

**Conference Title: YIT Interim Report for Jan-Mar 2018**

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Hanna Jaakkola: Good afternoon, everybody. Welcome to YIT's first quarter 2018 Results Info. So nice to see so many of you here in Käpylä with us. Welcome also everybody on the other side of the screen, watching this through the webcast, and also you guys listening to this through the conference online.

I have here with me our president and CEO, Mr Kari Kauniskangas and our CFO, Ilkka Salonen, present here with me. They are presenting the results and answering your questions.

My name is Hanna Jaakkola. I am head of IR also at your service for the questions after this.

All the material we are presenting here are available online on YIT Group's web pages under Investors and Materials and Presentations. After the presentation, there is a time for questions. We will take first the questions from the audience here in Käpylä and thereafter from the conference call line, and in the webcast system, there is a check chat function you can use to post questions and I will ask those questions to the management after the presentation.

Our agenda today is such that Kari will through the Group development for the first quarter first. Thereafter, the integration update and synergy update for the merger with Lemminkäinen. Thereafter is a time for operating environment and segments reviews. Ilkka will present the financial position and the key ratios. Outlook and guidance will end the show.

A lot of things have changed during the first quarter and one of the major things is that for the first time we are using IFRS figures as our major reporting method for this interim report. That has a major impact especially for the housing and segment figures. And for this quarter, for example, Housing Russia has less or low amount of completions, and in the IFRS figures, revenue and profit

is recognised first when the project is completed. And for the residential consumer project. We are also giving bulk percentage of completion figures for Housing Finland and CCE and Housing Russia segments to give you more flavour of the underlying business.

Also, Lemminkäinen and YIT merged 1<sup>st</sup> February 2018, so this February, some three months ago. And the official figures include Lemminkäinen figures from the beginning of February and they are marked in the interim report as “reported January-March 2018”. But to give you more comparability compared with the previous year, we are using pro forma figures for 2018 for the first quarter and comparing that to pro forma 2017 figures. And that means that for the first quarter we have included Lemminkäinen’s January figures to these figures we are presenting now in this presentation and also in the report, interim report, so that comparison is made with the Lemminkäinen January figures.

And also, for the year 2017 pro forma income statement is presented as if the merger had taken place 1<sup>st</sup> January 2017 and for the pro forma balance sheet as if it had taken place the end of December 2017. Also, the adjusting items include merger-related fair value cost effects. But more details on that, you can find in the tables in the interim report.

But without further ado, to the business. Kari, the stage is yours.

Kari Kauniskangas: Good afternoon, on my behalf. The first quarter was quite exceptional for many angles. YIT and Lemminkäinen merged 1<sup>st</sup> February. As said, we changed the reporting practice from POC to IFRS. We have changed the segment structure and we have reorganised the whole company.

I’m very satisfied with our development in merging these two companies. We have been able to proceed according to our plans, and all our operations have continued with no breaks through the day one and also the transition period. Of course, there is still a lot to do in integrating these two

companies, but the structures are in place 1<sup>st</sup> May and the management is already fully focused on markets, projects and competitiveness.

We have been also able to verify the integration plans and synergy calculations, and we are now confident that the announced amount of synergies in EBIT level will be realised sooner than we have expected earlier and that the total amount will increase. The expected cost level has stayed stable.

In connection with preparing our new segment structure, we evaluated our project portfolio thoroughly. Based on the evaluation, we had to lower margins in several projects especially in Russian contracting business, infrastructure projects and business premises segments.

Changes have been done in projects coming almost evenly from both ex-YIT and ex-Lemminkäinen. This is something which can't be part of YIT's culture in the future. At the same time, we have succeeded very well in renting premises for anchor tenants in several big office projects, which means that there will be many large projects which we are planning to be sold by the end of 2018.

Based on these two changes, both negative and positive, the Group outlook for the whole year is unchanged. Based on the strong seasonality of paving segment, the investment in Tripla project and investments to our portfolio, the cash flow at the beginning of the year was negative as we expected at the beginning of the year.

The revenue was lower than a year ago, and actually, the revenue lowered in every segment. I will come more accurately to the reasons in segment by segment. The order backlog increased 10%, it's on a very strong level. The profitability was weak, and the main difference between the absolute adjusted operating profit – the difference between the absolute adjusted operating profit is mainly explained by the weakened margins in several projects, around a dozen projects in our portfolio.

In Housing Finland and CEE, the performance was strong again, and result improved compared to last year. Changes in margins explains mainly the negative changes in three following segments: Housing Russia, business premises and infrastructure projects.

In paving, we are having strong actions ongoing to restore the business especially in Scandinavia, which is impacting also adjusted operating profit. Also, in that segment, the volumes in mineral aggregates was on a low level and that impacted our profitability.

As said, integration has started very well. We are very satisfied on the proceeding. We have now adjusted our estimates on the total amount and timing of the synergies and synergy benefits of the merger. We estimate that the total synergies are larger and they will be reached sooner than earlier announced.

Today, we estimate that the total annual synergies related to this merger will have an impact of €40 million to €50 million in operating profit level by end of 2020. And of this €40 million announced earlier is expected to be reach earlier, around one year earlier, starting from the first quarter of 2020 already.

In addition, there are significant synergies expected from financing below EBIT level in financial statement. During the first quarter, the EBIT impact was €3 million and the expected distribution, how this EBIT impact will be seen, is seen in the table. The estimated integration costs are this maximum €40 million and we are keeping that below that level.

Then operating environment, which has stayed quite stable and positive in our main market. If you look at the confidence indicators in Finland practically from all areas, the level is extremely high level. So that market situation in Finland is very good.

Consumer confidence in CEE countries has as well stayed very stable even improving still in certain countries, which can be seen also in strengthening sales. In Russia, the situation is better than a year ago at the same time, but unfortunately, the recent development in that country including those new penalties has had a negative impact to the market development. So the positive development, which was seen last autumn, has stopped. Situation still is better than it was year ago at the same time.

From a business-to-business point of view, the market outlook as well is quite good. If you look at the demand in business premises, volumes are growing, and the main limitation is resources. In infra area, practically in all markets, the demand has stayed stable or it's improving.

The value or the price of bitumen is one indicator for the volumes in paving and asphalt. When the bitumen price is high, it means that usually the amount of tons will be lower because the volumes or the investment budgets for the main clients like governments and cities are usually fixed.

So then to segment reviews, first, Housing Finland and CEE. We have now in this slide two figures, both IFRS figures and POC figures. IFRS figures are mainly impacted by number of completed apartments for consumers. In that area, the amount was around on the same level than last year. The profitability improved clearly. Then in POC side, in comparison period, Q1 last year, we had a lot of cash release actions ongoing including plot sales to plot fund and some bundle sales deals. So the revenue dropped but at the same time profitability improved clearly and absolute result was almost on the same level than year ago.

Order backlog is again clearly stronger, around 10% up. The production volumes are slightly growing. The number of unsold completed apartments is on a very low level. The amount of – or the sales rate is on a higher level if you look long-term track record when the level has been on average on a 50% level.

Housing sales for consumers continued on a good level. It was on the same level than year ago at the same time, also in combined portfolio. Number of start-ups stayed stable compared to last year. And April sales has been in Finland a bit better than year ago. And also in CEE, the level has been better than year ago especially when we take into account how the sales of those projects that we already have sold to YCA housing fund and now we are selling those further to consumers. That sales is taken into account. So in first quarter, that sales was 113 apartments and in April, almost 40 units.

Then Housing Russia. So the revenue was on a low level explained by a very small number of completed apartments. During this year, we are expecting that around 3,000 units will be completed and main part of those will be completed in last quarter. In Russia, unfortunately, we had huge changes in contracting business project profits and that impacted to the profitability and operating profit in POC level and, of course, in IFRS level as well. The operating profit in IFRS is also lower due to small amount of completed apartment.

Backlog of orders stayed stable, we started around the same amount of apartments that are sold. In service business we have already 46,000 clients to whom we are sending an invoice once per month. And as said, the sales level in pieces has stayed on the same level than it was during the second half of last year as we expected at the beginning of this year, so clearly, above last year's level. Also, the sales in April has been good or continued on a good level, clearly above the level than what was a year ago.

From sales, clearly bigger amount is happening in Moscow region which is a bit impacting negatively to our profitability due to low profit level of projects in that area. Also, bigger number of those apartments or small apartments than earlier, overall.

Then business premises, revenue decreased a bit. The main explanation is that we have certain projects completed by end of last year which impact for revenue was quite remarkable. Also that

for instance, in Tripla we are very heavily constructing at the moment but we are not recognising revenue and profit from everything that we are doing at the moment. Operating profit was negative and that was as well due to those weakened margins in few projects.

Order backlog has stayed stable and as you can see, the big projects are proceeding. They are mainly in the middle of the construction and those are proceeding according to plans. Extremely important from this year point of view was the success in renting premises for anchor tenants during the first quarter of the year and as said already earlier, we are planning to sell several bigger of these premises by end of this year.

Infrastructure projects' revenue declined due to reason that many of the big projects we are in the completion stage and at the same time revenue and profit impact has been clearly smaller than a year ago. At the same time, new projects on the backlog has just started with very limited impact in both revenue and the profit. So the low revenue impacted the profitability of this segment and in addition, unfortunately, also there we recognised some weakened margins in certain projects.

Strong improvement in backlog of orders which will be seen then improving revenues during the coming quarters. And here you can see also the big projects where part are just in completion stage and some part at the beginning of the project.

Then, paving. Revenue decreased mainly due to lower volumes especially mineral aggregates business. During the winter, we have taken serious actions to restore this business, I will come back the next slide on those actions. But at the same time this winter planning season has went better than a year ago if we look only those paving units that we have in our companies. Due to those heavy actions to restore operations in Sweden and Norway, there is also impact in adjusted operating profits.

Backlog of order is good. It's improved and, of course, now the paving season has started strongly in almost all plants and the business is now ongoing. We have had serious actions to take this business back on track. During the winter we have closed six non-profitable asphalt plants. We have re-organised the operations especially in Norway but also in Sweden. We have divested two partially owned subsidiaries since the reorganisation. The second one was closed at the beginning of April. So right now we expect that we have done all the structural actions that we are planning to do for this season and now we focus on efficiency in our site operations and planting operation during the season.

Partnership properties is the new segment where we have or where we report all the joint ventures that we have together with our partners. We have committed to invest equity around €150 million in those assets that are now in – under this segment and the investment is already €137 million. There are some examples on those key assets. Immediately after the review period, we established the plot fund together with Ålandsbanken and Varma which also helps us to improve our capital efficiency and capital management over all.

Ilkka Salonen will continue with the financial position and key ratios of the company.

Ilkka Salonen: Good afternoon everybody. Just a short snapshot where we are after the Q1 what comes to the financial position. Our cash flow was negative as expected which of course has an impact for the net debt side. Our net debt increased from 670 up to a little bit more than 800 million. After the merger, we have re organised our loan portfolio, the new 300 million committed revolving credit facility became available and at the same time, we cancelled 200 ex-YIT and 200 ex-Lemminkäinen facilities. And at the same time, we also cancelled the €240 million bridge facility.

From the operating cashflow side, it was negative, and it's quite well-explained over there. It's related for the Tripla construction and two inventory investments. The plot investments, we are roughly about 50 million, paving seasonality, that's the name of the game. There is not too much



business in the beginning of the year, but there are quite a lot cost-related for the business running anyway.

And by saying that, the major metric target for our us is, of course, to reach the strategic target and the initial target, what we have raised that after the year, the cash flow will be positive after the dividend payout.

From the key ratio side, gearing from 60 close to 80. Equity stayed quite stable, around 40, and net debt to adjusted EBIT was 3.6 to 4.8.

Look at the Q1 and a little bit for the full year, the equity ratio was on a healthy level, gearing was affected by seasonality and also the investment for the growth. And the cash flow, our target is to create positive cash flow after the dividend payout.

I want to ask for Kari to look at the outlook as well as the guidance.

Kari Kauniskangas: Thanks. Okay. The market outlook table is exactly the same than it was 1<sup>st</sup> February a year ago. A few comments still concerning this. So in Russia, still it's green due to reason that when we look at the second quarter last year, the situation was clearly worse than the situation today. But if the situation continues like this – also after three months, then the outlook will be around the same level than it has been 12 months back as well.

Outlook in infra projects in Finland this year is positive. But due to the missing decision of long-term investment plan of government in Finland, there is weaker outlook for 2019 so far. There is still, during the budget negotiations of government, plan to make decisions on several investments to be done and started next year.

The outlook has been improved a bit from the beginning of the year. So as we said already then, the adjusted operating profit is expected to fluctuate significantly between the quarters. We are not expecting any more negative quarters for this year.

In our annual planning, as Ilkka said, to have a positive cash flow after paid dividend is key factor and that's also our target.

Secondly, we adjusted our estimate on the total amount and timing of synergy benefits, and now the estimation is that total annual synergies related to merger will have impact of €40 million to €50 million by the end of 2020, and of this €40 million Euros is achieved starting from the first quarter of 2020, so one year earlier than previously. Also, that in Finland and CEE housing segment, there will be around 5,000 to 5,500 apartments, and approximately 3,000 apartments in Russia that will be completed, and especially in Russia main part of the apartments will be completed during the last quarter.

Also, during this year, at the beginning of the year, we have signed several significant long term lease agreements, and we estimate to sell several large business premises projects in Helsinki metropolitan area during the remainder of the year to final investors.

During the last – sorry let's look this one still. So the market outlook for segments and this is as well exactly the same than three months ago, with those two comments concerning Russian environment, and also intra market outlook for next year.

During the last few weeks, employee's association has organised strikes in certain companies in construction material industry, which has had also a negative impact in some sites of YIT as well. Now, at the beginning of this week, they announced that they will widen the strikes also to some companies in building construction and building services area, including YIT's infrastructure projects segment.

Yesterday, the confederation of Finnish construction industries (“RT”) announced a lock out for employees, starting from the May 9<sup>th</sup>. So, there is still 12 or 13 days before that, and I strongly hope that the parties are able to negotiate and find an agreement so that we can keep the peace in the market.

I am extremely proud of high commitment shown and hard work done by our employees during the first quarter. In addition to merging two companies, and reorganising it, we have been able to keep our eyes and focus still in projects and clients, which can see us increasing backlog of orders and good proceeding in construction sites.

Despite of those negative changes in – or negative impact of thorough project review we had at the same time great succeedings in renting premises and outlook for the company for that reason is unchanged.

The market outlook in Finland CEE especially, is, in spite the demand, has continued on a good level. I’m very confident that we continue fast in integration and we are reaching the synergy targets, but also that we will be successful in the market utilising better opportunities that current market environment provides.

We will organise a Capital Markets Day at the end of September, so I invite you all, and you all are welcome to that event. Well, that’s our presentation today. Now, if there are any questions, you are ready to ask.

No questions from Käpylä, then we have questions online.

Operator: And we’ll go to our first caller from the phone, from Ari Järvinen with Danske Bank.

Ari Järvinen: Yes, hello it's Ari from Danske. Are you still on?

Kari Kauniskangas: No, we can't hear you.

Ari Järvinen: Can you hear me?

Kari Kauniskangas: Now, we can, yes.

Ari Järvinen: Okay, that's great. So first, starting on this paving unit, I know it's coming from the Lemminkäinen side, but we have really seen before this kind of troubles in profitability. I assume it's mainly Norway and Sweden, so this time, what are the actions, and when should we expect some positive feedback? Because these actions I assume, were initiated already like last autumn, so what's really happening there?

Kari Kauniskangas: I'm very satisfied on the proceeding with those actions during the winter. So we have, I as said earlier, closed six plants which are somehow located so that we don't see the opportunities to make positive profit. We have also reorganised the companies, made some changes in management, change some management practices, also in tendering processes, we have shared information and people across countries, and of course, now, the season has started at the beginning of April, so we will see now the impact already starting from Q2.

I'm quite positive on what we have done. I am sure that the units will not be still in the highest possible position during this year but I'm quite confident that there will be clear improvement during this year anyway in both Norway and Sweden.

Ari Järvinen: Okay. And then you mentioned that the paving season indeed has already started to like be more active. So what can you tell about the bitumen prices? And I understand the logic that the budget money is pretty stable, usually volumes are coming down maybe. So how have bitumen

prices developed so far and what should we expect on the profitability if the volumes are coming down?

Kari Kauniskangas: First of all, we have hedged the bitumen price in a way or another practically in all projects. So the changes in bitumen price as such doesn't have an impact in our operating profit. Yes, if the bitumen price is high, usually the tonnes are smaller during the season than if the price is lower.

We have been quite successful during the tendering stage in the first quarter. So at the moment, the expectation of volumes are quite stable or maybe it's a bit lower than a year ago.

Now, of course, it's good remember that we have closed six plants which has a negative impact to total volumes of the company.

Ari Järvinen: Okay. So – and then to Russia basically, you had YIT as a standalone basis had a fairly good like improvement last year in the second half, and now, a very big dip. How big this project write-down has been and have you been like playing with the prices to get the volumes since volume is up for these two sales volume up?

Kari Kauniskangas: If you look at the housing business standalone, the result was quite close to what was the result a year ago. As I said, there is more sales coming from the Moscow region where the project profitability level is lower than it has been in other units throughout the segment, so the, let's say, housing standalone profitability was a bit weaker than a year ago at the same time. Even the volumes in units was higher than a year ago.

Ari Järvinen: Okay, thanks. And then a little bit shorter ones, a couple of more questions. So Finland, I have seen like the banners of the various websites that you have given the transfer tax benefit in

some Southern Finland housing projects for consumers. So if the market is good and demand is high, consumer is very happy. Why should you give kind of like this kind of small discount?

Kari Kauniskangas: I'm not sure on the projects. But usually that kind of actions are connected to the, let's say housekeeping situation. We try to keep amount of a number of unsorted completed apartments on a low level.

Ari Järvinen: Okay. And then you already mentioned about this labour market and labour union actions. So have you had some material impact on your concrete availability, for example, at the Tripla project? So how good visibility do you have on this one?

Kari Kauniskangas: So far, we have been able to continue works in Tripla as planned. Also we have been able to get concrete also in those strike days.

Ari Järvinen: And do you expect this to continue like that if it continues with the actions that they have announced to have planned?

Kari Kauniskangas: According to current announcement of both parties, there will be some strikes still within the coming ten days. And then the whole industry will stop if we are not able to reach the agreement. But I strongly hope that both parties are willing to negotiate so that we will reach the agreement that there is no need to go for a total lockout of the business.

Ari Järvinen: Okay. And then finally from me, could you elaborate a bit more on the dynamics of the guidance? You have been talking about planning to provide a numerical guidance for this year but we are already in May almost. So what's the dynamics? Why aren't you able to disclose any guidance or are you planning to do such?

Kari Kauniskangas: It's actually quite easy. So we have the whole structure in place 1<sup>st</sup> May. Today is 27<sup>th</sup> or 26<sup>th</sup> of May – of April. So we can finalise the targets according to current organisation after the 1<sup>st</sup> May. Then as I said, earlier the Board of Directors will consider if we will give numerical guidance or not.

Ari Järvinen: Okay. Thank you. That's all for me.

Operator: For the next two, Robin Nyberg with Carnegie.

Robin Nyberg: Hello. It's Robin Nyberg from Carnegie. I have two questions. First one is on the housing Russia segment which was quite weak now in the first quarter, could you go through those reasons for the weakness and do you expect to reach still a breakeven result for the full year on POC basis?

Kari Kauniskangas: As said, this big and smart in contracting business in Russia has a remarkable impact to operating profit and housing business standalone was quite close to the last year's level. We estimate that the whole year figures especially if we are talking on IFRS figures it's much more difficult. And also in POC figures we are not making more estimations. Of course, we can say that estimation is that the sales speed will stay in current level for this year, which of course is a bit better than a year ago. Extremely big importance is that how well the sales in St Petersburg is proceeding.

Robin Nyberg: Okay, thank you. And then you have this new segment called Partnership Properties. You didn't book any sales or earnings from that as of yet. When should we expect you to start booking, for example, sales from that – in that segment and what kind of level could we expect?

Kari Kauniskangas: There will be first figures coming also already this year. Just an example, this YCA housing fund. The revenues and profits are recognised when the project are completed and the

apartment is sold and first of those projects started under this fund will be completed this year. So I think there will be profits and revenues coming starting from this year.

Robin Nyberg: All right, thanks. And then maybe one more regarding the net debt, it increased somewhat from the end of last year, and did you say that you expect positive cash flow now during the year so that it should trend down from this 800 million seen in Q1?

Kari Kauniskangas: Yes, it's obvious that during the first half of the year due to seasonality of paving, due to payment of dividend, usually plots are done more during the first half of the year than second half of the year. There will be negative cash flow at the first half of the year. And then at the same time, during the second half of the year, paving season is strongly proceeding, and we have also those large office projects to be solved where we expect quite strong cash flow. So the planning principal for YIT as we have announced already last summer that we are looking for positive cash flow after dividend payout.

Robin Nyberg: Okay, thank you. Got it.

Operator: And as a reminder to ask a question over the phone, that's star one on your telephone keypad. And we will go next to Anssi Kiviniemi with SEB group.

Anssi Kiviniemi: Yeah, hi. Thanks for taking my questions. It's Anssi from SEB. Overall, you highlighted that there has been a project review and there is some dozen of projects you have been doing write-downs. Could you a little bit elaborate on what has been the effect in Q1 results so that we could get a little bit better feeling of the underlying performance that you have in the segments that you make the write-downs? Thank you.

Kari Kauniskangas: If you look the difference between Q1 last year and this year in adjusted operating profit, then you can estimate also the impact of those project changes.



Anssi Kiviniemi: So operationally, you've been on an similar level than – at last year?

Kari Kauniskangas: We're on.

Anssi Kiviniemi: Okay, great. Thanks. Then question on housing completions, now you indicate that there's going to be 5,000 to 5,500 completions in housing Finland and CEE and then also around 3,000 in housing Russia, that's indication that sales will come down in housing business in 2018. Is this correct?

Kari Kauniskangas: It's not the indication on that. It's only indication on completion of apartment. It's not the sales estimate.

Anssi Kiviniemi: Okay. But those go hand-in-hand very well in IFRS accounting, right?

Kari Kauniskangas: No.

Anssi Kiviniemi: Could you elaborate on that a little bit more?

Kari Kauniskangas: Of course, all apartments will be sold in a certain time but the sales and the completions are not maybe connected with the same year.

Anssi Kiviniemi: Okay.

Kari Kauniskangas: So big part of the apartment which will be completed this year can be sold already during the previous years.

Anssi Kiviniemi: Okay, great. Then a question on synergies and perhaps on the net financials, what is the magnitude on net financial synergies that you are expecting and when should we see those coming in?

Kari Kauniskangas: We will – let's say, we will for sure tell the figure when we know that we have an opportunity to refinance €250 million bonds during this and next year. And also, we have paid back already this €35 million hybrid bond. So when this refinancing will be done then we see the final impact.

Anssi Kiviniemi: Okay, thanks. Then my last question relating to the potential strikes in Finland. We have seen the announcement, we have seen the dates and we have seen the potential impact. As we know it now, is there going to be a large impact from the announced measures? Are we talking about single million euros on operating profit or have you tried to estimate what is the magnitude on being back for your operations?

Kari Kauniskangas: To be honest, we have had not time to consider what the impact. We really hope that we are able to negotiate or RT is able to negotiate the agreement with the employees' organisation. With the incoming two weeks, so far, we have been able to survive quite well on those strikes we have in some companies in many construction material industry.

Anssi Kiviniemi: Okay. That's all from me. Thanks for taking my questions.

Operator: And at this time there are no further questions. I'll turn the call back to Hanna.

Hanna Jaakkola: Thank you. I have a couple of questions coming from online. On the IFRS housing revenues regarding Finland and CEE, IFRS, you said adjusted operating profit was boosted by completions, yet figures, revenue figures, show minus 6% year-on-year. Could you please elaborate? Last year's revenue was...

Kari Kauniskangas: Yes. So last year, in Q1 we had plot sales in – which impacted in revenue, not profit level. And also, there was bundle sales deals, almost 200 units last year and during the first quarter, and now we had only some 30, 38 apartments in that area.

Hanna Jaakkola: And then what shall we make of Tripla development? When will the revenues be recognised in profitable statement?

Kari Kauniskangas: So we are now recognising profit and revenue from Tripla more, 61.25% of the construction revenue and profit. And the rest will be recognised when the project is completed by end of next year.

Secondly, we have now started the construction of offices as well. And from offices, we are not recognising revenue and profit at all at the moment, because we have not yet sold those projects. Also, there is hotel construction ongoing and that has been fully sold already so we are recognising both revenue and profit fully from that project according to percentage of completion.

Hanna Jaakkola: Then how about the weather impact in infrastructure projects and paving in Q1?

Kari Kauniskangas: In Q1 this year there was a winter during the whole quarter, so it doesn't have impact. The season started at the beginning of April practically in all countries. Also, it's good to remember that we closed two asphalt plants in southern Sweden. Last year the winter was not as heavy so the works in Denmark and southern Sweden was started already in March.

Hanna Jaakkola: And then the last one, with the new IFRS accounting, what can you guide us on completions of recent development? Is there a seasonal pattern we should know or take note?

Kari Kauniskangas: Unfortunately, no, especially in Housing Finland and CEE. In Russia, it looks like that the main part of the completions seems to be in the last quarter and the Housing Finland and CEE – that the revenue and the completions are quite evenly distributed throughout the year. But unfortunately, there are differences between countries, so in Finland it's not evenly distributed. And in Finland, the value of the apartments are higher than in Baltics and CEE. So that may have an impact.

Hanna Jaakkola: Good. Thank you. No further questions.

And if you have any questions, please don't hesitate to contact me after this. Thank you.

Kari Kauniskangas: Thank you.