

A photograph of three business professionals in a meeting. On the left, a woman with blonde hair is smiling and looking towards the center. In the middle, a man with dark hair is smiling and looking towards the right. On the right, a man with grey hair is looking towards the center. They are all wearing dark blue shirts. The background is a blurred office setting with large windows.

L&T IS RUNNING A TRANSFORMATION PROCESS TO IMPROVE BUSINESS PERFORMANCE

Tuomas Mäkipeska, Business Development Director
Capital Markets Day 23 September 2013

MANY PEOPLE
— ONE L&T

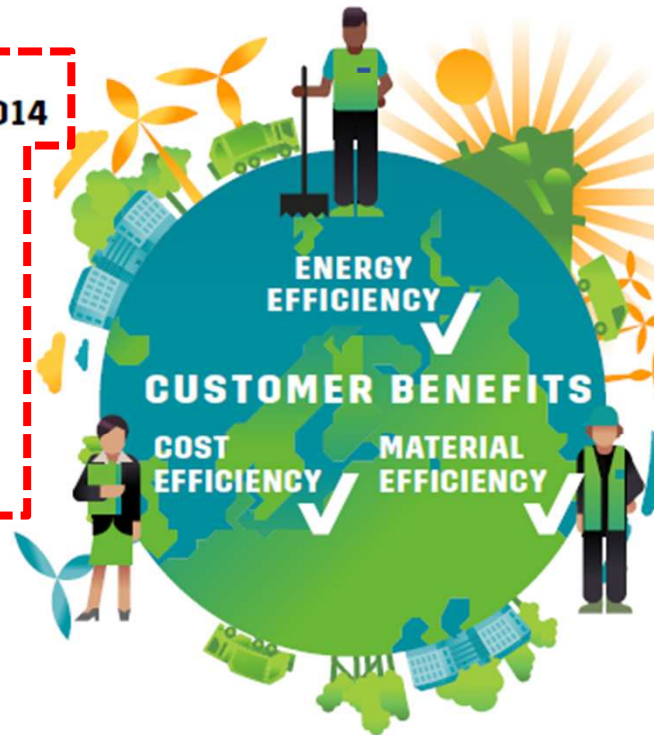


OUR VISION

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

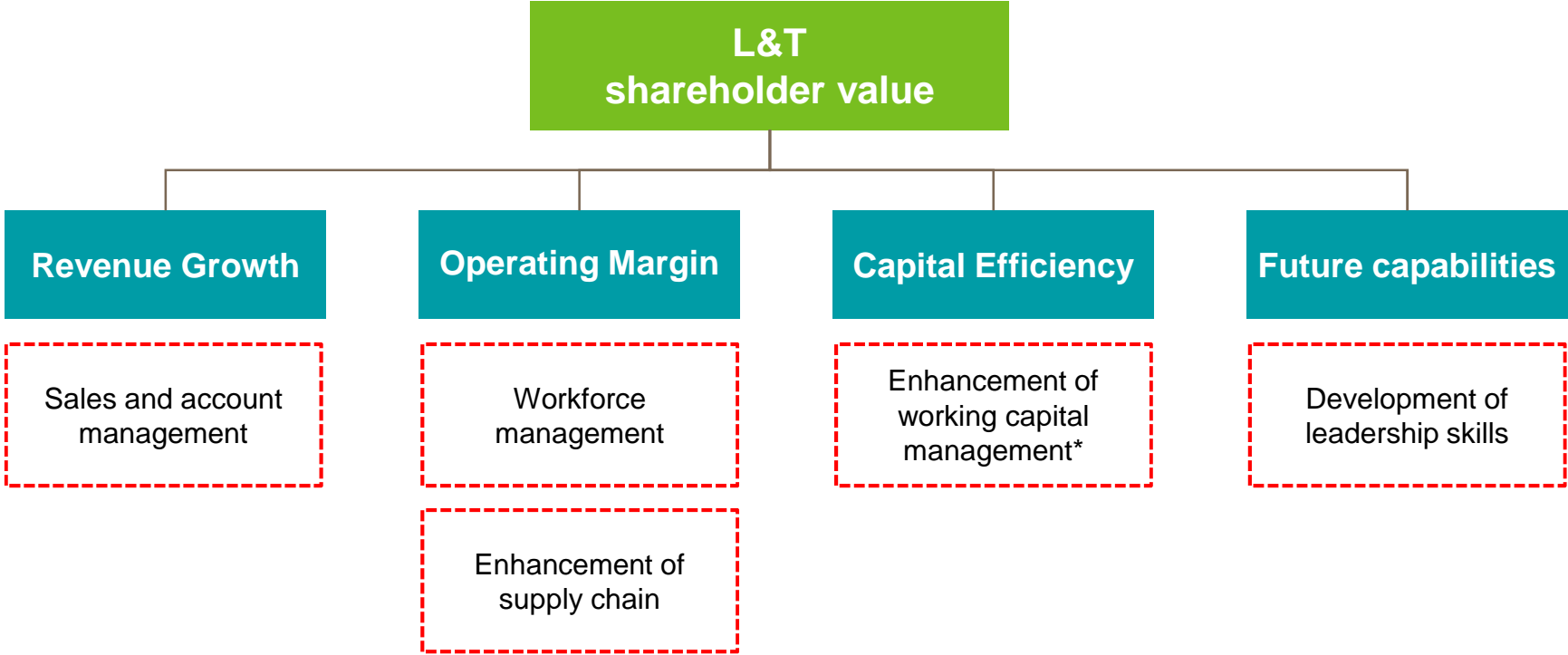
X DEPLETION OF
KEY RAW MATERIALS

X FINLAND AND EUROPE
LOSING THEIR
COMPETITIVE
STRENGTH

X GLOBAL
WARMING

THE STRATEGIC PROGRAMMES AIM AT INCREASING THE SHAREHOLDER VALUE OF L&T

Impact of strategic programmes on shareholder value drivers

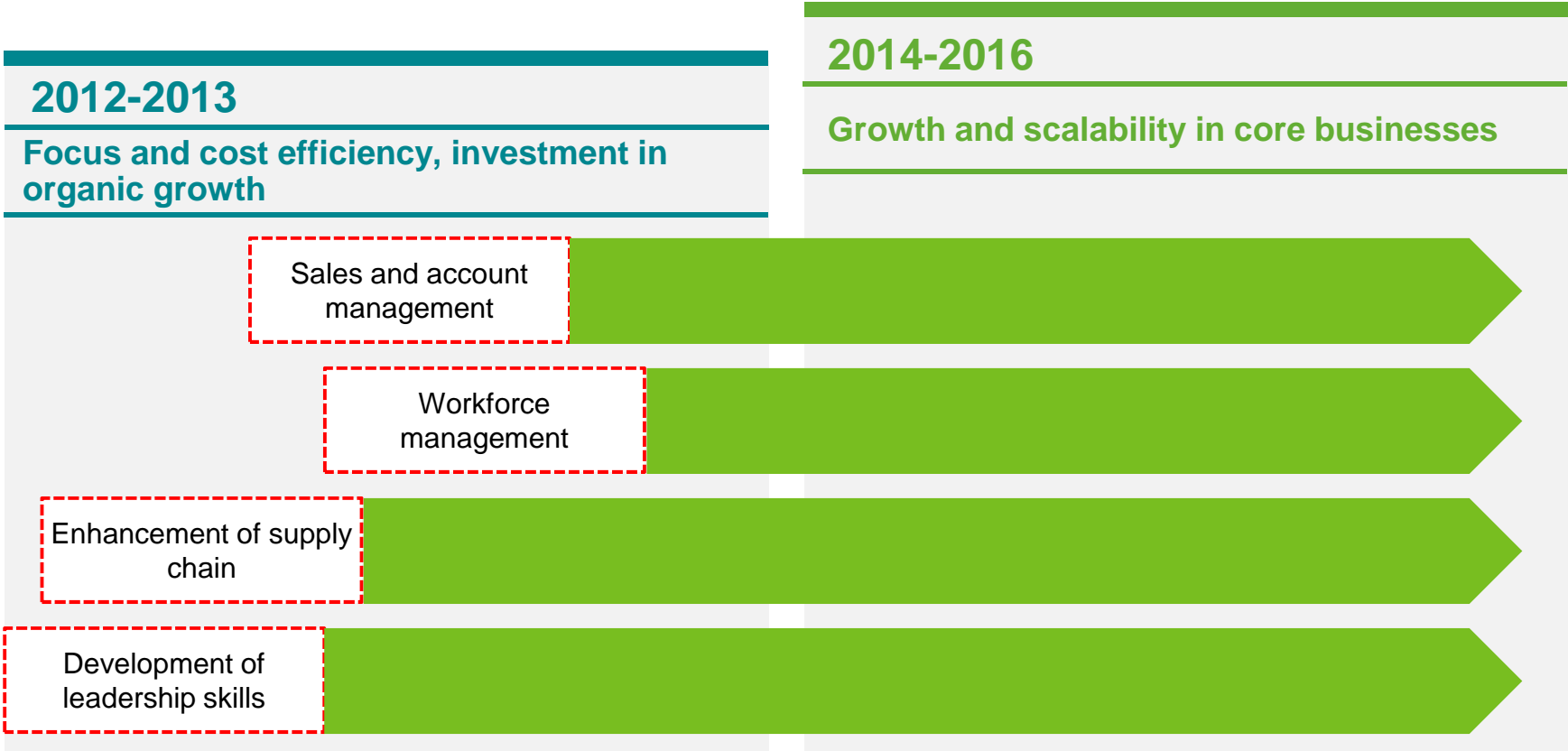


* During 2012-2013



BENEFITS OF THE PROGRAMMES WILL MOSTLY REALIZE ON FULL SCALE DURING THE STRATEGY PERIOD

Main phases of the strategy and impact of strategic programmes

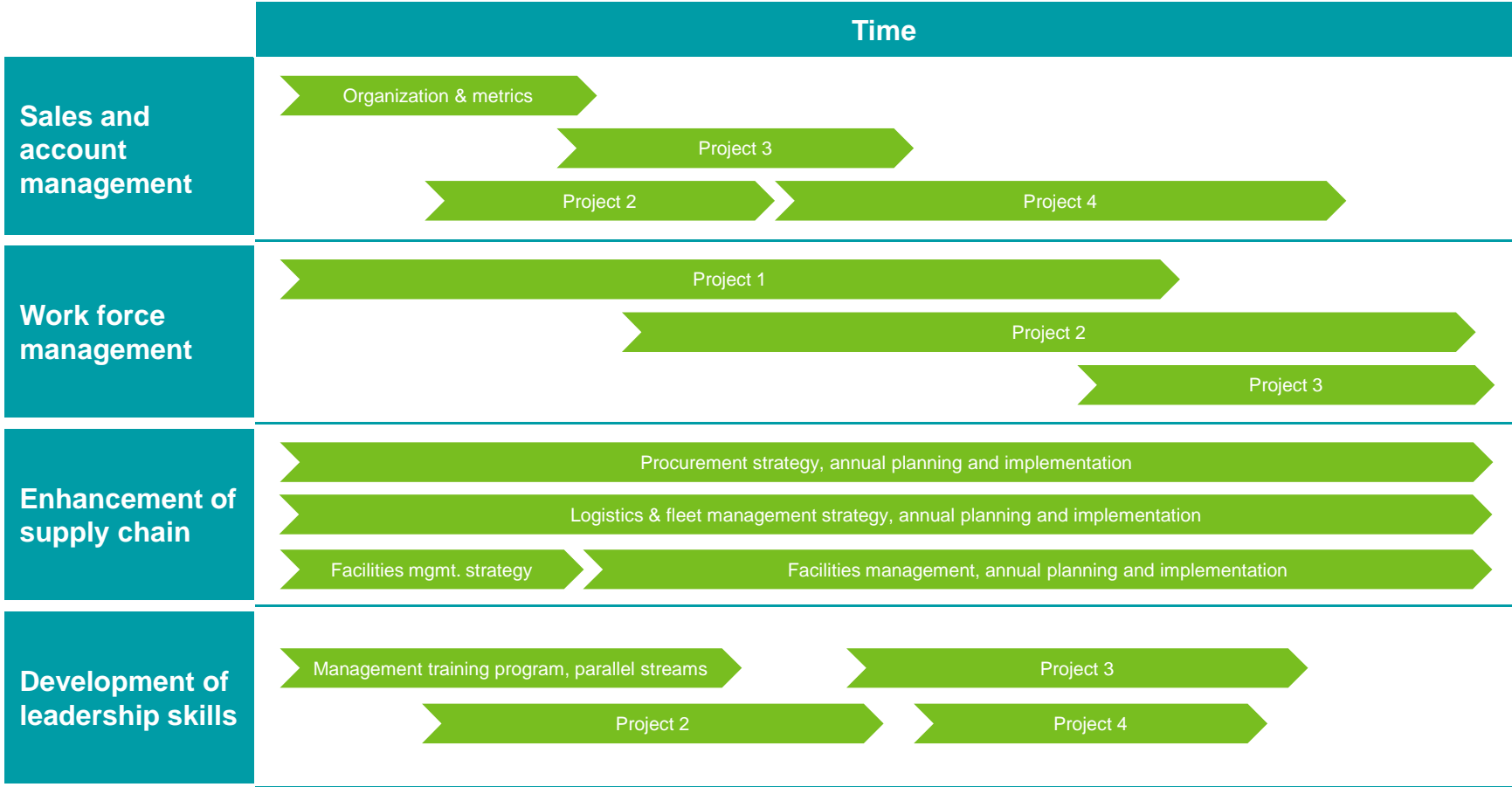


 = Programme start  = Benefit realisation



STRATEGIC PROGRAMMES ARE BASED ON THE STRATEGY AND WELL PLANNED

Strategic development roadmap



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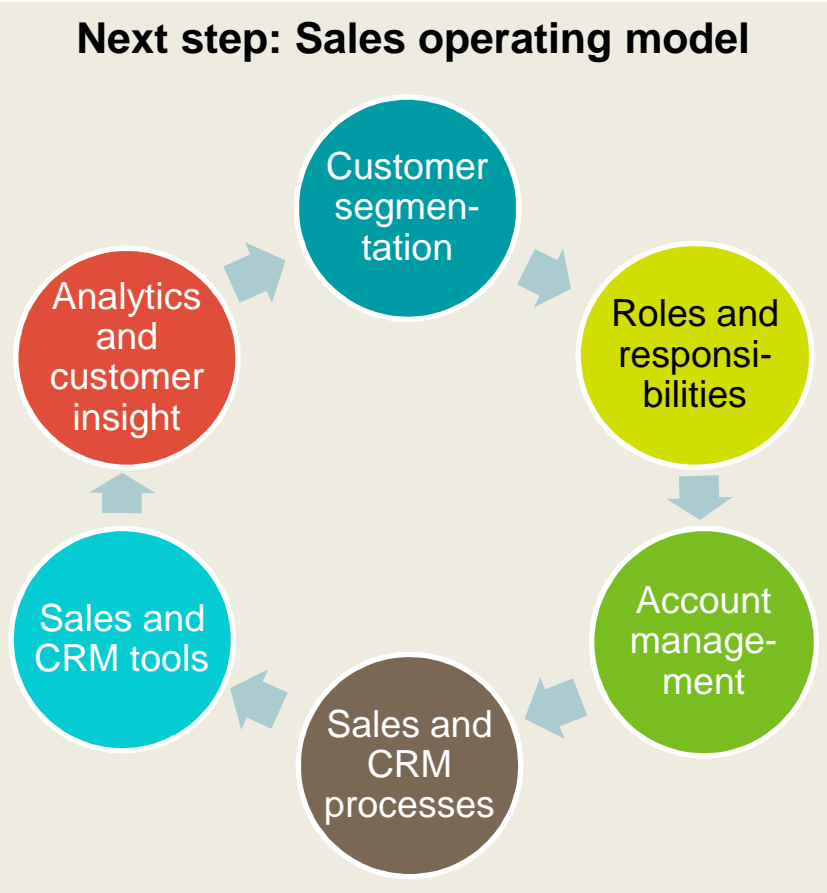
WE LEVERAGE OUR LARGE CUSTOMER BASE AND BROAD SERVICE OFFERING TO REALISE ORGANIC GROWTH POTENTIAL

Sales and account management improvements and next steps

Achieved improvements

- New sales organisations centralised on business segment level
- Centralised management of strategic accounts to realise cross selling potential
- New metrics, target setting and compensation of sales force
- Improved contact center operating model

• Duration 2 years
• Moderate investment
• Benefits both in organic growth and cost efficiency, realisation during and after the programme



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BY WORKFORCE MANAGEMENT WE ARE TARGETING IMPROVEMENTS IN SEVERAL ASPECTS OF OUR OPERATIONS

Objectives of the L&T workforce management

L&T Workforce Management	<ul style="list-style-type: none">• Duration 4 years• Several M€ investment• Several M€ benefits in cost efficiency, realisation during and after the programme
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Variable and fixed cost efficiency

Group level, centrally managed workforce management operating model

Matched skills requirements and skills in every job

Improved service quality and increased customer satisfaction



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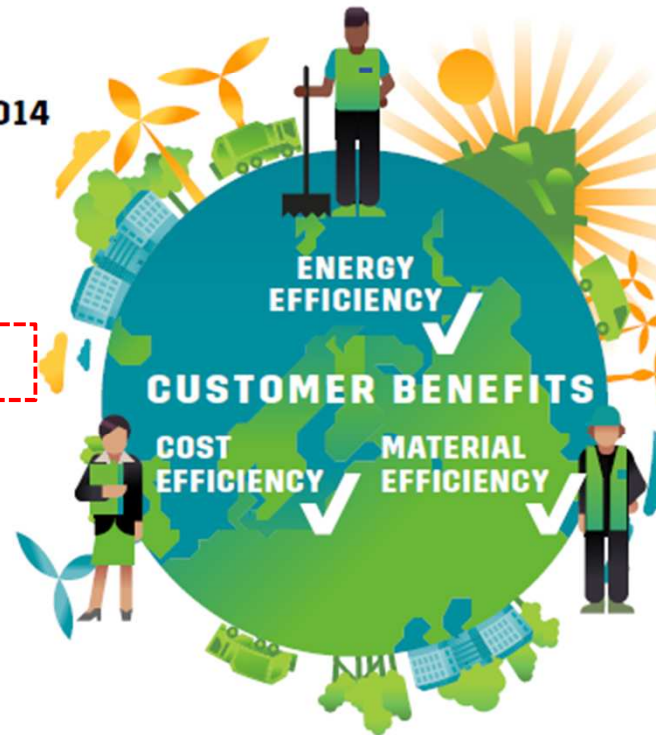


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L&T SUPPLY CHAIN MANAGEMENT AIMS AT COST EFFICIENCY BY MAXIMISING THE UTILISATION OF RESOURCES

Objectives of the L&T supply chain management

L&T Supply Chain Management	<ul style="list-style-type: none">• Continuous development• Several M€ investment• Several M€ benefits in cost efficiency, realisation during and after the programme
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Actively managed spend 90%

Optimised logistics network

Active fleet productivity management

Efficient facilities utilisation



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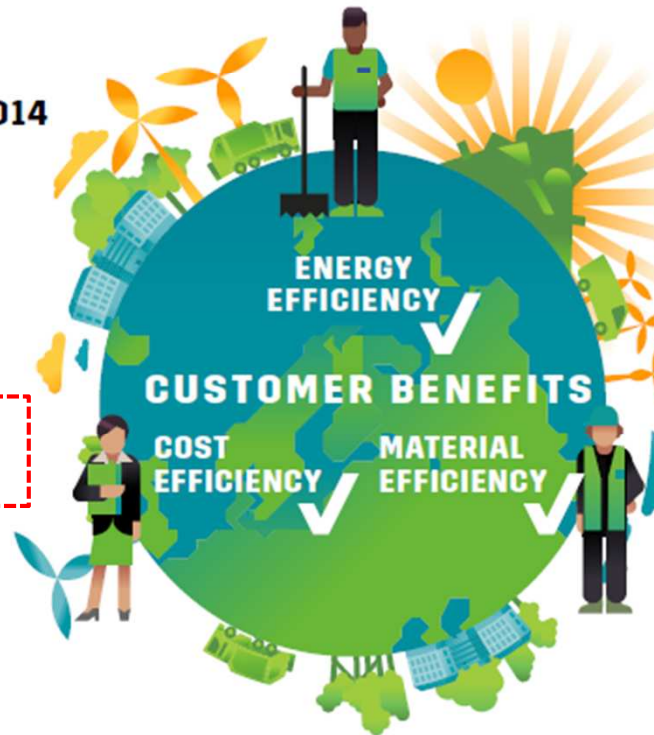


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DEVELOPMENT OF LEADERSHIP SKILLS AIMS AT IMPROVING PERFORMANCE OF L&T IN THE LONG TERM

Objectives of the L&T leadership development

L&T Leadership Development Programme

- Duration several years
- Moderate investment
- Long term benefits during and after the programme

Strengthen implementation of defined strategy

Build and strengthen uniform L&T leadership practices

Improve future leadership capabilities

Management training programme for all ~500 supervisors of L&T in 2013-2014

SUMMARY

BY THE STRATEGIC PROGRAMMES WE ARE CREATING A COMPETITIVE PLATFORM FOR PROFITABLE GROWTH



Competitive platform for profitable growth

Strategic programmes balanced through shareholder value drivers

THE STRATEGIC PROGRAMMES AIM AT INCREASING SHAREHOLDER VALUE OF L&T

Impact of strategic programmes on shareholder value drivers



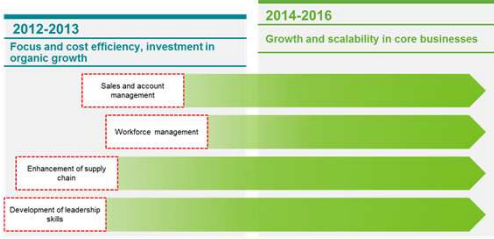
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Benefit realisation during the strategy period

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Main phases of the strategy and impact of strategic programmes

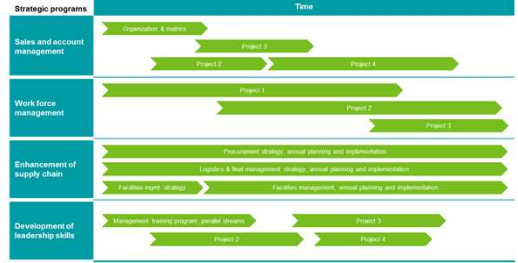


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Well planned transformation and disciplined implementation

STRATEGIC PROGRAMMES ARE BASED ON THE STRATEGY AND WELL PLANNED

Strategic development roadmap



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**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

