



LASSILA & TIKANOJA PLC



Lassila & Tikanoja plc

26 October 2005

Jari Sarjo, President and CEO

Highlights of Q305

- Growth in net sales 12.6% (yoy)
 - Organic growth strengthened and was 6.5 percentage points
 - Nine minor company acquisitions
 - Cleaning Services in Latvia were expanded by an acquisition
- Operating profit decreased by 4.3% (yoy)
 - The financial performance was adversely affected by the expansion of operations abroad and higher fuel prices.

Highlights of Q305

Environmental Services

- Strong organic growth.
- Result was adversely affected by rise in fuel prices, unsatisfactory result of the joint venture company Salvor Oy and a decrease in recovered fuel prices.
- Prices will be raised as of 1 January.
- Impact of measures to improve cost-efficiency will be felt starting from Q106.
- Sales agreements reached for nearly total supply of recovered fuel for 2006.

Property Services

- Strong organic growth continued.
- Highly developed service products have sold well.
- In property maintenance, profitability improved as a result of measures to improve efficiency.
- Result was adversely affected by integration of Moscow operations.

Industrial Services

- Net sales of hazardous waste services went up and recovery rate rose.
- In industrial cleaning, impact of adjustment measures will be felt in Q405.
- Damage repair and wastewater services were hampered by weak demand.

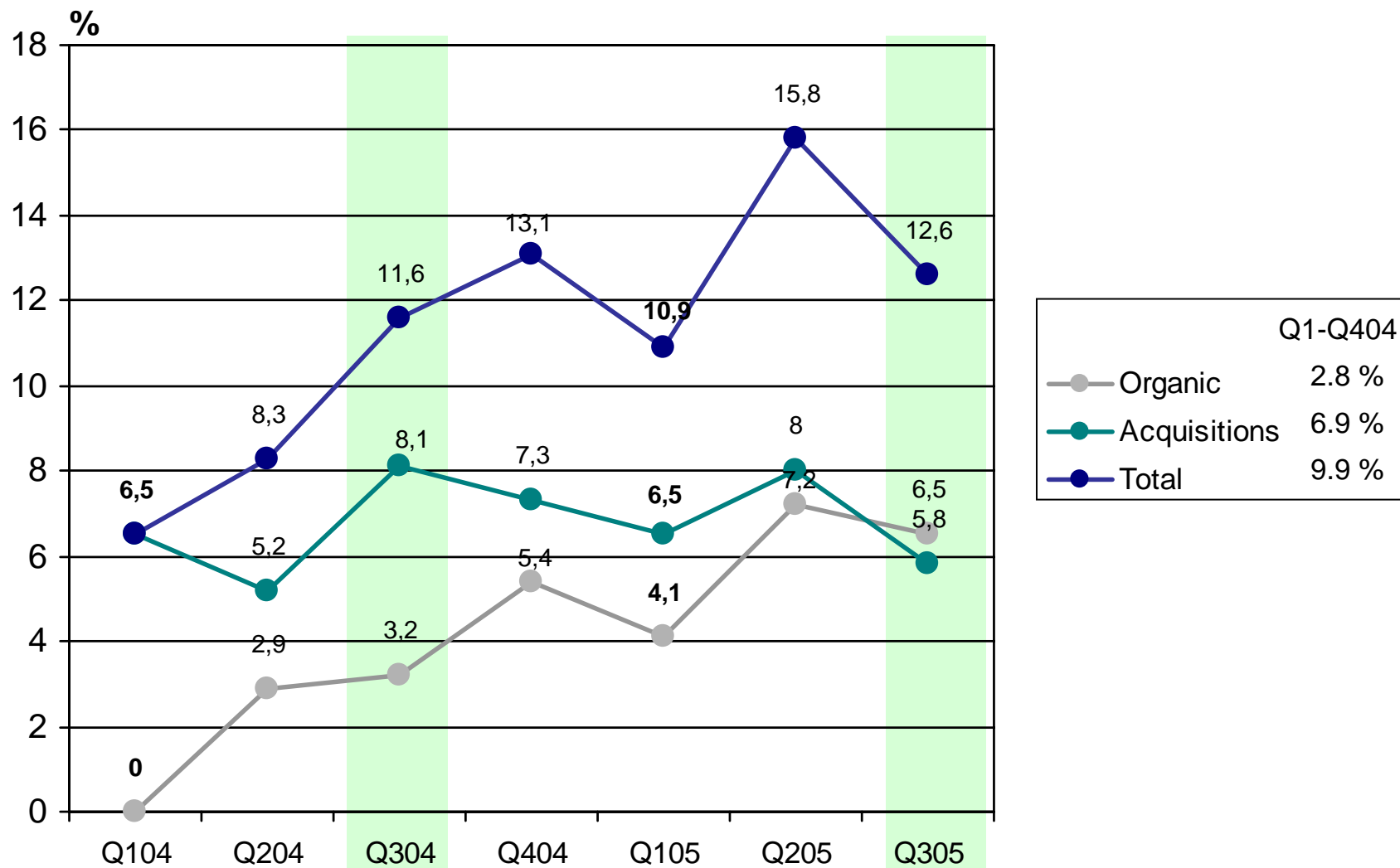
Q305 key figures

	Q305	Q1-Q3/05
Net sales, EUR million	97.1	280.4
Gross profit, EUR million	17.3	43.4
Gross profit margin, %	17.8	15.5
Operating profit, EUR million	13.3	30.2
Operating margin, %	13.7	10.8

Net sales by division

EUR million	Q1-Q3 2005	Q1-Q3 2004	Change %
Environmental Services	133.3	116.8	14.2
Property Services	106.3	91.2	16.6
Industrial Services	43.2	41.9	3.2
Group administration and other non-allocated items	0.3	0.3	
Inter-division net sales	-2.8	-2.1	
Total	280.4	247.7	13.2

Growth of net sales



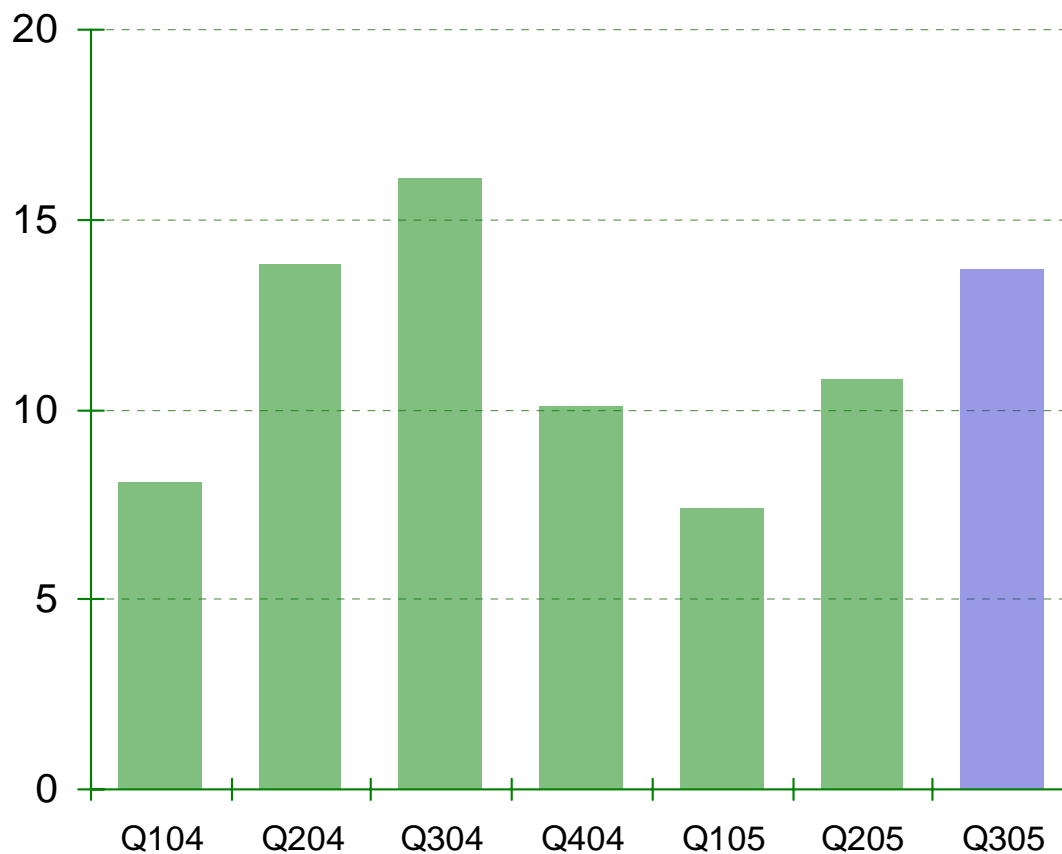
Earnings by division

EUR million	Q1-Q3 2005	Q1-Q3 2004	Change %
Environmental Services	18.1	20.1	-10.0
Property Services	9.6	7.2	32.6
Industrial Services	3.8	5.6	-31.5
Group administration and other non-allocated items	-1.3	-1.2	
Total operating profit	30.2	31.7	-4.9
%	10.8	12.8	

Key figures

	Q305	Q304	2004
Earnings/share, EUR	0.54	0.61	0.79
Return on equity, % (ROE)	19.7	32.7	25.2
Return on invested capital, % (ROI)	18.1	23.8	22.5
Equity ratio, %	46.8	32.9	48.1
Gearing, %	57.8	111.7	45.6
Gross investments, EUR million	49.6	38.1	48.1
Depreciation, EUR million	18.2	15.7	21.4
Average personnel converted to full-time	6,183	5,621	5,409

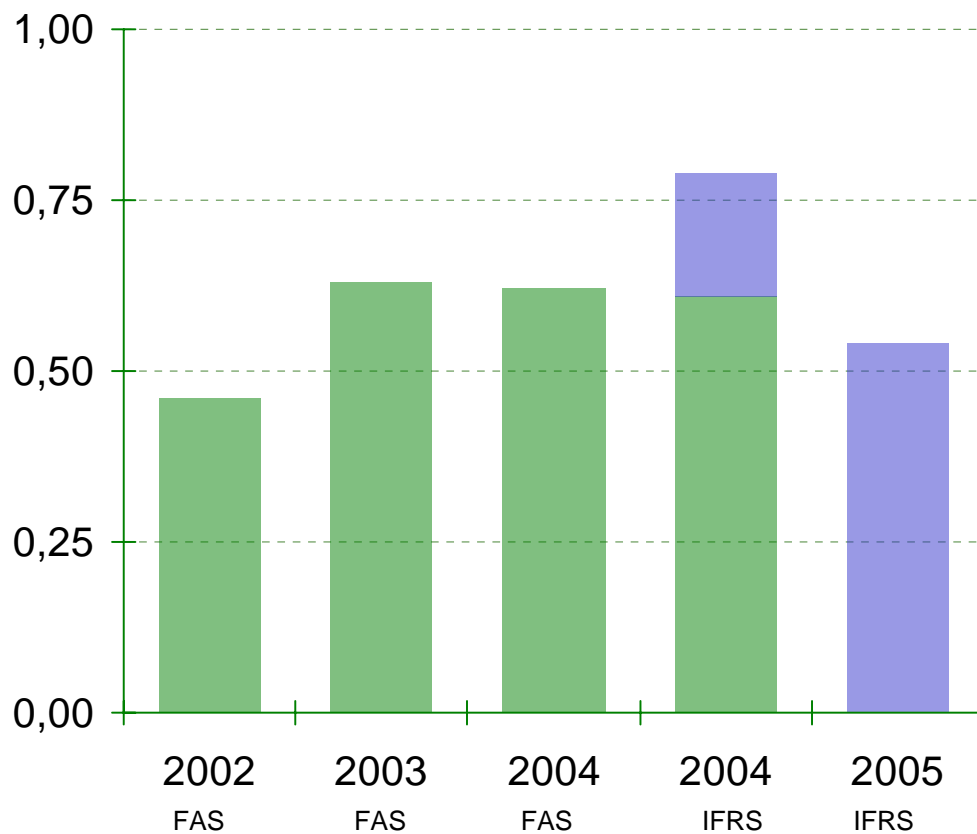
Operating margin by quarter



Operating margin by division Quarterly figures

%	Q305	Q205	Q105	Q1- Q404	Q404	Q304	Q204	Q104
Environmental Services	15.1	13.5	11.9	16.4	14.1	17.9	18.4	15.2
Property Services	12.5	8.0	6.4	7.5	6.3	12.8	6.8	4.0
Industrial Services	14.3	11.6	-2.1	12.3	9.1	19.3	17.4	-0,6
Lassila & Tikanoja	13.7	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 have for the most part remained good. Demand in Environmental Services and Property Services is expected to continue strong. Demand in Industrial Services has returned to normal, but the shutdown work not done during the labour dispute in the Finnish forest industry will more than likely no longer be done this year.

Expansion abroad is proceeding as planned. The recycling plants under construction are being completed on schedule.

Net sales for the entire year will show a higher growth rate than in 2004. The financial performance for the entire year is expected to be on the same level as in 2004, though not better (2004 excluding the accounting impact of pension liabilities). The result will still be adversely affected by the investment made in growth and the labour dispute in the forest industry. Moreover, it has not been possible to pass on the substantial rise in fuel prices fully in sales prices.

This estimate was made in October after the release of Q3 2005 results.