

Back to growth path



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Contents

- Strategy 2010-2012
- Market position and potential
- YIT core competences



Strategy 2010-2012



Services for good living environment in 14 countries

Key figures 2008

- Revenue EUR 3.9 billion
- Operating profit EUR 261 million
- Return on investment 17.5%
- Personnel 25,000

○ Building and Industrial Services

- Technical service and maintenance
- Building systems installations
- Project deliveries to industry

● Construction Services

- Residential development
- Business and public premises
- Infrastructure (in Finland)



We aim for strong position

Building and Industrial Services

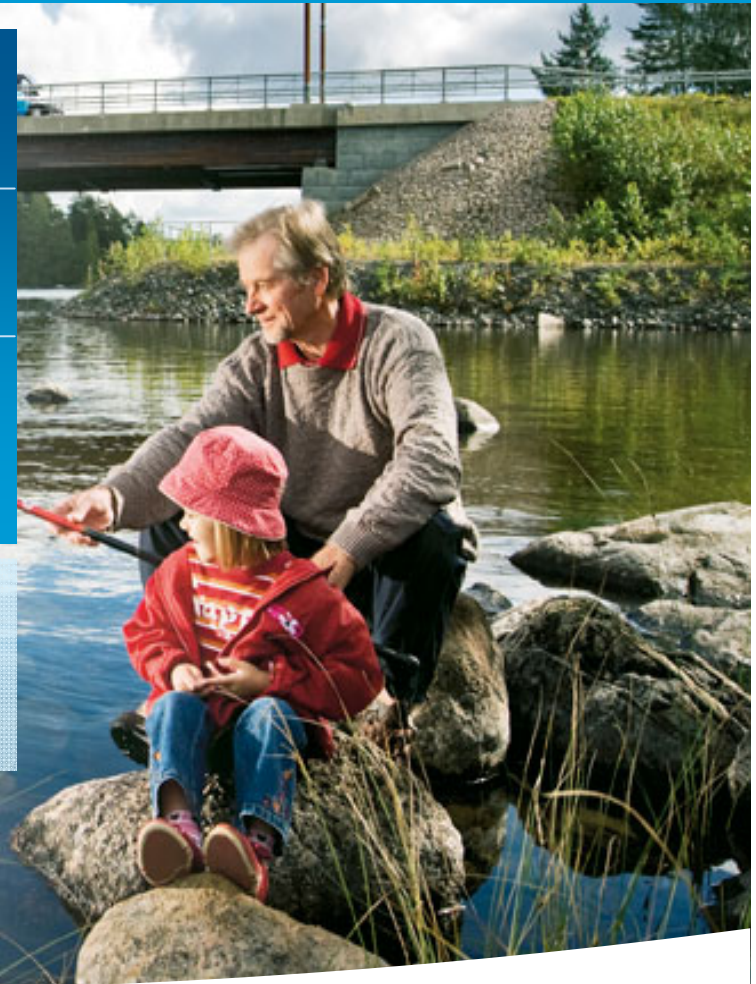
Leader in technical maintenance in Nordic countries and Central Europe

Construction Services

Strong position in Finland

Good profitability in Russia and Baltics

We build, develop and maintain good living environment for people.



Together we can do it.



Strategic focus areas

Growth

Profitability

Cash flow

**Capital
efficiency**



Together we can do it.



YIT's strategic target levels

- Average annual growth in revenue 5-10%
- 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

Fast growth in selected businesses



Service and
maintenance
of technical systems

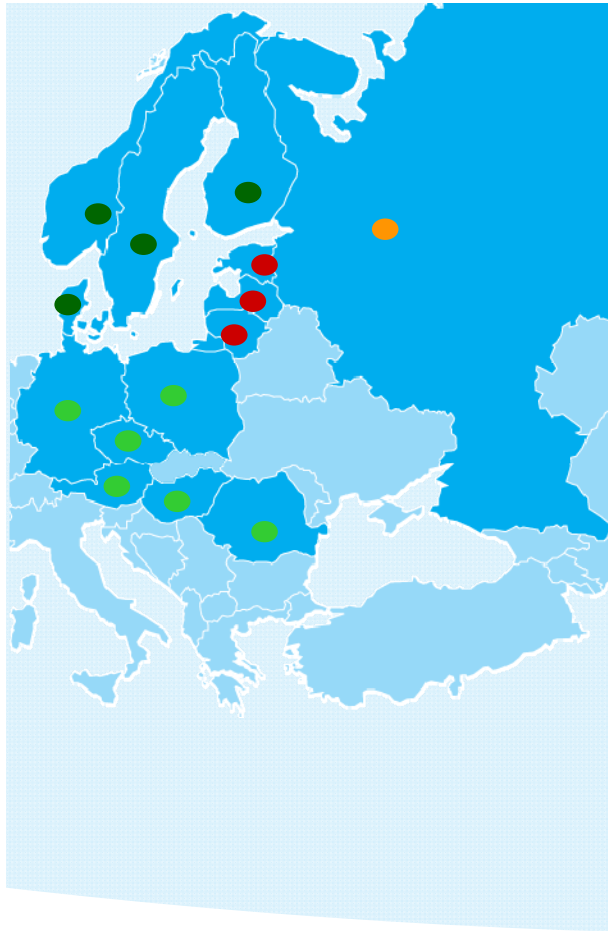


Residential
development
projects



Infrastructure
contracting and
maintenance

Fast growth organically and through acquisitions



- Fast growth in Nordic countries
- Growth in Central Europe
- Controlled growth in Russia
- Utilize opportunities in Baltics

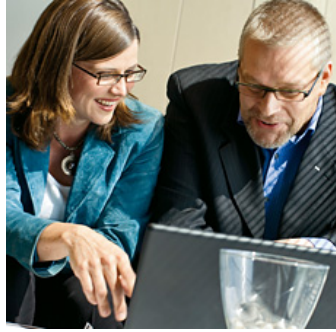
Acquisition targets

- Grow businesses selected in strategy
- Fulfil building system disciplines
- Widen local presence
- Open new opportunities and footholds

Acquisition criteria

- Strategic match and operative synergies
- Price and payback period
- Business culture and competent personnel

Good profitability



Internal efficiency

- Design management
- Global sourcing
- Increased productivity
- Fixed costs

Business mix

- Increase business with higher margin
 - Service and maintenance
 - Own development projects
- Be selective with margin and risks
 - Contracting

Strong cash flow

Fast in

Slowly out

- Residential sales: marketing, pricing
- Advance payments for services
- Invoicing and collecting sales receivables

- Payment terms and schedules
- Procurement
- Short-term liabilities

Tight cost base

- Fixed costs
- Capital structure

Good capital efficiency

International Construction Services



Invested capital 6/09 EBIT-margin 1-6/09

668 MEUR -19.5%

Construction Services Finland



481 MEUR 8.3%

Building and Industrial Services



371 MEUR 5.3%

- Extensive program to decrease invested capital and improve capital efficiency

- Accelerate capital turnover in development projects

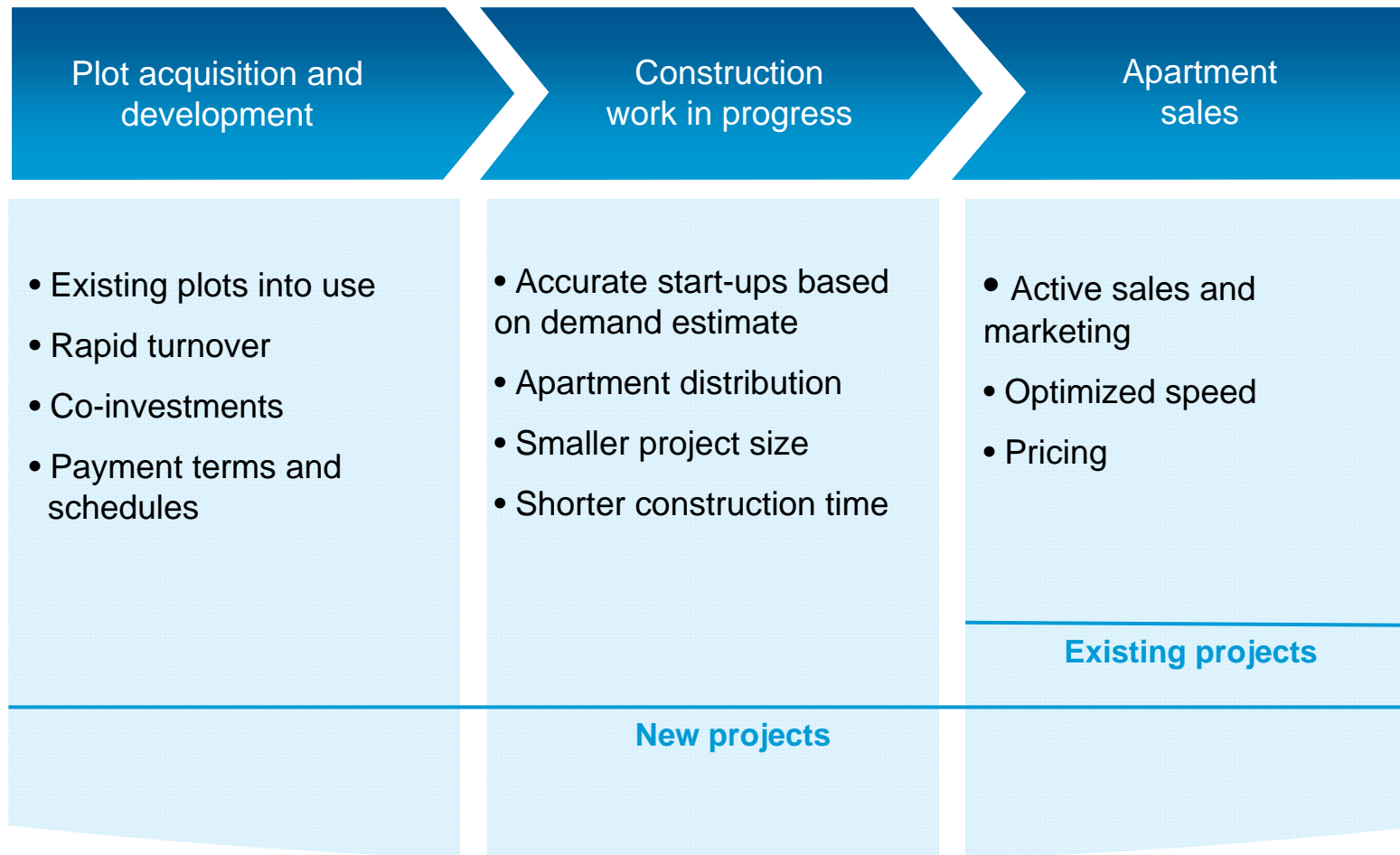
- Improve efficiency in net operating working capital

Invested capital = Balance sheet total - Non-interest bearing liabilities

Together we can do it. **YIT**

Good capital efficiency

Actions in residential development



Market position and potential



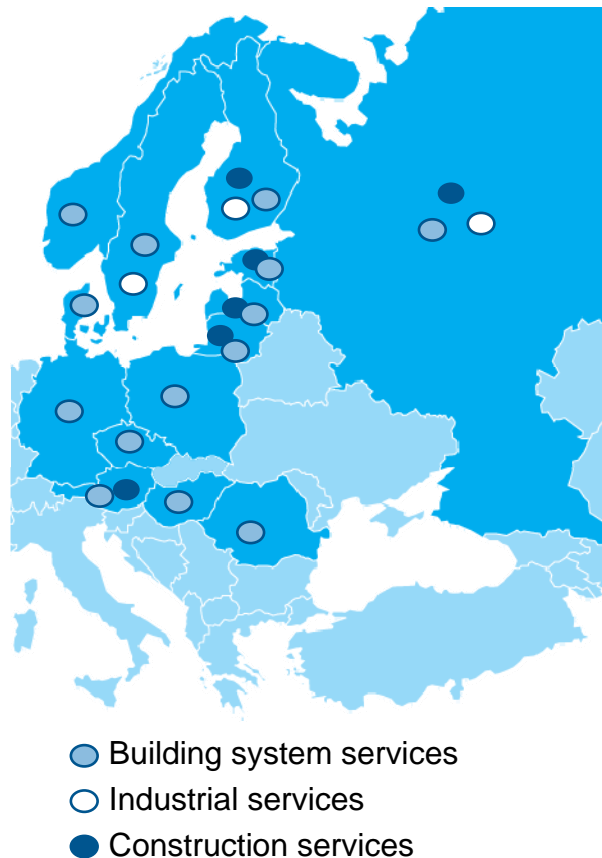
Strong market position

Building system services

- Largest in the Nordic countries
- Largest in Lithuania
- Strong foothold in Central Europe

Industrial services:

- Leading Nordic provider in its product areas



Construction services:

- Largest construction company in Finland
- Significant foreign housing development company in Russia
- Wide local presence in Baltic countries

Together we can do it.



Market in Building and Industrial Services

Our market view

- Slight increase continues in service and maintenance
- Municipalities need to find new solutions
- Construction of new offices decreased - need for renovation increases
- Moderate demand for retail and logistics premises continues
- Consolidation of the fragmented market continues
- Industrial investments decrease - most demand in energy sector

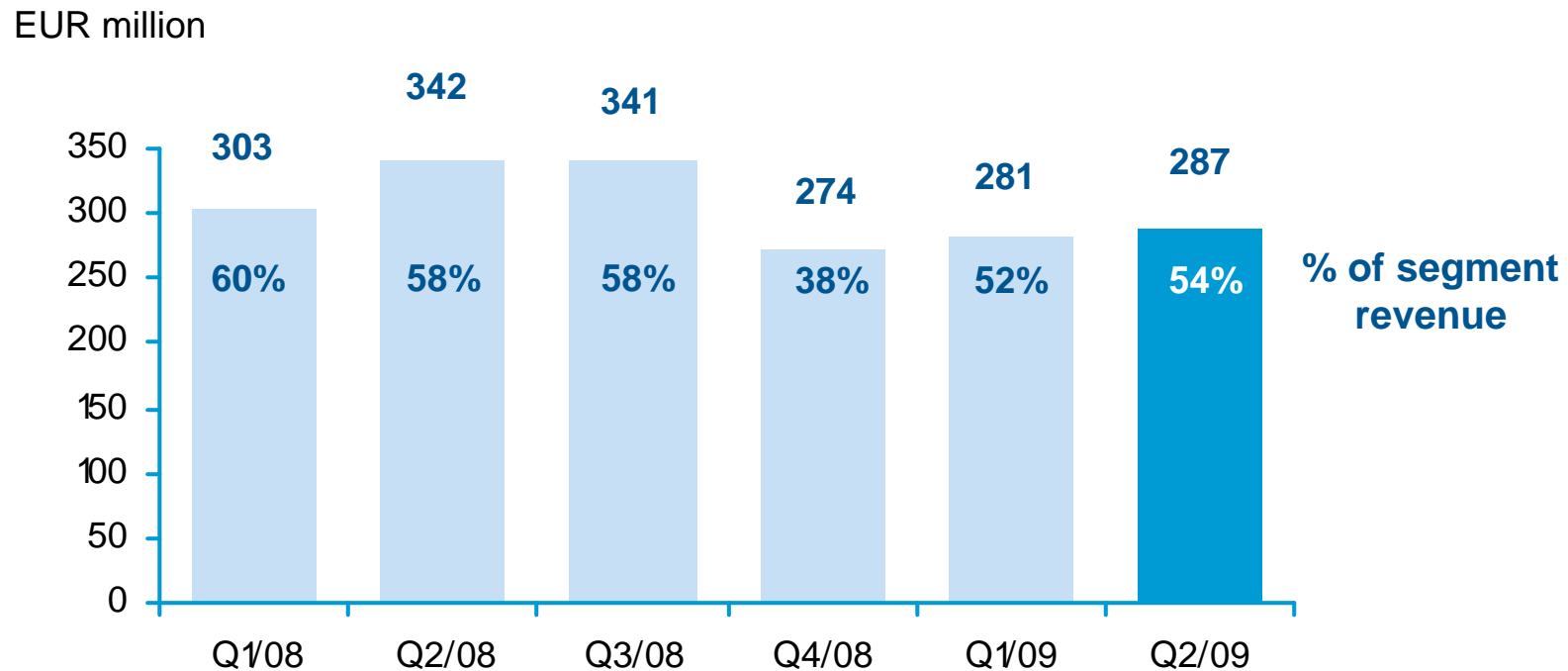
Our potential

- Increase service and maintenance
- Seek outsourcings
- Focus on renovation and public sector investments
- Be active in acquisitions
- Focus on energy industry

Strategy execution

Service and maintenance remained stable

Building and Industrial Services:
Service and maintenance revenue EUR 287 million in Q2/09



Market in Construction Services in Finland

Our market view

- Structural factors support housing demand: decreasing household size, continuous migration
 - Price development moderate compared to incomes
 - Interest rates at low level
 - Unemployment development creates uncertainty
-
- State stimulus measures support infrastructure projects - demand in 2011-2012
 - Municipalities need to find new solutions
-
- Construction of new offices decreased - need for renovation and changing the purpose of use increases
 - Moderate demand for retail and logistics premises continues

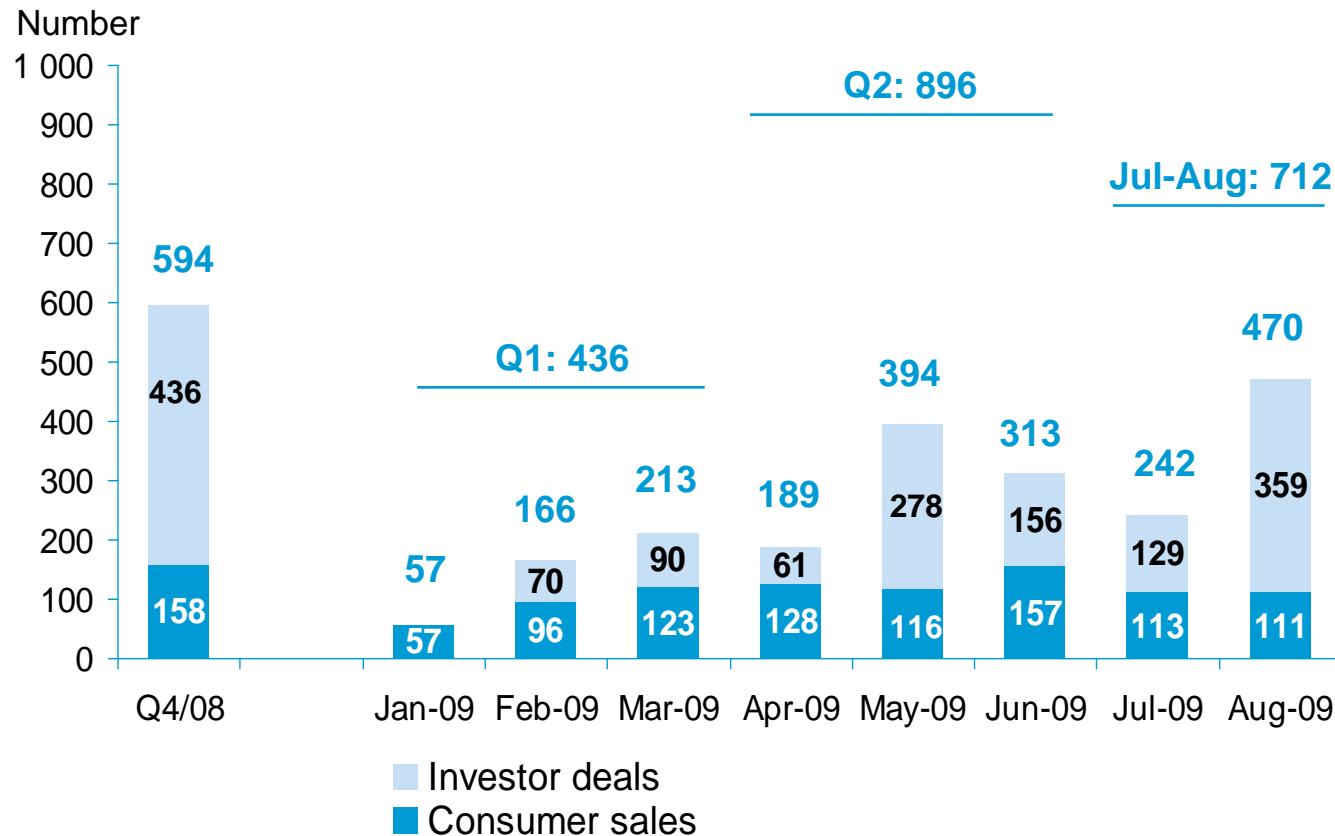
Our potential

- Be forerunner in housing market
-
- Increase infrastructure projects and maintenance
-
- Focus on active customer service and developing projects

Strategy execution

Steady level in sales volumes

Apartments sold in Finland



Market in construction services in Russia

Our market view

- Huge need for apartments on the long term
 - Decreased supply of apartments
 - Consumer confidence recovered slightly
 - Early recovery in mortgage market
 - Increasing unemployment weakens housing demand
-
- Activity among industrial and retail companies

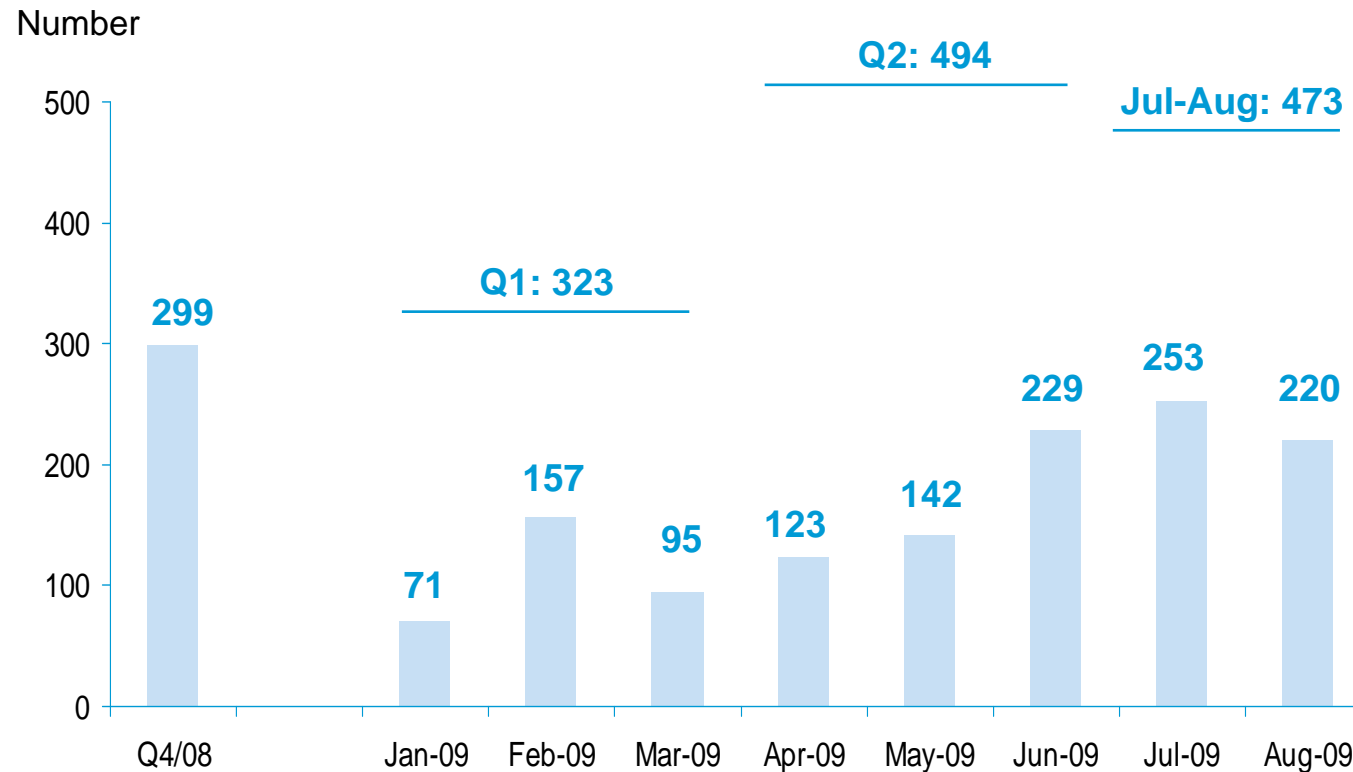
Our potential

- Strengthen image as reliable partner
 - Increase market share
 - Start residential projects by city
-
- Prepare commercial real estate projects

Strategy execution

Stronger residential sales

Apartments sold in Russia



YIT core competences



Cornerstones of strategy execution



Competitive edges

Solid track in strategy execution

Strong corporate culture

Competitive edges in know-how and service



Extensive services

- All building system disciplines
- All areas of construction



Close to customer

- Local presence
- Own residential sales and services for business premises' tenants



Own solutions

- Design management
 - Own concepts
- Energy-efficiency



Brand

- YIT and YIT Home
 - Reliability and customer understanding

Together we can do it.



Solid track in strategy execution

Financial targets

Acquisitions

Fast reactions



- Average revenue growth 15% in 94-08
- Average EBIT growth 22% in 94-08
- 95-07: 13 years of increased dividend per share
- 2003: building systems from ABB
- 2008: building systems from MCE
- Several small acquisitions
- Annual fixed costs cut by MEUR 60
- Cash flow MEUR 99 Q4/08-Q2/09
- Residential start-ups adjusted

Strong corporate culture



- Clear management and leadership
 - Fast decision-making
 - Strong result-orientation
 - Long-term commitment
- Concrete and understandable values
 - Excellence in service
 - Continuous learning
 - Well-run cooperation
 - High performance

YIT

Together we can do it. **YIT**

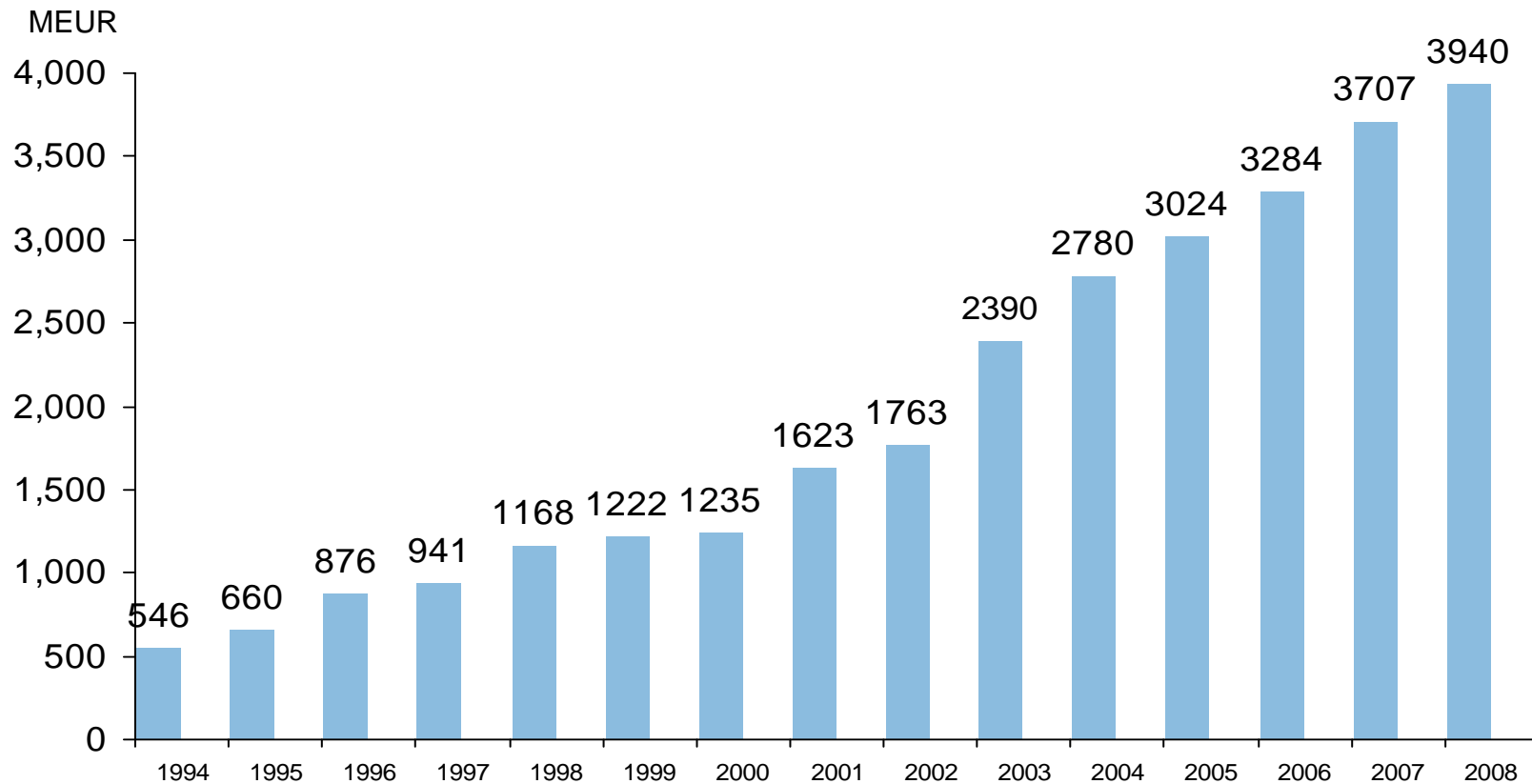
Appendix

Track record in strategic target levels



Strategic target

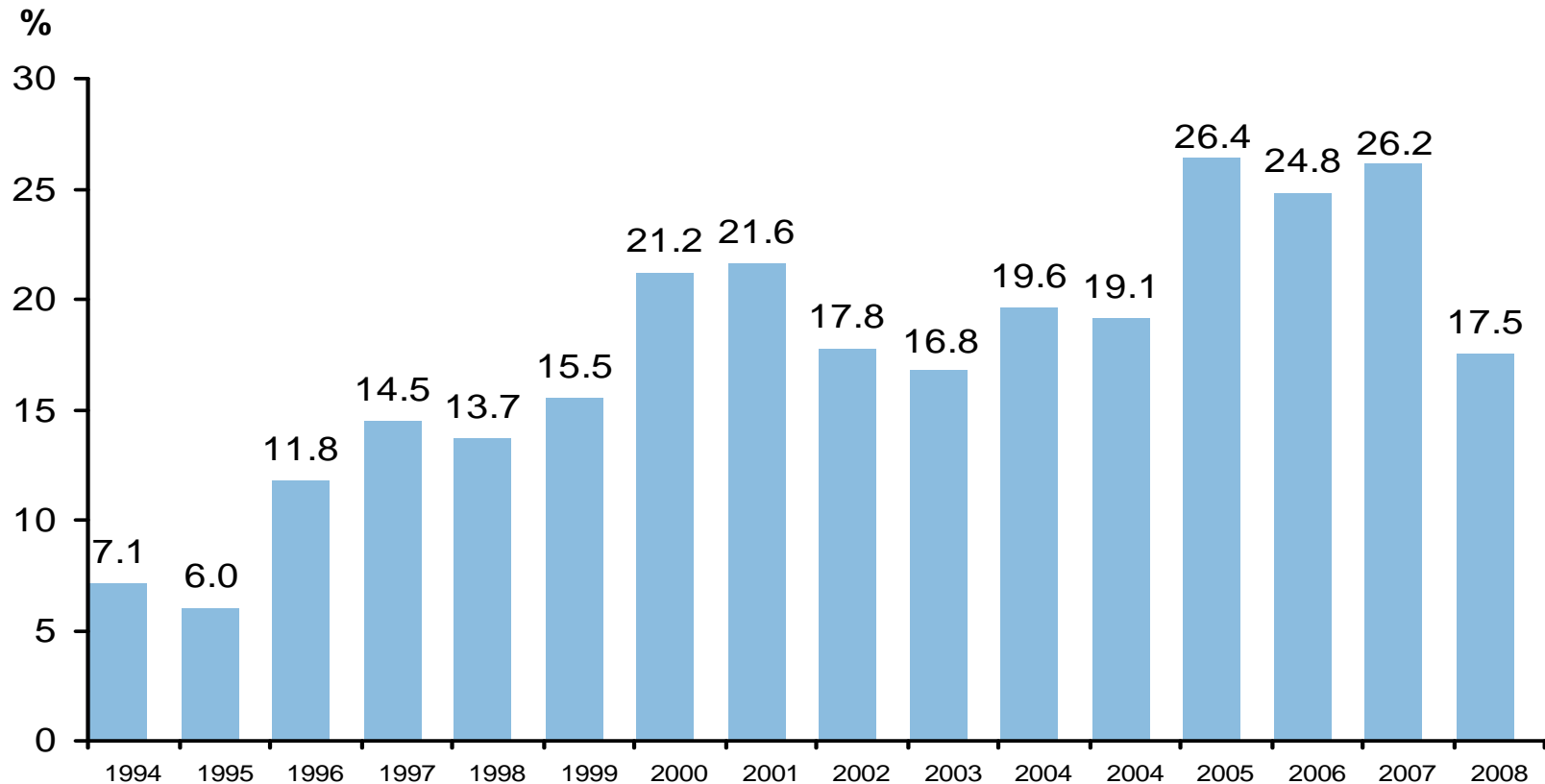
Average annual growth in revenue 5-10%



Note: Figures from 1995-2003 according to FAS, figures from 2004 onwards according to IFRS.

Strategic target

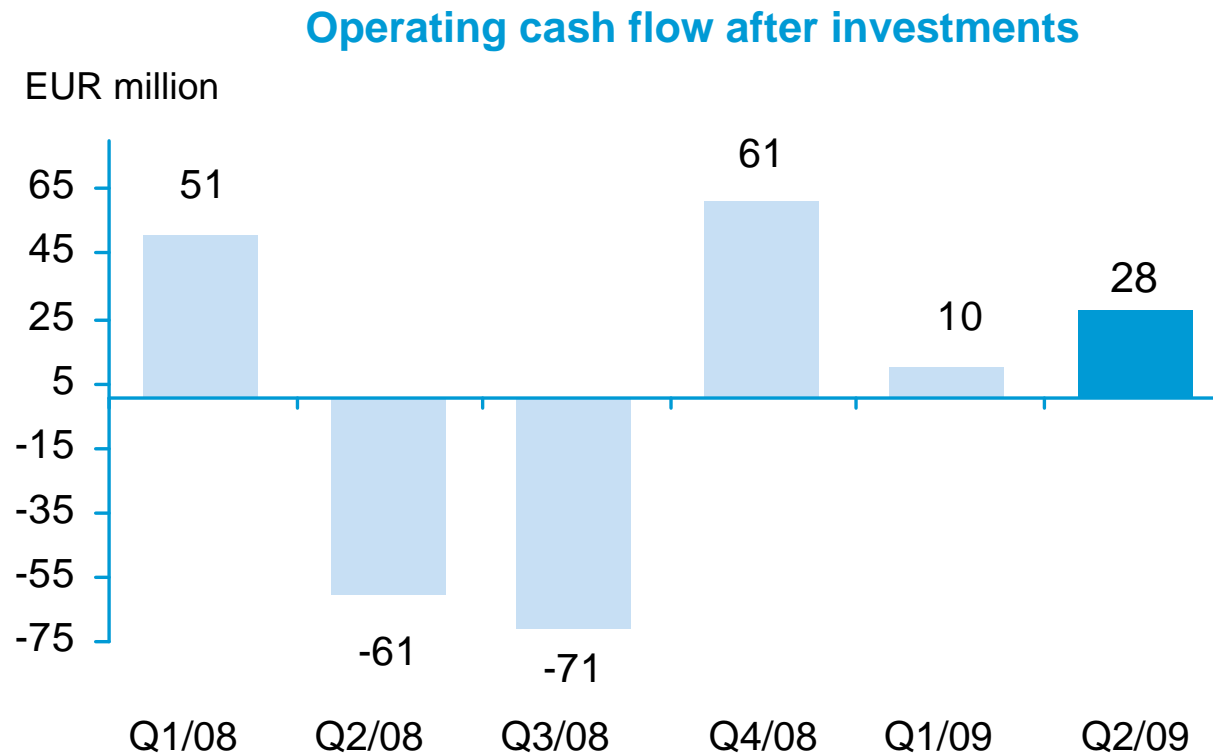
Return on investment 20%



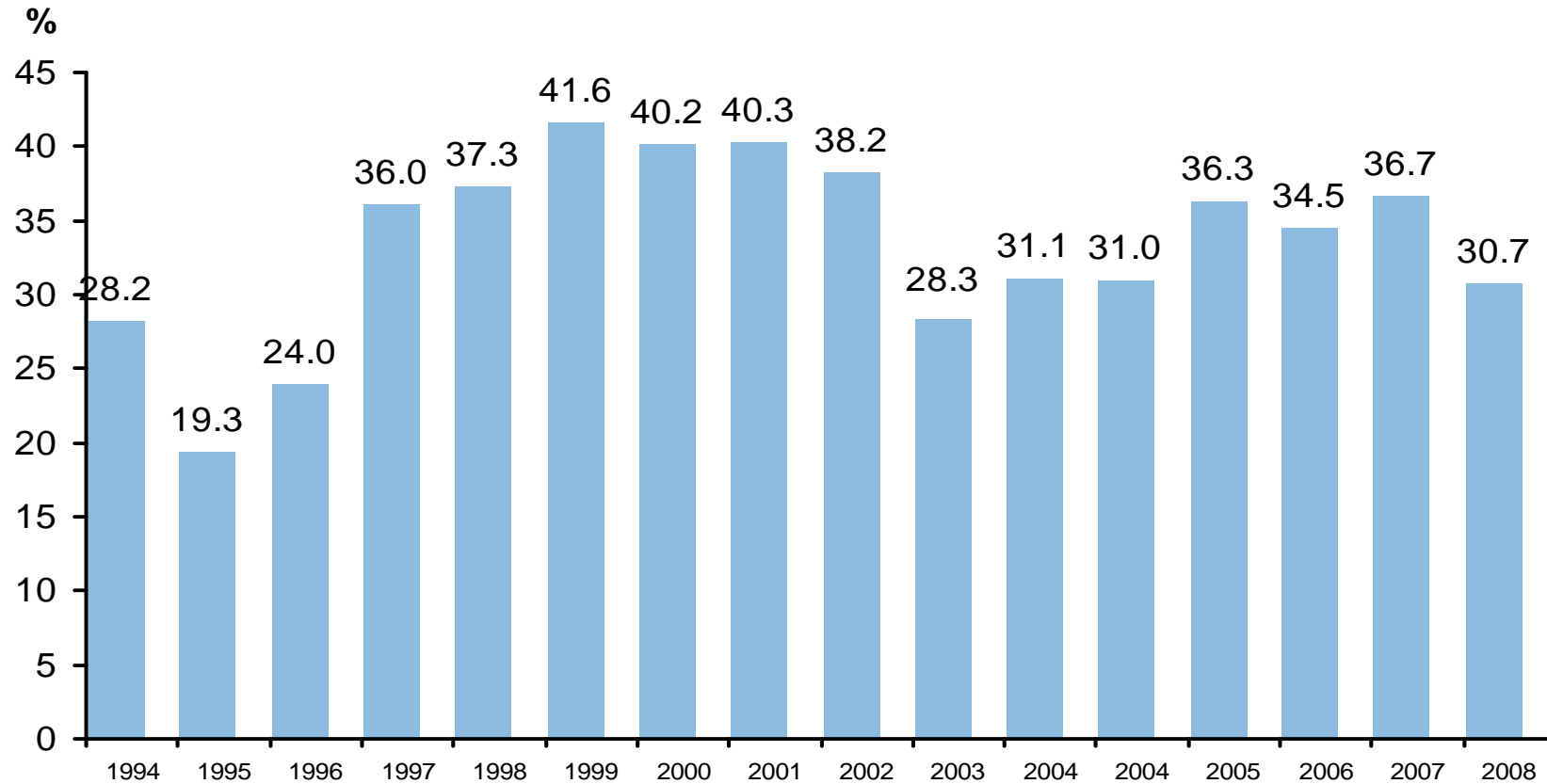
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Strategic target

Cash flow from operating activities after investments sufficient for dividend payout and debt reduction



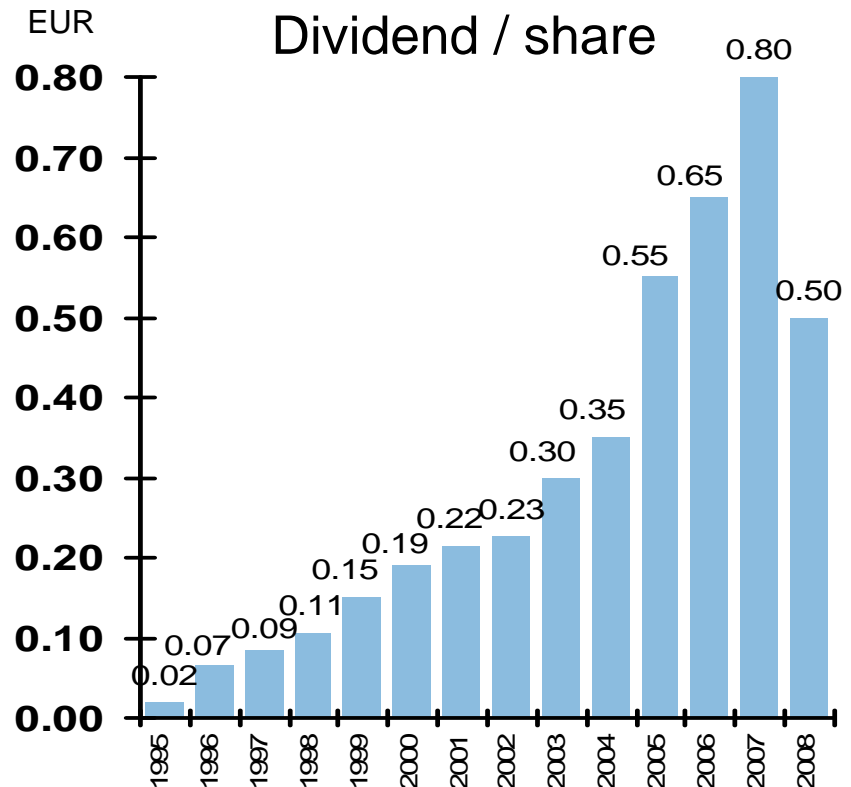
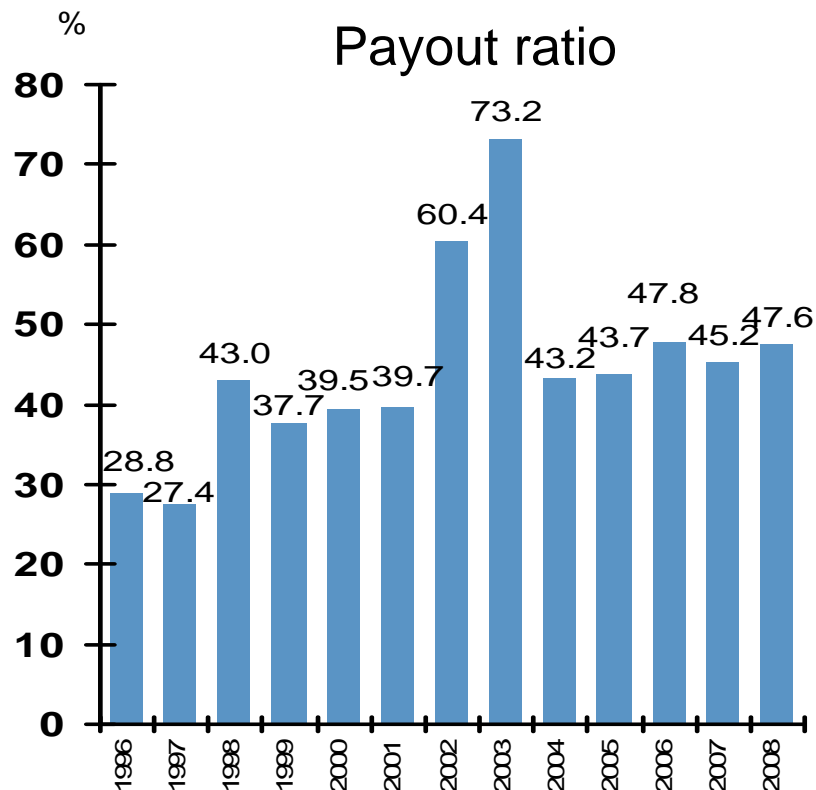
Strategic target Equity ratio 35%



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Strategic target

Dividend payout 40–60% of net profit for the period



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