



Annual General Meeting, 9 April 2013



Timo Kohtamäki

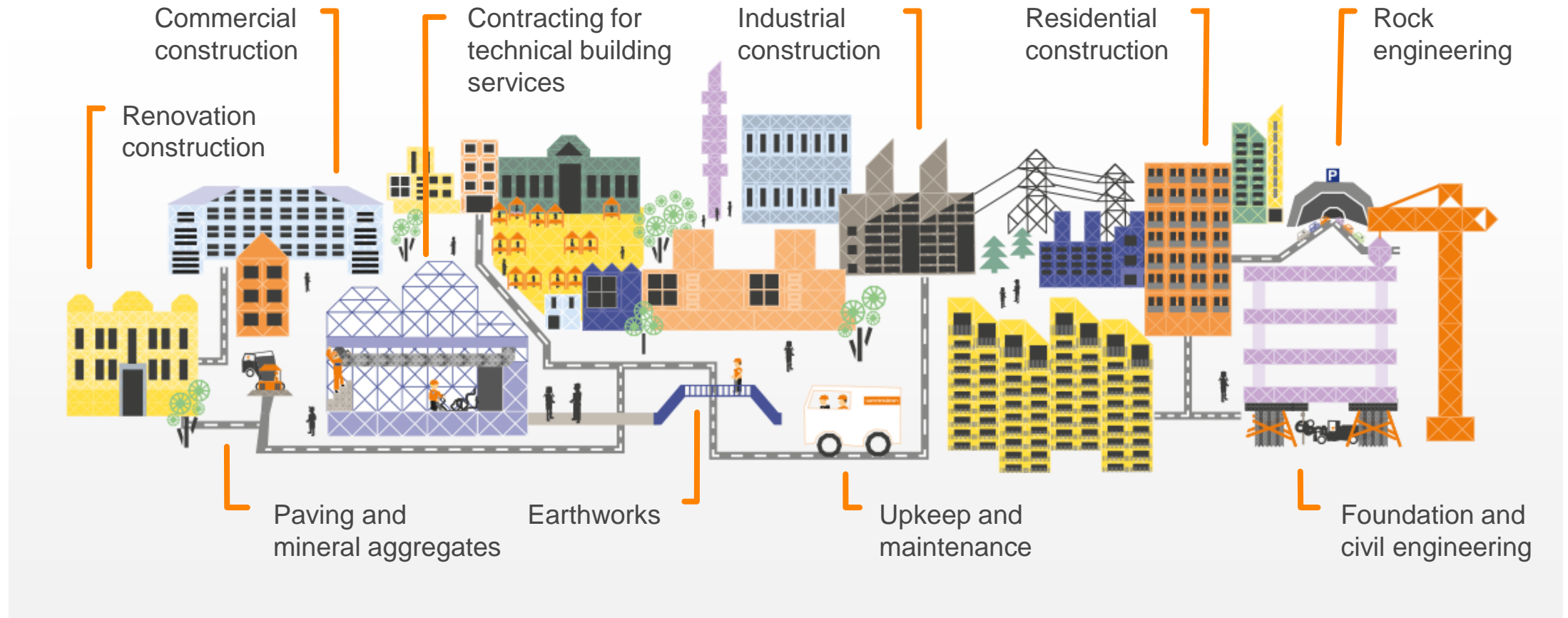
CEO's Review / Annual General Meeting 2013

Lemminkäinen – developing urban growth centres

Lemminkäinen



We build entire cities





Jätkäsaari, Helsinki





Seinäjäki, Jaakkolantie 1



Töölönlahti, Helsinki





Technopolis, St Petersburg





Kastelli, a community centre, Oulu





Cumulus Hotel, Tampere



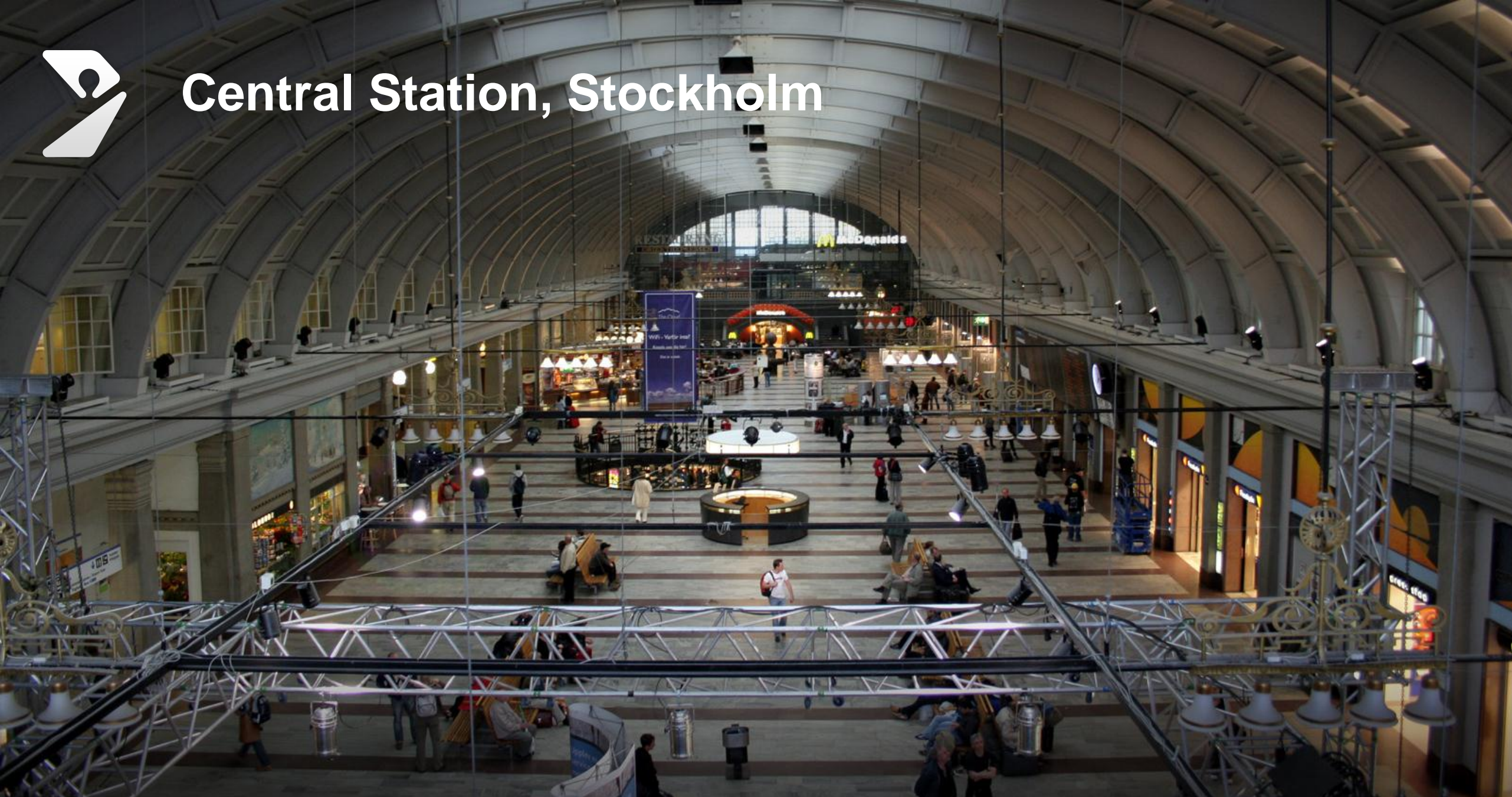


The State Hermitage Museum, St Petersburg





Central Station, Stockholm





Finlandia parking facility, Helsinki



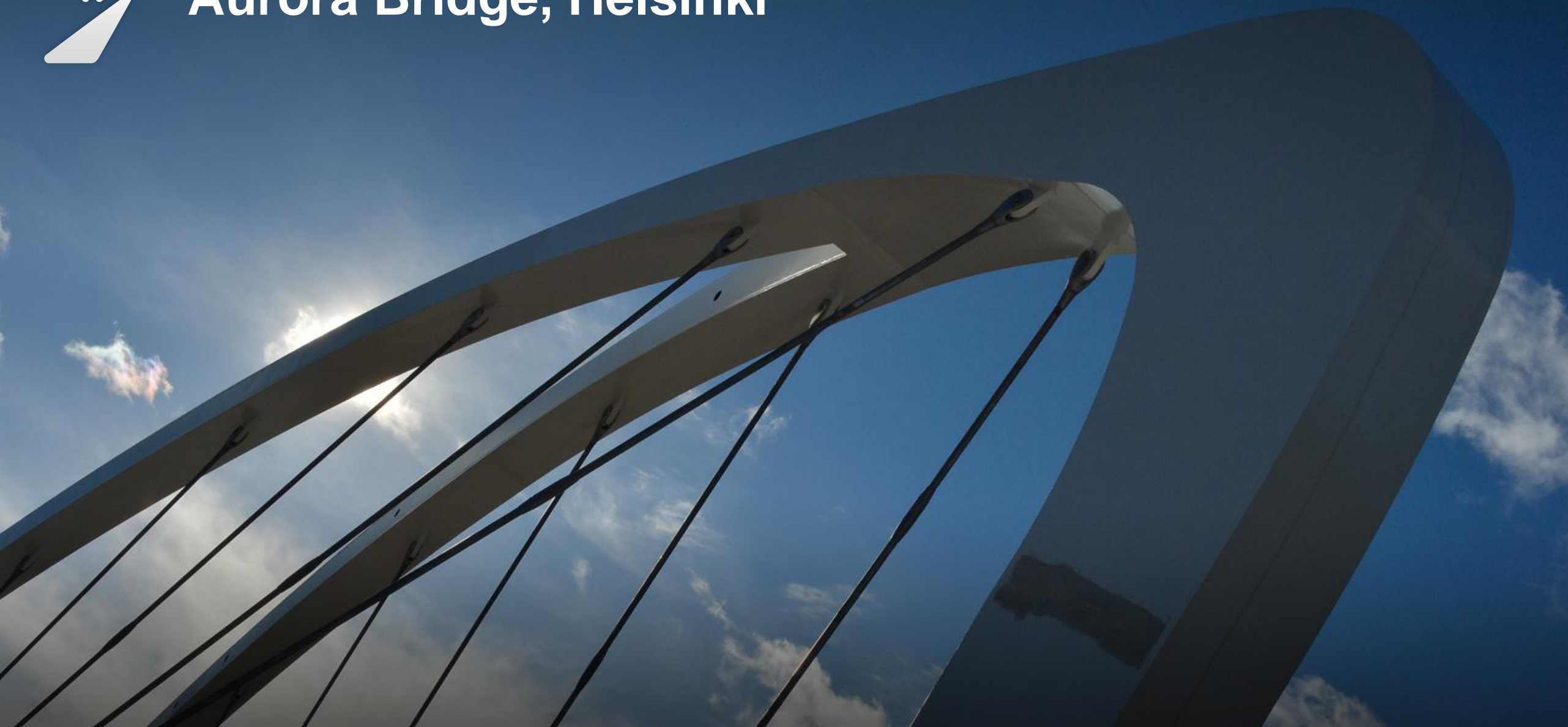


Kivisydän parking facility, Oulu





Aurora Bridge, Helsinki





Roadworks in Moscow





Paving contracts for Finavia, Helsinki-Vantaa





Upkeep and maintenance of technical building systems





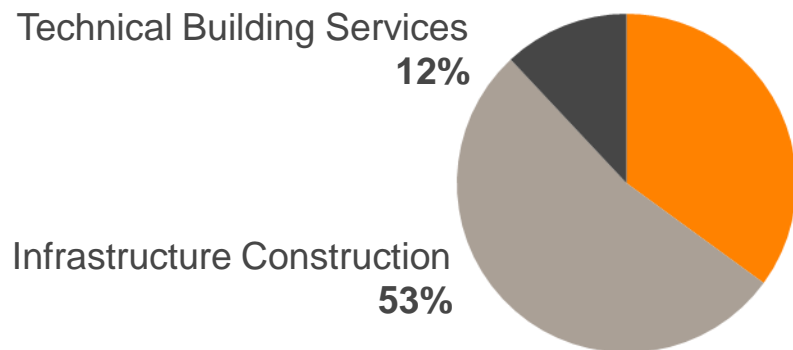
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Financial development 2012

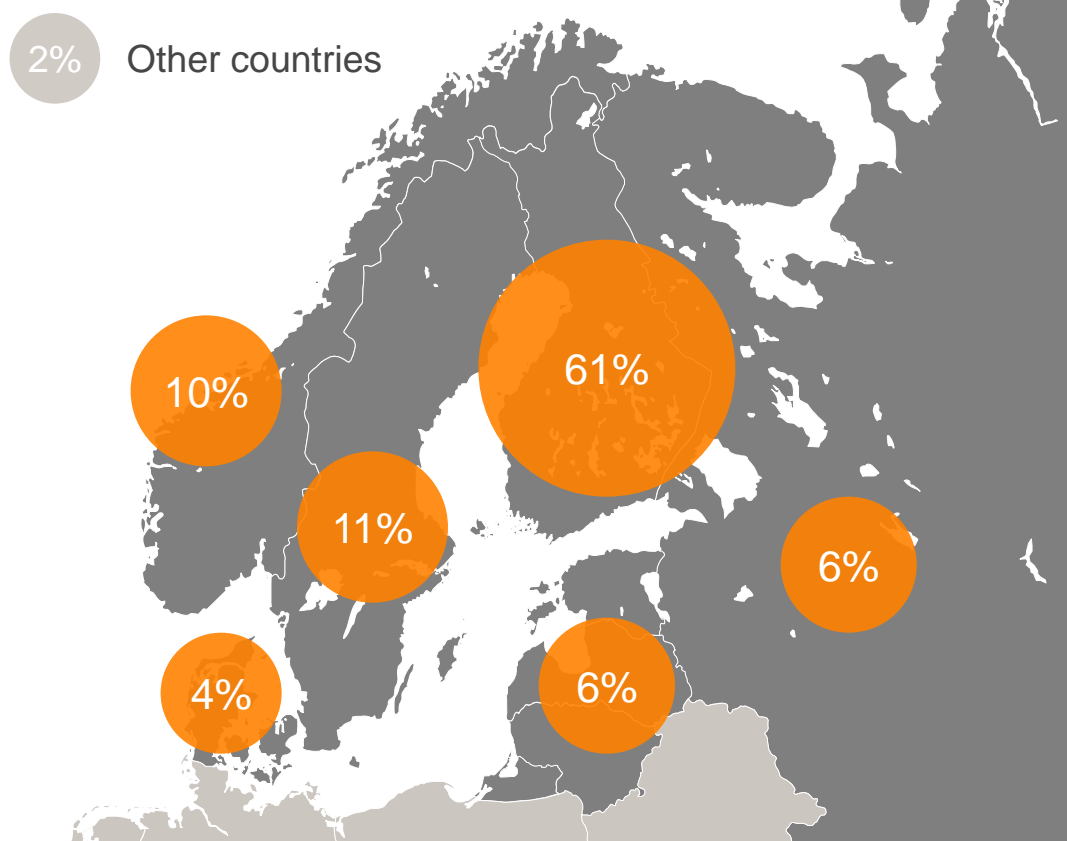


Growth in international operations, profitability improved, particularly in infrastructure construction

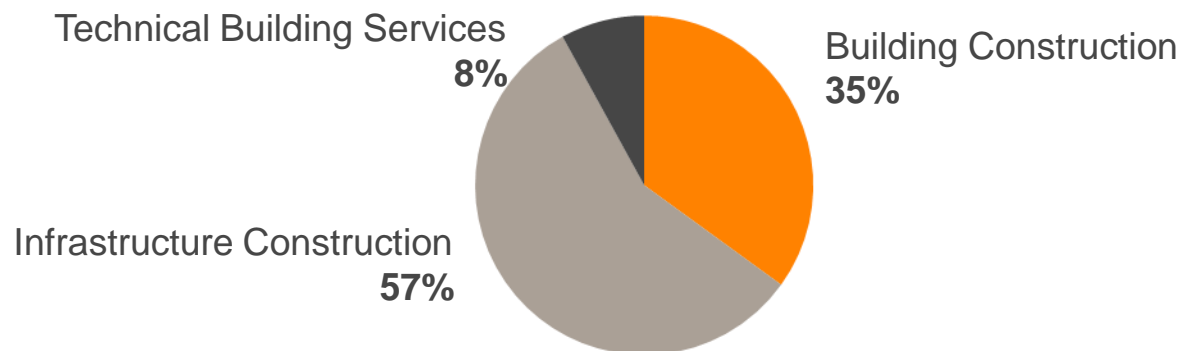
Net sales 2012 by business type



Net sales by country



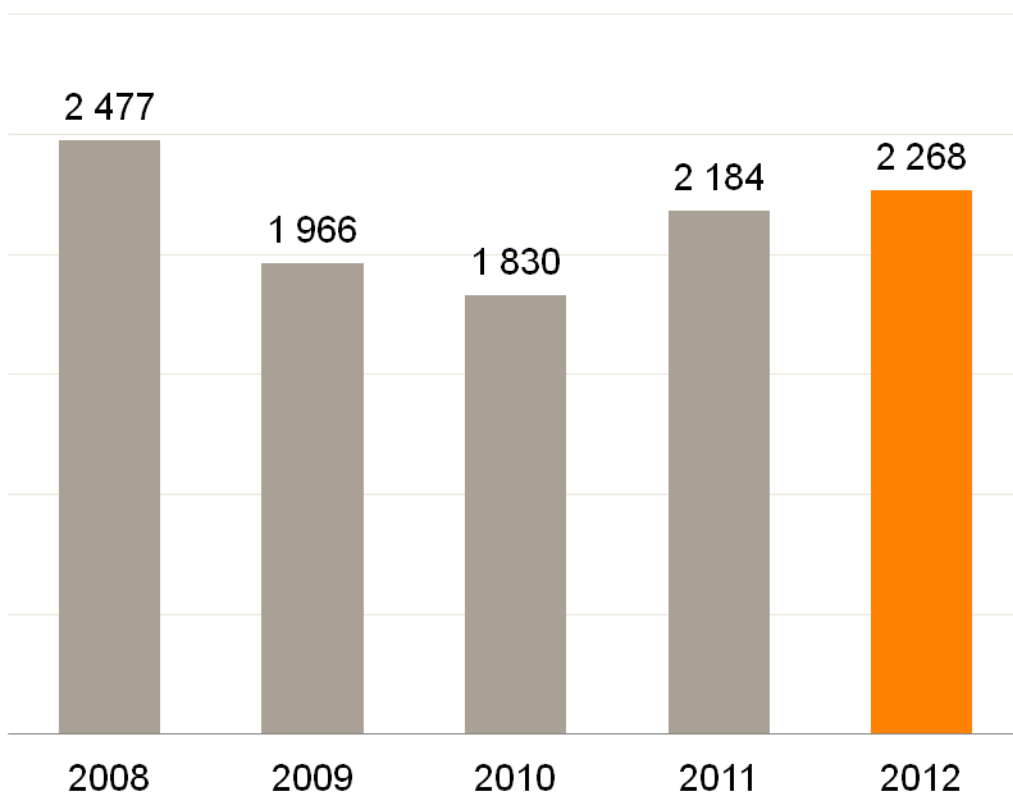
Operating profit 2012 by business type



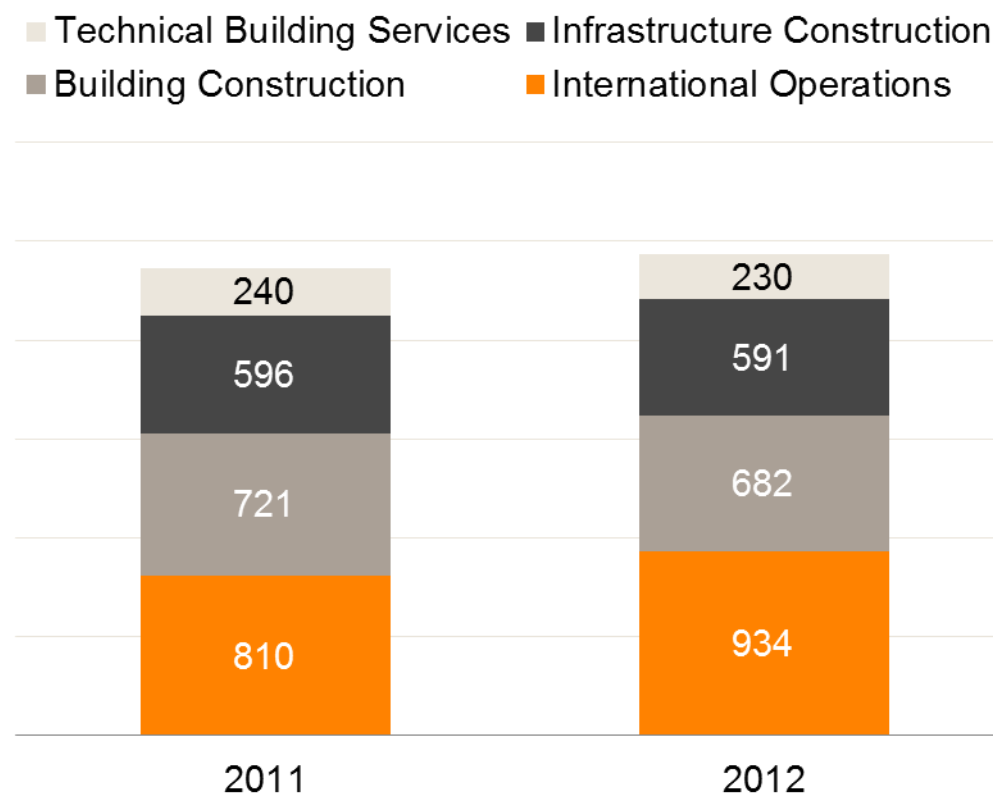


Challenging market situation and tightened margin requirements kept net sales on a par with 2011

Annual net sales, EUR million



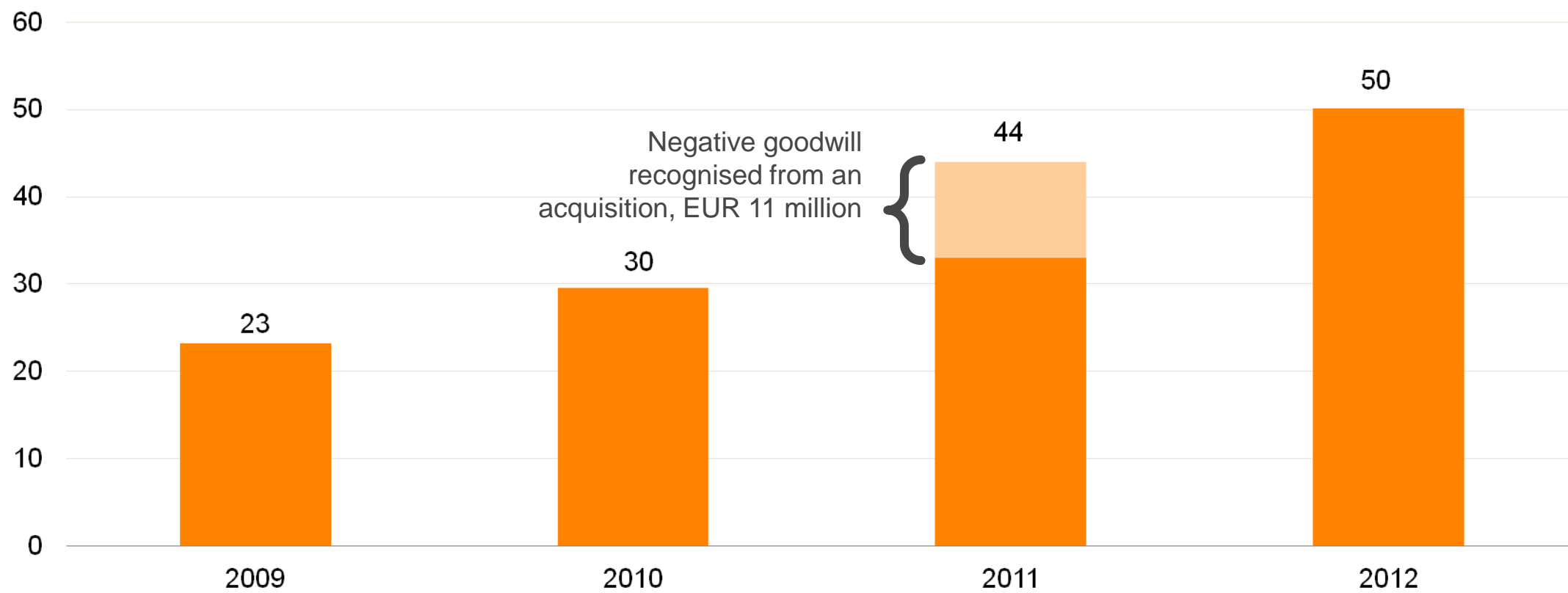
Net sales by business segment, EUR million





The impact of the efficiency programme was reflected in the result of operations in Finland

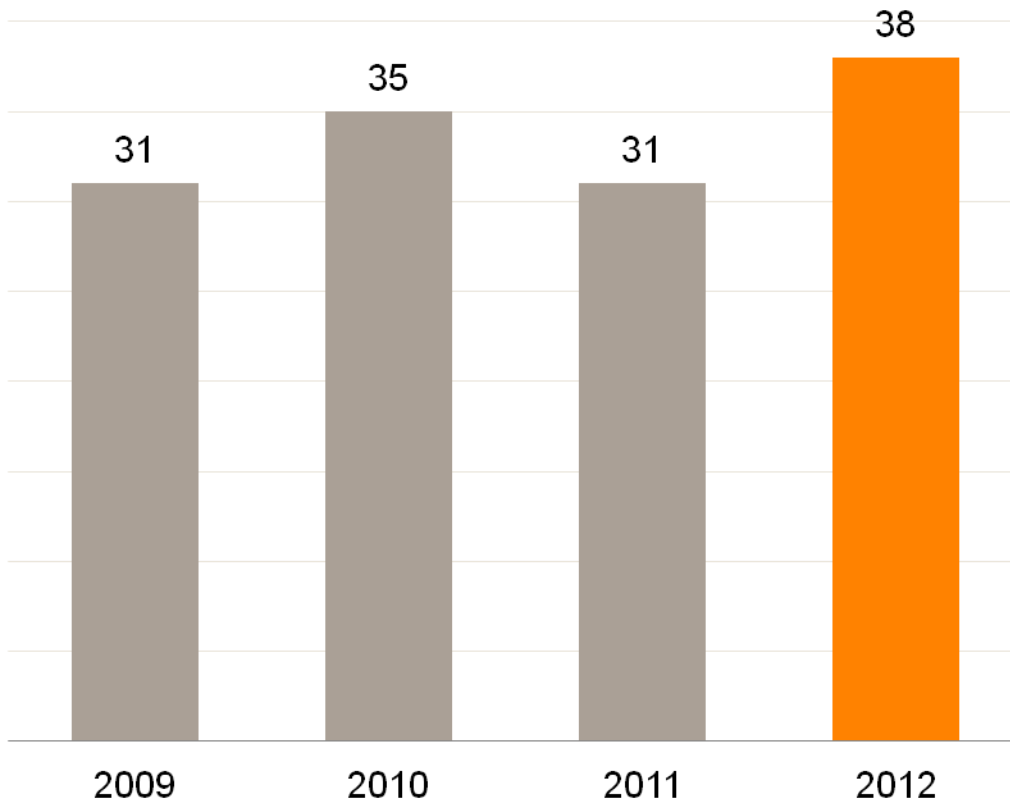
Operating profit, EUR million



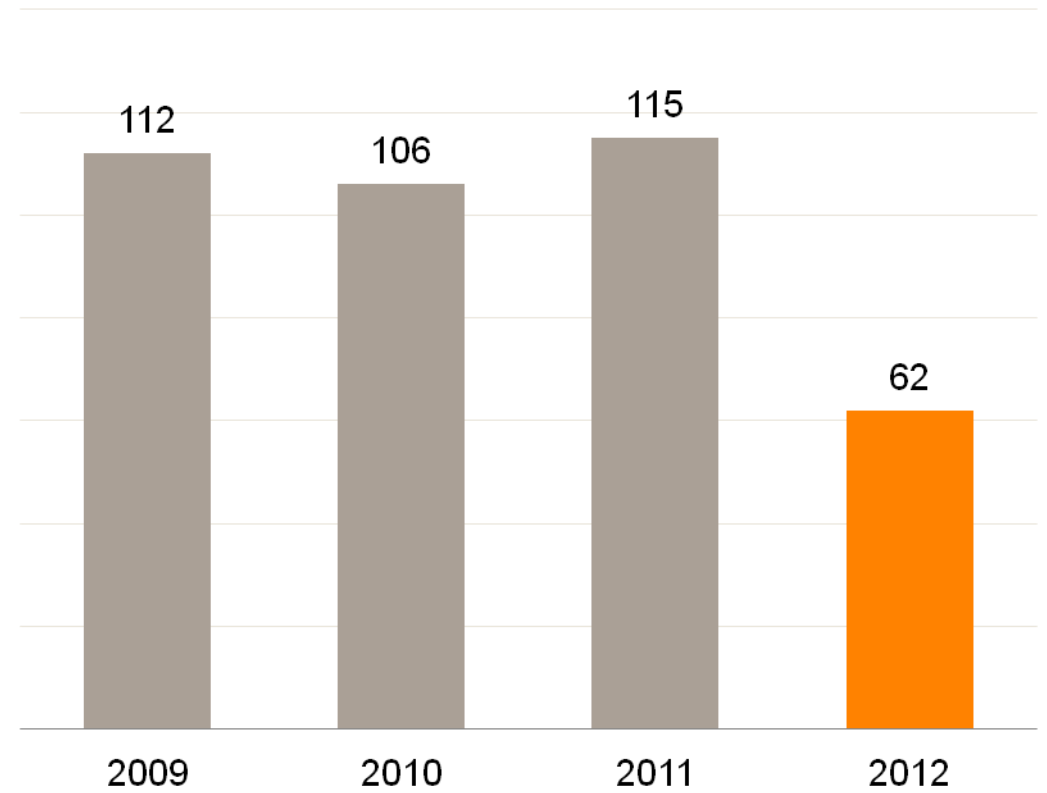


Lemminkäinen's solvency has improved significantly

Equity ratio, %



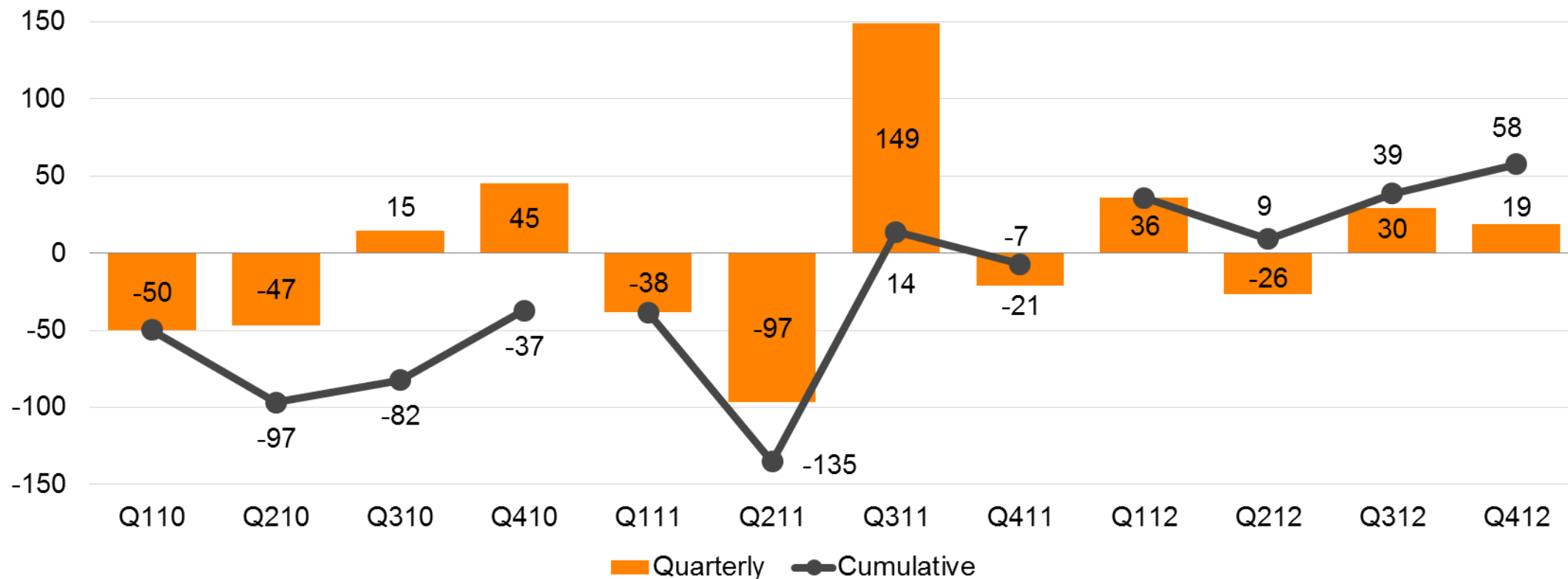
Gearing, %





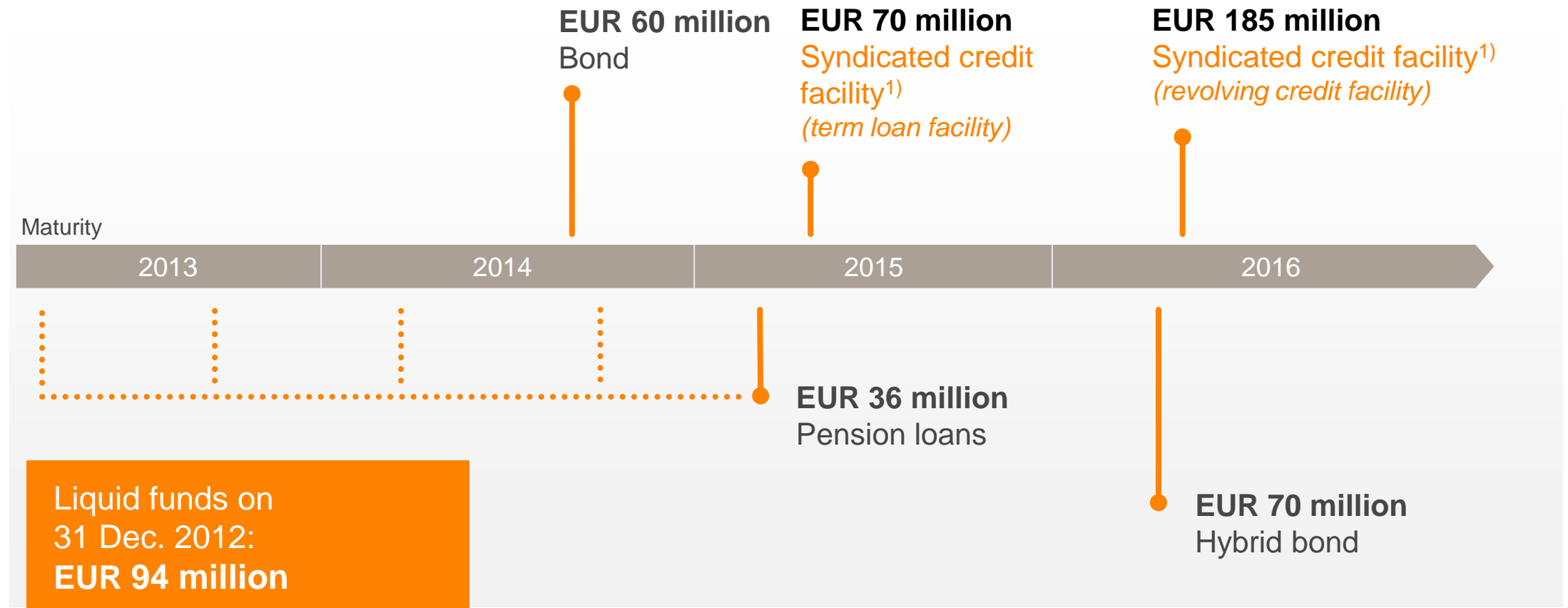
Cash flow from operations clearly positive due to the efficiency measures in working capital

Operational cash flow, EUR million





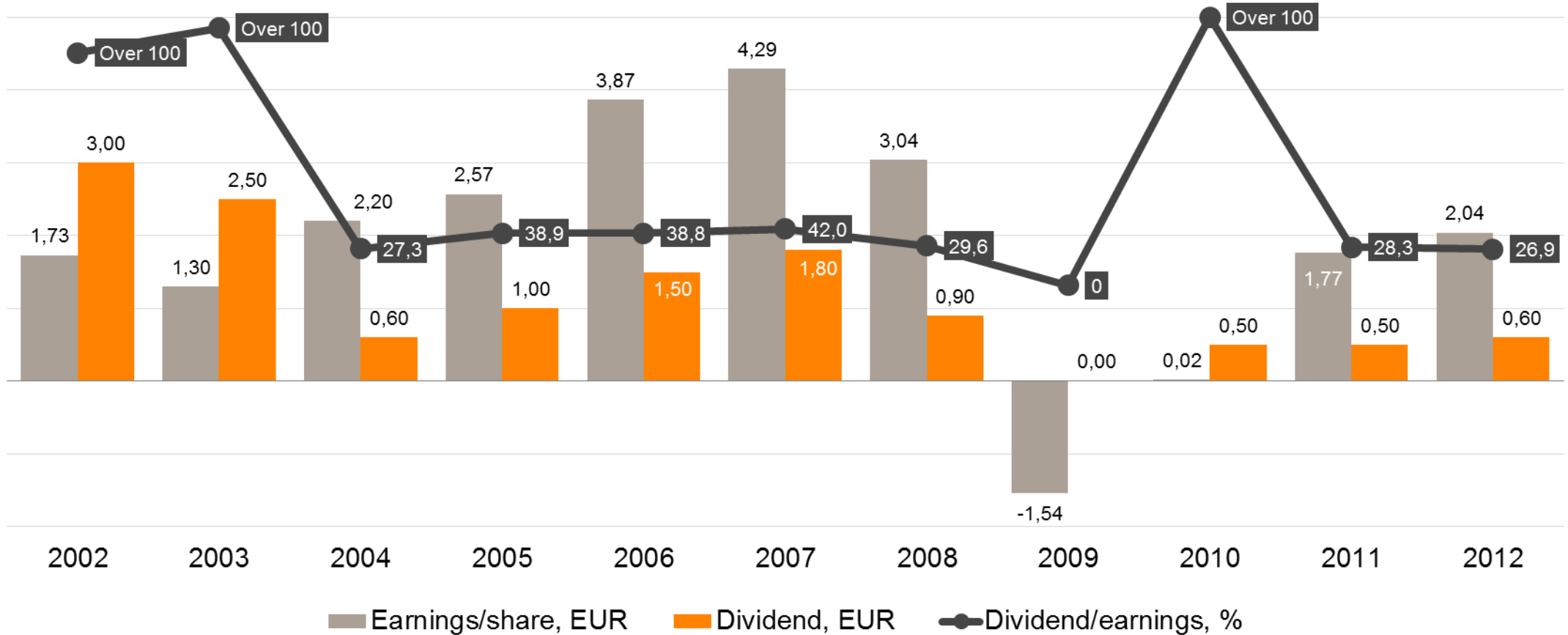
Financial position is stable



1) Includes covenants: equity ratio as well as net debt/EBITDA.



Board of Directors' dividend proposal: EUR 0.60 /dividend





Annual General Meeting 2013

Strategy implementation



Focus areas of our 2009 – 2013 strategy



Profitability and improved financial position



Business development and growth



One unified Lemminkäinen



Improving profitability and solvency

Realisation of strategic financial targets

Target	Target level	Realisation 2012	Realisation 2011	Realisation 2010
Net sales growth	average 10%	4%	19%	-4%
Return on investment	18% by the end of the strategic period	11%	11%	7%
Equity ratio	over 35%	38%	31%	35%
Dividend payout	no less than 40% of net profit	27% ¹⁾	28%	over 100%



1) Board of Directors' proposal



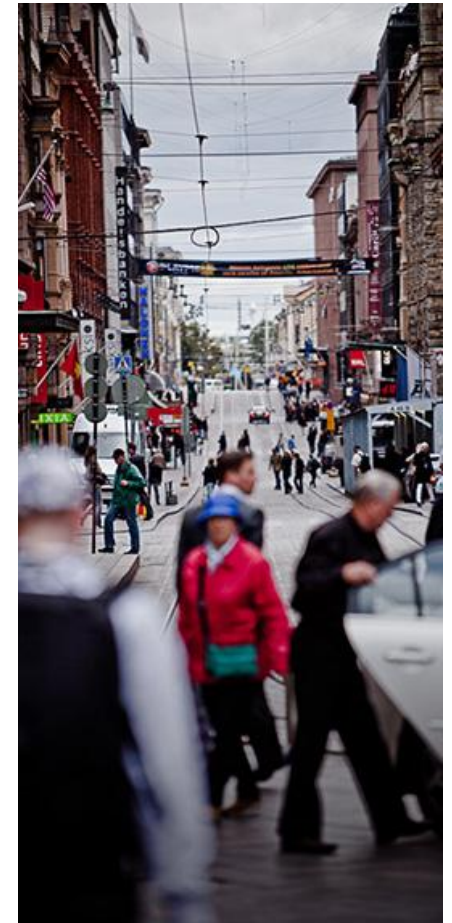
Strategy implementation

Growth and business development

- + Infrastructure construction in Scandinavia doubled
- + Over 700 residential units build in St Petersburg, the ability to begin the development of 3,200 housing units
- + Divestment of the non-core businesses
- + Several long-term upkeep and maintenance contracts of technical building systems

One unified Lemminkäinen

- + A clearer structure
- + Improved customer satisfaction (Net Promoter Index)
- + Standardised operating methods



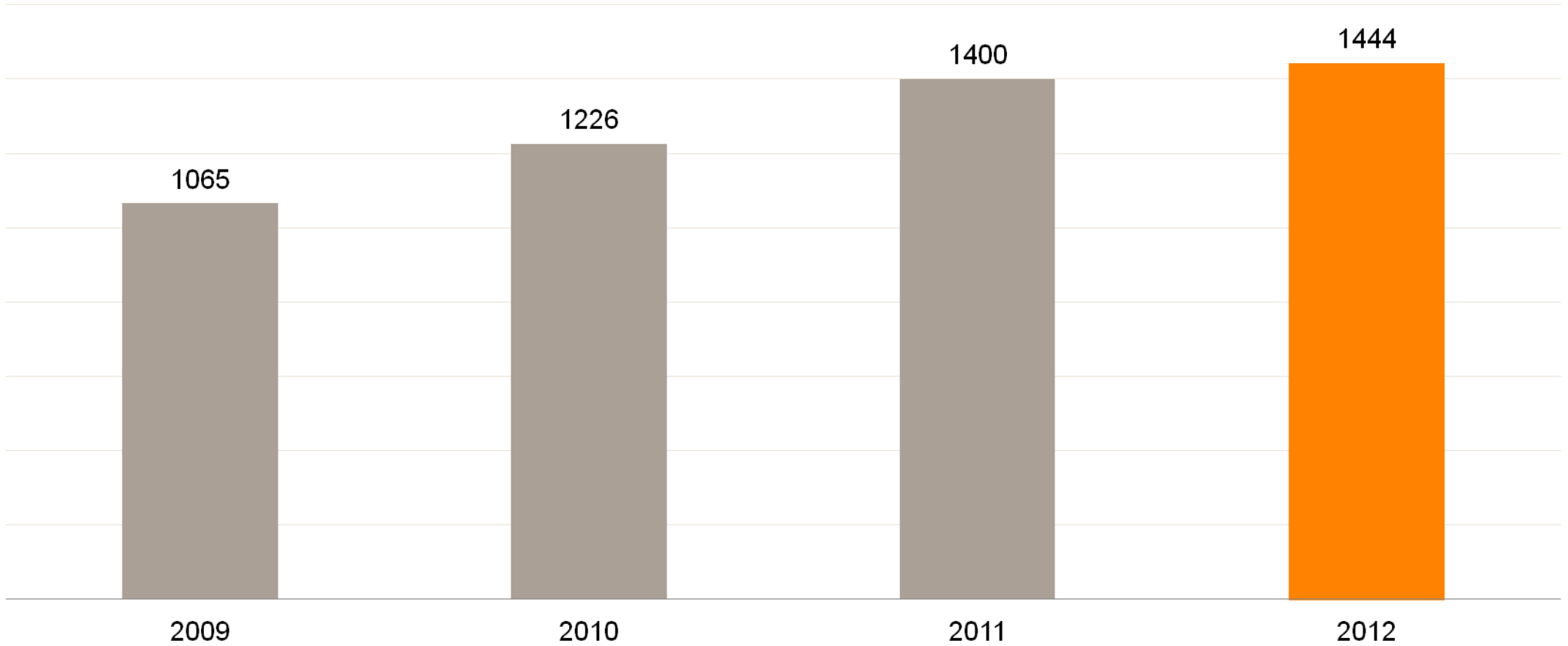


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Short-term outlook and guidance



Order book's Compound Annual Growth Rate has been 10% during the strategic period





Short-term market outlook is uneven

- Underground infrastructure construction
- Upkeep and maintenance of technical building systems
- Traffic infrastructure in Norway, Sweden and Denmark
- Residential construction in St Petersburg
- Industrial construction and road projects in Russia

- Residential construction in Finland
- Traffic infrastructure in Finland
- Technical building services
- Infrastructure construction in the Baltic countries

- Commercial construction (excluding the Helsinki Metropolitan Area)



Damage claims against Lemminkäinen and other Finnish asphalt companies

- A total of 53 separate claims are pending (EUR 129 million)
- 39 claims in the main proceedings (EUR 121 million)
- Lemminkäinen's position is that the claims for damages are without foundation
→ no provisions made

Year	Event
2004	The Finnish Competition Authority proposed an infringement fine of EUR 68 million on Lemminkäinen due to a suspected asphalt industry cartel in 1994 - 2002.
2007	Market Court decision: Lemminkäinen to pay EUR 14 million infringement fine.
2009	Supreme Administrative Court decision: Lemminkäinen to pay EUR 68 million infringement fine.
2012	Proceedings on the claims for damages began in September 2012.



Top priorities for 2013

Improving profitability by boosting the operational efficiency

Operating profit and
return on investment



Customer
satisfaction, quality
and service



Occupational safety



Development of
supervisor work



Preparation of a
new strategy





Guidance for 2013

Lemminkäinen estimates that its 2013 net sales will remain at the same level as in 2012 and that its operating profit will improve on 2012.

The estimate is based on:

- the ongoing efficiency measures in Finland and Norway
- accelerated residential construction in Russia
- the forecast that the Finnish market will remain at the previous year's level

Lemminkäinen