LASSILA & TIKANOJA PLC
INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2009

- **Net sales for the third quarter EUR 140.7 million (EUR 151.2 million); operating profit EUR 16.9 million (EUR 17.6 million); operating profit excluding non-recurring and imputed items EUR 16.6 million (EUR 16.3 million); earnings per share EUR 0.30 (EUR 0.31)**
- **Net sales for January–September EUR 434.3 million (EUR 452.9 million); operating profit EUR 41.8 million (EUR 50.6 million); operating profit excluding non-recurring and imputed items EUR 42.6 million (EUR 36.4 million); earnings per share EUR 0.71 (EUR 0.99)**
- **Revised prospects: Full-year net sales will fall slightly from the previous year. Meanwhile, operating profit excluding non-recurring and imputed items will show slight improvement.**

GROUP NET SALES AND FINANCIAL PERFORMANCE

Third quarter
Lassila & Tikanoja's net sales for the third quarter totalled EUR 140.7 million (EUR 151.2 million), showing a decrease of 6.9% from the previous year. Operating profit was EUR 16.9 million (EUR 17.6 million), representing 12.0% (11.6%) of net sales, and operating profit excluding non-recurring and imputed items was EUR 16.6 million (EUR 16.3 million). Earnings per share were EUR 0.30 (EUR 0.31).

Net sales for the third quarter fell from the previous year due to the sustained low demand for wood-based fuels and the decline in raw material volumes in recycling services. Despite the fall in net sales, profitability remained at the previous year's level thanks to effective efficiency-boosting measures.

January–September
Nine-month net sales amounted to EUR 434.3 million (EUR 452.9 million); down by 4.1%. Operating profit was EUR 41.8 million (EUR 50.6 million), representing 9.6% (11.2%) of net sales. Operating profit excluding non-recurring and imputed items rose to EUR 42.6 million (EUR 36.4 million). Earnings per share were EUR 0.71 (EUR 0.99). The capital gain of EUR 14.3 million from the sale of Ekokem shares boosted the operating profit and result in the comparison period.

The decrease in net sales could be primarily attributed to the weak demand for L&T Biowatti's wood-based fuels as well as for secondary raw materials, and their low market prices in the first half. The net sales of Property and Office Support Services and Industrial Services almost reached their previous year's level.

Operating profit excluding non-recurring and imputed items saw an improvement thanks to efficiency enhancement measures, particularly in the Finnish operations of the Property and Office Support Services division.

Financial summary

	7-9/ 2009	7-9/ 2008	Change %	1-9/ 2009	1-9/ 2008	Change %	1-12/ 2008
Net sales, EUR million	**140.7**	151.2	-6.9	**434.3**	452.9	-4.1	**606.0**
Operating profit excluding non-recurring and imputed items, EUR million*	**16.6**	16.3	1.8	**42.6**	36.4	17.0	**45.0**
Operating profit, EUR million	**16.9**	17.6	-3.8	**41.8**	50.6	-17.5	**55.5**
Operating margin, %	**12.0**	11.6		**9.6**	11.2		**9.2**
Profit before tax, EUR million	**15.7**	16.2	-3.5	**37.6**	47.2	-20.3	**50.7**
Earnings per share, EUR	**0.30**	0.31	-3.2	**0.71**	0.99	-28.3	**1.03**
EVA, EUR million	**8.2**	9.7	-15.5	**16.6**	28.3	-41.3	**25.0**

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

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

Third quarter
The net sales of Environmental Services (waste management, recycling services, L&T Biowatti, environmental products) in the third quarter shrank by 11.9% to EUR 64.9 million (EUR 73.7 million). Operating profit was EUR 9.4 million (EUR 9.7 million), and operating profit excluding non-recurring and imputed items was EUR 9.4 million (EUR 9.7 million).

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. In the recycling services business, net sales declined due to shrinking volumes of raw materials but profitability improved thanks to the recovering of the price level of secondary raw materials as well as production efficiency enhancement measures.

At the Kerava recycling plant, the new recycled timber unit was brought on line and the construction of additional capacity continued.

L&T Biowatti recorded a considerable decrease in net sales due to the continued weak demand for wood-based fuels. Factors contributing to the weak demand included the lower operating rates in the industry and the low wholesale price of electricity. Furthermore, the industrial use of sawdust was considerably lower than generally in the summer season. Energy wood procurement proceeded according to plans, resulting in a significant increase in raw material stocks.

The international operations of Environmental Services continued to show a healthy profitability thanks to production efficiency improvement measures.

January–September
Environmental Services' net sales for January–September decreased by 7.8% to EUR 208.3 million (EUR 225.9 million). Operating profit was EUR 25.2 million (EUR 26.3 million), and operating profit excluding non-recurring and imputed items was EUR 26.4 million (EUR 26.3 million).

In waste management, net sales remained at the previous year's level despite the reduction in waste volumes resulting particularly from the slowdown in new construction. Active renovation operations, however, helped to offset the decline in waste volumes. Cost-efficiency contributed to the profitability improvement in the waste management business.

The market prices of secondary raw materials (plastics, fibres, metals) and their demand remained low in the first half, but showed slight improvement in the third quarter. The investment programme covering the construction of additional capacity at the Kerava recycling plant was cut. The second stage of the investment involves the construction of a combined plant that will be able to handle both construction waste and trade and industrial waste. The plant is scheduled to be completed in autumn 2010.

The demand for biofuels supplied by L&T Biowatti decreased sharply, particularly as a result of the lower wholesale price of electricity and lower operating rates in the forest industry, and the profitability declined. The price of emission rights continued to be low, which eroded the competitiveness of wood-based fuels against coal and oil. A forestry services organisation focusing on energy wood procurement launched operations in January and was able to exceed its procurement targets during the period. The Luumäki pellet plant was closed in May.

In April, waste management operations in Russia were extended to cover the city of Noginsk. The construction of a recycling plant in Dubna began with completion scheduled for the first half next year. In Latvia, the growing uncertainty of the country's economy posed challenges for business development, but at the same time it has improved the availability of labour and lowered labour costs.

Net sales for environmental products declined while profitability remained at a good level.

Property and Office Support Services

Third quarter

The net sales of Property and Office Support Services (property maintenance and cleaning services) amounted to EUR 60.0 million (EUR 60.1 million) in the third quarter. The operating profit grew to EUR 7.2 million (EUR 5.0 million), and operating profit excluding non-recurring and imputed items was EUR 7.3 million (EUR 5.0 million).

Net sales from Finnish operations showed slight growth from the previous year, and the sales of additional services in the summer were successful. Efficiency boosting measures improved profitability.

Net sales from international operations declined from last year primarily as a result of the weakening of the Swedish krona and the Russian rouble. In response to growing economic uncertainty, customers have downsized their cleaning services programmes, particularly in Latvia. The result from international operations improved and showed a small profit.

January–September

The January–September net sales of Property and Office Support Services totalled EUR 181.7 million (EUR 180.4 million). Operating profit grew to EUR 14.9 million (EUR 7.9 million). Operating profit excluding non-recurring and imputed items was EUR 15.2 million (EUR 7.8 million).

Contract revenue in Finland in both product lines reached the previous year’s level despite tough competition. Additional services sold well even though the slowdown in construction reflected on the demand for maintenance services for technical systems. A few sizeable damage repair projects were carried out in the first half, ensuring a constant workflow. New partnership agreements were signed with insurance companies.

Efficiency improvement measures continued, resulting in a significant improvement in profitability. Prolonged economic uncertainty resulted in considerably lower employee turnover, particularly in cleaning services, which also helped raise production efficiency.

Loss from international operations decreased. The Russian and Latvian operations recorded a positive result. In Sweden, the reorganisation programme proceeded as planned and targets were met, but operations continued to make a loss. In March, the Russian cleaning services were awarded a certificate for compliance with the ISO 9001 quality standards.

Industrial Services

Third quarter

The net sales of Industrial Services (hazardous waste management, industrial solutions, wastewater services, L&T Recoil) were down by 7.3% to EUR 17.7 million (EUR 19.1 million). Operating profit was EUR 1.4 million (EUR 3.5 million), and operating profit excluding non-recurring and imputed items was EUR 1.0 million (EUR 2.2 million).

The division’s net sales fell due to lower operating rates in the industry and a decrease in hazardous waste volumes. Profitability of the hazardous waste management and industrial solutions business was boosted by improvements in waste sorting efficiency and in the waste recovery rate. Considering the market environment, operational adjustment measures were successful even though the organisational changes associated with divisional combinations caused some disruptions, particularly in the production control of waste water services.

Production start-up at the joint venture L&T Recoil’s re-refinery for used lubricating oil began. Transition to production phase has been further delayed, which has increased the loss of the joint venture. The objective is to reach production stage by the end of the year.

A non-recurring sales gain of EUR 0.4 million from the soil washing services business divested last year was recorded for the quarter.

January–September
The January–September net sales of Industrial Services amounted to EUR 50.1 million (EUR 51.0 million). Operating profit was EUR 3.4 million (EUR 3.7 million), and operating profit excluding non-recurring and imputed items was EUR 3.1 million (EUR 3.8 million).

The low operating rates in the industry had the expected impact on Industrial Services, particularly on hazardous waste volumes. Maintenance service volumes decreased as the financial uncertainty prolonged, and rapid fluctuation in demand continued. Similarly, the demand for recovered fuels remained low during the whole period.

The division, except for wastewater services and L&T Recoil, was nevertheless able to improve its profitability thanks to successful production efficiency enhancement measures. In addition, large individual projects were carried out in the first half. New industrial partnerships were launched in industrial solutions in the first half.

Transition to production phase of the joint venture L&T Recoil's re-refinery has not proceeded as planned. The production target set for this year will not be reached. The objective is to reach production phase by the end of the year.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING AND IMPUTED ITEMS

EUR million	**7-9/ 2009**	**7-9/ 2008**	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
Operating profit	**16.9**	17.6	**41.8**	50.6	55.5
Non-recurring items					
Impairment loss on goodwill of business in Sweden					3.1
Discontinuation of soil washing services	**-0.4**		**-0.4**		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		-1.3		0.1	-3.0
Restructuring expenses	**0.2**		**1.4**		
Discontinuation of wood pellet production in Luumäki	**-0.1**		**0.3**		
Refund of supplementary insurance fund of former Lassila & Tikanoja			**-0.5**		
Operating profit excluding non-recurring and imputed items	**16.6**	16.3	**42.6**	36.4	45.0

FINANCING

At the end of the period, interest-bearing liabilities amounted to EUR 17.8 million more than a year earlier. Net interest-bearing liabilities, totalling EUR 129.3 million, increased by EUR 11.6 million from the comparison period and by EUR 8.7 million from the beginning of the year.

The amount of net finance costs in the third quarter was below that of the comparison period by EUR 0.1 million while in January–September the amount exceeded that of the comparison period by EUR 0.7 million. Interest expenses decreased by EUR 0.4 million in the third quarter and increased by EUR 0.2 million in January–September. The decrease in the third quarter resulted from the decline in the interest rate level and the decrease in the interest-bearing liabilities, though the amount of the liabilities exceeded that of the comparison period. Net finance costs were 1.0% (0.8%) of net sales and 10.0% (6.8%) of operating profit.

In January–September, a total of EUR -0.4 million (less than EUR -0.1 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.

In January–September, new long-term loans totalling EUR 24.0 million were drawn and a total of EUR 19.0 million of short-term loans were converted into long-term loans. EUR 24.2 million were repaid. During the last three months of the year, repayments of long-term loans totalling EUR 5.0 million (EUR 4.2 million) will fall due. At 30 September, the weighted average of effective interest rates of long-term loans was 3.1% (5.4%). At the end of the period, the amount of liquid assets was EUR 21.0 million (EUR 14.9 million). A committed limit of EUR 15.0 million was not in use.

The equity ratio was 43.3% (44.9%) and the gearing rate 61.2 (57.3). Cash flows from operating activities amounted to EUR 45.9 million (EUR 41.8 million). EUR 16.5 million were tied up in the working capital (EUR 8.5 million). The high amount of working capital at the end of September was mainly attributable to increase in the inventories of L&T Biowatti.

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 34.1 million (EUR 52.2 million). The largest construction projects were L&T Recoil re-refinery and the extension of the Kerava recycling plant.

In the second quarter, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services. The net sales of the acquired business totalled EUR 0.7 million.

In the beginning of June, the business of Environmental Services' unit in Virrat was sold.

PERSONNEL

In January–September, the average number of employees converted into full-time equivalents was 8,254 (8,177). At the end of the period, the total number of full-time and part-time employees was 9,101 (9,625). Of them 6,885 (7,326) people worked in Finland and 2,216 (2,299) people in other countries.

NEW DIVISIONS

As of 1 June 2009, Lassila & Tikanoja's business operations were regrouped into three divisions: Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti). The Industrial Services division was combined with the Environmental Services division.

By the regrouping L&T aims at a more cost-efficient and customer orientated operating model. The combining of the organisations of Environmental Services and Industrial Services allows more efficient use of resources.

The company's internal reporting, as well as the segments reported externally, will be changed to reflect the new divisions at the beginning of 2010. In 2009, the financial reporting segments are Environmental Services, Property and Office Support Services and Industrial Services.

SHARE AND SHARE CAPITAL

Traded volume and price
The volume of trading in Lassila & Tikanoja plc shares on NASDAQ OMX Helsinki from January through September was 8,512,836, which is 21.9 % (39.6 %) of the average number of shares. The value of trading was EUR 102.1 million (EUR 261.4 million). The trading price varied between EUR 9.16 and EUR 17.19. The closing price was EUR 16.40. During the review period the company repurchased 30,000 own shares. The market capitalisation was EUR 635.8 million (EUR 535.4 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 the shares to 38,798,874 shares. In January–September, the average number of shares excluding the shares held by the company totalled 38,784,537.

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, 32 key persons held 176,000 2005B options. 37 key persons hold 200,000 2005C options. L&T Advance Oy, a wholly-owned subsidiary of Lassila & Tikanoja plc, holds 24,000 2005B options and 30,000 2005C options and these options will not be exercised.

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

As a result of the exercise of the outstanding 2005 share options, the number of shares may increase by a maximum of 376,000 new shares, which is 1.0% of the current number of shares. The 2005B options have been listed on NASDAQ OMX Helsinki 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. 38 key persons hold 199,000 options and L&T Advance Oy 31,000 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 199,000 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 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 7,245 (5,978) shareholders. Nominee-registered holdings accounted for 9.3% (10.7%) 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%.

On 12 May 2009, OP-Pohjola Group announced that its holding of the shares and votes in Lassila & Tikanoja plc had risen to 5.2%.

On 7 August 2009, OP-Pohjola Group announced that its holding of the shares and votes in Lassila & Tikanoja plc had fallen to 4.7%.

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

Own shares
At the end of the period Lassila & Tikanoja plc held 30,000 of its own shares which represent 0.1% of shares and votes. The shares were repurchased based on the authorisation given by the Annual General Meeting on 20-26 May 2009 at a total price of EUR 356 thousand.

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 on a share-based incentive programme. More details of the programme are given above in the chapter Share and share capital.

In a release published on 12 May 2009, the company announced that as of 1 June 2009 its business operations will be regrouped into three divisions: Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti). The Industrial Services division will be combined to the Environmental Services division. The company’s internal reporting, as well as the segments reported externally, will be changed to reflect the new divisions at the beginning of 2010.

In a release published on 4 September 2009, the company announced that as of that date Director Arto Nivalainen leaves the Group Executive team of Lassila & Tikanoja plc. He will continue in the company until 31 August 2010. Nivalainen is responsible for certain development and investment projects and continues as a member of the Board of Directors of L&T Biowatti Oy. L&T's Group Executives are: Jorma Mikkonen, Vice President, Environmental Services; Anna-Maija Apajalahti, Vice President, Property and Office Support Services; Laura Aarnio, Accounting Director; Kimmo Huhtimo, Director responsible for product and process development, marketing communications and Contact Centre; Inkeri Puputti, HR Director; Ville Rantala, CFO.

NEAR-TERM UNCERTAINTIES

A prolonged economic recession may reduce transport and recycling volumes and the number of assignments. The market price instability of secondary raw materials and low demand could have a negative effect on the profitability of recycling services. Rapid fluctuations in demand for services purchased by the industry and the lowering operating rates may hamper the planning and implementation of work.

If the operating rate target set for L&T Recoil's production will not be reached , this will have a pronounced impact on Industrial Services' performance. The division's result will also decline if the price of crude oil falls, because the price of base oil follows crude oil price developments with a slight delay.

Sustained low operating rates in the forest industry will hamper L&T Biowatti's procurement of by-products for raw material. The low prices of coal and oil will undermine the competitiveness of wood-based fuels. Similarly, the low wholesale price of electricity will weaken demand.

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

If the H1N1 influenza epidemic expands further, potential consequences include higher sick day costs and production disruptions, which could weaken financial performance.

More detailed information on L&T's risks and risk management is available in the Annual Report 2008 in the Board of Directors' Report and consolidated financial statements.

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."

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–30 SEPTEMBER 2009

CONSOLIDATED INCOME STATEMENT

EUR 1000	**7-9/ 2009**	**7-9/ 2008**	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
Net sales	**140 739**	151 243	**434 265**	452 938	605 996
Cost of goods sold	**-117 933**	-129 016	**-373 212**	-396 756	-533 681
Gross profit	**22 806**	22 227	**61 053**	56 182	72 315
Other operating income	**652**	2 016	**1 996**	17 888	21 708
Selling and marketing costs	**-3 028**	-3 491	**-10 794**	-11 711	-16 228
Administrative expenses	**-3 006**	-2 941	**-8 538**	-9 232	-12 105
Other operating expenses	**-515**	-228	**-1 957**	-2 510	-7 102
Goodwill impairment					-3 090
Operating profit	**16 909**	17 583	**41 760**	50 617	55 498
Finance income	**237**	373	**1 066**	1 189	1 931
Finance costs	**-1 479**	-1 719	**-5 226**	-4 625	-6 737
Profit before tax	**15 667**	16 237	**37 600**	47 181	50 692
Income tax expense	**-4 152**	-4 303	**-9 964**	-8 745	-10 724
Profit for the period	**11 515**	11 934	**27 636**	38 436	39 968
Attributable to:					
Equity holders of the company	**11 509**	11 929	**27 629**	38 432	39 969
Minority interest	**6**	5	**7**	4	-1
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	**0.30**	0.31	**0.71**	0.99	1.03
Diluted earnings per share, EUR	**0.30**	0.31	**0.71**	0.99	1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	**7-9/ 2009**	**7-9/ 2008**	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
Profit for the period	**11 515**	11 934	**27 636**	38 436	**39 968**
Other comprehensive income, after tax					
Hedging reserve, change in fair value	**-106**	-417	**-441**	-46	-972
Current available-for-sale investments					
Gains in the period	**-17**	4	**-24**	5	29
Reclassification adjustments				-14 238	-14 238
Current available-for-sale investments	**-17**	4	**-24**	-14 233	-14 209
Currency translation differences	**146**	-278	**124**	-535	-1 862
Other comprehensive income, after tax	**23**	-691	**-341**	-14 814	-17 043
Total comprehensive income, after tax	**11 538**	11 243	**27 295**	23 622	22 925
Attributable to:					
Equity holders of the company	**11 533**	11 268	**27 299**	23 620	22 950
Minority interest	**5**	-25	**-4**	2	-25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	**9/2009**	**9/2008**	**12/2008**
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	**115 814**	119 498	115 451
Customer contracts arising from acquisitions	**6 052**	6 692	7 346
Agreements on prohibition of competition	**11 691**	13 520	13 270
Other intangible assets arising from business acquisitions	**3 685**	5 869	5 158
Other intangible assets	**13 187**	12 270	11 402
	150 429	157 849	152 627
Property, plant and equipment			
Land	**4 015**	3 690	3 832
Buildings and constructions	**70 581**	38 218	43 958
Machinery and equipment	**113 958**	109 693	113 851
Other	**81**	114	78
Advance payments and construction in progress	**13 460**	26 582	35 433
	202 095	178 297	197 152
Other non-current assets			
Available-for-sale investments	**522**	502	502
Finance lease receivables	**4 567**	4 827	4 694
Deferred income tax assets	**1 736**	1 373	945
Other receivables	**626**	644	689
	7 451	7 346	6 830
Total non-current assets	**359 975**	343 492	356 609
Current assets			
Inventories	**29 274**	17 261	18 827
Trade and other receivables	**83 031**	84 827	74 634
Derivative receivables		1 069	112
Advance payments	**1 747**	2 994	986
Available-for-sale investments	**10 989**	5 988	20 368
Cash and cash equivalents	**10 004**	8 883	6 149
Total current assets	**135 045**	121 022	121 076
TOTAL ASSETS	**495 020**	464 514	477 685

EUR 1000	**9/2009**	**9/2008**	**12/2008**
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	**-3 294**	-757	-2 964
Retained earnings	**116 773**	97 556	97 799
Profit for the period	**27 629**	38 432	39 969
	211 180	205 303	204 876
Minority interest	**158**	189	162
Total equity	**211 338**	205 492	205 038
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	**33 233**	29 952	32 898
Pension obligations	**673**	632	674
Long-term provisions	**2 011**	1 128	1 741
Long-term borrowings	**131 025**	78 425	102 487
Other liabilities	**1 592**	870	1 083
	168 534	111 007	138 883
Current liabilities			
Short-term borrowings	**19 247**	54 092	44 569
Trade and other payables	**92 295**	92 601	88 298
Derivative liabilities	**1 205**	1 078	610
Tax liabilities	**2 320**	244	273
Short-term provisions	**81**		14
	115 148	148 015	133 764
Total liabilities	**283 682**	259 022	272 647
TOTAL EQUITY AND LIABILITIES	**495 020**	464 514	477 685

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	**9/2009**	**9/2008**	**12/2008**
Cash flows from operating activities			
Profit for the period	**27 636**	38 436	39 968
Adjustments			
Income tax expense	**9 964**	8 745	10 724
Depreciation, amortisation and impairment	**29 916**	28 067	40 985
Finance income and costs	**4 160**	3 436	4 806
Oil derivatives		81	-2 221
Gain on sale of shares		-14 258	-14 258
Discontinued operations			2 616
Other	**953**	-906	444
Net cash generated from operating activities before change in working capital	**72 629**	63 601	83 064
Change in working capital			
Change in trade and other receivables	**-11 312**	-14 113	3 502
Change in inventories	**-10 456**	-2 925	-4 492
Change in trade and other payables	**5 275**	8 525	3 152
Change in working capital	**-16 493**	-8 513	2 162
Interest paid	**-5 398**	-3 554	-5 953
Interest received	**1 289**	1 093	1 867
Income tax paid	**-6 091**	-10 858	-10 716
Net cash from operating activities	**45 936**	41 769	70 424
Cash flows from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired	**-320**	-420	-4 298
Proceeds from sale of subsidiaries and businesses, net of sold cash	**197**		23
Purchases of property, plant and equipment and intangible assets	**-34 185**	-53 285	-77 542
Proceeds from sale of property, plant and equipment and intangible assets	**1 506**	1 734	789
Purchases of available-for-sale investments	**-48**	-110	-200
Change in other non-current receivables	**67**	-6	-11
Proceeds from sale of available-for-sale investments	**24**	16 813	16 867
Dividends received	**1**	3	4
Net cash used in investing activities	**-32 758**	-35 271	-64 368
Cash flows from financing activities			
Proceeds from shares issued		206	206
Change in short-term borrowings	**-14 636**	7 365	-4 593
Proceeds from long-term borrowings	**43 000**	20 000	47 000
Repayments of long-term borrowings	**-25 362**	-11 864	-14 546
Dividends paid	**-21 318**	-21 315	-21 315
Repurchase of own shares	**-356**		
Net cash generated from financing activities	**- 18 672**	-5 608	6 752

EUR 1000	**9/2009**	**9/2008**	**12/2008**
Net change in liquid assets	**-5 494**	890	12 808
Liquid assets at beginning of period	**26 517**	14 008	14 008
Effect of changes in foreign exchange rates	**2**	-35	-339
Change in fair value of current available-for-sale investments	**-32**	8	40
Liquid assets at end of period	**20 993**	14 871	26 517

Liquid assets

EUR 1000	**9/2009**	**9/2008**	**12/2008**
Cash and cash equivalents	**10 004**	8 883	6 149
Certificates of deposit	**10 989**	5 988	20 368
Total	**20 993**	14 871	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**
Expense recognition of share-based benefits				656	656		656
Repurchase of own shares				-356	-356		-356
Dividends paid				-21 295	-21 295		-21 295
Total comprehensive income			-330	27 629	27 299	-4	27 295
Equity at 30.9.2009	**19 399**	**50 673**	**-3 294**	**144 402**	**211 180**	**158**	**211 338**
Equity at 1.1.2008	**19 392**	**50 474**	**14 055**	**118 236**	**202 157**	**187**	**202 344**
Share subscriptions with 2005 options	7	199			206		206
Expense recognition of share-based benefits				643	643		643
Dividends paid				-21 323	-21 323		-21 323
Total comprehensive income			-14 812	38 432	23 620	2	23 622
Equity at 30.9.2008	**19 399**	**50 673**	**-757**	**135 988**	**205 303**	**189**	**205 492**

KEY FIGURES

	7-9/ 2009	7-9/ 2008	1-9/ 2009	1-9/ 2008	1-12/ 2008
Earnings per share, EUR	**0.30**	0.31	**0.71**	0.99	1.03
Earnings per share, EUR - diluted	**0.30**	0.31	**0.71**	0.99	1.03
Cash flows from operating activities per share, EUR	**0.25**	0.41	**1.18**	1.08	1.82
EVA, EUR million	**8.2**	9.7	**16.6**	28.3	25.0
Capital expenditure, EUR 1000	**9 676**	20 817	**34 132**	52 238	84 249
Depreciation, amortisation and impairment, EUR 1000	**10 101**	9 448	**29 916**	28 067	40 985
Equity per share, EUR			**5.45**	5.29	5.28
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
Net interest-bearing liabilities, EUR 1000			**129 278**	117 646	120 539
Average number of employees in full-time equivalents			**8 254**	8 177	8 363
Total number of full-time and part-time employees at end of period			**9 101**	9 625	9 490
Number of outstanding shares adjusted for issues, 1000 shares					
average during the period			**38 785**	38 795	38 796
at end of period			**38 769**	38 799	38 799
average during the period, diluted			**38 785**	38 820	38 817

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:

<u>IFRS 8 Operating Segments</u>
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.

<u>IAS 1 (Amendment) Presentation of Financial Statements</u>
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.

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 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	7-9/2009 External	7-9/2009 Inter-division	7-9/2009 Total	7-9/2008 External	7-9/2008 Inter-division	7-9/2008 Total	Total net sales, change %
Environmental Services	**64 478**	**463**	**64 941**	73 333	407	73 740	-11.9
Property and Office Support Services	**59 349**	**675**	**60 024**	59 510	614	60 124	-0.2
Industrial Services	**16 912**	**786**	**17 698**	18 400	691	19 091	-7.3
Eliminations		**-1 924**	**-1 924**		-1 712	-1 712	
L&T total	**140 739**	**0**	**140 739**	151 243	0	151 243	-6.9

EUR 1000	1-9/2009 External	1-9/2009 Inter-division	1-9/2009 Total	1-9/2008 External	1-9/2008 Inter-division	1-9/2008 Total	Total net sales, change %
Environmental Services	**206 387**	**1 877**	**208 264**	224 632	1 227	225 859	-7.8
Property and Office Support Services	**179 643**	**2 055**	**181 698**	178 432	1 928	180 360	0.7
Industrial Services	**48 235**	**1 886**	**50 121**	49 874	1 096	50 970	-1.7
Eliminations		**-5 818**	**-5 818**		-4 251	-4 251	
L&T total	**434 265**	**0**	**434 265**	452 938	0	452 938	-4.1

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	7-9/ 2009	%	7-9/ 2008	%	1-9/ 2009	%	1-9/ 2008	%	1-12/ 2008	%
Environmental Services	**9 425**	**14.5**	9 723	13.2	**25 165**	**12.1**	26 298	11.6	32 255	10.7
Property and Office Support Services	**7 208**	**12.0**	5 048	8.4	**14 909**	**8.2**	7 852	4.4	5 907	2.4
Industrial Services	**1 367**	**7.7**	3 465	18.1	**3 377**	**6.7**	3 710	7.3	5 239	7.6
Group admin. and other	**-1 091**		-653		**-1 691**		12 757		12 097	
L&T total	**16 909**	**12.0**	17 583	11.6	**41 760**	**9.6**	50 617	11.2	55 498	9.2
Finance costs, net	**-1 242**		-1 346		**-4 160**		-3 436		-4 806	
Profit before tax	**15 667**		16 237		**37 600**		47 181		50 692	

Other segment information

EUR 1000	9/2009	9/2008	12/2008
Assets			
Environmental Services	**290 304**	272 673	273 722
Property and Office Support Services	**75 678**	81 594	75 747
Industrial Services	**101 743**	90 384	96 722
Group admin. and other	**37**	443	458
Non-allocated assets	**27 258**	19 420	31 036
L&T total	**495 020**	464 514	477 685
Liabilities			
Environmental Services	**42 337**	42 747	38 207
Property and Office Support Services	**32 839**	32 377	35 524
Industrial Services	**18 330**	18 607	15 440
Group admin. and other	**1 673**	651	1 071
Non-allocated liabilities	**188 503**	164 640	182 405
L&T total	**283 682**	259 022	272 647

EUR 1000	7-9/2009	7-9/2008	1-9/2009	1-9/2008	1-12/2008
Capital expenditure					
Environmental Services	**5 909**	11 003	20 710	25 317	41 823
Property and Office Support Services	**968**	1 400	3 722	6 422	9 679
Industrial Services	**2 798**	8 335	9 678	20 420	32 657
Group admin. and other	**1**	79	22	79	90
L&T total	**9 676**	20 817	34 132	52 238	84 249
Depreciation and amortisation					
Environmental Services	**6 171**	5 738	18 706	17 067	23 122
Property and Office Support Services	**2 165**	2 252	6 511	6 719	8 982
Industrial Services	**1 766**	1 457	4 699	4 278	5 788
Group admin. and other	**-1**			2	3
L&T total	**10 101**	9 447	29 916	28 066	37 895
Impairment					
Property and Office Support Services					3 090
L&T total					3 090

INCOME STATEMENT BY QUARTER

EUR 1000	**7-9/ 2009**	**4-6/ 2009**	**1-3/ 2009**	**10-12/ 2008**	**7-9/ 2008**	**4-6/ 2008**	**1-3/ 2008**	**10-12/ 2007**
Net sales								
Environmental Services	**64 941**	71 008	72 315	74 211	73 740	76 639	75 480	74 788
Property and Office Support Services	**60 024**	60 531	61 143	62 861	60 124	60 983	59 253	58 458
Industrial Services	**17 698**	17 561	14 862	18 062	19 091	18 183	13 696	16 207
Group admin. and other								1
Inter-division net sales	**-1 924**	-2 006	-1 888	-2 076	-1 712	-1 441	-1 098	-1 282
L&T total	**140 739**	147 094	146 432	153 058	151 243	154 364	147 331	148 172
Operating profit								
Environmental Services	**9 425**	8 932	6 808	5 957	9 723	8 151	8 423	8 372
Property and Office Support Services	**7 208**	4 343	3 358	-1 945	5 048	1 178	1 626	4 112
Industrial Services	**1 367**	1 733	277	1 529	3 465	1 140	-895	83
Group admin. and other	**-1 091**	-142	-458	-660	-653	-271	13 681	-468
L&T total	**16 909**	14 866	9 985	4 881	17 583	10 198	22 835	12 099
Operating margin								
Environmental Services	**14.5**	12.6	9.4	8.0	13.2	10.6	11.2	11.2
Property and Office Support Services	**12.0**	7.2	5.5	-3.1	8.4	1.9	2.7	7.0
Industrial Services	**7.7**	9.9	1.9	8.5	18.1	6.3	-6.5	0.5
L&T total	**12.0**	10.1	6.8	3.2	11.6	6.6	15.5	8.2
Finance costs, net	**-1 242**	-1 233	-1 685	-1 370	-1 346	-990	-1 100	-1 247
Profit before tax	**15 667**	13 633	8 300	3 511	16 237	9 208	21 735	10 852

BUSINESS ACQUISITIONS

Business combinations in aggregate

EUR 1000	Fair values used in consolidation	Carrying amounts before consolidation
Property, plant and equipment	140	140
Customer contracts	69	
Agreements on prohibition of competition	101	
Total assets	310	140
Net assets	310	140
Goodwill arising from acquisitions	10	
Acquisition cost	320	
Acquisition cost	320	
Cash flow effect of acquisitions	320	

On 1 June 2009, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services. The net sales of the acquired business totals EUR 700 thousand. The aggregate acquisition cost was EUR 320 thousand, of which EUR 10 thousand was recognised in goodwill. All itemisations in accordance with IFRS 3 are not presented because the figures are immaterial.

The waste collection operations of Kuljetusliike Veli-Pekka Hiltunen Oy (annual net sales EUR 1.2 million) were acquired into Environmental Services On 1 October 2009, and, through an acquisition entering into force on 1 November 2009, the waste management operations of Raahen Kuljetus Maunula Ky (EUR 0.1 million).

The accounting policy concerning business combinations is presented in Annual Report 2008 under Note 2 of the consolidated financial statements and under Summary on significant accounting policies.

CHANGES IN INTANGIBLE ASSETS

EUR 1000	**1-9/2009**	**1-9/2008**	**1-12/2008**
Carrying amount at beginning of period	**152 627**	162 117	162 117
Business acquisitions	**183**	294	3 057
Other capital expenditure	**2 863**	2 937	3 812
Disposals	**-106**	-122	-2 762
Amortisation and impairment	**-6 579**	-6 790	-12 147
Transfers between items	**978**		2
Currency exchange differences	**463**	-587	-1 452
Carrying amount at end of period	**150 429**	157 849	152 627

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	**1-9/2009**	**1-9/2008**	**1-12/2008**
Carrying amount at beginning of period	**197 152**	151 870	151 870
Business acquisitions	**140**	116	2 050
Other capital expenditure	**30 916**	48 782	75 183
Disposals	**-1 585**	-1 009	-2 548
Depreciation and impairment	**-23 337**	-21 277	-28 838
Transfers between items	**-978**		-2
Currency exchange differences	**-212**	-185	-563
Carrying amount at end of period	**202 095**	178 297	197 152

CAPITAL COMMITMENTS

EUR 1000	1-9/2009	1-9/2008	1-12/2008
Intangible assets	**350**	1 122	1 021
Property, plant and equipment	**8 790**	16 739	10 868
Total	**9 140**	17 861	11 889
The Group’s share of capital commitments of joint ventures	**750**	4 093	972

RELATED-PARTY TRANSACTIONS

(Joint ventures)

EUR 1000	1-9/2009	1-9/2008	1-12/2008
Sales	**773**	766	990
Purchases			
Other operating income	**57**		
Interest income	**480**		202
Non-current receivables			
Capital loan receivable	**13 396**	7 646	8 396
Current receivables			
Trade receivables	**41**	79	62
Loan receivables	**442**		202

CONTINGENT LIABILITIES

Securities for own commitments

EUR 1000	9/2009	9/2008	12/2008
Real estate mortgages	**42 179**	19 192	10 192
Corporate mortgages	**21 460**	19 000	10 460
Other securities	**234**	191	200
Bank guarantees required for environmental permits	**3 551**	4 163	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	9/2009	9/2008	12/2008
Maturity not later than one year	**7 422**	6 917	7 459
Maturity later than one year and not later than five years	**16 706**	15 316	16 051
Maturity later than five years	**6 422**	7 188	7 281
Total	**30 550**	29 421	30 791

Derivative financial instruments

Interest rate swaps

EUR 1000	**9/2009**	**9/2008**	**12/2008**
Nominal values of interest rate swaps *			
Maturity not later than one year		15 000	15 000
Total		15 000	15 000
Fair value		220	112
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	**32 386**	18 514	20 914
Maturity later than five years		9 000	5 000
Total	**37 015**	32 143	30 543
Fair value	**-1 205**	641	-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 changes in the fair values are shown in the consolidated statement of comprehensive income for the period.

Currency derivatives

EUR 1000	**9/2009**	**9/2008**
Nominal values of forward contracts		
Maturity not later than one year		2 160
Fair value		24

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	**9/2009**	**9/2008**
Volume of crude oil put options		
Maturity not later than one year		226
Maturity later than one year and not later than five years		57
Total		283
Fair value, EUR 1000		184
Volume of sold crude oil futures		
Maturity not later than one year		42
Fair value, EUR 1000		-1 078

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

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

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

Helsinki, 26 October 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