

Caverion

Q2

Interim Report 1-6/2015

INTERIM REPORT FOR JANUARY 1 – JUNE 30, 2015

April 1 – June 30, 2015

- **Order backlog:** EUR 1,393.1 (Q2/2014: 1,350.3) million.
- **Revenue:** EUR 638.1 (588.4) million.
- **EBITDA:** EUR 22.0 (2.1) million, or 3.4 (0.4) percent of revenue.
- **Working capital:** EUR 7.7 million (Q2/2014: 48.6).
- **Operating cash flow before financial and tax items:** EUR 1.8 (4.1) million.

January 1 – June 30, 2015

- **Revenue:** EUR 1,201.5 (1,179.7) million.
- **EBITDA:** EUR 36.2 (11.7) million, or 3.0 (1.0) percent of revenue.
- **Operating cash flow before financial and tax items:** EUR 11.7 (-7.0) million.

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

KEY FIGURES

EUR million	4-6/15	4-6/14	Change	1-6/15	1-6/14	Change	1-12/14
Order backlog	1,393.1	1,350.3	3%	1,393.1	1,350.3	3%	1,323.6
Revenue	638.1	588.4	8%	1,201.5	1,179.7	2%	2,406.6
EBITDA	22.0	2.1	951%	36.2	11.7	210%	67.5
EBITDA margin, %	3.4	0.4		3.0	1.0		2.8
Operating profit	15.5	-3.6		23.4	0.4		44.2
Operating profit margin, %	2.4	-0.6		1.9	0.0		1.8
Net profit for the period	10.4	-4.1		15.8	-2.3		27.6
Earnings per share, basic, EUR	0.08	-0.03		0.13	-0.02		0.22
Working capital	7.7	48.6	-84%	7.7	48.6	-84%	-19.3
Operating cash flow before financial and tax items	1.8	4.1	-55%	11.7	-7.0		113.5
Interest-bearing net debt	84.9	142.5	-40%	84.9	142.5	-40%	50.2
Gearing, %	37.3	64.8		37.3	64.8		21.1
Personnel, average for the period	17,032	17,333	-2%	17,018	17,354	-2%	17,300

Word from the President and CEO Fredrik Strand

“Our strategy execution has progressed well during the period. We have focused on building the foundation for further growth with our internal actions. During the "Build" phase of our strategy we are building a common operational model and processes for the whole group. We are also investing in systems, tools and harmonisation to shorten the invoicing process. Furthermore, we are deploying a more rigorous project selection and introducing more thorough project follow-up practices. The "Build" phase of our strategy is now ongoing throughout the Group. As a Group we are now preparing to enter the next phase of our strategy.

The stabilisation of our operations can be seen in our financial performance. Our revenue increased by 2% during the first half of the year, which correlates with the stable market conditions in our primary markets. The improved performance in the second quarter compared to last year, is largely explained by the write downs connected to the project portfolio reviews done in 2014. The performance during the rest of the year is considered to be more in line with last year.

As we move towards the second half of this year our strategic focus is gradually shifting more towards generating profitable growth. In line with this we continue to develop our business mix for the future with initial focus on Large Projects with total technical solutions, Managed Services and Technical Installation & Maintenance. During the second quarter, we have received a number of new demanding Large Projects and Managed Services contracts.”

OUTLOOK FOR 2015

Market outlook for Caverion's services and solutions

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

Technical installation and maintenance business is expected to be stable. Requirements for increased energy efficiency and better indoor conditions and tightening environmental legislation will be significant factors to support positive market development.

Large new tenders for buildings and industry are expected to increase during the year. Positive signs can be seen in tendering activity, especially in the public and industrial sectors. 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.

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

Overall 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 2015

Caverion reiterates its guidance announced on January 29, 2015, according to which Caverion estimates that the Group's revenue will remain at the previous year's level and EBITDA margin for 2015 will grow significantly.

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

Caverion will hold a news conference and webcast on the Interim Report on Thursday, July 23, 2015, at 11:00 a.m. (Finnish Time, EEST) at the Kämp Hotel (Gallen-Kallela meeting room), 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. The participants will be asked to provide the conference ID 953906. More practical information on the news conference can be found on Caverion's website, www.caverion.com/investors.

Financial information and IR events in 2015

Interim Report for the third quarter will be published on October 23, 2015. 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 will also arrange a Capital Markets Day in Aachen, Germany on September 9, 2015 at 9:00 a.m. (CEST). The purpose of the event is to give further insight into Caverion's strategy and business prospects. In particular, it explains how the development of the business mix and the creation of a unified commercial offering enable growth and profitability improvement. The guests can also visit Caverion Space for Innovation stands showcasing Caverion's technical solutions and Caverion's R&D laboratory. Further information on the programme has been published as a stock exchange release on June 1, 2015.

CAVERION CORPORATION

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GROUP FINANCIAL DEVELOPMENT

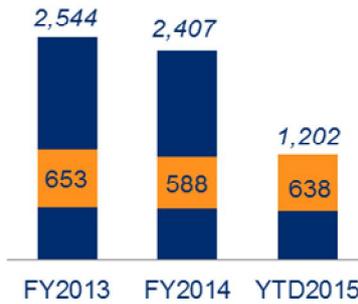
Comparative figures for 2013 are carve-out figures for the periods before the effective date of the partial demerger (June 30, 2013).

Key Figures

Order backlog
(EUR million)



Revenue
(EUR million)



EBITDA (EUR million)



Operating cash flow before financial and tax items
(EUR million)



Net debt
(EUR million)



Working capital
(EUR million)



Revenue by business area
% of revenue 1-6/2015



■ Service and maintenance 54%
■ Projects 46%

Revenue by country
% of revenue 1-6/2015



■ Sweden 26%
■ Norway 18%
■ Austria 6%
■ Other countries 3%

Personnel by country
at the end of June 2015



■ Sweden 22%
■ Norway 15%
■ Austria 4%
■ Other countries 10%

■ Finland 28%
■ Germany 14%
■ Denmark 6%

Operating environment in the second quarter and during the first half of 2015

The overall market situation has been stable throughout the period.

The technical installation and maintenance market was stable overall. Caverion has also been successful in Industrial Solutions in executing seasonal shutdowns. The volume of shutdowns is typically high in May and June. As the invoicing is done at the end of the project the working capital is reflected accordingly. In Norway the full effect of the exit of one large technical installation and maintenance and IT services contract is now fully visible.

In Finland, the project market is improving slowly and Caverion has been active and able to secure some large new deals, especially in Industrial Solutions. In Norway there has been lower activity related to the oil industry. Demand remained favourable in a stable market environment in Germany, Austria and Sweden. In Denmark and Eastern Europe we have had good development with new clients during the first half of the year.

The general interest in managed services and life cycle solutions continued to increase.

Order backlog

The order backlog remained on a par with the previous quarter and was EUR 1,393.1 million at the end of June (end of March 2015: EUR 1,392.4 million). The order backlog increased by 3 percent compared to the previous year (end of June 2014: EUR 1,350.3 million). Changes in foreign exchange rates decreased the order backlog at the end of June by EUR 14.6 million compared to the end of June 2014 and increased the order backlog by EUR 0.4 million compared to the end of March 2015.

Revenue

April–June

The revenue for April–June increased by 8 percent compared to the previous year and was EUR 638.1 (588.4) million. Revenue increased in all countries apart from Norway. The improved performance in the second quarter compared to last year is largely explained by the write downs connected to the project portfolio reviews done in 2014. The service and maintenance revenue for April–June increased by 7 percent compared to the previous year and was EUR 340.1 (318.7) million, or 53 (54) percent of the Group's total revenue. The project revenue increased by 11 percent compared to the previous year and was EUR 298.0 (269.6) million, or 47 (46) percent of the Group's total revenue. Changes in foreign exchange rates decreased the Group's total revenue for April–June by EUR 11.8 million compared to the previous year, of which the Norwegian crown accounted for EUR 4.8 million and the Swedish crown for EUR 4.6 million. Revenue increased by 10 percent at previous year's exchange rates for April–June.

January–June

Revenue in January–June was EUR 1,201.5 (1,179.7) million, an increase of 2 percent compared to the previous year. Revenue increased in all countries apart from Norway. The Group revenue of service and maintenance business was EUR 650.9 (642.2) million, or 54 (54) percent of the Group's total revenue, an increase of 1 percent compared to the previous year. The Group revenue of project business increased by 2 percent and was EUR 550.6 (537.6) million, or 46 (46) percent of the Group's total revenue. Changes in foreign exchange rates decreased the Group's total revenue for January–June by EUR 27.8 million compared to the previous year, of which the Norwegian crown accounted for EUR 9.7 million and the Swedish crown for EUR 13.2 million. Revenue increased by 4 percent at previous year's exchange rates for January–June.

Distribution of revenue

Revenue, EUR million	4-6/2015	%	4-6/2014	%	Change	1-6/2015	%	1-6/2014	%	Change	1-12/2014
Sweden	161.0	25%	147.1	25%	9%	306.5	26%	292.3	25%	5%	597.2
Finland	142.6	22%	131.6	22%	8%	257.9	21%	256.6	22%	1%	521.1
Norway	111.0	17%	115.7	20%	-4%	217.2	18%	245.0	21%	-11%	458.3
Germany	129.2	20%	117.0	20%	10%	242.1	20%	229.9	19%	5%	496.2
Austria	36.9	6%	33.0	6%	12%	71.5	6%	64.2	5%	11%	136.3
Denmark	35.6	6%	28.5	5%	25%	70.0	6%	60.1	5%	16%	126.6
Other countries	21.8	3%	15.5	3%	40%	36.4	3%	31.6	3%	15%	70.8
Group, total	638.1	100%	588.4	100%	8%	1,201.5	100%	1,179.7	100%	2%	2,406.6
- Service and maintenance	340.1	53%	318.7	54%	7%	650.9	54%	642.2	54%	1%	1,297.0
- Projects	298.0	47%	269.6	46%	11%	550.6	46%	537.6	46%	2%	1,109.5

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

Profitability

EBITDA

April–June

The EBITDA for April–June amounted to EUR 22.0 (2.1) million, or 3.4 (0.4) percent of revenue. The improved performance in the second quarter compared to last year is largely explained by the write downs connected to the project portfolio reviews done in 2014.

January–June

The Group EBITDA amounted to EUR 36.2 (11.7) million in January–June, or 3.0 (1.0) percent of revenue.

The remaining low-performing projects in Norway have been 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 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

April–June

The operating profit for April–June increased compared to the previous year and amounted to EUR 15.5 (-3.6) million, or 2.4 (-0.6) percent of revenue. The improved performance in the second quarter compared to last year is largely explained by the write downs connected to the project portfolio reviews done in 2014.

Depreciation, amortisation and impairment amounted to EUR 6.5 (5.7) million in April–June, of which EUR 2.3 million were allocated intangibles related to acquisitions and EUR 4.2 million were other depreciations.

January–June

Caverion's operating profit increased compared to the previous year, amounting to EUR 23.4 (0.4) million in January–June, or 1.9 (0.0) percent of revenue.

Depreciation, amortisation and impairment amounted to EUR 12.9 (11.3) million in January–June, of which EUR 4.6 million were allocated intangibles related to acquisitions and EUR 8.3 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 21.7 (-3.0) million, net profit to EUR 15.8 (-2.3) million and earnings per share to EUR 0.13 (-0.02) in January–June. The net financing expenses in January–June 2015 were EUR -1.7 (-3.4) million.

The effective tax rate of the Group was 26.9 (24.9) percent in January–June.

Capital expenditure, acquisitions and disposals

Gross capital expenditure on non-current assets included in the balance sheet totalled EUR 12.9 (8.3) million during January–June, representing 1.1 (0.7) percent of revenue.

Investments in information technology totalled EUR 8.8 (7.1) million during January–June 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 4.0 (1.2) 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 11.7 (-7.0) million in January–June 2015. The Group's operating cash flow after investments amounted to EUR -8.3 (-26.3) million in January–June 2015.

Working capital amounted to EUR 7.7 million at the end of June (3/2015: EUR -13.1 million). Caverion has been successful in Industrial Solutions in winning large projects and executing seasonal shutdowns. The volume of shutdowns is typically high in May and June. As the invoicing is done at the end of the project the working capital is reflected accordingly.

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 42.3 million at the end of June (3/2015: EUR 79.1 million). In addition, Caverion has undrawn revolving credit facilities amounting to EUR 100 million and undrawn overdraft facilities amounting to EUR 19 million.

The Group's interest-bearing loans and borrowings amounted to EUR 127.3 million at the end of June (3/2015: EUR 128.8 million), and the average interest rate after hedges was 1.4 percent. Fixed-rate loans after hedges accounted for approximately 86 percent of the Group's borrowings. Approximately 93 percent of the loans have been raised from banks and other financial institutions and approximately 5 percent from insurance companies. A total of EUR 40.8 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 84.9 million at the end of June (3/2015: EUR 49.7 million).

PERSONNEL

Personnel by country, end of period	6/15	3/15	Change	6/15	6/14	Change	12/14
Finland	4,851	4,636	5%	4,851	4,905	-1%	4,697
Sweden	3,846	3,927	-2%	3,846	3,939	-2%	3,868
Norway	2,623	2,694	-3%	2,623	3,060	-14%	2,804
Germany	2,318	2,307	0%	2,318	2,390	-3%	2,415
Austria	721	733	-2%	721	721	0%	722
Denmark	1,055	1,069	-1%	1,055	1,007	5%	1,041
Other countries	1,699	1,639	4%	1,699	1,395	22%	1,527
Group, total	17,113	17,005	1%	17,113	17,417	-2%	17,074

In January–June the Group employed 17,018 (17,354) people on average. At the end of June, the Group employed 17,113 (17,417) people. The personnel expenses for January–June amounted to a total of EUR 506.1 (510.6) million. Caverion Group currently employs approximately 400 summer trainees.

The key focus areas for human resources and people in January–June 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 competences and trainees to grow by recruiting and conducting several trainee and apprentice campaigns 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 common job structure, career ladders and performance based compensation, group-wide leadership development program and implementation of common people processes with integrated solutions. The group-wide safety project progressed with high ambition level.

MOST SIGNIFICANT BUSINESS RISKS AND RISK MANAGEMENT

Caverion's business involves a number of strategic, operational, financial and event risks. 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 on. A strategic risk assessment is carried out at Group level once a year in connection with the review of the strategy.

Caverion's financial statements bulletin for January–December 2014 published on January 29, 2015 describes the most significant business risks, and no significant changes have taken place compared to the status stated therein.

There is an ongoing investigation of possible violation of competition laws in the technical services industry in Germany. 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 this matter.

A more detailed account of the risks relating to Caverion and its operating environment and business has been published in the Board of Director's Report published in the Annual Report for 2014. Financial risks have been described in more detail in the Financial Statements note 28 "Financial Risk Management".

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 of the Board of Directors, Michael Rosenlew as the Vice Chairman and Markus Ehrnrooth, Anna Hyvönen, Eva Lindqvist and Ari Puheloinen as members of the Board of Directors. The Board of Directors' term expires at the end of the next Annual General Meeting.

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–June, 1,730 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 510,987 treasury shares at the end of June 2015. Number of shares outstanding was 125,085,105 on June 30, 2015.

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 OMX 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 June 30 was EUR 8.93. The share price increased by 34 percent during January–June. The highest price of the share during the review period January–June was EUR 9.60, the lowest was EUR 6.67 and the average price was EUR 8.58. Share turnover on NASDAQ Helsinki in January–June amounted to 21.5 million shares. The value of share turnover was EUR 184.7 million (source: NASDAQ Helsinki).

In addition to the Helsinki Stock Exchange, 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–June, 2.5 million Caverion Corporation shares changed hands in alternative market places, corresponding to approximately 8.5 percent of the total share trade. Of the alternative market places, Caverion shares changed hands particularly in BATS Chi-X. Furthermore, during January–June, 5.6 million Caverion Corporation shares changed hands in OTC trading outside NASDAQ Helsinki, corresponding to approximately 18.9 percent of the total share trade (source: Fidessa Fragmentation Index).

Caverion Corporation's market capitalisation at the end of the review period was EUR 1,117.0 million. Market capitalisation has been calculated excluding the 510,987 shares held by the company as per June 30, 2015.

Number of shareholders and flagging notifications

At the end of June 2015, the number of registered shareholders in Caverion was 30,744 (3/2015: 31,489). At the end of June 2015, a total of 35.6 percent of the shares were owned by nominee-registered and non-Finnish investors (3/2015: 34.7 %).

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 June 30, 2015, are available on Caverion's website at www.caverion.com/investors.

INTERIM REPORT JANUARY 1–JUNE 30, 2015: FINANCIAL TABLES

Condensed consolidated income statement

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Revenue	638.1	588.4	1,201.5	1,179.7	2,406.6
Other operating income and expenses	-616.1	-586.3	-1,165.3	-1,168.1	-2,339.1
Share of results of associated companies			0.0	0.0	0.0
Depreciation, amortisation and impairment	-6.5	-5.7	-12.9	-11.3	-23.3
Operating profit	15.5	-3.6	23.4	0.4	44.2
% of revenue	2.4	-0.6	1.9	0.0	1.8
Financial income and expenses, net	-1.0	-1.9	-1.7	-3.4	-7.6
Profit before taxes	14.5	-5.5	21.7	-3.0	36.5
% of revenue	2.3	-0.9	1.8	-0.3	1.5
Income taxes	-4.1	1.4	-5.8	0.7	-8.9
Profit for the period	10.4	-4.1	15.8	-2.3	27.6
% of revenue	1.6	-0.7	1.3	-0.2	1.1
Attributable to:					
Equity holders of the parent company	10.4	-4.1	15.8	-2.3	27.6
Non-controlling interest	0.0	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	0.08	-0.03	0.13	-0.02	0.22
Earnings per share, diluted, EUR	0.08	-0.03	0.13	-0.02	0.22

Consolidated statement of comprehensive income

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Profit for the period	10.4	-4.1	15.8	-2.3	27.6
Other comprehensive income					
Items that will not be reclassified to profit/loss:					
- Change in fair value of defined benefit pension	0.2	2.9	2.4	2.4	-6.9
-- Deferred tax		-0.6	0.2	-0.6	1.4
Items that may be reclassified subsequently to profit/loss:					
- Cash flow hedges	0.2	0.1	0.2	0.1	0.1
-- Deferred tax		0.0		0.0	0.0
- Change in fair value of available for sale investments	0.0	0.0	0.0	0.0	-0.6
-- Deferred tax					0.2
- Translation differences	0.3	-1.8	-1.0	-2.3	-3.5
Other comprehensive income, total	0.7	0.6	1.7	-0.4	-9.4
Total comprehensive result	11.1	-3.6	17.5	-2.7	18.2
Attributable to:					
Equity holders of the parent company	11.1	-3.6	17.5	-2.7	18.2
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

Condensed consolidated statement of financial position

EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Assets			
Non-current assets			
Property, plant and equipment	25.5	26.8	26.0
Goodwill	335.7	335.7	335.7
Other intangible assets	50.6	48.5	51.0
Shares in associated companies	0.2	0.1	0.1
Other investments	1.3	2.0	1.3
Other receivables	1.5	2.3	2.8
Deferred tax assets	4.5	6.5	0.7
Current assets			
Inventories	23.9	23.5	20.1
Trade and other receivables	653.3	683.9	597.8
Cash and cash equivalents	42.3	50.9	98.8
Total assets	1,138.8	1,180.2	1,134.5
Equity and liabilities			
Equity	227.7	219.9	237.8
Non-current liabilities			
Deferred tax liabilities	65.1	65.0	60.2
Pension obligations	40.2	33.5	39.9
Provisions	7.7	9.0	8.2
Borrowings	86.5	121.7	95.5
Other liabilities	0.1	0.1	0.2
Current liabilities			
Advances received	176.9	169.6	171.5
Trade and other payables	477.5	471.3	448.4
Provisions	16.3	18.4	19.4
Borrowings	40.8	71.6	53.5
Total equity and liabilities	1,138.8	1,180.2	1,134.5

Working capital

EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Inventories	23.9	23.5	20.1
Trade and POC receivables	603.0	631.1	552.7
Other current receivables	48.6	46.6	43.5
Trade and POC payables	-247.1	-234.2	-218.6
Other current payables *	-243.7	-248.8	-245.5
Advances received	-176.9	-169.6	-171.5
Working capital	7.7	48.6	-19.3

* including current provisions

Consolidated statement of changes in equity

EUR million	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total		
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		15.8				15.8	0.0	15.8
Other comprehensive income:								
Change in fair value of defined benefit pension		2.4				2.4		2.4
-Deferred tax		0.2				0.2		0.2
Cash flow hedges				0.2		0.2		0.2
Change in fair value of available for sale assets				0.0		0.0		0.0
Translation differences			-1.0			-1.0		-1.0
Comprehensive income, total		18.4	-1.0	0.2		17.5	0.0	17.5
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 June 30, 2015	1.0	232.8	-2.8	-0.4	-3.2	227.4	0.4	227.7

EUR million	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total		
Equity on January 1, 2014	1.0	247.0	1.7	-0.2	0.0	249.5	0.6	250.1
Comprehensive income								
Profit for the period		-2.3				-2.3	0.0	-2.3
Other comprehensive income:								
Change in fair value of defined benefit pension		2.4				2.4		2.4
- Deferred tax		-0.6				-0.6		-0.6
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				0.0		0.0		0.0
- Deferred tax								
Translation differences			-2.3			-2.3		-2.3
Comprehensive income, total		-0.5	-2.3	0.0		-2.7	0.0	-2.7
Transactions with owners								
Dividend distribution		-27.6				-27.6		-27.6
Share-based payments *		0.1			0.0	0.1		0.1
Transactions with owners, total		-27.5			0.0	-27.5		-27.5
Equity on June 30, 2014	1.0	219.0	-0.6	-0.1	0.0	219.3	0.6	219.9

	Equity attributable to owners of the parent							
EUR million	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								
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, 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	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Cash flows from operating activities					
Net profit for the period	10.4	-4.1	15.8	-2.3	27.6
Adjustments to net profit	11.3	-3.3	17.4	1.3	27.8
Change in working capital	-19.8	11.5	-21.5	-6.1	58.1
Operating cash flow before financial and tax items	1.8	4.1	11.7	-7.0	113.5
Financial items, net	-1.5	-2.4	-2.8	-3.5	-5.7
Taxes paid	-3.0	-5.8	-5.4	-7.6	-11.6
Net cash from operating activities	-2.7	-4.1	3.4	-18.0	96.2
Cash flows used in investing activities					
Acquisitions and disposals of subsidiaries, net of cash	0.2	-0.4	-1.0	-0.4	-0.4
Capital expenditure and other investments, net	-5.3	-5.0	-10.7	-7.9	-22.4
Net cash used in investing activities	-5.1	-5.4	-11.8	-8.2	-22.7
Cash flows used in financing activities					
Change in current liabilities, net	-1.2	18.9	-2.1	18.5	-3.1
Repayments of borrowings	-0.3	-45.3	-20.3	-45.3	-68.5
Purchase of own shares					-3.2
Dividends paid	-27.5	-27.6	-27.6	-27.7	-27.7
Net cash used in financing activities	-29.0	-54.0	-50.0	-54.5	-102.5
Change in cash and cash equivalents	-36.9	-63.5	-58.3	-80.8	-29.0
Cash and cash equivalents at the beginning of the period	79.1	115.5	98.8	133.3	133.3
Change in the fair value of the cash equivalents	0.1	-1.1	1.8	-1.7	-5.5
Cash and cash equivalents at the end of the period	42.3	50.9	42.3	50.9	98.8

Notes to the Interim Report

1 Accounting principles

Caverion Corporation's Interim Report for January 1 – June 30, 2015 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. Caverion has applied the same accounting principles in the preparation of the Interim Report as in its Financial Statements for 2014.

The information presented in this Interim Report has not been audited.

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

2 Key figures

	6/2015	6/2014	12/2014
Revenue, EUR million	1,201.5	1,179.7	2,406.6
EBITDA, EUR million	36.2	11.7	67.5
EBITDA margin, %	3.0	1.0	2.8
Operating profit, EUR million	23.4	0.4	44.2
Operating profit margin, %	1.9	0.0	1.8
Profit before taxes, EUR million	21.7	-3.0	36.5
% of revenue	1.8	-0.3	1.5
Profit for the period, EUR million	15.8	-2.3	27.6
% of revenue	1.3	-0.2	1.1
Earnings per share, basic, EUR	0.13	-0.02	0.22
Earnings per share, diluted, EUR	0.13	-0.02	0.22
Equity per share, EUR	1.8	1.7	1.9
Financial income and expenses, net, EUR million	-1.7	-3.4	-7.6
Equity ratio, %	23.7	21.8	24.7
Interest-bearing net debt, EUR million	84.9	142.5	50.2
Gearing ratio, %	37.3	64.8	21.1
Total assets, EUR million	1,138.8	1,180.2	1,134.5
Operating cash flow before financial and tax items, EUR million	11.7	-7.0	113.5
Working capital, EUR million	7.7	48.6	-19.3
Gross capital expenditures, EUR million	12.9	8.3	23.4
% of revenue	1.1	0.7	1.0
Order backlog, EUR million	1,393.1	1,350.3	1,323.6
Personnel, average for the period	17,018	17,354	17,300
Number of outstanding shares at the end of the period (thousands)	125,085	125,590	125,087
Average number of shares (thousands)	125,086	125,591	125,381

3 Financial development by quarter

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

	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Earnings per share, basic, EUR	0.08	0.04	0.16	0.08	-0.03	0.01
Earnings per share, diluted, EUR	0.08	0.04	0.16	0.08	-0.03	0.01
Equity per share, EUR	1.8	1.7	1.9	1.8	1.7	1.8
Financial income and expenses, net, EUR million	-1.0	-0.7	-1.8	-2.5	-1.9	-1.5
Equity ratio, %	23.7	22.6	24.7	23.1	21.8	20.2
Interest-bearing net debt, EUR million	84.9	49.7	50.2	131.6	142.5	104.1
Gearing ratio, %	37.3	23.0	21.1	57.8	64.8	46.6
Total assets, EUR million	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	1.8	9.8	100.0	20.5	4.1	-11.1
Working capital, EUR million	7.7	-13.1	-19.3	49.4	48.6	64.5
Gross capital expenditures, EUR million	5.5	7.3	10.8	4.3	5.2	3.1
% of revenue	0.9	1.3	1.6	0.8	0.9	0.5
Order backlog, EUR million	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	17,113	17,005	17,074	17,263	17,417	17,267
Number of outstanding shares at the end of the period (thousands)	125,085	125,085	125,087	125,089	125,590	125,590
Average number of shares (thousands)	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 (%) =	$\frac{\text{Equity} + \text{non-controlling interest} \times 100}{\text{Total assets} - \text{advances received}}$
Gearing ratio (%) =	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents} \times 100}{\text{Shareholder's equity} + \text{non-controlling interest}}$
Interest-bearing net debt =	Interest-bearing liabilities - cash and cash equivalents
Earnings / share, basic =	$\frac{\text{Net profit for the period (attributable for equity holders)}}{\text{Weighted average number of shares outstanding during the period}}$
Earnings / share, diluted =	$\frac{\text{Net profit for the period (attributable for equity holders)}}{\text{Weighted average dilution adjusted number of shares outstanding during the period}}$
Equity / share =	$\frac{\text{Shareholders' equity}}{\text{Number of outstanding shares at the end of period}}$

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	2015	2016	2017	2018	2019	2020->	Total
Interest-bearing liabilities	13.9	40.0	21.9	22.0	19.9	10.0	127.3

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.

	Jun 30, 2015	Jun 30, 2015	Dec 31, 2014	Dec 31, 2014
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Loans from financial institutions	79.7	81.6	88.1	89.6
Pension loans	5.0	5.2	6.0	6.0
Other financial loans	0.5	0.5	0.5	0.5
Finance lease liabilities	1.2	1.3	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 Jun 30, 2015				
EUR million	Level 1	Level 2	Level 3	Total
Available-for-sale investments	0.6		0.7	1.3
Derivatives (hedge accounting not applied)		0.2		0.2
Derivatives (hedge accounting applied)		0.2		0.2
Total assets	0.6	0.4	0.7	1.7
Liabilities Jun 30, 2015				
EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		0.2		0.2
Derivatives (hedge accounting applied)				
Total liabilities		0.2		0.2

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 June 30, 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 Jun 30, 2015	Liabilities Jun 30, 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	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
--Interest rate derivatives	190.0	20.0	20.0
--Foreign exchange forwards	52.7	50.4	33.3

Fair values			
EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
--Interest rate derivatives			
positive fair value	0.2		
negative fair value		0.0	0.0
--Foreign exchange forwards			
positive fair value	0.2	1.1	0.4
negative fair value	-0.2	-1.0	-0.6

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

8 Commitments and contingent liabilities

EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Guarantees given on behalf of associated companies	0.2	0.2	0.2
Parent company's guarantees on behalf of its subsidiaries	492.0	475.3	502.8
Other commitments			
- Operating leases	185.6	197.5	189.2
- Other contingent liabilities	0.2	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 bonds, 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 these YIT Corporation's floating rate bonds was EUR 8.2 million on June 30, 2015, and they mature as follows: EUR 2.7 million in 2015 and EUR 5.4 million 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 343.7 million at the end of June 2015.