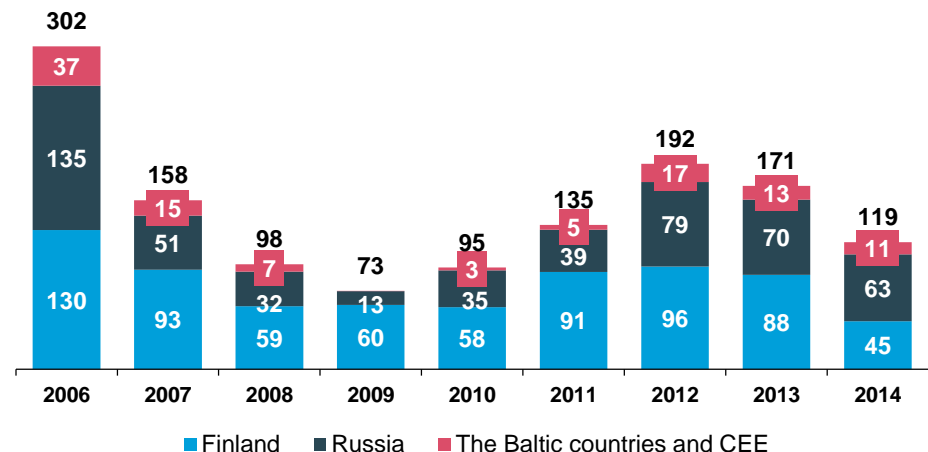
# Good financial flexibility

- 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 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 pre-agreements that are subject to zoning

Housing start-ups 2000-2014 (units)



Cash flow of plot investments 2006-2014 (EUR million)



# YIT's risk management

## Group-wide risk management in YIT

- Wide risk management practices
  - Due diligence process in plot acquisitions
  - Corporate governance
  - Simulations of market shocks impacting business

## Actions to mitigate impact of market shocks

- Securing balanced portfolio of self-developed projects
- Securing balanced and adequate financing
- Strict project control; design, apartment size etc.
- Consumer/investor option in Finnish housing
- Significant amount of 'sales risk free' order backlog
- Focus on reasonably priced housing

## Risk management in Russia

- Project risk lowered by managing project size
  - Smaller project size (< 300 pcs/phase)
  - Shorter project duration 4.4 → 3.0 years
  - Shorter duration of construction 2.7 → 1.4 years
  - Faster development period 1.7 → 1.2 years
- Sales risk mitigated by selling apartments earlier
  - Sales during construction
  - Availability of mortgage financing to YIT's customers growing
- Plot investments and development
  - Focus on low risk plots
  - Better cooperation with authorities in development issues
  - Paid increasingly in installments
- Geographical diversification to growth areas

# 6

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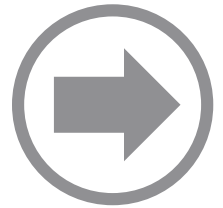
Looking  
ahead and  
conclusions



# Market outlook, expectations for 2015

## Finland

- Consumers cautious and investors active in the residential market, demand to focus on small apartments in growth centres
- Price polarisation, especially between small and large apartments
- Availability of mortgages good
- Modest demand for business premises, investor activity on a moderate level. Focus on prime locations in the Capital region
- Opportunities in contracting, but fewer large projects in the tendering phase than in the beginning of 2015



## Russia

- Weak visibility
- Construction costs to increase
- Uncertainty in residential price development
- Residential demand to focus on small apartments that are completed or close to completion
- Mortgage rates for new apartments to remain stable due to government subsidies



## CEE

- The improved economic situation to support residential and business premises demand
- Access to financing to remain good
- Residential prices to increase moderately





# Guidance for 2015 unchanged (segment reporting, POC)

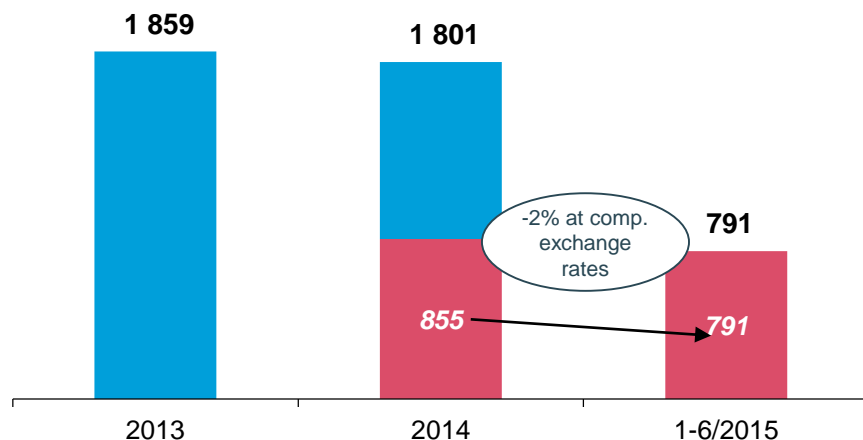
The Group revenue growth is estimated to be in the range of **-5 – 5%** at comparable exchange rates

The operating profit margin excluding non-recurring items is estimated to be **below the level of 2014**

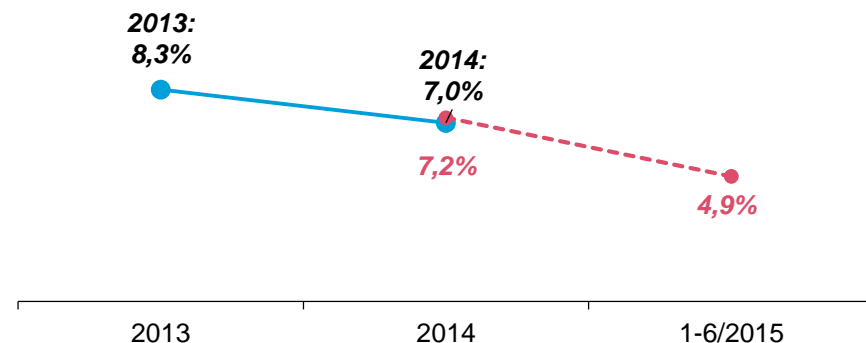
The 2015 guidance is based on the following:

- Demanding market outlook, especially in Russia
- More than 50% of Q3-Q4/2015 revenue from sold projects and signed pre-agreements, the rest from new sales and capital release
- Share of investor projects and contracting to increase in Finland
- Capital release dilutes the operating profit margin

Revenue, EUR million



Operating profit margin\*, %



Figures based on segment reporting (POC)

\*Operating profit margin excluding non-recurring items

# YIT's competitive edges

- High-quality brand and reputation as a reliable company
- Innovative concepts and effective design management
- Strong plot reserve
- Own sales network in all operating countries
- Broad special expertise and strong references
- Ability to construct demanding projects that combine housing, business premises and infrastructure



# Concluding remarks

**Focus on cash flow and capital efficiency have borne fruit and financial standing has improved**

**Balanced business portfolio, shifting towards a more diversified geographical footprint**

**Solid track record in profitability and execution through economic cycles**

**Strong market position and long experience from Finland and Russia**

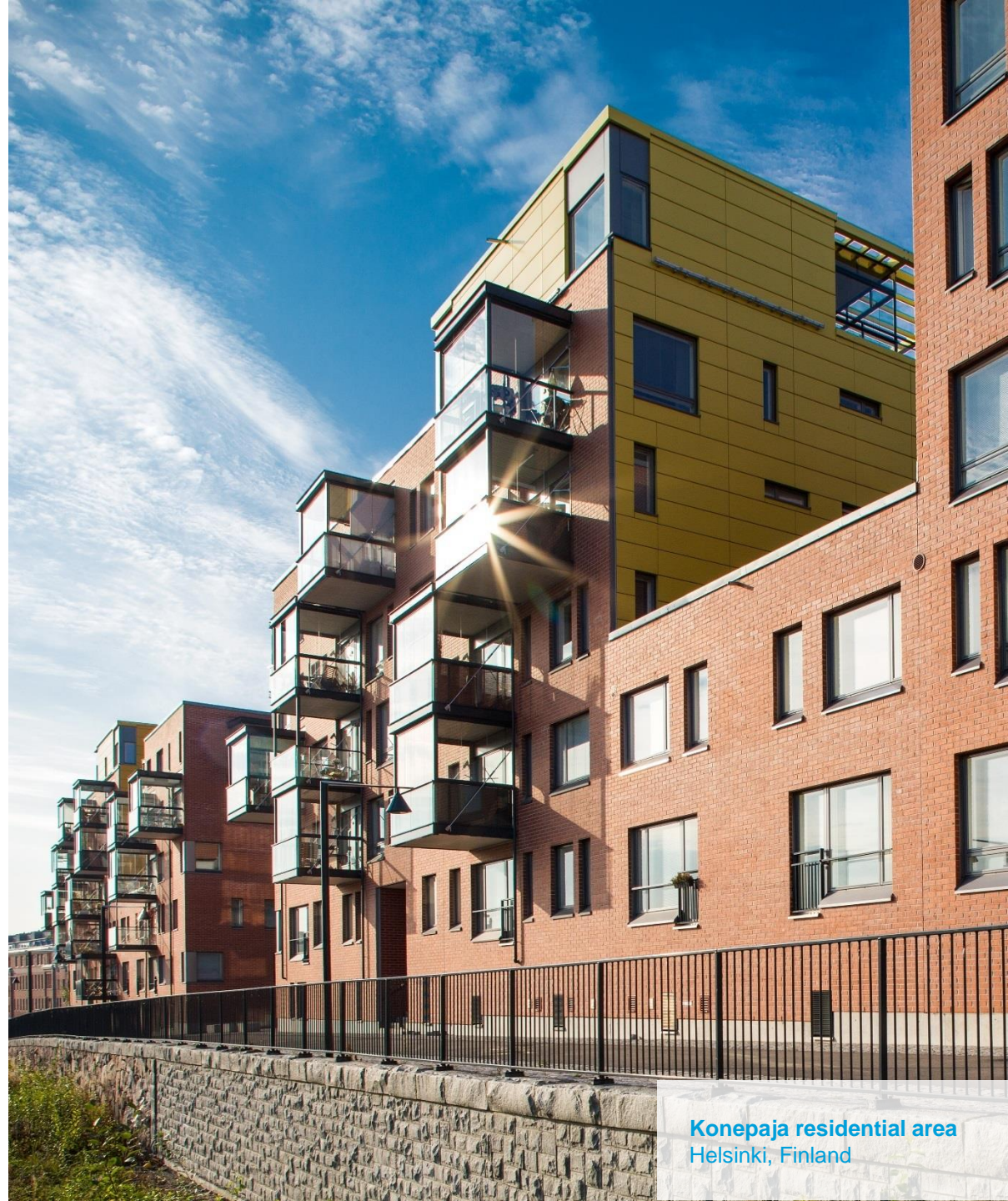




# 7

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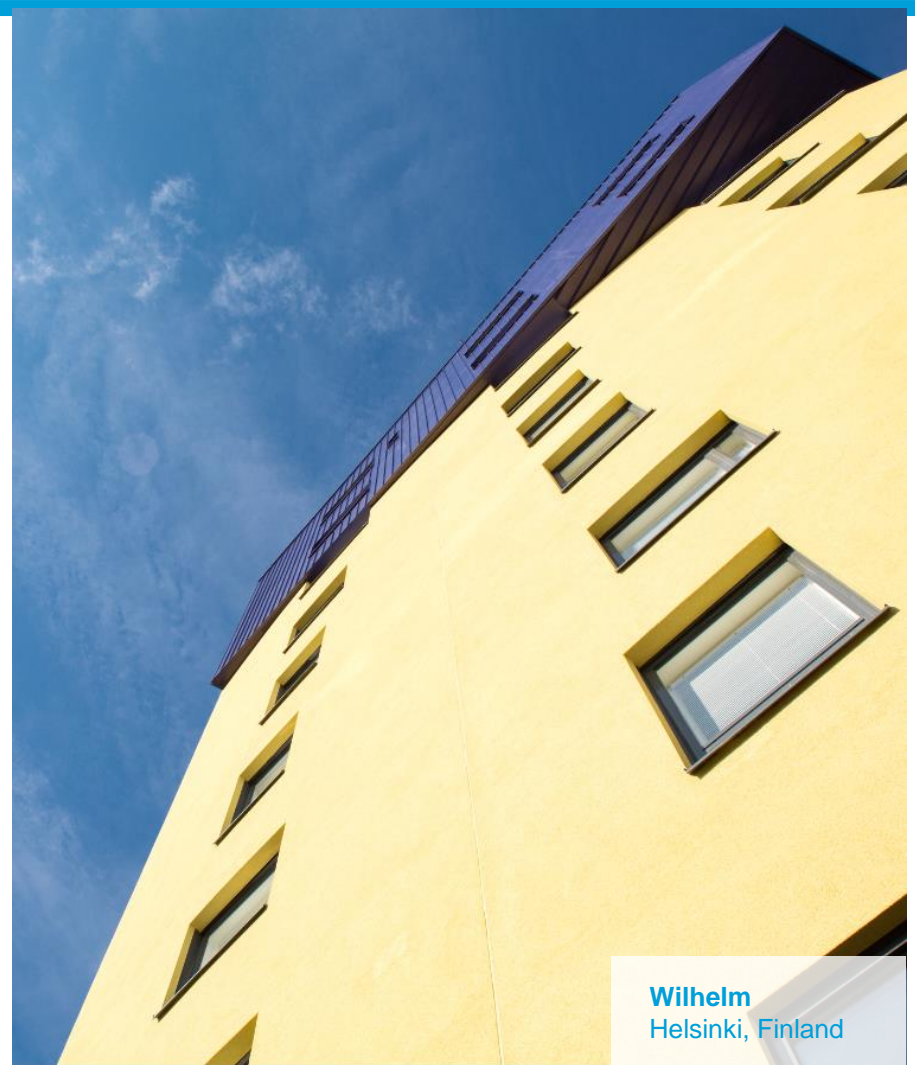
## Appendices



Konepaja residential area  
Helsinki, Finland

# Appendices

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







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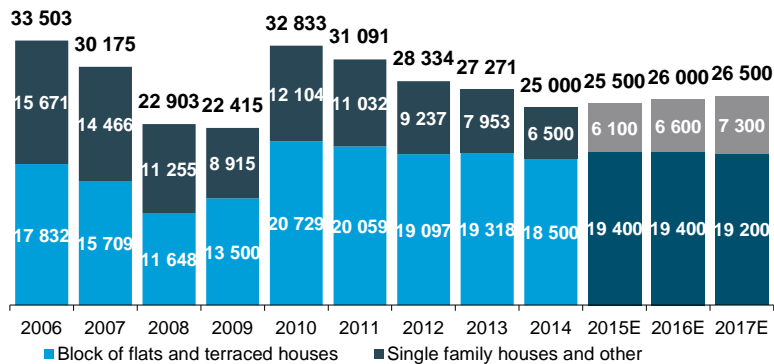
## Key market drivers



# Urbanisation drives demand in the residential markets in Finland and CEE

- Internal migration and changing demographics create a need for new apartments
  - In Finland, the estimated long-term need for new apartments: 24,000-29,000 units annually

Residential start-ups in Finland, units



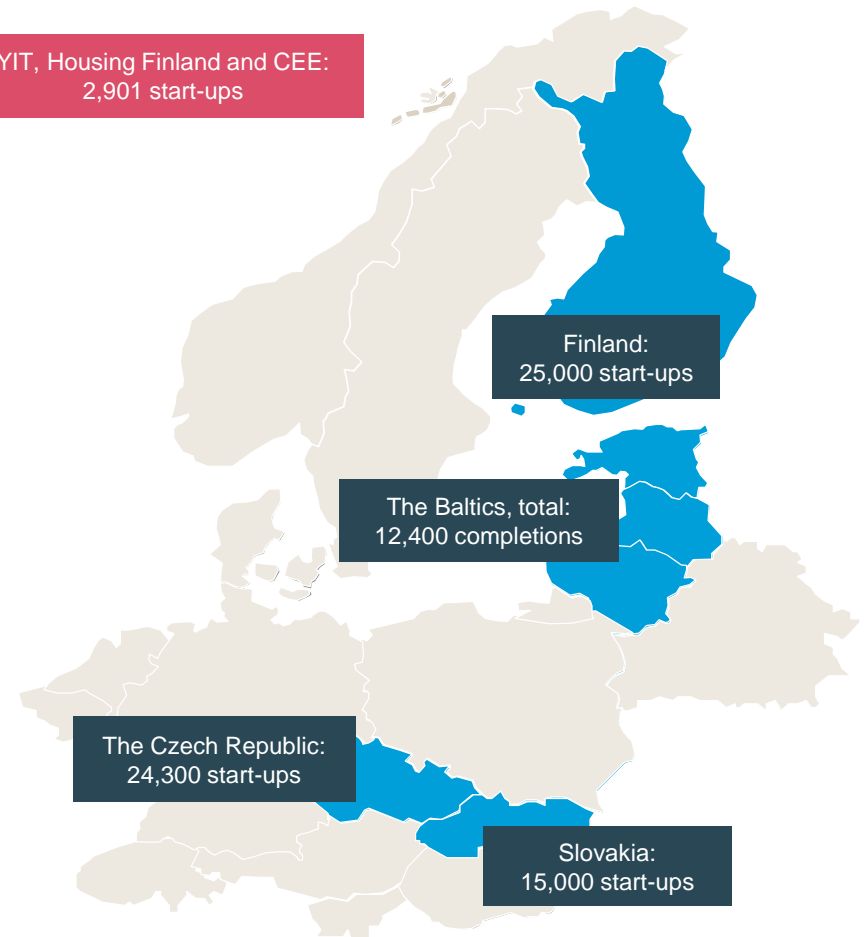
- Macro outlook supports residential markets in CEE-countries
  - Need for new, modern apartments



YIT is the market leader in Finland and one of the key players in CEE

Market sizes in 2014, units

YIT, Housing Finland and CEE:  
2,901 start-ups



Sources: Euroconstruct and Forecon, estimates



# Fundamental need for new apartments in Russia

- Several fundamentals support strong demand
  - Internal migration to growth centres
  - Poor quality of existing building stock
  - Decreasing household-size
  - Living-space per capita roughly half compared to Western countries
- Developing mortgage market
  - Mortgages still below 5% of GDP

## Market size in 2014, units

YIT, Housing Russia:  
3,545 start-ups

Russia:  
1,000,000 completions;  
St. Petersburg 50,000  
Moscow region 110,000  
Moscow 40,000



YIT is the largest foreign residential developer in Russia

Source: Forecon, estimates

# Opportunities for growth in several areas in business premises and infra services

- The condensing of urban structure creates a need for new infrastructure and hybrid construction
- Substantial maintenance backlog in Finland → opportunities in renovation and change of purpose
- Opportunities also in care services, road maintenance and the energy sector in Finland
- Low business premises stock per capita in the CEE countries

## Market sizes in 2014, volume of construction

YIT, Business Premises and Infrastructure:  
Revenue EUR 599 million

Finland:  
Infra EUR 6,200 million  
Business premises  
EUR 10,190 million

The Baltics, total:  
Business premises EUR  
3,940 million

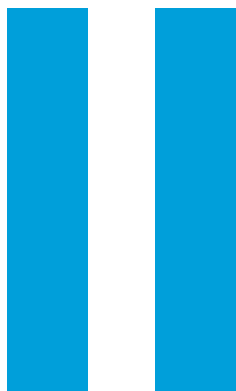
Slovakia:  
Business premises  
EUR 2,020 million

Source: Euroconstruct and Forecon, estimates



One of the top players in Finland and Lithuania





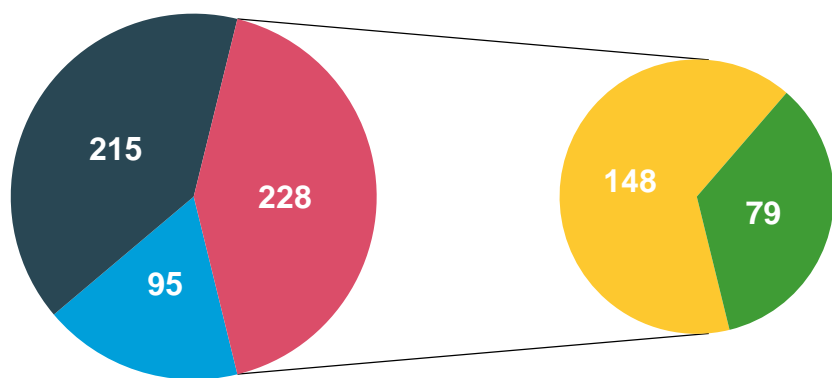
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Additional  
financial  
information



# Solid plot portfolio, a basis for growth and financial flexibility

Capital invested in plot reserves 6/2015, EUR 538 million



- Business Premises and Infrastructure
- Housing Russia\*
- Housing Finland and CEE
- Finland
- The Baltic countries, the Czech Republic and Slovakia

Use of plot reserves in 2014, EUR 104 million

Housing Finland and CEE	48
Finland	33
The Baltic countries, the Czech Republic and Slovakia	15
Housing Russia**	48
Business Premises and Infrastructure	8

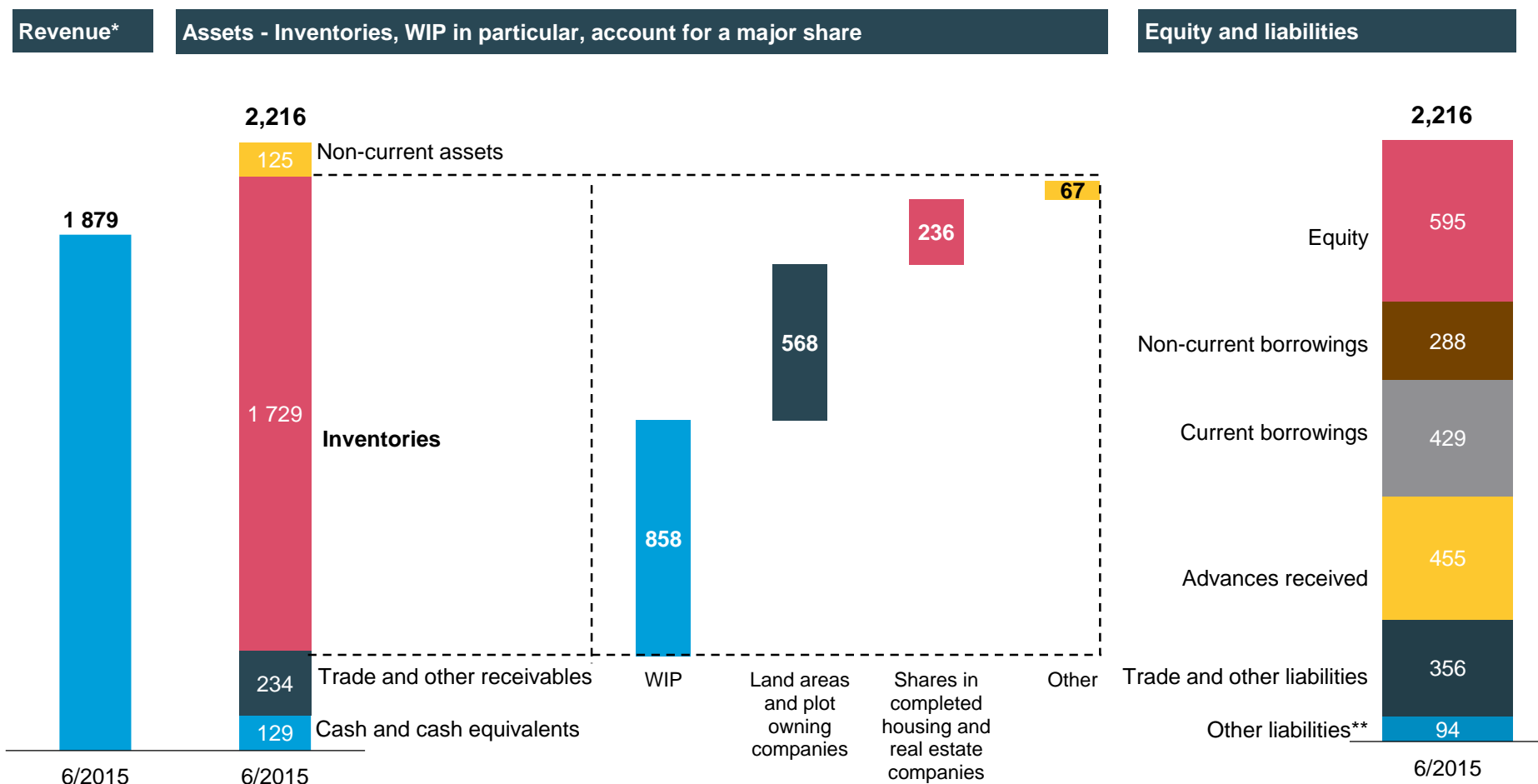
\*Includes Gorelovo industrial park

\*\* Calculated at the 12/2014 EUR/RUB exchange rate: 72.3370



# Consolidated balance sheet

as of June 30, 2015 (EUR million)



Note: Figures based on Group reporting (IFRS)

\*) Last 12 months

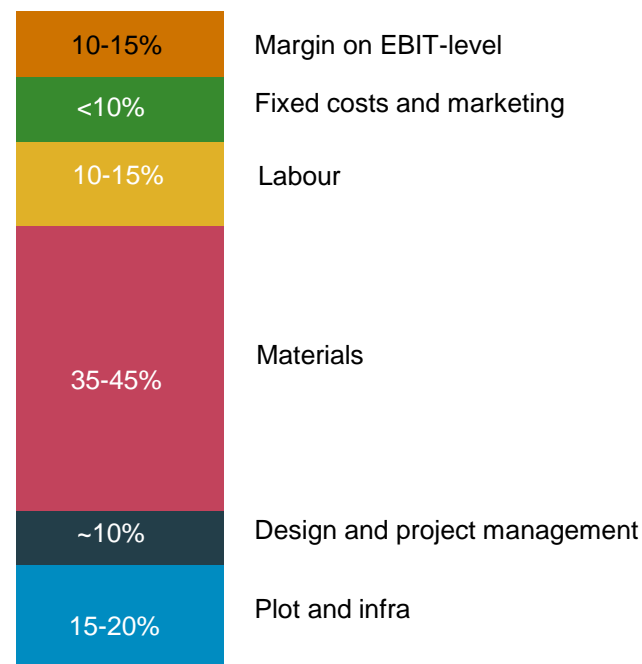
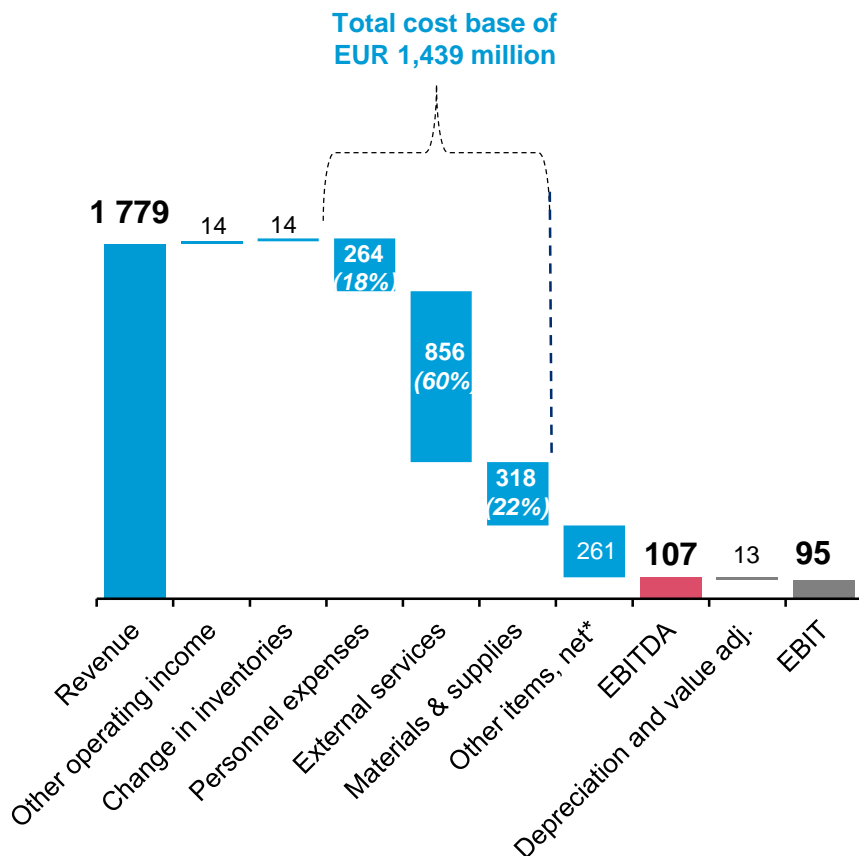
\*\*) Includes deferred tax liabilities, pension obligations, provisions and other liabilities

# YIT's cost base in 2014

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

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

Indicative cost structure of a Finnish residential project



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

NOTE: Figures based on Group reporting (IFRS)

# Construction stage financing

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

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

### → Financing for construction

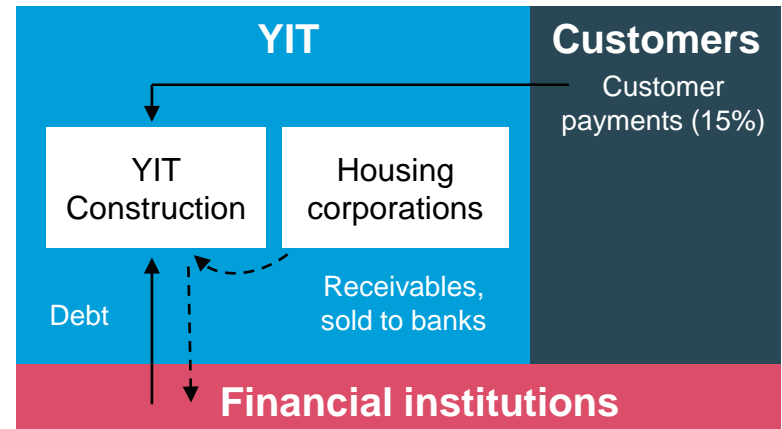
## Limited refinancing risk:

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

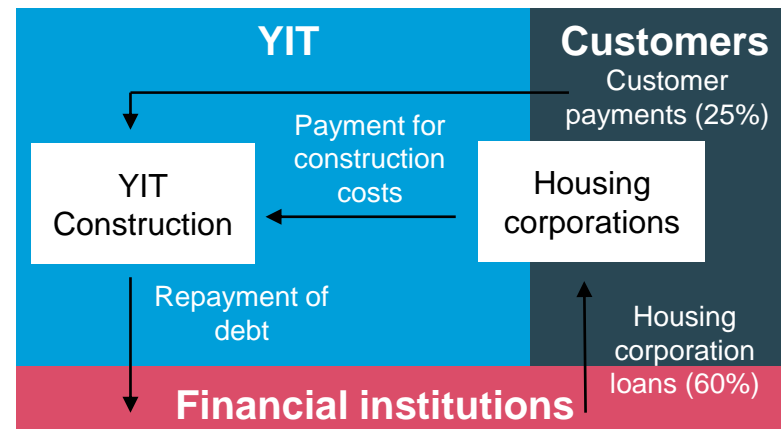
### → Refinancing of the sold receivables

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

## During construction:



## Upon completion:





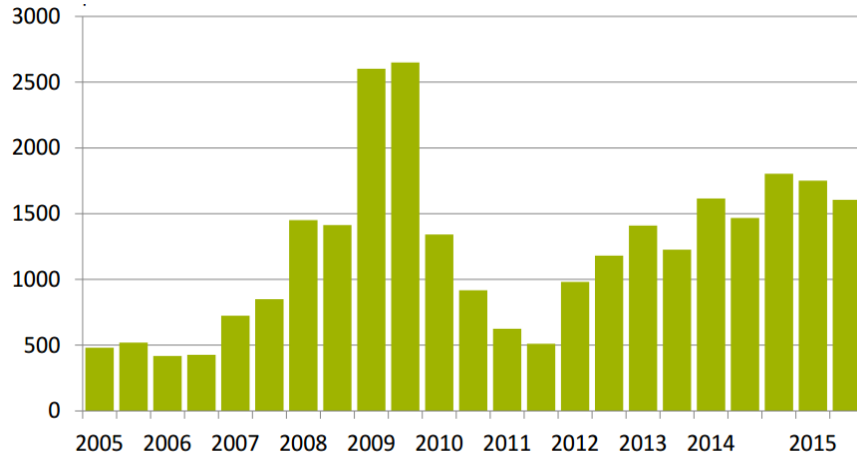
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## Housing indicators

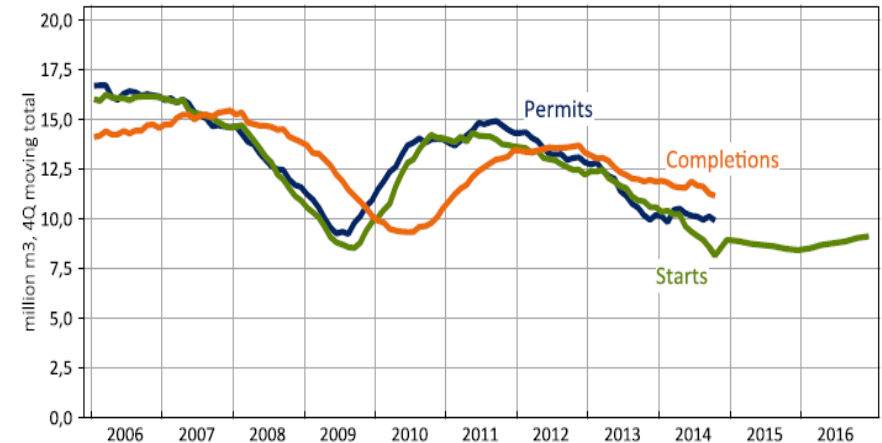


# Housing indicators in Finland

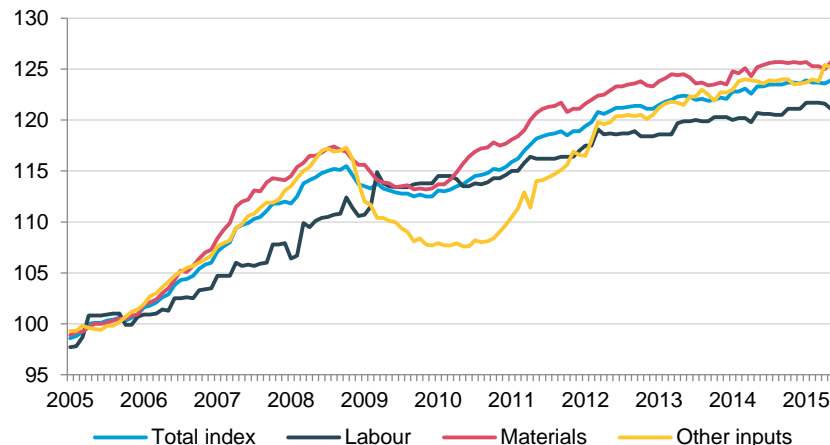
Unsold completed units (residential development projects)



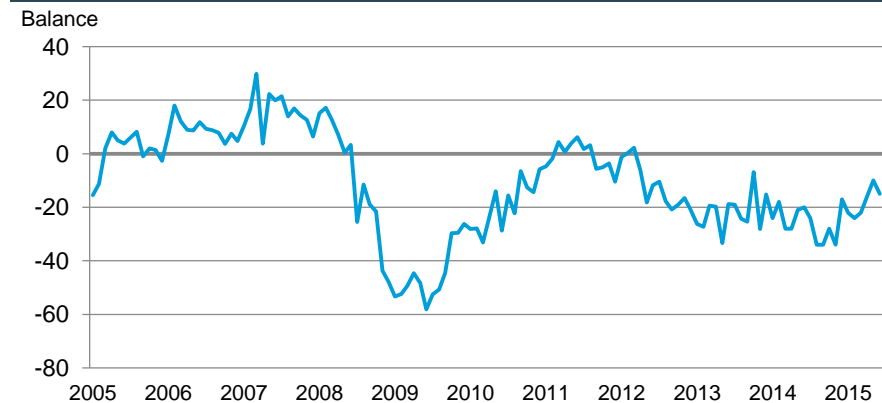
Residential building permits, start-ups and completions, million m3



Construction cost index (2005=100)



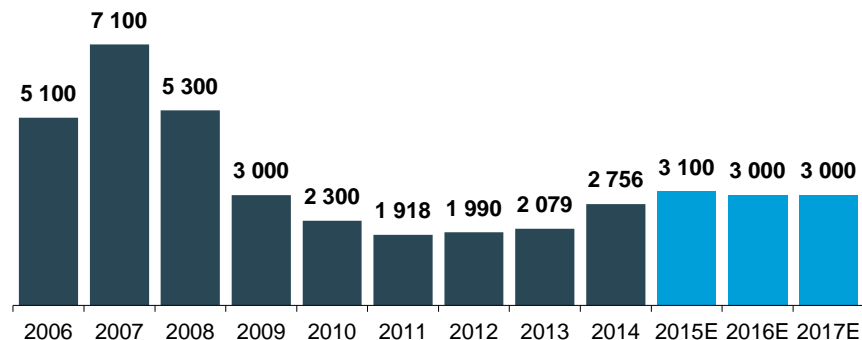
Construction confidence



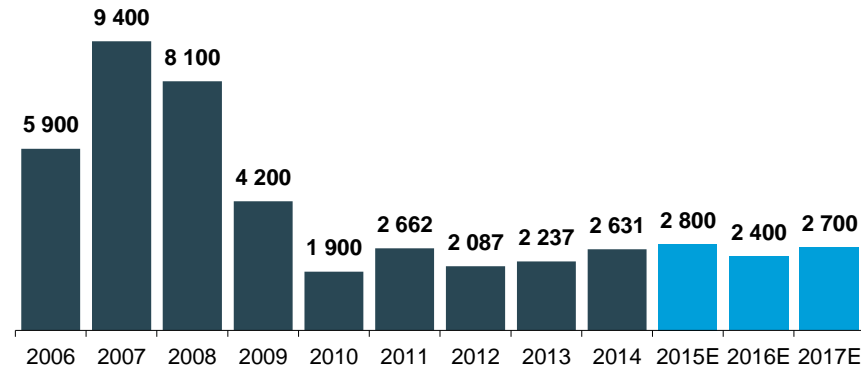


# The Baltic countries – Growth expected in residential construction

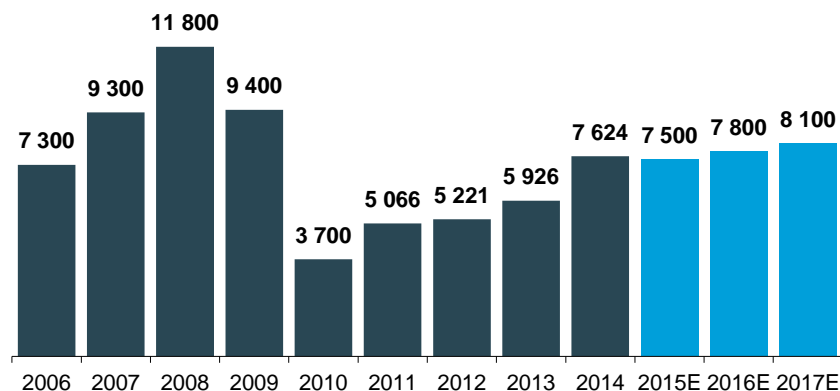
Residential completions in Estonia, units



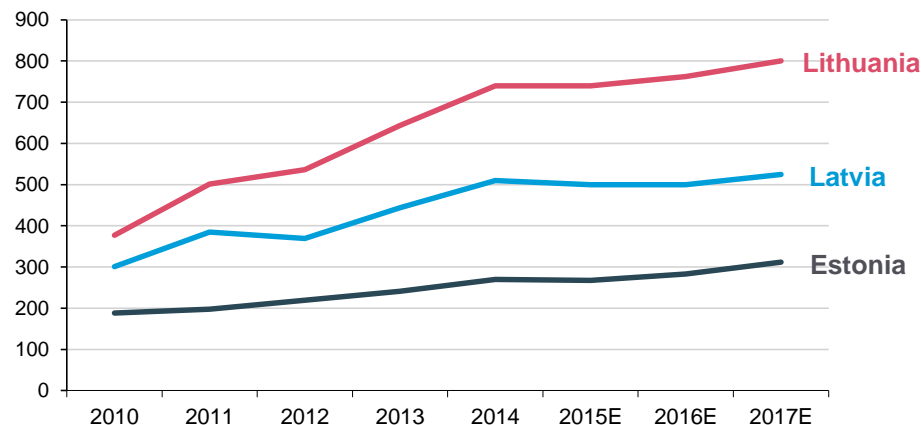
Residential completions in Latvia, units



Residential completions in Lithuania, units

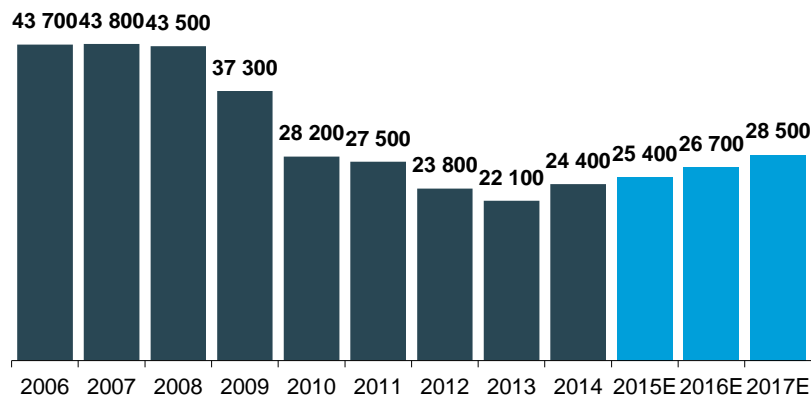


New residential construction in the Baltic countries, EUR million

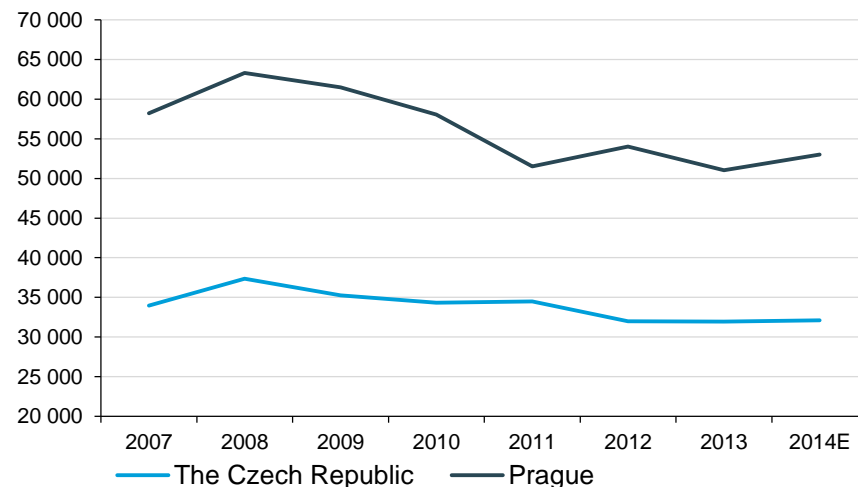


# The Czech Republic and Slovakia – Start-ups forecasted to increase

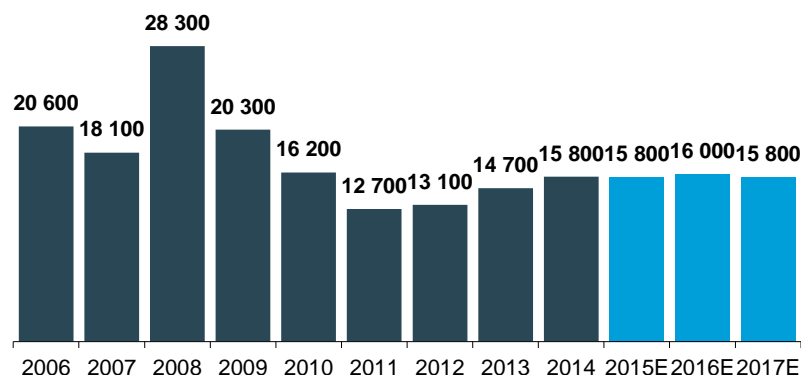
Residential start-ups in the Czech Republic , units



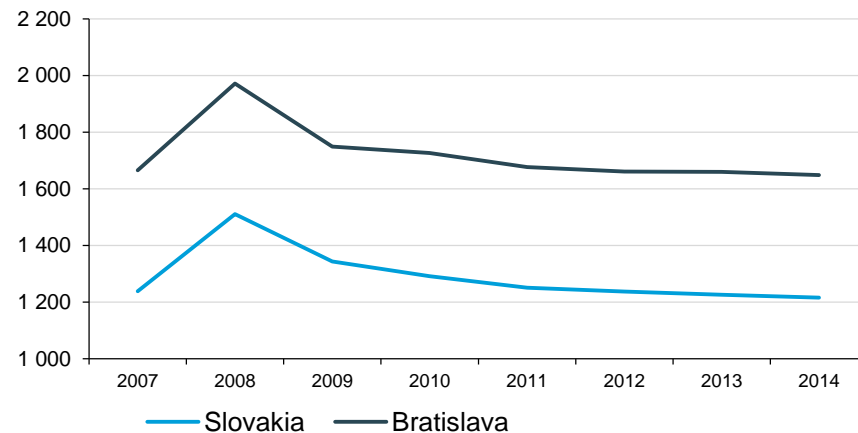
Residential prices in the Czech Republic and Prague CZK/ sq. m.



Residential start-ups in Slovakia, units



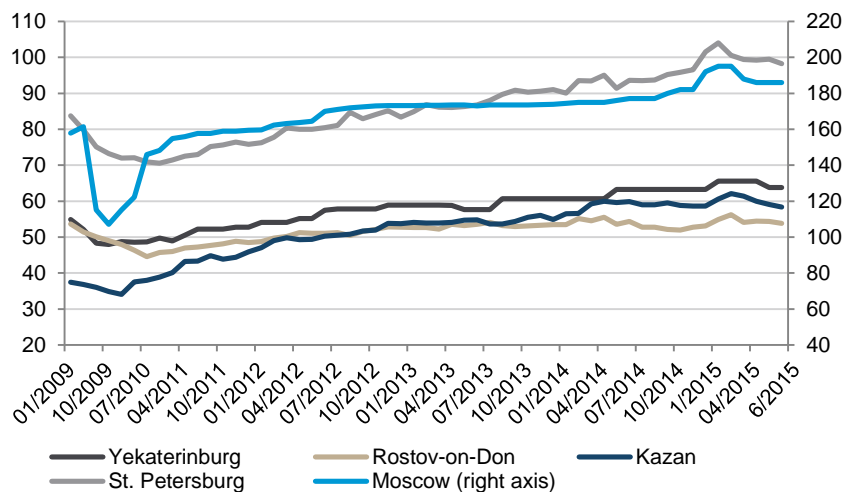
Residential prices in Slovakia and Bratislava, EUR/ sq. m.



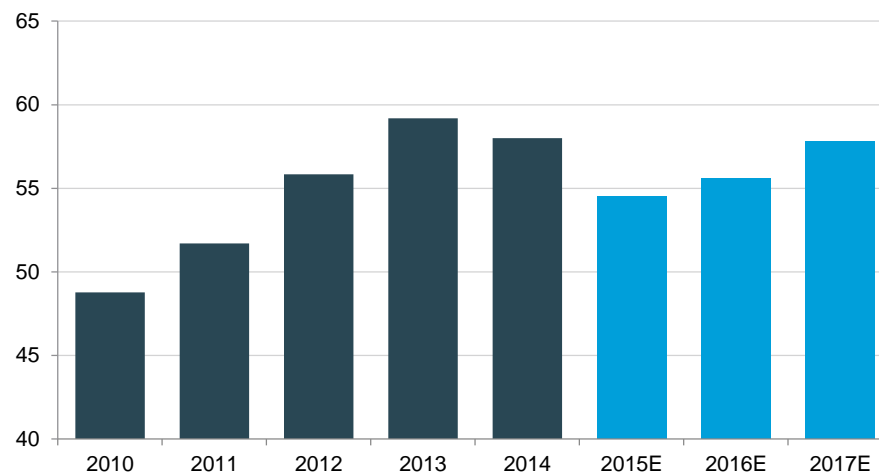
Sources: Residential start-ups: Euroconstruct June 2015, Other data: The Czech Republic: JLL 2014, Slovakia: National Bank of Slovakia April, 2015

# Russia – Housing indicators

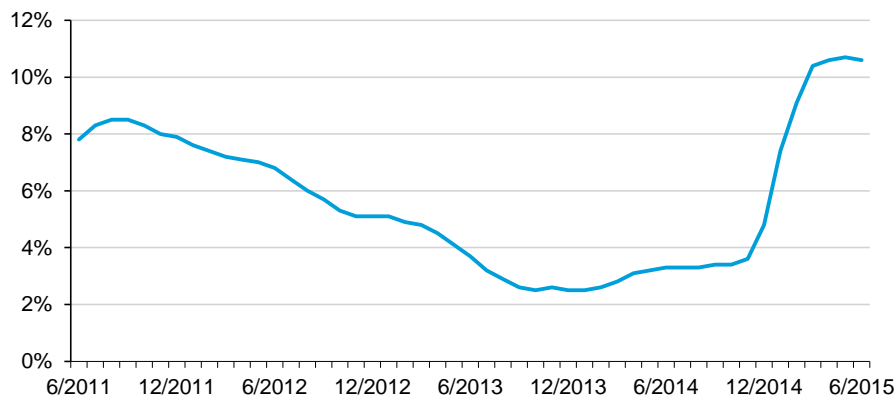
House prices in primary markets, thousand RUB (1/2009-6/2015)



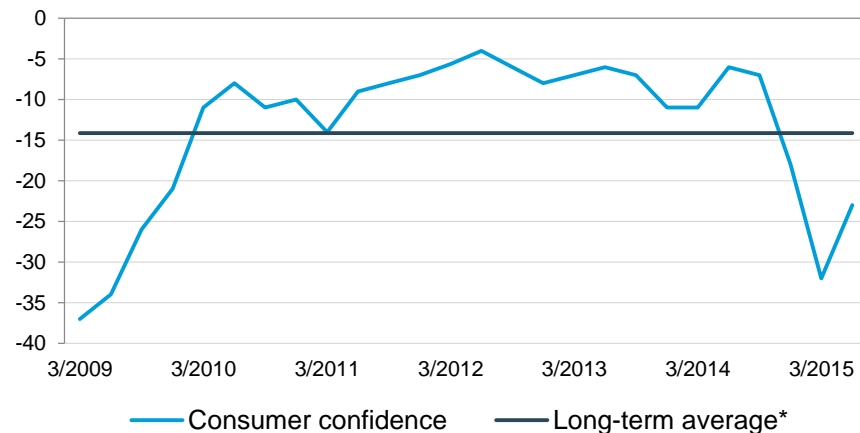
New residential construction, EUR billion



Inflation in building materials 6/2011-6/2015



Consumer confidence



Sources: House prices: YIT, New residential construction volume: Forecon, June 2015, Inflation in building materials: PMR Construction review, June 2015, Consumer confidence: Bloomberg and tradingeconomics.com

\*Average 12/1998-6/2015

# IV

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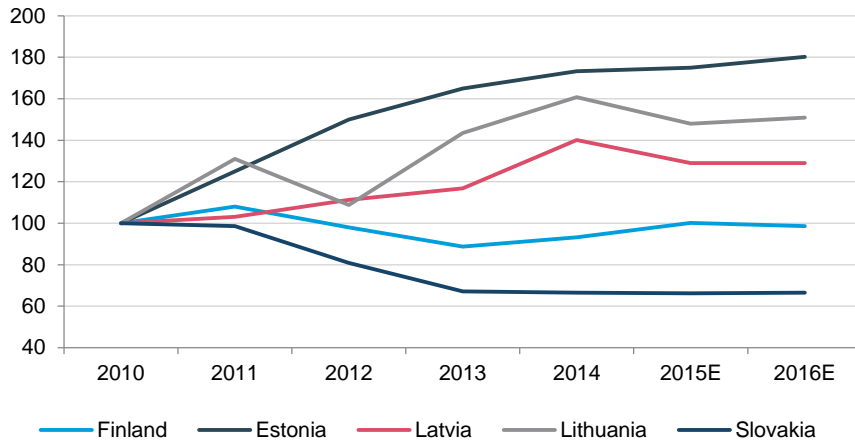
Business  
premises and  
infrastructure  
construction  
indicators



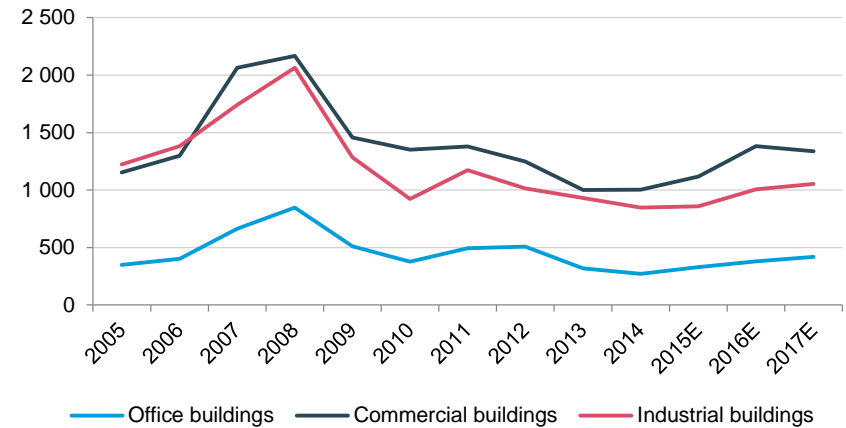


# Non-residential construction forecasted to pick up slightly in Finland and Slovakia

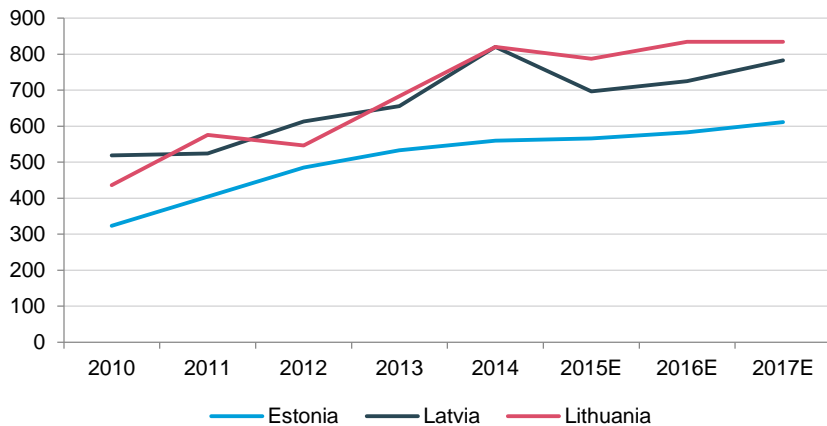
New non-residential construction volumes, index



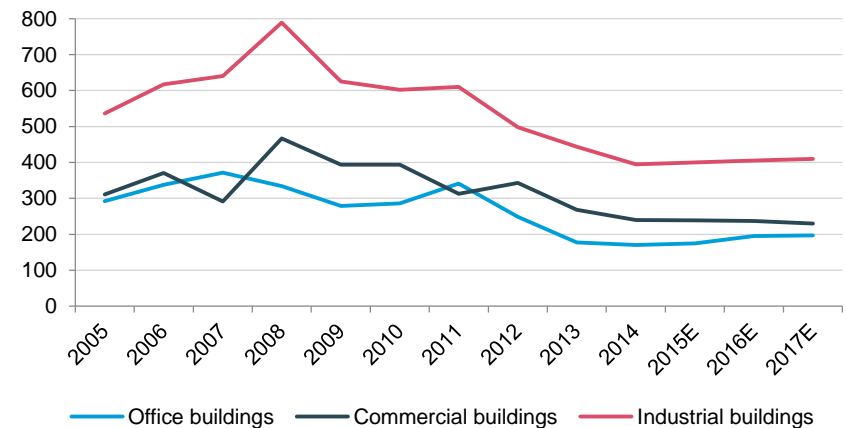
New non-residential construction in Finland, EUR million



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



New non-residential construction in Slovakia, EUR million

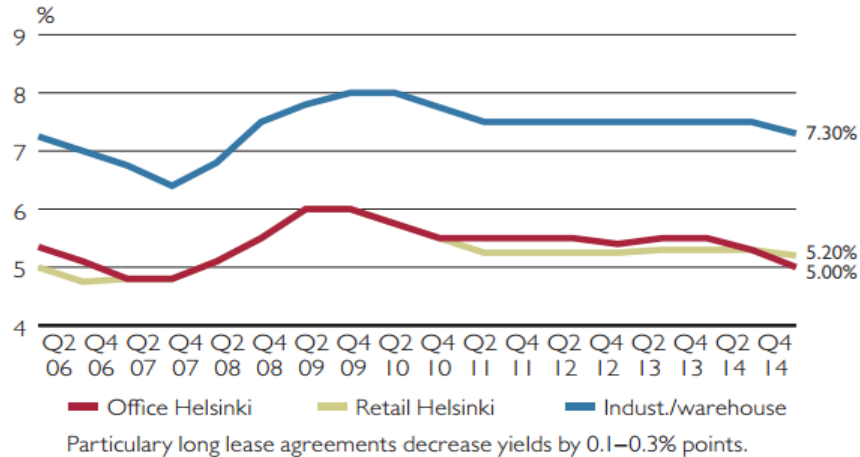


Sources: Euroconstruct and Forecon, June 2015

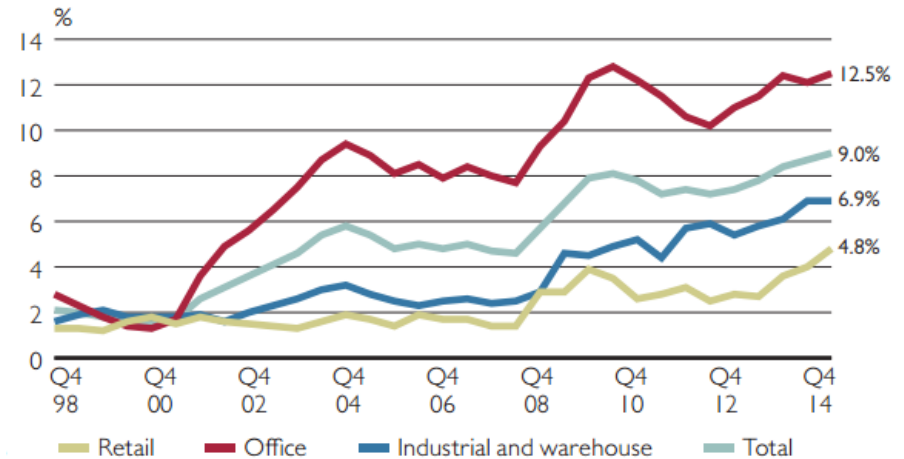


# Finland – Prime yields expected to decrease slightly

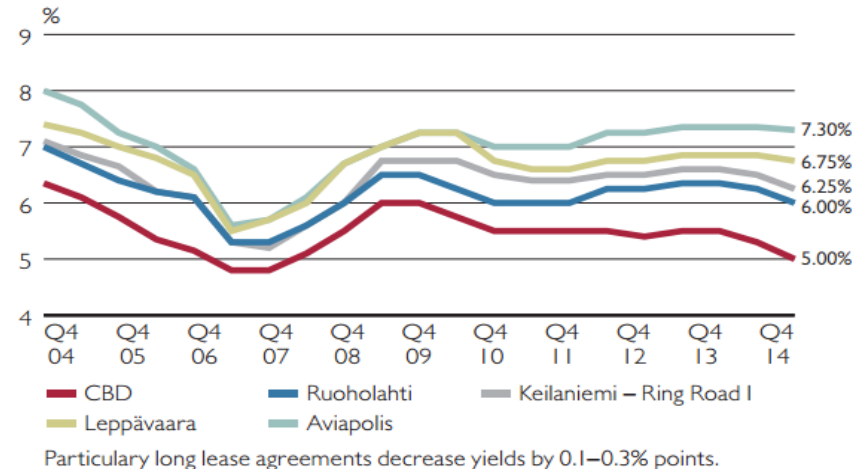
Prime yields in Helsinki Metropolitan Area, %



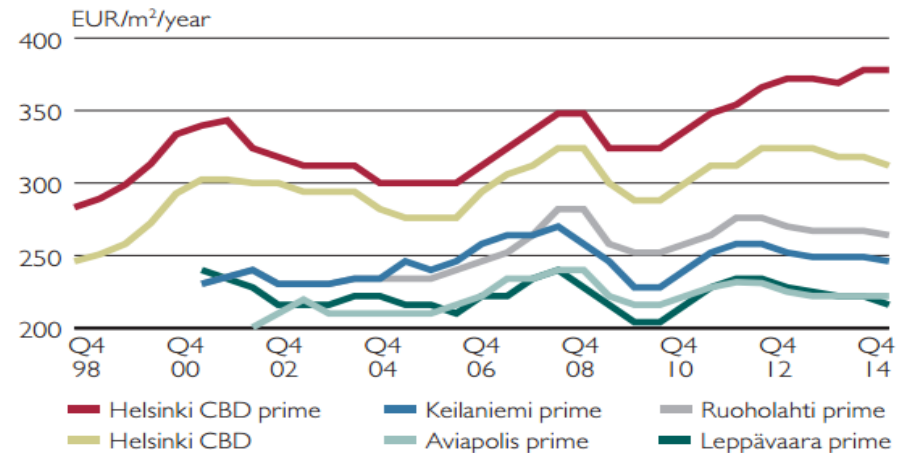
Vacancy rates in Helsinki Metropolitan Area



Office yields in Helsinki Metropolitan Area, %

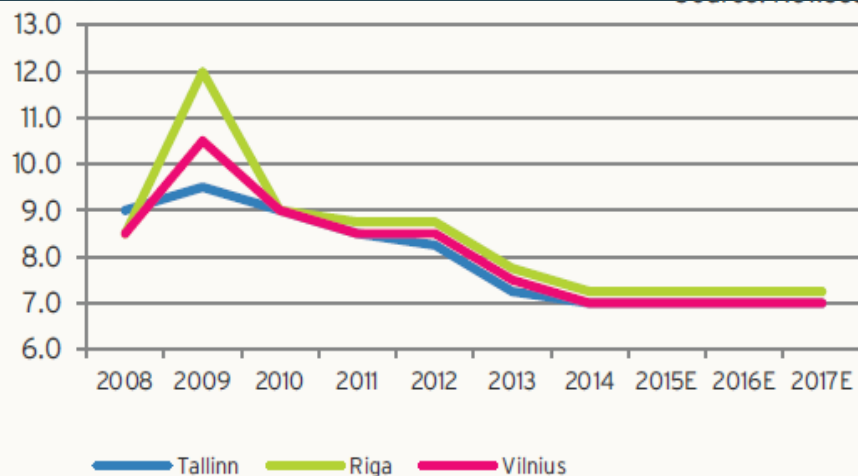


Rental levels of office premises (excl. VAT), new agreements

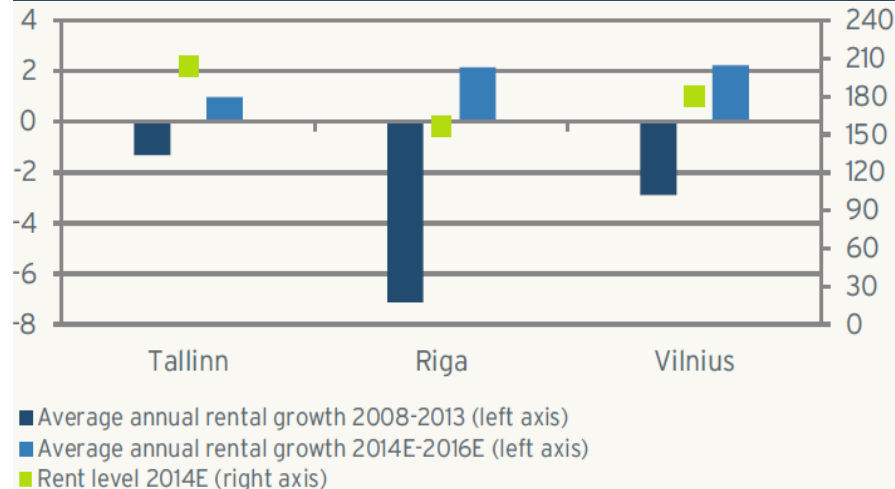


# The Baltic countries – Yields are expected to decrease

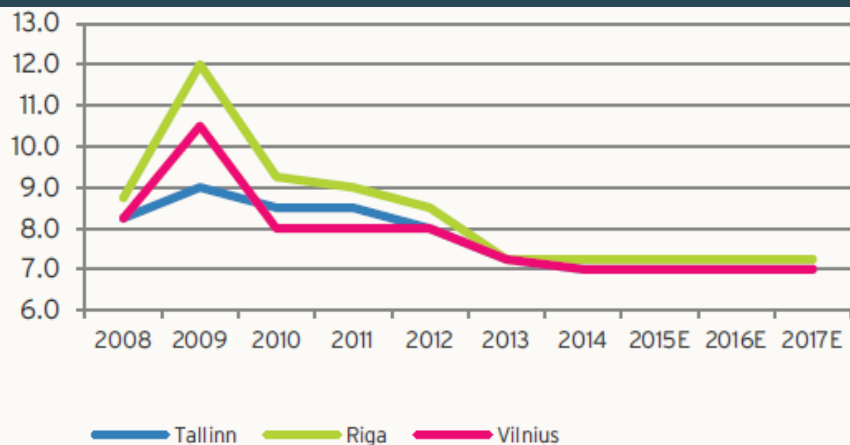
Prime office yields in the Baltic countries, %



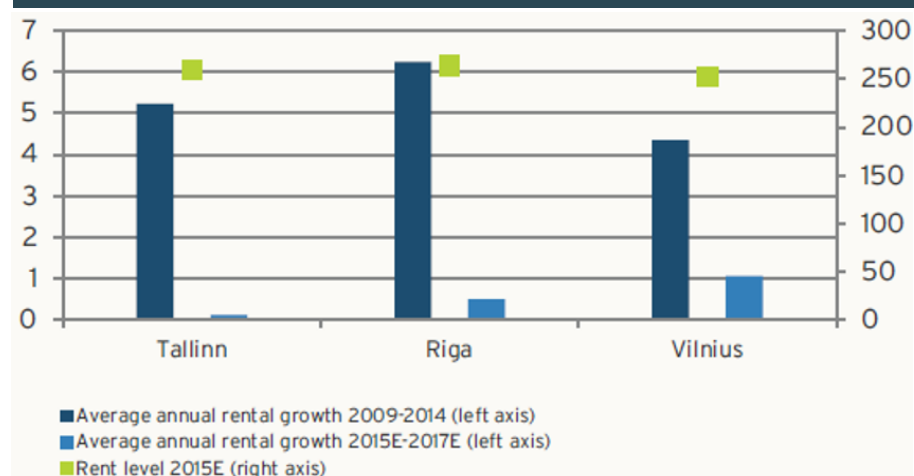
Prime office rents in the Baltic countries, % and EUR / sq. m. / year



Prime retail yields in the Baltic countries, %

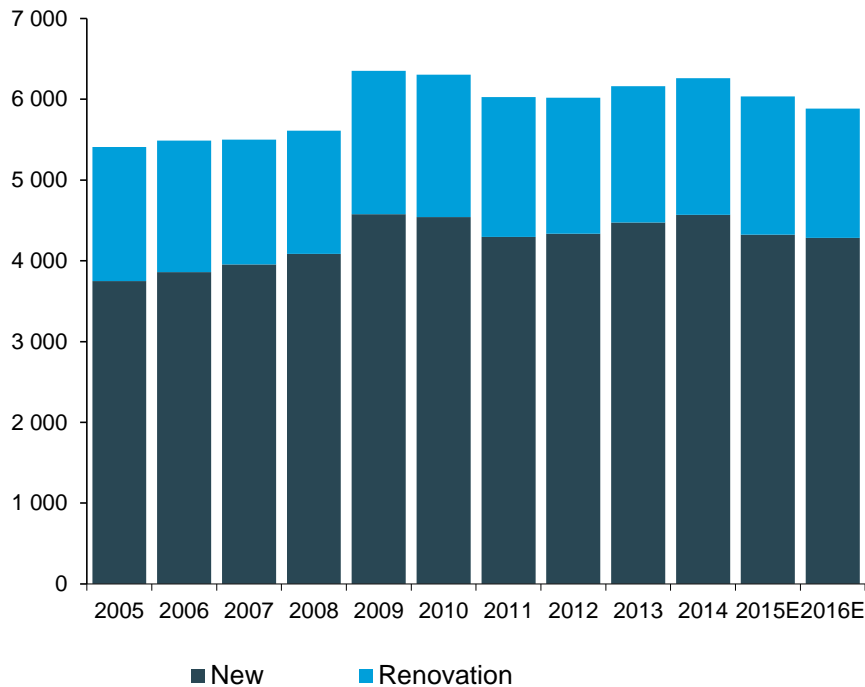


Prime retail rents in the Baltic countries, % and EUR / sq. m. / year

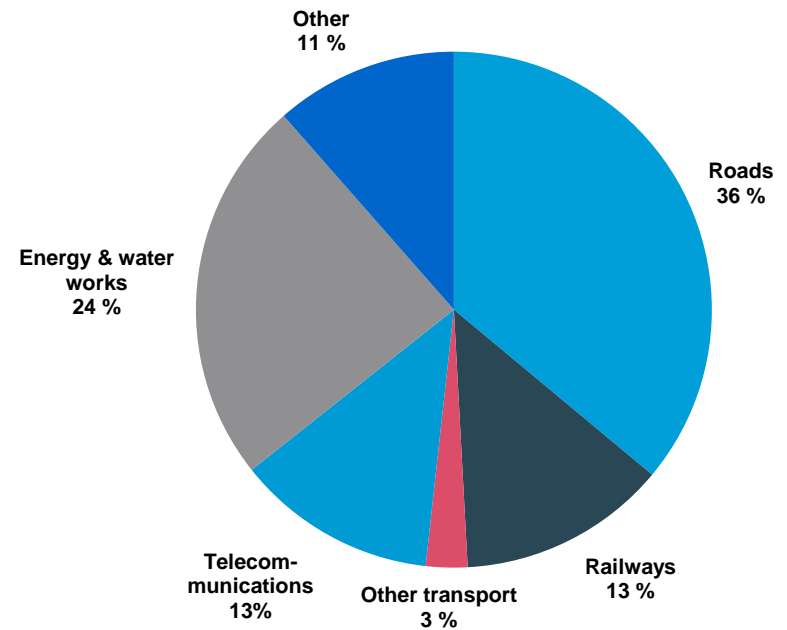


# Infrastructure construction in Finland– Market expected to decrease slightly in 2015

Infrastructure market in Finland, EUR million



Infrastructure sectors in Finland (2014)



Source: Euroconstruct, June 2015



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## Ownership

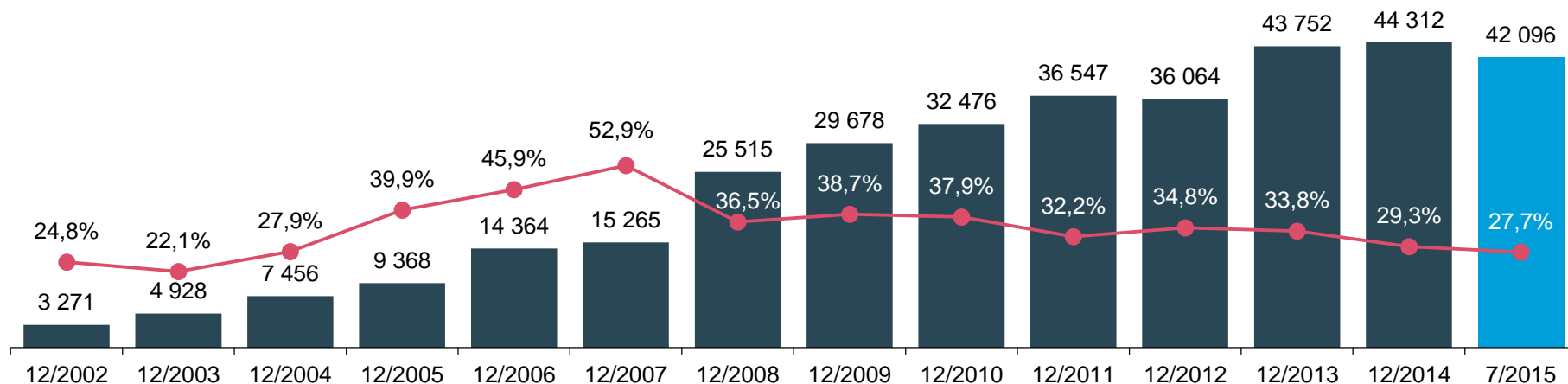


# YIT's major shareholders

July 31, 2015

Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. Structor S.A.	6,620,000	5.20
3. Herlin Antti	4,610,180	3.62
4. Mandatum Life Insurance Company Ltd.	4,286,675	3.37
5. Elo Mutual Pension Insurance Company	3,335,468	2.62
6. OP funds	3,040,644	2.39
7. The State Pension Fund	2,116,994	1.66
8. Etera Mutual Pension Insurance Company	1,700,000	1.34
9. YIT Corporation	1,641,595	1.29
10. Danske Invest funds	1,473,767	1.16
Ten largest total	40,825,323	32.08
Nominee registered shares	27,239,382	21.41
Other shareholders	59,158,717	46.51
Total	127,223,422	100.00

## Number of shareholders and share of non-Finnish ownership, July 31, 2015





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