

# Third Quarter Results 2015

16 October 2015

The logo for elisa, featuring the word "elisa" in a blue, lowercase, cursive script font.

### Third quarter 2015

- Revenue amounted to EUR 394 million (384)
- EBITDA was EUR 145 million (142) and EBIT was EUR 90 million (89)
- Profit before taxes amounted to EUR 83 million (83)
- Earnings per share were EUR 0.43 (0.43)
- Cash flow after investments was EUR 85 million (39)
  
- Mobile ARPU was EUR 15.9 (15.7 in previous quarter)
- Mobile churn was 16.1 per cent (14.4 in previous quarter)
- The number of Elisa's mobile subscriptions increased by 46,900 during the quarter
- The number of fixed broadband subscriptions decreased by 8,900 on the previous quarter, of which approximately 3,000 were related to divestments as fulfilment of Anvia transaction remedies
- Net debt / EBITDA was 1.9 (1.9 end 2014) and gearing 115 per cent (114 end 2014)
- Full year revenue and EBITDA outlook has been upgraded. Both revenue and EBITDA are estimated to at the same level or slightly higher than in 2014 (previously at the same level).

### January–September 2015

- Revenue was EUR 1,165 million (1,150)
- EBITDA was EUR 405 million (395) and EBIT was EUR 244 million (234)
- Earnings per share grew to 1.17 (1.10)
- Cash flow after investments was EUR 223 million (143)

### Key indicators

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Revenue	394	384	1165	1,150
EBITDA	145	142	405	395
EBIT	90	89	244	234
Profit before tax	83	83	229	214
Earnings per share, EUR	0.43	0.43	1.17	1.10
Capital expenditure	46	43	146	144

### Financial position and cash flow

EUR million	30.9.2015	30.9.2014	End 2014
Net debt	991	1,043	1,001
Net debt / EBITDA <sup>1)</sup>	1.9	2.0	1.9
Gearing ratio, %	115.5	126.1	114.0
Equity ratio, %	38.0	37.2	39.4

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Cash flow after investments <sup>2)</sup>	85	39	223	143

<sup>1)</sup> (interest-bearing debt – financial assets) / (four previous quarters' EBITDA exclusive of non-recurring items)

<sup>2)</sup> Excluding investments in shares and business combinations Q3/2015 EUR 88m, 1-9/2015 EUR 236m, Q3/14 EUR 61m and 1-9/2014 EUR 166m

Additional information regarding the Key Performance Indicators is available at:  
[www.elisa.com/investors](http://www.elisa.com/investors) (Elisa Operational Data.xls)

## CEO Veli-Matti Mattila:

### Investments in network and service development producing results

The general economic situation has remained challenging, but Elisa's competitiveness has developed well. In the third quarter of the year, our revenue and EBITDA grew year-on-year. The growth in earnings was boosted by the increasing demand for mobile data and the improvement in the profitability of operational activities.

During the quarter, the number of mobile subscriptions increased by more than 46,000, while the number of fixed network broadband subscriptions fell by 8,900. The demand for 4G subscriptions grew strongly, and customers are ready to pay more to use faster data speeds. Customers who have adopted faster data speeds are also clearly more satisfied than customers using slower connections. Corporate customers have also started to see the value of faster mobile data connections.

We have expanded the range of content available on Elisa Viihde. Our investments are mainly directed at domestic films and TV series. Close to one million Finns currently view programmes on mobile devices every week. Among people aged 50–65, mobile viewing has increased by approximately 150 per cent.

The number of registered users of the Elisa Lompakko wallet service has exceeded the level of 100,000. Elisa Lompakko is particularly popular among Internet shoppers and students. Families with children have also increasingly started to use the service. For families with children, contactless payment means an easier and safer daily life, because it is not necessary to use cash.

Elisa has further developed its long-term start-up cooperation. For example, cooperation with RePack has strengthened Elisa's ability to adopt environmentally friendly solutions by recycling service packaging.

We will continue our determined work to improve both customer satisfaction and our operational excellence. Improving our productivity, developing new services for our customers, and maintaining our strong investment ability create a solid foundation for competitive operations in the future.

**INTERIM REPORT JANUARY–SEPTEMBER 2015**

The interim report has been prepared in accordance with the IFRS recognition and measurement principles, although not all requirements of the IAS 34 standard have been followed. The information presented in this interim report is unaudited.

**Market situation**

The competitive environment has been intense during the quarter, typically having some campaigning and quite long discount periods in campaigns. The smartphone market grew and the usage of data services continued to evolve favourably. Approximately 92 per cent of the mobile handsets sold during third quarter were smartphones. Another factor contributing to mobile market growth has been the increased network coverage of new 4G speeds. The competition in the fixed broadband market has been mainly in multi-dwelling units. The number of and usage of traditional fixed network subscriptions is decreasing.

The markets for new visual communications (videoconferencing), IT outsourcing and IPTV entertainment services have continued to develop favourably. The demand for other new consumer online services is also growing.

**Revenue, earnings and financial position****Revenue and earnings:**

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Revenue	394	384	1165	1,150
EBITDA	145	142	405	395
EBITDA-%	36.6	36.9	34.7	34.3
EBIT	90	89	244	234
EBIT-%	22.7	23.3	21.0	20.4
Return on equity, % <sup>1)</sup>	28.2	26.9	28.2	26.9

<sup>1)</sup> Rolling 12-month profit preceding the reporting date

**Third quarter 2015**

Revenue increased by 3 per cent on the previous year. Growth in mobile services, equipment sales and Estonian business, as well as new services in the Consumer Customers segment, affected revenue positively. Lower roaming and interconnection revenue in Finland, as well as a decrease in usage and subscriptions of traditional fixed telecom services in both segments, affected revenue negatively.

EBITDA increased by 2 per cent, mainly due to revenue growth and efficiency improvements.

Financial income and expenses totalled EUR -7 million (-6). Income taxes in the income statement were EUR -15 million (-16). Elisa's net profit was EUR 68 million (68). Earnings per share (EPS) were EUR 0.43 (0.43).

**January–September 2015**

Revenue increased by 1 per cent on the previous year. Growth in mobile services and new Consumer Customers services, as well as equipment sales, affected revenue positively. Divestments of some non-core businesses, lower roaming and interconnection revenue both in Finland and Estonia, as well as a decrease in usage and subscriptions of traditional fixed telecom services in both segments, affected revenue negatively.

EBITDA increased by 3 per cent, mainly due to efficiency improvements and revenue growth.

Financial income and expenses decreased to EUR -18 million (-20), mainly due to lower interest rates. Income taxes in the income statement were EUR -41 million (-41). Elisa's net profit was EUR 188 million (173). Earnings per share (EPS) amounted to EUR 1.17 (1.10).

### Financial position

EUR million	30.9.2015	30.9.2014	End 2014
Net debt	991	1,043	1,001
Net debt / EBITDA <sup>1)</sup>	1.9	2.0	1.9
Gearing ratio, %	115.5	126.1	114.0
Equity ratio, %	38.0	37.2	39.4

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Cash flow after investments <sup>2)</sup>	85	39	223	143

<sup>1)</sup> (interest-bearing debt – financial assets) / (four previous quarters' EBITDA exclusive of non-recurring items)

<sup>2)</sup> Excluding investments in shares Q3/2015 EUR 88m, 1-9/2015 EUR 236m, Q3/14 EUR 61m and 1-9/2014 EUR 166m

#### Third quarter 2015

Cash flow after investments grew by 117 per cent to EUR 85 million, mainly due to improved positive net working capital change, less investments in shares and higher EBITDA.

#### January–September 2015

Cash flow after investments grew by 57 per cent to EUR 223 million, mainly due to improved positive net working capital change, less investments in shares and higher EBITDA.

The financial position and liquidity are good. Net debt was EUR 991 million. Cash and undrawn committed credit lines totalled EUR 359 million at the end of the quarter.

### Changes in corporate structure

There were no material changes in the corporate structure during the quarter.

### Consumer Customers business

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Revenue	251	242	729	715
EBITDA	94	90	262	246
EBITDA-%	37.5	37.1	36.0	34.4
EBIT	62	60	172	154
CAPEX	26	24	83	77

#### Third quarter 2015

Revenue increased by 4 per cent. Growth in mobile services, equipment sales, as well as new services, affected revenue positively. The decrease in traditional fixed network usage and subscriptions, as well as lower roaming and interconnection revenue in Finland, affected revenue negatively. EBITDA increased by 4 per cent, mainly due to revenue growth and productivity improvements.

#### January–September 2015

Revenue increased by 2 per cent, mainly due to growth in mobile services, equipment sales and new services. The decrease in traditional fixed network usage and subscriptions, as well as lower roaming and interconnection revenue in Finland, affected revenue negatively. EBITDA increased by 7 per cent, mainly due to revenue growth and productivity improvements.

## Corporate Customers business

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Revenue	144	142	436	435
EBITDA	51	52	142	149
EBITDA-%	35.2	36.6	32.7	34.3
EBIT	27	30	72	80
CAPEX	20	19	63	67

### Third quarter 2015

Revenue increased by 1 per cent. Growth in mobile services, ICT services and equipment sales affected revenue positively. The decline in usage and subscriptions in traditional fixed telecom services and lower interconnection and roaming revenue in Finland affected revenue negatively. EBITDA decreased by 2 per cent, mainly due to somewhat higher sales expenses and personnel increase.

### January–September 2015

Revenue was at the previous year's level. Growth in mobile and ICT services, as well as equipment sales, affected revenue positively. The decline in usage and subscriptions of traditional fixed telecom services and lower interconnection and roaming revenue both in Finland and Estonia affected revenue negatively. EBITDA decreased by 4 per cent, mainly due to somewhat higher sales expenses, a higher proportion of low-margin equipment sales and personnel increase.

## Personnel

In January–September, the average number of personnel at Elisa was 4,146 (4,140). Personnel by segment at the end of the period was as follows:

	30.9.2015	30.9.2014	End 2014
Consumer Customers	2,388	2,354	2,338
Corporate Customers	1,812	1,762	1,751
Total	4,200	4,116	4,089

Total personnel increased by 2 per cent compared to the previous year's third quarter.

## Investments

EUR million	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Capital expenditures, of which	46	43	146	144
- Consumer Customers	26	24	83	77
- Corporate Customers	20	19	63	67
Shares and business combinations	3	28	17	29
Total	48	71	163	173

The main capital expenditures related to the capacity and coverage increase of the 4G networks, as well as to other network and IT investments.

## Financing arrangements and ratings

### Valid financing arrangements

EUR million	Maximum amount	In use on 30.9.2015
Committed credit limits	300	0
Commercial paper programme <sup>1)</sup>	250	229
EMTN programme <sup>2)</sup>	1,000	600

<sup>1)</sup> The programme is not committed

<sup>2)</sup> European Medium Term Note programme, not committed

### Long-term credit ratings

Credit rating agency	Rating	Outlook
Moody's Investor Services	Baa2	Stable
Standard & Poor's	BBB+	Stable

## Share

Share trading volumes and closing prices are based on trades made on the Nasdaq Helsinki.

Trading of shares	3rd Quarter		Year-to-date	
	2015	2014	2015	2014
Volume, millions	29.7	23.8	89.0	82.9
Value, EUR million	884.5	505.7	2,395.7	1,772.4
% of shares	17.7	14.2	53.2	48.5

Shares and market values	30.9.2015	30.9.2014	End 2014
Total number of shares	167,335,073	167,335,073	167,335,073
Treasury shares	7,852,846	7,986,043	7,986,043
Outstanding shares	159,482,227	159,349,030	159,349,030
Closing price, EUR	30.22	21.02	22.61
Market capitalisation, EUR million	5,057	3,517	3,783
Treasury shares, %	4.69	4.77	4.77

Elisa shares are also traded in alternative marketplaces. According to the Fidessa Fragmentation Index, the trading volumes in these alternative markets during the third quarter were approximately 40.7 million shares (27.6). During the third quarter, the total trading volume on the Nasdaq Helsinki and alternative marketplaces was approximately 70.4 million shares (51.4) or 42 per cent (31) of outstanding shares.

### Elisa Shareholders' Nomination Board

As of 4 September 2015, the composition of Elisa's Shareholders' Nomination Board is following:

- Kari Järvinen, CEO, nominated by Solidium Oy
- Reima Rytsölä, Chief Investment Officer, nominated by Varma Mutual Pension Insurance Company
- Timo Ritakallio, CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Ted Roberts, Head of Finnish Equities, nominated by Nordea Funds
- Raimo Lind, Chairman of the Board of Elisa

The Nomination Board elected Mr Kari Järvinen as the chair.

Shareholders' Nomination Board was established in 2012 by the Annual General Meeting. Its duty is to prepare proposals for the election and remuneration of the members of the board of directors of Elisa for the Annual General Meeting.

## Significant legal and regulatory issues

Elisa and Anvia are in dispute over the ownership arrangement of Anvia's treasury shares and their use at the General Meeting on 20 May 2015. Elisa requests that the aforementioned arrangement be confirmed to be invalid. Companies owned by Anvia, in turn, have brought an action for annulment in order to amend or annul the decisions made at the General Meeting. The consideration of the matters in the court instances is ongoing.

On 8 April 2015, according to the Finnish Competition Act, the Finnish Competition and Consumer Authority (FCCA) approved the transaction in which Elisa gains control over Anvia. FCCA set as a condition for the acquisition that the overlapping consumer business broadband networks, as well as the related customer agreements, be divested in the Vaasa, Mustasaari and Laihia areas in Western Finland. In September, Elisa fulfilled the FCCA condition by divesting the required business. The number of divested agreements was approximately 3,000.

In August 2015, the Finnish Communications Regulatory Authority (FICORA) issued a decision on the maximum interconnection fees for Finnish mobile operators. All Finnish mobile operators have an equal interconnection fee, which is currently 1.87 cents per minute. From 1 December 2015, the maximum interconnection fee is reduced to 1.25 cents per minute. This decision is valid for three years. Operators have appealed the decision to the Supreme Administrative Court.

In September 2014, the minority shareholders of Elisa Videra Oy started an arbitration process regarding the redemption price. The arbitration award was given on 28 August 2015 and the ruling did not require Elisa to make any payments to the plaintiffs.

## Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, hazard and financial risks.

### *Strategic and operational risks:*

The telecommunications industry is under intense competition in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa. Regulation may also require investments which have long payback times.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world, and growth in subscriptions is thus limited. Furthermore, the volume of phone traffic on Elisa's fixed network has decreased during the last few years. These factors may limit opportunities for growth.

### *Hazard risks:*

The company's core operations are covered by insurance against damage and interruptions caused by accidents and disasters. Accident risks also include litigation and claims.

*Financial risks:*

In order to manage the interest rate risk, the Group's loans and investments are diversified into fixed- and variable-rate instruments. Interest rate swaps can be used to manage the interest rate risk.

As most of Elisa's operations and cash flow are denominated in euros, the exchange rate risk is minor.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits in financially solid banks, domestic companies and institutions. Credit risk concentrations in accounts receivable are minor as the customer base is broad.

A detailed description of financial risk management can be found in Note 34 to the Annual Report 2014.

### **Events after the financial period**

On 6 October 2015, Elisa signed a EUR 150m loan agreement with the European Investment Bank. The loan can be drawn within 12 months from signing and its maturity is seven years.

### **Outlook and guidance for 2015**

The macroeconomic environment in Finland is still expected to be weak in 2015. Competition in the Finnish telecommunications market also remains challenging.

Full-year revenue is estimated to be at the same level or slightly higher than in 2014. Mobile data, ICT and new online services are expected to increase revenue. Full-year EBITDA, excluding non-recurring items, is anticipated to be at the same level or slightly higher than in 2014. Full-year capital expenditure is expected to be a maximum of 12 per cent of revenue. Elisa's financial position and liquidity are good.

Elisa is continuing its productivity improvement measures, for example by streamlining the product portfolio and IT systems and operations. Additionally, Elisa is continuing to increase customer service and sales efficiency, as well as to reduce general administrative costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term growth and profitability improvement will derive from mobile data market growth, as well as new online and ICT services.

BOARD OF DIRECTORS

Unaudited

## Consolidated Income Statement

EUR million	Note	7-9 2015	7-9 2014	1-9 2015	1-9 2014	1-12 2014
<b>Revenue</b>	1	<b>394,5</b>	383,8	<b>1 165,1</b>	1 149,6	1 535,2
Other operating income		<b>0,7</b>	0,5	<b>1,8</b>	5,7	8,2
Materials and services		<b>-152,9</b>	-149,4	<b>-444,6</b>	-452,5	-606,1
Employee expenses		<b>-59,2</b>	-54,4	<b>-195,2</b>	-183,1	-247,7
Other operating expenses		<b>-38,6</b>	-38,8	<b>-122,4</b>	-124,9	-170,0
<b>EBITDA</b>	1	<b>144,5</b>	141,8	<b>404,8</b>	394,9	519,7
Depreciation and amortisation		<b>-55,0</b>	-52,3	<b>-160,5</b>	-160,5	-214,7
<b>EBIT</b>	1	<b>89,5</b>	89,5	<b>244,3</b>	234,4	305,0
Financial income		<b>0,6</b>	0,8	<b>2,9</b>	4,0	4,7
Financial expenses		<b>-7,2</b>	-6,9	<b>-20,8</b>	-24,3	-31,9
Share of associated companies' profit		<b>0,5</b>	0,0	<b>2,2</b>	0,2	-0,1
<b>Profit before tax</b>		<b>83,5</b>	83,5	<b>228,6</b>	214,2	277,7
Income taxes		<b>-15,2</b>	-15,7	<b>-41,0</b>	-41,2	-54,7
<b>Profit for the period</b>		<b>68,3</b>	67,7	<b>187,6</b>	173,0	222,9

### Attributable to:

Equity holders of the parent	<b>68,2</b>	68,5	<b>187,3</b>	175,1	224,9
Non-controlling interests	<b>0,1</b>	-0,7	<b>0,3</b>	-2,1	-1,9
	<b>68,3</b>	67,7	<b>187,6</b>	173,0	222,9

### Earnings per share (EUR)

Basic	<b>0,43</b>	0,43	<b>1,17</b>	1,10	1,41
Diluted	<b>0,43</b>	0,43	<b>1,17</b>	1,10	1,41

### Average number of outstanding shares (1,000 shares)

Basic	<b>159 482</b>	159 349	<b>159 465</b>	159 349	159 349
Diluted	<b>159 482</b>	159 349	<b>159 465</b>	159 349	159 349

## Consolidated Statement of Comprehensive Income

<b>Profit for the period</b>	<b>68,3</b>	67,7	<b>187,6</b>	173,0	222,9
<b>Other comprehensive income, net of tax</b>					
<b>Items which may be reclassified subsequently to profit or loss:</b>					
Financial assets available-for-sale	<b>-1,1</b>	0,3	<b>2,9</b>	2,3	7,3
Cash flow hedge	<b>-0,8</b>	0,0	<b>-1,2</b>	0,1	-0,1
Translation differences	<b>0,1</b>	-0,2	<b>0,0</b>	0,1	0,2
	<b>-1,9</b>	0,1	<b>1,6</b>	2,4	7,3
<b>Items which are not reclassified subsequently to profit or loss:</b>					
Remeasurements of the net defined benefit liability					-3,6
<b>Total comprehensive income</b>	<b>66,4</b>	67,8	<b>189,3</b>	175,4	226,7
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent	<b>66,3</b>	68,6	<b>189,0</b>	177,6	228,6
Non-controlling interests	<b>0,1</b>	-0,7	<b>0,3</b>	-2,1	-1,9
	<b>66,4</b>	67,8	<b>189,3</b>	175,4	226,7

## Consolidated Statement of Financial Position

	30.9. 2015	31.12. 2014
EUR million		
<b>Non-current assets</b>		
Property, plant and equipment	681,7	692,0
Goodwill	835,8	831,5
Other intangible assets	134,4	137,0
Investments in associated companies	59,7	48,8
Financial assets available-for-sale	21,2	20,4
Deferred tax assets	18,2	13,5
Trade and other receivables	74,2	72,4
	<b>1 825,2</b>	<b>1 815,5</b>
<b>Current assets</b>		
Inventories	44,0	53,2
Trade and other receivables	340,8	330,4
Tax receivables	0,2	2,9
Cash and cash equivalents	58,7	41,3
	<b>443,7</b>	<b>427,8</b>
<b>Total assets</b>	<b>2 268,9</b>	<b>2 243,4</b>
<b>Equity attributable to equity holders of the parent</b>	<b>857,7</b>	<b>878,0</b>
<b>Non-controlling interests</b>	<b>0,4</b>	<b>0,6</b>
<b>Total shareholders' equity</b>	<b>858,1</b>	<b>878,6</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	21,2	21,0
Pension obligations	18,4	18,2
Provisions	3,4	3,1
Financial liabilities	686,0	818,0
Trade payables and other liabilities	30,7	28,2
	<b>759,6</b>	<b>888,5</b>
<b>Current liabilities</b>		
Trade and other payables	277,1	246,0
Tax liabilities	7,5	1,7
Provisions	3,0	3,8
Financial liabilities	363,6	224,9
	<b>651,2</b>	<b>476,3</b>
<b>Total equity and liabilities</b>	<b>2 268,9</b>	<b>2 243,4</b>

## Condensed Consolidated Statement of Cash Flows

	1-9 2015	1-9 2014	1-12 2014
EUR million			
<b>Cash flow from operating activities</b>			
Profit before tax	228,6	214,2	277,7
Adjustments			
Depreciation and amortisation	160,5	160,5	214,7
Other adjustments	15,4	10,1	14,5
	175,9	170,6	229,2
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	-11,6	-13,4	-4,8
Increase (-) / decrease (+) in inventories	6,6	2,1	-1,6
Increase (+) / decrease (-) in trade and other payables	26,6	-17,6	-14,1
	21,6	-28,9	-20,5
Financial items, net	-10,2	-15,4	-24,2
Taxes paid	-37,0	-37,2	-50,1
<b>Net cash flow from operations</b>	<b>378,9</b>	<b>303,3</b>	<b>412,1</b>
<b>Cash flow from investing activities</b>			
Capital expenditure	-145,1	-144,6	-197,8
Investments in shares and business combinations	-12,2	-23,9	-38,7
Repayment of loan assets	0,1	0,3	0,3
Proceeds from asset disposal	1,7	7,6	9,2
<b>Net cash used in investing activities</b>	<b>-155,5</b>	<b>-160,6</b>	<b>-227,0</b>
<b>Cash flow before financing activities</b>	<b>223,4</b>	<b>142,7</b>	<b>185,0</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings	0,1	0,1	0,1
Repayment of long-term borrowings	-10,7	-172,7	-172,7
Change in short-term borrowings	18,5	148,1	108,1
Repayment of finance lease liabilities	-3,6	-3,5	-4,6
Acquisition of non-controlling interests		-5,6	-5,6
Dividends paid	-210,3	-206,7	-206,7
<b>Net cash used in financing activities</b>	<b>-206,0</b>	<b>-240,3</b>	<b>-281,5</b>
<b>Change in cash and cash equivalents</b>	<b>17,3</b>	<b>-97,6</b>	<b>-96,4</b>
Cash and cash equivalents at the beginning of the period	41,3	137,8	137,8
<b>Cash and cash equivalents at the end of the period</b>	<b>58,7</b>	<b>40,2</b>	<b>41,3</b>

## Statement of Changes in Shareholders' Equity

EUR million	Share capital	Treasury shares	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Non-controlling interests	Total shareholders equity
<b>Balance at 1 January 2014</b>	83,0	-148,2	381,2	90,9	453,4	1,9	<b>862,2</b>
Profit for the period					175,1	-2,1	<b>173,0</b>
Translation differences					0,1		<b>0,1</b>
Financial assets available-for-sale			2,3				<b>2,3</b>
Cash flow hedge			0,1				<b>0,1</b>
Total comprehensive income			2,3		175,2	-2,1	<b>175,4</b>
Dividends					-207,2	-0,3	<b>-207,5</b>
Share-based compensation					2,5		<b>2,5</b>
Acquisition of non-controlling interests					-6,3	1,0	<b>-5,3</b>
<b>Balance at 30 Sept 2014</b>	83,0	-148,2	383,6	90,9	417,5	0,4	<b>827,1</b>

EUR million	Share capital	Treasury shares	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Non-controlling interests	Total shareholders equity
<b>Balance at 1 January 2015</b>	83,0	-148,2	384,8	90,9	467,5	0,6	<b>878,6</b>
Profit for the period					187,3	0,3	<b>187,6</b>
Translation differences					0,0		<b>0,0</b>
Financial assets available-for-sale			2,9				<b>2,9</b>
Cash flow hedge			-1,2				<b>-1,2</b>
Total comprehensive income			1,6		187,4	0,3	<b>189,3</b>
Dividends					-210,5	-0,5	<b>-211,0</b>
Share-based compensation		2,7			1,3		<b>3,9</b>
Other changes					-2,7		<b>-2,7</b>
<b>Balance at 30 Sept 2015</b>	83,0	-145,6	386,4	90,9	443,0	0,4	<b>858,1</b>

## Notes

### ACCOUNTING PRINCIPLES

The Interim report has been prepared in accordance with the IFRS recognition and measurement principles, although all requirements of IAS 34 Interim Financial Reporting have not been followed. The information has been prepared in accordance with International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by European Union. Apart from the changes in accounting principles stated below, the accounting principles applied in the interim report are the same as in the financial statements at 31 December 2014.

### Changes in the accounting principles

The Group adopted the following standards, amendments to standards and interpretations as from 1 January 2015 onward:

- Annual improvements of IFRS-standards

## 1. Segment Information

<b>7-9/2015</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	250,6	143,9		394,5
EBITDA	93,9	50,6		144,5
Depreciation and amortisation	-31,6	-23,5		-55,0
EBIT	62,3	27,1		89,5
Financial income			0,6	0,6
Financial expenses			-7,2	-7,2
Share of associated companies' profit			0,5	0,5
Profit before tax				83,5
Investments	26,1	19,5		45,6
<b>7-9/2014</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	242,0	141,9		383,8
EBITDA	89,9	51,9		141,8
Depreciation and amortisation	-30,0	-22,3		-52,3
EBIT	59,8	29,6		89,5
Financial income			0,8	0,8
Financial expenses			-6,9	-6,9
Share of associated companies' profit			0,0	0,0
Profit before tax				83,5
Investments	24,0	19,3		43,3

<b>1-9/2015</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	729,1	436,1		1 165,1
EBITDA	262,3	142,5		404,8
Depreciation and amortisation	-90,4	-70,2		-160,5
EBIT	171,9	72,4		244,3
Financial income			2,9	2,9
Financial expenses			-20,8	-20,8
Share of associated companies' profit			2,2	2,2
Profit before tax				228,6
Investments	82,7	63,3		145,9
<b>1-9/2014</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	714,7	435,0		1 149,6
EBITDA	245,7	149,2		394,9
Depreciation and amortisation	-91,6	-68,9		-160,5
EBIT	154,1	80,3		234,4
Financial income			4,0	4,0
Financial expenses			-24,3	-24,3
Share of associated companies' profit			0,2	0,2
Profit before tax				214,2
Investments	77,4	66,7		144,1
<b>1-12/2014</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	954,1	581,1		1 535,2
EBITDA	326,9	192,8		519,7
Depreciation and amortisation	-122,7	-92,0		-214,7
EBIT	204,2	100,7		305,0
Financial income			4,7	4,7
Financial expenses			-31,9	-31,9
Share of associated companies' profit			-0,1	-0,1
Profit before tax				277,7
Investments	104,9	86,6		191,5
Total assets	1 248,2	868,1	127,1	2 243,4

## 2. Operating Lease Commitments

The future minimum lease payments under non-cancellable operating leases:

	30.9.	31.12.
EUR million	2015	2014
Not later than one year	32,4	28,1
Later than one year not later than five years	39,9	27,9
Later than five years	27,9	6,5
	<b>100,2</b>	<b>62,5</b>

## 3. Contingent Liabilities

	30.9.	31.12.
EUR million	2015	2014
For our own commitments		
Mortgages	1,5	1,5
Pledged securities	0,1	0,1
Deposits	0,7	0,9
Guarantees	1,1	1,1
On behalf of others		
Guarantees	0,5	0,6
Other		0,0
	<b>4,0</b>	<b>4,3</b>
Other contractual obligations		
Repurchase obligations	0,1	0,0
Letter of credit	0,1	0,1
Capital loan's unrecognised interest payable	0,0	0,0

## 4. Derivative Instruments

	30.9.	31.12.
EUR million	2015	2014
Nominal values of derivatives		
Currency swap	1,5	3,0
Electricity derivatives	9,6	7,4
	<b>11,1</b>	<b>10,4</b>
Fair values of derivatives		
Currency swap	-0,1	-0,2
Electricity derivatives	-1,9	-0,3
	<b>-2,0</b>	<b>-0,4</b>

## Key Indicators

	1-9 2015	1-9 2014	1-12 2014
EUR million			
Shareholders' equity per share, EUR	5,38	5,19	5,51
Interest bearing net debt	990,9	1 043,0	1 001,5
Gearing, %	115,5	126,1	114,0
Equity ratio, %	38,0	37,2	39,4
Return on investment (ROI), % *)	16,7	15,4	15,7
Gross investments in fixed assets	145,9	144,1	191,5
of which finance lease investments	1,5	0,6	1,0
Gross investments as % of revenue	12,5	12,5	12,5
Investments in shares and business combinations	17,1	29,1	43,5
Average number of employees	4 146	4 140	4 138

\*) rolling 12 months profit preceding the reporting date

## Financial Calendar

Annual results 2015	29 January 2016
First quarter 2016	15 April 2016
Second quarter 2016	15 July 2016
Third quarter 2016	19 October 2016

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