



VVO Group plc

INTERIM REPORT REVIEW PERIOD Q1/2015

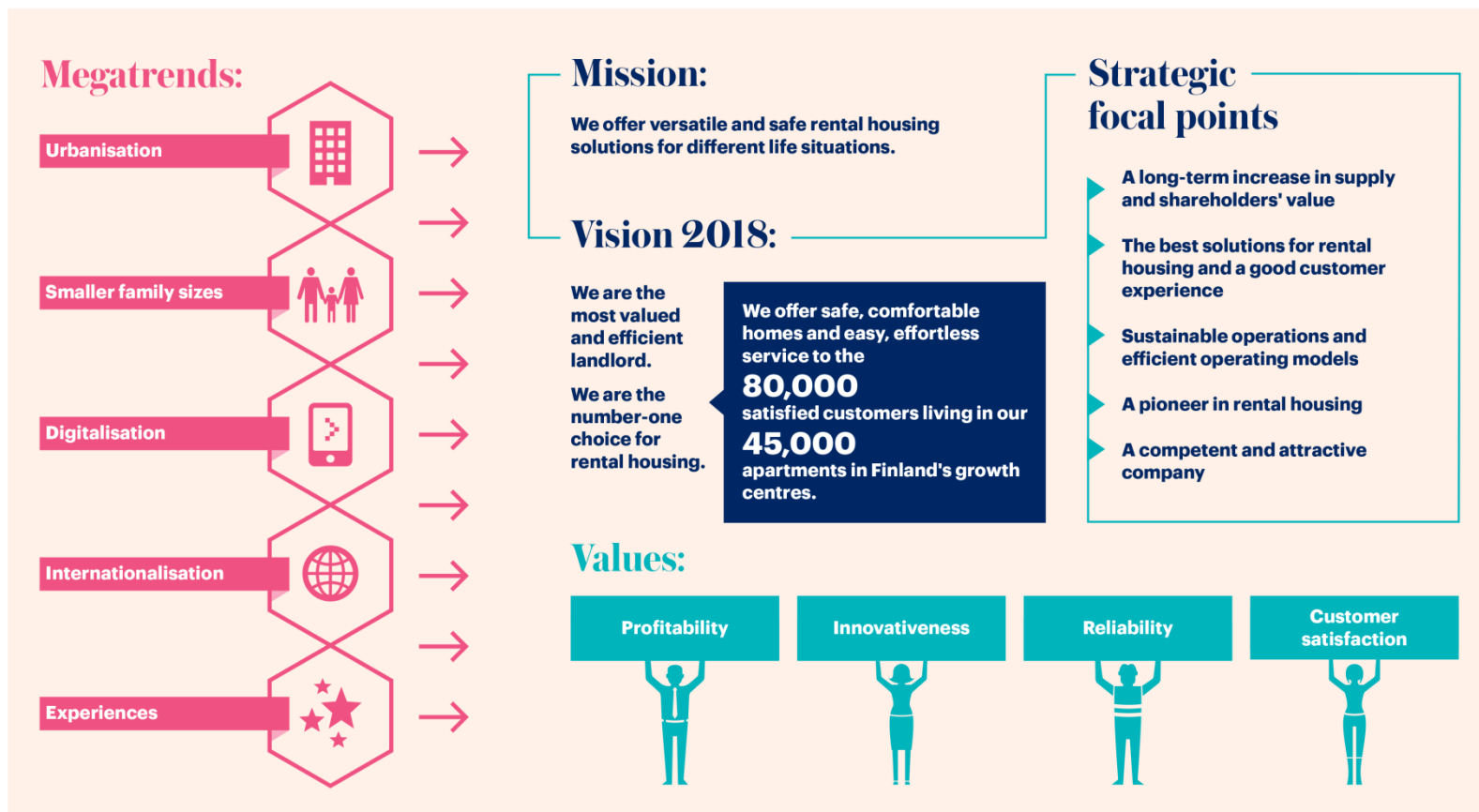


Content

- VVO Group's strategy and business
- Transition to IFRS
- Interim Report Q1/2015

VVO Group Plc's strategy

An excellent customer experience is our strategic goal



Country-wide operations in good locations

Distribution of apartments

Helsinki Metropolitan Area

16,800

Rest of Southern Finland

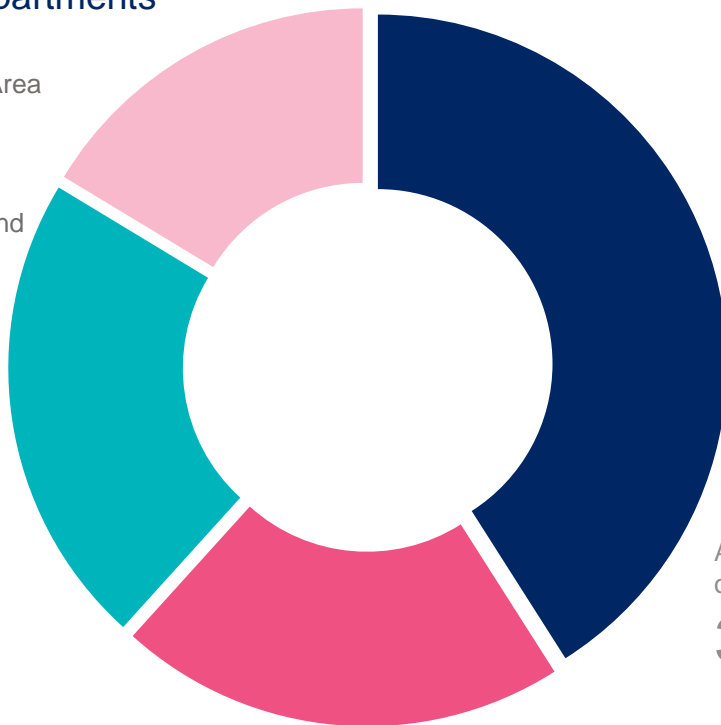
8,500

Western Finland

9,000

Eastern and Northern Finland

6,700



Apartments
40,760



Average area of apartments
56.7 m²



Properties
1,840



Residents number over
70,000



Average age of buildings
30.7 yrs



Apartments
2.3 million dwelling m²

Transition to IFRS

- The first Interim Report of 2015 has been drawn up in accordance with International Financial Reporting Standards (IFRS) and the comparison figures have been converted to comply with IFRS accounting principles.
- The transition to IFRS and its impact has been explained in the 'Transition to IFRS' section of the Notes to the Interim Report Q1/2015.

Interim Report

Q1/2015

Review period 1 Jan–31 Mar 2015

- Turnover growth was generated by increased revenue from rental operations
- Reasons for increased profit included a good financial occupancy rate and, to a great extent, the change in the fair values of VVO Group's investment properties
- VVO Group owns 40,760 apartments, of which 26,808 are Lumo and 13,952 are VVO apartments
- Gross investments totalling EUR 53.3 million were made in the renovation, acquisition and construction of rental apartments
- There were 1,324 apartments under construction
- Demand for rental housing remained brisk
- Lumo and residential services have been well received



Operating environment

- Slow improvements were being seen in the European economy
- General uncertainty in the economy continued, and consumer confidence remained lower than average
- Euro-zone exports were strengthened by the ECB's recovery programme
- Demand for rental apartments remained at a good level
- There was still clear demand for new homes in the Helsinki Metropolitan Area
- New construction clearly focused on privately financed rental apartments
- The market situation for the construction of owner-occupied apartments enabled better-than-average implementation of negotiated contracts for rental housing development
- The slowness of the zoning process, particularly in the Helsinki Metropolitan Area, made it harder to launch the construction of new rental apartments

Outlook 2015

Market outlook

- Uncertainty in the Finnish economy persists
- The outlook for employment remains weak
- The ECB's decision to purchase EUR 60 billion in securities per month may support the economy
- General interest rates are forecast to remain low
- Apartment building construction is increasing as a result of urbanisation
- Demand for rental apartments is expected to remain at a good level
- New development will continue to focus on privately financed rental apartments

Outlook for VVO

- VVO's financial occupancy rate is expected to remain at the same level and demand for rental apartments at a good level

Turnover 1 Jan –31 Mar 2015

900.9

EUR million

(88.1)

Result 1 Jan –31 Mar 2015

60.4

EUR million

(35.7)

Net rental income

55.4

EUR million

(51.9)

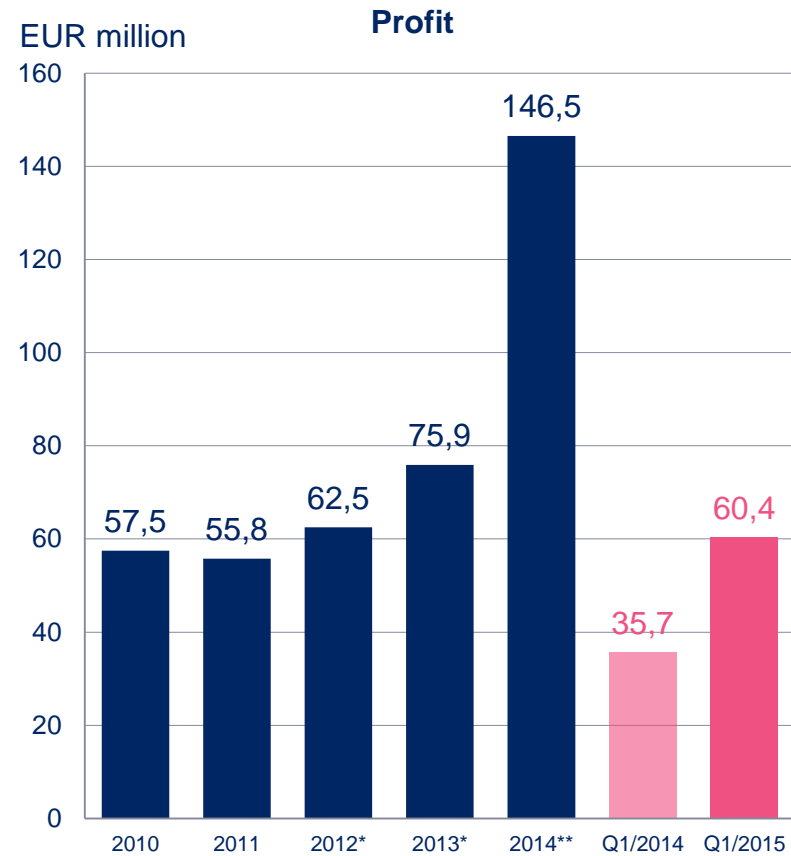
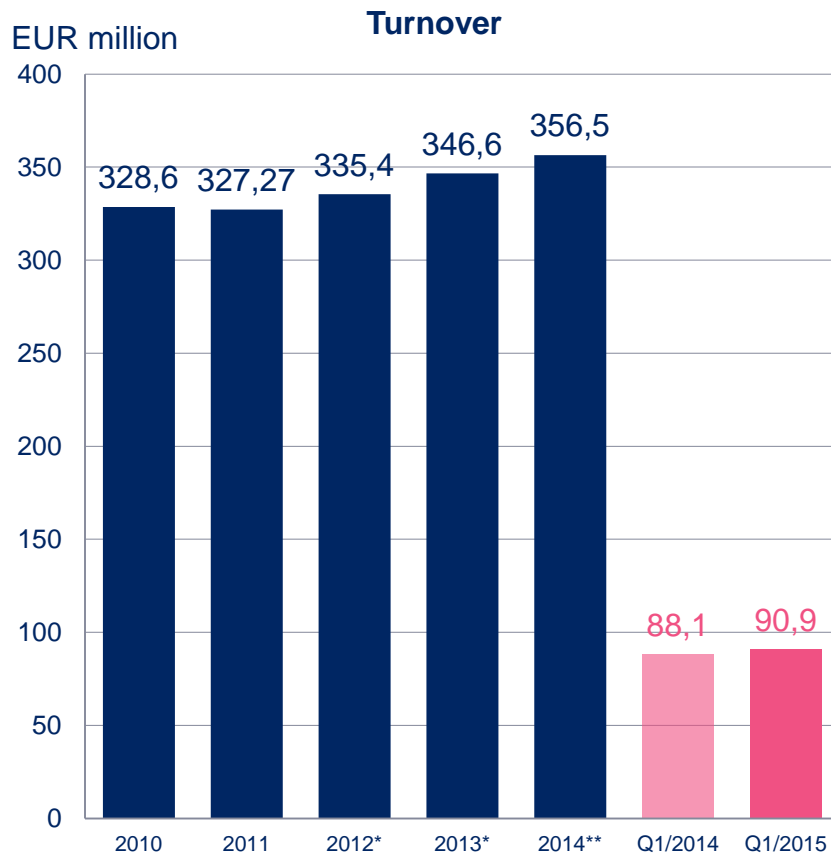
Fair value of investment properties
approx.

3.8

EUR billion

(3.5)

Turnover and profit performance

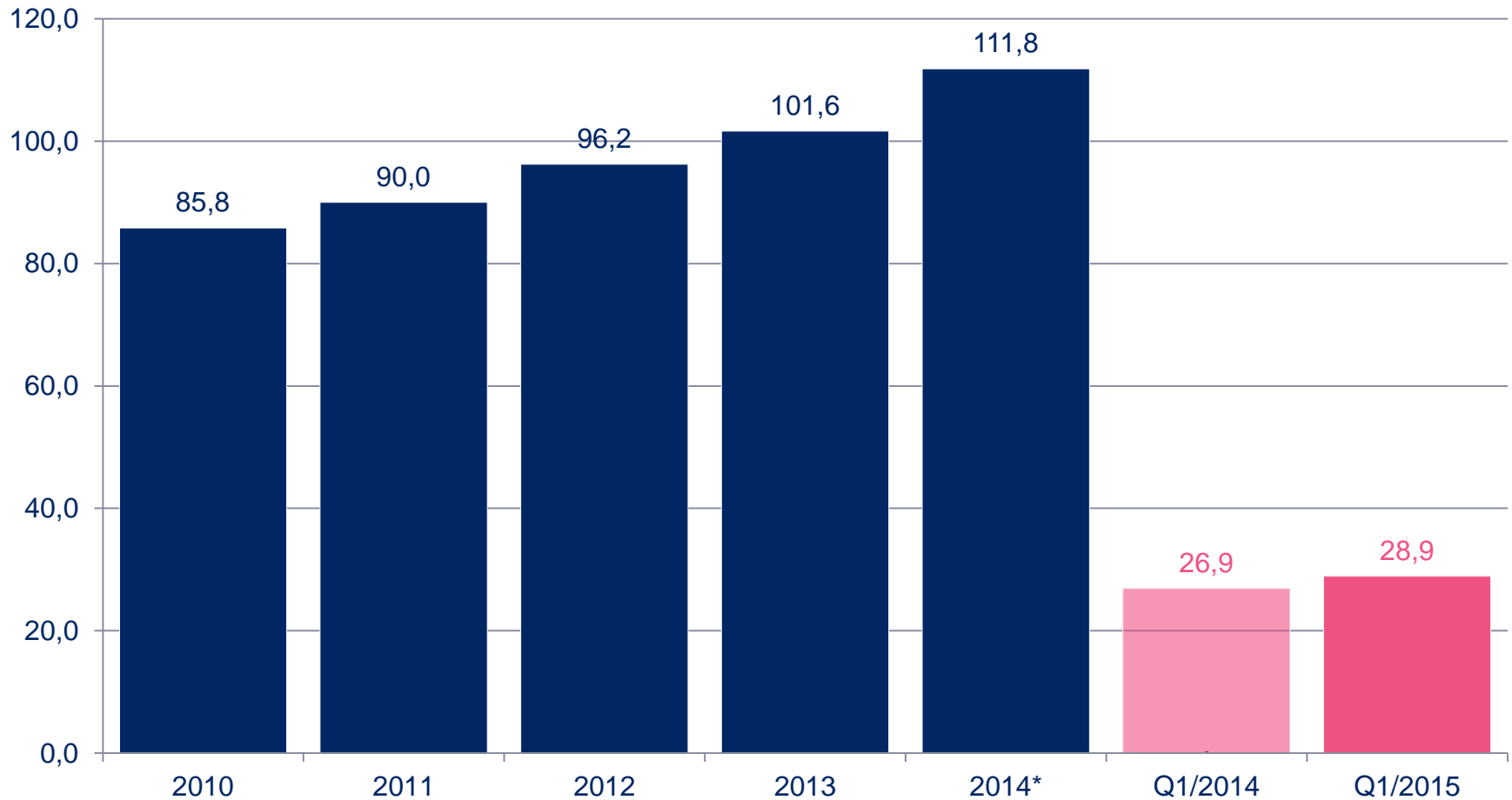


*A change in the recognition practice of renovations reduced the result by EUR 7.8 million in 2012 and EUR 11.4 million in 2013.

**As of 2014, the Group adopted IFRS for its financial reporting

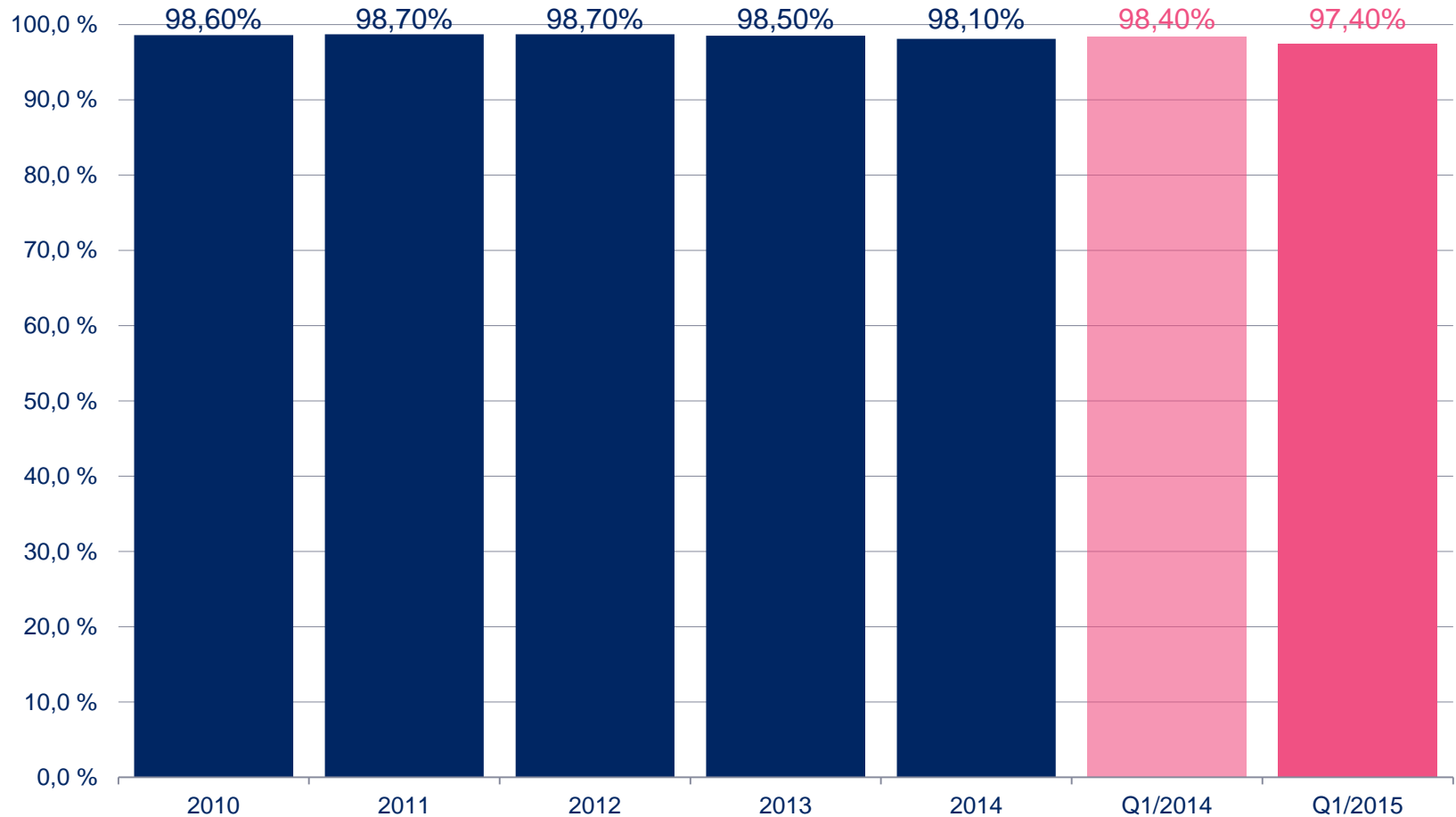
Net rental income (Non-subsidised segment)

EUR million

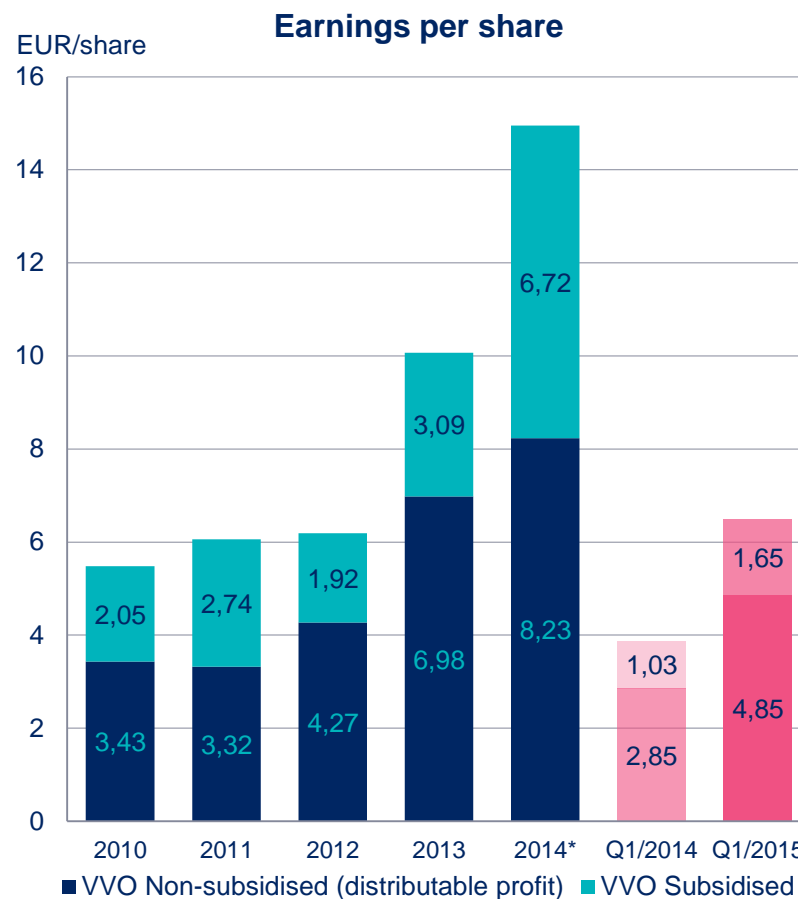
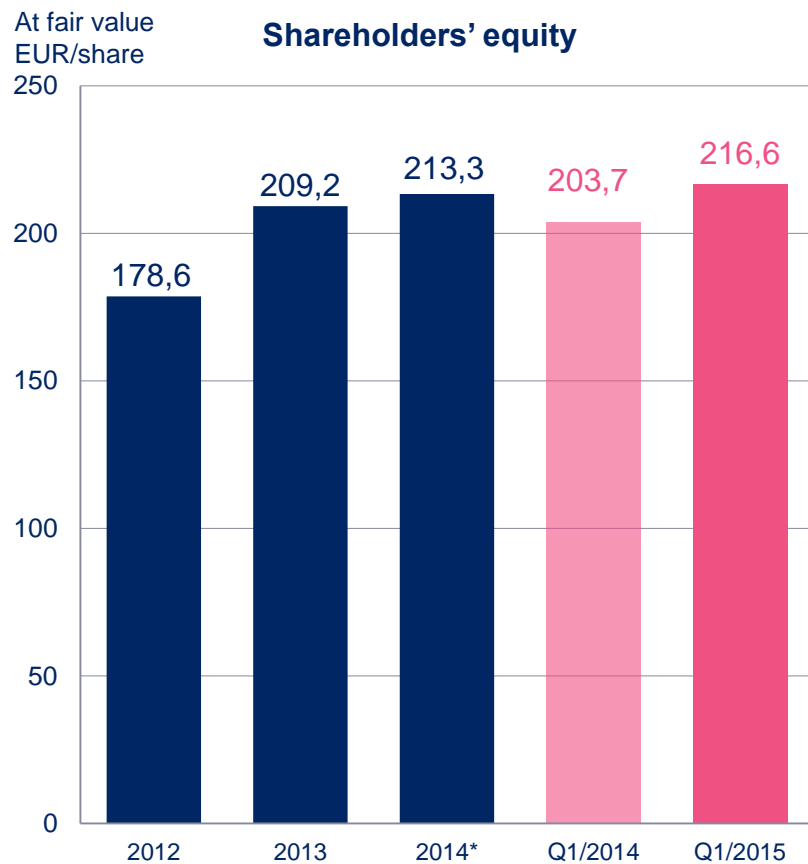


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Financial occupancy rate



Shareholders' equity and per-share key indicators

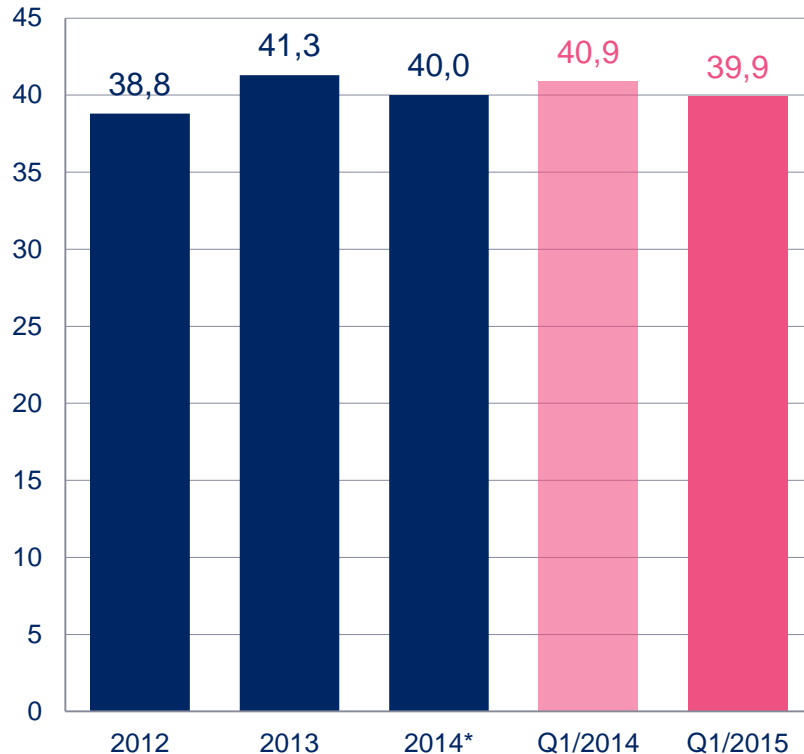


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Equity ratio and Loan to Value

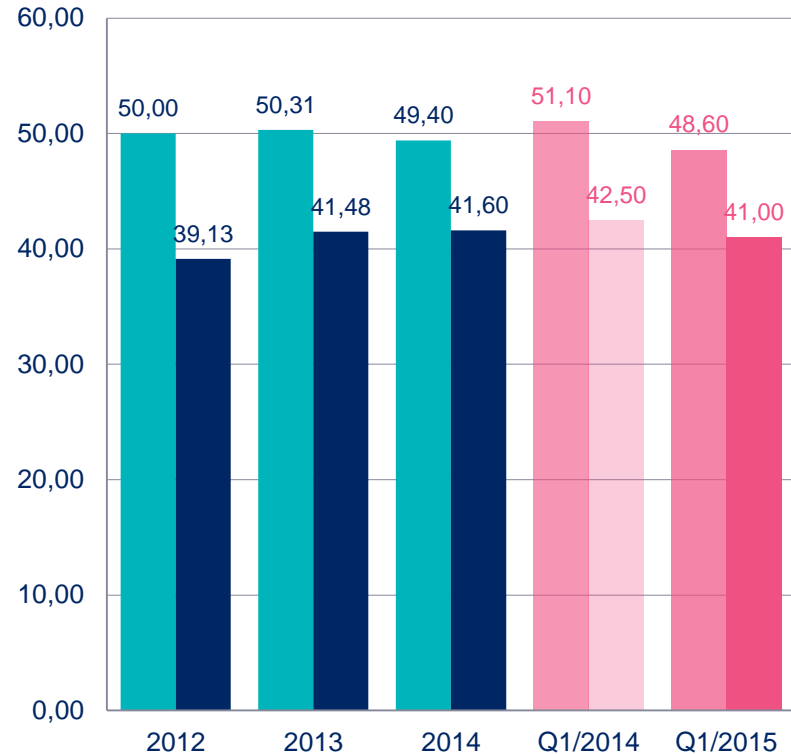
At fair value
%

Equity ratio



%

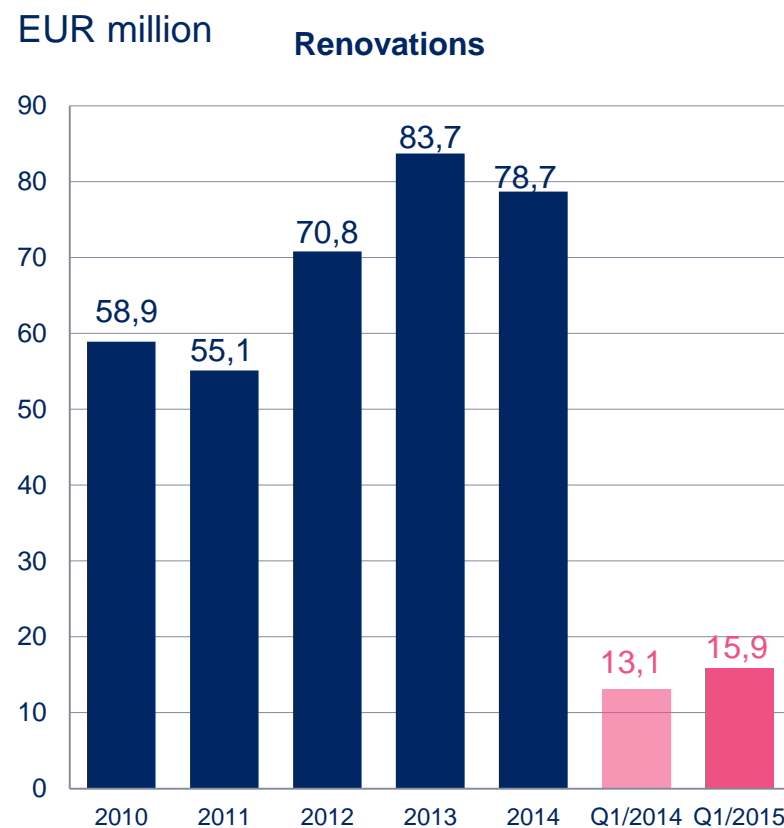
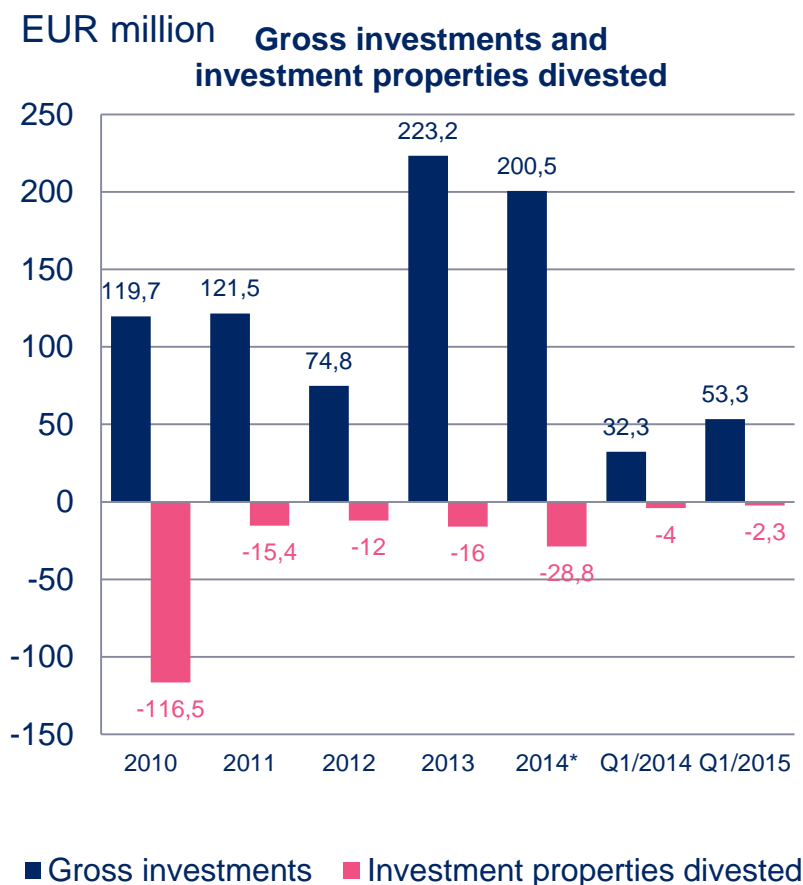
LTV, Loan to Value



■ Group ■ Non-subsidised segment

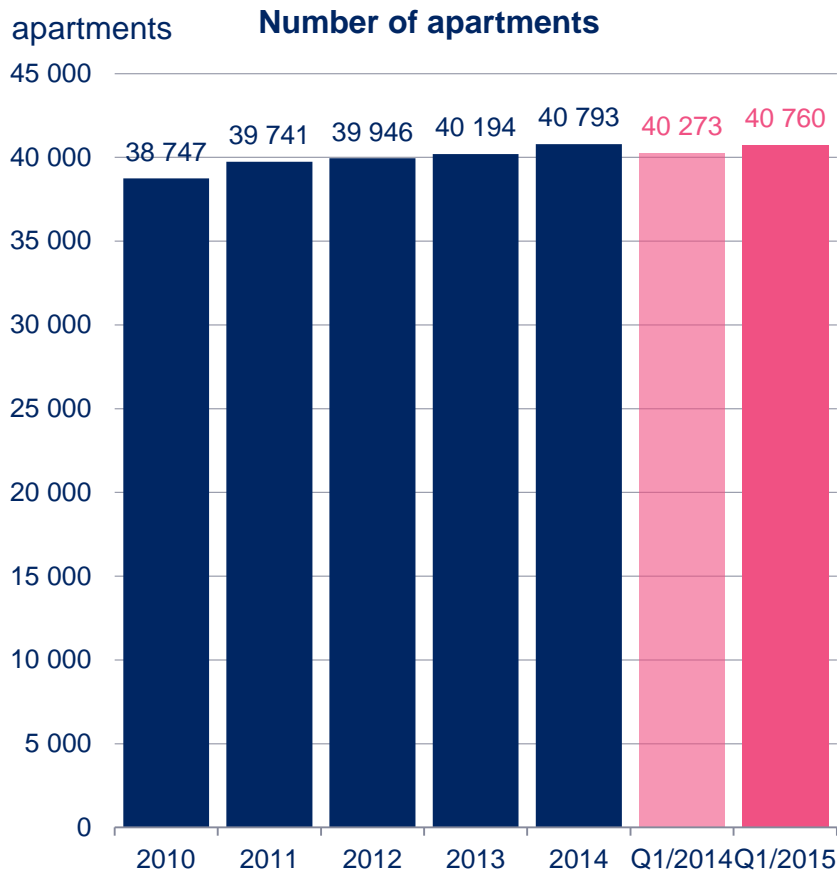
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Gross investments, investment properties divested, and renovations

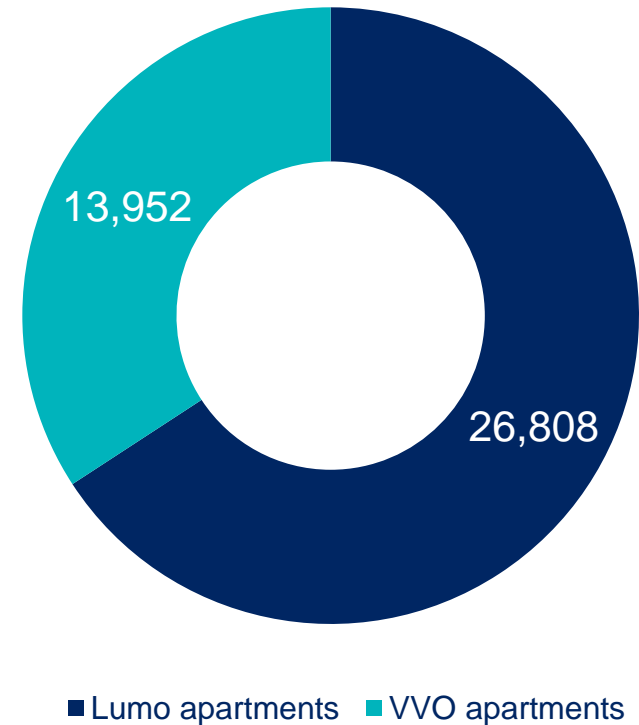


*As of 2014, the Group adopted IFRS for its financial reporting.

Changes in housing stock and VVO's rental stock



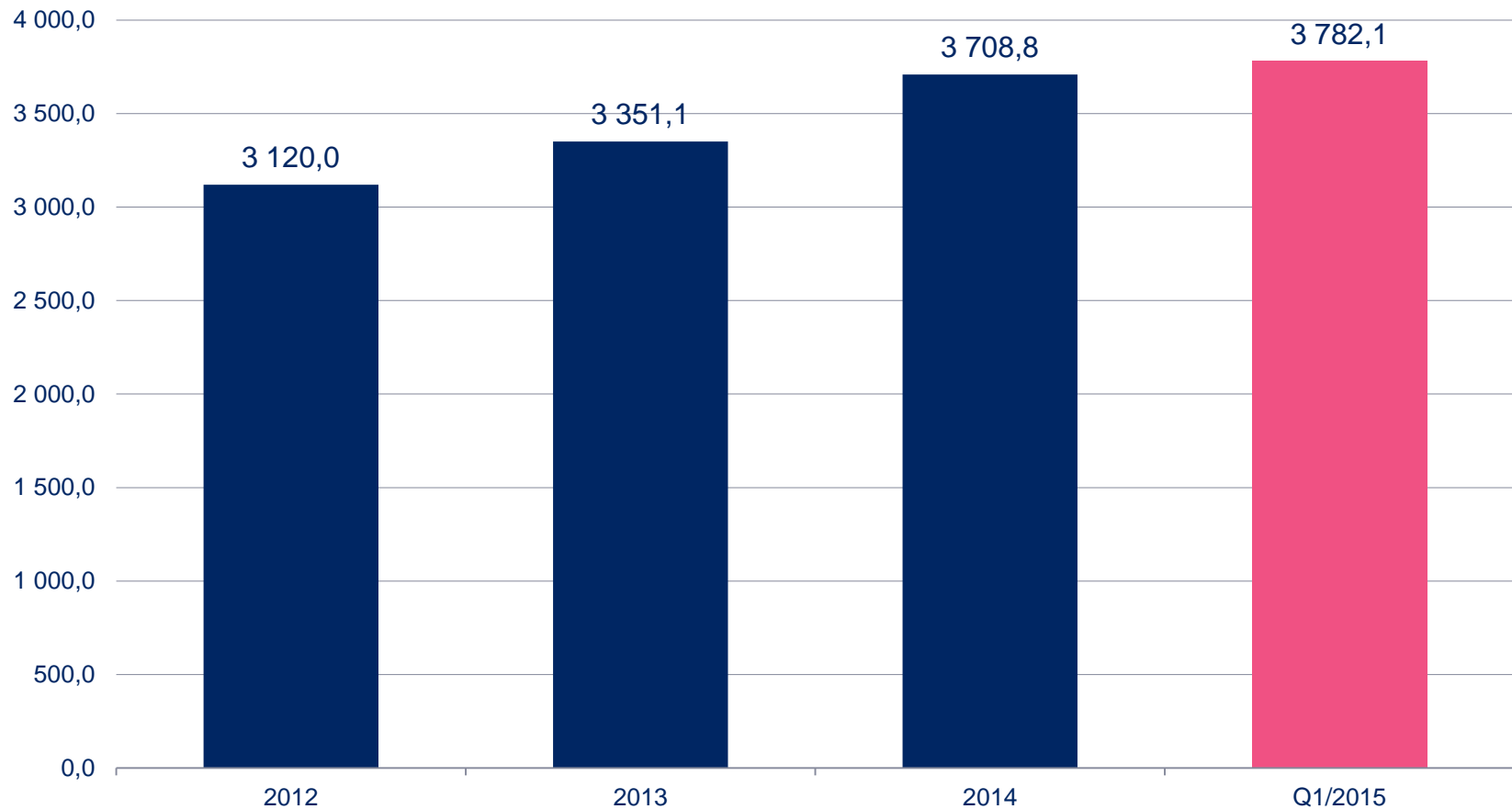
Lumo (free rent determination) – VVO (cost principle)



Value development

EUR million	2014	2015/Q1	Change
Fair value	3,708.8	3,782.1	+ 73.3%
Value change recognised as profit	26.2	26.0	

EUR million



Key indicators

VVO Group	1 Jan–31 Mar 2015*	1 Jan–31 Mar 2014	1 Jan–31 Dec 2014
Turnover, EUR million	90.9	88.1	356.5
Net rental income, EUR million	55.4	51.9	210.0
% of turnover	61.0	58.9	58.9
Profit before taxes, EUR million	60.4	35.7	146.5
Earnings per share, EUR	6.50	3.88	14.95
Balance sheet total, EUR million	4,031.3	3,847.0	3,957.2
Return on equity, % (ROE)	12.1	7.6	7.2
Return on investment, % (ROI)	8.5	5.8	5.9
Equity ratio, %	39.9	39.3	40.0
Fair value of investment properties, EUR million	3,782.1	3,539.4	3,708.8
Equity per share, EUR	216.64	203.72	213.30
Gross investments, EUR million	53.3	32.3	200.5
Interest-bearing liabilities, EUR million	1,856.1	1,826.2	1,850.1
Cash and cash equivalents, EUR million	108.5	167.0	114.4
Number of personnel at period end	347	323	343

*The figures in this interim report have not been audited.

Fair value was determined on 31 December 2014 and 31 December 2013, and was included in VVO Group's official financial reporting. An external expert gives a statement on the valuation.



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