



# Review by the President and CEO

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President and CEO

Annual General Meeting  
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# We create good living environment in 15 countries

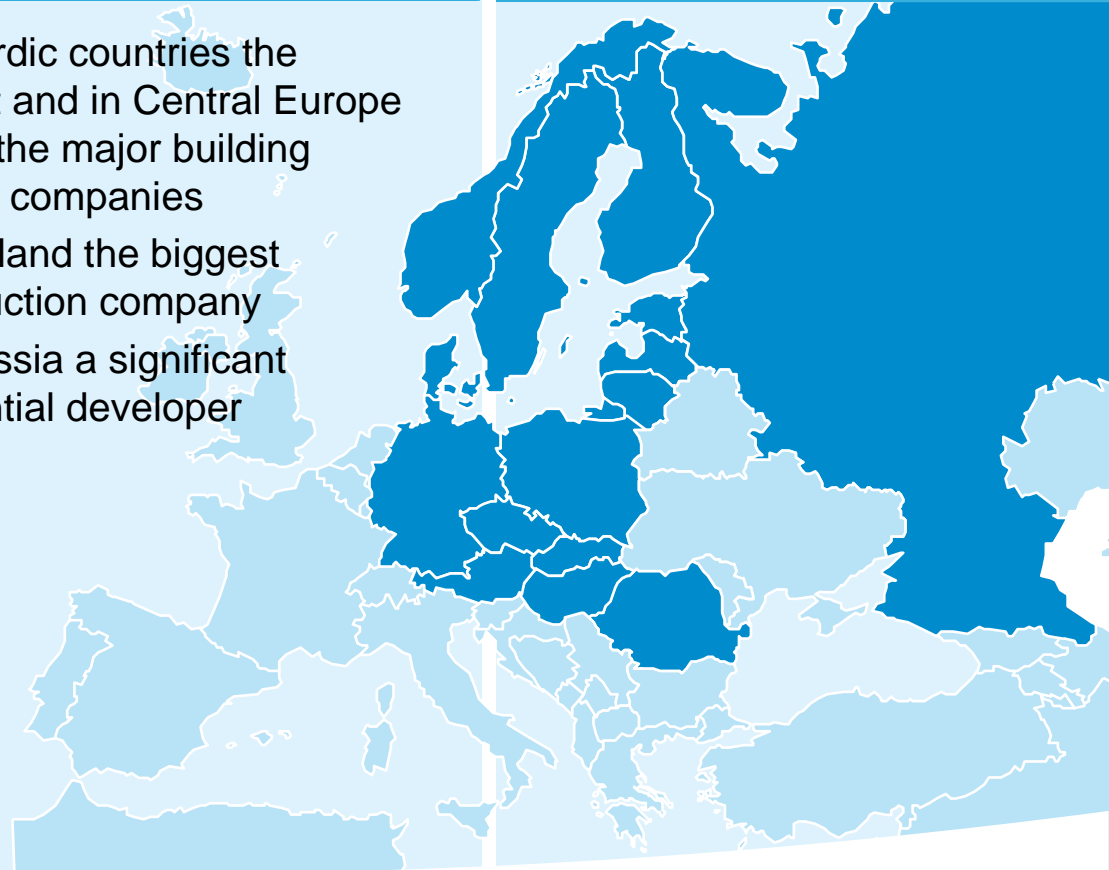
## Wide service

- Technical maintenance
- Building system solutions
- Industrial investments
- Apartments and areas
- Business premises
- Infrastructure

## Strong market position

- In Nordic countries the biggest and in Central Europe one of the major building system companies
- In Finland the biggest construction company
- In Russia a significant residential developer

## Close in local societies





# Financial Statements 2010

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# Back to growth track

## RESIDENTIAL SALES

### Construction services focused on own residential development

- Sales improved in Russia and the Baltics, in Finland favourable level continued
- Start-ups increased in-line with market demand

## ACQUISITION

### Acquisition increased building system services in Central Europe

- Revenue doubled in Central Europe - in Germany YIT now the second biggest
- 2,000 new employees, EUR 275 million increase in order backlog at year's end

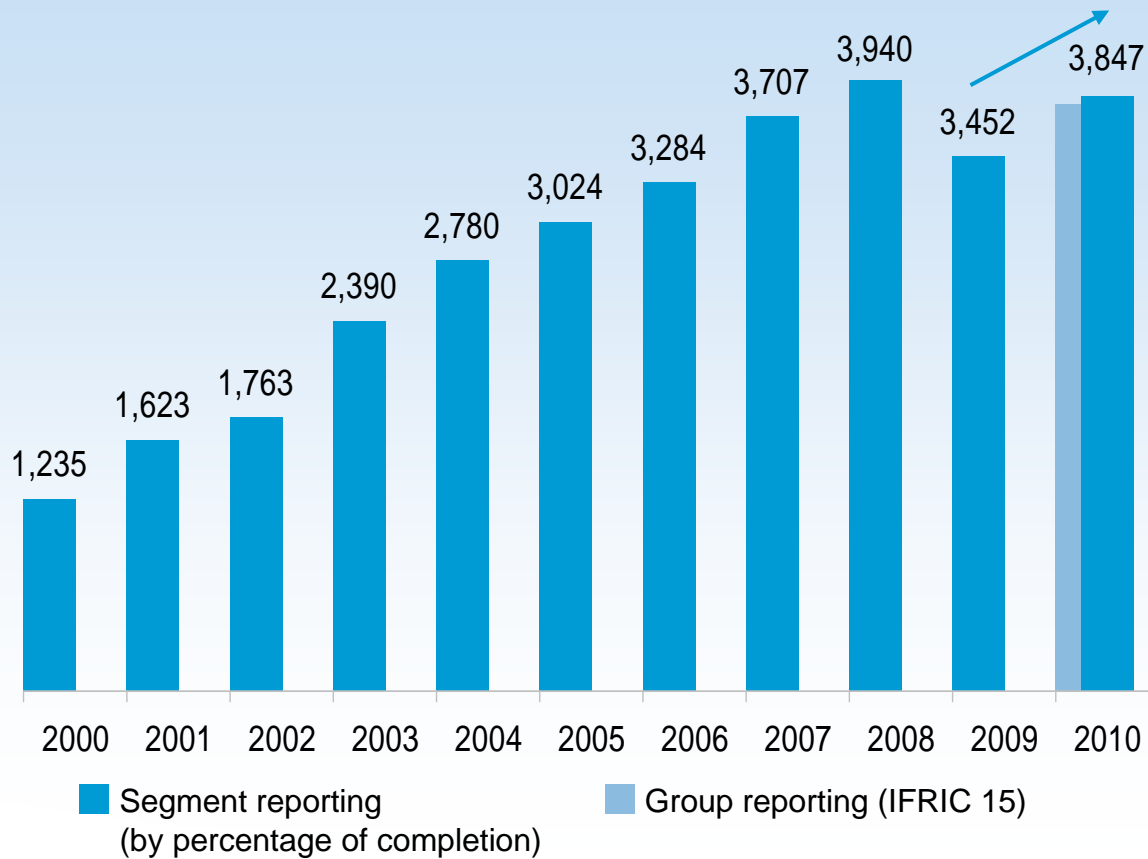
## OUTLOOK

### Favourable possibilities in 2011

- Residential sales estimated to continue to be good in both Finland and Russia
- Residential construction activity in Russia and increasing the share of building system service and maintenance provide opportunities for improving profitability

# Revenue growth 11 per cent

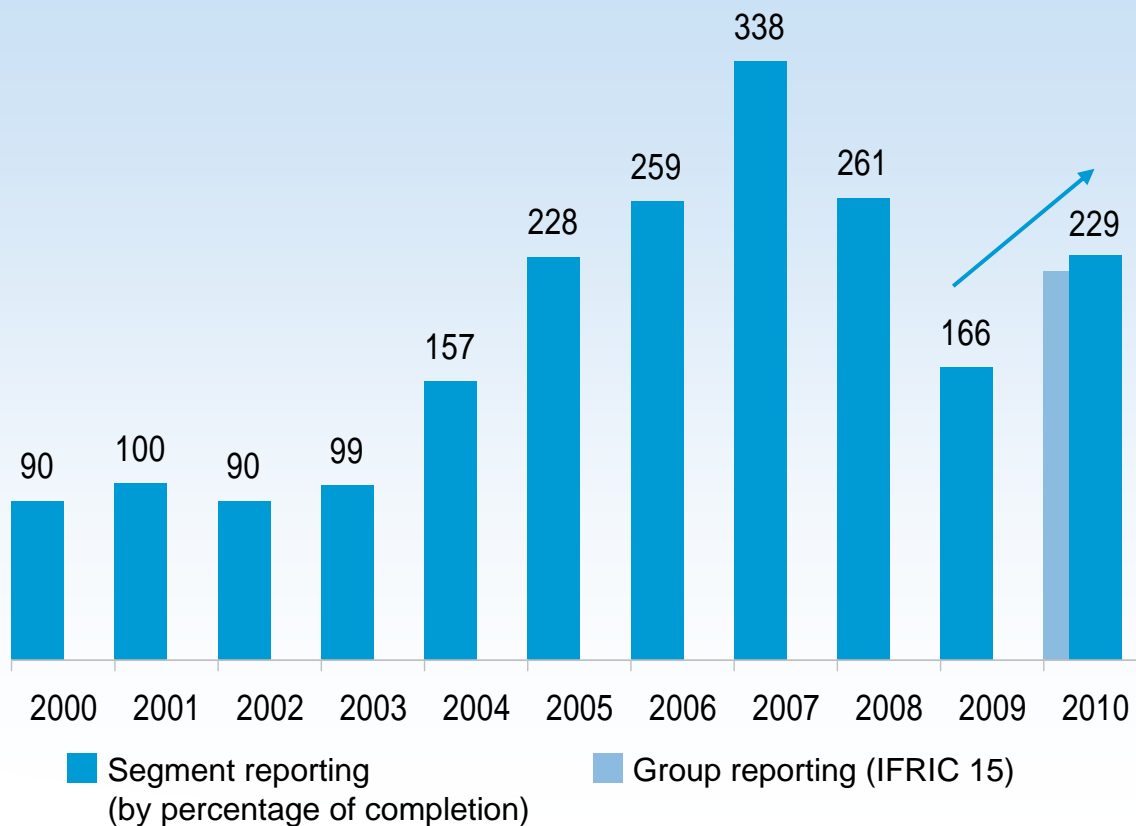
Revenue (EUR million)



- Increase across all segments
- Acquisitions
- Residential sales

# Operating profit growth 38 per cent

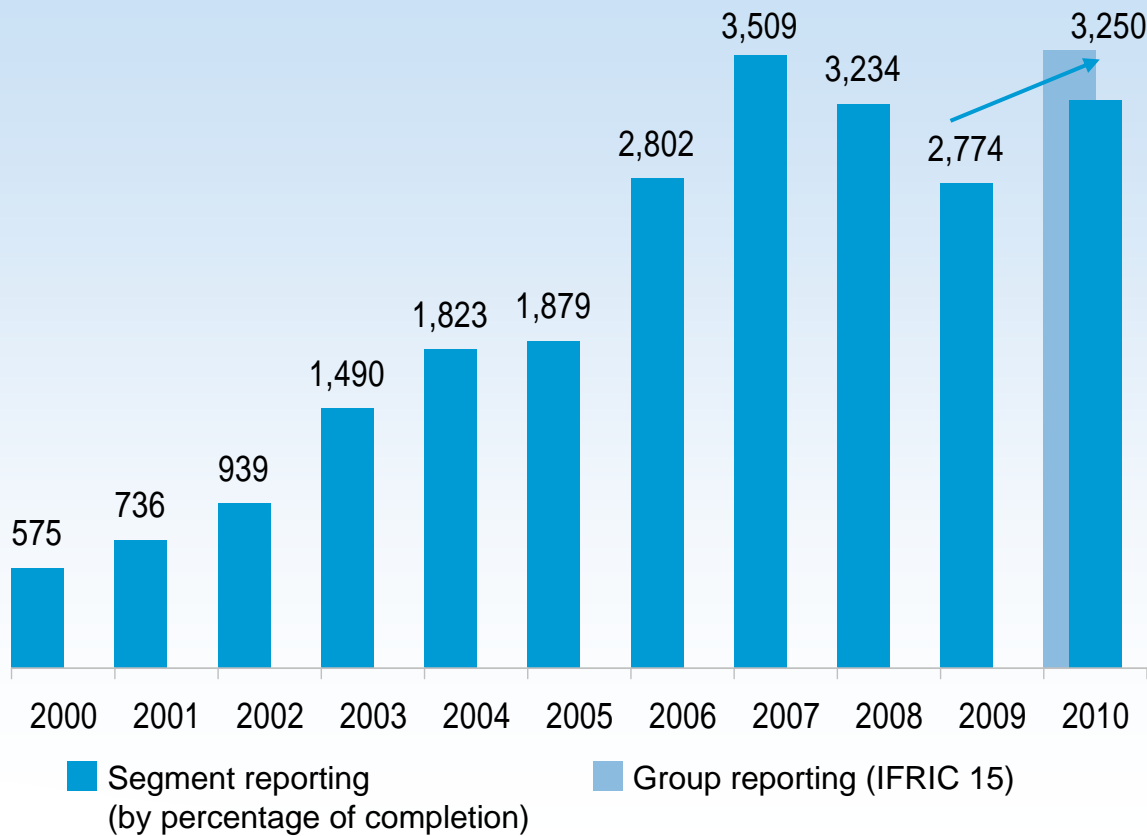
## Operating profit (EUR million)



- Residential sales improved in Russia and Baltic countries
- In Finland, the focus was on own residential development
- Costs due to acquisitions

# Order backlog growth 17 per cent

Order backlog (EUR million)

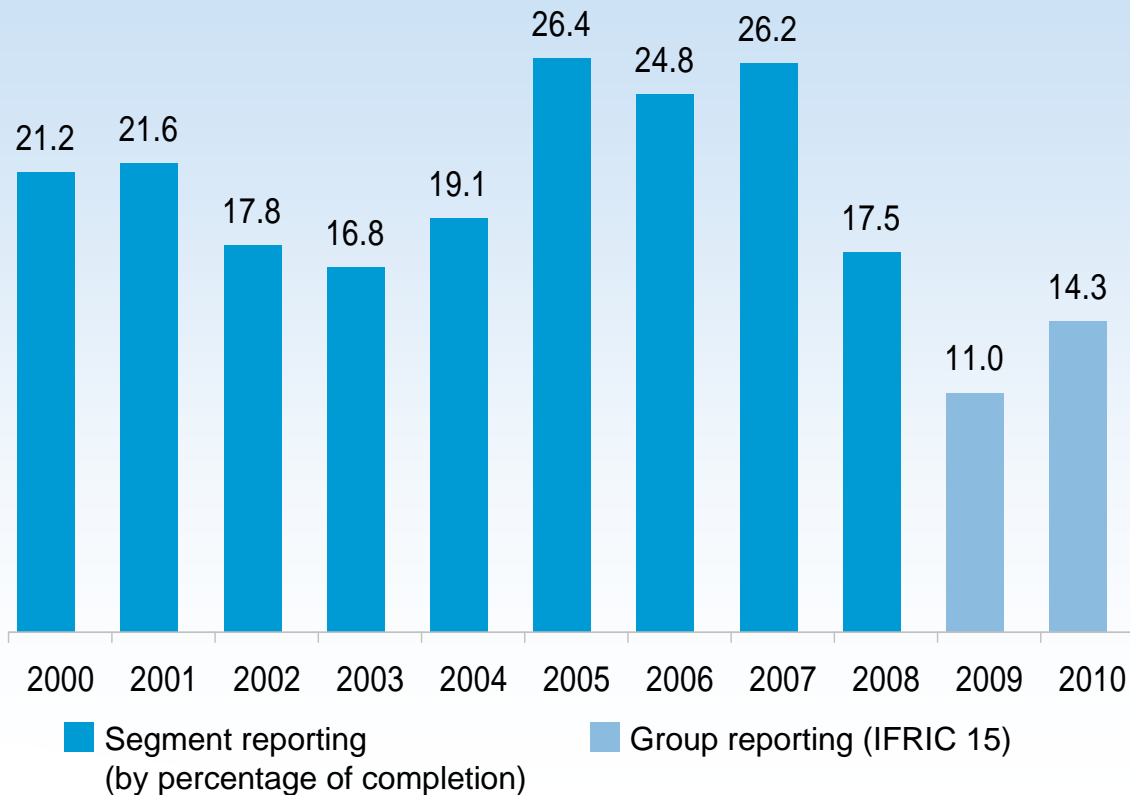


- Acquisition in Central Europe
- Residential start-ups were increased across all markets



# Return on investment improved towards the end of the year

Return on investment (last 12 months, %)



- Good operating profit development
- Invested capital increased from the previous year
- Third of invested capital in Russia - the amount has decreased due to good residential sales

# Guidance for 2011

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

The guidance is based on segment reporting  
(POC=Percentage of completion)

Evli  
YIT Lentek headquarters  
St. Petersburg, Russia

Together we can do it. **YIT**



# Major development themes

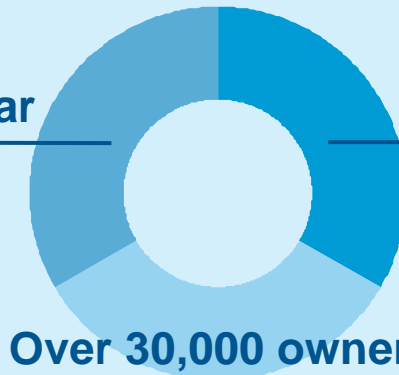


# Best service, safe work place



**Over 100,000 customers per year**

- Close to customers
- Extensive services
- Own solutions



**Nearly 26,000 employees**

- Work safety & well-being
- Professional development
- Strong culture

**Over 30,000 owners**

- Profitable growth
- Active dividend policy
- Sustainable operations



# We build on good quality



**Customer expectations**



**Official regulation**



**Development in the field**

- Customer satisfaction surveys on all services
- Continuous improvement in service mindedness
- Common requirements
- Versatile measuring and reporting
- ISO 9001 audits
- Management audits
- Quality and customer feedback as basis of performance bonuses
- Co-operation with research facilities and educational institutions

# eTalo makes every-day living easier

- eTalo = Information and service website in YIT Homes
  - Benefits of partners' services
  - Follow up information on consumption and building automation
- Result of YIT's own development
- In use in 40 sites and 1,700 apartments
- **Services related to acquiring an apartment** moving in, interior design, technical support
- **Information services** building and apartment, weather, public transportation, local services
- **Services for every-day living** cleaning, laundry, shopping, restaurant, car



# Energy services bring savings

## YIT services extend to savings and production

- Low-energy construction
- Energy-efficient building systems
- Improving energy efficiency in buildings and industrial facilities
- Regional and building-specific energy production
- Industrial processes and utilising excess heat
- Waste management
- Power plants

## Forerunner in building systems

## Halsnæs community in Denmark

- Building systems and maintenance 2010-2021
- Estimated savings: heating 30%, electricity 30%
- Denmark's biggest ESCO-project (energy-saving company)

## EnergyGenius apartments

## Over 1,000 low-energy apartments

- Structures, building systems, geothermal heating
- Energy consumption costs can be halved

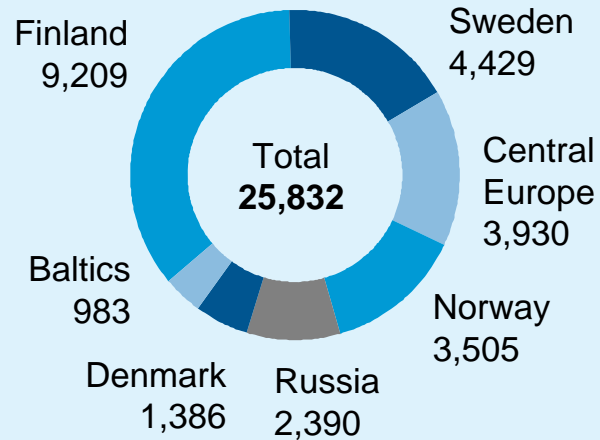
## Market leader within industry in Finland

## Outokumpu Stainless

- Cooling energy produced with excess heat
- Electricity savings 11,000 MWh per year
- One of biggest electricity-saving projects in Finland

# People create our success

## Personnel by country 12/2010



### Work safety has improved

- Group's H factor 19 (accidents/mill. hours)

### Satisfaction has improved

- Grade by personnel 3.77 (scale 1-5)

### We invest in young professionals

- In summer 2010 over 1,000 summer trainees





# Strategy



Together we can do it. **YIT**



# Accelerated growth

## Strategy 2011-2013

- Revenue growth target >10% per year
  - Acquisitions and organic growth
- Business focus
  - Building systems:  
Service and maintenance
  - Construction services:  
Residential production
- Geographical focus
  - Building systems in Central Europe and Nordic countries
  - Construction services in Finland, Russia, Baltic countries, Czech and Slovakia
  - Potential expansion



# Strategic focus

**Leading service company in our business area**  
- first choice for customers, employees and owners

**Leader in  
technical maintenance**

**Forerunner  
in housing**

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



# Geographical growth

## Leader in technical maintenance

### *Central Europe*

- Focus of growth, especially German-speaking countries

### *Nordic countries*

- Develop services, fulfill expertise

### *New countries*

- Potential expansion to Great Britain, Netherlands, Belgium



## Forerunner in housing

### *Current countries*

- Widen coverage with plot acquisitions and based on current land bank

### *New countries*

- Potential expansion to Poland

# Big potential in Central Europe

## Opportunities especially in Germany

- Building system services market EUR 30 billion i.e. as big as Nordic countries total
- Stable demand in retail buildings and renovation
- Service and maintenance market developing

## Central Europe is YIT's focus area

- Increasing importance due to acquisition
- Possibilities for growth and improving profitability
- Business operations form the fourth business segment in YIT



## Building system services market (EUR billion)

■ Central Europe 40	■ Nordic countries 27
	Russia, the Baltics 13



# Growth in service and maintenance



## **YIT ServiFlex concept in all countries**

- All building system services can be combined - over 80 different ones
- 1 partner, 1 contact person, 1 agreement
- Focus on preventive maintenance

## **Demand for professional partners**

- Expectations on usability of premises
- Requirements for lower costs
- Increasing outsourcing



# Market share is increased in Finland

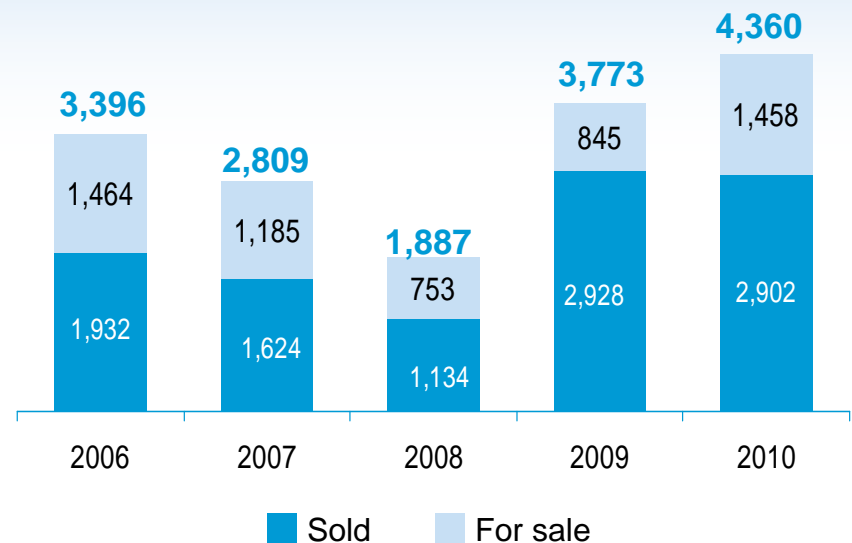
## Active development

- Residential production record-high
- Own business premises projects started
- Joint offering in infra-tenders

## Good plot reserves

- Residential plots 1.6 million m<sup>2</sup> of floor area
- Business premises plots 0.9 million m<sup>2</sup> of floor area

## Apartments under construction in Finland (number)





# Forerunner in housing

## Increasing residential production

- In Russia, apartment start-ups were multiplied by five in 2010
- Re-starting production in Baltic countries after recession
- First apartments started up in Czech Republic
- Expansion to Slovakia through acquisition

## Good residential plot reserves

- Russia: 2.1 million m<sup>2</sup> of floor area
- Baltics, Czech Republic, Slovakia: 0.4 million m<sup>2</sup> of floor area

## Apartment start-ups in Russia as well as in the Baltics, Czech Republic and Slovakia (number)





# Strategic targets and achievements 2010

The Board confirmed the strategic targets on Aug 18, 2010



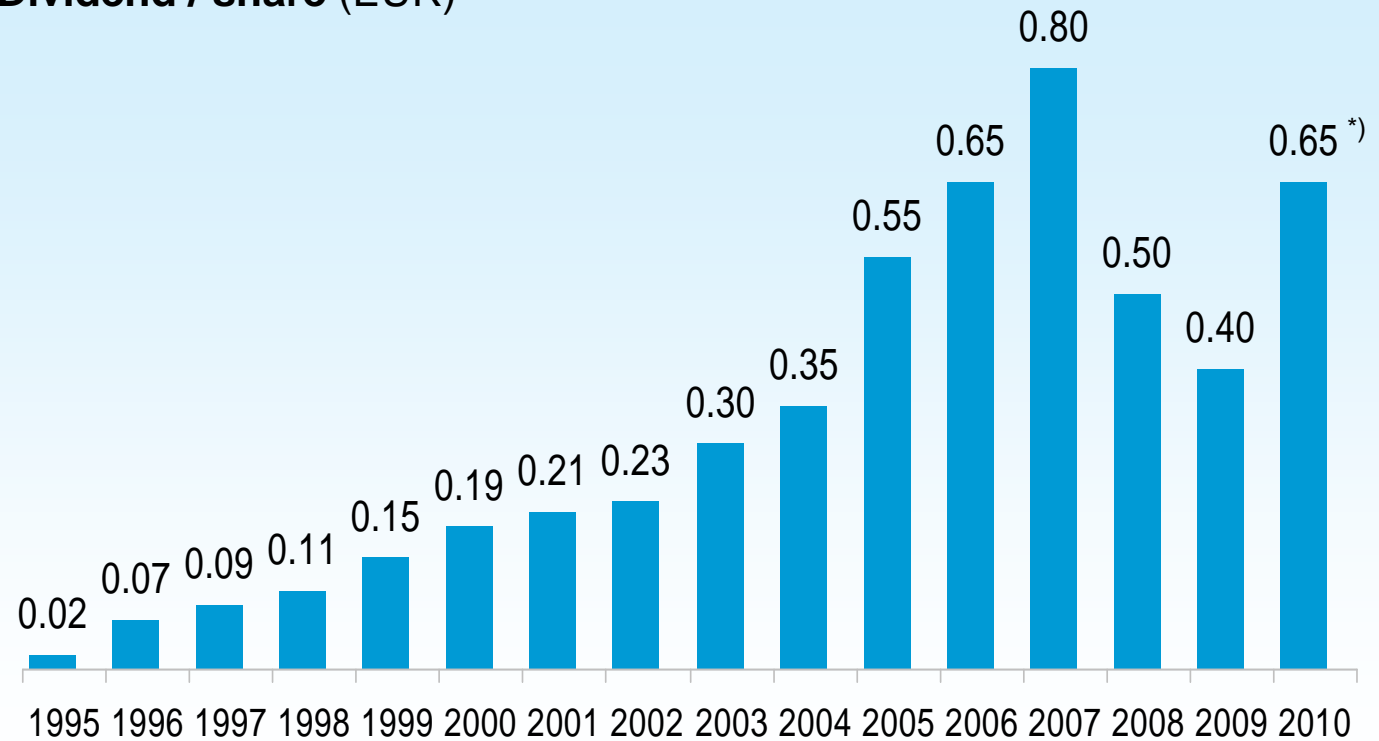
- Average annual growth in revenue > 10% **• 9%**
- Return on investment 20% **• 14.3%**
- Cash flow from operating activities after investments sufficient for dividend payout and debt reduction **• -62 MEUR**
- Equity ratio 35% **• 31.9%**
- Dividend payout 40–60% of net profit for the period **• 57.9%, 0.65 EUR/share**

# Board's proposal to AGM

## Clear growth in dividend



Dividend / share (EUR)



<sup>\*)</sup> Board's proposal

YIT

Together we can do it. **YIT**