LASSILA & TIKANOJA

5 May 2009

LASSILA & TIKANOJA PLC
INTERIM REPORT 1 JANUARY – 31 MARCH 2009

- **Net sales EUR 146.4 million (EUR 147.3 million)**
- **Operating profit EUR 10.0 million (EUR 22.8 million)**
- **Operating profit excluding non-recurring and imputed items EUR 11.2 million (EUR 8.8 million)**
- **Earnings per share EUR 0.16 (EUR 0.51)**
- **Full-year net sales and operating profit excluding non-recurring and imputed items are expected to reach the previous year's level.**

GROUP NET SALES AND FINANCIAL PERFORMANCE

Lassila & Tikanoja's net sales for the first quarter totalled EUR 146.4 million (EUR 147.3 million). Operating profit amounted to EUR 10.0 million (EUR 22.8 million), representing 6.8% (15.5%) of net sales. Operating profit excluding non-recurring and imputed items was EUR 11.2 million (EUR 8.8 million). Earnings per share were EUR 0.16 (EUR 0.51). The capital gain of EUR 14.3 million from the sale of Ekokem shares boosted the operating profit and earnings in the comparison period.

Net sales and operating profit improved in Property and Office Support Services and in Industrial Services while net sales and profitability of Environmental Services declined from the comparison period. The sustained low prices of secondary raw materials and low demand continued to erode the financial performance of recycling services, and L&T Biowatti's performance was burdened by the lower operating rates in the forest industry and weaker demand for wood-based biofuels.

A non-recurring restructuring expense of EUR 1.2 million arising from production efficiency enhancement measures to adapt operation and costs to the current market situation, was recorded for the first quarter.

Financial summary

	1-3/ 2009	**1-3/ 2008**	**Change %**	**1-12/ 2008**
Net sales, EUR million	**146.4**	147.3	-0.6	**606.0**
Operating profit excluding non-recurring and imputed items, EUR million*	**11.2**	8.8	27.3	**45.0**
Operating profit, EUR million	**10.0**	22.8	-56.3	**55.5**
Operating margin, %	**6.8**	15.5		**9.2**
Profit before tax, EUR million	**8.3**	21.7	-61.8	**50.7**
Earnings per share, EUR	**0.16**	0.51	-68.6	**1.03**
EVA, EUR million	**2.0**	15.7	-87.3	**25.0**

* Breakdown of operating profit excluding non-recurring and imputed items is presented at the end of the explanatory statement.

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

The net sales of Environmental Services (waste management, recycling services, L&T Biowatti, environmental products) in the first quarter amounted to EUR 72.3 million (EUR 75.5 million), a decline of 4.2%. The operating profit was EUR 6.8 million (EUR 8.4 million). Operating profit excluding non-recurring and imputed items was EUR 7.7 million (EUR 8.4 million).

Net sales and profitability of waste management remained at the same level as last year.

The net sales and profitability of recycling services declined, primarily due to shrinking volumes of recyclable waste materials. Demand for recovered fuels and recycled wood chips picked up in the first quarter but low market prices and weak demand for secondary raw materials (plastics, fibres, metals) persisted.

Construction of added capacity at the Kerava recycling plant continued. The new recycled timber unit will be completed in the second quarter. The investment programme for further construction has been changed: the next stage will be a combined plant comprising a combined recycling plant for construction and trade and industry waste, which will be completed in 2010. Consequently, the investment will be smaller than originally estimated.

L&T Biowatti failed to reach its targets due to lower operating rates in the forest industry and lower harvesting volumes. Demand for biofuels was lower than expected in the first quarter. This decline in demand can be attributed to low electricity production volumes and the low price of emission rights, combined with the falling prices of coal and oil. The forestry service organisation set up to boost energy wood procurement became fully operative in January.

Measures to enhance production efficiency continued in the international operations of Environmental Services, and profitability remained good.

Property and Office Support Services

The net sales of Property and Office Support Services (property maintenance and cleaning services) grew by 3.2% to EUR 61.1 million (EUR 59.3 million) in the first quarter. The operating profit was EUR 3.4 million (EUR 1.6 million), and operating profit excluding non-recurring and imputed items was EUR 3.6 million (EUR 1.6 million).

In Finland, net sales grew, particularly in property maintenance, and additional services sold well regardless of the economic turbulence. In the damage repair services business, which was transferred from the Industrial Services division, sizeable projects arose in this quarter. The division's performance in Finland improved, thanks to production efficiency improvement measures and fixed cost cuts.

Net sales from Sweden and Russia declined primarily as a result of the weakening of the Swedish krona and the Russian rouble, while net sales from Latvia grew. The Russian and Latvian operations posted a positive result. Although the result from the Swedish operations improved, operations continued to make a loss. In Sweden, the reorganisation programme designed to improve profitability will continue. The Russian cleaning services were awarded a certificate for compliance with the ISO 9001 quality standards at the end of the quarter.

Industrial Services

The net sales of Industrial Services (hazardous waste management, industrial solutions, wastewater services, L&T Recoil) were up by 8.5% to EUR 14.9 million in the first quarter (EUR 13.7 million). Operating profit was EUR 0.3 million (EUR -0.9 million), and operating profit excluding non-recurring and imputed items was EUR 0.4 million (EUR -0.6 million).

The division's net sales grew and profitability improved thanks to major project-type assignments in the first quarter. Moreover, hazardous waste volumes dropped sharply during the first quarter. Operating rate fluctuations in the industry presented a major challenge to production adjustment efforts.

Demand for wastewater services in the first quarter was weaker than anticipated but returned to normal towards the end of the period. New industrial partnerships were launched in industrial solutions.

Costs associated with the storage of raw materials for the L&T Recoil re-refinery and the start-up of operations burdened the financial performance. The ramp-up of the production will begin in May.

LASSILA & TIKANOJA

5 May 2009

FINANCING

At the end of the period, interest-bearing liabilities amounted to EUR 70.9 million more than a year earlier. Net interest-bearing liabilities, totalling EUR 116.2 million, increased by EUR 28.7 million from the comparison period and decreased by EUR 4.3 million from the beginning of the year.

Net finance costs amounted to EUR 1.7 million (EUR 1.1 million). They increased as a result of the growth in the interest-bearing liabilities. An expense of EUR 0.1 million (EUR 0.1 million) arising from changes in the fair values of interest rate swaps was recognised in the finance costs. Net finance costs were 1.2% (0.7%) of net sales and 16.9% (4.8%) of operating profit.

A total of EUR 0.4 million arising from the interest rate swaps to which hedge accounting under IAS 39 is applied, was recognised as a decrease in equity.

The equity ratio was 37.1% (48.8%) and the gearing rate 61.4 (42.1). In order to strengthen liquidity, the company increased its liquid assets by drawing new loans towards the end of the year 2008 and in the beginning of 2009. At the end of the period the amount of liquid assets exceeded that of the comparison period by EUR 42.2 million. This year’s Annual General Meeting was held already in March. At the end of the period dividends, totalling EUR 21.3 million, were therefore included in non-interest-bearing liabilities this year while they were included in equity in the comparison period. In the first quarter two long-term loans were drawn, a pension institution loan of EUR 14 million and a loan of EUR 10 million granted by the Nordic Investment Bank for the extension of the Kerava recycling plant.

Cash flows from operating activities amounted to EUR 15.7 million (EUR 11.6 million), and EUR 2.6 million were tied up in the working capital (EUR 1.6 million).

DIVIDEND

The Annual General Meeting held on 24 March 2009 resolved on a dividend of EUR 0.55 per share. The dividend, totalling EUR 21.3 million, was paid to the shareholders on 3 April 2009.

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 12.3 million (EUR 14.1 million). The largest construction projects were L&T Recoil re-refinery and the extension of the Kerava recycling plant.

PERSONNEL

In January-March, the average number of employees converted into full-time equivalents was 8,069 (7,936). At the end of the period, the total number of full-time and part-time employees was 9,112 (9,532). Of them 7,001 (7,077) people worked in Finland and 2,111 (2,455) people in other countries.

SHARE AND SHARE CAPITAL

Traded volume and price

The volume of trading in Lassila & Tikanoja plc shares on NASDAQ OMX Helsinki from January through March was 1,424,322, which is 3.7% (12.1%) of the average number of shares. The value of trading was EUR 15.3 million (EUR 88.9 million). The trading price varied between EUR 9.40 and EUR 12.09. The closing price was EUR 9.42. The market capitalisation was EUR 365.5 (EUR 698.3 million) at the end of the period.

LASSILA & TIKANOJA

5 May 2009

Share capital
The company's registered share capital amounts to EUR 19,399,437, and the number of the shares to 38,798,874 shares.

Share option scheme 2005
In 2005, 600,000 share option rights were issued, each entitling its holder to subscribe for one share of Lassila & Tikanoja plc. In the beginning of the exercise period, 25 key persons held 162,000 2005A options and 32 key persons held 176,000 2005B options. 38 key persons hold 203,000 2005C options. L&T Advance Oy, a wholly-owned subsidiary of Lassila & Tikanoja plc, holds 8,000 2005A options, 24,000 2005B options and 27,000 2005C options and these options will not be exercised.

The exercise price for the 2005A options is EUR 14.22, for 2005B options EUR 16.98 and for 2005C options EUR 26.87. The exercise period for 2005A options is 2 November 2007 to 29 May 2009, for 2005B options 3 November 2008 to 31 May 2010, and for 2005C options 2 November 2009 to 31 May 2011.

The outstanding options issued under the share option plan 2005 entitle their holders to subscribe for a maximum of 1.4% of the current number of shares. The 2005A options have been listed on NASDAQ OMX Helsinki since 2 November 2007 and 2005B options since 2 January 2009.

Share option scheme 2008
In 2008, 230,000 share option rights were issued, each entitling its holder to subscribe for one share of Lassila & Tikanoja plc. 39 key persons hold 202,000 options and L&T Advance Oy 28,000 options.

The exercise price for the 2008 options is EUR 16.27. The exercise price of the share options shall, as per the dividend record date, be reduced by the amount of dividend which exceeds 70% of the profit per share for the financial period to which the dividend applies. However, only such dividends whose distribution has been agreed upon after the option pricing period and which have been distributed prior to the share subscription are deducted from the subscription price. The exercise price shall, however, always amount to at least EUR 0.01. The exercise period will be from 1 November 2010 to 31 May 2012.

As a result of the exercise of the outstanding 2008 share options, the number of shares may increase by a maximum of 202,000 new shares, which is 0.5% of the current number of shares.

Share-based incentive programme
Lassila & Tikanoja plc's Board of Directors decided at a meeting held on 24 March 2009 on a share-based incentive programme. The programme includes three earnings periods one year each, of which the first one began on 1 January 2009 and the last one ends on 31 December 2011. The basis for the determination of the reward is decided annually. Potential rewards to be paid for the year 2009 will be based on the EVA result of Lassila & Tikanoja group. Potential rewards will be paid during the year following each earnings period partly as shares and partly in cash. The proportion paid in cash will cover taxes arising from the reward. In the starting phase the programme covers 28 persons.

A maximum total of 180,000 Lassila & Tikanoja plc shares may be paid out on the basis of the programme. The shares will be obtained in public trading, and therefore the incentive programme will have no diluting effect on the share value.

Shareholders
At the end of the financial period, the company had 6,476 (5,263) shareholders. Nominee-registered holdings accounted for 8.7% (11.3%) of the total number of shares.

Notifications on major holdings
On 30 April 2009, Ilmarinen Mutual Pension Insurance Company announced that its holding of the shares and votes in Lassila & Tikanoja plc had fallen to 7.6%.

Authorisation for the Board of Directors
The Annual General Meeting held on 24 March 2009 authorised Lassila & Tikanoja plc's Board of Directors to make decisions on the repurchase of the company's own shares using the company's unrestricted equity and on the issuance of these shares. Shares will be repurchased otherwise than in proportion to the

existing shareholdings of the company's shareholders in public trading on the NASDAQ OMX Helsinki Ltd at the market price quoted at the time of the repurchase.

The Board of Directors is authorised to repurchase and transfer a maximum of 500,000 company shares, which is 1.3% of the total number of shares. The repurchase authorisation will be effective for 18 months and the share issue authorisation for four years. The Board has not exercised these authorisations during the review period.

The Board of Directors is not authorised to launch a convertible bond or share option rights.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 24 March 2009, adopted the financial statements for the financial year 2008 and released the members of the Board of Directors and the President and CEO from liability. The AGM resolved that a dividend of EUR 0.55, a total of EUR 21.3 million, as proposed by the Board of Directors, be paid for the financial year 2008. The dividend payment date was resolved to be 3 April 2009.

The Annual General Meeting confirmed the number of the members of the Board of Directors six. The following Board members were re-elected to the Board until the end of the following AGM: Heikki Bergholm, Eero Hautaniemi, Matti Kavetvuo, Juhani Lassila and Juhani Maijala. Hille Korhonen was elected as a new member for the same term.

PricewaterhouseCoopers Oy, Authorised Public Accountants, were elected auditors with Heikki Lassila, Authorised Public Accountant, acting as Principal Auditor.

The Annual General Meeting approved the Board's proposals to amend article 11 of the Articles of Association and to authorise the Board of Directors to repurchase the company's own shares and to issue shares.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 25 March 2009.

BOARD OF DIRECTORS

The members of the Board of Directors are Heikki Bergholm, Eero Hautaniemi, Matti Kavetvuo, Hille Korhonen, Juhani Lassila and Juhani Maijala. In its constitutive meeting the Board re-elected Juhani Maijala as Chairman of the Board and Juhani Lassila as Vice Chairman. The Board decided to establish an audit committee. From among its members, the Board elected Juhani Lassila as chairman and Eero Hautaniemi and Hille Korhonen as members of the audit committee.

SUMMARY OF STOCK EXCHANGE RELEASES PURSUANT TO ARTICLE 7, CHAPTER 2 OF THE SECURITIES MARKETS ACT

In a release published on 25 March 2009, the company announced that Lassila & Tikanoja plc's Board of Directors decided at a meeting held on 24 March 2009 on a share-based incentive programme. The programme includes three earnings periods one year each, of which the first one began on 1 January 2009 and the last one ends on 31 December 2011. The basis for the determination of the reward is decided annually. Potential rewards to be paid for the year 2009 will be based on the EVA result of Lassila & Tikanoja group. Potential rewards will be paid during the year following each earnings period partly as shares and partly in cash. The proportion paid in cash will cover taxes arising from the reward. In the starting phase the programme covers 28 persons.

A maximum total of 180,000 Lassila & Tikanoja plc shares may be paid out on the basis of the programme. The shares will be obtained in public trading, and therefore the incentive programme will have no diluting effect on the share value.

LASSILA & TIKANOJA

5 May 2009

NEAR-TERM UNCERTAINTIES

A deeper and prolonged economic recession may reduce transport and recycling volumes and the number of commissioned assignments. Indeed, the slowdown in the construction business has already translated into lower construction waste volumes. If the market price instability of secondary raw materials persists and demand remains low, this will have a negative effect on the profitability of recycling services. Rapid fluctuations in demand for services purchased by the industry may hamper the planning and implementation of work.

Delays in the ramp-up of L&T Recoil plant may affect the Industrial Services division's operating profit. Operating profit will also decline if the price of crude oil stays at the current low level, because the price of base oil follows crude oil price developments with a delay.

If the operating rate in the forest industry continues to be low, this may hamper L&T Biowatti's procurement of by-products for raw material. The availability of raw material required for pellet production has deteriorated and prices are high. At the moment, imported pellets are considerably cheaper than pellets produced in Finland.

The uncertain outlook of the Latvian economy and more intense competition may prove detrimental to the profitability of Riga's waste management business.

PROSPECTS FOR THE REST OF THE YEAR

Although the markets in which L&T primarily operates are low-cyclical, the economic recession is impacting on demand for L&T's services.

Waste material transport and recycling volumes are expected to decline further towards the year-end. Meanwhile, secondary raw materials are expected to be affected by weak demand and low market prices over the next few months. Operating rates in the forest industry continue to be low, which will affect L&T Biowatti's raw material procurement. At the same time, low fossil fuel prices will restrict wood-based biofuel demand and pricing.

Property and Office Support Services will continue to experience fierce competition and increased competitive bidding. The economic uncertainty will hold back new and additional sales, and the number of services will be reduced when contracts are renewed.

The Industrial Services division's market conditions are expected to remain challenging throughout the year. However, as in the previous years, demand is expected to pick up after the first quarter. Lower operating rates in the industry will reduce hazardous waste volumes and rapid fluctuations in demand will make the identification of the correct production adjustment measures difficult.

Full-year net sales and operating profit excluding non-recurring and imputed items are expected to reach the previous year's level. This requires success in the adaptation of operations and costs as well as the start-up of the operation of L&T Recoil according to plan.

LASSILA & TIKANOJA

5 May 2009

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING AND IMPUTED ITEMS

EUR million	1-3/2009	1-3/2008	1-12/2008
Operating profit	**10.0**	22.8	55.5
Non-recurring items			
Impairment loss on goodwill of business in Sweden			3.1
Discontinuation of soil washing services			2.6
Loss on sale of business in Norway			1.1
Gain on sale of the shares of Ekokem		-14.3	-14.3
Oil derivatives		0.3	-3.0
Restructuring expenses	**1.2**		
Operating profit excluding non-recurring and imputed items	**11.2**	8.8	45.0

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–31 MARCH 2009

ACCOUNTING POLICIES

This interim financial report is in compliance with IAS 34 Interim Financial Reporting standard. The same accounting policies as in the annual financial statements for the year 2008 have been applied. These interim financial statements have been prepared in accordance with the IFRS standards and interpretations as adopted by the EU.

The following new standards and amendments to standards that have become effective in 2009 have had an impact on the financial statements in this interim financial report:

IFRS 8 Operating Segments

The IFRS 8 Operating Segments standard has replaced the Segment Reporting standard (IAS 14). IFRS 8 requires that segment information is prepared under the management approach. Segment information shall be presented on the same basis as that used for internal reporting provided to the management and using the accounting policies applied in that reporting. The adoption of IFRS 8 does not impose any significant changes on L&T’s segment reporting as the previous segment reporting was based on the internal reporting structure. The internal reporting is consistent with the IFRS-standards. The reportable segments have remained unchanged, but a change has been made between Property and Office Support Services and Industrial Services, because damage repair services were transferred to Property and Office Support Services. To the rest of the segment information, to the basis of segment division and to the measurement of profit or loss the same principles have been applied as in the annual financial statements. As previously, operating profit is used as a measure of a segment’s profit or loss. However, unlike in previous interim reports, the segments’ net sales are divided into external net sales and inter-division net sales and a reconciliation of operating profit to the consolidated profit before tax is presented. The adoption of the standard will result in changes in the notes to the financial statements for the financial year as well.

IAS 1 (Amendment) Presentation of Financial Statements

The revised standard has changed the presentation of the income statement and the statement of changes in equity. According to the revised standard, only owner changes in equity are presented in the statement of changes in equity. Changes in equity during the period resulting from transactions and other events other than those changes resulting from transactions with owners in their capacity as owners, are presented in a statement of comprehensive income. The income statement may be presented in a single statement of comprehensive income or in two statements. L&T has adopted two separate statements: a separate income statement displaying components of profit or loss and a second statement beginning with profit or loss and displaying components of other comprehensive income. The titles of two statements have changed: the balance sheet is now referred to as ‘statement of financial position’ and the cash flow statement as ‘statement of cash flows’.

Income tax expense is based on the estimated average annual income tax rate.

LASSILA & TIKANOJA

5 May 2009

The preparation of financial statements in accordance with IFRS require the management to make such estimates and assumptions that affect the carrying amounts at the balance sheet date for the assets and liabilities and the amounts of revenues and expenses. Judgements are also made in applying the accounting policies. Actual results may differ from the estimates and assumptions.

The interim financial statements have not been audited.

CONSOLIDATED INCOME STATEMENT

EUR 1000	**1-3/2009**	**1-3/2008**	**Change %**	**1-12/2008**
Net sales	**146 432**	147 331	-0.6	605 996
Cost of goods sold	**-129 230**	-131 802	-2.0	-533 681
Gross profit	**17 202**	15 529	10.8	72 315
Other operating income	**351**	14 926	-97.6	21 708
Selling and marketing costs	**-4 069**	-3 891	4.6	-16 228
Administrative expenses	**-2 681**	-3 075	-12.8	-12 105
Other operating expenses	**-818**	-654	25.1	-7 102
Goodwill impairment				-3 090
Operating profit	**9 985**	22 835	-56.3	55 498
Finance income	**411**	394	4.3	1 931
Finance costs	**-2 096**	-1 494	40.3	-6 737
Profit before tax	**8 300**	21 735	-61.8	50 692
Income tax expense	**-2 200**	-2 002	9.9	-10 724
Profit for the period	**6 100**	19 733	-69.1	39 968
Attributable to:				
Equity holders of the company	**6 104**	19 724		39 969
Minority interest	**-4**	9		-1
Earnings per share for profit attributable to the equity holders of the company:				
Basic earnings per share, EUR	**0.16**	0.51		1.03
Diluted earnings per share, EUR	**0.16**	0.51		1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	**1-3/2009**	**1-3/2008**	**1-12/2008**
Profit for the period	**6 100**	19 733	39 968
Other comprehensive income, after tax			
Hedging reserve, change in fair value	**-434**	-314	-972
Current available-for-sale investments			
Gains in the period	**73**	-1	29
Reclassification adjustments		-14 238	-14 238
Current available-for-sale investments	**73**	-14 239	-14 209
Currency translation differences	**-309**	-110	-1 862
Other comprehensive income, after tax	**-670**	-14 663	-17 043
Total comprehensive income, after tax	**5 430**	5 070	22 925
Total comprehensive income attributable to:			
Equity holders of the company	**5 448**	5 067	22 950
Minority interest	**-18**	3	-25

Breakdown of income tax is presented in the notes under ‘Tax effects of components of other comprehensive income’.

LASSILA & TIKANOJA

5 May 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	3/2009	3/2008	12/2008
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	**115 401**	120 028	115 451
Customer contracts arising from acquisitions	**6 869**	7 597	7 346
Agreements on prohibition of competition	**12 667**	14 680	13 270
Other intangible assets arising from business acquisitions	**4 678**	6 904	5 158
Other intangible assets	**11 794**	11 944	11 402
	151 409	161 153	152 627
Property, plant and equipment			
Land	**3 832**	3 532	3 832
Buildings and constructions	**42 599**	38 614	43 958
Machinery and equipment	**113 775**	104 736	113 851
Other	**79**	82	78
Advance payments and construction in progress	**39 368**	9 682	35 433
	199 653	156 646	197 152
Other non-current assets			
Available-for-sale investments	**502**	408	502
Finance lease receivables	**4 893**	4 337	4 694
Deferred income tax assets	**1 223**	1 015	945
Other receivables	**712**	621	689
	7 330	6 381	6 830
Total non-current assets	**358 392**	324 180	356 609
Current assets			
Inventories	**17 729**	12 330	18 827
Trade and other receivables	**80 815**	78 639	74 634
Derivative receivables	**29**	667	112
Advance payments	**4 103**	3 019	986
Available-for-sale investments	**36 958**	2 991	20 368
Cash and cash equivalents	**19 391**	11 160	6 149
Total current assets	**159 025**	108 806	121 076
TOTAL ASSETS	**517 417**	432 986	477 685

LASSILA & TIKANOJA

5 May 2009

EUR 1000	**3/2009**	**3/2008**	**12/2008**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the company			
Share capital	**19 399**	19 398	19 399
Share premium reserve	**50 673**	50 645	50 673
Other reserves	**-3 620**	-602	-2 964
Retained earnings	**116 622**	118 407	97 799
Profit for the period	**6 104**	19 724	39 969
	189 178	207 572	204 876
Minority interest	**144**	190	162
Total equity	**189 322**	207 762	205 038
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	**32 539**	29 606	32 898
Pension obligations	**687**	555	674
Long-term provisions	**1 923**	962	1 741
Long-term borrowings	**121 525**	80 039	102 487
Other liabilities	**1 177**	512	1 083
	157 851	111 674	138 883
Current liabilities			
Short-term borrowings	**51 040**	21 597	44 569
Trade and other payables	**117 624**	90 631	88 298
Derivative liabilities	**1 196**	1 127	610
Tax liabilities	**45**	131	273
Short-term provisions	**339**	64	14
	170 244	113 550	133 764
Total liabilities	**328 095**	225 224	272 647
TOTAL EQUITY AND LIABILITIES	**517 417**	432 986	477 685

LASSILA & TIKANOJA

5 May 2009

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	**3/2009**	**3/2008**	**12/2008**
Cash flows from operating activities			
Profit for the period	**6 100**	19 733	39 968
Adjustments			
Income tax expense	**2 200**	2 002	10 724
Depreciation, amortisation and impairment	**9 952**	9 239	40 985
Finance income and costs	**1 685**	1 100	4 806
Oil derivatives		263	-2 221
Gain on sale of shares		-14 258	-14 258
Discontinued operations			2 616
Other	**31**	-912	444
Net cash generated from operating activities before change in working capital	**19 968**	17 167	83 064
Change in working capital			
Change in trade and other receivables	**-11 473**	-8 498	3 502
Change in inventories	**1 085**	2 007	-4 492
Change in trade and other payables	**7 822**	4 862	3 152
Change in working capital	**-2 566**	-1 629	2 162
Interest paid	**-1 459**	-586	-5 953
Interest received	**320**	303	1 867
Income tax paid	**-562**	-3 616	-10 716
Net cash from operating activities	**15 701**	11 639	70 424
Cash flows from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired		-247	-4 298
Proceeds from sale of subsidiaries and businesses, net of sold cash			23
Purchases of property, plant and equipment and intangible assets	**-12 236**	-13 451	-77 542
Proceeds from sale of property, plant and equipment and intangible assets	**560**	681	789
Purchases of available-for-sale investments	**-1**	-1	-200
Change in other non-current receivables	**-18**	13	-11
Proceeds from sale of available-for-sale investments	**-4**	16 803	16 867
Dividends received			4
Net cash used in investing activities	**-11 699**	3 798	-64 368
Cash flows from financing activities			
Proceeds from shares issued		178	206
Change in short-term borrowings	**3 211**	-3 759	-4 593
Proceeds from long-term borrowings	**24 000**		47 000
Repayments of long-term borrowings	**-1 387**	-11 691	-14 546
Dividends paid			-21 315
Net cash generated from financing activities	**25 824**	-15 272	6 752

LASSILA & TIKANOJA

5 May 2009

EUR 1000	**3/2009**	**3/2008**	**12/2008**
Net change in liquid assets	**29 826**	165	12 808
Liquid assets at beginning of period	**26 517**	14 008	14 008
Effect of changes in foreign exchange rates	**-93**	-24	-339
Change in fair value of current available-for-sale investments	**99**	2	40
Liquid assets at end of period	**56 349**	14 151	26 517

Liquid assets

EUR 1000	**3/2009**	3/2008	12/2008
Cash and cash equivalents	**19 391**	11 160	6 149
Certificates of deposit	**36 958**	2 991	20 368
Total	**56 349**	14 151	26 517

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Revalu-ation and other reserves	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total equity
Equity at 1.1.2009	**19 399**	**50 673**	**-2 964**	**137 768**	**204 876**	**162**	**205 038**
Share option remuneration							
Remuneration expense of share options				193	193		193
Dividends paid				-21 339	-21 339		-21 339
Total comprehensive income			-656	6 104	5 448	-18	5 430
Equity at 31.3.2009	**19 399**	**50 673**	**-3 620**	**122 726**	**189 178**	**144**	**189 322**
Equity at 1.1.2008	**19 392**	**50 474**	**14 055**	**118 236**	**202 157**	**187**	**202 344**
Share option remuneration							
Subscriptions pursuant to 2005 options	6	171			177		177
Remuneration expense of share options				171	171		171
Total comprehensive income			-14 657	19 724	5 067	3	5 070
Equity at 31.3.2008	**19 398**	**50 645**	**-602**	**138 131**	**207 572**	**190**	**207 762**

LASSILA & TIKANOJA

5 May 2009

KEY FIGURES

	3/2009	**3/2008**	**12/2008**
Earnings per share, EUR	**0.16**	0.51	1.03
Earnings per share, EUR - diluted	**0.16**	0.51	1.03
Cash flows from operating activities per share, EUR	**0.40**	0.30	1.82
EVA, EUR million	**2.0**	15.7	25.0
Capital expenditure, EUR 1000	**12 287**	14 093	84 249
Depreciation, amortisation and impairment, EUR 1000	**9 952**	9 239	40 985
Equity per share, EUR	**4.88**	5.35	5.28
Return on equity, ROE, %	**12.4**	38.5	19.6
Return on invested capital, ROI, %	**11.6**	29.5	17.1
Equity ratio, %	**37.1**	48.8	43.2
Gearing, %	**61.4**	42.1	58.8
Net interest-bearing liabilities, EUR 1000	**116 216**	87 486	120 539
Average number of employees in full-time equivalents	**8 069**	7 936	8 363
Total number of full-time and part-time employees at end of period	**9 112**	9 532	9 490
Number of shares adjusted for issues, 1,000 shares			
average during the period	**38 799**	38 791	38 796
at end of period	**38 799**	38 797	38 799
average during the period, diluted	**38 799**	38 849	38 817

LASSILA & TIKANOJA

5 May 2009

SEGMENT INFORMATION

As of 2009, damage repair services was transferred from Industrial Services into Property and Office Support Services. Comparative figures have been restated accordingly.

NET SALES

EUR 1000	1-3/2009 External	1-3/2009 Inter-division	1-3/2009 Total	1-3/2008 External	1-3/2008 Inter-division	1-3/2008 Total	Total net sales, change %
Environmental Services	**71 605**	**710**	**72 315**	75 165	315	75 480	-4.2
Property and Office Support Services	**60 372**	**771**	**61 143**	58 638	615	59 253	3.2
Industrial Services	**14 455**	**407**	**14 862**	13 528	168	13 696	8.5
Eliminations		**-1 888**	**-1 888**		-1 098	-1 098	
L&T total	**146 432**	**0**	**146 432**	147 331	0	147 331	-0.6

EUR 1000	1-12/2008 External	1-12/2008 Inter-division	1-12/2008 Total
Environmental Services	298 260	1 810	300 070
Property and Office Support Services	240 549	2 672	243 221
Industrial Services	67 187	1 845	69 032
Eliminations		-6 327	-6 327
L&T total	605 996	0	605 996

OPERATING PROFIT

EUR 1000	1-3/2009	%	1-3/2008	%	1-12/2008	%
Environmental Services	**6 808**	9.4	8 423	11.2	32 255	10.7
Property and Office Support Services	**3 358**	5.5	1 626	2.7	5 907	2.4
Industrial Services	**277**	1.9	-895	-6.5	5 239	7.6
Group admin. and other	**-458**		13 681		12 097	
L&T total	**9 985**	6.8	22 835	15.5	55 498	9.2
Finance costs, net	**-1 685**		-1 100		-4 806	
Profit before tax	**8 300**		21 735		50 692	

LASSILA & TIKANOJA

5 May 2009

OTHER SEGMENT INFORMATION

EUR 1000	3/2009	3/2008	12/2008
Assets			
Environmental Services	**283 439**	259 543	273 722
Property and Office Support Services	**76 578**	82 559	75 747
Industrial Services	**97 856**	73 263	96 722
Group admin. and other	**569**	311	458
Non-allocated assets	**58 975**	17 310	31 036
L&T total	**517 417**	432 986	477 685
Liabilities			
Environmental Services	**44 166**	40 937	38 207
Property and Office Support Services	**37 383**	34 801	35 524
Industrial Services	**15 639**	15 640	15 440
Group admin. and other	**22 460**	665	1 071
Non-allocated liabilities	**208 447**	133 181	182 405
L&T total	**328 095**	225 224	272 647

EUR 1000	1-3/2009	1-3/2008	1-12/2008
Capital expenditure			
Environmental Services	**7 389**	6 337	41 823
Property and Office Support Services	**890**	2 563	9 679
Industrial Services	**4 006**	5 193	32 657
Group admin. and other	**2**		90
L&T total	**12 287**	14 093	84 249
Depreciation and amortisation			
Environmental Services	**6 251**	5 638	23 122
Property and Office Support Services	**2 230**	2 203	8 982
Industrial Services	**1 470**	1 396	5 788
Group admin. and other	**1**	1	3
L&T total	**9 952**	9 238	37 895
Impairment			
Property and Office Support Services			3 090
L&T total			3 090

LASSILA & TIKANOJA

5 May 2009

INCOME STATEMENT BY QUARTER

EUR 1000	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008	10-12/ 2007	7-9/ 2007	4-6/ 2007
Net sales								
Environmental Services	72 315	74 211	73 740	76 639	75 480	74 788	67 915	71 744
Property and Office Support Services	61 143	62 861	60 124	60 983	59 253	58 458	55 496	52 000
Industrial Services	14 862	18 062	19 091	18 183	13 696	16 207	16 357	16 232
Group admin. and other						1	3	3
Inter-division net sales	-1 888	-2 076	-1 712	-1 441	-1 098	-1 282	-1 202	-1 220
L&T total	146 432	153 058	151 243	154 364	147 331	148 172	138 569	138 759
Operating profit								
Environmental Services	6 808	5 957	9 723	8 151	8 423	8 372	9 730	8 104
Property and Office Support Services	3 358	-1 945	5 048	1 178	1 626	4 112	4 644	1 920
Industrial Services	277	1 529	3 465	1 140	-895	83	1 702	2 365
Group admin. and other	-458	-660	-653	-271	13 681	-468	-601	-349
L&T total	9 985	4 881	17 583	10 198	22 835	12 099	15 475	12 040
Operating margin								
Environmental Services	9.4	8.0	13.2	10.6	11.2	11.2	14.3	11.3
Property and Office Support Services	5.5	-3.1	8.4	1.9	2.7	7.0	8.4	3.7
Industrial Services	1.9	8.5	18.1	6.3	-6.5	0.5	10.4	14.6
L&T total	6.8	3.2	11.6	6.6	15.5	8.2	11.2	8.7
Finance costs, net	-1 685	-1 370	-1 346	-990	-1 100	-1 247	-1 294	-924
Profit before tax	8 300	3 511	16 237	9 208	21 735	10 852	14 181	11 116

TAX EFFECTS OF COMPONENTS OF OTHER COMPREHENSIVE INCOME

		31.3.2009			**31.3.2008**	
EUR 1000	**Before tax**	**Tax expense/ benefit**	**After tax**	**Before tax**	**Tax expense/ benefit**	**After tax**
Hedging reserve, change in fair value	**-587**	**153**	**-434**	-424	110	-314
Current available-for-sale investments	**99**	**-26**	**73**	-14 259	20	-14 239
Currency translation differences	**-448**	**139**	**-309**	-75	-35	-110
Components of other comprehensive income	**-936**	**266**	**-670**	-14 758	95	-14 663

BUSINESS ACQUISITIONS

No business acquisitions were made during the review period.

LASSILA & TIKANOJA

5 May 2009

CHANGES IN INTANGIBLE ASSETS

EUR 1000	1-3/2009	1-3/2008	1-12/2008
Carrying amount at beginning of period	**152 627**	162 117	162 117
Business acquisitions		174	3 057
Other capital expenditure	**1 061**	1 044	3 812
Disposals		-1	-2 762
Amortisation and impairment	**-2 212**	-2 229	-12 147
Transfers between items			2
Currency exchange differences	**-67**	48	-1 452
Carrying amount at end of period	**151 409**	161 153	152 627

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-3/2009	1-3/2008	1-12/2008
Carrying amount at beginning of period	**197 152**	151 870	151 870
Business acquisitions		64	2 050
Other capital expenditure	**11 226**	12 811	75 183
Disposals	**-633**	-936	-2 548
Depreciation and impairment	**-7 740**	-7 010	-28 838
Transfers between items			-2
Currency exchange differences	**-352**	-153	-563
Carrying amount at end of period	**199 653**	156 646	197 152

CAPITAL COMMITMENTS

EUR 1000	1-3/2009	1-3/2008	1-12/2008
Intangible assets	**1 011**	1 815	1 021
Property, plant and equipment	**6 419**	14 908	10 868
Total	**7 430**	16 723	11 889
The Group's share of capital commitments of joint ventures	**2 907**	367	972

RELATED-PARTY TRANSACTIONS
(Joint ventures)

EUR 1000	1-3/2009	1-3/2008	1-12/2008
Sales	**227**	301	990
Purchases			
Other operating income	**19**		
Interest income	**86**		202
Non-current receivables			
Capital loan receivable	**8 396**	3 646	8 396
Current receivables			
Trade receivables	**134**	89	62
Loan receivables	**288**		202

LASSILA & TIKANOJA

5 May 2009

CONTINGENT LIABILITIES

Securities for own commitments

EUR 1000	3/2009	3/2008	12/2008
Real estate mortgages	**19 192**	10 192	10 192
Corporate mortgages	**19 460**	10 000	10 460
Other securities	**186**	173	200
Bank guarantees required for environmental permits	**4 116**	4 405	4 126

Other securities are security deposits.
The Group has given no pledges, mortgages or guarantees on behalf of outsiders.

Operating lease liabilities

EUR 1000	3/2009	3/2008	12/2008
Maturity not later than one year	**7 542**	7 499	7 459
Maturity later than one year and not later than five years	**16 849**	15 721	16 051
Maturity later than five years	**7 201**	4 397	7 281
Total	**31 592**	27 617	30 791

Derivative financial instruments

Interest rate swaps

EUR 1000	3/2009	3/2008	12/2008
Nominal values of interest rate swaps *			
Maturity not later than one year	**15 000**	7 500	15 000
Maturity later than one year and not later than five years		15 000	
Total	**15 000**	22 500	15 000
Fair value	**26**	280	112
Nominal values of interest rate swaps **			
Maturity not later than one year	**4 629**	3 029	4 629
Maturity later than one year and not later than five years	**25 200**	18 514	20 914
Maturity later than five years		11 314	5 000
Total	**29 829**	32 857	30 543
Fair value	**-1 196**	279	-610

* Hedge accounting under IAS 39 has not been applied to these interest rate swaps. Changes in fair values have been recognised in finance income and costs.
** The interest rate swaps are used to hedge cash flow related to a floating rate loan, and hedge accounting under IAS 39 has been applied to it. The hedges have been effective, and the total change in the fair values has been recognised in the hedging reserve under equity.

LASSILA & TIKANOJA

5 May 2009

Currency derivatives

EUR 1000	**3/2009**	**3/2008**	**12/2008**
Nominal values of forward contracts			
Maturity not later than one year	**129**	2 169	
Fair value	**3**	57	

Hedge accounting under IAS 39 has not been applied to the currency derivatives. Changes in fair values have been recognised in finance income and costs.

Oil derivatives

1000 bbl	**3/2008**
Volume of crude oil put options	
Maturity not later than one year	227
Maturity later than one year and not later than five years	169
Total	396
Fair value, EUR 1000	50
Volume of sold crude oil futures	
Maturity not later than one year	42
Fair value, EUR 1000	-1127

Hedge accounting under IAS 39 has not been applied to oil derivatives. Changes in fair values have been recognised in other operating expenses. The fair values of the oil options have been determined on the basis of a generally used valuation model. The fair values of other derivative contracts are based on market prices at the end of the period.

CALCULATION OF KEY FIGURES

Earnings per share:
profit attributable to equity holders of the parent company / adjusted average basic number of shares

Earnings per share, diluted:
profit attributable to equity holders of the parent company / adjusted average diluted number of shares

Cash flows from operating activities/share:
cash flow from operating activities as in the statement of cash flows / adjusted average number of shares

EVA:
operating profit - cost calculated on invested capital (average of four quarters) before taxes
WACC 2008: 9.3%
WACC 2009: 9.4%

Equity per share:
equity attributable to equity holders of the parent company / adjusted basic number of shares at end of period

Return on equity, % (ROE):
(profit for the period / equity (average)) x 100

Return on investment, % (ROI):
(profit before tax + finance costs) / (total equity and liabilities - non-interest-bearing liabilities (average)) x 100

Equity ratio, %:
equity / (total equity and liabilities - advances received) x 100

LASSILA & TIKANOJA

5 May 2009

Gearing, %:
net interest-bearing liabilities / equity x 100

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

Helsinki, 4 May 2009

LASSILA & TIKANOJA PLC
Board of Directors

Jari Sarjo
President and CEO

For additional information please contact Jari Sarjo, President and CEO, tel. +358 10 636 2810 or Keijo Keränen, IR Manager, tel. +358 50 385 6957.

Lassila & Tikanoja specialises in environmental management and property and plant support services and is a leading supplier of wood-based biofuels, recovered fuels and recycled raw materials. With operations in Finland, Sweden, Latvia and Russia, L&T employs 9,100 persons. Net sales in 2008 amounted to EUR 606 million. L&T is listed on NASDAQ OMX Helsinki.

Distribution:
NASDAQ OMX Helsinki
Major media
www.lassila-tikanoja.com