



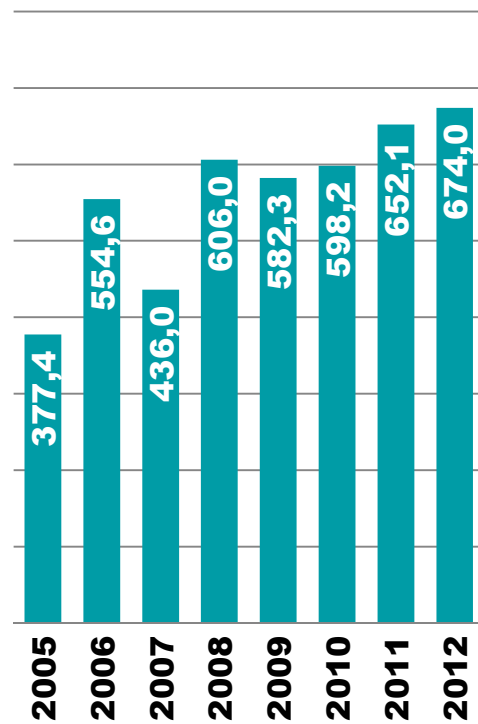
L&T MOVING FROM RE-STRUCTURING TO PROFITABLE GROWTH

Pekka Ojanpää, President & CEO

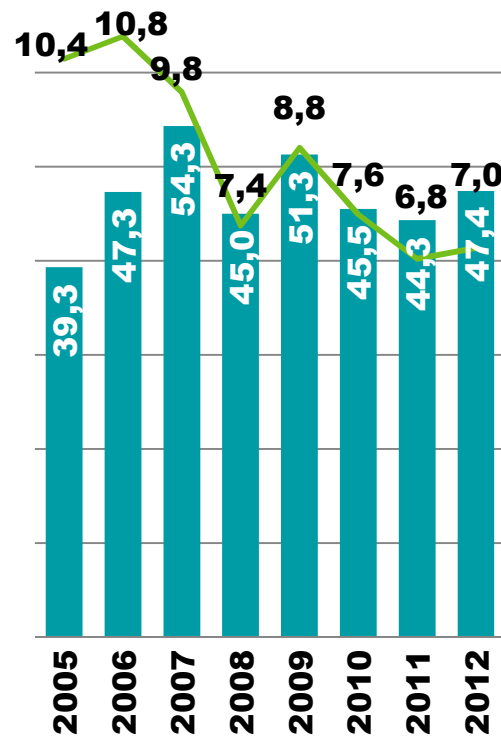
Capital Markets Day 23 September 2013

L&T'S TRACK RECORD

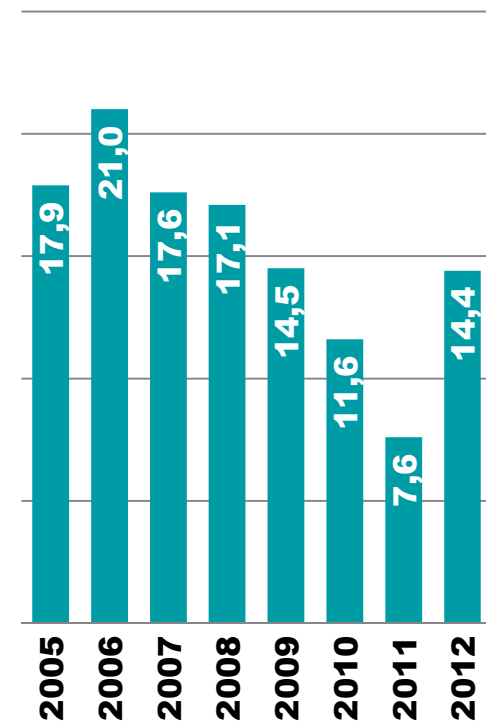
Net sales, mEUR



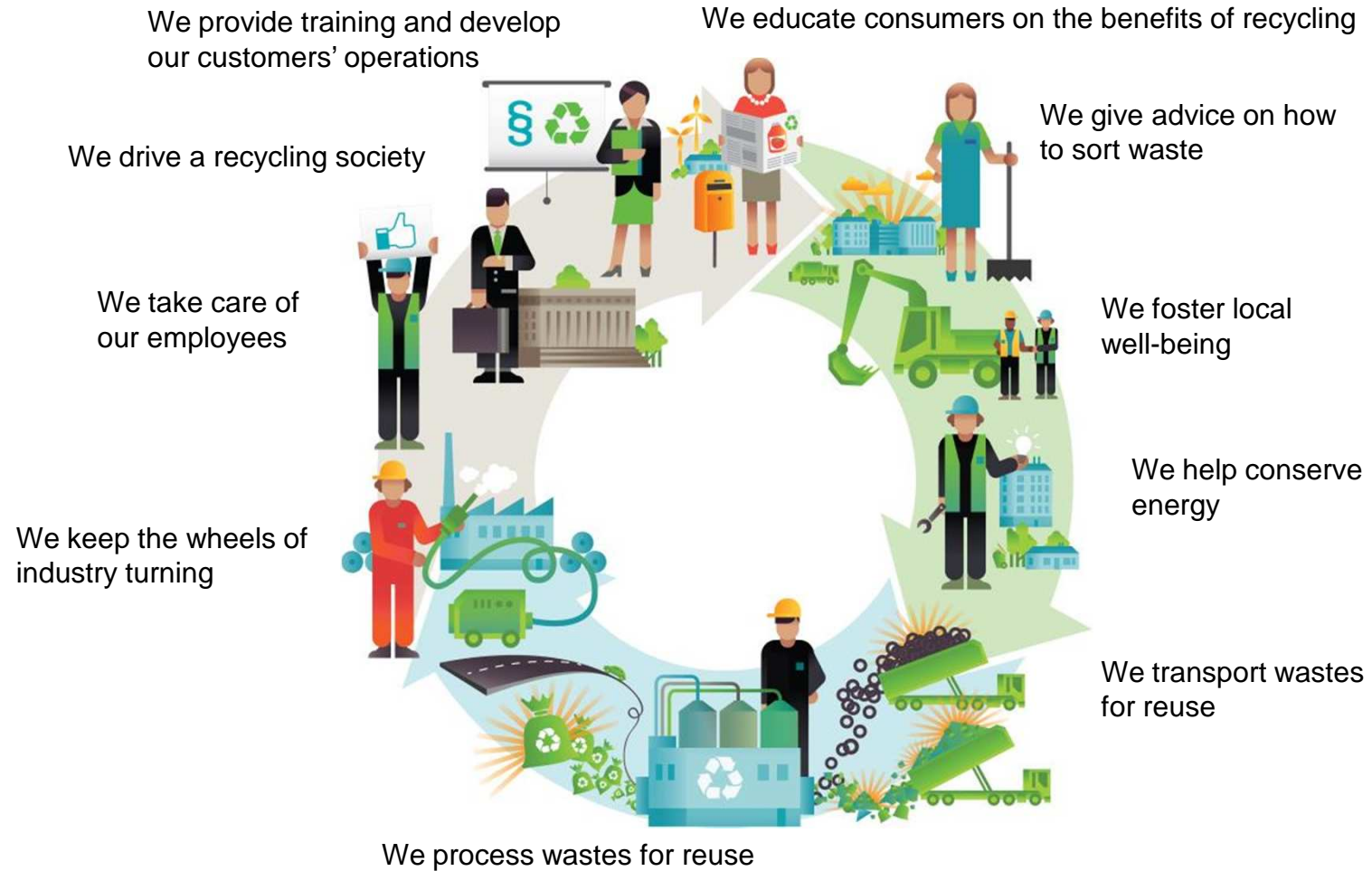
EBIT, mEUR and % of net sales



ROI, %



L&T IN SOCIETY

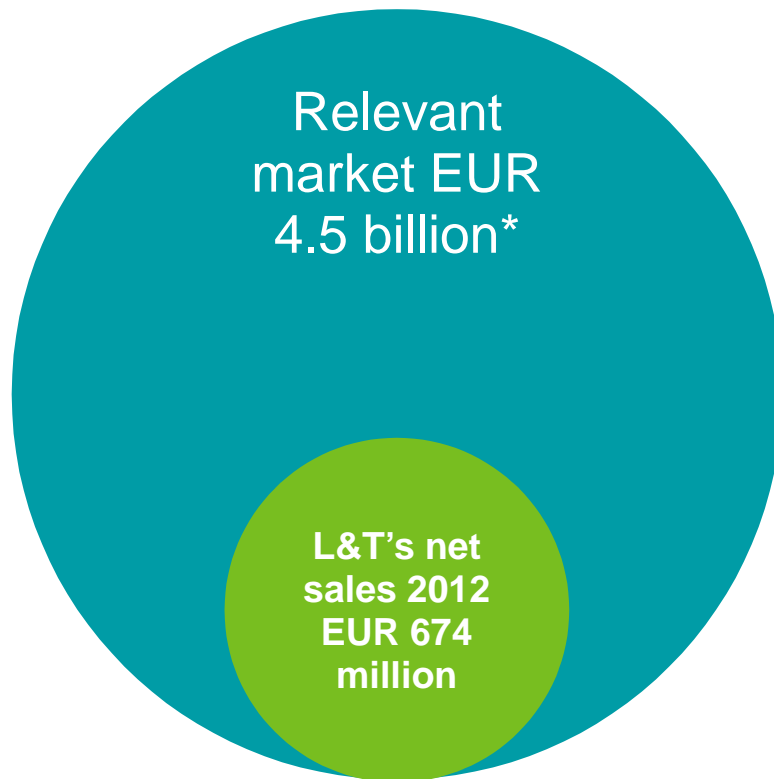


OPERATING ENVIRONMENT

OPERATING ENVIRONMENT AND CHANGES IN CUSTOMER BEHAVIOUR

Change in operating environment	Effect on L&T	Change in customer behaviour	Effect on L&T
Ban on the landfill disposal of organic waste	+	More professional procurement functions	+/-
Municipalisation of household waste management	+/-	Expectations for wider service offerings	+
Increased mass incineration of waste	+/-	Increasing outsourcing in insurance companies and in municipalities	+
Decline in available workforce	-	More technical property maintenance	+

STRONG GROWTH POTENTIAL IN CORE BUSINESSES



- The relevant market is growing at compound annual rate of ~3%.
- Focus on organic growth remains.
- Healthy balance sheet enable business acquisitions.

**Based on L&T's estimate and research data on the size of relevant markets in Finland*

STRONG AND STABLE MARKET POSITION IN CORE BUSINESSES

Environmental Services

- No. 1–2*
- Relevant market EUR 1.2 billion
- Market growth: 2-3% annually

Industrial Services

- No. 1–3*
- Relevant market EUR 0.35 billion
- Market growth: 4% annually

Facility Services

- No. 2*
- Relevant market EUR 3.0 billion
- Market growth: 3% annually

*Market positions and sizes based on management estimate
In current businesses

STRATEGY OVERVIEW

MANY PEOPLE
— ONE L&T



OUR VISION

We are our customers' preferred partner in environmental, industrial and facility services

STRATEGIC PROGRAMMES 2014

- Sales and account management
- Workforce management
- Enhancement of supply chain
- Development of leadership skills



KEY SUCCESS FACTORS

- Profitable growth in core businesses
- Customer orientation
- Skilled and sufficient personnel
- Cost efficiency
- Uniform corporate and positive safety culture

FROM A CONSUMER SOCIETY
TO A RECYCLING SOCIETY

X DEPLETION OF
KEY RAW MATERIALS

X FINLAND AND EUROPE
LOSING THEIR
COMPETITIVE
STRENGTH

X GLOBAL
WARMING

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

TRANSITION FROM RE-STRUCTURING TO PROFITABLE GROWTH

2012-2013

Focus and cost efficiency,
investment in organic growth

Key actions:

- New management and organisation structures
- Development of procurement and logistics
- Enhancement of working capital management
- Development of sales operations and more extensive service packages
- Resource and labour cost management

Strategy
evolution

2014-2016

Growth and scalability in core
businesses

Key actions:

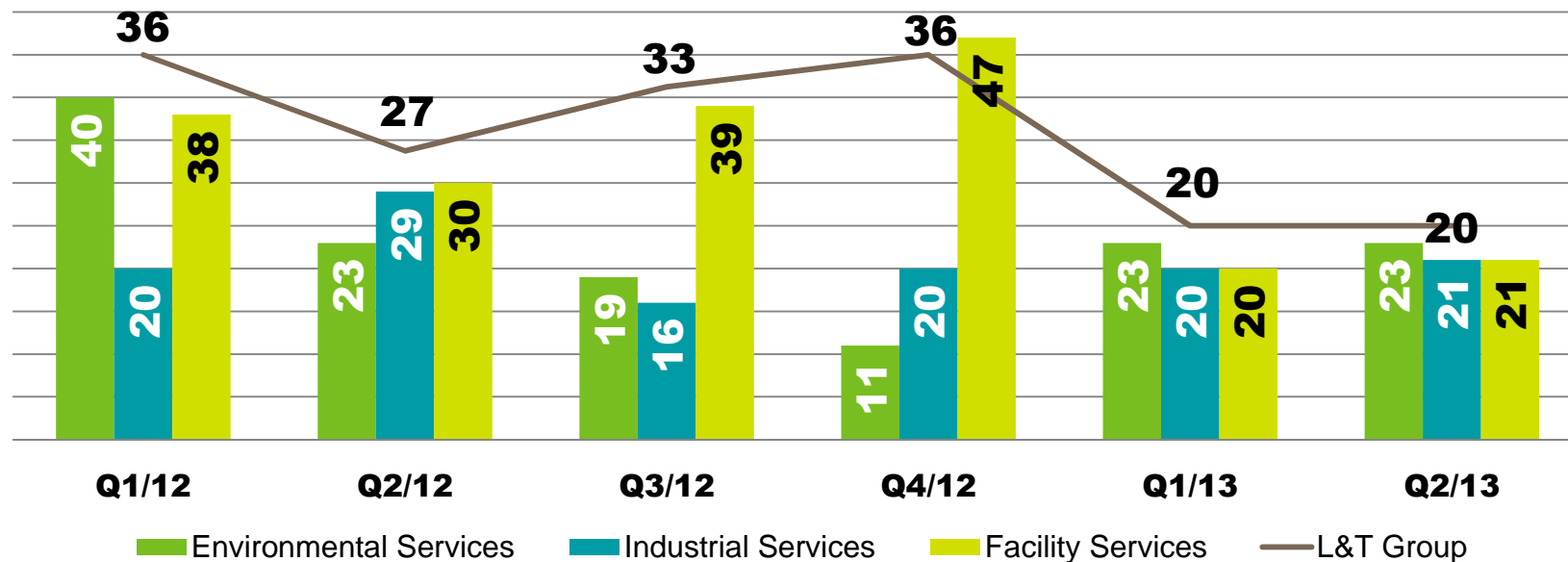
- Organic growth and expansion utilising existing service network
- Offering larger service packages to expand customer accounts
- Centralised supply chain management
- Focused acquisitions in core businesses

PEOPLE AND SAFETY

COMPLETE CHANGE IN SAFETY CULTURE

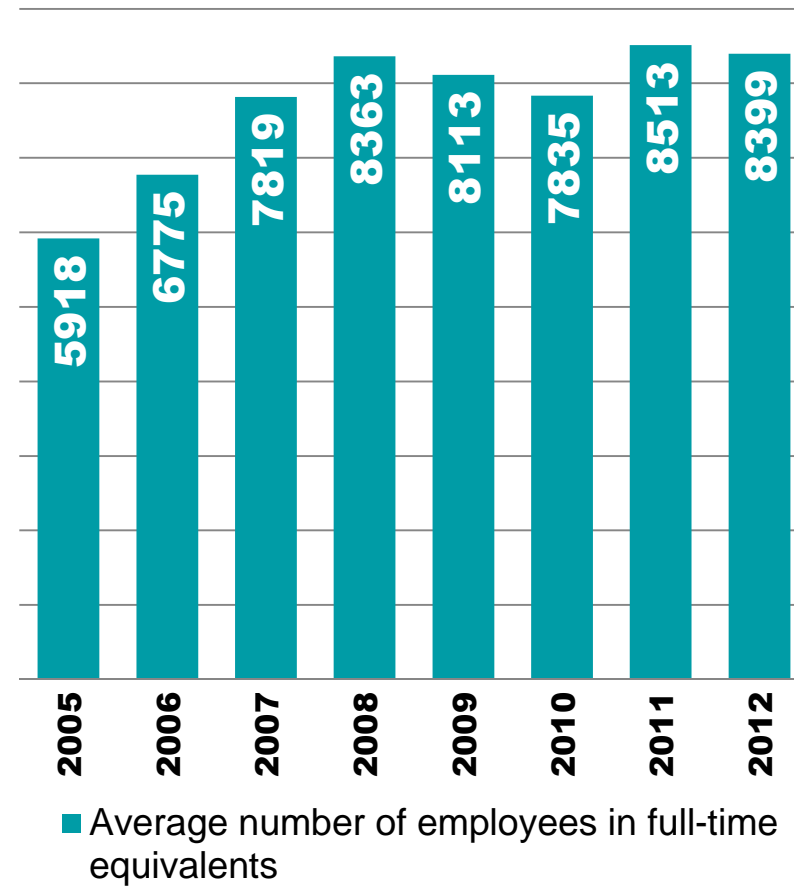
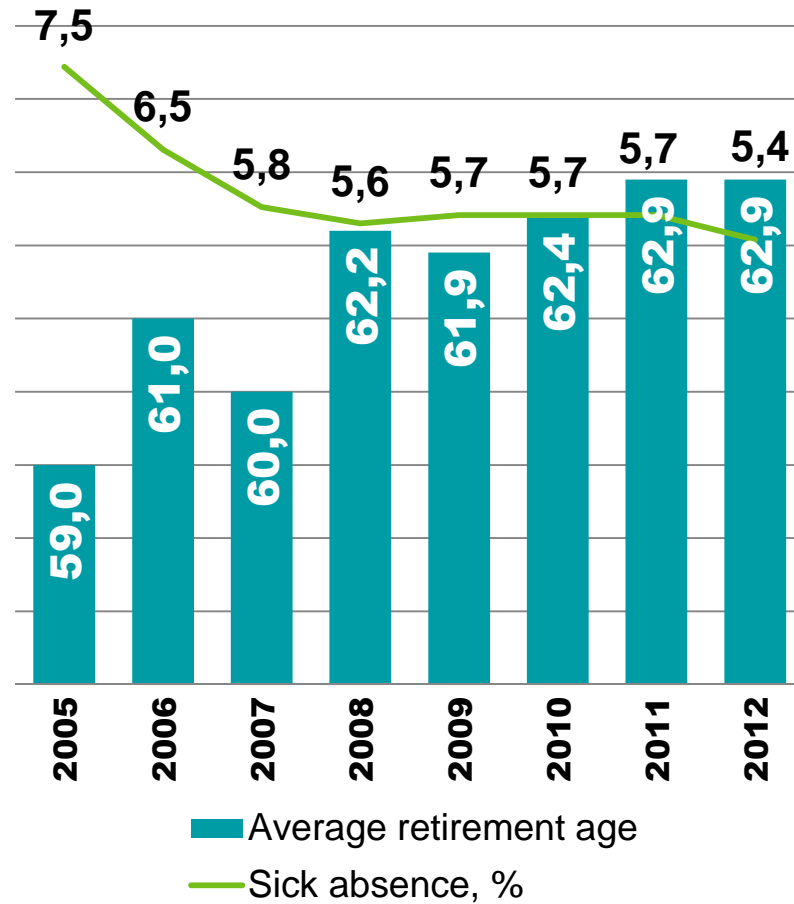
Target on strategy period 2013-2016

- Accident frequency below 15*
- Permanent change in safety culture
- Cost savings and improvement in productivity



*Lost time accidents

PERSONNEL IS OUR KEY RESOURCE



SUMMARY

SUMMARY

- Moving from re-structuring to profitable growth.
- Strong market positions in core segments.
- Healthy balance sheet enables investments in growing the core businesses further.



**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

