

Q3



Interim Report January–September 2017

Kari Kauniskangas, President and CEO



Contents

- 1 Group development in Q3/2017
- 2 Housing Finland and CEE
- 3 Housing Russia
- 4 Business Premises and Infrastructure
- 5 Financial position and key ratios
- 6 Outlook and guidance
- 7 Appendices



1

Group development in Q3/2017



Key messages in Q3/2017

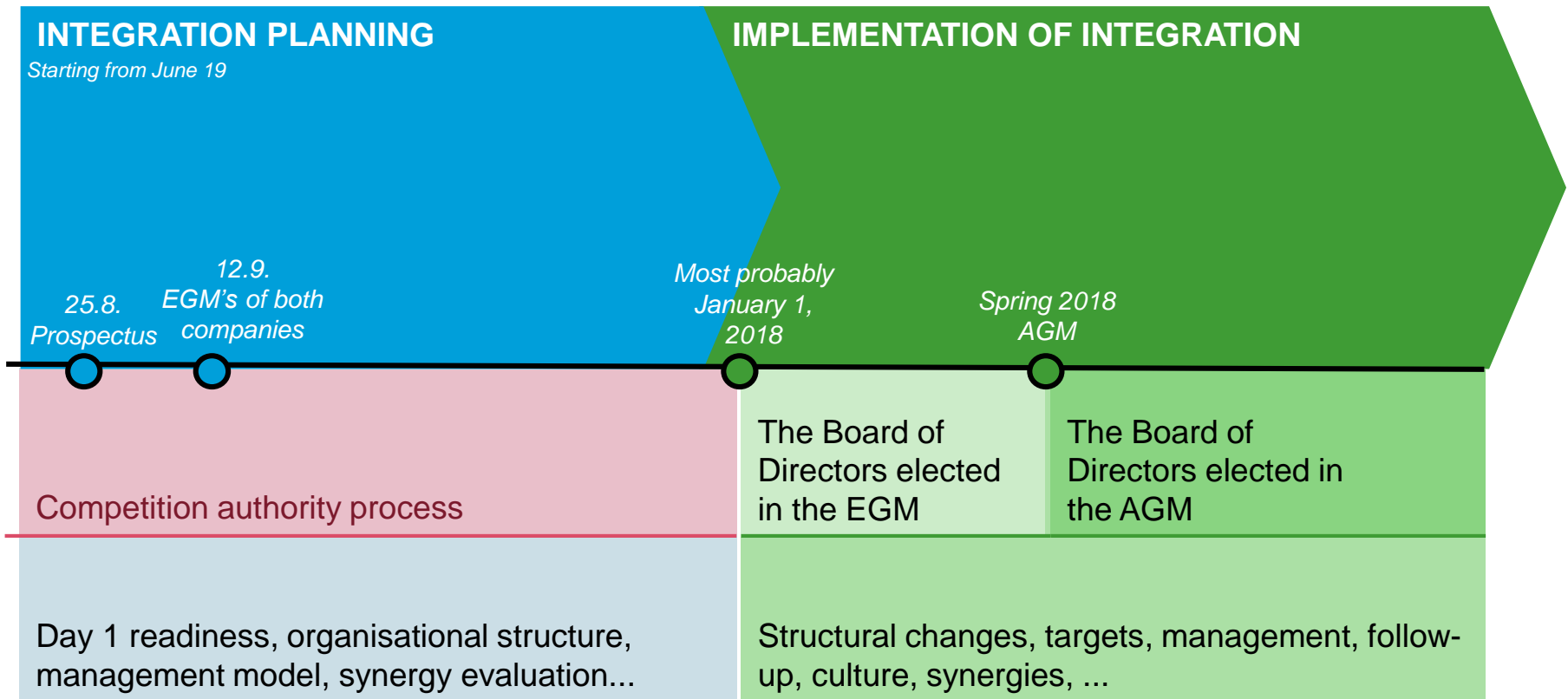
- Operating profit improved mainly due to strong consumer sales in Finland and CEE
- In Housing Russia, revenue declined even though sales in units increased
- Profitability improved in Business Premises and Infrastructure, several new projects booked in order backlog
- The merger of YIT and Lemminkäinen approved by EGMs of both companies, competition authority process continues



Kasarmikatu 21 office project
Helsinki, Finland

The merger of YIT and Lemminkäinen

Next steps in the merger process



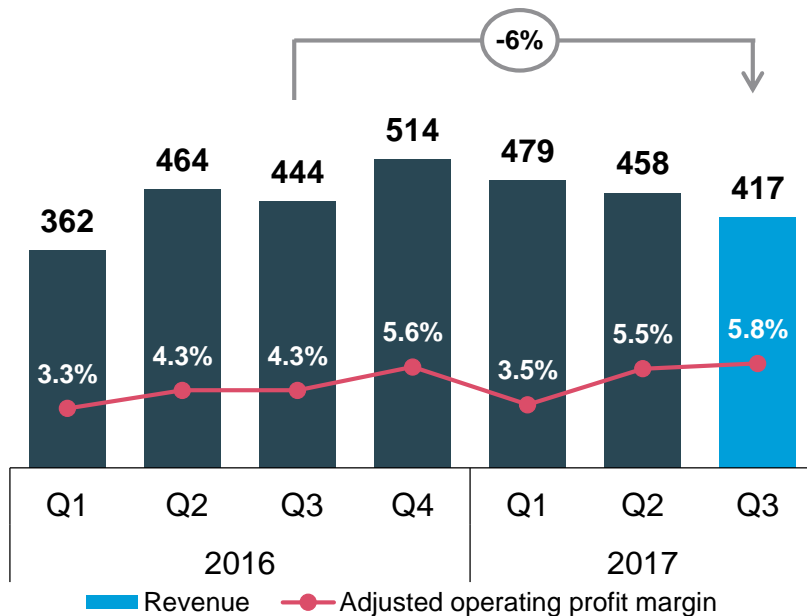
Group Profitability improved

- Revenue decreased y-o-y due to low revenue in Housing Russia and Business Premises and Infrastructure
- Profitability improved in all segments

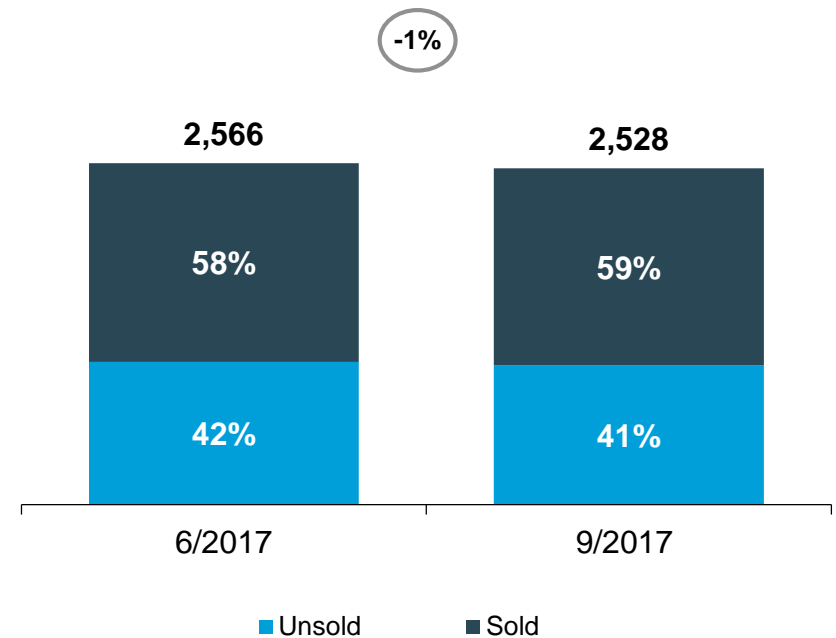
Revenue and adjusted operating profit margin (EUR million, %)

2016: EUR 1,784 million, 4.5%

1-9/2017: EUR 1,354 million, 4.9%



Order backlog (EUR million)



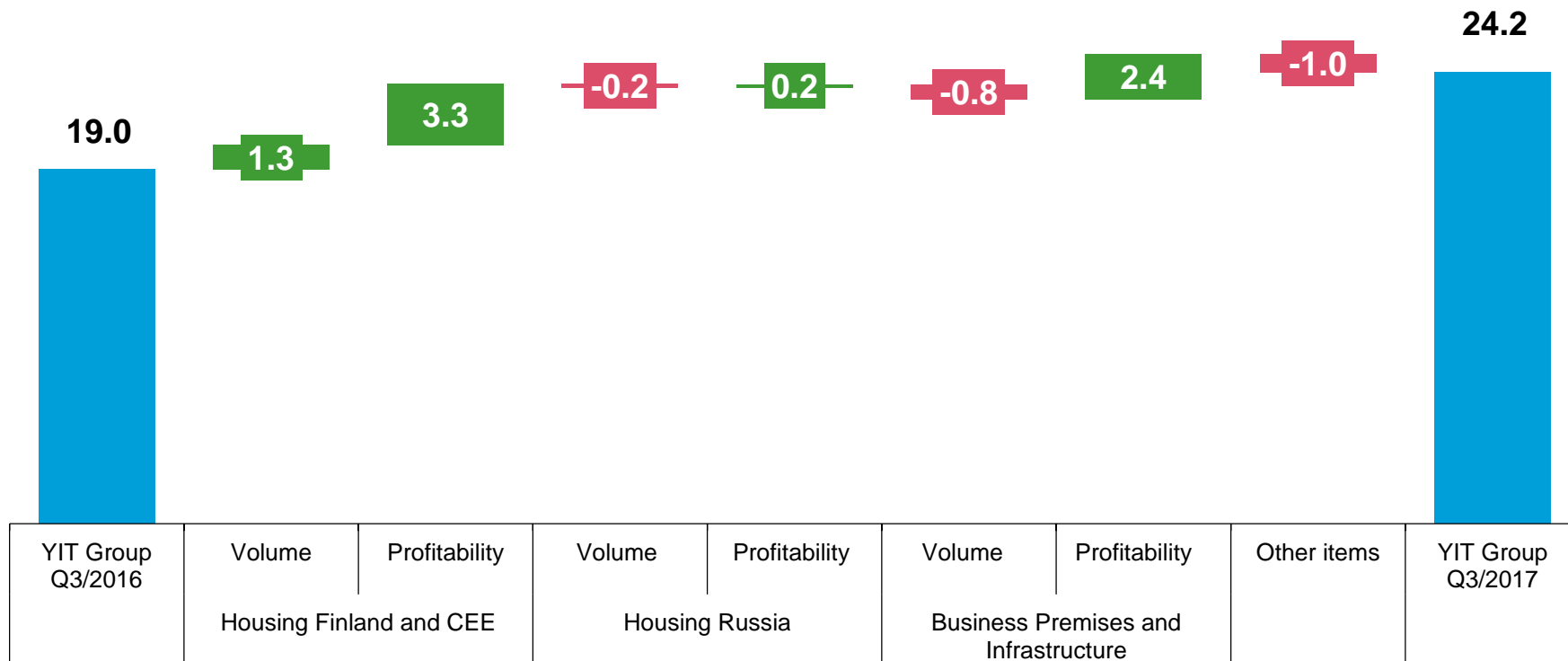
All figures according to segment reporting (POC)

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

EBIT-bridge Q3/2016–Q3/2017

- Positive EBIT development in Housing Finland and CEE due to strong consumer sales
- In Housing Russia, operating profit was positive due to improved gross margins
- Adjustments include EUR 3.0 million costs related to the merger preparations

Adjusted operating profit (EUR million), change Q3/2016–Q3/2017: 27%



2

Housing Finland and CEE



Hämeenlinnan Origo residential project
Hämeenlinna, Finland

Housing Finland and CEE

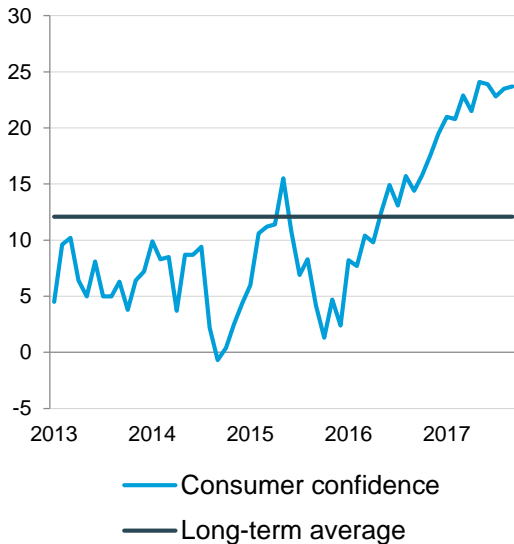
Operating environment in Finland in Q3

- Consumer confidence was on a record high level
- Residential investors were more selective, demand focused on capital region, Turku and Tampere

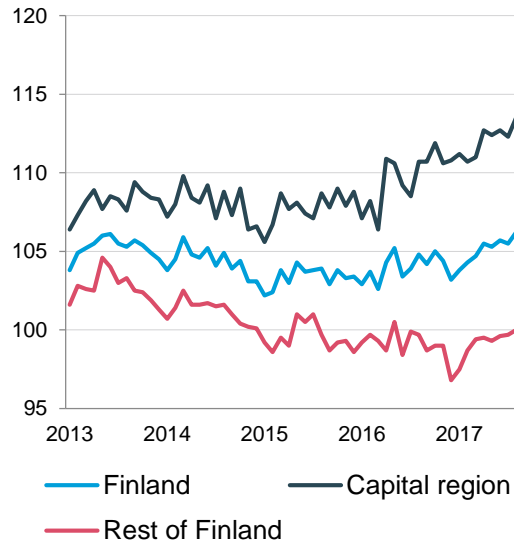
- Consumer demand was on a good level, no signs of overheating, supply on a high level
- Demand for larger apartments continued to improve in addition to the good demand for affordable apartments

- Mortgage interest rates stayed on a low level and margins continued to decrease
- The volume of new housing loans increased

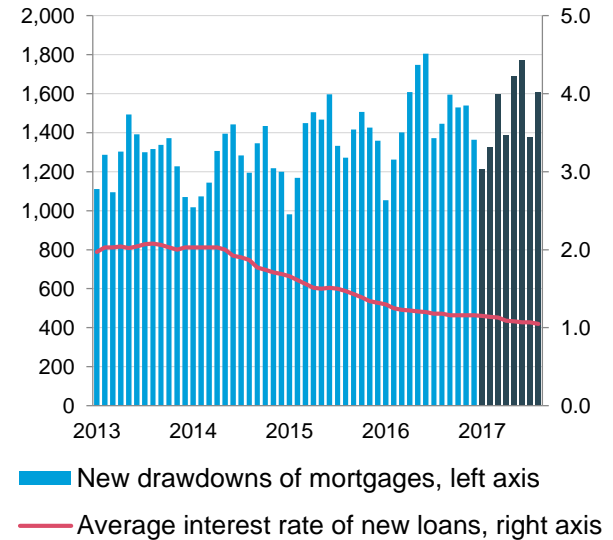
Consumer confidence



Prices of old apartments (index 2010=100)



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

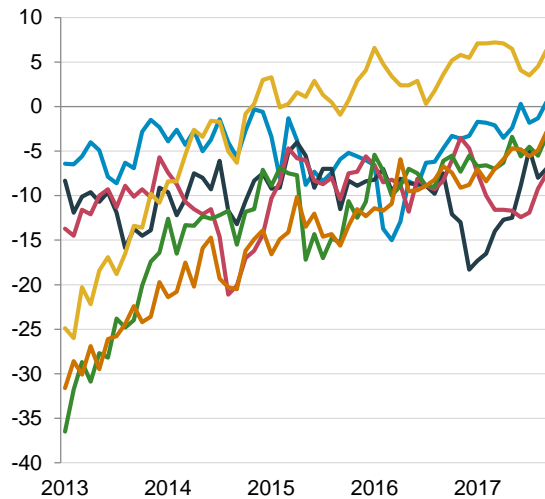


Sources: Statistics Finland and Bank of Finland

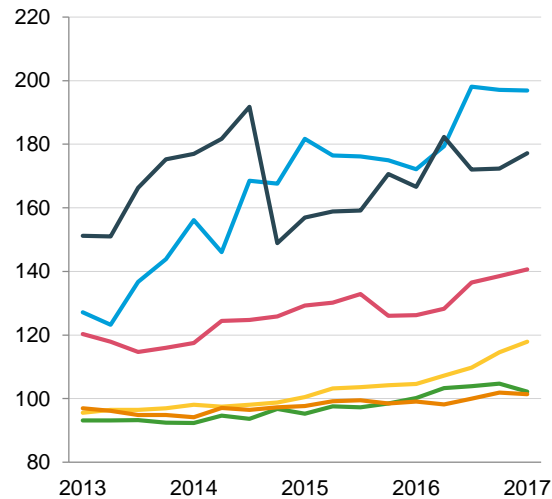
Operating environment in the CEE countries in Q3

- Residential demand was on a good level in Estonia, Lithuania, Slovakia and the Czech Republic
- Prices of new apartments increased slightly on average
- Shortage of resources caused cost pressure especially in the Czech Republic and Slovakia
- Interest rates of mortgages remained on a low level
- Consumers' access to financing remained good

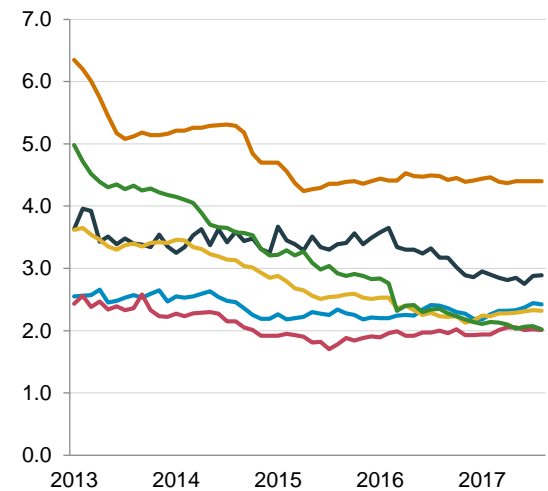
Consumer confidence



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

Housing Finland and CEE

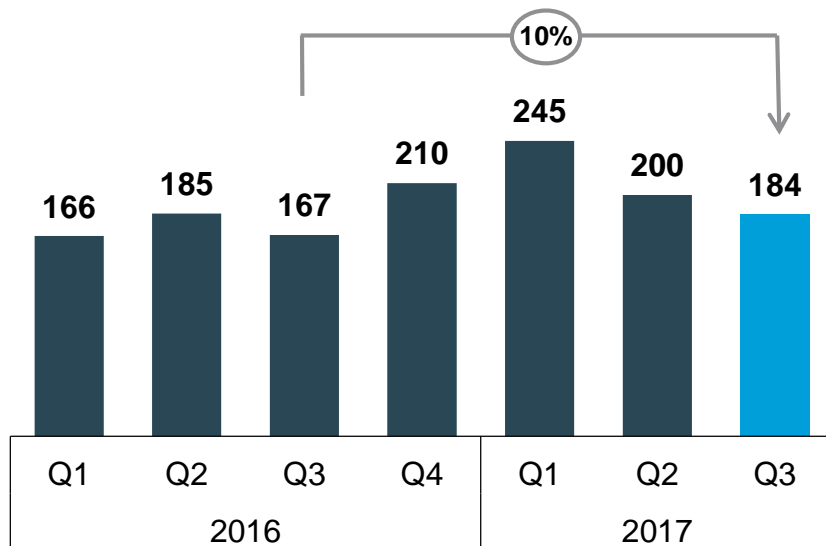
Revenue increased in Q3

- Revenue increased by 10% y-o-y due to good sales especially in CEE
- In Finland, the change in sales mix from investors to consumers had an impact on revenue recognition
- Order backlog was stable q-o-q

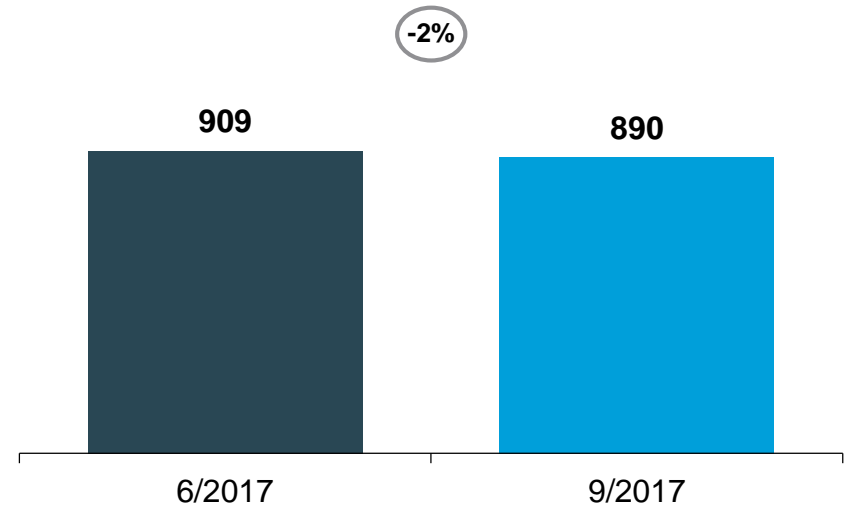
Revenue (EUR million)

2016: EUR 728 million

1-9/2017: EUR 629 million



Order backlog (EUR million)



All figures according to segment reporting (POC)

Housing Finland and CEE

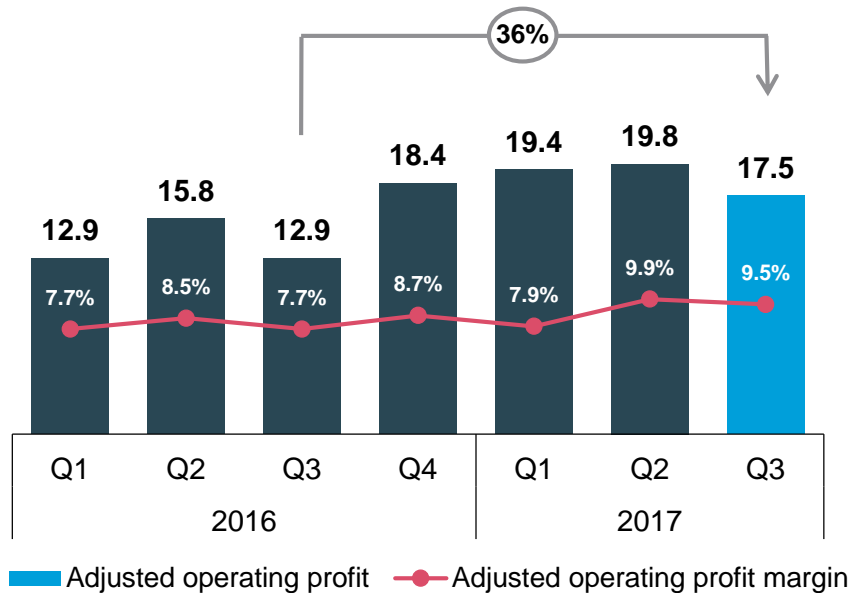
Operating profit improved in Q3

- Operating profit and profitability improved due to strong consumer sales
- ROCE continued to improve and was almost 18%

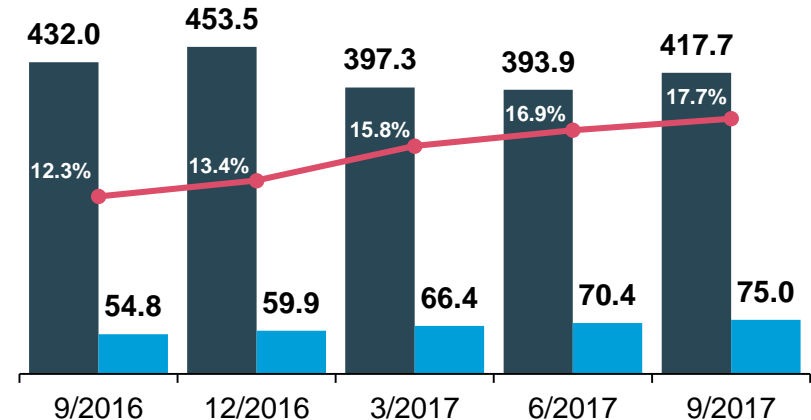
Adjusted operating profit and adjusted operating profit margin (EUR million, %)

2016: EUR 59.9 million, 8.2%

1–9/2017: EUR 56.6 million, 9.0%



Return on capital employed¹ (EUR million, %)



■ Capital employed
■ Operating profit, 12 month rolling
● Return on capital employed

All figures according to segment reporting (POC).

¹As 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.

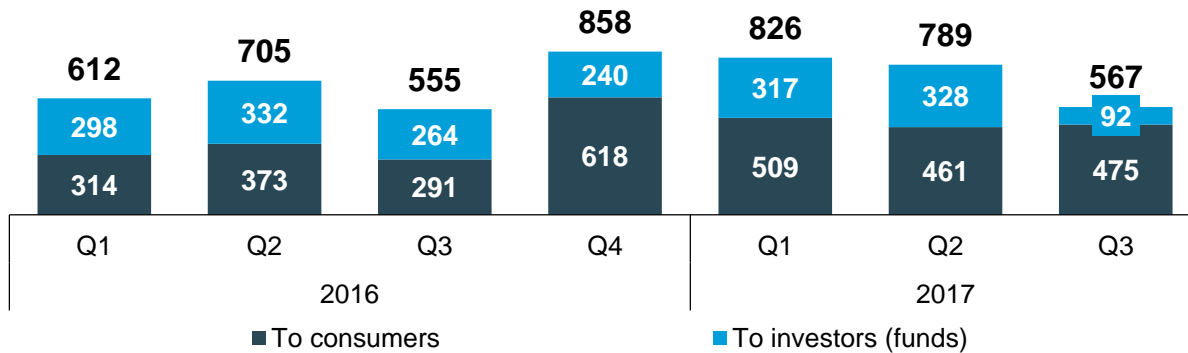
Housing Finland and CEE

Sales and start-ups in Finland in Q3

Sold apartments (units)

2016: 2,730

1-9/2017: 2,182

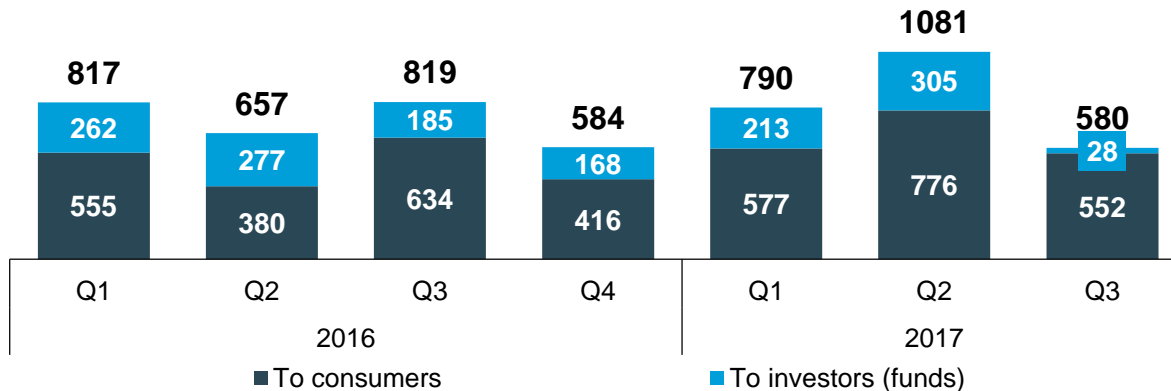


- Consumer sales increased by 63%
- Share of units sold to consumers record-high: 84% (Q3/2016: 52%)
- 64 apartments sold in bundles to investors (Q3/2016: 80 units)
- In October, estimated sales to consumers are around 160 units (10/2016: around 200 units)

Apartment start-ups (units)

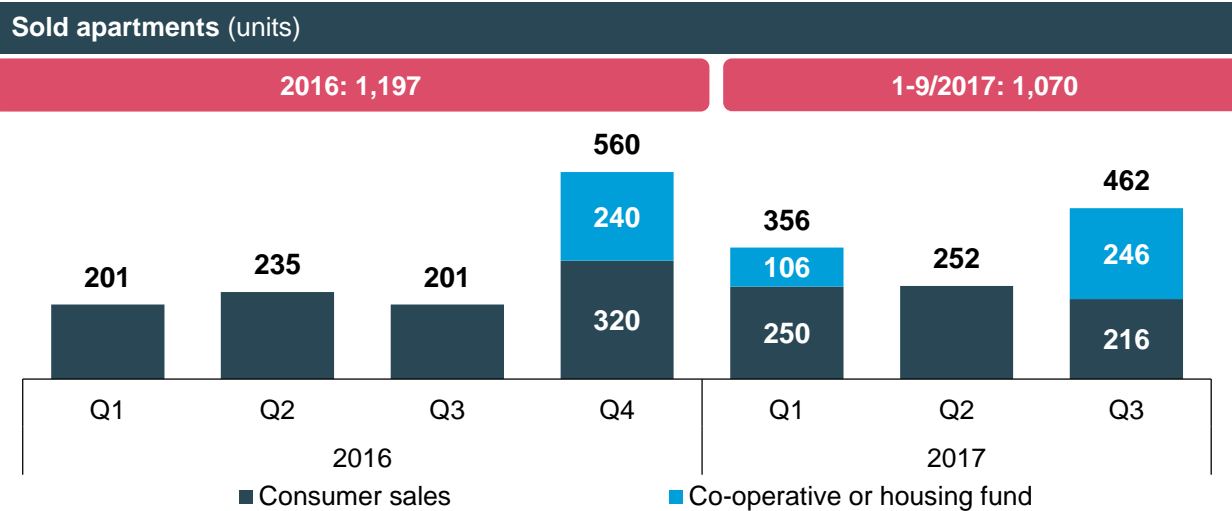
2016: 2,877

1-9/2017: 2,451



Housing Finland and CEE

Sales and start-ups in the CEE countries in Q3

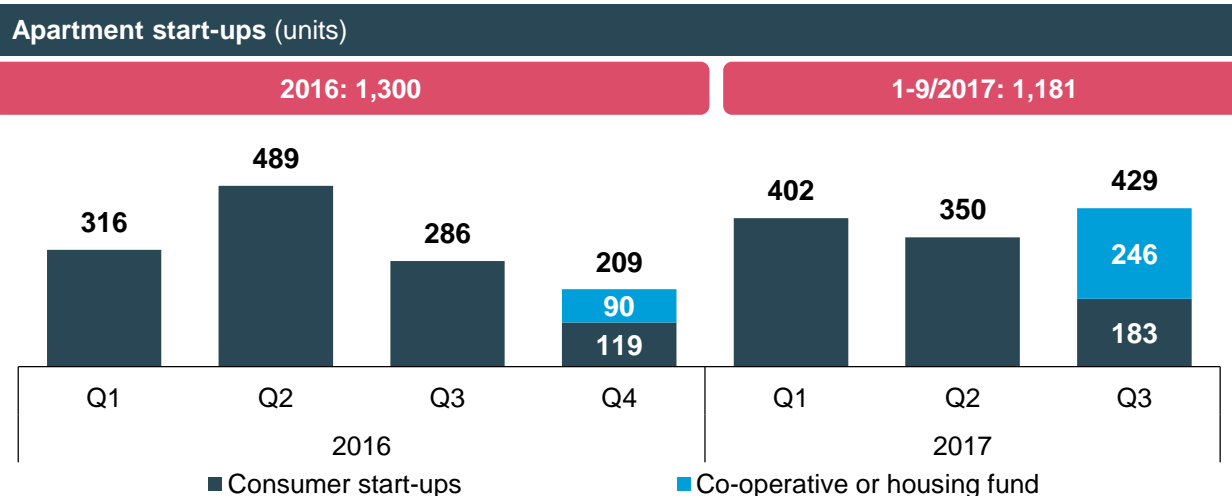


- Number of units sold to consumers grew by 7% y-o-y

- Number of start-ups increased by 50%

- Two apartment building projects with total of 246 units was sold to YCE Housing I fund

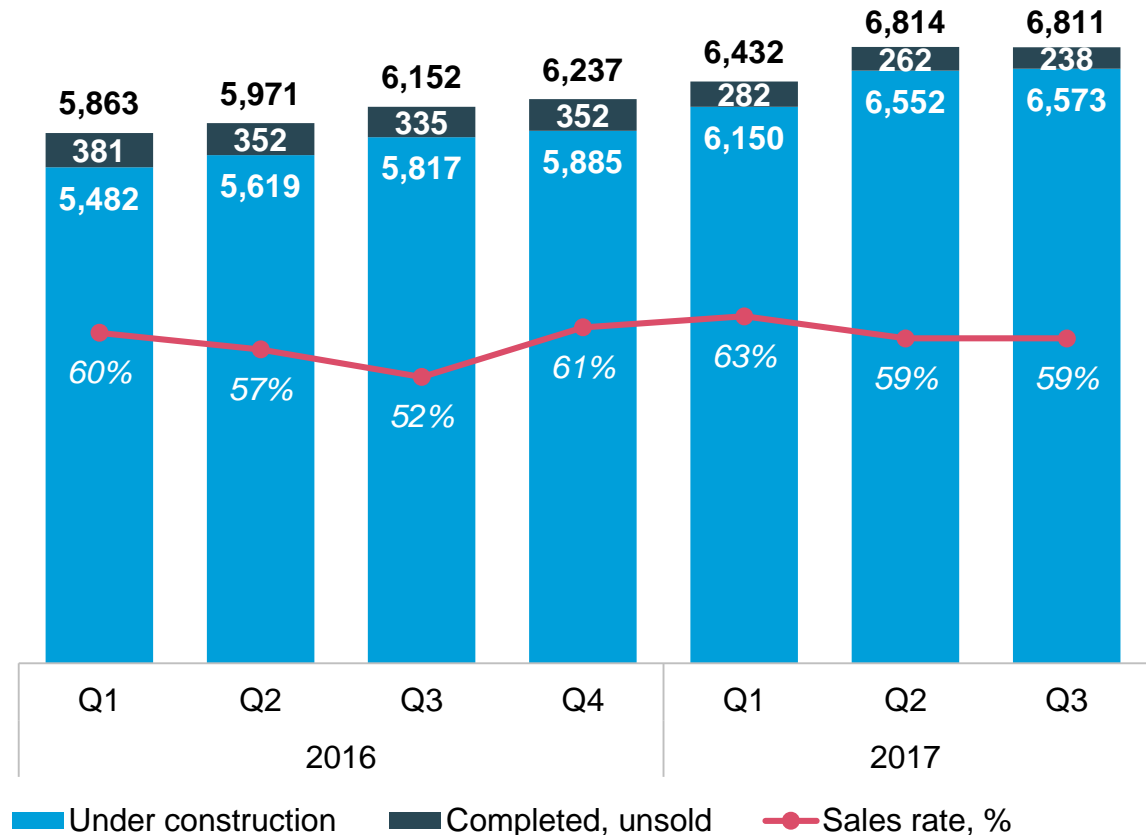
- In October, estimated sales to consumers are around 100 units (10/2016: around 100 units)



The production volume (units) continued to grow in Q3

- Number of unsold completed apartments on a low level
- The share of CEE of the sales portfolio (units) 42% (9/2016: 47%)

Apartment inventory (units)



3

Housing Russia



Lytkarino residential project
Moscow region, Russia

Housing Russia

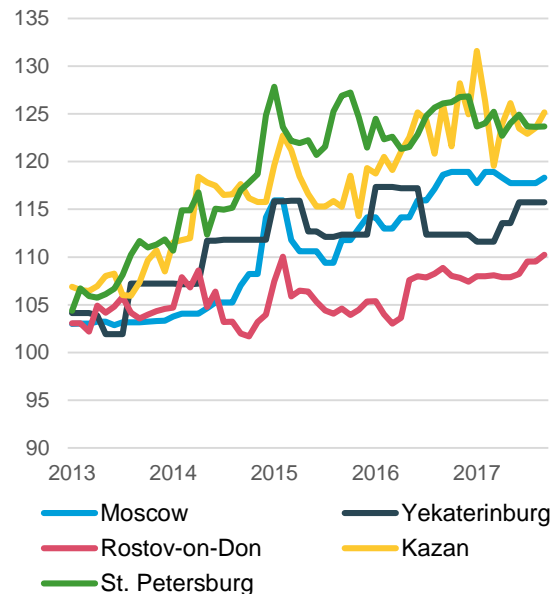
Operating environment in Q3

- Consumers continued to be cautious despite of slight improvement of the Russian economy
- Consumer purchase power still on a low level
- Consumer demand for housing improved in Moscow region and stayed on a low level in other cities
- Residential prices remained stable on average, supply still on a high level
- Mortgage interest rates for new apartments continued to decrease and are below the level of 10%
- The key rate cuts further increased expectations of a decrease in interest rates

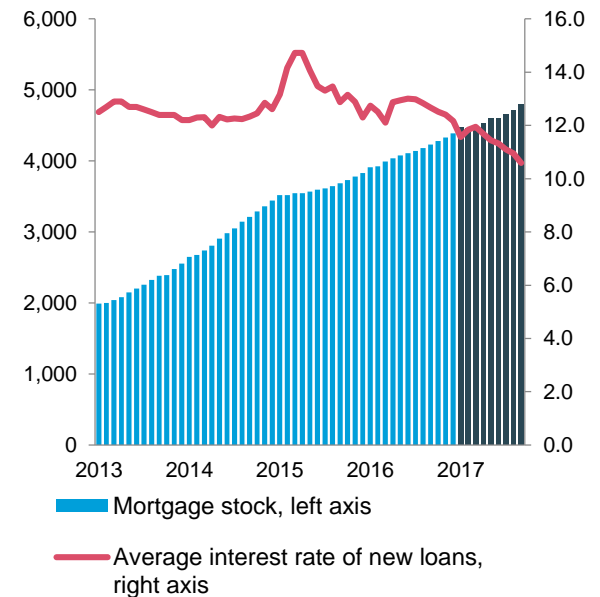
EUR/RUB exchange rate



Prices of new apartments (index 2012=100)



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



Sources: Bloomberg, YIT and Central Bank of Russia

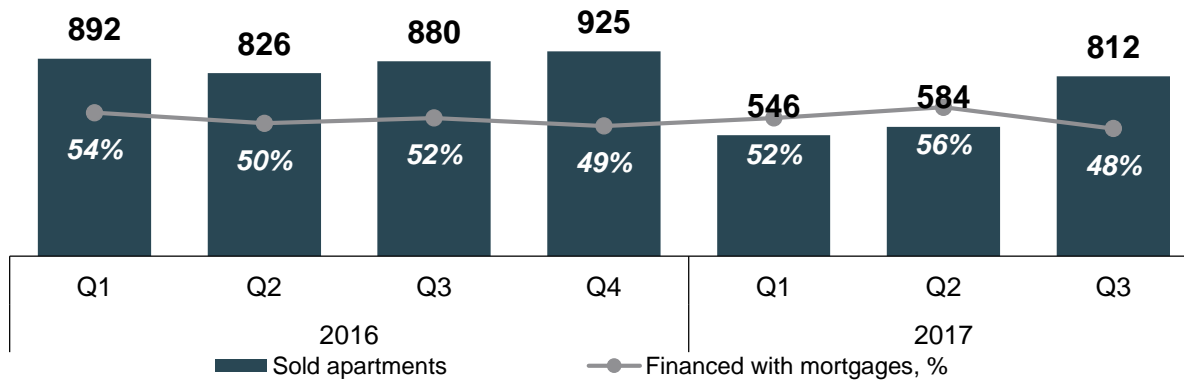
Housing Russia

Sales and start-ups in Q3

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

2016: 3,523 (51%)

1-9/2017: 1,942 (52%)

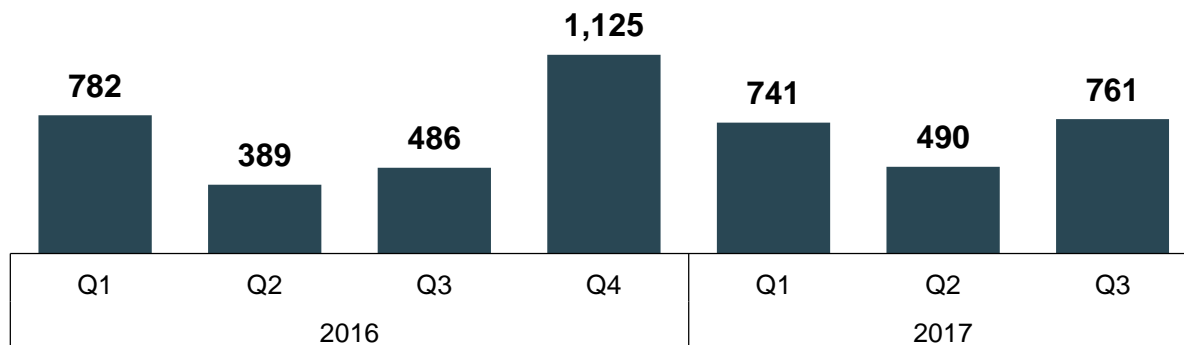


- Number of sold units decreased by 8% y-o-y
 - No changes in price lists
 - Sales increased by 39% from Q2, growth especially in economy segment
- Start-ups were increased in order to maintain the critical construction volume, target to release capital remains
- Share of sales financed with mortgages decreased to 48%
- In October, consumer sales estimated to be around 250 units (10/2016: over 300 units)

Apartment start-ups (units)

2016: 2,782

1-9/2017: 1,992



Housing Russia

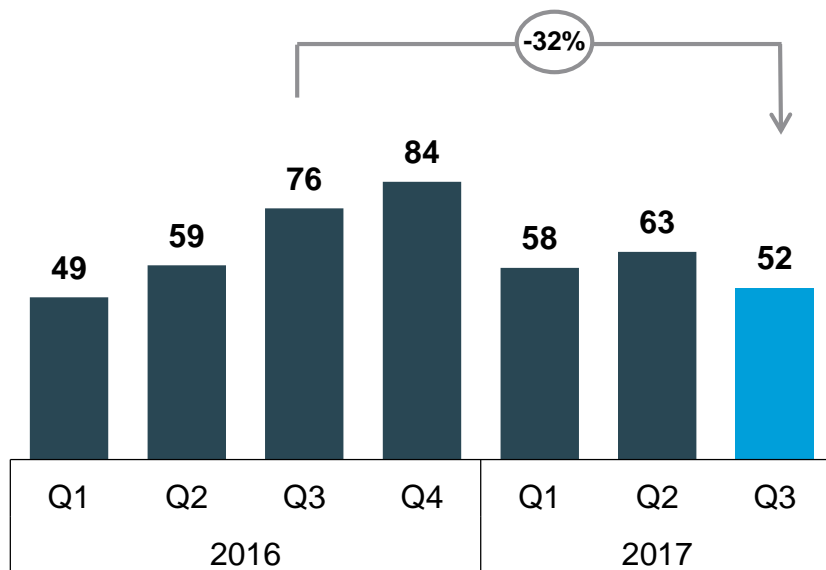
Revenue decreased in Q3

- Revenue decreased by 34% at comparable FX due to weak sales in St. Petersburg leading to lower average sales price
- Order backlog declined q-o-q due to low start-ups

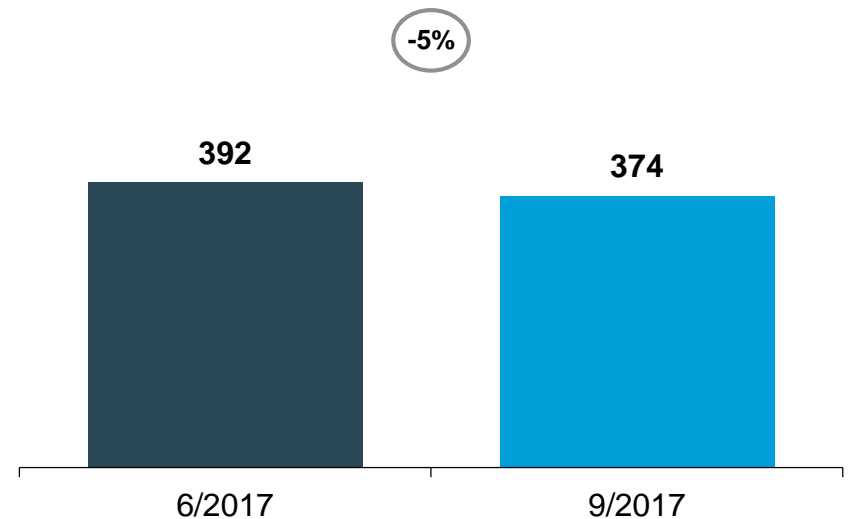
Revenue (EUR million)

2016: EUR 268 million

1-9/2017: EUR 173 million



Order backlog (EUR million)



All figures according to segment reporting (POC)

Housing Russia

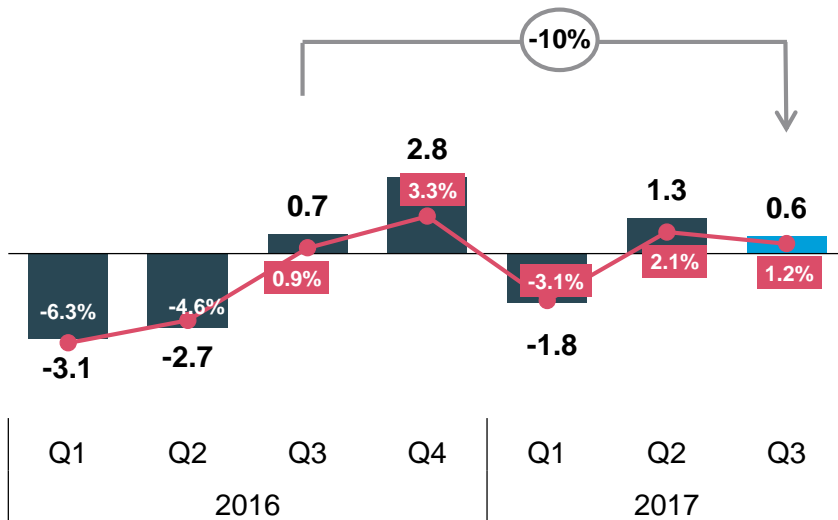
Positive operating profit in Q3

- Operating profit was positive in Q3 due to improved gross margins
- ROCE is still weak, however improved due to exclusion of write-down booked in Q3/2016 from rolling 12 months operating profit

Adjusted operating profit and adjusted operating profit margin (EUR million, %)¹

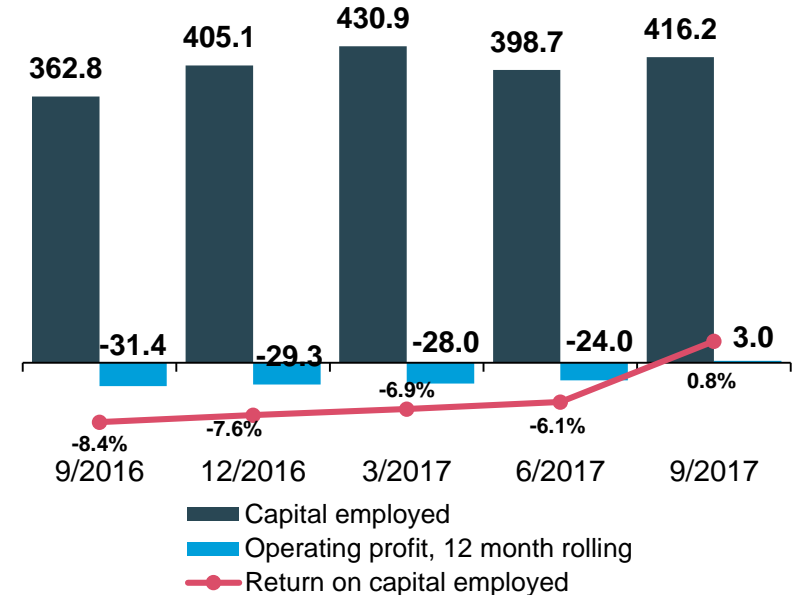
2016: EUR -2.3 million, -0.9%

1-9/2017: EUR 0.2 million, 0.1%



Adjusted operating profit (blue bars) Adjusted operating profit margin (red line)

Return on capital employed² (EUR million, %)



All figures according to segment reporting (POC).

¹EUR 27 million cost booked in Q3/2016 result from Housing Russia

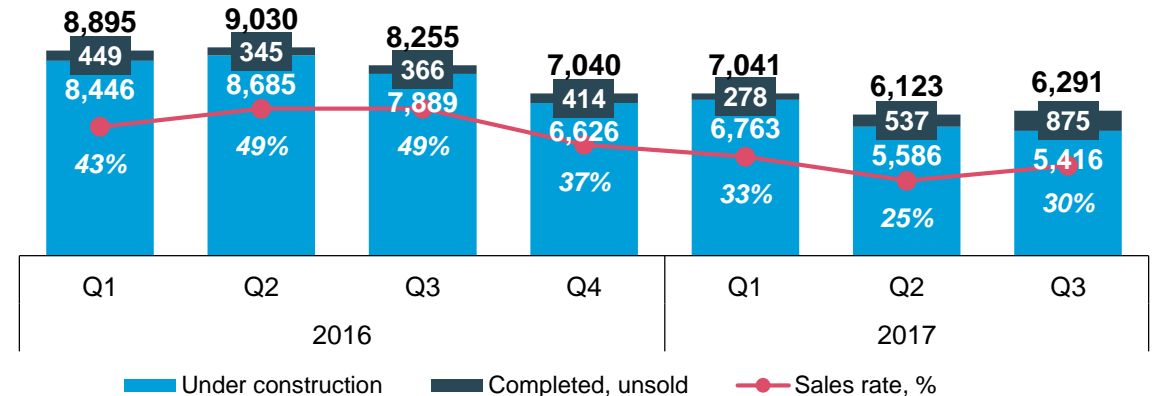
²As of the beginning of 2017, in order to clarify its financial figures terminology, YIT starts to use the terms Capital Employed and Return on Capital Employed (ROCE) for segment reporting instead of previously used Operative Invested Capital and Return on Operative Invested Capital (ROI). The formulas for these financial figures remain untouched.

Housing Russia

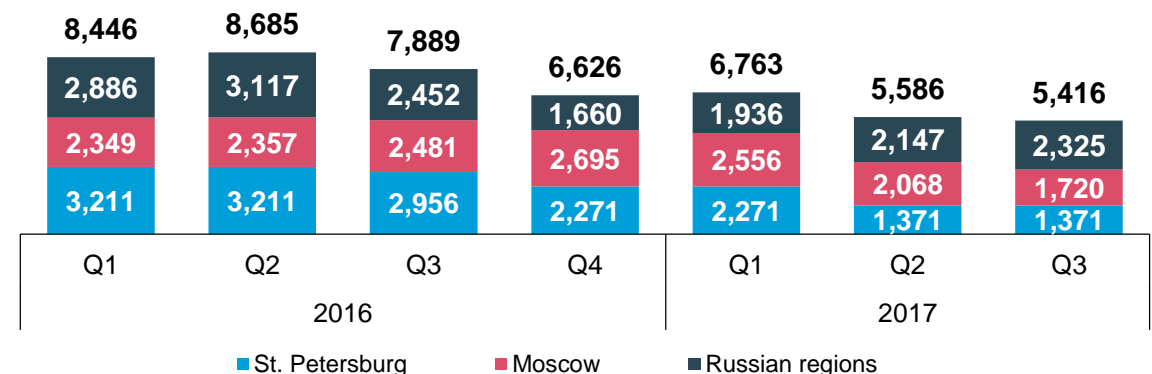
YIT Service responsible already for 38,700 clients

- Number of completed unsold apartments increased due to high number of projects handed over
 - Focused in few sites in Moscow region
- At the end of September, YIT Service was responsible for the maintenance and the living services of over 31,000 apartments (6/2017: over 30,000) and in total 38,700 clients (incl. parking spaces and business premises)

Apartment inventory (units)



Apartments under construction by area (units)



4

Business Premises and Infrastructure



Hiekkaharju water tower
Vantaa, Finland

Business Premises and Infrastructure

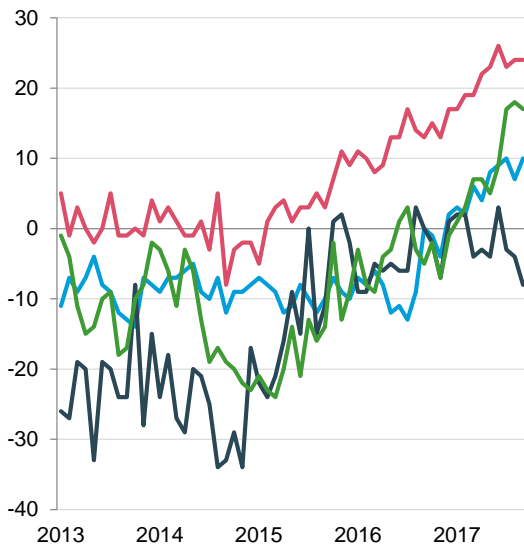
Operating environment in Q3

- Investor demand for business premises in prime growth centres was on a good level in Finland
- In Finland, the good overall market sentiment supported private investments

- The Finnish tender market and infrastructure market were active especially in the capital region and growth centres

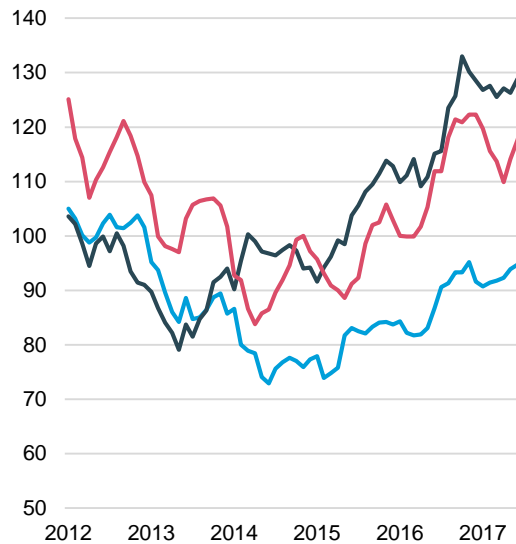
- Investor demand for business premises was good in the Baltic countries and Slovakia
- Tender market remained stable in the Baltic countries

Confidence indicators in Finland



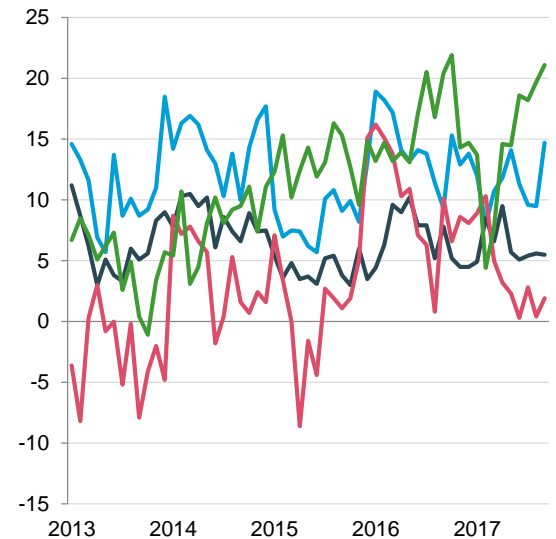
— Manufacturing — Construction
— Services — Retail trade

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

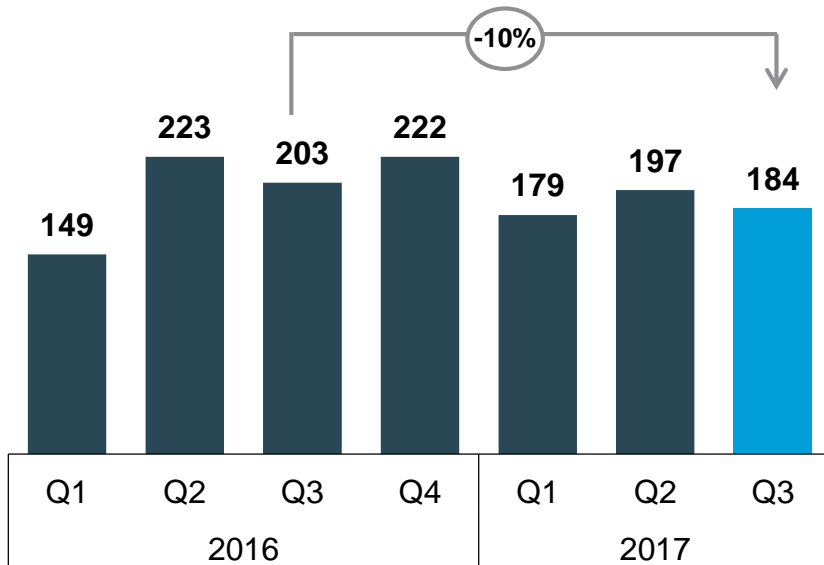
Revenue decreased in Q3

- Revenue decreased by 10% y-o-y
- Order backlog on previous quarter's level

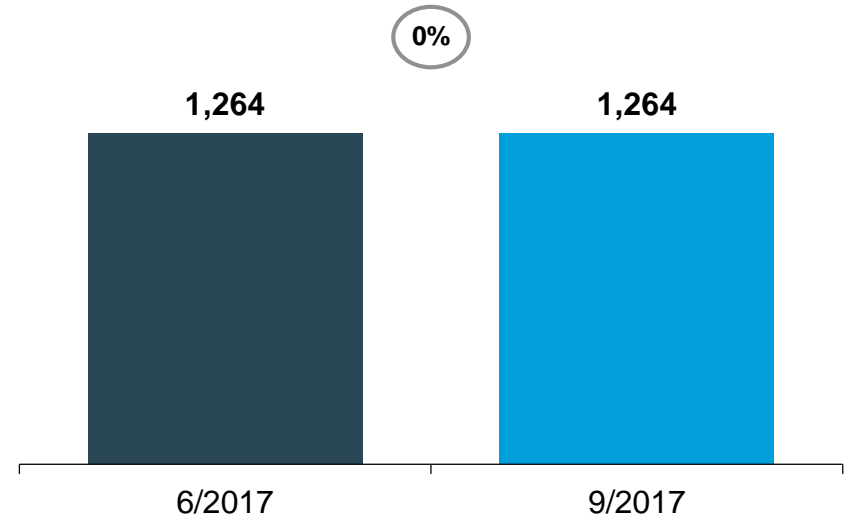
Revenue (EUR million)

2016: EUR 797 million

1-9/2017: EUR 560 million



Order backlog (EUR million)



All figures according to segment reporting (POC)

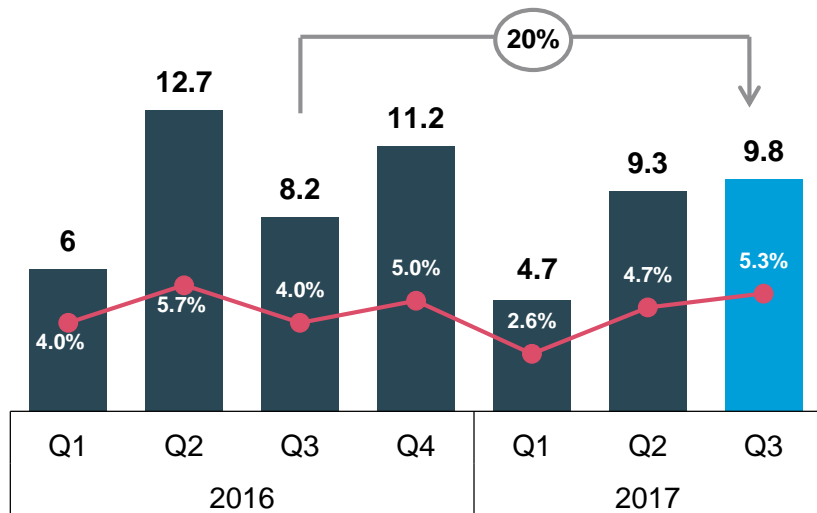
Business Premises and Infrastructure Profitability on a good level

- Operating profit increased by 20% y-o-y
- Profitability on a good level
- Capital employed increased due to investments in the Tripla project

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

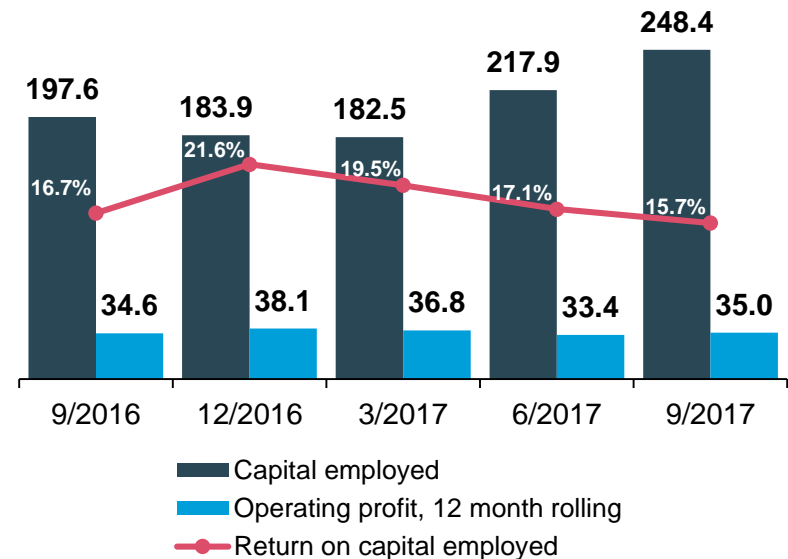
2016: EUR 38.1 million, 4.8%

1–9/2017: EUR 23.8 million, 4.3%



Adjusted operating profit (blue bar) Adjusted operating profit margin (red line)

Return on capital employed¹ (EUR million, %)



Capital employed (dark blue bar)
Operating profit, 12 month rolling (light blue bar)
Return on capital employed (red line)

All figures according to segment reporting (POC).

¹As 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.

Large projects proceeded according to plan in Q3

- The construction of the Tripla hotel was started
- The occupancy rate of Mall of Tripla increased to approximately 57% at the end of review period ahead of schedule
- New tender-based projects booked in Q3
 - Part of EUR 39 million life cycle school projects in Espoo
 - Road maintenance contracts, EUR ~100 million
 - Water towers in Finland, EUR 12 million in total
 - Several contracting projects in Lithuania, EUR 24 million in total



5

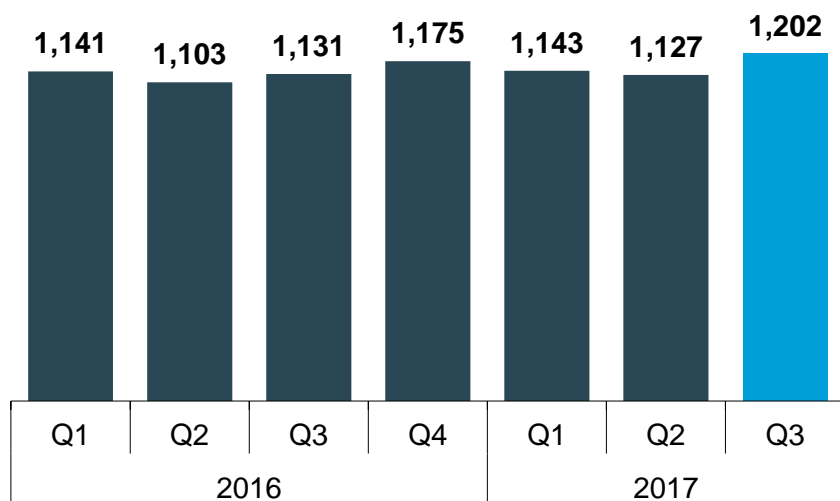
Financial
position and key
ratios



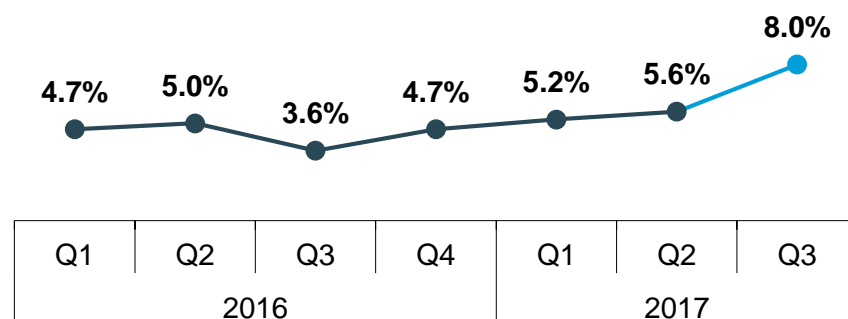
ROI continued to improve in Q3

- Invested capital increased q-o-q
- ROI continued to improve
- Target to reduce capital employed in Russia by approximately RUB 6 billion by the end of 2018

Invested capital (EUR million)



Return on investment¹ (%), rolling 12 months



All figures according to segment reporting (POC)

¹EUR 27 million cost booked in Q3/2016 result from Housing Russia

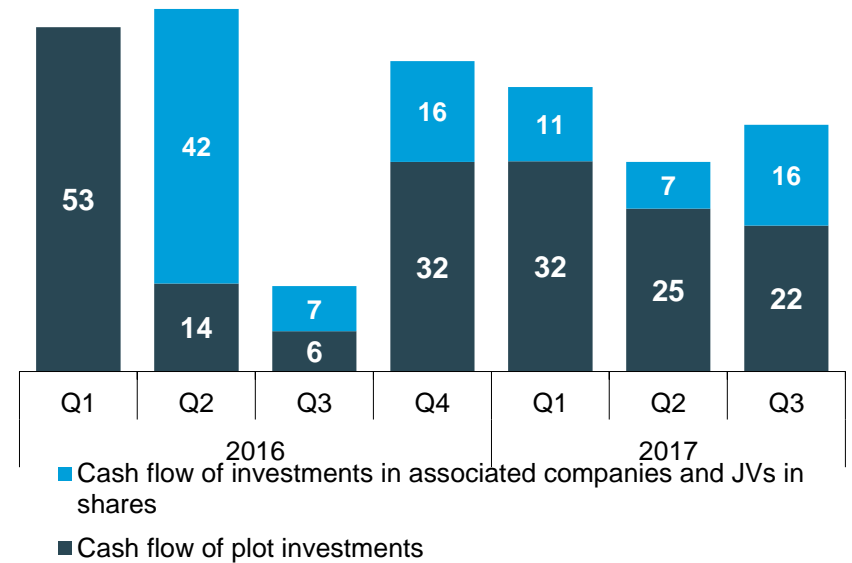
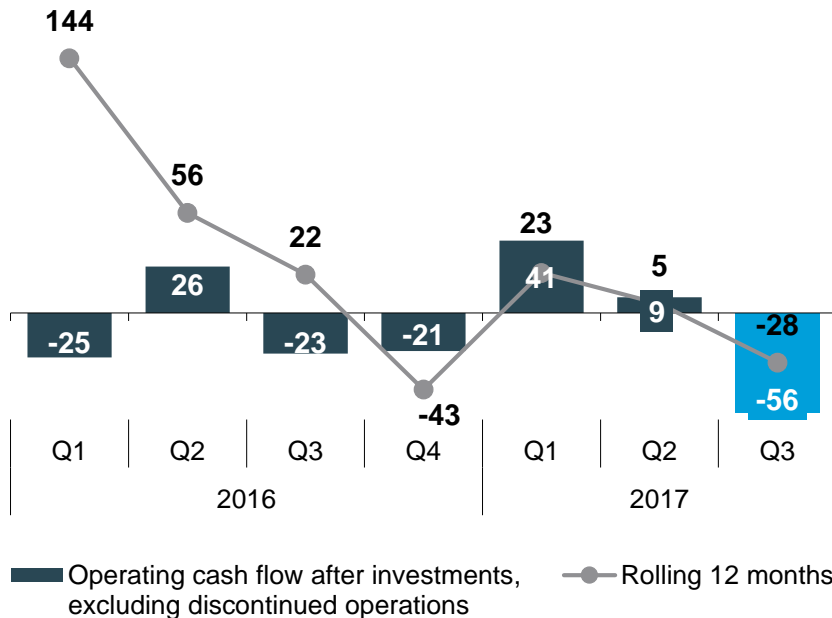
Cash flow in Q3

- Cash flow turned negative mainly due to low sales in Russia and investments in Tripla project

Operating cash flow after investments, excluding discontinued operations (EUR million)

Long-term target:
Sufficient operating cash flow after investments, excluding discontinued operations, for dividend payout

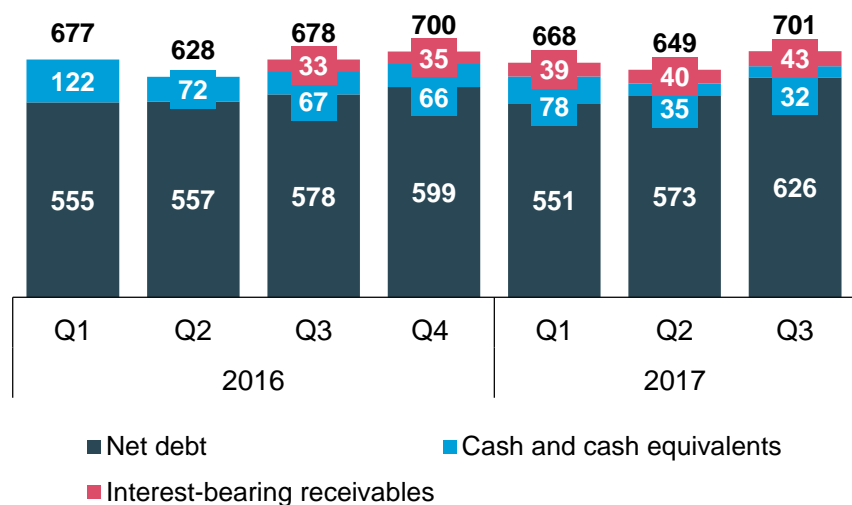
Cash flow of plot investments and investment in associated companies and JVs in shares (EUR million)



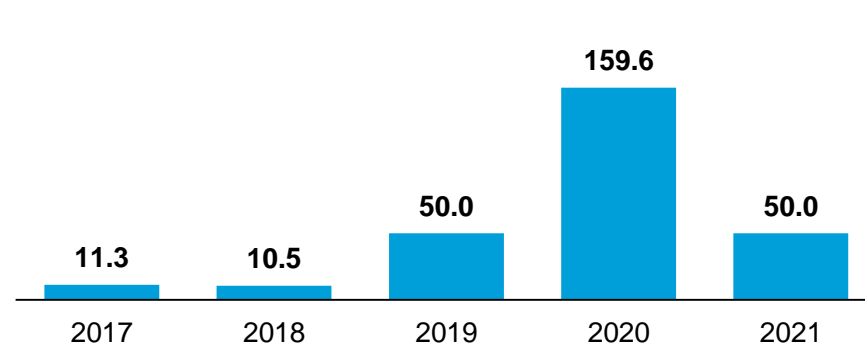
Net debt increased in Q3

- Net debt increased temporarily due to negative cash flow from operations
- A new EUR 50 million, 3-year bilateral loan withdrawn after the review period in October

Interest-bearing debt (EUR million), IFRS



Maturity structure of long-term debt 9/2017 (EUR million) ¹

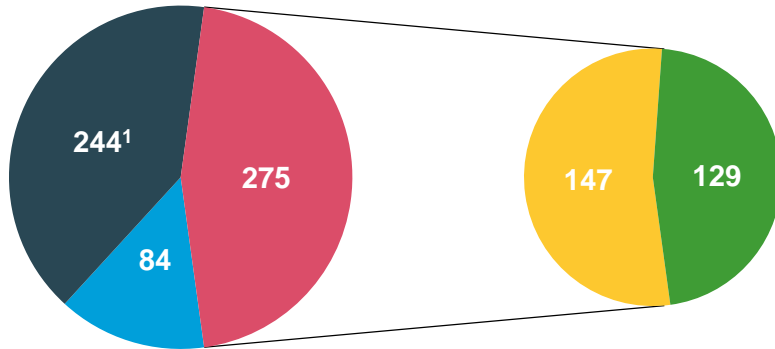


¹ Excluding construction stage financing

Plots in the balance sheet by segments and geography

Plot reserves in the balance sheet 9/2017, (EUR million)

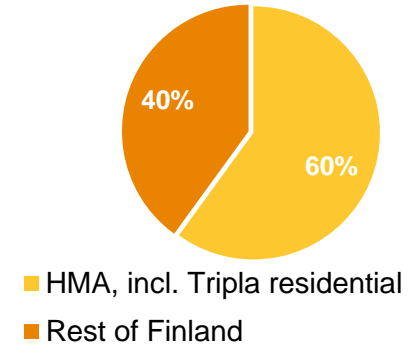
In total EUR 604 million



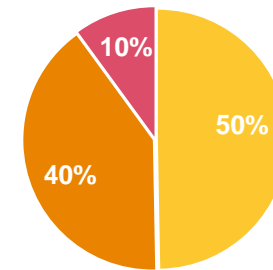
- Business Premises and Infrastructure
- Housing Russia
- Housing Finland and CEE
- Finnish housing
- CEE housing

¹Includes Gorelovo industrial park

Division by geography in Finnish housing



Division by geography in Business Premises and Infrastructure

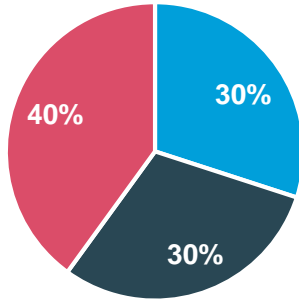


- HMA, incl. Tripla
- Rest of Finland
- CEE

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

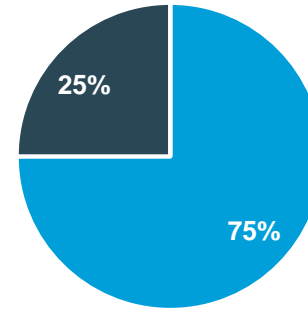
Plot reserve in thousand floor square metres 9/2017, consists of own plots, pre-agreements and rental plots, 5.3 million floor sq. m in total (Q2/2017: 5.4)

Finnish housing, total 2.0 million floor sq.m



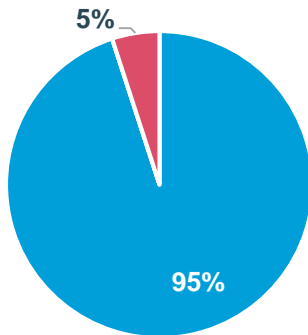
Average annual use of plot reserves ~150,000–200,000 floor sq.m.
~ 70% of the own and rental plots have confirmed zoning

Housing Russia, total 2.1 million floor sq.m



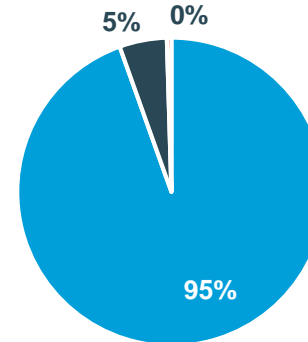
Average annual use of plot reserves ~150,000–200,000 floor sq.m.

CEE housing, total 0.6 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



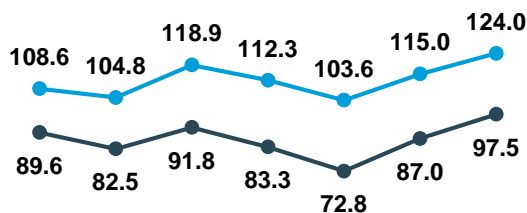
Average annual use of plot reserves ~30,000–70,000 floor sq.m.

■ Own ■ Rental ■ Pre-agreements

Financial key ratios in Q3

- Gearing and equity ratio impacted by temporarily increased net debt
- Net debt/EBITDA (IFRS) continued to improve

Gearing (%)

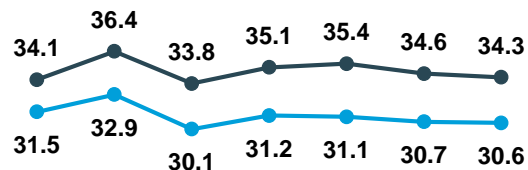


Q1	Q2	Q3	Q4	Q1	Q2	Q3
2016				2017		

—●— POC —●— IFRS

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

Equity ratio (%)

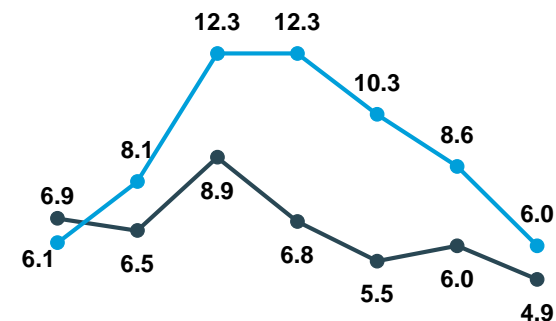


Q1	Q2	Q3	Q4	Q1	Q2	Q3
2016				2017		

—●— 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	Q2	Q3
2016				2017		

—●— POC —●— IFRS



Summary of financials in Q3

- A solid quarter, profitability improved in all segments
- ROI improved significantly
- Gearing and equity ratio burdened by temporarily increased net debt which was caused by negative cash flow
- Net financial expenses (POC) decreased by 55% y-o-y mainly due to lower interest expenses and currency hedging costs and gains from interest rate derivatives
 - Even with the merger related financial expenses, the full year net financial expenses are estimated to be over 30% lower compared to previous year



6

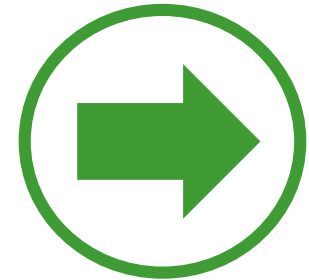
Outlook and guidance



Market outlook, expectations for 2017

Finland

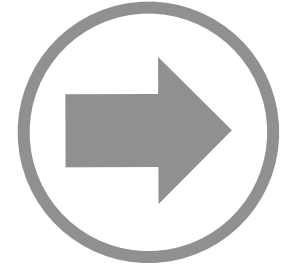
- Consumer demand to remain on a good level
- Activity of large investors to remain on a lower level compared to previous years, the importance of location and price level remains significant
- Residential price polarisation between growth centres and other Finland to continue
- Availability of mortgages to remain good
- Increased supply of apartments to prevent the market overheating
- 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, but the average project size to decrease
- 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

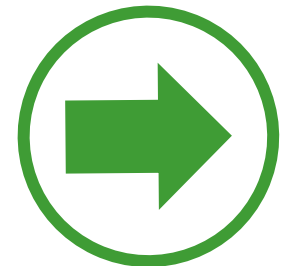
Russia

- The low point of the economic cycle has been passed, housing demand anticipated to improve slowly and price levels to remain stable on a low level
- The moderate recovery of the economy expected to have a moderate, positive impact on the residential market
- The weakening of ruble and expectations of decrease of interest rate to influence consumer behaviour
- Residential demand to focus on affordable apartments
- Construction cost inflation to remain on a moderate level



CEE

- Residential demand to remain on a good level
- Good access to financing, low interest rates to support the residential demand going forward as well
- Residential prices to increase slightly
- Shortage of resources to increase construction cost inflation
- The price level of plots has increased, the competition for plots to remain on a high level



Guidance for 2017 (segment reporting, POC) unchanged

The Group revenue is estimated to **grow by 5–12%**.

The adjusted operating profit¹ is estimated to be in the range of **EUR 105–115 million**.

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

- At the end of September, 59% of the Group order backlog was sold.
- Projects already sold or signed pre-agreements are estimated to contribute over half 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.
- A contract on the sale of the Kasarmikatu 21 office project in Helsinki for an international investor was signed in August. YIT estimates that the transaction will be completed by the end of 2017. The transaction has a positive impact on the Group's adjusted operating profit.



West Harbour's Terminal 2
Helsinki, Finland

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

More information

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7

Appendices



Appendices

- I. Key figures and additional information about financial position
- II. Ownership
- III. General economic indicators
- IV. Housing indicators
- V. Business premises and infrastructure indicators





Key figures and additional information about financial position



Key figures

EUR million	7–9/2017	7–9/2016	Change	1–9/2017	1–9/2016	Change	1–12/2016
Revenue	417.3	443.8	-6%	1,354.3	1,269.9	7%	1,783.6
Operating profit	21.2	-8.0		61.9	24.2	155%	52.9
Operating profit margin, %	5.1%	-1.8%		4.6%	1.9%		3.0%
Adjusted operating profit	24.2	19.0	27%	65.9	51.2	29%	79.9
Adjusted operating profit margin, %	5.8%	4.3%		4.9%	4.0%		4.5%
Adjustments	-3.0	-27.0	-89%	-4.0	-27.0		-27.0
Order backlog	2,527.5	2,640.7	-4%	2,527.5	2,640.7	-4%	2,613.1
Profit before taxes	15.4	-17.0		47.5	-7.5		13.8
Profit for the review period ¹	12.3	-15.9		36.7	-8.7		7.4
Earnings per share, EUR	0.10	-0.13		0.29	-0.07		0.06
Operating cash flow after investments, excluding discontinued operations	-56.2	-22.8	146%	-6.5	-21.7	-70%	-43.1
Return on investment, last 12 months, %	8.0%	3.6%		8.0%	3.6%		4.7%
Equity ratio, %	34.3%	33.8%		34.3%	33.8%		35.1%
Interest-bearing net debt (IFRS)	626.2	577.9	8%	626.2	577.9	8%	598.6
Gearing (IFRS), %	124.0%	118.9%		124.0%	118.9%		112.3%
Personnel at the end of the period	5,533	5,282	5%	5,533	5,282	5%	5,261

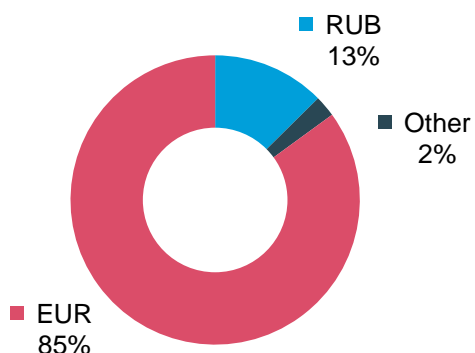
¹Attributable to equity holders of the parent company

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

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

Ruble weakened in Q3

Revenue split Q3/2017 (POC)



Impact of changes in foreign exchange rates (EUR million)

	Q3/2017	1-9/2017
Revenue, POC ¹	2.3	25.4
Adjusted EBIT, POC ¹	0.3	0.7
Order backlog, POC ²	-3.5	-3.5
Equity, IFRS (translation difference) ²	-4.2	-4.2

¹ Compared to the corresponding period in 2016

² Compared to the end of previous quarter

Principles of managing currency risks:

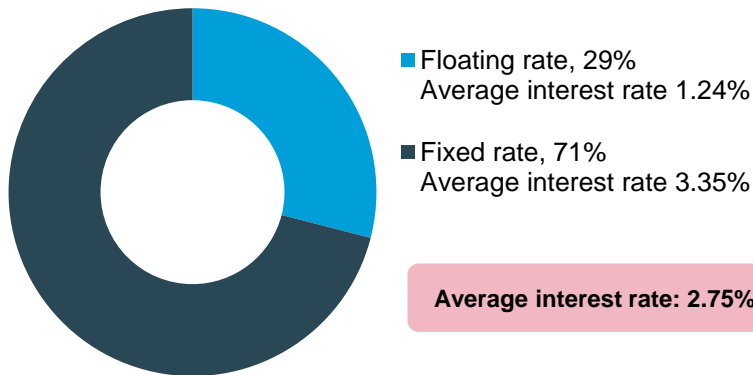
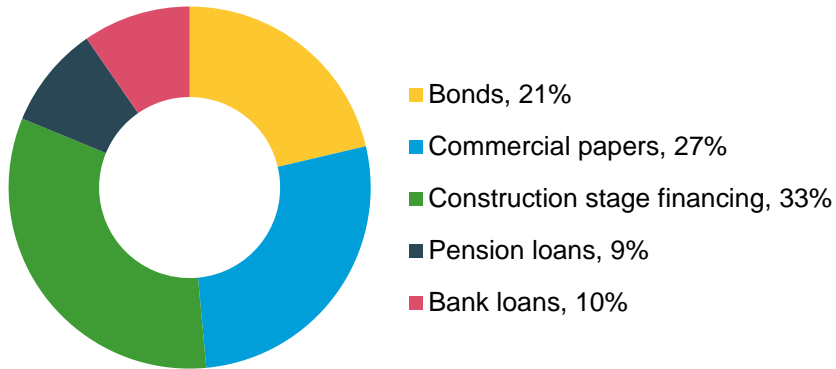
- Sales and project costs typically in same currency, all foreign currency items hedged
→ **no transaction impact**
- Currency positions affecting the income statement, such as loans to subsidiaries, are hedged
- Equity and equity-like investments in foreign currency not hedged
 - Considered to be of permanent nature
 - FX changes recognized as translation difference in equity
- Invested capital in Russia in 9/2017:
 - Equity and equity-like investments: EUR 346.0 million
 - Loans to subsidiaries: EUR 36.7 million

EUR/RUB exchange rates

	1-9/2017	1-9/2016
Average rate	64.9392	76.2328
Quarter-end rate	68.2519	70.5140

Balanced debt portfolio

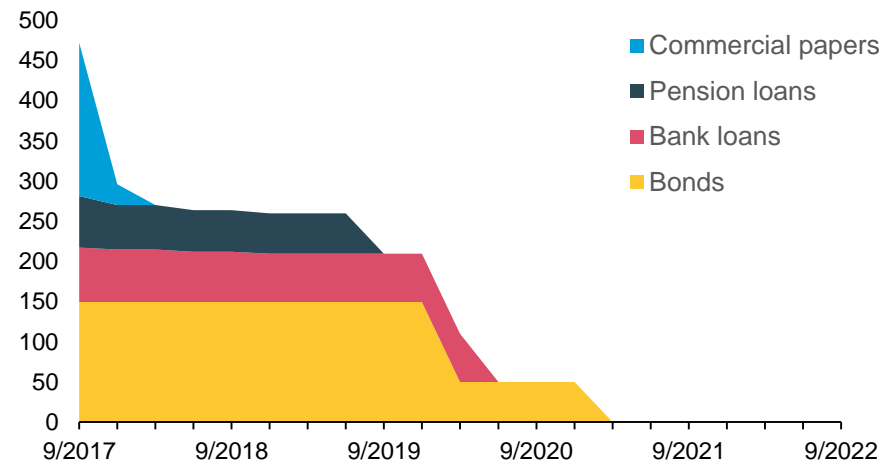
Debt portfolio at the end of the period 9/2017, EUR 701 million



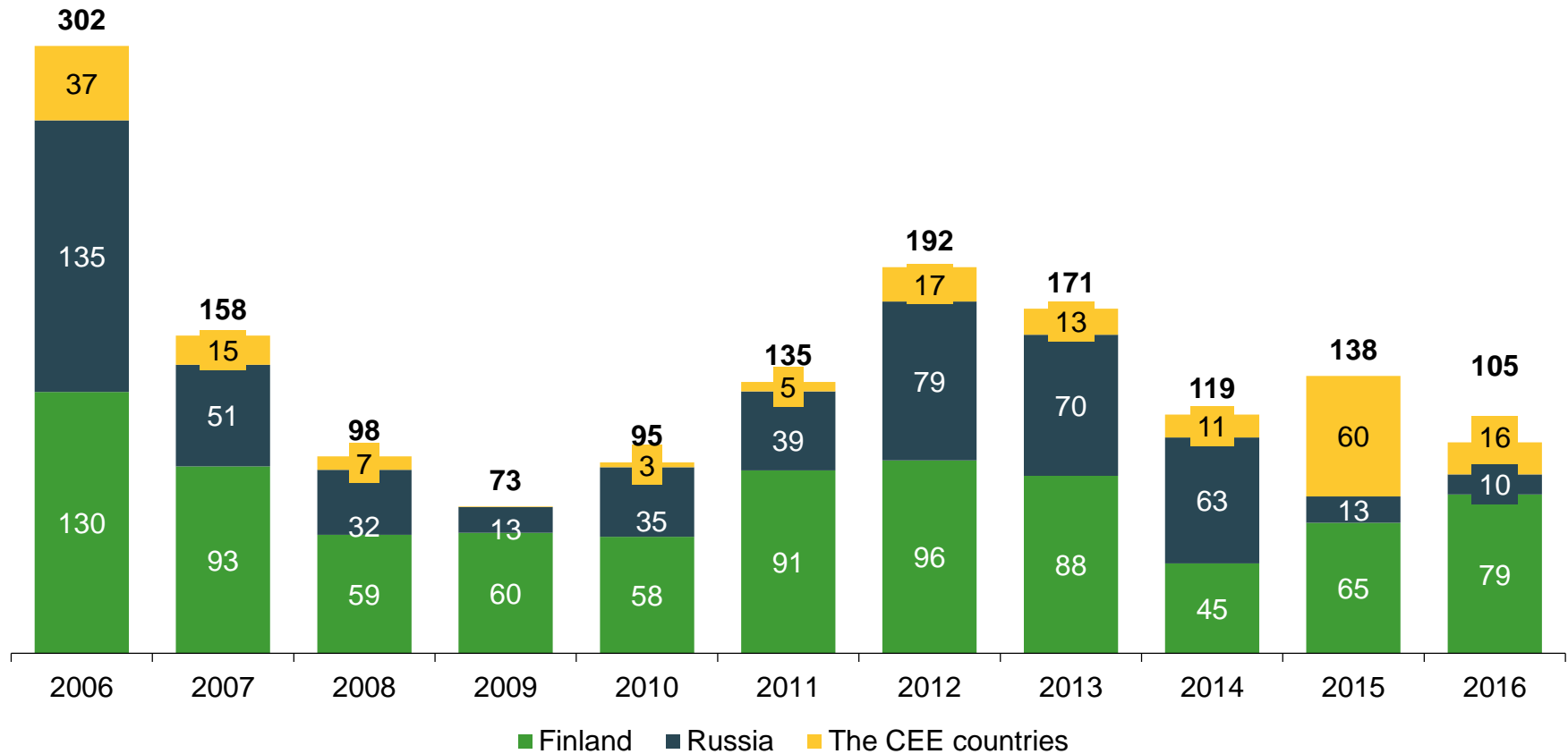
Average interest rate: 2.75%

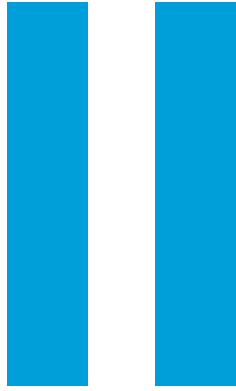
Maturity structure at the end of the period 9/2017

Maturity profile, excluding construction stage financing (EUR million)



Cash flow of plot investments





Share
ownership



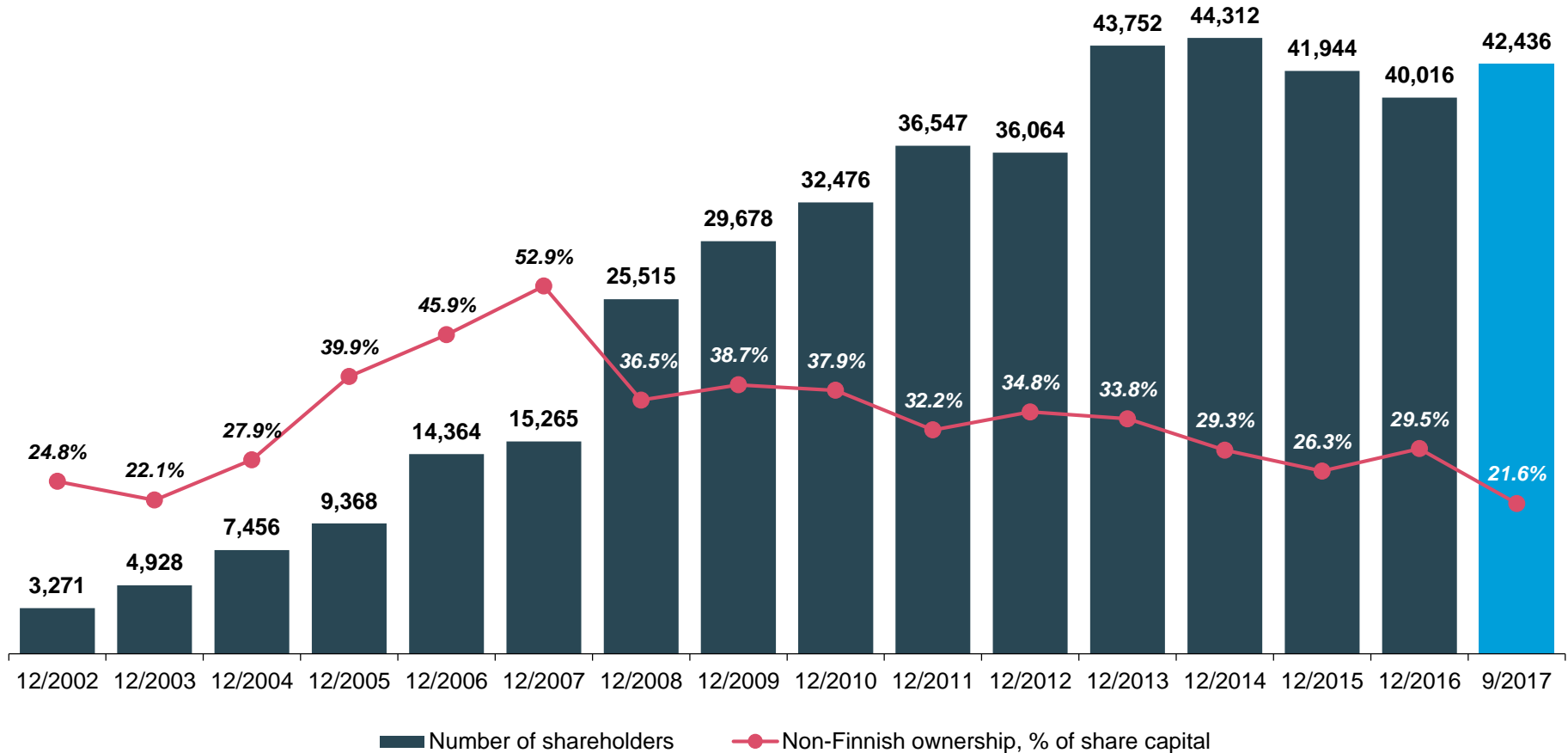
YIT's major shareholders

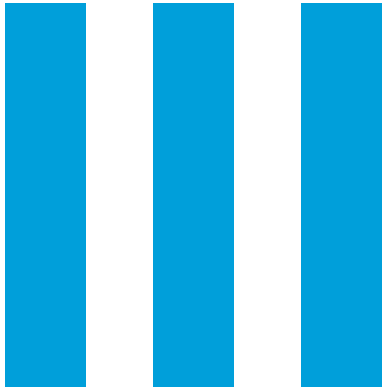
September 30, 2017

Shareholder	Shares	% of share capital
1. Varma Mutual Pension Insurance Company	12,000,000	9.43
2. OP funds	5,786,600	4.55
3. Herlin Antti	4,710,180	3.70
4. Elo Mutual Pension Insurance Company	3,335,468	2.62
5. The State Pension Fund	3,075,000	2.42
6. Danske Invest funds	2,957,517	2.32
7. Ilmarinen Mutual Pension Insurance Company	2,237,573	1.76
8. Aktia funds	1,530,000	1.20
9. OP Cooperative	1,425,448	1.12
10. Etera Mutual Pension Insurance Company	1,410,000	1.11
Ten largest total	38,467,786	30.24
Nominee registered shares	26,631,716	20.93
Other shareholders	62,123,920	48.83
Total	127,223,422	100.00

More than 42,000 shareholders

Number of shareholders and share of non-Finnish ownership, September 2017



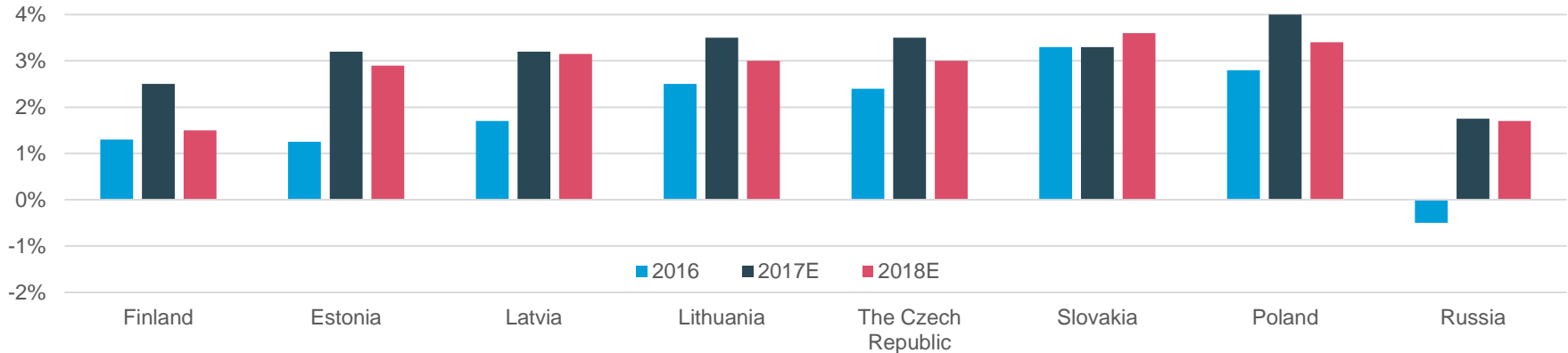


General economic indicators

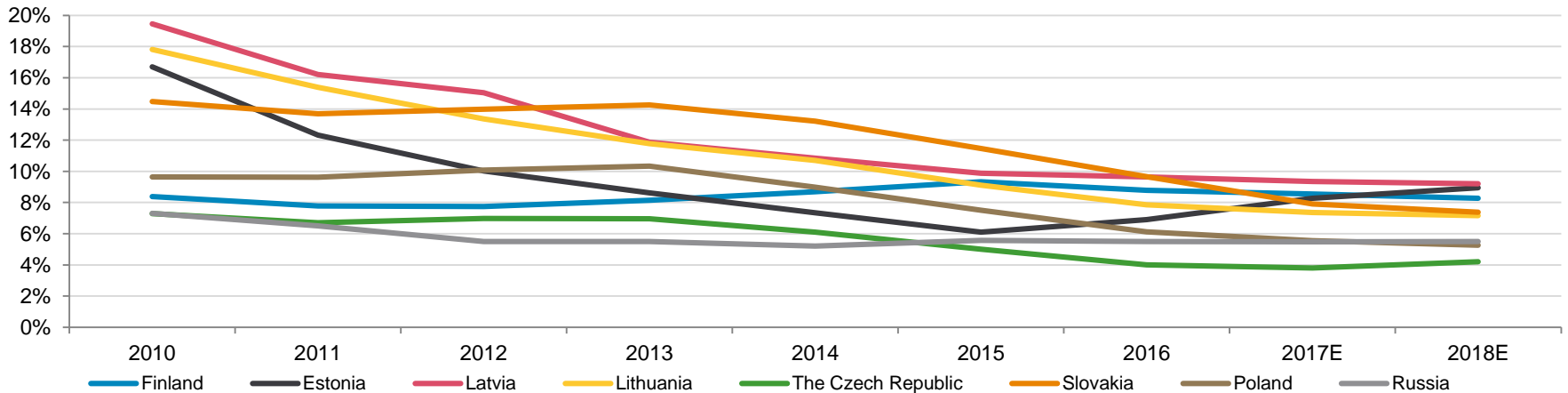


Strong growth expected in the CEE countries

GDP growth in YIT's operating countries, %



Unemployment rate in YIT's operating countries, %



Sources: GDP growth: Bloomberg consensus, Unemployment: IMF



IV

Housing indicators
Finland
The CEE countries
Russia

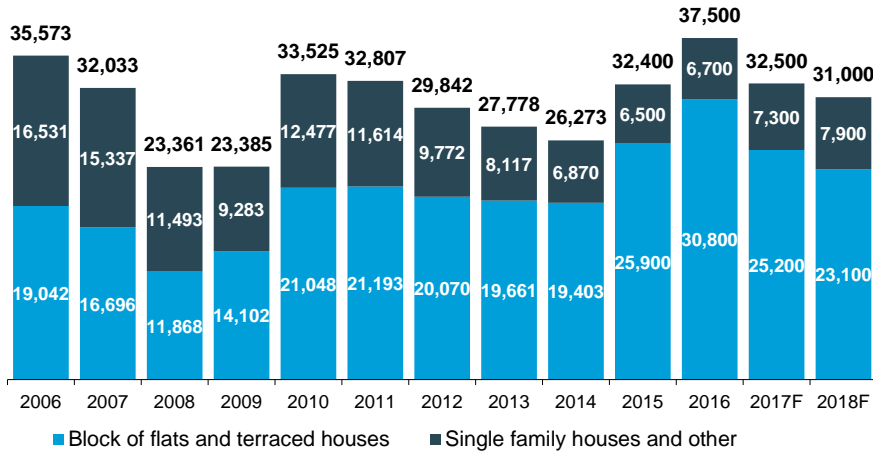


Vantaan Sähke residential project
Vantaa, Finland

Finland

Start-ups expected to decrease slightly in 2017 and 2018

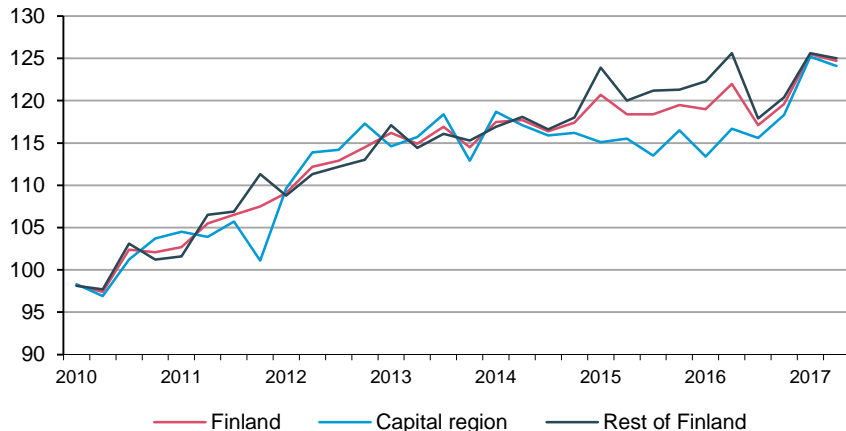
Residential start-ups (units)



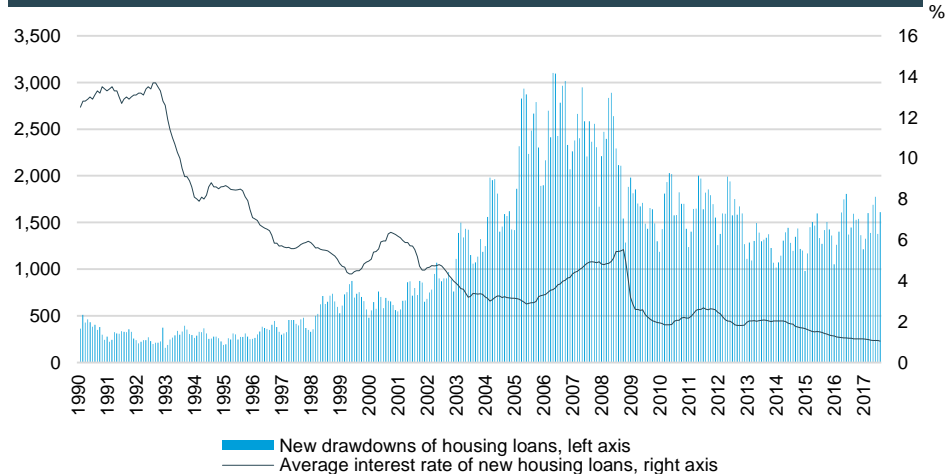
Consumers' views on economic situation in one year's time (balance)



Prices of new dwellings (index 2010=100)



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

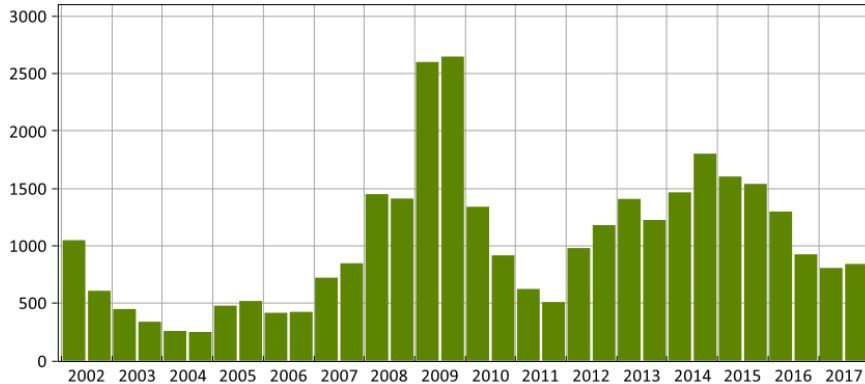


Sources: Residential start-ups: 2006-2014 Statistics Finland; 2015 – 2018F Euroconstruct, June 2017, Consumer confidence: Statistics Finland, Residential prices: Statistics Finland, Loans and Interest rates: Bank of Finland

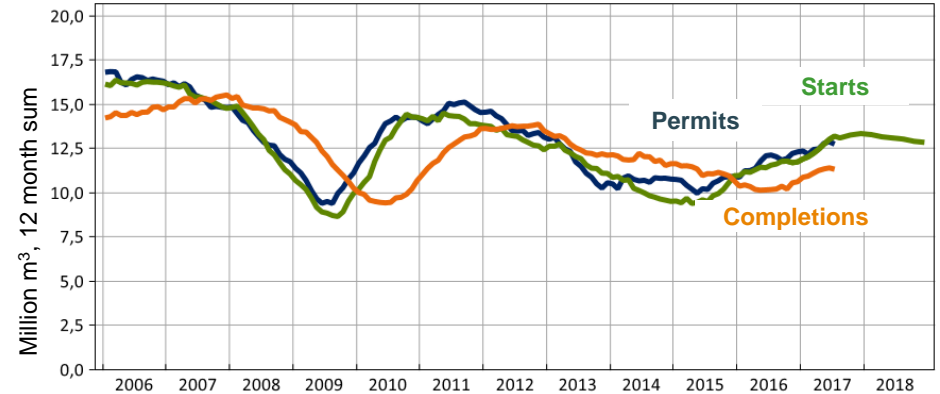
Finland

Housing indicators have improved slightly

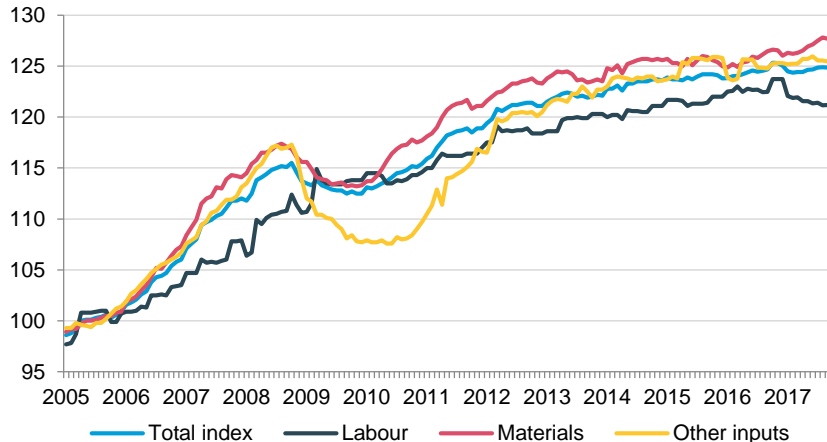
Unsold completed units (residential development projects)



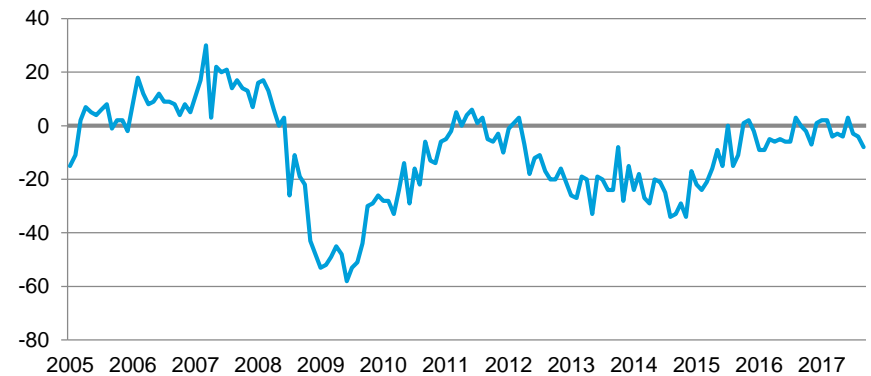
Residential building permits, start-ups and completions (million m³)



Construction cost index (2005=100)



Construction confidence (balance)



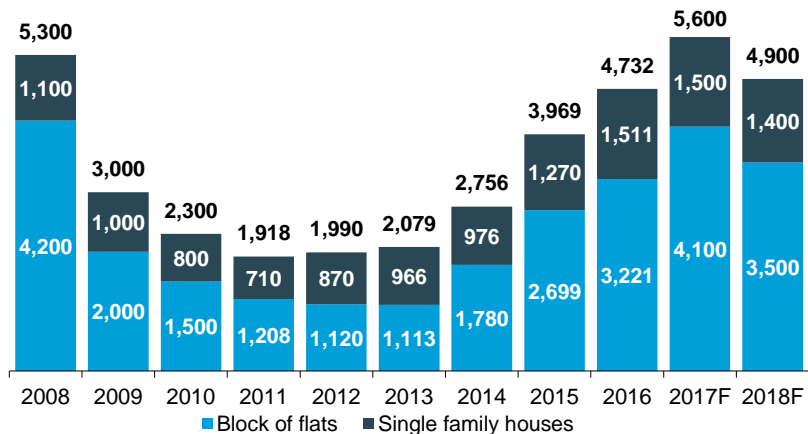
Unsold completed units: Confederation of Finnish Construction Industries RT, Residential building permits, Start-ups and completions: Confederation of Finnish Construction Industries RT,
 Construction cost index: Statistics Finland, Construction confidence: Confederation of Finnish Industries EK
 YIT | 54 | Interim Report January–September 2017



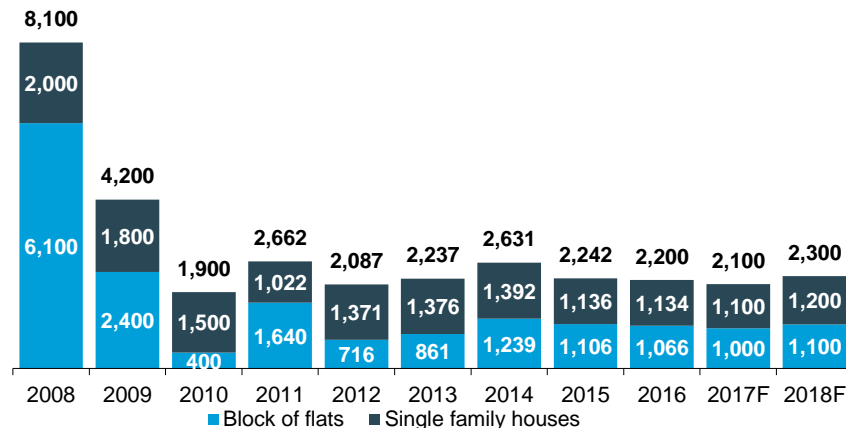
The Baltic Countries

Residential construction is expected to level off

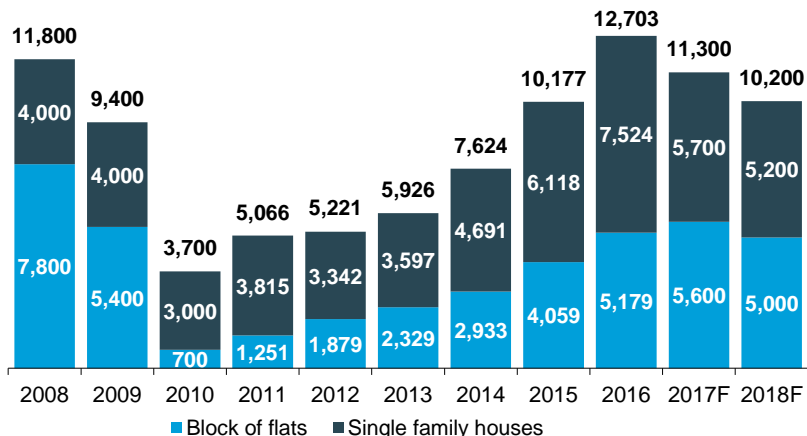
Residential completions in Estonia (units)



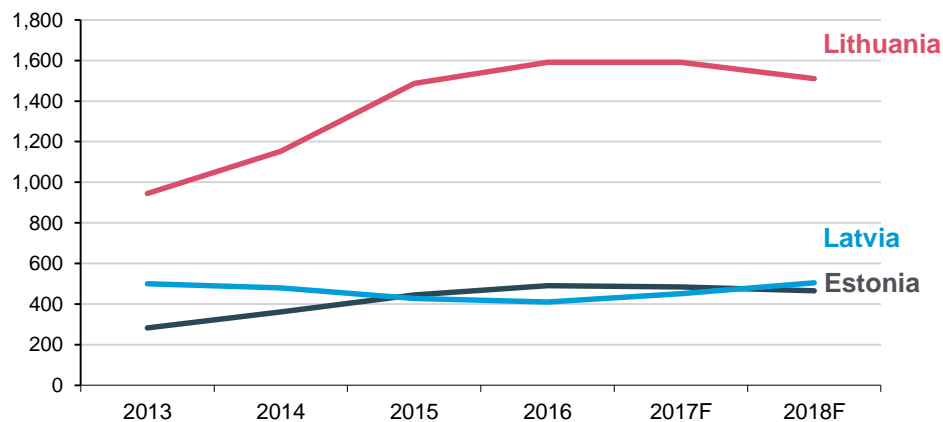
Residential completions in Latvia (units)



Residential completions in Lithuania (units)



New residential construction volume (EUR million)



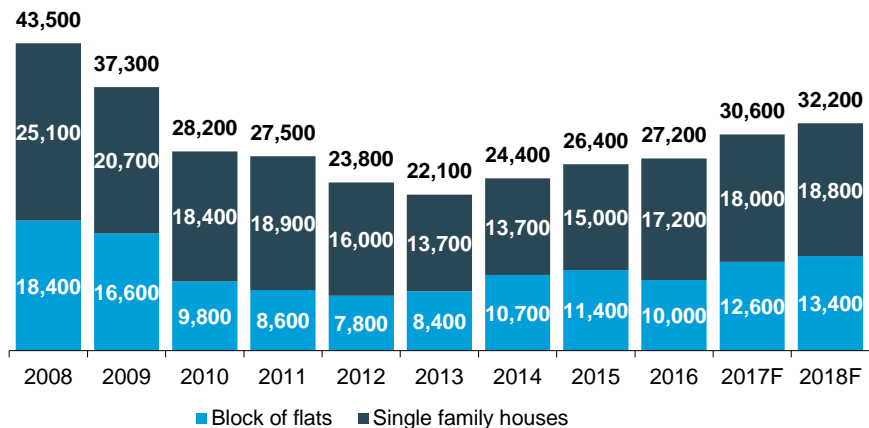
Source: Euroconstruct, June 2017



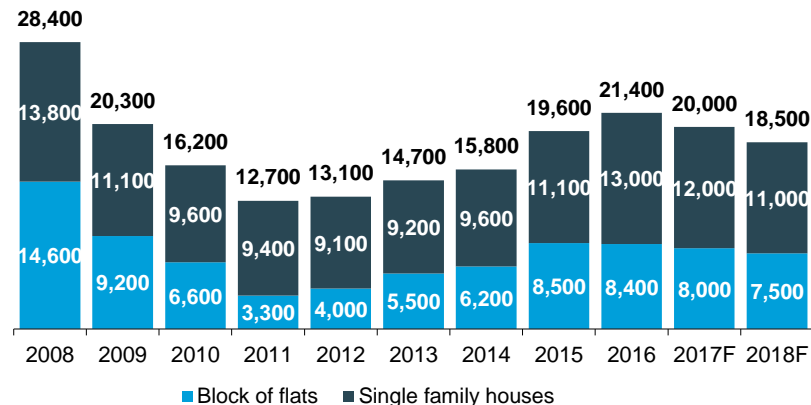
The Czech Republic, Slovakia and Poland

Start-ups forecasted to grow in the Czech Republic

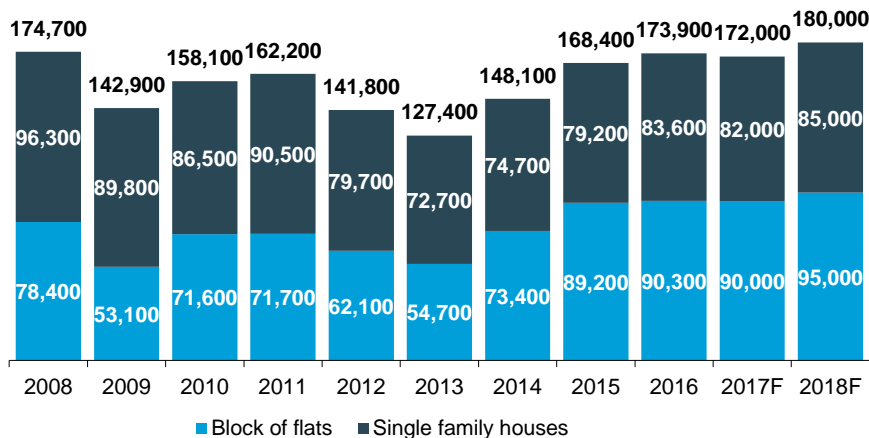
Residential start-ups in the Czech Republic (units)



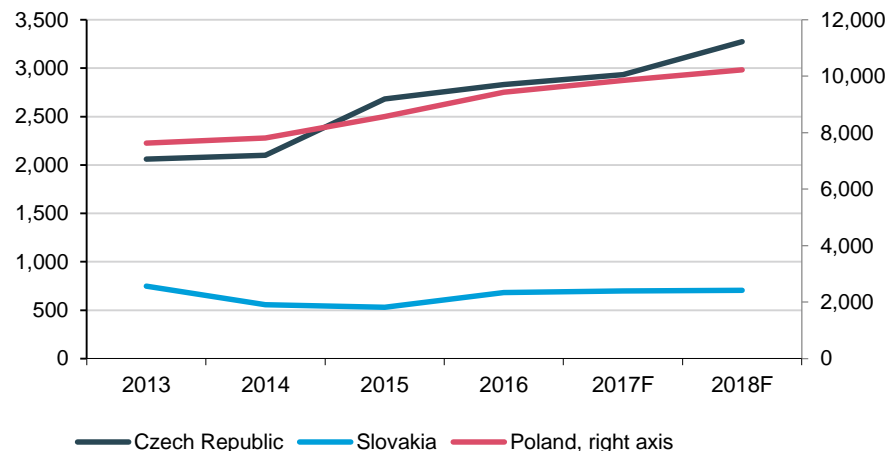
Residential start-ups in Slovakia (units)



Residential start-ups in Poland (units)



New residential construction volume (EUR million)

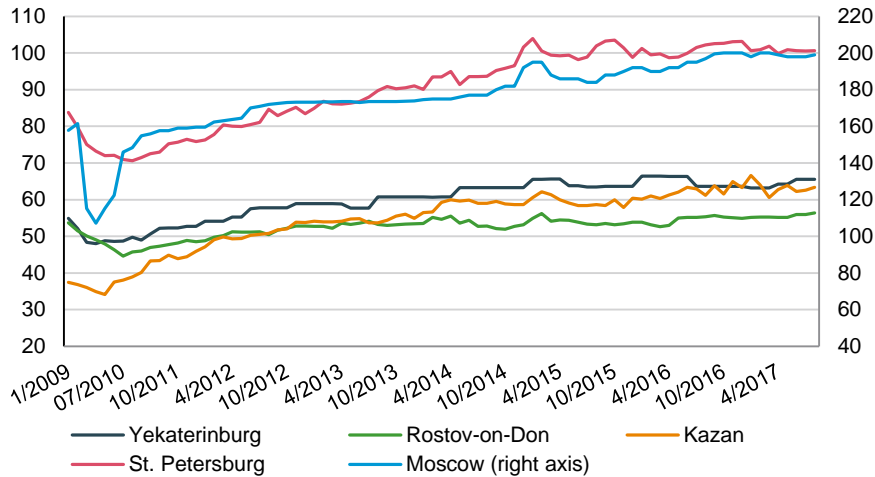


Source: Euroconstruct, June 2017

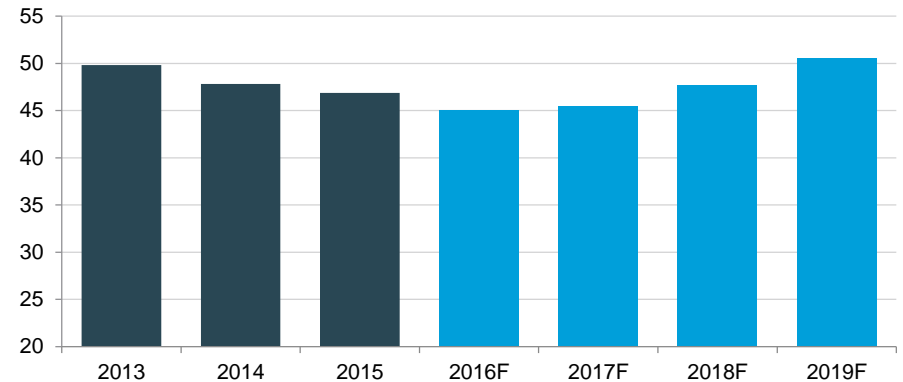


Russia Housing indicators

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

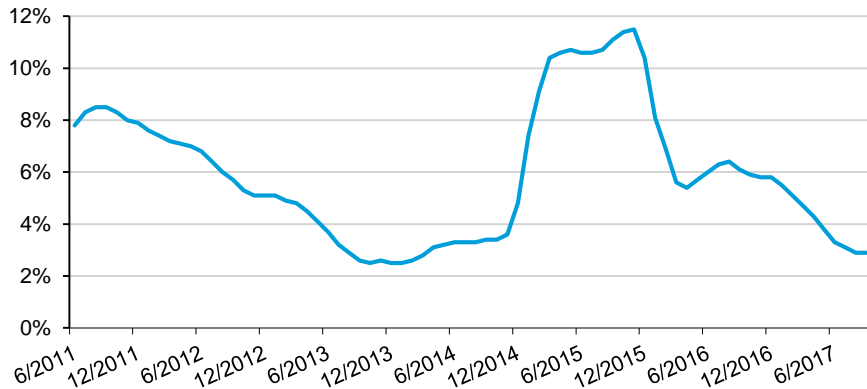


New residential construction volume (EUR billion*)

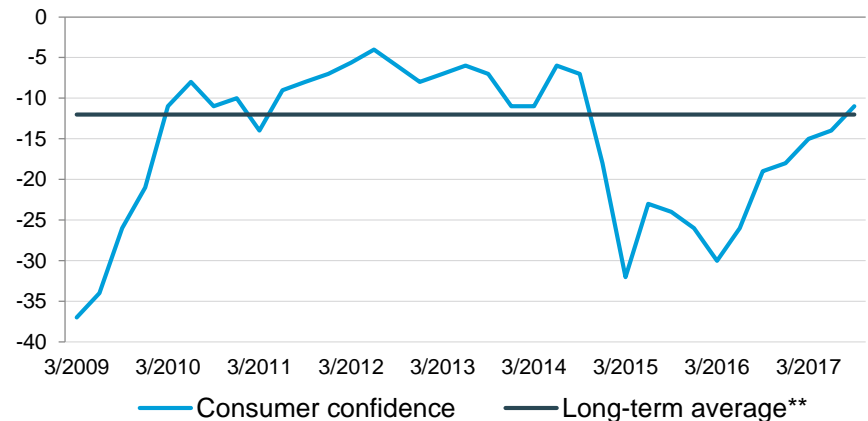


*At 2016 prices, excluding taxes. 1 EUR = 74,144 rubles

Inflation in building materials (%)



Consumer confidence



Sources: House prices: YIT, New residential construction volume: Euroconstruct, June 2017, Inflation in building materials: PMR Construction review, April 2017, Consumer confidence: Bloomberg
**Average 12/1998-9/2017



Business Premises

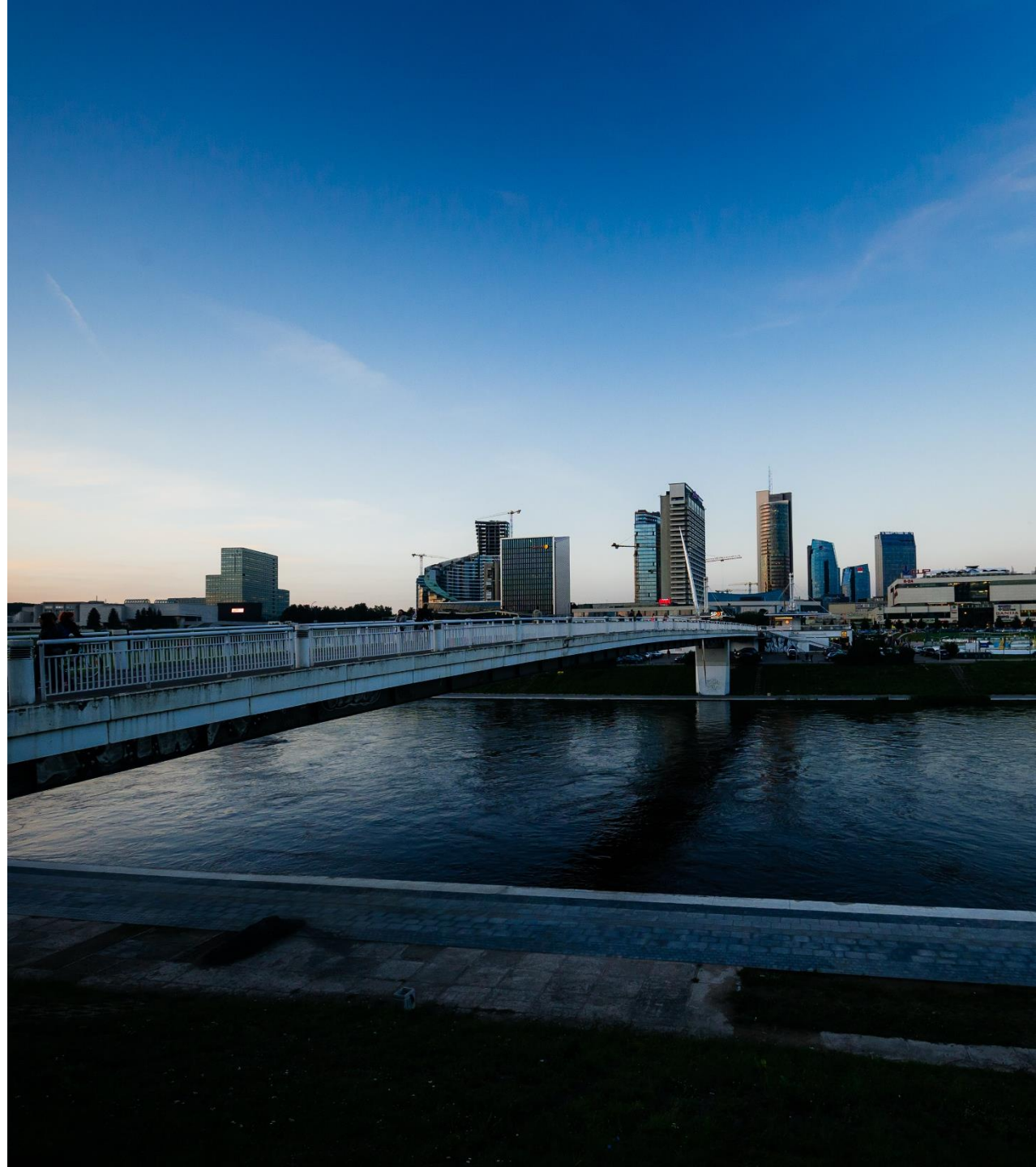
Finland

The Baltic countries

Slovakia

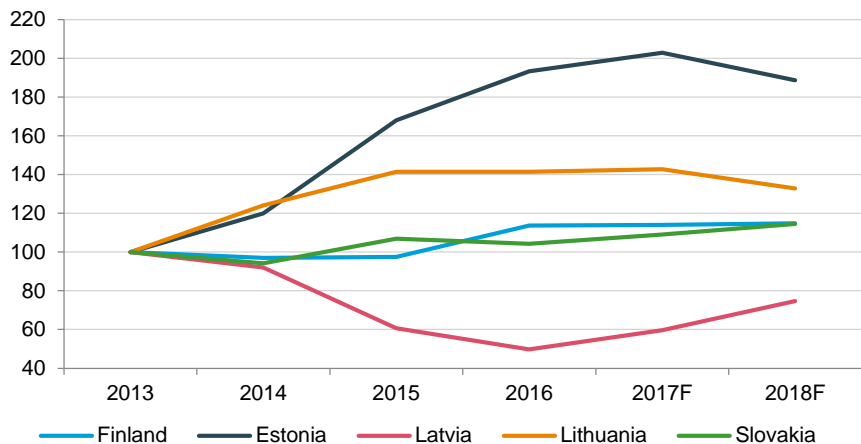
Infrastructure

Finland

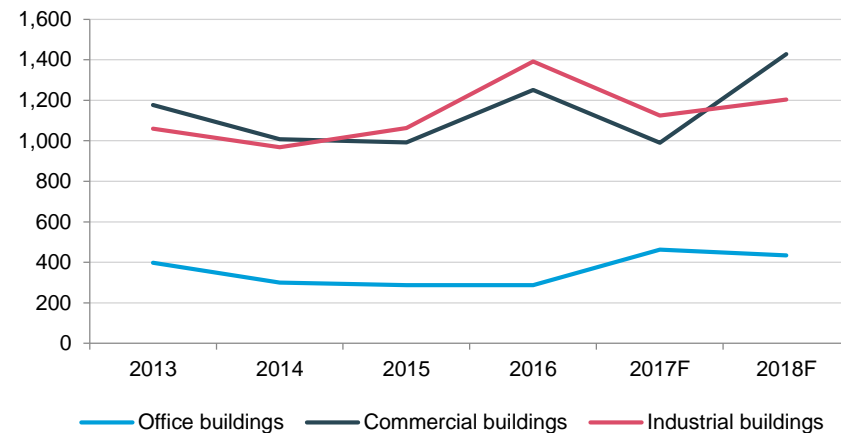


New non-residential construction forecasted to pick up slightly in the Baltic countries in 2017

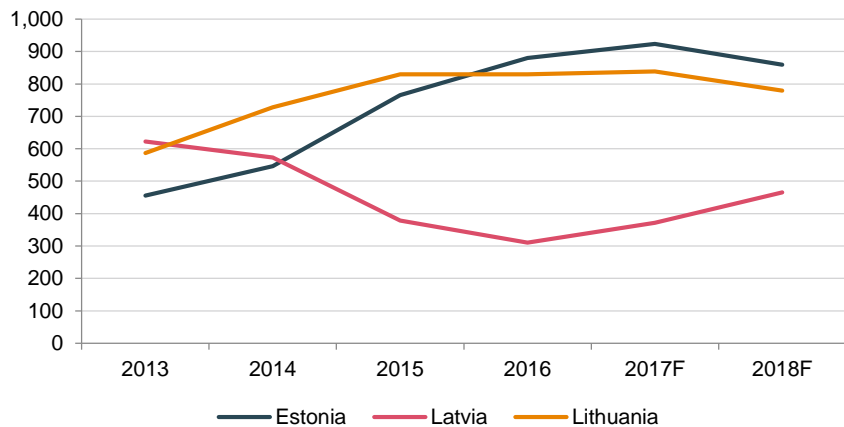
New non-residential construction volumes (index 2013=100)



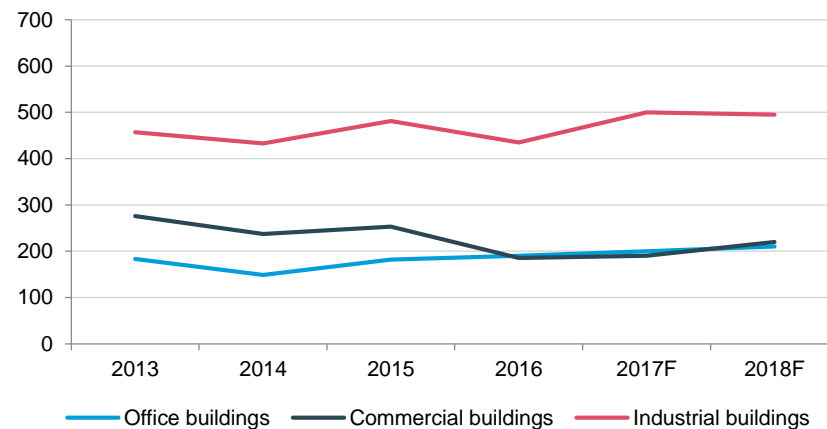
New non-residential construction in Finland (EUR million)



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



New non-residential construction in Slovakia (EUR million)

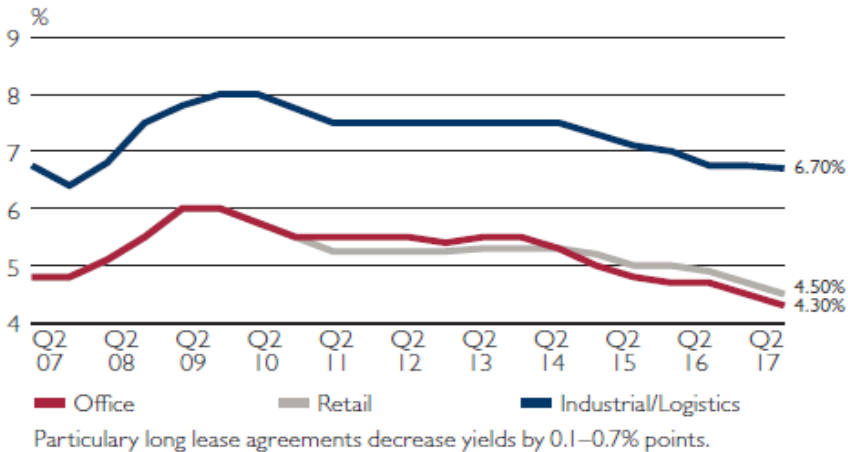


Sources: Euroconstruct and Forecon, June 2017

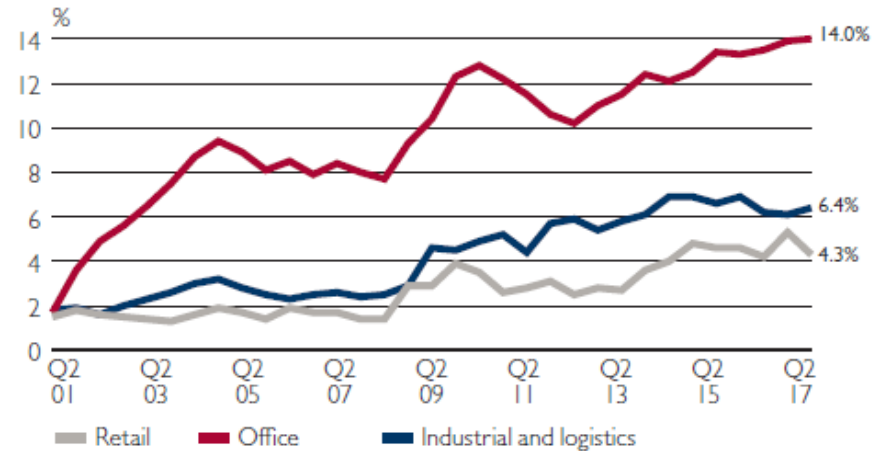
Finland

Prime yields expected to decrease slightly

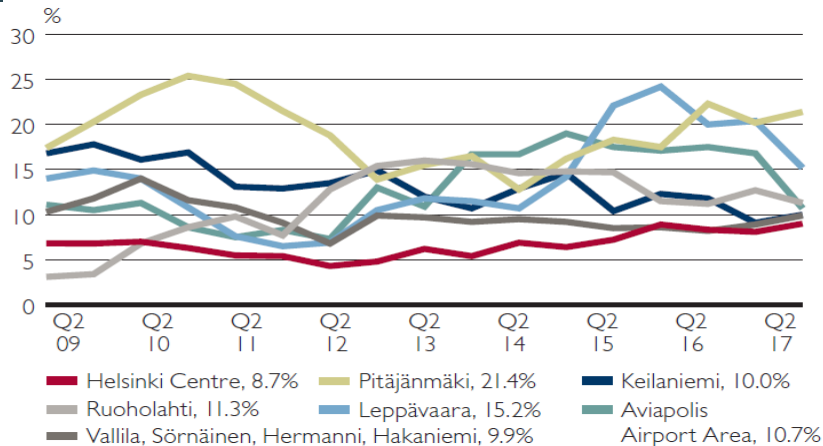
Prime yields in Helsinki Metropolitan Area (%)



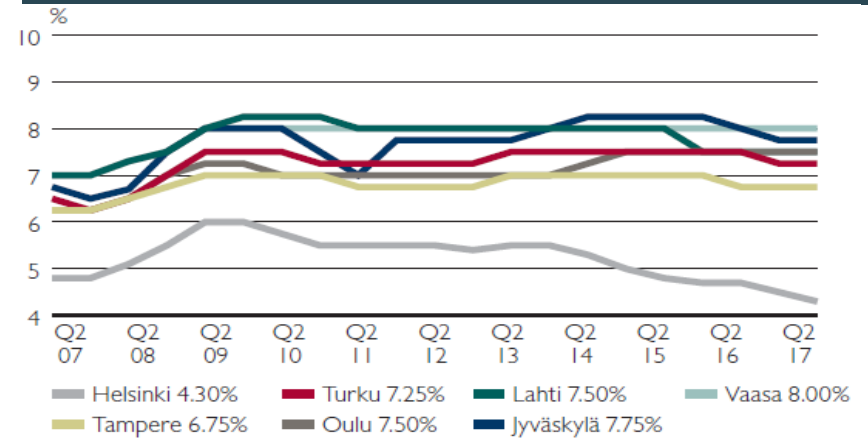
Vacancy rates in Helsinki Metropolitan Area (%)



Vacancy rates in selected districts in Helsinki Metropolitan Area, %



Prime office yields in Finland, %



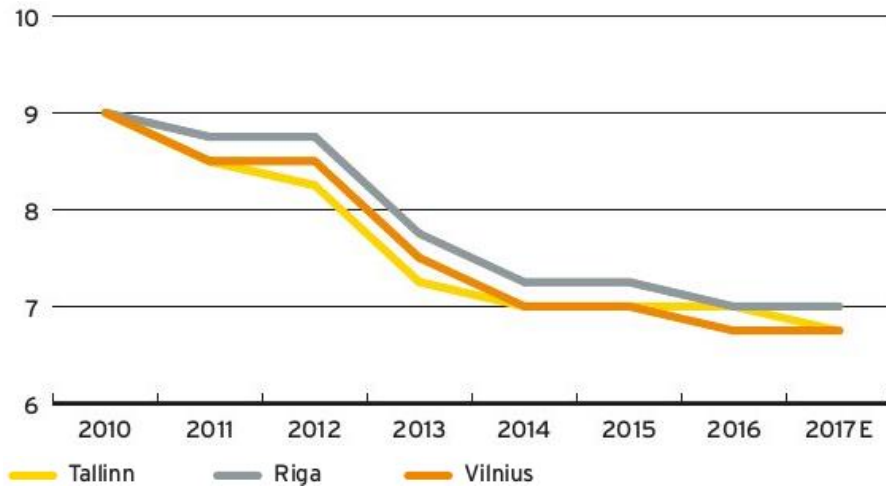
Particularly long lease agreements currently decrease yields by 0.1–0.7 % points

Source: Catella Finland Market Indicator, September 2017

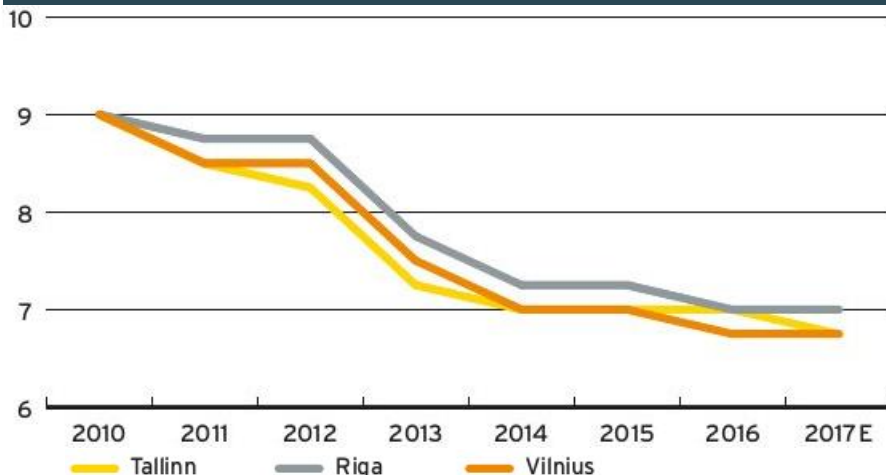
The Baltic countries

Yields are expected decrease slightly

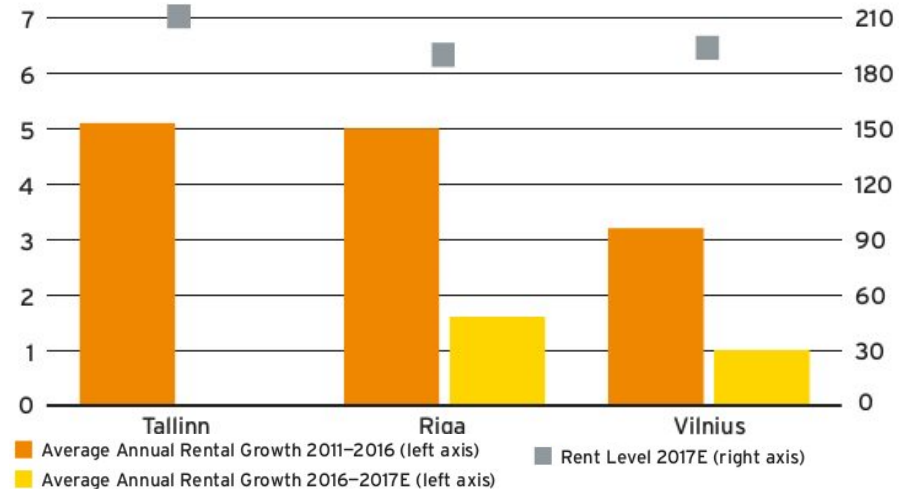
Prime office yields in the Baltic countries (%)



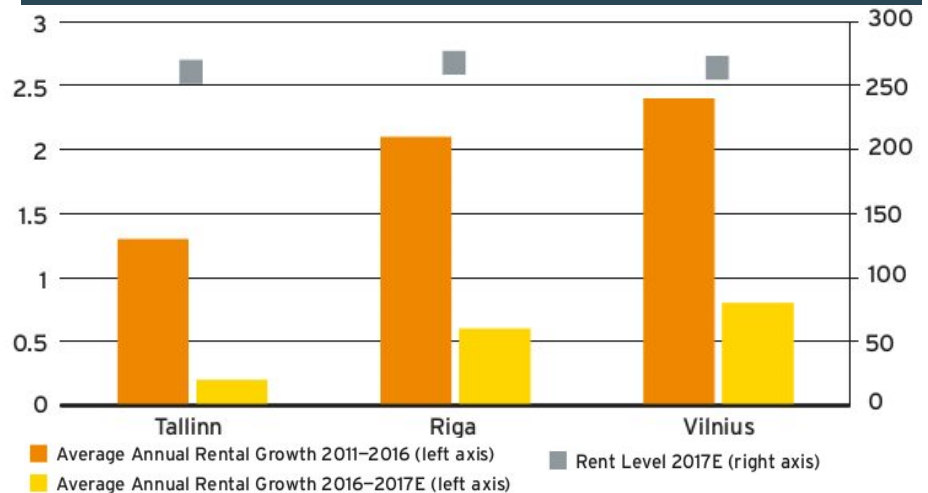
Prime retail yields in the Baltic countries (%)



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



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

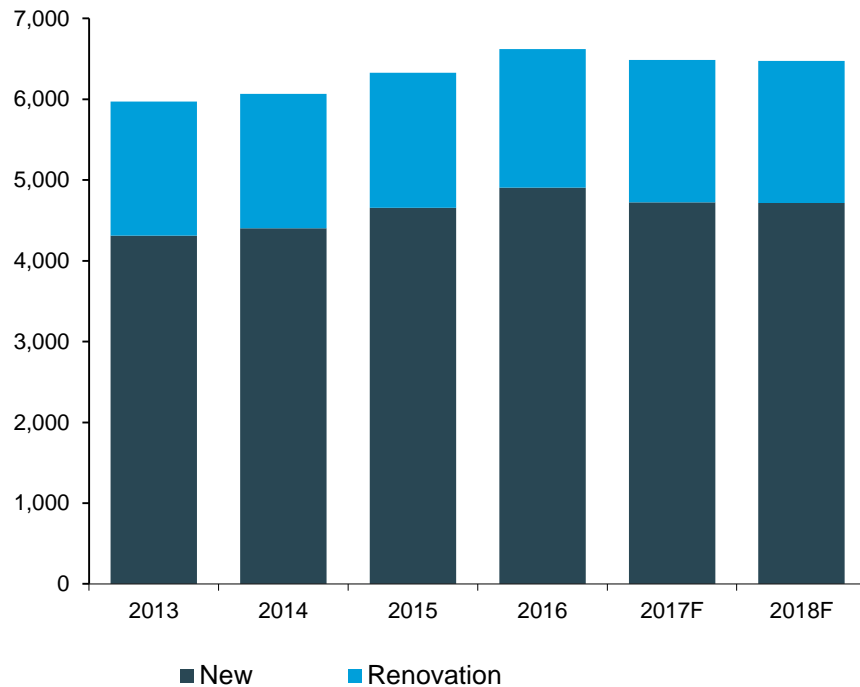


Source: Newsec Property Outlook, October 2017

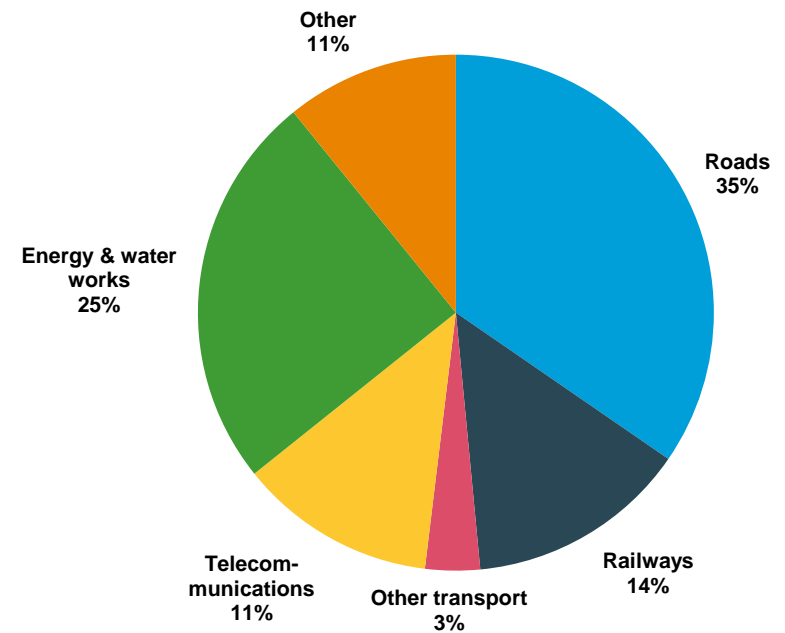
Infrastructure construction in Finland

Market expected to remain stable in 2017

Infrastructure market in Finland (EUR million)



Infrastructure sectors in Finland (2016)



Sources: Euroconstruct, June 2017

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This presentation includes estimates relating to the synergy benefits expected to arise from the Merger and the combination of the business operations of YIT and Lemminkäinen, which have been prepared by YIT and Lemminkäinen and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the Merger and the combination of the business operations of YIT and Lemminkäinen on the combined company's business, financial condition and results of operations. The assumptions relating to the estimated synergy are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual synergy benefits from the Merger and the combination of the business operations of YIT and Lemminkäinen, if any, to differ materially from the estimates in this presentation. Further, there can be no certainty that the Merger will be completed in the manner and timeframe described in this presentation, or at all.

Notice to Lemminkäinen Corporation Shareholders in the United States

The YIT Corporation shares to be issued in connection with the merger have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being issued in reliance on the exemption from registration set forth in Rule 802 under the Securities Act.

YIT Corporation and Lemminkäinen Corporation are Finnish companies and the issuance of YIT Corporation shares will be subject to procedural and disclosure requirements in Finland that may be different from those of the United States. Any financial statements or other financial information included on this presentation may have been prepared in accordance with non-U.S. accounting standards that may not be comparable to the financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. shareholders of Lemminkäinen Corporation to enforce their rights and any claims they may have arising under U.S. federal securities laws in connection with the merger, since YIT Corporation and Lemminkäinen Corporation are located in non-U.S. jurisdictions, and some or all of YIT Corporation's and Lemminkäinen Corporation's officers and directors may be residents of countries other than the United States. As a result, U.S. shareholders of Lemminkäinen Corporation may not be able to sue YIT Corporation or Lemminkäinen Corporation or their respective officers and directors in a court in Finland for violations of U.S. federal securities laws. Further, it may be difficult to compel YIT Corporation or Lemminkäinen Corporation to subject themselves to the jurisdiction or judgment of a U.S. court.

Lemminkäinen Corporation's shareholders should be aware that YIT Corporation may purchase Lemminkäinen Corporation's shares otherwise than under the merger, such as in open market or privately negotiated purchases, at any time during the pendency of the proposed merger.

**Together
we can
do it.**