

Orava Residential REIT plc

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STRATEGY UPDATE OF ORAVA RESIDENTIAL REIT PLC

The Board of Directors of Orava Residential REIT plc has confirmed the company's updated strategy.

The key financial objectives remained unchanged: the targeted long-term return on equity shall be 10% p.a. and the targeted long-term dividend yield 7–10% p.a. on net asset value per share. The loan-to-value ratio will be kept at approximately 50% in 2017.

In addition to the key financial objectives, the main strategic objectives were confirmed to be:

- raising equity capital to EUR 110-120 million in 2017 and maintain ca. 20% p.a. growth over the medium term
- lifting the economic occupancy rate to over 95% in 2017
- reducing the property maintenance and repair costs, expenses from rental operations and administrative costs in relation to the size of the investment portfolio in 2017
- increasing the volume of apartment sales in 2017 and maintaining the level of apartment sales at 5-10% of the value of the investment assets on the opening balance sheet over the medium term
- enhancing the quantity and quality of investor information

The age and regional distribution objectives for portfolio management were updated. According to the updated age distribution objective the weighting of properties completed in the 1990s and afterwards shall be 53%, and the weighting of properties completed before 1990 shall be 47% plus minus approximately 10 percentage points calculated from the market value of the investment portfolio. The regional distribution objective remained unchanged, 53% of the market value of apartments shall be located in the Helsinki region, 22% in large towns and 25% in medium-sized towns with a variation range of plus minus approximately 10 percentage points.

Investors, analysts and media representatives are invited to attend Orava Residential REIT's Capital Markets Day, which will be held in Pörssitalo at Fabianinkatu 14, 00100 Helsinki, on Tuesday 17 January 2017 starting at 1:00 p.m. At the event Orava Residential REIT's strategy, business model, profit drivers and housing market analysis shall be presented (in Finnish).

Board of Directors

Additional information

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