

LASSILA & TIKANOJA PLC: FINANCIAL STATEMENTS RELEASE 1 JANUARY – 31 DECEMBER 2012

- **Net sales for the final quarter EUR 171.8 million (EUR 167.0 million); operating profit EUR 9.7 million (operating loss EUR 7.9 million); operating profit excluding non-recurring items EUR 10.5 million (EUR 9.6 million); earnings per share EUR 0.18 (EUR -0.18)**
- **Full-year net sales EUR 674.0 million (EUR 652.1 million); operating profit EUR 48.4 million (EUR 25.6 million); operating profit excluding non-recurring items EUR 47.4 million (EUR 44.3 million); earnings per share EUR 0.89 (EUR 0.44)**
- **Full-year net sales in 2013 are expected to remain at the 2012 level. Operating profit, excluding non-recurring items, is expected to remain at the 2012 level or improve slightly.**
- **Distribution of assets: The Board of Directors proposes a capital repayment EUR 0.60 per share.**

CEO PEKKA OJANPÄÄ:

“Our performance in the fourth quarter was in line with our expectations. Operating profit excluding non-recurring items picked up from the comparison period, even though both fluctuations in the demand for services required by the industry and substantially greater snowfall in the early winter than in 2011 posed challenges to production efficiency. Our new organisation came into effect at the turn of the year and we are now focusing on its implementation in accordance with our strategy. We are building a consistent L&T in order to provide even better service to our customers.”

GROUP NET SALES AND FINANCIAL PERFORMANCE

Final quarter

Lassila & Tikanoja's net sales for the final quarter increased by 2.9% to EUR 171.8 million (EUR 167.0 million). Operating profit totalled EUR 9.7 million (operating loss EUR 7.9 million), representing 5.6% (-4.7%) of net sales. Operating profit excluding non-recurring items was EUR 10.5 million (EUR 9.6 million). Earnings per share were EUR 0.18 (earnings per share EUR -0.18).

Net sales saw year-on-year growth primarily due to the improved competitiveness of wood-based fuels. Fluctuations in the demand for process cleaning services for industry and the divestment of L&T's holding in the joint venture L&T Recoil in June cut into net sales.

In the fourth quarter, overall performance improved from the comparison period thanks to the higher profitability of Renewable Energy Sources and Swedish cleaning operations. More snow fell in the early winter than in the comparison period, which hampered production efficiency in property maintenance and Environmental Services in particular, and also increased subcontracting and production costs. Non-recurring costs totalling EUR 0.8 million were recognised in the fourth quarter from the reorganisation of operations.

An impairment loss of EUR 17.1 million for the goodwill and other assets of the Renewable Energy Sources division was recorded as a non-recurring cost in the comparison period.

Year 2012

Lassila & Tikanoja's full-year net sales grew by 3.4% to 674.0 EUR million (EUR 652.1 million). Operating profit was EUR 48.4 million (EUR 25.6 million), representing 7.2% (3.9%) of net sales, and operating profit excluding non-recurring items was EUR 47.4 million (EUR 44.3 million). Earnings per share were EUR 0.89 (EUR 0.44).

Net sales saw year-on-year growth primarily thanks to the higher demand for wood-based fuels, the volume growth of Environmental Services and the expansion of the damage repair network. Waste and recycling volumes remained at a good level during the entire year. Demand for process cleaning services for industry fluctuated greatly in the latter half of the year.

The overall performance improvement from the comparison period could be largely attributed to the divestment of holdings in the loss-making joint venture L&T Recoil at the end of June and the higher profitability of Renewable Energy Sources. The smaller loss posted by Swedish operations also improved performance. Full-year profitability was eroded by the non-recurring compensation of about EUR 0.7 million paid in the second

quarter in accordance with the collective labour agreement and the increase in subcontracting and labour costs, particularly in Property Maintenance.

A non-recurring capital gain of EUR 4.2 million was recognised in the second quarter from the divestment of holdings in L&T Recoil Oy. At the same time, a non-recurring cost of EUR 2.0 million was recorded in financial expenses, consisting of interest receivable from subordinated loans granted to the joint venture. Furthermore, non-recurring costs totalling EUR 3.2 million from the rearrangement and efficiency enhancement measures taken in Environmental Services, Property Maintenance and the Swedish business were recognised during the report year.

Financial summary

	10-12/ 2012	10-12/ 2011	Change %	1-12/ 2012	1-12/ 2011	Change %
Net sales, EUR million	171.8	167.0	2.9	674.0	652.1	3.4
Operating profit excluding non-recurring items, EUR million*	10.5	9.6	9.5	47.4	44.3	7.0
Operating profit, EUR million	9.7	-7.9		48.4	25.6	89.0
Operating margin, %	5.6	-4.7		7.2	3.9	
Profit before tax, EUR million	9.2	-9.0		43.0	21.0	104.8
Earnings per share, EUR	0.18	-0.18		0.89	0.44	102.3
Capital repayment, EUR				0.60**	0.55	
EVA, EUR million	3.9	-14.9		24.1	-2.2	

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

** Proposal by the Board of Directors

NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

Environmental Services

Final quarter

The division's net sales for the final quarter decreased by 2.1 % to EUR 82.3 million (EUR 84.0 million). Operating profit amounted to EUR 7.8 million (EUR 8.3 million), and operating profit excluding non-recurring items was EUR 7.9 million (EUR 8.3 million).

Both the seasonal weak demand for process cleaning services for industry and the divestment of the holding in the joint venture L&T Recoil cut into the division's net sales. Waste and recycling volumes were on a par with the comparison period, and the prices of secondary raw materials (fibres, plastics, metals) remained good.

The division's profitability saw a year-on-year decline primarily due to the seasonal weak demand for process cleaning services for industry.

The net sales of the Environmental Services division's international operations declined from the comparison period due to the tougher competitive situation in Latvia.

Year 2012

The division's full-year net sales increased by 1.5% to EUR 330.7 million (EUR 325.9 million). Operating profit amounted to EUR 38.1 million (EUR 34.0 million), and operating profit excluding non-recurring items was EUR 35.0 million (EUR 34.0 million).

The healthy demand for waste management and industrial services was the key driver of net sales growth. However, industrial demand weakened during the latter half of the year. Waste volumes and the prices of secondary raw materials (fibres, plastics, metals) remained robust throughout the report year.

The division's operating profit remained on a par with the comparison period. Operating profit was boosted by higher profitability following the L&T Recoil divestment and successful production efficiency measures. However, performance was taxed by the increase seen in fuel and repair costs, particularly in the first half of the year, as well as weaker profitability in international operations.

At the end of the second quarter, L&T sold its 50 per cent holding in the joint venture L&T Recoil to the co-owner, EcoStream Oy. After this arrangement, L&T owns slightly less than 20 per cent of EcoStream's shares and continues to serve as one of the suppliers of raw materials to the regeneration plant. A non-recurring capital gain of EUR 4.2 million on the arrangement was recorded for the second quarter.

Cleaning and Office Support Services

Final quarter

The division's net sales for the final quarter totalled EUR 40.2 million (EUR 40.1 million); an increase of 0.3%. Operating profit amounted to EUR 2.0 million (EUR 0.9 million), and operating profit excluding non-recurring items was EUR 2.4 million (EUR 1.1 million).

The division's net sales remained on a par with the comparison period, even though competition made it harder to achieve the target price levels in new sales and commissioned assignments.

Operating profit saw year-on-year growth, primarily thanks to higher profitability in Swedish operations. Fixed cost management in Finnish operations was also successful.

Year 2012

The Cleaning and Office Support Services division's full-year net sales grew by 2.7% to EUR 161.5 million (EUR 157.3 million). Operating profit amounted to EUR 7.6 million (EUR 7.1 million), and operating profit excluding non-recurring items was EUR 9.1 million (EUR 7.5 million).

The division's net sales saw slight year-on-year growth as a result of acquisitions made in the previous spring. Demand for commissioned assignments remained good throughout the year in spite of heavy price competition.

The division's operating profit improved substantially on the comparison period thanks to good performance in commissioned assignments and the higher profitability of Swedish operations. Operating profit is burdened by a rise in labour costs, which were not fully set off by service price hikes.

A non-recurring cost of EUR 1.0 million was recorded in the second quarter for the reorganisation of the Swedish operations.

Property Maintenance

Final quarter

The division's net sales for the final quarter increased by 3.3% to EUR 34.6 million (EUR 33.5 million). Operating profit amounted to EUR 0.5 million (EUR 1.9 million), and operating profit excluding non-recurring items was EUR 0.7 million (EUR 1.9 million).

The division's net sales saw slight year-on-year growth, primarily because more snow fell in the latter part of the year than in 2011.

Profitability weakened significantly from the comparison period due to a rise in production and subcontracting costs. Operating profit was also burdened by the smaller-than-usual size of commissioned assignments in damage repair services.

Year 2012

The Property Maintenance division's full-year net sales increased by 2.5% to EUR 138.0 million (EUR 134.6 million). Operating profit amounted to EUR 5.3 million (EUR 8.2 million), and operating profit excluding non-recurring items was EUR 5.6 million (EUR 8.2 million).

Net sales saw a year-on-year increase primarily due to the growth in the workload following the expansion of the damage repair service network.

The division's operating profit weakened from the comparison period due to tighter price competition in property maintenance and higher subcontracting costs. Profitability was also burdened by the fact that snowfall was heavier in the latter part of the year than in the comparison period.

In damage repair services, even more new co-operation agreements were signed with insurance companies in the latter half of the year. These agreements are expected to bolster L&T's market position in the future and provide a steadier workload.

Renewable Energy Sources

Final quarter

Final-quarter net sales for Renewable Energy Sources (L&T Biowatti) were up by 45.4%, to EUR 18.3 million (EUR 12.6 million). Operating profit amounted to EUR 0.3 million (a loss of EUR 18.2 million), and operating profit excluding non-recurring items was EUR 0.3 million (a loss of EUR 1.1 million).

Net sales saw substantial year-on-year growth due to better competitiveness of wood-based fuels. The division's profitability also improved significantly on the comparison period thanks to volume growth, lower depreciation and the management of fixed costs.

Year 2012

The full-year net sales of Renewable Energy Sources (L&T Biowatti) were up by 23.2% to EUR 55.9 million (EUR 45.4 million). Operating loss amounted to EUR 0.1 million (a loss of EUR 21.3 million), and operating profit excluding non-recurring items was EUR 0.1 million (a loss of EUR 3.8 million).

Net sales saw substantial year-on-year growth, as new sales rose thanks to the better demand for wood-based fuels in comparison with fossil fuels.

Operating profit also improved substantially due to volume growth and the more efficient cost structure, although the rainy summer and early autumn weakened the energy content of forest processed chips.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS

EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Operating profit	9.7	-7.9	48.4	25.6
Non-recurring items:				
Gain on sale of holding in L&T Recoil Oy			-4.2	
Impairment of hazardous waste treatment facilities	0.2		0.5	
Impairment of L&T Biowatti		17.1		17.1
Discontinuation of wood pellet production of L&T Biowatti				0.1
Gain on sale of eco product business	-0.2		-0.2	
Restructuring costs	0.8	0.4	2.9	1.5
Operating profit excluding non-recurring items	10.5	9.6	47.4	44.3

FINANCING

Cash flows from operating activities amounted to EUR 80.5 million (EUR 74.5 million). EUR 6.4 million was released from the working capital (EUR 3.2 released).

At the end of the year, interest-bearing liabilities amounted to EUR 96.9 million (EUR 135.2 million). L&T Recoil accounted for EUR 18.1 million of the interest-bearing liabilities in the reference period. Guarantees of EUR 16.4 million given by Lassila & Tikanoja to other providers of finance for these liabilities are still in force. In addition L&T had receivables from EcoStream Group of EUR 4.9 million, of which EUR 4.2 million were past due on 31 December 2012. L&T's receivables and liabilities related to EcoStream holding were in total EUR 21.3 million.

Net interest-bearing liabilities amounted to EUR 82.3 million, showing a decrease of EUR 20.0 million on the final quarter and EUR 44.9 million from the beginning of the year.

Net finance costs decreased significantly in the final quarter and amounted to EUR 0.5 million (EUR 1.1 million). In 2012 net finance costs amounted to EUR 5.4 million (EUR 4.6 million). This increase could be attributed to the non-recurring cost recognition of EUR 2.0 million on interest receivable from subordinated loans given to L&T Recoil Oy in the second quarter. Due to the cost recognition, net finance costs were 0.8% (0.7%) of net sales.

The average interest rate on long-term loans (with interest-rate hedging) was 2.2% (3.1%). The interest hedging of loans remained unchanged at 68% (68%). Long-term loans totalling EUR 26.9 million will mature during 2013.

The equity ratio was 49.4% (44.5%) and the gearing rate 35.3 (58.3). Liquid assets at the end of the period amounted to EUR 14.6 million (EUR 8.1 million).

Of the EUR 100 million commercial paper programme, EUR 12.0 million (EUR 17 million) was in use at the end of the period. A committed limit totalling EUR 30.0 million, was not in use, as was the case in the comparison period.

DISTRIBUTION OF ASSETS

The Annual General Meeting held on 15 March 2012 resolved that the profit for 2011 be placed in retained earnings and that no dividend be paid. A capital repayment of EUR 0.55 per share would be paid for the financial year 2011. The capital repayment, totalling EUR 21.3 million, was paid to the shareholders on 27 March 2012.

CAPITAL EXPENDITURE

In 2012, gross capital expenditure amounted to EUR 49.4 million (EUR 70.6 million), of which EUR 9.4 million were related to acquisitions, including the slightly under 20 per cent holding in EcoStream Oy that was part of the L&T Recoil arrangement.

In the first quarter, the Property Maintenance division acquired the property maintenance businesses of IK Kiinteistöpalvelu Oy and the business of Jyvässeudun Talonmiehet Oy and Kiinteistöhuolto Markku Hyttinen Oy.

In the second quarter, the Environmental Services division acquired the waste management business of Sita Finland Oy in Oulu.

In the fourth quarter, the Environmental Services acquired business operations of the Munaistenmetsä material recovery area in Uusikaupunki.

PERSONNEL

In 2012 the average number of employees converted into full-time equivalents was 8,399 (8,513). The total number of full-time and part-time employees at the end of the period was 8,962 (9,357). Of them 7,035 (7,381) people worked in Finland and 1,927 (1,976) people in other countries.

PROPOSAL FOR THE DISTRIBUTION OF ASSETS

According to the financial statements, Lassila & Tikanoja plc's unrestricted equity amount to EUR 114,473,686.13 with the operating profit for the period representing EUR 24,083,220.00. There were no substantial changes in the financial standing of the company after the end of the 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 Annual General Meeting that the profit for 2012 be placed in retained earnings and that no dividend be paid.

The Board of Directors proposes to the Annual General Meeting that, based on the balance sheet to be adopted for 2012, a capital repayment of EUR 0.60 per share be made. Capital is repaid from the reserve for invested unrestricted equity. Capital is repaid to shareholders included in the company shareholder register maintained by Euroclear Finland Oy on the record date, 15 March 2013. The Board proposes to the Annual General Meeting that the capital repayment be made on 22 March 2013.

No capital repayment shall be paid on shares held by the company on the dividend payment record date of 15 March 2013. On the day the proposal for the distribution of assets was made, the number of shares entitling to capital repayment was 38,692,064, which means the total amount of the capital repayment would be EUR 23,215,238.40.

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 2012 was 9,973,989 which is 25.8% (23.0%) of the average number of outstanding shares. The value of trading was EUR 105.1 million (EUR 108.2 million). The trading price varied between EUR 8.59 and EUR 12.15. The closing price was EUR 11.64. The market capitalisation excluding the shares held by the company was EUR 450.4 million (EUR 444.5 million) at the end of the period.

Own shares

At the beginning of the period, the company held 113,305 of its own shares and at the end 106,810 of its own shares, representing 0.3% of all shares and votes.

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 38,692,064 shares. The average number of shares excluding the shares held by the company totalled 38,688,373.

Share-based incentive programme 2012

Lassila & Tikanoja plc's Board of Directors decided on 14 December 2011 on a share-based incentive programme. Rewards was based on the EVA result of Lassila & Tikanoja group without L&T Recoil. Based on the programme a maximum of 65,520 shares of the company could be granted. The programme covered 22 persons. Under the programme, 13,983 shares will be granted for 2012.

Share-based incentive programme 2013

Lassila & Tikanoja plc's Board of Directors decided on 17 December 2012 on a new share-based incentive programme. The programme's earnings period began on 1 January 2013 and ends on 31 December 2013. Potential rewards to be paid for the year 2013 will be based on the EVA result of Lassila & Tikanoja group. Potential rewards will be paid partly as shares and partly in cash. A maximum total of 53,300 Lassila & Tikanoja plc shares may be paid out on the basis of the programme. The programme covers 10 persons.

Shareholders

At the end of the financial period, the company had 9,382 (9,365) shareholders. Nominee-registered holdings accounted for 17.2% (13.0%) of the total number of shares.

Authorisation for the Board of Directors

The Annual General Meeting held on 15 March 2012 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.

The Board of Directors is authorised to purchase 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 18 months.

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 until 31 March 2014.

RESOLUTIONS BY THE GENERAL MEETING

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 15 March 2012, adopted the financial statements for the financial year 2011 and released the members of the Board of Directors and the Presidents and CEOs from liability.

The AGM resolved that the profit for 2011 be placed in retained earnings and that no dividend be paid. A capital repayment of EUR 0.55 per share, as proposed by the Board of Directors, would be paid for the financial year 2011 on the basis of the balance sheet adopted. The capital repayment, totalling EUR 21.3 million, payment date was resolved to be on 27 March 2012.

The Annual General Meeting confirmed the number of the members of the Board of Directors five. The following Board members were re-elected to the Board until the end of the following AGM: Heikki Bergholm, Eero Hautaniemi, Hille Korhonen, Sakari Lassila and Miikka Maijala.

KPMG Oy Ab, Authorised Public Accountants, was elected auditor. KPMG Oy Ab has announced that it will name Lasse Holopainen, Authorised Public Accountant, as its principal auditor.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 15 March 2012.

BOARD OF DIRECTORS

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

SUMMARY OF STOCK EXCHANGE RELEASES PURSUANT TO ARTICLE 4, CHAPTER 6 OF THE SECURITIES MARKETS ACT

In a release published on 13 January 2012 the company announced that Antti Tervo has been appointed Chief Procurement Officer and Group Executive of Lassila & Tikanoja plc as of 14 February 2012.

In a release on 9 February 2012 the company announced that Lassila & Tikanoja plc has redeemed the remaining 30 percent of share capital of L&T Biowatti Oy as agreed in an agreement signed 18 December 2006.

In a release published on 26 April 2012 the company announced that it is launching a new operational enhancement programme to improve its profitability and to adapt operations to the current market environment.

In a release published on 2 May 2012 the company announced that Jorma Mikkonen, Vice President, Environmental Services, leaves the Group Executive Board of Lassila & Tikanoja plc.

In a release published on 8 May 2012 the company announced that Lassila & Tikanoja plc and EcoStream Oy are negotiating on a business transaction in which Lassila & Tikanoja will sell its 50 percent holding in the joint venture L&T Recoil Oy to EcoStream Oy, a co-owner.

In a release published on 25 June 2012 the company announced that it has sold its 50 percent holding in joint venture L&T Recoil Oy to the co-owner, EcoStream Oy.

In a release published on 7 September 2012 the company announced its new strategy. The core businesses of the new clarified portfolio are environmental, industrial and facility services. From 1 January 2013, L&T's reporting segments are Environmental Services, Industrial Services, Facility Services, and Renewable Energy Sources. The new financial targets are: organic growth over 5%, return on investment (ROI) 20%, operating profit 9% and gearing 30–80%.

In a release published on 7 September 2012 the company announced changes in company's management. Petri Salerno (QBA, born 1970) has been appointed Vice President, Environmental Services effective from 1 January 2013, Ville Rantala (M.Sc. Econ., born 1971) has been appointed Vice President, Industrial Services effective from 1 January 2013 and Petri Myllyniemi (M.Sc. Econ.; B.Sc. Eng., born 1964) has been appointed Vice President, Facility Services, effective from 7 January 2013. For the time being, Juha Simola and Henri Turunen will continue to act as the Vice Presidents of the current Property Maintenance and Cleaning and Office Support Services divisions and as members of the Group Executive Board.

In a release published on 14 September 2012 the company announced it is hosting a Capital Markets Day. The aim of the day was to present L&T's new strategy.

In a release published on 24 October 2012 the company announced that Timo Leinonen has been appointed Chief Financial Officer and Group Executive of Lassila & Tikanoja plc as of 23 January 2013.

In a release published on 9 November 2012 the company announced that Juha Simola, Vice President, Property Maintenance and Group Executive will leave his position at Lassila & Tikanoja plc on 9 November 2012.

In a release published on 14 November 2012 the company announced that Henri Turunen, Vice President, Cleaning and Office Support Services and Group Executive will leave Lassila & Tikanoja plc on 20 November 2012.

NEAR-TERM RISKS AND UNCERTAINTIES

Economic uncertainty may cause major changes in the Environmental Services division's secondary raw material markets and in industrial customer relationships.

Uncertainties associated with government subsidies for renewable fuels and with their continuity could affect demand for the Renewable Energy Sources division's services.

More detailed information on L&T's risks and risk management is available in the Annual Report for 2011, in the report of the Board of Directors, and in the consolidated financial statements.

OUTLOOK FOR THE YEAR 2013

Full-year net sales in 2013 are expected to remain at the 2012 level. Operating profit, excluding non-recurring items, is expected to remain at the 2012 level or improve slightly.

CONDENSED FINANCIAL STATEMENTS 1 JANUARY–31 DECEMBER 2012**CONSOLIDATED INCOME STATEMENT**

EUR 1000	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Net sales	171 791	167 001	673 985	652 130
Cost of sales	-155 876	-151 706	-602 581	-584 152
Gross profit	15 915	15 295	71 404	67 978
Other operating income	1 535	1 026	7 708	3 038
Selling and marketing costs	-4 329	-3 926	-16 745	-15 217
Administrative expenses	-2 927	-2 818	-12 090	-11 408
Other operating expenses	-509	-422	-1 584	-1 733
Impairment, property, plant and equipment		-5 677	-302	-5 677
Impairment, goodwill and other intangible assets		-11 384		-11 384
Operating profit	9 685	-7 906	48 391	25 597
Finance income	102	329	860	1 041
Finance costs	-614	-1 428	-6 256	-5 644
Profit before tax	9 173	-9 005	42 995	20 994
Income tax expense	-2 117	2 140	-8 543	-4 030
Profit for the period	7 056	-6 865	34 452	16 964
Attributable to:				
Equity holders of the company	7 055	-6 865	34 459	16 960
Non-controlling interest	1	0	-7	4
Earnings per share for profit attributable to the equity holders of the company:				
Basic earnings per share, EUR	0.18	-0.18	0.89	0.44
Diluted earnings per share, EUR	0.18	-0.18	0.89	0.44

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Profit for the period	7 056	-6 865	34 452	16 964
Other comprehensive income, after tax				
Hedging reserve, change in fair value	-701	928	1 098	-487
Revaluation reserve				
Gains in the period	1	-13	2	-4
Current available-for-sale financial assets	1	-13	2	-4
Currency translation differences	-141	645	627	111
Currency translation differences, non-controlling interest	-1	7	10	-11
Other comprehensive income, after tax	-841	1 567	1 737	-391
Total comprehensive income, after tax	6 215	-5 298	36 189	16 573
Attributable to:				
Equity holders of the company	6 216	-5 305	36 186	16 580
Non-controlling interest	0	7	3	-7

TAX EFFECTS OF COMPONENTS OF OTHER COMPREHENSIVE INCOME

EUR 1 000	31.12.2012			31.12.2011		
	Before tax	Tax expense/benefit	After tax	Before tax	Tax expense/benefit	After tax
Hedging reserve, change in fair value	1 454	-356	1 098	-623	136	-487
Revaluation reserve						
Current available-for-sale financial assets	2		2	-5	1	-4
Currency translation differences	694	-67	627	169	-58	111
Currency translation differences non-controlling interest	10		10	-11		-11
Components of other comprehensive income	2 160	-423	1 737	-470	79	-391

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1000	12/2012	12/2011
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	120 189	119 509
Customer contracts arising from acquisitions	7 880	10 591
Agreements on prohibition of competition	1 810	3 162
Other intangible assets arising from business acquisitions	57	78
Other intangible assets	8 494	11 149
	138 430	144 489
Property, plant and equipment		
Land	3 844	4 589
Buildings and constructions	52 393	78 217
Machinery and equipment	121 179	120 015
Other	86	85
Prepayments and construction in progress	2 657	4 616
	180 159	207 522
Other non-current assets		
Available-for-sale investments	7 284	605
Finance lease receivables	3 608	3 578
Deferred tax assets	3 845	6 323
Other receivables	2 755	3 315
	17 492	13 821
Total non-current assets	336 081	365 832
Current assets		
Inventories	24 884	27 953
Trade and other receivables	103 925	91 629
Derivative receivables	1 290	419
Prepayments	491	438
Current available-for-sale financial assets	2 499	2 299
Cash and cash equivalents	12 083	5 770
Total current assets	145 172	128 508
TOTAL ASSETS	481 253	494 340

EUR 1000	12/2012	12/2011
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the company		
Share capital	19 399	19 399
Share premium reserve		
Other reserves	-743	-2 469
Unrestricted equity reserve	29 381	50 658
Retained earnings	150 233	133 125
Profit for the period	34 459	16 960
	232 729	217 673
Non-controlling interest	274	271
Total equity	233 003	217 944
Liabilities		
Non-current liabilities		
Deferred tax liabilities	31 313	29 389
Retirement benefit obligations	672	628
Provisions	4 304	2 500
Borrowings	57 961	92 914
Other liabilities	942	960
	95 192	126 391
Current liabilities		
Borrowings	38 915	42 319
Trade and other payables	112 880	105 751
Derivative liabilities	1 129	1 850
Tax liabilities	14	85
Provisions	120	
	153 058	150 005
Total liabilities	248 250	276 396
TOTAL EQUITY AND LIABILITIES	481 253	494 340

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	12/2012	12/2011
Cash flows from operating activities		
Profit for the period	34 452	16 964
Adjustments		
Income tax expense	8 543	4 030
Depreciation, amortisation and impairment	43 642	61 548
Finance income and costs	5 395	4 602
Gain on sale of shares	-4 181	
Other	1 603	-858
Net cash generated from operating activities before change in working capital	89 454	86 286
Change in working capital		
Change in trade and other receivables	-10 574	-7 843
Change in inventories	-121	9
Change in trade and other payables	17 096	11 055
Change in working capital	6 401	3 221
Interest paid	-5 070	-6 165
Interest received	830	1 020
Income tax paid	-11 127	-9 896
Net cash from operating activities	80 488	74 466
Cash flows from investing activities		
Acquisition of subsidiaries and businesses, net of cash acquired	-2 498	-24 430
Proceeds from sale of subsidiaries and businesses, net of sold cash	7 820	
Purchases of property, plant and equipment and intangible assets	-40 659	-45 503
Proceeds from sale of property, plant and equipment and intangible assets	2 826	1 850
Purchases of available-for-sale investments		-20
Change in other non-current receivables	560	98
Dividends received	1	
Net cash used in investing activities	-31 950	-68 005
Cash flows from financing activities		
Change in short-term borrowings	-5 781	8 712
Proceeds from long-term borrowings	10 200	20 000
Repayments of long-term borrowings	-25 254	-19 761
Capital repayments paid	-21 254	-21 284
Repurchase of own shares		-517
Net cash generated from financing activities	-42 089	-12 850

EUR 1000	12/2012	12/2011
Net change in liquid assets	6 449	-6 389
Liquid assets at beginning of period	8 069	14 548
Effect of changes in foreign exchange rates	64	-90
Liquid assets at end of period	14 582	8 069
Liquid assets		
EUR 1000	12/2012	12/2011
Cash and cash equivalents	12 083	5 770
Available-for-sale financial assets	2 499	2 299
Total	14 582	8 069

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Currency translation differences	Revaluation reserve	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Equity at 1.1.2012	19 399	0	-1 412	0	-1 057	50 658	150 085	217 673	271	217 944
Expense recognition of share-based benefits							125	125		125
Repurchase of own shares										
Capital repayment						-21 277	22	-21 255		-21 255
Total comprehensive income			627	2	1 098		34 459	36 186	3	36 189
Equity at 31.12.2012	19 399	0	-785	2	41	29 381	184 691	232 729	274	233 003
Equity at 1.1.2011	19 399	50 673	-1 523	-48	-570	0	154 785	222 716	278	222 994
Expense recognition of share-based benefits							183	183		183
Repurchase of own shares							-553	-553		-553
Dividends paid							-21 290	-21 290		-21 290
Transfer from revaluation reserve				52		-15		37		37
Transfer from share premium reserve		-50 673				50 673				
Total comprehensive income			111	-4	-487		16 960	16 580	-7	16 573
Equity at 31.12.2011	19 399	0	-1 412	0	-1 057	50 658	150 085	217 673	271	217 944

KEY FIGURES

	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Earnings per share, EUR	0.18	-0.18	0.89	0.44
Earnings per share, diluted, EUR	0.18	-0.18	0.89	0.44
Cash flows from operating activities per share, EUR	0.79	0.75	2.08	1.92
EVA, EUR million	3.9	-14.9	24.1	-2.2
Capital expenditure, EUR 1000	13 120	14 893	49 385	70 590
Depreciation, amortisation and impairment, EUR 1000	10 762	28 394	43 642	61 548
Equity per share, EUR			6.01	5.63
Capital repayment / share, EUR			0.60*	0.55
Capital repayment / earnings, %			67.36*	125.00
Capital repayment yield, %			5.2*	4.8
P/E ratio			13.1*	26.2
Return on equity, ROE, %			15.3	7.7
Return on invested capital, ROI, %			14.4	7.6
Equity ratio, %			49.4	44.5
Gearing, %			35.3	58.3
Net interest-bearing liabilities, EUR 1000			82 294	127 165
Average number of employees in full-time equivalents			8 399	8 513
Total number of full-time and part-time employees at end of period			8 962	9 357
Number of outstanding shares adjusted for issues, 1000 shares				
average during the period			38 688	38 722
at end of period			38 692	38 686
average during the period, diluted			38 700	38 762

* Proposal by the Board of Directors

ACCOUNTING POLICIES

This financial statements release is in compliance with IAS 34 standard. The same accounting policies as in the annual financial statements for the year 2011 have been applied. The following new, revised or amended IFRS standards and IFRIC interpretations that have become effective in 2012 have not had an impact on the financial statements:

- IFRS 7 (amendment) Financial Instruments: Disclosures – Derecognition
- IAS 12 (amendment) Income taxes – Deferred tax
- annual improvements to IFRS.

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**Net sales**

EUR 1000	10-12/2012			10-12/2011			Total net sales, change %
	External	Inter- division	Total	External	Inter- division	Total	
Environmental Services	81 001	1 253	82 254	82 960	1 054	84 014	-2,1
Cleaning and Office Support Services	39 637	586	40 223	39 728	373	40 101	0,3
Property Maintenance	33 890	676	34 566	32 901	550	33 451	3,3
Renewable Energy Sources	17 263	1 024	18 287	11 412	1 166	12 578	45,4
Eliminations	0	-3 539	-3 539		-3 143	-3 143	
L&T total	171 791	0	171 791	167 001	0	167 001	2,9

EUR 1000	1-12/2012			1-12/2011			Total net sales, change %
	External	Inter- division	Total	External	Inter- division	Total	
Environmental Services	326 654	4 021	330 675	322 264	3 620	325 884	1,5
Cleaning and Office Support Services	159 470	2 072	161 542	155 817	1 454	157 271	2,7
Property Maintenance	135 981	1 970	137 951	132 399	2 192	134 591	2,5
Renewable Energy Sources	51 880	4 067	55 947	41 650	3 752	45 402	23,2
Eliminations		-12 130	-12 130		-11 018	-11 018	
L&T total	673 985	0	673 985	652 130	0	652 130	3,4

Operating profit

EUR 1000	10-12/ 2012		10-12/ 2011		1-12/ 2012		1-12/ 2011	
		%		%		%		%
Environmental Services	7 753	9,4	8 305	9,9	38 143	11,5	33 970	10,4
Cleaning and Office Support Services	2 017	5,0	937	2,3	7 641	4,7	7 131	4,5
Property Maintenance	499	1,4	1 928	5,8	5 339	3,9	8 181	6,1
Renewable Energy Sources	269	1,5	-18 189	-144,6	-61	-0,1	-21 250	-46,8
Group admin. and other	-853		-887		-2 671		-2 435	
L&T total	9 685	5,6	-7 906	-4,7	48 391	7,2	25 597	3,9
Finance costs, net	-512		-1 099		-5 396		-4 603	
Profit before tax	9 173		-9 005		42 995		20 994	

Other segment information

EUR 1000	12/2012	12/2011		
Assets				
Environmental Services	310 030	346 224		
Cleaning and Office Support Services	56 056	54 302		
Property Maintenance	49 662	45 048		
Renewable Energy Sources	30 179	27 346		
Group admin. and other	9 853	2 528		
Unallocated assets	25 473	18 892		
L&T total	481 253	494 340		
Liabilities				
Environmental Services	61 068	57 367		
Cleaning and Office Support Services	30 289	29 804		
Property Maintenance	19 784	15 889		
Renewable Energy Sources	6 094	3 932		
Group admin. and other	1 378	1 343		
Unallocated liabilities	129 637	168 061		
L&T total	248 250	276 396		
EUR 1000	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Capital expenditure				
Environmental Services	9 977	10 098	27 421	43 362
Cleaning and Office Support Services	1 031	629	4 917	14 721
Property Maintenance	1 999	4 007	9 810	11 776
Renewable Energy Sources	113	45	486	454
Group admin. and other	0	114	6 751	277
L&T total	13 120	14 893	49 385	70 590
Depreciation and amortisation				
Environmental Services	7 815	7 865	31 774	30 760
Cleaning and Office Support Services	1 225	1 354	5 001	4 928
Property Maintenance	1 648	1 355	6 275	4 873
Renewable Energy Sources	70	758	281	3 919
Group admin. and other	3	1	9	7
L&T total	10 761	11 333	43 340	44 487
Impairment				
Renewable Energy Sources	0	17 061	302	17 061
L&T total	0	17 061	302	17 061

INCOME STATEMENT BY QUARTER

EUR 1000	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Net sales								
Environmental Services	82 254	83 304	88 126	76 991	84 014	85 906	83 535	72 429
Cleaning and Office								
Support Services	40 223	41 340	40 658	39 321	40 101	41 530	40 784	34 856
Property Maintenance	34 566	31 368	31 718	40 299	33 451	31 322	30 879	38 939
Renewable Energy								
Sources	18 287	7 977	12 099	17 584	12 578	7 213	9 600	16 011
Inter-division net sales	-3 539	-2 773	-2 909	-2 909	-3 143	-2 502	-2 612	-2 761
L&T total	171 791	161 216	169 692	171 286	167 001	163 469	162 186	159 474
Operating profit								
Environmental Services	7 753	12 808	14 567	3 015	8 305	12 308	9 182	4 175
Cleaning and Office								
Support Services	2 017	4 544	235	845	937	3 718	1 001	1 475
Property Maintenance	499	3 299	790	751	1 928	3 582	769	1 902
Renewable Energy								
Sources	269	-384	-733	787	-18 189	-1 085	-1 325	-651
Group admin. and other	-853	-638	-715	-465	-887	-344	-767	-437
L&T total	9 685	19 629	14 144	4 933	-7 906	18 179	8 860	6 464
Operating margin								
Environmental Services	9.4	15.4	16.5	3.9	9.9	14.3	11.0	5.8
Cleaning and Office								
Support Services	5.0	11.0	0.6	2.1	2.3	9.0	2.5	4.2
Property Maintenance	1.4	10.5	2.5	1.9	5.8	11.4	2.5	4.9
Renewable Energy								
Sources	1.5	-4.8	-6.1	4.5	-144.6	-15.0	-13.8	-4.1
L&T total	5.6	12.2	8.3	2.9	-4.7	11.1	5.5	4.1
Finance costs, net	-512	-568	-3 356	-960	-1 099	-1 277	-1 163	-1 064
Profit before tax	9 173	19 061	10 788	3 973	-9 005	16 902	7 697	5 400

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 they are identifiable. 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. 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. 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). These conditional acquisition prices are recorded at fair value at the time of acquisition, and any changes will be recorded through profit or loss in the income statement for the period. Profit for the period includes changes allocated to acquisition prices amounting to EUR 150 thousand. Changes in the acquisition prices made in 2009 and for the Biowatti acquisition in 2007 will be recorded in goodwill in line with the old IFRS 3.

The consolidated net sales for the year 2012 would have been EUR 674.1 million and the consolidated profit for the period EUR 34.5 million if all the acquisitions had occurred on 1 January 2012. 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 1.9 million in 2012.

Business combinations in aggregate**Consideration**

EUR 1000	Fair values used in consolidation
Cash	2 690
Equity instruments	
Contingent consideration	
Total consideration transferred	2 690
Indemnification asset	
Fair value of equity interest held before the acquisition	
Total consideration	2 690
Acquisition-related costs (included in the administrative expenses in the consolidated financial statements)	6

Recognised amounts of identifiable assets acquired and liabilities assumed

Property, plant and equipment	2 438
Customer contracts	618
Agreements on prohibition of competition	151
Other intangible assets arising from business acquisitions	0
Other intangible assets	0
Non-current available-for-sale financial assets	0
Inventories	2
Trade and other receivables	87
Deferred tax assets	96
Cash and cash equivalents	154
Total assets	3 546
Deferred tax liabilities	0
Non-current interest-bearing liabilities	44
Trade and other payables	54
Retirement benefit obligations	0
Contingent liability	1 098
Total liabilities	1 196
Total identifiable net assets	2 350
Non-controlling interest	0
Goodwill	340
Total	2 690

Acquisitions by Property Maintenance

- 1 January 2012, the property maintenance operations of IK Kiinteistöpalvelu Oy.
- 1 February 2012, the business of Jyvässeudun Talonmiehet Oy and Kiinteistöhuolto Markku Hyttinen Oy.

Acquisitions by Environmental Services

- 1 May 2012, the waste management business of Sita Finland Oy in Oulu.
- 11 October 2012 the business of material utilisation area of the Munaistenmetsä material recovery area in Uusikaupunki.

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 not changed 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 net sales, the largest acquisition was the business of Jyvässeudun Talonmiehet Oy (EUR 858 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.

On 18 December 2006, an agreement was signed on the acquisition of the majority (70%) of the shares of Biowatti Oy from the acting management of the company. L&T also made a commitment to redeem the remaining 30 percent of the shares by the beginning of the year 2012. The acquisition price for the 70 percent portion was EUR 30.9 million, and it was settled in cash. No interest-bearing liabilities were transferred in the acquisition. In the consolidated financial statements the whole acquisition price (100%) was recognised as acquisition cost. No minority interest was separated from the profit or equity, but the estimated acquisition price of the remaining 30 percent was recognised as interest-bearing current liability. The final price of the 30 percent portion was determined based on the future earnings of L&T Biowatti. In January 2012, L&T Biowatti's 30 per cent holding in the company was redeemed in accordance with the agreement. These shares were valued at EUR 2,411 thousand in the 2011 financial statements.

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.

DISPOSALS OF BUSINESSES

In June 2012 Lassila & Tikanoja plc sold its holding in joint venture L&T Recoil Oy to the co-owner, EcoStream Oy. The selling price totalled EUR 16.7 million and was comprised of EUR 10 million paid in cash and 19.9% of EcoStream's share capital. The gain on sale was EUR 4.2 million. The gain on sale is shown in other operating income and is treated as on non-recurring item. L&T Recoil was a part of Environmental Services division. L&T still continues as one of the raw material suppliers of the plant in Hamina.

At 31 December 2012 Lassila & Tikanoja had a selling price receivable of EUR 2.0 million and account receivables related to oil deliveries of EUR 2.9 million from EcoStream.

Lassila & Tikanoja plc has given a guarantee for a share of 50 per cent of L&T Recoil Oy's financial liabilities. The guarantee is valid no later than the maturity date of the liabilities on 31 August 2014. The financial liabilities of L&T Recoil totalled EUR 32.8 million on 31 December 2012.

In December 2012 the selling of eco-products to Kekkilä Oy was completed. The selling price totalled EUR 1.1 million. The gain on sale of EUR 0.2 million was not substantial. This component of entity does not meet the criteria of presenting discontinued operations specified in IFRS 5.31-32.

No disposals of subsidiaries or businesses were made in 2011.

EUR 1 000	L&T Recoil Oy
Property, plant and equipment and intangible assets	31 329
Inventories	3 188
Trade and other receivables	5 516
Cash and cash equivalents	185
Financial liabilities	-18 088
Trade and other payables	-9 608
Net assets	12 522
Total selling price	16 702
Received in cash	8 004
Selling price receivables	1 996
EcoStream shares	6 702

CHANGES IN INTANGIBLE ASSETS

EUR 1000	1-12/2012	1-12/2011
Carrying amount at beginning of period	144 489	142 681
Business acquisitions	1 110	22 859
Other capital expenditure	2 322	2 646
Disposals	-1 957	-18
Amortisation and impairment	-8 023	-23 865
Transfers between items		
Exchange differences	489	186
Carrying amount at end of period	138 430	144 489

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-12/2012	1-12/2011
Carrying amount at beginning of period	207 522	200 700
Business acquisitions	2 438	4 441
Other capital expenditure	36 810	40 616
Disposals	-31 258	-477
Depreciation and impairment	-35 619	-37 683
Transfers between items		
Exchange differences	266	-75
Carrying amount at end of period	180 159	207 522

CAPITAL COMMITMENTS

EUR 1000	1-12/2012	1-12/2011
Intangible assets	109	0
Property, plant and equipment	1 953	4 593
Total	2 062	4 593

The Group's share of capital commitments
of joint ventures

0 0

RELATED-PARTY TRANSACTIONS

(Joint ventures)

EUR 1000	1-12/2012	1-12/2011
Sales	939	2 489
Other operating income	24	63
Interest income	391	707
Non-current receivables		
Capital loan receivable	0	24 396
Current receivables		
Trade receivables	0	2 710
Loan receivables	0	1 633

CONTINGENT LIABILITIES**Securities for own commitments**

EUR 1000	12/2012	12/2011
Mortgages on rights of tenancy	186	42 186
Company mortgages	583	21 460
Other securities	178	174
Bank guarantees required for environmental permits	6 483	5 702

Other securities are security deposits.

Off balance sheet liabilities

Lassila & Tikanoja plc has given a guarantee for a share of 50 percent of L&T Recoil Oy's financial liabilities.

The guarantee is valid no later than the maturity date of the liabilities on 31 August 2014.

The financial liabilities of L&T Recoil totalled EUR 32.8 million on 31 December 2012.

Operating lease liabilities

EUR 1000	12/2012	12/2011
Maturity not later than one year	5 556	7 708
Maturity later than one year and not later than five years	8 377	15 504
Maturity later than five years	2 274	4 185
Total	16 206	27 397

Liabilities associated with derivative agreements**Interest rate swaps**

EUR 1000	12/2012	12/2011
Nominal values of interest rate swaps*		
Maturity not later than one year	14 229	13 429
Maturity later than one year and not later than five years	28 940	38 033
Maturity later than five years	2 727	
Total	45 896	51 462
Fair value	-1 129	-1 504
Nominal value of interest rate swaps**	0	4 000
Maturity not later than one year	0	19 455
Maturity later than one year and not later than five years	0	4 545
Maturity later than five years	0	28 000
Total	0	-144
Fair value	0	4 000

* 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 swap contracts are based on the market data at the balance sheet date.

** 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.

Commodity derivatives

metric tons	12/2012	12/2011
Nominal values of diesel swaps		
Maturity not later than one year	5 136	2 544
Maturity later than one year and not later than five years	660	636
Total	5 796	3 180
Fair value, EUR 1000	136	419

Commodity derivative contracts were concluded, for hedging of future diesel oil purchases. IAS 39 -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 forwards

EUR 1000	12/2012	12/2011
Volume of forward contracts		
Maturity not later than one year	775	1 079
Fair value	4	-19

Hedge accounting under IAS 39 has not been applied to forward contracts. Changes in fair values have been recognised in finance income and costs.

Cross currency interest rate swaps

EUR 1000	12/2012	12/2011
Maturity of cross currency interest rate swaps under hedge accounting		
Maturity not later than one year	12 800	10 400
Maturity later than one year and not later than five years	16 667	29 467
Total	29 467	39 867
Fair value, EUR 1000	1 150	-183

The contracts are used to hedge cash flow related to foreign currency floating rate loans. 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 1.2 million negative.

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 2011: 7.7%

WACC 2012: 7.1%

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, %:
 $\text{equity} / (\text{total equity and liabilities} - \text{advances received}) \times 100$

Gearing, %:
 $\text{net interest-bearing liabilities} / \text{equity} \times 100$

Net interest-bearing liabilities:
 $\text{interest-bearing liabilities} - \text{liquid assets}$

Operating profit excluding non-recurring items:
 $\text{operating profit} \pm \text{non-recurring items}$

Helsinki, 31 January 2013

LASSILA & TIKANOJA PLC
Board of Directors

Pekka Ojanpää
President and CEO

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Lassila & Tikanoja is a service company that is transforming the consumer society into an efficient recycling society. In co-operation with our customers we are reducing waste volumes, extending the useful lives of properties, recovering materials and decreasing the use of raw materials and energy. We help our customers to focus on their core business and to save the environment. Together, we create well-being and jobs. With operations in Finland, Sweden, Latvia and Russia, L&T employs 9,000 persons. Net sales in 2012 amounted to EUR 674,0 million. L&T is listed on NASDAQ OMX Helsinki.

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