



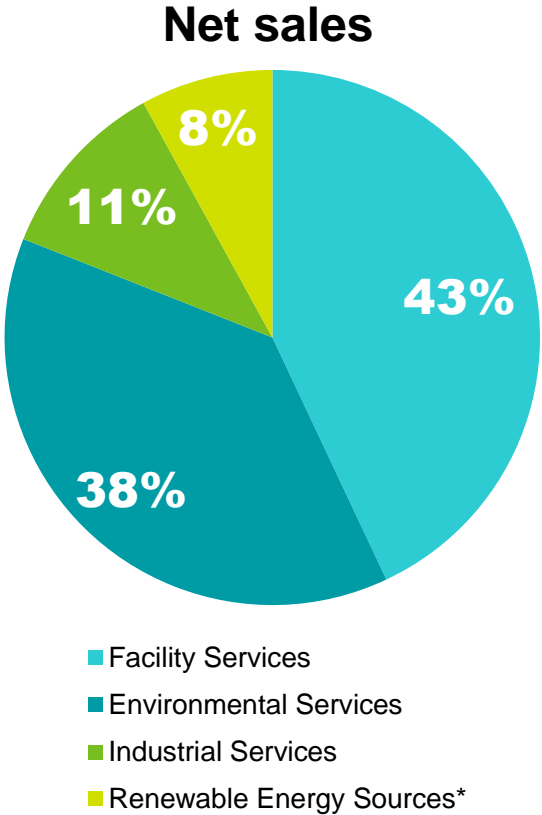
# L&T HEADING TOWARDS STRATEGIC TARGETS

Timo Leinonen, CFO

Capital Markets Day 30 September 2014

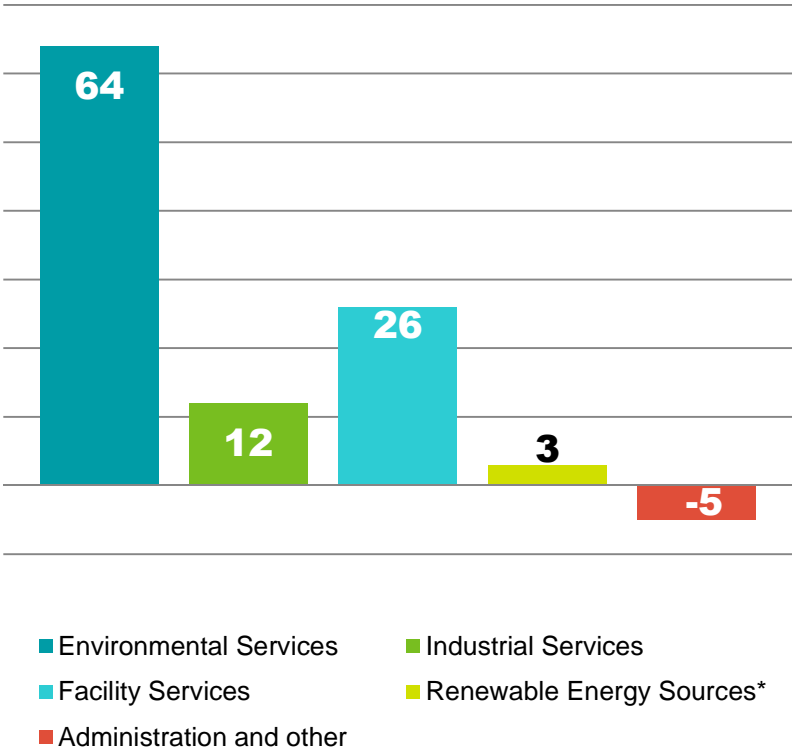


# NET SALES AND OPERATING PROFIT EXCL. EO ITEMS BY DIVISION 1-12/2013



*\*Non-core business*

**Operating profit excl. EO items, % of Group total**

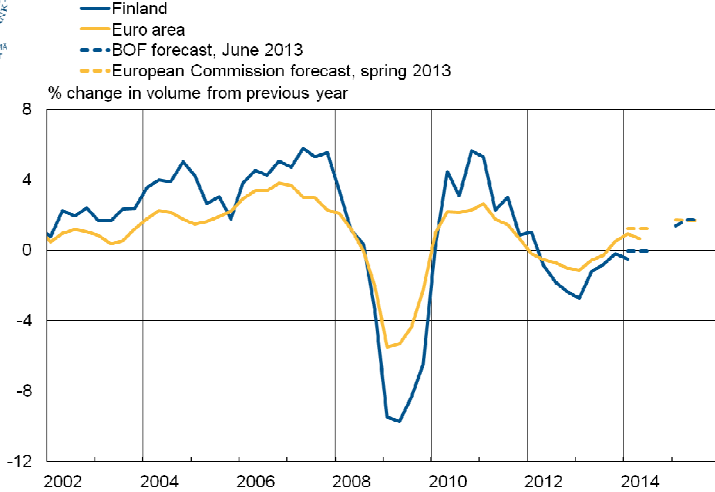


# ECONOMIC OUTLOOK AND IT'S IMPACT ON L&T

# GROSS DOMESTIC PRODUCT AND INDUSTRIAL CONFIDENCE



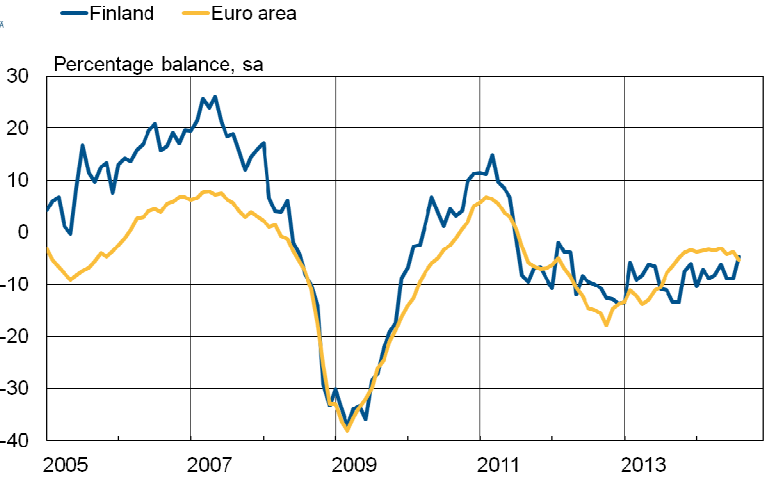
Gross domestic product: Finland and Euro area



Sources: Statistics Finland, Bank of Finland, European Central Bank and European Commission. 26.8.2014



Industrial confidence indicator

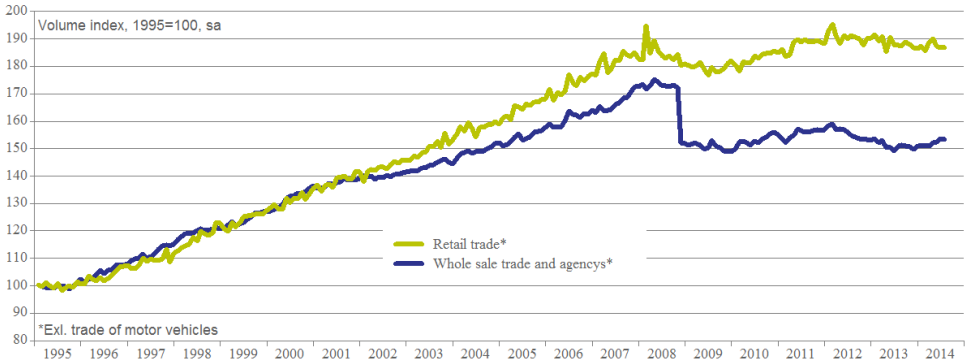


Source: European Commission. 28.8.2014



# WHOLE SALE TRADE AND RETAIL TRADE AND CONSTRUCTION INDICATORS

## Whole Sale Trade and Retail Trade

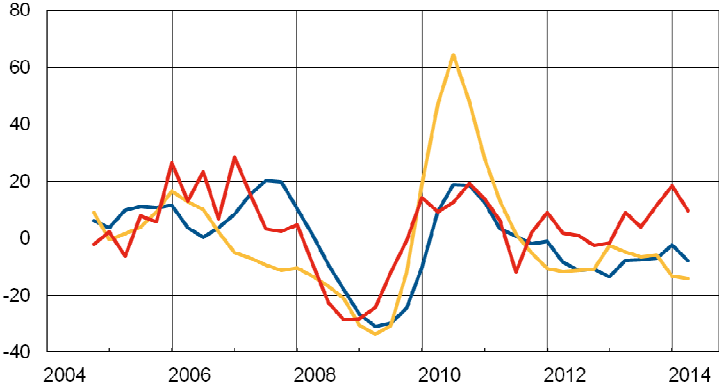


Source: Statistics Finland  
12.9.2014/kau1/fka/EKI Talousgraafit



## Construction indicators

- Total building starts, 4-quarter moving total (% change from previous year)
- Residential building starts, 4-quarter moving total (% change from previous year)
- Industrial investment prospects (percentage balance)



Source: Statistics Finland and Confederation of Finnish Industries. 27.8.2014

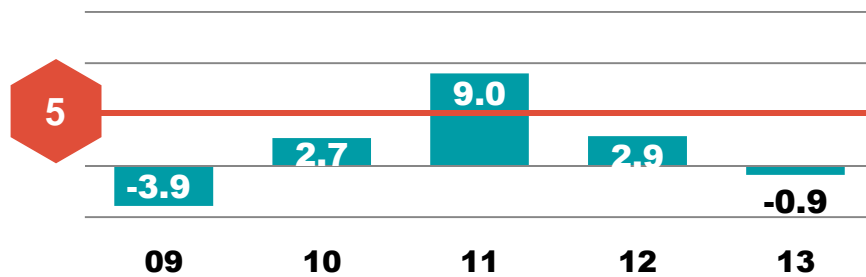


# FINANCIAL PERFORMANCE AND STRATEGIC TARGETS

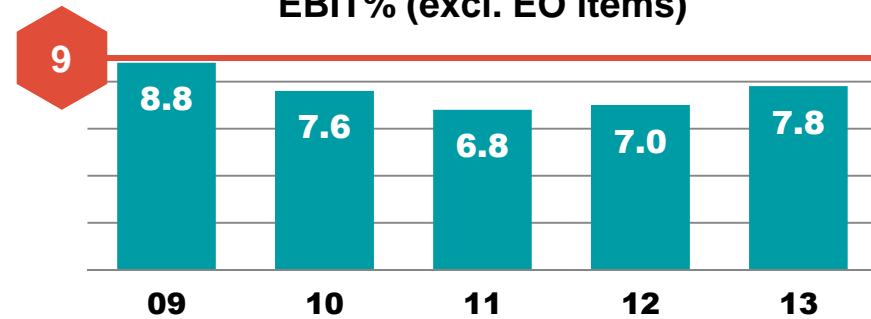
# FINANCIAL TARGETS REMAIN UNCHANGED

## Financial targets

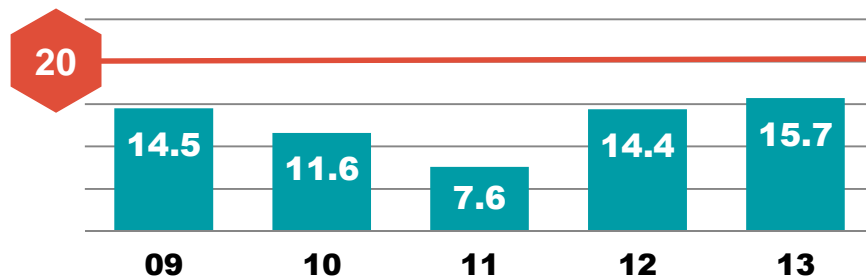
Growth, %



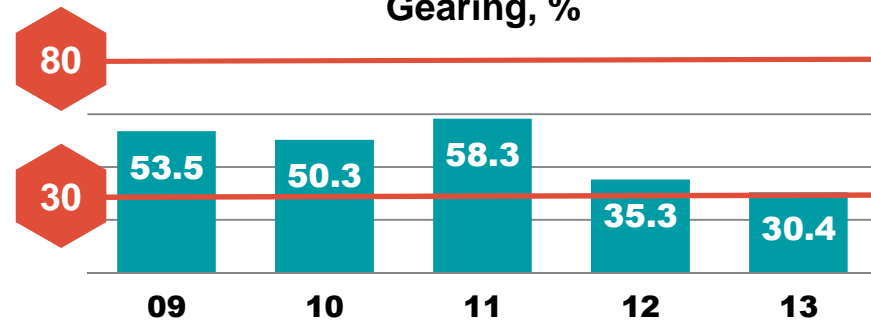
EBIT% (excl. EO items)



ROI, %



Gearing, %



### Dividend policy

- The amount of dividend is tied to the results for the financial year. Profits not considered necessary to ensure the healthy development of the Company will be distributed to shareholders.

# ALL CORE BUSINESSES HAVE DIFFERENT ROLES IN CONTRIBUTION TO THE FINANCIAL TARGETS

**Contribution of core businesses to financial targets during strategy period**

Business Area	Growth*	Return on Investment*	Operating Profit*	Gearing
Environmental Services	++	++	+++	Healthy balance sheet enables investments and business acquisitions
Facility Services	++	+++	+	
Industrial Services	++	+	++	
L&T Group 2018	5%	20%	9%	

*\*In relation to L&T average*



# WE HAVE LONG TERM GROWTH POTENTIAL DESPITE OF THE ECONOMIC DOWN TURN IN SHORT TERM

## Growth potential during strategy period

Division	Service line	Short term organic growth potential	Long term organic growth potential	Growth potential by acquisitions
Environmental Services	Recycling	+	++	Targeted acquisitions to support market position
	Waste management	+	+	
Facility Services	Property maintenance	+	++	
	Cleaning and support services	+	++	
	Maintenance of technical systems	+++	+++	
	Damage repair services	+	+	
Industrial Services	Process cleaning	+	++	
	Environmental construction	++	++	
	Hazardous waste services	+	+	
	Sewer maintenance	+	++	

# SUMMARY

**OUR VISION IS TO BE OUR CUSTOMERS' PREFERRED PARTNER IN ENVIRONMENTAL, FACILITY AND INDUSTRIAL SERVICES**

**CIRCULAR ECONOMY**

**PROFITABLE GROWTH**

**CUSTOMER BENEFITS**

**MATERIAL EFFICIENCY**



**FROM A CONSUMER SOCIETY TO A RECYCLING SOCIETY**

**ENERGY EFFICIENCY**



**COST EFFICIENCY**

**STRATEGIC EMPHASES**

Key accounts and sales

Workforce management

Efficient operating model

Customer orientation

**KEY SUCCESS FACTORS**

Cost efficiency

Skilled and sufficient personnel

Uniform and safe corporate culture

**RECYCLING OBJECTIVES BECOME TIGHTER**

**OUT-SOURCING INCREASES**

**SIGNIFICANCE OF CORPORATE RESPONSIBILITY IS EMPHASISED**



**ENERGY EFFICIENCY REQUIREMENTS GROW**

**CENTRAL RAW MATERIALS BECOME MORE EXPENSIVE**

**COMPETITIVENESS OF EUROPE AND FINLAND DECREASES**

**CLIMATE GETS WARMER**

**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**

