



Lassila & Tikanoja plc

27 October 2009

Jari Sarjo, President and CEO

Highlights of Q309

- Net sales EUR 140.7m (EUR 151.2m) -6.9% (yoy)
- Operating profit EUR 16.9m (EUR 17.6m); operating profit excluding non-recurring and imputed items EUR 16.6m (EUR 16.3m)
 - Profitability remained at the previous year's level thanks to effective efficiency-boosting measures.
 - Weak demand of biofuels and shrinking volumes of recyclable waste materials decreased the net sales.

Highlights of Q309

Environmental Services; operating profit EUR 9.4m (EUR 9.7m)

- Net sales decreased due to weak demand for biofuels and shrinking volumes of recyclable waste materials.
 - Weak demand for biofuels continued due to low wholesale prices of electricity and low operating rates in the forest industry.
- The net sales of waste management remained at the same level as last year and profitability rose as a result of improvements in cost-efficiency.
- Recovering price level of secondary raw materials and effective measures to enhance production efficiency boosted performance.
- Profitability of operations abroad remained good thanks to measures to improve efficiency.

Highlights of Q309

Property and Office Support Services; operating profit EUR 7.2m (EUR 5.0m)

- Sales of additional services were successful.
- Profitability was boosted by efficiency improvement measures.
- Net sales of international operations declined mainly due to weakening of SEK and RUB. The result improved and was slightly positive.

Highlights of Q309

Industrial Services; operating profit EUR 1.4m (EUR 3.5m)

- Net sales decreased due to lower operating rates of industrial sector and shrinking hazardous waste volumes.
- Performance of hazardous waste management and industrial solutions was boosted by improved sorting efficiency and higher recovery rates.
- Ramp-up of L&T Recoil's re-refinery was started. Transition to production phase was further delayed, which increased the loss of the joint venture.

Financial summary

	Q309	Q308	Change %	Q1-Q4 08
Net sales, EUR million	140.7	151.2	-6.9	606.0
Operating profit excluding non-recurring and imputed items, EUR million	16.6	16.3	1.8	45.0
Operating profit, EUR million	16.9	17.6	-3.8	55.5
Operating margin, %	12.0	11.6		9.2
Profit before tax, EUR million	15.7	16.2	-3.5	50.7
Earnings per share, EUR	0.30	0.31	-3.2	1.03
EVA, EUR million	8.2	9.7	-15.5	25.0

Net sales by division

EUR million	Q309	Q308	Change %
Environmental Services	64.9	73.7	-11.9
Property and Office Support Services	60.0	60.1	-0.2
Industrial Services	17.7	19.1	-7.3
Interdivision net sales	-1.9	-1.7	
L&T total	140.7	151.2	-6.9

As of 1 January 2009, damage repair services was transferred from Industrial Services into Property and Office Support Services. Comparative figures have been restated accordingly.

Earnings by division

EUR million	Q309	Q308	Change %
Environmental Services	9.4	9.7	-3.1
Property and Office Support Services	7.2	5.0	42.8
Industrial Services	1.4	3.5	-60.5
Group administration and other	-1.1	-0.7	
Total operating profit	16.9	17.6	-3.8
Operating margin, %	12.0	11.6	

Key figures

	Q309	Q308	Q1-Q3 09	Q1-Q3 08	2008
Earnings per share, EUR	0.30	0.31	0.71	0.99	1.03
EVA, EUR million	8.2	9.7	16.6	28.3	25.0
Capital expenditure, EUR million	9.7	20.8	34.1	52.2	84.2
Depreciation, amortisation and impairment, EUR million	10.1	9.4	29.9	28.1	41.0
Return on equity, % (ROE)			17.7	25.1	19.6
Return on invested capital, % (ROI)			16.0	21.0	17.1
Equity ratio, %			43.3	44.9	43.2
Gearing, %			61.2	57.3	58.8
Total number of full-time and part-time employees at end of period			9,101	9,625	9,490

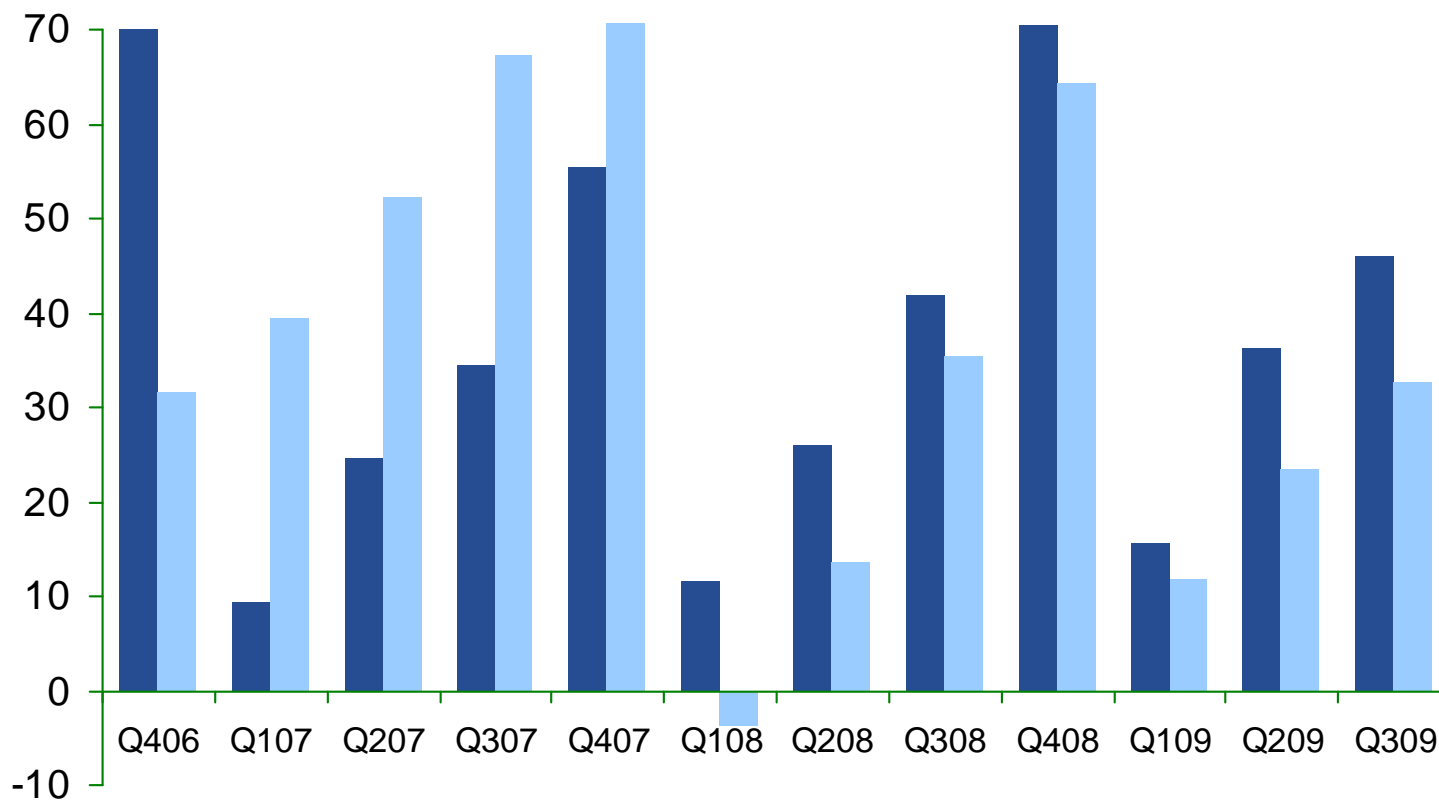
Operating margin (%) by division

Quarterly figures

	Q309	Q209	Q109	Q1-Q4 08	Q408	Q308	Q208	Q108	Q1-Q4 07	Q407
Environmental Services	14.5	12.6	9.4	10.7	8.0	13.2	10.6	11.2	12.5	11.2
Property and Office Support Services	12.0	7.2	5.5	2.4	-3.1	8.4	1.9	2.7	5.5	7.0
Industrial Services	7.7	9.9	1.9	7.6	8.5	18.1	6.3	-6.5	7.5	0.5
L&T total	12.0	10.1	6.8	9.2	3.2	11.6	6.6	15.5	8.8	8.2

Operating cash flow, cumulative

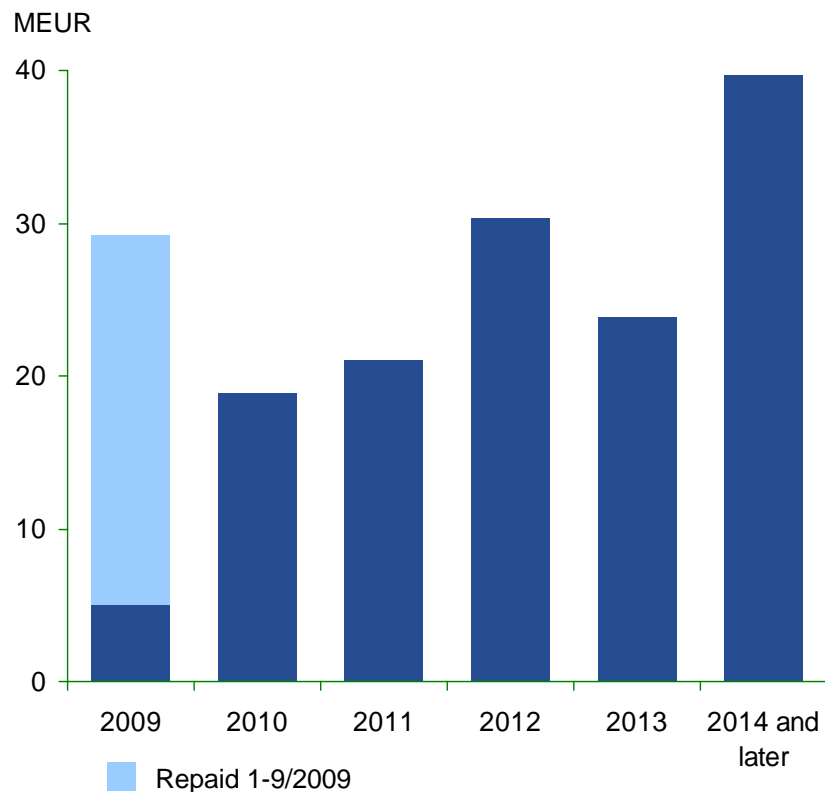
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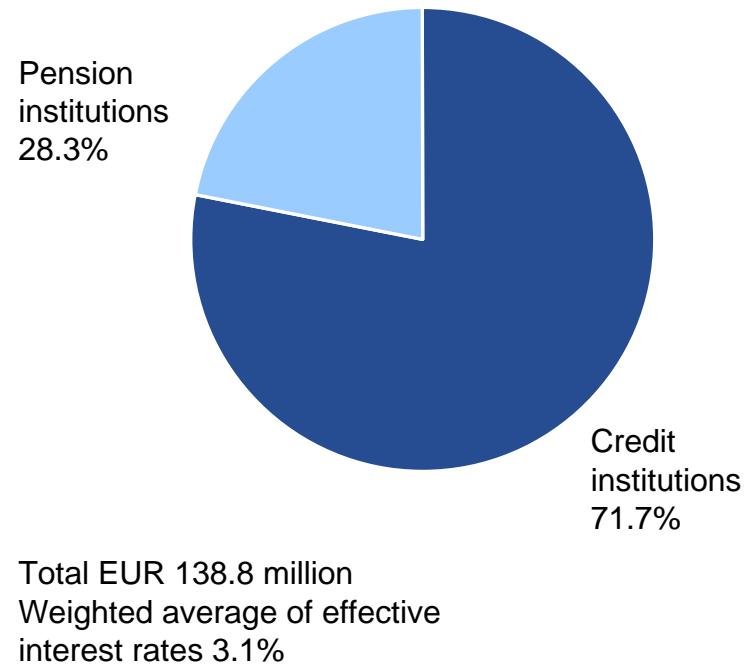
■ Operating activities ■ Investment activities

Long-term loans

Maturity structure of long-term loans 30 September 2009

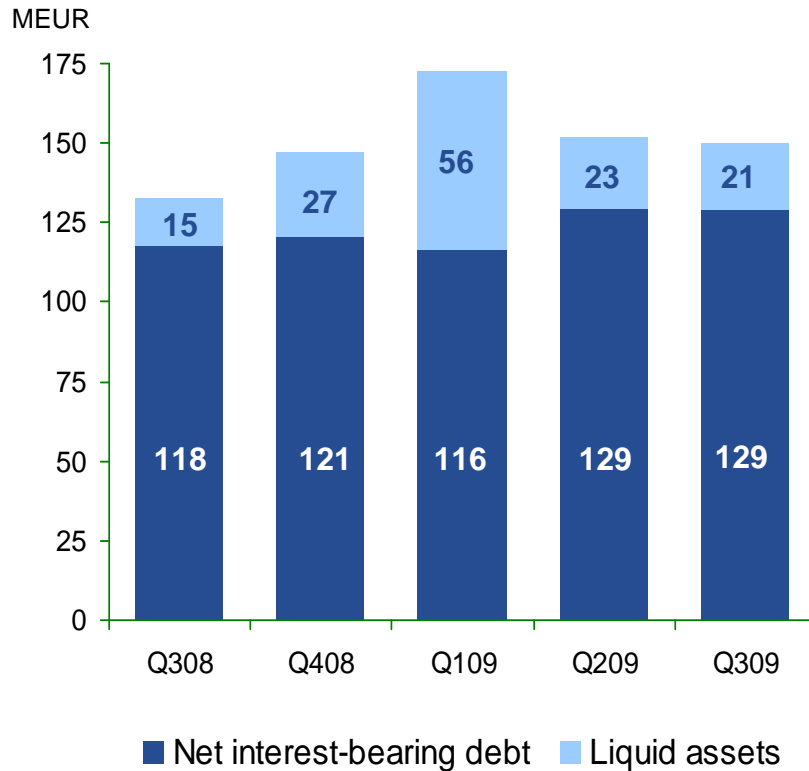


Long-term loan portfolio 30 September 2009

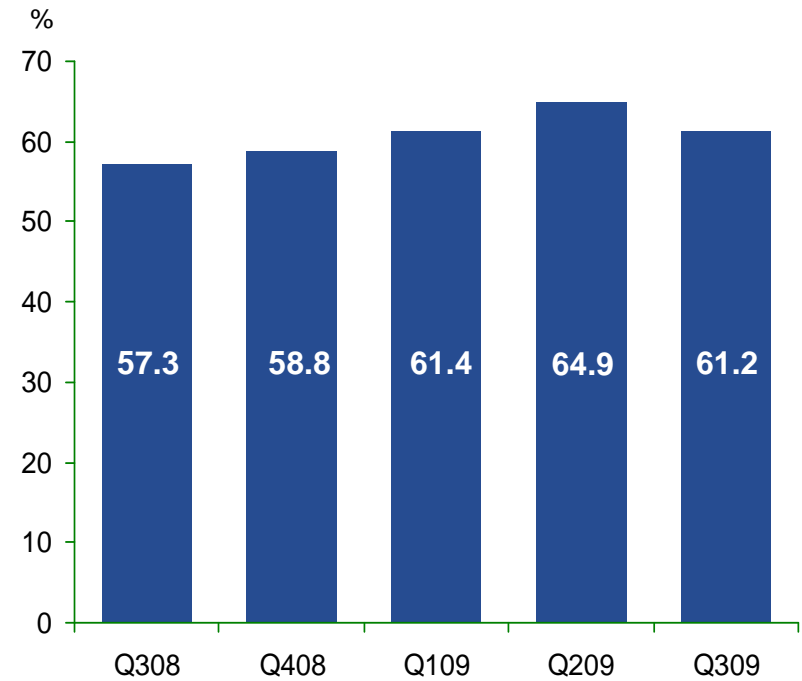


Financial position

Interest-bearing debt



Gearing ratio



Prospects for the rest of the year

In the Environmental Services division, waste material collection and recycling volumes are expected to remain stable towards the year-end. The demand and market prices of secondary raw materials are expected to recover at a moderate rate.

Demand for L&T Biowatti's wood-based fuels will grow as the heating season begins, but the low operating rates in the industry and the low wholesale price of electricity translate into weaker demand than in the same period a year earlier. Furthermore, the low price of emission rights will undermine the competitiveness of wood-based fuels. L&T Biowatti's operations will be adapted to the weaker demand.

In the Property and Office Support Services, outlook for the remainder of the year is stable. The customers' tight economies have resulted in increased competitive bidding and will probably reduce orders for additional services.

Low industrial operating rates will keep hazardous waste volumes low for the rest of the year and reduce demand for maintenance work. Measures to adjust production to the lower demand in the winter season will continue.

Full-year net sales will fall slightly from the previous year. Meanwhile, operating profit excluding non-recurring and imputed items will show slight improvement.

Prospects have been revised from the previous interim report, which stated as follows: "Full-year net sales are expected to reach the previous year's level and full-year operating profit, excluding non-recurring and imputed items, is expected to reach the same level or show slight improvement. This requires that production operations will be launched at the L&T Recoil plant in the early autumn."

This estimate was included in the Q3 Interim Report released on 27 October 2009.