

Caverion

CAVERION CORPORATION

REGISTRATION DOCUMENT

This registration document (“the Registration Document”) applies to Caverion Corporation (also “Caverion” or “the Company”), a public limited liability company to be registered in Finland, which will be incorporated after the date of this Registration Document in connection with the partial demerger (“the Demerger”) of YIT Corporation (also “YIT”). In the demerger, YIT’s Building Services will be demerged into a separate group of companies, with Caverion Corporation as their parent company. YIT has prepared this Registration Document on behalf of Caverion. Hereinafter, the names “Caverion” and “Caverion Corporation” refer to the company to be incorporated in accordance with the demerger plan (“the Demerger Plan”), which will take the trade name Caverion Corporation, Business ID 2534127-4, and which will be created upon the execution of the Demerger (“the Effective Date of the Demerger”).

The shares in Caverion are not publicly listed on the publication date of the Registration Document. YIT will submit for and on behalf of Caverion a listing application concerning the listing of all of the shares in the Company for public trading on NASDAQ OMX Helsinki Ltd (“Helsinki Stock Exchange”) with the trading code “CAVIV” so that the Company’s shares are estimated to be entered into public trading on July 1, 2013.

This Registration Document is valid for 12 months after being approved by the Finnish Financial Supervisory Authority. The prospectus for any issuance of new shares or other securities that can be converted or exchanged into shares in Caverion may, for a period of up to 12 months from the approval of this Registration Document, consist of this Registration Document and a securities note and summary applicable to each issue and subject to a separate approval.

This Registration Document contains information on Caverion, its business operations and its financial position. The separately drafted summary and securities note contains information concerning the respective securities to be offered or to be applied to be admitted to public trading at each time.

1. CERTAIN INFORMATION

This Registration Document has been prepared in accordance with the Finnish Securities Market Act (14.12.2012/746), the decree issued by the Ministry of Finance on Listing Particulars under Chapter 3-5 of the Securities Market Act (20.12.2012/1019), Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council concerning information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (Annex I and II) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority ("FSA"). This is an English language translation of the original Finnish language Registration Document. In case of any discrepancies between the original Finnish language version of this Registration Document and this English language translation, the Finnish language version shall prevail. The FSA has approved the Finnish language version of this Registration Document but is not liable for the correctness of the information presented herein. The journal number of the FSA's decision of approval is FIVA 42/02.05.04/2013.

In this Registration Document, any reference to "Caverion" or "Caverion Group" means Caverion Corporation and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Caverion Corporation. "Caverion" may also refer to the entity comprising the transferred functions prior to the execution of the Demerger. Any reference to "YIT" means YIT Corporation and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means YIT Corporation or a particular subsidiary or business group only. YIT may refer both to YIT before the Effective Date of the Demerger, in which case YIT also includes Caverion, or after the Effective Date, in which case YIT does not include Caverion. "Companies" refers to Caverion and YIT together. "Demerger" refers to the partial demerger of YIT into a company to be incorporated, which will take the trade name Caverion Corporation, in accordance with the Demerger Plan approved and signed by YIT's Board of Directors on February 21, 2013. "Demerger Plan" means the Demerger Plan approved and signed by YIT's Board of Directors on February 21, 2013, and registered in the Trade Register on February 22, 2013, which describes the carve-out of Caverion from YIT in the partial demerger as well as the assets, liabilities and responsibilities transferred to Caverion. "Caverion's Board of Directors" means the board of Directors of Caverion to be appointed by the Extraordinary General Meeting of Shareholders of YIT deciding on the demerger, which will be according to the notice of the meeting held on June 17, 2013. Any references to the Company's shares, share capital and governance will, however, mean Caverion's shares, share capital and governance.

Shareholders and prospective investors should rely solely on the information contained in this Registration Document, as well as on the stock exchange releases published by Caverion and YIT. Caverion or YIT has not authorised anyone to provide any information or give any statements other than those provided in this Registration Document. Delivery of this Registration Document shall not, under any circumstances, indicate that the information presented in this Registration Document is correct on any day other than the date of the Registration Document, or that there would not be any changes in the business of Caverion after the date of this Registration Document. However, if a fault or omission is discovered in this Registration Document before the end of the validity of a possible offer or the admission of the security for listing on the stock exchange and such fault or omission may be of material importance to investors, the Registration Document shall be supplemented in accordance with the Finnish Securities Market Act. Information given in this Registration Document is not a guarantee for future events by Caverion and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Caverion or its industry are based upon the reasonable estimates of the Company's management.

2. NOTICE TO PROSPECTIVE INVESTORS

The distribution of this Registration Document and any summary note and securities note related to this Registration Document may be restricted by law. Persons into whose possession this Registration Document or securities note and summary comes are required to inform themselves about any such restrictions. This Registration Document and any securities note and summary do not constitute an offer of, or an invitation to purchase, any of the Company's shares in connection with or after the Demerger.

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3. RISK FACTORS

Any prospective investors should carefully review the specific risk factors described below, in addition to the other information contained in this Registration Document. Each of the risks presented may have a material impact on Caverion's business, result of operations and financial position. Furthermore, even though this Registration Document aims to describe all material risks, also risks and uncertainties other than those described herein may affect Caverion's business. Additional risks and uncertainties not presently known or presently believed to be immaterial could also unfavorably affect Caverion's business or the value of an investment in Caverion. Certain other matters regarding Caverion's operations are set out in, among others, the sections "Result of Operations, Financial Position and Prospects" and "Caverion's Business". The order of presentation of the risk factors in this Registration Document is not intended to be an indication of the probability of their occurrence or of their potential effect on Caverion's business.

3.1. Risks relating to the Demerger

Caverion's ability to operate may not remain unchanged upon or after the Demerger

Caverion is a new company incorporated as the result of YIT's partial demerger. The aim is to plan the changes relating to the partial demerger within the Company as well as possible so that the effects of the Demerger on Caverion as a company and its business remain at a minimum. However, a major organizational change is associated with a risk of the establishment of Caverion's business and the adaptation of the personnel transferred to Caverion taking a long time. The implementation of major organizational changes requires the management to be capable of change management and motivating the personnel. Any difficulties in maintaining Caverion's customer relations may also interfere with or delay the maintenance of Caverion's ability to operate. Risks relating to the maintenance of ability to operate can be managed through effective integration, among other measures, making Caverion's values, operating methods and strategy known to the personnel and customers. Providing Caverion with a strong corporate culture and a clear management system is essential in securing Caverion's ability to operate.

The Demerger may have undesirable effects on the uninterrupted continuity of certain functions central to Caverion's operations, such as ICT systems

The uninterrupted continuity and operational reliability of functions central to the Company's business, such as ICT systems, may be at risk due to the Demerger. The operational reliability of ICT systems, among others, is essential to Caverion's ability to conduct business, and a failure in implementing the systems in Caverion, a company to be created in the Demerger, may result in severe interruptions and operational disturbances in the implementation of Caverion's customer projects, in project scheduling and in other business operations. Malfunctions, interruptions and other failures in deploying the functions and ensuring continuity may threaten the continuity of Caverion's customer relationships and business operations and trigger potential penalties for delay or other consequences and thereby have a negative effect on Caverion's business, result of operations and/or financial position and prospects.

The company is dependent on its management, reporting and monitoring systems

The efficient planning and management of Caverion's business depends on the management, planning, reporting and monitoring systems used. Caverion's financial reporting process is largely based on YIT's current process and current operating policies, and Caverion will use the same reporting and monitoring systems as YIT currently uses. Nevertheless, it is possible that, as a result of the Demerger, separating Caverion's reporting and monitoring systems from the existing systems will not succeed as planned and/or that the systems do not provide correct and sufficient information for the needs of Caverion's management in real time. Since Caverion is a new company, it is also possible that implementing the management, reporting and other monitoring functions required of a listed company will take a considerable amount of Caverion's management's time and result in additional costs. Should Caverion not without delay manage to fulfill these requirements set for a listed company on the organization of its operations in order to be able to deliver reliable, precise and up to date information to the markets, it could have a negative impact on the process of listing the Company's shares for example in the case of delay in the process or in extra costs. Disruptions to the information systems and functions, errors in the operation of information systems and failure in adopting them may have a negative impact on the effective

management of Caverion's business and implementation of financial reporting, disclosure requirements and other obligations of a listed company.

The Demerger may have undesirable effects on the continuity of Caverion's key agreements

Caverion Group will conduct its business through subsidiaries owned by the parent company, Caverion Corporation. The parent company will provide services required by the Group and its business in the fields of administration, human resources, financing, accounting, tax and legal matters, investor relations and communications and other services benefiting the Group companies. Even though the Demerger will not have immediate effects on the rights and obligations of the business agreements of YIT's subsidiaries transferred to Caverion Group in the Demerger, the Demerger may have unfavorable effects in a situation where an extension of an agreement is negotiated. It is possible that customers' willingness to extend service agreements with a Caverion Group company may be weaker than in a situation where the company is part of YIT Group. In particular, this risk relates to fixed-term service agreements.

It is not certain that Caverion's subsidiaries will be as successful in the acquisition of new customers after the Demerger as they have been as part of YIT Group. Caverion's opportunities for obtaining a substitute customer volume over a short period of time are limited if one or several of Caverion's customers should decrease their orders and/or transfer their orders to Caverion's competitors as a result of the Demerger. Even though Caverion has an extensive customer base, premature or other ending of significant or several customer relationships may have an unfavorable effect on Caverion's business, result of operations and financial position, continuity of operations and prospects.

The Demerger Plan may contain unclarities that may have a negative impact on the implementation of the Demerger

The implementation of YIT's Demerger is dependent on YIT's creditors not objecting to the Demerger or that any creditors objecting to the Demerger have been paid for or have received full security for their receivable in accordance with a court ruling.

If a creditor objects to the Demerger, the Demerger will expire one month after the deadline set for objections raised by creditors. The Trade Register may postpone the deadline for expiration if the demerging company demonstrates within one month of the deadline that it has initiated legal action to confirm that the creditor has been paid or received hard security for the receivable or if the demerging company and creditor together request that processing the matter be postponed. No guarantee can be given that the Extraordinary General Meeting will approve the Demerger under the terms and conditions of the Demerger Plan and with the required qualified majority, or that YIT's creditors will not object to the Demerger or that any objection will not postpone the execution of the Demerger. Any disputes relating to the interpretation of the Demerger Plan concerning the distribution of assets, liabilities and responsibilities, among other things, may result in problems in determining and fulfilling the liabilities following the Demerger and creating Caverion's financial position.

In the view of YIT's management, the Demerger will allow for more efficient implementation of independent strategies, more centralised management of business functions, development of personnel competence and better customer service. Furthermore, a clearer business structure is expected to increase the potential for growth in shareholder value. However, it is possible that these objectives will not be reached in full or in part.

The joint liability of Caverion and YIT for certain obligations following the Demerger may result in Caverion being liable for liabilities and responsibilities remaining with YIT in accordance with the Demerger Plan

In accordance with the Companies Act, the companies taking part in the Demerger are jointly liable for the demerging company's liabilities that have arisen prior to the registration of the execution of the Demerger. However, the company's liability for the debts of the demerging company for which the other company is liable according to the Demerger Plan is secondary and its maximum amount equals the value of net assets retained by or transferred to it. In the Demerger, the assets, liabilities and responsibilities relating to YIT's Building and Industrial Services business will be transferred to Caverion, while the assets, liabilities and responsibilities relating to the Construction Services business will remain with YIT. Thus, it is possible that Caverion will be liable for the liabilities and responsibilities remaining with YIT in accordance with the Demerger Plan in case of YIT's insolvency, including liabilities and responsibilities that have emerged during the period between the signing of the Demerger Plan and the registration of the execution of the Demerger and that have been allocated

to YIT in the Demerger Plan. Should such liability arise, it might have an unfavorable effect on Caverion's business, result of operations and financial position.

Caverion's listing may not succeed as expected

YIT will apply for the listing of Caverion shares for public trading on the Helsinki Stock Exchange for and on behalf of Caverion as soon as possible after the execution of the Demerger. In the view of YIT's management, Caverion meets the criteria set for a company to be listed, but there can be no guarantee that the listing of Caverion shares on the Helsinki Stock Exchange will not be delayed, which may have an unfavorable effect on Caverion's business, result of operations and financial position as well as development of shareholder value. It is also possible that the listing will not be carried out at all due to reasons relating to the execution of the Demerger or requirements set by the authorities or the Helsinki Stock Exchange or for other reasons.

Caverion may not be able to retain its current market position and market awareness in the Demerger

At present, Caverion has a solid market position in all of its relevant markets. However, awareness of the company is significant for establishing and maintaining a market position. As a new company, Caverion may not be able to retain a similar market position and market awareness as it has achieved as part of the internationally well-known YIT Group. The Demerger may have effects on Caverion's awareness and reputation, and therefore acquisition of new customers and continuing and maintaining existing customer relationships, among other things, may pose problems. Maintaining the market position and the potential acquisition of new customers may significantly increase marketing expenses, inter alia, and take a considerable amount of the management's time. These factors may have an unfavorable effect on Caverion's business, result of operations and financial position.

3.2. Risks relating to the Company's operating environment

Caverion's business is exposed to economic cycles, and slow or negative economic growth may have an unfavorable effect on the demand for Caverion's services.

Caverion's customers are exposed to the development of the general economic situation, and economic fluctuations and slow or negative economic growth may have an unfavorable effect on the demand for Caverion's services and order volume, especially in the project business. Service and maintenance operations account for a significant share of Caverion's business, and they are less cyclic in nature, but uncertainty in the economy may have effects through for example the postponement of maintenance operations. Changes in customer behaviour and fluctuations in demand may be strong even over a short period, and the volume of orders may decrease suddenly if the general economic situation weakens. Also projects that have already been ordered may be cancelled or postponed or their implementation interrupted, which may have a significant effect on Caverion's result of operations, cash flow and prospects. Even though Caverion's customer base is highly diversified in terms of geography, customer types and number in particular, fluctuations in customer demand dependent on the economic situation impairs the predictability of business, especially in an uncertain economic situation.

The concrete financial risk factors relating to the Euro zone and its member states may have effects on Caverion's operating environment either directly or indirectly due to, for example, the common foreign exchange and monetary policy. Prolonged and deep deficit of the public economy, high public debt and unemployment in certain EMU member states are considerable economic problems. The normalization of the economic uncertainty in the Euro zone requires active measures from the EMU member states and from the European Central Bank, and there are considerable uncertainty factors relating to agreeing on the decisions and their effectiveness. If the instability of the Euro zone cannot be sufficiently solved and trust in the public economy recovered, this may lead to a partial split-up or breakdown of the Euro zone. A partial split-up or breakdown of the Euro zone or prolongation of the current uncertainty may have a material unfavorable effect on the Company's business in the Euro zone, result of operations and financial position.

Political, demographic and technological changes in the operating environment may have an unfavorable effect on the demand for Caverion's services.

Changes in political, demographic and technological factors may have an effect on the demand for Caverion's services and the prevailing cost level, among other things. A vast geographical operation and a comprehensive offering will balance the effects of the changes, as the changes will affect the operations at different times and

with different intensities. Caverion operates in Sweden, Finland, Norway, Germany, Austria, Denmark, Russia, Estonia, Latvia, Lithuania, Poland, Czech Republic and Romania.

Government budget decisions, among other factors, have effects on investments in the public sector, and their significant decrease may have an effect on the demand for building system services. The price of energy and strictness of environmental legislation have a material effect on the demand for energy efficiency services, and also these factors depend on political decisions.

Demographic and technological changes may have effects on Caverion's operating environment over the long term. Changes in the age structure of the population may influence construction activity through urbanization, for example, or the availability of workforce, which makes a significant effect on Caverion's business, with labor costs accounting for the majority of overall costs. Technological development continuously adds new applications to building system services, which, in the view of Caverion's management, is an essential competitive advantage for the Company. However, there is no certainty of Caverion's ability to maintain its technological competence at the level required by the market, and for example new technological solutions introduced by competitors may have a negative impact on the demand for Caverion's services.

Even though building system and industrial services have been a relatively stable businesses in particular with regard to the service and maintenance business, political, demographic and technological changes in the operating environment may have a negative effect on Caverion's business, result of operations and financial position.

Material decrease in construction and/or industrial activity may decrease the profitability of Caverion's business

The risks relating to the profitability of building system services and the financial position of companies in the industry are related to the economic cycles of the construction industry, especially the volume of construction of business premises and offices. Should construction decrease strongly, this may have negative effects on the demand for building system services, especially in the project business. The technical building system market is post-cyclic by nature, and therefore the positive effects of increased construction activity on demand are visible only later in the sales of building system services. In particular, start-ups of major property construction projects may be delayed by factors such as the uncertain economic situation, tightening availability of bank financing and increase in financial expenses. Due to the above mentioned reasons, competition in the construction industry is increasingly tight and may have a negative effect on for instance the customer prices of Caverion's services and thereby the Company's business, result of operations and financial position.

With regard to industrial services, the general decrease in industrial activity in Finland in particular affects the demand for Caverion's services. Shutdowns of industrial operations and transfers to lower-cost countries, for example, may decrease the size of the total industrial services market in countries relevant to Caverion in the future. A general decrease in industrial activity due to for example economic cycles may also influence the volume of required annual maintenance at industrial plants, among other places. Changes in the overall demand for industrial services may have an unfavorable effect on Caverion's business, result of operations and financial position.

Potential changes in the legislative framework and regulations issued by the authorities can for instance effect on the progress of development projects

The Company's operations are regulated by the legislation of the countries in which it operates. In addition, the Company's operations may be affected by regional or supranational regulations, such as EU legislation. Legislation and other regulations may change, and the Company cannot guarantee that it would in such a case without material measures be in compliance with the requirements of changed legislation or regulations.

The Company's business depends on cooperation with the authorities. Unfavorable procedures involving the authorities may have a material unfavorable effect on the progress of development projects and, consequently, may have a material unfavorable effect on the Company's business, result of operations and financial position.

Caverion may lose its market shares or profits as a result of competition in its market areas

Competition is very tight in all of the geographical markets where Caverion operates. The competition faced by Caverion varies by geographic market and business. Caverion's most significant competitors are Lemminkäinen and Are in Finland, Bravida and Imtech in Sweden, Bravida and Gunnar Karlsen in Norway, Kemp & Lauritzen and Bravida in Denmark, Imtech and Cofely in Germany and Ortner and Cofely in Austria. Some of the competitors are larger companies than Caverion or local subsidiaries of large multinational companies. In addition, there are a lot of small companies in each country with which Caverion has to compete. It is also possible that new international companies will enter Caverion's markets. Even though the quality of service, project management skills and competence influence customers' decisions, price continues to be an important factor for many of Caverion's customers. As a result, Caverion is exposed to strong price competition, which may decrease Caverion's margins and impair its profitability. If Caverion fails to maintain its competitiveness in the market, this may have a material unfavorable effect on Caverion's business, result of operations and financial position.

3.3. Risks relating to the Company and its business

The Company is dependent on professional management and key personnel

The success of the Company materially depends on the professional skills of the Company's management and personnel, as well as on the ability of the Company to retain its current management and personnel and, when necessary, recruit new and skilled personnel. Project management personnel in particular are required to hold specified competencies, and shared decision-making processes and quality systems must be followed in the management process. Even though the Company has been successful in hiring its key personnel, there can be no guarantees that the Company will be able to recruit sufficient new personnel or to commit its current personnel in the future. The majority of Caverion's business is labour-intensive, meaning that the availability and commitment of skilled employees is a prerequisite for organic growth. The loss of management members or employees or the inability to attract qualified new personnel may have a material unfavorable effect on the Company's business, result of operations and financial position.

Damage to properties may result in unexpected costs

Sudden and unforeseen damage to Caverion's project sites or Caverion's properties or other assets, caused by, for example fire, collapse and theft, may cause unexpected costs. Accidents related to personal and information safety may also have negative effects on Caverion's operations. In spite of Caverion complying with a group-wide risk management and security policy, which includes amongst others plans for exceptional situations and target-oriented insurance policies, risks cannot be completely eliminated. In particular for major projects, the materialization of event risks may cause severe damage to Caverion.

Inefficient and unsuccessful project management may impair the ability to offer high-quality and profitable services

Caverion's business is comprised of thousands of projects and service agreements, and therefore agreement management and project management are an important part of efficient business. Management of costs and implementation is particularly important for major individual projects, such as property development projects. In long-term service agreements, Caverion commits to a certain service level and pricing principles, which may also have an unfavorable effect on Caverion's profitability, depending on the development of the market situation. With regard to various tender-based 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 particular, the management of tender-based projects requires comprehensive project management expertise in order to reach the desired profitability. Inefficient and unsuccessful project management may have a material effect on Caverion's ability to offer high-quality and profitable services, which may have an unfavorable effect on Caverion's business, result of operations and financial position.

The revenue recognition of long-term agreements includes a risk of the revenue and result recognized on the basis of percentage of completion method presented by financial period is not corresponding with the even allocation of the final overall result over the agreement

Recognition of revenue from long-term service agreements and building system contracts is associated with the risk of revenue and result recognized on the basis of percentage of completion method presented by financial period only rarely corresponds with the even allocation of the final overall result over the agreement. Calculating the total result of the agreement includes estimates on the development of the total costs required to complete the agreement and work to be charged. If estimates concerning the outcome of the agreement change, the effect is reported in the period in which the change becomes known and can be estimated for the first time. When it is probable that the total costs required to complete the agreement exceed the total income pursuant to the agreement, the expected loss is immediately recognized as an expense.

Caverion's order backlog is not necessarily linked to future revenue and does not necessarily give a reliable indication of future profits

Caverion includes project agreements and long-term maintenance agreements in its order backlog when the corresponding agreements are signed. Caverion's order backlog is comprised of the value of existing agreements not recognized as revenue.

Caverion's order backlog amounted to EUR 1,315.2 million on March 31, 2013. The order backlog of Building Services Northern Europe decreased during the first quarter of 2013 compared to the first quarter of 2012 as a result of a weaker market situation. In addition, the order backlog of Building Services Central Europe decreased during the first quarter of 2013 compared to the first quarter of 2012, yet it increased by 24 per cent compared to December 2012 due to strengthened demand in Germany and Austria.

Because of estimates included in the agreement portfolio and recognition of revenue based on percentage of completion method, revenue may not always be realised, may be realised more slowly than estimated or may not generate profits when materialised. This may have an unfavorable effect on Caverion's business, result of operations and financial position.

Caverion may in the future implement mergers and acquisitions involving significant risks

Caverion's strategy is to expand its business, especially in Central Europe. In connection with this, Caverion may implement mergers and acquisitions in order to expand its business operations or obtain new resources. Growth based on mergers and acquisitions involves risks related to the assessment of the feasibility of planned investments, integration of acquired business operations and personnel as well as committing the transferred personnel, among other risks. If Caverion fails to implement some of the above-mentioned measures, mergers and acquisitions potentially implemented in the future may have a material unfavorable effect on Caverion's business, result of operations and financial position.

Caverion's ability to meet its customers' requirements and competitiveness may not remain unchanged

Maintaining Caverion's competitiveness requires that Caverion is able to meet its customers' requirements related to matters such as technology, quality, timeliness of deliveries and level of costs. Caverion operates in a competitive market, and inability to meet the changing requirements of customers or deliver services at a competitive price may lead to loss of customer accounts and loss of customers to competitors, which may have an unfavorable effect on Caverion's business, result of operations and financial position.

Maintaining competitiveness and the ability to meet customer requirements, especially in a tightening market situation, may require for example above-normal investments in new technology, training or personnel and product development. Such investments may also require external financing the availability and terms and conditions of which depend on the market situation prevailing at each time.

The Company may be exposed to higher liability for its deliveries than expected

It is not always possible to use limitations of liability in agreements signed by Caverion, especially those with the public sector. Even if limitations of liability have been used, their effectiveness may be uncertain and depend among other factors on the law applied to the agreement at each time. For example delays in agreed contracts

and other breaches of agreement may result in liabilities for Caverion. The liabilities may be independent of the diligence of Caverion's operations. Because the size or extent of liabilities cannot always be limited and because the application and effectiveness of the limitations of liability are uncertain, the materialisation of liability may result in material negative effects on Caverion's reputation, business, result of operations and financial position. The realisation of any risk relating to construction or installation defects or liability based on the terms and conditions of agreement may have a material negative effect on Caverion's business, result of operations and financial position.

The insurance coverage taken out by Caverion may turn out to be insufficient in certain situations

Caverion obtains insurance policies regarding certain risks relating to its property and business operations. Insurance policies are obtained under terms and conditions that Caverion believes to be in line with standard industry practices. However, it is possible that such insurance policies may not be sufficiently extensive in terms of geography and quantity in all situations. It is also possible that insurance companies may fully or partially reject indemnities applied for by Caverion. Accidents at Caverion's offices or sites may have a material negative effect on Caverion's business, result of operations and financial position.

The Company's operations involve a counterparty risk

The Company has an extensive customer base, comprised of customers of various sizes from the public as well as private sector. The counterparty risks of Caverion's business operations are above all associated with fulfilling the obligations of agreements made with customers, customer receivables and long-term service agreements. In particular, strong fluctuations in the economy may lead to financial difficulties or insolvency of Caverion's customers. Such situations may also lead to re-negotiations of agreements and possible price cuts to customers. Should one or several customers face financial difficulties, this may have an unfavorable effect on the Company's business, result of operations and financial position.

Risks relating to legal proceedings concerning disputes related to the Company's operations may turn out more unfavorable than expected

Companies transferred to Caverion Group in the Demerger have business-related disputes and associated legal and arbitration proceedings, and predicting their outcomes involves uncertainties. The project practice in Germany in particular relatively often leads to having to settle the rights and responsibilities of the contracting parties in court. According to the Company's experience, the outcome of the processes rarely differs significantly from the expectations of the Company. Therefore, the outcome of dispute-related processes is not expected to have a significant effect on the Group's result or financial position. However, it is not completely ruled out that the Company's estimate turns out to be materially wrong and the outcomes of the processes will have an unfavorable effect on the Company's result of operations and financial position.

The Company's reputation may be damaged, which may have an unfavorable effect on the Company's ability to attract and retain customers as well as retain personnel

Caverion's business and retention of customers as well as acquisition of new customers depend strongly on the Company's reputation. If the Company's reputation is tarnished, this may lead to difficulties in retaining and acquiring customer relations and retain skilled and competent personnel. Matters affecting the Company's reputation may include negative aspects related to the quality of delivered projects and any agreement-based or other liabilities that have materialized. Any damage to the Company's reputation may have negative effects on the Company's business, result of operations and financial position.

Labour disputes may have negative effects on Caverion's business

Work stoppages, strikes or other labour disputes in industries associated with Caverion's business may have negative effects on Caverion's business operations. Caverion is party to collective labour agreements or similar arrangements that cover the majority of Caverion's in-house employees and subcontractors operating at each time at Caverion's installation sites and their personnel. Caverion, its subcontractors or employer and employee associations may not be able to negotiate new collective labour agreements with satisfactory terms and conditions when the existing collective labour agreements expire. In addition, the current collective labour agreements concerning Caverion's personnel or employees working at Caverion's installation sites may not

prevent strikes or work stoppages. Furthermore, labour disputes in companies in industries linked with Caverion's business may have indirect effects on Caverion's business.

The Company's operations may involve environmental risks

Caverion's business does not involve significant environmental risks. However, building and industrial services handle refrigerants, pickling acids, heat transfer fluids, oils, solvents and asbestos, among other substances. The Company ensures the appropriate processing of hazardous waste and proactively identifies each project's risks relating to personnel safety, use of chemical substances and wellbeing at work, but nonetheless environmental damage which may have negative effects on the Company's business, result of operations and financial position may occur in the operations.

The Company's carve-out financial information and pro forma information may not give a true and fair view of Caverion's business, result of operations and/or financial position

Caverion's historical carve-out financial information and unaudited pro forma financial information may not accurately reflect what the operations, financial position and result of operations of Caverion would have been had the Demerger been consummated at the presented dates, and they may not be indicative of Caverion's future operations, financial position and/or result of operations.

Caverion has not in the past formed a separate legal group, but the financial result of its operations has been consolidated with the result of operations, financial position and cash flows of YIT. The carve-out financial information for Caverion included in this Registration Document has been prepared on a "carve-out" basis from YIT's consolidated financial statements using the historical results of operations, assets, liabilities and cash flows attributable to Caverion and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses. Additional information is presented in Caverion's carve-out financial statements, which are included in this Registration Document as Annex 1.

The carve-out financial information may not be indicative of Caverion's future performance, and they do not necessarily reflect what the combined results of operations, financial position and cash flows would have been had Caverion and its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented.

Unaudited pro forma financial information included elsewhere in this Registration Document has been prepared for illustrative purposes only, and because of its nature, it addresses to a hypothetical situation. Therefore, it does not represent what Caverion's operations and result of operations would be had the Demerger taken place at the beginning of the reported period or what Caverion's financial position would be at the reported date, and they should not be used as a basis for projecting the results of operations or financial position of Caverion for any future period or any future date. The pro forma financial information is based on Caverion Group's carve-out financial information, and certain Demerger-related adjustments have been made to it as presented in more detail below in section "Pro forma financial information". The pro forma adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Registration Document, and consequently the result of operations and/or financial position presented in the unaudited pro forma information may differ from the actual.

The Company's pension obligations may involve significant costs

The present value of pension obligations depends on various actuarial factors and the discount rate used. Changes in the assumptions and discount rate have an effect on the carrying amount of pension liabilities. The discount rate used is the market yield of high-quality corporate bonds or the interest rate of treasury notes for the currency in which the benefits will be realized. The maturity of the reference rate used corresponds substantially to the maturity of the calculated pension liability. Other assumptions are based on actuarial statistics and prevailing market conditions. Pension obligations amounted to EUR 44.6 million on March 31, 2013.

Working consortiums involve risks

Caverion may be involved in work consortiums where it has no independent control and its ability to withdraw funds from such business may depend on the consent of a business partner beyond its control. Caverion's ability to withdraw funds from the payments received by the work consortium and opportunity to take the measures

considered necessary may depend on the consent of another involved party. Disputes with the business partner, such as differences of opinion regarding the implementation of joint projects, or other risks typically associated with work consortiums, such as any joint or separate or secondary liability for the transactions or business operations of work consortiums, difficulty of maintaining uniform standards, control, operating methods and procedures, any discontinuation of cooperation made by the business partner and/or commencement of a compulsory acquisition or divestment process, either entitled by the agreement or due to an alleged breach of the cooperation agreement, may have a material unfavorable effect on the Company's business, result of operations and financial position.

3.4. Risks relating to the Company's financial position and financing

The exposure to foreign exchange rate risk is considerable due to the Company operating in several geographical areas

Caverion operates in several countries, and therefore Caverion is regularly exposed to foreign exchange rate risk. The most important currencies in relation to the foreign exchange rate risk are SEK, NOK and PLN. In terms of projects Caverion is also often exposed to the foreign exchange rate risk imposed by other currencies. The realization of the foreign exchange rate risk especially affects the balance sheet values and commercial agreements made by Caverion. In spite of the ability to prepare for the risks through various hedging and contractual agreements, among others, the realization of the exchange rate risk cannot be fully prevented. The exchange rate risk is primarily associated with the assets and liabilities on the balance sheet and net investments in foreign subsidiaries. Additional information on Caverion's net investments in foreign currencies is presented in Note 28 Financial Risk Management to the carve-out financial statements. The methods used by the Company in managing the foreign exchange rate risk are described below under "*Result of operations, financial position and prospects – Financial risk management*". In hedging the transaction risk, both the Group's internal and external very probable cash flows in foreign currencies are hedged. The Group's subsidiaries always perform the hedging measures against the Group's parent company, which hedges the net amount with the bank of its choice. In spite of the management of foreign exchange rate risk, it is possible that foreign exchange rate risk may be realized, which may have a material unfavorable effect on the Company's business, financial position and result of operations.

The Company's operations involve interest rate risks

A general change in interest rates may have direct effects on Caverion's operating cash flow and financing costs. Caverion's interest rate risks are primarily associated with the interest-bearing cash and cash equivalents-receivables, loans and interest rate derivatives on its balance sheet. In particular, floating interest rate loans from financial institutions drawn by Caverion expose the Group to cash flow interest rate risk. An increase in interest rates may have a direct material effect on the costs of available financing and the costs of the Company's existing financing. In spite of Caverion's Treasury Policy paying attention to these risks, they cannot be fully prevented. The methods used by the Company in managing the interest rate risk are described below under "*Result of operations, financial position and prospects – Financial risk management*". The Company aims to hedge against fluctuations in interest rates in accordance with its interest rate risk policy using interest rate swaps, among other means. In spite of the management of the interest rate risk, it is possible that a significant increase in interest rates may, particularly in the long term, have a material unfavorable effect on the Company's business, financial position and result of operations.

The Company's financial reporting involves a risk of the accuracy of information produced

The risks of Caverion's financial reporting are primarily related to the accuracy and timeliness of the financial information produced by Caverion's different business units and subsidiaries and the reporting taking place in compliance with applicable legislation, rules and regulations. Due to the nature of Caverion's business operations, the reliability and accuracy of project accounts and accounting in particular play a significant role with regard to reporting.

The Company's financing agreements involve a credit and counterparty risk

Caverion's credit risks primarily concern customer receivables and long-term service agreements. A decrease in the availability of financing to customers may increase the amount of customer receivables. The most significant area of the counterparty risk involves the counterparties to cash and cash equivalents and derivative agreements.

The counterparty risk of financing arises from the risk that a contractual party to a financial transaction may not be able to fulfil its contractual obligations. The counterparties of the Company's long-term loans from financial institutions, derivative contracts and insurance policies are Finnish and international financial institutions and insurance companies. The long-term financing of the Company is arranged through a number of Finnish and Nordic financial institutions, which have avoided any serious problems so far. The methods used by the Company in managing the counterparty risk are described below under "*Result of operations, financial position and prospects – Financial risk management*". Caverion's Group Treasury takes care of hedging against financial credit and counterparty risks relating to financing transactions, but the risks cannot be completely prevented nevertheless. In spite of the management of the counterparty risk, the possibility that Caverion's financing or insurance counterparty would face serious financial difficulties or bankruptcy cannot be ruled out. Should one or several financial institutions acting as the Company's counterparty face financial difficulties or bankruptcy, this may have a material unfavorable effect on the Company's business, financial position and result of operations.

The Company's operations involve liquidity risk

Caverion aims to ensure the continuous availability of the liquid assets required for its business operations, loans and other obligations and distribution of dividend. The aim of the management of the liquidity risk is for Caverion to be able to hedge against predictable financing needs and financing needs that are difficult to foresee in the future with sufficient liquidity. In order to ensure sufficient liquidity, Caverion maintains sufficient cash assets and additionally sufficient overdraft and committed credit facilities. Securing financing after the Demerger is essential to ensuring Caverion's solvency. Caverion's financing needs are surveyed through short-term and long-term planning. The realisation of the liquidity risk may have a material unfavorable effect on the Company's cash flow, business, result of operations and financial position.

Tax risk relating to increasing tax burden as a result of deviating interpretation of tax regulations

Caverion operates in several countries, and therefore different countries' tax codes and regulations are applied to its international business operations, including regulations on transfer pricing. Caverion's tax burden depends on amendments to the tax codes and regulations of different countries and their application and interpretation. Caverion's aim is to comply with the applicable tax codes and other regulations at all times, but the tax authorities of different countries may interpret and apply tax codes and regulations in a way that deviates from Caverion's view, which may significantly increase Caverion's tax burden. This may have an unfavorable effect on Caverion's business, result of operations and financial position. Similarly, any amendments to tax regulations or their application may increase Caverion's tax burden.

Caverion's subsidiaries have unused losses confirmed in taxation, of which part are recognised as deferred tax assets and part are not. The Company estimates that the losses for which deferred tax assets have been recognised can be utilised in the future. However, it is possible that not all losses can be utilised in full due to unforeseen reasons (such as business restructuring), which may have an unfavorable effect on Caverion's financial position.

As noted above, Caverion may execute mergers and acquisitions in the future. The interpretation of the tax treatment of the restructuring by the tax authorities of different countries may differ from Caverion's view, which may result in an extraordinary tax expense.

Caverion is regularly subject to audits and other measures by the tax authorities of different countries, and based on them, tax increases and consequences for delay may be imposed on Caverion on the basis of the regulations of different countries, which may have a negative effect on Caverion's result of operations and financial position.

Raising additional financing and capital management involves a risk

Caverion's ability to finance its operations depends on a number of factors, such as the profitability of business operations, cash flows generated by the operations and availability of additional capital and debt financing. Under the uncertainty of the financial market and macro economy, there can be no guarantee of Caverion having the required financing available at a reasonable price or at all.

Caverion's bank loan agreements include a covenant, which is linked to the ratio between net debt and EBITDA. If Caverion is unable to meet this covenant or other ordinary commitments included in its financing agreements in the future, it may have to re-negotiate its credit facilities and loans to avoid being considered to have breached the loan terms. There can be no guarantee that Caverion will be able to implement such measures under terms that are acceptable to it or at all. If Caverion fails to meet the covenants associated with its credit facilities and other loans, this may have an unfavorable effect on Caverion's operations, result of operations and financial position, and it may make it more difficult for Caverion to raise the additional financing it needs.

Impairment of goodwill may cause considerable changes in the result of Caverion's business and shareholders' equity

Goodwill recognized on Caverion's balance sheet is not amortised, but it is tested annually for any impairment. The amount by which the carrying amount of goodwill exceeds the recoverable amount is recognised as an impairment loss through profit and loss. The recoverable amounts of cash-generating units are based on calculations of value in use. The cash flows used in the value in use calculations are based on the management's best estimate of result and market development. In the testing, the recoverable amounts have been estimated with regard to different periods and the sensitivity of the calculations has been analysed with regard to the discount rate, profitability and residual value growth factor changes, among others. If negative changes take place in Caverion's result and growth development, this may lead to an impairment of goodwill, which may have an unfavorable effect on Caverion's result of operations and shareholders' equity. Caverion Group's goodwill amounted to EUR 335.7 million on March 31, 2013. In 2012, an impairment of EUR 0.9 million was recognised in goodwill in Poland on the basis of testing of goodwill.

4. RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Caverion Corporation
Business identity code: 2534127-4
Domicile: Helsinki
Address: Panuntie 11, FI-00620 Helsinki

YIT Corporation
Business identity code: 0112650-2
Domicile: Helsinki
Address: Panuntie 11, FI-00620 Helsinki

YIT has prepared this Registration Document on behalf of Caverion, as Caverion will only be incorporated upon the Demerger of YIT after the date of this Registration Document. According to the Demerger Plan, Caverion will be responsible for the accuracy of the information contained in the Registration Document after its incorporation.

5. STATEMENT REGARDING THE REGISTRATION DOCUMENT

YIT declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

6. INFORMATION DERIVED FROM THIRD PARTY SOURCES

Where certain information contained in this Registration Document has been derived from third party sources, such sources have been identified herein. The Company confirms that such third party information has been accurately reproduced herein and, as far as the Company is aware and is able ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. AVAILABILITY OF THE REGISTRATION DOCUMENT

This Registration Document is available as of June 5, 2013, in the Finnish language on YIT's website at www.yit.fi/sijoittajat, the website of the financial advisor Nordea at www.nordea.fi/osakkeet and Caverion's website at www.caverion.fi/sijoittajat as of June 17, 2013.

This Registration Document is available as of June 5, 2013, in the English language on YIT's website at www.yitgroup.com/investors, the website of the financial advisor Nordea at www.nordea.fi/equities and Caverion's website at www.caverion.fi/investors as of June 17, 2013.

The printed Registration Document is available in the Finnish language and in the English language as of June 7, 2013, from YIT at Panuntie 11, FI-00620 Helsinki, from Nordea branch offices in Finland and the service point of the Helsinki Stock Exchange at Fabianinkatu 14, FI-00100 Helsinki.

8. FORWARD-LOOKING STATEMENTS

Certain statements in this Registration Document, including statements set out under the captions “Risk factors”, “Dividends and dividend policy”, “Result of operations, financial position and prospects,” “Market and industry overview” and “Caverion’s business operations” are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the Company’s management, and such statements may constitute forward-looking statements. The words “believe”, “expect”, “anticipate”, “intend” or “plan” and similar expressions identify such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Caverion, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to those discussed under “Risk Factors”, including the following: general economic and business conditions; changes in the competitive market situation; ability to raise financing on terms that are favorable or consistent with Caverion’s expectations; the impact of changes in operating and financing costs, including changes in interest rate level; legislative and judicial developments. The above examples are not exhaustive and new risks emerge from time to time. Should one or more of these or other risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of Caverion could differ materially from those described herein as anticipated, believed, estimated or expected.

9. PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The financial information and certain other information set out in a number of tables in this Registration Document may have been rounded to the nearest integer or decimal. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages, including indicators, reflect calculations based upon the underlying information prior to rounding, and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

9.1. Caverion Corporation's historical financial information

As Caverion Corporation will only be incorporated in connection with the Demerger executed by YIT, it has no historical financial information predating the Effective Date of the Demerger.

9.2. Caverion Group's historical carve-out financial information and other information

Caverion has not formed a separate legal group in the past. The carve-out financial statements presented in this Registration Document reflect the financial information of the entities that have historically formed the Building Services business within YIT Group, which consists of YIT's reportable segments Building Services Northern Europe and Building Services Central Europe.

The carve-out financial statements of Caverion Group for the years ended December 31, 2012, 2011 and 2010 and the carve-out financial information for the three-month period ended March 31, 2013, have been prepared by combining ("carve-out") from YIT's consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to Building Services business. The carve-out financial statements and interim financial information also include allocations of income, expenses, assets, liabilities and cash-flows from YIT Corporation and Perusyhtymä Oy.

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Caverion Group as described in the notes to the carve-out financial statements. Carve-out financial information for the three-month period ended March 31, 2013, with comparative information has been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34"), under consideration of the same principles as the carve-out financial statements and the accounting principles amended as of January 1, 2013, described in the notes to the carve-out financial information for the period.

PricewaterhouseCoopers Oy has audited Caverion Group's carve-out financial statements for the years ended December 31, 2012, 2011 and 2010 and reviewed the carve-out financial information for the three-month period ended March 31, 2013.

The carve-out financial statements may not be indicative of Caverion Group's future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been, had Caverion with its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented.

Additional information on the basis of the preparation of Caverion Group's carve-out financial information is presented below in section "Carve-out financial and other information".

9.3. Pro forma financial information

This Registration Document includes unaudited pro forma financial information illustrating the effects of the Demerger on Caverion's result of operations and financial position. The pro forma information has been presented as if the Demerger had been executed (i) on January 1, 2012, for the pro forma income statement and pro forma statement of comprehensive income and (ii) March 31, 2013, for the pro forma balance sheet. The unaudited pro forma information has been presented to illustrate the estimated effects of the financing agreement negotiated in February 2013 to be transferred to Caverion, the equity structure of Caverion Corporation, the company to be incorporated in the Demerger, and the costs related to the Demerger on Caverion's result of operations and financial position at the dates presented in the pro forma information.

The unaudited pro forma financial information has been prepared for illustrative purposes only, and because of its nature it addresses a hypothetical situation. Therefore, it does not represent what Caverion's operations and result of operations would be had the Demerger taken place at the beginning of the reported period or what Caverion's financial position would be at the reported date, and it should not be used as the basis for projecting the result of operations or financial position of Caverion for any future period or any future date.

The pro forma financial information has been compiled on a basis consistent with the IFRS standards applied by Caverion in the carve-out financial statements prepared for the years ended December 31, 2012, 2011 and 2010, and the carve-out financial information prepared for the three-month period ended March 31, 2013. The pro forma financial information is based on Caverion Group's unaudited carve-out financial information for the three-month period ended March 31, 2013, and the audited carve-out financial statements for the year ended December 31, 2012, restated for the effects of the revised IAS 19 Employee Benefits standard adopted on January 1, 2013. Furthermore, certain Demerger-related adjustments have been made to the pro forma information as described in more detail in section "*Pro forma financial information.*" The pro forma adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Registration Document, and consequently the result of operations and/or financial position presented in the unaudited pro forma information may differ from the actual.

The unaudited pro forma information does not include all of the information required for financial statements under IFRS, and should be read in conjunction with Caverion's historical carve-out financial statements and interim carve-out financial information disclosed elsewhere in this Registration Document.

9.4. Application of new and amended standards and interpretations January 1, 2013

Restatements to historical financial information due to the retroactive application of the adjustments to the IAS 19 Employee Benefits standard

The Group has adopted the revised IAS 19 Employee Benefits standard as of January 1, 2013. The standard includes changes to accounting principles of defined benefit plans. The amendment eliminates the possibility to use the corridor approach and all the actuarial gains and losses are recognized immediately in the statement of comprehensive income. The full net liability or net asset is recorded in the balance sheet. The expected interest income on assets is calculated using the same discount rate as calculating the present value of the pension obligation. The changes in fair value of pension obligation are recorded in the statement of other comprehensive income where previously those were included in the personnel expenses in the income statement.

The adoption of the revised IAS 19 Employee Benefits standard requires that the amendments are applied retrospectively and has therefore effects on the presented carve-out financial statements. The cumulative effect of the adoption on Caverion Group's carve-out figures has been restated in the opening balance sheet of January 1, 2012, and the carve-out financial information for the year ended December 31, 2012, and the three-month period ended March 31, 2012, has been restated to correspond with the new accounting principles. The restated carve-out financial information for the year ended December 31, 2012, presented in this Registration Document is unaudited. The carve-out financial statements for the years 2011 and 2010 have not been restated. More information on the effects of the restatement on the year ended December 31, 2012, and the three-month period ended March 31, 2012, have been presented in the notes to the unaudited carve-out financial information for the three-month period ended March 31, 2013, see Annex 2 to the Registration Document.

10. INCORPORATION OF CAVERION UPON YIT'S DEMERGER

10.1. Overview of the Demerger

YIT's Board of Directors approved the Demerger Plan on February 21, 2013, according to which YIT will partially demerge so that the assets, liabilities and responsibilities relating to its building and industrial services business will be transferred to a new public limited company to be incorporated in the Demerger, Caverion Corporation. The assets, liabilities and responsibilities related to the Construction Services business, including Construction Services Finland and International Construction Services, will remain with YIT. The aim of the Demerger is to implement the separation of YIT Group's Building Services and Construction Services businesses into legally separate groups with separate parent companies. YIT's Board of Directors considers that the Demerger will allow more effective implementation of independent strategies, more focused management of business operations, personnel development and enhancement of customer service. Furthermore, a clearer business structure is expected to increase the potential for shareholder value creation.

YIT's Board of Directors decided in its meeting on May 3, 2013, that YIT's Demerger pursuant to the Demerger Plan will be presented for approval of the Extraordinary General Meeting of YIT to be held on June 17, 2013. The approval of the Demerger requires that at least two-thirds of all votes cast and shares represented at the meeting support it. The Demerger of YIT must be approved as per the Demerger Plan or rejected. As part of the demerger decision, YIT's Extraordinary General Meeting will ratify Caverion Corporation's Articles of Association and elect its Board of Directors and auditor.

YIT's creditors have the right to object to the Demerger, and a possible objection must be reported to the trade register authorities on June 4, 2013, at the latest. YIT has not been informed of any objections by creditors by the date of this Registration Document. It cannot be ruled out completely that YIT has not been informed of an objection presented by a creditor during the set time by the date of this Registration Document.

The Demerger will become effective when YIT's Extraordinary General Meeting has approved YIT's Demerger and its implementation is recorded with the Finnish Trade Register. The planned Effective Date of the Demerger is June 30, 2013. On the Effective Date of the Demerger, Caverion Corporation will be incorporated, the assets, liabilities and responsibilities specified in the Demerger Plan will be transferred to Caverion and YIT's shareholders will become entitled to the demerger consideration.

The shareholders of YIT Corporation will receive as demerger consideration one (1) share in Caverion for each share owned in YIT. However, no demerger consideration will be distributed to any treasury shares held by YIT. The number of Caverion shares distributed as demerger consideration is thus 125,598,591 shares, provided that the number of YIT shares issued or held by YIT will not change prior to the Demerger taking effect. The demerger consideration will be distributed in the book-entry securities system so that a number of Caverion shares equal to the number of YIT shares held will be registered on the book-entry accounts of YIT shareholders at the latest on the Effective Date of the Demerger. No action is required from YIT shareholders in relation to the receipt of the demerger consideration.

In accordance with the Demerger Plan, YIT will apply for the listing of Caverion shares for public trading on NASDAQ OMX Helsinki Ltd. Provided that the application is approved, the listing is estimated to take place on the next business day after the Effective Date of the Demerger, i.e. July 1, 2013. The Demerger or the listing of Caverion shares will not have effects on the listing of YIT shares on NASDAQ OMX Helsinki Ltd.

Shares in listed companies belonging to the book-entry securities system maintained by Euroclear Finland Ltd are registered in the name of the new shareholder immediately after the share transaction has been cleared and paid. Clearing the transaction takes three (3) banking days. In a situation where YIT shareholders have sold their shares before the Effective Date of the Demerger but the transaction has not been cleared before the Effective Date of the Demerger, the right to the demerger consideration belongs to the buyer of the YIT share in accordance with general market practice, and the demerger consideration will be registered on the buyer's book-entry securities account once the transaction has been cleared. Notwithstanding the treasury shares held by YIT, Caverion's ownership structure will correspond with the ownership structure of YIT on the Effective Date of the Demerger. A more detailed description of matters relating to trading and the book-entry securities system is provided below under "Finnish securities market".

10.2. Distribution of assets and liabilities in accordance with the Demerger Plan

YIT's Board of Directors proposes to the Extraordinary General Meeting to be held on June 17, 2013, that the General Meeting approve the Demerger of YIT in accordance with the Demerger Plan.

In accordance with the Demerger Plan, all YIT assets, liabilities and responsibilities (including known, unknown and conditional assets, liabilities and responsibilities) related to YIT's Building Services business at the registration date of the implementation of the Demerger will be transferred to Caverion Corporation.

10.3. Effect of the Demerger on Caverion's business

Caverion's business has been carried out within YIT Group as operations of YIT-owned subsidiaries in legally independent companies under YIT's corporate identifiers and image. As a result of the Demerger, YIT's building and industrial services business will continue to be carried out in legally independent companies within Caverion Group under the new business name Caverion. These business operations will utilize the experience and references emerged and obtained as part of the business operations of YIT Group's Building Services and Industrial Services. YIT estimates that the preconditions for successful building and industrial services business will remain upon the Demerger, but the operations will be carried out under the new Caverion corporate image. The separation of the business operations is also considered to better enable their independent and focused development.

10.4. Service agreements between YIT and Caverion in connection with the Demerger

In connection with the Demerger, agreements will be made and signed between YIT and Caverion in order to ensure the uninterrupted continuity of Caverion's business operations upon the Demerger. Some of the agreements will be made for a fixed term (in particular those relating to IT systems) in order to ensure operations during the transition period, i.e. until Caverion has arranged the final agreements with service providers in accordance with the principles it has approved. Another significant field of agreements concerns agreements on Caverion's premises in Finland in particular, as Caverion's functions are located in "YIT centres" at several locations. Such service agreements will be made under standard market terms and conditions, and they will not have a significant cost-increasing effect on Caverion.

10.5. Allocation of Demerger-related fees and expenses between the Companies

Unless otherwise agreed by the Companies involved in the Demerger or specified by the Demerger Plan, the following principles will be applied to the allocation of fees payable to external service providers between the Companies involved in the Demerger:

- (a) YIT Corporation shall be responsible for the costs and remunerations directly relating to the Demerger process and implementation. Such costs and remunerations resulting from the Demerger process include, for example the costs of holding YIT Corporation's General Meeting resolving on the Demerger, the costs of filing the Trade Register notifications directly related to the Demerger, the fees for advisors participating in the Demerger process as well as the remuneration of the Auditor issuing a statement on the Demerger Plan.
- (b) Caverion Corporation shall be responsible for the costs relating to the listing of Caverion Corporation and creation of a book entry system for the shares (for example costs resulting from drafting a prospectus, costs and fees charged by the Financial Supervisory Authority, the Helsinki Stock Exchange and Euroclear Finland Ltd.), regardless of when the cost may arise. If such costs arise prior to the registration of the Demerger, YIT Corporation shall invoice this cost from Caverion Corporation after the implementation of the Demerger.
- (c) Caverion Corporation shall be responsible for the costs related to the start-up of Caverion Corporation's operations regardless of when the costs may arise. If such costs arise prior to the registration of the Demerger, YIT Corporation shall invoice such costs from Caverion Corporation after the implementation of the Demerger. Such costs arising from the activation of operations may include, for example costs arising out of setting up of the IT systems and

creating and changing the visual image as well as costs relating to the financing arranged for Caverion Corporation.

- (d) The Demerger Companies shall be each responsible for one-half of the costs and remunerations, which cannot be allocated based on subsections (a)-(c) above or which are not directly related to the operations of either of the companies.

10.6. Caverion's history as part of YIT

YIT's history

YIT was originally a company focusing on water supply design and construction. The history of the present YIT Corporation is considered to have begun in 1912, when the Swedish consulting engineering company Allmänna Ingeniörsbyrån (AIB) established a branch office in Helsinki – which at the time was a grand duchy under Russian rule – to enter the Russian market. AIB withdrew from the Finnish market in the late-1910s due to the First World War, Finland's independence and the Finnish Civil War. However, Finnish businessmen continued the operations by establishing a company named Ab Allmänna Ingeniörsbyrån – Yleinen Insinööritoimisto Oy in 1920. Yleinen Insinööritoimisto (later YIT) became the leading builder of water supply plants in Finland and built water supply systems for most of Finland's cities. Towards the end of the 1930s, the operations expanded into water management systems for the forest industry, at the end of the 1940s into the import and trade of water supply pipes and in the mid-1950s also to other areas of construction.

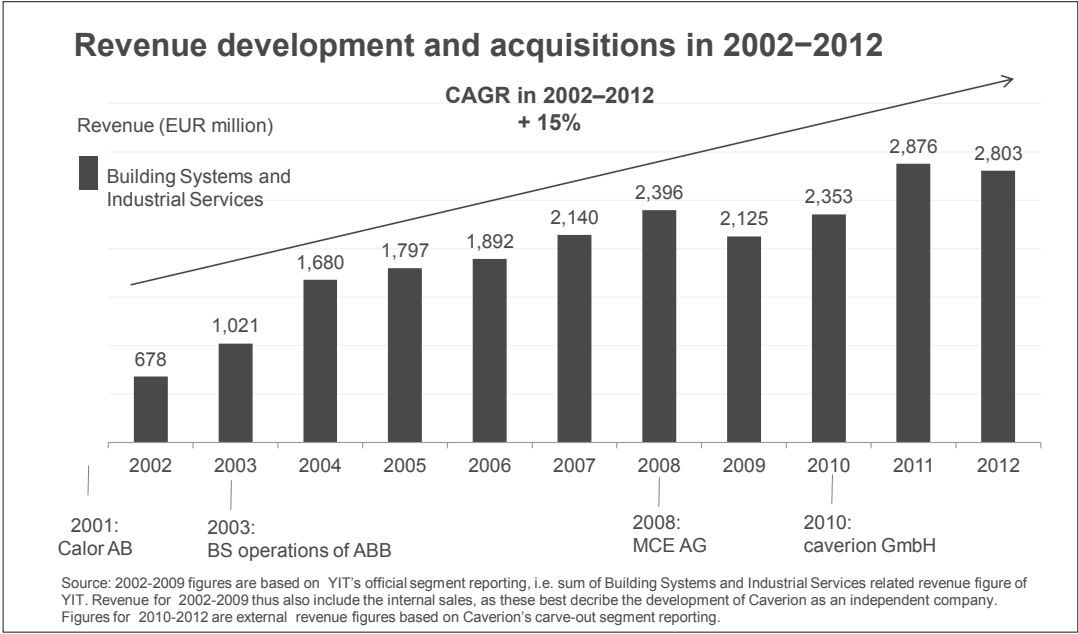
In the 1970s, YIT began to provide property service and maintenance as well as technical expertise in addition to its core construction competence. YIT also expanded its operations into the maintenance of steel structures and industrial pipelines. By the mid-1970s, YIT had grown to become the largest construction company in Finland. In the early 1970s, the company focused particularly on industrial construction, and after the oil crisis the emphasis shifted to business premises. YIT was a forerunner in construction export into the Soviet Union and Middle East, and export projects reached their peak at the turn of the 1970s and 1980s. In the early 1980s, YIT started up its residential construction operations.

In its current form, YIT is composed of an entity with three predecessors: Yleinen Insinööritoimisto Oy, Pellonraivaus Oy – which was established during World War II to clear land to increase the amount of arable farming land (Perusyhtymä Oy since 1968) – and Insinööritoimisto Vesto Oy. In 1961, Pellonraivaus Oy acquired a controlling interest in YIT and Vesto. In practice, the companies operated independently and in the same segments of earth and water construction and water supply operations, competing with each other until the mid-1980s when YIT, Vesto and Perusyhtymä were merged to form YIT-Yhtymä (YIT Corporation). YIT-Yhtymä Corporation was listed on the Helsinki Stock Exchange in 1995. In 2007, the name of YIT-Yhtymä was changed into YIT.

During the course of its history, YIT has grown both organically and through acquisitions. Operations have also been expanded into new geographical areas. In 1995, YIT expanded its operations from construction into building systems by acquiring Huber Oy, a specialist in industrial projects, maintenance and plumbing work. Huber was the leading company in its field in Finland, and with it YIT also gained a foothold in the Swedish market. With the acquisition, YIT became a significant building systems and industrial service company in addition to its construction operations. In 1997, YIT expanded its legal presence into Russia by acquiring a controlling interest in the St. Petersburg-based construction company ZAO Lentek and expanded its Russian business operations from the export of construction projects and conventional tender-based construction projects into housing development.

Since the early 2000s, YIT's building systems business has been grown and developed through significant acquisitions in the Nordic countries and Central Europe. In 2001, YIT acquired the Swedish building systems company Calor Ab. This acquisition made YIT a major industrial pipeline and HV contractor in Sweden. The acquisition of ABB's building systems business in 2003 complemented YIT's water and heating technology competence with ABB's competence in electric and ventilation systems, and provided new business in Sweden, Norway, Denmark, the Baltic countries and Russia. YIT's personnel doubled as a result of the acquisition, and YIT grew to become an international service company within a few years. Subsequently, building system services were expanded into six new countries in Central Europe – Germany, Austria, Poland, the Czech Republic, Hungary and Romania – after YIT acquired the building systems business of MCE AG in these countries in 2008.

In 2010, YIT acquired the German building services company caverion GmbH. As a result of the acquisition, Building Services became YIT’s largest segment in terms of revenue and number of personnel. The revenue from Central Europe doubled, and YIT became the second largest provider of building systems services in Germany measured by revenue (source: The management’s estimate based on public information from third parties). In 2000–2012, Building Services revenue grew by 15 per cent annually on average.



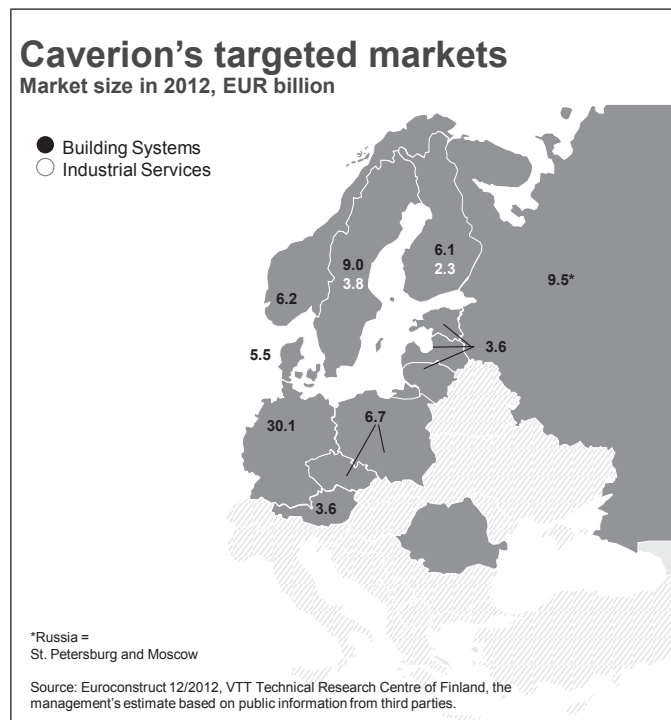
With regard to construction services, YIT has pursued growth in residential construction in Russia and Eastern Europe in particular during the last five years. By 2008, YIT had already become the largest foreign housing construction company in Russia. Residential construction activity was expanded into Moscow, Yekaterinburg and Rostov-on-Don in addition to St. Petersburg. The same year, YIT started up residential development production in the Czech Republic and acquired the local company Euro Stavokonsult. In 2010, YIT acquired a controlling interest in the Slovakian construction company Reding. The acquisition was part of YIT’s objective of becoming a major housing construction company in the countries of eastern Central Europe, alongside Russia and the Baltic countries.

Before the separation of Caverion into an independent company, YIT had two main businesses in 2013: Construction Services and building services, where YIT has achieved a major market position in all of the countries in which it operates in line with its strategy.

11. MARKET AND INDUSTRY OVERVIEW

11.1. Overview

Caverion will be a significant European company, operating in the building systems industrial services market in the Nordic countries, Central Europe, Russia and the Baltic countries. The value of the building systems and industrial services markets in the countries where the company will operate totaled more than EUR 70 billion in 2012 (source: Euroconstruct Dec/2012. The management's estimate based on public information from third parties). These markets include both the installation and maintenance of technical systems.



In the Building Services business, Caverion provides building systems, their service and maintenance as well as energy efficiency services as part of all its services and solutions. The technologies provided by Caverion cover all building systems in properties.

The Industrial Services business includes project deliveries of technical systems and processes to the industry, industrial service and maintenance as well as modernisation projects. In Industrial Services, Caverion operates mainly in Finland and Sweden. In addition, the company offers diverse export projects for the energy and forest industry's investments, among others, and delivers prefabricates worldwide.

Various factors offer growth opportunities for Caverion's business. Technology is developing and its amount in buildings is increasing, which requires special professional expertise and continuous maintenance. Interest in outsourcing service and maintenance of building systems is increasing, and customers are willing to purchase increasingly large service packages from a single partner. However, property owners and users have outsourced service and maintenance to a relatively low extent so far, so the demand for these services offers potential growth. Increasingly tight environmental legislation, increasing energy consumption and renewal and investment needs in the energy sector increase the demand for energy-efficient building systems and services that can help to reduce customers' energy consumption.

The supply of building services is very fragmented, and most companies in the industry are small companies with a relatively narrow service portfolio. This offers growth opportunities for large companies like Caverion

that are cost efficiently able to provide customers with all building systems and their service and maintenance during operation. A comprehensive portfolio is an asset in major Design & Build projects in particular. The fragmented supply offers growth opportunities in the German-speaking region in particular.

11.2. Market outlook for Caverion's services

Caverion's operating environment varies by business and country. Caverion operates in Sweden, Finland, Norway, Germany, Austria, Denmark, Russia, Estonia, Latvia, Lithuania, Poland, the Czech Republic and Romania. The extensive geographical area of operations and comprehensive portfolio balance the effect of economic fluctuations, with the changes impacting business operations at different times and force.

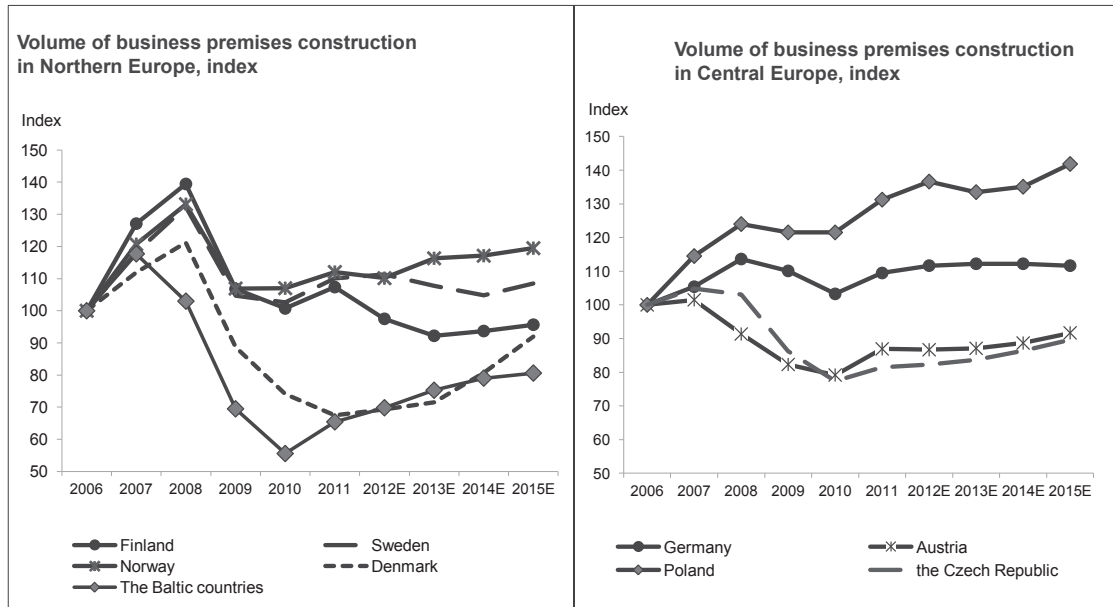
The market situation for building systems is expected to vary by country also in 2013, especially in the project business. In 2013, the service and maintenance market is estimated to remain stable or even grow slightly in all major countries where Caverion operates. The raise in technology in buildings increases the need for new services, and the demand for energy efficiency services is expected to remain stable. The opportunities for growth in service and maintenance are still quite favorable, particularly in Norway, Germany and Austria. In Poland, the building systems market will continue to grow but suffer from oversupply, which has a negative impact on prices. The building services market in the rest of Central Eastern Europe (the Czech Republic and Romania) is developing slowly with a low level of activity.

Decision-making on new investments is still slow, but positive signs can be seen. After the stagnation in 2012, new investments in building systems are expected to increase slightly in Norway, Germany and Austria. Increasing public investments and an increasing need for renovation and repair work are expected to the growth. Demand in the project market is expected to weaken further in 2013 in Finland, Sweden and Denmark and decrease slightly or remain unchanged in Central Eastern Europe. The size of the Swedish project market as a whole is expected to decrease by approximately 5 per cent during 2013, mainly due to weakening demand. The Norwegian project market has developed well during the first quarter of the year, and the favourable development is expected to continue during 2013. In the Baltic countries and Russia, both the project and service market demand is estimated to remain low.

There is potential for energy-efficient services over the next few years with the tightening of environmental legislation. Environmental certifications and energy efficiency will be increasingly significant factors in the future, allowing property owners to increase the value of their properties, which will continue to support growth opportunities. Services and projects related to the maintenance of traffic infrastructure are also estimated to develop favorably.

The figure below presents the volume drivers of the project business – construction volumes of business premises – indexed since the beginning of 2006.

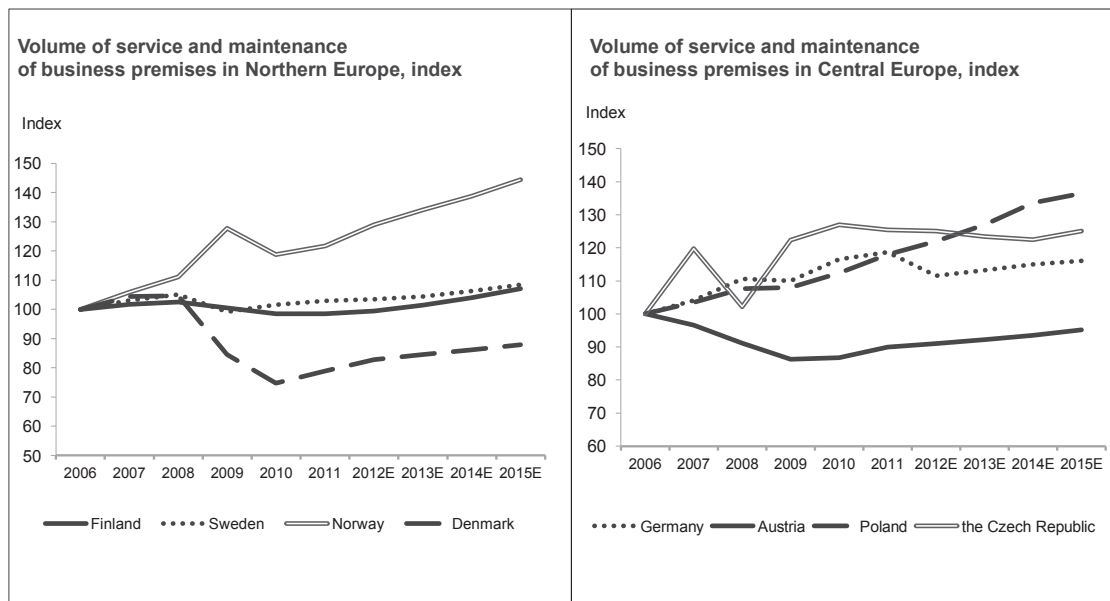
Construction investments are forecasted to remain stable in 2012-2015



Source: Euroconstruct 12/2012. No statistics available from Russia.

The figure below presents the volumes of business premises service and maintenance indexed since the beginning of 2006.

Demand for service and maintenance is expected to remain stable in 2012-2015



Source: Euroconstruct 12/2012. No statistics available for Russia.

11.3. Competitive situation

Caverion has a strong market position in the North European building systems market measured by revenue. According to the company's management, Caverion holds a leading market position in Finland and Norway. Caverion is the second largest company in the Swedish market and third largest in Denmark measured by revenue. (Source of market sizes: Euroconstruct December 2012, VTT Technical Research Centre of Finland and the management's estimate based on public information from third parties)

With regard to the Central European building systems market, Caverion's market position is the strongest in Germany and Austria in terms of revenue. In Germany, Caverion holds the second largest market position in relevant markets and third largest in Austria in terms of revenue. (Source of market sizes: Euroconstruct December 2012, VTT Technical Research Centre of Finland and the management's estimate based on public information from third parties)

Caverion is Finland's leading industrial service company, operating in the energy, forest, mining, process and marine industries, among others. The largest customer segments are the forest industry and the energy industry. The Company is also one of the leading providers of industrial services in Sweden.

12. CAVERION'S BUSINESS OPERATIONS

A listing of Caverion shares is sought on NASDAQ OMX Helsinki approximately as of July 1, 2013. Since Caverion will only be incorporated on the Effective Date of the Demerger, the information presented below is based on information available to YIT upon the preparation of this Registration Document and estimates made on the basis of such information. Investors are requested to also review the information relating to Caverion found elsewhere in this Registration Document.

12.1. Overview of business operations

Caverion is one of the leading companies in building systems and industrial services in the Nordic countries, Central Europe, Russia and the Baltic countries. The Company's more than 18,000 professionals serve customers in 13 countries. The Company's aim is to design, build and maintain user-friendly and energy-efficient solutions for buildings, infrastructure and industry.

Caverion's business operations are divided into two main branches of service: Building Services and Industrial Services. In both branches of service Caverion is engaged in both project business, comprising the design and installation of systems, and system service and maintenance operations.

The Building Services cover the entire life cycle of the property, from the design and installation of building systems to their service, maintenance and facility management. The services cover all building systems in properties, including HVAC systems, security, fire safety and telecommunications systems as well as the automation that controls them.

The aim of Caverion's Industrial Services is to help customers to increase the efficiency of production throughout the life cycle of the industrial plant. The services include project deliveries of technical systems and processes to the industry, industrial service and maintenance as well as modernisation projects.

According to the Company's management, Caverion is the largest provider of building systems and service and maintenance in Finland and Norway, the second largest in the relevant markets in Germany and Sweden, and among the three largest in Denmark and Austria. Caverion is Finland's leading company in industrial services operating in all branches of industry. It offers industrial companies industrial services mainly in Finland and Sweden as well as building systems in all its operating countries.

Caverion has an extensive customer base: customers include developers and construction companies, property investors and owners, property service companies, building managers, public institutions and industrial companies. Caverion offers services and solutions to various types of properties, such as offices and retail premises, schools and hospitals, housing, airports, traffic tunnels and industrial plants.

Caverion had 18,614 employees on December 31, 2012, of which 82 per cent worked in Northern Europe and 18 per cent in Central Europe. Caverion has approximately 250 local branches in total, most of which are service centers located close to customers. Project competence and administration has been centralised in competence centres.

Caverion's two IFRS reported segments according to IFRS reporting are Building Services Northern Europe and Building Services Central Europe. The services presented in this overview of business operations, i.e. Building Services and Industrial Services, are included in the geographical segments reported in the segment reporting according to IFRS.

In 2012, Northern Europe generated 75 per cent of revenue and Central Europe 25 per cent based on segment reporting. Regionally, Building Services Northern Europe is focused more strongly on service and maintenance (64 per cent of revenue) while the focus of business in Central Europe was on project deliveries (service and maintenance accounted for 31 per cent of revenue). The largest countries in terms of revenue in 2012 were Sweden (26 per cent of revenue), Finland (21 per cent), Norway (20 per cent) and Germany (19 per cent) based on the location of the customer. In 2012, Caverion's revenue totalled EUR 2,803.2 million.

Geographical distribution of revenue

Revenue, EUR million	January- March /2013 (unaudited)	January- December /2012 (audited)	Share of revenue 2012 (%)	January – December /2011 (audited)	January- December /2010 (audited)
Sweden	173.5	723.8	26	732.7	576.3
Finland	121.8	585.8	21	612.7	544.4
Norway	127.8	564.6	20	519.2	467.2
Germany	96.9	521.1	19	629.5	396.3
Austria	33.1	157.5	6	110.2	104.7
Denmark	31.0	142.8	5	166.7	141.3
Russia and the Baltic countries	12.5	57.5	2	58.3	43.0
Other countries	11.2	50.2	2	46.4	79.5
Total	607.9	2,803.2	100	2,875.7	2,352.8

Revenue by country is presented based on the customer's location. Caverion GmbH, acquired in 2010, and its subsidiaries are included in the figures for the last four months of the year.

12.2. Services and products

12.2.1. Building Services

12.2.1.1. Overview

Caverion offers building systems and their service and maintenance in the Nordic countries, Central Europe, the Baltic countries and Russia. In 2012, Building Services' revenue amounted to EUR 2,524.4 million. The services cover the entire life cycle of the property, from the design and installation of technical systems to their service, maintenance and facility management. In addition, Caverion offers services that enable to making the use of energy in properties more efficient. The aim is to incorporate energy efficiency into all project deliveries and maintenance service agreements.

Caverion's services are used in a multitude of properties and premises: offices and retail premises, leisure centres, schools and hospitals, housing, airports and road tunnels.

The customers of Building Services include developers and construction companies, property investors and owners, property service companies, building managers, public institutions and industry. Caverion offers service close to the customer with short response times with a dense and local network of local branches. The 24-hour customer service in all countries guarantees that a professional is always quickly at the site.

12.2.1.2. Service and maintenance

Service and maintenance operations generated 55 per cent of Building Services' revenue in 2012. The service and maintenance operations consist of condition-based maintenance, planned periodic maintenance as well as individual service measures. Service and maintenance is often based on frame agreements, but they are also sold separately to customers. The agreements are typically made for a fixed price for two to three years or for one year, in which case the pricing is based on the price list valid at each time. Some of the customers have also outsourced their building system operation services to Caverion. In the life cycle model, Caverion assumes responsibility for operation, service and maintenance during the operational phase for up to twenty years, in addition to the design and implementation of building systems. Caverion aims to incorporate service and maintenance also into its project deliveries.

As the service market is changing, property owners and users no longer focus solely on repairing acute faults; rather, they favor preventive maintenance. Measures are based on the actual conditions: decreased performance, not interruption or periodic maintenance. Comprehensive property control room services, which the company has already been offering in Finland for a decade, are one of Caverion's competitive advantages. Currently, approximately one thousand properties are connected to Caverion's 24-hour remote control. The customers

include retail premises, industrial plants, data centers and student dormitories. The control room collects information on the functioning of the building systems, and experts adjust the equipment parameters in remote monitoring so that the properties have the desired conditions. 24-hour remote monitoring of building systems decreases unnecessary maintenance visits and increases the energy efficiency of the property. The aim is to expand the offering of control room services into other countries as well.

Caverion has developed a ServiFlex concept for the service and maintenance in all countries where it operates, allowing the customer to combine an individual service package from more than one hundred standardised maintenance services with a single agreement. ServiFlex services are particularly focused on preventive maintenance. Energy efficiency services are combined in the eServiFlex concept, which includes services ranging from energy inspections to building certifications and energy controlling services.

The aim is to increase the share of service and maintenance operations and long-term service agreements, both organically and through acquisitions, and expand the service offering in remote monitoring of properties and energy saving services, among others. In addition, increasing the efficiency of the service business by increasing advance planning of work and mobility of the service personnel is one of Caverion's main objectives, particularly in the Nordic countries.

12.2.1.3. Project business

Caverion offers its customers design and installations of properties' building systems. The technologies offered cover all building systems, such as heating, plumbing, ventilation, electricity, cooling and security solutions and the automation that controls them. Alongside delivering and installing these systems, Caverion also offers its own products and components as well as solutions tailored for the customer. The project business accounted for 45 per cent of Building Services' revenue in 2012.

The extent of Caverion's project deliveries ranges from the design or installation of an individual building system to total deliveries covering all of the technology of a property. In tender-based projects, the customer may subject the deliveries of individual or several technical systems to tender, and they can be delivered on the basis of the customer's ready-made plans. Caverion aims to grow as a provider of so called Design & Build projects and total deliveries of technical solutions (TTS). The company is at its best in projects where it is involved throughout the projects from designing the solution to delivering the building systems, as these large-scale projects often require considerable resources and extensive competence. These projects also have typically higher profitability and less competition than individual tendered projects. However, the number of large-scale total deliveries in the market is limited, and they focus in Central Europe. In addition to total deliveries and Design & Build projects, Caverion aims to focus on select customer segments with needs for more complex technologies (hospitals, laboratories, cleanrooms etc.).

Energy efficiency is part of all Caverion services, and the aim is to incorporate energy savings into all project deliveries. Caverion offers a variety of energy efficiency services: for example, properties' energy inspections and analyses, energy-efficient building systems as well as modernisation, adjustments and automation of the systems. Caverion has special competence and in-house research and development in building systems related to renewable energy sources, such phase-change materials for façades and utilization of seawater cooling and solar energy.

Caverion's strengths are its own technical solutions and products related to, for example, ventilation, automation of building systems and integration of systems. Caverion's KRANTZ KOMponenten brand offers solutions for exhaust gas filtration and cleanroom, among other products. The Niagara and eDrift automation systems centrally control the ventilation, heating, cooling and water measurement systems in a property. The system has a user interface that allows the user to accurately and individually adjust all these systems. The automation systems can be installed in all kinds of properties, including residential properties. LuxCool and KlimaTak are suspended ceiling elements developed by Caverion, combining all of the technology needed in offices: lighting, heating, cooling, ventilation and their adjustment and control. Caverion is also a forerunner in Finland as a supplier of waste collection systems for entire areas.

12.2.2. Industrial Services

12.2.2.1. Overview

Caverion's industrial services include project deliveries of technical systems and processes to industry, industrial service and maintenance as well as modernization projects. In 2012, Industrial Services' revenue amounted to EUR 278.8 million, which included both project deliveries and service and maintenance. While Caverion operates industrial services mainly in Finland and Sweden, it offers various export projects and prefabricates for industrial investments also globally. In addition to industrial services, Caverion delivers industrial plants building systems, such as automation and ventilation systems and various HVAC systems.

Caverion holds strong process competence in industrial services. An extensive service chain covering design, material deliveries, prefabrication at in-house workshops, installation and service and maintenance is its key competitive edge. Caverion has one of the most extensive service offerings in the Finnish industrial services market.

Caverion offers services to all branches of industry. The largest customer segments are the forest industry and the energy industry. Potential demand for Caverion's services can also be found in the mining and metal industries. In 2012, the demand focused particularly on project deliveries to the energy industry and services and maintenance in various industry branches, where the stable market balances operations.

The competence in industrial services is based on expertise of own employees, familiar with the plants. Personnel resources are strengthened using subcontractors where necessary, such as in the installation phases of the largest project deliveries and in maintenance partnerships.

12.2.2.2. Service and maintenance

The service and maintenance cover all of the customers' needs from individual assignments to comprehensive maintenance of the production process. Maintenance partnership covers strategic cooperation to develop the operations of the customer's industrial plant and improve its productivity. In these comprehensive partnerships Caverion assumes overall responsibility for maintenance and is responsible for the development of maintenance in accordance with the mutually set goals also taking care of the supplier and subcontracting network. Service and maintenance operations accounted for 57 per cent of Industrial Services' revenue in 2012.

Customers' needs for new solutions for industrial maintenance are increasing with the challenging economic situation and need for making operations more efficient. At the same time, customers are reducing the number of their partners and increasing cooperation with service providers that are able to offer an extensive service portfolio. To address this need Caverion offers the iServiFlex concept for industrial maintenance, allowing customers to build a functional package from more than 40 separate services under a single agreement. The services focus on preventing problems and also help the customer predict costs. Detailed service descriptions and standardized services guarantee consistently high quality. The concept was launched a few years ago, and the demand for it has increased at a steady rate.

12.2.2.3. Project business

Industrial project deliveries are based on strong design that requires special expertise and extensive industrial prefabrication in in-house workshops. Prefabrications make on-site installation faster, guarantees consistent quality and improves the occupational safety of the installation personnel.

Caverion has three workshops in Finland, manufacturing piping, tank and boiler prefabricates for delivery to projects all over the world. Caverion also delivers industrial plants building systems, such as electricity, automation and ventilation systems. The project business accounted for 43 per cent of Industrial Services revenue in 2012.

12.3. Key competitive strengths

Comprehensive services and strong market position in selected geographical regions.

The building systems market is fragmented in all of Caverion's geographical areas: no individual player holds a market share of over 10 per cent in any of Caverion's significant operating countries. There are lots of small

companies in the market, focusing on only a few technical solutions in a limited geographical area. Caverion's strength is its extensive service portfolio, covering all building systems throughout the life cycle of the property from design and installation to service and maintenance. With its extensive expertise, Caverion can offer total deliveries of building systems also in large-scale Design & Build projects that typically offer better profitability and have less competition compared to conventional tender-based projects.

The increasing amount of technology in buildings increases the demand for new services, and outsourcing of service and maintenance of building systems is expected to increase. The comprehensive expertise in building systems is expected to provide Caverion with a competitive advantage as customers often prefer a single supplier instead of several small suppliers.

Caverion has a strong market position in all key countries in which it operates: the Company's management estimates, that measured by revenue, Caverion is the market leader in Finland and Norway, the second largest in Sweden and in the relevant markets in Germany and among the three largest also in Denmark and Austria (source for market size: Euroconstruct December 2012, VTT Technical Research Centre of Finland and the management's estimate based on public information from third parties). Caverion also has special expertise in industrial services, particularly in Finland and Sweden.

Solid experience in acquisitions supports growth opportunities in a fragmented market

Caverion's management and business areas have solid experience in mergers, acquisitions, reorganization of operations and integration of companies in all key countries relevant to its business. The fragmented markets continue to offer plenty of opportunities for acquisitions. Caverion's strategic objective is to grow also through acquisitions, especially in Central Europe.

The profitability of the most significant acquired companies has been successfully improved in a relatively short time after the acquisition. The significant growth in YIT's Building Services, and also the foundation for Caverion's international operations, was facilitated at the beginning of the 2000s when YIT acquired Calor AB in Sweden and the building services business of ABB. These acquisitions almost tripled the volume of YIT Building Services. At the same time, YIT succeeded in improving the profitability of the acquired businesses: for example, the operating profit margin of the business operations acquired from ABB grew from zero in 2003 to more than seven per cent by 2007. Correspondingly, the business volume, revenue and operating profit margin of Building Services Central Europe increased significantly between 2008 and 2010 with the acquisition of MCE AG and Caverion GmbH. The average annual growth in YIT Building Services revenue in 2000–2012 was approximately 15 per cent, with acquisitions playing a key role.

Low capital employed, extensive customer base and significant share of service business provide the preconditions for strong and stable cash flow.

The building systems business ties relatively little capital and requires only low level of investments, apart from possible acquisitions. Caverion's cash-based investments in tangible and intangible assets according to the carve-out financial statements totaled EUR 14.2 million in 2010–2012, or only approximately 4 per cent of the combined EBITDA for the years in question.

Long-term customer relationships and an extensive customer base support the stability of cash flow. Caverion does not depend on individual customers: its ten largest customers accounted for only approximately 14 per cent of the Groups revenue in 2012. In addition, different customer groups in the private and public sector and extensive geographical area of operations decrease the business operations' dependence on economic fluctuation.

In 2012, the service and maintenance business, which is less cyclical than the project business, accounted for 55 per cent of Caverion's business. The share of service and maintenance operations of revenue has remained stable in recent years. Their demand is expected to develop at a stable rate in the future as well, as the increasing amount of technology in buildings, among other factors, maintains the continuous need for service and maintenance.

Building systems operations have generated a strong cash flow for YIT in the long term. After the Demerger, the cash flow will be available exclusively for developing Caverion's building systems business. Naturally, changes in working capital also influence the total cash flow of individual years, and therefore the management of trade

receivables and advance payments plays a key role in terms of the generation of cash flow to be used for acquisitions, for example.

Caverion is a forerunner in technology with own innovative solutions

Caverion's technological expertise covers all building systems, which makes it stand out from smaller competitors. Furthermore, Caverion has special technological expertise in, for example, energy efficiency, cooling, technology for cleanrooms and other demanding sites, such as hospitals and laboratories, traffic and tunnel telematics, as well as high-pressure industrial piping. Caverion offers its own products and brands in building automation and ventilation systems, among other fields, and invests heavily in research and development at its own R&D centre.

Caverion offers advanced building automation, remote control and control room services, which requires special expertise that is quite rare in the market. The demand for control room services is estimated to be growing as they decrease the need for service visits and reduce customers' costs significantly. In the future service and maintenance is expected to focus increasingly on foreseeing measures and actual need, which will support the demand for Caverion's services.

Caverion's business is labour-intensive and based on the high professional skill of the personnel. Own personnel play a significant role in the service business in particular, which guarantees the uniform high quality of service. Subcontractors are used as necessary, mainly in the project business, to add flexibility to overall capacity.

Energy efficiency as part of all services

Energy efficiency is currently an essential criterion for customers in choosing a service provider. Its importance is estimated to grow further in the future with tightening environmental regulations and increasing energy costs. This is a competitive advantage for Caverion, as energy efficiency is part of all Caverion services. The aim is to incorporate energy savings into all project deliveries and service agreements. Energy efficiency has been a key factor with which Caverion has won projects, especially in large-scale Design & Build projects.

12.4. Strategy and financial objectives

As Caverion will be established only in connection to the implementation of the Demerger, YIT has defined the strategy and financial objectives for Caverion. After its establishment Caverion will independently make the decisions regarding its strategy and financial objectives.

Caverion's strategic objective is to achieve a leading position in the European building systems market. The strategy has three main objectives:

- In Northern Europe, the key aim is to improve profitability
- In Central Europe, Caverion will pursue strong growth, especially in Germany and German-speaking countries. The aim is to grow both organically and through acquisitions.
- Extensive new and advanced projects and services. The Company will pursue growth and profitability by putting an emphasis on long-term service agreements in the service and maintenance business, Design & Build projects and deliveries related to energy savings.

Improving the profitability of Building Services Northern Europe

Caverion aims to improve the profitability of Building Services Northern Europe. The previously announced measures to carry out cost savings of EUR 40 million have been executed and personnel cuts of 800 employees were carried out by the end of the 2012. The cost savings measures related to personnel have been executed and the pursued cost savings have been reached. Nonetheless the cost saving measures have turned out to be inadequate due to market development and decrease in revenue. Hence, the adjustment of costs will continue in Building Services Northern Europe during 2013. The aim is to decrease the number of personnel by further 600 employees in 2013; of these, personnel cuts amounting to approximately 200 employees were carried out during the first quarter. The aim is to improve the profitability of project business through more careful project selection, increasingly systematic risk management and more efficient procurement. In addition to these efficiency measures that have already been launched earlier, the aim is to make the tendering process more efficient and centralise the project business in centres of excellence. The criteria for the tendering process have

been made clearly stricter with regard to the profitability and risks of the project, among other factors, and the number of offers made will be decreased. The systems and software used in offer calculations will be harmonised, and authorisations for approving projects have been made more stringent.

Strong growth in Central Europe

Caverion will pursue strong growth in Central Europe both through acquisitions and organically. Caverion's market shares in Central European countries are smaller than in Northern Europe, which offers good opportunities for growth in these diversified Central European markets. According to the Company's management, Caverion is the second largest player in terms of market position in Germany with a market share of approximately two per cent and the third largest player in Austria with a market share of approximately three per cent.

Caverion aims to further expand in service and maintenance business in the German-speaking region with selected acquisitions. YIT has expanded into the Central European market with two significant acquisitions (MCE in 2008, caverion GmbH in 2010) and the Company estimates that Caverion also has resources for continuing its growth through acquisitions.

Caverion aims to increase its service and maintenance operations significantly in Central Europe, where service and maintenance account for a lower share of revenue than in Northern Europe. The outlook for services and maintenance of building services is good over the long term in all countries in which the Company operates. Economic trends have less effect on the demand for maintenance than the project business, and the profitability of maintenance is also typically better. In 2012, service and maintenance operations accounted for 64 per cent of all Building Services and Industrial Services volume in Northern Europe and 31 per cent in Central Europe.

Growth and profitability will be pursued with extensive, new and advanced projects and services

In the project business, the aim is to grow as a supplier of so called Design & Build projects and total deliveries of building systems, as large projects that require significant resources and extensive competence are where Caverion excels, being involved throughout the project from designing the solution to delivering the technology. Higher profitability than in individual tendered projects are typical of such project development. Major projects often last for several years and generate cash flows positively.

The Company also aims to increase long-term service agreements, strengthen its technical expertise and become even more of a forerunner as a provider of energy-efficient building systems and energy efficiency services. Caverion has been a forerunner in energy-efficient building systems for a long time, and it aims to continue to invest in the development of its products and services.

Long-term financial targets

YIT's Board of Directors set the following financial targets for Caverion until 2016 on June 3, 2013.

	TARGET UNTIL 2016	ACTUAL 2012 (Carve-out)
Revenue growth (%)	Average annual growth in revenue of more than 10 per cent	-2.5
Profitability (%)	EBITDA over six per cent of revenue	3.0
Operating cash flow after investments (EUR million)	Strong operating cash flow to enable organic growth, repayment of loans and distribution of dividend	40.5

There is no certainty of the Company achieving the above financial targets or being able to maintain them if it reaches them. For the prospects of the Company, also see "Result of operations, financial position and prospects – Outlook for 2013". The Company uses the above-mentioned and other financial targets and performance indicators at selected intervals in its business. The factors described under "Risk factors", among other factors, influence the attainment of the Company's targets, in particular factors related to changes in the general economic situation.

12.5. Dividends and dividend policy

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

In accordance with the Finnish Limited Liability Companies Act, the Annual General Meeting decides on the distribution of a dividend on the basis of the Board of Directors' proposal. Dividends are generally paid once a year and may only be paid after the Annual General Meeting has adopted the Company's financial statements for the year in question. For a description of the restrictions applicable to dividend distributions, see "Shares and share capital – Summary of the rights attached to the Company's shares" and "Shares and share capital – Summary of the rights attached to the Company's shares – Dividend and distribution of other unrestricted equity".

12.6. Segments according to IFRS reporting

Caverion has two IFRS reportable segments: Building Services Northern Europe and Building Services Central Europe. After the Demerger, the Company's reporting structure may be re-evaluated and developed as necessary. The most significant companies included in Caverion Group are listed under "*Caverion's business – Legal structure*" in this Registration Document.

After the Demerger has been implemented, Caverion and YIT will not have jointly held companies.

Building Services Northern Europe segment

Building Services Northern Europe includes Finland, Sweden, Norway, Denmark, Russia, Estonia, Latvia and Lithuania. Building Services Northern Europe is Caverion's largest reported segment in terms of revenue and number of personnel. On 31 December 2012, approximately 82 per cent of the personnel, or 15,159 people, worked in this geographical area. Building Services Northern Europe generated approximately 75 per cent of Caverion's revenue based on segment reporting for the year ended December 31, 2012, EUR 2,089.2 million.

Caverion offers all of its services in Northern Europe: design and installation of building system solutions as project deliveries, service and maintenance of these systems as well as energy-saving services of various extents. In addition, Caverion offers industrial services in Finland and Sweden, which comprises of project deliveries of technical systems and processes to industry as well as their service, maintenance and modernisation.

Building Services Northern Europe focused more strongly on service and maintenance operations than Central Europe, generating 64 per cent of the segment's revenue for 2012.

Building Services Central Europe segment

Building Services Central Europe operates in Germany, Austria, Poland, the Czech Republic and Romania. At December 31, 2012, approximately 18 per cent of the personnel, or 3,380 people, worked in this geographical area. Building Services Central Europe generated approximately 25 per cent of Caverion's revenue based on segment reporting for the year ended December 31, 2012 EUR 714.2 million.

The services offered in Central Europe include the design and installation of technical solutions, service and maintenance of technical systems of properties and energy-saving services. Industrial Services does not operate in Central Europe, but Building Services Northern Europe offers export projects for the investments of the energy and forest industry also in Central Europe and globally.

In Central Europe, operations are focused on the project business, meaning the design and installation of technical systems, which accounted for almost 70 per cent of the segment's revenue for 2012.

Service and maintenance accounted for 31 per cent of the segment's revenue for 2012. The Company aims to increase the share of service and maintenance operations of the business volume in Central Europe both

organically and through acquisitions, as service and maintenance is considered to offer high growth potential, especially in German-speaking countries.

12.7. Group's development based on IFRS segment reporting

Caverion Group's development based on segment reporting has been as follows:

	January- March 2013	January- December 2012, Restated ¹	January- December 2011	January- December 2010
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue by segment, EUR million				
Building Services Northern Europe	468.6	2,089.2	2,097.6	1,803.6
Building Services Central Europe	139.2	714.2	779.3	550.2
Other items	0.0	-0.2	-1.2	-1.0
Group, total	607.9	2,803.2	2,875.7	2,352.8
Operating profit margin by segment, %				
Building Services Northern Europe	0.5	2.0	3.8	4.9
Building Services Central Europe	2.5	3.8	4.3	3.0
Group, total	0.7	2.2	3.7	4.2
Order backlog², EUR million				
Building Services Northern Europe	844.7	819.0	913.1	757.4
Building Services Central Europe	470.5	380.1	449.5	507.0
Group, total	1,315.2	1,199.1	1,362.6	1,264.4
Operative invested capital, EUR million				
Building Services Northern Europe	321.5	344.8	402.6	319.0
Building Services Central Europe	118.8	96.6	72.0	51.5
Return on operative invested capital, %				
Building Services Northern Europe	9.0	11.0	21.8	23.3
Building Services Central Europe	23.3	32.5	53.8	46.9

1) The revised IAS 19 standard has had effects on the operating profit margin, operative invested capital and return on operative invested capital. These restated figures are unaudited. Revenue by segment information is audited

2) Unaudited

12.8. Personnel

The number of personnel employed by Caverion Group has developed as follows by country:

	March 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Finland	4,889	4,973	5,354	5,681
Sweden	4,273	4,492	4,770	4,429
Norway	3,646	3,642	3,602	3,505
Germany	2,408	2,450	2,640	2,816
Austria	700	706	605	617
Denmark	1,093	1,104	1,218	1,386
Other countries	1,247	1,247	1,292	1,252
Group, total	18,256	18,614	19,481	19,686

Some of the Company's employees are covered by the Company's share-based incentive scheme. See "Caverion's governance - Board of Directors' and management's fees and benefits". "Shares and share capital – General" and "Shares and share capital – Share information."

12.9. Investments

Caverion Group's operations do not require significant maintenance investments. Maintenance investments amounted to EUR 1.1 million for the period January–March 2013, EUR 7.6 million in 2012, EUR 6.4 million in 2011 and EUR 6.2 million in 2010, and they were mainly associated with information technology and the maintenance of sites.

In addition, Caverion Group carries out acquisitions pursuant to its strategy each year. No acquisitions have been made in 2013. The combined purchase prices of the acquisitions amounted to EUR 9.5 million in 2012, EUR 9.4 million in 2011 and EUR 85.1 million in 2010. For a more detailed description of the acquisition, see Note 3 to the carve-out financial statements for the years ended December 31, 2012, 2011 and 2010, included in Annex 1 to this Registration Document.

12.10. Properties and leased properties

Caverion Group mainly operates in leased premises, so the value of its owned properties is not significant. The carrying amount of the properties owned by the Group totaled EUR 8.2 million on March 31, 2013. The properties are located in Finland, Germany, Austria and Sweden. The off-balance sheet rental liability relating to the leased premises totaled EUR 146.0 million on March 31, 2013. Leases of Caverion's premises in Finland will be extended with YIT after the Demerger. The terms of the site leases are 15 years at maximum.

12.11. Environmental aspects

Caverion's business, which is based on project deliveries of building systems and technical systems to properties and industry as well as their service and maintenance, does not cause significant environmental risks. The environmental impacts of Caverion's products over their life cycles are mainly caused when the products are used, not in their manufacturing or delivery phase.

As an international building systems and industrial services company, Caverion can significantly contribute to the sustainable development of the built-up environment. The Company's own operations have environmental impacts for which the Company wants to assume liability. The most significant opportunity for influencing global carbon footprint is, however, the result of cooperation with customers. Caverion continuously develops its products and services so that they make it possible to decrease the environmental impacts of customers' operations.

Environmentally friendly business is a strategically important activity for the Company, and it has been investing in it for a long time in all of its operations. Caverion offers its customers a variety of energy efficiency services: for example, property energy inspections and analyses, energy-efficient building systems and modernisations adjustment and automation of systems. Energy-efficient building systems, automation and appropriate use and

maintenance of technical systems make it possible to decrease the energy consumption of existing properties by up to 10–20 per cent.

Carbon dioxide emissions from Caverion's own operations

The carbon dioxide emissions of Caverion's own operations are mainly caused by the fuel consumption of its approximately five thousand service vehicles. The Company utilises logistics solutions that help to decrease greenhouse gas emissions in the transport of both goods and personnel. Attention is also paid to route optimisation and economical driving. The environment is also considered in the choice of company cars.

Caverion's CO₂ emissions amounted to approximately 49.1 thousand tonnes in 2012, and their ratio to revenue was 17.5. In the year ended December 31, 2012, ISO 14001 certification covered 77 per cent of revenue. The Company develops the management of environmental aspects and performance of environmental protection measures through certification.

Caverion has better opportunities for strengthening its expertise in sustainable construction in cooperation with other industry players. The Company aims to take part in the activities of the local working groups of the international Green Building Council network in most of the countries in which it operates.

12.12. Intellectual property rights

The companies transferred to Caverion Group upon the Demerger have intellectual property rights related to their operations, such as patents and trademarks. The Demerger has no effect on the use of these intellectual property rights in business. In addition, YIT owns some of the trademarks to be transferred to Caverion in the Demerger, which will be registered to Caverion in accordance with the Demerger Plan.

12.13. Insurance

As part of the Demerger, negotiations have been held with YIT's insurance companies on arrangements to ensure the uninterrupted insurance coverage of Caverion Group as of the Demerger taking effect. The Company has already agreed to keep in force insurance coverage deemed sufficient to cover any claims for damages and liabilities arising from the Company's business operations. The insurance policies are subject to general restrictions, and therefore the insurance policies may not cover all damage suffered. See *"Risk factors – Risks relating to the Company and its business – The insurance coverage taken out by Caverion may turn out to be insufficient in certain situations."*

12.14. Legal processes

Companies transferred to Caverion Group in the Demerger have ordinary business-related disputes and resulting legal and arbitration proceedings, and predicting their outcomes involves uncertainties. The project practice in Germany in particular relatively often leads to having to settle the rights and responsibilities of the contracting parties in court. According to the Company's experience, the outcome of the processes rarely differs significantly from the expectations of the Company. Therefore, the resolution of the disputes is not expected to have a significant effect on the Group's result or financial position.

The Company has not, during the previous twelve months preceding the date of this Registration Document, had any governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past significant effects on the Company's and/or its subsidiaries' financial position or profitability. The Company management is not aware of such facts or conditions that could reasonably be assumed to lead to material claims against the Company or its subsidiaries in the near future.

12.15. Legal structure

Caverion Corporation is the parent company of Caverion Group. The subsidiaries owned directly by the parent company are YIT Building Systems Ltd and YIT Industry Ltd, which will be transferred to Caverion in YIT's Demerger.

After the execution of the Demerger, Caverion Corporation will have a 100 per cent holding in YIT Building Systems Ltd. The company's head office is located in Helsinki. YIT Building Systems Ltd. owns its operative subsidiaries in the Nordic countries either directly or indirectly. The most significant directly wholly-owned subsidiaries are YIT Kiinteistötekniikka Oy (Finland, holding 100 per cent, head office Helsinki), YIT Sverige AB (Sweden, holding 100 per cent, head office Stockholm), YIT AS (Norway, holding 100 per cent, head office Oslo), YIT A/S (Denmark, holding 100 per cent, head office Copenhagen). In addition, YIT Building Systems Ltd. wholly owns YIT Building Services Central Europe GmbH. The most significant holdings of the latter are YIT Germany GmbH (Germany, holding 100 per cent, head office Munich) and YIT Austria GmbH (Austria, holding 100 per cent, head office Vienna). The business names of the above-mentioned companies will be changed immediately after the execution of the Demerger so that they will not include the acronym YIT.

After the implementation of the Demerger, Caverion Corporation will hold all shares in YIT Industry Ltd. The Company's head office is located in Vantaa. YIT Industry Ltd has a 49.8 per cent holding in Oy Botnia Mill Service Ab, and in accordance with the shareholder agreement, Caverion has control over the company's operations and carries its business risk. The business name of YIT Industry Ltd will also be changed immediately after the execution of the Demerger so that it will not contain the acronym YIT. The Group's holdings in subsidiaries are presented in Note 31 to the carve-out financial statements for the years ended December 31, 2012, 2011 and 2010, included in Annex 1 to this registration Document.

12.16. Related party transactions

In Caverion Group's historical carve-out financial information, previous business transactions between Building Services and Construction Services within YIT Group have been presented as related party transactions. Such related party transactions of Caverion Group are comprised of the building system services offered by the Caverion Group to YIT Group and IT services office lease expenses and business premises services purchased by Caverion Group from YIT Group and the management's employment benefits. After the execution of the Demerger, business transactions between Caverion Group and YIT Group will not be related party transactions. The extent of the related party transactions between Caverion Group and YIT Group has been as follows based on the carve-out financial information:

EUR million	January- March /2013	January- December, 2012	January- December, 2011	January- December, 2010
	(unaudited)	(audited)	(audited)	(audited)
Sales of goods and services	11.4	55.6	62.3	70.5
Purchases of goods and services	8.4	38.3	41.0	34.6
Trade and other receivables	3.7	5.1	5.6	10.0
Trade and other payables	3.4	3.7	3.9	2.8
Lease arrangements with YIT Group	64.5	68.3	75.7	80.4

Additional information on related party transactions has been presented in Note 32 to the carve-out financial statements for the years ended December 31, 2012, 2011 and 2010 included in Annex 1 to the Registration Document and notes to the carve-out financial information for the three-month period ended March 31, 2013, included in Annex 2.

12.17. Significant agreements

There are no significant agreements beyond the scope of ordinary business operations.

YIT Corporation has signed in February 2013 a financing agreement with Nordic banks amounting to a total of EUR 267 million, which is associated with the business operations of Caverion Group and will therefore be transferred in full to Caverion Corporation in connection with the Demerger. The arrangement includes a long-term loan agreement of EUR 140 million, a revolving credit facility of EUR 60 million and a short-term bridge financing agreement of no more than EUR 67 million. The above-mentioned new loans will be partially drawn before the Demerger. The agreed bridge financing agreement of EUR 67 million will be used in part or full for repaying loans taken for financing acquisitions in the Building Services segment. The undrawn part of the bridge financing agreement will be cancelled. Of the other two new financing agreements, the long-term loan of EUR 140 million will be drawn in full before the Demerger, which, together with the agreed revolving credit facility of EUR 60 million will be transferred to Caverion in the Demerger. In some of the loan agreements, the

margin of the loan depends on the Group's net debt to EBITDA ratio. Of the new financing agreements, the revolving credit facility of EUR 60 million will mature on June 30, 2016, and the short-term bridge financing agreement of EUR 67 million on June 30, 2014. Caverion's EUR 140 million long-term loan agreement will mature on June 30, 2016, and it includes compulsory instalments before the date of maturity.

In addition to the above-mentioned new financing agreements, two of the three loans from Nordic Investment Bank taken into account in Caverion's carve-out financial information are connected with Caverion Group's business operations and will be transferred to Caverion, as will pensions loans granted by pension insurance companies. The pension loans have been taken by a subsidiary to be transferred to Caverion, and the Nordic Investment Bank loans raised for financing acquisitions have been included on YIT Corporation's balance sheet prior to the Demerger. In connection with the Demerger, the pension loans will retain their original instalment schedule, but the loans from the Nordic Investment Bank will be rearranged so that only two loans with a total principal of EUR 45 million will remain. The rearrangement will be financed with the above-mentioned EUR 67 million bridge financing agreement. In addition to the loan agreement made with Nordic banks, and the loans from the Nordic Investment Bank include a covenant concerning Caverion. In all loans, this covenant will only become effective on the Effective Date of the Demerger. For additional information on the covenant, see "*Result of operations, financial position and prospects - Solvency and sources of capital – Sources of capital and debt*".

12.18. Research and development

The development of personnel and operating systems is part of Caverion's daily business operations. The following development programmes are central from the point of view of Caverion's business: the Group-wide Green Solutions development programme aiming to create new business opportunities by investing in energy efficiency and environmental friendliness and the Building Service Efficiency development programme, which focuses particularly on improving the efficiency of service and maintenance operations in Building Services.

Caverion Group's investments in research and development efforts for the three-month period ended March 31, 2013, amounted to EUR 2.9 million, representing 0.5 per cent of revenue. During the year ended December 31, 2012, investments in research and development amounted to EUR 14.0 million (0.5 per cent of revenue), in the year ended December 31, 2011 research and development amounted to EUR 14.4 million (0.5 per cent of revenue) and in the year ended December 31, 2010 research and development amounted to EUR 11.6 million (0.5 per cent of revenue).

13. PRO FORMA FINANCIAL INFORMATION

Basis of compilation of unaudited pro forma financial information

The following unaudited pro forma financial information (“pro forma”, “pro forma information”) is presented to illustrate the financial impact of the Demerger on Caverion’s results of operations and financial position had the Demerger consummated at an earlier point in time. This unaudited pro forma information is presented for illustrative purposes only. Because of its nature, the unaudited pro forma information illustrates what the hypothetical impact would have been if the Demerger had been consummated at dates assumed in this pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of Caverion Corporation. The unaudited pro forma information is not intended to project the results of operations or financial position of Caverion as of any future date and does not represent the results of operations or financial position had Caverion been an independent publicly traded company for the periods presented.

The pro forma adjustments are based upon available information and assumptions, which are described in the accompanying notes. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma combined financial information will prove to be correct.

Pro forma periods

The pro forma income statement and pro forma statement of comprehensive income for the year ended December 31, 2012 and for the three month period ended March 31, 2013, have been compiled assuming that the Demerger had been completed on January 1, 2012 and the pro forma balance sheet as at March 31, 2013 has been compiled assuming that the Demerger had been completed on March 31, 2013.

Effects of the Demerger

As Caverion’s business operations will be separated to form an independent separate group only at the date of the Demerger, the historical financial information of Caverion has been presented in this Registration Document as carve-out financial information extracted from YIT Corporation’s consolidated financial statements. This pro forma financial information has been compiled to illustrate those impacts of the Demerger, which are not included in the historical carve-out financial information.

The components of the equity of Caverion Corporation will be formed at the date of the Demerger, in connection with the establishment of Caverion Corporation. In this pro forma financial information, the components of the equity as at March 31, 2013 are shown in accordance with the Demerger plan.

YIT has signed a loan agreement of EUR 267 million with Nordic banks in February 2013, which will be transferred to Caverion Corporation in connection with the Demerger. The arrangement includes a long term loan facility of EUR 140 million, a long-term revolving credit facility of EUR 60 million and a short term bridge loan facility of no more than EUR 67 million. The aforementioned EUR 140 million long term loan facility will be used to amortize YIT Corporation’s existing financial liabilities and the aforementioned short term bridge loan facility of EUR 67 million will be partially or wholly used to amortize loans drawn for financing the earlier acquisitions within the Building Systems business. Any unused part of the short-term bridge loan facility will be cancelled. Agreed revolving credit facility will remain as unused credit facility available for Caverion’s use. However, it is possible that loans have been drawn from this revolving credit facility at the date of the Demerger. The estimated impact of this EUR 267 million loan agreement, signed in February 2013, on Caverion Group’s results of operations and financial position has been included in this pro forma financial information.

This pro forma financial information also takes into account the estimated direct costs related to the Demerger.

Historical financial information

This pro forma information has been compiled on a basis consistent with the IFRS accounting policies of Caverion. Caverion adopted the revised IAS 19 Employee Benefits standard on January 1, 2013. Accordingly, the Caverion’s carve-out financial information for the year ended December 31, 2012 has been restated to correspond the changed accounting principles. The pro forma information is based on the unaudited carve out financial information for the three month period ended March 31, 2013 and the audited financial statements for the year ended 2012, which has been restated to correspond the accounting principles of the revised IAS 19

Employee Benefits standard. More information on the impact of the revised IAS 19 Employee Benefits standard on the carve-out financial information for the year ended 2012 is presented in the notes to the carve out financial information for the three month period ended March 31, 2013, which is included in Appendix 2 of this Registration Document.

The pro forma information presented herein should be read in conjunction with the historical financial information of Caverion presented in this Registration Document and other information presented in this Registration Document and the related Summary and Demerger Note.

The unofficial translation of the auditors' report on this unaudited pro forma information is included in Appendix 5 of this Registration Document.

Unaudited pro forma income statement, statements of comprehensive income and financial position of Caverion Corporation

Pro forma – income statement for the year ended December 31, 2012

(Unaudited)

EUR million	Carve out restated 2012	Pro forma adjustment I	Pro forma adjustment II	Pro forma 2012
	(unaudited)			(unaudited)
Revenue	2,803.2			2,803.2
Other operating income	12.3			12.3
Change in inventories of finished goods and in work in progress	-0.6			-0.6
Production for own use	0.3			0.3
Materials and supplies	-799.8			-799.8
External services	-468.8			-468.8
Personnel expenses	-1,127.4			-1,127.4
Other operating expenses	-333.9		-3.0	-336.9
Share of results in associated companies	0.0			0.0
Depreciation, amortisation and impairment	-24.2			-24.2
Operating profit	61.1		-3.0	58.1
Financial income	1.9			1.9
Exchange rate differences (net)	-0.3			-0.3
Financial expenses	-5.2	-4.9	-0.5	-10.6
Financial income and expenses	-3.6	-4.9	-0.5	-9.0
Profit before taxes	57.5	-4.9	-3.5	49.1
Income taxes	-16.7	1.2	0.9	-14.6
Profit for the year	40.8	-3.7	-2.6	34.5
Attributable to				
Equity holders of Caverion Group	40.7	-3.7	-2.6	34.4
Non-controlling interests	0.1			0.1

Pro forma - statement of comprehensive income for the year ended December 31, 2012
(Unaudited)

EUR million	Carve out restated 2012	Pro forma adjustment I	Pro forma adjustment II	Pro forma 2012
	(unaudited)			(unaudited)
Profit for the year	40.8	-3.7	-2.6	34.5
Other comprehensive income				
Items that will not be reclassified to profit/loss:				
Change in fair value of defined benefit pensions	15.3			15.3
- Deferred tax	-4.2			-4.2
Items that may be reclassified subsequently to profit/loss:				
Cash flow hedges	-0.1			-0.1
- Deferred tax	0.0			0.0
Change in fair value of available-for-sale assets	-0.4			-0.4
- Deferred tax	0.1			0.1
Translation differences	3.9			3.9
Total comprehensive income for the period	55.3	-3.7	-2.6	49.0
Attributable to				
Equity holders of Caverion Group	55.2	-3.7	-2.6	48.9
Non-controlling interests	0.1			0.1

Pro forma - income statement for three month period ended March 31, 2013
(Unaudited)

EUR million	Carve out January- March, 2013	Pro forma adjustment I	Pro forma adjustment II	Pro forma January- March, 2013
	(unaudited)			(unaudited)
Revenue	607.9			607.9
Other operating income	1.4			1.4
Change in inventories of finished goods and in work in progress	5.8			5.8
Production for own use	0.2			0.2
Materials and supplies	-162.0			-162.0
External services	-97.8			-97.8
Personnel expenses	-271.5			-271.5
Other operating expenses	-74.6			-74.6
Share of results in associated companies	0.0			0.0
Depreciation, amortisation and impairment	-5.1			-5.1
Operating profit	4.3			4.3
Financial income	1.0			1.0
Exchange rate differences (net)	-0.5			-0.5

Financial expenses	-0.8	-0.8	-1.6
Financial income and expenses	-0.3	-0.8	-1.1
Profit before taxes	4.0	-0.8	3.2
Income taxes	-1.2	0.2	-1.0
Profit for the period	2.8	-0.6	2.2
Attributable to			
Equity holders of Caverion Group	2.8	-0.6	2.2
Non-controlling interests	0.0		0.0

**Pro forma - statement of comprehensive income for the three month ended March 31, 2013
(Unaudited)**

EUR million	Carve out January-March, 2013	Pro forma adjustment I	Pro forma adjustment II	Pro forma January- March, 2013
	(unaudited)			(unaudited)
Profit for the period	2.8	-0.6		2.2
Other comprehensive income				
Items that may be reclassified subsequently to profit/loss:				
Cash flow hedges	0,1			0.1
- Deferred tax	0,0			0.0
Translation differences	1.5			1.5
Total comprehensive income for the period	4.4	-0.6		3.8
Attributable to				
Equity holders of Caverion Group	4.4	-0.6		3.8
Non-controlling interests	0.0			0.0

**Pro forma – combined balance sheet as at March 31, 2013
(Unaudited)**

EUR million	Carve out March 31, 2013	Pro forma adjustment I	Pro forma adjustment II	Pro forma March 31, 2013
	(unaudited)			(unaudited)
ASSETS				
Non-current assets				
Tangible assets	30.5			30.5
Goodwill	335.7			335.7
Other intangible assets	35.9			35.9
Investments in associated companies	0.1			0.1
Available-for-sale financial assets	2.5			2.5
Receivables	4.1			4.1
Deferred tax receivables	6.6			6.6
Total non-current assets	415.5			415.5
Current assets				
Inventories	42.3			42.3
Trade and other receivables	726.0			726.0
Tax receivables	13.0		1.2	14.2
Cash and cash equivalents	66.4	-0.8		65.6
Total current assets	847.6	-0,8	1.2	848.1

TOTAL ASSETS 1,263.1 | -0.8 1.2 | 1,263.6

**Pro forma – combined balance sheet as at 31 March 2013
(Unaudited)**

EUR million	Carve out March 31, 2013	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma March 31, 2013
	(unaudited)				(unaudited)
EQUITY AND LIABILITIES					
Invested equity attributable to the equity holders of Caverion Group	362.8	-139.7	-3.9	-219.2	0.0
Share capital				1.0	1.0
Other equity				218.2	218.2
Equity attributable to the equity holders of the parent company	362.8	-139.7	-3.9		219.2
Non-controlling interest	0.6				0.6
Total equity	363.4	-139.7	-3.9		219.8
Non-current liabilities					
Deferred tax liabilities	71.2				71.2
Pension obligations	44.6				44.6
Provisions	6.8				6.8
Borrowings	71.8	102.9			174.7
Other liabilities	0.3				0.3
Total non-current liabilities	194.7	102.9			297.6
Current liabilities					
Trade and other liabilities	660.7		5.1		665.8
Income tax liabilities	7.6				7.6
Provisions	21.0				21.0
Borrowings	15.8	36.0			51.8
Total current liabilities	705.0	36.0	5.1		746.1
Total liabilities	899.7	138.9	5.1		1,043.7
TOTAL EQUITY AND LIABILITIES	1,263.1	-0.8	1.2		1,263.6

Unaudited pro forma notes

Pro forma adjustments

The following adjustments have been made to the pro forma information to reflect the effects of the Demerger.

Pro forma adjustment I: Effects of the refinancing arrangements

This pro forma information has been assumed that the EUR 140 million long term loan facility has been drawn in accordance with the loan agreement signed in February 2013, and that the long term loan facility will be transferred to Caverion Corporation in the Demerger. Furthermore, it has been assumed that the loans granted by the Nordic Investment Bank, totaling EUR 67 million, have been rearranged so that the total principal amount of EUR 45 million will remain at the date of the Demerger and that a EUR 22 million instalment related to the afore mentioned Nordic Investment Bank loans has been financed by drawing funds from the EUR 67 million short term bridge loan facility. The pro forma information also assumes, that the EUR 60 million long term revolving credit facility remains undrawn. At the time of the Demerger, it is, however, possible that funds have been drawn from the long term revolving credit facility. In the pro forma balance sheet as at March 31, 2013 these new loans are recognized initially at fair value, net of transaction costs incurred.

Adjustments to the pro forma financial costs mainly relate to interest costs on the loans. The interest costs of the loans were calculated in accordance with the effective interest method using the six-month EURIBOR interest rate as the base rate. The effective interest rates used for pro forma purposes vary from 2.0 per cent to 3.7 per cent depending on the underlying loan facility during the period January 1, 2012 to March 31, 2013. For pro forma interest cost calculation purposes the EUR 140 million long term term loan facility, which has been scheduled to be drawn prior to the Demerger, has been assumed to be drawn at December 31, 2011. As the pension loans from pension insurance companies will not be rearranged in connection with the Demerger, no adjustments related to historical pension loans were made to the pro forma balance sheet or pro forma income statement. When calculating the pro forma finance costs, the original loan amortization schedule of the pension loans has been taken into account, whereas the amortization schedule of any new rearranged loans has not been taken into account.

An adjustment to increase finance costs of EUR 4.9 million and EUR 0.8 million has been recorded in the pro forma income statement for the year ended December 31, 2012 and for the three month period ended March 31, 2013, respectively, to reflect the effects of the refinancing arrangements. As a result of the pro forma adjustments, the non-current borrowings increased by EUR 102.9 million and current borrowings by EUR 36.0 million, corresponding to a total increase in borrowings of EUR 138.9 million in the pro forma balance sheet. Furthermore an adjustment of EUR -0.8 million was made to cash and cash equivalents in the pro forma balance sheet to reflect the change in amount of cash and cash equivalents allocated to Caverion Corporation due to the payments of certain approved internal profit distribution items.

At the date of the Demerger, Caverion Corporation's equity will be equivalent to the net book value of the assets and liabilities transferred to it in the Demerger. Those financial liabilities that are included in YIT Corporation's balance sheet at the date of the Demerger, and have been allocated to Caverion Corporation in the Demerger plan, will be transferred to Caverion Corporation. The amount of financial liabilities that will be transferred at the date of the Demerger will therefore have a reducing effect on the transferrable equity. Accordingly, adjustments made in the pro forma balance sheet to reflect the refinancing arrangements have been recorded to decrease the equity of Caverion Group.

Adjustments related to the refinancing arrangements will have a continuing impact on Caverion.

The pro forma adjustments made herein to reflect the effects of the refinancing arrangements are based on Caverion Group's carve out financial information as at March 31, 2013 and assumptions on the amount of the net debt that will be transferred to Caverion Corporation. The final amount of net debt transferred to Caverion Group in the Demerger may materially differ from those presented in this pro forma financial information, as at the date of the Demerger, the cash and cash equivalents and financial liabilities transferred are based on balance sheet values at the date of the Demerger. This could result in a significant variation to the results of operations and financial position of Caverion presented in this pro forma financial information.

Pro forma adjustment II: Costs related to the Demerger

The estimated direct costs to be incurred by Caverion in connection with the Demerger related to establishing the new company and listing the Company's shares on the Helsinki Stock Exchange have been accounted for in this pro forma information.

Of these estimated direct costs related to the Demerger EUR 3.0 million have been recorded as other operating expenses, EUR 0.5 million as financial expenses and EUR 0.9 million as related income taxes in the pro forma income statement for the year ended December 31, 2012. These direct costs to be expensed, net of tax, have been deducted from the retained earnings of other equity in the pro forma balance sheet as at March 31, 2013. The estimate for the total share issuance and listing costs of EUR 1.6 million, net of taxes of EUR 0.3 million, have been deducted from the retained earnings of other equity in the pro forma balance sheet as at March 31, 2013. The estimate for the total direct costs related to the Demerger of EUR 5.1 million have been recorded as accrued expenses and the related tax effect has been recorded as tax receivables in the pro forma balance sheet.

The direct costs related to the Demerger are considered as non-recurring costs, and as such they do not have a continuing impact on Caverion Corporation's results of operations.

Pro forma adjustment III: Presentation of equity

The formation of Caverion Corporation's equity in accordance with the Demerger plan has been treated as an adjustment in the pro forma balance sheet as at March 31, 2013. The item other equity in the pro forma balance sheet consists of retained earnings as well as cumulative translation differences and fair value reserve as included in the carve-out balance sheet.

Other considerations

It should be noted, that corporate headquarter costs included in Caverion Group's pro forma financial information may not necessarily represent what these costs would have been, if the Group had operated as an independent legal entity. Additional costs will be incurred from being an independent listed company, as well as from re-organising both administrative and IT services after the Demerger.

IT services have been centrally provided as a group's internal service within the YIT Group. Caverion Corporation plans to dismantle the current centralized solution in a controlled manner. The dismantling will begin before the Demerger and is planned to be completed within the 18 months following the Demerger. Negotiations with YIT Group and external service providers related to the implementation of the arrangement are in progress, and the intention is to complete the negotiations prior to the Demerger. According to management estimates, the arrangement does not have a material impact on the level of Caverion Group's IT service expenses. As a result of the arrangement certain IT systems related intangible assets might be recorded in the Caverion's balance sheet. The effects of the arrangement are not included in the pro forma information, as no final contracts have been signed yet.

Pro forma key figures

	January-December, 2012	January-March, 2013	March 31, 2013
Pro forma earnings per share (EPS) ¹ , EUR	0.27	0.02	
Pro forma equity ratio, %			19.9
Pro forma gearing ratio, %			73.2
Pro forma net debt, million			161.0

¹ Calculated by using the number of outstanding YIT shares on the date of this Registration Document, 125 598 591 pcs.

Calculation of key figures

Earnings per share (EPS), EUR	$\frac{\text{Net income (the portion attributable to the equity holders of Caverion group)}}{\text{Outstanding YIT shares on the date of this Registration Document}}$
Equity ratio (%) =	$\frac{(\text{Equity} + \text{non-controlling interest}) \times 100}{\text{Balance sheet total} - \text{advances received}}$
Debt to capital, (%) =	$\frac{(\text{Interest bearing liabilities} - \text{cash and cash equivalents}) \times 100}{\text{Equity} + \text{non-controlling interest}}$
Net debt (EUR, million)	Interest bearing liabilities – cash and cash equivalents

14. CARVE-OUT FINANCIAL AND OTHER INFORMATION

The tables below present a summary of Caverion Group's carve-out financial and other information for the years ended December 31, 2012, 2011 and 2010 and the three-month period ended March 31, 2013, with comparative information. The carve-out financial information presented below is derived from Caverion Group's audited carve-out financial statements for the years ended December 31, 2012, 2011 and 2010 and the unaudited carve-out financial information for the three-month period ended March 31, 2013. This carve-out financial information of Caverion Group has been prepared in accordance with the IFRS standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to Caverion Group as described in the note to the carve-out financial statements.

Caverion Group has adopted the revised IAS 19 Employee Benefits standard as of January 1, 2013. The standard includes changes to the accounting principles of defined benefit plans. The "corridor method" will be omitted and all actuarial gains and losses will be recognized immediately through comprehensive income. The full net asset or net liability is recorded on the balance sheet. The expected interest income on is calculated using the same discount rate as calculating the present value of the pension obligation. The changes in the fair value of the pension obligation are recorded in the statement of other comprehensive income whereas previously those were included in the personnel expenses in the income statement. The standard has been adopted retrospectively so that the cumulative effect arising from its adoption on Caverion Group's carve-out information have been adjusted in the opening balance sheet of January 1, 2012. The information for the years ended December 31, 2012, and the three-month period ended March 31, 2012, presented in the tables below have been restated to correspond the new accounting principles, and due to the restatement are unaudited. The presented carve-out financial information for the years ended December 31, 2011 and 2010 has not been restated.

Additional information on the effects of the adoption of the revised IAS 19 standard on the year ended December 31, 2012, and the three-month period ended March 31, 2013, is presented in the notes to the unaudited carve-out financial information for the three-month period ended March 31, 2013, included in Annex 2 to this Registration Document.

The independent auditor's report on the audit for the carve-out financial statements of Caverion Group for the years ended December 31, 2012, 2011 and 2010 includes the emphasis of matter paragraph, where the auditor's without qualifying their opinion draw attention to the fact that, as described in the note 1 to the carve-out financial statements, Caverion has not formed a separate legal group of entities. The carve-out financial statements are, therefore, not necessarily indicative of results, financial position and cash flows that would have occurred if Caverion Group had operated as a separate stand-alone group of entities during the years presented or of Caverion Group's future performance.

The financial information presented herein should be read in conjunction with "Presentation of financial and other information", "Result of operations, financial position and prospects" and the carve-out financial information for Caverion Group presented elsewhere in this Registration Document.

COMBINED INCOME STATEMENT, EUR million	January- March, 2013	January- March, 2012 restated	January- December, 2012 restated ¹	January- December, 2011	January- December, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	607.9	672.5	2,803.2	2,875.7	2,352.8
Other operating income	1.4	1.4	12.3	6.3	4.1
Change in inventories of finished goods and in work in progress	5.8	7.8	-0.6	1.7	-0.7
Production for own use	0.2	0.1	0.3	0.2	0.6
Materials and supplies	-162.0	-192.7	-799.8	-920.8	-720.9
External services	-97.8	-103.3	-468.8	-459.5	-332.3
Personnel expenses	-271.5	-290.2	-1,127.4	-1,091.2	-949.0
Other operating expenses	-74.6	-72.0	-333.9	-287.0	-237.6
Share of results in associated companies	0.0	0.0	0.0	0.0	0.0
Depreciation, amortization and impairment	-5.1	-5.8	-24.2	-20.3	-18.0
Operating profit	4.3	17.8	61.1	105.0	99.0
Financial income	1.0	0.3	1.9	1.6	1.1
Exchange rate differences, net	-0.5	-0.1	-0.3	-0.1	-0.2
Financial expenses	-0.8	-1.2	-5.2	-4.5	-4.5
Financial income and expenses	-0.3	-1.0	-3.6	-3.0	-3.6
Profit before taxes	4.0	16.8	57.5	102.0	95.4
Income taxes	-1.2	-5.1	-16.7	-29.0	-29.5
Profit for the year	2.8	11.7	40.8	73.0	65.9
Attributable to					
Equity holders of Caverion Group	2.8	11.7	40.7	72.9	65.9
Non-controlling interests	0.0	0.0	0.1	0.1	0.0
COMBINED STATEMENT OF COMPREHENSIVE INCOME EUR million	January- March, 2013	January- March, 2012 restated	January- December, 2012 restated²	January- December 2011	January- December 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Profit for the year	2.8	11.7	40.8	73.0	65.9

¹ The revised IAS 19 standard has had the following effects on the consolidated income statement for the year ended December 31, 2012: personnel expenses increased by EUR 0.1 million and operating profit, profit before taxes and profit for the period decreased correspondingly by EUR 0.1 million. This restated information is unaudited. The other information presented is audited.

² The revised IAS 19 standard has had the following effects in the combined income statement and statement of comprehensive income during the year ended December 31, 2012: personnel expenses increased by EUR 0.1 million and correspondingly operating profit, the profit before tax and the profit for the year decreased by EUR 0.1 million. In other items of the comprehensive income, the fair value of defined pension benefits after tax increased by EUR 11.1 million, and total comprehensive income increased by EUR 10.9 million. This restated information is unaudited. The other information presented is audited.

Other comprehensive income					
Items that will not be reclassified to profit/loss:					
Change in the fair value of defined benefit pensions					
		3.9	15.3		
		-1.1	-4.2		
Items that may be reclassified subsequently through profit or loss:					
Cash flow hedge	0.1	0.0	-0.1	0.0	-0.1
- Deferred tax	0.0	0.0	0.0	0.0	0.0
Change in the fair value of available-for-sale assets					
			-0.4	0.5	
- Deferred tax			0.1	-0.1	
Translation differences	1.5	1.2	3.9	0.6	12.1
Total comprehensive income for the period	4.4	15.7	55.3	74.0	77.9
Attributable to					
Equity holders of Caverion Group	4.4	15.7	55.2	73.9	77.9
Non-controlling interests	0.0	0.0	0.1	0.1	0.0

COMBINED BALANCE SHEET, EUR million	March 31, 2013	March 31, 2012 restated	December 31, 2012 restated³	December 31, 2011	December 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
ASSETS					
Non-current assets					
Tangible assets	30.5	34.3	31.8	34.7	38.5
Goodwill	335.7	336.6	335.7	336.6	340.0
Other intangible assets	35.9	38.7	39.0	32.8	32.0
Investments in associated companies	0.1	0.1	0.1	0.1	0.1
Available-for-sale financial assets	2.5	3.0	2.5	2.9	2.4
Receivables	4.1	7.1	5.3	18.2	15.3
Deferred tax receivables	6.6	9.6	5.5	8.7	6.6
Total non-current assets	415.5	429.4	419.9	434.0	434.9
Current assets					
Inventories	42.3	47.3	39.0	37.5	37.7
Trade and other receivables	726.0	744.2	774.7	794.2	683.2
Tax receivables	13.0	5.8	4.7	2.8	3.7
Cash and cash equivalents	66.4	144.2	100.8	155.4	106.2
Total current assets	847.6	941.5	919.2	989.8	830.8
Assets held for sale					19.8
TOTAL ASSETS	1,263.1	1,370.9	1,339.0	1,423.8	1,285.5

³ The revised IAS 19 standard has had the following effects on the combined balance sheet of December 31, 2012: non-current receivables decreased by EUR 10.3 million, non-current pension obligations increased by EUR 25.1 million, deferred tax liabilities decreased by EUR 9.3 million and invested equity decreased by EUR 26.2 million. The restated figures have not been audited. The other information presented has been audited.

BALANCE SHEET, EUR million	March 31, 2013	March 31, 2012 restated	December 31, 2012 restated	December 31, 2011	December 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
INVESTED EQUITY AND LIABILITIES					
Total invested equity	363.4	416.3	387.4	450.0	305.7
Non-current liabilities					
Deferred tax liabilities	71.2	59.0	68.7	70.0	59.8
Pension obligations	44.6	62.9	51.8	26.2	26.6
Provisions	6.8	9.1	6.9	9.9	13.0
Borrowings	71.8	87.0	75.6	90.3	88.0
Other liabilities	0.3	5.9	4.6	6.1	5.8
Total non-current liabilities	194.7	223.9	207.6	202.5	193.2
Current liabilities					
Trade and other liabilities	660.7	677.4	697.8	715.6	709.9
Income tax liabilities	7.6	9.6	7.4	13.4	11.6
Provisions	21.0	28.4	23.3	25.8	27.8
Borrowings	15.8	15.3	15.4	16.5	20.1
Total current liabilities	705.0	730.7	743.9	771.3	769.4
Liabilities of assets held for sale					17.2
Total liabilities	899.7	954.6	951.5	973.8	979.8
TOTAL INVESTED EQUITY AND LIABILITIES	1,263.1	1,370.9	1,339.0	1,423.8	1,285.5
COMBINED CASH FLOW STATEMENT, EUR million					
	January- March, 2013	January- March, 2012 restated	January- December, 2012⁴ restated	January- December, 2011	January- December, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Cash flow from operating activities					
Profit for the year	2.8	11.7	40.8	73.0	65.9
Adjustments for:					
Depreciation amortisation and impairment	5.1	5.8	24.2	20.3	18.0
Other adjustments for non-cash transactions	-10.1	0.5	-12.3	-5.3	-1.2
Financial income and expenses	0.3	1.0	3.6	3.0	3.6
Gains on the sale of tangible and intangible assets	-0.1	-0.1	-2.5	-5.5	0.0
Taxes	1.2	5.1	16.7	29.0	29.5
Total adjustments	-3.6	12.3	29.7	41.5	49.9

⁴ The revised IAS 19 standard has had the following effects on the consolidated cash flow statement for the year ended December 31, 2012: profit for the period decreased by EUR 0.1 million and the change in trade and other receivables increased by EUR 0.1 million, the restatement had no effect on net cash generated from operating activities. The restated figures are unaudited. The other information presented is audited.

Change in working capital:					
Change in trade and other receivables	52.2	62.7	44.2	-103.1	-65.3
Change in inventories	-3.1	-8.8	0.4	0.4	-3.2
Change in trade and other payables	-40.9	-53.5	-40.9	-1.7	-23.0
Change in working capital	8.1	0.4	3.7	-104.4	-91.5
Interest paid	-0.8	-1.2	-5.0	-5.0	-5.4
Other financial items, net	-1.0	-1.8	-3.3	-0.9	-0.3
Interest received	1.0	0.4	1.3	0.9	0.6
Dividends received			0.0	0.1	0.1
Taxes paid	-7.4	-10.8	-17.9	-20.0	-19.1
Net cash generated from (used in) operating activities	-1.0	11.0	49.3	-14.8	0.2
Cash flow from investing activities					
Acquisition of subsidiaries and business operations, net of cash	-0.8	-5.0	-7.3	-8.9	-35.2
Purchases of property, plant and equipment	-0.8	-1.6	-5.7	-5.3	-1.2
Purchases of intangible assets	-0.1	-0.1	-0.9	-0.8	-0.3
Disposals of subsidiaries and operations, net of cash	-	-	-	5.9	-
Proceeds from sale of tangible and intangible assets	0.4	0.9	4.4	0.5	4.0
Proceeds from sale of available-for-sale financial assets	-	-	0.7	2.7	0.1
Net cash used in investing activities	-1.2	-5.8	-8.8	-5.9	-32.6
Operating cash flow after investments	-2.2	5.1	40.5	-20.7	-32.4
Cash flow from financing activities					
Proceeds from borrowings	-	-	-	35.0	-
Repayment of borrowings	-3.5	-3.5	-15.0	-36.2	-19.4
Change in current liabilities, net	-	-	-	-1.4	-28.6
Payments of financial leasing debts	-0.1	-0.0	-0.5	-0.9	-0.1
Equity financing with YIT Group	-28.7	-13.2	-81.9	70.0	47.3
Net cash generated from (used in) financing activities	-32.3	-16.7	-97.4	66.5	-0.8
Net change in cash and cash equivalents	-34.5	-11.6	-56.9	45.8	-33.2
Cash and cash equivalents at the beginning of the year	100.8	154.5	154.5	106.2	136.1
Foreign exchange rate effect on cash and cash equivalents	0.1	1.4	3.1	2.5	3.3
Cash and cash equivalents at the end of the year	66.4	144.2	100.8	154.5	106.2

**Operating segment information,
for the three-month period ended March 31, 2013
(unaudited)**

Revenue

EUR million	January- March, 2013	January- March, 2012	January- December, 2012 restated⁵
Building Services Northern Europe	468.6	513.1	2,089.2
- Group internal			-0.0
- External	468.6	513.1	2,089.2
Building Services Central Europe	139.2	159.4	714.2
- Group internal			-0.2
- External	139.2	159.4	714.0
Total revenue	607.9	672.5	2,803.2

Operating profit by operating segment

EUR million	January- March, 2013	January- March, 2012	January- December, 2012 restated⁵
Building Services Northern Europe	2.2	14.5	41.1
Building Services Central Europe	3.4	5.2	27.4
Other items	-1.3	-1.8	-7.4
Operating profit	4.3	17.8	61.1
Financial income and expenses	-0.3	-1.0	-3.6
Profit before taxes	4.0	16.8	57.5

Segments operative invested capital

EUR million	March 31, 2013	March 31, 2012	December 31, 2012 restated
Building Services Northern Europe	321.5	327.8	344.8
Building Services Central Europe	118.8	97.0	96.6

Return on operative invested capital (last 12 months), %

	April 2012 – March, 2013	April 2011 – March, 2012	January- December, 2012 restated
Building Services Northern Europe	9.0	23.4	11.0
Building Services Central Europe	23.3	60.2	32.5

Operating segment information

2012 (audited)	Building Services Northern Europe	Building Services Central Europe	Other segments and eliminations	Items allocated to segments, total
EUR million				
Segment revenue	2,089.2	714.2		2,803.4

⁵ The revised IAS 19 standard has had the following effects on the consolidated income statement: personnel expenses increased by EUR 0.1 million and operating profit and profit before taxes decreased correspondingly by EUR 0.1 million.

Group internal income	-0.0	-0.2		-0.2
Revenue from external customers	2,089.2	714.0	0.0	2,803.2
Share of profit from associates	0.0	-	-	0.0
Operating profit segment/Group	41.7	26.9	-7.4	61.2
Operating profit includes:				
Depreciation, amortisation and impairment	-18.3	-5.8	-	-24.2
Change in provisions	-8.1	4.1	-	-4.0
Segment's assets	890.4	344.8	0.7	1,235.9
Total assets include:				
Investments	12.0	4.1	-	16.2
Investments in associates	0.1	-	-	0.1
Segment's liabilities	512.4	245.9	0.4	758.7
Segment's operative invested capital	378.0	98.9	-	-
Return on operative invested capital (last 12 months), %	10.7	31.5	-	-
Operating segment information				
2011		Building	Building	
(audited)		Services	Services	
EUR million		Northern	Central	Other
		Europe	Europe	segments and
				eliminations
				Items allocated
				to segments,
				total
Segment revenue	2,097.6	779.3		2,876.9
Group internal income	-0.9	-0.3		-1.2
Revenue income from external customers	2,096.7	779.0	0.0	2,875.7
Share of profit from associates	0.0	-	-	0.0
Operating profit segment/Group	78.8	33.3	-7.1	105.0
Operating profit includes:				
Depreciation and amortisation	-15.4	-4.8	-	-20.2
Change in provisions	1.7	3.4	-	5.1
Segment's assets	914.4	341.9	-2.1	1,254.1
Total assets includes:				
Investments	14.0	1.9	-	15.9
Investments in associates	0.1	-	-	0.1
Segment's liabilities	511.7	269.8	0.9	782.5
Segment's operative invested capital	402.6	72.0	-	-
Return on operative invested capital (last 12 months), %	21.8	53.8	-	-

Operating segment information				
2010	Building	Building	Other	Items allocated
(audited)	Services	Services	segments and	to segments,
EUR million	Northern	Central	eliminations	total
	Europe	Europe		
Segment revenue	1,803.6	550.2		2,353.8
Group internal income	-0.6	-0.4		-1.0
Revenue from external customers	1,803.0	549.8	0.0	2,352.8
Share of profit from associates	0.0	-	-	0.0
Operating profit segment/Group	88.7	16.4	-6.1	99.0
Operating profit includes:				
Depreciation and amortisation	-15.0	-3.0	-	-18.0
Change in provisions	8.3	-21.7	-	-13.4
Segment's assets	797.7	353.0	-4.0	1,146.7
Total includes:				
Investments	17.8	74.8	-	92.6
Investments in associates	0.1	-	-	0.1
Segment's liabilities	478.7	301.5	1.7	781.9
Segment's operative invested capital	319.0	51.5	-	-
Return on operative invested capital (last 12 months), %	23.3	46.9	-	-
Segment information reconciliation	Group	Group		Group
EUR million	2012	2011		2010
	(audited)	(audited)		(audited)
Reconciliation of profit for the year				
Operating profit	61.2	105.0		99.0
Unallocated items:				
Financial income and expenses	-3.6	-3.0		-3.6
Profit before taxes	57.6	102.0		95.4
Taxes	-16.7	-29.0		-29.5
Non-controlling interest	-0.1	-0.1		0.0
Profit for the year	40.8	72.9		65.9
Assets				
Assets allocated to segments	1,235.9	1,254.1		1,146.7
Unallocated items:				
Cash and cash equivalents	100.8	155.4		106.2
Available-for-sale assets	2.5	2.9		2.4
Tax-related items	10.2	11.5		10.3
Assets held for sale				19.8
Assets, total	1,349.4	1,423.8		1,285.5
Liabilities				
Liabilities allocated to segments	758.7	782.5		781.9
Unallocated items:				

Interest-bearing liabilities	91.0	106.8	108.1
Tax-related items	85.4	83.4	71.4
Periodisation of financial items	0.6	1.1	1.2
Liabilities of assets held for sale	-	-	17.2
Liabilities, total	935.7	973.8	979.8

Calculation principles of segment indicators

Segment's return on operative invested capital (%) =	<u>Segment's operating profit + interest included in operating profit</u> Segment's operative invested capital (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies + investments + inventories + trade receivables + other non-interest bearing operational receivables *) - provisions - trade payables - advances received - non-interest bearing liabilities *) *) excluding items associated with taxes, distribution of profit and financial items

15. RESULT OF OPERATIONS, FINANCIAL POSITION AND PROSPECTS

The following review of Caverion's result of operations and financial position should be read in conjunction with the audited carve-out financial statements and unaudited interim carve-out financial information as well as unaudited pro forma financial information presented elsewhere in this Registration Document. The review presented in this section is based primarily on the carve-out financial information unless it has been separately mentioned that the information is based on the pro forma information. The review includes forward-looking statements that involve risks and factors of uncertainty. You should review the sections "Forward-looking statements" and "Risk factors" set out elsewhere in this Registration Document for a discussion of noteworthy factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained herein. The audit of the Caverion's financial information has been described above in section "Carve-out financial and other information" and "Presentation of financial and other information". The principles applied in the preparation of the Company's' carve-out financial statements are set out in section "Presentation of financial and other information – Caverion Group's historical carve-out financial information and other information".

15.1. Factors influencing the result of operations

Demand for products and services

The customers served by Caverion are exposed to the development of the general economic situation. Economic fluctuations and economic growth have effects on the demand for Caverion's services and the volume of orders, particularly in the project business. The technical building system market is post-cyclic by nature, and therefore the positive effects of increased construction activity on demand are visible only later in the sales of building system services. In particular, start-ups of major property construction projects may be delayed by factors such as an uncertain economic situation, tightening availability of bank financing and increase in financial expenses. Service and maintenance operations, which are less cyclic by nature, account for a significant share of Caverion's business. In addition, Caverion's customer base is very diversified in terms of geography, customer types and, in particular, number of customers.

Price of products and services

Competition is very tight in all of the geographical markets where Caverion operates. Even though the quality of service, project management skills and competence influence customers' decisions, price continues to be an important factor for many of Caverion's customers. As a result, Caverion is exposed to strong price competition, due to which Caverion must continuously develop its competitiveness in order to maintain its market position and profitability.

Management and personnel

The success of the Company materially depends on the professional skills of the Company's management and personnel, as well as on the ability of the Company to retain its current management and, when necessary, recruit new and skilled personnel. Project management personnel in particular are required to hold specified competencies, and shared decision-making processes and quality systems must be followed by the management. The majority of Caverion's business is labour-intensive, meaning that the availability and commitment of skilled employees is a prerequisite for organic growth.

Project management

Caverion's business is comprised of thousands of projects and service agreements, and therefore agreement management and project management are important parts of efficient business. Management of costs and implementation are particularly important for major individual projects, such as property development projects. In long-term service agreements, Caverion commits to a certain service level and pricing principles, which may also have an unfavorable effect on Caverion's profitability, depending on the development of the market situation. With regard to various tender-based projects, it is important to act selectively, taking into account the risks and profitability of the contracts, and review the content, risks and terms and conditions of all contracts and

agreements in line with specified processes. In particular, the management of tender-based projects requires comprehensive project management expertise in order to reach the desired profitability.

Mergers and acquisitions

Caverion's strategy is to expand its business, especially in Central Europe. In connection with this, Caverion may implement mergers and acquisitions in order to expand its business operations or obtain new resources. Growth based on mergers and acquisitions involves risks related to the assessment of the feasibility of planned investments, integration of acquired business operations and personnel as well as committing the transferred personnel, among other risks.

Fluctuations in exchange rates

The functional currency of the Group's parent company and the Group's reporting currency is the euro. Significant share of the Group companies are located in countries outside the Euro zone. In 2012, 53 per cent of the Group's revenue was generated in non euro-currency countries. Therefore, changes in foreign exchange rates, such as SEK or NOK, may have significant effects on the development of the revenue and equity reported by the Group. Changes in exchange rates have a lower effect on the reported result, as the expenses related to business operations primarily occur in the same currency as the revenue. To the extent that the currencies of the subsidiaries' cash flows differ from the subsidiaries' local currencies, the subsidiaries hedge the transaction risk with the parent company. Foreign exchange rate risk management is described in more detail under "Risks relating to the Company's financial position and financing".

15.2. Outlook for the second half of 2013

In YIT's stock exchange release published on 4 June 2013, the outlook for Caverion has stated as follows:

"Caverion estimates that the Group's revenue for the second half of 2013 is more than EUR 1.3 billion and EBITDA more than EUR 50 million. The guidance does not take into account the non-recurring expenses related to the Demerger, nor the expenses related to any potential mergers or acquisitions.

Company's management may with its actions affect the controllability of operations and the improvement of profitability by streamlining the segment organization and by lowering the organizational structures as well as with business restructurings. The profitability of the project business is sought to be improved by choosing the projects more carefully, by a more systematic risk management and by improving the acquisition process. In addition to these improvement measures commenced earlier the aim is to improve the tender process and to focus the project business in knowledge centers. The criteria for the tendering process have been made clearly stricter with regard to the profitability and risks of the project, among other factors, and the number of offers made will be decreased. The systems and software used in offer calculations will be harmonised, and authorisations for approving projects have been made more stringent. The company also aims further in the value chain and it aims to strengthen its position particularly in Design & Build projects. The restructuring of operations proceeded during the first quarter of 2013 in all countries where Building Services Northern Europe operates. The aim is to decrease the number of personnel by 600 employees in 2013; of these, personnel cuts amounting to approximately 200 employees were carried out during the first quarter. The effects of the executed cost savings and measures are estimated to be seen as an improvement of the profitability during 2013."

Company's management cannot affect the general market development with its actions. According to the Company management's estimate, the effects of the implemented cost-savings are expected to be shown as improved profitability during the rest of 2013. The additional service and maintenance work postponed by customers starting from the fourth quarter of 2012 is expected to result in increasing demand, which is also estimated to contribute to the favourable development of revenue and profitability during the rest of the year. The clear strengthening of the order backlog of Building Services Central Europe and picking up of demand in Germany in the first quarter of 2013 will contribute, according to the management's estimates, to the development during the rest of the year. The increased insecurity of the general macroeconomic development has nonetheless an effect on Caverion's business and customers."

15.3. Events after the three-month period ended March 31, 2013

YIT has, on May 23, 2013, announced that it has made an initial, non-binding offer to acquire HOCHTIEF Service Solutions. On the basis of YIT's initial offer, the seller has informed that YIT's proposal qualifies the start-up of due diligence process and SPA negotiations.

YIT is not expected to be the sole bidder qualified to the next phase in the potential acquisition. As the tendering process and the sales negotiations are about to be initiated, the terms and conditions of the possible acquisition, including the purchase price, remain yet to be agreed. Due to this, YIT cannot at this stage estimate the possibility of the realization of the acquisition, the detailed timetable, its effects on the company's operations or the risks involved with the possible acquisition.

The business of HOCHTIEF Service Solutions relates to the Building Systems operations of YIT. The business potentially to be acquired would thus be transferred to Caverion Demerger.

15.4. Significant changes in the Company's financial position

No significant changes have taken place in Caverion's financial position or business between the end of the three-month period ended March 31, 2013, and the date of this Registration Document, apart from the planning of the Demerger.

15.5. Changes in Group structure

YIT's Building Services Central Europe segment agreed on June 23, 2010, to acquire all of the shares in caverion GmbH, the parent company of the German Caverion Group of companies offering technical building system services. caverion GmbH's most significant countries of operation were Germany, Poland and Hungary. The completion of the transaction was subject to approval by competition authorities, which was received at the end of August 2010. caverion GmbH and its subsidiaries have been consolidated into the figures for YIT's Building Services Central Europe and Caverion Group's carve-out financial information included in this Registration Document as of September 1, 2010. The final purchase price of the caverion GmbH shares was EUR 73.0 million.

In addition, YIT's Building Services Central Europe and Building Services Northern Europe carried out several smaller acquisitions in the Nordic countries and Central Europe during the years 2012, 2011 and 2010, complementing the expertise portfolio and geographical service network of the Building Services business. The operations in Hungary were divested in 2011.

15.6. Presentation of financial information and factors influencing comparability

General

Caverion has not in the past formed a separate legal group. The carve-out financial statements presented herein reflect the income and expenses, assets and liabilities and cash flows of those entities that have historically formed the Building Services business within YIT Group, which consists of YIT's reportable segments Building Services Northern Europe and Building Services Central Europe.

The carve-out financial statements of Caverion Group for the years ended December 31, 2012, 2011 and 2010 and the carve-out financial information for the three-month period ended March 31, 2013, have been prepared on a carve-out basis from YIT's consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to Building Services business. The carve-out financial statements also include allocations of income, expenses, assets, liabilities and cash-flows from YIT Corporation and Perusyhtymä Oy.

The carve-out financial statements may not be indicative of Caverion Group's future performance, and they do not necessarily reflect what its combined results of operations, financial position and cash flows of would have been, had Caverion with its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented.

The historical carve-out financial information does not include the effects of the financing agreement of EUR 267 million signed in February 2013, which will be transferred to Caverion in the Demerger. The effects of

this financing agreement and certain other matters related to the Demerger on the result of Caverion's operations for the year ended December 31, 2012 and the three-month period ended March 31, 2013, and on the financial position as at March 31, 2013, are presented for illustrative purposes in the pro forma information included in this Registration Document, see section "Pro forma financial information".

Accounting principles for the carve-out financial information

In preparing the carve-out financial information for Caverion Group, certain assumptions and estimates have been made which affected the recognition and amounts of assets, liabilities, income, expenses and cash flows. The main areas and line items that may have a material impact on the comparability of the carve-out financial information are described below.

YIT management considers that the allocations described below have been made on a reasonable basis, but are not necessarily indicative of the costs that would have been incurred if Caverion had been a stand-alone entity.

Intercompany transactions and transactions with related parties

Intercompany transactions and assets and liabilities between entities included in the carve-out financial statements have been eliminated. The carve-out financial statements include the Caverion Group's business transactions and balance sheet items. Intercompany transactions and balance sheet items with other YIT Group companies previously considered as intercompany transactions in YIT reporting have been treated as transactions with related parties.

In the carve-out financial statements, the intercompany receivables and liabilities of YIT parent company, where the counterparty has been a subsidiary belonging to the Caverion Group have been allocated to the Caverion parent company, including the financial income and expenses relating to these receivables and liabilities.

Acquisition costs relating to Caverion subsidiaries owned by YIT parent company have been allocated to Caverion parent company and the acquisition cost method has been used to eliminate the acquisition of subsidiaries.

Invested equity

Caverion has not formed a separate legal group nor presented any stand-alone financial statements, and accordingly it is not possible to present share capital or an analysis of equity reserves. The net assets of Caverion Group are represented by capital invested in Caverion Group, presented under "invested equity".

Changes in net assets allocated to Caverion are presented separately in the combined statement of changes in invested equity through line "Equity transactions with YIT Group" and in the cash flow statements through line "Equity financing with YIT Group, net", reflecting the internal financing between YIT Group and Caverion Group during the periods presented. The amount of which is affected by the net assets allocated to the Caverion parent company. The net assets allocated to Caverion parent company consists mainly of investments in group companies, intercompany receivables and liabilities, financial liabilities, other receivables and liabilities and net cash and cash equivalents.

These carve-out financial statements are presented in euro, which is Caverion parent company's functional and reporting currency. The Caverion Group entities have also other functional currencies. Translation differences arising from translating the results for the period are recognized in invested equity and their changes in other comprehensive income.

Cash management and financing

Cash management is centralized so that YIT manages the Group's cash needs mainly through cash pool arrangements. Caverion Group's cash and cash equivalents comprise of cash in the centralized cash pool of YIT parent company transferred to Caverion and cash held by Caverion Group entities. Caverion Group receives the proportion of cash and cash equivalents of YIT Corporation that equals the portion of intra-group account liabilities allocated to Caverion Group compared to the entire intra-group account liabilities to all YIT Group's direct and indirect subsidiaries. No interest income has been allocated related to these cash and cash equivalents allocated to Caverion.

YIT Group's external financing is centralized to the Group's parent entity. Subsidiaries' working capital needs have been funded in addition to cash pool arrangement mainly by intercompany loans.

The external debt financing of the demerging YIT parent company that is directly related attributable to the operations of Caverion and interest expenses relating to the financing are included in the carve-out financial statements. In addition, carve-out financial statements comprise debt financing of the Caverion entities to third parties and interest expenses relating to these.

The partial demerger is subject to investors' approval and renegotiation of financing. YIT has been negotiating with the primary financiers and been able to confirm adequate financing and credit and guarantee facilities for the demerging businesses. In February 28, 2013 new financing arrangements have been agreed with Nordic financial institutions to Caverion, these comprise a EUR 140 million long-term loan facility, a EUR 60 million long-term credit facility and up to EUR 67 million bridge financing. The carve-out financial statements have not been adjusted to present the effects of the reorganization of financing.

Therefore the financing costs included in the carve-out financial statements may not necessarily represent what the financing costs would have been, if Caverion had historically obtained financing on a stand-alone basis. It is not representative of the cost of financing that will arise in the future.

Derivative instruments

Of the external derivative contracts made by YIT, those directly linked to Caverion have been allocated to Caverion. These include an interest rate swap related to the financing loan and short-term forward exchange agreements related to the cash pool arrangement.

Income taxes

The entities making up Caverion Group have operated as independent taxpayers during the presented periods. With regard to these, the tax expenses included in the combined income statements of the carve-out financial statements and tax liabilities and receivables included in the combined balance sheets are based on actual taxation.

With regard to the portion of the demerging YIT allocated to Caverion, taxes have been calculated in the carve-out financial statements as if Caverion had been a separate taxpayer. Therefore, the amount recognised as the Caverion parent company's tax for a financial year is a hypothetical payable or refundable tax based on separate tax declarations, and it is presented in the combined income statements as tax expense for the financial year. In the combined balance sheets, these tax entries are presented as a business transaction related to invested equity, as no payable or returnable tax will emerge for these hypothetical taxes. Deferred taxes related to temporary differences have been recognised where temporary differences have occurred.

The taxes presented in the combined income statements of the carve-out financial statements may not be illustrative of future tax expenses.

Pensions

Pensions and other post-employment benefit plans and their respective portion of the plan liabilities, plan assets, interest and service costs have either been included or allocated to Caverion Group from YIT parent company for the purpose of preparing these carve-out financial statements.

Centrally provided services

YIT Group has historically recharged from its subsidiaries centrally provided services, such as financing, IT, HR and services related to the premises. Historically these recharged costs have been allocated to Caverion Group entities, and they are included in the carve-out financial statements.

YIT parent company has also been responsible for the management and general administration of the YIT Group. The income and expenses of YIT parent company have been allocated to the Caverion parent company mainly based on the transferring employees and subsidiary allocations. The carve-out financial statements

include also employee cost allocations relating to Caverion parent company's employees' participation in the YIT share based-compensation plan.

The need for such centralized services will remain after the legal separation of Caverion from YIT. However, the costs may be different and thus will not be comparable to the amounts reflected in the carve-out financial statements.

Leases

In the carve-out financial statements, the non-cancellable operating leases allocated to Caverion Group include lease agreements of Caverion subsidiaries with third parties and lease agreements for office facilities with YIT Group. The minimum lease payments of the non-cancellable lease agreements made with YIT Group presented in the carve-out financial statements are equivalent with the minimum lease payments of the corresponding external lease agreements made by YIT Group.

The minimum lease payments of the non-cancellable lease agreements might change substantially after Caverion has been demerged legally from YIT and therefore, they may not be representative of the future lease obligations.

Earnings per share

As the financial statements have been prepared on a carve-out basis, it is not possible to measure earnings per share. Caverion did not have any share capital during the periods presented nor could any shares be carved out from the total amount of YIT's outstanding shares. Additionally, the income statement information included in the carve-out financial statements does not include interest expenses on the borrowings transferred to Caverion in connection with the Demerger. For these reasons, the management considers that presenting an earnings per share ratio would not accurately reflect the historical earning per share. Accordingly, the requirement of IAS 33 "Earnings per share" to disclose earnings per share has not been complied with.

15.7. Structure of the carve-out financial statements

The following financial statement items have been included in these carve-out financial statements:

- YIT Building Systems Ltd. and its subsidiaries, which will be transferred to Caverion Corporation in the Demerger
- YIT Industry Ltd and its subsidiaries, which will be transferred to Caverion Corporation in the Demerger
- Assets, liabilities, income and expenses from the demerging YIT Corporation and Perusyhtymä Oy that relate to the Building Services business

The Caverion Group carve-out financial statements include all those legal entities that have historically formed YIT's reportable segments Building Services Northern Europe and Building Services Central Europe. For these entities, the historical financial information included in the carve-out financial statements is from the entities' separate financial statements which have been used in preparing YIT's consolidated financial statements.

The Caverion Group carve-out financial statements consist of assets, liabilities, results of operations and cash flows of the acquired entities within the Building Systems business from the date of acquisition. The assets, liabilities, results of operations and cash flows from sold entities are included in the carve-out financial statements until the entities have been sold.

15.8. Result of operations

15.8.1. Combined income statement

EUR million	January- March, 2013	January- March, 2012 restated	January- December, 2012 restated ⁶	January- December, 2011	January- December, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	607.9	672.5	2,803.2	2,875.7	2,352.8
Other operating income	1.4	1.4	12.3	6.3	4.1
Change in inventories of finished goods and in work in progress	5.8	7.8	-0.6	1.7	-0.7
Production for own use	0.2	0.1	0.3	0.2	0.6
Materials and supplies	-162.0	-192.7	-799.8	-920.8	-720.9
External services	-97.8	-103.3	-468.8	-459.5	-332.3
Personnel expenses	-271.5	-290.2	-1,127.4	-1,091.2	-949.0
Other operating expenses	-74.6	-72.0	-333.9	-287.0	-237.6
Share of results in associated companies	0.0	0.0	0.0	0.0	0.0
Depreciation, amortisation and impairment	-5.1	-5.8	-24.2	-20.3	-18.0
Operating profit	4.3	17.8	61.1	105.0	99.0
Financial income	1.0	0.3	1.9	1.6	1.1
Exchange rate differences, net	-0.5	-0.1	-0.3	-0.1	-0.2
Financial expenses	-0.8	-1.2	-5.2	-4.5	-4.5
Financial income and expenses	-0.3	-1.0	-3.6	-3.0	-3.6
Profit before taxes	4.0	16.8	57.5	102.0	95.4
Income taxes	-1.2	-5.1	-16.7	-29.0	-29.5
Profit for the year	2.8	11.7	40.8	73.0	65.9
Attributable to					
Equity holders of Caverion Group	2.8	11.7	40.7	72.9	65.9
Non-controlling interests	0.0	0.0	0.1	0.1	0.0

⁶ The revised IAS 19 standard has had the following effects on the consolidated income statement for the year ended December 31, 2012: personnel expenses increased by EUR 0.1 million and operating profit, profit before taxes and profit for the year decreased correspondingly by EUR 0.1 million. The restated information has not been audited. The other information presented has been audited.

15.8.2. The three-month period ended March 31, 2013, compared with the three-month period ended March 31, 2012

Revenue

Group

Caverion Group's revenue for the three-month period ended March 31, 2013, amounted to EUR 607.9 million, and it decreased by EUR 64.6 million compared with the revenue of EUR 672.5 million for the three-month period ended March 31, 2012.

Building Services Northern Europe

Building Services Northern Europe's revenue for the three-month period ended March 31, 2013 amounted to EUR 468.6 million, and it decreased by EUR 44.5 million compared with the revenue of EUR 513.1 million for the three-month period ended March 31, 2012. The decrease in revenue during the first quarter was due to customers still postponing additional service and maintenance work as a result of prolonged uncertainty.

Building Services Central Europe

Building Services Central Europe's revenue for the three-month period ended March 31, 2013 amounted to EUR 139.2 million, and it decreased by EUR 20.2 million compared with the revenue of EUR 159.4 million for the three-month period ended March 31, 2012. The decrease in revenue during the period was due to weakening demand, especially in the market for large projects in Germany during the latter half of 2012 and the low level of activity in Central Eastern Europe. In Austria, revenue continued to grow during the three-month period ended March 31, 2013.

Other operating income

Caverion Group's other operating income for the three-month period ended March 31, 2013, amounted to EUR 1.4 million and remained unchanged compared with the other operating income of EUR 1.4 million for the three-month period ended March 31, 2012.

Expenses

Caverion Group's expenses for the three-month period ended March 31, 2013, amounted to EUR 605.0 million, and they decreased by EUR 51.1 million compared with the expenses of EUR 656.1 million for the three-month period ended March 31, 2012. Caverion Group's expenses corresponded to 99.5 per cent of the revenue for the three-month period ended March 31, 2013 and 97.6 per cent of the revenue for the three-month period ended March 31, 2012. The growth of the proportional expenses is mainly due to the increase in operative project expenses.

Operating profit

Group

Caverion Group's operating profit for the three-month period ended March 31, 2013, amounted to EUR 4.3 million, and it decreased by EUR 13.5 million compared with the operating profit of EUR 17.8 million for the three-month period ended March 31, 2012.

Building Services Northern Europe

Building Services Northern Europe's operating profit for the three-month period ended March 31, 2013, amounted to EUR 2.2 million, and it decreased by EUR 12.3 million compared with the operating profit of EUR 14.5 million for the three-month period ended March 31, 2012. Operating profit decreased significantly in Building Services Northern Europe with customers postponing additional service and maintenance work as a consequence of prolonged uncertainty, due to which the utilisation rate was too low. In Building Services Northern Europe, the weak profitability of the project business and tight price competition and low business volume, typical of the first quarter, contributed to the decrease in operating profit.

The restructuring of operations proceeded during the three-month period ended March 31, 2013, in all countries where Building Services Northern Europe operates. The aim is to decrease the number of personnel by 600 employees in 2013; of these, personnel cuts amounting to approximately 200 employees were carried out during the first quarter of 2013, which resulted in adjustment costs of approximately EUR 2.8 million in the operating profit for the three-month period ended March 31, 2013.

Building Services Central Europe

Building Services Central Europe's operating profit for the three-month period ended March 31, 2013, amounted to EUR 3.4 million, and it decreased by EUR 1.8 million compared with the operating profit of EUR 5.2 million for the three-month period ended March 31, 2012. The operating profit decreased clearly compared to the previous year, mainly due to the decrease in volume of German operations.

Financial income and expenses

The financial income and expenses for the three-month period ended March 31, 2013, changed by EUR 0.7 million and totaled EUR -0.3 million (compared to the financial income and expenses of EUR -1.0 million for the three-month period ended March 31, 2012). The change in financial income and expenses was mainly due to growth in penalty interest income related to trade receivables.

Income taxes

Caverion Group's income taxes for the three-month period ended March 31, 2013, amounted to EUR -1.2 million, and they decreased by EUR 3.9 million compared with the income taxes of EUR -5.1 million for the three-month period ended March 31, 2012. The Group's effective tax rate was 30.0 per cent for the three-month period ended March 31, 2013, decreasing slightly compared with the effective tax rate of 30.4 per cent for the three-month period ended March 31, 2012.

Profit for the period

Group's profit for the three-month period ended March 31, 2013, amounted to EUR 2.8 million, and it decreased by EUR 8.9 million compared with the profit for the period of EUR 11.7 million for the three-month period ended March 31, 2012.

Total comprehensive income for the period

Caverion Group's total comprehensive income for the three-month period ended March 31, 2013, amounted to EUR 4.4 million, and it decreased by EUR 11.3 million compared with the total comprehensive income of EUR 15.7 million for the three-month period ended March 31, 2012. The decrease in comprehensive income was due to the profit for the three-month period ended March 31, 2013, decreasing by EUR 8.9 million compared with the profit for the three-month period ended March 31, 2012. The revised IAS 19 Employee Benefits standard requires retroactive application to the presented financial statements figures. The amendment to the standard increased the comprehensive income for the three-month period ended March 31, 2012, by EUR 2.7 million. No material changes took place in other items of comprehensive income.

Pro forma profit analysis

The unaudited pro forma information presented here is compiled to illustrate the assumed effects of the financing agreement negotiated in February 2013 to be transferred to Caverion in the Demerger, the equity structure of Caverion Corporation to be established in the Demerger and the estimated effects of the direct costs related to the Demerger to Caverion's result of operation and financial position in the dates presented in the pro forma information. This pro forma information should be read in conjunction with the other pro forma financial information presented in this Registration document as well as with the accounting principles of pro forma information. See section "13. Pro forma financial information".

The pro forma financial income and expenses for the three month period ended 31 March, 2013 were EUR -1.1 million and they were EUR -0.8 million higher than the carve out figures for the three month period ended 31 March, 2013. The increase in financial expenses is a consequence of the pro forma information illustrating the effects of the Demerger taking into account the new loans to be drawn, which will be transferred to Caverion in

the Demerger, whereby the amount of pro forma net debt is considerable larger than the net debt presented in carve out information.

An adjustment decreasing the income taxes for the amount of EUR 0.2 million has been recorded based on the pro forma adjustment made to Caverion Group's financial income and expenses for the three month period ended 31 March, 2013.

The pro forma adjustments made to the financial income and expenses and to taxes for the three month period ended 31 March, 2013 decrease the profit for the period with EUR 0.6 million.

15.8.3. Year 2012 compared with year 2011

Revenue

Group

Caverion Group's revenue for the year ended December 31, 2012, was EUR 2,803.2 million, and it decreased slightly compared with the revenue of EUR 2,875.7 million for the year ended December 31, 2011.

Building Services Northern Europe

Building Services Northern Europe's revenue remained at the previous year's level and amounted to EUR 2,089.2 million for the year ended December 31, 2012, compared to the revenue of EUR 2,097.6 million for the year ended December 31, 2011. Changes in foreign exchange rates increased the revenue for the year ended December 31, 2012, by EUR 49.8 million compared to the revenue for the year ended December 31, 2011.

Building Services Central Europe

Building Services Central Europe's revenue for the year ended December 31, 2012, decreased by EUR 65.1 million, or 8 per cent, compared with the previous year, and amounted to EUR 714.2 million compared with the revenue of EUR 779.3 million for the year ended December 31, 2011. The decrease in revenue during the 2012 period was due to weakening demand, especially in the market for large projects in Germany, restructuring of operations in Germany and Poland and the low level of activity in Central Eastern Europe. Revenue continued to grow clearly in Austria.

Other operating income

The Group's other operating income for the year ended December 31, 2012, amounted to EUR 12.3 million. Other operating income increased by EUR 6.0 million compared with the EUR 6.3 million for the year ended December 31, 2011. The growth in other operating income was due to gains on the sale of tangible and intangible assets and items related to mergers and acquisitions in Building Services Central Europe, among other factors.

Expenses

The Group's expenses for the year ended December 31, 2012, totaled EUR 2,754.4 million, and they decreased by EUR 22.5 million compared with the expenses of EUR 2,776.9 million for the year ended December 31, 2011. The Group's expenses corresponded to 98.3 per cent of the revenue for the year ended December 31, 2012 and 96.6 per cent of the revenue for the year ended December 31, 2011. The growth of the proportional expenses is mainly due to the increase in operative project expenses.

Operating profit

Group

The Group's operating profit decreased by EUR 43.9 million on the previous year and amounted to EUR 61.1 million for the year ended December 31, 2012, compared with the operating profit of EUR 105.0 million for the year ended December 31, 2011.

Building Services Northern Europe

The segment's operating profit decreased by EUR 37.7 million during the year ended December 31, 2012, or 48 per cent on the year ended December 31, 2011, and amounted to EUR 41.1 million for the year ended December 31, 2012, compared with the operating profit of EUR 78.8 million for the year ended December 31, 2011. The profitability for completed projects and projects close to completion in the project business (especially in Sweden, Denmark and Norway) was lower than forecasted, and project forecast changes had a negative impact on results of approximately EUR 20 million during the fourth quarter of 2012. In addition, costs related to the reorganisation of operations amounted to approximately EUR 3 million during the fourth quarter of the year 2012. During the year 2011, the operating profit of Building Services Northern Europe was negatively affected by a non-recurring provision of EUR 3.0 million related to an individual customer project. The profitability of service and maintenance operations was at a satisfactory level during the year 2012. Contrary to normal seasonality the volume of service and maintenance business remained, however, lower than expected towards the end of the year as customers postponed and decreased additional service and maintenance work.

Building Services Central Europe

The segment's operating profit for the year ended December 31, 2012, was EUR 27.4 million, and it decreased by EUR 5.9 million, or 18 per cent, on the previous year compared with the operating profit of EUR 33.3 million for the year ended December 31, 2011. The operating profit for the year ended December 31, 2011, was improved by a gain on sale of EUR 5.2 million from the divestment of the Hungarian operations.

Financial income and expenses

Financial income and expenses for the year ended December 31, 2012 totaled EUR -3.6 million, which is a change of EUR 0.6 million compared to EUR -3.0 million for the year ended December 31, 2011. The change in financial expenses was due to increased interest expenses and increased exchange rate differences.

Income taxes

The Group's income taxes for the year ended December 31, 2012, were EUR -16.7 million, and they decreased by EUR 12.3 million compared with the income taxes of EUR -29.0 million for the year ended December 31, 2011. The Group's effective tax rate was 29.0 per cent for the year ended December 31, 2012, and it increased slightly compared with the effective tax rate of 28.4 per cent for the year ended December 31, 2011.

Profit for the period

The Group's profit for the year ended December 31, 2012, was EUR 40.8 million, compared with the net profit of EUR 73.0 million for the year ended December 31, 2011.

Total comprehensive income for the period

The Group's total comprehensive income for the year ended December 31, 2012, was EUR 55.3 million, and it decreased by EUR 18.7 million compared with the total comprehensive income of EUR 74.0 million for the year ended December 31, 2011. The profit decrease for the year ended December 31, 2012 by EUR 32.2 million compared with the profit for the year ended December 31, 2011, contributed to the decrease in comprehensive income. The revised IAS 19 Employee Benefits standard requires retroactive application to the presented financial statements, and the information presented for the year 2012 has been restated to correspond with the amended accounting principles. The figures for the year 2011 have not been restated. The amendment to the standard increased the comprehensive income for the year ended December 31, 2012, by EUR 10.9 million.

Profit analysis according to pro forma entries affecting the result

The unaudited pro forma information presented here is compiled to illustrate the assumed effects of the financing agreement negotiated in February 2013 to be transferred to Caverion in the Demerger, the equity structure of Caverion Corporation to be established in the Demerger and the estimated effects of the costs related to the Demerger to Caverion's result of operations and financial position in the dates presented in the pro forma information. This pro forma information should be read in conjunction with the other pro forma

financial information presented in this Registration document as well as with the accounting principles of pro forma information. See “13. Pro forma financial information”.

The pro forma financial income and expenses for the year ended December 31, 2012 were a total of EUR -9.0 million and they were EUR -5.4 million higher than the carve out figures for the year ended December 31, 2012, which were EUR -3.6 million. The increase in financial expenses is a consequence of the pro forma information illustrating the effects of the Demerger taking into account the new withdrawable loans to be transferred to Caverion in the Demerger, due to which the amount of pro forma net debt is considerable larger than the net debt presented in carve out information. This pro forma information is presented for illustrative purposes only and it does not intend to present how the financial income and expenses had been, had the Demerger taken place earlier.

An adjustment decreasing income taxes for the amount of EUR 2.1 million has been recorded based on the pro forma adjustment made to Caverion Group’s financial income and expenses and the non-recurring adjustment made to other operating expenses for the year ended December 31, 2012.

The non-recurring pro forma adjustment made to Caverion Group’s other operating expenses and pro forma adjustments made to financial income and expenses and income taxes for the year ended December 31, 2012 decrease the profit for the year by EUR 6.3 million. This pro forma information is presented for illustrative purposes only and it does not intend to present what the profit had been, had the Demerger taken place earlier.

15.8.4. Year 2011 compared with year 2010

Revenue

Group

Caverion Group’s revenue for the year ended December 31, 2011, was EUR 2,875.7 million, increasing clearly from the previous year by EUR 522.9 million compared with the revenue of EUR 2,352.8 million for the year ended December 31, 2010. The revenue of Building Services Northern Europe grew strongly, and the revenue of Building Services Central Europe grew as a result of the acquisition of Caverion, which took effect at the beginning of September 2010.

Building Services Northern Europe

Building Services Northern Europe's revenue for the year ended December 31, 2011, amounted to EUR 2,097.6 million, and it increased by EUR 294.0 million, or 16 per cent, compared with the revenue of EUR 1,803.6 million for the year ended December 31, 2010. Changes in foreign exchange rates increased the revenue for the year ended December 31, 2011, by EUR 51.7 million compared to the year ended December 31, 2010. The increase in revenue was widespread: revenue increased in all countries.

Building Services Central Europe

Building Services Central Europe's revenue increased significantly in the year ended December 31, 2011, compared to the year ended December 31, 2010, mainly as a result of Caverion’s acquisition that took effect at the beginning of September 2010. The segment’s revenue for the year ended December 31, 2011, was EUR 779.3 million, compared with the revenue of EUR 550.2 million for the year ended December 31, 2010.

Other operating income

The Group’s other operating income for the year ended December 31, 2011, amounted to EUR 6.3 million. Other operating income increased by EUR 2.2 million compared with the EUR 4.1 million for the year ended December 31, 2010. Other operating income for the year ended December 31, 2011, included a gain on sale of EUR 5.2 million from the sale of the Hungarian operations.

Expenses

The Group’s expenses for the year ended December 31, 2011, totaled EUR 2,776.9 million, and they increased by EUR 519.0 million compared with the expenses of EUR 2,257.9 million for the year ended December 31,

2010. The Group's expenses corresponded to 96.6 per cent of the revenue for the year ended December 31, 2011 and 96.0 per cent of the revenue for the year ended December 31, 2010. The growth of the proportional expenses is mainly due to the increase in operative project expenses.

Operating profit

Group

The Group's operating profit for the year ended December 31, 2011, amounted to EUR 105.0 million, and it improved by EUR 6 million, or 6 per cent, compared to the operating profit of EUR 99.0 million for the year ended December 31, 2010. Building Services Northern Europe's operating profit for the year 2011 is negatively affected by a provision of EUR 3.0 million related to an individual customer project and the operating profit of Building Services Central Europe is improved by a gain on sale of EUR 5.2 million from the sale of the Hungarian operations.

The operating profit of Building Services for the year 2010 was weakened by non-recurring expenses of EUR 6.3 million related to the implementation of acquisitions and restructuring following the acquisitions.

Building Services Northern Europe

The segment's operating profit for the year ended December 31, 2011, amounted to EUR 78.8 million, and it was lower compared with the operating profit of EUR 88.7 million for the year ended December 31, 2010. This was due to tight price competition in the project business in particular, and the demand for building systems and new industrial investments also remained relatively low. The segment's profitability turned to a slight increase during the second half of the year, thanks to efficiency improvement measures, but was still lower than YIT's objectives.

Building Services Central Europe

The operating profit for the year ended December 31, 2011, amounted to EUR 33.3 million, and it increased by 103 per cent compared with the operating profit of EUR 16.4 million for the year ended December 31, 2010. The operating profit for the year 2011 improved on the previous year particularly as a result of an increase in the performance of the German operations and a gain on sale of EUR 5.2 million from the sale of the Hungarian operations.

Financial income and expenses

The financial income and expenses for the year ended December 31, 2011, totaled EUR -3.0 million, which is a EUR 0.6 million change compared with the financial income and expenses for the year ended December 31, 2010, which totaled EUR -3.6 million. The total financial income and expenses changed during the year ended December 31, 2011 with financial income increasing on the previous year as a result of increased interest income.

Income taxes

The Group's income taxes for the year ended December 31, 2011, were EUR -29.0 million, remaining at the same level with the income taxes of EUR -29.5 million for the year ended December 31, 2010. The Group's effective tax rate for the year 2011 was 28.4 per cent, compared with the effective tax rate of 30.9 per cent for the year 2010.

Profit for the period

The Group's profit for the year ended December 31, 2011, was EUR 73.0 million, compared with the profit of EUR 65.9 million for the year ended December 31, 2010.

Total comprehensive income for the period

The Group's total comprehensive income for the year ended December 31, 2011, was EUR 74.0 million, compared with the total comprehensive income of EUR 77.9 million for the year ended December 31, 2010. The

comprehensive income for the year ended December 31, 2011, increased due to the profit for the period increasing by EUR 7.1 million compared with the year ended December 31, 2010. With regard to other items of comprehensive income, the most significant item was the decrease in translation differences. Translation differences were EUR 0.6 million for the year ended December 31, 2011, a decrease of EUR 11.5 million compared to translation differences of EUR 12.1 million for the year ended December 31, 2010.

15.9. Liquidity and capital resources

General

Historically, the Building Systems and Industrial Services businesses have been financed using cash flow from operating activities and, if necessary, YIT Group's internal loans. Some of the subsidiaries included in these businesses have also had external pension loans from Finnish pension insurance companies. After the implementation of the Demerger, the operations of Caverion Group will be financed with cash flow from operating activities and external interest-bearing debt. After the Demerger, Caverion will take care of its own funding in order to enable the financing of the subsidiaries' business operations using intra-Group loans. In connection with the Demerger, the loan agreement of EUR 267 million signed by YIT Corporation on February 28, 2013, will be transferred to Caverion, and it will be the new Caverion Group's main debt financing agreement. A revolving credit facility of EUR 60 million, assumed to be completely undrawn in the pro forma information, is part of this loan agreement. However, it is possible that loans are drawn from this overdraft credit facility in connection with the Demerger. For a more detailed description of Caverion's sources of financing and loan agreements, see "Result of operations, financial position and prospects - Solvency and sources of capital – Sources of capital and debt" below.

According to the unaudited pro forma information, the Group's pro forma borrowings amounted to EUR 226.5 million on March 31, 2013, and pro forma cash and cash equivalents amounted to EUR 65.6 million. Therefore, the Group's interest-bearing pro forma net debt amounted to EUR 161.0 million on March 31, 2013. The pro forma equity ratio on March 31, 2013, was 19.9 per cent and pro forma gearing 73.2 per cent.

This information is presented for illustrative purposes only, and they may not correspond with the actual situation on the Effective Date of the Demerger.

Cash flows

Combined cash flow information

EUR million	January- March, 2013	January- March, 2012	January- December, 2012	January- December, 2011	January- December, 2010
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net cash generated from/used in operating activities	-1.0	11.0	49.3	-14.8	0.2
Net cash used in investing activities	-1.2	-5.8	-8.8	-5.9	-32.6
Net cash generated from/used in financing activities	-32.3	-16.7	-97.4	66.5	-0.8

Cash flow from operating activities

Caverion Group's net cash flow from operating activities for the three-month period ended March 31, 2013, was EUR -1.0 million, and it decreased by EUR 12.0 million compared with the net cash flow of EUR 11.0 million from operating activities for the three-month period ended March 31, 2012. The Group's net cash flow from operating activities for the year ended December 31, 2012, was EUR 49.3 million, and it increased by EUR 64.1 million compared with the net cash flow from operating activities of EUR -14.8 million for the year ended December 31, 2011. The growth in the net cash flow from operating activities was in particular due to strong cash flow from operating activities in Building Services Northern Europe. The Group's net cash flow from operating activities for the year ended December 31, 2010, was EUR 0.2 million.

Cash flow from investing activities

Caverion Group's net cash flow from investing activities for the three-month period ended March 31, 2013, was EUR -1.2 million, compared with the net cash flow from investing activities of EUR -5.8 million for the three-month period ended March 31, 2012. The Group's net cash flow from investing activities for the year ended December 31, 2012, was EUR -8.8 million, and it remained at the same level compared with the net cash flow from investing activities of EUR -5.9 million for the year ended December 31, 2011. Net cash flow from investing activities for the year ended December 31, 2010, was EUR -32.6 million, including the acquisition of the entire share capital of Caverion GmbH in 2010.

Cash flow from financing activities

Caverion Group's net cash flow from financing activities for the three-month period ended March 31, 2013, was EUR -32.3 million, compared with the net cash flow from financing activities of EUR -16.7 million for the three-month period ended March 31, 2012. The Group's net cash flow from financing activities for the year ended December 31, 2012, was EUR -97.4 million, compared with the net cash flow from financing activities of EUR 66.5 million for the year ended December 31, 2011. The Group's net cash flow from financing activities for the year ended December 31, 2010, was EUR -0.8 million.

Sources of capital and debt

A financing agreement signed in February 2013

YIT has signed a loan agreement with Nordic banks amounting to a total of EUR 267 million in February 2013, which is associated with the business operations of Caverion and will therefore be transferred in full to Caverion Corporation in connection with the Demerger. The arrangement includes a long-term loan agreement of EUR 140 million, a revolving credit facility of EUR 60 million and a short-term bridge financing agreement of no more than EUR 67 million. The aforementioned new loans will be partially drawn before the Demerger. The agreed bridge financing agreement of EUR 67 million will be used in part or full for repaying loans taken for financing acquisitions in the Building Services segment. The unused part of the bridge financing agreement will be cancelled. Of the other two new financing agreements, the long-term loan of EUR 140 million will be drawn in full before the Demerger, which, together with the agreed revolving credit facility of EUR 60 million will be transferred to Caverion in the Demerger. In some of the loan agreements, the margin of the loan depends on the Group's net debt to EBITDA ratio. Of the new financing agreements, the revolving credit facility of EUR 60 million will mature on June 30, 2016, and the short-term bridge financing agreement of EUR 67 million on June 30, 2014. Caverion's EUR 140 million long-term loan agreement will mature on June 30, 2016, and it includes compulsory instalments before the date of maturity.

Loan covenant

Caverion's loans from financial institutions include a financial covenant. In addition to the loan agreement of EUR 267 million, the rearranged loans from the Nordic Investment Bank include a similar financial covenant tied to the net debt to EBITDA ratio. In all loans the covenant will only become effective on the Effective Date of the Demerger. If Caverion is unable to abide with this financial covenant or other ordinary commitments related to the agreement in the future, it will have to renegotiate its credit arrangements and loans in order for Caverion to not be seen breaking the terms of the loan. There is no certainty that Caverion is able to execute such measures with conditions acceptable to it or at all. If Caverion is unable to comply with the financial covenants related to its credit arrangements it may have an unfavorable effect on Caverion's business, result of operations and financial position and it may complicate the availability of additional financing that Caverion needs.

Carve-out financing structure

Historically, Caverion Group's business operations have been financed with the cash flow from operating activities and, if necessary, YIT Group's internal loans. Some of the subsidiaries included in Caverion Group have also had external pension loans from Finnish pension insurance companies. In the carve-out financial statements, the loans drawn by YIT's Building Services and Industrial Services for financing business-related acquisitions have been taken into account in addition to the direct pension loans by allocating them in full to the historical carve-out figures. In the carve-out financial statements, the borrowings allocated to Caverion Group at December 31, 2012 totaled EUR 91.0 million (EUR 106.8 million at December 31, 2011 and EUR 108.1 million

at December 31, 2010). The borrowings on Caverion's carve-out balance sheet of March 31, 2013, amounted to EUR 87.6 million. In the Demerger, the pension loans will retain their original instalment schedule, but the loans from the Nordic Investment Bank will be rearranged so that only two loans with a total principal of EUR 45 million will remain. The total amount of loans from the Nordic Investment Bank in the carve-out financial statements for the year ended December 31, 2012, is EUR 70.5 million (EUR 77.5 million at December 31, 2011 and EUR 51.5 million at December 31, 2010) and the total of pension loans in the carve-out financial statements for the year ended December 31, 2012, is EUR 18.0 million (EUR 26.0 million at December 31, 2011 and EUR 53.2 million at December 31, 2010). The total amount of loans from the Nordic Investment Bank according to Caverion Group's carve-out balance sheet of March 31, 2013, is EUR 67 million and the amount of pension loans is EUR 18 million.

In the carve-out financial information, Caverion Group's cash and cash equivalents consist of the companies' cash assets and cash and cash equivalents related to YIT Group's cash pool arrangement allocated to Caverion. Cash and cash equivalents totalled EUR 100.8 million at December 31, 2012 (EUR 155.4 million at December 31, 2011 and EUR 106.2 million at December 31, 2010). The cash and cash equivalents on Caverion's carve-out balance sheet of March 31, 2013, were EUR 66.4 million.

Pro forma financing structure

The unaudited pro forma information presented here are compiled to illustrate the assumed effects of the financing agreement negotiated in February 2013 to be transferred to Caverion in the Demerger, the capital structure of Caverion Corporation to be established in the Demerger and the estimated effects of the costs related to the Demerger to Caverion's result of operations and financial position in the dates presented in the pro forma information. This pro forma information should be read in conjunction with the other pro forma financial information presented in this Registration document as well as with the accounting principles of pro forma information. See "13. Pro forma financial information".

Historically, Caverion Group's business operations have been financed with the cash flow from operating activities and, if necessary, YIT Group's internal loans. Some of the subsidiaries of Caverion Group have also had external pension loans from pension insurance companies. In the pro forma balance sheet, the loans drawn by YIT for financing Building Services and Industrial Services business-related acquisitions have been taken into account by allocating them to the pro forma balance sheet to the extent of the planned debt balance at the time of the Demerger. The total of pension loans on the pro forma balance sheet is EUR 18.0 million and the loans from the Nordic Investment Bank total EUR 45.0 million on March 31, 2013. YIT Corporation signed a loan agreement with Nordic bank groups amounting to a total of EUR 267 million in February 2013, which is associated with the business operations of Caverion and will therefore be transferred in full to Caverion Corporation in connection with the Demerger. The effect of this new financing agreement is described in the notes to the pro forma balance sheet. The arrangement includes a long-term loan agreement of EUR 140 million, a revolving credit facility of EUR 60 million and a short-term bridge financing agreement of no more than EUR 67 million. The agreed bridge financing agreement of EUR 67 million will be used in part or full for repaying loans taken out for financing acquisitions in the Building Services segment. The planned debt balance of EUR 22.0 million of the bridge financing agreement at the time of the Demerger has been included on the pro forma balance sheet of March 31, 2013. The unused part of the bridge financing agreement will be cancelled. In some of the loan agreements, the margin of the loan depends on the Group's net debt to EBITDA ratio. The financing agreements include a financial covenant and ordinary commitments typical of long-term financing agreements.

In addition to the loans drawn for the Demerger, the borrowings to be transferred to Caverion will change between the carve-out balance sheet and pro forma balance sheet with regard to the loan from the Nordic Investment Bank, which will be repaid in part before the Demerger. The pro forma column of March 31, 2013, indicates the planned balances of borrowings for the date of the Demerger, but in deviation from the figures, the amount of pension loans has been estimated to be lower at the date of the Demerger due to their instalment schedule, and the amount is estimated to be EUR 14.0 million.

Principals of Caverion Group's most significant borrowings, EUR million

	Debtor	Creditor	Maturity	March 31, 2013	
				Pro forma	Carve-out
EUR 140 million long-term loan agreement	Caverion	Nordic banks	30.6.2016*	140.0	0
EUR 60 million revolving credit facility	Caverion	Nordic banks	30.6.2016	0.0	0
EUR 67 million short-term bridge financing agreement	Caverion	Nordic banks	30.6.2014	22.0	0
Several long-term loan agreements	Caverion	NIB	15.5.2019**, 22.2.2020**	45.0	67.0
Pension loan	YIT Industry Ltd	Pension insurance company	10.10.2013*, 7.11.2018*	18.0	18.0
Total				225.0	85.0

*) Loans have an instalment schedule.

***) Loans have an instalment schedule. Additionally the bank has the right to demand prepayment of loans on 30 June 2016.

On the pro forma balance sheet as at March 31, 2013 the Group's borrowings amounted to EUR 226.5 million cash and cash equivalents to EUR 65.6 million and the Group's net debt was EUR 161.0 million. Equity ratio based on the pro forma balance sheet was 19.9 per cent and gearing 73.2 per cent.

For additional information capital resources, see "Presentation of financial information and factors influencing comparability – Accounting principles for the carve-out financial information – Cash management and financing" and "Significant agreements".

15.10. Financial risk management

Caverion has been part of YIT Group and therefore applied risk management policies centralized to YIT Group. Caverion Group is exposed in its business operations to liquidity risk, credit risk, foreign exchange rate risk and also interest rate risk and refinancing risk. Caverion's liquidity risk is related to the sufficiency of funds used for business expenses, installments of borrowings and payment of annual dividends. Credit risk is related to customers with outstanding receivables or with which long-term agreements have been made as well as the counterparties to cash and cash equivalents and derivative agreements. Caverion's foreign exchange rate risk is primarily associated with the assets and liabilities on the balance sheet and net investments in foreign subsidiaries. The interest rate risk associated with cash flows mainly arises from current and non-current liabilities and derivative instruments used for hedging them. Refinancing risk is mainly associated with the Company's ability to repay or refinance maturing non-current liabilities. The aim of financial risk management is to decrease the uncertainty caused by fluctuations in the financial market to the Company's financial performance.

YIT Group's Board of Directors has approved the Corporate Treasury Policy. The Group's Treasury department is responsible for the practical implementation of the policy in cooperation with the business units. In the business units and subsidiaries, matters related to financing are taken care of by financial personnel and the operative management. The Corporate Treasury Policy defines the distribution of responsibilities between the Treasury department and business units by area of duties. The business units are responsible for providing the Treasury department with up-to-date and accurate information on financial position, cash flow and foreign exchange exposure in order to be able to ensure efficient cash, financial, liquidity and risk management. In addition to the distribution of responsibilities, the Corporate Treasury Policy defines the main principles and procedures for refinancing risk management, cash management and special areas related to financing, such as commercial guarantees, financier relations and customer financing.

The Board of Directors of YIT Group has, on June 3 2013 ratified a Treasury Policy to be applied by Caverion, which mainly complies with the same principles as the Treasury Policy applied by YIT. The most significant changes to Caverion's Treasury Policy concern the maturity distribution of Caverion's liabilities and interest rate risk and counterparty risk management. Caverion Group's aim is that a maximum of one half of interest-bearing liabilities may fall due during a single calendar year and the target for the average interest rate fixing term of Caverion's net debt is 18 months.

For additional information on Caverion Group's financial risk management, see "Caverion Corporation carve-out financial statements for the years ended December 31, 2012, 2011, 2010", appended to this Registration Document as Annex 1.

15.11. Combined balance sheet information

BALANCE SHEET, EUR million	March 31, 2013	March 31, 2012 restated	December 31, 2012 restated⁷	December 31, 2011	December 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
ASSETS					
Non-current assets					
Tangible assets	30.5	34.3	31.8	34.7	38.5
Goodwill	335.7	336.6	335.7	336.6	340.0
Other intangible assets	35.9	38.7	39.0	32.8	32.0
Investments in associated companies	0.1	0.1	0.1	0.1	0.1
Available-for-sale financial assets	2.5	3.0	2.5	2.9	2.4
Receivables	4.1	7.1	5.3	18.2	15.3
Deferred tax receivables	6.6	9.6	5.5	8.7	6.6
Total non-current assets	415.5	429.4	419.9	434.0	434.9
Current assets					
Inventories	42.3	47.3	39.0	37.5	37.7
Trade and other receivables	726.0	744.2	774.7	794.2	683.2
Tax receivables	13.0	5.8	4.7	2.8	3.7
Cash and cash equivalents	66.4	144.2	100.8	155.4	106.2
Total current assets	847.6	941.5	919.2	989.8	830.8
Assets held for sale					19.8
TOTAL ASSETS	1,263.1	1,370.9	1,339.0	1,423.8	1,285.5

⁷ The revised IAS 19 standard has had the following effects on the consolidated balance sheet of December 31, 2012: non-current receivables decreased by EUR 10.3 million, non-current pension obligations increased by EUR 25.1 million, deferred tax liabilities decreased by EUR 9.3 million and invested equity decreased by EUR 26.2 million. The restated figures have not been audited. The other information presented has been audited.

BALANCE SHEET, EUR million	March 31, 2013	March 31, 2012 restated	December 31, 2012 restated	December 31, 2011	December 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
INVESTED EQUITY AND LIABILITIES					
Total invested equity	363.4	416.3	387.4	450.0	305.7
Non-current liabilities					
Deferred tax liabilities	71.2	59.0	68.7	70.0	59.8
Pension obligations	44.6	62.9	51.8	26.2	26.6
Provisions	6.8	9.1	6.9	9.9	13.0
Borrowings	71.8	87.0	75.6	90.3	88.0
Other liabilities	0.3	5.9	4.6	6.1	5.8
Total non-current liabilities	194.7	223.9	207.6	202.5	193.2
Current liabilities					
Trade and other liabilities	660.7	677.4	697.8	715.6	709.9
Income tax liabilities	7.6	9.6	7.4	13.4	11.6
Provisions	21.0	28.4	23.3	25.8	27.8
Borrowings	15.8	15.3	15.4	16.5	20.1
Total current liabilities	705.0	730.7	743.9	771.3	769.4
Liabilities of assets held for sale					17.2
Total liabilities	899.7	954.6	951.5	973.8	979.8
TOTAL INVESTED EQUITY AND LIABILITIES	1,263.1	1,370.9	1,339.0	1,423.8	1,285.5

Non-current assets

Caverion Group's non-current assets are mainly comprised of goodwill associated with acquisitions. The non-current assets amounted to EUR 415.5 million on March 31, 2013, and EUR 419.9 million on December 31, 2012. Goodwill amounted to EUR 335.7 million on March 31, 2013. The amount of goodwill decreased during the year 2012 due to a write-down of EUR 0.9 million in goodwill in Poland. Caverion Group's goodwill increased by EUR 59.9 million during the year ended December 31, 2010, which was due to the acquisition of caverion GmbH. The amendment to the revised IAS 19 Employee Benefits standard decreased non-current assets by EUR 10.3 million on December 31, 2012. No other material changes took place in non-current assets during the years 2012, 2011 and 2010.

Current assets

Current assets are mainly comprised of trade receivables, other receivables, inventories and cash and cash equivalents.

Current assets amounted to EUR 847.6 million on March 31, 2013, and they decreased by EUR 71.6 million compared with EUR 919.2 million on December 31, 2012. The change was mainly due to a decrease in trade receivables, other receivables and cash and cash equivalents. Current assets amounted to EUR 919.2 million on December 31, 2012, and they decreased by EUR 70.6 million compared with EUR 989.8 million on December 31, 2011. The change was mainly due to a decrease in cash and cash equivalents. Current assets amounted to EUR 989.8 million on December 31, 2011, and they increased by EUR 159.0 million compared with EUR 830.8 million on December 31, 2010. The change was mainly due to an increase in trade receivables, other receivables and cash and cash equivalents.

Non-current liabilities

Non-current liabilities are mainly comprised of borrowings, deferred tax liabilities and pension obligations.

Non-current liabilities totalled EUR 207.6 million on December 31, 2012, and they increased by EUR 5.1 million compared with EUR 202.5 million on December 31, 2011. The amendment to the revised IAS 19 Employee Benefits standard increased the non-current liabilities by EUR 15.8 million on December 31, 2012. Non-current liabilities amounted to EUR 193.2 million on December 31, 2010.

Current liabilities

Current liabilities totaled EUR 743.9 million on December 31, 2012. Of this amount, EUR 15.4 million was borrowings, EUR 23.3 million provisions, EUR 7.4 million tax liabilities and EUR 697.8 million trade and other payables. Current liabilities decreased by EUR 27.4 million compared with EUR 771.3 million on December 31, 2011. The change was mainly due to a decrease in trade and other payables. Current liabilities amounted to EUR 769.4 million on December 31, 2010.

Contractual obligations and contingent liabilities

In accordance with the Limited Liability Companies Act, the companies taking part in the Demerger are jointly liable for the demerging company's liabilities that have arisen prior to the registration of the execution of the Demerger. However, the company's liability for debts of the demerging company for which the other company is liable according to the Demerger Plan is secondary and its maximum amount equals the value of net assets retained by or transferred to it. In the Demerger, the assets, liabilities and responsibilities relating to YIT's Building and Industrial Services business will be transferred to Caverion, while YIT will retain the assets, liabilities and responsibilities relating to the Construction Services business. Thus, it is possible that Caverion will be liable for the liabilities and responsibilities remaining with YIT in accordance with the Demerger Plan in case of YIT's insolvency, including liabilities and responsibilities that have emerged during the period between the signing of the Demerger Plan and the registration of the execution of the Demerger and that have been allocated to YIT in the Demerger Plan.

The following table presents Caverion Group's commitments and contingent liabilities at the specified dates:

EUR million	March 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
	(unaudited)	(audited)	(audited)	(audited)
Collateral given for own liabilities				
Corporate mortgages	0.7	0.7	1.9	0.6
Pledged assets			0.9	0.1
Guarantees given on behalf of associated companies	0.2	0.2	0.2	0.2
Other commitments				
Other contingent liabilities	1.3	1.3	1.4	4.1
Non-cancellable operating lease liabilities	212.2	219.5	215.9	201.4
Liabilities under derivative contracts				
Nominal values of underlying instruments				
Foreign exchange forward contracts	13.7	32.1	76.7	64.5
Interest rate forward contracts	42.0	45.5	17.5	24.5
Fair values of derivative instruments				
Foreign exchange forward contracts	-0.1	-0.5	0.2	0.7
Interest rate forward contracts	0.0	-0.2	-0.2	-0.3
Parent company's guarantees on behalf of subsidiaries	533.5	556.0	554.0	598.0

15.12. Investments

The acquisition of subsidiaries and business, net of cash acquired, totaled EUR 7.3 million for the year ended December 31, 2012, EUR 8.9 million for the year ended December 31, 2011, and EUR 35.2 million for the year ended December 31, 2010. The acquisitions for 2010 include the acquisition of the share capital in caverion GmbH, among others.

The Group's investments in tangible assets totaled EUR 5.7 million in the year ended December 31, 2012, EUR 5.3 million in the year ended December 31, 2011, and EUR 1.2 million in the year ended December 31, 2010. Investments in intangible assets totaled correspondingly EUR 0.9 million in the year ended December 31, 2012, EUR 0.8 million in the year ended December 31, 2011, and EUR 0.3 million in the year ended December 31, 2010.

15.13. Critical accounting estimates and judgements

When financial statements are prepared in accordance with IFRS, the management must make estimates and exercise judgment in the application of the accounting policies. Estimates and assumptions have an effect on the amounts of assets, liabilities and contingent liabilities in the balance sheet of the financial statements and the final actual results may differ from the estimates. The following presents the critical accounting estimates and judgments included in the financial statements:

Estimated impairment of goodwill

Goodwill is tested for any impairment annually in accordance with the principle stated in note 3.8.1 to Annex 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The cash flows in the value-in-use calculations are based on the management's best estimate of market development for the subsequent years. The discount rate has been increased with a branch specific risk factor.

The amount of impairments has been assessed in proportion to different time periods and the sensitivity has been analyzed in the changes of the discount rate, profitability and in the increase of the residual value. In 2012, the goodwill testing caused an impairment amounting to EUR 0.9 million regarding the goodwill of Poland. Otherwise these analyses and estimations have not given an indication for impairment. As at December 31, 2012, 2011 and 2010 the goodwill of Caverion Group amounted to EUR 335.7 million, EUR 336.6 million and EUR 340.0 million, respectively.

Percentage of completion revenue recognition of long-term projects

Due to estimates included in the revenue recognition of long-term service agreement and building service projects, revenue and profit presented by financial period only rarely correspond to the equal distribution of the total profit over the duration of the project. When revenue recognition from long-term projects is based on the percentage of completion method, the final result of the projects is regularly and reliably estimated. Calculation of the total income of projects includes estimates on the total expenditure required to complete the project as well as the development of sales prices. If the estimates of the end result of a contract change, the sales and profits recognised are adjusted in the reporting period when the change first becomes known and can be evaluated. If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately.

For the years ended December 31, 2012, 2011 and 2010 the revenue from long-term service agreement and building service projects amounted to EUR 2,006.4 million, EUR 2,087.9 million and EUR 1,653.5 million, respectively, and they were 72 per cent, 73 per cent and 70 per cent of Caverion Group's total revenue.

Income taxes

The Group is subject to income taxes in several countries. Evaluating the total amount of income taxes at the Group level requires significant consideration, so the amount of total tax includes uncertainty. As at December 31, 2012, 2011 and 2010 the deferred taxes amounted to EUR 5.5 million, EUR 8.7 million and EUR 6.6 million, respectively.

Provisions

The recognition of provisions is associated with estimates concerning probability and quantity. Provisions are booked for onerous contracts when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the contract. The amount of the guarantee is set on the basis of experience of the materialisation of these commitments. As at December 31, 2012, 2011 and 2010 the provisions amounted to EUR 30.2 million, EUR 35.7 million and EUR 40.8 million, respectively.

Pension benefits

The present value of pension obligations depends on various actuarial factors and the discount rate used. Changes in the assumptions and discount rate have an effect on the carrying amount of pension liabilities. The discount rate used is the market rate of high-quality corporate bonds or the interest rate of treasury notes for the currency in which the benefits will be realised. The maturity of the reference rate used corresponds substantially to the maturity of the calculated pension liability. Other assumptions are based on actuarial statistics and prevailing market conditions. As at December 31, 2012, 2011 and 2010 the pension liabilities amounted to EUR 51.8 million, EUR 26.2 million and EUR 26.6 million, respectively.

Trade receivables

The Group books write-offs or provision on receivables when it is evident that no payment can be expected. Caverion Group adopts its policy of valuing trade receivables and the bookings include estimates and critical judgements. The estimates are based on experience on realised write-offs in previous years, empirical knowledge of debt collecting, collateral and analyses made by clients and general market economic situation at the time. As at December 31, 2012, 2011 and 2010 trade receivables amounted to EUR 444.8 million, EUR 445.9 million and EUR 388.7 million, respectively.

Carve-out adjustments

Carve-out financial statements include (Annex 1, note 2) the allocations of income, expenses, assets, liabilities and cash flows, which are based on management judgment, assumptions and estimates. The areas in the carve-out adjustments that involve higher degree of judgment, assumptions and estimates in these carve-out financial statements is related to financial liabilities and interest expenses, group administration costs, taxes and invested equity.

16. CAVERION'S GOVERNANCE

16.1. General

Under the Finnish Limited Liability Companies Act and Caverion's Articles of Association, the Company's governance and management is distributed between the shareholders, Board of Directors and the President and CEO.

The shareholders take part in the supervision and governance of the Company through the resolutions of the General Meeting of shareholders. A General Meeting of shareholders is generally summoned by the Board of Directors. In addition to this, a General Meeting of shareholders shall be held if the Company's auditor or shareholders representing a minimum of one-tenth of all outstanding shares in the Company demand in writing that a General Meeting be convened.

In accordance with Caverion's Articles of Association, the notice of the meeting of shareholders is published on the company website. However, the Board of Directors may decide to publish the notice of meeting as a newspaper advertisement. If so, the notice of meeting will be served by placing an advertisement in a newspaper with nationwide circulation selected by the Board of Directors. In other respects, the provisions of the Limited Liability Companies Act regarding the notice of meeting shall apply.

The task of the Board of Directors is to see to the governance of the Company and ensure the appropriate organisation of the Company's business operations. The Board of Directors has the general legal power to decide on all matters relating to the Company's governance and other matters which do not belong to the shareholder meeting or the President and CEO under law or the Articles of Association.

The address of the Board of Directors, President and CEO and Management Board is Panuntie 11, FI-00620 Helsinki.

16.2. Role of YIT's Board of Directors in the Demerger

Since Caverion will not be incorporated until the Effective Date of the Demerger, YIT's Board of Directors has the right to make decisions on behalf of Caverion in accordance with the Demerger Plan prior to the Effective Date of the Demerger. Any rights and responsibilities pursuant to such decisions will be transferred to Caverion on the registration date of the execution of the Demerger.

In accordance with the Demerger Plan, YIT's Board of Directors has submitted a proposal for Caverion's Board members and auditor to the Extraordinary General Meeting deciding on the Demerger of YIT. YIT's Board of Directors will also appoint Caverion's President and CEO before the registration of the execution of the Demerger, and YIT's Board of Directors also has the right to appoint a new President for Caverion should the President resign, be dismissed or otherwise be unable to perform his duties before the registration of the execution of the Demerger. YIT's Board of Directors will also decide on the effects of the Demerger on the share-based incentive scheme in accordance with the terms and conditions of the scheme prior to the registration of the execution of the Demerger. YIT's Board of Directors may also make such decisions regarding the employees to be transferred to Caverion or its group of companies, and its decision will be binding on YIT, Caverion and the persons included in the incentive scheme.

YIT's Board of Directors will decide on the effects of the Demerger on the share-based incentive scheme in accordance with the terms and conditions of the scheme prior to the registration of the execution of the Demerger. YIT's Board of Directors may also make such decisions regarding the employees to be transferred to Caverion or its group of companies, and its decision will be binding on YIT, Caverion and the persons included in the incentive scheme.

16.3. Caverion's governance

16.3.1. Caverion's Board of Directors

In accordance with the Articles of Association, Caverion's Board of Directors consists of a Chairman and Vice Chairman appointed by the General Meeting of shareholders as well as a minimum of three (3) and maximum of

five (5) members. The members' term of office begins at the Annual General Meeting that elected them and ends at the conclusion of the next Annual General Meeting.

The number of members of Caverion's Board of Directors will be decided on and the members appointed by YIT's General Meeting of shareholders deciding on YIT's Demerger, which has been convened to be held on June 17, 2013. YIT's Board of Directors proposes to the Extraordinary General Meeting that Henrik Ehrnrooth be elected as the Chairman of Caverion's Board of Directors, Michael Rosenlew as the Vice Chairman and Anna Hyvönen, Ari Lehtoranta and Eva Lindqvist as Board members. The General Meeting deciding on YIT's Demerger is not tied to these proposals.

The meetings of the Board of Directors shall be convened by the Chairman or, in his absence, the Vice Chairman, and constitute a quorum when more than half of the members are present. All resolutions shall be passed by simple majority, and in case of a tie, the Chairman, or in his absence, the Vice Chairman, shall have the casting vote.

Presentation of persons proposed to be elected as Board members:

Henrik Ehrnrooth (Chairman)

Born 1954,
M.Sc. (Forest economics), B.Sc. (Econ.),
Chairman of the Board of Directors of Pöyry Plc.
Finnish citizen.

Chairman of the Board of Directors of YIT Corporation 2009–,
Chairman of the Personnel Committee 2009–,
Chairman of the Working Committee 2011–.
Member of YIT's Board of Directors 2009–.

Independent of Caverion Corporation, but not independent from major shareholders. Henrik Ehrnrooth holds indirectly with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth a controlling interest in Structor S.A., which will become a major shareholder of Caverion. The estimate is based on an assumption that no changes in matters influencing the assessment of independence will take place by the incorporation of Caverion Corporation.

Primary working experience:

Pöyry Plc, Managing Director 1986–1997,
Economist 1979–1981.

Positions of trust:

Pöyry Plc, Chairman of the Board of Directors 2003–.
Otava Books and Magazines Group Ltd: member of the Board of Directors 1988–.

Positions of trust ended within the past five years:

Board memberships:

Cargotec Corporation, Vice Chairman of the Board of Directors 2005-2009.

Michael Rosenlew (Vice Chairman)

Born 1959, M.Sc. (Econ.), Managing Director of Mikaros AB.
Finnish citizen.

Chairman of YIT Corporation's Audit Committee 2011–,
Member of the Working Committee 2011–.
Member of YIT's Board of Directors 2011–.

Independent of Caverion Corporation and its major shareholders. The estimate is based on an assumption that no changes in matters influencing the assessment of independence will take place by the incorporation of Caverion Corporation.

Primary working experience:

Mikaros AB, Managing Director 2011–
IK Investment Partners, Managing Partner (IK) and IK
Investment Partners AB, Managing Director 2008–2010, Managing Partner 2004–2008, Director
2001–2004, Deputy Director 1996–2001, Associate 1993–1996.
Lundinvest Oy, Managing Director 1991–1992, CFO 1990–1991.
Amer Oy, Business Controller 1988–1990.
Y-Rahoitus Oy, Financial Director 1986–1988.

Other positions of trust:

Board memberships:
Hartwall Capital, member, chairman.
Alpcot Agro AB, member.
Oy Desinfinator Ltd, member.
Time/system Holding AG, member.

Board memberships ended within the past five years:

Suomen Lähikauppa Oy
Moventas Oy
Dynea Oy
Mediverkko Oy
Karolinska Development AB
Rindi Energi AB
Abetsmiljöforum i Sverige AB

Anna Hyvönen (member)

Born 1968, Lic. (Tech.), Executive Vice President of Finland & Baltic, SVP, Ramirent Plc. Finnish citizen.

Independent of Caverion Corporation and its major shareholders. The estimate is based on an assumption that no changes in matters influencing the assessment of independence will take place by the incorporation of Caverion Corporation.

Primary working experience:

KONE Corporation, management tasks with the Maintenance Business unit 2008–2012.
Nokia Networks, various international management positions 1995–2007: among other assignments, responsibility for maintenance business operations in Latin America and Eastern Europe as well as service business portfolio and cost management globally.

Ari Lehtoranta (member)

Born 1963, M.Sc. (Eng.), KONE Corporation, Executive Vice President, Central and North Europe, Customer Experience. Member of KONE Corporation's Executive Board. Finnish citizen.

Member of YIT's Board of Directors since 2013.

Independent of Caverion Corporation and its major shareholders. The estimate is based on an assumption that no changes in matters influencing the assessment of independence will take place by the incorporation of Caverion Corporation.

Primary working experience:

KONE Corporation, Executive Vice President, Major Projects 2008–2010.
Nokia Siemens Networks/Nokia Networks, Head of Radio Access 2005–2008.
Nokia Corporation, Vice President of Operational Human Resources 2003–2005.
Nokia Networks, Head of Broadband Division, Systems Integration and Vice President for Customer Services for Europe,

Nokia Telecommunications, Managing Director in Italy and various other positions 1985–2003.

Positions of trust:

Elisa Corporation, Vice Chairman of the Board of Directors 2012–, member of the Board of Directors 2009–.

Eva Lindqvist (member)

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

Independent of Caverion Corporation and its major shareholders. The estimate is based on an assumption that no changes will take place in matters influencing the assessment of independence will take place by the incorporation of Caverion Corporation.

Primary working experience:

Xelerated Holding AB, Chief Executive Officer, Sweden, China and USA, 2007–2011.

TeliaSonera, various management positions in 2000–2007, including head of mobile business and international servicing business in 17 countries.

Ericsson Group, various management positions in 1981–1999.

Positions of trust:

Board memberships:

Sweco AB 2013–.

Bodycote plc 2012–.

MicronicMydata AB 2012–.

Episerver AB, 2011–.

Tieto Corporation 2010–.

Assa Abloy AB 2008–.

Positions of trust ended within the past five years:

Board memberships:

Xelerated 2007-2011

Niscayah AB 2006-2011

BitSec AB 2010-2011

Todos AB 2009-2010

Admeta AB 2008-2010

V&S Vin&Sprit Aktiebolag 2007-2008

Elfa Intressenter AB 2007-2008

Trolltech ASA 2007-2008

FAST Search ASA 2007-2008

16.3.2. President and CEO and Management Board

The President and CEO appointed by the Board of Directors is responsible for the management and supervision of the Company's day-to-day business under the Limited Liability Companies Act and the authorities and guidelines issued by the Board of Directors.

Until the Effective Date of the Demerger, Caverion's President and CEO will be appointed by YIT's Board of Directors. After this, the right to appoint lies with Caverion's Board of Directors. In its meeting on May 3, 2013, YIT's Board of Directors appointed Juhani Pitkääkoski, LL.M., as Caverion's President and CEO. The appointment will take effect on the Effective Date of the Demerger. Juhani Pitkääkoski has acted as the President and CEO of YIT since 2008 and has been employed by the YIT Group since 1988.

Juhani Pitkääkoski (President and CEO of Caverion Corporation)

Born 1958, LL.M.

In the Group's employ since 1988

Primary working experience:

YIT Corporation: President and CEO, 2008-
Building and Industrial Services segment: President, 2009
Building Services segment: President, 2003–2008
YIT Installation Ltd: President, 2002–2003
YIT Industry Ltd: Executive Vice President, 2000–2002
YIT Service Ltd: Managing Director, 1998–2000
YIT Corporation: Unit Manager, 1997–1998
YIT Huber Teollisuus Ab: Managing Director, 1994–1996
Oy Huber Ab: Director of the Factory Service Unit, 1991–1994
Attorney-at-law, 1988–1991
The Electrical Contractors' Association of Finland: Attorney-at-Law, 1986–1988

YIT's Board of Directors has simultaneously appointed the following persons as members of Caverion's Management Board in addition to Juhani Pitkääkoski:

Karl-Walter Schuster (Building Services Central Europe and Project Excellence)

Born 1950, M.Sc. (Eng.)
In the Group's employ since 2008

Primary working experience:

YIT Building Services Central Europe segment: President, 2011-
YIT Building and Industrial Services: Head of Central Europe division, 2008–2011
MCE AG, Austria: Head of Building Services division, member of Executive Committee, 2004–2008
Groupe Fabricom, Belgium/SUEZ: Head of Tractebel Energy Services Central Europe, Responsible for all Axima und Elyo companies in CEE, 2001–2003
Sulzer AG, Switzerland: Regional Manager, Managing Director Sulzer Infra Germany, member of Executive Board Sulzer Infra Switzerland, 1991–2001
LTG Lufttechnische GmbH, Germany: Project Manager, Branch Office Manager, 1974–1991

Positions of trust:

FGK Fachverband Gebäude-Klima (organisation for air conditioning and ventilation of properties): member of the Board of Directors, 2011-;
BHKS (technical building system organization): member of the Board of Directors, 2004-

Matti Malmberg (Building Services Northern Europe and Service Efficiency)

Born 1960, M.Sc. (Eng.)
In the Group's employ since 2003

Primary working experience:

YIT Corporation: Head of Building Services Northern Europe segment, 2011-
YIT Building Systems Ltd.: Managing Director, 2006–2011;
Senior Vice President, 2004–2005
ABB Corporation: Business Line Manager, Building Systems, 1997–2003;
Profit Center Manager, 1996–1997;
Production Manager, 1990–1996;
Profit Center Manager, 1985–1990

Antti Heinola (CFO)

Born 1973, M.Sc. (Econ.)
In the Group's employ since 2008

Primary working experience:

YIT Building Systems Ltd., North Europe, Segment CFO 2012-
YIT Construction, Construction Services Finland, Segment CFO 2009-2012
YIT Construction, Construction Services Finland, Accounting Manager 2008-2009
MTG Ab/Oy Viasat Ab, Financial Control/Business Development, 2007-2008
PricewaterhouseCoopers Oy, Auditor 2004-2007

Sakari Toikkanen (Business Development)

Born 1967, Lic. (Tech.)

In the Group's employ since 1997

Primary working experience:

YIT Corporation: Senior Vice President, Business Development, 2008-

Executive Vice President, 2006–2008

YIT Building Systems Ltd: Executive Vice President, 2003–2005

YIT Corporation: Vice President, Corporate Planning, 2001–2003

YIT Construction Ltd: Development Manager, 1999–2000

Quality Manager, 1997–1998

Helsinki University of Technology: Researcher, 1993–1996

Marcus Kerriou (Senior Vice President, Human Resources)

Born 1957, M.Sc. (Psychology)

In the Group's employ since 2013

Primary working experience:

YIT Building Services Central Europe GmbH, Human Resources Manager 2013 –

Beckers Group, Senior Vice President, Human Resources and Communication 2012

Molex Inc., Vice President, Eurooppa, henkilöstö 2008-2011

Molex Inc., Vice President, Division of global sales and marketing, Human Resources 2006-2008

Molex Inc., Director, Europe, Human Resources 1998-2006

Molex, Inc., Manager, Europe, Human Resources 1992-1998

Wella AG, Senior Personnel Specialist 1988-1992

Päivi Alakuijala (Communication)

Born 1967, M.Sc. (Agr. & Forest)

In the Group's employ since 2012

Primary working experience:

YIT Corporation, Director of Corporate Communications, 2012-

Itella Oy, Communications and Corporate Responsibility, 2004-2012

Communication CW Works, Senior Communications Consultant 1998-2004

Hyvää Suomesta Food Project, Communications Manager 1993-1998

Journalist in different press media between 1990 and 1993

And Division Directors:

Jarno Hacklin

Born 1978, engineer

In the Group's employ since 2001

Primary working experience:

YIT Kiinteistötekniikka Oy, Managing Director 2011-

YIT Kiinteistötekniikka Oy, Business Segment Manager 2010–2011

Business Development Manager, Russia and the Baltics, 2009–2010

ZAO YIT Peter, St. Petersburg, Russia

Supply Manager, Russia and the Baltics 2006–2009

YIT Kiinteistötekniikka Oy, Building Services Finland

Procurement Manager, 2003–2006

YIT Huber Oy

Project engineer 2001–2003

Erkki Huusko

Born 1957, Engineer

In the Group's employ since 1997

Primary working experience:

YIT Teollisuus Oy, Managing Director 2010-
YIT Industrial and Network Services, Senior Vice President, 2007-2010
Oy Botnia Mill Service Ab, Managing Director 2005-2007
YIT Service Oy, Vice President, Regional Maintenance Services, 2002-2005
YIT Service Oy, Director, Maintenance Services, 2001-2005
YIT Power Oy, Manager of Production Services Unit, 1997-2001
Between 1982 and 1997 workshop and business unit manager in Power Piping Oy and Oy Wärtsilä Ab

Ulf Kareliusson

Born 1950, Vocational Qualification in Business and Administration
In the Group's employ since 2001

Primary working experience:

YIT Sverige AB, Sweden, Managing Director 2013-
YIT Sverige Ab, area manager 2001-2013
Calor Ab, area manager 1988-2001
Calor Ab, department manager 1978- 1988
Calor Ab, operating unit manager 1974- 1978
Calor Ab, designer 1970-73

Peter Rafn

Born 1968, M.Sc. (Econ.)
In the Group's employ since 2012-

Primary working experience:

YIT A/S, Denmark, Managing Director 2012-
NetDesign A/S, Denmark, Managing Director 2006-2011
Contactel s.r.o., Czech Republic, Managing Director 2005-2006
TDC, Denmark, Vice President 2000-2005
TDC, Denmark, Director 1999-2000
Talkline, Germany, Controller 1998-1999
Belgacom, Belgium, Project leader 1996-1998
TDC, Denmark, Business analyst 1994-1996
Danske Bank, Assisting Vice President 1993-1994
BMW, Germany, Management trainee 1992-1993

Knut Gaaserud

Born 1967, M.Sc. (Technology)
In the Group's employ since 2004-

Primary working experience:

YIT AS, Norway, Managing Director 2013-
YIT Norway, Senior Vice President Sales, Marketing, Strategy and Media 2009-2012
YIT Norway, Director AV Division 2006-2009
YIT Norway, Manager Business Development Service 2004-2006
Thommessen&Co, Partner, consultant 2002-2004
Cell Network/ Bouvet, Chief Operation Officer 2000-2002
Andersen Consulting/ Accenture, Project Manager, consultant, manager 1992-2000

Ralf Lutz

Born 1963, Degreed Engineer (Univ.)
In the Group's employ since 2010
(incl. former Caverion and M+W Zander Gebäudetechnik)

Primary working experience:

YIT Germany GmbH, Germany, Managing Director 2011 –
YIT Germany incl. former Caverion; division manager of international business 2005 – 2011
M+W Zander and caverion , Head of branch Nuremberg 2001 – 2007
Owner of own engineering company 1992 – 2001
Meißner + Wurst, Project Manager 1990 -1992

Manfred Simmet

Born 1966, Engineer
In the Group's employ since 2008 -

Primary working experience:

YIT Austria GmbH, Austria, Managing Director 2008 –
Siemens – Head of Business segment HVAC Austria and International (including Russia and Ukraine) 2005-2008
Siemens – responsible for organisation development during integration of VA Tech Elin EBG into Siemens -
2005
VA Tech Elin EBG – Head of department HVAC and BMS for Austria and international 2002-2005
VA Tech Elin EBG – Teamleader and project manager for HVAC and BMS 1991-2002
Elin Energieanwendung – Project manager for HVAC 1988-1991
Elin Energieanwendung – project engineer BMS 1987-1988

These appointments will also take effect on the Effective Date of the Demerger.

Should the President and CEO resign, be dismissed or otherwise be unable to perform his duties before the Effective Date of the Demerger, YIT's Board of Directors has the right to appoint a new President and CEO until the Effective Date of the Demerger.

16.3.3. Management's backgrounds and family relations

None of the members of Caverion's proposed Board of Directors or of the Management Board has been convicted of any fraudulent offence during the last five years, and none of them have been involved in any bankruptcies, receiverships, or liquidations while seeing to their management tasks for YIT or been the subject of any official public prosecution and/or sanctions by statutory or regulatory authorities during the past five years. Moreover, none has been disqualified by a court from acting as a member of the administrative, management, or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

There are no family relations between the members of the Company's Board of Directors and of the Management Board.

16.3.4. Conflicts of interest

The Limited Liability Companies Act includes provisions on the management's conflicts of interest. In accordance with Chapter 6, section 4 of the Limited Liability Companies Act, members of the Board of Directors and the managing director are disqualified from the consideration of a matter pertaining to contracts between them and the company. They also may not take part in the consideration of a matter pertaining to a contract between the company and a third party, if they are to derive an essential benefit in the matter and that benefit may be contrary to the interests of the company. The provisions above on a contract apply correspondingly to other transactions and court proceedings. The Limited Liability Companies Act contains no provisions on conflicts of interest of Management Board members.

The members of Caverion's Board of Directors and Management Board and the President and CEO have no conflicts between their duties within the company and their private interests and/or other duties.

On the basis of an assessment of independence, the proposed members of Caverion's Board of Directors are considered to be independent of the Company and its major shareholders, apart from Henrik Ehnrooth, candidate as Chairman of the Board of Directors, who is considered to be non-independent of Caverion's major shareholders.

16.3.5. Auditors

According to Caverion's Articles of Association, the Company has one auditor that must be a firm of auditors approved by the Central Chamber of Commerce. The auditor's term of office is the financial period in progress at the time of election and ends at the close of the next Annual General Meeting following the election. Caverion's auditor will be elected by the General Meeting deciding on YIT's Demerger on June 17, 2013. YIT's Board of Directors has proposed, as recommended by the Audit Committee, that PricewaterhouseCoopers, Authorised Public Accountants, be elected as the auditor. PricewaterhouseCoopers has conditionally appointed Heikki Lassila, Authorised Public Accountant, as Caverion's responsible auditor.

16.4. Board's work

Caverion's Board of Directors will be elected for the first time in YIT's Extraordinary General Meeting held on June 17, 2013. The proposed members of the Board are specified above. In accordance with Caverion Corporation's proposed Articles of Association, the term of office of a Board member ends at the close of the Annual General Meeting. In its work, Caverion's Board of Directors will comply with the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code issued by the Securities Market Association.

16.5. Committees

The committees of Caverion's Board of Directors will only be organised after the Extraordinary General Meeting of YIT to be held on June 17, 2013.

16.6. Corporate Governance

Caverion is committed to good corporate governance through compliance with laws and regulations in all of its operations and implementing recommendation for good corporate governance. The governance of Caverion Group will comply with the company's Articles of Association, Finnish legislation, the Limited Liability Companies Act in particular, Accounting Act, securities markets regulation and other decrees and regulations relevant to the governance of a public limited liability company. Furthermore, Caverion's operations will be guided by values and internal operating principles to be ratified by the Company.

Caverion Corporation will also comply with the Finnish Corporate Governance Code for listed companies (hereinafter "the Code") issued by the Securities Market Association in June 2010. The Code is available on the Internet at www.cgfinland.fi. If Caverion deviates from a recommendation of the Code, it will specify the deviation and justify it.

16.7. Shareholding by the members of the Board of Directors and Management Board

The proposed members of the Board of Directors of Caverion and the President and CEO and his deputy held a total of 43,100 YIT shares on 27 May, 2013, which represents approximately 0.003 per cent of YIT shares and votes.⁸ Share ownership includes individuals' direct holdings and the holdings of their related parties and controlled corporations.

In the Demerger, YIT's shareholders will receive one Caverion share for each YIT share held as demerger consideration, so in the Demerger, the Board members, President and CEO and his deputy will receive the same number of Caverion shares as the number of YIT shares they hold.

Shares held by the Board of Directors, the President and CEO and the Group Management Board on May 27, 2013

	Shares
Caverion's proposed Board of Directors	-
Henrik Ehrnrooth ⁸	-
Michael Rosenlew	-
Anna Hyvönen	-
Ari Lehtoranta	-
Eva Lindqvist	-
President and CEO Juhani Pitkääkoski	43,100
Caverion Group's Management Board excluding the President and CEO	50,439
Karl-Walter Schuster	8,465
Matti Malmberg	7,485
Antti Heinola	4,261
Sakari Toikkanen	19,682
Marcus Kerriou	-
Päivi Alakuijala	-
Jarno Hacklin	2,586
Erkki Huusko	5,680
Ulf Kareliusson	771
Peter Rafn	691
Knut Gaseruud	506
Ralf Lutz	2,200
Manfred Simmet	2,377
Total	95,539

16.8. Board of Directors' and management's fees and benefits

The Annual General Meeting decides on the fees payable to the members of the Board of Directors.

No special benefits or rights will be issued to the members of the Boards of Directors, President and CEOs or auditors of YIT and Caverion or auditor issuing a statement on the Demerger Plan in connection with the Demerger.

The fees of Caverion's Board of Directors and auditor will be decided on by YIT's General Meeting deciding on the Demerger. Caverion is solely responsible for the payment of the fees of Caverion's Board of Directors and auditor as well as any other related expenses and liabilities, also if the fee, expense or liability may concern a time predating the registration of the execution of the Demerger. The fee of the auditor issuing a statement on the Demerger Plan is proposed to be paid according to an invoice approved by YIT's Board of Directors. YIT is solely liable for the fee paid for the statement.

YIT's Board of Directors proposes as recommended by its Personnel Committee that the Chairman, Vice Chairman and members of Caverion's Board of Directors be paid the following fees: Chairman EUR 6,600/month (EUR 79,200/year), Vice Chairman EUR 5,000/month (EUR 60,000/year), member EUR 3,900/month (EUR 46,800/year) and a meeting fee of EUR 550 per meeting. In addition, it is proposed that similarly EUR 550 be paid to the members of the committees of the Board of Directors for each committee

⁸ The proposed chairman of the Board of Directors Henrik Ehrnrooth holds indirectly with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth a controlling interest in Structor S.A., which will become a major shareholder of Caverion by ownership of 15,430,000 shares.

meeting. Per diems are proposed to be paid for trips in Finland and abroad in accordance with the State's travelling compensation regulations.

YIT will conclude a standard director's service contract with Juhani Pitkääkoski, who was appointed as Caverion's President and CEO, for and on behalf of Caverion. The contract will take effect upon the registration of the execution of the Demerger. According to the contract the total remuneration of the President and CEO consists of a monetary compensation and fringe benefits. Fringe benefits include a company car and a meal benefit. With regards to the bonuses, the bonus policies incorporate at Caverion at each time will be used. The President and CEO is included in the possible incentive schemes of Caverion according to the decisions of the Board of Directors of the company. This director's service contract will be transferred to Caverion with all related rights and obligations upon the registration of the execution of the Demerger. Caverion is solely responsible for the payment of the fees payable to the President and CEO under the director's service contract and any other related expenses and liabilities, also if the fee, expense or liability may concern a time predating the registration of the execution of the Demerger.

YIT has an incentive scheme for the Group's management and key personnel dated March 10, 2010 (amended February 3, 2011), and the last related rewards based on it were paid in April 2013. Thus, no more rewards will be paid under this scheme. YIT's Board of Directors will decide on the effects of the Demerger on the share-based incentive scheme in accordance with the terms and conditions of the scheme prior to the registration of the execution of the Demerger. YIT's Board of Directors may also make such decisions regarding the employees to be transferred to Caverion or its group of companies, and its decision will be binding on YIT, Caverion and the persons included in the incentive scheme.

17. SHARES AND SHARE CAPITAL

17.1. General

Caverion is a public limited company organised under the laws of the Republic of Finland, incorporated on the Effective Date of the Demerger, which is estimated to take place on June 30, 2013. The Company's business name is Caverion Corporation, and it will be entered in the Finnish Trade Register maintained by the National Board of Patents and Registration of Finland on June 30, 2013. The Company is domiciled in Helsinki and its registered office is located at Panuntie 11, FI-00620 Helsinki, Finland, and its telephone number is +358 20 433 111.

According to Article 2 of the Company's proposed Articles of Association attached to the Demerger Plan:

"The objects of the Company are to engage in consulting, research, design, production and installation activities related to building services, industrial processes, distribution of electricity, telecommunications and data connections, automation, energy management, generation and storage of renewable energy, safety solutions business and municipal engineering as well as service and maintenance business related thereto in Finland and abroad. The Company offers drafting of the operation plans for properties, management and supervision of the technical operation and maintenance of properties, maintenance and control services for machinery, equipment and technical systems of the property branch, as well as other services related to the operation and maintenance of properties, energy services, renovations, house management and housing services as well as services related to leasing properties and security business in Finland and abroad. The Company may engage in the activities in accordance with its declared objects either directly and/or through its subsidiaries and affiliated companies and joint ventures. In its capacity as the parent company in the Group, the Company offers services in the fields of Group administration, human resources management, financing, financial issues, legal and tax affairs, investor relations and communications as well as other joint services."

17.2. Share information

General

The Company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the Company. The Company's shares have no nominal value. All Caverion shares carry equal rights to dividends and other distributions by the Company (including the distribution of assets upon dissolution).

The shares in Caverion are not publicly listed on the publication date of the Registration Document. An application concerning the listing of all Caverion shares on the Helsinki Stock Exchange with the trading code "CAVIV" will be submitted after the General Meeting of June 17.

In accordance with the Demerger Plan, Caverion's share capital will be EUR 1,000,000 and the Company will have 125,598,591 shares, provided that the number of YIT shares or the number of treasury shares held by YIT will not change before the registration of the execution of the Demerger.

17.3. Authorisations

YIT's Board of Directors proposes to YIT's Extraordinary General Meeting to be held on June 17, 2013, which will decide on the Demerger, that the General Meeting authorise Caverion's Board of Directors to decide on the repurchase of shares and share issues under the following conditions:

17.3.1. Authorising the Board of Directors of Caverion to decide on the acquisition of treasury shares

YIT's Board of Directors proposes that the General Meeting authorise the Board of Directors of Caverion to decide on the repurchase of Caverion shares using the company's unrestricted equity under the following terms and conditions:

A maximum of 12,500,000 company shares may be purchased. The shares will be purchased in disproportion to shareholders' holdings. They will be purchased in public trading on NASDAQ OMX Helsinki Oy. The shares will be purchased at their market value in public trading on NASDAQ OMX Helsinki Oy at the time of purchase. The share buyback will reduce the Company's distributable unrestricted equity. The authorisation is valid until March 31, 2014. The Board of Directors is permitted to make a decision based on this authorisation only after the implementation of the Demerger.

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

YIT Corporation's Board of Directors proposes that the General Meeting authorise Caverion's Board of Directors to decide on share issues under the following conditions:

The authorisation may be used in full or in part by issuing shares in the company in one or more issues so that the maximum number of shares issued is a total of 25,000,000 shares.

The Board of Directors may decide on a directed share issue in deviation from the shareholders' pre-emptive rights. The Board of Directors will be authorised to decide to whom and in which order the shares will be issued. In the share issue, shares may be issued for subscription against consideration or for no consideration. Based on the authorisation, the Board of Directors may also decide on a share issue without consideration directed to the company itself, provided that the number of shares held by the company after the share issue would be a maximum of 10 per cent of the all shares in the company. This amount includes the shares held by the Company and its subsidiaries in the manner provided for in Chapter 15, Section 11(1) of the Limited Liability Companies Act.

This authorisation empowers the Board of Directors to decide on the terms and conditions of and measures related to the share issues in accordance with the Limited Liability Companies Act, including the right to decide whether the subscription price will be recognised in full or in part in the invested unrestricted equity reserve or as an increase to the share capital.

The share issue authorisation set out in this section includes the authorisation of the Board of Directors to decide on the transfer of own shares that may be acquired on the bases of the proposed authorisation.

This authorisation applies to a maximum of 12,500,000 shares in the Company. The Board of Directors is authorised to decide on the purpose for transferring such shares and on the terms and conditions for such transfer. The authorisation is valid until March 31, 2014. The Board of Directors is permitted to make a decision based on this authorisation only after the implementation of the Demerger.

17.4. Option rights

The Company has not issued options.

17.5. Bonds

The bonds and commercial papers issued by YIT will remain with YIT in the Demerger.

YIT has not issued convertible bonds or subordinated loans.

17.6. Ownership structure

Caverion's ownership structure on the Effective Date of the Demerger corresponds with YIT's ownership structure on the Implementation Date of the Demerger. YIT Corporation had 38,594 registered shareholders at the end of May 2013 (5/2012: 35,925). At the end of May 2013, a total of 35.1 per cent of the shares were owned by nominee-registered and non-Finnish investors (5/2012: 31.5%).

The table below presents YIT's major shareholders on May 31, 2013.

Shareholders on May 31, 2013

	Shares pcs	% of the shares and votes ⁹
1. Structor S.A.	15,430,000	12.13
2. Varma Mutual Pension Insurance Company	7,732,100	6.08
3. Antti Herlin	4,580,180	3.60
Holding Manutas Oy	2,800,000	2.20
Security Trading Oy	1,750,000	1.38
Herlin Antti	30,180	0.02
4. Mandatum Life Insurance Company Ltd.	4,370,951	3.44
5. Ilmarinen Mutual Pension Insurance Company	2,322,115	1.83
6. LocalTapiola General Mutual Insurance Company	1,980,541	1.56
7. Nordea-funds	1,856,163	1.46
8. OP-funds	1,832,834	1.44
9. Odin-funds	1,799,576	1.41
10. The Society of Swedish Literature	1,680,400	1.32
(11. YIT Corporation	1,618,560	1.27)
12. Danske Invest -funds	1,413,678	1.11
13. Government Pension fund	1,370,000	1.08
14. Ilkka Brotherus	1,304,740	1.03
15. Fondita-funds	1,034,000	0.81
50 largest shareholders, total	61,604,999	48.42
Nominee registered shares, total	26,528,913	20.85
Other shareholders	39,089,510	30.73
Total	127,223,422	100.00

Ownership by shareholder groups May 31, 2013

	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares, %
Nominee registered and non-Finnish	227	0.59	44,702,670	35.1
Households	35,348	91.59	27,595,901	21.3
Public institutions	47	0.12	16,446,532	12.9
Financial and insurance corporations	148	0.38	15,747,42	12.4
Non-profit institutions	568	1.47	9,175,741	7.2
Non-financial corporations and housing corporations	2,256	5.68	13,551,828	10.7
Total	38,594	100.0	127,223,422	100.0

⁹ This percentage has been calculated by using the total number of YIT's shares, including treasury shares held by YIT. As the Demerger Consideration will not be paid to treasury shares held by YIT, the percentage presented here does not fully correspond to the equivalent percentage of Caverion's future ownership structure.

Ownership by number of shares held May 31, 2013

Number of shares	Number of shareholders	Proportion, %	Number of shares	Proportion, %
1 – 100	10, 98	27.5	681,054	0.5
101 – 500	15,829	41.0	4,420,244	3.5
501 – 1,000	5,881	15.2	4,592,502	3.6
1,001 – 5,000	5,104	13.2	11,101,496	8.7
5,001 – 10,000	612	1.6	4,412,278	3.5
10,001 – 50,000	426	1.1	9,053,238	7.1
50,001 – 100,000	63	0.2	4,436,681	3.5
100,001 – 500,000	55	0.1	11,970,572	9.4
500,001 -	26	0.1	76,551,849	60.2
Total	38,594	100	127,223,422	100

This information is based on the shareholder list maintained by Euroclear Finland Ltd. Each nominee register is recorded in the share register as a single shareholder. The portfolios of many investors can be managed through one nominee-registered shareholder.

17.7. Summary of the rights attached to the Company's shares

Below is a summary of the rights conferred by the Company's shares, based on the Limited Liability Companies Act (624/2006) and the Company's Articles of Association.

Pre-emptive rights

Under the Limited Liability Companies Act, shareholders have the pre-emptive rights to subscribe for new shares of companies. A resolution to issue new shares waiving pre-emptive rights as well as a resolution to grant option rights and other special rights entitling to the Company's shares requires at least two-thirds of all votes cast and shares represented at a General Meeting of Shareholders. In addition, such resolution requires that there is a weighty financial reason for the Company to do so. According to the Finnish Limited Liability Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty reason for the same both for the Company and in regard to the interests of all shareholders in the Company.

General Meeting of Shareholders

Under the Limited Liability Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings of Shareholders. The Company's Articles of Association require that a General Meeting of Shareholders be held annually by the end of March. A General Meeting of Shareholders decides, among other things, upon the adoption of the financial statements and consolidated financial statements, distribution of profit shown on the balance sheet, discharge of the Board of Directors and of the President and CEO from liability, number of Board members and fees payable to the Chairman, Vice Chairman and members of the Board of Directors, the auditor's fee and the election of Board members and the auditor. Extraordinary General Meetings of Shareholders in respect of particular matters must be held when considered necessary by the Board of Directors or required by the Limited Liability Companies Act.

Under the Company's Articles of Association, the Meeting of Shareholders shall be convened through a notice published on the company website. However, the Board of Directors may decide to publish the notice of meeting as a newspaper advertisement. If so, the notice of meeting will be served by placing an advertisement in a newspaper with nationwide circulation selected by the Board of Directors. Under the Limited Liability Companies Act, the notice of the General Meeting shall be published no earlier than three (3) months and no later than three (3) weeks before the General Meeting of Shareholders, however, at least nine days before the record date of the General Meeting. The right to attend General Meetings of Shareholders is vested in those shareholders who, by the deadline stated in the notice of the meeting, have notified the Company of their intention to attend the meeting. The deadline shall be no more than ten (10) days prior to the meeting.

In order to have the right to attend and vote at a General Meeting of Shareholders, a shareholder must, under the Act on the Book-entry System, be registered no later than eight (8) business days prior to the relevant General Meeting of Shareholders (the record date of the General Meeting of Shareholders) in the shareholders' register maintained by Euroclear Finland Ltd ("Euroclear Finland"). A nominee-registered shareholder wishing to attend the General Meeting of Shareholders should seek a temporary registration in the shareholders' register. The notification of temporary registration should be made at the latest on the date mentioned in the notice to the General Meeting of Shareholders, which is according to law after the record date of the General Meeting of Shareholders. Such a notification for a temporary registration is considered a notice of participation in the General Meeting of Shareholders. If the shareholder is participating in the General Meeting of Shareholders through several authorised representatives, the shareholder shall in connection with the notification notify the shares on the basis of which each authorised representative represents the shareholder.

Except for certain exceptions stipulated in the Finnish Companies Act, there are no quorum requirements for General Meetings of Shareholders.

Voting right

A shareholder may attend and vote at a General Meeting of Shareholders in person or through an authorised representative. Each share entitles its owner to one vote in the General Meeting of Shareholders. If the shareholder's shares are recorded into more than one book-entry account, the shareholder has the right to use a different authorised representative for each book-entry account. The shareholder may also vote differently with part of his owned votes. In order to attend and vote at a General Meeting of Shareholders, a shareholder must be registered in the shareholders' register maintained by Euroclear Finland.

At the General Meeting of Shareholders, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, waiving shareholders' pre-emptive right to subscribe for shares in a new issue and resolutions on a merger, a demerger or dissolution of the Company require at least a two-thirds majority of the votes cast and the shares represented at the meeting.

Dividend and distribution of other unrestricted equity

A General Meeting of Shareholders decides on the payment of a dividend and other distribution of equity by the majority of the votes cast. The shares of the Company carry equal rights to dividends and other distributions by the Company. In accordance with prevailing practice in Finland, dividends on shares are only paid once a year and only after shareholder adoption of the Company's financial statements and the proposal for the distribution of a dividend made by the Board of Directors. However, under the Finnish Limited Liability Companies Act, the decision on the payment of a dividend may be made, in addition to the General Meeting of Shareholders, by the Board of Directors by virtue of an authorisation given by the General Meeting of Shareholders.

Under the Finnish Limited Liability Companies Act, companies are entitled to distribute as dividends an amount corresponding to no more than the distributable funds of the parent company, i.e. consolidated financial statements do not limit the amount of dividend distribution. The financial statements of Caverion Group are prepared in accordance with IFRS standards. The financial statements of the parent company are prepared in accordance with Finnish laws and regulations on financial statements (Finnish Accounting Standards, FAS). Under the Finnish Limited Liability Companies Act, shareholders' equity is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves as well as any possible legal reserve and share premium reserve formed subject to the old Companies Act effective prior to September 1, 2006. The other reserves are included in unrestricted equity. Accordingly, unrestricted equity includes the profit for the preceding year, retained earnings from previous years and other unrestricted equity, including the funds in the invested unrestricted equity fund, less the reported losses and the amount that the Articles of Association of the company requires to be left undistributed, and certain other undistributable funds.

The Finnish Limited Liability Companies Act emphasises the maintenance of the company's solvency in connection with the distribution of funds and, consequently, no funds may be distributed if, when making the decision on the distribution, the persons knew or should have known that the company was insolvent or that it would become insolvent due to the distribution of the funds.

Under the Finnish Companies Act, the amount of dividend may not exceed the amount proposed or accepted by the Board of Directors. However, shareholders holding no less than ten per cent of all the shares may request at the Annual General Meeting of Shareholders that the amount distributed as dividend shall be at least one-half of the profit of the parent company for the last preceding year, less the amount that the Articles of Association of the company may require to be left undistributed and the possible prior dividends paid in respect of the year in question. However, the dividend so paid may neither exceed the amount distributable without the creditors' consent nor eight per cent of the total shareholders' equity of the parent company.

Under the Finnish Limited Liability Companies Act, the distribution of profits is also allowed on the basis of an approved balance sheet of the parent company for a year which has commenced or is on-going, and thus interim dividends based on current year's earnings are also allowed. Essential changes in the financial condition of the company that have occurred after the approval of the most recent balance sheet shall be taken into consideration when deciding on the distribution of profits.

Under the Finnish Limited Liability Companies Act, dividends and other distributions are paid to shareholders or their nominees entered in the shareholders' register on the relevant record date. This register is maintained by Euroclear Finland through the account operators. No dividends are payable to shareholders not entered in the shareholders' register.

The right to dividends is forfeited after three (3) years from the date when the dividend is payable according to the decision on the dividend.

Distribution of other unrestricted equity is effected essentially in the same way as described above regarding distribution of dividend.

Obligation to make a mandatory bid and redemption obligation and right

According to the Finnish Securities Market Act, a shareholder holding more 30 per cent or 50 per cent of the voting rights attached to shares in a company after the shares or securities entitling to such shares of the company have entered into public trading, is obligated to make an offer for all remaining shares and securities entitling to such shares in the company at fair value (mandatory bid). According to the Finnish Securities Market Act, the obligation to launch a mandatory bid shall, however, not arise if the securities resulting in the threshold referred to above being exceeded have been acquired through takeover bid, provided that the initial takeover bid is made for all securities entitling to voting rights of the target company. In addition, there is no obligation to make a mandatory bid if the limit for making a mandatory bid is exceeded solely due to the action of the target company or another shareholder. The obligation to make a mandatory bid ceases to exist if the party obligated to make a mandatory bid surrenders the share of votes exceeding the limit for making a mandatory bid within one month of the obligation to make a bid emerging by surrendering shares in the target company or otherwise decreasing its share of votes in the company in question.

Under the Finnish Limited Liability Companies Act, a shareholder holding shares representing more than 90 per cent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair value (squeeze-out). In addition, a shareholder whose shares can be redeemed in the above-mentioned manner is entitled to demand redemption of his/her shares from the majority shareholder entitled to exercise redemption (sell-out).

18. STOCK MARKET INFORMATION

Each share confers one vote to its holder at General Meetings of the Company. The shares have no nominal value. The shares in Caverion are not publicly listed on the publication date of the Registration Document. Caverion will submit an application for the listing of all of the Company's shares on the Helsinki Stock Exchange under the trading code "CAV1V" on or around July 1, 2013.

19. FINNISH SECURITIES MARKET

The following summary is a general description of the Finnish securities market and is based on the laws in force in Finland on the date of this Registration Document. The following summary is not exhaustive.

19.1. General

The securities market in Finland is supervised by the Finnish Financial Supervisory Authority (“FSA”). The primary law governing securities markets is the Finnish Securities Markets Act (14.12.2012/746), which contains provisions, among others, in respect of company and shareholder disclosure obligations, the admission of securities to the stock exchange, public tender offers and the abuse of insider information. The regulation concerning admission of securities to public trading and the trading in listed securities is collected in the Act on Trading with Financial Instruments (14.12.2012/748). The role of the FSA is to monitor compliance with these regulations.

The Finnish Securities Markets Act specifies minimum disclosure requirements for Finnish companies applying to have their securities listed on the Helsinki Stock Exchange or whose securities are publicly traded in a regulated market or in a stock exchange and who offer their securities to the public. The information provided on factors that may have a material effect on the value of the securities must be sufficient to enable investors to make a sound evaluation of the securities and their issuer. A Finnish company whose securities are subject to public trading on a regulated market place are responsible for regularly publishing financial information concerning the Company as well as all for informing the markets of any matters likely to have a material effect on the value of their securities.

A shareholder is required to notify the listed company and the FSA when its voting participation in, or its percentage ownership of, the issued share capital of such Finnish listed company reaches, exceeds or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66 per cent, 67 per cent or 90 per cent of the votes or the total amount of shares of the listed company calculated according to the Securities Markets Act. The notification must also be given when a shareholder is a party to an agreement or other arrangement which will, if executed, lead to reaching, exceeding or decreasing of the said limits of votes or ownings in the company. The notification must be made without undue delay, however at latest on the next trading day following when the shareholder received or should have received information of such change in its shares or votes. After receiving the mentioned information the listed company must publish the information with a stock exchange release.

According to the Securities Markets Act a shareholder holding more than 30 per cent or 50 per cent of the voting rights attached to share in a company after the shares or securities entitling to such shares of the company have been entered into public trading, is obligated to make an offer for all remaining shares and securities entitling to such shares in the company at fair value (mandatory bid). Under the Finnish Limited Liability Companies Act, a shareholder holding shares representing more than 90 per cent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair market value (squeeze-out). In addition, a shareholder whose shares can be redeemed in the above-mentioned manner is entitled to demand redemption of his or her shares from the majority shareholder entitled to exercise redemption (sell-out). Detailed rules apply to the calculation of the proportions of shares and votes discussed above. In Caverion’s Articles of Association, there are no provisions deviating from the law with regards to squeeze-out or sell-out.

The Finnish Penal Code (19.12.1889/39, as amended) contains provisions relating to breach of disclosure requirements, the misuse of privileged or insider information and market manipulation. Breach of these provisions constitutes a criminal offence. The FSA has the right to impose administrative sanctions for breach of the provisions relating to market abuse and disclosure requirements excluding situation where the entity is under suspect of the same breach in a preliminary investigation, consideration of charges and in a court proceeding or a criminal matter. The FSA can, for example, issue a public warning or impose monetary penalties for the breach of disclosure or reporting requirements, insider register provisions, misuse of insider information or market manipulation.

19.2. Trading and clearing and settlement on the Helsinki Stock Exchange

Share trading on the Helsinki Stock Exchange occurs through automatic order matching. In carrying out share trades, the Helsinki Stock Exchange uses the INET trading platform, which is an order-based system in which buy- and sell-orders are matched as trades when the price and volume information tally. In the INET trading platform, the trading day consists, as a general rule, of the following main phases: pre-trading, continuous trading, the closing auction and post-trading.

During the pre-trading session from 9.00 to 9.45, orders may be entered, changed or deleted. The opening call begins at 9.45 and ends at 10.00. Round lot orders entered during the pre-trading phase and existing orders that may be valid for more than one day are automatically transferred into the opening call. Continuous trading takes place between 10.00 and 18.25. Continuous trading with all shares begins immediately after the pre-trading ends at 10.00, and continues until 18.25. The closing auction begins at 18.25 and ends at 18.30, when the closing prices are determined and when the continuous trading ends as well. In post-trading between 18.30 and 19.00, the only trades that may be registered are contract trades for shares in after-hours trading for the prices established during the trading day.

Trades are primarily cleared by netting them in the clearing and settlement system of the European Multilateral Clearing Facility acting as the central counterparty and executed in Euroclear Finland's automated clearing and settlement system on the third (3rd) banking day after the trade date unless otherwise agreed by the parties.

Trading in shares on the Helsinki Stock Exchange and clearing of securities in Euroclear Finland take place in euros, with the minimum tick size for trading quotations depending on the share tick size table and being at lowest EUR 0,0001. All price information is produced and published only in euros.

19.3. The Finnish Book-Entry Securities System

General

Use of the book-entry securities system is mandatory for all companies with shares listed on the Helsinki Stock Exchange. The book-entry securities system is centralized at Euroclear Finland, which provides national clearing and registration services for securities. Euroclear Finland maintains a book-entry securities system for both equity and debt securities, among others. The registered office of Euroclear Finland is located at Urho Kekkosen katu 5 C, FI-00100 Helsinki.

Euroclear Finland keeps company-specific shareholder registers of the shareholders of companies entered into the book-entry securities system and offers book-entry account services to shareholders who do not wish to use the services of commercial account operators. The basic custody expenses incurred by Euroclear Finland in connection with maintaining the book-entry accounts are mainly borne by the issuers and account operators participating in the book-entry securities system. The account operators, which consist of for example credit institutions, investment service companies and other institutions licensed to act as account operators by Euroclear Finland, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Registration

In order to effect entries in the Finnish book-entry securities system, a holder of securities or such holder's nominee must establish a book-entry account with Euroclear Finland or with an account operator or register its securities through nominee registrations. Finnish security holders may not hold their securities through nominee registration. For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened with Euroclear Finland and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerised book-entry transfers. The account operator confirms book-entry transfers by sending notifications of transactions to the holder of the respective book-entry account. The account holders also receive an annual statement of their holding as of the end of each calendar year.

Each book-entry account must give the particulars of the account holder and other holders of rights to the book-entries in the account or of the manager of a nominee registration who manages the assets in the nominee-registered account, as well as information on the account operator for the account. The required information

includes the type and number of the book-entry securities registered in the account as well as the rights and restrictions pertaining to the account and the book-entries. Any nominee-registered account must be identified when making entries in the account. Euroclear Finland and the account operators are responsible for maintaining the confidentiality of the information they receive. Euroclear Finland and the company must, however, make public certain information (such as the account holder's name, nationality and address) contained in the register of shareholders maintained by Euroclear Finland, save in the case of nominee registration. The FSA is entitled to receive certain information on nominee registrations upon request.

Each account operator is liable for errors and omissions in the book-entry registers maintained by it and for any unauthorised disclosure of information. However, if an account holder has suffered a loss as a result of a faulty registration or an amendment to, or deletion of, rights related to registered securities and the account operator is unable to compensate such loss, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 per cent of the average of the total market value of the book-entries maintained in the book-entry securities system during the last five (5) calendar years and it must not be less than EUR 20 million. The compensation to be paid to one injured party shall be equal to the amount of damages suffered by such injured party from a single account operator, subject to a maximum amount of EUR 25,000. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of Securities and Nominee Registration

A non-Finnish shareholder may appoint an account operator (or certain non-Finnish organizations approved by Euroclear Finland) to act as a custodial nominee account holder on its behalf. A nominee shareholder is entitled to receive dividends and to exercise all share subscription rights and other financial and administrative rights attaching to the shares held in its name. A beneficial owner wishing to participate in a General Meeting shall seek temporary registration in the shareholder's register. The notification of the temporary registration shall be made at the latest on the date set out in the notice to the General Meeting of Shareholders, which shall be made at the latest on the date set out in the notice to the General Meeting of Shareholders, which shall be after the record date of the meeting. A custodial nominee account holder or another nominee is required to disclose to the FSA and to the relevant issuer, upon request, the actual identity of the shareholder of any shares registered in the name of such nominee, where the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the nominee is required to disclose said information in respect of the representative acting on behalf of the beneficial owner and to submit a written declaration to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity.

Finnish Depositories for the Euroclear Bank, S.A./N.V. - as operator of Euroclear Finland - and Clearstream have nominee accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares listed on the Helsinki Stock Exchange on their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders wishing to hold their shares in the book-entry securities system in their own name but who do not maintain a book-entry account in Finland are required to open a book-entry account with Euroclear Finland or an account operator as well as a bank account denominated in euro in Finland.

19.4. The Investors' Compensation Fund

Under Finnish law, investors are divided into professional and non-professional investors. The definition of professional investors includes business enterprises and public entities, which can be deemed to know the securities markets and the risks related thereto. An investor may also declare in writing that, on the basis of his professional skills and experience in investment activities, he or she is a professional investor. However, private investors are generally considered non-professional investors.

Credit institutions and such investment firms managing or retaining clients' assets that do not provide solely intermediation or investment advisory services or organising multi-lateral trading and who do not possess customer assets must belong to a statutory compensation fund for investors. The compensation fund safeguards payment of clear, indisputable receivables that are due when an investment company or a credit institution, for a reason other than temporary insolvency, is not capable of paying the claims of investors within a determined period of time. Only claims of non-professional investors are paid by the compensation fund. An investor is paid 90 per cent of the investor's receivable, subject to a maximum amount of EUR 20,000. The fund does not

compensate for losses due to a fall in equity prices or incorrect investment decisions, whereby the customer is still responsible for the consequences of his or her investment decisions. If a bank becomes insolvent, customers of a credit institution shall be compensated from the Deposit Guarantee Fund for claims up to EUR 100,000. The funds of an investor are safeguarded either through the Deposit Guarantee Fund or the compensation fund. Accordingly, the same funds of an investor do not benefit from double protection.

20. AUDITORS

PricewaterhouseCoopers Oy, Authorised Public Accountants, has audited Caverion Group's carve-out financial statements for the years ended December 31, 2012, 2011 and 2010 and reviewed the carve-out financial information for the three-month period ended March 31, 2013, with Heikki Lassila, Authorised Public Accountant, as the responsible auditor.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The Articles of Association of Caverion and the Annexes to this Registration Document are available for inspection during the validity period of the Registration Document at YIT's website at www.yitgroup.com/investors.

Carve-out Financial Statements of Caverion Group for the years ended December 31, 2012, 2011 and 2010

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Signatures

Combined income statement

EUR million	Note	2012	2011	2010
Revenue	2,4,5	2,803.2	2,875.7	2,352.8
Other operating income	6	12.3	6.3	4.1
Change in inventories of finished goods and in work in progress		-0.6	1.7	-0.7
Production for own use		0.3	0.2	0.6
Materials and supplies		-799.8	-920.8	-720.9
External services		-468.8	-459.5	-332.3
Personnel expenses	9	-1,127.3	-1,091.2	-949.0
Other operating expenses	7	-333.9	-287.0	-237.6
Share of results in associated companies	15	0.0	0.0	0.0
Depreciation, amortisation and impairment	8	-24.2	-20.3	-18.0
Operating profit		61.2	105.0	99.0
Financial income		1.9	1.6	1.1
Exchange rate differences (net)		-0.3	-0.1	-0.2
Financial expenses		-5.2	-4.5	-4.5
Financial income and expenses, total	11	-3.6	-3.0	-3.6
Profit before taxes		57.6	102.0	95.4
Income taxes	12	-16.7	-29.0	-29.5
Profit for the year		40.9	73.0	65.9
Attributable to				
Equity holders of Caverion Group		40.8	72.9	65.9
Non-controlling interests		0.1	0.1	0.0

The notes are an integral part of the carve-out financial statements.

Combined statement of comprehensive income

EUR million	Note	2012	2011	2010
Profit for the year		40.9	73.0	65.9
Other comprehensive income				
Cash flow hedging	28	-0.1	0.0	-0.1
- Deferred tax asset		0.0	0.0	0.0
Change in fair value of available-for-sale assets	16	-0.4	0.5	
- Deferred tax asset		0.1	-0.1	
Translation differences		3.9	0.6	12.1
Total comprehensive income		44.5	74.0	77.9
Attributable to				
Equity holders of Caverion Group		44.4	73.9	77.9
Non-controlling interests		0.1	0.1	0.0

The notes are an integral part of the carve-out financial statements.

Combined balance sheet

EUR million	Note	December 31, 2012	December 31, 2011	December 31, 2010
ASSETS				
Non-current assets				
Tangible assets	13	31.8	34.7	38.5
Goodwill	14	335.7	336.6	340.0
Other intangible assets	14	39.0	32.8	32.0
Investments in associated companies	15	0.1	0.1	0.1
Available-for-sale financial assets	16	2.5	2.9	2.4
Receivables	17	15.6	18.2	15.3
Deferred tax receivables	18	5.5	8.7	6.6
Total non-current assets		430.2	434.0	434.9
Current assets				
Inventories	19	39.0	37.5	37.7
Trade and other receivables	3, 20	774.7	794.2	683.2
Tax receivables		4.7	2.8	3.7
Cash and cash equivalents	21	100.8	155.4	106.2
Total current assets		919.2	989.8	830.8
Assets held for sale	33			19.8
TOTAL ASSETS		1,349.4	1,423.8	1,285.5

The notes are an integral part of the carve-out financial statements.

Combined balance sheet

EUR million	Note	December 31, 2012	December 31, 2011	December 31, 2010
INVESTED EQUITY AND LIABILITIES				
Invested equity attributable to the equity holders of Caverion Group		413.1	449.5	305.3
Non-controlling interest		0.6	0.5	0.4
Total invested equity		413.7	450.0	305.7
Non-current liabilities				
Deferred tax liabilities	18	78.0	70.0	59.8
Pension obligations	22	26.7	26.2	26.6
Provisions	23	6.9	9.9	13.0
Borrowings	24	75.6	90.3	88.0
Other liabilities	25	4.6	6.1	5.8
Total non-current liabilities		191.8	202.5	193.2
Current liabilities				
Trade and other liabilities	25	697.8	715.6	709.9
Income tax liabilities		7.4	13.4	11.6
Provisions	23	23.3	25.8	27.8
Borrowings	24	15.4	16.5	20.1
Total current liabilities		743.9	771.3	769.4
Liabilities of assets held for sale	33			17.2
Total liabilities		935.7	973.8	979.8
TOTAL INVESTED EQUITY AND LIABILITIES		1,349.4	1,423.8	1,285.5

The notes are an integral part of the carve-out financial statements.

Combined cash flow statement

EUR million	Note	2012	2011	2010
Cash flow from operating activities				
Profit for the year		40.9	73.0	65.9
Adjustments for:				
Depreciation, amortisation and impairment		24.2	20.3	18.0
Other adjustments for non-cash transactions		-12.3	-5.3	-1.2
Financial income and expenses		3.6	3.0	3.6
Gains/losses on the sale of tangible and intangible assets		-2.5	-5.5	0.0
Taxes		16.7	29.0	29.5
Total adjustments		29.7	41.5	49.9
Change in working capital:				
Change in trade and other receivables		44.1	-103.1	-65.3
Change in inventories		0.4	0.4	-3.2
Change in trade and other payables		-40.9	-1.7	-23.0
Total change in working capital		3.6	-104.4	-91.5
Interest paid		-5.0	-5.0	-5.4
Other financial items, net		-3.3	-0.9	-0.3
Interest received		1.3	0.9	0.6
Dividends received		0.0	0.1	0.1
Taxes paid		-17.9	-20.0	-19.1
Net cash generated from (used in) operating activities		49.3	-14.8	0.2
Cash flow from investing activities				
Acquisition of subsidiaries and business operations, net of cash	3	-7.3	-8.9	-35.2
Purchases of property, plant and equipment	13	-5.7	-5.3	-1.2
Purchases of intangible assets	14	-0.9	-0.8	-0.3
Disposals of subsidiaries and operations, net of cash	4		5.9	
Proceeds from sale of tangible and intangible assets		4.4	0.5	4.0
Proceeds from sale of available-for-sale financial assets		0.7	2.7	0.1
Net cash used in investing activities		-8.8	-5.9	-32.6
Operating cash flow after investments		40.5	-20.7	-32.4
Cash flow from financing activities				
Proceeds from borrowings	24		35.0	
Repayment of borrowings	24	-15.0	-36.2	-19.4
Change in current liabilities, net	24		-1.4	-28.6
Payments of financial leasing debts		-0.5	-0.9	-0.1
Equity financing with YIT Group, net		-81.9	70.0	47.3
Net cash used in financing activities		-97.4	66.5	-0.8
Net change in cash and cash equivalents		-56.9	45.8	-33.2
Cash and cash equivalents at the beginning of the year		154.5	106.2	136.1
Foreign exchange rate effect on cash and cash equivalents		3.1	2.5	3.3
Cash and cash equivalents at the end of the year	21	100.8	154.5	106.2

The notes are an integral part of the carve-out financial statements.

Combined statement of changes in invested equity

EUR million	Attributable to equity holders of Caverion Group				Non-controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve	Total		
Invested equity January 1, 2012	445.6	3.8	0.2	449.5	0.5	450.0
Comprehensive income						
Profit for the year	40.8			40.8	0.1	40.9
Other comprehensive income:						
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			-0.4	-0.4		-0.4
- Deferred tax			0.1	0.1		0.1
Change in translation differences		3.9		3.9		3.9
Comprehensive income, total	40.8	3.9	-0.3	44.4	0.1	44.5
Related party transactions						
Share-based incentive schemes	1.0			1.0		1.0
Equity transactions with YIT Group	-81.9			-81.9		-81.9
Related party transactions, total	-80.9	0.0	0.0	-80.9	0.0	-80.9
Invested equity December 31, 2012	405.5	7.7	-0.1	413.1	0.6	413.7

EUR million	Attributable to equity holders of Caverion Group				Non-controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve	Total		
Invested equity January 1, 2011	300.7	4.9	-0.2	305.3	0.4	305.7
Comprehensive income						
Profit for the year	72.9			72.9	0.1	73.0
Other comprehensive income:						
Cash flow hedges			0.0	0.0		0.0
- Deferred tax			0.0	0.0		0.0
Change in fair value of available-for-sale assets			0.5	0.5		0.5
- Deferred tax			-0.1	-0.1		-0.1
Change in translation differences	1.7	-1.1		0.6		0.6
Comprehensive income, total	74.6	-1.1	0.4	73.9	0.1	74.0
Related party transactions						
Share-based incentive schemes	0.3			0.3		0.3
Equity transactions with YIT Group	70.0			70.0		70.0
Related party transactions, total	70.3	0.0	0.0	70.3	0.0	70.3
Invested equity December 31, 2011	445.6	3.8	0.2	449.5	0.5	450.0

EUR million	Attributable to equity holders of Caverion Group			Total	Non-controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve			
Invested equity January 1, 2010	185.0	-5.0	-0.1	179.9	0.4	180.3
Comprehensive income						
Profit for the year	65.9			65.9	0.0	65.9
Other comprehensive income:						
Cash flow hedges			-0.1	-0.1		-0.1
- Deferred tax			0.0	0.0		0.0
Change in translation differences	2.2	9.9		12.1		12.1
Comprehensive income, total	68.1	9.9	-0.1	77.9	0.0	77.9
Related party transactions						
Share-based incentive schemes	0.3			0.3		0.3
Equity transactions with YIT Group	47.3			47.3		47.3
Related party transactions, total	47.6	0.0	0.0	47.6	0.0	47.6
Invested equity December 31, 2010	300.7	4.9	-0.2	305.3	0.4	305.7

The notes are an integral part of the carve-out financial statements.

Notes to the carve-out financial statements

1. ACCOUNTING PRINCIPLES FOR THE CARVE-OUT FINANCIAL STATEMENTS

Background

YIT Corporation (“YIT” or “YIT parent company”) with its subsidiaries (“YIT Group”) is a service company in building systems, construction services and services for industry. YIT Group offers technical building systems installations as well as service and maintenance of building systems for real estates and industry (“Building Systems business”) and residential construction for households, construction of business premises and infrastructure (“Constructions Services business”).

The Board of Directors of YIT has on February 21, 2013 approved the demerger plan concerning a partial demerger. According to the demerger plan, YIT will demerge so that all of the assets and liabilities related to YIT’s Building Systems business are transferred to a company to be established in the demerger named Caverion Corporation (“Caverion” or “Caverion parent company”). YIT’s Construction Services business will remain with YIT. The purpose of the demerger is to execute the division of YIT Group’s different businesses into independent groups so that the Building Systems business, which primarily consist of Building Services Northern Europe and Building Services Central Europe, shall be formed as one group of companies and the Construction Services business, which mainly consists of Construction Services Finland and International Construction Services, shall be formed as another group of companies. The planned registration date for the demerger is June 30, 2013, after which the shares of Caverion will be admitted for public trading on NASDAQ OMX Helsinki Oy. The trading with Caverion shares is intended to commence as soon as possible after the implementation of the demerger. According to the demerger plan, YIT’s shareholders shall receive as demerger consideration one share in Caverion for each share owned in YIT.

Caverion has not in the past formed a separate legal group. The carve-out financial statements presented herein reflect income and expenses, assets and liabilities and cash flows of those entities that have historically formed the Building Services business within YIT Group, which consists of YIT’s reportable segments Building Services Northern Europe and Building Services Central Europe. The carve-out financial statements also include those income and expenses, assets and liabilities and cash flows from YIT parent company and Perusyhtymä Oy which can be allocated to Building Systems business. Collectively these entities and income and expenses, assets and liabilities and cash flows will form a separate legal group after the YIT’s demerger and are referred to as “Caverion Group” or “Group” in these carve-out financial statements.

The carve-out financial statements have been prepared in accordance with the basis of preparation and accounting policies set out below. The carve-out financial statements of Caverion Group has been prepared for the inclusion in the prospectus to be prepared by YIT for YIT’s EGM approving the partial demerger and for the listing of Caverion shares on the NASDAQ OMX Helsinki Oy.

Basis of preparation

The carve-out financial statements of Caverion Group for the year ended December 31, 2012, 2011 and 2010 have been prepared on a carve-out basis from YIT’s consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to Building Services business. The carve-out financial statements also include allocations of income, expenses, assets, liabilities and cash-flows from the YIT parent company and Perusyhtymä Oy. These carve-out financial statements have been authorized for issue by Board of Directors of YIT on June 3, 2013.

The carve-out financial statements may not be indicative of Caverion Group’s future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been, had Caverion with its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented.

The carve-out financial statements have been prepared on a going concern basis and under the historical cost convention, except for the available-for-sale -investments, financial assets and liabilities at fair value through profit and loss and derivative instruments at fair value. Share-based payments are measured at fair value at the time of granting.

The carve-out financial statements of Caverion Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Caverion Group as described under “Basis of accounting” below. References to “IFRS” hereafter should be construed as references to IFRS as adopted by EU. Hereafter by “IFRS” is referred to IFRS standards endorsed by the EU.

IFRS does not provide guidance for the preparation of carve-out financial statements, and accordingly in preparing the carve-out financial statements certain accounting conventions commonly used for the preparation of historical financial statements for inclusion in Prospectuses have been applied. The application of these conventions has been described under “Basis of accounting” below.

The carve-out financial statements are presented in millions of euro, except when otherwise indicated. Rounding differences might occur.

The following section describes how the carve-out financial statements for Caverion Group have been prepared.

Basis of accounting

Structure of the carve-out financial statements

The following entities and financial statement items have been included in these carve-out financial statements:

- YIT Building Systems Oy and its subsidiaries. which will be transferred to Caverion Corporation in the demerger
- YIT Industry Ltd and its subsidiaries, which will be transferred to Caverion Corporation in the demerger.
- Assets, liabilities, income and expenses from the demerging YIT Corporation and Perusyhtymä Oy that relate to the Building Services business.

The Caverion Group carve-out financial statements include all those legal entities that have historically formed YIT’s reportable segments Building Service Northern Europe and Building Service Central Europe. The historical financial information of those entities included in the carve-out financial statements on the entities’ separate financial statements which have been used in preparing YIT’s consolidated financial statements.

The Caverion Group carve-out financial statements consist of assets, liabilities, results of operations and cash flows of the acquired entities within the Building Systems business from the date of acquisition. The assets, liabilities, results of operations and cash flows from the sold entities are included in the carve-out financial statements until the entities have been sold.

Principles applied in preparing the carve-out financial statements

The following summarizes the accounting and other principles applied in preparing the carve-out financial statements. YIT management considers that the allocations described below have been made on a reasonable basis, but are not necessarily indicative of the costs that would have been incurred if Caverion had been a stand-alone entity.

Intercompany transactions and transactions with related parties

Intercompany transactions and assets and liabilities between entities included in the carve-out financial statements have been eliminated. The carve-out financial statements include the Caverion Group’s transactions and balance sheet items. Intercompany transactions and balance sheet items with other YIT Group companies previously considered as intercompany transactions in YIT reporting have been treated as transactions with related parties.

In the carve-out financial statements, the intercompany receivables and liabilities of YIT parent company where the counterparty has been a subsidiary belonging to the Caverion Group have been allocated to the Caverion parent company, including the financial income and expenses relating to these receivables and liabilities.

Acquisition costs relating to Caverion subsidiaries owned by YIT parent company have been allocated to Caverion parent company and the acquisition cost method has been used to eliminate the acquisition of subsidiaries.

Invested equity

Caverion has not in past formed a separate legal group nor presented any stand-alone financial statements, and accordingly it is not conceivable to present share capital or an analysis of equity reserves. The net assets of Caverion group are represented by capital invested in Caverion Group and shown as “invested equity”.

Changes in net assets allocated to Caverion are presented separately in the combined statement of changes in invested equity through line “Equity transactions with YIT Group” and in the cash flow statements through line “Equity financing with YIT Group, net”, reflecting the internal financing between YIT Group and Caverion Group during the periods presented. The amount of which is affected by the net assets allocated to the Caverion parent company. The net assets allocated to Caverion parent company consists mainly of investments in group companies, intercompany receivables and liabilities, financial liabilities, other receivables and liabilities and net cash and cash equivalents.

These carve-out financial statements are presented in euro, which is Caverion parent company’s functional and reporting currency. The Caverion Group entities have also other functional currencies. Translation differences arising from translating the results for the period and equity are recognized in invested equity and their changes are presented in other comprehensive income.

Cash management and financing

Cash management is centralized so that YIT manages Group’s cash needs mainly through cash pool arrangement. Caverion Group’s cash and cash equivalents comprise of cash in the centralized cash pool of YIT parent entity transferred to Caverion and cash held by Caverion entities. Caverion receives the proportion of cash and cash equivalents of YIT Corporation that equals the portion of intra-group account liabilities allocated to Caverion compared to the entire intra-group account liabilities to all YIT Group’s direct and indirect subsidiaries. No interest income has been allocated related to these cash and cash equivalents allocated to Caverion.

YIT Group’s external financing is centralized to the group’s parent entity. Subsidiaries’ working capital needs have been funded in addition to cash pool arrangement mainly by intercompany loans.

The external debt financing of the demerging YIT parent entity that is directly attributable to the operations of Caverion, and interest expenses relating to the financing, are included in the carve-out financial statements. In addition, carve-out financial statements comprise debt financing of the Caverion entities to third parties and interest expenses relating to these.

The partial demerger is subject to investors’ approval and renegotiation of financing. YIT has been negotiating with the primary financiers and been able to confirm adequate financing and credit and guarantee facilities for the demerging businesses. In February 2013 new financing arrangements have been agreed with Nordic financial institutions to Caverion, these comprise a EUR 140 million long-term loan facility, a EUR 60 million long-term credit facility and up to EUR 67 million bridge financing. The carve-out financial statements have not been adjusted to present the effects of the reorganization of financing.

Therefore the financing costs included in the carve-out financial statements may not necessarily represent what the financing costs would have been, if Caverion had historically obtained financing on a stand-alone basis. It is not representative of the cost of financing that will arise in the future.

Derivatives

External derivative contracts entered by YIT have been allocated to Caverion if those are directly connected with Caverion. These are the interest rate swap related to the financing loan and the currency swaps relating to the cash pool arrangement.

Income tax

During the periods presented in these carve-out financial statements, the legal entities in the Caverion group have operated as separate taxpayers. For these entities the tax charges and the tax liabilities and –receivables in the carve-out financial statements are based on actual taxation.

The taxes allocated to Caverion from the demerging YIT parent company have been calculated as Caverion had been a separate taxpayer. Therefore, the income tax for the period of Caverion parent company is the amount of tax payable or refundable based on the entity's hypothetical tax returns, and it is presented as current tax expense in the combined income statement. In the combined balance sheet these tax entries are presented as transactions through invested equity, because any payable or refundable taxes will not arise to Caverion parent company due to these hypothetical taxes. Deferred taxes on temporary differences are recognized where such temporary differences exist.

The tax charges recorded in the combined carve-out income statement are not necessarily representative of the tax charges that may arise in the future.

Pensions

Pensions and other post-employment benefit plans and their respective portion of the plan liabilities, plan assets, interest and service costs have either been included or allocated to Caverion Group from YIT parent company for the purpose of preparing these carve-out financial statements.

Centrally provided services

YIT Group has historically recharged centrally provided services from its subsidiaries, such as financing, IT, HR and services related to the premises. Historically these recharged costs have been allocated to Caverion Group entities, and they are included in the carve-out financial statements.

YIT parent company has also been responsible for the management and general administration of the YIT Group. The income and expenses of YIT parent company have been allocated to the Caverion parent company mainly based on the transferring employers and subsidiary allocations. The carve-out financial statements include also employee cost allocations relating to Caverion parent company's employees' participation in the YIT share-based compensation plan.

The need for such centralized services will remain after the legal separation of Caverion from YIT. However, the costs may be different and thus will not be comparable to the amounts reflected in the carve-out financial statements.

Leases

In the carve-out financial statements the non-cancellable operating leases allocated to Caverion Group include lease agreements of Caverion subsidiaries with third parties and lease agreements for office facilities with YIT Group. The minimum lease payments of the non-cancellable lease agreements made with YIT Group presented in the carve-out financial statements are equivalent with the minimum lease payments of the corresponding external lease agreements made by YIT Group.

The minimum lease payments of the non-cancellable lease agreements might change substantially after Caverion has been demerged legally from YIT and therefore, they may not be representative of the future lease obligations.

Earnings per share

As the financial statements have been prepared on a carve-out basis, it is not possible to measure earnings per share. Caverion did not have any share capital during the periods presented nor could any shares be carved out from the total amount of YIT's outstanding shares. Additionally, the income statement information included in the carve-out financial statements does not include interest expenses on the borrowings transferred to Caverion in connection with the demerger. For these reasons, the management considers that presenting an earnings per share ratio would not accurately reflect the historical earning per share. Accordingly, the requirement of IAS 33 "Earnings per share" to disclose earnings per share has not been complied with.

Accounting principles

Consolidation

The Caverion Group uses the acquisition method of accounting to account for business combinations. The total consideration to be transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Caverion Group. The total consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's assets.

Associated companies

The carve-out financial statements include associated companies in which the Caverion Group either holds 20%-50% of the voting rights or in which the Caverion Group has a significant influence otherwise but not a controlling interest. Associated companies have been consolidated using the equity method. If the Caverion Group's share of associates' losses exceeds the carrying amount, losses in excess of the carrying amount are not consolidated unless the Caverion Group has committed itself to fulfilling the obligations of the associates. Unrealised profits between the Caverion Group and associates have been eliminated in accordance with the Caverion Group's holding. An investment in an associate includes the goodwill arising from acquisition, which has been tested for impairment.

Joint ventures

Joint ventures are companies in which Caverion Group exercises joint control with other parties. Caverion Group's holdings in joint ventures are consolidated using the equity method. The Caverion Group's investments in joint ventures are initially recognised at cost and the post-acquisition movements in net assets of the joint venture are adjusted against the carrying value of the investment. The Caverion Group's share of joint ventures profits or losses is recognised in the income statement. Unrealised profits between the Caverion Group and joint ventures have been eliminated in accordance with the Caverion Group's holding.

Transactions with non-controlling interests

The Caverion Group treats transactions with non-controlling interests as transactions with equity owners. When the Group purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any remaining interest in the entity is re-measured at fair value, with the change in the carrying amount recognised through profit and loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as realised and booked to income statement. If the interest is reduced but control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are booked to non-controlling interest in equity.

Foreign currency translation

Items included in the Caverion carve-out financial statements of each group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These carve-out financial statements are presented in euros.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of transaction or valuation, where items are re-measured. Foreign exchange rate gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "Finance income and expenses". All other foreign exchange gains and losses are presented in the income statement above operating profit. Non-monetary items are mainly valued at the transaction date's foreign exchange rates.

Translation of foreign Group companies

The income statements of foreign Group companies have been translated to euro using the average exchange rate quoted for the calendar months of the reporting period. The balance sheets have been translated using the rates on the closing date. The translation of the result for the period using different exchange rates in the income statement and balance sheet results in a translation difference, which is entered in equity and the changes are entered in other comprehensive income.

Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries are entered in shareholders' equity. When a foreign subsidiary is disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Translation differences in the carve-out financial statements January 1, 2010 are based on the transferring entities accrued translation differences from the YIT Group financial statements December 31, 2009.

Both the goodwill arising from the acquisition of a foreign unit and the adjustments of acquired assets and liabilities to their fair values have been treated as the assets and liabilities of the foreign unit in question and translated at the rate on the closing date.

Currency exchange rates used in the carve-out financial statements:

		Income statement January- December, 2012	Income statement January- December, 2011	Income statement January- December, 2010	Balance sheet December 31, 2012	Balance sheet December 31, 2011	Balance sheet December 31, 2010
1 EUR =	CZK	25.146	24.591	25.2910	25.151	25.787	25.061
	DKK	7.4438	7.4506	7.4471	7.4610	7.4342	7.4535
	EEK			15.6466			15.6466
	HUF	289.32	279.78	275.34	292.30	314.58	277.95
	MYR	3.9687	4.2555	4.1896	4.0347	4.1055	4.0950
	NOK	7.4752	7.7929	8.0056	7.3483	7.7540	7.8000
	PLN	4.1843	4.1196	3.9951	4.0740	4.4580	3.9750
	RUB	39.9239	40.8816	40.2718	40.3295	41.765	40.82
	SEK	8.7061	9.0289	9.5447	8.5920	8.9120	8.9655
	SGD	1.6059	1.7490	1.7640	1.611	1.6819	1.7136
	USD	1.2854	1.3918	1.3463	1.3194	1.2939	1.3362
	LVL	0.6973	0.7028	0.7028	0.6977	0.7028	0.7028
	LTL	3.4528	3.4528	3.4528	3.4528	3.4528	3.4528

Tangible Assets

Tangible asset are stated at historical cost less depreciation and impairment. Depreciation on tangible assets is calculated using the straight-line method to allocate the cost to over their estimated useful lives. Land is not depreciated. The estimated useful lives of tangible assets are the following:

Buildings	40 years
Office furniture	5 years
Computers and computer supplies	3-5 years
Other tangible	10 - 40 years

The residual values and economic lifetimes of assets are assessed in each closing. If necessary, they are adjusted to reflect the changes in expected financial benefits. Capital gains or losses on the sale of property, plant and equipment are included in other operating income or expenses.

Government grants

Government grants are recognised as decreases in the carrying amount of property, plant and equipment. Grants are recognised as revenue through smaller depreciations over the economic life of an asset. Government grants relating to costs are recognised in the income statement in the same period when the costs are expensed.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition. The net identifiable assets include the assets and liabilities acquired and the liabilities assumed as well as the contingent liabilities. The acquisition cost is valued at fair value.

Goodwill is subjected to an annual impairment test. To this end, goodwill is allocated to cash-generating units. Goodwill is measured at the original acquisition cost less impairment. Impairment is expensed directly in the income statement. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

An intangible asset is initially entered in the balance sheet at acquisition cost when the acquisition cost can be reliably determined and the intangible asset is expected to yield economic benefit to the Caverion Group. Intangible assets with a known or estimated limited economic lifetime are expensed in the income statement on a straight-line basis over their economic lifetime.

Other intangible assets acquired in connection with business acquisitions are recognised separately from goodwill if they fulfill the definition of an asset: they can be specified or are based on agreements or legal rights. Intangible assets recognised in connection with business acquisitions include the value of customer agreements and associated customer relationships, prohibition of competition agreements, and the value of acquired technology and industry-related process competence. The value of customer agreements and associated customer relationships and industry-related process competence is defined on the basis of cash flows estimated according to the durability and duration of the assumed customer relations.

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The acquisition cost is amortised on a straight-line basis over the estimated useful life. Computer maintenance costs are expensed as they are incurred

Research expenditure is expensed in the income statement. Expenditure on the design of new or more advanced products is capitalised as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilised commercially and is expected to yield future financial benefits. Capitalised development expenditure is amortised over the economic life. Amortisation begins when the asset is ready for use. Incomplete assets are tested annually for impairment. Development expenses that are not expected to yield financial benefits are expensed in the income statement. To date, the Caverion Group's research and development expenditure has not met capitalisation criteria.

The amortisation periods of other intangible assets are as follows:

Customer relations and contract bases	3–5 years
Unpatented technology	3–5 years
Computer software and other items	2–5 years
Prohibition of competition	2-3 years

Impairment of tangible and intangible assets

At each closing date, Caverion Group evaluates whether there are indications of impairment in any asset item. If impairment is indicated, the recoverable amount of said asset is estimated. In addition, the recoverable amount is assessed annually for each of the following asset items regardless of whether impairment is indicated: goodwill, intangible assets with an unlimited economic lifetime and incomplete intangible assets. The need for impairment is assessed at the level of cash-generating units.

The recoverable amount is the higher of the fair value of the asset item less selling costs or the value in use. The value in use is determined based on the discounted future net cash flows estimated to be recoverable from the assets in question or cash-generating units. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset items. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered directly in the income statement and is initially allocated to the goodwill allocated to the cash-generating unit and thereafter equally to other asset items. An impairment loss is reversed when the situation changes and the amount recoverable from the asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed. The calculation of recoverable amounts requires the use of estimates. For more information on impairment testing, see note 14.

Inventories

Inventories are measured either at the lower of acquisition cost or net realisable value. The acquisition cost of materials and supplies is determined using the weighted average price method. The acquisition cost of work in progress comprises the value of the plot and other raw materials, planning costs, direct costs of labour, other direct costs and the appropriate portion of the variable general costs of manufacture and fixed overhead. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sales.

Lease agreements

Group as lessee

Lease agreements concerning assets in which the Caverion Group holds a material share of the risks and benefits of ownership are classified as financial lease agreements. A financial lease agreement is entered in the balance sheet at the lower of the fair value of the leased asset on the starting date of the lease agreement or the present value of the minimum lease liabilities. Assets acquired under financial lease agreements are depreciated over their economic lifetime or the period of lease, whichever is shorter. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding per financial period. The lease commitments of financial lease agreements are included in the financial liabilities.

Lease agreements in which the risks and benefits of ownership are retained by the lessor are treated as operating lease agreements. Rents paid on operating lease agreements are expensed in even installments in the income statement over the duration of the rental period. Incentives received are deducted from the rents paid on the basis of the time pattern of the benefit.

Non-current assets held for sale

Non-current assets or assets related to discontinued operations are classified as assets held for sale when their carrying amount is to be recovered principally through a sale or disposal transfer transaction. An asset is to be classified as held for sale when the sale or disposal is highly probable, the asset is available for sale in its present condition and on customary terms, the management is committed to sell the asset and the sale is expected to be completed within one year from the date of classification. Assets held for sale are valued at the lower of their carrying amount or fair value less costs to sell.

Employee benefits

Pension liabilities

The Caverion Group has different defined contribution and defined benefit pension plans in its various operating areas. The local regulations and practices of the countries in question are applied in these plans. Contributions to defined contribution pension plans are entered in the income statement in the financial period during which the charge applies.

The Caverion Group has defined benefit pension plans in Norway, Austria and Germany. Obligations connected with the Group's defined benefit plans are calculated by independent actuaries. The discount rate used in calculating the present value of the pension liability is the market rate of high-quality corporate bonds. In 2011 the market rate of corporate bonds in Norway could not be calculated reliable and the interest rate of treasury notes was used instead. The maturity of the reference rate substantially corresponds to the maturity of the calculated pension liability. In defined benefit plans, the pension liability presented is the current value of future pension payments at the closing date less the fair value of the plan assets at the closing date together with adjustments for actuarial gains or losses and past service costs. Pension expenditure is expensed in the income statement, periodising the costs over the time in employment of the employees. Actuarial gains and losses in excess of a certain range of variation are entered through profit and loss for the average remaining time in employment of the employees. Occupational pensions in Sweden have been insured under a pension scheme shared with numerous employers. It has not been possible to acquire sufficient information about these pension liabilities to divide liabilities and assets by employer. Occupational pensions in Sweden have been treated on a defined contribution basis. Supplementary pension insurance liabilities in Finland are recorded on a defined benefit basis.

Share-based payments

YIT has a share-based incentive plan for its key personnel. Possible rewards will be paid as a combination of YIT corporation shares and cash settlement based on achieved financial target levels. The cost effect of equity-settled share is recognised as personnel expenses and equity reserve. The cost is based on the market price of the YIT Corporation share at the grant date and it will be expensed over the vesting period. The cash-settled reward is based on the market value of YIT's share at the balance sheet date and it is expensed to personnel expenses and current liabilities until the settlement date.

On April 25, 2013 the Board of Directors of the YIT Corporation has made a decision about removing the restriction of transfer and obligation to return the shares from the YIT shares that are owned or received on the basis of the share-based incentive plan by employees transferring to Caverion Group. Respectively, in the demerger, a restriction of transfer and obligation to return the shares to Caverion Corporation in accordance with the original terms will be added to the shares of Caverion Corporation to be given to the employees. In the carve-out financial statements of Caverion Group, expenses relating to the share-based incentive plan have been presented as historically realised at the YIT Group.

Termination benefits

Termination benefits are payable when employment is terminated by the Caverion Group before normal retirement. The Caverion Group recognises termination benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. In addition, benefits that the Caverion Group has offered in connection with terminations to encourage voluntary redundancy are expensed. Benefits falling due more than 12 months after the balance sheet date are discounted to present value. Other possible liabilities arising from the termination of employees in different legislations are assessed at the closing date and recognised as an expense and liability.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable and the size of the obligation can be reliably estimated. Provisions are valued at the present value of the costs required to cover the obligation. If compensation for a share of the obligation can be received from a third party, the compensation is recorded as a separate asset item, but only when it is practically certain that said compensation will be received. Provisions are booked for onerous contracts when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the contract. The amount of the guarantee reserve is set on the basis of experience of the materialisation of these commitments. Provisions for restructuring are recognised when the Caverion Group has made a detailed restructuring plan and initiated the implementation of the plan or has communicated about it. Provisions are not recognised for the continuing operations of the Caverion Group. A contingent liability is an obligation that has possibly arisen as a result of past events and whose existence is confirmed only when the uncertain event that is beyond the Caverion Group's control is realised. In addition, an existing obligation that probably does not require the fulfilment of debt or whose amount cannot be reliably assessed is considered a contingent liability. Contingent liabilities are presented in the notes.

Income taxes

Tax expenses in the income statement comprise taxes on the taxable income for the financial period and the change in deferred taxes. Taxes are entered in the income statement except when they are associated with items recognised under shareholders' equity. Taxes on the taxable income for the financial period are calculated on the taxable income on the basis of the tax rate stipulated for each country by the balance sheet date. Taxes are adjusted for the taxes of previous financial periods, if applicable. The management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The tax provisions entered in such situations are based on evaluations by the management.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future. Deferred taxes have been calculated using the statutory tax rates or the tax rates whose confirmed content has been announced by the closing date. Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialise in the future. The most significant temporary differences arise from differences of the partial debiting and taxable income of long-term projects, depreciation differences of property, plant and equipment, defined benefit pension plans, provisions deductible at a later date, measurement at fair value in connection with business combinations and unused tax losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Financial assets and liabilities

Classification and entry of financial assets

The Group recognises financial assets at the settlement day. Financial assets are derecognised from the balance sheet when the right to cash flows from an item included in financial assets ends or when control over said cash flows has been assigned outside the Caverion Group with the related risks and revenue.

The fair values of the financial assets are market rates if one has been reliably available, or otherwise discounted values. The discount rate used is the rate at which the Caverion Group could possibly sell a corresponding batch on the closing date.

The financial assets are classified at initial recognition into the following categories on the basis of the purpose for which they have been acquired:

Financial assets originally measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss are financial assets or derivatives held for trading that do not meet the criteria for hedge accounting. Currency swaps that do not meet the criteria of hedge accounting are classified in this category. Derivatives are originally measured at fair value when the Caverion Group becomes a contractual party to an agreement and are subsequently measured at fair value. Currency forward contracts are used for hedging against the currency exposure of exchange rates and resulting changes in fair value are entered in financial income and expenses in the financial period in which they were incurred. Derivatives are non-current assets (Receivables) when their maturity is more than 12 months and current assets (Trade and other receivables) when the remaining maturity is less than 12 months. Derivatives may also be liabilities; their accounting principles are specified below under "Financial liabilities."

Loans and receivables

Loans and receivables consist of loan receivables, trade receivables and certain other receivables.

Loan receivables are current if the maturity date is within 12 months after the closing date, otherwise they are non-current. They are initially measured at fair value and subsequently valued at the amortised cost using the effective interest rate method less any impairment. The changes are recognised in the income statement under financial income or expenses.

Trade and other receivables are classified as current if the maturity date is within 12 months after the closing date, otherwise they are classified as non-current. They are initially measured at fair value and subsequently at amortised cost using the effective interest rate method less any impairment. The changes are recognised in the income statement under other operating income or expenses.

Available-for-sale financial assets

Available-for-sale financial assets not falling into the categories presented above. They are non-current financial assets that the Group will not actively dispose of in the short-term. Available-for-sale financial assets primarily comprise of investments relating to pension schemes. They are not primarily quoted in well-functioning markets and they are measured at acquisition cost less any impairment. Quoted shares are measured at fair value. When fair value can be evaluated reliably, the changes in fair value are recognised in the other comprehensive income and are presented in the fair value reserves in shareholders' equity, taking the tax impact into consideration. Changes in fair value are transferred from the fair value reserve to financing income or expenses when the Group disposes of an available-for-sale financial asset or its value has declined such that an impairment loss must be recognised on it. Impairment of an equity investment classified as an available-for-sale financial asset is not derecognised through profit and loss.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits withdraw able on demand and liquid short-term investments whose original maturity is no more than three months. They are recognised in the balance sheet at the original acquisition cost and the yield under financing income. The available overdraft facilities are included in current liabilities in the balance sheet and netted as the Caverion Group has a contractual offsetting right to execute the net amount to the creditor.

Impairment of financial assets

Assessment as to whether there is objective evidence of an impairment of an item included in the financial assets occurs on the closing date. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The fair value of available-for-sale financial assets is considered decreased when their value has decreased significantly over a longer term. In this case, changes to the fair value are entered from shareholders' equity to the income statement. Impairment losses to equity investments classified as available-for-sale financial assets are not derecognised through profit and loss.

The value of loan and trade receivables in other receivables is considered to have decreased when it is apparent that the Group will not be able to collect the receivable in accordance with the original terms and conditions. The Group recognises the impairment loss concerning trade receivables immediately when there is objective evidence that the receivable cannot be collected in full. In addition, delay or default on a payment by the debtor or known financial difficulties of the debtor are considered additional factors indicative of an impairment of trade receivables. According to the Group's principle concerning the valuation of trade receivables, 50% of

unsecured and uncertain receivables overdue more than 180 days and 100% of those overdue more than 360 days is recognised as an expense. Due to the application of the percentage of completion method, part of the items considered write-downs is included in the project cost estimate and taken into consideration as weakened margin forecast. Write-downs on loss-making projects are included in the provisions for losses.

Financial liabilities

Financial liabilities are recorded in the balance sheet at the settlement day and derecognised from the balance sheet when the related obligations expire or transfer outside the Group in accordance with the agreements.

The Group has classified its financial liabilities into the following categories:

Financial liabilities at amortised cost using the effective interest rate method

These are originally measured at fair value. Transaction costs arising in connection with taking out the loan have been included in the original carrying amount. Financial liabilities may be current or non-current. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other borrowing costs are expensed in the period during which they emerged. Fees paid on the establishment of loan facilities are recognised as expenses over the period of the facility to which it relates.

The fair values of the financial liabilities are market rates if one has been reliably available, or otherwise discounted values or accounting values if this is reasonably close to the fair value. The discount rate used is the rate at which the Caverion Group could possibly buy a corresponding item on the closing date.

Financial liabilities measured at fair value

Currency forward contracts and interest rate swaps associated with business operations and financing to which hedge accounting is not applied have been classified into this category. Derivatives are originally measured at fair value when the Caverion Group becomes party to an agreement and is subsequently measured at fair value. Currency forward contracts are used for hedging against the currency exposure of exchange rates and resulting changes in fair value are entered in financial income and expenses in the financial period in which they were incurred. Derivatives are non-current liabilities when their maturity is more than 12 months (Other liabilities) and current liabilities when the remaining maturity is less than 12 months (Trade and other payables).

Fair value of derivative instruments and hedge accounting

The fair value of derivative instruments equals the value the Group would receive or pay if the derivative contract would be terminated. The fair value of exchange rate forward agreements has been assessed by using the market prices at the closing day. The fair value of interest rate forward agreements are based on the counterparts' quoted prices. These quoted prices for interest rate swap agreements are derived from the discounted future cash flows, and the quoted prices for other agreements are based on general market conditions and common pricing models.

Derivative instruments used in hedge accounting that meet the hedge accounting criteria under IAS 39 are entered in the balance sheet at fair value on the day that the Caverion Group becomes counterpart to the agreement. The Caverion Group has applied hedge accounting for hedging against the reference rate of floating rate loans (cash flow hedging). The Caverion Group documents the relationship between the target and the hedging instruments and assesses the effectiveness of the hedging ratio. The effectiveness of hedging is evaluated in connection with the preparation of each financial statement, at minimum. Changes in the fair value of the effective part of derivative instruments meeting the criteria for cash flow hedging are recognised in other comprehensive income and entered in the fair value reserves in shareholders' equity, taking the tax impact into consideration. Gains and losses recognised in shareholders' equity are transferred to financial income or expenses within the same financial periods as the items of the hedging target. When a hedging instrument acquired to hedge cash flow matures or is sold, or when the criteria of hedging accounting are no longer satisfied, the profit or loss accrued from the hedging instrument remains in equity until the forecasted transaction is realised. Nevertheless, if the forecasted hedged transaction is no longer expected to be implemented, the profit or loss accrued in equity is recognised immediately in the income statement.

Revenue recognition

Income from product and service sales is recorded as revenue at fair value with the indirect taxes and discounts.

Goods and services sold

Caverion Group offers building services and industrial services and maintenance. Income from sales of products is recorded when the significant risks, benefits and control associated with the ownership of the goods have transferred to the buyer. Income from short-term services is recorded when the service has been performed.

Long-term agreements

Long-term service agreements and building service projects are recorded as revenue on the basis of the degree of completion when the end result of the project can be estimated reliably. The degree of completion of long-term service agreements is calculated on the basis of the share of the estimated total cost of a contract represented by the costs realised at the time of assessment. Costs in excess of the degree of completion are capitalised in work in progress included in advances received from long-term projects. Invoicing, which exceeds the degree of completion is periodised in related accrued income. Advances are deducted from the accrued income on the basis of completion.

If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately in all circumstances. Revenue recognition on the basis of the degree of completion related to long-term service agreements are based on estimates. If the estimates of the end result of a contract change, the sales and profits recognized are adjusted in the reporting period when the change first becomes known and can be evaluated. The duration of the building service projects vary by country from one month to two years.

The Group can also carry out an agreed single project or a long-term service agreement through a construction consortium. The construction consortium is not a separate legal entity. The participating companies have usually a joint responsibility. Projects and long-term service agreements performed by the consortium are included in the reporting of the group company concerned and are entered as profit by the degree of completion according to the group company's effort.

Interest and dividends

Interest income is recognised using the effective yield method and dividend income when the right to dividend has materialised.

Critical accounting estimates and judgements

When financial statements are prepared in accordance with IFRS, the Group management must make estimates and exercise judgement in the application of the accounting policies. Estimates and assumptions have an effect on the amounts of income, expenses, assets, liabilities and contingent liabilities in the balance sheet of the financial statements and the final actual results may differ from the estimates. The following presents the critical accounting estimates and judgements included in the financial statements:

Estimated impairment of goodwill

Goodwill is tested for any impairment annually in accordance with the accounting policy stated in note 14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The cash flows in the value-in-use calculations are based on the management's best estimate of market development for the subsequent years. The discount rate has been increased with a branch specific risk factor.

The amount of impairments has been assessed in proportion to different time periods and the sensitivity has been analysed in the changes of the discount rate, profitability and in the increase of the residual value. In 2012, the goodwill testing caused an impairment amounting EUR 0.9 million regarding the goodwill of Poland. Otherwise these analyses and estimations have not given an indication for impairment. As at December 31, 2012, 2011 and 2010 the goodwill of Caverion Group amounted to EUR 335.7 million, EUR 336.6 million and EUR 340.0 million, respectively.

Percentage of completion revenue recognition of long-term projects

Due to estimates included in the revenue recognition of long-term service agreement and building service projects, revenue and profit presented by financial period only rarely correspond to the equal distribution of the total profit over the duration of the project. When revenue recognition from long-term projects is based on the percentage of completion method, the final result of the projects is regularly and reliably estimated. Calculation of the total income of projects includes estimates on the total expenditure required to complete the project as well as the development of sales prices. If the estimates of the end result of a contract change, the sales and profits recognised are adjusted in the reporting period when the change first becomes known and can be evaluated. If it is probable that the total expenditure required to complete a contract will exceed the total income from the project, the expected loss is expensed immediately. For the years ended 31 December 2012, 2011 and 2010 the revenue from long-term service agreement and building service projects amounted to EUR 2,006.4 million, EUR 2,087.9 million and EUR 1,653.5 million, respectively and they were 72%, 73% and 70% of the Caverion Group total revenue (Note 5)

Income taxes

The Group is subject to income taxes in several countries. Evaluating the total amount of income taxes at the Group level requires significant consideration, so the amount of total tax includes uncertainty. As at December 31, 2012, 2011 and 2010 the deferred taxes amounted to EUR 5.5 million, EUR 8.7 million and EUR 6.6 million.

Provisions

The recognition of provisions is associated with estimates concerning probability and quantity. Provisions are booked for onerous contracts when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the contract. The amount of the guarantee is set on the basis of experience of the materialisation of these commitments. As at December 31, 2012, 2011 and 2010 the provisions amounted to EUR 30.2 million, EUR 35.7 million and EUR 40.8 million.

Pension benefits

The present value of pension obligations depends on various actuarial factors and the discount rate used. Changes in the assumptions and discount rate have an effect on the carrying amount of pension liabilities. The discount rate used is the market rate of high-quality corporate bonds or the interest rate of treasury notes for the currency in which the benefits will be realised. The maturity of the reference rate used corresponds substantially to the maturity of the calculated pension liability. Other assumptions are based on actuarial statistics and prevailing market conditions. As at December 31, 2012, 2011 and 2010 the pension liabilities amounted to EUR 26.7 million, EUR 26.2 million and EUR 26.6 million

Trade receivables

The Group books write-offs or provision on receivables when it is evident that no payment can be expected. Caverion Group adopts its policy of valuing trade receivables and the bookings include estimates and critical judgements. The estimates are based on experience on realised write-offs in previous years, empirical knowledge of debt collecting, analysis made by clients and general market situation at the time. As at December 31, 2012, 2011 and 2010 trade receivables amounted to EUR 444.8 million, EUR 445.9 million and EUR 388.7 million.

Carve-out adjustments

Carve-out financial statements include the allocations of income, expense, assets, liabilities and cash flows that are described in note 2, which are based on management judgment, assumptions and estimates. The areas in the carve-out adjustments that involve higher degree of judgment, assumptions and estimates in these carve-out financial statements is related to financial liabilities and interests, group administration costs, taxes and invested equity.

New and amended standards adopted as of January 1, 2012

Impact of the new standards adopted as of January 1, 2012 to the carve-out financial statements:

- IFRS 7 (amendment) Financial instruments: Disclosures on transfers on financial assets. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment does not have any impact on the carve-out financial statements.

Evaluation of the future impact of new standards and interpretations

IASB has published the following new or amended standards and interpretations, which Caverion group has not applied for or EU commission has not approved yet. Caverion group will adopt them in the financial statements for the year 2013 or later.

- IFRS 13 Fair value measurement: Standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Group will adopt the standard in its 2013 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- IAS 1 (amendment) Presentation of statements of changes in equity: The amendment clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The Group will adopt the standard in its 2013 financial statements.
- IAS19 (revised) Employee benefit: Revised standard includes changes to accounting principles of defined benefit plans. The Caverion Group will adopt the standard in its 2013 financial statements. The corridor approach was eliminated and all actuarial gains and losses are to be recognised to OCI. The net asset or liability as a whole is to be booked to balance sheet. The expected return on fund assets is to be calculated using the same interest rate when discounting the net present value of pension liability. The adoption the 1 January 2013 will increase the pension obligations in the balance sheet by approximately EUR 25 million, decrease the other non-current assets by approximately EUR 10 million, decrease the deferred tax liabilities by approximately EUR 9 million and decrease the equity through OCI by approximately EUR 26 million. The change in fair value of employee benefit will be booked to OCI, when those previously were amortized through the income statement expense.
- IFRIC 20 Stripping costs in the production phase of a surface mine: The interpretation does not have an impact on the group reporting.
- IFRS 7 (amendment) Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities: The amended disclosures require more extensive disclosures than are currently required on offset financial asset and liabilities. The disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset in the balance sheet. The Group will adopt the standard in its 2013 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- Annual improvements 2011. Small and less important improvements to different standards, address six issues in the 2009-2011 reporting cycle. It includes changes to five different standards and the impacts vary by standard. The Group will adopt the standard in its 2013 financial statements.
- IFRS 9: Financial instruments: IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. IFRS 9 covers new requirements of classification and measurement, which will most likely to affect the classification and measurement of financial assets in the Group. The Group will adopt the standard earliest in its 2015 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.

- IFRS 10 Consolidated financial statements and IAS 27 (amendment) separate financial statements. The new standard set out how to apply the principle of control to identify whether an investor. Controls an investee and may affect the fact whether an entity or special purpose vehicle must be consolidated or not. The change requires additional considerations by the management and disclosures. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- IFRS 11 Joint arrangements and IAS 28 Associates and joint ventures (revised): Include guidelines how to consolidate joint arrangements. The treatment is focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets. Liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- IFRS 12 Disclosures of interests in other entities: includes the disclosure requirements for all forms of interests in other entities. It increases disclosures requirements of companies with non-controlling interests or where assessment of control is used in consideration or which have been established for a specific purpose. The Group will adopt the standard in its 2014 financial statements. The Group management is assessing the impact of the standard on the financial statements of the Group.
- IAS 32 (amendment) Offsetting Financial Assets and Financial Liabilities: The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32. The amendments clarify that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that certain gross settlement mechanisms are effectively equivalent to net settlement and would therefore satisfy the IAS 32 criterion in these instances. The Group will adopt the amendments in its 2014 financial statements.
- Amendment to IFRSs 10, 11 and 12 on transition guidance. These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Group will adopt the standard in its 2014 financial statements.

2 SEGMENT INFORMATION

Caverion's reportable segments are based on the internal reports regularly reviewed by the Management Board of YIT. The Management Board is the chief operating decision-maker, which reviews the Group's internal reporting in order to assess performance and allocate resources to the segments.

Caverion's business and reportable segments are Building Services Northern Europe and Building Services Central Europe.

Segments' operating activities are organised as follows:

Building Services Northern Europe

- Servicing, repairs, renovation and modernisation works required in homes and in properties.
- Servicing and maintenance of the HEPAC, electrical and automation systems and individual contracted maintenance and servicing works.
- Maintenance of industrial plants, industrial processes, installations and repairing services. Industrial investments in electrical, automation and ventilation systems, piping and tanks.

Building Services Central Europe

- Servicing, repairs, renovation and modernisation works required in homes and in properties.
- Servicing and maintenance of the HEPAC, electrical and automation systems and individual contracted maintenance and servicing works.
- Maintenance of industrial plants, industrial processes, installations and repairing services. Industrial investments in electrical, automation and ventilation systems, piping and tanks.

Other items

Other items include Group level unallocated costs.

Accounting principles in segment reporting

Building Services Northern Europe and Building Services Central Europe segments' reporting is based on accounting principles described in the carve out financial statements, which correspond to the previous accounting principles used in the YIT Group.

The segments' operative invested capital and return on operative invested capital (%) are monitored and reported regularly on the segment level.

Operative invested capital is determined as follows:

- + Tangible and intangible assets
- + Goodwill
- + Investments in associates
- + Inventories
- + Trade receivables and other non-interest-bearing receivables (excl. items related to taxes, interests and distribution of assets)
- = Segment's assets
- Provisions
- Trade payables
- Advances received
- Other non-interest-bearing liabilities (excl. items related to taxes, interests and distribution of assets)
- = Segment's liabilities

Segment's assets - Segment's liabilities = Operative invested capital

Return on operative invested capital, % =
$$\frac{\text{Segment's operating profit}}{\text{Operative invested capital on average}} * 100$$

Operating segments 2012

EUR million	Building Services Northern Europe	Building Services Central Europe	Other items	Items allocated to segments. total
Segment's revenue	2,089.2	714.2		2,803.4
Group internal	-0.0	-0.2		-0.2
Revenue from external customers	2,089.2	714.0	0.0	2,803.2
Share of profit from associates	0.0			0.0
Operating profit segment/Group	41.7	26.9	-7.4	61.2
Operating profit includes:				
Depreciation, amortisation and impairment	-18.3	-5.8		-24.2
Change in provisions	-8.1	4.1		-4.0
Segment's assets	890.4	344.8	0.7	1,235.9
Total assets include:				
Investments	12.0	4.1		16.2
Investments in associates	0.1			0.1
Segment's liabilities	512.4	245.9	0.4	758.7
Segment's operative invested capital	378.0	98.9		
Return on operative invested capital (last 12 months). %	10.7	31.5		

Operating segments 2011

EUR million	Building Services Northern Europe	Building Services Central Europe	Other items	Items allocated to segments. total
Segment's revenue	2,097.6	779.3		2,876.9
Group internal	-0.9	-0.3		-1.2
Revenue from external customers	2,096.7	779.0	0.0	2,875.7
Share of profit from associates	0.0			0.0
Operating profit segment/Group	78.8	33.3	-7.1	105.0
Operating profit includes:				
Depreciation and amortisation	-15.4	-4.8		-20.2
Change in provisions	1.7	3.4		5.1
Segment's assets	914.4	341.9	-2.1	1,254.1
Total assets include:				
Investments	14.0	1.9		15.9
Investments in associates	0.1			0.1
Segment's liabilities	511.7	269.8	0.9	782.5
Segment's operative invested capital	402.6	72.0		
Return on operative invested capital (last 12 months). %	21.8	53.8		

Operating segments 2010

EUR million	Building Services Northern Europe	Building Services Central Europe	Other items	Items allocated to segments. total
Segment's revenue	1,803.6	550.2		2,353.8
Group internal	-0.6	-0.4		-1.0
Revenue from external customers	1,803.0	549.8	0.0	2,352.8
Share of profit from associates	0.0			0.0
Operating profit segment/Group	88.7	16.4	-6.1	99.0
Operating profit includes:				
Depreciation and amortisation	-15.0	-3.0		-18.0
Change in provisions	8.3	-21.7		-13.4
Segment's assets	797.7	353.0	-4.0	1,146.7
Total assets include:				
Investments	17.8	74.8		92.6
Investments in associates	0.1			0.1
Segment's liabilities	478.7	301.5	1.7	781.9
Segment's operative invested capital	319.0	51.5		
Return on operative invested capital (last 12 months) %	23.3	46.9		

Segment information reconciliation

EUR million	Group 2012	Group 2011	Group 2010
Reconciliation of profit for the year			
Operating profit	61.2	105.0	99.0
Unallocated items:			
Financial income and expenses	-3.6	-3.0	-3.6
Profit before taxes	57.6	102.0	95.4
Taxes	-16.7	-29.0	-29.5
Non-controlling interests	-0.1	-0.1	0.0
Profit for the year	40.8	72.9	65.9

EUR million	Group 2012	Group 2011	Group 2010
Assets			
Assets allocated to segments	1,235.9	1,254.1	1,146.7
Unallocated items:			
Cash and cash equivalents	100.8	155.4	106.2
Available for sale assets	2.5	2.9	2.4
Tax related items	10.2	11.5	10.3
Assets held for sale			19.8
Assets total	1,349.4	1,423.8	1,285.5
Liabilities			
Liabilities allocated to segments	758.7	782.5	781.9
Unallocated items:			
Interest-bearing liabilities	91.0	106.8	108.1
Tax related items	85.4	83.4	71.4
Periodisations of financial items	0.6	1.1	1.2
Liabilities held for sale			17.2
Liabilities total	935.7	973.8	979.8

Geographical information

In geographical information revenue is presented by location of customers and non-current assets are presented by location of assets.

EUR million	2012 Revenue from external customers	2012 Non- current assets	2011 Revenue from external customers	2011 Non- current assets	2010 Revenue from external customers	2010 Non- current assets
Finland	585.8	120.8	612.7	122.6	544.4	124.8
Sweden	723.8	58.4	732.7	57.4	576.3	52.3
Norway	564.6	94.7	519.2	87.8	467.2	87.8
Germany	521.1	97.6	629.5	97.2	396.3	99.1
Austria	157.5	20.0	110.2	21.5	104.7	22.4
Denmark	142.8	10.6	166.7	12.2	141.3	14.5
Other Central Europe	32.3	3.6	31.0	4.7	44.5	8.5
Russia	32.0	0.3	31.3	0.9	26.5	1.0
Baltic countries	25.5	0.2	27.0	0.2	16.5	0.1
Other Europe	2.0		0.8		17.9	
Other countries	15.9	0.1	14.6	0.0	17.1	0.0
Group total	2,803.2	406.5	2,875.7	404.3	2,352.8	410.5

3 ACQUISITIONS

Acquisitions in 2012

In Sweden, Building Services Northern European segment acquired the share capital of Elektriska Installationer i Finspång AB. a company specialising in electricity, telecommunications, data, alarm and low voltage installations, and its sister company Kraftmontage i Finspång AB. specialising in electrical installations in February. In Norway, the share capital of electrical installations specialist Madla Elektro AS in March was acquired. In Sweden, the security business operations of Level5 security was acquired in April and the share capital of electrical installations company Dala Elmontage Lindkvist & Bodin Ab was acquired in May.

During the first half of the year 2012, two acquisitions were made in the Building Services Central Europe segment. In Austria, the Group acquired the share capital of P&P Kältengebäude GmbH. a cooling solutions and service provider, and the share capital of WM Haustechnik GmbH. an HVAC solution provider.

The total acquisition price amounted to EUR 9.5 million. The acquisitions did not result in goodwill.

Acquisitions in 2011

Building services Northern European segment acquired in Sweden Pharmaplan AB in January. Orab i Sydost Ab specializing in industrial pipe works in April, and Johnson Control's Commercial Refrigeration – businesses. Frisk Ventilation AB a supplier of ventilation – related services in May. MISAB Sprinkler & VVS AB and Sakari Timonen business operations in July and Mercur VVS group in September.

Total acquisition price amounted to EUR 9.4 million. With these local acquisitions, the market share was strengthened and the acquisition price over the net assets acquired was allocated to customer base.

Acquisitions in 2010 –other than caverion GmbH and its subsidiaries

The Northern Europe Building services segment implemented many small business acquisitions. The companies acquired were Eltjänst Br Björk Installation AB. Ekonomisk Luftbehandling AB. Fristads Rör-El AV. G:sson Teleteknik AB. Ferm VVS and Jansson & Eriksson Ekonomisk Luftbehandling AB in Sweden. Ugelvik Nettet AS, Haug og Ruud AS and Energiprojekt in Norway and Brdr. Petersen Eftf A/S and Carl Christensen & Co. A/S in Denmark.

The following table describes the final acquisition values, which also include adjustments made to preliminary values, which have not had material effect on the financial period result.

Composition of acquired net assets and goodwill

EUR million	2012	2011	2010
Consideration			
Cash	8.5	8.0	11.6
Contingent consideration	1.1	1.4	0.5
Total consideration	9.5	9.4	12.1
Acquisition-related costs (recognised as expenses)	0.2	0.3	
Recognised amounts of identifiable assets acquired and liabilities assumed			
EUR million	2012	2011	2010
Cash and cash equivalents	1.1	0.5	1.3
Property, plant and equipment	0.5	0.8	2.6
Customer base	1.6	11.6	14.0
Order backlog	4.5		
Other intangible assets	12.9		
Inventories	0.9	0.3	1.2
Trade and other receivables	6.6	10.6	7.4
Deferred tax liabilities, net	-2.0	-1.1	-0.3
Trade and other liabilities	-16.6	-13.3	-14.1
Total identifiable net assets	9.5	9.4	12.1
Non-controlling interest			
Goodwill			
Total	9.5	9.4	12.1
Revenue included in the income statement for the period	17.4	7.8	11.8
Profit for the period included in the income statement for the period	0.2	-0.2	-2.4
Revenue had the consolidation taken place from the beginning of the financial year	19.0	12.1	11.8
Profit for the period had the consolidation taken place from the beginning of the financial year	0.4	0.3	-2.4

Acquisitions in 2010 - caverion GmbH and its subsidiaries

In the Central European Building Services segment, it was agreed in June 23, 2010, that the entire share capital of caverion GmbH will be acquired. The most significant countries of operation for caverion GmbH and its subsidiaries are Germany, Poland and Hungary. The completion of the transaction was subject to approval by the competition authorities, which was received at the end of August 2010. Caverion GmbH and its subsidiaries have been consolidated from September 1, 2010.

The final purchase price of the caverion GmbH shares was EUR 73.0 million, and it has been paid in cash. The fair value of the acquired identifiable intangible assets is approximately EUR 4.4 million. The preliminary net fair value of the assets held for sale was approximately EUR 2.6 million and the fair value of trade receivables approximately EUR 35.8 million. The preliminary value of goodwill recognized from the acquisition was approximately EUR 59.9 million.

According to the management's estimate, the goodwill is based on the operational network provided by the companies, competence of the personnel and market share in the Central European market as well as shifting the focus of business operations in the acquired units towards long-term service agreements and servicing and maintenance operations. Significant synergy benefits are seen in operational models that will be harmonized, the expanding service offering and procurement.

The available for sale assets realised price of sale in 2011 was EUR 2.7 million. The final fair value of trade receivables was EUR 37.7 million. Respectively, the final goodwill amounted to EUR 57.9 million.

Composition of acquired net assets and goodwill

EUR million	Final 2011	Preliminary 2010
Consideration		
Cash	73.0	73.0
Total consideration	73.0	73.0
Acquisition-related costs (recognised as expenses)		1.9

Recognised amounts of identifiable assets acquired and liabilities assumed

EUR million	Final 2011	Preliminary 2010
Cash and cash equivalents	48.0	48.0
Property, plant and equipment	7.8	7.8
Order backlog	4.4	4.4
Compensation for prohibiting competition	0.0	0.0
Assets held for sale	19.9	19.8
Inventories	6.4	6.4
Trade and other receivables	118.7	116.7
Deferred tax liabilities, net	-0.6	-0.6
Pension liabilities	-11.7	-11.7
Loans	-0.3	-0.3
Trade and other liabilities	-160.8	-160.8
Liabilities held for sale	-17.2	-17.2
Total identifiable net assets	14.7	12.7
Non-controlling interest	0.4	0.4
Goodwill	57.9	59.9
Total	73.0	73.0
Revenue included in the income statement for the period.		173.4
Profit for the period included in the income statement for the period		6.6
Revenue had the consolidation taken place from the beginning of the financial year		454.2
Profit for the period had the consolidation taken place from the beginning of the financial year		8.7

4 DISPOSALS

Disposed businesses in 2012

There were no disposals in Caverion Group in 2012.

Disposed businesses in 2011

Building Services Central Europe segment disposed its businesses in Hungary by selling three subsidiaries in Hungary at May 31, 2011. The companies were included in the acquisitions in years 2008 and 2010 in Central Europe. The goodwill related to Central Europe was reduced by EUR 1.4 million in Hungarian business divestment.

The selling price of businesses totaled EUR 12.2 million. The net assets at the time of the disposal were EUR 7.0 million so the gain on sale before taxes was EUR 5.2 million. The gain after taxes is EUR 5.2 million and it has been included in other operating income.

Effect of disposed businesses on revenue, net profit and cash flow

EUR million	January 1 – December 31, 2011
Revenue	4.7
Operating expenses	-4.1
Operating profit	0.6
Financial expenses	0.0
Profit before taxes	0.6
Taxes	0.0
Net profit	0.5
Received in cash	12.2
Direct costs related to disposals	-0.6
Cash and cash equivalents in disposed entity	-5.7
Cash flow on disposals	5.9

Effect of disposed businesses on combined assets and liabilities

EUR million	2011
Tangible assets	0.1
Intangible assets	0.0
Goodwill	1.4
Inventories	0.2
Trade and other receivables	3.4
Cash and cash equivalents	5.7
Total assets	10.7
Deferred tax liability	0.0
Trade and other liabilities	3.7
Total liabilities	3.7
Net assets	7.0

Disposed businesses in 2010

There were no disposals in Caverion Group in 2010.

5 LONG-TERM CONTRACTS

EUR million	2012	2011	2010
Long-term service contracts and building service projects revenue recognised as revenue in the period	2,006.4	2,087.9	1,653.5
Contract costs incurred and recognised profits less recognised losses to date for work in progress	2,366.8	1,592.6	1,508.7
Accrued income from long-term service contracts and projects	279.4	287.4	212.3
Advances received	75.4	92.9	104.9

For long-term service contracts and building service projects the costs incurred plus recognised profits, which are higher than the invoiced amount, are shown in the balance sheet under "Trade and other receivables". Advances received and difference that arises if the costs incurred and recognised profits are lower than the invoiced amount is included in "Accounts payable and other liabilities".

6 OTHER OPERATING INCOME

EUR million	2012	2011	2010
Gains on the sale of tangible and intangible assets	2.5	0.4	0.1
Rent income	0.2	0.2	0.5
Gains on disposed companies or businesses		5.2	
Business combinations	4.0		
Personnel-related allowances	2.4		
Other income	3.2	0.5	3.5
Total	12.3	6.3	4.1

7 OTHER OPERATING EXPENSES

EUR million	2012	2011	2010
Losses on the sale of tangible and intangible assets	0.0	0.1	
Expenses for leased office facilities	41.3	40.7	34.3
Other expenses for leases	57.9	50.0	45.8
Voluntary indirect personnel expenses	17.2	8.8	6.7
Other variable expenses for work in progress	70.1	66.4	42.3
Travel expenses	50.6	47.8	30.2
IT expenses	42.0	42.7	32.2
Premises expenses	9.1	9.4	8.2
Other fixed expenses ¹⁾	45.6	21.1	37.9
Total	333.9	287.0	237.6

1) Other fixed costs include administrative, marketing and other fixed costs.

Audit fee	2012	2011	2010
PricewaterhouseCoopers			
Audit fee	0.6	0.8	0.8
Statement	0.0	0.0	0.0
Tax services	0.3	0.2	0.2
Other services	0.2	0.1	0.7
Total	1.1	1.1	1.7

8 DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR million	2012	2011	2010
Depreciation and amortisation			
Intangible assets			
on allocations	13.5	9.4	7.4
on other intangible assets	0.7	1.6	1.7
Tangible assets			
on buildings and structures	0.6	0.9	0.9
on machinery and equipment	5.5	5.5	5.5
on machinery and equipment, finance lease	0.4	0.5	0.6
on other tangible assets	2.5	2.4	1.9
Total	23.3	20.3	18.0
Impairment			
on goodwill	0.9		
Depreciation, amortisation and impairments total	24.2	20.3	18.0

9 EMPLOYEE BENEFIT EXPENSES

EUR million	2012	2011	2010
Wages and salaries	874.4	877.1	775.9
Pension costs, defined contribution plan	70.5	64.1	60.0
Pension costs, defined benefit plan	9.1	8.9	5.0
Other post-employment benefits	0.1	0.1	0.1
Share-based compensations	1.7	1.3	1.5
Other indirect employee costs	171.5	139.7	106.6
Total	1,127.3	1,091.2	949.0
Average number of personnel by business segment	2012	2011	2010
Building Services Northern Europe	15,159	16,008	15,562
Building Services Central Europe	3,380	3,640	2,617
Other	53	53	53
Total	18,592	19,701	18,232

Information on the management's salaries and fees and other employee benefits and shareholdings are disclosed in note 32, Related party transactions.

10 RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses amounted to EUR 14.0 million in 2012, EUR 14.4 million in 2011 and EUR 11.6 million in 2010.

11 FINANCIAL INCOME AND EXPENSES

EUR million	2012	2011	2010
Financial income			
Dividend income on available for sale investments	0.0	0.1	0.1
Interest income on loans and other receivables	1.1	1.3	0.9
Realised gains on available for sale investments	0.5		
Other financial income on loans and other receivables	0.2	0.2	0.2
Financial income, total	1.9	1.6	1.1
Financial expenses			
Interest expenses on liabilities at amortised cost ¹⁾	-4.6	-4.3	-4.4
Other financial expenses on liabilities at amortised cost	-0.5		
Changes in fair values on financial instruments at fair value through profit and loss account		-0.1	0.0
Interest expenses on finance leases	0.0	-0.1	-0.1
Financial expenses, total	-5.2	-4.5	-4.5
Exchange rate gains	1.0	1.0	0.6
Exchange rate losses	-1.3	-1.1	-0.8
Exchange rate differences, net	-0.3	-0.1	-0.2
Financial expenses, net	-3.6	-3.0	-3.6

1) Interest expenses on liabilities at amortised cost include EUR 0.2 million (EUR 0.2 million in 2011 and EUR 0.4 million in 2010) interest expenses on derivatives with hedge accounting applied for.

12 INCOME TAXES

Income taxes in the income statement

EUR million	2012	2011	2010
Current taxes	9.8	22.7	19.4
Taxes for prior years	-0.8	0.6	1.4
Deferred taxes	7.7	5.7	8.8
Total income taxes	16.7	29.0	29.5

The reconciliation between income taxes in the consolidated income statement and income taxes at the statutory tax rate in Finland 24.5% in 2012 (26.0% in 2011 and 2010) is as follows:

EUR million	2012	2011	2010
Profit before taxes	57.6	102.0	95.4
Income taxes at the tax rate in Finland (24.5% / 26.0% / 26.0%)	14.1	26.5	24.8
Effect of different tax rates outside Finland	2.4	1.8	1.3
Tax exempt income and non-deductible expenses	-1.1	0.1	2.6
Net results of associated companies	0.0	0.0	0.0
Impact of the changes in the tax rates on deferred taxes ¹⁾	-1.1	-1.0	0.1
Impact of losses for which deferred tax asset is recognized	-0.3	-0.2	-0.1
Impact of losses for which deferred taxes is not recognized	1.3	1.2	-0.6
Reassessment of deferred taxes	2.2	0.0	
Taxes for prior years	-0.8	0.6	1.4
Income taxes in the income statement	16.7	29.0	29.5

1) The effect of the change of tax rate in Sweden from 26.3% to 22% in 2013, in Finland from 26.0% to 24.5% in 2012 and in Hungary from 16 % to 19% in 2011.

13 TANGIBLE ASSETS

2012

EUR million	Land and Water areas	Buildings and Structures	Machinery and Equipment	Other tangible assets ¹⁾	Advance payments	Total
Historical cost at January 1, 2012	1.7	20.0	67.1	15.9	0.4	105.1
Translation differences		-0.3	1.6	0.2		1.5
Increases		0.1	4.7	1.7	0.2	6.7
Acquisitions			0.5			0.5
Decreases	-0.1	-1.9	-3.3	-0.6	-0.1	-6.0
Historical cost at December 31, 2012	1.6	17.9	70.6	17.2	0.5	107.8
Accumulated depreciation and impairment at January 1, 2012		-11.7	-52.8	-5.9		-70.4
Translation differences		0.2	-1.2	-0.1		-1.1
Depreciation		-0.6	-5.9	-2.5		-9.0
Accumulated depreciation of decreases		1.0	3.0	0.5		4.5
Accumulated depreciation and impairment at December 31, 2012		-11.1	-56.9	-8.0		-76.0
Carrying value January 1, 2012	1.7	8.3	14.3	10.0	0.4	34.7
Carrying value December 31, 2012	1.6	6.8	13.7	9.2	0.5	31.8

2011

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets ¹⁾	Advance payments	Total
Historical cost at January 1, 2011	1.7	20.1	65.8	14.1	0.5	102.2
Translation differences		0.1	0.0	0.0		0.1
Increases			3.3	2.0	0.1	5.4
Acquisitions		0.0	0.8	0.0		0.8
Decreases		-0.2	-2.8		-0.2	-3.1
Disposals				-0.2		-0.2
Historical cost at December 31, 2011	1.7	20.0	67.1	15.9	0.4	105.1
Accumulated depreciation and impairment at January 1, 2011		-11.0	-48.8	-3.8		-63.6
Translation differences		0.0	0.0	0.0		0.0
Depreciation		-0.9	-5.9	-2.4		-9.3
Accumulated depreciations of decreases		0.2	1.9	0.4		2.5
Accumulated depreciation and impairment at December 31, 2011		-11.7	-52.8	-5.9		-70.4
Carrying value January 1, 2011	1.7	9.1	16.9	10.3	0.5	38.5
Carrying value December 31, 2011	1.7	8.3	14.3	10.0	0.4	34.7

2010

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets ¹⁾	Advance payments	Total
Historical cost at January 1, 2010	1.5	20.4	62.3	8.5		92.6
Translation differences		0.0	0.0	0.0		0.0
Increases		0.6	3.4	1.5	0.5	5.9
Acquisitions	0.2	1.0	4.0	5.2		10.4
Decreases		-1.8	-3.9	-1.1		-6.8
Historical cost at December 31, 2010	1.7	20.1	65.8	14.1	0.5	102.2
Accumulated depreciation and impairment at January 1, 2010		-11.1	-46.3	-2.8		-60.2
Translation differences		0.0	0.0	0.0		0.0
Depreciation		-0.9	-6.2	-1.9		-9.0
Accumulated depreciation of decreases		1.1	3.6	0.9		5.6
Accumulated depreciation and impairment at December 31, 2010		-11.0	-48.8	-3.8		-63.6
Carrying value January 1, 2010	1.5	9.3	16.0	5.7	0.0	32.4
Carrying value December 31, 2010	1.7	9.1	16.9	10.3	0.5	38.5

1) Other tangible assets include, among other things, leasehold improvement costs.

Finance lease assets

Tangible assets include assets leased by finance lease agreements as follows:

Machinery and equipment			
EUR million	2012	2011	2010
Historical cost at January 1	6.9	7.7	6.4
Translation differences	0.2	0.0	0.0
Increases	0.9	0.1	1.2
Decreases	0.0	-0.8	
Accumulated depreciation	-7.1	-6.6	-6.3
Carrying value December 31	0.9	0.4	1.4

No impairment losses have been recognised in the years 2012, 2011 and 2010. The government grant received is not material. The received government grants have been deducted from the carrying value.

14 INTANGIBLE ASSETS

2012				
EUR million	Goodwill	Allocations from business combinations	Other intangible assets	Total other intangible assets
Historical cost at January 1, 2012	336.6	57.1	17.6	74.7
Increases			0.9	0.9
Acquisitions		19.0		19.0
Decreases			-1.7	-1.7
Translation differences		5.6	-3.1	2.5
Historical cost at December 31, 2012	336.6	81.7	13.7	95.4
Accumulated depreciations January 1, 2012		-26.9	-15.0	-41.9
Amortisation	-0.9	-13.5	-0.7	-14.2
Translation differences		-5.4	2.5	-2.9
Accumulated amortisation of decreases		0.5	2.1	2.6
Accumulated amortisation at December 31, 2012	-0.9	-45.3	-11.1	-56.4
Carrying value January 1, 2012	336.6	30.2	2.5	32.8
Carrying value December 31, 2012	335.7	36.4	2.5	39.0

2011				
EUR million	Goodwill	Allocations from business combinations	Other intangible assets	Total other intangible assets
Historical cost at January 1, 2011	340.0	49.3	17.1	66.4
Increases			1.0	1.0
Acquisitions		11.4	0.0	11.4
Decreases	-3.4	-3.6	-0.5	-4.1
Translation differences		0.0	0.0	0.0
Historical cost at December 31, 2011	336.6	57.1	17.6	74.7
Accumulated depreciations January 1, 2011		-21.0	-13.4	-34.4
Amortisation		-9.4	-1.6	-11.0
Translation differences		-0.1	0.0	-0.1
Accumulated amortisation of decreases		3.6	0.0	3.6
Accumulated amortisation at December 31, 2011		-26.9	-15.0	-41.9
Carrying value January 1, 2011	340.0	28.3	3.7	32.0
Carrying value December 31, 2011	336.6	30.2	2.5	32.8

2010				
EUR million	Goodwill	Allocations from business combinations	Other intangible assets	Total other intangible assets
Historical cost at January 1, 2010	280.1	32.7	17.4	50.0
Increases	59.9		0.3	0.3
Acquisitions		18.8	0.2	19.0
Decreases		-2.2	-0.7	-2.9
Translation differences		0.0	0.0	0.0
Historical cost at December 31, 2010	340.0	49.3	17.1	66.4
Accumulated amortisation January 1, 2010		-15.6	-12.4	-28.1
Depreciations		-7.4	-1.7	-9.1
Translation differences		0.4	0.1	0.5
Accumulated amortisation of decreases		1.6	0.6	2.3
Accumulated amortisation at December 31, 2010		-21.0	-13.4	-34.4
Carrying value January 1, 2010	280.1	17.1	4.9	22.0
Carrying value December 31, 2010	340.0	28.3	3.7	32.0

Allocations from business combinations:

EUR million	2012	2011	2010
Customer relations and contract bases	31.1	27.5	23.0
Unpatented technology	0.2	0.7	1.6
Order backlog	4.5	0.5	1.3
Prohibition of competition clause	0.6	1.5	2.4
Total	36.4	30.2	28.3

Goodwill is allocated to the business segments and to the cash generating units (CGU) as follows:

EUR million	2012	2011	2010
Building Services Northern Europe			
Finland	68.9	68.9	68.9
Sweden	41.8	41.8	41.8
Norway	69.7	69.7	69.7
Denmark	7.6	7.6	7.6
Industrial services	41.8	41.8	41.8
Total Building Services Northern Europe	229.7	229.7	229.7
Building Services Central Europe			
Germany ¹⁾	86.0	86.0	88.0
Austria	16.5	16.5	16.5
Poland	2.4	3.3	3.3
Czech	1.1	1.1	1.1
Hungary ²⁾			1.4
Building Services Central Europe	106.0	106.9	110.3
Total goodwill	335.7	336.6	340.0

1) The effect of the final acquisition calculation of caverion GmbH and its subsidiaries is taken into account in goodwill in 2011.

2) The Hungarian business was sold in 2011.

The recoverable amount of all cash generating units (CGU) is based on the value in use calculations. The value in use cash flows are based on the set out budget for next year and set out strategy of next two years. A growth rate for the terminal value of 2 per cent has been used in the impairment testing in 2012 (0% 2011 and 2010). YIT's management considers that the 2 per cent better reflects the rate of expected long-term inflation. The estimated business volumes are based on the current Group structure. The estimates include f.ex. the business potential in building service and maintenance sector in all Group countries. The estimates rest on the former experience and trends in these markets. Forecast of several research institutes related to growth, demand and price trends have also been utilised when preparing the estimates.

The discount factor employed is YIT-Groups latest confirmed pre-tax WACC (Weighted Average Cost of Capital). A WACC of 10.2 - 10.9 per cent was used in testing of Building Services Northern Europe. 15.9 per cent in Poland and 9.9 - 11.1 per cent in the rest of Building Services Central Europe in 2012. A WACC of 10.8 percent was used in testing of Building Services Northern Europe in 2011 and 10.8 - 13.8 per cent in testing of Building Services Central Europe. A WACC of 11.0 per cent was used in 2010.

As a result of impairment testing a write-down of EUR 0.9 million was made to the goodwill of Poland in 2012. In financial years 2011-2010 write-downs on goodwill has not been made.

The goodwill test results are evaluated by comparing the recoverable amount (E) with the carrying amount of the CGU (T), as follows:

Ratio			Estimate	
E		<	T	Impairment
E	0 - 20%	>	T	Slightly above
E	20 - 50%	>	T	Clearly above
E	50% -	>	T	Substantially above

The recoverable amount exceeded the carrying amount substantially in all cash generating units that have goodwill in 2011 and in 2010 and except for Poland in 2012.

The sensitivity analysis for the recoverable cash flows has been made assessing the impact of changes in f.ex discount rate, profitability and terminal value. Even remarkable negative change in these factors would not lead to impairment losses of tested assets.

15 INVESTMENTS IN ASSOCIATED COMPANIES

EUR million	2012	2011	2010
Historical costs on January 1	0.1	0.1	0.1
Share of the profit	0.0	0.0	0.0
Historical costs on December 31	0.1	0.1	0.1

The carrying amounts of the shares in associated companies do not include goodwill in 2012, 2011 and 2010.

Group's associated companies and their assets, liabilities, revenue and profit/loss

EUR million	Company	Domicile	Assets	Liabilities	Revenue	Profit/loss	Ownership
2012	Arandur Oy	Vantaa	4.0	3.7	5.4	0.0	33.00%
2011	Arandur Oy	Vantaa	4.0	3.7	5.2	0.0	33.00%
2010	Arandur Oy	Vantaa	3.0	2.8	5.2	0.0	33.00%

16 AVAILABLE FOR SALE INVESTMENTS

EUR million	2012	2011	2010
Carrying value January 1	2.9	2.4	1.1
Increases	0.0		1.4
Decreases	0.0		-0.1
Changes in fair values	-0.4	0.5	0.0
Carrying value December 31	2.5	2.9	2.4

Available for sale investments consist of as follows:

Quoted shares	1.4	1.9	1.3
Unquoted shares	1.1	1.0	1.1
Total	2.5	2.9	2.4

17 NON-CURRENT RECEIVABLES

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value	2010 Carrying value	2010 Fair value
Other receivables ¹⁾	15.6	15.6	18.2	18.2	15.3	15.3

1) Other receivables include defined benefit plan pension assets EUR 12.3 million (EUR 15.1 million in 2011 and EUR 14.7 million in 2010).

Reconciliation to non-current receivables by category (note 27)

EUR million	2012	2011	2010
Other receivables	15.6	18.2	15.3
Defined benefit pension asset	-12.3	-15.1	-14.7
Difference	3.3	3.1	0.6

Non-current receivables do not include receivables from related parties.

18 DEFERRED TAX RECEIVABLES AND LIABILITIES

EUR million	2012	2011	2010
Deferred tax receivable	5.5	8.7	6.6
Deferred tax liability	-78.0	-70.0	-59.8
Deferred tax liability. net	-72.5	-61.3	-53.2
Changes in deferred tax receivables and liabilities:			
Deferred tax liability. net 1 January	-61.3	-53.2	-42.2
Translation difference	-1.6	-3.1	0.3
Changes recognised in income statement	-7.7	-5.7	-8.8
Changes recognised in comprehensive income	0.1	-0.1	
Business acquisitions	-2.0	0.8	-2.5
Deferred tax liability. net 31 December	-72.5	-61.3	-53.2

Changes in deferred tax receivables and liabilities before the offset

2012

EUR million	January 1	Translation difference	Recognised in the income statement	Recognised in comprehensive income	Acquisitions / Disposals	December 31
Deferred tax receivables:						
Provisions	5.0	0.1	0.1			5.2
Tax losses carried forward	8.5	0.1	-1.9			6.7
Pension obligations	0.8	0.0	1.8			2.6
Percentage of completion method	0.0		0.3			0.3
Other items	3.0		0.3			3.3
Total deferred tax receivables	17.3	0.2	0.6			18.1
Deferred tax liabilities:						
Allocation of intangible assets ¹⁾	39.8	0.9	4.2		2.0	46.9
Accumulated depreciation differences	8.8	0.3	-1.6			7.5
Pension obligations	2.6	0.2	1.4			4.2
Percentage of completion method	24.0	0.3	5.6			29.9
Inventories	1.8		-0.3			1.5
Available-for-sale investments	0.1			-0.1		0.0
Other items	1.5	0.2	-1.0			0.7
Total deferred tax liabilities	78.6	1.9	8.3	-0.1	2.0	90.7

2011

EUR million	January 1	Translation difference	Recognised in the income statement	Recognised in comprehensive income	Acquisitions/ Disposals	December 31
Deferred tax receivables:						
Provisions	6.0	0.0	-1.0			5.0
Tax losses carried forward	4.7		2.3		1.5	8.5
Pension obligations	0.8	0.0	0.0			0.8
Percentage of completion method	6.0	0.0	-6.0			0.0
Other items	4.8	-1.6	-0.2			3.0
Total deferred tax receivables	22.3	-1.6	-4.9		1.5	17.3
Deferred tax liabilities:						
Allocation of intangible assets ¹⁾	38.1		1.7			39.8
Accumulated depreciation differences	11.7		-2.9			8.8
Pension obligations	2.4		0.2			2.6
Percentage of completion method	15.6	-0.2	7.9		0.7	24.0
Inventories	1.3		0.5			1.8
Available-for-sale investments				0.1		0.1
Other items	6.5	1.6	-6.6			1.5
Total deferred tax liabilities	75.6	1.4	0.8	0.1	0.7	78.6

2010

EUR million	January 1	Translation difference	Recognised in the income statement	Recognised in comprehensive income	Acquisitions/ Disposals	December 31
Deferred tax receivables:						
Provisions	8.3		-2.4		0.1	6.0
Tax losses carried forward	2.9		1.8			4.7
Pension obligations	0.2		0.6			0.8
Percentage of completion method	1.2		4.8			6.0
Other items	6.1	0.7	-3.4		1.4	4.8
Total deferred tax receivables	18.7	0.7	1.4		1.5	22.3
Deferred tax liabilities:						
Allocation of intangible assets ¹⁾	30.4	0.9	4.0		2.8	38.1
Accumulated depreciation differences	9.3	1.0	0.2		1.2	11.7
Pension obligations	3.5	0.1	-1.2			2.4
Percentage of completion method	12.7	0.5	2.4			15.6
Inventories	1.2	0.0	0.1			1.3
Other items	3.8	-2.0	4.7			6.5
Total deferred tax liabilities	60.9	0.5	10.2		4.0	75.6

1) Capitalisation of intangible assets include besides capitalization of intangible assets, the deductible amount of the deferred taxes of goodwill from the separate entities

The deferred tax receivables on the taxable losses will be booked to the extent the benefit is expected to be able to deduct from the taxable profit in the future. No deferred tax asset of EUR 2.1 million (EUR 0 million in 2011 and 2010) has been recognised on accumulated losses, of which some part is not approved by tax authorities. Deferred tax liability on undistributed earnings of subsidiaries, where the tax will be paid on the distribution of earnings, has not been recognised in the carve-out balance sheet, because distribution of the earnings is in the control of the Group and it is not probable in the foreseeable future.

19 INVENTORIES

EUR million	2012	2011	2010
Raw materials and consumables	23.1	20.0	19.9
Work in progress	15.8	17.2	16.8
Advance payments	0.1	0.4	0.9
Total inventories	39.0	37.5	37.7

In 2012, 2011 and 2010 there were no write-downs of inventories.

20 TRADE AND OTHER RECEIVABLES

EUR million	2012 Carrying value	2011 Carrying value	2010 Carrying value
Trade receivables	444.8	445.9	388.7
Accrued income from long-term contracts ¹⁾	279.4	287.4	212.3
Accrued income	39.3	51.9	67.1
Other receivables	11.1	9.1	15.0
Total	774.7	794.2	683.2

The Group's Trade receivables had an average of EUR 397.8 million in 2012, EUR 366.9 million in 2011 and EUR 255.5 million in 2010. The Group has not received collaterals.

Reconciliation to trade receivables and other receivables by category (note 27)

EUR million	2012	2011	2010
Trade receivables	444.8	445.9	388.7
Accrued income from long-term contracts ¹⁾	279.4	287.4	212.3
Other receivables	11.1	9.1	15.0
Total	735.4	742.3	616.0

1) Additional information is presented in note 5, Long-term contracts

21 CASH AND CASH EQUIVALENTS

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value	2010 Carrying value	2010 Fair value
Financial securities					0.3	0.3
Cash and cash equivalents	100.8	100.8	155.4	155.4	105.9	105.9
Total	100.8	100.8	155.4	155.4	106.2	106.2

Cash and cash equivalents presented in Group cash flow statement:

EUR million	2012	2011	2010
Financial securities			0.3
Cash and cash equivalents	100.8	155.4	105.9
Accounts with overdraft facility		-0.9	
Total	100.8	154.5	106.2

22 EMPLOYEE BENEFIT OBLIGATIONS

EUR million	2012	2011	2010
Balance sheet obligations for:			
a) Pension benefits	18.6	18.2	17.7
b) Other post-employment benefits	8.1	8.0	8.9
Total	26.7	26.2	26.6
Balance sheet assets for:			
a) Pension benefits	-12.3	-15.1	-14.7
Income statement charge for:			
a) Pension benefits	9.0	8.8	4.9
b) Other post-employment benefits	0.1	0.1	0.1
Total	9.1	8.9	5.0

(a) Pension benefits

The Group has defined benefit pension plans in Norway, Germany and Austria. In all plans the pension liability has been calculated based on the number the years employed and the salary level. All the pension plans are managed in insurance companies, which follow the local pension legislation in their management.

The amounts are determined as follows:

EUR million	2012	2011	2010
Present value of funded obligations	93.9	107.8	97.1
Fair value of plan assets	-74.4	-69.1	-69.3
Deficit/surplus	19.5	38.7	27.8
Present value of unfunded obligations	24.0	18.6	19.4
Unrecognised actuarial losses	-37.2	-54.2	-44.3
Net pension liability	6.3	3.1	3.0

Disclosed in the balance sheet as follows:

Pension obligations	18.6	18.2	17.7
Defined benefit pension assets (note 17)	-12.3	-15.1	-14.7

The movement in the defined benefit obligation over the year is as follows:

EUR million	2012	2011	2010
At January 1	126.4	116.6	80.1
Exchange differences	6.0	0.6	5.3
Current service cost	5.5	4.9	4.1
Interest cost	3.6	4.6	3.5
Contributions by plan participants	0.0	-0.6	-1.2
Actuarial profits/losses	-20.0	2.8	16.6
Benefits paid	-3.6	-2.5	-2.2
Liabilities acquired in a business combination	0.0	0.0	11.2
Settlements	0.0	0.0	-1.0
At December 31	117.9	126.4	116.6

The movement of plan assets of the year is as follows:

EUR million	2012	2011	2010
At January 1	69.1	69.3	62.0
Exchange differences	3.8	0.4	4.0
Expected return of plan assets	3.0	3.7	3.4
Actuarial profits/losses	-3.1	-6.7	-5.2
Employer contribution	4.0	4.5	7.0
Benefits paid	-2.5	-2.0	-1.9
Assets from business combinations	0.0	0.0	0.2
At December 31	74.4	69.1	69.3

Expected return on the plan assets	3.0	3.7	3.1
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The amounts recognised in the income statement are as follows:

EUR million	2012	2011	2010
Current service cost	5.4	4.9	4.1
Interest cost	3.6	4.6	3.6
Expected return on plan assets	-3.0	-3.7	-3.3
Actuarial gains (-) and losses (+)	3.1	2.9	1.6
Settlements	0.0	0.0	-1.0
Total, included in personnel expenses	9.0	8.8	4.9

Actuarial assumptions are as follows:

	2012	2011	2010
Discount rate	3.5-3.8%	2.6-4.6%	4.0-4.6%
Rate of salary increase	1.3-3.5%	4.0%	4.0%
Rate of pension increases	0.2-2.3%	0.1-2.3%	1.0%
Rate of expected return on plan assets	3.8%	4.1%	5.7%

The future mortality rate and average life expectancy in years are based on statistics in Norway, Germany and Austria.

(b) Other post-employment benefits

Other post-employment liabilities include a legal liability in Austria related to obligations at the termination of employment and additional pension benefits as well as unemployment liabilities in Finland.

The amounts recognised in the balance sheet are determined as follows:

EUR million	2012	2011	2010
Present value of unfunded obligations	8.1	7.9	8.8
Liability in the balance sheet	8.1	7.9	8.8

The movement in the defined benefit obligation over the year is as follows:

EUR million	2012	2011	2010
At January 1	7.9	8.8	9.6
Contributions by plan participants	0.6	0.6	0.7
Actuarial gains/losses	-0.1	-0.8	-0.6
Benefits paid	-0.3	-0.7	-0.9
At December 31	8.1	7.9	8.8
Recognised loss	0.1	0.1	0.1
Total	0.1	0.1	0.1

23 PROVISIONS

EUR million	Guarantee reserve	Provisions for loss making projects	Restructuring provisions	Legal provisions	Other provisions	Total
January 1, 2012	15.4	3.6	5.1	3.4	8.2	35.7
Translation differences	0.2	0.0	-0.1	0.0	0.3	0.4
Provision additions	7.6	2.6	1.1	0.5	4.5	16.3
Released during the period	-8.1	-3.0	-4.0	-0.6	-5.0	-20.7
Reversals of unused provisions	-1.0			-0.3	-0.6	-1.9
Acquisitions	0.1	0.2			0.1	0.4
December 31, 2012	14.2	3.4	2.1	3.0	7.5	30.2
Non-current	3.7		1.0		2.1	6.9
Current	10.4	3.4	1.1	3.0	5.4	23.3
Total	14.2	3.4	2.1	3.0	7.5	30.2

EUR million	Guarantee reserve	Provisions for loss making projects	Restructuring provisions	Legal provisions	Other provisions	Total
January 1, 2011	17.9	5.3	3.7	3.0	10.9	40.8
Translation differences	-1.2				-0.3	-1.5
Provision additions	5.9	3.1	5.2	1.2	3.0	18.4
Released during the period	-6.3	-2.9	-3.8	-0.7	-5.1	-18.8
Reversals of unused provisions	-0.5	-1.9		-0.1	-0.3	-2.8
Acquisitions	-0.4					-0.4
December 31, 2011	15.4	3.6	5.1	3.4	8.2	35.7
Non-current	4.2		1.4		4.2	9.9
Current	11.2	3.6	3.6	3.4	4.0	25.8
Total	15.4	3.6	5.1	3.4	8.2	35.7

EUR million	Guarantee reserve	Provisions for loss making projects	Restructuring provisions	Legal provisions	Other provisions	Total
January 1, 2010	22.7	3.1	1.5	1.6	7.6	36.5
Translation differences	0.3	0.1	0.1		-0.3	0.2
Provision additions	6.7	5.2	3.2	2.6	8.4	26.1
Released during the period	-11.4	-2.4	-1.1	-0.3	-4.1	-19.3
Reversals of unused provisions	-0.4	-0.7		-0.9	-0.7	-2.7
December 31, 2010	17.9	5.3	3.7	3.0	10.9	40.8
Non-current	5.8		0.4		6.8	13.0
Current	12.1	5.3	3.3	3.0	4.1	27.8
Total	17.9	5.3	3.7	3.0	10.9	40.8

Provisions for contractual guarantees are determined on the basis of experience of the realisation of commitments.

24 BORROWINGS

EUR million	2012 Carrying value	2012 Fair value	2011 Carrying value	2011 Fair value	2010 Carrying value	2010 Fair value
Non-current liabilities						
Loans from credit institutions	63.5	56.3	70.5	64.6	42.6	37.2
Pension loans	10.0	9.2	18.0	17.7	42.8	40.8
Other loans	1.6	1.6	1.6	1.6	1.6	1.6
Finance lease liabilities	0.5	0.5	0.2	0.5	1.0	1.0
Non-current liabilities. total	75.6	67.6	90.3	84.4	88.0	80.6
Current liabilities						
Loans from credit institutions	7.0	7.0	7.1	7.1	9.1	9.1
Overdraft facility used			0.9	0.9		
Pension loans	8.0	8.0	8.0	8.0	10.4	10.4
Other loans	0.0	0.0	0.4	0.4	0.0	
Finance lease liabilities	0.4	0.4	0.2	0.2	0.6	0.6
Current liabilities. total	15.4	15.4	16.5	16.5	20.1	20.1

In the table are included all other liabilities than presented in note 25 Accounts payable and other liabilities.

The fair values of non-current loans are based on discounted cash flows. Discount rate is defined to be the rate Group was to pay for an equivalent external loan at the year-end. It consists of risk-free market rate and company and maturity related risk premium of 0.80-4.00 % in 2012 (0.80-4.00 % in 2011 and 2010) p.a.

Finance lease liabilities

EUR million	2012	2011	2010
Finance lease liabilities fall due in as follows:			
Minimum lease payments			
No later than 1 year	0.4	0.2	0.6
1-5 years	0.5	0.2	1.0
Total minimum lease payments	0.9	0.4	1.6
Present value of minimum lease payments			
No later than 1 year	0.4	0.2	0.6
1-5 years	0.5	0.2	1.0
Total present value of minimum lease payments	0.9	0.4	1.6
Future finance charges	0.0	0.0	0.0
Finance expenses charged to income statement	0.0	0.1	0.1

Main finance lease agreements are the agreements of cars, machinery and equipment both in production and offices.

25 TRADE AND OTHER PAYABLES

EUR million	2012 Carrying value	2011 Carrying value	2010 Carrying value
Non-current liabilities			
Liabilities of derivative instruments	0.1	0.2	0.3
Other liabilities	4.5	5.9	5.5
Total non-current payables	4.6	6.1	5.8
Current liabilities			
Trade payables	223.4	241.4	234.7
Accrued expenses	150.8	173.8	167.9
Accrued expenses in work in progress	77.8	96.0	114.6
Advances received ¹⁾	143.7	117.7	114.0
Other payables	102.0	86.6	78.7
Total current payables	697.8	715.6	709.9

1) Advances received consist of advances received (note 5) and of invoiced advances received

Accrued expenses

EUR million	2012	2011	2010
Accrued employee-related liabilities	116.7	133.1	124.9
Interest expenses	0.5	0.9	0.7
Other accrued expenses	33.6	39.8	42.3

The carrying value of the non-interest bearing liabilities reflects nearly the fair value of them.

Reconciliation of accounts payable and other liabilities by category (note 27)

EUR million	2012	2011	2010
Non-current trade payables and other liabilities	4.6	6.1	5.8
Derivatives	-0.1	-0.2	-0.3
Total	4.5	5.9	5.5

EUR million	2012	2011	2011
Current trade payables and other liabilities	697.8	715.6	709.9
Accrued expenses	-150.8	-173.8	-167.9
Accrued expenses in work in progress	-77.8	-96.0	-114.6
Total	469.2	445.7	427.4

26 NOMINAL VALUES AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

Nominal values

EUR million	2012	2011	2010
Foreign exchange forward contracts, hedge accounting not applied	32.1	76.7	64.5
Interest rate forward contracts			
Hedge accounting applied			
Interest rate swaps	45.5	17.5	24.5

Fair values

EUR million	2012 Positive fair value (carrying value)	2012 Negative fair value (carrying value)	2012 Net value	2011 Positive fair value (carrying value)	2011 Negative fair value (carrying value)	2011 Net value
Foreign exchange forward contracts						
Hedge accounting not applied	0.2	-0.7	-0.5	0.5	-0.3	0.2
Interest rate derivatives						
Hedge accounting applied		-0.2	-0.2		-0.2	-0.2

EUR million	2010 Positive fair value (carrying value)	2010 Negative fair value (carrying value)	2010 Net value
Foreign exchange forward contracts			
Hedge accounting not applied	0.8	-0.1	0.7
Interest rate derivatives			
Hedge accounting applied		-0.3	-0.3

All derivatives are hedges according to YIT Group's financial risk management policy, but hedge accounting, as defined in IAS 39, is applied only on certain derivative contracts. Foreign exchange forward contracts are

mainly designated as hedges of financial items and have been charged to P/L in finance income/expenses. Foreign exchange forward contracts maturity dates are within 2013. The duration of Group's interest bearing loans has been increased by interest rate derivatives. The changes in the fair value of derivatives with hedge accounting applied for are recognised in fair value reserve in equity and the changes in fair value for derivatives with hedge accounting not applied for, are recognised in profit and loss account. All the interest rate derivatives to which hedge accounting is applied for are long-term agreements corresponding to the maturity of hedged liability.

A variety of interest rate derivatives are designated as hedges of sold receivables linked in floating Euribor interest rate. Interest rate options are designated as hedges of rental agreements linked to floating interest rates. Changes in the fair value of these interest rate derivatives have been charged to P/L.

27 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

2012									
EUR million	Available for sale investments	Loans and other receivables	Held for trading	Derivatives in hedge accounting	Finance liabilities	Carrying value	Fair value		Note
Valuation	Fair value	Measured at amortised cost	Fair value	Fair value	Measured at amortised cost				
Non-current financial assets									
Available for sale investments ¹⁾	2.5					2.5	2.5		16
Receivables									
Trade receivables and other receivables		3.3				3.3	3.3		17
Current financial assets									
Receivables									
Trade receivables and other receivables		735.4				735.4	735.4		20
Cash and cash equivalents		100.8				100.8	100.8		21
Total by valuation group	2.5	839.5				842.0	842.0		
Non-current financial liabilities									
Borrowings					75.6	75.6	67.6		24
Other liabilities									
Trade payables and other liabilities					4.5	4.5	4.5		25
Current financial liabilities									
Borrowings					15.4	15.4	15.4		24
Trade payables and other liabilities									
Trade payables and other liabilities					469.2	469.2	469.2		25
Derivatives (hedge accounting applied)				0.2		0.2	0.2		25 26
Derivatives (hedge accounting not applied)			0.5				0.5	0.5	25 26
Total by valuation group			0.5	0.2	564.7	565.4	557.4		

1) Quoted shares valued at fair value EUR 1.4 million and unquoted shares valued at cost less impairments EUR 1.1 million.

2011	Available for sale investments	Loans and other receivables	Held for trading	Derivatives in hedge accounting	Finance liabilities	Carrying value	Fair value	Note
EUR million								
Valuation	Fair value	Measured at amortised cost	Fair value	Fair value	Measured at amortised cost			
Non-current financial assets								
Available for sale investments ¹⁾	2.9					2.9	2.9	16
Receivables								
Trade receivables and other receivables		3.1				3.1	3.1	17
Current financial assets								
Receivables								
Trade receivables and other receivables		742.3				742.3	742.3	20
Derivatives (hedge accounting not applied)			0.2			0.2	0.2	26
Cash and cash equivalents		155.4				155.4	155.4	21
Total by valuation group	2.9	900.8	0.2			903.9	903.9	
Non-current financial liabilities								
Borrowings					90.3	90.3	84.4	24
Other liabilities								
Trade payables and other liabilities					5.9	5.9	5.9	25
Current financial liabilities								
Borrowings					16.5	16.5	16.5	25
Trade payables and other liabilities								24
Trade payables and other liabilities					445.7	445.7	445.7	25
Derivatives (hedge accounting applied)				0.2		0.2	0.2	26
Total by valuation group				0.2	558.5	558.7	552.7	

1) Quoted shares valued at fair value EUR 1.9 million and unquoted shares valued at cost less impairments EUR 1.0 million.

2010	Available for sale investments	Loans and other receivables	Held for trading	Derivatives in hedge accounting	Finance liabilities	Carrying value	Fair value	Note
EUR million								
Valuation	Fair value	Measured at amortised cost	Fair value	Fair value	Measured at amortised cost			
Non-current financial assets								
Available for sale investments ¹⁾	2.4					2.4	2.4	16
Receivables								
Trade receivables and other receivables		0.6				0.6	0.6	17
Current financial assets								
Receivables								
Trade receivables and other receivables		616.0				616.0	616.0	20
Derivatives (hedge accounting not applied)			0.7			0.7	0.7	26
Cash and cash equivalents		106.2				106.2	106.2	21
Total by valuation group	2.4	722.8	0.7			725.9	725.9	
Non-current financial liabilities								
Borrowings					88.0	88.0	80.6	24
Other liabilities								
Trade payables and other liabilities					5.5	5.5	5.5	25
Current financial liabilities								
Borrowings					20.1	20.1	20.1	24
Trade payables and other liabilities								
Trade payables and other liabilities					427.4	427.4	427.4	25
Derivatives (hedge accounting applied)				0.3		0.3	0.3	25 26
Total by valuation group				0.3	541.1	541.4	533.9	

28 FINANCIAL RISK MANAGEMENT

Caverion has been a part of the YIT Group, and therefore applied risk management policies centralised to YIT Group. Principles below are made by the YIT Group, and they also apply to Caverion business. Caverion Group is exposed in its business operations to liquidity risk, credit risk and also foreign exchange risk and interest rate risk. The objective of Caverion's financial risk management is to minimise the uncertainty which the changes in financial markets cause to its financial performance.

Risk management is carried out by the Treasury of YIT Group in co-operation with operating units under policies approved by the Board of Directors of YIT Group. In the operating units and subsidiaries the financing is carried out by financial personnel and management. Responsibilities in between the Group Treasury and operating units are defined in the Group's treasury policy. Caverion is 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. In addition to the above, the Group's treasury policy defines main principles and methods for financial risk

management, cash management and specific financing-related areas e.g. commercial guarantees, relationships with financiers and customer financing.

Interest rate risk

Caverion's financial liabilities EUR 91.0 million (EUR 106.8 million in 2011 and EUR 108.1 million in 2010) consisted mainly of pension loans and liabilities of the YIT Group allocated to Caverion.

Caverion has interest bearing receivables in its cash and cash equivalents but otherwise its revenues and cash flows from operating activities are mostly independent of changes in market interest rates.

Caverion's exposure to cash flow interest rate risk arises mainly from current and non-current loans, receivables sold to banks and financial institutions and related interest rate derivatives. A loan issued at floating interest rates expose Caverion to cash flow interest rate risk, which is hedged by interest rate swaps. To manage the interest rate risk, the Board of Directors of the YIT Group has defined a duration target of two years to non-current loans and to related interest rate derivative hedges. The duration may deviate +/- 1.5 years to the decision of Vice President, Group Treasurer of the YIT Group. In order to meet the duration target, part of the loans at floating rates are converted to fixed rate using interest rate swaps.

Interest rate swaps are used to hedge the re-pricing risk of EUR 45.5 million (EUR 17.5 million in 2011 and EUR 24.5 million in 2010) loan based on 6 month Euribor. Hedged cash flows will realise within three subsequent years and hedge accounting is applied to cash flow interest rate risk (notes 26 and 27). Hedges have been effective at the reporting date and changes in fair value of derivative are recognised in the hedging reserve in OCI according to accounting policies.

Weighted average effective interest rate of the fixed rate loans was 1.938% in 2012 (3.259% in 2011 and 2.452% in 2010). The weighted average effective interest rate of the whole loan portfolio was 2.559% in 2012 (3.246% in 2011 and 3.166% in 2010). These numbers include the effect of interest rate derivatives. Interest rate derivatives increase the average effective interest rate of the loan portfolio by 0.03 percentage points in 2012 (0.10 percentage points increase in 2011 and 0.27 percentage points increase in 2010).

In addition to meet the duration target the YIT Group management monitors the effect of the possible change in interest rate level on the YIT Group's financial result on quarterly basis. The target of the monitoring is the effect of one percentage point change in interest rate level on yearly net interest expenses. The effect on Caverion's yearly net interest expenses would have been EUR 0.8 million in 2012 (EUR 1.1 million in 2011 and EUR 1.1 million in 2010) net of tax.

In addition to interest bearing net debt, the foreign exchange forward contracts associated with the intra-group loans expose the Group's result to interest rate risk. Caverion's external loans are mainly dominated in euro, but the subsidiaries are financed in their functional currency. Caverion is exposed to the interest rate risk of the different functional currencies in the Group when it hedges the foreign exchange risk arising from the foreign currency denominated loans granted to subsidiaries using foreign exchange forward contracts. The most significant currency of the intra-group loans of Caverion Group is Swedish Crown. By hedging the receivables denominated in foreign currencies, the parent company has to pay the interest rate difference between foreign currencies and euro.

A change of one percentage point in interest rates at the balance sheet date would have affected the consolidated balance sheet by EUR 0.6 million in 2012 (EUR 0.4 million in 2011 and EUR 0.7 million in 2010) net of tax. The effect would have changed the fair values of the interest rate derivatives in hedge accounting, in the fair value reserve in equity.

Credit and counterparty risk

Caverion's credit risk is related to clients with open balances or with long term agreements and to the counterparties to investment products and derivative agreements. The Group Treasury of YIT has been responsible for the counterparty risk of the derivative instruments and investment products. Operating units are responsible for the credit risk related to operating items, such as trade receivables. Customers and the nature of the agreements differ in between Caverion's segments hence customer specific credit risk management is performed in finance departments of each segments in cooperation with the operating units.

The counterparties of financial instruments are chosen based on the YIT Group management's estimate on their reliability. Board of Directors of the YIT Group accepts the main banks used by the YIT Group and counterparties to short-term investments and derivative instruments and their limits. Short-term investments related to liquidity management are made according to the YIT's treasury policy. No impairment has been recognised on the derivative instruments or the investment products in the period. The YIT Group's management does not expect any credit losses from counterparties to investment products or derivative instruments.

The Group manages credit risk related to operating items, for instance, with the following risk mitigation tools; advance payments, accelerated payment programs of projects, payment guarantees, credit risk insurances and careful assessment of client's background information. Majority of the Caverion Group's operating activities are based on established, reliable customer relationships and contractual terms generally applied in the business. The payment terms of the invoices are mainly from 14 to 30 days. The background of new customers is examined profoundly by for example acquiring credit information. If considered necessary, guarantees are required and client's paying behaviour is monitored actively. The Caverion Group does not have any significant concentrations of credit risk as the clientele is widespread and geographically spread into the countries in which the Group operates.

The credit losses and provision for impairment of receivables were EUR 1.2 million in 2012 and EUR 0.2 million in 2010. There were no significant credit losses or provision for impairment of receivables in 2011. The Group's maximum exposure to credit risk at the balance sheet date (December 31, 2012) is the carrying amount of the financial assets.

Analysis of trade receivables December 31, 2012

EUR million	Balance sheet amount	Impaired	Gross
Not past due ¹⁾	312.5	-4.1	316.6
1 to 90 days	94.9	-2.4	97.3
91 to 180 days	16.6	-1.1	17.7
181 to 360 days	9.2	-6.5	15.7
Over 360 days	11.6	-27.2	38.8
Total	444.8	-41.3	486.1

Analysis of trade receivables December 31, 2011

EUR million	Balance sheet amount	Impaired	Gross
Not past due ¹⁾	352.9	-4.4	357.3
1 to 90 days	64.5	-3.4	67.9
91 to 180 days	4.6	-2.0	6.6
181 to 360 days	5.4	-4.3	9.7
Over 360 days	18.5	-33.7	52.2
Total	445.9	-47.8	493.7

Analysis of trade receivables December 31, 2010

EUR million	Balance sheet amount	Impaired	Gross
Not past due ¹⁾	290.4	-3.5	293.9
1 to 90 days	70.5	-5.5	76.0
91 to 180 days	9.4	-12.9	22.3
181 to 360 days	8.6	-6.2	14.8
Over 360 days	9.8	-35.3	45.1
Total	388.7	-63.4	452.1

¹⁾ There are no material trade receivables that would be otherwise past due but whose terms have been renegotiated. For additional information on trade receivables, please see note 20.

Liquidity risk

The YIT's management evaluates and monitors continuously the amount of funding required in the business activities of YIT Group to ensure it has adequate liquid fund to finance its operations, repay its loans at maturity and pay annual dividends. The funding requirements are evaluated based on financial budget prepared in every six months, monthly financial forecast and short-term, timely cash planning. The YIT's Group Treasury is responsible of the adequacy of funding, availability of different sources of funding and controlled maturity profile of external loans. According to financing policies, only 1/4 of the non-current loans can mature over one calendar year.

The Caverion Group has indirectly utilized the tools for liquidity risk management of YIT Group such as cash and cash equivalents. Group accounts with overdraft facilities, credit facilities, commercial papers and bond programs.

Cash management and funding is centralized in the YIT's Group Treasury. With a centralized cash management, the use of liquid funds can be optimized between different units of the Group.

The following table describes the contractual maturities of financial liabilities. The amounts are undiscounted. Interest cash flows of floating rate loans and derivative instruments are based on the interest rates prevailing on December 31, 2012 (December 31, 2011 and December 31, 2010). Cash flows of foreign currency denominated loans are translated into euro at the balance sheet date. Cash flows of foreign currency forward contracts are translated into euro at forward rates.

Contractual maturity analysis of financial liabilities and interest payments at December 31, 2012

EUR million	2013	2014	2015	2016	2017	2018-	Total	Note
Loans from financial institutions	8.3	9.3	12.0	11.8	11.5	23.3	76.2	24, 27
Pension loans	8.5	2.3	2.2	2.2	2.1	2.1	19.4	24, 27
Finance lease liabilities	0.4	0.4	0.1	0.0			0.9	24, 27
Other financial liabilities		0.4	0.7	0.5			1.6	24, 27
Accounts payable and other liabilities	469.2						469.2	25, 27
Interest rate derivatives								
Hedge accounting applied	0.2	0.1	0.0				0.3	25, 26, 27
Foreign currency derivatives	0.5						0.5	25, 26, 27

Contractual maturity analysis of financial liabilities and interest payments at December 31, 2011

EUR million	2012	2013	2014	2015	2016	2017-	Total	Note
Loans from financial institutions	9.1	8.3	9.2	11.9	11.9	34.8	85.2	24, 27
Pension loans	8.8	8.5	2.3	2.3	2.2	4.2	28.3	24, 27
Finance lease liabilities	0.2	0.2	0.1				0.4	24, 27
Other financial liabilities			0.7	0.7	0.5		1.9	24, 27
Accounts payable and other liabilities	445.7						445.7	25, 27
Interest rate derivatives								
Hedge accounting applied	0.1	0.2	0.0				0.3	25, 26, 27
Foreign currency derivatives	0.0						0.0	25, 26, 27

Contractual maturity analysis of financial liabilities and interest payments at December 31, 2010

EUR million	2011	2012	2013	2014	2015	2016-	Total	Note
Loans from financial institutions	7.8	8.1	7.6	8.6	4.9	16.6	53.6	24, 27
Pension loans	12.4	11.9	11.5	5.1	5.0	14.0	59.9	24, 27
Finance lease liabilities	0.6	0.5	0.4	0.1			1.6	24, 27
Other financial liabilities				0.4	0.7		1.1	24, 27
Accounts payable and other liabilities	427.4						427.4	25, 27
Interest rate derivatives								
Hedge accounting applied	0.3	0.1	0.2				0.6	25, 26, 27
Foreign currency derivatives	0.0						0.0	25, 26, 27

Foreign exchange risk

The Caverion Group operates internationally and is exposed to foreign exchange risks arising from the currencies of the countries in which it operates. Risk arises mainly from the assets and liabilities in the balance sheet and net investments in foreign operations. In addition, commercial contracts of the subsidiaries cause foreign exchange risk. However, the contracts are mainly made in the units' own functional currencies.

The objective of managing foreign exchange risk at Caverion is to reduce uncertainty caused by foreign exchange rate movements on profit through cash flows and measurement of commercial receivables and payables. By the decision of Board of Directors of YIT Group, the investments in foreign operations are not hedged for changes of foreign exchange rates.

Foreign currency denominated net investments at the balance sheet date

EUR million	2012 Net investment	2011 Net investment	2010 Net investment
SEK	53.6	67.4	69.3
NOK	44.5	52.6	41.6
DKK	4.1	11.7	9.7
LTL	3.2	3.0	2.8
LVL	0.5	0.4	0.2
Other currencies	1.0	1.8	8.9

Here net investment comprises equity invested in foreign subsidiaries and internal loans that qualify for net investment classification. Possible goodwill in the subsidiaries balance sheet is not considered as a net investment.

According to YIT's Group Treasury policy, Caverion is responsible for identifying and hedging the foreign exchange risk related to the foreign currency denominated cash flows. All firm commitments must be hedged, and hedging is performed by intra-group transactions with YIT Group Treasury. The YIT's Group Treasury hedges the net position and executes of all external hedging transactions but does not apply hedge accounting to derivatives hedging foreign exchange risk. Accordingly, the fair value changes of derivative instrument are recognised in consolidated income statement. In 2012 the most significant currency in Caverion Group related to commercial agreements and their hedges was Swedish Crown. If the euro had strengthened by 5% against to the Swedish Crown at the balance sheet date, the fair valuation of the foreign exchange contracts would have caused a post-tax foreign exchange gain of EUR 0.1 million.

In addition to foreign exchange differences due to derivatives held for trading, the strengthening or weakening of the Euro would not have a significant impact on the Caverion Group's result, if the translation difference in consolidation is not considered. The sensitivity analysis comprises the foreign exchange derivative contracts made for hedging, both the internal and external loans and receivables, which offset the effect of changes in foreign exchange rates.

Currency distribution of trade receivables and payables corresponds to the functional currencies of the charging and the charged companies; hence there is no open foreign exchange risk.

Fair value measurement

The fair values in the measurement hierarchy are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: 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: Inputs for assets or liabilities that are not based on observable market data.

The following table presents the assets and liabilities that are measured at fair value and their levels.

Assets 2012				
EUR million	Level 1	Level 2	Level 3	Total
Available for sale investments	1.9		0.6	2.5
Total assets	1.9		0.6	2.5
Liabilities 2012				
EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		0.5		0.5
Derivatives (hedge accounting applied)		0.2		0.2
Total liabilities		0.7		0.7

Assets 2011

EUR million	Level 1	Level 2	Level 3	Total
Available for sale investments	2.4		0.6	2.9
Derivatives (hedge accounting not applied)		0.2		0.2
Total assets	2.4	0.2	0.6	3.1

Liabilities 2011

EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		0.0		0.0
Derivatives (hedge accounting applied)		0.2		0.2
Total liabilities		0.2		0.2

Assets 2010

EUR million	Level 1	Level 2	Level 3	Total
Available for sale investments	1.8		0.6	2.4
Derivatives (hedge accounting not applied)		0.7		0.7
Total assets	1.8	0.7	0.6	3.1

Liabilities 2010

EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		0.0		0.0
Derivatives (hedge accounting applied)		0.3		0.3
Total liabilities		0.3		0.3

Changes in level 3 instruments:

EUR million	Assets 2012	Liabilities 2012	Assets 2011	Liabilities 2011	Assets 2010	Liabilities 2010
Opening balance sheet	0.6		0.6		0.6	
Transfers into/from level 3						
Purchases and sales	0.0		0.0		0.0	
Gains and losses recognised in profit and loss			0.0			
Gains and losses recognised in comprehensive profit and loss						
Closing balance	0.6		0.6		0.6	

29 OTHER LEASE AGREEMENTS**Group as lessee**

The future minimum lease payments under non-cancellable operating leases:

EUR million	2012	2011	2010
No later than 1 year	61.3	59.3	51.1
1-5 years	121.6	120.3	111.7
Later than 5 years	36.6	36.3	38.6
Total	219.5	215.9	201.4

In 2012 the lease payments of non-cancellable operating leases charged to income statement amounted to EUR 62.0 million (EUR 62.2 million in 2011 and EUR 47.1 million in 2010).

The Group has leased the office facilities in use from YIT, and the period of the lease agreements are based on external contracts made by YIT. Other lease agreements are based on contracts with an external party. The lease agreements of office facilities have a period of validity up to 15 years. Most of the agreements include the possibility of continuing after the initial expiry date. The index, renewal, and other terms of the lease agreements of office facilities are dissimilar to each other. Operating leases include also the liabilities of operating lease agreements of employee cars, which have the average duration of four years.

30 COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	2012	2011	2010
Collateral given for own liabilities			
Corporate mortgages	0.7	1.9	0.6
Pledged assets		0.9	0.1
Guarantees given on behalf of associated companies	0.2	0.2	0.2
Other commitments			
Other contingent liabilities	1.3	1.4	4.1

The Group parent company has guaranteed obligations of its subsidiaries. On December 31, 2012 the total amount of these guarantees was EUR 556.0 million (EUR 554.0 million December 31, 2011 and EUR 598.0 million December 31, 2010).

The Group is engaged in numerous legal proceedings that are connected ordinary operations and whose outcomes are difficult to predict. It is the understanding of the Group that the other legal proceedings do not have a significant effect on the Group's result.

31 SUBSIDIARIES

Company name	Domicile	Holding %
Shares in subsidiaries, owned by the Caverion parent company		
YIT Building Systems Ltd	Helsinki	100.00
YIT Building Services Central Europe GmbH ¹⁾	Munich	100.00
YIT Industry Ltd	Vantaa	100.00
Shares in subsidiaries, owned by YIT Building Systems Ltd		
YIT Sverige AB (Group)	Solna	100.00
EH Luftbehandling AB	Solna	100.00
Frisk Ventilation Ab	Solna	100.00
Jansson & Eriksson Ekonomisk Luftbehandling AB	Solna	100.00
MISAB Sprinkler & VVS AB	Solna	100.00
YIT i Sydost AB	Solna	100.00
Dala Elmontage Lindqvist & Bodin AB	Borlänge	100.00
Dala Elmontage Entreprenad AB	Borlänge	100.00
Elektriska Installationer i Finspång AB	Solna	100.00
Kraftmontage i Finspång AB	Solna	100.00
YIT Kiinteistötekniikka Oy	Helsinki	100.00
YIT-Huber East Oy	Helsinki	100.00
YIT-Huber Invest Oy	Helsinki	100.00
ZAO YIT-Peter	St. Petersburg	100.00
YIT Elmek Ltd	Moscow	100.00
YIT AS Oslo	Oslo	100.00
AS YIT Emico	Tallinn	100.00
YIT Tehsistem SIA	Riga	100.00
YIT A/S	Fredericia	100.00
YIT Technika UAB	Vilnius	100.00

Company name	Domicile	Holding. %
Shares in subsidiaries, owned by YIT Industry Ltd		
YIT Teollisuus Invest Oy	Helsinki	100.00
OOO YIT Industria	St. Petersburg	100.00
Oy Botnia Mill Service Ab ²⁾	Kemi	49.83
Kiinteistö Oy Leppävirran Teollisuustie 1	Leppävirta	60.00

1) YIT Building Services Central Europe GmbH shares have been transferred to YIT Building Systems Oy in 2013.

2) Oy Botnia Mill Service Ab is fully consolidated due to Caverion Group's controlling interest.

Company name	Domicile	Holding. %
Shares in subsidiaries. owned by YIT Building Services Central Europe GmbH		
YIT Austria GmbH	Vienna	100.00
YIT Germany GmbH	Munich	100.00
Caverion North America Inc.	Hillsboro	100.00
Caverion Asia PTE	Singapore	85.00
Caverion Malaysia	Butterworth	100.00
YIT Caverion GmbH	Munich	100.00
Caverion Geb.technik OOO	Moscow	100.00
YIT Cesko Republic s.r.o.	Prague	100.00
YIT Poland Sp zo.o	Warsaw	100.00
YIT Romania S.R.L.	Sibiu	100.00
Disposals of subsidiaries in 2011		
YIT Hungary	Budapest	100.00
Dualis Hungary	Komarom	100.00
Caverion Hungary Kft.	Komarom	100.00

32 RELATED PARTY TRANSACTIONS

EUR million	2012	2011	2010
Sales of goods and services ¹⁾	55.6	62.3	70.5
Purchases of goods and services ²⁾	38.3	41.0	34.6
Trade and other receivables	5.1	5.6	10.0
Trade and other payables	3.7	3.9	2.8

Goods and services to associated companies are sold on the basis of price lists in force with non-related parties.

Key management compensation ³⁾

EUR million	2012	2011	2010
Salaries and other short-term employee benefits	1.1	1.1	0.9
Termination benefits	0.9	0.9	0.6
Share-based incentive plan ⁴⁾	0.2	0.4	0.2

- 1) Sales of goods and services from related parties consist of building services offered by Caverion to YIT Group.
- 2) The goods and services purchased from related parties consist of IT services as well as office lease costs purchased by Caverion from YIT Group.
- 3) Key management compensation include the allocated share of the employee benefits of the transferring persons to Caverion, consisting of YIT CEO, the deputy managing director and the group management and the Board of Directors.
- 4) The total value of transferred shares, cash bonus and related taxes.

Loans to related parties

Loans to any related parties do not exist.

Lease commitments to related parties

The future minimum lease payments under non-cancellable operating leases

EUR million	2012	2011	2010
Total lease guarantees	68.3	75.7	80.4

The Group has leased the office facilities used in Finland from YIT, and the period of the lease agreements are based on external contracts made by YIT. The lease agreements of the office facilities have a period of validity up to 15 years. Most of the agreements include the possibility of continuing after the initial expiry date. The index, renewal, and other terms of the lease agreements of office facilities are dissimilar to each other.

Equity transactions

Equity transactions made with the YIT Group has been presented in the changes of invested equity.

Share-based incentive plan

YIT has had a long-term share-based incentive plan for its key personnel. The incentive plan has three separate earning periods for the years 2010, 2011 and 2012. The reward is based on the achievement of the set financial targets, which are the revenue increase and the return of investment (ROI). For each period there has been approved separate financial targets and the list of key personnel. The reward has been settled as a combination of YIT shares and cash. The cash-settled reward will cover the tax and tax related obligations. The shares received are forbidden to sell during the commitment period.

The main features of the YIT's incentive plan of the units included in the carve-out financial statements

	Year 2012 program	Year 2011 program	Year 2010 program
Grant day	February 29, 2012	March 18, 2011	April 6, 2010
Market value of the share on the grant day	16.55	20.67	17.52
Share rights granted ¹⁾	252,136	274,917	281,788
Shares granted ²⁾	66,914	69,885	-
Share rights cancelled ³⁾	208,003	211,903	-
Delivery year of the shares ⁴⁾	2013	2012	2011
Last year of the commitment period	2016	2015	2013
The number of key employees	117	108	110

1) The maximum amount of granted shares

2) Shares granted based on the financial key targets

3) The difference between the maximum and realised number of shares

4) Shares granted in 2013 that are based on the 2012 plan, shares will be delivered before the partial demerger.

The portion of YIT Group's share-based incentive costs allocated to the units included in the the carve-out financial statements:

EUR million	2012	2011	2010
The program in 2010	0.4	0.6	1.5
The program in 2011	0.6	0.7	
The program in 2012	0.7		
	1.7	1.3	1.5

The accrued liabilities related to cash-settled part of the compensation amounts to EUR 0.5 million in 2012 (EUR 0.7 million in 2011 and EUR 1.2 million in 2010). EUR 0.3 million in 2012 (EUR 0.2 million in 2011 and 2010) of the cost recognised are related to the Group management board.

33 ASSETS HELD FOR SALE AND RELATED LIABILITIES

EUR million	2012	2011	2010
Assets held for sale			19.8
Related liabilities to assets held for sale			-17.2
Net assets held for sale			2.6

In 2010, the Group has classified certain assets as held for sale at the acquisition date of Caverion GmbH. These assets were sold in 2011 (note 4).

34 SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On the February 21, 2013 the YIT Board of Directors approved the demerger plan relating to the partial demerger. According to the demerger plan, all assets and liabilities of the YIT's Building Services business will be formed as a new company, Caverion Corporation, which will be incorporated at the time of the demerger. The Construction Services business will remain with the YIT Group.

In February 2013 re-arrangements with a Nordic financial institution have been made for the re-financing of Caverion with a EUR 267 million financing agreement. There have been agreed about a long-term loan facility of EUR 140 million, a EUR 60 million long-term credit facility and a EUR 67 million bridge financing.

YIT has made an initial, non-binding offer to acquire HOCHTIEF Service Solutions on May 23, 2013. The business of HOCHTIEF Service Solutions relates to the Building Systems operations of YIT. Pursuant to the demerger plan the business potentially to be acquired would be transferred to Caverion Corporation in the proposed partial demerger of YIT. As the tendering process and the sales negotiations are about to be initiated, the terms and conditions of the possible acquisition, including the purchase price, remain yet to be agreed. Due to this, it is not possible at this stage to estimate the possibility of the realisation of the acquisition the detailed timetable or its effects on Caverion Group. HOCHTIEF Service Solutions turnover was EUR 700 million and net profit EUR 16 million in 2012 and it employs approximately 5.700 people.

Signatures of the Caverion Group carve-out Financial Statements for the year ended December 31, 2012, 2011 and 2010

Helsinki June 3, 2013

Henrik Ehrnrooth
Chairman

Reino Hanhinen
Vice chairman

Kim Gran

Satu Huber

Erkki Järvinen

Ari Lehtoranta

Michael Rosenlew

Juhani Pitkääkoski
President and CEO

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CARVE-OUT FINANCIAL INFORMATION OF CAVERION GROUP FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2013

(Unaudited)

Combined income statement January 1 – March 31, 2013
Combined statement of comprehensive income January 1 – March 31, 2013
Combined balance sheet
Combined cash flow statement
Combined statement of changes in invested equity
Notes to the carve-out financial information
1 Accounting principles for the carve-out financial information
2 Financial risk management
3 Segment information
4 Unusual items affecting operating profit
5 Acquisitions and disposals
6 Borrowings
7 Fair value estimation
8 Nominal values and fair values of derivative instruments
9 Changes in contingent assets and liabilities and commitments
10 Related party transactions
11 Events after the reporting period

Combined income statement

EUR million	January- March, 2013	January- March, 2012 restated	2012 restated
Revenue	607.9	672.5	2,803.2
Other operating income	1.4	1.4	12.3
Change in inventories of finished goods and in work in progress	5.8	7.8	-0.6
Production for own use	0.2	0.1	0.3
Materials and supplies	-162.0	-192.7	-799.8
External services	-97.8	-103.3	-468.8
Personnel expenses	-271.5	-290.2	-1,127.4
Other operating expenses	-74.6	-72.0	-333.9
Share of results in associated companies	0.0	0.0	0.0
Depreciation, amortisation and impairment	-5.1	-5.8	-24.2
Operating profit	4.3	17.8	61.1
Financial income	1.0	0.3	1.9
Exchange rate differences	-0.5	-0.1	-0.3
Financial expenses	-0.8	-1.2	-5.2
Financial income and expenses, total	-0.3	-1.0	-3.6
Profit before taxes	4.0	16.8	57.5
Income taxes	-1.2	-5.1	-16.7
Profit for the period	2.8	11.7	40.8
Attributable to			
Equity holders of Caverion Group	2.8	11.7	40.7
Non-controlling interests	0.0	0.0	0.1

The comparative numbers have been restated to be consistent with the revised standard IAS 19 Employee benefits. Additional information has been presented in note 1 Accounting principles for carve-out financial information.

The notes are an integral part of the carve-out financial information.

Combined statement of comprehensive income

EUR million	January- March, 2013	January- March, 2012	2012
		restated	restated
Profit for the period	2.8	11.7	40.8
Other comprehensive income			
Items that will not be reclassified to profit/loss:			
Change in fair value of defined benefit pension		3.9	15.3
- Deferred tax		-1.1	-4.2
Items that may be reclassified subsequently to profit/loss:			
Cash flow hedges	0.1	0.0	-0.1
- Deferred tax	0.0	0.0	0.0
Change in fair value of available-for-sale assets			-0.4
- Deferred tax			0.1
Translation differences	1.5	1.2	3.9
Total comprehensive income for the period	4.4	15.7	55.3
Attributable to			
Equity holders of Caverion Group	4.4	15.7	55.2
Non-controlling interests	0.0	0.0	0.1

The comparative numbers have been restated to be consistent with the revised standard IAS 19 Employee benefits. Additional information has been presented in note 1 Accounting principles for carve-out financial information.

The notes are an integral part of the carve-out financial information.

Combined balance sheet

EUR million	March 31, 2013	March 31, 2012	December 31, 2012
		restated	restated
ASSETS			
Non-current assets			
Tangible assets	30.5	34.3	31.8
Goodwill	335.7	336.6	335.7
Other intangible assets	35.9	38.7	39.0
Investments in associated companies	0.1	0.1	0.1
Available-for-sale financial assets	2.5	3.0	2.5
Receivables	4.1	7.1	5.3
Deferred tax assets	6.6	9.6	5.5
Total non-current assets	415.5	429.4	419.9
Current assets			
Inventories	42.3	47.3	39.0
Trade and other receivables	726.0	744.2	774.7
Income tax receivables	13.0	5.8	4.7
Cash and cash equivalents	66.4	144.2	100.8
Total current assets	847.6	941.5	919.2
TOTAL ASSETS	1,263.1	1,370.9	1,339.0

The comparative numbers have been restated to be consistent with the revised standard IAS 19 Employee benefits. Additional information has been presented in note 1 Accounting principles for carve-out financial information.

The notes are an integral part of the carve-out financial information.

Combined balance sheet

EUR million	March 31, 2013	March 31, 2012	December 31, 2012
		restated	restated
INVESTED EQUITY AND LIABILITIES			
Invested equity attributable to the equity holders of Caverion Group	362.8	415.8	386.8
Non-controlling interest	0.6	0.5	0.6
Total invested equity	363.4	416.3	387.4
Non-current liabilities			
Deferred tax liabilities	71.2	59.0	68.7
Pension obligations	44.6	62.9	51.8
Provisions	6.8	9.1	6.9
Borrowings	71.8	87.0	75.6
Other liabilities	0.3	5.9	4.6
Total non-current liabilities	194.7	223.9	207.6
Current liabilities			
Trade and other liabilities	660.7	677.4	697.8
Income tax liabilities	7.6	9.6	7.4
Provisions	21.0	28.4	23.3
Borrowings	15.8	15.3	15.4
Total current liabilities	705.0	730.7	743.9
Total liabilities	899.7	954.6	951.5
TOTAL INVESTED EQUITY AND LIABILITIES	1,263.1	1,370.9	1,339.0

The comparative numbers have been restated to be consistent with the revised standard IAS 19 Employee benefits. Additional information has been presented in note 1 Accounting principles for carve-out financial information.

The notes are an integral part of the carve-out financial information.

Combined cash flow statement

EUR million	January- March, 2013	January- March, 2012 restated	2012 restated
Cash flow from operating activities			
Profit for the period	2.8	11.7	40.8
Adjustments for:			
Depreciation, amortisation and impairment	5.1	5.8	24.2
Other adjustments for non-cash transactions	-10.1	0.5	-12.3
Financial income and expenses	0.3	1.0	3.6
Gains/losses on the sale of tangible and intangible assets	-0.1	-0.1	-2.5
Taxes	1.2	5.1	16.7
Total adjustments	-3.6	12.3	29.7
Change in working capital:			
Change in trade and other receivables	52.2	62.7	44.2
Change in inventories	-3.1	-8.8	0.4
Change in trade and other payables	-40.9	-53.5	-40.9
Total change in working capital	8.1	0.4	3.7
Interest paid	-0.8	-1.2	-5.0
Other financial items, net	-1.0	-1.8	-3.3
Interest received	1.0	0.4	1.3
Dividends received			0.0
Taxes paid	-7.4	-10.8	-17.9
Net cash generated from (used in) operating activities	-1.0	11.0	49.3
Cash flow from investing activities			
Acquisition of subsidiaries and business operations, net of cash	-0.8	-5.0	-7.3
Purchases of tangible assets	-0.8	-1.6	-5.7
Purchases of intangible assets	-0.1	-0.1	-0.9
Proceeds from sale of tangible and intangible assets	0.4	0.9	4.4
Proceeds from sale of available-for-sale financial assets			0.7
Net cash used in investing activities	-1.2	-5.8	-8.8
Operating cash flow after investments	-2.2	5.1	40.5
Cash flow from financing activities			
Repayment of borrowings	-3.5	-3.5	-15.0
Payments of financial leasing liabilities	-0.1	-0.0	-0.5
Equity financing with YIT Group, net	-28.7	-13.2	-81.9
Net cash generated from (used in) financing activities	-32.3	-16.7	-97.4
Net change in cash and cash equivalents	-34.5	-11.6	-56.9
Cash and cash equivalents at the beginning of the period	100.8	154.5	154.5
Foreign exchange rate effect on cash and cash equivalents	0.1	1.4	3.1
Cash and cash equivalents at the end of the period	66.4	144.2	100.8

The notes are an integral part of the carve-out financial information.

Combined statement of changes in invested equity

EUR million	Attributable to equity holders of Caverion Group				Non-controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve	Total		
Invested equity January 1, 2013	379.3	7.7	-0.1	386.9	0.6	387.4
Comprehensive income for the period						
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
Change in translation differences		1.5		1.5		1.5
Comprehensive income, total	2.8	1.5	0.1	4.5	0.0	4.5
Related party transactions						
Share-based incentive schemes	0.2			0.2		0.2
Equity transactions with YIT Group	-28.7			-28.7		-28.7
Related party transactions, total	-28.5			-28.5		-28.5
Invested equity March 31, 2013	353.6	9.2	0.0	362.8	0.6	363.4

EUR million	Attributable to equity holders of Caverion Group				Non- controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve	Total		
Invested equity January 1, 2012	445.6	3.8	0.2	449.5	0.5	450.0
Adoption of IAS 19, Employee benefits	-37.0			-37.0		-37.0
Restated invested equity January 1, 2012	408.5	3.8	0.2	412.5	0.5	413.0
Comprehensive income for the period						
Profit for the period	11.8			11.8	0.0	11.8
Profit for the period. re-measurement due to IAS 19 change	-0.1			-0.1		-0.1
Other comprehensive income:						
Change in fair value of defined benefit pension, adoption of IAS 19 change	3.9			3.9		3.9
-Deferred tax	-1.1			-1.1		-1.1
Cash flow hedges			0.0	0.0		0.0
- Deferred tax			0.0	0.0		0.0
Change in translation differences		1.2		1.2		1.2
Comprehensive income, total	14.5	1.2	0.0	15.7	0.0	15.7
Related party transactions						
Share-based incentive schemes	0.8			0.8		0.8
Equity transactions with YIT Group	-13.2			-13.2		-13.2
Related party transactions, total	-12.4			-12.4		-12.4
Invested equity March 31, 2012	410.6	5.0	0.2	415.8	0.5	416.3

EUR million	Attributable to equity holders of Caverion Group				Non- controlling interest	Total invested equity
	Invested equity	Cumulative translation differences	Fair value reserve	Total		
Invested equity January 1, 2012	445.6	3.8	0.2	449.5	0.5	450.0
Adoption of IAS 19, Employee benefits	-37.0			-37.0		-37.0
Restated invested equity January 1, 2012	408.5	3.8	0.2	412.5	0.5	413.0
Comprehensive income for the period						
Profit for the period	40.8			40.8	0.1	40.9
Profit for the period, re-measurement due to IAS 19 change	-0.1			-0.1		-0.1
Other comprehensive income:						
Change in fair value of defined benefit pension. adoption of IAS 19 change	15.3			15.3		15.3
-Deferred tax	-4.2			-4.2		-4.2
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 financial assets			-0.4	-0.4		-0.4
- Deferred tax			0.1	0.1		0.1
Change in translation differences		3.9		3.9		3.9
Comprehensive income, total	51.7	3.9	-0.4	55.2	0.1	55.3
Related party transactions						
Share-based incentive schemes	1.0			1.0		1.0
Equity transactions with YIT Group	-81.9			-81.9		-81.9
Related party transactions, total	-80.9			-80.9		-80.9
Invested equity December 31, 2012	379.3	7.7	-0.1	386.8	0.6	387.4

The notes are an integral part of the carve-out financial information.

Notes to the carve-out financial information

1 Accounting principles for the carve-out financial information

Background

The carve-out financial information of Caverion Group has been prepared for the inclusion in the prospectus to be prepared by YIT for YIT's EGM approving the partial demerger and for the listing of Caverion shares on the NASDAQ OMX Helsinki Oy.

Caverion has not in the past formed a separate legal group. The carve-out financial information presented herein reflects income and expenses, assets and liabilities and cash flows of those entities that have historically formed the Building Services business within YIT Group, which consists of YIT's reportable segments Building Service Northern Europe and Building Services Central Europe. The carve-out financial information also includes those income and expenses, assets and liabilities and cash flows from YIT parent company and Perusyhtymä Oy which can be allocated to Building Systems business. Collectively these entities will form a separate legal group after the YIT's demerger and are referred to as "Caverion Group" or "Group" in the carve-out financial information.

Basis of preparation

The carve-out financial information of Caverion Group for the three months period ended March 31, 2013 has been prepared on a carve-out basis from YIT's consolidated interim financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to Building Services business. The carve-out financial information also includes allocations of income, expenses, assets, liabilities and cash flows from the YIT parent company and Perusyhtymä Oy. The carve-out financial information has been authorized for issue by the Board of Directors of YIT on June 3, 2013.

The carve-out financial information for the three month period ended March 31, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, under consideration of the basis of accounting and principles in preparing the carve-out financial statements for the periods ended December 31, 2012, December 31, 2011 and 31 December, 2010, with the exception of the changes that have been described in *New and amended standards adopted as of January 1, 2013*. The unaudited carve-out financial information has been intended to be read together with the carve-out financial statements.

The carve-out financial information may not be indicative of Caverion Group's future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been, had Caverion and its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented.

The carve-out financial information has been prepared on a going concern basis. The information is based on acquisition costs, except for the available-for-sale investments, financial assets and liabilities at fair value through profit and loss and derivative instruments at fair value and for the YIT share-based incentive plan expenses which are based on the fair value of the shares on the grant date, or on the delivery date for the cash-settled part of the incentive.

The carve-out financial statements are presented in millions of euro, except when otherwise indicated. Rounding differences might occur.

Adoption of new and amended standards January 1, 2013

Changes in International accounting standard IAS 19 Employee benefits and the restated comparative numbers

The Group adopted the revised IAS 19 Employee benefits standard on January 1, 2013. The standard includes changes to accounting principles of defined benefit plans. The amendment eliminates the possibility to use the corridor approach and all the actuarial gains and losses are recognised immediately in the statement of other comprehensive income. The full net liability or net asset is recorded in the balance sheet. The expected interest income on assets is calculated using the same discount rate as calculating the present value of the pension obligation. The changes in fair value of pension obligation are recorded in the statement of other comprehensive income where previously those were included in the personnel expenses in the income statement.

The revised IAS 19 standard requires that the amendments are applied retrospectively to all periods presented. The impact of the revised standard on Caverion figures for periods ended December 31, 2012 and March 31, 2012 is presented in the tables below.

Combined balance sheet EUR million	Reported Group January 1, 2012	IAS 19 restatement	Restated Group January 1, 2012
ASSETS			
Non-current assets			
Tangible assets	34.7		34.7
Goodwill	336.6		336.6
Other intangible assets	32.8		32.8
Investments in associated companies	0.1		0.1
Available-for-sale financial assets	2.9		2.9
Receivables	18.2	-11.8	6.4
Deferred tax assets	8.7		8.7
Total non-current assets	434.0	-11.8	422.2
Total current assets	989.8		989.8
Total assets	1,423.8	-11.8	1,412.0
INVESTED EQUITY AND LIABILITIES			
Invested equity attributable to the equity holders of Caverion Group	449.5	-37.0	412.5
Non-controlling interest	0.5		0.5
Total invested equity	450.0	-37.0	413.0
Non-current liabilities			
Deferred tax liabilities	70.0	-14.7	55.3
Pension obligations	26.2	39.9	66.1
Provisions	9.9		9.9
Borrowings	90.3		90.3
Other liabilities	6.1		6.1
Total non-current liabilities	202.5	25.2	227.7
Total current liabilities	771.3		771.3
Total invested equity and liabilities	1,423.8	-11.8	1,412.0

Combined income statement EUR million	Reported Group January- March, 2012	IAS 19 restatement	Restated Group January- March, 2012
Revenue	672.5		672.5
Other operating income	1.4		1.4
Change in inventories of finished goods and in work in progress	7.8		7.8
Production for own use	0.1		0.1
Materials and supplies	-192.7		-192.7
External services	-103.3		-103.3
Personnel expenses	-290.0	-0.2	-290.2
Other operating expenses	-72.0		-72.0
Share of results in associated companies	0.0		0.0
Depreciation, amortisation and impairment	-5.8		-5.8
Operating profit	18.0	-0.2	17.8
Financial income and expenses, total	-1.0		-1.0
Profit before taxes	17.0	-0.2	16.8
Income taxes	-5.2	0.0	-5.1
Profit for the period	11.8	-0.1	11.7
Attributable to			
Equity holders of Caverion Group	11.8	-0.1	11.7
Non-controlling interests	0.0		0.0

Combined statement of comprehensive income EUR million	Reported Group January- March, 2012	IAS 19 restatement	Restated Group January- March, 2012
Profit for the period	11.8	-0.1	11.7
Other comprehensive income			
Change in fair value of defined benefit pension, adoption of IAS 19		3.9	3.9
-Deferred tax		-1.1	-1.1
Cash flow hedging	0.0		0.0
- Deferred tax	0.0		0.0
Translation differences	1.2		1.2
Total comprehensive income for the period	13.0	2.7	15.7
Attributable to			
Equity holders of Caverion Group	13.0	2.7	15.7
Non-controlling interests	0.0		0.0

Combined balance sheet EUR million	Reported Group March 31, 2012	IAS 19 restatement	Restated Group March 31, 2012
ASSETS			
Non-current assets			
Tangible assets	34.3		34.3
Goodwill	336.6		336.6
Other intangible assets	38.7		38.7
Investments in associated companies	0.1		0.1
Available-for-sale financial assets	3.0		3.0
Receivables	18.8	-11.7	7.1
Deferred tax assets	9.6		9.6
Total non-current assets	441.1	-11.7	429.4
Total current assets	941.5		941.5
Total assets	1,382.6	-11.7	1,370.9
INVESTED EQUITY AND LIABILITIES			
Invested equity attributable to the equity holders of Caverion Group	450.1	-34.3	415.8
Non-controlling interest	0.5		0.5
Total invested equity	450.6	-34.3	416.3
Non-current liabilities			
Deferred tax liabilities	72.6	-13.6	59.0
Pension obligations	26.6	36.3	62.9
Provisions	9.1		9.1
Borrowings	87.0		87.0
Other liabilities	5.9		5.9
Total non-current liabilities	201.2	22.7	223.9
Total current liabilities	730.7		730.7
Total invested equity and liabilities	1,382.6	-11.7	1,370.9

Combined income statement EUR million	Reported Group 2012	IAS 19 restatement	Restated Group 2012
Revenue	2,803.2		2,803.2
Other operating income	12.3		12.3
Change in inventories of finished goods and in work in progress	-0.6		-0.6
Production for own use	0.3		0.3
Materials and supplies	-799.8		-799.8
External services	-468.8		-468.8
Personnel expenses	-1,127.3	-0.1	-1,127.4
Other operating expenses	-333.9		-333.9
Share of results in associated companies	0.0		0.0
Depreciation, amortisation and impairment	-24.2		-24.2
Operating profit	61.2	-0.1	61.1
Financial income and expenses, total	-3.6		-3.6
Profit before taxes	57.6	-0.1	57.5
Income taxes	-16.7	0.1	-16.7
Profit for the reporting period	40.9	-0.1	40.8
Attributable to			
Equity holders of Caverion Group	40.8	-0.1	40.7
Non-controlling interests	0.1		0.1

Combined statement of comprehensive income EUR million	Reported Group 2012	IAS 19 restatement	Restated Group 2012
Profit for the period	40.9	-0.1	40.8
Other comprehensive income			
Change in fair value of defined benefit pension		15.3	15.3
-Deferred tax		-4.2	-4.2
Cash flow hedges	-0.1		-0.1
- Deferred tax	0.0		0.0
Change in fair value for available for sale investments	-0.4		-0.4
-Deferred tax	0.1		0.1
Translation differences	3.9		3.9
Total comprehensive income	44.5	10.9	55.3
Attributable to			
Equity holders of Caverion Group	44.5	10.9	55.2
Non-controlling interests	0.1		0.1

Combined balance sheet EUR million	Reported Group, December 31, 2012	IAS 19 restatement	Restated Group, December 31, 2012
ASSETS			
Non-current assets			
Tangible assets	31.8		31.8
Goodwill	335.7		335.7
Other intangible assets	39.0		39.0
Investments in associated companies	0.1		0.1
Available-for-sale financial assets	2.5		2.5
Receivables	15.6	-10.3	5.3
Deferred tax assets	5.5		5.5
Total non-current assets	430.2	-10.3	419.9
Total current assets	919.2		919.2
Total assets	1,349.4	-10.3	1,339.0
INVESTED EQUITY AND LIABILITIES			
Invested equity attributable to the equity holders of Caverion Group	413.1	-26.2	386.8
Non-controlling interest	0.6		0.6
Total invested equity	413.7	-26.2	387.4
Non-current liabilities			
Deferred tax liabilities	78.0	-9.3	68.7
Pension obligations	26.7	25.1	51.8
Provisions	6.9		6.9
Borrowings	75.6		75.6
Other liabilities	4.6		4.6
Total non-current liabilities	191.8	15.8	207.6
Total current liabilities	743.9		743.9
Total invested equity and liabilities	1,349.4	-10.3	1,339.0

IFRS 13 Fair value measurement: The standard defines fair value and contains requirements for how fair value is measured and disclosures. The standard has an impact on the disclosures given in the interim financial report.

IAS 1 (amendment) Presentation of statements of changes in equity: The Group presents components in other comprehensive income grouped to items that will not be reclassified to profit or loss and to items that may be reclassified subsequently to profit or loss.

Other standards or their amendments endorsed by the EU did not have an impact on the Caverion Group reporting.

Critical accounting estimates and judgements

Preparing Caverion Group carve-out financial information requires the Group management to make estimates and exercise judgement. These estimates and judgements have an effect on the applied accounting principles and amounts of the reported assets, liabilities, income and expenses. Final actual results may differ from the estimates and assumptions.

Estimates, judgments and assumptions have been used for example for impairment of goodwill, revenue recognition of long-term contracts, income taxes, provisions, pension benefits, trade receivables and the carve-out adjustments.

The Group management exercises judgment in the application of accounting policies especially in those cases, where the applicable IFRS standards give alternative ways for recognition, measurement or presentation.

A more detailed analysis of areas involving estimation and management judgment is included in the notes to the carve-out financial statements for the periods ended December 31, 2012, December 31, 2011 and December 31, 2010. Estimates made for previous periods have not changed.

Currency exchange rates used in the carve-out financial information are presented below:

		Average rates January- March, 2013	Average rates January- March, 2012	Average rates January- December, 2012		Balance sheet rates March, 2013	Balance sheet rates March, 2012	Balance sheet rates December, 2012
1 EUR =	CZK	25.5690	25.083	25.146		25.7400	24.7300	25.151
	DKK	7.4588	7.4350	7.4438		7.4553	7.4399	7.4610
	HUF	296.7100	296.8900	289.32		304.4200	294.9200	292.30
	MYR	4.0685	4.0122	3.9687		3.9650	4.0916	4.0347
	NOK	7.4308	7.5870	7.4752		7.5120	7.6040	7.3483
	PLN	4.1558	4.2332	4.1843		4.1804	4.1522	4.0740
	RUB	40.1446	39.5504	39.9239		39.7617	39.2950	40.3295
	SEK	8.4918	8.8531	8.7061		8.3553	8.8455	8.5920
	SGD	1.6339	1.6573	1.6059		1.5900	1.6775	1.611
	USD	1.3198	1.3107	1.2854		1.2805	1.3356	1.3194
	LTL	3.4528	3.4528	3.4528		3.4528	3.4528	3.4528
	LVL	0.6997	0.6985	0.6973		0.7017	0.7003	0.6977

2 Financial risk management

Caverion Group is exposed to liquidity risk, interest risk, foreign exchange risk and credit risk. The management of these risks is a part of the YIT Group's treasury policy. Risk management is carried out by the Treasury of YIT Group in co-operation with operating units under policies approved by the Board of Directors of YIT Group.

The YIT Group's strategic financial targets guide the use and management of the Group's capital. Achieving the strategic targets is supported by maintaining an optimum Group capital structure. The capital structure is mainly influenced by controlling investments and the amount of working capital is tied to business operations.

A more detailed account of financial risks has been included in the carve-out financial statements for the periods ended December 31, 2012, December 31, 2011 and December 31, 2010.

3 Segment information

Revenue by operating segment

EUR million	January- March, 2013	January- March, 2012	2012
Building Services Northern Europe	468.6	513.1	2,089.2
- Group internal			-0.0
- External	468.6	513.1	2,089.2
Building Services Central Europe	139.2	159.4	714.2
- Group internal			-0.2
- External	139.2	159.4	714.0
Total revenue	607.9	672.5	2,803.2

Operating profit by operating segment

EUR million	January- March, 2013	January- March, 2012	2012
Building Services Northern Europe	2.2	14.5	41.1
Building Services Central Europe	3.4	5.2	27.4
Other items	-1.3	-1.8	-7.4
Operating profit	4.3	17.8	61.1
Financial income and expenses	-0.3	-1.0	-3.6
Profit before taxes	4.0	16.8	57.5

Segment's operative invested capital

EUR million	March 31, 2013	March 31, 2012	December 31, 2012
Building Services Northern Europe	321.5	327.8	344.8
Building Services Central Europe	118.8	97.0	96.6

Return on operative invested capital (last 12 months) %

	April, 2012- March, 2013	April, 2011- March, 2012	2012
Building Services Northern Europe	9.0	23.4	11.0
Building Services Central Europe	23.3	60.2	32.5

4 Unusual items affecting operating profit

EUR million	January- March, 2013	January- March, 2012	2012
Building Services Northern Europe	-2.8		-5.8
Building Services Central Europe			-0.9
Total	-2.8		-6.7

Unusual items affecting the operating profit for the period ended March 31, 2013

In Building Services Northern Europe cost adjustments will continue in 2013. Approximately EUR 2.8 million adjustment costs were entered during the first quarter

Unusual items affecting the operating profit for 2012

Building Services Northern Europe entered costs related to the reorganization of operations amounted to approximately EUR 3 million during the fourth quarter.

YIT started the restructuring of operations in Poland during the second quarter of 2012 and made a write-down of EUR 0.9 million in goodwill in the third quarter of 2012 as the result.

During the second quarter of 2012, the operating profit for Building Services Northern Europe was burdened by a non-recurring expense of EUR 2.8 million associated with the final financial report of a customer project completed in 2011.

5 Acquisitions and disposals

There have been no acquisitions or disposals during the period January 2013 to March 2013.

6 Borrowings

Borrowings, where the fair value differs from the carrying value

EUR million	March 31, 2013 Carrying value	March 31, 2013 Fair value	December 31, 2012 Carrying value	December 31, 2012 Fair value
Non-current liabilities				
Loans from credit institutions	60.0	53.1	63.5	56.3
Pension loans	10.0	9.2	10.0	9.2
Other loans	1.8	1.8	2.1	2.1
Non-current liabilities. total	71.8	64.1	75.6	67.6

The fair values of non-current liabilities are based on discounted cash flows. Discount rate is defined to be the rate YIT Group was to pay for an equivalent external loan at the period-end. The discount rate consists of risk free market rate and company and maturity related risk premium of 0.80-4.80% (0.80-4.00%) p.a.

7 Fair value estimation

The Group defines the fair value measurement hierarchy as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: 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: Inputs for the assets or liabilities that are not based on observable market data.

Following table presents the Group's assets and liabilities that are measured at fair value and their levels.

Assets March 31, 2013

EUR million	Level 1	Level 2	Level 3	Total
Available for sale investments	1.9		0.6	2.5
Total assets	1.9		0.6	2.5

Liabilities March 31, 2013

EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		-0.1		-0.1
Derivatives (hedge accounting applied)		0.0		0.0
Total liabilities		-0.1		-0.1

Assets December 31, 2012

EUR million	Level 1	Level 2	Level 3	Total
Available for sale investments	1.9		0.6	2.5
Total assets	1.9		0.6	2.5

Liabilities December 31, 2012

EUR million	Level 1	Level 2	Level 3	Total
Derivatives (hedge accounting not applied)		0.5		0.5
Derivatives (hedge accounting applied)		0.2		0.2
Total liabilities		0.7		0.7

Changes in level 3 instruments:

EUR million	Assets March 31, 2013	Liabilities March 31, 2013	Assets December 31, 2012	Liabilities December 31, 2012
Opening balance sheet	0.6		0.6	
Transfers into/from level 3				
Purchases and sales			0.0	
Gains and losses recognised in profit or loss				
Gains and losses recognised in comprehensive profit or loss				
Closing balance	0.6		0.6	

8 Nominal values and fair values of derivative instruments

EUR million	March 31, 2013	March 31, 2012	December 31, 2012
Nominal values			
Foreign exchange forward contracts	13.7	33.4	32.1
Interest rate swaps	42.0	14.0	45.5
Fair values			
Foreign exchange forward contracts	-0.1	0.0	-0.5
Interest rate swaps	0.0	-0.2	-0.2

9 Changes in contingent assets and liabilities and commitments

EUR million	March 31, 2013	March 31, 2012	December 31, 2012
Collateral given for own liabilities			
Corporate mortgages	0.7	1.0	0.7
Guarantees given on behalf of associated companies	0.2	0.2	0.2
Other commitments			
Operating leases	212.2	203.9	219.5
Other contingent liabilities	1.3	1.3	1.3
Parent company guarantees on behalf of its subsidiaries	533.5	554.1	556.0

Entities participating in the demerger are jointly and severally responsible for the liabilities of the demerging entity which has been generated before the registration of the demerger. Hereby, a secondary liability up to the allocated net asset value will be generated to Caverion Corporation, incorporated due to the partial demerger. For those liabilities that have been generated before the registration of the demerger and remain with YIT Corporation after the demerger. Except for its bond holders, 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. Nominal amount for these YIT Corporation bonds was EUR 325.0 million on March 31, 2013 and they mature as follows: EUR 100.0 million will be due in 2014, EUR 100.0 million in 2015 and EUR 125.0 million in 2016.

10 Related party transactions

EUR million	January- March, 2013	January- March, 2012	2012
Sales of goods and services ¹⁾	11.4	11.6	55.6
Purchases of goods and services ²⁾	8.4	9.0	38.3
Trade and other receivables	3.7	3.7	5.1
Trade and other payables	3.4	3.7	3.7

Goods and services to associated companies are sold on the basis of price lists in force with non-related parties

- 1) Sales of goods and services from related parties consist of building services offered by Caverion to YIT Group
- 2) The goods and services purchased from related parties consist of IT services as well as office lease costs purchased by Caverion from YIT Group.

Loans to related parties

Loans to any related parties do not exist.

Operating leases with related parties

The future minimum lease payments under non-cancellable operating leases

EUR million	January- March, 2013	January- March, 2012	2012
Total operating leases	64.5	71.6	68.3

The Group has leased the office facilities used in Finland from YIT, and the period of the lease agreements are based on external contracts made by YIT. The lease agreements of the office facilities have a period of validity up to 15 years. Most of the agreements include the possibility of continuing after the initial expiry date. The index renewal, and other terms of the lease agreements of office facilities are dissimilar to each other.

Equity transactions

Equity transactions made with the YIT Group have been presented in the statement of changes in invested equity.

11 Events after the reporting period

YIT has made an initial, non-binding offer to acquire HOCHTIEF Service Solutions on May 23, 2013. The business of HOCHTIEF Service Solutions relates to the Building Systems operations of YIT. Pursuant to the demerger plan the business potentially to be acquired would be transferred to Caverion Corporation in the proposed partial demerger of YIT. As the tendering process and the sales negotiations are about to be initiated, the terms and conditions of the possible acquisition, including the purchase price, remain yet to be agreed. Due to this, it is not possible at this stage to estimate the possibility of the realisation of the acquisition, the detailed timetable or its effects on Caverion Group. HOCHTIEF Service Solutions turnover was EUR 700 million and net profit EUR 16 million in 2012 and it employs approximately 5,700 people.



Independent auditor's report on the audit of the carve-out financial statements of Caverion Group for the years ended 31 December 2012, 2011 and 2010 (Translation)

To the Board of Directors of YIT Corporation

We have audited the accompanying special purpose carve-out financial statements of the Building Systems business of YIT (the "Caverion Group") for the years ended 31 December 2012, 2011 and 2010. The carve-out financial statements comprise the combined balance sheets as at 31 December 2012, 2011 and 2010 and the combined statements of income, combined comprehensive income, combined cash flow and combined changes in invested equity for the years then ended, and the notes to the carve-out financial statements. The carve-out financial statements of Caverion Group and this report have been prepared only for the purpose of including them in the prospectus of Caverion Corporation ("Caverion") to be prepared by YIT Corporation as described in Note 1.

Responsibility of the Board of Directors and Managing Director

The Board of Directors and Managing Director of YIT Corporation are responsible for the preparation and fair presentation of these carve-out financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Caverion Group as described in Note 1, and for such internal control as they determine is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these carve-out financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the carve-out financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation of the carve-out financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the carve-out financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the carve-out financial statements give a true and fair view of the financial position of the Caverion Group as at 31 December 2012, 2011 and 2010, and of its financial performance and its cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to the Caverion Group as described in Note 1.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that, as described in Note 1 to the carve-out financial statements, Caverion has not formed a separate legal group of entities. The carve-out financial statements are, therefore, not necessarily



indicative of results, financial position and cash flows that would have occurred if Caverion Group had operated as a separate stand-alone group of entities during the years presented or of Caverion Group's future performance.

3 June 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Heikki Lassila
Authorised Public Accountant



Independent auditor's report on the review of the interim carve-out financial information of Caverion Group as at and for the three-month period ended 31 March 2013 (Translation)

To the Board of Directors of YIT Corporation

We have reviewed the accompanying special purpose carve-out financial information of the Building Systems business of YIT (the "Caverion Group") as at and for the three-month period ended 31 March 2013. The carve-out financial information comprise the interim combined balance sheet as at 31 March 2013 and the interim combined statements of income, comprehensive income, cash flow and changes in invested equity for the three-month period then ended, and the selected notes to the carve-out financial information. The carve-out financial information and this report have been prepared only for the purpose of including them in the prospectus of Caverion Corporation ("Caverion") to be prepared by YIT Corporation as described in Note 1.

Responsibility of the Board of Directors and Managing Director

The Board of Directors and Managing Director of YIT Corporation are responsible for the preparation of this carve-out financial information in accordance with International Financial Reporting Standards, as adopted by the European Union and the basis of preparation and accounting policies as described in Note 1, and for such internal control as they determine is necessary to enable the preparation of the carve-out financial information that is free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on the carve-out financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", (ISRE 2410). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the carve-out financial information of the Caverion Group as at and for the three-month period ended 31 March 2013 has not been prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the European Union and the basis of preparation and accounting policies as described in Note 1.

Emphasis of matter

Without qualifying our conclusion, we draw attention to the fact that, as described in Note 1 to the carve-out financial information, Caverion has not formed a separate legal group of entities. The carve-out financial information is, therefore, not necessarily indicative of results, financial position and cash flows that would have occurred if Caverion Group had operated as a separate stand-alone group of entities during the period presented or of Caverion Group's future performance.

3 June 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Heikki Lassila
Authorised Public Accountant

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Report on the pro forma financial information included in the Registration Document (translation)

To the Board of Directors of YIT Corporation

We have completed our assurance engagement to report on the compilation of the pro forma financial information of the Building Systems business of YIT (the "Caverion Group"). The pro forma financial information consists of the pro forma statement of financial position as at 31 March 2013, the pro forma statements of income and the pro forma statements of comprehensive income for the year ended 31 December 2012 and for the three-month period ended 31 March 2013 and related notes set out in section "Pro forma financial information" of the Registration Document issued by Caverion Corporation and dated 4 June 2013. The applicable criteria on the basis of which the Board of Directors of YIT Corporation has compiled the pro forma financial information are specified in the Annex II of the Commission Regulation (EC) No 809/2004 and described in the section "Pro forma financial information" of the Registration Document dated 4 June 2013.

The pro forma financial information has been compiled by the Board of Directors of YIT Corporation to illustrate the impact of the transaction set out in section "Pro forma financial information" on Caverion Group's financial position as at 31 March 2013 and its statements of income and comprehensive income for the year ended 31 December 2012 and for the three-month period ended 31 March 2013 as if the transaction had taken place at 31 March 2013 for the pro forma statement of financial position and at 1 January 2012 for the pro forma statements of income and comprehensive income. As part of this process, information about the financial position and financial performance has been extracted from Caverion Group's carve-out financial statements for the year ended 31 December 2012, on which an audit report has been given and from the carve-out financial information for the three-month period ended 31 March 2013, on which an review report has been given.

The Board of Director's responsibility for the pro forma financial information

The Board of Directors of YIT Corporation is responsible for compiling the pro forma financial information in accordance with the Commission Regulation (EC) No 809/2004.

Auditor's responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of YIT Corporation on the basis stated and that basis is consistent with the accounting policies of the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the Commission Regulation (EC) No 809/2004.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.



The purpose of pro forma financial information included in a Registration Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- The pro forma financial information has been properly compiled on the basis stated in the section "Pro forma financial information" of the Registration Document dated 4 June 2013; and
- The basis is consistent with the accounting policies of the Caverion Group.

Restriction on distribution and use of the report

The above opinion has been expressed only for the purposes of including in the Registration Document prepared pursuant to the Commission Regulation No 809/2004.

4 June 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Heikki Lassila
Authorised Public Accountant



***Auditor's report on profit forecast included in the Registration Document
(Translation)***

To the Board of Directors of YIT Corporation

We report in accordance with the Commission Regulation (EC) No 809/2004 Annex I item 13.2. on the profit forecast included in Caverion Corporation's Registration Document dated 4 June 2013 in section "Outlook for 2013". The profit forecast is compiled by the management of YIT Corporation and according to it Caverion estimates that the Group's EBITDA for the second half of 2013 is more than EUR 50 million. The guidance does not take into account the non-recurring expenses related to the demerger, nor the expenses related to any potential mergers or acquisitions.

Responsibility of the Board of Directors

The Board of Directors of YIT Corporation is responsible for the compilation of the profit forecast including the principal assumptions upon which it is based in accordance with the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion as to whether the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

We conducted our work in accordance with the instructions issued by the Finnish Institute of Authorised Public Accountants "Profit forecast and estimate – instructions for the auditor". We have not performed an audit or a review on the profit forecast included in the Registration Document or on the information and assumptions used in the compilation of the profit forecast.

We planned and performed our work so that the evidence we have obtained is sufficient and appropriate to provide a reasonable assurance that the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

Opinion

In our opinion, the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

Qualifications and restriction on distribution and use of the report

Actual results may be different from the profit forecast since anticipated events frequently do not occur as expected and the variation may be material.

This report has been prepared solely to be included in the Registration Document prepared in accordance with the Commission Regulation (EC) No 809/2004.

4 June 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Heikki Lassila
Authorised Public Accountant

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