



LASSILA & TIKANOJA PLC



Lassila & Tikanoja plc

27 July 2005

Jari Sarjo, President and CEO

Key Points of Q205

- Growth in net sales 15.8% (yoy)
 - Organic growth strengthened and was 7.2 percentage points
 - Jäteässä Oy was acquired, four minor company acquisitions
- Operating profit decreased by 9.4% (yoy)
 - Loss of income and additional costs caused by labour dispute in forest industry amounted to EUR 1.3 million

Key Points of Q205

- **Environmental Services**
 - Result was adversely affected by labour dispute in forest industry, rise in fuel prices, some non-recurring expenses and seasonal nature of the operations of the joint venture company Salvor Oy.
 - Prices were raised in summer.
 - Success in sales operations
 - Operations in Russia started.
- **Property Services**
 - Strong organic growth continued, market position strengthened.
 - Profitability improved as a result of growth in net sales, improved customer permanence and measures to improve efficiency.
 - Less snowfall than in the previous year.
 - Operations in Moscow started
 - Pension costs were lower than in the previous year.
- **Industrial Services**
 - Labour dispute in forest industry caused revenue loss of about EUR 2 million. Some outstanding work has been postponed until later in the year.
 - Result of hazardous waste services was boosted by a rise in the recovery rate and growth in net sales.
 - Damage repair services was hampered by weak demand.

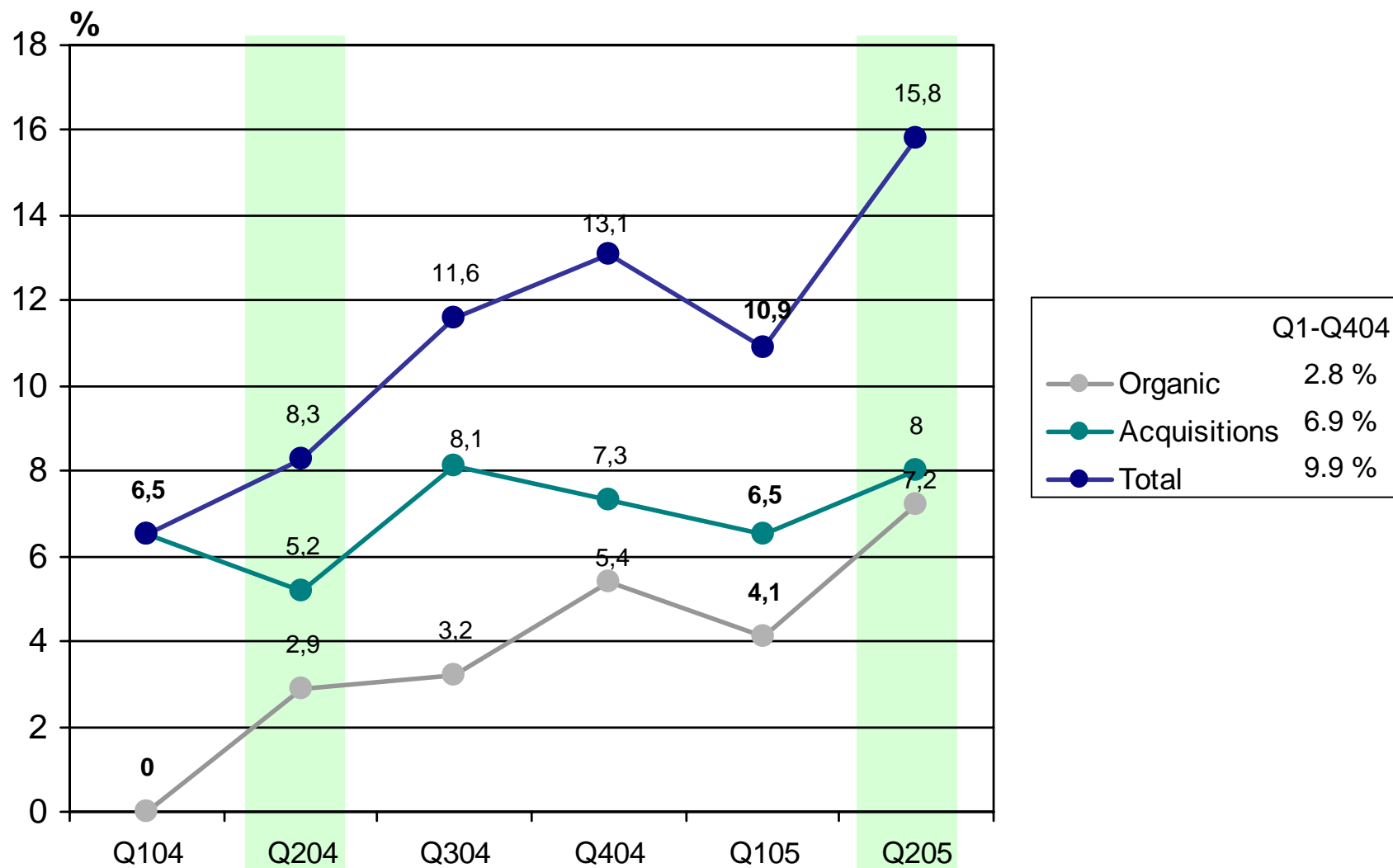
Q205 Key Figures

	Q205	H105
Net sales, EUR million	98.1	183.3
Gross profit, EUR million	15.6	26.2
Gross profit margin, %	15.9	14.3
Operating profit, EUR million	10.6	16.9
Operating margin, %	10.8	9.2

Net Sales by Division

EUR million	H105	H104	Change %
Environmental Services	86.8	76.8	12.9
Property Services	70.7	60.2	17.5
Industrial Services	27.4	26.0	5.3
Group administration and other non-allocated items	0.2	0.2	
Inter-division sales	-1.8	-1.6	
Total	183.3	161.5	13.5

Growth of Net Sales



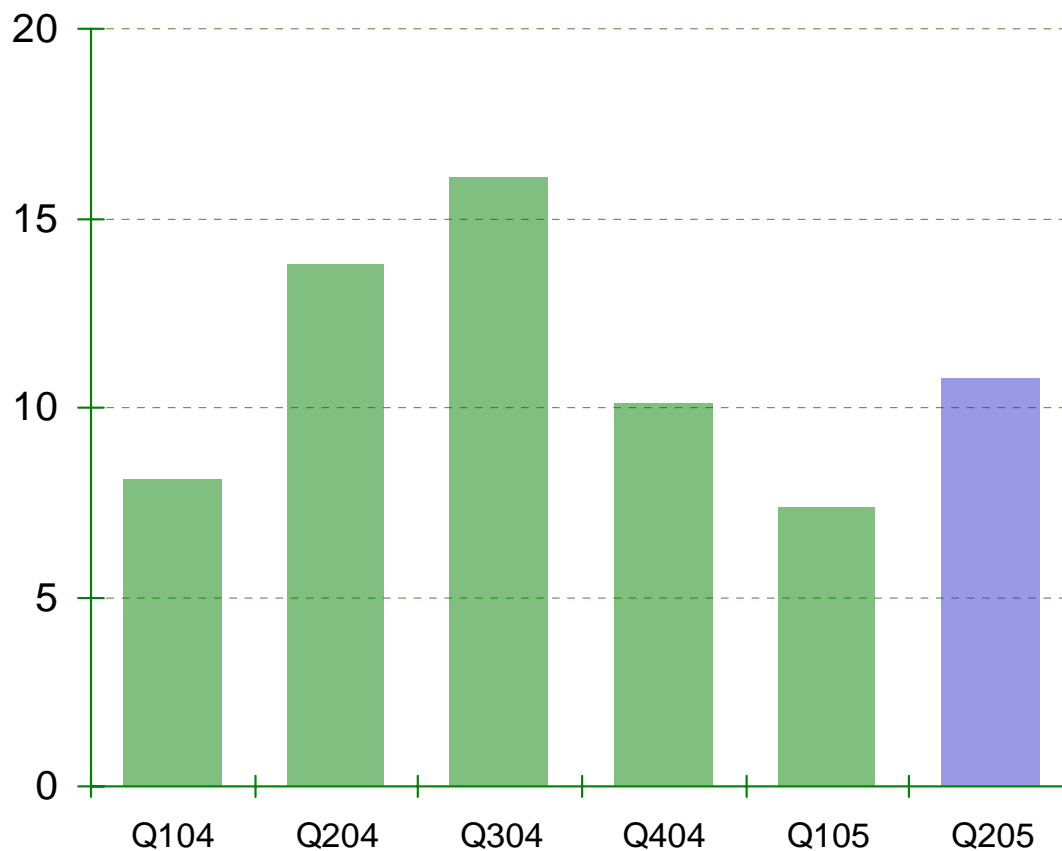
Earnings by Division

EUR million	H105	H104	Change %
Environmental Services	11.1	13.0	-14.4
Property Services	5.1	3.2	58.2
Industrial Services	1.6	2.5	-37.8
Group administration and other non-allocated items	-0.9	-0.9	
Total operating profit	16.9	17.9	-5.3
%	9.2	11.1	

Key Figures

	H105	H104	2004
Earnings/share, EUR	0.29	0.35	0.79
Return on equity, % (ROE)	16.2	29.0	24.8
Return on invested capital, % (ROI)	15.6	21.0	22.5
Equity ratio, %	45.0	31.3	48.1
Gearing, %	61.8	125.7	45.6
Gross investments, EUR million	34.6	22.5	48.1
Depreciation, EUR million	11.9	10.2	21.4
Average personnel converted to full-time	5,797	5,292	5,409

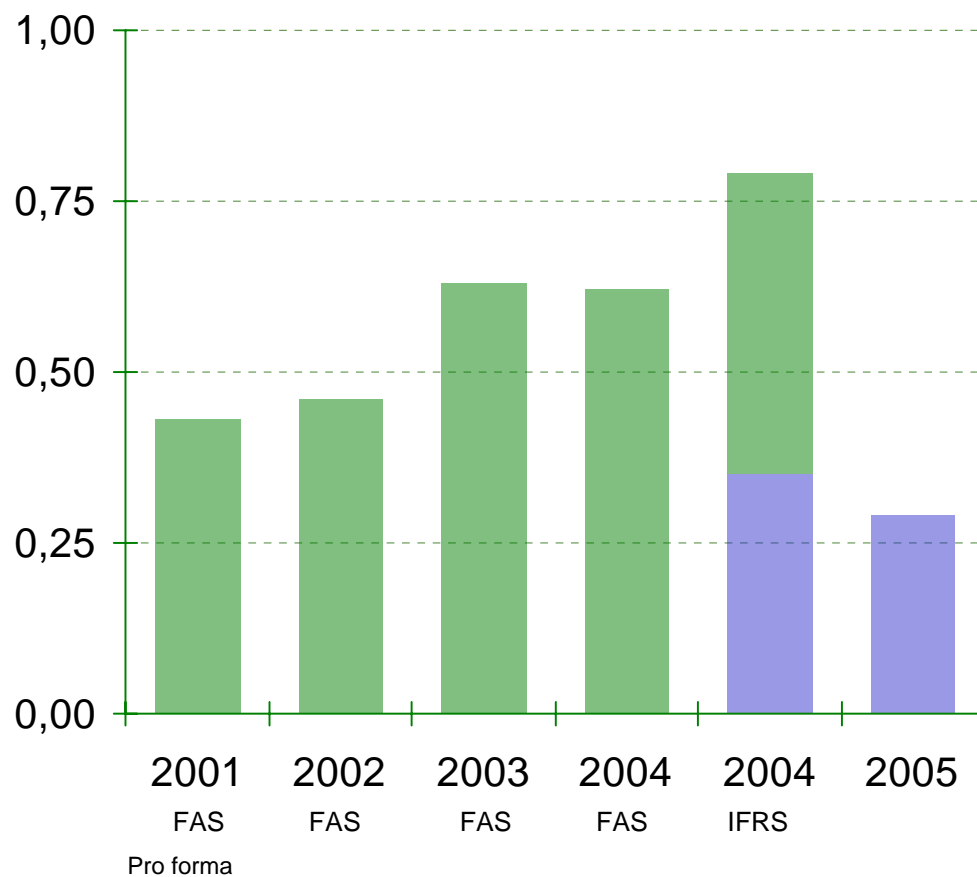
Operating Margin by Quarter



Operating Margin by Division Quarterly Figures

%	Q205	Q105	Q1- Q404	Q404	Q304	Q204	Q104
Environmental Services	13.5	11.9	16.4	14.1	17.9	18.4	15.2
Property Services	8.0	6.4	7.5	6.3	12.8	6.8	4.0
Industrial Services	11.6	-2.1	12.3	9.1	19.3	17.4	-0,6
Lassila & Tikanoja	10.8	7.4	12.1	10.1	16.1	13.8	8.1

Earnings per Share





Prospects for the remainder of 2005

Prospects in the company's divisions are good. The amount of waste material entering the recycling plants is expected to remain at a good level. Property Services sales are expected to continue strong. The labour dispute in the forest industry has now ended, which will normalize demand in Industrial Services and create potential to growth and performance improvement.

Progress is being made with expansion abroad and several smallish corporate acquisitions are planned. Investments in recycling plants are progressing according to plan.

Net sales are expected to grow at a faster rate than last year and the comparable result for the full period should be slightly above last year's level (2004 excluding the revenue recognition of pension liability).

The settlement reached in the negotiations in the forest industry will have a positive effect on Property Services and Industrial Services in the long term. The forest industry will be able to purchase property maintenance services from companies in the field. Since downtime maintenance will be distributed across several months in future, evening out the work flow and facilitating resource allocation in industrial cleaning, this will in turn improve efficiency and help reduce tied-up capital.

This estimate was made in July after the Q2 2005 results.