



LASSILA & TIKANOJA PLC



Lassila & Tikanoja plc

26 October 2004

Jari Sarjo, President and CEO

Key Points of Q304

- Growth in net sales 11.6% (yoy)
 - three company acquisitions were made and a joint venture, Salvor Oy, was established
 - organic growth strengthened and was 3.2 percentage points
 - several company acquisition projects abroad and in Finland
- Operating profit remained on the same level (yoy)
- **Environmental Services**
 - Volume of waste into own recycling plants grew
 - Result was adversely affected by rise in fuel prices
 - New recycling plant in Oulu started in summer
 - Joint venture Salvor Oy started operations as planned
- **Property Services**
 - Strong organic growth
 - In cleaning services, measures to improve production succeeded well, results improved also in relative terms
 - Customer permanence improved
- **Industrial Services**
 - Volatile demand made it difficult to plan production
 - Volume of hazardous waste in own plants grew
 - Damage repair services made a clear profit, competitiveness improved considerably

Q304 Key Figures

	Q304	Q1 -Q304
Net sales, EUR million	86.3	247.3
Gross profit, EUR million	18.9	46.4
Gross profit margin, %	21.9	18.8
Operating profit, EUR million	12.2	26.2
Operating margin, %	14.1	10.6

Net Sales by Division

EUR million	Q104 – Q304	Q103 – Q303	Change %
Environmental Services	115.4	101.0	14.3
Property Services	90.4	84.8	6.7
Industrial Services	41.4	41.4	
Total	247.3	227.2	8.8

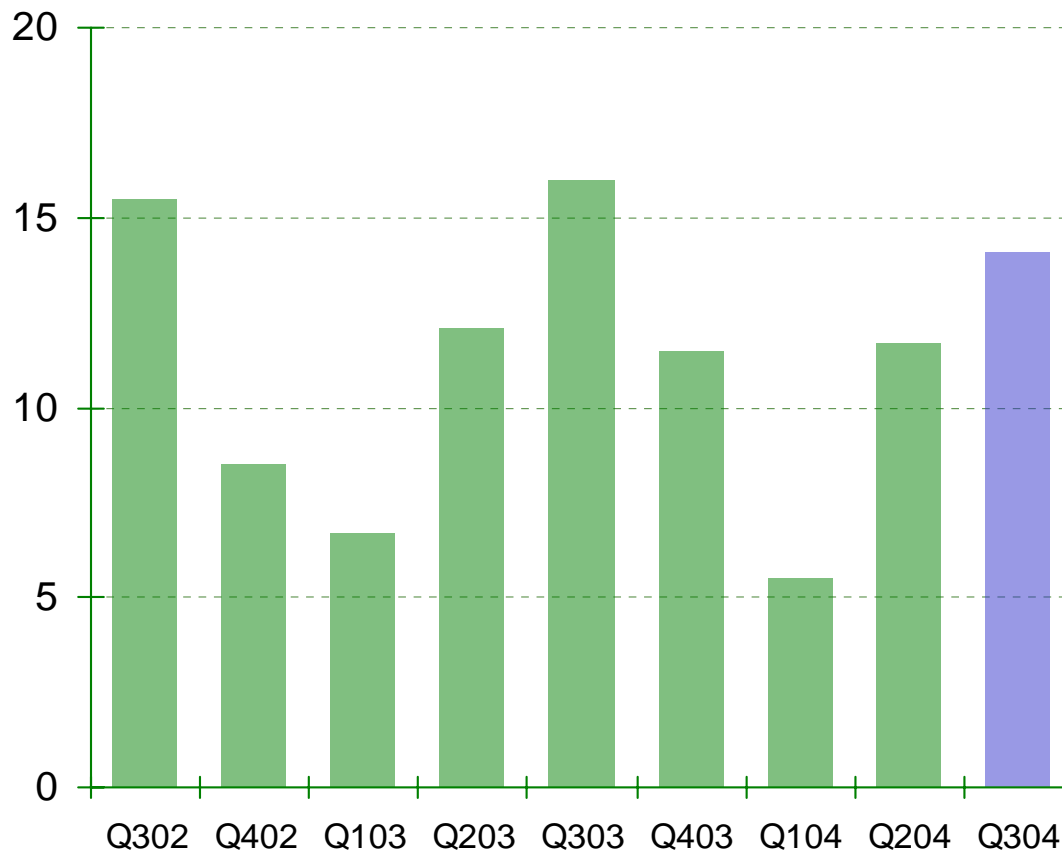
Earnings by Division

EUR million	Q104 - Q304	Q103 - Q303	Change %
Environmental Services	16.5	15.5	6.8
Property Services	5.5	6.2	-12.4
Industrial Services	4.2	4.9	-13.8
Operatig profit %	26.2 10.6	26.6 11.7	

Key Figures

	Q104 - Q304	Q103 - Q303	2003
Earnings/share, EUR	1.03	1.02	1.38
Return on equity, % (ROE)	23.1	24.4	24.0
EVA, EUR million	13.4	14.9	19.6
Return on invested capital, % (ROI)	18.2	20.5	20.5
Equity ratio, %	36.2	38.9	40.6
Gearing, %	103.4	82.6	80.1
Gross investments, EUR million	39.1	25.4	43.8
Depreciation, EUR million	22.0	18.8	25.6
Average personnel converted to full-time	5,621	4,603	4,595

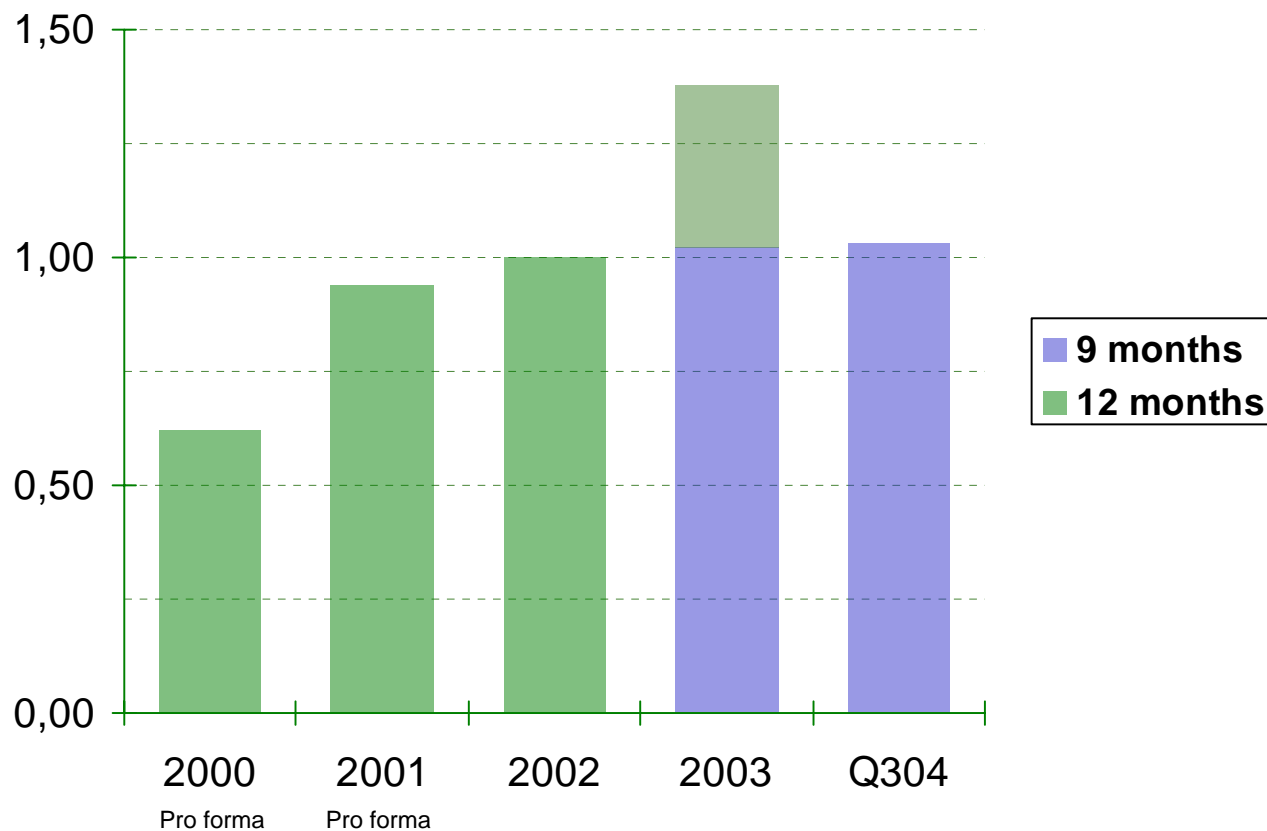
Operating Margin by Quarter



Operating Margin by Division Quarterly Figures

%	Q304	Q204	Q104	Q1- Q403	Q403	Q303	Q203	Q103	Q1- Q402	Q402
Environmental Services	15.3	15.7	11.6	15.1	14.6	18.0	16.5	11.0	13.0	11.7
Property Services	11.2	4.8	2.0	7.5	7.9	11.0	6.7	4.3	7.1	7.4
Industrial Services	16.6	14.4	-4.6	11.6	10.8	20.8	12.1	1.3	8.4	2.9
Lassila & Tikanoja	14.1	11.7	5.5	11.7	11.5	16.0	12.1	6.7	10.0	8.5

Earnings per Share



Prospects

General market prospects in the company's divisions are still mainly favourable. The market situation in Environmental Services continues to be stable and an improvement is expected in the market situation of Property Services. Industrial demand, however, is expected to remain volatile.

The growth in net sales is expected to be somewhat above nine percent. Results for the entire year are expected to be about the same as those for 2003.

International operations and investment in the expanding recycling business are the mainstays of Lassila & Tikanoja's strategy. The implementation of the strategy requires increasing investments and strengthening of the organisation for international operations, which will have some negative effect on the financial performance in the short term.

This estimate was made in October after Q304 results.