

A wide-angle photograph of a large industrial facility, likely a pulp mill. The scene is dominated by a complex network of steel beams and pipes overhead. In the foreground, a metal walkway with railings leads down a set of stairs. Below the walkway, there are large, rectangular concrete structures, possibly part of a water treatment or filtration system. The floor is covered with a layer of brown material, likely wood chips or sawdust. The lighting is industrial, with several overhead lights illuminating the space. The overall atmosphere is one of a busy, large-scale manufacturing environment.

Lassila & Tikanoja plc  
26 October 2010  
Jari Sarjo, President and CEO

## Highlights of Q310

### Net sales

Net sales EUR 143.8m (EUR 140.7m) +2.2% (yoy)

Net sales increased thanks to raising operating rates of Environmental Services' industrial clients and success in sales in Property Maintenance.

### Operating profit

Operating profit EUR 16.3m (EUR 16.9m); operating profit excluding non-recurring items EUR 16.8m (EUR 16.6m)

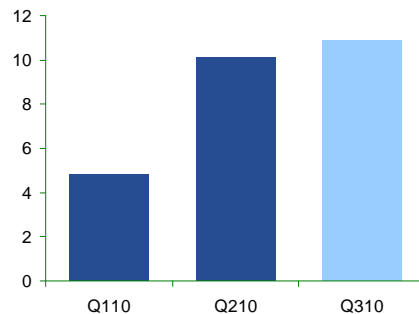
Profitability remained on a par with the comparison period, despite the weak demand of biofuels and the higher-than-expected costs arising from the start-up of a new production line at the Kerava recycling plant.

## Environmental Services: Raising operating rates in the industry

Net sales  
EUR 75.8m (EUR 72.1m)

Operating profit  
EUR 10.9m (EUR 11.8m)

Operating profit excl.  
non-recurring items



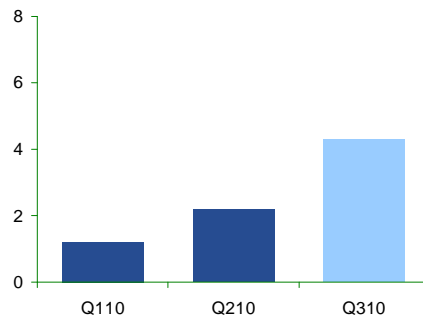
- Net sales increased thanks to the recovery of secondary raw material markets and operating rates in the industry
- Profitability was eroded by the higher-than-expected costs arising from the start-up of the new production line at the Kerava recycling plant
- L&T Recoil recorded significant loss due to the temporary investment shutdown of the plant during the quarter.
- Profitability of operations outside Finland remained at the previous year's level.

## Cleaning and Office Support Services: Good profitability, Sweden improving

Net sales  
EUR 35.7m (EUR 36.3m)

Operating profit  
EUR 4.1m (EUR 4.1m)

Operating profit excl.  
non-recurring items



- Slight decrease in net sales. Additional sales close to previous year's level.
- Profitability on a good level thanks to efforts in production efficiency and cost control.
- Result of operations abroad was positive thanks to continuing success in new sales in Sweden.
- Loss-making cleaning business in Russia was sold at the end of the quarter.

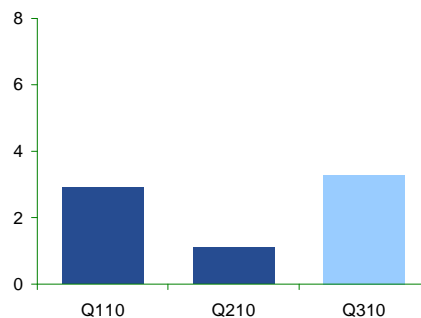
## Property Maintenance: Good work load continued

Net sales  
EUR 26.9m (EUR 23.7m)

Operating profit  
EUR 3.3m (EUR 3.2m)

- Increase in net sales originated from success in sales in property maintenance and increasing work load in damage repair services.
- Profitability remained on a par with the previous year.

Operating profit excl.  
non-recurring items



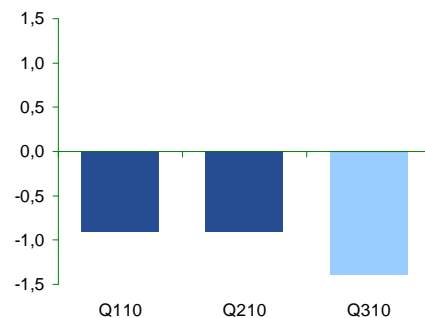
## Renewable Energy Sources: Competitiveness of biofuels still under pressure

Net sales  
EUR 7.6m (EUR 10.7m)

Operating profit  
EUR -1.4m (EUR -1.0m)

- Net sales decreased due to low demand for wood-based biofuels and warm weather.
- Competitiveness of biofuels still weak due to low prices of fossil fuels and emission rights.

### Operating profit excl. non-recurring items



## Financial summary

	Q310	Q309	Change %	Q1-Q4/ 2009
Net sales, EUR million	<b>143.8</b>	140.7	2.2	582.3
Operating profit excl. EO items, EUR million	<b>16.8</b>	16.6	1.4	51.3
Operating profit, EUR million	<b>16.3</b>	16.9	-3.7	50.3
Operating margin, %	<b>11.3</b>	12.0		8.6
Profit before taxes, EUR million	<b>15.0</b>	15.7	-4.2	45.0
Earnings per share, EUR	<b>0.28</b>	0.30	-6.7	0.85
EVA, EUR million	<b>8.8</b>	8.2	7.3	16.5

## Net sales by division

EUR million	Q310	Q309	Change %
Environmental Services	75.8	72.1	5.2
Cleaning and Office Support Services	35.7	36.3	-1.9
Property Maintenance	26.9	23.7	13.4
Renewable Energy Sources	7.6	10.7	-28.6
Inter-division net sales	-2.2	-2.1	
L&T total	143.8	140.7	2.2



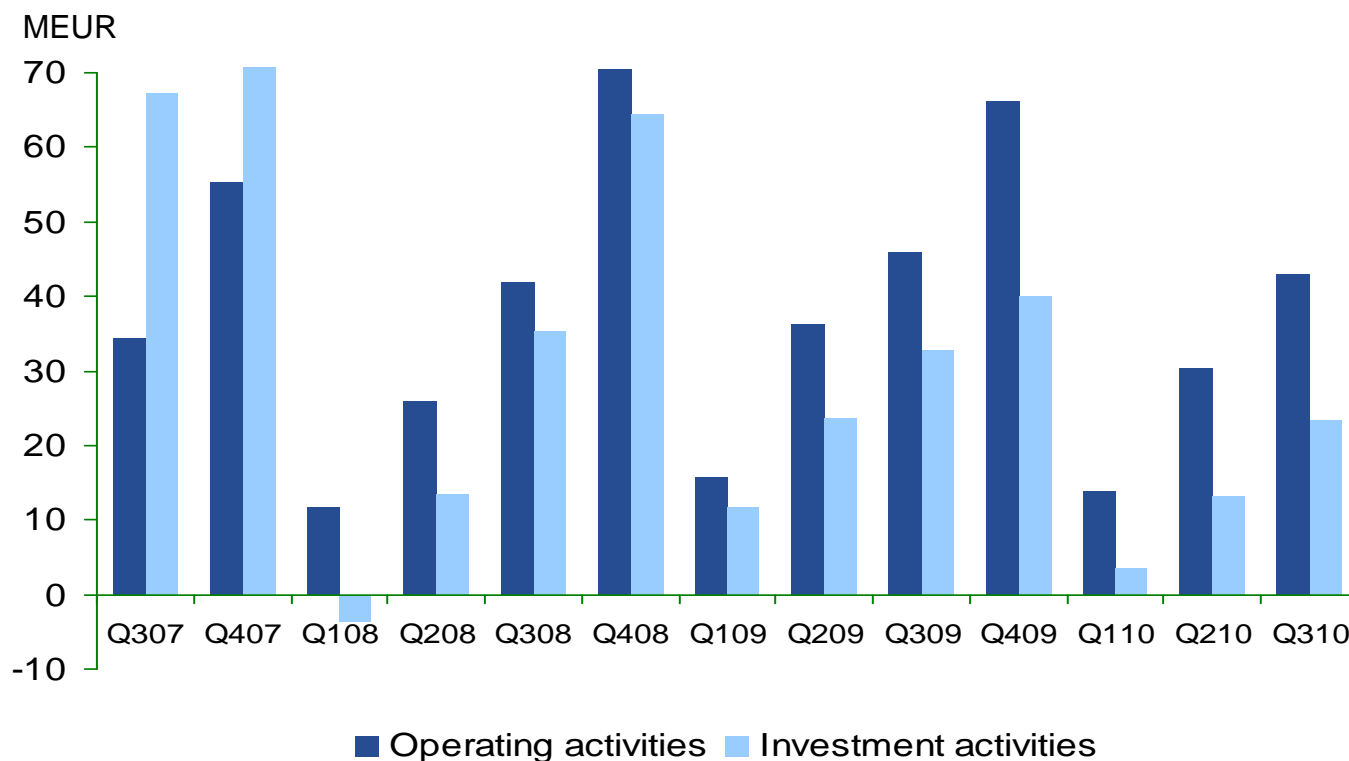
## Operating profit by division

EUR million	Q310	Q309	Change %
Environmental Services	10.9	11.8	-7.5
Cleaning and Office Support Services	4.1	4.1	0.3
Property Maintenance	3.3	3.2	3.4
Renewable Energy Sources	-1.4	-1.0	-39.2
Group administration and other	-0.6	-1.1	
Total operating profit	16.3	16.9	-3.7
Operating margin, %	11.3	12.0	

## Key figures

	Q310	Q309	Q1-Q3 10	Q1-Q3 09	2009
Earnings per share, EUR	<b>0.28</b>	0.30	<b>0.54</b>	0.71	0.85
EVA, EUR million	<b>8.8</b>	8.2	<b>8.9</b>	16.6	16.5
Capital expenditure, EUR million	<b>10.8</b>	9.7	<b>26.9</b>	34.1	44.9
Depreciation, amortisation and impairment, EUR million	<b>10.6</b>	10.1	<b>33.6</b>	29.9	40.3
Return on equity, % (ROE)			<b>12.8</b>	17.7	15.7
Return on invested capital, % (ROI)			<b>12.1</b>	16.0	14.5
Equity ratio, %			<b>45.6</b>	43.3	44.1
Gearing, %			<b>55.2</b>	61.2	53.5
Total number of full-time and part-time employees at end of period			<b>8,550</b>	9,101	8,743

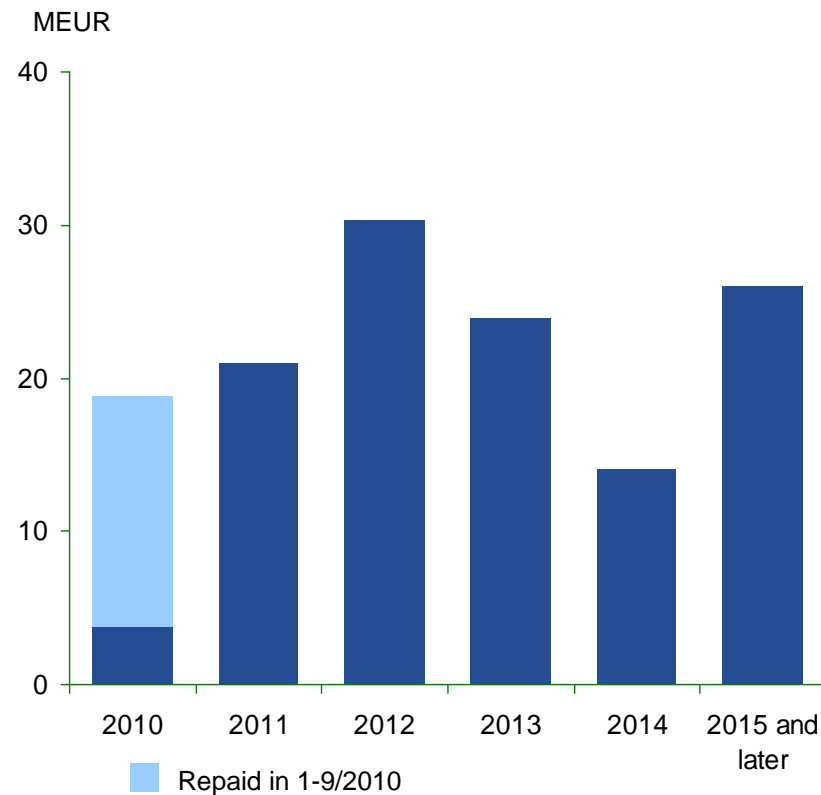
## Operating cash flow, cumulative



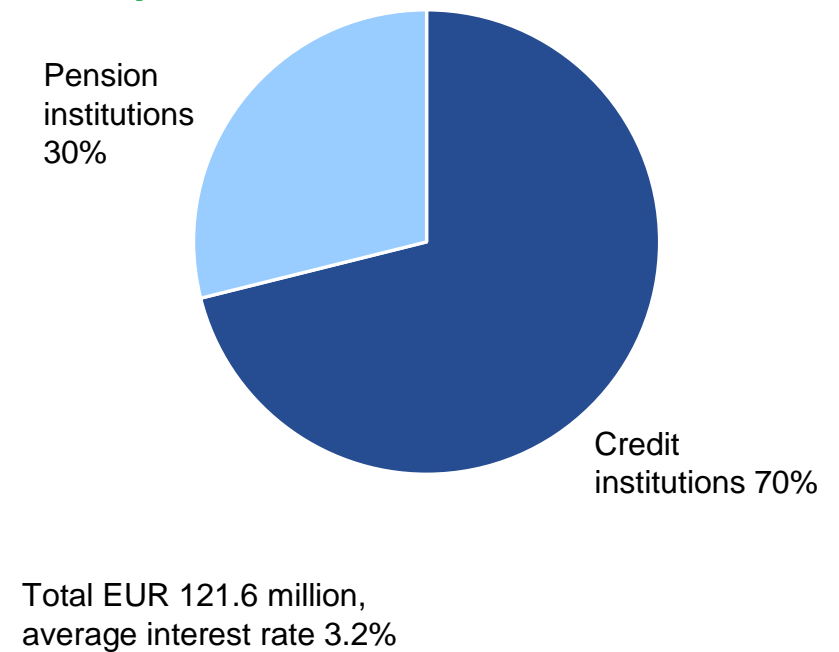
- Operating cash flow was EUR 42.9m (EUR 45.9m)
- EUR 8.2m was tied up in the working capital (EUR 16.5m)

## Long-term loans

### Maturity structure of long-term loans 30 September 2010

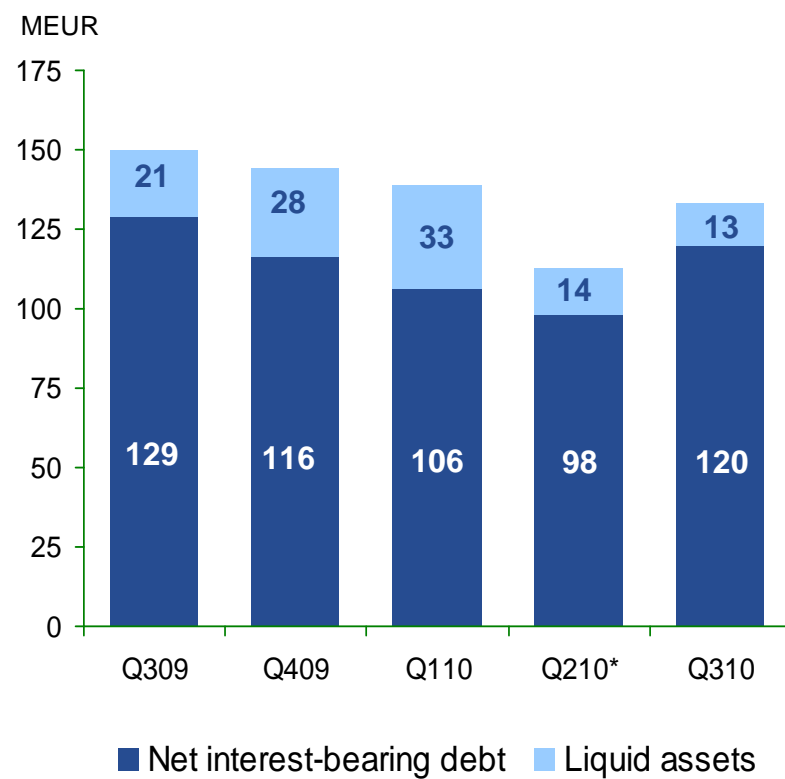


### Long-term loan portfolio 30 September 2010

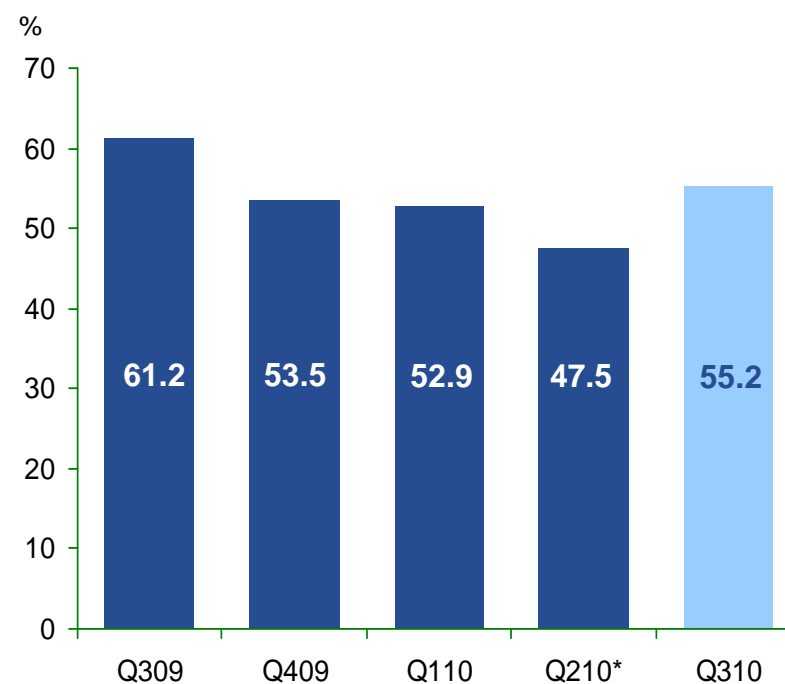


## Financial position

### Interest-bearing debt



### Gearing ratio



\* Q210: excluding L&T Recoil

## Prospects for the rest of the year

The outlook for the Environmental Services division's waste management and recycling business is stable. The increase in waste volumes and the secondary raw materials market are expected to recover moderately. The operating rates in the industry have been rising since the first half; this is expected to help keep the demand for hazardous waste and process cleaning services at a healthy level.

The costs arising from the start-up of a new production line at the Kerava recycling plant will continue to tax the result in the final quarter. The plant is expected to be in full production use at the start of the new year.

The markets for Cleaning and Office Support Services and for Property Maintenance are expected to remain unchanged as year-end nears.

The demand for L&T Biowatti's wood-based fuels will fall to below the previous year's level. Furthermore, the low prices of emission rights and fossil fuels will continue to undermine the competitiveness of renewable fuels.

Full-year net sales are expected to remain at the same level as in 2009. Operating profit excluding non recurring items is expected to be slightly lower than in 2009. (earlier forecast: Full-year net sales and operating profit excluding non-recurring items are expected to remain at the same level as in 2009).

This estimate was included in the Interim Report Q3 released on 26 October 2010.