

DESTIA'S INTERIM REPORT

JANUARY–JUNE
2015



DESTIA
BUILDING THE BIGGER PICTURE

Destia Group Plc is Destia Ltd's parent company, which was established in connection with the ownership arrangement of Destia in 2014 and which owns 100% of Destia Ltd's shares.

This interim report reports on the financial development of Destia Group from 1 January 2015 to 31 June 2015. The comparative figures are figures from the Destia subgroup in 2014. Comparative figures do not exist for Destia Group.

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

Destia interim report for January–June 2015

REVENUE AND ORDER BOOK INCREASED AS PROFITABILITY WEAKENS

- Revenue increased by 5.8 per cent to MEUR 179.6 (169.7).
- Operating result fell short of the comparison period and was MEUR -3.7 (0.0).
- The order book developed positively in the first half of the year and was MEUR 821.4 (717.6). Growth in comparison to the corresponding period last year was 14.5 per cent.
- The MEUR 65 bond released to institutional investors by Destia Group Plc on 19 June 2014 was listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Oy on 17 June 2015.
- Occupational safety remained at an excellent level: the accident frequency was 6.8 (6.8).
- Destia's revenue is forecasted to grow slightly but operating profit is forecasted to fall significantly from the previous year in 2015.

Market guidance for 2015 changed regarding the operating profit

- NEW MARKET GUIDANCE: Destia's revenue is forecasted to grow slightly but operating profit is forecasted to fall significantly from the previous year in 2015.
- PREVIOUS MARKET GUIDANCE: Destia's revenue is forecasted to grow slightly but operating profit is forecasted to fall short of the previous year in 2015.

Destia lowers its market guidance regarding the 2015 operating profit. The result was weakened by maintenance procedures caused by challenging weather conditions in winter in certain parts of Finland and by two large on-going failed projects.

Group	Destia Group	Destia subgroup	Destia Group	Destia subgroup	Destia Group	Destia subgroup
Key figures (IFRS), MEUR	4-6/2015	4-6/2014	1-6/2015	1-6/2014	7-12/2014	1-12/2014
Revenue	105.3	102.0	179.6	169.7	261.8	431.5
Operating result	1.1	4.0	-3.7	0.0	12.5	15.1
% of revenue	1.1	3.9	-2.0	0.0	4.8	3.5
Result for the period	-0.1	2.9	-4.7	-0.4	5.5	10.5
% of revenue	-0.1	2.8	-2.6	-0.2	2.1	2.4
Return on investment, %			6.9	21.1	9.2	20.9
Earnings per share, EUR	-1.81		-58.63		68.59	
Equity ratio, %			28.2	47.8	29.4	34.3
Net gearing, %			99.3	-51.3	42.4	-41.2
Average personnel			1 474	1 501	1 502	1 502
Occupational accidents resulting in absence from work *)			6.8	6.8	9.3	9.3
Order book at the end of period			821.4	717.6	628.2	628.2

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

President & CEO Hannu Leinonen comments on the reporting period:

“Destia’s first half-year went moderately well in a challenging market situation. Whilst overall demand was at a relatively stable level, competition for projects continued to be fierce. Our revenue and order book increased during the reporting period. Our order book is clearly on a better level compared to the corresponding time of the previous year. During the reporting period, we concluded significant new contracts, both in our core businesses and in our focus areas of strategic growth.

The weakening of our profitability during the period was disappointing. The result for the corresponding period last year was improved by individual ongoing projects that were particularly successful. This spring, on the other hand, the result was encumbered by challenging weather conditions in winter in certain parts of Finland and by two large on-going failed projects. We are paying particular attention to risk management and profitability in projects from the tendering stage on in order to improve profitability.

I am satisfied that our occupational safety has remained at a good level. At Destia we have been investing in the improvement of occupational safety, and I am happy that this also shows in what we do in practice. In our business, an accident frequency of 6.8 is excellent.”

Operating environment

The fading trend of the Finnish economy weakened the operating environment in the infrastructure and entire construction sectors in the first half of the year. Competition is particularly fierce and the level of prices quoted is exceptionally low. Projects being tendered for are also smaller in size than before. However, demand in the infrastructure field has remained moderate, and new projects will also be put out to tender in the second half of the year. A positive note for market prospects is also being brought by the additional investments in road maintenance planned by the Finnish government.

In June, the Bank of Finland forecasted that the development of overall Finnish production will continue to be modest in the 2015–2017 period. According to the forecast, the long contraction of the economy will, however, come to an end, and the gross domestic product will begin to grow. The Bank of Finland predicts that this year the economy will grow very slightly by about 0.2 per cent, as exports recover due to the strengthening of demand overseas and the weakening of the euro. According to the forecast, domestic demand will also gradually strengthen. According to the Bank of Finland, next year the pace of growth of production will increase to 1.2 per cent and in 2017 to 1.3 per cent.

Signs of an end to the contraction of the economy are also evident in confidence indicators by the Confederation of Finnish Industries (EK). According to EK’s indicators, confidence in construction strengthened somewhat during the summer. The construction confidence indicator rose slightly to be better than the long-term average.

According to an estimate by the Confederation of Finnish Construction Industries (CFCI), the overall volume of construction will decrease by less than 1 per cent this year. CFCI expects that infrastructure construction in particular will suffer in a tight market situation, and it forecasts that growth will not begin until 2016. The entire construction sector is expected to begin recovering next year and grow by 2–3 per cent.

During the reporting period, an increase in costs was evident, particularly in plastic products, and the prices of raw materials also rose. It is probable that the rise in prices will also be visible in the indices during the coming months.

According to the cost index of civil engineering works of Statistics Finland, the costs of the civil engineering industry fell by 1.4 per cent from June 2014 to June 2015. The annual change in costs varied by sub-index from -10.1 per cent in surfacing to 1.6 per cent in rock construction. The decrease in the total index was particularly affected by the lowered prices of bitumen, fuels and energy from June last year. The fall in costs was, however, mitigated by a rise in labour costs.

Order book and new orders

The order book developed positively. 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 30.8 per cent compared to the end of 2014. The order book at the end of June was MEUR 821.4 (717.6), MEUR 103.8 higher than the corresponding time of the previous year.

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

- Eskola–Ylivieska superstructure contract 2, will be completed by the end of 2017.
- Upgrading of National Road 77 at Viitasaari between Taimoniemi and Keitele, will be completed in October 2017.
- Maintenance Area 8 (Eastern Finland) track and safety equipment maintenance in 2015–2020.
- Regional main road contracts: Sodankylä, Lapua, Puolanka, Kemijärvi–Posio, Parkano and Porvoo, 2015–2018.
- Upgrading of Main Road 148 at Kerava, will be completed by the end of 2016.
- North Savo bridge repair contract, will be completed in December 2016.
- Factory area maintenance contract in Raahe, 2015–2020.
- Construction of an overtaking lane on the Hämeenkyrö section of National Road 3, will be completed in November 2015.
- A DB (design and build) project for the upgrading of National Road 8 at Luostarinkylä in Rauma, will be completed in November 2016.
- Construction and maintenance of municipal engineering at Varkaus, 2016–2023.
- Construction of a bioproducts factory area at Äänekoski, will be completed in November 2015.

During the second quarter, several dozen new contracts worth more than MEUR 1 were concluded in addition to smaller contracts.

During the reporting period, 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.

Finavia Oyj made a tender decision on June and selected Destia to implement the ramp expansion contract at Helsinki Airport. The project is being carried out based on the alliance model, whereby the customer, designers and contractors work together to implement the project. The cost estimate for the project is about MEUR 100. The contract will be executed in 2015–2020. It will be Destia's first project implemented based on the alliance model. The contract has not been signed yet.

Revenue development

In the reporting period, Destia's revenue was MEUR 179.6 (169.7), and in the second quarter it was MEUR 105.3 (102.0). Revenue increased over the reporting period due to the construction volume which was greater than the previous year. Revenue also increased on the maintenance side due to the challenging weather conditions in winter in certain parts of Finland.

Other operating income amounted to MEUR 1.1 (1.2). This mainly consists of sales income from fixed assets and rental profit.

Result development

In the reporting period, the result was MEUR -3.7 (0.0), and in the second quarter it was MEUR 1.1 (3.9). 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 procedures caused by challenging weather conditions in winter in certain parts of Finland and by two large on-going failed projects.

In the reporting period, Group net financial costs were MEUR 1.9 (0.5), which amounted to 1.0 per cent (0.3) 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. Income taxes in the reporting period amounted to MEUR 0.9 positive (0.1). Income taxes for the second quarter were MEUR 0.3 (0.7).

The Group's result for the period was MEUR -4.7 (-0.4), and in the second quarter it was MEUR -0.1 (2.9).

Due to the seasonality of the construction business the accumulation of result 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 242.0 at the end of the reporting period. Return on investment was 6.9 per cent, equity ratio 28.2 per cent, and net gearing 99.3 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. As there are more construction projects in the summer season than in other parts of the year, the demand for working capital is at its greatest. The cash flow of the reporting period comprised operating cash flow of MEUR -24.1, investment cash flow of MEUR -4.4 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 cash flow for the second quarter comprised operating cash flow of MEUR -6.8, investment cash flow of MEUR -2.1 and financial cash flow of MEUR 0.0.

The financial position of the Group remained moderate. The financial assets on the balance sheet were MEUR 5.7 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 66.3 at the end of the reporting period. Of all loans, 0.3 per cent was short-term and 99.7 per cent long-term. Interest-bearing net liabilities at the end of the reporting period were MEUR 60.7.

Destia subgroup's Commercial Paper programme of MEUR 150 was not used in the reporting period (nor 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 financing limit was reorganised 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 Exchange 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 27 million euros and interest rate on loans is 10 per cent.

Disclosure obligations

Destia is subject to the duty of disclosure of issuers of listed stock exchange bonds. Destia's Disclosure Policy for financial communications defines its duty of disclosure in greater detail. This policy can be read at the company's website.

Investments and acquisitions

In the reporting period, gross investments stood at MEUR 3.1 (1.7), which amounts to 1.7% (1.0) of revenue, and in the second quarter they were MEUR 2.7 (1.1), or 2.5% (1.1) of revenue. The investments were mainly targeted at the fleet.

Personnel

The Group's average number of personnel during the reporting period was 1,474 (1,501). At the end of June, the number of personnel was 1,620 (1,604), of whom permanent staff totalled 1,383 (1,387) and temporary employees 237 (217). Due to the seasonality of the business, the number of personnel varies during the year, peaking in the summer.

Destia is a significant employer in the infrastructure sector in Finland, and is strongly involved in developing new professionals for the industry. During the reporting period, the company employed about 150 summer workers and trainees.

Human resources development is still Destia's strategic area of focus. The goal-oriented improvement of occupational safety continued in the first half of the year. Accident frequency remained good at the same level as the corresponding period the previous year of 6.8 occupational accidents per one million working hours (6.8). During the reporting period, training also continued that supplements the lessons of previous years' courses, especially in goal-oriented customer service and harmonised operating practices. 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 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, as well as the national Consulting Services business unit.

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 Southern Finland business unit also includes the Rock Construction unit, the Eastern Finland business unit includes the Railway Construction and Maintenance unit, the Western Finland business unit includes the Aggregates unit and the Northern Finland business unit includes the Fleet unit. 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.

Litigation and disputes

During the reporting period, no significant new lawsuits or disputes were initiated.

Short-term risks and uncertainties

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

Of 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 the reliable financial reporting of essential content, 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.

Events following the reporting period

Destia won the Juva regional maintenance project for the period 2015–2020. The tender decision has been appealed and the appeal proceedings are ongoing.

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 will contract by one per cent this year, and

growth will not be evident until next 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 for increasing 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, 10 August 2015

Destia Group Plc

Board of Directors

More information

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Financial reporting 2015

Destia will publish its interim report for January–September on 27 October 2015.

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IFRS

MEUR	Destia	Destia	Destia	Destia	Destia	Destia
	Group	subgroup	Group	subgroup	Group	subgroup
	4-6/2015	4-6/2014	1-6/2015	1-6/2014	7-12/2014	1-12/2014
Revenue	105.3	102.0	179.6	169.7	261.8	431.5
Other operating income	0.6	0.8	1.1	1.2	1.7	3.3
Materials and services	71.3	64.1	123.1	107.5	176.7	284.2
Employee benefit expenses	22.3	22.0	40.3	40.3	46.9	86.9
Depreciations	2.2	2.6	4.4	5.3	4.7	10.0
Other operating expenses	9.0	10.1	16.6	17.8	22.7	38.5
Operating result	1.1	4.0	-3.7	0.0	12.5	15.1
Financial income	0.1	0.1	0.3	0.2	0.0	0.2
Financial expenses	1.1	0.4	2.1	0.6	5.1	2.0
Result before taxes	0.1	3.6	-5.5	-0.5	7.4	13.3
Income taxes	0.3	0.7	-0.9	-0.1	1.9	2.8
Result for the period	-0.1	2.9	-4.7	-0.4	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	0.4	0.2	0.2	0.3	-0.9	0.3
	0.4	0.2	0.2	0.3	-0.9	0.3
Other comprehensive income net of tax	0.4	0.2	0.2	0.3	-2.4	-1.2
Comprehensive income for the period including tax effects	0.2	3.1	-4.5	-0.1	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	-1.81	4.23	-58.63	-0.53	68.59	15.44
Number of shares	80,000	680,000	80,000	680,000	80,000	680,000

CONSOLIDATED BALANCE SHEET
IFRS

MEUR

ASSETS	Destia Group	Destia subgroup	Destia Group	Destia subgroup
	30.6.2015	30.6.2014	31.12.2014	31.12.2014
Non-current assets				
Tangible assets	55.5	54.1	56.8	56.8
Goodwill	83.2	17.0	83.2	17.0
Other intangible assets	1.7	2.0	1.7	1.7
Available-for-sale financial assets	2.1	2.1	2.1	2.1
Deferred tax assets	3.6	1.8	3.7	2.2
Non-current assets, total	146.1	77.1	147.5	79.8
Current assets				
Inventories	17.8	22.2	19.9	19.9
Accounts and other receivables	72.5	59.4	59.6	59.1
Cash and cash equivalents	5.7	50.5	37.7	21.7
Current assets, total	96.0	132.1	117.1	100.6
Assets, total	242.0	209.1	264.6	180.5
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	0.1	17.0	0.1	17.0
Invested unrestricted equity fund	38.0	56.4	38.0	14.4
Hybrid loans	27.0		29.0	
Other items	-0.7	0.0	-0.9	0.0
Retained earnings	-3.3	10.4	2.5	19.8
Equity, total	61.1	83.8	68.7	51.1
Non-current liabilities				
Deferred tax liabilities	0.9	0.6	1.0	0.7
Pension liabilities	2.8	0.8	2.8	2.8
Provisions	13.6	11.6	13.8	13.8
Financial liabilities	64.2	0.5	64.4	0.4
Non-current liabilities, total	81.5	13.5	81.9	17.6
Current liabilities				
Accounts payable and other liabilities	67.7	65.1	76.4	74.1
Provisions	5.9	5.8	5.9	5.9
Financial liabilities	0.2	7.0	0.5	0.5
Advances received	25.6	33.8	31.2	31.2
Current liabilities, total	99.4	111.8	114.0	111.7
Equity and liabilities, total	242.0	209.1	264.6	180.5

CONSOLIDATED CASH FLOW STATEMENT
IFRS

MEUR	Destia Group	Destia subgroup	Destia Group	Destia subgroup	Destia Group	Destia subgroup
	4-6/2015	4-6/2014	1-6/2015	1-6/2014	7-12/2014	1-12/2014
OPERATING CASH FLOWS						
Cash receipts from customers	80.3	81.8	165.0	175.7	262.6	438.4
Expenses paid to suppliers and personnel	-85.2	-80.6	-185.5	-173.7	-239.7	-410.5
Interests paid	-0.9	-0.2	-1.7	-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	0.0	0.1	0.0	0.1
Other financial items	-0.1	-0.4	-0.2	-0.4	-1.0	-1.3
Tax paid	-0.8	-1.2	-1.7	-1.2	-2.3	-3.5
Net operating cash flow	-6.8	-0.5	-24.1	0.3	18.0	23.0
INVESTMENT CASH FLOW						
Investments in intangible and tangible assets	-2.5	-0.5	-4.9	-1.9	-4.9	-6.8
Sale of intangible and tangible assets	0.3	0.5	0.5	0.8	2.2	3.0
Subsidiary shares acquired					-87.5	
Net investment cash flow	-2.1	0.1	-4.4	-1.1	-90.2	-3.7
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		-10.0		-10.0
Increase in short-term financing (+)		6.8		6.8	9.0	15.8
Decrease in short-term financing (-)					-15.8	-15.8
Capital repayment to the State of Finland						-42.0
Interests and other financial items paid	0.0		-1.5		-3.4	
Net financial cash flow	0.0	-3.2	-3.5	-3.2	109.9	-52.0
Change in cash and cash equivalents	-8.9	-3.6	-32.0	-4.0	37.7	-32.8
Cash and cash equivalents at beginning of financial period	14.6	54.1	37.7	54.5		54.5
Cash and cash equivalents at end of financial period	5.7	50.5	5.7	50.5	37.7	21.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IFRS

MEUR

Destia Group	Equity attributable to equity holders of the parent company						
	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						-4.7	-4.7
Other comprehensive items:							
Translation differences					0.0		0.0
Cash flow hedges		0.2					0.2
Comprehensive profit and loss for the period, total		0.2			0.0	-4.7	-4.5
Transactions with owner							
Hybrid loans				-2.0			-2.0
Interest of hybrid loans and deferred taxes						-1.1	-1.1
Equity total 30 June 2015	0.1	-0.7	38.0	27.0	0.0	-3.3	61.1

Notes

This Interim Report has been prepared in accordance with the IFRS accounting and valuation principles and it is in line with the 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 Advisor 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 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	105.3	74.3	125.5	136.3	102.0	67.7
Other operating income	0.6	0.4	1.0	0.7	0.8	0.4
Materials and services	71.3	51.8	83.3	93.4	64.1	43.3
Employee benefit expenses	22.3	17.9	25.3	21.6	22.0	18.3
Depreciations	2.2	2.2	2.2	2.5	2.6	2.7
Other operating expenses	9.0	7.6	12.5	10.2	10.1	7.7
Operating result	1.1	-4.8	3.1	9.3	4.0	-3.9
Financial income	0.1	0.2	0.0	0.0	0.1	0.1
Financial expenses	1.1	1.0	1.4	3.7	0.4	0.2
Result before taxes	0.1	-5.7	1.8	5.7	3.6	-4.0
Income taxes	0.3	-1.1	-0.3	2.3	0.7	-0.8
Result for the period	-0.1	-4.5	2.1	3.4	2.9	-3.2

**CONSOLIDATED BALANCE SHEET; QUARTERLY FIGURES
IFRS**

MEUR	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
ASSETS						
Non-current assets						
Tangible assets	55.5	55.1	56.8	53.6	54.1	55.5
Goodwill	83.2	83.2	83.2	83.2	17.0	17.0
Other intangible assets	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
Deferred tax assets	3.6	3.6	3.7	1.9	1.8	1.9
Non-current assets, total	146.1	145.6	147.5	142.6	77.1	78.7
Current assets						
Inventories	17.8	19.9	19.9	23.5	22.2	21.2
Accounts and other receivables	72.5	46.8	59.6	66.2	59.4	42.5
Cash and cash equivalents	5.7	14.6	37.7	31.4	50.5	54.1
Current assets, total	96.0	81.3	117.1	121.2	132.1	117.7
Assets, total	242.0	226.9	264.6	263.8	209.1	196.4
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent company						
Share capital	0.1	0.1	0.1	0.1	17.0	17.0
Invested unrestricted equity fund	38.0	38.0	38.0	38.0	56.4	56.4
Hybrid loans	27.0	27.0	29.0	29.0		
Other items	-0.7	-1.0	-0.9	-0.7	0.0	-0.2
Retained earnings	-3.3	-2.5	2.5	2.7	10.4	7.5
Equity, total	61.1	61.6	68.7	69.0	83.8	80.7
Non-current liabilities						
Deferred tax liabilities	0.9	0.8	1.0	0.5	0.6	0.6
Pension liabilities	2.8	2.8	2.8	0.8	0.8	0.8
Provisions	13.6	13.7	13.8	11.1	11.6	11.7
Financial liabilities	64.2	64.6	64.4	64.0	0.5	10.8
Non-current liabilities, total	81.5	81.9	81.9	76.5	13.5	23.9
Current liabilities						
Accounts payable and other liabilities	67.7	51.4	76.4	77.1	65.1	50.6
Provisions	5.9	5.3	5.9	5.6	5.8	6.2
Financial liabilities	0.2	0.3	0.5	9.2	7.0	0.3
Advances received	25.6	26.5	31.2	26.3	33.8	34.8
Current liabilities, total	99.4	83.5	114.0	118.2	111.8	91.8
Equity and liabilities, total	242.0	226.9	264.6	263.8	209.1	196.4

CONSOLIDATED CASH FLOW STATEMENT; QUARTERLY FIGURES
IFRS

MEUR	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
OPERATING CASH FLOWS						
Cash receipts from customers	80.3	84.8	140.7	121.9	81.8	93.9
Expenses paid to suppliers and personnel	-85.2	-100.3	-122.4	-117.3	-80.6	-93.1
Interests paid	-0.9	-0.8	-0.9	-0.8	-0.2	0.0
Dividends received	0.0				0.0	
Interests received	0.0	0.0	0.0	0.0	0.0	0.1
Other financial items	-0.1	-0.1	0.0	-0.9	-0.4	0.0
Tax paid	-0.8	-0.9	-1.1	-1.1	-1.2	0.0
Net operating cash flow	-6.8	-17.3	16.3	1.7	-0.5	0.8
INVESTMENT CASH FLOW						
Investments in intangible and tangible assets	-2.5	-2.4	-2.5	-2.4	-0.5	-1.4
Sale of intangible and tangible assets	0.3	0.1	1.4	0.8	0.5	0.3
Subsidiary shares acquired				-87.5		
Net investment cash flow	-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	-1.5		-3.4		
Net financial cash flow	0.0	-3.5	-9.0	118.9	-3.2	0.0
Change in cash and cash equivalents	-8.9	-23.1	6.2	31.4	-3.6	-0.3
Cash and cash equivalents at beginning of financial period	14.6	37.7	31.4	0.0	54.1	54.5
Cash and cash equivalents at end of financial period	5.7	14.6	37.7	31.4	50.5	54.1

GROUP'S KEY FIGURES

IFRS

MEUR	Destia Group	Destia subgroup	Destia Group	Destia subgroup	Destia subgroup	Destia Group	Destia subgroup
	4-6/2015	4-6/2014	1-6/2015	1-6/2015	1-6/2014	7-12/2014	1-12/2014
Revenue	105.3	102.0	179.6	179.6	169.7	261.8	431.5
Change from previous year, % *)	3.3	-9.2	5.9	5.9	-10.9		-11.9
Operating profit for the period	1.1	4.0	-3.7	-3.8	0.0	12.5	15.1
% of revenue	1.1	3.9	-2.0	-2.1	0.0	4.8	3.5
Result for the period	-0.1	2.9	-4.7	-2.8	-0.4	5.5	10.5
% of revenue	-0.1	2.8	-2.6	-1.5	-0.2	2.1	2.4
EBITDA 1)	3.3	6.5	0.7	0.6	5.4	19.1	25.1
% of revenue		6.4	0.4	0.3	3.2	7.3	5.8
Gross investments	2.7	1.1	3.1	3.1	1.7	72.5	8.0
% of revenue	2.5	1.1	1.7	1.7	1.0	27.7	1.9
Balance sheet total			242.0	173.9	209.1	264.6	180.5
Equity			61.1	48.4	83.8	68.7	51.1
Equity ratio, % 2)			28.2	32.6	47.8	29.4	34.3
Net gearing, % 3)			99.3	12.3	-51.3	42.4	-41.2
Interest-bearing liabilities			66.3	11.2	7.5	66.8	0.6
Current Ratio 4)			1.0	0.9	1.2	1.0	0.8
Quick Ratio 5)			0.8	0.7	1.2	1.0	0.9
Return on equity, % 6)			1.2	16.3	16.1	8.0	15.5
Return on investment, % 7)			6.9	20.9	21.1	9.2	20.9
Earnings per share, EUR **)	-1.81	4.23	-58.63	-4.07	-0.53	68.59	15.44
Equity per share, EUR			763.75	71.14	123.29	858.32	75.20
Average personnel			1 474	1 470	1 501	1 502	1 502
Occupational accidents resulting in absence from work ***)			6.8	6.8	6.8	9.3	9.3
Order book			821.4	821.4	717.6	628.2	628.2
Research and development expenses			0.4	0.4	0.4	0.5	0.9
% of other operating expenses			2.6	2.4	2.5	2.1	2.4

*) The comparative figures are figures from the Destia subgroup in 2014

**) 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)

Under items 6 and 7, the average value of equity and the balance sheet values of 31 December 2014 and 30 June 2015 have been used in the quarter as the balance sheet values of the Destia Group.

In the 2014 financial statements, equity and the balance sheet values of 31 December 2014 have been used.

GROUP'S GUARANTEES AND CONTINGENT LIABILITIES

IFRS MEUR	Destia Group 30.6.2015	Destia subgroup 30.6.2014	Destia Group 31.12.2014
Business mortgage			39.0
Bank guarantees	95.4	76.6	79.3
Leasing liabilities			
Within one year	3.4	3.3	3.3
Within more than one year and less than five years	4.6	3.0	2.6
Within more than five years	0.9	0.1	0.0
Total	8.9	6.4	5.9

GROUP'S CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

IFRS MEUR	Destia Group 30.6.2015	Destia subgroup 30.6.2014	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)	41.4	40.6	42.1
Cash and cash equivalents (level 2)	5.7	50.5	37.7
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Interest rate swaps, in hedge accounting (level 2)	0.8		1.1
Other derivatives, not in hedge accounting (level 2)	0.0	0.0	0.3
Financial liabilities valued at amortized acquisition cost			
Non-current			
Bonds, interest-bearing (level 2)	63.1		62.9
Financial leasing liability, interest-bearing (level 2)	0.3	0.5	0.4
Current			
Loans from financial institutions, interest-bearing (level 2)		6.8	
Financial leasing liability, interest-bearing (level 2)	0.2	0.2	0.2
Accounts payable and other liabilities (level 2)	53.9	63.4	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 Oyj	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.