



**FACILITY SERVICES FOCUSES ON
OPERATIONAL EFFICIENCY AND SEEKS
PROFITABLE GROWTH THROUGH MORE
EXTENSIVE SERVICE PACKAGES**

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FACILITY SERVICES IN BRIEF

Financials

	H1/13	H1/12	2012
Net sales, mEUR	149.2	152.0	299.5
EBIT*, mEUR	3.7	3.8	14.7
EBIT%*	2.5	2.5	4.9

*excl. EO items

• 13 500 customers

- 20 largest customers account for 25% of net sales
- Customer base, % of net sales
 - Offices 30%
 - Commercial and retail locations 15%
 - Housing corporations 10%
 - Public sector 15%
 - Industrial sector and production facilities 30%

FACILITY SERVICES CREATES GOOD WORKING CONDITIONS



MARKETS AND L&T'S MARKET POSITION

Facility Services in total	<ul style="list-style-type: none">• No. 2• Relevant market EUR 3.0 billion• Market growth: 3 % annually
Cleaning and facility support services	<ul style="list-style-type: none">• No. 2• Relevant market EUR 1.0 billion• Market growth: inflation rate
Property maintenance	<ul style="list-style-type: none">• No. 1• Relevant market EUR 0.8 billion• Market growth: inflation rate
Damage repair services	<ul style="list-style-type: none">• No. 2• Relevant market EUR 0.2 billion• Market growth: above inflation rate
Maintenance of technical systems	<ul style="list-style-type: none">• No. 5• Relevant market EUR 1.0 billion• Market growth: above inflation rate

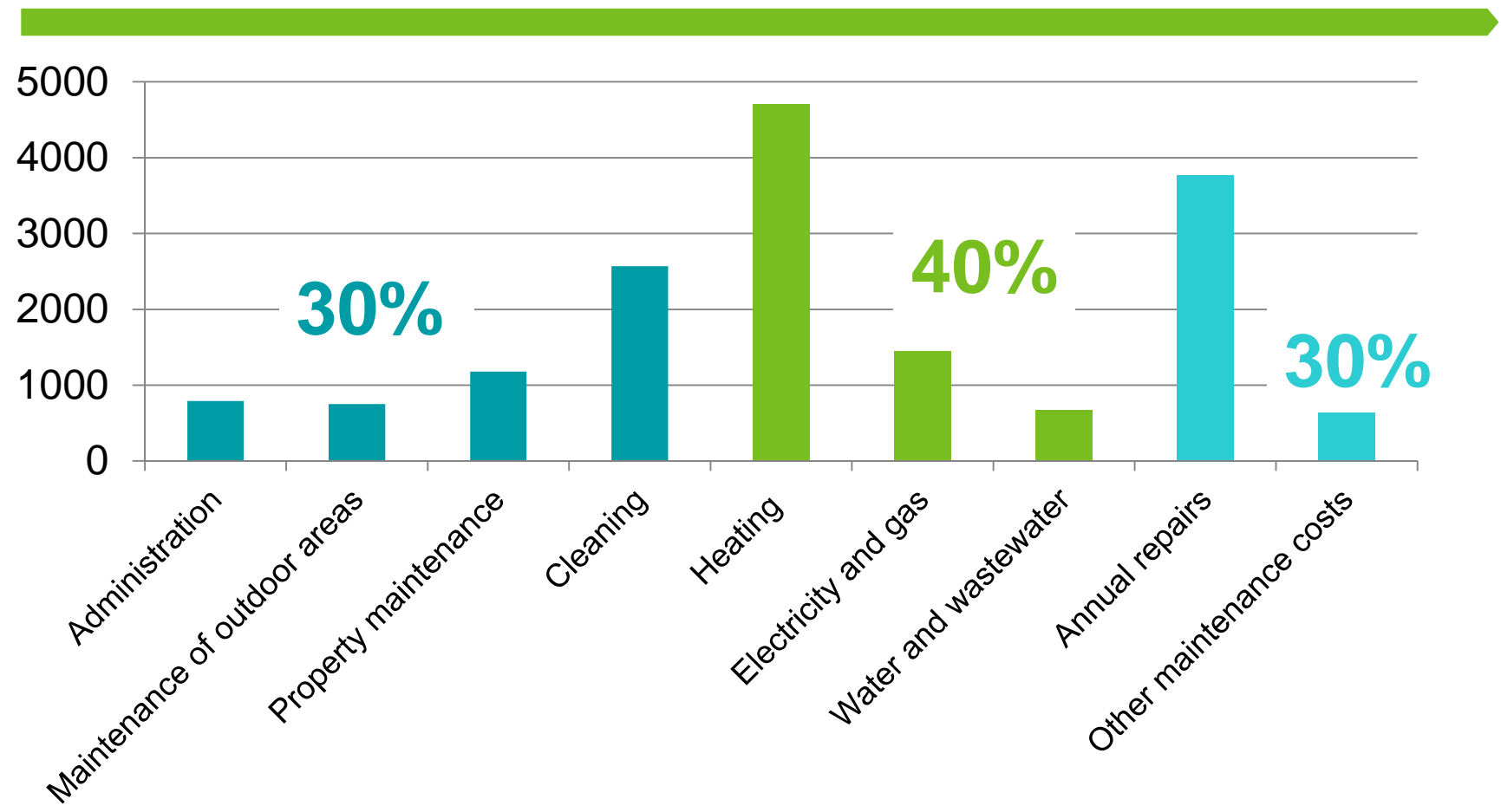
Market positions and sizes based on management estimate

RECENT DEVELOPMENTS IN FACILITY SERVICES



FOCUS ON TOTAL COST MANAGEMENT OF PROPERTIES

MAINTENANCE OF THE BUILDING STOCK: EUR 16.5 BILLION IN 2013



Source: VRK/RHR and VTT on the basis of data from Statistics Finland

HOW WILL L&T UTILISE THE MARKET DEVELOPMENT?

MARKET DEVELOPMENT AND L&T'S ACTIONS

Market development

L&T's actions

Customers will change the way they buy services, favouring service packages

- Focusing on large customer accounts, harnessing the potential of cross-sales and support services
- Offering bundled facility services
- Operational efficiency
- Offering technical system services in new localities

Greater technical complexity of properties, rising energy prices and growing environmental awareness

- Focus on eco-maintenance
- An energy control center established
- Offering technical system services in new localities
- Increasing expertise in technical systems

MARKET DEVELOPMENT AND L&T'S ACTIONS

Market development

L&T's actions

Outsourcing is becoming more common among companies and in the public sector

- Centralisation of sales
- Proactive operations in the municipal sector
- Focus on support services

Significance of office premises is on the rise

- Services for modifying premises have been launched
- Organisation has been clarified to improve customer care
- Focus on technical systems

Growth in the number and value of damages

- Harnessing large partnerships with insurance companies
- Developing expertise in special damage repair services
- Cross-use of resources across the businesses

SUMMARY

CONCLUSIONS



L&T is ready to utilise the market opportunities for profitable growth.

Current situation

- Steps taken to improve operational efficiency, but not all of the benefits have materialised yet
- Strong market position in cleaning, property maintenance and damage repair services

**IT'S EASY TO TRANSFORM A
KETCHUP BOTTLE INTO FUEL
OR A TUNA CAN INTO A FORK.
IT'S MUCH HARDER TO CHANGE
HOW PEOPLE THINK.**



WORKING SUSTAINABLY

