

Lemminkäinen and YIT to combine

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LEMMINKÄINEN AND YIT TO COMBINE

The Boards of Directors of Lemminkäinen Corporation ("Lemminkäinen") and YIT Corporation ("YIT") announce to have agreed upon the combination of the two companies through a merger.

The combination will create a financially strong company with urban development as the engine for growth and profitability. The companies' business areas will complement and balance each other and decrease sensitivity to economic cycles.

The preliminary combined annual revenue of the combined company is approximately EUR 3.4 billion and operating profit approximately EUR 85 million (IFRS, 2016). The combined company will employ around 10,000 employees located in 11 different countries.

The combination is expected to create significant value for the shareholders of the combined company through decreased sensitivity to economic cycles and improved competitiveness providing a strong platform for growth.

The total synergies are expected to be approximately EUR 40 million annually and they are expected to materialise in full by the end of 2020.

The combination will be implemented as a statutory absorption merger whereby Lemminkäinen will be merged into YIT.

Lemminkäinen's shareholders will receive as merger consideration 3.6146 new shares in YIT for each share in Lemminkäinen owned by them, corresponding to an ownership in the combined company post-completion of 60% for YIT shareholders and 40% for Lemminkäinen shareholders.

Based on the latest three-month volume-weighted average share prices of both YIT and Lemminkäinen, the corresponding ownership of YIT and Lemminkäinen shareholders would have been approximately 67.1% and 32.9%, respectively. (1)

The completion of the combination is subject to, inter alia, approval by the Extraordinary General Meetings (each, an "EGM") of YIT and Lemminkäinen, which are currently expected to be held on September 12, 2017 as well as approvals from competition authorities.

The combined company has obtained necessary commitments for the financing of the completion of the merger.

Shareholders holding in aggregate approximately 64% of the shares in Lemminkäinen and shareholders holding in aggregate approximately 20% of the shares in YIT, have undertaken to attend the companies' respective EGMs and to vote in favour of the combination.

The combination is intended to be completed on either November 1, 2017 or January 1, 2018, as possible. The preliminary long-term financial targets of the combined company will be return on capital employed (ROCE) of more than 12 percent, equity ratio above 40 percent, positive cash flow after dividends as well as annually growing dividend per share.

Berndt Brunow, Chairman of the Board of Lemminkäinen, comments: "During the last three years, Lemminkäinen's management has focused on a turnaround – strengthening the company's financial position as well as operational efficiency. This unique merger in the Finnish construction industry creates a significant company on a Nordic scale. The combined company has a strong financial position, strong cash flow and over 100 years of experience from the construction industry. The synergies from the merger are significant. They will enable the combined company to become also a competitive player on the Northern European markets."

Matti Vuoria, Chairman of the Board of YIT, comments: "Lemminkäinen and YIT are both increasingly international, solid Finnish companies with more than 100 years of history and a versatile know-how and strong foothold in their operating areas. The combination of YIT and Lemminkäinen creates a strong Northern European playmaker and a reformer."

Kari Kauniskangas, President and CEO of YIT, comments: “The combination is a strategically important step for both companies and it creates a platform for the growth into one of the leading urban developers in the Northern European construction market. I believe that the combination creates a player whose active development work further enhances customer experience and the competitiveness of the company. The combination also creates new career opportunities for personnel for example in demanding projects combining infrastructure, business premises and housing.”

1) Based on the volume-weighted average prices of YIT (approximately EUR 7.01) and Lemminkäinen (approximately EUR 18.63) on Nasdaq Helsinki during the latest three months until June 16, 2017, said date included.

Press and analyst conference

A joint press conference and conference call will be held today, June 19, 2017, at 10:00 a.m. EEST at Pörssitalo (Fabianinkatu 14) in Helsinki, Finland. Please see below for additional details.

BACKGROUND TO THE COMBINATION

YIT and Lemminkäinen are construction companies operating in the Northern European market with significant presence in Finland and reputable brands in the Nordic countries as well as in Russia and Eastern Europe. Both companies have in recent years been adjusting to the changing market conditions by focusing on operational and capital efficiency. Now, with improved and more efficient operations, the companies are well positioned to benefit from the improving market sentiment as well as strengthen their market position and thereby improve profitability.

The combination of YIT and Lemminkäinen is a natural step in the development of both companies as it will respond to the customers' changed behaviour, improve cost-competitiveness and decrease sensitivity to economic cycles. The more balanced product and service offering and wider geographical presence are expected to provide new growth opportunities for the combined company as well as enable development of new product concepts. Further, the combination supports the strategic aspirations of both companies and is expected to increase shareholder value to the shareholders of the combined company. The Boards of Directors of YIT and Lemminkäinen have, on June 19, 2017, signed a combination agreement (the “Combination Agreement”) and a merger plan concerning the combination.

THE RATIONALE OF THE COMBINATION

The combination provides a strong platform for future growth through increased economies of scale. The combined company will have a wide presence in several economic regions where it can accelerate growth while simultaneously reducing sensitivity on country-specific construction cycles. Market conditions among key growth markets of the combined company have improved and the efficiency and development programmes implemented by both companies in recent years will support the development of competitiveness and profitability.

The combination is a strategically important leap to create a platform to grow to one of the leading urban developers in the Northern European construction market. The combination of YIT and Lemminkäinen will form a balanced business portfolio of Housing, Business Premises, Infrastructure and Partnership Properties (a new business area as of January 1, 2018). Together, the companies can leverage their wide professional network to provide customers cost-competitive yet high quality and complex solutions. The companies will create a broad project execution platform for their diversified customer base. The broadened service offering will decrease the combined company's sensitivity to economic fluctuations, which will support cash flow generation and help the combination to reach its growth targets. Furthermore, employees will gain improved career opportunities under a larger corporation and the combination is expected to be an attractive employer for both existing and new talent.

Through the combination, the combined company's risk profile will be reduced and financial position improved. The counter-cyclicality of business operations provides operative stability which supports strategic planning and resource management. In addition, the benefits of scale enable new market opportunities and ability to capture larger projects. The increased size and strengthened capital base of the combined company is also expected to improve financing options and reduce financial costs.

The combination of YIT and Lemminkäinen is expected to create significant value for the shareholders of the combined company through synergies resulting from the coordination of the operations of the two companies and through increasing business opportunities. The synergies are expected to be approximately EUR 40 million annually, and they are expected to materialise in full by the end of 2020. The majority of the planned synergies are expected to be achieved through decreasing administrative costs, developing procurement, organisational improvements and coordinating ways of working and processes. The integration of operations will commence immediately after the completion of the proposed merger. Integration costs of approximately EUR 40 million are expected to have a nonrecurring cash flow impact for the years 2017–2019. YIT and Lemminkäinen will inform, consult and negotiate with relevant employee organisations regarding the social, economic and legal consequences of the proposed combination in accordance with the requirements of applicable laws. The combined company will continue to evaluate additional synergies beyond the current plan.

The growth opportunities and advantages of synergies provided by the combination are expected to increase the combined company's attractiveness as an investment case. Furthermore, the more balanced and improved risk profile and improving competitiveness of the combined company are expected to enable attractive and growing dividends to the shareholders in the future.

THE COMBINED COMPANY

Overview

The aim of the combined company is to become one of the leaders in urban development with preliminary combined annual revenue of approximately EUR 3.4 billion and operating profit of approximately EUR 85 million (IFRS, based on the twelve months ended December 31, 2016), which has approximately 10,000 employees. The combined company will have operations in 11 countries (Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland) and a strong position in its business areas:

Housing: Construction and development of apartments and entire residential areas.

Business Premises: Construction and development of offices, business, production and logistics premises and public buildings, solutions for the health care sector, and property development services. Renovation is also part of the service portfolio.

Infrastructure: Road and street construction, including bridges, underground construction, earth and foundation construction, building of energy, water supply and industrial plants, paving, as well as maintenance.

Partnership Properties (a new business area as of January 1, 2018): Financing the development of significant projects as well as owning and timely divestment of plots and developed properties.

Board of Directors and Management

The Shareholders' Nomination Board of YIT, after consultation with the Board's Nomination Committee of Lemminkäinen, proposes to the Extraordinary General Meeting of YIT resolving on the merger that Erkki Järvinen, Inka Mero and Tiina Tuomela, each a current member of the Board of Directors of YIT, be conditionally elected to continue to serve on the Board of Directors of YIT following the completion of the combination and that Harri-Pekka Kaukonen, Juhani Mäkinen and Kristina Pentti-von Walzel, each a current member of the Board of Directors of Lemminkäinen, be conditionally elected as members of the Board of Directors of YIT following the completion of the combination and that as Chairman of the Board of Directors of the combined company would be elected Matti Vuoria, the current Chairman of the Board of Directors of YIT, and as Vice-Chairman of the Board of Directors would be elected Berndt Brunow, the current Chairman of the Board of Directors of Lemminkäinen.

Kari Kauniskangas would continue as YIT's President and CEO following the combination and Ilkka Salonen, the current CFO of Lemminkäinen, would be appointed as the CFO.

Ownership structure and corporate governance

Pursuant to the merger plan, Lemminkäinen shareholders will receive as merger consideration 3.6146 new shares in YIT for each share in Lemminkäinen owned by them, corresponding to an ownership in the combined company post-completion of 60% for YIT shareholders and 40% for Lemminkäinen shareholders, assuming, that none of Lemminkäinen shareholders demands redemption of his/her shares at the EGM resolving on the merger. The table below illustrates the largest owners of the combined company (as per May 31, 2017), assuming all current YIT and Lemminkäinen shareholders are shareholders also at the completion of the combination.

	Shareholder	Shares	% of total shares
1	Varma Mutual Pension Insurance Company	15,945,976	7.6%
2	PNT Group Oy	15,296,799	7.2%
3	Pentti Heikki Oskari Estate	8,146,217	3.9%
4	OP funds	5,125,392	2.4%
5	Forstén Noora Eva Johanna	5,115,530	2.4%
6	Herlin Antti	4,710,180	2.2%
7	Pentti Lauri Olli Samuel	4,198,846	2.0%
8	Elo Mutual Pension Insurance Company	3,549,055	1.7%
9	Ilmarinen Mutual Pension Insurance Company	3,192,535	1.5%
10	Fideles Oy	3,188,800	1.5%
11	The State Pension Fund	2,975,000	1.4%
12	Vimpu Intressenter Ab	2,873,607	1.4%
13	Danske Invest funds	2,821,025	1.3%
14	Pentti-von Walzel Anna Eva Kristina	2,749,192	1.3%
15	Pentti-Kortman Eva Katarina	2,715,410	1.3%
16	Etera Mutual Pension Insurance Company	2,662,224	1.3%
17	Pentti Timo Kaarle Kristian	2,368,575	1.1%
18	Mariatorp Oy	2,349,490	1.1%
19	Wipunen varainhallinta oy	2,349,490	1.1%
20	Mandatum Life Unit-Linked	2,100,557	1.0%
	Top 20 total	94,433,900	44.7%
	Nominee registered	40,090,483	19.0%
	Other	76,575,470	36.3%
	Total shares	211,099,853	100.0%

The combined company is proposed to be called YIT Corporation.

Illustrative Combined Financial Information

Basis for preparation

The illustrative unaudited financial information presented below is based on YIT's and Lemminkäinen's audited consolidated financial statements for the year ended December 31, 2016 and unaudited consolidated interim financial information for the three months ended March 31, 2017. The illustrative statement of financial position information presented is based on the consolidated statement of financial position information of both companies as at March 31, 2017.

The illustrative combined financial information is presented for illustrative purposes only. The illustrative combined income statement information, statement of financial position and key figures have been presented as if the business had been carried on in the same group from the beginning of each period. The illustrative combined net sales, adjusted operating profit and operating profit of the combined company have been calculated as a sum of YIT's and Lemminkäinen's combined financial information for the twelve months ended December 31, 2016 and for the three months ended March 31, 2017. The combined statement of financial position, equity ratio, interest-bearing net debt and gearing illustrates the impact of the combination as if it had occurred on March 31, 2017.

The combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information inasmuch as any purchase price allocation, differences in accounting principles, adjustments related to transaction costs and impacts of the possible refinancing have not been taken into account. The difference between the preliminary merger consideration which has been calculated based on the closing price of the shares in YIT on May 31, 2017, totalling EUR 631.6 million, and Lemminkäinen's net assets as at March 31, 2017, totalling EUR 378.0 million, has been allocated to non-current assets. In said figures, Lemminkäinen's hybrid loan has been treated as debt. The expected synergies have not been included.

The actual financial information for the combined group will be calculated based on the final merger consideration and the fair values of Lemminkäinen's identifiable assets and liabilities as at the date of completion of the combination, including the impacts of possible refinancing that is contingent on the completion of the combination. The combined company's financial information that will be published in the future following the completion of the combination could therefore differ significantly from the illustrative combined financial information presented below. Accordingly, this information is not indicative of what the combined company's actual financial position, results of operations or key figures would have been had the combination been completed on the dates indicated. YIT will publish pro forma financial information in the merger prospectus assumed to be published by the end of August.

Combined income statement information

IFRS EUR million	1.1 - 31.12.2016			1.1 - 31.3.2017		
	Combined	YIT	Lemminkäinen	Combined	YIT	Lemminkäinen
Net sales	3,361.0	1,678.3	1,682.7	692.5	452.2	240.3
Operating profit	85.2	17.7	67.6	-28.1	4.7	-32.9
Operating profit -%	2.5%	1.1%	4.0%	-4.1%	1.0%	-13.7%
Operating profit (adjusted) 1)	89.7	44.7	45.1	-24.7	4.7	-29.5
Operating profit -% (adjusted) 1)	2.7%	2.7%	2.7%	-3.6%	1.0%	-12.3%

1) The combined adjusted operating profit have been adjusted based on YIT's and Lemminkäinen's published financial statements and interim financial information.

The transactions between YIT and Lemminkäinen have not been eliminated from the combined income statement information. The combined net sales include transactions between YIT and Lemminkäinen that amounted to EUR 11.5 million for the financial year ended December 31, 2016 and EUR 1.3 million for the three months' interim period ended March 31, 2017. The transactions between YIT and Lemminkäinen did not have a significant impact on the combined operating profit or adjusted operating profit.

Combined statement of financial position and key figures information

IFRS	31.3.2017		
EUR million	Combined	YIT	Lemminkäinen
Non-current assets 1)	874.5	248.5	248.0
Current assets excl. cash and cash equivalents	2,614.3	2,008.8	605.5
Cash and cash equivalents 2)	155.2	77.7	77.5
Total assets	3,644.0	2,335.0	931.0
Total equity 1),2),3)	1,201.1	569.5	288.5
Non-current liabilities 3)	572.0	385.7	151.5
Current liabilities 2)	1,870.8	1,379.7	491.1
Total equity and liabilities	3,644.0	2,335.0	931.0

IFRS	31.3.2017		
EUR million	Combined	YIT	Lemminkäinen
Interest-bearing net debt at the end of the period 3),4)	723.5	551.1	137.6
Gearing at the end of the period % 3),5)	63.5%	103.6%	47.7%
Equity ratio at the end of the period % 3)	40.3%	31.1%	37.3%

1) In the combined statement of financial position information, the difference between the preliminary merger consideration which has been calculated based on the closing price of the shares in YIT on May 31, 2017 and Lemminkäinen's net assets as at March 31, 2017, totalling EUR 378.0 million, has been allocated to non-current assets. In said figures, Lemminkäinen's hybrid loan has been treated as debt. The preliminary merger consideration, totalling EUR 631.6 million, has been allocated to total equity.

2) The annual general meeting of YIT held on March 16, 2017 resolved to distribute EUR 27.6 million as dividends and the annual general meeting of Lemminkäinen held on March 28, 2017 resolved to distribute EUR 15.3 million as dividends. The dividends have been recorded to decrease consolidated total equity and to increase current liabilities in both companies' statement of financial position as at March 31, 2017. The dividend liabilities are not interest-bearing net debt and have thus not been taken into account in the gearing as at March 31, 2017. The dividend distribution decreased the combined cash and cash equivalents by EUR 42.9 million in April 2017.

3) The interest-bearing net debt reported by Lemminkäinen as at March 31, 2017 has been presented to treat the book value of the hybrid loan, EUR 34.8 million, as an equity item. In the illustrative combined financial information the hybrid loan has been treated as debt and hence is included in the combined interest-bearing net debt, gearing and equity ratio.

4) The combined and YIT's interest-bearing net debt has been calculated by deducting the cash and cash equivalents and interest bearing assets from the interest-bearing liabilities.

5) Gearing ratio is calculated by dividing the difference in interest-bearing debt and cash and cash equivalents with equity attributable to the equity holders of the parent company.

Financial targets

The Boards of Directors of YIT and Lemminkäinen have together with the management of the companies considered appropriate financial targets for the combined company and agreed on the following framework. Subsequent to the completion of the combination, the new management team of the combined company will together with the Board of Directors of the combined company refine and possibly adapt these targets.

The long term financial targets of the combined company would preliminarily include:

return on capital employed of more than 12 percent (ROCE >12%);
equity ratio above 40 percent;
positive cash flow after dividends;
annually growing dividend per share.

THE MERGER

Merger in brief

The proposed combination of YIT and Lemminkäinen will be executed through a statutory absorption merger pursuant to the Finnish Companies Act in such a manner that all assets and liabilities of Lemminkäinen are transferred without a liquidation procedure to YIT. As a consequence of the completion of the merger, Lemminkäinen will dissolve and automatically cease to exist as a separate legal entity. Lemminkäinen's shareholders will receive as merger consideration 3.6146 new shares in YIT to be issued for each share in Lemminkäinen. The aggregate number of the new shares in YIT to be issued is expected to be 83,876,431 shares (excluding treasury shares held by Lemminkäinen and assuming that none of Lemminkäinen's shareholders will demand redemption of his/her shares at the EGM of Lemminkäinen resolving on the merger).

Lemminkäinen has received an advance tax ruling from the Finnish Large Tax Payer's Office (*Konserniverokeskus*) according to which the statutory merger will be treated as a tax neutral merger as defined in Section 52 a of the Finnish Business Income Tax Act.

The completion of the merger is subject to, *inter alia*, approval by the EGMs of YIT and Lemminkäinen currently expected to be held on September 12, 2017 so that shareholders representing more than 20% of the shares in Lemminkäinen have not demanded redemption of their shares. The completion of the merger is also subject to obtaining of necessary merger control approvals, availability of the financing agreed for the purpose of the merger in accordance with its terms and conditions, there being no event of default under any arrangement in respect of financial indebtedness of either company having an outstanding principal value of no less than EUR 90,000,000, no material adverse effect having taken place as well as the Combination Agreement remaining in force. The companies will publish the invitations to their respective EGMs through separate stock exchange releases later.

The merger plan is included as an annex to this stock exchange release and contains information, *inter alia*, on the merger consideration to Lemminkäinen's shareholders, the planned timetable for completion of the merger, the division of Lemminkäinen's assets and liabilities to YIT and the conditions for the completion of the statutory merger.

Further information about the combination, the merger and the combined company will also be available in a merger prospectus to be published by YIT prior to the EGMs of YIT and Lemminkäinen.

Preliminary timetable

End of August 2017: Publication of merger prospectus

September 12, 2017: EGMs of Lemminkäinen and YIT

Either November 1, 2017 or January, 1 2018, as possible: Expected completion of the merger

Combination Agreement in brief

YIT and Lemminkäinen have on June 19, 2017 entered into a Combination Agreement, pursuant to which YIT and Lemminkäinen have agreed to combine their business operations through a statutory absorption merger pursuant to the Finnish Companies Act.

The Combination Agreement contains certain customary representations and warranties as well as undertakings, such as, *inter alia*, each party conducting its business in the ordinary course of business before the completion of the merger, keeping the other party informed of any and all matters that may be of material relevance for the purposes of effecting the completion of the merger, preparing the necessary regulatory filings and notifications in cooperation with the other party, cooperating with the other party in relation to the financing of the combined company and the negotiations to be conducted with the creditors potentially opposing the merger. In addition, YIT and Lemminkäinen each undertake not to solicit proposals competing with the transaction agreed in the Combination Agreement, to inform each other about any competing proposals, and to provide the other party a reasonable opportunity to negotiate with the Board of Directors of the contacted party about matters arising from the competing proposal. The companies' Boards of Directors may decide to recommend a competing proposal only if required to do so in order to comply with their fiduciary duties pursuant to the Finnish Companies Act. At the request of the other party the Board of Directors in question shall, however, always convene an EGM to resolve on the merger pursuant to the Combination Agreement.

YIT and Lemminkäinen give each other customary reciprocal representations and warranties related to, *inter alia*, authority to enter into the Combination Agreement, due incorporation, status of the shares in the respective company, preparation of financial statements and interim reports, compliance with applicable licenses, laws and agreements, legal proceedings, ownership of intellectual property, taxes, employees and completeness of the due diligence materials provided to the other party.

YIT and Lemminkäinen shall bear their own fees, costs and expenses incurred in connection with the merger.

The Combination Agreement may be terminated by mutual written consent duly authorized by the Boards of Directors of YIT and Lemminkäinen. Each of YIT and Lemminkäinen may terminate the Combination Agreement *inter alia* if (i) the merger has not been completed by 1 April 2018, unless such date has not under certain circumstances been postponed by a maximum of three (3) months; (ii) the EGMs of YIT and Lemminkäinen have failed to approve the merger; (iii) if any governmental entity (including any competition authority) gives an order or takes any regulatory action that is non-appealable and conclusively prohibits the completion of the merger; or (iv) in case of a material breach by the other party of any of the representations, warranties, covenants or undertakings under the Combination Agreement if such breach has resulted, or could reasonably be expected to result, in a material adverse effect, as describe, in the Combination Agreement, in respect of the YIT group, the Lemminkäinen group or the group of the combined company. If the Combination Agreement is terminated due to the EGM of either YIT or Lemminkäinen having failed to approve the merger, the company in question shall reimburse the other party the reasonable transaction costs.

Fairness Opinion

With support in their assessments in the form of a fairness opinion from the respective financial advisors of YIT and Lemminkäinen, the Boards of Directors of YIT and Lemminkäinen have concluded that the merger and the merger consideration are in the best interest of the respective companies and their respective shareholders.

Financing

YIT has obtained a commitment for financing of the merger from Nordea and Danske Bank. The new financing arranged in connection with the combination consists of a EUR 240 million Bridge Term Facility, available from the completion date of the merger. The bridge facility has a maturity date falling twelve (12) months after the signing of the Bridge Term Facility agreement, but includes a continuation option of six (6) months. The intention of YIT and Lemminkäinen is to obtain certain waivers and amendments for their existing financing arrangements. In addition to the above, YIT is planning to arrange for the combined company a Revolving Credit Facility to correspond to the financing needs of the combined company. If the new credit facility cannot be arranged, YIT's current revolving credit facility agreement will remain in force.

Shareholder Support

Shareholders holding in aggregate approximately 20% of the shares and votes in YIT, including Elo Mutual Pension Insurance Company, Etera Mutual Pension Insurance Company, Antti Herlin (himself and through his controlled companies), Ilmarinen Mutual Pension Insurance Company, Kaleva Mutual Insurance Company, Mandatum Life Insurance Company Limited and Varma Mutual Pension Insurance Company, and shareholders holding in aggregate approximately 64% of the shares and votes in Lemminkäinen, including among others certain members of the Pentti family and companies controlled by them, Etera Mutual Pension Insurance Company, Ilmarinen Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company, have undertaken, subject to certain customary conditions, to attend the respective EGMs of YIT and Lemminkäinen and to vote in favour of the combination.

Advisors

Lemminkäinen is being advised by Nordea as financial advisor, and Hannes Snellman Attorneys Ltd as legal advisor. YIT is being advised by Summa Capital Oy as financial advisor, and Roschier, Attorneys Ltd. as legal advisor.

LEMMINKÄINEN CORPORATION
Board of Directors

YIT CORPORATION
Board of Directors

PRESS AND ANALYST CONFERENCE

A joint press conference and conference call will be held today, June 19, 2017, at 10:00 a.m. EEST, at Pörssitalo (Fabianinkatu 14) in Helsinki, Finland in the English language.

The presentation held at the event will be made available on the corporate websites of YIT and Lemminkäinen during today.

The press conference can be followed live as a webcast at the address:

http://qsb.webcast.fi/y/yit/yit_2017_0619_info/. A recording of the broadcast can be viewed at the same address later today.

The press conference can also be attended via conference call. The conference call can be attended by calling no later than five minutes before the start of the event, i.e. 9:55 EEST. Conference call numbers are:

Participants from UK and outside of Nordic countries: +44 (0)330 336 9105

Participants from Sweden : + 46 (0)8 5033 6574

Participants from Norway: + 47 2100 2610

The participants are requested to insert the following conference code: 2337038.

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Information on Lemminkäinen and YIT in Brief

Lemminkäinen is an expert in complex infrastructure construction and building construction in Northern Europe and one of the largest paving companies in its market. Together with our customers and 4,700 professionals we employ, we build a sustainable society. In 2016, our net sales were EUR 1.7 billion. Lemminkäinen Corporation's share is quoted on Nasdaq Helsinki Ltd. www.lemminkainen.com

YIT creates better living environment by developing and constructing housing, business premises, infrastructure and entire areas. Our vision is to bring more life in sustainable cities. We want to focus on caring for customer, visionary urban development, passionate execution and inspiring leadership. Our growth engine is urban development involving partners. Our operating area covers Finland, Russia, the Baltic countries, the Czech Republic, Slovakia and Poland. In 2016, our revenue amounted to nearly EUR 1.7 billion, and we employ about 5,300 employees. Our share is listed on Nasdaq Helsinki. www.yitgroup.com

IMPORTANT NOTICE

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This release does not constitute a notice to an EGM or a merger prospectus and as such, does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, any securities or an inducement to enter into investment activity. Any decision with respect to the proposed statutory absorption merger of Lemminkäinen into YIT should be made solely on the basis of information to be contained in the actual notices to the EGM of YIT and Lemminkäinen, as applicable, and the merger prospectus related to the merger as well as on an independent analysis of the information contained therein. You should consult the merger prospectus for more complete information about YIT, Lemminkäinen, their respective subsidiaries, their respective securities and the merger.

No part of this release, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information contained in this release has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither YIT nor Lemminkäinen, nor any of their respective affiliates, advisors or representatives or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this release or its contents or otherwise arising in connection with this release. Each person must rely on their own examination and analysis of YIT, Lemminkäinen, their respective subsidiaries, their respective securities and the merger, including the merits and risks involved.

This release includes “forward-looking statements.” These statements may not be based on historical facts, but are statements about future expectations. When used in this release, the words “aims,” “anticipates,” “assumes,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “should,” “will,” “would” and similar expressions as they relate to YIT, Lemminkäinen, the merger or the combination of the business operations of YIT and Lemminkäinen identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this release, including wherever this release include information on the future results, plans and expectations with regard to the combined company’s business, including its strategic plans and plans on growth and profitability, and the general economic conditions. These forward-looking statements are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the combined company to differ materially from those expressed or implied in the forward-looking statements. Neither YIT nor Lemminkäinen, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this release.

This release includes estimates relating to the synergy benefits expected to arise from the merger and the combination of the business operations of YIT and Lemminkäinen as well as the related integration costs, which have been prepared by YIT and Lemminkäinen and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the merger and the combination of the business operations of YIT and Lemminkäinen on the combined company’s business, financial condition and results of operations. The assumptions relating to the estimated synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual synergy benefits from the merger and the combination of the business operations of YIT and Lemminkäinen, if any, and related integration costs to differ materially from the estimates in this release. Further, there can be no certainty that the merger will be completed in the manner and timeframe described in this release, or at all.

Notice to Lemminkäinen Shareholders in the United States

The YIT shares to be issued in connection with the merger have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and are being issued in reliance on the exemption from registration set forth in Rule 802 under the Securities Act.

YIT and Lemminkäinen are Finnish companies and the issuance of YIT shares will be subject to procedural and disclosure requirements in Finland that may be different from those of the United States. Any financial statements or other financial information included in this release may have been prepared in accordance with non-U.S. accounting standards that may not be comparable to the financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. shareholders of Lemminkäinen to enforce their rights and any claims they may have arising under U.S. federal securities laws in connection with the merger, since YIT and Lemminkäinen are located in non-U.S. jurisdictions, and some or all of YIT's and Lemminkäinen's officers and directors may be residents of countries other than the United States. As a result, U.S. shareholders of Lemminkäinen may not be able to sue YIT or Lemminkäinen or their respective officers and directors in a court in Finland for violations of U.S. federal securities laws. Further, it may be difficult to compel YIT or Lemminkäinen to subject themselves to the jurisdiction or judgment of a U.S. court.

Lemminkäinen's shareholders should be aware that YIT may purchase Lemminkäinen's shares otherwise than under the merger, such as in open market or privately negotiated purchases, at any time during the pendency of the proposed merger.

Attachments

[Merger plan](#) (pdf)