



Lassila & Tikanoja plc

5 February 2008

Jari Sarjo, President and CEO

Highlights of the year 2007

Growth

- Net sales increased by 27.2% totalling EUR 554.6m
 - Growth mainly from corporate acquisitions:
 - L&T Biowatti (Finland)
 - Property and office support service companies (Sweden, Finland)
 - Organic growth of 7.5% faster than the market growth:
 - Well-working product development, marketing and sales, and improved customer satisfaction
 - Customers are concentrating and outsourcing services
- Approximately 10% of net sales from operations abroad

Highlights of the year 2007

Financial Performance

- The operating profit excluding non-recurring and imputed items increased by 14.8% totalling EUR 54.3m (EUR 47.3m)
- Negative effect of non-recurring and imputed items on operating profit EUR 5.5m:
 - JV Salvor EUR -2.3m
 - Imputed changes in the fair values of oil derivatives EUR -2.8m
- Non-recurring income of EUR 2.9m in the comparison period

Financial summary

	Q4 2007	Q4 2006	Change %	Q1-Q4 /2007	Q1-Q4 /2006	Change %
Net sales, EUR million	148.2	115.4	28.4	554.6	436.0	27.2
Operating profit excl. non-recurring and imputed items, EUR million	13.3	9.3	43.0	54.3	47.3	14.8
Operating profit, EUR million	12.1	10.3	17.3	48.8	50.2	-2.8
Operating margin, %	8.2	8.9		8.8	11.5	
Profit before taxes, EUR million	10.9	10.0	8.9	44.5	48.5	-8.3
Earnings per share, EUR	0.20	0.18	11.1	0.83	0.90	-7.8
EVA, EUR million	4.6	4.6		23.0	28.6	-19.6

Highlights of the year 2007

Environmental Services

- Net sales increased by 37%
- Thanks to the Biowatti acquisition, L&T became the leading Finnish provider of renewable bio fuels
- Good organic growth
- JV Salvor burdened the result. L&T acquired full ownership of Salvor in September and remaining operations were integrated into Industrial Services
- Recycling plant capacity increased
- Several new recycling plants and disposal sites are under construction
- Operations in Russia are expanding
- Increases in municipal contract portfolio weakened the profitability of waste transportation

Highlights of the year 2007

Property and Office Support Services

- Net sales up by 21%
- Organic growth slightly faster than the market growth
- Great number of new outsourcing contracts signed in Finland, particularly in the forest industry
- Market position in Sweden strengthened due to the corporate acquisitions, especially in hygiene services for food industry
- Operations abroad are still unprofitable as expected

Industrial Services

- Net sales increased by 13%, being entirely organic
- Strong demand continued, market position strengthened
- Good demand and improved productivity resulted in earnings improvement in day-to-day operations
- JV L&T Recoil's raw material procurement risks have been eliminated, the re-refinery will be completed in late 2008

Highlights of Q407

- Net sales EUR 148.2m (EUR 115.4m) + 28% (yoy)
 - Strong organic growth 9.0% (yoy)
 - Success in new and additional sales
 - Prices were raised almost as planned
 - Early winter was mild
 - Operating profit EUR 12.1m (EUR 10.3m) + 17.3%(yoy)
 - social security costs lower than anticipated
- ⇒ Operating profit excluding non-recurring and imputed items grew by 43.0% to EUR 13.3m (EUR 9.3m) (yoy)

Highlights of Q407

Environmental Services; Operating profit EUR 8.4m (EUR 7.1m)

- Growth in net sales strong 39% mainly due to corporate acquisitions, but also organic growth was strong in each country
- Mild early winter improved efficiency in waste management but reduced L&T Biowatti's fuel supplies
- Prices were raised as planned
- The utilisation rates of the new recycling plant in Joensuu (Finland) and Turku plant extension quickly rose to the planned level

Highlights of Q407

Property and Office Support Services; operating profit EUR 4.0m (EUR 1.2m)

- Strong organic growth
- Performance of Finnish operations exceeded targets
- Net sales of operations abroad grew and losses declined
- Social security costs lower than anticipated
- Prices were raised as planned

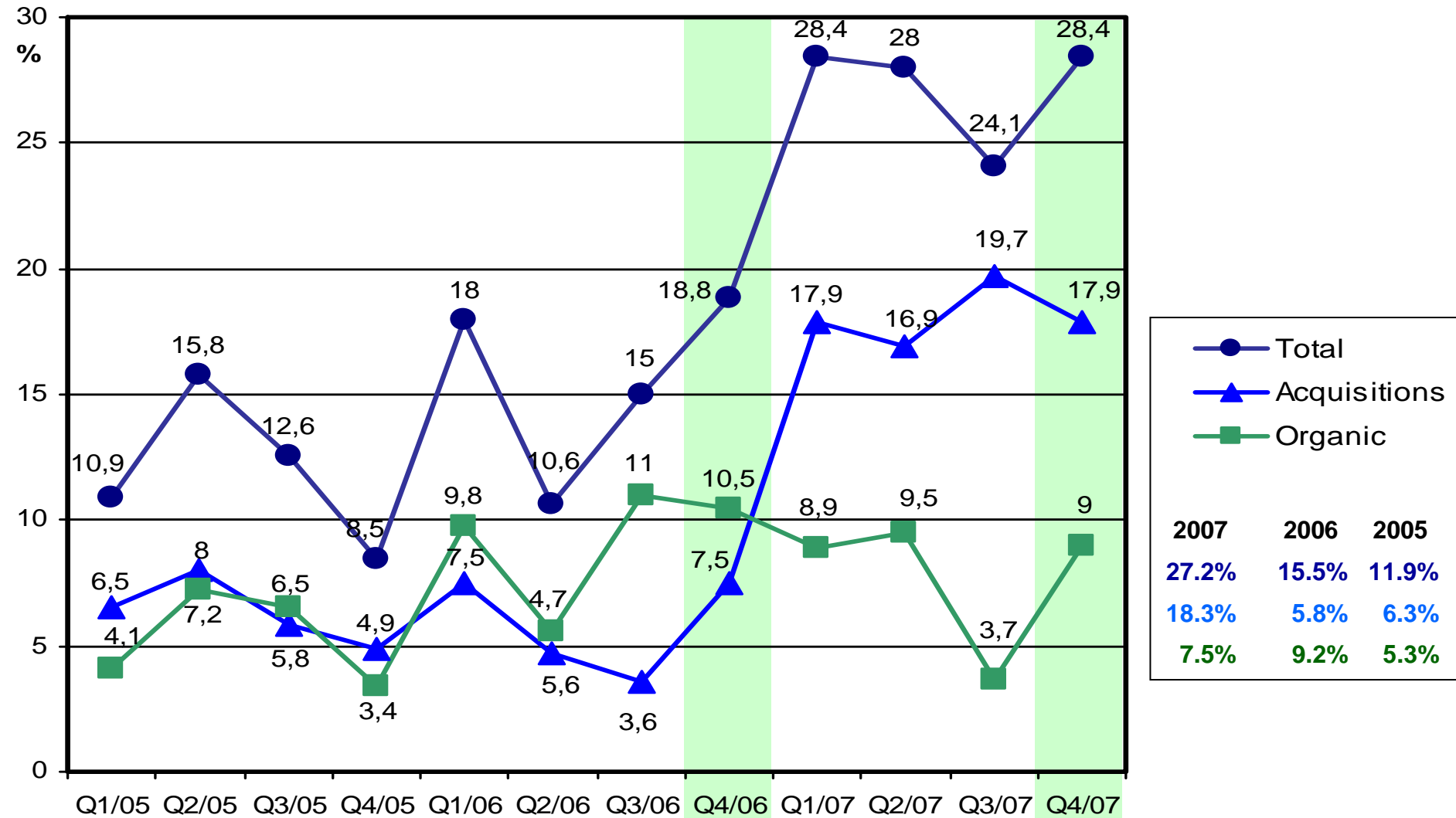
Industrial Services; operating profit EUR 0.2m (EUR 3.0m)

- Strong organic growth continued, particularly in damage repair services
- Imputed changes in fair values of oil derivatives burdened operating profit by EUR -0.7 million while in the comparison period an income of EUR 0.7 million was recognised
- Integration of Salvor's operations burdened profit by EUR 0.5 million
- Prices were raised mainly in early 2008

Net sales by division

EUR million	2007	2006	Change %
Environmental Services	279.8	204.8	36.6
Property and Office Support Services	204.1	168.4	21.2
Industrial Services	75.5	66.8	12.9
Group administration and other	0	0.1	
Inter-division net sales	-4.9	-4.2	
Total	554.6	436.0	27.2

Growth in net sales 2005 - 2007



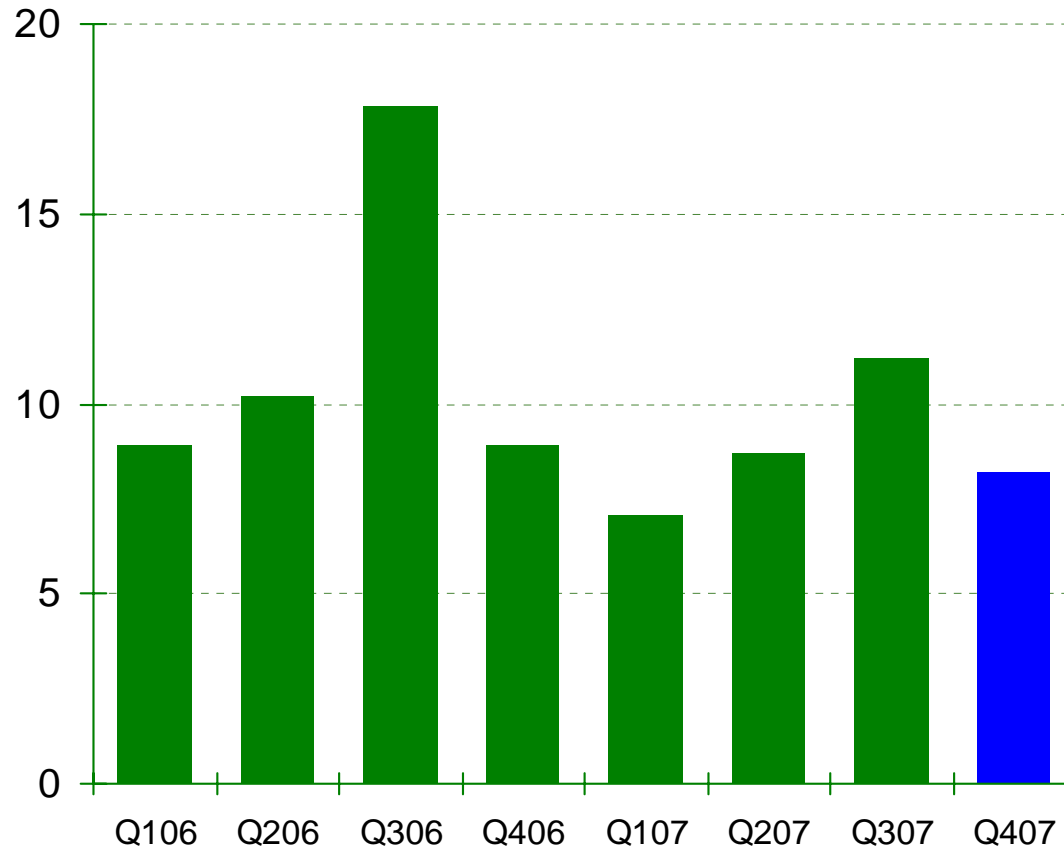
Earnings by division

EUR million	2007	2006	Change %
Environmental Services	35.0	32.8	6.8
Property and Office Support Services	11.0	8.8	25.7
Industrial Services	4.8	9.3	-48.9
Group administration and other	-2.0	-0.7	
Total operating profit	48.8	50.2	-2.8
%	8.8	11.5	

Key figures

	Q407	Q406	2007	2006
Earnings/share, EUR	0.20	0.18	0.83	0.90
Return on equity, % (ROE)			17.0	21.2
Return on invested capital, % (ROI)			17.6	21.0
Equity ratio, %			46.6	50.4
Gearing, %			42.7	29.7
EVA, EUR million	4.6	4.6	23.0	28.6
Capital expenditure, EUR million	15.5	15.1	93.2	47.2
Depreciation and amortisation, EUR million	8.9	7.5	33.4	28.2
Total number of full-time and part-time employees at end of period			9,387	8,328

Operating margin by quarter

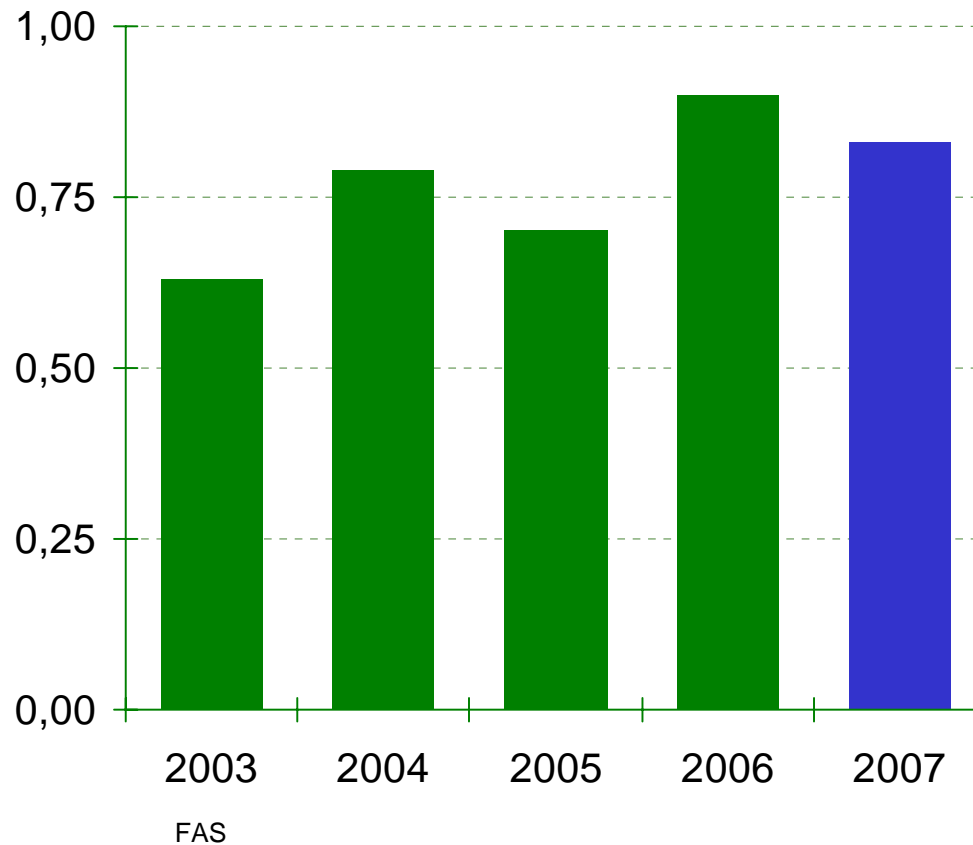


Operating margin by division

Quarterly figures

%	Q1- Q407	Q407	Q307	Q207	Q107	Q1- Q406	Q406	Q306	Q206	Q106
Environmental Services	12.5	11.2	14.3	11.3	13.4	16.0	13.2	19.1	15.8	16.0
Property and Office Support Services	5.4	7.3	8.1	3.5	2.2	5.2	2.6	11.7	3.6	3.1
Industrial Services	6.3	0.9	10.7	13.3	-0.9	14.0	16.6	20.2	11.9	4.3
Lassila & Tikanoja	8.8	8.2	11.2	8.7	7.1	11.5	8.9	17.8	10.2	8.9

Earnings per share



Prospects for the year 2008 (1)

The prospects for Lassila & Tikanoja's markets remain mostly good. Organic growth is expected to remain strong. Full-year net sales are expected to increase in line with the long-term target, which is more than 10%, and earnings are expected to improve clearly. Operating profit excluding non-recurring and imputed items is also expected to improve.

Environmental Services will continue to be in demand. Increased plant capacity and a versatile service offering will probably improve L&T's market position. Increasing the capacity of recycling plants and new landfills will continue along with geographical expansion in Russia.

Actions of EU climate policy will have a positive effect on the demand for L&T's renewable fuels but this will be allocated over several years. The prices for raw material and subcontracted services required by L&T Biowatti have increased strongly. The second mild winter in a row makes forest felling more difficult and increases the costs. L&T Biowatti will invest in strengthening its procurement organisation for wood chips and build one or two pellet plants that will be completed at the end of the year. Operating profit of Environmental Services is expected to increase.

The market outlook for Property and Office Support Services remains unchanged in Finland, and L&T's competitiveness is quite good. The outsourcing of support services will continue in the forest industry but the municipal market will only be opened up at a slow pace. Earnings from international operations are expected to improve but the full-year result is expected to remain slightly negative. Increasing net sales are a focal point for improving the profitability of international operations. The division's operating profit is expected to increase.

This estimate was made in February 2008 and was included in the financial statements release for the year 2007.

Prospects for the year 2008 (2)

The market outlook for Industrial Services is good for the time being. Strong demand seems to continue, and L&T has managed to increase its market shares. Wastewater services and damage repair will increase their capacity and improve their service ability in Finland. The completion of L&T Recoil's re-refinery will be postponed towards the end of the year due to problems with the supply of critical components. The plant construction costs have exceeded the budget but simultaneously its recovery rate has improved in comparison to the original design level.

Operating profit for Industrial Services is expected to increase clearly provided that the world market price of crude oil will not rise substantially. Comparable operating profit excluding the effect of changes in the value of oil derivatives is also expected to increase. Imputed changes in the fair values of oil derivatives weakened the earnings by EUR 2.8 million in 2007.

Investments in 2008 will go into recycling plants, landfills, pellet plants and increases in machinery and transport capacity. Investments are expected to be smaller than in 2007. The focus is on organic growth.