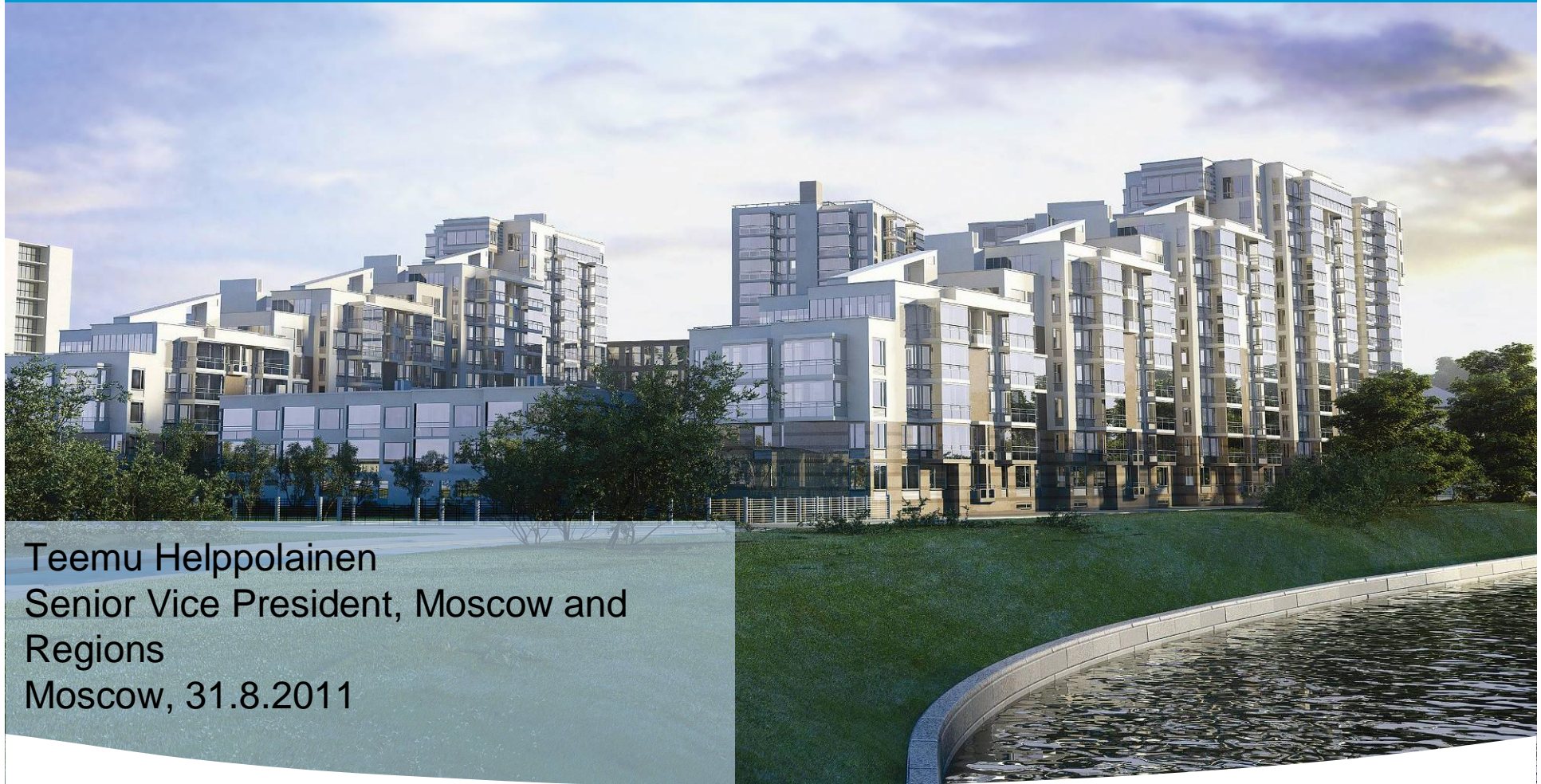


YIT in Russia



Teemu Helppolainen
Senior Vice President, Moscow and
Regions
Moscow, 31.8.2011

Together we can do it. **YIT**

Contents



- YIT Group in brief
- YIT in Russia
- Q2/2011 in International Construction Services
- Market trends
- Future outlook

YIT Group in brief



Together we can do it. **YIT**

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
15 countries.
Over 25,000
professionals at
the end of 2010.



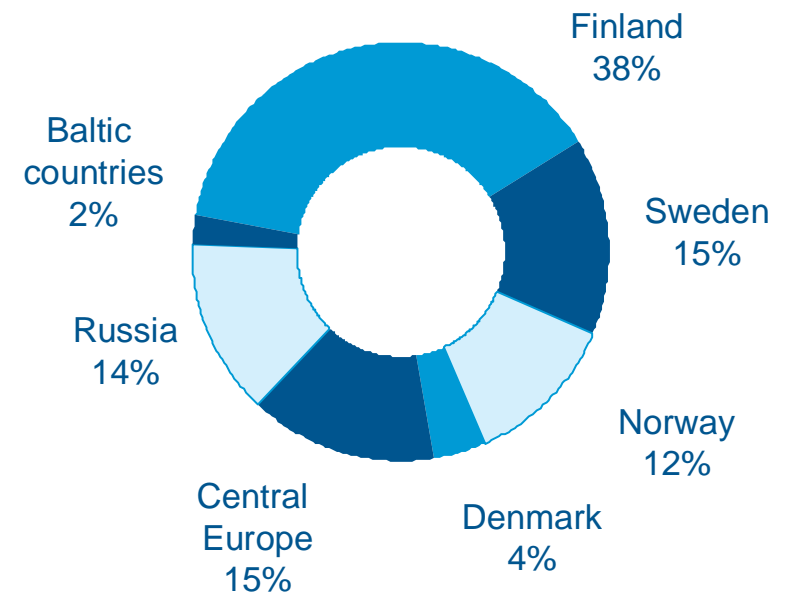
Over 32,000
shareholders
at the end of
2010.



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

- Service and maintenance of building systems and industrial processes
- Technical building systems installations
 - Project deliveries to industry

Finland, Sweden, Norway, Denmark, Russia, Estonia, Latvia, Lithuania

Revenue: EUR 1,804 million
EBIT: EUR 89 million
Personnel: ~15,800



Building Services Central Europe

- Service and maintenance of building systems and industrial processes
- Technical building systems installations
 - Project deliveries to industry

Germany, Austria, Poland, Czech Republic, Hungary and Romania

Revenue: EUR 550 million
EBIT: EUR 16 million
Personnel: ~3,800



Construction Services Finland

- Residential development
- Business premises
 - Infrastructure
 - Building construction

Finland

Revenue: EUR 1,102 million
EBIT: EUR 108 million
Personnel: ~3,200



International Construction Services

- Residential development
- Business premises
- Building construction

Russia, Estonia, Latvia, Lithuania, Czech Republic, Slovakia

Revenue: EUR 471 million
EBIT: EUR 35 million
Personnel: ~2,700

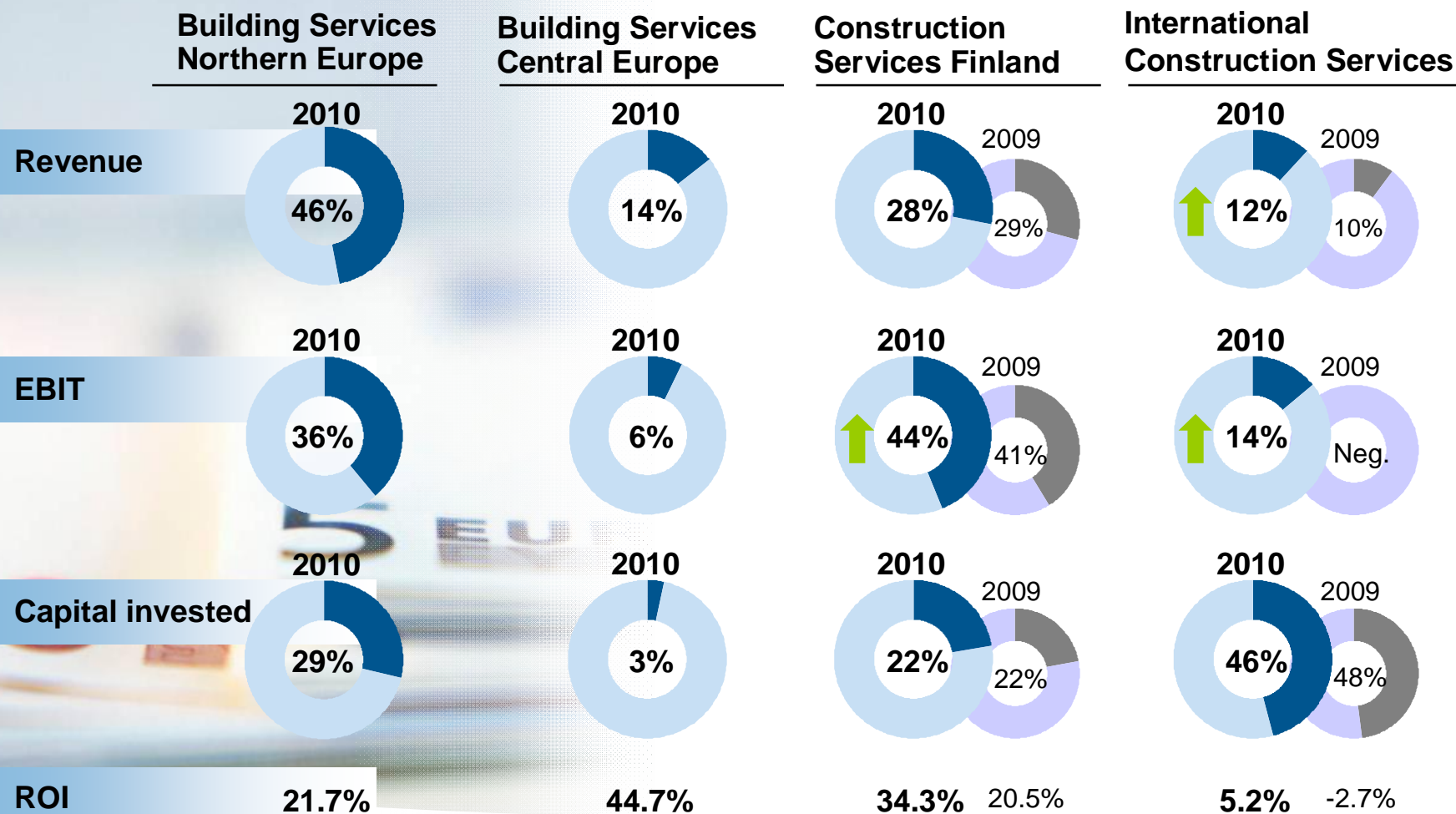


2010 figures, segment reporting (POC= Percentage of completion)

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Business portfolio

Performance of YIT business segments in 2010



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

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Strong market position

Nordic countries:

No 1 in Building Systems

Norway No 1: 7%; Finland No 1: 6%
Sweden No 2: 4%; Denmark No 3: 3%

Russia

Major foreign
player in
residential
development

Central Europe

Foothold in Building Systems,
No 2 in Germany

Market share ~2%

Baltic countries

Among market leaders in
construction

Finland

No 1 in Construction Services

Central Eastern Europe

Start-up in residential
development

Together we can do it.



YIT strategy 2011-2013

- 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



Together we can do it. **YIT**

Key figures

EUR million

Segment reporting (POC*)

	4-6/11	4-6/10	Change	1-6/11	1-6/10	Change
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)

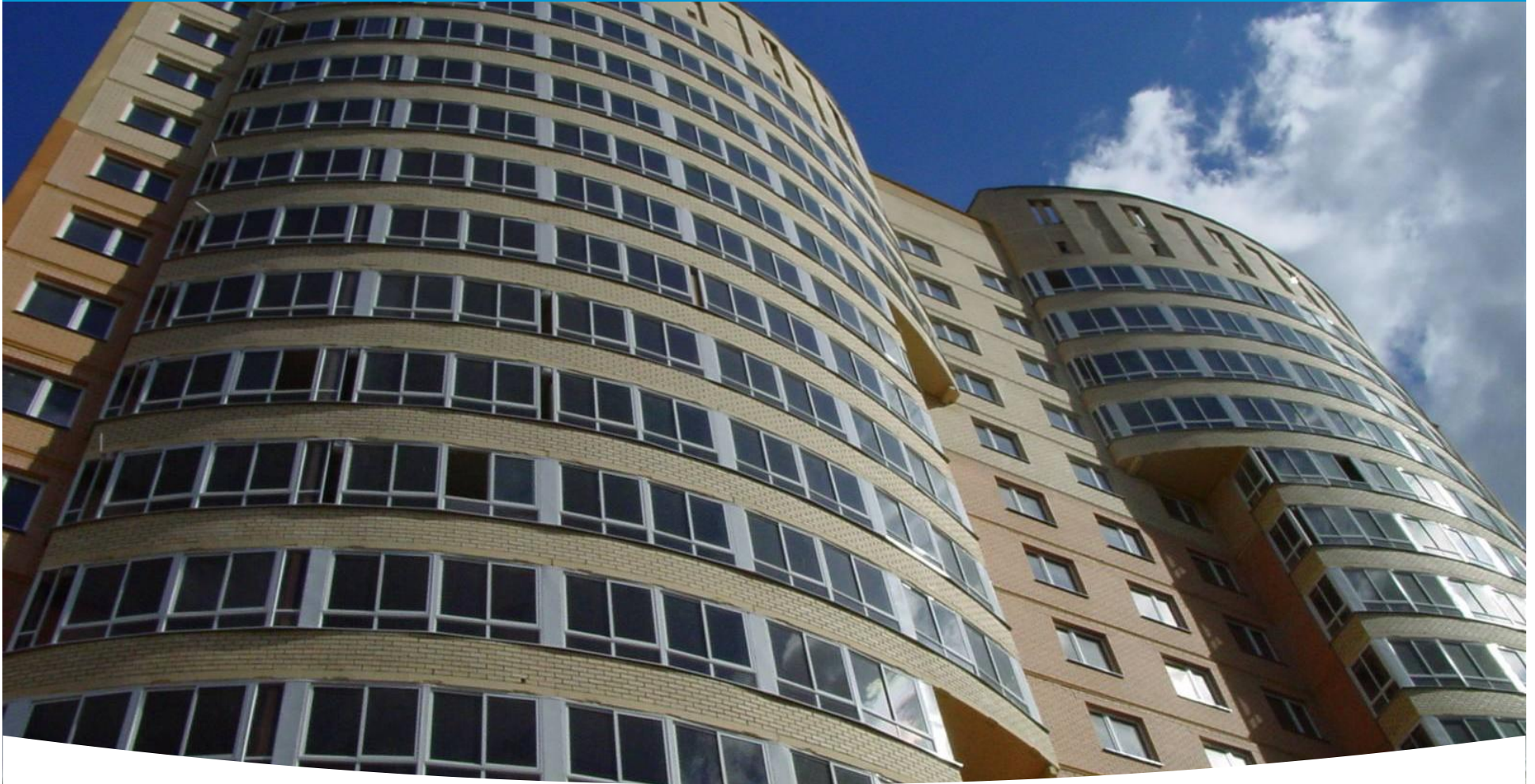
Revenue	1,137	855	33%	2,107	1,620	30%
Operating profit	68.0	35.9	89%	107.1	69.8	53%
% of revenue	6.0	4.2		5.1	4.3	
Order backlog	3,797	3,329	14%	3,797	3,329	14%
Profit before taxes	63.0	27.9	126%	97.7	54.6	79%
Earnings per share, EUR	0.37	0.16	131%	0.57	0.31	84%
Return on investment, % (last 12 months)	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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YIT in Russia



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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 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

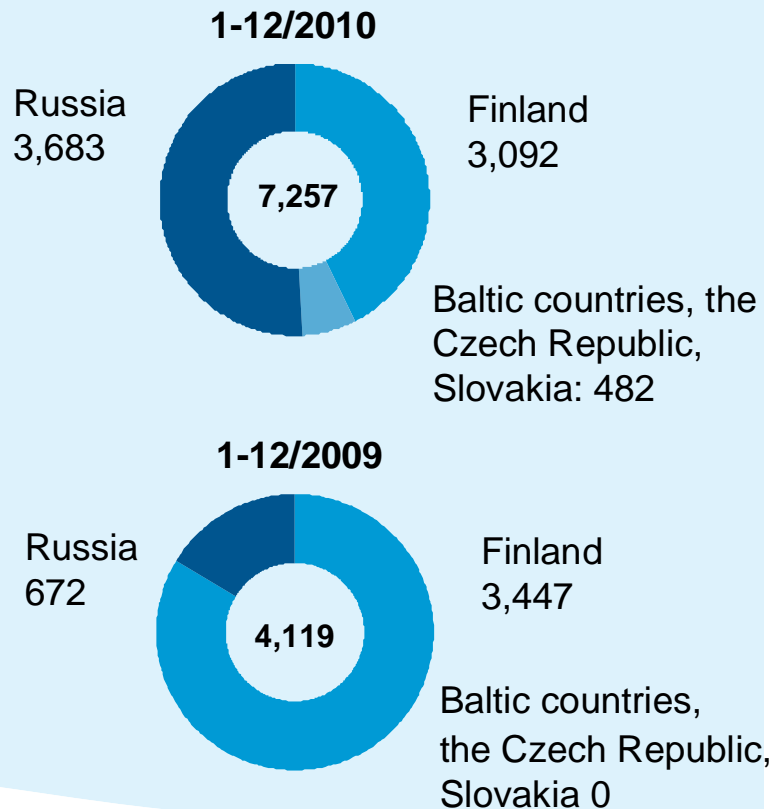
Need for business premises

- Western investments
- Need for retail space
- A-class office space

Construction Services

Fundamental need for housing

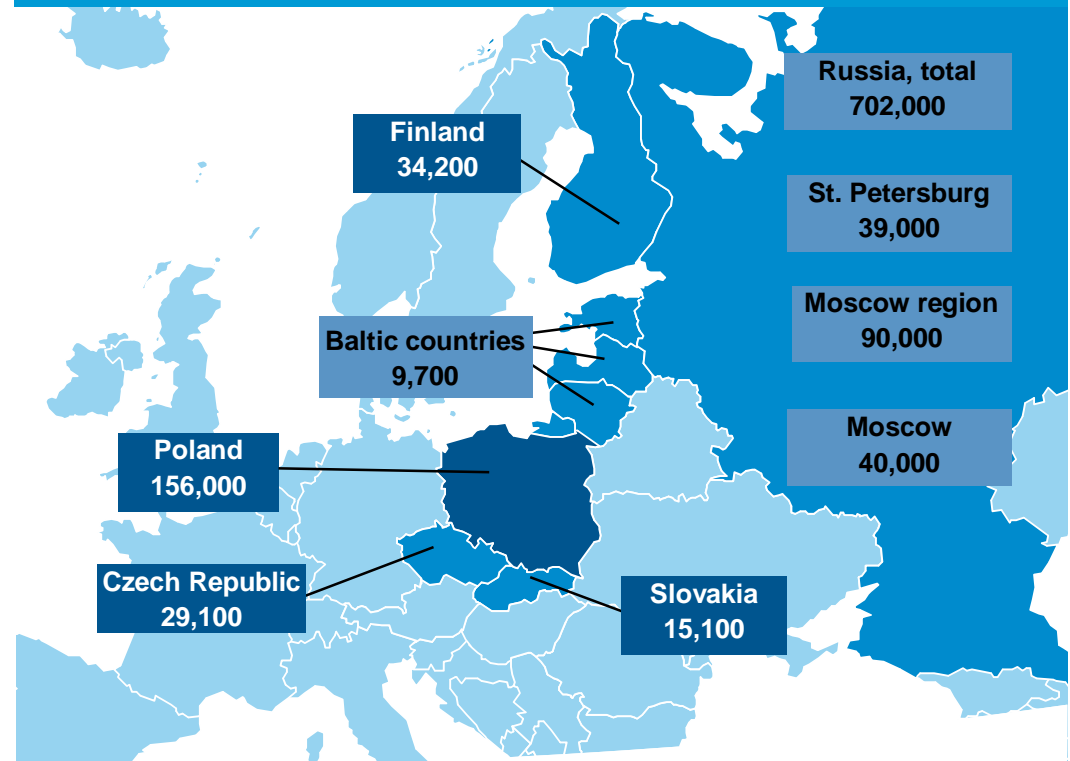
YIT housing start-ups



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

Together we can do it.



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 and also in other regions of Russia for key customers
- Projects and maintenance mainly for western clients but increasingly also for Russian clients

In 2010 Russia accounted for:

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



Our typical residential building

In the past:

- ~300-1,000 apartments
- ~16-24 floors
- Construction time approx 2.5-3.5 years
→ Currently 1.8 years

The focus is still on:

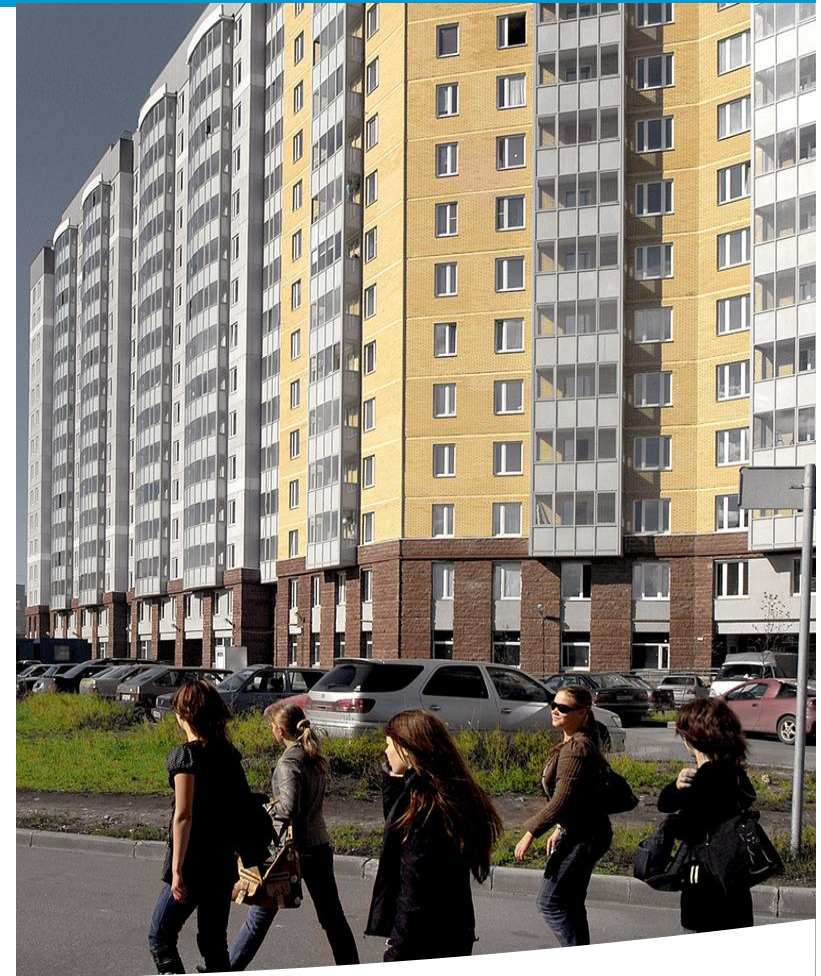
1. Shortening development and construction times
2. Efficiency in design
3. Smaller projects
4. Construction in phases

Target group of YIT homes:

- Middle and upper middle class

Level of finishing:

- Normally semi-finished
- Possible to buy finished apartments: finishing work as an option



YIT's competitive edges in the Russian housing market



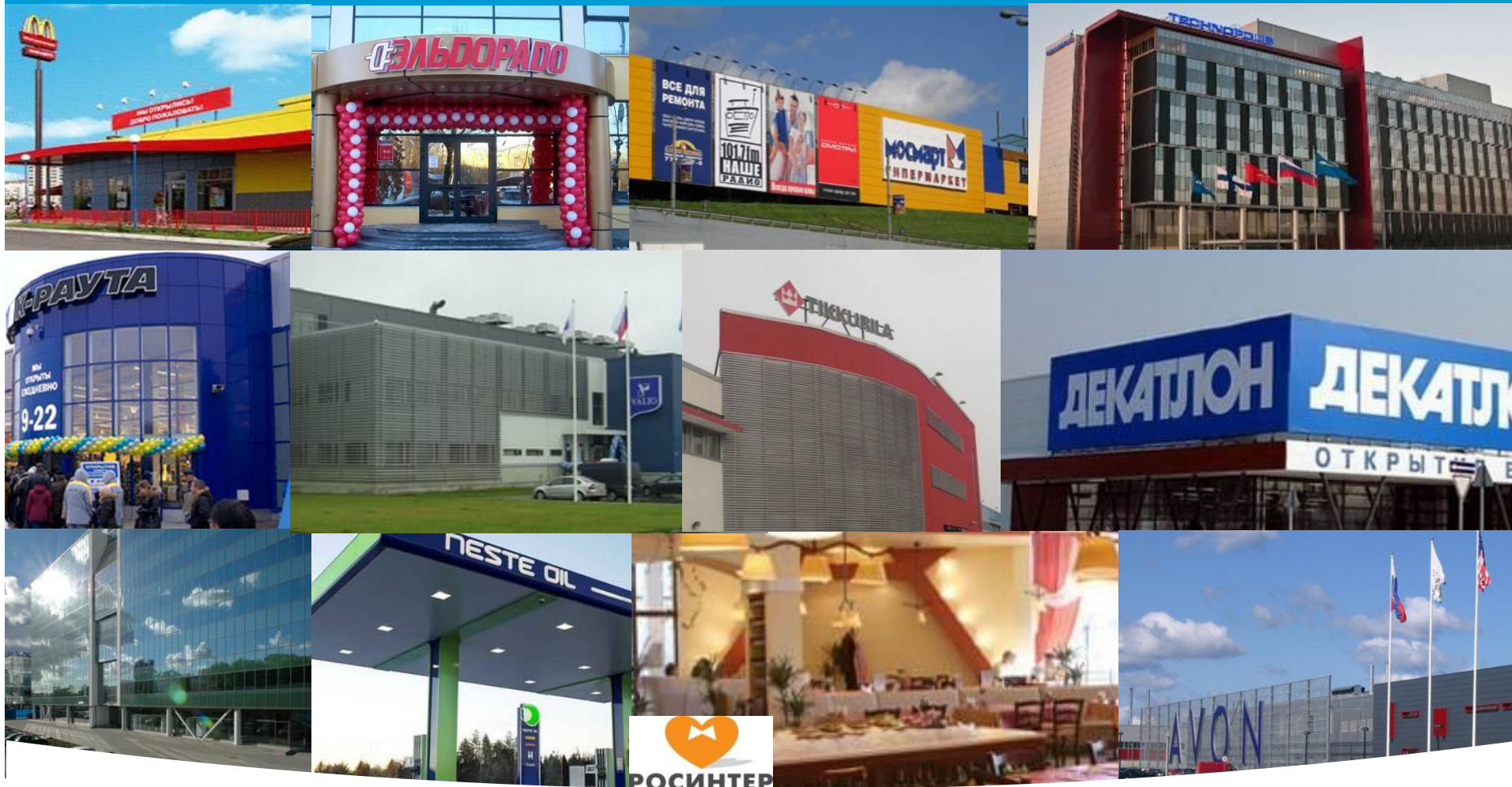
- **Experience in the target market, solid knowledge of local legislation and municipal procedures**
 - 50 years' experience in operating in the Russian market
 - Local management
- **Efficiency in design**
- **Versatile housing offering in good locations**
- **Customer orientation and tailoring the 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

ICS projects in Russia



Together we can do it. **YIT**

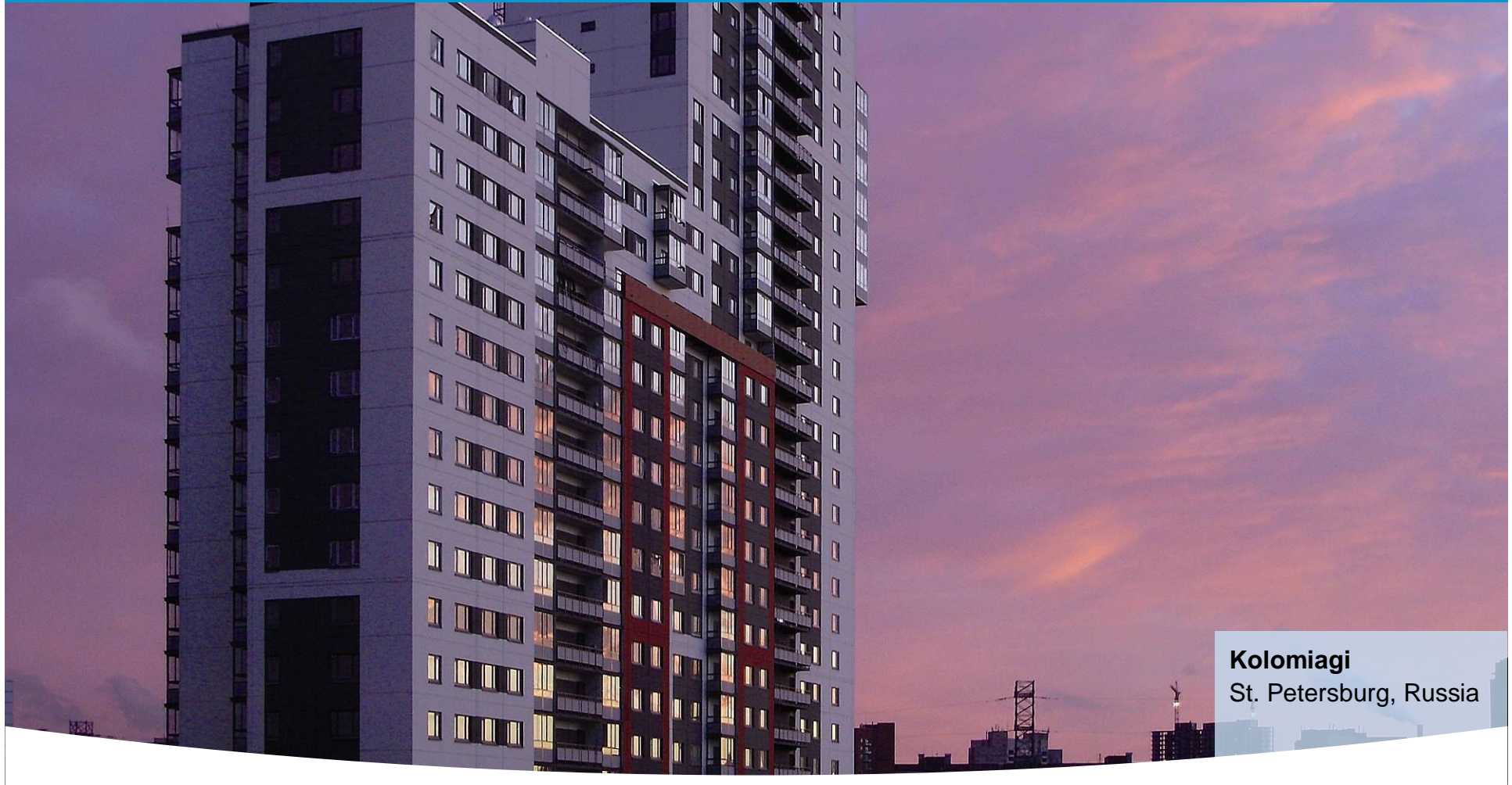
BIS projects in Russia



Together we can do it.



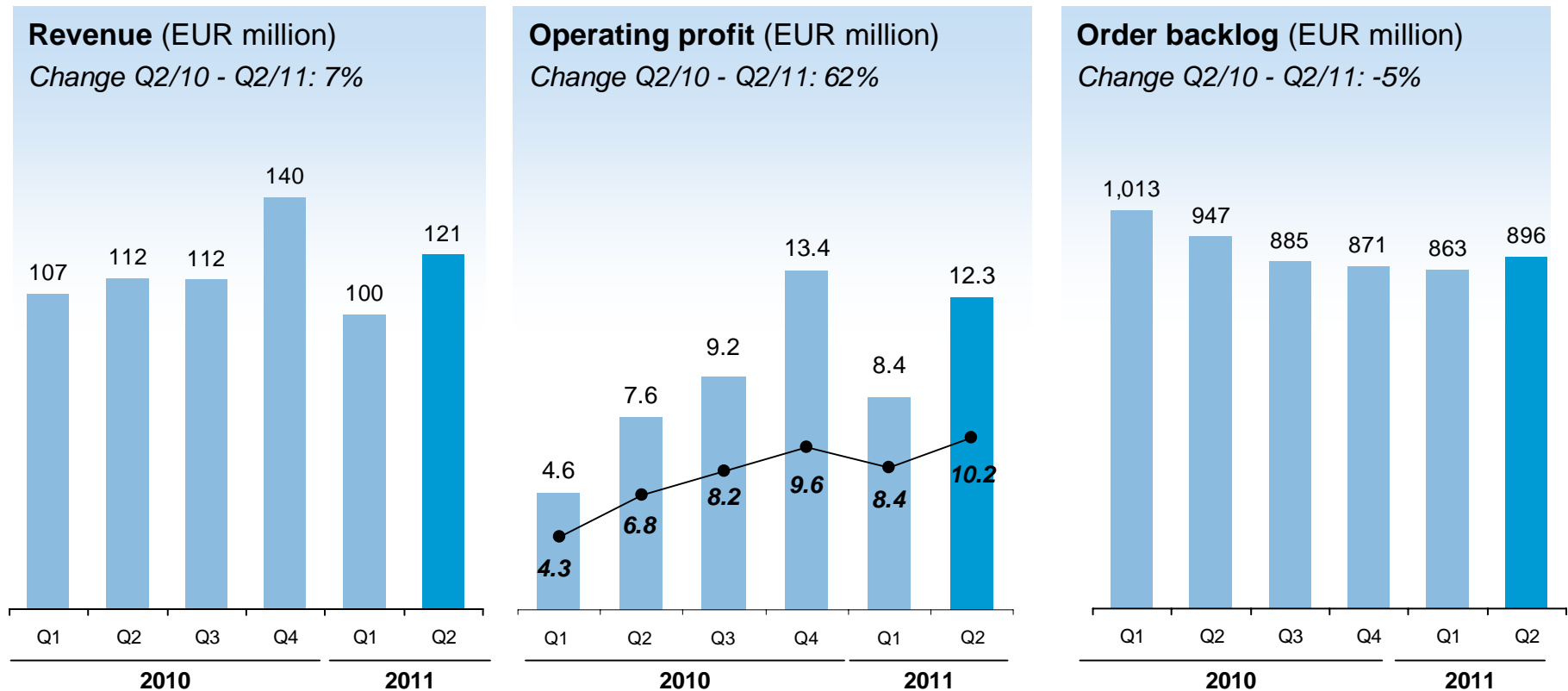
Q2/2011 in International Construction Services



Kolomiagi
St. Petersburg, Russia

Together we can do it. **YIT**

Solid improvement in profitability, business volume increasing



All figures according to segment reporting (POC)

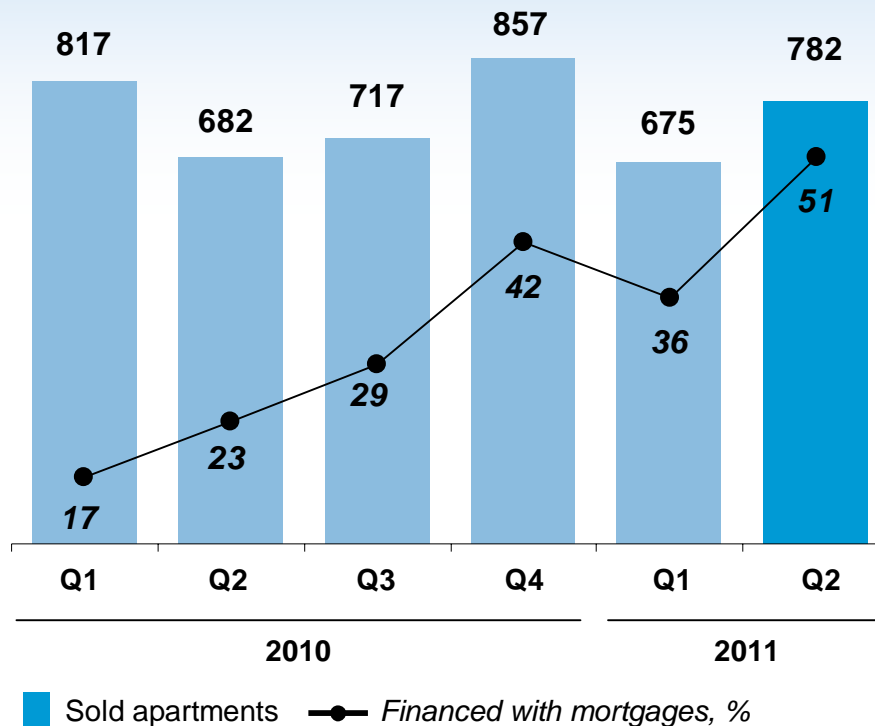
■ Operating profit ● % of revenue

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%).

Together we can do it. **YIT**

Good development in mortgage market supported residential sales in Russia

Apartments sold in Russia
(number, %)



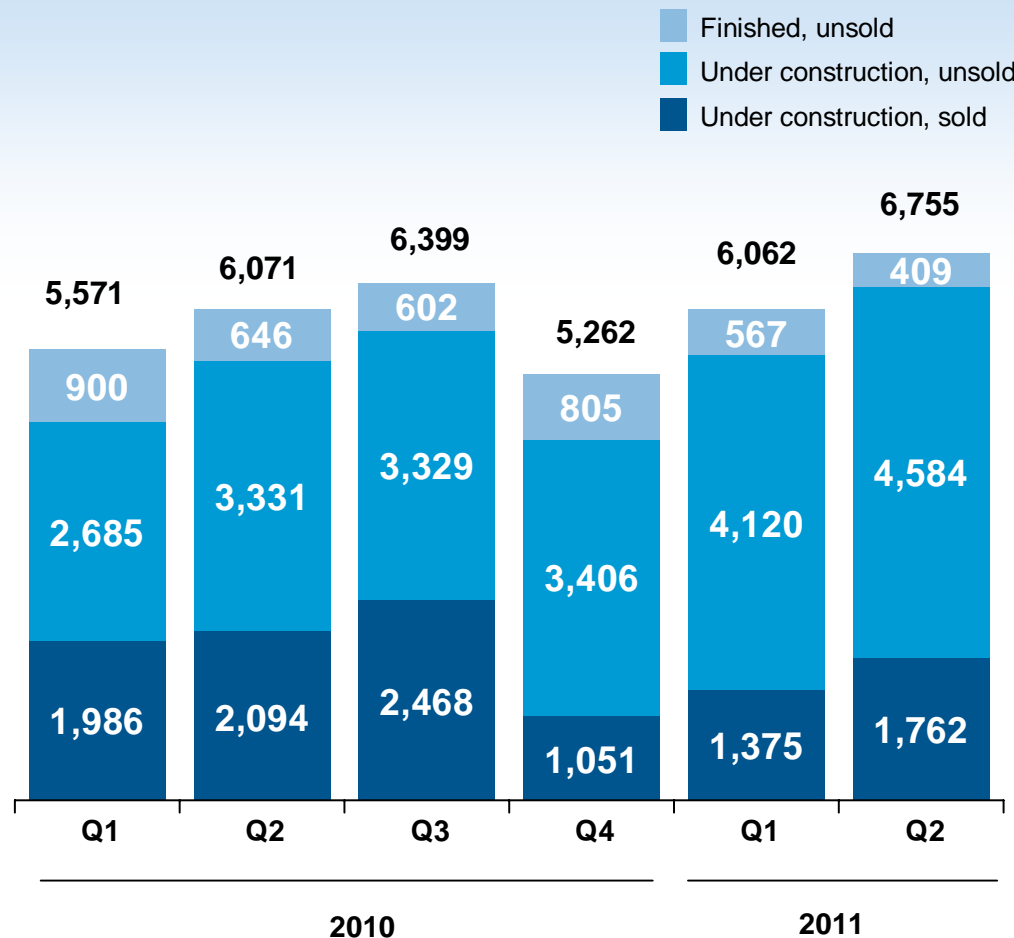
- Number of sold apartments increased from the previous year to 782 apartments
- Sales have continued at a good level in July
- YIT has increased prices in all operating cities during Q2
- Sales supported by extensive mortgage co-operation with banks
 - 51% of sold apartments financed with mortgages in Q2/11



Together we can do it. **YIT**

More units for sale

Apartments in Russia (number)



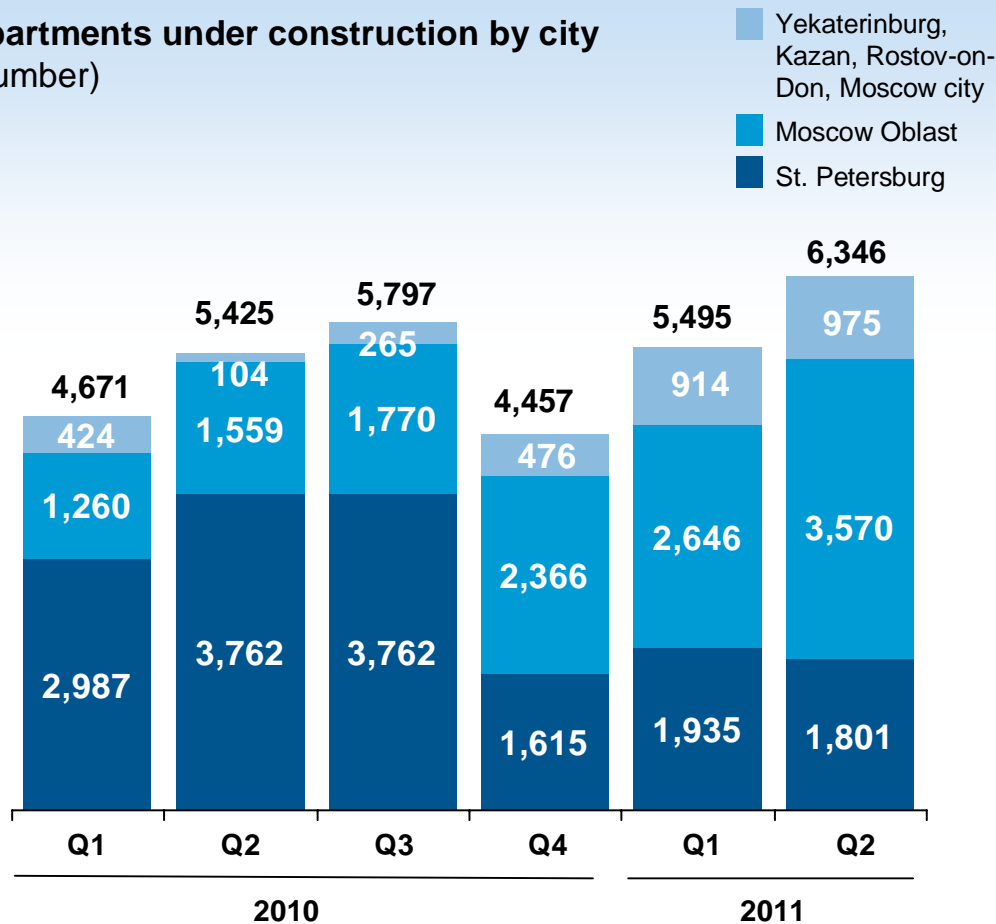
- Sales inventory has clearly increased compared to Q2/10
 - 4,993 apartments for sale at the end of June in Russia (6/10: 3,977)
 - 26% of apartments under construction were sold (6/10: 34%)
- 238 apartments commissioned in Q2/11 (Q2/10: 320)

At the end of the period

Together we can do it. **YIT**

Production volume increasing in Russian residential

Apartments under construction by city
(number)



- Apartments under construction have increased especially in Moscow Oblast
- Large number of start-ups under preparation
 - More balanced portfolio



Together we can do it. **YIT**

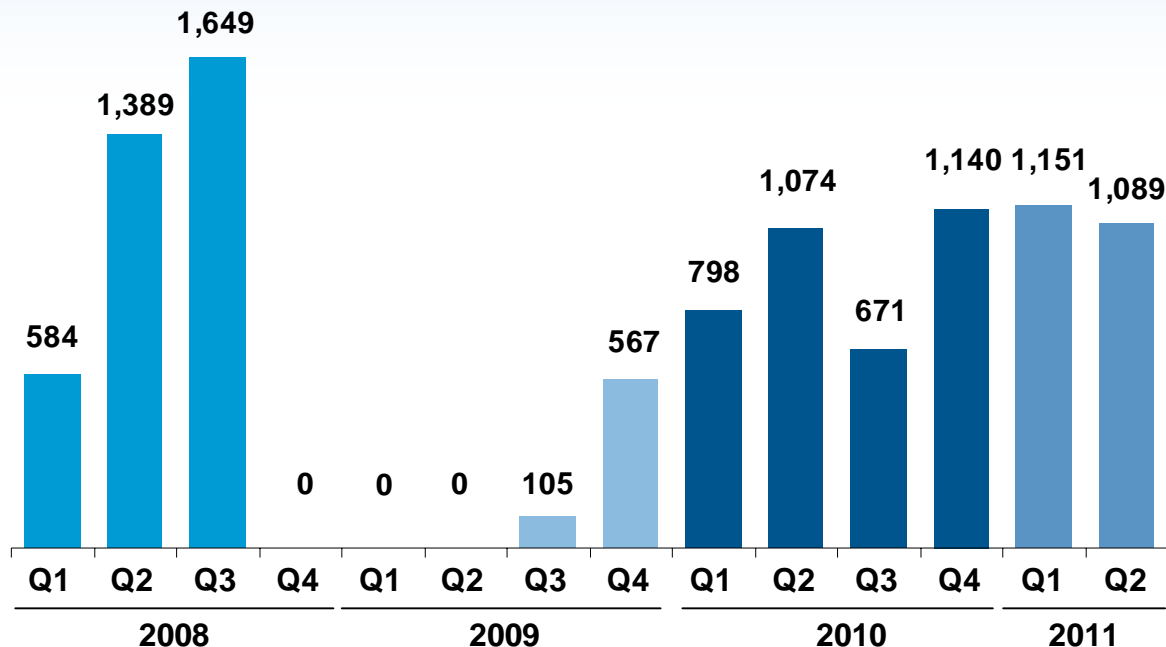
Target to increase start-ups in 2011 in International Construction Services

Apartment start-ups in Russia (number)

Total of 3,622

Total of 672

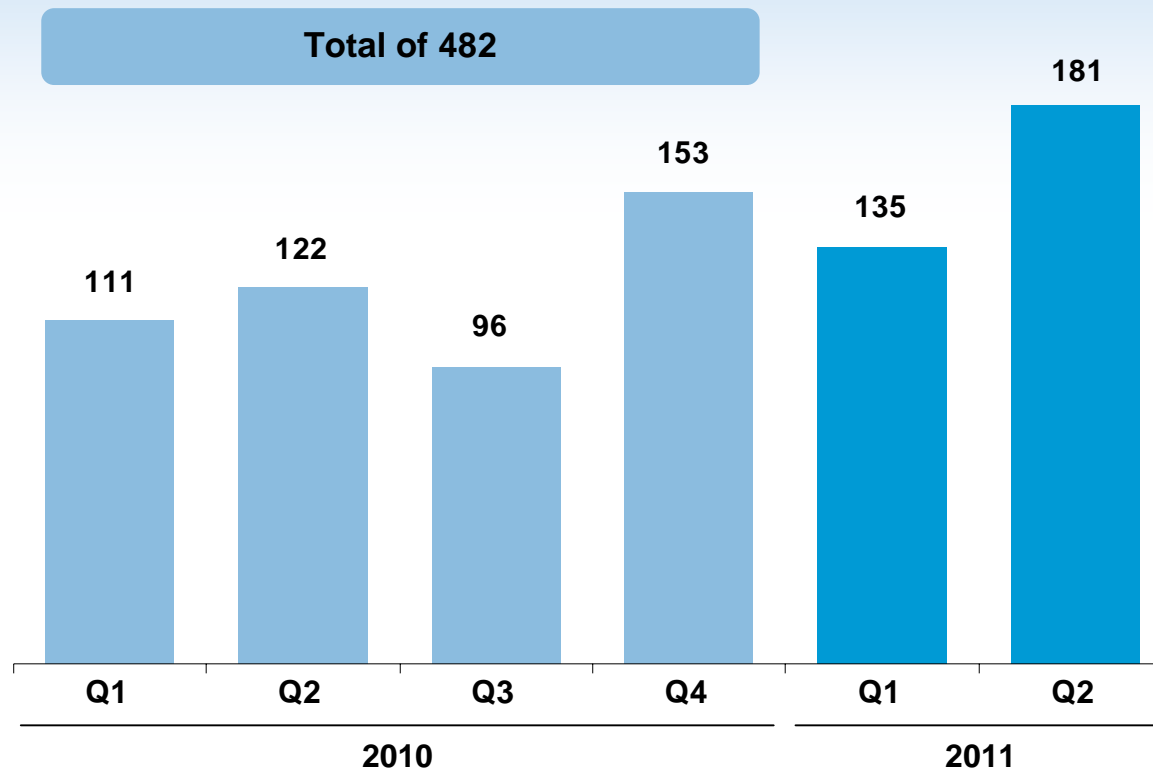
Total of 3,683



- In Q2 housing start-ups took place in Moscow region and Yekaterinburg
- Plot acquisitions made in St. Petersburg and Moscow region
- Versatile plot portfolio: geographical distribution, customer segments
- Established JV company for precast concrete manufacturing in Moscow region to support growth in the area
- Expansion to city of Serpukhov in Moscow region

Volumes increasing in the Baltic countries, the Czech Republic and Slovakia

Apartment start-ups in the Baltic countries, the Czech Republic and Slovakia (number)

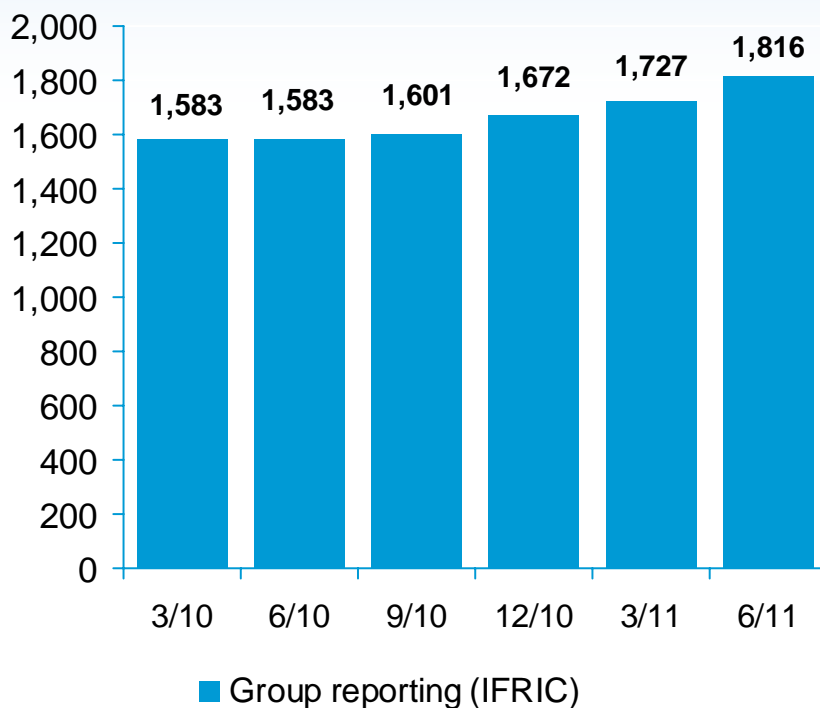


- Demand in the residential market is increasing in the Baltic countries, the Czech Republic and Slovakia
- Moderate price development
- Start-ups in Estonia, Latvia and the Czech Republic in Q2
- Sales volumes improved in all countries: in Q2 YIT sold 99 apartments (Q2/10:15)
- Relatively low volumes still hurt segment's profitability especially in the Baltic countries

32% of Group invested capital was tied in Russia

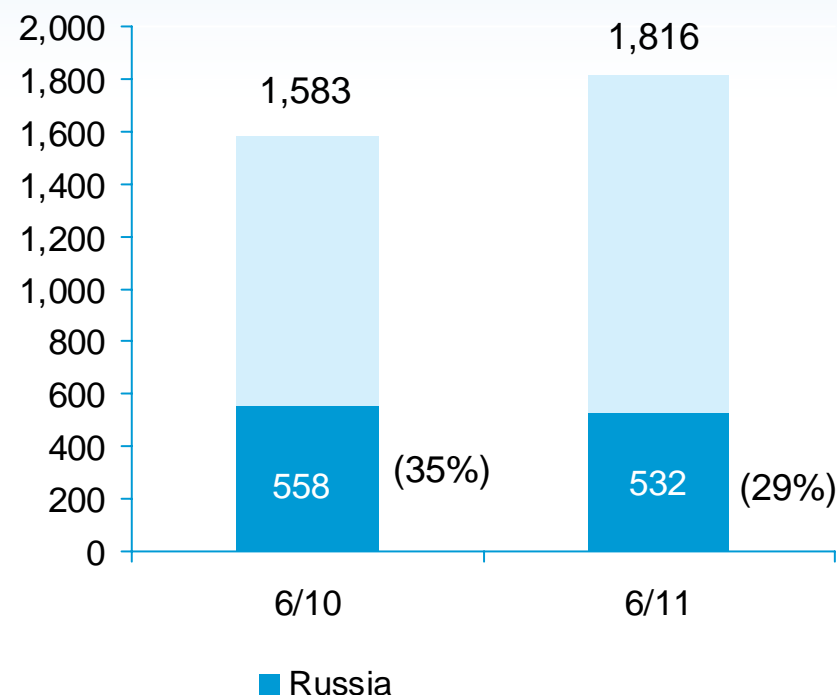
Group invested capital

EUR million



Capital invested in Russia 6/2011: EUR 532 million, 29% of Group capital

Group invested capital,
EUR million

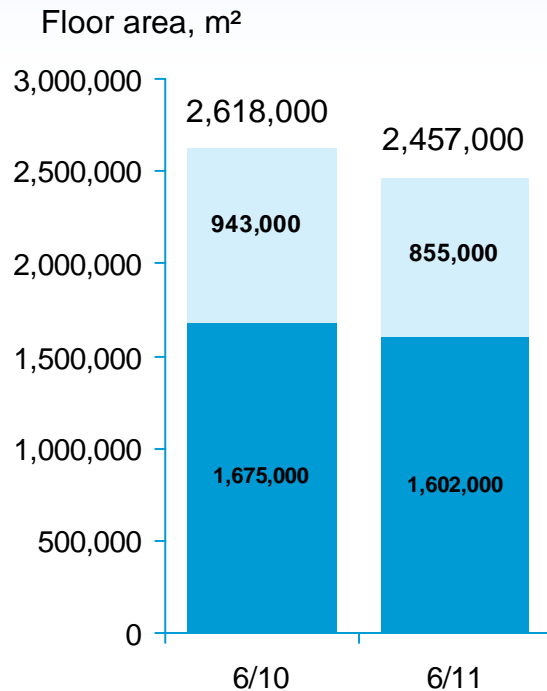


Capital invested in plot reserves

at the end of June 2011

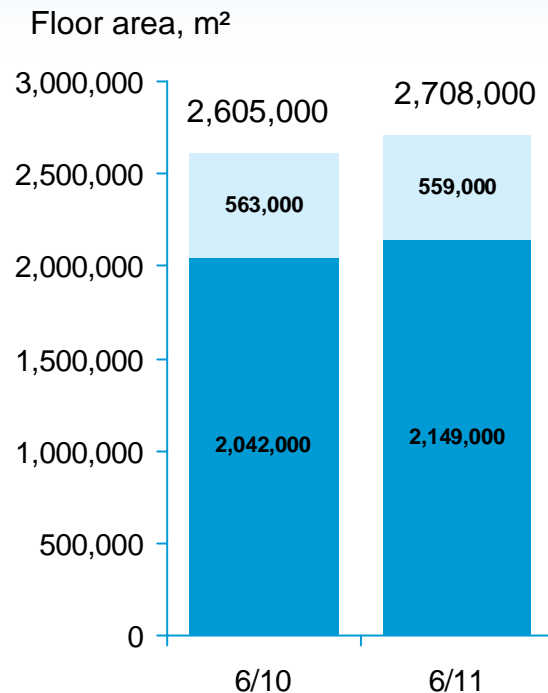
Finland

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



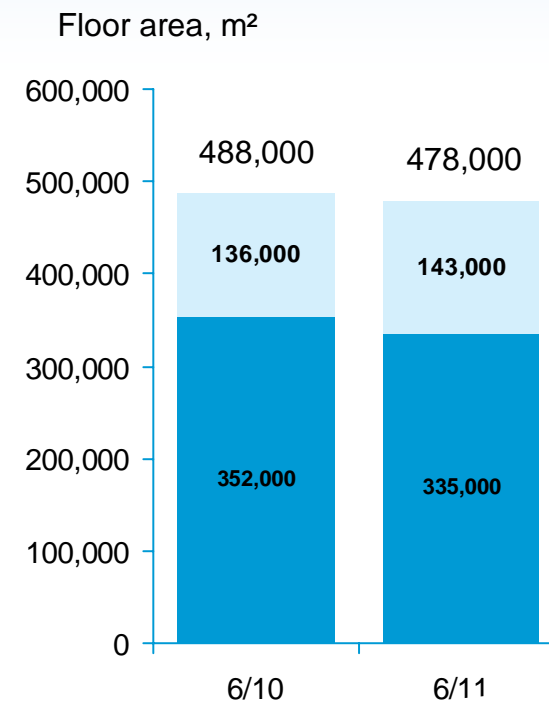
Russia

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



The Baltic countries, Slovakia and the Czech Republic

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



Business premises plots
Residential plots

Together we can do it.



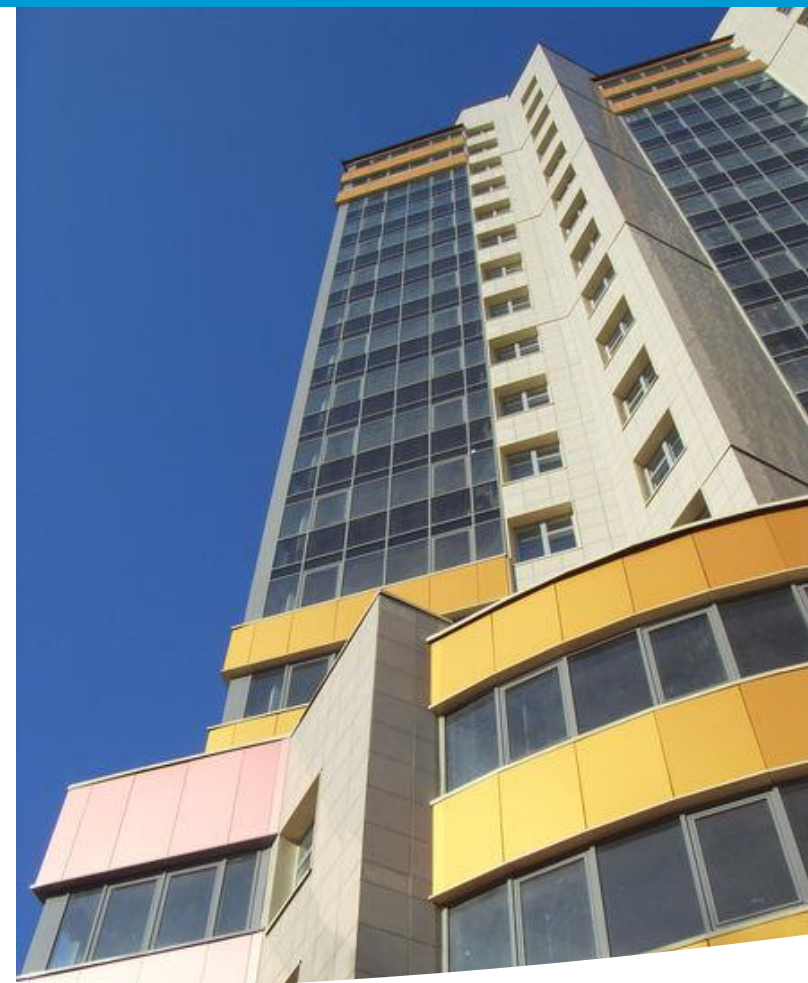
Improving services, developing sales



- Mortgage cooperation with Russian and western banks
- Maintenance services for residential buildings
- Strengthening brand and reputation
- Improvements in customer service process
- Improving internet services

Housing loan co-operation with banks supports sales

- Co-operation agreement with Sberbank started in autumn 2009
 - Joint promotion program
 - YIT's customers have the option to take out a mortgage under special terms and conditions
 - Covers apartments both in completed buildings and buildings under construction
 - Interest rate starting from 10%
- YIT also co-operates with VTB24, Gazprombank, Raiffeisen bank and Nordea
- 51% of residential sales in Q2/2011 were made with mortgages: the share varies between cities and projects

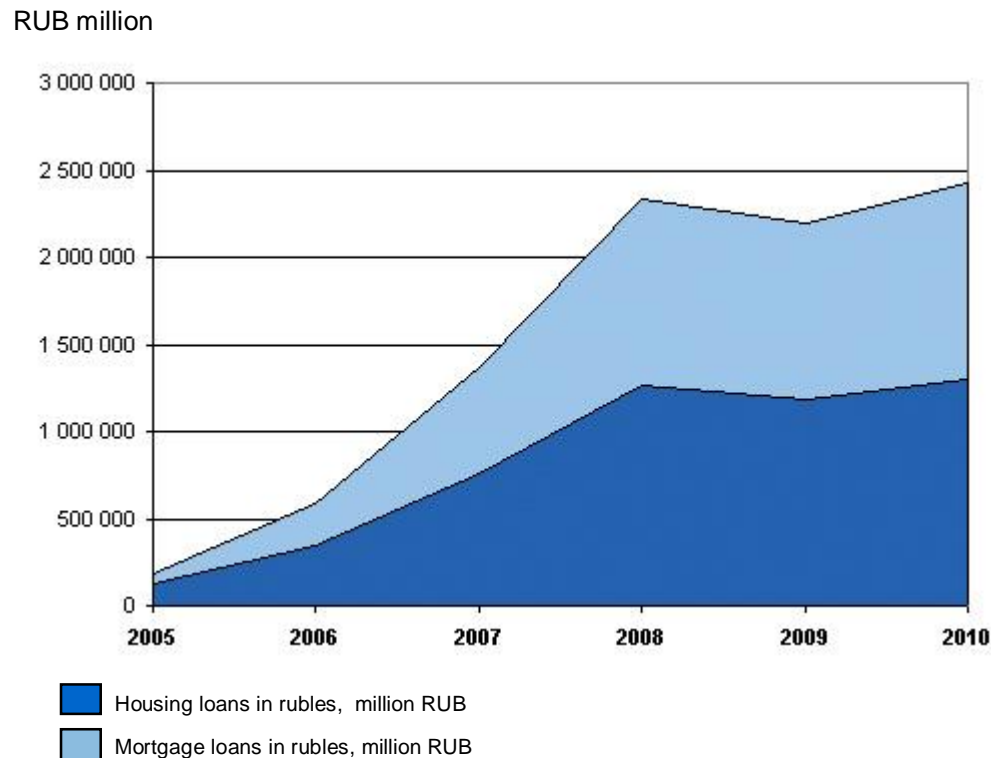


Together we can do it.



Housing loan stock in relation to GDP still at a low level

The development of housing and mortgage loans in Russia
2005-2010



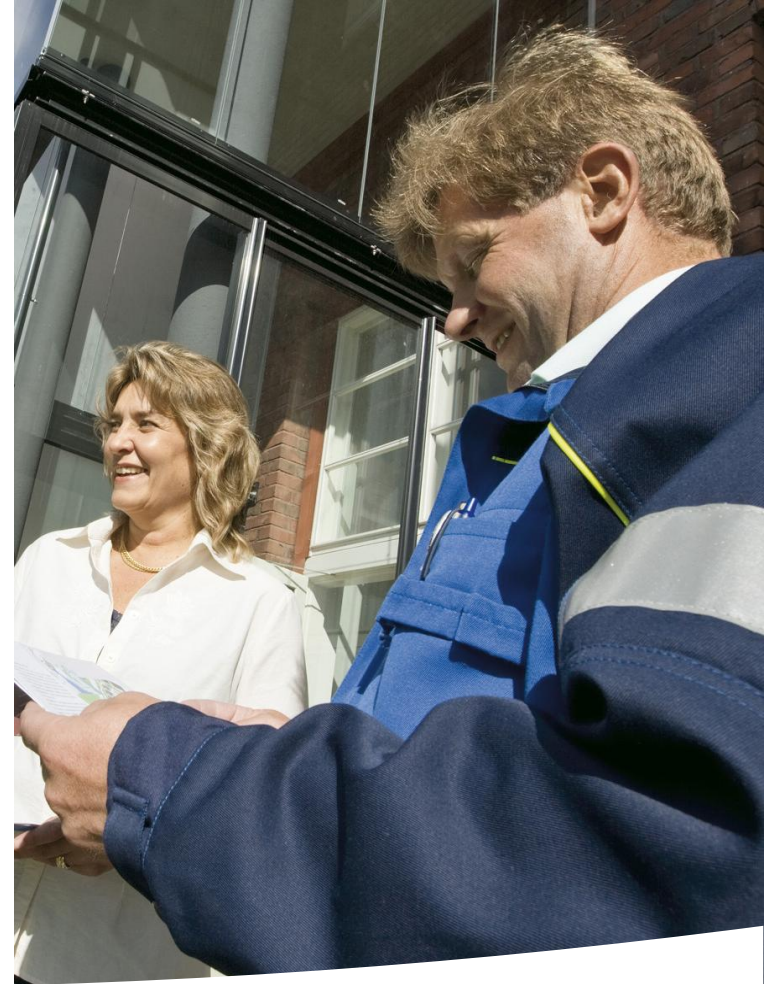
Housing loans/ GDP

	GDP, Million RUB.	Mortgage + housing loans, million RUB	% of GDP
2005	21 625	178 512	0,8%
2006	26 904	584 071	2,2%
2007	33 114	1 368 742	4,1%
2008	41 540	2 338 088	5,6%
2009	39 016	2 191 650	5,6%
2010	44 491	2 422 840	5,4%

Source: Central Bank of Russian Federation – bank statistics bulletin, Rosstat

Maintenance of residential buildings expands YIT's service portfolio

- The service covers maintenance of residential buildings constructed by YIT
 - Maintenance of buildings and yards, cleaning, security, building systems control, utilities etc
- Services rendered in St Petersburg and four locations in the Moscow Oblast: Ramenskoje, Zhukovskoje, Pushkino and Noginsk
- Over 7000 apartments covered in these locations at the end of 2010



Together we can do it. **YIT**

Construction of business premises picking up slowly

- YIT had low construction volumes in business premises in Russia in 2010
- Construction of business premises picking up slowly
- The marketing of the Gorolovo industrial park (close to St. Petersburg) has continued
 - Good location and completed infrastructure give competitive advantages
 - Demand increased during year 2010
 - Good negotiations on-going
 - Lot of interested companies
 - Decision making takes time



Market trends



Together we can do it. **YIT**

Development in the Russian housing market

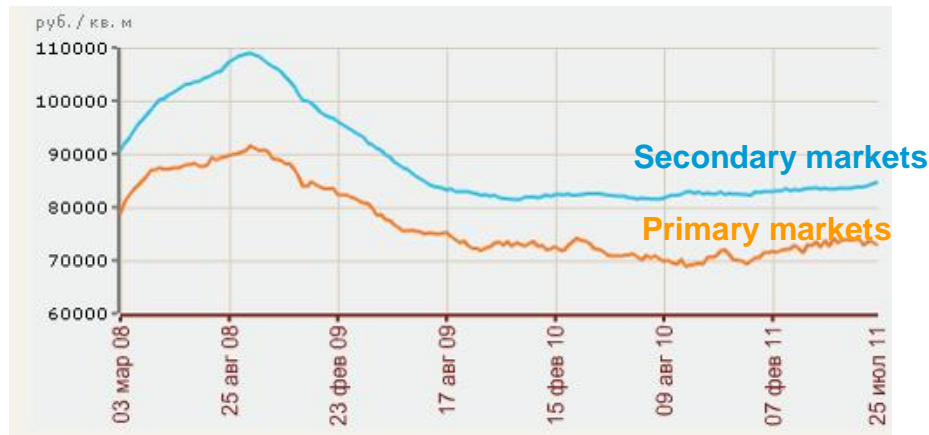
- Consumer confidence on good level
 - Many developers have re-started the construction of frozen projects and started up new projects
 - To ensure cash flow from clients, price level in these projects has been quite low hence lowering the average price level
 - Sales price level expected to increase slightly, supported by recovery of the mortgage market
 - Consumer behaviour dependent also on the oil price and the ruble exchange rate
 - Customers considered YIT's apartments as a secure investment also during the previous economical turndown and YIT was able to increase its market share
- YIT aims to increase the start ups in International Construction Services in 2011 compared to 2010



Russia

Favourable market conditions for housing

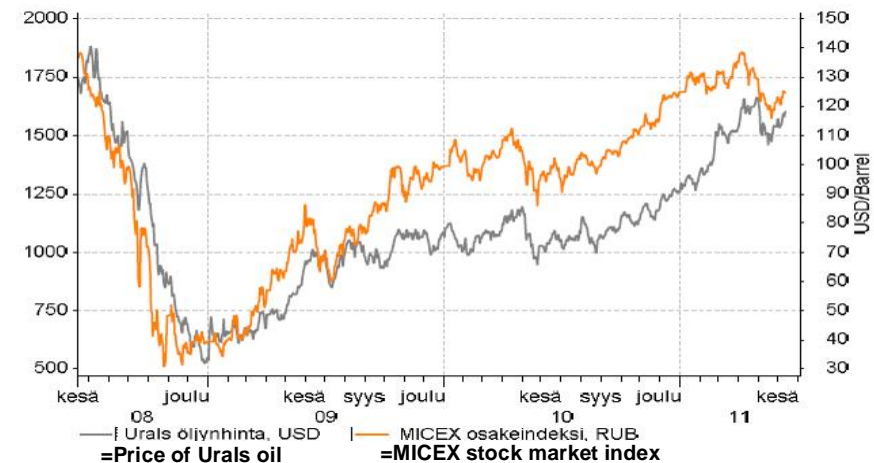
RUB/Square metre **Housing prices: St. Petersburg (3/2008-7/2011)**



RUB/Square metre **Housing prices: Moscow (3/2008-7/2011)**



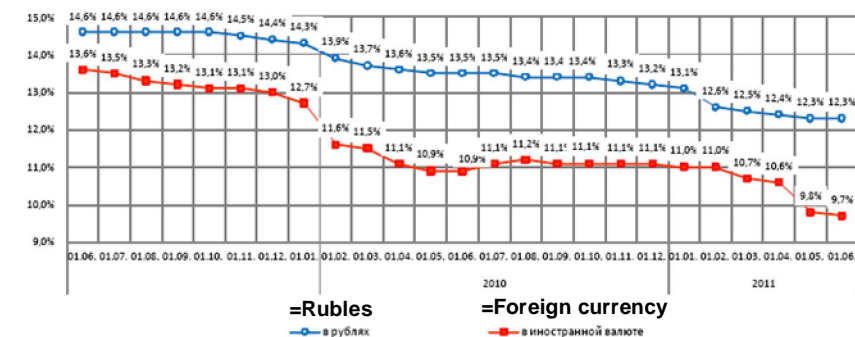
Oil price development in Russia



Weighted average interest rate on mortgage loans

%

Рис. 2 Средневзвешенная ставка по ипотечным кредитам в рублях и иностранной валюте накопленным итогом с начала года (2009 – 2011 гг.)



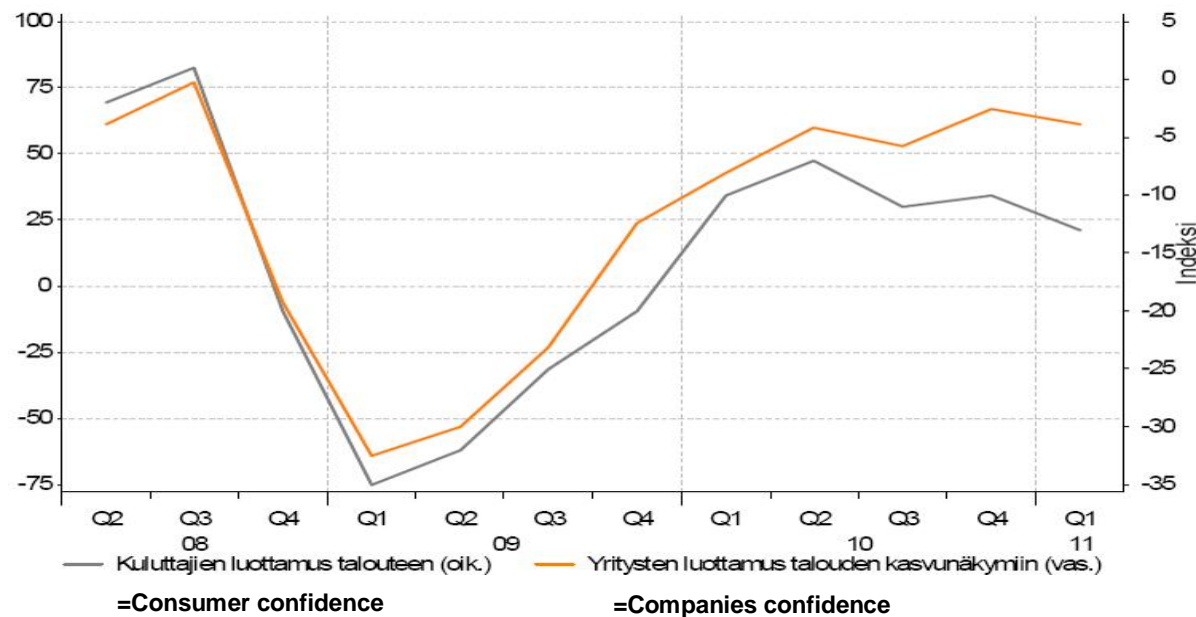
Together we can do it.



Sources: Housing prices: www.bn.ru July 29, 2011, Oil price: Pohjola Pankki June 2011 and Interest rates: www.ahml.ru June 30, 2011

Consumer confidence in Russia on good level

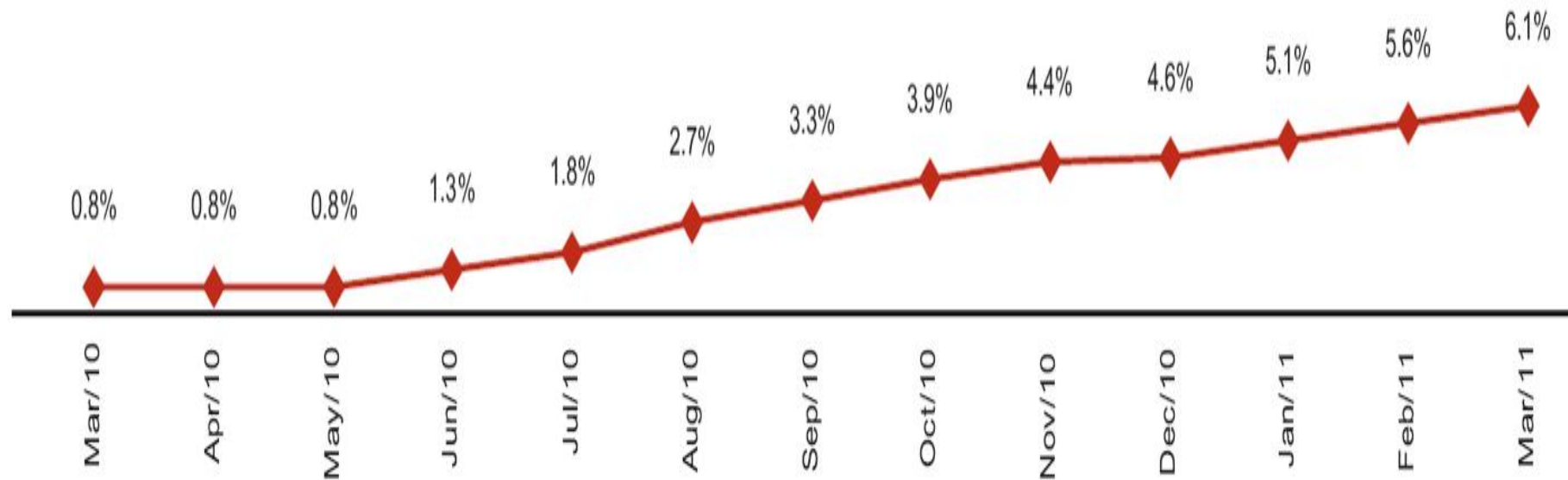
Consumer and company confidence in Russia



Source: Pohjola Pankki April 18, 2011

Construction cost increases below general inflation in Russia

Inflation in building materials in Russia (y-o-y), March 2010-March 2011



Market outlook 2011

International Construction Services

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

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)

Ring road I
Espoo, Finland

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