

ORAVA RESIDENTIAL REIT PLC
INTERIM REPORT
1 JANUARY – 30 SEPTEMBER 2015



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CEO'S COMMENTS

Orava Residential REIT's financial result for the third quarter was almost in accordance with its objectives.

The status in the housing market continued to be listless in Finland and, as a whole, the value of apartment holdings in the portfolio of the Residential REIT in the quarter turned from the zero growth in the second quarter into a decline of 0.8% in the third quarter. However, the market situation enabled profitable acquisition of new apartments, and the wholesale discounts for acquisitions compensated for the fall in the value of the old portfolio. In the third quarter, the company agreed on the acquisition of 42 apartments in 13 different properties at a total value of EUR 10.3 million. The fair value of the investment properties owned by the Residential REIT increased from EUR 166.2 million at the end of June to EUR 178.9 million at the end of September. The financial

1 July – 30 September 2015

- Revenue EUR 3.8 million (1 July – 30 September 2014: EUR 4.4 million)
- Comprehensive profit: EUR 2.0 million (EUR 1.9 million)
- Earnings per share: EUR 0.25 (EUR 0.41)
- Economic occupancy rate: 91.1% (89.7%)
- Gross rental yield: 6.7% (7.0%)
- Net rental yield: 4.0% (4.0%)
- Profit from assignments and changes in fair value: EUR 1.2 million (EUR 2.6 million)
- Total dividends distributed during the period under review: EUR 0.30 per share (EUR 0.28 per share)

1 January – 30 September 2015

- Revenue: EUR 13.1 million (1 January – 30 September 2014: EUR 12.8 million)
- Comprehensive profit: EUR 6.1 million (EUR 6.7 million)
- Earnings per share: EUR 0.81 (EUR 1.55)
- Economic occupancy rate: 90.6% (88.2%)
- Gross rental yield: 6.8% (6.7%)
- Net rental yield: 3.9% (4.1%)
- Profit from assignments and changes in fair value: EUR 5.8 million (EUR 8.2 million)
- Total dividends distributed during the period under review: EUR 0.90 per share (EUR 0.84 per share)

Net assets per share of Orava Residential REIT plc amounted to EUR 11.88 (adjusted), while they were EUR 12.02 (adjusted) at the beginning of the year. The company has continued growing, and the value of its investment properties rose to EUR 178.9 million at the end of the period under review (31 December 2014: EUR 130.7 million).

result was also improved by the cancellation of performance-based management fees expensed in advance in the first two quarters, because at the level of the stock exchange price of the Residential REIT at the end of September, no performance-based management fee will be paid for the current year.

In the third quarter, the gross rental yield of the portfolio fell by a tenth of a per cent compared with the second quarter to 6.7%, net rental yield increased to 4.0%, and the economic occupancy rate continued growing to 91.1%.

The situation in apartment sales has continued to be stagnant, as a result of which apartment sales were supplemented by selling the plots of five housing companies owned by the Residential REIT. Sales from the investment portfolio have totalled EUR 4.8 million during the current year.

The maintenance and repair costs of investment properties in relation to the value of the portfolio were 2.7 per cent converted to the annual level.

The number of Orava Residential REIT's shareholders increased from approximately 6,800 at the beginning of August to over 7,200 at the end of October. Trading in the company's shares on the Helsinki Stock Exchange has continued to be active; the average daily turnover in January–September was EUR 285,000 (EUR 251,000 a year before).

Shareholders have been paid a total of EUR 0.90 per share in dividends on the last business days of March, June and September according to the decision of the Annual General Meeting. The next dividend payments will take place at the end of December.

The company continues to estimate that it has reasonable preconditions for maintaining good profitability and achieving the targeted total return of 10 per cent on shareholders' equity.



OPERATING ENVIRONMENT

National economy

GDP growth is estimated to remain at between -0.2% and +0.3% in Finland this year and to settle at 0.7–1.2% next year. The growth in private consumption – a key factor from the point of view of the housing market – is estimated to be 0.3–0.8% during the current year and at approximately the same level in 2016, i.e. 0.3–0.9%. Market interest rates in the euro area are exceptionally low, and short-term market rates are also expected to remain below 1% for approximately the next four to five years. The estimate is based on the most recent economic forecasts by 15 parties drawing up forecasts on the Finnish economy and the market interest rate expectations calculated on the basis of the euro interest rate curve published by the European Central Bank.

We continue to estimate that the housing market will slowly start to strengthen as of next winter.

Demand in the housing market

During July–September 2015, households drew down EUR 4.0 billion in new mortgages, 5% more than a year previously, according to statistics from the Bank of Finland. The euro-denominated mortgage base totalled EUR 91.4 billion at the end of September, and the annual growth in the mortgage base was 2.2%.

The average marketing period for old apartments in the country overall according to the Finnish Etuovi.com marketing service increased from 111 days in June to 117 days in September, while it had been 112 days in September in the previous year.

No material change has taken place in the demand for apartments in the third quarter.

Supply in the housing market

According to Statistics Finland, building permits for apartment blocks were granted for 2,213 apartments in August, which was 76% more than a year previously. Correspondingly, in January–August, building permits for apartment blocks were granted for a total of 13,053 apartments, or 7% more than

a year previously. The annual change in the sliding annual sum of building permits granted for apartment blocks was +12%.

The three-month change in the housing construction volume index that describes the value of ongoing new construction was +32% in August, and the change year-on-year was -6%.

According to the August confidence indicator survey of the Confederation of Finnish Industries, the balance figure for construction production for the past three months was +32 points in the second quarter of the year, while it was -12 points in the previous quarter and +15 points a year before. The balance figure for the three-month production expectation was +27 points, compared to +20 points in the previous quarter and +2 points a year before. The number of unsold residential apartments compared to normal fell from +24 in the first quarter of the year to +9; a year ago, the balance figure was +29 points.

The supply in the housing market has recently begun to show signs of improvement.



Prices, rents and returns in the housing market

In the third quarter of 2015, the rents of non-subsidised apartments increased by 2.9 per cent year-on-year. The change in the prices of apartments during the third quarter was -0.5% compared with the situation a year previously. The change in housing prices from the previous quarter was 0.0%, which we estimate to correspond to an increase of approximately 1.2% when converted seasonally adjusted to the annual level. The ratio of housing prices to rents is slightly below the long-term average; the ratio calculated from the square metre prices and rents of the third quarter was 15.3. The 40-year average for the ratio of square metre prices to annual rents in Finland is 16.7.

We expect housing prices in the whole country to start rising slightly during the next 12 months and the growth rate in rents for non-subsidised apartments to start accelerating slightly if the market interest rate expectations and economic forecasts prove true with regard to their essential components affecting the housing market.

	1 Jan – 30 Sep 2015	1 Jan – 30 Sep 2014
Gross rental yield, %	6.8	6.7
Net rental yield, %	4.0	4.1
Economic occupancy rate, %	90.6	88.2
Operational occupancy rate, %	90.3	88.8
Tenant turnover/month, %	2.8	2.2

RENTAL OPERATIONS

The occupancy rates of rental operations rose in the third quarter compared with both the first half of the year and the corresponding period in the previous year. We have managed to increase the occupancy rate as planned with regard to apartments acquired without tenants during 2014 and the first half of 2015. The economic occupancy rate of the third quarter was 91.1%. In the future, any increase in the occupancy rate will be hindered by the acquisition of apartments without tenants and the rental market, which has continued to be weak in various locations. .

The economic occupancy rate, adjusted so that acquisitions in the past six months have been eliminated, was 91.4%.



At the end of the period, there were a total of 1,639 residential apartments (2014: 1,081). There were 1,294 leases at the end of the period (2014: 963) and 117 apartments were for sale (2014: 43). Approximately 98% of the entire lease base for residential apartments is in agreements valid until further notice. A total of 149 agreements were terminated during the period under review (2014: 70).

ACQUISITIONS

On 30 September 2015, the company acquired a total of 42 apartments from YIT Construction Ltd through a binding agreement at a debt-free purchase price of 10.3 million. The apartments are located in a total of 13 properties in Helsinki (3 apartments), Espoo (2), Hyvinkää, Turku, Raisio, Oulu, Kuopio, Rovaniemi and Vaasa (2). The apartments were without tenants at the time of acquisition.

APARTMENT SALES

In the difficult market conditions, the apartment sales did not quite reach the level of the first half of the year. In the third quarter, the company sold a total of nine

Acquisitions in the third quarter

Time	Property	Debt-free purchase price EUR million)	Debt (EUR million)	Directed issues (1,000 shares)	Apartments (qty)
30 Sep 2015	Apartments from 13 properties (Helsinki, Espoo, Hyvinkää, Turku, Raisio, Oulu, Kuopio, Rovaniemi, Vaasa)	10.3	7.9	–	42
TOTAL		10.3	7.9	–	42

apartments from eight different housing companies. The debt-free selling prices of the apartments totalled EUR 0.7 million. The brokerage fees for the sales amounted to EUR 29,000. The total sales in the first half of the year, EUR 2.2 million, exceed the sales in the corresponding period in the previous year (1 January – 30 September 2014: EUR 2.0 million).

Apartment sales were supplemented by selling five plots at a selling price totalling EUR 2.6 million. The plots were located in Kerava, Lahti (2 plots), Kaarina and Riihimäki. The housing companies located on the plots concluded leases with the new owner. The total sales from the investment portfolio at the end of the period under review were EUR 4.8 million (1 January – 30 September 2014: EUR 5.5 million).

INVESTMENT PROPERTIES ON 30 SEPTEMBER 2015

The fair value of investment properties at the end of the period totalled EUR 178.9 million (31 December 2014: EUR 130.7 million). Orava Residential REIT had a total of 1,639 apartments on 30 September 2015 (31 December 2014: 1,318); the aggregate surface area of the apartments was approximately 102,000 m² (31 December 2014: EUR 82,200 m²). The apartments were located at 93 different housing companies, and the company's holding was 100% in 17 of the cases. More detailed information on



Age and regional distributions of the investment portfolio	30 Sep 2015	30 Sep 2014
Newer (1990 onwards)	64%	61%
Older (up to 1989)	36%	39%
Helsinki Region	37%	43%
Major cities	31%	24%
Medium-sized towns	32%	33%

the investment properties is presented in the tables section.

The values of the apartments owned by the REIT are measured at fair value at least on a monthly basis and are published at least on a quarterly basis, and always when a change in the REIT's economic situation requires it or when changes in the condition of the real estate have a material impact on the value of the holdings of the REIT. A more detailed account of the apartment price measurement model is presented in the 2014 financial statements.

THE GROUP'S FINANCIAL RESULT FOR THE THIRD QUARTER

The Group's revenue for the third quarter totalled EUR 3.8 million (2014: EUR 4.4 million). The revenue was divided into income from ordinary operations of EUR 2.6 million (2014: EUR 1.8 million) and capital gains of EUR 1.2 million (2014: EUR 2.6 million). Income from ordinary operations includes rental income, compensation for use and other income. Capital gains are made up of profit from sales of investment properties less sales commissions for sold apartments, as well as the change in the fair value of apartments.

Operating expenses totalled EUR 1.1 million (2014: EUR 1.9 million), of which maintenance costs

and annual repairs amounted to EUR 1.3 million (2014: EUR 0.7 million).

Operating profit amounted to EUR 2.7 million (2014: EUR 2.5 million).

Financial income and expenses totalled EUR -0.7 million (2014: EUR -475,000), and taxes for the period totalled EUR -24,000 (2014: EUR 6,000).

Profit for the third quarter was EUR 2.0 million (2014: EUR 2.0 million). Comprehensive income items amounted to EUR 0 (2014: EUR -77,000), and the comprehensive profit for the period totalled EUR 2.0 million (2014: EUR 1.9 million).



FINANCING

Financial expenses (net) totalled EUR 2.0 million during the period 1 January – 30 September 2015 (2014: EUR 1.2 million).

Orava Residential REIT issued a EUR 20 million bond on 1 April. The bond will fall due on 1 April 2020, and it has a fixed coupon of 4.25%. In the same connection, the parent company repaid the variable-rate loans of EUR 16.9 million taken out from Danske Bank and concluded a credit limit agreement of EUR 15 million with Danske Bank.

The interest-bearing loans of Orava Residential REIT and the company loans allocated to the shares in housing companies totalled EUR 84.7 million on 30 September 2015 (31 December 2014: EUR 60.0 million).

In addition to the loans, the long-term liabilities in the statement of financial position also include EUR 591,000 in rental deposits paid by tenants (31 December 2014: EUR 478,000).



SHARES AND SHAREHOLDERS OF ORAVA RESIDENTIAL REIT

In the third quarter, the company implemented directed issues of a total of 69,717 shares and applied for the shares to be admitted to trading on the main list of the Helsinki Stock Exchange (trading codes OREIT and OREITN0115). On 31 July 2015, the company allocated 69,717 shares to Suomen Vuokra-kodit Oy related to an acquisition communicated on 30 June 2015, of which 35,926 shares do not provide entitlement to dividends to be paid from the result for 2014 during 2015, but they will provide entitlement to dividends in 2016 and subsequent years.

The company has allocated and will allocate shares to itself in charge-free share issues, which it may use to strengthen its capital structure, develop its business and widen its ownership base through both acquisition of investment properties and the issue of convertible bonds. During the period 1 January – 30 September 2015, the company concluded 29 convertible bond agreements worth in total EUR 12.5 million, of which EUR 12.0 million was exchanged for 1,061,618 shares in the company and recognised in the company's shareholders' equity. In addition to these agreements,

the company's equity has grown in the period under review by EUR 9.5 million through directed issues. The company's shareholders' equity is EUR 91.2 million (31 December 2014: EUR 69.9 million). At the end of the period, the company had 282,366 shares in its possession that it had allocated to itself. More detailed information on the shareholders' equity and convertible bonds is presented in the tables section.

The trading codes of the company's shares are OREIT and OREITN0115. During the period under review, the average turnover of shares was approximately EUR 285,000.

The company had more than 7,200 shareholders at the end of October.

MANAGEMENT OF THE RESIDENTIAL REIT

Orava Residential REIT was established on the initiative of Orava Funds plc. Orava Funds is responsible for the organisation, management and development of the operations and administration of the Residential REIT. The Residential REIT has no personnel of its own.

As compensation for management services, Orava Residential REIT pays the management company

List of owners on 30 October 2015, ten largest

Shareholder	Number of shares	%
Royal House Group***	489,701	6.2
Maakunnan Asunnot Oy*	436,640	5.5
Godoinvest Oy**	229,360	2.9
Yli-Torkko Erkki	135,205	1.7
Osuusasunnot Oy	103,769	1.3
Vähävara Oy	92,000	1.2
Rannikko Reino	91,500	1.1
Head Nordic Select Dividend Sijoitusrahasto	58,644	0.7
Orava Funds plc****	45,639	0.6
Ström Leif	45,100	0.6
Total	1,727,558	21.7

* Company under the control of Board members Tapani Rautiainen and Timo Valjakka

** Company under the control of Board member Timo Valjakka

*** Company under the control of Board member Tapani Rautiainen

**** Company under the control of Board member Jouni Torasvirta





0.6% of the fair value of the assets of the REIT as an annual fixed management fee and 20% of the annual return on the REIT exceeding the hurdle rate of 6% as a performance-based management fee. The stock exchange price is used in the calculation of the performance-based management fee if it is lower than net assets per share. The performance-based management fee is only paid if the closing stock exchange price for the financial period is higher than the highest closing stock exchange price for the previous financial periods, adjusted for dividends, issues and splits.

The fixed management fee is calculated on a quarterly basis, and the value is considered to be the

latest fair value of the assets according to IFRS in the previous quarter. The fixed management fees during the period under review 1 January – 30 September 2015 amounted to EUR 694,000 (2014: EUR 427,000).

On the basis of the company's net assets per share, share price and dividend distribution realised in 2015, no performance-based management fee has been booked (2014: EUR 1.6 million). The performance-based management fee will be paid after the end of 2015 on the basis of the company's realised net assets per share or the adjusted share price in March 2016.

During the period, Newsec Asset Management Oy and Ovenia Oy were paid a total of EUR 519,000 for

financial administration and other support activities and for apartment rental operations and administrative services, including value added tax.

PERSONNEL

The personnel of Orava Residential REIT are part of the business organisation of the management company. The management company is responsible for the personnel expenses incurred from the operational activities of the Residential REIT.

BOARD OF DIRECTORS AND AUDITORS

The Board of Directors of Orava Residential REI is composed of six members: Tapani Rautiainen, Veli Matti Salmenkylä, Jouni Torasvirta, Timo Valjakka, Mikko Larvala and Patrik Hertsberg (as of 19 March 2015) as well as Peter Ahlström (until 19 March 2015). The Chairman of the Board is Jouni Torasvirta, and the Vice Chairman is Tapani Rautiainen. The Board of Directors convened sixteen times during the period under review. The Board members' rate of attendance at Board meetings was 96%.

Orava Residential REIT's auditor is PricewaterhouseCoopers Oy, with Tuomas Honkamäki, APA, as the chief auditor. The auditor is paid a fee in accordance with the invoice.

AUTHORISATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has an authorisation for a share issue of 6,000,000 shares given by the Annual General Meeting on 19 March 2015. On 30 September 2015, a total of 4,548,426 shares remain of the share issue authorisation.

MANAGEMENT

Pekka Peiponen is the CEO of Orava Residential REIT. The management of Orava Residential REIT is part

of the business organisation of the management company Orava Funds plc. The management company is responsible for the costs of personnel and management incurred from the REIT's operational activities.

REGULATION

The current rules for real estate investment operations are available on the company's website at www.oravaasuntorahasto.fi, and they are included as an appendix.

NEAR-TERM RISKS AND UNCERTAINTIES

Orava Residential REIT estimates that the key risks and uncertainties for the company in the near future will be related to the acquisition of investment properties, changes in the value of apartments and repair costs.

It may be challenging and difficult for the company to acquire investments that meet the company's goals. In addition, it may be difficult for the company to secure debt financing for investments under competitive terms and conditions.

Major unexpected repairs and repair costs would result in a decline in the occupancy rate of apartments, loss of rental income and a decline in profitability.



MAJOR EVENTS

1 JANUARY – 30 SEPTEMBER 2015

The 500,000 shares that Orava Residential REIT plc allocated to itself in the charge-free share issue on 17 December 2014 were recorded in the Trade Register on 5 January 2015. The company may use the shares allocated to itself to strengthen its capital structure, develop its business and widen its ownership base through both acquisition of investment properties and the issue of convertible bonds. After the issue, the number of the company's shares totalled 5,706,123.

On 19 January 2015, Orava Residential REIT submitted a listing application for 47,800 shares to be admitted to trading on the stock exchange list of the Helsinki Stock Exchange as of 20 January 2015. The shares are included in the 500,000 shares recorded in the Trade Register on 5 January 2015. The trading code of the shares is OREIT, and the ISIN code is FI4000068614. After the listing, the number of the company's listed shares totalled 5,253,923.

On 23 January 2015, the Financial Supervisory Authority approved the company's prospectus, which was related to the listing of a total of 1,056,122 shares. The shares were related to the directed issue allocated to Osuusasunnot Oy (235,922 shares),

communicated by the company on 28 November 2014, the directed issue allocated to Royal House Oy (368,000 shares), communicated on 31 December 2014, and the charge-free directed issue allocated to the company itself (500,000 shares, of which 47,800 shares were listed on 20 January 2015), communicated on 5 January 2015. In the directed issues subject to a payment, the subscription price of new shares was the average stock exchange price on the Helsinki Stock Exchange weighted by the share turnover during the five trading days preceding the subscription. The subscription price of Osuusasunnot Oy was EUR 11.33 per share, and the subscription price of Royal House Oy was EUR 10.60 per share.

The 368,000 new shares allocated by Orava Residential REIT plc to Royal House Oy in connection with a property acquisition on 31 December 2014, and the 200,000 shares allocated to the company itself in a charge-free share issue on 9 February 2015 were recorded in the Trade Register on 12 February 2015. The company may use the new shares allocated to itself to strengthen its capital structure, develop its business and widen its ownership base through both acquisition of investment properties and issue of convertible bonds. After the issues, the

number of the company's shares recorded in the Trade Register totalled 6,510,045.

The Helsinki Stock Exchange approved Orava Residential REIT's listing application concerning the aforementioned 568,000 shares, and the new shares have been subject to trading on the stock exchange list since 13 February 2015. The trading code of the 368,000 shares allocated to Royal House Oy is OREIT, and the ISIN code is FI4000068614. The trading code of the 200,000 shares allocated by the company to itself is OREITN0115, and the ISIN code is FI4000148036. The shares with the trading code OREITN0115 do not provide entitlement to dividends paid from the profit for 2014 during 2015, but they will provide entitlement to dividends in 2016 and subsequent years. After these issues, the number of the company's listed shares totalled 6,510,045.

The company's Annual General Meeting was held on 19 March 2015. The AGM decided to change the company name to Orava Residential REIT plc (previously Orava Residential Real Estate Investment Trust plc). The related amendment to section 1 of the Articles of Association was recorded in the Trade Register on 31 March 2015.



The AGM decided to make a specification in the rules for real estate investment operations concerning the payment of the performance-related management fee so that the stock exchange price of the share shall be used in the calculation of the management fee if it is lower than net assets per share. According to the decision of the AGM, the rules for real estate investment operations (section 11, paragraph 3) were specified with regard to the determination of the performance-based manage-

ment fee. The clause "if the stock exchange price of the share is lower than net assets per share" was added to the end of the sentence, "After listing, the stock exchange price of the share shall be used in the calculation instead of net assets per share" in section 11, paragraph 3.

The AGM decided to grant a share issue authorisation to the Board of Directors so that, on the basis of the authorisation, the Board may decide to issue no more than 6,000,000 new shares in the company

(of which no more than 1,500,000 shares shall provide entitlement to dividends as of 1 April 2015 and 4,500,000 shares shall not provide entitlement to dividends during 2015).

The company acquired a total of 140 apartments through transactions made and an agreement concluded on 31 March 2015. Their aggregate debt-free purchase price was EUR 16.1 million. The company concluded a binding agreement with Skanska Talonrakennus Oy on a transaction of 53



apartments, which are located in a total of nine properties in Tampere (11 apartments), Turku (5), Oulu (7), Vaasa (5), Rovaniemi (13), Kokkola (3) and Savonlinna (9). In addition, a residential property of 36 apartments at Hoviherrankatu 3 in Kaarina and a residential property of 51 apartments at Kunnaankatu 7 in Raisio were purchased from Osuusasunnot Oy. The transaction was partly financed through a directed issue allocated to Osuusasunnot Oy, where Osuusasunnot Oy subscribed to 244,193 new shares issued by the company. Of these shares, 128,461 do not provide entitlement to dividends paid in 2015. The subscription price of the shares was the weighted average price during the five days of stock exchange trading on the NASDAQ OMX Helsinki preceding the subscription.

Orava Residential REIT issued a EUR 20 million bond on 1 April, and communicated its decision to issue the bond on 26 March 2015. The bond will fall due on 1 April 2020, and it has a fixed coupon of 4.25%. The bond was listed on the regulated market of the Helsinki Stock Exchange on 2 April 2015. Danske Bank Plc acted as the lead manager in the issue of the bond, and Castrén & Snellman Attorneys Ltd acted as the legal advisor in the arrangement.

The 244,193 new shares allocated by Orava Residential REIT plc to Osuusasunnot Oy in connection with an acquisition on 31 March 2015 were recorded in the Trade Register on 17 April 2015. After the issue, the number of the company's shares recorded in the Trade Register totalled 6,754,238. Of the shares allocated to Osuusasunnot Oy, the ISIN code of 115,732 shares is FI400068614 (trading code OREIT), and the ISIN code of 128,461 shares is FI4000148036 (trading code OREITN0115). The shares whose trading code is OREITN0115 do not provide entitlement to dividends paid from the profit for 2014 during 2015, but they will provide entitlement to dividends in 2016 and subsequent years. The company submitted a listing application to the Helsinki Stock Exchange concerning the aforementioned 244,193 shares, and the new shares have been subject to trading on the stock exchange list since 21 April 2015. After the listing, the number of the company's listed shares totalled 6,754,238.

The transaction of 53 residential apartments agreed with Skanska Talonrakennus Oy in March 2015 was completed on 28 April 2015.

On 29 May 2015, the company agreed with Rakennusliike Leimarakentajat Oy on the construc-



tion of 52 apartments in Hämeenlinna. The apartments to be built will be completed by the end of 2016. The company is financing the building project with directed issues allocated to Rakennusliike Leimarakentajat Oy and company loans taken out for the company established. The total value of the directed issues allocated to Rakennusliike Leimarakentajat Oy during the building period is approximately EUR 1.8 million. At the time of the agreement, Rakennusliike Leimarakentajat Oy had subscribed to a total of 50,450 shares at EUR 0.6 million. The subscription price of the shares was the weighted average price during the five days of stock exchange trading on the NASDAQ OMX Helsinki preceding the subscription. The remainder of the directed issues will be subscribed after the project has been completed.

The 200,000 shares that Orava Residential REIT plc allocated to itself in the charge-free share issue on 4 June 2015 were recorded in the Trade Register on 9 June 2015. The company may use the shares allocated to itself to strengthen its capital structure, develop its business and widen its ownership base through both acquisition of investment properties and the issue of convertible bonds. After the issue, the number of the company's shares recorded in

the Trade Register totalled 6,954,238. Of the shares allocated to the company itself, the ISIN code of 150,000 shares is FI400068614 (trading code OREIT), and the ISIN code of 50,000 shares is FI4000148036 (trading code OREITN0115). The shares whose trading code is OREITN0115 do not provide entitlement to dividends paid from the profit for 2014 during 2015, but they will provide entitlement to dividends in 2016 and subsequent years.

The company submitted a listing application to the Helsinki Stock Exchange concerning the aforementioned 200,000 shares, and the new shares have been subject to trading on the stock exchange list since 10 June 2015. After the listing, the number of the company's listed shares totalled 6,954,238.

The 500,000 shares that Orava Residential REIT plc allocated to itself in the charge-free share issue on 17 June 2015 were recorded in the Trade Register on 23 June 2015. The company may use the shares allocated to itself to strengthen its capital structure, develop its business and widen its ownership base through both acquisition of investment properties and the issue of convertible bonds. After the issue, the number of the company's shares recorded in the Trade Register totalled 7,454,238. Of the shares

allocated to the company itself, the ISIN code of 350,000 shares is FI400068614 (trading code OREIT), and the ISIN code of 150,000 shares is FI4000148036 (trading code OREITN0115). The shares whose trading code is OREITN0115 do not provide entitlement to dividends paid from the profit for 2014 during 2015, but they will provide entitlement to dividends in 2016 and subsequent years.

The 50,450 shares allocated by the company to Rakennusliike Leimarakentajat Oy in May 2015 and the 377,502 shares assigned by the company on the basis of convertible bond agreements concluded between 1 March and 31 May 2015 were recorded in the company's shareholders' equity items on 23 June 2015. The increase in share capital is EUR 4.3 million, in addition to which EUR 0.8 million was booked in the company's reserve for invested unrestricted equity. After the increases, the company's share capital was EUR 67,057,020.00.

Through a transaction concluded on 29 June 2015, the company acquired 46 apartments from Asunto Oy Vantaan Kaakkoisväylä 4 at a purchase price of EUR 4.15 million. The transaction was financed through a directed issue allocated to Maakunnan Asunnot Oy, where Maakunnan Asunnot Oy subscri-



bed to 369,218 new shares issued by the company. Of these shares, 192,889 do not provide entitlement to dividends paid in 2015. The subscription price of the shares was the weighted average price during the five days of stock exchange trading on the NASDAQ OMX Helsinki preceding the subscription.

On 30 June 2015, the company concluded a binding agreement to acquire a total of 44 apartments from Asunto Oy Lahden Jukolan Aapo and

Asunto Oy Lahden Jukolan Tuomas at a debt-free purchase price of EUR 7.1 million. The transaction will be financed through a directed issue allocated to Suomen Vuokrakodit Oy, where Suomen Vuokrakodit Oy has undertaken to subscribe to 138,163 new shares issued by the company. Of these shares, 71,684 do not provide entitlement to dividends paid in 2015. The subscription price of the shares was the weighted average price during the five days of stock

exchange trading on the NASDAQ OMX Helsinki preceding the subscription.

On 30 June 2015, the Financial Supervisory Authority approved the company's prospectus, which is related to the listing of a total of 937,664 shares. The shares are related to the directed issues to Maakunnan Asunnot Oy (369,218 shares) communicated on 29 June 2015 and Suomen Vuokrakodit Oy (68,446 shares) communicated on 30 June





2015, and the charge-free directed issue allocated to the company itself (500,000 shares) communicated on 23 June 2015. In the directed issues allocated to Maakunnan Asunnot Oy and Suomen Vuokrakodit Oy, the subscription price of the new shares was the average stock exchange price on the Helsinki Stock Exchange weighted by the share turnover during the five trading days preceding 29 June 2015. The subscription prices of the shares were EUR 11.65 per share (trading code OREIT) and EUR 10.65 per share (trading code OREIN0115).

On 1 July 2015, the company submitted a listing application to the Helsinki Stock Exchange concerning the admission of the shares subscribed in the directed issue allocated to Maakunnan Asunnot Oy on 29 June 2015 and the shares allocated to the company itself and communicated on 23 June 2015, i.e. a total of 869,218 shares, to trading on the stock exchange list of the Helsinki Stock Exchange. Trading in the new shares started on 6 July 2015. Of the shares, 526,329 were applied to be admitted to trading on the stock exchange list with the trading code OREIT (ISIN code FI4000068614) and 342,889 with the trading code OREITN0115 (ISIN code FI4000148036).

The Financial Supervisory Authority approved the supplement to the company's prospectus on 2 July 2015. The prospectus estimated that the 937,664 shares will be applied to be admitted to trading on the stock exchange list of the NASDAQ OMX Helsinki on or around 3 July 2015. The 68,446 shares subscribed by Suomen Vuokrakodit Oy will be applied to be admitted to trading later.

The 369,128 shares allocated by the company to Maakunnan Asunnot Oy on 29 June 2015 were recorded in the Trade Register on 3 July 2015. The increase in the share capital was EUR 3.7 million. After the increases, the number of the company's shares recorded in the Trade Register totalled 7,823,456 and the company's share capital was EUR 70,749,200.00.

Orava Residential REIT allocated a new share issue to Suomen Vuokrakodit Oy on 31 July 2015. Suomen Vuokrakodit Oy has undertaken to subscribe to 69,717 new shares issued by the company. Of these shares, 35,926 do not provide entitlement to dividends paid in 2015. The subscription price of the shares is the weighted average price during the five days of stock exchange trading on the NASDAQ OMX Helsinki preceding 31 July 2015. The directed issue is related to the binding



agreement communicated on 30 June 2015, by which Orava Residential REIT acquired a total of 44 apartments from Asunto Oy Lahden Jukolan Aapo and Asunto Oy Lahden Jukolan Tuomas at a debt-free purchase price of EUR 7.1 million.

The company's auditor, PricewaterhouseCoopers Oy, has appointed Tuomas Honkamäki, APA, as the company's chief auditor as of 11 August 2015.

The Financial Supervisory Authority approved the supplement to the company's prospectus on 24 June 2015. The prospectus was supplemented with the changed information concerning the transaction concluded with Suomen Vuokradot Oy, and reference was made in the prospectus to the company's interim report for 1 January – 30 June 2015.

The 138,163 new shares allocated by Orava Residential REIT plc to Suomen Vuokradot Oy in directed issues on 29 June 2015 and 31 July 2015 were recorded in the Trade Register on 24 August 2015. After the issue, the number of the company's shares recorded in the Trade Register totalled 7,961,619. The company submitted a listing application to the Helsinki Stock Exchange concerning the aforementioned 138,163 shares, and the new shares have been subject to trading on the stock exchange list

since 26 August 2015. After the listing, the number of the company's listed shares totalled 7,961,619.

On 30 September 2015, the company acquired a total of 42 apartments from YIT Construction Ltd through a binding agreement at a debt-free purchase price of 10.3 million. The apartments acquired are new, and they are located in Helsinki, Espoo, Hyvinkää, Turku, Raisio, Oulu, Kuopio, Rovaniemi and Vaasa. The apartments are not leased.

Through conditional agreements concluded on 30 September 2015, housing companies owned by Orava Residential REIT sold five plots at a total selling price of EUR 2.6 million. The plots are located in Kerava, Lahti, Kaarina and Riihimäki. The completion of the transactions requires that pledge arrangements are concluded.

EVENTS AFTER THE FINANCIAL PERIOD

The plot transactions agreed by the housing companies owned by Orava Residential REIT on 30 September 2015 were completed in November after pledge arrangements.

Dividends per share paid during the period under review:	F14000068614
	(100%)
31 Mar 2015, 1st dividend	EUR 0.30
30 Jun 2015, 2nd dividend	EUR 0.30
30 Sep 2015, 3rd dividend	EUR 0.30
Total	EUR 0.90

DIVIDEND

The Annual General Meeting of 19 March 2015 decided to distribute a dividend of EUR 0.30 per share from the profit for 2014 in each quarter of 2015, i.e. in total at most EUR 1.20 per share in 2015. The dividend will be paid on the last business day of each quarter.



FUTURE OUTLOOK

Orava Residential REIT continues to estimate that it has reasonable prerequisites for maintaining good profitability in 2015 and achieving the targeted total return of 10 per cent on shareholders' equity.

The change in the value of apartments in the investment portfolio is expected to remain close to zero during the rest of the year. Rental income is estimated to remain at the level of the three first quarters of the year, taking into account the impact on the occupancy rate of the apartments acquired without tenants in the autumn. The intention is to increase the impact of the acquisition of properties on the result during the fourth quarter compared with the third quarter. The ratio of maintenance and repair costs to the value of investment assets is expected to remain approximately at the level of the previous year.

Helsinki, 11 November 2015

Orava Residential REIT plc
Board of Directors

ADDITIONAL INFORMATION:

Pekka Peiponen, CEO, tel. +358 (0)10 420 3104

Veli Matti Salmenkylä, CFO and administrative director, tel. +358 (0)10 420 3102

APPENDICES

Descriptive and tables sections



Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income		1 Jul - 30 Sep 2015	1 Jul - 30 Sep 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
1 000 EUR					
Revenue					
Income from ordinary operations	6	2 601	1 770	7 339	4 529
Gains from disposals and changes in the fair value of apartments	6	1 126	2 630	5 667	8 243
Total revenue	6	3 727	4 400	13 007	12 772
Maintenance expenses	7	-1 258	-749	-3 558	-1 766
Expenses from rental operations	7	-20	-106	-256	-240
Administrative expenses	7	-559	-386	-1 587	-942
Other operating income and expenses	7	703	-682	-1	-1 627
Total expenses		-1 134	-1 923	-5 402	-4 575
Operating Profit		2 593	2 477	7 605	8 197
Finance expenses (net)	8	-652	-475	-1 964	-1 201
Profit before taxes		1 941	2 002	5 641	6 996
Direct taxes	9	24	-6	-22	-28
Profit/loss for the period		1 965	1 996	5 619	6 969
Profit/loss for the period attributable to the owners of the parent company	10	1 965	1 996	5 619	6 969
Earnings per share calculated from the profit					
Earnings per share, EUR	10	0,25	0,41	0,81	1,55
Other comprehensive income items					
Items that may in the future be reclassified to profit or loss					
Derivatives - interest rate swaps	17	0	-77	493	-281
Items that are not reclassified to profit or loss		0	0	0	0
Comprehensive profit/loss for the period		1 965	1 919	6 112	6 688
Comprehensive profit/loss for the period attributable to					
the owners of the parent company	10	1 965	1 919	6 112	6 688
non-controlling interests	10	0	0	0	0



Consolidated Statement of Financial Position

Consolidated Statement of Financial Position		30 Sep 2015	31 Dec 2014
ASSETS		1 000 EUR	
Non-current assets			
Fair value of investment properties	11	178 938	130 668
Current assets			
Trade and other receivables	12	1 006	4 070
Cash and cash equivalents	13	2 085	1 990
		3 090	6 059
TOTAL ASSETS		182 029	136 728
Equity attributable to the owners of the parent company			
Share capital	14	77 131	50 337
Share issue		0	7 526
Share premium account	14	4 507	2 260
Hedge reserve	14	0	-493
Retained earnings		3 974	1 780
Profit for the period		5 619	8 451
Total equity		91 232	69 860
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	15	82 235	58 059
Other non-current liabilities	15	591	478
Total non-current liabilities		82 826	58 538
Current liabilities			
Interest-bearing liabilities, borrowings	16	2 829	1 931
Trade payables and other current liabilities	16	5 142	5 906
Derivatives	17	0	493
Total current liabilities		7 971	8 330
Total liabilities		90 798	66 868
TOTAL EQUITY AND LIABILITIES		182 029	136 728



Consolidated Statement of Cash Flows

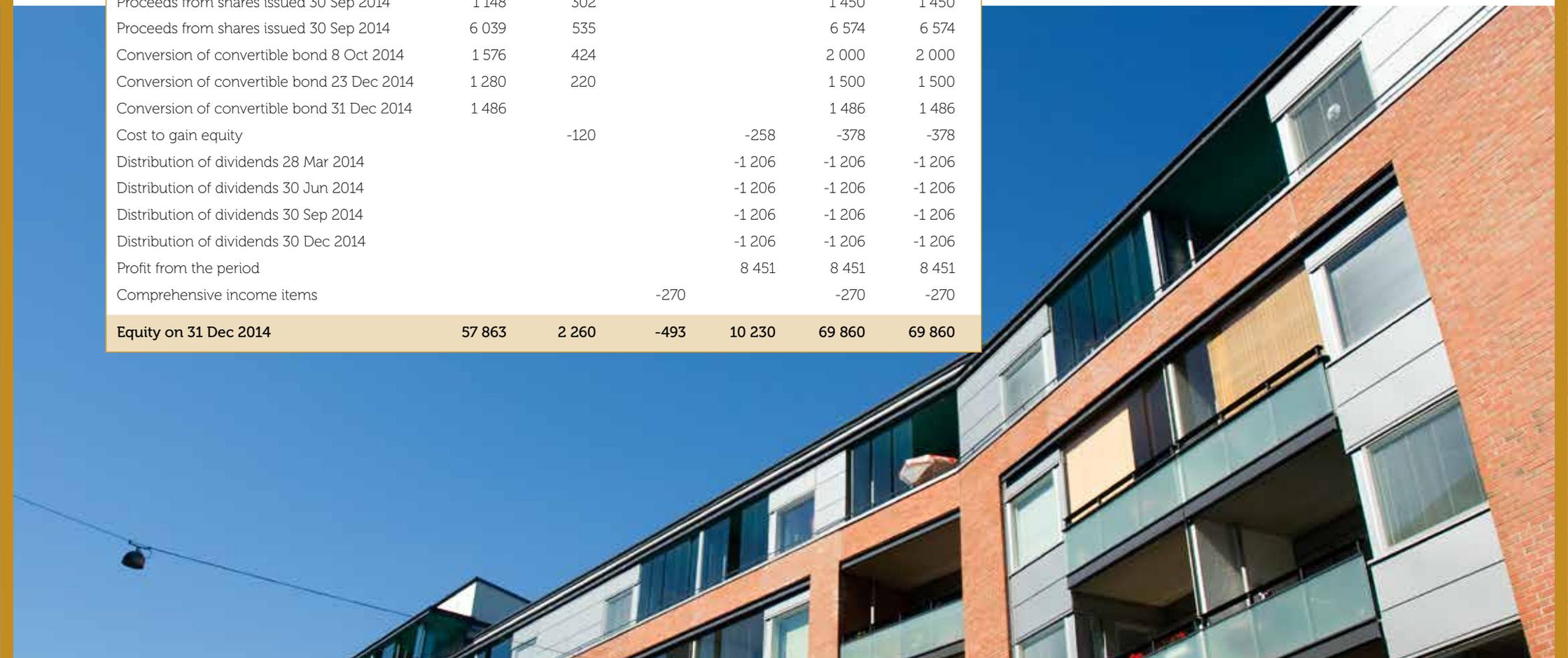
Consolidated statement of cash flows	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014	1 Jan - 31 Dec 2014
	1 000 €		
Cash flows from operational activities	7 503	2 966	7 657
Payments received from ordinary activities	-6 276	-1 814	-4 406
Expenses paid from ordinary activities	1 227	1 152	3 251
Cash flows from operational activities before financial items	-3 469	-935	-1 990
Interest paid and other finance expenses, net	-56	0	-72
Taxes paid	-2 298	218	1 189
Net cash flows from operational activities	-1 336	1 273	5 570
Cash flows from investment activities			
Acquisition of subsidiaries less acquired cash and cash equivalents	-5 093	-14 299	-13 126
Acquisition of residential apartment shares	-3 868	-193	-3 833
Investments in tangible fixed assets	-471	-288	-2 670
Investments in intangible assets	-346	0	-490
Income from divestitures of tangible fixed assets	1 416	1 055	4 381
Net cash flows used in investments	-8 362	-14 779	-20 119
Cash flows from financing activities			
Payments received from share issues	13 192	2 710	2 750
Loan withdrawals	23 613	6 130	6 518
Payments received from the issue of a convertible bond	0	1 000	4 816
Loan repayments	-20 484	-330	-2 079
Dividends paid	-5 568	-2 223	-4 600
Net cash flows used in financing activities	10 754	7 287	7 405
Net decrease (-) / increase (+) in cash and cash equivalents	95	-7 274	-11 525
Cash and cash equivalents at the beginning of the period	1 990	9 134	9 134
Cash and cash equivalents at the end of the period	2 085	2 914	1 990



Statement of Changes In Equity

1 000 EUR	1	2	3	4	5	6
Equity on 31 Dec 2010	5 028				5 028	5 028
Equity on 31 Dec 2011	11 717	159	-164	448	12 159	12 159
Equity on 31 Dec 2012	13 666	281	-407	1 466	15 007	15 007
Equity on 31 Dec 2013	43 144	0	-224	6 859	49 780	49 780
Proceeds from shares issued 25 Jun 2014	3 189	899			4 088	4 088
Proceeds from shares issued 30 Sep 2014	1 148	302			1 450	1 450
Proceeds from shares issued 30 Sep 2014	6 039	535			6 574	6 574
Conversion of convertible bond 8 Oct 2014	1 576	424			2 000	2 000
Conversion of convertible bond 23 Dec 2014	1 280	220			1 500	1 500
Conversion of convertible bond 31 Dec 2014	1 486				1 486	1 486
Cost to gain equity		-120		-258	-378	-378
Distribution of dividends 28 Mar 2014				-1 206	-1 206	-1 206
Distribution of dividends 30 Jun 2014				-1 206	-1 206	-1 206
Distribution of dividends 30 Sep 2014				-1 206	-1 206	-1 206
Distribution of dividends 30 Dec 2014				-1 206	-1 206	-1 206
Profit from the period				8 451	8 451	8 451
Comprehensive income items			-270		-270	-270
Equity on 31 Dec 2014	57 863	2 260	-493	10 230	69 860	69 860

- 1 Share capital and share issue
- 2 Reserve for invested unrestricted equity
- 3 Hedge reserve
- 4 Retained earnings
- 5 Total equity attributable to the owners of the parent company
- 6 Total equity



Statement of Changes In Equity

1 000 EUR	1	2	3	4	5	6
Proceeds from shares issued 11 Feb 2015	396	24			420	420
Proceeds from shares issued 26 Feb 2015	50	8			58	58
Proceeds from shares issued 31 Mar 2015	2 442	361			2 803	2 803
Conversion of convertible bond 19 Mar 2015	2 024	490			2 514	2 514
Proceeds from shares issued 29 May 2015	505	80			585	585
Conversion of convertible bond 17 Jun 2015	3 776	725			4 501	4 501
Proceeds from shares issued 29 Jun 2015	4 377	493			4 870	4 870
Conversion of convertible bond 29 Jun 2015	500				500	500
Proceeds from shares issued 31 Jul 2015	697	65			762	762
Conversion of convertible bond 29 Sep 2015	4 500				4 500	4 500
Cost to gain equity				-452	-452	-452
Distribution of dividends 31 Mar 2015				-1 795	-1 795	-1 795
Distribution of dividends 30 Jun 2015				-1 927	-1 927	-1 927
Distribution of dividends 30 Sep 2015				-2 080	-2 080	-2 080
Profit from the period				5 618	5 618	5 618
Expiry of hedging instrument			493		493	493
Equity on 31 Sep 2015	77 131	4 507	0	9 594	91 232	91 232

- 1 Share capital and share issue
- 2 Reserve for invested unrestricted equity
- 3 Hedge reserve
- 4 Retained earnings
- 5 Total equity attributable to the owners of the parent company
- 6 Total equity

The company made 13 convertible bond contracts worth of EUR 4.5 million during the third quarter on 9 July, 20 July, 30 July, 18 August, 1 September and 30 September. The lenders were domestic investment companies introduced to the company by UB Securities Oy.



NOTES

1. Basic details of the Group

Orava Residential REIT plc (business ID 2382127-4, address Kanavaranta 7, 00160 HELSINKI, Finland) was established on 30 December 2010 as a real estate fund as referred to in the Real Estate Funds Act. The up-to-date rules for real estate investment operations are included as an appendix to the financial statements.

The purpose of the company as a real estate fund under the Real Estate Funds Act (1173/1997) is to let apartments and real estate which it owns or possesses due to its shareholding, to engage in ordinary housing management and maintenance focusing on its own property, to exercise construction contracting on the company's own behalf and to finance all these operations. The operations of the company aim to take advantage of the Act on the Tax Exemption of Certain Limited Liability Companies Engaging in Apartment Rental Operations (299/2009) ("the Tax Exemption Act"). The company has been granted an exemption from the payment of income tax as of 30 December 2010.

Orava Residential REIT's Board of Directors approved these financial statements for publication at its meeting on 11 November 2015.

2. Act on the Tax Exemption of Certain Limited Liability Companies Engaging in Apartment Rental Operations (288/2009) ("the Tax Exemption Act")

In Finland, a limited company generally liable for tax and engaged in the rental of residential apartments is exempted from paying income tax in the manner prescribed in the Tax Exemption Act.

The main prerequisites for granting exemption from tax are as follows:

- The company may not be engaged in any other business than that of renting residential apartments
- At least 80% of the company's assets shown on the balance sheet is invested in apartments or real estate primarily intended for residential use
- The other assets of the company besides the residential assets are compliant with the Real Estate Funds Act
- The company's liabilities do not exceed 80%
- No individual shareholder holds more than 10 % of the company's share capital
- The Real Estate Funds Act is applicable to the company

In addition to the above, the requirements for maintaining the exemption from tax are broadly as follows:



- At least 90% of the result must be distributed as dividends every year (excluding any non-materialised change in value)
- The company's shares are listed on the stock exchange on the third year at the latest
- The company does not distribute its funds in any other manner than as dividends

The company becomes partially liable for tax

- to the extent that its rental income is less than 80% of its total income (excluding disposal prices)
- for capital gains from apartments it has owned for less than five years

3. Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applying the IAS and IFRS standards and SIC and IFRIC interpretations endorsed for use in the EU and in force on 30 September 2015. The statements have been prepared in compliance with IAS34. The term "International Financial Reporting Standards" refers to the standards and their interpretations in the Finnish Accounting Act and provisions based on this approved for application in

the EU in accordance with the procedure established in EU Regulation No 1606/2002. The notes to the consolidated financial statements also comply with the provisions of Finnish accounting and corporate legislation that supplement the IFRS provisions. In addition, Orava Residential REIT complies with the recommendations of the European Public Real Estate Association (EPRA) of August 2011, as applicable.

The consolidated financial statements have been prepared in euros. The figures have been rounded to the nearest thousand euros, so the sum total of the individual figures may differ from the total amount presented.

The consolidated financial statements are based on the use of original acquisition costs, except for investment properties and interest rate swaps, which are recognised at fair value.

More detailed information on the accounting principles is available in the Consolidated Financial Statements of Orava Residential REIT plc of 31 December 2014.

The information shown in the financial statements bulletin has not been audited.

4. Management of financing risks

Orava Residential REIT is exposed to a number of financing risks in its normal business operations. The objective of the company's risk management is to minimise the negative effects of financial markets on the company's cash flow, financial result and equity. The Board of Directors of Orava Residential REIT decides on the objectives of risk management, determines the risk management policy and is responsible for monitoring risk management activities. The operational policy observed in financial operations is to avoid risks. A more detailed description of the company's risk management is included in the financial statements for 2014.

5. Consolidation

Orava Residential REIT consolidates housing companies where the company's holding is 100% in accordance with IFRS 10. Partially owned companies are consolidated in compliance with IFRS 11 using the proportionate method.



6. Segment information

The Group's chief operational decision-maker is the Board of Directors. Segment information is based on the monthly reports which the Board of Directors uses for allocating resources and for assessing financial performance.

Orava Residential REIT lets apartments and real estate which it owns or possesses due to its shareholding and engages in ordinary housing management and maintenance focusing on its own property.

The form of segment reporting used by the company is in accordance with the intended use of the investment properties. According to the Tax Exemption Act, at least 80% of the assets shown on the company's balance sheet must be invested in apartments or real estate primarily intended for residential use and rental income from these must account for at least 80% of its income, excluding the disposal prices of investment properties. The assets shown on the balance sheet and the income of Orava Residential REIT have consisted of apartments and real estate primarily intended for residential use, so no segment division has been performed.

The revenue of Orava Residential REIT is presented in compliance with the accounting principles, divided into income from ordinary operations and capital gains. The capital gains and losses from apartments are arrived at by deducting the previous quarter's closing balance value from the debt-free selling price. The transaction fees associated with disposals are deducted from the revenue. During the period 1 January – 30 September 2015, a total of 25 apartments were sold (1 January - 30 September 2014: 21 apartments).

The apartment's share of the asset transfer tax paid and the apartment repair costs and capitalised repairs as a whole reduce the change in fair value.

Revenue	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Income from ordinary operations		
Gross rental yield	7 103	4 395
Compensation for use and service income	236	134
Gains from disposals and changes in the fair value of apartments		
Disposal prices of apartments less the fair value in the previous quarter's closing balance	-149	-69
Brokerage fees for apartments disposed of	-88	-93
Net gains and losses from changes in the fair value of investment properties	5 904	8 405
Total	13 007	12 772

The fair value of investment properties by region and their age distribution are also regularly reported to the Board of Directors of the Group. The Helsinki Region includes Helsinki, Espoo, Kauniainen, Vantaa and the surrounding municipalities, while Tampere, Turku, Oulu, Jyväskylä and Lahti are classified as major cities.

Distribution of investment property values by their location, %	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Helsinki Region	37	43
Major cities	31	24
Medium-size towns	32	33
Total	100	100
Distribution of investment property values by age group, %	30 Sep 2015	30 Sep 2014
Built in 1989 or earlier	36	39
Built in 1990 or later	64	61
Total	100	100



7. Expenses by Type

	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Personnel expenses	-102	-80
Fixed management fee Orava Funds plc	-694	-427
Other administrative expenses	-791	-435
Property maintenance expenses	-3 558	-1 766
Expenses from rental operations	-256	-240
Other operating expenses	-1	-1 627
Total	-5 403	-4 575

Personnel expenses, Board of Directors' fees	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Jouni Torasvirta	-26	-21
Peter Ahlström	-4	-12
Patrik Hertsberg	-11	0
Mikko Larvala	-15	-12
Tapani Rautiainen	-15	-12
Veli Matti Salmenkylä	-15	-12
Timo Valjakka	-14	-11
Total	-102	-80

The Board of Directors convened sixteen times during the period. Percentage of attendance was 96.

Auditor's fees	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Audit, parent company	-58	-45
Audit, subsidiaries	-37	-21
Total	-95	-66

The auditor's fees are included in other administrative expenses.

Other operating expenses	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Credit losses	-1	-11
Performance-based fee paid to the management company	0	-1 616
Total	-1	-1 627

Property maintenance expenses	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Property maintenance expenses less compensation for use	-3 320	-1 632
Property maintenance expenses less compensation for use as percentage of market value, p.a.	-2,9 %	-2,3 %
Average market value of investment properties during the period, EUR 1,000	154 803	94 146

Property maintenance expenses also include the maintenance expenses for residential apartments in the sales portfolio. Average market value is calculated from 1 January 2015 and 30 September 2015 market values.

8. Finance Income and Expenses

	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Interest expenses and fees for loans and interest rate hedges	-1 382	-548
Share of the capital charges of associated companies expensed	-432	-479
Other finance expenses	-155	-178
Total finance expenses	-1 969	-1205
Finance income	5	4
Total	-1 964	-1201



9. Income Taxes

The Large Taxpayers' Office granted the company an exemption from the payment of income tax on 20 January 2012. According to the decision, the tax exemption started from the beginning of the first tax year on 30 December 2010.

However, pursuant to the Tax Exemption Act, the company has to pay tax for capital gains from apartments it has owned for less than five years. Capital losses from apartments may not be deducted from capital gains.

For taxation purposes, a capital gain is created when the disposal price exceeds the sum total of the original acquisition price, the asset transfer tax paid, the estate agent's fee and the apartment repair expenses and capitalised repairs.

	1 Jan - 30 Sep	1 Jan - 30 Sep
Taxes for the period	24	-28

10. Earnings per share

(a) Undiluted	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Profit attributable to the company's shareholders	5 619	6 969
Weighted average number of outstanding shares, 1,000 shares	6 955	4 492
Undiluted earnings per share	0,81	1,55

(b) Adjusted for dilution effect
The company did not had any diluting shares

Undiluted earnings per share are calculated by dividing earnings before comprehensive income items attributable to the company's shareholders by the weighted average number of shares outstanding during the period.

11. Non-current assets

	30 Sep 2015	31 Dec 2014
Investment properties	Fair value	
Acquisition cost on 1 Jan	130 668	79 190
Increases including asset transfer tax	47 702	45 099
Cash deducted from fair value of investment properties	-913	0
Decreases	-4 760	-2 783
Change in fair value during the financial period excluding asset transfer tax	6 241	9 162
Fair value on 31 Xxx	178 938	130 668

The decreases are disposals of residential apartments. A total of 25 apartments were sold during the period 1 Jan - 30 Sep 2015. The change in the value of investment properties included in the investment portfolio throughout the third quarter under review 2015 was -0,8 %.



Investment properties on 30 Sep 2015	Registered office	Construction year	Holding
Helsinki Region			
As Oy Espoon Albert	Espoo	2014	13,0 %
As Oy Espoon Revontuli	Espoo	2015	6,4 %
As Oy Espoon Täyhystäjä	Espoo	2013	1,8 %
As Oy Helsingin Apteekkari	Helsinki	2014	20,5 %
As Oy Helsingin Hjalmar	Helsinki	2014	9,5 %
As Oy Helsingin Koirasaarentie 1	Helsinki	2000	97,1 %
As Oy Helsingin Limnologi	Helsinki	2015	13,8 %
As Oy Hyvinkään Ukko-Pekka	Hyvinkää	2014	13,5 %
As Oy Järvenpään Saundi	Järvenpää	2013	17,2 %
As Oy Järvenpään Terho	Järvenpää	2012	5,1 %
As Oy Järvenpään Tuohi	Järvenpää	2013	81,8 %
As Oy Kauniaisten Venevalkamantie 3	Kauniainen	2012	22,7 %
As Oy Keravan Ritariperho	Kerava	2011	100,0 %
As Oy Kirkkonummen Kummikallio	Kirkkonummi	1973	100,0 %
As Oy Kirkkonummen Pomada	Kirkkonummi	2012	32,5 %
As Oy Kirkkonummen Tammi	Kirkkonummi	2013	31,0 %
As Oy Lindheerst	Sipoo	1982	64,9 %
As Oy Nurmijärven Puurata 15-17	Nurmijärvi	1974-75	55,0 %
As Oy Nurmijärven Soittaja	Nurmijärvi	2013	58,9 %
As Oy Vantaan Kaakkoisväylä 4	Vantaa	1979	85,8 %
As Oy Vantaan Maaunintie 14	Vantaa	1975	100,0 %
As Oy Vantaan Rasinrinne 13	Vantaa	1975	69,1 %
As Oy Vantaan Rusakko	Vantaa	1992	75,6 %
Major cities			
As Oy Jyväskylän Ahjotar	Jyväskylä	2014	27,9 %
As Oy Jyväskylän Kruunutorni	Jyväskylä	2010	36,0 %
As Oy Jyväskylän Kyläseppä	Jyväskylä	2014	20,9 %
As Oy Jyväskylän Tukkipoika	Jyväskylä	2013	12,3 %

Investment properties on 30 Sep 2015	Registered office	Construction year	Holding
As Oy Kaarinan Lampaankääpä	Kaarina	1974	100,0 %
As Oy Lahden Helkalanhovi	Lahti	1975	77,2 %
As Oy Lahden Jukolan Aapo	Lahti	2010	100,0 %
As Oy Lahden Jukolan Tuomas	Lahti	2010	100,0 %
As Oy Lahden Leinikki	Lahti	2013	8,9 %
As Oy Lahden Poikkikatu 4	Lahti	1971	60,1 %
As Oy Lahden Pormestari	Lahti	2012	8,0 %
As Oy Lahden Vuoksenkatu 4	Lahti	1970	44,3 %
As Oy Alppilan Iris	Oulu	2014	17,1 %
As Oy Merjalinväylä	Oulu	2012	4,6 %
As Oy Oulun Eveliina	Oulu	2011	14,1 %
As Oy Oulun Jatulinmäki	Oulu	2013	7,7 %
As Oy Oulun Resiina	Oulu	2015	12,6 %
As Oy Oulun Seilitie 1	Oulu	2009	82,4 %
As Oy Oulunsalon Poutapilvi	Oulunsalo	2010	4,1 %
As Oy Härmälänrannan Nalle	Tampere	2013	7,2 %
As Oy Tampereen Professori	Tampere	2013	11,6 %
As Oy Tampereen Ruuti	Tampere	2014	59,6 %
As Oy Tampereen Solaris	Tampere	2014	21,8 %
As Oy Tampereen Vuoreksen Emilia	Tampere	2014	31,8 %
As Oy Tampereen Vuorenpeikko	Tampere	2013	2,9 %
As Oy Lempäälän Tikanhovi	Lempäälä	2014	52,6 %
As Oy Turun Androksenportti	Turku	2014	15,7 %
As Oy Turun Michailowinlinna	Turku	2015	11,3 %
As Oy Turun Michailowinportti	Turku	2013	22,2 %
As Oy Raision Lumme	Raisio	2015	32,2 %
As Oy Raision Vaisaaren Kunnaankatu 7	Raisio	1978	100,0 %
As Oy Raision Valonsäde	Raisio	2014	47,6 %



Investment properties on 30 Sep 2015	Registered office	Construction year	Holding
Medium-size towns			
As Oy Haminan Tervaniemi	Hamina	1999	95,8 %
As Oy Heinolan Tamppilahdenkulma	Heinola	1977	92,0 %
As Oy Hämeenlinnan Aulangontie 39	Hämeenlinna	1974	51,0 %
As Oy Hämeenlinnan Salmiikki	Hämeenlinna	under construction	100,0 %
As Oy Kokkolan Luotsi	Kokkola	2012	22,5 %
As Oy Kokkolan Omenapiha	Kokkola	2012	26,1 %
As Oy Kotkan Alahovintie 7	Kotka	1974	100,0 %
As Oy Kotkan Alahovintorni	Kotka	1973	93,3 %
As Oy Kotkan Matruusi	Kotka	2013	15,3 %
As Oy Kotkan Vuorenrinne 19	Kotka		95,0 %
As Oy Kuopion Rantahelmi	Kuopio	2014	2,8 %
As Oy Lohjan Koulukuja 14	Lohja	1976	94,3 %
As Oy Lohjan Pinus	Lohja	2012	57,2 %
As Oy Mikkelin Neptun	Mikkeli	2013	43,5 %
As Oy Mällinkatu 6	Kotka	1958 and 1974	100,0 %
As Oy Porin Huvitus	Pori	2014	33,1 %
As Oy Porin Kommodori	Pori	2013	8,7 %
As Oy Porin Pihlavankangas	Pori	1973	97,0 %
As Oy Kaivopolku	Porvoo	1993	100,0 %
Koy Liikepuisto	Porvoo	1960	100,0 %
As Oy Riihimäen Vuorelanmäki I	Riihimäki	1956	100,0 %
As Oy Rovaniemen Koivula	Rovaniemi	2014	7,8 %
As Oy Rovaniemen Laura	Rovaniemi	2014	2,5 %
As Oy Rovaniemen Rekimatka 16-18	Rovaniemi	1991	100,0 %
As Oy Rovaniemen Rekimatka 29	Rovaniemi	1989	100,0 %
As Oy Rovaniemen Suiheinä	Rovaniemi	2014	6,5 %
As Oy Rovaniemen Uitto	Rovaniemi	2015	20,5 %
As Oy Salon Ristinkedonkatu	Salo	1975	96,6 %

Investment properties on 30 Sep 2015	Registered office	Construction year	Holding
As Oy Savonlinnan Kotiranta	Savonlinna	2014	49,0 %
As Oy Savonlinnan Välimäentie 5-7	Savonlinna	1977	100,0 %
As Oy Tornion Aarnintie 7	Tornio	1974	39,0 %
As Oy Tornion Kuparimarkka	Tornio	1975	86,1 %
As Oy Vaasan Aleksander	Vaasa	2015	12,3 %
As Oy Vaasan Asemakatu 9	Vaasa	2014	20,6 %
As Oy Vaasan Leipurinkulma	Vaasa	2015	2,4 %
As Oy Varkauden Ahlströminkatu 12	Varkaus	1954	95,2 %
As Oy Varkauden Onnela	Varkaus	1920	100,0 %
As Oy Varkauden Parsius	Varkaus	1973	100,0 %

The companies have been consolidated using the proportional method, whereby only the amount corresponding to the Group's holding is consolidated for each income statement and balance sheet item. Accordingly, no minority interests are created in the Group consolidation process.

As Oy Hämeenlinnan Aulangontie underwent a basic renovation in 2003, As Oy Tornion Kuparimarkka in 2000, As Oy Tornion Aarnintie 7 in 1990, As Oy Nurmijärven Puurata 15-17 in 1999, As Oy Riihimäen Vuorelanmäki I in 2003, and As Oy Varkauden Ahlströminkatu 12 in 2005 (pipes).



Investment properties on 30 Sep 2015

Region	No of properties	Apartments and business facilities	Floor area	Valuation
Espoo & Kauniainen	4	13	844	4 244
Helsinki	4	34	2 364	9 854
Hyvinkää	1	2	202	627
Järvenpää	3	23	1 899	7 474
Kerava	1	19	2 071	6 165
Kirkkonummi	3	104	6 973	14 194
Nurmijärvi	2	41	2 998	6 141
Sipoo	1	14	1 140	1 983
Vantaa ⁽¹⁾	4	159	10 249	15 664
Helsinki Region	23	409	28 740	66 346
Jyväskylä ⁽²⁾	4	20	2 130	4 425
Lahti	7	115	6 625	14 741
Oulu	7	36	2 353	6 645
Tampere	7	68	4 427	14 440
Turku	7	124	7 564	14 791
Major cities	32	363	23 098	55 042
Hamina	1	16	1 040	1 294
Heinola	1	18	1 071	691
Hämeenlinna ⁽³⁾	2	63	3 084	2 946
Kokkola	2	7	582	1 725
Kotka ⁽¹⁾	5	192	10 393	7 682
Kuopio	1	1	100	306
Lohja	2	62	3 892	5 668
Mikkeli	1	12	804	2 958
Pori	3	67	3 889	5 315
Porvoo ⁽⁴⁾	2	42	2 662	6 033
Riihimäki	1	16	773	824
Rovaniemi	6	95	5 558	7 386
Salo	1	71	4 365	2 884
Savonlinna	2	60	3 243	4 339
Tornio	2	63	3 649	2 827
Vaasa	3	9	532	2 268
Varkaus ⁽⁵⁾	3	73	4 576	2 404
Medium-size towns	38	867	50 209	57 551
Total ⁽³⁾	93	1 639	102 047	178 939

(1) As Oy Vantaan Maauunintie 14 and As Oy Kotkan Alahovintie 7 both have one business facility (a day care centre).

(2) The apartments in As Oy Jyväskylän Kruunutori were four office facilities and one storage facility.

(3) The apartments in As Oy Hämeenlinnan Salmiakki are under construction. The valmistumisaste was 26 % at the end of September 2015.

(4) There are in total 11 business facilities at as Oy Kaivopolku and Kiint Oy Liikepuisto in Porvoo.

(5) As Oy Varkauden Ahlströminkatu 12 has two business facilities..

The values of the apartments owned by the REIT are measured at least on a monthly basis, and are published at least on a quarterly basis, and always when a change in the REIT's economic situation requires it, or when changes in the condition of the real estate have a material impact on the value of the holdings of the REIT.

External appraiser provides calculations of the value of each investment property owned by Orava Residential REIT every six months. The total appraisal of all investment properties made by the external appraisers Realia Management Oy and Turun seudun OPKK on 30 Jun 2015 was 1.3% less than the fair value on the balance sheet on 30 June 2015.



12. Trade and other receivables

	30 Sep 2015	31 Dec 2014
Rental and trade receivables	224	138
Other receivables	650	3897
Prepaid expenses and accrued income	131	35
Total other receivables	1 006	4 070

13. Cash and cash equivalents

	30 Sep 2015	31 Dec 2014
Cash and cash equivalents held in accounts	2 085	1 990
Total	2 085	1 990

In addition, the company had loan overdraft facility of EUR 200,000 at its disposal.

14. Share capital and share premium account

	30 Sep 2015	31 Dec 2014
Share capital on 1 January	50 337	43 144
Increase in share capital, paid	21 794	7 193
Share capital on 31 Xxx	72 131	50 337
Share issue and converted shares	5 000	7 526
Share premium account	4 507	2 260
Total share capital and share premium account	81 638	60 123

The number of shares on 31 December 2012 was 1,366,588.

The number of shares on 31 December 2013 was 4,314,394.

The number of shares on 31 December 2014 was 5,206,123.

The number of shares on 30 September 2015 was 7,961,619.

15. Non-current liabilities

	30 Sep 2015	31 Dec 2014
Bonds	19 382	0
The group's loans from financial institutions	62 852	58 076
Overdraft facility	0	0
Long-term security deposits received	591	478
Total non-current liabilities	82 826	58 554



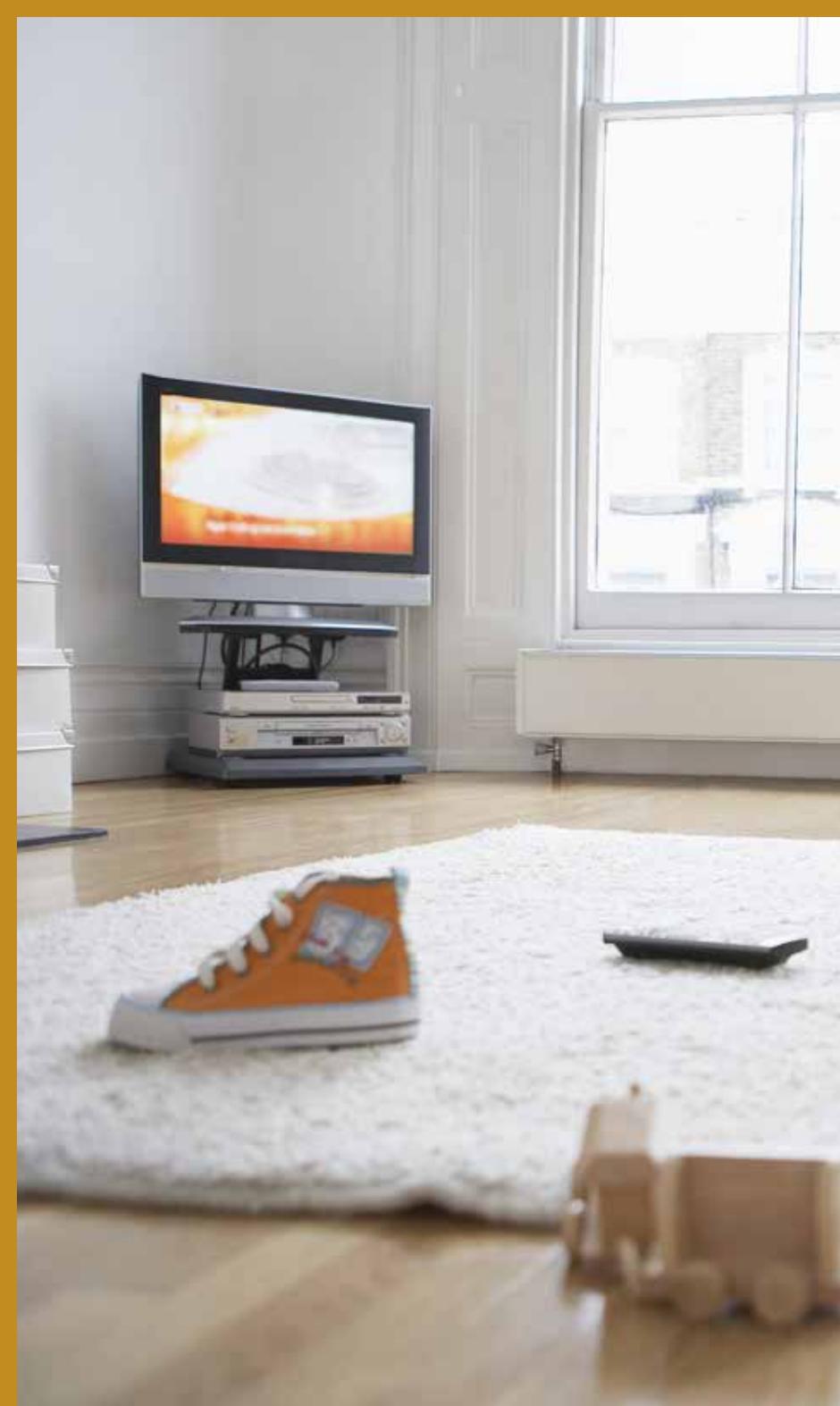
16. Current liabilities

	30 Sep 2015	31 Dec 2014
The Group's loans from financial institutions	2 829	1 086
Current loans from related parties	0	295
Current loans from others	0	550
Advance payments received	164	128
Trade payables	145	284
Other liabilities	544	305
Accrued expenses and deferred income	3 755	5 145
Interest liabilities	533	44
Fair value of interest rate hedges	0	493
Total current liabilities	7 971	8 330

Below are the parent company's loans from financial institutions that were paid on 1 April 2015. On 31 December 2014 these loans were in non-current liabilities.

Parent company's loans from financial institutions	30 Sep 2015	31 Dec 2014
Danske Bank Plc, transferred 29 Mar 2011	0	2 127
capital repayments for the next 12 months included in current liabilities	0	-58
Danske Bank Plc, transferred 7 Sep 2011	0	1 859
capital repayments for the next 12 months included in current liabilities	0	-88
Danske Bank Plc, transferred 21 Jun 2012	0	2 451
capital repayments for the next 12 months included in current liabilities	0	-65
Danske Bank Plc, transferred 10 Oct 2012	0	618
capital repayments for the next 12 months included in current liabilities	0	-16
Danske Bank Plc, transferred 1 Nov 2012	0	903
capital repayments for the next 12 months included in current liabilities	0	-24
Danske Bank Plc, transferred 27 Sep 2013	0	800
capital repayments for the next 12 months included in current liabilities	0	-21
Danske Bank Plc, transferred 17 Dec 2013	0	2 496
capital repayments for the next 12 months included in current liabilities	0	-62
Danske Bank Plc, transferred 31 Mar 2014	0	2 280
capital repayments for the next 12 months included in current liabilities	0	-57
Danske Bank Plc, transferred 30 Apr 2014	0	2 350
capital repayments for the next 12 months included in current liabilities	0	-58
Danske Bank Plc, transferred 25 Jun 2014	0	1 500
capital repayments for the next 12 months included in current liabilities	0	-38
Limit of the bank account with an overdraft facility	0	0
Total loans	0	16 896





17. Derivatives - Interest rate swaps

Fair value	30 Sep 2015	31 Dec 2014
At the end of the period, the fair value of interest rate swaps was	0	-493
Change in fair value during the period, EUR 1,000	493	-270

18. Related party transactions 1 January - 31 September 2015

Orava Residential REIT acquired a total of 46 apartments in Asunto Oy Vantaan Kaakkoisväylä 4 for a purchase price of EUR 4.15 million from Maakunnan Asunnot Oy. Company financed the transaction by a directed share issue of EUR 4.0 million allocated to Maakunnan Asunnot Oy. The subscription price of the new shares is the weighted average price over the five trading days at NASDAQ Helsinki preceding the signing date of the deal.



19. Financial instruments

Management of financing risks

The objective of Orava Residential REIT's risk management is to minimise the negative effects of changes in the financial markets on the company's cash flow, financial result and equity. The Board of Directors of Orava Residential REIT decides on the objectives of risk management, determines the risk management policy and is responsible for monitoring risk management activities. The operational policy observed in financial operations is to avoid risks.

Interest rate risk

Orava Residential REIT uses variable-rate loans from financial institutions to finance its acquisitions. The loans are hedged with interest rate swaps. On 31 December 2014, the hedging rate of loans was 100%.

On 30 September the company did not had any loans hedged with interest rate swaps. After the financial period the EUR 3.5 million loan the parent company has taken at August was hedged with interest rate swaps.

30 September 2015	less than 1 year	1-5 years	over 5 years
Interest bearing loans, EUR 1,000	2 829	31 165	51 070

Liquidity risk

The Group seeks to constantly assess and monitor the amount of financing required for business operations in order to ensure that the Group has sufficient liquid funds to finance its operations. The company has paid all of its loans from financial institutions at 1 April 2015 using the money received from the bond. The risk regarding the availability of financing has been mitigated through regular negotiations with several providers of financing.

During the latest three quarters of a year the company has made 29 convertible loan agreements, in total worth EUR 12.5 million.

Credit risk

Credit risk arises from the possibility that the counterparty to an agreement fails to meet its contractual obligations. On the balance sheet date, the major credit risks faced by the Group were due to rental receivables. The Group does not have any significant concentrations of receivable or credit risks. On 30 September 2015, rental receivables totalled EUR

224,000, of which EUR 136,000 had been referred for debt collection (31 December 2014: EUR 83,000). Receivables in collection less than two months old amounted to EUR 78,000, and receivables more than two months old to EUR 58,000.

Capital management

The objective of capital management is to secure the Group's capability for continuous operations so that it can produce income for its owners and benefits for its other stakeholders. Another objective is to maintain an optimal capital structure, for example when interest rates change.

In order to maintain or change its capital structure, the Group may, within the constraints of the Limited Liability Companies Act and the Tax Exemption Act, change the amount of dividends payable to its shareholders, issue new shares or sell apartments it owns in order to reduce its debts. On 30 September 2014, the equity-to-assets ratio was 50.2 % (31 December 2014: 51.1 %).



The Group's bank loans not included in derivative liabilities and other interest-bearing liabilities were as follows at the end of the period under review, shown by contractual periods of maturity. The amounts disclosed are non-discounted cash flows of loan repayments based on loan agreements.

	Level 1	Level 2	Level 3
Assets			
Investment properties on 30 Sep 2015	-	174 298	4 640
Investment properties on 31 Dec 2014	-	126 986	3 682
Investment properties on 31 Dec 2013	-	76 594	2 596
Investment properties on 31 Dec 2012	-	31 992	-
Investment properties on 31 Dec 2011	-	20 263	-
Liabilities			
Interest rate hedging contracts on 30 Sep 2015	-	0	-
Interest rate hedging contracts on 31 Dec 2014	-	-493	-

20. Assessment of fair value

The following table shows assets and liabilities measured at fair value broken down by the valuation method in thousands of euros. The levels used are defined as follows:

Level 1 Prices of totally identical assets or liabilities quoted on active markets

Level 2 Input information, other than the quoted prices included in Level 1, that is observable for the asset item concerned

Level 3 Input information regarding the asset item or liability which is not based on any observable market information

21. Events after the period under review

The plot transactions agreed by the housing companies owned by Orava Residential REIT on 30 September 2015 were completed in November after pledge arrangements.



FINANCIAL INDICATORS FOR THE GROUP

	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Revenue, EUR 1,000	13 007	12 772
Operating profit, EUR 1,000	7 606	8 279
Financial result for the period, EUR 1,000	5 619	6 969
Comprehensive profit for the period, EUR 1,000	6 112	6 688
Earnings per share, EUR	0,81	1,55
Maximum dividends to be paid during the financial period per share, EUR	1,20	1,12
Dividends paid during the period under review per share, EUR *	0,90	0,84
Return on equity, % p.a. (ROE)	9,3 %	17,1 %
Total return per share, % p.a.	8,4 %	20,7 %
Weighted average number of shares adjusted for share issues	6 954 666	4 492 322

	30 Sep 2015	31 Dec 2014
Balance sheet total, EUR 1,000	182 029	136 728
Equity/assets ratio, %	50,2 %	51,1 %
Loan to value ratio, %	46,7 %	43,9 %
Net asset value per share, EUR, NAV	11,88	13,52
Adjusted net asset value per share, EUR, NAV	11,88	12,02
Net gearing, %	90,9 %	83,0 %
Number of shares on 31 Xxx	7 961 619	5 206 123
Adjusted number of shares on 31 xx	7 679 253	5 810 611
Market capitalisation, EUR 1,000 on 31 xx	78 503	53 362

	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Economic occupancy rate, %, (EUR)	90,6 %	88,2 %
Operational occupancy rate, %, (m ²)	90,3 %	88,8 %
Tenant turnover/month	2,8 %	2,3 %
Gross rental yield, % of fair value	6,8 %	6,7 %
Net rental yield, % of fair value	3,9 %	4,1 %
EPRA Earnings, EUR 1,000	1 938	1 581
EPRA Earnings per share, EUR	0,28	0,35
EPRA Net Asset Value, EUR, 1,000	91 232	60 693
EPRA Net Asset Value per share, EUR	11,88	12,61
EPRA Net Initial Yield (NIY), %	4,0 %	4,4 %
EPRA Vacancy Rate	9,4 %	9,2 %



FORMULAS FOR FINANCIAL INDICATORS (1/3)

$$\text{Earnings per share, EUR} = \frac{\text{Financial result for the period attributable to the shareholders of the parent company}}{\text{Weighted average number of shares during the reported period}}$$

$$\text{Return on equity, \% (ROE)} = \frac{\text{Profit/loss for the period} \times 100}{\text{Equity (average during the reported period)}}$$

$$\text{Total return per share, \% per year} = \left\{ \frac{\text{Nettovarallisuus/osake vuoden lopussa} + \text{maksettu osinko/osake}}{\text{Net assets per share at the beginning of the year}} - 1 \right\} \times 100$$

$$\text{Equity/assets ratio, \%} = \frac{\text{Equity} \times 100}{\text{Balance sheet total less advance payments received}}$$

$$\text{Loan to value ratio, \% Loan to Value} = \frac{\text{The Group's share of outstanding capital of interest-bearing loans}}{\text{Debt-free value of housing company shares and other assets}}$$

$$\text{Net asset value per share, EUR NAV} = \frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares at the end of the reported period}}$$



FORMULAS FOR FINANCIAL INDICATORS (2/3)

$$\text{Net gearing, \%} = \frac{\text{Interest-bearing liabilities} - \text{liquid assets} \times 100}{\text{Equity}}$$

$$\text{Economic occupancy rate, \% (EUR)} = \frac{\text{Gross rental income for the reported period per the number of months}}{\text{Potential gross rental income for the reported period per the number of months}}$$

$$\text{Operational occupancy rate, \% (m}^2\text{)} = \frac{\text{Square metres let on the last day of the month during the reported period per the number of months}}{\text{Square metres available for letting on the last day of the month during the reported period per the number of months}}$$

$$\text{Tenant turnover} = \frac{\text{Expired agreements per month}}{\text{Number of apartments available for letting on the last day of the month}}$$

$$\text{Gross rental yield, \%} = \frac{\text{Gross rental income} \times 100}{\text{Market value of the rent portfolio at the end of the reported period}}$$

Calculated on a monthly basis; the figure for the reported period is the average of the monthly figures

$$\text{Net rental yield, \%} = \frac{\text{Gross rental income less expenses} = \text{net income} \times 100}{\text{Market value of the rent portfolio at the end of the reported period}}$$

Calculated on a monthly basis; the figure for the reported period is the average of the monthly figures



FORMULAS FOR FINANCIAL INDICATORS (3/3)

$$\begin{array}{l} \text{EPRA Earnings} \\ \text{(Operational result)} \end{array} = \frac{\begin{array}{l} \text{Net rental income} \\ - \text{marketing and administrative expenses} \\ \text{+/- other operating income and expenses} \\ \text{included in operations} \end{array}}{\end{array}$$

$$\begin{array}{l} \text{EPRA Earnings per share} \\ \text{(Operational result per share)} \end{array} = \frac{\text{EPRA Earnings}}{\text{Weighted average number of shares during the reported period}}$$

$$\begin{array}{l} \text{EPRA Net Asset Value} \\ \text{(Net assets)} \end{array} = \frac{\begin{array}{l} \text{Equity attributable to the shareholders of the parent company} \\ - \text{any other equity reserve} \end{array}}{\end{array}$$

$$\begin{array}{l} \text{EPRA Net Asset Value per share} \\ \text{(Net assets per share)} \end{array} = \frac{\text{EPRA Net Asset Value}}{\text{Undiluted number of shares at the end of the reported period}}$$

$$\begin{array}{l} \text{EPRA Net Initial Yield (NIY), \%} \\ \text{(Initial yield)} \end{array} = \frac{\begin{array}{l} \text{Annualised rental income including indexation adjustments} \\ \text{on 31 xxxxx} \\ \text{Investment properties less properties under development on} \\ \text{31 xxxxx} \end{array}}{\end{array}$$

$$\text{EPRA Vacancy Rate} = \frac{\text{Potential rent from vacant apartments}}{\text{Potential rent from apartments available for letting}}$$



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