

DESTIA'S INTERIM REPORT

JANUARY–SEPTEMBER
2015



DESTIA
BUILDING THE BIGGER PICTURE

Destia Group Oyj is Destia Ltd's parent company, which was established in connection with the ownership reorganisation of Destia on 1 July 2014 and which owns 100 per cent of Destia Ltd's shares.

This interim report reports on the financial development of Destia Group Plc from 1 January 2015 to 30 September 2015. The comparative figures for the reporting period are figures from the Destia subgroup in 2014. Comparative figures for Destia Group Plc exist only from the third quarter of the year, 1 July–30 September 2014.

*The Destia Group = Destia, Destia Group Plc, group
The Destia subgroup (former Destia Group) = subgroup*

Destia's interim report for January–September 2015

REVENUE AND ORDER BOOK INCREASE, PROFITABILITY WEAKER THAN THE PREVIOUS YEAR

- Revenue increased by 8.4 per cent to MEUR 331.8 (306.0).
- The operating result was MEUR 7.9 (11.4).
- The order book developed positively and was MEUR 753.0 (658.7). Growth in reference to the corresponding period last year was 14.3 per cent.
- During the reporting period, working capital increased clearly as accounts receivable increased.
- Occupational safety continued to improve and was clearly on a better level compared to the corresponding time of the previous year: 7.1 (9.8).
- Destia's revenue is forecasted to grow slightly but operating profit is forecasted to fall significantly from the previous year in 2015.

Group	Destia Group	Destia Group	Destia Group	Destia subgroup	Destia Group	Destia subgroup
Key figures (IFRS), MEUR	7-9/2015	7-9/2014	1-9/2015	1-9/2014	7-12/2014	1-12/2014
Revenue	152.2	136.3	331.8	306.0	261.8	431.5
Operating profit	11.5	9.3	7.9	11.4	12.5	15.1
per cent of revenue	7.6	6.9	2.4	3.7	4.8	3.5
Result for the period	8.3	3.4	3.6	7.8	5.5	10.5
% of revenue	5.5	2.5	1.1	2.5	2.1	2.4
Return on investment, %			8.3	22.4	9.2	20.9
Earnings per share, EUR	104.09	42.49	45.46		68.59	
Equity ratio, %			28.3	33.0	29.4	34.3
Net gearing, %			86.0	-4.0	42.4	-41.2
Average personnel			1,505	1,520	1,502	1,502
Occupational accidents resulting in absence from work*)			7.1	9.8	9.3	9.3
Order book at the end of period			753.0	658.7	628.2	628.2

*) Occupational accidents per one million working hours

President & CEO Hannu Leinonen comments on the reporting period:

"I am satisfied with the growth in our order book and revenue throughout the reporting period despite the challenging market situation. Our order book in particular has developed quite positively despite the competitive situation with new contracts that continues to be fierce.

In the previous quarter, we had to lower our profit forecast. Our operating result in the third quarter, however, was slightly better than the corresponding period of the previous year. In the reporting period, our profitability was weakened particularly by some individual unsuccessful projects. In order to improve profitability, we are continuing to focus particularly on risk management and profitability monitoring throughout the project life-cycle.

In accordance with our strategy, we have succeeded in increasing the volume of private sector orders in our order book, which shows that the development of our customer and sales work has been fruitful. During the reporting period, we also concluded the apron extension contract at Helsinki Airport. It is Destia's first project implemented based on the alliance model. In this project, which will be implemented in a particularly demanding working environment, we utilise our strong and diverse infrastructure expertise. The co-operative project will be a significant addition to the large project portfolio in our order book.

In the reporting period, we commissioned the annual personnel survey carried out by an external organisation, and I am very happy with the results, which continued to develop positively. The overall average of the survey of 3.81 on a scale of 1–5 was up from the previous year (3.79) and was higher than the average for similar companies. Our occupational safety level also improved and our accident frequency was at an excellent level (7.1). We are continuing our investment in personnel and occupational safety development in accordance with our strategy.”

Operating environment

The continuing weakening of the Finnish economy characterised the reporting period, and it also weakened the operating environment for the entire construction industry. Competition is fierce and the level of prices quoted low. Forecasts for the coming years, however, indicate growth.

In its economic review, the Ministry of Finance forecasts that growth prospects for 2016 and 2017 will be positive. Investments are being made in, for example, the energy management network, water supply, railway network, metro traffic and airports. The Ministry predicts that the growth in civil engineering will continue and strengthen, supported by the Finnish government's MEUR 600 infrastructure package targeted at fundamental road maintenance.

A report by a Ministry of Finance working group studying the construction sector assesses in its report for the years 2015–2016 the economic situation in the sector to be improving. Prospects in the infrastructure sector are further helped by the low cost level of raw materials, particularly the cheapness of oil. The working group forecasts that construction sector will start to see slight but broad-based growth next year.

The Confederation of Finnish Industries (EK)'s construction sector confidence indicator also forecasts recovery. In September, the confidence indicator for construction companies rose slightly as a result of slightly positive growth in their order books. The confidence of the construction sector is, however, slightly weaker than the long-term average.

In its autumn economic review, the Confederation of Finnish Construction Industries RT forecasts that in 2015 the volume of construction will decline by about 1 per cent from last year. RT predicts moderate growth of about 2 per cent for next year. The ending of large infrastructure projects is causing uncertainty in the infrastructure sector. Many large projects are coming to an end and there are no new ones on the horizon. The government is moving its infrastructure funding from investments to fundamental road maintenance and reducing the repair backlog, which in turn is reducing funding for new investments. RT expects that the situation in the infrastructure sector will be slightly eased by an increase in foundation work for house building.

According to Statistics Finland, the costs of the civil engineering industry fell 2.9 per cent from September 2014 to September 2015. The annual change in costs varied by subindex from a 19.8 per cent decline in surfacing to a 1.9 per cent increase in rock construction. The decrease in the total index was particularly affected by the lowered prices of bitumen, fuels and energy from September last year. The fall in costs was mitigated by a rise in labour costs.

Order book and new orders

Destia's order book developed positively in the reporting period. The increase in the order book was stimulated by the personnel training focusing on harmonised goal-oriented customer service that began in 2014, as well as by success particularly in tendering for track maintenance areas. Destia's order book increased by 19.9 per cent compared to the end of 2014. The order book at the end of September was MEUR 753.0 (658.7), MEUR 94.3 higher than in the corresponding period of the previous year. The order book is distributed over a longer time span than the year before. Of the alliance project for the apron extension at Helsinki Airport, the order book only includes the development phase.

The most significant new contracts valued at no less than three million euros and signed during the third quarter:

- E18 Koskenkylä–Kotka motorway maintenance 2015–2020
- Apron extension at Helsinki Airport, will be completed in 2019
- Juva area-wide maintenance contract 2015–2020 (conditional on a decision by the Market Court, owing to an appeal)
- The earthworks and installation work for a natural gas pipeline in Pori, will be completed in May 2016
- Construction of a raw wood terminal at Patokangas, will be completed in October 2016
- Preparatory work at a nuclear power plant area in Pyhäjoki, will be completed in March 2016

Also during the third quarter, several new contracts worth more than MEUR 1 were concluded in addition to smaller contracts.

Destia was chosen to carry out stage 3 of the National Road 14 project in central Savonlinna, the Laitaatsalmi deep-water channel. The tender decision was appealed and the appeal procedure is ongoing.

Revenue development

In the reporting period, Destia's revenue was MEUR 331.8 (306.0), and in the third quarter it was MEUR 152.2 (136.3). The growth in revenue during the reporting period was a result of increases in volumes of both maintenance and construction.

Other operating income amounted to MEUR 3.1 (1.9), and in the third quarter it was MEUR 2.0 (0.7). Income consisted of sales profit from fixed assets, rental income and sales gain from real estate.

Result development

In the reporting period, operating profit was MEUR 7.9 (11.4), and in the third quarter it was MEUR 11.5 (9.3). The result for the corresponding period last year was improved by individual ongoing projects that were particularly successful. The result for the reporting period was weakened by maintenance tasks caused by challenging weather conditions in winter in certain parts of Finland and by two large on-going failed projects. The operating profit in the reference year was encumbered by non-recurring costs of MEUR 2.1 related to Destia's ownership reorganisation.

In the reporting period, Group net financial costs were MEUR 3.0 (1.4), which amounted to 0.9 per cent (0.5) of revenue. The increase in financial costs was a result of the impact of a MEUR 65 bond issued in connection with Destia's corporate acquisition. Financial costs for the third quarter were MEUR 1.1 (3.7). Financial costs for the same quarter in the reference year include MEUR 2.5 of non-recurring items related to Destia's ownership and financing reorganisation.

Income taxes in the reporting period amounted to MEUR 1.2 (2.2). Income taxes for the third quarter were MEUR 2.1 (2.3).

The Group's result for the reporting period was MEUR 3.6 (7.8), and in the third quarter it was MEUR 8.3 (3.4). The result for the reference period was encumbered by MEUR 4.6 of non-recurring costs related to Destia's ownership and financing reorganisation.

Due to the seasonality of the construction business, the accumulation of profit is mostly focused on the second half of the year. Maintenance business is focused on the winter season.

Balance sheet, cash flow and financing

Total assets on the consolidated balance sheet were MEUR 262.7 (263.8) at the end of the reporting period. Return on investment was 8.3 per cent, equity ratio 28.3 per cent, and net gearing 86.0 per cent.

As a result of seasonality and successful working capital management, operating cash flow developed well at the end of 2014, which led to the negative development of cash flow at the start of the year. Owing to the seasonality of construction, the demand for working capital is at its highest in the second and third quarters. The cash flow of the reporting period comprised operating cash flow of MEUR -23.4, investment cash flow of MEUR -3.1 and financial cash flow of MEUR -3.5. Financial cash flow includes the amortisation by MEUR 2.0 of hybrid loans in accordance with the decision made at the Annual General Meeting and interest payments of about MEUR 1.5.

The financial position of the Group remained moderate. The financial assets on the balance sheet were MEUR 7.7 at the end of the reporting period. The amount of interest-bearing liabilities remained at the same level as at the end of 2014, and was MEUR 66.6. Of all loans, 0.3 per cent was short-term and 99.7 per cent long-term. Interest-bearing net liabilities were MEUR 58.9.

Destia subgroup's Commercial Paper programme of MEUR 150 was not used in the reporting period, nor was it used in the reference period. For the needs of financing working capital in connection with Destia Ltd's share transaction, a negotiated short-term MEUR 30.0 financing limit was reorganised in June and, in the same connection, a MEUR 39.0 business mortgage provided as security for financing was released. For the needs of financing working capital, an unsecured short-term financing limit of MEUR 10.0 was negotiated, which was unused at the end of the reporting period.

The MEUR 65 bond released to institutional investors by Destia Group Plc on 19 June 2014 was listed on the Helsinki Stock Exchanges maintained by NASDAQ OMX Helsinki Oy in June. On 17 June 2015, the Financial Supervisory Authority approved the bond's prospectus. This bond is unsecured and will mature in full in June 2019. The loan coupon has a variable interest rate based on the three-month Euribor rate, and the loan margin is 4.5 per cent. It is hedged in the Group by means of an interest rate swap up to the time of its maturity.

Consolidated shareholders' equity includes equity hybrid loans from Ahlström Capital Group of 27 million euros, and the interest rate on the loans is 10 per cent.

Investments and acquisitions

In the reporting period, gross investments stood at MEUR 4.6 (3.8), which amounts to 1.4 per cent (1.2) of revenue, and in the third quarter they were MEUR 1.5 (2.1), or 1.0 per cent (1.5) of revenue. The investments were mainly targeted at the fleet.

Personnel

The Group's average number of personnel during the reporting period was 1,505 (1,520). At the end of September, the number of personnel was 1,526 (1,506), of which permanent staff totalled 1,394 (1,383) and temporary employees 132 (123). Due to the seasonality of the business, the number of personnel varies during the year, peaking in the summer.

In the reporting period, the annual personnel survey was carried out for which the response rate was 76 (78) per cent. The results of the survey continued to develop positively. The overall average on a scale of 1–5 was 3.81 compared to 3.79 the previous year.

Human resources development continues to be Destia's strategic area of focus. During the reporting period, training also continued to supplement the lessons of previous years' courses, especially in goal-oriented customer service and harmonised operating practices. In the reporting period, accident frequency remained at an excellent level, better than the previous year with just 7.1 occupational accidents per one million working hours (9.8). Destia is also conducting the Voima change project, in which processes and operating practices are being harmonised and, in order to support them, the intention is to introduce a common ERP system. The introduction will be implemented in stages, and production use of the first stage of the introduction was started in October 2015. The project is planned to be fully completed in 2016.

Organisational structure and management

Destia's operations are divided into four regional business units: Southern Finland, Western Finland, Eastern Finland and Northern Finland, the national Consulting Services business unit and support functions.

The business of the regional business units includes the construction and maintenance of traffic routes, industrial and traffic environments and the complete living environment, as well as the services of the winter maintenance management centre, Kelikeskus. The Rock Construction, Railway Construction and Maintenance, Aggregates and Fleet units are part of the regional business units. The business of the national Consulting Services business unit comprises planning, survey and analysis services and international consultancy.

In 2015, Destia's Management Team comprises President and CEO Hannu Leinonen, CFO Pirkko Salminen, Director Jouni Karjalainen, and Executive Vice Presidents Minna Heinonen, Pasi Kailasalo, Jukka Raudasoja, Marko Vasenius and Seppo Ylitapio, and personnel representative Jouko Korhonen. General Counsel Aki Markkola serves as Secretary of the Management Team.

A change in the composition of Destia Group Plc's Board of Directors

By a unanimous decision of Destia Group Plc's shareholders, Tero Telaranta was appointed a new board member as of 30 September 2015. Telaranta serves as director responsible for industrial investments at Ahlström Capital Oy. Destia's board has selected Telaranta as a member of the HR Committee.

The company's Board of Directors consists of the following persons: Marcus Ahlström, Jacob af Forselles, Matti Mantere, Panu Routila, Arto Rätty (Chair), Tero Telaranta and Solveig Törnroos-Huhtamäki. All the members of the board are independent of the company and, with the exception of Jacob af Forselles, Panu Routila and

Tero Telaranta, also independent of the owner.

Litigation and disputes

Destia has some pending disputes with Länsimetro Oy in respect of payments related to subway construction projects.

Short-term risks and uncertainties

Destia classifies risks as market and operating environment risks, operational risks, financial risks and damage risks.

Concerning the market and operating environment risks, fluctuation in the economy and uncertainty in the market situation are particularly causing a significant risk for Destia's business. Both public and private sector investments in infrastructure construction are decreasing, which is reflected in the competitive situation in the industry. The competitive situation in Destia's core business areas continues to be fierce. Success in tendering for regional main road maintenance contracts as well as large contracts is of paramount importance. New forms of tendering have emerged in the tendering for major public projects, which require a new kind of expertise.

The fluctuation in the price of oil-based commodities causes uncertainty with regard to the profitability of the company. The risk is being prevented by monitoring and assessing the commodity price development, by ensuring key procurements economically from a project perspective, and by hedging the price risks using derivative instruments.

In the management of risks caused by the operating environment, it is essential to focus on the selected business areas, and to ensure the operational cost-efficiency, solidity, as well as readiness to react in varying situations.

The most significant operational risks concern project management and profitability. Uncertainty is being created by the potential fluctuation of input prices and the ability to manage project risks. The key factors in project management are an efficient process from tender calculation to implementation, cost monitoring, ensuring resources and developing project management expertise.

Destia has invested in reliable financial reporting, which is a requirement for the identification and assessment of financial risks. The reliability of financial reports is ensured through monitoring and by developing control methods.

The Destia subgroup's freedom from net liabilities has significantly reduced financial risks. Financial risks related to the financing of the parent company, Destia Group Plc, are managed in accordance with the treasury policy.

In Destia's damage risk management, the key factors are proactive project management procedures, investments in occupational safety and ensuring adequate insurance cover.

Outlook for 2015

The operating environment for the infrastructure field and the whole construction sector remains challenging as uncertainty in the economy continues. The infrastructure market is declining this year. According to forecasts by different forecasting bodies, growth will be evident next year and the following year. In a challenging market situation, competition remains fierce. Demand is stable, but projects being tendered for are smaller in size than before.

Destia's order book, which is at a better level compared to the corresponding time of the previous year, and the measures taken to improve customer work and project management provide a solid foundation for the positive improvement of revenue. Destia is paying particular attention to measures to increase profitability.

Market guidance for 2015

Destia's revenue is forecasted to grow slightly but operating profit is forecasted to fall significantly from the previous year in 2015.

Vantaa, 27 October 2015

Destia Group Plc

Board of Directors

More information

President & CEO Hannu Leinonen, tel. +358 20 444 4000 and CFO Pirkko Salminen, tel. +358 50 302 2485

Financial reporting

Destia will publish its financial statements for 2015 on 11 February 2016.

STATEMENT OF COMPREHENSIVE INCOME

IFRS

MEUR	Destia	Destia	Destia	Destia	Destia	Destia
	Group	Group	Group	subgroup	Group	subgroup
	7-9/2015	7-9/2014	1-9/2015	1-9/2014	7-12/2014	1-12/2014
Revenue	152.2	136.3	331.8	306.0	261.8	431.5
Other operating income	2.0	0.7	3.1	1.9	1.7	3.3
Materials and services	110.4	93.4	233.5	200.9	176.7	284.2
Employee benefit expenses	21.7	21.6	61.9	61.9	46.9	86.9
Depreciations	2.2	2.5	6.6	7.8	4.7	10.0
Other operating expenses	8.5	10.2	25.1	25.9	22.7	38.5
Operating result	11.5	9.3	7.9	11.4	12.5	15.1
Financial income	0.0	0.0	0.2	0.2	0.0	0.2
Financial expenses	1.1	3.7	3.2	1.6	5.1	2.0
Result before taxes	10.4	5.7	4.8	10.0	7.4	13.3
Income taxes	2.1	2.3	1.2	2.2	1.9	2.8
Result for the period	8.3	3.4	3.6	7.8	5.5	10.5
Other comprehensive income including tax effects						
Items that will not be reclassified to profit and loss						
Actuarial profit and loss from benefit-based pension arrangements					-1.5	-1.5
					-1.5	-1.5
Items that may be reclassified subsequently to profit and loss						
Cash flow hedges	-0.3	-0.7	0.0	0.3	-0.9	0.3
	-0.3	-0.7	0.0	0.3	-0.9	0.3
Other comprehensive income net of tax	-0.3	-0.7	0.0	0.3	-2.4	-1.2
Comprehensive income for the period including tax effects	8.1	2.7	3.6	8.1	3.1	9.3
Result for the period and comprehensive income for the period belong to parent company shareholders.						
Undiluted / Diluted earnings per share, EUR	104.09	42.49	45.46	11.48	68.59	15.44
Number of shares	80,000	80,000	80,000	680,000	80,000	680,000

CONSOLIDATED BALANCE SHEET
IFRS

MEUR

ASSETS	Destia Group 30.9.2015	Destia Group 30.9.2014	Destia Group 31.12.2014	Destia subgroup 31.12.2014
Non-current assets				
Tangible assets	54.1	53.6	56.8	56.8
Goodwill	83.2	83.2	83.2	17.0
Other intangible assets	1.7	1.9	1.7	1.7
Available-for-sale financial assets	2.1	2.1	2.1	2.1
Deferred tax assets	3.6	1.9	3.7	2.2
Non-current assets, total	144.7	142.6	147.5	79.8
Current assets				
Inventories	18.2	23.5	19.9	19.9
Accounts and other receivables	92.2	66.2	59.6	59.1
Cash and cash equivalents	7.7	31.4	37.7	21.7
Current assets, total	118.0	121.2	117.1	100.6
Assets, total	262.7	263.8	264.6	180.5
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	0.1	0.1	0.1	17.0
Invested unrestricted equity fund	38.0	38.0	38.0	14.4
Hybrid loans	27.0	29.0	29.0	
Other items	-0.9	-0.7	-0.9	0.0
Retained earnings	4.3	2.7	2.5	19.8
Equity, total	68.5	69.0	68.7	51.1
Non-current liabilities				
Deferred tax liabilities	1.1	0.5	1.0	0.7
Pension liabilities	2.8	0.8	2.8	2.8
Provisions	13.1	11.1	13.8	13.8
Financial liabilities	64.6	64.0	64.4	0.4
Non-current liabilities, total	81.5	76.5	81.9	17.6
Current liabilities				
Accounts payable and other liabilities	85.9	77.1	76.4	74.1
Provisions	5.5	5.6	5.9	5.9
Financial liabilities	0.3	9.2	0.5	0.5
Advances received	20.9	26.3	31.2	31.2
Current liabilities, total	112.7	118.2	114.0	111.7
Equity and liabilities, total	262.7	263.8	264.6	180.5

**CONSOLIDATED CASH FLOW STATEMENT
IFRS**

MEUR	Destia Group 7-9/2015	Destia Group 7-9/2014	Destia Group 1-9/2015	Destia subgroup 1-9/2014	Destia Group 7-12/2014	Destia subgroup 1-12/2014
OPERATING CASH FLOWS						
Cash receipts from customers	125.9	121.9	290.9	297.6	262.6	438.4
Expenses paid to suppliers and personnel	-124.8	-117.3	-310.4	-291.0	-239.7	-410.5
Interests paid	-0.8	-0.8	-2.6	-0.2	-1.7	-0.2
Dividends received	0.0	0.0	0.0	0.0	0.0	0.0
Interests received	0.0	0.0	0.1	0.1	0.0	0.1
Other financial items	-0.1	-0.9	-0.3	-1.3	-1.0	-1.3
Tax paid	0.7	-1.1	-1.1	-2.3	-2.3	-3.5
Net operating cash flow	0.8	1.7	-23.4	2.9	18.0	23.0
INVESTMENT CASH FLOW						
Investments in intangible and tangible assets	-0.7	-2.4	-5.6	-4.3	-4.9	-6.8
Sale of intangible and tangible assets	2.1	0.8	2.5	1.6	2.2	3.0
Subsidiary shares acquired		-87.5			-87.5	
Investments in other assets	-0.4		-0.4		0.0	0.0
Proceeds from the sale of other investments	0.4		0.4		0.0	0.0
Net investment cash flow	1.3	-89.1	-3.1	-2.7	-90.2	-3.7
FINANCIAL CASH FLOWS						
Rights issue		0.1			0.1	
Investment in Invested unrestricted equity fund		38.0			38.0	
Increase in non-current debt (+)		65.0			65.0	
Increase in non-current equity instruments (+)		17.0			17.0	
Decrease in non-current equity instruments (-)			-2.0			
Decrease in non-current debt (-)				-10.0		-10.0
Increase in short-term financing (+)		9.0		15.8	9.0	15.8
Decrease in short-term financing (-)		-6.8		-6.8	-15.8	-15.8
Capital repayment to the State of Finland				-42.0		-42.0
Interests and other financial items paid	0.0	-3.4	-1.5		-3.4	
Net financial cash flow	0.0	118.9	-3.5	-43.0	109.9	-52.0
Change in cash and cash equivalents	2.1	31.4	-29.9	-42.9	37.7	-32.8
Cash and cash equivalents at beginning of reporting period	5.7	0.0	37.7	54.5		54.5
Cash and cash equivalents at end of reporting period	7.7	31.4	7.7	11.6	37.7	21.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IFRS
MEUR
Equity attributable to equity holders of the parent company

Destia Group	Share capital	Hedge instrument fund	Invested unrestricted equity fund	Hybrid loans	Translation differences	Retained earnings	Total
Equity 1 July 2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income for the period							
Result for the period						3.4	3.4
Other comprehensive items:							
Translation differences					0.0		0.0
Cash flow hedges		-0.7					-0.7
Comprehensive profit and loss for the period, total		-0.7			0.0	3.4	2.7
Transactions with owner							
Rights issue	0.1						0.1
Investment in Invested unrestricted equity fund			38.0				38.0
Hybrid loans				29.0			29.0
Interest of hybrid loans and deferred taxes						-0.7	-0.7
Equity total 30 Sep 2014	0.1	-0.7	38.0	29.0	0.0	2.7	69.0

Equity attributable to equity holders of the parent company

Destia Group	Share capital	Hedge instrument fund	Invested unrestricted equity fund	Hybrid loans	Translation differences	Retained earnings	Total
Equity 1 Jan 2015	0.1	-0.9	38.0	29.0	0.0	2.5	68.7
Other comprehensive income for the period							
Result for the period						3.6	3.6
Other comprehensive items:							
Translation differences					0.0		0.0
Cash flow hedges		0.0					0.0
Comprehensive profit and loss for the period, total		0.0			0.0	3.6	3.6
Transactions with owner							
Hybrid loans				-2.0			-2.0
Interest of hybrid loans and deferred taxes						-1.8	-1.8
Equity total 30 Sep 2015	0.1	-0.9	38.0	27.0	0.0	4.3	68.5

Notes

This Interim Report has been prepared in accordance with the IFRS accounting and valuation principles, but does not follow all requirements defined by IAS 34 standard. The interim report should be read together with the 2014 financial statements. The new standards and interpretations adopted on 1 January 2015 have not affected the figures presented for the reporting period.

Destia Group Plc listed on the main list of NASDAQ OMX Helsinki Oy a MEUR 65 bond targeted at institutional investors. Therefore, the Group has adopted IFRS 8 Operating Segments compliant reporting.

The highest operative decision-maker, Destia's Board of Directors makes all major operative decisions. The HR Committee, the Audit Committee and the Board's Advisory Committee, as well as the Chairperson of the Board together with the CEO, prepare and present the decision proposals to the Board.

Destia's business operations comprise services covering the entire life cycle of the road and track network and other infrastructure projects from design through implementation to maintenance. Destia's business structure is based on consistent business processes. Due to the nature and administrative structure of the company's business, the operating segment reported is the entire Group. Operating segment reporting related to the financial statements are reported as part of the largest customer groups whose income is at least 10 per cent of the Group's total revenues. The remainder of the segment reporting will not affect the presentation of the financial statements.

Segment reporting has not influenced the method of presentation for the reporting period.

CONSOLIDATED INCOME STATEMENT; QUARTERLY FIGURES

IFRS MEUR	Destia Group 7-9/2015	Destia Group 4-6/2015	Destia Group 1-3/2015	Destia Group 10-12/2014	Destia Group 7-9/2014	Destia subgroup 4-6/2014	Destia subgroup 1-3/2014
Revenue	152.2	105.3	74.3	125.5	136.3	102.0	67.7
Other operating income	2.0	0.6	0.4	1.0	0.7	0.8	0.4
Materials and services	110.4	71.3	51.8	83.3	93.4	64.1	43.3
Employee benefit expenses	21.7	22.3	17.9	25.3	21.6	22.0	18.3
Depreciations	2.2	2.2	2.2	2.2	2.5	2.6	2.7
Other operating expenses	8.5	9.0	7.6	12.5	10.2	10.1	7.7
Operating result	11.5	1.1	-4.8	3.1	9.3	4.0	-3.9
Financial income	0.0	0.1	0.2	0.0	0.0	0.1	0.1
Financial expenses	1.1	1.1	1.0	1.4	3.7	0.4	0.2
Result before taxes	10.4	0.1	-5.7	1.8	5.7	3.6	-4.0
Income taxes	2.1	0.3	-1.1	-0.3	2.3	0.7	-0.8
Result for the quarterly period	8.3	-0.1	-4.5	2.1	3.4	2.9	-3.2

CONSOLIDATED BALANCE SHEET; QUARTERLY FIGURES
IFRS

MEUR	Destia Group 30.9.2015	Destia Group 30.6.2015	Destia Group 31.3.2015	Destia Group 31.12.2014	Destia Group 30.9.2014	Destia subgroup 30.6.2014	Destia subgroup 31.3.2014
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ASSETS
Non-current assets

Tangible assets	54.1	55.5	55.1	56.8	53.6	54.1	55.5
Goodwill	83.2	83.2	83.2	83.2	83.2	17.0	17.0
Other intangible assets	1.7	1.7	1.6	1.7	1.9	2.0	2.2
Available-for-sale financial assets	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Deferred tax assets	3.6	3.6	3.6	3.7	1.9	1.8	1.9
Non-current assets, total	144.7	146.1	145.6	147.5	142.6	77.1	78.7

Current assets

Inventories	18.2	17.8	19.9	19.9	23.5	22.2	21.2
Accounts and other receivables	92.2	72.5	46.8	59.6	66.2	59.4	42.5
Cash and cash equivalents	7.7	5.7	14.6	37.7	31.4	50.5	54.1
Current assets, total	118.0	96.0	81.3	117.1	121.2	132.1	117.7

Assets, total	262.7	242.0	226.9	264.6	263.8	209.1	196.4
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EQUITY AND LIABILITIES
Equity attributable to equity holders of the parent company

Share capital	0.1	0.1	0.1	0.1	0.1	17.0	17.0
Invested unrestricted equity fund	38.0	38.0	38.0	38.0	38.0	56.4	56.4
Hybrid loans	27.0	27.0	27.0	29.0	29.0		
Other items	-0.9	-0.7	-1.0	-0.9	-0.7	0.0	-0.2
Retained earnings	4.3	-3.3	-2.5	2.5	2.7	10.4	7.5
Equity, total	68.5	61.1	61.6	68.7	69.0	83.8	80.7

Non-current liabilities

Deferred tax liabilities	1.1	0.9	0.8	1.0	0.5	0.6	0.6
Pension liabilities	2.8	2.8	2.8	2.8	0.8	0.8	0.8
Provisions	13.1	13.6	13.7	13.8	11.1	11.6	11.7
Financial liabilities	64.6	64.2	64.6	64.4	64.0	0.5	10.8
Non-current liabilities, total	81.5	81.5	81.9	81.9	76.5	13.5	23.9

Current liabilities

Accounts payable and other liabilities	85.9	67.7	51.4	76.4	77.1	65.1	50.6
Provisions	5.5	5.9	5.3	5.9	5.6	5.8	6.2
Financial liabilities	0.3	0.2	0.3	0.5	9.2	7.0	0.3
Advances received	20.9	25.6	26.5	31.2	26.3	33.8	34.8
Current liabilities, total	112.7	99.4	83.5	114.0	118.2	111.8	91.8

Equity and liabilities, total	262.7	242.0	226.9	264.6	263.8	209.1	196.4
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**CONSOLIDATED CASH FLOW STATEMENT; QUARTERLY FIGURES
IFRS**

	Destia Group	Destia Group	Destia Group	Destia Group	Destia Group	Destia subgroup	Destia subgroup
MEUR	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
OPERATING CASH FLOWS							
Cash receipts from customers	125.9	80.3	84.8	140.7	121.9	81.8	93.9
Expenses paid to suppliers and personnel	-124.8	-85.2	-100.3	-122.4	-117.3	-80.6	-93.1
Interests paid	-0.8	-0.9	-0.8	-0.9	-0.8	-0.2	0.0
Dividends received	0.0	0.0				0.0	
Interests received	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other financial items	-0.1	-0.1	-0.1	0.0	-0.9	-0.4	0.0
Tax paid	0.7	-0.8	-0.9	-1.1	-1.1	-1.2	0.0
Net operating cash flow	0.8	-6.8	-17.3	16.3	1.7	-0.5	0.8
INVESTMENT CASH FLOW							
Investments in intangible and tangible assets	-0.7	-2.5	-2.4	-2.5	-2.4	-0.5	-1.4
Sale of intangible and tangible assets	2.1	0.3	0.1	1.4	0.8	0.5	0.3
Subsidiary shares acquired					-87.5		
Investments in other assets	-0.4						
Proceeds from the sale of other investments	0.4						
Net investment cash flow	1.3	-2.1	-2.3	-1.0	-89.1	0.1	-1.1
FINANCIAL CASH FLOWS							
Rights issue					0.1		
Investment in Invested unrestricted equity fund					38.0		
Increase in non-current debt (+)					65.0		
Increase in non-current equity instruments (+)					17.0		
Decrease in non-current equity instruments (-)			-2.0				
Decrease in non-current debt (-)						-10.0	
Increase in short-term financing (-)					9.0	6.8	
Decrease in short-term financing (-)				-9.0	-6.8		
Interests and other financial items paid	0.0	0.0	-1.5		-3.4		
Net financial cash flow	0.0	0.0	-3.5	-9.0	118.9	-3.2	0.0
Change in cash and cash equivalents	2.1	-8.9	-23.1	6.2	31.4	-3.6	-0.3
Cash and cash equivalents at beginning of quarterly period	5.7	14.6	37.7	31.4	0.0	54.1	54.5
Cash and cash equivalents at end of quarterly period	7.7	5.7	14.6	37.7	31.4	50.5	54.1

GROUP'S KEY FIGURES

IFRS

MEUR	Destia Group 7-9/2015	Destia Group 7-9/2014	Destia Group 1-9/2015	Destia subgroup 1-9/2015	Destia subgroup 1-9/2014	Destia Group 7-12/2014	Destia subgroup 1-12/2014
Revenue	152.2	136.3	331.8	331.8	306.0	261.8	431.5
Change from previous year, % *)	11.6		8.4	8.4	-11.6		-11.9
Operating profit for the period	11.5	9.3	7.9	7.7	11.4	12.5	15.1
% of revenue	7.6	6.9	2.4	2.3	3.7	4.8	3.5
Result for the period	8.3	3.4	3.6	6.5	7.8	5.5	10.5
% of revenue	5.5	2.5	1.1	2.0	2.5	2.1	2.4
EBITDA 1)	13.7	11.8	14.4	14.3	19.2	19.1	25.1
% of revenue	9.0	8.7	4.3	4.3	6.3	7.3	5.8
Gross investments	1.5	68.3	4.6	4.6	3.8	72.5	8.0
% of revenue	1.0	50.1	1.4	1.4	1.2	27.7	1.9
Balance sheet total			262.7	194.8	177.6	264.6	180.5
Equity			68.5	57.7	50.0	68.7	51.1
Equity ratio, % 2)			28.3	33.2	33.0	29.4	34.3
Net gearing, % 3)			86.0	5.2	-4.0	42.4	-41.2
Interest-bearing liabilities			66.6	10.6	9.6	66.8	0.6
Current Ratio 4)			1.0	1.0	0.9	1.0	0.8
Quick Ratio 5)			0.9	0.8	0.7	1.0	0.9
Return on equity, % 6)			8.3	17.0	16.8	8.0	15.5
Return on investment, % 7)			8.3	19.5	22.4	9.2	20.9
Earnings per share, EUR **)	104.09	42.49	45.46	9.62	11.48	68.59	15.44
Equity per share, EUR **)			855.75	84.83	73.46	858.32	75.20
Average personnel			1,505	1,501	1,520	1,502	1,502
Occupational accidents resulting in absence from work ***)			7.1	7.1	9.8	9.3	9.3
Order book			753.0	753.0	658.7	628.2	628.2
Research and development expenses			0.6	0.6	0.6	0.5	0.9
% of other operating expenses			2.5	2.4	2.4	2.1	2.4

*) The comparative figures are figures from the Destia subgroup in 2014, except the third quarter

**) Number of shares is: Destia Group Oyj 80.000, Destia Ltd 680.000

***) Occupational accidents of Destia's own personnel per one million working hours

Formulas:

- 1) Operating profit + depreciation, amortisation and impairment losses. In 2014, EBITDA adjusted by non-recurring items related to acquisition
- 2) $(\text{Equity} / (\text{balance sheet total} - \text{advances received})) * 100$
- 3) $((\text{Interest-bearing liabilities} - \text{cash and cash equivalents and held-to-maturity investments} / \text{equity}) * 100$
- 4) $(\text{Inventories} + \text{liquid assets}) / \text{current liabilities}$
- 5) Financial assets without receivables from uncompleted contracts / current liabilities without advance payments
- 6) $(\text{Result for the period} / \text{average equity}) * 100$
(opening and closing balance)
- 7) $(\text{Result before taxes} + \text{interest costs and other financial expenses} / (\text{invested capital average})) * 100$
(balance sheet total - non-interest-bearing liabilities - provisions, opening and closing balance)

Under points 6 and 7 the result has been converted into yearly result (12 months back), reporting at 30 September 2015 and onwards

Under items 6 and 7 the value of equity and the balance sheet values of 31 December 2014 have been used as the balance sheet values on Destia Group

GROUP'S QUARANTEES AND CONTINGENT LIABILITIES

IFRS MEUR	Destia Group 30.9.2015	Destia Group 30.9.2014	Destia Group 31.12.2014
Business mortgage		39.0	39.0
Bank quarantees	94.9	83.5	79.3
Leasing liabilities			
Within one year	3.2	3.4	3.3
Within more than one year and less than five years	5.4	3.0	2.6
Within more than five years	1.2	0.0	0.0
Total	9.8	6.4	5.9

GROUP'S CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

IFRS MEUR	Destia Group 30.9.2015	Destia Group 30.9.2014	Destia Group 31.12.2014
Financial assets			
Available-for-sale financial assets			
Available-for-sale financial assets (level 3)	2,1	2,1	2,1
Financial assets at fair value through profit or loss			
Current			
Accounts and other receivables (level 2)	63,6	43,8	42,1
Cash and cash equivalents (level 2)	7,7	31,4	37,7
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Interest rate swaps, in hedge accounting (level 2)	1,2	0,9	1,1
Other derivatives, not in hedge accounting (level 2)	0,1	0,0	0,3
Financial liabilities valued at amortized acquisition cost			
Non-current			
Bonds, interest-bearing (level 2)	63,9	62,7	62,9
Financial leasing liability, interest-bearing (level 2)	0,2	0,4	0,4
Current			
Loans from financial institutions, interest-bearing (level 2)		9,0	
Financial leasing liability, interest-bearing (level 2)	0,2	0,2	0,2
Accounts payable and other liabilities (level 2)	62,0	60,1	77,4

The carrying value equals for the fair value. The levels adopted in fair value accounting:

Level 1: Exchange traded securities.

Level 2: Fair value determined by observable parameters.

Level 3: Fair value determined by non-observable parameters.

DESTIA GROUP PLC, SHARES AND SHAREHOLDERS SINCE 1 JULY 2014

Shareholder	Number of shares	%	Voting right	Share capital EUR
AC Infra Oy (Ahlström Capital)	80,000	100.0	1 vote/share	80,000

DESTIA LTD, SHARES AND SHAREHOLDERS SINCE 1 JULY 2014

Shareholder	Number of shares	%	Voting right	Share capital EUR
Destia Group Plc	680,000	100.0	1 vote/share	17,000,000

All figures have been rounded up or down, so the sums of individual figures may differ from the sums shown.

The information provided in the interim report has not been audited.