LASSILA & TIKANOJA PLC
FINANCIAL STATEMENTS RELEASE 1 JANUARY – 31 DECEMBER 2009

- **Net sales for the final quarter EUR 148.0 million (EUR 153.1 million); operating profit EUR 8.5 million (EUR 4.9 million); operating profit excluding non-recurring and imputed items EUR 8.7 million (EUR 8.6 million); earnings per share EUR 0.14 (EUR 0.04)**
- **Full-year net sales EUR 582.3 million (EUR 606.0 million); operating profit EUR 50.3 million (EUR 55.5 million); operating profit excluding non-recurring and imputed items EUR 51.3 million (EUR 45.0 million); earnings per share EUR 0.85 (EUR 1.03)**
- **Net sales and operating profit excluding non-recurring items in 2010 are expected to remain at the 2009 level.**
- **A dividend of EUR 0.55 per share is proposed.**

GROUP NET SALES AND FINANCIAL PERFORMANCE

October–December

Lassila & Tikanoja's net sales for the final quarter totalled EUR 148.0 million (EUR 153.1 million), showing a decrease of 3.3% from the previous year. Operating profit was EUR 8.5 million (EUR 4.9 million), representing 5.7% (3.2%) of net sales. Operating profit excluding non-recurring and imputed items was EUR 8.7 million (EUR 8.6 million). Earnings per share were EUR 0.14 (EUR 0.04).

Net sales in the fourth quarter fell due to the decrease in waste and secondary raw material volumes. Profitability remained at the previous year's level thanks to production efficiency improvement measures. Non-recurring restructuring expenses of EUR 0.2 million were recorded for the fourth quarter (impact of non-recurring items in the comparison period was EUR -3.7 million).

Year 2009

Full-year net sales amounted to EUR 582.3 million (EUR 606.0 million); a decrease of 3.9%. Operating profit was EUR 50.3 million (EUR 55.5 million), representing 8.6% (9.2%) of net sales. Operating profit excluding non-recurring and imputed items was EUR 51.3 million (EUR 45.0 million). Earnings per share were EUR 0.85 (EUR 1.03).

The decrease in net sales could be primarily attributed to the weak demand for L&T Biowatti's wood-based fuels and the lower waste and transport volumes. The prices of secondary raw materials and their demand remained low in the first half, but showed slight improvement towards the year-end. The net sales of Property and Office Support Services and Industrial Services almost reached their previous year's level even though the sustained economic uncertainty hampered the sales of additional services.

Operating profit excluding non-recurring and imputed items saw a marked improvement thanks to efficiency enhancement measures. Operating profit was taxed by the non-recurring items totalling EUR 1.0 million. The completion of the joint venture L&T Recoil Oy's production plant was delayed, which resulted in considerable loss. In 2008, operating profit was boosted by the capital gain from the sale of Ekokem shares, among other things.

Financial summary

	10-12/ 2009	10-12/ 2008	Change %	1-12/ 2009	1-12/ 2008	Change %
Net sales, EUR million	**148.0**	153.1	-3.3	**582.3**	606.0	-3.9
Operating profit excluding non-recurring and imputed items, EUR million*	**8.7**	8.6	1.2	**51.3**	45.0	14.0
Operating profit, EUR million	**8.5**	4.9	74.2	**50.3**	55.5	-9.4
Operating margin, %	**5.7**	3.2		**8.6**	9.2	
Profit before tax, EUR million	**7.4**	3.5		**45.0**	50.7	-11.2
Earnings per share, EUR	**0.14**	0.04		**0.85**	1.03	-17.5
Dividend per share, EUR				**0.55****	0.55	
EVA, EUR million	**-0.1**	-3.3	97.0	**16.5**	25.0	-34.0

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

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

October–December

The net sales of Environmental Services (waste management, recycling services, L&T Biowatti, environmental products) in the final quarter decreased by 3.7% to EUR 71.5 million (EUR 74.2 million). Operating profit was EUR 6.5 million (EUR 6.0 million), and operating profit excluding non-recurring and imputed items was EUR 6.5 million (EUR 6.0 million).

The net sales of waste management shrank particularly due to the falling construction waste volumes. However, operating profit remained at the comparison period's level. In the recycling services business, net sales declined due to shrinking volumes of raw materials but profitability improved thanks to the rising prices of secondary raw materials and a recovery in their demand. Construction of additional capacity at the Kerava recycling plant continued.

L&T Biowatti's net sales remained at the previous year's level. Although the cold weather in December boosted the demand for fuels, low operating rates in the industry and the low wholesale price of electricity continued to hold back demand. The inexpensive price level of emission rights and fossil fuels undermined the competitiveness of wood-based fuels. The procurement of wood raw material for future heating seasons was more successful than expected.

The profitability of the Environmental Services division's international operations improved despite difficult market conditions.

Year 2009

The full-year net sales of the Environmental Services division shrank by 6.8% to EUR 279.8 million (EUR 300.1 million). Operating profit was EUR 31.7 million (EUR 32.3 million), and operating profit excluding non-recurring and imputed items was EUR 32.9 million (EUR 32.3 million).

Net sales from waste management fell somewhat due to the reduction in waste volumes. The slowdown in new construction reduced construction waste volumes as expected, but the increased activity in renovation operations helped offset the decline.

The market prices of secondary raw materials (plastics, fibres, metals) and their demand were low in the first half, but showed slight improvement in the second half. The first stage of the Kerava recycling plant investment programme ended in June and the new recycled timber unit was brought on line. The second stage of the investment was downsized, and it will involve the construction of a combined plant that will be able to handle both construction waste and trade and industrial waste. The investment will be completed in autumn 2010, which will significantly raise the recovery rate of the waste processed at the Kerava plant.

The demand for biofuels supplied by L&T Biowatti decreased sharply as a result of the lower wholesale price of electricity and lower operating rates in the forest industry. The low prices of fossil fuels and emission rights eroded the competitiveness of wood-based fuels against coal, peat and oil. The product line's profitability weakened significantly and the result was negative.

A forestry service organisation focusing on energy wood procurement launched operations in January and was able to exceed its procurement targets, which resulted in a significant increase in raw material stocks. 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 of 2010. 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 but profitability remained healthy.

Property and Office Support Services

October–December
The net sales of Property and Office Support Services (property maintenance, cleaning services) amounted to EUR 61.4 million (EUR 62.9 million) in the final quarter. The operating profit grew to EUR 2.8 million (EUR -1.9 million), and operating profit excluding non-recurring and imputed items was EUR 2.9 million (EUR 2.3 million).

Net sales from Finnish operations declined slightly from the previous year. Despite the weaker market conditions, profitability improved as a result of production efficiency boosting measures. Contracts were successfully renewed in both product lines.

Net sales from international operations declined primarily as a result of the weakening of the Swedish krona and the Russian rouble. Although profitability improved, overall result was slightly negative due to the losses from Swedish operations.

Year 2009
The full-year net sales of Property and Office Support Services totalled EUR 243.1 million (EUR 243.2 million). At EUR 17.7 million (EUR 5.9 million), operating profit showed a significant improvement. Operating profit excluding non-recurring and imputed items was EUR 18.1 million (EUR 10.1 million).

Net sales remained at the 2008 level and additional services sold well despite the economic uncertainties. A few sizeable damage repair projects were carried out in the first half and workflow remained constant throughout the year. New partnership agreements were signed with insurance companies.

The sector's profitability showed a considerable improvement as a result of production efficiency boosting measures. Prolonged economic uncertainty resulted in lower employee turnover, particularly in cleaning services, which helped significantly raise production efficiency.

The L&T® EcoMaintenance concept was launched in the property maintenance business to reduce the energy consumption in properties.

Loss from international operations decreased. The Latvian and Russian operations recorded a positive result even though customers have downsized their services programmes due to the weak economic conditions, particularly in Latvia. In Sweden, the reorganisation programme proceeded as planned but operations continued to show a loss. In March, the Russian cleaning services were awarded a certificate for compliance with the ISO 9001 quality standards.

Industrial Services

October–December
The fourth quarter net sales of Industrial Services (hazardous waste management, industrial solutions, wastewater services, L&T Recoil) were down by 4.6% to EUR 17.2 million (EUR 18.1 million). Operating profit was EUR 0.0 million (EUR 1.5 million), and operating profit excluding non-recurring and imputed items was EUR 0.0 million (EUR 1.0 million).

The division's net sales fell due to the sustained low 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 higher recovery rates and material efficiency solutions. Costs arising from the production reorganisation of waste water services eroded the product line's profitability.

The joint venture L&T Recoil's re-refinery for used lubricating oil reached a production stage towards the year-end, but by the end of the year production had not yet stabilised. Delays in production start-up taxed the division's performance considerably.

Year 2009
Full-year net sales for Industrial Services stood at EUR 67.4 million (EUR 69.0 million). Operating profit was EUR 3.4 million (EUR 5.2 million), and operating profit excluding non-recurring and imputed items was EUR 3.2 million (EUR 4.9 million).

The low operating rates in the industry had the expected impact on Industrial Services throughout the year. Hazardous waste volumes showed a marked decrease and maintenance service volumes decreased as the economic uncertainty prolonged. Rapid fluctuation in demand posed a challenge to production adjustment measures. The low demand for recovered fuel picked up to some extent towards the year-end.

Profitability in hazardous waste services and industrial solutions improved, thanks to successful production efficiency improvement measures. In addition, large individual projects were carried out in the first half.

The production start-up phase of L&T Recoil's re-refinery for used lubricating oil was delayed from the planned schedule, and the plant was unable to meet the year's production targets. The joint venture's losses had a major negative impact on the entire division's profitability.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING AND IMPUTED ITEMS

EUR million	**10-12/ 2009**	**10-12/ 2008**	**1-12/ 2009**	**1-12/ 2008**
Operating profit	**8.5**	4.9	**50.3**	55.5
Non-recurring items				
Impairment loss on goodwill of business in Sweden		3.1		3.1
Discontinuation of soil washing services		2.6	**-0.4**	2.6
Loss on sale of business in Norway		1.1		1.1
Gain on sale of the shares of Ekokem				-14.3
Oil derivatives		-3.1		-3.0
Restructuring expenses	**0.2**		**1.6**	
Discontinuation of wood pellet production in Luumäki			**0.3**	
Refund of supplementary insurance fund of former Lassila & Tikanoja			**-0.5**	
Operating profit excluding non-recurring and imputed items	**8.7**	8.6	**51.3**	45.0

FINANCING

At the end of the year, interest-bearing liabilities amounted to EUR 3.2 million less than a year earlier. Net interest-bearing liabilities, totalling EUR 116.3 million, decreased by EUR 4.3 million.

The amount of net finance costs in the final quarter was below that of the comparison period by EUR 0.3 million while in January–December the amount exceeded that of the comparison period by EUR 0.4 million. Interest expenses decreased by EUR 0.4 million in the fourth quarter and by EUR 0.2 million in January–December. The decrease resulted from the decline in the interest rate level and the decrease in the interest-bearing liabilities. Net finance costs were 0.9% (0.8%) of net sales and 10.4% (8.7%) of operating profit.

In 2009, a total of EUR -0.3 million (EUR -1.0 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 2009, new long-term loans totalling EUR 24.0 million (EUR 47.0 million) were drawn and a total of EUR 19.0 million of short-term loans were converted into long-term loans. EUR 29.2 million (EUR 15.6 million) were repaid. At 31 December, the weighted average of effective interest rates of long-term loans was 2.93% (4.61%). At the end of the year, the amount of liquid assets was EUR 27.6 million (EUR 26.5 million). A committed limit of EUR 15.0 million was not in use as at the end of the year 2008. EUR 15.5 million of committed limits were in use at the end of the year 2008.

The equity ratio was 44.1% (43.2%) and the gearing rate 53.5 (58.8). Cash flows from operating activities amounted to EUR 66.2 million (EUR 70.4 million). EUR 12.0 million were tied up in the working capital (EUR 2.2 million were released). The increase in the working capital 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 44.9 million (EUR 84.2 million). The largest construction projects were L&T Recoil re-refinery and the extension of the Kerava recycling plant.

In the third quarter, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services. In the fourth quarter, the waste collection operations of Kuljetusliike Veli-Pekka Hiltunen Oy and the business operations of Raahen Kuljetus Maunula Ky were acquired into Environmental Services. The business acquisitions totalled EUR 1.7 million and the combined annual net sales of the acquired businesses totalled EUR 2.1 million.

In the second quarter, the business of Environmental Services’ unit in Virrat was sold.

PERSONNEL

In 2009, the average number of employees converted into full-time equivalents was 8,113 (8,363). At the year end, the total number of full-time and part-time employees was 8,743 (9,490). Of them 6,762 (7,269) people worked in Finland and 1,981 (2,221) people in other countries.

PROPOSAL FOR THE DISTRIBUTION OF PROFIT

According to the financial statements, Lassila & Tikanoja plc’s distributable assets amount to EUR 55,348,207.26, of which EUR 27,939,056.68 constitutes profit for the financial period. There were no substantial changes in the financial standing of the company after the end of the financial period, and the solvency test referred to in Chapter 13, Section 2 of the Companies Act does not affect the amount of distributable assets. The Board of Directors proposes to the General Meeting of Shareholders that distributable assets be used as follows:

A dividend of EUR 0.55 will be paid on each share. On the day when the distribution of profit was proposed, the number of shares conferring entitlement to receive dividend totalled 38,768,874 shares, on which the total dividend payment would be EUR 21,322,880.70. No dividend shall be paid on shares held by the company on the dividend payment record date.

In accordance with the resolution of the Board of Directors, the record date is 7 April 2010. The Board of Directors proposes to the Annual General Meeting to be held on 31 March 2010 that the dividend be paid on 14 April 2010.

Earnings per share amounted to EUR 0.85. The proposed dividend is 64.4% of the earnings per share.

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 in 2009 was 10,089,598, which is 25.9% (45.0%) of the average number of outstanding shares. The value of trading was EUR 127.2 million (EUR 287.9 million). The trading price varied between EUR 9.16 and EUR 17.19. The closing price was

EUR 15.99. During the review period the company repurchased 30,000 own shares. The market capitalisation was EUR 619.9 million (EUR 426.8 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 outstanding shares to 38,768,874 shares. In January–December, the average number of shares excluding the shares held by the company totalled 38,780,589.

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 and 2005C options since 2 November 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. 37 key persons hold 196,000 options and L&T Advance Oy 34,000 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 196,000 new shares, which is 0.5% of the current number of shares.

Share-based incentive programme
Lassila & Tikanoja plc's Board of Directors decided 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 covered 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 7,595 (6,135) shareholders. Nominee-registered holdings accounted for 9.2% (9.9%) 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 15 January 2009, the company announced that it recognises an impairment loss of EUR 2.7 million for the goodwill of business operations in Sweden due to weaker market outlook.

In a release published on 23 February 2009, the company announced that it has concluded the statutory employer-employee negotiations that began in Finland on 29 December 2008. As a result of these negotiations, the reduction notice applies to 160 persons. The reductions form part of the measures currently undertaken in order to adjust the organisation and business activities to changes in the market situation.

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.

In a release published on 27 October 2009, the company announced that Tomi Salo has been appointed Managing Director of L&T Biowatti Oy and Group Executive of Lassila & Tikanoja plc as of 1 December 2009. Salo is responsible for the Renewable Energy Sources division and he reports to Jari Sarjo, President and CEO.

In a release published on 1 December 2009, the company announced that it will start statutory employer-employee negotiations in order to improve efficiency. On 25 January 2010 the company announced that it had concluded the statutory employer-employee negotiations. As a result of these negotiations, L&T will reduce 110 salaried employee positions in Finland. The reductions will be realised partly through natural attrition. The number of redundancies is expected to be 95 at the maximum, consisting of 80 salaried employees and 15 senior salaried employees.

NEAR-TERM UNCERTAINTIES

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

If the operating rate target set for L&T Recoil's production is not reached, this will have a negative impact on the Environmental Services division's performance. Performance will also be adversely affected by the potential fall in the price of crude oil because the price of base oil follows crude oil price developments with a slight delay.

Low prices of fossil fuels such as coal, oil and peat may undermine the competitiveness of L&T Biowatti's wood-based fuels. Similarly, the low wholesale price of electricity and low price of emission rights will weaken demand.

The intensifying competition environment and changes in legislation in Latvia may prove detrimental to the profitability of the waste management business.

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

PROSPECTS FOR THE YEAR 2010

In the Environmental Services division, waste material transport and recycling volumes are expected to remain unchanged. The demand and market prices of secondary raw materials are expected to recover slowly. The current operating rates in the industry will result in low hazardous waste volumes and demand for maintenance services. Production at L&T Recoil's re-refinery continues to be unstable. Its operating rate will have a major impact on the division's profitability.

The market for Property and Office Support Services is expected to remain unchanged or weaken. Customers must follow tight cost control, which is assumed to increase competitive bidding and reduce orders for additional services.

The demand for L&T Biowatti's wood-based fuels is expected to remain moderate due to low operating rates in the industry and the low wholesale price of electricity. Furthermore, the low price of emission rights will undermine the competitiveness of wood-based fuels.

Net sales and operating profit excluding non-recurring items in 2010 are expected to remain at the 2009 level.

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–31 DECEMBER 2009

CONSOLIDATED INCOME STATEMENT

EUR 1000	10-12/ 2009	10-12/ 2008	1-12/ 2009	1-12/ 2008
Net sales	**148 041**	153 058	**582 306**	605 996
Cost of sales	**-132 487**	-136 925	**-505 699**	-533 681
Gross profit	**15 554**	16 133	**76 607**	72 315
Other operating income	**429**	3 820	**2 425**	21 708
Selling and marketing costs	**-3 842**	-4 517	**-14 636**	-16 228
Administrative expenses	**-3 167**	-2 873	**-11 705**	-12 105
Other operating expenses	**-470**	-4 592	**-2 427**	-7 102
Goodwill impairment		-3 090		-3 090
Operating profit	**8 504**	4 881	**50 264**	55 498
Finance income	**224**	742	**1 290**	1 931
Finance costs	**-1 302**	-2 112	**-6 528**	-6 737
Profit before tax	**7 426**	3 511	**45 026**	50 692
Income tax expense	**-1 917**	-1 979	**-11 881**	-10 724
Profit for the period	**5 509**	1 532	**33 145**	39 968
Attributable to:				
Equity holders of the company	**5 511**	1 537	**33 140**	39 969
Minority interest	**-2**	-5	**5**	-1
Earnings per share for profit attributable to the equity holders of the company:				
Basic earnings per share, EUR	**0.14**	0.04	**0.85**	1.03
Diluted earnings per share, EUR	**0.14**	0.04	**0.85**	1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	10-12/ 2009	10-12/ 2008	1-12/ 2009	1-12/ 2008
Profit for the period	**5 509**	1 532	**33 145**	39 968
Other comprehensive income, after tax				
Hedging reserve, change in fair value	**98**	-926	**-343**	-972
Current available-for-sale investments				
Gains in the period	**3**	24	**-21**	29
Reclassification adjustments				-14 238
Current available-for-sale investments	**3**	24	**-21**	-14 209
Currency translation differences	**200**	-1 327	**324**	-1 862
Other comprehensive income, after tax	**301**	-2 229	**-40**	-17 043
Total comprehensive income, after tax	**5 810**	-697	**33 105**	22 925
Attributable to:				
Equity holders of the company	**5 721**	-670	**33 020**	22 950
Minority interest	**89**	-27	**85**	-25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	12/2009	12/2008
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	**113 771**	115 451
Customer contracts arising from acquisitions	**6 232**	7 346
Agreements on prohibition of competition	**11 641**	13 270
Other intangible assets arising from business acquisitions	**3 194**	5 158
Other intangible assets	**13 579**	11 402
	148 417	152 627
Property, plant and equipment		
Land	**4 015**	3 832
Buildings and constructions	**72 072**	43 958
Machinery and equipment	**110 817**	113 851
Other	**81**	78
Prepayments and construction in progress	**14 666**	35 433
	201 651	197 152
Other non-current assets		
Available-for-sale investments	**525**	502
Finance lease receivables	**4 425**	4 694
Deferred income tax assets	**2 147**	945
Other receivables	**726**	689
	7 823	6 830
Total non-current assets	**357 891**	356 609
Current assets		
Inventories	**32 842**	18 827
Trade and other receivables	**77 702**	74 634
Derivative receivables		112
Prepayments	**370**	986
Available-for-sale investments	**18 484**	20 368
Cash and cash equivalents	**9 099**	6 149
Total current assets	**138 497**	121 076
TOTAL ASSETS	**496 388**	477 685

EUR 1000	**12/2009**	**12/2008**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the company		
Share capital	**19 399**	19 399
Share premium reserve	**50 673**	50 673
Other reserves	**-3 084**	-2 964
Retained earnings	**116 874**	97 799
Profit for the period	**33 140**	39 969
	217 002	204 876
Minority interest	**247**	162
Total equity	**217 249**	205 038
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	**33 622**	32 898
Retirement benefit obligations	**671**	674
Provisions	**2 100**	1 741
Borrowings	**120 969**	102 487
Other liabilities	**1 510**	1 083
	158 872	138 883
Current liabilities		
Borrowings	**22 890**	44 569
Trade and other payables	**94 130**	88 298
Derivative liabilities	**1 073**	610
Tax liabilities	**2 119**	273
Provisions	**55**	14
	120 267	133 764
Total liabilities	**279 139**	272 647
TOTAL EQUITY AND LIABILITIES	**496 388**	477 685

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	**12/2009**	**12/2008**
Cash flows from operating activities		
Profit for the period	**33 145**	39 968
Adjustments		
Income tax expense	**11 881**	10 724
Depreciation, amortisation and impairment	**40 334**	40 985
Finance income and costs	**5 238**	4 806
Oil derivatives		-2 221
Gain on sale of shares	**-70**	-14 258
Discontinued operations		2 616
Other	**1 809**	444
Net cash generated from operating activities before change in working capital	**92 337**	83 064
Change in working capital		
Change in trade and other receivables	**-4 654**	3 502
Change in inventories	**-14 022**	-4 492
Change in trade and other payables	**6 689**	3 152
Change in working capital	**-11 987**	2 162
Interest paid	**-7 511**	-5 953
Interest received	**1 505**	1 867
Income tax paid	**-8 156**	-10 716
Net cash from operating activities	**66 188**	70 424
Cash flows from investing activities		
Acquisition of subsidiaries and businesses, net of cash acquired	**-1 747**	-4 298
Proceeds from sale of subsidiaries and businesses, net of sold cash	**197**	23
Purchases of property, plant and equipment and intangible assets	**-42 735**	-77 542
Proceeds from sale of property, plant and equipment and intangible assets	**4 328**	789
Purchases of available-for-sale investments	**-54**	-200
Change in other non-current receivables	**-13**	-11
Proceeds from sale of available-for-sale investments	**7**	16 867
Dividends received	**1**	4
Net cash used in investing activities	**-40 016**	-64 368
Cash flows from financing activities		
Proceeds from shares issued		206
Change in short-term borrowings	**-12 044**	-4 593
Proceeds from long-term borrowings	**43 000**	47 000
Repayments of long-term borrowings	**-34 388**	-14 546
Dividends paid	**-21 318**	-21 315
Repurchase of own shares	**-356**	
Net cash generated from financing activities	**-25 106**	6 752

EUR 1000	12/2009	12/2008
Net change in liquid assets	**1 066**	12 808
Liquid assets at beginning of period	**26 517**	14 008
Effect of changes in foreign exchange rates	**28**	-339
Change in fair value of current available-for-sale investments	**-28**	40
Liquid assets at end of period	**27 583**	26 517

Liquid assets

EUR 1000	12/2009	12/2008
Cash and cash equivalents	**9 099**	6 149
Certificates of deposit	**18 484**	20 368
Total	**27 583**	26 517

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Revaluation 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				757	757		757
Repurchase of own shares				-356	-356		-356
Dividends paid				-21 295	-21 295		-21 295
Total comprehensive income			-120	33 140	33 020	85	33 105
Equity at 31.12.2009	**19 399**	**50 673**	**-3 084**	**150 014**	**217 002**	**247**	**217 249**
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				886	886		886
Dividends paid				-21 323	-21 323		-21 323
Total comprehensive income			-17 019	39 969	22 950	-25	22 925
Equity at 31.12.2008	**19 399**	**50 673**	**-2 964**	**137 768**	**204 876**	**162**	**205 038**

KEY FIGURES

	10-12/ 2009	10-12/ 2008	**1-12/ 2009**	1-12/ 2008
Earnings per share, EUR	**0.14**	0.04	**0.85**	1.03
Earnings per share, diluted, EUR	**0.14**	0.04	**0.85**	1.03
Cash flows from operating activities per share, EUR	**0.53**	0.74	**1.71**	1.82
EVA, EUR million	**-0.1**	-3.3	**16.5**	25.0
Capital expenditure, EUR 1000	**10 750**	32 011	**44 882**	84 249
Depreciation, amortisation and impairment, EUR 1000	**10 418**	12 918	**40 334**	40 985
Equity per share, EUR			**5.60**	5.28
Dividend/share, EUR			**0.55***	0.55
Dividend/earnings, %			**64.4***	53.4
Dividend yield, %			**3.4***	5.0
P/E ratio			**18.7**	10.7
Return on equity, ROE. %			**15.7**	19.6
Return on invested capital, ROI. %			**14.5**	17.1
Equity ratio, %			**44.1**	43.2
Gearing, %			**53.5**	58.8
Net interest-bearing liabilities, EUR 1000			**116 276**	120 539
Average number of employees in full-time equivalents			**8 113**	8 363
Total number of full-time and part-time employees at end of period			**8 743**	9 490
Number of outstanding shares adjusted for issues, 1000 shares				
average during the period			**38 781**	38 796
at end of period			**38 769**	38 799
average during the period, diluted			**38 784**	38 817

* Proposal by the Board of Directors

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 2009 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 consolidated financial statements for the financial year:

IFRS 8 Operating Segments
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 did not impose any significant changes on L&T's segment reporting as the previous segment reporting was based on the internal reporting structure, and the internal reporting is consistent with the IFRS-standards. The reportable segments 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 2008. As previously, operating profit is used as a measure of a segment's profit or loss. However, unlike in previous financial reports, the segments' net sales are divided into external net sales and inter-division net sales. The implementation of the standard changed also the notes to the annual financial statements.

IAS 1 (Amendment) Presentation of Financial Statements
The revised standard 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 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 title of the cash flow statement changed and is now referred to as 'statement of cash flows'.

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 financial statements release has 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	10-12/2009 External	10-12/2009 Inter-division	10-12/2009 Total	10-12/2008 External	10-12/2008 Inter-division	10-12/2008 Total	Total net sales. change %
Environmental Services	**70 590**	**912**	**71 502**	73 628	583	74 211	-3.7
Property and Office Support Services	**60 771**	**670**	**61 441**	62 117	744	62 861	-2.3
Industrial Services	**16 680**	**560**	**17 240**	17 313	749	18 062	-4.6
Eliminations		**-2 142**	**-2 142**		-2 076	-2 076	
L&T total	**148 041**	**0**	**148 041**	153 058	0	153 058	-3.3

EUR 1000	1-12/2009 External	1-12/2009 Inter-division	1-12/2009 Total	1-12/2008 External	1-12/2008 Inter-division	1-12/2008 Total	Total net sales. change %
Environmental Services	**276 977**	**2 789**	**279 766**	298 260	1 810	300 070	-6.8
Property and Office Support Services	**240 414**	**2 725**	**243 139**	240 549	2 672	243 221	0.0
Industrial Services	**64 915**	**2 446**	**67 361**	67 187	1 845	69 032	-2.4
Eliminations		**-7 960**	**-7 960**		-6 327	-6 327	
L&T total	**582 306**	**0**	**582 306**	605 996	0	605 996	-3.9

Operating profit

EUR 1000	**10-12/ 2009**	**%**	**10-12/ 2008**	**%**	**1-12/ 2009**	**%**	**1-12/ 2008**	**%**
Environmental Services	**6 485**	**9.1**	5 957	8.0	**31 650**	**11.3**	32 255	10.7
Property and Office Support Services	**2 776**	**4.5**	-1 945	-3.1	**17 685**	**7.3**	5 907	2.4
Industrial Services	**13**	**0.1**	1 529	8.5	**3 390**	**5.0**	5 239	7.6
Group admin. and other	**-770**		-660		**-2 461**		12 097	
L&T total	**8 504**	**5.7**	4 881	3.2	**50 264**	**8.6**	55 498	9.2
Finance costs, net	**-1 078**		-1 370		**-5 238**		-4 806	
Profit before tax	**7 426**		3 511		**45 026**		50 692	

Other segment information

EUR 1000	**12/2009**	**12/2008**
Assets		
Environmental Services	**285 823**	273 722
Property and Office Support Services	**75 548**	75 747
Industrial Services	**102 451**	96 722
Group admin. and other	**473**	458
Non-allocated assets	**32 093**	31 036
L&T total	**496 388**	477 685
Liabilities		
Environmental Services	**40 108**	38 207
Property and Office Support Services	**37 312**	35 524
Industrial Services	**17 712**	15 440
Group admin. and other	**1 951**	1 071
Non-allocated liabilities	**182 056**	182 405
L&T total	**279 139**	272 647

EUR 1000	**10-12/2009**	**10-12/2008**	**1-12/2009**	**1-12/2008**
Capital expenditure				
Environmental Services	**5 233**	16 506	**25 943**	41 823
Property and Office Support Services	**2 505**	3 257	**6 227**	9 679
Industrial Services	**3 013**	12 237	**12 691**	32 657
Group admin. and other	**-1**	11	**21**	90
L&T total	**10 750**	32 011	**44 882**	84 249
Depreciation and amortisation				
Environmental Services	**6 460**	6 055	**25 166**	23 122
Property and Office Support Services	**2 109**	2 263	**8 620**	8 982
Industrial Services	**1 838**	1 510	**6 537**	5 788
Group admin. and other	**11**	1	**11**	3
L&T total	**10 418**	9 829	**40 334**	37 895
Impairment				
Property and Office Support Services		3 090		3 090
L&T total		3 090		3 090

INCOME STATEMENT BY QUARTER

EUR 1000	**10-12/ 2009**	**7-9/ 2009**	**4-6/ 2009**	**1-3/ 2009**	**10-12/ 2008**	**7-9/ 2008**	**4-6/ 2008**	**1-3/ 2008**
Net sales								
Environmental Services	**71 502**	64 941	71 008	72 315	74 211	73 740	76 639	75 480
Property and Office Support Services	**61 441**	60 024	60 531	61 143	62 861	60 124	60 983	59 253
Industrial Services	**17 240**	17 698	17 561	14 862	18 062	19 091	18 183	13 696
Inter-division net sales	**-2 142**	-1 924	-2 006	-1 888	-2 076	-1 712	-1 441	-1 098
L&T total	**148 041**	140 739	147 094	146 432	153 058	151 243	154 364	147 331
Operating profit								
Environmental Services	**6 485**	9 425	8 932	6 808	5 957	9 723	8 151	8 423
Property and Office Support Services	**2 776**	7 208	4 343	3 358	-1 945	5 048	1 178	1 626
Industrial Services	**13**	1 367	1 733	277	1 529	3 465	1 140	-895
Group admin. and other	**-770**	-1 091	-142	-458	-660	-653	-271	13 681
L&T total	**8 504**	16 909	14 866	9 985	4 881	17 583	10 198	22 835
Operating margin								
Environmental Services	**9.1**	14.5	12.6	9.4	8.0	13.2	10.6	11.2
Property and Office Support Services	**4.5**	12.0	7.2	5.5	-3.1	8.4	1.9	2.7
Industrial Services	**0.1**	7.7	9.9	1.9	8.5	18.1	6.3	-6.5
L&T total	**5.7**	12.0	10.1	6.8	3.2	11.6	6.6	15.5
Finance costs, net	**-1 078**	-1 242	-1 233	-1 685	-1 370	-1 346	-990	-1 100
Profit before tax	**7 426**	15 667	13 633	8 300	3 511	16 237	9 208	21 735

TAX EFFECTS OF COMPONENTS OF OTHER COMPREHENSIVE INCOME

		2009			**2008**	
EUR 1000	**Before tax**	**Tax expense/ benefit**	**After tax**	**Before tax**	**Tax expense/ benefit**	**After tax**
Hedging reserve, change in fair value	**-464**	**121**	**-343**	-1 313	341	-972
Current available-for-sale investments	**-29**	**8**	**-21**	-14 219	10	-14 209
Currency translation differences	**380**	**-56**	**324**	-2 283	421	-1 862
Components of other comprehensive income	**-113**	**73**	**-40**	-17 815	772	-17 043

BUSINESS ACQUISITIONS

In business combinations, all property, plant and equipment acquired is measured at fair value on the basis of the market prices of similar assets, taking into account the age of the assets, wear and tear and similar factors. Tangible assets will be depreciated over their useful life according to the management's estimate, taking into account the depreciation principles observed within the Group.

Intangible assets arising from business combinations are recognised separately from goodwill at fair value at the time of acquisition if the fair value of the asset can be determined reliably. In connection with acquired business operations, the Group mostly has acquired agreements on prohibition of competition and customer relationships. The fair value of customer agreements and customer relationships associated with them has been determined on the basis of estimated duration of customer relationships and discounted net cash flows arising from current customer relationships. The value of agreements on prohibition of competition is calculated in a similar manner through cash flows over the duration of the agreement. Other intangible assets will be amortised over their useful life according to agreement or the management's estimate.

In addition to the skills of the personnel of the acquired businesses, goodwill arising from business combinations comprises other intangible items that cannot be identified separately in accordance with IAS 38. These unidentified items include the potential for gaining new customers in the acquired businesses and the opportunities for developing new products and services, as well as the regionally strong position of an acquired business. These items do not fulfil the IAS 38 identification criteria in any way. The items cannot be separated from each other, they are not based on any agreement or legal right and their value cannot be determined reliably. All business combinations also create synergy benefits that consist primarily of savings in fixed production costs.

Changes in goodwill arising from acquisitions or acquisition costs may arise on the basis of terms and conditions related to the acquisition price in the deeds of sale. In many acquisitions a small portion of the acquisition price is contingent on future events (less than 12 months). Acquisition price adjustments, including also attorney's and consultants' fees attributable to a business combination, are recognised in goodwill within 12 months from the acquisition date. Such adjustments related to the businesses acquired in 2009 will probably still be made.

The consolidated net sales for the year 2009 would have been EUR 583.7 million and the consolidated profit for the period EUR 50.2 million if all the acquisitions had occurred on 1 January. The realised net sales of the acquired businesses have been added to the consolidated net sales, and their realised profits and losses have been added to the consolidated profit in accordance with interim accounts at the time of acquisition. Profit for the period is stated less the current amortisation on intangible assets and depreciation charges on property, plant and equipment. Synergy benefits have not been accounted for.

The aggregate net sales of the acquired businesses totalled EUR 2.1 million in 2009.

Business combinations in aggregate

EUR 1000	Fair values used in consolidation	Carrying amounts before consolidation
Property, plant and equipment	395	395
Customer contracts	718	
Agreements on prohibition of competition	598	
Total assets	1 711	395
Net assets	1 711	395
Goodwill arising from acquisitions	36	
Acquisition cost	1 747	
Acquisition cost	1 747	
Cash flow effect of acquisitions	1 747	

On 1 June 2009, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services. The waste collection operations of Kuljetusliike Veli-Pekka Hiltunen Oy were acquired into Environmental Services on 1 October 2009, and on 1 November 2009 the waste management operations of Raahen Kuljetus Maunula Ky.

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. Individual purchase prices have not been itemised because none of them is of material importance when considered separately.

By annual net sales, the largest acquisition was Kuljetusliike Veli-Pekka Hiltunen (EUR 1.3 million).

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.

In December 2009, the remaining 30% portion of the acquisition price of L&T Biowatti was reassessed, and consequently, it was reduced by EUR 2,043 thousand to EUR 3,763 thousand (EUR 5,806 thousand). The adjustment has no impact on the profit or loss, as the adjustments were recognised under goodwill and interest-bearing liabilities.

CHANGES IN INTANGIBLE ASSETS

EUR 1000	**1-12/2009**	**1-12/2008**
Carrying amount at beginning of period	**152 627**	162 117
Business acquisitions	**1 352**	3 057
Other capital expenditure	**4 052**	3 812
Disposals	**-2 148**	-2 762
Amortisation and impairment	**-8 880**	-12 147
Transfers between items	**978**	2
Exchange differences	**436**	-1 452
Carrying amount at end of period	**148 417**	152 627

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	**1-12/2009**	**1-12/2008**
Carrying amount at beginning of period	**197 152**	151 870
Business acquisitions	**395**	2 050
Other capital expenditure	**39 029**	75 183
Disposals	**-2 324**	-2 548
Depreciation and impairment	**-31 454**	-28 838
Transfers between items	**-978**	-2
Exchange differences	**-169**	-563
Carrying amount at end of period	**201 651**	197 152

CAPITAL COMMITMENTS

EUR 1000	1-12/2009	1-12/2008
Intangible assets	**160**	1 021
Property, plant and equipment	**7 390**	10 868
Total	**7 550**	11 889
The Group’s share of capital commitments of joint ventures		972

RELATED-PARTY TRANSACTIONS

(Joint ventures)

EUR 1000	1-12/2009	1-12/2008
Sales	**930**	990
Other operating income	**75**	
Interest income	**336**	202
Non-current receivables		
Capital loan receivable	**15 896**	8 396
Current receivables		
Trade receivables	**31**	62
Loan receivables	**538**	202

CONTINGENT LIABILITIES

Securities for own commitments

EUR 1000	12/2009	12/2008
Mortgages on rights of tenancy	**42 179**	10 192
Company mortgages	**21 460**	10 460
Other securities	**234**	200
Bank guarantees required for environmental permits	**3 591**	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	12/2009	12/2008
Maturity not later than one year	**8 145**	7 459
Maturity later than one year and not later than five years	**17 470**	16 051
Maturity later than five years	**6 274**	7 281
Total	**31 889**	30 791

Derivative financial instruments

Interest rate swaps

EUR 1000	**12/2009**	**12/2008**
Nominal values of interest rate swaps *		
Maturity not later than one year		15 000
Total		15 000
Fair value		112
Nominal values of interest rate swaps **		
Maturity not later than one year	**4 629**	4 629
Maturity later than one year and not later than five years	**30 785**	20 914
Maturity later than five years		5 000
Total	**35 414**	30 543
Fair value	**-1 073**	-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.

The fair values of the interest rate swaps are based on the market data at the balance sheet date.

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 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

Operating profit excluding non-recurring and imputed items:
Operating profit +/- non-recurring and imputed items

Annual Report for the year 2009 containing the report by the Board of Directors and the financial statements for the year 2009 will be published in week 10. The annual report will be mailed to the persons on the mailing list maintained by the company. The company website can be used for subscribing for annual reports.

Helsinki, 9 February 2010

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 Ville Rantala, CFO, tel. +358 50 385 1442 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 8,700 persons. Net sales in 2009 amounted to EUR 582 million. L&T is listed on NASDAQ OMX Helsinki.

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