

**LASSILA & TIKANOJA PLC: FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2014**

- **Net sales for the final quarter EUR 162.3 million (EUR 169.7 million); operating profit EUR 14.0 million (operating loss EUR 1.6 million); operating profit excluding non-recurring items EUR 13.2 million (EUR 11.5 million); earnings per share EUR 0.21 (EUR -0.03)**
- **Full-year net sales EUR 639.7 million (EUR 668.2 million); operating profit EUR 48.5 million (EUR 33.2 million); operating profit excluding non-recurring items EUR 53.8 million (EUR 51.8 million); earnings per share EUR 0.47 (EUR 0.57)**
- **Full-year net sales and operating profit excluding non-recurring items in 2015 are expected to remain at the 2014 level.**
- **The Board of Directors proposes a dividend of EUR 0.75 per share.**

**CEO PEKKA OJANPÄÄ:**

“The economic recession kept the business environment challenging throughout the year. In spite of that, our profitability continued to improve. There are several factors behind this positive development. In Environmental Services, our market position was improved by strong sales work and targeted business acquisitions. In Industrial Services, we achieved growth and improved profitability in spite of the difficult market situation by improving the efficiency of our operations. In Facility Services, the structural changes and improvements in operational efficiency we have already implemented began to be reflected in the result, but the market situation remained challenging. In line with our strategy, our focus in the prevailing economic situation is on strengthening our market position and ensuring profitability and cash flow through the development of our business operations and by business acquisitions.

**GROUP NET SALES AND FINANCIAL PERFORMANCE****October–December**

Lassila & Tikanoja's net sales for the final quarter decreased by 4.4% year-on-year, to EUR 162.3 million (EUR 169.7 million). Operating profit was EUR 14.0 million (operating loss EUR 1.6 million). Operating profit excluding non-recurring items was EUR 13.2 million (EUR 11.5 million), representing 8.1% (6.8%) of net sales. Earnings per share were EUR 0.21 (EUR -0.03).

In the final quarter, comparable net sales grew in the Environmental Services division, but decreased in all other divisions.

The net sales of the comparison period includes EUR 4.6 million in net sales from the Latvian business operations that were divested on 13 March 2014, as well as EUR 0.5 million of operating profit, most of which is allocated to the Environmental Services division.

The growth in operating profit excluding non-recurring items was mainly attributable to the improved profitability of Environmental Services and Facility Services.

The operating profit for the final quarter was affected by non-recurring capital gains on the divestment of the FinBin business operations and the sale of equipment in the Renewable Energy Sources division, totalling EUR 2.2 million, and non-recurring restructuring costs of EUR 1.4 million.

**Year 2014**

Lassila & Tikanoja's net sales for the year 2014 amounted to EUR 639.7 million (EUR 668.2 million); a decrease of 4.3%. Operating profit was EUR 48.5 million (EUR 33.2 million). Operating profit excluding non-recurring items was EUR 53.8 million (EUR 51.8 million), representing 8.4% (7.8%) of net sales. Earnings per share were EUR 0.47 (EUR 0.57).

Comparable net sales grew in the Environmental Services and Industrial Services divisions, but decreased in the Facility Services and Renewable Energy Sources divisions.

The 2014 figures include EUR 2.9 million (EUR 16.6 million) in net sales from the Latvian business operations that were divested on 13 March 2014 as well as EUR 0.4 million (EUR 1.3 million) of operating profit, most of which is allocated to the Environmental Services division.

The operating profit for 2014 includes non-recurring items at a net amount of EUR 5.3 million. Of these, EUR 6.4 million were non-recurring costs relating to holdings in EcoStream Oy, which has filed for bankruptcy, and to outstanding receivables from the EcoStream Group and L&T Recoil. In addition, a non-recurring capital gain of EUR 1.1 million was recognised on the Latvian business operations and a write-down of EUR 0.2 million on inventories of discontinued business operations under Renewable Energy Sources. The operating profit was also affected by non-recurring capital gains on the divestment of the FinBin business operations and the sale of equipment in the Renewable Energy Sources division, totalling EUR 2.2 million, and non-recurring restructuring costs of EUR 1.4 million.

Business acquisitions made during 2014 had an effect of EUR 3.1 million on the company's net sales and EUR 0.6 million on operating profit.

Furthermore, the Group's net profit was affected by the EUR 16.7 million payment made under the L&T Recoil guarantee commitment and recognised in financial expenses. After the entries related to EcoStream Group's insolvency, the company has no liabilities related to EcoStream Oy and L&T Recoil.

#### Financial summary

	10-12/ 2014	10-12/ 2013	Change %	1-12/ 2014	1-12/ 2013	Change %
Net sales, EUR million	162.3	169.7	-4.4	639.7	668.2	-4.3
Operating profit excluding non-recurring items, EUR million*	13.2	11.5	15.1	53.8	51.8	3.8
Operating margin excluding non-recurring items, %	8.1	6.8		8.4	7.8	
Operating profit, EUR million	14.0	-1.6		48.5	33.2	46.1
Operating margin, %	8.6	-1.0		7.6	5.0	
Profit before tax, EUR million	10.6	-2.3		26.6	30.3	-12.3
Earnings per share, EUR	0.21	-0.03		0.47	0.57	-18.3
Dividend/share, EUR				0.75**	0.50	50.0
EVA, EUR million	9.5	-4.9		29.1	12.4	134.7

\* Breakdown is presented below the division reviews.

\*\* Proposal by the Board of Directors

## NET SALES AND OPERATING PROFIT BY DIVISION

### Environmental Services

#### October–December

The division's net sales for the final quarter decreased by 1.3% to EUR 64.8 million (EUR 65.7 million). Operating profit totalled EUR 10.8 million (EUR 2.9 million) and operating profit excluding non-recurring items was EUR 9.0 million (EUR 7.9 million).

Comparable net sales increased by 1.2% due to sales work which strengthened market position. Demand continued to grow in waste management.

The net sales of the comparison period includes EUR 3.3 million in net sales from the Latvian business operations that were divested on 13 March 2014.

The division's profitability improved due to factors including synergies achieved through business acquisitions and continuous improvements in operational efficiency.

**Year 2014**

The Environmental Services division's net sales for 2014 amounted to EUR 254.5 million (EUR 257.9 million), showing a decrease of 1.3%. Operating profit totalled EUR 37.3 million (EUR 30.1 million) and operating profit excluding non-recurring items was EUR 35.9 million (EUR 35.1 million).

Demand in the recycling business was weakened particularly by the decrease in the volume of recyclable materials due to the slowdown in construction and commerce. Demand grew particularly in waste management and Russian operations.

Comparable net sales increased by 1.5%. The net sales of 2014 includes EUR 2.1 million (EUR 12.2 million) from the Latvian business operations that were divested on 13 March 2014.

The profitability of operations improved due to factors including synergies achieved through business acquisitions and continuous improvements in operational efficiency, although the weakened profitability of municipal contracts weighed down on the division's operating profit.

**Industrial Services****October–December**

The division's net sales for the final quarter totalled EUR 20.3 million (EUR 20.9 million), showing a decrease of 2.8%. Operating profit was EUR 1.6 million (EUR 1.6 million) and operating profit excluding non-recurring items was EUR 2.1 million (EUR 2.7 million).

The demand for services remained strong in hazardous waste management, and also grew slightly in process cleaning. Demand remained unchanged from the comparison period in sewer maintenance and decreased in environmental construction.

Operating profit excluding non-recurring items declined primarily due to the weakened profitability of process cleaning and sewer maintenance in a tight competitive situation.

**Year 2014**

The Industrial Services division's net sales for 2014 totalled EUR 77.8 million (EUR 75.5 million), showing an increase of 3.0%. Operating profit was EUR 6.5 million (EUR 5.2 million) and operating profit excluding non-recurring items was EUR 7.1 million (EUR 6.7 million).

Net sales increased in hazardous waste management, sewer maintenance and process cleaning. In environmental construction, net sales were lower than in the previous year.

The division improved the profitability of its operations as a result of efficiency improvement measures and increasing volume.

**Facility Services****October–December**

The division's net sales for the final quarter were down by 4.1% to EUR 68.8 million (EUR 71.7 million). Operating profit totalled EUR 1.7 million (operating loss EUR 5.6 million) and operating profit excluding non-recurring items was EUR 2.6 million (EUR 1.4 million).

The division's net sales declined year-on-year due to planned business downsizing in Sweden and low demand for damage repair services. In addition, net sales was impacted by lower demand for services in the cleaning and property maintenance businesses. The demand for maintenance of technical systems remained strong.

Profitability improved significantly in maintenance of technical systems and Swedish cleaning operations. Profitability was also affected by the management of personnel costs in the cleaning business. Nevertheless, the division's operating profit was affected by the continued decline in the profitability of damage repair services.

**Year 2014**

The Facility Services division's net sales for 2014 amounted to EUR 274.7 million (EUR 292.5 million), showing a decrease of 6.1%. Operating profit totalled EUR 10.6 million (EUR 4.4 million). Operating profit excluding non-recurring items was EUR 11.7 million (EUR 11.9 million).

The division's net sales declined year-on-year due to planned business downsizing in Sweden and lower than normal demand for damage repair services and seasonal work in cleaning services and property maintenance.

The division's profitability was decreased by the lower demand for additional services in the cleaning and property maintenance businesses and by the weak profitability of damage repair services. In maintenance of technical systems, profitability developed favourably during the year due to higher demand.

The demand for the division's additional services declined, which had a negative impact on both net sales and profitability. The entire division is undergoing a major reorganisation process in order to adapt operations to the changes in market conditions, which affects the profitability.

**Renewable Energy Sources****October–December**

Final quarter net sales of Renewable Energy Sources (L&T Biowatti) were down by 24.4% to EUR 12.0 million (EUR 15.8 million). The operating profit was EUR 1.0 million (EUR 0.6 million) and operating profit excluding non-recurring items was EUR 0.6 million (EUR 0.6 million).

The decrease in net sales was attributable to the later start of the heating season.

As a result of efficiency improvement measures, operational efficiency improved year-on-year. The operating profit was affected by a write-down of EUR 0.3 million on the company's inventory.

**Year 2014**

The net sales of Renewable Energy Sources (L&T Biowatti) in 2014 were down by 23.8% to EUR 44.2 million (EUR 58.0 million). Operating profit was EUR 1.6 million (EUR 1.4 million) and operating profit excluding non-recurring items was EUR 1.4 million (EUR 1.1 million).

The decrease in net sales was primarily attributable to the short heating season early in the year, the delayed start to the heating season compared to the previous year, and the planned downsizing of unprofitable operations.

As a result of efficiency improvement measures, profitability improved in spite of decrease in net sales.

**BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS**

EUR million	10–12/ 2014	10–12/ 2013	1–12/ 2014	1–12/ 2013
Operating profit	14.0	-1.6	48.5	33.2
Non-recurring items:				
Gain on sale of L&T Biowatti Oy equipment	-0.4	-0.1	-0.4	-0.5
Impairment of EcoStream Oy shares				5.0
L&T Recoil Oy			6.4	
Divestment of Latvian business operations			-1.1	
Impairment of goodwill in Swedish business operations		7.0		7.0
Potential costs of closure of divested land areas		5.0		5.0
Discontinuation of the sewer renovation business		1.2		1.2
Restructuring costs	1.4	0.0	2.0	1.0
Other non-recurring items	-1.8		-1.5	
Operating profit excluding non-recurring items	13.2	11.5	53.8	51.8

**FINANCING**

Cash flows from operating activities amounted to EUR 79.6 million (EUR 86.4 million). A total of EUR 2.2 million in working capital was released (EUR 7.9 million released).

At the end of the period, interest-bearing liabilities amounted to EUR 96.0 million (EUR 122.8 million).

Net interest-bearing liabilities amounted to EUR 52.0 million (EUR 64.4 million) and decreased by EUR 12.3 million in the final quarter.

Net financial expenses in 2014 amounted to EUR 21.9 million (EUR 2.9 million). Net financial expenses were 3.4% (0.4%) of net sales. The increase in net financial expenses was primarily due to the EUR 16.7 million payment made under the L&T Recoil Oy guarantee commitment. Fluctuations in the exchange rates increased financial expenses by EUR 3.0 million.

The average interest rate on long-term loans (with interest-rate hedging) was 1.7% (1.7%). Long-term loans totalling EUR 24.8 million will mature in 2015.

The equity ratio was 46.3% (43.7%) and the gearing rate was 25.2 (30.4). Liquid assets at the end of the period amounted to EUR 44.0 million (EUR 58.5 million).

Of the EUR 100 million commercial paper programme, EUR 0 (EUR 35.0 million) was in use at the end of the period. A committed limit totalling EUR 30.0 million was not in use, as was the case in the comparison period.

During the review period, the company adopted a new form of financing by issuing a EUR 30 million senior unsecured bond. The bond matures on 15 September 2019 and carries a fixed annual interest rate of 2.125 per cent.

The Group has granted internal loans to its subsidiaries in Russia totalling RUB 270 million (EUR 3.7 million). Approximately 86% of the loans are hedged against fluctuations in the rouble exchange rate.

## **DISTRIBUTION OF ASSETS**

The Annual General Meeting held on 19 March 2014 resolved that a dividend of EUR 0.50 per share be paid on the basis of the balance sheet that was adopted for the financial year 2013. The dividend, totalling EUR 19.4 million, was paid to shareholders on 31 March 2014.

## **CAPITAL EXPENDITURE**

In 2014, gross capital expenditure totalled EUR 44.7 million (EUR 32.7 million), consisting mainly of machine and equipment purchases and small targeted business acquisitions.

## **PERSONNEL**

In 2014, the average number of employees converted into full-time equivalents was 7,257 (8,267). At the end of the period, Lassila & Tikanoja had 7,830 (8,847) full-time and part-time employees. Of these, 7,076 (7,088) worked in Finland and 754 (1,759) in other countries. The number of employees working in other countries was mainly decreased by the divestment of the Latvian business operations.

## **PROPOSAL FOR THE DISTRIBUTION OF ASSETS**

According to the financial statements, Lassila & Tikanoja plc's unrestricted equity amounts to EUR 79,490,019.06, with the operating profit for the period representing EUR 13,766,442.62. There were no substantial changes in the financial standing of the company after the end of the period, and the solvency test referred to in Chapter 13, Section 2 of the Companies Act does not affect the amount of distributable assets.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid.

The dividend is paid to shareholders included in the company shareholder register maintained by Euroclear Finland Oy on the record date, 20 March 2015. The Board proposes to the Annual General Meeting that the dividend be paid on 27 March 2015.

No dividend shall be paid on shares held by the company on the record date of 20 March 2015.

On the day the proposal for the distribution of assets was made, the number of shares entitling to dividend was 38,617,980, which means the total amount of the dividend would be EUR 28,963,485.00.

Earnings per share amounted to EUR 0.47. The proposed dividend is 160.0% of the earnings per share.

L&T's online Annual Report, which includes the report by the Board of Directors and the financial statements for 2014, will be published in the week starting on 23 February 2015 at [www.lassila-tikanoja.com/annualreport2014](http://www.lassila-tikanoja.com/annualreport2014).

## **SHARES AND SHARE CAPITAL**

### **Traded volume and price**

The volume of trading on Nasdaq Helsinki in 2014, excluding the shares held by the company in Lassila & Tikanoja plc, was 10,191,394 shares, which is 26.3% (18.7%) of the average number of outstanding shares. The value of trading was EUR 145.2 million (EUR 99.5 million). The trading price varied between EUR 15.84 and EUR 12.75. The closing price was EUR 15.14. At the end of the period, the market capitalisation excluding the shares held by the company was EUR 584.7 million (EUR 589.5 million).

**Own shares**

At the end of the period, the company held 108,894 of its own shares, representing 0.5% of all shares and votes.

**Share capital and number of shares**

The company's registered share capital amounts to EUR 19,399,437 and the number of outstanding shares is 38,747,465. The average number of shares excluding the shares held by the company was 38,737,749.

**Shareholders**

At the end of the period, the company had 10,152 (9,320) shareholders. Nominee-registered holdings accounted for 17.9% (21.7%) of the total number of shares.

**Authorisation for the Board of Directors**

The Annual General Meeting held on 19 March 2014 authorised Lassila & Tikanoja plc's Board of Directors to make decisions on the repurchase of the company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on the share issue and the issuance of special rights entitling to shares.

The Board of Directors is authorised to purchase a maximum of 2,000,000 company shares (5.2% of the total number of shares). The repurchase authorisation is effective for 18 months.

The Board of Directors is authorised to decide on the issuance of new shares or shares possibly held by the company through a share issue and/or issuance of option rights or other special rights entitling to shares, referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that under the authorisation a maximum of 2,000,000 shares (5.2% of the total number of shares) may be issued and/or conveyed. The share issue authorisation is effective for 18 months.

**RESOLUTIONS BY THE ANNUAL GENERAL MEETING**

The Annual General Meeting, which was held on 19 March 2014, adopted the financial statements and consolidated financial statements for 2013 and released the members of the Board of Directors and the President and CEO from liability.

The Annual General Meeting resolved that a dividend of EUR 0.50 per share, totalling EUR 19.4 million, be paid on the basis of the balance sheet to be adopted for the financial year 2013. It was decided that the dividend be paid on 31 March 2014.

The Annual General Meeting confirmed the number of members of the Board of Directors as six. Heikki Bergholm, Eero Hautaniemi, Hille Korhonen, Sakari Lassila and Miikka Maijala were re-elected and Laura Lares was elected as a new member to the Board until the end of the following Annual General Meeting.

KPMG Oy Ab, Authorised Public Accountants, was elected auditor. KPMG Oy Ab named Lasse Holopainen, Authorised Public Accountant, as its principal auditor.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 19 March 2014.

**BOARD OF DIRECTORS**

The members of Lassila & Tikanoja plc's Board of Directors are Heikki Bergholm, Eero Hautaniemi, Hille Korhonen, Laura Lares, Sakari Lassila and Miikka Maijala. At its organising meeting held after the Annual General Meeting, the Board of Directors elected Heikki Bergholm as Chairman of the Board and Eero Hautaniemi as Vice Chairman.

Eero Hautaniemi was elected as Chairman and Sakari Lassila and Laura Lares as members of the audit committee. Heikki Bergholm was elected as Chairman and Hille Korhonen and Miikka Majjala as members of the remuneration committee.

## **SUMMARY OF STOCK EXCHANGE RELEASES PURSUANT TO ARTICLE 4, CHAPTER 6 OF THE SECURITIES MARKET ACT**

In a release published on 3 March 2014, the company announced that Lassila & Tikanoja and Bioinvest SIA have signed an agreement on the sale of L&T's business operations in Latvia to Bioinvest SIA. In a release published on 13 March 2014, the company announced that the divestment of the business operations had been completed. The total net sales of the divested business operations amount to approximately EUR 16 million, most of which is allocated to the Environmental Services division. As a result of the divestment, approximately 950 employees transferred to Bioinvest.

In a release published on 21 March 2014, the company announced that it had been informed that the financiers of the EcoStream Group had called in a loan granted to L&T Recoil Oy, part of the EcoStream Group. In addition, the company announced that it had received a claim from the financing banks to pay approximately EUR 16.7 million on the basis of a loan guarantee commitment associated with L&T Recoil Oy's loans.

Lassila & Tikanoja's total risk associated with the EcoStream Group, including the above guarantee commitment, is approximately EUR 23.4 million as announced earlier. Of this amount, the above guarantee commitment of approximately EUR 16.7 million has an effect on cash flow.

On 30 April 2014, the company announced that it had received information according to which the District Prosecutor for Helsinki had decided to drop the charges against the company's President and CEO Pekka Ojanpää and eight other current and former members of Lassila & Tikanoja's management staff who were accused of offences related to occupational health and safety and working hours legislation. The corporate fine and claim for advantage received remained in force against the company.

On 3 July 2014, the company published a press release announcing that the Helsinki District Court has exonerated Lassila & Tikanoja from summary penal orders related to overtime work offences. The corporate fine claim presented by the prosecutor was dropped and the Finnish State was obligated to compensate the company for the legal costs of the case. According to the Court, the guidelines and monitoring systems of the company have been adequate and the safety or health of the employees had not been jeopardised.

The District Court considered five of the company's current or former supervisors to be guilty of offences related to working hours legislation. Three of them were sentenced to pay 8–15 unit fines and two were left without a sentence by reason of the triviality of the criminal act.

On 1 August 2014, the company announced a change to its outlook. Operating profit excluding non-recurring items is expected to remain at the 2013 level or slightly below.

Previously, the company estimated that comparable net sales in 2014 would remain at the 2013 level and operating profit excluding non-recurring items would remain at the 2013 level or improve slightly.

On 28 August 2014, the company announced that the Finnish Financial Supervisory Authority had approved Lassila & Tikanoja plc's base prospectus pursuant to the Securities Markets Act, and that the company was considering the issuance of a senior unsecured bond based on the base prospectus.

On 5 September 2014, the company announced that Ville Rantala, Vice President, Industrial Services at Lassila & Tikanoja plc and member of the Group Executive Board will leave the company at his own request by the end of 2014, and that recruitment for a new Vice President has already begun.

On 8 September 2014, the company announced that it had received an announcement pursuant to section 5, chapter 9, of the Securities Markets Act from Nordea Funds Ltd, announcing that its current holding of the shares and votes in Lassila & Tikanoja plc has risen above the threshold of 5%.



On 8 September 2014, the company announced it is issuing a EUR 30 million senior unsecured bond. The bond matures on 15 September 2019 and carries a fixed annual interest rate of 2.125 per cent. The offering was oversubscribed. Lassila & Tikanoja will apply for listing of the bond on NASDAQ OMX Helsinki.

On 17 September 2014, the company announced that the Finnish Financial Supervisory Authority has approved the listing prospectus of the bond, which is available in English on the company's website at [www.lassila-tikanoja.com/investors](http://www.lassila-tikanoja.com/investors).

On 30 September 2014, the company issued a stock exchange release on its Capital Markets Day, the programme of which included reviewing the Group's strategy and its implementation.

On 23 October 2014, the company announced that Antti Tervo, M.Sc. (Econ.), born 1978, has been appointed as Vice President of Industrial Services from 1 January 2015. Tervo has served as the company's Director responsible for the supply chain since 2012. L&T's Development Director since 2012, Tuomas Mäkipeska, M.Sc. (Econ.), born 1978, will take care of, in addition to his current duties, the duties of Vice President of Renewable Energy Sources from 1 January 2015.

On 27 October 2014, the company announced that its Board of Directors has resolved to exercise the authorisation by the Annual General Meeting on 19 March 2014 to repurchase a maximum of 150,000 of the company's own shares, which corresponds to approximately 0.4% of the total number of issued shares. The repurchased shares will be used for the company's near-term incentive programs.

On 18 December 2014, the company announced that Tutu Wegelius-Lehtonen, Lic.Sc. (Tech.), born 1970, is the new Director responsible for the supply chain at Lassila & Tikanoja plc, starting 16 February 2015.

## **EVENTS AFTER THE BALANCE SHEET DATE**

On 20 January 2015, the company announced that, according to the preliminary financial statements figures for 2014, the company's net sales are estimated to be approximately EUR 639 million (2013: EUR 668.2 million) and the operating profit excluding non-recurring items is estimated to be EUR 53.8 million (2013: EUR 51.8 million).

Previously, the company had estimated that the 2014 net sales were expected to remain at the 2013 level or slightly below and operating profit excluding non-recurring items would also remain at the 2013 level or slightly below.

The company's management is not aware of any other events of material importance after the balance sheet date that might have affected the preparation of the financial statements.

## **NEAR-TERM RISKS AND UNCERTAINTIES**

Economic uncertainty may result in significant changes in the secondary raw material markets for Environmental Services and the demand for Facility Services and Industrial Services.

Uncertainties related to government subsidies for renewable fuels and to the continuity of such subsidies may affect demand for the services of Renewable Energy Sources.

More detailed information on L&T's risks and risk management is available in the Annual Report for 2013, in the Report of the Board of Directors and in the consolidated financial statements.

## **OUTLOOK FOR THE YEAR 2015**

Full-year net sales and operating profit excluding non-recurring items in 2015 are expected to remain at the 2014 level.

**CONDENSED FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2014****CONSOLIDATED INCOME STATEMENT**

EUR million	10–12/ 2014	10–12/ 2013	1–12/ 2014	1–12/ 2013
<b>Net sales</b>	<b>162.3</b>	169.7	<b>639.7</b>	668.2
Cost of sales	<b>-142.8</b>	-157.1	<b>-561.6</b>	-597.3
<b>Gross profit</b>	<b>19.5</b>	12.6	<b>78.1</b>	70.9
Other operating income	<b>3.7</b>	1.3	<b>7.0</b>	4.3
Sales and marketing expenses	<b>-3.7</b>	-4.0	<b>-14.2</b>	-14.5
Administrative expenses	<b>-3.6</b>	-3.7	<b>-12.7</b>	-13.0
Other operating expenses	<b>-2.0</b>	-0.8	<b>-9.7</b>	-2.5
Impairment, property, plant and equipment and other non-current assets	<b>0.0</b>	0.0	<b>0.0</b>	-5.0
Impairment, goodwill and other intangible assets	<b>0.0</b>	-7.0	<b>0.0</b>	-7.0
<b>Operating profit</b>	<b>14.0</b>	-1.6	<b>48.5</b>	33.2
Financial income	<b>0.1</b>	0.2	<b>0.4</b>	0.5
Financial expenses	<b>-3.5</b>	-0.9	<b>-22.3</b>	-3.4
<b>Profit before tax</b>	<b>10.6</b>	-2.3	<b>26.6</b>	30.3
Income taxes	<b>-2.3</b>	1.0	<b>-8.4</b>	-8.1
<b>Profit for the period</b>	<b>8.3</b>	-1.3	<b>18.1</b>	22.2
<b>Attributable to:</b>				
Equity holders of the company	<b>8.3</b>	-1.3	<b>18.1</b>	22.2
Non-controlling interest	<b>0.0</b>	0.0	<b>0.0</b>	0.0
<b>Earnings per share attributable to equity holders of the parent company:</b>				
Earnings per share, EUR	<b>0.21</b>	-0.03	<b>0.47</b>	0.57
Diluted earnings per share, EUR	<b>0.21</b>	-0.03	<b>0.47</b>	0.57

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR million	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
<b>Profit for the period</b>	<b>8.3</b>	<b>-1.341</b>	<b>18.1</b>	<b>22.2</b>
<b>Items not to be recognised through profit or loss</b>				
Items arising from re-measurement of defined benefit plans	-0.1	0.1	-0.1	0.1
Items not to be recognised through profit or loss, total	-0.1	0.1	-0.1	0.1
<b>Items potentially to be recognised through profit or loss</b>				
Hedging reserve, change in fair value	-0.2	-0.5	-0.6	-0.4
Currency translation differences	-1.4	-0.2	-2.1	-0.4
Currency translation differences recognised in profit or loss	0.0	0.0	0.3	0.0
Currency translation differences, non-controlling interest	-0.1	0.0	-0.1	0.0
<b>Items potentially to be recognised through profit or loss, total</b>	<b>-1.7</b>	<b>-0.7</b>	<b>-2.4</b>	<b>-0.8</b>
<b>Total comprehensive income, after tax</b>	<b>6.5</b>	<b>-2.0</b>	<b>15.6</b>	<b>21.4</b>
<b>Attributable to:</b>				
Equity holders of the company	6.6	-2.0	15.7	21.5
Non-controlling interest	-0.1	0.0	-0.1	0.0

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

EUR million	12/2013	12/2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets		
Goodwill	109.9	112.8
Customer contracts arising from acquisitions	5.3	5.1
Agreements on prohibition of competition	0.1	0.4
Other intangible assets arising from business acquisitions	0.7	0.0
Other intangible assets	9.7	8.0
	125.7	126.3
Property, plant and equipment		
Land	3.3	3.8
Buildings and constructions	44.3	49.7
Machinery and equipment	112.2	115.8
Other	0.1	0.1
Prepayments and construction in progress	2.2	2.2
	162.1	171.5
Other non-current assets		
Holdings in associated companies	0.0	0.0
Available-for-sale investments	0.6	4.3
Finance lease receivables	3.2	3.7
Deferred tax assets	2.7	2.8
Other receivables	2.3	2.4
	8.7	13.2
<b>Total non-current assets</b>	<b>296.5</b>	<b>311.0</b>
<b>Current assets</b>		
Inventories	22.6	26.1
Trade and other receivables	94.7	100.0
Derivative receivables	0.1	0.1
Prepayments	0.5	0.3
Current available-for-sale financial assets	10.0	0.0
Cash and cash equivalents	34.0	58.5
<b>Total current assets</b>	<b>161.8</b>	<b>185.0</b>
<b>Total assets</b>	<b>458.3</b>	<b>496.0</b>

EUR million	12/2014	12/2013
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to equity holders of the parent company		
Share capital	19.4	19.4
Other reserves	-3.9	-1.5
Invested unrestricted equity reserve	0.3	0.3
Retained earnings	172.2	170.9
Profit for the period	18.1	22.2
	206.2	211.2
Non-controlling interest	0.2	0.2
<b>Total equity</b>	<b>206.3</b>	<b>211.5</b>
<b>Liabilities</b>		
Non-current liabilities		
Deferred tax liabilities	24.7	25.8
Retirement benefit obligations	1.0	0.8
Provisions	4.2	6.1
Interest-bearing liabilities	71.2	65.9
Other liabilities	0.3	0.5
	101.4	99.0
Current liabilities		
Interest-bearing liabilities	24.8	57.0
Trade and other payables	120.4	120.0
Derivative liabilities	1.4	0.5
Tax liabilities	0.7	4.7
Provisions	3.3	3.4
	150.7	185.5
<b>Total liabilities</b>	<b>252.0</b>	<b>284.5</b>
<b>Total equity and liabilities</b>	<b>458.3</b>	<b>496.0</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

EUR million	12/2014	12/2013
<b>Cash flows from operating activities</b>		
Profit for the period	18.1	22.2
<b>Adjustments</b>		
Income taxes	8.4	8.1
Deprecation and impairment	40.2	54.0
Financial income and expenses	21.9	2.9
Gain on sale of shares	-1.5	0.0
Other	1.9	3.8
Net cash generated from operating activities before change in working capital	89.1	91.0
Change in working capital		
Change in trade and other receivables	-1.4	2.8
Change in inventories	3.6	-1.2
Change in trade and other payables	0.0	6.3
Change in working capital	2.2	7.9
Interest paid	-3.0	-3.6
Interest received	0.4	0.5
Income taxes	-9.1	-9.3
<b>Net cash from operating activities</b>	<b>79.6</b>	<b>86.4</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries and businesses, net of cash acquired	-9.8	-
Proceeds from sale of subsidiaries and businesses, net of sold cash	13.5	-
Purchases of property, plant and equipment and intangible assets	-34.1	-28.1
Proceeds from sale of property, plant and equipment and intangible assets	0.4	1.2
Purchases of available-for-sale investments	-0.2	-
Change in other non-current receivables	0.3	0.4
Proceeds from sale of available-for-sale investments	-	-
Dividends received	0.0	0.0
<b>Net cash used in investing activities</b>	<b>-29.8</b>	<b>-26.5</b>
<b>Cash flows from financing activities</b>		
Change in short-term borrowings	-32.2	22.9
Proceeds from long-term borrowings	29.9	30.0
Repayments of long-term borrowings	-24.8	-26.2
Dividends paid and other asset distribution	-19.4	-42.5
Acquisition of own shares	-1.9	0.0
L&T Recoil Oy guarantee commitment	-16.7	-
Other financing items	0.9	-
<b>Net cash generated from financing activities</b>	<b>-64.2</b>	<b>-15.9</b>

EUR million	12/2014	12/2013
<b>Net change in liquid assets</b>	<b>-14.4</b>	44.1
Liquid assets at beginning of period	<b>58.5</b>	14.6
Effect of changes in foreign exchange rates	<b>-0.1</b>	-0.2
<b>Liquid assets at end of period</b>	<b>44.0</b>	58.5
<b>Liquid assets</b>		
EUR million	12/2014	12/2013
Cash and cash equivalents	<b>34.0</b>	58.5
Available-for-sale financial assets	<b>10.0</b>	0.0
<b>Total</b>	<b>44.0</b>	58.5

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR million	Share capital	Currency translation differences	Revaluation reserve	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Equity attributable to equity holders of the parent company	Non-controlling interest	Total equity
<b>Equity on 1 Jan. 2013</b>	19.4	-0.8	0.0	0.0	29.4	184.5	232.5	0.3	232.8
Total comprehensive income									
Profit for the period						22.2	22.2	0.0	22.2
Items arising from re-measurement of defined benefit plans						0.1	0.1		0.1
Hedging reserve, change in fair value				-0.4			-0.4		-0.4
Available-for-sale financial assets			0.0				0.0		0.0
Currency translation differences		-0.4					-0.4	0.0	-0.5
Total comprehensive income	0.0	-0.4	0.0	-0.4	0.0	22.3	21.5	0.0	21.4
Transactions with shareholders									
Share-based benefits					-0.1	0.4	0.4		0.4
Dividends paid						-13.5	-13.5		-13.5
Dividends returned						0.0	0.0		0.0
Capital repayment					-29.0		-29.0		-29.0
Transactions with shareholders, total	0.0	0.0	0.0	0.0	-29.1	-13.1	-42.2		-42.2
Other changes						-0.6	-0.6		-0.6
<b>Equity on 31 Dec. 2013</b>	19.4	-1.2	0.0	-0.3	0.3	193.1	211.2	0.2	211.5



EUR million	Share capital	Currency translation differences	Revaluation reserve	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Equity attributable to equity holders of the parent company	Non-controlling interest	Total equity
<b>Equity on 1 Jan. 2014</b>	19.4	-1.2	0.0	-0.3	0.3	193.1	211.2	0.2	211.5
Total comprehensive income									
Profit for the period						18.1	18.1	0.0	18.1
Items arising from re-measurement of defined benefit plans						-0.1	-0.1		-0.1
Hedging reserve, change in fair value				-0.6			-0.6		-0.6
Available-for-sale financial assets							0.0		0.0
Currency translation differences		-1.8					-1.8	-0.1	-1.9
Total comprehensive income	0.0	-1.8	0.0	-0.6	0.0	18.0	15.7	-0.1	15.6
Transactions with shareholders									
Share-based benefits					0.0	-0.1	0.0		0.0
Dividends paid						-19.4	-19.4		-19.4
Dividends returned						0.0	0.0		0.0
Acquisition of own shares						-1.9	-1.9		-1.9
Transactions with shareholders, total	0.0	0.0	0.0	0.0	0.0	-19.4	-19.4		-19.4
Other changes						-1.3	-1.3		-1.3
<b>Equity on 31 Dec. 2014</b>	19.4	-3.0	0.0	-0.9	0.3	190.3	206.2	0.2	206.3

**KEY FIGURES**

	<b>10-12/ 2014</b>	<b>10-12/ 2013</b>	<b>1-12/ 2014</b>	<b>1-12/ 2013</b>
Earnings per share, EUR	<b>0.21</b>	-0.03	<b>0.47</b>	0.57
Diluted earnings per share, EUR	<b>0.21</b>	-0.03	<b>0.47</b>	0.57
Cash flows from operating activities per share, EUR	<b>0.79</b>	0.65	<b>2.06</b>	2.23
EVA, EUR million	<b>9.5</b>	-4.9	<b>29.1</b>	12.4
Gross capital expenditure, EUR million	<b>16.8</b>	8.9	<b>44.7</b>	32.7
Depreciation, amortisation and impairment, EUR million	<b>10.2</b>	17.5	<b>40.2</b>	54.0
Equity per share, EUR			<b>5.34</b>	5.46
Dividend/share, EUR			<b>0.75*</b>	0.50
Dividend/earnings, EUR			<b>160.0*</b>	87.2
Effective dividend yield, %			<b>5.0*</b>	3.3
P/E ratio			<b>32.32</b>	26.60
Return on equity (ROE), %			<b>8.7</b>	10.0
Return on invested capital, ROI, %			<b>15.4</b>	10.6
Equity ratio, %			<b>46.3</b>	43.7
Gearing, %			<b>25.2</b>	30.4
Net interest-bearing liabilities, EUR million			<b>52.0</b>	64.4
Average number of employees in full-time equivalents			<b>7,257</b>	8,267
Total number of full-time and part-time employees at end of period			<b>7,830</b>	8,847
Number of outstanding shares adjusted for issues, 1,000 shares				
average during the period			<b>38,729</b>	38,704
at end of period			<b>38,702</b>	38,707
average during the period, diluted			<b>38,740</b>	38,721

\* Proposal by the Board of Directors

**ACCOUNTING POLICIES**

This financial statements release is in compliance with the IAS 34 (Interim Financial Reporting) standard.

The financial statements release has been prepared with application of the IFRS standards and interpretations in effect on 31 December 2014.

From the beginning of 2014, the figures in the tables are presented in millions of euros. The comparison figures have been restated accordingly. The figures are rounded to the nearest 0.1 million euros and, consequently, the sum of individual figures may deviate from the sum total presented.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc dated 31 December 2014 and released on 25 February 2015.

The information presented in the financial statements release has not been audited.

**SEGMENT INFORMATION****Net sales**

EUR million	10-12/ 2014			10-12/ 2013			Total net sales, change %
	External	Inter- division	Total	External	Inter- division	Total	
Environmental Services	63.6	1.2	64.8	64.5	1.2	65.7	-1.3
Industrial Services	19.1	1.1	20.3	20.2	0.6	20.9	-2.8
Facility Services	67.6	1.1	68.8	70.2	1.5	71.7	-4.1
Renewable Energy Sources	11.9	0.1	12.0	14.9	1.0	15.8	-24.4
Eliminations		-3.5	-3.5		-4.4	-4.4	
Total	162.3	0.0	162.3	169.7	0.0	169.7	-4.4

EUR million	1-12/ 2014			1-12/ 2013			Total net sales, change %
	External	Inter- division	Total	External	Inter- division	Total	
Environmental Services	250.9	3.7	254.5	254.1	3.8	257.9	-1.3
Industrial Services	74.3	3.5	77.8	72.1	3.4	75.5	3.0
Facility Services	270.6	4.2	274.7	287.8	4.7	292.5	-6.1
Renewable Energy Sources	44.0	0.2	44.2	54.1	3.9	58.0	-23.8
Eliminations		-11.6	-11.6		-15.8	-15.8	
Total	639.7	0.0	639.7	668.2	0.0	668.2	-4.3

**Operating profit**

EUR million	10-12/ 2014	%	10-12/ 2013	%	1-12/ 2014	%	1-12/ 2013	%
Environmental Services	10.8	16.6	2.9	4.4	37.3	14.7	30.1	11.7
Industrial Services	1.6	8.0	1.6	7.5	6.5	8.4	5.2	6.9
Facility Services	1.7	2.5	-5.6	-7.8	10.6	3.9	4.4	1.5
Renewable Energy Sources	1.0	8.7	0.6	3.7	1.6	3.7	1.4	2.5
Group administration and other	-1.2		-1.1		-7.6		-8.0	
Total	14.0	8.6	-1.6	-1.0	48.5	7.6	33.2	5.0

**OTHER SEGMENT INFORMATION**

EUR million	12/2014	12/2013
<b>Assets</b>		
Environmental Services	212.4	214.5
Industrial Services	72.6	70.0
Facility Services	98.8	103.4
Renewable Energy Sources	24.6	29.4
Group administration and other	1.1	7.5
Unallocated assets	48.9	71.3
L&T total	458.3	496.0
<b>Liabilities</b>		
Environmental Services	50.5	51.8
Industrial Services	21.9	21.5
Facility Services	48.3	49.6
Renewable Energy Sources	6.2	5.5
Group administration and other	1.9	2.1
Unallocated liabilities	123.2	154.0
L&T total	252.0	284.5

EUR million	10-12/2014	10-12/2013	1-12/2014	1-12/2013
<b>Capital expenditure</b>				
Environmental Services	11.6	4.4	26.6	15.7
Industrial Services	1.8	0.9	6.6	3.2
Facility Services	3.4	3.4	11.3	11.3
Renewable Energy Sources	0.0	0.1	0.2	0.3
Group administration and other	0.0	0.1	0.0	2.2
L&T total	16.8	8.9	44.7	32.7
<b>Depreciation and amortisation</b>				
Environmental Services	4.9	5.4	20.1	21.9
Industrial Services	2.0	1.6	6.9	6.6
Facility Services	3.2	3.3	13.0	13.2
Renewable Energy Sources	0.1	0.1	0.2	0.3
Group administration and other	0.0	0.0	0.0	0.0
L&T total	10.2	10.5	40.2	42.0

**Impairment**

Environmental Services					
Industrial Services					
Facility Services					7.0
Renewable Energy Sources					
Group administration and other					5.0
L&T total	0.0	0.0	0.0		12.0

**INCOME STATEMENT BY QUARTER**

EUR million	10-12/ 2014	7-9/ 2014	4-6/ 2014	1-3/ 2014	10-12/ 2013
<b>Net sales</b>					
Environmental Services	64.8	64.6	64.2	60.9	65.7
Industrial Services	20.3	21.8	19.7	16.0	20.9
Facility Services	68.8	68.6	68.3	69.0	71.7
Renewable Energy Sources	12.0	6.1	10.3	15.8	15.8
Group administration and other					
Interdivision net sales	-3.5	-3.1	-2.7	-2.4	-4.4
L&T total	162.3	158.1	159.8	159.4	169.7
<b>Operating profit</b>					
Environmental Services	10.8	10.7	9.3	6.6	2.9
Industrial Services	1.6	3.1	1.9	-0.1	1.6
Facility Services	1.7	6.3	2.1	0.6	-5.6
Renewable Energy Sources	1.0	-0.5	0.3	0.8	0.6
Group administration and other	-1.2	-0.1	-0.6	-5.7	-1.1
L&T total	14.0	19.4	12.9	2.1	-1.6
<b>Operating margin</b>					
Environmental Services	16.6	16.5	14.4	10.9	4.5
Industrial Services	8.0	14.2	9.8	-0.9	7.6
Facility Services	2.5	9.1	3.0	0.8	-7.8
Renewable Energy Sources	8.7	-8.1	2.5	5.2	3.7
L&T total	8.6	12.3	8.1	1.3	-1.0
Financial income and expenses, net	-3.5	-1.	-0.1	-17.7	-0.7
<b>Profit before tax</b>	10.6	18.5	12.9	-15.5	-2.3

**BUSINESS ACQUISITIONS, COMBINED****Fair value**

EUR million	
Intangible assets	3.5
Property, plant and equipment	3.5
Investments	0.0
Receivables	0.4
Cash and cash equivalents	0.8
<b>Total assets</b>	<b>8.1</b>
Interest-bearing liabilities	0.2
Other liabilities	0.5
Deferred tax liabilities	0.1
<b>Total liabilities</b>	<b>0.8</b>
<b>Net assets acquired</b>	<b>7.3</b>
<b>Total consideration</b>	<b>10.6</b>
<b>Goodwill</b>	<b>3.3</b>
Effect on cash flow	
Consideration paid in cash	-10.6
Cash and cash equivalents of the acquired company	0.8
<b>Cash flow from investing activities</b>	<b>-9.8</b>

Environmental Services acquired the share capital of the following companies: Paperitiikerit Oy on 1 February 2014 and Joutsan Kuljetus Oy on 1 March 2014. In addition, Environmental Services acquired the business operations of the following companies: Kiinteistöhuolto Rytönen Oy on 23 September 2014 and J A Tauriainen Oy on 1 December 2014.

The accounting policy concerning business combinations is presented under Note 2 of the financial statements and under accounting policies.

**CHANGES IN INTANGIBLE ASSETS**

EUR million	1–12/2014	1–12/2013
Carrying amount at beginning of period	126.3	138.4
Business acquisitions	6.9	
Other capital expenditure	4.5	2.6
Disposals	-5.6	
Deprecation and impairment	-5.6	-14.0
Transfers between items	-0.1	-0.3
Exchange differences	-0.7	-0.4
Carrying amount at end of period	125.7	126.3

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

EUR million	1–12/2014	1–12/2013
Carrying amount at beginning of period	171.5	180.2
Business acquisitions	3.4	
Other capital expenditure	29.9	28.1
Disposals	-6.0	-1.3
Deprecation and impairment	-34.7	-35.0
Transfers between items	0.1	0.3
Exchange differences	-2.2	-0.8
Carrying amount at end of period	162.1	171.5

**CAPITAL COMMITMENTS**

EUR million	12/2014	12/2013
Intangible assets	0.0	0.0
Property, plant and equipment	3.4	4.0
Total	3.4	4.0

**FINANCIAL ASSETS AND LIABILITIES BY CATEGORY**

EUR million	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortised cost	Derivatives under hedge accounting	Carrying amounts by balance sheet item	Fair values by balance sheet item	Fair value hierarchy level
<b>Non-current financial assets</b>								
Available-for-sale investments			0.6			0.6		3
Finance lease receivables		3.2				3.2	3.2	2
Other receivables		1.9				1.9		
<b>Current financial assets</b>								
Trade and other receivables		93.1	4.0			97.1		
Derivative receivables	0.1					0.1		
Cash and cash equivalents		34.0				34.0		
Total financial assets	0.1	132.1	4.6	0.0	0.0	136.9	3.2	
<b>Non-current financial liabilities</b>								
Borrowings				71.2		71.2	71.6	2
Other liabilities				0.0		0.0		
<b>Current financial liabilities</b>								
Borrowings				24.8		24.8		
Trade and other payables				57.7		57.7		
Derivative liabilities	0.8				0.6			2
Total financial liabilities	0.8			153.7	0.6	153.7	71.6	



**CONTINGENT LIABILITIES****Securities for own commitments**

EUR million	12/2014	12/2013
Mortgages on rights of tenancy	0.2	0.1
Company mortgages	0.5	0.6
Other securities	0.2	0.2
Bank guarantees required for environmental permits	8.4	9.5

Other securities are security deposits.

**Operating lease liabilities**

EUR million	12/2014	12/2013
Maturity not later than one year	2.9	5.0
Maturity later than one year and not later than five years	2.8	6.1
Maturity later than five years	2.0	2.2
Total	7.7	13.4

**Liabilities associated with derivative agreements****Cross currency interest rate swaps**

EUR million	12/2014	12/2013
<b>Maturity of cross currency interest rate swaps under hedge accounting</b>		
Maturity not later than one year		7.2
Maturity later than one year and not later than five years		9.5
Total	0.0	16.7
Fair value		0.1

Loans denominated in other currencies were converted to euro-denominated loans in 2014.

**Interest rate swaps**

EUR million	12/2014	12/2013
Nominal values of interest rate swaps		
Maturity not later than one year	6.4	14.0
Maturity later than one year and not later than five years	14.2	16.7
Maturity later than five years	0.0	0.9
Total	20.5	31.7
Fair value	-0.6	-0.4

The interest rate swaps are used for the hedging of cash flow related to floating rate loans, and hedge accounting under IAS 39 has been applied to them. The hedges have been effective, and the changes in their fair values are shown on the consolidated statement of comprehensive income for the period. The fair values of the swap contracts are based on the market data on the balance sheet date.

**Commodity derivatives**

Metric tonnes	12/2014	12/2013
Nominal values of diesel swaps		
Maturity not later than one year	8.3	9.7
Maturity later than one year and not later than five years	0.0	0.8
Total	8.3	10.6
Fair value	-0.6	-0.1

Commodity derivative contracts were signed for the hedging of future diesel oil purchases. IAS 39-compliant hedge accounting is applied to these contracts, and the effective change in fair value is recognised in the hedging reserve within equity. The fair values of commodity derivatives are based on market prices on the balance sheet date.

**Currency derivatives**

EUR million	12/2014	12/2013
Nominal values of forward contracts		
Maturity not later than one year	10.9	0.0
Fair value	-0.1	0.0

Hedge accounting under IAS 39 has not been applied to the currency derivatives. Changes in fair values have been recognised in financial income and expenses.

**CALCULATION OF KEY FIGURES**

Earnings per share:

profit attributable to equity holders of the parent company / adjusted average  
basic number of shares

Diluted earnings per share:

profit attributable to equity holders of the parent company / adjusted average  
diluted number of shares

Cash flows from operating activities/share:

cash flow from operating activities as in the statement of cash flows / adjusted average  
basic number of shares

EVA:

operating profit - cost calculated on invested capital (average of four quarters)

WACC 2013: 6.52% and 2014: 6.58 %

Equity per share:

profit attributable to equity holders of the parent company / adjusted basic  
number of shares at end of period

Return on equity, % (ROE):

(profit for the period / equity (average)) x 100

Return on invested capital, % (ROI):

(profit before tax + financial expenses) / (total equity and liabilities - non-interest-bearing liabilities  
(average)) x 100

Equity ratio, %:

equity / (total equity and liabilities - advances received) x 100

Gearing, %:

net interest-bearing liabilities / equity x 100

Net interest-bearing liabilities:  
interest-bearing liabilities - liquid assets

Operating profit excluding non-recurring items:  
operating profit +/- non-recurring items

Helsinki, 4 February 2015

LASSILA & TIKANOJA PLC  
Board of Directors

Pekka Ojanpää  
President and CEO

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Lassila & Tikanoja is a service company that is transforming consumer society into an efficient recycling society. In co-operation with our customers, we are reducing waste volumes, extending the useful lives of properties, recovering materials and decreasing the use of raw materials and energy. We help our customers to focus on their core business and protect the environment. Together, we can create well-being and jobs. L&T operates in Finland, Sweden and Russia. L&T's net sales in 2014 amounted to EUR 639.7 million and the company employs 8,000 persons. L&T is listed on Nasdaq Helsinki.

Distribution:  
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