

A photograph of a snowplow clearing a large pile of snow. The plow is black with a large metal blade that is pushing a massive, fluffy pile of white snow. The background shows a snowy landscape with trees and a building. The plow's headlights and a yellow warning light are visible. The text is overlaid in green on the snow.

**Lassila & Tikanoja plc**  
**29 April 2010**  
**Jari Sarjo, President and CEO**

## Highlights of Q110

### Net sales

Net sales EUR 153.9m (EUR 146.4m) +5.1% (yoy)

Net sales increased thanks to large number of commissioned assignments resulted by heavy snowfalls.

### Operating profit

Operating profit EUR 6.6m (EUR 10.0m); operating profit excluding non-recurring items EUR 7.8m (EUR 11.2m)

Profitability was burdened by a loss of L&T Recoil, weak profitability of L&T Biowatti and a credit loss provision in Russia.

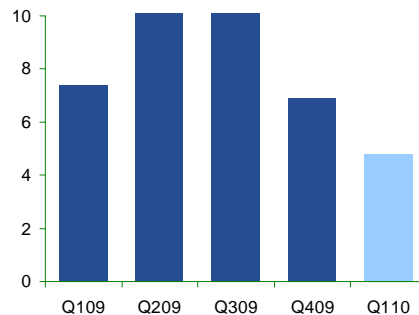
EO items: Restructuring costs of EUR 1.2m arising from production efficiency enhancement measures

## Environmental Services: Prices of secondary raw materials recovering

Net sales  
EUR 64.6m (EUR 66.9m)

Operating profit  
EUR 4.4m (EUR 6.4m)

Operating profit excl. non-recurring items



- Net sales in waste management decreased slightly due to lower waste volumes.
- Difficult weather conditions burdened the production efficiency
- Demand and prices of secondary raw materials recovered slowly.
- Profitability of operations outside Finland improved
- Technical problems in L&T Recoil had a considerable negative effect on the performance of the division.

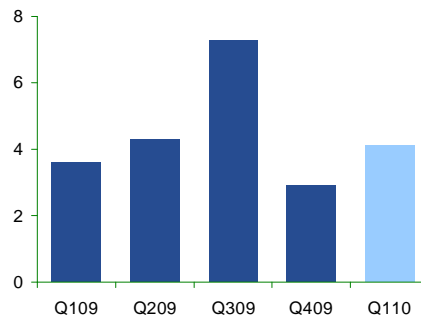
## Property and Office Support Services: Net sales boosted by cold and snowy winter

Net sales  
EUR 71.5m (EUR 61.1m)

Operating profit  
EUR 3.8m (EUR 3.4m)

- Increase in net sales and profitability of domestic operations originated from large number of commissioned assignments in property maintenance.
- Net sales of operations abroad remained on a par with previous year. Success in new sales in Sweden.
- Result of operations abroad was negative due to EUR 0.9m credit loss provision in Russia.

Operating profit excl. non-recurring items



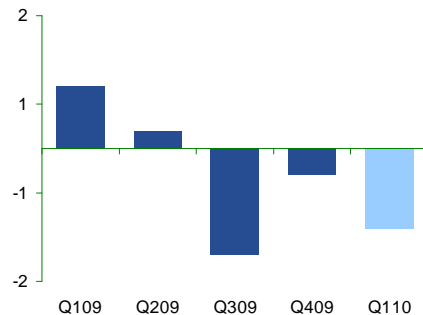
## Renewable Energy Sources: Competitiveness of biofuels still under pressure

Net sales  
EUR 20.1m (EUR 21.1m)

Operating profit  
EUR -0.9m (EUR 0.7m)

- Net sales decreased due to lower demand of wood-based biofuels.
- Competitiveness of biofuels weakened due to lower prices of fossil fuels and emission rights.
- Profitability was eroded also by the divestment costs of foreign raw material procurement.

Operating profit excl. non-recurring items



## Preliminary agreement: L&T to sell its holding in JV L&T Recoil

- A preliminary agreement, on which L&T sells its 50% holding in L&T Recoil Oy to joint venture partner Ecostream Oy
- The preliminary selling price totals EUR 2.5 million paid in cash and a potential additional selling price of a maximum of EUR 1.0 million, plus slightly under 20% of EcoStream's share capital
- The arrangement results in a capital gain of around EUR 25 million, cash flow effect to be some EUR 20m positive.
- The arrangement is intended to be completed by the end of June 2010.

## Financial summary

	Q110	Q109	Change %	Q1-Q4/ 2009
Net sales, EUR million	<b>153.9</b>	146.4	5.1	582.3
Operating profit excl. EO items, EUR million	<b>7.8</b>	11.2	-30.7	51.3
Operating profit, EUR million	<b>6.6</b>	10.0	-33.5	50.3
Operating margin, %	<b>4.3</b>	6.8		8.6
Profit before taxes, EUR million	<b>5.6</b>	8.3	-32.7	45.0
Earnings per share, EUR	<b>0.11</b>	0.16	-31.3	0.85
EVA, EUR million	<b>-1.1</b>	2.0		16.5

## Net sales by division

EUR million	Q110	Q109	Change %
Environmental Services	<b>64.6</b>	66.9	-3.4
Property and Office Support Services	<b>71.5</b>	61.1	16.9
Renewable Energy Sources	<b>20.1</b>	21.1	-4.4
Inter-division net sales	<b>-2.3</b>	-2.6	
L&T total	<b>153.9</b>	146.4	5.1



## Operating profit by division

EUR million	Q110	Q109	Change %
Environmental Services	4.4	6.4	-31.3
Property and Office Support Services	3.8	3.4	12.8
Renewable Energy Sources	-0.9	0.7	
Group administration and other	-0.8	-0.5	
Total operating profit	6.6	10.0	
Operating margin, %	4.3	6.8	-33.5

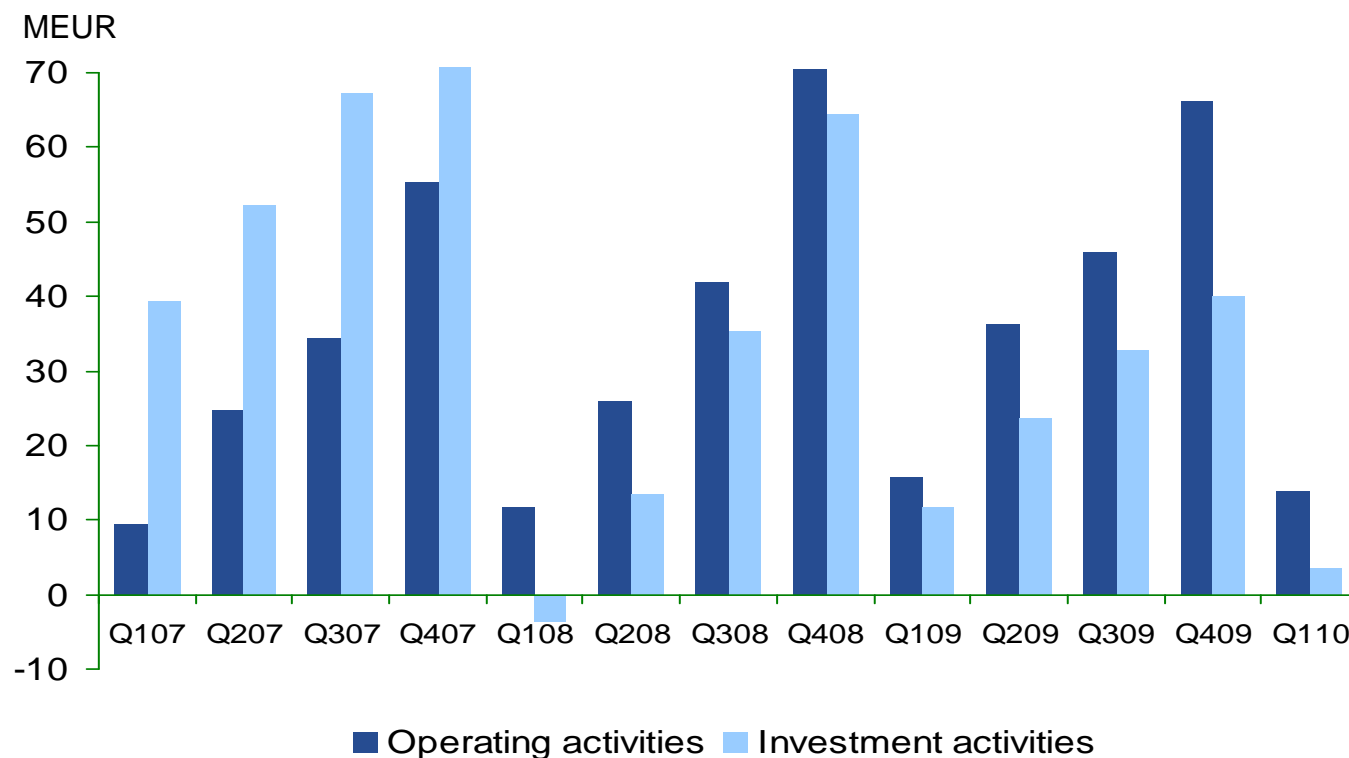
## Key figures

	Q110	Q109	2009	2008
Earnings per share, EUR	<b>0.11</b>	0.16	0.85	1.03
EVA, EUR million	<b>-1.1</b>	2.0	16.5	25.0
Capital expenditure, EUR million	<b>5.5</b>	12.3	44.9	84.2
Depreciation, amortisation and impairment, EUR million	<b>10.3</b>	10.0	40.3	41.0
Return on equity, % (ROE)	<b>7.9</b>	12.4	15.7	19.6
Return on invested capital, % (ROI)	<b>8.0</b>	11.6	14.5	17.1
Equity ratio, %	<b>40.3</b>	37.1	44.1	43.2
Gearing, %	<b>52.9</b>	61.4	53.5	58.8
Total number of full-time and part-time employees at end of period	<b>8,599</b>	9,112	8,743	9,490

## Operating margin (%) by division, quarterly figures

	Q110	Q1-Q4 09	Q409	Q309	Q209	Q109	Q1-Q4 08	Q408	Q308	Q208	Q108
Environmental Services	6.8	12.7	9.5	16.4	14.8	9.6	11.6	10.2	15.7	10.7	9.3
Property and Office Support Services	5.4	7.3	4.5	12.1	7.1	5.6	2.4	-3.1	8.4	1.9	2.7
Renewable Energy Sources	-4.3	-1.5	-1.8	-9.6	-1.9	3.2	4.5	-1.2	7.1	6.0	5.8
L&T total	4.3	8.6	5.7	12.0	10.1	6.8	9.2	3.2	11.6	6.6	15.5

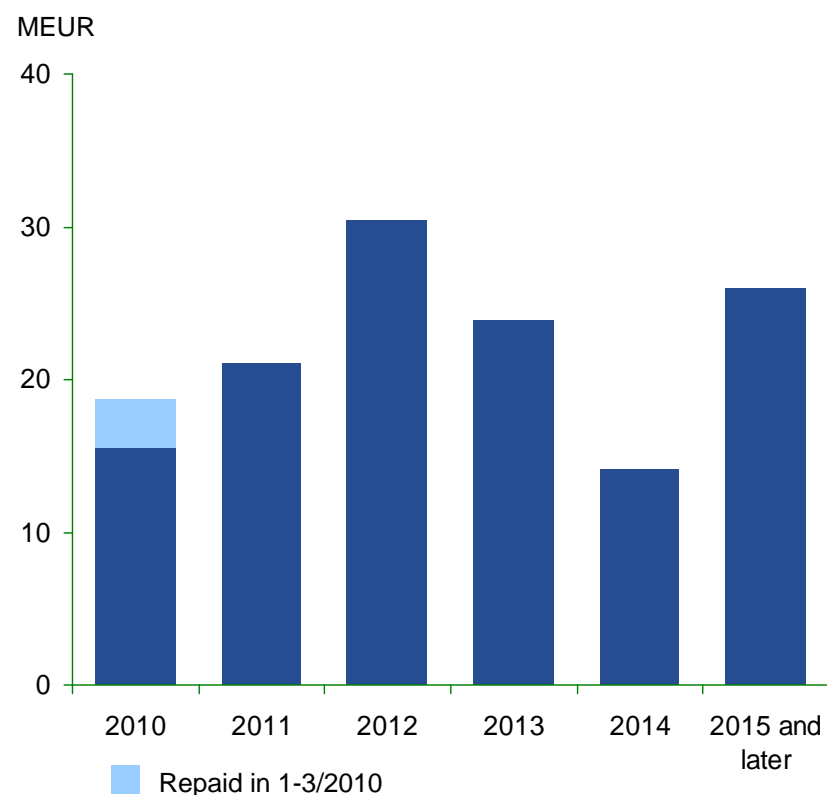
## Operating cash flow, cumulative



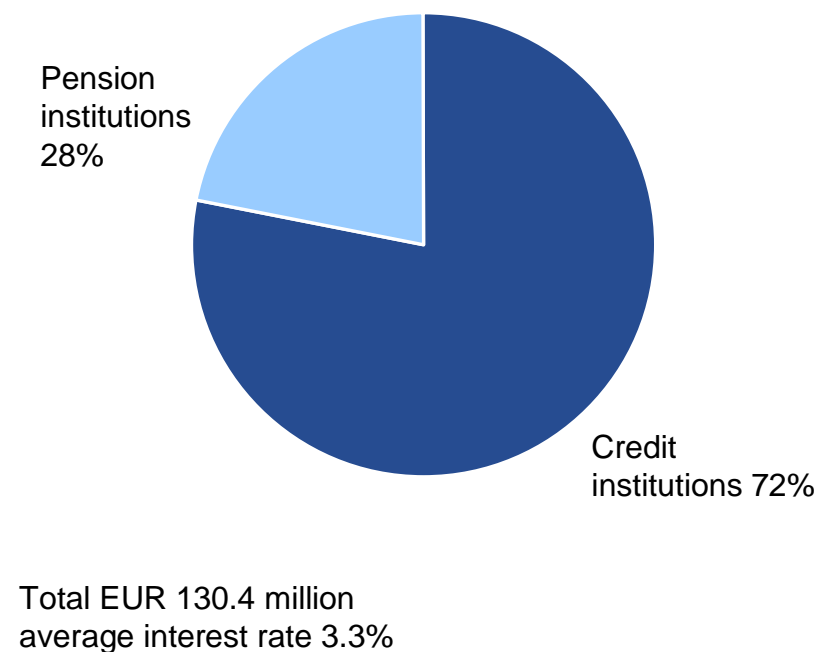
- Operating cash flow was EUR 13.9m (EUR 15.7m).
- EUR 0.4m were tied up in the working capital due to increase in account receivables.

## Long-term loans

### Maturity structure of long-term loans 31 March 2010

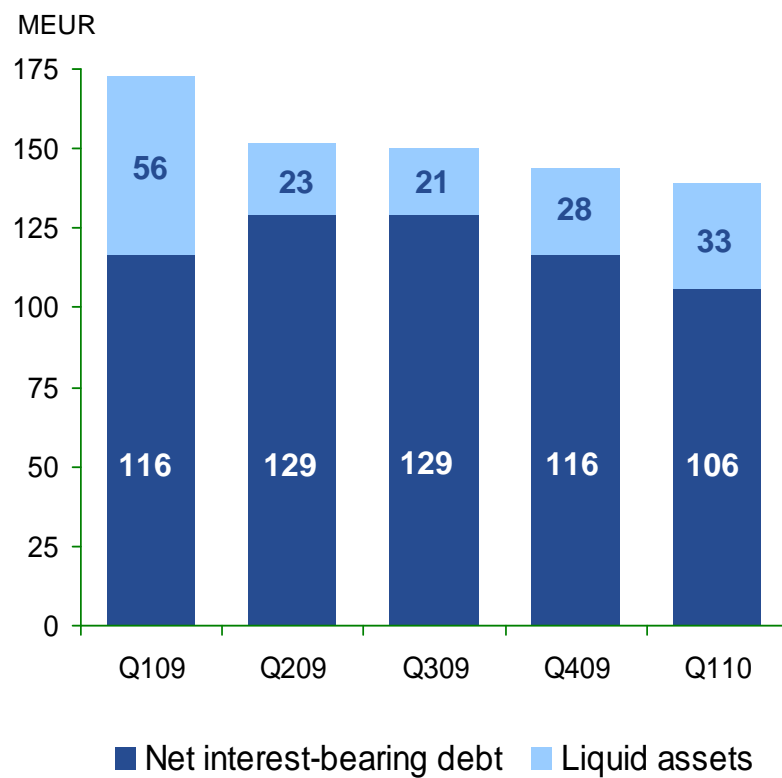


### Long-term loan portfolio 31 March 2010

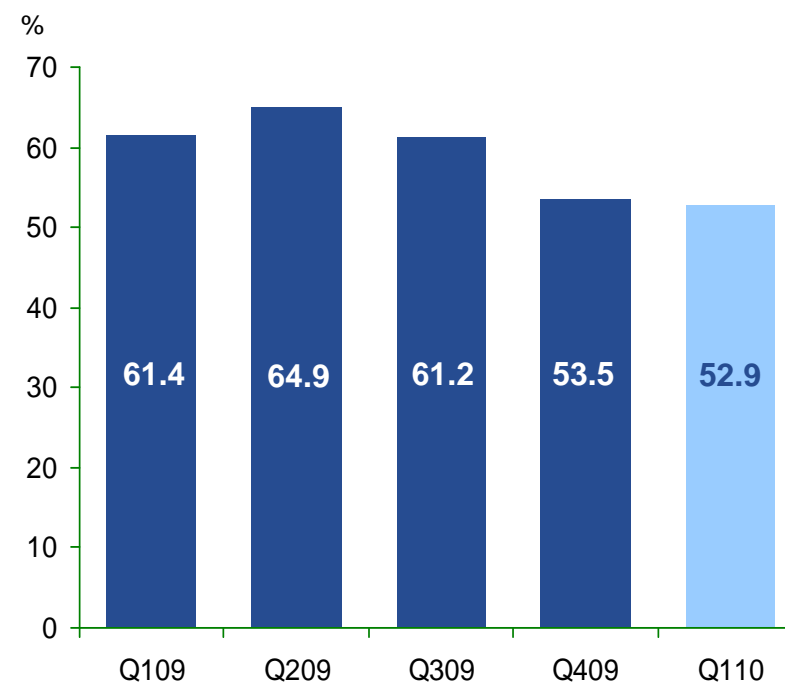


## Financial position

### Interest-bearing debt



### Gearing ratio



## Prospects for the rest of the year

The outlook for the Environmental Services division's waste management services is stable. In the current economic conditions, waste material transport volumes are expected to remain at the present level while rising operating rates in the industry are expected to boost demand for hazardous waste and process cleaning services. In the recycling business, secondary raw material prices are expected to normalise at a moderate pace. Production operations at L&T Recoil's plant are expected to stabilise at the intended level.

The markets for Property and Office Support Services are expected to remain unchanged. The current economic conditions will presumably increase competitive bidding and reduce orders for additional services.

Demand for wood-based fuels is anticipated to be lower than a year earlier. Furthermore, low prices of emission rights and fossil fuels will undermine the competitiveness of renewable fuels. While planned government support measures to increase the use of renewable fuels will have a positive impact in the long term, it will not affect this year's performance.

Full-year net sales and operating profit excluding non-recurring items are expected to remain at the same level as in 2009.

This estimate was included in the Interim Report Q1 released on 29 April 2010.