Q1 2014

Interim Report 1-3/2014

Caverion

INTERIM REPORT FOR JANUARY 1 – MARCH 31, 2014

Positive development in order backlog and EBITDA

- **Revenue:** EUR 591.3 (607.9) million, decreased by 3 percent
    - Revenue increased by 1percent at previous year's exchange rates for corresponding period.
- **EBITDA:** excluding non-recurring items EBITDA was EUR 13.1 (12.2) million, or 2.2 (2.0) percent of revenue.
    - EBITDA including non-recurring items was EUR 9.6 (9.4) million, or 1.6 (1.5) percent of revenue.
    - In Sweden, the profitability improved according to plan compared to the previous year.
    - Projects in Norway diluted the profitability in the first quarter but the profitability is expected to improve during 2014.
    - Non-recurring payment of EUR 3.5 million related to a final settlement of an old export project in Danish operations due to bankruptcy of a joint venture partner.
- **Operating cash flow after investments:** EUR -16.9 (-2.2) million.
    - Burdened by IT license prepayments and investments of EUR 5.8 million and a non-recurring payment of EUR 3.5 million related to a final settlement mentioned above.
- **Working capital:** EUR 64.5 (87.2) million at the end of March.
- **Order backlog:** EUR 1,335.3 (1,315.2) million at the end of March.

Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year. Comparative figures for 2013 are carve-out figures for the periods before the effective date of the partial demerger (June 30, 2013).

KEY FIGURES

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	591.3	607.9	-3%	2,543.6
EBITDA	9.6	9.4	2%	70.9
EBITDA margin, %	1.6	1.5		2.8
EBITDA excluding non-recurring items	13.1	12.2	7%	81.7
EBITDA margin excluding non-recurring items, %	2.2	2.0		3.2
Operating profit	3.9	4.3	-8%	49.4
Operating profit margin, %	0.7	0.7		1.9
Net profit for the period	1.9	2.8	-34%	35.5
Earnings per share, basic, EUR	0.01	0.02	-34%	0.28
Working capital	64.5	87.2	-26%	46.0
Operating cash flow after investments	-16.9	-2.2		74.2
Interest-bearing net debt, end of period	104.1			86.5
Gearing, end of period, %	46.6			34.6
Personnel, average for the period	17,375	18,381	-5%	18,071

Word from the new CEO Fredrik Strand: Moving on to the next stage of our strategy

"Caverion has unique opportunities to be a forerunner in the Building and Industrial Services markets in the future. This is due to the advanced industry knowledge and skilled people within Caverion combined with the possibilities presented in the digital, 'always connected' world.

After the successful start of the new company we will now be entering the next stage of our strategy: from fix to build phase and then moving on to the create and reach phases, where we concentrate on building the winning team and developing our services. Our vision is to be a leading European provider of advanced and sustainable life cycle solutions for buildings and industries. In order to reach our vision we need a strong company image, innovative and advanced solutions, excellent leadership and operational excellence. If these four targets are fulfilled in a proper way, they will enable growth and profitability. Together, these form our six strategic focus areas. We have also introduced a new way of looking at our market offering to our clients, which can be described best as a matrix of service areas, disciplines and client segments.

I genuinely believe that we can make a difference with good people. And in order to have good people to perform successfully excellent leadership is required. That is how we as a company will make the difference.

I welcome all our shareholders to be part of this journey together with us.

OUTLOOK FOR 2014

Market outlook for Caverion's services

The increase of technology in buildings, energy efficiency requirements, increasing digitalisation and automation all promote demand for Caverion's services over the coming years. The opportunities to grow in service and maintenance business are still favourable in all of Caverion's divisions in 2014. As technology in buildings is increasing the need for new services and the demand for life cycle solutions are expected to increase. New investments in building systems are expected to increase slightly and positive signs can be seen in tendering activity. The growing public investments and the need for renovation and repair work are expected to be the key factors behind the growth. The tightening of environmental legislation will improve the growth potential of energy efficiency services. Environmental certifications and energy efficiency will be significant factors that will allow the property owners to upgrade their property value. An increasing number of properties will be connected to remote monitoring through command centres.

Guidance for 2014

Caverion reiterates its guidance announced on 28 January, 2014, according to which Caverion estimates that the Group's revenue for 2014 with comparable exchange rates will remain at the previous year's level and EBITDA for 2014 excluding non-recurring items will grow clearly to EUR 90–110 million.

In 2014 the EBITDA increase will be executed by improving the operational efficiency, growing the service and maintenance business as well as increasing the project business in Germany. The potential changes in general macroeconomic environment nonetheless may have an effect on Caverion's business and customers.

One single operative segment

The Board of Directors of Caverion Corporation decided on 27 January, 2014 that Caverion's external reporting structure will be changed as of January 1, 2014 to better match the company's new management structure and business areas. The segments based on geographical areas (Building Services Northern Europe and Building Services Central Europe) are replaced by one single operative segment, that will also include the Group services and other items. Since Caverion's establishment, both service and maintenance and project businesses have been developed strongly across all countries. This interim report is the first one based on the new reporting structure. The change in reporting structure has no effect on the Group's strategic targets.

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

Caverion will hold a news conference and webcast on the Interim Report on Thursday, April 24, 2014, at 10:00 a.m. (Finnish Time, EEST) at Restaurant Bank, Unioninkatu 20, 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 +44 203 1940 550 (no conference ID or pin code required) at 9:55 a.m. (Finnish time, EEST) at the latest. More practical information on the news conference can be found on Caverion's website, www.caverion.com/investors.

Other IR events in 2014

Caverion will arrange an Analyst and Media Presentation in Helsinki on June 10, 2014 at 2:00 p.m. (Finnish Time, EEST). Further information on the programme will be sent to the analysts and media representatives following Caverion.

Caverion will also arrange a Capital Markets Day in Stockholm on September 10, 2014 at 9:00 a.m. (Swedish Time, CEST). Further information on the programme will be published as a stock exchange release closer to the date.

Financial information in 2014

Interim Reports will be published on July 22, 2014 at 9:00 a.m. (Finnish Time, EEST) and October 31, 2014 at 9:00 a.m. (Finnish Time, EET).

Financial reports and other investor information are available at 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

Fredrik Strand
President and CEO

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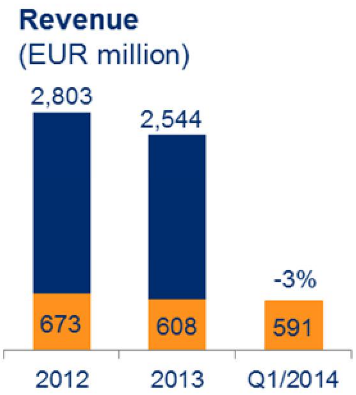
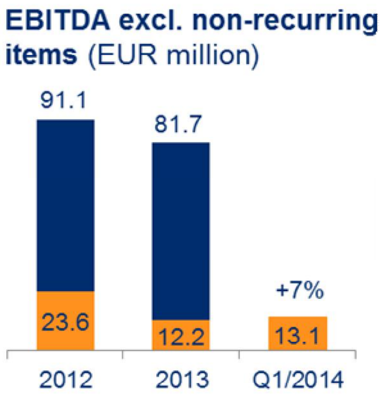
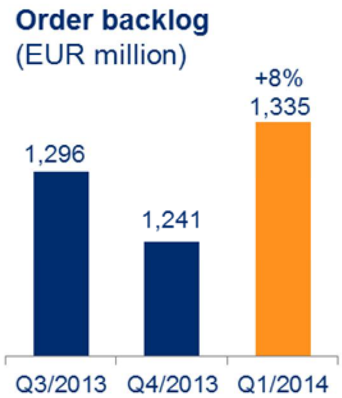
GROUP FINANCIAL DEVELOPMENT

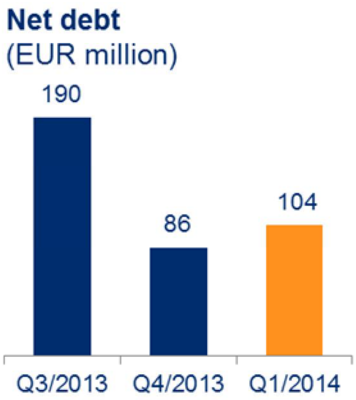
Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year. Comparative figures for 2013 are carve-out figures for the periods before the effective date of the partial demerger (June 30, 2013).

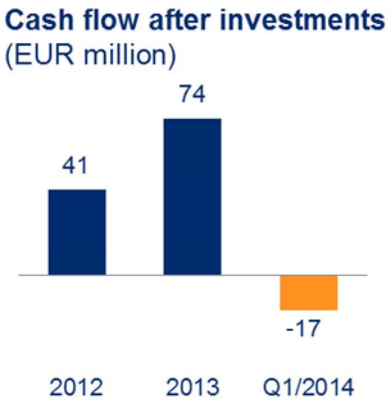
Key Figures

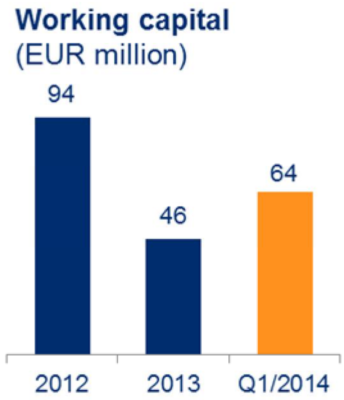


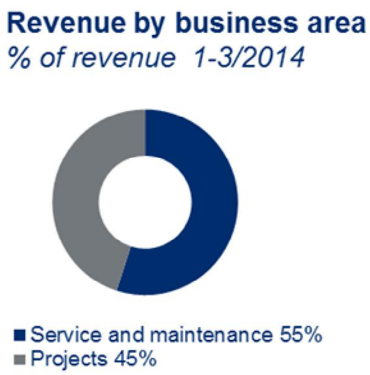


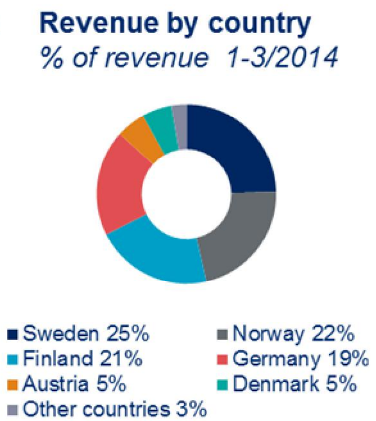


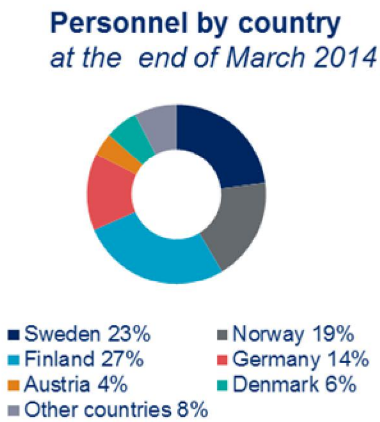












Operating environment in the first quarter

In the first quarter, the overall market situation was stable despite the general economic environment and overall uncertainty.

The service and maintenance market was stable in all operating countries in the first quarter. The general interest in lifecycle services is increasing in all markets. Especially in Sweden the EPC agreements (Energy Performance Contracting) continued to develop well and are expected to continue to grow also during the rest of 2014.

The demand in the non-residential construction market remained low in Finland but activity level has already slightly increased and we have seen more tender requests recently. In Sweden the project market developed relatively well. Norway had a good operating environment in the project market throughout the quarter while the challenges in Caverion's profitability in the Norwegian project business were internal. In Denmark the project market developed slowly with a low level of activity. Demand remained favourable and uncertainty in the project market eased in Germany and in Austria in the first quarter. Positive signs can be seen in tendering activity.

Revenue

Revenue decreased by 3 percent in January–March compared to the previous year and was EUR 591.3 (607.9) million. Changes in foreign exchange rates decreased the revenue for January–March by EUR 23.7 million compared to the previous year, of which the Norwegian crown accounted for EUR 16.0 million. Revenue increased by 1 percent at previous year's exchange rates for corresponding period. As a result of the improved order backlog in 2013 the revenue increased by 12 percent in Germany during January–March compared to the previous year and was EUR 112.9 (100.8) million. Revenue decreased by 12 percent in Sweden during January–March compared to the previous year and was EUR 145.2 (165.2) million.

The Group revenue of service and maintenance business decreased by 5 percent in January–March compared to the previous year and was EUR 323.4 (339.8) million, or 54.7 (55.9) percent of the Group's total revenue. However, the volume of service and maintenance business in local currencies remained stable. The Group revenue of project business remained on a par with the previous year and was EUR 267.9 (268.0) million, or 45.3 (44.1) percent of the Group's total revenue.

Geographical distribution of revenue

Revenue, EUR million	1-3/14	%	1-3/13	%	Change	1-12/13
Sweden	145.2	24.6	165.2	27.2	-12%	665.9
Finland	125.0	21.1	126.5	20.8	-1%	546.8
Norway	129.4	21.9	133.6	22.0	-3%	516.4
Germany	112.9	19.1	100.8	16.6	12%	458.4
Austria	31.2	5.3	35.9	5.9	-13%	148.1
Denmark	31.6	5.3	31.1	5.1	2%	139.8
Other countries	16.1	2.7	14.9	2.5	8%	68.2
Group, total	591.3	100.0	607.9	100.0	-3%	2,543.6
- Service and maintenance	323.4	54.7	339.8	55.9	-5%	1,409.3
- Projects	267.9	45.3	268.0	44.1	0%	1,134.3

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

Profitability

EBITDA

The Group EBITDA increased by 2 percent compared to the previous year, amounting to EUR 9.6 (9.4) million in January–March, or 1.6 (1.5) percent of revenue. The Group EBITDA for January–March is burdened by a non-recurring payment of EUR 3.5 million related to a final settlement of an old export project in Danish operations due to bankruptcy of a joint venture partner. EBITDA excluding non-recurring items increased by 7 percent to EUR 13.1 (12.2) million, or 2.2 (2.0) percent of revenue.

In Sweden, the profitability improved according to plan compared to the previous year. In Norway, the project business, especially in the capital region, still diluted the profitability in the first quarter but the profitability is expected to improve during 2014. In Denmark the profitability decreased significantly compared to the previous year due to a non-recurring final settlement of an old export project as a result of bankruptcy of a joint venture partner.

Operating profit

Caverion's operating profit decreased by 8 percent compared to the previous year, amounting to EUR 3.9 (4.3) million in January–March, or 0.7 (0.7) percent of revenue.

Depreciation, amortisation and impairment amounted to EUR 5.7 (5.1) million in January–March, of which EUR 2.5 million were allocated intangibles related to acquisitions and EUR 3.2 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 2.5 (4.0) million, net profit to EUR 1.9 (2.8) million and earnings per share to EUR 0.01 (0.02) in January–March. The net financing expenses in January–March 2014 were EUR -1.5 (-0.3) million. The figures for January–March 2013 exclude the financial cost effect of the new financing arrangements transferred to Caverion Corporation as a result of the partial demerger of YIT. If the refinancing under the new credit facilities would have been drawn down at the beginning of the financial year 2013, the net financing expenses in January–March 2013 would have amounted to approximately EUR -1.3 million.

The effective tax rate of the Group was 24.9 (29.5) percent in January–March. The decrease in effective tax rate was caused by the lowering of tax rate levels in Finland, Norway and Denmark for 2014.

Order backlog

The order backlog grew by 8 percent from the end of December 2013 and was EUR 1,335.3 million at the end of March (December 31, 2013: 1,240.7). The order backlog grew by 2 percent from the end of March 2013, at which time it stood at EUR 1,315.2 million. Changes in foreign exchange rates decreased the order backlog for January–March by EUR 33.2 million compared to corresponding period in the previous year and by EUR 1.0 million compared to the end of December.

Capital expenditure and acquisitions

Gross capital expenditure on non-current assets included on the balance sheet totalled EUR 3.1 (0.9) million during January–March, representing 0.5 (0.1) percent of revenue.

Investments in information technology totalled EUR 2.0 (0.0) million. Other investments amounted to EUR 1.1 (0.8) million. Caverion made no acquisitions or disposals during January–March 2014.

Cash flow, working capital and financing

The Group's operating cash flow after investments for January–March amounted to EUR -16.9 (-2.2) million. Operating cash flow after investments for the first quarter was burdened by IT license prepayments and investments of EUR 5.8 million and a non-recurring payment of EUR 3.5 million related to a final settlement of an old export project in Danish operations due to bankruptcy of a joint venture partner. The first quarter is typically the weakest in terms of cash flow generation due to the seasonality of our operations.

Working capital increased by EUR 18.5 million compared to December 31, 2013 and amounted to 64.5 million at the end of March (December 31, 2013: EUR 46.0 million), reflecting the seasonality. Working capital decreased by 26 percent compared to the previous year and amounted to 64.5 (87.2) million at the end of March in line with our group financial target. We aim to reduce the level of working capital on an annual level and its seasonality within the year as well as reach negative working capital by the end of 2016.

Caverion's cash and cash equivalents amounted to EUR 115.5 million at the end of March (12/2013: EUR 133.3 million). In addition, Caverion has undrawn revolving credit facilities amounting to EUR 60.0 million and undrawn overdraft facilities amounting to EUR 19.0 million.

The Group's interest-bearing loans and borrowings amounted to EUR 219.6 million at the end of March (12/2013: EUR 219.8 million), and the average interest rate after hedges was 2.16 percent. Fixed-rate loans after hedges accounted for approximately 38 percent of the Group's borrowings. Approximately 94 percent of the loans have been raised from banks and other financial institutions and approximately 5 percent from insurance companies. A total of EUR 73.6 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 104.1 million at the end of March (12/2013: EUR 86.5 million).

PERSONNEL

Personnel by country	3/14	3/13	Change	12/13
Finland	4,668	4,897	-5%	4,772
Sweden	3,958	4,273	-7%	3,993
Norway	3,206	3,646	-12%	3,469
Germany	2,388	2,408	-1%	2,429
Austria	708	700	1%	711
Denmark	1,018	1,093	-7%	1,019
Other countries	1,321	1,247	6%	1,280
Group, total	17,267	18,264	-5%	17,673

In January–March the Group employed 17,375 (18,381) people on average. At the end of March, the Group employed 17,267 (18,264) people. The personnel expenses for January–March amounted to a total of EUR 265.0 (271.5) million.

The key focus areas for people and human resources in January-March were to continue building a firm foundation for growth and efficient way of operating. Furthermore, our goal is to ensure future professionals and leaders for whole Caverion. We conducted performance development reviews, division management talent reviews and summer trainee and apprentice campaigns. We also continued our professional training programs for subject areas such as safety, services and projects as well as leadership development programs.We focus on constant improvement of occupational safety with the target of zero accidents and wellbeing with low sick leave.

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 statemens bulletin for January 1 – 31 December 2013 published on 28 January, 2014 describes the most significant business risks, and no significant changes have taken place compared to the status stated therein.

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 2013. Financial risks have been described in more detail in the Financial Statements note 30 "Financial Risk Management".

PARTIAL DEMERGER OF YIT

The demerger of YIT became effective when YIT's Extraordinary General Meeting approved the demerger and its implementation was recorded with the Finnish Trade Register on June 30, 2013. More detailed information related to the demerger is presented in the registration document according to the Finnish Securities Markets Act as well as the securities note and summary (together with the registration document "the Prospectus"), which have been available as of June 5, 2013, on YIT's website at www.yit.fi/sijoittajat. The unofficial English translation of the Prospectus has been available as of June 5, 2013, on YIT's website at www.yitgroup.com/investors. All demerger-related information is available in the Investors section of YIT's website at www.yitgroup.com/demerger.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

The Annual General Meeting of Caverion, held on March 17, 2014, decided on the composition of the Board of Directors of Caverion and their fees, the election of the auditor of Caverion and its fee as well as the authorisation of the Board of Directors of Caverion on the repurchase of own shares and share issues.

The Annual General Meeting elected a Chairman, Vice Chairman and three ordinary members to the Board of Directors. Henrik Ehrnrooth was elected as the Chairman of the Board of Directors, Ari Lehtoranta as the Vice Chairman and Anna Hyvönen, Eva Lindqvist and Michael Rosenlew 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 general meeting of Caverion Corporation is available on Caverion's website at www.caverion.com.

The Board of Directors of Caverion Corporation held its organisational meeting on March 17, 2014. 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.

DIVIDEND 2013

The Annual General Meeting on March 17, 2014 decided that a dividend of EUR 0.22 were to be paid per share, or a total of EUR 27.6 million. No dividend was paid for the treasury shares. The date of record for dividend distribution was March 20, 2014, and the dividends were paid after the reporting period on April 2, 2014.

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, 2014, the number of shares was 125,596,092 and the share capital was EUR 1,000,000. Caverion held 4,080 treasury shares on January 1, 2014.

During the review period, 1,557 Caverion shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme of YIT Corporation, after which the company held 5,637 treasury shares at the end of March 2014. Number of shares outstanding was 125,590,455 on March 31,2014.

Caverion has not made any decisions regarding issuance of option rights or other special rights entitling to shares. During the reporting period Caverion did not have any share-based incentive plans.

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 17, 2014, authorised Caverion's Board of Directors to decide on the repurchase of own shares in accordance with the proposal by the Board of Directors. The authorisation covers the purchasing of a maximum of 12,500,000 company shares using the funds from the company's unrestricted equity. The shares are not to be purchased in proportion to the shareholders' holdings. The shares will be purchased in public trading on NASDAQ OMX Helsinki Ltd.

The authorisation is valid until March 31, 2015. The Board of Directors has not used the authorization during 2014.

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

The Annual General Meeting of Caverion Corporation, held on March 17, 2014, authorised Caverion's Board of Directors to decide on share issues in accordance with the proposal by the Board of Directors. 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 includes the authorisation to transfer own shares acquired through share issues. This authorisation applies to a maximum of 12,500,000 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, 2015. The Board of Directors has not used the authorization during 2014.

Trading in shares

Trading in Caverion shares commenced on July 1, 2013.

The opening price of Caverion's share was EUR 8.90 on at the beginning of the year 2014. The closing rate on the last trading day of the review period on March 31, 2014 was EUR 7.80. The share price decreased by 12 percent during January–March. The highest price of the share during the review period January–March was EUR 8.92, the lowest was EUR 6.50 and the average price was EUR 7.50. Share turnover on NASDAQ OMX in January–March amounted to 17.3 million shares. The value of share turnover was EUR 130.0 million (source: NASDAQ OMX).

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–March, 0.82 million Caverion Corporation shares changed hands in alternative market places, corresponding to approximately 2.9 percent of the total share trade. Of the alternative market places, Caverion shares changed hands particularly in BATS Chi-X. Furthermore, during January–March, 10.1 million Caverion Corporation shares changed hands in OTC trading outside NASDAQ OMX, corresponding to approximately 35.7 percent of the total share trade (source: Fidessa Fragmentation Index).

Caverion Corporation's market capitalisation at the end of the review period was EUR 979.6 million. Market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of March 2014, the number of registered shareholders in Caverion was 32,590 (12/2013: 33,353). At the end of March 2014, a total of 35.4 percent of the shares were owned by nominee-registered and non-Finnish investors (12/2013: 38.2%).

On February 4, 2014 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 total holdings of Antti Herlin and the companies controlled by him, Holding Manutas Ltd and Security Trading Ltd, in Caverion Corporation shares had exceeded the threshold of 1/20 (5 percent).

On March 28, 2014 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 total holdings of Varma Mutual Pension Insurance Company in Caverion Corporation shares had fallen below the threshold of 1/20 (5 percent).

Updated lists of Caverion's largest shareholders and ownership structure by sector as per March 31, 2014, are available on Caverion's website at www.caverion.com/investors and on Caverion's IR App.

INTERIM REPORT JANUARY 1–MARCH 31, 2014: FINANCIAL TABLES

Condensed consolidated income statement

EUR million	1-3/2014	1-3/2013	1-12/2013
Revenue	**591.3**	**607.9**	**2,543.6**
Other operating income and expenses	-581.8	-598.5	-2,472.7
Share of results of associated companies	0.0	0.0	0.0
Depreciation, amortisation and impairment	-5.7	-5.1	-21.5
Operating profit	**3.9**	**4.3**	**49.4**
% of revenue	0.7	0.7	1.9
Financial income and expenses, net	-1.5	-0.3	-6.6
Profit before taxes	**2.5**	**4.0**	**42.8**
% of revenue	0.4	0.7	1.7
Income taxes	-0.6	-1.2	-7.3
Profit for the period	**1.9**	**2.8**	**35.5**
% of revenue	0.3	0.5	1.4
Attributable to:			
Equity holders of the parent company	1.8	2.8	35.5
Non-controlling interest	0.0	0.0	0.0
Earnings per share attributable to the equity holders of the parent company			
Earnings per share, basic, EUR	0.01	0.02	0.28
Earnings per share, diluted, EUR	0.01	0.02	0.28

Consolidated statement of comprehensive income

EUR million	1-3/2014	1-3/2013	1-12/2013
Profit for the period	**1.9**	**2.8**	**35.5**
Other comprehensive income			
Items that will not be reclassified to profit/loss:			
- Change in fair value of defined benefit pension	-0.4		-2.1
-- Deferred tax			1.5
Items that may be reclassified subsequently to profit/loss:			
- 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 investments	0.0		-0.3
-- Deferred tax			0.1
- Translation differences	-0.5	1.5	-5.9
Other comprehensive income, total	**-1.0**	**1.6**	**-6.6**
Total comprehensive result	**0.9**	**4.4**	**28.9**
Attributable to:			
Equity holders of the parent company	0.8	4.4	28.9
Non-controlling interests	0.0	0.0	0.0

Condensed consolidated statement of financial position

EUR million	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
Assets			
Non-current assets			
Property, plant and equipment	27.4	30.5	27.9
Goodwill	335.7	335.7	335.7
Other intangible assets	48.7	35.9	48.4
Shares in associated companies	0.1	0.1	0.1
Other investments	2.0	2.5	2.0
Other receivables	2.3	4.1	2.3
Deferred tax assets	4.2	6.6	3.5
Current assets			
Inventories	26.1	42.3	29.5
Trade and other receivables	697.1	738.9	691.4
Cash and cash equivalents	115.5	66.4	133.3
Total assets	**1,259.1**	**1,263.1**	**1,274.3**
Equity and liabilities			
Equity	**223.4**	**363.4**	**250.1**
Non-current liabilities			
Deferred tax liabilities	63.7	71.2	62.1
Pension obligations	49.6	44.6	51.1
Provisions	8.8	6.8	9.1
Borrowings	146.0	71.8	148.5
Other liabilities	0.2	0.3	0.2
Current liabilities			
Advances received	154.1	156.2	147.4
Trade and other payables	524.6	512.0	517.8
Provisions	15.2	21.0	16.7
Borrowings	73.6	15.8	71.3
Total equity and liabilities	**1,259.1**	**1,263.1**	**1,274.3**

Working capital

EUR million	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
Inventories	26.1	42.3	29.5
Trade and POC receivables	643.0	681.2	647.1
Other current receivables	51.9	44.7	42.8
Trade and POC payables	-247.5	-253.0	-280.4
Other current payables *	-255.0	-271.8	-245.5
Advances received	-154.1	-156.2	-147.4
Working capital	**64.5**	**87.2**	**46.0**

* including current provisions

Consolidated statement of changes in equity

	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		1.8				1.8	0.0	1.9
Other comprehensive income:								
Change in fair value of defined benefit pension		-0.4				-0.4		-0.4
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				0.0		0.0		0.0
- Deferred tax								
Translation differences			-0.5			-0.5		-0.5
Comprehensive income, total		1.4	-0.5	0.0		0.8	0.0	0.9
Transactions with owners								
Dividend distribution		-27.6				-27.6		-27.6
Share-based payments *		0.1			0.0	0.0		0.0
Transactions with owners, total		-27.6			0.0	-27.6		-27.6
Equity on March 31, 2014	**1.0**	**220.8**	**1.2**	**-0.2**	**0.0**	**222.8**	**0.6**	**223.4**

	Equity attributable to owners of the parent								
EUR million	Invested equity	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total	Non-controlling interest	Total equity
Equity on January 1, 2013	**379.3**			**7.7**	**-0.1**		**386.8**	**0.6**	**387.4**
Comprehensive income									
Profit for the period	2.8						2.8	0.0	2.8
Other comprehensive income:									
Cash flow hedges					0.1		0.1		0.1
- Deferred tax					0.0		0.0		0.0
Translation differences				1.5			1.5		1.5
Comprehensive income, total	2.8			1.5	0.1		4.4	0.0	4.4
Transactions with owners									
Share-based payments *	0.2						0.2		0.2
Equity transactions with YIT Group	-28.7						-28.7		-28.7
Transactions with owners, total	-28.5						-28.5		-28.5
Equity on March 31, 2013	**353.6**			**9.2**	**0.0**		**362.8**	**0.6**	**363.4**

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

EUR million	Invested equity	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Total	Non-controlling interest	Total equity
	Equity attributable to owners of the parent								
Equity on January 1, 2013	**379.3**			**7.7**	**-0.1**		**386.8**	**0.6**	**387.4**
Comprehensive income 1-6/13									
Profit for the period	7.0						7.0	0.0	7.0
Other comprehensive income:									
Cash flow hedges					0.1		0.1		0.1
- Deferred tax									
Change in fair value of available for sale assets					0.0		0.0		0.0
- Deferred tax					0.0		0.0		0.0
Translation differences				-1.5			-1.5		-1.5
Comprehensive income 1-6/13, total	7.0			-1.5	0.1		5.6	0.0	5.6
Transactions with owners									
Share-based payments *	-0.8						-0.8		-0.8
Equity transactions with YIT Group	-164.5						-164.5		-164.5
Transactions with owners, total	-165.3						-165.3		-165.3
Demerger on June 30, 2013	-221.0	1.0	220.0				0.0		0.0
Demerger related capitalised costs			-0.9				-0.9		-0.9
Equity on June 30, 2013	**0.0**	**1.0**	**219.1**	**6.1**	**0.1**		**226.2**	**0.6**	**226.8**
Comprehensive income 7-12/13									
Profit for the period			28.5				28.5	0.0	28.5
Other comprehensive income:									
Change in fair value of defined benefit pension			-2.1				-2.1		-2.1
- Deferred tax			1.5				1.5		1.5
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					-0.2		-0.2		-0.2
- Deferred tax					0.1		0.1		0.1
Translation differences				-4.3			-4.3		-4.3
Comprehensive income 7-12/13, total			27.9	-4.3	-0.2		23.3	0.0	23.3
Transactions with owners									
Share-based payments *			0.1			0.0	0.1		0.1
Transactions with owners, total			0.1			0.0	0.1		0.1
Equity on December 31, 2013	**-**	**1.0**	**247.0**	**1.7**	**-0.2**	**0.0**	**249.5**	**0.6**	**250.1**

* 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	1-3/2014	1-3/2013	1-12/2013
Cash flows from operating activities			
Net profit for the period	1.9	2.8	35.5
Adjustments to net profit	4.6	-3.6	31.0
Change in working capital	-17.6	8.1	42.0
Financial items, net	-1.1	-0.8	-2.3
Taxes paid	-1.8	-7.4	-5.7
Net cash from operating activities	**-14.0**	**-1.0**	**100.4**
Cash flows used in investing activities			
Acquisition of subsidiaries, net of cash		-0.8	-0.8
Capital expenditure and other investments, net	-2.9	-0.5	-25.5
Net cash used in investing activities	**-2.9**	**-1.2**	**-26.2**
Operating cash flow after investments	**-16.9**	**-2.2**	**74.2**
Cash flows used in financing activities			
Change in current liabilities, net	-0.4	-0.1	-0.7
Proceeds from borrowings			162.0
Repayments of borrowings		-3.5	-33.5
Equity financing with YIT Group		-28.7	-164.5
Net cash used in financing activities	**-0.4**	**-32.3**	**-36.8**
Change in cash and cash equivalents	**-17.3**	**-34.5**	**37.3**
Cash and cash equivalents at the beginning of the period	133.3	100.8	100.8
Change in the fair value of the cash equivalents	-0.6	0.1	-4.8
Cash and cash equivalents at the end of the period	**115.5**	**66.4**	**133.3**

Notes to the Interim Report

1 Accounting principles

Caverion Corporation’s Interim Report for January-March 2014 has been prepared in accordance with IAS 34, ‘Interim Financial Reporting’.

Caverion Corporation has changed its segment reporting as of January 1, 2014 to better match the company’s new management structure and business areas. The segments based on geographical areas (Building Services Northern Europe and Building Services Central Europe) are replaced by one single operative segment, that includes the Group services and other items as well. Otherwise Caverion has applied the same accounting principles in the preparation of the Interim Report as in its Financial Statements for 2013. Changes in IAS/IFRS standards have no material impact on the Interim Report.

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.

Accounting principles of carve-out financial information

Caverion has formed a separate legal group as of June 30, 2013 when the partial demerger of Building Services business (“demerger”) of YIT Corporation became effective. At this date, all of the assets and liabilities directly related to the Building Services business were transferred to Caverion Corporation.

The financial information presented in this Interim Report is based on actual figures as an independent group after the consummation of the demerger and carve-out figures prior to the consummation of the demerger. The carve-out financial information presented in this Interim Report reflects the performance and financial position of the entities that have historically formed the Building Services business within YIT Group.

Accordingly, the income statements, statements of cash flows, statement of financial position, statement of changes in equity and the related key figues for the periods before June 30, 2013 are based on carve-out financial information of Building Services business of YIT Group and on actual figures as an independent group for the periods after the consummation of the partial demerger.

The earnings per share for the periods prior to the demerger were computed as if the shares issued at the demerger were outstanding for all periods presented.

Refinancing relating to the partial demerger was arranged and finalized during June 2013. The carve-out financial information for the periods prior to the consummation of the demerger have not been adjusted to reflect the effects of this reorganization of financing. Thus, the assets, equity and liabilities presented in this Interim Report are not comparable with all comparative periods.

The accounting priciples of the carve-out financial information have been described in more detail in the Financial Statements for 2013 published on February 21, 2014.

2 Key figures

	3/2014	3/2013	12/2013
Revenue, EUR million	591.3	607.9	2,543.6
EBITDA, EUR million	9.6	9.4	70.9
EBITDA margin, %	1.6	1.5	2.8
Operating profit, EUR million	3.9	4.3	49.4
Operating profit margin, %	0.7	0.7	1.9
Profit before taxes, EUR million	2.5	4.0	42.8
% of revenue	0.4	0.7	1.7
Profit for the period, EUR million	1.9	2.8	35.5
% of revenue	0.3	0.5	1.4
Earnings per share, basic, EUR*	0.01	0.02	0.28
Earnings per share, diluted, EUR*	0.01	0.02	0.28
Equity per share, EUR*	1.8	2.9	2.0
Financial income and expenses, net, EUR million	-1.5	-0.3	-6.6
Equity ratio, %	20.2	32.8	22.2
Interest-bearing net debt, EUR million	104.1	21.2	86.5
Gearing ratio, %	46.6	5.8	34.6
Total assets, EUR million	1,259.1	1,263.1	1,274.3
Operating cash flow after investments, EUR million	-16.9	-2.2	74.2
Working capital, EUR million	64.5	87.2	46.0
Gross capital expenditures, EUR million	3.1	0.9	27.8
% of revenue	0.5	0.1	1.1
Order backlog, EUR million	1,335.3	1,315.2	1,240.7
Personnel, average for the period	17,375	18,381	18,071
Number of outstanding shares at the end of the period (thousands)	125,590	n/a	125,592
Average number of shares (thousands)	125,592	n/a	125,595

* Computed as if the shares issued at the demerger were outstanding for all periods presented.

3 Financial development by quarter

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Revenue	591.3	688.1	594.8	652.8	607.9
EBITDA	9.6	25.3	23.3	12.9	9.4
EBITDA margin, %	1.6	3.7	3.9	2.0	1.5
Operating profit	3.9	19.5	17.8	7.8	4.3
Operating profit margin, %	0.7	2.8	3.0	1.2	0.7

	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Earnings per share, basic, EUR*	0.01	0.14	0.09	0.03	0.02
Earnings per share, diluted, EUR*	0.01	0.14	0.09	0.03	0.02
Equity per share, EUR*	1.8	2.0	1.9	1.8	2.9
Financial income and expenses, net, EUR million	-1.5	-2.3	-1.9	-2.1	-0.3
Equity ratio, %	20.2	22.2	21.1	19.9	32.8
Interest-bearing net debt, EUR million	104.1	86.5	190.1	194.0	21.2
Gearing ratio, %	46.6	34.6	79.7	85.5	5.8
Total assets, EUR million	1,259.1	1,274.3	1,291.1	1,287.4	1,263.1
Operating cash flow after investments, EUR million	-16.9	106.4	5.3	-35.3	-2.2
Working capital, EUR million	64.5	46.0	119.9	99.8	87.2
Gross capital expenditures, EUR million	3.1	4.4	0.8	21.7	0.9
% of revenue	0.5	0.6	0.1	3.3	0.1
Order backlog, EUR million	1,335.3	1,240.7	1,296.0	1,274.2	1,315.2
Personnel at the end of the period	17,267	17,673	17,890	18,125	18,264
Number of outstanding shares at the end of the period (thousands)	125,590	125,592	125,595	125,596	n/a
Average number of shares (thousands)	125,592	125,595	125,596	125,596	n/a

* Computed using the number of shares issued at the partial demerger.

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
Earnings / share (EUR) =	Net profit for the period (attributable for equity holders) Average number of outstanding shares during period
Equity / share (EUR) =	Shareholders' equity Number of outstanding shares at the end of period

5 Non-recurring items affecting EBITDA and operating profit

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Non-recurring items	-3.5	-1.4	-3.5	-3.1	-2.8

In January–March 2014 a non-recurring payment of EUR 3.5 million was made which was related to a final settlement of an old export project in Danish operations due to bankruptcy of a joint venture partner.

Demerger related costs totalled EUR 1.4 million during October - December 2013 and EUR 3.5 million during July–September 2013.

During April–June 2013 Group entered one-off items relating to restructuring amounting to EUR 1.4 million. The operating profit was burdened by HOCHTIEF Service Solutions M&A related project costs amounting to EUR 1.4 million. Demerger related costs amounted to EUR 0.3 million during April-June 2013.

Approximately EUR 2.8 million of adjustment costs were entered during January–March 2013.

6 Business combinations and disposals

There have been no acquisitions or disposals in January–March 2014.

7 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.

To manage the interest rate risk, the Board of Directors has defined an average interest rate fixing term target of 18 months for the Group's net debt (excluding cash). The Group Treasurer is authorised to deviate +/- 12 months from the target interest rate fixing period. At the balance sheet date the average interest rate fixing term of net debt (excluding cash) was 6.25 months.

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	2014	2015	2016	2017	2018	2019->	Total
Interest-bearing liabilities	71.0	52.8	91.8	2.0	2.0		219.6

8 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.

	Mar 31, 2014	Mar 31, 2014	Dec 31, 2013	Dec 31, 2013
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Loans from financial institutions	136.3	137.6	138.1	139.5
Pension loans	8.0	7.8	8.0	7.7
Other financial loans	0.5	0.5	1.2	1.2
Finance lease liabilities	1.2	1.2	1.2	1.3

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 Mar 31, 2014				
EUR million	Level 1	Level 2	Level 3	Total
Available-for-sale investments	0.6		1.5	2.1
Derivatives (hedge accounting not applied)		0.2		0.2
Derivatives (hedge accounting applied)				
Total assets	**0.6**	**0.2**	**1.5**	**2.3**
Liabilities Mar 31, 2014				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		0.5		0.5
Derivatives (hedge accounting applied)		0.1		0.1
Total liabilities		**0.6**		**0.6**

Assets Dec 31, 2013				

EUR million	Level 1	Level 2	Level 3	Total
Available-for-sale investments	0.6		1.4	2.0
Derivatives (hedge accounting not applied)		0.1		0.1
Derivatives (hedge accounting applied)				
Total assets	**0.6**	**0.1**	**1.4**	**2.1**
Liabilities Dec 31, 2013				
EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (hedge accounting not applied)		0.8		0.8
Derivatives (hedge accounting applied)		0.1		0.1
Total liabilities		**0.9**		**0.9**

There were no transfers between the levels of the fair value hierarchy during the period ended March 31, 2014.

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 Mar 31, 2014	Liabilities Mar 31, 2014	Assets Dec 31, 2013	Liabilities Dec 31, 2013
Opening balance	1.4		1.9	
Transfers into / from Level 3				
Purchases and sales			-0.1	
Gains and losses recognised in profit or loss				
Gains and losses recognised in other comprehensive income	0.0		-0.3	
Closing balance	1.5		1.4	

Derivative instruments

Nominal amounts			
EUR million	**Mar 31, 2014**	**Mar 31, 2013**	**Dec 31, 2013**
--Interest rate derivatives	70.0	42.0	70.0
--Foreign exchange forwards	47.8	13.7	32.9

Fair values			
EUR million	**Mar 31, 2014**	**Mar 31, 2013**	**Dec 31, 2013**
--Interest rate derivatives			
positive fair value			
negative fair value	-0.1	0.0	-0.1
--Foreign exchange forwards			
positive fair value	0.2	0.1	0.1
negative fair value	-0.5	-0.2	-0.8

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

9 Commitments and contingent liabilities

EUR million	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
Collateral given for own commitments			
- Corporate mortgages		0.7	
Guarantees given on behalf of associated companies	0.2	0.2	0.2
Parent company's guarantees on behalf of its subsidiaries	464.6	534.6	468.1
Other commitments			
- Operating leases	208.9	212.2	210.4
- 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 63.5 million on March 31, 2014, and they mature as follows: EUR 52.7 million in 2014, EUR 5.4 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 384.7 million at the end of March 2014.

10 Events after the reporting period

Caverion announced on January 20, 2014 that its Board of Directors had chosen Fredrik Strand as Caverion's new President and Chief Executive Officer. Mr. Fredrik Strand took up the position as the President and Chief Executive Officer of Caverion Corporation on April 1, 2014. The former President and CEO Mr. Juhani Pitkäkoski was appointed Senior Vice President, Mergers & Acquisitions as of April 1, 2014. He will report to President and CEO Fredrik Strand.