Good profitability in Construction Segments Building Services in Germany developed strongly

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Oriental
St. Petersburg, Russia

Together we can do it. YIT

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YIT Group in brief

A leading European service company.

Revenue in 2010 EUR 3.8 billion.
Operating profit EUR 220 million.

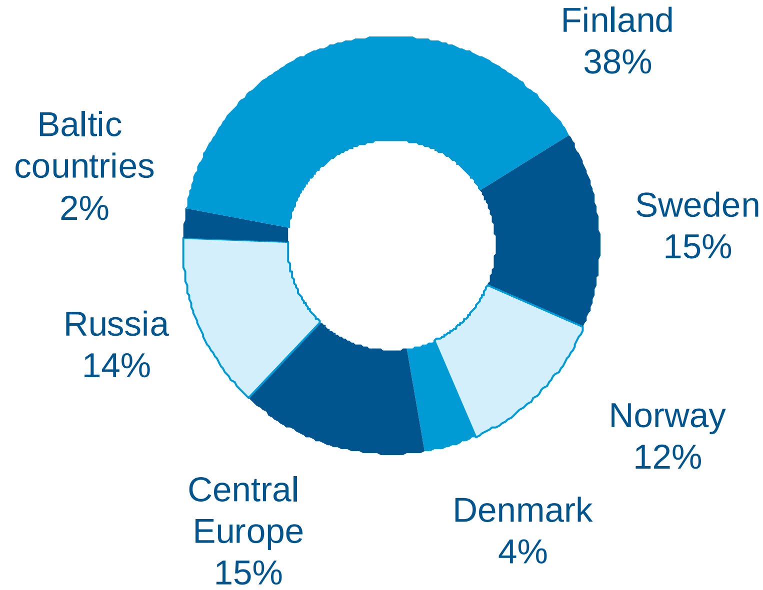
YIT offering:
-Technical building systems
-Services for industry
- Construction services

Operations in 14 countries.
Over 25,000 professionals at the end of 2010.

Over 32,000 shareholders at the end of 2010.

Share quoted on NASDAQ OMX Helsinki (Large cap, Industrials)

Wide geographical scope
Revenue
by area in 2010



2010 figures (Group reporting, IFRIC 15)

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Business segments

Building Services Northern Europe	Building Services Central Europe	Construction Services Finland	International Construction Services
• Service and maintenance of building systems and industrial processes • Technical building systems installations • Project deliveries to industry	• Service and maintenance of building systems and industrial processes • Technical building systems installations • Project deliveries to industry	• Residential development • Business premises • Infrastructure • Building construction	• Residential development • Business premises • Building construction
Finland, Sweden, Norway, Denmark, Russia, Estonia, Latvia, Lithuania	Germany, Austria, Poland, the Czech Republic and Romania	Finland	Russia, Estonia, Latvia, Lithuania, Czech Republic, Slovakia
Revenue: EUR 1,804 million EBIT: EUR 89 million Personnel: ~15,800	Revenue: EUR 550 million EBIT: EUR 16 million Personnel: ~3,800	Revenue: EUR 1,102 million EBIT: EUR 108 million Personnel: ~3,200	Revenue: EUR 471 million EBIT: EUR 35 million Personnel: ~2,700

2010 figures, segment reporting (POC= Percentage of completion)

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Business portfolio

Performance of YIT business segments in 2010

GROUP DEVELOPMENT

	Building Services Northern Europe	Building Services Central Europe	Construction Services Finland	International Construction Services
Revenue	2010: 46%	2010: 14%	2010: 28%; 2009: 29%	2010: 12%; 2009: 10%
EBIT	2010: 36%	2010: 6%	2010: 44%; 2009: 41%	2010: 14%; 2009: Neg.
Capital invested	2010: 29%	2010: 3%	2010: 22%; 2009: 22%	2010: 46%; 2009: 48%
ROI	21.7%	44.7%	34.3% 20.5%	5.2% -2.7%

* All figures based on segment reporting (POC=Percentage of completion)

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Highlights of Q2/2011 Interim Report

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Q2 highlights

GROUP DEVELOPMENT

Gallileo Tower
Frankfurt/M., Germany

PROFITABILITY AND SALES

Profitable growth continues

- Revenue increased 24%, EBIT increased 23% y-o-y (POC)
- Good profitability in Construction Segments
- Successful market attack in business premises in Finland
- Building Services in Germany developed strongly

ORDER BACKLOG

Good development in order backlog

- Order backlog strengthened
- Acceleration of start-ups in 2011 in both Construction Segments compared to 2010

OUTLOOK

Favourable outlook intact

- YIT expects growth in revenue and clear growth in operating profit in 2011*
- Good profitability improvement potential
  - Housing in Russia in Construction Services
  - Germany in Building Services Central Europe
  - Current underperformance in Building Services Northern Europe
- However, uncertainty of the general macroeconomic development has increased

* Guidance is based on segment reporting (POC=Percentage of completion)

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Key figures

GROUP DEVELOPMENT

EUR million	4-6/11	4-6/10	*Change*	1-6/11	1-6/10	*Change*
Segment reporting (POC*)						
Revenue	1,137	914	*24%*	2,164	1,735	*25%*
Operating profit	70.3	57.1	*23%*	120.7	101.6	*19%*
% of revenue	6.2	6.2		5.6	5.9	
Order backlog	3,509	3,067	*14%*	3,509	3,067	*14%*
Group reporting (IFRIC 15)						
Revenue	1,137	855	*33%*	2,107	1,620	*30%*
Operating profit	68.0	35.9	*89%*	107.1	69.8	*53%*
% of revenue	6.0	4.2		5.1	4.3	
Order backlog	3,797	3,329	*14%*	3,797	3,329	*14%*
Profit before taxes	63.0	27.9	*126%*	97.7	54.6	*79%*
Earnings per share, EUR	0.37	0.16	*131%*	0.57	0.31	*84%*
Return on investment, % (last 12 months)	15.6	10.7		15.6	10.7	
Equity ratio, %	29.7	28.1		29.7	31.8	
Operating cash flow after investments	-0.2	31.7		15.9	65.5	*-76%*
Personnel at the end of period	26,807	23,877	*12%*	26,807	23,877	*12%*

* POC= Percentage of completion

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Building Services Northern Europe

DSB
Denmark

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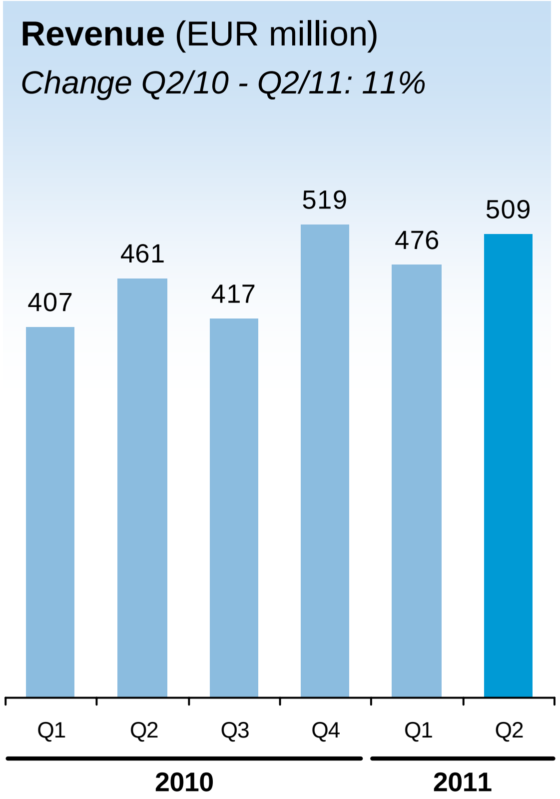
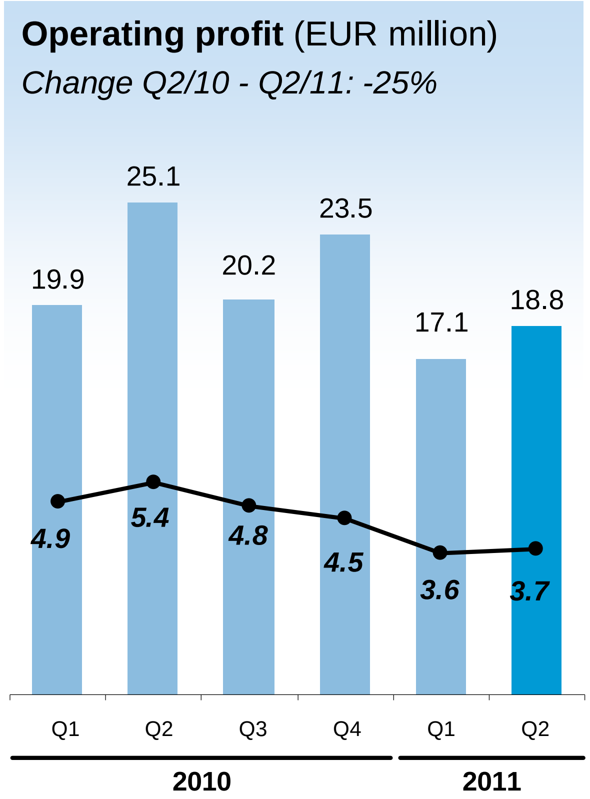
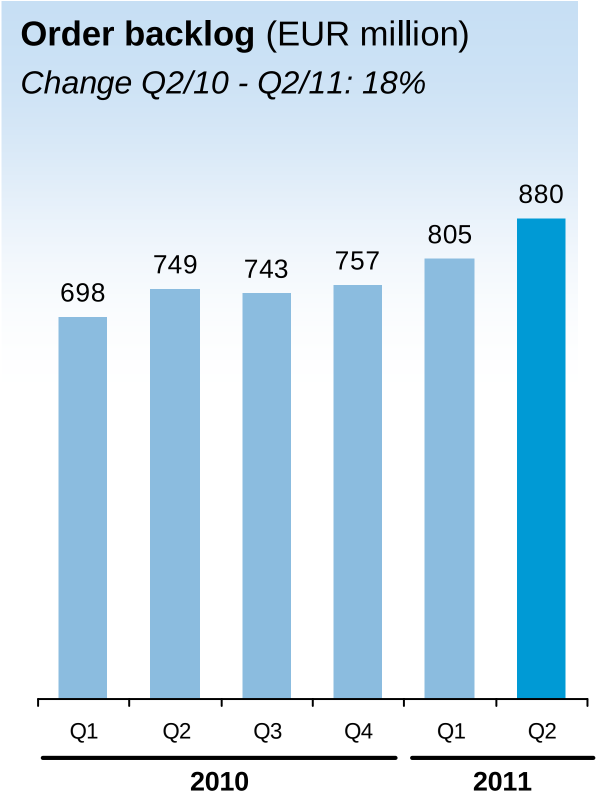
Strong actions to end margin slide







All figures according to segment reporting (POC)

Operating profit   *% of revenue*

EBIT in Q2/11 decreased by EUR 3.0 million due to reservation related to a single customer project.

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Building Services Central Europe

Technische Universität München
Departments for Mathematics and Informatics
Garching, Germany

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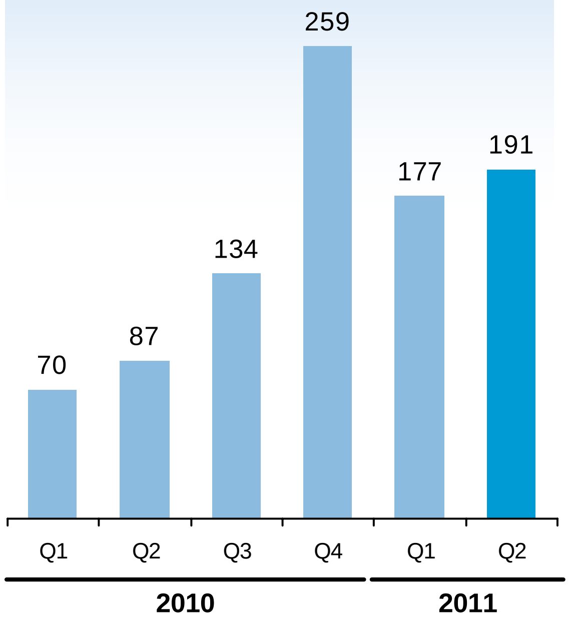
Business progressing as planned

BUILDING SERVICES CENTRAL EUROPE

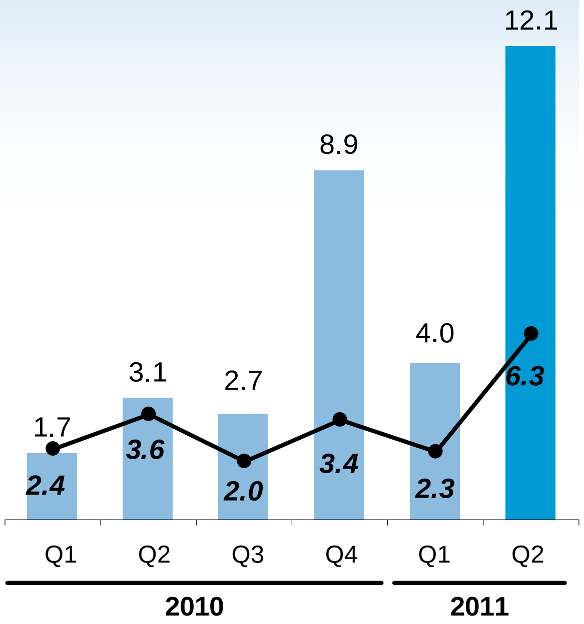
Revenue (EUR million)

Change Q2/10 - Q2/11: 120%



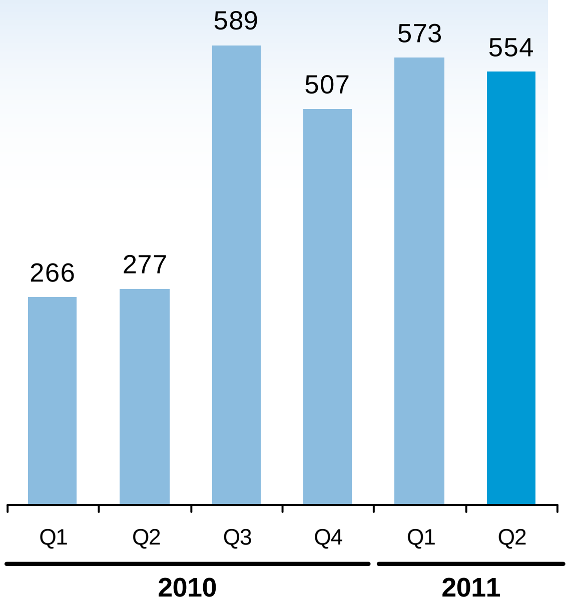
Operating profit (EUR million)

Change Q2/10 - Q2/11: 290%



Order backlog (EUR million)

Change Q2/10 - Q2/11: 100%



All figures according to segment reporting (POC)

Operating profit *% of revenue*

EBIT in Building Services Central Europe in Q2/11 includes EUR 5.0 million sales gain related to the divestment of Hungarian operations. EBIT-margin in Q2/11 excluding the sales gain would have been 3.7%.

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Construction Services Finland

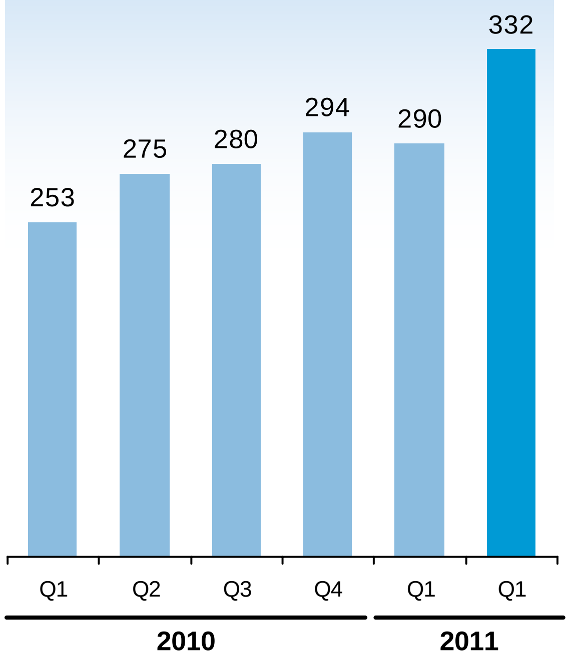
Ratinankaari
Tampere, Finland

Good development: residential and business premises performing well

CONSTRUCTION SERVICES FINLAND

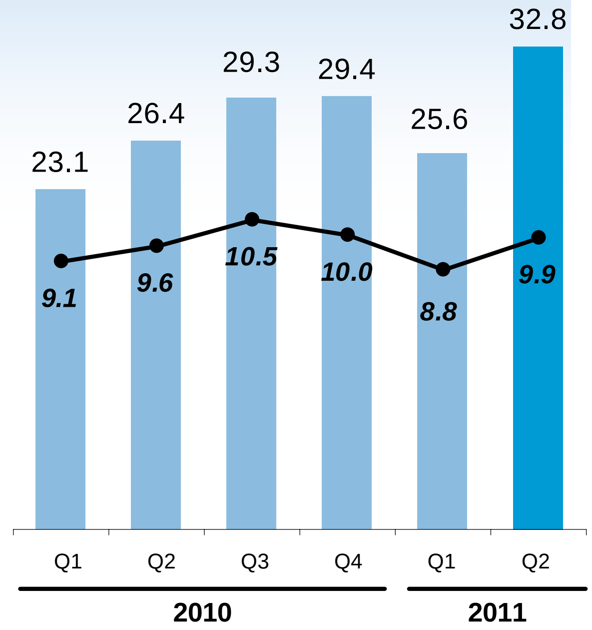
Revenue (EUR million)

Change Q2/10 - Q2/11: 21%



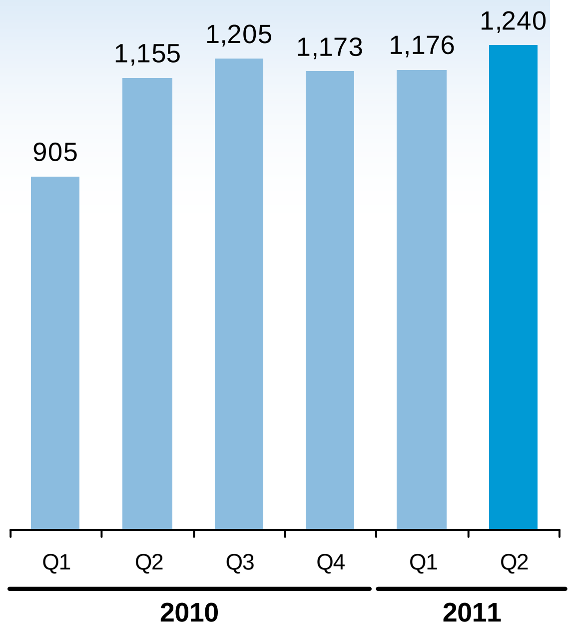
Operating profit (EUR million)

Change Q2/10 - Q2/11: 24%



Order backlog (EUR million)

Change Q2/10 - Q2/11: 7%



All figures according to segment reporting (POC)

Operating profit *% of revenue*

The operating profit of the segment includes EUR -1,6 million (4–6/2010: EUR -0.6 million) of borrowing costs according to IAS 23. EBIT margin in Q2/11 excluding these costs would have been 10.4% (Q2/10: 9.8%).

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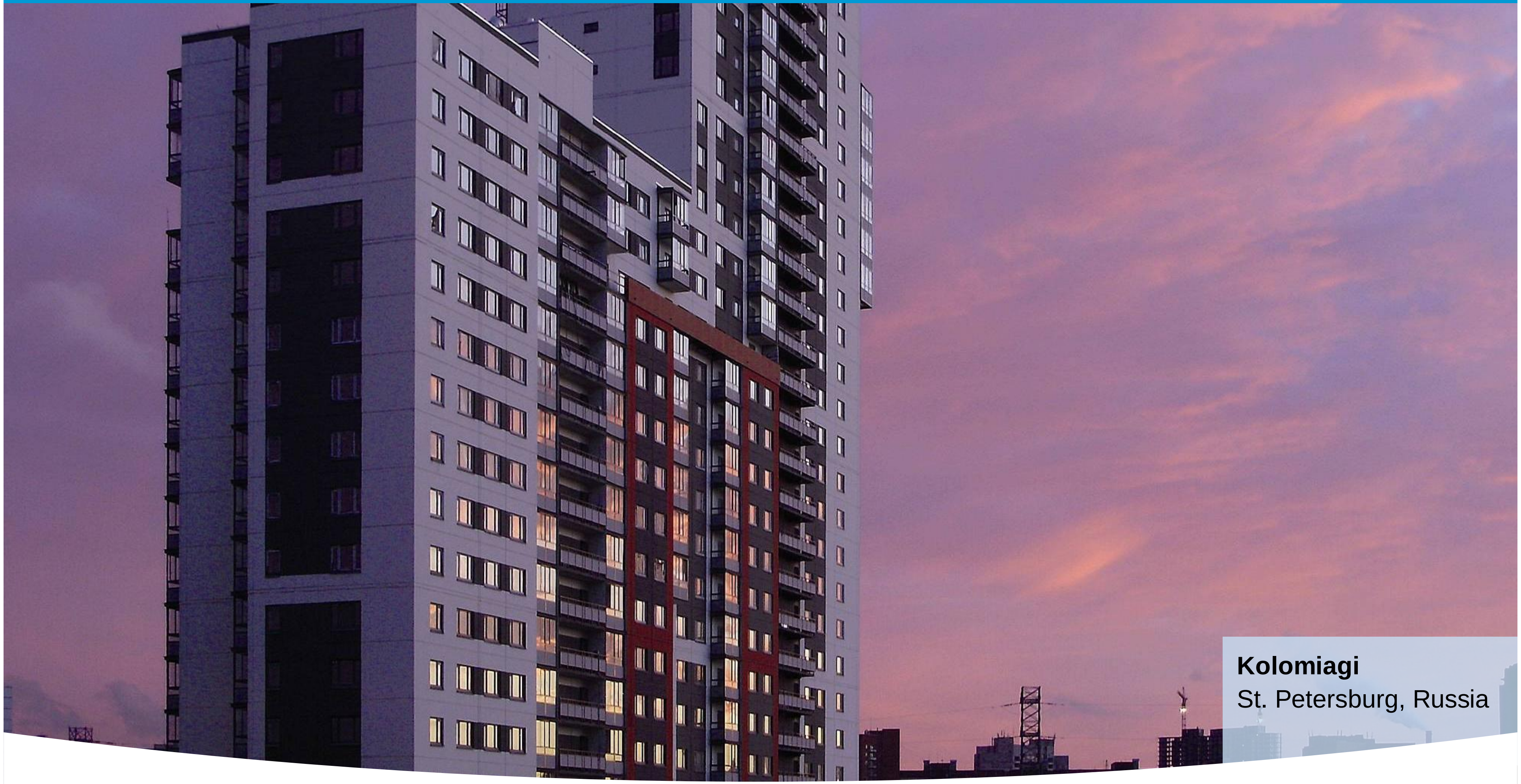
International Construction Services



Kolomiagi
St. Petersburg, Russia

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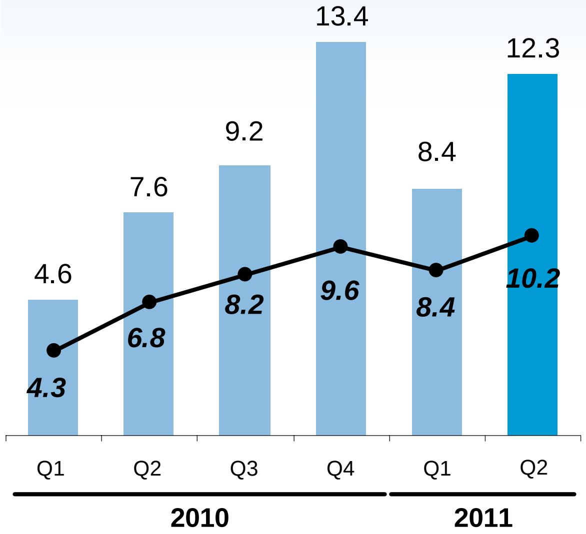
Solid improvement in profitability, business volume increasing

Revenue (EUR million)

Change Q2/10 - Q2/11: 7%

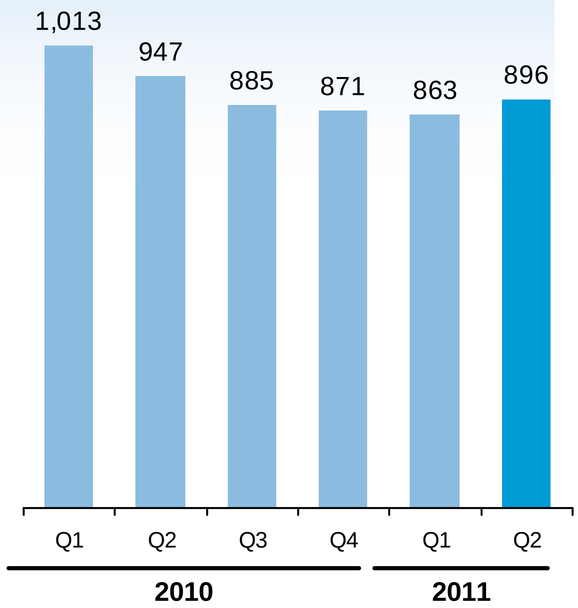
Operating profit (EUR million)

Change Q2/10 - Q2/11: 62%



Order backlog (EUR million)

Change Q2/10 - Q2/11: -5%



All figures according to segment reporting (POC)

Operating profit — *% of revenue*

The operating profit of the segment includes EUR -0.8 million (4–6/2010: EUR -0,1 million) of borrowing costs according to IAS 23. EBIT margin in Q2/11 excluding these costs would have been 10.9% (Q2/10: 6.9%).

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Financial position and key ratios

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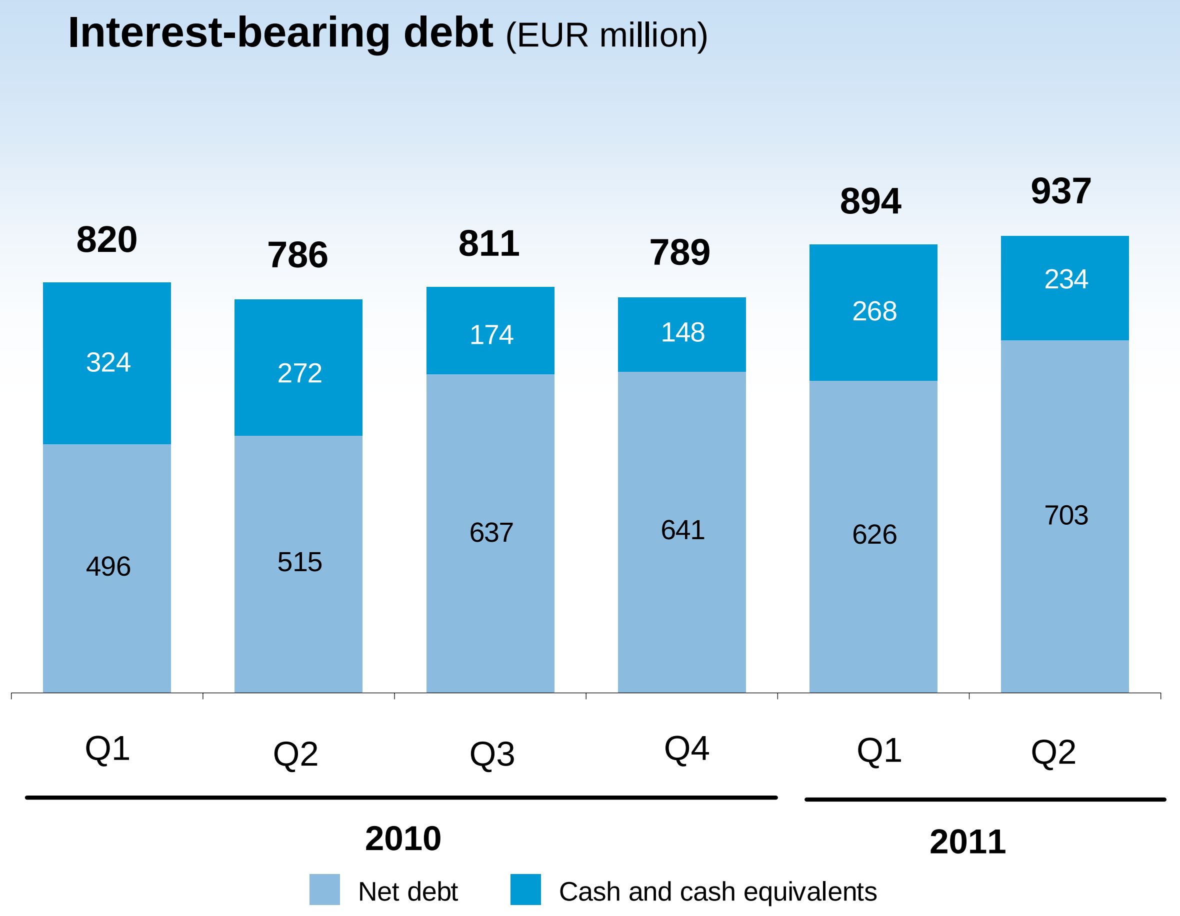
Good financial position
Versatile financing sources, stable maturity structure



- Bond issue EUR 100 million in June for institutional and other investors
  - 5 years
  - Bond carries an annual fixed coupon of 4.750 per cent and had an issue price of 99.843 per cent, to give a yield of 4.786 per cent
- Cash as per end of June 2011 EUR 234 million, committed credit facilities EUR 224 million

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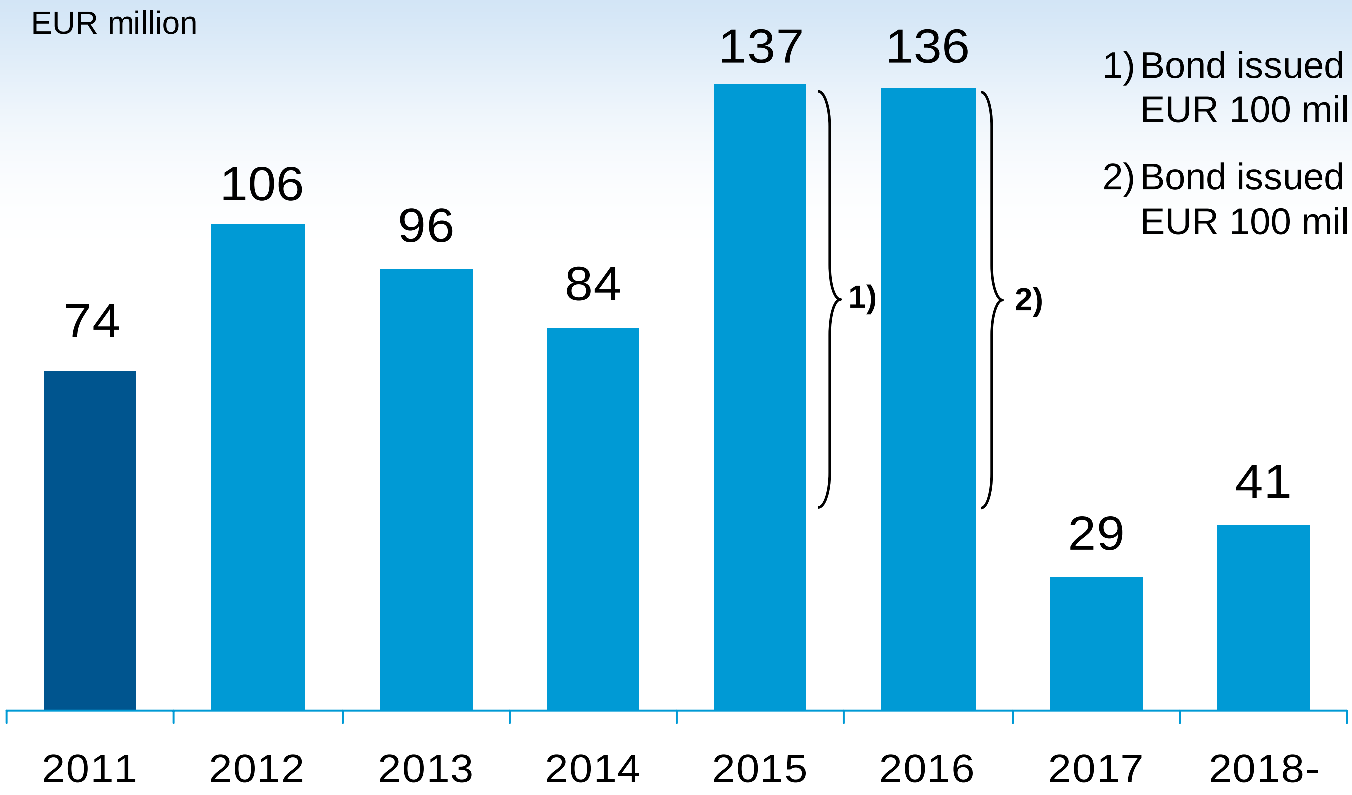
Stable maturity structure

FINANCIAL POSITION

Maturity structure of the long-term debt 6/2011



1) Bond issued 03/10, EUR 100 million

2) Bond issued 06/11, EUR 100 million

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YIT's financial targets and growth strategy

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YIT’s strategic target levels

GROWTH STRATEGY

- Average annual growth in revenue > 10%
- Return on investment 20%
- Cash flow from operating activities after investments sufficient for dividend payout and debt reduction
- Equity ratio 35%
- Dividend payout 40–60% of net profit for the period

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YIT strategy 2011-2013

GROWTH STRATEGY

- Revenue growth target >10% per year
  - Acquisitions and organic growth
- Business focus
  - Building services: Service and maintenance
  - Construction services: Residential production
- Geographical focus
  - Building services
    - Nordic countries & Central Europe
    - Potential expansion to Great Britain, Netherlands, Belgium
  - Construction services
    - Finland, Russia, Baltic countries, Czech and Slovakia
    - Potential expansion to Poland

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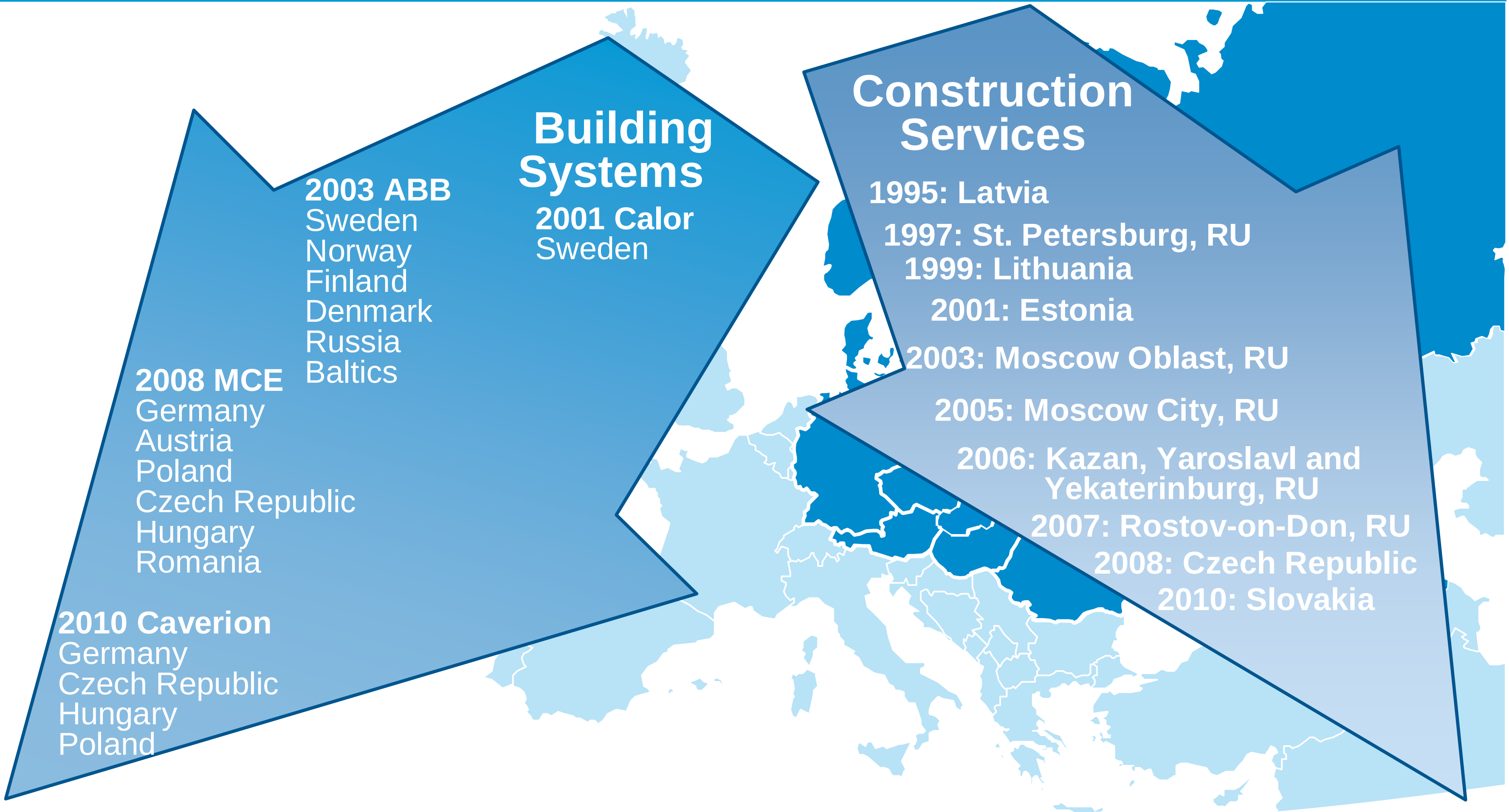
Expanding geographical presence through acquisitions and joint ventures

GROWTH STRATEGY



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Growth drivers in Building Services

GROWTH STRATEGY

Technical service and maintenance	• Share of technology in buildings increases • Efficiency targets – Potential for outsourcings
Requirements for energy-efficiency	• Tightening legislation • Energy consumption continues growing • Need for modernization and investments in energy sector
Market consolidation	• Very fragmented market – YIT aims to increase market share particularly in Central Europe • Economics of scale for large players – Wider service portfolio

Building Services: Northern and Central Europe

Growth potential in fragmented markets

GROWTH STRATEGY

Competitors and market shares in largest BIS countries (net sales in 2010):

Finland*
1. YIT (6%)
2. Lemminkäinen (3%)
3. Are (2%)
4. Sähköpeko*** (0,7%)
5. EMC Group (0,6%)

Sweden*
1. Bravida (5%)
2. YIT (4%)
3. Imtech (3%)
4. Coor (3%)

Norway
1. YIT (8%)
2. Bravida (5%)
3. Gunnar Karlsen (4%)
4. Sonnico A/S** (3%)

Denmark
1. Bravida (3%)
2. Kemp&Lauritzen (3%)
3. YIT (3%)
4. Lindpro** (3%)

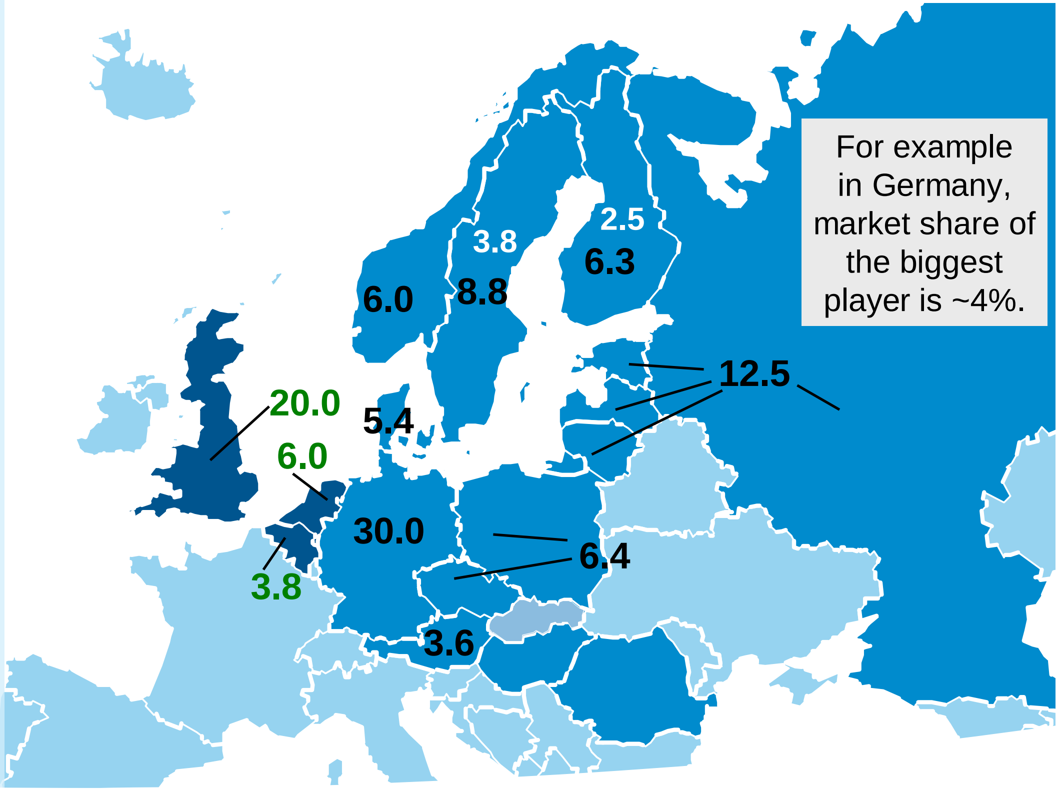
Germany
1. Imtech (4%)
2. YIT (2%)
3. Cofely (1,4%)
4. Wisag** (0,7%)

Austria
1. Ortner** (7%)
2. Elin/Bacon(Siemens)** (6%)
3. Axima** (4%)
4. YIT (3%)

Market size in YIT countries 2010

Building Systems EUR 80 billion

Industrial Services EUR 6 billion



For example in Germany, market share of the biggest player is ~4%.

*Finnish and Swedish markets includes both building systems and industrial services markets
**Net sales in 2009
***Forecast for 2010

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Sources: Euroconstruct June 2011, VTT and YIT

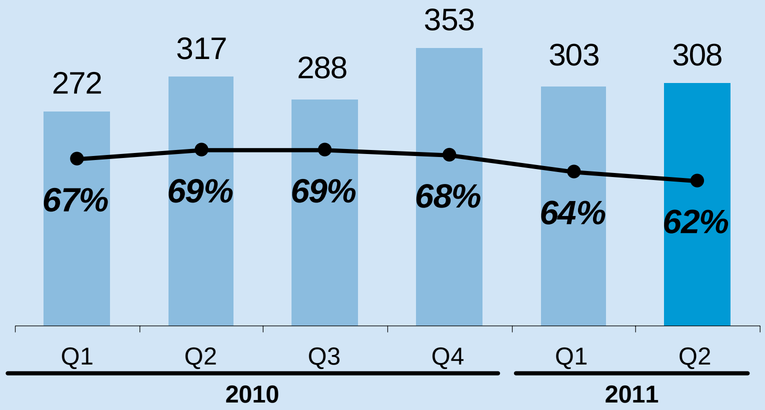
Good possibilities to increase service and maintenance in Central Europe

BUILDING SERVICES

Service and maintenance revenue in Northern Europe

EUR 611 million in 1-6/2011

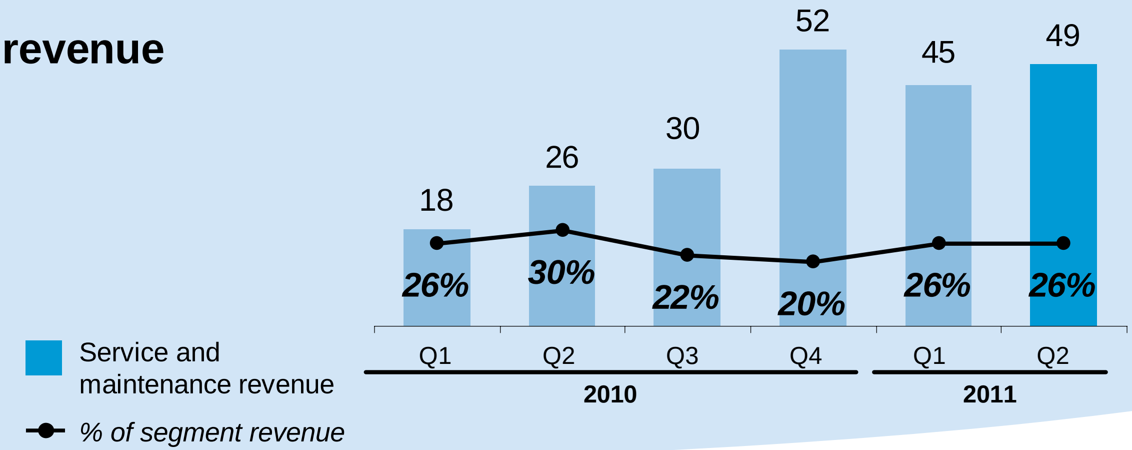
Change from 1-6/10: 4%



Service and maintenance revenue in Central Europe

EUR 94 million in 1-6/2011

Change from 1-6/10: 112%



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Growth drivers in CSF

GROWTH STRATEGY

Need for new housing	• Migration • Increasing population • Smaller family-sizes • Increasing rents
Need for business premises	• Concentration to growth centres • City centre development, area development • Need for space vs. vacancy rates • Modernisation needs, change of purpose
Possibilities in infra services	• Traffic-related projects • Road and regional maintenance

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Growth drivers in ICS

Need for new apartments in Russia	• Low living space and quality of existing buildings • Increasing share of middle class with improving purchasing power • Increase in number of households, smaller family-sizes • Political support for housing development • Developing mortgage market
Possibilities in the market in the Baltic countries, Czech Republic and Slovakia	• Living space and quality, demand for modern apartments • Housing markets very fragmented in CEE - only a few bigger players in residential construction
Need for business premises	• Western investments • Need for retail space • A-class office space

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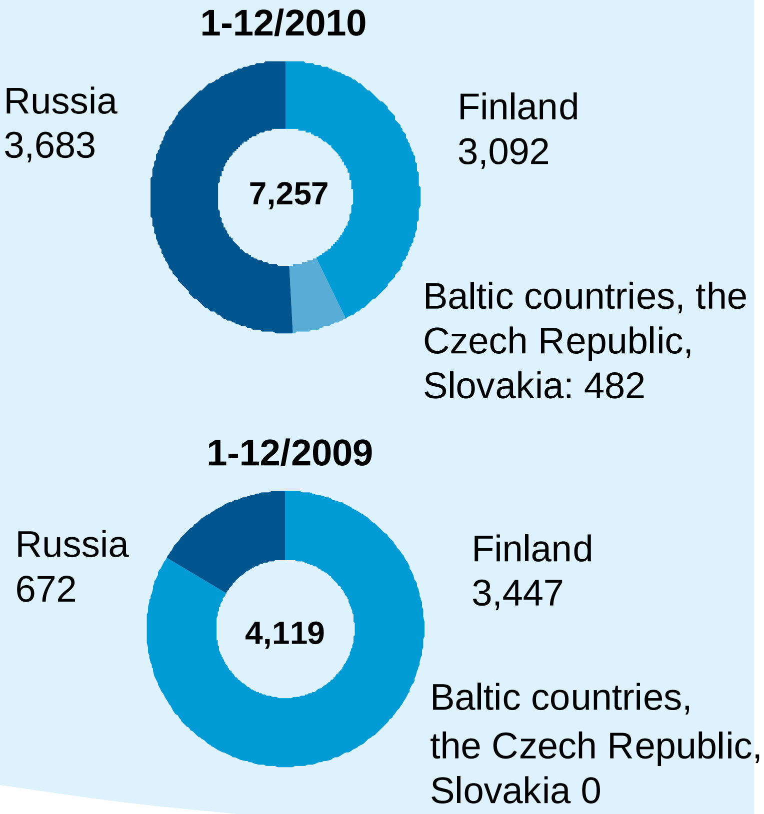
Construction Services

Fundamental need for housing

GROWTH STRATEGY

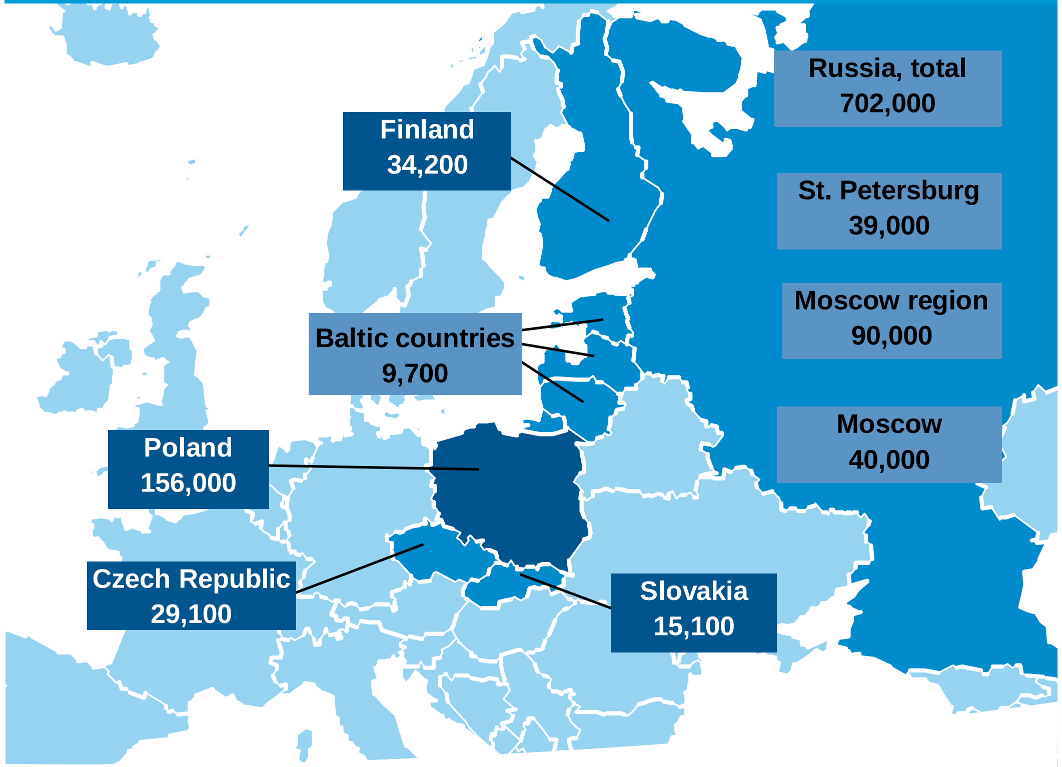
YIT housing start-ups



Housing markets in YIT countries

Finland, Czech Republic, Slovakia and Poland: start-ups estimate 2010

- Baltic countries: completions 2010
- Russia: completions 2009



Source: Euroconstruct December 2010, RT April 2011

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YIT in Russia: A significant foreign housing developer

Residential development

- Operations in St. Petersburg, Moscow Oblast, Moscow, Kazan, Yekaterinburg, Rostov-on-Don
- Development projects on own plots: Multi-storey buildings, townhouses and single-family houses
- Varying levels of finishing
- Maintenance and services to residential buildings

Commercial real estate development

- Office and retail premises, logistics, shopping centres
- Own development projects on own plots

Building Services

- Operations in St. Petersburg and Moscow
- Projects and maintenance mainly for western clients

In 2010 Russia accounted for:

- 14% of YIT Group revenue
- 33% of Group invested capital
- 9% of Group personnel

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YIT's competitive edges in the Russian housing market

- **Experience in the target market, solid knowledge of local legislation and municipal procedures**
  - 50 years' experience in operating in the Russian market
  - Local management
- **Efficiency in design**
- **Versatile housing offering in good locations**
- **Customer orientation and tailoring the offering to the customers' needs**
  - Vast service portfolio: own residential sales personnel, cooperation with local banks, maintenance
  - Agility and adjusting the offering to respond to changing consumer needs, several levels of finishing
- **Reputation as the most reliable developer**
  - YIT has completed and will complete all the housing projects started according to promised schedule and content

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Capital invested in plot reserves

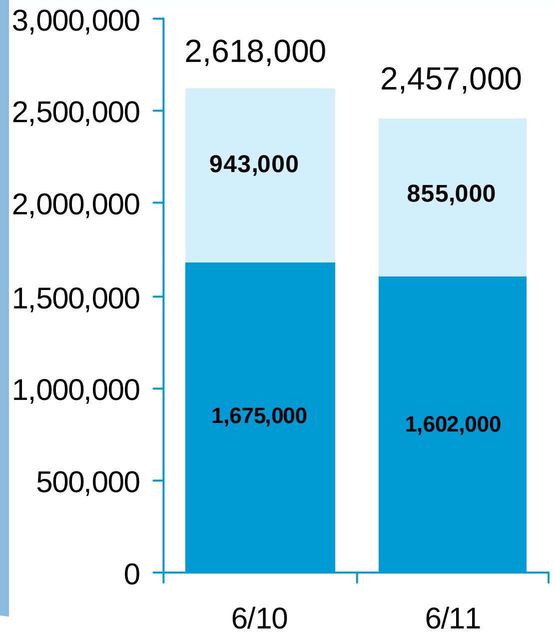
at the end of June 2011

GROWTH STRATEGY

Finland

6/10: EUR 289 million **6/11: EUR 293 million**

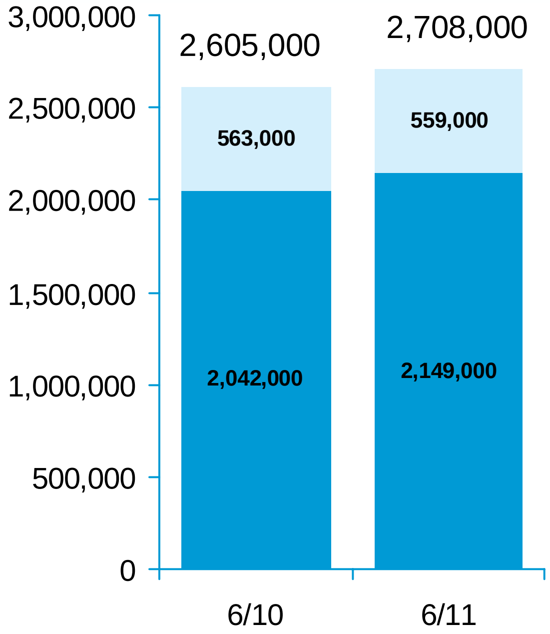
Floor area, m^2



Russia

6/10: EUR 218 million **6/11: EUR 288 million**

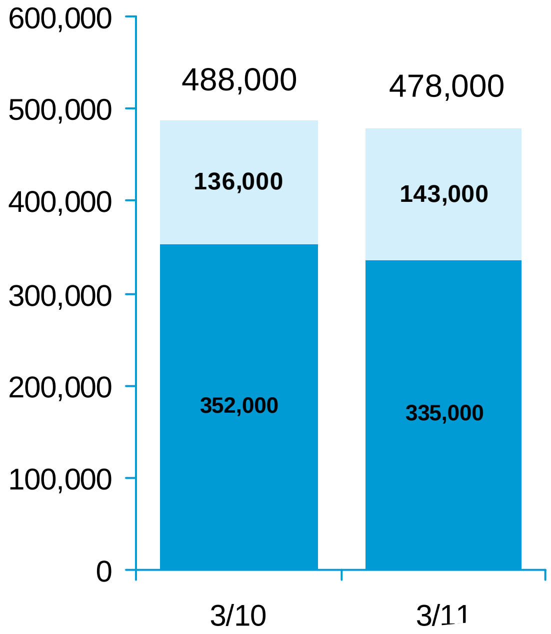
Floor area, m^2



The Baltic countries, Slovakia and the Czech Republic

6/10: EUR 76 million **6/11: EUR 83 million**

Floor area, m^2



Business premises plots
Residential plots

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Potential for profitability improvement

GROWTH STRATEGY

Building Services Northern Europe	• Actions to get BS Northern Europe back to track
Building Services Central Europe	• Increasing share of service and maintenance • Acquired companies' profitability below group level
Construction Services Finland	• Business portfolio development – Non-residential market has picked up – H2 expected to be stronger in infra • International sourcing
International Construction Services	• Successful price increases in 2010, prices expected to increase further in 2011 • Improving capital efficiency – Smaller projects – Shorter construction times

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Future outlook

Konepaja,
Helsinki, Finland

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Market outlook 2011

Building Services Northern Europe

FUTURE OUTLOOK

Envac
Pipeline systems
for waste collection

Service growth expected to exceed project business growth

- Good opportunities in all countries in service and maintenance
- New investments in building systems are expected to increase slightly
- High energy prices and tightening legislation supports the demand for energy saving solutions
- Industrial investments in Finland started to increase in 2010 from low levels, slight increase expected in 2011

Eastern Europe and Russia

- Service market developing in Eastern Europe and Russia

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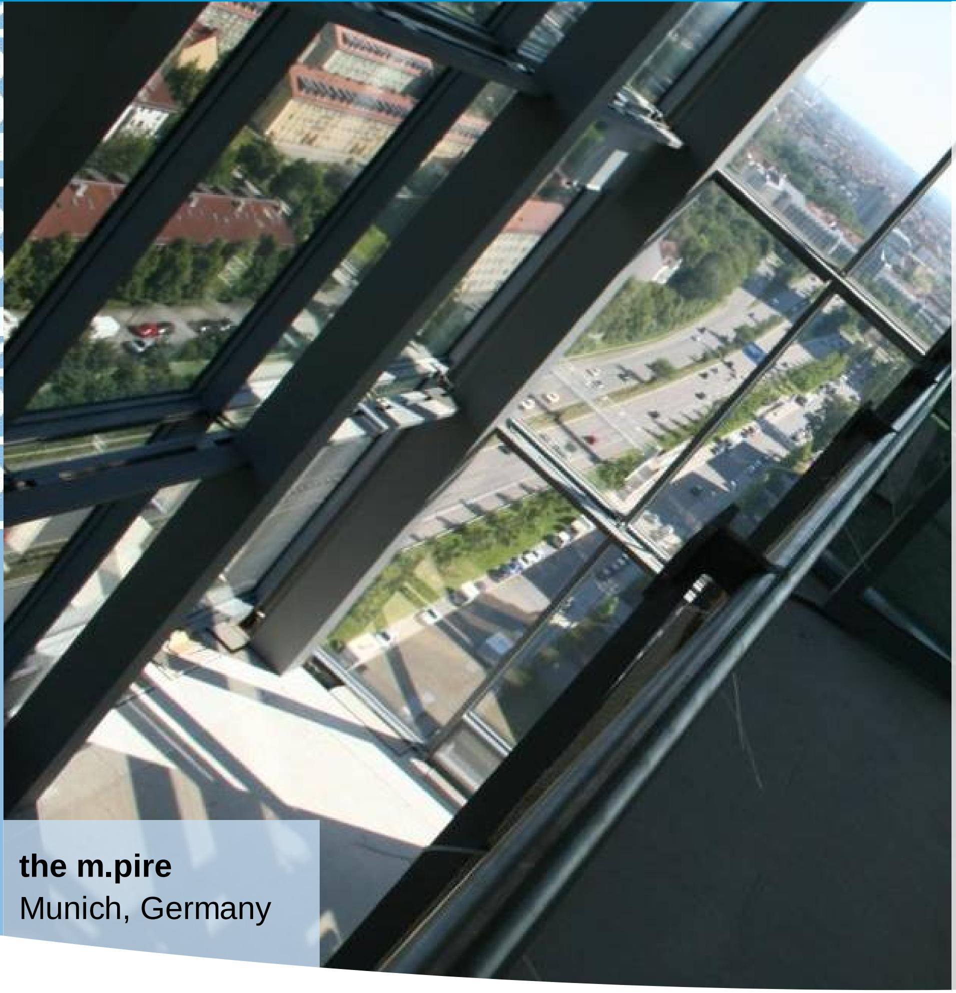
Market outlook 2011

Building Services Central Europe

FUTURE OUTLOOK



the m.pire
Munich, Germany

The service and maintenance market is expected to grow at the same rate as the project market

- The opportunities for growth in service and maintenance are favourable especially in Germany
- New investments in building systems are expected to return to a relatively good level throughout YIT's market area in Central Europe, with Germany and Austria leading the recovery
- New investments in building systems are expected to grow by 2-4 percent in 2011
- Investments by industrial customers started to increase during the previous year and demand for business premises is also growing

Energy efficiency services expected to grow

- High energy prices and tightening environmental legislation support the demand

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Market outlook 2011

Construction Services Finland

Merihelmi
Kokkola, Finland

Residential Construction

- Forecasted housing start-ups 31,000 units in Finland in 2011 (Confederation of Finnish Construction Industries, August 2011) while the estimated long-term annual need is 35,000 units
- Housing demand is expected to remain on a good level: it is supported by relatively low interest rates, migration and demographic factors
- Housing prices expected to increase slightly
- Construction costs increasing

Business Premises Construction

- Market has improved: rents expected to rise in 2011
- Vacancies in the office sector high, but part of empty premises may not return to use due to low quality and bad locations
- Commercial and logistics construction remains stable

Infra Services

- Potential route projects will start in 2011 and 2012
- Risks related to public investments and delayed decision-making

Market outlook 2011

International Construction Services

FUTURE OUTLOOK

Russia

- Huge long-term need for housing
- Housing demand and prices expected to increase in 2011
- Mortgage market development supports demand
- Increase in inflation will be seen also as higher construction costs

The Baltic countries, the Czech Republic and Slovakia

- Signs of improvement in the market
- Long-term need to improve living conditions
- Housing demand expected to increase
- Construction costs increasing

Oriental
St. Petersburg, Russia

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Guidance for 2011

YIT estimates growth in revenue and clear growth in operating profit in 2011

(Guidance has not been updated since 4.2.2011)

Guidance is based on segment reporting

(POC=Percentage of completion)

Merenkulkijanranta
Helsinki, Finland

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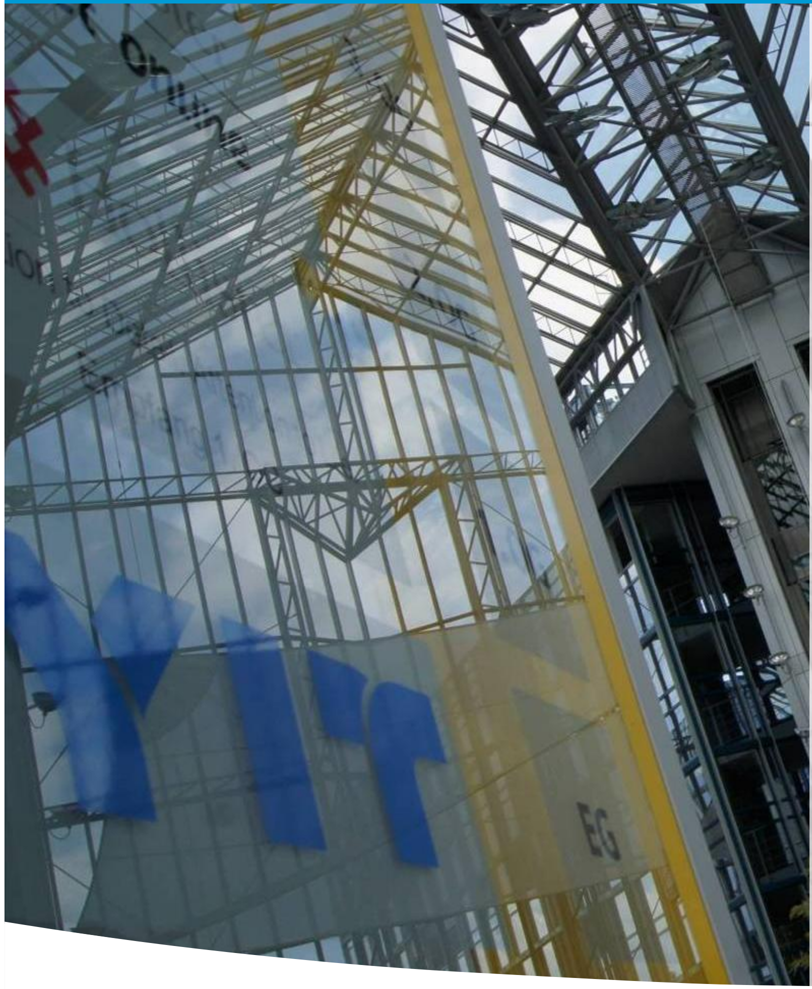
Priorities in 2011



1 Key growth focus areas

- Residential construction
  - Utilise the possibilities in Russian residential
- Service and maintenance
- Germany

2 Profitability potential

- Execution of profitability improvement programme in Building Services Northern Europe
- Potential for further profitability improvement especially in German Building Services and housing in Russia

3 Capital efficiency

- Stronger cash flow in Russian residential meaning more business with the same invested capital

More information

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В РОССИИ

YIT Capital Markets Day
22.9.2011 in St. Petersburg

Confirm your participation by 26.8.

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