



**Annual Report
2015**

Caverion

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Caverion Space Saga, Caverion's first common marketing campaign was launched in December 2015.

Caverion in brief



Caverion designs, builds, operates and maintains user-friendly and energy-efficient technical solutions for buildings, industries and infrastructures in Northern, Central and Eastern Europe. Our services and solutions are used in commercial, industrial, public and residential buildings and processes ensuring business continuity, safe, healthy and comfortable conditions, optimised performance and cost control.

Caverion's revenue for 2015 amounted to approximately EUR 2.4 billion. The company is among Europe's leading providers of technical solutions for buildings and industries.

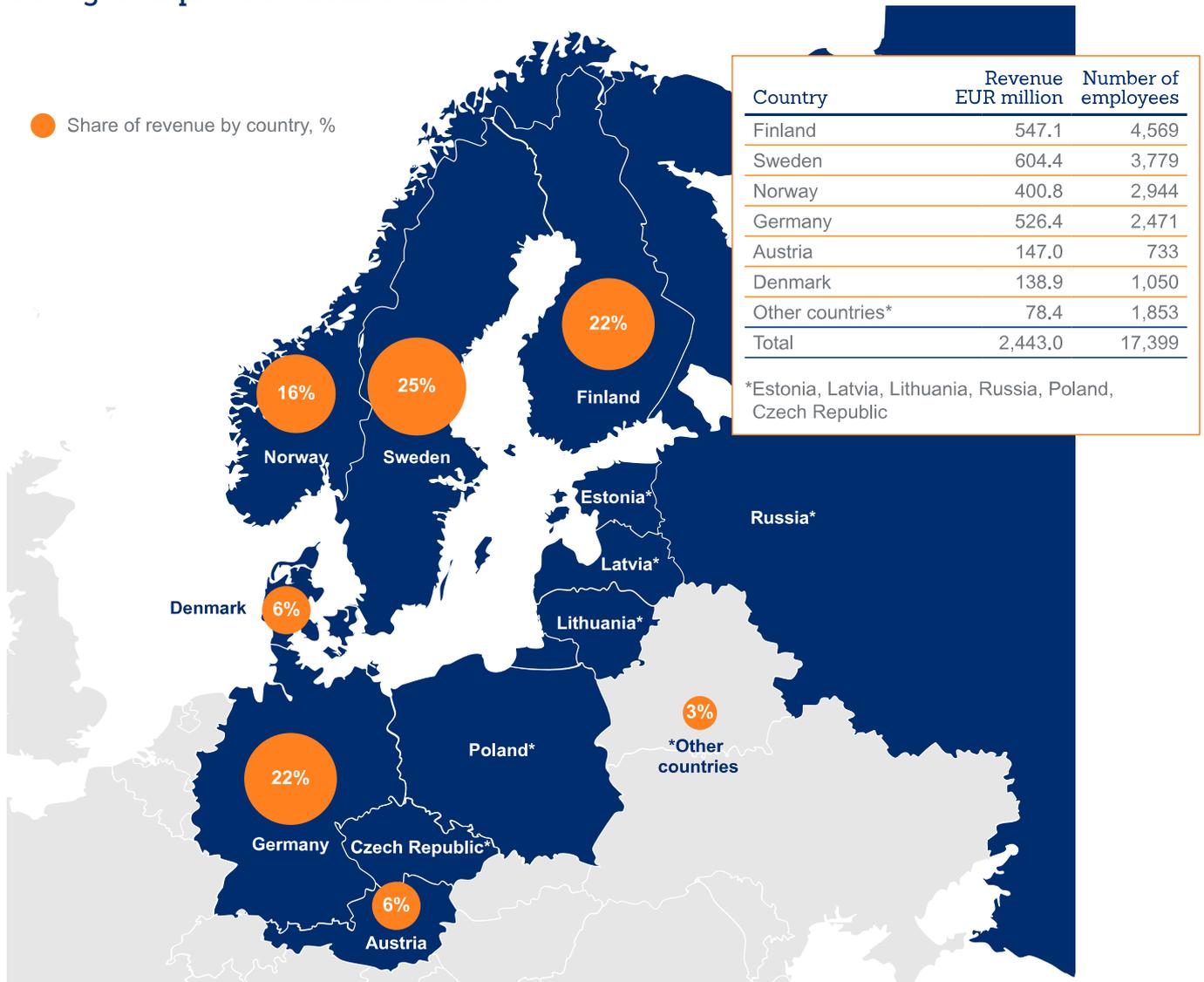
Caverion operates in 12 countries and employs approximately 17,400 people. Our head office is located in Helsinki, Finland. The Caverion share (CAV1V) is listed on the Nasdaq Helsinki.

We have strong growth potential in a fragmented market, and we aim to grow both organically and through acquisitions. Our vision is to be a leading European provider of advanced and sustainable life cycle solutions.

Key figures

EUR million	2015	2014
Order backlog	1,461.4	1,323.6
Revenue	2,443.0	2,406.6
EBITDA	91.5	67.5
EBITDA margin, %	3.7	2.8
Earnings per share, basic, EUR	0.37	0.22

Strong local presence in 12 countries



Five quick facts about Caverion in 2015:

- 30,000 spaces serviced
- ~280 branch offices
- 5,700 service cars
- ~30,600 shareholders
- 93% environmentally certified operations of our revenue (ISO 14001)

Year of building "One Caverion"

The second full year for Caverion as a corporation was successful. We now have a uniform operational model in all our countries meaning that we can increase cooperation between divisions and businesses. We introduced a common market offering and developed harmonised sales, pricing and documentation. We also launched a unique marketing campaign.

We have a very stable financial position and we are ready to move into 2016 and continue to develop our company according to our strategic roadmap. I believe that 2016 will be another year of continued improvement in our operational performance, both financially and from our client's perspective.



From the CEO

It's time to bring the year 2015 to a close, the second full year for Caverion as a corporation.

I would say it was quite a successful year. We have grown our order backlog by 11% and our net sales by 4% in constant currencies. We have a very stable cash position, and we are clearly ready to move on into 2016 and continue to develop our company according to our strategic roadmap.

Uniform operational model increases cooperation

We now have a uniform operational model in all 12 countries where Caverion is present. It means that we can increase cooperation between divisions, and between business areas within these divisions. As a result, the workforce of 17,400 people within Caverion becomes one, no longer fragmented into regions, divisions and countries. Of course, the journey continues, we are not there yet. But we can already see a lot of effort and a lot of positive outcomes of the increased cooperation within Caverion as a group.

Common market offering introduced

We also introduced a common market offering at our Capital Markets Day earlier in 2015.

We now have a set of sales objects which will be the sellable objects from us as a company. It means we can harmonise the way we work with pricing, the way we work with documenting, sales guidelines, and so on.

Connected to this, we have what we call our "delivery view". Basically, it is a connection between what we sell to our clients and then what is delivered by our service organisation in the field.

"Space Saga" marketing campaign supports our growth

We have also launched, at the end of last year and the beginning of this year, a common marketing campaign.

We have selected a space theme that may seem a little bit unique. But everything that we talk about in the campaign and everything that we present is, of course, relevant for our clients, even today, whether it's indoor climate, energy efficiency or other topics.

Good development in work safety

We have also worked a lot to ensure that our employees feel safe at the workplace.

One of the most important measurements here is, of course, the number of accidents, or incidents, as we call them. Here we have also seen a significant drop within the Group. About 40% fewer incidents in 2015 compared to 2014, which, I think, is a significant improvement. This of course has a very positive impact also on our employees and how they feel when they come to work every day.

Excellent leadership

We also worked a lot with strengthening the leadership.

I am very happy to say that as part of introducing the operational model, we now also have the leadership needed to take us forward to meet our long-term strategic targets.

2016: Focus on profitable growth

Let's take a look into the future in 2016. First of all, the Board will propose at Annual General Meeting a dividend of EUR 0.28 per share representing 75 percent of the Group's net profit for 2015. Caverion estimates that the Group's revenue

for 2016 will grow from the previous year and the Group's EBITDA for 2016 will grow significantly from the previous year.

I think we leave behind the year 2015 as a much stronger company than we entered it. And I genuinely believe that 2016 will be another year of continued improvement in our operational performance, both financially and from the perspective of our clients.

I would like to thank all of our employees for making this possible, because Caverion is a service company.

I am also very grateful to those of you who have chosen to invest in Caverion. Of course, I would also like to thank all the people that have a general interest in our company.

Caverion is a company for the future, and I think we will prove 2016 to be yet another year of success.

Fredrik Strand, President & CEO of Caverion

Strategy overview

The group has defined four megatrends that are changing the market in which Caverion operates. The megatrends drive Caverion's strategy and support the future demand for our business.

Megatrends

Increasing technology	<ul style="list-style-type: none">◦ Technology in buildings currently accounts for 40–60% of building costs.◦ Integrated technologies require multi-discipline expertise.◦ Maintenance is increasingly based on preventive measures as well as on actual needs and conditions.
Improving energy efficiency	<ul style="list-style-type: none">◦ Tightening legislation relating to energy efficiency◦ Integrated technologies require multi-discipline expertise.◦ Increasing demand for energy-efficient solutions also for existing buildings
Growing digitalisation	<ul style="list-style-type: none">◦ All technologies in buildings have an IP address.◦ Demand for remote monitoring is increasing.◦ 10,000 buildings currently under Caverions' remote control.
Urbanisation continues	<ul style="list-style-type: none">◦ Needs for necessary infrastructure (water, sanitation, energy, information, transportation) increase.◦ Urban development management important (management of land, housing, working environment, transportation)

Our vision and mission

Caverion's vision is to be a leading European provider of advanced and sustainable life cycle solutions for buildings and industries.

Our mission is to design, build, operate and maintain user-friendly and energy-efficient solutions for buildings, infrastructure and industrial plants.

Guidance for 2016

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

Long-term financial targets

After taking the actions according to our strategy period ending in 2016, our goal is to reach long-term financial targets. Our long-term financial targets are:

Profitability

- EBITDA over 6% of revenue

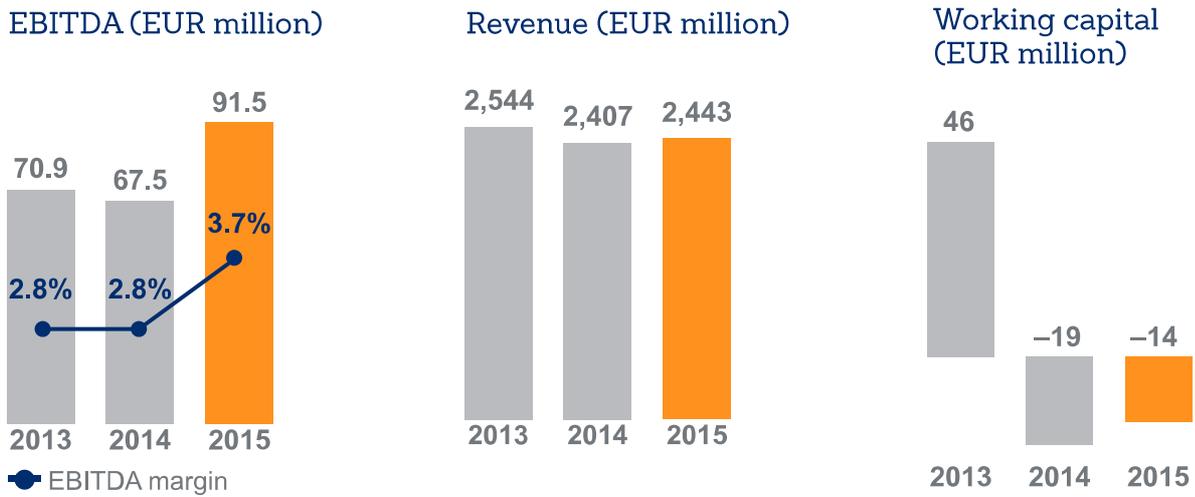
Revenue growth

- Average annual revenue growth >10%

Working capital

- Negative

Progress in reaching long-term financial targets 2013–2015



Strategy period 2013–2016

In the strategy period extending to the end of 2016, the main focus is on achieving the growth and profitability targets, improving working capital efficiency, and offering life cycle solutions.

[Read more about our progress with the strategy in 2015](#)

Key strengths

Key strengths of Caverion are:

- Life cycle solutions
- Geographically extensive operations in 12 countries and strong market position in all key operating countries
- Strong technical competence and own innovative solutions
- Energy efficiency always integrated into services and solutions
- Prerequisites for a strong, stable cash flow
- Competence and proven experience in growing through acquisitions

Strategy progress in 2015

In 2015, the core of our strategy remained intact and group progressed well to reach its strategic targets. During the year, Caverion focused on creating “One Caverion” and invested in harmonised operational model, processes and enterprise architecture. The preparation has been necessary in moving towards the next phase of Caverion’s strategy, with a strengthened focus on:

- clients
- growth and
- developing the group business mix.

Targeting growth in Large Projects and Managed Services

In September 2015, Caverion informed about the company’s new business mix consisting of Technical Installations and Maintenance, Large Projects and Managed Services.

Caverion is targeting further growth especially in Large Projects and Managed Services.

Caverion is moving forward to meet the growing demand from our clients for outsourcing the maintenance of their properties and plants. As the buildings become more complex, their usability and life cycle cost will be increasingly important. Clients are increasingly interested in energy and cost efficiency of their buildings and plants over the entire life cycle.

During autumn 2015, Caverion’s management structure was aligned with the execution of the strategy. Two new Group support functions, Delivery & Operations Development and Business Development & Marketing were established. Caverion also announced the combining of operations in Denmark and Norway under one new division as of January 1, 2016.

Progress in the strategic focus areas in 2015

Strategic focus areas	Actions in 2015
Increasing profits	<ul style="list-style-type: none"> ◦ Implementing the new business mix ◦ Increasing the efficiency of procurement and administration ◦ More focus on efficient invoicing and working capital management ◦ Developing the group level risk management process
Strong growth	<ul style="list-style-type: none"> ◦ A stronger focus on Managed Services and Large Projects ◦ Supporting growth, by e.g. developing sales, in order to create organic growth ◦ More focus on increasing long-term maintenance agreements and strengthening relationships with selected contractors ◦ Active target screening in the Merger & Acquisition market
Innovative and advanced solutions	<ul style="list-style-type: none"> ◦ Introducing a commercialised and fully industrialised market offering ◦ Defining sales objects and developing pricing guidelines and tools ◦ Defining R&D Strategy and launching a new Innovation Path for our R&D Centre in Aachen, Germany
Strong company image	<ul style="list-style-type: none"> ◦ Preparing and launching the first group wide marketing campaign: Caverion Space Saga which will continue until the end of 2016 ◦ Renewal of websites with new layout and mobile optimised technology ◦ Defining themes for all communications
Excellent leadership	<ul style="list-style-type: none"> ◦ Defining group Safety Guidelines and safety Ground Rules ◦ Recruiting new competences and strengthening management capability throughout Caverion ◦ Building the job structure and supporting solutions along the harmonised operational model ◦ Building common performance management and rewarding model ◦ Developing common leadership culture by delivering Leadership Safari programme ◦ Using results to lead transformation by conducting an annual group wide employee engagement survey
Operational excellence	<ul style="list-style-type: none"> ◦ Common IT platform operational in Finland, Sweden, Norway and Austria, roll-out started in Denmark ◦ Roll-out of Mobile Field Service continued ◦ Introducing project management steering groups and Project Offices in all divisions ◦ Developing a new common document management system ◦ Developing a customer platform for the management of properties, pilots in Sweden and Finland

Operating environment

Caverion is among Europe's leading providers of technical solutions for buildings and industries. Our market position remained strong in 2015.

Competitive landscape and market position

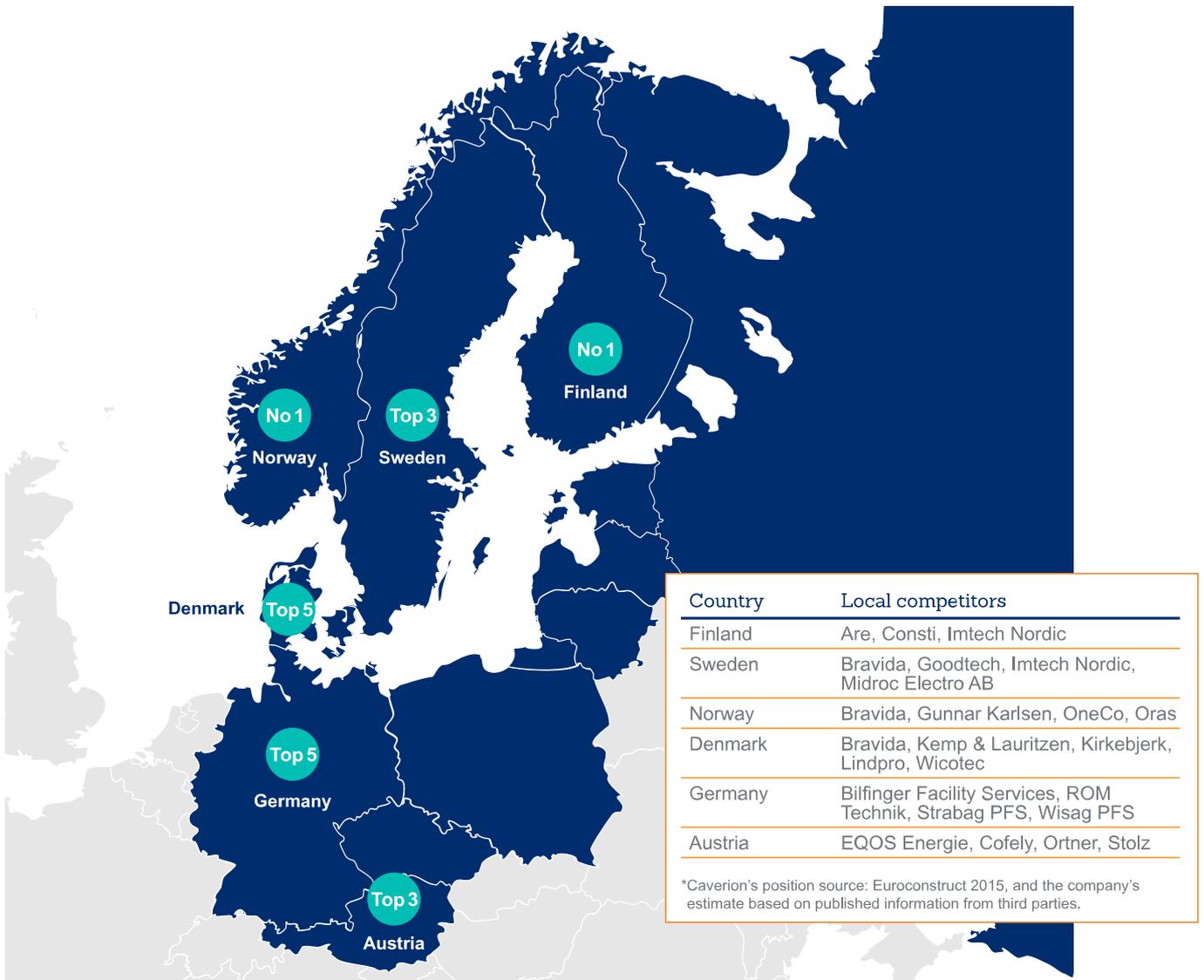
Based on revenue, we were the sixth largest among European building systems companies. The European market for technical solutions for buildings and industries is very fragmented. Most players in the field are smaller companies with a limited range of services. The fragmented market provides opportunities for growth.

Competition in the large project market typically takes place on the national or international level with a relatively low

Caverion's market position*

number of companies capable of tendering and managing large projects. In managed services, the competitor spectrum covers everything from large international companies to small local ones and there are clearly less competitors than in the traditional maintenance market. Technical installation and maintenance is typically very local or regional business and it is the most competitive of our businesses, mainly due to very low barriers of entry.

In 2015, we ranked among the five largest players in all of our largest operating countries: Finland, Sweden, Norway, Denmark, Germany and Austria. Germany was clearly our largest addressable market in 2015. Therefore, based on the size of the market alone, there is big growth potential in Germany.



Market outlook for Caverion's business in 2016

Technical Installation and Maintenance

- Markets expected to remain stable.
- Requirements for increased energy efficiency, better indoor conditions and tightening environmental legislation support market development.
- In Norway, general economy impacted by slowdown in the oil industry.

Large Projects

- Positive signs in tendering activity.
- In certain industries (nuclear in Germany and Sweden, mining in Sweden and oil in Norway) less investments resulting in project postponements or cancellations.
- Demand for design & build of total technical solutions expected to develop favourably.

Managed Services

- Need for new services and the demand for life cycle solutions are expected to increase.
- Customers' focus on their core operations opens opportunities in outsourced operation and maintenance mainly for public authorities, industries and utilities.

Short-term demand prospects in Caverion's divisions

Division / Country	Technical Installation and Maintenance	Large Projects	Managed Services
Sweden			
Finland			
Norway			
Germany			
Austria			
Denmark			
Industrial solutions			
Eastern Europe			

Sources: Euroconstruct, management estimates

Competitors by businesses

Technical Installation and Maintenance

- Alpic Intec
- Are
- Bilfinger
- Bravida
- Goodtech
- Gunnar Karlsen
- Imtech Nordic
- Ortner
- ROM Technik
- SPIE
- Strabag PFS
- Vinci

Large Projects

- Alpic Intec
- Are
- Bilfinger
- Bravida
- Cofely
- Imtech Nordic
- Ortner
- ROM Technik

Managed Services

- Bilfinger
- SPIE
- Vinci
- Wisag PFS

Clients

Based on the needs and the purchase behaviour, Caverion has identified five client segments:

- Public
- Industry
- Real Estate Investors and Developers
- Real Estate Users
- General Contractors

Our objective is to foster long-term client relationships with our competence and local presence. Long-term relationships with clients and a wide client base support the stability of cash flow.

Caverion is not dependent on individual clients: in 2015, the three largest clients represented less than 5% of our revenue and the ten largest less than 12%. In addition, different client groups in the private and public sectors and geographically extensive presence reduce our dependency on economic cycles.

Financial development in 2015

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

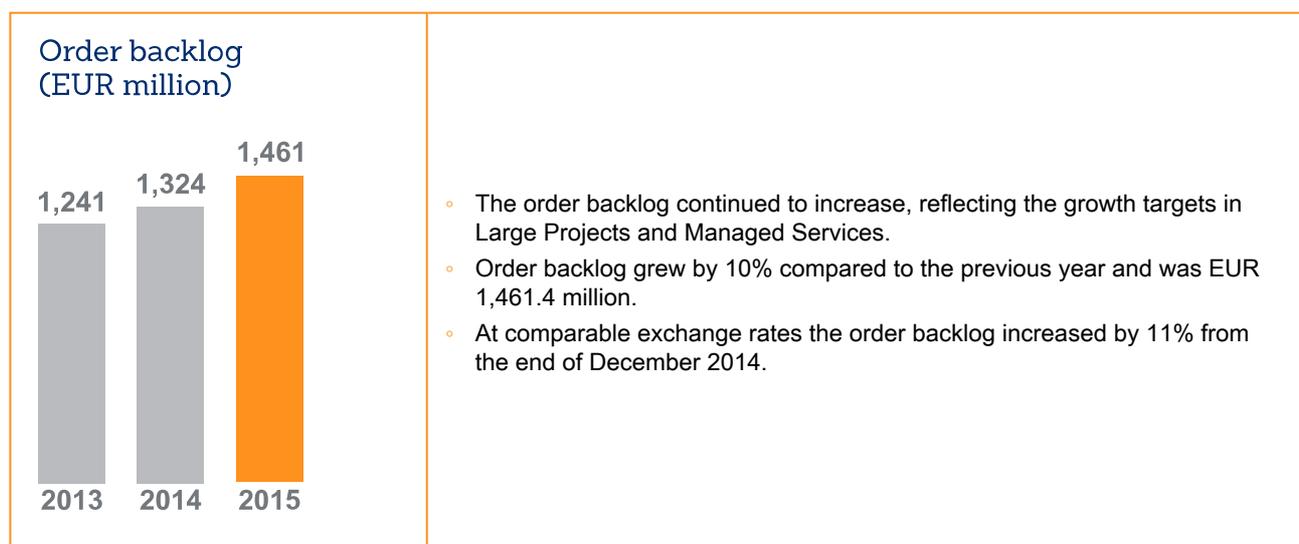
Guidance for 2016

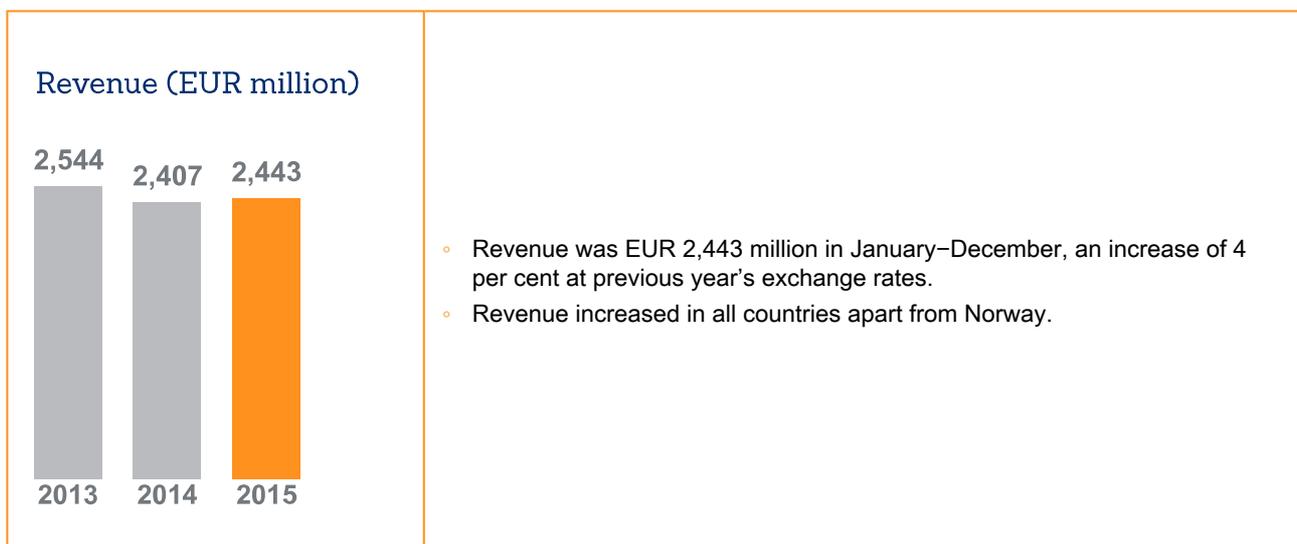
Caverion estimates that the Group's revenue for 2016 will grow from the previous year (2015: EUR 2,443 million) and the Group's EBITDA for 2016 will grow significantly from the previous year (2015: EUR 91.5 million).

Key figures

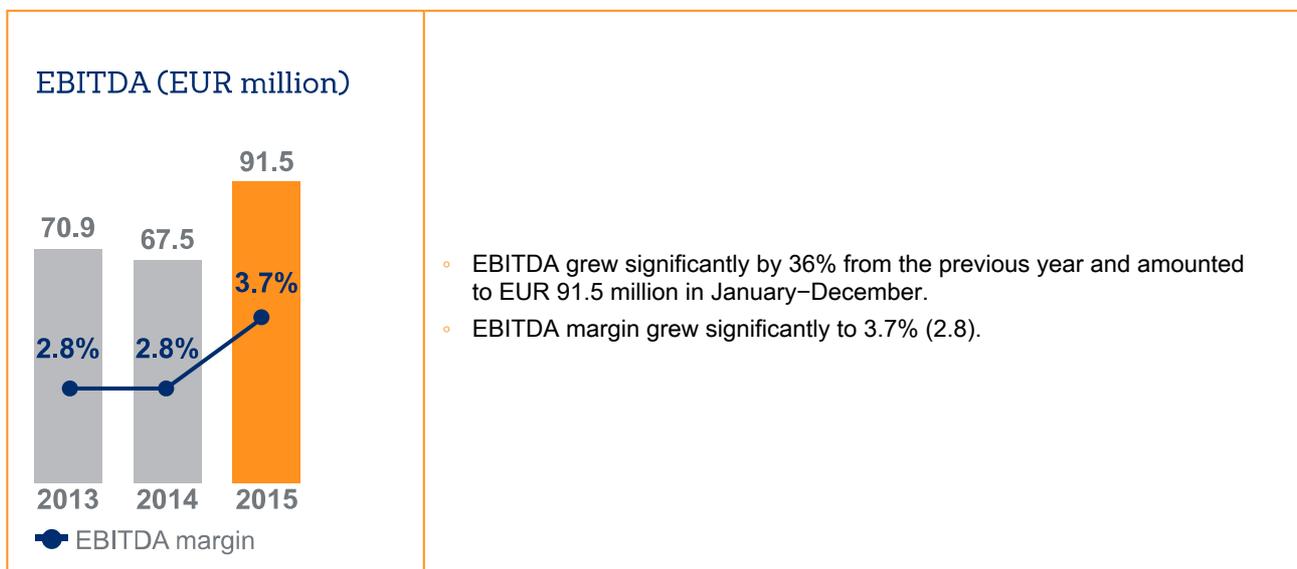
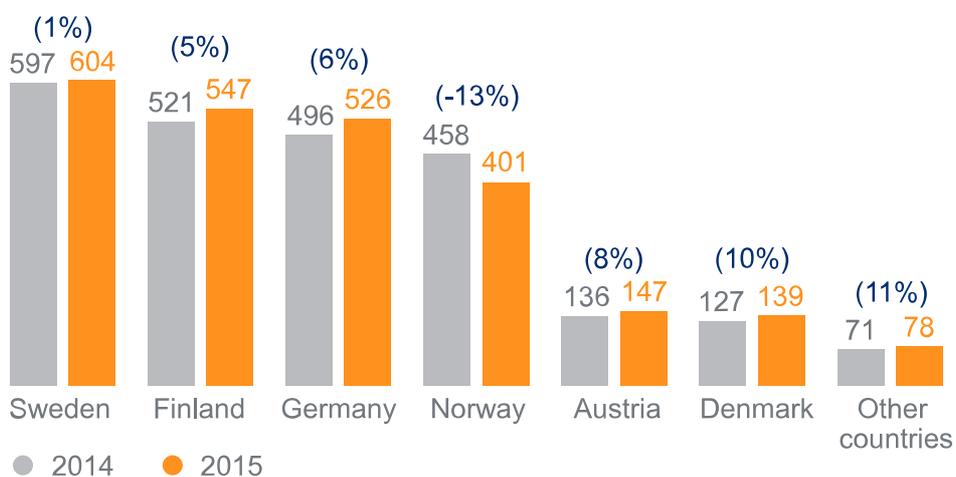
EUR million	2015	2014	Change
Order backlog	1,461.4	1,323.6	10%
Revenue	2,443.0	2,406.6	2% ^(*)
EBITDA	91.5	67.5	36%
EBITDA margin, %	3.7	2.8	
Operating profit	65.0	44.2	47%
Operating profit margin, %	2.7	1.8	
Net profit for the period	46.6	27.6	69%
Earnings per share, basic, EUR	0.37	0.22	69%
Working capital	-13.6	-19.3	
Operating cash flow before financial and tax items	85.8	113.5	-24%
Interest-bearing net debt	29.8	50.2	-41%
Gearing, %	11.6	21.1	
Personnel, average for the period	17,321	17,490	-1%

^{*)} 4% at comparable exchange rates

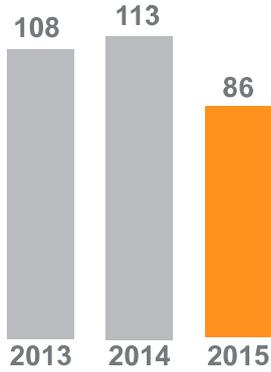




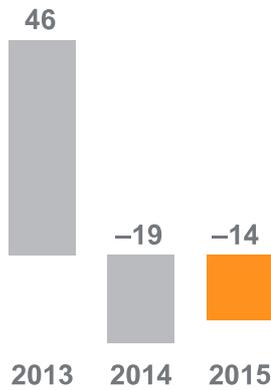
Revenue breakdown by country (EUR million)



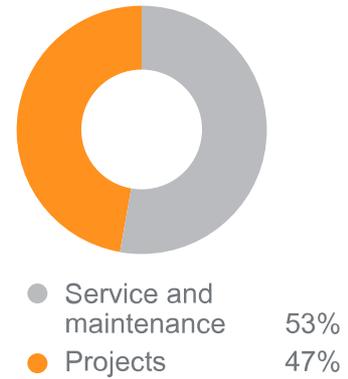
Operating cash flow before financial and tax items (EUR million)



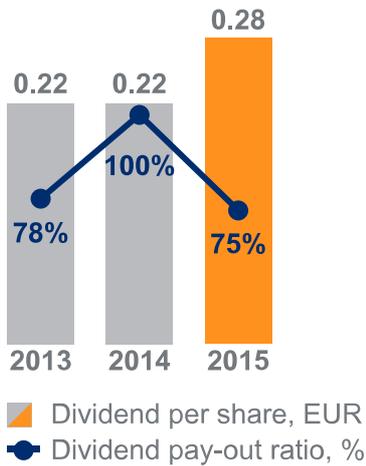
Working capital (EUR million)



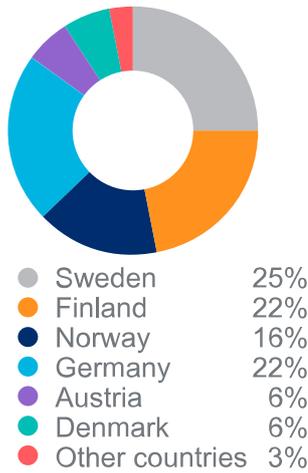
Revenue by business area, % of revenue 2015



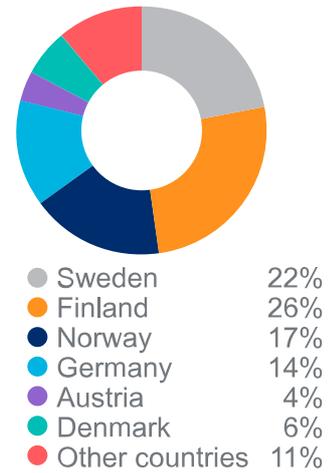
Dividend payment



Revenue by country, % of revenue 2015



Personnel by country at the end of 2015



After taking the actions according to our strategy period ending in 2016, our goal is to achieve our long-term financial targets. See more in the [strategy overview](#) page.

Events in 2015

Q4

Changes in Caverion's division structure as of Jan 1, 2016



Caverion renewed its division structure by combining its operations in Denmark and Norway under one new division as of January 1, 2016. Executive Vice President & CEO of division Denmark-Norway is **Knut Gaaserud**, who previously was responsible of division Norway.

Caverion Space Saga



Caverion launched its first common marketing campaign, Caverion Space Saga, at the end of 2015. The campaign will continue until the end of 2016. www.caverion.com/Csaga

New Safety Guidelines and Ground Rules



Common Safety Guideline and Ground Rules were published to guide safe working in all our sites and offices. Caverion's goal is to become an accident-free workplace.

Changes in Caverion's Group Management Board as of Oct 1, 2016



Mrs. **Carina Qvarngård** was appointed as Senior Vice President for new group function, Group Business Development & Marketing, and member of the Group Management Board of Caverion.

Mr. **Matti Malmberg**, Senior Vice President, was appointed responsible for the new group function Group Delivery & Operations Development. Mr. Malmberg will also continue as a member of the Group Management Board of Caverion.

New share-based long-term incentive plan



Caverion's Board of Directors approved a new long-term share-based incentive plan for the Group's senior management. The new plan consists of a Performance Share Plan, complemented with a Restricted Share Plan for special situations.

Second Caverion-wide personnel survey



12,829 employees (79%) participated in the Caverion Spirit personnel survey. Results show improving engagement and they were communicated group-wide as a basis for further development.

Q3

One of the largest deals signed



Caverion signed a large project contract on the delivery of total technical solutions for the renovation of Congress Center Hamburg in Germany. The contract is worth over EUR 43 million, making it one of the largest projects after the establishment of Caverion.

Capital Markets Day 2015



Capital Markets Day in Aachen, Germany, focused on explaining how the development of the company's business mix and the creation of unified commercial offering enable growth and profitability improvement in line with financial targets.

Q2

Multifunctional laboratory module completed



The work for multifunctional laboratory module was finished at our R&D Centre in Aachen, Germany. The patented module makes it possible to respond flexibly to the increasing requirements of biological and chemical labs.

Summer recruitments



During 2015, Caverion recruited approximately a total of 1,300 summer employees and trainees. We also participated actively in the development of education programmes related to our field of business.

Annual General Meeting



The Annual General Meeting of Caverion Corporation was held on March 16, 2015 in Helsinki, Finland. At the meeting were present 446 shareholders either in person or represented by proxy.

Change in Caverion's Group Management Board



Mr. **Juhani Pitkääkoski** was appointed as Executive Vice President & CEO, Division Industrial Solutions and member of the Group Management Board of Caverion.

Q1

Golden Helmet Awards



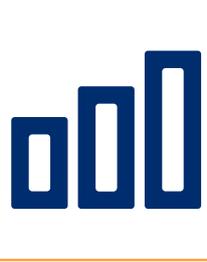
Two teams and two individuals at Caverion were awarded with the Golden Helmet Award for doing extraordinarily excellent work in strategy execution.

Change in Caverion's Group Management Board as of May 1



Mr. **Niclas Sacklen** started as Group Senior Vice President and CEO of Division Eastern Europe and as member of the Group Management Board.

Caverion acquired Esco Norway



Caverion purchased a Norwegian company, Esco Norway AS. Esco Norway is an energy services provider with expertise in e.g. Energy Performance Contracting and Building Management System.

Business



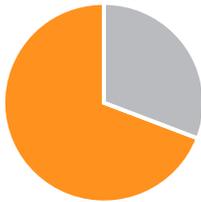
Caverion has strong process and technological expertise and comprehensive services, including all technical disciplines throughout the entire life cycles of properties and plants.

Since early 2016, Caverion has had three business areas: Technical Installation and Maintenance, Large Projects and Managed Services.

Technical Installation & Maintenance

Large Projects

Managed Services



- Small and mid-size projects and maintenance agreements
- Single and multiple technologies
- Caverion has over 30,000 contracts in this area

- Contract volume > EUR 5m
- Integrated solutions
- Customisation
- Life Cycle focus
- Caverion is running some 50 projects of this type

- In its widest form delivered as Managed Life Cycle Solutions
- Services can be executed by Caverion or third parties
- In total some 100 contracts in this area

Number of competitors

Barriers of entry, complexity, margin potential, risk level

Pie charts: Estimated share of Group revenue in 2015

Services throughout the life cycle

Caverion understands the complexity of buildings and related processes. Our comprehensive solutions ensure that end users can focus on their core business while Caverion enables the surrounded eco-system for optimal indoor climate, cost-efficiency and sustainability. Caverion can take responsibility for designing and installing all of the technical systems and solutions, as well as for the service and maintenance of the property or industrial plant. Our services cover all technical disciplines and services are tailored to our clients' specific needs.

Caverion is a system integrator capable of combining complex, customised solutions and operating them with a guaranteed performance over the life cycle of the building and industrial plant. Life cycle solutions encompass all our service areas.

From the client perspective, the life cycle approach means that their buildings, industrial facilities and processes are functional, safe, sustainable, and energy- and cost-efficient.

Our service areas

- Advisory Services
- Design & Engineering
- Project Management
- Project Execution
- Technical Maintenance
- Managed Services

Our technical disciplines

- Heating and Sanitation
- Ventilation & Air Conditioning
- Electricity
- Cooling
- Information & Communication Services
- Security & Safety
- Automation
- Industrial Installations
- Process Piping

Technical Installation and Maintenance

In the Technical Installation and Maintenance business, we provide our clients with predictable cost levels for maintenance and installation and thereby reduce the financial risk for clients. With Caverion, the client can get improved technical asset performance, comfortable indoor conditions or reduced energy costs by benchmarking energy consumption. In the technical installation and maintenance market, Caverion is one of the major players and our aim is to maintain this position and grow with the market.

In Technical Installation and Maintenance, we deliver small and mid-size projects and maintenance agreements, with a maximum value of 5 million euros. Caverion has strong technical expertise, long experience in various client segments and professional project management.

Caverion delivers technical installations both for renovated or newly constructed buildings. Installation contracts can cover one or several technical disciplines, such as cooling, electricity or automation. For industrial clients, Caverion supplies, for example, gasometers and LNG tanks as customised project deliveries.

Over 30,000 technical maintenance contracts

In 2015, Caverion had over 30,000 technical maintenance contracts. Technical maintenance of properties and plants aims to ensure the functionality of single or multiple technical discipline during short and mid-term. Our maintenance concept is based on preventive maintenance and it can include consumables and repair in order to provide the client predictable cost.

Typical technical maintenance services are single or multidiscipline ServiFlex contracts, in which Caverion is responsible for the maintenance of certain building systems. Alarm and fault and tolerance management is an essential part of maintenance. A need-based, demand or conditions based maintenance agreement is created together with the client. In technical maintenance, Caverion is a trusted partner through our experience and efficiency in reducing cost, increasing life time and by minimising breakdowns.

Caverion's expertise in Technical Installation & Maintenance is based on our:

- Technical expertise in all technical disciplines
- Skilled and experienced personnel
- Nation-wide local presence and short response times in maintenance
- Strong market position
- Proven track record
- Long-term client relationships
- Cost, quality and contract controlling enabled by common harmonised processes and Enterprise Architecture

Examples of new contracts in 2015

In 2015, Caverion offered technical installation and maintenance services to thousands of clients.

In Finland, Caverion announced, for example, the implementation of a district heating network for Europe's biggest gold mine in Kittilä and the delivery of a new substation for Pori Energia in Pori. Teollisuuden Voima, a Finnish nuclear company also opted to continue a maintenance service agreement with Caverion concerning Olkiluoto 1 and Olkiluoto 2 nuclear power plants in Eurajoki.

In Russia, Caverion and Schlumberger agreed on technical maintenance of production plant and office buildings in the Surgut district and Astrakhan. Caverion also announced securing a contract for providing technical maintenance for a large shopping centre in Moscow.

Large Projects

In 2015, Caverion was running about 50 large projects with a contract value of over 5 million euros. Large projects are either design & build projects or tender-based projects. Installations and technology in buildings are becoming increasingly more complex and sophisticated and currently represent a large share of a building's investment cost. In design & build projects, Caverion acts as a partner for procurement, design, construction works and engineering of building technology systems. The concept of having one single partner minimises the project investor's risks, improves the quality and reduces the project execution time by overlapping the design and construction phase.

Large projects with total technical solutions cover the integration and customisation of all technical disciplines for a new construction or a building under renovation. Typically, a large project with total technical solutions includes advisory services, design & engineering, project management and project execution.

In large projects, Caverion's focus is on life cycle costs, investment and operational cost, usability and operational functionality of a building or industrial installation in the long run. When Caverion is involved already in the design phase, our expertise can help to shorten the time span of the construction phase and lower the overall life cycle costs due to our knowledge in technical maintenance and operations.

Centralised project management

To minimise project related risks, project management of large projects is centralised to our project management offices. On average, large projects have a design phase of 3-12 months and an execution phase of 8-24 months. For project execution, especially in Central Europe, Caverion also uses subcontractors. Caverion implements large projects for industrial clients, for example in energy, mining and forest industry. Project deliveries, such as industrial installations, are based on highly advanced industrial prefabrication and logistics management.

In 2015, Caverion announced its goal to seek further growth especially in Large Projects along with Managed Services, as these businesses have a higher growth and margin potential.

In Large Projects, Caverion is also driving new technological development. Our own Research and Development Centre in Aachen, Germany provides tailor-made and advanced solutions for some of our clients with high demands in ventilation, cooling and acoustics.

Caverion's expertise in Large Projects is based on our:

- Good track record of large and complex projects
- Project management offices in all divisions
- Experienced and competent project teams
- Design & Engineering competence in all client segments

- Integrated total technical solutions
- Design & Build and customisation competence
- Life Cycle cost and sustainability in focus
- Cost, quality and contract controlling enabled by common harmonised processes and Enterprise Architecture

New contracts from office buildings to congress centre renovations

In 2015, we announced several new large project contracts.

In Finland, we announced the delivery of total technical solutions covering all technical disciplines for several buildings: a theatre in Turku, a hospital and an office building in Tampere, an office and commercial centre in Vantaa, a senior centre in Espoo and two office buildings in Helsinki. Total technical solutions will also be delivered for a new car park in Helsinki. In addition, Caverion announced the provision of solutions for industrial clients, including industrial installations for a new hydrogen production unit in Porvoo, high-pressure piping for a new multi-fuel power plant in Naantali, and pulp towers for a new bioproduct plant at Äänekoski.

In Sweden, Caverion signed contracts for the delivery and installation of mechanical process piping and equipment at a pulp mill at Värö, Sweden.

In Norway, Caverion's biggest project was to provide tunnel electrification worth over EUR 35 million for a new railway project. We also announced the provision of all technical disciplines for six residential buildings in Sogndal and for school buildings in Østfold and Bergen and for a Technology Building at Sør-Trøndelag College.

In Germany, we signed a contract to provide total technical solutions for the renovation of Congress Center Hamburg. The contract is worth EUR 43 million and it is one of the largest projects since the establishment of Caverion. Caverion also signed several other large project contracts. They included providing technical disciplines for office complexes in Munich, Bonn and Hamburg, for a new building complex in Stuttgart, and ventilation and air conditioning systems for a University Hospital in Frankfurt. In addition, Caverion started a large project on delivering technical disciplines for two high-rises in Berlin.

In Austria, Caverion announced the delivery of tunnel technology for Tunnel Lambach on the B1 road and for the enclosed section of the A10 motorway. In addition, we won a contract for providing building solutions to the new headquarters of ÖAMTC in Vienna.

In Poland, work started on providing technical disciplines for a car plant in Września and in **Lithuania** we announced the delivery of technical disciplines for new buildings at an office campus in Vilnius.

Managed Services

As a specialised supplier of managed services, Caverion can provide comfortable, safe and healthy conditions that can increase productivity and well-being for the end-user and be more attractive for property tenants. Sustainability of the property is improved by precise forecasting through optimised processes, integrated solutions and Technical Asset Management, Performance Management and Configuration Management. With Managed Services, Caverion operates, develops and maintains technology and systems and related processes in commercial, industrial and residential buildings for the medium or long term.

When Caverion manages the services for the client, Caverion will provide the client with predictable cost levels, manage cost related risks and, in addition, risks related to value preservation and business interruptions.

Life Cycle Solutions encompass all our service areas

In its widest form, managed services are offered as Life Cycle solutions that encompass all Caverion's service areas. Clients are increasingly interested in energy and cost efficiency of their buildings and plants over the entire life cycle. Our offering helps clients to move life cycle responsibility from several suppliers to one organisation in order to guarantee costs, energy efficiency and optimal conditions for decades to come.

In 2015, Caverion had about 100 managed services contracts. For operation and maintenance, client relations are based on long-term partnership and the average duration for contracts is 3–5 years. Energy Performance Contracting and Operational Performance Contracting typically include an analysis phase of 3–12 months and an implementation phase of 2–3 years and a follow-up phase on at least eight years. For life cycle projects, the contract period can be up to 20–30 years. Caverion executes services in-house apart from potential soft services that are outsourced.

In 2015, Caverion announced its goal to seek further growth especially in Managed Services, along with Large Projects, as these businesses have a higher growth and margin potential. The demand by our clients to outsource the maintenance of their properties and plants is growing. As the buildings become more complex, their usability and life cycle cost will be increasingly important.

Caverion's expertise in Managed Services is based on our:

- Life Cycle cost and sustainability in focus
- Technical expertise and good track record
- In-depth knowledge of clients and long partnerships
- Remote management

- Experienced and engaged teams, skilled and experienced personnel
- Cost, quality and contract controlling enabled by common harmonised processes and Enterprise Architecture

New life cycle projects and guaranteed energy savings

In Finland, we launched two life cycle projects with YIT, consisting of a school and day care centre in Kokkola and a school modernisation and extension in Espoo. Caverion also renewed its contracts of managed services with several significant clients. The contracts covered, for example, technical maintenance and managed operations at Outokumpu's properties at Tornio mills, airline company Finnair's properties in Finland and PVO-Vesivoima's hydropower plants on the Kemijoki and Iijoki rivers in northern Finland. Caverion also started to provide managed services for railway company VR and its properties in Finland. We also announced a partnership agreement with Metsä Wood for technical maintenance and related managed services at Lappeenranta and Renko sawmills as of February 2016.

In Sweden, Caverion signed two Energy Performance Contracting (EPC) deals with the municipalities of Leksand and Söderhamn. For the client, EPC service guarantees energy savings by optimising the buildings and their performance over time. The contract with Söderhamn is worth EUR 29 million and it is the single largest EPC project implemented by Caverion in the Nordic countries. In addition, Caverion announced the renewal of its managed operation contract covering AstraZeneca's research and production facilities in Mölndal and Södertälje.

In Norway, Caverion announced the provision of project execution and technical maintenance of low voltage for the properties of the Norwegian Defence Estate Agency. The estimated value of the contract is over EUR 20 million. Caverion also signed an EPC contract with the Moss municipal property company. Caverion analyses the municipality's property stock and implements measures to reduce its energy consumption and environmental impact. The aim is to reduce the energy consumption of properties by 45% through upgrading, modernising and optimising the building systems.

Research and development

As one of the leading companies in our industry, we systematically focus on introducing technological advances. In order to achieve this, we allow space for creativity by continuously investing in new ideas and networking our experience and expertise internationally. The centre of our development activities is in Aachen, Germany. In the Research & Development Centre Caverion's engineers develop pioneering products, for example, under the Krantz trademark.

In 2015, the Research and Development Centre completed about 50 research projects. Approximately 50 percent of the research work is carried out on behalf of clients. Client projects include, for example, extracting carbon monoxide from a test rig in the automotive industry or investigating ventilation systems on behalf of a telecommunications company.

In the autumn of 2015, a new Innovation Path was launched in the R&D Centre. The Innovation Path provides a hands-on approach to our products and solutions and to the ways Caverion's solutions respond to the needs arising from global megatrends, such as growing digitalisation, increasing technology, improving energy efficiency and continuing urbanisation.

New multifunctional laboratory module

In 2015, one of the main projects was related to innovation of the multifunctional laboratory module and carrying out extensive simulations related to the solution. The patented module makes it possible to respond flexibly to the increasing requirements of biological and chemical labs. This also includes preventing pollutants being emitted from fume cupboards as a result of the flow of indoor air.

The multifunctional laboratory module allows for a high level of pre-production, which lowers the production costs. During 2015, several large-scale laboratory projects of our clients were already equipped with the module.

At the end of 2015, the R&D team was working on more than other 30 innovations and product development projects.

R&D centre

- Specialises in the research and development of advanced products related to ventilation, cooling and heating
- Has produced 50 patents in Germany and worldwide
- Runs test stations to simulate ventilation, cooling, heating and acoustics concepts under real-life conditions for demanding sites and building systems
- Validates the functions of ventilation and air conditioning components and systems in laboratory tests on a 1:1 scale to guarantee high standards of comfort, airflow and noise emissions requirements

- Uses computer simulations (CFD – Computational Fluid Dynamics) to calculate airflows in a room based on a computer model in cases where lab testing on a 1:1 scale is not feasible e.g. regarding airports, sports arenas, auditoriums or theatres

Our R&D references include many famous buildings, for example The Shard and Terminal 5, Heathrow Airport in London. [Read more about our research & development work.](#)

Case gallery

Examples of new orders in 2015



Söderhamn municipality, Sweden

Service areas: managed services

Technical disciplines: heating and sanitation, ventilation and air conditioning, cooling, electricity, information and communication services, security and safety and automation

Contract value: EUR 29 million

Lifespan: Caverion is responsible for the maintenance of the buildings and their configuration management until 2019.

Caverion agreed to perform managed Services for Söderhamn municipality and the municipality's housing company Faxeholmen AB in Sweden. This is the single largest Energy Performance Contracting (EPC) project implemented by Caverion in the Nordic countries.

For the client, EPC service guarantees energy savings by optimising the buildings and their performance over time. EPC service guarantees energy consumption reduction of at least 23% by the end of 2019.



Metsä Fibre, Äänekoski, Finland

Service areas: project design, project management

Contract value: not disclosed

Lifespan: The design and prefabrication began in 2015, installation will take place in 2016.

Caverion will deliver a total of five pulp towers to Metsä Fibre's new bioproduct plant in Äänekoski, Finland. Two of these towers are among the largest in the world with a volume of 15,000 m³. The contract covers project management, design, materials purchase, prefabrication and installation.

The bioproduct plant under construction is the largest investment in the history of wood-processing industry in Finland.



Congress Center Hamburg, Germany

Service areas: design & engineering and project execution

Technical disciplines: heating and sanitation, ventilation and air-conditioning, cooling, electricity and automation solutions and fire extinguishing systems

Contract value: over EUR 43 million

Lifespan: The Congress Center is scheduled to reopen in 2019.

Caverion signed a large project contract with CCH Immobilien GmbH & Co. KG on the delivery of total technical solutions for the renovation of Congress Center Hamburg in Germany.

The contract is worth over EUR 43 million, making it one of the largest projects since the establishment of Caverion. After renovation and comprehensive modernisation, Congress Center Hamburg will be one of Europe's largest convention centres.

Farriseidet–Porsgrunn railway, Norway

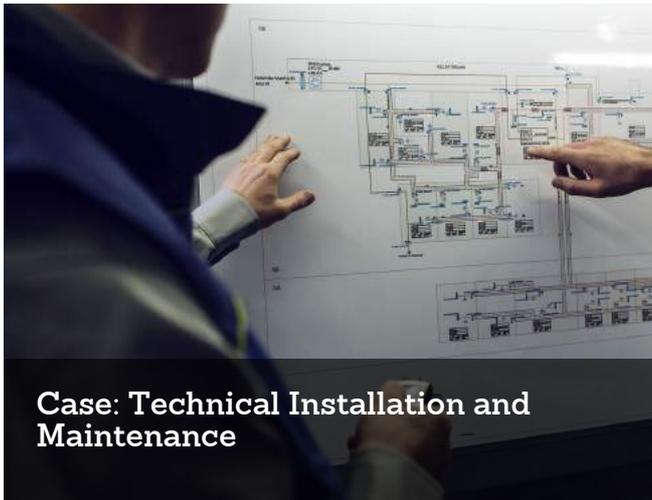
Service areas: project management and project execution

Technical disciplines: electricity

Contract value: approximately EUR 35 million

Lifespan: Final design of the project took place during autumn 2015. Installations are scheduled to start in January 2016 and to be completed in June 2018.

Caverion signed a contract with Jernbaneverket for delivering electricity solutions for the Farriseidet-Porsgrunn railway project in Southern Norway. Farriseidet-Porsgrunn railway is a new, approximately 23-kilometre long railway route with double lines between the towns of Larvik and Porsgrunn. The line includes seven tunnels with a total length of 15 kilometres.



Case: Technical Installation and Maintenance



Case: Large Projects

Production plants, Surgut district and Astrakhan, Russia

Service areas: technical maintenance

Technical disciplines: heating and sanitation, ventilation and air conditioning, electricity, information and communication services and security and safety systems

Contract value: not disclosed

Lifespan: February 2015–February 2018

Caverion signed a contract with the oilfield services company Schlumberger for technical maintenance of production plants and office buildings in the Surgut district and Astrakhan, Russia. The contract covers the maintenance of all technical systems in these facilities. The total area of the production plants is around 300,000 m² and the offices 70,000 m².

Hospital and office building in Tampere, Finland

Service areas: design & engineering, project management and project execution

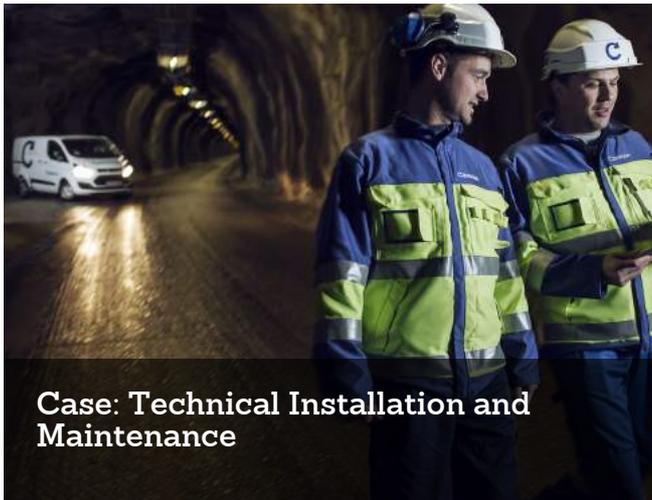
Technical disciplines: heating and sanitation, ventilation and air-conditioning, cooling, electricity, information and communication technology, security and safety and automation systems

Contract value: over EUR 7 million for the building systems delivery, for the cleanroom not disclosed

Lifespan: Works at the hospital will be completed by summer 2016 and, for the rest of the premises, by autumn 2016.

Caverion signed an agreement with Skanska on the total delivery of building systems for the old Tampella linen factory in Tampere, Finland. In addition, Caverion will deliver the cleanroom facilities for three operating theatres in the hospital, as agreed with KOY Koskitammi.

The cleanroom facility delivery is based on prefabricated CleanPlus® elements, developed by Caverion. The building is being renovated into hospital and office premises.



Case: Technical Installation and Maintenance



Case: Managed Services and Large Projects

Tunnel Lambach on the B1 road, Lambach, Austria

Service areas: design & engineering, project management and project execution

Technical disciplines: electricity, information and communication services, security and safety, automation and ventilation and air conditioning

Contract value: EUR 4.7 million

Lifespan: Construction work started in April 2016 and is scheduled to be completed in December 2016.

Caverion signed a contract with the Land of Upper Austria for delivering tunnel technology for the 912-metre long tunnel Lambach on the B1 road.

The traffic flow will be controlled through Caverion's advanced solutions for traffic safety equipment and lightning. The security and safety will be ensured by Caverion through power supply including the emergency power supply, monitoring of the air conditions, fire protection, video surveillance as well as alarm and emergency call systems, among others.

Main police station in Holstebro, Denmark

Service areas: advisory services, design & engineering, project management, project execution, technical maintenance and managed services

Technical disciplines: electricity, heating and sanitation, ventilation and air conditioning as well as security, safety and building automation

Contract value: EUR 18.8 million

Lifespan: Construction work will be completed in the beginning of 2016. Managed services will have a contract period of 25 years.

Caverion signed a contract with general contractor A. Enggaard to deliver a managed life cycle project for the new Holstebro police station. The contract includes the total delivery of all building systems in the property, followed by operation, service and maintenance throughout a contract period of 25 years from completion.

Caverion takes full responsibility for the planning, building, operating and maintaining of the technical systems and solutions. Caverion is thus responsible for the effectiveness, usability, safety, and condition of the property throughout the life cycle of the property.

Management and Governance



Caverion Corporation is committed to good corporate governance through compliance with laws and regulations and by implementing best practices. The administration of Caverion Corporation complies with valid legislation, the company’s Articles of Association and the rules and regulations of bodies that regulate and supervise the operations of Finnish listed companies.

In addition, Caverion’s operations are guided by the common values and internal operating principles confirmed in the company.

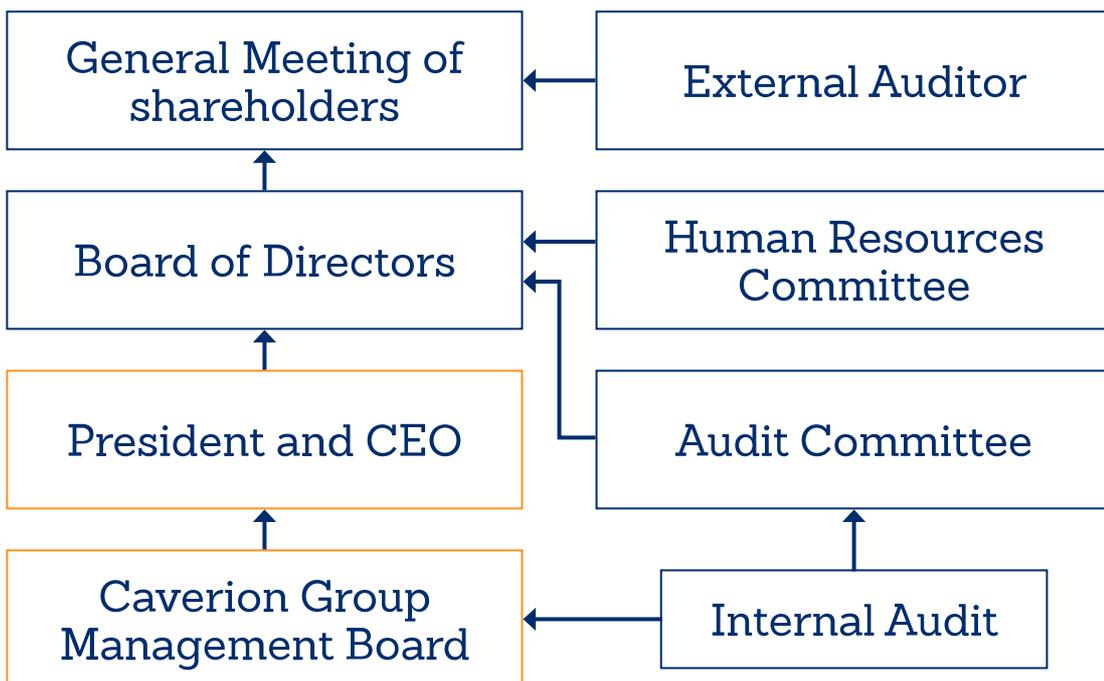
We constantly update information regarding corporate governance on our website. This information includes the CVs and up-to-date share ownership data of the members of our Group Management Board and the Board of Directors, the Charters of the Board of Directors and their committees as

well as the regulatory statements to be issued by a listed company.

- Corporate Governance Statement 2015
- Remuneration Statement 2015

Caverion’s governance bodies

Caverion Corporation’s highest decision-making body is the General Meeting of the Shareholders, which is composed of the company’s shareholders. The Board of Directors and the President and CEO are responsible for the management and strategy of the company. Other members of Management Board assist and support the President and CEO in his tasks. The Board of Directors decides on the Group’s governance systems and ensures that the company complies with good corporate governance principles.



Board of Directors on December 31, 2015



Ari Lehtoranta

Chairman

Born 1963. M.Sc. (Eng.)
Finnish citizen.

President and Chief Executive Officer of
Nokian Tyres plc.

Chairman of the Human Resources
Committee.

Independent of Caverion Corporation and
its major shareholders.



Michael Rosenlew

Vice Chairman

Born 1959. M.Sc. (Econ.)
Finnish citizen.

Professional board member.

Chairman of the Audit Committee.

Independent of Caverion Corporation and its
major shareholders.



Markus Ehrnrooth

Member

Born 1985. MSc (Tech), BSc Political
Science (Econ)

Finnish and Swedish citizen.

Knomi Oy, Co-Founder.

Member of the Audit Committee.

Independent of Caverion Corporation.



Anna Hyvönen

Member

Born 1968. Lic.Tech.
Finnish citizen.

Executive Vice President, North Central
Europe, Ramirent Plc.

Member of the Human Resources Committee.

Independent of Caverion Corporation and its
major shareholders.



Eva Lindqvist

Member

Born 1958. M.Sc. (Eng.), MBA
Swedish citizen.

Professional board member.

Member of the Audit Committee.

Independent of Caverion Corporation and
its major shareholders.



Ari Puheloinen

Member

Born 1951. General Staff Officer
Finnish citizen.

General (ret.).

Member of the Human Resources Committee.

Independent of the Caverion Corporation and
its major shareholders.

[See more detailed information](#)

Management Board on December 31, 2015



Fredrik Strand
President and CEO
Born 1964.
Swedish citizen.
In the Group's employ since February 2014.
President and CEO since April 2014.



Merja Eskola
Senior Vice President, Human Resources
Born 1961. MBA (E-business), BBA (Foreign Trade)
Finnish citizen.
In the Group's employ since October 2013.



Antti Heinola
CFO (Finance and governance)
Born 1973. M.Sc. (Econ.), eMBA.
Finnish citizen.
In the Group's employ since July 2013.



Matti Malmberg
Senior Vice President, Group Delivery & Operations Development
Born 1960. M.Sc. (Eng.)
Finnish citizen.
In the Group's employ since July 2013.



Sakari Toikkanen
Senior Vice President, Group Strategy & Development
Born 1967. Lic. (Tech.)
Finnish citizen.
In the Group's employ since July 2013.



Carina Qvarngård
Senior Vice President, Group Business Development & Marketing
Born 1959. M.Sc. (Eng)
Swedish citizen.
In the Group's employ since March 2015.



Knut Gaaserud
Executive Vice President & CEO, Division Norway
Born 1967. M.Sc. (Technology)
Norwegian citizen.
In the Group's employ since July 2013.



Jarno Hacklin
Executive Vice President & CEO, Division Finland
Born 1978. Engineer
Finnish citizen.
In the Group's employ since July 2013.



Werner Kühn
Executive Vice President & CEO, Division Germany
Born 1959. Post Graduate Degree in Business Informatics
German citizen.
In the Group's employ since October 2014.



Thomas Lundin
**Executive Vice President & CEO,
Division Sweden**
Born 1960. International Executive
Education
Swedish citizen.
In the Group's employ since November
2014.



Juhani Pitkääkoski
**Executive Vice President & CEO,
Division Industrial Solutions**
Born 1958. LL.M.
Finnish citizen.
In the Group's employ since July 2013.



Manfred Simmet
**Senior Vice President & CEO, Division
Austria**
Born 1966. Engineer
Austrian citizen.
In the Group's employ since July 2013.



Peter Rafn
**Senior Vice President & CEO, Division
Denmark (until December 31, 2015)**
Born 1968. M.Sc. (Econ.)
Danish citizen.
In the Group's employ July 2013–December
2015.



Niclas Sacklén
**Senior Vice President and CEO,
Division Eastern Europe**
Born 1969. MBA, Bachelor of Science
(Eng.)
Finnish citizen.
In the Group's employ since May 2015.

[See more detailed information](#)

Risk management

Risk management is an integral part of the Group's management, monitoring and reporting systems. The identification and management of risk factors takes into account the special features of our business and operating environment.

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

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

Caverion's typical operational risks include risks related to tenders, service agreements, project management and personnel. With regard to various projects, it is important to act selectively, taking into account the risks and profitability of the projects, and review the content, risks and terms and conditions of all contracts and agreements in accordance with specified processes.

In 2015, the investigation of violations of competition law related regulations in the technical services industry in Germany continued. As part of the investigation German authorities have searched information at various technical services providers, including Caverion. Caverion actively co-operates with the local authorities in the matter. Based on the currently available information, it is not possible to evaluate the magnitude of the potential risk and costs for Caverion related to these issues at the closing date. However, it is possible that the costs incurred and sanctions imposed on the basis of the investigation can be material.

Following the insolvency of Imtech Germany the commitments of the consortium ImCa at the Berlin Brandenburg Airport lie solely with Caverion. At the end of 2015, this did not have a material impact on Caverion's commitments at the end of the period.

Caverion's business does not include significant environmental risks.

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

- Read more about risk factors in the [Board of Directors' Report 2015](#)
- Read more about our risk management system in our [Corporate Governance Statement \(pdf\)](#).

Sustainability



Caverion knows what is needed to create user-friendly, safe, energy-efficient and comfortable built environments. We efficiently manage the entire life cycle of properties – from individual technology to advanced total solutions.

We can help our clients to achieve a better indoor climate and more comfort and productivity for end-users or guarantee the optimisation of energy use and thereby reduced energy costs. We integrate optimal technical solutions for different types of facilities, ranging from day care centres and schools to

advanced process industries. Energy efficiency is integrated into all of Caverion's services and solutions.

In 2015, we defined four key themes for our way of doing sustainable business. They are:

- We aim at reducing negative environmental impact.
- We emphasise excellent leadership.
- We ensure high-quality service.
- We operate responsibly.

Key figures in 2015

	2015	2014	2013
Personnel at year-end ¹	17,399	17,355	17,673
Personnel on average ¹	17,321	17,490	18,071
Nationalities	50	n/a	n/a
Fixed-term employees	9	7	6
Accident frequency rate ²	8.3	10.1	11
Sick leave rate ³	4.1	4.3	4.4
CO ₂ emissions (tons) / revenue ^{4,5}	21.3	24.0	21.3
CO ₂ emissions, tonnes ^{4,5}	52,100.3	57,771.8	54,213.6
ISO 14001 certified operations ⁶	93	93	82
OHSAS 18001 certified operations ⁶	71	73	75
ISO 9001 certified operations ⁶	100	100	100

¹) The figures in Norway include an adjustment to include apprentices in the total amount for 2014 and 2015.

²) LTIFR: The number of lost time injuries occurring in a workplace per one million man-hours worked.

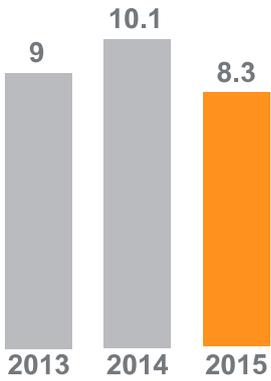
³) Hours of absence/total available hours, %

⁴) 2013-2014 emission figures are restated and differ from earlier published figures

⁵) 2015: market-based scope 2 figures used

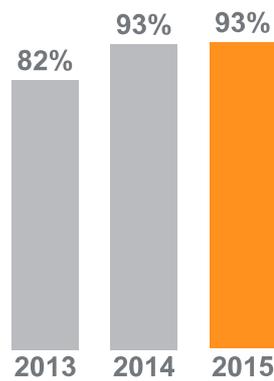
⁶) Share of total revenue

Accident frequency rate (LTIFR*)

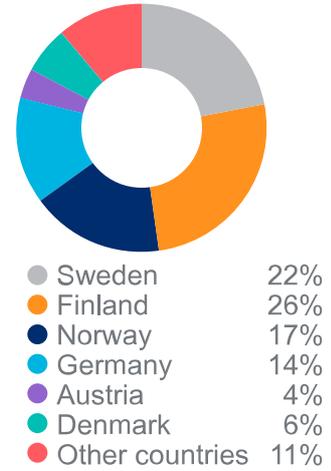


*LTIFR: LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked

ISO 14001 certified operations (share of total revenue)



Personnel by country at the end of 2015



Sustainability highlights 2015



Life-cycle projects

Our clients are increasingly interested in energy and cost efficiency of their buildings and plants over their life cycle. With our offering the life cycle responsibility is transferred from several suppliers to just one partner guaranteeing cost, energy usage and optimal conditions for decades. Watch the film of one of our life-cycle projects in Jyväskylä, Finland!



Energy-efficiency

Photo: Söderhamn

In 2015, we announced many new Managed Services contracts. For the Söderhamn municipality in Sweden, Caverion implements Energy Performance Contracting project worth EUR 29 million. For the client, EPC service guarantees energy savings by optimising the buildings and their performance over time. Caverion guarantees the energy savings for 10 years.



Young employees

We employed approximately 1,300 summer employees, thesis students and trainees. Trainee programmes and thesis cooperation give us a great opportunity to be involved in the professional development of young students. In fact, trainee programmes constitute an important channel of recruitment for Caverion. Many of our best professionals first joined the company as trainees.



Safety

Our active safety work and attention towards safety issues has produced results and good development continued throughout the year. In 2015, we also introduced common Safety Guideline and Ground Rules. They guide safe working in all Caverion sites and offices. Our goal is to become an accident-free workplace.



Leadership training

During the year 2015, we organised various types of coaching events to develop leadership throughout Caverion. These trainings had a total of 1,200 participants. Our efforts concentrated particularly on rolling the Leadership Safari training programme. The target of the programme is to build a strong basis for excellent leadership in order to successfully reach our strategic goals.



Values

Our everyday actions are guided by our values.

Our values are:

- Step Ahead
- Cooperation
- Responsibility and
- High Performance

Read more about our sustainability at www.caverion.com/sustainability

Information for investors and shareholders



Annual General Meeting 2016

Caverion Corporation's Annual General Meeting will be held on Monday March 21, 2016 at 10 a.m. Finnish time in the Congress Wing of the Messukeskus, Exhibition and Convention Centre Helsinki, Messuaukio 1, 00520 Helsinki, Finland.

The reception of persons who have registered to attend the Annual General Meeting and the distribution of voting slips will commence at 9 a.m. Finnish time. Refreshments will be served from 9 a.m.

The Annual General Meeting will be conducted in the Finnish language. Simultaneous translation (Finnish/English) is available at the meeting.

Registration

Registration will end on Wednesday, 16 March 2016 at 10 a.m. EET. You can register either:

- on the company website: www.caverion.com/AGM
- by phone: +358 20 770 6882, Monday to Friday from 9 a.m. to 4 p.m. EET.

Financial information in 2016

In 2016, Caverion will publish three Interim Reports:

- Interim Report for January–March on April 28
- Interim Report for January–June on July 21
- Interim Report for January–September on October 27

Interim Reports are published at approximately 9 a.m. Finnish time (EET).

A news conference for investors, analysts and media will be held in connection with the publication of financial reports. It is also possible to participate in these events through a conference call. Webcasts in English will be available on our website both live and recorded.

Prior to the Financial Statements bulletin and each Interim Report, Caverion follows a so-called silent period which begins on January 1, April 1, July 1 and October 1, and lasts until the publication of the respective financial report.

Investor relations

The aim of our investor relations activity is to support the appropriate valuation of the Caverion share by continuously and consistently communicating all essential information on Caverion to all market parties. In addition, we aim to increase interest in the company among equity and debt investors and analysts, improve the loyalty of current shareholders and reach new investors and analysts interested in the company.

In 2015, we met with approximately 1,400 investors and analysts. Caverion held 35 road show days and group meetings for institutional investors. The management met approximately 400 institutional investors and analysts in Europe and North America.

We also participated in various seminars for institutional investors, such as the Berenberg Energy Efficiency & Construction Conference 2015 in Zürich, the Goldman Sachs European Small and Mid-Cap Symposium in London, and the SEB "Internet of Things" seminar in Helsinki. In addition, we met with approximately 1,000 retail investors at events arranged by the Finnish Foundation for Share Promotion,

SijotusInvest 2015, Inderes, shareholder associations, and in our Annual General Meeting.

Caverion's Capital Markets Day for investors, analysts and media was arranged on September 9, 2015 in Aachen, Germany. The event focused on Caverion's strategy and business prospects.

At the event, President and CEO Fredrik Strand concentrated on Caverion's strategic targets, business mix development and growth. To drive growth, Caverion introduced a unified market offering with innovative solutions. Werner Kühn, Executive Vice President & CEO, Division Germany, explained how Caverion moves towards providing Large Projects with total technical solutions and a life cycle focus. Thomas Lundin, Executive Vice President & CEO, Division Sweden, described how Caverion is moving from Technical Maintenance towards Managed Services and Jarno Hacklin, Executive Vice President & CEO, Division Finland, explained how increasing demand for Life Cycle Solutions supports Caverion's growth. Antti Heinola, Chief Financial Officer, gave a financial update and described how Caverion is increasing efficiency and focusing on procurement and sourcing.

Capital Markets Day guests also had a chance to visit the R&D laboratory in Caverion's Space for Innovation.

Contact information

Milena Hæggström

Head of Investor Relations

Tel. +358 40 5581 328

E-mail: milena.haeggstrom(at)caverion.fi

See up-to-date investor information at www.caverion.com/investors

Analysts following Caverion

According to Caverion's information, at least the following brokerage firms actively follow Caverion. They follow Caverion on their own initiative, and we are not responsible for their views.

- Carnegie Investment Bank
- Danske Bank Markets
- Evli Bank
- Handelsbanken Capital Markets
- Inderes
- Nordea Markets
- Pohjola Bank
- SEB Enskilda

Subscribing to releases

Our stock exchange and press releases as well as investor news can be subscribed by e-mail from our website, www.caverion.com/investors

IR app

Investor information about Caverion is available also through an iPad app, including releases and consensus estimates collected by Vara Research. The app also provides the latest financial information, both in online and offline modes. You can download the app free of charge from the App Store.

Shares and shareholders

Shareholders

At the end of December 2015, the number of registered shareholders in Caverion was 30,594 (2014: 32,837). At the end of December 2015, a total of 34.6 percent of the shares were owned by nominee-registered and non-Finnish investors (2014: 33.0%).

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).

Largest shareholders on December 31, 2015

Shareholder	Shares, pcs	% of all shares
1. Structor S.A.	17,840,000	14.2
2. Funds held by Antti Herlin, including directly held shares	13,850,180	11.0
3. Ilmarinen Mutual Pension Insurance Company	4,030,000	3.2
4. Fondita funds	3,542,000	2.8
5. Nordea funds	2,898,567	2.3
6. Varma Mutual Pension Insurance Company	2,864,393	2.3
7. Danske Invest funds	2,475,958	2.0
8. OP funds	2,191,166	1.7
9. Elo Pension Company	2,119,468	1.7
10. The State Pension Fund	1,850,000	1.5
11. SEB Investment Funds	1,608,584	1.3
12. Aktia funds	1,510,854	1.2
13. Evli funds	1,347,936	1.1
14. Brotherus Ilkka	1,048,265	0.8
15. Etera Mutual Pension Insurance Company	757,446	0.6
16. Säästöpankki funds	731,052	0.6
17. Odin funds	557,549	0.4
18. Caverion Oyj	512,091	0.4
19. Alfred Berg Finland	461,242	0.4
20. Föreningen Konstsamfundet rf	423,002	0.3
20 largest, total	62,619,753	49.9
Other shareholders	38,345,222	30.5
Nominee registered total	24,631,117	19.6
All shares	125,596,092	100.0

Ownership structure by sector on December 31, 2015

Sector	Shareholders	% of owners	Shares	% of all shares
Nominee registered and non-Finnish holders	173	0.6	43,432,816	34.6
Households	28,396	92.8	23,860,533	19.0
General government	30	0.1	12,792,582	10.2
Financial and insurance corporations	86	0.3	17,343,998	13.8
Non-profit institutions	419	1.4	7,119,413	5.7
Non-financial corporations and housing corporations	1,490	4.9	21,046,750	16.8
On common and special accounts	0	0.0	0	0.0
Total	30,594	100.0	125,596,092	100.0

Management's shareholding on December 31, 2015

	Shares	% of share capital
Board of Directors	4,823	0.00384%
President and CEO	4,000	0.00318%
The Group Management Board excluding the CEO	136,272	0.10850%
Total	145,095	0.11553%

Ownership by number of shares held on December 31, 2015

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
1–100	8,193	26.8	511,741	0.4
101–500	12,388	40.5	3,489,595	2.8
501–1 000	4,673	15.3	3,682,742	2.9
1 001–5 000	4,355	14.2	9,408,332	7.5
5 001–10 000	504	1.6	3,635,587	2.9
10 001–50 000	349	1.1	7,252,172	5.8
50 001–100 000	50	0.2	3,614,120	2.9
100 001–500 000	59	0.2	12,956,071	10.3
500 001–	23	0.1	81,045,732	64.5
Total	30,594	100.0	125,596,092	100.0

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.

Caverion share

Caverion's shares are listed on Nasdaq Helsinki. The shares are included in the book-entry securities system maintained by Euroclear Ltd. The company has a single series of shares, and each share entitles its holder to one vote at the Annual General Meeting. All Caverion shares carry equal rights to dividends. The company's shares have no nominal value.

Caverion Corporation's share capital and the number of shares did not change during the review period. The number of shares subject to public trading was 125,596,092 and the share capital was EUR 1,000,000 on December 31, 2015.

Key information about the share (CAV1V)

- Listing: Nasdaq Helsinki
- List: Nordic Mid Cap
- Listing date: July 1, 2013
- Trading currency: EUR
- Industry: Industrial Goods & Services
- Trading code: CAV1V
- ISIN code: FI4000062781
- Reuters code: CAV1V.HE
- Bloomberg code: CAV1V:FH

Indexes

At the end of 2015, the Caverion share was included in the following indexes, among others:

- OMX GES Sustainability Finland
- OMX GES Sustainability Finland Cap
- OMX Helsinki
- OMX Helsinki Cap
- OMX Helsinki Industrials
- OMX Helsinki Industrial Goods & Services
- OMX Helsinki Mid Cap
- OMX Helsinki Support Services
- OMX Nordic EUR
- OMX Nordic Mid-Cap EUR

Treasury shares

Caverion held 509,257 treasury shares on January 1, 2015. During January–December, 2,834 Caverion shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme of YIT Corporation. Caverion held 512,091 treasury shares at the end of December 2015. Number of shares outstanding was thus 125,084,001 on December 31, 2015.

Own shares held by Caverion Corporation represent 0.41% of the total number of shares and voting rights.

Caverion has not made any decision regarding the issue of option rights or other special rights entitling to shares.

Caverion's Board of Directors approved a new long-term share-based incentive plan for the Group's senior management in December 2015. The new plan consists of a Performance Share Plan, complemented with a Restricted Share Plan for special situations. If all targets of the Performance Share Plan will be met, the share rewards based on the first plans for 2016–2018 will comprise a maximum of approximately 728,000 Caverion shares (gross before the deduction of applicable payroll tax). More information on incentive plan was released in a stock exchange release on December 18, 2015.

Furthermore, more information on the earlier long-term share-based incentive plan 2014–2016 for the company's key senior executives has been released in a stock exchange release on May 26, 2014.

Trading in shares

The opening price of Caverion's share was EUR 6.67 at the beginning of the year 2015. The closing rate on the last trading day of the review period on December 30 was EUR 9.03. The share price increased by 35.4 percent during January–December. The highest price of the share during the review period January–December was EUR 9.69, the lowest was EUR 6.67 and the average price was EUR 8.69. Share turnover on Nasdaq Helsinki in January–December amounted to 36.4 million shares. The value of share turnover was EUR 316.6 million (source: Nasdaq Helsinki).

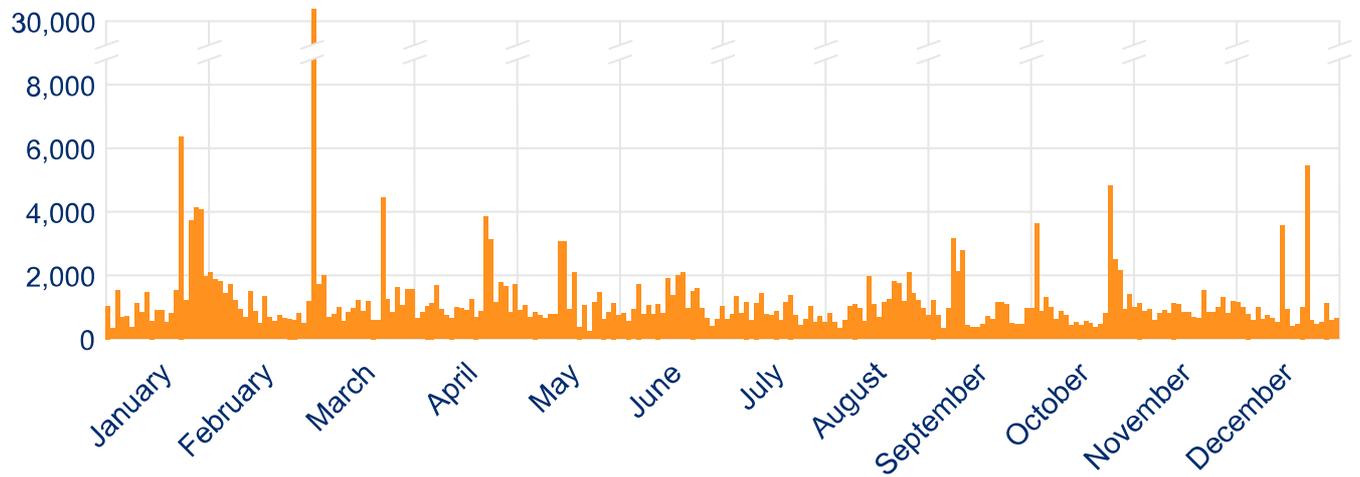
Caverion's shares are also traded in other market places, such as BATS Chi-X, Frankfurt Stock Exchange (Open Market), Turquoise and Burgundy. During January–December, 4.9 million Caverion Corporation shares changed hands in alternative market places, corresponding to approximately 9.4 percent of the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

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

Share price development and turnover in Nasdaq Helsinki on Jan 2 – Dec 30, 2015



Turnover, 1,000 shares



Debt financing

Treasury policy

Treasury Policy is carried out by the Treasury of Group in co-operation with subsidiaries under policies approved by the Board of Directors of Caverion Group. Subsidiaries are responsible for providing the Group Treasury with timely and accurate information on financial position, cash-flows and foreign exchange position in order to ensure the Group's efficient cash and liquidity management, funding and risk management.

The Group Treasury is responsible for maintaining sufficient funding, availability of different funding sources and controlled maturity profile of external loans. The Group Treasury evaluates and monitors continuously the amount of funding required in the Group's business activities to ensure it has adequate liquid fund to finance its operations and repay its loans at maturity.

Financing position at the end of 2015

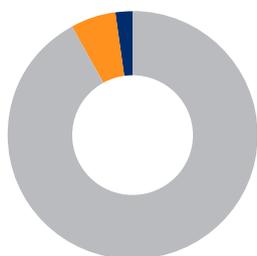
Caverion's cash and cash equivalents amounted to EUR 68.1 million at the end of December (12/2014: EUR 98.8 million). In addition, Caverion has undrawn revolving credit facilities

amounting to EUR 100.0 million and undrawn overdraft facilities amounting to EUR 19.0 million.

Our strong cash position enabled voluntary repayment of borrowings by EUR 34.1 million in January-December 2015. The Group's interest-bearing loans and borrowings amounted to EUR 97.9 million at the end of December (12/2014: EUR 149.0 million), and the average interest rate after hedges was 1.3 percent. Fixed-rate loans after hedges against interest rate rise accounted for almost 100 percent of the Group's borrowings. Approximately 92 percent of the loans have been raised from banks and other financial institutions, and approximately 6 percent from insurance companies. A total of EUR 22.7 million of the interest-bearing loans and borrowings will fall due during the next 12 months.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA. Net debt amounted to EUR 29.8 million at the end of December (12/2014: EUR 50.2 million).

Loan portfolio



- Banks 92%
- Insurance companies 6%
- Others 2%

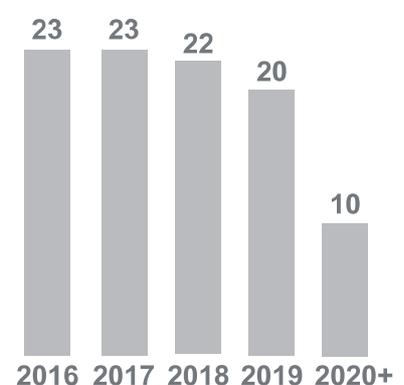
Interest rate type (after hedges)*



- Fixed interest 100%
- Floating interest 0%

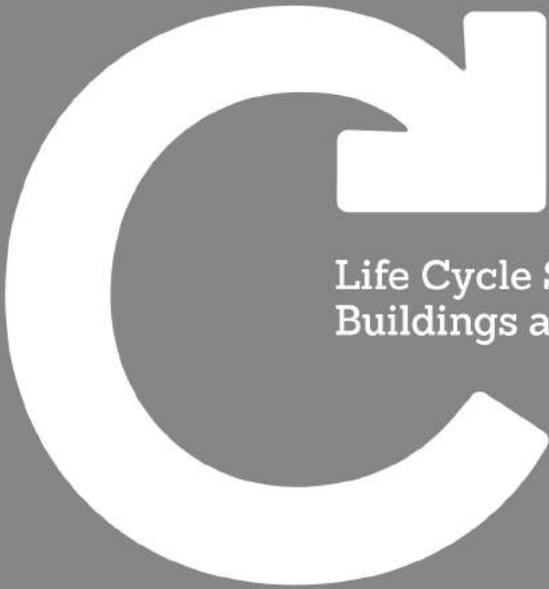
* Interest rates are hedged against interest rate rise.

Debt maturity (EUR million)



Gross debt to net debt (EUR million)





Life Cycle Solutions for
Buildings and Industries

Caverion Corporation
P.O.Box 59 (Panuntie 11)
FI-00621 Helsinki
Tel. +358 10 4071
www.caverion.com
annualreport2015.caverion.com

 @CaverionGroup

 www.linkedin.com/company/caverion