



caruna | Positive energy.

31 Dec 2017

Investor Report

H2 2017

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Year 2017 proceeded in accordance to plan, investment program continued and result of the period turned to positive

Summary of key figures actual 1.1.-31.12.2017 (budget 1.1.-31.12.2017)

- + Net sales EUR 426.4 million (EUR 435.4 million)
- + Operating profit (EBIT) EUR 145.6 million (EUR 149.4 million)
- + Profit for the period EUR 29.6 million (EUR 12.6 million)
- + Income taxes EUR 6.3 million (EUR 1.4 million)
- + Investments EUR 291.1 million (EUR 250.0 million)
- + Cash flow after operating activities and investments EUR -169.1 million (EUR -144.6 million)
- + Number of customers 672,000 (670,000)
- + Cabling rate 45%, weatherproof network 71%
- + Number of renewable wind and solar production units in Caruna network area over 2,400 producers
- + SAIDI 123 (109) minutes

Key events in 2017

The number of customers connected to Caruna network increased approximately by 1% being 672,000 customers at the end of 2017. Operating environment remained stable and there were no extreme weather conditions which would have caused unexpected challenges. There were a few bigger storms causing customers outages, e.g. Niina-storm at the end of October and Tove-storm in mid-December. However, storms were considered as normal and preparedness was at good level, thus duration of outages remained mainly at reasonably low level.

Caruna reached its annual targets related to improved reliability of electricity distribution and continued to invest in improving the network further in accordance to plan. Most of the investments focused on replacing overhead-lines with cable as well as increasing the automation of network management. Total annual investments equaled to EUR 291.1 million (EUR 250.0 million).

In addition to these activities, Caruna continued to develop its key information systems to support better electricity distribution service provided to its customers. The new electricity network operating system, adopted at the beginning of February, allows Caruna to ensure more efficient fault detection. Development of different electronic service channels for customers is another area the company has been working on during 2017. Also, new customer information and invoicing system (CIS) was taken into use in September 2017.

The temporary 25 percent discount on fixed basic charges granted to customers ended at the beginning of March 2017, but otherwise distribution prices remained unchanged.

In order to finance its network improvement program Caruna Networks Oy withdraw new loan from European Investment Bank (EIB) worth of EUR 200 million in two instalments in March and May 2017. Additionally, new IBLA-loan of EUR 100 million was withdrawn from Transmission Finance DAC.

Tomi Yli-Kyyny started as the Caruna's new CEO on 1 May 2017. Caruna Group management system was renewed as per 22 September 2017.

The merger of Caruna Networks Sähkösiirto Oy and Caruna Networks Espoo Oy into Caruna Networks Oy was prepared during 2017. Merger took place 1 January 2018. The aim of the merger was to simplify the Group structure. Merger had no impacts on customers.

Electricity distribution volumes

Caruna distribution volumes in local and regional network remained at the same level as in 2016 being 9.6 terawatt hours (TWh) in local network and 2.8 terawatt hours (TWh) in regional network. This was 65 GWh (gigawatt hours) lower than planned. Temperatures were approximately two degrees warmer than long-term averages from January to March, which resulted in lower electricity distribution volumes during the peak heating season. From April to June, however, the weather was colder than on average, but this did not lead to significant increases of electricity distribution volumes because these months are not within the heating period. The rest of the year volumes were close to historical average and also budget.

Regulatory and Business Update

The renewal process of Energy Market Act (EMA) triggered by price increases made in 2016 proceeded to parliamentary hearings and decision making. Suggested changes to the Act were approved by the Parliament in June 2017. Key amendment is inclusion of the maximum 15% price increase cap on rolling 12 months period including taxes. This was in accordance to expectations and in line with the settlement agreement made between Caruna and the Consumer Ombudsman in 2016. No other changes to regulatory framework are expected in 2018.

However, several discussions and development initiatives are on-going to collect initial input for possibly needed legislation changes via data hub, retail market model development as well as other changes in the operating environment including storages, demand response and distributed generation.

The number of customers within Caruna has steadily increased during the last years. This development continued during 2017 and the total number of customers was 672,000 (670,000) at the end of 2017.

The split of customers (thousands) between companies is as in the following table:

Company	ACT 2017	BP 2017	ACT 2016
Caruna Oy	467	466	463
Caruna Espoo Oy	205	204	201
Total	672	670	664

During the 2017 network reliability improvement program continued and Caruna total investments equalled to EUR 291.1 million (budget EUR 250.0 million). Focus on investments is still in medium voltage network and shift towards low voltage network is starting. During 2017 Caruna cabled over 6,000 kilometres network underground. Cabling-rate of the total network increased to 45% and at the end of the year 71% of the customers were within weatherproof network.

Summary of financial result January-December 2017

KEY NOTES TO THE INCOME STATEMENT

Net sales 2017 EUR 426.4 million (budget EUR 435.4 million): This was EUR 9,0 million less than in plan. The main reason for difference is in average two degrees higher temperature occurred during January and March as well as October and November 2017 which impacted negatively to transmission volumes during the heating season. Altogether distribution volumes were 65 GWh (gigawatt hours) lower than planned to equal to EUR 6.3 million lower sales. Connection fee income was slightly above planned level.

Direct costs 2017 EUR 88.1 million (budget 86.9 million): Direct costs were EUR 1.2 million above budget. Positive impact derived from lower distribution volumes and thus transmission costs were offset by higher than budgeted reactive power fees, which Fingrid (TSO) started to invoice as per 1 January 2017.

Fixed costs 2017 EUR 74.8 million (budget EUR 81.0 million): On-going run cost from operations were EUR 3.0 million lower than budgeted ending-up with EUR 73.9 million compared to EUR 77.0 million in budget. This was mainly due lower repairs & maintenance cost due to overall calm weather, and thus lower fault repair. One-off OPEX items related to business development initiatives were EUR 3.0 million lower due to utilizing less external resources and consulting than originally anticipated.

Depreciation & amortisation 2017 EUR 123.9 million (budget EUR 122.5 million): Annual depreciations were at planned level. Depreciation includes EUR 31.2 million depreciation of fair value adjustments.

Net financing expenses 2017 EUR 128.0 million (budget EUR 131.1 million): Interest expenses from Senior loans as well as ongoing fees were slightly lower than anticipated. Interest expenses 2017 consist of interest on shareholder loan and interests related to Senior loans. Additionally, net financing expenses 2017 include ongoing fees and loan arrangement fee amortisation.

KEY NOTES TO THE BALANCE SHEET

Intangible assets EUR 1,648.4 million (budget EUR 1,636.0 million) at budgeted level and consist mainly of non-depreciable fair value of operating licenses raising from purchase price allocation EUR 1,529 million and goodwill EUR 62 million.

Property, plant and equipment EUR 2,235.2 million (budget EUR 2,169.4 million) slightly higher than planned due to higher capital expenditure and higher amount of network taken into operation. The balance includes fair value adjustment of network assets from purchase price allocation EUR 648 million.

Other non-current assets EUR 1.0 million (budget EUR 1.6 million), difference is explained mainly by the change of fair value of electricity derivatives.

Total equity EUR -124,4 million (budget EUR -206.7 million) remained negative, but less than planned which was mainly due to better retained earnings from 2016 as well as better result from 2017. The equities of the standalone Finnish companies are positive and comply with Finnish Companies Act.

Interest-bearing debt EUR 3,171.9 million (budget EUR 3,104.8 million) was slightly higher than planned. Even though operating cash flow was higher than expected due to favorable development in working capital it didn't cover the higher capital expenditures. The debt balance consists of the following items:

- Senior debt EUR 2,247.5 million (budget EUR 2,171.2 million)
- Shareholder loan EUR 931.5 million (budget EUR 933.6 million)
- Loan arrangement fees EUR -7.1 million (budget EUR 0.0 million)

Derivative financial instruments EUR 24.7 million (budget EUR 25.4 million) were at budgeted level and mainly consist of fair value of interest rate swaps EUR 24.5 million and fair value of electricity derivatives EUR 0.2 million.

Deferred tax liabilities EUR 521.2 million (budget EUR 551.2 million) were EUR 30.0 million lower than budget and include deferred tax arising from purchase price allocation EUR 432.4 million, from accumulated depreciation EUR 88.0 million and from other temporary differences between accounting and taxation of EUR 0.8 million.

KEY NOTES TO THE CASH FLOW

Net cash from operating activities was EUR 123.9 million (budget EUR 105.7 million), which is EUR 18.2 million higher than assumed in budget. The difference is mainly due to favorable development in working capital. Net cash

from operating activities includes interest expenses paid of EUR -144.9 million (EUR -141.1 million) including senior interest paid of EUR -65.7 million (EUR -62.7 million) and shareholder loan paid of EUR -79.2 million (EUR -78.4 million). Commitment fees EUR -2.5 million (EUR -3.8 million), other financial expenses paid of EUR -0.3 million (EUR 0.0 million), non-cash flow items EUR -1.5 million (EUR 0.0 million), interests received EUR 6.9 million (EUR 0.0 million) and change in working capital of EUR 4.1 million (EUR -21.3 million).

Net cash used in investing activities was EUR -293.0 million (budget EUR -250.3 million) which is EUR 42.7 million more than planned due to higher than anticipated capital expenditure spent for network improvements.

Net cash used in financing activities was EUR 152.5 million (budget EUR 104.7 million). The difference of EUR 47.8 million is due to additional loan withdrawn to finance higher than anticipated capital expenditure.

Capital Expenditure

Caruna Group's performance-based investments for the financial period amounted to EUR 291.1 million (EUR 250.0 million), of which 95% was directed to projects improving reliability of the network. A total of over 6,000 kilometres of small and medium-voltage underground cable network was installed. Most of the reliability investments were focused on South and Southwest Finland.

Financing

Electricity distribution is a capital-intensive sector. The network improvement programme to be completed by 2028 requires continuous additional financing. Caruna's loans amount to approximately EUR 3 billion, of which EUR 2 billion comprise the Group's external liabilities of loans granted by the European Investment Bank (EIB), commercial banks and Transmission Finance DAC as part of its EMTN programme. In addition to external debt, Caruna has shareholder loans of approximately EUR 1 billion.

The purpose of Caruna's financing is to guarantee the conditions for the Group's operations in the long term and to secure financing for the network improvement programme. This will be achieved by arranging highly diversified funding from several capital markets.

In 2017, Caruna took out a loan of EUR 200 million from the European Investment Bank, repayable over ten years. Caruna paid off the capex facility loan of EUR 170 million and, at the same time, reduced its committed capex

facility limit from EUR 600 million to EUR 400 million. Caruna also increased its borrowing from Transmission Finance DAC, which issued a 20-year bond of EUR 100 million. Caruna's external loans amounted to EUR 2,247.5 million at the end of the reporting period. The loans granted by Transmission Finance DAC will mature in 6 to 29 years. The EIB loan will mature in 2028.

At the end of the year, Caruna had a total of EUR 931.5 million in fixed-rate shareholder loans, to be repaid on demand but at the latest by February 2047. The shareholder loan interest is paid biannually, if the loan covenant terms are met.

Caruna's available committed facility limits consist of a capex facility, EUR 380 million; revolving credit facility, EUR 60 million; bank overdraft, EUR 30 million; and liquidity facility, EUR 20 million.

Net financing costs for the reporting period recorded in the income statement were EUR 128.0 million (EUR 131.1 million), and accrued interest expenses in the balance sheet were EUR 39.4 million (EUR 36.1 million). Caruna complied with the covenant terms of all loan agreements. Of Caruna's loans, 90% have a fixed-rate interest. The average lending rate at the end of the year was 2.2%.

Standard & Poor's has affirmed Caruna a long-term credit rating of BBB+ and a stable outlook.

Personnel

The number of personnel was 276 (264) at the end of December 2017.

Annual General Meeting

Caruna Networks Oy's Annual General Meeting (AGM) was held on 13 March 2017. The AGM approved the financial statements for 2016, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the CEO from liability.

The AGM elected Juha Laaksonen as the Chairman of the Board of Directors. Other elected members were Jouni Grönroos, Kenton Bradbury, John Cuccione, Gregor Kurth and Niall Mills, and deputy members Tomas Pedraza and Delphine Voeltzel.

No dividends decided to be paid.

Auditing

The financial statements of Caruna Group are audited. All numbers are consolidated figures at Group level and reported according to IFRS. The Audit firm Deloitte Oy, with APA Jukka Vattulainen as the main auditor, has acted as Caruna Network Oy's auditing firm.

Financial risks

INTEREST RATE RISK

Change in the market rate affect the Group's net interest rates, as well the fair value of interest-bearing receivables, liabilities and derivative financial instruments. The aim of hedging the interest rate risk exposure is to reduce the effect of changes in interest rates on the income statement, balance sheet and cash flow, while also taking into account the market value of the net debt position.

Caruna has hedged against interest rate risks by opting mainly for loans with fixed interest rates.

LIQUIDITY RISK

In addition to funds from operations, Caruna Networks Oy utilises committed credit limits and other credit facilities to balance its liquidity.

CREDIT RISK

The Group's policies determine the credit rating requirements for customers and derivative financial instrument counterparties, as well as the investment transaction principles. A customer's supply or connection contract can include a collateral or advance payment to cover any contractual amounts that remain outstanding. Collaterals hedge against possible credit losses, and the accumulation of credit losses is closely monitored. The amount of credit losses in 2017 was EUR 738 thousand.

PRICE RISK

In previous years, price risks related to grid loss electricity purchases have been hedged by means of electricity derivatives. In 2017, following a re-evaluation of the impact of price risks related to grid loss electricity purchases, Caruna decided that new electricity derivatives will no longer be signed and, where necessary, the risk will be hedged by signing physical electricity purchase agreements.

Most significant identified operational risks

EXCEPTIONAL WEATHER CONDITIONS

The most significant operational risks relate to exceptional weather conditions, such as storms, heavy snowfall and severe frosts, which can affect the reliability of supply in transmission and distribution networks. The key method of preventing interruptions is to replace overhead lines with underground cables, forest management near overhead lines and development of remote network control. Network structures are also being developed in such a way that, in a disturbance, the damaged part can be isolated from the rest of the network and the range of the distribution interruption reduced. Careful prior planning enables adequate preparation, which is essential in case of a disturbance.

REGULATORY ENVIRONMENT

The Energy Authority monitors the operations of electricity network companies and reasonable pricing of electricity distribution. The regulatory procedures enable network companies to improve the reliability of supply by investing in the electricity network. The Finnish regulatory environment can be considered stable. The current regulation period commenced at the beginning of 2016, providing an eight-year perspective. In the long term, operational risks often emerge as a result of changes in regulations, but also, in the short term, from differing interpretations of regulations and decisions.

SUPPLIER RISK

The Group's suppliers may, due to liquidation or other reasons, become unable to deliver commissioned network projects and services. Caruna's purchase model aims to ensure it has a favourable and sound position for competition in each of its network areas. A systematic management model for contractors and services allows the Group to become aware of any contractor-specific problems promptly, making it possible to step in and take necessary corrective actions without delay.

Current Hedging Position

Interest rate derivatives are used by Caruna to hedge exposures to fluctuations in interest rates. At the 31 December 2017 interest rate swap position was closed as there were equal amount of interest rate swap liabilities and receivables, therefore changes in interest rate curve does not have any effect to mark-to-market value nor to future interest rate swap

payments. Caruna Networks Oy will pay outstanding interest rate swap market value by end of the maturity in March 2019. All IBLA-loans have fixed interest rate. The capex-loans including EIB loan have floating interest rate. Currently 90% of Caruna's Senior loans have fixed interest rates. According to Hedging Policy the proportion of fixed interest rate Senior loans including hedging derivatives is required to be 75-100% of the total Senior loan portfolio.

There were no unhedged material foreign exchange risks exposures.

Group structure

Caruna Networks B.V. is the parent company of Caruna Networks B.V. Group (Group). In addition to Caruna Networks B.V., Caruna Networks B.V. Group includes Suomi Power B.V., Caruna Networks Oy, Caruna Networks Sähkönsiirto Oy, Caruna Networks Espoo Oy, Caruna Oy and Caruna Espoo Oy. Caruna Networks Oy owns Caruna Networks Sähkönsiirto Oy and Caruna Networks Espoo Oy, which in turn own Caruna Oy and Caruna Espoo Oy.

Caruna Networks B.V. Group's business arises from Caruna Networks Oy Group (Caruna). Caruna Oy and Caruna Espoo Oy practise regional and distribution network operations in the electrical power systems they own and are two of the regional and distribution network operators referred to in the Finnish Electricity Market Act, within their areas of responsibility. Caruna Networks Oy, Caruna Networks Espoo Oy and Caruna Networks Sähkönsiirto Oy provide supportive services for Caruna.

The merger of Caruna Networks Sähkönsiirto Oy and Caruna Networks Espoo Oy into Caruna Networks Oy was prepared during 2017. Merger took place 1 January 2018.

Outlook for 2018

Group expects to continue its operations as today and aims at profitable growth as presented in the Business Plan approved by the Board. In accordance to business plan Group expects to comply with its debt covenants.

Subsequent events after reporting period

Caruna Networks Sähkönsiirto Oy and Caruna Networks Espoo Oy were merged into Caruna Networks Oy on 1 January 2018.

On 19 January 2018, the Ministry of Finance issued a draft and a request for an opinion on a tax-deduction limit on income tax that is to be introduced from the beginning of 2019. According to the draft, the reduction in interest deductions would be widened and intensified, which would increase Caruna's income tax. Caruna will analyse the effects of limiting the right to interest deduction during 2018.

Caruna's management team was strengthened by three new appointments. Anne Pirilä was appointed Caruna's Communications and Corporate Relations Director and member of the Management Team from 5 February 2018. Kosti Rautiainen, who has been appointed Director of the Electricity Network and a member of the Management Team, will start his duties on 19 March 2018. Jyrki Tammivuori, Caruna's CFO and the member of the management team, was appointed CFO and Deputy to CEO (DCEO) from 1 January 2018 onwards.


Ratios

- 1 We confirm that in respect of this Investor Report dated 13 March 2018, by reference to the most recent Financial Statements that we are obligated to deliver to you in accordance with paragraph 1 (Financial Statements) of part 2 (Information Covenants) of Schedule 2 (Borrower Security Group Covenants) of the Common Terms Agreement:
 - a) the Senior Interest Cover Ratio in respect of the Relevant Period is estimated to be greater than or equal to 1.7; and
 - b) the Senior Leverage Ratio in respect of the Relevant Period is or is estimated to be greater than or equal to 5.0%,
(together the "Ratios").

- 2 We confirm that each of the above Ratios has been calculated in respect of the Relevant Period(s) or as at the Calculation Dates for which it is required to be calculated under the Common Terms Agreement.

- 3 We confirm that:
 - a) no Default or Trigger Event has occurred and is continuing;
 - b) the Borrower Security Group is in compliance with the Hedging Policy; and
 - c) the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully



Jyrki Tammivuori

Officer

Signing without personal liability, for and on behalf of
Caruna Networks Oy as Borrower Security Group Agent

INCOME STATEMENT 1.1. - 31.12.2017

EUR million, cumulative	ACT Jan- Dec 2017	BUD Jan- Dec 2017	Diff	ACT Jan- Dec 2016	Change	BUD Jan- Dec 2018
Distribution sales	410.2	422.4	-12.2	366.5	43.7	441.4
Other sales	16.2	13.0	3.2	17.5	-1.3	13.6
Net sales	426.4	435.4	-9.0	384.0	42.4	455.0
Direct costs	-88.1	-86.9	-1.2	-81.8	-6.3	-91.5
Sales margin	338.3	348.5	-10.2	302.2	36.1	363.5
Other Income	6.0	4.4	1.6	7.6	-1.6	4.2
Personnel costs	-20.4	-18.9	-1.5	-22.0	1.6	-22.9
Repairs & maintenance	-17.7	-25.4	7.7	-19.5	1.8	-20.8
External services	-26.8	-33.0	6.2	-27.0	0.2	-36.2
Other expenses	-9.9	-3.7	-6.2	-9.3	-0.6	0.0
Total fixed costs	-74.8	-81.0	6.2	-77.8	3.0	-79.9
EBITDA	269.5	271.9	-2.4	232.0	37.5	287.8
Depreciation and amortisation	-123.9	-122.5	-1.4	-112.9	-11.0	-126.6
Operating profit	145.6	149.4	-3.8	119.1	26.5	161.2
Financial Income	0.2	0.0	0.2	0.2	0.0	0.0
Interest expenses on Senior loan	-46.3	-47.5	1.2	-48.7	2.4	-50.2
Interest expenses on Junior loan	0.0	0.0	0.0	-0.9	0.9	0.0
Interest expenses on Shareholder loan	-79.3	-79.4	0.1	-80.0	0.7	-79.4
Ongoing fees	-1.5	-3.8	2.3	-1.9	0.4	-2.5
Loan arrangement fee amortisation	-0.6	-0.4	-0.2	-18.4	17.8	-2.0
Other financial items	-0.5	0.0	-0.5	-22.1	21.6	0.0
Total financial income / expense	-128.0	-131.1	3.1	-171.8	43.8	-134.1
Profit/loss before tax	17.6	18.3	-0.7	-52.7	70.3	27.1
Tax from operations	12.0	-5.7	17.7	21.7	-9.7	-13.7
Profit/loss for the period	29.6	12.6	17.0	-31.0	60.6	13.4

BALANCE SHEET

EUR million	ACT Dec 31, 2017	BUD Dec 31, 2017	ACT Dec 31, 2016	BUD Dec 31, 2018
Assets				
Non-current assets				
Intangible assets	1,648.4	1,636.0	1,641.3	1,600.6
Property, plant and equipment	2,235.2	2,169.4	2,075.4	2,368.6
Other non-current assets	1.0	1.6	1.3	0.0
Total non-current assets	3,884.6	3,807.0	3,718.0	3,969.2
Current assets				
Trade receivables	108.8	107.7	116.5	132.0
Other current receivables	1.2	0.0	2.1	0.0
Cash and cash equivalents	44.0	6.9	60.6	37.3
Total current assets	154.0	114.6	179.2	169.3
Total assets	4,038.6	3,921.6	3,897.2	4,138.5
Equity				
Share capital	0.0	0.0	0.0	0.0
Invested distributable funds	171.3	171.2	171.3	171.2
Profit for the period	29.6	12.6	-31.0	13.4
Retained earnings	-322.8	-388.2	-291.8	-300.9
Other equity components	-2.5	-2.3	-2.5	-1.7
Total equity	-124.4	-206.7	-154.0	-118.0
Liabilities				
Non-current liabilities				
Senior loan	2,247.5	2,171.2	2,106.2	2,366.1
Shareholder loan	931.5	933.6	932.0	903.6
Loan arrangement fees	-7.1	0.0	-6.9	0.0
Derivative financial instruments	24.7	25.4	31.3	0.0
Deferred tax liabilities	521.2	551.2	539.8	534.4
Provisions	0.2	0.0	0.2	0.0
Other non-current liabilities	304.7	305.0	306.8	318.5
Total non-current liabilities	4,022.7	3,986.4	3,909.4	4,122.6
Current liabilities				
Derivative financial instruments	0.0	0.0	0.7	0.0
Trade payables	55.6	78.7	53.6	54.4
Accrued interest expenses	39.4	36.1	38.5	39.3
Other current interest-free payables	45.3	27.1	49.0	40.2
Total current liabilities	140.3	141.9	141.8	133.9
Total liabilities	4,163.0	4,128.3	4,051.2	4,256.5
Total equity and liabilities	4,038.6	3,921.6	3,897.2	4,138.5

CASH FLOW STATEMENT

EUR million	ACT Jan- Dec 2017	BUD Jan- Dec 2017	Diff	ACT Jan- Dec 2016	Change	BUD Jan- Dec 2018
Cash flow from operating activities						
Result for the period	29.6	12.6	17.0	-31.0	60.6	13.4
Adjustments:						
Income tax expenses	-12.0	5.7	-17.7	-21.7	9.7	13.7
Finance costs-net	128.0	131.1	-3.1	171.8	-43.8	134.1
Depreciation, amortisation and impairment charges	123.9	122.5	1.4	112.9	11.0	126.6
Operating profit before depreciations (EBITDA)	269.5	271.9	-2.4	232.0	37.5	287.8
Non-cash flow items and divesting activities	-1.5	0.0	-1.5	-3.1	1.6	0.0
Interest received	6.9	0.0	6.9	2.6	4.3	0.0
Interest paid, Senior loan	-65.7	-62.7	-3.0	-37.4	-28.3	-72.0
Interest paid, Junior loan	0.0	0.0	0.0	-2.9	2.9	0.0
Interest paid, Shareholder loan	-79.2	-78.4	-0.8	-40.0	-39.2	-79.4
Ongoing fees, paid	-2.5	-3.8	1.3	-1.6	-0.9	-2.2
Other financial expenses paid	-0.3	0.0	-0.3	-29.8	29.5	0.0
Taxes	-7.4	0.0	-7.4	-0.4	-7.0	-2.8
Funds from operations	119.8	127.0	-7.2	119.4	0.4	131.4
Change in working capital	4.1	-21.3	25.4	-20.0	24.1	-18.6
Total net cash from operating activities	123.9	105.7	18.2	99.4	24.5	112.8
Cash flow from investing activities						
Capital expenditures	-293.5	-250.3	-43.2	-273.2	-20.3	-241.0
Proceeds from sales of fixed assets	0.5	0.0	0.5	0.5	0.0	0.0
Total net cash used in investing activities	-293.0	-250.3	-42.7	-272.7	-20.3	-241.0
Cash flow before financing activities	-169.1	-144.6	-24.5	-173.3	4.2	-128.2
Cash flow from financing activities						
Proceeds from long-term liabilities	399.5	104.7	294.8	2,926.5	-2,527.0	129.9
Payments of long-term liabilities	-250.0	0.0	-250.0	-2,756.5	2,506.5	-30.0
Change in short-term liabilities	3.0	0.0	3.0	0.0	3.0	0.0
Other financing items	0.0	0.0	0.0	0.0	0.0	0.0
Total net cash used in financing activities	152.5	104.7	47.8	170.0	-17.5	99.9
Total net increase(+) / decrease(-) in cash and cash equivalents	-16.6	-39.9	23.3	-3.3	-13.3	-28.3
Cash and cash equivalents in the beginning of the period	60.6	46.8	13.8	63.9	-3.3	65.6
Cash and cash equivalents at the end of the period	44.0	6.9	37.1	60.6	-16.6	37.3

RATIO

ICR	Dec 31 2017, Backward	Dec 31 2017, Forward	Dec 31 2017, Extended Forward
Senior Interest Cover Ratio	4.2x	4.2x	-
Lock-up	1.7x	1.7x	-
Lock-up breach	-	-	-
Default	1.2x	-	-
Default breach	-	-	-
Senior Leverage Ratio	9.1%	9.2%	10.3%
Lock-up	5.0%	5.0%	5.5%
Lock-up breach	-	-	-
Default	4.0%	-	-
Default breach	-	-	-

LOAN COVENANT RATIO CALCULATION

EUR million	"Backward"		"Forward"		"Backward"			"Forward"			"Extended" 36 months total
	1.1.- 31.12.2017	1.1.- 31.12.2018	1.1.- 31.12.2017	1.1.- 31.12.2018	H1/2017	H2/2017	31.12.2017	H1/2018	H2/2018	31.12.2018	
Senior Interest Cover Ratio, Denominator											
EBITDA	269.5	287.8	269.5	287.8	136.3	133.2	269.5	144.7	143.1	287.8	
+/- Unrealised gains or losses of electricity derivatives	-1.1	-	-1.1	-	-	-1.1	-1.1	-	-	-	
+ Taxes	-6.6	-7.2	-6.6	-7.2	0.1	-6.7	-6.6	-3.6	-3.6	-7.2	
Consolidated EBITDA - taxes, total	261.8	280.6	261.8	280.6	136.4	125.4	261.8	141.1	139.5	280.6	
Senior Interest Cover Ratio, Numerator											
Interest Costs, Senior	-46.3	-50.2	-46.3	-50.2	-26.2	-20.1	-46.3	-25.1	-25.1	-50.2	
+ Fair valued interest rate derivatives adjustment	-13.9	-13.6	-13.9	-13.6	-6.9	-7.0	-13.9	-6.8	-6.8	-13.6	
Ongoing fees, Senior	-1.5	-2.5	-1.5	-2.5	-0.8	-0.7	-1.5	-1.1	-1.4	-2.5	
Net Finance Charges, Senior total	-61.7	-66.3	-61.7	-66.3	-33.9	-27.8	-61.7	-33.0	-33.3	-66.3	
Senior Interest Cover Ratio	4.2x	4.2x	4.2x	4.2x			4.2x			4.2x	
EUR million	1.1.- 31.12.2017	1.1.- 31.12.2018	1.1.- 31.12.2017	1.1.- 31.12.2018	H1/2017	H2/2017	31.12.2017	H1/2018	H2/2018	31.12.2018	36 months total
Senior Leverage Ratio, Denominator:											
EBITDA	269.5	287.8	269.5	287.8	136.3	133.2	269.5	144.7	143.1	287.8	332.3
+/- Unrealised gains or losses of electricity derivatives	-1.1	-	-1.1	-	-	-1.1	-1.1	-	-	-	-
Interest Costs, Senior	-46.3	-50.2	-46.3	-50.2	-26.2	-20.1	-46.3	-25.1	-25.1	-50.2	-54.3
+ Fair valued interest rate derivatives adjustment	-13.9	-13.6	-13.9	-13.6	-6.9	-7.0	-13.9	-6.8	-6.8	-13.6	-9.0
Ongoing fees, Senior	-1.5	-2.5	-1.5	-2.5	-0.8	-0.7	-1.5	-1.1	-1.4	-2.5	-2.6
+ Taxes	-6.6	-7.2	-6.6	-7.2	0.1	-6.7	-6.6	-3.6	-3.6	-7.2	-17.1
Funds from Operations, FFO	200.1	214.3	200.1	214.3	102.5	97.6	200.1	108.1	106.2	214.3	249.3
Senior Leverage Ratio, Numerator:											
Senior debt	2,247.5	2,366.1	2,247.5	2,247.5	2,247.5	2,247.5	2,247.5	2,366.1	2,366.1	2,366.1	2,436.2
Cash	-44.0	-37.3	-44.0	-44.0	-44.0	-44.0	-44.0	-37.3	-37.3	-37.3	-22.3
Net debt - Senior	2,203.5	2,328.8	2,203.5	2,203.5	-	2,203.5	2,203.5	-	2,328.8	2,328.8	2,413.9
Senior Leverage Ratio	9.1%	9.2%	9.1%	9.2%			9.1%			9.2%	10.3%

EUR million	ACT Jan-Dec 2017
Permitted Acquisition	none
Permitted Disposal	0.5
Permitted Distribution	79.3
Additional Financial Indebtedness	none



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