



## Good progress in Construction Services - Order backlog exceeding EUR 4 billion gives visibility

Interim Report January – June 2012

Juhani Pitkääkoski, President and CEO | July 26, 2012



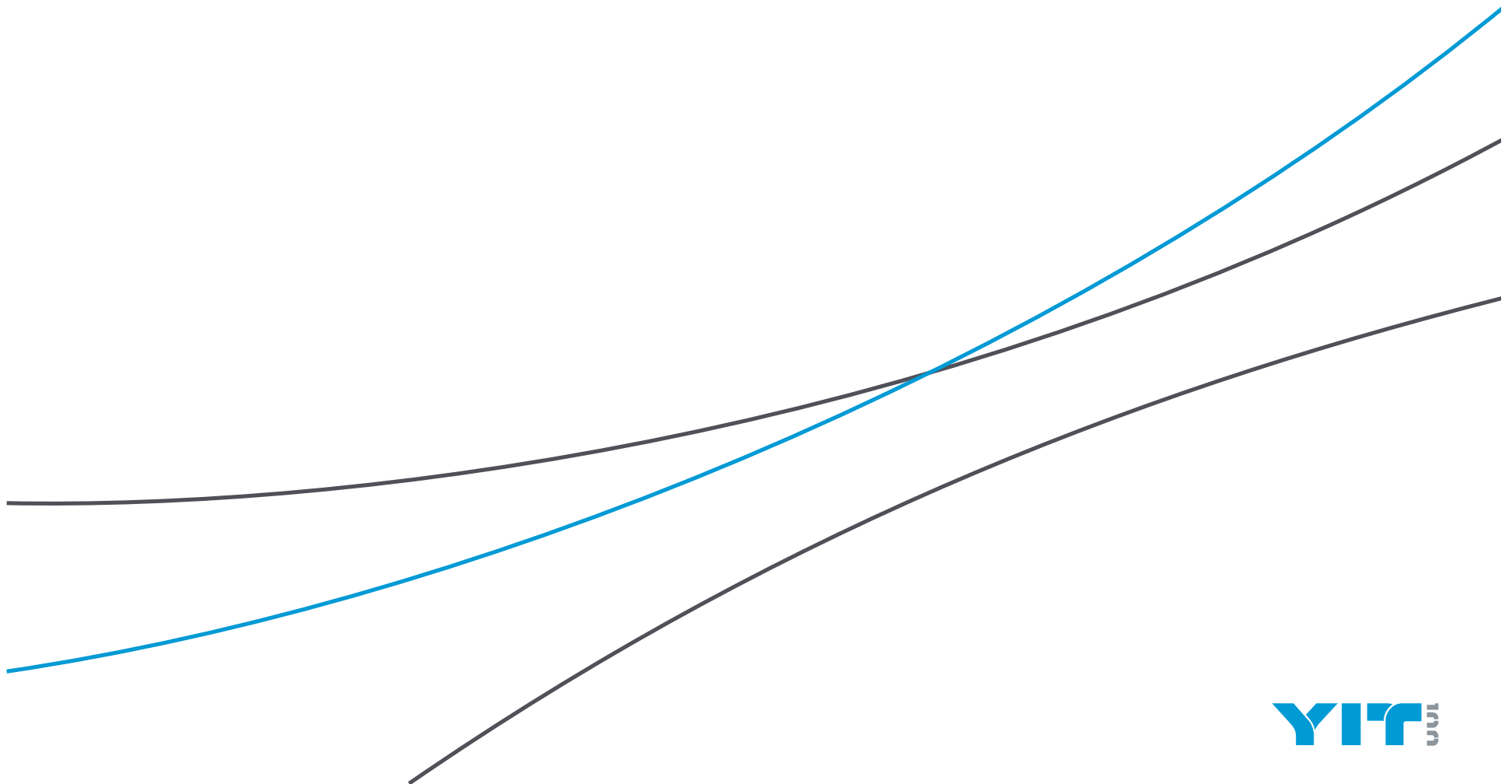
**Merenkulkijanranta**  
Helsinki, Finland

# Contents

- Group development
- Business review at segment level
- Financial position and key ratios
- Future outlook
- Appendices



# Group development





# Q2 highlights

## Profitability and sales

### Good progress in Construction Services

- Good residential sales, improvement in Finland from Q1
  - Low interest rates normally support housing sales
- Start-ups on good level to meet the demand
- Revenue and EBIT increased in counter-cyclical infra services
- Unsatisfactory profitability in Building Services
  - Execution of profitability improvement programme in Building Services Northern Europe ongoing
  - Improved operational performance in Industrial Services
  - Restructuring in Building Services Central Europe

## Order backlog

### Strong order backlog (EUR 4,045 million, POC)

- Order backlog continued to grow, margin at healthy level
- Versatile sales portfolio in housing: more than 8,000 apartments for sale at the end of June

## Outlook for 2012

### YIT is well positioned

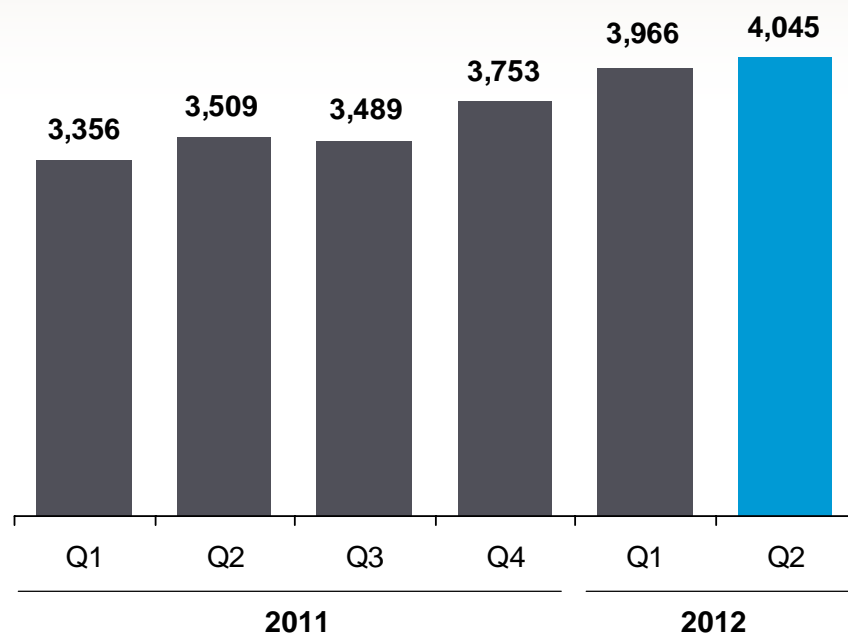
- YIT expects 2012 revenue to remain at last year's level and operating profit to grow compared to 2011\*
- Profitability improvement in H2/12 in Building Services Northern Europe is the main driver for higher operating profit
- YIT is well prepared for weaker times and will utilise the possibilities also in a weaker market situation
- Uncertainty about the general macroeconomic development is still high and may have an impact on YIT's operations



# Order backlog continued to grow

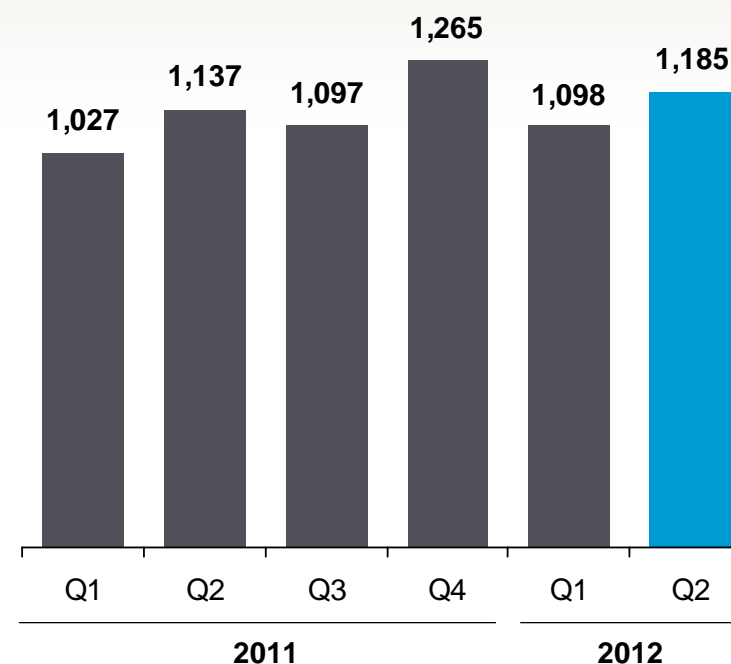
## Order backlog (EUR million)

Change Q2/11 – Q2/12: 15%



## Revenue (EUR million)

Change Q2/11 – Q2/12: 4%

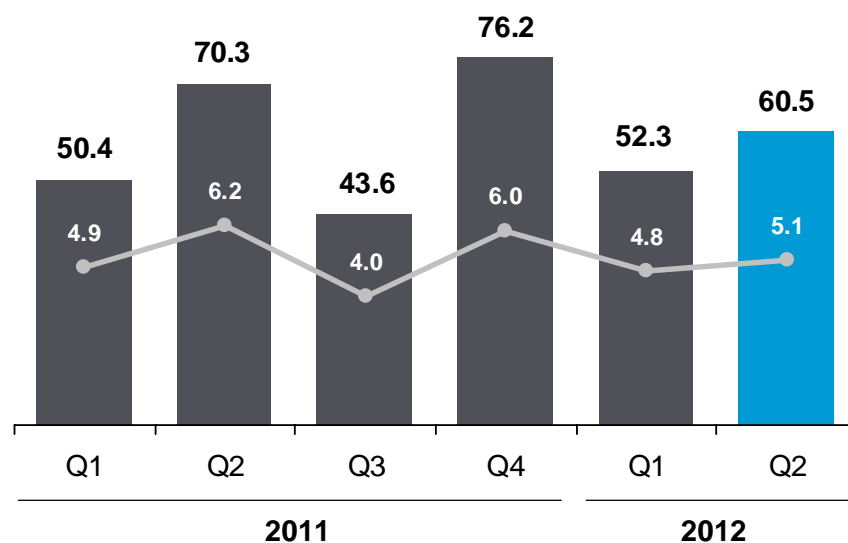


All figures according to segment reporting (POC)

# Profitability improved from Q1/12

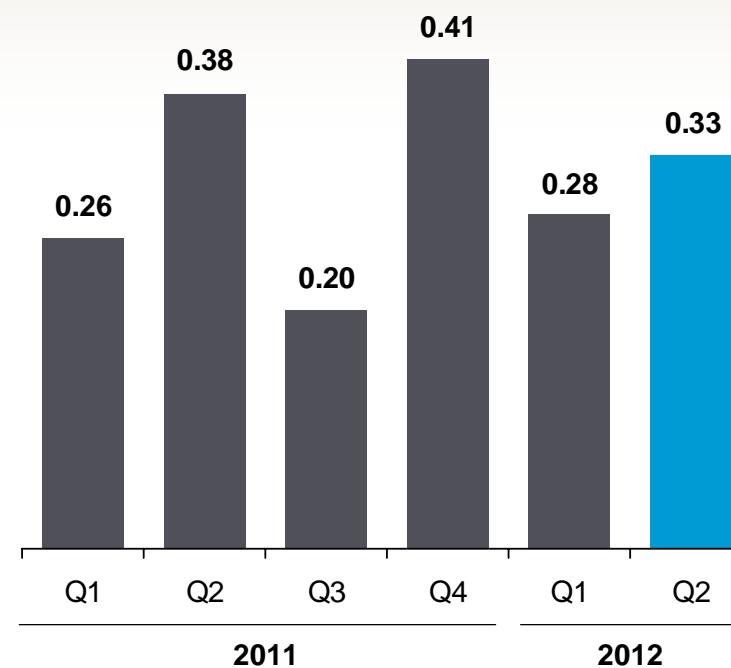
## Operating profit (EUR million)

Change Q2/11 – Q2/12: -14%



## Earnings per share (EUR)

Change Q2/11 – Q2/12: -13%



■ Operating profit —●— % of revenue

All figures according to segment reporting (POC)

EBIT in Building Services Central Europe in Q2/11 included EUR 5.0 million sales gain related to the divestment of Hungarian operations. EBIT in Building Services Northern Europe in Q2/11 decreased by EUR 3.0 million due to reservation related to a single customer project.

EBIT in International Construction Services in Q3/11 decreased by EUR 10 million cost provision covering costs related to the ammonia case in St. Petersburg.

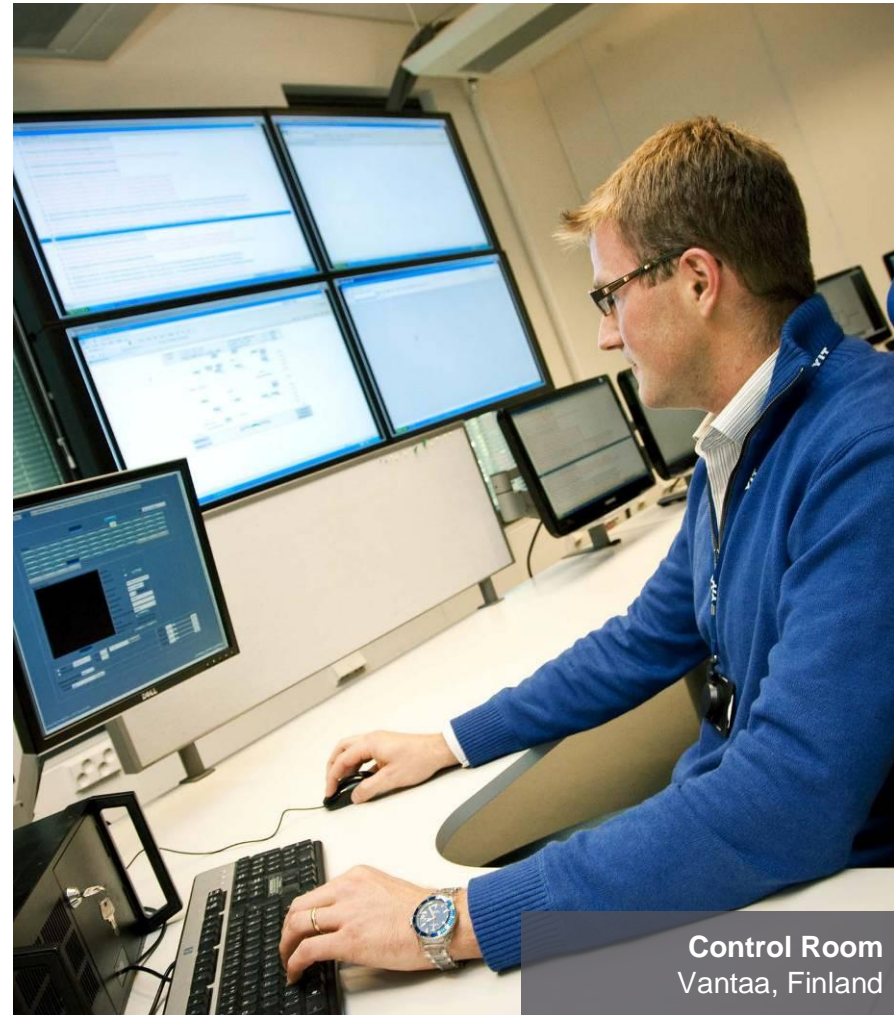
EBIT in Building Services Northern Europe in Q2/12 decreased by EUR 2.8 million due to final settlement of a single customer project.

# Key figures

EUR million	4–6/12	4–6/11	Change	1–6/12	1–6/11	Change
Revenue	1,185	1,137	↑	2,283	2,164	↑
Operating profit	60.5	70.3	↓	112.9	120.7	↓
% of revenue	5.1	6.2	↓	4.9	5.6	↓
Order backlog	4,045	3,509	↑	4,045	3,509	↑
Profit before taxes	54.5	65.5	↓	101.6	111.4	↓
Profit for the review period	41.7	47.6	↓	76.3	80.3	↓
Earnings per share, EUR	0.33	0.38	↓	0.61	0.64	↓
Operating cash flow after investments	42.6	-0.2	↑	33.6	15.9	↑
Cash at the end of the period	169.5	234.1	↓	169.5	234.1	↓
Personnel at the end of the period	26,255	26,807	↓	26,255	26,807	↓

# Tackling our own carbon dioxide emissions

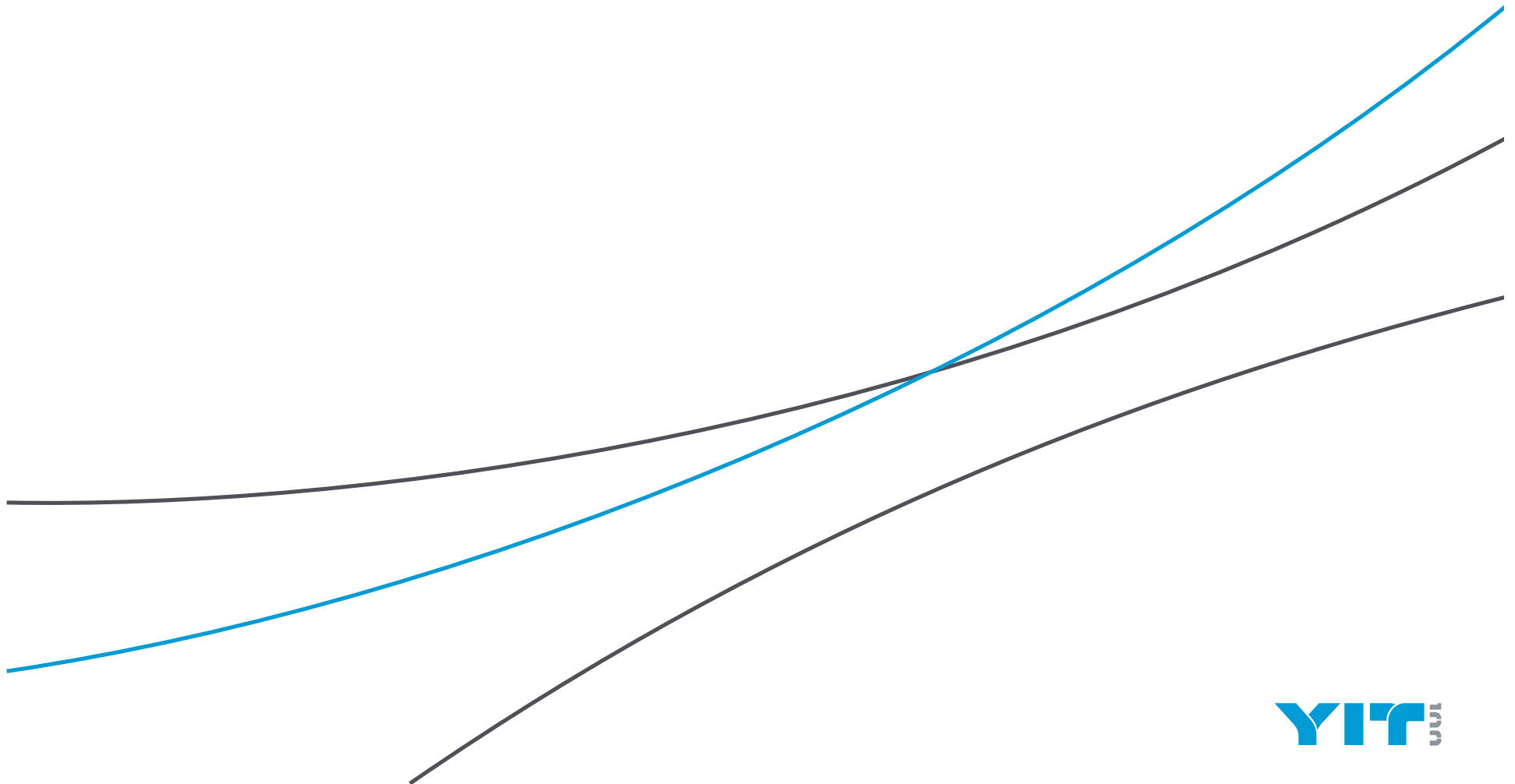
- As part of our strategy of balanced, profitable growth YIT targets to significantly reduce its own carbon dioxide (CO<sub>2</sub>) emissions
  - Utilise YIT's own services and solutions related to efficient use of energy and materials
  - Increase efficiency of operations
  - Increase use of renewable energy sources
  - Create innovative, energy and material efficient working methods
- YIT will increase disclosure
  - Carbon Disclosure Project - questionnaire 2011 has been answered



Control Room  
Vantaa, Finland



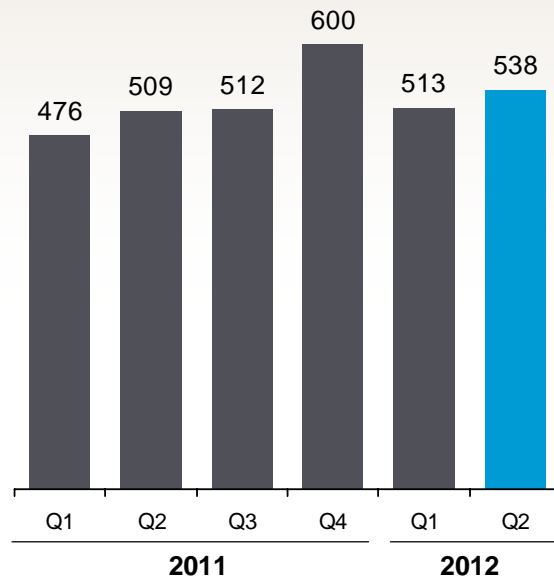
# Building Services Northern Europe



# Improvement needed in project business

## Revenue (EUR million)

Change Q2/11 – Q2/12: 6%



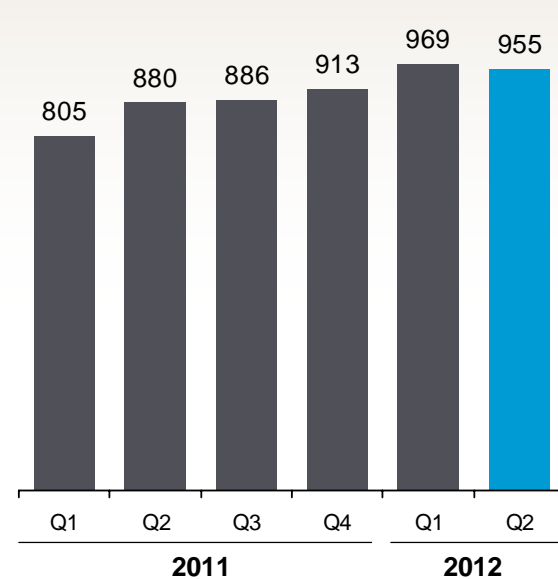
## Operating profit (EUR million)

Change Q2/11 – Q2/12: -19%



## Order backlog (EUR million)

Change Q2/11 – Q2/12: 9%



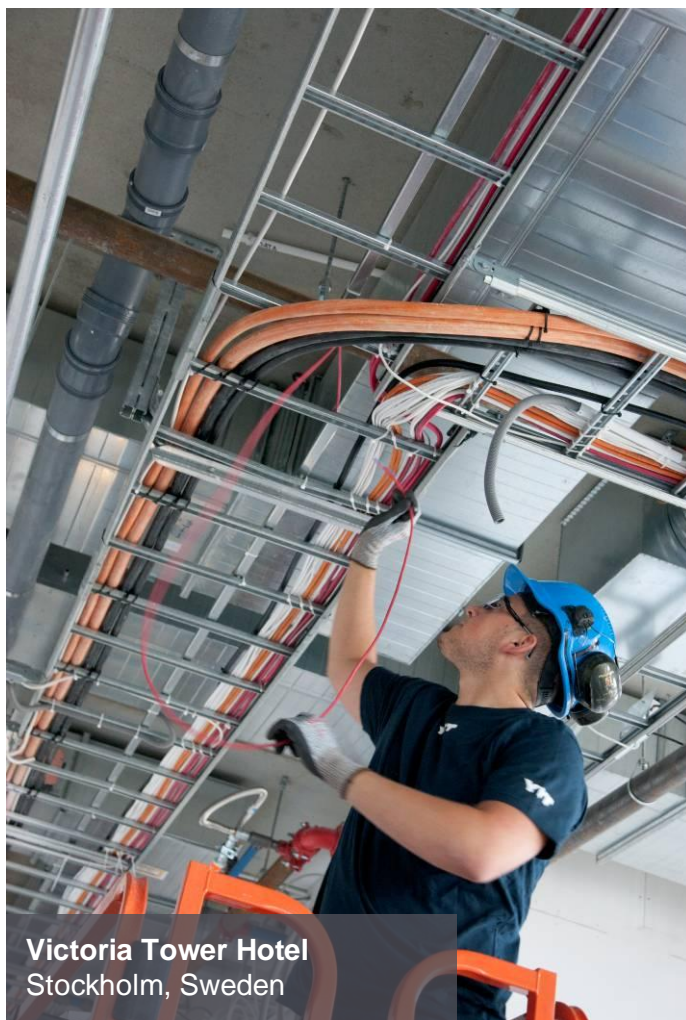
■ Operating profit    —●— % of revenue

All figures according to segment reporting (POC)

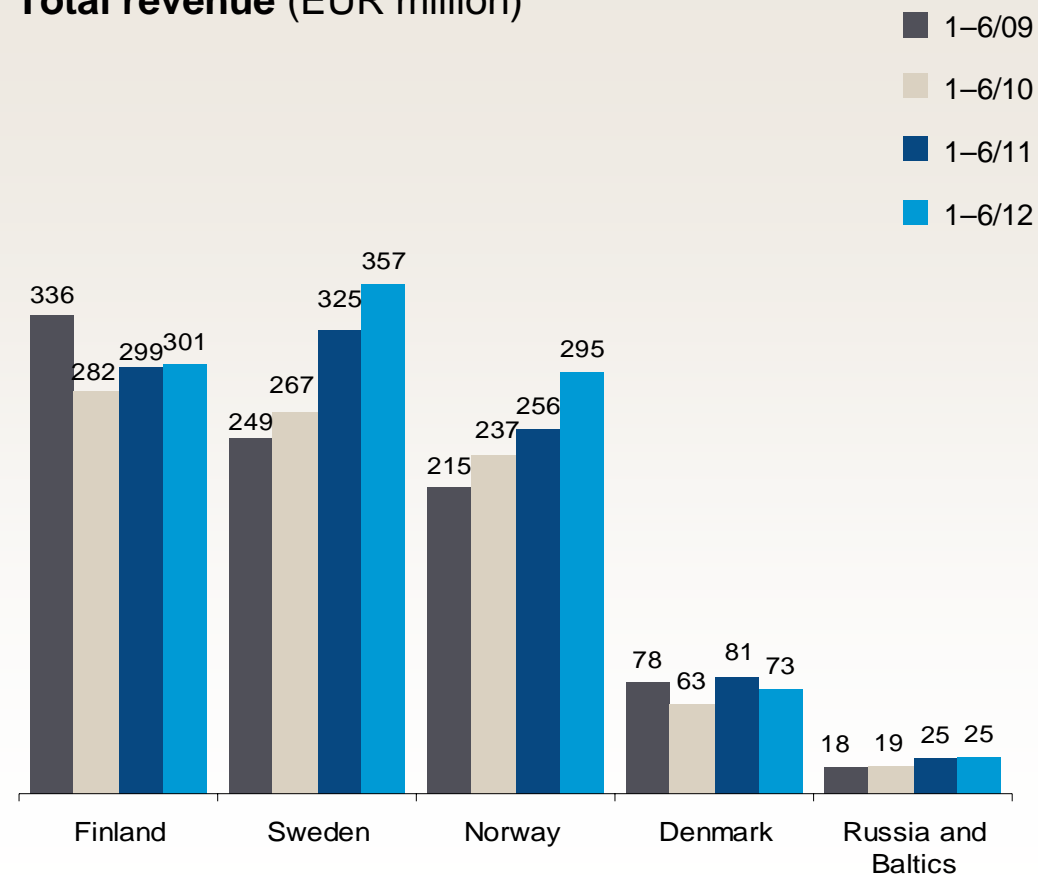
EBIT in Q2/11 decreased by EUR 3.0 million due to a reservation related to a single customer project. EBIT margin in Q2/11, excluding the reservation, would have been 4.3%.

EBIT in Q2/12 decreased by EUR 2.8 million due to a final settlement of a single customer project. EBIT margin in Q2/12, excluding the settlement, would have been 3.4%.

# Revenue development by country



Total revenue (EUR million)

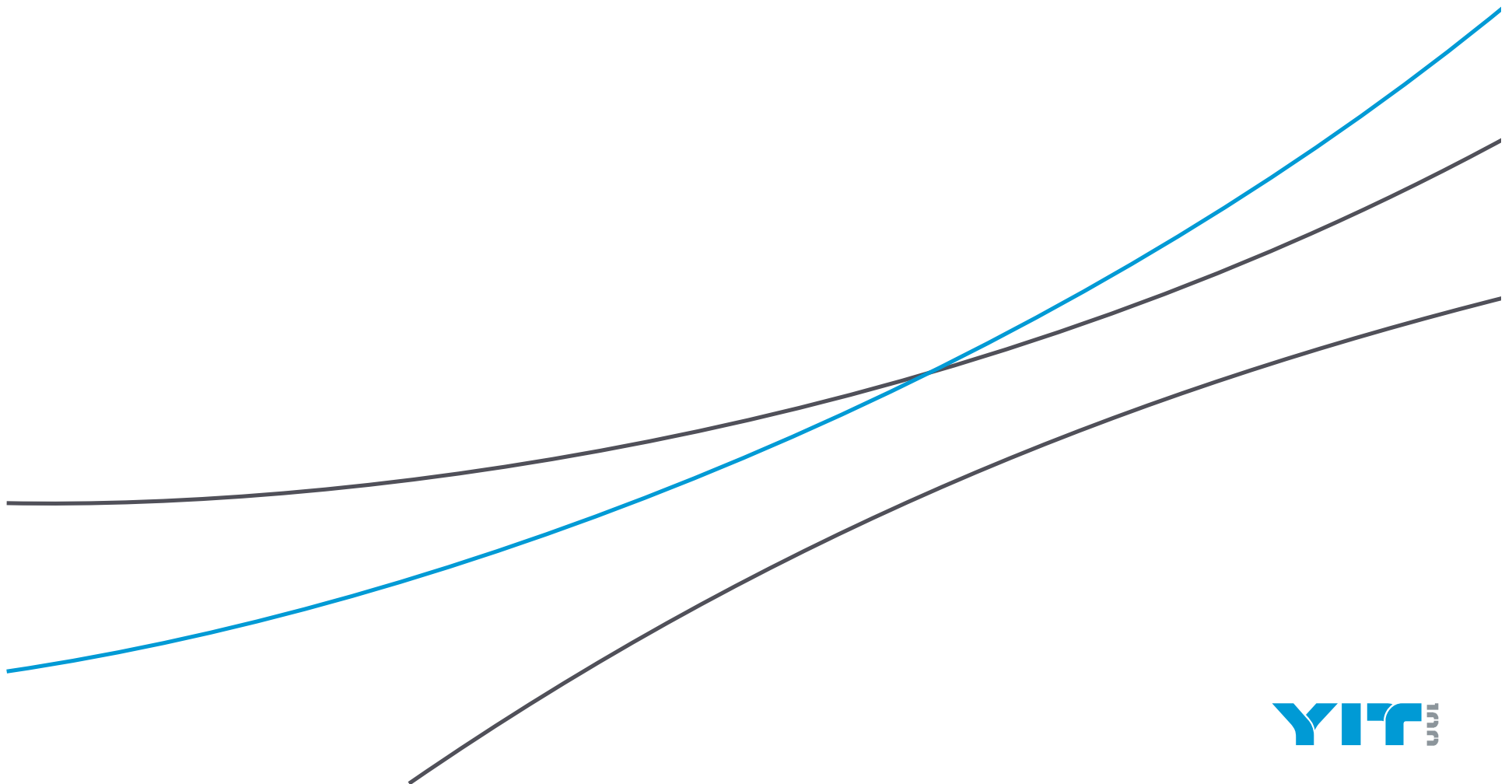


# Execution of profitability improvement plan continues



- Right-sizing the organisation ongoing in all countries
- Lower organisation, geographical areas have been combined
- More selectivity in project business
- More efficient purchasing
- Targeted annual cost savings EUR 40 million from 2013 when the programme is fully implemented

# Building Services Central Europe

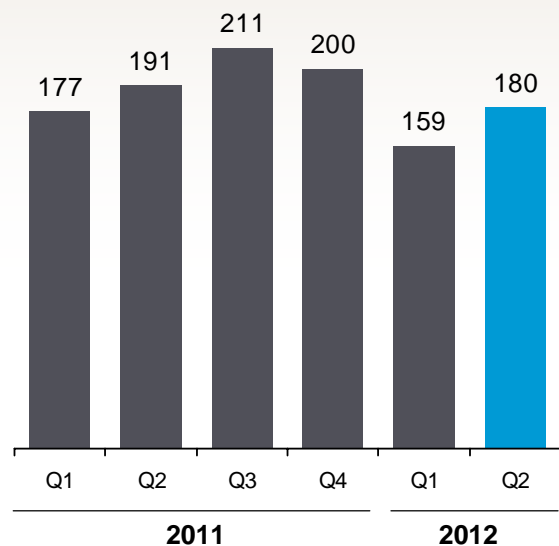




# Restructuring in Central Europe

## Revenue (EUR million)

Change Q2/11 – Q2/12: -6%



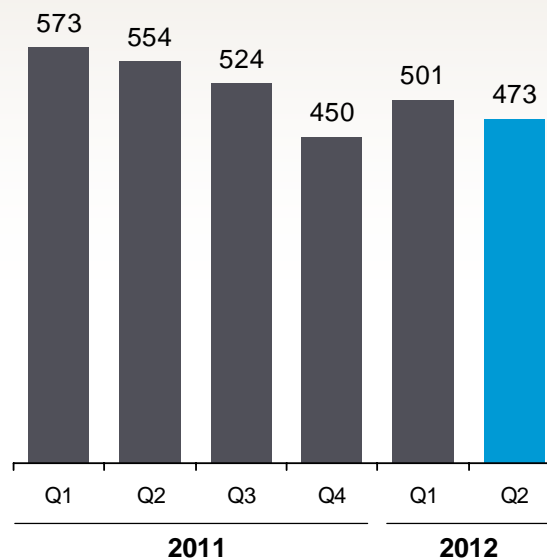
## Operating profit (EUR million)

Change Q2/11 – Q2/12: -45%



## Order backlog (EUR million)

Change Q2/11 – Q2/12: -15%



■ Operating profit    —●— % of revenue

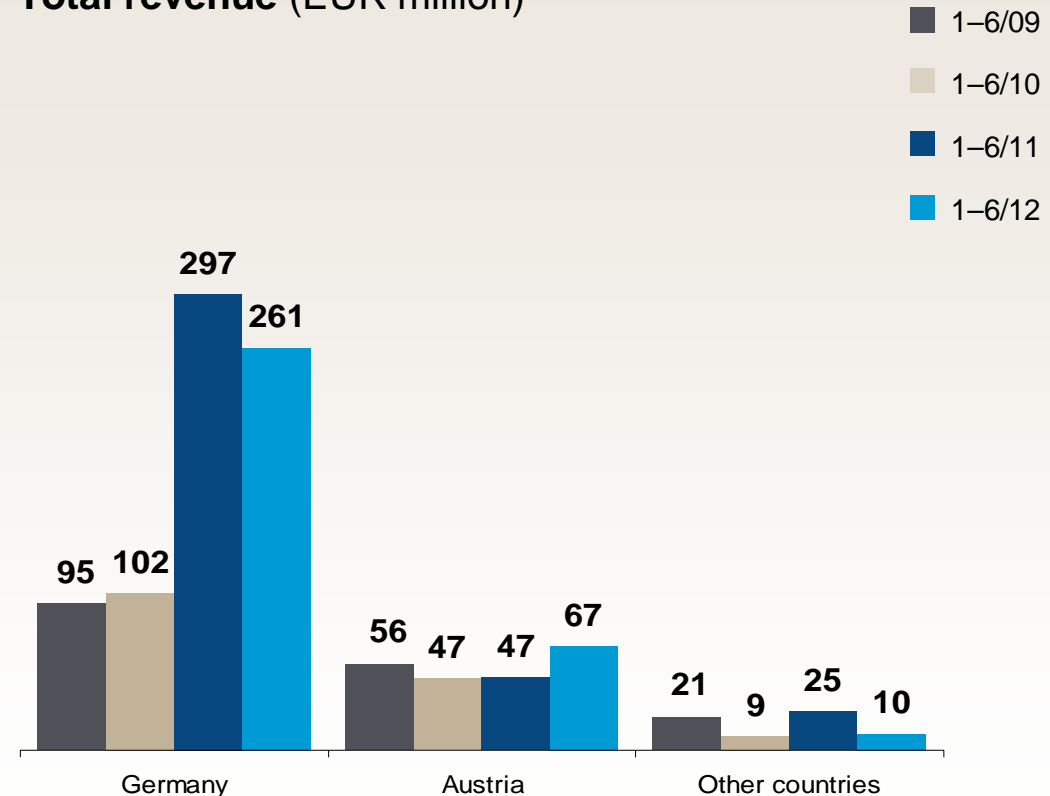
All figures according to segment reporting (POC)

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%.

# Germany clearly the most important country in Central Europe

- Demand in German and Austrian markets remained stable
  - However, activity in German large project market was somewhat slower
- Profitability in other countries low diluting segment profitability
- Restructuring ongoing:
  - Downscaling project business in Poland
  - Closing units in Germany
- Target to improve EBIT margin by one percentage point a year and strengthen the market position organically and by acquisitions

**Total revenue (EUR million)**



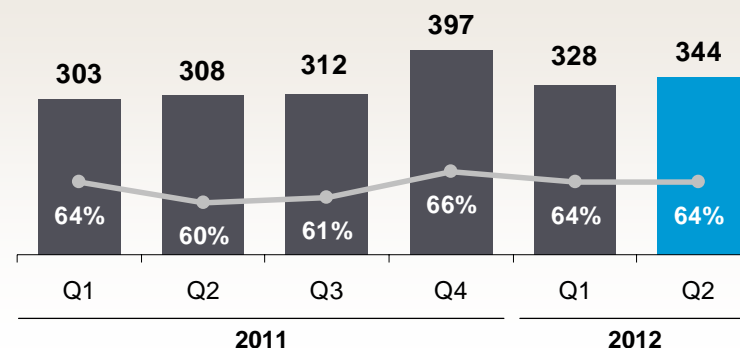
Other countries include Poland, the Czech Republic and Hungary  
Hungarian business sold in June 2011

# Good possibilities to increase service and maintenance in Central Europe

## Service and maintenance revenue in Northern Europe

EUR 673 million in 1–6/12

Change from 1–6/11: 10%

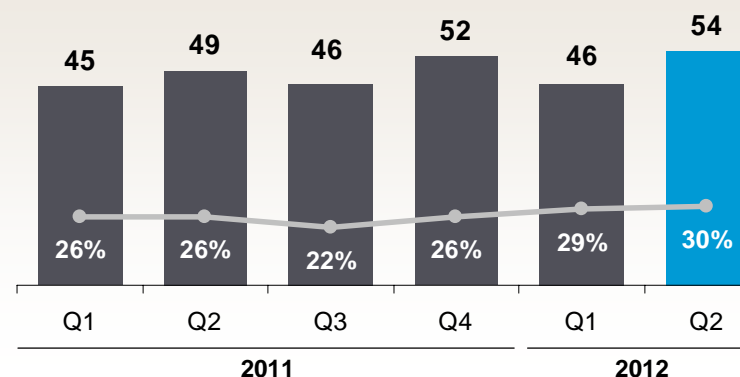


## Service and maintenance revenue in Central Europe

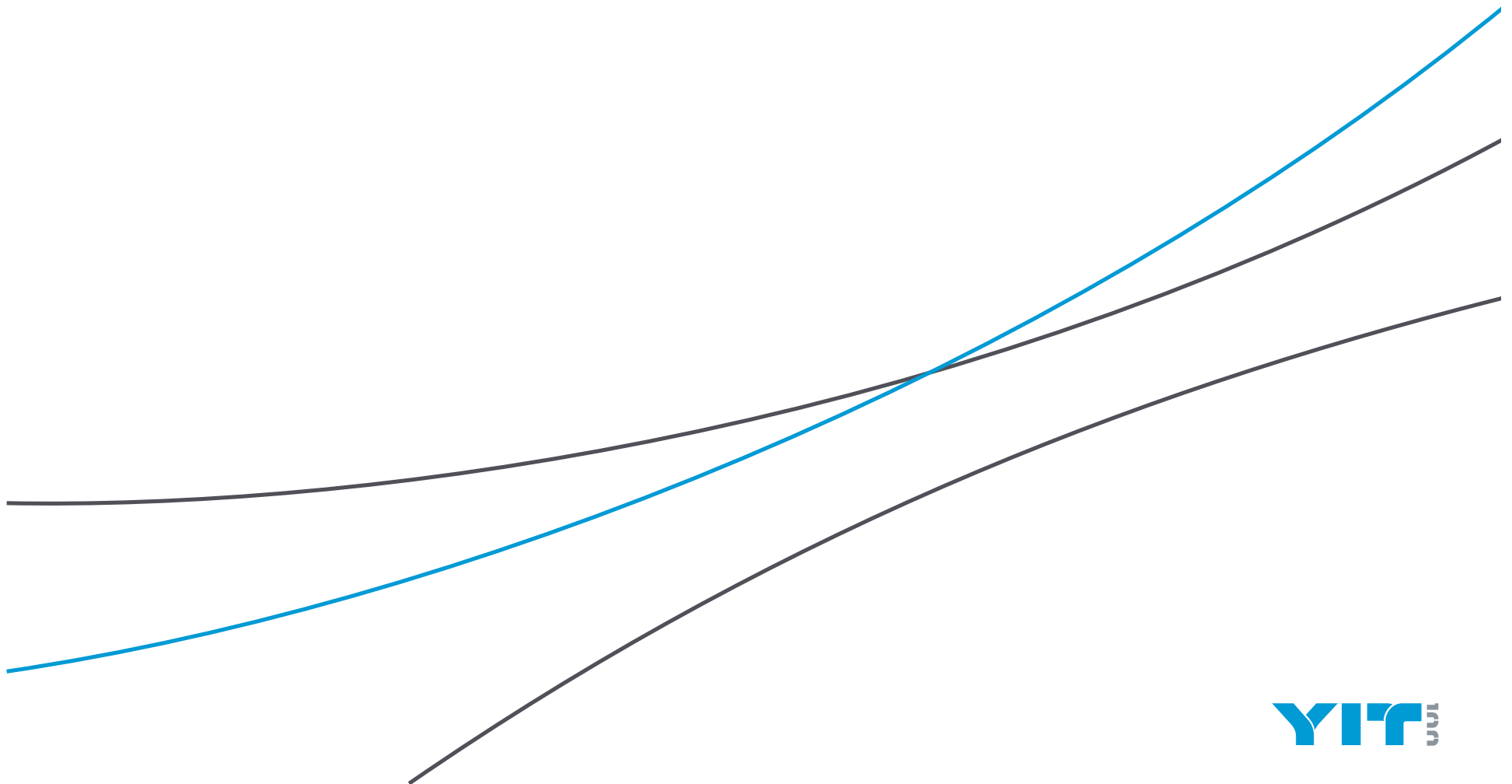
EUR 99 million in 1–6/12

Change from 1–6/11: 5%

■ Service and maintenance revenue  
— % of segment revenue



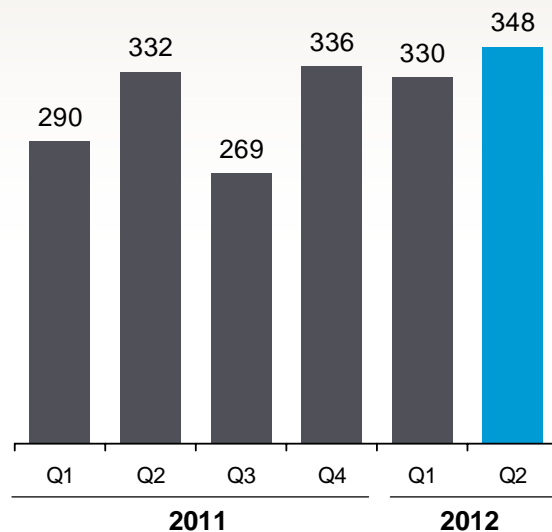
# Construction Services Finland



# Solid performance in all business areas

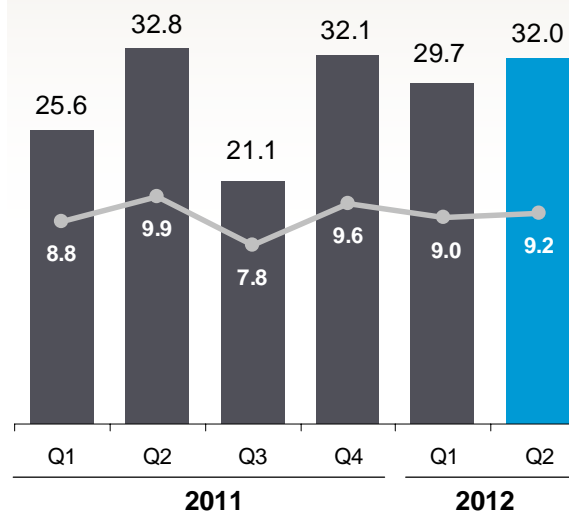
## Revenue (EUR million)

Change Q2/11 – Q2/12: 5%



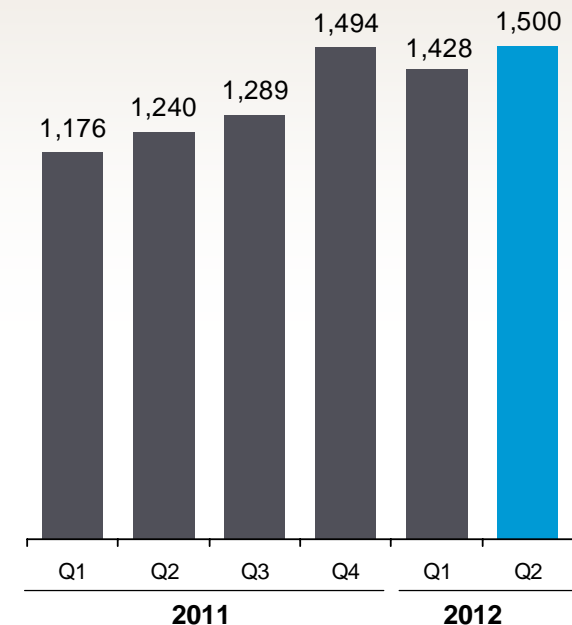
## Operating profit (EUR million)

Change Q2/11 – Q2/12: -3%



## Order backlog (EUR million)

Change Q2/11 – Q2/12: 21%



■ Operating profit    —●— % of revenue

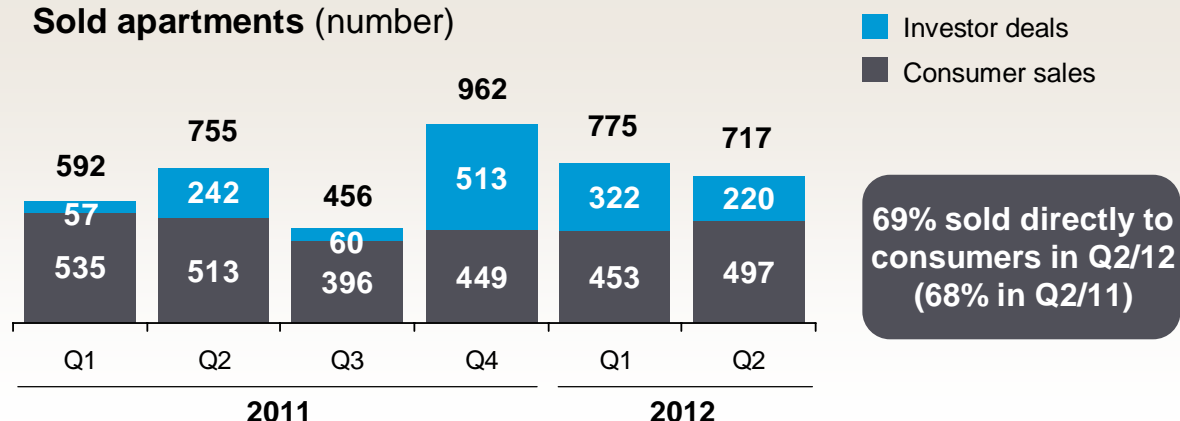
All figures according to segment reporting (POC)

In Q2/12, the operating profit of the segment includes EUR -1.6 million of borrowing costs according to IAS 23 (Q2/11: EUR -1.6 million). EBIT margin in Q2/12 excluding these costs would have been 9.7% (Q2/11: 10.4%).

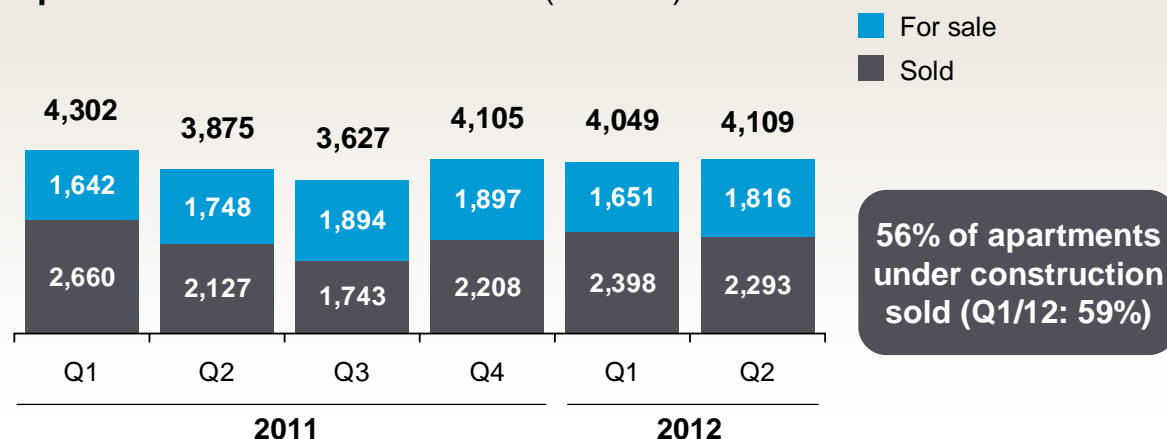


# Good trend in consumer sales continued

**Sold apartments (number)**



**Apartments under construction (number)**



- Residential focus in own development
- Sales have continued at normal level in July
- Prices stable in Q2/12
- Good mix in sales inventory: 75% of units for sale medium-range apartments (price EUR 300,000 or less)
- Relatively low number (429) of finished, unsold apartments at the end of June 2012
- Construction costs remaining EUR 301 million in own-developed projects

At the end of the period

# Start-ups at good level as planned

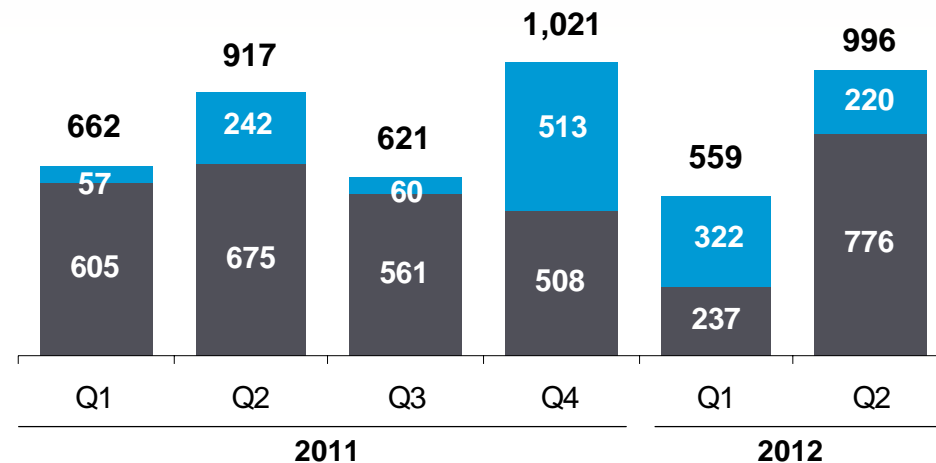


## Apartment start-ups in Finland

- Start-ups for investors (number)
- Start-ups directly for consumers (number)

2011: Total of 3,221

2012: Total of 1,555



# Good progress continued in business premises and infrastructure construction



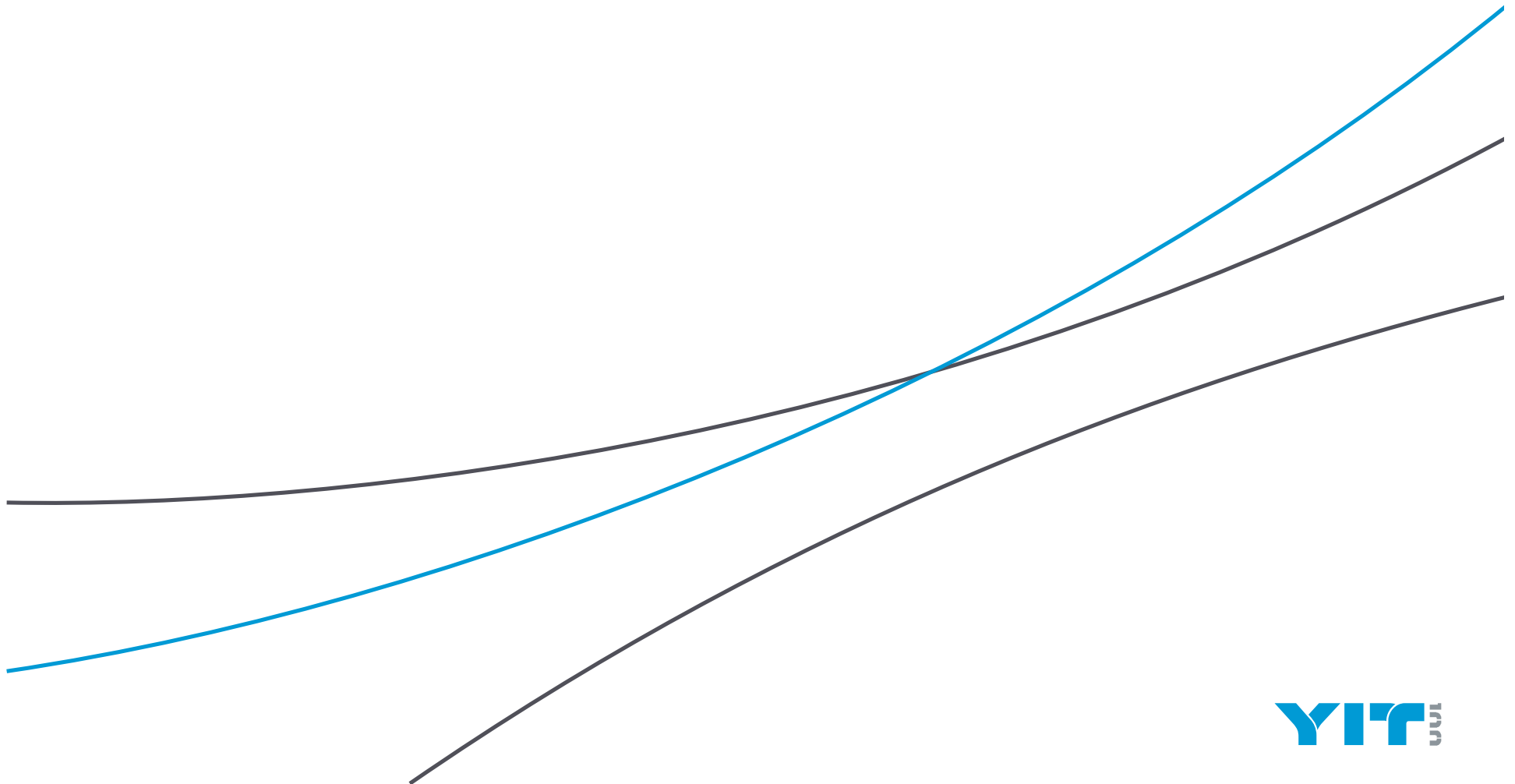
## Improved position in infrastructure construction

- Strong order backlog in infrastructure construction
  - Contracting business, i.e. no sales risk
- In Q2/12 YIT won several contracts
  - Regional road maintenance contracts for the Finnish Transport Agency
    - Value of the contracts appr. EUR 91 million, come into effect in October
  - Interior contract of the reservation of Vantaa Ruskeasanta railway station
    - Part of the Ring Railway project
    - Value of the contract appr. EUR 28 million

## Limited sales risk in business premises

- Order backlog at good level
- Rent levels and investors' yield requirements unchanged in Q2/12
- Office and commercial building Ratinankaari, in Tampere, Finland, sold in Q2/12
- Decided to commence construction of office building Avia Line 3, in Vantaa, Finland

# International Construction Services



# Promising development

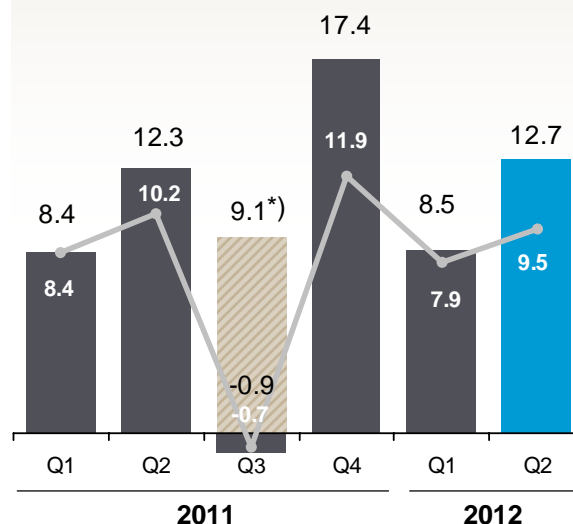
## Revenue (EUR million)

Change Q2/11 – Q2/12: 11%



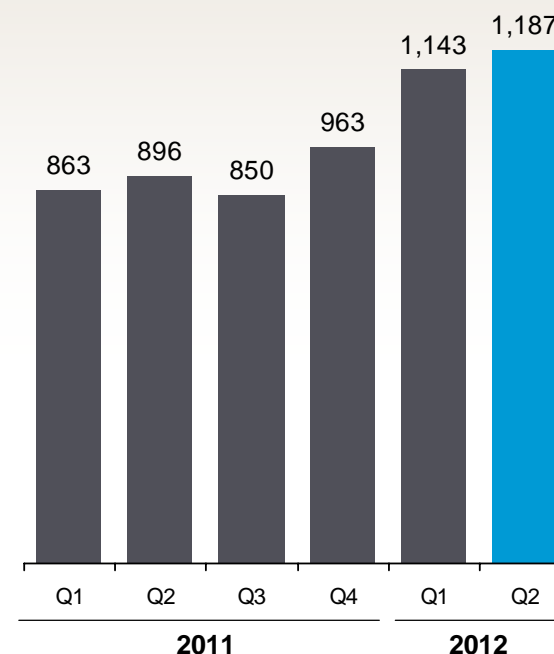
## Operating profit (EUR million)

Change Q2/11 – Q2/12: 3%



## Order backlog (EUR million)

Change Q2/11 – Q2/12: 32%



■ Operating profit    —●— % of revenue

All figures according to segment reporting (POC)

\*) A EUR 10 million cost provision covering costs related to the ammonia case in St. Petersburg was made in Q3/11. Excluding the provision EBIT would have been EUR 9.1 million and the EBIT margin would have been 7.4%, respectively.

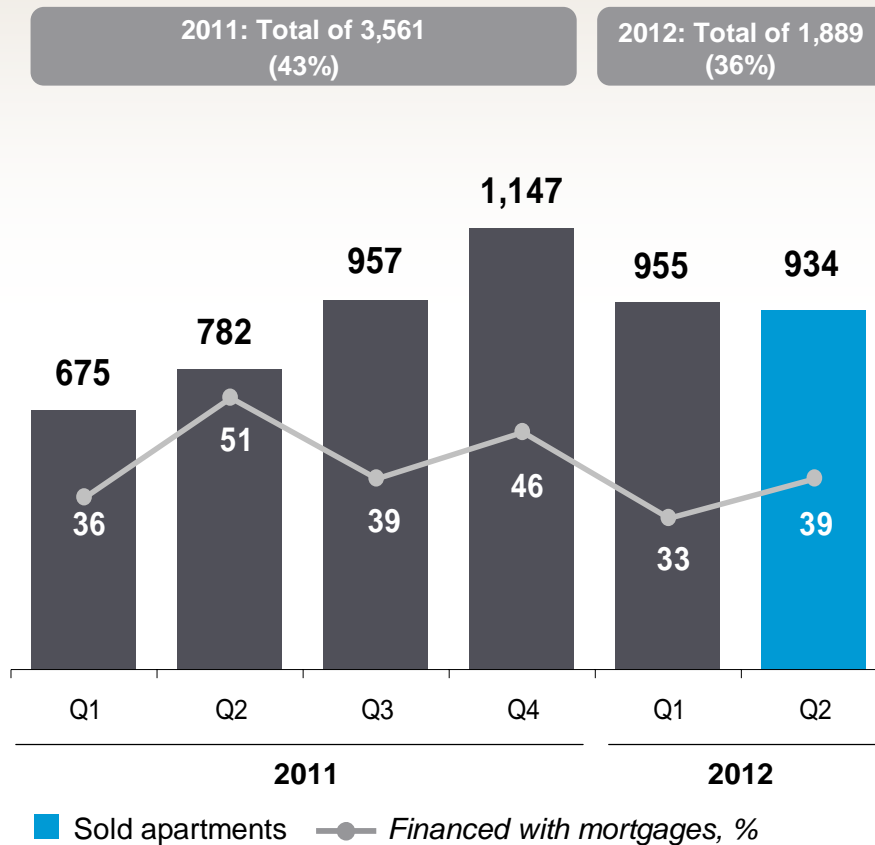
In Q2/12 the operating profit of the segment includes EUR -1.4 million of borrowing costs according to IAS 23 (Q2/11: EUR -0.8 million). The EBIT margin in Q2/12 excluding these costs would have been 10.6% (Q2/11: 10.9%).



# Good residential sales in Russia

## Sold apartments in Russia

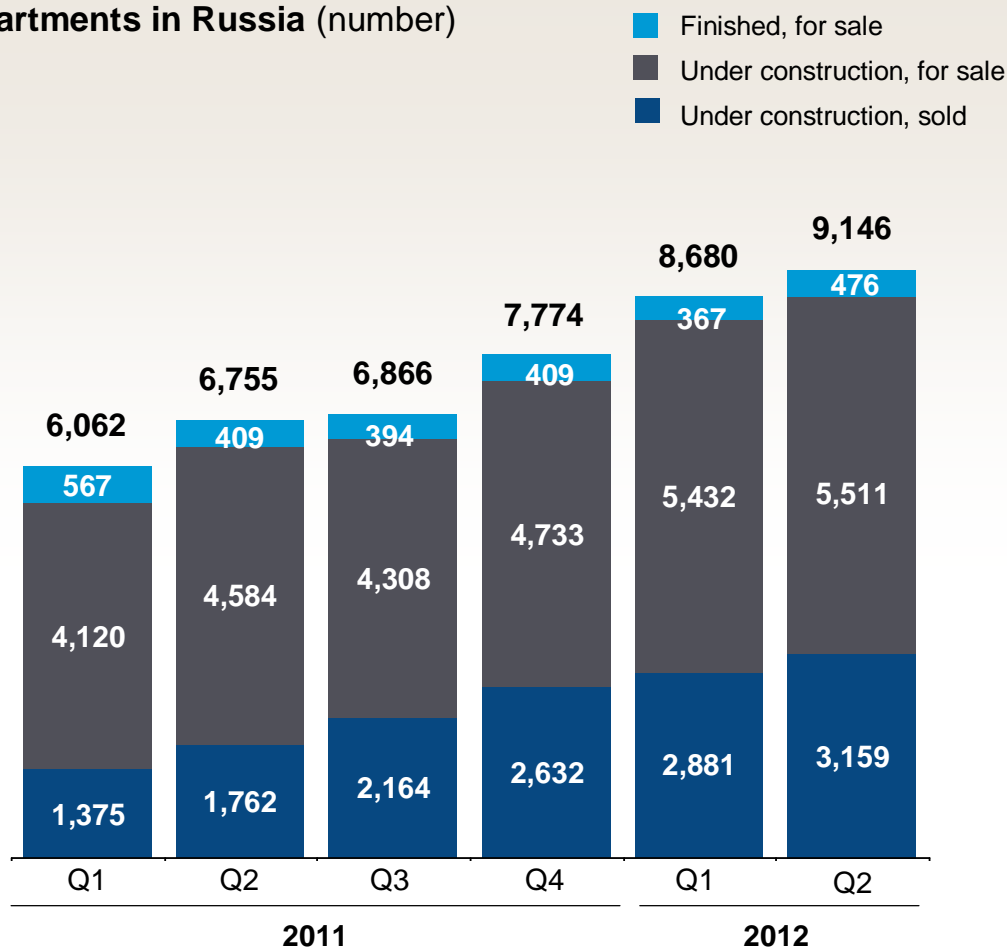
(number, %)



- Sales have continued at a normal level in July
- YIT continued slight price increases in all operating cities
- Sales supported by extensive mortgage co-operation with banks
  - YIT's customers having good access to mortgage market as 39% of apartments sold were financed with mortgages in Q2/12
- Mortgage rates still locally at reasonable level

# Good potential in controlled sales portfolio

**Apartments in Russia (number)**

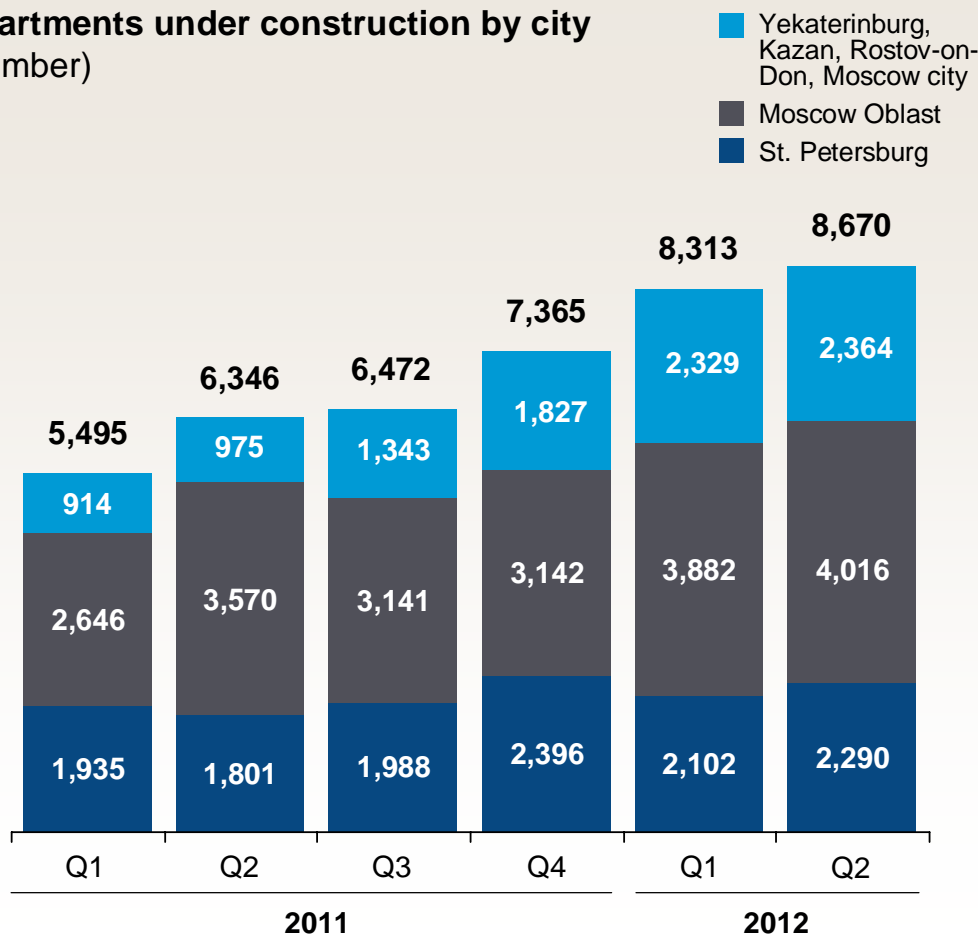


At the end of the period

- Sales inventory in Russia increased from 2011
- 5,987 apartments for sale at the end of June (6/11: 4,993)
- 36% of apartments under construction were sold (6/11: 26%)
- 765 apartments commissioned in Q2/12 (Q2/11: 238)

# Geographically balanced production in Russian residential

**Apartments under construction by city**  
(number)

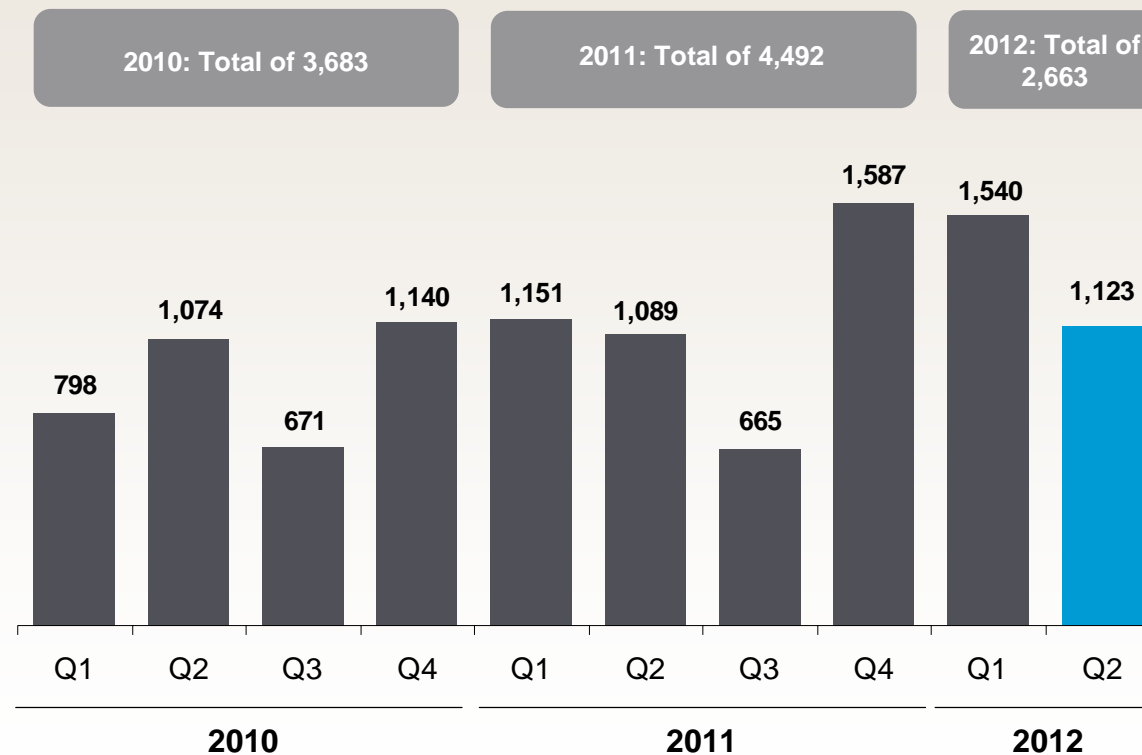


At the end of the period

- Apartments under construction have increased especially in the Moscow region and St. Petersburg
- Construction costs remaining in ICS EUR 462 million

# Good level of start-ups supported by good demand

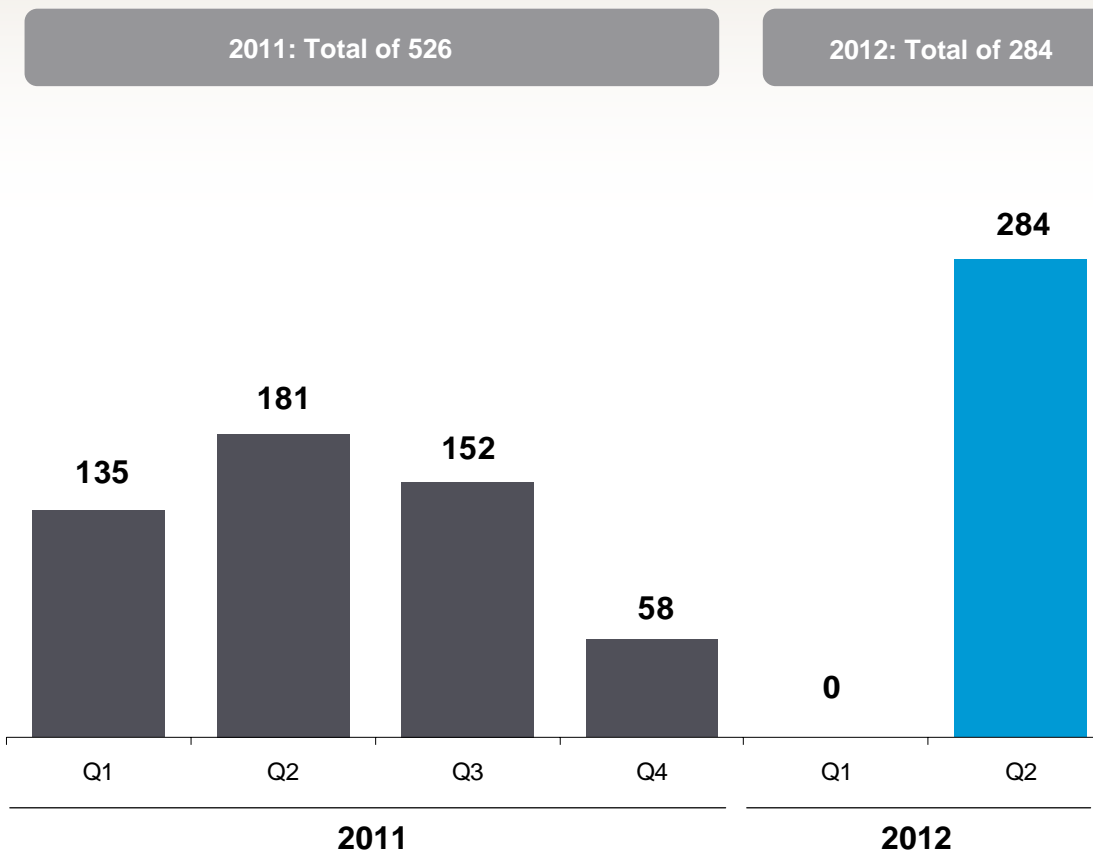
Apartment start-ups in Russia (number)



- In Q2/12 housing start-ups took place in St. Petersburg, Moscow region, Rostov-on-Don and Yekaterinburg
- Plot acquisitions made in St. Petersburg and Moscow region
- Diverse plot portfolio: good geographical distribution, apartments for targeted customer segments

# Increasing volumes in the Baltic countries, the Czech Republic and Slovakia

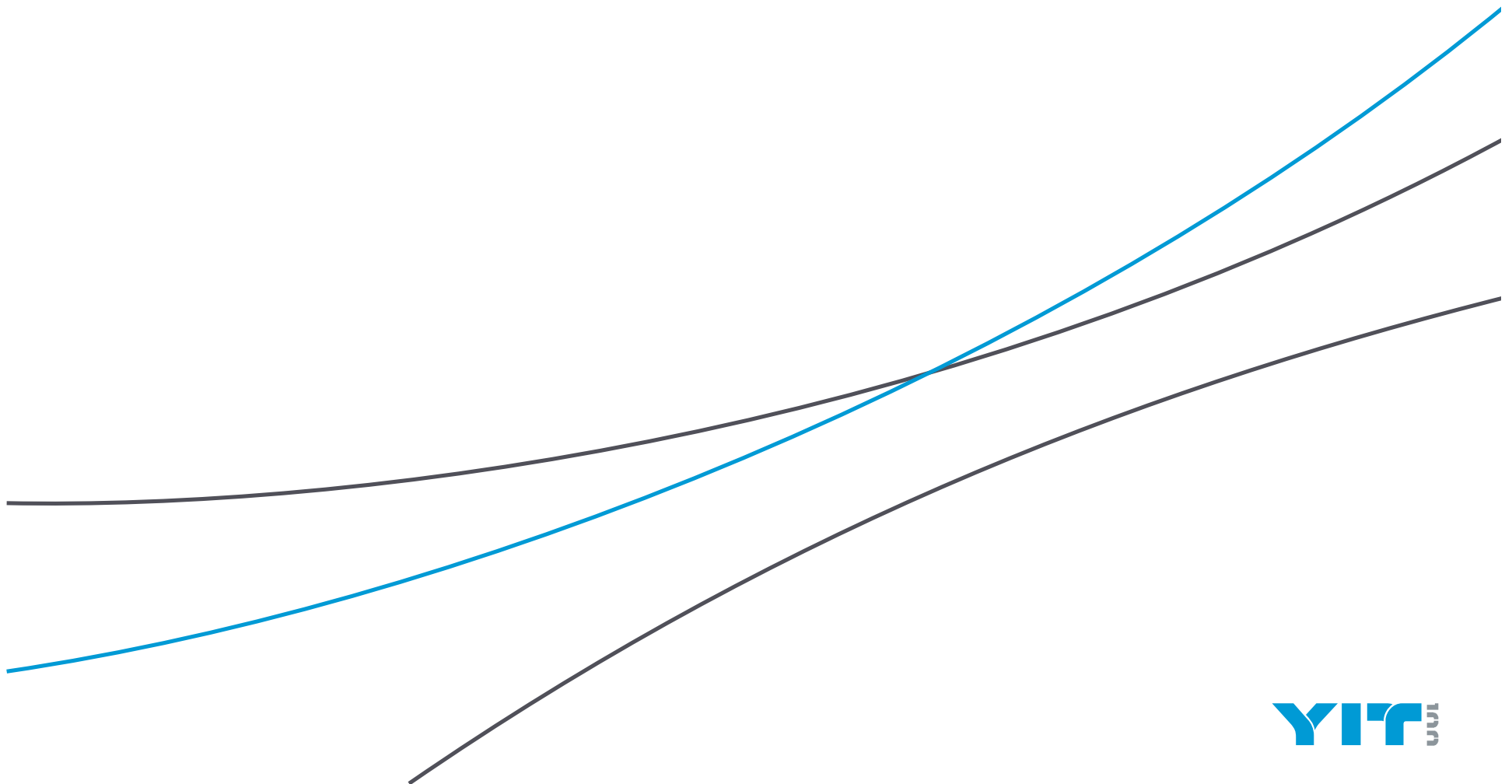
Apartment start-ups in the Baltic countries, the Czech Republic and Slovakia (number)



- In Q2/12 YIT sold 92 apartments (Q2/11: 99)
- YIT has strengthened its market position in the area
- Housing start-ups especially in the Czech Republic
- Housing prices stable
- Profitability is clearly under segment average
- Relatively low volumes and large share of contracting especially in the Baltic countries hurt the segment's profitability in Q2

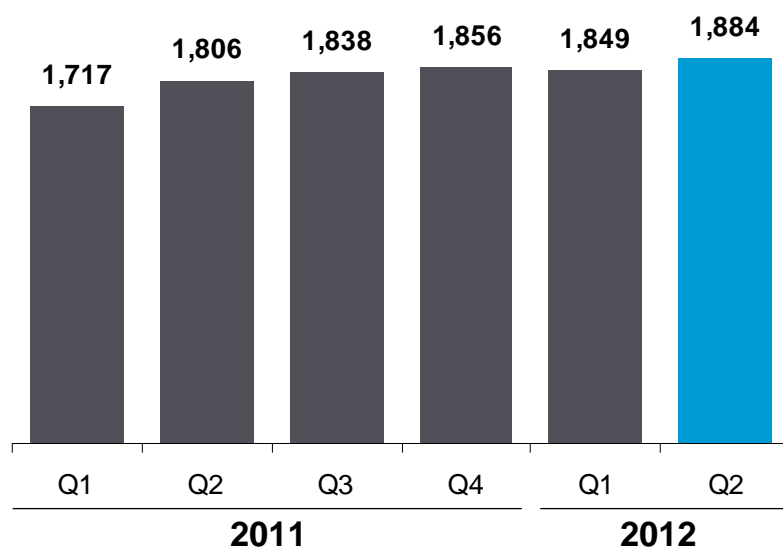


# Financial position and key ratios



# Further possibilities to increase operating profit and capital efficiency

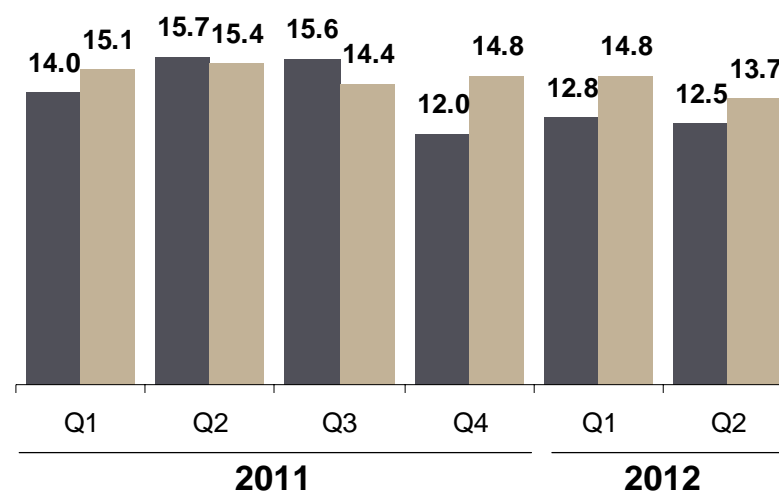
**Invested capital**  
EUR million



According to group reporting (IFRIC 15)

**Return on investment (ROI)**  
Last 12 months

Strategic target:  
Return on investment 20%



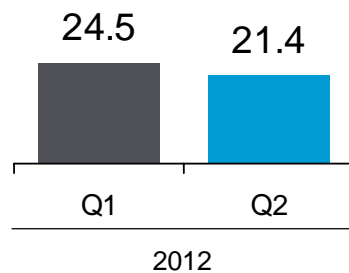
■ According to group reporting (IFRIC 15) ■ According to segment reporting (POC)

# All segments should reach 20% return on investment

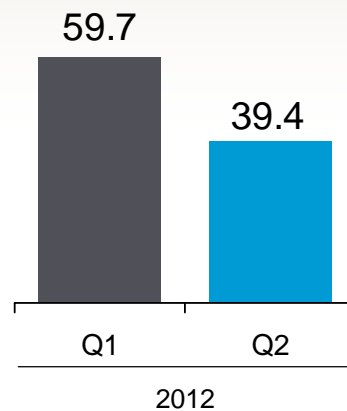


## Building Services Northern Europe

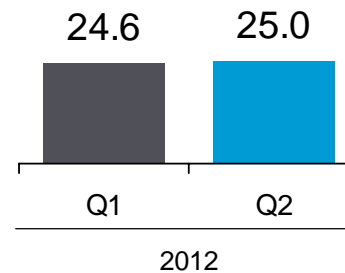
Return on investment (ROI)  
Last 12 months



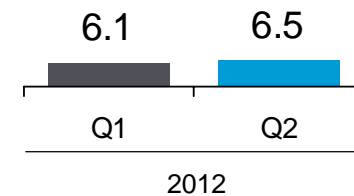
## Building Services Central Europe



## Construction Services Finland

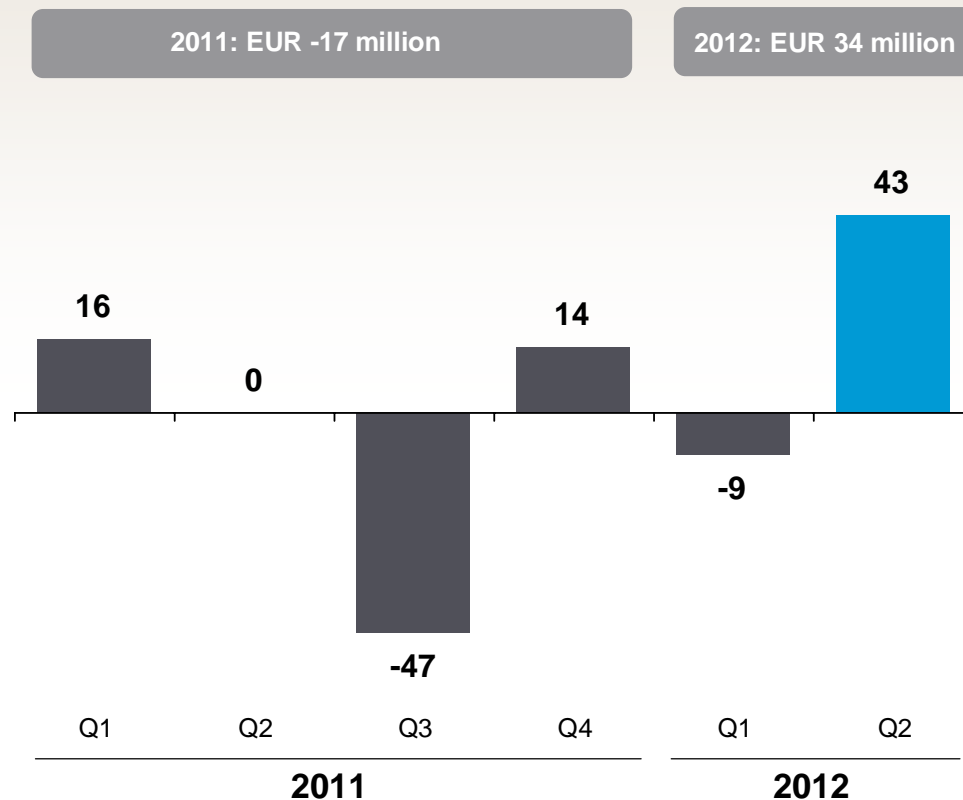


## International Construction Services



# Cash flow positive in Q2

## Operating cash flow after investments (EUR million)

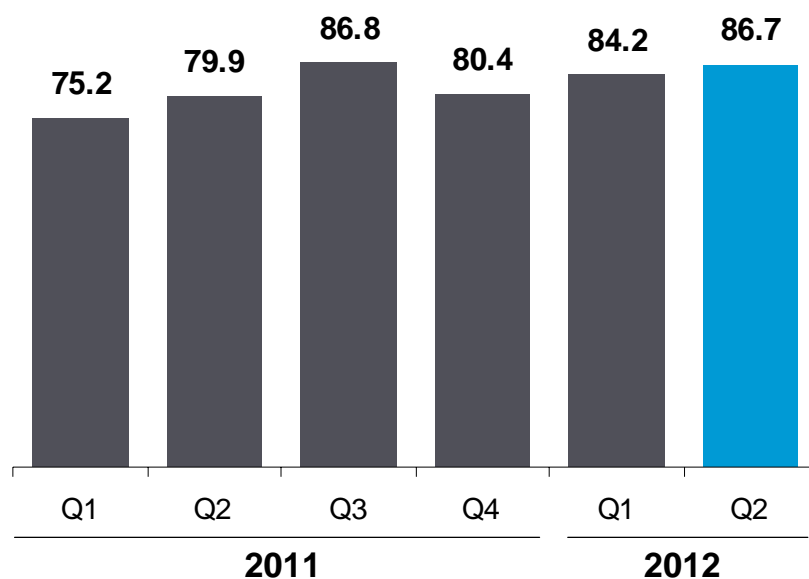


- Good cash flow in Construction Services Finland
- Increase in working capital in International Construction Services due to larger production volume
- Continued plot investments

All figures based on group reporting (IFRIC 15)

# Slight improvement in equity ratio

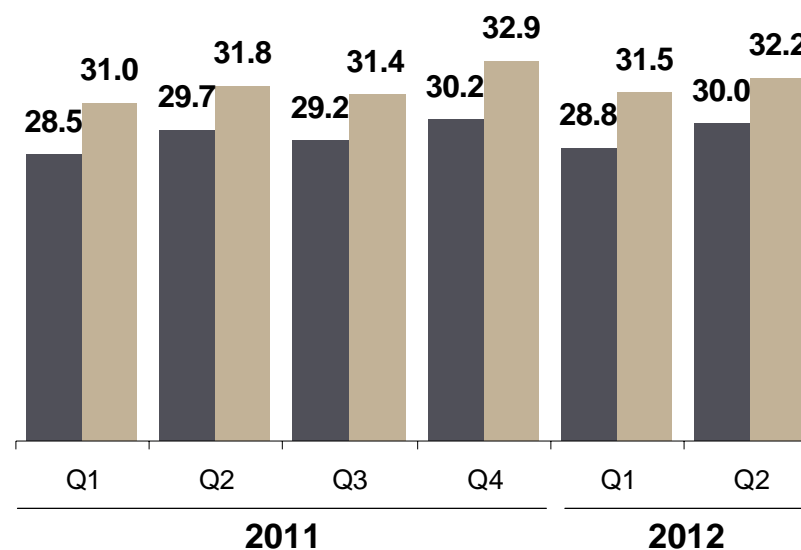
**Gearing ratio**  
Percent



According to group reporting (IFRIC 15)

**Equity ratio**  
Percent

Strategic target: Equity ratio 35%

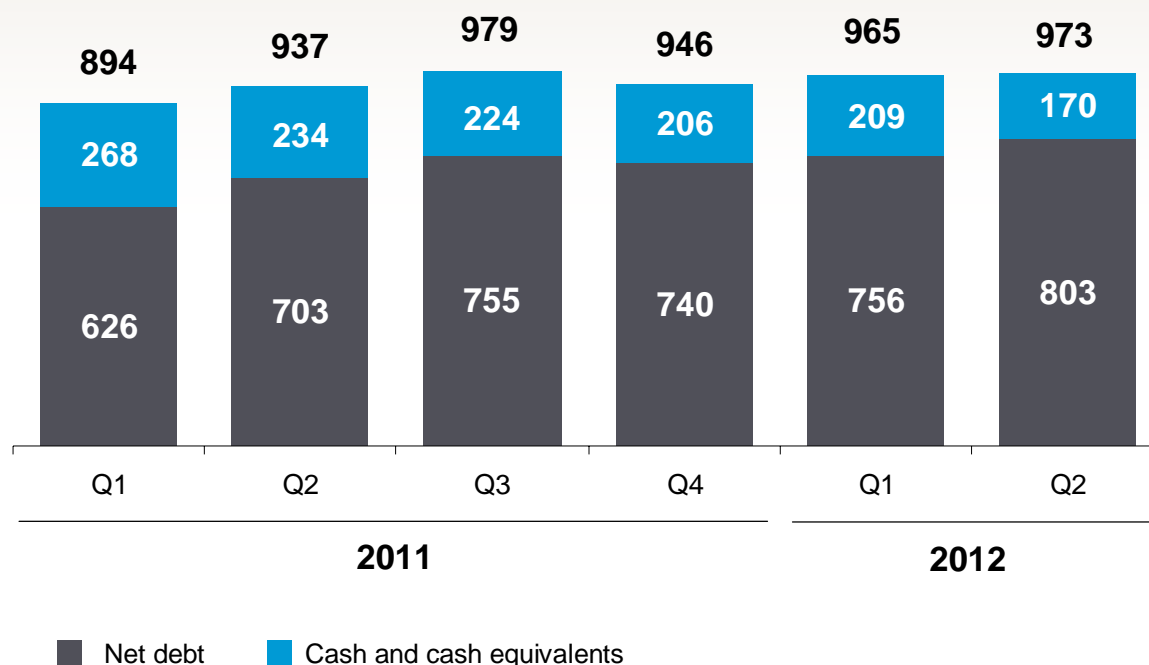


■ According to group reporting (IFRIC 15) ■ According to segment reporting (POC)

# Good financial position

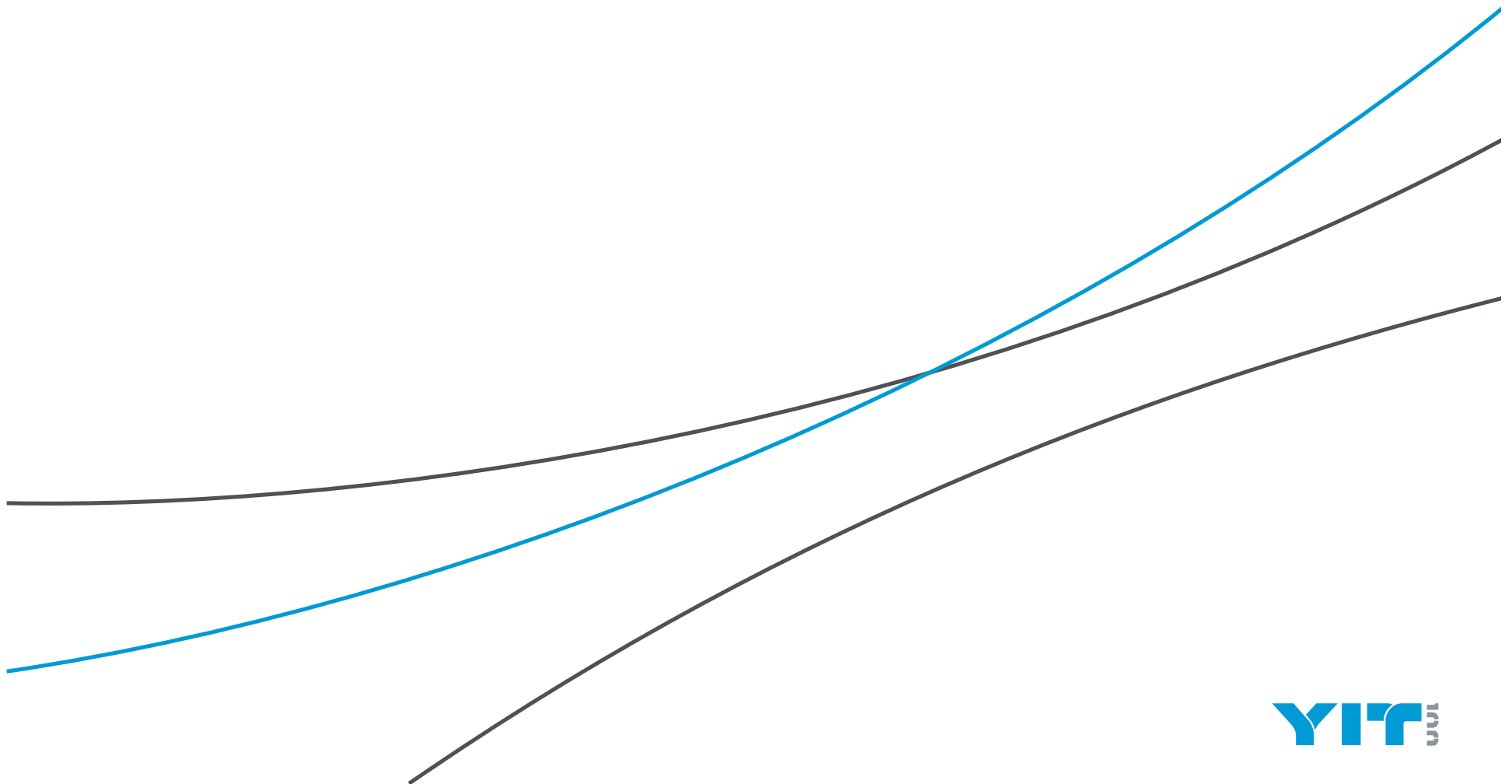
## Diverse financing sources, stable maturity structure

Interest-bearing debt (EUR million)



- Construction costs remaining 6/12 in total EUR 763 million (6/11: EUR 614 million)
- Average interest rate in 6/12 3.1% (3/12: 3.2%)
- Long-term debt maturing during the second half of 2012 EUR 23 million
- Unutilised facilities EUR 357 million in total
  - No financial covenants
- Dividend EUR 88 million paid in April

# Future outlook





# Market outlook 2012

## Building Services Northern Europe

### Service and maintenance market expected to grow slightly

- Good opportunities in all countries in service and maintenance
- New investments in building systems are expected to increase reasonably in Sweden and Norway
- Public sector's investments in new buildings will be weaker as governments are rebalancing their budgets
- High energy prices and tightening legislation support the demand for energy saving solutions
- Industrial investments expected to grow slightly in Finland (Confederation of Finnish Industries)



**Nordkalk**  
Köping, Sweden



# Market outlook 2012

## Building Services Central Europe



the m.pire  
Munich, Germany

### **Building systems markets in Central Europe are forecasted to remain stable**

- Service and maintenance market as well as the project market are expected to increase moderately
- Demand for new investments is expected to remain stable

### **Energy efficiency and energy management services are expected to grow**

- High energy prices and tightening environmental legislation support the demand, particularly in Germany and Austria

# Market outlook 2012

## Construction Services Finland



**Merenkulkijanranta**  
Helsinki, Finland

### Residential Construction

- Forecasted housing start-ups 28,000 units in Finland in 2012 (Confederation of Finnish Construction Industries, April 2012) while the estimated long-term annual need is 24,000-29,000 units (VTT Technical Research Centre of Finland, January 2012)
- Housing demand is supported by migration, demographic factors and low interest rates
- Housing prices expected to remain stable
- Moderate increase of construction costs mainly due to changes in energy norms

### Business Premises Construction

- Office construction is expected to decrease by 8-9% (VTT Technical Research Centre of Finland)
- Vacancies in the office sector high, but the demand will focus on modern and energy-efficient office premises

### Infra Services

- Infra construction forecasted to remain stable (VTT Technical Research Centre of Finland, January 2012)
- Rail and metro construction works will increase and the market for rock engineering will remain favourable



# Market outlook 2012

## International Construction Services



**Oriental**  
St. Petersburg, Russia

### **Russia**

- Huge long-term need for housing
- Housing construction is estimated to increase
- Housing prices expected to increase in 2012
- Mortgage market development supports demand, though slight increase seen in interest rates
- Decrease in oil price may have negative effect on Russian economy

### **The Baltic countries, the Czech Republic and Slovakia**

- Long-term need to improve living conditions
- Housing construction volumes increasing from low levels in the Baltic countries
- Housing start-ups expected to increase in the Baltic countries and to remain stable in the Czech Republic
- In Slovakia, start-ups will remain at a low level

# Guidance for 2012

Attention to D

YIT estimates revenue to remain at last year's level and operating profit to grow in 2012

Uncertainty about the general macroeconomic development is still high and may have an impact on YIT's operations

Guidance, which is based on segment reporting (POC = percentage of completion), has not been updated since February 2, 2012

Technical University  
Munich, Germany



# Priorities in 2012



YIT Office  
Munich, Germany

## 1 Profitability potential

- Execution of profitability improvement programme in Building Services Northern Europe
- Restructuring in Central Europe

## 2 Utilise the possibilities in all market situations

- Ability and good track record to increase start-ups
- Plots and M&A activities

## 3 Risk management

- Managing sales portfolio, potential and risk therein
- Securing cash flow
- Good liquidity position: extra reserves secured

# More information



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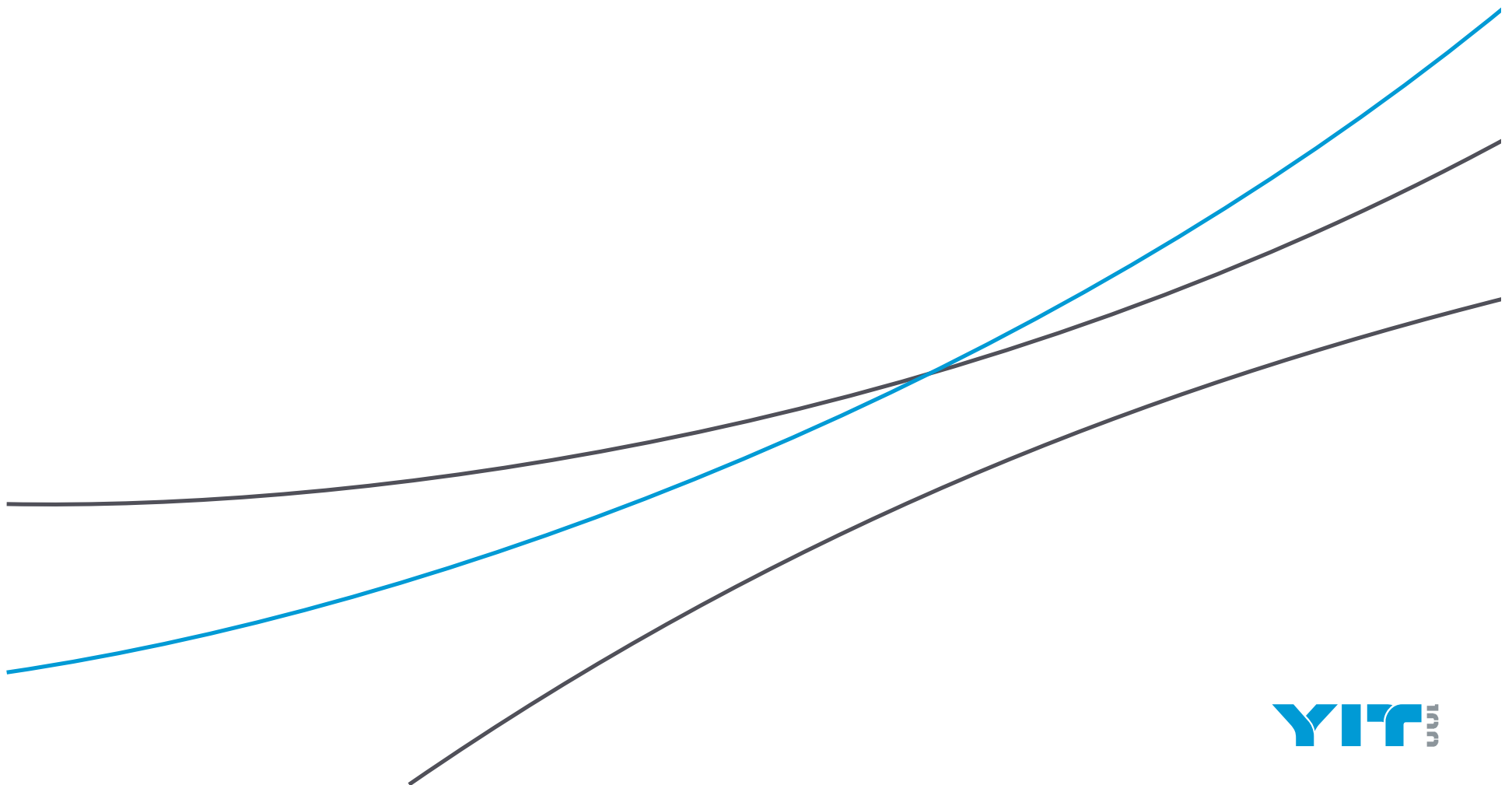
# Appendices

## Appendices

- Financial position
- Ownership
- General economic indicators
- Housing indicators: Finland, Russia and Eastern Europe
- Business premises indicators: Finland and Russia
- Infrastructure construction in Finland and construction costs in Finland and Russia
- Building Services Northern Europe indicators
- Industrial indicators in Finland
- Building Services Central Europe indicators



# Financial position

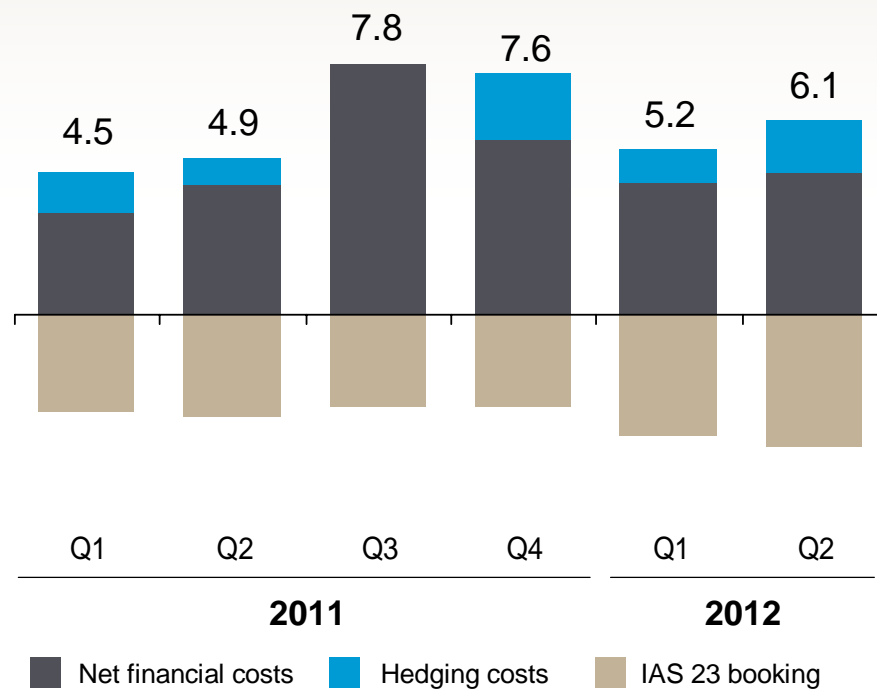


# Net financial costs increased slightly

## Net financial costs EUR million

2011: EUR 24.8 million

2012: EUR 11.3 million



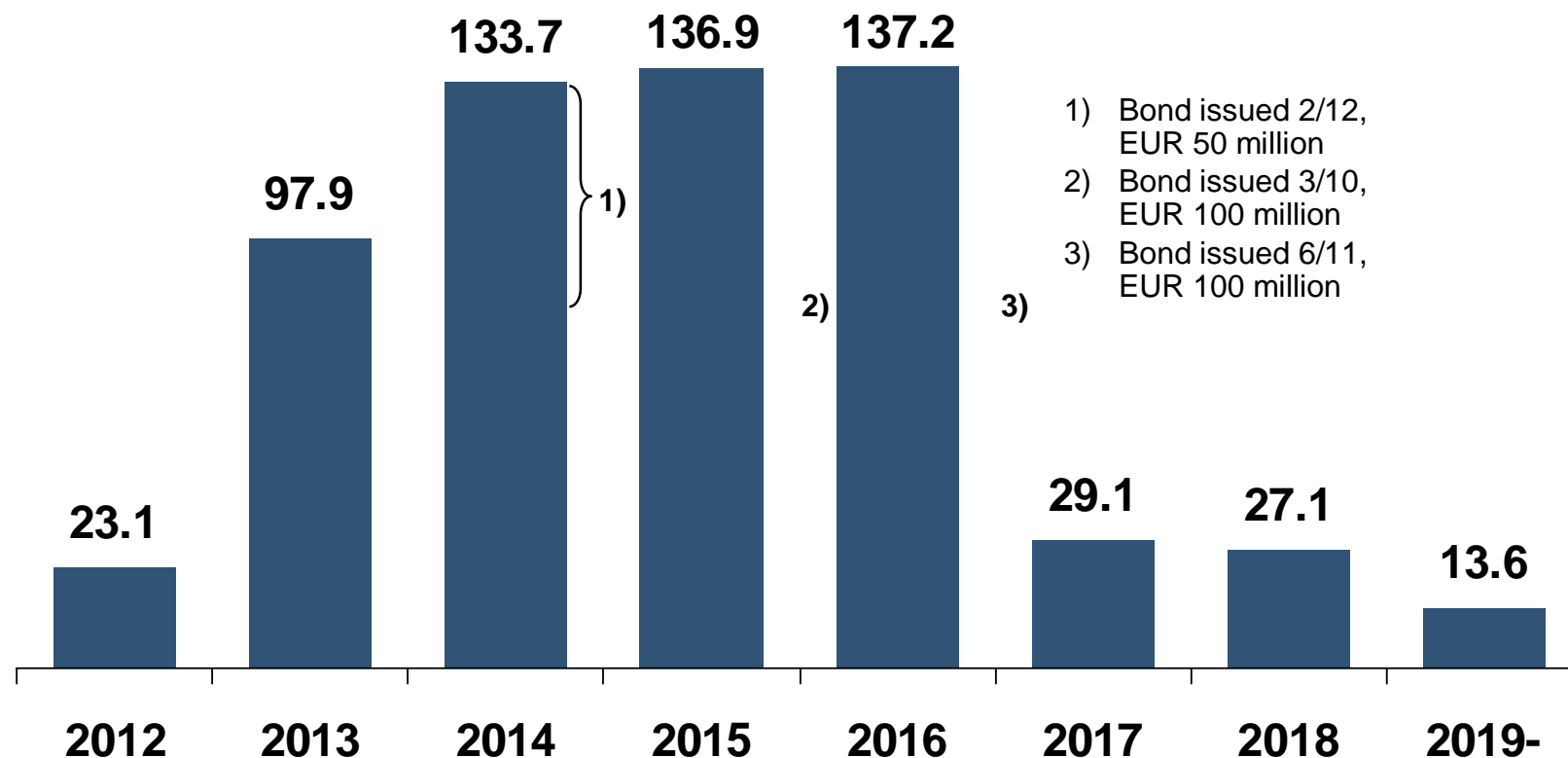
## Main factors impacting net financial costs

- Increased gross and net debt position
- Increased hedged ruble position
- Increased ruble hedging costs in Q2/12
- Increased IAS 23 booking

# Well-managed maturity structure

## Maturity structure of long-term debt 6/12

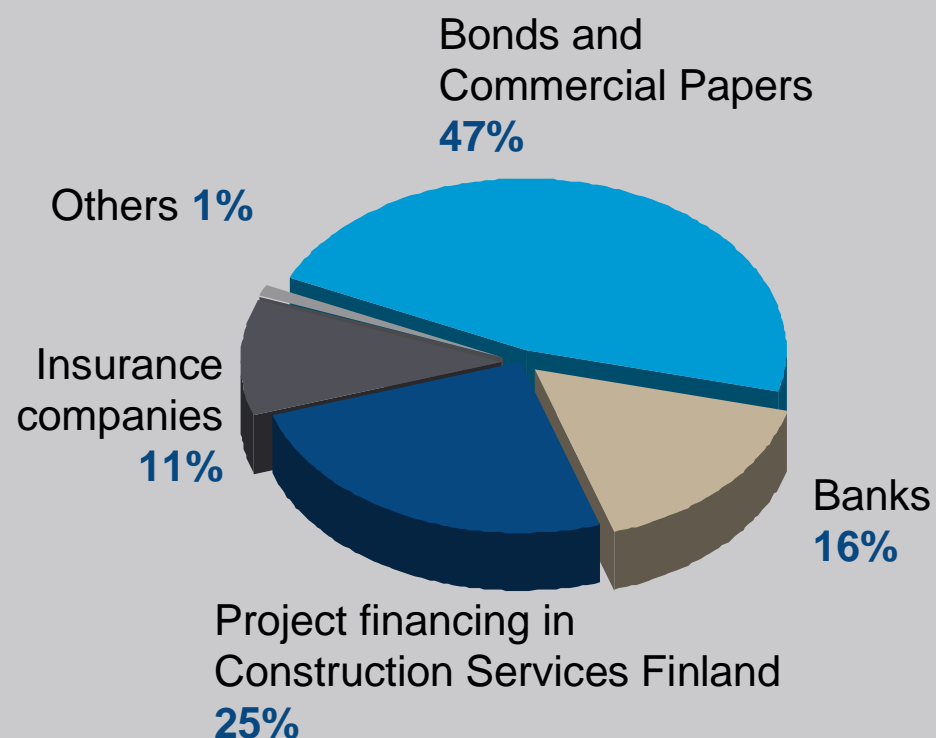
EUR million



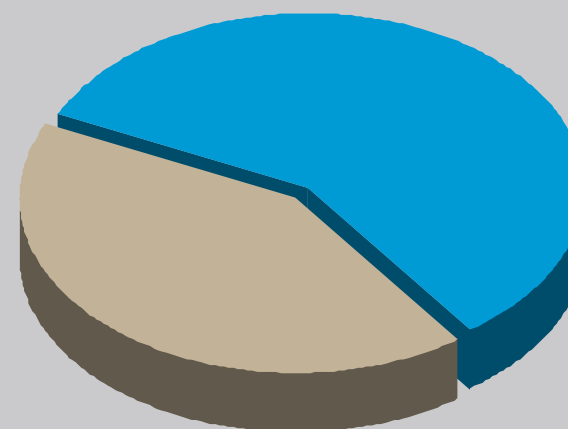
# Balanced debt portfolio

**Debt portfolio 6/12, total EUR 973 million (3/12: 965 million)**

*Average interest rate 3.1% (3/12: 3.2%)*



Fixed interest rate **58%**  
*Average interest rate 3.8%*



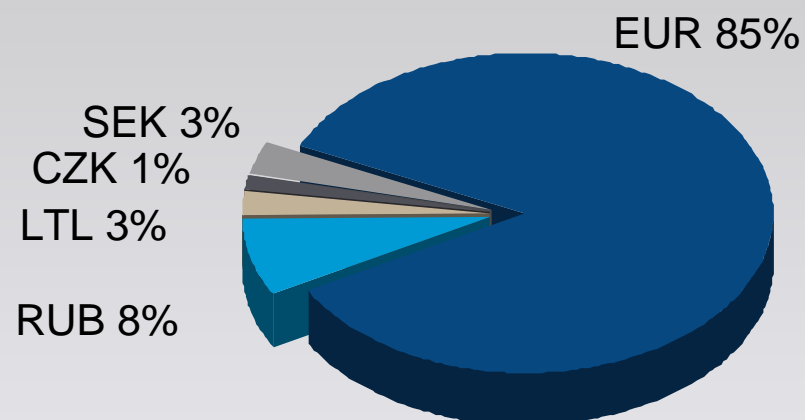
Floating interest rate **42%**  
*Average interest rate 2.3%*

# Currency risk of debt portfolio managed well

## Principles of managing currency risks

- Items affecting the income statement by exchange rates are hedged
- Net investments on the balance sheet are not hedged
- Loans taken by parent company as a rule EUR-denominated
  - Loans made available to subsidiaries denominated in foreign currencies are fully hedged
- Due to unexpected disturbance in the forward agreement market for the relevant currency, hedging may vary between 50-100%

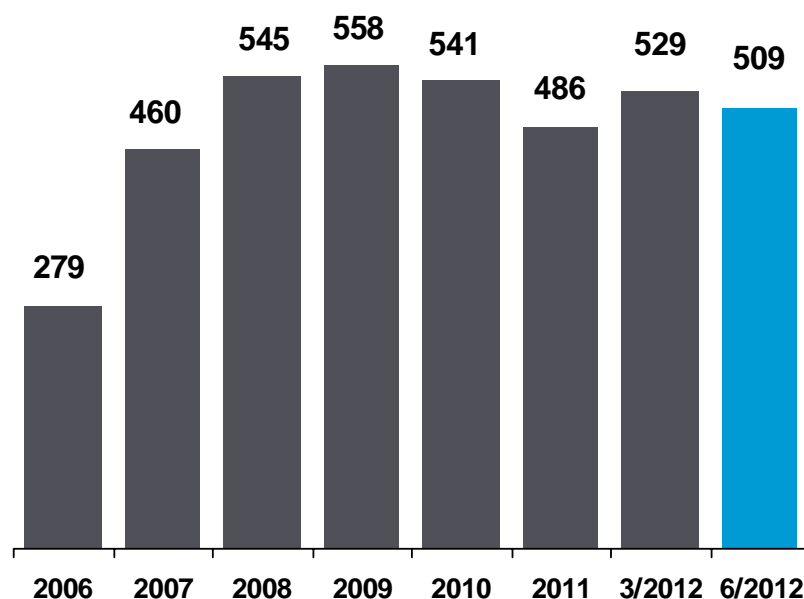
## Debt portfolio and forward agreements 6/12



# Capital invested in Russia

## Capital invested in Russia 2006–6/2012

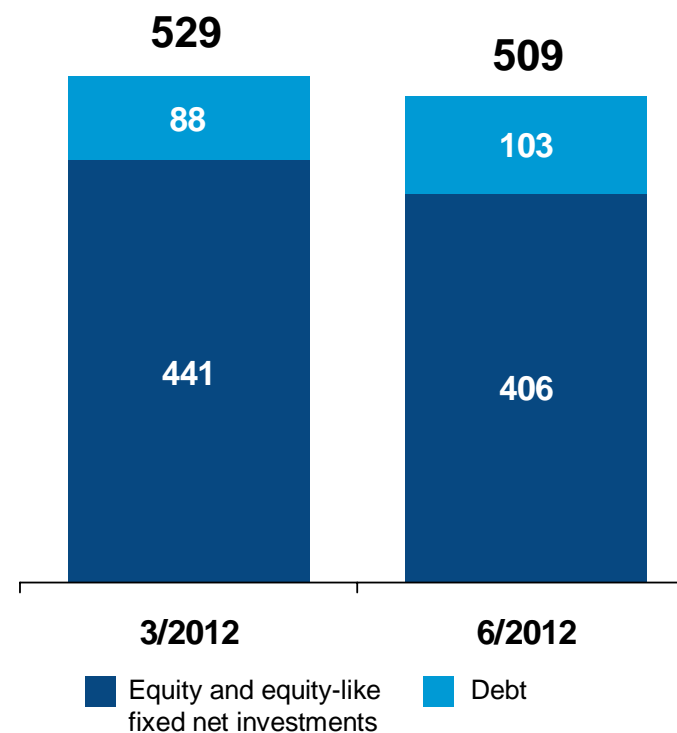
EUR million



2006–2008: according to POC, 2009–2012: according to IFRIC 15

## Capital invested in Russia

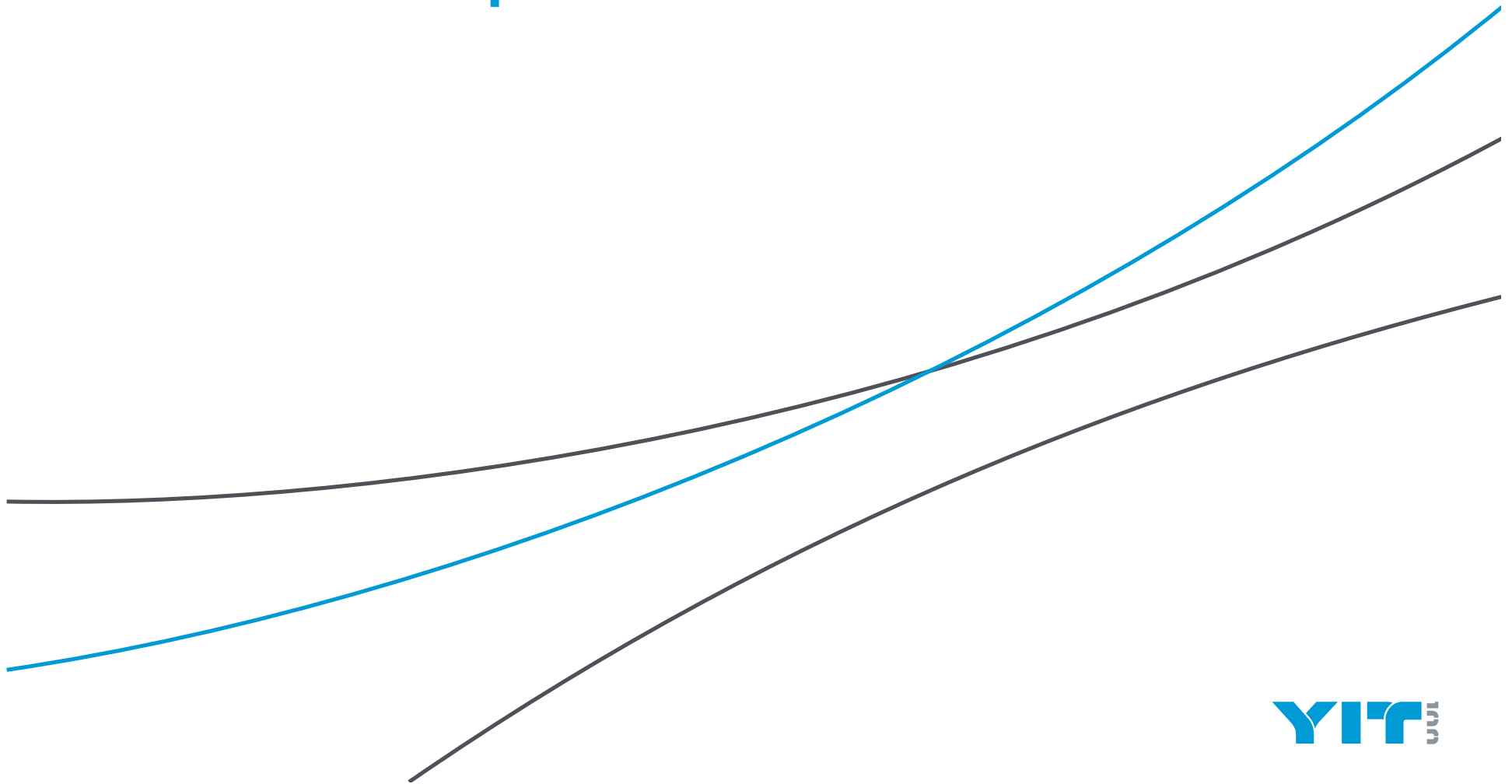
EUR million



According to IFRIC 15



# Ownership

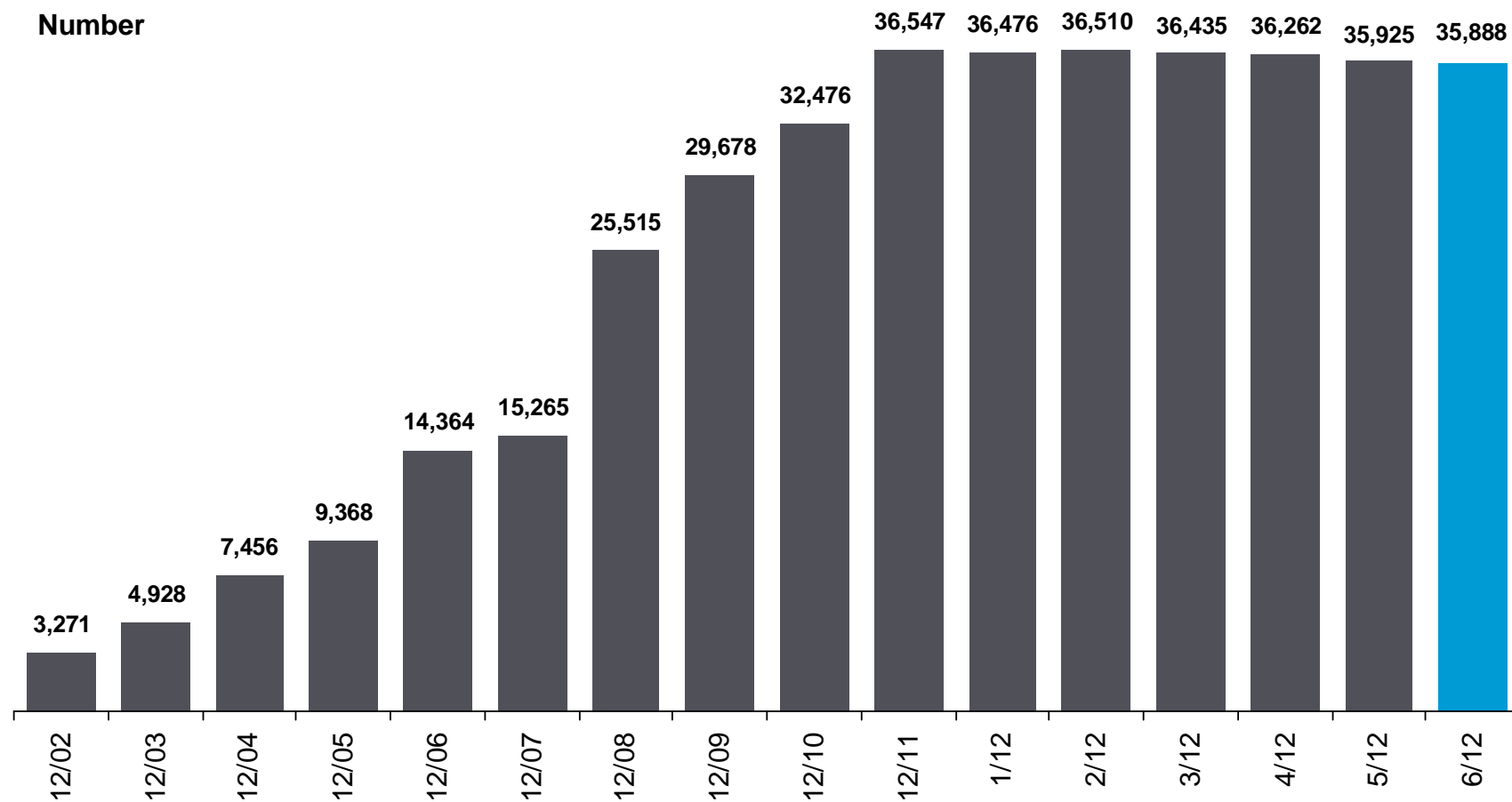


# YIT's major shareholders on June 30, 2012

Shareholder	Shares	% of share capital
1. Structor S.A.	15,430,000	12.13
2. Varma Mutual Pension Insurance Company	10,000,000	7.86
3. Mandatum Life Insurance Company Limited	6,108,449	4.80
4. Ilmarinen Mutual Pension Insurance Company	5,204,936	4.09
5. Nordea funds	2,230,898	1.75
6. Svenska Litteratursällskapet i Finland r.f.	1,880,400	1.48
7. YIT Corporation	1,834,110	1.44
8. Odin funds	1,803,611	1.42
9. OP funds	1,735,000	1.36
10. Danske Invest funds	1,697,181	1.33
Ten largest total	47,924,585	37.67
Nominee registered shares	21,611,534	16.99
Other shareholders	57,687,303	45.34
Total	127,223,422	100.00

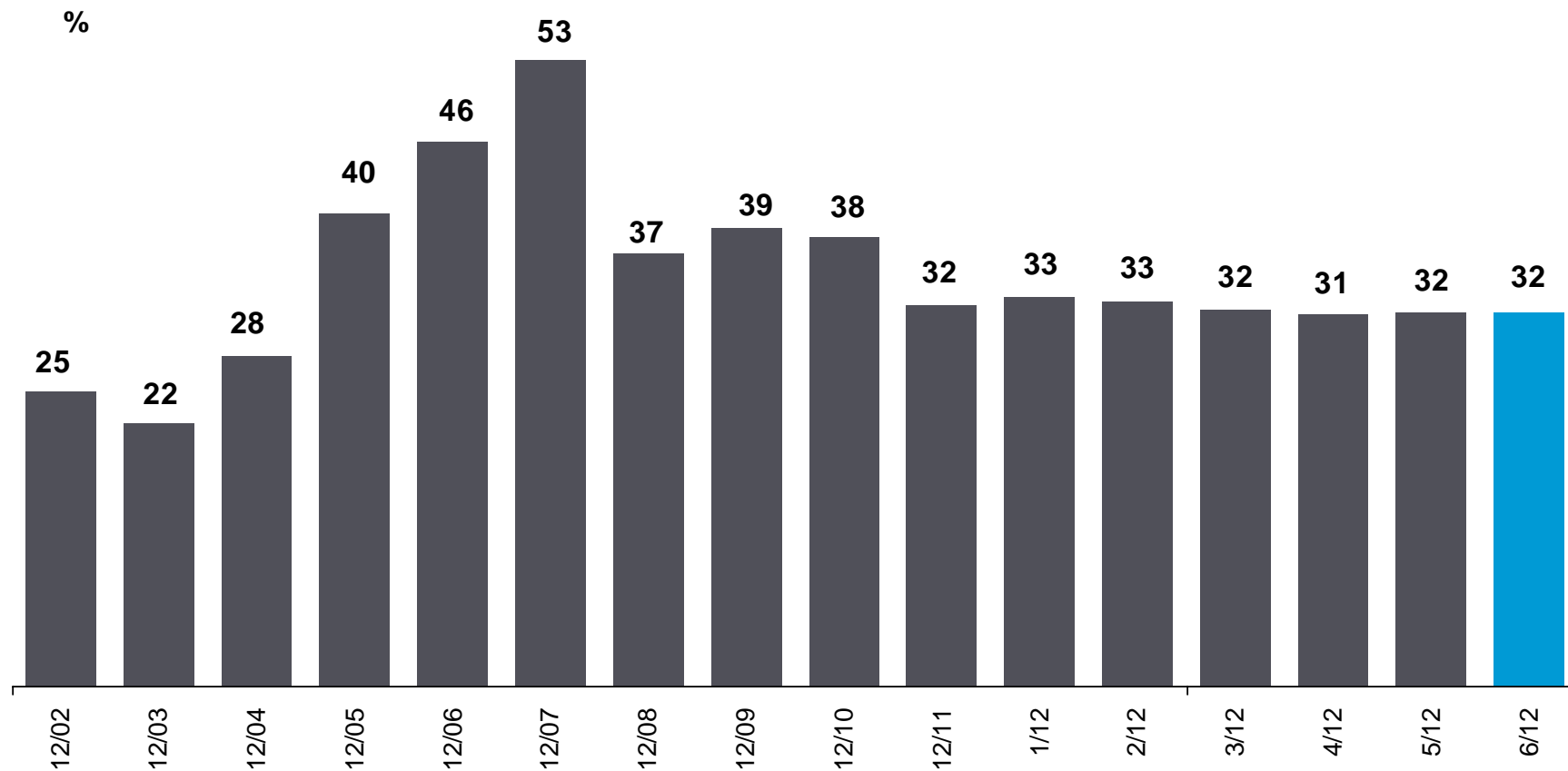
# Nearly 36,000 shareholders

on June 30, 2012

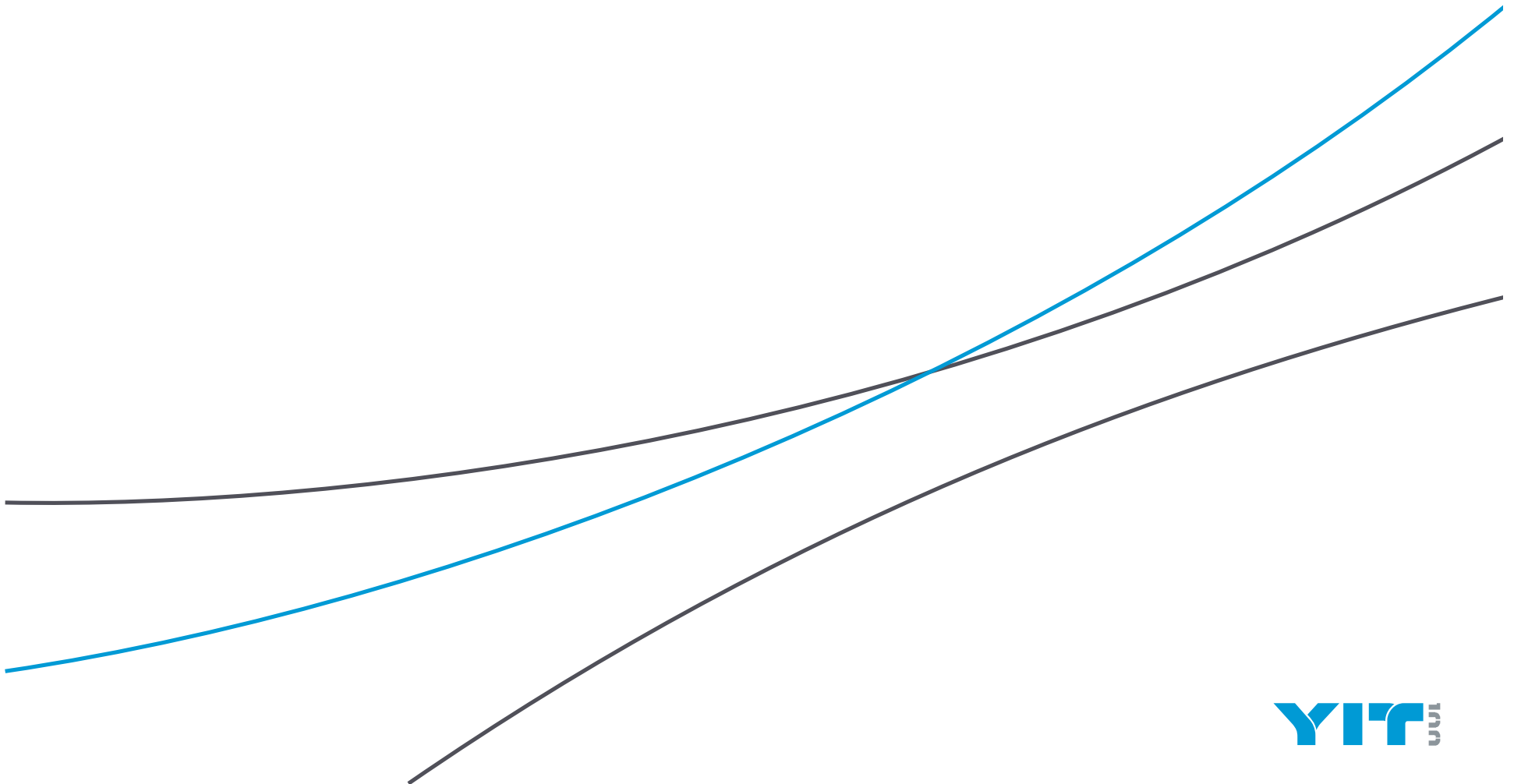


# Approximately 32% of shares in international ownership

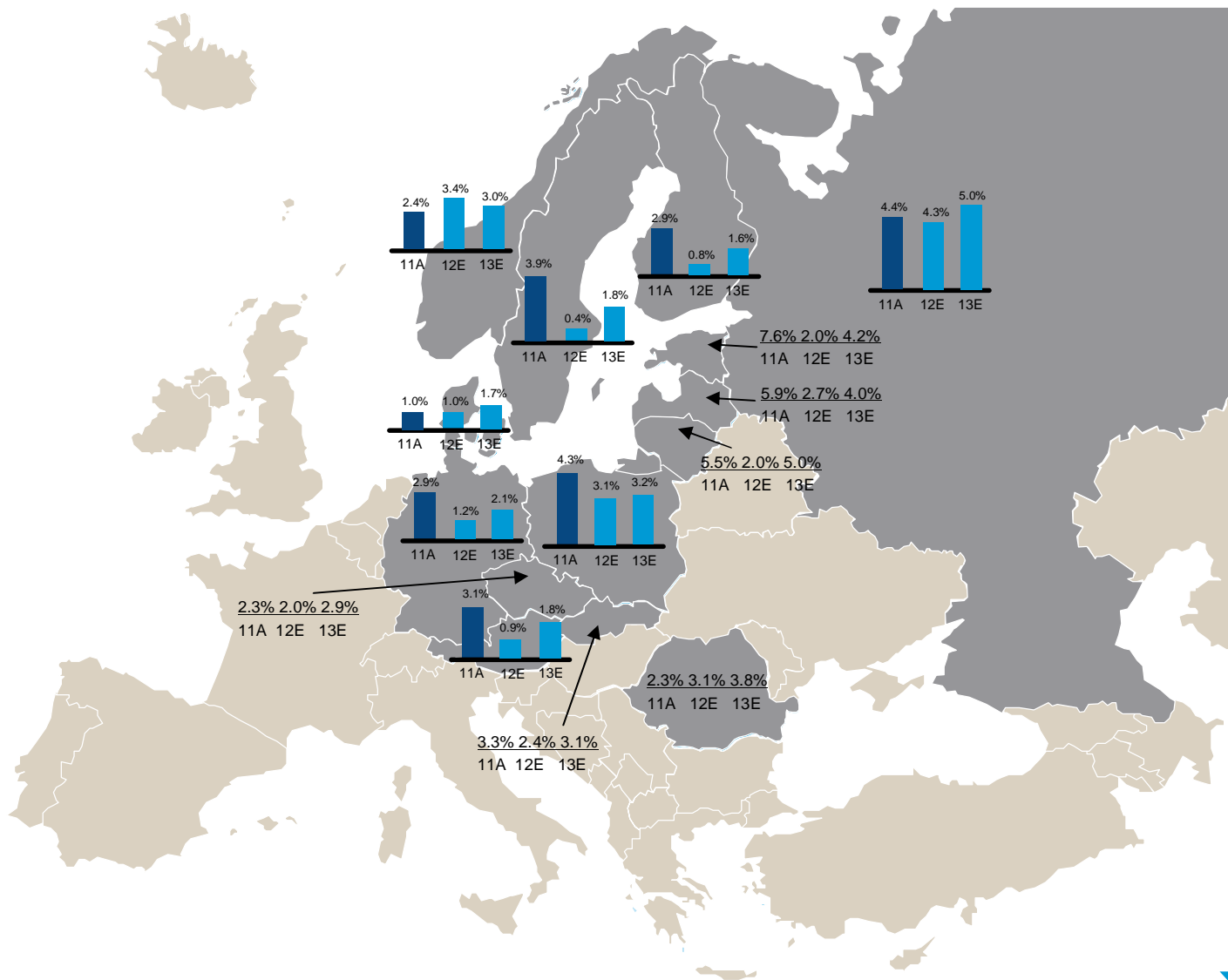
Non-Finnish ownership, % of share capital on June 30, 2012



# General economic indicators

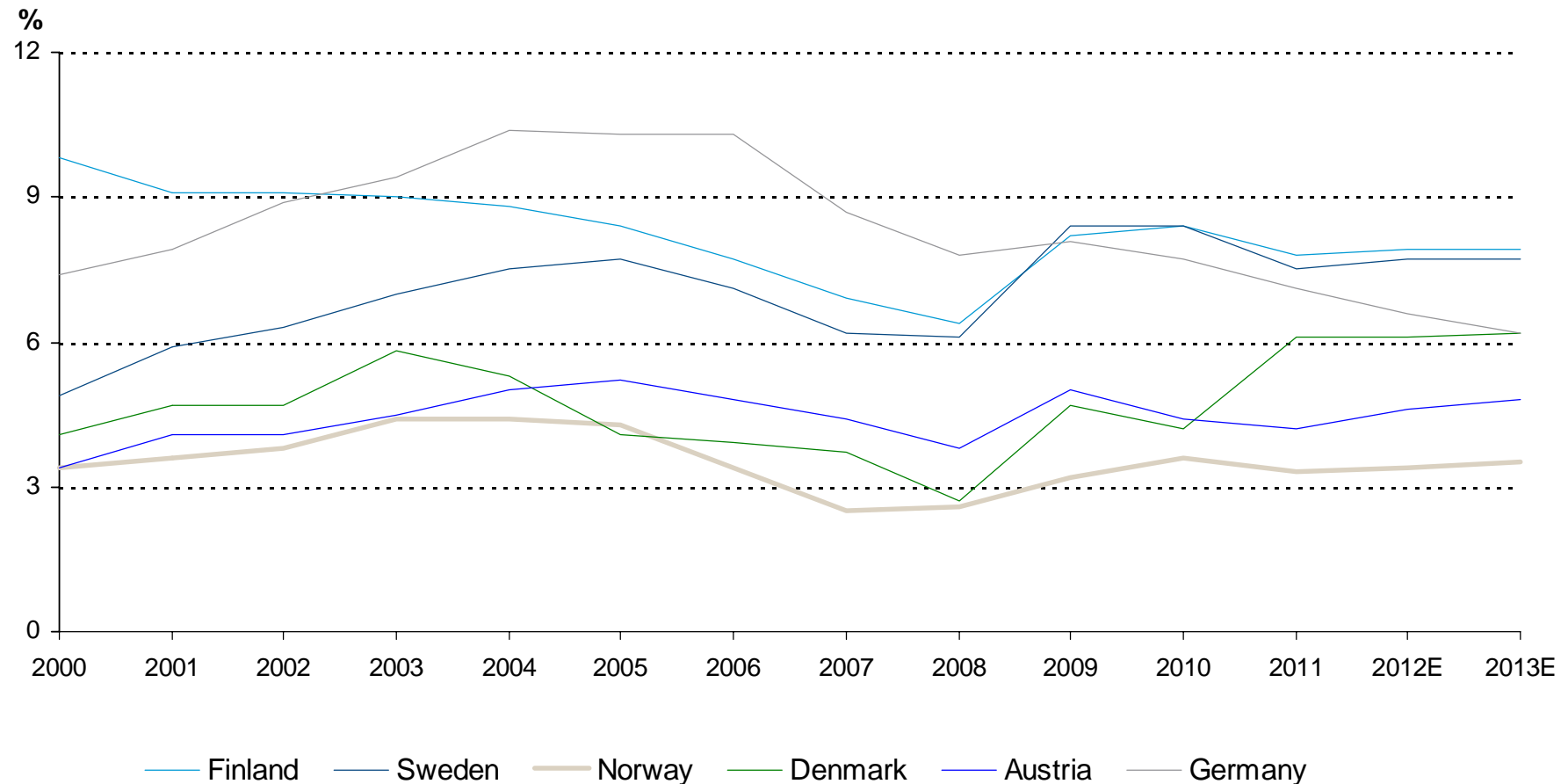


# GDP forecasts for YIT's operating countries



# Unemployment in Northern and Central Europe is estimated to remain at previous year's level in 2012

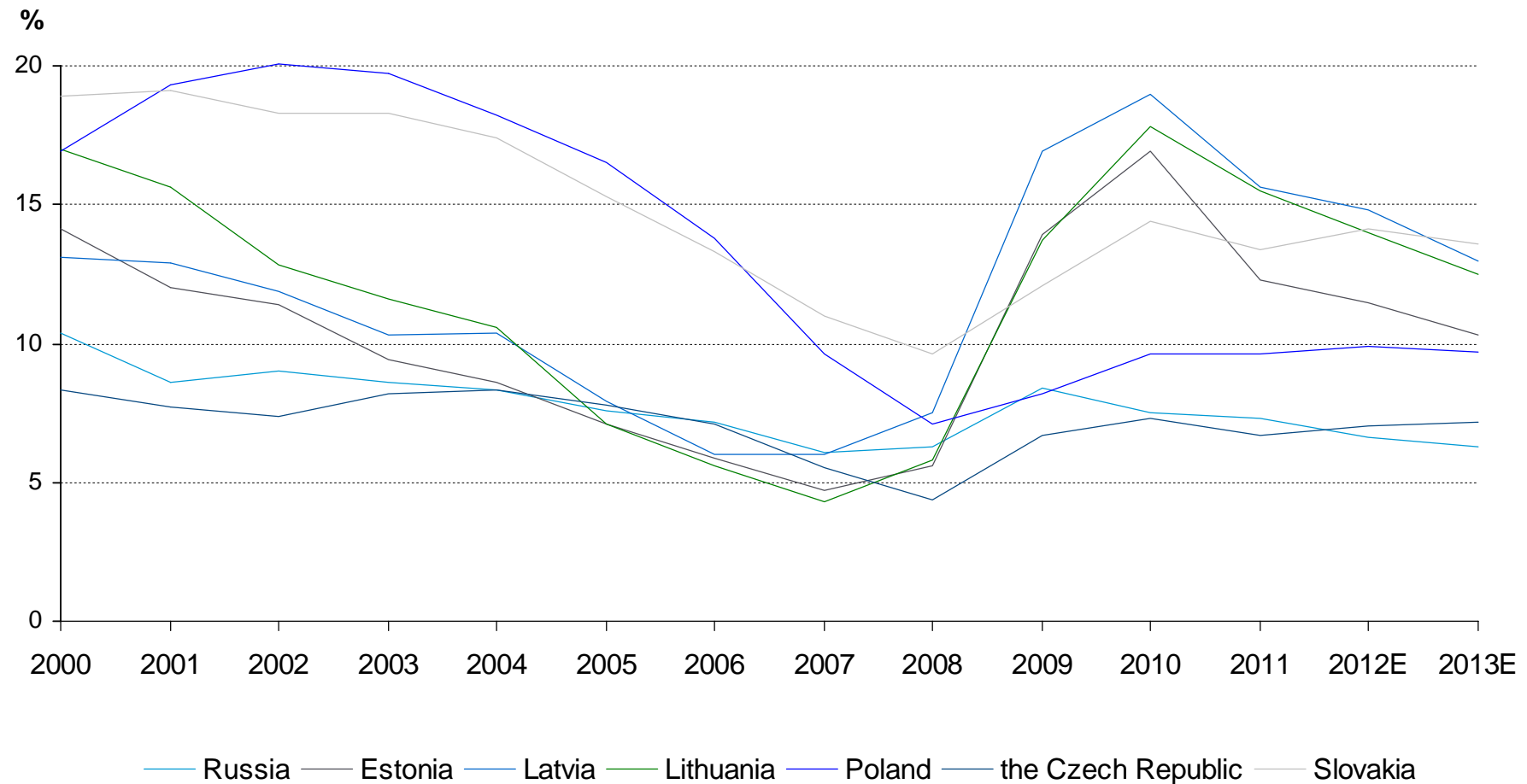
Unemployment rate % in Western European countries





# Unemployment is expected to decrease slightly in Russia and the Baltics

Unemployment rate % in Russia and Eastern European countries



# Housing indicators

Finland

Russia

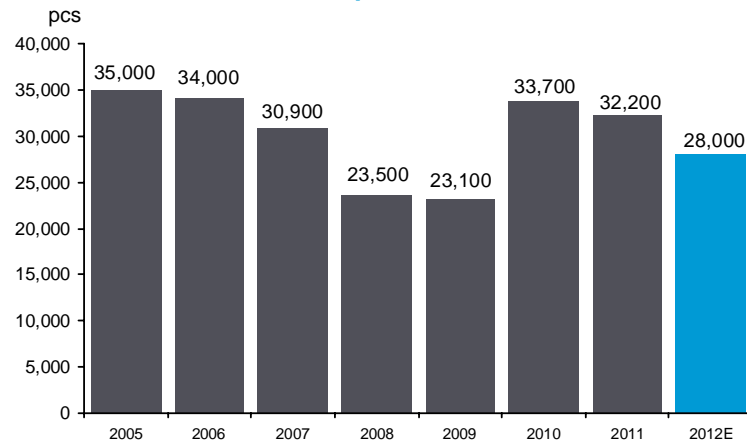
Eastern Europe



# Finland

## Low interest rates and improving consumer confidence support housing demand

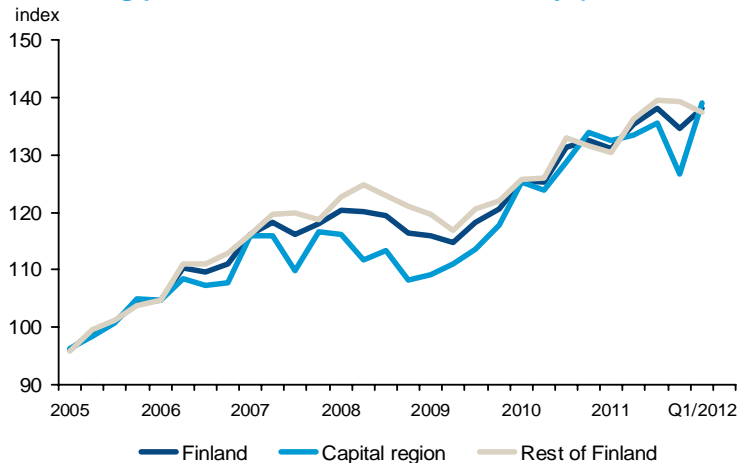
Residential start-ups are estimated to decrease



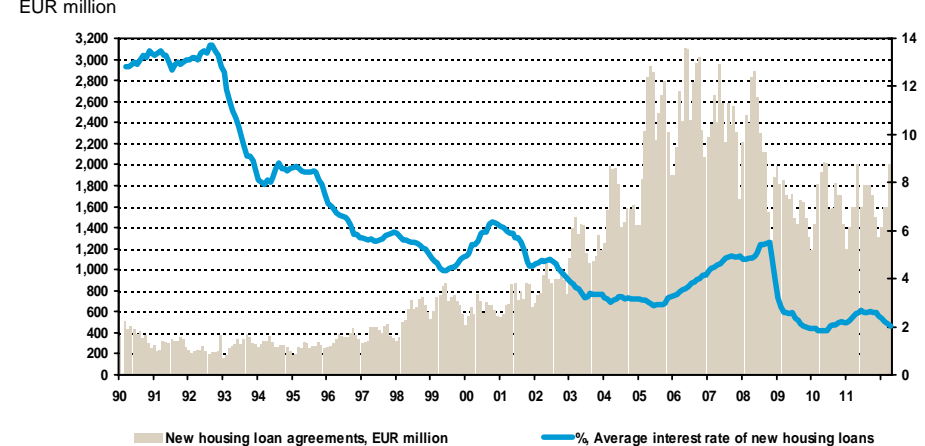
Views on economic situation in a year



Housing prices have increased moderately (new dwellings)



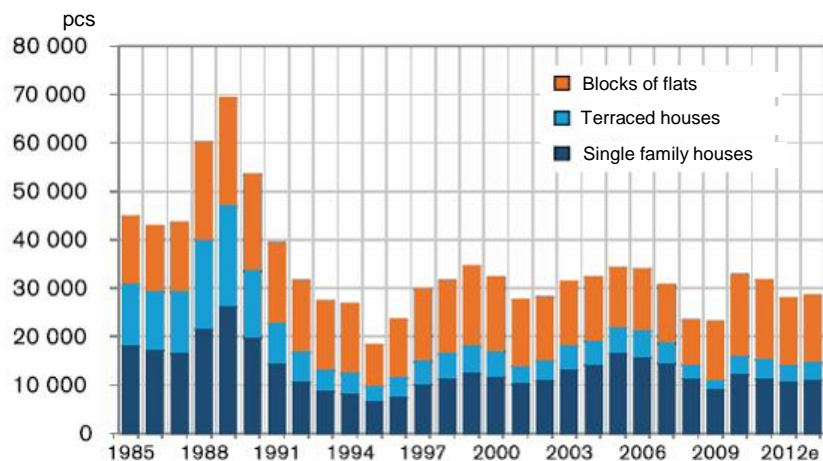
Interest rates will remain at low level in 2012



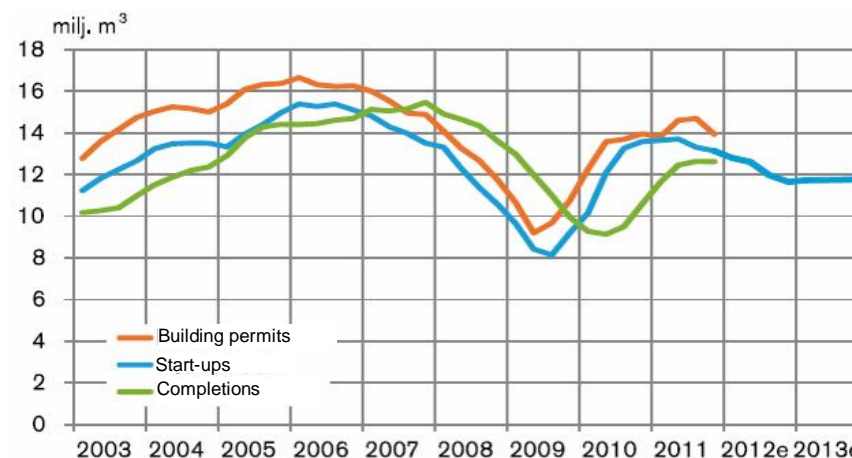
# Finland

## Housing indicators have remained stable

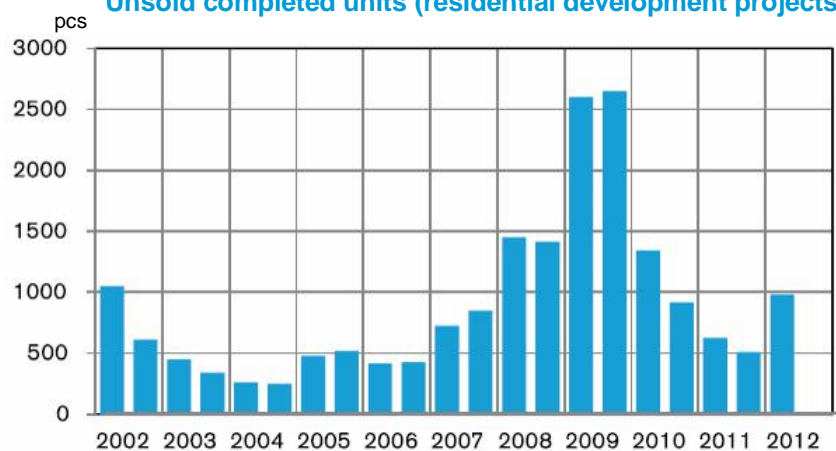
Housing start-ups by building type



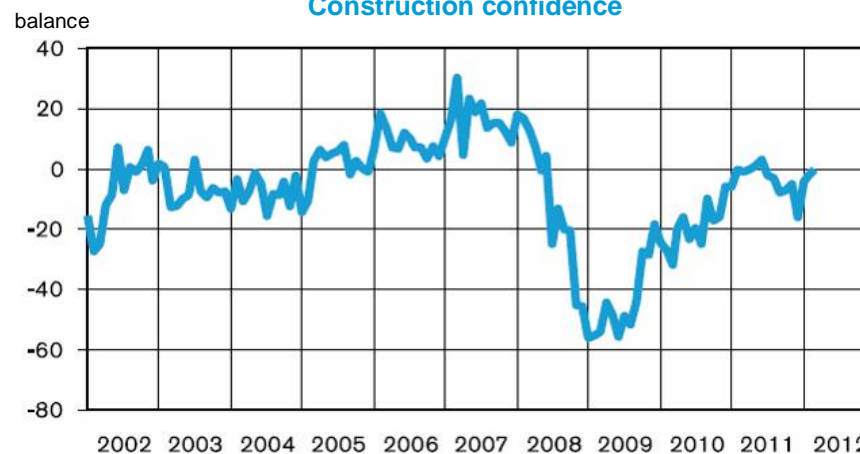
Housing: building permits, start-ups and completions



Unsold completed units (residential development projects)



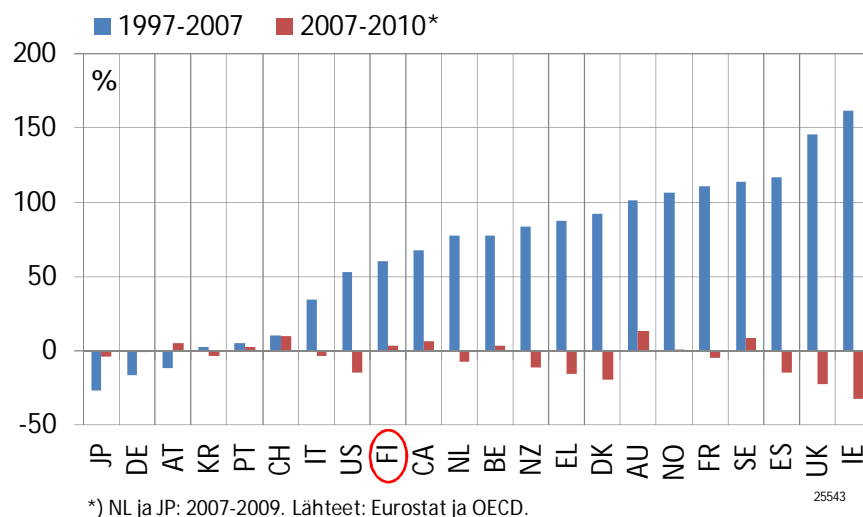
Construction confidence



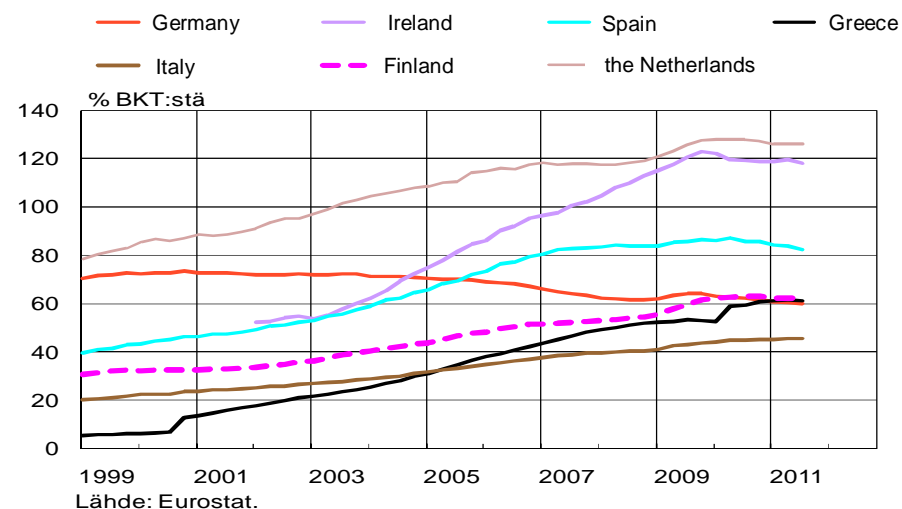
# Finland

## Household debt relatively low in Finland

### House prices in different countries



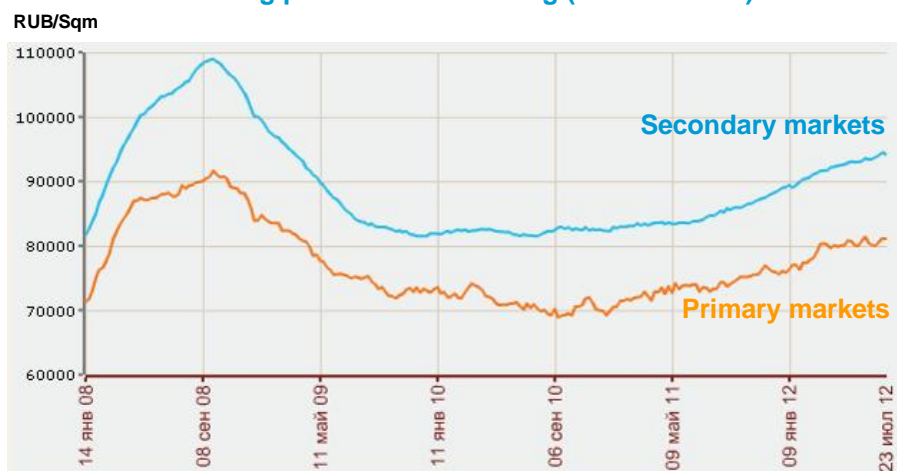
### Households debt against GDP (%)



# Russia

## Housing market estimated to remain good in 2012

Housing prices: St. Petersburg (1/2008-7/2012)



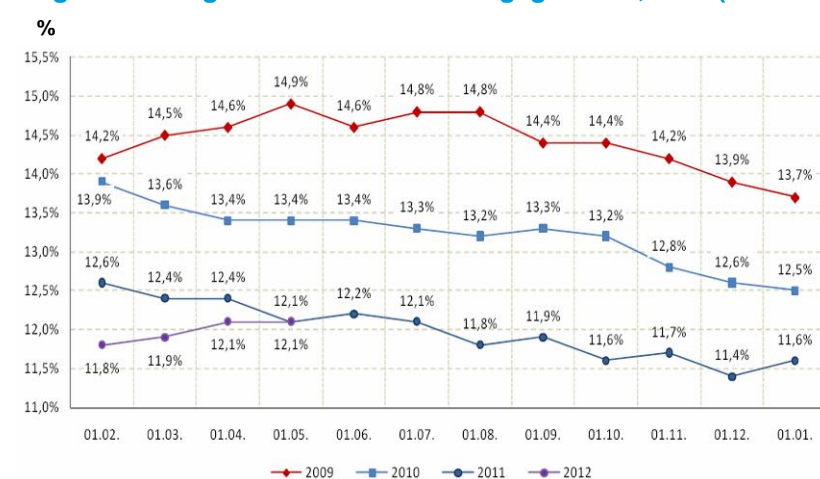
Price of Urals oil in Russia (1/2008-7/2012)



Housing prices: Moscow Oblast (1/2012-7/2012)



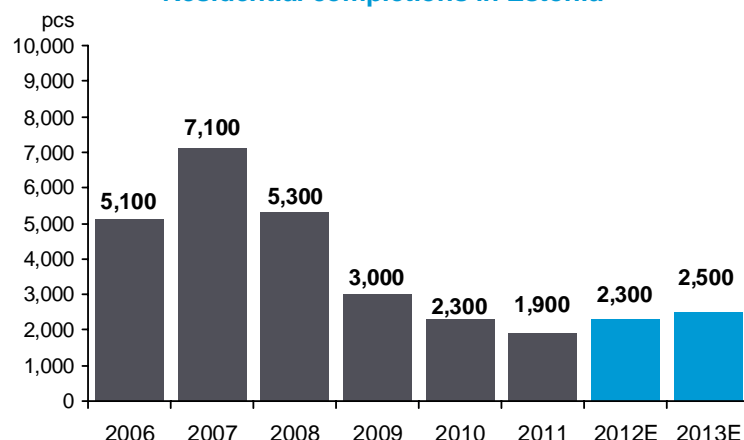
Weighted average interest rate on mortgage loans, RUB (2009-2012)



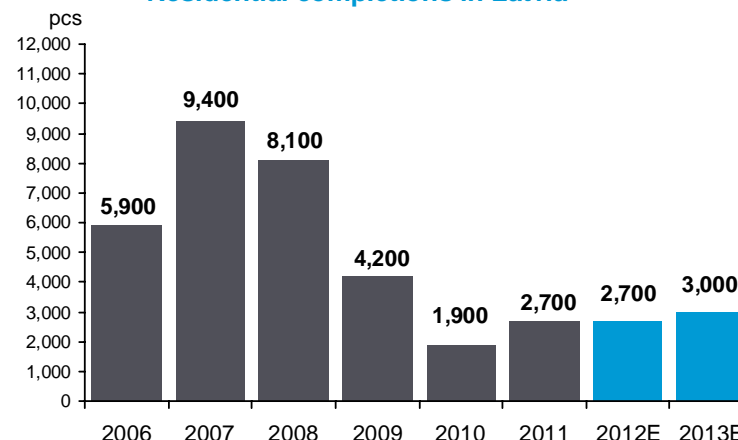
# The Baltic countries

## Moderate growth in residential construction expected

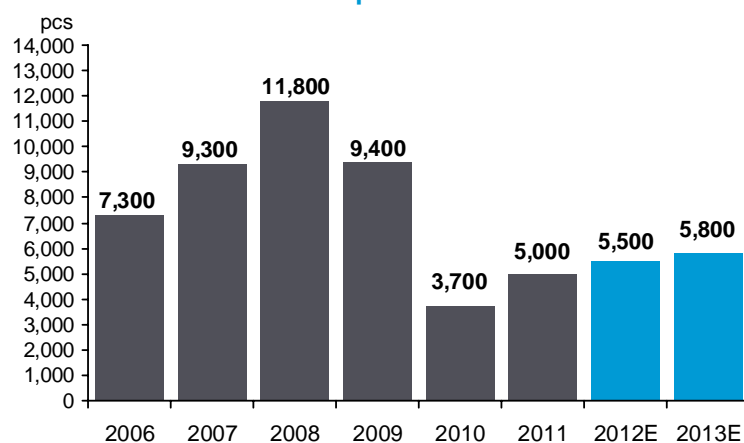
Residential completions in Estonia



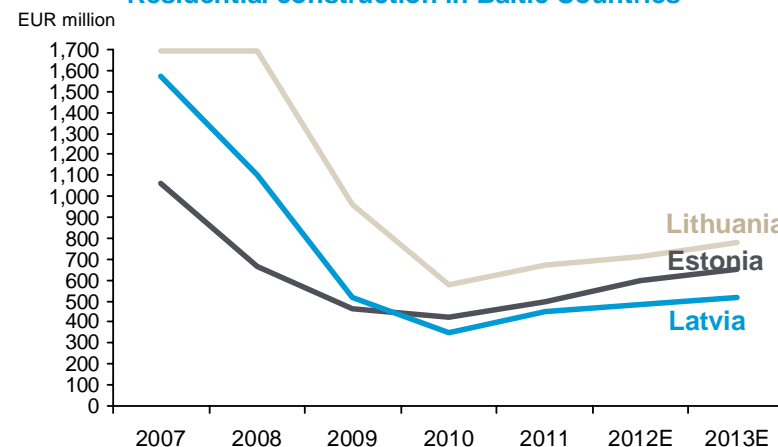
Residential completions in Latvia



Residential completions in Lithuania



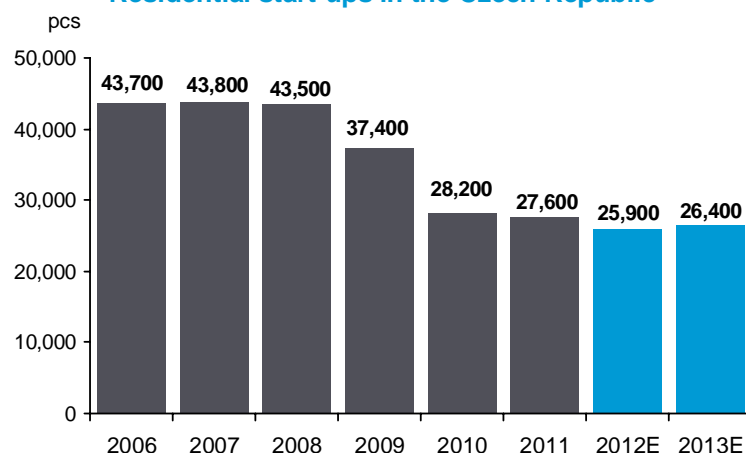
Residential construction in Baltic Countries



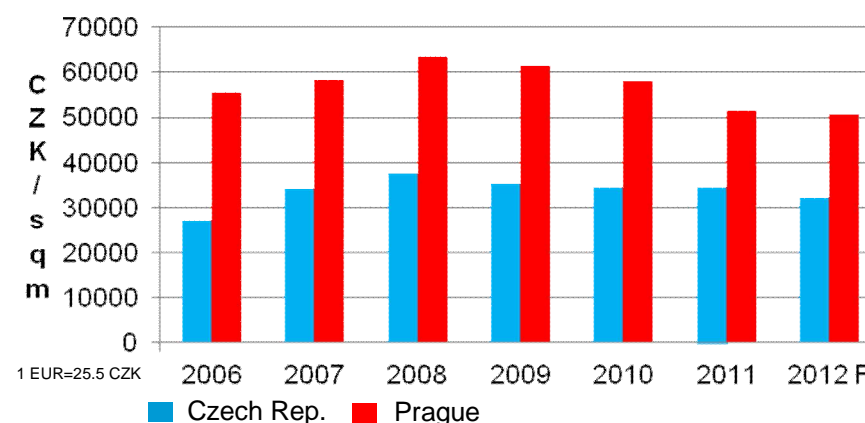
# Czech Republic and Slovakia

## Start-ups on last year's level in Czech but unsold units affect start-ups in Slovakia

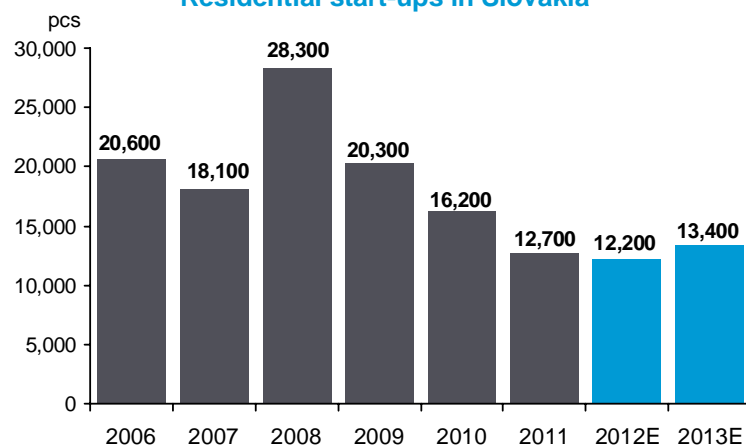
Residential start-ups in the Czech Republic



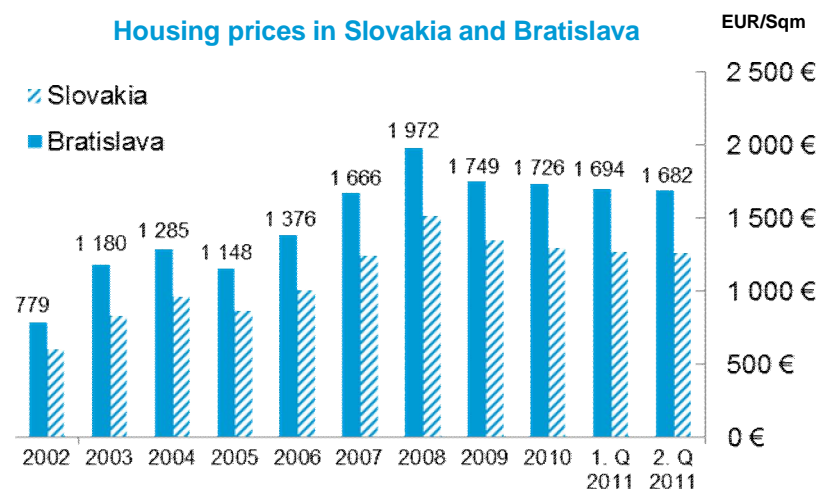
Housing prices in the Czech Republic and Prague



Residential start-ups in Slovakia



Housing prices in Slovakia and Bratislava

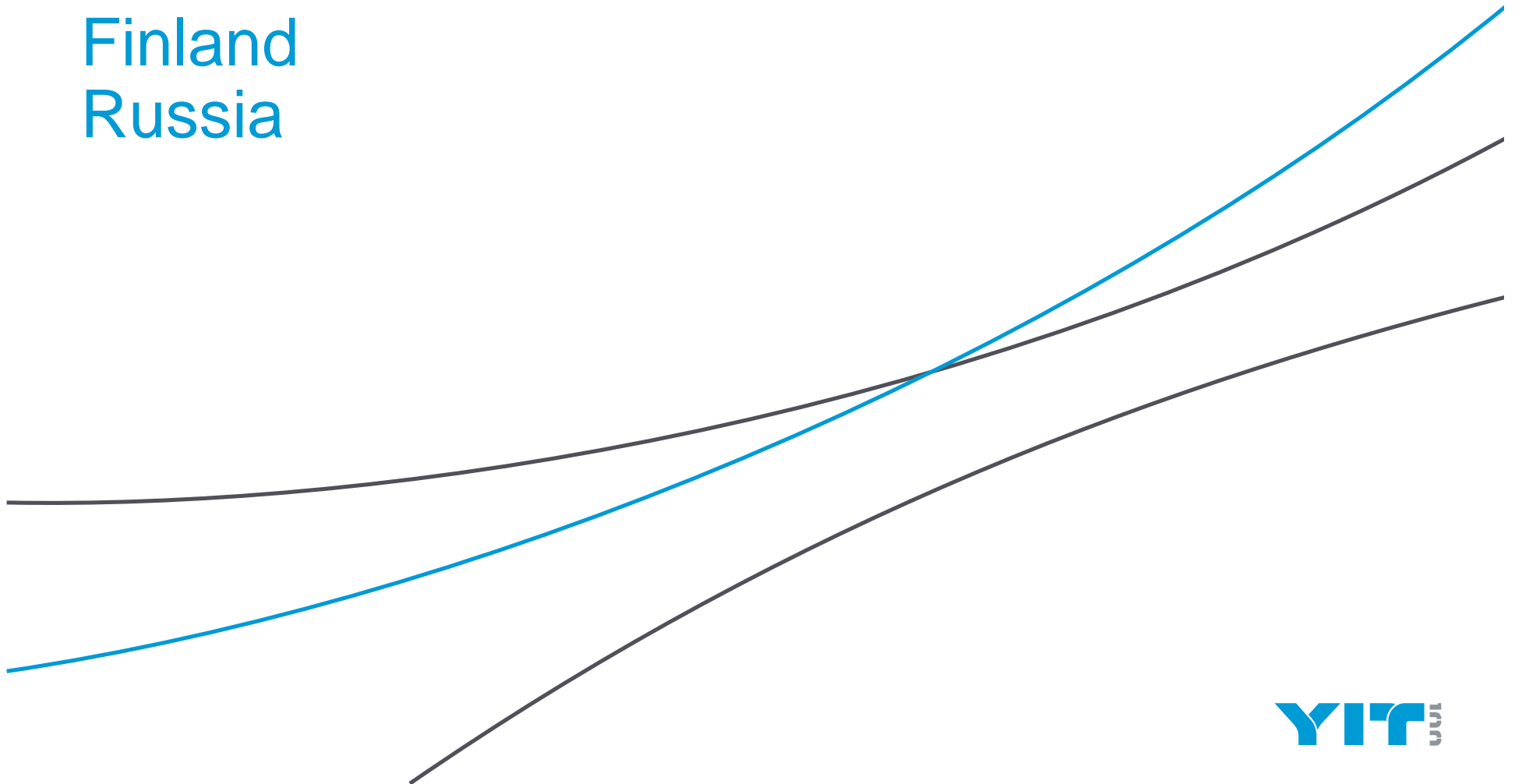




# Business Premises indicators

Finland

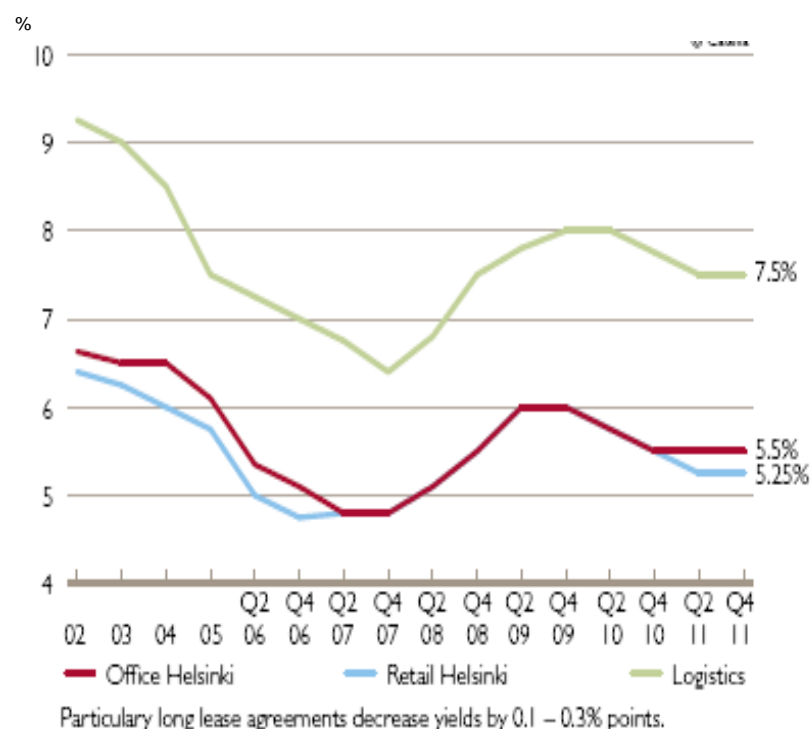
Russia



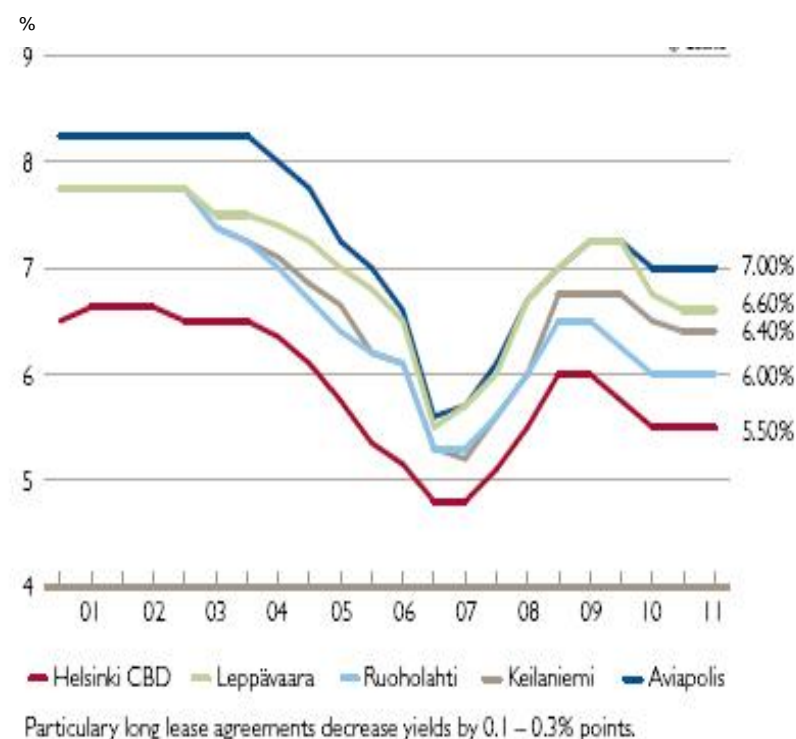
# Finland

## Slight yield decline on business premises market

### Prime yields in Helsinki Metropolitan Area



### Office yields in Helsinki Metropolitan Area

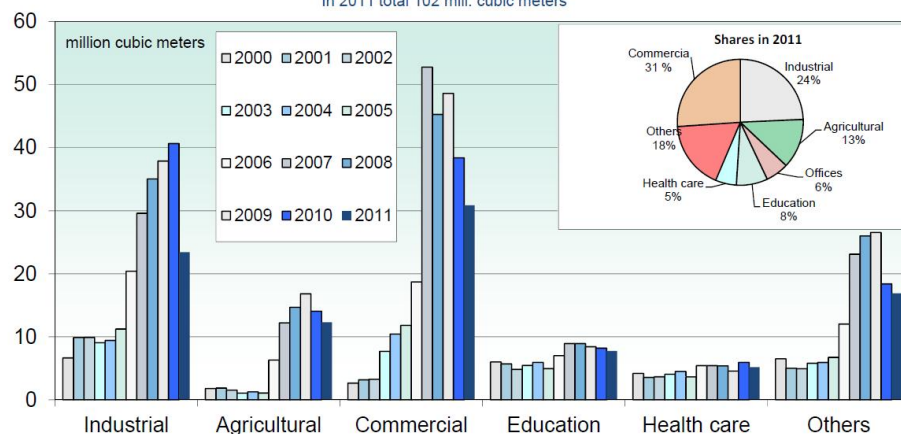


# Russia

## Growth potential in business premises market

### Commissioned Non-residential Buildings in Russia

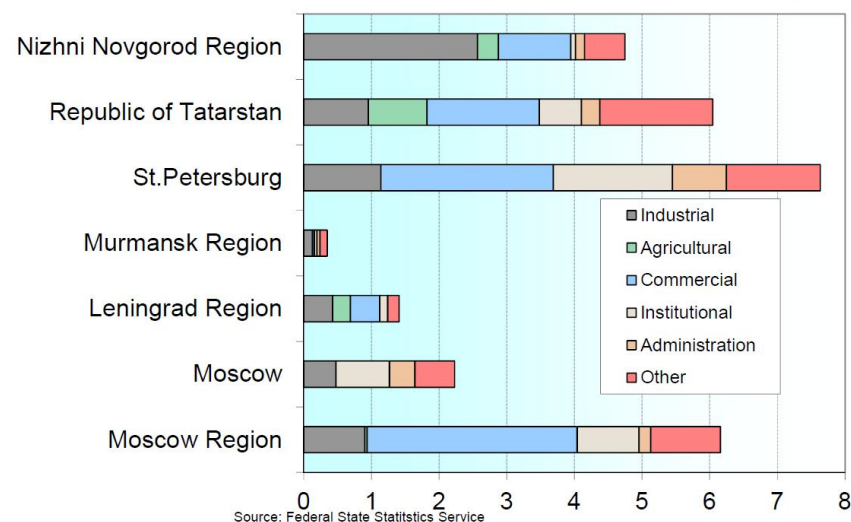
including new and reconstructed non-residential buildings  
In 2011 total 102 mill. cubic meters



Source: Federal State Statistics Service

### Non-residential Construction in 2011

million m<sup>3</sup>



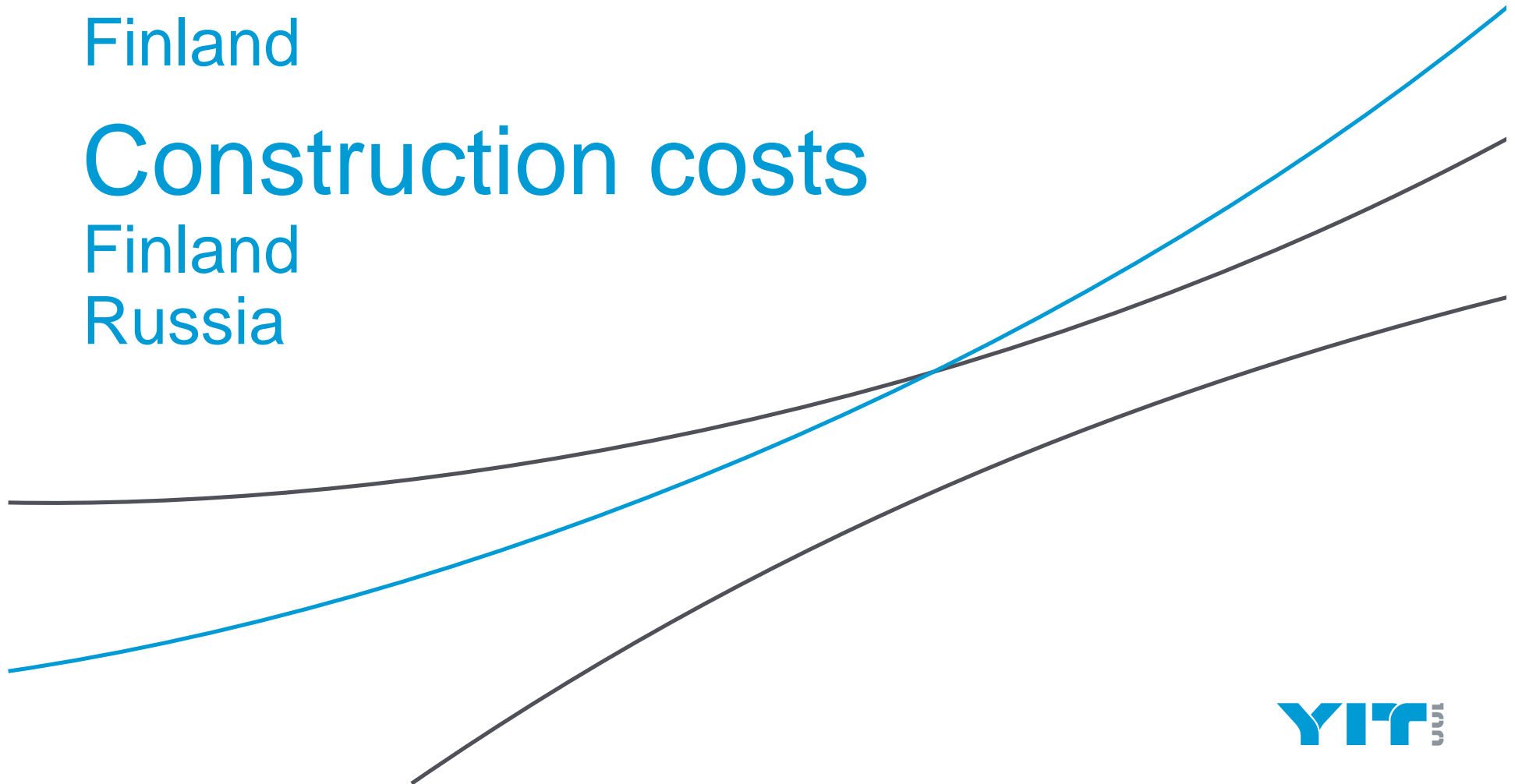
# Infrastructure construction

Finland

## Construction costs

Finland

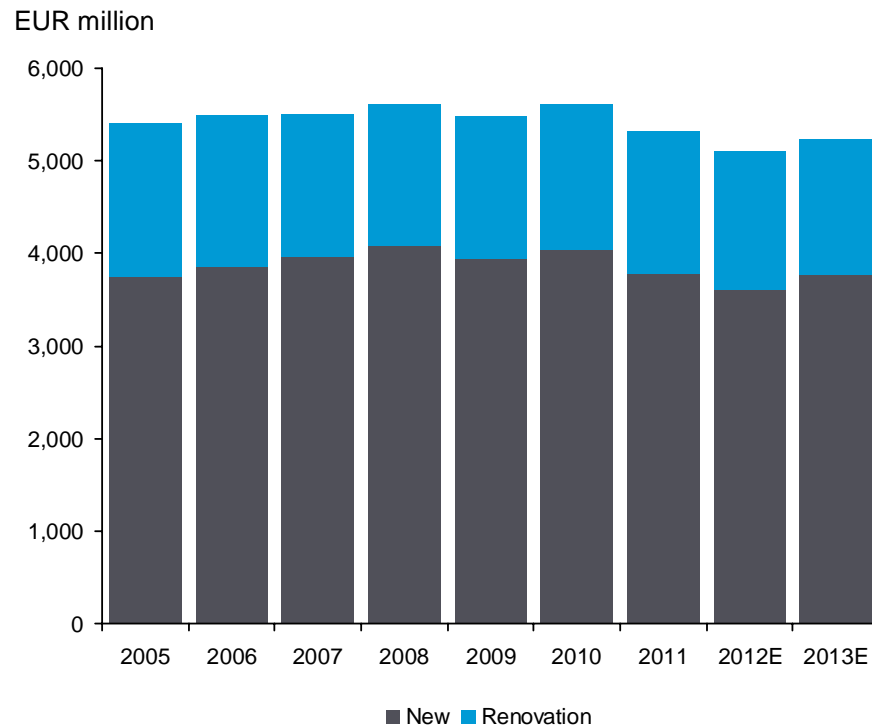
Russia



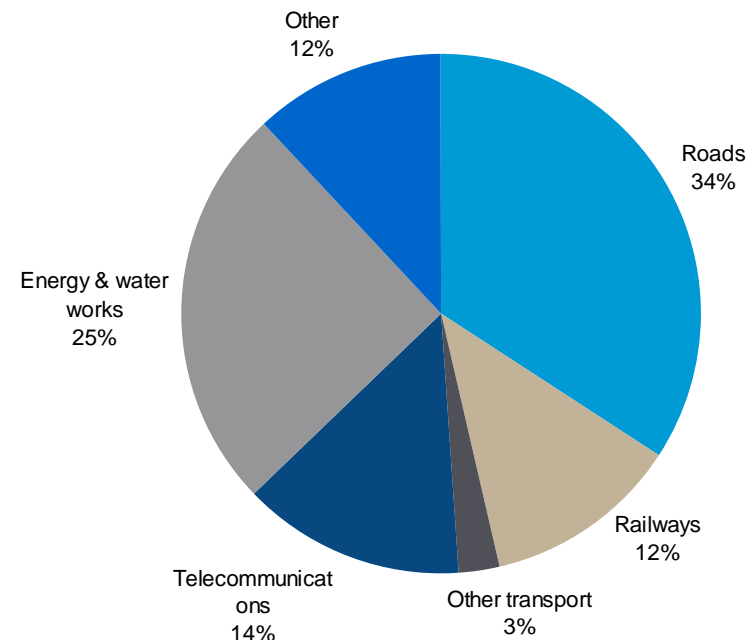
# Infrastructure construction

## Market estimated to remain stable in 2012

Infrastructure market in Finland



Infrastructure sectors in Finland (2011)

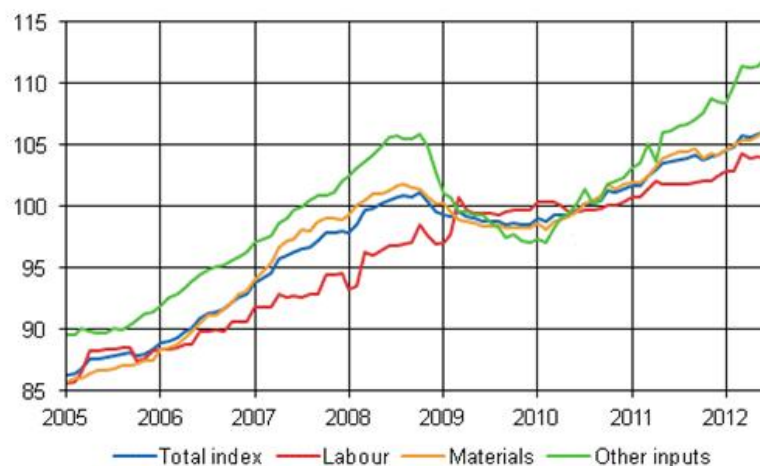


# Finland

## Construction costs have followed inflation

### Construction cost index

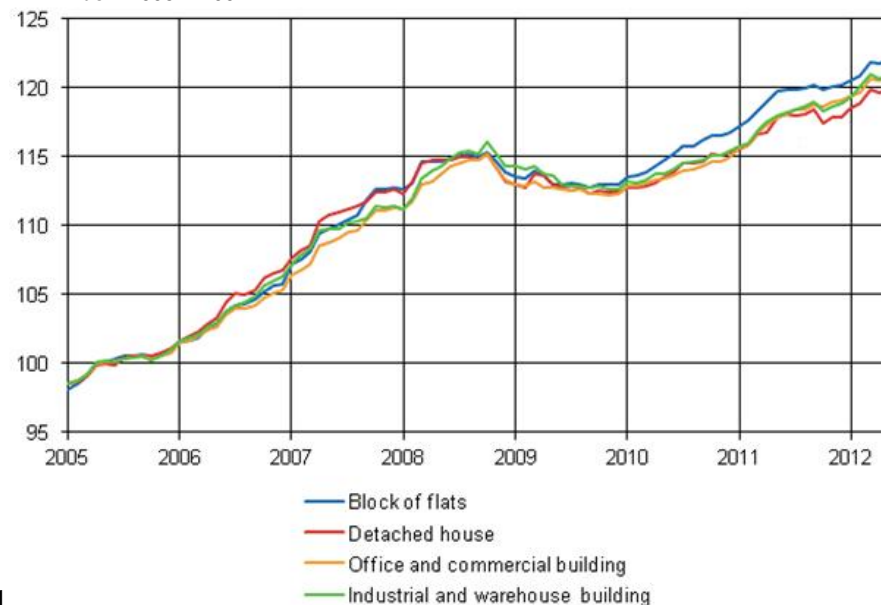
Building cost index 2010=100



- Building costs were 2.3% higher in June 2012 than in June 2011
- Labour costs rose by 2.0% and prices of materials by 1.8% compared to year ago. Other costs increased by 5.6%.
- From May to June total index rose by 0.2%.

### Construction costs by building type index

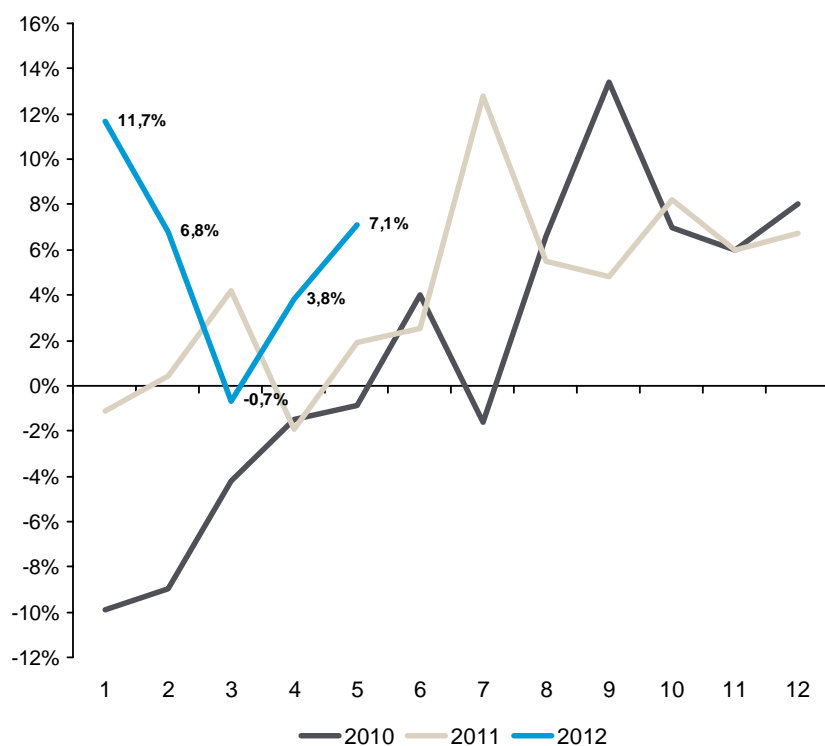
Index: 2005 = 100



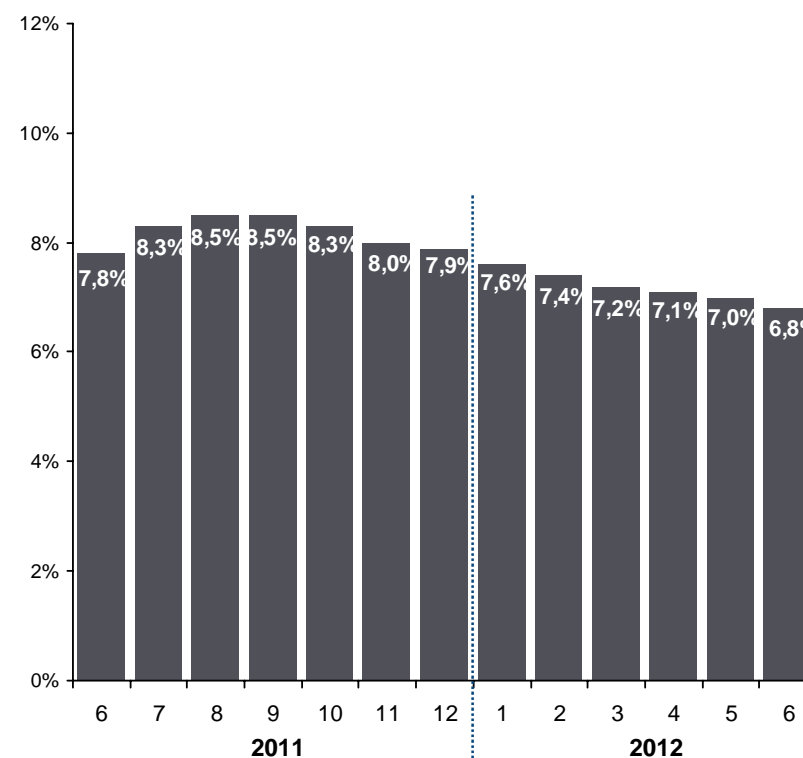
# Russia

## Construction output and construction costs

**Construction output 1/2010-5/2012  
(change compared to previous year)**

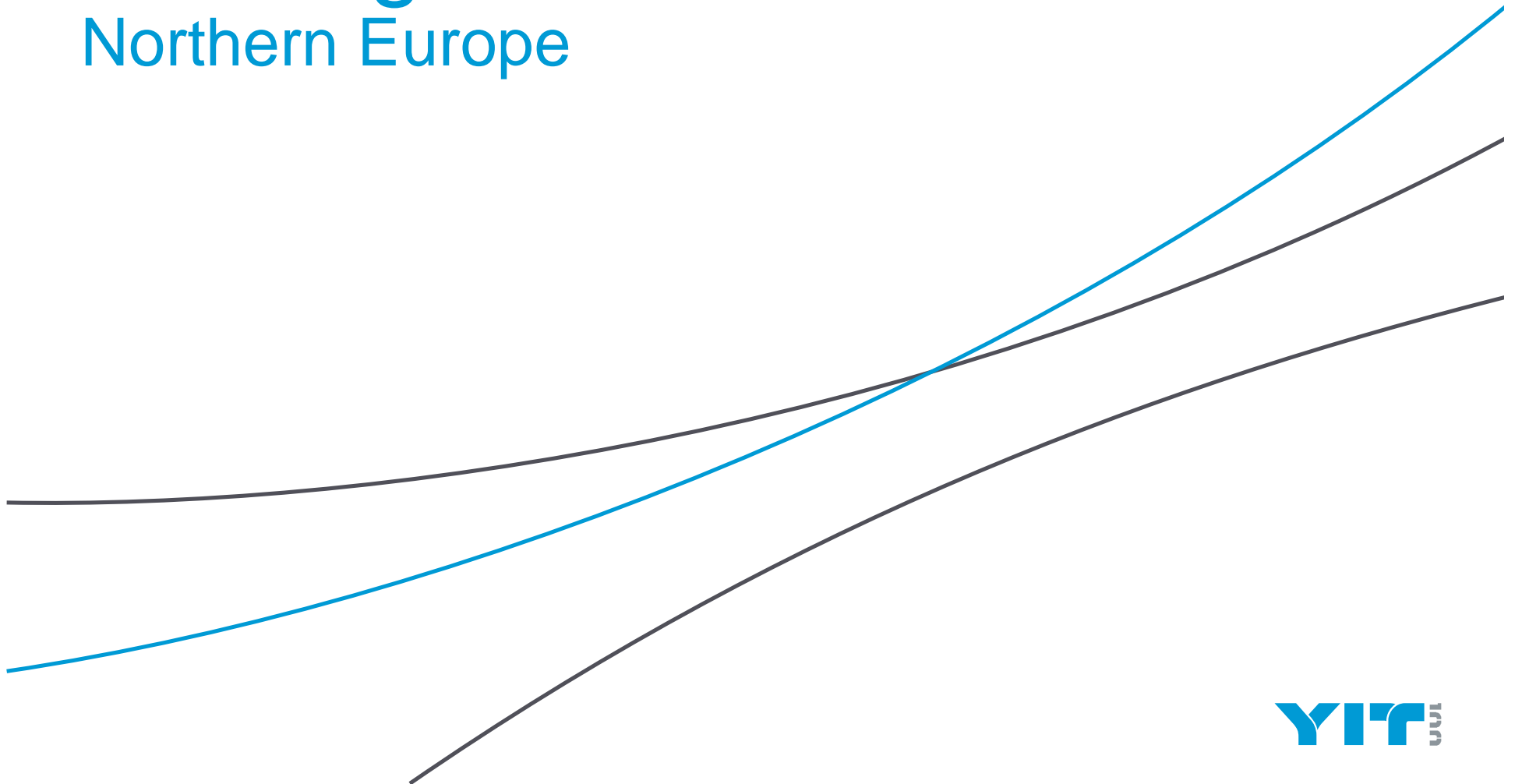


**Construction costs:  
Inflation in building materials 6/2011-6/2012**



# Building Services indicators

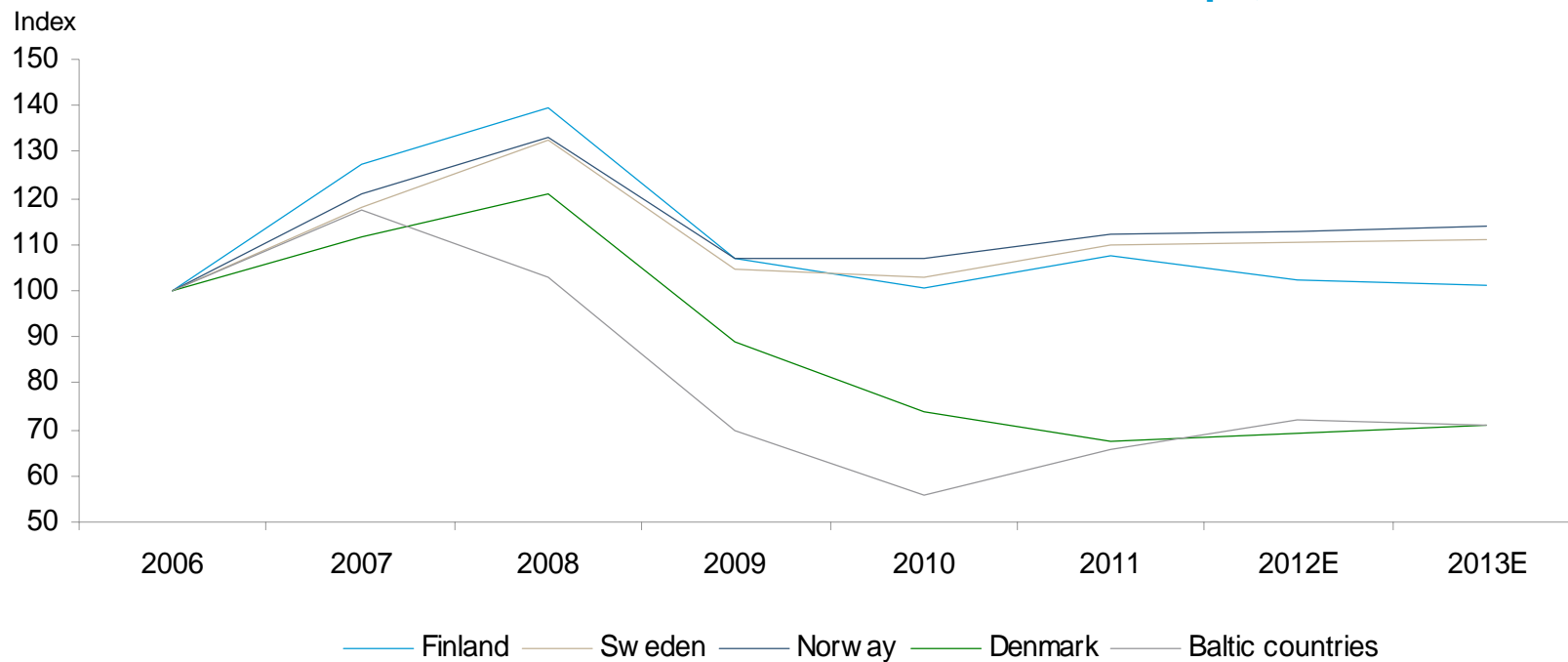
## Northern Europe





# New non-residential investments forecasted to remain stable in Northern Europe in 2012-2013

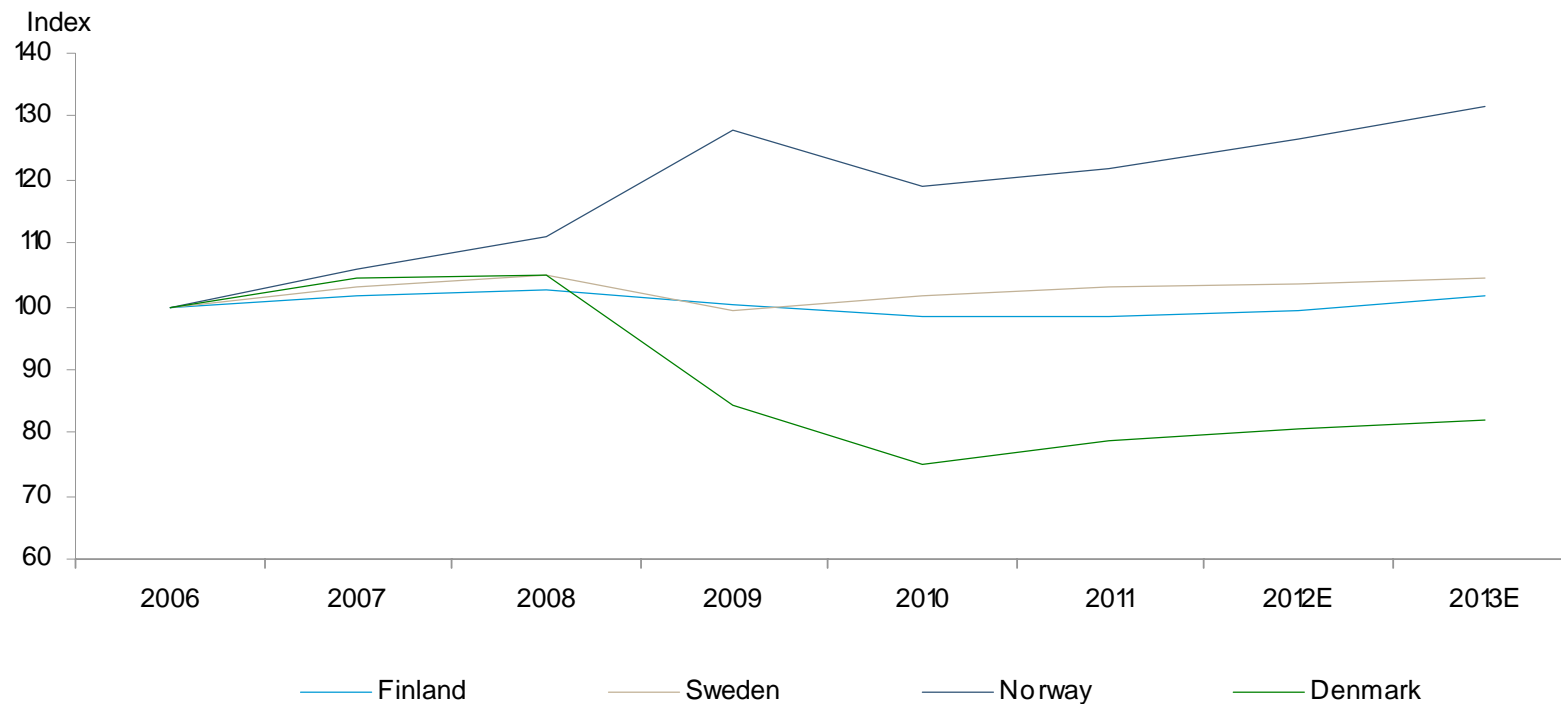
**New non-residential construction volumes in Northern Europe, index**



No data for Russia is available. Baltic countries figure include both new non-residential construction and renovation.

# Stable demand estimated for service and maintenance during 2012-2013

## Non-residential service and renovation volumes in Northern Europe, index

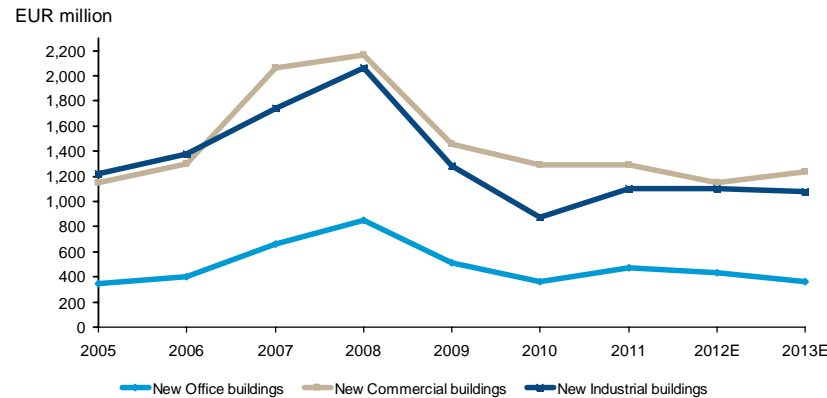


No data for Russia or Baltic countries is available.

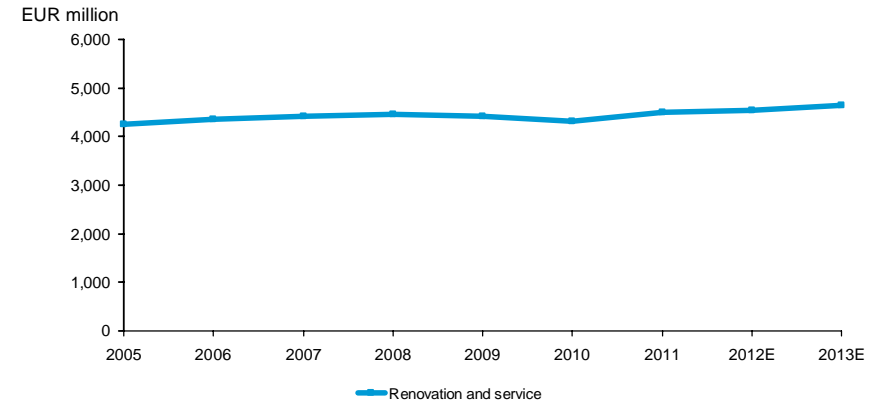
# Finland

## Non-residential construction is expected to remain weak

New non-residential construction by key sector



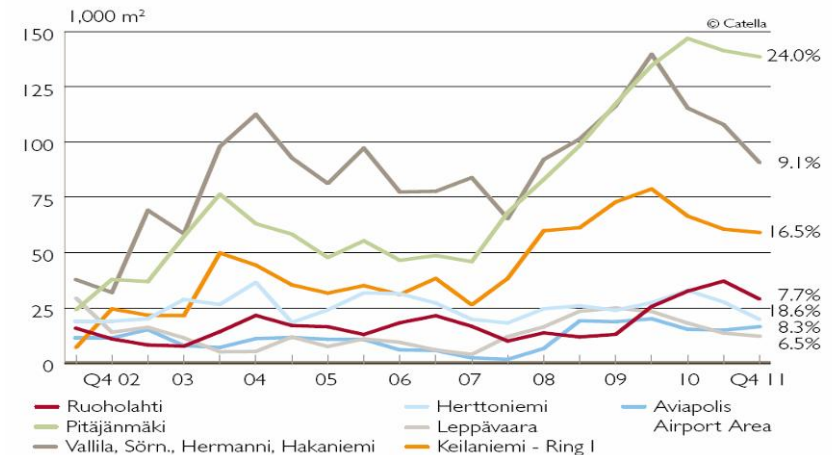
Non-residential renovation and service



Vacancy rates in Helsinki Metropolitan Area 1995-2011



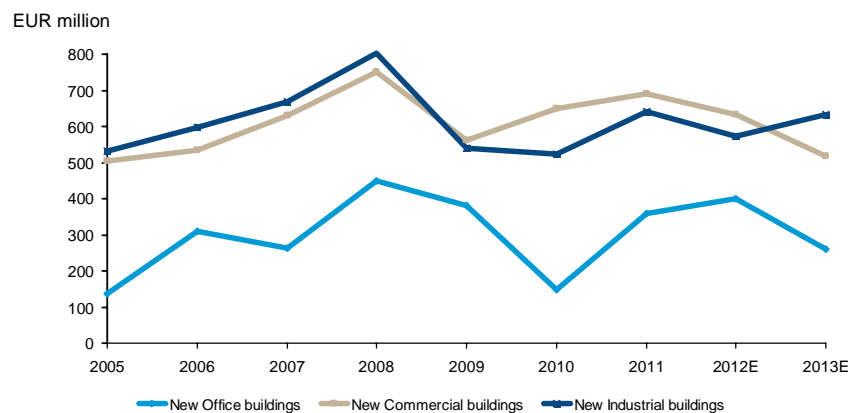
Vacant office space in Helsinki Metropolitan Area



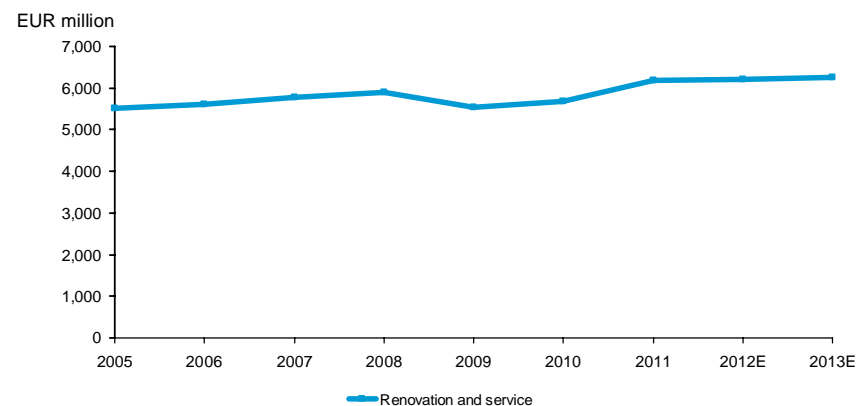
# Sweden

## Non-residential market is expected to decline

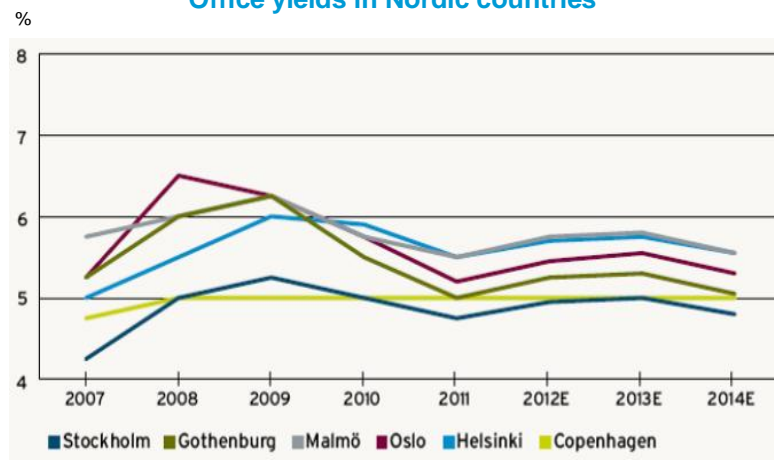
New non-residential construction by key sector



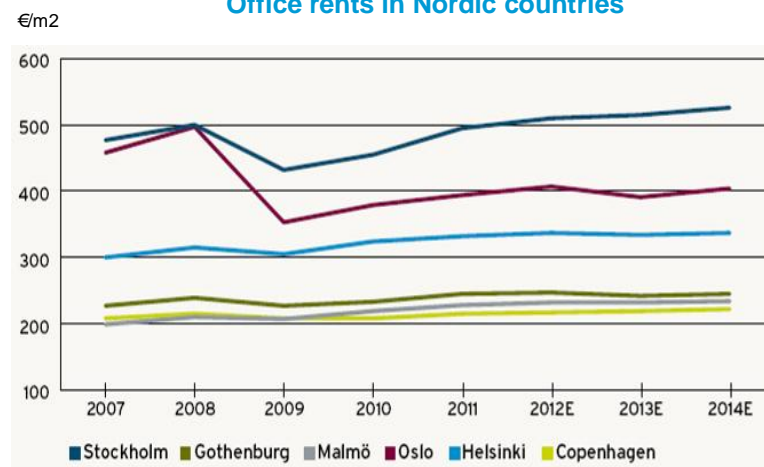
Non-residential renovation and service



Office yields in Nordic countries



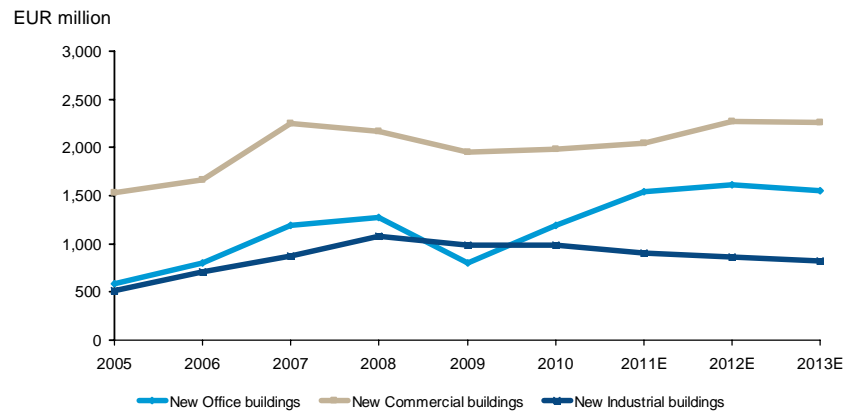
Office rents in Nordic countries



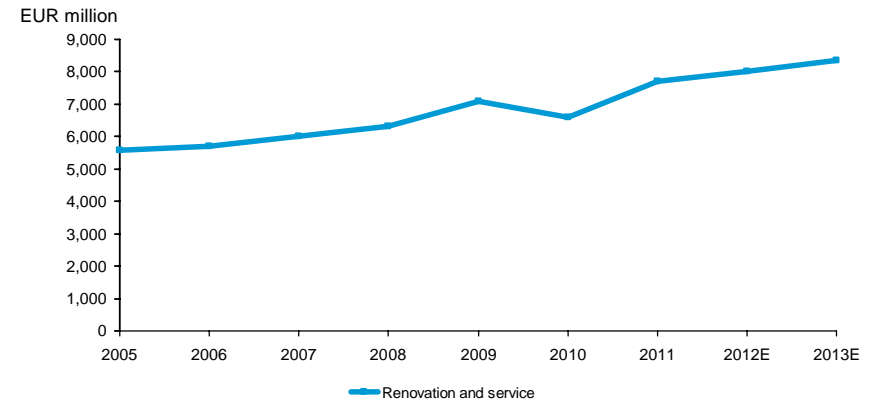
# Norway

## Market is forecasted to remain relatively stable

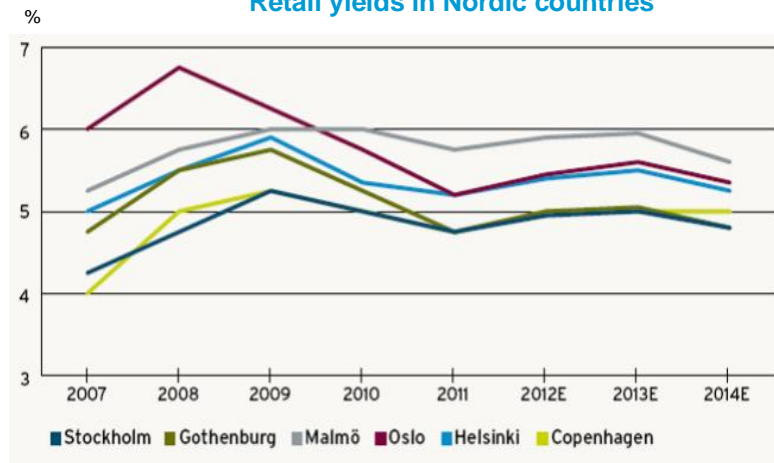
New non-residential construction by key sector



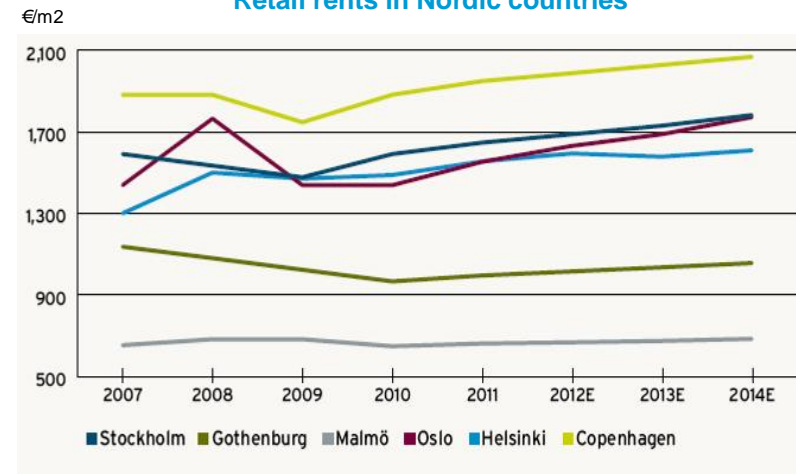
Non-residential renovation and service



Retail yields in Nordic countries



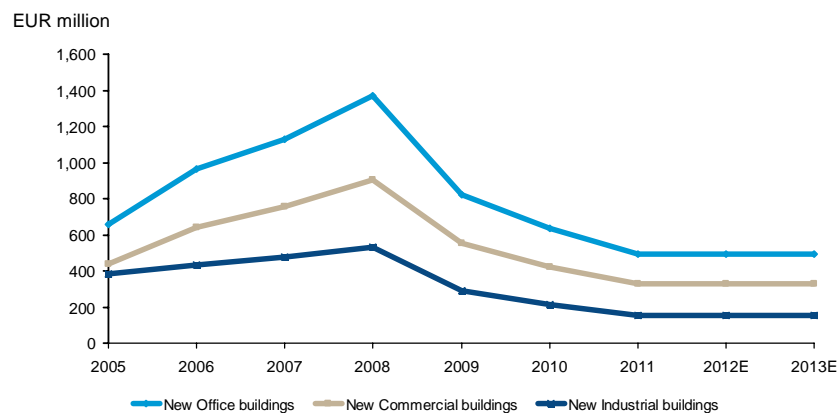
Retail rents in Nordic countries



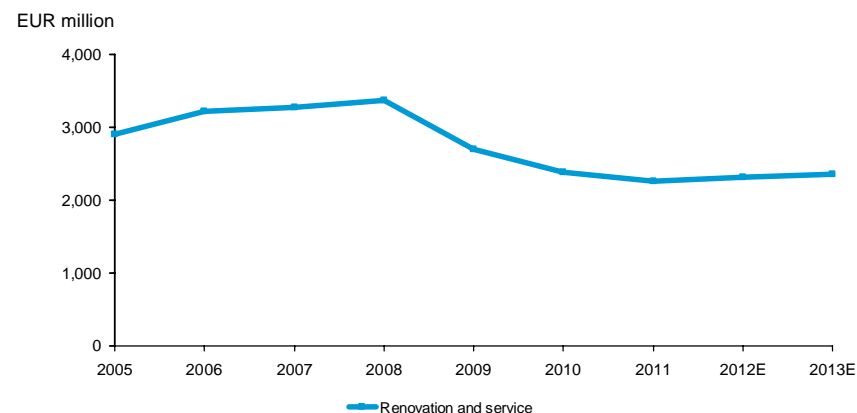
# Denmark

## Non-residential market remains at low level

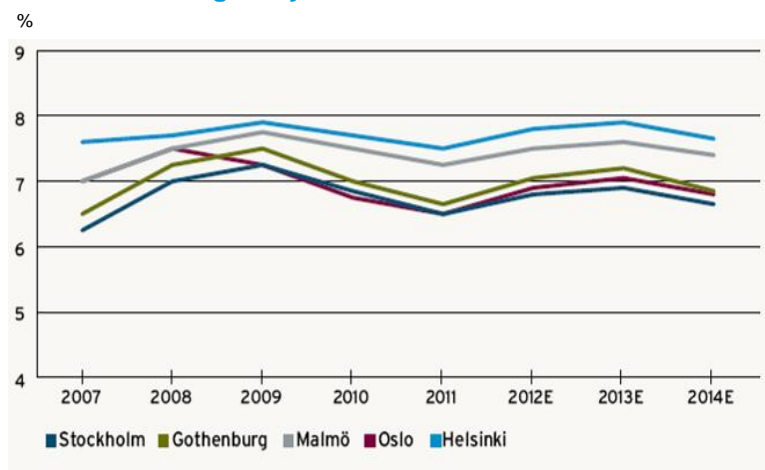
New non-residential construction by key sector



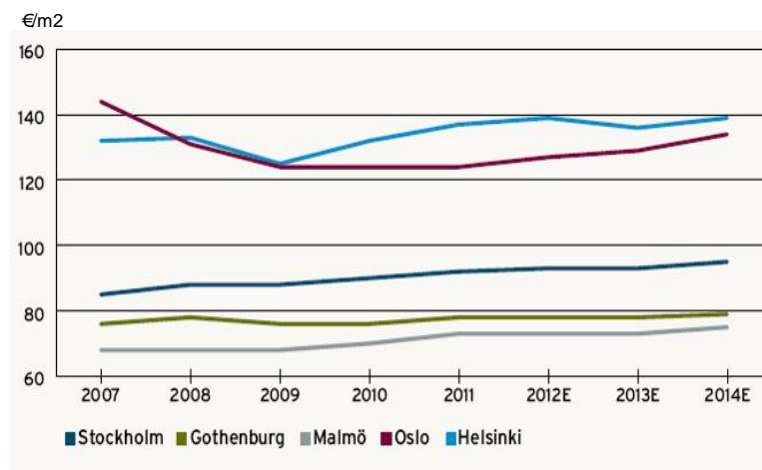
Non-residential renovation and service



Logistic yields in Nordic countries



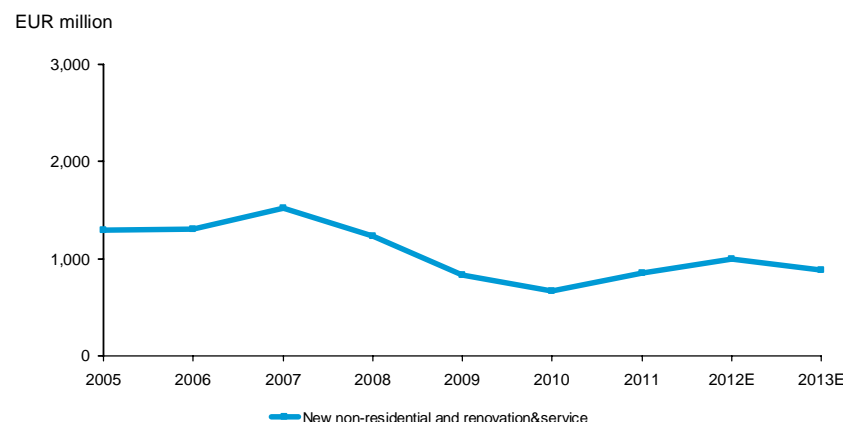
Logistic rents in Nordic countries



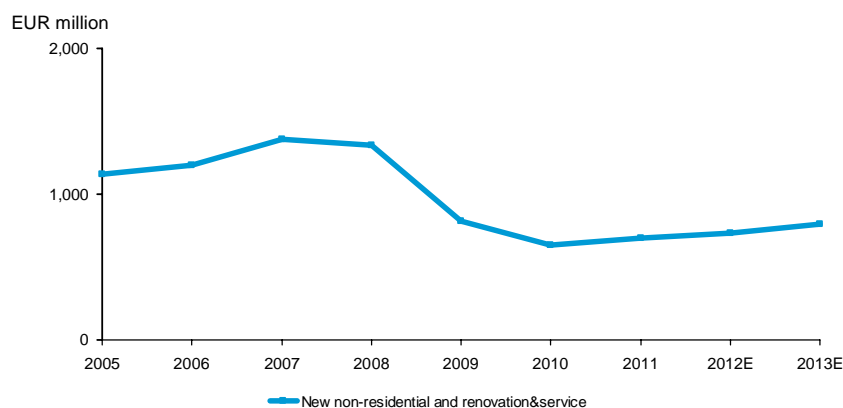
# The Baltic Countries

## Non-residential construction forecasted to pick up slightly

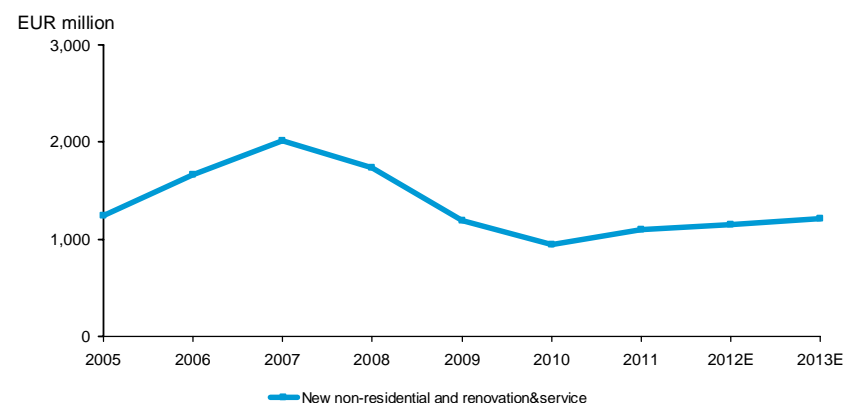
New non-residential and renovation & service in Estonia



New non-residential and renovation & service in Latvia

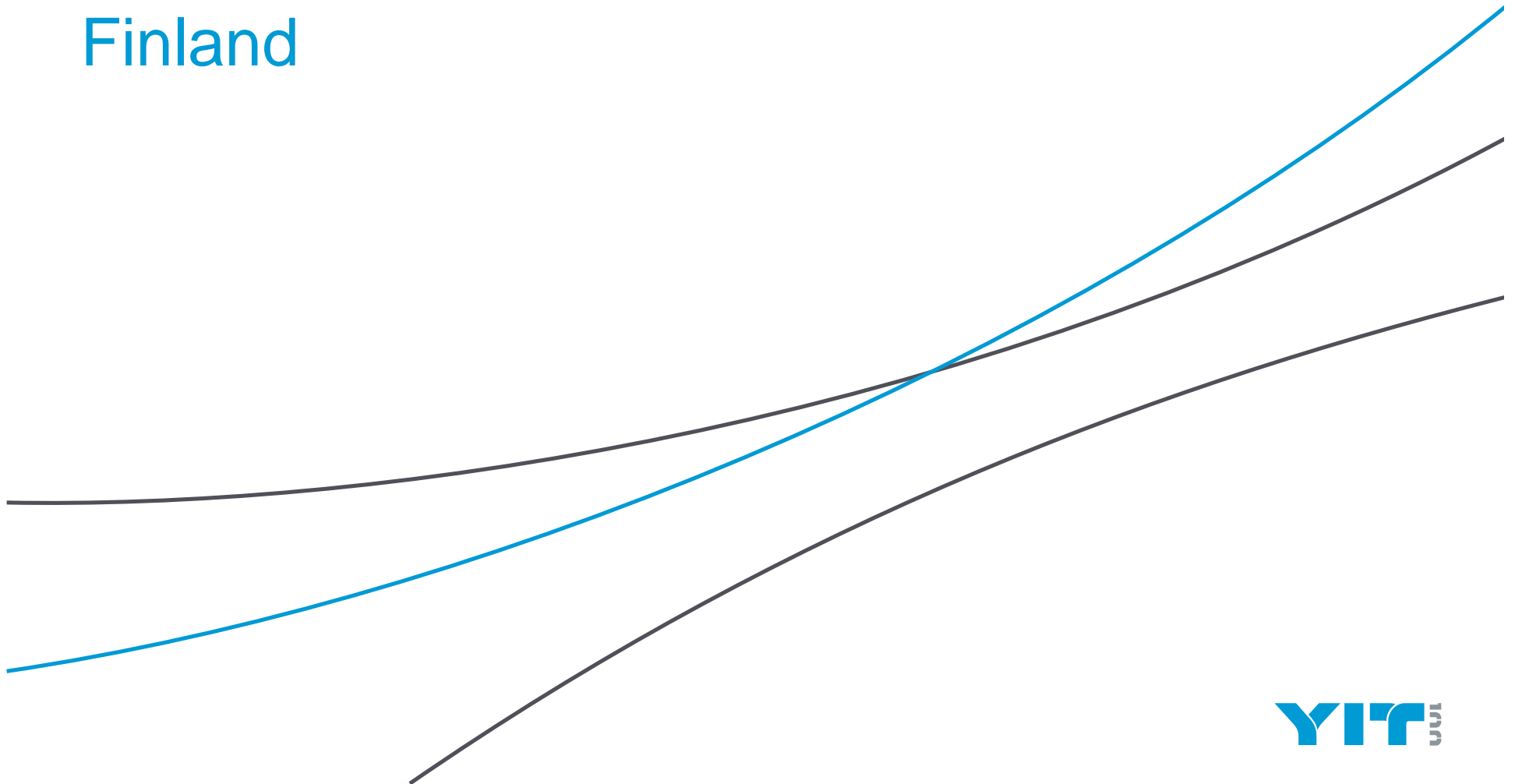


New non-residential and renovation & service in Lithuania



# Industrial indicators

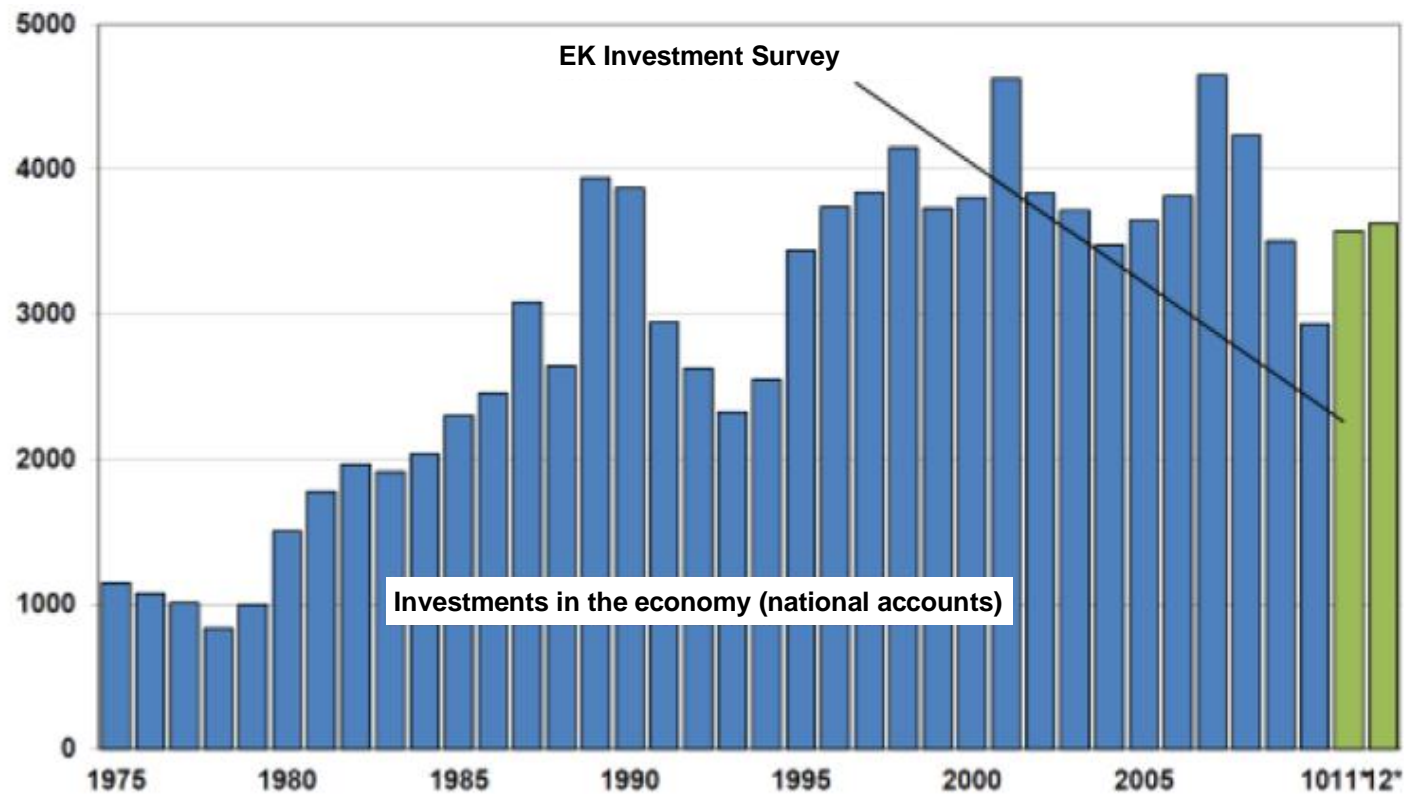
## Finland





# Industrial investments are estimated to increase slightly in Finland

## Manufacturing sectors' fixed investments in Finland



# Industrial confidence and production expectations still at low level in Finland

Industrial confidence

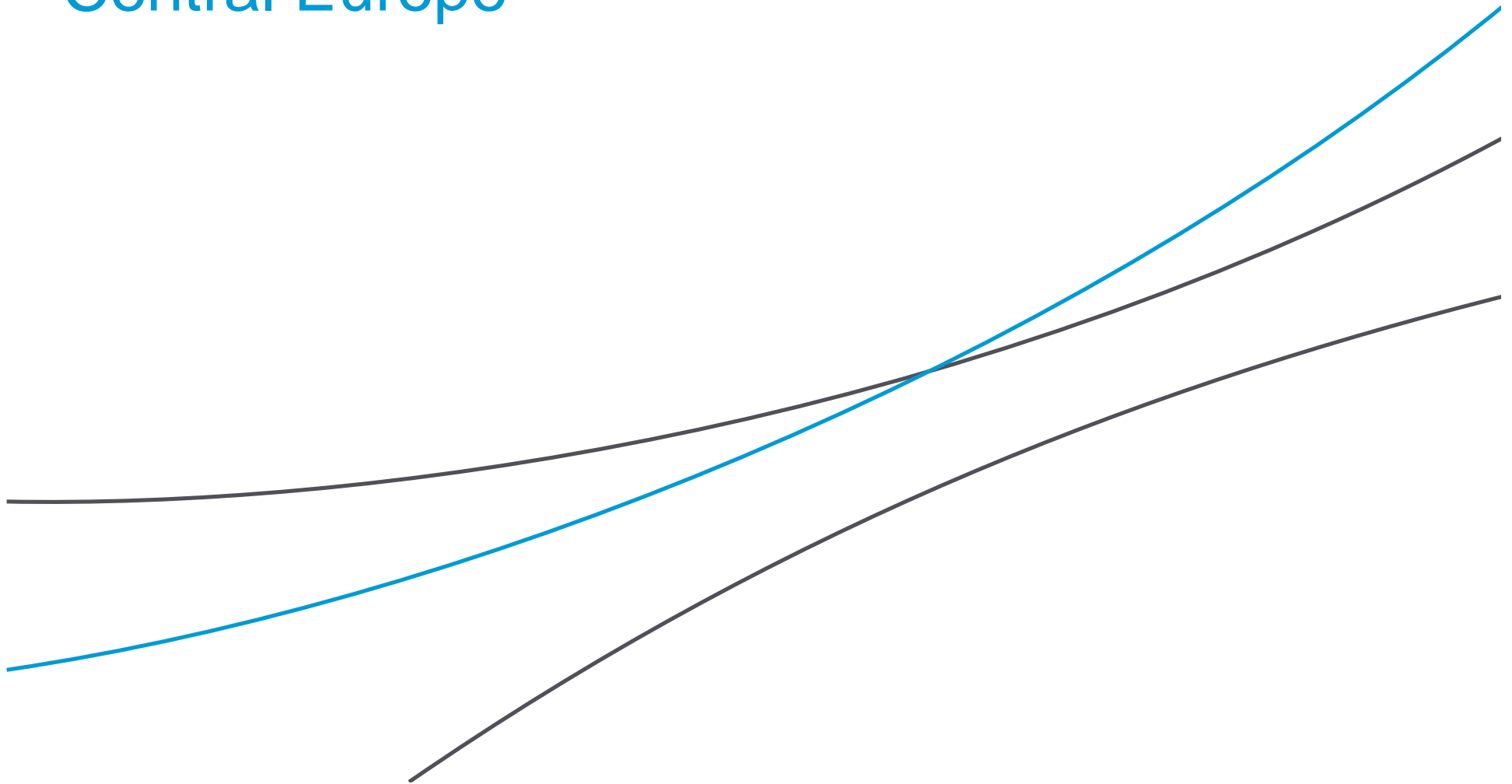


Industrial production expectations



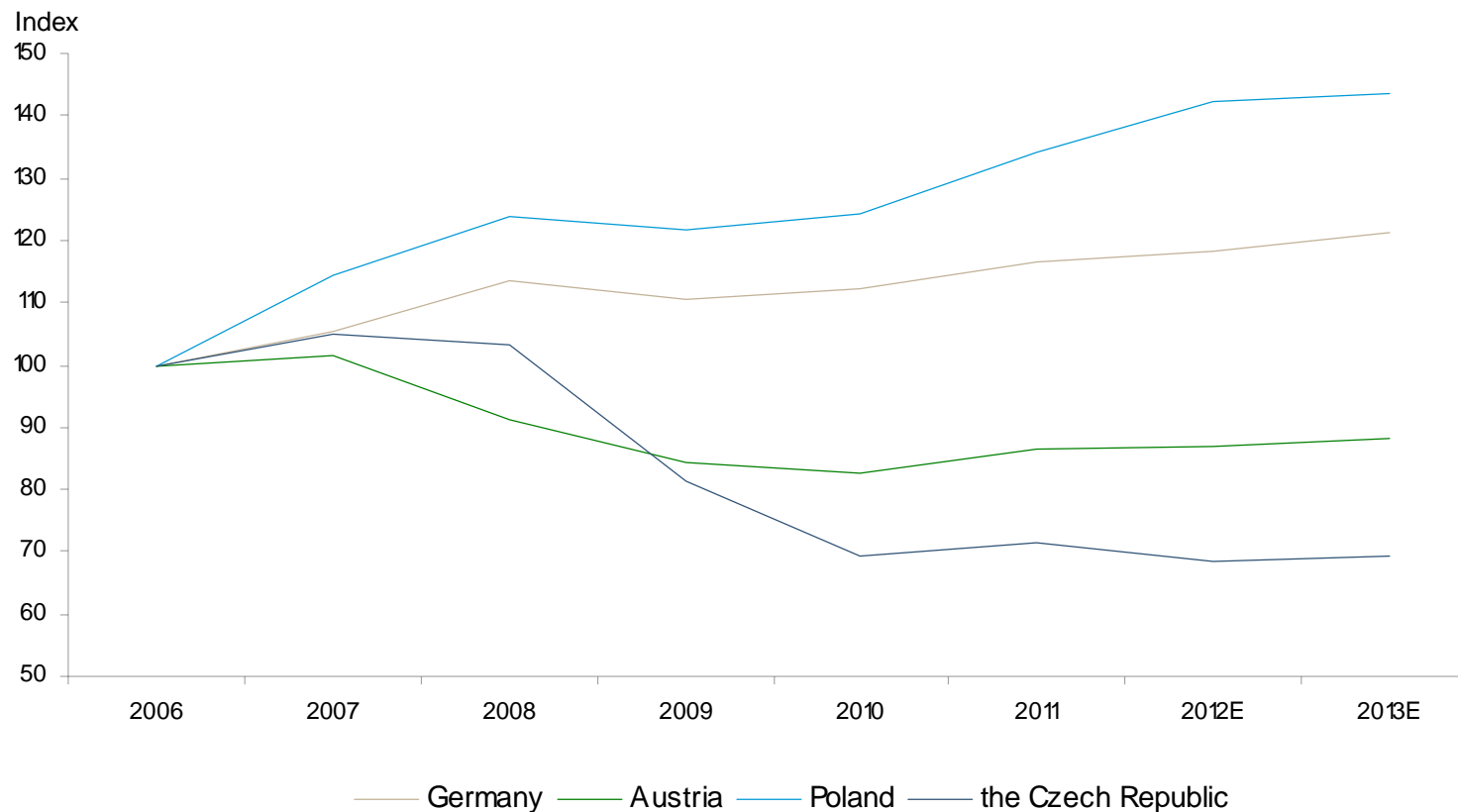
# Building Services indicators

## Central Europe



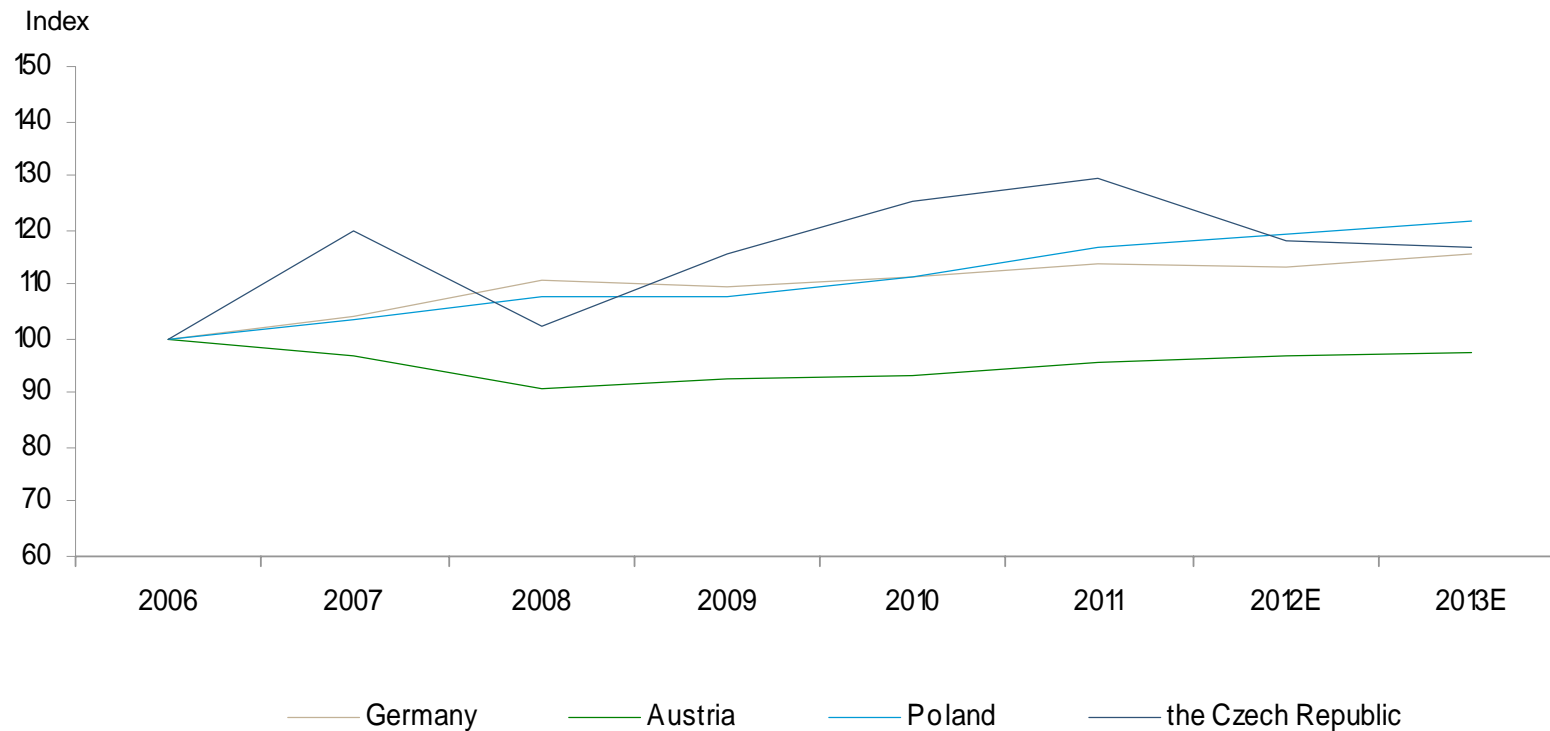
# New non-residential investments forecasted to increase slightly in Germany and Poland in 2012-2013

## New non-residential construction volumes in Central Europe, index



# Stable demand in service and maintenance continues in 2012-2013

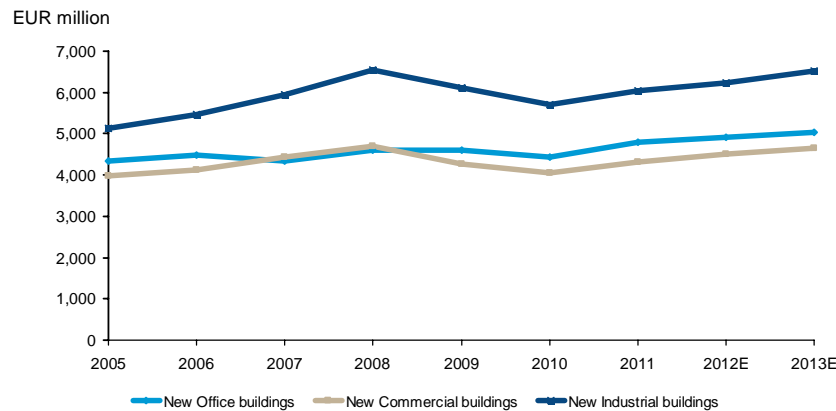
## Non-residential service and renovation volumes in Central Europe, index



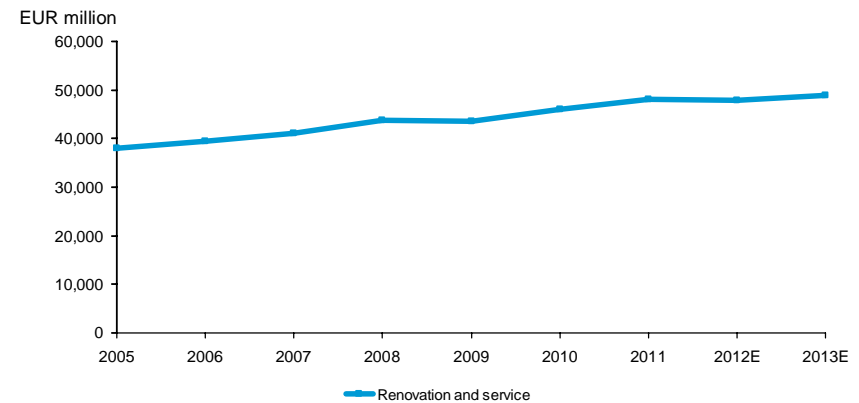
# Germany

## Market demand is relatively stable

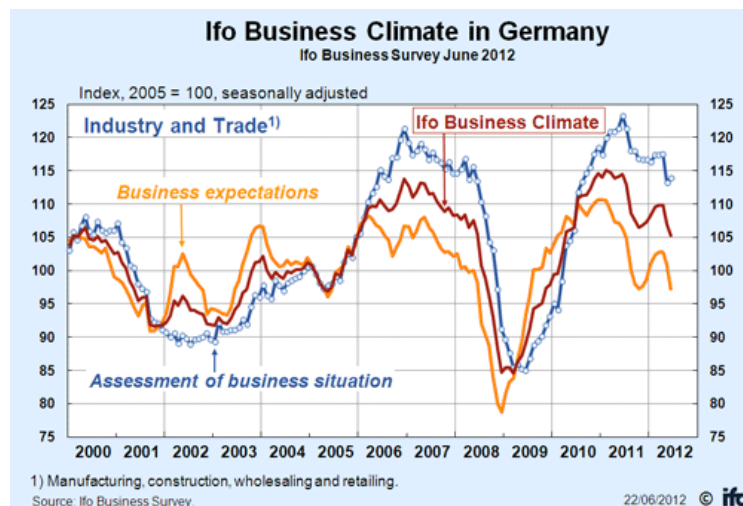
New non-residential construction by key sector



Non-residential renovation and service



IFO Business climate in Germany



ZEW index in Germany

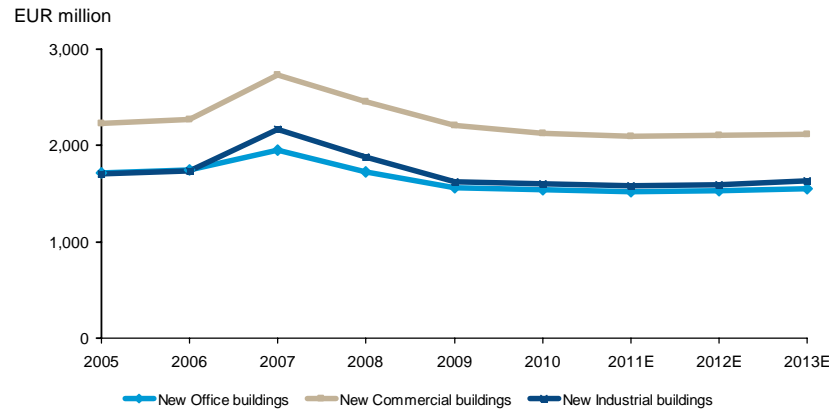




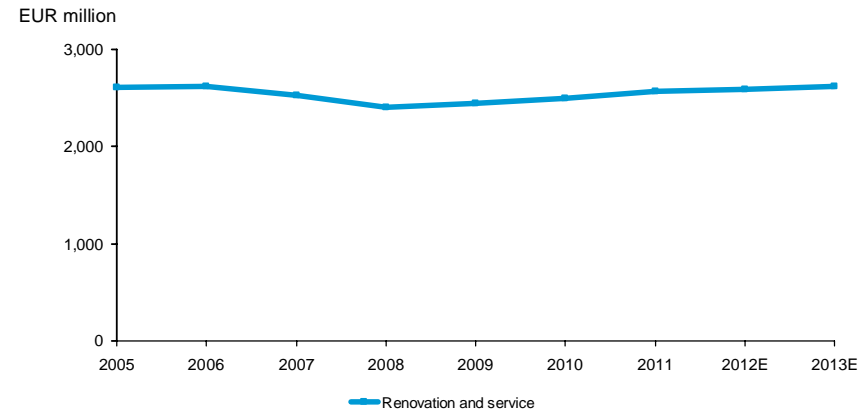
# Austria

## Markets are recovering slowly

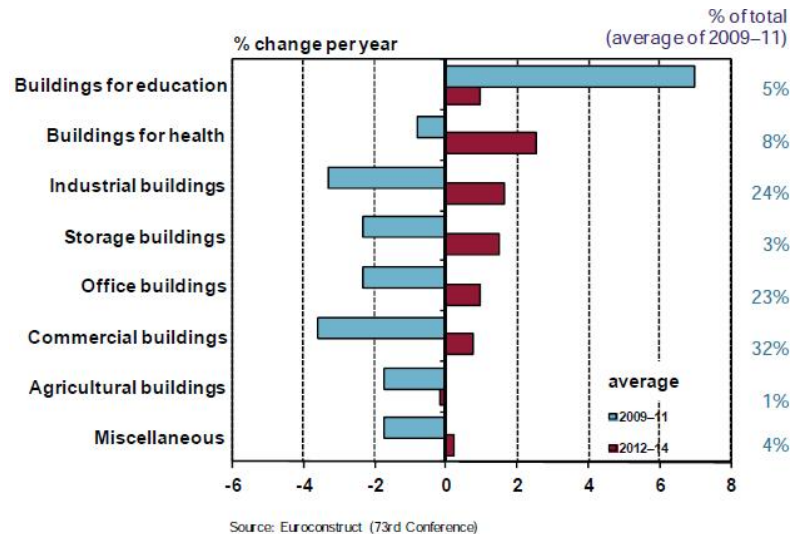
New non-residential construction by key sector



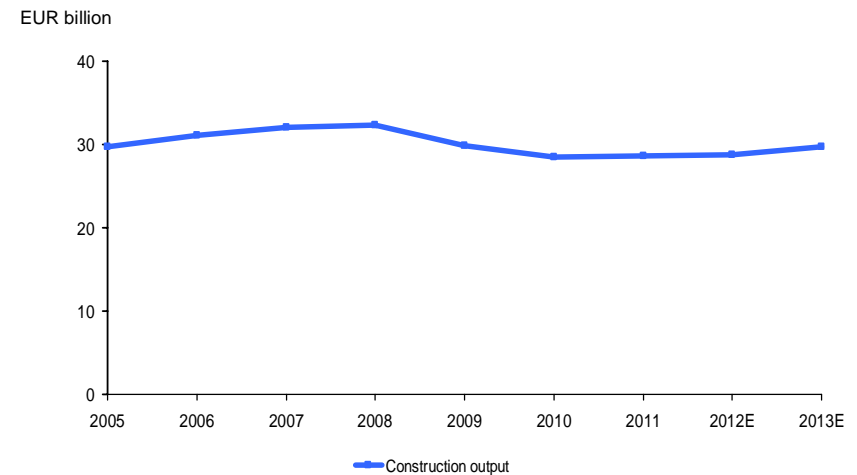
Non-residential renovation and service



New non-residential construction by sector



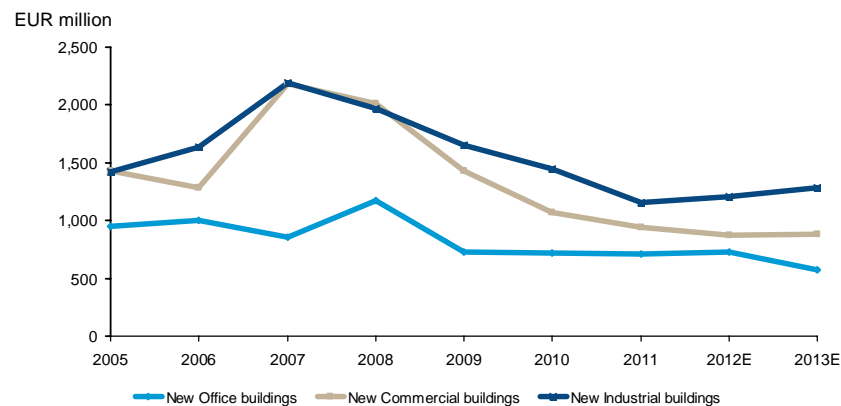
Total construction output



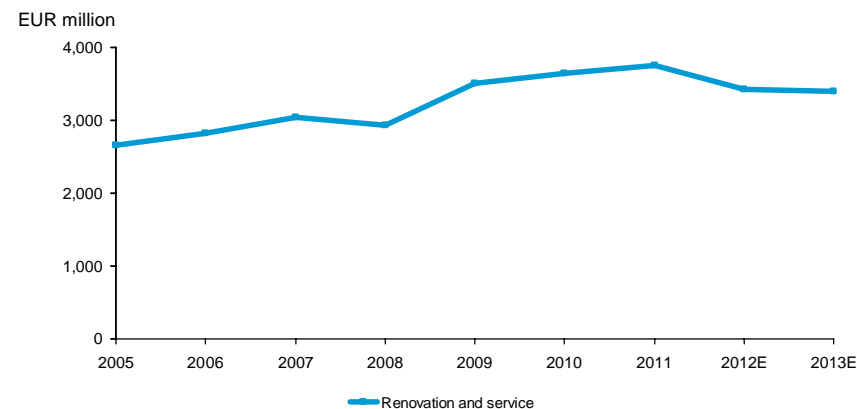
# The Czech Republic and Slovakia

## Challenging market situation continues

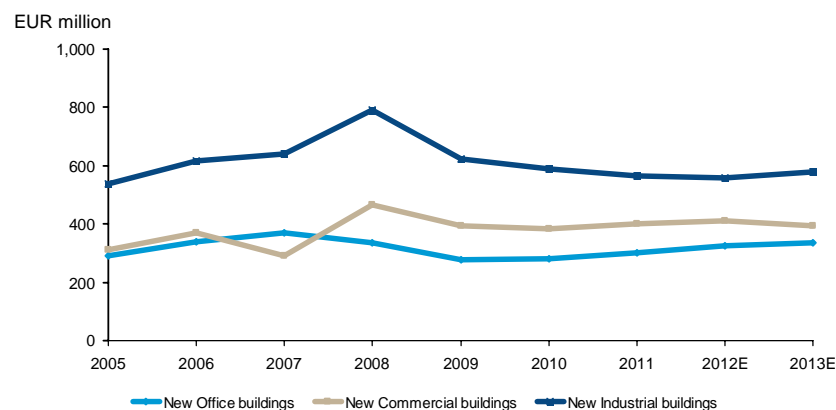
New non-residential construction by key sector in the Czech Republic



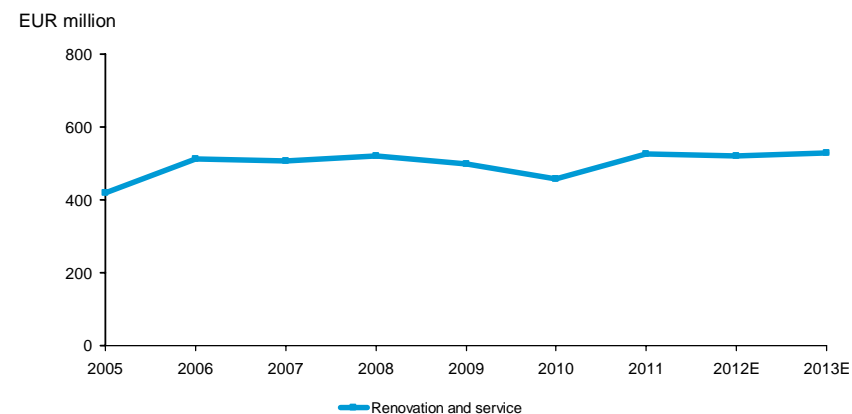
Non-residential renovation and service in the Czech Republic



New non-residential construction by key sector in Slovakia



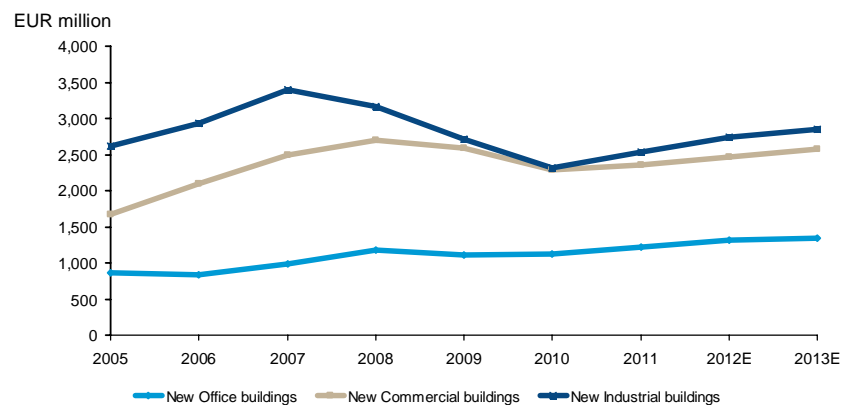
Non-residential renovation and service in Slovakia



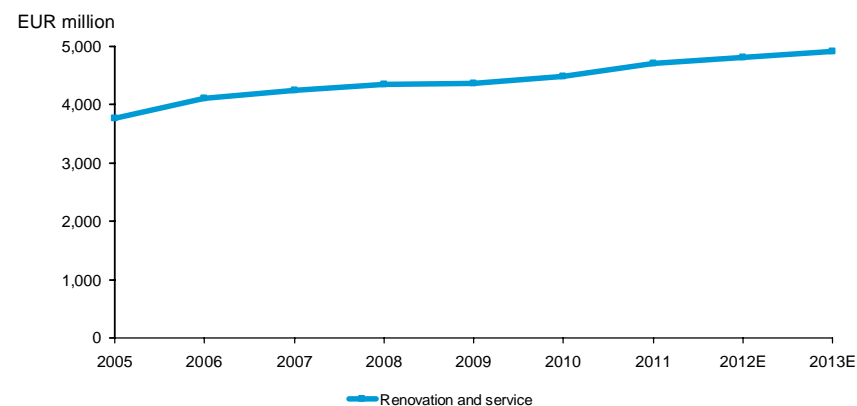
# Poland

## Market outlook remains good

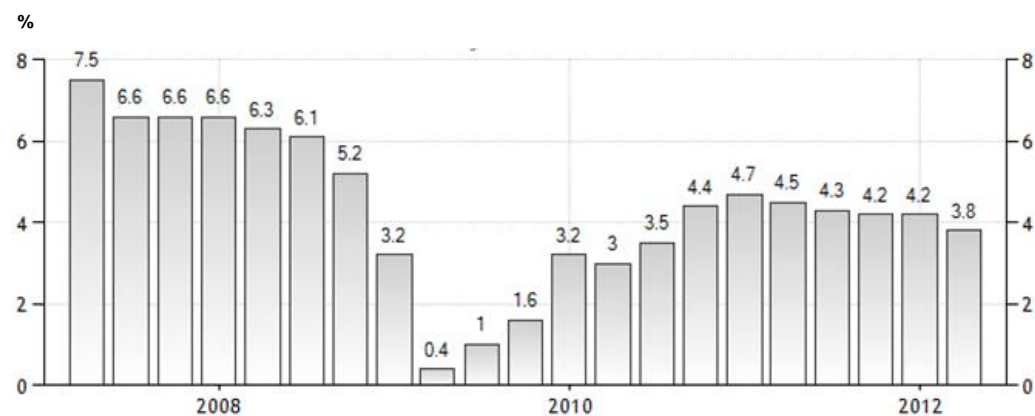
New non-residential construction by key sector in Poland



Non-residential renovation and service in Poland



Poland's quarterly GDP growth 2007-2012



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