



LASSILA & TIKANOJA PLC



Lassila & Tikanoja plc

3 May 2006

Jari Sarjo, President and CEO

Highlights of Q106

- Growth in net sales 18.0% (yoy)
 - Organic growth all time high, +9.8% (yoy), thanks to efficient sales work
 - Three business acquisitions
 - Cleaning operations were started in Sweden.
 - Waste management and recycling operations were strengthened in Finland.
- Operating profit grew by 41.2% (yoy)
 - Measures to improve cost-efficiency improved profitability.
 - Prices were raised as planned.

Highlights of Q106

Environmental Services

- Very strong organic growth
- Programme to improve cost-efficiency and productivity was implemented consistently.
- Recycling plant in Turku came on stream.
- Favourable development in Environmental Products

Property Services

- Strong organic growth
- Integrating the acquired operations in Sweden proceeded as planned.
- Performance of cleaning services was burdened by operating loss in Moscow.

Industrial Services

- Demand in industry revived – good organic growth
- Impacts of the programme to improve cost-efficiency and productivity could be seen – performance of industrial cleaning improved significantly
- Demand for hazardous waste services was weak.

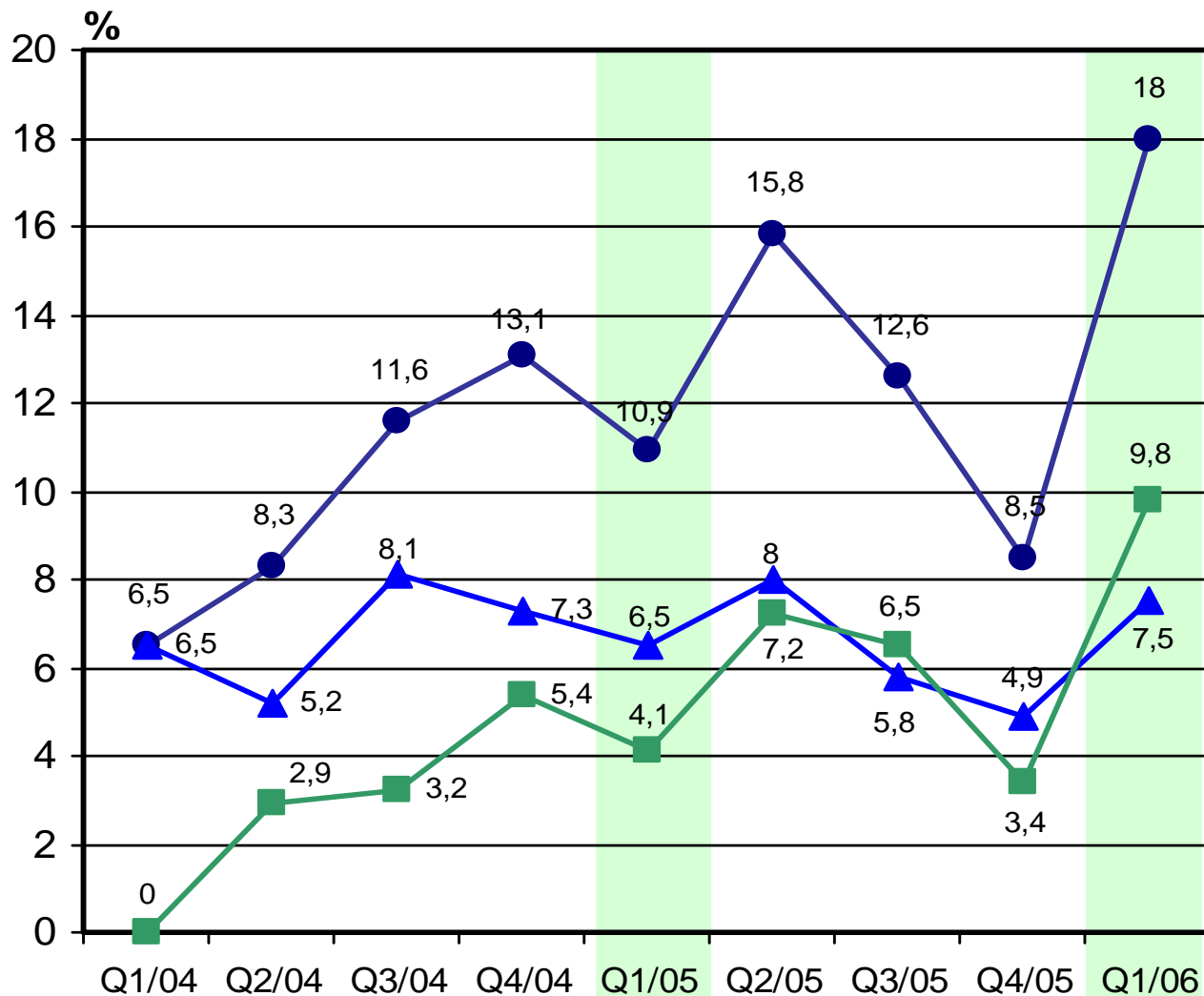
Q106 key figures

	Q106	Q105
Net sales, EUR million	100.6	85.2
Gross profit, EUR million	13.7	10.6
Gross profit margin, %	13.7	12.5
Operating profit, EUR million	9.0	6.3
Operating margin, %	8.9	7.4

Net sales by division

EUR million	Q106	Q105	Change %
Environmental Services	47.1	39.5	19.2
Property Services	41.1	34.7	18.3
Industrial Services	13.1	11.6	12.8
Group administration and other	0.1	0.1	
Inter-division net sales	-0.9	-0.8	
Total	100.6	85.2	18.0

Growth of net sales



	2005	2004
● Total	11,9%	9,9%
▲ Acquisitions	6,3%	6,9%
■ Organic	5,3%	2,8%

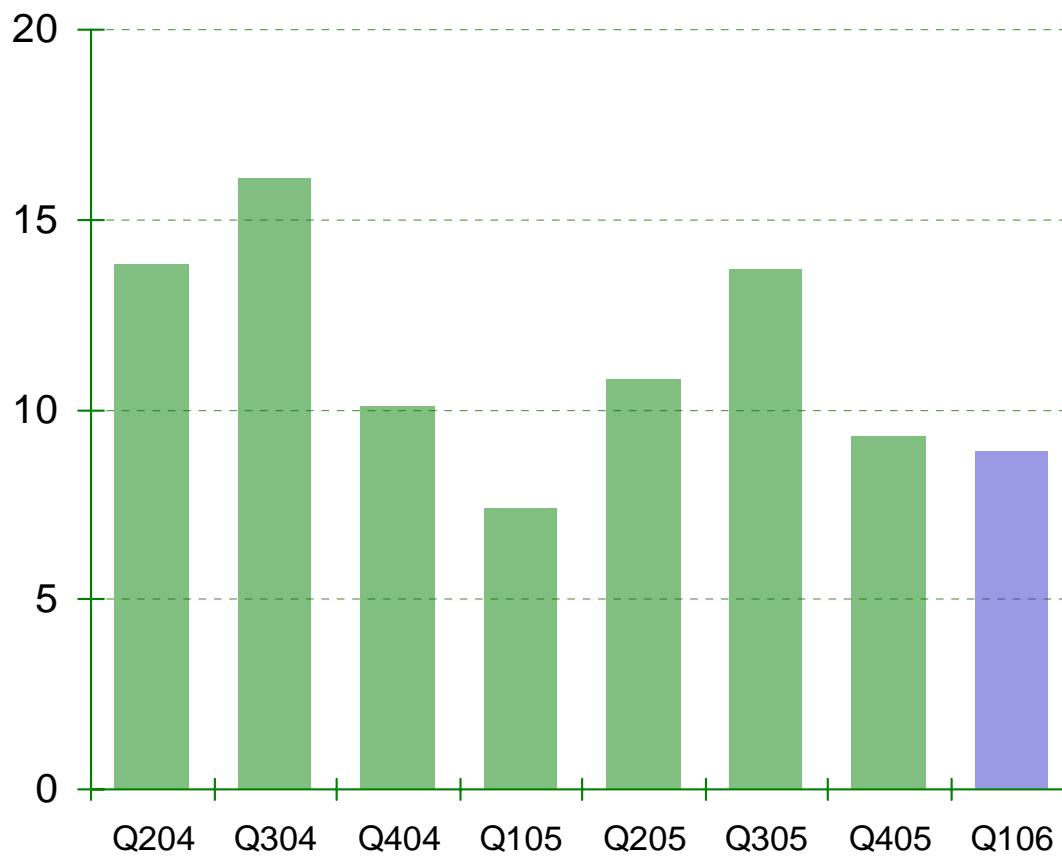
Earnings by division

EUR million	Q106	Q105	Change %
Environmental Services	7.3	4.7	54.6
Property Services	1.3	2.2	-42.8
Industrial Services	0.8	-0.2	
Group administration and other	-0.4	-0.4	
Total operating profit	9.0	6.3	41.2
%	8.9	7.4	

Key figures

	Q106	Q105	2005
Earnings/share, EUR	0.16	0.11	0.70
Return on equity, % (ROE)	16.7	12.6	18.8
Return on invested capital, % (ROI)	16.0	12.7	17.9
Equity ratio, %	43.9	48.2	49.5
Gearing, %	54.0	45.7	49.3
EVA, EUR million	3.8	1.6	18.3
Gross investments, EUR million	15.2	8.2	60.9
Depreciation, EUR million	7.0	5.7	24.8
Average personnel converted to full-time	6,401	5,174	5,918

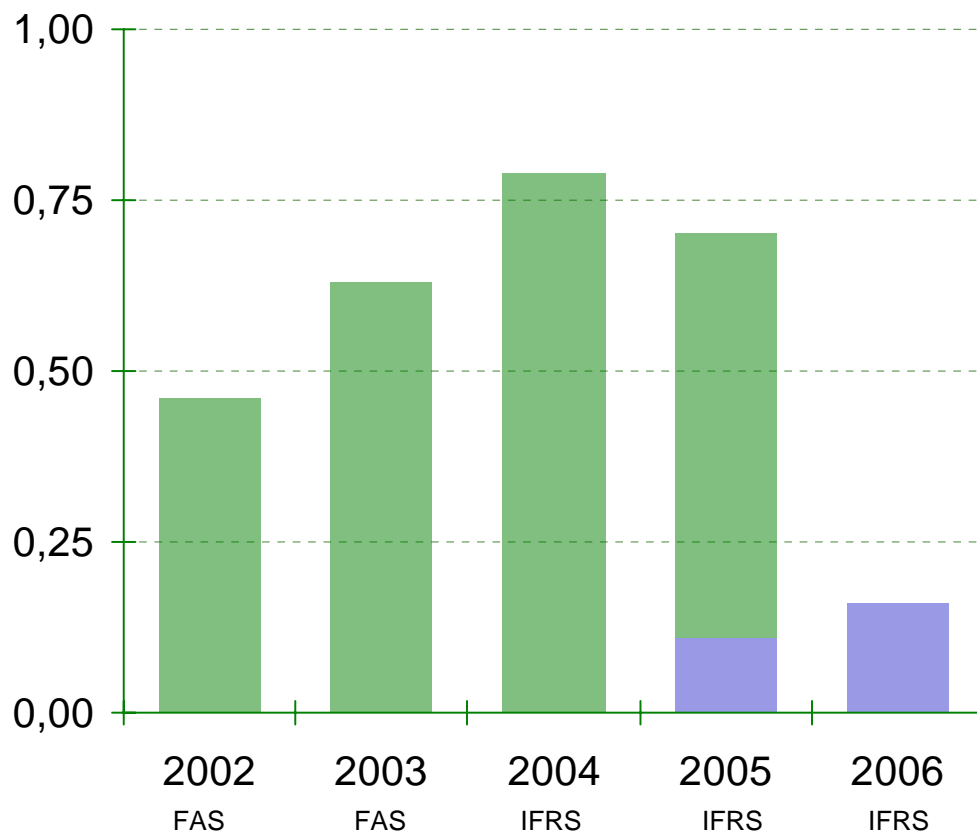
Operating margin by quarter



Operating margin by division Quarterly figures

%	Q106	Q1- Q405	Q405	Q305	Q205	Q105	Q1- Q404	Q404	Q304	Q204
Environmental Services	15.5	13.3	12.4	15.1	13.5	11.9	16.4	14.1	17.9	18.4
Property Services	3.1	8.4	6.5	12.5	8.0	6.4	7.5	6.3	12.8	6.8
Industrial Services	6.0	8.2	6.3	14.3	11.6	-2.1	12.3	9.1	19.3	17.4
Lassila & Tikanoja	8.9	10.4	9.3	13.7	10.8	7.4	12.1	10.1	16.1	13.8

Earnings per share





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Prospects for the year 2006

Prospects in L&T's divisions are still good. The demand for environmental services is growing steadily in Finland, although environmental permit processes are having something of a slowdown effect on investment by both L&T and customers in recycling and recovery plants.

The first outsourcing of support services in the forest industry may be done during this year. This and local government outsourcing will increase the market for property and support services. At the same time, however, competition in property services has become fiercer in Finland. The cleaning operations in Sweden will be strengthened.

The market outlook for Industrial Services is favourable, particularly for industrial cleaning, where the order book is strong.

The main objective this year is an improvement in productivity and more efficient cost management. Investment in product development has also been increased. Organic growth is expected to remain at a good level, but not as strong as in the first quarter. Net sales are expected to increase, at the least, in line with the long-term target (more than 10 per cent). An improvement in the financial performance for the entire year is expected. However, the first quarter results do not provide a basis for any long-term conclusions, since most of the earnings arise in the second and third quarters.

This estimate was made in May after the release of Q106 results.