



Lassila & Tikanoja plc

24 October 2007

Jari Sarjo, President and CEO

Highlights of Q307

- Growth in net sales 24.1 % (yoy)
 - Organic growth slowed down to 3.7 % (yoy)
 - Changes in municipal contract portfolio
 - Salvor's loss-making operations sold
 - Demand in Industrial Services still strong
 - Operating profit declined by 4.4 million (EUR 19.9 million → EUR 15.5 million) (yoy)
 - Non-recurring costs EUR -1.1 million
 - Imputed changes in the fair value of oil derivatives EUR -0.5 million
 - Non-recurring income in the comparison period EUR 1.9 million
- ⇒ Operating profit excluding non-recurring and imputed items decreased slightly to EUR 17.1 million (EUR 18.0 million) (yoy)

Highlights of Q307

Environmental Services

- Growth in net sales strong (+29 %) mainly due to corporate acquisitions, but organic growth slowed down
- L&T acquired full ownership of Salvor Oy
 - Adaptation costs during Q407
- L&T Biowatti's and Environmental Products' result developed favourably
- Recycling plant in Joensuu (Finland) was put into production
- Final obstacle for an extension to the Kerava (Finland) plant was lifted

Highlights of Q307

Property and Office Support Services

- Growth mainly from corporate acquisitions (+25.3 %)
- Result in Finnish operations exceeded targets
- Operations abroad unprofitable as expected
 - Non-recurring cost of EUR -0.4 million in Russia
 - Net sales in Russia going to increase later this year

Industrial Services

- Strong organic growth continued in every product line
- Insufficient resourcing and shut-down of Tuusula (Finland) plant due to a fire burdened the result
- JV L&T Recoil's procurement of raw material succeeded better than expected → the risk of obtaining raw material for the plant under construction has disappeared
- Imputed changes in fair values of oil derivatives burdened operating profit by EUR -0.5 million

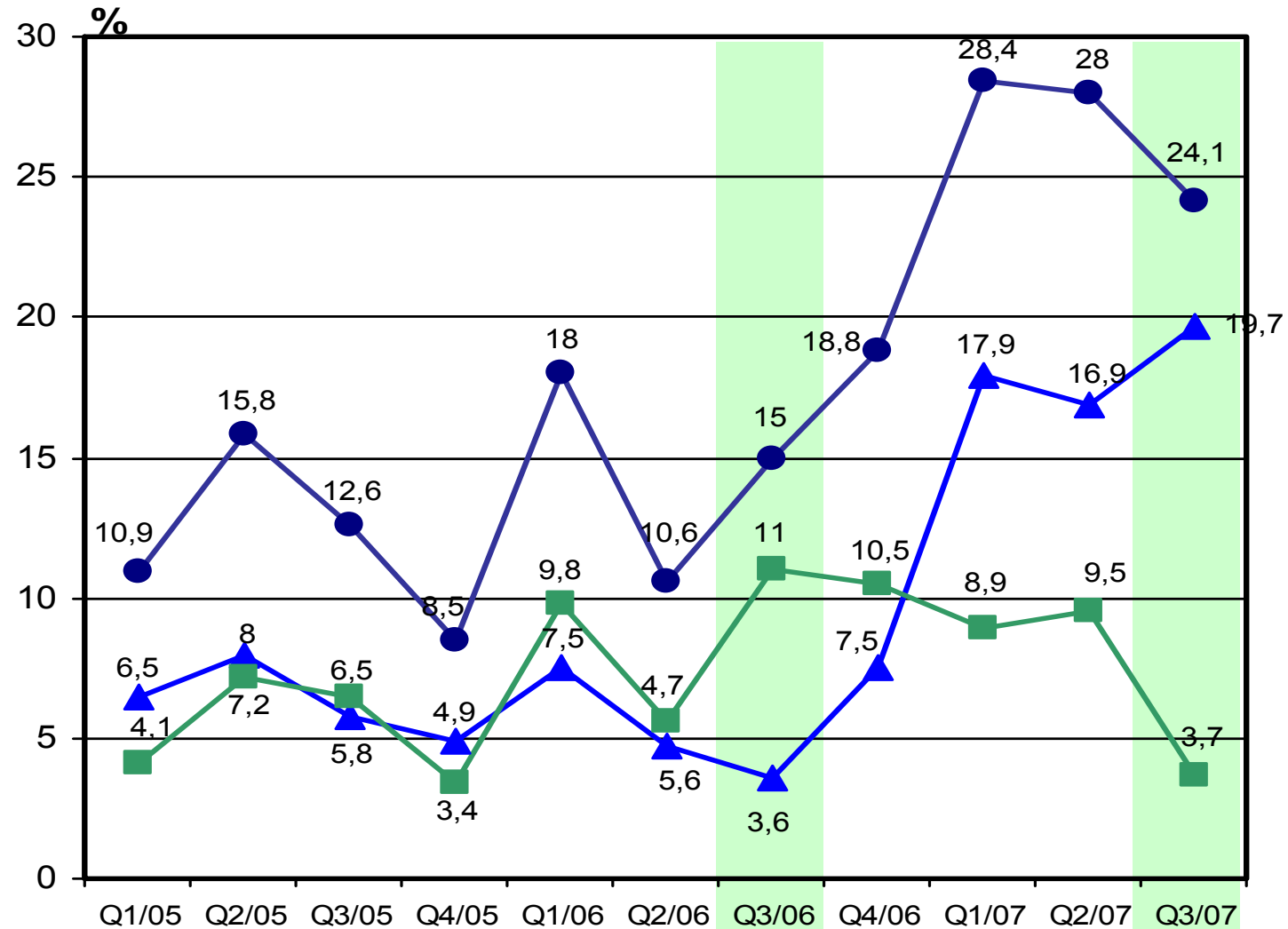
Financial summary

	Q307	Q306	Change %	Q1-Q4 /2006
Net sales, EUR million	138.6	111.6	24.1	436.0
Operating profit excl non-recurring and imputed items, EUR million	17.1	18.0	-5.0	47.3
Operating profit, EUR million	15.5	19.9	-22.0	50.2
Operating margin, %	11.2	17.8		11.5
Profit before taxes, EUR million	14.2	19.1	-25.8	48.5
Earnings per share, EUR	0.28	0.36	-22.2	0.90
EVA, EUR million	8.8	14.5	-39.0	28.6

Net sales by division

EUR million	Q1-Q307	Q1-Q306	Change %
Environmental Services	206.3	151.8	35.9
Property and Office Support Services	149.3	123.8	20.6
Industrial Services	54.3	47.9	13.5
Group administration and other Inter-division net sales	-3.7	-2.9	
Total	406.4	320.6	26.8

Growth of net sales 2005 - 2007



	2006	2005	2004
Total	15,5%	11,9%	9,9%
Acquisitions	5,8%	6,3%	6,9%
Organic	9,2%	5,3%	2,8%

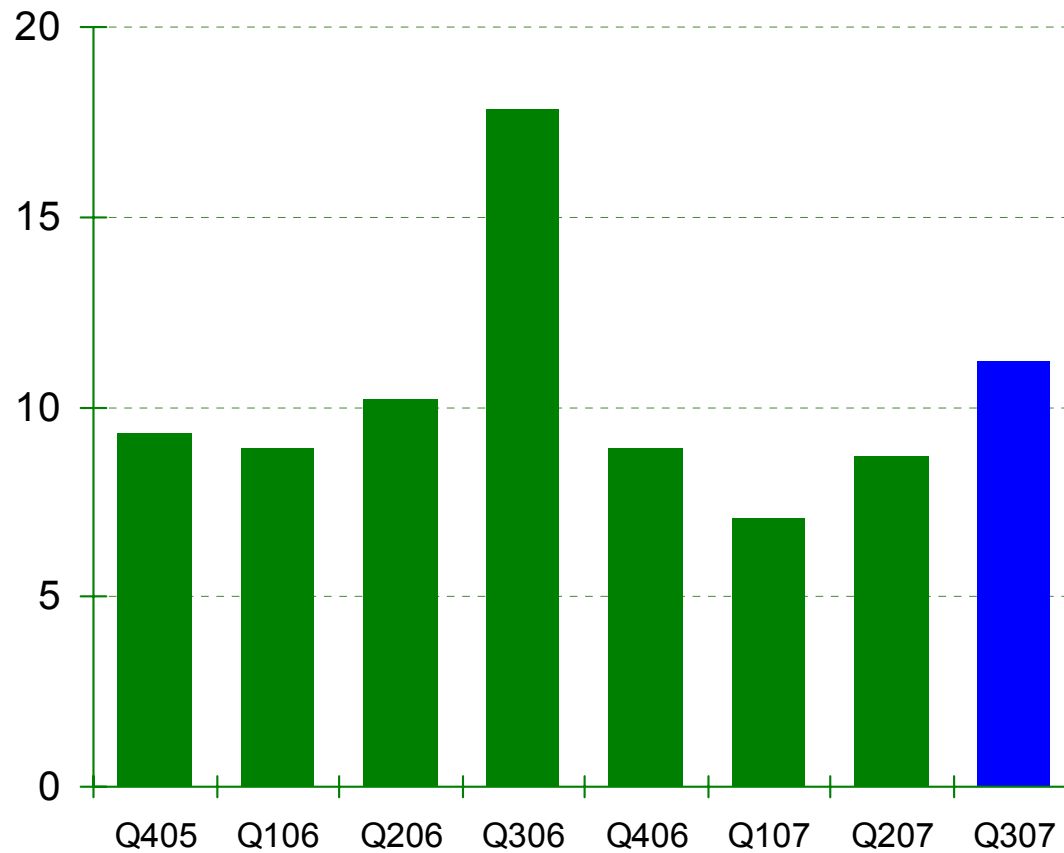
Earnings by division

EUR million	Q1-Q307	Q1-Q306	Change %
Environmental Services	26.0	25.1	3.7
Property and Office Support Services	7.0	7.6	-8.1
Industrial Services	5.2	6.9	-24.8
Group administration and other	-1.5	0.3	
Total operating profit	36.7	39.9	-8.0
Operating margin	9.0	12.4	

Key figures

	Q307	Q306	Q1- Q307	Q1- Q306	2006
Earnings/share, EUR	0.28	0.36	0.63	0.72	0.90
Return on equity, % (ROE)			18.3	23.2	21.2
Return on invested capital, % (ROI)			18.1	22.4	21.0
Equity ratio, %			42.6	50.1	50.4
Gearing, %			61.7	41.8	29.7
EVA, EUR million	8.8	14.5	18.5	24.0	28.6
Capital expenditure, EUR million	12.9	8.3	77.6	32.1	47.2
Depreciation and amortisation, EUR million	8.7	6.8	24.5	20.6	28.2
Total number of full-time and part-time employees at end of period			9,226	8,290	8,328

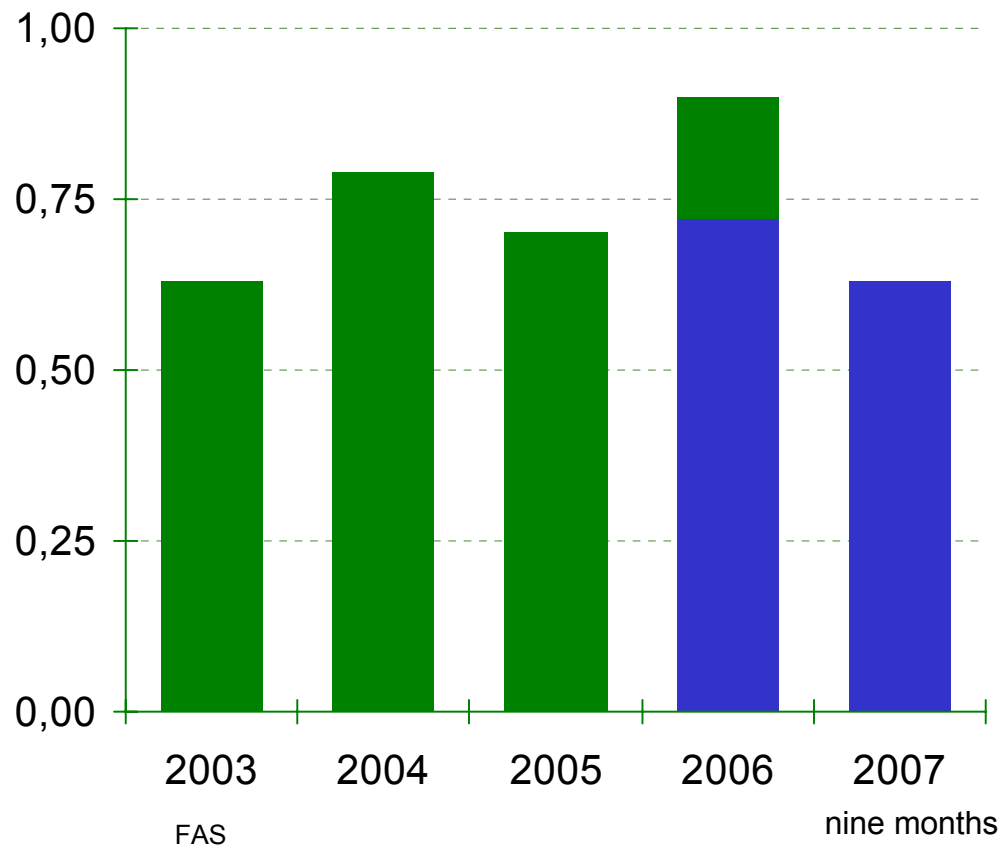
Operating margin by quarter



Operating margin by division Quarterly figures

%	Q307	Q207	Q107	Q1- Q406	Q406	Q306	Q206	Q106	Q1- Q405	Q405
Environmental Services	13.7	11.2	13.1	15.7	13.3	18.9	15.1	15.5	13.3	12.4
Property and Office Support Services	8.1	3.5	2.2	5.2	2.6	11.7	3.6	3.1	8.4	6.5
Industrial Services	12.8	13.8	0.1	14.9	16.5	20.9	13.8	6.0	8.2	6.3
Lassila & Tikanoja	11.2	8.7	7.1	11.5	8.9	17.8	10.2	8.9	10.4	9.3

Earnings per share



Prospects for the rest of the year 2007 (1)

The prospects for Lassila & Tikanoja's markets remain mostly good. Organic growth is estimated to strengthen slightly compared to the third quarter of 2007. Full-year net sales are going to increase by clearly more than 20% but earnings per share will decline. Result for the final quarter are estimated to be approximately at the same level as last year.

Last year, the earnings for the final quarter were improved by non-recurring income of EUR 1.0 million. In July, it was estimated that the result of operations in the second half of 2007 will remain at the previous year's level. This estimate has not been changed.

The demand for Environmental Services will remain strong in Finland. Increasing plant capacity and a versatile service offering will probably improve L&T's market position. During the current year, L&T Biowatti will strengthen the procurement of raw materials, increase stocks, improve its delivery capacity and thus prepare for increased demand in 2008. The final-quarter operating profit of the division is expected to be on a par with last year's level.

This estimate was made in October 2007 and was included in the Q307 interim report.

Prospects for the rest of the year 2007 (2)

The market outlook for Property and Office Support Services in Finland is moderate as outsourcing continues. Cleaning operations abroad are unprofitable but the loss is expected to be smaller than a year earlier. The final-quarter earnings for the entire division are expected to improve.

The market outlook for Industrial Services is positive. Strong demand seems to continue. The risk of obtaining raw material for the upcoming operations of the joint venture L&T Recoil can be considered to have disappeared. Comparable operating profit for the division excluding the effect of changes in the value of oil derivatives is expected to be on a par with last year's level. Last year, imputed changes in the value of oil derivatives improved earnings by EUR 0.7 million.

An increase in the capacity of the Turku and Valkeakoski plants will be completed during the final quarter. The planning and construction of new plants will continue. Due to completed corporate acquisitions and other investment decisions made, the full-year capital expenditure will exceed the previous year's level.

This estimate was made in October 2007 and was included in the Q307 interim report.