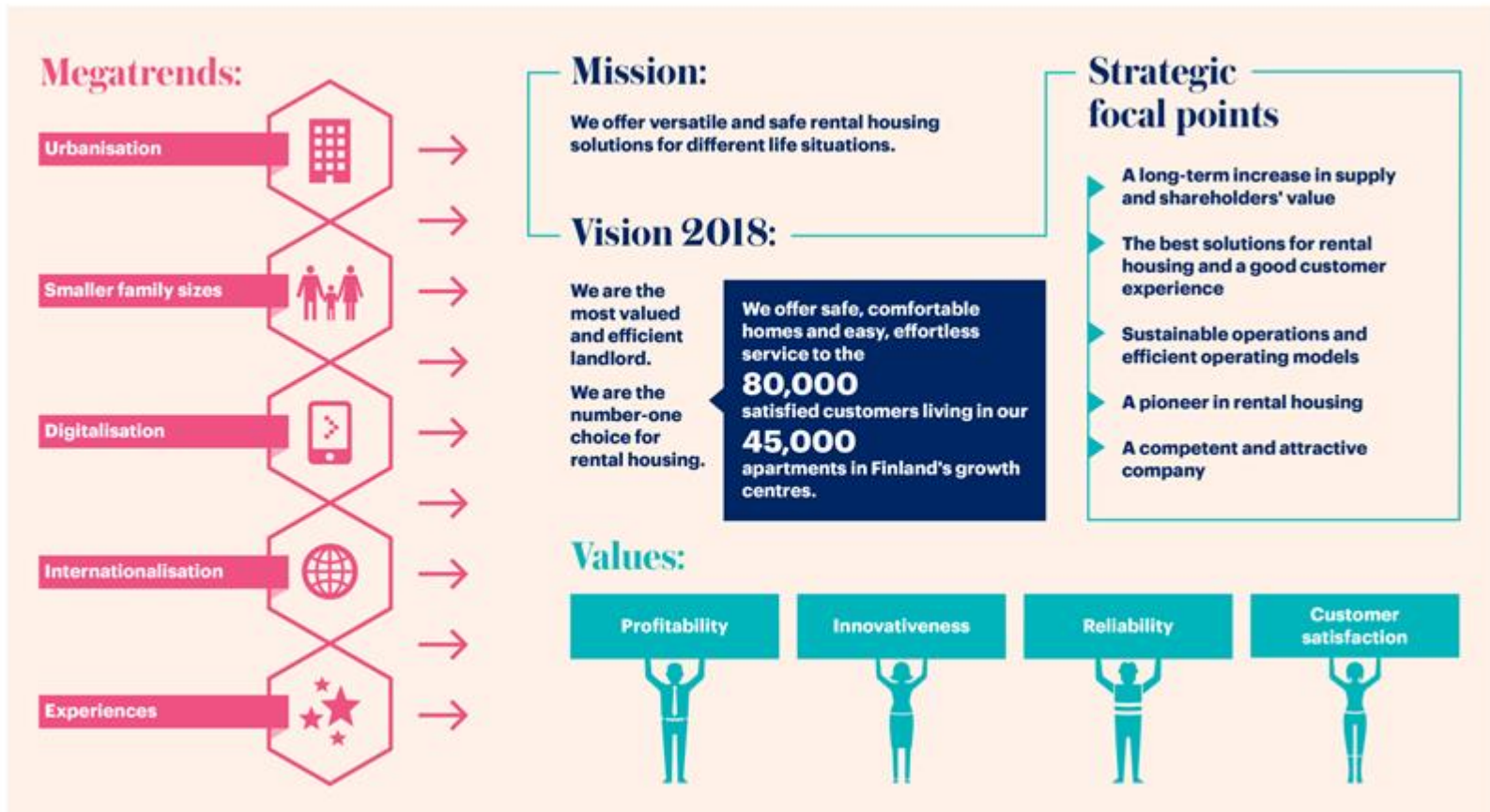




VVO Group plc

INTERIM REPORT REVIEW PERIOD Q2/2015

VVO Group Plc's strategy



Strategic key figures 2018

Key figure	Target
Apartment assets	EUR 5.0 billion 45,000 apartments
Operative result of the Non-subsidised segment as a percentage of turnover	32%
Equity ratio - Non-subsidised segment - State-subsidised segment	> 35% > 12%
Net promoter score	40

Country-wide operations in good locations

Distribution of apartments

Helsinki Metropolitan Area

16,800

Rest of Southern Finland

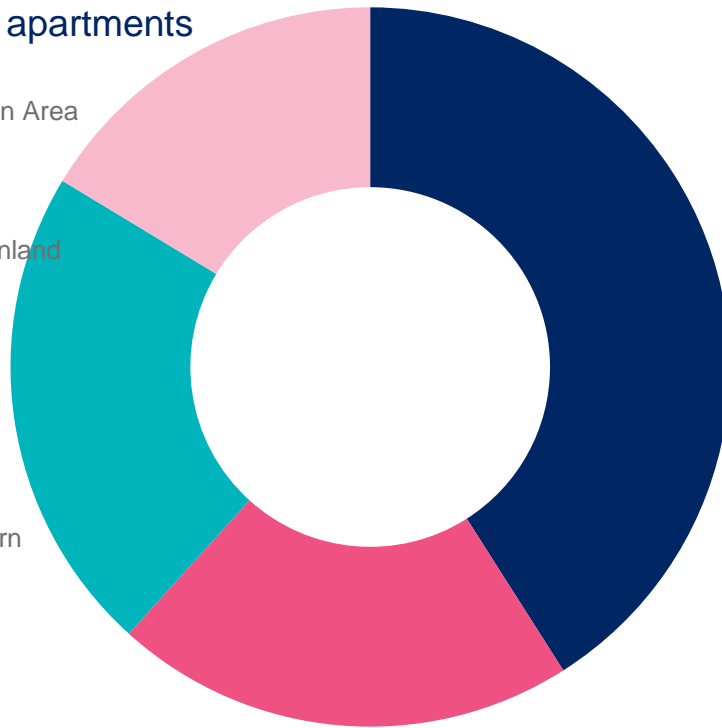
8,500

Western Finland

9,000

Eastern and Northern Finland

6,500



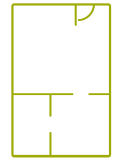
Apartments

40,674



Average area of apartments

56.7 m²



Properties

1,836



Residents number over

70,000



Average age of buildings

30.6 yrs.

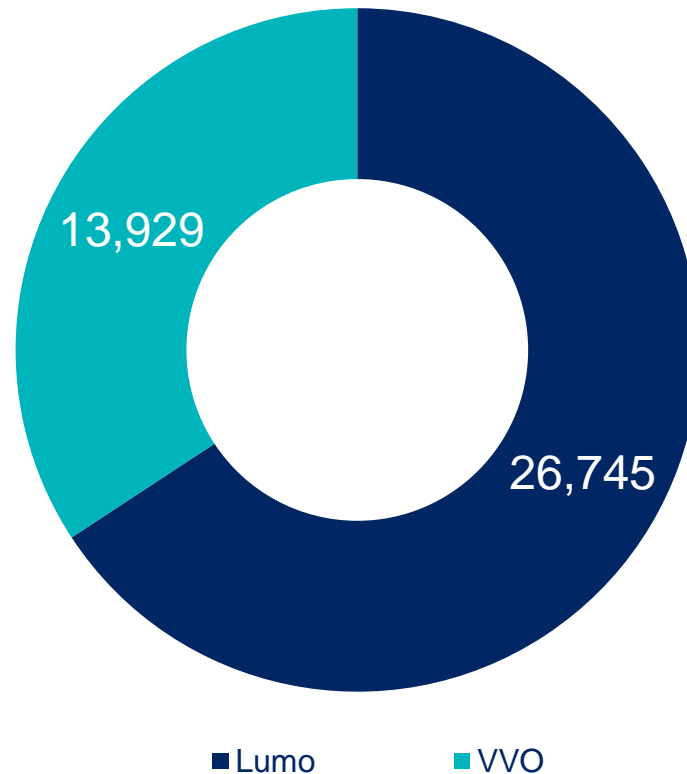


Apartments

2.3 million dwelling m²

VVO's rental housing stock

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



Review period 1 Jan–30 Jun 2015

- Turnover growth was generated by increased revenue from rental operations.
- Reasons for increased profit included the change in the fair values of VVO Group's investment properties and a good financial occupancy rate.
- VVO Group owns 40,674 apartments, of which 26,745 are Lumo and 13,929 are VVO apartments.
- Gross investments totalling EUR 115 million were made in the renovation, acquisition and construction of rental apartments.
- At the end of the review period, there were 1,385 apartments under construction.
- Demand for rental housing remained brisk.



Operating environment

- Slow improvements were being seen in the European economy
- In Finland, economic development continued to be subdued
- Consumer confidence in the economy increased
- 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 for 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
- 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 a good level and demand for rental apartments at a good level

Turnover 1.1. – 30.6.2015

183.1

EUR million

(177.2)

Profit 1.1. – 30.6.2015

124.4

EUR million

(65.4)

Net rental income

113.2

EUR million

(107.2)

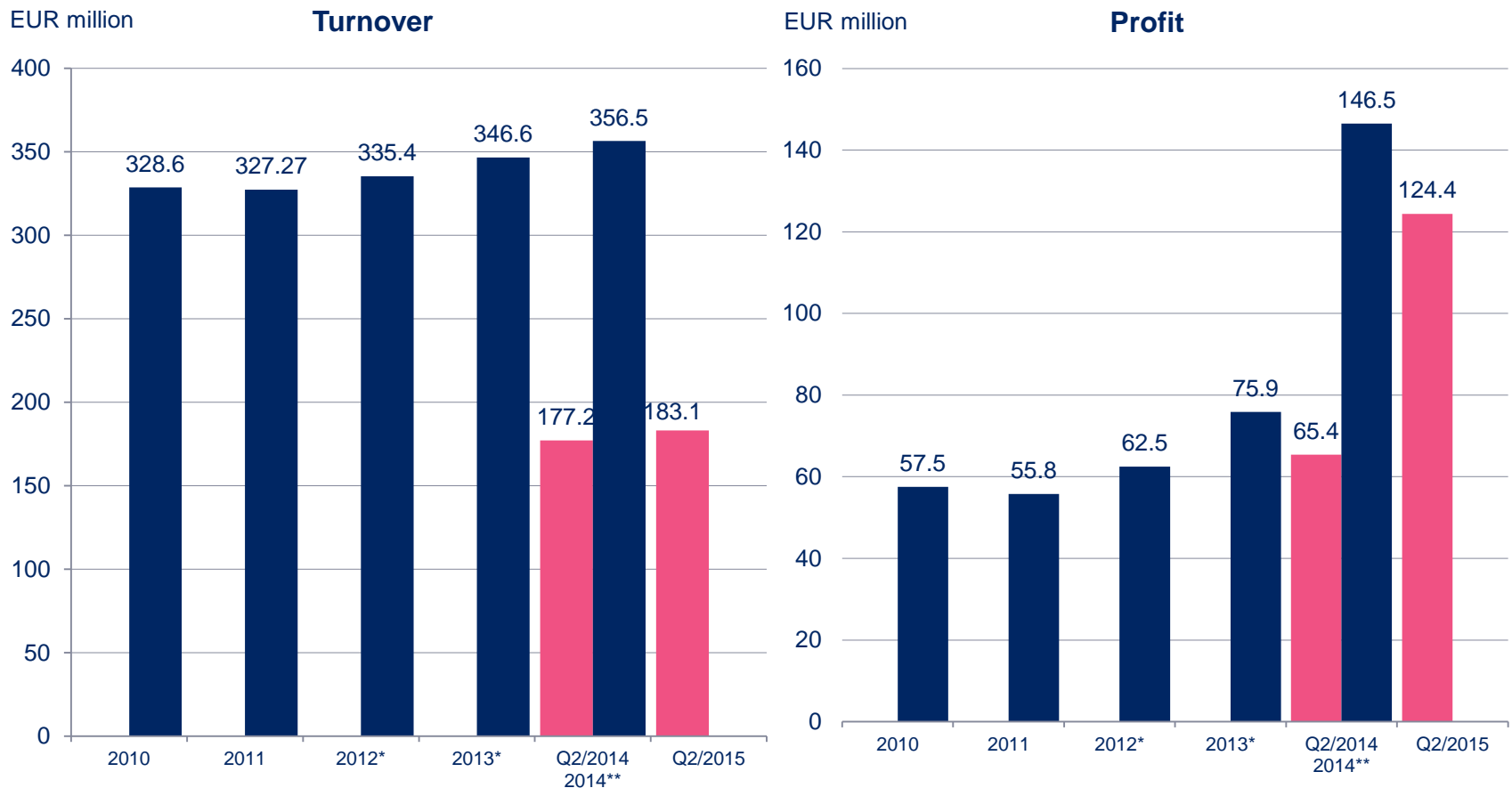
Fair value of investment properties
approx.

3.9

EUR billion

(3.6)

Turnover and profit performance

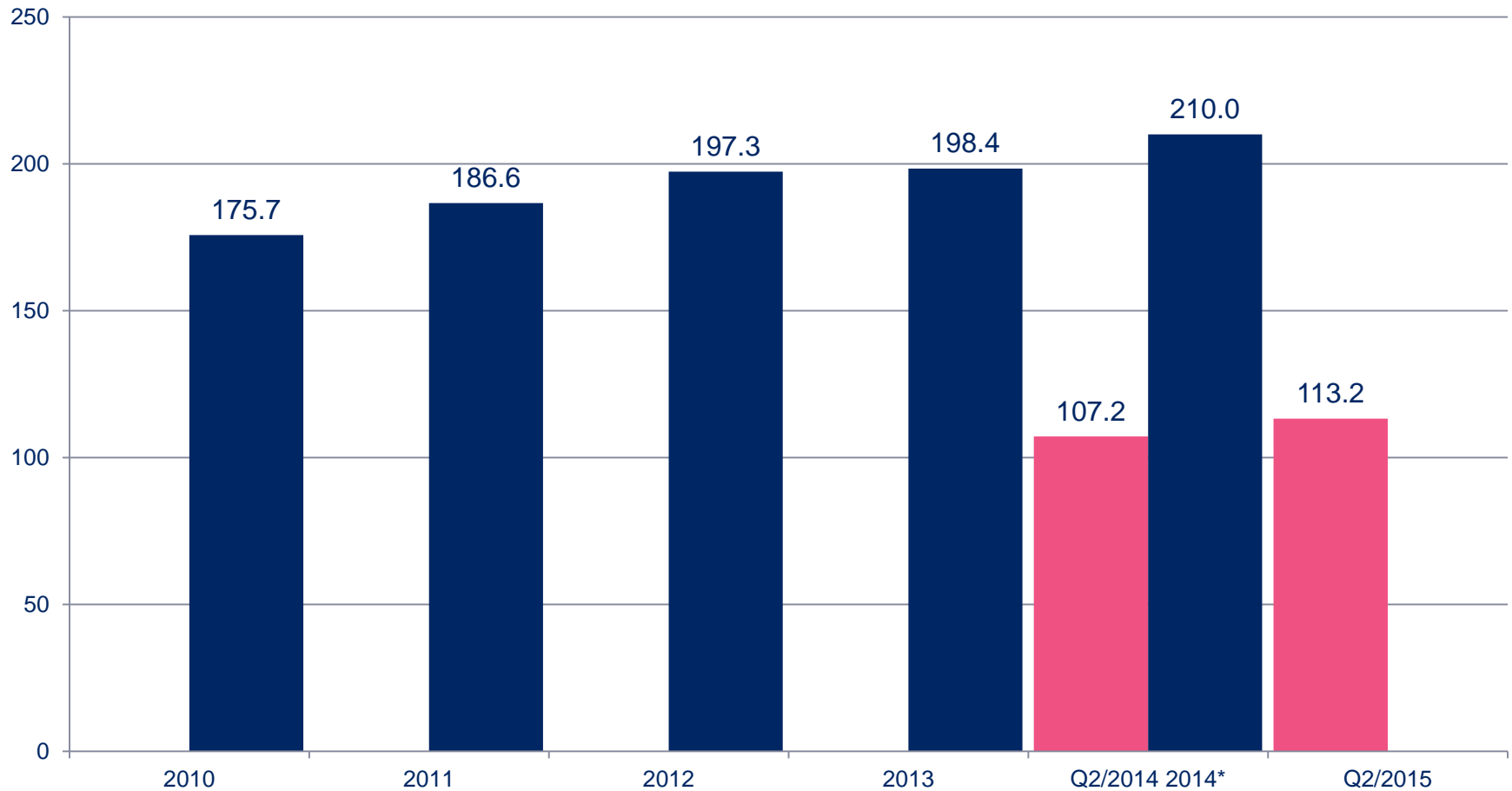


A change in the recognition practice of renovations reduced the result by **EUR 7.8 million in 2012 and by **EUR 11.4 million** in 2013

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

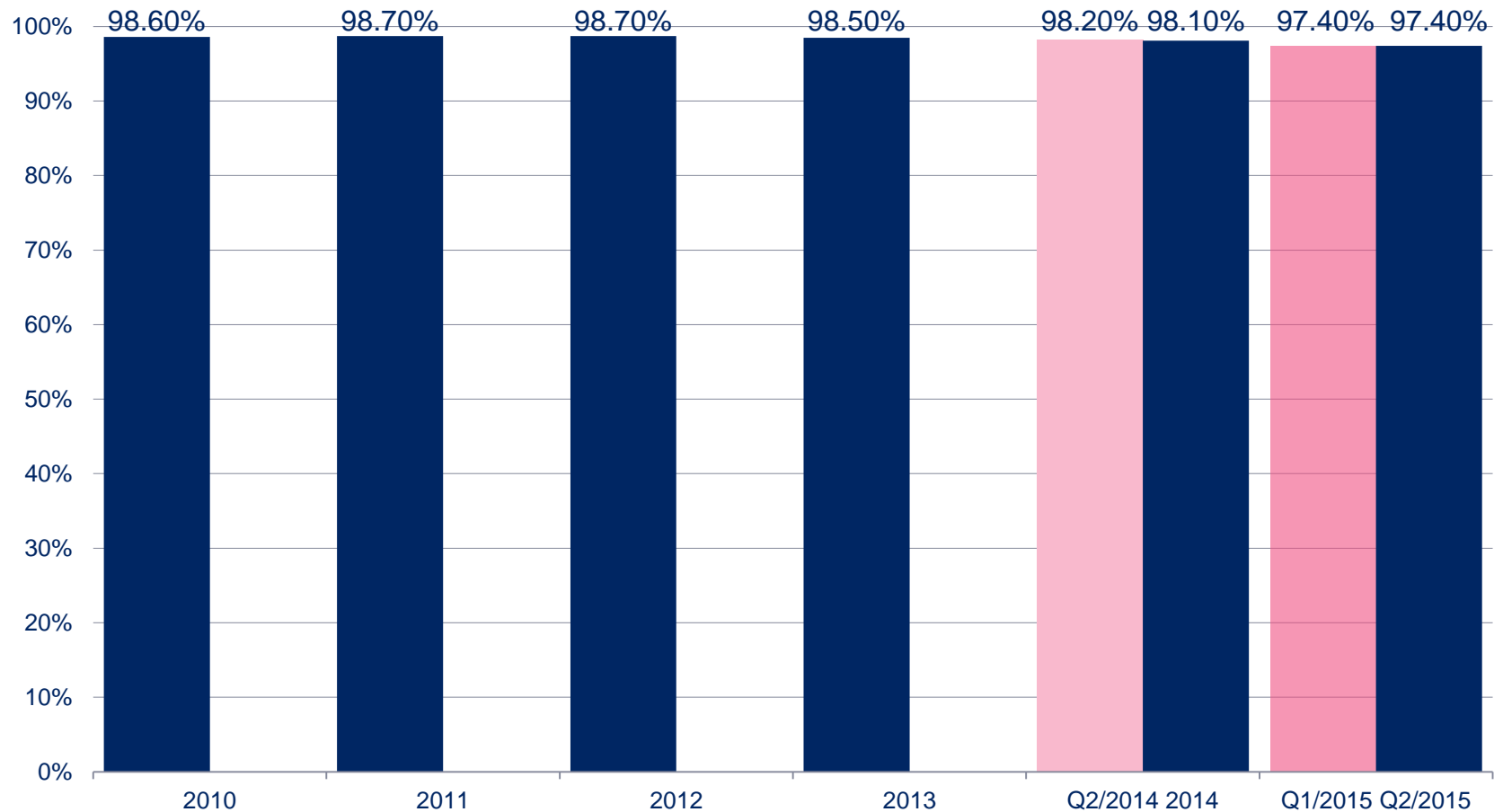
Net rental income

EUR million



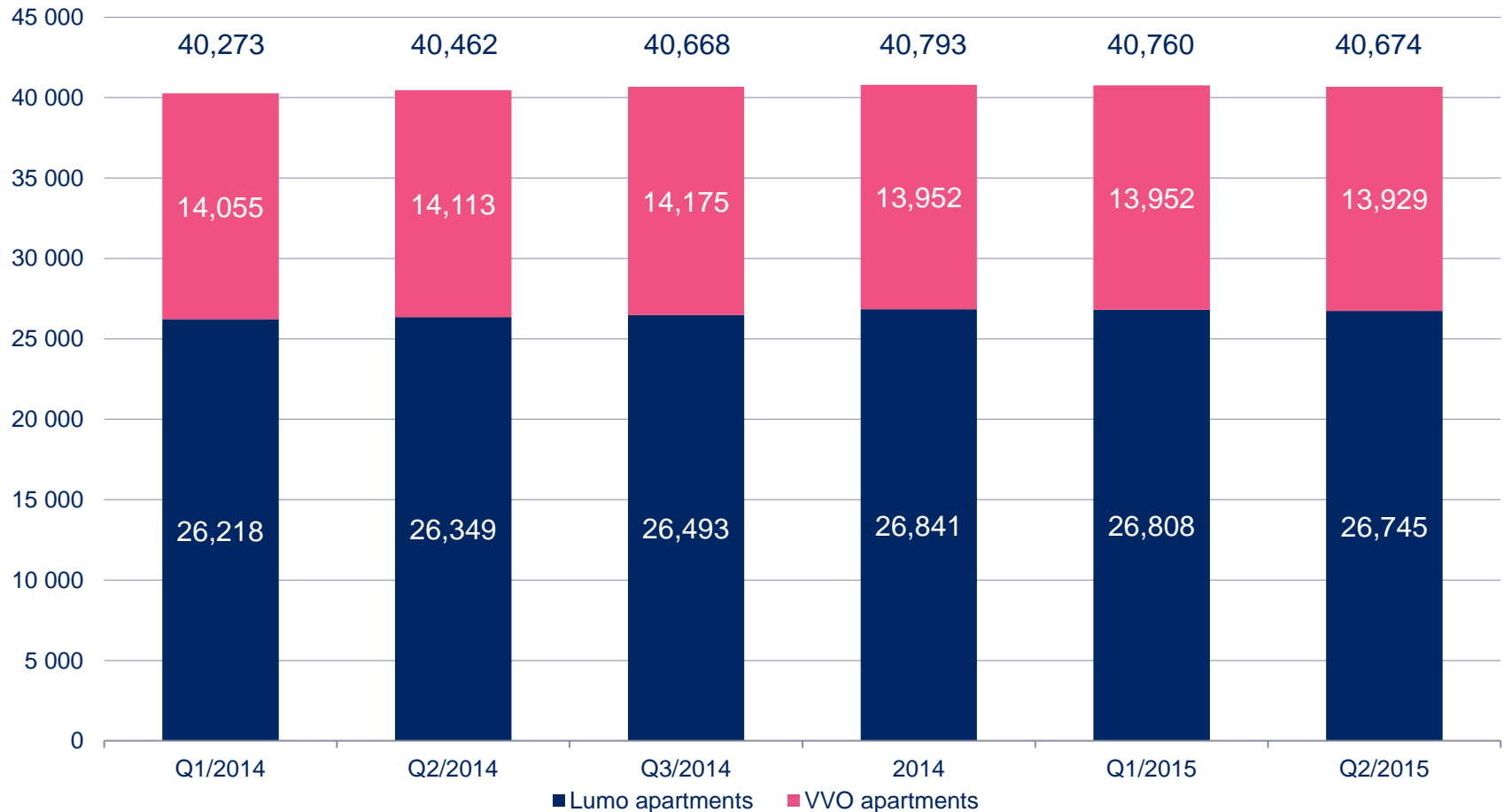
*As of 2014, the Group adopted IFRS for its financial reporting

Financial occupancy rate



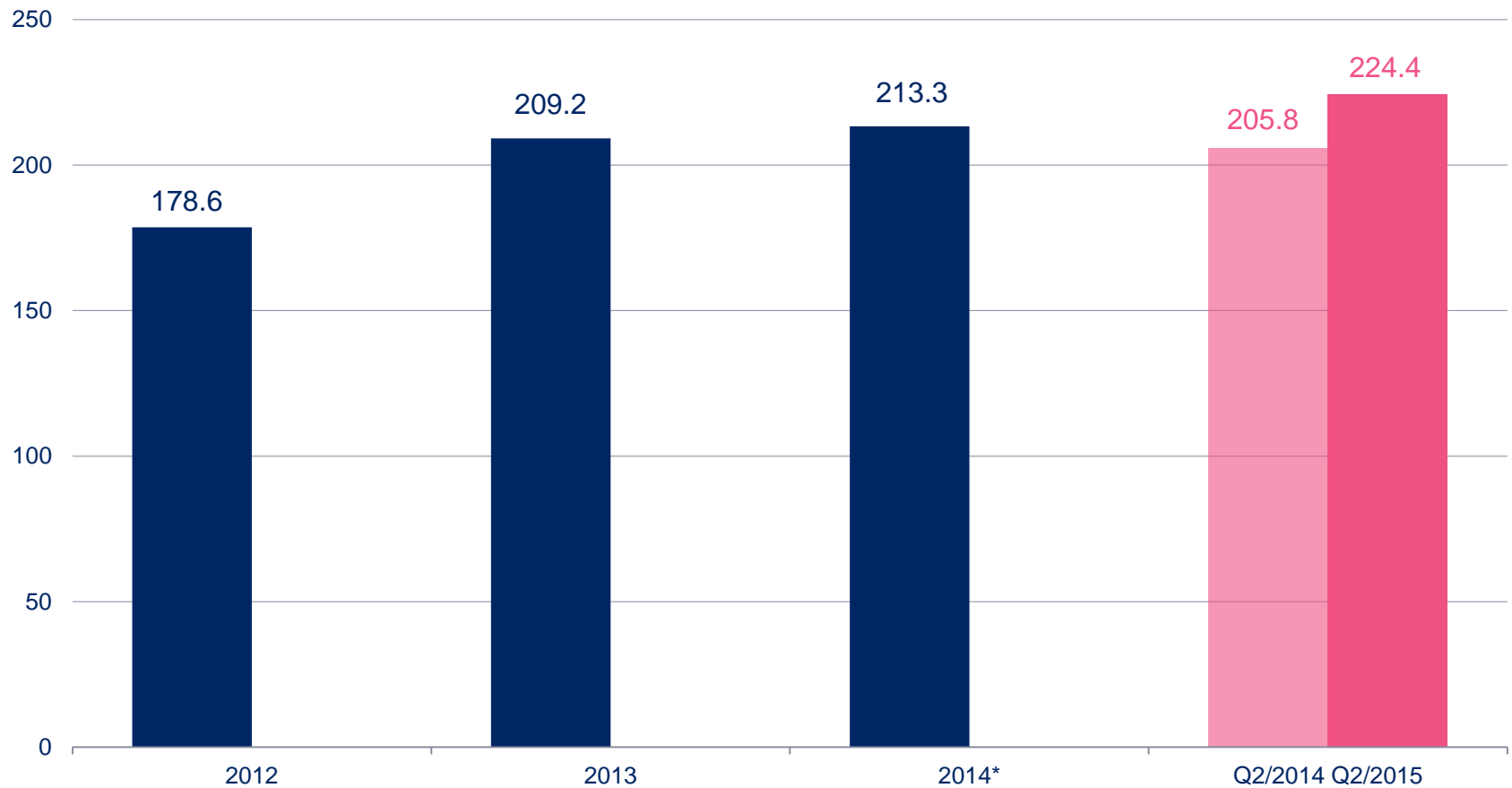
Changes in VVO's rental housing stock

apartments



Equity ratio

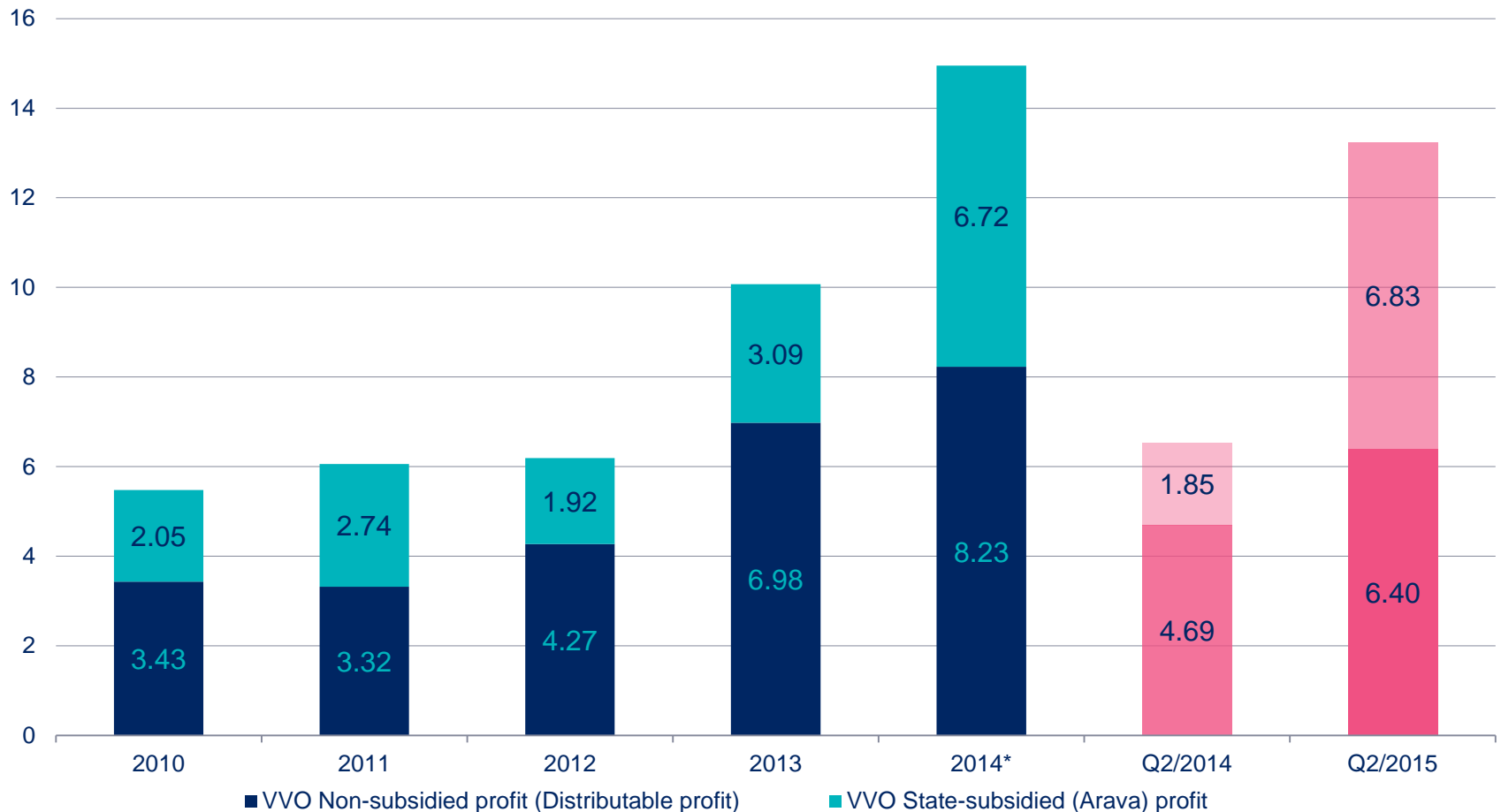
Fair value
EUR/ share



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

Key ratios per share

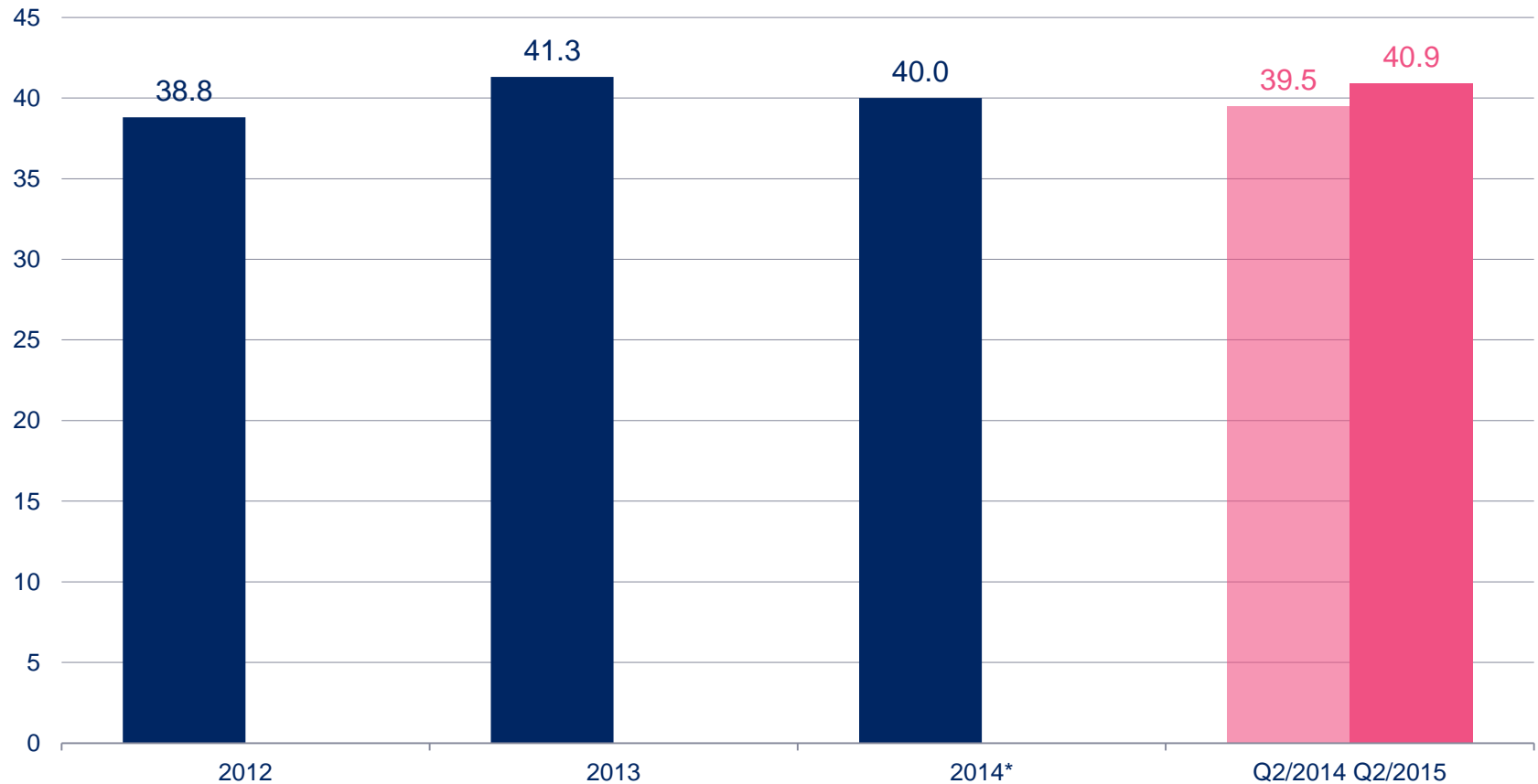
Profit
EUR/ share



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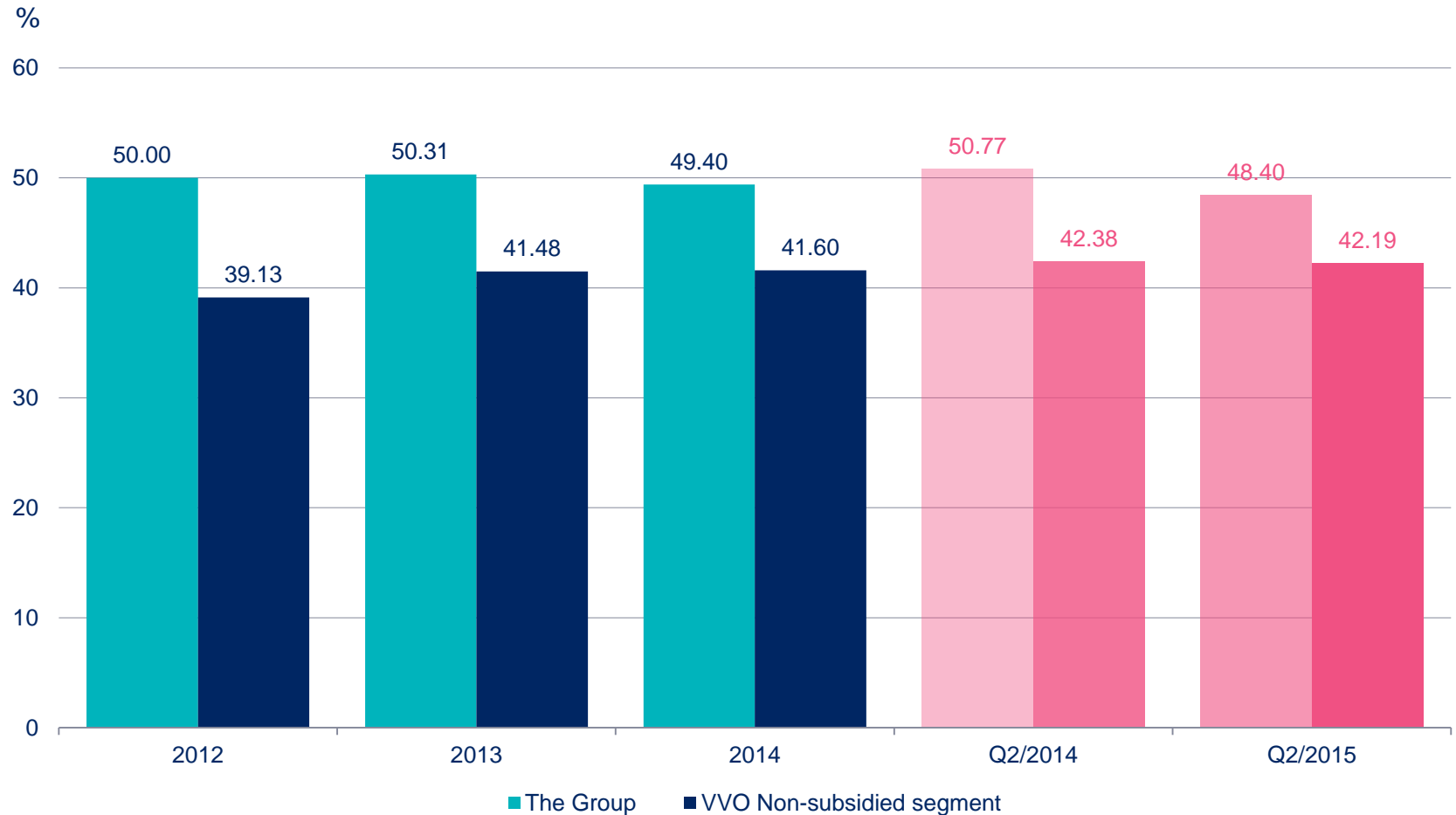
Equity ratio, %

Fair value
%

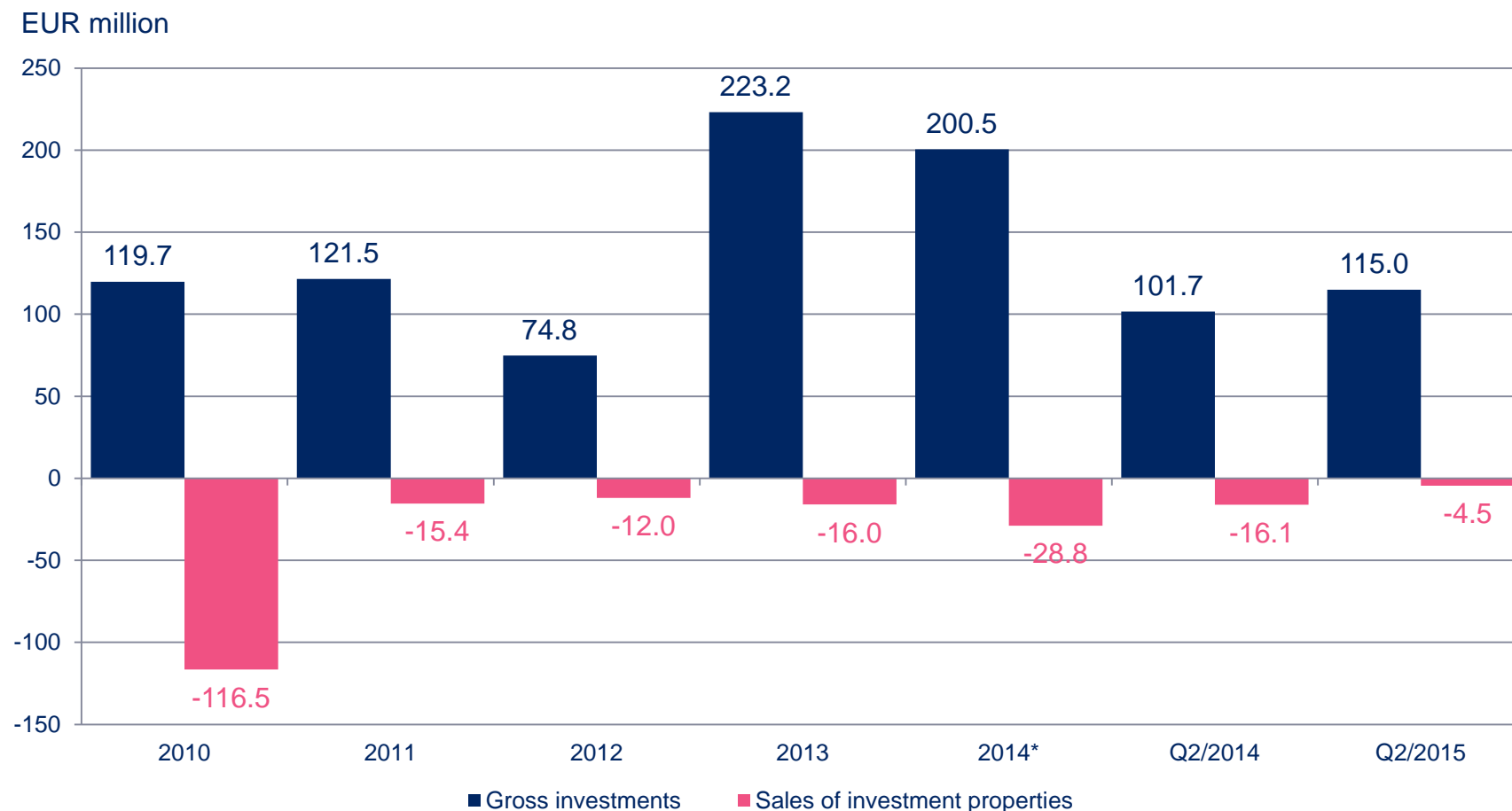


*As of 2014, the Group adopted IFRS for its financial reporting

LTV (Loan to Value)



Gross investments and sales of investment properties

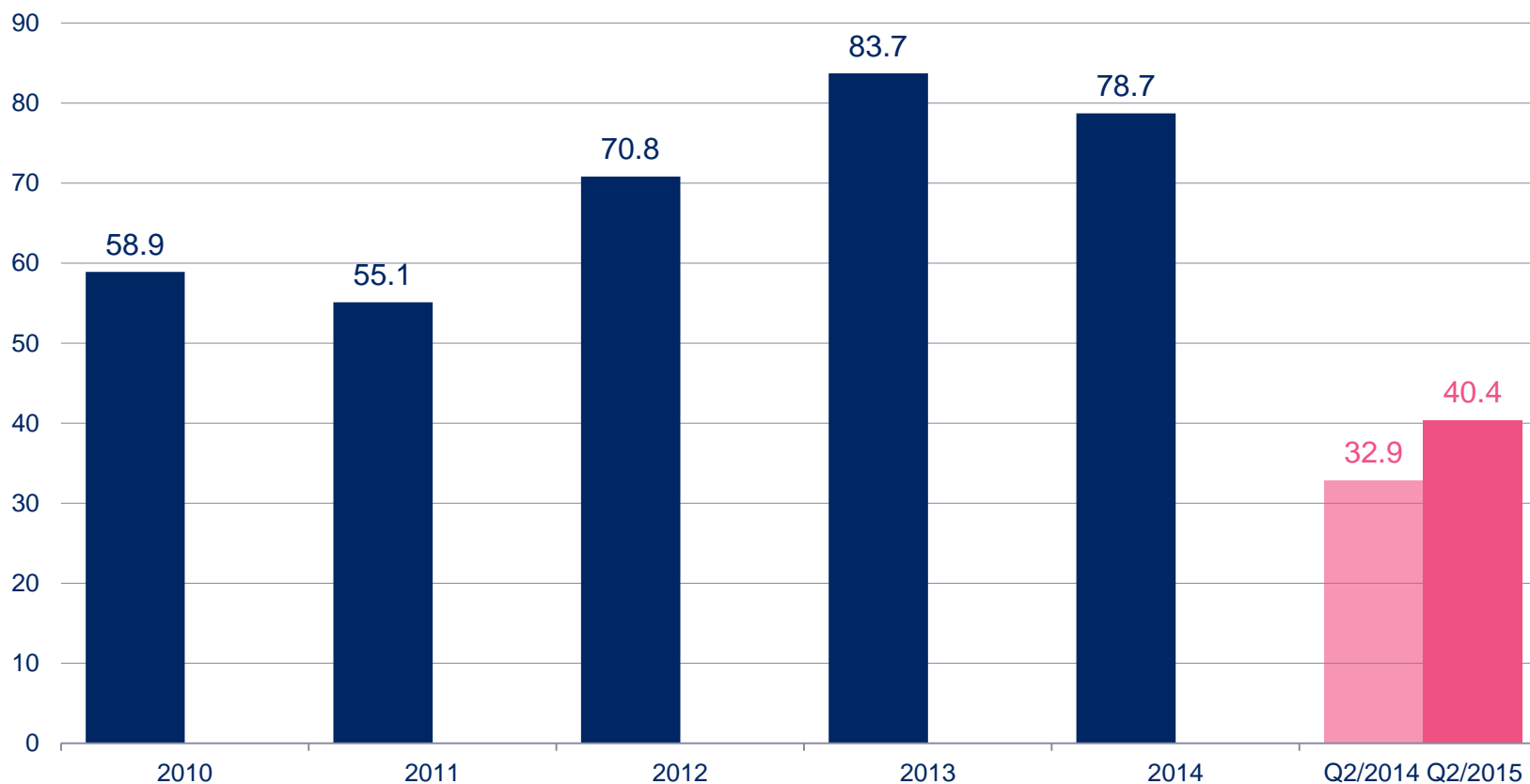


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Renovations

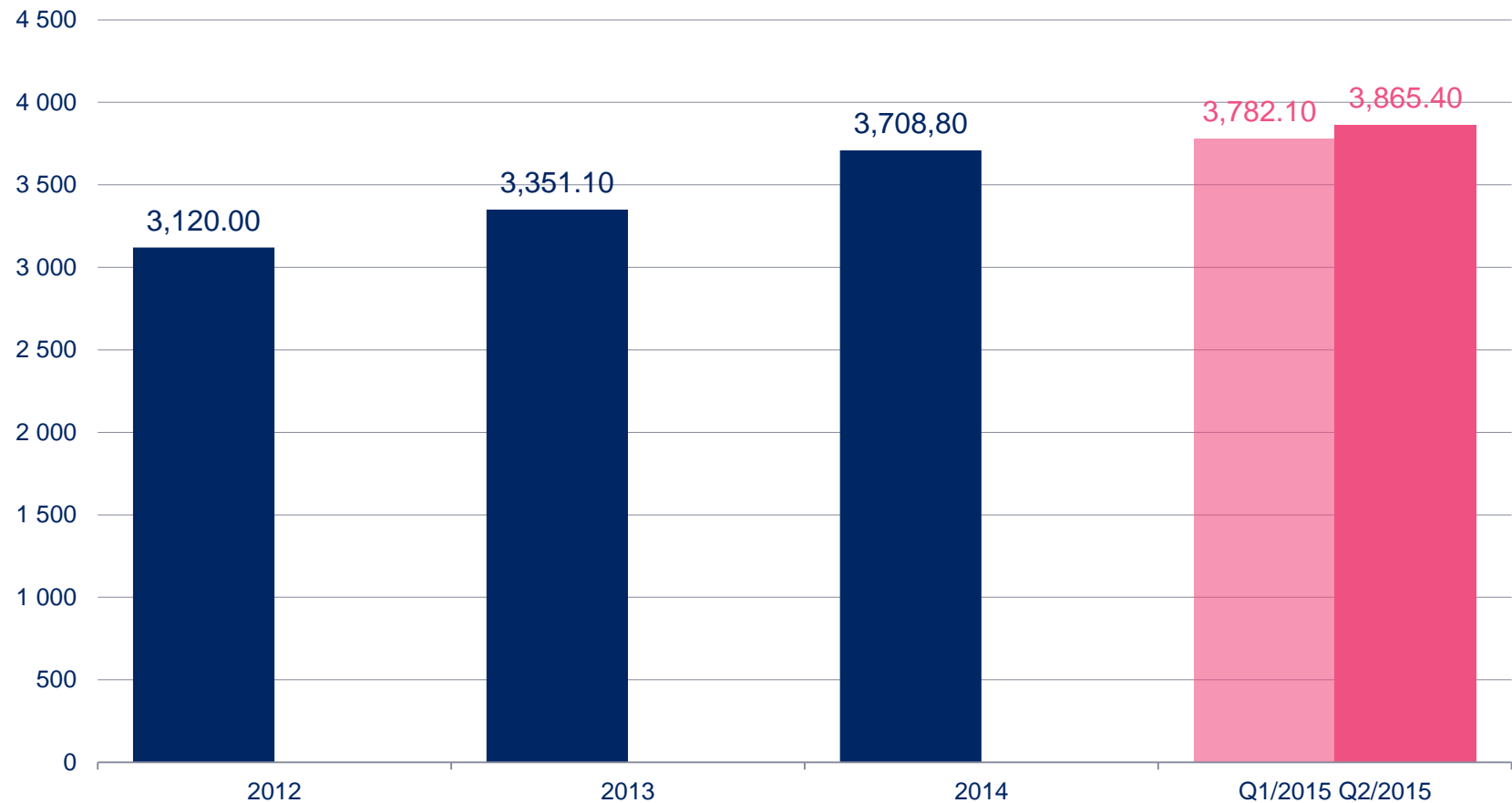
(incl. repairs recognised as expenses & additional repair investments)

EUR million



Value development

Fair value
EUR million



EUR million	2014	2015/Q2	Change
Fair value	3,708.8	3,865.4	+ 156.6
Fair value measurement	26.2	47.2	

Key indicators

VVO-konserni	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Revenue, EUR million	92.3	89.1	183.1	177.2	356.5
Net rental income, EUR million	57.8	55.3	113.2	107.2	210.0
% revenue	62.7	62.0	61.8	60.5	58.9
Profit before taxes, EUR million	64.1	29.7	124.4	65.4	146.5
Earnings per share, EUR	6.73	2.66	13.23	6.54	14.95
Equity per share, EUR			224.44	205.77	213.30
Return on equity, % (ROE)			12.1	6.4	7.2
Return on investments, % (ROI)			8.5	5.4	5.9
Equity ratio, %			40.9	39.5	40.0
Financial Occupancy rate, %	97.4	98.1	97.4	98.2	98.1
Gross investments, EUR million	61.8	69.4	115.0	101.7	200.5
Investment properties, EUR million			3,865.4	3,591.6	3,708.8
Interest bearing liabilities, EUR million			1,887.0	1,840.8	1,850.1
Number of personnel, end of period			393	366	343

Contact details:

CEO Jani Nieminen

tel. +358 (0)50 373 4847

VVO Group Communications

tel. +358 (0)40 562 7269

viestinta@vvo.fi

