



Lassila & Tikanoja plc

5 May 2009

Jari Sarjo, President and CEO

Highlights of Q109

- Net sales EUR 146.4m (EUR 147.3m) -0.6% (yoy)
- Operating profit EUR 10.0m (EUR 22.8m); operating profit excluding non-recurring and imputed items EUR 11.2m (EUR 8.8m)
 - Growth continued in Property and Office Support Services and Industrial Services.
 - EO items: Restructuring costs of EUR 1.2m arising from production efficiency enhancement measures to adapt operation and costs to the current market situation.

Highlights of Q109

Environmental Services; operating profit EUR 6.8m (EUR 8.4m)

- Net sales and profitability of waste management remained at the same level as last year.
- Volumes of recyclable materials decreased burdening the profitability of recycling services. Low demand for secondary raw materials continued.
- L&T Biowatti fell short of its targets due to lower forest industry operating rates which burdened also the sales of wood-based by-products.
- Operations abroad developed positively, particularly in Latvia as a result of lower production costs.

Highlights of Q109

Property and Office Support Services; operating profit EUR 3.4m (EUR 1.6m)

- Domestic operations were successful in additional sales, particularly in property maintenance.
- Work load of damage repair services (formerly part of Industrial Services) was boosted by large assignments.
- Net sales from Sweden and Russia declined mainly due to weakening of SEK and RUB. Latvian and Russian operations developed positively.
- The loss from Swedish operations decreased, although new sales remained weak. The production enhancement project to boost profitability continues.

Highlights of Q109

Industrial Services; operating profit EUR 0.3m (EUR -0.9m)

- Net sales and profitability were boosted by exceptional one-time projects. Volumes of hazardous waste decreased remarkably.
- Adapting production to operating rate fluctuations of industrial customers remained challenging.
- Ramp-up of production in L&T Recoil to be started in May.

Financial summary

| | Q109 | Q108 | Change % | Q1-Q4/2008 |
|-------------------------------------------------------------------------|-------|-------|----------|------------|
| Net sales, EUR million | 146.4 | 147.3 | -0.6 | 606.0 |
| Operating profit excluding non-recurring and imputed items, EUR million | 11.2 | 8.8 | 27.3 | 45.0 |
| Operating profit, EUR million | 10.0 | 22.8 | -56.3 | 55.5 |
| Operating margin, % | 6.8 | 15.5 | | 9.2 |
| Profit before tax, EUR million | 8.3 | 21.7 | -61.8 | 50.7 |
| Earnings per share, EUR | 0.16 | 0.51 | -68.6 | 1.03 |
| EVA, EUR million | 2.0 | 15.7 | -87.3 | 25.0 |

Net sales by division

| EUR million | Q109 | Q108 | Change % |
|--------------------------------------|--------------|--------------|-------------|
| Environmental Services | 72.3 | 75.5 | -4.2 |
| Property and Office Support Services | 61.1 | 59.3 | 3.2 |
| Industrial Services | 14.9 | 13.7 | 8.5 |
| Inter-division net sales | -1.9 | -1.1 | |
| L&T total | 146.4 | 147.3 | -0.6 |

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

Earnings by division

| EUR million | Q109 | Q108 | Change % |
|--------------------------------------|------|------|----------|
| Environmental Services | 6.8 | 8.4 | -19.2 |
| Property and Office Support Services | 3.4 | 1.6 | |
| Industrial Services | 0.3 | -0.9 | |
| Group administration and other | -0.5 | 13.7 | |
| Total operating profit | 10.0 | 22.8 | -56.3 |
| Operating margin | 6.8 | 15.5 | |

Key figures

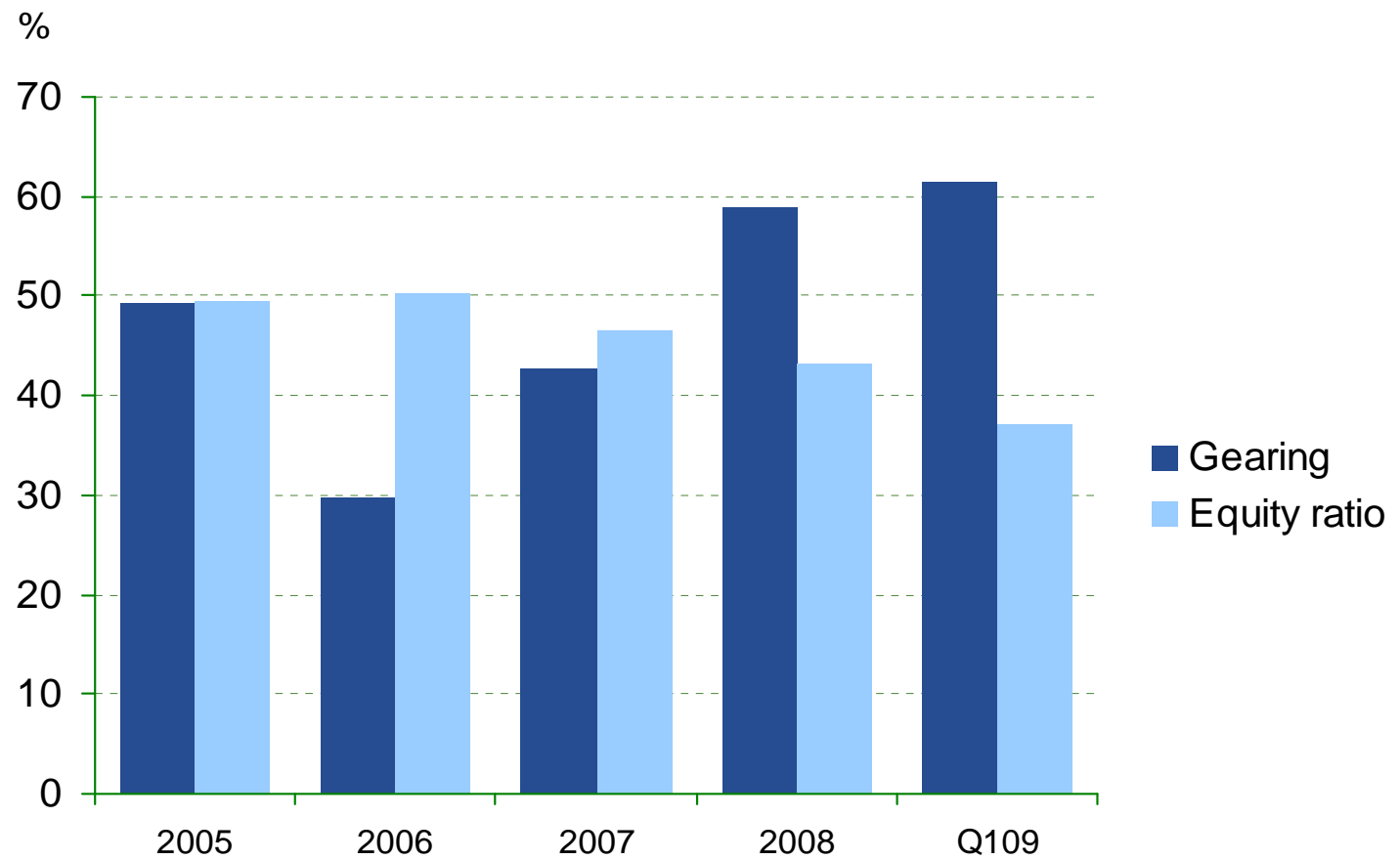
| | Q109 | Q108 | 2008 |
|--------------------------------------------------------------------|-------|-------|-------|
| Earnings per share, EUR | 0.16 | 0.51 | 1.03 |
| EVA, EUR million | 2.0 | 15.7 | 25.0 |
| Capital expenditure, EUR million | 12.3 | 14.1 | 84.2 |
| Depreciation, amortisation and impairment, EUR million | 10.0 | 9.2 | 41.0 |
| Return on equity, % (ROE) | 12.4 | 38.5 | 19.6 |
| Return on invested capital, % (ROI) | 11.6 | 29.5 | 17.1 |
| Equity ratio, % | 37.1 | 48.8 | 43.2 |
| Gearing, % | 61.4 | 42.1 | 58.8 |
| Total number of full-time and part-time employees at end of period | 9,112 | 9,532 | 9,490 |

Operating margin by division

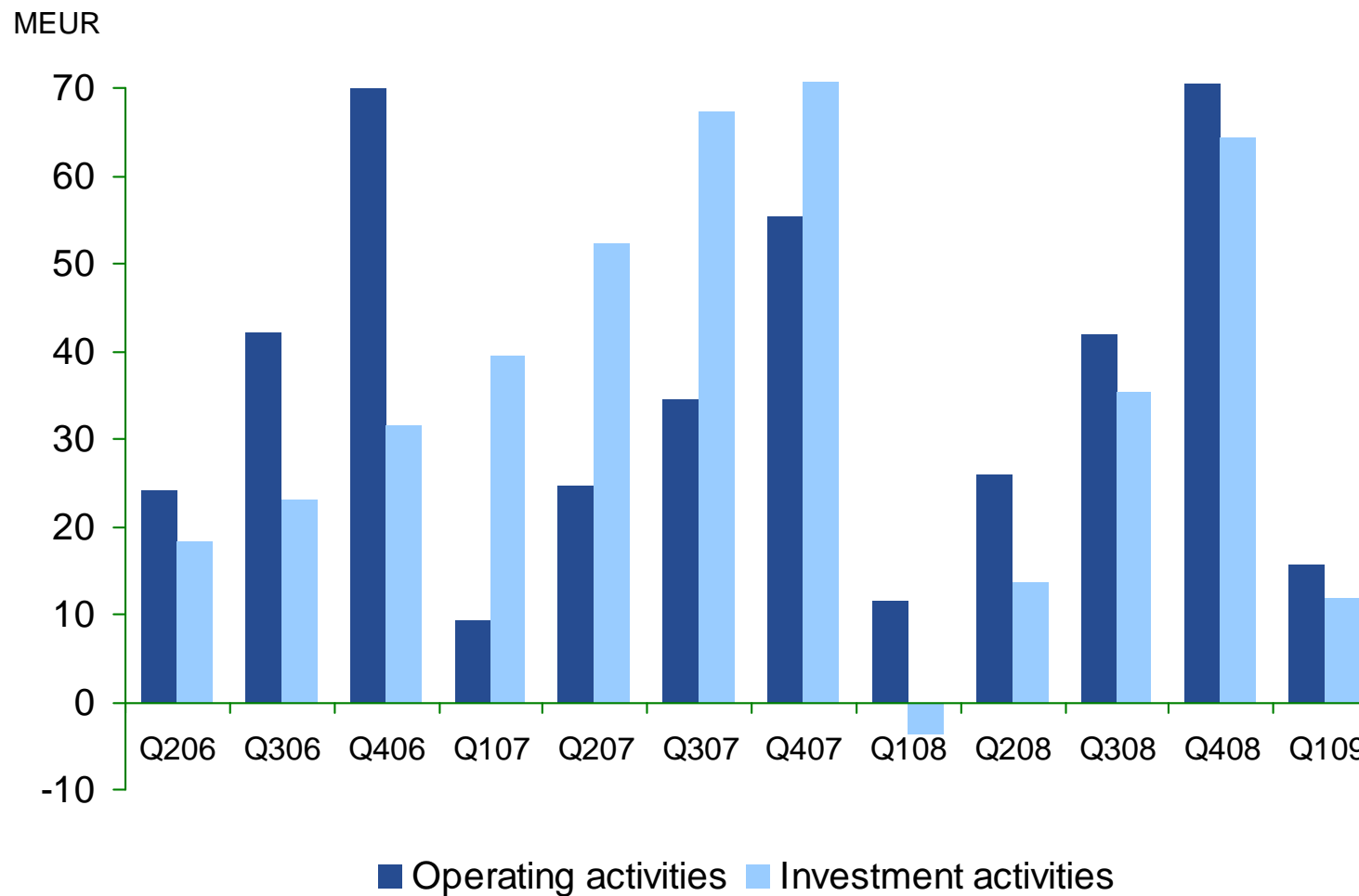
Quarterly figures

| | Q109 | Q1-Q4 08 | Q408 | Q308 | Q208 | Q108 | Q1-Q4 07 | Q407 | Q307 | Q207 | Q107 |
|---------------------------------------------|------|-------------|------|------|------|------|-------------|------|------|------|------|
| Environmental Services | 9.4 | 10.7 | 8.0 | 13.2 | 10.6 | 11.2 | 12.5 | 11.2 | 14.3 | 11.3 | 13.4 |
| Property and Office Support Services | 5.5 | 2.4 | -3.1 | 8.4 | 1.9 | 2.7 | 5.5 | 7.0 | 8.4 | 3.7 | 2.6 |
| Industrial Services | 1.9 | 7.6 | 8.5 | 18.1 | 6.3 | -6.5 | 7.5 | 0.5 | 10.4 | 14.6 | -2.1 |
| L&T total | 6.8 | 9.2 | 3.2 | 11.6 | 6.6 | 15.5 | 8.8 | 8.2 | 11.2 | 8.7 | 7.1 |

Gearing and equity ratio



Operating cash flow, cumulative



Prospects for the rest of the year

Although the markets in which L&T primarily operates are low-cyclical, the economic recession is impacting on demand for L&T's services.

Waste material transport and recycling volumes are expected to decline further towards the year-end. Meanwhile, secondary raw materials are expected to be affected by weak demand and low market prices over the next few months. Operating rates in the forest industry continue to be low, which will affect L&T Biowatti's raw material procurement. At the same time, low fossil fuel prices will restrict wood-based biofuel demand and pricing.

Property and Office Support Services will continue to experience fierce competition and increased competitive bidding. The economic uncertainty will hold back new and additional sales, and the number of services will be reduced when contracts are renewed.

The Industrial Services division's market conditions are expected to remain challenging throughout the year. However, as in the previous years, demand is expected to pick up after the first quarter. Lower operating rates in the industry will reduce hazardous waste volumes and rapid fluctuations in demand will make the identification of the correct production adjustment measures difficult.

Full-year net sales and operating profit excluding non-recurring and imputed items are expected to reach the previous year's level. This requires success in the adaptation of operations and costs as well as the start-up of the operation of L&T Recoil according to plan.

This estimate was made in May 2009 and was included in the Q1 Interim Report.