

LASSILA & TIKANOJA PLC FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2005

Lassila & Tikanoja's profit before tax was EUR 37.4 million (2004:EUR 37.9 million). Earnings per share stood at EUR 0.70 (2004: EUR 0.79). The Board proposes a dividend of EUR 0.40 per share, which is 57.0% of the earnings per share. In the new year net sales are expected to increase by over 10 per cent, i.e. in line with the long-term goal. The financial performance is expected to improve.

The financial statements release has been prepared in accordance with the accounting and valuation principles of IFRS. No audit report has been submitted.

NET SALES AND FINANCIAL PERFORMANCE

Lassila & Tikanoja's net sales in the final quarter were EUR 97.1 million (EUR 89.5 million). The operating profit was EUR 9.1 million (EUR 9.0 million), which was 9.3% of net sales (10.1%). There was strong organic growth in the period.

Net sales for the whole year totalled EUR 377.4 million (EUR 337.2 million), an increase of 11.9%, of which 6.3 percentage points derived from business acquisitions. The operating profit totalled EUR 39.3 million (EUR 40.8 million), and the earnings per share were EUR 0.70 (EUR 0.79).

Organic growth clearly strengthened. Business operations were expanded to Russia and at the start of 2006 to Sweden. The financial performance was affected by the labour dispute in the forest industry, the sharp rise in the price of fuel, expansion abroad and the poor performance by joint ventures. The rise in costs could not be passed on in sufficient extent to prices. In spite of this, Property Services clearly surpassed its target, one of the causes being the exceptionally low level of social costs.

Since the last quarter, special attention has been paid to managing costs and improving productivity. The measures that have been taken started to have an impact at the start of 2006. Prices were raised in all the divisions at the start of 2006, and these increases should cover the corresponding rise in costs.

Environmental Services

Net sales for the whole year by Environmental Services (waste management, recycling services, environmental products) stood at EUR 180.7 million (EUR 159.2 million), which was an increase of 13.5%. The operating profit was EUR 24.0 million (EUR 26.1 million).

The division grew through business acquisitions and organically. The largest acquisition during the year was for a company operating in the Helsinki region, Jäteässä Oy, which has been integrated on schedule, and the planned synergy benefits have been achieved. Sales have been very successful. The first wide-ranging outsourcing of recycling services for a logistics terminal was undertaken in summer.

The financial performance was affected by the extremely sharp rise in the price of fuels, the drop in the selling prices of recycled fuel, the labour dispute in the forest industry and the loss by the joint venture company Salvor Oy. The rapid rise in costs could not be passed on in sufficient extent to prices.

The joint venture in Dubna, Russia, 74% of which is owned by L&T, started its operations in May, which have gone according to plan. The operations will be expanded during the year to neighbouring towns in a controlled manner. The financial performance at the unit in Latvia came under pressure from the rise in costs, which could not be passed on to prices due to price control. Prices will be raised in both Russia and Latvia during the coming year.

The recycling plant in Turku was completed and trials began in December. The construction of the plant in Riga is on schedule and will be completed in the spring of this year. Appeals lodged against environmental permits slowed down the implementation of the investments. However, permits have been granted so that it will be possible to construct two to three mid-sized plant and terminal projects in Finland during the year.

The rise in price of oil-based products also affected the financial performance of Environmental products. Price rises could only be passed on to selling prices at the end of year, and Environmental products fell well short of its targets.

Property Services

Net sales for the whole year by Property Services (property maintenance and cleaning services) totalled EUR 142.9 million (EUR 124.8 million), which was an increase of 14.5%. The operating profit increased by 28.0% and stood at EUR 11.9 million (EUR 9.3 million).

A significant proportion of the growth in net sales was organic. Highly developed service products sold well and new comprehensive service agreements were concluded. The market position strengthened. Cooperation between sales and production was good.

The financial performance of both product lines improved both in absolute and relative terms. The division's financial performance improved one of the causes being noticeably low social costs, particularly disability pension costs. The organization and integration costs of the cleaning business acquired in Moscow had an adverse effect on the financial performance of cleaning services. A reorganization of production and the systematic introduction of new management and control systems contributed to the steady improvement in the financial performance of property maintenance, as well as the fact that there was not much snow at the end of the year.

Cleaning operations were strengthened in Latvia during the third quarter by the acquisition of SIA 99Perfekts, a company operating in the cleaning sector in Riga. At the start of 2006, cleaning operations commenced in Sweden with the acquisition of Allied Service Partners AB, which operates in Stockholm and Gothenburg. Operations in Sweden will be expanded during the year.

Industrial Services

Total net sales for the year by Industrial Services (hazardous waste services, industrial cleaning, damage repair services and wastewater services) were EUR 57.6 million (EUR 56.2 million), which was an increase of 2.5%. The operating profit was EUR 4.7 million (EUR 6.9 million). The division's financial performance did not reach the target.

The hazardous waste services product line increased its net sales even though the amount of hazardous waste that accumulated in Finland did not increase. The processing of hazardous waste into recycled products at L&T's own plants increased, which improved profitability. The difficulties in selling recycled fuels affected the financial performance to some extent. L&T will continue to raise the waste recovery level.

It was a difficult year for Industrial cleaning, and its results weakened. Net sales were clearly lower than in the previous year due to the labour disputes and cost saving programmes in the forest industry. The impact of the industrial disputes was still felt in the final quarter as there were fewer Christmas stoppages in the forest industry. A systematic reorganization and adjustment programme has been implemented in the product line during the year, the impact of which is already apparent. The collective agreement for the forest industry is resulting in more steady demand, which facilitates work being carried out using less equipment.

Net sales and financial performance by the damage repair and wastewater services product lines did not reach their targets due to weak demand. As in the previous year, there was no large-scale damage. Wastewater services were short of sales resources, which have now been acquired.

FINANCING

Net interest-bearing liabilities amounted to EUR 2.5 million more than a year earlier. Net interest-bearing liabilities, totalling EUR 76.5 million (EUR 61.4 million), increased by EUR 15.1 million. Interest expenses decreased by EUR 1.3 million, because the average interest rate of the company's loan portfolio including interest rate swaps decreased significantly. In addition, the share issue carried out in the final quarter of 2004 improved the company's financial position. A finance income of EUR 0.8 million (EUR 1.0 million) resulted from the changes in the fair values of interest rate swaps. Net finance costs decreased by 39.3% and were 0.5% (0.9%) of net sales and 4.6% (7.3%) of operating profit.

The equity ratio was 49.5% (48.1%) and the gearing rate was 49.3 (45.6). Cash flow from operating activities amounted to EUR 48.9 million (EUR 48.4 million). EUR 3.3 million were tied up in the working capital while EUR 0.1 were released in 2004. Liquidity remained on a good level during the whole year. Major part of investments was financed out of cash flow from operating activities.

INVESTMENTS

Gross investments totalled EUR 60.9 million (EUR 48.1 million). EUR 19.6 million were spent on corporate acquisitions.

12 business acquisitions were made. Jäteässä Oy, Puhtaanapito-liike K. Kervinen Oy, the waste paper collecting business of Raahen Romu Oy, the machine loading business of Lahden Autokunta, the secure destruction business of Recall Finland Oy and the waste management business of Toijalan Jätehuolto Tmi were acquired for Environmental Services. Tammelan Huolto Oy, the cleaning services business of SiivousRusila Tmi, a Latvian cleaning company SIA 99 Perfekts and the cleaning business of the Moscow-based Alfa Cleaning LLC were acquired for Property Services. Kaakon Teollisuuspalvelu Oy and the hazardous waste management business of Säiliö Cistern Puts Ab Oy were acquired for Industrial Services. The combined annual net sales of the acquired businesses totalled EUR 18.5 million.

The biggest company acquired was Jäteässä Oy, a waste management company operating in the Helsinki region. Its net sales totalled EUR 10 million in 2004 and it employed 65 people. The acquisition entered in force on 1 April 2005.

Machinery and equipment was replaced and production premises were expanded. Depreciation amounted to EUR 24.8 million (EUR 21.4 million).

Investments by division were as follows: Environmental Services EUR 40.5 million (EUR 26.9 million), Property Services EUR 11.5 million (EUR 12.6 million), Industrial Services EUR EUR 8.8 million (EUR 8.6 million).

PERSONNEL

The average number of personnel converted to full-time employees was 5,918 (5,409) in 2005. At the end of the year the total number of employees working full-time and part-time was 7,512 people (6,456). Of them 1,256 people were abroad.

DISTRIBUTION OF THE PROFIT

The following proposal concerning distribution of the profit will be made by the company Board of Directors to the Annual General Meeting to be held on 23 March 2006:

	EUR
Distributable assets according to the consolidated balance sheet on 31 December 2005	76 530 852,00
Parent company profit 1 January – 31 December 2005	9 775 163,34
Parent company retained earnings	25 089 601,93
Distributable assets according to the parent company balance sheet at 31 December 2005	34 864 765,27
The Board of Directors proposes that a dividend of EUR 0.40 be paid on each of the 38,387,474 shares	15 354 989,60
Left on the retained earnings account	19 509 775,67
Total	34 864 765,27

In accordance with the decision of the Board of Directors, the record date for payment of the dividend is 28 March 2006. The Board of Directors proposes to the Annual General Meeting that the dividend be paid after the record period on 4 April 2006.

Earnings/share were EUR 0.70. The proposed dividend is 57.0% of the earnings per share.

SHARES AND SHARE CAPITAL

The volume of trading in Lassila & Tikanoja plc shares on the Helsinki Stock Exchange during 2005 was 15,263,446, which is 40.0% (49.8) of the average number of shares. The value of trading was EUR 224.1 million. The trading price varied between EUR 13.10 and EUR 16.67. The closing price was EUR 14.90. The market capitalisation was EUR 571.8 million on 30 December 2005 (EUR 500.7 million).

At the beginning of the year 2005, the company's registered share capital amounted to EUR 19,068,117. During the year 2005, a total of 241,540 shares have been subscribed for pursuant to the 2002A and 2002B share options. After these subscriptions, the company's share capital amounts to EUR 19,188,887 and the number of the shares is 38,377,774.

On 7 February 2006, the Board approved the subscriptions of 9,700 new shares made pursuant to the 2002B share options. As a result of these subscriptions, the company's registered share capital will increase by EUR 4,850 to EUR 19,193,737 and the number of the shares will increase to 38,387,474 shares after the increase has been entered in the Trade Register.

Share option plans

The Annual General Meeting of the year 2002 decided to issue share options to the key personnel and a wholly-owned subsidiary of Lassila & Tikanoja plc. 2002 option rights have been granted to 28 persons. All granted 2002A options have been exercised. By 27 January 2006, 132,800 shares have been subscribed for pursuant to 2002B options. Pursuant to the remaining outstanding 2002B options a maximum of 123,200 shares may be subscribed for. Pursuant to the remaining outstanding share options issued in 2002, a maximum of 397,200 shares may be subscribed for, which is 1.0% of the current number of shares. The share subscription price for the 2002B options is EUR 7.02 and for the 2002C options EUR 11.46.

The Annual General Meeting of 2005 decided to issue 600,000 share option rights. Each option entitles its holder to subscribe for one share of Lassila & Tikanoja plc. All 170,000 2005A share options have been granted to 27 key persons. All 200,000 2002B and all 230,000 2005C options have been subscribed for by a wholly-owned subsidiary of Lassila & Tikanoja plc to be granted at a later date to the present and future key personnel of the Lassila & Tikanoja Group. The options issued under the share option plan 2005 entitle their holders to subscribe for a maximum of 1.56% of the Company's current number of shares.

Notifications on major holdings

On 10 March 2005, Varma Mutual Pension Insurance Company reported that it holds 5.08% of the share capital and votes of Lassila & Tikanoja plc.

Authorisation for the Board of Directors

The Board of Directors is not authorised to effect any share issues or to launch a convertible bond or a bond with warrants. Neither is the Board authorised to decide on the repurchase nor disposal of the company's own shares.

BOARD OF DIRECTORS AND AUDITORS

The Annual General Meeting of Shareholders held on 4 April 2005 confirmed five as the number of the members of the Board of Directors. The following Board members were re-elected to the Board until the end of the following AGM: Heikki Hakala, Lasse Kurkilahti, Juhani Lassila, Juhani Maijala and Soili Suonoja.

PricewaterhouseCoopers Oy, Authorised Public Accountants, were elected auditors. Principal Auditor is Heikki Lassila, Authorised Public Accountant.

In a meeting held after the Annual General Meeting the Board of Directors re-elected Juhani Maijala as Chairman of the Board and Heikki Hakala as Vice Chairman. The position of the Chairman of the Board of Directors is no more full-time.

SUMMARY OF STOCK EXCHANGE RELEASES PURSUANT TO ARTICLE 7, CHAPTER 2 OF THE SECURITIES MARKETS ACT

4 April 2005: The changes caused by the transition to IFRS to accounting principles and figures reported for 2004.

4 April 2005: The Board of Directors resolved to apply for listing of 2002B share option rights on the main list of the Helsinki Stock Exchange starting from 2 May 2005.

PROSPECTS FOR THE YEAR 2006

The prospects for Lassila & Tikanoja's markets are good. The demand for environmental services continues to grow in Finland, although the process for acquiring environmental permits is slowing down both Lassila & Tikanoja's and customers' investments in waste recycling and recovery plants. Outsourcing is keeping demand strong in the support services market in Finland. The cleaning services market is also clearly growing in other countries in which L&T operates. The prospects for industrial services are more positive than last year, although demand is not expected to rise to the level of 2004. Tough price competition is expected to continue on all markets.

Strong organic growth is expected to continue. Two to three new recycling plants and terminals will be constructed, and operations in Sweden and Russia will be expanded. Investments may be lower than last year, because growth is being focused to a greater extent than before on less capital-intensive business areas.

The key goals for 2006 are to increase productivity and to manage costs more effectively than before. Net sales are expected to increase by over 10 per cent, i.e. in line with the long-term goal. The financial performance is expected to improve.

TRANSITION TO IFRS

The changes caused by the transition to IFRS to accounting principles and figures reported for 2004 are explained in a stock exchange release disclosed on 4 April 2005 and on the company website.

A non-recurring pension liability amounting to EUR 10.5 million (EUR 7.8 million net of deferred tax assets) was recognised as revenue in the IFRS income statement for the final quarter of the year 2004, because the principles for calculating disability pension liabilities under the Finnish statutory employment pension scheme had changed (TEL). Income statement 1.1. – 31.12.2004 and key figures 12/2004 are stated both including and excluding the revenue recognition of the pension liability. The figures for 2004 in the text of this release are stated excluding the revenue recognition.

INCOME STATEMENT 1.1. – 31.12.

EUR 1000	1-12/2005	%	Excluding revenue recognition of pension liability 1-12/2004	%	Change	1-12/2004	%
Net sales	377 448	100.0	337 241	100.0	11.9	337 241	100.0
Cost of sales	-320 536	-84.9	-280 915	-83.3	14.1	-271 031	-80.4
Gross profit	56 912	15.1	56 326	16.7	1.0	66 210	19.6
Marketing and selling costs	-11 508	-3.0	-9 578	-2.8	20.2	-9 223	-2.7
Administrative expenses	-7 304	-1.9	-6 322	-1.9	15.5	-6 026	-1.8
Other operating income and expenses	1 154	0.3	361	0.1	219.7	361	0.1
Operating profit	39 254	10.4	40 787	12.1	-3.8	51 322	15.2
Finance costs, net	-1 801	-0.5	-2 969	-0.9	-39.3	-2 969	-0.9
Share of profit of associates	27		64		-57.8	64	
Profit before tax	37 480	9.9	37 882	11.2	-1.1	48 417	14.4
Income tax	-10 250	-2.7	-10 166	-3.0	0.8	-12 905	-3.8
Profit for the period	27 230	7.2	27 716	8.2	-1.8	35 512	10.5
Attributable to:							
Equity holders of the parent	26 822		27 333			35 129	
Minority interest	408		383			383	
Earnings per share for profit attributable to the equity holders of the parent:							
Earnings per share, EUR	0.70		0.79			1.01	
Earnings per share, EUR - diluted	0.70		0.78			1.01	

BALANCE SHEET

EUR 1000	12/2005	12/2004
ASSETS		
Non-current assets		
Goodwill	99 120	92 005
Intangible assets from acquisitions	9 859	4 224
Other intangible assets	5 893	3 905
Property, plant and equipment	135 404	115 410
Other non-current assets	6 676	6 223
Total non-current assets	256 952	221 767
Current assets		
Inventories	4 744	4 261
Trade and other receivables	45 898	37 197
Liquid assets	7 252	19 759
Total current assets	57 894	61 217
TOTAL ASSETS	314 846	282 984
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital, share premium and other reserves	65 616	63 724
Retained earnings	60 428	34 386
Profit for the period	26 822	35 129
Total equity attributable to equity holders of the parent	152 866	133 239
Minority interests	2 166	1 550
Total equity	155 032	134 789
Non-current liabilities		
Deferred income tax liabilities	15 768	10 628
Pension liabilities	176	1 162
Provisions	684	821
Non-current interest-bearing liabilities	59 629	67 704
Other non-current liabilities	224	245
Total non-current liabilities	76 481	80 560
Current liabilities		
Current interest-bearing liabilities	24 077	13 481
Trade and other non-interest-bearing payables	58 956	54 154
Current provisions	300	
Total current liabilities	83 333	67 635
TOTAL EQUITY AND LIABILITIES	314 846	282 984

CASH FLOW STATEMENT

EUR 1000	12/2005	12/2004
Cash flow before change in working capital	62 490	62 321
Change in working capital	-3 334	68
Net finance cost	-2 760	-4 024
Taxes	-7 455	-9 990
Cash flow from operating activities	48 941	48 375
Investments in group companies	-15 801	-15 492
Other investments	-40 151	-30 119
Proceeds from sales of property, plant and equipment	1 747	2 170
Cash flow from investing activities	-54 205	-43 441
Proceeds from share issue	1 795	48 569
Dividends paid	-9 525	-34 845
Change in interest-bearing liabilities	479	-9 575
Cash flow from financing	-7 251	4 149
Change in liquid assets	-12 515	9 083
Liquid assets at the beginning of the financial period	19 759	10 710
Changes in exchange rates and fair values	8	-34
Liquid assets in balance sheet	7 252	19 759

STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium	Revaluation and other reserves	Retained earnings	Minority interests	Total equity
Equity at 1.1.2005	19 068	44 932	-276	69 515	1 550	134 789
Dividends paid				-9 535		-9 535
Subscriptions pursuant to 2002 share options	121	1 674				1 795
Translation differences			109			109
Remuneration expense of share options				448		448
Investment by a minority holder					208	208
Available-for-sale investments, change in fair value			-12			-12
Profit for the period				26 822	408	27 230
Equity at 31.12.2005	19 189	46 606	-179	87 250	2 166	155 032
Equity at 1.1.2004	7 913	7 518	-121	68 943	1 167	85 420
Dividends paid				-34 889		-34 889
Subscriptions pursuant to 2002 share options	35	1 319				1 354
Bonus issue	7 949	-7 949				0
Share issue	3 171	44 044				47 215
Translation differences			-165			-165
Remuneration expense of share options				332		332
Available-for-sale investments, change in fair value			10			10
Profit for the period				35 129	383	35 512
Equity at 31.12.2004	19 068	44 932	-276	69 515	1 550	134 789

RECONCILIATION OF PROFIT FOR THE PERIOD

EUR 1000	1-12/2004
According to FAS	21 376
IFRS 1 First-time Adoption of IFRS: Depreciation on revaluations	-76
IFRS 2 Share-based Payment	-331
IFRS 3 Business Combinations	8 194
IAS 1 Format of financial statements: Minority interests	55
IAS 2 Inventories	125
IAS 12 Income Taxes	-4 316
IAS 17 Leases: Finance Leases	-3
IAS 18 Revenue: Recognition in the income statement	-39
IAS 19 Employee Benefits: Post-employment benefits	9 133
IAS 37 Provisions	6
IAS 39 Financial Instruments	1 005
According to IFRS	35 129
Revenue recognition of deferred pension liability	-7 796
Adjusted IFRS	27 333

RECONCILIATION OF EQUITY

EUR 1000	1.1.2004	31.12.2004
According to FAS	95 786	130 649
IFRS 1 First-time Adoption of IFRS: Depreciation on revaluations	-1 256	-1 333
IFRS 3 Business Combinations		8 194
IAS 1 Format of financial statements: Minority interests	1 167	1 550
IAS 2 Inventories	121	240
IAS 12 Income Taxes	1 879	-2 406
IAS 17 Leases: Finance Leases	733	785
IAS 18 Revenue: Recognition in the income statement	-1 137	-1 176
IAS 19 Employee Benefits: Post-employment Benefits	-10 295	-1 161
IAS 37 Provisions	10	17
IAS 39 Financial Instruments	-1 588	-570
According to IFRS	85 420	134 789

KEY FIGURES

		Excluding revenue recognition of deferred pension liability	
	12/2005	12/2004	12/2004
Earnings per share, EUR	0.70	0.79	1.01
Earnings per share, diluted, EUR	0.70	0.78	1.01
Equity per share, EUR	3.98	3.49	3.49
Dividend per share, EUR	0.40*	0.25	0.25
Dividend/earnings, %	57.0*	31.7	24.7
Dividend yield, %	2.7*	1.9	1.9
P/E ratio	21.2	16.6	13.0
Cash flow from operating activities per share, EUR	1.28	1.40	1.40
Return on equity, ROE, %	18.8	25.2	32.3
Return on invested capital, ROI, %	17.9	22.5	27.1
Equity ratio, %	49.5	48.1	48.1
Gearing, %	49.3	45.6	45.6
EVA, EUR million	18.3	22.7	
Gross investments, EUR 1000	60 852	48 124	48 124
Depreciation, EUR 1000	24 774	21 401	21 401
Net interest-bearing liabilities	76 455	61 427	61 427
Average personnel converted to full-time	5 918	5 409	5 409
Adjusted number of shares, 1000 shares average during the period	38 193	34 650	34 650
at end of period	38 378	38 136	38 136
average during period, diluted	38 421	34 871	34 871

* Proposal by the Board of Directors

EVA = Operating profit – cost calculated on invested capital (average of four quarters). WACC 9 %

Share issue adjustment factor 2.178462

SEGMENT REPORTING**NET SALES**

EUR 1000	12/2005	12/2004	Change %
Environmental Services	180 679	159 152	13.5
Property Services	142 890	124 820	14.5
Industrial Services	57 584	56 195	2.5
Group administration and other	366	377	
Inter-division net sales	-4 071	-3 303	
Lassila & Tikanoja	377 448	337 241	11.9

OPERATING PROFIT

EUR 1000	12/2005	%	12/2004	%	Change %
Environmental Services	23 986	13.3	26 097	16.4	-8.1
Property Services	11 947	8.4	9 336	7.5	28.0
Industrial Services	4 746	8.2	6 907	12.3	-31.3
Group administration and other	-1 425		-1 553		
Lassila & Tikanoja	39 254	10.4	40 787	12.1	-3.8

OTHER SEGMENT INFORMATION

EUR 1000	12/2005	12/2004
Assets		
Environmental Services	189 844	159 659
Property Services	50 330	41 638
Industrial Services	59 997	55 797
Group administration and other	5 211	5 241
Non-allocated assets	9 464	20 649
Lassila & Tikanoja	314 846	282 984
Liabilities		
Environmental Services	29 947	25 462
Property Services	20 910	20 105
Industrial Services	8 787	8 889
Group administration and other	269	265
Non-allocated liabilities	99 901	93 474
Lassila & Tikanoja	159 814	148 195
Investments		
Environmental Services	40 542	26 928
Property Services	11 471	12 609
Industrial Services	8 785	8 580
Group administration and other	54	7
Lassila & Tikanoja	60 852	48 124
Depreciation		
Environmental Services	13 567	11 727
Property Services	5 674	4 888
Industrial Services	5 422	4 706
Group administration and other	111	80
Lassila & Tikanoja	24 774	21 401

SEGMENT INFORMATION BY QUARTER

EUR 1000	10-12 /2005	7-9 /2005	4-6 /2005	1-3 /2005
Net sales				
Environmental Services	47 333	46 588	47 234	39 524
Property Services	36 545	35 645	35 955	34 745
Industrial Services	14 362	15 838	15 746	11 638
Group administration and other	92	91	92	91
Inter-division net sales	-1 235	-1 064	-966	-806
Lassila & Tikanoja	97 097	97 098	98 061	85 192
Operating profit				
Environmental Services	5 862	7 017	6 390	4 717
Property Services	2 393	4 462	2 868	2 224
Industrial Services	909	2 260	1 820	-243
Group administration and other	-110	-439	-524	-352
Lassila & Tikanoja	9 054	13 300	10 554	6 346
Operating margin				
Environmental Services	12.4	15.1	13,5	11.9
Property Services	6.5	12.5	8,0	6.4
Industrial Services	6.3	14.3	11,6	-2.1
Lassila & Tikanoja	9.3	13.7	10,8	7.4
Finance costs, net	-120	-263	-1 010	-408
Share of profits of associates	27			
Profit before tax	8 961	13 037	9 544	5 938

EUR 1000	10-12 /2004	7-9 /2004	4-6 /2004	1-3 /2004
Net sales				
Environmental Services	42 387	39 950	40 679	36 136
Property Services	33 610	31 051	29 750	30 409
Industrial Services	14 325	15 865	14 938	11 067
Group administration and other	91	92	94	100
Inter-division net sales	-904	-752	-775	-872
Lassila & Tikanoja	89 509	86 206	84 686	76 840
Operating profit				
Environmental Services	5 968	7 161	7 484	5 484
Property Services	2 133	3 985	2 014	1 204
Industrial Services	1 306	3 067	2 604	-70
Group administration and other	-367	-318	-449	-419
Lassila & Tikanoja	9 040	13 895	11 653	6 199
Operating margin				
Environmental Services	14.1	17.9	18.4	15,2
Property Services	6.3	12.8	6.8	4,0
Industrial Services	9.1	19.3	17.4	-0,6
Lassila & Tikanoja	10.1	16.1	13.8	8,1
Finance costs, net	-665	-861	-253	-1 190
Share of profits of associates	64			
Revenue recognition of deferred pension liability	10 535			
Profit before tax	18 974	13 034	11 400	5 009

* Operating profit excluding revenue recognition of deferred pension liability

CONTINGENT LIABILITIES

EUR 1000	12/2005	12/2004
For company liabilities		
Real estate mortgages		700
For other commitments		
Real estate mortgages	105	84
Corporate mortgages	500	50
Pledged shares		284
Other securities	188	132
Operating leasing and other leasing liabilities	14 182	13 117
Bank guarantees required for environmental permits	1 969	1 628

The pledged shares are shares of a real estate. Other securities given are security deposits. The Group has given no pledges, mortgages or guarantees on behalf of outsiders.

Helsinki, 7 February 2006

LASSILA & TIKANOJA PLC
Board of Directors