

LASSILA & TIKANOJA PLC: INTERIM REPORT 1 JANUARY – 30 JUNE 2015

- **Net sales for the second quarter EUR 164.2 million (EUR 159.8 million); operating profit EUR 14.4 million (EUR 12.9 million); operating profit excluding non-recurring items EUR 14.4 million (EUR 13.5 million); earnings per share EUR 0.28 (EUR 0.29)**
- **Net sales for January–June EUR 321.5 million (EUR 319.2 million); operating profit EUR 20.9 million (EUR 15.1 million); operating profit excluding non-recurring items EUR 21.8 million (EUR 20.9 million); earnings per share EUR 0.42 (EUR -0.13)**
- **Full-year net sales and operating profit excluding non-recurring items in 2015 are expected to remain at the 2014 level.**

CEO PEKKA OJANPÄÄ:

“The economic recession kept the business environment challenging. In spite of this, our net sales increased in the second quarter. The majority of the growth was attributable to strategically targeted acquisitions. Net sales also grew organically for the first time in a long while, supported by a focus on sales and customer relationships. We achieved an improvement also in profitability and cash flow. Profitability was supported by the successful integration of acquired businesses and good cost control. 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**Second quarter**

Lassila & Tikanaja’s net sales for the second quarter increased by 2.7% to EUR 164.2 million (EUR 159.8 million). Operating profit totalled EUR 14.4 million (EUR 12.9 million). Operating profit excluding non-recurring items was EUR 14.4 million (EUR 13.5 million), representing 8.8% (8.4%) of net sales. Earnings per share were EUR 0.28 (EUR 0.29).

In the second quarter, net sales grew particularly in Industrial Services, which saw strong demand for process cleaning. Net sales also increased in Environmental Services and Facility Services. The majority of the growth was attributable to acquisitions made by the Group. The net sales of the Renewable Energy Sources division declined substantially due to demand being lower than in the comparison period.

Profitability improved mainly due to the strong profitability of the Environmental Services division’s recycling business and the Industrial Services division’s process cleaning business. Profitability also developed favourably in the second quarter in Renewable Energy Sources due to the good energy content of the division’s fuels. The profitability of the Facility Services division decreased slightly.

January–June

Lassila & Tikanaja’s net sales for January–June amounted to EUR 321.5 million (EUR 319.2 million), an increase of 0.7%. Operating profit totalled EUR 20.9 million (EUR 15.1 million). Operating profit excluding non-recurring items was EUR 21.8 million (EUR 20.9 million), representing 6.8% (6.5%) of net sales. Earnings per share were EUR 0.42 (EUR -0.13).

In the first half of the year, net sales grew in Environmental Services and Facility Services, primarily due to acquisitions made by the Group. The net sales of the Renewable Energy Sources division decreased due to low demand. In Industrial Services, net sales were on the same level with the comparison period.

In the comparison period, the company’s reported operating profit included EUR 5.8 million in non-recurring items.

Operating profit excluding non-recurring items increased in all divisions during the first half of the year. In the first quarter, the company recorded non-recurring restructuring costs of EUR 0.9 million related to the damage repair services business. The company continued to adapt the damage repair services business to the weakened market situation.

Financial summary

| | 4-6/ 2015 | 4-6/ 2014 | Change % | 1-6/ 2015 | 1-6/ 2014 | Change % | 1-12/ 2014 |
|--|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| Net sales, EUR million | 164.2 | 159.8 | 2.7 | 321.5 | 319.2 | 0.7 | 639.7 |
| Operating profit excluding non-recurring items, EUR million* | 14.4 | 13.5 | 6.9 | 21.8 | 20.9 | 4.3 | 53.8 |
| Operating margin excluding non-recurring items, % | 8.8 | 8.4 | | 6.8 | 6.5 | | 8.4 |
| Operating profit, EUR million | 14.4 | 12.9 | 11.4 | 20.9 | 15.1 | 38.7 | 48.5 |
| Operating margin, % | 8.8 | 8.1 | | 6.5 | 4.7 | | 7.6 |
| Profit before tax, EUR million | 13.6 | 12.9 | 5.2 | 20.6 | -2.6 | | 26.6 |
| Earnings per share, EUR | 0.28 | 0.29 | -3.1 | 0.42 | -0.13 | | 0.47 |
| EVA, EUR million | 9.5 | 7.9 | 19.9 | 11.2 | 4.9 | 127.0 | 29.1 |

* Breakdown is presented below the division reviews.

NET SALES AND OPERATING PROFIT BY DIVISION

Environmental Services

Second quarter

The division's net sales for the second quarter increased by 3.7% to EUR 66.5 million (EUR 64.2 million). Operating profit was EUR 10.8 million (EUR 9.3 million) and operating profit excluding non-recurring items was EUR 10.8 million (EUR 9.6 million).

Net sales increased particularly in the recycling business, mainly due to acquisitions. The increase in the net sales of the recycling business was also attributable to stronger demand for services in the construction sector. Net sales decreased in the environmental product business due to structural changes implemented in line with strategy.

The division's profitability was weighed down by additional maintenance shutdowns at the recycling plants in Turku and Kerava, which resulted in lower waste processing volumes at the two plants. Nevertheless, the operating profit of the Environmental Services division increased due to the otherwise improved profitability of the recycling business and good operational efficiency in waste management.

January–June

The Environmental Services division's net sales for January–June increased by 1.9% and amounted to EUR 127.5 million (EUR 125.1 million). Operating profit was EUR 17.3 million (EUR 15.9 million) and operating profit excluding non-recurring items was EUR 17.3 million (EUR 16.2 million).

Acquisitions and stronger demand for services in the construction sector contributed to increased net sales in the recycling business and the division as a whole. During the first half of the year, net sales decreased in Russia due to lower demand for waste management services, recycling services and environmental products declined as well as fluctuations in the rouble exchange rate. In the environmental products business, net sales also decreased due to the discontinuation of certain products.

Profitability was weighed down by additional maintenance shutdowns at the recycling plants in Turku and Kerava, which resulted in lower waste processing volumes at the two plants. Nevertheless, the division's operating profit increased due to the otherwise improved profitability of the recycling business and good operational efficiency in waste management.

Industrial Services

Second quarter

The division's net sales for the second quarter increased by 5.6% to EUR 20.8 million (EUR 19.7 million). Operating profit was EUR 2.5 million (EUR 1.9 million) and operating profit excluding non-recurring items was EUR 2.5 million (EUR 2.0 million).

The division's net sales increased mainly due to the strong demand for process cleaning services. Net sales also increased in hazardous waste management and environmental construction.

In sewer maintenance, the operating result improved significantly due to previously implemented adaptation measures. Profitability also improved in process cleaning due to strong demand.

January–June

The Facility Services division's net sales for January–June decreased by 0.1% to EUR 35.7 million (EUR 35.7 million). Operating profit was EUR 2.1 million (EUR 1.8 million) and operating profit excluding non-recurring items was EUR 2.1 million (EUR 1.9 million).

The division's net sales were on the same level with the comparison period. Demand for process cleaning was strong in the second quarter. Net sales also increased in hazardous waste management and environmental construction. In sewer maintenance, net sales decreased due to the closure of unprofitable units.

The operating result of the sewer maintenance business improved significantly due to adaptation measures implemented during the first half of the year. Profitability also improved in process cleaning due to strong demand.

Facility Services

Second quarter

The division's net sales for the second quarter increased by 2.6% to EUR 70.1 million (EUR 68.3 million). Operating profit totalled EUR 1.8 million (EUR 2.1 million). Operating profit excluding non-recurring items was EUR 1.8 million (EUR 2.2 million).

The technical systems maintenance business saw continued strong growth supported by organic sales growth and acquisitions. Demand also increased in property maintenance and cleaning services. The net sales of the damage repair services business continued to decline as a result of the low number of damage incidents and the implementation of adaptation measures.

Profitability declined in cleaning services and property maintenance. In technical systems maintenance, the operating loss was lower than in the comparison period. The implementation of restructuring measures saw the damage repair services business return to profitability in the second quarter.

January–June

The Facility Services division's net sales for January–June increased by 2.5% to EUR 140.7 million (EUR 137.4 million). Operating profit totalled EUR 2.1 million (EUR 2.6 million). Operating profit excluding non-recurring items was EUR 3.0 million (EUR 2.8 million).

Demand in the property maintenance business improved from the previous year, while the technical systems maintenance business saw continued strong growth supported by organic sales growth and acquisitions. Demand continued to decline in damage repair services. The Group closed down unprofitable business locations in the damage repair services business during the first half of the year, which affected the entire division's net sales and operating profit. The net sales of the cleaning business in Sweden declined more than expected.

Profitability developed favourably in property maintenance and the maintenance of technical systems. Adaptation measures implemented in damage repair services significantly reduced the operating loss excluding non-recurring items. The result of the cleaning business was weighed down in the first half of the year by several large-scale customer start-ups and the slightly weaker profitability of Swedish operations.

The company will continue to adapt the damage repair services business to the prevailing market situation. In the first quarter, the company recorded non-recurring restructuring costs of EUR 0.9 million related to the damage repair services business, of which EUR 0.3 million were actual costs incurred in the first quarter and EUR 0.6 million are provisions for future restructuring measures.

Renewable Energy Sources

Second quarter

Second quarter net sales of Renewable Energy Sources (L&T Biowatti) were down by 11.3% to EUR 9.1 million (EUR 10.3 million). Operating profit and operating profit excluding non-recurring items were EUR 0.5 million (EUR 0.3 million).

The division's net sales declined mainly due to the short heating season and the challenging market situation for biofuels. Towards the end of the period, however, demand was stronger than in the comparison period. The division's profitability improved due to the good energy content of its fuels and the strong operational efficiency.

January–June

The net sales of the Renewable Energy Sources division (L&T Biowatti) in January–June were down by 15.6% to EUR 22.0 million (EUR 26.1 million). Operating profit and operating profit excluding non-recurring items were EUR 1.2 million (EUR 1.1 million).

The division's net sales declined mainly due to the short heating season and the challenging market situation for biofuels. Profitability improved due to efficiency improvement measures and the good energy content of fuels.

BREAKDOWN OF OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS

| EUR million | 4–6/2015 | 4–6/2014 | 1–6/2015 | 1–6/2014 | 1–12/2014 |
|--|-------------|----------|-------------|----------|-----------|
| Operating profit | 14.4 | 12.9 | 20.9 | 15.1 | 48.5 |
| Non-recurring items: | | | | | |
| Gain on sale of L&T Biowatti Oy equipment | | | | | -0.4 |
| L&T Recoil Oy | | | | 6.4 | 6.4 |
| Divestment of Latvian business operations | | | | -1.1 | -1.1 |
| Restructuring costs | | 0.5 | 0.9 | 0.5 | 2.0 |
| Other non-recurring items | | | | | -1.5 |
| Total non-recurring items | 0.0 | 0.5 | 0.9 | 5.8 | 5.3 |
| Operating profit excluding non-recurring items | 14.4 | 13.5 | 21.8 | 20.9 | 53.8 |

FINANCING

Cash flows from operating activities amounted to EUR 37.6 million (EUR 27.3 million). A total of EUR 1.0 million in working capital was released (EUR 6.8 million committed).

At the end of the period, interest-bearing liabilities amounted to EUR 101.1 million (EUR 100.7 million).

Net interest-bearing liabilities amounted to EUR 60.5 million (EUR 80.2 million), showing an increase of EUR 8.5 million from the beginning of the year and a decrease of EUR 19.7 million from the comparison period.

Net financial expenses in January–June amounted to EUR 0.2 million (EUR 17.6 million). Net financial expenses were 0.1% (5.5%) of net sales. The amount of net financial expenses in the comparison period was primarily due to the EUR 16.7 million payment made under the L&T Recoil Oy guarantee commitment and exchange rate fluctuations that affected the Group's internal loans denominated in foreign currencies.

The average interest rate on long-term loans (with interest rate hedging) was 1.5% (1.7%). Long-term loans totalling EUR 4.9 million will mature during the rest of the year.

The equity ratio was 43.4% (43.2%) and the gearing rate was 31.1 (42.9). Liquid assets at the end of the period amounted to EUR 40.6 million (EUR 20.5 million).

Of the EUR 100 million commercial paper programme, EUR 0 (EUR 30.0 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.

The company issued a EUR 30 million senior unsecured bond in 2014. 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).

DISTRIBUTION OF ASSETS

The Annual General Meeting held on 18 March 2015 resolved that a dividend of EUR 0.75 per share be paid on the basis of the balance sheet that was adopted for the financial year 2014. The dividend, totalling EUR 29.0 million, was paid to shareholders on 27 March 2015.

CAPITAL EXPENDITURE

In January–June, gross capital expenditure totalled EUR 17.5 million (EUR 20.3 million), consisting mainly of machine and equipment purchases and small targeted acquisitions.

PERSONNEL

In January–June, the average number of employees converted into full-time equivalents was 6,894 (7,658). At the end of the period, Lassila & Tikanoja had 8,615 (8,451) full-time and part-time employees. Of these, 7,716 (7,610) worked in Finland and 899 (841) in other countries.

SHARES AND SHARE CAPITAL

Traded volume and price

The volume of trading on Nasdaq Helsinki in January–June 2015, excluding the shares held by the company in Lassila & Tikanoja plc, was 5,653,818 shares, which is 14.6% (11.8%) of the average number of outstanding shares. The value of trading was EUR 96.4 million (EUR 66.3 million). The highest share price was EUR 18.74 and the lowest EUR 14.54. The closing price was EUR 15.41. At the end of the period, the market capitalisation excluding the shares held by the company was EUR 595.1 million (EUR 583.1 million).

Own shares

At the end of the period, the company held 184,315 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 38,614,559. The average number of shares excluding the shares held by the company was 38,612,344.

Shareholders

At the end of the period, the company had 9,915 (9,645) shareholders. Nominee-registered holdings accounted for 21.9% (18.3%) of the total number of shares.

Authorisation for the Board of Directors

The Annual General Meeting held on 18 March 2015 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 which may be held by the company through a share issue and/or issuance of option rights or other special rights conferring entitlement 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 18 March 2015, adopted the financial statements and consolidated financial statements for 2014 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 0.75 per share, totalling EUR 29.0 million, be paid on the basis of the balance sheet adopted for the financial year 2014. It was decided that the dividend be paid on 27 March 2015.

The Annual General Meeting confirmed the number of members of the Board of Directors as five. Heikki Bergholm, Eero Hautaniemi, Laura Lares, Sakari Lassila and Miikka Maijala were re-elected 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 18 March 2015.

BOARD OF DIRECTORS

The members of Lassila & Tikanoja plc's Board of Directors are Heikki Bergholm, Eero Hautaniemi, Laura Lares, Sakari Lassila and Miikka Maijala. At its constitutive meeting 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 the Chairman of the Personnel Committee and Miikka Maijala as a member of the committee.

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

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.

On 27 May 2015, the company announced that Jorma Mikkonen, Lassila & Tikanoja plc's Director, Corporate Relations and Responsibility, has been appointed as a member of the company's Group Executive Board starting from 1 June 2015. Mikkonen's responsibilities include corporate relations, EHSQ, communications and corporate safety.

EVENTS AFTER THE REPORTING PERIOD

The company management is not aware of any events of material importance that might have affected the preparation of the interim report.

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. In addition, low prices for fossil fuels may affect the demand of the recovered and renewable fuels produced by the company.

More detailed information on L&T's risks and risk management is available in the Annual Report for 2014, in the Report of the Board of Directors and in the consolidated financial statements.

OUTLOOK FOR THE REST OF THE YEAR

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 – 30 JUNE 2015

CONSOLIDATED INCOME STATEMENT

| EUR million | 4–6/ 2015 | 4–6/ 2014 | 1–6/ 2015 | 1–6/ 2014 | 1–12/ 2014 |
|---|---------------|--------------|---------------|--------------|---------------|
| Net sales | 164.2 | 159.8 | 321.5 | 319.2 | 639.7 |
| Cost of sales | -143.6 | -140.5 | -286.7 | -285.6 | -561.6 |
| Gross profit | 20.6 | 19.2 | 34.7 | 33.6 | 78.1 |
| Other operating income | 1.0 | 1.0 | 1.4 | 2.8 | 7.0 |
| Sales and marketing expenses | -3.4 | -3.7 | -6.7 | -7.5 | -14.2 |
| Administrative expenses | -3.2 | -3.1 | -6.5 | -6.7 | -12.7 |
| Other operating expenses | -0.6 | -0.5 | -2.1 | -7.2 | -9.7 |
| Impairment, property, plant and equipment and other non-current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment, goodwill and other intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating profit | 14.4 | 12.9 | 20.9 | 15.1 | 48.5 |
| Financial income | 0.1 | 0.1 | 1.1 | 0.2 | 0.4 |
| Financial expenses | -0.8 | -0.1 | -1.3 | -17.8 | -22.3 |
| Profit before tax | 13.6 | 12.9 | 20.6 | -2.6 | 26.6 |
| Income taxes | -2.8 | -1.7 | -4.2 | -2.6 | -8.4 |
| Profit for the period | 10.8 | 11.2 | 16.4 | -5.1 | 18.1 |
| Attributable to: | | | | | |
| Equity holders of the company | 10.8 | 11.2 | 16.4 | -5.1 | 18.1 |
| Non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings per share attributable to equity holders of the parent company: | | | | | |
| Earnings per share, EUR | 0.28 | 0.29 | 0.42 | -0.13 | 0.47 |
| Diluted earnings per share, EUR | 0.28 | 0.29 | 0.42 | -0.13 | 0.47 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 4-6/2015 | 4-6/2014 | 1-6/2015 | 1-6/2014 | 12/2014 |
|--|-------------|----------|-------------|----------|---------|
| Profit for the period | 10.8 | 11.2 | 16.4 | -5.1 | 18.1 |
| Items not to be recognised through profit or loss | | | | | |
| Items arising from re-measurement of defined benefit plans | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| Items not to be recognised through profit or loss, total | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| Items potentially to be recognised through profit or loss | | | | | |
| Hedging reserve, change in fair value | 0.2 | 0.0 | 0.4 | -0.3 | -0.6 |
| Currency translation differences | 0.1 | -0.1 | 0.5 | -0.5 | -2.1 |
| Currency translation differences recognised in profit or loss | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 |
| Currency translation differences, non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| Items potentially to be recognised through profit or loss, total | 0.2 | -0.1 | 1.0 | -0.4 | -2.4 |
| Total comprehensive income, after tax | 11.1 | 11.1 | 17.4 | -5.5 | 15.6 |
| Attributable to: | | | | | |
| Equity holders of the company | 11.1 | 11.1 | 17.4 | -5.5 | 15.7 |
| Non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR million | 6/2015 | 6/2014 | 12/2014 |
|--|--------------|--------|---------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | | | |
| Goodwill | 111.2 | 108.2 | 109.9 |
| Customer contracts arising from acquisitions | 5.4 | 4.3 | 5.3 |
| Agreements on prohibition of competition | 0.1 | 0.1 | 0.1 |
| Other intangible assets arising from business acquisitions | 0.7 | 0.0 | 0.7 |
| Other intangible assets | 11.7 | 8.6 | 9.7 |
| | 129.2 | 121.2 | 125.7 |
| Property, plant and equipment | | | |
| Land | 5.1 | 3.4 | 3.3 |
| Buildings and constructions | 41.8 | 47.2 | 44.3 |
| Machinery and equipment | 106.2 | 111.6 | 112.2 |
| Other | 0.1 | 0.1 | 0.1 |
| Prepayments and construction in progress | 3.7 | 3.2 | 2.2 |
| | 156.9 | 165.4 | 162.1 |
| Other non-current assets | | | |
| Available-for-sale investments | 0.6 | 0.6 | 0.6 |
| Finance lease receivables | 2.6 | 3.7 | 3.2 |
| Deferred tax assets | 2.6 | 2.9 | 2.7 |
| Other receivables | 2.1 | 2.3 | 2.3 |
| | 8.0 | 9.6 | 8.7 |
| Total non-current assets | 294.0 | 296.2 | 296.5 |
| Current assets | | | |
| Inventories | 23.4 | 24.7 | 22.6 |
| Trade and other receivables | 99.9 | 101.9 | 94.7 |
| Derivative receivables | 0.1 | 0.0 | 0.1 |
| Prepayments | 1.7 | 2.1 | 0.5 |
| Current available-for-sale financial assets | 0.0 | 0.0 | 10.0 |
| Cash and cash equivalents | 40.6 | 20.5 | 34.0 |
| Total current assets | 165.7 | 149.2 | 161.8 |
| Total assets | 459.7 | 445.4 | 458.3 |

| EUR million | 6/2015 | 6/2014 | 12/2014 |
|---|--------------|--------|---------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity attributable to equity holders of the parent company | | | |
| Share capital | 19.4 | 19.4 | 19.4 |
| Other reserves | -2.8 | -1.9 | -3.9 |
| Invested unrestricted equity reserve | 0.5 | 0.3 | 0.3 |
| Retained earnings | 161.1 | 174.2 | 172.2 |
| Profit for the period | 16.4 | -5.1 | 18.1 |
| | 194.5 | 186.8 | 206.2 |
| Non-controlling interest | 0.2 | 0.2 | 0.2 |
| Total equity | 194.7 | 187.1 | 206.3 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred tax liability | 24.1 | 24.0 | 24.7 |
| Retirement benefit obligations | 1.0 | 0.8 | 1.0 |
| Provisions | 4.2 | 6.1 | 4.2 |
| Interest-bearing liabilities | 93.7 | 45.9 | 71.2 |
| Other liabilities | 0.3 | 0.5 | 0.3 |
| | 123.3 | 77.4 | 101.4 |
| Current liabilities | | | |
| Interest-bearing liabilities | 7.4 | 54.7 | 24.8 |
| Trade and other payables | 128.3 | 122.1 | 120.4 |
| Derivative liabilities | 0.6 | 0.7 | 1.4 |
| Tax liabilities | 2.3 | 0.0 | 0.7 |
| Provisions | 3.1 | 3.4 | 3.3 |
| | 141.7 | 181.0 | 150.7 |
| Total liabilities | 265.0 | 258.4 | 252.0 |
| Total equity and liabilities | 459.7 | 445.4 | 458.3 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR million | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|---|--------------|--------------|--------------|
| Cash flows from operating activities | | | |
| Profit for the period | 16.4 | -5.1 | 18.1 |
| Adjustments | | | |
| Income taxes | 4.2 | 2.6 | 8.4 |
| Depreciation and impairment | 20.0 | 20.1 | 40.2 |
| Financial income and expenses | 0.2 | 17.6 | 21.9 |
| Gain on sale of shares | 0.0 | -1.5 | -1.5 |
| Other | 0.1 | 6.4 | 1.9 |
| Net cash generated from operating activities before change in working capital | 40.9 | 40.0 | 89.1 |
| Change in working capital | | | |
| Change in trade and other receivables | -5.7 | -9.3 | -1.4 |
| Change in inventories | -0.9 | 1.4 | 3.6 |
| Change in trade and other payables | 7.6 | 1.0 | 0.0 |
| Change in working capital | 1.0 | -6.8 | 2.2 |
| Interest paid | -1.1 | -0.9 | -3.0 |
| Interest received | 0.2 | 0.2 | 0.4 |
| Income taxes | -3.4 | -5.1 | -9.1 |
| Net cash from operating activities | 37.6 | 27.3 | 79.6 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries and businesses, net of cash acquired | -2.5 | -2.0 | -9.8 |
| Proceeds from sale of subsidiaries and businesses, net of sold cash | 0.0 | 11.7 | 13.5 |
| Purchases of property, plant and equipment and intangible assets | -15.1 | -16.4 | -34.1 |
| Proceeds from sale of property, plant and equipment and intangible assets | 0.0 | 0.0 | 0.4 |
| Purchases of available-for-sale investments | 0.0 | - | -0.2 |
| Change in other non-current receivables | 0.8 | -0.5 | 0.3 |
| Dividends received | 0.0 | 0.0 | 0.0 |
| Net cash used in investing activities | -16.8 | -7.2 | -29.8 |
| Cash flows from financing activities | | | |
| Change in short-term borrowings | 0.0 | -5.0 | -32.2 |
| Proceeds from long-term borrowings | 25.0 | - | 29.9 |
| Repayments of long-term borrowings | -19.9 | -17.2 | -24.8 |
| Dividends paid and other asset distribution | -29.0 | -19.4 | -19.4 |
| Acquisition of own shares | -0.4 | - | -1.9 |
| L&T Recoil Oy guarantee commitment | - | -16.7 | -16.7 |
| Other financing items | - | - | 0.9 |
| Net cash generated from financing activities | -24.2 | -58.2 | -64.2 |
| Net change in liquid assets | -3.5 | -38.0 | -14.4 |
| Liquid assets at beginning of period | 44.0 | 58.5 | 58.5 |
| Effect of changes in foreign exchange rates | 0.1 | 0.0 | -0.1 |
| Liquid assets at end of period | 40.6 | 20.5 | 44.0 |

Liquid assets

| EUR million | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|-------------------------------------|-------------|-------------|-------------|
| Cash and cash equivalents | 40.6 | 20.5 | 34.0 |
| Available-for-sale financial assets | 0.0 | 0.0 | 10.0 |
| Total | 40.6 | 20.5 | 44.0 |

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 |
|--|---------------|----------------------------------|---------------------|-----------------|--------------------------------------|-------------------|---|--------------------------|--------------|
| Equity on 1 Jan. 2014 | 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 | | | | | | -5.1 | -5.1 | 0.0 | -5.1 |
| Items arising from re-measurement of defined benefit plans | | | | | | | 0.0 | | 0.0 |
| Hedging reserve, change in fair value | | | | -0.3 | | | -0.3 | | -0.3 |
| Available-for-sale financial assets | | | | | | | 0.0 | | 0.0 |
| Currency translation differences | | -0.1 | | | | | -0.1 | | -0.1 |
| Total comprehensive income | 0.0 | -0.1 | 0.0 | -0.3 | 0.0 | -5.1 | -5.5 | 0.0 | -5.5 |
| Transactions with shareholders | | | | | | | | | |
| Share-based benefits | | | | | 0.0 | -0.1 | -0.1 | | -0.1 |
| Dividends paid | | | | | | -19.4 | -19.4 | | -19.4 |
| Dividends returned | | | | | | | | | |
| Capital repayment | | | | | | | | | |
| Transactions with shareholders, total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -19.5 | -19.4 | | -19.4 |
| Other changes | | | | | | 0.5 | 0.5 | | 0.5 |
| Equity on 30 June 2014 | 19.4 | -1.3 | 0.0 | -0.6 | 0.3 | 169.0 | 186.8 | 0.2 | 187.1 |

| 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 |
|--|---------------|----------------------------------|---------------------|-----------------|--------------------------------------|-------------------|---|--------------------------|--------------|
| Equity on 1 Jan. 2015 | 19.4 | -3.0 | 0.0 | -0.9 | 0.3 | 190.3 | 206.2 | 0.2 | 206.3 |
| Total comprehensive income | | | | | | | | | |
| Profit for the period | | | | | | 16.4 | 16.4 | 0.0 | 16.4 |
| Items arising from re-measurement of defined benefit plans | | | | | | | 0.0 | | 0.0 |
| Hedging reserve, change in fair value | | | | 0.5 | | -0.1 | 0.4 | | 0.4 |
| Available-for-sale financial assets | | | | | | | 0.0 | | 0.0 |
| Currency translation differences | | 0.5 | | | | | 0.5 | 0.0 | 0.6 |
| Total comprehensive income | 0.0 | 0.5 | 0.0 | 0.5 | 0.0 | 16.3 | 17.4 | 0.0 | 17.4 |
| Transactions with shareholders | | | | | | | | | |
| Share-based benefits | | | | | 0.1 | 0.1 | 0.3 | | 0.3 |
| Dividends paid | | | | | | -29.0 | -29.0 | | -29.0 |
| Dividends returned | | | | | | 0.0 | 0.0 | | 0.0 |
| Acquisition of own shares | | | | | | -0.4 | -0.4 | | -0.4 |
| Transactions with shareholders, total | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | -29.2 | -29.0 | | -29.0 |
| Other changes | | | | | | 0.0 | 0.0 | | 0.0 |
| Equity on 30 June 2015 | 19.4 | -2.4 | 0.0 | -0.4 | 0.5 | 177.5 | 194.5 | 0.2 | 194.7 |

KEY FIGURES

| | 4–6/2015 | 4–6/2014 | 1–6/2015 | 1–6/2014 | 1–12/2014 |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| Earnings per share, EUR | 0.28 | 0.29 | 0.42 | -0.13 | 0.47 |
| Diluted earnings per share, EUR | 0.28 | 0.29 | 0.42 | -0.13 | 0.47 |
| Cash flows from operating activities per share, EUR | 0.49 | 0.35 | 0.97 | 0.71 | 2.06 |
| EVA, EUR million* | 9.5 | 7.9 | 11.2 | 4.9 | 29.1 |
| Gross capital expenditure, EUR million | 8.0 | 11.3 | 17.5 | 20.3 | 44.7 |
| Depreciation, amortisation and impairment, EUR million | 9.9 | 9.9 | 20.0 | 20.1 | 40.2 |
| Equity per share, EUR | | | 5.04 | 4.83 | 5.34 |
| Return on equity (ROE), % | | | 16.4 | -5.1 | 8.7 |
| Return on invested capital, ROI, % | | | 14.5 | 9.8 | 15.4 |
| Equity ratio, % | | | 43.4 | 43.2 | 46.3 |
| Gearing, % | | | 31.1 | 42.9 | 25.2 |
| Net interest-bearing liabilities, EUR million | | | 60.5 | 80.2 | 52.0 |
| Average number of employees in full-time equivalents | | | 6,894 | 7,658 | 7,257 |
| Total number of full-time and part-time employees at end of period | | | 8,615 | 8,451 | 7,830 |
| Number of outstanding shares adjusted for issues, 1,000 shares | | | | | |
| average during the period | | | 38,610 | 38,733 | 38,729 |
| at end of period | | | 38,615 | 38,747 | 38,702 |
| average during the period, diluted | | | 38,624 | 38,744 | 38,740 |

* EVA = operating profit - cost calculated on invested capital (average of four quarters) WACC: 2015 6.51%, 2014 6.58%

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.

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

The interim report has not been audited.

SEGMENT INFORMATION

Net sales

| EUR million | 4-6/2015 | | | 4-6/2014 | | | Total net sales, change % |
|--------------------------|--------------|----------------|--------------|--------------|----------------|--------------|---------------------------|
| | External | Inter-division | Total | External | Inter-division | Total | |
| Environmental Services | 65.7 | 0.9 | 66.5 | 63.1 | 1.0 | 64.2 | 3.7 |
| Industrial Services | 20.3 | 0.5 | 20.8 | 19.2 | 0.5 | 19.7 | 5.6 |
| Facility Services | 69.1 | 1.0 | 70.1 | 67.3 | 1.1 | 68.3 | 2.6 |
| Renewable Energy Sources | 9.1 | 0.0 | 9.1 | 10.2 | 0.1 | 10.3 | -11.3 |
| Eliminations | | -2.4 | -2.4 | | -2.7 | -2.7 | |
| Total | 164.2 | 0.0 | 164.2 | 159.8 | 0.0 | 159.8 | 2.7 |

| EUR million | 1-6/2015 | | | 1-6/2014 | | | Total net sales, change % |
|--------------------------|--------------|----------------|--------------|--------------|----------------|--------------|---------------------------|
| | External | Inter-division | Total | External | Inter-division | Total | |
| Environmental Services | 125.8 | 1.7 | 127.5 | 123.3 | 1.8 | 125.1 | 1.9 |
| Industrial Services | 34.7 | 0.9 | 35.7 | 34.7 | 1.0 | 35.7 | -0.1 |
| Facility Services | 139.0 | 1.8 | 140.7 | 135.3 | 2.1 | 137.4 | 2.5 |
| Renewable Energy Sources | 21.9 | 0.1 | 22.0 | 26.0 | 0.1 | 26.1 | -15.6 |
| Eliminations | | -4.4 | -4.4 | | -5.0 | -5.0 | |
| Total | 321.5 | 0.0 | 321.5 | 319.2 | 0.0 | 319.2 | 0.7 |

| EUR million | 12/2014 | | |
|--------------------------|--------------|----------------|--------------|
| | External | Inter-division | Total |
| Environmental Services | 250.9 | 3.7 | 254.5 |
| Industrial Services | 74.3 | 3.5 | 77.8 |
| Facility Services | 270.6 | 4.2 | 274.7 |
| Renewable Energy Sources | 44.0 | 0.2 | 44.2 |
| Eliminations | | -11.6 | -11.6 |
| Total | 639.7 | 0.0 | 639.7 |

Operating profit

| EUR million | 4-6/2015 | | 4-6/2014 | | 1-6/2015 | | 1-6/2014 | | 12/2014 | |
|--------------------------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| | | % | | % | | % | | % | | % |
| Environmental Services | 10.8 | 16.3 | 9.3 | 14.4 | 17.3 | 13.6 | 15.9 | 12.7 | 37.3 | 14.7 |
| Industrial Services | 2.5 | 11.9 | 1.9 | 9.8 | 2.1 | 5.9 | 1.8 | 5.0 | 6.5 | 8.4 |
| Facility Services | 1.8 | 2.6 | 2.1 | 3.0 | 2.1 | 1.5 | 2.6 | 1.9 | 10.6 | 3.9 |
| Renewable Energy Sources | 0.5 | 5.8 | 0.3 | 2.5 | 1.2 | 5.6 | 1.1 | 4.1 | 1.6 | 3.7 |
| Group administration and other | -1.2 | | -0.6 | | -1.9 | | -6.3 | | -7.6 | |
| Total | 14.4 | 8.8 | 12.9 | 8.1 | 20.9 | 6.5 | 15.1 | 4.7 | 48.5 | 7.6 |

OTHER SEGMENT INFORMATION

| EUR million | | | 1-6/2015 | 1-6/2014 | 12/2014 |
|--------------------------------------|----------|----------|----------|----------|---------|
| Assets | | | | | |
| Environmental Services | | | 214.1 | 211.4 | 212.4 |
| Industrial Services | | | 74.3 | 77.0 | 72.6 |
| Facility Services | | | 102.0 | 102.8 | 98.8 |
| Renewable Energy Sources | | | 22.9 | 25.9 | 24.6 |
| Group administration and other | | | 1.2 | 1.2 | 1.1 |
| Unallocated assets | | | 45.3 | 27.1 | 48.9 |
| L&T total | | | 459.7 | 445.4 | 458.3 |
| Liabilities | | | | | |
| Environmental Services | | | 53.4 | 54.0 | 50.5 |
| Industrial Services | | | 23.9 | 21.5 | 21.9 |
| Facility Services | | | 51.6 | 49.5 | 48.3 |
| Renewable Energy Sources | | | 4.8 | 6.5 | 6.2 |
| Group administration and other | | | 2.6 | 1.4 | 1.9 |
| Unallocated liabilities | | | 128.7 | 125.6 | 123.2 |
| L&T total | | | 265.0 | 258.4 | 252.0 |
| EUR million | 4-6/2015 | 4-6/2014 | 1-6/2015 | 1-6/2014 | 12/2014 |
| Capital expenditure | | | | | |
| Environmental Services | 3.8 | 4.7 | 8.5 | 10.8 | 26.6 |
| Industrial Services | 1.0 | 2.6 | 1.9 | 3.6 | 6.6 |
| Facility Services | 3.1 | 4.0 | 7.0 | 5.8 | 11.3 |
| Renewable Energy Sources | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 |
| Group administration and other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| L&T total | 8.0 | 11.3 | 17.5 | 20.3 | 44.7 |
| Depreciation and amortisation | | | | | |
| Environmental Services | 5.0 | 5.0 | 10.0 | 10.3 | 20.1 |
| Industrial Services | 1.6 | 1.6 | 3.4 | 3.2 | 6.9 |
| Facility Services | 3.3 | 3.2 | 6.5 | 6.5 | 13.0 |
| Renewable Energy Sources | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Group administration and other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| L&T total | 9.9 | 9.9 | 20.0 | 20.1 | 40.2 |
| Impairment | | | | | |
| Environmental Services | | | | | |
| Industrial Services | | | | | |
| Facility Services | | | | | |
| Renewable Energy Sources | | | | | |
| Group administration and other | | | | | |
| L&T total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

INCOME STATEMENT BY QUARTER

| EUR million | 4-6/ 2015 | 1-3/ 2015 | 10-12/ 2014 | 7-9/ 2014 | 4-6/ 2014 | 1-3/ 2014 |
|------------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|
| Net sales | | | | | | |
| Environmental Services | 66.5 | 60.9 | 64.8 | 64.6 | 64.2 | 60.9 |
| Industrial Services | 20.8 | 14.8 | 20.3 | 21.8 | 19.7 | 16.0 |
| Facility Services | 70.1 | 70.7 | 68.8 | 68.6 | 68.3 | 69.0 |
| Renewable Energy Sources | 9.1 | 12.9 | 12.0 | 6.1 | 10.3 | 15.8 |
| Group administration and other | | | | | | |
| Interdivision net sales | -2.4 | -2.1 | -3.5 | -3.1 | -2.7 | -2.4 |
| L&T total | 164.2 | 157.3 | 162.3 | 158.1 | 159.8 | 159.4 |
| Operating profit | | | | | | |
| Environmental Services | 10.8 | 6.5 | 10.8 | 10.7 | 9.3 | 6.6 |
| Industrial Services | 2.5 | -0.4 | 1.6 | 3.1 | 1.9 | -0.1 |
| Facility Services | 1.8 | 0.3 | 1.7 | 6.3 | 2.1 | 0.6 |
| Renewable Energy Sources | 0.5 | 0.7 | 1.0 | -0.5 | 0.3 | 0.8 |
| Group administration and other | -1.2 | -0.7 | -1.2 | -0.1 | -0.6 | -5.7 |
| L&T total | 14.4 | 6.5 | 14.0 | 19.4 | 12.9 | 2.1 |
| Operating margin | | | | | | |
| Environmental Services | 16.3 | 10.7 | 16.6 | 16.5 | 14.4 | 10.9 |
| Industrial Services | 11.9 | -2.5 | 8.0 | 14.2 | 9.8 | -0.9 |
| Facility Services | 2.6 | 0.5 | 2.5 | 9.1 | 3.0 | 0.8 |
| Renewable Energy Sources | 5.8 | 5.5 | 8.7 | -8.1 | 2.5 | 5.2 |
| L&T total | 8.8 | 4.1 | 8.6 | 12.3 | 8.1 | 1.3 |
| Financial income and expenses, net | -0.8 | 0.5 | -3.4 | -0.9 | 0.0 | -17.6 |
| Profit before tax | 13.6 | 7.0 | 10.6 | 18.5 | 12.9 | -15.5 |

BUSINESS ACQUISITIONS, COMBINED

| | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|---|------------------------------|------------------------------|------------------------------|
| | Fair value, total | Fair value, total | Fair value, total |
| EUR million | | | |
| Intangible assets | 1.4 | 0.6 | 3.5 |
| Property, plant and equipment | 0.3 | 0.5 | 3.5 |
| Investments | 0.0 | 0.0 | 0.0 |
| Receivables | 0.1 | 0.4 | 0.4 |
| Cash and cash equivalents | 0.8 | 0.8 | 0.8 |
| Total assets | 2.5 | 2.2 | 8.1 |
| Interest-bearing liabilities | - | 0.2 | 0.2 |
| Other liabilities | 0.3 | 0.5 | 0.5 |
| Deferred tax liabilities | 0.1 | 0.1 | 0.1 |
| Total liabilities | 0.4 | 0.8 | 0.8 |
| Net assets acquired | 2.1 | 1.4 | 7.3 |
| Total consideration | 3.2 | 2.8 | 10.6 |
| Goodwill | 1.1 | 1.4 | 3.3 |
| Effect on cash flow | | | |
| Consideration paid in cash | -3.2 | -2.8 | -10.6 |
| Cash and cash equivalents of the acquired company | 0.8 | 0.8 | 0.8 |
| Cash flow from investing activities | -2.5 | -2.0 | -9.8 |

Facility Services acquired the share capital of the following companies: 2 March 2015 NN-Kiinteistötyö Oy.

Facility Services acquired the business operations of the following companies: 2 February 2015 Jyväskylä Oy, 1 June 2015 CEUS Oy's building automation business, 3 June 2015 HH-kiinteistöpalvelut Oy. On 1 June 2015, Environmental Services acquired the waste management business operations of Kiinteistö- ja jätehuolto Vuorinen.

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 | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|--|----------|----------|-----------|
| Carrying amount at beginning of period | 125.7 | 126.3 | 126.3 |
| Business acquisitions | 2.5 | 1.7 | 6.9 |
| Other capital expenditure | 3.2 | 2.3 | 4.5 |
| Disposals | 0.0 | -5.6 | -5.6 |
| Depreciation and impairment | -2.4 | -3.0 | -5.6 |
| Transfers between items | 0.0 | - | -0.1 |
| Exchange differences | 0.2 | -0.4 | -0.7 |
| Carrying amount at end of period | 129.2 | 121.2 | 125.7 |

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

| EUR million | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|--|----------|----------|-----------|
| Carrying amount at beginning of period | 162.1 | 171.5 | 171.5 |
| Business acquisitions | 0.3 | 0.5 | 3.4 |
| Other capital expenditure | 11.5 | 15.8 | 29.9 |
| Disposals | -0.5 | -5.4 | -6.0 |
| Depreciation and impairment | -17.6 | -17.1 | -34.7 |
| Transfers between items | 0.0 | - | 0.1 |
| Exchange differences | 1.0 | 0.0 | -2.2 |
| Carrying amount at end of period | 156.9 | 165.4 | 162.1 |

CAPITAL COMMITMENTS

| EUR million | 1-6/2015 | 1-6/2014 | 1-12/2014 |
|-------------------------------|----------|----------|-----------|
| Intangible assets | 0.1 | - | - |
| Property, plant and equipment | 5.7 | 13.7 | 3.4 |
| Total | 5.8 | 13.7 | 3.4 |

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

| EUR million 30.6.2015 | Financial assets and liabilities at fair value through profit or loss | Loans and other receivable s | Available- for-sale financial assets | Financial liabilities measured at amortised cost | Derivative s under hedge accountin g | Carrying amounts by balance sheet item | Fair values by balance sheet item | Fair value hierarchy level |
|--|---|---------------------------------------|---|---|--|--|--|----------------------------------|
| Non-current financial assets | | | | | | | | |
| Available-for-sale investments | | | | | | | | |
| Finance lease receivables | | | 0.6 | | | 0.6 | 0.6 | 3 |
| Other receivables | | 1.1 | | | | 1.1 | 1.1 | 2 |
| | | 2.2 | | | | 2.2 | 2.2 | |
| Current financial assets | | | | | | | | |
| Available-for-sale financial assets | | | | | | | | |
| Trade and other receivables | | | 5.0 | | | 5.0 | | |
| Finance lease receivables | | 94.2 | | | | 94.2 | 94.2 | |
| Derivative receivables | | | | | 0.1 | 0.1 | | |
| Cash and cash equivalents | | 35.6 | | | | 35.6 | 35.6 | |
| Total financial assets | | 133.2 | 5.6 | 0.0 | 0.1 | 138.8 | 133.7 | |
| Non-current financial liabilities | | | | | | | | |
| Borrowings | 93.7 | | | 93.7 | | 93.7 | 93.2 | 2 |
| Other liabilities | | | | 0.0 | | 0.0 | 0.0 | |
| Current financial liabilities | | | | | | | | |
| Borrowings | | | | 7.4 | | 7.4 | | |
| Trade and other payables | | | | 59.0 | | 59.0 | | |
| Derivative liabilities | | | | | 0.6 | 0.6 | 0.6 | 2 |
| Total financial liabilities | 93.7 | | | 160.1 | 0.6 | 160.7 | 93.7 | |

| EUR million, 30 June 2015 | 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 |
|--|---|-----------------------------|-------------------------------------|--|------------------------------------|--|-----------------------------------|----------------------------|
| Non-current financial assets | | | | | | | | |
| Available-for-sale investments | | | 0.6 | | | 0.6 | 0.6 | 3 |
| Finance lease receivables | | 3.7 | | | | 3.7 | 3.9 | 2 |
| Other receivables | | 2.3 | | | | 2.3 | 2.3 | |
| Current financial assets | | | | | | | | |
| Trade and other receivables | | 95.6 | | | | 95.6 | 95.6 | |
| Finance lease receivables | | | | | | 0.0 | | |
| Derivative receivables | | | | | | | | |
| Cash and cash equivalents | | 20.5 | | | | 20.5 | 20.5 | |
| Total financial assets | | 122.1 | 0.6 | | | 122.7 | 122.8 | |
| Non-current financial liabilities | | | | | | | | |
| Borrowings | 45.9 | | | 45.9 | | 45.9 | 46.0 | 2 |
| Other liabilities | | | | 0.2 | | 0.2 | 0.2 | |
| Current financial liabilities | | | | | | | | |
| Borrowings | | | | 54.7 | | 54.7 | | |
| Trade and other payables | | | | 59.6 | | 59.6 | | |
| Derivative liabilities | | | | | 0.7 | 0.7 | 0.7 | 2 |
| Total financial liabilities | | | | 160.4 | 0.7 | 161.1 | 46.9 | |

CONTINGENT LIABILITIES

| EUR million | 6/2015 | 6/2014 | 12/2014 |
|--|--------|--------|---------|
| Securities for own commitments | | | |
| Mortgages on rights of tenancy | 0.2 | 0.2 | 0.2 |
| Company mortgages | 0.5 | 1.0 | 0.5 |
| Other securities | 0.2 | 0.2 | 0.2 |
| Bank guarantees required for environmental permits | 7.9 | 9.8 | 8.4 |

Other securities are security deposits.

Operating lease liabilities

| EUR million | 6/2015 | 6/2014 | 12/2014 |
|--|--------|--------|---------|
| Maturity not later than one year | 3.1 | 4.0 | 2.9 |
| Maturity later than one year and not later than five years | 3.7 | 3.5 | 2.8 |
| Maturity later than five years | 2.0 | 2.0 | 2.0 |
| Total | 8.7 | 9.6 | 7.7 |

Liabilities associated with derivative agreements**Interest rate swaps**

| EUR million | 6/2015 | 6/2014 | 12/2014 |
|--|--------|--------|---------|
| Nominal values of interest rate swaps | | | |
| Maturity not later than one year | 7.7 | 9.0 | 6.4 |
| Maturity later than one year and not later than five years | 39.5 | 43.1 | 14.2 |
| Maturity later than five years | 0.0 | 0.0 | 0.0 |
| Total | 47.1 | 52.1 | 20.5 |
| Fair value | -0.5 | -0.7 | -0.6 |

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 | 6/2015 | 6/2014 | 12/2014 |
|--|--------|--------|---------|
| Nominal values of diesel swaps | | | |
| Maturity not later than one year | 2,777 | 5,800 | 8,300 |
| Maturity later than one year and not later than five years | 0 | 0 | 0 |
| Total | 2,777 | 5,800 | 8,300 |
| Fair value, EUR million | 0.0 | -0.1 | -0.6 |

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 | 6/2015 | 6/2014 | 12/2014 |
|--|--------|--------|---------|
| Nominal values of forward contracts and currency swaps | | | |
| Maturity not later than one year | 0.0 | 0.0 | 10.9 |
| Fair value | 0.0 | 0.0 | -0.1 |

Hedge accounting under IAS 39 has not been applied to forward contracts. Changes in fair value 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 2014: 6.58% and 2015: 6.51%

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):

$(\text{profit before tax} + \text{financial expenses}) / (\text{total equity and liabilities} - \text{non-interest-bearing liabilities (average)}) \times 100$

Equity ratio, %:
 $\text{equity} / (\text{total equity and liabilities} - \text{advances received}) \times 100$

Gearing, %:
 $\text{net interest-bearing liabilities} / \text{equity} \times 100$

Net interest-bearing liabilities:
 $\text{interest-bearing liabilities} - \text{liquid assets}$

Operating profit excluding non-recurring items:
 $\text{operating profit} \pm \text{non-recurring items}$

Helsinki, 5 August 2015

LASSILA & TIKANOJA PLC
Board of Directors

Pekka Ojanpää
President and CEO

Additional information:
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Timo Leinonen, CFO, tel. 0400 793 073

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 create well-being and jobs. With operations in Finland, Sweden and Russia, L&T employs 8,000 persons. Net sales in 2014 amounted to EUR 639.7 million. L&T is listed on Nasdaq Helsinki.

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