



LASSILA & TIKANOJA FINANCIAL STATEMENTS 2012

Pekka Ojanpää, President & CEO

1 February 2013

HIGHLIGHTS OF Q4/2012

- Net sales EUR 171.8m (EUR 167.0m) +2,9% (yoy)
 - Net sales increased due to better competitiveness of wood-based fuels.
 - Net sales was weighted by fluctuations in demand for process cleaning services and divestment of JV L&T Recoil in June.
- Operating profit EUR 9.7m (EUR -7.9m);
Operating profit excluding EO items EUR 10.5m (EUR 9.6m)
 - Operating profit increased due to higher profitability of cleaning operations and Renewable Energy Sources.
 - Higher subcontracting costs decreased the profitability, especially in Property Maintenance services.
 - A restructuring cost of EUR 0.8m was recorded for the quarter.

HIGHLIGHTS OF 2012

- Net sales EUR 674.0m (EUR 652.1m) +3.4% (yoy)
 - Net sales increased due to better demand of wood-based fuels, volume growth in Environmental Services and expansion on damage repair service network.
 - Waste and recycling volumes remained on a healthy level throughout the year.
- Operating profit EUR 48.4m (EUR 25.6m);
Operating profit excluding EO items EUR 47.4m (EUR 44.3m)
 - Operating profit increased due to better profitability of Renewable Energy Sources and divestment of loss-making JV L&T Recoil.
 - Higher subcontracting and salary costs especially in Property maintenance burdened the profitability.

FINANCIAL SUMMARY AND KEY FIGURES

	Q4/12	Q4/11	Change %	2012	2011	Change %
Net sales, EUR million	171.8	167.0	2.9	674.0	652.1	3.4
Operating profit excl. EO items, EUR million	10.5	9.6	9.5	47.4	44.3	7.0
Operating margin excl. EO items, %	6.1	5.7		7.0	6.8	
Operating profit, EUR million	9.7	-7.9		48.4	25.6	89.0
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
EVA, EUR million	3.9	-14.9		24.1	-2.2	
Capital repayment per share, EUR				0.60*	0.55	

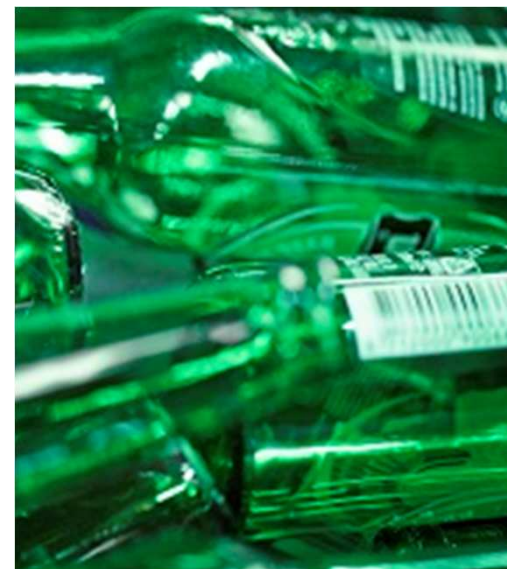
* Proposal of the Board of Directors

FINANCIAL SUMMARY AND KEY FIGURES

	Q4/12	Q4/11	Change %	2012	2011	Change %
Capital expenditure, EUR million	13.1	14.9	-11.9	49.4	70.6	-30.0
Depreciation, amortisation and impairment, EUR million	10.8	28.4	-62.1	43.6	61.5	-29.1
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	
Total number of employees at the end of the period				8,962	9,357	-4.2

ENVIRONMENTAL SERVICES

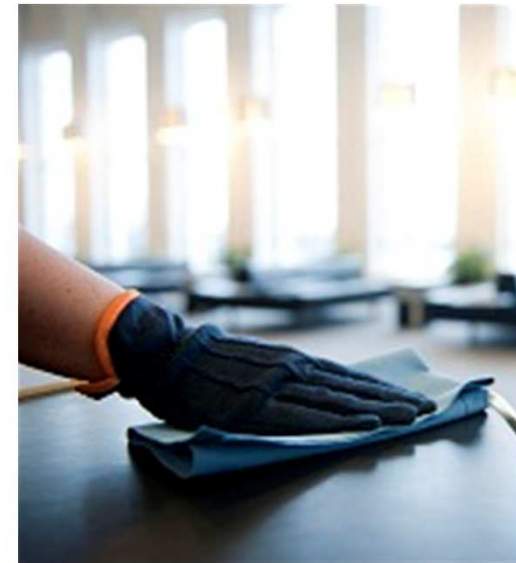
- Net sales decreased slightly due to fluctuating demand of process cleaning and divestment of JV L&T Recoil.
- Waste and recycling volumes and price level remained on a healthy level.
- Fluctuations in demand for process cleaning services eroded profitability.



EUR million	Q4/12	Q4/11	Change %	2012	2011	Change %
Net sales	82.3	84.0	-2.1	330.7	325.9	1.5
Operating profit excl. EO items	7.9	8.3	-4.8	35.0	34.0	3.0
Operating margin excl. EO items	9.6%	9.9%		10.6%	10.4%	

CLEANING AND OFFICE SUPPORT SERVICES

- Net sales remained on previous year's level even though competition kept the price level of new sales challenging.
- Profitability improved due to successful fixed cost management and decrease in loss of operations in Sweden.



EUR million	Q4/12	Q4/11	Change %	2012	2011	Change %
Net sales	40.2	40.1	0.3	161.5	157.3	2.7
Operating profit excl. EO items	2.4	1.1	127.0	9.1	7.5	22.2
Operating margin excl. EO items	5.9%	2.6%		5.6%	4.7%	

PROPERTY MAINTENANCE

- Increase in net sales due to snowy winter.
- Profitability was burdened by higher subcontracting and production costs.
- The assignments of damage repair services were smaller in size than during Q4/11.



EUR million	Q4/12	Q4/11	Change %	2012	2011	Change %
Net sales	34.6	33.5	3.3	138.0	134.6	2.5
Operating profit excl. EO items	0.7	1.9	-63.8	5.6	8.2	-31.3
Operating margin excl. EO items	2.0%	5.8%		4.1%	6.1%	

RENEWABLE ENERGY SOURCES

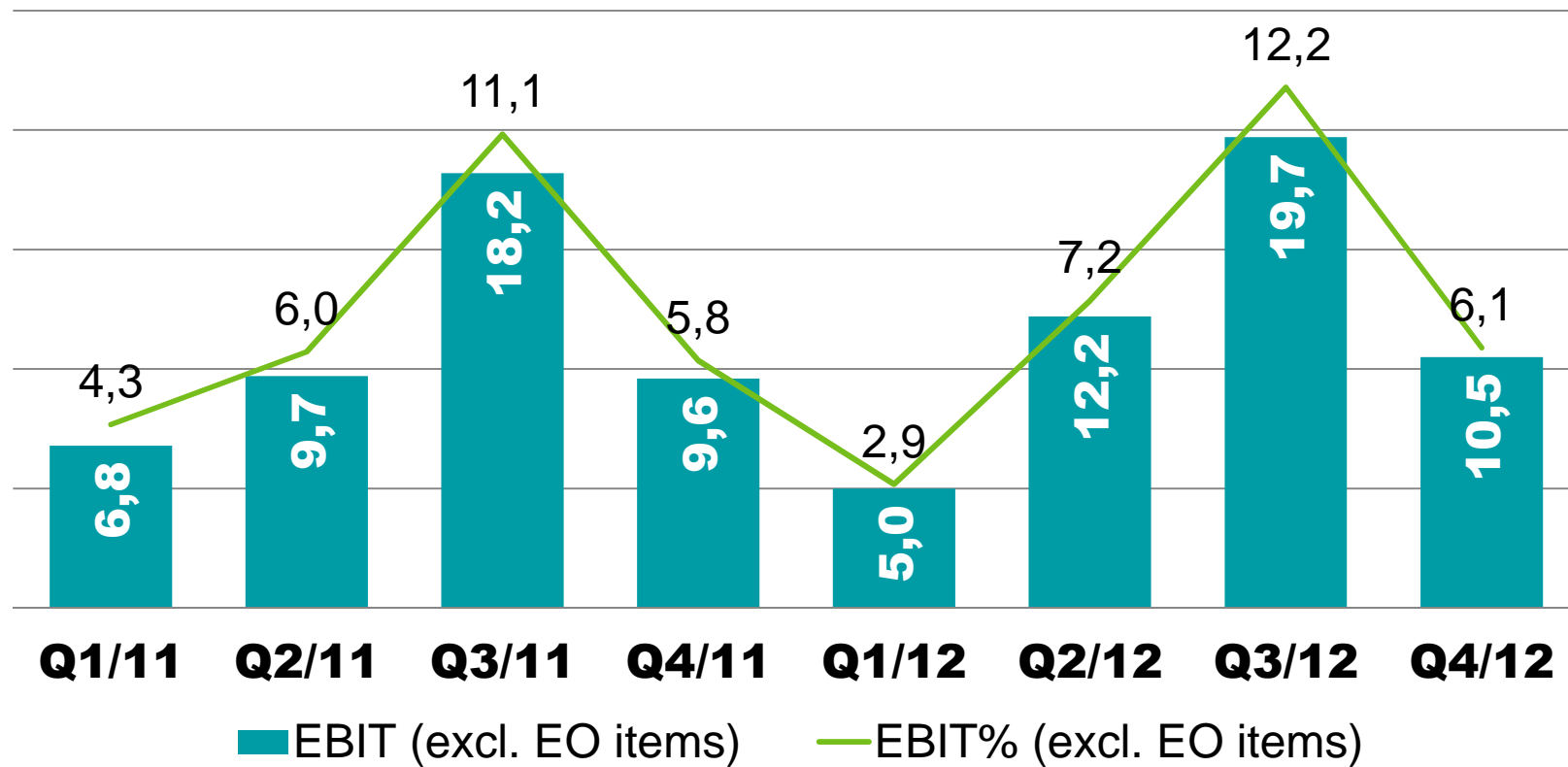
- A substantial increase in net sales due to improved competitiveness of wood-based fuels.
- Operating profit turned positive as a result of smaller depreciation, volume growth and management of fixed costs.



EUR million	Q4/12	Q4/11	Change %	2012	2011	Change %
Net sales	18.3	12.6	45.4	55.9	45.4	23.2
Operating profit excl. EO items	0.3	-1.1		0.1	-3.8	
Operating margin excl. EO items	1.6%	-8.6%		0.1%	-8.4%	

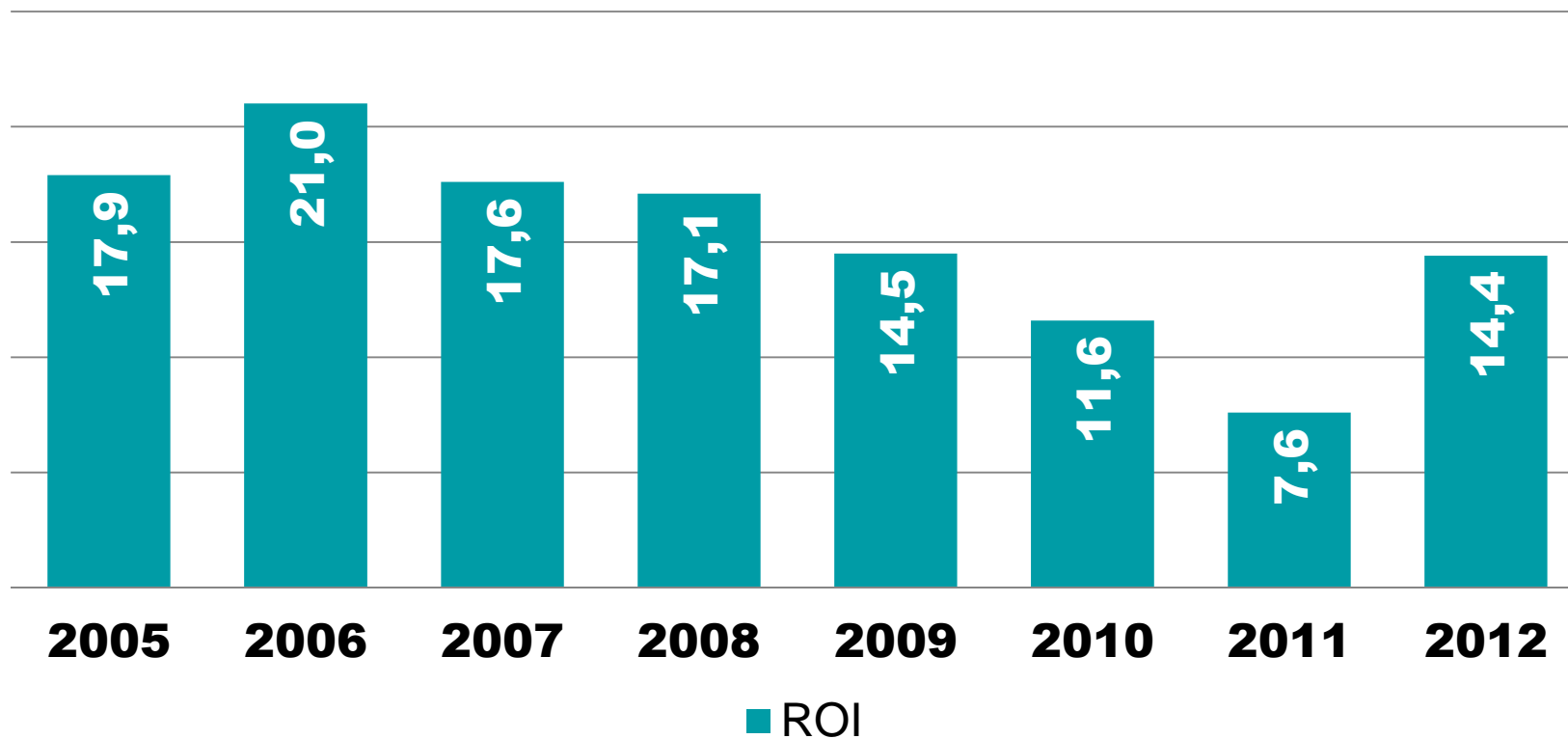
OPERATING PROFIT

- Strategic target: EBIT 9%

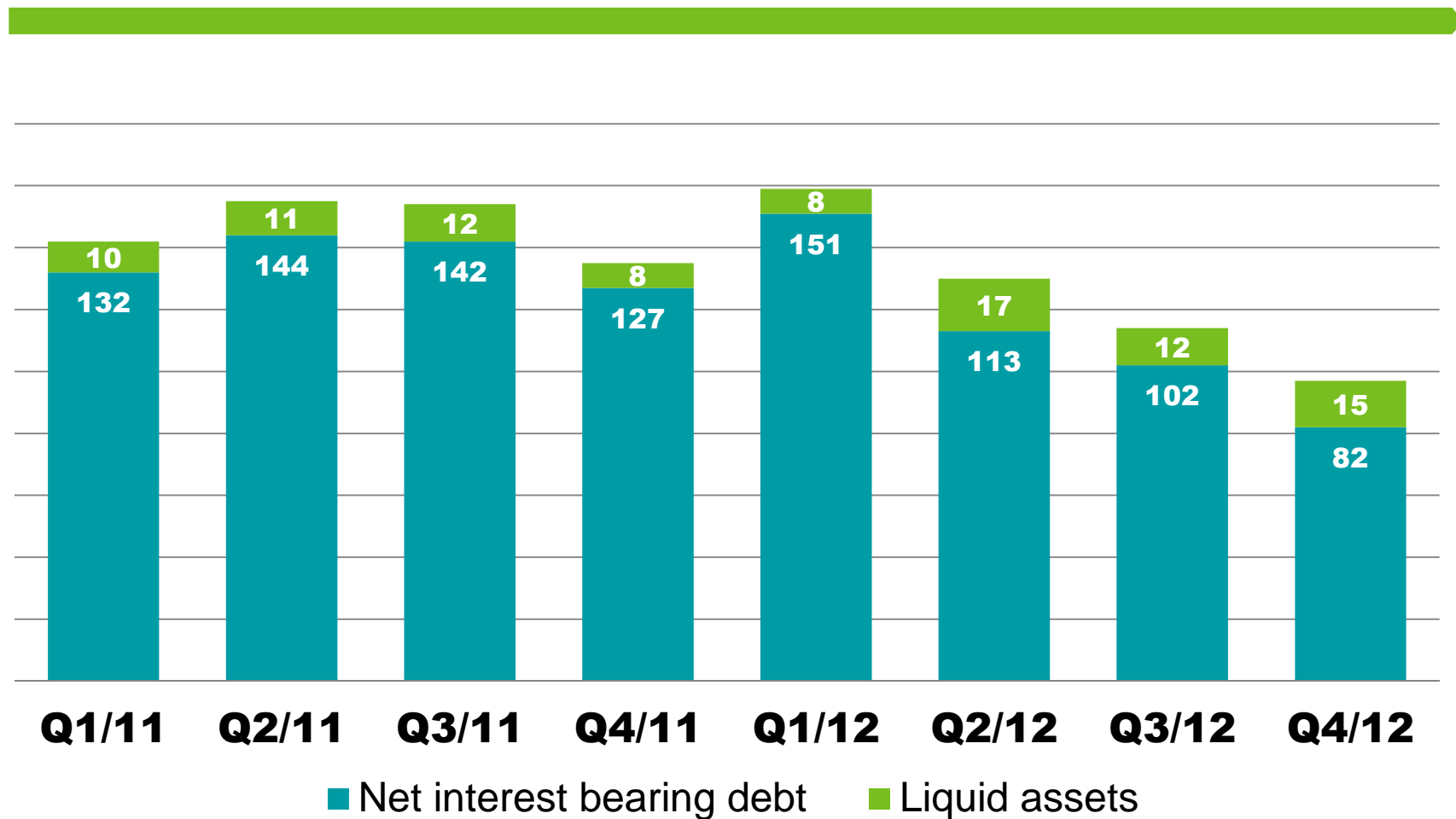


RETURN ON INVESTMENT

- Strategic target: ROI 20%

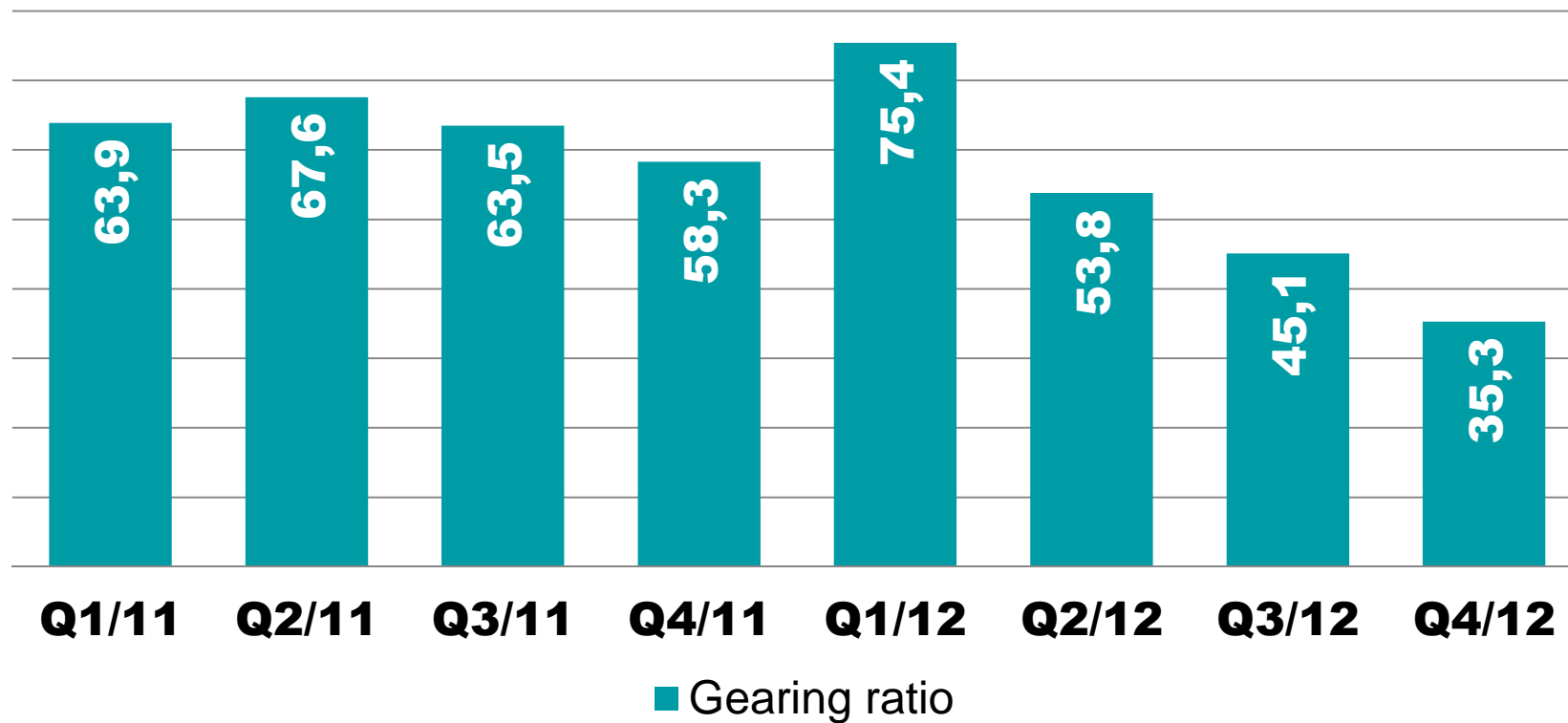


INTEREST BEARING DEBT

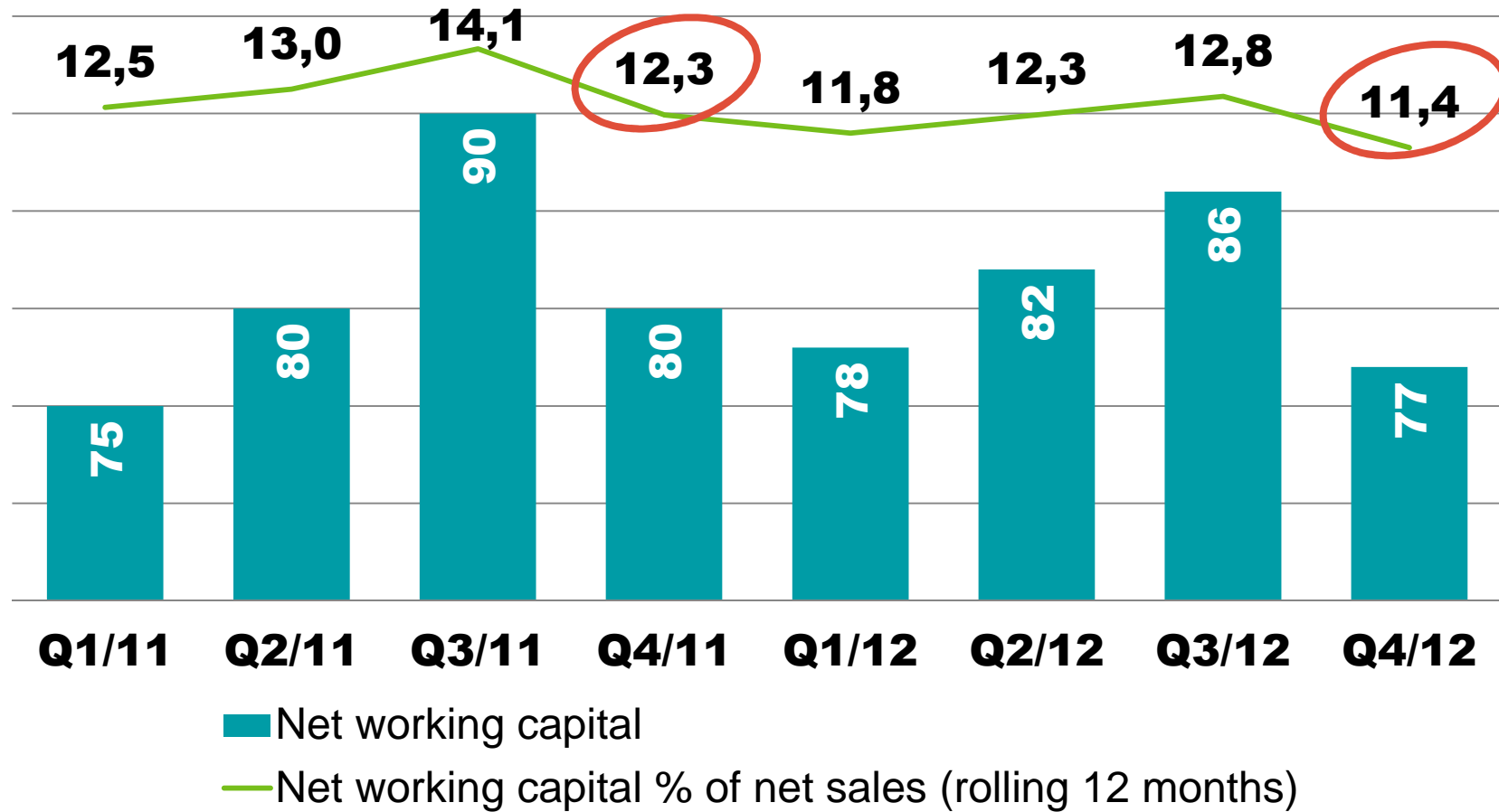


GEARING

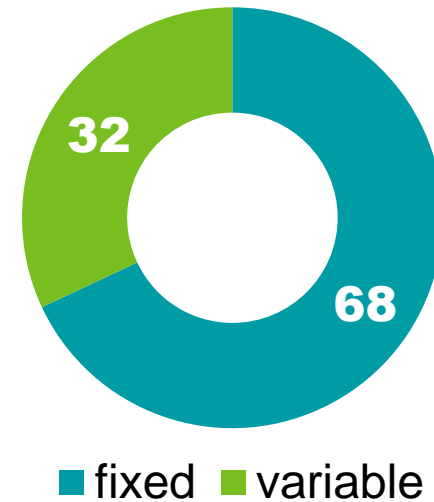
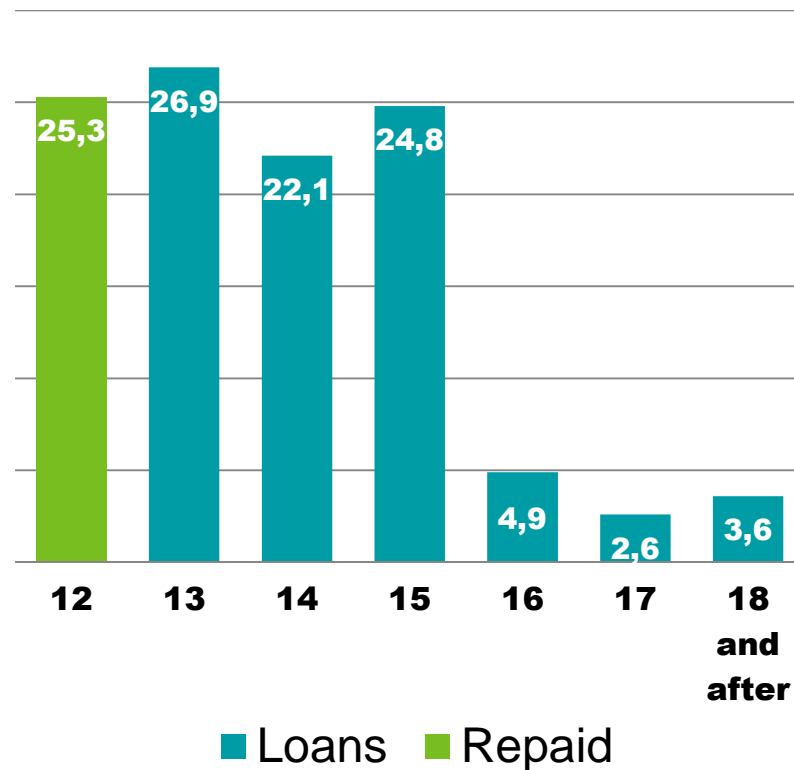
- Strategic target: Gearing 30–80%



NET WORKING CAPITAL

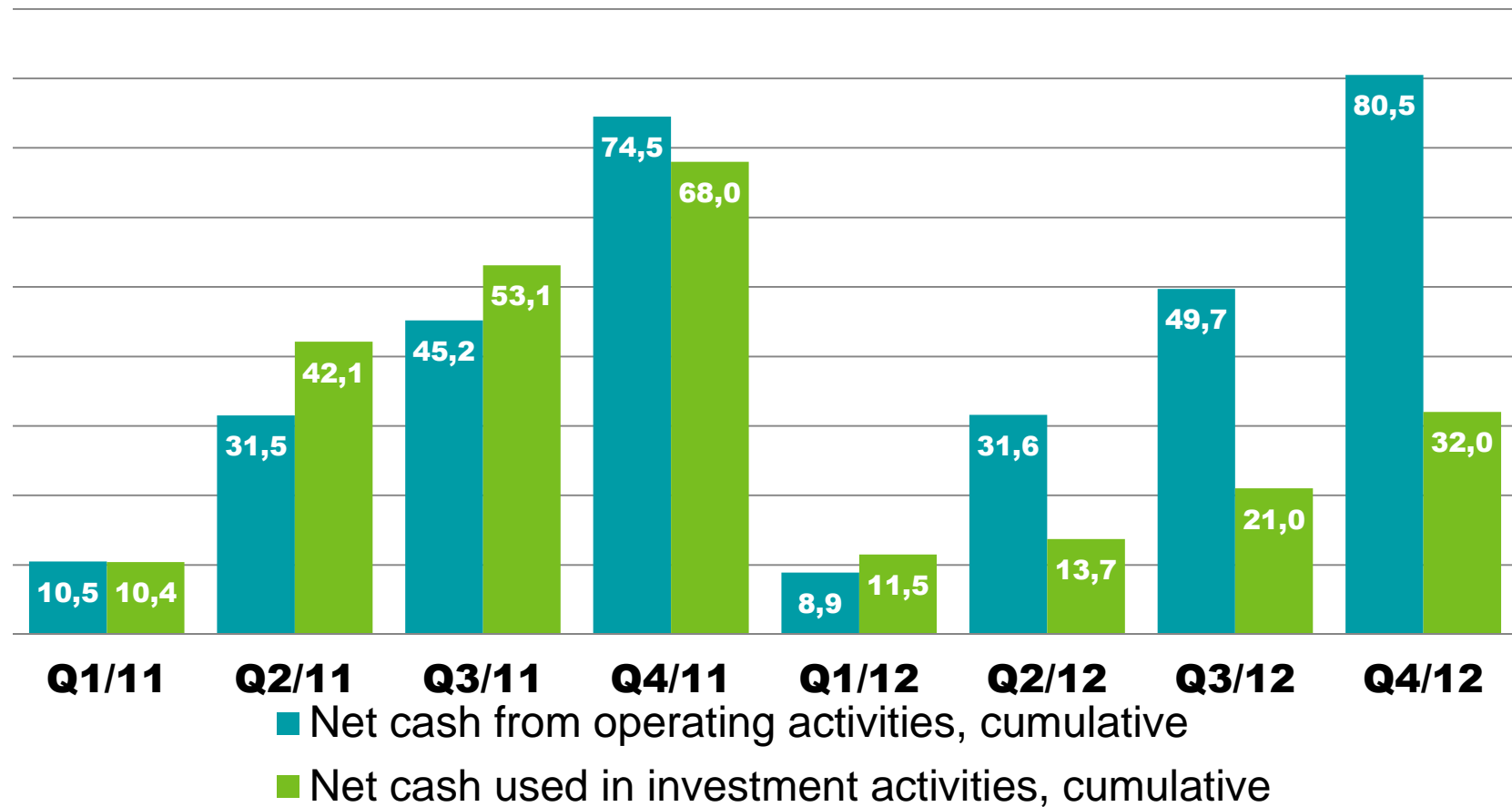


MATURITY STRUCTURE OF LONG-TERM LOANS



Weighted average of effective interest rate 2.2 %

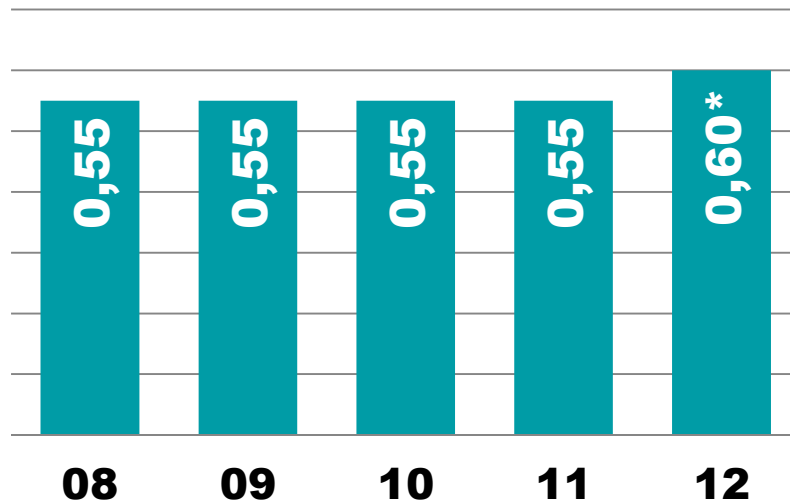
CASH FLOW AND INVESTMENTS



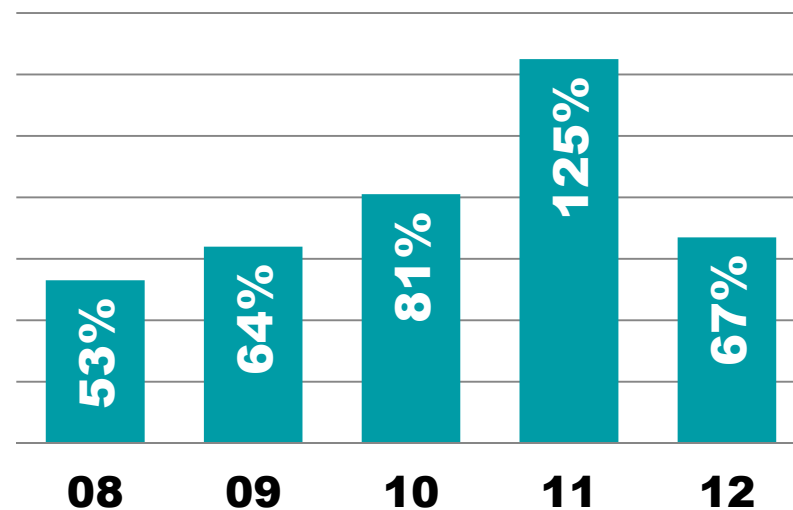
PROPOSAL FOR THE DISTRIBUTION OF PROFIT

- Capital repayment of 0.60 EUR/share
- Dividend policy: Profits not considered necessary for ensuring the healthy development of the company are distributed to shareholders.

Profit distribution



Profit distribution / earnings



* Proposal of the Board of Directors

CURRENT ISSUES

- New business structure effective starting Jan 1st 2013: focus on implementation of the new organisation.
- Comparable figures based on the new business structure to be released during Q1.
- Key projects:
 - Organic growth through sales development (resources and competences)
 - Continuous improvement of procurement and logistics
 - More effective net working capital

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.

This estimate was included in the Financial Statements Release 2012 released on 1 February 2013.

CONTACT INFORMATION



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