



Lassila & Tikanoja

Q3/2012

23 October 2012

Pekka Ojanpää, President & CEO





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Highlights of Q3/2012

Net sales EUR 161.2m (EUR 163.5m) -1.4% (yoy)

- Net sales decreased slightly due to divestment of JV L&T Recoil and postponed shutdown-related work in process cleaning services.

Operating profit EUR 19.6m (EUR 18.2m);
Operating profit excluding EO items EUR 19.7m (EUR 18.2m)

- Profitability improved mainly due to divestment of loss-making JV L&T Recoil and successful sales of commissioned assignments in Cleaning and Office Support Services
- The loss of Renewable Energy Sources decreased.



Financial summary and key figures

	Q3/12	Q3/11	Change %	1-9/12	1-9/11	Change %	2011
Net sales, EUR million	161.2	163.5	-1.4	502.2	485.1	3.5	652.1
Operating profit excl. EO items, EUR million	19.7	18.2	8.2	36.9	34.7	6.3	44.3
Operating margin excl. EO items	12.2%	11.1%	-	7.3%	7.2%	-	6.8%
Operating profit, EUR million	19.6	18.2	8.0	38.7	33.5	15.5	25.6
Profit before tax, EUR million	19.1	16.9	12.8	33.8	30.0	12.7	21.0
Earnings per share, EUR	0.40	0.32	25.0	0.71	0.62	14.5	0.44
EVA, EUR million	13.8	11.0	25.5	20.2	12.7	59.1	-2.2
Capital expenditure, EUR million	8.4	10.6		36.3	55.7		70.6
Depreciation, amortisation and impairment, EUR million	10.8	11.3		32.9	33.2		61.5
Return on equity, % (ROE)				16.4	14.2		7.7
Return on invested capital, %				15.2	12.6		7.6
Equity ratio, %				47.5	43.4		44.5
Gearing, %				45.1	63.5		58.3
Total number of employees at end of period				9,101	9,648		9,357



Environmental Services

- Net sales fell slightly due to divestment of JV L&T Recoil and postponements of shutdown-related work in process cleaning services.
- Waste and recycling volumes and the prices of secondary raw materials remained on healthy level.
- Profitability improved due to divestment of loss-making JV L&T Recoil.



EUR million	Q3/12	Q3/11	Change %	1-9/12	1-9/11	Change %	2011
Net sales	83.3	85.9	-3.0	248.4	241.9	2.7	325.9
Operating profit excl. EO items	12.8	12.3	4.4	27.1	25.7	5.5	34.0
Operating margin excl. EO items	15.4%	14.3%	-	10.9%	10.6%	-	10.4%

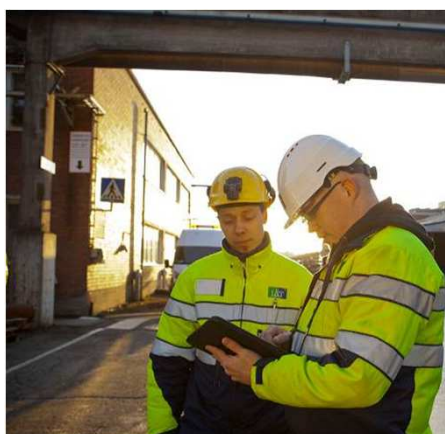
Cleaning and Office Support Services



- Net sales in Finland remained at almost previous year's level.
- Profitability improved due to increase in commissioned assignments and controlled fixed cost management.
- Operating profit of international operations improved slightly as a result of higher profitability in Sweden.

EUR million	Q3/12	Q3/11	Change %	1-9/12	1-9/11	Change %	2011
Net sales	41.3	41.5	-0.5	121.3	117.2	3.5	157.3
Operating profit excl. EO items	4.5	3.7	22.3	6.7	6.4	5.0	7.5
Operating margin excl. EO items	11.0%	9.0%	-	5.6%	5.5%	-	4.7%

Property Maintenance



- Good workload in maintenance services for technical systems raised net sales to the comparison period's level.
- Operating profit decreased slightly since the commissioned assignments in damage repair services were less in size.
- New co-operation agreements with insurance companies were signed in damage repair services.

EUR million	Q3/12	Q3/11	Change %	1-9/12	1-9/11	Change %	2011
Net sales	31.4	31.3	0.1	103.4	101.1	2.2	134.6
Operating profit excl. EO items	3.3	3.6	-7.9	4.9	6.3	-21.3	8.2
Operating margin excl. EO items	10.5%	11.4%	-	4.8%	6.2%	-	6.1%

Renewable Energy Sources

- Volume growth boosted net sales, even though the warm and rainy weather in the early autumn dampened demand.
- Smaller depreciation reduced the division's operating loss.

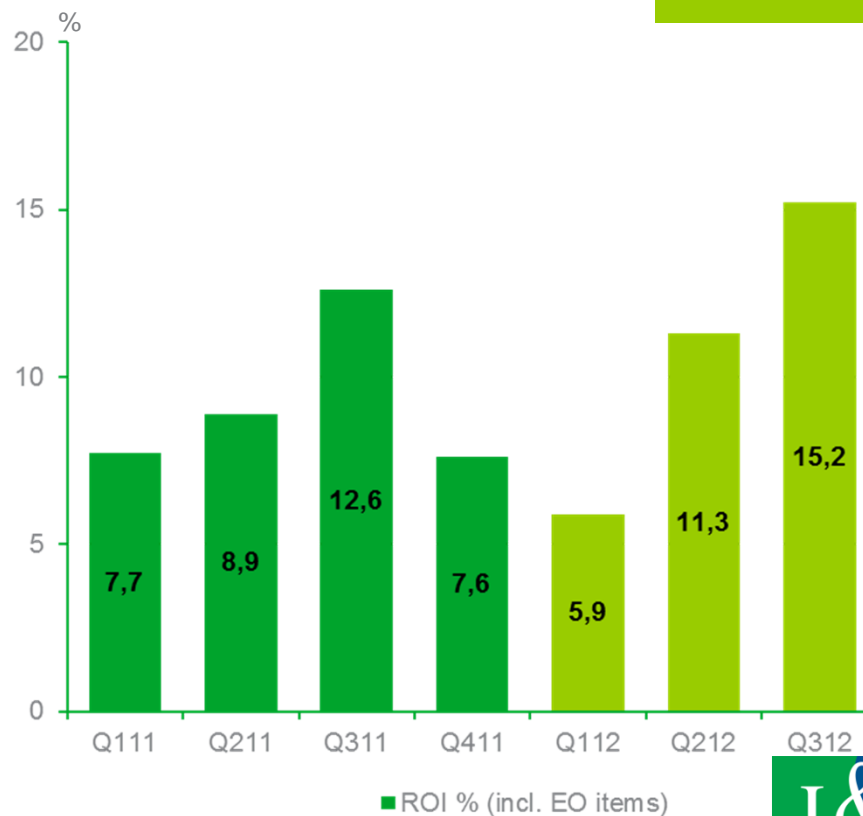
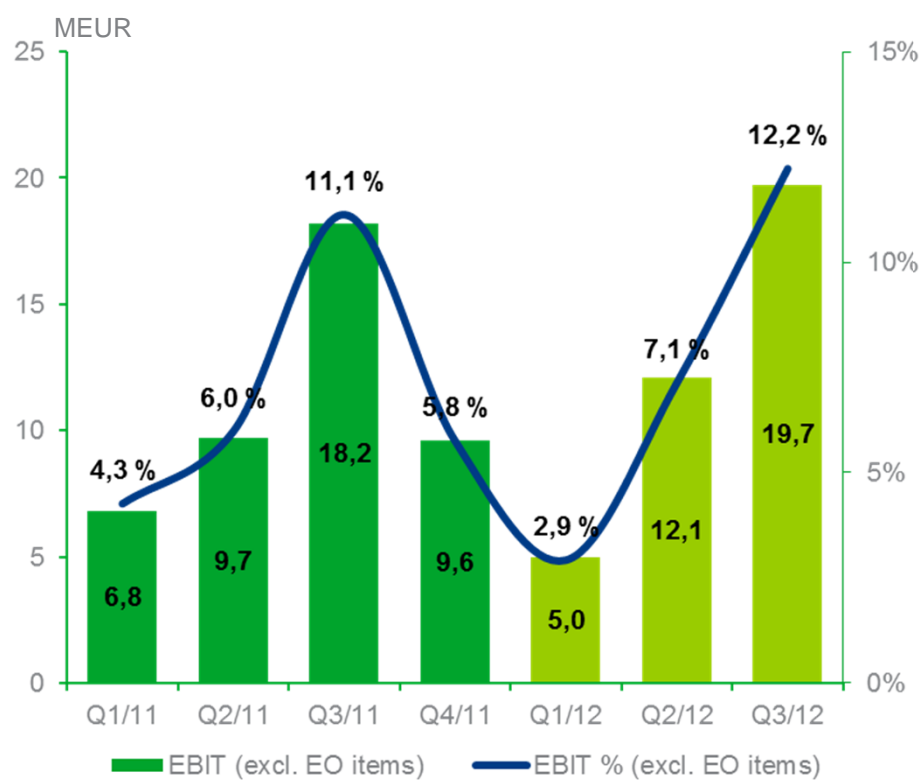


EUR million	Q3/12	Q3/11	Change %	1-9/12	1-9/11	Change %	2011
Net sales	8.0	7.2	10.6	37.7	32.8	14.7	45.4
Operating profit excl. EO items	-0.4	-1.1	-	-0.2	-2.7	-	-3.8
Operating margin excl. EO items	-4.8%	-15.1%	-	-0.6%	-8.3%	-	-8.4%

Operating profit & return on investment

Strategic target:
EBIT 9%

Strategic target:
20%

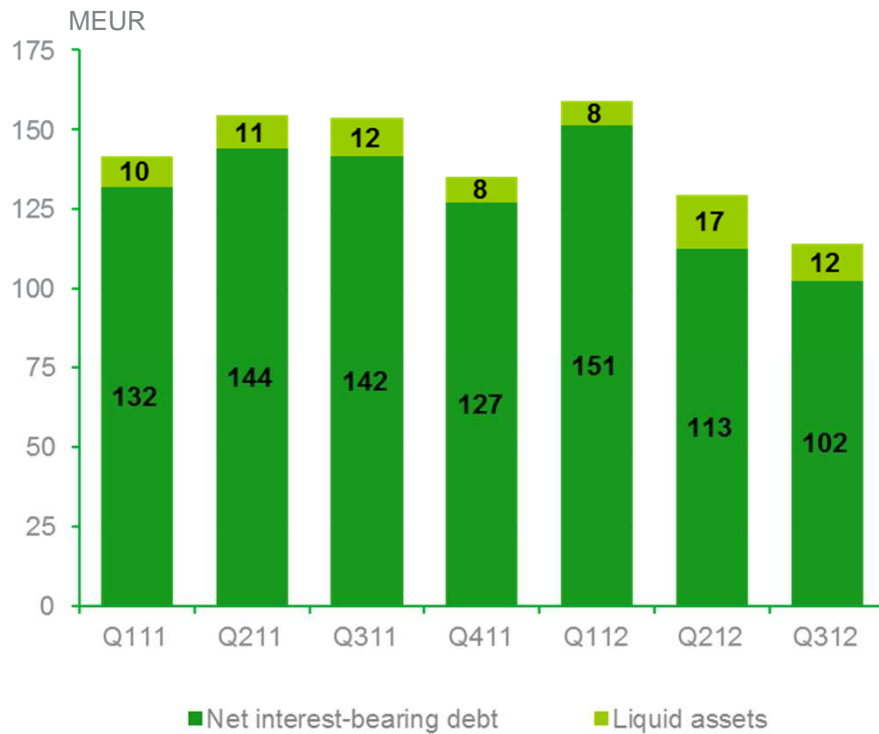




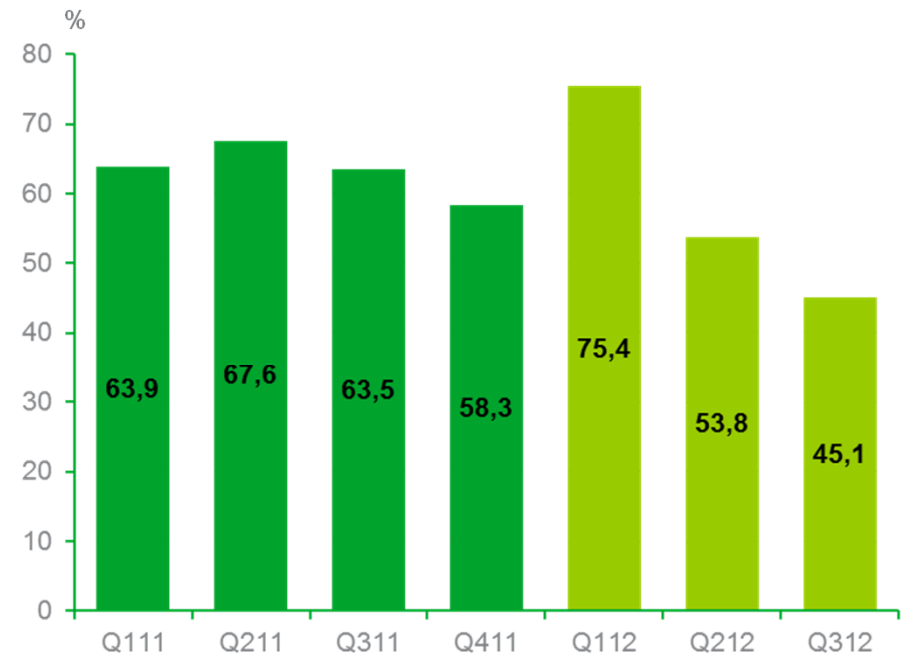
Interest bearing-debt and gearing

Strategic target:
30-80%

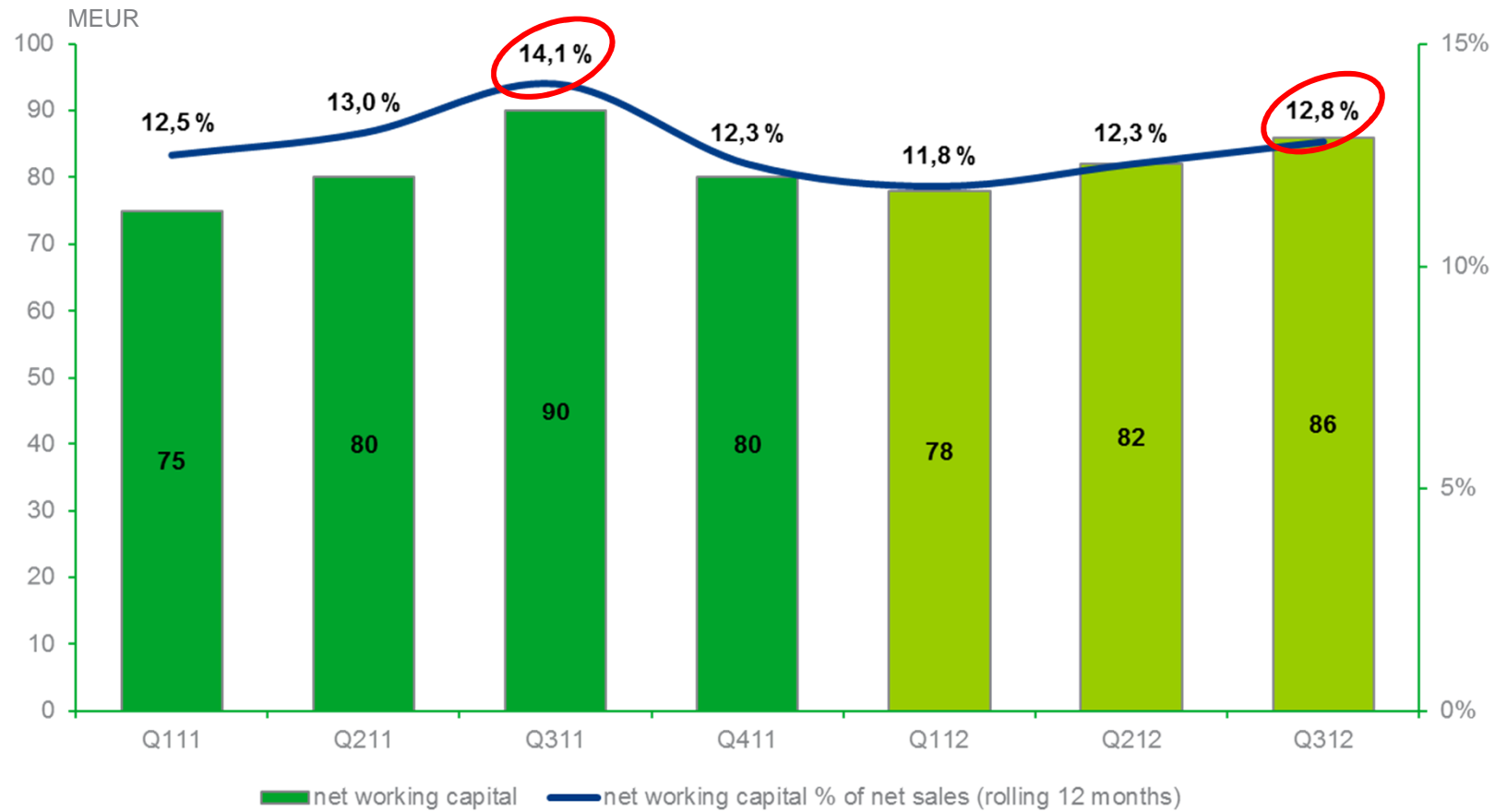
Interest bearing-debt



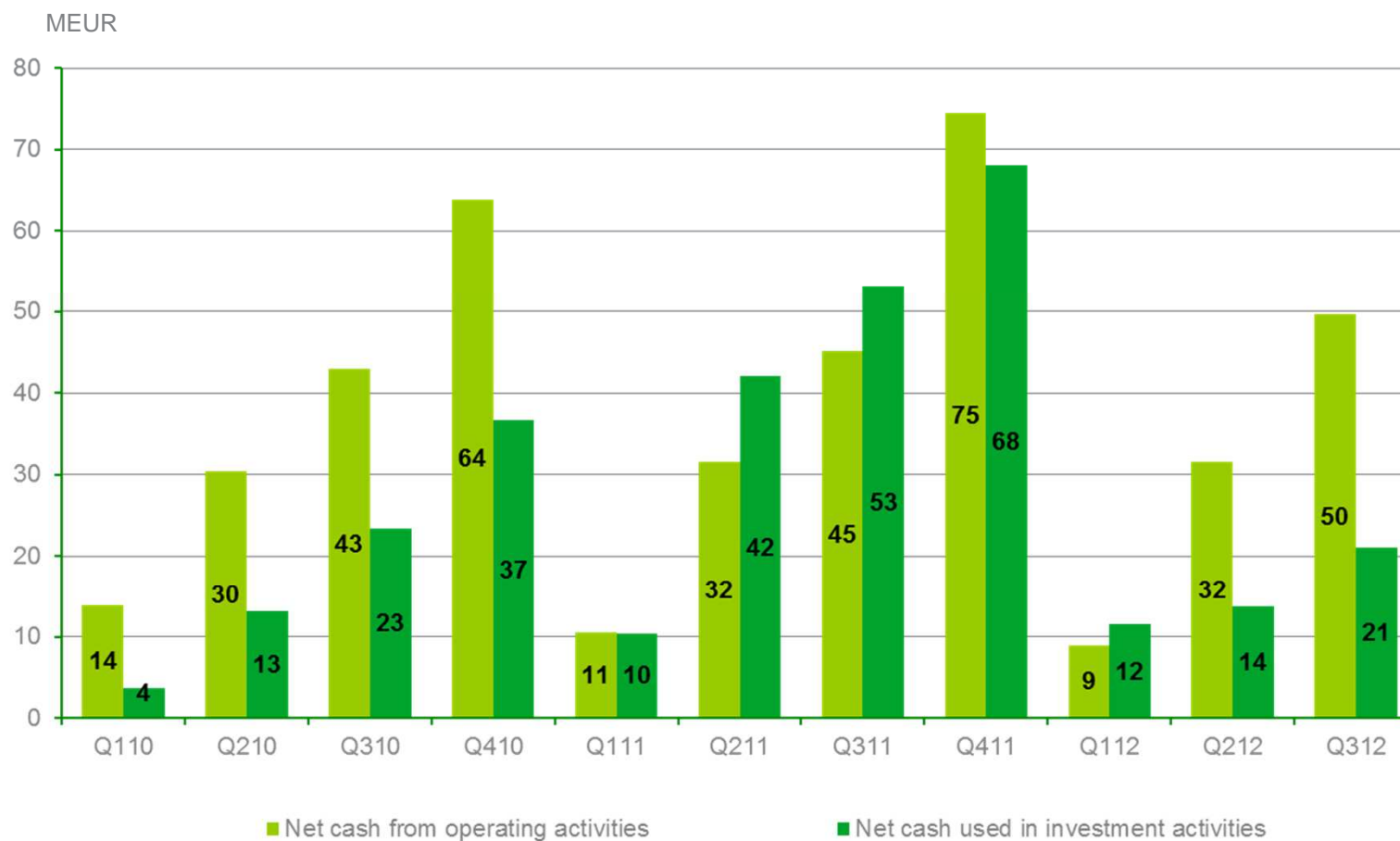
Gearing ratio



Net working capital

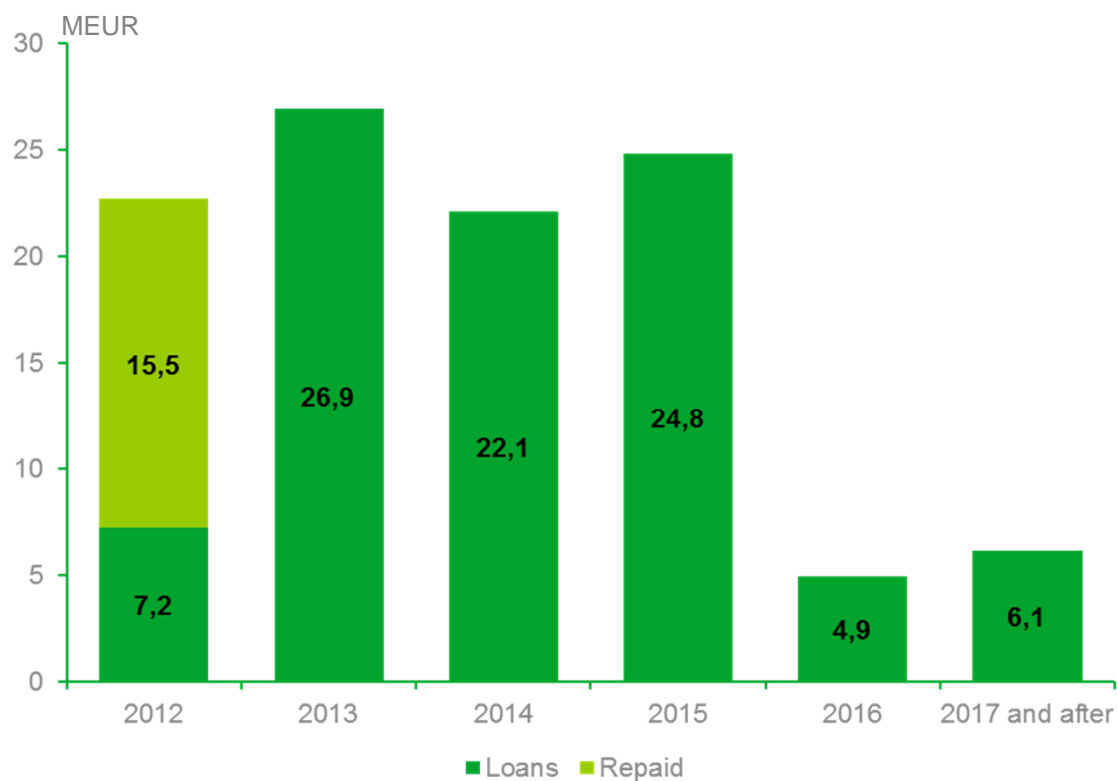


Cash flow and investments

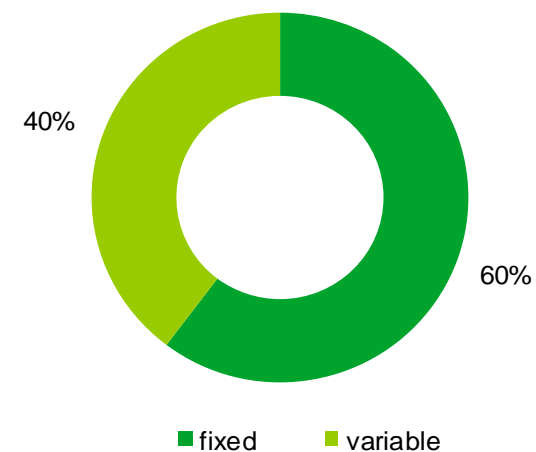


Maturity structure of long-term loans

Maturity structure of long-term loans



Long-term loan portfolio



Weighted average of effective interest rate 2.4%



Outlook for the rest of the year

Despite the economic uncertainty, the outlook for Environmental Services is, by and large, stable, but any changes in demand for industrial services may complicate operational adjustments.

The outlook for Cleaning and Office Support Services and for Property Maintenance is stable.

Demand for Renewable Energy Sources' (L&T Biowatti) wood-based fuels will pick up from the comparison period, and with a more effective cost structure in place, operating profit will improve.

Group's full-year net sales in 2012 are expected to remain at the 2011 level. Operating profit, excluding non-recurring items, is expected to remain at the 2011 level or improve slightly.



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