



LASSILA & TIKANOJA PLC



**Lassila & Tikanoja plc**

**27 July 2004**

**Jari Sarjo, President and CEO**

## Key Points of Q204

- Growth in net sales 8.3% (year on year)
  - Growth mainly by acquisitions, organic growth 3 percentage points
- Operating profit went up by 4.4% (year on year)
- **Environmental Services**
  - Steady growth in operating profit continued
  - Volume of recycling materials in own plants grew
  - New recycling plant in Oulu started in summer
  - Salvor Oy, joint venture in environmental technology was established
- **Property Services**
  - In cleaning services customers cost-conscious
  - In cleaning services rescaling is being done
  - A significant change in the market will improve L&T's market position
- **Industrial Services**
  - New recycling plant started in hazardous waste management
  - Pent-up demand from industry started to burst through
  - The measures to put damage repair services on a sound footing had the planned effect
- Investment projects proceed as planned both in Finland and abroad

## Q204 Key Figures

	Q204	H104
Net sales, EUR million	84.6	161.0
Gross profit, EUR million	16.6	27.5
Gross profit margin, %	19.6	17.1
Operating profit, EUR million	9.9	14.1
Operating margin, %	11.7	8.7

## Net Sales by Division

EUR million	H104	H103	Change %
Environmental Services	75.7	66.3	14.1
Property Services	59.6	56.7	5.2
Industrial Services	25.7	26.9	-4.3
Total	161.0	149.9	7.4

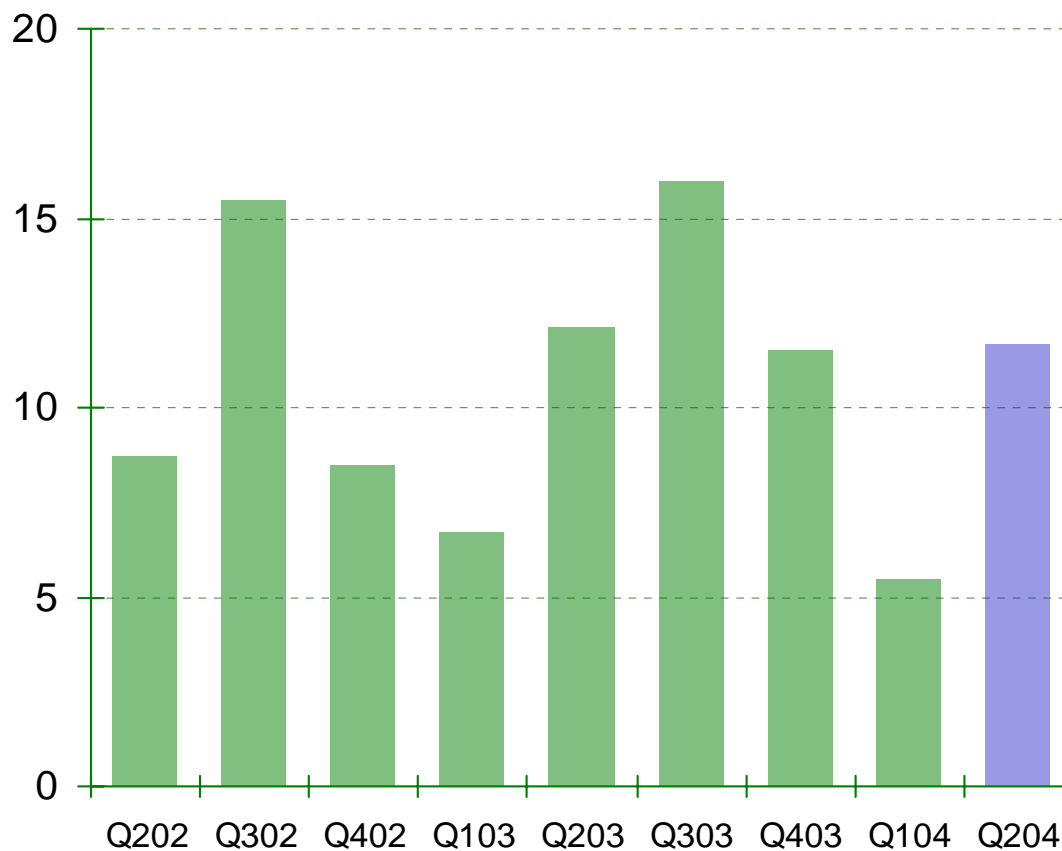
## Earnings by Division

EUR million	H104	H103	Change %
Environmental Services	10.4	9.2	12.9
Property Services	2.0	3.1	-36.2
Industrial Services	1.6	1.9	-13.7
Operatig profit	14.1	14.3	-1.4
%	8.7	9.5	

## Key Figures

	H104	H103	2003
Earnings/share, EUR	0.56	0.52	1.38
Return on equity, % (ROE)	19.6	19.7	24.0
EVA, EUR million	5.7	6.7	19.6
Return on invested capital, % (ROI)	15.1	16.9	20.5
Equity ratio, %	35.2	36.8	40.6
Gearing, %	113.2	101.5	80.1
Gross investments, EUR million	22.5	19.9	43.8
Depreciation, EUR million	14.4	12.4	25.6
Average personnel converted to full-time	5,292	4,688	4,595

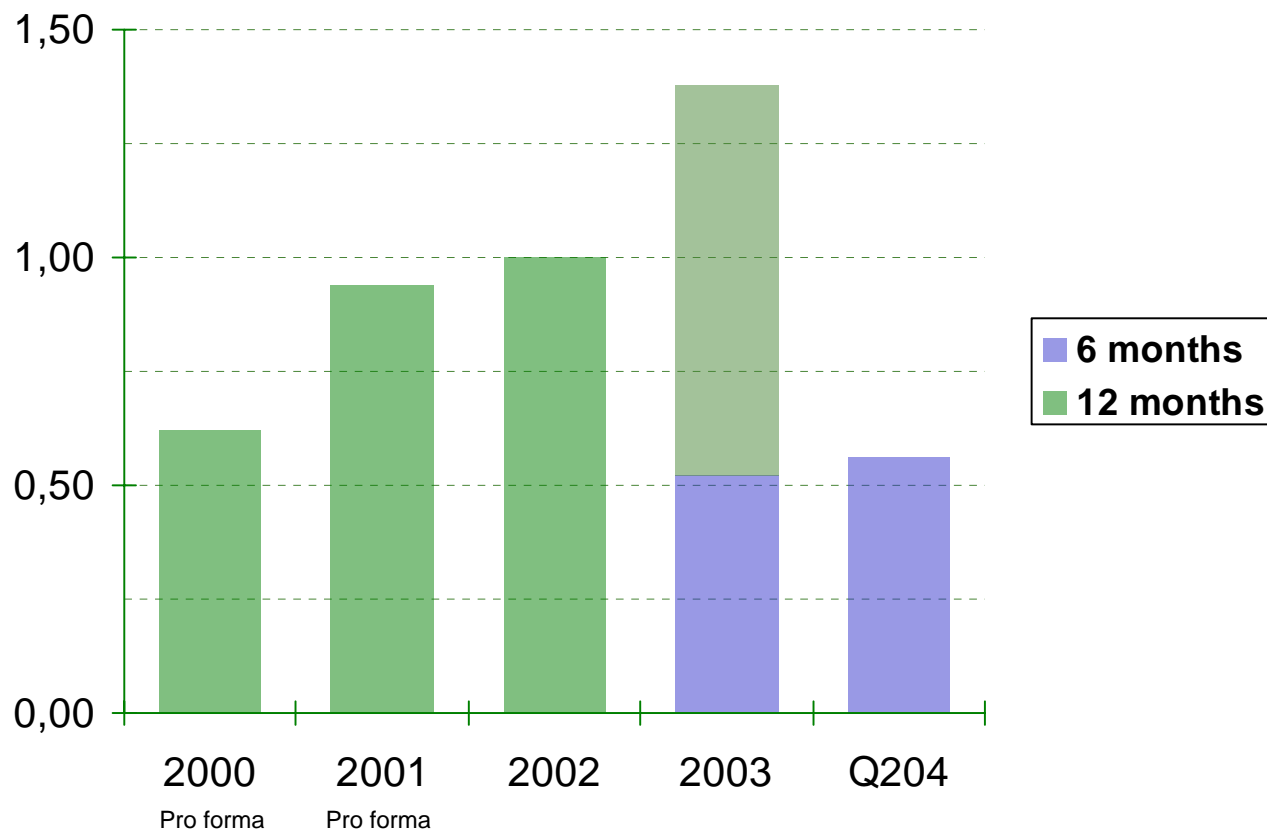
## Operating Margin by Quarter



## Operating Margin by Division Quarterly Figures

%	Q204	Q104	Q1- Q403	Q403	Q303	Q203	Q103	Q1- Q402	Q402	Q302
Environmental Services	15.7	11.6	<b>15.1</b>	14.6	18.0	16.5	11.0	<b>13.0</b>	11.7	17.0
Property Services	4.8	2.0	<b>7.5</b>	7.9	11.0	6.7	4.3	<b>7.1</b>	7.4	12.4
Industrial Services	14.4	-4.6	<b>11.6</b>	10.8	20.8	12.1	1.3	<b>8.4</b>	2.9	16.8
Lassila & Tikanoja	11.7	5.5	<b>11.7</b>	11.5	16.0	12.1	6.7	<b>10.0</b>	8.5	15.5

## Earnings per Share



## Prospects for the rest of the year

General market prospects in the company's divisions are still good. The market situation in Environmental Services continues to be stable and an improvement is expected in the market situation of Property Services and Industrial Services. Investment projects are proceeding as planned and expansion abroad is advancing cautiously.

Net sales are expected to grow in line with long-term targets. Results for the entire year are expected to be about the same as those for 2003. The target is challenging, particularly in Property Services.

This estimate was made in July after Q204.