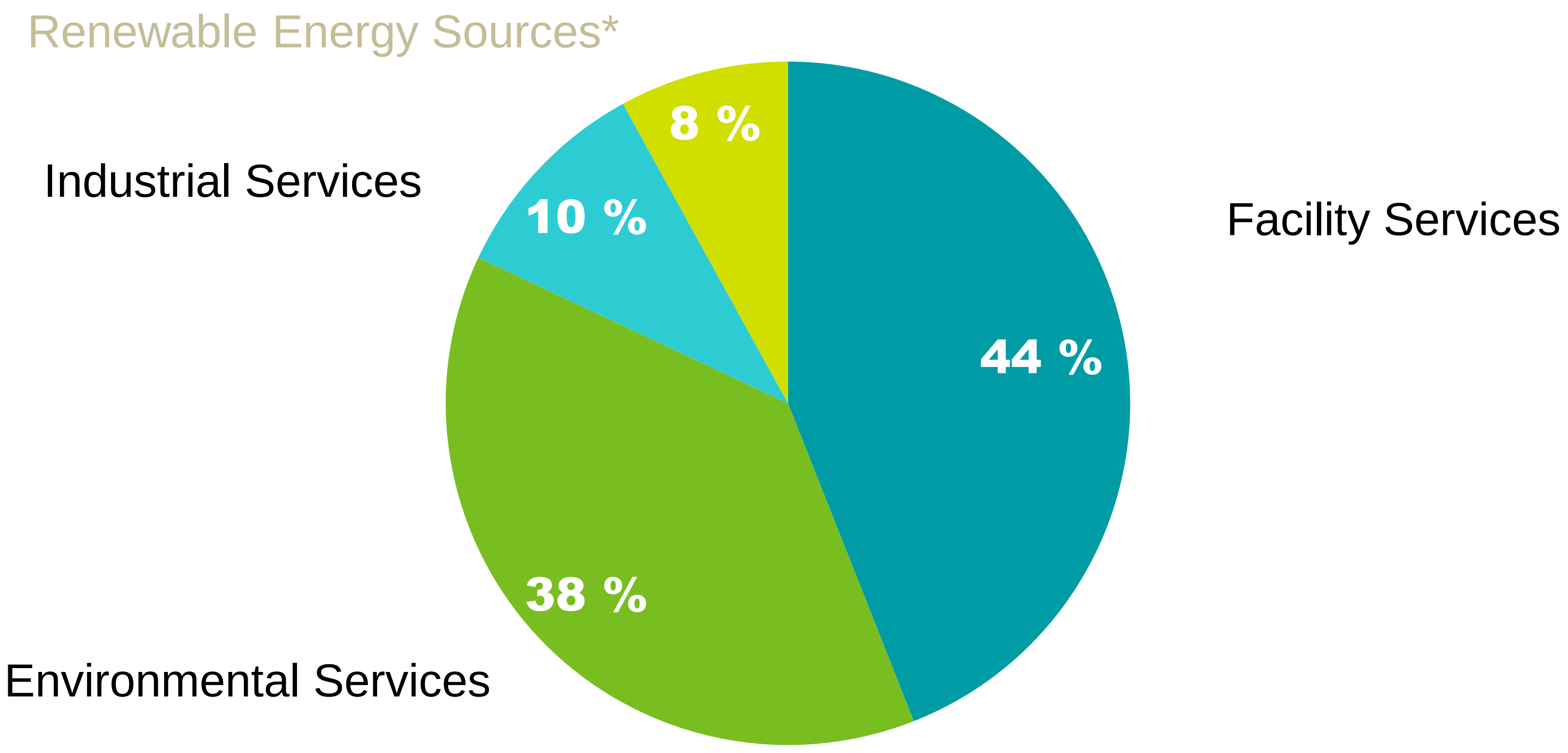
L&T HEADING TOWARDS STRATEGIC TARGETS

Timo Leinonen, CFO

Capital Markets Day 23 September 2013

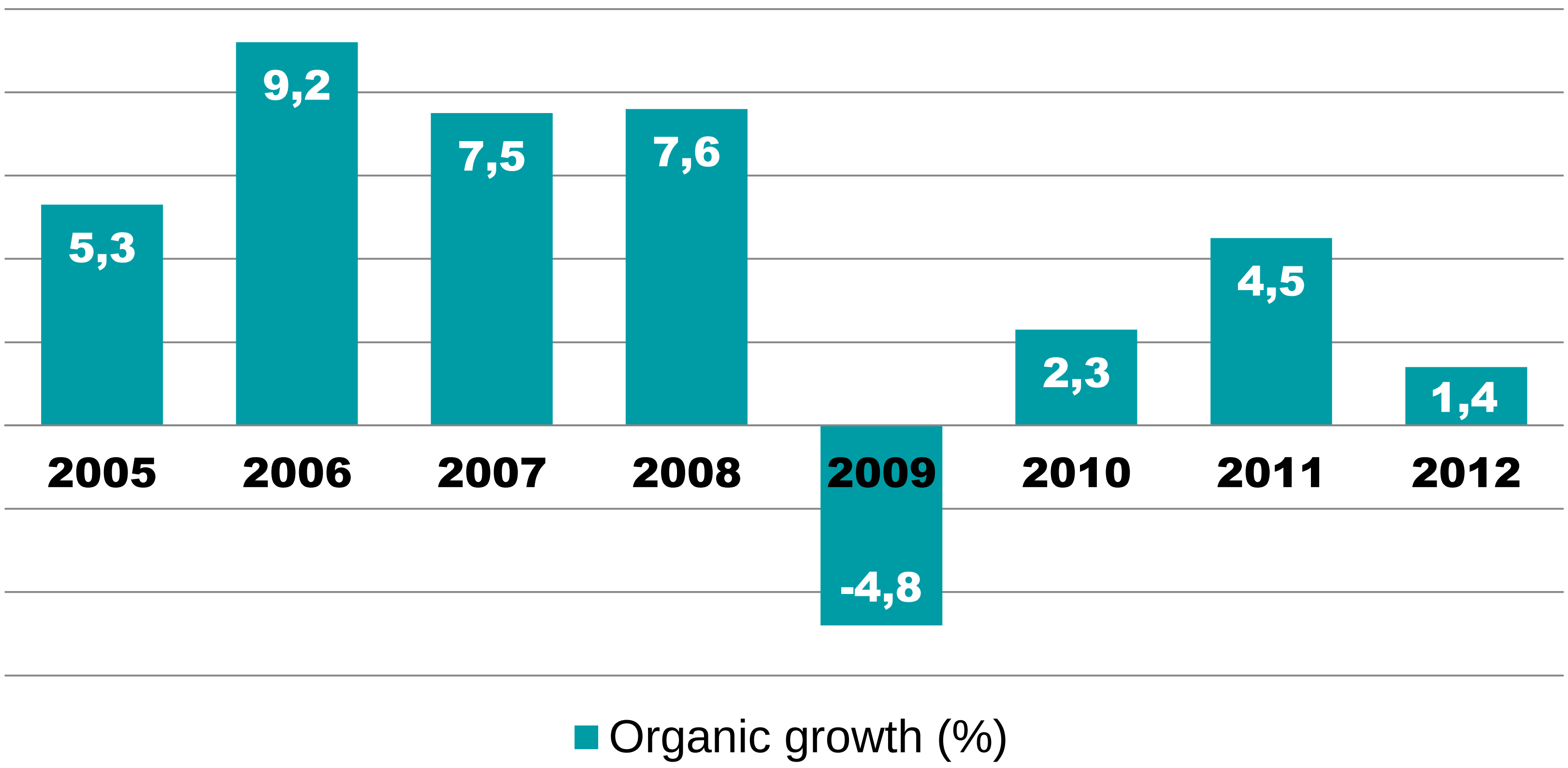
NET SALES BY DIVISION



*Non-core business

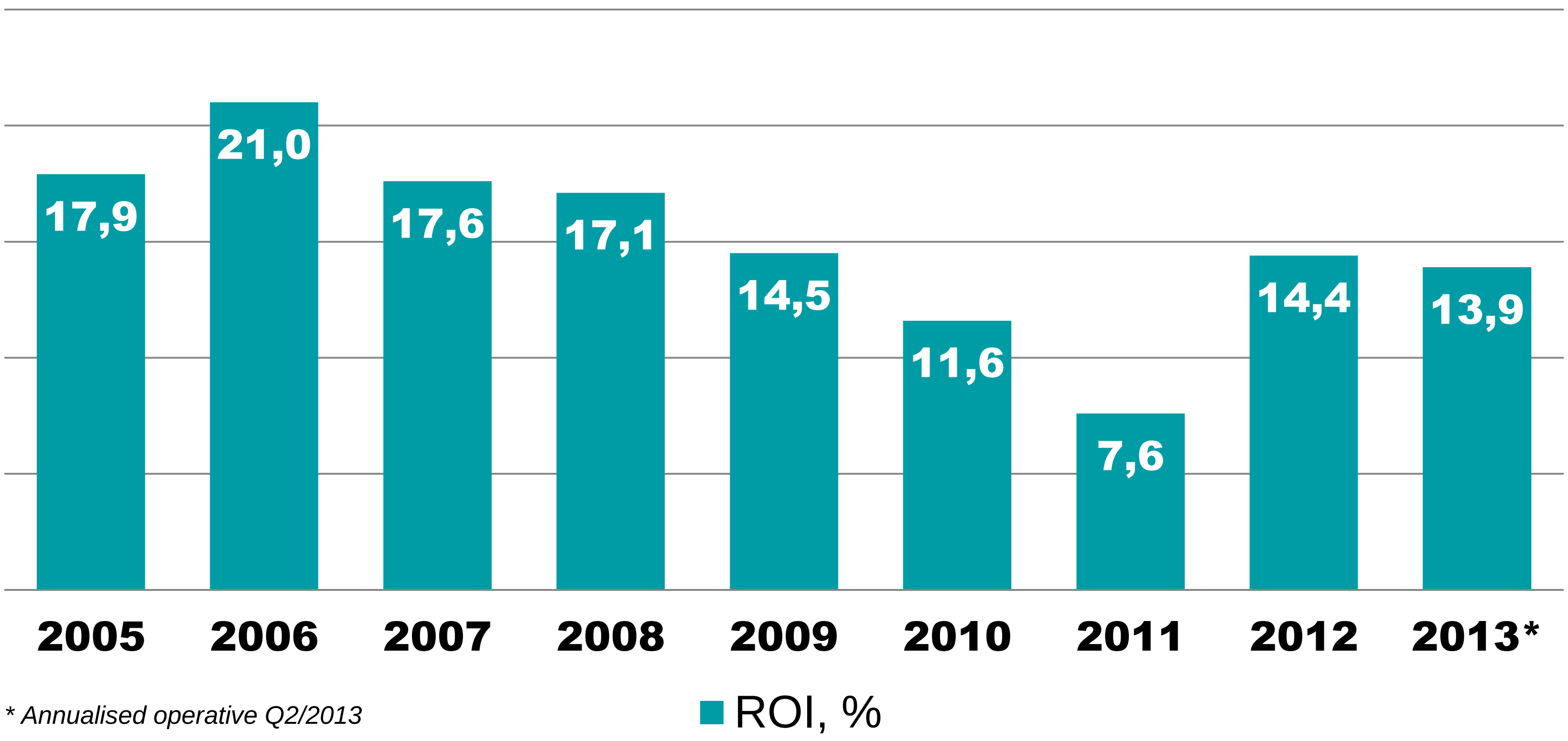
ORGANIC GROWTH 2005–2012

- Strategic target: >5%



RETURN ON INVESTMENT 2005–2013

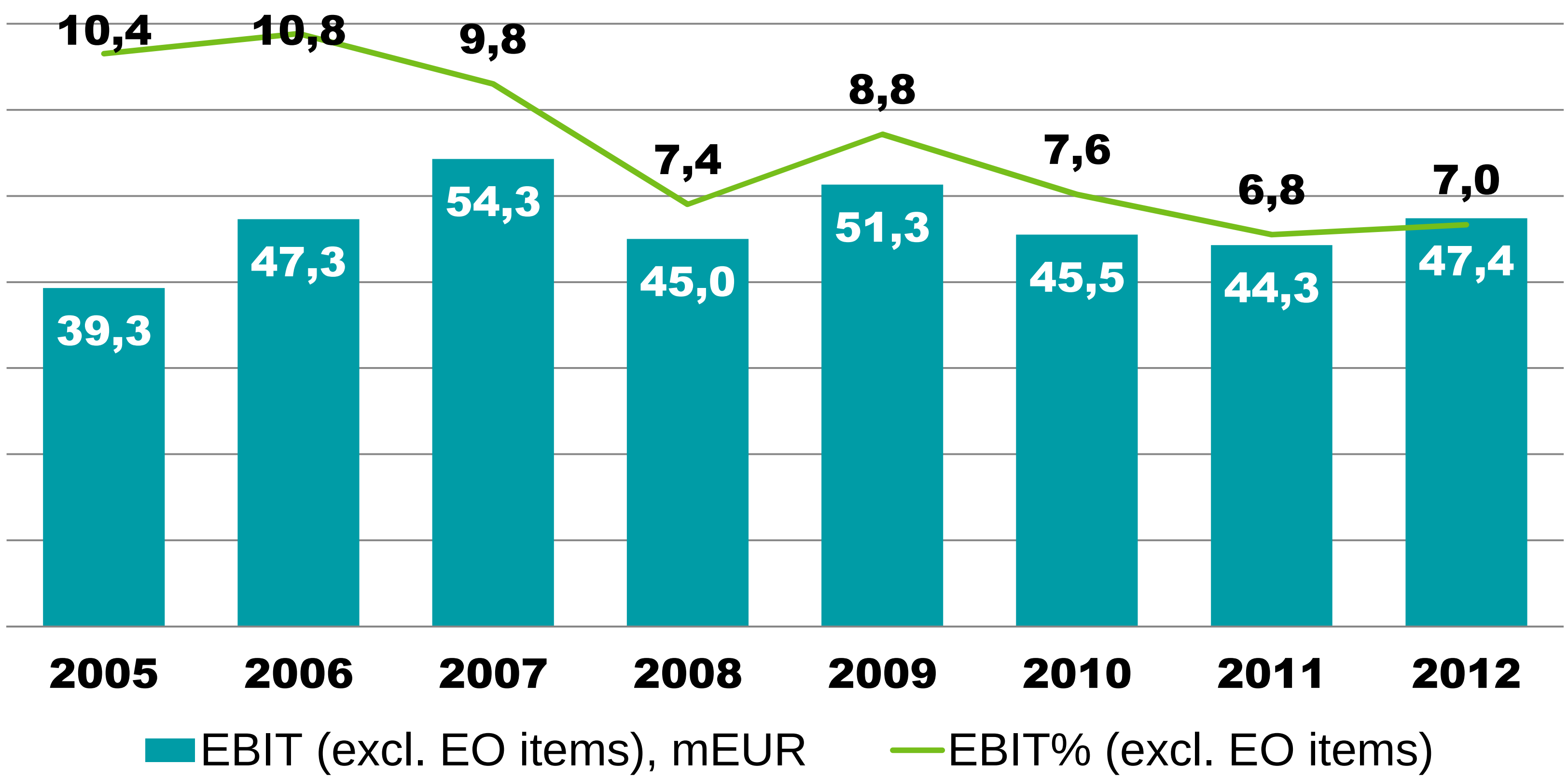
- Strategic target: ROI 20%



** Annualised operative Q2/2013*

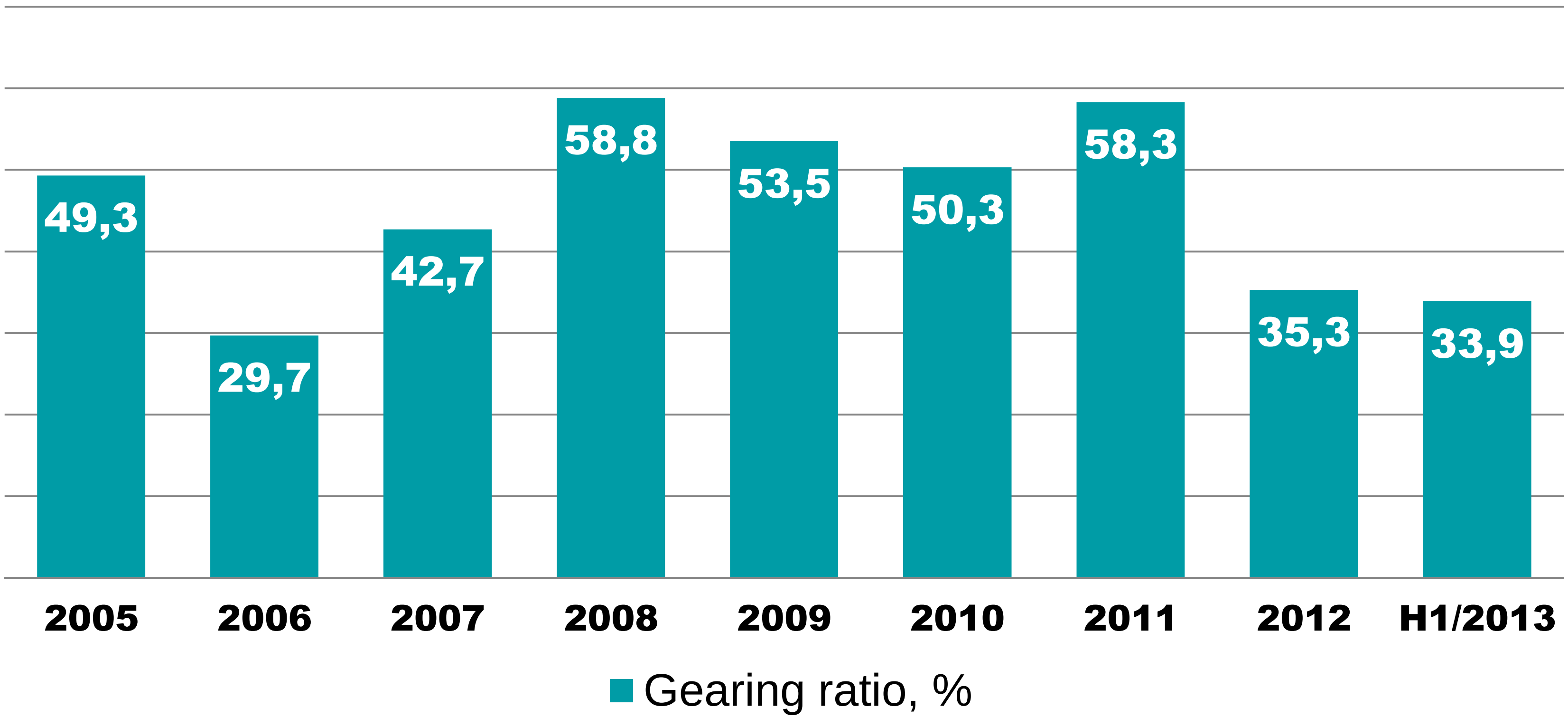
OPERATING PROFIT 2005–2012

- Strategic target: EBIT 9%

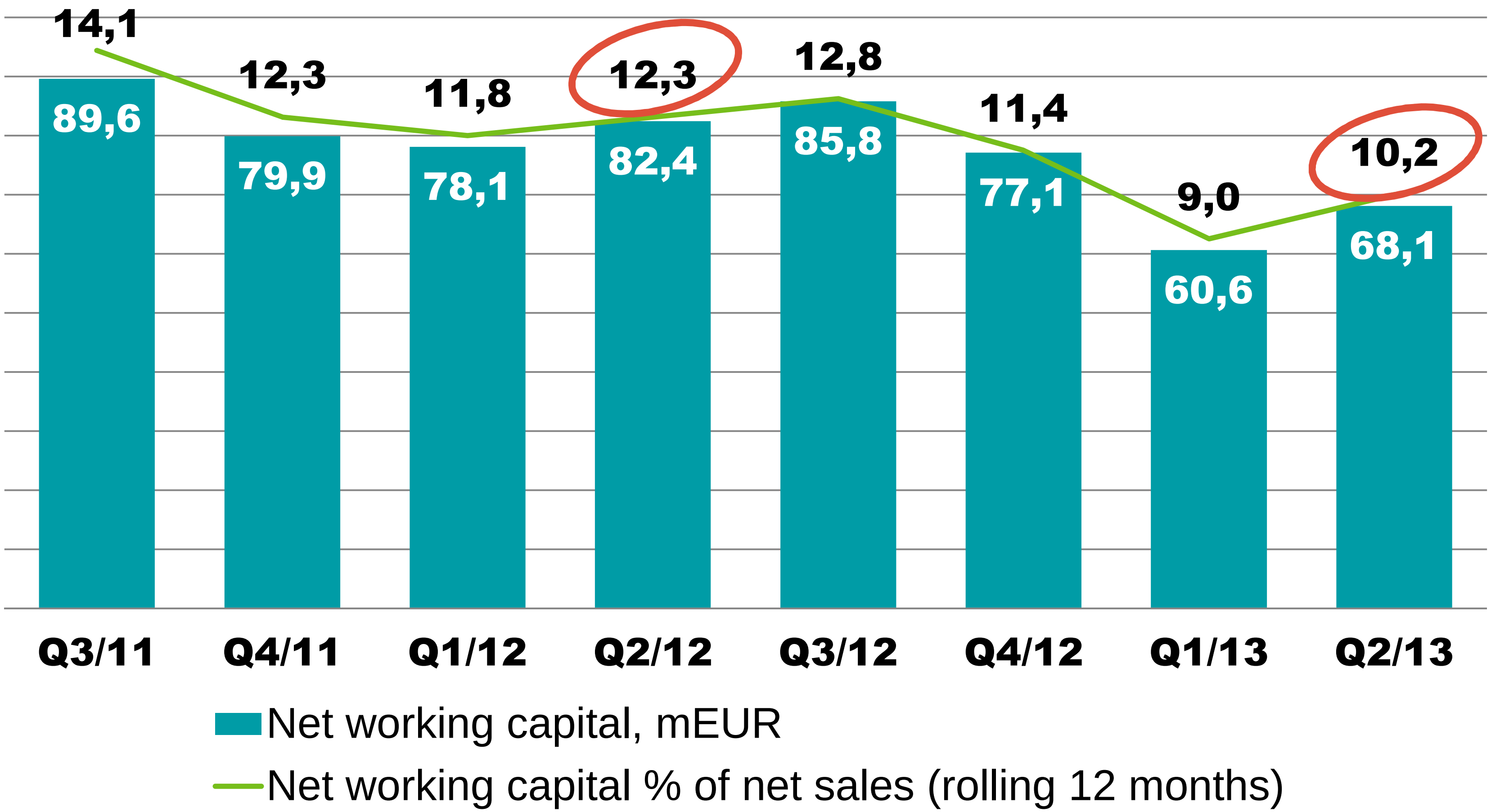


GEARING 2005-2013

- Strategic target: Gearing 30–80%



NET WORKING CAPITAL



FINANCIAL TARGETS REMAIN UNCHANGED

Key figure	Target 2016	H1/2013	H1/2012	2012
Organic growth	>5%	0.9%	2.0%	1.4%
Return on investment (ROI)	20%	13.9%*	11.3%	14.4%
Operating profit	9%	6.0%	5.0%	7.0%
Gearing	30–80%	33.9%	53.8%	35.3%

** Annualised operative Q2/2013*

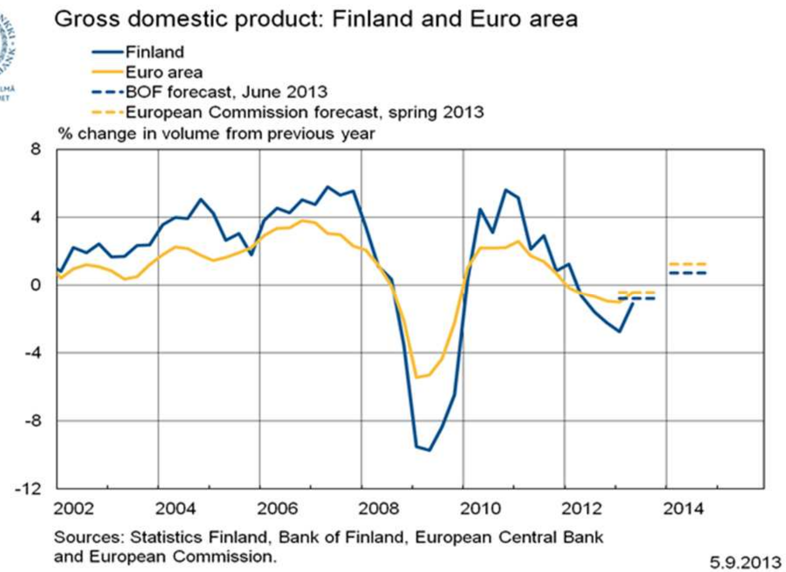
CONTRIBUTION TO FINANCIAL TARGETS FOR CORE BUSINESS

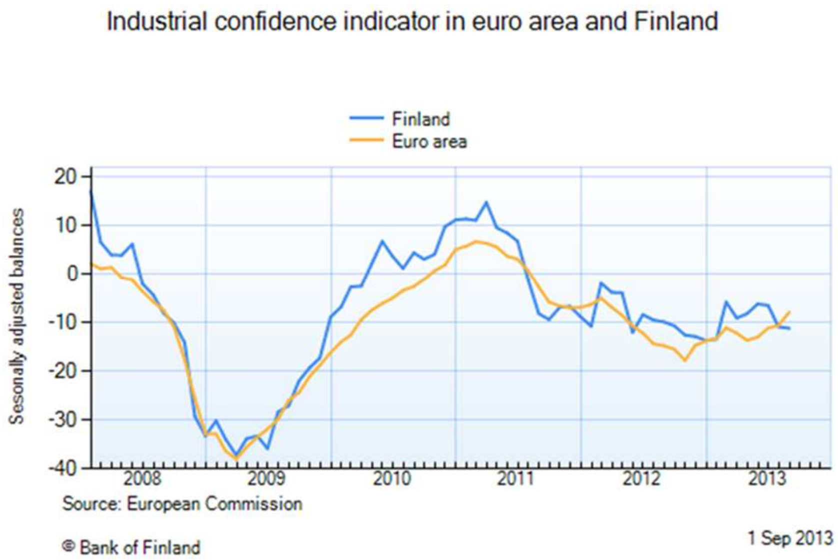
Business Area	Organic Growth*	Return on Investment*	Operating Profit	Gearing
Environmental Services	Moderate	Moderate	11.5%	Financial capability to invest in geographical growth and to different value chains
Facility Services	Moderate	High	4.9%	
Industrial Services	High	Moderate	6.3%	
L&T Group 2016	>5%	20%	9%	30-80%

**In relation to L&T average*

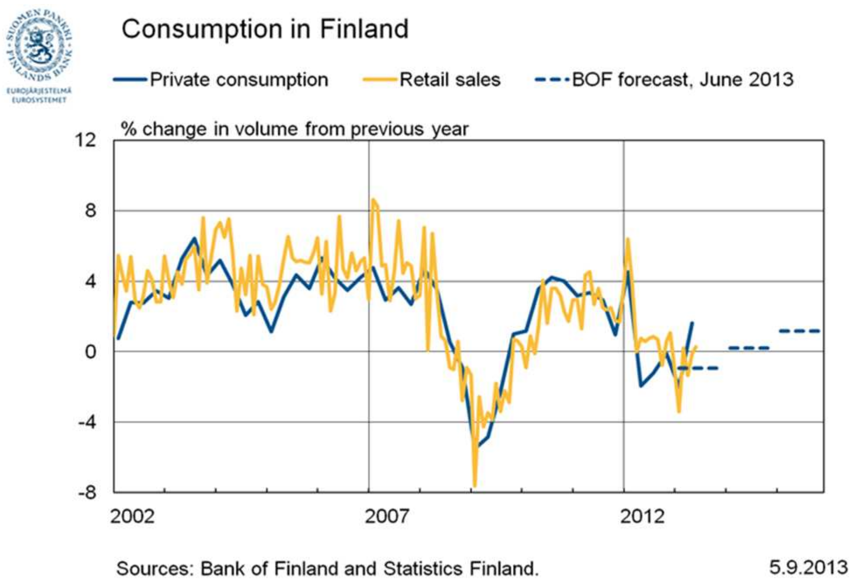
ECONOMIC OUTLOOK AND IT’S IMPACT ON L&T

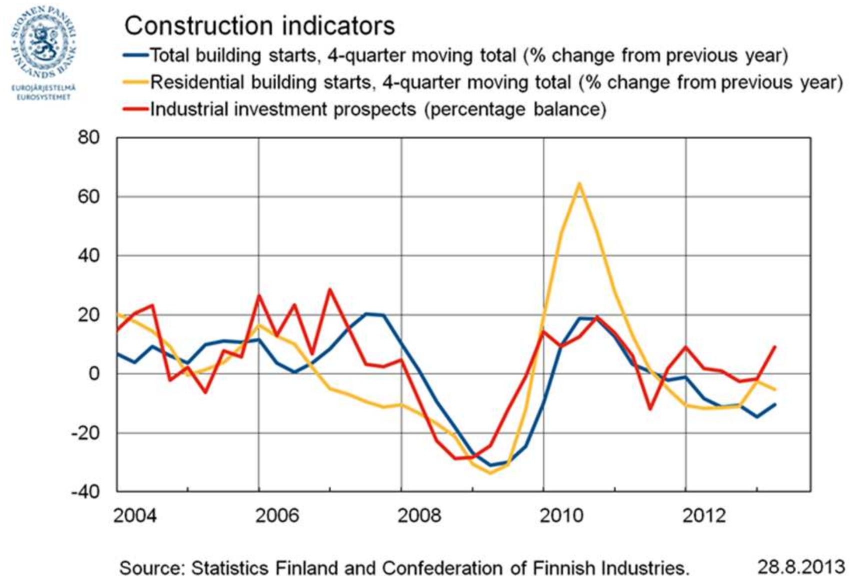
GROSS DOMESTIC PRODUCT AND INDUSTRIAL CONFIDENCE





CONSUMPTION IN FINLAND AND CONSTRUCTION INDICATORS





HOW CURRENT GENERAL ECONOMY EFFECTS L&T'S CORE BUSINESSES

Business Area	Growth	Profitability	Markets
Environmental Services	• Reduction of recycling volumes in construction has negative impact. • Stable household waste management.	• On good level due to efficiency. • Without loss of major customers, the profitability level is stable.	• Stable in general. • The changes in the legislation will boost market growth.
Facility Services	• Increased competition due to customers' cost cutting. • Major customers' preference shifting towards service packages.	• Increased competition due to customers' cost cutting.	• Growing in general. • Driven by players with country wide operations. • Significant growth potential in energy efficiency and maintenance of technical systems.
Industrial Services	• Strong competition in process cleaning and in sewer maintenance. • Mandatory services for process industry.	• Volatility in customer demand, but size increases our flexibility.	• Market is growing moderately but there is volatility in customer demand.

GROWTH OPPORTUNITIES

GROWTH POTENTIAL DURING STRATEGY PERIOD

Division	Service line	Organic growth potential	Acquisitions
Environmental Services	Recycling	High	Targeted acquisitions to expand within the value chain and geographically
	Waste management	Low	
Facility Services	Property maintenance	Moderate	Targeted acquisitions to expand service offering and geographically
	Cleaning and support services	Moderate	
	Maintenance of technical systems	High	
	Damage repair services	High	
Industrial Services	Process cleaning	Moderate	
	Environmental construction	High	
	Sewer maintenance	Moderate	

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.

L&T®

WORKING SUSTAINABLY

L&T®