LASSILA & TIKANOJA PLC: INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2011

- **Net sales for the third quarter EUR 163.5 million (EUR 143.8 million); operating profit EUR 18.2 million (EUR 16.3 million); operating profit excluding non-recurring items EUR 18.2 million (EUR 16.8 million); earnings per share EUR 0.32 (EUR 0.28)**
- **Net sales for January–September EUR 485.1 million (EUR 446.7 million); operating profit EUR 33.5 million (EUR 31.7 million); operating profit excluding non-recurring items EUR 34.7 million (EUR 36.4 million); earnings per share EUR 0.62 (EUR 0.54)**
- **Full-year net sales will grow slightly from 2010 and operating profit excluding non-recurring items is expected to remain at the 2010 level.**

GROUP NET SALES AND FINANCIAL PERFORMANCE

Third quarter
Lassila & Tikanoja's net sales for the third quarter increased by 13.7% to EUR 163.5 million (EUR 143.8 million). Operating profit was EUR 18.2 million (EUR 16.3 million), representing 11.1% (11.3%) of net sales, and operating profit excluding non-recurring items was EUR 18.2 million (EUR 16.8 million). Earnings per share were EUR 0.32 (EUR 0.28).

With the exception of Renewable Energy Sources, all divisions reported net sales growth, approximately half of this growth being organic. Increased waste and recycling volumes and the sustained healthy workload in Property Maintenance prompted demand. In the cleaning business, growth was generated by acquisitions.

The year-on-year improvement in operating profit could be primarily attributed to increased demand for Environmental Services and Property Maintenance, as well as cost cuts in the Renewable Energy Sources division. The joint venture L&T Recoil was also able to reduce its losses.

January–September
Lassila & Tikanoja's net sales for January–September amounted to EUR 485.1 million (EUR 446.7 million); an increase of 8.6%. Operating profit was EUR 33.5 million (EUR 31.7 million), representing 6.9% (7.1%) of net sales, and operating profit excluding non-recurring items was EUR 34.7 million (EUR 36.4 million). Earnings per share were EUR 0.62 (EUR 0.54).

Net sales grew in January–September as demand for environmental services and industrial cleaning services perked up. The workload for Property Maintenance also remained strong throughout the period. In addition, the acquisitions made in the first half boosted net sales. Meanwhile the sale of wood-based fuels failed to reach the comparison period's level, due to their weak competitiveness.

Higher salary, subcontracting and fuel costs as well as the temporary rise in waste disposal costs eroded profitability in January–September.

In the comparison period, non-recurring costs of EUR 3.0 million were recorded for the discontinuation of the pellet business.

The income tax rate for the first half decreased following the Administrative Court's decision on the tax deductibility of dissolution loss write-off; as a result, EUR 1.6 million of deferred tax liabilities were recognised as income. Consequently, earnings per share improved by EUR 0.04 per share.

Financial summary

	7-9/ 2011	7-9/ 2010	Change %	1-9/ 2011	1-9/ 2010	Change %	1-12/ 2010
Net sales, EUR million	**163.5**	143.8	13.7	**485.1**	446.7	8.6	598.2
Operating profit excluding non-recurring items, EUR million*	**18.2**	16.8	8.3	**34.7**	36.4	-4.7	45.5
Operating profit, EUR million	**18.2**	16.3	11.7	**33.5**	31.7	5.8	40.2
Operating margin, %	**11.1**	11.3		**6.9**	7.1		6.7
Profit before tax, EUR million	**16.9**	15.0	12.7	**30.0**	28.4	5.5	36.0
Earnings per share, EUR	**0.32**	0.28	14.3	**0.62**	0.54	14.8	0.68
EVA, EUR million	**11.0**	8.8	25.0	**12.7**	8.9	42.7	10.1

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

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

Third quarter
The division’s net sales for the third quarter increased by 13.3% to EUR 85.9 million (EUR 75.8 million). Operating profit amounted to EUR 12.3 million (EUR 10.9 million), and operating profit excluding non-recurring items was EUR 12.3 million (EUR 10.9 million).

All services were able to grow their net sales from the comparison period, thanks to higher waste volumes and the healthy demand for secondary raw materials as well as their positive price development, even though the prices of recycled materials began to decline towards the end of the period. Demand for seasonal industrial cleaning services perked up, contributing to the division’s net sales growth. In waste management, prices of services were revised at the beginning of the period to match higher production costs.

The division’s operating profit rose from the comparison period, largely thanks to volume growth and price hikes. The joint venture L&T Recoil was able to reduce its losses, which also improved profitability. A scheduled maintenance shutdown at the L&T Recoil plant, performed to raise capacity and operating efficiency, kept production at a standstill for a month. The start-up process commenced at the end of the period.

Net sales generated by the division’s international operations grew but profitability declined from the comparison period.

January–September
The Environmental Services division’s net sales for January-September grew by 12.0% to EUR 241.9 million (EUR 216.0 million). Operating profit amounted to EUR 25.7 million (EUR 25.5 million), and operating profit excluding non-recurring items was EUR 25.7 million (EUR 25.8 million).

The division's net sales growth was primarily organic and could be attributed to the increase in waste volumes and healthy demand for industrial cleaning services. Similarly, the volumes and price level of secondary raw materials improved significantly from the comparison period, even though price development levelled off and took a downward turn towards the end of the period. The acquisition of Papros Oy in the second quarter strengthened the division’s position in the recycled fibre markets.

In the first half, profitability was affected by lower than planned operating rates of recycling plants, a temporary increase in waste disposal costs, and increased production costs. The division did not entirely succeed in adapting its process cleaning services to fluctuations in demand, but extensive maintenance shutdown-related assignments in the summer months were completed as planned.

Although the net sales and the operating rate of the joint venture L&T Recoil’s re-refinery improved from the comparison period, production reliability and base oil supply have still not reached a satisfactory level. Losses in January–September were smaller than in the comparison period, even though maintenance shutdowns in the second and third quarter taxed the joint venture’s profitability.

The division’s net sales from international operations remained unchanged but operating profit declined slightly from the comparison period.

Several comprehensive service agreements were concluded in the retail trade sector in the first half. A new Managreen service model was successfully launched on the market. This concept offers customers the ability to manage their environmental management agreements and the related network partners.

Cleaning and Office Support Services

Third quarter
The division’s net sales for the third quarter totalled EUR 41.5 million (EUR 35.7 million); an increase of 16.5%. Operating profit amounted to EUR 3.7 million (EUR 4.1 million), and operating profit excluding non-recurring items was EUR 3.7 million (EUR 4.3 million).

The division’s net sales growth could be primarily attributed to acquisitions made in the first half (Hansalaiset in Finland and Östgöta Städ in Sweden). Furthermore, commissioned assignments in Finland sold better than a year earlier.

The division’s operating profit fell from the comparison period, due to the integration costs associated with acquisitions, price competition and higher production costs. In response to the rise in costs, the division implemented price increases at the end of the quarter.

January–September
The division's net sales for January–September grew by 10.5% to EUR 117.2 million (EUR 106.0 million). Operating profit amounted to EUR 6.2 million (EUR 7.3 million), and operating profit excluding non-recurring items was EUR 6.4 million (EUR 7.7 million).

Net sales growth from the comparison period could largely be attributed to acquisitions made in the first half. Sales of commissioned assignments perked up. In Sweden, sales to new customers remained stable in January–September.

Start-up costs of new projects in the first half and the higher than expected integration costs associated with the acquisitions made in the second quarter had a negative impact on the division's profitability.

In the comparison period, the EUR 0.7 million credit loss recorded for Russian operations weakened the operating profit.

Property Maintenance

Third quarter
The division's net sales for the third quarter increased by 16.3% to EUR 31.3 million (EUR 26.9 million). Operating profit amounted to EUR 3.6 million (EUR 3.3 million), and operating profit excluding non-recurring items was EUR 3.6 million (EUR 3.3 million).

All of the division's services saw their net sales improve from the comparison period. Successful sales efforts in maintenance services for technical systems and the strong workload in damage repair services contributed to a marked increase in demand.

Operating profit increased slightly from the comparison period, although the rise in production costs eroded the profitability of property maintenance. To offset higher costs, the division implemented price increases at the end of the quarter.

January–September
The Property Maintenance division’s net sales for January–September grew by 10.1% to EUR 101.1 million (EUR 91.9 million). Operating profit amounted to EUR 6.3 million (EUR 7.1 million), and operating profit excluding non-recurring items was EUR 6.3 million (EUR 7.2 million).

The division’s net sales grew from the comparison period thanks to successful sales of commissioned assignments of property maintenance and the strong workload in maintenance services for technical systems and damage repair services. Heavy snowfall in the first half and more extensive partnerships with insurance companies helped boost sales of commissioned assignments.

Higher production and overtime costs taxed the division's operating profit. The profitability of commissioned assignments was also weaker than a year earlier.

Renewable Energy Sources

Third quarter
Third-quarter net sales of Renewable Energy Sources (L&T Biowatti) were down by 5.3% to EUR 7.2 million (EUR 7.6 million). Operating loss amounted to EUR 1.1 million (a loss of EUR 1.4 million), and operating loss excluding non-recurring items was EUR 1.1 million (a loss of EUR 1.4 million).

Demand for wood-based fuels remained weak due to intense competition. The warm autumn and extended maintenance shutdowns at power plants restricted demand.

A fixed cost cut regime helped decrease the division’s losses from the comparison period, although profitability was negatively affected by the weakened demand, higher subcontracting costs and the EUR 0.2 million credit loss recorded for the period. During the quarter, several new contracts were signed for future heating seasons.

January–September

January–September net sales of Renewable Energy Sources (L&T Biowatti) were down by 17.6% to EUR 32.8 million (EUR 39.8 million). Operating loss amounted to EUR 3.1 million (a loss of EUR 6.2 million), and operating loss excluding non-recurring items was EUR 2.7 million (a loss of EUR 3.2 million).

The competitiveness of wood-based fuels in January–September was weak. In the first half of the year, power plant customers did not receive any subsidy for electricity generation from forest processed chips. As a result, several power plants replaced forest processed chips with fossil fuels. Furthermore, warm weather in the early autumn curbed demand for forest processed chips. Besides lower demand, profitability in the first half was also eroded by higher collection and logistics costs.

A reorganisation programme involving fixed cost cuts and operational efficiency enhancement measures was launched in the first half to improve the division's competitiveness.

In the comparison period, the non-recurring costs of EUR 3.0 million related to the discontinuation of the pellet business reduced operating profit.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS

EUR million	**7-9/ 2011**	**7-9/ 2010**	**1-9/ 2011**	**1-9/ 2010**	**1-12/ 2010**
Operating profit	**18.2**	16.3	**33.5**	31.7	40.2
Non-recurring items:					
Discontinuation of wood pellet production of L&T Biowatti			**0.1**	3.0	3.4
Discontinuation of cleaning business in Moscow		0.2		0.2	0.4
Restructuring costs		0.3	**1.1**	1.5	1.5
Operating profit excluding non-recurring items	**18.2**	16.8	**34.7**	36.4	45.5

FINANCING

Cash flows from operating activities amounted to EUR 45.2 million (EUR 42.9 million). EUR 9.4 million was tied up in the working capital (EUR 8.2 million).

At the end of the period, interest-bearing liabilities amounted to EUR 153.6 million (EUR 133.2 million). Net interest-bearing liabilities amounted to EUR 141.7 million, showing an increase of EUR 29.4 million from the beginning of the year.

Net finance costs in January–September amounted to EUR 3.5 million (EUR 3.2 million). Net finance costs were 0.7% (0.7%) of net sales. Long-term loans totalling EUR 7.6 million will mature during the rest of the year. The average interest rate on long-term loans (with interest-rate hedging) was 3.1% (3.2%).

The equity ratio was 43.4% (45.6%) and the gearing rate 63.5 (55.2). Liquid assets at the end of the period amounted to EUR 12.0 million (EUR 13.4 million).

The commercial paper programme was expanded to EUR 100 million (previously EUR 50 million) during the third quarter. Of the commercial paper programme, EUR 27 million (EUR 6.0 million) was in use. The EUR 15.0 million committed limit was not in use, as was the case in the comparison period.

DIVIDEND

The Annual General Meeting held on 17 March 2011 resolved on a dividend of EUR 0.55 per share. The dividend, totalling EUR 21.3 million, was paid to the shareholders on 29 March 2011.

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 55.7 million (EUR 26.9 million), about half of this consisting of acquisitions. Some equipment purchases were also made.

In the first quarter, Pentti Laurila Ky and businesses of Matti Hossi Ky and PPT Luttinen Oy were acquired into Environmental Services. The business of Kestosiivous Oy was acquired into Cleaning and Office Support Services and the business of KH-Kiinteistöhuolto Oy was acquired into Property Maintenance.

In the second quarter, the Environmental Services division acquired Papros Oy and Full House Oy. The Cleaning and Office Support Services division acquired Savon Kiinteistöhuolto- ja Siivouspalvelu Oy, Varkauden Kiinteistönhoito ja Siivouspalvelu Oy, Jo-Pe Huolto Oy, Östgöta Städ Ab and WTS-Palvelut Oy. The Cleaning and Office Support Services and the Property Maintenance divisions acquired the Hansalaiset Oy group including its subsidiaries.

No acquisitions were made in the third quarter. After the period, the Environmental Services division acquired Paraisten Puhtaanapito Oy.

PERSONNEL

In January–September, the average number of employees converted into full-time equivalents was 8,614 (7,798). The total number of full-time and part-time employees at the end of the period was 9,648 (8,550). Of them 7,565 (6,855) people worked in Finland and 2,083 (1,695) people in other countries.

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 in January–September was 7,696,885 which is 19.9% (12.8%) of the average number of outstanding shares. The value of trading was EUR 94.8 million (EUR 71.8 million). The trading price varied between EUR 9.49 and EUR 15.18. The closing price was EUR 10.55. At the end of the period, the company held 113,305 of its own shares. The market capitalisation excluding the shares held by the company was EUR 408.1 million (EUR 538.1 million) at the end of the period.

Own shares

At the end of the period, the company held 113,305 of its own shares, representing 0.3% of all shares and votes. Based on the authorisation given by the Annual General Meeting 2010, the company repurchased 50,000 shares in the period from 12 September to 23 September 2011 at a total acquisition cost of EUR 0.5 million. On 5 April 2011, a total of 2,547 shares of Lassila & Tikanoja plc were returned to the company free of consideration, by virtue of the terms of the share-based incentive programme of 2009.

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 38,685,569 shares. The average number of shares excluding the shares held by the company totalled 38,734,155.

Share option scheme 2005

In 2005, 600,000 share option rights were issued. The exercise period for the 2005A options ended on 29 May 2009, for the 2005B options on 31 May 2010 and for the 2005C options on 31 May 2011.

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. 33 key persons hold 168,000 options and L&T Advance Oy 62,000 options.

The exercise price is EUR 16.20. It was reduced by EUR 0.07 as of 22 March 2011. 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 is 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 168,000 new shares, which is 0.4% of the current number of shares. The 2008 options have been listed on NASDAQ OMX Helsinki since 1 November 2010.

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 2011 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 23 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.

Shareholders
At the end of the financial period, the company had 9,489 (8,890) shareholders. Nominee-registered holdings accounted for 13.3% (10.3%) 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.

The Board of Directors is authorised to transfer a maximum of 500,000 company shares, which is 1.3% of the total number of shares. The share issue authorisation will be effective for four years and it revokes the authorisation to issue shares issued by the Annual General Meeting 2009. The authorisation for the repurchase of the company's own shares has ended.

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

RESOLUTIONS BY THE GENERAL MEETINGS

The Extraordinary General Meeting of Lassila & Tikanoja plc, which was held on 8 September 2011, resolved on decreasing the share premium reserve of the balance sheet at 31 December 2010 by EUR 50,672,564.52 by transferring all the funds in the share premium reserve to the unrestricted equity reserve. The resolutions of the Extraordinary General Meeting were announced in more detail in a stock exchange release on 8 September 2011.

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 17 March 2011, adopted the financial statements for the financial year 2010 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 per share, a total of EUR 21.3 million, as proposed by the Board of Directors, be paid for the financial year 2010. The dividend payment date was resolved to be 29 March 2011.

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 Miikka Maijala. Sakari Lassila was elected as a new member for the same term.

PricewaterhouseCoopers Oy, Authorised Public Accountants, was elected auditor.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 17 March 2011.

BOARD OF DIRECTORS

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

From among its members, the Board elected Eero Hautaniemi as Chairman and Sakari Lassila and Miikka Maijala as members of the audit committee. Heikki Bergholm was elected as Chairman of the remuneration committee and Matti Kavetvuo and Hille Korhonen as members of the committee.

CHANGES IN THE MANAGEMENT OF THE COMPANY

The Board of Directors of Lassila & Tikanoja plc has appointed Pekka Ojanpää as President and CEO of the company. Mr Ojanpää will assume his position as Lassila & Tikanoja's President and CEO on 13 December 2011 at the latest. Ville Rantala, CFO of Lassila & Tikanoja, has been appointed as acting President and CEO as of 13 June.

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

In a release published on 22 March 2011, the company announced that M.Sc. (Econ.) Ville Rantala has been appointed as Managing Director of L&T Biowatti Oy and Vice President, Renewable Energy Sources division, as of 22 March 2011. Rantala will also continue as CFO of Lassila & Tikanoja plc. Tomi Salo, Managing Director of L&T Biowatti, will not continue in the company.

In a release published on 5 April 2011, the company announced that a total of 2,547 shares of Lassila & Tikanoja plc have been returned to the company free of consideration, by virtue of the terms of the share-based incentive programme of 2009.

In a release published on 13 June 2011, the company announced that the Board of Directors of Lassila & Tikanoja plc has appointed Pekka Ojanpää as President and CEO. Pekka Ojanpää acts as President of Kemira's Municipal & Industrial segment. He previously worked as President of the Kemira Performance Chemicals business area, and has held various executive positions at Nokia Corporation. Mr Ojanpää will assume his position as Lassila & Tikanoja's President and CEO on 13 December 2011 at the latest. The Board of Directors and Jari Sarjo, former President and CEO, agreed that Sarjo will leave his position as President and CEO immediately. Ville Rantala, CFO of Lassila & Tikanoja, was appointed as acting President and CEO as of 13 June.

NEAR-TERM UNCERTAINTIES

Economic uncertainty may cause radical price changes in the Environmental Services division's secondary raw material markets.

Any disturbances in L&T Recoil plant's production could have a negative effect on the Environmental Services division's performance. End-product and raw material price fluctuations would also have a major effect on L&T Recoil's performance.

The situation regarding government subsidies to renewable fuels continues to be unclear. Changes in the prices of emission rights will affect the competitiveness of L&T Biowatti's wood-based fuels in heat generation.

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

PROSPECTS FOR THE REST OF THE YEAR

In the Environmental Services division, the outlook for the remainder of the year is largely stable. The secondary raw material price development and the operational reliability of L&T Recoil's plant will affect the division's profitability for the remainder of the year.

The outlook for Cleaning and Office Support Services and for Property Maintenance is stable for the remainder of the year.

Demand for L&T Biowatti's wood-based fuels is expected to reach the comparison period's level.

Full-year net sales will grow slightly from 2010 and operating profit excluding non-recurring items is expected to remain at the 2010 level.

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–30 SEPTEMBER 2011

CONSOLIDATED INCOME STATEMENT

EUR 1000	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
Net sales	**163 469**	143 770	**485 129**	446 686	598 193
Cost of sales	**-139 720**	-122 237	**-432 446**	-393 305	-531 066
Gross profit	**23 749**	21 533	**52 683**	53 381	67 127
Other operating income	**442**	49	**2 012**	1 070	2 708
Selling and marketing costs	**-3 276**	-3 036	**-11 291**	-9 975	-13 779
Administrative expenses	**-2 252**	-2 316	**-8 590**	-8 259	-10 519
Other operating expenses	**-484**	45	**-1 311**	-1 919	-2 686
Impairment				-2 632	-2 632
Operating profit	**18 179**	16 275	**33 503**	31 666	40 219
Finance income	**72**	82	**712**	730	1 053
Finance costs	**-1 349**	-1 354	**-4 216**	-3 972	-5 282
Profit before tax	**16 902**	15 003	**29 999**	28 424	35 990
Income tax expense	**-4 345**	-3 975	**-6 170**	-7 532	-9 786
Profit for the period	**12 557**	11 028	**23 829**	20 892	26 204
Attributable to:					
Equity holders of the company	**12 555**	11 025	**23 825**	20 878	26 188
Non-controlling interest	**2**	3	**4**	14	16
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	**0.32**	0.28	**0.62**	0.54	0.68
Diluted earnings per share, EUR	**0.32**	0.28	**0.61**	0.54	0.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
Profit for the period	**12 557**	11 028	**23 829**	20 892	26 204
Other comprehensive income, after tax					
Hedging reserve, change in fair value	**-1 191**	136	**-1 415**	-90	223
Current available-for-sale investments					
Gains in the period	**13**	1	**9**	-55	-58
Current available-for-sale investments	**13**	1	**9**	-55	-58
Currency translation differences	**-595**	-603	**-552**	549	792
Other comprehensive income, after tax	**-1 773**	-466	**-1 958**	404	957
Total comprehensive income, after tax	**10 784**	10 562	**21 871**	21 296	27 161
Attributable to:					
Equity holders of the company	**10 801**	10 583	**21 885**	21 274	27 130
Non-controlling interest	**-17**	-21	**-14**	22	31

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	**9/2011**	**9/2010**	**12/2010**
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	**123 497**	113 056	113 467
Customer contracts arising from acquisitions	**11 167**	5 027	4 736
Agreements on prohibition of competition	**11 314**	10 301	10 023
Other intangible assets arising from business acquisitions	**84**	1 721	1 229
Other intangible assets	**12 444**	13 236	13 226
	158 506	143 341	142 681
Property, plant and equipment			
Land	**4 926**	4 709	4 671
Buildings and constructions	**79 013**	71 687	78 908
Machinery and equipment	**117 424**	103 649	111 733
Other	**83**	84	85
Prepayments and construction in progress	**4 994**	18 344	5 303
	206 440	198 473	200 700
Other non-current assets			
Available-for-sale investments	**589**	525	598
Finance lease receivables	**3 367**	3 673	3 547
Deferred tax assets	**4 940**	2 894	3 924
Other receivables	**3 282**	491	3 401
	12 178	7 583	11 470
Total non-current assets	**377 124**	349 397	354 851
Current assets			
Inventories	**27 516**	27 973	27 957
Trade and other receivables	**101 155**	90 277	85 662
Derivative receivables	**525**		407
Prepayments	**2 496**	1 851	317
Available-for-sale investments	**6 294**	6 492	9 895
Cash and cash equivalents	**5 656**	6 878	4 653
Total current assets	**143 642**	133 471	128 891
TOTAL ASSETS	**520 766**	482 868	483 742

EUR 1000	9/2011	9/2010	12/2010
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	**-4 029**	-2 688	-2 141
Unrestricted equity reserve	**-15**		
Retained earnings	**133 076**	128 591	128 597
Profit for the period	**23 825**	20 878	26 188
	222 929	216 853	222 716
Non-controlling interest	**264**	269	278
Total equity	**223 193**	217 122	222 994
Liabilities			
Non-current liabilities			
Deferred tax liabilities	**32 135**	32 478	33 718
Retirement benefit obligations	**664**	606	615
Provisions	**2 723**	2 446	2 748
Borrowings	**100 858**	104 888	95 563
Other liabilities	**1 001**	1 247	364
	137 381	141 665	133 008
Current liabilities			
Borrowings	**52 767**	28 359	31 261
Trade and other payables	**103 981**	93 462	94 891
Derivative liabilities	**3 075**	1 195	1 173
Tax liabilities	**59**	1 065	15
Provisions	**310**		400
	160 192	124 081	127 740
Total liabilities	**297 573**	265 746	260 748
TOTAL EQUITY AND LIABILITIES	**520 766**	482 868	483 742

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	9/2011	9/2010	12/2010
Cash flows from operating activities			
Profit for the period	**23 829**	20 892	26 204
Adjustments			
Income tax expense	**6 170**	7 532	9 786
Depreciation, amortisation and impairment	**33 154**	33 615	43 937
Finance income and costs	**3 504**	3 242	4 229
Other	**-399**	273	1 570
Net cash generated from operating activities before change in working capital	**66 258**	65 554	85 726
Change in working capital			
Change in trade and other receivables	**-19 233**	-11 780	-6 118
Change in inventories	**446**	4 858	4 874
Change in trade and other payables	**9 377**	-1 286	-918
Change in working capital	**-9 410**	-8 208	-2 162
Interest paid	**-4 432**	-3 026	-5 409
Interest received	**691**	642	914
Income tax paid	**-7 938**	-12 105	-15 259
Net cash from operating activities	**45 169**	42 857	63 810
Cash flows from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired	**-23 546**	-748	-1 655
Proceeds from sale of subsidiaries and businesses, net of sold cash		199	199
Purchases of property, plant and equipment and intangible assets	**-31 468**	-25 874	-36 003
Proceeds from sale of property, plant and equipment and intangible assets	**1 802**	2 823	3 655
Purchases of available-for-sale investments		-2	-74
Change in other non-current receivables	**127**	237	-2 673
Dividends received		1	1
Net cash used in investing activities	**-53 085**	-23 364	-36 550
Cash flows from financing activities			
Change in short-term borrowings	**19 166**	3 389	5 091
Proceeds from long-term borrowings	**20 000**		
Repayments of long-term borrowings	**-11 945**	-14 863	-23 166
Dividends paid	**-21 284**	-21 301	-21 301
Repurchase of own shares	**-517**	-1 125	-1 125
Net cash generated from financing activities	**5 420**	-33 900	-40 501

EUR 1000	9/2011	9/2010	12/2010
Net change in liquid assets	**-2 496**	-14 407	-13 241
Liquid assets at beginning of period	**14 548**	27 583	27 583
Effect of changes in foreign exchange rates	**-102**	194	206
Liquid assets at end of period	**11 950**	13 370	14 548

Liquid assets

EUR 1000	9/2011	9/2010	12/2010
Cash and cash equivalents	**5 656**	6 878	4 653
Money market investments	**6 294**	6 492	9 895
Total	**11 950**	13 370	14 548

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Revalu-ation and other reserves	Un-restricted equity reserve	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Equity at 1.1.2011	**19 399**	**50 673**	**-2 141**	**0**	**154 785**	**222 716**	**278**	**222 994**
Expense recognition of share-based benefits					135	135		135
Repurchase of own shares					-554	-554		-554
Dividends paid					-21 290	-21 290		-21 290
Transfer from revaluation reserve			52	-15	37	37		37
Total comprehensive income			-1 940		23 825	21 885	-14	21 871
Equity at 30.9.2011	**19 399**	**50 673**	**-4 029**	**-15**	**156 938**	**222 929**	**264**	**223 193**
Equity at 1.1.2010	**19 399**	**50 673**	**-3 084**	**0**	**150 014**	**217 002**	**247**	**217 249**
Expense recognition of share-based benefits					379	379		379
Repurchase of own shares					-489	-489		-489
Dividends paid					-21 313	-21 313		-21 313
Total comprehensive income			396		20 878	21 274	22	21 296
Equity at 30.9.2010	**19 399**	**50 673**	**-2 688**	**0**	**149 469**	**216 853**	**269**	**217 122**

KEY FIGURES

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
Earnings per share, EUR	**0.32**	0.28	**0.62**	0.54	0.68
Earnings per share, diluted, EUR	**0.32**	0.28	**0.61**	0.54	0.68
Cash flows from operating activities per share, EUR	**0.36**	0.34	**1.17**	1.11	1.65
EVA, EUR million	**11.0**	8.8	**12.7**	8.9	10.1
Capital expenditure, EUR 1000	**10 594**	10 782	**55 697**	26 863	39 321
Depreciation, amortisation and impairment, EUR 1000	**11 331**	10 593	**33 154**	33 615	43 937
Equity per share, EUR			**5.76**	5.60	5.75
Return on equity, ROE, %			**14.2**	12.8	11.9
Return on invested capital, ROI, %			**12.6**	12.1	11.6
Equity ratio, %			**43.4**	45.6	46.5
Gearing, %			**63.5**	55.2	50.3
Net interest-bearing liabilities, EUR 1000			**141 676**	119 878	112 277
Average number of employees in full-time equivalents			**8 614**	7 798	7 835
Total number of full-time and part-time employees at end of period			**9 648**	8 550	8 732
Number of outstanding shares adjusted for issues, 1000 shares					
average during the period			**38 734**	38 752	38 749
at end of period			**38 686**	38 738	38 738
average during the period, diluted			**38 761**	38 766	38 773

ACCOUNTING POLICIES

This interim report is in compliance with IAS 34 Interim Financial Reporting standard. The same accounting policies as in the annual financial statements for the year 2010 have been applied. This interim report has 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 2010 have had an impact on the interim report:

IFRS 3 (revised) Business Combinations
The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

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 report has not been audited.

SEGMENT INFORMATION

Net sales

EUR 1000	7-9/2011 External	7-9/2011 Inter-division	7-9/2011 Total	7-9/2010 External	7-9/2010 Inter-division	7-9/2010 Total	Total net sales, change %
Environmental Services	**85 140**	**766**	**85 906**	75 141	665	75 806	13.3
Cleaning and Office Support Services	**41 122**	**408**	**41 530**	35 364	295	35 659	16.5
Property Maintenance	**30 962**	**360**	**31 322**	26 481	445	26 926	16.3
Renewable Energy Sources	**6 245**	**968**	**7 213**	6 784	833	7 617	-5.3
Eliminations		**-2 502**	**-2 502**		-2 238	-2 238	
L&T total	**163 469**	**0**	**163 469**	143 770	0	143 770	13.7

EUR 1000	1-9/2011 External	1-9/2011 Inter-division	1-9/2011 Total	1-9/2010 External	1-9/2010 Inter-division	1-9/2010 Total	Total net sales, change %
Environmental Services	**239 304**	**2 566**	**241 870**	213 240	2 799	216 039	12.0
Cleaning and Office Support Services	**116 089**	**1 081**	**117 170**	105 140	895	106 035	10.5
Property Maintenance	**99 498**	**1 642**	**101 140**	90 736	1 137	91 873	10.1
Renewable Energy Sources	**30 238**	**2 586**	**32 824**	37 570	2 270	39 840	-17.6
Eliminations		**-7 875**	**-7 875**		-7 101	-7 101	
L&T total	**485 129**	**0**	**485 129**	446 686	0	446 686	8.6

EUR 1000	1-12/2010 External	1-12/2010 Inter-division	1-12/2010 Total
Environmental Services	286 260	3 771	290 031
Cleaning and Office Support Services	139 399	1 216	140 615
Property Maintenance	121 546	1 923	123 469
Renewable Energy Sources	50 988	4 118	55 106
Eliminations		-11 028	-11 028
L&T total	598 193	0	598 193

Operating profit

EUR 1000	7-9/ 2011	%	7-9/ 2010	%	1-9/ 2011	%	1-9/ 2010	%	1-12/ 2010	%
Environmental Services	**12 308**	**14.3**	10 930	14.4	**25 665**	**10.6**	25 470	11.8	33 674	11.6
Cleaning and Office Support Services	**3 718**	**9.0**	4 088	11.5	**6 194**	**5.3**	7 343	6.9	7 524	5.4
Property Maintenance	**3 582**	**11.4**	3 263	12.1	**6 253**	**6.2**	7 131	7.8	7 764	6.3
Renewable Energy Sources	**-1 085**	**-15.0**	-1 432	-18.8	**-3 061**	**-9.3**	-6 192	-15.5	-6 553	-11.9
Group admin. and other	**-344**		-574		**-1 548**		-2 086		-2 190	
L&T total	**18 179**	**11.1**	16 275	11.3	**33 503**	**6.9**	31 666	7.1	40 219	6.7
Finance costs, net	**-1 277**		-1 272		**-3 504**		-3 242		-4 229	
Profit before tax	**16 902**		15 003		**29 999**		28 424		35 990	

Other segment information

EUR 1000	**9/2011**	**9/2010**	**12/2010**
Assets			
Environmental Services	**352 978**	340 606	330 963
Cleaning and Office Support Services	**54 838**	40 019	39 007
Property Maintenance	**44 267**	34 173	38 098
Renewable Energy Sources	**44 410**	48 458	49 113
Group admin. and other	**2 057**	390	1 902
Unallocated assets	**22 216**	19 222	24 659
L&T total	**520 766**	482 868	483 742
Liabilities			
Environmental Services	**57 031**	55 215	50 300
Cleaning and Office Support Services	**28 213**	23 626	25 654
Property Maintenance	**15 961**	12 273	15 784
Renewable Energy Sources	**5 047**	3 972	4 835
Group admin. and other	**1 253**	1 267	1 193
Unallocated liabilities	**190 068**	169 393	162 982
L&T total	**297 573**	265 746	260 748

EUR 1000	**7-9/2011**	**7-9/2010**	**1-9/2011**	**1-9/2010**	**1-12/2010**
Capital expenditure					
Environmental Services	**7 604**	9 862	**33 264**	22 402	31 409
Cleaning and Office Support Services	**732**	398	**14 092**	1 298	2 112
Property Maintenance	**2 105**	385	**7 769**	2 634	5 074
Renewable Energy Sources	**118**	110	**409**	338	654
Group admin. and other	**35**	27	**163**	191	72
L&T total	**10 594**	10 782	**55 697**	26 863	39 321
Depreciation and amortisation					
Environmental Services	**7 896**	7 400	**22 895**	21 417	28 558
Cleaning and Office Support Services	**1 341**	1 003	**3 574**	3 043	4 023
Property Maintenance	**1 261**	1 008	**3 518**	2 992	4 017
Renewable Energy Sources	**827**	1 182	**3 161**	3 526	4 702
Group admin. and other	**6**		**6**	5	5
L&T total	**11 331**	10 593	**33 154**	30 983	41 305
Impairment					
Renewable Energy Sources				2 632	2 632
L&T total				2 632	2 632

INCOME STATEMENT BY QUARTER

EUR 1000	**7-9/ 2011**	**4-6/ 2011**	**1-3/ 2011**	**10-12/ 2010**	**7-9/ 2010**	**4-6/ 2010**	**1-3/ 2010**	**10-12/ 2009**
Net sales								
Environmental Services	**85 906**	83 535	72 429	73 992	75 806	75 624	64 609	71 178
Cleaning and Office Support Services	**41 530**	40 784	34 856	34 580	35 659	35 710	34 666	35 686
Property Maintenance	**31 322**	30 879	38 939	31 596	26 926	28 090	36 857	25 829
Renewable Energy Sources	**7 213**	9 600	16 011	15 266	7 617	12 097	20 126	17 702
Inter-division net sales	**-2 502**	-2 612	-2 761	-3 927	-2 238	-2 507	-2 356	-2 354
L&T total	**163 469**	162 186	159 474	151 507	143 770	149 014	153 902	148 041
Operating profit								
Environmental Services	**12 308**	9 182	4 175	8 204	10 930	10 124	4 416	6 793
Cleaning and Office Support Services	**3 718**	1 001	1 475	181	4 088	2 218	1 037	1 697
Property Maintenance	**3 582**	769	1 902	633	3 263	1 075	2 793	1 070
Renewable Energy Sources	**-1 085**	-1 325	-651	-361	-1 432	-3 900	-860	-321
Group admin. and other	**-344**	-767	-437	-104	-574	-762	-750	-735
L&T total	**18 179**	8 860	6 464	8 553	16 275	8 755	6 636	8 504
Operating margin								
Environmental Services	**14.3**	11.0	5.8	11.1	14.4	13.4	6.8	9.5
Cleaning and Office Support Services	**9.0**	2.5	4.2	0.5	11.5	6.2	3.0	4.8
Property Maintenance	**11.4**	2.5	4.9	2.0	12.1	3.8	7.6	4.1
Renewable Energy Sources	**-15.0**	-13.8	-4.1	-2.4	-18.8	-32.2	-4.3	-1.8
L&T total	**11.1**	5.5	4.1	5.6	11.3	5.9	4.3	5.7
Finance costs, net	**-1 277**	-1 163	-1 064	-987	-1 272	-917	-1 053	-1 078
Profit before tax	**16 902**	7 697	5 400	7 566	15 003	7 838	5 583	7 426

BUSINESS ACQUISITIONS

Business combinations in aggregate

Consideration

EUR 1000	Fair values used in consolidation
Cash	25 599
Equity instruments	
Contingent consideration	1 100
Total consideration transferred	**26 699**
Indemnification asset	
Fair value of equity interest held before the acquisition	
Total consideration	**26 699**
Acquisition-related costs (included in the administrative expenses in the consolidated financial statements)	**27**

Recognised amounts of identifiable assets acquired and liabilities assumed

EUR 1000	Fair values used in consolidation
Property, plant and equipment	3 884
Customer contracts	8 695
Agreements on prohibition of competition	3 308
Other intangible assets	266
Inventories	395
Trade and other receivables	5 375
Cash and cash equivalents	3 160
Total assets	25 083
Deferred tax liabilities	734
Trade and other payables	7 839
Total liabilities	8 573
Total identifiable net assets	**16 510**
Non-controlling interest	
Goodwill	10 224
Total	**26 734**

Acquisitions by Environmental Services
- 4 January 2011, Pentti Laurila Ky, an environmental management business operating in the Keuruu and Multiala region in central Finland
- 1 February 2011, the Ypäjä-based Matti Hossi Ky, a waste management and interchangeable platform business
- 1 March 2011, the PPT Luttinen Oy waste management business
- 1 May 2011, Papros Oy, an environmental management company, and Full House Oy, a company specialising in the provision of environmental management services, both operating in the Helsinki region and
- 1 October 2011, after the period, Paraisten Puhtaanapito Oy, a company providing waste management, recycling and wastewater services.

Acquisitions by Cleaning and Office Support Services
- 1 January 2011, Kestosiivous Oy, a cleaning company operating in the Helsinki region
- 1 April 2011, the cleaning and property maintenance businesses of Varkaus-based Savon Kiinteistöhuolto- ja Siivouspalvelu Oy, Varkauden Kiinteistönhoito ja Siivouspalvelu Oy and Jo-Pe Huolto Oy
- 1 May 2011, Östgöta Städ Ab in Sweden, a cleaning service provider
- 1 June 2011, WTS-Palvelut Oy, a cleaning company operating in the Tampere region.

Acquisitions by Cleaning and Office Support Services and Property Maintenance

- 1 April 2011, the Hansalaiset Oy group, including its subsidiaries, providing cleaning and property maintenance services in the Helsinki, Turku, Tampere and Oulu regions.

Acquisitions by Property Maintenance

- 1 March 2011, the operations of KH-Kiinteistöhuolto Oy operating in the Nurmijärvi region.

The figures for these acquired businesses are stated in aggregate, because none of them is of material importance when considered separately. Fair values have been determined as of the time the acquisition was realised. No business operations have been divested as a consequence of any acquisition. All acquisitions have been paid for in cash. With share acquisitions, L&T was able to gain 100% of the voting rights. The conditional consideration is tied to the transfer of the customer contracts to Lassila & Tikanoja plc, and the estimates of the fair values of considerations were determined on the basis of probability-weighted final acquisition price. The estimates for the conditional consideration have changed by EUR 30 thousand between the time of acquisition and the balance sheet date. Trade and other receivables have been recorded at fair value at the time of acquisition. Individual acquisition prices have not been itemised because none of them is of material importance when considered separately.

By annual net sales, the largest acquisition was Hansalaiset Oy (EUR 10,973 thousand).

It is not possible to itemise the effects of the acquired businesses on the consolidated net sales and profit for the period, because L&T integrates its acquisitions into the current business operations as quickly as possible to gain synergy benefits.

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

CHANGES IN INTANGIBLE ASSETS

EUR 1000	**1-9/2011**	**1-9/2010**	**1-12/2010**
Carrying amount at beginning of period	**142 681**	148 417	148 417
Business acquisitions	**22 227**	476	1 175
Other capital expenditure	**2 040**	2 078	2 944
Disposals	**-7**	-1 718	-1 760
Amortisation and impairment	**-8 243**	-6 838	-9 134
Transfers between items		-4	-4
Exchange differences	**-192**	930	1 043
Carrying amount at end of period	**158 506**	143 341	142 681

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	**1-9/2011**	**1-9/2010**	**1-12/2010**
Carrying amount at beginning of period	**200 700**	201 651	201 651
Business acquisitions	**4 028**	272	500
Other capital expenditure	**27 402**	24 035	34 628
Disposals	**-404**	-1 001	-1 711
Depreciation and impairment	**-24 911**	-26 777	-34 803
Transfers between items		4	4
Exchange differences	**-375**	289	431
Carrying amount at end of period	**206 440**	198 473	200 700

CAPITAL COMMITMENTS

EUR 1000	1-9/2011	1-9/2010	1-12/2010
Intangible assets		140	
Property, plant and equipment	**4 862**	4 281	5 106
Total	**4 862**	4 421	5 106
The Group's share of capital commitments of joint ventures	**150**	100	

RELATED-PARTY TRANSACTIONS
(Joint ventures)

EUR 1000	1-9/2011	1-9/2010	1-12/2010
Sales	**1 893**	1 767	2 332
Other operating income	**50**	55	74
Interest income	**512**	330	505
Non-current receivables			
Capital loan receivable	**23 146**	19 146	20 646
Current receivables			
Trade receivables	**2 408**	635	2 375
Loan receivables	**1 471**	868	1 034

CONTINGENT LIABILITIES

Securities for own commitments

EUR 1000	9/2011	9/2010	12/2010
Mortgages on rights of tenancy	**42 186**	42 179	42 179
Company mortgages	**21 460**	21 460	21 460
Other securities	**197**	233	222
Bank guarantees required for environmental permits	**5 649**	3 788	4 634

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

Operating lease liabilities

EUR 1000	9/2011	9/2010	12/2010
Maturity not later than one year	**7 815**	8 621	8 087
Maturity later than one year and not later than five years	**17 662**	19 272	20 087
Maturity later than five years	**4 280**	4 938	4 509
Total	**29 757**	32 831	32 683

Liabilities associated with derivative agreements

Interest rate and currency swaps

EUR 1000	**9/2011**	**9/2010**	**12/2010**
Nominal values of interest rate and currency swaps			
Maturity not later than one year	**17 304**	5 329	11 010
Maturity later than one year and not later than five years	**58 986**	27 057	49 355
Maturity later than five years			267
Total	**76 290**	32 386	60 632
Fair value	**-3 074**	-1 195	-1 173

The interest rate and currency 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. On the balance sheet date, the value of foreign currency loans was EUR 1.7 million positive. The fair values of the swap contracts are based on the market data at the balance sheet date.

Commodity derivatives

metric tons	**9/2011**	**9/2010**	**12/2010**
Nominal values of diesel swaps			
Maturity not later than one year	**3 807**		7 596
Maturity later than one year and not later than five years	**636**		2 544
Total	**4 443**		10 140
Fair value, EUR 1000	**443**		400

Commodity derivative contracts were concluded, for hedging of future diesel oil purchases. IAS39-compliant hedge accounting will be applied to these contracts, and the effective change in fair value will be recognised in the hedging reserve within equity. The fair values of commodity derivatives are based on market prices at the balance sheet date.

Currency derivatives

EUR 1000	**9/2011**	**9/2010**	**12/2010**
Volume of forward contracts			
Maturity not later than one year			196
Fair value			7

Hedge accounting under IAS 39 has not been applied to forward contracts. 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 2010: 8.7%
WACC 2011: 7.7%

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, 24 October 2011

LASSILA & TIKANOJA PLC
Board of Directors

Ville Rantala
President and CEO (acting)

For additional information please contact Ville Rantala, President and CEO (acting), tel. +358 50 385 1442 or Keijo Keränen, Head of Treasury & IR, 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 10,000 persons. Net sales in 2010 amounted to EUR 598 million. L&T is listed on NASDAQ OMX Helsinki.

Distribution:
NASDAQ OMX Helsinki
Major media
www.lassila-tikanoja.com