



Lassila & Tikanoja plc

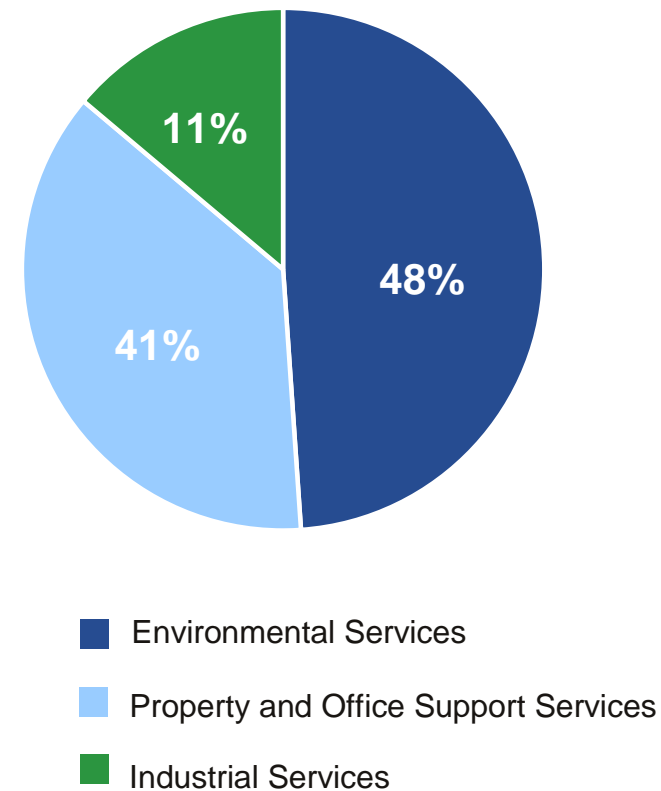
February 2010



Lassila & Tikanoja plc Corporate Presentation

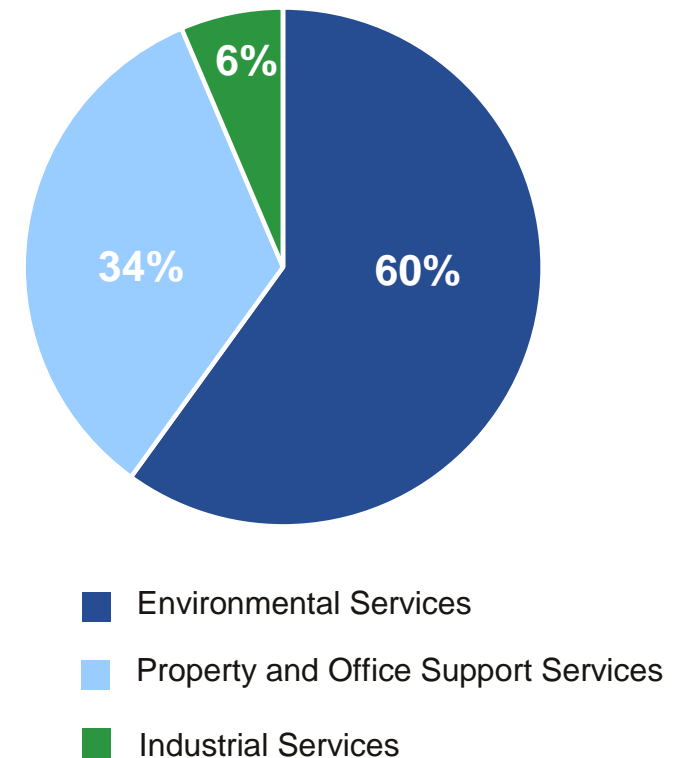
Breakdown of net sales 2009

	EUR million
Environmental Services	279.8
Property and Office Support Services	246.1
Industrial Services	67.4
Inter-division net sales	-8.0
Total	582.3



Breakdown of operating profit 2009

	EUR million
Environmental Services	31.7
Property and Office Support Services	17.7
Industrial Services	3.4
Group administration and other	-2.5
Total	50.3
Operating profit excluding non-recurring and imputed items	51.3

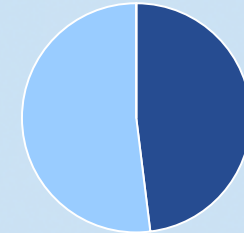


Environmental Services

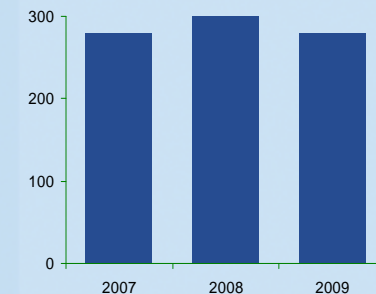
– From waste to useful materials

- Collection and transport of waste and its processing into secondary raw materials and recovered fuel for sale
- Through its services and expertise L&T helps customers meet their environmental obligations and reach their environmental targets
- Over 200,000 customers ensuring a steady cash flow, net sales come mostly from long-term (2-5 years) service contracts.
- Low-cyclical but seasonal variations, growing faster than the GDP
- Market leader in Finland and Latvia and certain geographical areas in Russia

Percentage of net sales
2009 48%



Net sales



Operating profit excl. non-recurring and imputed items



Environmental Services

– Regulation as growth driver

New EU directives

- EU directives are implemented through national legislation in each country.

National Waste Plan

- In Finland the recovery rate target for municipal waste is 80% by the end of 2016.
- Half of all municipal waste generated is to be recycled.

Producer liability

- Producers are responsible for organising the collection, transport and recycling of certain discarded products named in Waste Act, e.g. electric and electronic scrap and tyres.

Environmental awareness

- Growing environmental awareness of property owners and demands on material efficiency promote recovery of waste.

Core pieces of waste policy and regulation

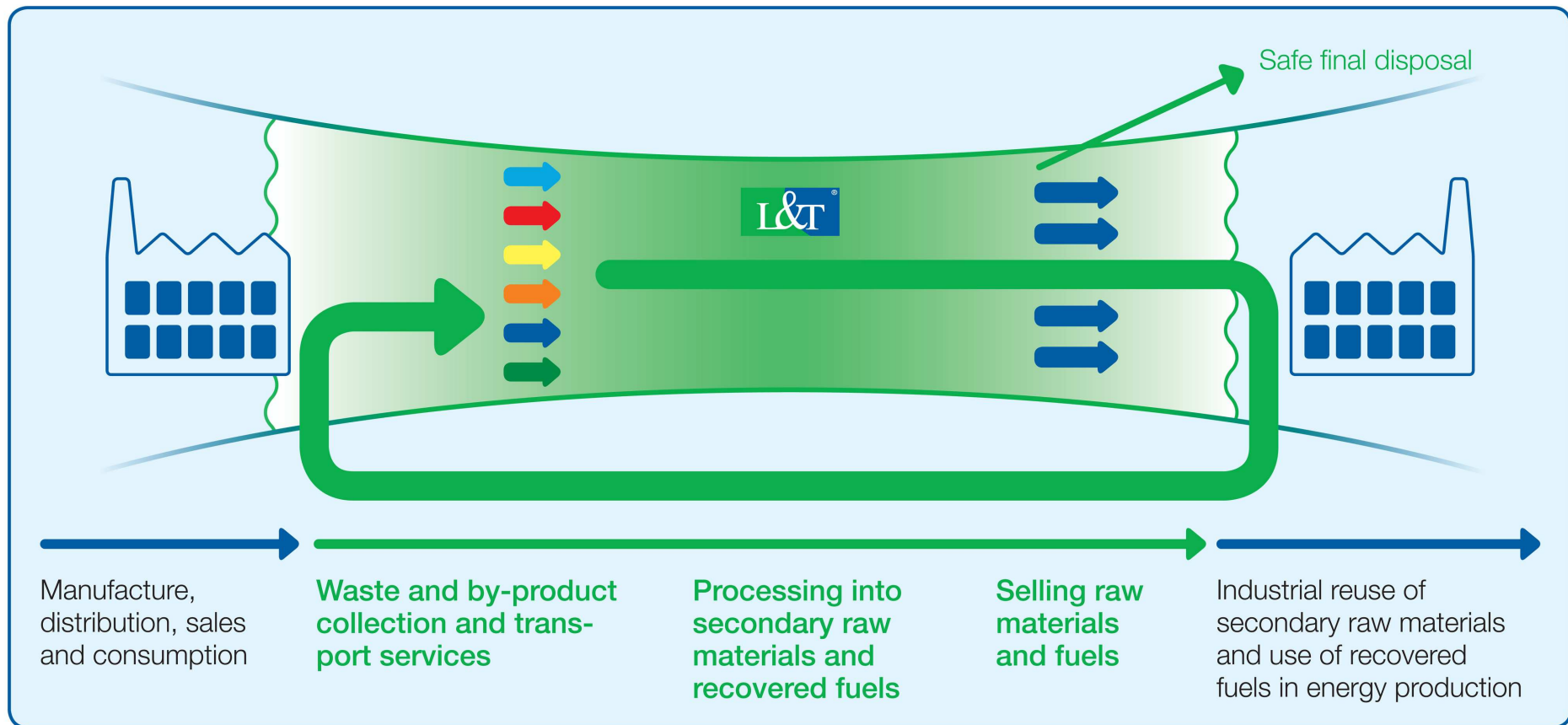
EU Directives on:

- waste (framework)
- hazardous waste (framework)
- waste water (framework)
- supervision and control of transfrontier shipments of waste
- Integrated Pollution Prevention and Control (IPPC)
- landfilling of waste
- incineration of waste
- disposal of waste oil
- end-of-life vehicles
- packaging and packaging waste
- waste electrical and electronic equipment (WEEE)
- batteries and accumulators
- animal by-products (regulation)
- Construction Product Directive

International agreements:

- Kyoto Protocol
- Basel Convention on the control of transboundary movements of hazardous waste
- Baltic Marine Environment

L&T is building a recycling society



L&T Biowatti

– Renewable Energy Sources

- L&T Biowatti specialises in the supply of wood-based biofuels for heating and power plants, as well as the supply of raw material for the building board and pulp industries, pellet manufacturers, environmental construction, composting and litter material.
- L&T Biowatti procures its raw material from the forest and wood industries, wood procurement organisations and, through forestry services, private forest owners.
- L&T Biowatti operates through a nationwide service network offering its customers e.g. forestry services, heat from wood services, environment clearing services and landscaping services.

Renewable Energy Sources is a separate division since June 2009. Financial reporting was changed as of the beginning of 2010.

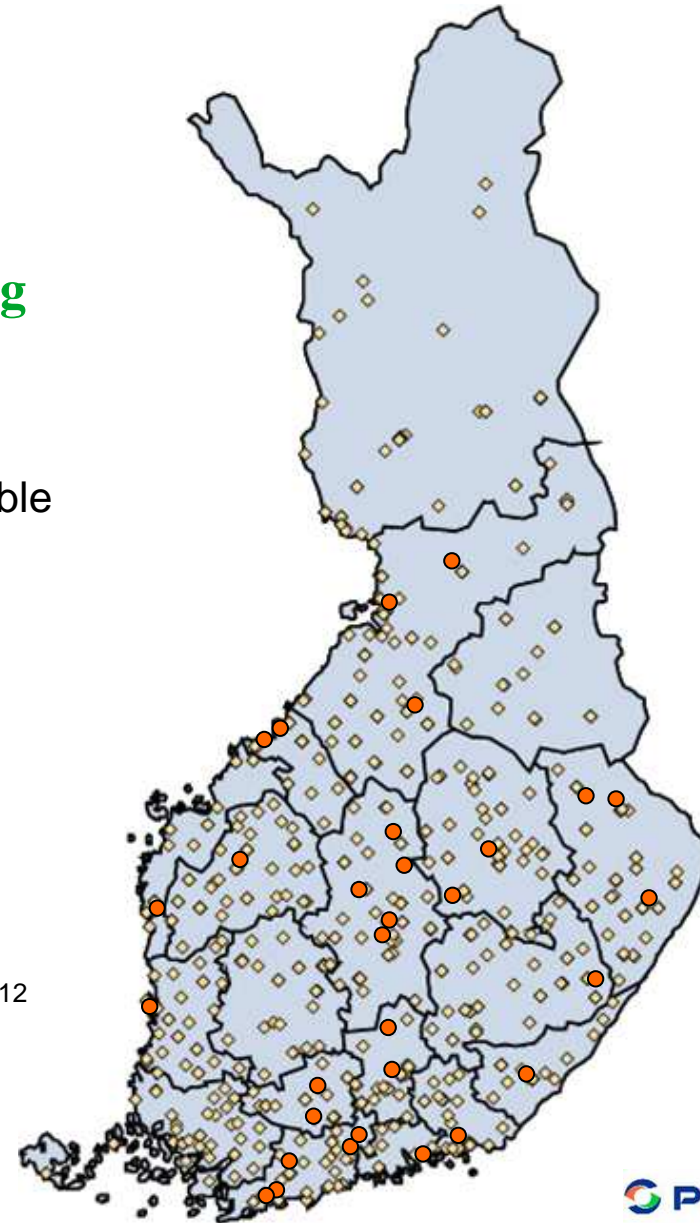


L&T Biowatti

– Power and heating plants utilizing wood-based biofuels in 2012

- EU target for Finland: 38% of energy consumption to be provided by renewable energy sources by 2020

- ◆ In 2009
- To be built in 2009 - 2012

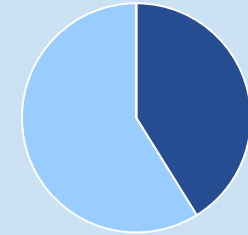


Property and Office Support Services

– Multiple services from one service provider

- Cleaning services, property maintenance, maintenance of technical systems, office support services and damage repair
- Over 7,000 customer contracts, net sales come mostly from long-term (2-3 years) service contracts
- Customers include properties, industry and customers operating in leaseholds
- Efficient production management systems, constant presence every day, focus on cost and energy efficiency
- Number two in Finland

Percentage of net sales
2009 41%



Net sales



Operating profit excl. non-recurring and imputed items



Property and Office Support Services – Growth drivers

- Trend: from in-house to outsourcing
 - In the Finnish public sector outsourcing rate of property services remarkably below EU average
- Centralization of services to one service supplier offering a wide range of services
- Fragmented market: top three operators account for around 50% of the market in Finland



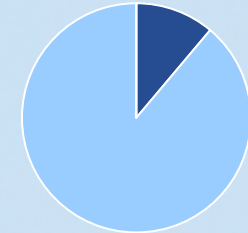
Industrial Services

– Ensuring reliability of operation

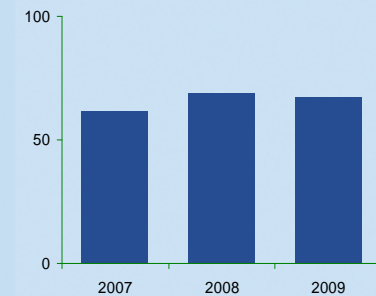
- Collection and treatment of hazardous waste, heavy-duty industrial cleaning and wastewater services
- Customers include industry, municipalities, insurance companies, properties and institutions
- Integrated material efficiency solutions for industrial by-products and contaminated soil
- JV L&T Recoil's waste oil re-refinery processes used lubricating oil into base oil
- Market leader in Finland in most of the services provided

The operations of Industrial Services were combined with Environmental Services in June 2009. Financial reporting was combined as of the beginning of 2010.

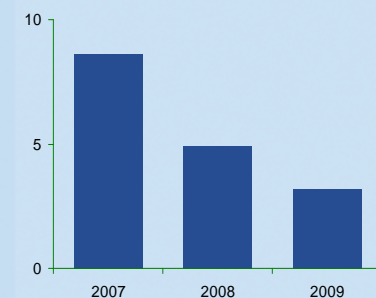
Percentage of net sales
2009 11%



Net sales



Operating profit excl. non-recurring and imputed items



Industrial Services – Growth drivers

- Stricter environmental obligations
- Trend: customer focuses on its core business and outsources other operations
- Special expertise and capital intensity are barriers to enter this business



Regrouping of business operations

– Environmental Services and Industrial Services combined

- New divisions as of 1 June 2009:
 - Environmental Services (combined Environmental Services and Industrial Services)
 - Property and Office Support Services
 - Renewable Energy Sources (L&T Biowatti)
- A more cost-efficient and customer orientated operating model
- More efficient use of resources
- Reportable segments were changed to reflect the new divisions at the beginning of 2010.



L&T's international operations

- Around 10% of net sales in 2009
- L&T has operations in Sweden, Latvia, Moscow and Moscow Oblast
- Expansion through acquisitions and organic growth
- L&T's target is to be the leading service provider in selected areas in the Baltic Sea region and Russia

Sweden:

Cleaning services

Latvia and Russia:

Waste management and recycling services, cleaning services



Major shareholders at 31 January 2010

Shareholder	Number of shares	% of shares and of voting power
1 Ilmarinen Mutual Pension Insurance Company	2,854,858	7.4
2 Evald and Hilda Nissi Foundation	2,413,584	6.2
3 Mandatum Life Insurance Company Limited	2,252,588	5.8
4 Tapiola Mutual Pension Insurance Company	1,974,240	5.1
5 OP-Pohjola Group	1,811,656	4.7
6 Juhani Maijala	1,529,994	3.9
7 Varma Mutual Pension Insurance Company	1,265,690	3.3
8 Tapiola Group	1,186,301	3.1
9 Nordea investment funds	1,044,728	2.7
10 The State Pension Fund	927,000	2.4
Foreign and nominee registered	3,757,295	9.6
Lassila & Tikanoja plc	30,000	
Total number of shares	38,798,874	
Total number of shareholders	7,825	

Cyclicity of L&T's markets

LOW-CYCLICAL

Wastewater services	Wide customer portfolio with a great number of small customers. Drain systems crucial part of public infrastructure.	70-75% of net sales
Waste management	Over 200,000 customers, most of the net sales originate from long-term (2-5 years) contracts. Slowdown in economy may decline one-time orders and construction/commercial waste volumes.	
Property maintenance	Most of the net sales originate from long-term (2-3 years) contracts. Demand for additional services may decline in slowdown.	
Cleaning services	Most of the net sales originate from long-term (2-3 years) contracts. Demand for additional services may decline in slowdown.	
L&T Biowatti	Provides CO ₂ -free substitutes for fossil fuels such as peat, coal and oil. Demand and price level of wood-based biofuels are constantly increasing. Slowdown in pulp & paper industry may affect negatively raw material procurement.	
L&T Recoil (JV)	Steady demand for regenerated Group II level base oils. Market price fluctuations affect profitability.	

SEMI-CYCLICAL

Haz. waste services	Hazardous waste volumes dependent on operating rate of heavy industry.	25-30% of net sales
Industrial solutions	Most of the net sales originate from small number of big industrial customers. Services provided are crucial for the customer to be able to maintain its production capability.	
Recycling services	Dependent on recyclable material volumes and market prices of raw materials.	

L&T stands for sustainable development

– L&T's CO₂ balance

- Biofuels, recovered fuels and waste material recycling services provided by L&T reduced carbon dioxide emissions by some two million ton in 2008.
- According to the survey, in 2008 L&T's operations caused slightly less than 70,000 ton (2007: 75,000) of carbon dioxide emissions.
- The greatest emissions originate in transports and machinery. Emissions are reduced by way of focusing on low-emission transport equipment and by improving the efficiency of transports.

Calculated using a model by VTT Technical Research Centre of Finland.

Highlights of Q409 and prospects for the year 2010

Highlights of Q409

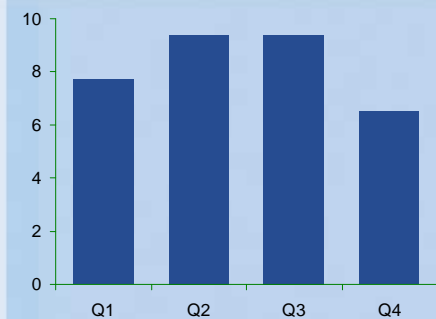
- Net sales EUR 148.0m (EUR 153.1m) -3.3% (yoy)
- Operating profit EUR 8.5m (EUR 4.9m); operating profit excluding non-recurring and imputed items EUR 8.7m (EUR 8.6m)
 - Net sales decreased due to shrinking waste and secondary raw material volumes.
 - Profitability remained at the previous year's level thanks to effective efficiency boosting measures.

Highlights of Q409

Environmental Services; operating profit EUR 6.5m (EUR 6.0m)

- Net sales decreased mainly due to shrinking volumes of construction waste and other recyclable waste streams.
- Profitability improved as a result of recovering price level and demand for secondary raw materials.
- Demand for biofuels reached the previous year's level thanks to cold weather in December.
 - wholesale price of electricity and operating rates in the forest industry still remained at a low level
- Profitability of operations outside Finland improved despite difficult market conditions.

Operating profit excl.
non-recurring and
imputed items 2009

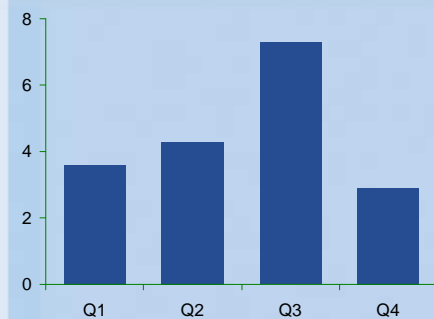


Highlights of Q409

Property and Office Support Services; operating profit EUR 2.8m (EUR -1.9m)

- Slight decrease in net sales of domestic operations. Both business lines succeeded in renewing service contracts.
- Profitability was boosted by production efficiency enhancement measures.
- Net sales from international operations declined mainly due to weakening of SEK and RUB. Profitability abroad improved but the result remained slightly negative.

Operating profit excl.
non-recurring and
imputed items 2009

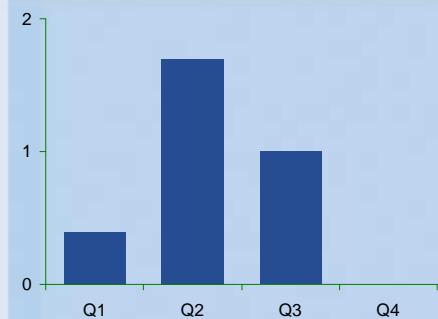


Highlights of Q409

Industrial Services; operating profit EUR 0m (EUR 1.5m)

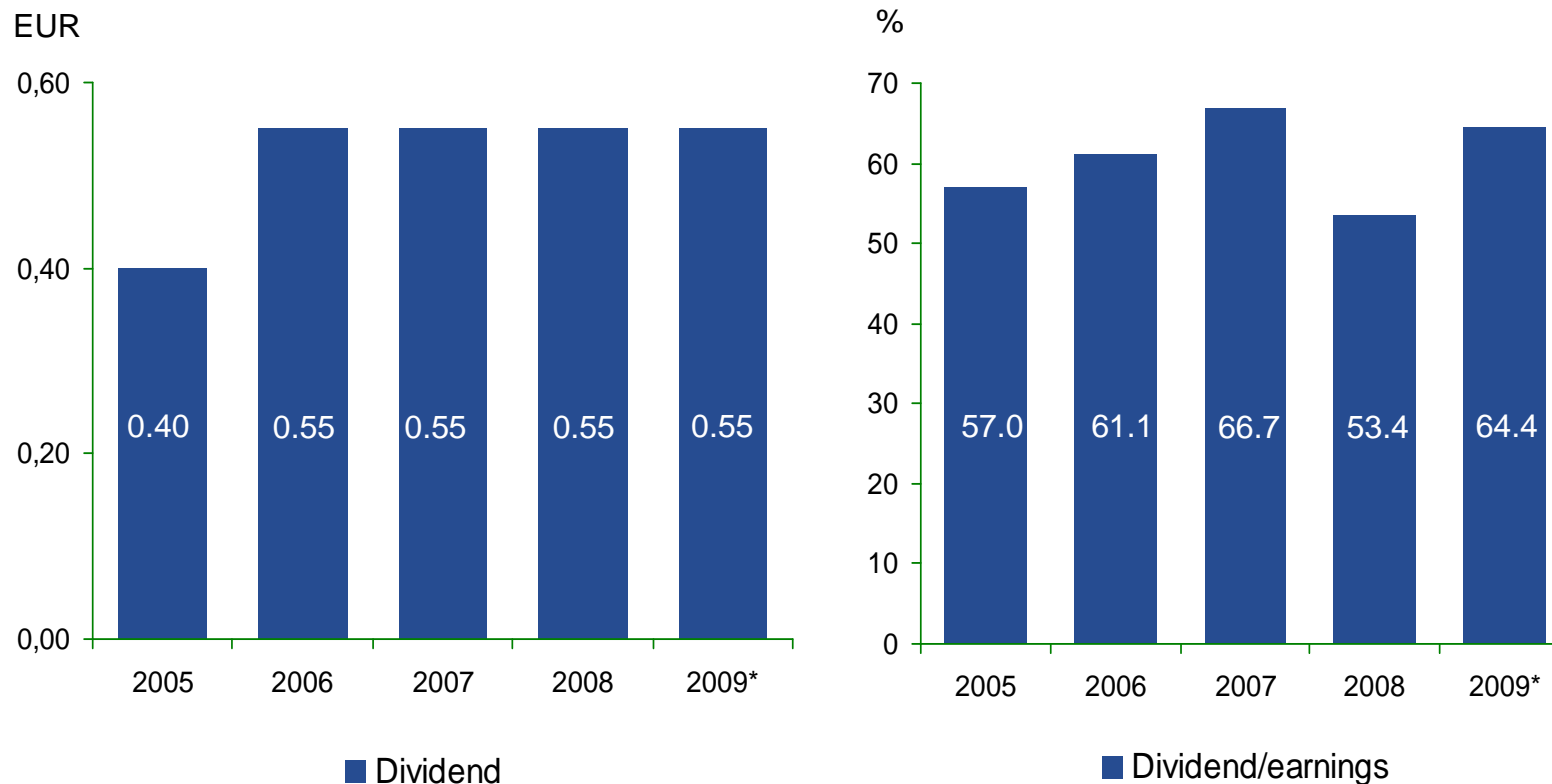
- Net sales decreased as a result of lower operating rates of industry and shrinking hazardous waste volumes.
- Performance of hazardous waste management and industrial solutions improved thanks to material efficiency solutions and higher recovery rates.
- L&T Recoil's re-refinery reached a production stage. However, the production had not yet stabilised by the end of the year.
- Delays in production burdened the performance of the division remarkably.

Operating profit excl.
non-recurring and
imputed items 2009



Dividend proposal: EUR 0.55 per share

The amount of dividend is tied to the results for the financial year. Profits not considered necessary for ensuring the healthy development of the company are distributed to shareholders. *Proposal by the Board of Directors



Financial summary

	Q409	Q408	Change %	2009	2008	Change %
Net sales, EUR million	148.0	153.1	-3.3	582.3	606.0	-3.9
Operating profit excluding non-recurring and imputed items, EUR million	8.7	8.6	1.2	51.3	45.0	14.0
Operating profit, EUR million	8.5	4.9	74.2	50.3	55.5	-9.4
Operating margin, %	5.7	3.2		8.6	9.2	
Profit before taxes, EUR million	7.4	3.5		45.0	50.7	-11.2
Earnings per share, EUR	0.14	0.04		0.85	1.03	-17.5
Dividend per share, EUR				0.55*	0.55	
EVA, EUR million	-0.1	-3.3	97.0	16.5	25.0	-34.0

* Proposal by the Board of Directors

Net sales by division

EUR million	2009	2008	Change %
Environmental Services	279.8	300.1	-6.8
Property and Office Support Services	243.1	243.2	
Industrial Services	67.4	69.0	-2.4
Interdivision net sales	-8.0	-6.3	
L&T total	582.3	606.0	-3.9

As of 1 January 2009, damage repair services was transferred from Industrial Services into Property and Office Support Services. Comparative figures have been restated accordingly.

Operating profit by division

EUR million	2009	2008	Change %
Environmental Services	31.7	32.3	-1.9
Property and Office Support Services	17.7	5.9	199.4
Industrial Services	3.4	5.2	-35.3
Group administration and other	-2.5	12.1	
Total operating profit	50.3	55.5	-9.4
Operating margin, %	8.6	9.2	

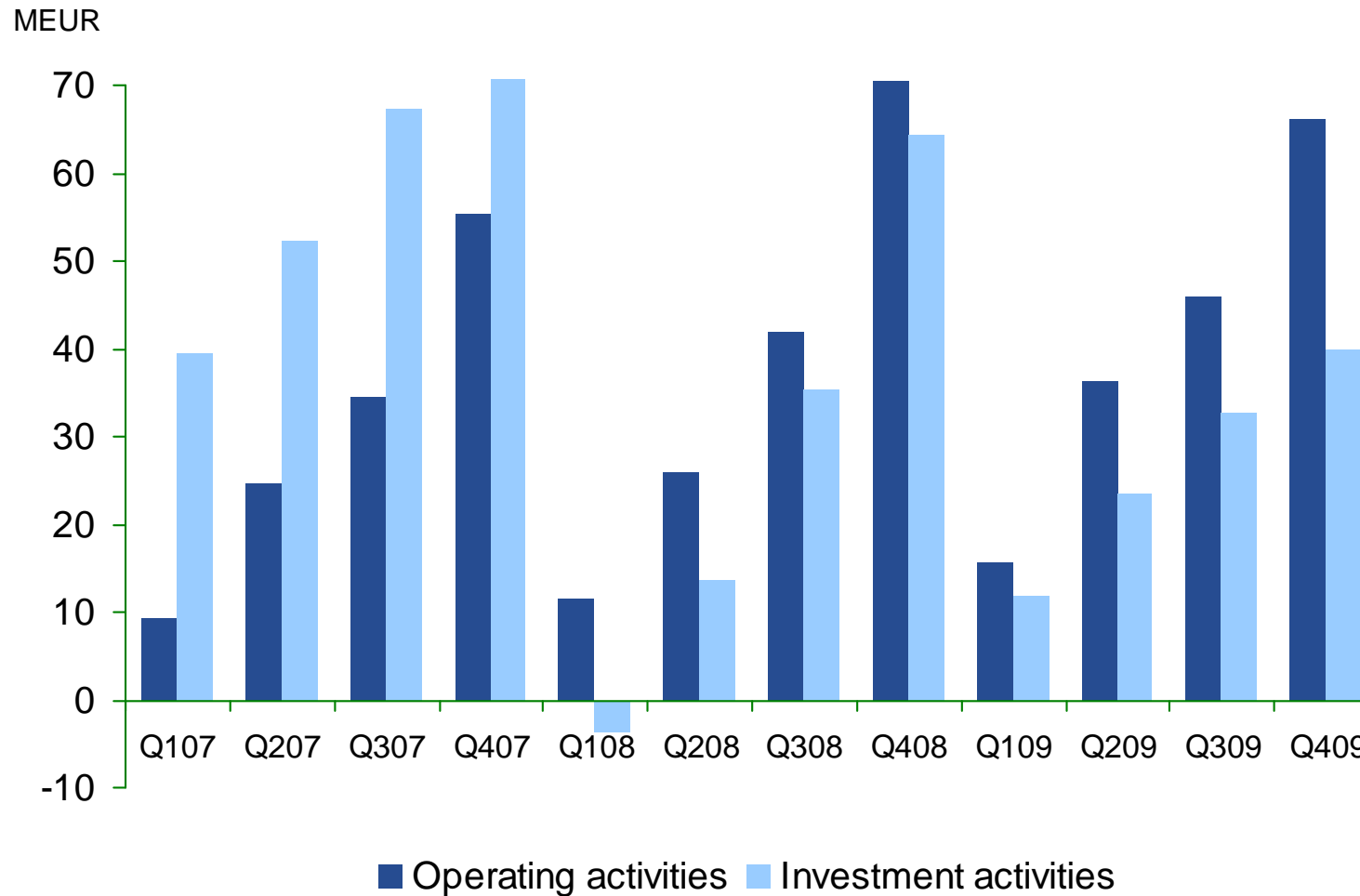
Key figures

	Q409	Q408	2009	2008
Earnings per share, EUR	0.14	0.04	0.85	1.03
EVA, EUR million	-0.1	-3.3	16.5	25.0
Capital expenditure, EUR million	10.8	32.0	44.9	84.2
Depreciation, amortisation and impairment, EUR million	10.4	12.9	40.3	41.0
Return on equity, % (ROE)			15.7	19.6
Return on invested capital, % (ROI)			14.5	17.1
Equity ratio, %			44.1	43.2
Gearing, %			53.5	58.8
Total number of full-time and part-time employees at end of period			8,743	9,490

Operating margin (%) by division Quarterly figures

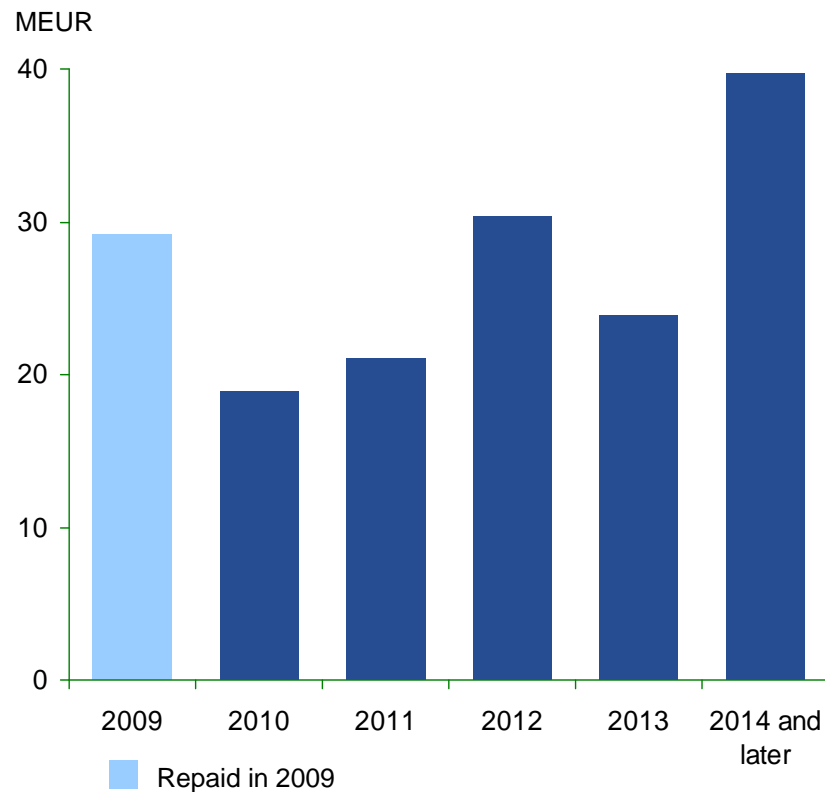
	Q1-Q4 09	Q409	Q309	Q209	Q109	Q1-Q4 08	Q408	Q308	Q208	Q108	Q1-Q4 07
Environmental Services	11.3	9.1	14.5	12.6	9.4	10.7	8.0	13.2	10.6	11.2	12.5
Property and Office Support Services	7.3	4.5	12.0	7.2	5.5	2.4	-3.1	8.4	1.9	2.7	5.5
Industrial Services	5.0	0.1	7.7	9.9	1.9	7.6	8.5	18.1	6.3	-6.5	7.5
L&T total	8.6	5.7	12.0	10.1	6.8	9.2	3.2	11.6	6.6	15.5	8.8

Operating cash flow, cumulative

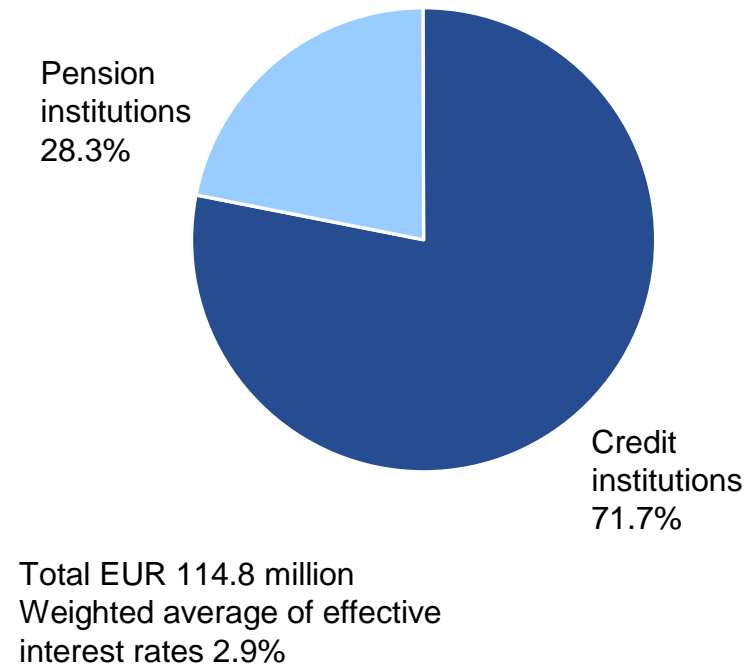


Long-term loans

Maturity structure of long-term loans 31 December 2009

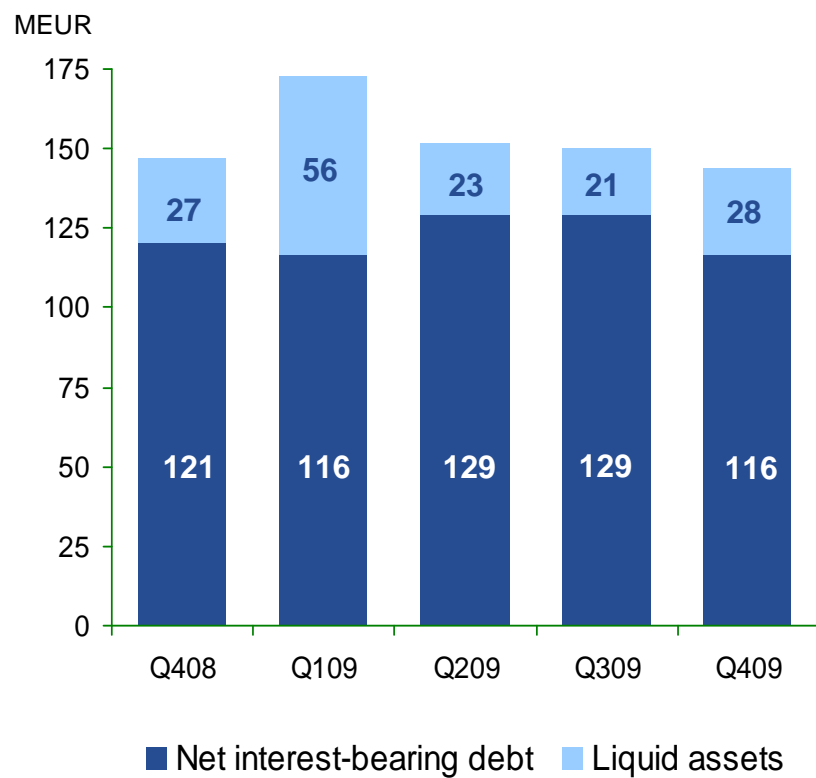


Long-term loan portfolio 31 December 2009

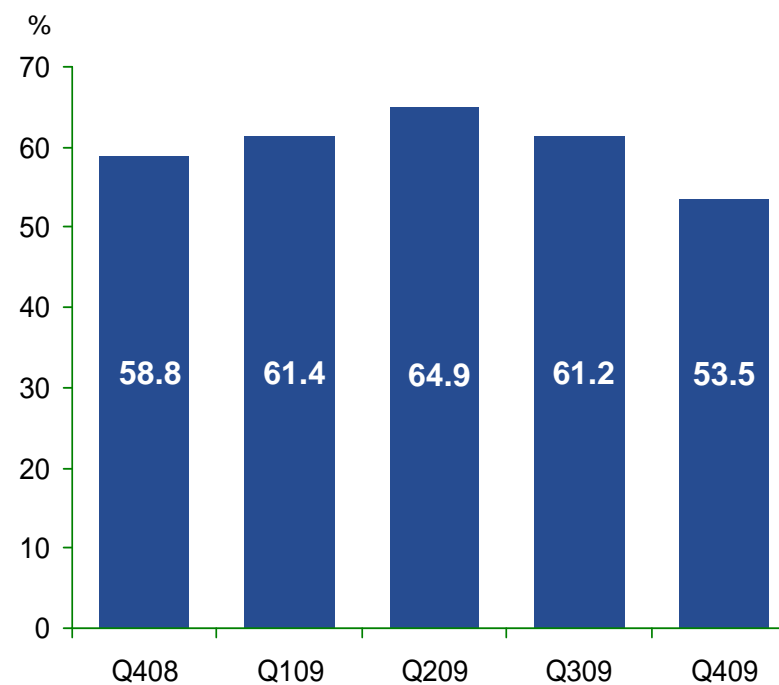


Financial position

Interest-bearing debt



Gearing ratio



Prospects for the year 2010

In the Environmental Services division, waste material transport and recycling volumes are expected to remain unchanged. The demand and market prices of secondary raw materials are expected to recover slowly. The current operating rates in the industry will result in low hazardous waste volumes and demand for maintenance services. Production at L&T Recoil's re-refinery continues to be unstable. Its operating rate will have a major impact on the division's profitability.

The market for Property and Office Support Services is expected to remain unchanged or weaken. Customers must follow tight cost control, which is assumed to increase competitive bidding and reduce orders for additional services.

The demand for L&T Biowatti's wood-based fuels is expected to remain moderate due to low operating rates in the industry and the low wholesale price of electricity. Furthermore, the low price of emission rights will undermine the competitiveness of wood-based fuels.

Net sales and operating profit excluding non-recurring items in 2010 are expected to remain at the 2009 level.

This estimate was included in the Financial statement 2009 released on 10 February 2010.