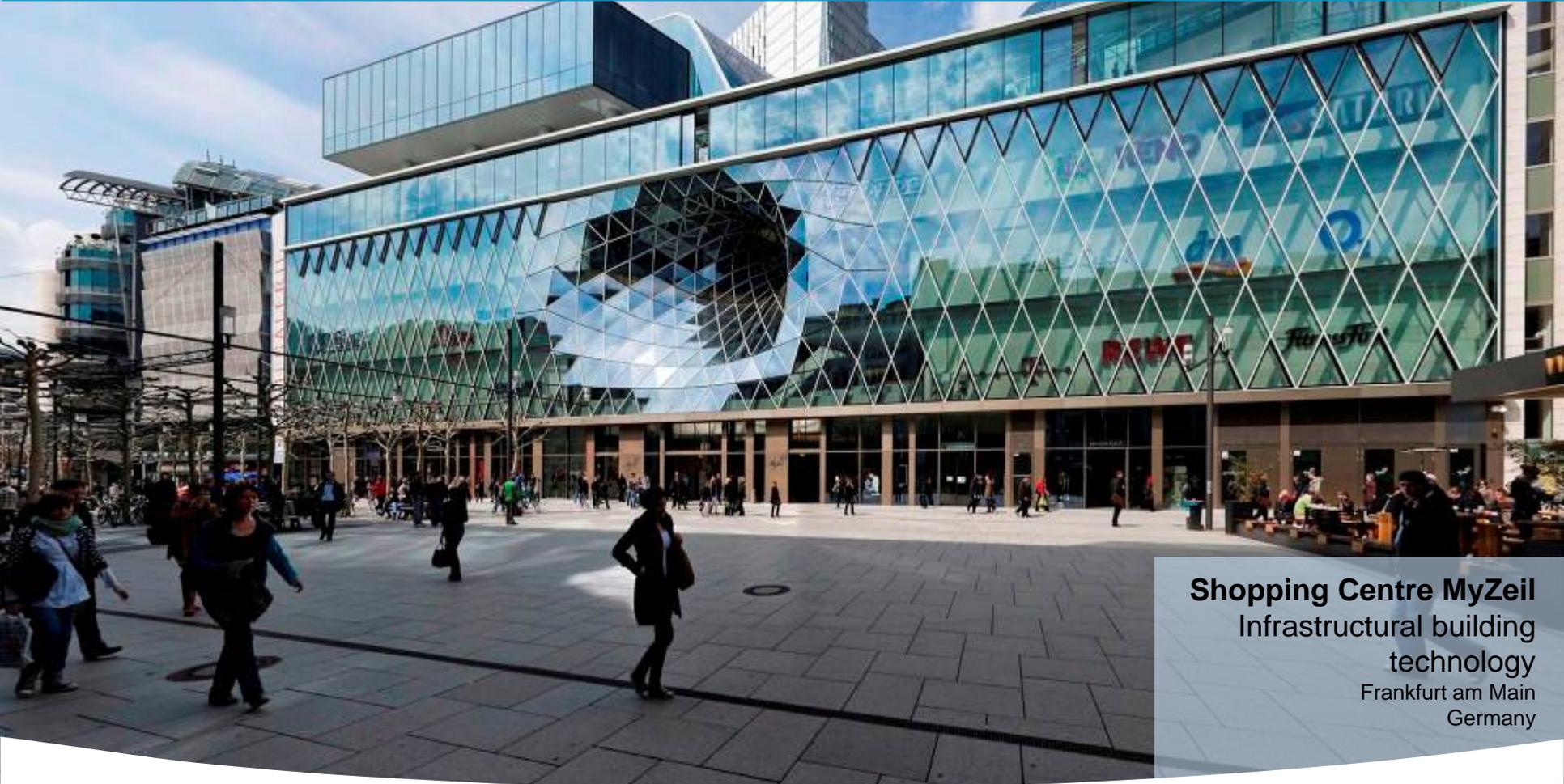


# Growth possibilities in Central Europe as part of YIT strategy



**Shopping Centre MyZeil**  
Infrastructural building  
technology  
Frankfurt am Main  
Germany

**Juhani Pitkääkoski**, President and CEO  
July 6, 2011

Together we can do it. **YIT**

# Contents



## ■ YIT Group - profitable growth

- *Importance of Central European business has grown as a result of major acquisitions.*

## ■ YIT targets in Central Europe

- *YIT seeks growth by strengthening its local market position and through geographical expansion to new countries.*

# Profitable growth



Together we can do it. **YIT**

YIT provides services to develop, build and maintain good living environment for people.

### **Building system services**

*Nordic countries, Central Europe, Russia, Baltic countries*

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

### **Construction Services**

*Finland, Russia, Baltic countries  
Czech Republic, Slovakia*

- Residential construction
- Business premises
- Infra services (in Finland)



YIT is the European leader in its fields of business.

**One of the leading players in Europe in Building and Industrial Services**

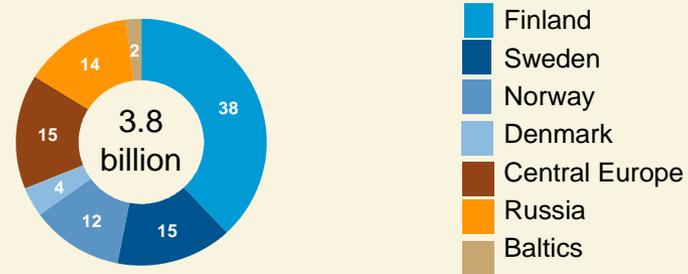
- Largest in the Nordic countries
- One of the leading companies in Central Europe - 2nd in Germany

**One of the leading residential construction companies in Europe**

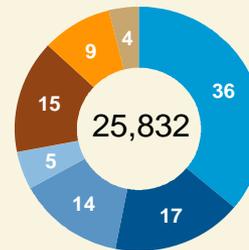
- Finland - No 1 in construction services
- Russia - Major foreign player in residential
- Baltic countries - Among market leaders
- Central Eastern Europe - Start-up in residential

**Key figures 2010**

Revenue by country (%)



Personnel by country (%)



Revenue by business segment (%)



# Strategic focus

**Forerunner in creating and maintaining  
good living environment**

**Leader in  
technical maintenance**

**Forerunner  
in housing**

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



# Geographical strategy

## Building and Industrial Services

### *Fulfill disciplines and locations in current countries*

- Nordic countries
- Central Europe

### *Expand into new countries*

- Great Britain
- Netherlands
- Belgium
  
- Existing building stock requires maintenance
- Share of technology grows in buildings



## Construction Services

### *Widen coverage in current countries with plot acquisitions and based on current land bank*

- Finland
- Russia
- Baltic countries
- Czech and Slovakia

### *Expand into new countries*

- Poland
  
- Strong need for housing due to demographic changes and higher requirements

# YIT acquisitions in Central Europe

Building system services



## MCE AG

- Revenue 355 MEUR in 2007
- Personnel 1,900 in Aug/2008
- Germany Austria, Poland, Czech Republic, Hungary, Romania

## Caverion GmbH

- Revenue 440 MEUR in 2009, 80% from Germany
- Personnel 1,900 in Aug/2010
- Germany Poland, Czech Republic, Hungary

2008

2009

2010

Construction services



## Euro Stavokonsult s.r.o

- 85% share for YIT
- Local know-how, networks, market knowledge combined with YIT apartment concept
- Czech Republic

## Reding a.s.

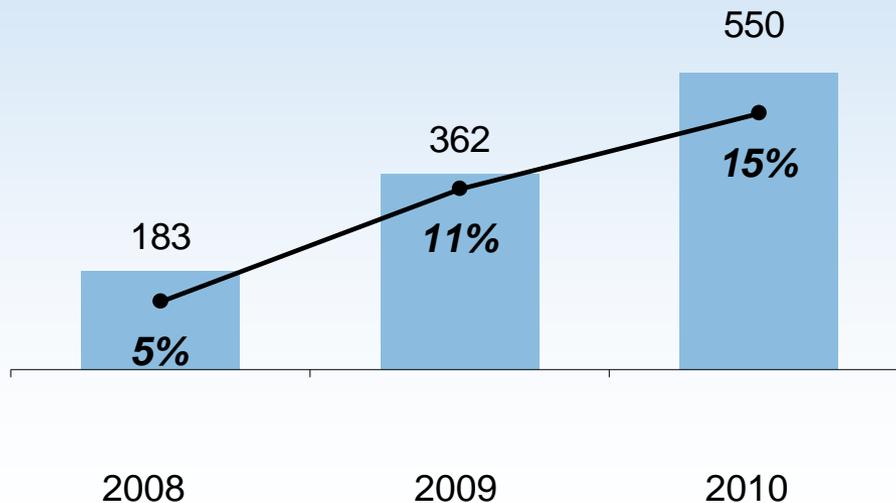
- 70% share for YIT
- Revenue 30 MEUR in 2009
- Personnel 180 in Aug/2010
- Slovakia

# Strong growth in revenue

Building Services Central Europe became YIT's fourth business segment in 2011.

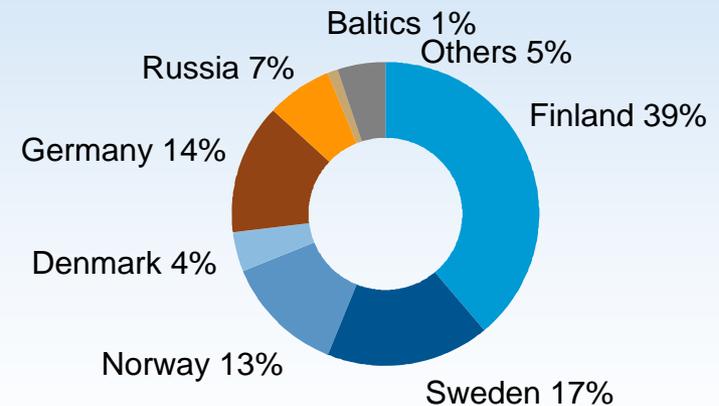
## Revenue in Central Europe

■ EUR million  
—● % of Group revenue



## Revenue by country 1-3/2011

% of Group revenue



# YIT targets in Central Europe



**New Trade Fair Centre**  
Technical and commercial  
management  
Stuttgart, Germany

# Focus areas in Central Europe



## Building system services

- Grow organically and through acquisitions
  - Focus in Germany
  - Potential expansion to Great Britain, Netherlands, Belgium
- Increase service and maintenance
  - drive for excellence in project execution
- Aim for forerunner position in energy services

## Construction services

- Expand operations in current operating countries - Czech Republic and Slovakia
- Acquire new footholds for growth
  - Potential expansion to Poland

# Great potential in German building system market

## Big market area (2010)

- New non-residential construction  
~EUR 33 billion
- Renovation, modernisation and service  
~EUR 42 billion

## Good demand

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

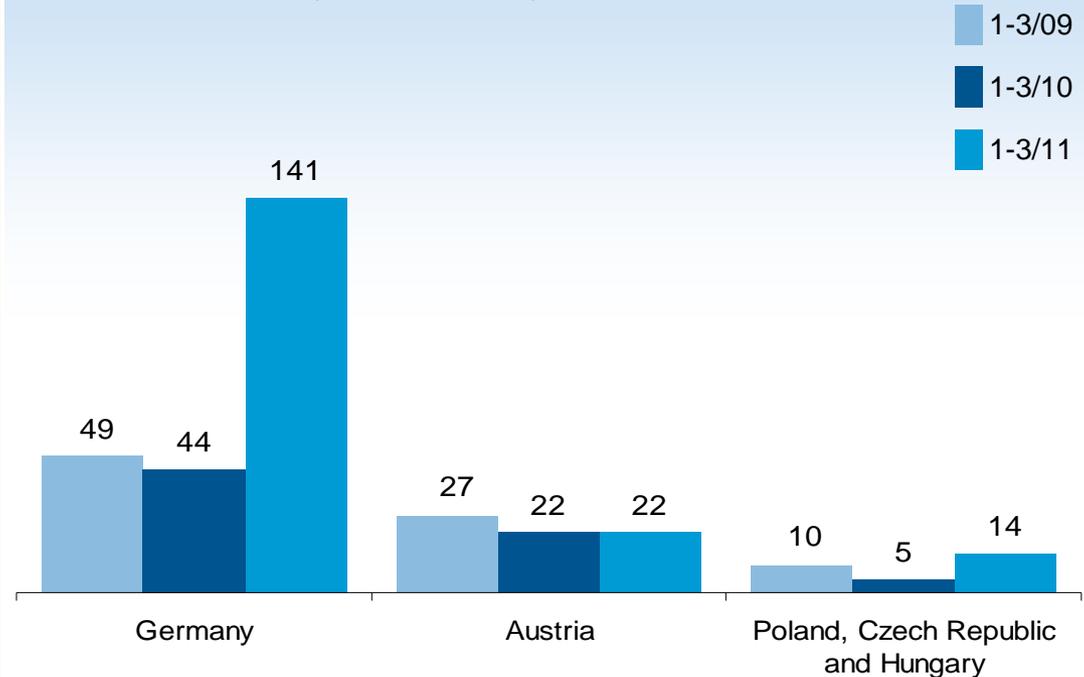
## Fragmented market

- Only about 10 bigger players
- The market share of the biggest player in the market ~4%

## Favourable development in YIT

- The margin of order backlog in Germany has increased

Total revenue (EUR million)



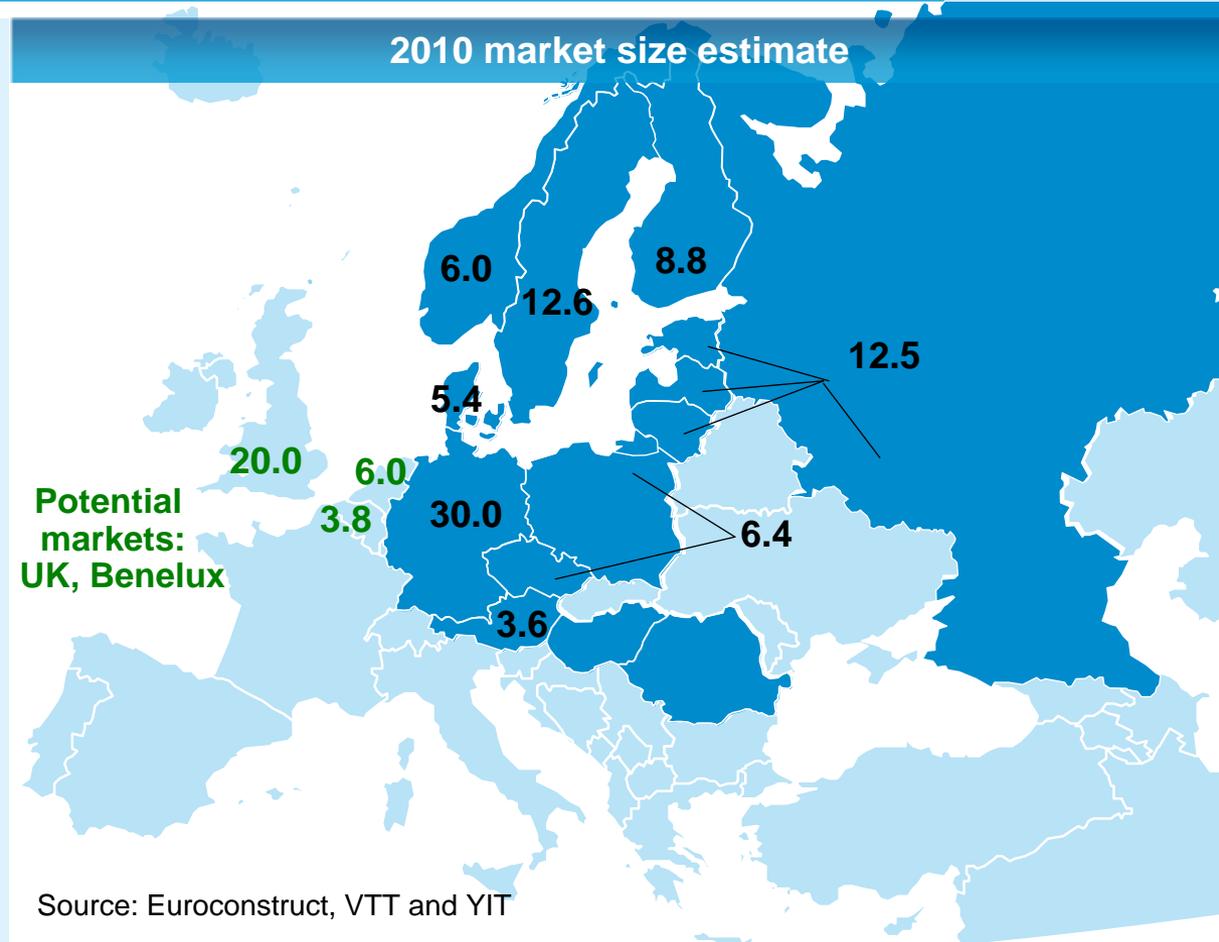
# Building and Industrial Services target market over EUR 80 billion

## Large, fragmented market

- Only a few large companies in each country
- Few bigger international multi-discipline companies
- Large number of smaller players focusing on one discipline in selected regions

## YIT acquisition criteria

- Complements YIT's expertise and fills in discipline gaps
- Increases service and maintenance
- Strengthens local market position
- Expands customer base



# Good possibilities to increase service and maintenance in Central Europe



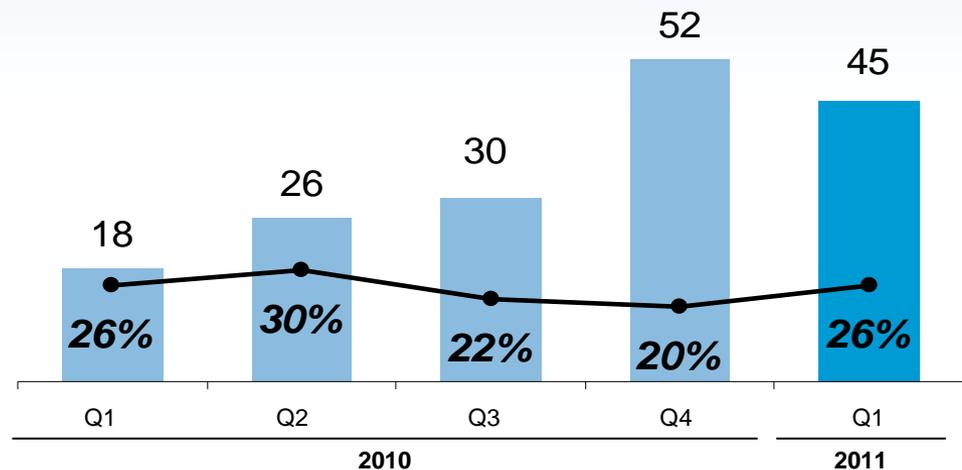
## ServiFlex - a common platform for YIT's maintenance services

- All of YIT's building systems services can flexibly be combined in one agreement
- More than 80 services in more than 15 disciplines
- One supplier and one contact point
- Common way in all YIT countries
- Focus on preventive maintenance

## Service and maintenance revenue in Central Europe

EUR 45.3 million in 1-3/2011

Change from 1-3/10: 150%



# Forerunner in energy-saving solutions

## Increasing demand

- Legislation on EU and national level
- Public investment criteria
- Energy-savings in properties
- Cost reduction in energy-intensive industry

## Extensive services

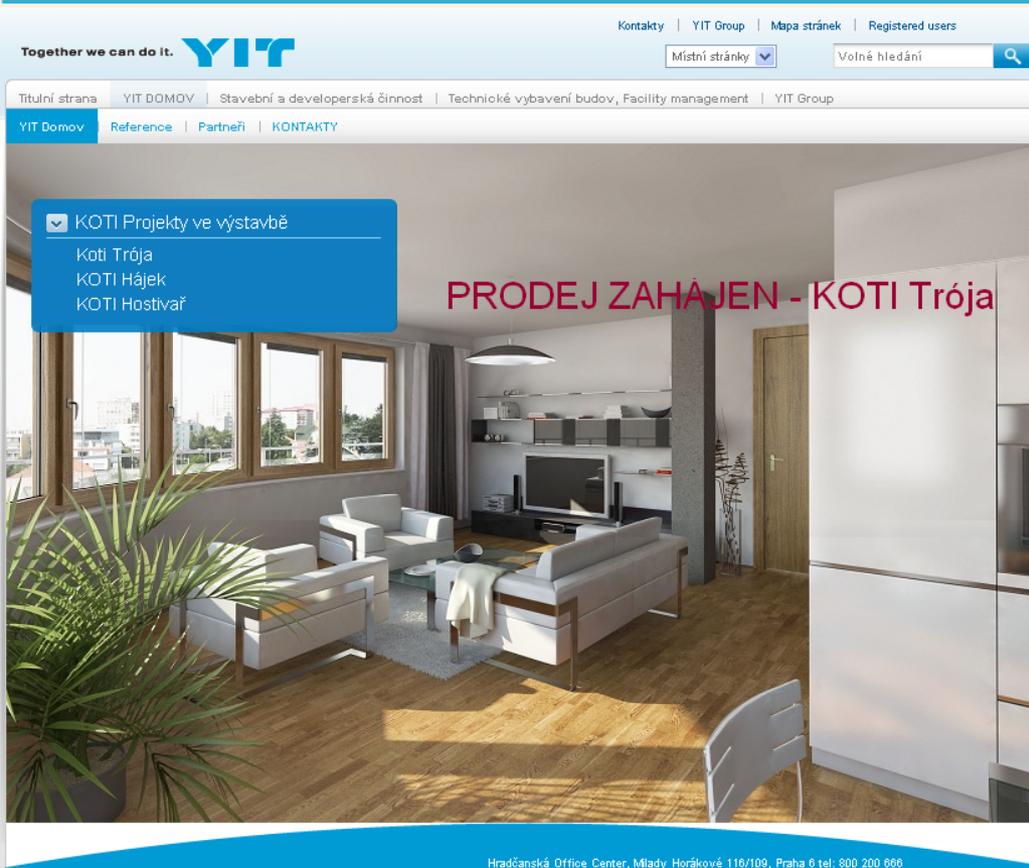
### “Negawatts”

- Energy-saving solutions for building system projects, modernisations and service
    - Low-energy construction
    - Services for industry
- ### “Megawatts”
- Services for energy production
    - industrial plants, wind-mills etc.

## Continuous development

- Transferring best practices between countries and businesses
- Developing own concepts:
  - LuxCool and ClimaCeil for high efficiency building technical systems
  - eDrift and Niagara for building automation

# Expanding construction services



## Expand operations in current operating countries - Czech Republic and Slovakia

- Now operations in Prague and Bratislava areas
- Provide best customer experience
- Understand clients' needs and up-coming trends
- Adding energy-efficiency features
- Utilizing opportunities in Internet services

## Acquire new footholds for growth - expansion possibilities in Poland

- Attractive potential market for YIT - number of privately financed apartments, demographic and financial development
- YIT has added value to the market

# Competitive edge



## Extensive services

- All technologies connected to buildings
- Services for the whole life-cycle

## Close to customer

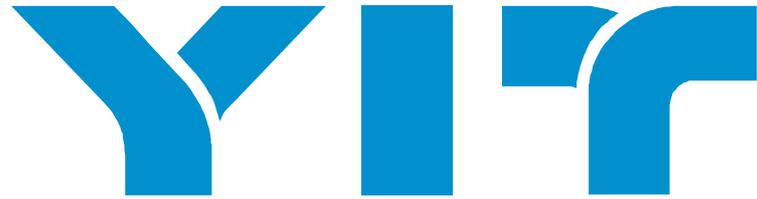
- Extensive network of local offices
  - 24/ help desks
- Own apartment sales

## Own solutions

- Energy-efficiency concepts
- Service concepts
- Design management

## Long-term partner

- Reliability and customer understanding
- Long-term service agreements

The logo consists of three stylized, blue, sans-serif characters: 'Y', 'I', and 'R'. The 'Y' is formed by two diagonal strokes meeting at a point, with a vertical stem. The 'I' is a simple vertical bar. The 'R' is formed by a vertical stem and a curved top that extends to the right. All characters are filled with a solid blue color.

**Together we can do it.**

A solid blue curved shape that starts wide on the left and tapers to a point on the right, resembling a stylized horizon or a wave. It is positioned at the bottom of the page.