Caverion

Q4

Financial Statements Bulletin 2015

FINANCIAL STATEMENTS BULLETIN FOR JANUARY 1 – DECEMBER 31, 2015

Guidance follow-up for 2015

The Group's performance was in line with the guidance for 2015. The revenue amounted to EUR 2,443.0 (2,406.6) million and remained at the previous year's level, while EBITDA margin grew significantly to 3.7 percent (2.8%).

October 1 – December 31, 2015

- **Order backlog:** EUR 1,461.4 (1,323.6) million.
- **Revenue:** EUR 667.8 (660.2) million.
- **EBITDA:** EUR 34.0 (34.3) million, or 5.1 (5.2) percent of revenue.
- **Working capital:** EUR -13.6 (-19.3) million.
- **Operating cash flow before financial and tax items:** EUR 83.1 (100.0) million.

January 1 – December 31, 2015

- **Revenue:** EUR 2,443.0 (2,406.6) million.
- **EBITDA:** EUR 91.5 (67.5) million, or 3.7 (2.8) percent of revenue.
- **Operating cash flow before financial and tax items:** EUR 85.8 (113.5) million.
- **Earnings per share, basic:** EUR 0.37 (0.22) per share.

Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.

KEY FIGURES

EUR million	10-12/15	10-12/14	Change	1-12/15	1-12/14	Change
Order backlog	1,461.4	1,323.6	10%	1,461.4	1,323.6	10%
Revenue	667.8	660.2	1%	2,443.0	2,406.6	2%
EBITDA	34.0	34.3	-1%	91.5	67.5	36%
EBITDA margin, %	5.1	5.2		3.7	2.8	
Operating profit	26.9	28.1	-4%	65.0	44.2	47%
Operating profit margin, %	4.0	4.3		2.7	1.8	
Net profit for the period	20.9	20.0	5%	46.6	27.6	69%
Earnings per share, basic, EUR	0.17	0.16	5%	0.37	0.22	69%
Working capital	-13.6	-19.3		-13.6	-19.3	
Operating cash flow before financial and tax items	83.1	100.0	-17%	85.8	113.5	-24%
Interest-bearing net debt	29.8	50.2	-41%	29.8	50.2	-41%
Gearing, %	11.6	21.1		11.6	21.1	
Personnel, average for the period	17,427	17,410	0%	17,321	17,490	-1%

DIVIDEND PROPOSAL: The Board of Directors proposes a dividend of EUR 0.28 per share

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 per share be paid.

Word from the President and CEO Fredrik Strand

"During 2015, our business succeeded well in general and we had a good development with new clients and contracts. Tough pricing environment prevailed in the market throughout the year but Caverion was able to maintain its price levels with focus on quality and execution. In 2015, our order backlog grew by 10 percent. Throughout the year, we entered into a number of new demanding life cycle contracts and total technical solutions projects in line with our strategy. We have also been affected by changes in our operating environment, e.g. in Norway the general economy has been impacted by the slowdown in the oil industry.

The stabilisation of operations could be seen in the improved profitability throughout the year: Caverion improved its earnings per share (by 69%) and EBITDA (by 36%) significantly. During the year, we continued to invest in harmonised systems througout the group in order to provide our employees with the right tools to tender for new business in line with our updated client offering and tender processes. Furthermore, the Group had negative working capital, enabling development of the business further in a positive way.

The strategy execution progressed according to plan in 2015. Caverion is now ready for the next phase of its strategy, with a strengthened focus on profitable growth and developing the group business mix. To drive growth, Caverion introduced a unified market offering with innovative solutions at the Capital Markets Day in September in order to meet the client demand for Active Life Cycle Management. Caverion is targeting further growth especially in Large Projects and Managed Services, in its widest form offered as Life Cycle Solutions.

As we enter 2016 the main focus will be on the continued implementation of harmonised systems in all our divisions. We are seeking benefits from this common enterprise architecture by supporting our employees during tender processes and facilitating improved project management follow-up. It also enables easier integration of potential acquired businesses into our operations. Caverion aims to reach its financial targets by the end of 2016 firstly by benefiting from the recent investments into operational efficiency and by focusing on procurement and administrative efficiency. Secondly, the change in business mix towards growth in Large Projects and Managed Services promotes revenue and profitability growth supported by innovative and well managed technical installation and maintenance business."

OUTLOOK FOR 2016

Market outlook for Caverion's services and solutions

The megatrends in the industry, such as the increase of technology in buildings, energy efficiency requirements, increasing digitalisation and automation as well as urbanisation continue to promote demand for Caverion's services and solutions over the coming years.

The technical installation and maintenance business is expected to remain stable. Requirements for increased energy efficiency, better indoor conditions and tightening environmental legislation will be significant factors supporting the positive market development. In Norway, the general economy has been impacted by the slowdown in the oil industry, which may continue to have a negative effect on the technical installation and maintenance business.

In the large projects business, the new tenders for buildings and industry are expected to increase during the year. Positive signs have been seen in tendering activity, especially in the public and industrial sectors and we expect the positive trend to continue. Low interest rates and availability of financing are expected to support investments. The demand for design & build of total technical solutions is expected to develop favourably in the large and technically demanding projects. The slowdown in the nuclear industry in Germany and Sweden, the mining industry in Sweden and the oil industry in Norway is still expected to continue and may result in further project postponements or cancellations.

Demand for managed services is expected to remain strong. As technology in buildings is increasing the need for new services and the demand for life cycle solutions are expected to increase. Clients' tendency towards focusing on their core operations continues to open opportunities for Caverion in terms of outsourced operation and maintenance especially for public authorities, industries and utilities.

Possible changes in the operating environment due to growing uncertainty over the general macroeconomic development and mounting geopolitical tensions may lead to some cautiousness in project start-ups and service demand.

Guidance for 2016

Caverion estimates that the Group's revenue for 2016 will grow from the previous year (2015: EUR 2,443 million) and the Group's EBITDA for 2016 will grow significantly from the previous year (2015: EUR 91.5 million).

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

Caverion will hold a news conference and webcast on the Financial Statements Bulletin on Wednesday, January 27, 2015, at 11:00 a.m. (Finnish Time, EEST) at the Kämp Hotel (Paavo Nurmi meeting rooms), Kluuvikatu 2, Helsinki, Finland. The news conference can also be viewed live on Caverion's website at www.caverion.com/investors. It is also possible to participate in the event through a conference call by calling the assigned number +44 (0)20 7162 0077 at 10:55 a.m. (Finnish time, EEST) at the latest. Participant code for the conference call is "Caverion". More practical information on the news conference can be found on Caverion's website, www.caverion.com/investors.

Annual General Meeting 2016

Caverion Corporation's Annual General Meeting will be held on Monday, March 21, 2016, starting at 10:00 a.m. (Finnish time, EET) in Messukeskus in Helsinki, Finland. Full notice of the meeting, including the Board of Directors' proposals to the Annual General Meeting, will be published as a separate stock exchange release.

Financial information in 2016

The Annual Report, including the financial statements for 2015, will be published on Caverion's website and IR App in English and Finnish at the latest during week 8 in February 2016. Interim Reports will be published on April 28, July 21 and October 27, 2016.

Financial reports and other investor information are available on Caverion's website, www.caverion.com/investors, and IR App. The materials may also be ordered by sending an e-mail to IR@caverion.com.

CAVERION CORPORATION

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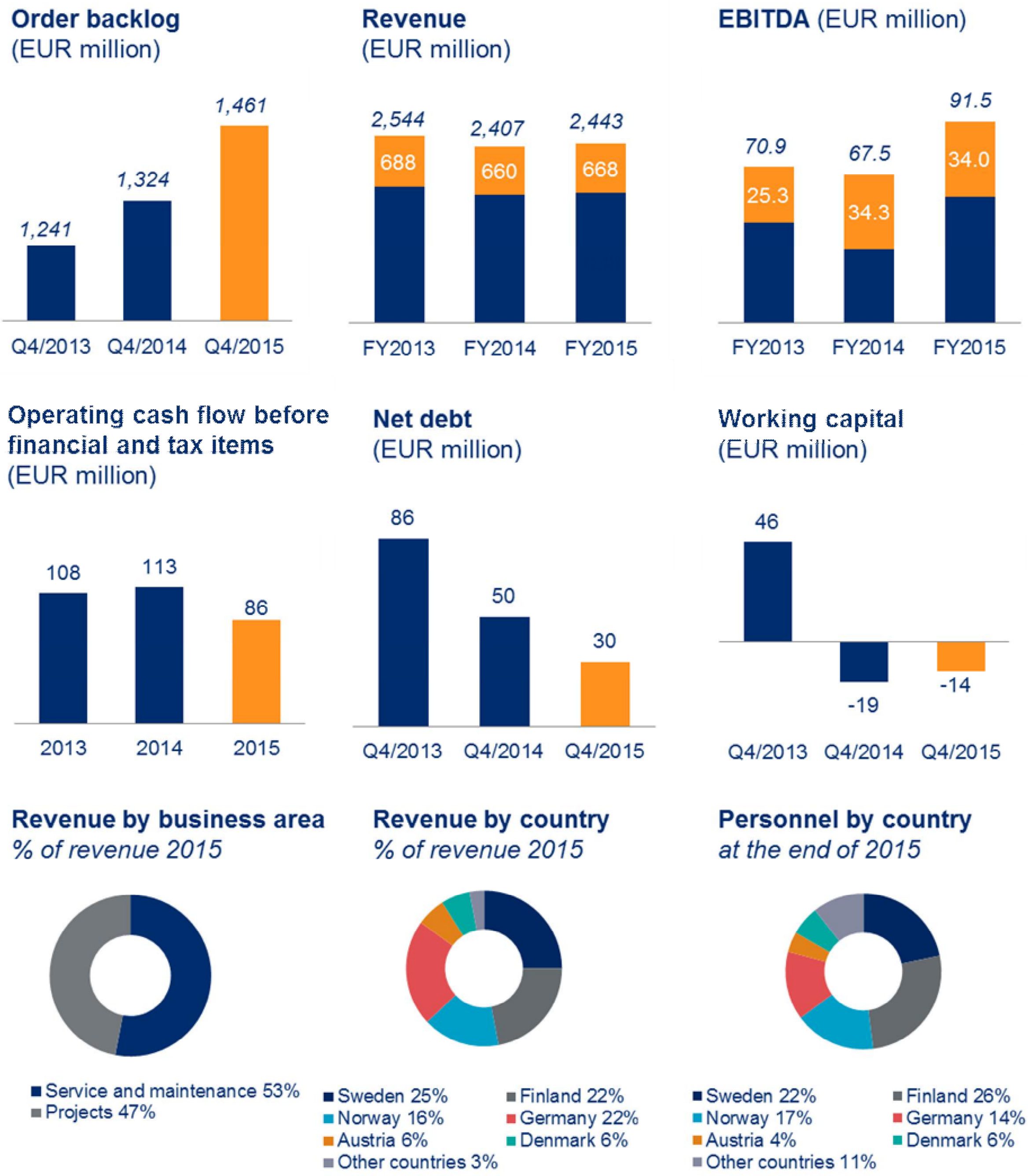
GROUP FINANCIAL DEVELOPMENT

Comparative figures for 2013 are carve-out figures for the periods before the effective date of the partial demerger (June 30, 2013).

Key Figures



Operating environment in the fourt quarter and during 2015

The overall market situation was relatively stable throughout the year. Demand developed favourably in Germany and Sweden. Eastern Europe, Austria, Finland and Denmark remained stable. In Norway, the general economy has been impacted by the slowdown in the oil industry. Caverion has actively responded to the recent market changes in Norway through careful selection of new projects and service contracts as well as by proving its long-term commitment to key clients while also restructuring its operations.

The market for technical installation and maintenance business was stable throughout the year. Requirements for increased energy efficiency, better indoor climate and tightening environmental legislation are significant factors to support positive market development. Caverion was also successful in Industrial Solutions in executing seasonal maintenance during shutdowns. In Norway, the slowdown in the oil industry also had an effect on the technical installation and maintenance business.

In general in the market for large projects, development was good with new clients and contracts. Positive signs were seen in tendering activity, especially in the public and industrial sectors. The demand for design & build of total technical solutions developed favourably within large and technically demanding projects. Low interest rates and availability of financing supported investments. A tough pricing environment prevailed but Caverion was able to maintain its price levels with focus on quality and execution. In Norway and Austria there have been postponements in new investments. In certain industries, such as the nuclear industry in Germany and Sweden, the mining industry in Sweden and the oil industry in Norway, there were however less investments made compared to the previous year, which resulted in project postponements or cancellations.

Demand for managed services remained strong. Clients' willingness to focus on their core operations opened up new opportunities for Caverion in terms of outsourced operation and maintenance mainly for public authorities, industries and utilities. Interest in private public partnerships and other life cycle solutions was increasing while these kind of commercial models still represent only a marginal part of the entire market.

Order backlog

The order backlog increased by 10 percent compared to the previous year and amounted to EUR 1,461.4 million at the end of December (end of December 2014: EUR 1,323.6 million), reflecting our growth targets in Large Projects and Managed Services. The order backlog decreased by 1 percent compared to the previous quarter (end of September 2015: EUR 1,477.2 million). At comparable exchange rates the order backlog increased by 11 percent from the end of December 2014 and decreased by 1 percent from the end of September 2015.

Revenue

October–December

The revenue for October–December remained on par with the previous year and was EUR 667.8 (660.2) million. The revenue growth was largest in Finland and Germany compared to the previous year. In Finland the main driver for growth was the increased activity among industrial clients, while in Germany the increase was due to improved demand in Large Projects. In Norway, the general economy has been impacted by the slowdown in the oil industry, which has also had an effect on the demand in the technical installation and maintenance business. In Norway the revenue with comparable exchange rates decreased by 8 percent compared to the previous year.

The service and maintenance revenue for October–December was in par with the previous year and amounted to EUR 349.8 (349.8) million, or 52 (53) percent of the Group's total revenue. The project revenue increased by 2 percent compared to the previous year and was EUR 318.0 (310.4) million, or 48 (47) percent of the Group's total revenue.

Changes in foreign exchange rates decreased the Group's total revenue for October–December by EUR 12.1 million compared to the previous year, of which the Norwegian crown accounted for EUR 8.8 million, the Russian rouble for EUR 2.3 million and the Swedish crown for EUR 1.0 million. Revenue increased by 3 percent at previous year's exchange rates for October–December.

January–December

Revenue in January–December increased by 2 percent compared to the previous year and amounted to EUR 2,443.0 (2,406.6) million. With comparable exchange rates the revenue increased by 4 percent from the previous year. Revenue increased in all countries apart from Norway. In Norway, the general economy has been impacted by the slowdown in the oil industry as described above. Additionally, the full effect of the exit of one large technical installation and maintenance and IT services contract is now fully visible in Norway. In Norway the revenue with comparable exchange rates decreased by 6 percent compared to the previous year.

The Group revenue of service and maintenance business was on par with the previous year and totalled EUR 1,290.7 (1,297.0) million, or 53 (54) percent of the Group's total revenue. The Group revenue of project business increased by 4 percent and was EUR 1,152.3 (1,109.5) million, or 47 (46) percent of the Group's total revenue.

Changes in foreign exchange rates decreased the Group's total revenue for January–December by EUR 56.2 million compared to the previous year, of which the Norwegian crown accounted for EUR 28.2 million, the Swedish crown for EUR 17.1 million and the Russian rouble for EUR 11.0 million.

Distribution of revenue

Revenue, EUR million	10-12/ 2015	%	10-12/ 2014	%	Change	1-12/ 2015	%	1-12/ 2014	%	Change
Sweden	168.8	25%	169.2	26%	0%	604.4	25%	597.2	25%	1%
Finland	150.8	23%	138.4	21%	9%	547.1	22%	521.1	22%	5%
Germany	149.4	22%	137.6	21%	9%	526.4	22%	496.2	21%	6%
Norway	101.5	15%	119.4	18%	-15%	400.8	16%	458.3	19%	-13%
Austria	39.2	6%	38.6	6%	1%	147.0	6%	136.3	6%	8%
Denmark	35.9	5%	36.3	6%	-1%	138.9	6%	126.6	5%	10%
Other countries	22.3	3%	20.6	3%	8%	78.4	3%	70.8	3%	11%
Group, total	667.8	100%	660.2	100%	1%	2,443.0	100%	2,406.6	100%	2%
- Service and maintenance	349.8	52%	349.8	53%	0%	1,290.7	53%	1,297.0	54%	0%
- Projects	318.0	48%	310.4	47%	2%	1,152.3	47%	1,109.5	46%	4%

Revenue by country is presented based on the Group company location.

Profitability

EBITDA

October–December

The EBITDA for October–December was in line with the previous year and amounted to EUR 34.0 (34.3) million, or 5.1 (5.2) percent of revenue. Caverion has continued investments in common processes, which has also been reflected in operational expenses. This includes training, restructuring and exiting operations and local businesses, which are not in line with the group strategy.

During the period, Caverion set up a new operational model for its Industrial Solutions operations whereby the Industrial Solutions business in each country will legally operate under the local Caverion division as of January 1, 2016. In Finland, the implementation of the new operational model for Industrial Solutions, Finland as part of Caverion Suomi Oy resulted in restructuring expenses amounting to EUR 1.3 million. The EBITDA for the period is also burdened by legal expenses of EUR 0.5 million related to the ongoing investigation of possible violation of competition laws in Germany.

In Norway, the general economy has been impacted by the slowdown in the oil industry as described above under the Revenue section.

January–December

The EBITDA increased compared to the previous year and amounted to EUR 91.5 (67.5) million in January–December, or 3.7 (2.8) percent of revenue. Caverion has invested in its harmonised operational model and processes, which has also been reflected in operational expenses. This includes training, restructuring and exiting operations and local businesses, which are not in line with the group strategy.

In Norway, the general economy has been impacted by the slowdown in the oil industry as described above under the Revenue section. Additionally, the full effect of the exit of one large technical installation and maintenance and IT services contract is now fully visible in Norway. The remaining low-performing projects in Norway were finalised during the first quarter. In one of these projects the provision made during the second quarter of 2014 was insufficient, and the additional negative impact of closing that project amounted to EUR 2.9 million during January–March.

In Germany a couple of projects in handover stage had a negative impact of EUR 4.3 million on the EBITDA for July–September. The EBITDA for the period is also burdened by legal expenses of EUR 1.1 million related to the ongoing investigation of possible violation of competition laws in Germany.

During the period, Caverion set up a new operational model for its Industrial Solutions operations whereby the Industrial Solutions business in each country will legally operate under the local Caverion division as of January 1, 2016. In Finland, the implementation of the new operational model for Industrial Solutions, Finland as part of Caverion Suomi Oy resulted in restructuring expenses amounting to EUR 1.3 million. In addition, Caverion had one technical incident in Finland resulting in a settlement with an industrial client during January–March, amounting to EUR 0.7 million.

Operating profit

October–December

The operating profit for October–December amounted to EUR 26.9 (28.1) million, or 4.0 (4.3) percent of revenue.

Depreciation, amortisation and impairment amounted to EUR 7.0 (6.2) million in October–December, of which EUR 1.7 million were allocated intangibles related to acquisitions and EUR 5.4 million were other depreciations.

January–December

Caverion's operating profit increased compared to the previous year, amounting to EUR 65.0 (44.2) million in January–December, or 2.7 (1.8) percent of revenue.

Depreciation, amortisation and impairment amounted to EUR 26.5 (23.3) million in January–December, of which EUR 8.1 million were allocated intangibles related to acquisitions and EUR 18.3 million were other depreciations.

The other factors affecting operating profit have been described in more detail under EBITDA.

Profit before taxes, net profit and earnings per share

Profit before taxes amounted to EUR 61.3 (36.5) million, net profit to EUR 46.6 (27.6) million and earnings per share to EUR 0.37 (0.22) in January–December. The net financing expenses in January–December 2015 were EUR -3.7 (-7.6) million.

The effective tax rate of the Group was 24.0 (24.5) percent in January–December.

Capital expenditure, acquisitions and disposals

During the past year, Caverion has invested in its harmonised operational model, processes and systems. Gross capital expenditure on non-current assets included in the balance sheet totalled EUR 26.9 (23.4) million during January–December, representing 1.1 (1.0) percent of revenue.

Investments in information technology totalled EUR 18.2 (16.3) million during January–December 2015. IT investments were focused on building a harmonised IT platform and implementing a common ERP template. The IT systems and mobile tools were also developed to improve the internal processes and efficiency. Other investments, including acquisitions, amounted to EUR 8.7 (7.1) million.

Caverion Corporation has on February 26, 2015 signed an agreement with Eneas Holding AS on the purchase of the Norwegian company Esco Norway AS. In 2014, the company's revenue was EUR 4.8 million. The company employs 17 people. The purchase price was not disclosed.

Caverion has sold its small local operations in Romania, Singapore and Malaysia through management buy-out transactions during the first quarter of 2015. This has no material impact on the financial position and performance of Caverion Group. After the divestments Caverion no longer holds any subsidiaries outside of Europe. Furthermore, Caverion has divested some local activities, which were not in line with the Group strategy.

Cash flow, working capital and financing

The Group's operating cash flow before financial and tax items amounted to EUR 85.8 (113.5) million in January–December 2015. The Group's operating cash flow after investments amounted to EUR 49.5 (73.5) million in January–December 2015.

Working capital decreased to EUR -13.6 million at the end of December (9/2015: EUR 36.1 million), an improvement of EUR 49.7 million from the previous quarter.

In May 2015 Caverion agreed on a new financing arrangement totalling EUR 200 million, which replaced the old syndicated term loan and revolving credit facility originally agreed to mature in June 2016. The new financing arrangement comprises a five-year syndicated unsecured revolving credit facility of EUR 100 million and five-year bilateral unsecured term loans in total of EUR 100 million. Through refinancing Caverion strengthened its debt maturity structure and was able to take advantage of the prevailing market conditions.

Caverion's cash and cash equivalents amounted to EUR 68.1 million at the end of December (9/2015: EUR 40.5 million). In addition, Caverion has undrawn revolving credit facilities amounting to EUR 100.0 million and undrawn overdraft facilities amounting to EUR 19.0 million.

Our strong cash position enabled voluntary repayment of borrowings by EUR 34.1 million in January-December 2015. The Group's interest-bearing loans and borrowings amounted to EUR 97.9 million at the end of December (9/2015: EUR 142.5 million), and the average interest rate after hedges was 1.3 percent. Fixed-rate loans after hedges against interest rate rise accounted for almost 100 percent of the Group's borrowings. Approximately 92 percent of the loans have been raised from banks and other financial institutions, and approximately 6 percent from insurance companies. A total of EUR 22.7 million of the interest-bearing loans and borrowings will fall due during the next 12 months.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA. Net debt amounted to EUR 29.8 million at the end of December (9/2015: EUR 101.9 million).

PERSONNEL

Personnel by country, end of period	12/15	9/15	Change	12/15	12/14	Change
Finland	4,569	4,651	-2%	4,569	4,697	-3%
Sweden	3,779	3,812	-1%	3,779	3,868	-2%
Norway	2,944	2,942	0%	2,944	3,085	-5%
Germany	2,471	2,425	2%	2,471	2,415	2%
Austria	733	732	0%	733	722	2%
Denmark	1,050	1,047	0%	1,050	1,041	1%
Other countries	1,853	1,841	1%	1,853	1,527	21%
Group, total	17,399	17,450	0%	17,399	17,355	0%

In January–December the Group employed 17,321 (17,490) people on average. At the end of December, the Group employed 17,399 (17,355) people. The personnel expenses for January–December amounted to a total of EUR 978.2 (995.2) million. Caverion Group employed approximately 1,300 summer trainees and apprentices in 2015. The figures in Norway include an adjustment to include apprentices in the total amount for 2014 and 2015.

The key focus areas for human resources and people in 2015 were to continue building a firm foundation for future growth and competitiveness, an efficient way of operating and support to lead transformation professionally. During the period, Caverion strengthened its international and local teams with senior leaders, key professionals and trainees to grow by recruiting and conducting several trainee and apprentice activities in all divisions. The strategic focus area Excellent Leadership was continued to lead effectively group-wide development projects such as common talent management and succession planning practices to mitigate people related risks, implementation of a common job structure with career paths and performance based compensation, group-wide leadership development program and implementation of common people processes with integrated solutions. The group-wide work safety project progressed with high ambition level. In November 2015, the employee engagement survey results with a high response rate and improving engagement were communicated group wide, as a basis for further development and actions.

One of the key targets of the Caverion human resource and safety management is to provide prerequisites for health and safe working circumstances for all employees. Occupational safety is measured using a common indicator (number of accidents per one million working hours). In 2015, the accident frequency rate was 8.3 (1–12/2014: 10.1).

Changes in Caverion's division structure and Group Management Board

Caverion announced on November 9, 2015 that it is renewing its division structure by combining its operations in Denmark and Norway under one new division to be formed as of January 1, 2016. After the change there will be seven divisions in Caverion. The new division is the third largest division in the Group with a combined revenue of EUR 540 million based on the reported figures in 2015. Knut Gaaserud, the former Executive Vice President & CEO, Division Norway, is responsible for the new division reporting to President and CEO Fredrik Strand. Mr. Gaaserud also continues as a member of the Group Management Board of Caverion. Mr. Peter Rafn, Senior Vice President & CEO of Division Denmark resigned from the Group Management Board of Caverion as of January 1, 2016.

Furthermore, the following changes in Caverion's Group Management Board took place as of October 1, 2015 in order to align the management structure with the execution of the next stage of strategy. Two new group functions reporting to President and CEO Fredrik Strand were establisehd: Group Business Development & Marketing and Group Delivery & Operations Development. These replaced the former two group functions Service Efficiency and Project Excellence. Caverion appointed Carina Qvarngård as Senior Vice President, Group Business Development & Marketing in September. Mr. Matti Malmberg, the head of the discontinued group function Service Efficiency, is responsible for the new group function Group Delivery & Operations Development focusing on the development of the delivery view for Caverion's market offering in all service areas.

MOST SIGNIFICANT BUSINESS RISKS AND RISK MANAGEMENT

Caverion Group classifies as risks those factors that might endanger the achievement of the Group's strategic and financial goals. Risks are divided into strategic, operational, financial and event risks. The identification and management of risk factors takes into account the special features of the business and operating environment. Risk management is an integral part of the Group’s management, monitoring and reporting systems. The nature and probability of strategic risks is continuously monitored and reported. A strategic risk assessment is carried out at Group level once a year in connection with the review of the strategy.

From a strategic point-of-view, Caverion has developed its business mix to be more stable and balanced, in order to handle changing economic cycles. Regular monitoring and analysis make it possible to react quickly to changes in the operating environment and to capitalise on new business opportunities. The company has an extensive customer base, comprised of customers of various sizes from the public as well as private sector.

The Group's aim is to grow both organically and through acquisitions. Risks associated with acquisitions and outsourcing are managed by selecting projects according to strict criteria and effective integration processes that familiarise new employees with Caverion's values, operating methods and strategy. The Group has a uniform process and guidelines for the implementation of acquisitions.

Caverion's typical operational risks include risks related to tenders, service agreements, project management and personnel. With regard to various projects, it is important to act selectively, taking into account the risks and profitability of the projects and review the content, risks and terms and conditions of all contracts and agreements in accordance with specified processes. Inefficient and unsuccessful project management may have a material effect on Caverion’s ability to offer high-quality and profitable services, which may have an unfavourable effect on Caverion’s business, result of operations and financial position. As the business mix is changing in line with our strategy the share of long-term contracts is expected to increase proportionally. This may increase the contractual risks in long-term contracts.

The investigation of violations of competition law related regulations in the technical services industry in Germany continues. As part of the investigation German authorities have searched information at various technical services providers, including Caverion. Caverion actively co-operates with the local authorities in the matter. Based on the currently available information, it is not possible to evaluate the magnitude of the potential risk and costs for Caverion related to these issues at the closing date. It is possible that the costs and/or sanctions can be material.

Following the insolvency of Imtech Germany the commitments of the consortium ImCa at the Berlin Brandenburg Airport lie solely with Caverion. This does not have a material impact on Caverion’s commitments at the end of the period.

In 2015 Caverion strengthened its Enterprise Risk Management and Compliance organisations and started to re-evaluate and develop the related processes. Caverion has also launched an annual, group-wide compliance training program that all employees will go through.

Caverion’s business does not include significant environmental risks. The most significant opportunity for influencing global carbon footprint is the result of cooperation with customers. Caverion continuously develops its products and services that make it possible to decrease the environmental impacts of its clients’ operations. Caverion offers its customers a variety of energy efficiency services: for example, property energy inspections and analyses, energy-efficient building systems and modernisations adjustment and automation of systems. The carbon dioxide emissions of Caverion’s own operations are mainly caused by the fuel consumption of its service vehicles. The company utilises logistics solutions that help to decrease greenhouse gas emissions in the transport of both goods and personnel.

The success of the company materially depends on the professional skills of the company’s management and personnel, as well as on the ability of the company to retain its current management and personnel and, when necessary, recruit new and skilled personnel. The majority of Caverion's business is labour-intensive, meaning that the availability and commitment of skilled employees is a prerequisite for organic growth and business success. The loss of executives or employees and the inability to attract qualified new personnel may have a material unfavourable effect on the company’s business, result of operations and financial position.

The Group books write-offs or provisions on receivables when it is evident that no payment can be expected. Caverion Group adopts its policy of valuing trade receivables and the bookings include estimates and critical judgements. The estimates are based on experience on realised write-offs in previous years, empirical knowledge of debt collecting, collateral and analyses made by clients and general market economic situation at the time.

Goodwill recognized on Caverion's balance sheet is not amortised, but it is tested annually for any impairment. The amount by which the carrying amount of goodwill exceeds the recoverable amount is recognised as an impairment loss through profit and loss. If negative changes take place in Caverion's result and growth development, this may lead to an impairment of goodwill, which may have an unfavourable effect on Caverion's result of operations and shareholders' equity. Caverion Group's goodwill amounted to EUR 335.7 million on December 31, 2015.

Financial risks include risks related to liquidity, currency and interest rates as well as credit and counterparty risks. The counterparty risks of Caverion's business operations are above all associated with fulfilling the obligations of agreements made with clients, client receivables and long-term service agreements. Financial risks and risks related to the financial reporting process are managed according to accounting principles and Treasury policy, internal control as well as internal and external auditing. Financial risks are described in more detail in the Financial Statements note 29.

Possible event risks include accidents related to personal or information security as well as sudden and unforeseen material damage to premises, project sites and other property resulting, for example, from fire, collapse or theft. Event risks are covered in accordance with the Caverion Group insurance policies.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

The Annual General Meeting of Caverion, held on March 16, 2015, decided on the composition of the Board of Directors and their fees, the election of the auditor and its fee as well as the authorisation of the Board of Directors on the repurchase of own shares and share issues.

The Annual General Meeting elected a Chairman, Vice Chairman and four ordinary members to the Board of Directors. Ari Lehtoranta was elected as the Chairman, Michael Rosenlew as the Vice Chairman and Markus Ehrnrooth, Anna Hyvönen, Eva Lindqvist and Ari Puheloinen as members. The Board of Directors' term expires at the closing of the Annual General Meeting to be held in March 2016.

The stock exchange release on the resolutions passed at the Annual General Meeting is available on Caverion's website at www.caverion.com.

The Board of Directors held its organisational meeting on March 16, 2015. At the meeting the Board decided on the composition of the Human Resources Committee and the Audit Committee. A description of the committees' tasks and charters are available on Caverion's website at www.caverion.com.

DIVIDENDS AND DIVIDEND POLICY

The Annual General Meeting, held on March 16, 2015, decided that a dividend of EUR 0.22 was to be paid per share, or a total of EUR 27.5 million. No dividend was paid for the treasury shares. Dividend payment record date was March 18, 2015, and the dividends were paid on April 2, 2015.

Caverion's aim is to distribute at least 50 per cent of the result for the year after taxes, excluding changes in fair value, as dividend and capital redemption to the company's shareholders. Even though there are no plans to amend this dividend policy, there is no guarantee that a dividend or capital redemption will actually be paid in the future, and also there is no guarantee of the amount of the dividend or return of capital to be paid for any given year.

SHARES AND SHAREHOLDERS

Caverion Corporation is a public limited company organised under the laws of the Republic of Finland, incorporated on the effective date of YIT's partial demerger on June 30, 2013. The company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. The company's shares have no nominal value.

Share capital and number of shares

At the beginning of January 1, 2015, the number of shares was 125,596,092 and the share capital was EUR 1,000,000. Caverion held 509,257 treasury shares on January 1, 2015.

During January–December, 2,834 Caverion shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme of YIT Corporation. Caverion held 512,091 treasury shares at the end of December 2015. Number of shares outstanding was thus 125,084,001 on December 31, 2015. Own shares held by Caverion Corporation represent 0.41% of the total number of shares and voting rights.

Caverion has not made any decision regarding the issue of option rights or other special rights entitling to shares. Caverion's Board of Directors approved a new long-term share-based incentive plan for the Group's senior management in December 2015. The new plan consists of a Performance Share Plan, complemented with a Restricted Share Plan for special situations. Both plans consist of annually commencing individual plans, each with a three-year period. The commencement of each new plan is subject to a separate decision of the Board. The first plans will commence at the beginning of 2016 and any potential share rewards thereof will be delivered in the spring of 2019. If all targets of the Performance Share Plan will be met, the share rewards based on the first plans for 2016-2018 will comprise a maximum of approximately 728,000 Caverion shares (gross before the deduction of applicable payroll tax). More information on incentive plan was released in a stock exchange release on December 18, 2015. Furthermore, more information on the earlier long-term share-based incentive plan 2014−2016 for the company's key senior executives has been released in a stock exchange release on May 26, 2014.

Authorisations of the Board of Directors

Authorising Caverion's Board of Directors to decide on the repurchase of own shares of the company

The Annual General Meeting of Caverion Corporation, held on March 16, 2015, authorised Caverion's Board of Directors to decide on the repurchase of own shares. The authorisation covers the purchasing of a maximum of 12,000,000 company shares using the funds from the company's unrestricted equity. The shares may be repurchased other than pro rata to the shareholders' existing holdings. The shares will be purchased at the regulated market organized by Nasdaq Helsinki Ltd. The authorisation is valid for eighteen months from the date of the resolution of the Annual General Meeting. The Board of Directors has not used the authorization during 2015.

Authorising Caverion's Board of Directors to decide on share issues

The Annual General Meeting authorised Caverion's Board of Directors to decide on share issues. The authorisation may be used in full or in part by issuing a maximum of 25,000,000 Caverion shares in one or more issues. The share issues may be directed, that is, in deviation from the shareholders' pre-emptive rights, and shares may be issued for subscription against payment or without charge. A share issue may also be directed to the company itself, within the limitations laid down in the Limited Liability Companies Act.

The share issue authorisation also includes the authorisation to transfer own shares. This authorisation applies to a maximum of 12,000,000 shares. The Board of Directors was authorised to decide on the purpose and the terms and conditions for such transfer. The authorisation is valid until March 31, 2016. The Board of Directors has not used the authorization during 2015.

Trading in shares

The opening price of Caverion's share was EUR 6.67 at the beginning of the year 2015. The closing rate on the last trading day of the review period on December 30 was EUR 9.03. The share price increased by 35.4 percent during January–December. The highest price of the share during the review period January–December was EUR

9.69, the lowest was EUR 6.67 and the average price was EUR 8.69. Share turnover on Nasdaq Helsinki in January–December amounted to 36.4 million shares. The value of share turnover was EUR 316.6 million (source: Nasdaq Helsinki).

Caverion's shares are also traded in other market places, such as BATS Chi-X, Frankfurt Stock Exchange (Open Market), Turquoise and Burgundy. During January–December, 4.9 million Caverion Corporation shares changed hands in alternative market places, corresponding to approximately 9.4 percent of the total share trade. Of the alternative market places, Caverion shares changed hands particularly in BATS Chi-X. Furthermore, during January–December, 10.9 million Caverion Corporation shares changed hands in OTC trading outside Nasdaq Helsinki, corresponding to approximately 20.9 percent of the total share trade (source: Fidessa Fragmentation Index).

Caverion Corporation's market capitalisation at the end of the review period was EUR 1,129.5 million. Market capitalisation has been calculated excluding the 512,091 shares held by the company as per December 31, 2015.

Number of shareholders and flagging notifications

At the end of December 2015, the number of registered shareholders in Caverion was 30,594 (9/2015: 30,416). At the end of December 2015, a total of 34.6 percent of the shares were owned by nominee-registered and non-Finnish investors (9/2015: 35.2%).

On March 4, 2015 the company published a disclosure of change in ownership in Caverion Corporation in accordance with Chapter 9, section 5 of the Securities Market Act, according to which the holdings of Security Trading Ltd, a company controlled by Antti Herlin, in Caverion Corporation shares had exceeded the threshold of 1/10 (10 percent).

Updated lists of Caverion's largest shareholders, the holdings of public insiders and ownership structure by sector as per December 31, 2015, are available on Caverion's website at www.caverion.com/investors.

The Board of Directors' proposal for the distribution of profit

The distributable equity of the parent company Caverion Corporation on December 31, 2015 is (EUR):

Retained earnings	120,888,181.16
Profit for the period	25,097,333.59
Retained earnings, total	145,985,514.75
Fair value reserve	-295,661.98
Distributable equity, total	145,689,852.77

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 per share be paid, in line with the Group's long-term dividend payment policy.

Payment of dividend from retained earnings EUR 0.28 per share	35,023,520.28
To remain in distributable equity (EUR)	110,666,332.49

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not jeopardise the company's solvency.

Helsinki, January 26, 2016

Caverion Corporation

Board of Directors

FINANCIAL STATEMENTS BULLETIN JANUARY 1–DECEMBER 31, 2015: FINANCIAL TABLES

The Financial Statements Bulletin is based on the audited Financial Statements for 2015.

Condensed consolidated income statement

EUR million	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Revenue	**667.8**	**660.2**	**2,443.0**	**2,406.6**
Other operating income and expenses	-633.8	-625.9	-2,351.6	-2,339.1
Share of results of associated companies			0.0	0.0
Depreciation, amortisation and impairment	-7.0	-6.2	-26.5	-23.3
Operating profit	**26.9**	**28.1**	**65.0**	**44.2**
% of revenue	4.0	4.3	2.7	1.8
Financial income and expenses, net	-1.1	-1.8	-3.7	-7.6
Profit before taxes	**25.9**	**26.3**	**61.3**	**36.5**
% of revenue	3.9	4.0	2.5	1.5
Income taxes	-5.0	-6.3	-14.7	-8.9
Profit for the period	**20.9**	**20.0**	**46.6**	**27.6**
% of revenue	3.1	3.0	1.9	1.1
Attributable to:				
Equity holders of the parent company	20.9	20.0	46.6	27.6
Non-controlling interest	0.0	0.0	0.0	0.0
Earnings per share attributable to the equity holders of the parent company				
Earnings per share, basic, EUR	0.17	0.16	0.37	0.22
Earnings per share, diluted, EUR	0.17	0.16	0.37	0.22

Consolidated statement of comprehensive income

EUR million	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Profit for the period	**20.9**	**20.0**	**46.6**	**27.6**
Other comprehensive income				
Items that will not be reclassified to profit/loss:				
- Change in fair value of defined benefit pension	0.4	-9.9	4.4	-6.9
-- Deferred tax	0.3	2.0	0.4	1.4
Items that may be reclassified subsequently to profit/loss:				
- Cash flow hedges	-0.1	0.0	-0.3	0.1
-- Deferred tax		0.0		0.0
- Change in fair value of available for sale investments	0.0	-0.6	0.2	-0.6
-- Deferred tax		0.2		0.2
- Translation differences	0.5	-1.5	-4.8	-3.5
Other comprehensive income, total	**1.1**	**-9.9**	**-0.1**	**-9.4**
Total comprehensive result	**22.0**	**10.1**	**46.5**	**18.2**
Attributable to:				
Equity holders of the parent company	22.0	10.1	46.5	18.2
Non-controlling interests	0.0	0.0	0.0	0.0

Condensed consolidated statement of financial position

EUR million	Dec 31, 2015	Dec 31, 2014
Assets		
Non-current assets		
Property, plant and equipment	27.4	26.0
Goodwill	335.7	335.7
Other intangible assets	47.5	51.0
Shares in associated companies	0.2	0.1
Other investments	1.4	1.3
Other receivables	2.6	2.8
Deferred tax assets	1.0	0.7
Current assets		
Inventories	25.4	20.1
Trade and other receivables	649.4	597.8
Cash and cash equivalents	68.1	98.8
Total assets	**1,158.7**	**1,134.5**
Equity and liabilities		
Equity	**256.7**	**237.8**
Non-current liabilities		
Deferred tax liabilities	58.3	60.2
Pension obligations	40.6	39.9
Provisions	9.0	8.2
Borrowings	75.2	95.5
Other liabilities	0.4	0.2
Current liabilities		
Advances received	195.3	171.5
Trade and other payables	482.9	448.4
Provisions	17.7	19.4
Borrowings	22.7	53.5
Total equity and liabilities	**1,158.7**	**1,134.5**

Working capital

EUR million	Dec 31, 2015	Dec 31, 2014
Inventories	25.4	20.1
Trade and POC receivables	607.5	552.7
Other current receivables	40.9	43.5
Trade and POC payables	-256.7	-218.6
Other current payables *	-235.5	-245.5
Advances received	-195.3	-171.5
Working capital	**-13.6**	**-19.3**

* including current provisions

Consolidated statement of changes in equity

EUR million	Equity attributable to owners of the parent							
	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total	Non-controlling interest	Total equity
Equity on January 1, 2015	**1.0**	**241.7**	**-1.8**	**-0.6**	**-3.2**	**237.2**	**0.6**	**237.8**
Comprehensive income								
Profit for the period		46.6				46.6	0.0	46.6
Other comprehensive income:								
Change in fair value of defined benefit pension		4.4				4.4		4.4
-Deferred tax		0.4				0.4		0.4
Cash flow hedges				-0.3		-0.3		-0.3
Change in fair value of available for sale assets				0.2		0.2		0.2
Translation differences			-4.8			-4.8		-4.8
Comprehensive income, total		51.4	-4.8	-0.1		46.5	0.0	46.5
Transactions with owners								
Dividend distribution		-27.5				-27.5		-27.5
Share-based payments *		0.2			0.0	0.2		0.2
Transactions with owners, total		-27.3			0.0	-27.3		-27.3
Disposal of subsidiaries			0.0			0.0	-0.3	-0.2
Equity on December 31, 2015	**1.0**	**265.8**	**-6.5**	**-0.7**	**-3.2**	**256.3**	**0.4**	**256.7**

EUR million	Equity attributable to owners of the parent							
	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total	Non-controlling interest	Total equity
Equity on January 1, 2014	**1.0**	**247.0**	**1.7**	**-0.2**	**0.0**	**249.5**	**0.6**	**250.1**
Comprehensive income 1-12/14								
Profit for the period		27.6				27.6	0.0	27.6
Other comprehensive income:								
Change in fair value of defined benefit Pension		-6.9				-6.9		-6.9
- Deferred tax		1.4				1.4		1.4
Cash flow hedges				0.1		0.1		0.1
- Deferred tax				0.0		0.0		0.0
Change in fair value of available for sale assets				-0.6		-0.6		-0.6
- Deferred tax				0.2		0.2		0.2
Translation differences			-3.5			-3.5		-3.5
Comprehensive income 1-12/14, total		22.1	-3.5	-0.4		18.2	0.0	18.2
Transactions with owners								
Dividend distribution		-27.6				-27.6		-27.6
Purchase of own shares					-3.2	-3.2		-3.2
Share-based payments *		0.3			0.0	0.3		0.3
Transactions with owners, total		-27.3			-3.2	-30.5		-30.5
Equity on December 31, 2014	**1.0**	**241.7**	**-1.8**	**-0.6**	**-3.2**	**237.2**	**0.6**	**237.8**

* part of the cost from YIT Group’s share-based incentive plan transferred to Caverion Group in the partial demerger

Condensed consolidated statement of cash flows

EUR million	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Cash flows from operating activities				
Net profit for the period	20.9	20.0	46.6	27.6
Adjustments to net profit	13.9	15.7	44.8	27.8
Change in working capital	48.3	64.4	-5.6	58.1
Operating cash flow before financial and tax items	**83.1**	**100.0**	**85.8**	**113.5**
Financial items, net	-1.5	-1.6	-4.4	-5.7
Taxes paid	-2.7	-1.9	-9.9	-11.6
Net cash from operating activities	**78.9**	**96.6**	**71.6**	**96.2**
Cash flows used in investing activities				
Acquisitions and disposals of subsidiaries, net of cash	0.2		0.6	-0.4
Capital expenditure and other investments, net	-6.9	-10.6	-22.7	-22.4
Net cash used in investing activities	**-6.8**	**-10.6**	**-22.1**	**-22.7**
Cash flows used in financing activities				
Change in current liabilities, net	-14.2	-1.5	-1.6	-3.1
Repayments of borrowings	-30.2	-23.3	-50.5	-68.5
Purchase of own shares				-3.2
Dividends paid			-27.6	-27.7
Net cash used in financing activities	**-44.4**	**-24.7**	**-79.6**	**-102.5**
Change in cash and cash equivalents	**27.8**	**61.2**	**-30.0**	**-29.0**
Cash and cash equivalents at the beginning of the period	40.5	41.9	98.8	133.3
Change in the fair value of the cash equivalents	-0.2	-4.3	-0.6	-5.5
Cash and cash equivalents at the end of the period	**68.1**	**98.8**	**68.1**	**98.8**

Notes to the Financial Statements Bulletin

1 Accounting principles

Caverion Corporation's financial statements bulletin for January 1 – December 31, 2015 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The information presented in this financial statements bulletin is based on the audited financial statements for 2015. Caverion has applied the same accounting principles in the preparation of the financial statements bulletin as in its Financial Statements for 2015.

In the financial statements bulletin the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in column and total sums.

2 Key figures

	12/2015	12/2014
Revenue, EUR million	2,443.0	2,406.6
EBITDA, EUR million	91.5	67.5
EBITDA margin, %	3.7	2.8
Operating profit, EUR million	65.0	44.2
Operating profit margin, %	2.7	1.8
Profit before taxes, EUR million	61.3	36.5
% of revenue	2.5	1.5
Profit for the period, EUR million	46.6	27.6
% of revenue	1.9	1.1
Earnings per share, basic, EUR	0.37	0.22
Earnings per share, diluted, EUR	0.37	0.22
Equity per share, EUR	2.0	1.9
Financial income and expenses, net, EUR million	-3.7	-7.6
Equity ratio, %	26.6	24.7
Interest-bearing net debt, EUR million	29.8	50.2
Gearing ratio, %	11.6	21.1
Total assets, EUR million	1,158.7	1,134.5
Operating cash flow before financial and tax items, EUR million	85.8	113.5
Working capital, EUR million	-13.6	-19.3
Gross capital expenditures, EUR million	26.9	23.4
% of revenue	1.1	1.0
Order backlog, EUR million	1,461.4	1,323.6
Personnel, average for the period	17,321	17,490
Number of outstanding shares at the end of the period (thousands)	125,084	125,087
Average number of shares (thousands)	125,085	125,381

3 Financial development by quarter

EUR million	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015	10-12/ 2014	7-9/ 2014	4-6/ 2014	1-3/ 2014
Revenue	667.8	573.7	638.1	563.4	660.2	566.7	588.4	591.3
EBITDA	34.0	21.3	22.0	14.2	34.3	21.5	2.1	9.6
EBITDA margin, %	5.1	3.7	3.4	2.5	5.2	3.8	0.4	1.6
Operating profit	26.9	14.7	15.5	7.9	28.1	15.7	-3.6	3.9
Operating profit margin, %	4.0	2.6	2.4	1.4	4.3	2.8	-0.6	0.7

	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015	10-12/ 2014	7-9/ 2014	4-6/ 2014	1-3/ 2014
Earnings per share, basic, EUR	0.17	0.08	0.08	0.04	0.16	0.08	-0.03	0.01
Earnings per share, diluted, EUR	0.17	0.08	0.08	0.04	0.16	0.08	-0.03	0.01
Equity per share, EUR	2.0	1.9	1.8	1.7	1.9	1.8	1.7	1.8
Financial income and expenses, net, EUR million	-1.1	-1.0	-1.0	-0.7	-1.8	-2.5	-1.9	-1.5
Equity ratio, %	26.6	24.9	23.7	22.6	24.7	23.1	21.8	20.2
Interest-bearing net debt, EUR million	29.8	101.9	84.9	49.7	50.2	131.6	142.5	104.1
Gearing ratio, %	11.6	43.4	37.3	23.0	21.1	57.8	64.8	46.6
Total assets, EUR million	1,158.7	1,129.2	1,138.8	1,135.4	1,134.5	1,165.0	1,180.2	1,259.1
Operating cash flow before financial and tax items, EUR million	83.1	-8.9	1.8	9.8	100.0	20.5	4.1	-11.1
Working capital, EUR million	-13.6	36.1	7.7	-13.1	-19.3	49.4	48.6	64.5
Gross capital expenditures, EUR million	9.0	5.0	5.5	7.3	10.8	4.3	5.2	3.1
% of revenue	1.3	0.9	0.9	1.3	1.6	0.8	0.9	0.5
Order backlog, EUR million	1,461.4	1,477.2	1,393.1	1,392.4	1,323.6	1,379.5	1,350.3	1,335.3
Personnel at the end of the period	17,399	17,450	17,414	17,202	17,355	17,483	17,613	17,421
Number of outstanding shares at the end of the period (thousands)	125,084	125,085	125,085	125,085	125,087	125,089	125,590	125,590
Average number of shares (thousands)	125,085	125,085	125,085	125,087	125,089	125,260	125,590	125,592

4 Formulas for calculation of financial indicators

EBITDA =	Operating profit (EBIT) + depreciation, amortisation and impairment
Working capital =	Inventories + trade and POC receivables + other current receivables - trade and POC payables - other current payables - advances received - current provisions
Equity ratio (%) =	Equity + non-controlling interest x 100 Total assets - advances received
Gearing ratio (%) =	Interest-bearing liabilities - cash and cash equivalents x 100 Shareholder's equity + non-controlling interest
Interest-bearing net debt =	Interest-bearing liabilities - cash and cash equivalents
Earnings / share, basic =	Net profit for the period (attributable for equity holders) Weighted average number of shares outstanding during the period
Earnings / share, diluted =	Net profit for the period (attributable for equity holders) Weighted average dilution adjusted number of shares outstanding during the period
Equity / share =	Shareholders' equity Number of outstanding shares at the end of period

5 Business combinations and disposals

Caverion Corporation signed on February 26, 2015 an agreement with Eneas Holding AS on the purchase of the Norwegian company Esco Norway AS. Esco Norway is an energy services provider with expertise in EPC contracts (Energy Performance Contracting), BMS (Building Management System), EMS (Energy Management Systems), energy advisory services, and engineering. In 2014, the company's revenue was EUR 4.8 million. The company employs 17 people.

Caverion sold its subsidiaries in Romania, Singapore and Malaysia through management buy-outs during Q1 2015. Romania was sold in January and Singapore and Malaysia in March 2015. The divestment of Singapore and Malaysia has retroactive effect as of January 1, 2015. These disposals have no material impact on the financial position and performance of Caverion Group.

6 Financial risk management

Caverion's main financial risks are liquidity risk, credit risk and market risks including foreign exchange and interest rate risk. The objectives and principles of financial risk management are defined in the Treasury Policy approved by the Board of Directors. Financial risk management is carried out by the Group Treasury in co-operation with the subsidiaries.

The objective of capital management in Caverion Group is to maintain the optimal capital structure, maximise the return on the respective capital employed, and to minimise the cost of capital within the limits and principles stated in the Treasury Policy. The capital structure is modified primarily by directing investments and working capital employed.

The table below presents the maturity structure of interest-bearing liabilities. The amounts are undiscounted. Cash flows of foreign denominated liabilities are translated into euro at the reporting date.

EUR million	2016	2017	2018	2019	2020->	Total
Interest-bearing liabilities	23.2	22.8	22.0	19.9	10.0	97.9

7 Financial assets and liabilities

Those financial assets and liabilities for which their carrying amounts do not correspond to their fair values are presented in the table below.

	Dec 31, 2015	Dec 31, 2015	Dec 31, 2014	Dec 31, 2014
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Loans from financial institutions	69.8	71.7	88.1	89.6
Pension loans	4.0	4.1	6.0	6.0
Other financial loans	0.5	0.5	0.5	0.5
Finance lease liabilities	0.9	1.0	0.9	1.0

Fair values for non-current loans are based on discounted cash flows. The discount rate used is the rate at which the Group could draw a similar external loan at the balance sheet date and it consists of risk-free market rate and a company-specific risk premium in accordance with the maturity of the loan.

The carrying amounts of all other financial assets and liabilities are reasonably close to their fair values.

Fair value hierarchy

The Group categorises the financial assets and liabilities measured at fair value into different levels of the fair value hierarchy as follows:

Level 1: The fair values are based on quoted prices in active markets for identical assets or liabilities.
Level 2: The fair values are based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: The fair values are based on inputs for the asset or liability that are not based on observable market data.

The table below presents the financial assets and liabilities measured at fair value categorised into different levels of the fair value hierarchy.

Assets Dec 31, 2015				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale investments	0.7		0.7	1.4
Derivatives (hedge accounting not applied)		0.1		0.1
Derivatives (hedge accounting applied)				
Total assets	**0.7**	**0.1**	**0.7**	**1.5**
Liabilities Dec 31, 2015				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		0.1		0.1
Derivatives (hedge accounting applied)		0.3		0.3
Total liabilities		**0.4**		**0.4**

Assets Dec 31, 2014				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale investments	0.6		0.7	1.3
Derivatives (hedge accounting not applied)		0.4		0.4
Derivatives (hedge accounting applied)				
Total assets	**0.6**	**0.4**	**0.7**	**1.7**
Liabilities Dec 31, 2014				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		0.6		0.6
Derivatives (hedge accounting applied)		0.0		0.0
Total liabilities		**0.6**		**0.6**

There were no transfers between the levels of the fair value hierarchy during the period ended December 31, 2015.

The fair values for the derivative instruments categorised in Level 2 have been defined as follows: The fair values of foreign exchange forward agreements have been defined by using the market prices on the closing day. The fair values of interest rate swaps are based on discounted cash flows.

The available-for-sale investments categorised in Level 3 are non-listed equity instruments and they are measured at acquisition cost less any impairment or prices obtained from a broker as their fair value cannot be measured reliably.

Changes in the items categorised into Level 3 are presented below:

EUR million	Assets Dec 31, 2015	Liabilities Dec 31, 2015	Assets Dec 31, 2014	Liabilities Dec 31, 2014
Opening balance	0.7		1.4	
Transfers into / from Level 3				
Purchases and sales				
Gains and losses recognised in profit or loss				
Gains and losses recognised in other comprehensive income			-0.7	
Closing balance	0.7		0.7	

Derivative instruments

Nominal amounts		
EUR million	**Dec 31, 2015**	**Dec 31, 2014**
--Interest rate derivatives	90,0	20.0
--Foreign exchange forwards	76,9	33.3

Fair values		
EUR million	**Dec 31, 2015**	**Dec 31, 2014**
--Interest rate derivatives		
positive fair value		
negative fair value	-0.3	0.0
--Foreign exchange forwards		
positive fair value	0.1	0.4
negative fair value	-0.1	-0.6

Hedge accounting in accordance with IAS 39 is applied to all interest rate derivatives. Hedge accounting is not applied to other derivative instruments.

8 Commitments and contingent liabilities

EUR million	Dec 31, 2015	Dec 31, 2014
Guarantees given on behalf of associated companies	0.2	0.2
Parent company's guarantees on behalf of its subsidiaries	491.7	502.8
Other commitments		
- Operating leases	169.2	189.2
- Other contingent liabilities	0.2	0.2

Entities participating in the demerger are jointly and severally responsible for the liabilities of the demerging entity which have been generated before the registration of the demerger. Hereby, a secondary liability up to the allocated net asset value has been generated to Caverion Corporation, incorporated due to the partial demerger of YIT Corporation, for those liabilities that have been generated before the registration of the demerger and remain with YIT Corporation after the demerger. Except for the bond holders of YIT Corporation's certain floating rate bond, the creditors of YIT Corporation's major financial liabilities have waived their right to claim for a settlement from Caverion Corporation on the basis of the secondary liability. The nominal amount for this YIT Corporation's floating rate bond was EUR 7.2 million on December 31, 2015, and it matures in 2016. In addition, Caverion Corporation has a secondary liability relating to the Group guarantees that remain with YIT Corporation after the demerger. These Group guarantees amounted to EUR 338.2 million at the end of December 2015.

The investigation of violations of competition law related regulations in the technical services industry in Germany continues. As part of the investigation German authorities have searched information at various technical services providers, including Caverion. Caverion actively co-operates with the local authorities in the matter. Based on the currently available information, it is not possible to evaluate the magnitude of the potential risk and costs for Caverion related to these issues at the closing date. It is possible that the costs and/or sanctions can be material.

9 Events after the reporting period

Caverion signed a managed services contract on January 26, 2016 worth more than EUR 80 million with general contractor A. Enggaard and Nordea to deliver a managed life cycle project for a new office building to be used by several public sector authorities at Kalvebod Brygge in Copenhagen, Denmark. It is one of the largest public-private partnership (PPP) projects in Denmark and also one of the largest orders Caverion has ever received. The contract is included in Caverion's Q1/2016 order backlog.

Caverion has signed an agreement with Mr Alfred Lotter on the purchase of the business of Arneg Kühlmöbel u. Ladeneinrichtungen, Produktions- u. Handelsgesellschaft mbH ("Arneg Kühlmöbel"). The transaction was approved by the Austrian Federal Competition Authority on January 19, 2016. The acquisition supports Caverion's growth strategy and expands on its position within the cooling technology market in Austria. The purchase price is not disclosed. Arneg Kühlmöbel is one of the leading suppliers of cooling technology in Austria. In 2014, the revenue of Arneg Kühlmöbel was about EUR 7.0 million.