LASSILA & TIKANOJA PLC
INTERIM REPORT 1 JANUARY – 30 JUNE 2010

- **Net sales for the second quarter EUR 149.0 million (EUR 147.1 million); operating profit EUR 8.8 million (EUR 14.9 million); operating profit excluding non-recurring items EUR 11.8 million (EUR 14.8 million); earnings per share EUR 0.14 (EUR 0.26)**
- **Net sales for January–June EUR 302.9 million (EUR 293.5 million); operating profit EUR 15.4 million (EUR 24.9 million); operating profit excluding non-recurring items EUR 19.6 million (EUR 26.0 million); earnings per share EUR 0.25 (EUR 0.42)**
- **Full-year net sales and operating profit excluding non-recurring items are expected to remain at the 2009 level.**

GROUP NET SALES AND FINANCIAL PERFORMANCE

Second quarter
Lassila & Tikanoja's net sales for the second quarter increased by 1.3% to EUR 149.0 million (EUR 147.1 million). Operating profit was EUR 8.8 million (EUR 14.9 million), representing 5.9% (10.1%) of net sales, and operating profit excluding non-recurring items was EUR 11.8 million (EUR 14.8 million). Earnings per share were EUR 0.14 (EUR 0.26).

The healthy demand for commissioned property maintenance assignments boosted net sales, resulting in a slight growth from the comparison period. However, profitability declined from the previous year in all divisions, particularly in Renewable Energy Sources (L&T Biowatti) due to the weak demand for wood-based fuels.

A non-recurring expense of EUR 3.0 million was recognised in the second quarter for the discontinuation of L&T Biowatti's wood pellet business.

January–June
Six-month net sales amounted to EUR 302.9 million (EUR 293.5 million), showing an increase of 3.2%. Operating profit was EUR 15.4 million (EUR 24.9 million), representing 5.1% (8.5%) of net sales. Operating profit excluding non-recurring items fell to EUR 19.6 million (EUR 26.0 million). Earnings per share were EUR 0.25 (EUR 0.42).

Net sales grew due to commissioned property maintenance assignments. Demand for services and secondary raw materials began to normalise, which helped raise the net sales of the Environmental Services division to the previous year's level. L&T Biowatti and the joint venture L&T Recoil recorded losses, which taxed the performance in the first half.

Costs recognised in the first half included non-recurring restructuring costs of EUR 1.2 million and an EUR 3.0 million cost associated with the discontinuation of the wood pellet business.

Financial summary

	4-6/ 2010	**4-6/ 2009**	**Change %**	**1-6/ 2010**	**1-6/ 2009**	**Change %**	**1-12/ 2009**
Net sales, EUR million	**149.0**	147.1	1.3	**302.9**	293.5	3.2	**582.3**
Operating profit excluding non-recurring items, EUR million*	**11.8**	14.8	-20.2	**19.6**	26.0	-24.7	**51.3**
Operating profit, EUR million	**8.8**	14.9	-41.1	**15.4**	24.9	-38.1	**50.3**
Operating margin, %	**5.9**	10.1		**5.1**	8.5		**8.6**
Profit before tax, EUR million	**7.8**	13.6	-42.5	**13.4**	21.9	-38.8	**45.0**
Earnings per share, EUR	**0.14**	0.26	-46.2	**0.25**	0.42	-40.5	**0.85**
EVA, EUR million	**1.2**	6.4		**0.1**	8.4		**16.5**

* Breakdown of operating profit excluding non-recurring items is presented below the division reviews.

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

Second quarter
The division's net sales for the second quarter increased by 2.0% to EUR 75.6 million (EUR 74.1 million). Operating profit was EUR 10.1 million (EUR 10.9 million), and operating profit excluding non-recurring items was EUR 10.1 million (EUR 10.9 million).

Net sales from domestic business grew somewhat from the previous year due to the recovery of operating rates in the industry and the recovery of the construction. Waste volumes picked up from the comparison period, and secondary raw material demand and prices also improved. The additional costs arising from the ERP system implementation project taxed the quarter's performance.

Demand for industrial process cleaning and hazardous waste services perked up as expected after a period of sluggish demand in the first quarter. New agreements were signed with industrial clients and existing agreements were renewed successfully.

Operational reliability of L&T Recoil's production improved during the second quarter. The price of the plant's end-product, base oil, has been rising, following the crude oil price hikes. Nonetheless, operations made a loss in the second quarter.

In April, Lassila & Tikanoja plc and EcoStream Oy signed a preliminary agreement on a business arrangement based on which L&T will sell its share of L&T Recoil to EcoStream. At the end of the quarter, the time given for the transaction was extended and the arrangement is now intended to be completed by the end of September 2010, on condition that, among others, the financing and the share issue needed by EcoStream for the transaction will be completed. Due to the preliminary agreement, L&T Recoil's assets are recognised as held-for-sale assets and related liabilities.

Net sales and profitability of the division's international operations remained on the previous year's level.

January–June
The net sales of Environmental Services for January–June decreased by 0.5% to EUR 140.2 million (EUR 141.0 million). Operating profit was EUR 14.5 million (EUR 17.4 million), and operating profit excluding non-recurring items was EUR 14.9 million (EUR 18.4 million).

The expected increase in waste volumes in the first half could be attributed to the recovery of operating rates in the industry and the recovery of the construction industry. Similarly, secondary raw material demand and prices strengthened in comparison to the previous year. Heavy snowfall in the winter strained waste management production efficiency in the first half, and contributed to the decrease in demand for industrial services. Net sales and profitability in the comparison period were boosted by major project-based assignments.

The joint venture L&T Recoil's re-refinery suffered from technical problems in the first half. Production restart-up was delayed until the beginning of the second quarter, which had a considerable negative impact on the division's profitability.

The second stage of the Kerava recycling plant's investment programme proceeded as planned. A new combined recycling plant for construction waste and trade and industrial waste will be brought on line in the second half of the year, which will significantly raise the recovery rate of the waste processed at the Kerava plant.

Net sales and profitability for international operations remained at the previous year's level even though the uncertainty of the Latvian economy has been a challenge for business development.

Net sales and profitability for environmental products declined.

Property and Office Support Services

Second quarter

The net sales of Property and Office Support Services (property maintenance and cleaning services) grew by 5.3% to EUR 63.7 million (EUR 60.5 million) in the second quarter. Operating profit was EUR 3.3 million (EUR 4.3 million), and operating profit excluding non-recurring items was EUR 3.3 million (EUR 4.3 million).

The division’s net sales growth could be attributed to successful sales of commissioned property maintenance assignments and to the great work load in damage repair services. Net sales from cleaning services in Finland remained at the previous year’s level. Although operating profit from domestic operations fell due to the higher cost of subcontracting, a strict fixed cost control helped retain healthy profitability.

Net sales from international operations remained at the previous year’s level but overall result was slightly in the red. New sales were successful in Sweden but in Latvia the economic instability hampered new sales.

January–June

The January–June net sales of Property and Office Support Services totalled EUR 135.2 million (EUR 121.7 million); an increase of 11.1%. Operating profit was EUR 7.1 million (EUR 7.7 million), and operating profit excluding non-recurring items was EUR 7.4 million (EUR 7.9 million).

The division’s net sales growth can almost entirely be attributed to the large number of commissioned property maintenance assignments, due to the exceptionally cold and snowy winter. Both product lines were able to renew their contracts and new partnerships with insurance companies were signed. In domestic operations, profitability was slightly lower than in the comparison period due to the additional costs associated with commissioned assignments.

Net sales from international operations in the first half were at the comparison period’s level. New sales continued to be successful in Sweden in the second quarter. Nonetheless, the result from international operations was negative. An EUR 0.7 million credit loss was recognised for the first half in Russian operations.

Renewable Energy Sources

Second quarter

Second quarter net sales of Renewable Energy Sources (L&T Biowatti) were down by 17.7% to EUR 12.1 million (EUR 14.7 million). The division recorded an operating loss of EUR 3.9 million (EUR 0.3 million), and an operating loss excluding non-recurring items of EUR 0.9 million (a profit of EUR 0.2 million).

The division’s net sales and profitability declined due to the weak demand for wood-based fuels. The low prices of competing fuels (peat, coal and oil) had a negative effect on demand. Furthermore, the prices of emission rights continued to be low.

A decision was made to discontinue the wood pellet business due to the unfavourable market conditions and the poor availability of raw materials. A non-recurring expense of EUR 3.0 million was recognised for the discontinuation.

January–June

The Renewable Energy Sources division’s net sales for January–June amounted to EUR 32.2 million (EUR 35.8 million), showing a decrease of 9.9%. Operating loss totalled EUR 4.8 million (a profit of EUR 0.4 million), and operating loss excluding non-recurring items was EUR 1.7 million (a profit of EUR 0.8 million).

The demand for L&T Biowatti’s biofuels and their competitiveness declined in the first half due to the low prices of emission rights and fossil fuels (peat, coal and oil). Profitability improvement has been the division’s key priority.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS

EUR million	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Operating profit	**8.8**	14.9	**15.4**	24.9	50.3
Non-recurring items:					
Discontinuation of wood pellet production of L&T Biowatti	**3.0**		**3.0**		
Discontinuation of soil washing services					-0.4
Restructuring costs			**1.2**	1.2	1.6
Closure of wood pellet plant in Luumäki		0.4		0.4	0.3
Refund of supplementary insurance fund of former Lassila & Tikanoja		-0.5		-0.5	-0.5
Operating profit excluding non-recurring items	**11.8**	14.8	**19.6**	26.0	51.3

FINANCING

Cash flows from operating activities amounted to EUR 30.4 million (EUR 36.2 million). EUR 2.1 million was released from the working capital (EUR 2.3 million tied up). Liquid assets at the end of the period amounted to EUR 14.4 million (EUR 23.4 million).

The assets and liabilities of the joint venture L&T Recoil are presented as held-for-sale assets and related liabilities, which is why interest-bearing liabilities fell to EUR 112.6 million (EUR 152.8 million). The interest-bearing liabilities associated with L&T Recoil amounted to EUR 20.9 million and are not included in the interest-bearing liabilities referred to above. The equity ratio was 43.8% (41.6%) and the gearing rate 47.5 (64.9). Net interest-bearing liabilities amounted to EUR 98.2 million, showing a decrease of EUR 31.2 million from the comparison period and EUR 18.1 million from the turn of the year.

Of the EUR 50 million commercial paper programme, EUR 4.0 million (EUR 0.0 million) was in use. The EUR 15.0 million committed limit, renewed in June for two years, was not in use, as was the case a year earlier.

Net finance costs in January–June amounted to EUR 2.0 million which is EUR 0.9 million below the amount of the comparison period. Net finance costs were 0.7% (1.0%) of net sales. The decrease resulted from the decrease in the interest-bearing liabilities and the decline in the interest rate level. In January–June, a total of EUR -0.2 million (EUR -0.3 million) arising from the changes in the fair values of interest rate swaps to which hedge accounting under IAS 39 is applied was recognised in other comprehensive income, after tax.

The average interest rate of loans (with interest rate hedging) was 3.3%. Long-term loans totalling EUR 10.1 million will mature by the end of the year.

DIVIDEND

The Annual General Meeting held on 31 March 2010 resolved on a dividend of EUR 0.55 per share. The dividend, totalling EUR 21.3 million, was paid to the shareholders on 14 April 2010.

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 16.1 million (EUR 24.5 million) in January–June. The most significant construction project is the Kerava combined recycling plant, which is scheduled to be completed in autumn 2010.

In the second quarter, the property maintenance services business of Kiinteistöpalvelu Oy Hollola was acquired into Property and Office Support Services. The net sales of the acquired business totalled EUR 1.6 million.

PERSONNEL

In January–June, the average number of employees converted into full-time equivalents was 7,522 (8,039). The total number of full-time and part-time employees at the end of the period was 9,420 (9,524). Of them 7,496 (7,409) people worked in Finland and 1,924 (2,115) people in other countries.

NEW DIVISIONS

The company's internal reporting, as well as the segments reported externally, were changed to reflect the new divisions at the beginning of 2010. The financial reporting segments are Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti).

As of 1 July 2010, Property and Office Support Services was divided into two divisions: Property Maintenance, and Cleaning and Office Support Services. The company's financial reporting segments reflect the new divisions as of 1 July 2010.

SHARE AND SHARE CAPITAL

Traded volume and price

The volume of trading excluding the shares held by the company in Lassila & Tikanoja plc shares on NASDAQ OMX Helsinki from January through June 2010 was 3,392,446, which is 8.8% (17.2%) of the average number of outstanding shares. The value of trading was EUR 50.8 million (EUR 74.6 million). The trading price varied between EUR 12.94 and EUR 16.20. The closing price was EUR 13.20. The company holds 60,758 own shares. The market capitalisation excluding the shares held by the company was EUR 511.3 million (EUR 496.2 million) at the end of the period.

Share capital and number of shares

The company's registered share capital amounts to EUR 19,399,437, and the number of outstanding shares to 38,738,116 shares. In January–June, the average number of shares excluding the shares held by the company totalled 38,759,356.

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, 37 key persons held 200,000 2005C options. L&T Advance Oy, a wholly-owned subsidiary of Lassila & Tikanoja plc, holds 30,000 2005C options and these options will not be exercised. The exercise period for the 2005A has ended on 29 May 2009 and for the 2005B options on 31 May 2010.

The exercise price for the 2005C options is EUR 26.87. The exercise period for 2005C options is 2 November 2009 to 31 May 2011.

As a result of the exercise of the outstanding 2005 share options, the number of shares may increase by a maximum of 200,000 new shares, which is 0.5% of the current number of shares. The 2005C options have been listed on NASDAQ OMX Helsinki since 2 November 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. 36 key persons hold 193,000 options and L&T Advance Oy 37,000 options.

The exercise price 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 193,000 new shares, which is 0.5% of the current number of shares.

Share-based incentive programme
Lassila & Tikanoja plc's Board of Directors decided 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. Rewards to be paid for the year 2010 will be based on the EVA result of Lassila & Tikanoja group. They will be paid partly as shares and partly in cash. The proportion paid in cash will cover taxes arising from the reward. The programme covers 25 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 8,439 (6,927) shareholders. Nominee-registered holdings accounted for 10.3% (8.8%) of the total number of shares.

Authorisation for the Board of Directors
The Annual General Meeting held on 31 March 2010 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. These authorisations revoke the authorisation for the repurchase of the company's own shares and the authorisation to issue shares issued by the Annual General Meeting 2009.

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

Own shares
At the end of the period, the company held 60,758 of its own shares, representing 0.2% of all shares and votes. Based on the authorisation given by the Annual General Meeting, the company repurchased 80,000 shares in the period from 17 May to 2 June 2010 at a total acquisition cost of EUR 1.1 million. On 25 May 2010, the Board of Directors decided on a directed bonus issue involving the issue, in which a total of 49,242 shares held by the company were issued to the company's key personnel on 4 June 2010, as a part of the rewards for the year 2009 of the share-based incentive programme.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 31 March 2010, adopted the financial statements for the financial year 2009 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 2009. The dividend payment date was resolved to be 14 April 2010.

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, Hille Korhonen and Juhani Lassila. Miikka Maijala was elected as a new member for the same term.

PricewaterhouseCoopers Oy, Authorised Public Accountants, were elected auditors.

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 31 March 2010.

BOARD OF DIRECTORS

The members of the Board of Directors are Heikki Bergholm, Eero Hautaniemi, Matti Kavetvuo, Hille Korhonen, Juhani Lassila and Miikka Maijala. In its constitutive meeting the Board elected Matti Kavetvuo as Chairman of the Board and Juhani Lassila as Vice Chairman.

From among its members, the Board elected Juhani Lassila as Chairman and Eero Hautaniemi and Miikka Maijala as members of the audit committee.

The Board decided to establish a remuneration committee. From among its members, the Board elected Matti Kavetvuo as Chairman and Heikki Bergholm and Hille Korhonen as members of the remuneration committee.

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

In a release published on 25 January 2010, the company announced that it has concluded statutory employer-employee negotiations which began on 8 December 2009. As a result of these negotiations, L&T will reduce 110 salaried employee positions in Finland. The reductions will be realised partly through natural attrition. The reductions form part of the measures currently undertaken in order to reduce fixed costs and to adapt business activities to meet current and future market situation.

In a release published on 1 April 2010, the company announced that, as of 1 July 2010, Property and Office Support Services are to be divided into two divisions: Property Maintenance, and Cleaning and Office Support Services. The company's financial reporting segments will be changed to reflect the new divisions as of 1 July 2010.

In a release published on 29 April 2010, the company announced that Lassila & Tikanoja plc and EcoStream Oy have signed a preliminary agreement on a business arrangement based on which Lassila & Tikanoja will sell its 50 percent holding in the joint venture L&T Recoil Oy to EcoStream, a co-owner. The transaction related to the preliminary agreement was intended to be completed by the end of June 2010. In a release published on 22 June 2010, the company announced that the time given to the transaction has been extended and the transaction is intended to be completed by the end of September 2010.

In a release published on 26 May 2010, the company announced that L&T Biowatti Oy, a subsidiary of Lassila & Tikanoja plc, will discontinue its wood pellet business. Construction of a pellet plant in Suonenjoki, Finland, is almost completed but market situation and difficulties in availability of suitable raw material have postponed the start-up of the plant. The construction of the plant will not be completed.

NEAR-TERM UNCERTAINTIES

In Property and Office Support Services, the number of commissioned assignments may fall despite the economic recovery. Rapid fluctuations in demand for services purchased by the industry may hamper the planning and implementation of work.

If the operating rate target set for L&T Recoil's production is not reached, this will have a negative impact on the Environmental Services division's performance. Its performance could also be adversely affected by the potential fall in the price of crude oil, since the price of base oil follows crude oil price developments with a slight delay.

Low prices of fossil fuels such as coal, oil and peat undermines the competitiveness of L&T Biowatti's wood-based fuels. Similarly, the low wholesale price of electricity and low price of emission rights will weaken demand.

Intensifying competition and changes in legislation in Latvia may prove detrimental to the profitability of the waste management business.

More detailed information on L&T's risks and risk management is available in the Annual Report, in the Board of Directors' Report and in the consolidated financial statements.

PROSPECTS FOR THE REST OF THE YEAR

In the Environmental Services division, the market outlook for waste management and recycling services for the rest of the year has improved. Waste volumes are expected to grow. The demand for secondary raw materials and the market prices are expected to recover moderately. In light of the rising operating rates in the industry, it is fair to assume that the demand for hazardous waste and process cleaning services will grow.

An approximately one-month maintenance shut-down at the joint venture L&T Recoil’s plant scheduled to start in August will improve the plant’s reliability and raise the degree of processing. The plant was not yet in operation in the second half last year, and the joint venture recorded significant losses.

The markets for Property and Office Support Services are expected to remain unchanged towards the year-end. However, in the current economic conditions the competitive situation will remain fierce.

The demand for L&T Biowatti’s wood-based fuels is estimated to remain weak. Furthermore, low prices of emission rights and fossil fuels will undermine the competitiveness of renewable fuels. While the planned government support measures to increase the use of renewable fuels are expected to have a positive impact in the long term, they 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.

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–30 JUNE 2010

CONSOLIDATED INCOME STATEMENT

EUR 1000	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Net sales	**149 014**	147 094	**302 916**	293 526	582 306
Cost of sales	**-131 123**	-126 049	**-271 068**	-255 279	-505 699
Gross profit	**17 891**	21 045	**31 848**	38 247	76 607
Other operating income	**703**	993	**1 021**	1 344	2 425
Selling and marketing costs	**-3 470**	-3 697	**-6 939**	-7 766	-14 636
Administrative expenses	**-2 888**	-2 851	**-5 943**	-5 532	-11 705
Other operating expenses	**-849**	-624	**-1 964**	-1 442	-2 427
Impairment	**-2 632**		**-2 632**		
Operating profit	**8 755**	14 866	**15 391**	24 851	50 264
Finance income	**310**	418	**648**	829	1 290
Finance costs	**-1 227**	-1 651	**-2 618**	-3 747	-6 528
Profit before tax	**7 838**	13 633	**13 421**	21 933	45 026
Income tax expense	**-2 105**	-3 612	**-3 557**	-5 812	-11 881
Profit for the period	**5 733**	10 021	**9 864**	16 121	33 145
Attributable to:					
Equity holders of the company	**5 726**	10 016	**9 853**	16 120	33 140
Minority interest	**7**	5	**11**	1	5
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	**0.14**	0.26	**0.25**	0.42	0.85
Diluted earnings per share, EUR	**0.14**	0.26	**0.25**	0.42	0.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Profit for the period	**5 733**	10 021	**9 864**	16 121	33 145
Other comprehensive income, after tax					
Hedging reserve, change in fair value	**-31**	99	**-226**	-335	-343
Current available-for-sale investments					
Gains in the period	**-56**	-80	**-56**	-7	-21
Current available-for-sale investments	**-56**	-80	**-56**	-7	-21
Currency translation differences	**345**	287	**1 152**	-22	324
Other comprehensive income, after tax	**258**	306	**870**	-364	-40
Total comprehensive income, after tax	**5 991**	10 327	**10 734**	15 757	33 105
Attributable to:					
Equity holders of the company	**5 974**	10 318	**10 691**	15 766	33 020
Minority interest	**17**	9	**43**	-9	85

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	6/2010	6/2009	12/2009
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	**112 768**	115 495	113 771
Customer contracts arising from acquisitions	**5 499**	6 454	6 232
Agreements on prohibition of competition	**10 766**	12 250	11 641
Other intangible assets arising from business acquisitions	**2 212**	4 188	3 194
Other intangible assets	**11 694**	13 218	13 579
	142 939	151 605	148 417
Property, plant and equipment			
Land	**4 356**	4 015	4 015
Buildings and constructions	**43 698**	61 872	72 072
Machinery and equipment	**105 882**	114 982	110 817
Other	**83**	79	81
Prepayments and construction in progress	**14 741**	20 303	14 666
	168 760	201 251	201 651
Other non-current assets			
Available-for-sale investments	**525**	522	525
Finance lease receivables	**3 992**	4 859	4 425
Deferred tax assets	**2 663**	1 376	2 147
Other receivables	**527**	705	726
	7 707	7 462	7 823
Total non-current assets	**319 406**	360 318	357 891
Current assets			
Inventories	**23 492**	21 894	32 842
Trade and other receivables	**81 623**	76 039	77 702
Prepayments	**2 050**	1 873	370
Available-for-sale investments	**5 995**	16 477	18 484
Cash and cash equivalents	**8 446**	6 943	9 099
Assets held for sale	**34 612**		
Total current assets	**156 218**	123 226	138 497
TOTAL ASSETS	**475 624**	483 544	496 388

EUR 1000	6/2010	6/2009	12/2009
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the company			
Share capital	**19 399**	19 399	19 399
Share premium reserve	**50 673**	50 673	50 673
Other reserves	**-2 246**	-3 319	-3 084
Retained earnings	**128 545**	116 515	116 874
Profit for the period	**9 853**	16 120	33 140
	206 224	199 388	217 002
Minority interest	**290**	153	247
Total equity	**206 514**	199 541	217 249
Liabilities			
Non-current liabilities			
Deferred tax liabilities	**32 723**	32 660	33 622
Retirement benefit obligations	**610**	680	671
Provisions	**2 493**	1 993	2 100
Borrowings	**90 011**	116 181	120 969
Other liabilities	**1 948**	1 340	1 510
	127 785	152 854	158 872
Current liabilities			
Borrowings	**22 610**	36 666	22 890
Trade and other payables	**91 115**	91 864	94 130
Derivative liabilities	**1 204**	1 066	1 073
Tax liabilities	**22**	1 242	2 119
Provisions	**134**	311	55
Liabilities related to assets held for sale	**26 240**		
	141 325	131 149	120 267
Total liabilities	**269 110**	284 003	279 139
TOTAL EQUITY AND LIABILITIES	**475 624**	483 544	496 388

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	**6/2010**	**6/2009**	**12/2009**
Cash flows from operating activities			
Profit for the period	**9 864**	16 121	33 145
Adjustments			
Income tax expense	**3 557**	5 812	11 881
Depreciation, amortisation and impairment	**23 022**	19 815	40 334
Finance income and costs	**1 970**	2 918	5 238
Gain on sale of shares			-70
Other	**159**	258	1 809
Net cash generated from operating activities before change in working capital	**38 572**	44 924	92 337
Change in working capital			
Change in trade and other receivables	**-3 101**	-4 327	-4 654
Change in inventories	**5 735**	-3 074	-14 022
Change in trade and other payables	**-508**	5 065	6 689
Change in working capital	**2 126**	-2 336	-11 987
Interest paid	**-1 667**	-4 074	-7 511
Interest received	**479**	1 035	1 505
Income tax paid	**-9 073**	-3 363	-8 156
Net cash from operating activities	**30 437**	36 186	66 188
Cash flows from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired	**-723**	-320	-1 747
Proceeds from sale of subsidiaries and businesses, net of sold cash		197	197
Purchases of property, plant and equipment and intangible assets	**-13 405**	-24 530	-42 735
Proceeds from sale of property, plant and equipment and intangible assets	**688**	1 196	4 328
Purchases of available-for-sale investments	**-3**	-48	-54
Change in other non-current receivables	**202**	-12	-13
Proceeds from sale of available-for-sale investments		25	7
Dividends received		1	1
Net cash used in investing activities	**-13 241**	-23 491	-40 016
Cash flows from financing activities			
Change in short-term borrowings	**4 230**	3 441	-12 044
Proceeds from long-term borrowings		24 000	43 000
Repayments of long-term borrowings	**-12 411**	-21 511	-34 388
Dividends paid	**-21 301**	-21 318	-21 318
Repurchase of own shares	**-1 125**	-356	-356
Net cash generated from financing activities	**-30 607**	-15 744	-25 106

EUR 1000	6/2010	6/2009	12/2009
Net change in liquid assets	**-13 411**	-3 049	1 066
Liquid assets at beginning of period	**27 583**	26 517	26 517
Effect of changes in foreign exchange rates	**272**	-38	28
Change in fair value of current available-for-sale investments		-10	-28
Liquid assets at end of period	**14 444**	23 420	27 583

Liquid assets

EUR 1000	6/2010	6/2009	12/2009
Cash and cash equivalents	**8 449**	6 943	9 099
Certificates of deposit	**5 995**	16 477	18 484
Total	**14 444**	23 420	27 583

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Revaluation and other reserves	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total equity
Equity at 1.1.2010	**19 399**	**50 673**	**-3 084**	**150 014**	**217 002**	**247**	**217 249**
Expense recognition of share-based benefits				333	333		333
Repurchase of own shares				-489	-489		-489
Dividends paid				-21 313	-21 313		-21 313
Total comprehensive income			838	9 853	10 691	43	10 734
Equity at 30.6.2010	**19 399**	**50 673**	**-2 246**	**138 398**	**206 224**	**290**	**206 514**
Equity at 1.1.2009	**19 399**	**50 673**	**-2 964**	**137 768**	**204 876**	**162**	**205 038**
Expense recognition of share-based benefits				397	397		397
Repurchase of own shares				-356	-356		-356
Dividends paid				-21 295	-21 295		-21 295
Total comprehensive income			-355	16 121	15 766	-9	15 757
Equity at 30.6.2009	**19 399**	**50 673**	**-3 319**	**132 635**	**199 388**	**153**	**199 541**

KEY FIGURES

	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Earnings per share, EUR	**0.14**	0.26	**0.25**	0.42	0.85
Earnings per share, diluted, EUR	**0.14**	0.26	**0.25**	0.42	0.85
Cash flows from operating activities per share, EUR	**0.41**	0.53	**0.77**	0.93	1.71
EVA, EUR million	**1.2**	6.4	**0.1**	8.4	16.5
Capital expenditure, EUR 1000	**10 621**	12 169	**16 081**	24 456	44 882
Depreciation, amortisation and impairment, EUR 1000	**12 727**	9 863	**23 022**	19 815	40 334
Equity per share, EUR			**5.32**	5.14	5.60
Return on equity, ROE, %			**9.3**	15.9	15.7
Return on invested capital, ROI, %			**9.1**	14.6	14.5
Equity ratio, %			**43.8**	41.6	44.1
Gearing, %*			**47.5**	64.9	53.5
Net interest-bearing liabilities, EUR 1000*			**98 180**	129 427	116 276
Average number of employees in full-time equivalents			**7 522**	8 039	8 113
Total number of full-time and part-time employees at end of period			**9 420**	9 524	8 743
Number of outstanding shares adjusted for issues, 1000 shares					
average during the period			**38 759**	38 792	38 781
at end of period			**38 738**	38 769	38 769
average during the period, diluted			**38 759**	38 792	38 784

* The assets and liabilities of the joint venture L&T Recoil have been presented as held-for-sale assets and related liabilities. The interest-bearing liabilities associated with L&T Recoil totalling EUR 20.9 are not included in the interest-bearing liabilities.

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

IFRS 3 (Amendment) Business combinations
The standard contains several significant changes to the treatment of business combinations effected after the adoption of the amended standard and they have a material impact on the Group's financial statements**.** The amendments affect the amount of goodwill to be recognised from acquisitions and items recognised in the income statement both in the period of the acquisition and in the periods where additional payments or additional acquisitions are made. For example, a contingent consideration is recognised at acquisition-date fair value and revaluations, if any, are recognised through profit or loss. Transaction costs such as attorney's and consultant's fees are no longer included in the acquisition cost but they are recognised in profit or loss. A minority interest may be measured either at fair value or at the minority interest's proportionate share of the acquiree's net assets. According to the transitional provisions, business combinations that were effected before the adoption of the standard will not be restated.

IAS 27 (Amendment) Consolidated and separate financial statements
The revised standard requires that the effects of changes in interest in a subsidiary are recognised in equity, when there is no change in control. When control in a subsidiary is lost, any remaining interest is measured at fair value through profit or loss. A similar accounting treatment will be applied to investments in associates (IAS 28) and interests in joint ventures (IAS 31). As a consequence of the amendment, losses of a subsidiary may be attributed to minority interests also when they exceed the minority interest.

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.

SEGMENT INFORMATION

As of 1 June 2009, business operations were regrouped into three divisions: Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti). The company's internal reporting, as well as the segments reported externally, were changed to reflect the new divisions at the beginning of 2010. Comparative figures have been restated accordingly.

Net sales

EUR 1000	4-6/2010 External	4-6/2010 Inter-division	4-6/2010 Total	4-6/2009 External	4-6/2009 Inter-division	4-6/2009 Total	Total net sales, change %
Environmental Services	**74 579**	**1 045**	**75 624**	73 197	924	74 121	2.0
Property and Office Support Services	**63 109**	**630**	**63 739**	59 922	609	60 531	5.3
Renewable Energy Sources	**11 326**	**771**	**12 097**	13 975	716	14 691	-17.7
Eliminations		**-2 446**	**-2 446**		-2 249	-2 249	
L&T total	**149 014**	**0**	**149 014**	147 094	0	147 094	1.3

EUR 1000	1-6/2010 External	1-6/2010 Inter-division	1-6/2010 Total	1-6/2009 External	1-6/2009 Inter-division	1-6/2009 Total	Total net sales, change %
Environmental Services	**138 099**	**2 134**	**140 233**	139 043	1 943	140 986	-0.5
Property and Office Support Services	**134 031**	**1 180**	**135 211**	120 294	1 380	121 674	11.1
Renewable Energy Sources	**30 786**	**1 437**	**32 223**	34 189	1 565	35 754	-9.9
Eliminations		**-4 751**	**-4 751**		-4 888	-4 888	
L&T total	**302 916**	**0**	**302 916**	293 526	0	293 526	3.2

EUR 1000	1-12/2009 External	1-12/2009 Inter-division	1-12/2009 Total
Environmental Services	280 632	3 587	284 219
Property and Office Support Services	240 414	2 725	243 139
Renewable Energy Sources	61 260	2 865	64 125
Eliminations		-9 177	-9 177
L&T total	582 306	0	582 306

Operating profit

EUR 1000	4-6/ 2010	%	4-6/ 2009	%	1-6/ 2010	%	1-6/ 2009	%	1-12/ 2009	%
Environmental Services	**10 124**	**13.4**	10 937	14.8	**14 540**	**10.4**	17 350	12.3	35 959	12.7
Property and Office Support Services	**3 293**	**5.2**	4 292	7.1	**7 123**	**5.3**	7 686	6.3	17 686	7.3
Renewable Energy Sources	**-3 900**	**-32.2**	-279	-1.9	**-4 760**	**-14.8**	392	1.1	-958	-1.5
Group admin. and other	**-762**		-84		**-1 512**		-577		-2 423	
L&T total	**8 755**	**5.9**	14 866	10.1	**15 391**	**5.1**	24 851	8.5	50 264	8.6
Finance costs, net	**-917**		-1 233		**-1 970**		-2 918		-5 238	
Profit before tax	**7 838**		13 633		**13 421**		21 933		45 026	

Other segment information

EUR 1000	6/2010	6/2009	12/2009
Assets			
Environmental Services	**328 831**	328 865	324 918
Property and Office Support Services	**75 234**	75 448	75 553
Renewable Energy Sources	**46 898**	52 671	63 436
Group admin. and other	**648**	-10	473
Unallocated assets	**24 013**	26 570	32 008
L&T total	**475 624**	483 544	496 388
Liabilities			
Environmental Services	**50 693**	51 116	51 510
Property and Office Support Services	**40 678**	36 467	37 312
Renewable Energy Sources	**4 673**	6 136	6 310
Group admin. and other	**1 166**	1 188	1 951
Unallocated liabilities	**171 900**	189 096	182 056
L&T total	**269 110**	284 003	279 139

EUR 1000	4-6/2010	4-6/2009	1-6/2010	1-6/2009	1-12/2009
Capital expenditure					
Environmental Services	**8 287**	9 799	**12 540**	19 764	36 346
Property and Office Support Services	**2 174**	1 864	**3 149**	2 754	6 227
Renewable Energy Sources	**105**	487	**228**	1 917	2 288
Group admin. and other	**55**	19	**164**	21	21
L&T total	**10 621**	12 169	**16 081**	24 456	44 882
Depreciation and amortisation					
Environmental Services	**6 897**	6 537	**14 017**	13 159	27 029
Property and Office Support Services	**2 020**	2 175	**4 024**	4 374	8 621
Renewable Energy Sources	**1 176**	1 205	**2 344**	2 310	4 676
Group admin. and other	**2**	-54	**5**	-28	8
L&T total	**10 095**	9 863	**20 390**	19 815	40 334
Impairment					
Renewable Energy Sources	**2 632**		**2 632**		
L&T total	**2 632**		**2 632**		

INCOME STATEMENT BY QUARTER

EUR 1000	**4-6/ 2010**	**1-3/ 2010**	**10-12/ 2009**	**7-9/ 2009**	**4-6/ 2009**	**1-3/ 2009**	**10-12/ 2008**	**7-9/ 2008**
Net sales								
Environmental Services	**75 624**	64 609	71 178	72 055	74 121	66 865	75 113	76 970
Property and Office Support Services	**63 739**	71 472	61 441	60 024	60 531	61 143	62 861	60 124
Renewable Energy Sources	**12 097**	20 126	17 702	10 669	14 691	21 063	17 160	15 861
Inter-division net sales	**-2 446**	-2 305	-2 280	-2 009	-2 249	-2 639	-2 076	-1 712
L&T total	**149 014**	153 902	148 041	140 739	147 094	146 432	153 058	151 243
Operating profit								
Environmental Services	**10 124**	4 416	6 793	11 816	10 937	6 413	7 693	12 062
Property and Office Support Services	**3 293**	3 830	2 767	7 233	4 292	3 394	-1 945	5 048
Renewable Energy Sources	**-3 900**	-860	-321	-1 029	-279	671	-207	1 126
Group admin. and other	**-762**	-750	-735	-1 111	-84	-493	-660	-653
L&T total	**8 755**	6 636	8 504	16 909	14 866	9 985	4 881	17 583
Operating margin								
Environmental Services	**13.4**	6.8	9.5	16.4	14.8	9.6	10.2	15.7
Property and Office Support Services	**5.2**	5.4	4.5	12.1	7.1	5.6	-3.1	8.4
Renewable Energy Sources	**-32.2**	-4.3	-1.8	-9.6	-1.9	3.2	-1.2	7.1
L&T total	**5.9**	4.3	5.7	12.0	10.1	6.8	3.2	11.6
Finance costs, net	**-917**	-1 053	-1 078	-1 242	-1 233	-1 685	-1 370	-1 346
Profit before tax	**7 838**	5 583	7 426	15 667	13 633	8 300	3 511	16 237

BUSINESS ACQUISITIONS

Business combinations in aggregate

Consideration

EUR 1000	Fair values used in consolidation
Cash	726
Equity instruments	
Contingent consideration	
Total consideration transferred	726
Indemnification asset	
Fair value of equity interest held before the acquisition	
Total consideration	726
Acquisition-related costs (included in the administrative expenses in the consolidated financial statements)	0

Recognised amounts of identifiable assets acquired and liabilities assumed

EUR 1000	Fair values used in consolidation
Property, plant and equipment	272
Customer contracts	158
Agreements on prohibition of competition	122
Total assets	552
Total liabilities	0
Total identifiable net assets	552
Non-controlling interest	
Goodwill	171
Total	723
Cash and cash equivalents at acquisition date	
Cash flow effect of acquisitions	723

The property maintenance services business of Kiinteistöpalvelu Oy Hollola was acquired into Property and Office Support Services on 1 June 2010, and the business of Kiinteistöhuolto Oy Forsblom on 1 July 2010. The net sales of the business of Kiinteistöpalvelu Oy Hollola totalled EUR 1,600 thousand and the acquisition cost was EUR 726 thousand. Changes in acquisition costs may arise on the basis of terms and conditions related to the acquisition price in the deeds of sale as a small portion of the acquisition price is contingent on future events (less than 12 months). All itemisations in accordance with IFRS 3 are not presented because the figures are immaterial.

On 1 July 2010, L&T acquired the remaining 16.5% of the Muoviportti Group (83.5% held previously). An estimate of the acquisition price for the remaining 16.5% was recognised as current interest-bearing liability.

On 18 December 2006, an agreement was signed on the acquisition of the majority (70%) of the shares of Biowatti Oy from the acting management of the company. L&T also made a commitment to redeem the remaining 30 percent of the shares by the beginning of the year 2012. The acquisition price for the 70 percent portion was EUR 30.9 million, and it was settled in cash. No interest-bearing liabilities were transferred in the acquisition. In the consolidated financial statements the whole acquisition price (100%) was recognised as acquisition cost. No minority interest was separated from the profit or equity, but the estimated purchase price of the remaining 30 percent was recognised as interest-bearing non-current liability. The final price of the 30 percent portion will be determined based on the future earnings of L&T Biowatti. The estimate is assessed annually as of 31 December, or whenever any indication exists. According to the assessment of 30 June 2010, the acquisition price for the remaining 30 percent was reduced by EUR 1,113 thousand to EUR 2,650 thousand (EUR 3,763 thousand). The adjustment has no impact on the profit or loss, as the adjustment was recognised accordingly under cost of the combination, goodwill and interest-bearing liabilities.

The accounting policy concerning business combinations is presented in Annual Report 2009 under Note 2 of the consolidated financial statements and under Summary on significant accounting policies.

CHANGES IN INTANGIBLE ASSETS

EUR 1000	1-6/2010	1-6/2009	1-12/2009
Carrying amount at beginning of period	**148 417**	152 627	152 627
Business acquisitions	**451**	180	1 352
Other capital expenditure	**1 468**	2 189	4 052
Disposals	**-3 472**	-88	-2 148
Amortisation and impairment	**-4 519**	-4 357	-8 880
Transfers between items		978	978
Exchange differences	**594**	76	436
Carrying amount at end of period	**142 939**	151 605	148 417

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-6/2010	1-6/2009	1-12/2009
Carrying amount at beginning of period	**201 651**	197 152	197 152
Business acquisitions	**272**	140	395
Other capital expenditure	**13 890**	21 917	39 029
Disposals	**-29 288**	-1 372	-2 324
Depreciation and impairment	**-18 503**	-15 458	-31 454
Transfers between items		-978	-978
Exchange differences	**738**	-150	-169
Carrying amount at end of period	**168 760**	201 251	201 651

CAPITAL COMMITMENTS

EUR 1000	1-6/2010	1-6/2009	1-12/2009
Intangible assets	**180**	825	160
Property, plant and equipment	**7 267**	6 356	7 390
Total	**7 447**	7 181	7 550
The Group's share of capital commitments of joint ventures	**420**	1 500	

ASSETS CLASSIFIED AS HELD-FOR-SALE AND RELATED LIABILITIES

The assets and liabilities of the joint venture L&T Recoil are presented as held-for-sale assets and related liabilities as the management of the group has signed a preliminary agreement on a business arrangement based on which Lassila & Tikanoja will sell its 50 percent holding in L&T Recoil Oy to EcoStream, a co-owner. The transaction is intended to be completed by the end of September 2010.

Assets held for sale

EUR 1000	**2010**	**2009**
Intangible rights	**984**	
Other capitalised expenditure	**804**	
Buildings and constructions	**25 116**	
Machinery and equipment	**445**	
Other non-current assets	**40**	
Current assets	**7 223**	
Total	**34 612**	0

Liabilities related to assets classified as held-for-sale

EUR 1000	**2010**	**2009**
Non-current liabilities	**20 829**	
Current liabilities	**5 411**	
Total	**26 240**	0

RELATED-PARTY TRANSACTIONS

(Joint ventures)

EUR 1000	**1-6/2010**	**1-6/2009**	**1-12/2009**
Sales	**1 144**	343	930
Other operating income	**37**	38	75
Interest income	**212**	319	336
Non-current receivables			
Capital loan receivable	**17 146**	10 646	15 896
Current receivables			
Trade receivables	**35**	105	31
Loan receivables	**750**	362	538

CONTINGENT LIABILITIES

Securities for own commitments

EUR 1000	**6/2010**	**6/2009**	**12/2009**
Mortgages on rights of tenancy	**42 179**	19 192	42 179
Company mortgages	**21 460**	19 460	21 460
Other securities	**222**	236	234
Bank guarantees required for environmental permits	**3 856**	4 111	3 591

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

Operating lease liabilities

EUR 1000	**6/2010**	**6/2009**	**12/2009**
Maturity not later than one year	**7 811**	7 709	8 145
Maturity later than one year and not later than five years	**18 864**	17 570	17 470
Maturity later than five years	**5 304**	6 833	6 274
Total	**31 979**	32 112	31 889

Derivative financial instruments

Interest rate swaps

EUR 1000	**6/2010**	**6/2009**	**12/2009**
Nominal values of interest rate swaps			
Maturity not later than one year	**4 629**	4 629	4 629
Maturity later than one year and not later than five years	**28 471**	23 600	30 785
Total	**33 100**	28 229	35 414
Fair value	**-1 379**	-1 062	-1 073

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 changes in the fair values are shown in the consolidated statement of comprehensive income for the period. The fair values of the interest rate swaps are based on the market data at the balance sheet date.

Currency derivatives

EUR 1000	**6/2010**	**6/2009**	**12/2009**
Nominal values of forward contracts			
Maturity not later than one year	**0**	168	0
Fair value	**0**	-3	0

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.

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)
WACC 2009: 9.4%
WACC 2010: 8.7%

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

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

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

Operating profit excluding non-recurring items:
Operating profit +/- non-recurring items

Helsinki, 26 July 2010

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 Ville Rantala, CFO, tel. +358 50 385 1442 or Keijo Keränen, Head of Treasury & Investor Relations, 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 8,700 persons. Net sales in 2009 amounted to EUR 582 million. L&T is listed on NASDAQ OMX Helsinki.

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