



Lassila & Tikanoja plc

29 April 2008

Jari Sarjo, President and CEO

Highlights of Q108

- Net sales EUR 147.3m (EUR 129.1m) +14.1% (yoy)
 - Organic growth 7.2% (yoy) was boosted by successful new sales
- Operating profit EUR 22.8m (EUR 9.2m); operating profit excluding non-recurring and imputed items EUR 8.8m (EUR 10.3m)
 - Capital gain on sale of Ekokem shares boosted the operating profit by EUR 14.3m
 - Changes in fair values of oil derivatives burdened the result by EUR 0.3m
 - Mild winter resulted in lower demand of recovered fuels and bio fuels and increased the raw material procurement costs of L&T Biowatti
 - Result of foreign operations improved

Highlights of Q108

Environmental Services; Operating profit EUR 8.4m (EUR 8.8m)

- Strong organic growth continued in waste management thanks to new sales. New technical solutions improved the efficiency.
- Procurement costs of certain waste materials increased in recycling services. The tyre recycling agreement (expired 2006) boosted the comparison period figures.
- L&T Biowatti's result was burdened by mild winter resulting in lower fuel deliveries and higher raw material procurement costs. Lower than expected demand is estimated to continue also during Q2.
- Operations in Russia and Latvia developed positively.

Highlights of Q108

Property and Office Support Services; operating profit EUR 1.6m (EUR 1.1m)

- Strong organic growth continued
- Performance of both product lines improved in Finland
- New service concepts were introduced
- The result of foreign operations improved, particularly in Russia

Industrial Services; operating profit EUR -0.9m (EUR -0.1m)

- Difficulties in recovered fuel supplies and rapid fluctuations in demand burdened the result. Exceptionally high demand in the comparison period.
- Changes in fair values of oil derivatives burdened operating profit by EUR 0.3 million (EUR 1.1 million)

Current issues

- The extension of Kerava plant is already under construction doubling its capacity during 2009-2010 and improving the recovery rate.
- Due to technical reasons the landfill capacity in Kerava (capital area) is lower than originally estimated. This causes increased final disposal costs during the second half of 2008.
- L&T Biowatti will build two wood pellet plants this year and strengthen its procurement organisation.
- L&T Recoil's re-refinery is under construction with expected completion later this year.

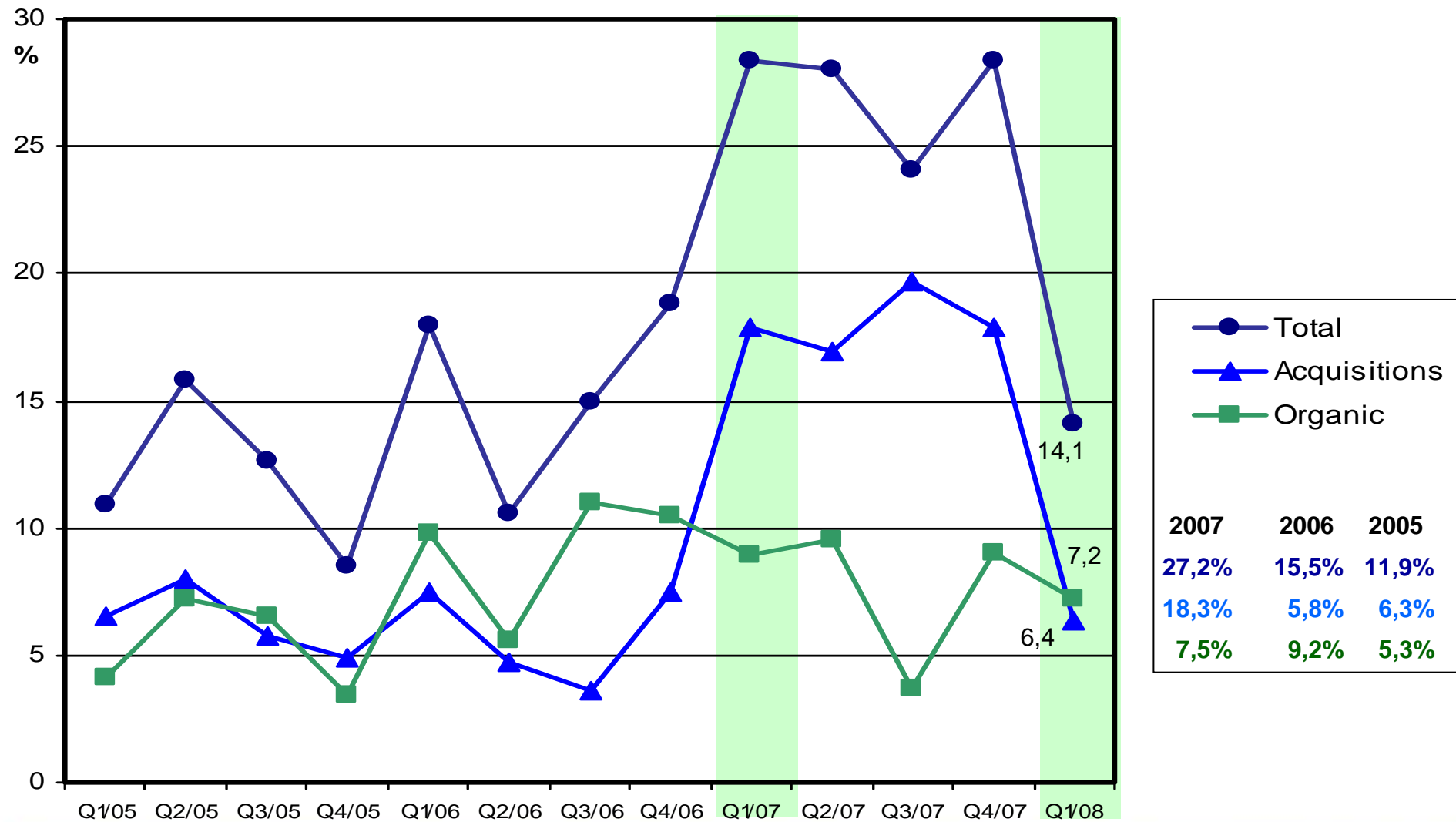
Financial summary

	Q108	Q107	Change %	Q1-Q4 /2007
Net sales, EUR million	147.3	129.1	14.1	554.6
Operating profit excl. non-recurring and imputed items, EUR million	8.8	10.3		54.3
Operating profit, EUR million	22.8	9.2		48.8
Operating margin, %	15.5	7.1		8.8
Profit before taxes, EUR million	21.7	8.3		44.5
Earnings per share, EUR	0.51	0.15		0.83
EVA, EUR million	15.7	3.6		23.0

Net sales by division

EUR million	Q108	Q107	Change %
Environmental Services	75.5	65.4	15.4
Property and Office Support Services	55.6	48.7	14.1
Industrial Services	17.4	16.2	7.6
Group administration and other	0	3	
Inter-division net sales	-1.1	-1.2	
Total	147.3	129.1	14.1

Growth in net sales 2005 - 2008



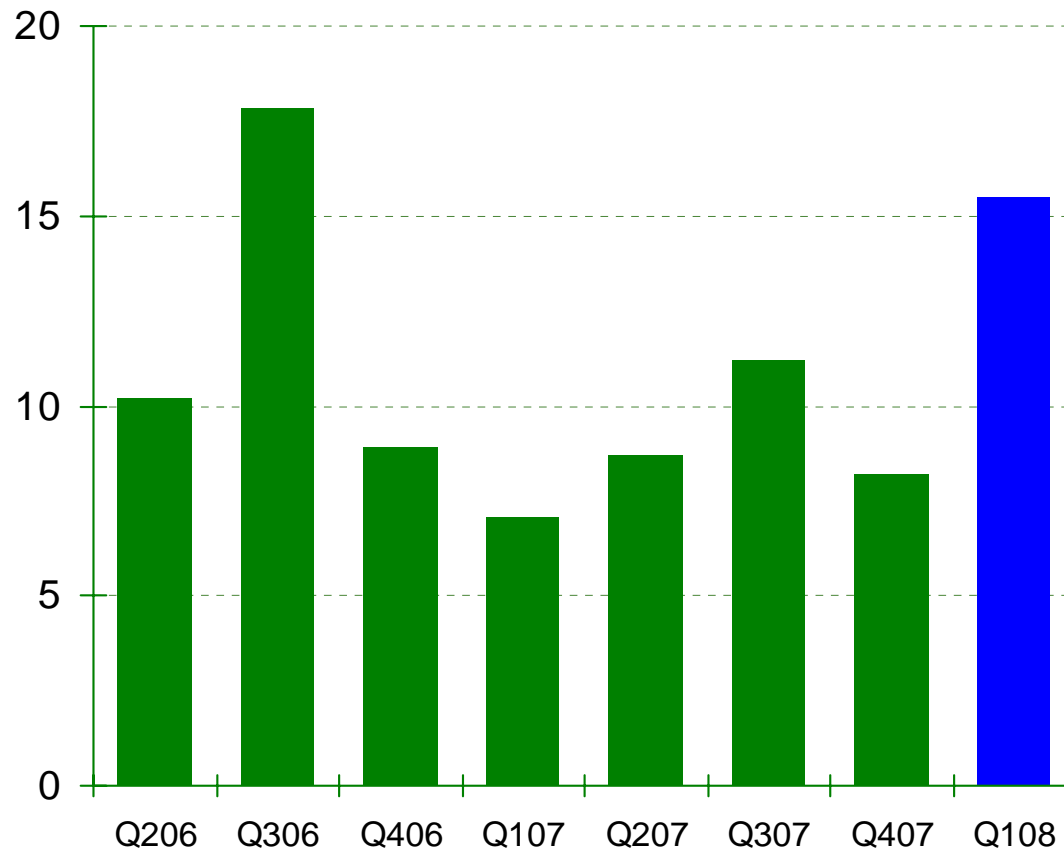
Earnings by division

EUR million	Q108	Q107	Change %
Environmental Services	8.4	8.8	-0.4
Property and Office Support Services	1.6	1.1	48.0
Industrial Services	-0.9	-0.1	
Group administration and other	13.7	-0.6	
Total operating profit	22.8	9.2	
Operating margin	15.5	7.1	

Key figures

	Q108	Q107	2007
Earnings/share, EUR	0.51	0.15	0.83
Return on equity, % (ROE)	38.5	14.4	17.0
Return on invested capital, % (ROI)	29.5	14.6	17.6
Equity ratio, %	48.8	40.5	46.6
Gearing, %	42.1	54.6	42.7
EVA, EUR million	15.7	3.6	23.0
Capital expenditure, EUR million	14.1	47.2	93.2
Depreciation and amortisation, EUR million	9.2	7.7	33.4
Total number of full-time and part-time employees at end of period	9.532	8.805	9.387

Operating margin by quarter



Operating margin by division

Quarterly figures

%	Q108	Q1- Q407	Q407	Q307	Q207	Q107	Q1- Q406	Q406	Q306	Q206
Environmental Services	11.2	12.5	11.2	14.3	11.3	13.4	16.0	13.2	19.1	15.8
Property and Office Support Services	2.9	5.4	7.3	8.1	3.5	2.2	5.2	2.6	11.7	3.6
Industrial Services	-5.1	6.3	0.9	10.7	13.3	-0.9	14.0	16.6	20.2	11.9
Lassila & Tikanoja	15.5	8.8	8.2	11.2	8.7	7.1	11.5	8.9	17.8	10.2

Prospects for the rest of the year 2008 (1)

The demand prospects for Lassila & Tikanoja's markets remain mostly good. Cost development and passing the rise in the costs on to prices, however, will be challenging. Organic growth is expected to remain strong. Full-year net sales are expected to increase in line with the long-term target, which is more than 10 per cent. The operating profit excluding non-recurring and imputed items is expected to remain at the same level as in the previous year. Earnings will improve due to the gain on the sale of the Ekokem shares.

The demand for Environmental Services is expected to remain good. Increased plant capacity and a versatile service offering will probably improve L&T's market position. Increasing the capacity of recycling plants and landfills will continue along with geographical expansion in Russia.

The second mild winter in a row hampered forest harvesting work and increased the costs of L&T Biowatti's raw materials and subcontracted services. The demand for fuels is expected to remain lower than previously expected also during the second quarter as customers are spending their excess inventory spared during the winter. During the rest of the year, L&T Biowatti will continue to make efforts to strengthen its procurement organisation and collection equipment for forest processed chips and build two pellet-producing plants, one of which will be introduced into use in the summer and the other at the end of the year. L&T Biowatti's full-year earnings are expected to remain below the target. The operating profit of Environmental Services as a whole is expected to match or exceed the previous year's level. However, a potential slowdown in new construction may be reflected in the intake volumes of recycling plants.

Prospects for the rest of the year 2008 (2)

The market outlook for Property and Office Support Services remains good even though the competitive situation is expected to remain challenging and margins are expected to remain tight. Costs in Finland are increased by a rise in social security costs. Earnings from international operations are expected to improve but the full-year result is expected to remain slightly negative. Increasing net sales are a focal point for improving the profitability of international operations. The division's operating profit is expected to remain at the same level as in the previous year.

The market outlook for Industrial Services is still mostly positive. Demand seems to have returned to normal at the end of the review period, and L&T's position in the market has strengthened. Wastewater services and damage repair services will increase their capacity and improve their service ability in Finland. The construction of L&T Recoil's re-refinery is progressing, and the plant is expected to be completed towards the end of the year. The full-year operating profit of Industrial Services is expected to increase provided that the world market price of crude oil will not increase substantially and the testing stage of the re-refinery will not become longer than expected.

Investments are expected to fall short of the previous year's level, with main emphasis on organic growth.