

# Finnish Construction Company Reports Russian Apartment Sales Drop

By [The Moscow Times](#)

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Finland's biggest construction company YIT said on Thursday it expected its apartment sales in Russia to be down about 36 percent in the third quarter from a year earlier, sending its shares down more than 3 percent in early trade.

YIT, the biggest foreign housebuilder in Russia, has come under pressure from a slump in Russian consumer demand, due to Western sanctions over Russia's role in the Ukraine crisis and the oil price rout.

A slump in the ruble also means it earns less from its Russian business when its sales are translated into euros.

In a statement coinciding with a day of briefings for investors and analysts, YIT said its

Russian consumer sales in the third quarter would fall to more than 600 apartments from 936 a year earlier.

Its operations have also come under pressure in its recession-hit home market.

"In Finland, consumers are still cautious, and the operating environment in Russia has weakened further," Chief Executive Kari Kauniskangas said.

In Finland it estimated consumer sales at nearly 300 apartments this quarter, down from 344 a year earlier. In central and eastern Europe, sales would rise to 200 from 158.

"This is a disappointment compared to general market expectations. ... Consumers' purchasing power is deteriorating, and there is also a squeeze in the consumer financing side," said Inderes analyst Petri Aho, who had a "reduce" rating on the stock.

YIT repeated its full-year forecast of sales growth in a range of down 5 percent and up 5 percent at comparable exchange rates, with its core operating profit margin seen lower.

The stock was down 3.4 percent at 5.20 euros by 7:13 GMT.

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