LISTING PROSPECTUS **17 September 2018**

LASSILA & TIKANOJA PLC

Listing of EUR 50,000,000 Senior Unsecured Fixed Rate Notes Due 2023

The notes are represented by units in denominations of EUR 1,000

Lassila & Tikanoja plc (the "**Company**", the "**Issuer**" or "**Lassila & Tikanoja**") resolved on 7 September 2018 to issue senior unsecured notes with a principal amount of EUR 50,000,000 (the "**Notes**") based on the authorisation given by the Company's Board of Directors on 27 August 2018. The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on 7 September 2018 (the "**Offering**"). The Notes bear interest at the rate of 1.250% per annum. The maturity of the Notes is on 17 September 2023, unless the Issuer prepays the Notes in accordance with the terms and conditions of the Notes set out in Annex A hereto (the "**Terms and Conditions**").

The Company has applied for the listing of the Notes on the Official List of Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**"). Public trading in the Notes is expected to commence on or about 19 September 2018.

This listing prospectus (the "**Listing Prospectus**") contains information on the Issuer, the Offering and the Notes. The Listing Prospectus has been prepared solely for the purpose of admission to listing of the Notes on the Helsinki Stock Exchange (the "**Listing**") and does not constitute any offering of the Notes.

An investment in the Notes involves certain risks, see "**Risk Factors**" in this Listing Prospectus.

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Besides filing this Listing Prospectus with the Finnish Financial Supervisory Authority (the "**FIN-FSA**") and the application to the Helsinki Stock Exchange, neither the Company nor the Lead Manager (as defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of public offer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

Lead Manager:

Danske Bank

CERTAIN INFORMATION

MIFID II product governance / Professional investors, ECPs and retail investors target market: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

IMPORTANT - EEA RETAIL INVESTORS: The Notes have a fixed interest and the redemption amounts are fixed as described in this Listing Prospectus. Accordingly, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") has been prepared by the Issuer.

This Listing Prospectus has been prepared in accordance with the Finnish Securities Market Act (14.12.2012/746, as amended) (the "**Finnish Securities Market Act**"), the decree issued by the Finnish Ministry of Finance on the Listing Prospectus referred to in Chapters 3-5 of the Finnish Securities Market Act (20.12.2012/1019, as amended), the Commission Regulation (EC) No 809/2004 issued on 29 April 2004 (annexes IV, V, and XXII, as amended), implementing Directive 2003/71/EC of the European Parliament and of the Council and the amendments thereto (the "**Prospectus Directive**") concerning information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, and the regulations and guidelines issued by the FIN-FSA. The FIN-FSA has approved this Listing Prospectus but is not liable for the correctness of the information presented herein. The journal number of the FIN-FSA's decision of approval is FIVA 47/02.05.04/2018.

In this Listing Prospectus, any reference to the "**Company**", "**Lassila & Tikanoja**" or "**Group**" means Lassila & Tikanoja plc and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Lassila & Tikanoja plc or a particular subsidiary, and except that references and matters relating to the shares and share capital of the Company or matters of corporate governance shall refer to the shares, share capital and corporate governance of Lassila & Tikanoja plc. All references to the "**Issuer**" refer to Lassila & Tikanoja plc.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Listing Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Listing Prospectus. See "*Information incorporated by reference.*"

Danske Bank A/S, Finland Branch (the "**Lead Manager**") is acting exclusively for Lassila & Tikanoja as the lead manager of the Offering and Listing and will not be responsible to anyone other than Lassila & Tikanoja for providing the protections afforded to its clients nor giving investment or other advice in relation to the Notes.

Prospective investors should rely solely on the information contained in this Listing Prospectus. Neither Lassila & Tikanoja nor the Lead Manager have authorised anyone to provide any information or give any statements other than those provided in this Listing Prospectus. The Lead Manager assumes no responsibility for the accuracy or completeness of the information in this Listing Prospectus and, accordingly, disclaims to the fullest extent permitted by law, any and all liability which it might otherwise be found to have in respect of this Listing Prospectus or any such statement. Delivery of the Listing Prospectus shall not, under any circumstances, indicate that the information presented in the Listing Prospectus is correct on any day other than the date of the Listing Prospectus, or that there would not be any changes in the business of Lassila & Tikanoja after the date of the Listing Prospectus. However, if a fault or omission is discovered in the Listing Prospectus before the admission of the Notes for listing on the Helsinki Stock Exchange and such fault or omission may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Finnish Securities Market Act. Information given in the Listing Prospectus is not a guarantee or grant for future events by Lassila & Tikanoja and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Lassila & Tikanoja or its industry are based upon the reasonable estimates of the Company's management. Neither Lassila & Tikanoja, nor the Lead Manager nor any of their respective affiliated parties or representatives, consents to the use of this Listing Prospectus for the making of any new offer or intermediation of the Notes to the final investors, and hence no investor may rely on this Listing Prospectus in making such a new offer or intermediation of the Notes.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of Lassila & Tikanoja and the terms of the Notes, including the risks and merits involved. Neither Lassila & Tikanoja, nor the Lead Manager nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Each reader of this Listing Prospectus should make an independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

The distribution of the Listing Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Singapore or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Listing Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction in which such offer or invitation would be unlawful. No offer is being made hereby to persons whose participation in the Offering requires any additional prospectus or registration. None of the Company, the Lead Manager or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

This Listing Prospectus has been prepared solely in connection with the listing of the Notes on the Helsinki Stock Exchange. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish.

The Notes are governed by Finnish law. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

TABLE OF CONTENTS

Page

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

	Section A – Introduction and Warnings	
A.1	**Warning**	This summary should be read as an introduction to the Listing Prospectus. Any decision to invest in the Notes should be based on consideration of the Listing Prospectus as a whole by the investor. Where a claim relating to the information contained in the Listing Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Listing Prospectus before legal proceedings are initiated. Lassila & Tikanoja assumes civil liability in respect of this summary and its translation only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Listing Prospectus, or if it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes issued by the Company.
A.2	**Consent for subsequent resale or final placement of securities / offer period / conditions of the consent**	Not applicable.
	Section B – Issuer	
B.1	**Legal and commercial name of the Issuer**	Lassila & Tikanoja plc.
B.2	**Domicile/Legal form/Legislation/Country of incorporation**	The domicile of Lassila & Tikanoja is Helsinki, Finland. Lassila & Tikanoja is a public limited liability company incorporated in Finland and operating under Finnish law.
B.4b	**Known trends affecting the Issuer and the Issuer's industries**	The Company estimates that megatrends driving the market in the medium and long term are on its side: climate change and dwindling natural resources affect the regulatory environment through energy, climate and waste management policy, and the Company believes that the circular economy model aimed at the efficient use of resources will have an increasing impact on its customers' choices. Regulation in areas that are relevant to the business environment developed favourably from the perspective of the Company's business. The Public Procurement Act (1397/2016), which entered into force at the beginning of 2018, made public procurement procedures more modern and flexible. The Public Procurement Act will also promote the opening up of the public service markets, although the impacts on the social, health care and waste sectors will only become evident after the transition periods have passed. The preparations for the Finnish social, health care and regional government reform has moved forward and the expectation is that it will accelerate the opening up of the service markets in the municipal sector. In the environmental business, key reforms have been implemented both at the EU level and the national level. At the end of 2017, an agreement was reached on the circular economy package, which will substantially increase the recycling targets for municipal waste and packaging waste in the EU by 2030. The government's legislative proposal on the amendment of the Waste Act (646/2011) was submitted to the parliament in December 2017. According to

		the proposal, waste management in public administration as well as the social and health care sector will be deregulated as of 1 January 2019. This change would see a waste volume of some 230,000 tonnes transferred from the local government sector to the private sector. The key policies in the EU climate and energy package from the Company's and its industries' perspective were related to the reduction of emission rights and the promotion of the shift to renewable energy sources in the production of energy and heating. The Company believes that the direction of energy, climate and waste policy will increase the demand for recycled raw materials and biofuels, thereby boosting the Company's business in the medium and long term. With climate and recycling-related targets rising dramatically in the next few years, the significance of effective solutions for the transition period will be emphasised.
B.5	**Group**	As at the date of this Listing Prospectus, the Group consists of the parent company Lassila & Tikanoja plc and fourteen subsidiaries, thirteen of which are wholly-owned by Lassila & Tikanoja plc. The Company also has two associated companies, Suomen Keräystuote Oy and Moppicom Oy, with an ownership of 40.0% and 43.7%, respectively.
B.9	**Profit forecasts and estimates**	In its stock exchange release dated 31 July 2018 regarding its half-year financial report for 1 January – 30 June 2018, Lassila & Tikanoja published the following information on the outlook for 2018: "Lassila & Tikanoja's net sales and operating profit in 2018 are expected to be above the 2017 levels."
B.10	**Qualifications in the audit reports**	Not applicable. The audit reports on historical financial information incorporated by reference into this Listing Prospectus do not include any qualifications.
B.12	**No material adverse change and no significant change statements** **Selected consolidated financial information**	There have been no material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements. There has been no significant change in the Issuer's financial or trading position since 30 June 2018. The following is a summary of Lassila & Tikanoja's unaudited interim report as at and for the six month period ended 30 June 2018 and the audited consolidated financial statements as at and for the financial year ended 31 December 2017. Lassila & Tikanoja's interim reports and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Lassila & Tikanoja applies the new IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers standards from 1 January 2018 onwards. Because of the application of the standards, the comparable data for the financial year 2017 has been adjusted. The same accounting policies have been applied to preparing the adjusted comparable data as in the 2017 financial statements with the exception of the application of the IFRS 9 and IFRS 15 standards. The adjusted figures have not been audited. Lassila & Tikanoja acquired Veolia FM AB's (currently Lassila & Tikanoja FM AB) facility management business in August 2017 for EUR 64.9 million. The acquired entity has been included in the financial reporting of Lassila & Tikanoja from 1 September 2017 onwards.

	As at and for the six months ended 30 June		**As at and for the year ended 31 December**	
	2018	**2017**	**2017**	**2016**
	(unaudited)		**(unaudited and restated)**	**(audited)**
		(restated)		
CONSOLIDATED INCOME STATEMENT MEUR				

Net sales	**399.4**	**328.0**	**709.5[1]**	**661.8**
Other operating income	3.1	3.6	5.7	4.8
Change of inventory	-2.8	0.6	-1.0	1.1
Materials and services	-140.8	-103.7	-234.9	-206.3
Employee benefit expenses	-167.0	-145.0	-296.9	-280.8
Other operating expenses	-54.4	-48.5	-100.3	-91.4
Depreciation and impairment	-21.2	-20.0	-40.5	-38.8
Operating profit	**16.4**	**15.1**	**44.0[1]**	**50.5**
Financial income and expenses	-2.0	-0.6	-1.4	-0.4
Share of the result of associated companies	-0.4	0.0	-0.1	0.0
Profit before tax	**13.9**	**14.4**	**42.5[1]**	**50.1**
Income taxes	-2.9	-3.0	-9.0	-6.7
Profit for the period	**11.0**	**11.4**	**33.5[1]**	**43.4**
Attributable to:				
Equity holders of the company	11.0	11.4	33.5	43.4
Non-controlling interest	0.0	0.0	0.0	0.0
Earnings per share attributable to equity holders of the parent company:				
Earnings per share, EUR	0.29	0.30	0.87[1]	1.13
Diluted earnings per share, EUR	0.29	0.30	0.87[1]	1.13

[1] Adjusted and unaudited figures due to application of IFRS 9 and IFRS 15 from 1 January 2018:

Line item	Reported (EUR million)	Adjusted (EUR million)
Net sales	712.1	709.5
Operating profit	44.2	44.0
Profit before tax	42.7	42.5
Profit for the period	33.7	33.5
Earnings per share, EUR	0.88	0.87
Diluted earnings per share, EUR	0.88	0.87

	As at and for the six months ended 30 June		As at and for the year ended 31 December	
	2018	2017	2017	2016
	(unaudited)		(unaudited and restated)	(audited)
		(restated)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME MEUR				
Profit for the period	11.0	11.4	33.5	43.4
Items not to be recognised through profit or loss				
Items arising from re-measurement of defined benefit plans	0.0	0.0	0.1	0.0
Items not to be recognised through profit or loss, total	0.0	0.0	0.1	0.0
Items potentially to be recognised through profit or loss				
Hedging reserve, change in fair value	-0.1	0.0	-0.1	0.4
Currency translation differences	-4.6	-0.2	-2.7	-0.1

Currency translation differences, non-controlling interest	0.0	0.0	0.0	0.0
Items potentially to be recognised through profit or loss, total	-4.7	-0.2	-2.8	0.3
Total comprehensive income, after tax	**6.3**	**11.2**	**30.9**	**43.7**
Attributable to:				
Equity holders of the company	6.3	11.2	30.9	43.7
Non-controlling interests	0.0	0.0	0.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**As at 30 June**		**As at 31 December**	
MEUR	**2018**	**2017**	**2017**	**2016**
	(unaudited)		**(unaudited and restated)**	
ASSETS		**(restated)**		
Non-current assets				
Intangible assets				
Goodwill	146.3	117.9	150.2	116.5
Customer contracts arising from acquisitions	20.2	5.5	22.6	5.2
Agreements on prohibition of competition	0.0	0.1	0.0	0.1
Other intangible assets arising from acquisitions	0.5	0.5	0.5	0.6
Other intangible assets	22.9	21.9	22.9	20.8
	189.8	145.9	196.3	143.2
Property, plant and equipment				
Land	5.2	5.3	5.3	5.3
Buildings and constructions	37.4	40.6	40.3	40.7
Machinery and equipment	110.6	108.5	106.5	104.8
Other tangible assets	0.1	0.1	0.1	0.1
Prepayments and construction in progress	2.2	3.2	2.0	5.3
	155.5	157.7	160.5[2]	160.3[3]
Other non-current assets				
Available-for-sale investments	0.3	0.6	0.6	0.6
Finance lease receivables	0.1	0.6	0.3	1.2
Deferred tax assets	3.6	5.8	6.9[2]	5.8[3]
Other receivables	1.8	2.3	2.6	1.7
	5.8	9.4	10.0	9.0
Total non-current assets	**351.1**	**313.0**	**360.4**	**308.3**
Current assets				
Inventories	20.6	25.4	23.9	24.9
Trade and other receivables	141.6	93.9	137.1[2]	90.5
Derivative receivables	0.2	0.7	0.1	0.3
Prepayments	1.4	1.8	0.5	0.6
Cash and cash equivalents	34.8	40.2	48.1	28.2
Total current assets	**198.6**	**162.0**	**210.2**	**144.5**
Total assets	**549.7**	**474.9**	**570.6**	**452.8**

EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent company				
Share capital	19.4	19.4	19.4	19.4
Other reserves	-10.6	-3.3	-5.9	-3.1
Invested unrestricted equity reserve	0.6	0.6	0.6	0.4
Retained earnings	167.7	169.7	170.7	162.7
Profit for the period	11.0	11.4	33.7	43.4
	188.1	197.8	218.5	222.8
Non-controlling interests	0.2	0.2	0.2	0.2
Total equity	**188.3**	**197.9**	**217.1**[2]	**221.9**[3]
Liabilities				
Non-current liabilities				
Deferred tax liabilities	27.9	24.0	29.2	24.8
Retirement benefit obligations	1.3	1.0	1.4	1.0
Provisions	4.7	4.4	5.0	4.8
Borrowings	121.6	66.9	140.9	63.5
Other liabilities	0.3	0.4	0.4	0.3
	155.8	**96.6**	**177.0**	**94.3**
Current liabilities				
Borrowings	45.0	44.1	25.0	3.4
Trade and other payables	159.1	134.7	155.7[2]	135.3[3]
Derivative liabilities	0.3	0.3	0.2	0.1
Current tax liabilities	0.4	0.0	0.1	0.1
Provisions	0.8	1.3	1.9	2.0
	205.7	**180.3**	**174.9**	**135.5**
Total liabilities	**361.4**	**277.0**	**351.9**	**229.8**
Total equity and liabilities	**549.7**	**474.9**	**570.6**	**452.8**

[2] Adjusted and unaudited figures due to application of IFRS 9 and IFRS 15 from 1 January 2018:

Line item	Reported 31 December 2017 (EUR million)	Adjusted 1 January 2018 (EUR million)
Property, plant and equipment	154.1	160.5
Deferred tax assets	6.5	6.9
Trade and other receivables	137.6	137.1
Total equity	217.4	217.1
Trade and other payables	147.7	155.7

[3] Adjusted and unaudited figures due to application of IFRS 15 from 1 January 2018:

Line item	Reported 31 December 2016 (EUR million)	Adjusted 1 January 2017 (EUR million)
Property, plant and equipment	156.1	160.3
Deferred tax assets	5.5	5.8
Total equity	223.0	221.9
Trade and other payables	129.9	135.3

CONSOLIDATED STATEMENT OF CASH FLOWS	**As at and for the six months ended 30 June**	**As at and for the year ended 31 December**

MEUR	2018	2017	2017	2016
	(unaudited)		(audited)	
Cash flows from operating activities				
Profit for the period	11.0	11.4	33.7	43.4
Adjustments	23.1	22.4	51.6	43.8
Net cash generated from operating activities before change in working capital	34.1	33.8	85.3	87.2
Change in working capital				
Change in trade and other receivables	-3.3	-3.3	-14.6	-2.5
Change in inventories	3.3	-0.5	1.0	-1.4
Change in trade and other payables	4.3	-2.6	2.8	6.6
Change in working capital	4.3	-6.4	-10.8	2.7
Interest paid	-1.3	-1.1	-2.7	-2.0
Interest received	0.3	0.9	0.5	0.3
Income tax paid	-4.9	-5.0	-10.5	-11.7
Net cash generated from operating activities	**32.6**	**22.3**	**61.8**	**76.4**
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	1.6	-2.8	-67.2	-1.8
Purchases of property, plant and equipment and intangible assets	-11.7	-10.1	-25.5	-33.9
Proceeds from sale of property, plant and equipment and intangible assets	0.6	0.0	1.7	0.8
Investments in associated companies	0.0	-0.8	-0.8	-
Change in other non-current receivables	0.6	0.2	-0.3	0.2
Dividends received	-	-	-	0.0
Net cash used in investing activities	**-8.9**	**-13.5**	**-92.1**	**-34.6**
Cash flows from financing activities				
Changes in short-term borrowings	-	39.9	18.3	-0.2
Proceeds from long-term borrowings	-	-	69.9	-
Repayments of long-term borrowings	-1.2	-1.3	-2.6	-34.8
Dividends paid	-35.3	-35.3	-35.3	-32.6
Net cash generated from financing activities	**-36.6**	**3.3**	**50.3**	**-67.6**
Net change in liquid assets	**-12.9**	**12.1**	**20.0**	**-25.9**
Liquid assets at beginning of period	48.1	28.2	28.2	54.0
Effect of changes in foreign exchange rates	-0.4	-0.1	-0.1	0.0
Liquid assets at end of period	**34.8**	**40.2**	**48.1**	**28.2**

KEY FIGURES	As at 30 June		As at 31 December	
	2018	2017	2017	2016
	(unaudited)		(unaudited and restated)	
		(restated)		
Earnings per share, EUR	0.29	0.30	0.87	1.13
Diluted earnings per share, EUR	0.29	0.30	0.87	1.13

Cash flow from operating activities/share, EUR	0.85	0.58	1.61	1.99
EVA, EUR, million	4.2	4.9	21.1	30.7
Adjusted operating profit, EUR million	17.8	15.5	45.7	NA
Operating profit, EUR million	16.4	15.1	44.0	50.5
Gross capital expenditure, EUR million	15.4	21.9	113.2	41.6
Depreciation, amortisation and impairment, EUR million	21.2	20.0	41.1	38.8
Equity per share, EUR	4.90	5.15	5.66	5.81
Return on equity, % (ROE)	10.9	10.9	15.2	20.0
Return on invested capital, % (ROI)	8.8	10.6	13.3	17.4
Equity ratio, %	35.1	42.7	38.6	50.4
Gearing, %	70.0	35.8	54.2	17.3
Net interest-bearing liabilities, EUR million	131.8	70.8	117.9	38.7
Average number of employees in full-time equivalents	7,646	6,942	7,875	7,199
Total number of full-time and part-time employees at the end of period	9,122	8,512	8,663	7,931
Number of outstanding shares adjusted for issues, 1 000 shares				
average during the period	38,404	38,392	38,395	38,375
at the end of period	38,406	38,398	38,398	38,378
average during the period, diluted	38,418	38,407	38,409	38,390

CALCULATION OF KEY RATIOS

Earnings per share, EUR = $\dfrac{\text{Profit attributable to equity holders of the parent company}}{\text{Adjusted average basic number of shares}}$

Diluted earnings per share, EUR = $\dfrac{\text{Profit attributable to equity holders of the parent company}}{\text{Adjusted average diluted number of shares}}$

Cash flow from operating activities/share: = $\dfrac{\text{Cash flow from operating activities as in the statement of cash flow}}{\text{Adjusted average basic number of shares}}$

EVA: = Operating profit - cost calculated on invested capital (average of four quarters). The cost of capital invested is calculated using the Group's weighted average cost of capital (WACC). WACC: 2018 6.60%, 2017 6.69%, 2016 6.56%.

Adjusted operating profit: = Operating profit + purchase price allocation amortisation

Gross capital expenditure: = Gross capital expenditure consist primarily of acquisitions, machine and equipment purchases and investments in information systems.

Equity per share: = $\dfrac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted basic number of shares at end of period}}$

Return on equity, % (ROE): = $\dfrac{\text{Profit for the period}}{\text{Equity (average)}} \times 100$

Return on invested capital, % (ROI):		$= \frac{\text{Profit before tax + financial expenses}}{\text{Total equity and liabilities - non-interest-bearing liabilities (average)}} \times 100$
Equity ratio, %:		$= \frac{\text{Equity}}{\text{Total equity and liabilities - advances received}} \times 100$
Gearing, %:		$= \frac{\text{Net interest-bearing liabilities}}{\text{Equity}} \times 100$
Net interest-bearing liabilities:		= Interest-bearing liabilities - liquid assets
B.13	**Recent events materially relevant to evaluation of the Issuer's solvency**	There are no recent events materially relevant to evaluation of the Issuer's solvency.
B.14	**Dependency of the Issuer on other entities within the group**	The Group consists of the parent company Lassila & Tikanoja plc and fourteen subsidiaries, which provide support services to the Issuer or operate in closely related areas.
B.15	**Description of the Issuer's principal activities**	Lassila & Tikanoja is a service company that exists to put the circular economy into practice. As an engine of the circular economy, Lassila & Tikanoja helps its customers maintain the value of their properties and materials while ensuring a high level of material, energy and cost efficiency and the efficient use of their properties. The Company achieves this by delivering responsible and sustainable service solutions that improve the daily lives of its customers. The Company's business operations are divided into five divisions: Environmental Services, Industrial Services, Facility Services, Technical Services and Renewable Energy Sources.
B.16	**Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control**	As at 31 August 2018, there were altogether 12,752 shareholders in the Issuer, of which five largest shareholders are listed below with their respective ownership participation percentage.

Shareholder	Number of Shares	Proportion of shares and votes
Evald and Hilda Nissi's Foundation	2,413,584	6.22%
Mandatum Life Insurance Company Limited	2,311,238	5.96%
Nordea investment funds	2,043,641	5.27%
Maijala Juhani	1,529,994	3.94%
Elo Pension Company	1,229,073	3.17%

The Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

B.17	**Issuer Ratings**	Lassila & Tikanoja is not currently rated by any rating agency.
	Section C – Securities	
C.1	**Type and class of securities**	Senior unsecured notes with an aggregate principal amount of EUR 50,000,000. The ISIN code of the Notes is FI4000349089.

C.2	**Currency of the securities issue**	The currency of the Offering is euro.
C.5	**Restrictions on the free transferability of the securities**	Not applicable. Each Note will be freely transferable after it has been registered into the respective book-entry account.
C.8	**Ranking of securities**	The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking *pari passu* among themselves and at least pari passu with the unsecured obligations of the Issuer, save for obligations which are preferred by mandatory provisions of law.
C.9	**Interest and yield; name of representative of debt security holders**	The Notes bear fixed interest at the rate of 1.250%, per annum. The interest on the Notes will be paid annually in arrears commencing on 17 September 2019 and thereafter on each 17 September ("**Interest Payment Date**") until 17 September 2023 (the "**Redemption Date**"). Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of the Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date. Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of a leap year, 366). At the issue price of 99.534 per cent, the effective yield of the Notes is 1.347 per cent per annum.
C.10	**Explanation of how the interest amount is affected by value of the underlying instrument**	Not applicable. The Notes have no derivative component in the interest payment.
C.11	**Admission to trading**	The Company has made an application for the admission of the Notes to public trading on the Helsinki Stock Exchange, and the Listing is expected to take place on or about 19 September 2018.
	Section D - Risks	
D.2	**Risks specific to the issuer, its operating environment and business**	There are risks relating to the Company as an issuer and to its operating environment and business as well as to the Offering and the Notes issued thereunder. The risk factors relating to the Company as an issuer and to its operating environment and business are listed below. This listing is not exhaustive and additional risks and uncertainties not presently known to the Company, or that the Company currently believes are immaterial, could also impair the Company's business, results of operations and financial condition or an investment in the Company. The risks relating to the Company's operating environment include the following factors: • Lassila & Tikanoja's business is subject to global economic and political conditions Risks relating to the Company and its business include the following factors: • Changes in the market position of existing customers may affect the Company's operations • Lassila & Tikanoja faces high levels of competition • Municipalisation may have a negative impact on Lassila & Tikanoja's business operations and profitability

		• Lassila & Tikanoja may not be able to attract and retain appropriately skilled management and personnel • Risks related to personnel's work capacity and premature retirement • Lassila & Tikanoja's operations may involve legal, regulatory and political risks • Lassila & Tikanoja may be exposed to liability due to environmental damage • Lassila & Tikanoja's operations are subject to the general risks of litigation • Market fluctuations and changes in raw material costs may have a material effect on the profitability of Lassila & Tikanoja's services • Information system and information security risks, especially related to the deployment of the new ERP system, may adversely effect Lassila & Tikanoja • Lassila & Tikanoja has in the past made acquisitions, such as acquiring Lassila & Tikanoja FM AB in August 2017, and Lassila & Tikanoja may in the future pursue strategic acquisitions, which could have an adverse impact on its business • Lassila & Tikanoja's ability to meet its customers' requirements and competitiveness may deteriorate • Lassila & Tikanoja's insurance coverage may not be sufficient • Labor disputes and adverse employee relations could interfere with the Issuer's operations • Lassila & Tikanoja collects and processes personal data as part of its daily business and the leakage of such data could result in fines, loss of reputation and loss of customers • Any significant damage to the Company's premises could cause a production disruption • Risks related to the business environment in Russia • Lassila & Tikanoja's public sector projects may involve risks relating to public procurement and compliance with contract terms The risks relating to the Issuer's financing include the following factors: • Lassila & Tikanoja may not receive financing at competitive terms or at all • Lassila & Tikanoja is exposed to foreign exchange risk especially in relation to the Swedish krona and the Russian rouble • Significant fluctuations in the prices of raw materials could have a material adverse effect on Lassila & Tikanoja • Interest rate on Lassila & Tikanoja's financing arrangements could fluctuate • Lassila & Tikanoja is exposed to credit and counterparty risk • Lassila & Tikanoja may not necessarily receive financing on competitive terms or at all and may not be able to fulfil its obligations under its financing arrangements
D.3	**Risks specific to the securities**	There are risks relating the Company as an issuer and to its operating environment and business as well as to the Offering and the Notes issued thereunder. The risk factors relating to the Offering and the Notes issued thereunder are listed below. This listing is not exhaustive and additional risks and uncertain-

		ties not presently known to the Company, or that the Company currently believes are immaterial, could also impair the Company's business, results of operations and financial condition or an investment in the Company. The risks relating to the Offering and the Notes include the following factors: • The Notes may not be a suitable investment for all investors • Investors are exposed to credit risk in respect of the Issuer • Active trading market for the Notes may not develop • Since the Notes bear a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes • Neither the Issuer nor the Notes are currently rated by any rating agency • The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd's operations and systems • No assurance on change of laws or judicial practices during the validity of the Notes • The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders • Amendments to the Notes bind all Noteholders • The Issuer may incur additional debt and/or grant security without the consent of the Noteholders • Legal investment considerations may restrict certain investments • The Issuer is not obliged to compensate for withholding tax or similar on the Notes • The right to payment under the Notes may become void due to prescription • No voting rights with respect to shareholders meetings of the Issuer
	Section E – Offer	
E.2b	**Reasons for the Offering and use of proceeds**	The aggregate net proceeds to the Company from the Offering, after deduction of the fees and expenses paid or payable by Lassila & Tikanoja, will be approximately EUR 49.7 million. EUR 27.0 million of the proceeds of the Offering received by Lassila & Tikanoja have on the Issue Date been used for the partial redemption of the EUR 30,000,000 2.125% notes due 2019 issued on 15 September 2014 (the "**2019 Notes**") that were offered for purchase on the basis of a tender offer process and accepted by the Issuer for purchase. The remaining proceeds are intended to be used for the repayment of an EUR 20 million loan provided by Danske Bank A/S.
E.3	**Terms and conditions of the Offering**	Issuer: Lassila & Tikanoja plc, a public limited company incorporated in Finland. Lead Manager: Danske Bank A/S, Finland Branch Aggregate principal amount: EUR 50,000,000. Issue date: 17 September 2018. Redemption Date: 17 September 2023. Interest payment dates: Annually in arrears commencing on 17 September 2019 and thereafter each 17 September. Interest: 1.250% per annum. Effective yield of the Notes: At the issue price of 99.534%, 1.347% per annum.

		Repayment: At par, bullet, on the Redemption Date. Denominations: Minimum subscription is EUR 100,000 and the denomination of each book-entry unit is EUR 1,000. Use of proceeds: Partial redemption of the 2019 Notes and the repayment of a EUR 20 million loan provided by Danske Bank A/S. Status: Senior, unsecured, unsubordinated. Rating: The Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process. Covenants: Change of Control, Cross Default, Negative Pledge and Demerger. Listing: The Notes are expected to be listed on the Helsinki Stock Exchange on or about 19 September 2018. Clearing: The Notes are issued dematerialised form in the Infinity-book-entry securities system of Euroclear Finland Ltd. Applicable law: Finnish law. ISIN code: FI4000349089.
E.4	**Material interests**	Interests of the Lead Manager: Business interest normal in the financial markets. The Lead Manager is the lender under a EUR 20 million loan facility, which will be repaid with the proceeds from the Offering. The Lead Manager and companies belonging to the same consolidated group with the Lead Manager may have performed and may in the future perform investment or other banking services for the Company in the ordinary course of business.
E.7	**Estimated expenses charged to the investor**	Not applicable. There are no expenses charged to the investors by the Company.

TIIVISTELMÄ

Tiivistelmät laaditaan tiedonantovelvollisuuksien mukaisesti ”Osatekijöittäin”. Nämä Osatekijät on numeroitu jaksoiksi A – E (A.1 – E.7).

Tämä tiivistelmä sisältää kaikki ne Osatekijät, jotka on sisällytettävä tällaisia arvopapereita ja tällaista liikkeeseenlaskijaa varten laadittuun tiivistelmään. Koska kaikkien Osatekijöiden käsittelyä ei vaadita, Osatekijöiden numeroinnissa voi olla aukkoja.

Vaikka Osatekijä olisikin sisällytettävä tiivistelmään arvopapereiden tai liikkeeseenlaskijan tyypin vuoksi, on mahdollista, että Osatekijän osalta ei ole annettavissa mitään relevanttia tietoa. Tällaisessa tapauksessa tiivistelmään on sisällytetty Osatekijästä lyhyt kuvaus sekä maininta ”ei sovelleta”.

	Jakso A – Johdanto ja varoitukset	
A.1	**Varoitus**	Tätä tiivistelmää tulee pitää Esitteen johdantona. Sijoittajan tulee perustaa Velkakirjoja koskeva sijoituspäätöksensä Esitteessä esitettyihin tietoihin kokonaisuutena. Jos tuomioistuimessa pannaan vireille Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi sovellettavan lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Esitteen käännöskustannuksista. Lassila & Tikanoja vastaa siviilioikeudellisesti tästä tiivistelmästä ja sen käännöksestä vain, jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen luettuna yhdessä Esitteen muiden osion kanssa tai jos tiivistelmässä ei anneta yhdessä Esitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista Yhtiön Velkakirjoihin.
A.2	**Esitteen laatimisesta vastaavan suostumus esitteen käyttöön**	Ei sovellu.
	Jakso B - Liikkeeseenlaskija	
B.1	**Virallinen nimi ja muu liike-toiminnassa käytetty toiminimi**	Lassila & Tikanoja Oyj.
B.2	**Asuinpaikka/ oikeudellinen muoto/ sovellettava laki / liikkeeseenlaskijan perustamismaa**	Lassila & Tikanojan kotipaikka on Helsinki, Suomi. Lassila & Tikanoja on julkinen osakeyhtiö, joka on perustettu Suomessa ja sen toimintaan sovelletaan Suomen lakia.
B.4b	**Merkittävimmät mahdolliset tiedossa olevat suuntaukset**	Yhiön arvion mukaan markkinoita keskipitkällä ja pitkällä aikajänteellä ohjaavat megatrendit ovat sen puolella: ilmastonmuutos ja niukkenevat luonnonvarat vaikuttavat energia-, ilmasto- ja jätepolitiikan kautta regulaatioon, ja Yhtiö uskoo, että resurssien tehokkaaseen käyttöön tähtäävä kiertotalous tulee yhä voimakkaammin vaikuttamaan sen asiakkaiden valintoihin. Toimintaympäristöön vaikuttava keskeinen regulaatio kehittyi Yhtiön liiketoiminnan näkökulmasta positiiviseen suuntaan. Vuoden 2018 alusta voimaan tullut hankintalaki (1397/2016) modernisoi ja joustavoitti julkista hankintamenettelyä. Se tulee myös edistämään julkisten palvelumarkkinoiden avautumista, joskin sosiaali- ja terveys- sekä jätesektorilla vaikutukset tulevat näkymään vasta siirtymäaikojen jälkeen. Myös sote- ja maakuntahallintouudistuksen valmistelu on edennyt ja sen arvioidaan vauhdittavan palvelumarkkinoiden avautumista kuntasektorilla. Ympäristöliiketoiminnassa keskeisiä uudistuksia tehtiin niin EU- kuin kansallisella tasolla. Vuoden 2017 lopussa saavutettiin alustava sopu ns. kiertotalouspaketista, joka tulee olennaisesti nostamaan yhdyskuntajätteen ja pakkausjätteen kierrätystavoitteita EU:ssa vuoteen 2030 mennessä. Jätelain (646/2011) muutosta koskeva hallituksen esitys annettiin Eduskuntalle joulukuussa. Sen mukaan julkisen hallinnon ja sosiaali- ja terveyssektorin jätehuolto vapautetaan

		markkinoille 1.1.2019 lukien. Muutos merkitsee noin 230 000 tonnin jätevolyymin siirtymistä kuntasektorilta yksityissektorille. EU:n ilmasto- ja energiapaketin keskeisimmät linjaukset Yhtiön ja sen toimialojen näkökulmasta liittyivät päästöoikeuksien vähentämiseen ja uusiutuvien energiaraaka-aineiden käytön edistämiseen energian- ja lämmöntuotannossa. Yhiö uskoo, että energia-, ilmasto- ja jätepoliitiset linjaukset edistävät kierrätysraaka-aineiden ja biopolttoaineiden kysyntää ja siten Yhtiön liiketoimintaa keskipitkällä ja pitkällä aikajänteellä. Ilmasto- ja kierrätystavoitteiden noustessa radikaalisti lähivuosina, siirtymäkauden ratkaisujen merkitys tulee korostumaan.
B.5	**Konserni**	Tämän Esitteen päivämääränä Lassila & Tikanoja -konserniin kuuluvat emoyhtiö Lassila & Tikanoja Oyj ja neljätoista tytäryhtiötä, joista kolmetoista ovat Lassila & Tikanoja Oyj:n kokonaan omistamia. Yhtiöllä on myös kaksi osakkuusyhtiötä, Suomen Keräystuote Oy, jossa sillä on 40,0 %:n omistusosuus, ja Moppicom Oy, jossa sillä on 43.7 %:n omistusosuus.
B.9	**Tulosennuste ja –arvio**	Lassila & Tikanoja julkisti 31.7.2018 Yhtiön puolivuosikatsausta 1.1.2018–30.6.2018 koskevassa pörssitiedotteessa seuraavan arvion: ”Lassila & Tikanojan vuoden 2018 liikevaihdon ja liikevoiton odotetaan kasvavan vuodesta 2017.”
B.10	**Tilintarkastuskertomuksessa esitetyt muistutukset**	Ei sovelleta. Tilintarkastuskertomukset eivät sisällä muistutuksia.
B.12	**Ei merkittäviä kielteisiä muutoksia eikä merkittäviä muutoksia** **Keskeiset taloudelliset tiedot**	Liikkeeseenlaskijan tulevaisuudennäkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia viimeisen tarkastetun ja julkaistun tilinpäätöksen päivämäärän jälkeen. Liikkeeseenlaskijan taloudellisessa tai liiketoiminnallisessa asemassa ei ole tapahtunut merkittäviä muutoksia 30.6.2018 jälkeen. Seuraavassa taulukossa on esitetty tiivistelmä Lassila & Tikanojan tilintarkastamattomasta puolivuosikatsauksesta 30.6.2018 päättyneeltä kuuden kuukauden jaksolta sekä tilintarkastetusta konsernitilinpäätöksestä 31.12.2017 päättyneeltä tilikaudelta. Lassila & Tikanojan osavuosikatsaukset ja konsernitilinpäätökset on laadittu Euroopan unionissa sovellettavien kansainvälisten tilinpäätösstandardien (IFRS) mukaisesti. Lassila & Tikanoja soveltaa uutta IFRS 9 Rahoitusinstrumentit ja IFRS 15 Myyntituotot asiakassopimuksista -standardeja 1.1.2018 alkaen. Standardien käyttöönotosta johtuen tilikauden 2017 vertailutietoja on oikaistu. Oikaistujen vertailutietojen valmistelemisessa on sovellettu samoja laskentaperiaatteita kuin tilikauden 2017 konsernitilinpäätöksessä, lukuun ottamatta IFRS 9 ja IFRS 15 -standardien soveltamista. Oikaistut luvut eivät ole tilintarkastettuja. Lassila & Tikanoja hankki kiinteistöteknisiä palveluita tarjoavan Veolia FM AB:n (nykyisin Lassila & Tikanoja FM AB) elokuussa 2017, kauppahinta oli 64,9 miljoonaa euroa. Hankinnan kohde sisältyy Lassila & Tikanojan taloudelliseen raportointiin 1.9.2017 alkaen.

KONSERNIN TULOSLASKELMA MEUR	**1.1.-30.6.**		**1.1.-31.12.**	
	2018	**2017**	**2017**	**2016**
	(tilintarkastamaton)		**(tilintarkastamaton ja oikaistu)**	**(tilintarkastettu)**
		(oikaistu)		
Liikevaihto	**399,4**	**328,0**	**709,5**[1]	**661,8**
Liiketoiminnan muut tuotot	3,1	3,6	5,7	4,8
Varaston muutos	-2,8	0,6	-1,0	1,1

Materiaalit ja palvelut	-140,8	-103,7	-234,9	-206,3
Työsuhde-etuuksista aiheutuvat kulut	-167,0	-145,0	-296,9	-280,8
Liiketoiminnan muut kulut	-54,4	-48,5	-100,3	-91,4
Poistot ja arvonalentumiset	-21,2	-20,0	-40,5	-38,8
Liikevoitto	**16,4**	**15,1**	**44,0**[1]	**50,5**
Rahoitustuotot ja -kulut	-2,0	-0,6	-1,4	-0,4
Osuus osakkuusyritysten tuloksesta	-0,4	0,0	-0,1	0,0
Voitto ennen veroja	**13,9**	**14,4**	**42,5**[1]	**50,1**
Tuloverot	-2,9	-3,0	-9,0	-6,7
Tilikauden voitto	**11,0**	**11,4**	**33,5**[1]	**43,4**
Tilikauden voiton jakautuminen:				
Emoyhtiön omistajille	11,0	11,4	33,5	43,4
Määräysvallattomille omistajille	0,0	0,0	0,0	0,0
Emoyhtiön omistajille kuuluvasta voitosta laskettu osakekohtainen tulos:				
Osakekohtainen tulos, EUR	0,29	0,30	0,87[1]	1,13
Laimennettu osakekohtainen tulos, EUR	0,29	0,30	0,87[1]	1,13

[1] IFRS 9 ja 15 -standardeja on sovellettu 1.1.2018 alkaen. Näiden johdosta oikaistut ja tilintarkastomattomat luvut:

Rivi	Raportoitu (MEUR)	Oikaistu (MEUR)
Liikevaihto	712,1	709,5
Liikevoitto	44,2	44,0
Voitto ennen veroja	42,7	42,5
Tilikauden voitto	33,7	33,5
Osakekohtainen tulos, EUR	0,88	0,87
Laimennettu osakekohtainen tulos EUR	0,88	0,87

KONSERNIN LAAJA TULOSLASKELMA MEUR	**1.1.-30.6.**		**1.1.-31.12.**	
	2018	**2017**	**2017**	**2016**
	(tilintarkastamaton)		**(tilintarkasta-maton ja oikaistu)**	**(tilintarkastettu)**
		(oikaistu)		
Tilikauden voitto	**11,0**	**11,4**	**33,5**	**43,4**
Erät, joita ei siirretä myöhemmin tulosvaikutteiseksi				
Etuuspohjaisten eläkejärjestelyiden uudelleen määrittämisestä johtuvat erät	0,0	0,0	0,1	0,0
Erät, joita ei siirretä myöhemmin tulosvaikutteiseksi, yhteensä	0,0	0,0	0,1	0,0
Erät, jotka saatetaan myöhemmin siirtää tulosvaikutteiseksi				
Suojausrahasto, käyvän arvon muutos	-0,1	0,0	-0,1	0,4
Muuntoerot	-4,6	-0,2	-2,7	-0,1
Muuntoerot määräysvallattomille omistajille	0,0	0,0	0,0	0,0
Erät, jotka saatetaan myöhemmin siirtää tulosvaikutteiseksi, yhteensä	-4,7	-0,2	-2,8	0,3
Tilikauden laaja tulos, verojen jälkeen	**6,3**	**11,2**	**30,9**	**43,7**
Tilikauden laajan tuloksen jakautuminen				
Emoyhtiön omistajille	6,3	11,2	30,9	43,7
Määräysvallattomille omistajille	0,0	0,0	0,0	0,0

KONSERNIN TASE	30.6.		31.12.	
MEUR	2018	2017	2017	2016
	(tilintarkastamaton)		(tilintarkastamaton ja oikaistu)	
VARAT		(oikaistu)		
Pitkäaikaiset varat				
Aineettomat hyödykkeet				
Liikearvo	146,3	117,9	150,2	116,5
Hankittu sopimuskanta	20,2	5,5	22,6	5,2
Kilpailukieltosopimukset	0,0	0,1	0,0	0,1
Muut aineettomat hyödykkeet yrityskaupoista	0,5	0,5	0,5	0,6
Muut aineettomat hyödykkeet	22,9	21,9	22,9	20,8
	189,8	145,9	196,3	143,2
Aineelliset käyttöomaisuushyödykkeet				
Maa-alueet	5,2	5,3	5,3	5,3
Rakennukset ja rakennelmat	37,4	40,6	40,3	40,7
Koneet ja kalusto	110,6	108,5	106,5	104,8
Muut aineelliset hyödykkeet	0,1	0,1	0,1	0,1
Ennakkomaksut ja keskeneräiset hankinnat	2,2	3,2	2,0	5,3
	155,5	157,7	160,5[2]	160,3[3]
Muut pitkäaikaiset varat				
Myytävissä olevat sijoitukset	0,3	0,6	0,6	0,6
Rahoitusleasingsaamiset	0,1	0,6	0,3	1,2
Laskennalliset verosaamiset	3,6	5,8	6,9[2]	5,8[3]
Muut saamiset	1,8	2,3	2,6	1,7
	5,8	9,4	10,0	9,0
Pitkäaikaiset varat yhteensä	**351,1**	**313,0**	**360,4**	**308,3**
Lyhytaikaiset varat				
Vaihto-omaisuus	20,6	25,4	23,9	24,9
Myyntisaamiset ja muut saamiset	141,6	93,9	137,1[2]	90,5
Johdannaissaamiset	0,2	0,7	0,1	0,3
Ennakkomaksut	1,4	1,8	0,5	0,6
Rahavarat	34,8	40,2	48,1	28,2
Lyhytaikaiset varat yhteensä	**198,6**	**162,0**	**210,2**	**144,5**
Varat yhteensä	**549,7**	**474,9**	**570,6**	**452,8**

OMA PÄÄOMA JA VELAT				
Oma pääoma				
Oma pääoma				
Osakepääoma	19,4	19,4	19,4	19,4
Muut rahastot	-10,6	-3,3	-5,9	-3,1
Sijoitetun vapaan oman pääoman rahasto	0,6	0,6	0,6	0,4
Kertyneet voittovarat	167,7	169,7	170,7	162,7

Tilikauden voitto	11,0	11,4	33,7	43,4
	188,1	197,8	218,5	222,8
Määräysvallattomien omistajien osuus	0,2	0,2	0,2	0,2
Oma pääoma yhteensä	**188,3**	**197,9**	**217,1**[2]	**221,9**[3]
Velat				
Pitkäaikaiset velat				
Laskennalliset verovelat	27,9	24,0	29,2	24,8
Eläkevelvoitteet	1,3	1,0	1,4	1,0
Varaukset	4,7	4,4	5,0	4,8
Rahoitusvelat	121,6	66,9	140,9	63,5
Muut velat	0,3	0,4	0,4	0,3
	155,8	96,6	177,0	94,3
Lyhytaikaiset velat				
Rahoitusvelat	45,0	44,1	25,0	3,4
Ostovelat ja muut velat	159,1	134,7	155,7[2]	135,3[3]
Johdannaisvelat	0,3	0,3	0,2	0,1
Tilikauden verotettavaan tulokseen perustuvat verovelat	0,4	0,0	0,1	0,1
Varaukset	0,8	1,3	1,9	2,0
	205,7	180,3	174,9	135,5
Velat yhteensä	**361,4**	**277,0**	**351,9**	**229,8**
Oma pääoma ja velat yhteensä	**549,7**	**474,9**	**570,6**	**452,8**

[2] IFRS 9 ja 15 -standardeja on sovellettu 1.1.2018 alkaen. Näiden johdosta oikaistut ja tilintarkastomattomat luvut:

Rivi	Raportoitu 31.12.2017 (MEUR)	Oikaistu 1.1.2018 (MEUR)
Aineelliset käyttöomaisuushyödykkeet	154,1	160,5
Laskennalliset verosaamiset	6,5	6,8
Myyntisaamiset ja muut saamiset	137,6	137,6
Oma pääoma yhteensä	217,4	217,1
Ostovelat ja muut velat	147,7	155,7

[3] IFRS 15 -standardia on sovellettu 1.1.2018 alkaen. Tämän johdosta oikaistut ja tilintarkastomattomat luvut:

Rivi	Raportoitu 31.12.2016 (MEUR)	Oikaistu 1.1.2017 (MEUR)
Aineelliset käyttöomaisuushyödykkeet	156,1	160,3
Laskennalliset verosaamiset	5,5	5,8
Oma pääoma yhteensä	223,0	221,9
Ostovelat ja muut velat	129,9	135,3

KONSERNIN RAHAVIRTALASKELMA MEUR	**1.1.-30.6.**		**1.1.-31.12.**	
	2018	**2017**	**2017**	**2016**
	(tilintarkastamaton)		**(tilintarkastettu)**	
Liiketoiminnan rahavirta				
Tilikauden voitto	11,0	11,4	33,7	43,4
Oikaisut	23,1	22,4	51,6	43,8

Tulorahoitus ennen käyttöpääoman muutosta	34,1	33,8	85,3	87,2
Käyttöpääoman muutos				
Myyntisaamisten ja muiden saamisten muutos	-3,3	-3,3	-14,6	-2,5
Vaihto-omaisuuden muutos	3,3	-0,5	1,0	-1,4
Ostovelkojen ja muiden velkojen muutos	4,3	-2,6	2,8	6,6
Käyttöpääoman muutos	4,3	-6,4	-10,8	2,7
Maksetut korot	-1,3	-1,1	-2,7	-2,0
Saadut korot	0,3	0,9	0,5	0,3
Maksetut verot	-4,9	-5,0	-10,5	-11,7
Liiketoiminnan nettorahavirta	**32,6**	**22,3**	**61,8**	**76,4**
Investointien rahavirta				
Hankitut tytäryritykset ja liiketoiminnat vähennettynä hankintahetken rahavaroilla	1,6	-2,8	-67,2	-1,8
Investoinnit aineellisiin ja aineettomiin käyttöomaisuus-hyödykkeisiin	-11,7	-10,1	-25,5	-33,9
Aineellisten ja aineettomien käyttöomaisuushyödykkeiden myynnit	0,6	0,0	1,7	0,8
Investoinnit osakkuusyrityksiin	0,0	-0,8	-0,8	-
Muiden pitkäaikaisten saamisten muutos	0,6	0,2	-0,3	0,2
Saadut osingot investoinneista	-	-	-	0,0
Investointien nettorahavirta	**-8.9**	**-13,5**	**-92,1**	**-34,6**
Rahoituksen rahavirta				
Lyhytaikaisten lainojen muutos	-	39,9	18,3	-0,2
Pitkäaikaisten lainojen nostot	-	-	69,9	-
Pitkäaikaisten lainojen takaisinmaksut	-1,2	-1,3	-2,6	-34,8
Maksetut osingot	-35,3	-35,3	-35,3	-32,6
Rahoituksen nettorahavirta	**-36,6**	**3,3**	**50,3**	**-67,6**
Likvidien varojen nettomuutos	**-12,9**	**12,1**	**20,0**	**-25,9**
Likvidit varat tilikauden alussa	48,1	28,2	28,2	54,0
Valuuttakurssien muutosten vaikutus	-0,4	-0,1	-0,1	0,0
Likvidit varat taseessa tilikauden lopussa	**34,8**	**40,2**	**48,1**	**28,2**

TALOUDELLISIA TUNNUSLUKUJA	**30.6.**		**31.12.**	
	2018	**2017**	**2017**	**2016**
	(tilitarkastamaton)		**(tilintarkastamaton ja oikaistu)**	
		(oikaistu)		
Osakekohtainen tulos, EUR	0,29	0,30	0,87	1,13
Laimennettu osakekohtainen tulos, EUR	0,29	0,30	0,87	1,13
Liiketoiminnan rahavirta/osake, EUR	0,85	0,58	1,61	1,99
EVA, MEUR	4,2	4,9	21,1	30,7
Oikaistu liikevoitto, MEUR	17,8	15,5	45,7	NA
Liikevoitto, MEUR	16,4	15,1	44,0	50.5
Bruttoinvestoinnit, MEUR	15,4	21,9	113,2	41,6
Poistot ja arvonalentumiset, MEUR	21,2	20,0	41,1	38,8

Oma pääoma/osake, EUR	4,90	5,15	5,66	5,81
Oman pääoman tuotto, %	10,9	10,9	15,2	20,0
Sijoitetun pääoman tuotto, %	8,8	10,6	13,3	17,4
Omavaraisuusaste, %	35,1	42,7	38,6	50,4
Gearing, %	70,0	35,8	54,2	17,3
Korolliset nettovelat, MEUR	131,8	70,8	117,9	38,7
Henkilöstö kokoaikaiseksi muutettuna keskimäärin	7 646	6 942	7 875	7 199
Henkilöstö, koko- ja osa-aikaiset yhteensä kauden lopussa	9 122	8 512	8 663	7 931
Osakkeiden osakeantioikaistu lukumäärä, 1000 kpl				
keskimäärin kauden aikana	38 404	38 392	38 395	38 375
kauden lopussa	38 406	38 398	38 398	38 378
keskimäärin kauden aikana, laimennettu	38 418	38 407	38 409	38 390

TUNNUSLUKUJEN LASKENTAPERIAATTEET

KANNATTAVUUS

Osakekohtainen tulos: = $\frac{\text{Emoyhtiön osakkeenomistajille kuuluva tilikauden tulos}}{\text{Osakkeiden laimentamaton lukumäärä keskimäärin}}$

Laimennettu osakekohtainen tulos: = $\frac{\text{Emoyhtiön osakkeenomistajille kuuluva tilikauden voitto}}{\text{Osakkeiden laimennettu lukumäärä keskimäärin}}$

Liiketoiminnan rahavirta / osake: = $\frac{\text{Liiketoiminnan nettorahavirta rahoituslaskelmasta}}{\text{Osakkeiden laimennettu lukumäärä keskimäärin}}$

EVA: = Liikevoitto - sijoitetulle pääomalle (vuosineljännesten keskiarvo) laskettu kustannus.
Sijoitetulle pääomalle laskettu kustannus lasketaan käyttäen konsernin painotettua keskimääräistä pääomankustannusta (WACC).
WACC 2018: 6,60 %, 2017: 6,69 % ja 2016 6.56 %

Oikaistu liikevoitto: = Liikevoitto lisättynä kauppahinnan allokaatiopoistoilla

Bruttoinvestoinnit: = Bruttoinvestoinnit koostuvat pääasiassa yritysostoista, kone- ja kalustohankinnoista sekä investoinneista tietojärjestelmiin

Oma pääoma/osake: $\frac{\text{Emoyhtiön osakkeenomistajille kuuluva oma pääoma}}{\text{Osakkeiden laimentamaton lukumäärä tilinpäätöspäivänä}}$

Oman pääoman tuotto, %: = $\frac{\text{Tilikauden voitto}}{\text{Oma pääoma (keskiarvo)}} \times 100$

Sijoitetun pääoman tuotto, %: = $\frac{\text{Voitto ennen veroja + rahoituskulut}}{\text{Taseen loppusumma - korottomat velat (keskiarvo)}} \times 100$

Omavaraisuusaste, %: = $\frac{\text{Oma pääoma}}{\text{Taseen loppusumma - saadut ennakot}} \times 100$

Gearing, %: $$= \frac{\text{Korolliset nettovelat}}{\text{Oma pääoma}} \times 100$$

Korolliset nettovelat: = Korollinen vieras pääoma - likvidit varat

<table>
<tr><td>B.13</td><td>Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä</td><td>Ei merkittäviä viimeaikaisia tapahtumia, jotka olisivat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä.</td></tr>
<tr><td>B.14</td><td>Liikkeeseenlaskijan riippuvuus muista konserniin kuuluvista yksiköistä</td><td>Lassila & Tikanoja -konserniin kuuluvat emoyhtiö Lassila & Tikanoja Oyj ja 14 tytäryhtiötä, jotka tarjoavat tukitoimia Liikkeeseenlaskijalle tai toimivat läheisillä toimialoilla.</td></tr>
<tr><td>B.15</td><td>Kuvaus liikkeeseenlaskijan päätoimialoista</td><td>Lassila & Tikanoja on palvelualan yritys, jonka tarkoituksena on saada kiertotalous toteutumaan käytännössä. Käytännön kiertotalouden tekijänä Lassila & Tikanoja auttaa asiakkaitaan säilyttämään kiinteistöjensä ja materiaaliensa arvon, varmistamaan materiaali-, energia- ja kustannustehokkuutensa ja kiinteistöjensä tehokkaan käytön. Lassila & Tikanoja tekee tämän tarjoamalla vastuullisia ja kestäviä palveluratkaisuja, jotka parantavat sen asiakkaiden arkea.

Yhtiön liiketoiminta on jaettu viiteen liiketoiminta-alueeseen: Ympäristöpalvelut, Teollisuuspalvelut, Kiinteistöpalvelut, Kiinteistötekniikka ja Uusiutuvat Energialähteet.</td></tr>
<tr><td>B.16</td><td>Kuvaus siitä, onko liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonteesta</td><td>Yhtiöllä oli 31.8.2018 yhteensä 12.752 osakkeenomistajaa, joista viisi suurinta omistusosuuksineen on esitetty alla.
<table>
<tr><th>Osakkeenomistaja</th><th>Osakkeiden lukumäärä</th><th>Osuus osakkeista ja äänistä</th></tr>
<tr><td>Evald ja Hilda Nissin Säätiö</td><td>2 413 584</td><td>6,22%</td></tr>
<tr><td>Mandatum Henkivakuutusosakeyhtiö</td><td>2 311 238</td><td>5,96%</td></tr>
<tr><td>Nordea-rahastot</td><td>2 043 641</td><td>5,27%</td></tr>
<tr><td>Maijala Juhani</td><td>1 529 994</td><td>3,94%</td></tr>
<tr><td>Keskinäinen Työeläkevakuutusyhtiö Elo</td><td>1 229 073</td><td>3,17%</td></tr>
</table>
Yhtiö ei ole tietoinen järjestelyistä, jotka voisivat tulevaisuudessa johtaa määräysvallan vaihtumiseen Liikkeeseenlaskijassa.</td></tr>
<tr><td>B.17</td><td>Liikkeeseenlaskijan luottoluokitukset</td><td>Lassila & Tikanojalla ei ole tällä hetkellä luottoluokituslaitoksen antamaa luottoluokitusta.</td></tr>
<tr><td colspan="3">Jakso C - Arvopaperit</td></tr>
<tr><td>C.1</td><td>Arvopapereiden tyyppi ja laji</td><td>Senior-statuksinen vakuudeton velkakirjalaina, jonka kokonaisnimellismäärä on 50 000 000 euroa.

Velkakirjojen ISIN-koodi on FI4000349089.</td></tr>
<tr><td>C.2</td><td>Arvopapereiden liikeeseenlaskun valuutta</td><td>Velkakirjojen liikkeeseenlaskun valuutta on euro.</td></tr>
<tr><td>C.5</td><td>Arvopapereiden vapaata luovutettavuutta koskevat rajoitukset</td><td>Ei sovelleta. Velkakirjat ovat vapaasti luovutettavissa sen jälkeen, kun ne on kirjattu asianomaiselle arvo-osuustilille.</td></tr>
<tr><td>C.8</td><td>Arvopapereiden etuoikeusjärjestys</td><td>Velkakirjat ovat Liikkeeseenlaskijan suoria, vakuudettomia ja takaamattomia velvoitteita, jotka ovat samanarvoisia keskenään ja jotka ovat etuoikeusjärjes-</td></tr>
</table>

		tyksessä vähintään samalla sijalla Liikkeeseenlaskijan vakuudettomien velvoitteiden kanssa, lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla.
C.9	**Korko ja tuotto; velkapaperien haltijoiden edustajan nimi**	Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 1,250% vuodessa. Velkakirjoille kertyvä korko maksetaan vuosittain takautuvasti alkaen 17.9.2019 ja tämän jälkeen 17.9. kunakin vuonna (”**Koronmaksupäivä**”) 17.9.2023 saakka (”**Takaisinmaksupäivä**”). Velkakirjojen kulloinkin maksamatta olevalle pääomalle kertyy korkoa kultakin korkokaudelta korkokauden ensimmäinen päivä mukaan lukien ja korkokauden viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä ja päättyy ensimmäisenä Koronmaksupäivänä. Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä ja päättyy seuraavana Koronmaksupäivänä. Viimeinen korkokausi päättyy Takaisinmaksupäivänä. Velkakirjoihin sovellettava koronlaskuperuste on asianomaisella korkokaudella kuluneiden päivien todellinen määrä jaettuna 365:llä (tai karkausvuonna 366:lla). Emissiohinnan ollessa 99,534%, Velkakirjojen efektiivinen tuotto on 1,347% vuodessa.
C.10	**Tiedot siitä, kuinka kohde-etuuden arvo vaikuttaa koron määrään**	Ei sovelleta. Velkakirjoille maksettava korko ei ole yhteydessä johdannaiseen.
C.11	**Ottaminen kaupankäynnin kohteeksi**	Yhtiö on hakenut Velkakirjojen ottamista julkisen kaupankäynnin kohteeksi Helsingin Pörssissä. Velkakirjat listataan Helsingin Pörssiin arviolta 19.9.2018.
		Jakso D - Riskit
D.2	**Liikkeeseenlaskijaan, sen toimintaympäristöön ja liiketoimintaan liittyvät riskit**	Yhtiöön liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan sekä Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyy riskitekijöitä. Yhtiöön liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan liittyvät riskitekijät on lueteltu jäljempänä. Tämä luettelo ei ole tyhjentävä, ja myös riskit tai epävarmuustekijät, joista Yhtiö ei tällä hetkellä ole tietoinen tai joita se juuri nyt pitää epäolennaisina, saattavat vaikuttaa haitallisesti Yhtiön liiketoimintaan, tulokseen ja taloudelliseen asemaan tai Yhtiöön tehtyyn sijoitukseen. Yhtiön liiketoimintaympäristöön liittyvät riskit sisältävät seuraavat tekijät: • Lassila & Tikanojan liiketoimintaan vaikuttavat maailmanlaajuiset taloudelliset ja poliittiset olosuhteet Yhtiöön ja sen liiketoimintaan liittyvät riskit sisältävät seuraavat tekijät: • Muutokset Yhtiön olemassa olevien asiakkaiden markkina-asemassa voivat vaikuttaa Yhtiön toimintaan • Lassila & Tikanoja kohtaa paljon kilpailua • Kunnallistamisella voi olla negatiivinen vaikutus Lassila & Tikanojan liiketoimintaan ja kannattavuuteen • Lassila & Tikanoja ei välttämättä kykene houkuttelemaan ja pitämään palveluksessaan riittävän päteviä johtohenkilöitä ja henkilöstöä • Riskejä koskien henkilöstön työkykyä ja ennenaikaista eläkkeelle jäämistä • Lassila & Tikanojan toimintaan voi liittyä oikeudellisia, säädännöllisiä ja poliittisia riskejä • Lassila & Tikanoja voi joutua vastuuseen ympäristövahingoista • Lassila & Tikanojan toimintaan liittyy yleinen oikeudenkäyntiriski

		• Markkinavaihtelut ja muutokset raaka-ainekustannuksissa voivat olennaisesti vaikuttaa Lassila & Tikanojan palveluiden kannattavuuteen • Tietojärjestelmä- ja tietoturvariskit, liittyen erityisesti uuden ERP-järjestelmän käyttöönottoon, voivat vaikuttaa haitallisesti Lassila & Tikanojan liiketoimintaan • Lassila & Tikanoja on aikaisemmin toteuttanut yritysostoja, kuten Lassila & Tikanoja FM AB:n hankinnan elokuussa 2017, ja Lassila & Tikanoja saattaa tulevaisuudessa tavoitella strategisia yritysostoja, joilla voi olla haitallinen vaikutus sen liiketoimintaan • Lassila & Tikanojan kyky täyttää asiakkaiden vaatimukset ja kilpailukyky voivat heikentyä • Lassila & Tikanojan vakuutusturva ei välttämättä ole riittävä • Työsuhderiidat ja epäsuotuisat suhteet työntekijöihin voivat haitata Yhtiön toimintaa • Lassila & Tikanoja kerää ja käsittelee henkilötietoja osana päivittäistä liiketoimintaansa, ja tällaisten tietojen vuotaminen voisi johtaa sakkoihin, mainevahinkoihin ja asiakkaiden menettämiseen • Mikä tahansa Yhtiön toimitiloja koskeva olennainen vahinko voi aiheutta tuotantohäiriöitä • Venäjän liiketoimintaympäristöön liittyvät riskit • Yhtiön julkisen sektorin hankkeisiin voi liittyä julkisiin hankintoihin ja sopimusehtoihin liittyviä riskejä Yhtiön rahoitukseen liittyvät riskit sisältävät seuraavat tekijät: • Lassila & Tikanoja ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai lainkaan • Lassila & Tikanoja altistuu valuuttakurssiriskeille etenkin suhteessa Ruotsin kruunuun ja Venäjän ruplaan • Merkittävät raaka-aineiden hinnanvaihtelut voivat vaikuttaa Lassila & Tikanojaan olennaisen haitallisesti • Lassila & Tikanojan kulloistenkin rahoitusjärjestelyiden korot saattavat vaihdella • Lassila & Tikanoja altistuu luotto-ja vastapuoliriskeille • Lassila & Tikanoja ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai lainkaan eikä välttämättä pysty noudattamaan rahoitusjärjestelyistä johtuvia velvoitteitaan
D.3	**Arvopapereille ominaiset riskit**	Yhtiöön Liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan sekä Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyy riskitekijöitä. Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyvät riskit on lueteltu jäljempänä. Tämä luettelo ei ole tyhjentävä, ja myös riskit tai epävarmuustekijät, joista Yhtiö ei tällä hetkellä ole tietoinen tai joita se juuri nyt pitää epäolennaisina, saattavat vaikuttaa haitallisesti Yhtiön liiketoimintaan, tulokseen ja taloudelliseen asemaan tai Yhtiöön tehtyyn sijoitukseen. • Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyvät riskit sisältävät seuraavat tekijät: • Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille • Sijoittajat kantavat Liikkeeseenlaskijaa koskevan luottoriskin • Velkakirjoille ei välttämättä muodostu aktiivisia jälkimarkkinoita

		• Koska Velkakirjoille on asetettu kiinteä korko, markkinakorkojen muutoksilla voi olla haitallinen vaikutus Velkakirjojen arvoon • Liikkeeseenlaskijalla tai Velkakirjoilla ei ole luottoluokitusta • Velkakirjoihin liittyvien transaktioiden toteutuminen on riippuvainen Euroclear Finland Oy:n toiminnasta ja järjestelmistä • Ei ole varmuutta Velkakirjoihin liittyvien lakien ja käytäntöjen muutoksista Velkakirjojen voimassaoloaikana • Velkakirjat eivät lähtökohtaisesti sisällä Liikkeeseenlaskijan toimintaan liittyviä kovenantteja, eivätkä rajoita sen mahdollisuuksia toteuttaa sulautumisia, omaisuuserien myyntejä tai muita merkittäviä liiketoimia, joilla voi olla olennaisen haitallinen vaikutus Velkakirjoihin ja Velkakirjojen haltijoille • Muutokset Velkakirjoihin sitovat kaikkia Velkakirjojen haltijoita • Liikkeeseenlaskija voi ottaa lisää lainaa tai myöntää vakuuksia ilman Velkakirjanhaltijoiden lupaa • Sijoitusten laillisuutta koskevat säädökset saattavat rajoittaa joitakin sijoituksia • Liikkeeseenlaskija ei ole velvollinen maksamaan Velkakirjoihin liittyvää varainsiirtoveroa tai vastaavaa • Oikeus vastaanottaa maksuja Velkakirjojen perusteella saattaa vanhentua • Ei äänioikeutta Liikkeeseenlaskijan yhtiökokouksessa
	Jakso E - Tarjous	
E.2b	**Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen**	Liikkeeseenlaskun kokonaisnettotuotot Yhtiölle sille maksettavaksi tulevien tai maksettujen maksujen ja kulujen jälkeen tulevat olemaan noin 49,7 miljoonaa euroa. Lassila & Tikanojan liikkeeseenlaskusta saamista tuotoista 27,0 miljoonaa euroa on liikkeeseenlaskupäivänä käytetty 2019 erääntyvien, 15.9.2014 liikkeeseen laskettujen, 30.000.000 euron ja 2,125 prosentin kuponkikorkoisten velkakirjojen (”2019 **Erääntyvät Velkakirjat**”), osittaiseen lunastamiseen. 2019 Erääntyvät Velkakirjat tarjottiin ostettavaksi julkisen ostotarjousprosessin perusteella ja Liikkeeseenlaskija hyväksyi 2019 Erääntyvät Velkakirjat ostettavaksi. Jäljelle jäävät tuotot aiotaan käyttää Danske Bank A/S:n myöntämän 20 miljoonan euron lainan takaisinmaksuun.
E.3	**Tarjousehdot**	Liikkeeseenlaskija: Lassila & Tikanoja Oyj, suomalainen julkinen osakeyhtiö. Pääjärjestäjä: Danske Bank A/S, Suomen sivuliike. Lainan yhteenlaskettu nimellisarvo: 50.000.000 euroa. Liikkeeseenlaskupäivä: 17.9.2018. Takaisinmaksupäivä: 17.9.2023. Koronmaksupäivät: Vuosittain jälkikäteisesti 17.9.2019 alkaen ja tästä lähtien kunakin 17.9. Korko: 1,250% vuodessa. Velkakirjojen efektiivinen tuotto: emissiohinnan ollessa 99,534%, 1,347% vuodessa. Takaisinmaksu: Nimellisarvosta, kertalyhenteisesti, Takaisinmaksupäivänä. Merkinnät: Minimimerkintä on 100.000 euroa ja arvo-osuuden yksikkökoko on 1.000 euroa. Varojen käyttötarkoitus: 2019 Erääntyvien Velkakirjojen osittainen lunastaminen ja Danske Bank A/S:n myöntämän 20 000 000 euron lainan takaisinmaksu. Lainan etuoikeusasema: Senior-statuksellinen, vakuudeton, alistamaton. Luottoluokitus: Velkakirjoilla ei ole luottoluokitusta.

		Kovenantit: Määräysvallan vaihtuminen, ristiin eräännyttäminen, panttaamattomuussitoumus ja jakautuminen. Listaaminen: Velkakirjat listataan Helsingin Pörssiin arviolta 19.9.2018. Selvitys: Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n Infinity-arvo-osuusjärjestelmässä. Sovellettava laki: Suomen laki. ISIN-koodi: FI4000349089.
E.4	**Olennaiset intressit**	Pääjärjestäjän intressit: Finanssimarkkinoilla normaali liiketoiminnallinen intressi. Pääjärjestäjä on 20 miljoonan euron lainan lainanantaja, kyseinen laina maksetaan takaisin liikkeeseenlaskun tuotoilla. Pääjärjestäjä ja yhtiöt, jotka kuuluvat Pääjärjestäjän kanssa samaan konserniin, ovat voineet ja voivat tulevaisuudessa tarjota neuvonta-, konsultointi ja/tai muita pankkipalveluja Yhtiölle osana niiden tavanomaista liiketoimintaa.
E.7	**Arvioidut kustannukset, jotka veloitetaan sijoittajalta**	Ei sovelleta. Yhtiö ei veloita kustannuksia sijoittajilta.

RISK FACTORS

Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below and in the stock exchange releases to be published by the Issuer after the Listing. Factors possibly affecting the investment decision are also discussed elsewhere in this Listing Prospectus. Should one or more of the risks described herein, or any other risk, materialise, it may have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on the information known and assessed at the time of preparing this Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.

The capitalised words and expressions in this section shall have the meanings defined in Terms and Conditions.

Risks relating to general economic conditions and market

Lassila & Tikanoja's business is subject to global economic and political conditions

In its main markets, demand for Lassila & Tikanoja's products mainly follows general economic development, and in particular, the economic situation and its fluctuations in Finland and Sweden. Global economic conditions have in recent years been, and are likely to continue to be, affected by concerns over increased geopolitical tensions, including those related to the Americas, the Middle East, North Korea and Eastern Ukraine.

In addition, the global political and social instability has increased uncertainty. International sanctions imposed, for example, by the EU and the United States against Russia and export limitations imposed by Russia towards the EU and the United States as a counteraction, the referendum vote in the United Kingdom to leave the European Union, or recent changes in certain policy goals of the U.S. government, could have an adverse effect on the global economy, which may have a material adverse effect on Lassila & Tikanoja's business. The Company's business operations are also impacted by concerns over climate change and the strengthening global, European and national environmental protection laws. The market price development of emission rights, secondary raw materials or oil products may affect the Company's business operations. Moreover, the introduction of the new administration in the United States has created uncertainty as regards future economic and foreign policies of the United States, which also contribute to general uncertainty in the markets in the medium-term.

Any restrictions on free trade, such as customs, import taxes or other forms of increased protectionism or even forms of trade war, could adversely affect global trade and the global economy and therefore have an adverse effect on the Company's business operations.

It is difficult to make predictions as to how the market conditions will develop, as the market is impacted by macro movements of the financial markets and many other factors, including the measures taken by various governmental policies, over which the Company has no control. Materialisation of any of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and thereby, on Lassila & Tikanoja's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks relating to the Company's business

Changes in the market position of existing customers may affect the Company's operations

Fluctuations caused by the general economic situation may have a significant effect on the finances and market position of Lassila & Tikanoja's customers, limiting their ability and willingness to buy services provided by Lassila & Tikanoja to the same extent as before. In addition, changes in customers' market position may result in increased market shares for operators other than Lassila & Tikanoja's customers. This may have adverse effects on the volume of Lassila & Tikanoja's business operations as well as Lassila & Tikanoja's operating result and financial position.

Lassila & Tikanoja faces high levels of competition

Lassila & Tikanoja operates in highly competitive markets, such as the technical services market in Sweden, and Lassila & Tikanoja's ability to compete in the market depends on its ability to respond to its competitors' actions. Some of Lassila & Tikanoja's competitors have greater market presence and/or financial and other resources than the Company, allowing them to make investments in manufacturing facilities and/or product development at levels at which Lassila & Tikanoja may not be able to compete. Furthermore, some of Lassila & Tikanoja's competitors may be able to adjust their product prices more effectively in response to increasing production costs, or improve their profitability in markets where product prices are decreasing more effectively than the Company. Increased competition could cause Lassila & Tikanoja to lose market share, which in turn may have a material adverse effect on the Company's financial position and results of operations.

There is no certainty of Lassila & Tikanoja being able to successfully compete against its existing or future competitors or maintain its present market position in its present or future markets. Intensified competition could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Municipalisation may have a negative impact on Lassila & Tikanoja's business operations and profitability

According to the Waste Act (17.6.2011/646, as amended) (the "**Waste Act**"), municipals have executive rights to household waste and the power to decide how household waste is handled and collected. In household waste collection area, the legislation allows two alternative collection systems. In most parts of Finland, a municipal operator organizes the collection and competition in collection according to public procurement procedures, while in certain municipalities, waste collection is market-based and allows waste collection providers to offer their services directly to customers. The Waste Act lays down specific criteria for the provision of market-based waste collection, and municipal authorities are responsible for determining whether the criteria are fulfilled and whether the municipal in question is willing to organize waste collection on a market basis. The criteria for market-based waste collection are subject to interpretation and therefore, the Company is subject to a legal and political risk in relation to municipalisation. The municipalisation of household waste collection may have a material adverse effect on the business operations and profitability of the Company's Environmental Services and marginally on its Industrial Services.

Municipalisation could limit Lassila & Tikanoja's ability to offer its services on market terms and cause the Company to lose market share, which in turn could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja may not be able to attract and retain appropriately skilled management and personnel

Lassila & Tikanoja's business operations are labour-intensive, and Lassila & Tikanoja's future success depends on its ability to continue to attract and retain appropriately skilled management and personnel for the operation and development of its business. The labour market in the Company's field of business is characterised by high employee turnover and the Company has identified a potential decline of job satisfaction among personnel as a strategic risk. Fluctuations in the labour market and general economic development may increase staff turnover, which could in turn decrease the availability of competent personnel. The population age structure also intensifies the competition for labour.

Lassila & Tikanoja has invested in the availability of personnel by developing its recruitment and induction training processes and its supervisory work. However, there is no certainty that the Company's measures are sufficient to attract and retain competent management and personnel in all circumstances, and any difficulties in attracting and retaining members of Lassila & Tikanoja's management or other personnel could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks related to personnel's work capacity and premature retirement

A significant part of the Company's employees carry out physically strenuous work and/or processes waste or hazardous waste as part of their work. As a major employer, Lassila & Tikanoja is fully liable for pension expenses resulting from employees' work disability. The Company's employment pension contribution class is determined on the basis of its employees' pension expenses. A higher employment pension contribution class means an increase in the Company's social security cost rate, which has a material cost effect on the Company, the Company being a major employer. Lassila & Tikanoja seeks to invest in health promotion and occupational health care management through Sirius, a programme it has developed. The goal of the programme is to reduce sick leave absences and work disability and employment accident pensions and manage the related costs in collaboration with occupational health care and insurance companies. The Company pays attention to occupational safety processes and training. Despite measures to prevent accidents and other work-related disability cases, the means available to the Company do not completely eliminate risks related to personnel's work capacity and premature retirement or changes in the Company's employment pension contribution class.

An increase in personnel's work disability and accident pension expenses may have a material effect on the Company's competitive ability and profitability in all of its divisions, and particularly in Facility Services. An increase in employees' work disability and accident pension expenses could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's operations may involve legal, regulatory and political risks

Lassila & Tikanoja has to comply with a wide variety of laws and regulations enacted on both global, European and national level, most notably laws and regulations related to environmental protection, waste and chemical management and disposal, emissions, health, safety, tax treatment of waste and renewable sources of energy, employment relationships, occupational safety, public procurement and consumers. Changes in the regulatory framework or political decisions weakening Lassila & Tikanoja's competitive strength (such as restrictions in free trade, or the loss of benefits associated with a status or an authorisation), could require Lassila & Tikanoja to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities.

Strengthening environmental regulations arising from measures to prevent climate change have an impact on the Company's business operations. For example, the contemplated political and regulatory measures to reduce the use of fossil fuels would, if realised, have an impact on the prices of raw materials used in the Company's production and put pressure on the Company to switch to new engine technologies. In addition, changes in regulation relating to waste management and disposal could limit the Company's ability to enter into agreements relating to waste management and decide on the further processing of waste.

A considerable part of the Company's business operations is subject to environmental permits, including the operation of its key recycling plants and landfill sites. According to current legislation, environmental permits may be granted as temporary. Changes in the terms of environmental permits may require the Company to take essential measures and result in considerable expenses for the Company. A failure to renew a key environmental permit or the denial of an environmental permit for a new business operation could cause considerable expenses for the Company. There is no certainty that the terms of the Company's existing environmental permits will not be amended or that each environmental permit will be renewed.

Environmental laws and regulations set significant and even retroactive requirements in terms of costs and damage that the Company or its predecessors may have caused. These laws and regulations, the violation of which can lead to substantial fines, injunctions or criminal penalties, have generally become stricter in recent years and may in the future become more stringent. Although Lassila & Tikanoja performs a due diligence review as part of the acquisition process of new properties and plants, there can be no assurance that a property or plant has not caused environmental pollution through its earlier operations. In such situations, environmental laws may oblige the Company to incur liabilities and expenses from solving the environmental problems. Further, the Company's business operations are labour-intensive and there can be no assurance that the Company's personnel will not breach the Company's internal policies or applicable legislation.

If any of the risks described above materialise, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja may be exposed to liability due to environmental damage

Lassila & Tikanoja uses machinery, fuels and certain chemicals that may contaminate the soil, air, water and buildings, particularly in case of leakage or accident. The Company may become liable to restore the condition of a real property which was contaminated by the Company itself or the property's previous user. The Company also owns and has leased areas with landfill sites, and has access to an area for the temporary storage, purification and final disposal of contaminated soil. The landfill site serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. After the end of its lease agreements or operations, the Company is responsible for aftercare on its landfill sites, including landscaping and follow-up studies in accordance with its environmental permits. Risks specific to landfill sites are generally related to the durability and density of landfill site structures, among other factors, and may cause contamination in the surroundings of the site, including groundwater contamination. If they materialise, such risks may result in material remediation and decontamination obligations and expenses as well as reputational damage for the Company.

It is possible that waste, chemicals or other materials have been disposed of in an industrial or waste management area or a landfill site for decades because of conflicting laws, permit practices and official regulations or a lack of laws, permit practices and regulations. Lassila & Tikanoja holds possession of areas – and may have gained or may gain possession of areas – where the Company or another party has processed waste, chemicals or industrial materials possibly for decades. When acquiring such properties, the Company seeks to evaluate the condition of the property and any environmental and other responsibilities, among other aspects. Such evaluations are inaccurate and uncertain by nature and may necessarily not reveal all existing or potential problems or liabilities exhaustively. Although the Company seeks to investigate such sites carefully to ensure that they have been and are operated in accordance with applicable laws and regulations, there is no certainty that hidden soil contamination or other pollution has not occurred in areas held or acquired by the Company. The detection of such pollution may result in material soil purification or other responsibilities and expenses as well as reputational damage for the Company.

Furthermore, Lassila & Tikanoja's business operations include the collection, transport, processing and storage of waste and hazardous waste in plants and facilities owned by the Company or a third party. As a result of equipment failure or the erroneous handling of hazardous waste, it is possible that harmful substances may come into contact with the soil, water system or air or cause bodily injuries following an explosion, poisoning or the interaction of substances. As a result of such accidents, Lassila & Tikanoja may incur remediation obligations and claims for damages. In addition to insurance, the Company seeks to manage risks related to environmental damage through systematic environmental studies, preventive maintenance plans for equipment, audits, long-term training for employees and emergency training.

Despite measures to prevent environmental damage and bodily injuries, as well as other preventive measures, human errors or sabotage may occur and can cause significant environmental damage. Any environmental damage in Lassila & Tikanoja's operations could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's operations are subject to the general risks of litigation

Lassila & Tikanoja is involved, on an ongoing basis, in litigation arising in the ordinary course of business or otherwise (for further information, please see "*Business overview – Legal proceedings*"). Litigation may include class actions involving consumers, shareholders, employees or injured persons, and claims related to commercial, labour, employment, antitrust, securities or environmental matters. Moreover, the process of litigating cases, even if Lassila & Tikanoja is successful, may be costly, and may approximate the cost of damages sought. These actions could also expose Lassila & Tikanoja to adverse publicity, which might adversely affect its brands and reputation and/or customer preference for its products. Even if the resolution of any potential litigation is favourable, a successful outcome will likely still be costly as Lassila & Tikanoja will need to devote significant funds and management's time to achieve a satisfactory resolution. Litigation trends and expenses and the outcome of litigation cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Market fluctuations and changes in raw material costs may have a material effect on the profitability of Lassila & Tikanoja's services

Lassila & Tikanoja's business operations are tied to the general economic situation, particularly in Finland. Fluctuation in the general economic situation may have a material effect on the demand for and profitability of Lassila & Tikanoja's services. In addition to the general economic situation, changes in markets and the market environment, such as municipalisation and market changes pertaining to the price of fuel or recycled raw materials, may have an unfavourable effect on the Company's business operations and business growth and lead to lower profitability. In particular, increased fuel costs are reflected in the prices of raw materials used in the Company's production and may therefore affect the profitability of the Company, especially if it is unable to transfer such cost increases to its customers through increased service prices. Further, in waste management, increased costs pertaining to the disposal of waste may have an adverse impact on the business operations and profitability of the Company.

A downturn in the general economic situation and a decrease in construction, retail sales, waste or industrial production volumes, among other factors, may result in reduced purchases by customers from the Company or delayed purchasing decisions pertaining to the Company's products or services, which in turn could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Information system and information security risks, especially related to the deployment of the new ERP system, may adversely effect Lassila & Tikanoja

Lassila & Tikanoja's business operations are dependent on information technology and the Company's ability to efficiently manage and maintain its operations and inventories, manage its logistics, deliver services and products to its customers in a timely manner, maintain the cost-efficiency of its operations, respond to customers' sales enquiries and process sales transactions using information systems provided and supported by third parties, websites and similar information monitoring and communication systems. In addition to the management of its order-supply chain, Lassila & Tikanoja uses information systems in all stages of the production chain, from planning to distribution. It also uses such systems as a channel of communication with employees, foreign subsidiaries, contract suppliers, customers and other stakeholders. Furthermore, Lassila & Tikanoja uses information systems in the management of human resources and information related to employees and financial administration as well as for supporting payment collection and customer service and forecasting its operating result and cash flows.

In addition, the Company has begun the deployment of a new ERP system for its Facility Services and Technical Services divisions, and will continue the deployment process in 2018. The Company may also initiate further information system development projects in the future, and the deployment of any new system may lead to temporary overlapping costs arising from changes in the operating model, which may have a negative effect on the Company's result. Further, there can be no assurance that the deployment process of the new ERP system or any other prospective information system development projects will be completed within the expected timeframe or that the expected benefits from the new information systems will be attained.

System failures and service interruptions can be caused by many factors, such as computer viruses; security breaches or other third-party illegalities; natural disasters; equipment, machinery or software malfunction; connection failures; long power failures; or Lassila & Tikanoja's inability or failure to appropriately protect, repair or maintain its communication and information systems. Any failures and interruptions in Lassila & Tikanoja's information systems could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja has in the past made acquisitions, such as acquiring Lassila & Tikanoja FM AB in August 2017, and Lassila & Tikanoja may in the future pursue strategic acquisitions, which could have an adverse impact on its business

As part of its strategy, Lassila & Tikanoja seeks growth, both organically and through business acquisitions. In recent years, the Company has acquired business operations and companies. The success or failure of acquisitions affects the achievement of the Company's growth and profitability targets. Failures in acquisitions may impact the Company's competitiveness and profitability and may change the Company's risk profile. Lassila & Tikanoja seeks to manage risks related to acquisitions through contracts of sale, strategic and financial analysis of acquisition targets, comprehensive audits of due diligence, and particularly by carrying out an efficient integration programme after the completion of a transaction. However, there is no certainty that corporate reorganisations initiated by the Company will be completed as intended. A corporate reorganisation that is completed in a manner that differs from the Company's expectations may have a material adverse effect on Lassila & Tikanoja's business operations, results of operations and financial position.

As a result of any corporate reorganisations implemented in the future, the integration of domestic or foreign companies' business operations into Lassila & Tikanoja's other business operations may require a significant input by Lassila & Tikanoja's management, which may reduce the management's opportunities for other business development, at least temporarily. Any failed integration, or an integration that is completed in a manner that differs from the Company's expectations, may have an adverse effect on Lassila & Tikanoja's business operations, operating result and financial position. Corporate reorganisations may affect Lassila & Tikanoja's structure and balance sheet directly or indirectly, depending on the integration and other measures required by such arrangements.

The Company acquired Veolia FM AB's (currently Lassila & Tikanoja FM AB) facility management business in August 2017 and consequently expanded its operations to Sweden especially in the field of hospital facility management. The facility service market in Sweden is highly developed and characterised by intense competition. If the Company is unable to meet its customers' requirements and successfully compete against its existing or future competitors in the new market, it could have a material adverse effect on the Company's financial position and results of operations.

Many of the companies acquired by Lassila & Tikanoja have been and will be companies that may have operated in waste management, among other sectors, and owned properties related to such operations. Hidden environmental risks and other risks may be related to the business operations of such companies and the properties owned by such companies. The business operations of many of the companies acquired by Lassila & Tikanoja are labour-intensive. As part of each acquisition, the company seeks to determine any work capacity risks, premature retirement risks and other risks and liabilities related to employees. Such risks may be hidden by nature, and they cannot necessarily be studied until the acquisition is completed or managed through contractual terms and conditions. Hidden liabilities may later be discovered in acquired companies and business operations, and such liabilities may expose the Company to claims for damages or other unpredictable negative effects that, if materialised, may have an adverse effect on Lassila & Tikanoja's business operations, results of operations and financial position.

There is no certainty that the measures available for Lassila & Tikanoja to minimise corporate reorganisation risks are sufficient to manage hidden or any other responsibilities related to corporate reorganisations and ensure the profitability of corporate reorganisations. If any of these risks materialise, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's ability to meet its customers' requirements and competitiveness may deteriorate

Maintaining Lassila & Tikanoja's competitiveness requires that the Company is able to meet its customers' requirements related to matters such as technology, quality, timeliness of deliveries, level of costs and quality of customer service. The Company operates in a competitive market, and inability to meet the changing requirements of customers or deliver services at a competitive price, especially relating to the strong emergence of the Internet of Things, the Industrial Internet and demand for automation in recent years, may lead to loss of customer accounts and loss of customers to competitors, which may have a material adverse effect on the Company's business, result of operations and financial position.

Maintaining competitiveness and the ability to meet customer requirements, especially in a tightening market situation, may require for example significant investments in new technology, training personnel and development of the offering. Such investments may also require external financing, the availability, terms and conditions of which depend on the market situation prevailing at each time. Although Lassila & Tikanoja is not dependent on any specific customer or group of customers, the loss of some of its most significant customers, if not replaced on similar terms, could have a have an adverse effect on Lassila & Tikanoja's results of operations. If the Company is unable to meet its customers' requirements and maintain its competitiveness, it could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's insurance coverage may not be sufficient

Lassila & Tikanoja obtains insurance policies regarding certain risks relating to its property and business operations. Furthermore, Group companies may acquire local insurances on a case-by-case basis in separately defined areas and as part of specific delivery contracts. Insurance policies are obtained under terms and conditions that the Company believes to be in line with standard market practises.

Although the Company believes that it carries adequate insurance with respect to its operations and that said insurance coverage corresponds to the general industry practice, the Company's insurances may not necessarily adequately cover the direct or indirect consequences of occurrences related to the operations of the Company. It may be that insurance coverage is not necessarily available for each of the risks faced by the Company. In addition, Lassila & Tikanoja's insurance policies may be subject to deductibles or franchises, as the case may be, and possible remedial requirements that affect the final amount of possible insurance indemnities. Although it has been the Company's policy to cover the risks relating to its operations through contractual limitations of liability to the extent possible, indemnities and insurances, they may not in all cases give sufficient economic safety.

Potential insufficiencies in Lassila & Tikanoja's insurance coverage could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. For further information, please see "*Business overview – Insurances*".

Labor disputes and adverse employee relations could interfere with the Issuer's operations

The Company's employees are covered by certain peremptory collective agreements, and most of them are members of a labour organisation. The Company, its subcontractors or employer and employee associations may not be able to negotiate new collective labor agreements with satisfactory terms and conditions when the existing agreements expire. Work stoppages, strikes or other labor disputes in industries associated with Lassila & Tikanoja's business may have negative effects on the Company's business operations.

Lassila & Tikanoja cannot assure that any disputes, work stoppages or strikes will not arise in the future, especially if further restructuring actions are needed. Should any disputes, work stoppages or strikes occur in the future, these could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja collects and processes personal data as part of its daily business and the leakage of such data could result in fines, loss of reputation and loss of customers

Both Lassila & Tikanoja and certain of its large corporate and public customers are subject to increasing data security requirements. The EU General Data Protection Regulation (EU 2016/679, "**GDPR**") came into effect on 25 May 2018. The GDPR applies to all processing of personal data, meaning any operation performed upon identifiable information of an individual (data subject) within the EU. In addition, the GDPR applies to the offering of goods and services in the EU and to the monitoring of data subjects' behavior within the EU, regardless of the location of the company. Breaches of the GDPR could result in fines of up to four percent of the Group's yearly net sales.

Although in the view of the Company's management it has, as at the date of this Listing Prospectus, arranged the handling of personal data within its organization in a manner that fulfils the requirements of data protection legislation in force, it is possible that the personal data systems are misused and the measures including any relevant policies and procedures may not be sufficient to ensure compliance with applicable data protection laws. Further, the Company may fail to protect personal data in accordance with the privacy requirements provided under applicable laws, and certain customer or employee data may be used inappropriately either intentionally or unintentionally, or leaked as a result of human error or technological failure. In addition, the GDPR may limit the Company's possibility to use customer data for example to develop its service offerings or for other purposes.

Violation of data protection laws by Lassila & Tikanoja or one of its partners or suppliers, or any leakage of customer or employee data may result in fines, reputational harm and loss of customers and could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Any significant damage to the Company's premises could cause a production disruption

The production at Lassila & Tikanoja's premises could be adversely affected by extraordinary events, including data security breaches, cyber crime, fire, an explosion, the release of high-temperature steam or water, structural collapse, machinery or data system failure, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flooding, windstorms or other severe weather conditions. Further, deficiencies in the Company's premises, such as poor indoor air quality or defects in occupational safety, could have a material negative effect on the work capacity of the Company's personnel and result in significant expenses for the Company.

The Company's operations include processes and chemical handling that can cause a risk of fire. A fire may cause the operation of a recycling plant to be interrupted for a short or longer period of time. However, no single plant or production line has a material effect on the overall profitability of Lassila & Tikanoja, which may reduce the significance of the effects of a fire. Industrial Services handles and transports hazardous waste that can be inflammable and cause harmful emissions or bodily injuries, if combusted. The materials handled and stored by Renewable Energy Sources division include wood chips, which is an inflammable material. The construction, repair and maintenance operations in Facility Services are exposed to a risk of fire.

Although Lassila & Tikanoja carries continuous insurance coverage in all of its countries of operation for any unpredictable risks of damage, including coverage against damage to personnel, property and the environment as well as transport damage, liability damage and consequential loss, such insurance will be subject to limitations such as deductibles and maximum liability amounts and therefore may not cover all of Lassila & Tikanoja's potential losses. Lassila & Tikanoja may also incur losses that are outside of the coverage of its insurance policies.

As a result, Lassila & Tikanoja could experience significant losses if any of its premises were damaged or ceased operation for any other reason. The occurrence of any such events could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks related to the business environment in Russia

Lassila & Tikanoja has business operations in Russia. Although the Company's business operations in Russia only contribute to approximately one percent of the Company's annual net sales, the Company is exposed to risks related to changes in political, economic and social conditions in Russia. Due to the local political and business culture, undeveloped infrastructure and similar factors, the operating environment in Russia is more unstable than in the Nordic Countries and consequently, business risks in relation to the Company are greater in Russia than in the Nordic countries.

The business environment and political situation in Russia and the differences between legislation and official practices in Russia and the Nordic countries, as well as the unpredictability of Russian legislation and official practices compared to the Nordic countries, including the shortcomings of the legal system, administrative procedures and implementation mechanisms in Russia, pose a significant risk for the Company. For example, Russia is not a party to international investment protection agreements. Legislation in the Russian Federation may be deficient or unpredictable, or its implementation may be delayed, which may result in risks in relation to the implementation of Lassila & Tikanoja's investments in Russia. It cannot be ruled out that the legislation of the Russian Federation may unpredictably change the regulation of environmental business operations or the required permits, or interfere with the free pricing of services or products or other terms of selling services or products. Such changes could have a material negative effect on Lassila & Tikanoja's business operations in Russia.

The crisis in Ukraine has significantly increased global political tension, and trade restrictions imposed on Russia by the EU and the United States, as well as counter-restrictions imposed by Russia, may affect the operations of all non-Russian or foreign-owned companies in Russia as well as the import of products from Russia and the export of products to Russia. Trade restrictions, such as customs tariffs, import and export fees, embargoes and other international economic sanctions as well as import and export quotas may have a material negative effect on the economic situation and business operations in Russia. Lassila & Tikanoja is not able to predict whether the EU, Finland or another state will, for example, impose new trade restrictions on Russia. Similarly, it is difficult to predict the effects or duration of restrictions already in effect. In addition, it is not possible to exclude the risk that the State of Russia may take possession of the assets and production plants of companies registered in Western countries or impose other radical measures if the above mentioned political tension escalates.

Trade restrictions or the deterioration of political relations between Russia and the EU or, if they materialise, any of the above risks related to the Company's business operations in Russia could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's public sector projects may involve risks relating to public procurement and compliance

As a rule, public-sector assignments are awarded according to public procurement, which involves the risk of tough price competition. Lassila & Tikanoja is dependent on the policies of its public sector customers, including policies concerning investments in properties and infrastructure. The Company's contracts with public sector clients are subject to audit, which could result in adjustments to reimbursable contract costs or, if the Company is charged with wrongdoing, possible temporary or permanent suspension or sanctions from participating in government programs. Further, the Company may not be able to negotiate the terms and conditions of contracts with public sector clients, which could reduce the profitability of the project.

In addition, for public sector clients, a failure by the Company's subcontractors to comply with applicable laws, regulations or client requirements may result in fines or suspension being imposed on the Company. Materialisation of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risk relating to the Company's financing

Lassila & Tikanoja may not receive financing at competitive terms or at all

Uncertainty in the financial markets may mean that the price of the financing needed to carry out the Company's business will increase and/or that it will be less readily available. Lassila & Tikanoja aims to reduce the risk relating to the availability of financing by using credit agreements of varying durations, by having a broad base of lenders, by applying credit limits and by maintaining the Company's reputation as a trustworthy debtor among its creditors.

Most of the Company's debt financing includes financial covenants calculated based on the Company's equity ratio and net debt to EBITDA that limit the granting of additional security interests to other financiers and the discontinuation or transfer of present business operations. Any problems in meeting the financial covenants or the Company's other obligations or undertakings under its financing arrangements can affect the future funding of the Company and/or require negotiations with lenders. A breach of the financial covenant would entitle the lenders to accelerate the debt in question and the Company might not be able to refinance such accelerated loans in a timely and cost efficient manner or at all. The Company's ability to meet these financial covenants can be affected by major investments or other changes in the conditions for operation and in the Company's capital structure but also by events beyond its control such as changes in the equity and debt finance markets and cyclical fluctuations. It is possible that Lassila & Tikanoja could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs. There can be no assurance that the Company will be able to meet its financial covenants when required. The level of Lassila & Tikanoja's leverage may affect its ability to refinance its existing credits. The level of Lassila & Tikanoja's leverage could also affect its competitiveness and limit its ability to react to changes in market conditions and economic downturns. The most significant risks of breach of covenants are related to EBITDA fluctuations as a result of the market situation or a possible need to increase the Company's working capital through debt financing. The Company seeks to manage the risk by negotiating with financiers and maintaining its readiness for various financing solutions.

On 30 June 2018, financial loans covered by covenants totalled EUR 147.2 million (30 June 2017: EUR 99.8 million). The Company has not been in breach of the financial covenants related to its loan agreements during the financial period under review in this Listing Prospectus.

The materialisation of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition and results of operations and future prospects and thereby, on Lassila & Tikanoja's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to foreign exchange risk especially in relation to the Swedish krona and the Russian rouble

Lassila & Tikanoja consists of a parent company operating in Finland and subsidiaries operating in Finland, Sweden and Russia. The parent company's and the Finnish subsidiaries' functional and reporting currency is the euro. The foreign subsidiaries' functional and reporting currency is the currency of their country of location. For this reason, changes in foreign exchange rates affect the Group's result and equity.

Nearly all of the business operations of Lassila & Tikanoja's foreign subsidiaries are carried out in their functional currency. Financing for subsidiaries is primarily provided by means of intra-Group loans, which are denominated in the functional currency of each subsidiary. With practically no exception, the Group companies operating in Finland use the euro as their sales invoicing currency. In addition, to a slight degree, the Swedish krona is used as the invoicing currency in purchases.

Lassila & Tikanoja's exposure to the currency translation risk consists of net investments in foreign subsidiaries, including equity and comparable loans. The exposure of net investments in foreign subsidiaries is not subject to hedging, because the holdings are regarded as long-term strategic investments. The Company's most significant transaction risk arises from the SEK-denominated loan capital of subsidiary loans and accrued interest. Due to changes in foreign exchange rates in 2017, translation differences in equity amounted to EUR -2.7 million in 2017 (2016: EUR -0.1 million).

The company mainly operates in the eurozone. Any changes in the value of the euro, Swedish krona or Russian rouble in particular may have a negative effect on the profitability of the Company's operations over the short term. The Company is not significantly exposed to transaction risks arising from different currency positions or risks that arise when investments made in a different currency are converted into the functional currency of the parent company. All extra-Group loans are denominated in euros. The Company does not typically hedge against foreign exchange risks.

If they materialise, any of the financial risks described above could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Significant fluctuations in the prices of raw materials could have a material adverse effect on Lassila & Tikanoja

Fluctuations in the world market price of crude oil are reflected in the price of fuel used in production equipment as well as in the purchase prices of environmental products through oil-based raw materials. In waste management, some customer contracts specify such invoicing periods and contract terms that the sales prices cannot be raised monthly, which means that the rise in fuel prices is passed on to service prices with a delay. The diesel price risk has been partly hedged with commodity derivatives.

Although the Company seeks to manage the raw material price risk for environmental products through fixing sales prices for a period not exceeding the period for which the suppliers' purchase prices are valid, there are no guarantees that fluctuations in the world market price of petroleum and/or the prices of other raw materials will not have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Interest rate on Lassila & Tikanoja's financing arrangements could fluctuate

Lassila & Tikanoja's interest rate risk is primarily related to borrowings, which are tied to variable interest rates and create cash flows that vary with the interest rate level. As the demand for Lassila & Tikanoja's services or their prices are not significantly dependent on fluctuations in economic trends, the Company tries to keep interest costs steady. On account of this, over 50% of the cash flow associated with variable-rate borrowings is hedged against interest rate risk with interest rate swaps.

At 31 December 2017, 56.2% (2016: 59.0%) of the Company's borrowings were either fixed interest rate borrowings or hedged with interest rate swaps. Variable-rate borrowings accounted for 43.8% (2016: 41.0%). Therefore, changes in the interest rate level will not impact interest costs in full.

All interest rate swaps made to hedge the cash flow are hedges in accordance with the Company's risk management policy. Most of Lassila & Tikanoja's net sales are generated by long-term service agreements. Due to good cash flow predictability, Lassila & Tikanoja's treasury policy specifies that the Company shall seek to minimise the amount of interest-bearing assets in proportion to the current short-term financing requirements, and to invest in relatively short-term instruments.

The Company seeks to continually evaluate and monitor the financing needed for its business operations so that the Company has sufficient liquid assets for financing its operations and paying its maturing loans. On 30 June 2018, the Company's cash and cash equivalents stood at EUR 34.8 million (30 June 2017: EUR 40.2 million).

Materialised interest rate risks would make it more difficult for the Company to acquire external funding and weaken its financial position, and could therefore have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to credit and counterparty risk

Financial instruments involve the risk of the counterparty being unable to fulfil its contractual commitments. Counterparty risk is managed by making financial and derivative contracts with major Nordic banks only and by making investments related to liquidity management only in certificates of deposit and commercial papers of issuers with a good credit standing in accordance with the counterparty list approved by the Board of Directors of the Company. As at the date of this Listing Prospectus, no impairment is expected on any outstanding investments at the balance sheet date.

Lassila & Tikanoja has a wide customer base consisting of companies, industrial plants, office and business properties, institutional property owners, housing corporations, public sector organisations and households. Its accounts receivable consist mostly of a high number of relatively small receivables and there are no significant concentrations of credit risk.

Lassila & Tikanoja has credit control guidelines to ensure that services and products are sold only to customers with an appropriate credit standing or, if a customer's creditworthiness is inadequate, prepayment is required. Most customer relationships are based on long-term service contracts, and customers are not generally required to provide collateral.

With regard to Finnish trade receivables, collection operations are managed centrally by the financial management function. The foreign subsidiaries manage the collection of their trade receivables locally. In 2017, 88% (2016: 94%) of net sales originated from Finland. The total book value of financial assets at 31 December 2017 represents best the Group's maximum exposure to credit risk at the balance sheet date in case the counterparties are not able to fulfil their commitments related to the financial instruments.

Materialised credit and/or counterparty risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja may not necessarily receive financing on competitive terms or at all and may not be able to fulfil its obligations under its financing arrangements

Liquidity risk management serves to ensure that Lassila & Tikanoja will continually be able to fulfil the financial obligations related to its operations at the lowest possible cost. Lassila & Tikanoja seeks to maintain a good liquidity position through efficient cash management and investments in money market instruments that can be realised quickly. The liquidity situation is monitored in real time and predicted using cash flow forecasts. The netting of the Finnish group companies' liquidity is done using the Company's bank accounts, and the Company's financial management is responsible for investing any excess liquidity. To ascertain the availability of funding, Lassila & Tikanoja uses a wide range of different financing arrangements.

Lassila & Tikanoja seeks to keep its cash assets fairly small, while ensuring sufficient credit limits for liquidity management purposes. To meet any temporary need for cash arising from cash flow fluctuations, Lassila & Tikanoja has committed credit limits (totalling EUR 30 million) and a commercial paper programme (EUR 100 million). At 31 December 2017, the Group's liquid assets and investments amounted to EUR 48.1 million (2016: EUR 28.2 million). EUR 20.0 million of the commercial paper programme was in use (2016: EUR 0.0 million).

Long-term loans drawn down by Lassila & Tikanoja include equity ratio and net debt to EBITDA covenants that limit the granting of additional security interests to other financiers and the discontinuation or transfer of present business operations. If Lassila & Tikanoja fails to meet the requirements related to the agreed financial covenants, the financier has the right to terminate and demand repayment of the loans covered by the covenant agreement. Breach of financial covenants may cause the Company's financial expenses to increase, or the Company may be required to repay its loans in part or in full over a short period time. The most significant risks of breach of covenants are related to EBITDA fluctuations as a result of the market situation or a possible need to increase the Company's working capital through debt financing. The Company seeks to manage the risk by negotiating with financiers and maintaining its readiness for various financing solutions.

On 30 June 2018, financial loans covered by covenants totalled EUR 147.2 million (30 June 2017: EUR 99.8 million). The Company has not been in breach of the financial covenants related to its loan agreements during the financial period under review in this Listing Prospectus.

Materialised liquidity and refinancing risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Goodwill and acquisition cost allocated to intangible assets

Goodwill is the part of the acquisition cost by which the total of the consideration, non-controlling interest in the object of acquisition and earlier holding exceed the fair value of the net assets of the acquired companies at the time of acquisition. No amortisation is recorded for goodwill. Instead, goodwill is tested for impairment annually. On the balance sheet, goodwill is presented at original acquisition cost, net of any impairment.

As a result of business acquisitions, the Company's balance sheet includes significant goodwill. On 30 June 2018, goodwill totalled EUR 146.3 million, or 78% of the Company's equity, which stood at EUR 188.3 million. Goodwill is tested annually, during the fourth quarter of the year, and at other times if necessary.

Intangible assets acquired in business combinations are recognised at fair value. The useful life of intangible assets is estimated to be definite or indefinite. Intangible assets recognised in merging business operations of Lassila & Tikanoja include customer relationships, non-competition agreements and environmental permits, among other assets. They have definite useful lives, ranging from three to thirteen years.

The cash flow forecasts used in impairment testing are based on financial forecasts prepared by the Company's management. It is possible that the assumptions related to cash flow forecasts do not materialise, and the ensuing impairments on goodwill may affect Lassila & Tikanoja's equity ratio, and thereby have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The Company is exposed to a risk relating to increasing tax burden

Possible amendments to tax regulations in the countries where Lassila & Tikanoja operates may increase the Company's tax burden. It is also possible that the relevant tax authorities would in the future interpret and apply tax regulations in a way which would increase Lassila & Tikanoja's tax burden. Additionally, Lassila & Tikanoja is subject to audits and other measures by the tax authorities of different countries and there can be no assurances that tax increases or other consequences for delay would not be imposed on the Company based on these audits and other measures. Should such increases or other consequences materialise, this may have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Future changes in accounting standards may affect Lassila & Tikanoja's financial position

Future changes in the IFRS accounting standards, such as the implementation of IFRS 16 (Leases), may lead to increases in the reported leverage of Lassila & Tikanoja or in other ways affect Lassila & Tikanoja's financial position. Although Lassila & Tikanoja's current loans provide for debt covenants to be assessed based on current accounting standards, a change in said standards may affect Lassila & Tikanoja's position when renewing or acquiring further financing. The occurrence of any such events could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and

(iv) be able to evaluate either alone or with the help of a financial adviser possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risk.

Investors are exposed to credit risk in respect of the Issuer

Investors in the Notes are exposed to a credit risk in respect of the Issuer. The investor's possibility to receive interest payments and payments of principal under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which in turn is to a large extent dependent on developments in Lassila & Tikanoja's business and financial performance.

No guarantee or security is given in respect of the Notes

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the holders of the Notes (the "**Noteholders**") would be unsecured creditors in the event of the Issuer's bankruptcy. Accordingly, in addition to that any adverse change in the financial condition or prospects of the Issuer may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in their market price, such adverse change may endanger the probability that the Noteholders will receive the prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Noteholders pursuant to the Notes from time to time.

The Terms and Conditions permit the Issuer to incur additional secured indebtedness in the future subject to certain limitations. In the event of any liquidation of assets of the Issuer in any bankruptcy, liquidation or dissolution, holders of secured indebtedness will have a prior claim to those assets that constitute their collateral. In any of the foregoing events, it cannot be assured that there will be sufficient assets to pay amounts due on the Notes.

Active trading market for the Notes may not develop

The Notes constitute a new issue of securities by Lassila & Tikanoja. Prior to the listing of the Notes, there is no public market for the Notes. Although application has been made to list the Notes on the Helsinki Stock Exchange, no assurance can be given that such application will be approved. In addition, listing of the Notes will not guarantee that a liquid public market for the Notes will develop and even if such a market were to develop neither the Issuer nor the Lead Manager are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

There can be no assurance that an active trading market for the Notes will develop, or, if one does, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

Since the Notes bear a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security may fall as a result of changes in the interest rates on capital markets (market interest rate). Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current market interest rates typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

Neither the Issuer nor the Notes are currently rated by any rating agency

Neither the Issuer nor the Notes are currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes and/or increase the borrowing costs of the Issuer.

The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd's operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd ("**Euroclear Finland**"). Pursuant to the Act on Book-Entry System and Clearing Activity (16.6.2017/348, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes are likely to be changed materially due to the introduction of the Target 2 securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

No assurance on change of laws or judicial practices during the validity of the Notes

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Listing Prospectus. Hence, if materialised, such event may have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and prospects and, thereby, Lassila & Tikanoja's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Such event may also cause material financial losses or damage to the Noteholders or impact the tax treatment of the interest income of the Noteholders.

The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions do not, except for the Change of Control condition (see Condition 9 of the Terms and Conditions) which grants the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that may materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, Noteholders may be materially and adversely affected.

Amendments to the Notes bind all Noteholders

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions of the Notes contain provisions for Noteholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all

Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Issuer may incur additional debt and/or grant security without the consent of the Noteholders

The Issuer is not prohibited from issuing further notes or incurring other debt ranking pari passu or senior to the Notes or restricted from granting any security on any existing or future debts. Such issuance or incurrence of further debt or granting of security may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer, or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

Legal investment considerations may restrict certain investments

The investment activities of Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Issuer is not obliged to compensate for withholding tax or similar on the Notes

In the event of any withholding tax, public levy or similar being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding tax or similar. Furthermore, the Noteholders do not have any right to a premature redemption of the Notes based on the same.

The right to payment under the Notes may become void due to prescription

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years. If the Noteholder does not provide its respective book-entry account operator up to date information on applicable bank accounts, payments under the Notes to such Noteholder will become void after three (3) years from the original due date if not claimed by the Noteholder.

No voting rights with respect to shareholders meetings of the Issuer

The Notes carry no voting rights with respect to shareholders meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

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RESPONSIBILITY REGARDING THE LISTING PROSPECTUS

The Issuer has furnished the information in this Listing Prospectus and accepts responsibility for the information presented herein. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

INFORMATION DERIVED FROM THIRD PARTY SOURCES

This Listing Prospectus contains information about Lassila & Tikanoja's markets and Lassila & Tikanoja's competitive position therein. Where certain information contained in the Listing Prospectus has been derived from third party sources, such as industry publications, such sources have been identified therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. Lassila & Tikanoja confirms that such third party information has been accurately reproduced herein and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, Lassila & Tikanoja or the Lead Manager have not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on Lassila & Tikanoja's management's estimates.

AVAILABILITY OF THE LISTING PROSPECTUS

This Listing Prospectus is available as of 18 September 2018 at the website of the Company at https://www.lt.fi/en/investors and at the offices of the Company at Valimotie 27, 00380 Helsinki.

For the avoidance of doubt, other than the documents incorporated by reference (see "*Information incorporated by reference*") the contents of Lassila & Tikanoja's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

FORWARD-LOOKING STATEMENTS

Certain statements in the Listing Prospectus, including but not limited to certain statements set forth under "*Summary*", "*Risk Factors*", "*Information about the Issuer*" and "*Financial Information and Prospects*" are based on the beliefs of Lassila & Tikanoja's corporate management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar expressions identify such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Lassila & Tikanoja, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to those discussed in section "Risk Factors" in the Listing Prospectus including the following: general economic and business conditions; changes in the competitive market situation; ability to obtain financing on terms that are favourable or consistent with Lassila & Tikanoja's expectations; the impact of changes in operating and financing costs, including changes in interest rate level; legislative and judicial developments; and fluctuations in the market price of the Notes. The above examples are not exhaustive and new risks emerge from time to time. In addition to factors that may be described elsewhere in this Listing Prospectus, the factors discussed under "*Risk Factors*" could cause the Lassila & Tikanoja's actual results of operations or its financial condition to differ materially from those expressed in any forward-going statement. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of Lassila & Tikanoja or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected.

The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein unless required to do so by applicable legislation.

OTHER INFORMATION

Financial information set forth in a number of tables in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Listing Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

In this Listing Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union and references to "Swedish krona" or "SEK" refer to the lawful currency of Sweden.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Listing Prospectus has been prepared on the basis that all offers of the Notes in the European Economic Area (the "**EEA**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to publish a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Lead Manager have authorised, nor do they authorise, the making of any offer of securities through any financial intermediary.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of any Notes may not be made in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes herein, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase any Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Listing Prospectus does not constitute an offer of Notes to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Notes. Consequently this Listing Prospectus is being distributed only to, and is directed at (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (c) high net worth entities falling within article 49(2) of the Order, and other persons to whom it may be lawfully communicated (all such persons together being referred to as "**relevant persons**"). In addition, this Listing Prospectus is, in any event only directed at persons who are "qualified investors" pursuant to the Prospectus Directive. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Notes have not been and will not be registered under the Securities Act or under the applicable securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Form of the Notes:	Securities in dematerialised, book-entry form issued in the Infinity-book-entry securities system maintained by Euroclear Finland Ltd.
Depository and settlement system:	Euroclear Finland Ltd, Urho Kekkosen katu 5 C, FI-00100, Helsinki, Infinity-system of Euroclear Finland Ltd.
Decisions and authorisations:	Decision of the Board of Directors of the Issuer on 27 August 2018.
Effective yield of the Notes:	At the issue price of 99.534%, the effective yield of the Notes is 1.347% per annum.
Rate of interest of the Notes:	1.250% per annum.
Issuing Agent:	Danske Bank A/S, Finland Branch.
Publication date and investors:	The result of the Offering was announced on 7 September 2018 and the Notes were allocated mainly to institutional investors.
Listing:	Application has been made to have the Notes listed on the Helsinki Stock Exchange.
Estimated time of Listing:	On or about 19 September 2018.
Interests of the participants of the Offering:	Interests of the Lead Manager: Business interest normal in the financial markets. The Lead Manager is the lender under a EUR 20 million loan facility, which will be repaid with the proceeds from the Offering.
Tender Offer:	On 31 August 2018, Lassila & Tikanoja announced a tender offer for its outstanding EUR 30,000,000 2.125% notes due 2019 issued on 15 September 2014, with ISIN code FI4000108568 (the "**2019 Notes**"), for cash on the terms and conditions set out in the tender offer memorandum dated 31 August 2018. The purchase price in the offer was EUR 1,022.15 per EUR 1,000 nominal amount of the 2019 Notes. The offer expired at 4:00 pm Finnish time on 11 September 2018. Lassila & Tikanoja successfully repurchased 2019 Notes with an aggregate nominal value of EUR 27,000,000. The settlement date was 17 September 2018.
Estimated net amount of the proceeds:	The aggregate net proceeds to the Company from the Offering, after deduction of the fees and expenses payable by Lassila & Tikanoja, will be approximately EUR 49.7 million.
Estimated expenses related to the Offering:	The fees and expenses incurred in connection with the Offering and payable by the Issuer amount in aggregate to an estimated EUR 0.3 million.
Use of proceeds:	Partial redemption of the 2019 Notes, and the repayment of an EUR 20 million loan provided by Danske Bank A/S.
Date of the entry of the Notes to the book-entry system:	Notes subscribed and paid for have been entered by the Issuing Agent to the respective book-entry accounts of the subscribers on 17 September 2018 in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland Ltd.

INFORMATION ABOUT THE ISSUER

The business name of the Issuer is Lassila & Tikanoja plc and it is domiciled in Helsinki, Finland. The Issuer is a public limited liability company established on 30 September 2001 and organised under the laws of Finland. The Issuer is registered in the Finnish Trade Register under business identity code 1680140-0 and its registered address is Valimotie 27, 00380 Helsinki, Finland and telephone number +358 10 636111.

According to Article 3 of the articles of association of the Company, the Company's field of operation is to practise, either directly or through subsidiaries or partnership companies, service activity and protection services belonging to the environmental management and property supervision and maintenance, as well as production and trade of products related to the above mentioned services and other related business activity. The field of operations of the Company is also the management and financing services of the Group. The Company may trade in securities and practise other investment activity.

MARKET OVERVIEW

General

Lassila & Tikanoja exists to put the circular economy into practice. As an engine of the circular economy, Lassila & Tikanoja helps its customers maintain the value of their properties and materials while ensuring a high level of material, energy and cost efficiency and the efficient use of their properties. The Company achieves this by delivering responsible and sustainable service solutions that improve the daily lives of its customers. This enables the Company to pursue profitable growth – both for its customers and itself.

Market areas

General

Lassila & Tikanoja operates in Finland, Sweden and Russia. Its business operations are divided into five divisions: Environmental Services, Industrial Services, Facility Services, Technical Services and Renewable Energy Sources. According to management, Lassila & Tikanoja has a strong market position as the market leader or market second in its main segments based on net sales.

Finland

The Ministry of Finance expects the Finnish gross domestic product to grow by 2.6% in 2018, 2.2% in 2019 and 1.8% in 2020 (Ministry of Finance: Economic Survey, Spring 2018). According to the Company, the total market for Lassila & Tikanoja's services in Finland is approximately EUR 6.2 billion and it is expected to grow at an annual rate of around 2.6% under normal economic conditions.

Sweden

The Company expanded its operations in Sweden through the acquisition of Veolia FM AB (currently Lassila & Tikanoja FM AB) in August 2017. The acquisition price was SEK 650 million (EUR 69.5 million) on a cash and debt free basis for 100 percent of the shares in Veolia FM. Veolia FM's net sales in 2016 were SEK 952 million (EUR 102 million) and EBIT SEK 62 million (EUR 6.6 million).

The facility and technical services market in Sweden is highly developed compared to Finland, and customers typically want to purchase extensive service packages from a single provider. However, the Company's management estimates that there is ongoing demand for providers of individual solutions. The outsourcing rate in facility services is much higher than in Finland, particularly in municipalities, and continues to grow. With the exception of a few major service providers, the facility and technical services market is dominated by small operators and competition is intense. The Company's management estimates that following the acquisition, Lassila & Tikanoja is a significant nationwide operator in Sweden.

The Company estimates that the market relevant for the Company is approximately EUR 5.5 billion and will grow at an annual rate of approximately 3%, a slightly faster pace as compared to Finland, with an emphasis on technical services.

Russia

The Company operates in Environmental Services in the Moscow region. The Company's business operations in Russia represent approximately one percent of the Company's annual net sales. However, incomplete legislation impedes business development in Russia, and business risks are higher than in the Nordic countries. Due to the local business culture, undeveloped infrastructure and similar factors, the operating environment is more unstable than in the Nordic countries. In addition, the operating environment in Russia has a high level of bureaucracy.

Market for Environmental Services

According to management, Lassila & Tikanoja's Environmental Services is one of the largest operators in its field in Finland, and the Company seeks to further strengthen its position. The Company's corporate customers include industrial, retail and logistics companies and property owners and managers. The Company's management estimates that the total market for Environmental Services is around EUR 1.2 billion. The Company estimates that the market will grow at an annual rate of approximately 1-3% during the years 2017–2020.

Services provided by the Environmental Services division include waste management, recycling, subcontracting for municipalities as well as environmental products. The Company estimates that it is, based on net sales in Finland, the largest operator in the field of waste management, the largest or second largest depending on the market in the field of recycling, the largest in the field of subcontracting for municipalities and the largest or second largest depending on the market in the field of environmental products.

The Company expects that stricter national and international environmental laws, such as the prohibition of the landfilling of organic waste under the Waste Act, as well as the recent trends of circular economy and climate change mitigation will increase recycling and reuse of waste and generate growth in the recycling business. The Company also sees growth potential in the chemical industry and the energy sector due to the growing demand for waste and industrial side streams as new sources of raw material and energy.

The Company operates in Environmental Services also in the Moscow region. The Company's business operations in Russia represent approximately one percent of the Company's annual net sales.

Market for Industrial Services

The Company's management estimates that, in terms of net sales, Lassila & Tikanoja's Industrial Services is the first to third largest operator in its sector in Finland. In addition to municipalities, its customers represent various industries, such as metal, energy, pulp and paper. Its customers also include property owners and managers. However, approximately half of its net sales come from its 20 largest customers. The Company's management estimates that the total market for Industrial Services is approximately EUR 0.6 billion. The Company estimates that the market will grow at an annual rate of 3% during the years 2017–2020.

Services provided by the Industrial Services division include industrial process cleaning, sewer maintenance services, hazardous waste management and environmental construction. The Company estimates that it is, based on net sales in Finland, the second largest operator in the field of industrial process cleaning, the third largest operator in the field of sewer maintenance services, the second largest operator in the field of hazardous waste management and the third largest operator in the field of environmental construction.

The hazardous waste market is not expected to show significant growth, but it is a very profitable business. Because of its nationwide service network, Lassila & Tikanoja's market in this service line mainly consists of smaller municipalities and towns. The Company believes that the development of circular economy will contribute to increasing utilization of industrial side streams and thereby offer growth potential in the market of Industrial Services.

Market for Facility Services and Technical Services

The Company's management estimates that, in terms of net sales, Lassila & Tikanoja's Facility Services, including the Technical Services division, is the second-largest operator in its field in Finland. The market relevant to the Company is around EUR 2.4 billion. The Company estimates that the market will grow at an annual rate of approximately 2% during the years 2017–2020.

The Company's Facility Services division consists of three service lines: Cleaning and Support Services, Property Maintenance and Energy Efficiency and Renovation Services. The Company estimates that it is, based on net sales in Finland, the second largest operator in the field of Cleaning and Support Services, the largest in the field of Property Maintenance, second largest in the field of Renovation Services and fourth largest in the field of Maintenance of Technical Systems.

The Company's business operations in the field of Technical Services are mainly based in Sweden. The Company's management estimates that, in terms of net sales, Lassila & Tikanoja's Technical Services are the fourth largest operator in the relevant market in Sweden and the fourth largest operator in the relevant market in Finland.

The Company's management estimates that the total market for Techical Services in Finland is approximately EUR 1.3 billion including renovation and maintenance services and that the relevant market in Sweden is approximately EUR 5.5 billion and will grow at an annual rate of approximately 3%, a slightly faster pace as compared to Finland, with an emphasis on technical services. The Company estimates that the market will grow at an annual rate of 3-4% during the years 2017–2020. The Company's management estimates that the growth of the market for Technical Services will be faster than that of Facility Services due to the progression of technological systems in properties and the continuous increase of renovation debt of buildings.

The Company estimates that growth in the traditional cleaning business will be slow, but support services offer growth potential as the Company is able to offer support services to its existing customers in addition to cleaning.

Purchasing behaviour in the market for Facility Services has changed, with customers favouring more extensive service packages. Agreements cover larger geographical areas and a larger number of services. Finnish customers increasingly demand nationwide agreements, as this facilitates supplier management and reporting and enables closer relationships and better service development between the customer and the service provider.

In the private sector, most support functions have already been outsourced. In the public sector in Finland, however, the outsourcing rate is markedly lower than in most other EU countries. The Company believes that the outsourcing rate of municipalities will increase as a result of the new Act on Public Procurements and Concession Contracts (1397/2016) implementing EU directives on public procurement, which increased the national thresholds for public procurements subject to regulation. Moreover, the weak financial position of municipalities surrounding growth areas and the ongoing reform of the public health and social services in Finland are also likely to increase the ousourcing rate in the public sector. The Company believes that the increase of the outsourcing rate will offer growth potential for the Company in the field of cleaning and other facility services in the public sector.

Market for Renewable Energy Sources

The Company's management estimates that, in terms of net sales, Lassila & Tikanoja's Renewable Energy Sources is the third or fourth largest operator in its sector in Finland.

The Company's management estimates that the total market for Renewable Energy Sources is approximately EUR 0.7 billion. The Company estimates that the market will grow at an annual rate of 5-6% during the years 2017–2020.

Finland is one of the world leaders in the utilisation of renewable sources of energy, especially bioenergy, and renewable energy sources currently represent about 40 per cent of energy end-consumption in Finland. The aim set in the National Energy and Climate Strategy to 2030 is to increase the use of renewable energy so that during the 2020s its share in energy end-consumption rises to more than 50 per cent. The most important forms of renewable energy used in Finland are bioenergy, fuels from forest industry side streams and other wood-based fuels in particular, hydropower, wind power and ground heat. Bioenergy is also generated from biodegradable waste and side streams of agriculture and industrial production and from municipal waste. Solar electricity has a growing role especially where on-site energy generation substitutes for energy bought from the grid. Solar heating is used as a supplement to the main heating system.

The EU target is to raise the share of renewable energy sources to 20 per cent of energy end-consumption by 2020. The target has been divided among the Member States so that the binding target set for Finland is 38 per cent. In October 2014 the European Council set the binding target for renewable energy sources in the whole EU at 27% by 2030. The proposal for a new Renewable Energy Directive (RED II) that creates a framework for promoting renewable energy to 2030 is currently pending. The Company believes that the EU energy and climate targets have a positive impact on the Company's field of business, as the use of wood fuel enables the Company's customers to decrease the use of fossil fuels and thereby reduce their carbon dioxide emissions.

BUSINESS OVERVIEW

Overview

Lassila & Tikanoja is a service company that exists to put the circular economy into practice. As an engine of the circular economy, Lassila & Tikanoja helps its customers maintain the value of their properties and materials while ensuring a high level of material, energy and cost efficiency and the efficient use of their properties. The Company achieves this by delivering responsible and sustainable service solutions that improve the daily lives of its customers. This enables the Company to pursue profitable growth – both for its customers and itself.

Lassila & Tikanoja's customer base consists of private customers, corporate customers and public-sector operators. The Group has around 100,000 private customers and a total of around 50,000 corporate customers and public-sector customers.

The Group's headquarters is located in Helsinki. In addition to Finland, the Company operates in Sweden and Russia. On 30 June 2018, the Company had 9,122 full-time and part-time employees.

The Group's net sales for the period 1 January – 30 June 2018 totalled EUR 399.4 million. Its operating profit for the same period was EUR 16.4 million. The Group's net sales and operating profit for the period 1 January – 30 June 2017 amounted to EUR 328.0 million and EUR 15.1 million, respectively. In the first half of 2018, its net sales increased by 21.8% and its operating profit increased by 8.6% compared to the corresponding period of the previous year as a result of favourable business development particularly in Facility Services, Industrial Services and Technical Services.

The Company's business operations are divided into five divisions: Environmental Services, Industrial Services, Facility Services, Technical Services and Renewable Energy Sources.

History

Lassila & Tikanoja was founded in 1905 as a wholesale business. It has evolved into a service company that is transforming a consumer society into an efficient recycling society. Over the years, the Company's operations expanded to cover the whole country, and it developed into the largest privately owned wholesale company in the Nordic countries.

In 1923, Lassila & Tikanoja began manufacturing clothes alongside its wholesale business and was one of the largest clothing manufacturers in Finland until the 1980s. From the 1960s, exports accounted for more than 50% of its net sales, and the company had substantial operations in several European countries. In 1961, Lassila & Tikanoja became a public listed company on the Helsinki Stock Exchange.

In the 1980s, Lassila & Tikanoja expanded its operations through significant business acquisitions, such as the acquisition of 74% of Säkkiväline Oy's shares. At the beginning of the 1990s, Lassila & Tikanoja was a multi-business group of companies, the operations of which were divided into the non-woven fabrics, flexi-packaging and webbing industries, the service industry and the clothing and footwear industries.

In 1995, Säkkiväline Oy became a wholly owned subsidiary of Lassila & Tikanoja. Its net sales grew strongly throughout the 1990s, and it represented nearly 50% of the company's net sales at the end of the decade. The Company made considerable investments in waste recovery and recycling, the cleaning business was developed further, and hazardous waste management was included in the range of services. In facility maintenance services, the company developed a service control system with a control centre on call for 24 hours a day. Environmental product development focused particularly on products related to waste recovery.

On 30 September 2001, Lassila & Tikanoja plc was divided into two separate companies: Lassila & Tikanoja plc and Suominen Corporation. With this division, the company assumed its present form. On 31 March 2002, Säkkiväline Oy merged into Lassila & Tikanoja and simultaneously, the Company introduced the L&T brand, which covers all of its divisions.

In 2007, Lassila & Tikanoja acquired the majority of the shares of Biowatti Oy (currently L&T Biowatti Oy), a leading Finnish bioenergy company. Lassila & Tikanoja redeemed the remaining shares of L&T Biowatti Oy in 2012. Through the acquisition of L&T Biowatti Oy, Lassila & Tikanoja expanded its operations in the field of renewable energy sources.

In August 2017, Lassila & Tikanoja acquired Veolia FM AB's (currently Lassila & Tikanoja FM AB) facility management business in Sweden and expanded its operations to Sweden especially in the field of hospital facility management. As a result of the acquisition, Technical Services was separated into a reporting segment of its own as of the beginning of 2018.

Organisational structure

As at the date of this Listing Prospectus, the Group consists of the parent company Lassila & Tikanoja plc, fourteen subsidiaries, thirteen of which are wholly-owned by Lassila & Tikanoja plc. The Company's subsidiaries provide support services to Lassila & Tikanoja or operate in closely related areas. The Company also has two associated companies, Suomen Keräystuote Oy and Moppicom Oy, with an ownership of 40.0% and 43.7%, respectively.

The Company operates through a production based organisation. Under Lassila & Tikanoja's organisational structure, division heads are responsible for the operations of their respective divisions. The division heads serve as members of Lassila & Tikanoja's Group Executive Board. Divisions are supported by corporate functions, most of which are centralised within the Group level and hence shared with subsidiaries of Lassila & Tikanoja.

Vision and strategy

Lassila & Tikanoja's strategy is based on its mission to put circular economy into practice. The Company continues to focus on improving productivity and enhancing the customer and employee experience. Growth is sought organically through business development as well as through potential acquisitions. In addition, the Group intends to invest resources in developing new services and service channels.

Strengthening its market position and achieving growth requires Lassila & Tikanoja to take an even more active approach and to act with speed and agility. To this end, the Company continued to clarify its Group and division structures in late 2017. The Group's role was de-emphasised further and the businesses were given more autonomy. This allows the Company to improve the competitiveness of its businesses and enhance the creation of growth, taking the special needs of each business and their customers into consideration.

Going forward, Lassila & Tikanoja will develop services for the public sector as the use of outsourcing increases, and invest in growth in the social welfare and health care segment that is in the process of opening up. The Company intends to pursue growth in the processing of industrial side streams and services based on the circular economy logic. The Company intends to develop new business models to leverage the digital transformation.

To continue its success, Lassila & Tikanoja aims to ensure that it has competent personnel and a positive service attitude, that its operations are responsible and safe, and that it has the capacity to renew and develop its operations in response to the changes in the world around it. The Company manages responsibility and safety systematically at all levels of its operations and ensures its renewal by driving the changes in its business environment and investing in business development.

Lassila & Tikanoja responds to the changes in its business environment by investing in the development of its services and the way customers use them, a positive customer and employee experience, the improvement of productivity and the pursuit of new growth opportunities. The Company intends to develop its services for the public sector as the use of outsourcing increases, and the Company intends to invest in growth in the social welfare and health care segment. The Company pursues growth in the processing of industrial side streams and services based on the circular economy logic, and aims to develop new business models to leverage the digital transformation.

Financing

Lassila & Tikanoja's total interest-bearing liabilities as at 31 December 2017 was EUR 165.9 million (31 December 2016: 66.9). The maturity schedule of the long-term interest-bearing debt was as follows:

31 December 2017 MEUR	**Carrying amount**	**Contractual cash flows**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 and later**
Bank borrowings and loans from pension institutions	98.3	98.5	2.6	20.9	25.0			50.0
Bonds	29.9	30.0		30.0				
Commercial paper liabilities	20.0	20.0	20.0					
Financial lease liabilities	17.7	18.7	2.6	2.6	2.6	2.6	2.6	5.7
Derivative liabilities	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Trade and other payables	80.1	80.1	80.1					
Total	**246.3**	**247.5**	**105.3**	**53.6**	**27.6**	**2.6**	**2.6**	**55.7**

To meet any temporary need for cash arising from cash flow fluctuations, the Company has committed credit limits (totalling EUR 30 million) and a commercial paper programme (EUR 100 million). As at 31 December 2017, the Company's liquid assets and investments amounted to EUR 48.1 million (31 December 2016: 28.2). EUR 20.0 million of the commercial paper programme was in use (31 December 2016: 0.0).

Business segments and service descriptions

Lassila & Tikanoja's business operations are divided into five divisions: Environmental Services, Industrial Services, Facility Services, Technical Services and Renewable Energy Sources.

Environmental Services

Services provided by the Environmental Services division include waste management, recycling services and circular economy services. In addition, Environmental Services provides lavatory and sanitary services as well as event services, which include the lease of lavatory and sanitary equipment as well as all the services that are vital to the success of an event, from planning to final cleaning.

Together with its customers, Environmental Services seeks ways to utilise waste in a cost-efficient and environmentally sound manner. Environmental management is increasingly becoming an integral part of overall material economy, where recycling helps save virgin raw materials.

The need for environmental services will increase in the near future, as natural resources are depleted and the cost of landfill disposal continues to rise. New waste legislation is steering material flows from landfill sites to recycling. The waste tax base will expand, and the amount of waste tax will increase by degrees. According to management, the Company is the market leader based on net sales in environmental services in Finland.

In line with its strategy, the Company manages the entire value chain, from waste collection and processing to material sales. The Company responds to the challenges of the changing operating environment through a flexible operating model that enables it to seek cost-effective processing and final disposal options even outside its network of plants.

Industrial Services

The Industrial Services division provides hazardous waste management, sewer maintenance, process cleaning and environmental construction services for a variety of sectors, including the mining, forestry, chemistry, metal, construction and engineering industries. Services provided by the Industrial Services division also includes sewer maintenance services to various types of properties.

In Industrial Services, Lassila & Tikanoja integrates into its customers' core processes and helps them ensure operational reliability. In recent years, the general economic situation has made companies carefully examine their operations and outsource their non-core business operations. Industrial companies increasingly want to focus on their core business operations. Lassila & Tikanoja's Industrial Services makes this possible by providing the customer with support services. The Company offers comprehensive solutions for the reuse and safe final disposal of by-products and for sewer maintenance, industrial process cleaning and environmental construction.

In the coming years, Lassila & Tikanoja intends to continue to invest in the development of support services for large industrial sites in order to integrate its services into its major customers' processes and operating models. In addition, the Company believes that the handling and utilisation of industrial side streams will offer growth potential in the field of environmental construction.

Facility Services

The Facility Services division consists of three service lines: Cleaning and Support Services, Property Maintenance and Energy Efficiency and Renovation Services. In addition to cleaning, Facility Services takes care of various support services, such as lobby and switchboard services, and property maintenance. In Renovation Services, the Company partners with leading insurance companies. The Company also provides services covering the entire administration of a property, from property management to maintenance and upkeep.

Cleaning and Support Services provided by Lassila & Tikanoja ensure that the customer's facilities are clean and pleasant and that daily routines run smoothly. Environmentally sound cleaning service models are based on professional skills, sorting expertise and the use of environmentally friendly methods, substances and equipment. Cleaning Services provided by Hygiene Services ensure a high level of hygiene in the food industry, health-care sector and industries that require clean rooms. Support services, such as lobby, mailing and switchboard services, and customised service packages support customers' operations.

Property Maintenance and Energy Efficiency is responsible for providing services needed in the management of customers' properties. In a well-managed property, the facilities support productive operations, and the building is safe to use. The Company's customers range from small housing cooperatives to large commercial and production facilities. In line with the Company's strategy, Property Maintenance and Energy Efficiency pays special attention to the energy efficiency of properties. In accordance with the operating model, the service technician identifies energy-saving opportunities in the property and reports them to the customer. Property Maintenance and Energy Efficiency services include the Ekohuolto eco-management service, energy management, the cleaning and repair of yards, minor repair and renovation, the planning and maintenance of green areas, the inspection and repair of playgrounds, modification work, the cleaning of common facilities in a property, basic and special cleaning and on-call services.

Renovation Services provided by Lassila & Tikanoja will reduce damage, prevent further damage and reduce the duration of operational interruptions. The goal is to return the property to its original condition after the accident. Lassila & Tikanoja's Renovation Services cover fire damage, water damage, the prevention of further damage, on-call services, renovation, specialty cleaning, the cleaning of ventilation ducts, environmental damage, rescue plans and renovation agreements. If needed, Lassila & Tikanoja can provide comprehensive renovation services, from initial clearing to the rebuilding and interior design of the property. In Renovation Services, the Company seeks to constantly develop new and more comprehensive services in response to its customers' needs.

Technical Services

Lassila & Tikanoja's Technical Services division provides electricity services, HVAC and plumbing services, refrigeration and cooling services, automation services, fire safety services, annual maintenance of technical systems, energy management centre and energy efficiency services.

Through Technical Services, the Company seeks to take care of the technical systems of buildings by creating comfortable, energy-efficient environments. The Company takes care of technical systems in all states of facility maintenance and aims to increase the useful life of the property and reduce malfunctions, costs and the need for maintenance. In addition, the Company provides data to guide facility management and investments as well as solutions to ensure the safety of buildings.

Renewable Energy Sources

Renewable Energy Sources division (L&T Biowatti Oy) produces services tailored to customers' specific needs. Its customers include energy producers, wood processors, forest owners and heaters of small properties. Its core products include forest management services, such as energy wood thinning and first commercial thinning, targeted at forest owners. It serves energy producers by supplying wood fuels, such as wood chip fuel, wood by-product fuel and recycled fuel. In addition, it offers logistics services. Through the sale of forest services, the division procures wood raw material directly from forest owners and partners. Its extensive network of partners enables the division to serve small and major customers. Renewable Energy Sources offers services and products that promote the increase of clean energy use and production. It manages forests, helping them grow into valuable trees in the future and bind carbon more effectively to fight climate change.

Renewable Energy Sources offers forest services to forest owners and forestry operators, from small business owners to major industrial companies. Its services range from the management of commercial forests to land clearing and landscape management of the built environment. The Company offers the following forest services: thinning stand management, delivery sales, forest regeneration, and landscape management and land clearing, which involves clearing, the removal of trees and the cleaning of building sites and the fringes of airports, roads and electric lines.

Renewable Energy Sources serves energy producers by offering a variety of wood-based fuels and comprehensive fuel management solutions. As a part of forest services, the division produces fibre wood and logs for the forest and wood processing industries.

In addition, it supplies bedding to farms, surface materials for the construction of green areas and stabilising media for composts.

Environmental issues

Lassila & Tikanoja puts environmental responsibility into practice particularly through the services it produces for its customers. The primary goal is always to direct materials collected from customers to reuse or recycling, guided by the order of priority stipulated by law and the circular economy approach. Lassila & Tikanoja strives to reduce emissions in its own operations as well as those of its customers. A further objective is that there should be no environmental offences or serious incidents of environmental damage in the Group's own operations.

Professional waste treatment is subject to environmental permits and regulatory compliance in operations. As at 31.12.2017, Lassila & Tikanoja had 70 (31.12.2016: 69) environmental permits that determined how the Group managed and monitored environmental matters. Facilities subject to environmental permits have contingency plans and rescue plans that determine how they prepare for significant environmental incidents. Environmental issues are also covered in regularly conducted internal audits.

Sales network

The Company's most important sales channels include the direct interaction of division-specific sales organisations and seller networks with customers. In addition, the Company has a centralised customer service function, including a telephone service and electronic customer contact channels. The marketing functions report to the sales directors of the divisions.

Research and development

Lassila & Tikanoja has participated in and continues to participate in several research projects that promote the use of secondary raw materials and recycling fuels, the assessment and reduction of environmental effects, the development of new environmental business operations, the improvement of waste recycling efficiency, the development of new recycled fuels and research to support real-estate services.

Research expenditure is recognised as an expense during the period in which it is incurred. Development expenditure is capitalised when the company can demonstrate the technical feasibility and commercial potential of the product under development and when the acquisition cost can be reliably determined. Other development expenditure is recognised as an expense.

The Company's current capitalised development expenditure is mainly related to software and system projects. As at 31 December 2017, development expenditure of EUR 5.7 million on software projects was capitalised in the balance sheet (2016: EUR 7.6 million). Costs of software projects are capitalised starting from the time when the projects move out of the research phase into the development phase and the outcome of the project is an itemisable intangible asset.

For the most part, the goal of product development recognised as an expense in the income statement is to give the Company's service offering a competitive edge and thereby to help the Company achieve its growth targets.

Intellectual property rights

In its business operations, Lassila & Tikanoja uses business names, logos, trademarks and registered designs that it owns or has gained the right to use through its operations. In terms of the Company's business operations, its most significant intellectual property right is the trademark and business name "L&T". In addition, the Company has rights to the lt.fi, lassila-tikanoja.fi and lassila-tikanoja.com domain names.

Lassila & Tikanoja holds a few registered patents. Lassila & Tikanoja considers that the Group's business operations are not dependent on patents, licences or other aspects dependent on third parties.

Investments and divestments

The Company's most significant investment in 2017 was the acquisition of Lassila & Tikanoja FM AB. Of the significant ongoing information system projects, the deployment of the new ERP system continued in the Technical Services division and in the Facility Services division's cleaning and support services business during the first half of 2018. The vast majority of financing of the Company's information system projects has been covered as at the date of this Listing Prospectus.

During 2018, the Company has carried out minor investments relating to the normal course of its business, consisting primarily of machine and equipment purchases and investments in information systems.

Insurances

The Company's management believes that Lassila & Tikanoja and its subsidiaries maintain insurance coverage that reflects the requirements and the size of each business and each subsidiary concerned. Lassila & Tikanoja has insurance schemes in all of its countries of operation, including insurance coverage against business interruption, damage to property and the environment as well as transport damage and liability damage.

Furthermore, the Company's management believes that all of Lassila & Tikanoja's properties and facilities are adequately insured in a manner consistent with market practice, and that the employees of Lassila & Tikanoja have been insured at least to the extent required by the respective local laws and regulations in each country of operation.

Legal proceedings

Lassila & Tikanoja is involved in a limited number of legal proceedings arising in the ordinary course of its business. The disputed interests in such proceedings vary but are in no case material with a view to Lassila & Tikanoja's net sales or financial position. As at the date of this Listing Prospectus, there are no governmental, legal, arbitration or administrative proceedings against or affecting the Company or any of its subsidiaries (and no such proceedings are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which have or may have in the recent past significant effects on the profitability or the financial position of the Company and/or of the Group taken as a whole.

Agreements outside the ordinary course of business

The Company has not, outside the ordinary course of its business, entered into any material contracts which could result in Lassila & Tikanoja or any of its subsidiaries or associated companies being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the Noteholders.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of the Issuer's unaudited consolidated interim report as at and for the six months ended 30 June 2018 and 30 June 2017 and the audited consolidated financial statements as at and for the financial years ended 31 December 2017 and 31 December 2016. The Issuer's interim report and the financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

Lassila & Tikanoja applies the new IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers standards from 1 January 2018 onwards. Because of the application of the standards, the comparable data for the the financial year 2017 has been adjusted. The same accounting policies have been applied to preparing the adjusted comparable data as in the 2017 financial statements with the exception of the application of the IFRS 9 and IFRS 15 standards. The adjusted figures have not been audited.

Lassila & Tikanoja acquired Veolia FM AB's (currently Lassila & Tikanoja FM AB) facility management business in August 2017 for EUR 64.9 million. The acquired entity has been included in the financial reporting of Lassila & Tikanoja from 1 September 2017 onwards.

	As at and for the six months ended 30 June		**As at and for the year ended 31 December**	
	2018	**2017**	**2017**	**2016**
	(unaudited)		**(unaudited and restated)**	**(audited)**
		(restated)		
CONSOLIDATED INCOME STATEMENT MEUR				
Net sales	**399.4**	**328.0**	**709.5**[1]	**661.8**
Other operating income	3.1	3.6	5.7	4.8
Change of inventory	-2.8	0.6	-1.0	1.1
Materials and services	-140.8	-103.7	-234.9	-206.3
Employee benefit expenses	-167.0	-145.0	-296.9	-280.8
Other operating expenses	-54.4	-48.5	-100.3	-91.4
Depreciation and impairment	-21.2	-20.0	-40.5	-38.8
Operating profit	**16.4**	**15.1**	**44.0**[1]	**50.5**
Financial income and expenses	-2.0	-0.6	-1.4	-0.4
Share of the result of associated companies	-0.4	0.0	-0.1	0.0
Profit before tax	**13.9**	**14.4**	**42.5**[1]	**50.1**
Income taxes	-2.9	-3.0	-9.0	-6.7
Profit for the period	**11.0**	**11.4**	**33.5**[1]	**43.4**
Attributable to:				
Equity holders of the company	11.0	11.4	33.5	43.4
Non-controlling interest	0.0	0.0	0.0	0.0
Earnings per share attributable to equity holders of the parent company:				
Earnings per share, EUR	0.29	0.30	0.87[1]	1.13
Diluted earnings per share, EUR	0.29	0.30	0.87[1]	1.13

[1] Adjusted and unaudited figures due to application of IFRS 9 and IFRS 15 from 1 January 2018:

Line item	Reported (EUR million)	Adjusted (EUR million)
Net sales	712.1	709.5
Operating profit	44.2	44.0
Profit before tax	42.7	42.5
Profit for the period	33.7	33.5
Earnings per share, EUR	0.88	0.87
Diluted earnings per share, EUR	0.88	0.87

	As at and for the six months period ended 30 June		As at and for the year ended 31 December	
	2018	2017	2017	2016
	(unaudited)		(unaudited and restated)	(audited)
		(restated)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME MEUR				
Profit for the period	**11.0**	**11.4**	**33.5**	**43.4**
Items not to be recognised through profit or loss				
Items arising from re-measurement of defined benefit plans	0.0	0.0	0.1	0.0
Items not to be recognised through profit or loss, total	0.0	0.0	0.1	0.0
Items potentially to be recognised through profit or loss				
Hedging reserve, change in fair value	-0.1	0.0	-0.1	0.4
Currency translation differences	-4.6	-0.2	-2.7	-0.1
Currency translation differences, non-controlling interest	0.0	0.0	0.0	0.0
Items potentially to be recognised through profit or loss, total	-4.7	-0.2	-2.8	0.3
Total comprehensive income, after tax	**6.3**	**11.2**	**30.9**	**43.7**
Attributable to:				
Equity holders of the company	6.3	11.2	30.9	43.7
Non-controlling interests	0.0	0.0	0.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As at 30 June		As at 31 December	
MEUR	2018	2017	2017	2016
	(unaudited)		(unaudited and restated)	
		(restated)		
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	146.3	117.9	150.2	116.5
Customer contracts arising from acquisitions	20.2	5.5	22.6	5.2
Agreements on prohibition of competition	0.0	0.1	0.0	0.1
Other intangible assets arising from acquisitions	0.5	0.5	0.5	0.6
Other intangible assets	22.9	21.9	22.9	20.8
	189.8	145.9	196.3	143.2
Property, plant and equipment				
Land	5.2	5.3	5.3	5.3
Buildings and constructions	37.4	40.6	40.3	40.7
Machinery and equipment	110.6	108.5	106.5	104.8
Other tangible assets	0.1	0.1	0.1	0.1
Prepayments and construction in progress	2.2	3.2	2.0	5.3
	155.5	157.7	160.5[2]	160.3[3]
Other non-current assets				
Available-for-sale investments	0.3	0.6	0.6	0.6
Finance lease receivables	0.1	0.6	0.3	1.2
Deferred tax assets	3.6	5.8	6.9[2]	5.8[3]
Other receivables	1.8	2.3	2.6	1.7
	5.8	9.4	10.0	9.0
Total non-current assets	**351.1**	**313.0**	**360.4**	**308.3**
Current assets				
Inventories	20.6	25.4	23.9	24.9
Trade and other receivables	141.6	93.9	137.1[2]	90.5
Derivative receivables	0.2	0.7	0.1	0.3
Prepayments	1.4	1.8	0.5	0.6
Cash and cash equivalents	34.8	40.2	48.1	28.2
Total current assets	**198.6**	**162.0**	**210.2**	**144.5**
Total assets	**549.7**	**474.9**	**570.6**	**452.8**

EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent company				
Share capital	19.4	19.4	19.4	19.4
Other reserves	-10.6	-3.3	-5.9	-3.1
Invested unrestricted equity reserve	0.6	0.6	0.6	0.4
Retained earnings	167.7	169.7	170.7	162.7
Profit for the period	11.0	11.4	33.7	43.4
	188.1	197.8	218.5	222.8
Non-controlling interests	0.2	0.2	0.2	0.2
Total equity	**188.3**	**197.9**	**217.1**[2]	**221.9**[3]
Liabilities				
Non-current liabilities				
Deferred tax liabilities	27.9	24.0	29.2	24.8
Retirement benefit obligations	1.3	1.0	1.4	1.0
Provisions	4.7	4.4	5.0	4.8
Borrowings	121.6	66.9	140.9	63.5
Other liabilities	0.3	0.4	0.4	0.3
	155.8	**96.6**	**177.0**	**94.3**
Current liabilities				
Borrowings	45.0	44.1	25.0	3.4
Trade and other payables	159.1	134.7	155.7[2]	135.3[3]
Derivative liabilities	0.3	0.3	0.2	0.1
Current tax liabilities	0.4	0.0	0.1	0.1
Provisions	0.8	1.3	1.9	2.0
	205.7	**180.3**	**174.9**	**135.5**
Total liabilities	**361.4**	**277.0**	**351.9**	**229.8**
Total equity and liabilities	**549.7**	**474.9**	**570.6**	**452.8**

[2] Adjusted and unaudited figures due to application of IFRS 9 and IFRS 15 from 1 January 2018:

Line item	Reported 31 December 2017 (EUR million)	Adjusted 1 January 2018 (EUR million)
Property, plant and equipment	154.1	160.5
Deferred tax assets	6.5	6.9
Trade and other receivables	137.6	137.1
Total equity	217.4	217.1
Trade and other payables	147.7	155.7

[3] Adjusted and unaudited figures due to application of IFRS 15 from 1 January 2018:

Line item	Reported 31 December 2016 (EUR million)	Adjusted 1 January 2017 (EUR million)
Property, plant and equipment	156.1	160.3
Deferred tax assets	5.5	5.8
Total equity	223.0	221.9
Trade and other payables	129.9	135.3

CONSOLIDATED STATEMENT OF CASH FLOWS	As at and for the six months ended 30 June		As at and for the year ended 31 December	
	2018	2017	2017	2016
MEUR	(unaudited)		(audited)	
Cash flows from operating activities				
Profit for the period	11.0	11.4	33.7	43.4
Adjustments	23.1	22.4	51.6	43.8
Net cash generated from operating activities before change in working capital	34.1	33.8	85.3	87.2
Change in working capital				
Change in trade and other receivables	-3.3	-3.3	-14.6	-2.5
Change in inventories	3.3	-0.5	1.0	-1.4
Change in trade and other payables	4.3	-2.6	2.8	6.6
Change in working capital	4.3	-6.4	-10.8	2.7
Interest paid	-1.3	-1.1	-2.7	-2.0
Interest received	0.3	0.9	0.5	0.3
Income tax paid	-4.9	-5.0	-10.5	-11.7
Net cash generated from operating activities	**32.6**	**22.3**	**61.8**	**76.4**
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	1.6	-2.8	-67.2	-1.8
Purchases of property, plant and equipment and intangible assets	-11.7	-10.1	-25.5	-33.9
Proceeds from sale of property, plant and equipment and intangible assets	0.6	0.0	1.7	0.8
Investments in associated companies	0.0	-0.8	-0.8	-
Change in other non-current receivables	0.6	0.2	-0.3	0.2
Dividends received	-	-	-	0.0
Net cash used in investing activities	**-8.9**	**-13.5**	**-92.1**	**-34.6**
Cash flows from financing activities				
Changes in short-term borrowings	-	39.9	18.3	-0.2
Proceeds from long-term borrowings	-	-	69.9	-
Repayments of long-term borrowings	-1.2	-1.3	-2.6	-34.8
Dividends paid	-35.3	-35.3	-35.3	-32.6
Net cash generated from financing activities	**-36.6**	**3.3**	**50.3**	**-67.6**
Net change in liquid assets	**-12.9**	**12.1**	**20.0**	**-25.9**
Liquid assets at beginning of period	48.1	28.2	28.2	54.0
Effect of changes in foreign exchange rates	-0.4	-0.1	-0.1	0.0
Liquid assets at end of period	**34.8**	**40.2**	**48.1**	**28.2**

KEY FIGURES	As at 30 June		As at 31 December	
	2018	2017	2017	2016
	(unaudited)		(unaudited and restated)	(audited)
		(restated)		
Earnings per share, EUR	0.29	0.30	0.87	1.13
Diluted earnings per share, EUR	0.29	0.30	0.87	1.13
Cash flow from operating activities/share, EUR	0.85	0.58	1.61	1.99
EVA, EUR, million	4.2	4.9	21.1	30.7
Adjusted operating profit, EUR million	17.8	15.5	45.7	NA
Operating profit, EUR million	16.4	15.1	44.0	50.5
Gross capital expenditure, EUR million	15.4	21.9	113.2	41.6
Depreciation, amortisation and impairment, EUR million	21.2	20.0	41.1	38.8
Equity per share, EUR	4.90	5.15	5.66	5.81
Return on equity, % (ROE)	10.9	10.9	15.2	20.0
Return on invested capital, % (ROI)	8.8	10.6	13.3	17.4
Equity ratio, %	35.1	42.7	38.6	50.4
Gearing, %	70.0	35.8	54.2	17.3
Net interest-bearing liabilities, EUR million	131.8	70.8	117.9	38.7
Average number of employees in full-time equivalents	7,646	6,942	7,875	7,199
Total number of full-time and part-time employees at the end of period	9,122	8,512	8,663	7,931
Number of outstanding shares adjusted for issues, 1 000 shares				
average during the period	38,404	38,392	38,395	38,375
at the end of period	38,406	38,398	38,398	38,378
average during the period, diluted	38,418	38,407	38,409	38,390

CALCULATION OF KEY RATIOS

Earnings per share, EUR = $\frac{\text{Profit attributable to equity holders of the parent company}}{\text{Adjusted average basic number of shares}}$

Diluted earnings per share, EUR = $\frac{\text{Profit attributable to equity holders of the parent company}}{\text{Adjusted average diluted number of shares}}$

Cash flow from operating activities/share: = $\frac{\text{Cash flow from operating activities as in the statement of cash flow}}{\text{Adjusted average basic number of shares}}$

EVA: = Operating profit - cost calculated on invested capital (average of four quarters) before taxes. The cost of capital invested is calculated using the Group's weighted average cost of capital (WACC). WACC: 2018 6.60%, 2017 6.69%, 2016 6.56%

Adjusted operating profit: = Operating profit + purchase price allocation amortisation

Gross capital expenditure: = Gross capital expenditure consist primarily of acquisitions, machine and equipment purchases and investments in information systems.

Equity per share:

$$= \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted basic number of shares at end of period}}$$

Return on equity, % (ROE):

$$= \frac{\text{Profit for the period}}{\text{Equity (average)}} \times 100$$

Return on invested capital, % (ROI):

$$= \frac{\text{Profit before tax + financial expenses}}{\text{Total equity and liabilities - non-interest-bearing liabilities (average)}} \times 100$$

Equity ratio, %:

$$= \frac{\text{Equity}}{\text{Total equity and liabilities - advances received}} \times 100$$

Gearing, %:

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Equity}} \times 100$$

Net interest-bearing liabilities: = Interest-bearing liabilities - liquid assets

FINANCIAL INFORMATION AND PROSPECTS

Historical financial information

The audited consolidated financial statements of Lassila & Tikanoja as of and for the years ended 31 December 2017 and 31 December 2016 and the unaudited consolidated interim report as of and for the six month period ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and they have been incorporated into this Listing Prospectus by reference. Except for the two financial statements mentioned above, the information included in this Listing Prospectus has not been audited.

No significant change in the Issuer's financial or trading position

There has been no significant change in the financial or trading position of the Issuer since 30 June 2018.

Tender offer

On 31 August 2018, Lassila & Tikanoja announced a tender offer for its 2019 Notes, for cash on the terms and conditions set out in the tender offer memorandum dated 31 August 2018. The purchase price in the offer was EUR 1,022.15 per EUR 1,000 nominal amount of the 2019 Notes. The offer expired at 4:00 pm Finnish time on 11 September 2018. Lassila & Tikanoja successfully repurchased 2019 Notes with an aggregate nominal value of EUR 27,000,000. The settlement date was 17 September 2018. As at the date of this Listing Prospectus, the total outstanding nominal amount of the 2019 Notes is approximately EUR 3.0 million.

Prospects

In its stock exchange release dated 31 July 2018 regarding its half-year financial report for 1 January – 30 June 2018, Lassila & Tikanoja published the following information on the outlook for 2018:

"Lassila & Tikanoja's net sales and operating profit in 2018 are expected to be above the 2017 levels."

There have been no material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements.

Influence of Lassila & Tikanoja's Board of Directors and management on factors affecting the estimates

Lassila & Tikanoja's Board of Directors and management may, from time-to-time, whether based on changes in market conditions, competitor behavior or otherwise, initiate and take decisions causing changes in production volumes, products and their pricing. Furthermore, resolutions by Lassila & Tikanoja's Board of Directors and management have an effect on certain cost items. All such decisions are taken based on sound business judgment and in the interests of the Company and its shareholders. Other factors expressed in "– *Prospects*" are generally outside of the influence of the Board of Directors and Group Executive Board.

Risks and uncertainty factors in the near future

The Company estimates that challenges related to the availability of labour may increase production costs and slow down the growth of net sales. Furthermore, the Company is continuing the deployment of a new ERP system. The deployment of the new system may lead to temporary overlapping costs arising from changes in the operating model, which can have a negative effect on the Company's result.

Please see also "*Risk factors*".

Alternative Performance Measures

This Listing Prospectus includes certain performance measures of Lassila & Tikanoja's financial performance and financial position, which, in accordance with the "Alternative Performance Measures" guidance issued by ESMA are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures.

Lassila & Tikanoja presents the following alternative performance measures:

- Operating profit, which is defined as net result for the period before taxes and net finance expenses.
- Adjusted operating profit, which is defined as operating profit added with purchase price allocation amortization.

- EVA, which is defined as operating profit less cost calculated on invested capital (average of four quarters) before taxes.
- Cash flow from operating activities per share, which is defined as cash flow from operating activities as in the statement of cash flow divided by the number of shares.
- Gross capital expenditure, which consists primarily of acquisitions, machine and equipment purchases and investments in information systems.
- Equity per share, which is defined as equity attributable to equity holders of the parent company divided by the adjusted basic number of shares at the end of the period.
- Return on equity (ROE), %, which is defined as profit for the period divided by the equity (average).
- Return on invested capital (ROI), %, which is defined as profit before tax added with financial expenses and divided by the sum of total equity and liabilities less non-interest-bearing liabilities (average).
- Equity ratio, %, which is defined as equity divided by the sum of total equity and liabilities less advances received.
- Gearing, %, which is defined as net interest-bearing liabilities divided by equity.
- Net interest-bearing liabilities, which is defined as interest-bearing liabilities less liquid assets.

Lassila & Tikanoja presents alternative performance measures as additional information to financial measures presented in the consolidated statement of income, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS. Lassila & Tikanoja believes that adjusted operating profit and EVA measures provide meaningful supplemental information to the financial measures presented in the consolidated income statement prepared in accordance with IFRS to Lassila & Tikanoja's management and the readers of consolidated financial statements by i) in respect of the adjusted operating profit, excluding the purchase price allocation amortization from operating profit, thereby increasing comparability from period to period and ii) in case of EVA, subtracting the cost of invested capital from the operating profit, thereby measuring the economic value generated from funds invested in Lassila & Tikanoja's business operations. Lassila & Tikanoja presents cash flow from operating activities per share as this measure in Lassila & Tikanoja's view provides additional information of the cash flow needs of Lassila & Tikanoja.

Lassila & Tikanoja presents return on equity and return on invested capital as complementing measures, which are, in Lassila & Tikanoja's view, useful measures of Lassila & Tikanoja's profitability. Lassila & Tikanoja presents gross capital expenditure, equity per share, equity ratio, gearing and net interest-bearing liabilities as complementing measures, which are, in Lassila & Tikanoja's view, useful measures of Lassila & Tikanoja's ability to obtain financing and service its debts.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not present alternative performance measures in a uniform way and, therefore, the alternative performance measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies.

Reconciliation of adjusted operating profit to operating profit under IFRS is presented below.

Reconciliation of adjusted operating profit

EUR million	**1 January – 30 June**		**1 January – 31 December**	
	2018	**2017**	**2017**	**2016**
Operating profit (IFRS)	**16.4**	**15.1**	**44.0**	**50.5**
Items affecting comparability:				
Purchase price allocation amortisation	1.4	0.4	1.7	NA
Adjusted operating profit	**17.8**	**15.5**	**45.7**	**50.5**

Reconciliation of EVA

EUR million	**1 January – 30 June**	**1 January – 31 December**

	2018	2017	2017	2016
Operating profit (IFRS)	**16.4**	**15.1**	**44.0**	**50.5**
Items affecting comparability:				
Invested capital (rolling 12-month quarterly average)	368.0	302.3	342.0	300.6
Cost calculated on invested capital	-12.1	-10.1	-22.9	-19.7
EVA	**4.2**	**4.9**	**21.1**	**30.7**

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

In its decision making and administration, Lassila & Tikanoja applies the Finnish Companies Act (21.7.2006/624, as amended) and other legal regulations and rules governing public limited companies in Finland and the Company's articles of association. Lassila & Tikanoja also follows Nasdaq Helsinki Ltd's rules and recommendations as applicable to listed companies. As a Finnish listed company, Lassila & Tikanoja complies with the Finnish Corporate Governance Code 2015 as published by the Finnish Securities Market Association. As at the date of this Listing Prospectus, Lassila & Tikanoja does not deviate from any recommendations of said code.

Pursuant to the provisions of the Finnish Companies Act and the Issuer's articles of association, responsibility for the control and management of Lassila & Tikanoja is divided between the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). Shareholders participate in the control and management of Lassila & Tikanoja through resolutions passed at General Meetings of Shareholders. General Meetings of Shareholders are generally convened upon notice given by the Board of Directors. In addition, General Meetings of Shareholders are held in accordance with the Finnish Companies Act when requested in writing by the auditor of the Issuer or by shareholders representing at least one-tenth of all the outstanding shares of the Issuer.

Board of Directors

The Board of Directors supervises Lassila & Tikanoja's operations and management, and decides in accordance with the Finnish Companies Act on far-reaching, strategically significant or otherwise unusual matters outside the day-to-day operations concerning inter alia the company strategy, investments, organisation and finance. The Board of Directors convenes regularly, normally on a monthly basis. At the date of this Listing Prospectus, the Board of Directors of the Issuer consists of the following persons:

Name:	**Background:**
Heikki Bergholm, **Chairman of the Board** Born 1956, M.Sc. (Eng.) Member of the Board since 2008 Independent of the Company and major shareholders	**Key work experience**: Suominen Corporation Oyj: President and CEO (2002–2006), the former Lassila & Tikanoja Group: President and CEO (1998–2001), Vice President (1997–1998), President of business units (1986–1997), Lassila & Tikanoja Oy: CFO (1985–1986), Industrialisation Fund of Finland Ltd: Researcher and development manager (1980–1985). **Membership on other Boards**: Solidium Oy (2013–2016), Lakan Betoni Oy (1986–, COB), Maillefer International Oy (2010–2014), Finnish Foundation for Cardiovascular Research (2013–), MB Funds (2002–), Forchem Oy (2007–2013), Componenta (2003–2012, COB), Kemira Oyj (2004–2007), Pohjola-Yhtymä Oyj (2003–2005), Sponda Oyj (1998–2004) and Suominen Corporation (2006–2011).
Sakari Lassila, Vice Chairman of the Board Born 1955, M.Sc. (Econ.) Member of the Board since 2011 Independent of the Company and major shareholders	**Primary occupation**: Indcrea Oy: Managing Director, Board member, Partner. **Key work experience**: Cupori Group Oy: member of the Management Board (2008–2014), Managing Director of Cupori AB (2012–2014); Carnegie Investment Bank AB, Finland Branch: executive positions (2002–2005); Alfred Berg Finland Oyj: executive positions within investment banking (1994–2002); Citibank Oy: head of corporate bank (1991–1994); Union Bank of Finland: supervisory and executive positions (1983–1991). **Membership on other Boards**: Evald and Hilda Nissi Foundation, Vice Chairman of the Board (member 1987–), Aplagon Oy, Chairman of the Board (2009–).
Teemu Kangas-Kärki Born 1966, M.Sc. (Econ.) Member of the Board since 2016	**Primary Occupation:** Nokian Tyres Oyj, CFO **Key work experience**: Fiskars Oyj, Chief Operating Officer and Deputy to the CEO (2018–2017), Interim President (2017), Chief Operating Officer and Chief Financial Officer,

Independent of the Company and major shareholders	deputy to the CEO (2014–2017), President, Home Business Area (2012–2014), Chief Financial Officer (2008–2012); Alma Media Corporation, Chief Financial Officer (2003–2008); Kesko Group, Corporate Controller (2002–2003), Corporate Business Controller (2000–2001); Suomen Nestlé Oy, Finance Director (1999–2000); Smith & Nephew Oy, Financial Manager (1996–1998); Unilever Oy & Gmbh, Marketing Controller & Internal Auditor (1992–1996).
Laura Lares Born 1966, Ph.D in technology Member of the Board since 2014 Independent of the Company and major shareholders	**Primary occupation**: Managing Director of Ablers Oy. **Key work experience**: Woimistamo Oy, Managing Director (2012–2018); Kalevala Koru Oy & Lapponia Jewelry Oy, Managing Director (2007–2012); UPM Kymmene Corporation, Director of Wood Products Division, Vice President of Sales (2005-2006), Vice President of Business Development & Human Resources (2004–2005). **Membership on other Boards**: Lappeenranta University of Technology (2009–2017), Woikoski Oy (2012–2016).
Miikka Maijala Born 1967, M.Sc. (Eng.) Member of the Board since 2010 Independent of the Company and major shareholders	**Primary occupation**: CEO of Clinius Ltd. **Key work experience**: GE Healthcare Finland Oy, Business Segment Manager 2004–2006); Instrumentarium Corporation (now GE Healthcare Finland Oy), Director, Business Development (2000–2004); Instrumentarium Corporation: supervisory and executive positions within sales, marketing and financial management (1992–2000). **Membership on other Boards**: Healthtech Finland (2008–).
Laura Tarkka Born 1970, M.Sc. (Eng.) Member of the Board since 2017 Independent of the Company and major shareholders	**Primary occupation**: Kämp Group/Kämp Collection Hotels CEO. **Key work experience**: Diacor Terveyspalvelut Oy, CFO and deputy CEO (2013–2014); Fazer Group, director (2007–2012); Icecapital Securities Ltd, investment banker (2001–2007); Mandatum Stockbrokers Ltd, investment banker (1997–2001). **Membership on other Boards**: Docrates Oy (2016–).

Board committees

Board committees provide, as necessary, assistance to the Board of Directors, preparing matters for which the Board is responsible. The Board of Directors has appointed an Audit Committee and a Personnel Committee from among its members. Every year after the Annual General Meeting, the Board of Directors appoints each committee's Chairperson and members for a term of one year at a time.

Final decisions concerning matters related to the tasks of the committees are made by the Board of Directors on the basis of committee proposals, excluding proposals made directly to the General Meeting by the Personnel Committee on board remuneration.

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in ensuring that the Company's financial reporting, calculation methods, annual financial statements and other financial information made public by the Company are correct, balanced, transparent and clear. The Audit Committee monitors the financial position and financing of the Company, monitors the reporting process of financial statements, supervises the financial reporting process, monitors the efficiency of the Company's internal control, internal audit and risk management systems. The Audit Committee also reviews the operating principles of the Company's internal control, reviews the plans and reports of the Company's internal audit, reviews the Company's corporate governance statement, including the description of the main features of internal control and risk management systems pertaining to the financial reporting process, monitors related-party transactions and reviews the corporate responsibility programme. In addition, the Audit Committee monitors the statutory audit of the financial statements and consolidated financial statements, evaluates the independence of the auditing company, evaluates the provision of non-audit services to the company by the auditing firm, preparesg the proposal and/or recommendation concerning the auditor of the Company, maintains contact with the Company's auditor and reviews the reports prepared for the committee by the auditor, and assesses compliance with laws and provisions.

The Audit Committee consists of three Board members who are independent of the Company and its significant shareholders. It convenes on a regular basis at least four times a year. The tasks and responsibility areas have been specified in the committee's charter, which the Board of Directors confirms annually.

Since the Annual General Meeting of 2018, Sakari Lassila has been Chairman of the Audit Committee, with Teemu Kangas-Kärki and Laura Tarkka as members.

Personnel Committee

The task of the Personnel Committee is to assist the Board of Directors in matters related to the appointment of the Company's management, the salary structure of the management and personnel as well as the remuneration and incentive schemes. In addition, the Personnel Committee monitors the functionality of the remuneration systems to ensure that the management's incentive schemes promote the achievement of the Company's targets and are based on personal performance. The Personnel Committee also handles and prepares other questions related to management and personnel remuneration, drafts statements to the Board of Directors regarding such matters, and reviews and prepares personnel-related matters of the corporate responsibility programme.

The committee consists of three Board members. It convenes on a regular basis at least two times a year. The tasks and responsibility areas have been specified in the committee's charter, which the Board of Directors confirms annually.

Since the Company's Annual General Meeting of 2018, Heikki Bergholm has been Chairman of the Personnel Committee, with Miikka Maijala and Laura Lares as members.

CEO and Corporate Management Team

The Company's Board of Directors appoints the President and Chief Executive Officer (CEO). The CEO is responsible for the daily management of the Company's administration according to the guidelines and instructions given by the Board. In addition, the CEO is responsible for ensuring that the Company's accounting has been carried out according to applicable laws and that asset management has been organised in a reliable manner. The CEO manages the Company's daily business and is responsible for the strategy process of the Company. At the date of this Listing Prospectus, the CEO of the Company is Pekka Ojanpää.

In Lassila & Tikanoja's operative management, the CEO is assisted by the Group Executive Board. The tasks and responsibilities of the Group Executive Board include preparation of monthly reports, investments, group guidelines and policies, long-term plans, operating plans for each period of twelve months and financial statements for the Board of Directors to decide on. The Group Executive Board convenes as a rule once a month and also otherwise when necessary. At the date of this Listing Prospectus, the Group Executive Board consists of the following persons:

Name:	**Background:**
Pekka Ojanpää* Born 1966, M.Sc. (Econ.) **President and Chief Executive Officer** Member of the Group Executive Board since 2011.	**Key work experience**: Kemira Oyj: President, Municipal & Industrial segment 2008–2011; President, Kemira Specialty business area 2006–2008; Executive Vice President of Procurement & Logistics 2005–2006, Nokia Oyj: Vice President, Electromechanics Supply Line Management 2001–2004; Managing Director of Nokia Hungary 1998–2001; sales and logistics managerial positions in Nokia Mobile Phones 1994–1998. **Membership on other Boards**: Ilmarinen Mutual Pension Insurance Company: Supervisory Board member (2012–), Kiinteistötyönantajat ry: Board member (2013–2016), Technopolis Plc: Board member (2014–).

	Shares owned in the Issuer on 30 June 2018: 42,471 shares.
Tuomas Mäkipeska Born 1978, M.Sc. (Econ.) **Chief Financial Officer** Member of the the Group Executive Board since 2012.	**Key work experience**: Lassila & Tikanoja plc; Development Director (2012–2017), Vice President, Renewable Energy Sources (2015–2017); Deloitte, Management Consultant, Strategy & Operations (2005–2012); Fiskars Corporation: Project Manager (2004–2005); Rieter Automotive Management AG, Market Analyst (2003); Tapiola Group: Finance Assistant (2000–2002). Shares owned in the Issuer on 30 June 2018: 6,250 shares.
Petri Salermo Born 1970, QBA **Vice President, Environmental Services** Member of the Group Executive Board since 2013.	**Key work experience**: Lassila & Tikanoja plc, Business Director, Environmental Services (2009–2012); Sales Director, Environmental Services (2003–2009); Sales Manager, Environmental Services (2001–2003); Europress Oy: Sales Director (1998–2001), managerial positions in sales (1995–1998), Lassila & Tikanoja plc, Manager, Process Development (1999–2001) Valmet Corporation, Manager, Product Development (1997–1999) Valmet Corporation, USA, Manager, R&D (1995–1997) Lassila & Tikanoja plc), Development Manager (1993–1995) Shares owned in the Issuer on 30 June 2018: 12,578 shares.
Tutu Wegelius-Lehtonen Born 1970, Lic. Tech. **Vice President, Facility Services** Member of the Group Executive Board since 2015.	**Key work experience**: Lassila & Tikanoja plc, Chief Procurement Officer (2015–2016); Hartwall Oy, Operations and Supply Chain Director (2014); Rexel Finland Oy, Director of Marketing and Business Development (2011–2014); YIT: managerial positions in procurement and logistics (2004–2008) and in YIT's Building Services and Building and Industrial Services divisions (2009–2011); Ensto, Director, Production and Logistics (1998–2004). **Membership on other Boards**: Kiinteistötyönantajat ry (Employers' association of property management) board (2017–). Shares owned in the Issuer on 30 June 2018: 2,185 shares.
Antti Tervo Born 1978, M.Sc. (Econ.) **Vice President, Industrial Services** Member of the Group Executive Board since 2012.	**Key work experience**: Lassila & Tikanoja plc: Chief Officer responsible for procurement and supply chain (2012–2014); Siemens, North West Europe, Head of Commodity Management (2009–2012); Project Manager, Procurement and Supply Chain Management (2008–2009); Siemens Oy: Director, Procurement (2005–2009); Procurement Manager (2003–2005); Supply Chain Consultant (2001–2003). Shares owned in the Issuer on 30 June 2018: 6,396 shares.
Kirsi Matero Born 1968, M.Sc. (Econ.) **Human Resources Director** Member of the Group Executive Board since 2012.	**Key work experience**: Atria Oyj: Group Vice President, Human Resources (2010–2011); Pfizer Oy: HR Director (2007–2010); Nokia Mobile Phones, Senior Business HR Manager (2004–2007); Nokia Mobile Phones and Nokia Networks: Business HR Manager and Competence Development Manager (1998–2003); Adulta Oy, Programme Manager (1996–1998); Shell Oil Products, Product Manager (1994–1995). Shares owned in the Issuer on 30 June 2018: 6,078 shares.

Jorma Mikkonen Born 1963, Master of Laws **Director, Corporate Relations and Responsibility** Member of the Group Executive Board since 2015.	**Key work experience**: Lassila & Tikanoja plc, Vice President, Environmental Services (2009–2012), Vice President, Industrial Services (2000–2009); Säkkiväline Oy, Administrative Director (1999–2000), Corporate Lawyer (1992–1999); Helsingin Suomalainen Säästöpankki, Corporate Lawyer (1991–1992). Shares owned in the Issuer on 30 June 2018: 5,287 shares.

*The Issuer announced on 3 August 2018 that Pekka Ojanpää, President and CEO at Lassila & Tikanoja plc, will leave the company by latest on 3 February 2019 in order to start working as President & CEO of Suominen Corporation. Recruitment for a new President and CEO has begun.

Business address

The business address of the members of the Board of Directors, the CEO and the Group Executive Board is Valimotie 27, 00380 Helsinki, Finland.

Absence of conflicts of interest

The members of the Board of Directors, the CEO or the members of the Group Executive Board do not have any potential conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

Auditors

The consolidated financial statements of the Company for the financial years ended 31 December 2017 and 31 December 2016 incorporated in this Listing Prospectus by reference have been audited by KPMG Oy Ab under the supervision of principal auditor Lasse Holopainen, Authorised Public Accountant. The business address of the principal auditor and KPMG Oy Ab is Töölönlahdenkatu 3 A, FI-00100 Helsinki, Finland.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Listing Prospectus, the Issuer has issued a total of 38,798,874 shares and has a registered share capital of EUR 19,399,437.00, which is fully paid. Each share entitles its holder to one vote at the General Meeting of the Company. The Issuer's shares belong to the book-entry system and they are subject to public trading on Helsinki Stock Exchange. The trading code of the shares is LAT1V.

The Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

As at 31 August 2018, there were altogether 12,752 shareholders in the Issuer, of which 10 largest shareholders are listed below with their respective ownership participation percentage. The Issuer held 392,952 treasure shares as at 31 August 2018.

Shareholder	**Number of Shares**	**Proportion of shares and votes**
Evald and Hilda Nissi's Foundation	2,413,584	6.22%
Mandatum Life Insurance Company Limited	2,311,238	5.96%
Nordea investment funds	2,043,641	5.27%
Maijala Juhani	1,529,994	3.94%
Elo Pension Company	1,229,073	3.17%
Ilmarinen Mutual Pension Insurance Company	934,836	2.41%
Åbo Akademi University Foundation	914,732	2.36%
Föreningen Konstsamfundet rf	855,721	2.21%
Bergholm Heikki	829,506	2.14%
Maijala Mikko	720,000	1.86%
Total	**13,782,325**	**35.52%**
Nominee registered	**7,674,830**	**19.78%**
All shares	**38,798,874**	**100.0%**

TAXATION

The following is a general description addressing only the Finnish withholding tax treatment of income arising from the Notes. This summary is based on the laws and regulations in full force and effect in Finland as at the date of this Listing Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Notes. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Notes.

Non-resident Noteholders

Payment of interest to a recipient, who is not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland, is not subject to Finnish withholding tax. The payer of interest is obligated to disclose his non-resident investor status to the Issuer. If a recipient fails to provide such information the Issuer will be entitled to withhold or deduct amounts from a payment in respect of the Notes, if it is required to do so under a Finnish law.

Resident Noteholders

Corporates

If the recipient of interest paid on the Notes is a corporation further defined in the Finnish Income Tax Act (in Finnish, *tuloverolaki*) (1535/1992, as amended), residing in Finland, such interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (in Finnish, laki elinkeinotulon verottamisesta) (360/1968, as amended) or the Finnish Income Tax Act. The current rate of corporate income tax is 20 per cent.

Individuals and estates

If the recipient of interest paid on the Notes is an individual residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is subject to preliminary withholding tax in accordance with the Finnish Withholding Tax Act (in Finnish, *ennakkoperintälaki*) (1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act. The current rate of withholding tax is 30 per cent. The capital income tax is 30 per cent (34 per cent of the capital income exceeding EUR 30,000). The Finnish Act on Source Tax on Interest Income (in Finnish, *laki korkotulon lähdeverosta*) (1341/1990, as amended) is not applicable to the Notes.

If Notes are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer or a securities dealer shall deduct a preliminary withholding tax from the secondary market compensation paid to an individual residing in Finland or an undistributed estate of a deceased Finnish resident.

ARRANGEMENTS WITH THE LEAD MANAGER

Danske Bank A/S is acting as Lead Manager of the Offering. The Company has entered into agreements with the Lead Manager with respect to certain services to be provided by the Lead Manager in connection with the Offering.

The Lead Manager and companies belonging to the same consolidated group with the Lead Manager may have performed and may in the future perform investment or other banking services for the Company in the ordinary course of business.

LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for Lassila & Tikanoja by Castrén & Snellman Attorneys Ltd.

INFORMATION INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus. The referenced documents are available for inspection at the offices of the Company at Valimotie 27, 00380 Helsinki, Finland, as well as on the Company's website at https://www.lt.fi/en/investors.

Document	Information by reference
Interim Report 1 January–30 June 2018	Interim report as of and for the six months ended 30 June 2018
Financial Statements 2017, pages 16–95	Financial Statements and report of the Board of Directors for the year 2017
Financial Statements 2017, pages 96–99	Auditor's Report for the year 2017
Financial Statements 2016, pages 21–106	Financial Statements and report of the Board of Directors for the year 2016
Financial Statements 2016, pages 107–110	Auditor's Report for the year 2016

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Company's Finnish language Articles of Association and Extract from the Finnish Trade Register may be inspected at the head office of the Company, Lassila & Tikanoja plc, Valimotie 27, 00380 Helsinki, Finland on weekdays from 9:00 am to 4:00 pm Finnish time. In order to ensure best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify the Company of their visit in advance by telephone +358 10 636 111.

The Company will publish annual reports, including audited consolidated financial statements, quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of the Helsinki Stock Exchange. Such information will be available on the Company's website at https://www.lt.fi/en/investors.

ANNEX A: TERMS AND CONDITIONS OF THE NOTES

LASSILA & TIKANOJA PLC EUR 50,000,000 1.250 % SENIOR UNSECURED FIXED RATE NOTES DUE 2023

TERMS AND CONDITIONS

ISIN CODE FI4000349089

The Board of Directors of Lassila & Tikanoja plc (the "**Issuer**") has in its meeting held on 27 August 2018 resolved to issue notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended) (Fin. *velka-kirjalaki*) (the "**Notes**"). The Notes will be subject to the following terms and conditions (the "**Terms and Conditions**").

Danske Bank A/S shall act as arranger in connection with the offer and issuance of the Notes (the "**Arranger**").

1. Principal Amount and Issuance of the Notes

The maximum principal amount of the Notes is fifty million euros (EUR 50,000,000).

The Notes will be issued in dematerialised form in the Infinity system of Euroclear Finland Oy ("**EFi**") (or any system replacing or substituting the Infinity system in accordance with the regulations and decisions of EFi) in accordance with Finnish law governing the Finnish book-entry system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) as well as the regulations and decisions of EFi. No physical Notes will be issued.

The issuer agent (Fin. *Liikkeeseenlaskijan asiamies*) of the Notes referred to in the regulations of EFi (the "**Issuer Agent**") and the paying agent of the Notes (the "**Paying Agent**") is Danske Bank A/S, Finland Branch.

The issue date of the Notes is 17 September 2018 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit (Fin. *arvo-osuuden yksikkökoko*) is one thousand euros (EUR 1,000). The maximum number of the Notes is fifty-thousand (50,000). Each Note will be freely transferable after it has been registered into the respective book-entry account.

2. Subscription of the Notes

The Notes shall be offered for subscription, subject to relevant selling restrictions, primarily to institutional investors outside of the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or such other countries or otherwise in such circumstances in which the release, publication or distribution would be unlawful, through a book-building procedure (*private placement*). The subscription period (the "**Subscription Period**") of the Notes shall commence and end on 7 September 2018. By subscribing for Notes, each initial holder of Notes, and, by acquiring Notes, each subsequent holder of Notes agrees to be bound by these Terms and Conditions.

Bids for subscription shall be submitted to Danske Bank A/S, Finland Branch, Fixed Income Sales, Kasarmikatu 21 B, Helsinki, FI-00075 DANSKE BANK, Finland, telephone +358 10 513 8756 or +358 10 513 8750 during the Subscription Period and within regular business hours.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in whole or in part. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer, each investor that has submitted a subscription shall be notified by the Arranger whether and, where applicable, to what extent such subscription is accepted.

Subscriptions shall be paid for as instructed in connection with the subscription.

Notes subscribed and paid for shall be entered by the Issuer Agent to the respective book-entry accounts of the subscribers on a date advised by the Arranger in connection with the issuance of the Notes in accordance with the relevant provisions of Finnish law governing the book-entry system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitys-toiminnasta*) as well as regulations and decisions of EFi.

3. Issue Price

The issue price of the Notes is 99.534 per cent.

4. Interest

The Notes bear interest at the fixed rate of 1.250 per cent per annum.

Interest on the Notes will be paid annually in arrears commencing on 17 September 2019 and thereafter on each 17 September (each an "**Interest Payment Date**") until the Redemption Date (as defined below). Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on (and includes) the Issue Date and ends on (but excludes) the first Interest Payment Date. Each consecutive interest period begins on (and includes) the previous Interest Payment Date and ends on (but excludes) the following Interest Payment Date. The last interest period ends on the Redemption Date (as defined below).

Interest in respect of the Notes will be calculated on the basis of the number of days elapsed in the relevant interest period divided by 365, or, in the case of a leap year, 366 (actual / actual ICMA).

5. Redemption

The Notes shall be repaid in full at their nominal principal amount on 17 September 2023 (the "**Redemption Date**"), unless the Issuer has prepaid the Notes in accordance with Condition 9 (*Put Option Events*), 10 (*Redemption at the Option of the Issuer due to the Noteholder's Opposition of a Demerger*) or 11 (*Events of Default*) below.

The Issuer may, at any time having given, not less than thirty (30) nor more than sixty (60) days' notice (an "**Optional Redemption Notice**") to the Issuer Agent and to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*), (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not part, of the aggregate principal amount of the Notes on any date falling three (3) months prior to the Redemption Date (the "**Optional Redemption Date**") specified for redemption in the relevant Optional Redemption Notice at a redemption price equal to 100 per cent of their outstanding principal amount together with accrued but unpaid interest up to (but excluding) such Optional Redemption Date.

6. Status and Security

The Notes constitute direct, unconditional, unguaranteed, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

7. Payments

Interest on and principal of the Notes shall be paid in accordance with the relevant provisions of Finnish law governing the Finnish book-entry securities system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) as well as the regulations and decisions of EFi.

Should any Interest Payment Date, the Optional Redemption Date, the Prepayment Date (as defined below in Condition 9 *(Put Option Events)*) or the Redemption Date fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the next following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these Terms and Conditions, a "**Business Day**" shall generally mean a day on which the deposit banks are open for business in Helsinki, but for payment purposes, a Business Day shall mean a day when the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open and the Infinity system is operative.

8. Negative Pledge

For as long as any of the Notes remains outstanding, the Issuer shall not, and shall procure that none of its subsidiaries (as defined below under Condition 11 (*Events of Default*)) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that would be capable of being listed on a stock exchange or subject to trading in a regulated market or a multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the granting of such security interest is required under Finnish law or other law governing such notes, bonds or other debt securities, or unless prior to or simultaneously therewith the Issuer's obligations under the Notes either (a) are secured equally and rateably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as defined below)).

9. Put Option Events

9.1 Each of the following events which occurs after the Issue Date shall constitute a Put Option Event:

(a) Change of Control:

(1) any person or group of persons acting in concert (other than the Republic of Finland or any agency or instrumentality of the Republic of Finland) gains control (a "**Change of Control**") of the Issuer, and the Issuer has upon becoming aware of the Change of Control promptly notified the holders of Notes (the "**Noteholders**") of the Change of Control in accordance with Condition 14 (*Notices and Right to Information*) ("**Change of Control Notice**"); and

(2) the Issuer does not notify the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) on the last day of the period of 180 days commencing on the date of the Change of Control Notice (or in the case that such last day is not Business Day, on the immediately preceding day that is a Business Day) that the Notes have a confirmed investment grade credit rating (BBB-, or its equivalent, or better) reflecting the financial situation of the Issuer after the Change of Control from one or more Rating Agencies as of such date.

(b) the Board of Directors of the Issuer has signed a plan for a Demerger (as defined below).

9.2 Upon occurrence of a Put Option Event specified in sub-condition 9.1(b) above the Issuer shall notify the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) of the Put Option Event. Such notice must be published no later than on the date that the announcement of the Demerger is published in the form of a stock exchange release.

9.3 On the Prepayment Date (as defined below), the Issuer shall prepay the nominal principal amount (without any premium or penalty) of, and the interest accrued on, the Notes held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

9.4 Any Noteholder whether or not it elects to exercise the right to require prepayment in the case of a Demerger specified in sub-condition 9.1(b) above is deemed to have waived any and all statutory rights under Finnish law to oppose the Demerger in its capacity as a Noteholder.

9.5 Each Noteholder that elects to exercise the right to require prepayment in the case of a Demerger specified in sub-condition 9.1(b) above has to confirm in writing that it will not oppose the Demerger or, if it already has opposed the Demerger, is obliged to withdraw any notice of opposing the Demerger on the Prepayment Date at the latest, provided that the Issuer has paid the relevant redemption amount on the Prepayment Date. Further, without prejudice to the Noteholders' primary obligation to withdraw any notices opposing the Demerger, the Noteholders have by these terms and conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw the notices opposing the Demerger following the payment of the relevant prepayment amount.

"**acting in concert**" (Fin. *yksissä tuumin*) means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate control of the Issuer.

"**control**" means a person or group of persons acting in concert holding (directly or indirectly) more than 50 per cent of the voting rights (being votes which are capable of being cast generally at meetings of shareholders) of the Issuer.

"**Demerger**" means a demerger pursuant to Chapter 17 of the Finnish Companies Act (624/2006, as amended from time to time) (Fin. *Osakeyhtiölaki*).

"**Group**" has the meaning set out in Condition 11 (*Events of Default*).

"**Prepayment Date**" means the date falling forty-five (45) Business Days after:

(a) the last day of the 180 day period referred to in sub-condition 9.1(a)(2) above; or

(b) the publication of any notice referred to in sub-condition 9.2 above.

"**Put Option Event**" has the meaning specified in sub-condition 9.1 above.

10. Redemption at the Option of the Issuer due to the Noteholder's Opposition of a Demerger

In the event that any Noteholder opposes a Demerger (which, for the avoidance of doubt, is not permitted by these terms and conditions), the Issuer may, by giving not less than ten (10) days' notice to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) (which notice shall be irrevocable and specify the redemption date), redeem the Notes held by the Noteholders who have opposed or shall oppose the Demerger. In such case the redemption shall take place at the nominal principal amount of the redeemed Notes together with any accrued interest but without any premium or penalty. Each such Noteholder is obliged to withdraw any notice of opposing the Demerger on the redemption date specified in the Issuer's notice at the latest, provided that the Issuer has paid the relevant redemption amount on such redemption date. Further, without prejudice to the Noteholders' primary obligation to withdraw any notices opposing the Demerger, the Noteholders have by these terms and conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw the notices opposing the Demerger following the payment of the relevant redemption amount.

11. Events of Default

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest accrued on such Note to be prematurely due and payable at the earliest on the tenth (10^{th}) Business Day from the date such notice was received by the Issuer *provided* that an Event of Default is continuing (thus, it is not waived) on the date of receipt of the notice and on the specified early repayment date. Interest accrues until (but excluding) the early repayment date.

Each of the following events shall constitute an **Event of Default**:

a) non-payment: any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 14 (*Force Majeure*);

b) the Issuer does not comply with its obligations under Condition 8 (*Negative Pledge*);

c) Cross-default: Any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of five million euros (EUR 5,000,000) or its equivalent in any other currency is accelerated prematurely because of an event of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof as extended by applicable grace period, if any, or if any security given by the Issuer for any such Indebtedness becomes enforceable by reason of an event of default. A Noteholder shall not be entitled to demand repayment under this paragraph (c) if the Issuer or any of its Material Subsidiaries has bona fide contested the existence of the occurrence of an Event of Default under this paragraph (c) as long as it has not been finally and adversely adjudicated against the Issuer or the Material Subsidiary, as applicable, without any appeal period;

   "**Indebtedness**" means, for the purposes of these Terms and Conditions, interest bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries, excluding all intra-group loans.

d) Cessation of Business: The Issuer ceases to carry on its current business in its entirety;

e) Winding-up: An order is made or an effective resolution is passed for the winding-up (Fin. *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (Fin. *perusteeton*) or vexatious (Fin. *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis or (iii) such applications that are contested in good faith and as long as such application has not been finally and adversely adjudicated against the Issuer or its Material Subsidiary without any appeal period; and

f) Insolvency: (i) The Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors (excluding any Noteholder in its capacity as such) or (iii) an application is filed for the Issuer or any of its Material Subsidiaries being subject to bankruptcy (Fin. *konkurssi*) or re-organisation proceedings (Fin. *yrityssaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days.

"**Material Subsidiary**" means for the purposes of these Terms and Conditions, at any time, any subsidiary of the Issuer:

(i) whose net sales (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent not less than ten (10) per cent of the consolidated net sales or the consolidated total assets of the Issuer's group (as defined below) taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then most recent audited consolidated financial statements of the Issuer's group; or

(ii) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

"**subsidiary**" and "**group**" mean a subsidiary and a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended) (Fin. *kirjanpitolaki*).

In respect of an Event of Default specified in sub-Clause (b) – (f) above, the Issuer shall notify each Noteholder in accordance with Condition 14 (*Notices and Right to Information*) without undue delay after becoming aware of the respective Event of Default.

12. Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

13. Noteholders' Meeting and Procedure in Writing

a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. EFi and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of EFi.

b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 14 (*Notices and Right to Information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

c) Only those who, according to the register kept by EFi in respect of the Notes, were registered as Noteholders on the fifth (5^{th}) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by EFi in accordance with Condition 14 (*Notices and Right to Information*), or proxies authorized by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

d) A Noteholders’ Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer.

e) A Noteholders’ Meeting or a Procedure in Writing shall constitute a quorum only if two (2) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders’ Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders’ Meeting or a Procedure in Writing shall constitute a quorum.

f) If, within thirty (30) minutes after the time specified for the start of the Noteholders’ Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders’ Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders’ Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders’ Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer, however not less than ten (10) and no more than forty-five (45) calendar days. The adjourned Noteholders’ Meeting or the extended Procedure in Writing shall constitute a quorum if two (2) or more Noteholders holding in aggregate at least ten (10) per cent of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders’ Meeting or provide/provides replies in the extended Procedure in Writing.

g) Notice of an adjourned Noteholders’ Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders’ Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 12(c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders’ Meeting or in the Procedure in Writing.

i) Subject to Condition 12(j) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.

j) A Noteholders’ Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

   (i) to amend these terms and conditions of the Notes; and

   (ii) to grant a temporary waiver on these terms and conditions of the Notes.

   However, consent of at least seventy-five (75) percent of the aggregate principal amount of the outstanding Notes is required to:

   (i) decrease the principal amount of or interest on the Notes;

   (ii) extend the maturity of the Notes;

   (iii) amend the requirements for the constitution of a quorum at a Noteholders’ Meeting or Procedure in Writing; or

   (iv) amend the majority requirements of the Noteholders’ Meeting or Procedure in Writing.

   The consents can be given at a Noteholders’ Meeting, in the Procedure in Writing or by other verifiable means.

   The Noteholders’ Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders’ Meeting or of the Procedure in Writing.

k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 12(i) or Condition 12(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by EFi in accordance with Condition 14 (*Notices and Right to Information*) on the date when such requisite majority is reached.

l) A representative of the Issuer and a person authorized to act for the Issuer may attend and speak at a Noteholders' Meeting.

m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing. Furthermore, EFi must be notified of the resolutions passed at the Noteholders' Meeting or in the Procedure in Writing in accordance with the rules of EFi.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

14. Notices and Right to Information

Noteholders shall be advised of matters relating to the Notes at least by (i) a notice published in Helsingin Sanomat or any other major Finnish daily newspaper selected by the Issuer or (ii) with a stock exchange release. Additionally, the Issuer may deliver notices on the Notes in writing directly to the Noteholders at the address appearing on the list of Noteholders provided by EFi in accordance with the below paragraph. Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Condition 14 (*Notices and Right to Information*).

The Noteholders consent to Issuer being entitled to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the relevant book-entry securities system from EFi and EFi shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation applicable to the same. If requested by the Issuer Agent, the Issuer shall promptly obtain such information from EFi and provide it to the Issuer Agent. The Issuer may also on a case by case basis authorise the Issuer Agent or any third party to receive the information referred to above from EFi.

15. Force Majeure

The Issuer, the Arranger, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

(a) action of the authorities, war or threat of war, rebellion or civil unrest;

(b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Arranger, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;

(c) any interruption of or delay in any functions or measures of the Issuer, the Arranger, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Arranger, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

(e) any other similar force majeure or hindrance which makes it unduly difficult to carry on the activities of the Issuer, the Arranger, the Issuer Agent or the Paying Agent.

16. Prescription

In the case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by such Noteholder and the Issuer shall be permanently free from such payment.

17. Further Issues

The Issuer may from time to time, without the consent of or notice to the Noteholders, create and issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 17 shall not limit the Issuer's right to issue any other notes.

18. Information

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Valimotie 27, 00380 Helsinki, Finland and at Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, Helsinki, FI-00075 DANSKE BANK, Finland.

19. Listing and Secondary Market

An application will be made to, with the aim of having the Notes listed on, the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

20. Purchases

The Issuer may at any time purchase Notes in any manner and at any price it deems appropriate. If the purchases are made by a tender offer, tender offers must be available to all Noteholders alike. The Issuer shall in its sole discretion be entitled to cancel, dispose of or hold the Notes so purchased.

21. Applicable Law and Jurisdiction

The Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.

Any disputes relating to the Notes shall be settled in the Finnish courts, the District Court of Helsinki (Fin. *Helsingin käräjäoikeus*) being the court of first instance.

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