



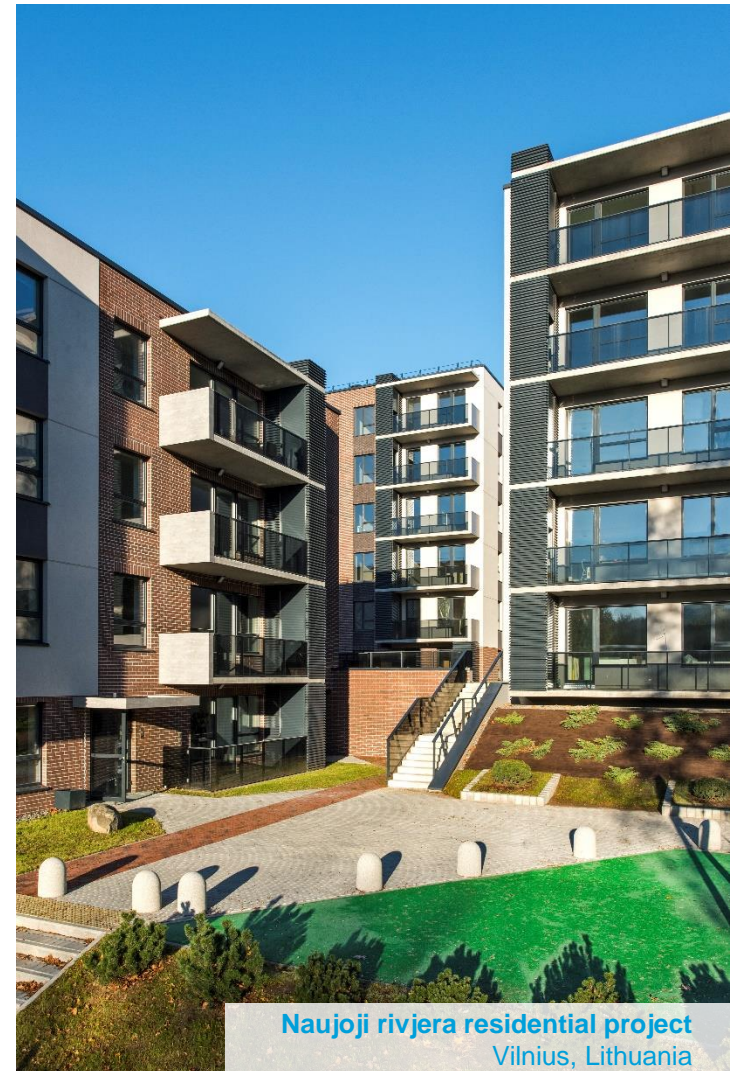
Interim Report January–March 2017

Kari Kauniskangas, President and CEO



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- 2 Housing Finland and CEE
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# 1

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Group  
development  
in Q1/2017



# Key messages in Q1/2017

- Group revenue and operating profit grew clearly, profitability as expected
- Strong residential sales in Finland and CEE
- Housing Russia was weak due to low sales
- Revenue grew in Business Premises and Infrastructure, profitability was low
- Strong cash flow supported by capital efficiency measures, leading to the decrease in net debt

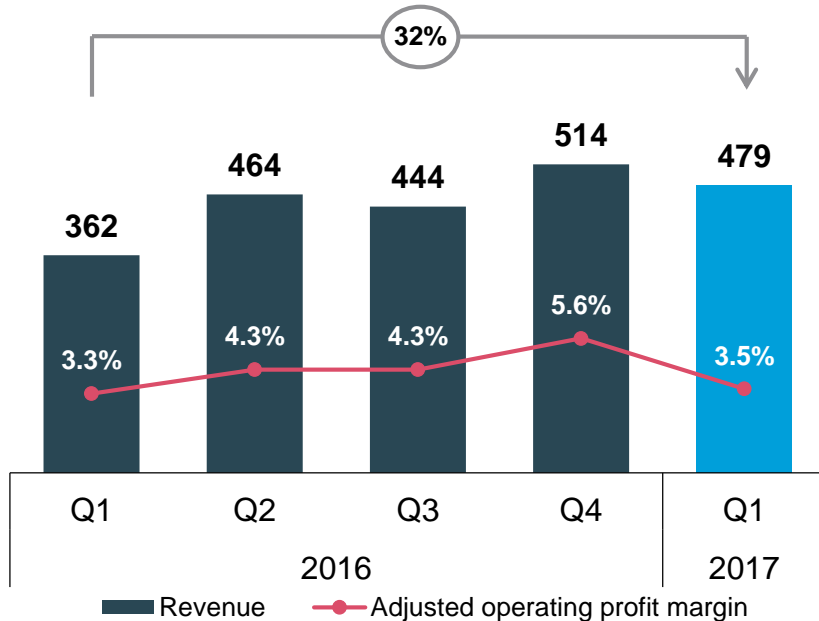


# Revenue increased in Q1, profitability stable

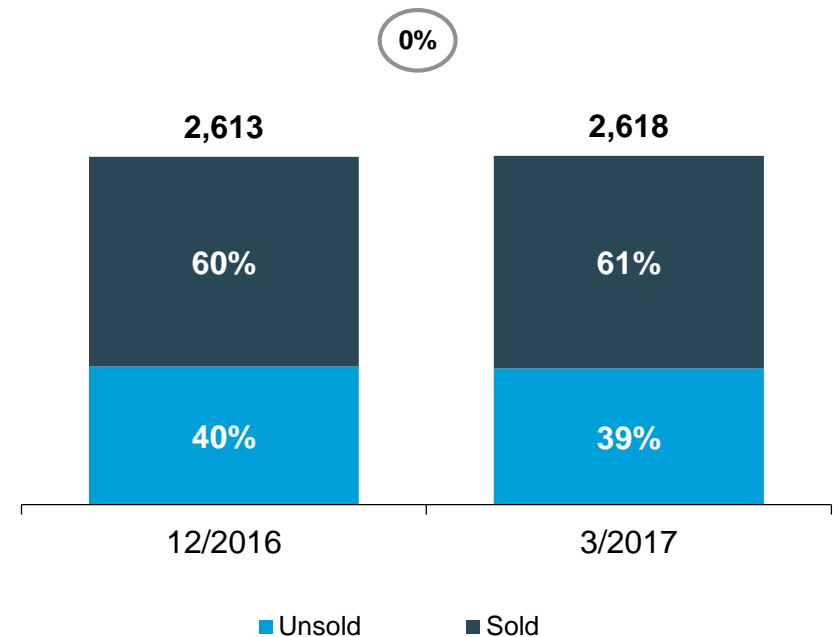
- Revenue increased by 32% y-o-y, boosted by capital efficiency measures of approximately EUR 50 million, and strong consumer sales especially in Finland
- Profitability remained stable y-o-y
- Order backlog remained stable q-o-q

Revenue and adjusted operating profit margin (EUR million, %)

2016: EUR 1,784 million, 4.5%



Order backlog (EUR million)



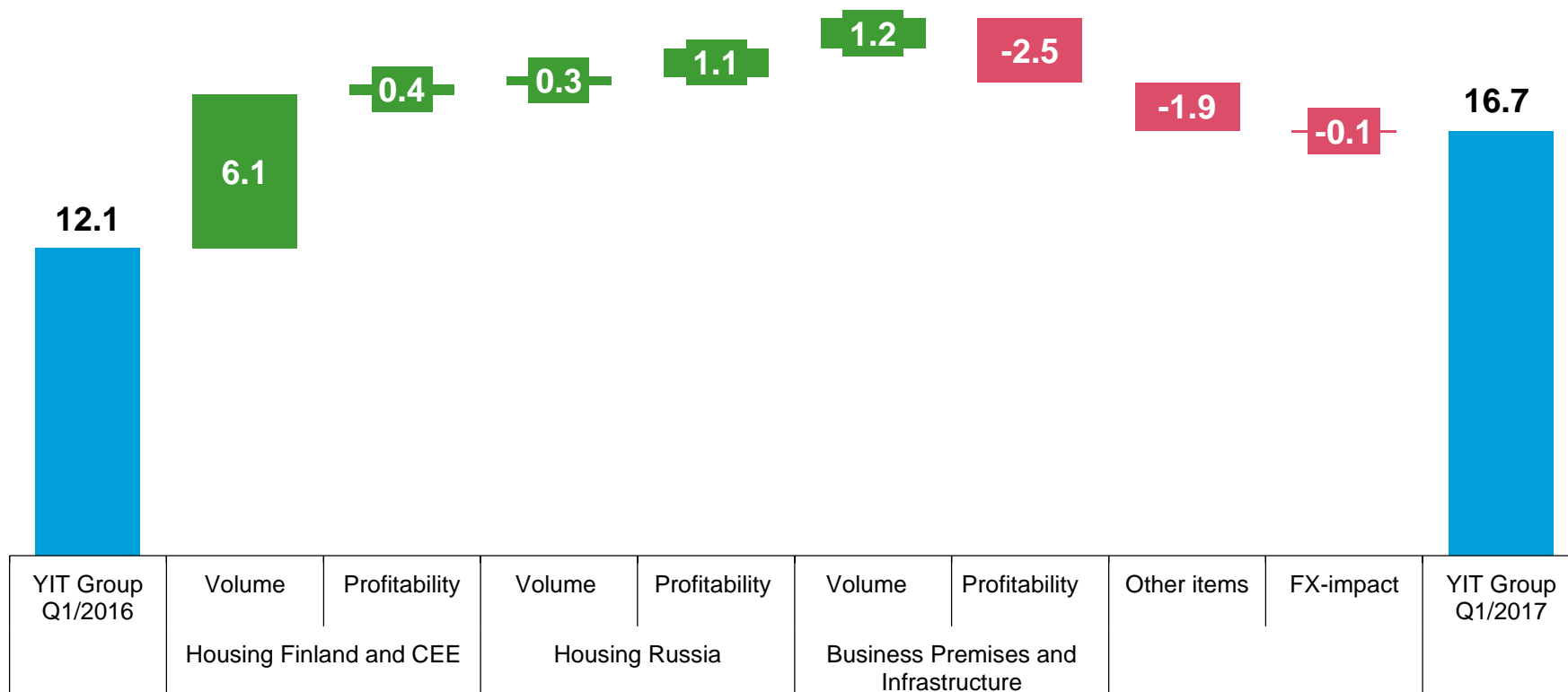
All figures according to segment reporting (POC)

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

# EBIT-bridge Q1/2016–Q1/2017

- Positive EBIT development in Housing Finland and CEE due to strong residential sales
- Profitability of Business Premises and Infrastructure was low due to weakened margins in certain projects in the CEE countries and seasonality of infra

Adjusted operating profit (EUR million), change Q1/2016–Q1/2017: 38%





# 2

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## Housing Finland and CEE

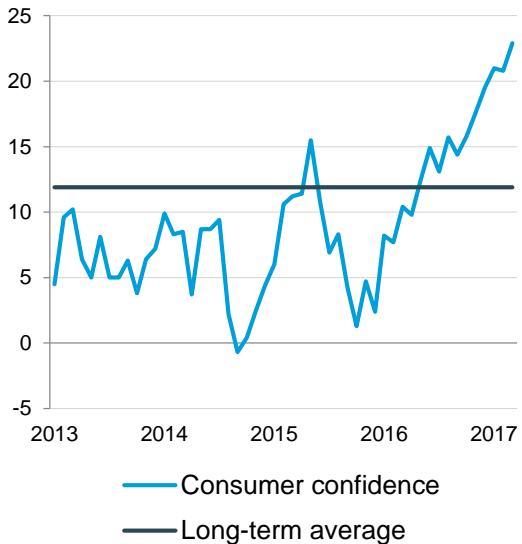


# Housing Finland and CEE

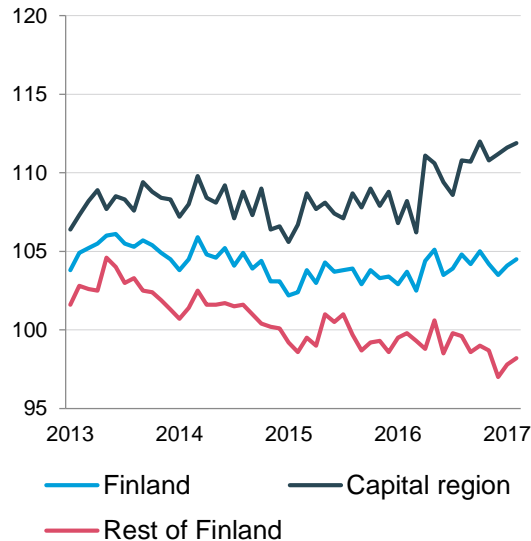
## Operating environment in Finland in Q1

- Consumer confidence on a record high level
- Residential investors more selective, demand focused on capital region
- Good demand especially for affordable apartments in the growth centres
- Demand for larger apartments continued to improve
- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans continued to increase y-o-y

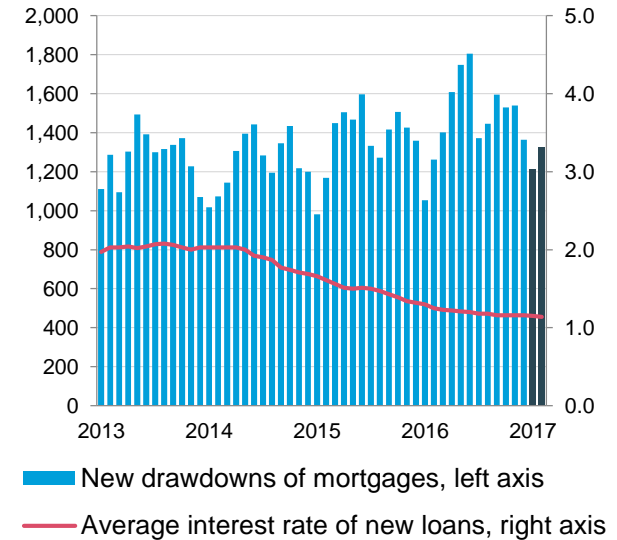
### Consumer confidence



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



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



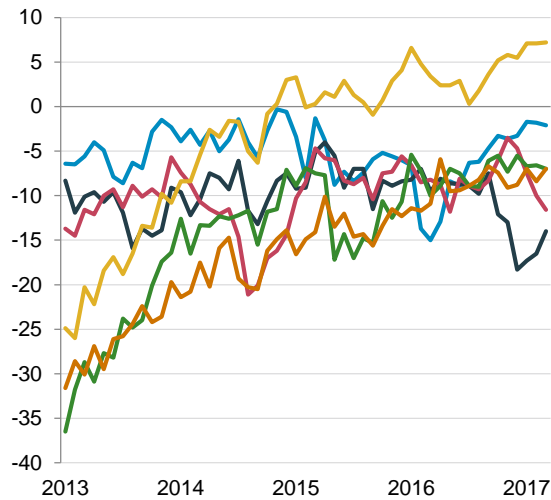
Sources: Statistics Finland and Bank of Finland



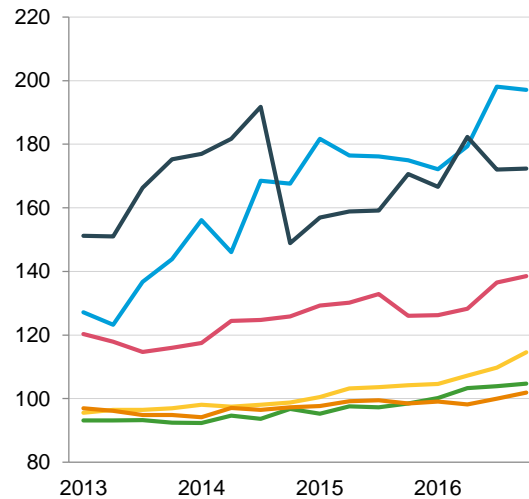
## Operating environment in the CEE countries in Q1

- Residential demand on a good level especially in Slovakia and the Czech Republic
- Prices of new apartments increased slightly
- Competitive situation was reflected as cost pressure
- Interest rates of mortgages on a low level
- Consumers' access to financing remained good

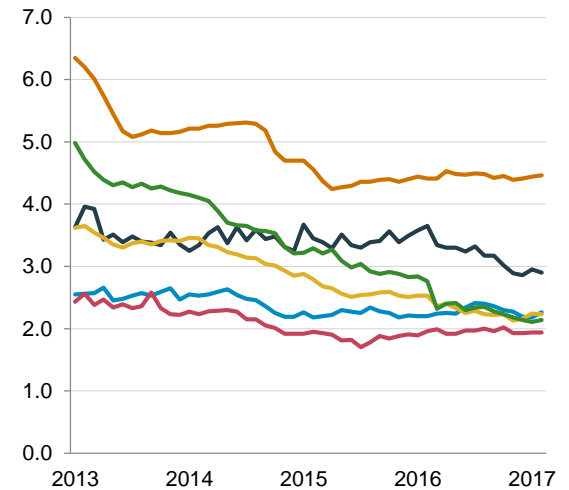
### Consumer confidence



### House price index, new dwellings (2010=100)



### Average interest rate of mortgages (%)



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

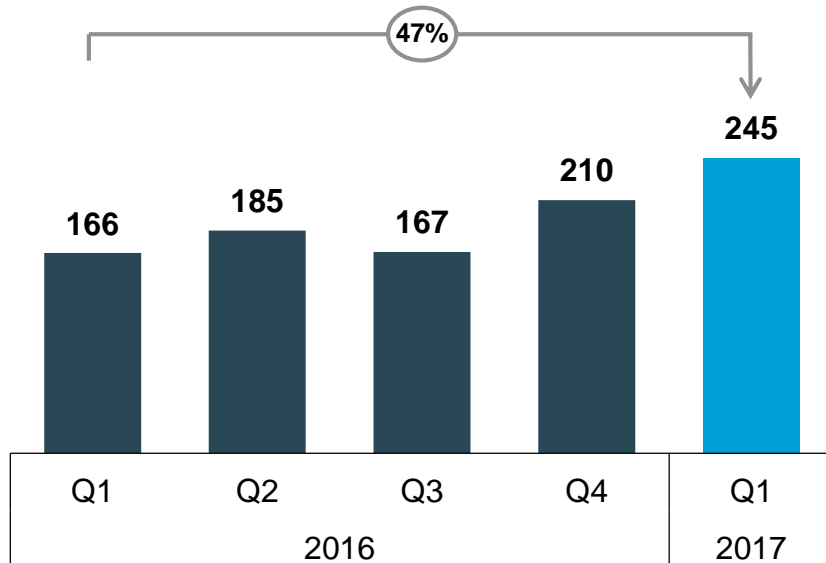
Sources: European Commission, Eurostat and National Central Banks

# Revenue increased clearly in Q1 due to brisk housing sales

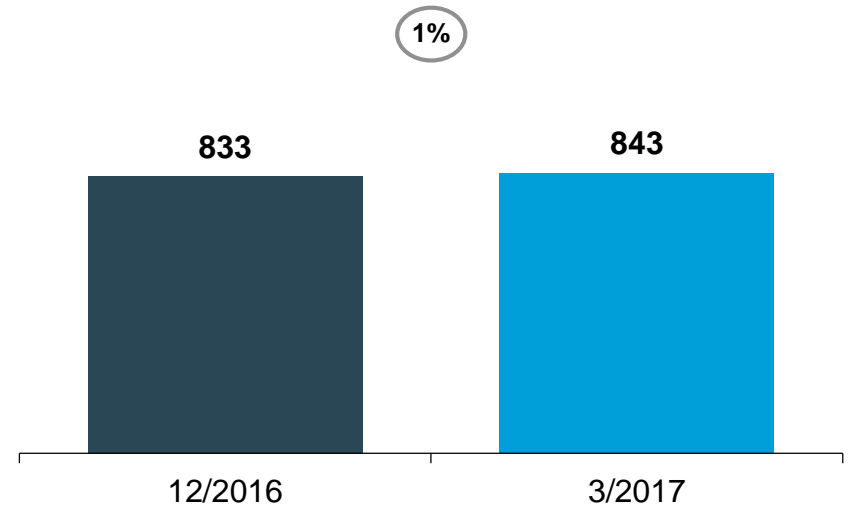
- Revenue increased by 47% y-o-y, boosted by strong residential sales as well as capital efficiency measures
- The plot sales of around EUR 25 million had no profit impact
- Order backlog remained stable q-o-q

Revenue (EUR million)

2016: EUR 728 million



Order backlog (EUR million)



All figures according to segment reporting (POC)

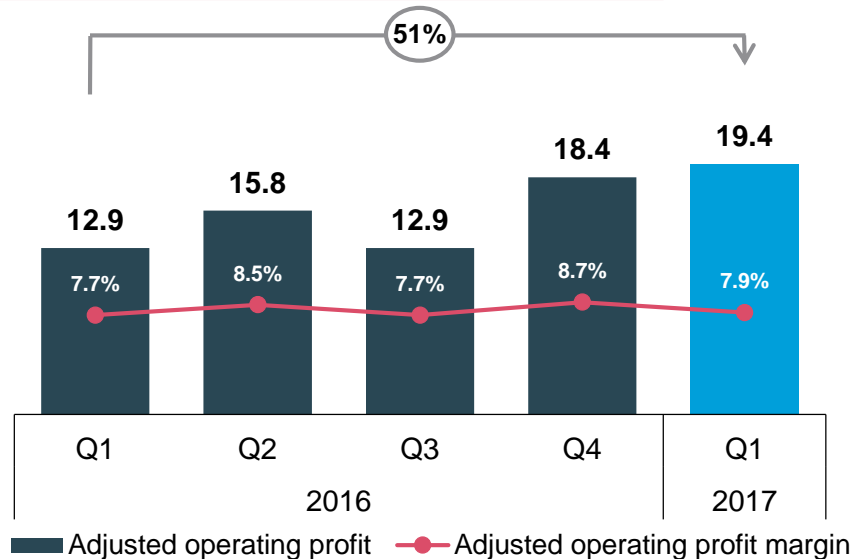
# Housing Finland and CEE

## Operating profit improved strongly in Q1

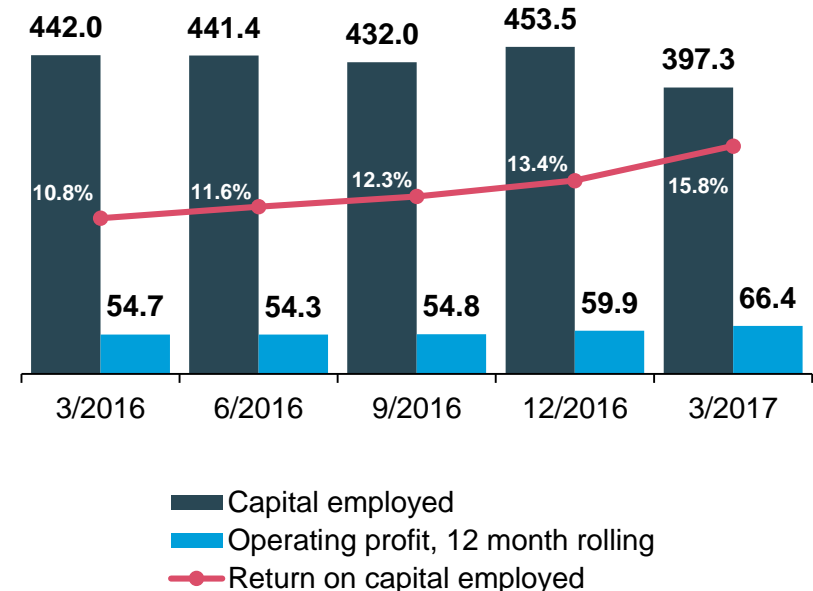
- Operating profit improved clearly due to strong residential sales
- Limited profitability improvement due to capital efficiency measures, such as plot sales
- ROCE continued to improve and was over 15% (strategic Group ROI target level 15%)

Adjusted operating profit and adjusted operating profit margin  
(EUR million, %)

2016: EUR 59.9 million, 8.2%



Return on capital employed<sup>1</sup> (EUR million, %)



All figures according to segment reporting (POC).

<sup>1</sup>As of the beginning of 2017, in order to clarify its financial figures terminology, YIT starts to use the terms Capital Employed and Return on Capital Employed (ROCE) for segment reporting instead of previously used Operative Invested Capital and Return on Operative Invested Capital (ROI). The formulas for these financial figures remain untouched.

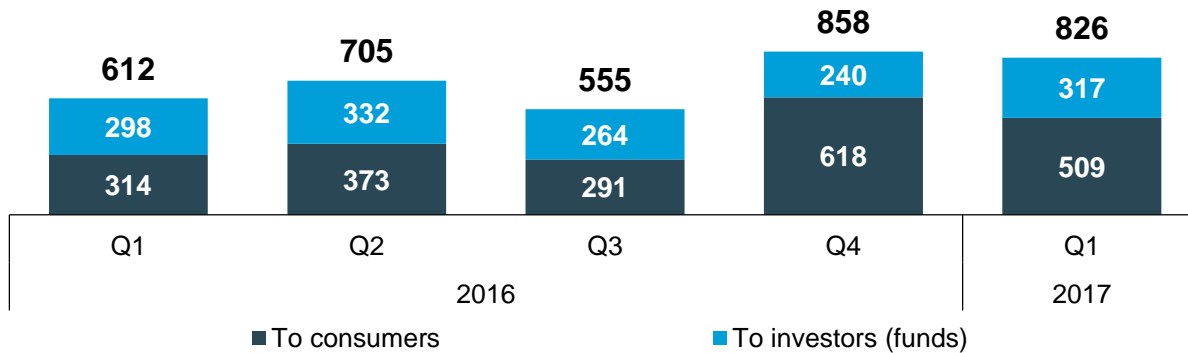


# Housing Finland and CEE

## Sales and start-ups in Finland in Q1

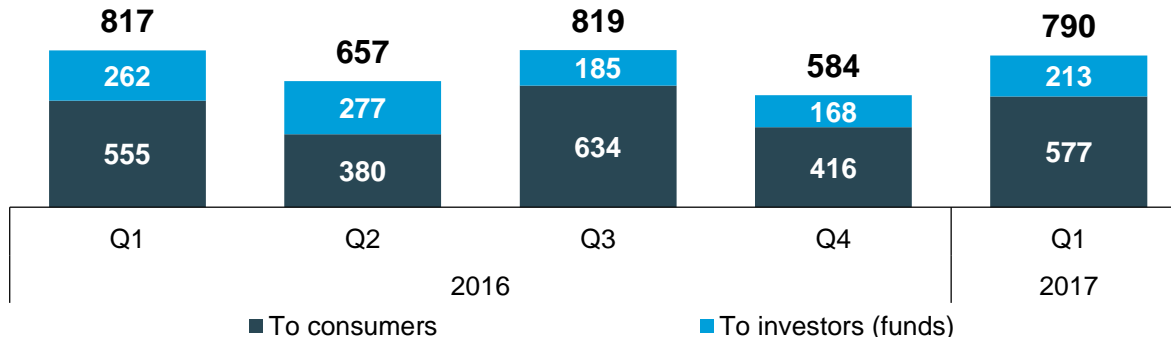
### Sold apartments (units)

2016: 2,730



### Apartment start-ups (units)

2016: 2,877



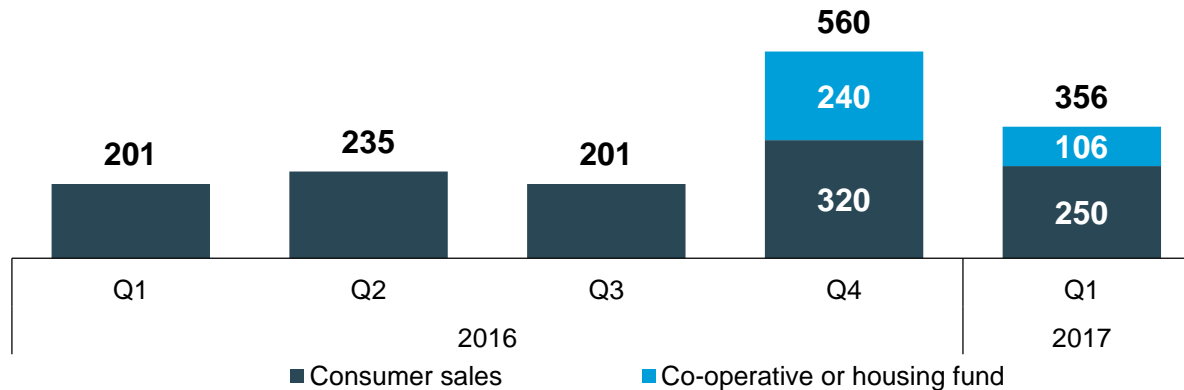
- Strong consumer sales, +76% y-o-y
- Share of units sold to consumers: 62% (Q1/2016: 51%)
- 104 apartments sold in bundles to investors (Q1/2016: 36 units)
- Agreements signed to construct 8 projects to investors of which over half was started in Q1
- In April, estimated sales to consumers around 130 units (4/2016: around 130 units)

# Housing Finland and CEE

## Sales and start-ups in the CEE countries in Q1

### Sold apartments (units)

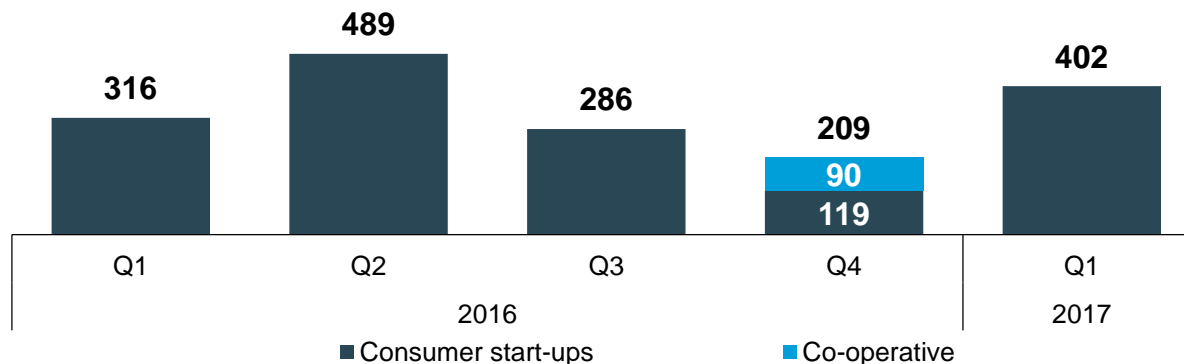
2016: 1,197



- Number of units sold to consumers grew by 24% y-o-y
- An apartment building project in Bratislava, Slovakia with a total of 106 units was sold to YCE Housing fund I
- A plot for an area development project of ~350-400 apartments acquired in Prague, the Czech Republic
- In April, estimated sales to consumers around 80 units (4/2016: around 80 units)

### Apartment start-ups (units)

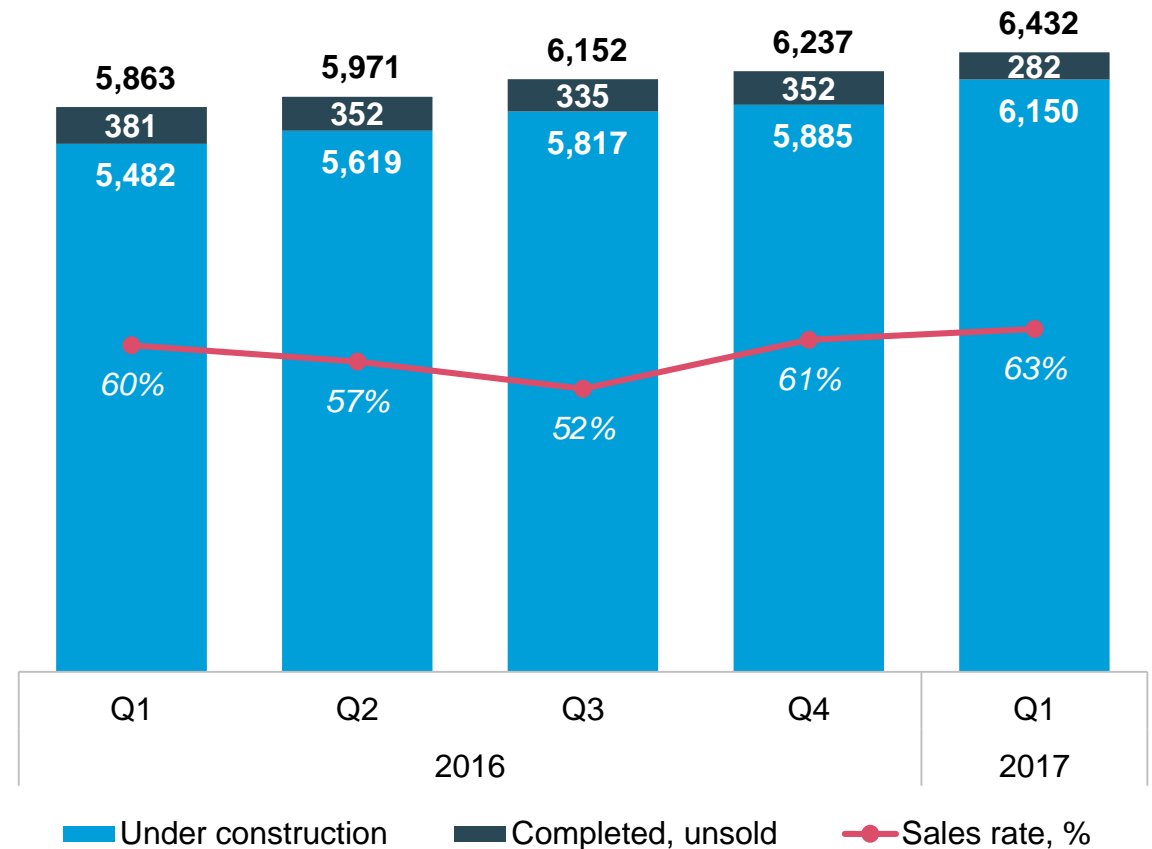
2016: 1,300



## The production volume (units) continued to grow in Q1

- Number of unsold completed apartments on a low level
- Sales rate of the inventory increased due to higher sales rate in CEE
- The share of CEE of the sales portfolio (units) 46% (3/2016: 43%)

Apartment inventory (units)





# 3

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## Housing Russia



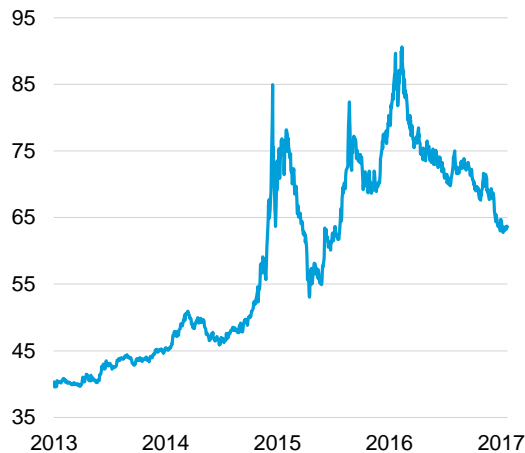
Inkeri residential project  
St. Petersburg, Russia

# Housing Russia

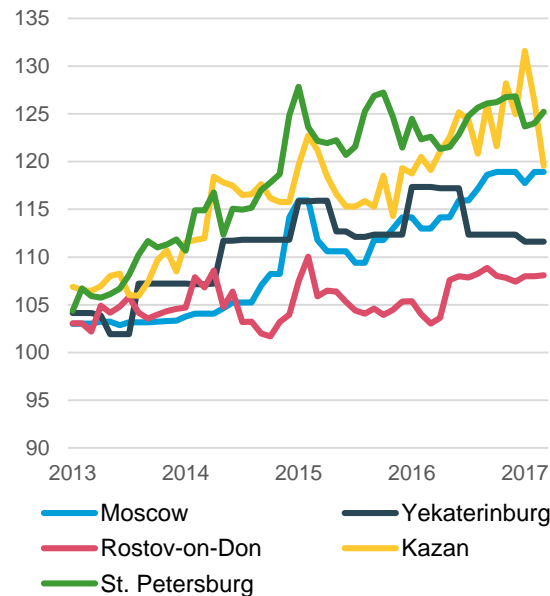
## Operating environment in Q1

- Consumers were cautious despite the stabilisation of the Russian economy
- The ruble continued to strengthen which further increased the caution of consumers and expectations for depreciation of the ruble
- Residential demand was weak
- Residential prices remained stable on average
- The ending of the mortgage subsidy program at the end of 2016 was reflected in residential demand
- Mortgage interest rates for new apartments decreased back to level of around 11%

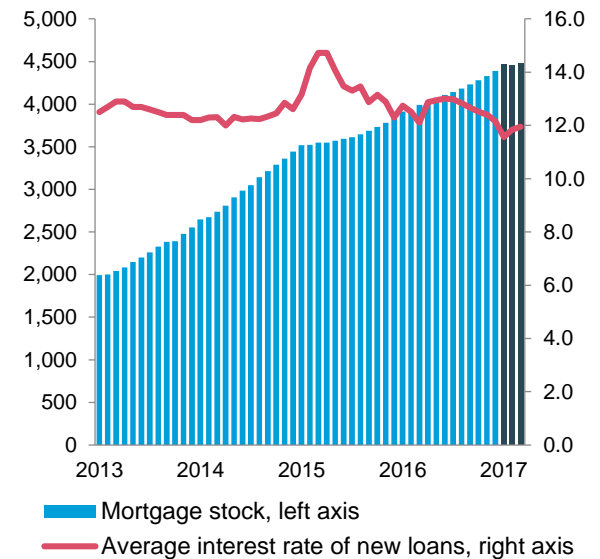
EUR/RUB exchange rate



Prices of new apartments  
(index 2012=100)



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



Sources: Bloomberg, YIT and Central Bank of Russia

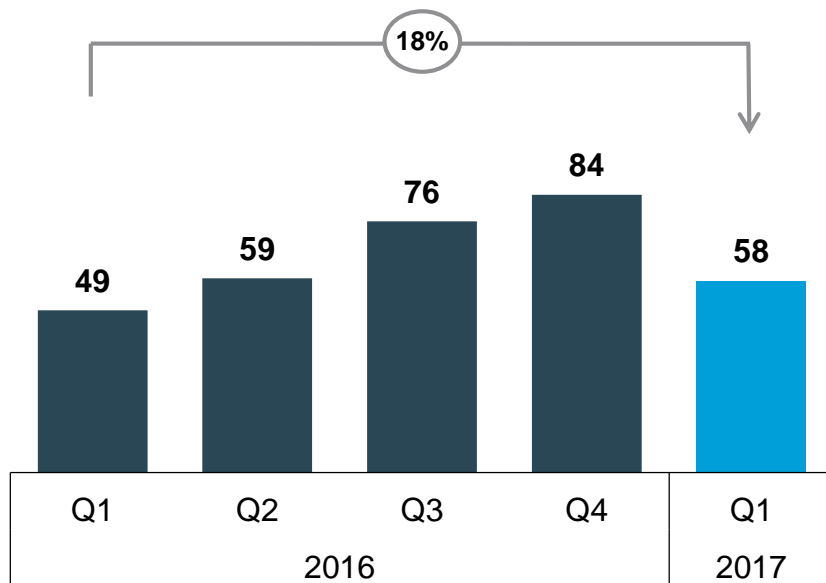
## Housing Russia

# Revenue decreased in local currency in Q1

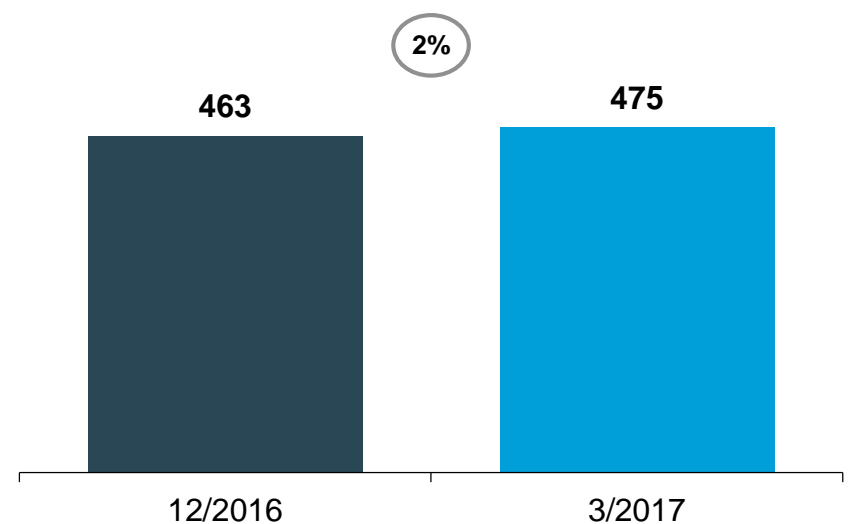
- Revenue decreased by 11% at comparable FX due to low residential sales
- Order backlog stable q-o-q due to ruble strengthening, FX impact EUR ~30 million

Revenue (EUR million)

2016: EUR 268 million



Order backlog (EUR million)



All figures according to segment reporting (POC)



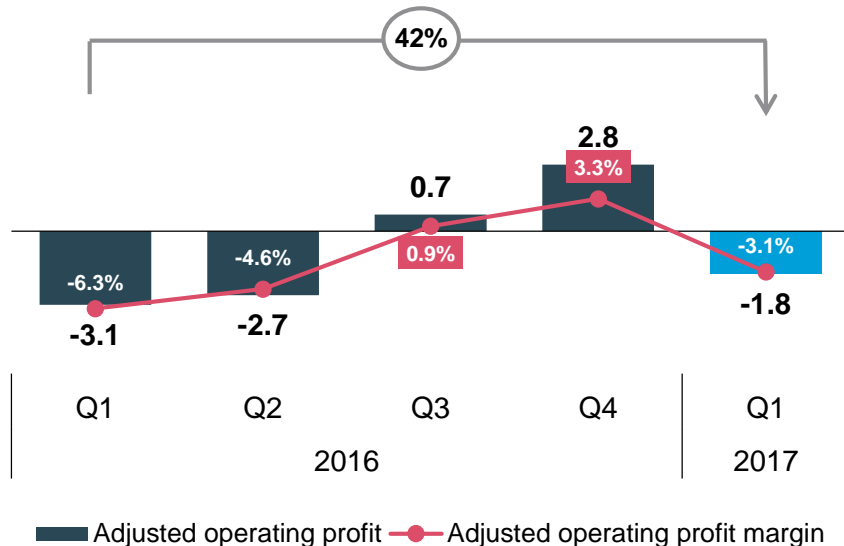
# Housing Russia

## Profitability improved y-o-y, but still negative in Q1

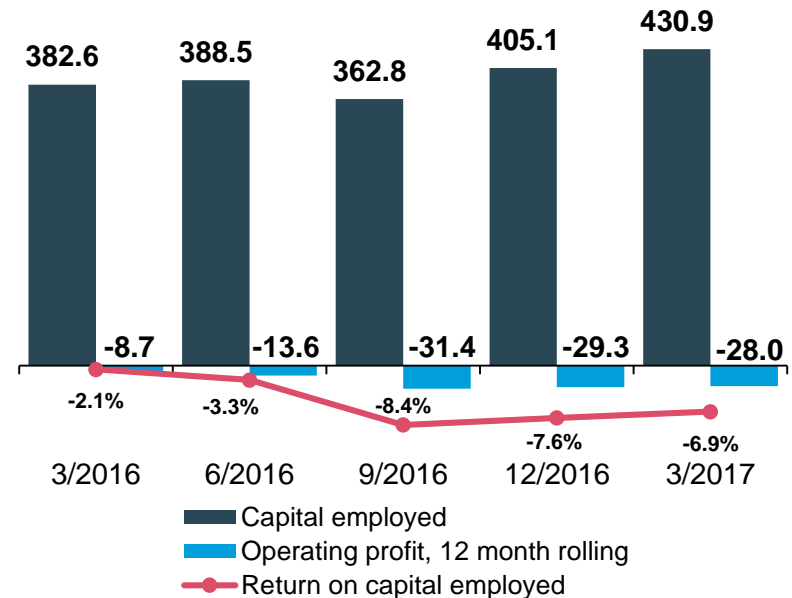
- Operating profit was negative due to low volume
- Capital employed increased due to strengthened ruble, ROCE was on an unsatisfactory level
  - Target to reduce the capital employed and continue to improve operating profit

**Adjusted operating profit and adjusted operating profit margin**  
(EUR million, %)

2016: EUR -2.3 million, -0.9%



**Return on capital employed<sup>1</sup>** (EUR million, %)



All figures according to segment reporting (POC).

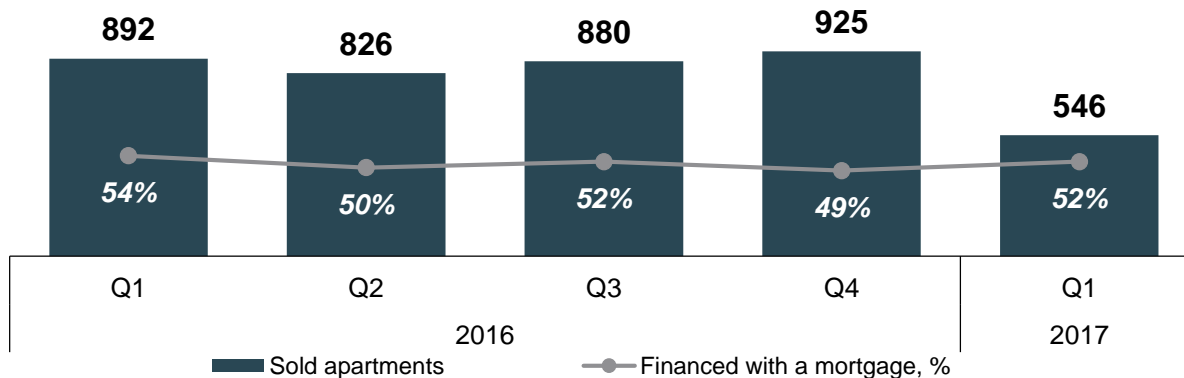
<sup>1</sup>As of the beginning of 2017, in order to clarify its financial figures terminology, YIT starts to use the terms Capital Employed and Return on Capital Employed (ROCE) for segment reporting instead of previously used Operative Invested Capital and Return on Operative Invested Capital (ROI). The formulas for these financial figures remain untouched.

# Housing Russia

## Sales and start-ups in Q1

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

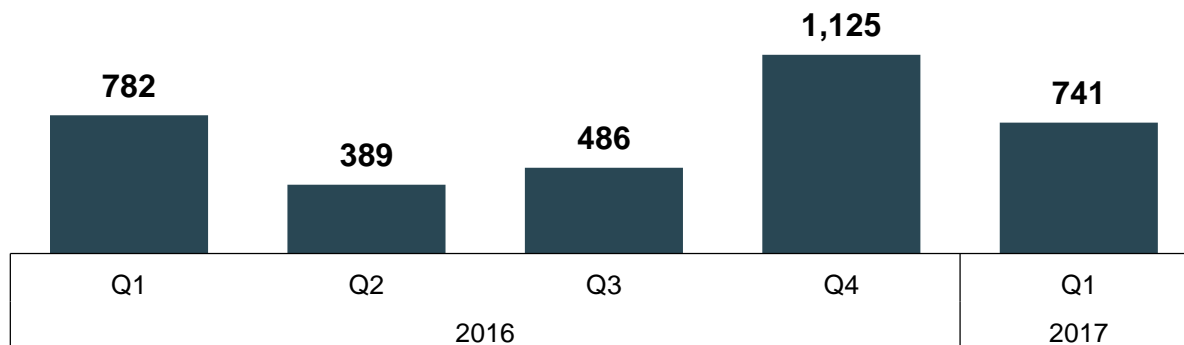
2016: 3,523 (51%)



- Number of sold units decreased by 39% y-o-y
  - No changes in price lists
- Start-ups decreased slightly y-o-y
  - New projects started in Yekaterinburg and Moscow region

### Apartment start-ups (units)

2016: 2,782



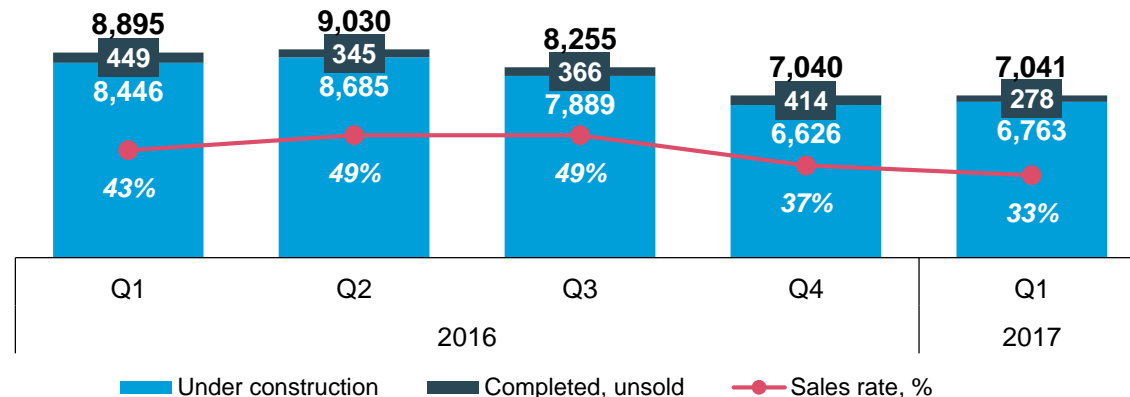
- Share of sales financed with mortgages continued on a stable level, number of mortgages low though
- In April, consumer sales estimated to be below 200 units (4/2016: over 250 units)

# Housing Russia

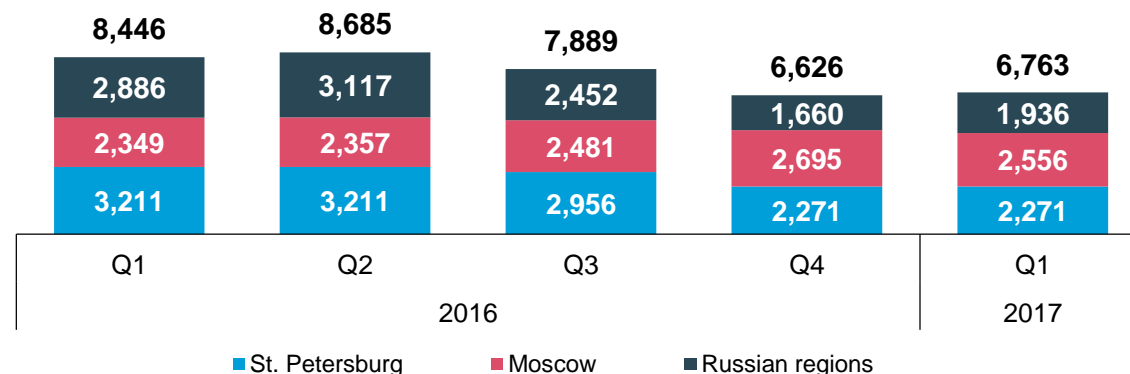
## Apartment inventory on a low level

- Sales rate declined due to completions
- At the end of March, YIT Service was responsible for the maintenance and the living services of over 26,000 apartments (12/2016: over 26,000)

Apartment inventory (units)



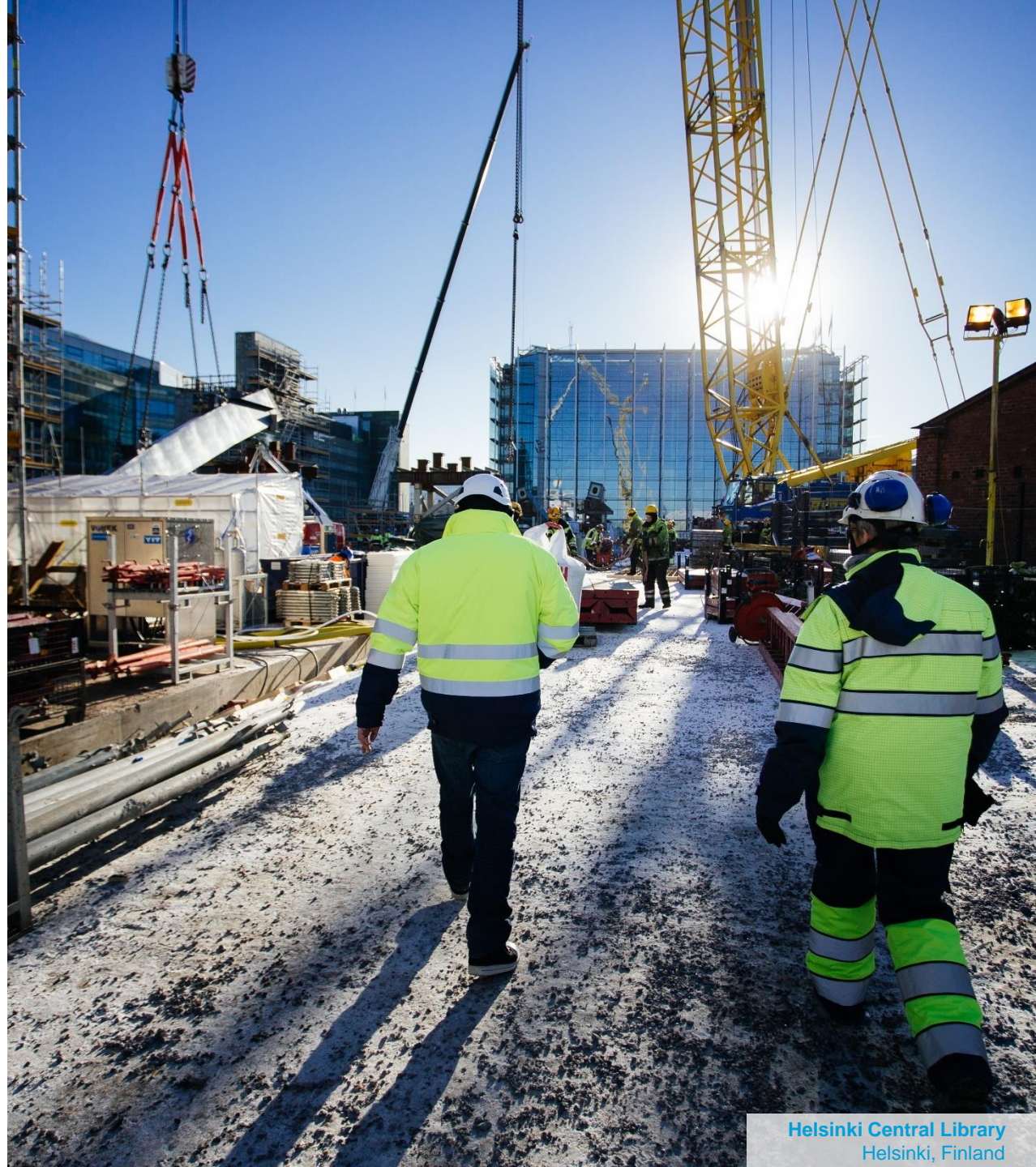
Apartments under construction by area (units)



# 4

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## Business Premises and Infrastructure





# Business Premises and Infrastructure

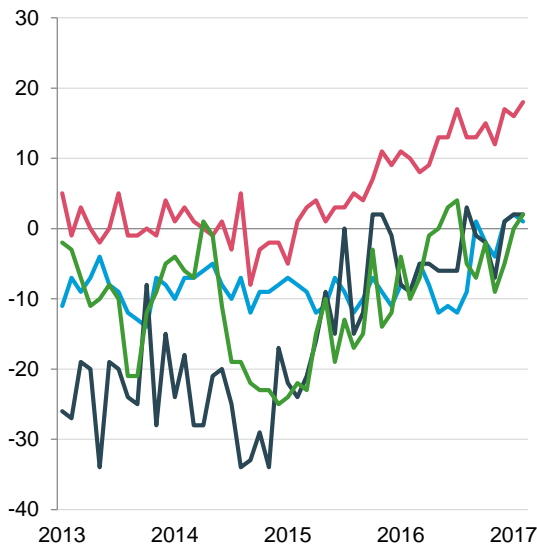
## Operating environment in Q1

- Investor demand for business premises in central locations on a good level in Finland

- The tender market was active especially in the capital region
- The Finnish market for infrastructure remained stable

- Investor demand for business premises good in the Baltic countries and Slovakia

Confidence indicators in Finland



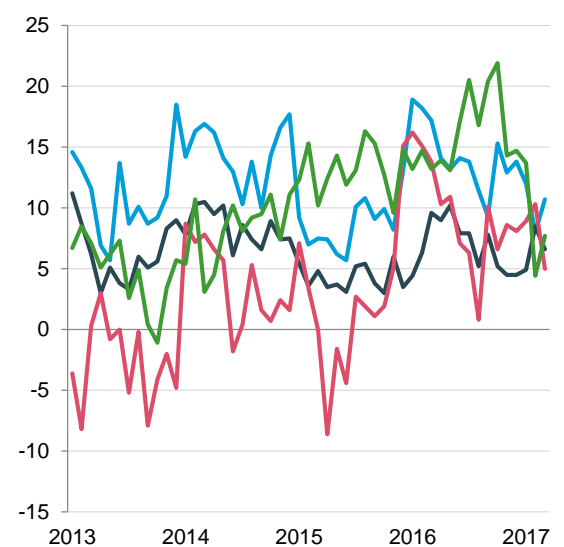
— Manufacturing      — Construction  
— Services            — Retail trade

Volume of new construction in Finland (index 2010=100)



— Commercial and office premises  
— Public service premises  
— Industrial and warehouse

Retail trade confidence in the Baltic countries and Slovakia



— Estonia              — Latvia  
— Lithuania          — Slovakia

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

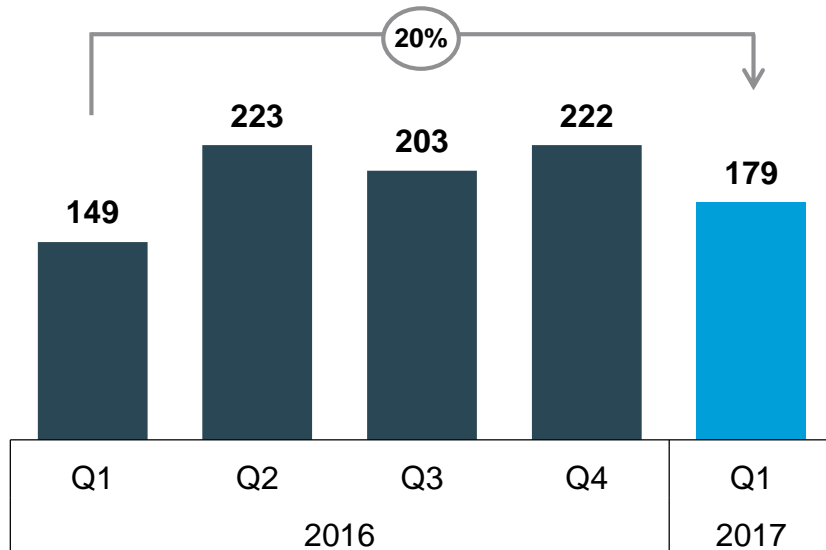
# Business Premises and Infrastructure

## Revenue increased in Q1

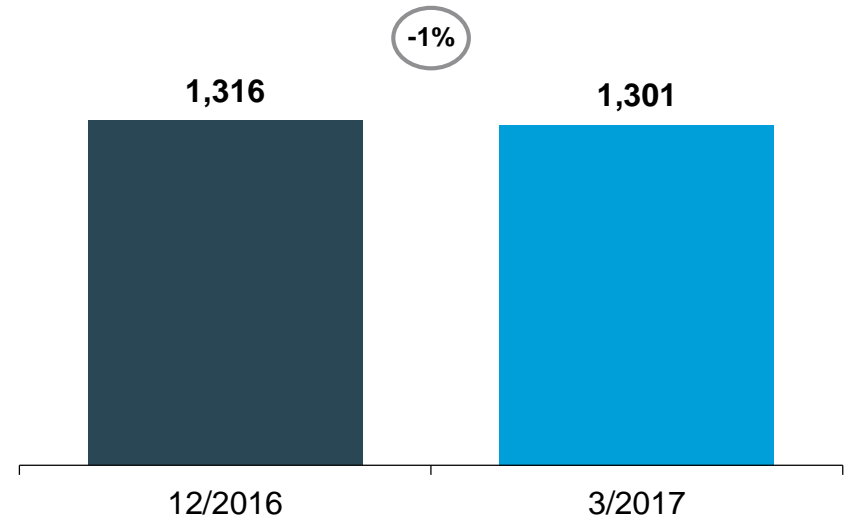
- Revenue increased by 20% y-o-y, due to business premises construction and progress in Mall of Tripla
- Order backlog stable q-o-q

Revenue (EUR million)

2016: EUR 797 million



Order backlog (EUR million)



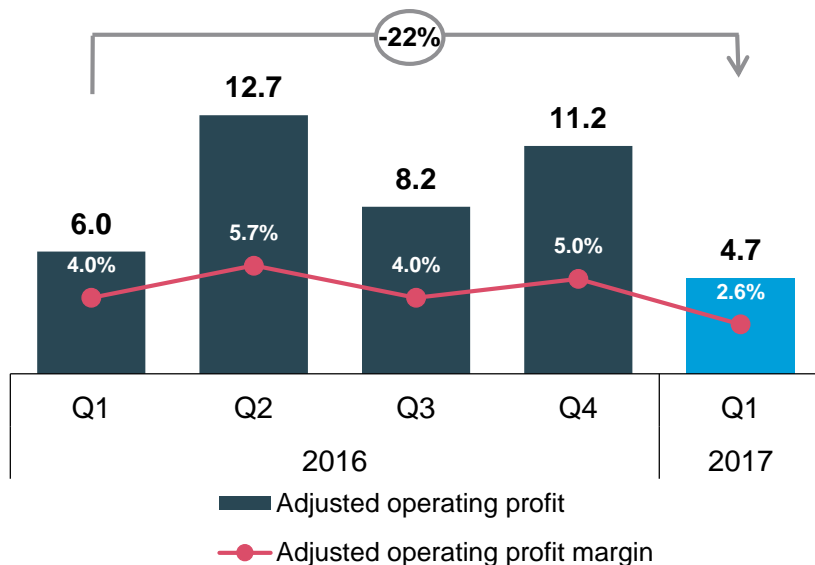
All figures according to segment reporting (POC)

# Business Premises and Infrastructure Profitability decreased in Q1

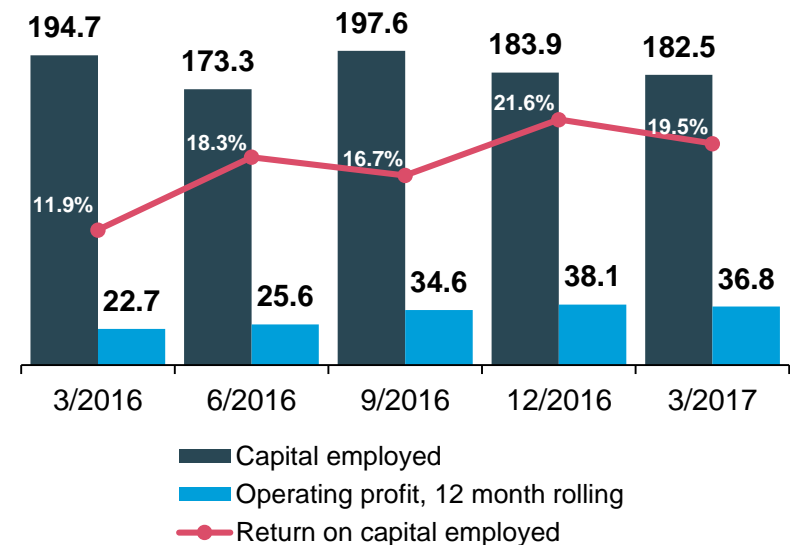
- Operating profit decreased by 22% y-o-y
- Profitability was low due to weakened margins in certain projects in the CEE countries and seasonality of infra
- ROCE remained on a satisfactory level

Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2016: EUR 38.1 million, 4.8%



Return on capital employed<sup>1</sup> (EUR million, %)



All figures according to segment reporting (POC).

<sup>1</sup>As of the beginning of 2017, in order to clarify its financial figures terminology, YIT starts to use the terms Capital Employed and Return on Capital Employed (ROCE) for segment reporting instead of previously used Operative Invested Capital and Return on Operative Invested Capital (ROI). The formulas for these financial figures remain untouched.

# Business Premises and Infrastructure

## New projects won in Finland in Q1

- Terminal project for Posti in Vantaa, Finland started, EUR ~29 million
- Office and logistics property in Vantaa, Finland sold, EUR ~35 million
- School, high school and day care life cycle projects in Espoo, Finland won, EUR ~39 million
  - Not yet in the order backlog
- West Terminal 2 project in Helsinki, Finland successfully completed 5 weeks in advance
- The pre-leasing rate of the Kasarmikatu office property increased to 94%
  - The selling of the project has been started
- The Tripla project progressed as planned
  - The final agreement on the implementation of hotel for the Tripla project signed after the review period, preliminary value EUR ~88 million
  - The occupancy rate of Mall of Tripla was approximately 45% at the end of review period



West Terminal 2  
Helsinki, Finland



# 5

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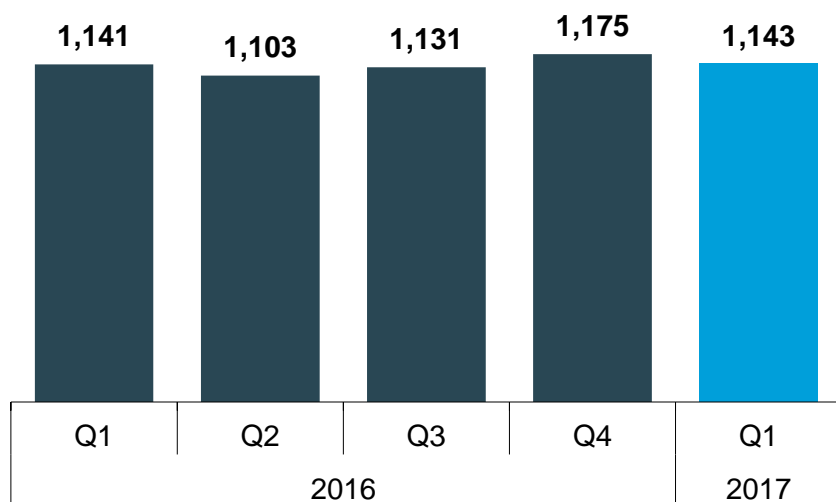
## Financial position and key ratios



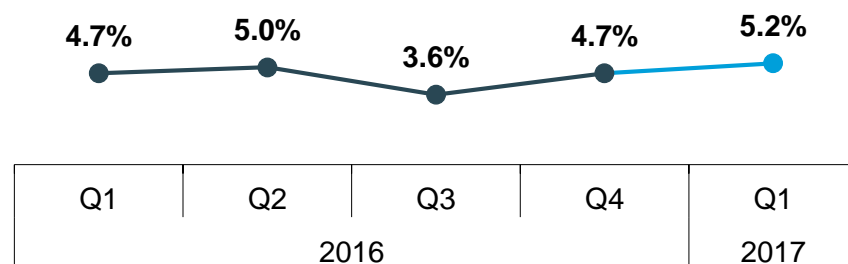
# ROI continued to improve in Q1

- Invested capital decreased slightly q-o-q
- ROI continued to improve, but still unsatisfactory
- Target to reduce capital employed in Russia by approximately RUB 6 billion by the end of 2018

Invested capital (EUR million)



Return on investment (%), rolling 12 months



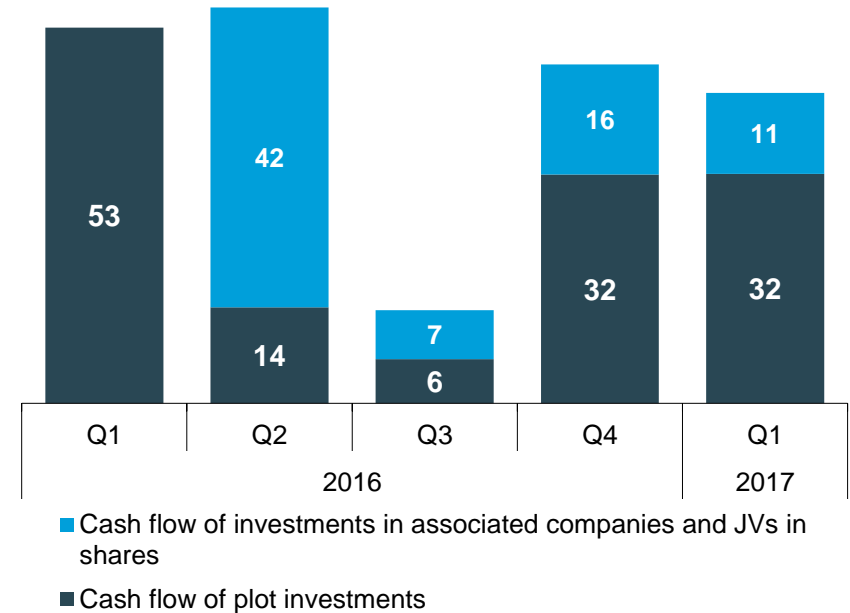
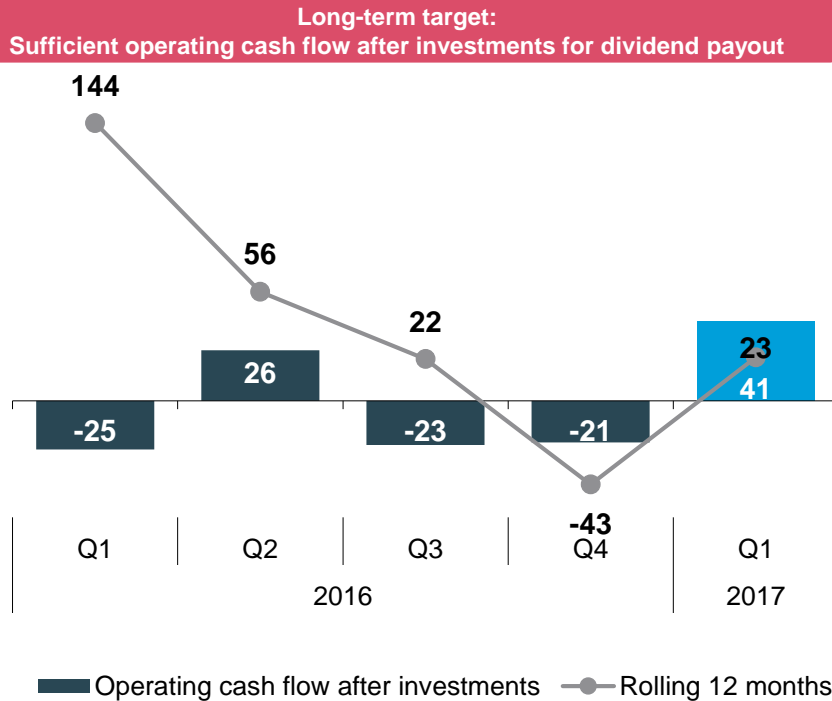
All figures according to segment reporting (POC)

# Strong cash flow in Q1

- Cash flow improved due to strong sales and capital efficiency measures, such as plot cooperation
- The rolling 12 months cash flow on the targeted level

Operating cash flow after investments (EUR million)

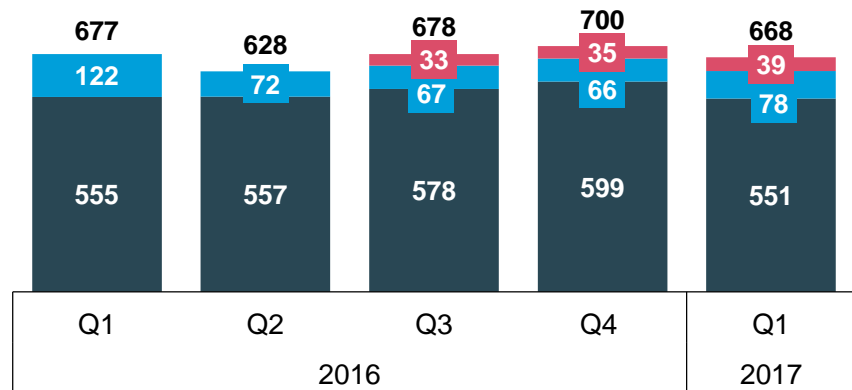
Cash flow of plot investments and investment in associated companies and JVs in shares (EUR million)



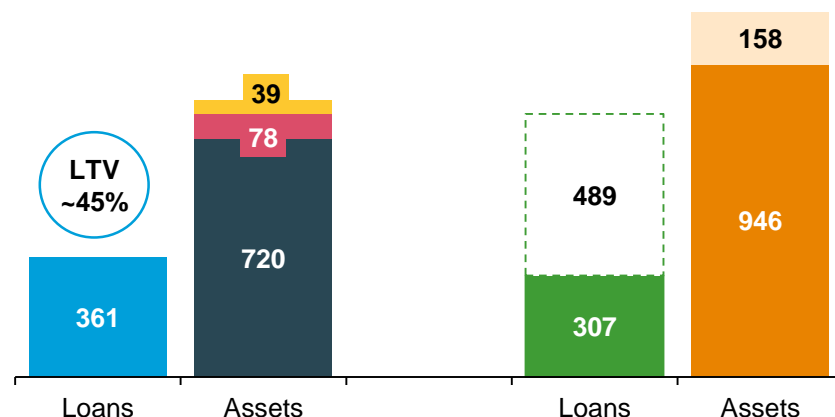
# Net debt decreased in Q1

- Net debt declined due to strong cash flow
  - Net debt definition<sup>1</sup> revised as of beginning of 2017, comparison figures adjusted accordingly

Interest-bearing debt (EUR million), IFRS



Illustrative loan-to-value levels at the end of Q1 (EUR million), IFRS



- Interest-bearing debt excluding construction stage financing
- Interest-bearing receivables<sup>2</sup>
- Cash and cash equivalents
- Land areas and plot owning companies, shares in associated companies and JVs
- Construction-stage financing<sup>2</sup>
- Advances received
- Work in progress
- Shares in completed housing and real estate

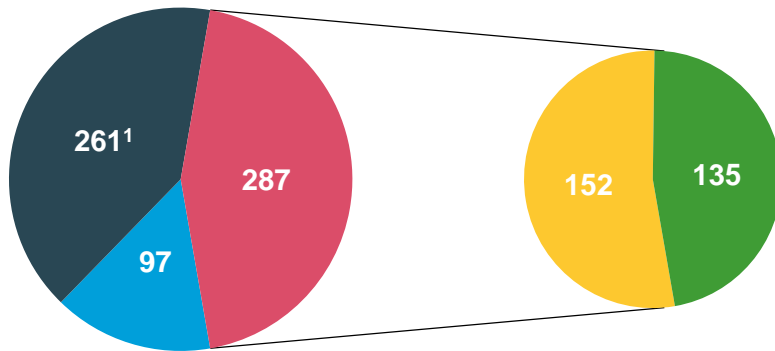
<sup>1</sup> As of the beginning of 2017, YIT considers interest-bearing receivables as part of net interest-bearing debt. Interest-bearing receivables are related to cooperation projects that support YIT's strategy. The most essential instalment was an interest-bearing receivable of EUR 33.5 million regarding the obligation to redeem the parking spaces in Tripla project, booked in the balance sheet in Q3/2016. Other interest-bearing receivables are loans granted for joint ventures.

<sup>2</sup> Items related to Tripla parking spaces included in interest-bearing receivables whereas financing related to Tripla plot is included in construction stage financing

# Plots in the balance sheet by segments and geography

## Plot reserves in the balance sheet 3/2017, (EUR million)

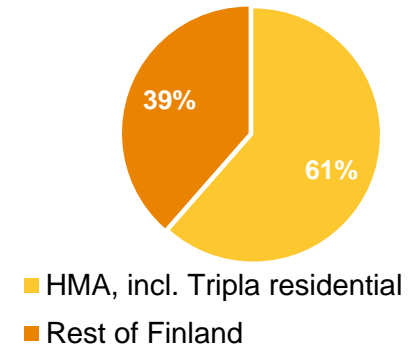
In total EUR 645 million



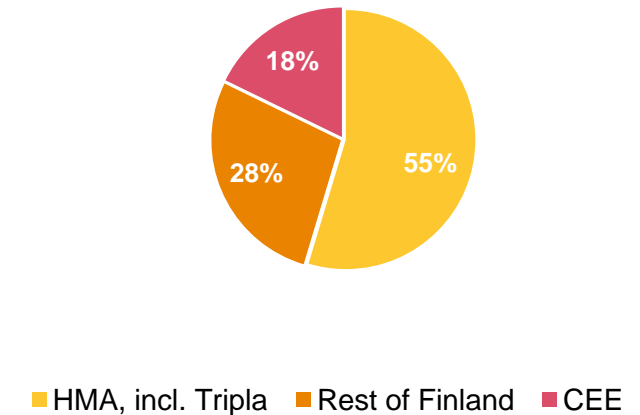
- Business Premises and Infrastructure
- Housing Russia
- Housing Finland and CEE
- Finnish housing
- CEE housing

<sup>1</sup>Includes Gorelovo industrial park

## Division by geography in Finnish housing



## Division by geography in Business Premises and Infrastructure

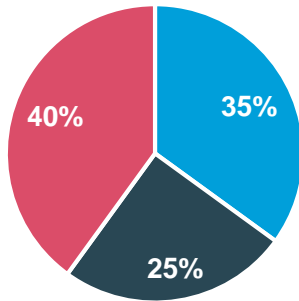




# Plot reserve consists of own plots, pre-agreements and rental plots

Plot reserve in thousand floor square metres 3/2017, consists of own plots, pre-agreements and rental plots, 5.1 million floor sq. m in total

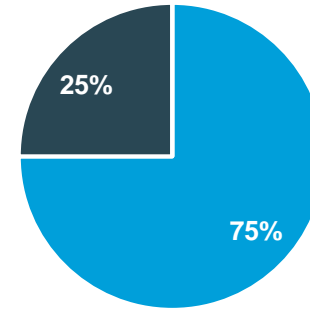
Finnish housing, total 1.9 million floor sq.m



Average annual use of plot reserves ~150,000–200,000 floor sq.m.

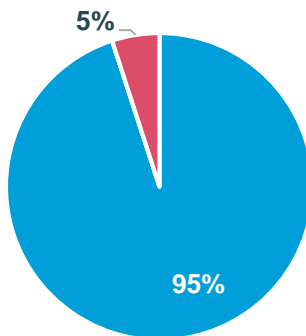
~ 75% of the own and rental plots have confirmed zoning

Housing Russia, total 2.1 million floor sq.m



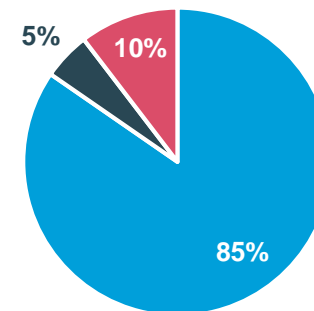
Average annual use of plot reserves ~150,000–200,000 floor sq.m.

CEE housing, total 0.5 million floor sq.m



Average annual use of plot reserves ~80,000–120,000 floor sq.m.

Business Premises and Infrastructure, total 0.6 million floor sq.m



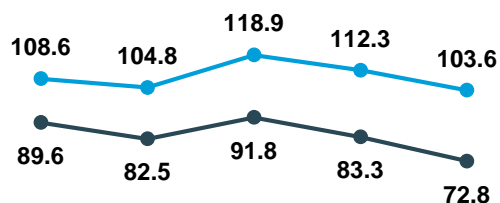
Average annual use of plot reserves ~30,000–70,000 floor sq.m.

■ Own   ■ Rental   ■ Pre-agreements

# Financial key ratios improved in Q1

- Significant improvement in gearing ratio q-o-q due to strong cash flow
- Net debt/EBITDA multiple affected by the new net debt definition, comparison figures adjusted accordingly
- Gearing calculation and loan covenants not affected by the new net debt definition

### Gearing (%)

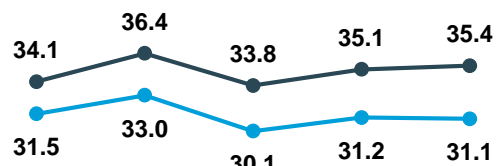


Q1	Q2	Q3	Q4	Q1
2016				2017

● POC ● IFRS

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

### Equity ratio (%)

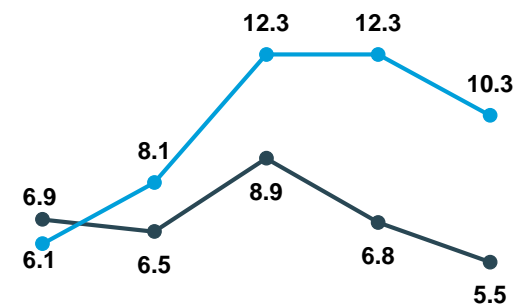


Q1	Q2	Q3	Q4	Q1
2016				2017

● POC ● IFRS

Financial covenant tied to the equity ratio (minimum level of 25.0%, IFRS) in bank loans, the syndicated RCF agreement and the bonds issued in 2015 and 2016.

### Net debt/EBITDA (Multiple, x)



Q1	Q2	Q3	Q4	Q1
2016				2017

● POC ● IFRS



# Summary of financials in Q1

- Financial key ratios moved to the right direction, still room for improvement
  - Cash flow improved
- Financial expenses (POC) decreased by 68% y-o-y due to lower hedging costs, appreciation of derivatives values and lower interest rates
  - Financial expenses (POC) estimated to be over 15% lower y-o-y in 2017 assuming the current operating environment
- The last ruble loan refinanced by euro loan after the reporting period



Vibu residential project  
Tallinn, Estonia

# 6

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## Outlook and guidance

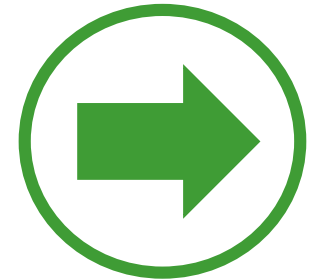




# Market outlook, expectations for 2017

## Finland

- Consumer demand to remain on a good level and to focus on affordable apartments
- Investor activity to decline slightly, even more focus will be paid on the location
- Residential price polarisation between growth centres and other Finland to continue
- Availability of mortgages to remain good
- Tenant interest for business premises to pick up slightly in the growth centres. Investor activity on a good level, focus on especially prime locations in the capital region
- Business premises contracting to remain active
- New infrastructure projects to revitalise the market
- Construction costs expected to increase slightly
- Construction volume growth expected to slow down
- Bank regulation and increased capital requirements might have an impact on the construction and real estate development
- The increased competition for skilled labour due to high construction activity expected to continue

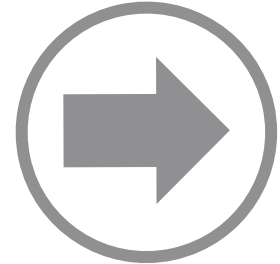




# Market outlook, expectations for 2017

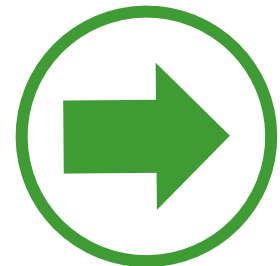
## Russia

- Macro environment to remain stable on the current level, the stabilisation of the economy to have a moderate, positive impact on the residential market
- Expectations of weakening of ruble and decrease of interest rate to influence consumer behaviour
- Residential prices stable
- Residential demand to focus on affordable apartments
- Construction cost inflation to moderate



## CEE

- Residential demand to remain on a good level
- Good access to financing, low interest rates to support the residential demand
- Residential prices to remain stable or increase slightly
- Construction costs to increase slightly
- Business premises tender market estimated to pick-up in most of the CEE countries



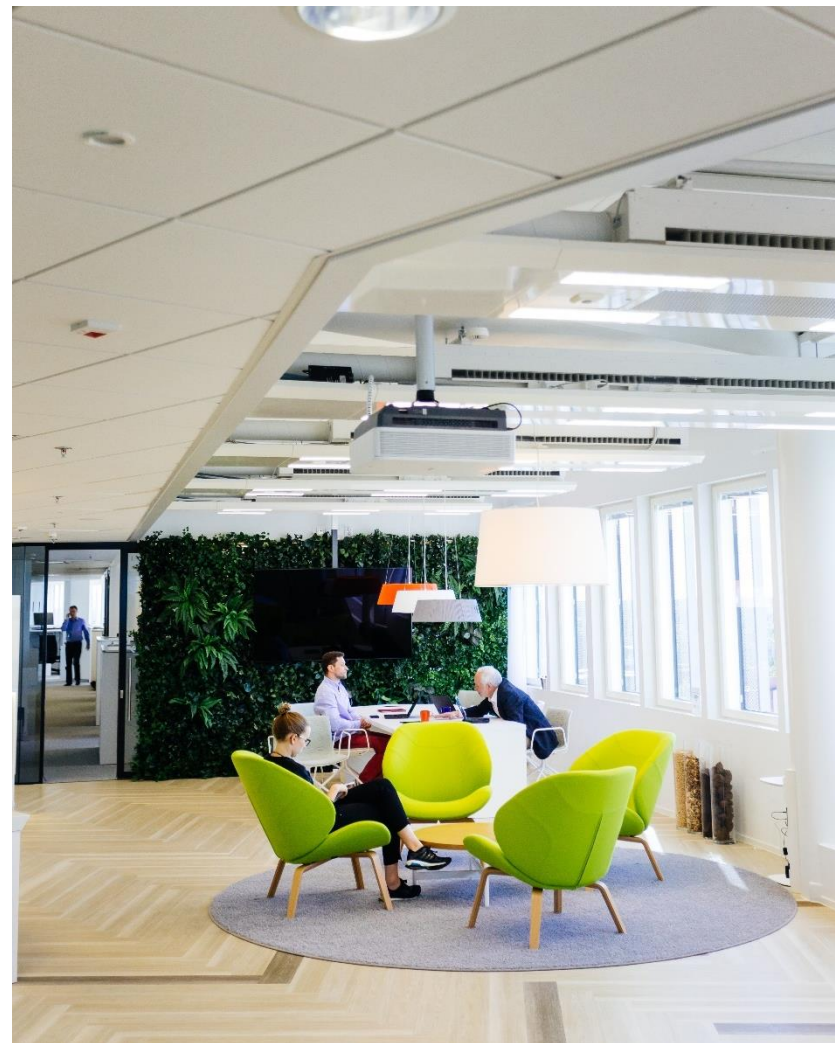
# Guidance for 2017 unchanged (segment reporting, POC)

**The Group revenue** is estimated to **grow by 0–10%**.

**The adjusted operating profit<sup>1</sup>** is estimated to be in the range of **EUR 90-105 million**.

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

- At the end of March, 61% of the Group order backlog was sold.
- Projects already sold or signed pre-agreements are estimated to contribute nearly 60% of rest of 2017 revenue.
- The increased share of consumer sales in Housing Finland and CEE is likely to have a moderate positive impact on the adjusted operating profit of the segment but the impacts of the shift to consumers will be visible in the result gradually.
- In Housing Russia, the adjusted operating profit is estimated to be positive but to remain on a low level. Capital release actions in Russia are likely to have a negative impact on the profitability.



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

# More information

## Esa Neuvonen

Chief Financial Officer (CFO)

+358 40 5001 003

[esa.neuvonen@yit.fi](mailto:esa.neuvonen@yit.fi)

## Hanna Jaakkola

Vice President,  
Investor Relations

+358 40 5666 070

[hanna.jaakkola@yit.fi](mailto:hanna.jaakkola@yit.fi)

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# Capital Markets Day 2017

September 28, 2017 in Helsinki area



# 7

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## Appendices







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## Key figures and additional information about financial position





# Key figures

EUR million	1–3/2017	1–3/2016	Change	1–12/2016
Revenue	479.2	362.4	32%	1,783.6
Operating profit	16.7	12.1	38%	52.9
Operating profit margin, %	3.5%	3.3%		3.0%
Adjusted operating profit	16.7	12.1	38%	79.9
Adjusted operating profit margin, %	3.5%	3.3%		4.5%
Order backlog	2,618.3	2,246.8	17%	2,613.1
Profit before taxes	12.6	-0.8		13.8
Profit for the review period <sup>1</sup>	8.9	-0.6		7.4
Earnings per share, EUR	0.07	-0.00		0.06
Operating cash flow after investments	40.8	-25.1		-43.3
Return on investment, last 12 months, %	5.2%	4.7%		4.7%
Equity ratio, %	35.4%	34.1%		35.1%
Interest-bearing net debt (IFRS)	551.1	554.5	-1%	598.6
Gearing (IFRS), %	103.6%	108.6%		112.3%
Personnel at the end of the period	5,407	5,276	2%	5,261

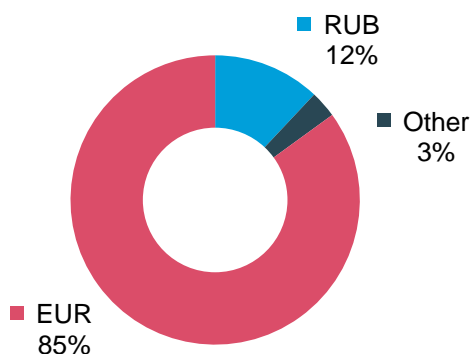
<sup>1</sup>Attributable to equity holders of the parent company

All figures according to segment reporting (POC), unless otherwise noted

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

# Ruble strengthened in Q1

## Revenue split Q1/2017 (POC)



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

	Q1/2017
Revenue, POC <sup>1</sup>	13.9
Adjusted EBIT, POC <sup>1</sup>	-0.1
Order backlog, POC <sup>2</sup>	29.9
Equity, IFRS (translation difference) <sup>2</sup>	29.4

<sup>1</sup> Compared to the corresponding period in 2016

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

## Principles of managing currency risks:

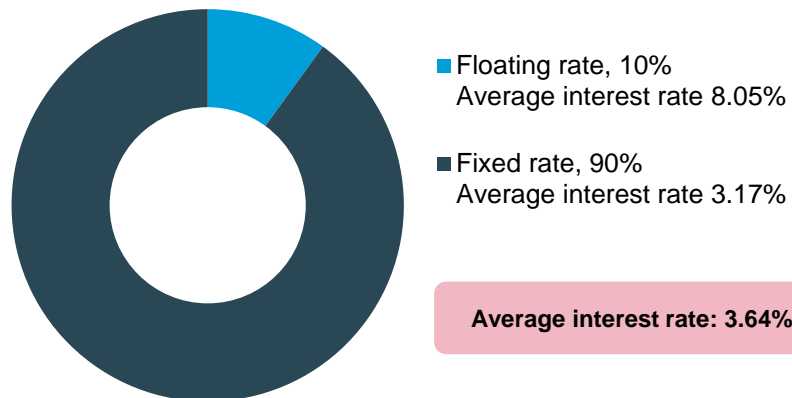
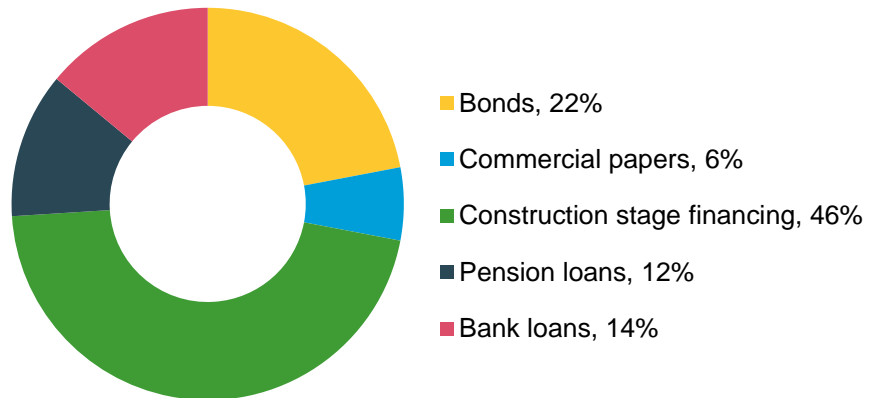
- Sales and project costs typically in same currency, all foreign currency items hedged  
→ **no transaction impact**
- Currency positions affecting the income statement, such as loans to subsidiaries, are hedged
- Equity and equity-like investments in foreign currency not hedged
  - Considered to be of permanent nature
  - FX changes recognized as translation difference in equity
- Invested capital in Russia in 3/2017:
  - Equity and equity-like investments: EUR 392.9 million
  - Loans to subsidiaries: EUR 28.8 million

## EUR/RUB exchange rates

	Q1/2017	Q1/2016	Q4/2016
Average rate	62.5321	82.3682	74.1466
Quarter-end rate	60.3130	76.3051	64.3000

# Balanced debt portfolio

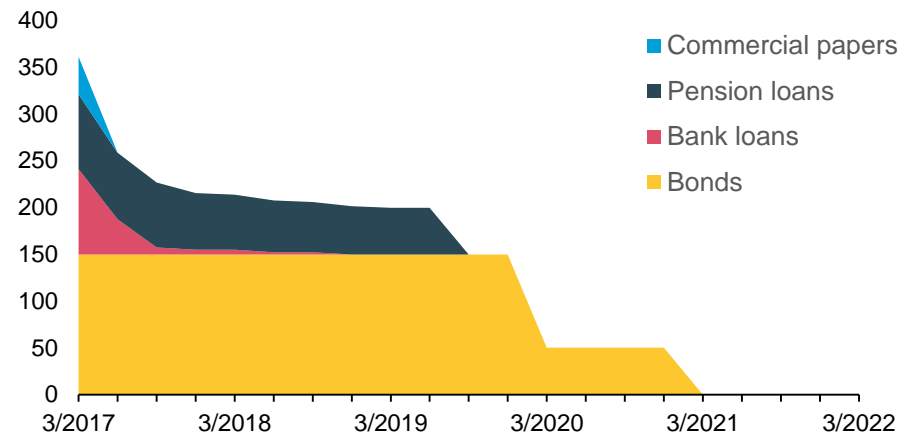
## Debt portfolio at the end of the period 3/2017, EUR 668 million



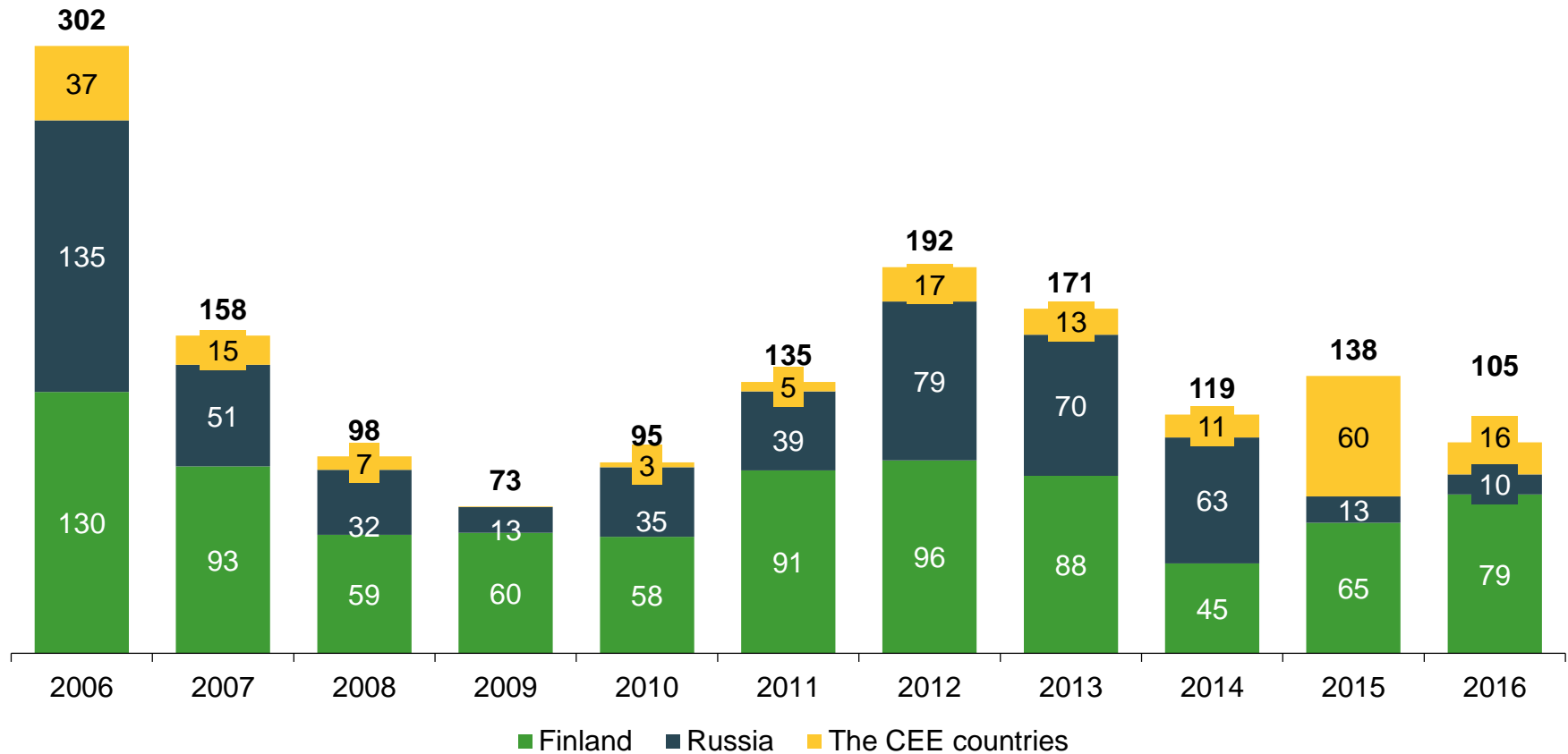
**Average interest rate: 3.64%**

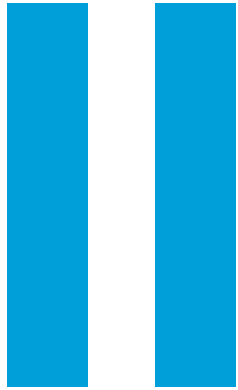
## Maturity structure at the end of the period 3/2017

### Maturity profile, excluding construction stage financing (EUR million)



# Cash flow of plot investments





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Share  
ownership





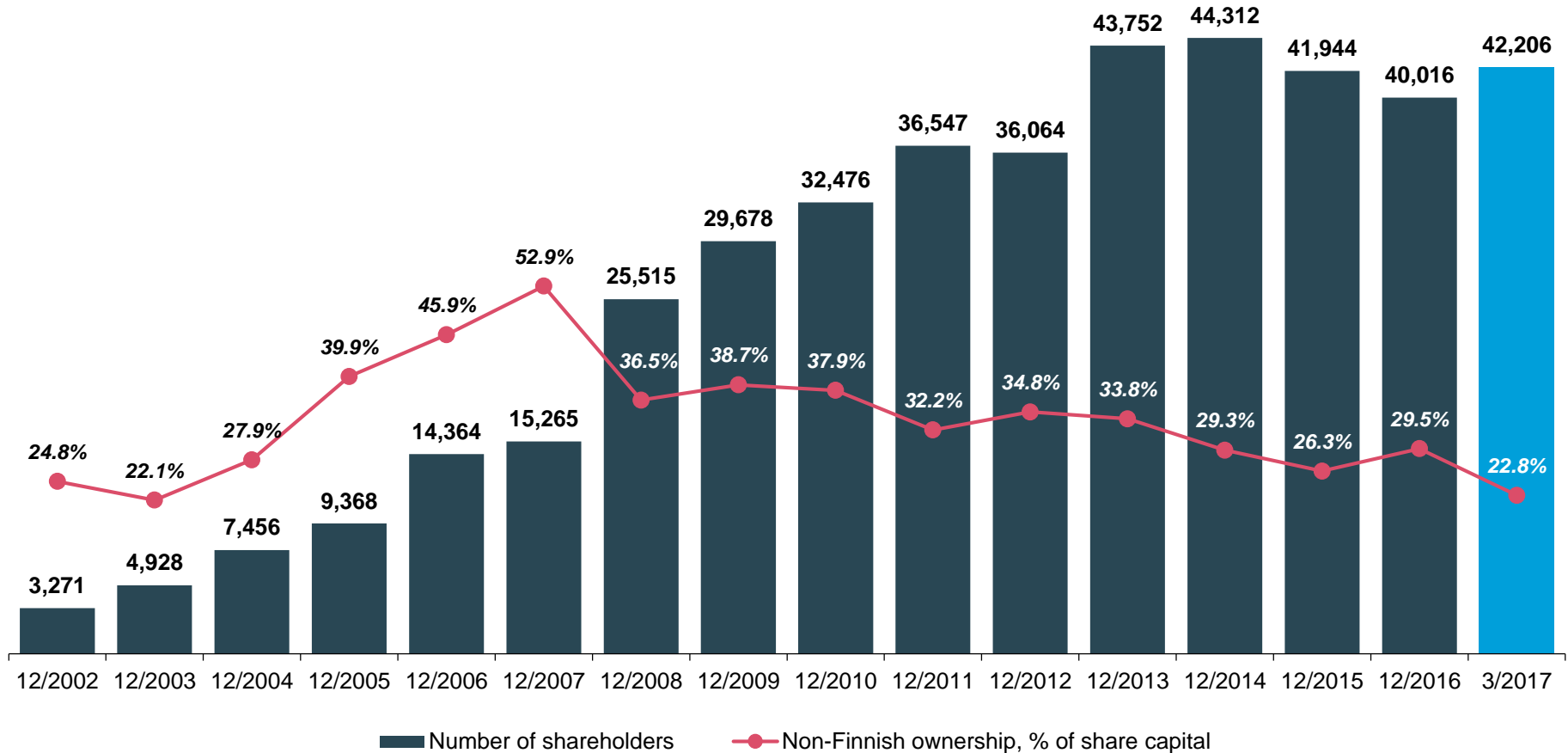
# YIT's major shareholders

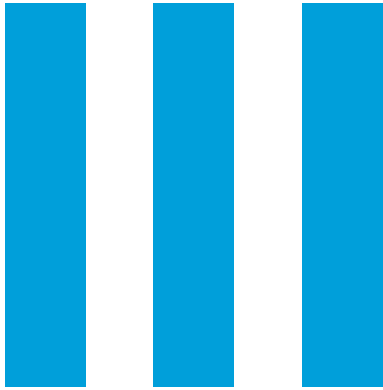
March 31, 2017

Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. OP funds	4,970,392	3.91
3. Herlin Antti	4,710,180	3.70
4. Elo Mutual Pension Insurance Company	3,335,468	2.62
5. The State Pension Fund	2,975,000	2.34
6. Danske Invest funds	2,658,995	2.09
7. Ilmarinen Mutual Pension Insurance Company	1,837,576	1.44
8. Nordea funds	1,771,019	1.39
9. YIT Corporation	1,646,767	1.29
10. Aktia funds	1,430,000	1.12
Ten largest total	37,335,397	29.33
Nominee registered shares	27,849,223	21.89
Other shareholders	62,038,802	48.78
<b>Total</b>	<b>127,223,422</b>	<b>100.00</b>

# More than 42,000 shareholders

Number of shareholders and share of non-Finnish ownership, March 31, 2017





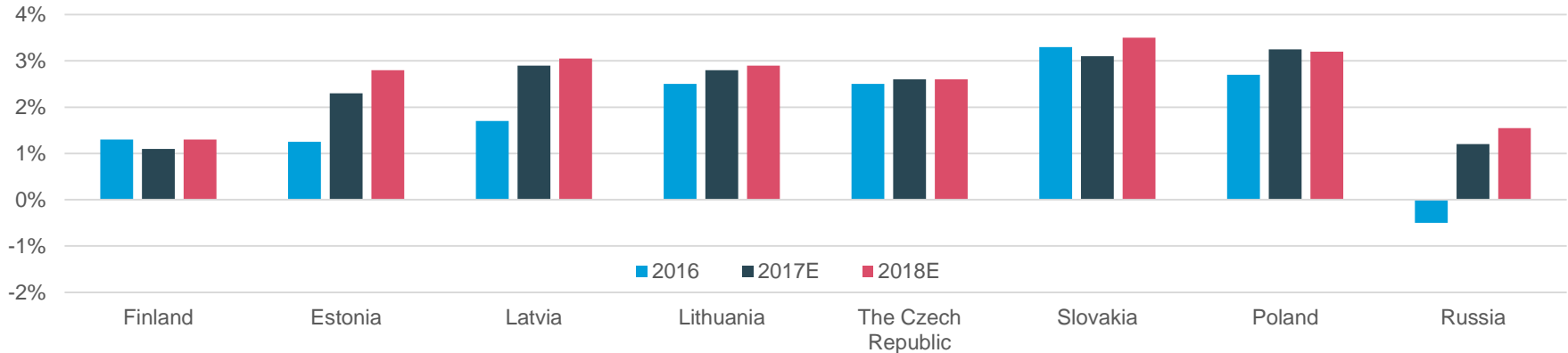
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# General economic indicators

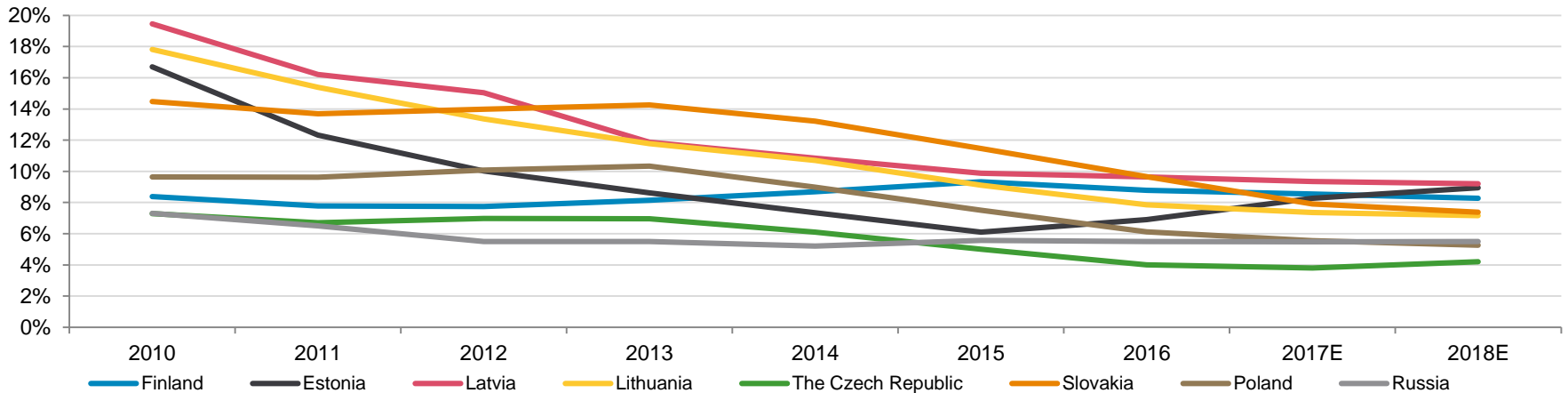


# Strong growth expected in the CEE countries

GDP growth in YIT's operating countries, %



Unemployment rate in YIT's operating countries, %



Sources: GDP growth: Bloomberg consensus, Unemployment: IMF



# IV

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**Housing indicators**  
Finland  
The CEE countries  
Russia

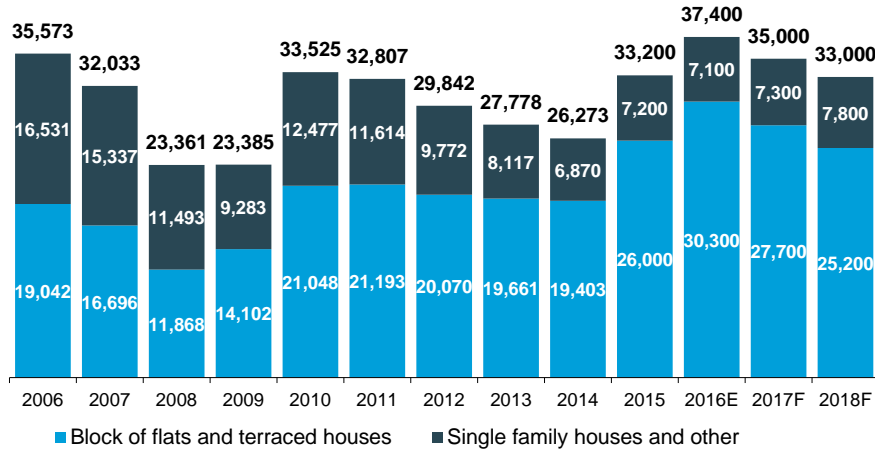




# Finland

## Start-ups expected to decrease slightly in 2017 and 2018

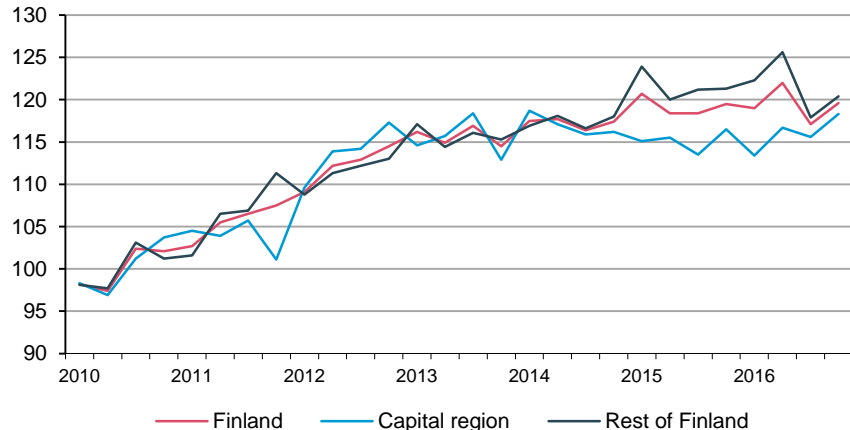
Residential start-ups (units)



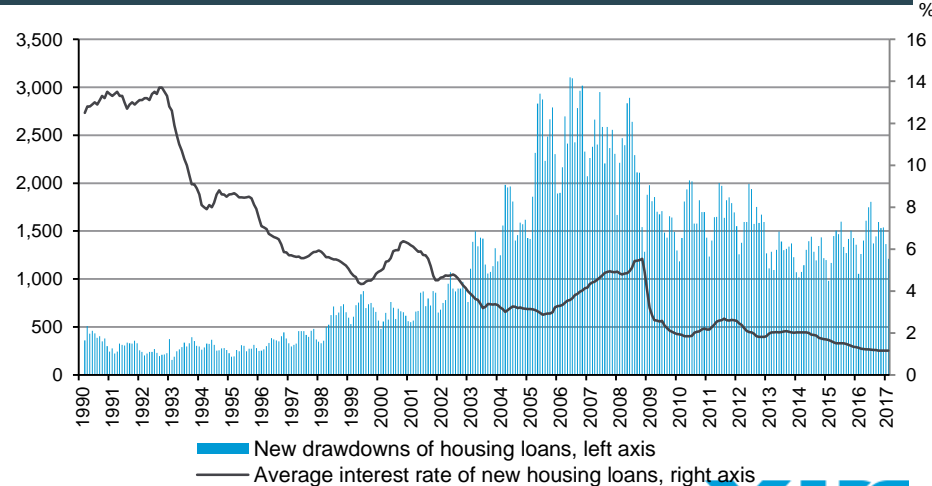
Consumers' views on economic situation in one year's time (balance)



Prices of new dwellings (index 2010=100)



Volume of new mortgages and average interest rate (EUR million, %)



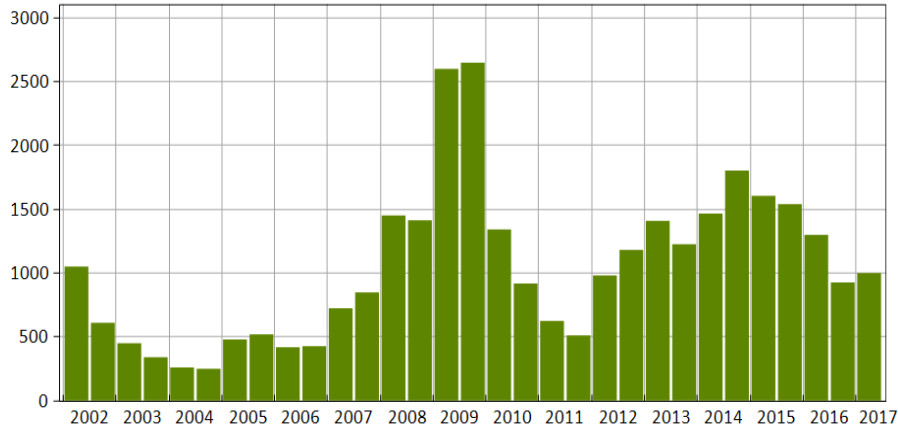
Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2018F Euroconstruct, December 2016, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland



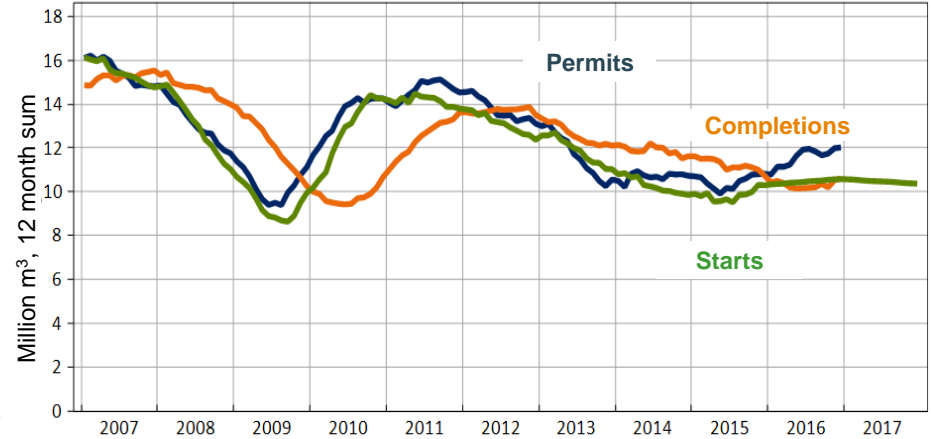
# Finland

## Housing indicators have improved slightly

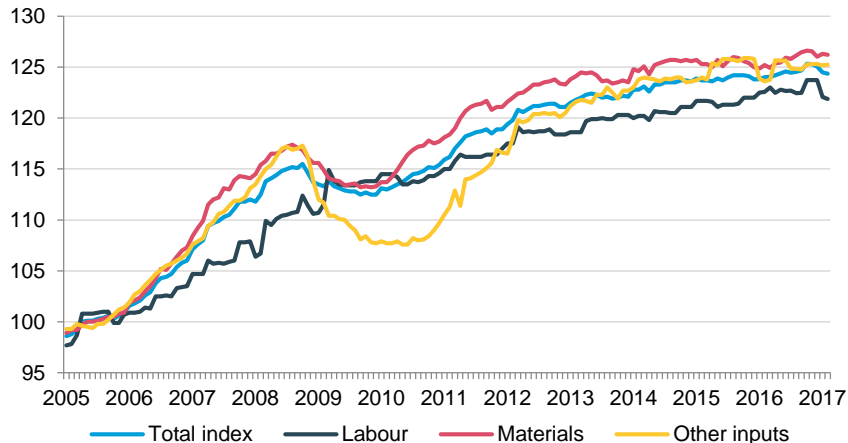
Unsold completed units (residential development projects)



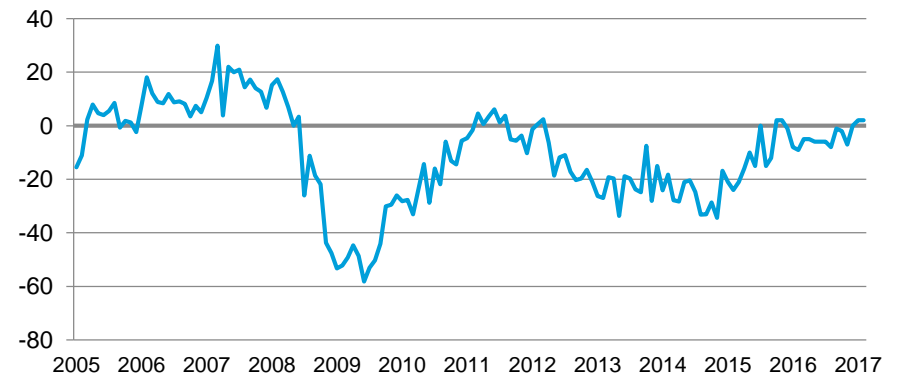
Residential building permits, start-ups and completions (million m3)



Construction cost index (2005=100)



Construction confidence (balance)



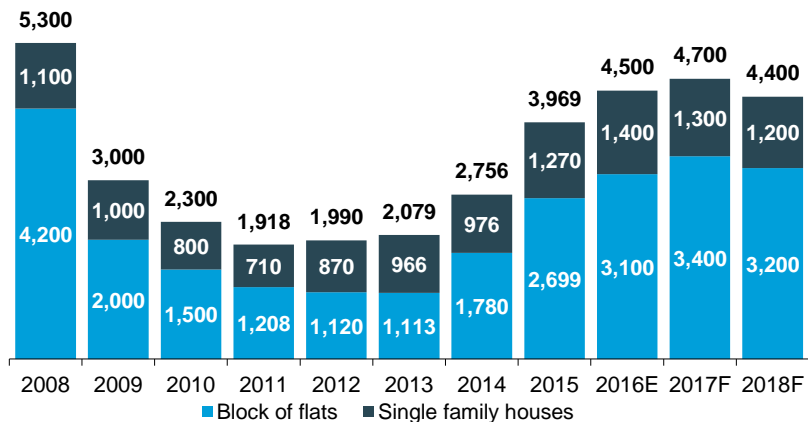
Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT,  
 Construction cost index: Statistics Finland, Construction confidence: Confederation of Finnish Industries EK  
 YIT | 52 | Interim Report January–March 2017



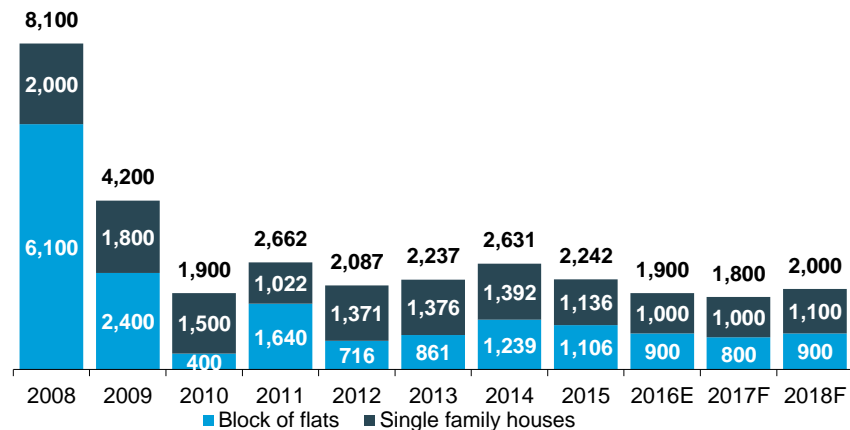
# The Baltic Countries

## Residential construction is expected to level off

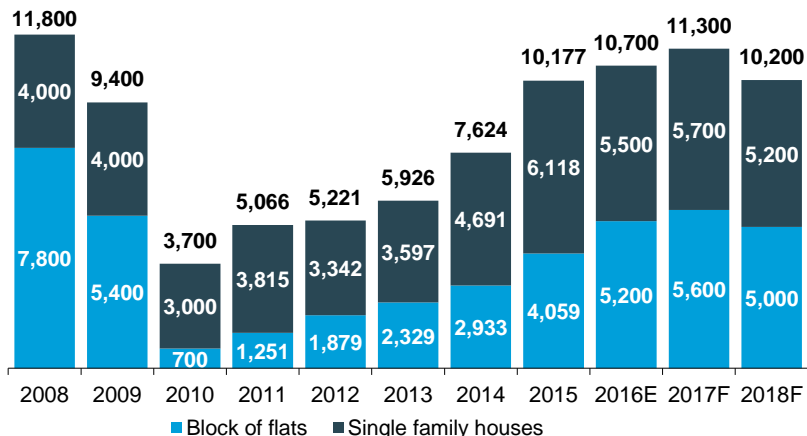
Residential completions in Estonia (units)



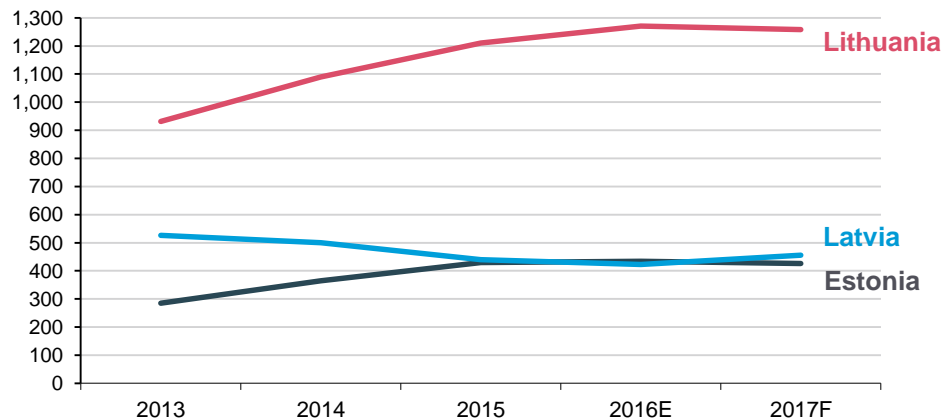
Residential completions in Latvia (units)



Residential completions in Lithuania (units)



New residential construction volume (EUR million)

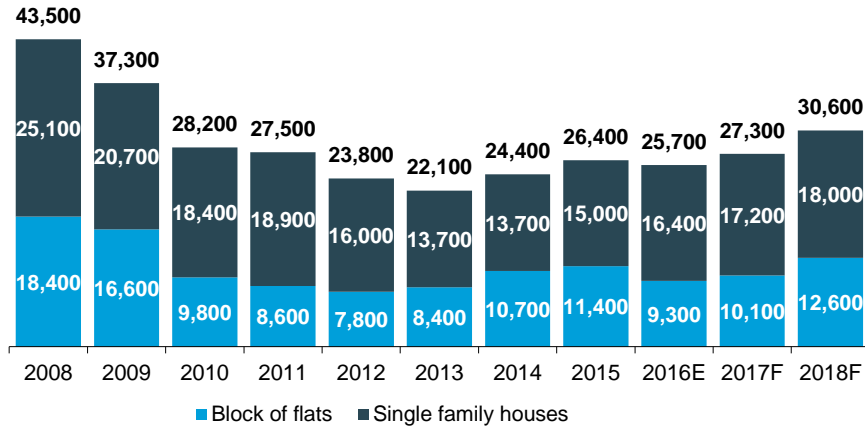


Source: Forecon, December 2016

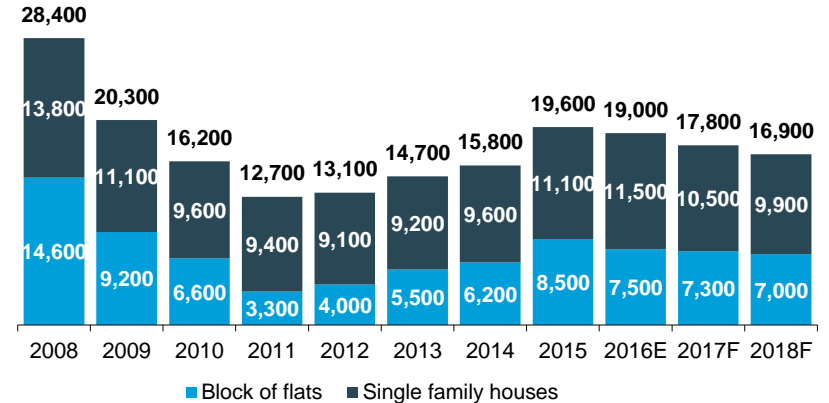
# The Czech Republic, Slovakia and Poland

## Start-ups forecasted to grow in the Czech Republic and Poland

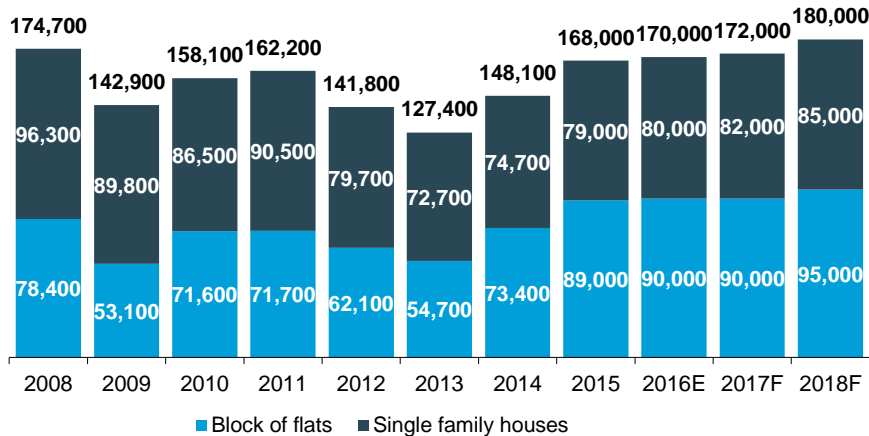
Residential start-ups in the Czech Republic (units)



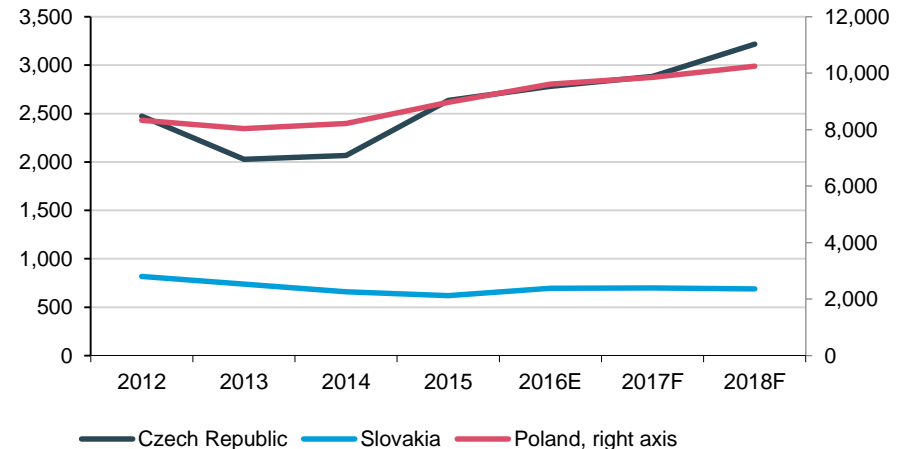
Residential start-ups in Slovakia (units)



Residential start-ups in Poland (units)



New residential construction volume (EUR million)



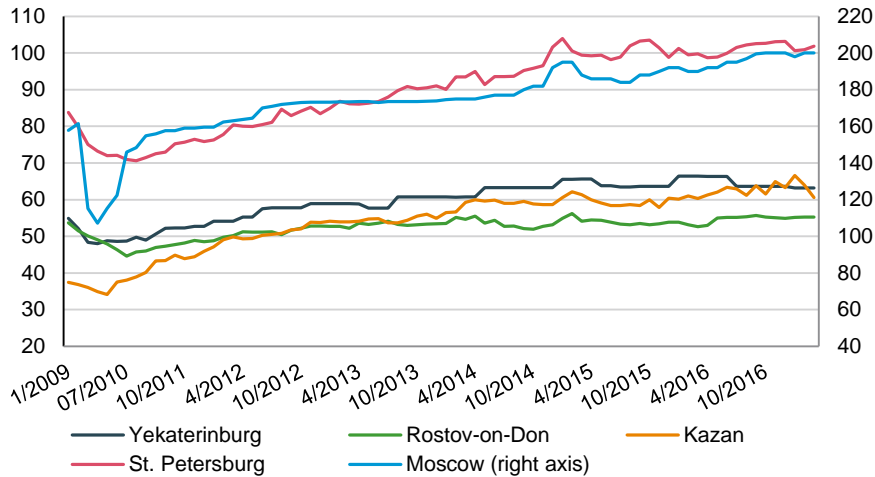
Source: Euroconstruct, December 2016



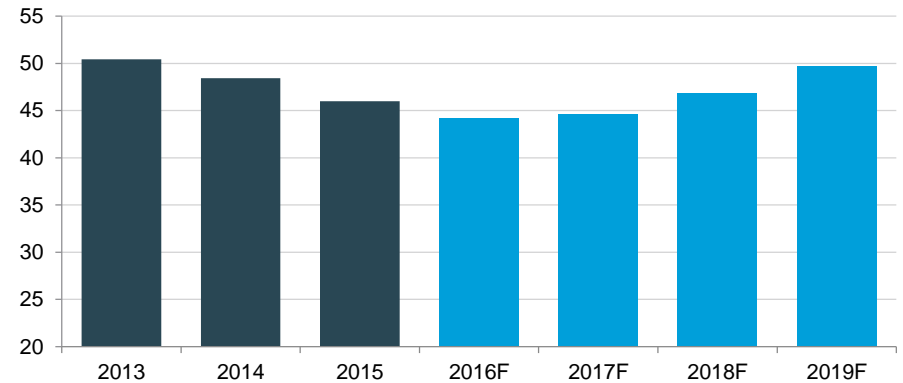
# Russia

## Housing indicators

House prices in primary markets (thousand RUB per sq. m.)

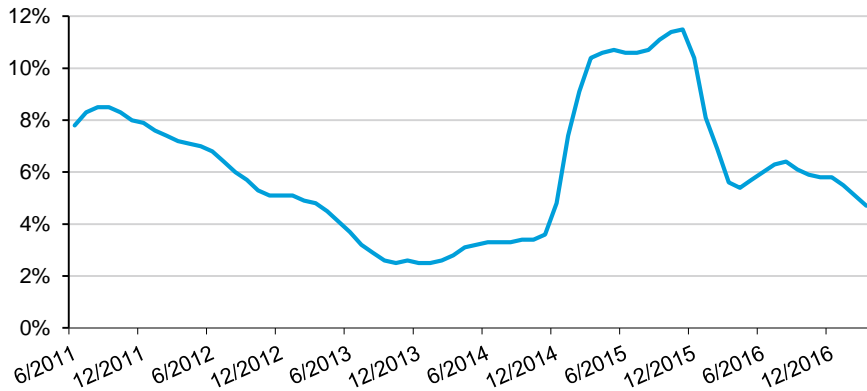


New residential construction volume (EUR billion\*)

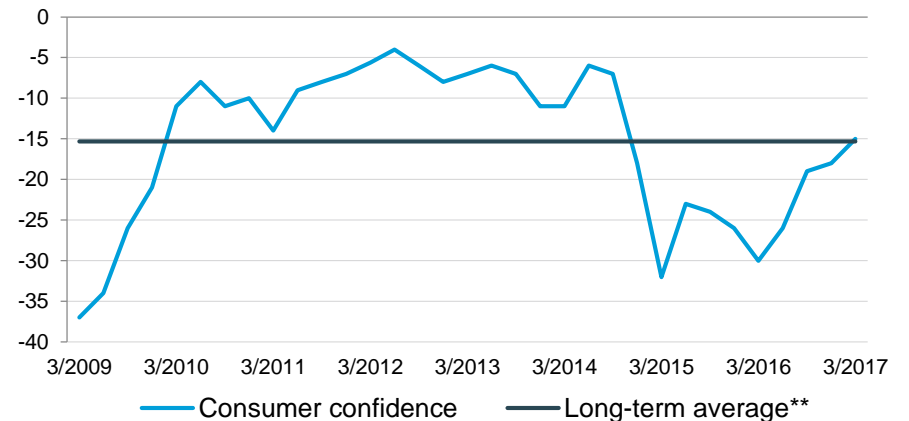


\*Fixed EUR/RUB exchange rate of 68.072

Inflation in building materials (%)



Consumer confidence



Sources: House prices: YIT, New residential construction volume: Forecon, December 2016, Inflation in building materials: PMR Construction review, April 2017, Consumer confidence: Bloomberg  
 \*\*Average 12/1998-3/2017



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## **Business Premises**

Finland

The Baltic countries

Slovakia

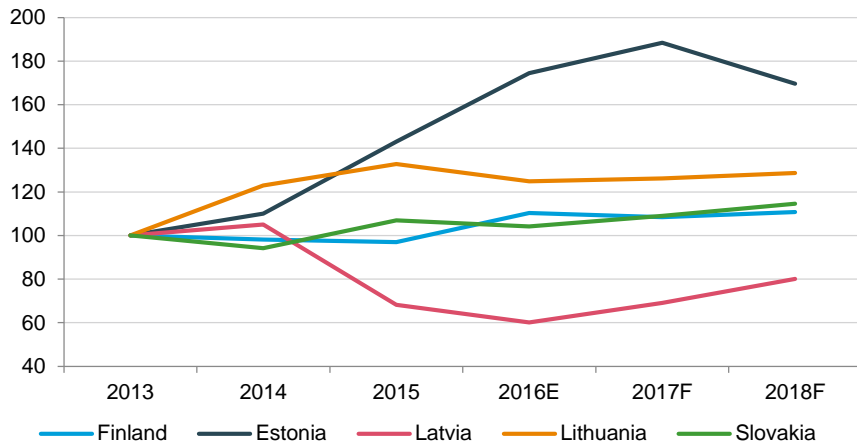
## **Infrastructure**

Finland

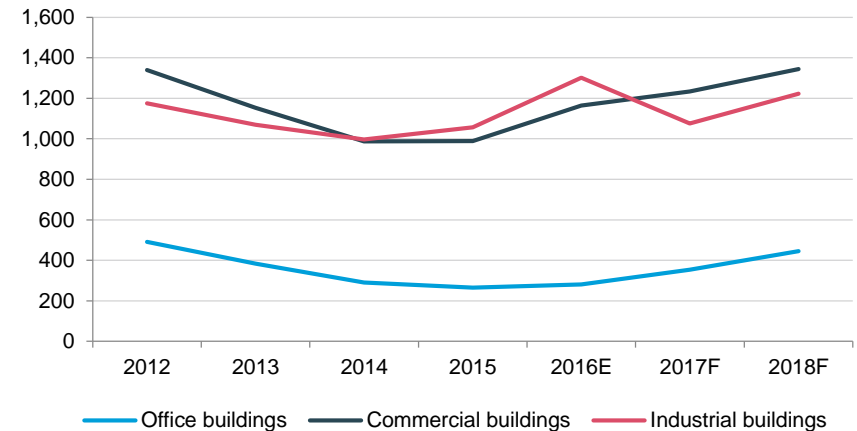


# New non-residential construction forecasted to pick up slightly in the Baltic countries in 2017

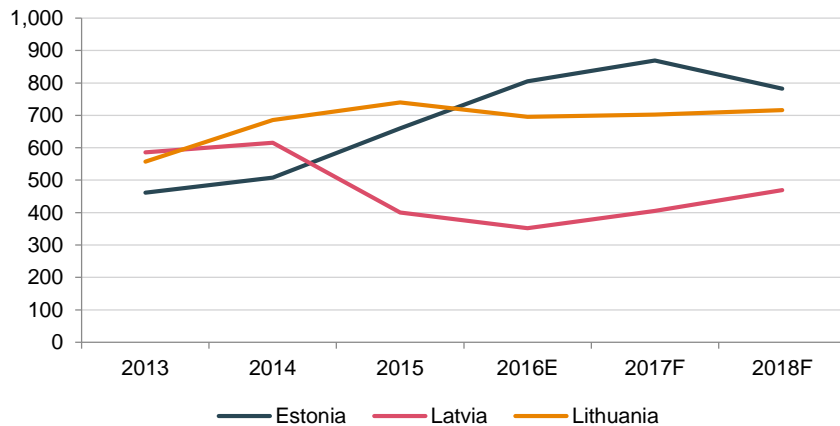
**New non-residential construction volumes (index 2012=100)**



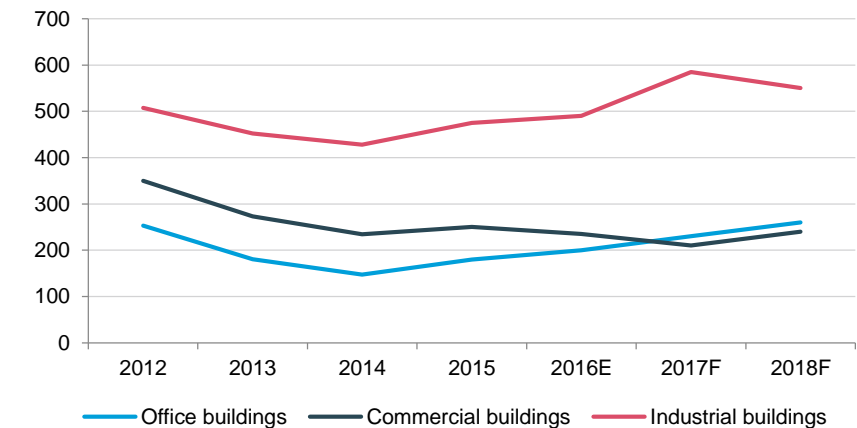
**New non-residential construction in Finland (EUR million)**



**New non-residential construction in the Baltic countries (EUR million)**



**New non-residential construction in Slovakia (EUR million)**



Sources: Euroconstruct and Forecon, December 2016

# Finland

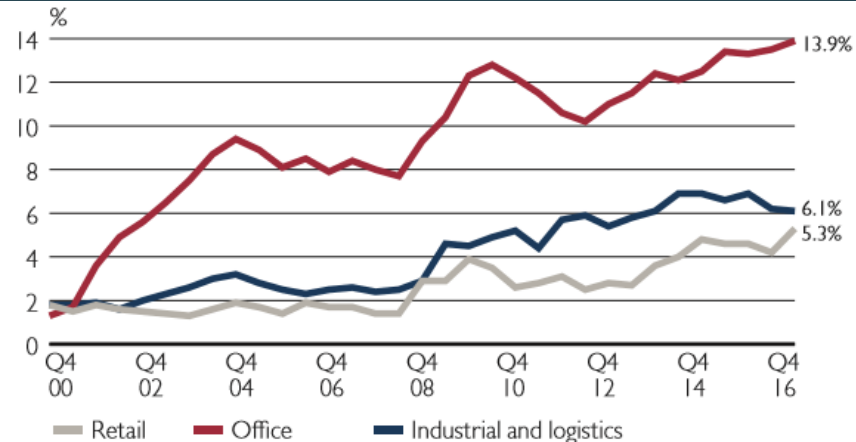
## Prime yields expected to decrease slightly

Prime yields in Helsinki Metropolitan Area (%)

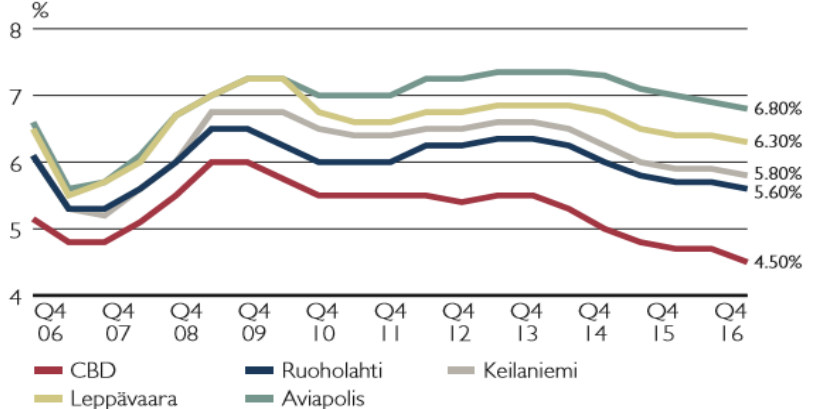


Particular long lease agreements decrease yields by 0.1–0.5% points.

Vacancy rates in Helsinki Metropolitan Area (%)

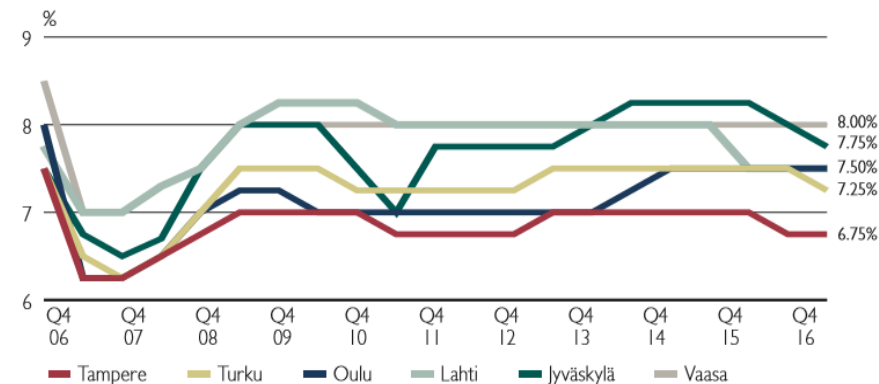


Office yields in Helsinki Metropolitan Area, %



Particular long lease agreements decrease yields by 0.1–0.5% points.

Prime yields in growth centres, %



Particular long lease agreements currently decrease yields by 0.1–0.5% points.

Source: Catella Finland Market Indicator, March 2017

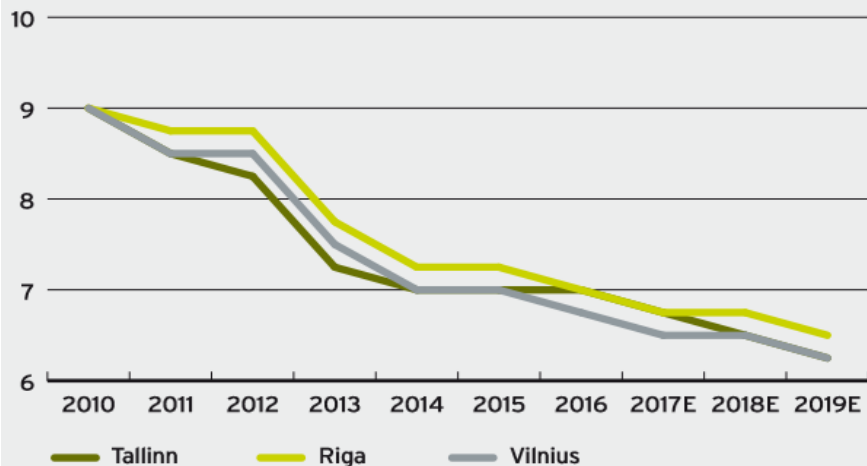




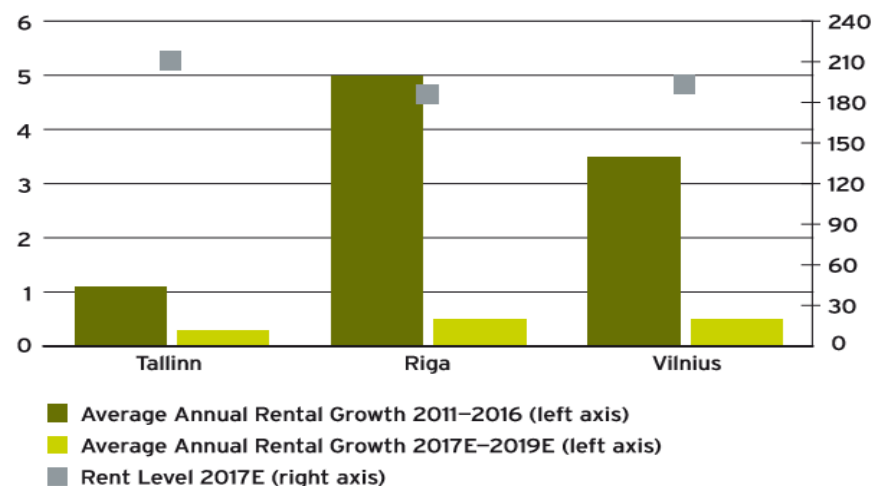
# The Baltic countries

## Yields are expected decrease slightly

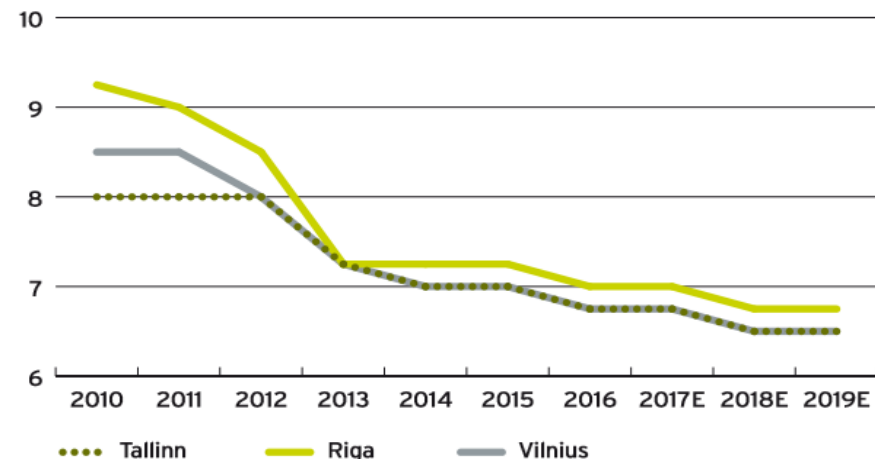
Prime office yields in the Baltic countries (%)



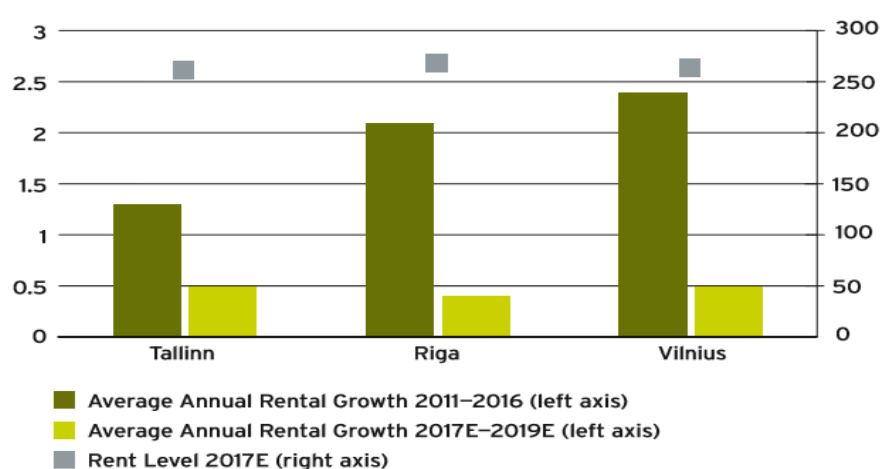
Prime office rents in the Baltic countries, (% , EUR / sq. m. / year)



Prime retail yields in the Baltic countries (%)



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

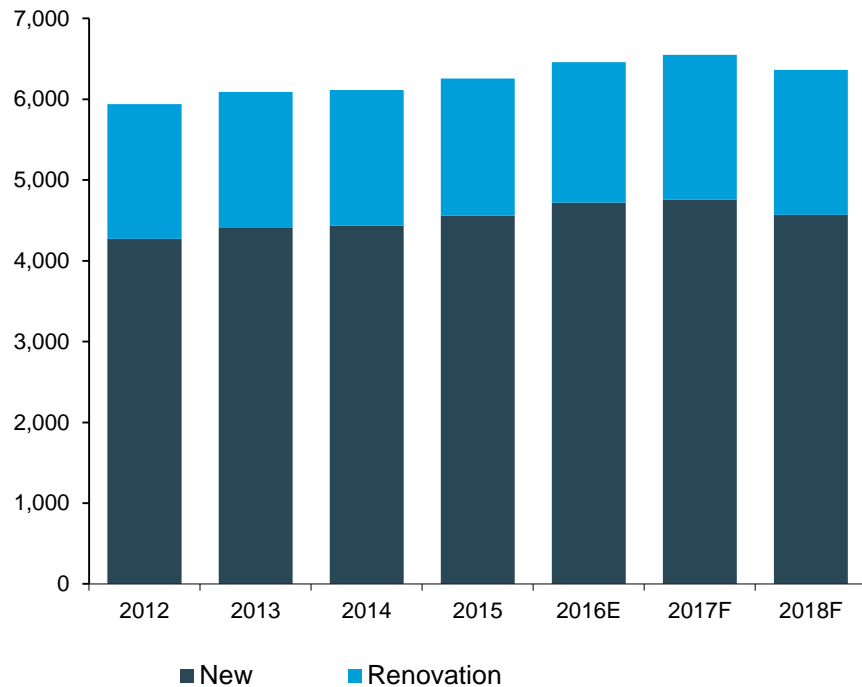


Source: Newsec Property Outlook, March 2017

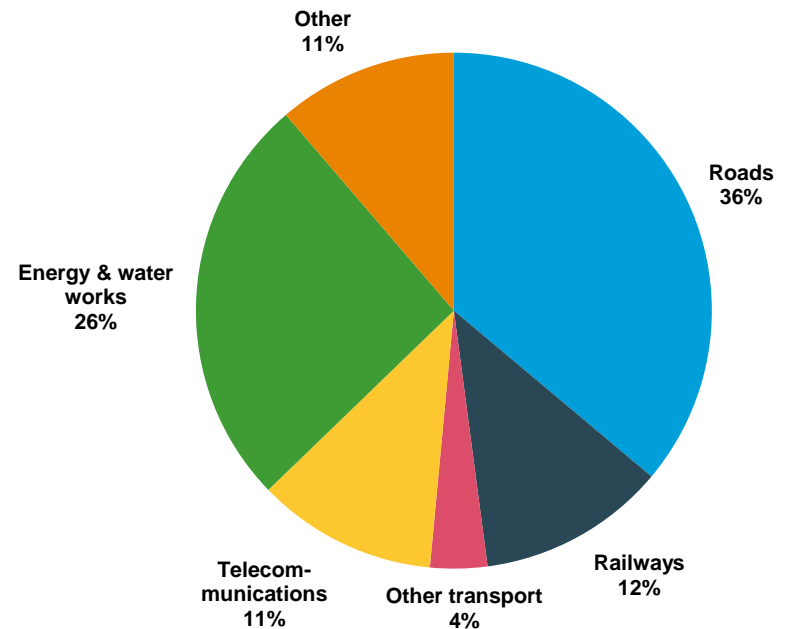
# Infrastructure construction in Finland

## Market expected to remain stable in 2017

Infrastructure market in Finland (EUR million)



Infrastructure sectors in Finland (2016)



Sources: Euroconstruct, December 2016

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