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## LASSILA & TIKANOJA PLC INTERIM REPORT 1 JANUARY – 30 JUNE 2009

- Net sales for the second quarter EUR 147.1 million (EUR 154.4 million); operating profit EUR 14.9 million (EUR 10.2 million); operating profit excluding non-recurring and imputed items EUR 14.8 million (EUR 11.3 million); earnings per share EUR 0.26 (EUR 0.17)
- Net sales for January–June EUR 293.5 million (EUR 301.7 million); operating profit EUR 24.9 million (EUR 33.0 million); operating profit excluding non-recurring and imputed items EUR 26.0 million (EUR 20.1 million); earnings per share EUR 0.42 (EUR 0.68)
- Revised prospects: Full-year net sales are expected to reach the previous year's level and full-year operating profit, excluding non-recurring and imputed items, is expected to reach the same level or show slight improvement. This requires that production operations will be launched at the L&T Recoil plant in the early autumn.

### GROUP NET SALES AND FINANCIAL PERFORMANCE

#### Second quarter

Lassila & Tikanoja's net sales for the second quarter totalled EUR 147.1 million (EUR 154.4 million), showing a decrease of 4.7%. Operating profit amounted to EUR 14.9 million (EUR 10.2 million), representing 10.1% (6.6%) of net sales. Operating profit excluding non-recurring and imputed items was EUR 14.8 million (EUR 11.3 million). Earnings per share rose to EUR 0.26 (EUR 0.17).

Net sales fell due to the sustained low prices of secondary raw materials and low demand for wood-based fuels. Profitability improved, thanks to effective production efficiency improvement measures.

Non-recurring expenses of EUR 0.4 million associated with the closure of the Luumäki wood pellet plant were recorded for the quarter as well as non-recurring income of EUR 0.5 million from the refund of the supplementary insurance fund of the former Lassila & Tikanoja.

#### January–June

Six-month net sales amounted to EUR 293.5 million (EUR 301.7 million); down by 2.7%. Operating profit was EUR 24.9 million (EUR 33.0 million), representing 8.5% (10.9%) of net sales. Operating profit excluding non-recurring and imputed items rose to EUR 26.0 million (EUR 20.1 million). Earnings per share were EUR 0.42 (EUR 0.68). The capital gain of EUR 14.3 million from the sale of Ekokem shares boosted the operating profit and net sales in the comparison period.

The net sales of Property and Office Support Services and Industrial Services reached their previous year's level while Environmental Services saw a decline in net sales. Operating profit excluding non-recurring and imputed items saw a marked improvement, thanks to production efficiency improvement measures. Despite these improvements, the lower market prices of secondary raw materials and weakened demand continued to erode the net sales and profitability of recycling services. L&T Biowatti was adversely affected by the reduced demand for wood-based fuels and the lower operating rates in the forest industry.

#### Financial summary

	4-6/ 2009	4-6/ 2008	Change %	1-6/ 2009	1-6/ 2008	Change %	1-12/ 2008
Net sales, EUR million	147.1	154.4	-4.7	293.5	301.7	-2.7	606.0
Operating profit excluding non-recurring and imputed items, EUR million*	14.8	11.3	31.0	26.0	20.1	29.4	45.0
Operating profit, EUR million	14.9	10.2	45.8	24.9	33.0	-24.8	55.5
Operating margin, %	10.1	6.6		8.5	10.9		9.2
Profit before tax, EUR million	13.6	9.2	48.1	21.9	30.9	-29.1	50.7
Earnings per share, EUR	0.26	0.17	52.9	0.42	0.68	-38.2	1.03
EVA, EUR million	6.4	2.8		8.4	18.6		25.0

\* Breakdown of operating profit excluding non-recurring and imputed items is presented below the division reviews.

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## NET SALES AND FINANCIAL PERFORMANCE BY DIVISION

### Environmental Services

#### Second quarter

The net sales of Environmental Services (waste management, recycling services, L&T Biowatti, environmental products) in the second quarter shrank by 7.3% to EUR 71.0 million (EUR 76.6 million). Operating profit was EUR 8.9 million (EUR 8.2 million), and operating profit excluding non-recurring and imputed items was EUR 9.4 million (EUR 8.2 million).

The net sales of waste management remained at the same level as last year while the net sales of recycling services declined due to shrinking volumes of recyclable waste materials and falling prices of secondary raw materials. The division's profitability improved thanks to production efficiency enhancement measures. Construction of added capacity at the Kerava recycling plant continued, and the new wood shredding unit was completed at the end of the second quarter.

L&T Biowatti failed to reach its targets due to clearly lower than anticipated demand for wood-based fuels. Factors contributing to the decline in demand included low wholesale prices of electricity and several customers' annual maintenance shutdowns. Energy wood procurement for the coming winter proceeded according to plans. The wood pellet plant in Luumäki was closed due to weak availability of raw material and high prices. Non-recurring expenses of EUR 0.4 million were recorded for the discontinuation.

Operational adjustment measures were taken in Latvia in response to the changed market situation, which helped maintain a healthy profitability level.

#### January–June

Environmental Services' net sales for January–June decreased by 5.8% to EUR 143.3 million (EUR 152.1 million). Operating profit was EUR 15.7 million (EUR 16.6 million), and operating profit excluding non-recurring and imputed items was EUR 17.1 million (EUR 16.6 million).

In waste management, net sales remained at the previous year's level despite the reduction in waste volumes resulting from the slowdown particularly in new construction. Active renovation operations, however, helped offset the decline in waste volumes. Profitability improved in the waste management business, thanks to production efficiency improvement measures.

The market prices of secondary raw materials (plastics, fibres, metals) and their demand remained low in the first half. The investment programme covering the construction of additional capacity for the Kerava recycling plant was changed, leaving the investment smaller than was originally planned. The current project involves the construction of a combined plant that will be able to handle both construction waste and trade and industrial waste. The plant is scheduled to be completed in 2010.

The demand for the biofuels supplied by L&T Biowatti declined in the first half as a result of lower than expected electricity production volumes and the decline in the operating rates in the forest industry. The low price of emission rights eroded the competitiveness of wood-based fuels against coal and oil. A forestry service organisation focusing on energy wood procurement launched operations in January, and the Luumäki wood pellet plant was closed in May.

In April, waste management operations in Russia were extended to cover the city of Noginsk. Although the growing uncertainty of the Latvian economy poses challenges for business development, it has also improved the availability of labour and lowered labour costs.

Net sales for environmental products declined from the comparison period while profitability improved.

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## Property and Office Support Services

### Second quarter

The net sales of Property and Office Support Services (property maintenance and cleaning services) amounted to EUR 60.5 million (EUR 61.0 million) in the second quarter. At EUR 4.3 million, the operating profit showed a clear improvement (EUR 1.2 million). Operating profit excluding non-recurring and imputed items was EUR 4.3 million (EUR 1.2 million).

In Finland, both product lines were able to increase their net sales. Profitability in Finnish operations showed a clear improvement thanks to production efficiency enhancement measures and fixed cost reductions.

Net sales from international operations declined from last year primarily as a result of the weakening of the Swedish krona and the Russian rouble. In Latvia, the scopes of cleaning services have been downsized in response to growing economic uncertainty. Action taken to boost production efficiency helped improve the result from international operations, but operations continued to make a slight loss.

### January–June

The January–June net sales of Property and Office Support Services totalled EUR 121.7 million (EUR 120.2 million); an increase of 1.2%. Operating profit rose to EUR 7.7 million (EUR 2.8 million), and operating profit excluding non-recurring and imputed items was EUR 7.9 million (EUR 2.8 million).

Contract revenue in Finland grew in both product lines despite the fierce price competition. The economic recession had a particularly negative impact on the sales of additional services, and the slowdown in construction reflected on the demand for maintenance services for technical systems.

Measures taken to boost production efficiency and to trim fixed costs were successful. Prolonged economic uncertainty resulted in considerably lower employee turnover, particularly in cleaning services. The damage repair services business handled a few major accidents in the first half, and new partnership agreements were signed with insurance companies.

Loss from international operations declined. The Russian and Latvian operations recorded a positive result. In Sweden, the reorganisation programme proceeded as planned but operations continued to make a loss nonetheless. In March, the Russian cleaning services were awarded a certificate for compliance with the ISO 9001 quality standards.

## Industrial Services

### Second quarter

The net sales of Industrial Services (hazardous waste management, industrial solutions, wastewater services, L&T Recoil) were down by 3.4% to EUR 17.6 million (EUR 18.2 million). Operating profit was EUR 1.7 million (EUR 1.1 million), and operating profit excluding non-recurring and imputed items was EUR 1.7 million (EUR 2.3 million).

The division's net sales fell due to lower operating rates in the industry, and adjusting production to the changed market environment continued to be challenging. Major project-type assignments that began in the first quarter continued in April–May.

The joint venture L&T Recoil's re-refinery for used lubricating oil in Hamina was completed in May. The refinery is expected to reach a production stage in the early autumn. Production start-up costs and raw material storage costs taxed the quarter's performance.

In other product lines, performance was on a par with the previous year thanks to production efficiency enhancement measures.

### January–June

Industrial Services generated net sales of EUR 32.4 million (EUR 31.9 million) in January–June, showing an increase of 1.7%. Operating profit was EUR 2.0 million (EUR 0.2 million), and operating profit excluding non-recurring and imputed items was EUR 2.1 million (EUR 1.6 million).

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Lower operating rates in the industry reflected particularly strongly on hazardous waste volumes. Nevertheless, the division's net sales and profitability picked up from the previous year, thanks to large projects in the first half and continued production efficiency improvement measures. Damage repair services were transferred to the Property and Office Support Services division at the beginning of the year.

Net sales of wastewater services grew from the comparison period but profitability declined. New industrial partnerships were launched in industrial solutions.

Start-up of the L&T Recoil re-refinery began at the end of the period. The target set for the joint venture remains unchanged: To produce one-third of the plant's 60,000-ton annual capacity during the second half. The global market price of the base oil produced by the re-refinery has been following crude oil price developments with a delay, as expected.

#### BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING AND IMPUTED ITEMS

EUR million	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
Operating profit	14.9	10.2	24.9	33.0	55.5
Non-recurring items					
Impairment loss on goodwill of business in Sweden					3.1
Discontinuation of soil washing services					2.6
Loss on sale of business in Norway					1.1
Gain on sale of the shares of Ekokem				-14.3	-14.3
Oil derivatives		1.1		1.4	-3.0
Restructuring expenses			1.2		
Discontinuation of wood pellet production in Luumäki	0.4		0.4		
Refund of supplementary insurance fund of former Lassila & Tikanoja	-0.5		-0.5		
Operating profit excluding non-recurring and imputed items	14.8	11.3	26.0	20.1	45.0

#### FINANCING

At the end of the period, interest-bearing liabilities amounted to EUR 32.5 million more than a year earlier. Net interest-bearing liabilities, totalling EUR 129.4 million, increased by EUR 17.6 million from the comparison period and by EUR 8.9 million from the beginning of the year.

The amount of net finance costs in the second quarter exceeded that of the comparison period by EUR 0.2 million and in January–June by EUR 0.8 million regardless of the decline in the interest rate level. The costs increased as a result of growth in the interest-bearing liabilities. Interest expenses increased by EUR 0.2 million in the second quarter and by EUR 0.6 million in January–June. Net finance costs were 1.0% (0.7%) of net sales and 11.7% (6.3%) of operating profit.

In January–June, a total of EUR -0.3 million (EUR 0.4 million) arising from the changes in the fair values of interest rate swaps to which hedge accounting under IAS 39 is applied was recognised in other comprehensive income, after tax.

In January–June, new long-term loans totalling EUR 24.0 million were drawn and EUR 20.8 million were repaid. During the last six months of the year, repayments of long-term loans totalling EUR 8.4 million (EUR 4.8 million) will fall due. At 30 June 2009, the weighted average of effective interest rates of long-term loans was 3.10% (5.10%). At the end of the period, the amount of liquid assets was EUR 23.4 million (EUR 8.5 million) and a committed limit of EUR 15.0 million was not in use (EUR 4.0 million in use).

The equity ratio was 41.6% (44.5%) and the gearing rate 64.9 (57.7). Cash flows from operating activities amounted to EUR 36.2 million (EUR 25.9 million), and EUR 2.3 million were tied up in the working capital (EUR 2.3 million).

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## DIVIDEND

The Annual General Meeting held on 24 March 2009 resolved on a dividend of EUR 0.55 per share. The dividend, totalling EUR 21.3 million, was paid to the shareholders on 3 April 2009.

## CAPITAL EXPENDITURE

Capital expenditure totalled EUR 24.5 million (EUR 31.4 million). The largest construction projects were L&T Recoil re-refinery and the extension of the Kerava recycling plant.

In the second quarter, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services. The net sales of the acquired business totalled EUR 0.7 million.

In the beginning of June, the business of Environmental Services' unit in Virrat was sold.

## PERSONNEL

In January–June, the average number of employees converted into full-time equivalents was 8,039 (7,972). At the end of the period, the total number of full-time and part-time employees was 9,524 (10,087). Of them 7,409 (7,694) people worked in Finland and 2,115 (2,393) people in other countries.

## NEW DIVISIONS

As of 1 June 2009, Lassila & Tikanoja's business operations were regrouped into three divisions: Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti). The Industrial Services division was combined with the Environmental Services division.

By the regrouping L&T aims at a more cost-efficient and customer orientated operating model. The combining of the organisations of Environmental Services and Industrial Services allows more efficient use of resources.

The company's internal reporting, as well as the segments reported externally, will be changed to reflect the new divisions at the beginning of 2010. In 2009, the financial reporting segments are Environmental Services, Property and Office Support Services and Industrial Services.

## SHARE AND SHARE CAPITAL

### Traded volume and price

The volume of trading in Lassila & Tikanoja plc shares on NASDAQ OMX Helsinki from January through June was 6,676,707, which is 17.2% (32.1%) of the average number of shares. The value of trading was EUR 74.6 million (EUR 217.9 million). The trading price varied between EUR 9.16 and EUR 13.15. The closing price was EUR 12.80. During the review period the company repurchased 30,000 own shares. The market capitalisation was EUR 496.2 million (EUR 604.1 million) at the end of the period.

### Share capital and number of shares

The company's registered share capital amounts to EUR 19,399,437, and the number of the shares to 38,798,874 shares. In January–June, the average number of shares excluding the shares held by the company totalled 38,792,498.

### Share option scheme 2005

In 2005, 600,000 share option rights were issued, each entitling its holder to subscribe for one share of Lassila & Tikanoja plc. In the beginning of the exercise period, 32 key persons held 176,000 2005B options. 37 key persons hold 200,000 2005C options. L&T Advance Oy, a wholly-owned subsidiary of Lassila & Tikanoja plc, holds 24,000 2005B options and 30,000 2005C options and these options will not be exercised.

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The exercise price for the 2005B options is EUR 16.98 and for 2005C options EUR 26.87. The exercise period for 2005B options is 3 November 2008 to 31 May 2010, and for 2005C options 2 November 2009 to 31 May 2011. The exercise period for the 2005A options ended on 29 May 2009.

As a result of the exercise of the outstanding 2005 share options, the number of shares may increase by a maximum of 376,000 new shares, which is 1.0% of the current number of shares. The 2005B options have been listed on NASDAQ OMX Helsinki since 2 January 2009.

### **Share option scheme 2008**

In 2008, 230,000 share option rights were issued, each entitling its holder to subscribe for one share of Lassila & Tikanoja plc. 38 key persons hold 199,000 options and L&T Advance Oy 31,000 options.

The exercise price for the 2008 options is EUR 16.27. The exercise price of the share options shall, as per the dividend record date, be reduced by the amount of dividend which exceeds 70% of the profit per share for the financial period to which the dividend applies. However, only such dividends whose distribution has been agreed upon after the option pricing period and which have been distributed prior to the share subscription are deducted from the subscription price. The exercise price shall, however, always amount to at least EUR 0.01. The exercise period will be from 1 November 2010 to 31 May 2012.

As a result of the exercise of the outstanding 2008 share options, the number of shares may increase by a maximum of 199,000 new shares, which is 0.5% of the current number of shares.

### **Share-based incentive programme**

Lassila & Tikanoja plc's Board of Directors decided at a meeting held on 24 March 2009 on a share-based incentive programme. The programme includes three earnings periods one year each, of which the first one began on 1 January 2009 and the last one ends on 31 December 2011. The basis for the determination of the reward is decided annually. Potential rewards to be paid for the year 2009 will be based on the EVA result of Lassila & Tikanoja group. Potential rewards will be paid partly as shares and partly in cash. The proportion paid in cash will cover taxes arising from the reward. In the starting phase the programme covers 28 persons.

A maximum total of 180,000 Lassila & Tikanoja plc shares may be paid out on the basis of the programme. The shares will be obtained in public trading, and therefore the incentive programme will have no diluting effect on the share value.

### **Shareholders**

At the end of the financial period, the company had 6,927 (6,123) shareholders. Nominee-registered holdings accounted for 8.8% (9.8%) of the total number of shares.

### **Notifications on major holdings**

On 30 April 2009, Ilmarinen Mutual Pension Insurance Company announced that its holding of the shares and votes in Lassila & Tikanoja plc had fallen to 7.6%.

On 12 May 2009, OP-Pohjola Group announced that its holding of the shares and votes in Lassila & Tikanoja plc had risen to 5.2%.

### **Authorisation for the Board of Directors**

The Annual General Meeting held on 24 March 2009 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 and on the issuance of these shares. Shares will be repurchased otherwise than in proportion to the existing shareholdings of the company's shareholders in public trading on the NASDAQ OMX Helsinki Ltd at the market price quoted at the time of the repurchase.

The Board of Directors is authorised to repurchase and transfer a maximum of 500,000 company shares, which is 1.3% of the total number of shares. The repurchase authorisation will be effective for 18 months and the share issue authorisation for four years.

The Board of Directors is not authorised to launch a convertible bond or share option rights.

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### **Own shares**

At the end of the period Lassila & Tikanoja plc held 30,000 of its own shares which represent 0.1% of shares and votes. The shares were repurchased based on the authorisation given by the Annual General Meeting on 20-26 May 2009 at a total price of EUR 356 thousand.

### **RESOLUTIONS BY THE ANNUAL GENERAL MEETING**

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 24 March 2009, adopted the financial statements for the financial year 2008 and released the members of the Board of Directors and the President and CEO from liability. The AGM resolved that a dividend of EUR 0.55, a total of EUR 21.3 million, as proposed by the Board of Directors, be paid for the financial year 2008. The dividend payment date was resolved to be 3 April 2009.

The Annual General Meeting confirmed the number of the members of the Board of Directors six. The following Board members were re-elected to the Board until the end of the following AGM: Heikki Bergholm, Eero Hautaniemi, Matti Kavetvuo, Juhani Lassila and Juhani Maijala. Hille Korhonen was elected as a new member for the same term.

PricewaterhouseCoopers Oy, Authorised Public Accountants, were elected auditors with Heikki Lassila, Authorised Public Accountant, acting as Principal Auditor.

The Annual General Meeting approved the Board's proposals to amend article 11 of the Articles of Association and to authorise the Board of Directors to repurchase the company's own shares and to issue shares.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 25 March 2009.

### **BOARD OF DIRECTORS**

The members of the Board of Directors are Heikki Bergholm, Eero Hautaniemi, Matti Kavetvuo, Hille Korhonen, Juhani Lassila and Juhani Maijala. In its constitutive meeting the Board re-elected Juhani Maijala as Chairman of the Board and Juhani Lassila as Vice Chairman. The Board decided to establish an audit committee. From among its members, the Board elected Juhani Lassila as chairman and Eero Hautaniemi and Hille Korhonen as members of the audit committee.

### **SUMMARY OF STOCK EXCHANGE RELEASES PURSUANT TO ARTICLE 7, CHAPTER 2 OF THE SECURITIES MARKETS ACT**

In a release published on 25 March 2009, the company announced that Lassila & Tikanoja plc's Board of Directors decided on a share-based incentive programme. More details of the programme are given above in the chapter Share and share capital.

In a release published on 12 May 2009, the company announced that as of 1 June 2009 its business operations will be regrouped into three divisions: Environmental Services, Property and Office Support Services and Renewable Energy Sources (L&T Biowatti). The Industrial Services division will be combined to the Environmental Services division. The company's internal reporting, as well as the segments reported externally, will be changed to reflect the new divisions at the beginning of 2010.

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## NEAR-TERM UNCERTAINTIES

A deeper and prolonged economic recession may further reduce transport and recycling volumes and the number of assignments. Indeed, the slowdown in the construction business has already translated into lower construction waste volumes. If the market price instability of secondary raw materials persists and demand remains low, this will continue to have a negative effect on the profitability of recycling services. Rapid fluctuations in demand for services purchased by the industry and the lowering operating rates may hamper the planning and implementation of work.

Delays in the start-up of L&T Recoil will affect the Industrial Services division's operating profit. Operating profit will also decline if the price of crude oil falls, because the price of base oil follows crude oil price developments with a slight delay.

If the operating rates in the forest industry continue to be low, this may hamper L&T Biowatti's procurement of by-products for raw material. The low prices of coal and oil will undermine the competitiveness of wood-based fuels.

The uncertain outlook of the Latvian economy and more intense competition may prove detrimental to the profitability of Riga's waste management business.

If the H1N1 influenza epidemic turns out to be serious, potential consequences include higher sick day costs and production disruptions, which could weaken financial performance.

More detailed information on L&T's risks and risk management is available in the Annual Report 2008 in the Board of Directors' Report and consolidated financial statements.

## PROSPECTS FOR THE REST OF THE YEAR

Although the markets in which L&T primarily operates are not highly cyclical, the prolonged economic recession is reflecting on the demand for L&T's services.

In the Environmental Services division, waste material transport and recycling volumes are expected to decline further. Similarly, the market prices of secondary raw materials are expected to remain low and demand to be weak. Operating rates in the forest industry are likely to stay low, which will affect L&T Biowatti's raw material procurement. At the same time, low fossil fuel prices and the reduction in the price of emission rights will restrict demand for wood-based biofuel.

Fierce competition and increased competitive bidding is expected to continue to affect Property and Office Support Services. The economic uncertainty will hold back new and additional sales, and smaller scopes of services are to be expected when contracts are renewed.

The Industrial Services division's market conditions are expected to remain challenging towards the year-end. Industrial order books continue to be exceptionally small, which is likely to translate into further capacity cuts and production restrictions for customers. Lower operating rates will reduce hazardous waste volumes and rapid fluctuations in demand will make production adjustment measures more difficult.

Full-year net sales are expected to reach the previous year's level and full-year operating profit, excluding non-recurring and imputed items, is expected to reach the same level or show slight improvement. This requires that production operations will be launched at the L&T Recoil plant in the early autumn.

Prospects have been revised from the previous interim report, which stated as follows: Full-year net sales and operating profit excluding non-recurring and imputed items are expected to reach the previous year's level. This requires success in the adaptation of operations and costs as well as the start-up of the operation of L&T Recoil according to plan.

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**CONDENSED FINANCIAL STATEMENTS 1 JANUARY–30 JUNE 2009**
**CONSOLIDATED INCOME STATEMENT**

EUR 1000	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
<b>Net sales</b>	<b>147 094</b>	154 364	<b>293 526</b>	301 695	605 996
Cost of goods sold	<b>-126 049</b>	-135 939	<b>-255 279</b>	-267 741	-533 681
<b>Gross profit</b>	<b>21 045</b>	18 425	<b>38 247</b>	33 954	72 315
Other operating income	<b>993</b>	946	<b>1 344</b>	15 872	21 708
Selling and marketing costs	<b>-3 697</b>	-4 329	<b>-7 766</b>	-8 220	-16 228
Administrative expenses	<b>-2 851</b>	-3 216	<b>-5 532</b>	-6 291	-12 105
Other operating expenses	<b>-624</b>	-1 628	<b>-1 442</b>	-2 282	-7 102
Goodwill impairment					-3 090
<b>Operating profit</b>	<b>14 866</b>	10 198	<b>24 851</b>	33 033	55 498
Finance income	<b>418</b>	436	<b>829</b>	816	1 931
Finance costs	<b>-1 651</b>	-1 426	<b>-3 747</b>	-2 906	-6 737
<b>Profit before tax</b>	<b>13 633</b>	9 208	<b>21 933</b>	30 943	50 692
Income tax expense	<b>-3 612</b>	-2 440	<b>-5 812</b>	-4 442	-10 724
<b>Profit for the period</b>	<b>10 021</b>	6 768	<b>16 121</b>	26 501	39 968
<b>Attributable to:</b>					
Equity holders of the company	<b>10 016</b>	6 778	<b>16 120</b>	26 502	39 969
Minority interest	<b>5</b>	-10	<b>1</b>	-1	-1
<b>Earnings per share for profit attributable to the equity holders of the company:</b>					
Basic earnings per share, EUR	<b>0.26</b>	0.17	<b>0.42</b>	0.68	1.03
Diluted earnings per share, EUR	<b>0.26</b>	0.17	<b>0.42</b>	0.68	1.03

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR 1000	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
<b>Profit for the period</b>	<b>10 021</b>	6 768	<b>16 121</b>	26 501	39 968
<b>Other comprehensive income, after tax</b>					
Hedging reserve, change in fair value	<b>99</b>	685	<b>-335</b>	371	-972
Current available-for-sale investments					
Gains in the period	<b>-80</b>	2	<b>-7</b>	1	29
Reclassification adjustments				-14 238	-14 238
Current available-for-sale investments	<b>-80</b>	2	<b>-7</b>	-14 237	-14 209
Currency translation differences	<b>287</b>	-147	<b>-22</b>	-257	-1 862
<b>Other comprehensive income, after tax</b>	<b>306</b>	540	<b>-364</b>	-14 123	-17 043
<b>Total comprehensive income, after tax</b>	<b>10 327</b>	7 308	<b>15 757</b>	12 378	22 925
<b>Attributable to:</b>					
Equity holders of the company	<b>10 318</b>	7 284	<b>15 766</b>	12 351	22 950
Minority interest	<b>9</b>	24	<b>-9</b>	27	-25

Breakdown of income tax is presented in the notes under 'Tax effects of components of other comprehensive income'.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

EUR 1000	6/2009	6/2008	12/2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	115 495	119 900	115 451
Customer contracts arising from acquisitions	6 454	7 187	7 346
Agreements on prohibition of competition	12 250	14 128	13 270
Other intangible assets arising from business acquisitions	4 188	6 388	5 158
Other intangible assets	13 218	12 011	11 402
	<b>151 605</b>	<b>159 614</b>	<b>152 627</b>
Property, plant and equipment			
Land	4 015	3 503	3 832
Buildings and constructions	61 872	38 039	43 958
Machinery and equipment	114 982	106 703	113 851
Other	79	82	78
Advance payments and construction in progress	20 303	17 908	35 433
	<b>201 251</b>	<b>166 235</b>	<b>197 152</b>
Other non-current assets			
Available-for-sale investments	522	402	502
Finance lease receivables	4 859	4 472	4 694
Deferred income tax assets	1 376	1 435	945
Other receivables	705	634	689
	<b>7 462</b>	<b>6 943</b>	<b>6 830</b>
<b>Total non-current assets</b>	<b>360 318</b>	<b>332 792</b>	<b>356 609</b>
<b>Current assets</b>			
Inventories	21 894	14 518	18 827
Trade and other receivables	76 039	80 088	74 634
Derivative receivables		1 550	112
Advance payments	1 873	2 354	986
Available-for-sale investments	16 477	2 995	20 368
Cash and cash equivalents	6 943	5 535	6 149
<b>Total current assets</b>	<b>123 226</b>	<b>107 040</b>	<b>121 076</b>
<b>TOTAL ASSETS</b>	<b>483 544</b>	<b>439 832</b>	<b>477 685</b>

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EUR 1000	6/2009	6/2008	12/2008
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to equity holders of the company			
Share capital	19 399	19 398	19 399
Share premium reserve	50 673	50 645	50 673
Other reserves	-3 319	-95	-2 964
Retained earnings	116 515	97 252	97 799
Profit for the period	16 120	26 502	39 969
	<b>199 388</b>	193 702	204 876
Minority interest	153	214	162
<b>Total equity</b>	<b>199 541</b>	193 916	205 038
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	32 660	29 726	32 898
Pension obligations	680	591	674
Long-term provisions	1 993	1 113	1 741
Long-term borrowings	116 181	68 558	102 487
Other liabilities	1 340	690	1 083
	<b>152 854</b>	100 678	138 883
<b>Current liabilities</b>			
Short-term borrowings	36 666	51 766	44 569
Trade and other payables	91 864	91 102	88 298
Derivative liabilities	1 066	2 192	610
Tax liabilities	1 242	153	273
Short-term provisions	311	25	14
	<b>131 149</b>	145 238	133 764
<b>Total liabilities</b>	<b>284 003</b>	245 916	272 647
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>483 544</b>	439 832	477 685

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

EUR 1000	6/2009	6/2008	12/2008
<b>Cash flows from operating activities</b>			
Profit for the period	16 121	26 502	39 968
<b>Adjustments</b>			
Income tax expense	5 812	4 442	10 724
Depreciation, amortisation and impairment	19 815	18 618	40 985
Finance income and costs	2 918	2 090	4 806
Oil derivatives		1 361	-2 221
Gain on sale of shares		-14 258	-14 258
Discontinued operations			2 616
Other	258	-1 308	444
Net cash generated from operating activities before change in working capital	44 924	37 447	83 064
Change in working capital			
Change in trade and other receivables	-4 327	-9 407	3 502
Change in inventories	-3 074	-182	-4 492
Change in trade and other payables	5 065	7 310	3 152
Change in working capital	-2 336	-2 279	2 162
Interest paid	-4 074	-2 576	-5 953
Interest received	1 035	795	1 867
Income tax paid	-3 363	-7 486	-10 716
<b>Net cash from operating activities</b>	<b>36 186</b>	<b>25 901</b>	<b>70 424</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries and businesses, net of cash acquired	-320	-420	-4 298
Proceeds from sale of subsidiaries and businesses, net of sold cash	197		23
Purchases of property, plant and equipment and intangible assets	-24 530	-31 180	-77 542
Proceeds from sale of property, plant and equipment and intangible assets	1 196	1 278	789
Purchases of available-for-sale investments	-48		-200
Change in other non-current receivables	-12	-1	-11
Proceeds from sale of available-for-sale investments	25	16 807	16 867
Dividends received	1	3	4
<b>Net cash used in investing activities</b>	<b>-23 491</b>	<b>-13 513</b>	<b>-64 368</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		178	206
Change in short-term borrowings	3 441	14 414	-4 593
Proceeds from long-term borrowings	24 000		47 000
Repayments of long-term borrowings	-21 511	-11 109	-14 546
Dividends paid	-21 318	-21 315	-21 315
Repurchase of own shares	-356		
<b>Net cash generated from financing activities</b>	<b>-15 744</b>	<b>-17 832</b>	<b>6 752</b>

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EUR 1000	6/2009	6/2008	12/2008
<b>Net change in liquid assets</b>	<b>-3 049</b>	-5 444	12 808
Liquid assets at beginning of period	26 517	14 008	14 008
Effect of changes in foreign exchange rates	-38	-36	-339
Change in fair value of current available-for-sale investments	-10	2	40
<b>Liquid assets at end of period</b>	<b>23 420</b>	8 530	26 517
<b>Liquid assets</b>			
EUR 1000	6/2009	6/2008	12/2008
Cash and cash equivalents	6 943	5 535	6 149
Certificates of deposit	16 477	2 995	20 368
Total	23 420	8 530	26 517

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Share capital	Share premium reserve	Revaluation and other reserves	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total equity
<b>Equity at 1.1.2009</b>	<b>19 399</b>	<b>50 673</b>	<b>-2 964</b>	<b>137 768</b>	<b>204 876</b>	<b>162</b>	<b>205 038</b>
Expense recognition of share-based benefits				397	397		397
Repurchase of own shares				-356	-356		-356
Dividends paid				-21 295	-21 295		-21 295
Total comprehensive income			-355	16 121	15 766	-9	15 757
<b>Equity at 30.6.2009</b>	<b>19 399</b>	<b>50 673</b>	<b>-3 319</b>	<b>132 635</b>	<b>199 388</b>	<b>153</b>	<b>199 541</b>
<b>Equity at 1.1.2008</b>	<b>19 392</b>	<b>50 474</b>	<b>14 055</b>	<b>118 236</b>	<b>202 157</b>	<b>187</b>	<b>202 344</b>
Share subscriptions with 2005 options	6	172			178		178
Expense recognition of share-based benefits				339	339		339
Dividends paid				-21 323	-21 323		-21 323
Total comprehensive income			-14 150	26 502	12 351	27	12 378
<b>Equity at 30.6.2008</b>	<b>19 398</b>	<b>50 645</b>	<b>-95</b>	<b>123 754</b>	<b>193 702</b>	<b>214</b>	<b>193 916</b>

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**KEY FIGURES**

	<b>4-6/ 2009</b>	<b>4-6/ 2008</b>	<b>1-6/ 2009</b>	<b>1-6/ 2008</b>	<b>1-12/ 2008</b>
Earnings per share, EUR	<b>0.26</b>	0.17	<b>0.42</b>	0.68	1.03
Earnings per share, EUR - diluted	<b>0.26</b>	0.17	<b>0.42</b>	0.68	1.03
Cash flows from operating activities per share, EUR	<b>0.53</b>	0.37	<b>0.93</b>	0.67	1.82
EVA, EUR million	<b>6.4</b>	2.8	<b>8.4</b>	18.6	25.0
Capital expenditure, EUR 1000	<b>12 169</b>	17 328	<b>24 456</b>	31 421	84 249
Depreciation, amortisation and impairment, EUR 1000	<b>9 863</b>	9 379	<b>19 815</b>	18 618	40 985
Equity per share, EUR			<b>5.14</b>	4.99	5.28
Return on equity, ROE, %			<b>15.9</b>	26.8	19.6
Return on invested capital, ROI, %			<b>14.6</b>	21.4	17.1
Equity ratio, %			<b>41.6</b>	44.5	43.2
Gearing, %			<b>64.9</b>	57.7	58.8
Net interest-bearing liabilities, EUR 1000			<b>129 427</b>	111 795	120 539
Average number of employees in full-time equivalents			<b>8 039</b>	7 972	8 363
Total number of full-time and part-time employees at end of period			<b>9 524</b>	10 087	9 490
Number of outstanding shares adjusted for issues, 1000 shares					
average during the period			<b>38 792</b>	38 794	38 796
at end of period			<b>38 769</b>	38 797	38 799
average during the period, diluted			<b>38 792</b>	38 910	38 817

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## ACCOUNTING POLICIES

This interim financial report is in compliance with IAS 34 Interim Financial Reporting standard. The same accounting policies as in the annual financial statements for the year 2008 have been applied. These interim financial statements have been prepared in accordance with the IFRS standards and interpretations as adopted by the EU.

The following new standards and amendments to standards that have become effective in 2009 have had an impact on the financial statements in this interim financial report:

### IFRS 8 Operating Segments

The IFRS 8 Operating Segments standard has replaced the Segment Reporting standard (IAS 14). IFRS 8 requires that segment information is prepared under the management approach. Segment information shall be presented on the same basis as that used for internal reporting provided to the management and using the accounting policies applied in that reporting. The adoption of IFRS 8 does not impose any significant changes on L&T's segment reporting as the previous segment reporting was based on the internal reporting structure. The internal reporting is consistent with the IFRS-standards. The reportable segments have remained unchanged, but a change has been made between Property and Office Support Services and Industrial Services, because damage repair services were transferred to Property and Office Support Services. To the rest of the segment information, to the basis of segment division and to the measurement of profit or loss the same principles have been applied as in the annual financial statements. As previously, operating profit is used as a measure of a segment's profit or loss. However, unlike in previous interim reports, the segments' net sales are divided into external net sales and inter-division net sales and a reconciliation of operating profit to the consolidated profit before tax is presented. The adoption of the standard will result in changes in the notes to the financial statements for the financial year as well.

### IAS 1 (Amendment) Presentation of Financial Statements

The revised standard has changed the presentation of the income statement and the statement of changes in equity. According to the revised standard, only owner changes in equity are presented in the statement of changes in equity. Changes in equity during the period resulting from transactions and other events other than those changes resulting from transactions with owners in their capacity as owners, are presented in a statement of comprehensive income. The income statement may be presented in a single statement of comprehensive income or in two statements. L&T has adopted two separate statements: a separate income statement displaying components of profit or loss and a second statement beginning with profit or loss and displaying components of other comprehensive income. The titles of two statements have changed: the balance sheet is now referred to as 'statement of financial position' and the cash flow statement as 'statement of cash flows'.

Income tax expense is based on the estimated average annual income tax rate.

The preparation of financial statements in accordance with IFRS require the management to make such estimates and assumptions that affect the carrying amounts at the balance sheet date for the assets and liabilities and the amounts of revenues and expenses. Judgements are also made in applying the accounting policies. Actual results may differ from the estimates and assumptions.

The interim financial statements have not been audited.

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**SEGMENT INFORMATION**

As of 2009, damage repair services was transferred from Industrial Services into Property and Office Support Services. Comparative figures have been restated accordingly.

**Net sales**

EUR 1000	4-6/2009			4-6/2008			Total net sales, change %
	External	Inter-division	Total	External	Inter-division	Total	
Environmental Services	70 304	704	71 008	76 134	505	76 639	-7.3
Property and Office Support Services	59 922	609	60 531	60 284	699	60 983	-0.7
Industrial Services	16 868	693	17 561	17 946	237	18 183	-3.4
Eliminations		-2 006	-2 006		-1 441	-1 441	
L&T total	147 094	0	147 094	154 364	0	154 364	-4.7

EUR 1000	1-6/2009			1-6/2008			Total net sales, change %
	External	Inter-division	Total	External	Inter-division	Total	
Environmental Services	141 909	1 414	143 323	151 299	820	152 119	-5.8
Property and Office Support Services	120 294	1 380	121 674	118 927	1 314	120 241	1.2
Industrial Services	31 323	1 100	32 423	31 469	405	31 874	1.7
Eliminations		-3 894	-3 894		-2 539	-2 539	
L&T total	293 526	0	293 526	301 695	0	301 695	-2.7

EUR 1000	1-12/2008		
	External	Inter-division	Total
Environmental Services	298 260	1 810	300 070
Property and Office Support Services	240 549	2 672	243 221
Industrial Services	67 187	1 845	69 032
Eliminations		-6 327	-6 327
L&T total	605 996	0	605 996

**Operating profit**

EUR 1000	4-6/2009		4-6/2008		1-6/2009		1-6/2008		1-12/2008	
		%		%		%		%		%
Environmental Services	8 932	12.6	8 151	10.6	15 740	11.0	16 574	10.9	32 255	10.7
Property and Office Support Services	4 343	7.2	1 178	1.9	7 701	6.3	2 804	2.3	5 907	2.4
Industrial Services	1 733	9.9	1 140	6.3	2 010	6.2	245	0.8	5 239	7.6
Group admin. and other	-142		-271		-600		13 410		12 097	
L&T total	14 866	10.1	10 198	6.6	24 851	8.5	33 033	10.9	55 498	9.2
Finance costs, net	-1 233		-990		-2 918		-2 090		-4 806	
Profit before tax	13 633		9 208		21 933		30 943		50 692	

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**Other segment information**

EUR 1000	6/2009	6/2008	12/2008		
<b>Assets</b>					
Environmental Services	279 981	258 219	273 722		
Property and Office					
Support Services	75 882	84 257	75 747		
Industrial Services	101 064	83 038	96 722		
Group admin. and other	497	381	458		
Non-allocated assets	26 120	13 937	31 036		
L&T total	483 544	439 832	477 685		
<b>Liabilities</b>					
Environmental Services	40 548	41 149	38 207		
Property and Office					
Support Services	36 493	35 253	35 524		
Industrial Services	16 860	17 496	15 440		
Group admin. and other	1 191	627	1 071		
Non-allocated liabilities	188 911	151 391	182 405		
L&T total	284 003	245 916	272 647		
EUR 1000	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
<b>Capital expenditure</b>					
Environmental Services	7 412	7 977	14 801	14 314	41 823
Property and Office					
Support Services	1 864	2 459	2 754	5 022	9 679
Industrial Services	2 874	6 892	6 880	12 085	32 657
Group admin. and other	19		21		90
L&T total	12 169	17 328	24 456	31 421	84 249
<b>Depreciation and amortisation</b>					
Environmental Services	6 284	5 689	12 535	11 328	23 122
Property and Office					
Support Services	2 116	2 264	4 346	4 467	8 982
Industrial Services	1 463	1 425	2 933	2 821	5 788
Group admin. and other		1	1	2	3
L&T total	9 863	9 379	19 815	18 618	37 895
<b>Impairment</b>					
Property and Office					
Support Services					3 090
L&T total					3 090

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**INCOME STATEMENT BY QUARTER**

EUR 1000	4-6/ 2009	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008	10-12/ 2007	7-9/ 2007
<b>Net sales</b>								
Environmental Services	71 008	72 315	74 211	73 740	76 639	75 480	74 788	67 915
Property and Office								
Support Services	60 531	61 143	62 861	60 124	60 983	59 253	58 458	55 496
Industrial Services	17 561	14 862	18 062	19 091	18 183	13 696	16 207	16 357
Group admin. and other							1	3
Inter-division net sales	-2 006	-1 888	-2 076	-1 712	-1 441	-1 098	-1 282	-1 202
<b>L&amp;T total</b>	<b>147 094</b>	146 432	153 058	151 243	154 364	147 331	148 172	138 569
<b>Operating profit</b>								
Environmental Services	8 932	6 808	5 957	9 723	8 151	8 423	8 372	9 730
Property and Office								
Support Services	4 343	3 358	-1 945	5 048	1 178	1 626	4 112	4 644
Industrial Services	1 733	277	1 529	3 465	1 140	-895	83	1 702
Group admin. and other	-142	-458	-660	-653	-271	13 681	-468	-601
<b>L&amp;T total</b>	<b>14 866</b>	9 985	4 881	17 583	10 198	22 835	12 099	15 475
<b>Operating margin</b>								
Environmental Services	12.6	9.4	8.0	13.2	10.6	11.2	11.2	14.3
Property and Office								
Support Services	7.2	5.5	-3.1	8.4	1.9	2.7	7.0	8.4
Industrial Services	9.9	1.9	8.5	18.1	6.3	-6.5	0.5	10.4
<b>L&amp;T total</b>	<b>10.1</b>	6.8	3.2	11.6	6.6	15.5	8.2	11.2
Finance costs, net	-1 233	-1 685	-1 370	-1 346	-990	-1 100	-1 247	-1 294
<b>Profit before tax</b>	<b>13 633</b>	8 300	3 511	16 237	9 208	21 735	10 852	14 181

**TAX EFFECTS OF COMPONENTS OF OTHER COMPREHENSIVE INCOME**

EUR 1000	30.6.2009			30.6.2008		
	Before tax	Tax expense/ benefit	After tax	Before tax	Tax expense/ benefit	After tax
Hedging reserve, change in fair value	-453	118	-335	501	-130	371
Current available-for-sale investments	-10	3	-7	-14 256	19	-14 237
Currency translation differences	-109	87	-22	-264	7	-257
<b>Components of other comprehensive income</b>	<b>-572</b>	<b>208</b>	<b>-364</b>	<b>-14 019</b>	<b>-104</b>	<b>-14 123</b>

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## BUSINESS ACQUISITIONS

### Business combinations in aggregate

EUR 1000	Fair values used in consolidation	Carrying amounts before consolidation
Property, plant and equipment	140	140
Customer contracts	69	
Agreements on prohibition of competition	101	
<b>Total assets</b>	<b>310</b>	<b>140</b>
Net assets	310	140
Goodwill arising from acquisitions	10	
<b>Acquisition cost</b>	<b>320</b>	
<b>Acquisition cost</b>	<b>320</b>	
Cash flow effect of acquisitions	320	

On 1 June 2009, the property maintenance services business of Valkeakosken Talohuolto Ky was acquired into Property and Office Support Services.

The net sales of the acquired business totalled EUR 700 thousand. The aggregate acquisition cost was EUR 320 thousand, of which EUR 10 thousand was recognised in goodwill. All itemisations in accordance with IFRS 3 are not presented because the figures are immaterial.

The accounting policy concerning business combinations is presented in Annual Report 2008 under Note 2 of the consolidated financial statements and under Summary on significant accounting policies.

### CHANGES IN INTANGIBLE ASSETS

EUR 1000	1-6/2009	1-6/2008	1-12/2008
Carrying amount at beginning of period	152 627	162 117	162 117
Business acquisitions	180	294	3 057
Other capital expenditure	2 189	1 823	3 812
Disposals	-88	-2	-2 762
Amortisation and impairment	-4 357	-4 506	-12 147
Transfers between items	978		2
Currency exchange differences	76	-112	-1 452
<b>Carrying amount at end of period</b>	<b>151 605</b>	<b>159 614</b>	<b>152 627</b>

### CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-6/2009	1-6/2008	1-12/2008
Carrying amount at beginning of period	197 152	151 870	151 870
Business acquisitions	140	116	2 050
Other capital expenditure	21 917	29 188	75 183
Disposals	-1 372	-648	-2 548
Depreciation and impairment	-15 458	-14 112	-28 838
Transfers between items	-978		-2
Currency exchange differences	-150	-179	-563
<b>Carrying amount at end of period</b>	<b>201 251</b>	<b>166 235</b>	<b>197 152</b>

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## CAPITAL COMMITMENTS

EUR 1000	1-6/2009	1-6/2008	1-12/2008
Intangible assets	825	1 616	1 021
Property, plant and equipment	6 356	18 806	10 868
Total	7 181	20 422	11 889

The Group's share of capital commitments of joint ventures

1 500	15 780	972
-------	--------	-----

## RELATED-PARTY TRANSACTIONS

(Joint ventures)

EUR 1000	1-6/2009	1-6/2008	1-12/2008
Sales	343	574	990
Purchases			
Other operating income	38		
Interest income	319		202
Non-current receivables			
Capital loan receivable	10 646	5 396	8 396
Current receivables			
Trade receivables	105	55	62
Loan receivables	362		202

## CONTINGENT LIABILITIES

### Securities for own commitments

EUR 1000	6/2009	6/2008	12/2008
Real estate mortgages	19 192	10 192	10 192
Corporate mortgages	19 460	10 000	10 460
Other securities	236	186	200
Bank guarantees required for environmental permits	4 111	4 155	4 126

Other securities are security deposits.

The Group has given no pledges, mortgages or guarantees on behalf of outsiders.

### Operating lease liabilities

EUR 1000	6/2009	6/2008	12/2008
Maturity not later than one year	7 709	8 034	7 459
Maturity later than one year and not later than five years	17 570	16 214	16 051
Maturity later than five years	6 833	5 492	7 281
Total	32 112	29 740	30 791

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**Derivative financial instruments**
**Interest rate swaps**

EUR 1000	6/2009	6/2008	12/2008
Nominal values of interest rate swaps *			
Maturity not later than one year		15 000	15 000
Total		15 000	15 000
Fair value		301	112
Nominal values of interest rate swaps **			
Maturity not later than one year	4 629	4 629	4 629
Maturity later than one year and not later than five years	23 600	18 514	20 914
Maturity later than five years		9 714	5 000
Total	28 229	32 857	30 543
Fair value	-1 062	1 204	-610

\* Hedge accounting under IAS 39 has not been applied to these interest rate swaps. Changes in fair values have been recognised in finance income and costs.

\*\* The interest rate swaps are used to hedge cash flow related to a floating rate loan, and hedge accounting under IAS 39 has been applied to it. The hedges have been effective, and the changes in the fair values are shown in the consolidated statement of comprehensive income for the period.

**Currency derivatives**

EUR 1000	6/2009	6/2008	12/2008
Nominal values of forward contracts			
Maturity not later than one year	168	2 259	
Fair value	-3	-17	

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

**Oil derivatives**

1000 bbl	6/2008
Volume of crude oil put options	
Maturity not later than one year	226
Maturity later than one year and not later than five years	114
Total	340
Fair value, EUR 1000	18
Volume of sold crude oil futures	
Maturity not later than one year	42
Fair value, EUR 1000	-2 192

Hedge accounting under IAS 39 has not been applied to oil derivatives. Changes in fair values have been recognised in other operating expenses. The fair values of the oil options have been determined on the basis of a generally used valuation model. The fair values of other derivative contracts are based on market prices at the end of the period.

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## CALCULATION OF KEY FIGURES

Earnings per share:

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

Earnings per share, diluted:

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 number of shares

EVA:

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

WACC 2008: 9.3%

WACC 2009: 9.4%

Equity per share:

equity 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 investment, % (ROI):

(profit before tax + finance costs) / (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

Helsinki, 27 July 2009

LASSILA & TIKANOJA PLC

Board of Directors

Jari Sarjo

President and CEO

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Lassila & Tikanoja specialises in environmental management and property and plant support services and is a leading supplier of wood-based biofuels, recovered fuels and recycled raw materials. With operations in Finland, Sweden, Latvia and Russia, L&T employs 9,500 persons. Net sales in 2008 amounted to EUR 606 million. L&T is listed on NASDAQ OMX Helsinki.

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