Restated Financial Information

January 1 – December 31, 2017

Valmet

Restated 2017 financials

Following the adoption of new guidance on revenue recognition, IFRS 15, as of January 1, 2018 Valmet has restated 2017 financials. Net sales and Comparable EBITA of the Group for 2017 decreased by EUR 100 million and EUR 8 million respectively attributable to this restatement. The below tables provide the key financial indicators on a restated basis with description of the transition approach and details of the impact presented on subsequent pages.

Key figures[1]

EUR million	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Orders received	**1,005**	**796**	**743**	**727**	**3,272**
Order backlog[2]	**2,704**	**2,714**	**2,720**	**2,458**	**2,458**
Net sales	**645**	**732**	**715**	**967**	**3,058**
Comparable earnings before interest, taxes and amortization (Comparable EBITA)	**34**	**48**	**56**	**81**	**218**
% of net sales	**5.3%**	**6.5%**	**7.8%**	**8.4%**	**7.1%**
Earnings before interest, taxes and amortization (EBITA)	**37**	**47**	**49**	**69**	**202**
% of net sales	**5.7%**	**6.4%**	**6.9%**	**7.1%**	**6.6%**
Operating profit (EBIT)	**29**	**39**	**41**	**61**	**170**
% of net sales	**4.5%**	**5.3%**	**5.8%**	**6.3%**	**5.6%**
Profit before taxes	**26**	**36**	**38**	**57**	**158**
Profit for the period	**18**	**27**	**27**	**49**	**121**
Earnings per share, EUR	**0.12**	**0.18**	**0.18**	**0.33**	**0.81**
Earnings per share, diluted, EUR	**0.12**	**0.18**	**0.18**	**0.33**	**0.81**
Equity per share, EUR	**5.54**	**5.71**	**5.83**	**6.09**	**6.09**
Cash flow provided by operating activities	**94**	**31**	**78**	**89**	**291**
Cash flow after investments	**80**	**15**	**62**	**70**	**227**
Return on equity (ROE) (annualized)					**13%**
Return on capital employed (ROCE) before taxes (annualized)					**14%**

[1] *The calculation of key figures is presented on page 27.*

[2] *At the end of period.*

Order Backlog

EUR million	As at March 31, 2017	As at June 30, 2017	As at September 30, 2017	As at December 31, 2017
Order backlog, reported	2,613	2,551	2,523	2,292
IFRS 15 impact	91	163	197	165
Order backlog, restated	**2,704**	**2,714**	**2,720**	**2,458**

Net Sales by Business Line

EUR million	Q1/2017	Q2/2017	Q3/2017	Q4/2017
Services	**252**	**302**	**284**	**340**
Automation	**59**	**73**	**60**	**104**
Pulp and Energy	**189**	**192**	**200**	**219**
Paper	**144**	**165**	**170**	**304**
Total restated	**645**	**732**	**715**	**967**
IFRS15 impact	27	72	34	-32
Total reported	671	803	748	936

EUR million	Q1/2017	Q1-Q2/ 2017	Q1-Q3/ 2017	Q1-Q4/ 2017
Services	**252**	**554**	**838**	**1,178**
Automation	**59**	**132**	**192**	**296**
Pulp and Energy	**189**	**381**	**581**	**800**
Paper	**144**	**310**	**480**	**784**
Total restated	**645**	**1,376**	**2,091**	**3,058**
IFRS 15 impact	27	98	132	100
Total reported	671	1,475	2,223	3,159

Unaudited Consolidated 2017 financials

The Group's Consolidated Interim and full year 2017 financials have been restated due to the adoption of IFRS 15 – Revenue from Contracts with Customers, by the Group as of January 1, 2018. The standard, issued in May 2014, replaced IAS 11 – Construction contracts, and IAS 18 – Revenue, and related interpretations, providing a new basis for revenue and cost of sales recognition.

Valmet's restated financials for 2017, including restated opening balance sheet for the date of January 1, 2017, provide comparatives for the upcoming first quarter 2018 results to be published on April 27, and for subsequent quarterly result releases. The restated financials are presented in millions of euros subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals. The restated financial information included here within has not been audited.

Transition to IFRS 15

Valmet management has applied the full retrospective method with practical expedients when adopting the new revenue guidance as of January 1, 2018. The cumulative effect of applying IFRS 15 has been recognized in opening balance of retained earnings as at January 1, 2017. Under practical expedients permitted by the standard, contracts that begin and end within 2017, and contracts that were completed prior to January 1, 2017, have not been restated. For contracts completed by the end of 2017, management has used the transaction price at the date when the contract was completed when restating revenues across comparative reporting periods, rather than estimating revenue amounts for historic dates. The aggregated effect of all the modifications that occurred before January 1, 2017, has been reflected in adjustment of the opening balance of retained earnings. Management is not expecting to disclose the amount of the transaction price allocated to remaining performance obligations for the periods presented before the date of initial application.

Performance obligations typically involve deliveries by several Valmet entities, across different countries. The impact of the change in revenues and profits on the quarterly tax expense has been estimated by applying the long-term average historic Group tax rate into applicable pre-tax profits. Application of this Group level tax rate is estimated to provide a reasonable approximation of the tax effect arising from the restatement.

Impact of the new standard

Valmet delivers process automation, machinery, equipment and services for the pulp, paper and energy industries. On the capital business side, the Group's revenue arises from projects, the scope of which ranges from delivery of complete mill facilities on a turnkey basis to single section machine rebuilds that may or may not include process automation solutions. Service revenue comprises short-term and long-term maintenance contracts, smaller improvement and modification contracts, rebuilds, as well as sale of spare parts and consumables. Capital and service business revenue largely arises from the same customers with services offering being focused on maintaining installed base of equipment and automation solutions.

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

Step 1: Identification of the contract(s) with a customer

Step 2: Identification of the performance obligations in the contract

Step 3: Determination of the transaction price attached to the contract

Step 4: Allocation of the transaction price to the performance obligations identified in the contract

Step 5: Recognition of revenue when (or as) the entity satisfies a performance obligation

Analysis on the impact of the implementation of the above key concepts of the new standard into Valmet's revenue streams is provided below.

Identification of performance obligations
In long-term capital projects involving delivery of both equipment and services, one or more performance obligations are identified under the new standard. The identification of performance obligations depends on the scope of the project and terms of the contract and will largely follow the level at which quotes are being requested by the customers on capital projects.

In short-term service contracts that involve delivery of a combination of equipment and services, depending on the scope of the contract and terms attached thereto one or more performance obligations are identified. When scope of the contract involves services provided at the customer site, such as installation, maintenance, technical support or mechanical audits, these are typically considered a separate performance obligation from delivery of significant equipment and services provided off-site. On the other hand, when services in the scope of the contract are performed at Valmet premises only, such as workshop services, material and services typically cannot be identified separately, and consistently only one performance obligation is identified.

In long-term service contracts where Valmet's activities are largely performed at the customer's site, depending on the contract and terms attached thereto one or more performance obligations are identified. When the scope of the contract involves various service elements that are separately sold on a stand-alone basis, these elements would typically be determined to consist of performance obligations on their own.

Overall, the new guidance concerning identification of performance obligations will decrease the number of units for which revenue is recognized separately.

Recognition of revenue
Under IFRS 15, revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service, either over time or at a point in time.

When Valmet determines that control on goods or services is transferred over time, this is typically based on either that customer simultaneously receives and consumes benefits as Valmet performs, or that Valmet's performance creates an asset with no alternative use throughout the duration of a contract and Valmet has enforceable right to payment for performance completed to date.

Deliverables within Valmet's product offering that have the characteristics of the first criterion include mill maintenance services or other field services provided under long-term contracts, in which the receipt and simultaneous consumption by the customer of the benefits of Valmet's performance can be readily identified. Deliverables with the characteristics of the second criterion include capital projects where the scope of the contract involves design and construction of an asset according to customer specifications. The assets created in these projects do not have alternative use because the design is based on specific customer needs. When revenue is recognized over time, progress toward complete satisfaction of the performance obligation is measured using the cost-to-cost method. The cost-to-cost method is estimated to result in a revenue profile that best depicts the transfer of control on the deliverables to the customer. Under IAS 11 Valmet has also utilized the milestone-method when measuring progress towards complete satisfaction of construction contracts. Transferring from milestone to cost-to-cost method in measuring progress will in some cases defer the recognition of revenue in the beginning of the contract.

In customer contracts where revenue has previously been recognized upon transfer of risks and rewards associated with the deliverable to the customer, there is no significant change in the amount of revenue or gross profit recognized in any interim reporting period when moving into recognizing revenue upon transfer of control.

Recognition of revenue at a point in time is applicable, among others, in contracts where services are performed at Valmet’s premises and deliveries of spare parts and components.

Other steps of the revenue recognition model

Valmet management does not expect the new guidance on identification of a customer contract or allocation of the transaction price to the performance obligations identified in the contract to significantly affect the amount or timing of revenue and cost recognition.

However, Valmet’s contracts often involve elements of variable consideration, such as penalties, liquidated damages or performance bonus arrangements, and management estimates that the reassessment of the transaction prices at each reporting date, requiring significant amount of judgment, will affect the timing of revenue recognition following the adoption of the new standard.

Impact on 2017 financials

Arising primarily from the change in the method of measuring project progress in capital projects where revenue is recognized over time and transition into recognizing revenue at a performance obligation level, a transition adjustment amounting to negative EUR 9 million has been recognized to opening balance of retained earnings as at January 1, 2017. This decrease in net equity is split between a decrease in ‘Profit before taxes’ and a reduction in tax expense of EUR 13 million and EUR 4 million, respectively. Decline in ‘Profit before taxes’ is the net effect of revenue deferred in projects where revenue based on the cost-to-cost method of measuring progress towards complete satisfaction of the performance obligation remains behind that recognized based on the milestone method, and acceleration of revenue recognition in projects where based on the cost-to-cost method revenue recognition is ahead of that based on the milestone method.

Restatement of project revenues and costs across 2017 increased the retained earnings impact by EUR 6 million by January 1, 2018 to negative EUR 15 million. This development was driven by revenue deferral in customer contracts entered into in 2017 exceeding revenue releases in customer contracts initiated earlier, with several customer contracts entered into before 2017 already having completed during the first half of 2017. In terms of the nature of revenue, restatement only had an impact on the revenue arising from sale of projects, equipment and goods.

Main balance sheet items affected by application of new standard are ‘Project cost accruals’, ‘Amounts due from customers under construction contracts’, ‘Amounts due to customers under constructions contracts’ and ‘Work in Progress’. Other items of income and expense affected by the movements in revenue and profits of the Group, such as incentives, were also considered for restatement purposes. However, changes in these items did not have a significant impact on the result or financial position of the Group. Restatement did not have a significant impact on key financial ratios, including those conditioned in the covenants of existing loan facilities.

Consolidated Statement of Income Q1/2017

	Q1/2017		
EUR million	Reported	IFRS 15 impact	**Restated**
Net sales	671	-27	**645**
Cost of goods sold	-515	26	**-489**
Gross profit	156	-	**156**
Selling, general and administrative expenses	-127	-	**-127**
Other operating income and expenses, net	-	-	**-**
Share in profits and losses of associated companies, operative investments	-	-	**-**
Operating profit	30	-	**29**
Financial income and expenses, net	-3	-	**-3**
Share in profits and losses of associated companies, financial investments	-	-	**-**
Profit before taxes	26	-	**26**
Income taxes	-8	-	**-8**
Profit for the period	18	-	**18**
Attributable to:			
Owners of the parent	18	-	**18**
Non-controlling interests	-	-	**-**
Profit for the period	18	-	**18**
Earnings per share attributable to owners of the parent:			
Earnings per share, EUR	0.12		**0.12**
Diluted earnings per share, EUR	0.12		**0.12**

Consolidated Statement of Income Q2/2017

EUR million	Q2/2017 Reported	Q2/2017 IFRS 15 impact	Q2/2017 Restated	Q1-Q2/2017 Reported	Q1-Q2/2017 IFRS 15 impact	Q1-Q2/2017 Restated
Net sales	803	-72	**732**	1,475	-98	**1,376**
Cost of goods sold	-622	63	**-559**	-1,137	89	**-1,049**
Gross profit	181	-9	**172**	337	-9	**328**
Selling, general and administrative expenses	-136	-	**-136**	-263	-	**-263**
Other operating income and expenses, net	3	-	**3**	3	-	**3**
Share in profits and losses of associated companies, operative investments	-	-	**-**	-	-	**-**
Operating profit	48	-9	**39**	77	-9	**68**
Financial income and expenses, net	-3	-	**-3**	-6	-	**-6**
Share in profits and losses of associated companies, financial investments	1	-	**1**	1	-	**1**
Profit before taxes	45	-9	**36**	72	-9	**62**
Income taxes	-12	3	**-9**	-20	3	**-17**
Profit for the period	33	-7	**27**	52	-7	**45**
Attributable to:						
Owners of the parent	33	-7	**27**	51	-7	**45**
Non-controlling interests	-	-	**-**	-	-	**-**
Profit for the period	33	-7	**27**	52	-7	**45**
Earnings per share attributable to owners of the parent:						
Earnings per share, EUR	0.22		**0.18**	0.34		**0.30**
Diluted earnings per share, EUR	0.22		**0.18**	0.34		**0.30**

Consolidated Statement of Income Q3/2017

	Q3/2017			Q1-Q3/2017		
EUR million	Reported	IFRS 15 impact	**Restated**	Reported	IFRS 15 impact	**Restated**
Net sales	748	-34	**715**	2,223	-132	**2,091**
Cost of goods sold	-583	30	**-553**	-1,721	119	**-1,602**
Gross profit	165	-3	**162**	502	-13	**489**
Selling, general and administrative expenses	-114	-	**-114**	-377	-	**-377**
Other operating income and expenses, net	-7	-	**-7**	-4	-	**-4**
Share in profits and losses of associated companies, operative investments	-	-	**-**	-	-	**-**
Operating profit	45	-3	**41**	122	-13	**109**
Financial income and expenses, net	-3	-	**-3**	-10	-	**-10**
Share in profits and losses of associated companies, financial investments	-	-	**-**	1	-	**1**
Profit before taxes	41	-3	**38**	113	-13	**100**
Income taxes	-12	1	**-11**	-32	4	**-28**
Profit for the period	30	-2	**27**	81	-9	**72**
Attributable to:						
Owners of the parent	30	-2	**27**	81	-9	**72**
Non-controlling interests	-	-	**-**	-	-	**-**
Profit for the period	30	-2	**27**	81	-9	**72**
Earnings per share attributable to owners of the parent:						
Earnings per share, EUR	0.20		**0.18**	0.54		**0.48**
Diluted earnings per share, EUR	0.20		**0.18**	0.54		**0.48**

Consolidated Statement of Income Q4/2017

EUR million	Q4/2017 Reported	Q4/2017 IFRS 15 impact	Q4/2017 Restated	Q1-Q4/2017 Reported	Q1-Q4/2017 IFRS 15 impact	Q1-Q4/2017 Restated
Net sales	936	32	**967**	3,159	-100	**3,058**
Cost of goods sold	-734	-26	**-761**	-2,455	93	**-2,362**
Gross profit	201	5	**207**	704	-8	**696**
Selling, general and administrative expenses	-140	-	**-140**	-517	-	**-517**
Other operating income and expenses, net	-6	-	**-6**	-10	-	**-10**
Share in profits and losses of associated companies, operative investments	1	-	**1**	1	-	**1**
Operating profit	56	5	**61**	178	-8	**170**
Financial income and expenses, net	-3	-	**-3**	-13	-	**-13**
Share in profits and losses of associated companies, financial investments	-	-	**-**	1	-	**1**
Profit before taxes	52	5	**57**	165	-8	**158**
Income taxes	-7	-1	**-8**	-39	2	**-36**
Profit for the period	46	4	**49**	127	-6	**121**
Attributable to:						
Owners of the parent	45	4	**49**	127	-6	**121**
Non-controlling interests	-	-	**-**	-	-	**-**
Profit for the period	46	4	**49**	127	-6	**121**
Earnings per share attributable to owners of the parent:						
Earnings per share, EUR	0.30		**0.33**	0.84		**0.81**
Diluted earnings per share, EUR	0.30		**0.33**	0.84		**0.81**

Restated Consolidated Statement of Comprehensive Income

EUR million	Q4/2017	Q3/2017	Q2/2017	Q1/2017
Profit for the period	49	27	27	18
Items that may be reclassified to profit or loss:				
Cash flow hedges	-1	2	8	5
Currency translation on subsidiary net investments	-3	-4	-15	1
Income tax relating to items that may be reclassified	-	-1	-2	-1
Total items that may be reclassified to profit or loss	-3	-2	-9	5
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	-3	-10	9	-
Income tax on items that will not be reclassified	-4	2	-2	-
Total items that will not be reclassified to profit or loss	-7	-8	7	-
Other comprehensive income / expense	-11	-10	-2	6
Total comprehensive income / expense	39	17	25	24
Attributable to:				
Owners of the parent	38	17	25	24
Non-controlling interests	-	-	-	-
Total comprehensive income / expense	39	17	25	24

Consolidated Statement of Financial Position as at January 1, 2017

Assets

EUR million	As at January 1, 2017	IFRS 15 impact	As at January 1, 2017 Restated
Non-current assets			
Intangible assets			
Goodwill	624	-	**624**
Other intangible assets	213	-	**213**
Total intangible assets	837	-	**837**
Property, plant and equipment			
Land and water areas	26	-	**26**
Buildings and structures	133	-	**133**
Machinery and equipment	183	-	**183**
Assets under construction	32	-	**32**
Total property, plant and equipment	374	-	**374**
Other non-current assets			
Investments in associated companies	12	-	**12**
Non-current financial assets	22	-	**22**
Deferred tax asset	80	5	**85**
Non-current income tax receivables	24	-	**24**
Other non-current assets	12	-	**12**
Total other non-current assets	151	5	**156**
Total non-current assets	1,362	5	**1,367**
Current assets			
Inventories			
Materials and supplies	66	-	**66**
Work in progress	322	-70	**251**
Finished products	83	-	**83**
Total inventories	471	-70	**401**
Receivables and other current assets			
Trade receivables	561	-	**561**
Other receivables	85	-	**85**
Amounts due from customers under construction contracts	197	-7	**190**
Other current financial assets	17	-	**17**
Income tax receivables	25	-	**25**
Cash and cash equivalents	240	-	**240**
Total receivables and other current assets	1,125	-7	**1,118**
Total current assets	1,596	-77	**1,519**
Total assets	2,958	-72	**2,886**

Consolidated Statement of Financial Position as at January 1, 2017

Equity and liabilities

EUR million	As at January 1, 2017	IFRS 15 impact	As at January 1, 2017 Restated
Equity			
Share capital	100	-	**100**
Reserve for invested unrestricted equity	407	-	**407**
Cumulative translation adjustments	11	-	**11**
Hedge and other reserves	-3	-	**-3**
Retained earnings	366	-9	**356**
Equity attributable to owners of the parent	881	-9	**871**
Non-controlling interests	5	-	**5**
Total equity	886	-9	**876**
Liabilities			
Non-current liabilities			
Non-current debt	262	-	**262**
Post-employment benefits	151	-	**151**
Provisions	20	-	**20**
Other non-current liabilities	6	-	**6**
Deferred tax liability	62	2	**64**
Total non-current liabilities	501	2	**503**
Current liabilities			
Current portion of non-current debt	48	-	**48**
Trade payables	226	-	**226**
Other current liabilities	528	-121	**407**
Provisions	108	-1	**107**
Advances received	245	-	**245**
Amounts due to customers under construction contracts	332	58	**390**
Other current financial liabilities	23	-	**23**
Income tax liabilities	61	-	**61**
Total current liabilities	1,572	-64	**1,507**
Total liabilities	2,073	-63	**2,010**
Total equity and liabilities	2,958	-72	**2,886**

Consolidated Statement of Financial Position as at March 31, 2017

Assets		**As at March 31,**	
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Non-current assets			
Intangible assets			
Goodwill	623	-	**623**
Other intangible assets	209	-	**209**
Total intangible assets	833	-	**833**
Property, plant and equipment			
Land and water areas	26	-	**26**
Buildings and structures	130	-	**130**
Machinery and equipment	178	-	**178**
Assets under construction	38	-	**38**
Total property, plant and equipment	371	-	**371**
Other non-current assets			
Investments in associated companies	12	-	**12**
Non-current financial assets	23	-	**23**
Deferred tax asset	81	6	**86**
Non-current income tax receivables	25	-	**25**
Other non-current assets	12	-	**12**
Total other non-current assets	152	6	**158**
Total non-current assets	1,356	6	**1,362**
Current assets			
Inventories			
Materials and supplies	62	-	**62**
Work in progress	347	-60	**287**
Finished products	84	-	**84**
Total inventories	493	-60	**434**
Receivables and other current assets			
Trade receivables	519	-	**519**
Other receivables	83	-	**83**
Amounts due from customers under construction contracts	200	-34	**166**
Other current financial assets	23	-	**23**
Income tax receivables	28	-	**28**
Cash and cash equivalents	274	-	**274**
Total receivables and other current assets	1,127	-34	**1,092**
Total current assets	1,620	-94	**1,526**
Total assets	2,977	-88	**2,888**

Consolidated Statement of Financial Position as at March 31, 2017

Equity and liabilities	As at March 31,		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Equity			
Share capital	100	-	**100**
Reserve for invested unrestricted equity	413	-	**413**
Cumulative translation adjustments	13	-	**13**
Hedge and other reserves	1	-	**1**
Retained earnings	313	-10	**304**
Equity attributable to owners of the parent	840	-10	**830**
Non-controlling interests	5	-	**5**
Total equity	845	-10	**835**
Liabilities			
Non-current liabilities			
Non-current debt	230	-	**230**
Post-employment benefits	152	-	**152**
Provisions	18	-	**18**
Other non-current liabilities	5	-	**5**
Deferred tax liability	60	2	**62**
Total non-current liabilities	465	2	**467**
Current liabilities			
Current portion of non-current debt	47	-	**47**
Trade payables	218	-	**218**
Other current liabilities	574	-136	**438**
Provisions	98	-2	**96**
Advances received	234	-	**234**
Amounts due to customers under construction contracts	433	57	**489**
Other current financial liabilities	17	-	**17**
Income tax liabilities	47	-	**47**
Total current liabilities	1,667	-81	**1,586**
Total liabilities	2,132	-79	**2,053**
Total equity and liabilities	2,977	-88	**2,888**

Consolidated Statement of Financial Position as at June 30, 2017

Assets	As at June 30,		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Non-current assets			
Intangible assets			
Goodwill	618	-	**618**
Other intangible assets	204	-	**204**
Total intangible assets	823	-	**823**
Property, plant and equipment			
Land and water areas	26	-	**26**
Buildings and structures	125	-	**125**
Machinery and equipment	171	-	**171**
Assets under construction	39	-	**39**
Total property, plant and equipment	361	-	**361**
Other non-current assets			
Investments in associated companies	13	-	**13**
Non-current financial assets	25	-	**25**
Deferred tax asset	74	8	**82**
Non-current income tax receivables	26	-	**26**
Other non-current assets	12	-	**12**
Total other non-current assets	149	8	**157**
Total non-current assets	1,333	8	**1,341**
Current assets			
Inventories			
Materials and supplies	62	-	**62**
Work in progress	349	-47	**302**
Finished products	82	-	**82**
Total inventories	493	-47	**446**
Receivables and other current assets			
Trade receivables	574	-	**574**
Other receivables	109	-	**109**
Amounts due from customers under construction contracts	252	-69	**183**
Other current financial assets	43	-	**43**
Income tax receivables	28	-	**28**
Cash and cash equivalents	206	-	**206**
Total receivables and other current assets	1,212	-69	**1,144**
Total current assets	1,705	-116	**1,589**
Total assets	3,038	-108	**2,930**

Consolidated Statement of Financial Position as at June 30, 2017

Equity and liabilities	**As at June 30,**		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Equity			
Share capital	100	-	**100**
Reserve for invested unrestricted equity	413	-	**413**
Cumulative translation adjustments	-2	-	**-2**
Hedge and other reserves	7	-	**7**
Retained earnings	354	-16	**338**
Equity attributable to owners of the parent	872	-16	**856**
Non-controlling interests	5	-	**5**
Total equity	877	-16	**861**
Liabilities			
Non-current liabilities			
Non-current debt	230	-	**230**
Post-employment benefits	143	-	**143**
Provisions	18	-	**18**
Other non-current liabilities	3	-	**3**
Deferred tax liability	61	2	**62**
Total non-current liabilities	455	2	**457**
Current liabilities			
Current portion of non-current debt	47	-	**47**
Trade payables	239	-	**239**
Other current liabilities	558	-184	**374**
Provisions	93	-4	**89**
Advances received	286	-	**286**
Amounts due to customers under construction contracts	427	94	**521**
Other current financial liabilities	11	-	**11**
Income tax liabilities	45	-	**45**
Total current liabilities	1,706	-93	**1,612**
Total liabilities	2,161	-92	**2,069**
Total equity and liabilities	3,038	-108	**2,930**

Consolidated Statement of Financial Position as at September 30, 2017

Assets	**As at September 30,**		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Non-current assets			
Intangible assets			
Goodwill	616	-	**616**
Other intangible assets	201	-	**201**
Total intangible assets	817	-	**817**
Property, plant and equipment			
Land and water areas	26	-	**26**
Buildings and structures	122	-	**122**
Machinery and equipment	169	-	**169**
Assets under construction	41	-	**41**
Total property, plant and equipment	357	-	**357**
Other non-current assets			
Investments in associated companies	13	-	**13**
Non-current financial assets	25	-	**25**
Deferred tax asset	72	9	**81**
Non-current income tax receivables	26	-	**26**
Other non-current assets	12	-	**12**
Total other non-current assets	148	9	**157**
Total non-current assets	1,322	9	**1,331**
Current assets			
Inventories			
Materials and supplies	61	-	**61**
Work in progress	362	-32	**330**
Finished products	83	-	**83**
Total inventories	506	-32	**474**
Receivables and other current assets			
Trade receivables	502	-	**502**
Other receivables	110	-	**110**
Amounts due from customers under construction contracts	248	-64	**185**
Other current financial assets	45	-	**45**
Income tax receivables	31	-	**31**
Cash and cash equivalents	252	-	**252**
Total receivables and other current assets	1,188	-64	**1,124**
Total current assets	1,694	-96	**1,598**
Total assets	3,016	-87	**2,929**

Consolidated Statement of Financial Position as at September 30, 2017

Equity and liabilities	As at September 30,		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Equity			
Share capital	100	-	**100**
Reserve for invested unrestricted equity	413	-	**413**
Cumulative translation adjustments	-5	-	**-5**
Hedge and other reserves	8	-	**8**
Retained earnings	376	-19	**358**
Equity attributable to owners of the parent	892	-19	**874**
Non-controlling interests	5	-	**5**
Total equity	897	-19	**878**
Liabilities			
Non-current liabilities			
Non-current debt	215	-	**215**
Post-employment benefits	153	-	**153**
Provisions	19	-	**19**
Other non-current liabilities	3	-	**3**
Deferred tax liability	59	2	**61**
Total non-current liabilities	449	2	**451**
Current liabilities			
Current portion of non-current debt	47	-	**47**
Trade payables	243	-	**243**
Other current liabilities	567	-199	**368**
Provisions	98	-4	**94**
Advances received	262	-	**262**
Amounts due to customers under construction contracts	391	133	**524**
Other current financial liabilities	13	-	**13**
Income tax liabilities	49	-	**49**
Total current liabilities	1,670	-70	**1,600**
Total liabilities	2,119	-68	**2,051**
Total equity and liabilities	3,016	-87	**2,929**

Consolidated Statement of Financial Position as at December 31, 2017

Assets

	As at December 31,		
EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Non-current assets			
Intangible assets			
Goodwill	614	-	**614**
Other intangible assets	200	-	**200**
Total intangible assets	814	-	**814**
Property, plant and equipment			
Land and water areas	25	-	**25**
Buildings and structures	124	-	**124**
Machinery and equipment	170	-	**170**
Assets under construction	35	-	**35**
Total property, plant and equipment	354	-	**354**
Other non-current assets			
Investments in associated companies	14	-	**14**
Non-current financial assets	24	-	**24**
Deferred tax asset	70	7	**78**
Non-current income tax receivables	24	-	**24**
Other non-current assets	10	-	**10**
Total other non-current assets	142	7	**150**
Total non-current assets	1,310	7	**1,318**
Current assets			
Inventories			
Materials and supplies	56	-	**56**
Work in progress	303	-27	**277**
Finished products	82	-	**82**
Total inventories	442	-27	**415**
Receivables and other current assets			
Trade receivables	546	-	**546**
Other receivables	116	-	**116**
Amounts due from customers under construction contracts	210	-46	**164**
Other current financial assets	29	-	**29**
Income tax receivables	25	-	**25**
Cash and cash equivalents	296	-	**296**
Total receivables and other current assets	1,222	-46	**1,175**
Total current assets	1,663	-73	**1,590**
Total assets	2,974	-66	**2,908**

Consolidated Statement of Financial Position as at December 31, 2017

Equity and liabilities — **As at December 31,**

EUR million	Reported 2017	IFRS 15 impact	**Restated 2017**
Equity			
Share capital	100	-	**100**
Reserve for invested unrestricted equity	413	-	**413**
Cumulative translation adjustments	-8	-	**-8**
Hedge and other reserves	7	-	**7**
Retained earnings	415	-15	**400**
Equity attributable to owners of the parent	928	-15	**913**
Non-controlling interests	5	-	**5**
Total equity	933	-15	**918**
Liabilities			
Non-current liabilities			
Non-current debt	201	-	**201**
Post-employment benefits	150	-	**150**
Provisions	20	-	**20**
Other non-current liabilities	3	-	**3**
Deferred tax liability	56	1	**58**
Total non-current liabilities	431	1	**432**
Current liabilities			
Current portion of non-current debt	18	-	**18**
Trade payables	287	-	**287**
Other current liabilities	530	-169	**361**
Provisions	119	-2	**117**
Advances received	261	-	**261**
Amounts due to customers under construction contracts	336	119	**455**
Other current financial liabilities	11	-	**11**
Income tax liabilities	48	-	**48**
Total current liabilities	1,610	-53	**1,558**
Total liabilities	2,041	-51	**1,990**
Total equity and liabilities	2,974	-66	**2,908**

Restated Condensed Consolidated Statement of Cash Flows, QTD

EUR million	Q1/2017	Q2/2017	Q3/2017	Q4/2017
Cash flows from operating activities				
Profit for the period	18	27	27	49
Adjustments				
Depreciation and amortization	20	20	20	20
Financial income and expenses	3	3	3	3
Income taxes	8	9	11	8
Other non-cash items	-10	25	-9	3
Change in net working capital	83	-37	37	13
Net interests and dividends received	-3	-1	-2	-1
Income taxes paid	-26	-16	-9	-7
Net cash provided by (+) / used in (-) operating activities	94	31	78	89
Cash flows from investing activities				
Capital expenditure on fixed assets	-14	-15	-16	-20
Proceeds from sale of fixed assets	-	-	-	2
Net cash provided by (+) / used in (-) investing activities	-14	-15	-16	-18
Cash flows from financing activities				
Redemption of own shares	-2	-	-	-
Dividends paid	-	-63	-	-
Net borrowings (+) / payments (-) on current and non-current debt	-32	-	-15	-43
Net investments in available-for-sale financial assets	-12	-10	-	16
Net cash provided by (+) / used in (-) financing activities	-47	-73	-15	-26
Net increase (+) / decrease (-) in cash and cash equivalents	33	-58	47	44
Effect of changes in exchange rates on cash and cash equivalents	1	-10	-1	-
Cash and cash equivalents at beginning of period	240	274	206	252
Cash and cash equivalents at end of period	274	206	252	296

Restated Condensed Consolidated Statement of Cash Flows, YTD

EUR million	Q1/2017	Q1-Q2/ 2017	Q1-Q3/ 2017	Q1-Q4/ 2017
Cash flows from operating activities				
Profit for the period	18	45	72	121
Adjustments				
Depreciation and amortization	20	41	61	81
Financial income and expenses	3	6	10	13
Income taxes	8	17	28	36
Other non-cash items	-10	15	6	9
Change in net working capital	83	47	84	97
Net interests and dividends received	-3	-4	-7	-8
Income taxes paid	-26	-42	-51	-58
Net cash provided by (+) / used in (-) operating activities	94	125	203	291
Cash flows from investing activities				
Capital expenditure on fixed assets	-14	-30	-46	-66
Proceeds from sale of fixed assets	-	-	-	2
Net cash provided by (+) / used in (-) investing activities	-14	-29	-45	-64
Cash flows from financing activities				
Redemption of own shares	-2	-2	-2	-2
Dividends paid	-	-63	-63	-63
Net borrowings (+) / payments (-) on current and non-current debt	-32	-32	-47	-90
Net investments in available-for-sale financial assets	-12	-23	-22	-6
Net cash provided by (+) / used in (-) financing activities	-47	-120	-135	-161
Net increase (+) / decrease (-) in cash and cash equivalents	33	-25	23	67
Effect of changes in exchange rates on cash and cash equivalents	1	-9	-10	-10
Cash and cash equivalents at beginning of period	240	240	240	240
Cash and cash equivalents at end of period	274	206	252	296

Restated Consolidated Statement of Changes in Equity

EUR million	Share capital	Reserve for invested unrestricted equity	Cumulative translation adjustments	Hedge and other reserves	Retained earnings	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Reported Balance at January 1, 2017	**100**	**407**	**11**	**-3**	**366**	**881**	**5**	**886**
Impact of IFRS 15 restatement	-	-	-	-	-9	**-9**	-	**-9**
Restated balance as at January 1, 2017	**100**	**407**	**11**	**-3**	**356**	**871**	**5**	**876**
Profit for the period	-	-	-	-	121	**121**	-	**121**
Other comprehensive income / expense	-	-	-19	11	-9	**-17**	-	**-18**
Total comprehensive income / expense	-	-	-19	11	112	**104**	-	**104**
Dividends	-	-	-	-	-63	**-63**	-	**-63**
Purchase of treasury shares	-	-	-	-	-2	**-2**	-	**-2**
Share-based payments, net of tax	-	6	-	-	-3	**3**	-	**3**
Restated Balance at December 31, 2017	**100**	**413**	**-8**	**7**	**400**	**913**	**5**	**918**

Restated reporting segment information

EUR million	Q1/2017	Q1-Q2/ 2017	Q1-Q3/ 2017	Q1-Q4/ 2017
Net sales	645	1,376	2,091	3,058
Comparable EBITA	34	82	138	218
% of net sales	5.3%	5.9%	6.6%	7.1%
Operating profit	29	68	109	170
% of net sales	4.5%	4.9%	5.2%	5.6%
Amortization	-8	-16	-24	-31
Depreciation	-13	-25	-37	-49
Gross capital expenditure	-14	-30	-46	-66
Non-cash write-downs	-1	-2	-3	-10
Capital employed, end of period	1,112	1,138	1,141	1,137
Orders received	1,005	1,802	2,544	3,272
Order backlog, end of period	2,704	2,714	2,720	2,458

Key ratios 2017

	Reported 2017	**Restated 2017**
Earnings per share, EUR	0.84	**0.81**
Diluted earnings per share, EUR	0.84	**0.81**
Equity per share at end of period, EUR	6.19	**6.09**
Return on equity (ROE), % (annualized)	14%	**13%**
Return on capital employed (ROCE) before taxes, % (annualized)	15%	**14%**
Equity to assets ratio at end of period, %	39%	**42%**
Gearing at end of period, %	-11%	**-11%**
Cash flow provided by operating activities, EUR million	291	**291**
Cash flow after investments, EUR million	227	**227**
Gross capital expenditure, EUR million	-66	**-66**
Depreciation and amortization, EUR million	-81	**-81**
Amortization	-31	**-31**
Depreciation	-49	**-49**
Number of outstanding shares at end of period	149,864,220	**149,864,220**
Average number of outstanding shares	149,864,220	**149,864,220**
Average number of diluted shares	149,864,220	**149,864,220**
Interest-bearing liabilities at end of period, EUR million	219	**219**
Net interest-bearing liabilities at end of period, EUR million	-100	**-100**

Quarterly key ratios

	Q1/2017	Q2/2017	Q3/2017	Q4/2017
Earnings per share, EUR	0.12	0.18	0.18	0.33
Diluted earnings per share, EUR	0.12	0.18	0.18	0.33
Equity per share at end of period, EUR	5.54	5.71	5.83	6.09
Return on equity (ROE), % (annualized)	8%	10%	11%	13%
Return on capital employed (ROCE) before taxes, % (annualized)	10%	11%	12%	14%
Equity to assets ratio at end of period, %	39%	41%	41%	42%
Gearing at end of period, %	-3%	4%	-3%	-11%
Cash flow provided by operating activities, EUR million	94	31	78	89
Cash flow after investments, EUR million	80	15	62	70
Gross capital expenditure, EUR million	-14	-15	-16	-20
Depreciation and amortization, EUR million	-20	-20	-20	-20
Amortization	-8	-8	-8	-8
Depreciation	-13	-12	-12	-12
Number of outstanding shares at end of period	149,864,220	149,864,220	149,864,220	149,864,220
Average number of outstanding shares	149,864,220	149,864,220	149,864,220	149,864,220
Average number of diluted shares	149,864,220	149,864,220	149,864,220	149,864,220
Interest-bearing liabilities at end of period, EUR million	277	277	262	219
Net interest-bearing liabilities at end of period, EUR million	-27	31	-30	-100

Formulas for Calculation of Indicators

EBITA:
Operating profit + amortization

Comparable EBITA:
Operating profit + amortization +/- items affecting comparability

Earnings per share:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of shares outstanding during period}}$$

Earnings per share, diluted:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of diluted shares during period}}$$

Return on equity (ROE), % (annualized):

$$\frac{\text{Profit for the period}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before taxes, % (annualized):

$$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities (average for period)}} \times 100$$

Comparable return on capital employed (ROCE) before taxes, % (annualized) [1]**:**

$$\frac{\text{Profit before taxes + interest and other financial expenses +/- items affecting comparability}}{\text{Balance sheet total - non-interest-bearing liabilities (average for the period)}} \times 100$$

[1] *Measure of performance also calculated on a rolling 12-month basis.*

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Net interest-bearing liabilities:
Non-current interest-bearing debt + current interest-bearing debt
- cash and cash equivalents - other interest-bearing assets

Net working capital:
Other non-current assets + inventories + trade and other receivables
+ amounts due from customers under construction contracts + derivative financial instruments (assets)
- post-employment benefits - provisions - trade and other payables - advances received
- amounts due to customers under construction contracts - derivative financial instruments (liabilities)

Restated quarterly information

EUR million	Q1/2017	Q2/2017	Q3/2017	Q4/2017
Net sales	645	732	715	967
Comparable EBITA	34	48	56	81
% of net sales	5.3%	6.5%	7.8%	8.4%
Operating profit / loss	29	39	41	61
% of net sales	4.5%	5.3%	5.8%	6.3%
Profit before taxes	26	36	38	57
% of net sales	4.0%	5.0%	5.3%	5.9%
Profit for the period	18	27	27	49
% of net sales	2.8%	3.7%	3.8%	5.1%
Earnings per share, EUR	0.12	0.18	0.18	0.33
Earnings per share, diluted, EUR	0.12	0.18	0.18	0.33
Amortization	-8	-8	-8	-8
Depreciation	-13	-12	-12	-12
Research and development expenses, net	-14	-17	-13	-20
% of net sales	-2.2%	-2.3%	-1.8%	-2.1%
Items affecting comparability:				
in cost of goods sold	-	-1	-	-8
in selling, general and administrative expenses	-	-	-	-3
in other operating income and expenses, net	3	-	-6	-1
Total items affecting comparability	3	-1	-6	-12
Gross capital expenditure	-14	-15	-16	-20
Non-cash write-downs	-1	-1	-1	-7
Capital employed, end of period	1,112	1,138	1,141	1,137
Orders received	1,005	796	743	727
Order backlog, end of period	2,704	2,714	2,720	2,458