GASUM GROUP INTERIM REPORT

JANUARY 1 TO JUNE 30, 2018

Gasum

GASUM SIGNED A STRATEGICALLY IMPORTANT TRANSACTION AND CONTINUES TO TAKE DETERMINED STEPS TO ADVANCE ITS STRATEGY

KEY FINANCIAL INDICATORS JANUARY 1–JUNE 30, 2018

- Revenue €597.5 million, up 18% year on year (H1/2017: €506.0 million)
- Sales of Natural Gas business €455.7 million (€382.5 million)
- Sales of LNG business €116.8 million (€98.5 million)
- Sales of Biogas business €24.0 million (€24.1 million)
- Operating profit €76.3 million (€65.9 million)

KEY FINANCIAL INDICATORS

€ million

	1–6/2018	1–6/2017	Change	1–12/2017
Revenue	597.5	506.0	18.1%	925.0
Operating profit	76.3	65.9	15.8%	114.2
Operating profit-%	12.8%	13.0%		12.3%
Equity ratio	44.0%	41.3%		41.6%
Return on equity (%)*	13.3%	17.5%		13.7%
Return on investment (%)*	9.3%	10.1%		9.1%
Balance sheet total	1,465.9	1,383.4	6.0%	1,421.2
Net interest-bearing debt	558.9	540.2	3.5%	585.9
Gearing ratio	86.7%	94.6%		99.2%
Net debt/EBITDA*	2.9	2.8		3.2
Personnel at the end of period	432	449	-3.8%	409

*Annualized

GASUM GROUP CEO JOHANNA LAMMINEN COMMENTS ON THE FIRST HALF OF 2018:

"Our Group's financial performance further improved in line with our expectations during H1. Our revenue was up 18% year on year at €597.5 million and our operating profit was €76.3 million for the period under review.

We signed a strategically important transaction to acquire the energy market services business of the energy industry expert company Enegia. This acquisition will strengthen our Nordic strategy by enabling service expansion in the energy wholesale market and will enable us to offer more comprehensive services to our current customers. The energy sector and gas market are changing rapidly and we want to lead the way in the energy sector. The transaction will also provide a platform for us to develop our product selection in the future by expanding our services geographically as well as by launching new services also in the gas market. The transaction is expected to complete in August 2018. We are continuing preparations for the opening up of the Finnish gas market from the beginning of 2020.

Gas-powered mobility showed further growth during the report period. Since the start of the year, almost 1,400 more gas-fueled vehicles have been registered in Finland. The Finnish government has set a goal of a minimum of 50,000 gas-fueled vehicles in 2030 and at the current growth rate this can be achieved. We are responding to this continued growth in gas-fueled motoring by strengthening our gas filling station network with the opening of new stations in Salo, Vantaa and Oulu.

The future emission reduction targets for heavy-duty vehicles set by the European Commission in May 2018 can be achieved by using liquefied natural gas (LNG) and liquefied biogas (LBG). We will particularly address expansion of the heavy-duty filling station network in the Nordic countries.

Liquefied biogas offers an alternative also for industrial operators and maritime shipping to achieve their emissions targets. We delivered LBG for industrial use to Uddeholm, a Swedish manufacturer of tool steels, and for maritime transport use to fuel M/T Fure Vinga, which is owned by leading Swedish shipping company Furetank. We produced the LBG at our biogas facility in Lidköping, Sweden. LBG can be used directly in the same applications and processes as LNG. The role of gas as a low-emission fuel will increase and gas will further strengthen its position as a key source of energy during the coming decades."

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GASUM IN BRIEF

The energy company Gasum is a Nordic gas sector expert. Together with its partners, Gasum is building a bridge towards a carbon-neutral society on land and at sea. Gasum imports natural gas to Finland and promotes the circular economy by processing waste and producing biogas and recycled nutrients in Finland and Sweden. The company offers energy to heat and power production, industry and road and maritime transport. Gasum is the leading supplier of biogas in the Nordic countries. The company has gas filling stations network that also serves heavy-duty vehicles. The Gasum subsidiary Skangas is the leading liquefied natural gas (LNG) player in the Nordic market. The company continues to strengthen the position and infrastructure of LNG and supplies LNG to maritime transport, industry and heavy-duty vehicles in Finland, Sweden and Norway.

'Cleanly with natural energy gases' – gasum.com

OPERATING ENVIRONMENT

Natural gas accounts for more than 20% of total energy consumption in Europe. Demand for energy-efficient gas is projected to grow by an estimated 30% over the next 20 years.

Oil, coal and electricity prices strengthened during the spring and this in turn has increased the price of natural gas. Electricity market prices have been rising following an exceptionally dry spring, which means reservoirs are well below their normal levels for the time of year. Besides which, stronger fuel market prices and the price of emissions allowances have pushed electricity prices higher.

In combined heat and power (CHP) production, gas acts as a backup resource for renewable production. An amendment to the energy taxation of CHP production is under way. This will result in the removal of the 50% reduction in carbon dioxide tax, which will be compensated for by a reduction in the energy content tax component. In practice, this will mean higher tax on coal and lower tax on natural gas, which supports goals to reduce the use of coal. It is planned that the proposed amendment will come into effect at the beginning of 2019.

Under a proposal presented by the European Commission in May, cut carbon dioxide emissions from heavy-duty vehicles must be 15% lower by 2025 and 30% lower by 2030 compared with 2019 levels. Liquefied natural gas (LNG) and liquefied biogas (LBG) provide a competitive option to achieve these targets.

The number of gas-fueled cars on the roads in Finland rose strongly during the first half of 2018. During the first six months of the year, 777 new gas cars were registered and more than 600 used gas-fueled cars were imported. Besides this, dozens of petrol-fueled cars were converted to run on natural gas. Given this positive trend, the range of cars can be expected to expand in the future and importers have already announced numerous new gas-fueled car models. The Finnish government has set a goal of a minimum of 50,000 gas-fueled vehicles in 2030 and at the current growth rate this can be achieved.

Also the share of gas-fueled public transport is growing in Finland. To take a case in point, Scania will deliver two new gas-fueled buses to Helsinki bus company Helsingin Bussiliikenne Oy in early 2019. This new generation of gas buses is the most effective way to reduce carbon dioxide emissions and emissions close to the source. Looking ahead, it is believed that there will be increased further demand for gas-fueled buses and refuse vehicles, for example when the EU imposes its minimum targets in the procurement of clean vehicles in the public sector.

The Finnish government is promoting the use of alternative traffic fuels by supporting the building of public EV charging and distribution systems and has allocated €3 million for this in 2018. On July 2, 2018, the Finnish government issued a decree on infrastructure support for the promotion of electromobility and for the use of biogas in traffic 2018–2021.

Sweden has set a target to end the use of fossil fuels by 2045. The target in road transport is to reduce greenhouse emissions by 70%, compared with the 2010 level, by 2030. The Swedish national transport sector strategy sets targets to continuously improve the energy efficiency of the transport system and to reduce dependence on fossil fuels with a view to reducing climate impacts. The transport sector is making its own contribution to environmental protection and to reducing adverse impacts on health to achieve these targets. The most important means used are environment policy targets in which development of the transport system plays an important role. One of the key initiatives in Sweden is Climate Leap (Klimatklivet), which provides support for local and regional climate initiatives. Under the project, the Swedish government has allocated almost SEK 2 billion (around €200 million) for local inversions aimed at reducing greenhouse gas emissions. National investment support has been granted for biogas production, filling station infrastructure and the acquisition of low-emission vehicles.

In Norway, the target is to reduce greenhouse gas emissions by at least 40% by 2030 and, by 2050, to be a low-emission society, where greenhouse gas emissions are 80-95% lower than in the reference year of 1990. To achieve these targets, national finance support is being offered for initiatives that help to reduce greenhouse gas emissions and to develop new energy and climate technologies. Enova SF is a company owned by the Norwegian Ministry of Petroleum and Energy (MPE) and subsidizes initiatives for zero-emission technologies and biogas solutions intended for use in trucks used in road transport and for testing innovative logistics solutions.

The number of LNG-fueled vessels has continued to increase globally in maritime transport, although the total market share is still rather modest. In addition to maritime transport, LNG is regarded in Europe as a valid option for heavy-duty vehicles. As part of its promotion of alternative propulsion systems, the European Commission is likely to continue granting investment support for the promotion of the distribution infrastructure for LNG-fueled road and maritime transport in the coming years. In addition, EU Member States are promoting a transition in heavy-duty transport into LNG use through national support mechanisms.

The EU's circular economy targets are increasingly being driven by ways of processing sludges and biowaste to fully utilize the benefit obtained from side streams. Under these targets, 65% of municipal waste must be recycled by 2030. The current rate in Finland averages 30–35%.

GASUM'S STRATEGY IS TO EXPAND THE GAS MARKET

During Q2, Gasum continued to make progress with determinedly advancing its strategy of expanding the gas market and building a bridge towards a carbon-neutral society on land and at sea in a changing operating environment. Renewal is a key element of Gasum's strategy. Gasum's mission is 'Cleaner energy' and our vision is 'Leading the Nordic gas ecosystem'. The four components of the strategy form the foundation of our operations: promoting sustainable development, selling competitive gas, developing a smart gas system and building a new Gasum.

June saw Gasum sign a strategically important transaction under which it will acquire Enegia's energy market services business. The acquisition will strengthen Gasum's Nordic strategy by enabling service expansion in the energy wholesale market and by creating a platform to expand the product offering to its customers. The transaction is expected to complete in August 2018.

Gasum is committed to focusing on developing the market for low-emission traffic gas. The company is expanding its filling station network by opening new gas filling stations at traffic nodes in Salo, Vantaa and Oulu in response to rapidly growing demand from gas motoring. During the current year, Gasum aims to expand also its LNG filling station network serving heavy-duty vehicles in Norway and Sweden.

Liquefied biogas provides an alternative also for industrial operators and maritime shipping to achieve emissions targets. Gasum delivered liquefied biogas to Uddeholm's production plant in Sweden for use in the manufacture of tool steels as well to leading Swedish shipping company Furetank for use in maritime transport.

BUSINESS DEVELOPMENT

Gasum Group's revenue totaled €597.5 million, up 18% year on year (H1/2017: €506.0 million). The Group's operating profit was €76.3 million (€65.9 million) and the operating profit margin was more or less unchanged year on year at 12.8% (13.0%). The good first half of the year was primarily attributable to good performance by the Natural Gas and LNG business units, which showed the highest increase in revenue as seen in the tables below.

LNG business

In the LNG business, the positive development seen in marine fuel market growth last year also continued strong during the period under review. The revenue of the LNG business unit during H1 totaled €116.8 million (H1/2017: €98.5 million). Higher oil prices have improved the competitiveness of LNG. On the other hand, some tax outcomes have had the opposite effect. The LNG business unit accounted for 20% of the Group's revenue and this share is expected to show further growth.

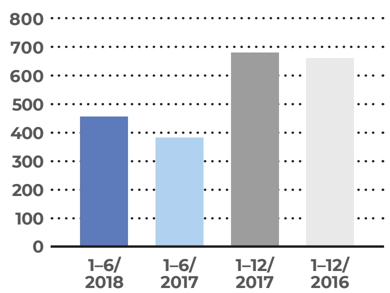
Sales volumes of the LNG business unit during the period under review totaled 3.2 TWh (3.1 TWh). Interest in using liquefied biogas (LBG) has increased in industry and maritime transport. Gasum delivered LBG to the Swedish steel manufacturer Uddeholm for test use and to leading Swedish shipping company Furetank as a fuel for M/T Fure Vinga. The LBG was produced at Gasum's biogas facility in Lidköping. LBG has the advantage that it can be used in the same applications and processes as LNG.

Gasum's subsidiary Skangas Oy and energy company Porin Prosessivoima Oy signed an agreement for the delivery of LNG for steam and heat production in the Kaanaa industrial zone in Pori. LNG is delivered to the company in gas form by connecting pipe from Skangas's LNG terminal in Pori.

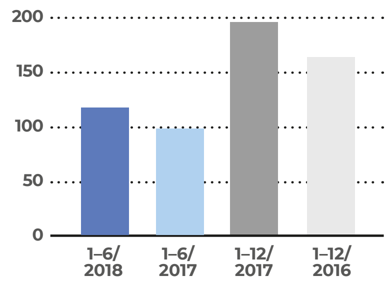
Progress was made in the joint venture in the construction of Manga LNG Oy's natural gas import terminal at Röyttä

Development of revenue by business unit

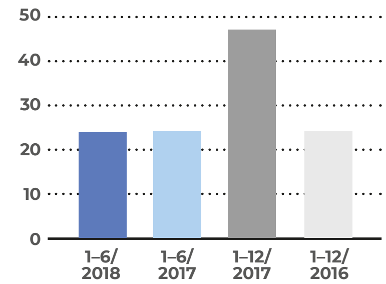
NATURAL GAS
€ million



LNG
€ million



BIOGAS
€ million



Natural Gas business

Natural gas consumption totaled 13.5 TWh during H1, up 8% year on year (H1/2017: 12.5 TWh). Gas consumption increased particularly in combined heat and power (CHP) production due to a cold early part of the year. Natural gas consumption is expected to remain higher than a year earlier throughout the year.

During the period under review, the revenue of the Natural Gas business unit was up by 19% year on year at €455.7 million (€382.5 million). Improved revenue was attributable to greater gas consumption as well as the price development of natural gas.

Finland's new Natural Gas Market Act entered into force at the start of the year. Gasum has continued preparations for when the gas market opens from the start of 2020. A consultation phase of the market rules initiated by the Ministry of Economic Affairs and Employment ended on April 6, 2018. The unbundling of activities required by the new Natural Gas Market Act has commenced in accordance with a plan drawn up.

Harbor of the Port of Tornio in northern Finland and the terminal is expected to be in commercial use by the end of the year. Gasum's subsidiary Skangas is a partner in the project together with Outokumpu, SSAB Europe and EPV Energia.

Biogas business

The revenue of the Biogas business unit during the period under review totaled €24.0 million (H1/2017: €24.1 million). Gasum sold its biogas distribution sales agreements to Suomen Kaasuenergia but continues to develop the biogas market and to supply biogas to wholesale customers and gas distribution sellers in Finland.

The Biogas business unit's sales during the period under review totaled 265 GWh, which equates to the annual fuel consumption of 18,000 cars. The gas filling station network will grow by a number of new stations this year. Gasum will open new gas filling stations in traffic nodes in Salo, Vantaa and Oulu. Gasum also seeks to respond to growing demand from heavy-duty fleets and the aim is to further expand the LNG filling station network in Finland, Sweden and Norway during the year. The Swedish Environmental Protection Agency granted Gasum an investment subsidy of around €9.3 million earlier in the year to enable Gasum to construct new LNG filling stations for heavy-duty vehicles in Sweden. In Finland, there are plans for LNG filling stations in for example Kuopio, Lahti, Oulu and Seinäjoki. There is a range of LNG-fueled vehicles available for heavy regional and long-haul applications.

Gasum uses around 200,000 tonnes of sludge a year from wastewater treatment plants in Finland in the production of biogas and fertilizers. The company currently processes around 25% of the sludge from all of Finland's municipal wastewater treatment plants. Treatment plant sludges are an important raw material in the production of biogas and in recycling nutrients. A study coordinated by the Natural Resources Institute Finland (Luke) confirmed Gasum's view that wastewater sludge is safe to use in the production of biogas and fertilizers.

BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet total at June 30, 2018 came to €1,465.9 million (December 31, 2017: €1,421.2 million). The Group's financial position strengthened further, with the equity ratio being 44.0% (41.6%). The Group's borrowings from financial institutions totaled €419.5 million (€439.4 million) and other non-current liabilities totaled €174.4 million (€127.2 million). The increase in other non-current liabilities and, consequently, the balance sheet total was mainly due to higher finance leasing liabilities.

CAPITAL EXPENDITURE AND ACQUISITIONS

Gasum Group's capital expenditure on intangible and tangible assets during H1/2018 totaled €14.8 million (H1/2017: €8.7 million) and most of this was spent on biogas plant expansion investments and the construction of new filling stations. Capital expenditure during the reporting period supports and promotes the implementation of Gasum's strategy. One of the key elements in the strategy is to develop the biogas market and increase production capacity.

During the period under review, Gasum received investment support totaling €5.4 million, targeted at currently ongoing and future investments in Finland and Sweden.

On June 19, 2018, Gasum signed an agreement with Enegia Group Oy to acquire Enegia's energy market services business. The transaction covers the shareholdings of Enegia Consulting Oy, Enegia Portfolio Services Oy and intStream Oy. The transaction is expected to complete during August 2018.

On June 1, 2018, Gasum sold its biogas distribution sales agreements to Suomen Kaasuenergia Oy but continues to develop the biogas market and to supply biogas to wholesale customers and gas distribution sellers in Finland.

QUALITY, ENVIRONMENT, SAFETY AND RESPONSIBILITY

Safety has a key role in Gasum's strategy and responsibility. The Finnish Zero Accident Forum awarded Gasum occupational safety classification at Level II - Approaching the World's Forefront – for 2017, for efforts made towards continuous improvement of health and safety at work. There were no accidents resulting in time off work during Q2.

There was a minor leak in the natural gas pipeline at Inkeroinen in Kouvola. The fault was quickly repaired and there were only minor methane emissions.

Gasum followed up the "*I am Safety*" campaign with a traffic safety campaign "*Safe Traffic*" in May and with a "*Safe Summer work*" campaign in June to highlight the importance of safety to summer employees. A joint systematic process to investigate accidents and disruptions was prepared for the entire Gasum Group.

In Sweden, Gasum initiated energy analyses with a view to ascertaining energy efficiency, savings potential and possibilities to improve processes.

RESEARCH AND PRODUCT DEVELOPMENT

The circular economy and recycled nutrients are strongly at the core of Gasum's research and product development. Together with partners, Gasum is seeking new solutions to process digestate and is exploring possibilities for the use of nutrient residues in product development. The aim is to process the nutrient residual originating in biogas production to meet the needs of industrial processes, for example.

R&D was also involved in the Finnish government's key project Recycle the nutrients during the period under review by arranging an innovation camp. The aim of the camp was to promote collaboration models for regional nutrient recycling and to promote entrepreneurship in accordance with the circular economy.

During the period under review, Gasum's Gas Fund, which is run and administered by the Finnish Foundation for Technology Promotion (TES), awarded seven research grants totaling €40,800. Gasum supports research and development in the gas sector through the Gasum Gas Fund.

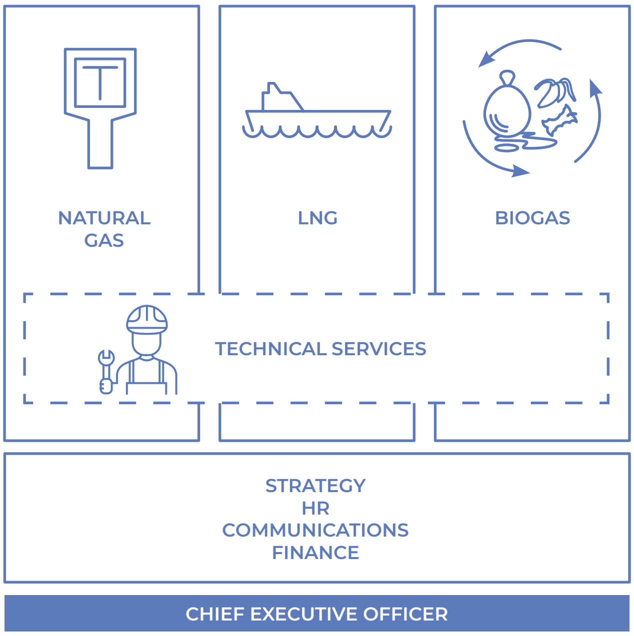
PERSONNEL AND ORGANIZATION

At the end of the period under review, at June 30, 2018, Gasum Group had 432 employees (June 30, 2017: 449). Of these, 63 worked in Sweden in the LNG and Biogas businesses and 56 in Norway in the LNG business. The remaining 313 employees were based in Finland. The headcount during the period under review grew because of summer employees and this year, too, Gasum is employing more than 30 young talents in a range of different jobs.

Renewal is a key element in Gasum's strategy and the company is addressing the development of the competence of its personnel through, for example, Gasum Academy leadership training programs, which began during the period under review. Gasum continues to focus on employee well-being, good leadership and safety and security in cooperation with the personnel.

Gasum has three business units: Natural Gas, LNG and Biogas. The internal service function, Technical Services, provides services required by the other businesses and also by other actors in the gas sector on a customer-driven basis. The figure below shows the Gasum Group organization.

GASUM GROUP ORGANIZATION



OWNERSHIP STRUCTURE AND GOVERNANCE

Gasum is fully (100%) owned by the State of Finland. Of the shares, 73.5% are held by the state-owned Gasonia Oy and 26.5% directly by the State of Finland. There were no changes in shareholding during the period under review.

Gasum Ltd's annual general meeting was held on April 13, 2018 in Helsinki. The AGM confirmed the number of members of Gasum's Board of Directors as being seven. Stein Dale, Elina Engman, Timo Koponen, Päivi Pesola, Juha Rantanen and Jarmo Väisänen were re-elected to the Board. Elisabet Salander Björklund was elected as a new member to the Board. Juha Rantanen was re-elected as the chairman of the Board of Directors. The Board's work is supported by the Audit Committee and the HR Committee.

RISKS AND RISK MANAGEMENT

Gasum's business operations are exposed to strategic, political, operational and market and financing risks.

Market risks

The main factors influencing Gasum's business performance are energy commodity prices globally and in the Nordic markets. Gasum hedges the open positions of energy products it sells according to the Gasum commodity risk policy employing widely used instruments and hedges currency risks related to sales. There are no market risks in sales of natural gas. The pricing of LNG for end customers follows international gas quotes as well as the sourcing of LNG. In case of more structured sales agreements, the open position is hedged using the external derivative market.

Strategic and political risks

Gasum's strategy is to expand the gas market in the Nordic countries. Gasum aims to grow strongly in the coming years. Expanding the gas ecosystem involves investments in the gas infrastructure as well as partnering in the Nordic countries.

Strategic risks relate to the environment, technology, customers and market changes, competition for talent and competence. Strategic risks are managed as part of the Group strategic planning framework according to Gasum's strategy annual clock as well as in risk assessment and management.

The political risk relating to the various Gasum businesses mainly related to changes in EU and national legislation and, in particular, taxation. The company prepares for these risks by monitoring and actively participating in debate taking place concerning its operating environment. In addition, Gasum seeks to comprehensively draw attention to its viewpoints at the various levels of decision-making as regards the impacts of proposed amendments to regulation or taxation on developments in the operating environment playing a key role for us.

Financing and legislative risks

Financing risks can be divided into currency and interest rate risks, credit risks, taxation and legislation-related risks. The company uses standardized hedging instruments to protect against currency as well as interest rate risks. In spring 2018, Gasum entered into an enhanced customer relationship with the Finnish Tax Office for Major Corporations, which supports the company's tax strategy and intent to be a responsible taxpayer. The aim is to participate continuously in the development of tax legislation and policies and to be involved in the development of a fair, clear and consistent tax system.

Operational risks

Due to the nature of Gasum's business, Gasum is exposed to operational risks. Gasum distributes gas through the pipeline network or by using containers. As the company's logistics operations take place both on land and at sea, it exposes the company to the operational risk of disruption to customers' energy supply. The company monitors its operations, production and logistics on a daily basis, ensuring compliancy with environmental permits. Gasum's personnel operate on the ground and employee health and safety is therefore a top priority in mitigating operational risks. Gasum has prepared for disruptions in the supply of gas by having reserve fuel systems in place.

FUTURE OUTLOOK

As a low-emission fuel, the role of gas will increase, particularly in maritime transport and heavy-duty road transport. Gas also offers industrial operators an excellent alternative in their efforts to achieve their emission targets.

Gasum's investments in the Nordic gas ecosystem will facilitate the company's growth. Gasum's new businesses (LNG and biogas) have already gained a good position in the market and will grow significantly in the future. The prolonged downward trend in natural gas volumes has been reversed and possible tax changes may have an impact on growth in gas demand within the catchment area of the natural gas pipeline network, too.

Total sales volumes of gas are anticipated to grow, which will also ensure the positive development of the company's revenue and profitability.

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Consolidated statement of income

€ million

	Note	1–6/2018	1–6/2017	1–12/2017
Revenue		**597.5**	**506.0**	**925.0**
Other operating income		12.2	16.0	23.3
Materials and services		-450.9	-370.1	-678.5
Personnel expenses		-20.3	-19.7	-38.5
Depreciations and amortization	3	-40.1	-40.1	-68.1
Other operating expenses		-22.9	-26.2	-49.0
Share of result from investments accounted for using the equity method		0.7	-0.1	-0.1
Operating profit		**76.3**	**65.9**	**114.2**
Finance items - net		-6.1	-2.7	-14.3
Profit before taxes		**70.2**	**63.2**	**99.9**
Taxes		-18.3	-11.1	-18.7
Profit for the period		**51.9**	**52.0**	**81.2**
Profit for the period attributable to:				
Owners of the parent		54.1	54.4	86.2
Non-controlling interest		-2.2	-2.3	-5.0

Consolidated statement of comprehensive income

€ million

	1–6/2018	1–6/2017	1–12/2017
Profit for the period	**51.9**	**52.0**	**81.2**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefits	0.0	0.0	-0.1
Items that may be reclassified subsequently to profit or loss			
Translation differences	1.9	-4.2	-6.2
Total comprehensive income for the period	**53.8**	**47.9**	**74.9**
Total comprehensive income for the period attributable to:			
Owners of the parent	56.0	50.3	79.9
Non-controlling interest	-2.2	-2.3	-5.0

Consolidated balance sheet

€ million

	Note	30.6.2018	30.6.2017	31.12.2017
ASSETS				
Non-current assets				
Intangible assets	3	215.4	220.1	216.8
Tangible assets	3	995.2	931.6	949.8
Equity-accounted investments		11.2	10.5	10.5
Available-for-sale investments		0.0	0.1	0.0
Derivative financial instruments	5	1.1	0.6	1.5
Other non-current assets		0.4	4.5	0.4
Total non-current assets		**1,223.4**	**1,167.4**	**1,179.0**
Current assets				
Inventories		98.5	121.2	98.7
Derivative financial instruments	5	2.5	0.4	0.8
Trade and other receivables	4	105.7	90.4	139.9
Current tax assets		0.4	0.2	0.1
Cash and cash equivalents		35.5	3.7	2.7
Total current assets		**242.6**	**216.0**	**242.2**
Total assets		**1,465.9**	**1,383.4**	**1,421.2**

Consolidated balance sheet

€ million

	Note	30.6.2018	30.6.2017	31.12.2017
EQUITY AND LIABILITIES				
Share capital		178.3	178.3	178.3
Retained earnings		378.9	300.1	292.7
Profit (loss) for the period		54.1	54.4	86.2
Translation differences		-2.5	-2.3	-4.4
Total equity attributable to owners of the parent		**608.8**	**530.4**	**552.8**
Non-controlling interest		35.9	40.7	38.0
Total equity		**644.7**	**571.1**	**590.9**
Liabilities				
Non-current liabilities				
Loans	6	399.7	419.4	409.6
Other non-current liabilities		174.4	84.5	127.2
Derivative financial instruments	5	4.2	4.4	5.4
Deferred tax liabilities		78.1	87.5	76.9
Provisions		10.0	9.9	10.0
Post-employment benefits		7.4	7.5	7.4
Total non-current liabilities		**673.8**	**613.2**	**636.5**
Current liabilities				
Loans	6	19.8	19.7	29.7
Derivative financial instruments	5	2.5	2.6	2.8
Trade and other current liabilities	7	116.9	167.6	143.9
Current tax liabilities		8.3	9.2	17.4
Total current liabilities		**147.5**	**199.1**	**193.8**
Total liabilities		**821.2**	**812.3**	**830.3**
Total equity and liabilities		**1,465.9**	**1,383.4**	**1,421.2**

Consolidated statement of changes in equity

€ million

	Attributable to owners of the parent					
	Share capital	Retained earnings	Translation differences	Total	Non-controlling interest	Total equity
Equity at January 1, 2018	178.3	378.9	-4.4	552.8	38.0	590.9
Profit for the period		54.1		54.1	-2.2	51.9
Other comprehensive income						
Translation differences			1.9	1.9		1.9
Total comprehensive income for the period		**54.1**	**1.9**	**56.0**	**-2.2**	**53.8**
Equity at June 30, 2018	**178.3**	**433.0**	**-2.5**	**608.8**	**35.9**	**644.7**

	Attributable to owners of the parent					
	Share capital	Retained earnings	Translation differences	Total	Non-controlling interest	Total equity
Equity at January 1, 2017	178.3	370.3	1.8	550.4	45.4	595.9
Profit for the period		54.4		54.4	-2.3	52.0
Other comprehensive income						
Translation differences			-4.2	-4.2		-4.2
Total comprehensive income for the period		**54.4**	**-4.2**	**50.2**	**-2.3**	**47.9**
Profit distribution		-50.0		-50.0		-50.0
Other changes		-20.2		-20.2	-2.4	-22.7
Equity at June, 2017	**178.3**	**354.5**	**-2.3**	**530.4**	**40.7**	**571.1**

Condensed consolidated statement of cash flows

€ million

	1–6/2018	1–6/2017	1–12/2017
Cash flows from operating activities			
Profit before taxes	70.2	63.2	99.9
Adjustments			
Depreciation and amortization	40.1	40.1	68.1
Finance items - net	6.1	2.7	14.3
Unrealized gains/losses from financial instruments	-4.0	4.4	3.9
Other non-cash items	3.2	-6.6	-14.2
Change in working capital	18.2	42.2	46.0
Cash inflow from operating activities before financial items and taxes	**133.7**	**145.9**	**217.9**
Cash flow from financial items and taxes	-35.1	-25.7	-40.4
Net cash flows from operating activities	**98.6**	**120.2**	**177.5**
Net cash flows from investing activities	**-4.8**	**2.3**	**-6.0**
Cash flows from financing activities			
Proceeds from borrowings	0.0	34.8	23.3
Repayments of borrowings	-59.2	-176.3	-164.6
Increase/decrease of finance lease liabilities	-1.8	-0.6	-1.0
Dividends paid	0.0	0.0	-50.0
Net cash flows from financing activities	**-61.0**	**-142.2**	**-192.3**
Net decrease (-)/increase (+) in cash and cash equivalents	**32.8**	**-19.7**	**-20.8**
Cash and cash equivalents at the beginning of the period (Dec 31)	2.7	23.4	23.4
Cash and cash equivalents at the end of the period	35.5	3.7	2.7

Notes to interim consolidated financial statement

1. ACCOUNTING POLICIES

This interim report has been prepared in accordance with the IAS 34 *Interim Financial Reporting standard*. Excluding the changes to accounting policies referred to below, the accounting policies and accounting methodology used for the Group's previous financial statements are applied to the interim financial statements. The information published in this interim report is unaudited. The following new standards were adopted on January 1, 2018:

- IFRS 9 *Financial instruments.* The standard replaced IAS 39 Financial instruments: Recognition and Measurement. The standard contains new requirements for the classification, measurement, impairment and hedge accounting of financial instruments. The change had no impact on the interim report.
- IFRS 15 *Revenue from Contracts with Customers.* The new standard determines a five-step model for the recognition of revenue earned from contracts with customers. The revenue recognized is the amount the company expects to be entitled to when it transfers control over a product or service to a customer. The standard did not have a material impact in the recognition of Gasum's sales revenue or on the interim report.

2. TREASURY SHARES

The Group does not hold any treasury shares of the parent.

3. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS

€ million

	30.6.2018	30.6.2017	31.12.2017
Net book value at the beginning of the period	**1,166.6**	**1,148.8**	**1,148.8**
Depreciation and amortization	-40.1	-40.1	-68.1
Additions	82.2	8.7	58.9
Investment subvention received	-0.8	-0.9	-0.9
Business acquisitions	0.0	47.9	49.6
Business disposals	0.0	-2.9	-1.5
Reclassifications	-1.0	-0.4	0.9
Disposals (incl. accumulated depreciation)	-0.2	-1.4	-3.0
Effect of movements in exchange rates	4.0	-8.0	-18.3
Net book value at the end of the period	**1,210.6**	**1,151.7**	**1,166.6**

4. TRADE AND OTHER RECEIVABLES

€ million

	30.6.2018	30.6.2017	31.12.2017
Trade receivables	97.2	80.7	126.8
Accrued income	4.3	2.9	4.1
Other short-term receivables	2.7	6.8	8.9
Receivables from associated companies	1.5	0.0	0.0
Total	**105.7**	**90.4**	**139.9**

5. DERIVATIVE FINANCIAL INSTRUMENTS

€ million

	30.6.2018		31.12.2017	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	0.0	2.8	0.7	2.3
Commodity derivatives	2.3	0.5	0.5	0.7
Currency derivatives	1.3	3.5	1.1	5.2
Total	**3.6**	**6.7**	**2.3**	**8.2**
Less non-current portion:				
Interest rate derivatives	0.0	2.8	0.6	2.3
Commodity derivatives	0.4			
Currency derivatives	0.7	1.4	0.9	3.1
Non-current portion	**1.1**	**4.2**	**1.5**	**5.4**
Current portion	**2.5**	**2.5**	**0.8**	**2.8**

6. LOANS

€ million

	30.6.2018	30.6.2017	31.12.2017
Non-current			
Loans from financial institutions	399.7	419.4	409.6
Total	**399.7**	**419.4**	**409.6**
Current			
Loans from financial institutions	19.8	19.7	19.7
Commercial papers	0.0	0.0	10.0
Total	**19.8**	**19.7**	**29.7**
Total loans	**419.5**	**439.1**	**439.4**

7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

€ million

	30.6.2018	30.6.2017	31.12.2017
Trade payables	57.6	46.5	60.6
Other liabilities	29.9	69.0	41.6
Accrued expenses	25.6	27.9	16.1
Bank overdraft facility	0.0	22.9	23.2
Finance lease liabilities	3.8	1.3	2.4
Total	**116.9**	**167.6**	**143.9**

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