

Debt financing

Treasury policy

Treasury Policy is carried out by the Group Treasury 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 2016

Caverion's cash and cash equivalents amounted to EUR 47.7 million at the end of 2016. In addition, Caverion has undrawn revolving credit facilities amounting to EUR 100.0 million and undrawn overdraft facilities amounting to EUR 19.0 million.

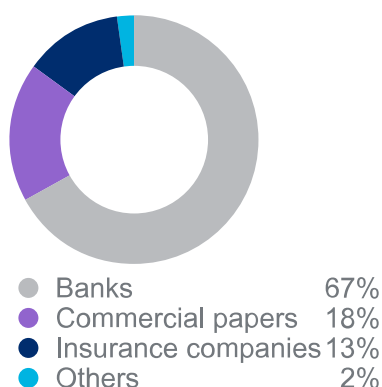
Caverion Corporation signed a new EUR 60 million unsecured long-term bullet term loan agreement with its core banks in

December. The loan will be used for general corporate purposes and it will balance the Group's debt maturity structure, provide financial flexibility and support the Group's liquidity management going forward. The loan was raised in late December and it will mature as a bullet loan in the end of February 2021.

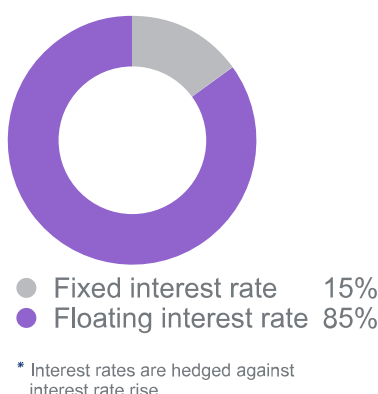
The Group's interest-bearing loans and borrowings amounted to EUR 193.3 million at the end of December (9/2016: EUR 206.8 million), and the average interest rate after hedges was 1.91 per cent. Approximately 67 per cent of the loans have been raised from banks and other financial institutions, approximately 18 per cent directly from the money markets and approximately 13 per cent from insurance companies. A total of EUR 65.7 million of the interest-bearing loans and borrowings will fall due during the next 12 months. The Group's net debt amounted to EUR 145.5 million at the end of December.

In connection with the financing arrangement agreed on December 22, 2016, Caverion and its lending parties confirmed the EBITDA calculation principles related to the Group's financial covenant (Net Debt/EBITDA). At the end of 2016, the Group's Net debt/EBITDA was 2.8 according to the confirmed calculation principles.

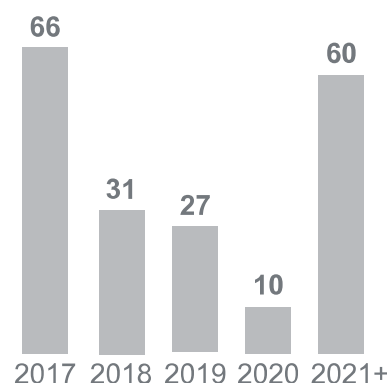
Loan portfolio



Interest rate type (after hedges)*



Debt maturity (EUR million)



Gross debt to net debt (EUR million)

