

## FINANCIAL STATEMENTS BULLETIN OF ORAVA RESIDENTIAL REAL ESTATE INVESTMENT TRUST PLC 1 JANUARY – 31 DECEMBER 2014

### 1 October – 31 December 2014

- Revenue EUR 2.8 million (1 October – 31 December 2013: EUR 4.9 million)
- Comprehensive profit EUR 1.7 million (EUR 4.0 million)
- Earnings per share EUR 0.35 (EUR 0.94)
- Economic occupancy rate 88.4%
- Gross rental yield 6.6%
- Net rental yield 3.6%
- Profit from sales and changes in value EUR 0.8 million (EUR 4.0 million)
- Total dividends distributed during the fourth quarter EUR 0.28 per share (EUR 0.27 per share)

### 1 January – 31 December 2014

- Revenue EUR 15.6 million (1 January – 31 December 2013: EUR 9.7 million)
- Comprehensive profit EUR 8.4 million (EUR 6.9 million)
- Earnings per share EUR 1.87 (EUR 3.19)
- Economic occupancy rate 89.4% (93.8%)
- Gross rental yield 6.7% (8.0%)
- Net rental yield 4.0% (4.5%)
- Profit from sales and changes in value EUR 9.1 million (EUR 6.5 million)
- Total dividends distributed during the period under review EUR 1.12 per share (EUR 1.08 per share)

The adjusted net asset value per share of Orava Residential Real Estate Investment Trust plc ("Orava Residential REIT") increased to EUR 12.07 (+5%) from EUR 11.54 at the beginning of the year. The unadjusted net asset value per share is EUR 13.57 (+18%). The company has continued growing, and the value of its investment properties totalled EUR 130.6 million (31 December 2013: EUR 79.2 million) at the end of the period. The Board of Directors proposal to Annual General Meeting for dividends to be paid in 2015 is EUR 0.30 per share in each quarter, or a total of EUR 1.20 per share.

### CEO's comments:

"Orava Residential REIT achieved its targeted financial result in 2014. In the fourth quarter, the company decided on acquisitions that increased the fair value of its investment properties to more than EUR 130 million.

The general price development of apartments declined in 2014, but the prevailing market conditions offered a wholesale purchaser an opportunity to make profitable acquisitions. During the year, we acquired a total of 552 apartments from 20 different properties. The debt-free purchase prices totalled EUR 46.2 million. In the fourth quarter, we made agreements to acquire 164 apartments from a total of three different properties at a debt-free purchase price of EUR 10.2 million. The impact of successful apartment acquisitions on the accrual of financial result for the whole year was significant.

The sales of individual apartments proceeded fairly slowly in 2014, even though the market picked up slightly towards the end of the year. In addition to apartment sales, the sales from the investment portfolio were supplemented by sales of plots during the year; accordingly, the sales from the portfolio during the period totalled EUR 5.7 million.

In the fourth quarter, the economic occupancy rate fell to 88.4% from 89.7% in the previous quarter. The fall was primarily due to the impact of new apartments acquired without tenants in the autumn.

The maintenance and repair costs of investment properties remained at the same level in 2014 as the year before in relation to the average value of the investment properties.

In connection with the company's strategy work, the regional and age distribution targets were updated, and growth criteria were set for the target towns in addition to size criteria.

The number of Orava Residential REIT shareholders continued to grow and doubled year-on-year. At the end of January 2015, the residential REIT had over 5,800 shareholders. Trading in the company's shares on the Helsinki Stock Exchange has also continued to be lively; the average daily turnover in 2014 was approximately EUR 254,000. During the period, the company issued a total of 891,729 new shares.

The company estimates that it has reasonably good preconditions for maintaining good profitability in 2015 and achieving the targeted total return of 10 per cent on shareholders' equity."

## **Operating environment**

### National economy

Finland's GDP growth is estimated to have settled in the range  $-0.4\%$  –  $0.0\%$  in 2014, and it is forecasted to remain in the range  $+0.1\%$  –  $+1.0\%$  in the current year. The change in private consumption that has a key impact on the housing market is estimated to have been approximately  $-0.4\%$  –  $+0.2\%$  in the ended year and to be  $-0.2\%$  –  $+0.9\%$  in 2015. The market interest rates in the euro area have continued to fall, and short-term rates are also expected to remain at less than one per cent for 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.

The housing market is estimated to start strengthening slowly as a result of the picking up of overall economic activities in 2015.

### Demand in the housing market

During October–December 2014, households drew down EUR 3.9 billion in new mortgages, or 6% more than a year previously according to statistics from the Bank of Finland. The euro-denominated mortgage base totalled EUR 89.8 billion at the end of December, and the annual growth in the mortgage base was 1.7%.

The average marketing period for old apartments in the country overall according to the Finnish Etuovi.com portal increased from 112 days in September to 135 days in December, while it was 109 days in December in the previous year.

The demand for apartments has continued to be weak during the end of the autumn and beginning of the winter.

#### Supply in the housing market

According to Statistics Finland, building permits for apartment blocks were granted for 816 apartments in October, which was 15% less than a year previously. Correspondingly, in January–October, a total of 14,840 building permits were granted for apartment block apartments, or 22 % more than a year previously. The annual change in the sliding annual sum of building permits granted for apartment blocks was +25 %.

The three-month change in the housing construction volume index that describes the value of on-going new construction was +12% in August, and the change year-on-year was –17%.

The supply in the housing market has continued at a low level, even though some signs of a potential turn are visible.

#### Prices, rents and return in the housing market

In the fourth quarter of 2014, the rents of non-subsidised apartments increased by 3.0% year-on-year. The change in the prices of apartments during the fourth quarter was –1.0% year-on-year. 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 fourth quarter was 15.5. The 40-year average for the ratio of square metre prices to annual rents in Finland is 16.7.

During the next 12 months we expect housing prices throughout the country to remain approximately the same or at the end of period start rising slightly and the growth rate in rents for non-subsidised apartments to remain approximately the same if the market interest rate expectations and economic forecasts prove to be accurate with regard to their essential components affecting the housing market.

### **Rental operations**

Over the period under review, occupancy rates in rental operations were at a lower level year-on-year. This was primarily due to the acquisitions made during the period, where the share of new apartments without tenants was higher than in the comparison period. In addition, the prolonged poor economic situation has made letting slightly more difficult.

The economic occupancy rate for the fourth quarter was 88.4%, while it was 89.4% for the entire period under review.

At the end of the period, the company had a total of 1,294 residential apartments (2013: 772) and a total of 1,318 apartments. There were 1,017 leases at the end of the period, and 62 apartments were for sale (2013: 29).

	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
2013		
Gross rental yield, %	6.7	8.0
Net rental yield, %	4.0	4.5
Economic occupancy rate, %	89.4	93.8
Operational occupancy rate, %	88.7	92.5
Tenant turnover/month, %	2.1	2.3

Of the entire lease base for residential apartments, 25 were agreements valid for a fixed term. A total of 237 agreements were terminated during the period (2013: 119).

## Acquisitions

Acquisitions implemented or agreed during the period under review

Time	Property	Debt-free purchase price (MEUR)	Company loan (MEUR)	Directed issues (shares)	Apartments (number)
January-September	7 properties and apartments from	36.2	16.0	425,929	388
28 Nov 2014	10 properties A property from Kirkkonummi	6.2	3.5	235,922	84
31 Dec 2014	2 properties from Rovaniemi	4.0	-	368,000	80
<b>TOTAL</b>		<b>46.4</b>	<b>19.5</b>	<b>1,029,851</b>	<b>552</b>

In the fourth quarter, the company acquired a property from Osuusasunnot Oy in Kirkkonummi at a debt-free price of EUR 6.2 million through a binding agreement concluded on 28 November 2014. The property includes 84 apartments. The transaction was implemented according to the agreement on 5 January 2015. The transaction was financed through a directed issue allocated to Osuusasunnot Oy, where Osuusasunnot Oy subscribed for 235,922 new shares issued by the company. The subscription price of the new shares was EUR 11.33 per share, which was the weighted average price during the five days of stock exchange trading preceding the day the agreement was concluded.

In addition, the company acquired two properties from Royal House Oy in Rovaniemi at a debt-free purchase price of a total of EUR 4.0 million through a binding agreement concluded on 31 December 2014. The properties include a total of 80 apartments. The transaction was implemented according to the agreement on 9 February 2015. The transaction was financed through a directed issue allocated to Royal House Oy, where Royal House Oy subscribed for 368,000 new shares issued by the company. The subscription price of the shares was EUR 10.60 per share, which was the weighted average price during the five days of stock exchange trading preceding the day the agreement was concluded.

## Apartment sales

During the period under review, the company sold a total of 29 apartments from twelve different housing companies. The debt-free selling prices of the apartments totalled EUR 2.9 million. The sales of apartments picked up slightly during the autumn, and the apartment sales during the fourth quarter totalled EUR 0.9 million. In addition, the company sold two plots during the period, the aggregate selling price of which was EUR 2.75 million. The housing companies located on the plots concluded leases with the new owner. The sales from the investment portfolio totalled EUR 5.7 million. The brokerage fees for the sales amounted to EUR 115,000.

In accordance with the company's investment strategy, the aim is to annually sell apartments for 10 per cent of the value of the investment properties on the company's opening statement of

financial position. The sales of apartments are implemented by selling apartments released from rental use individually. In 2014, the sales of investment properties corresponded to slightly more than 7% of the value of investment properties on the opening statement of financial position.

### Investment properties on 31 December 2014

The fair value of investment properties at the end of the period totalled EUR 130,6 million (31 December 2013: EUR 79.2 million). Orava Residential REIT had a total of 1,318 apartments on 31 December 2014 (31 December 2013: 791), the aggregate leasable surface area of which was approximately 82,200 m<sup>2</sup> (31 December 2013: 50,100 m<sup>2</sup>). The apartments were located at 63 different housing companies, where the company's holding was 100% in 16 of the cases. More detailed information on the investment properties is presented in the tables section.

#### Age and regional distributions of the investment portfolio (EUR at fair values)

	31 Dec 2014	31 Dec 2013
Newer (1990 ->)	58%	56%
Older (- 1989)	42%	44%
Helsinki Region	43%	38%
Major towns	23%	19%
Medium-sized towns	34%	43%

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, but 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 2013 financial statements.

### Consolidated profit for the period

Consolidated revenue for the period totalled EUR 15.6 million (2013: EUR 9.7 million). The revenue was divided into income from ordinary operations of EUR 6.5 million (2013: EUR 3.2 million) and capital gains of EUR 9.1 million (2013: EUR 6.5 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 5.4 million (2013: EUR 2.2 million), of which maintenance costs and annual repairs accounted for EUR 2.8 million (2013: EUR 1.5 million) and the performance-based management fee EUR 0.8 million (2013: EUR 0.0 million). The growth in costs is mainly due to the expansion of the operations.

Operating profit amounted to EUR 10.2 million (2013: EUR 7.4 million)

Financial income and expenses stood at EUR -1.4 million (2013: -639,000) and taxes for the period at EUR 94,000 (2013: EUR 48,000).

Profit for the period amounted to EUR 8.7 million (2013: EUR 6.8 million). Comprehensive income items totalled -270,000 (2013: EUR 183,000), and comprehensive profit for the period was EUR 8.4 million (2013: EUR 6.9 million).

### Major events 1 January – 31 December 2014

A total of 1,366,558 shares in Orava Residential REIT, the dividend rights of which became equal to those of the listed shares in connection with the dividend payment of December, were combined with the old shares in the book-entry system and admitted to trading on 3 February 2014. The total number of the company's shares subject to public trading after the combination was 4,288,707; the trading code is OREIT and the ISIN code is FI4000068614.

After the shares listed in February and admitted to trading, 25,687 shares subscribed in the March 2013 share issue, the dividend rights of which differ from the aforementioned shares, still remained unlisted. The company applied for them to be admitted to public trading on the stock exchange list of the Helsinki Stock Exchange after their dividend rights became equal to those of the listed shares in December 2014.

On 6 February 2014, Orava Residential REIT's Board of Directors elected Pekka Peiponen, M.Sc. (Econ.), as the CEO.

As decided by the General Meeting, a new condition was added to the rules for real estate investment operations concerning the payment of the performance-based management fee (a "high watermark" condition). According to the new condition, the performance-based management fee will only be 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 company acquired a total of 118 apartments through transactions made and an agreement concluded on 31 March 2014. Their aggregate debt-free purchase price was EUR 12.7 million. A residential property of 74 apartments at Maauuntie 14 in Vantaa was purchased from VATROhousing Oy included in the SATO Group. Twenty apartments at Asunto Oy Tampereen Ruuti completed in June 2014 were acquired from Lujatalo Oy. In addition, on 30 April 2014, a binding agreement was concluded with Varma Mutual Pension Insurance Company on the purchase of the share capital of Asunto Oy Helsingin Koirasaarentie 1 (24 apartments).

The company concluded a service agreement with Ovenia Oy at the end of June. The service agreement covers housing management, property manager and apartment rental services. Some of the properties acquired at the end of the period and the apartments located in them were given for management by Ovenia Oy according to the agreement.

The company acquired a total of 131 apartments from A. Ahlström Real Estate Ltd and its subsidiaries through transactions implemented on 25 June 2014. Their aggregate debt-free purchase price was EUR 4.1 million. The transaction included the assignment of a contribution in kind of EUR 1.34 million, which was paid with 104,415 new shares issued by the company and the subscription of 206,708 new shares in a directed issue allocated to the seller. The subscription price of the new shares, EUR 12.82 per share, was the average price of the company's share on the Helsinki Stock Exchange during the five trading days preceding 25 June 2014, the date of implementation of the transaction, weighted by share turnover, adjusted for the dividends decided by the Annual General Meeting but not paid (EUR 0.56 per share). On 26 June 2014, the company concluded a binding agreement on the acquisition of a total of 26 apartments from Pohjola Rakennus Oy Sisä-Suomi at a debt-free purchase price of EUR 4.4 million.

The company concluded a convertible bond agreement of EUR 1 million with Erikoissijoitusrahasto UBView on 26 June 2014. The convertible bond is primarily intended for financing acquisitions of investment properties, and secondarily for the company's general working capital purposes. Under the agreement, both parties have the right to convert the

capital of the convertible bond into new shares in the company. The subscription price of the share is the average stock exchange price weighted by the share turnover on the date of presentation of the subscription notice for the new share in trading on NASDAQ OMX Helsinki.

At the end of June, the company implemented directed issues of 418,923 shares, prepared a prospectus and applied for the shares to be admitted to trading on the main list of the Helsinki Stock Exchange (trading code OREITN0114). Trading in the new shares started on 30 June 2014. In the directed issues, A. Ahlström Real Estate Ltd subscribed for 311,123 shares and Nordea Bank Finland Plc for 7,800 shares at the subscription price of EUR 12.82 per share. In addition, the company allocated a charge-free share issue of 100,000 shares to itself.

The acquisition of 26 apartments from Pohjola Rakennus Oy agreed in June 2014 was implemented according to plan on 27 August 2014. The apartments purchased are located in three new properties: As Oy Tampereen Vuoreksen Emilia (14 apartments), As Oy Jyväskylän Ahjotar (8 apartments) and As Oy Jyväskylän Kyläseppä (4 apartments). The apartments were without tenants at the time of the acquisition.

An agreement on the market guarantee for new shares (trading code: OREITN0114) was concluded with Nordea Bank Finland Plc, and the market guarantee according to the agreement began on 7 July 2014. Under the agreement, Nordea Bank Finland Plc will provide a purchase and sale offer for a new share in Orava Residential REIT so that the largest allowed difference between the purchase and sale offer is 4% of the purchase offer. The offers shall include at least a number of shares the value of which corresponds to EUR 4,000.

On 6 August 2014, Orava Residential REIT signed a second convertible bond of EUR 1 million in accordance with the terms and conditions of the previous bond (26 June 2014) with Erikoissijoitusrahasto UBView. The 80,000 new shares allocated by Orava Residential REIT to itself in a charge-free issue on 7 August 2014 were recorded in the Trade Register on 15 August 2014. After the issue, the number of the company's shares totalled 4,813,317 shares.

On 29 September 2014, Orava Residential REIT signed a convertible bond of EUR 1 million in accordance with the terms and conditions of the previous bond (26 June 2014) with Erikoissijoitusrahasto UBView.

The company acquired 58 apartments from Skanska at a debt-free price of EUR 13.5 million through a binding agreement concluded on 30 September 2014. The apartments acquired are new and located in Espoo, Kirkkonummi, Järvenpää, Tampere, Lempäälä and Raisio. The apartments were acquired without tenants.

Through a transaction concluded on 30 September 2014, the company acquired 54 apartments from A. Ahlström Real Estate Ltd in Kotka at an aggregate debt-free purchase price of EUR 1.45 million. The transaction was financed through a directed issue allocated to A. Ahlström Real Estate Ltd, where A. Ahlström Real Estate Ltd subscribed for 114,806 new shares issued by the company. The subscription price of the new shares was EUR 12.63 per share, which was the weighted average price during the five days of stock exchange trading preceding the beginning of the subscription period. In addition, the company allocated a charge-free share issue of 80,000 shares to itself. The new shares did not entitle their holders to dividends paid during 2014.

The 114,806 shares allocated by Orava Residential REIT to A. Ahlström Real Estate Ltd on 30 September 2014 in connection with a property acquisition and the 80,000 new shares allocated to the company itself in a charge-free issue were recorded in the Trade Register on 8 October 2014. After the issues, the number of the company's shares totalled 5,008,123. NASDAQ OMX Helsinki Oy ("the Helsinki Stock Exchange") approved Orava Residential REIT's listing

application concerning the issued shares. The shares became subject to trading on 10 October 2014. The trading code of the shares on the stock exchange list of the Helsinki Stock Exchange was OREITN0114.

The shares assigned by the company in accordance with the convertible bond agreements concluded by the company in June and August were recorded under the company's equity items on 8 October 2014. The increase in the share capital was EUR 1.6 million, in addition to which the company's reserve for invested unrestricted equity was increased by EUR 0.4 million. After the increases, the company's share capital was EUR 49,057,130.00. After the registration of the number of shares, the imputed net asset value per share was EUR 12.27 calculated using figures at the end of September.

The transaction including 59 apartments agreed with Skanska Rakennus Oy in September 2014 was paid according to plan on 29 October 2014. The apartments purchased are located in six new properties: As Oy Espoon Albert (4 apartments), As Oy Kirkkonummen Tammi (14), As Oy Järvenpään Saundi (8), As Oy Härmälänrannan Nalle (3), As Oy Lempäälän Tikanhovi (17) and As Oy Raision Valonsäde (13). The apartments were without tenants at the time of the acquisition.

On 28 November 2014, the company concluded a binding agreement on the acquisition of Asunto Oy Kirkkonummen Kummikallio. The property includes 84 apartments. The purchase price of EUR 2.7 million will be paid in its entirety with new shares in the company's directed issue allocated to Osuusasunnot Oy. The subscription price of the shares, EUR 11.33 per share, was the weighted average price of the share during the five days of trading on the Helsinki Stock Exchange preceding the date of concluding the agreement.

The company updated its strategy for 2015 on 17 December 2014. The strategic financial objectives remained unchanged: the targeted total return on the share shall be at least 10% p.a., the targeted dividend return shall be 7–10% p.a. on net assets per share, and the crediting rate shall be approximately 50%. In addition to the financial targets, the main strategic targets are: increasing shareholders' equity to EUR 90 million in 2015 and to EUR 200–300 million in the medium term, diversifying the acquisition of debt financing, raising the economic occupancy rate to more than 95%, dropping property management costs to 5% and repair costs to 10% below the statistical benchmark, and increasing the amount of apartment sales to approximately 10% of the value of investment properties on the opening statement of financial position. In addition, the regional and age distribution targets for portfolio management were updated, and the acquisition criteria for apartments were specified further.

On 31 December 2014, the company concluded a binding agreement on the acquisition of Asunto Oy Rovaniemen Rekimatka 16–18 and Asunto Oy Rovaniemen Rekimatka 29. The properties include a total of 80 apartments. The purchase price of EUR 4.0 million was paid with new shares issued by the company in a directed issue allocated to Royal House Oy. The subscription price of the shares, EUR 10.60 per share, was the weighted average price of the share during the five days of trading on the Helsinki Stock Exchange preceding the date of concluding the agreement.

In the fourth quarter, the company continued concluding convertible bond agreements in accordance with the terms and conditions of the previous convertible bond agreements. Convertible bond agreements were concluded to a total amount of EUR 2.0 million, of which EUR 1.99 million was converted by 31 December 2014. Under the terms and conditions of the convertible bonds concluded by the company, the company has assigned a total of 418,614 of its shares in conversions of its convertible bonds during the period under review. At the end of the period, the company possessed 39,386 treasury shares.

### Events after the financial period

The 500,000 shares allocated to the company itself in a charge-free directed issue on 17 December 2014 were recorded in the Trade Register on 5 January 2015. The company may use the shares allocated to it to strengthen the capital structure, develop its business operations and expand its ownership base through both acquiring investment properties and issuing convertible bonds. After the issue, the number of the company's shares totalled 5,706,123. On 19 January 2015, the company 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. After the listing, the total number of the company's listed shares was 5,253,923.

On 23 January 2015, the company specified the result estimate for the fourth quarter. Orava Residential REIT estimated in its interim report for the third quarter published on 7 November 2014 that the financial result for the fourth quarter is expected to remain weaker than that for the third quarter. The comprehensive profit for the third quarter was EUR 1.9 million. The company's further specified estimate of the result for the fourth quarter was EUR 1.7–2.3 million.

On 23 January 2015, the company announced that it is investigating possibilities for the implementation of a financing arrangement of an estimated EUR 40 million. The arrangement would consist of a credit facility of an estimated EUR 15 million, which would be used to finance the acquisition of new properties, and a covered bond of an estimated EUR 25 million, which would mainly be directed to domestic institutional investors and whose purpose would be to refinance the company's existing loans and promote the expansion of the company's business operations.

The Financial Supervisory Authority approved the company's prospectus, which is related to the listing of a total of 1,056,122 shares, on 23 January 2015. The shares are 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). The company also filed an application with the Helsinki Stock Exchange concerning the admission to trading of the shares subscribed in the directed issue allocated to Osuusasunnot Oy and the charge-free shares allocated to the company itself, in total 688,122 shares, on the stock exchange list of the Helsinki Stock Exchange with the trading code OREIT. Trading in the shares in question started on 27 January 2015. The ISIN code of the shares listed is FI4000068614.

The 368,000 shares allocated to Royal House Oy were recorded in the Trade Register on 11 February 2015 and applied to be admitted to trading on the Helsinki Stock Exchange in connection with the implementation of the transaction on 9 February 2015. In addition, the company allocated a charge-free share issue of 200,000 shares to itself. The shares allocated to the company itself do not entitle their holders to dividends to be paid from the result for 2014 in 2015. After the aforementioned shares have been registered, the number of the company's registered shares totals 6,510,045, and the company's registered share capital is EUR 56,376,500.

On 10 February 2015, the company implemented a transaction for 22 apartments with Skanska Rakennus Oy at a debt-free purchase price of EUR 4.6 million. The apartments purchased are located in two new properties, one in Mikkeli (12 apartments) and the other in Pori (10). The apartments were without tenants at the time of the acquisition.

At its meeting on 11 February 2015, the Board of Directors allocated 39,952 shares to the management company Orava Funds plc. The subscription price of the shares was the weighted

average price during the last five days of stock exchange trading in 2014. Orava Funds plc set off the payment of the subscription price against its performance-based management fee receivable of EUR 423,491.20 to be paid in shares.

## **Dividend**

### 2014

The Board of Directors proposes to the Annual General Meeting that a total of EUR 1.20 per share be distributed from the result for 2014 in dividends and that the Board of Directors be authorised to decide on the amounts of dividends to be paid in each quarter.

## **Future outlook**

Orava Residential REIT estimates that it has reasonably good preconditions for maintaining good profitability in 2015 and achieving the targeted total return of 10 per cent on shareholders' equity.

The value of the apartments in the investment portfolio is expected to remain at the same level or at the end of period to start increasing moderately as a result of the predicted strengthening of the overall economy. The rental income is estimated to rise slightly, as we believe that we can increase the economic occupancy rate compared with the previous year. The result impact of the acquisition of properties is expected to remain at the level of the previous year. The ratio of maintenance and repair costs to the value of investment assets is also expected to remain approximately at the level of the previous year.

Helsinki, 11 February 2015

Orava Residential Real Estate Investment Trust plc

Board of Directors

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Appendix: Financial Statements Bulletin 2015  
Investment rules