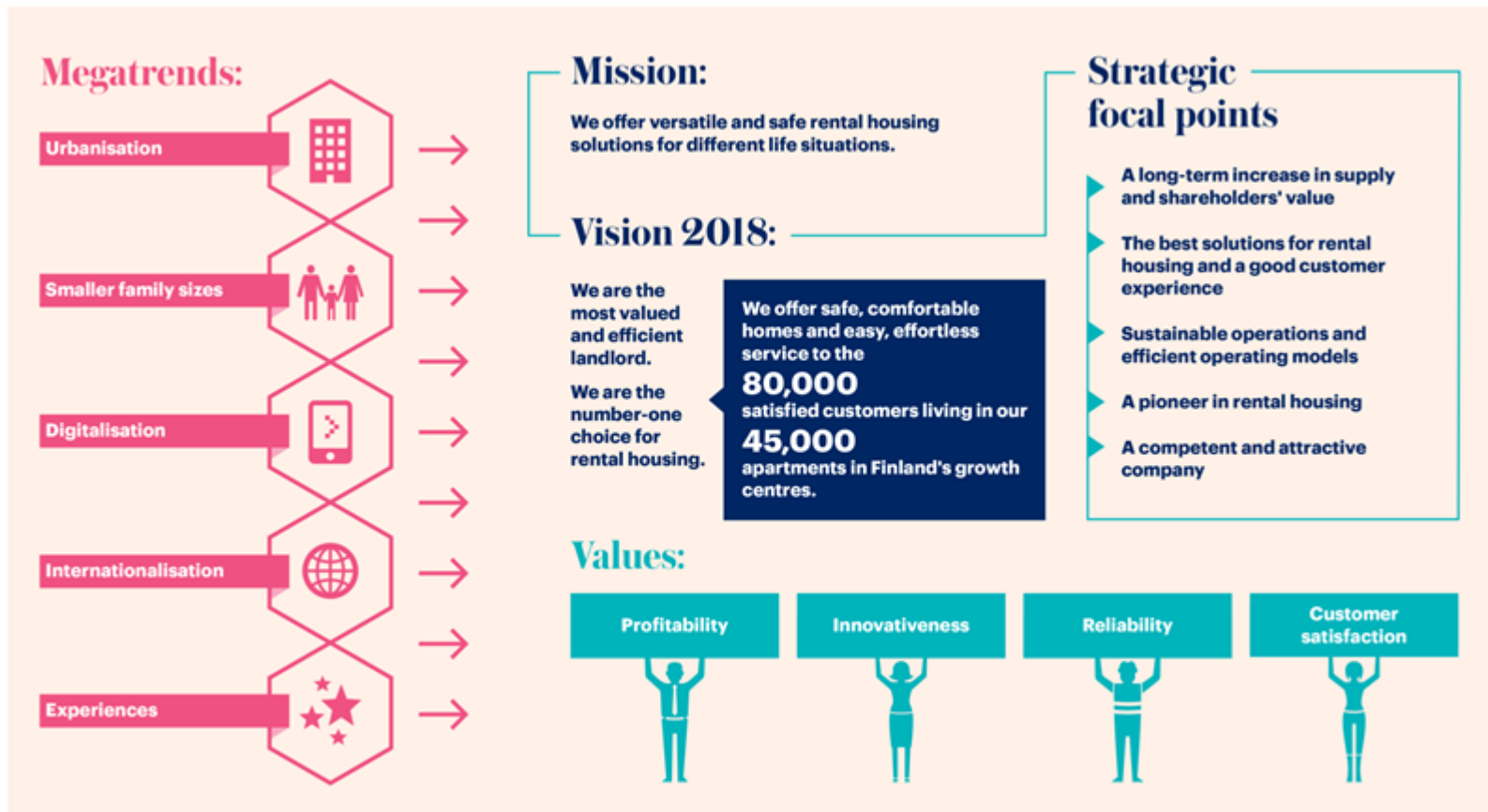




VVO Group plc

INTERIM REPORT REVIEW PERIOD Q3/2015

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

17,000

Rest of Southern Finland

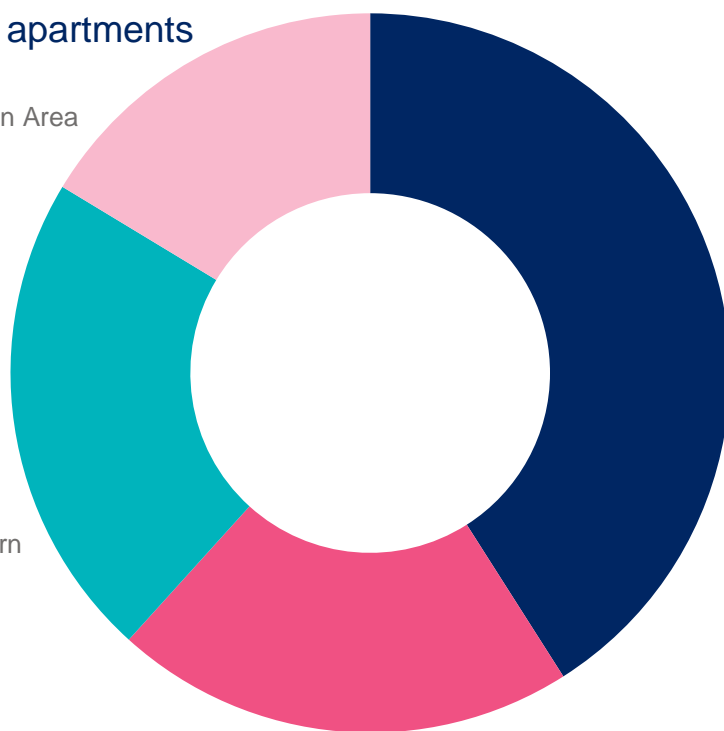
8,500

Western Finland

8,900

Eastern and Northern Finland

6,500



Apartments
40,899



Average area of apartments

56.7 m²



Properties
1,841



Residents number over

70,000



Average age of buildings

30.5 yrs.

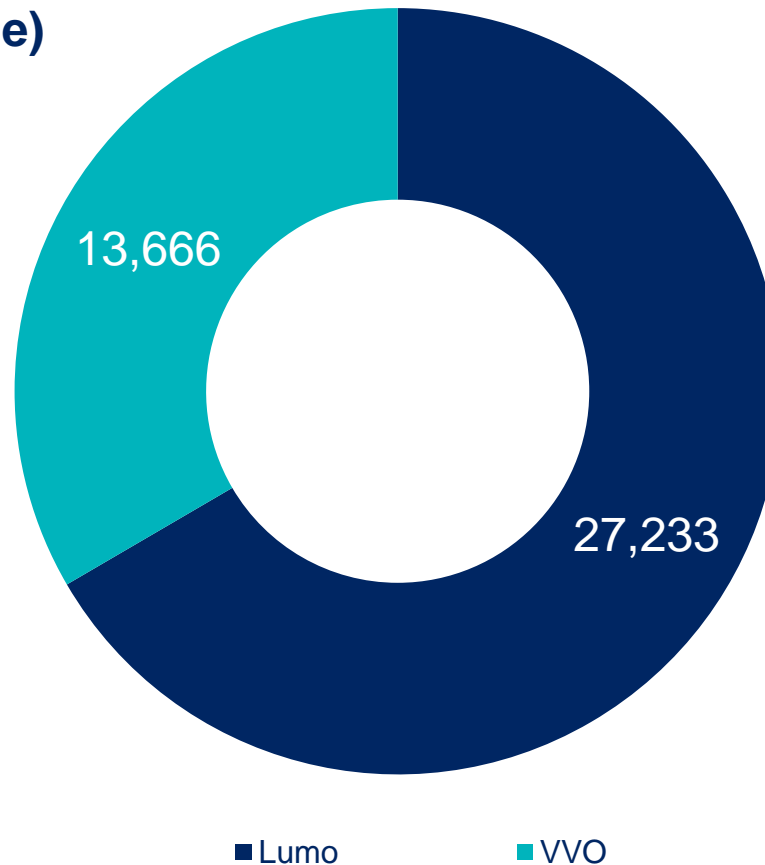


Apartments

2.3 million dwelling m²

VVO's rental housing stock

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



Review period 1 Jan–30 Sept 2015

- Turnover growth was generated by increased revenue from rental operations.
- Our favourable profit performance is based on good changes in the fair value of investment properties, higher net rental income and lower financial costs.
- VVO Group owns 40,899 apartments, of which 27,233 are Lumo and 13,666 are VVO apartments.
- Gross investments totalling EUR 159,2 million were made in the renovation, construction and acquisition of rental apartments.
- At the end of the review period, there were 1,199 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.
- The confidence of households and companies in the development of the economy was weak.
- 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.–30.9.2015

276.3

EUR million

(266.6)

Profit 1.1.–30.9.2015

167.3

EUR million

(96.4)

Net rental income

170.5

EUR million

(163.1)

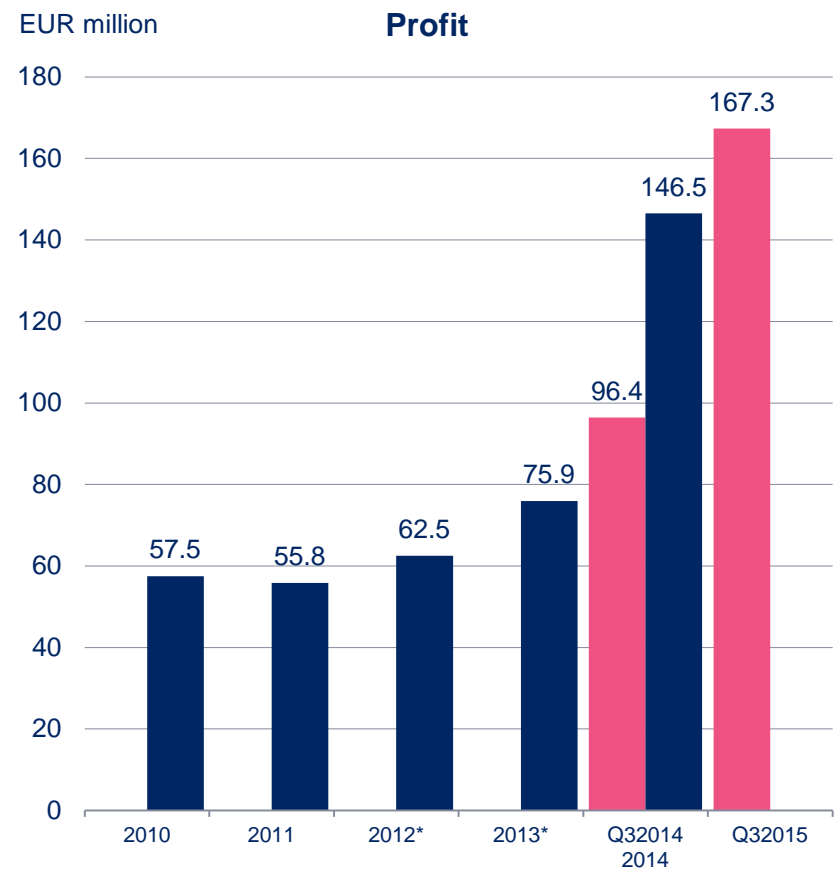
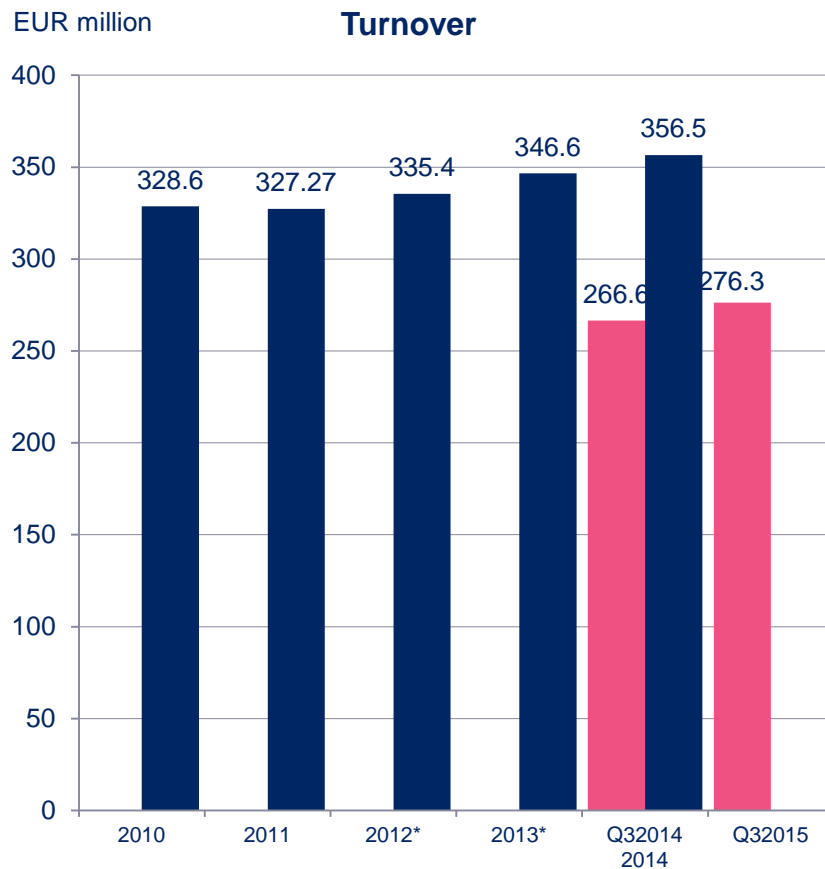
Fair value of investment properties
approx.

3.9

EUR billion

(3.6)

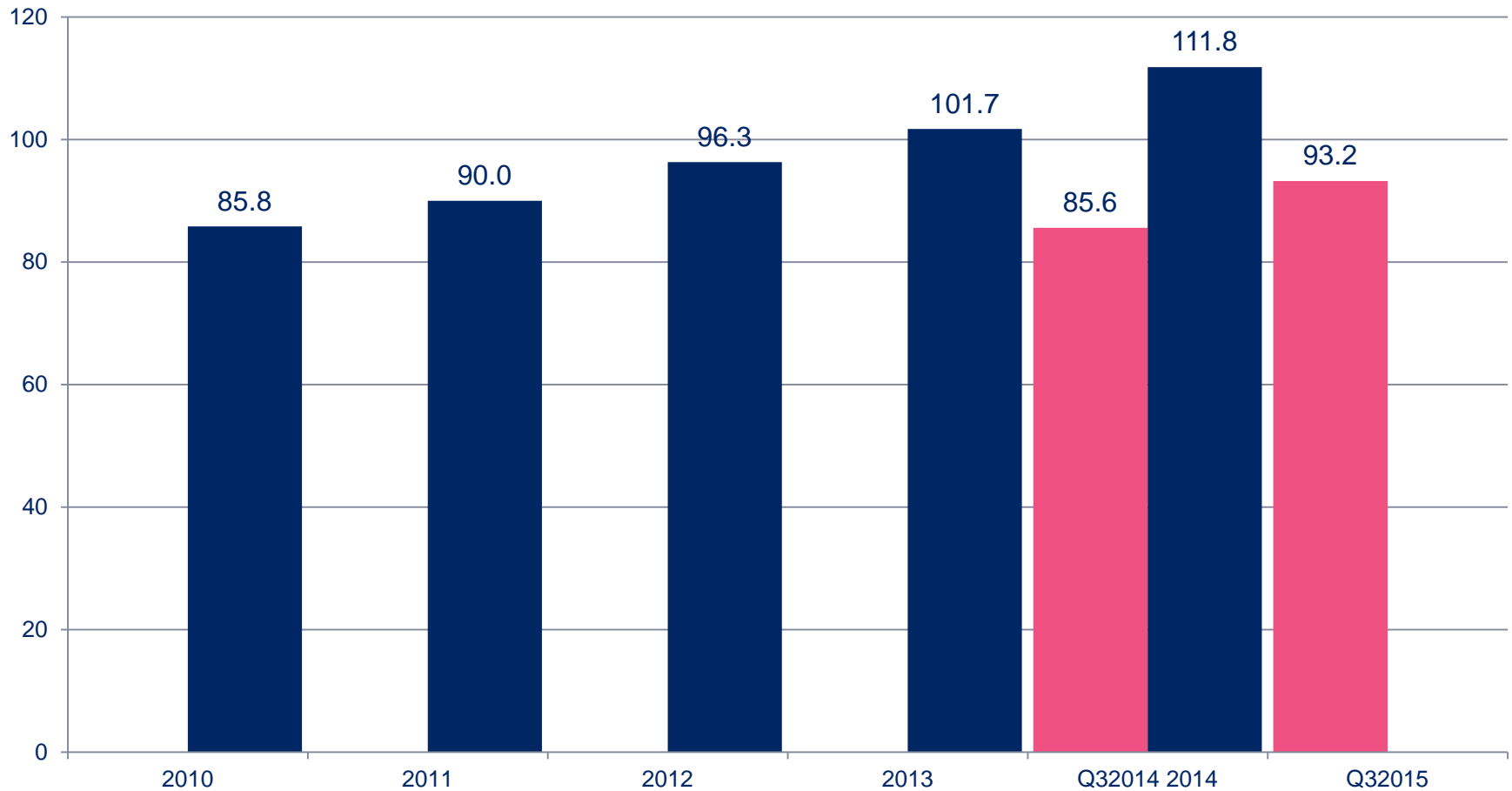
Turnover and profit performance



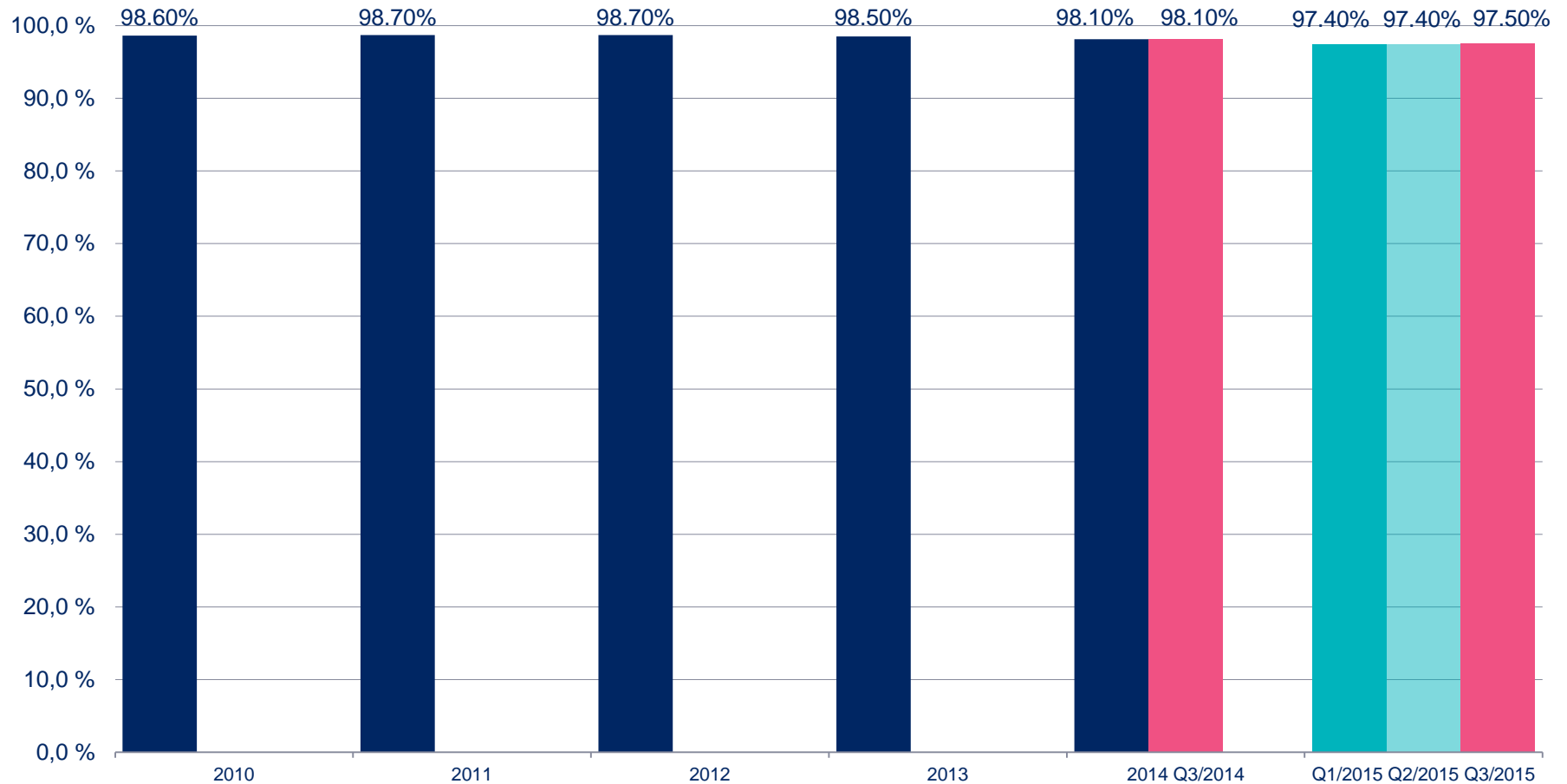
*A change in the recognition practice of renovations reduced the result by **EUR 7.8 million** in 2012 and by **EUR 11.4 million** in 2013

Net rental income (Non-subsidied segment)

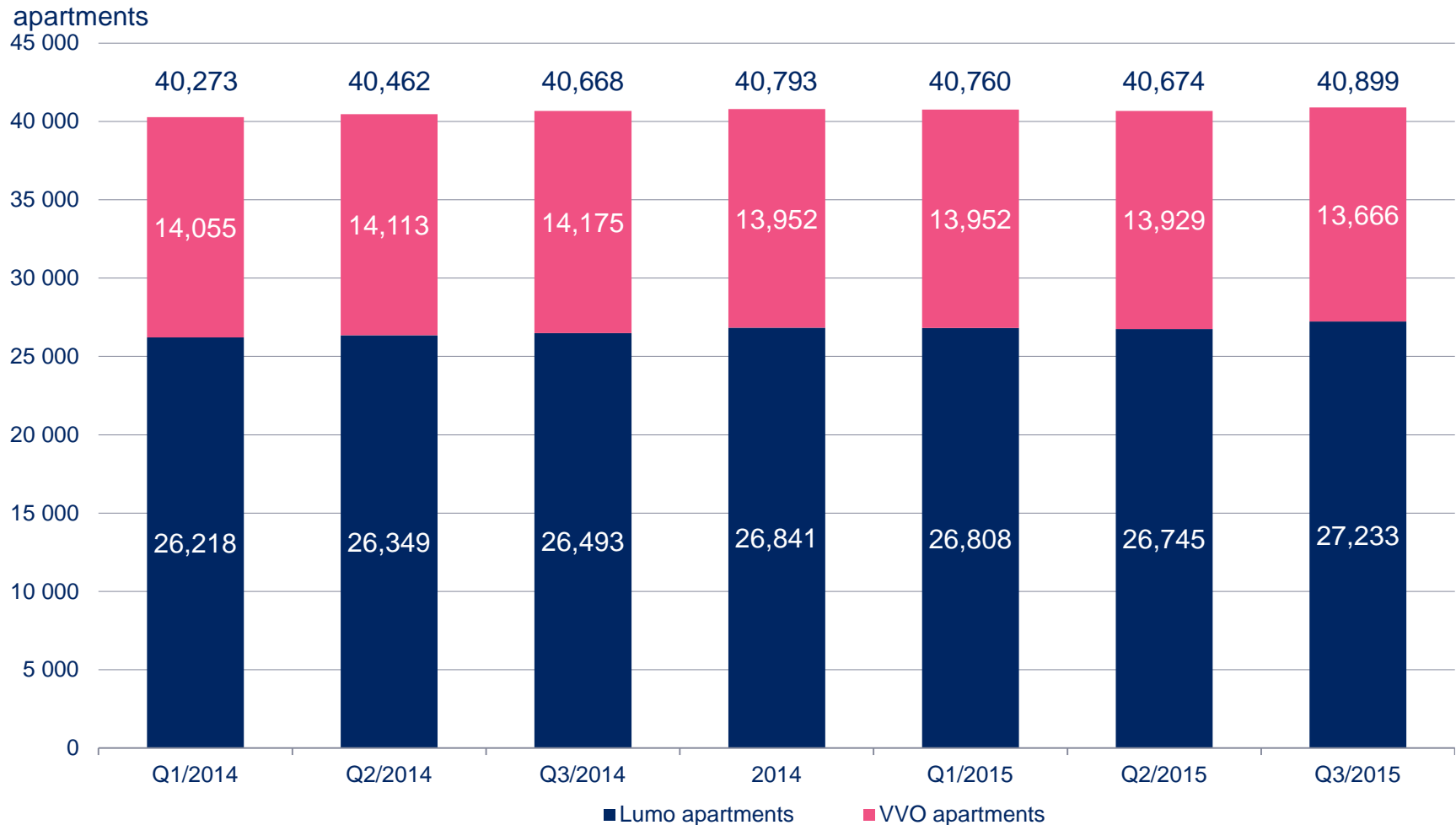
EUR million



Financial occupancy rate

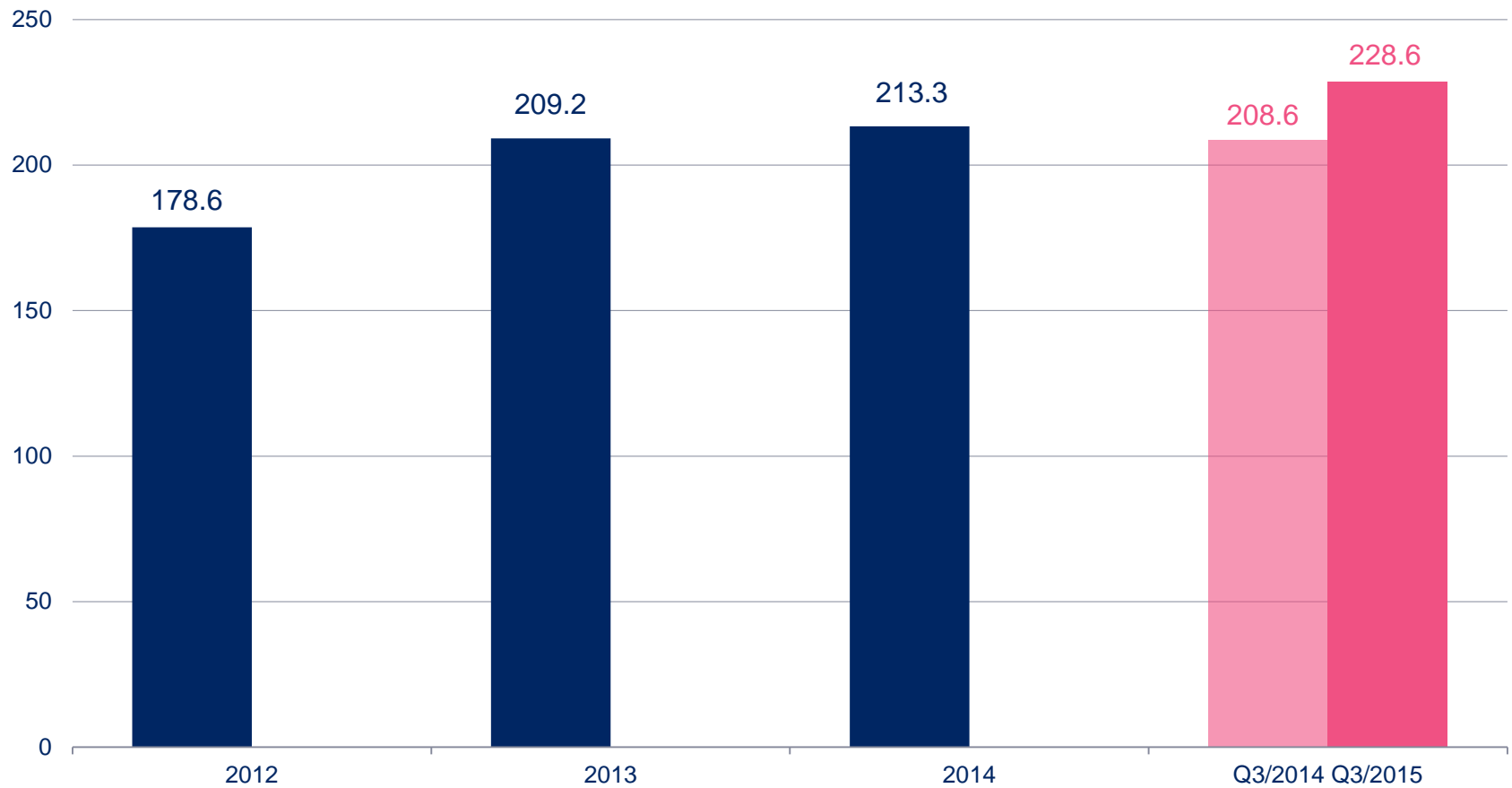


Changes in VVO's rental housing stock



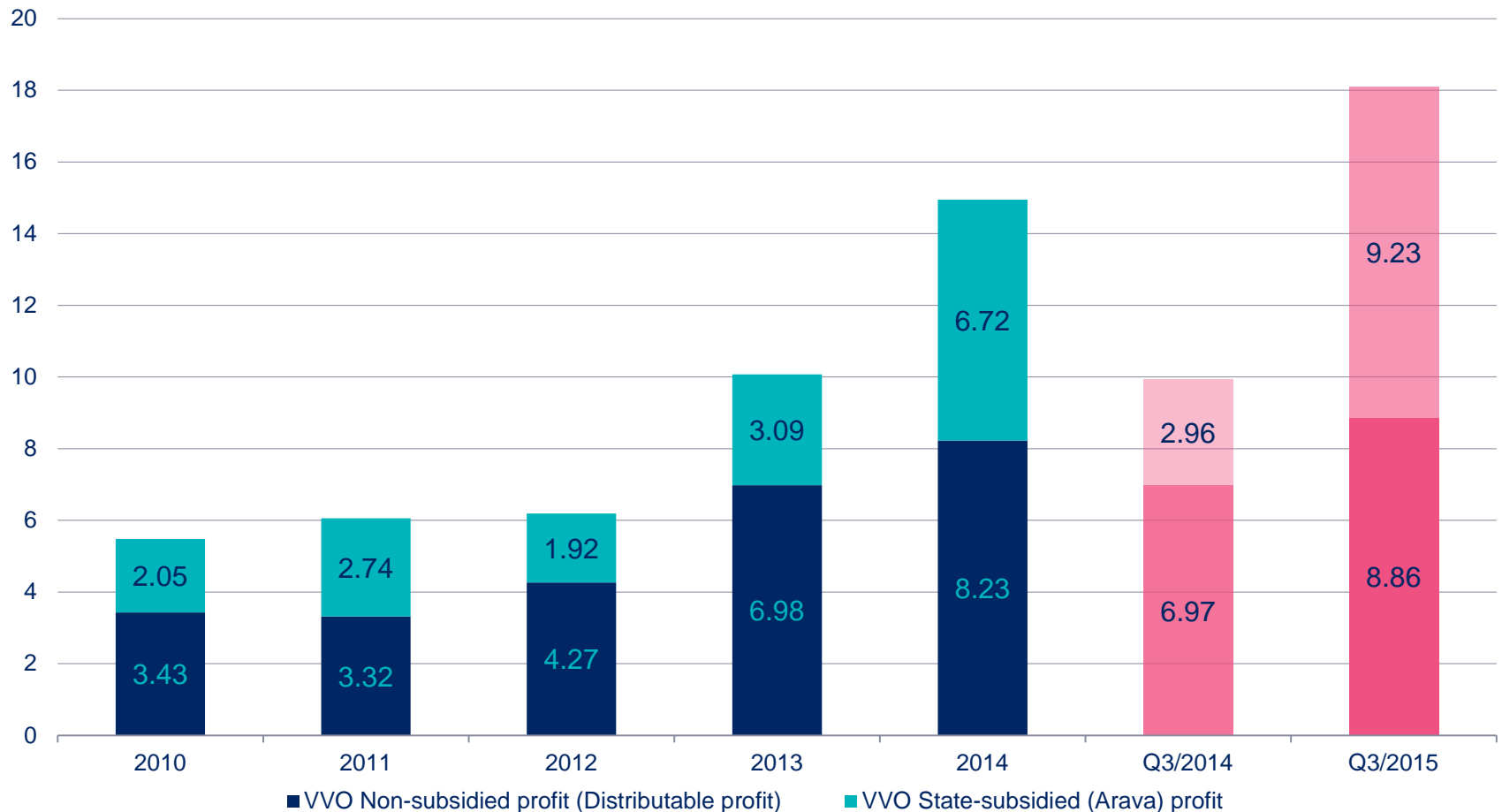
Equity ratio

Fair value
EUR/share



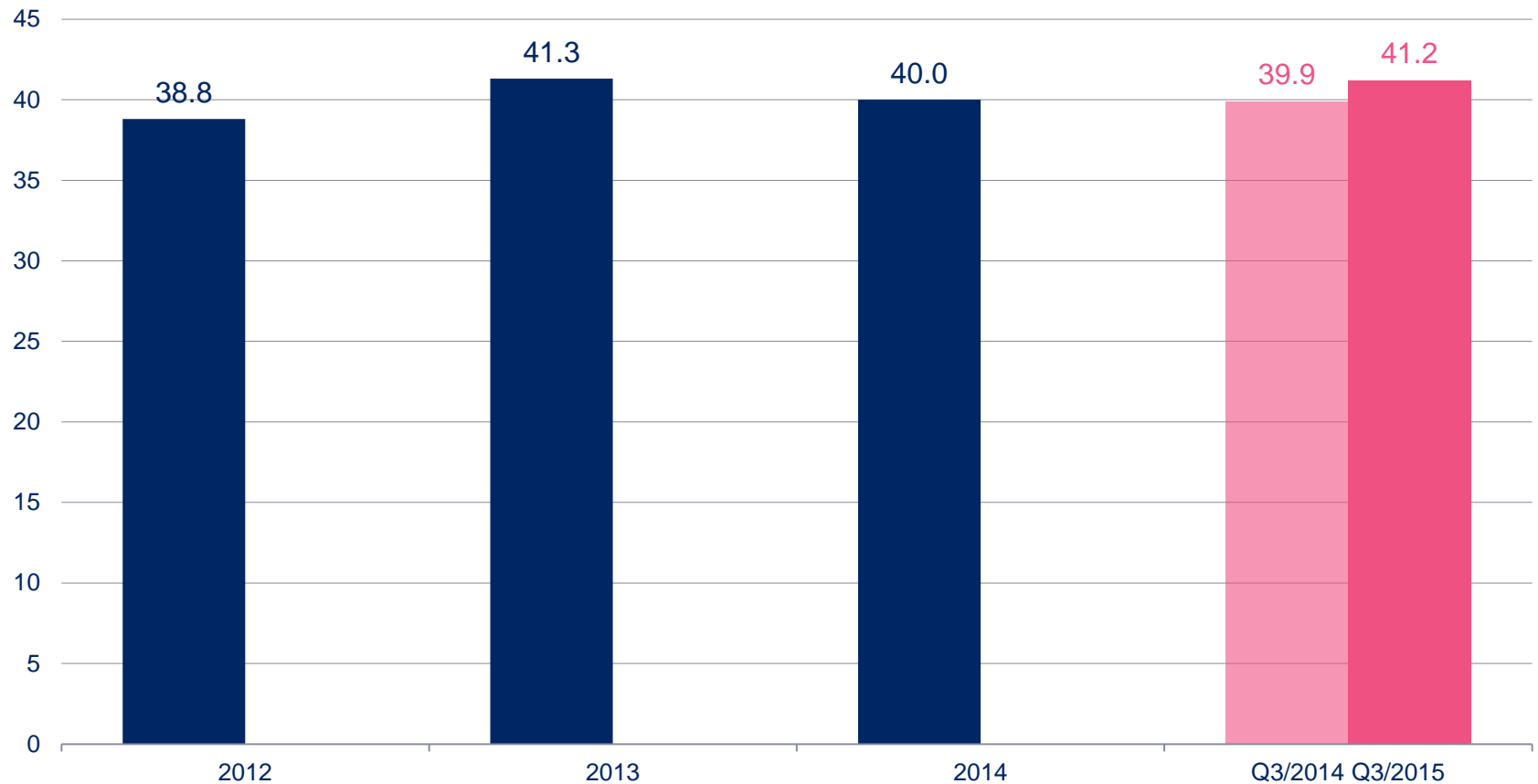
Key ratios per share

Profit
EUR/share

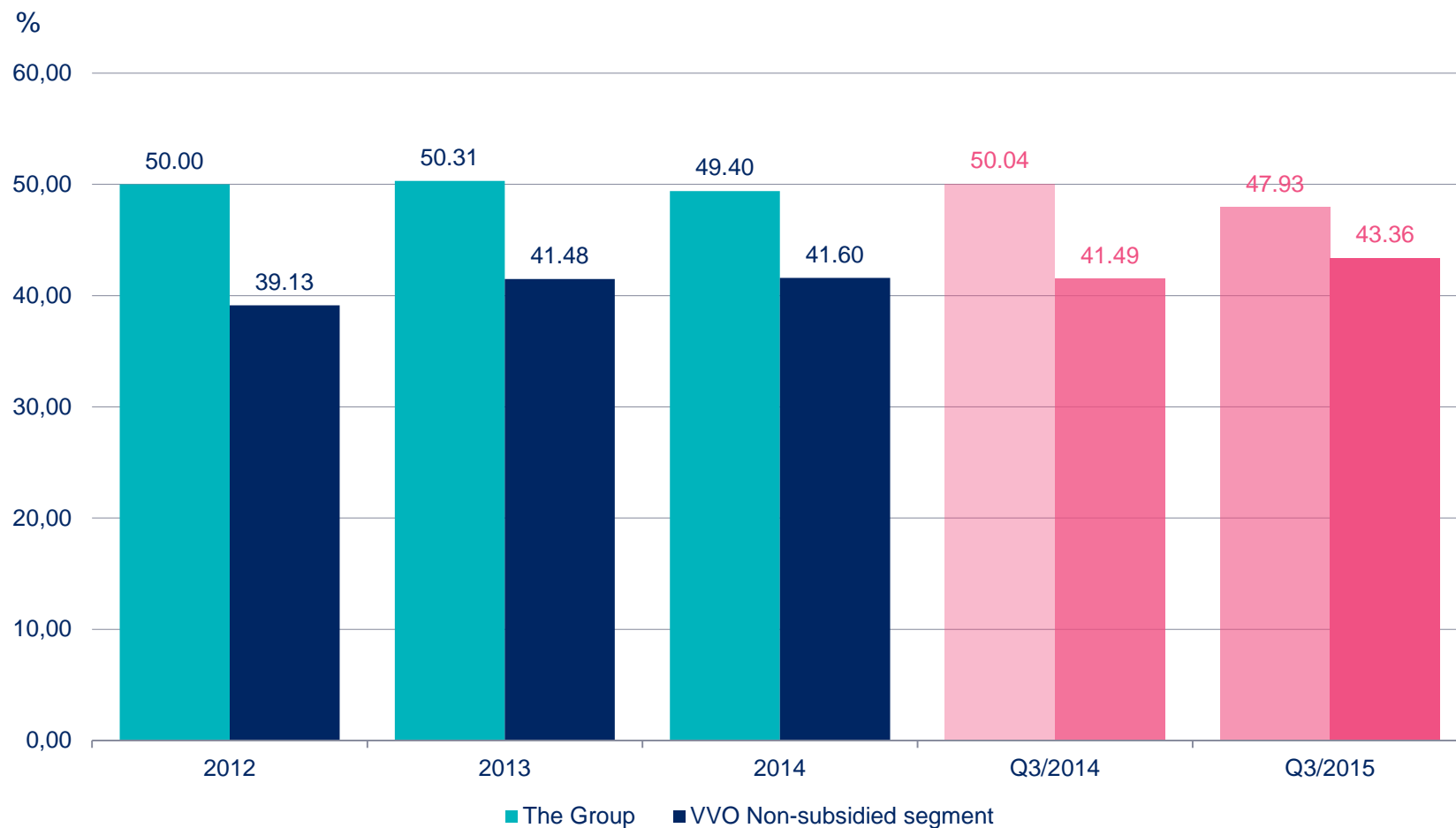


Equity ratio, %

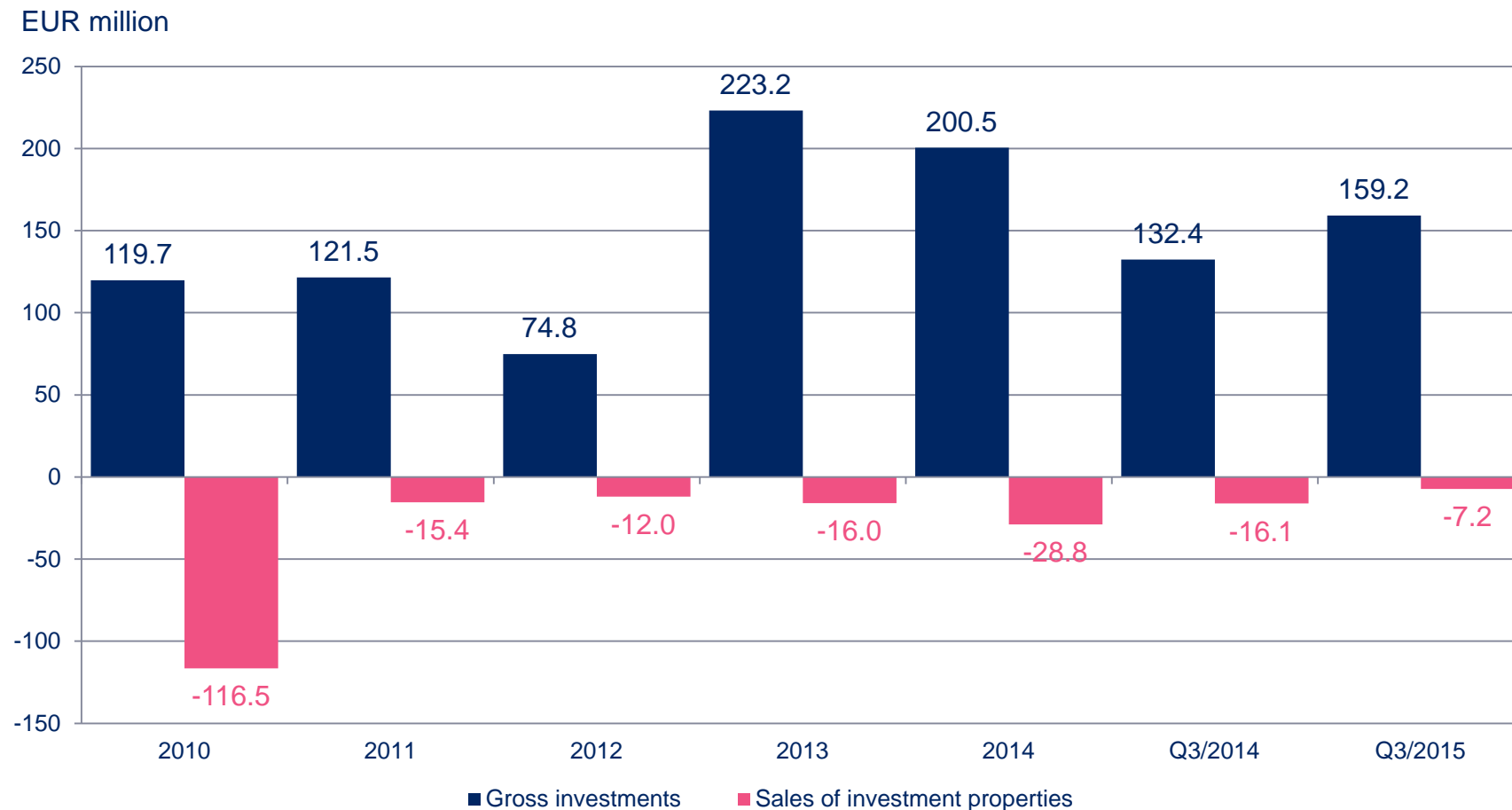
Fair value
%



LTV (Loan to Value)



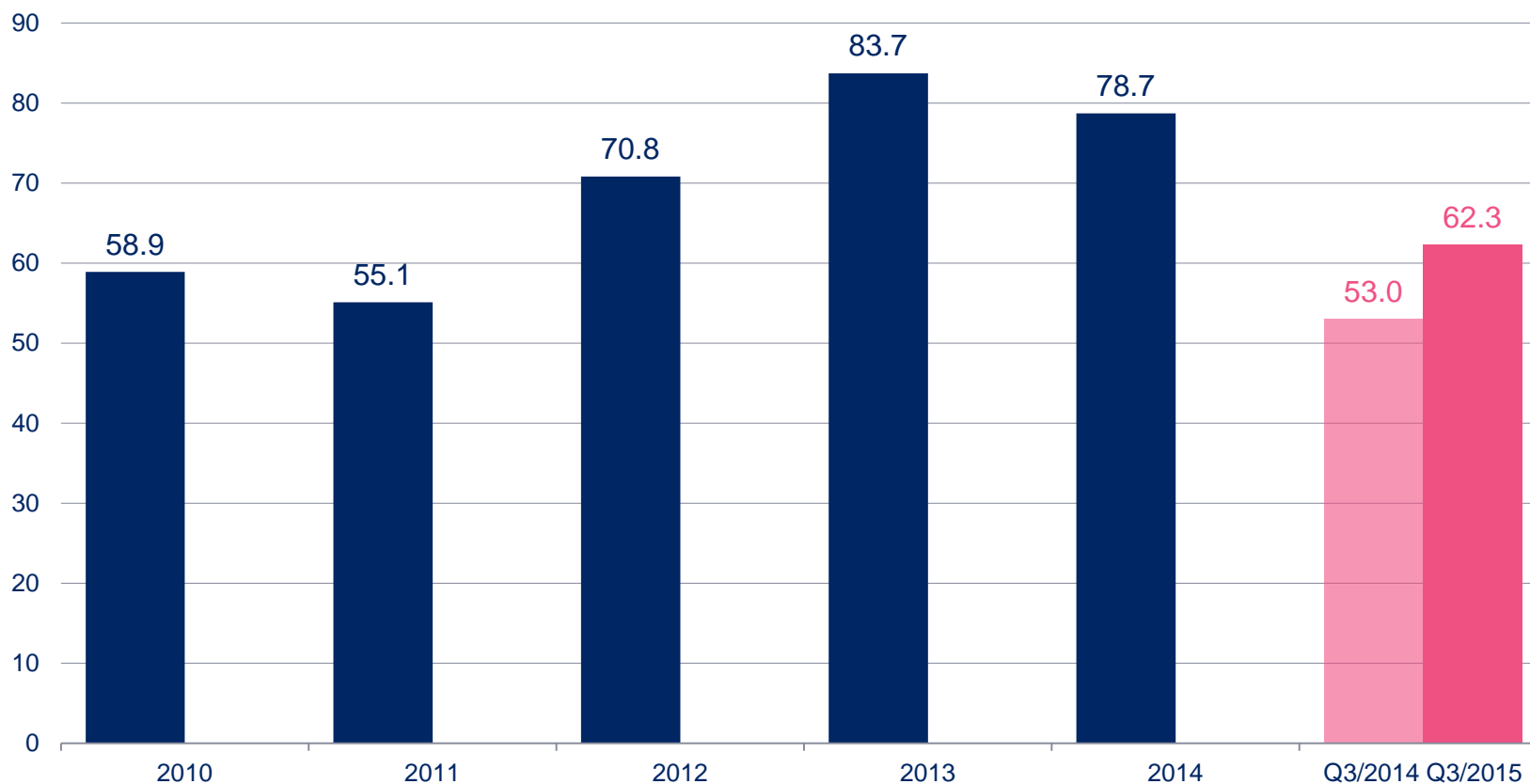
Gross investments and sales of investment properties



Renovations

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

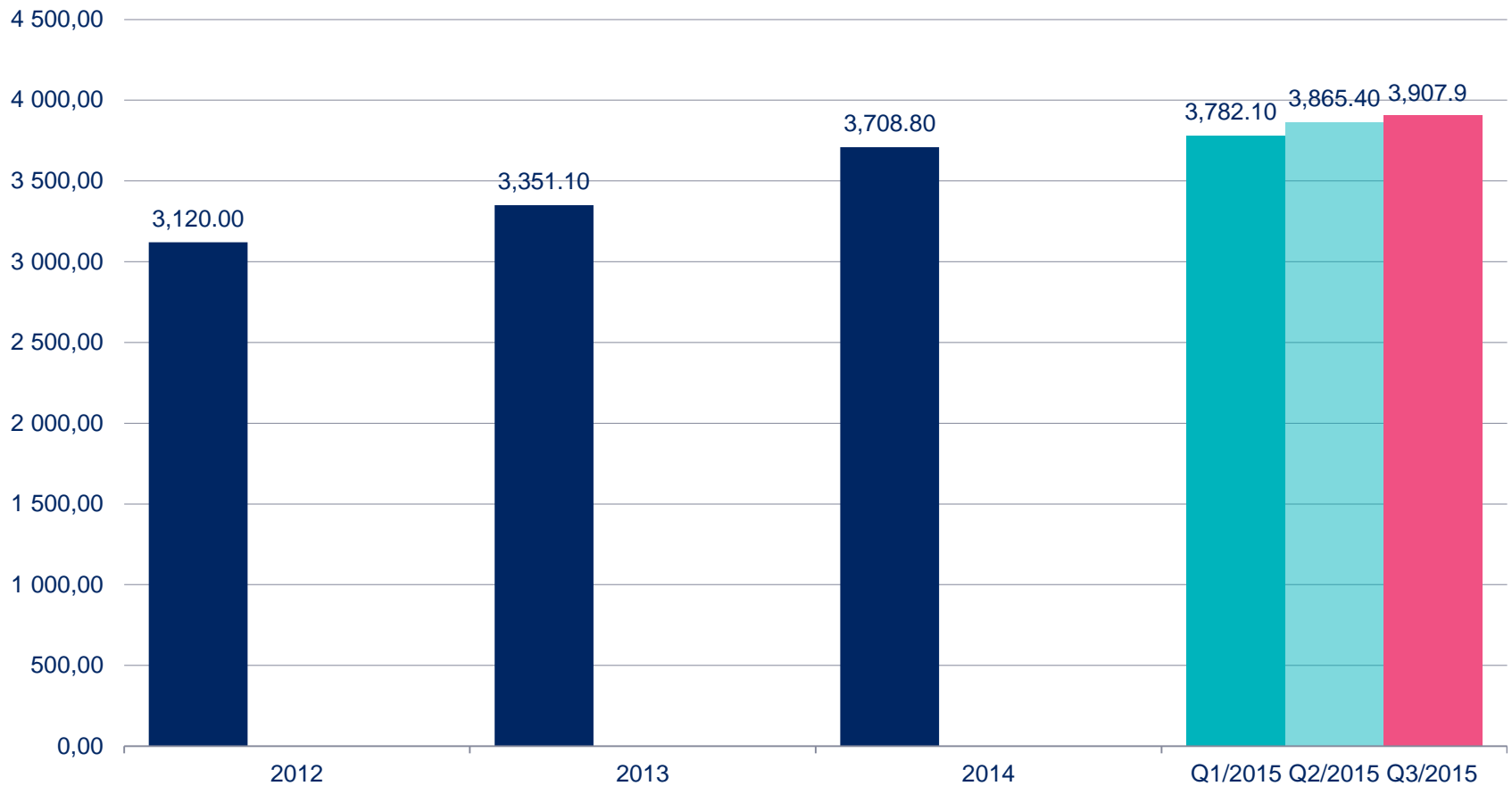
EUR million



Value development

EUR million	2014	2015/Q3	Change
Fair value	3,708.8	3,907.9	+ 199.2
Fair value measurement	26.2	52.5	

Fair value
EUR million



Key indicators

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

VVO Group	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Revenue, EUR million	93.1	89.4	276.3	266.6	356.5
Net rental income, EUR million	57.3	55.9	170.5	163.1	210.0
% revenue	61.5	62.6	61.7	61.2	58.9
Profit before taxes, EUR million	42.9	31.0	167.3	96.4	146.5
Earnings per share, EUR	4.86	3.39	18.09	9.93	14.95
Equity per share, EUR			228.57	208.64	213.30
Return on equity, % (ROE)			10.9	6.4	7.2
Return on investments, % (ROI)			7.7	5.3	5.9
Equity ratio, %			41.2	39.9	40.0
Financial Occupancy rate, %	97.8	98.0	97.5	98.1	98.1
Gross investments, EUR million	44.2	30.7	159.2	132.4	200.5
Investment properties, EUR million			3,907.9	3,617.4	3,708.8
Interest bearing liabilities, EUR million			1,888.4	1,827.0	1,850.1
Number of personnel, end of period			363	335	343



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