



LASSILA & TIKANOJA PLC



## Lassila & Tikanoja plc

9 February 2005

Jari Sarjo, President and CEO

## Key Points of Q404

- Growth in net sales 13.1% (yoy)
  - A company acquisition was made
  - Organic growth strengthened and was 5.5 percentage points
  - Sales targets were clearly exceeded in Environmental and Property Services
- Operating profit decreased by 8.2% (yoy)
  - Pension costs were exceptionally low in the comparison year

## Key Points of Q404

- **Environmental Services**
  - Volume of recyclable materials into own plants grew and result of recycling services improved
  - Result of waste management services was adversely affected by rise in fuel prices
  - Net sales of environmental products grew and result improved
- **Property Services**
  - Sales of new products (Service Stations, Food Industry) successful
  - Result of cleaning services was adversely affected by bad debts, result of property maintenance improved
  - A joint venture, Blue Service Partners Oy, was established
- **Industrial Services**
  - Volatile demand made it difficult to plan production in industrial cleaning services
  - Volume of hazardous waste in own plants grew
  - Damage repair services made a clear profit

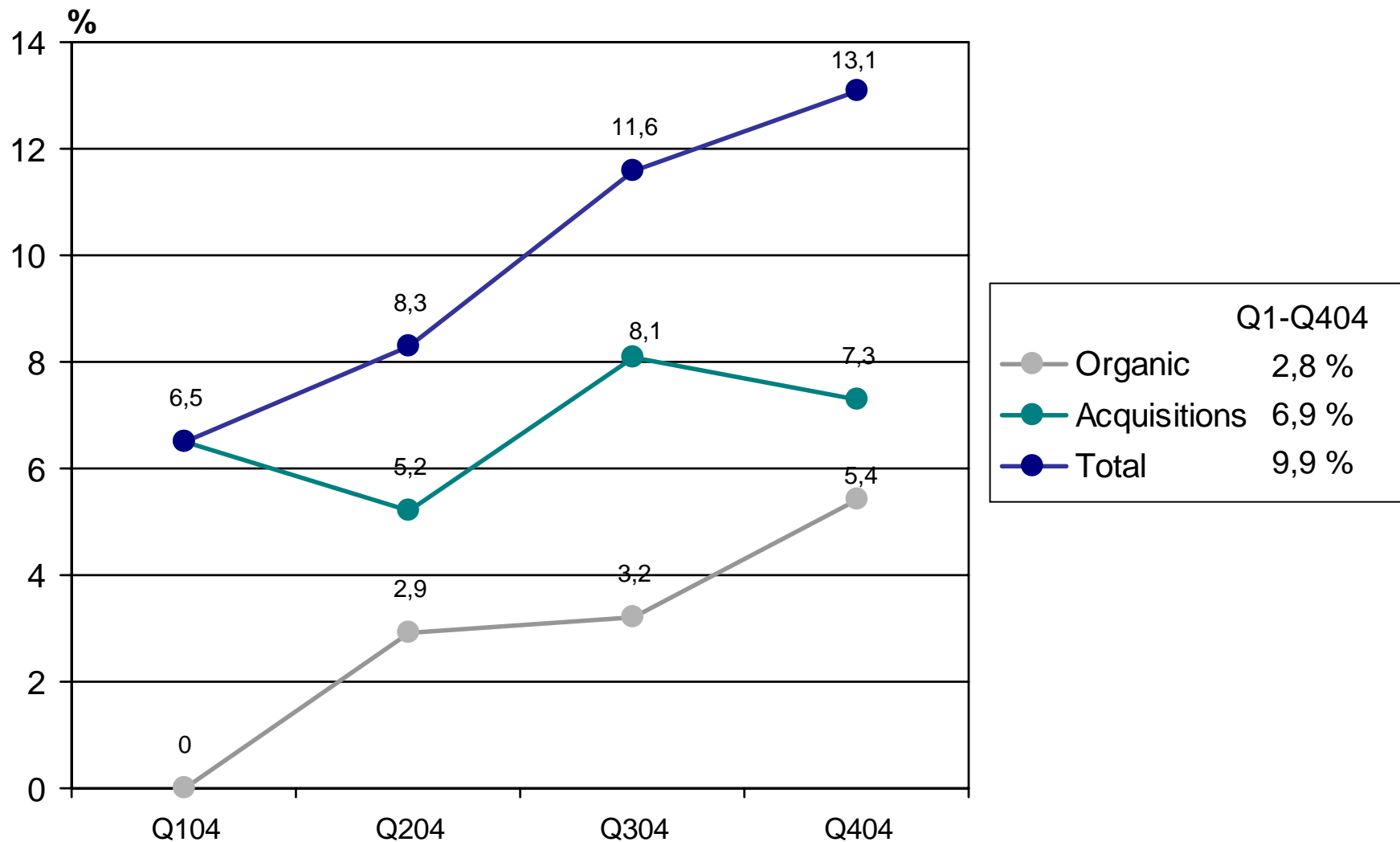
## Q404 Key Figures

	Q404	Q1 – Q404
Net sales, EUR million	89.4	336.7
Gross profit, EUR million	15.5	62.0
Gross profit margin, %	17.4	18.4
Operating profit, EUR million	8.3	34.6
Operating margin, %	9.3	10.3

## Net Sales by Division

EUR million	2004	2003	Change %
Environmental Services	157.4	137.2	14.7
Property Services	123.8	113.8	8.8
Industrial Services	55.5	55.2	0.5
Total	336.7	306.3	9.9

## Growth of Net Sales in 2004



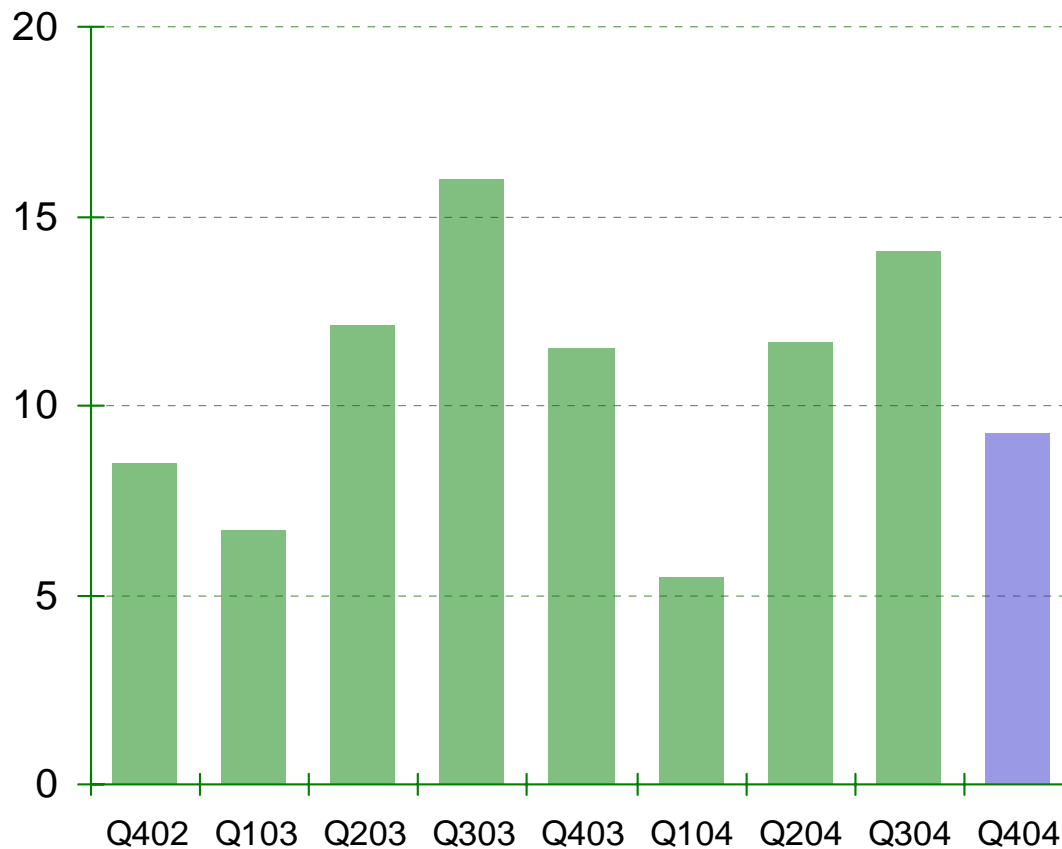
## Earnings by Division

EUR million	2004	2003	Change %
Environmental Services	21.8	20.8	5.1
Property Services	7.5	8.5	-11.5
Industrial Services	5.2	6.4	-19.3
Operating profit	34.6	35.7	-3.2
%	10.3	11.7	

## Key Figures

	2004	2003
Earnings/share, EUR	0.62	0.63
Return on equity, % (ROE)	19.0	24.0
EVA, EUR million	16.8	19.6
Return on invested capital, % (ROI)	17.5	20.5
Equity ratio, %	48.8	40.6
Gearing, %	45.7	80.1
Gross investments, EUR million	49.0	43.8
Depreciation, EUR million	29.9	25.6
Average personnel converted to full-time	5,409	4,595

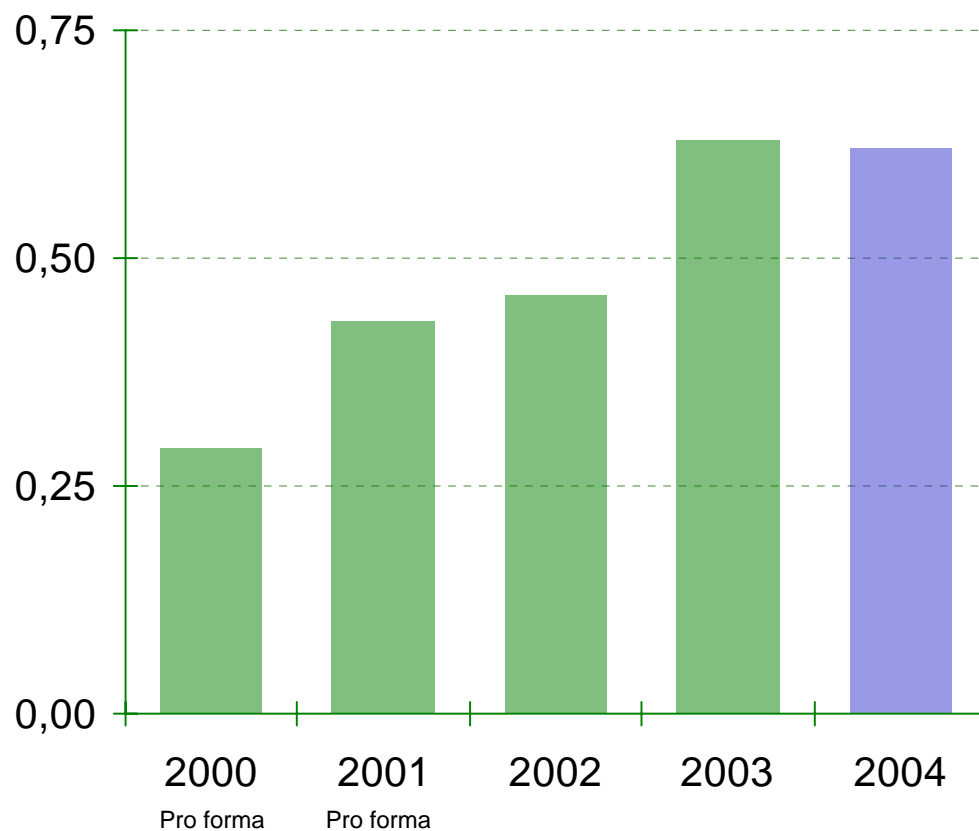
## Operating Margin by Quarter



## Operating Margin by Division Quarterly Figures

%	Q1- Q404	Q404	Q304	Q204	Q104	Q1- Q403	Q403	Q303	Q203	Q103
Environmental Services	13.9	12.7	15.3	15.7	11.6	15.1	14.6	18.0	16.5	11.0
Property Services	6.1	6.3	11.2	4.8	2.0	7.5	7.9	11.0	6.7	4.3
Industrial Services	9.3	6.6	16.6	14.4	-4.6	11.6	10.8	20.8	12.1	1.3
Lassila & Tikanoja	10.3	9.3	14.1	11.7	5.5	11.7	11.5	16.0	12.1	6.7

## Earnings per Share



## Prospects

The prospects for Lassila & Tikanoja's divisions are better than at the beginning of last year. A major operator was eliminated from the Finnish property services market, and the industrial services market, too, became more concentrated. Organic growth strengthened significantly in the latter half of 2004 and would seem to be continuing. Investments in Finland and its neighbouring areas will boost this growth.

Net sales are expected to grow faster than in 2004 and the financial performance is expected to improve. Growth-oriented inputs will put a short-term strain on performance. This is likely to be reflected in a temporary weakening of relative profitability.

In the new year, the most significant investments will be made in plants that will raise the utilization of waste materials and in expanding operations abroad.

This estimate was made in February after the 2004 results.