

INTERIM REPORT 1 JANUARY – 30 JUNE 2014

Q2/2014



vvo

Main » Summary

Review period January–June 2014

- Turnover for the period amounted to EUR 188.5 (171.6) million, such growth being attributable to revenue from the rental business as well as from the sale of inventory properties.
- Profit before taxes amounted to EUR 51.7 (43.9) million. Our favourable profit performance is based on the successful management of maintenance costs, a small tenant turnover rate, a good occupancy rate, and low financial costs.
- At 30 June 2014, the Group owned 40,462 (39,851) rental apartments. A total of 919 (802) rental homes were under construction.
- The Group's gross investments in the period amounted to EUR 101.6 (72.2) million, consisting of investments in new development and renovations as well as stock procurements.
- At 30 June 2014, the equity ratio at fair value was 41.3 (38.4) per cent.
- The financial occupancy rate of properties was high, standing at 98.2 (98.2) per cent. Resident turnover was low, at 13.5 (13.1) per cent.

Main » Summary » VVO in brief



VVO in brief

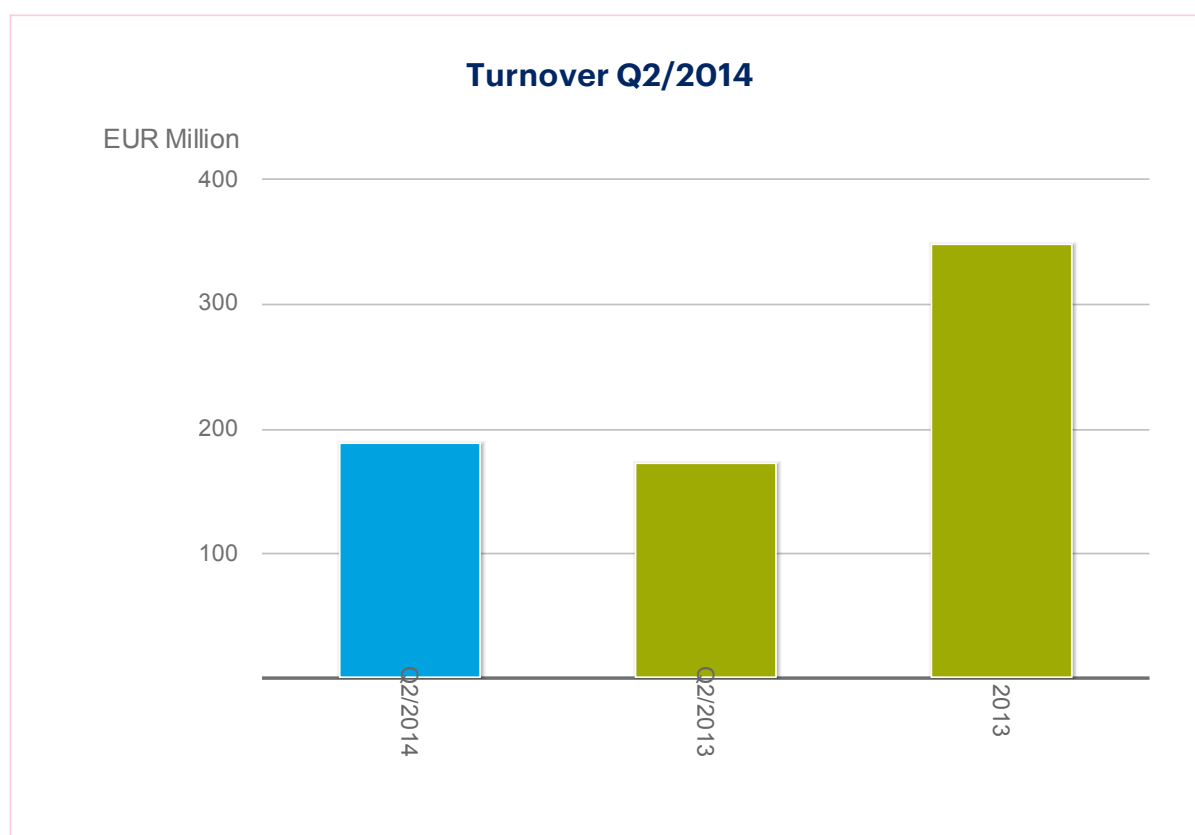
VVO-group plc is a leading company in Finland focusing on investing in and renting real estate. Established 45 years ago, VVO now has more than 40,000 rental apartments in 42 communities. For most of these (around 65 per cent), market-based rents are charged. For the remaining apartments, rents are set in accordance with the cost principle. The fair value of VVO's housing asset is over EUR 3.4 billion.

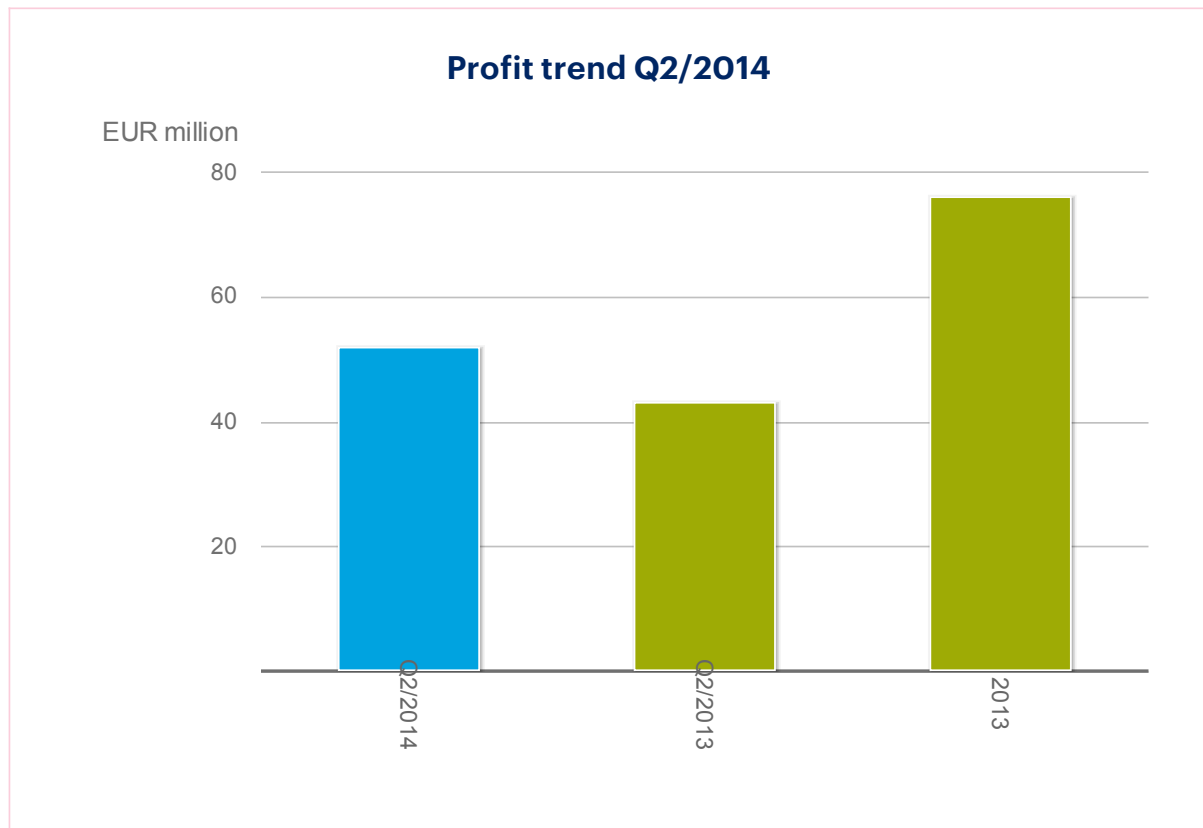
Main » Summary » Key indicators

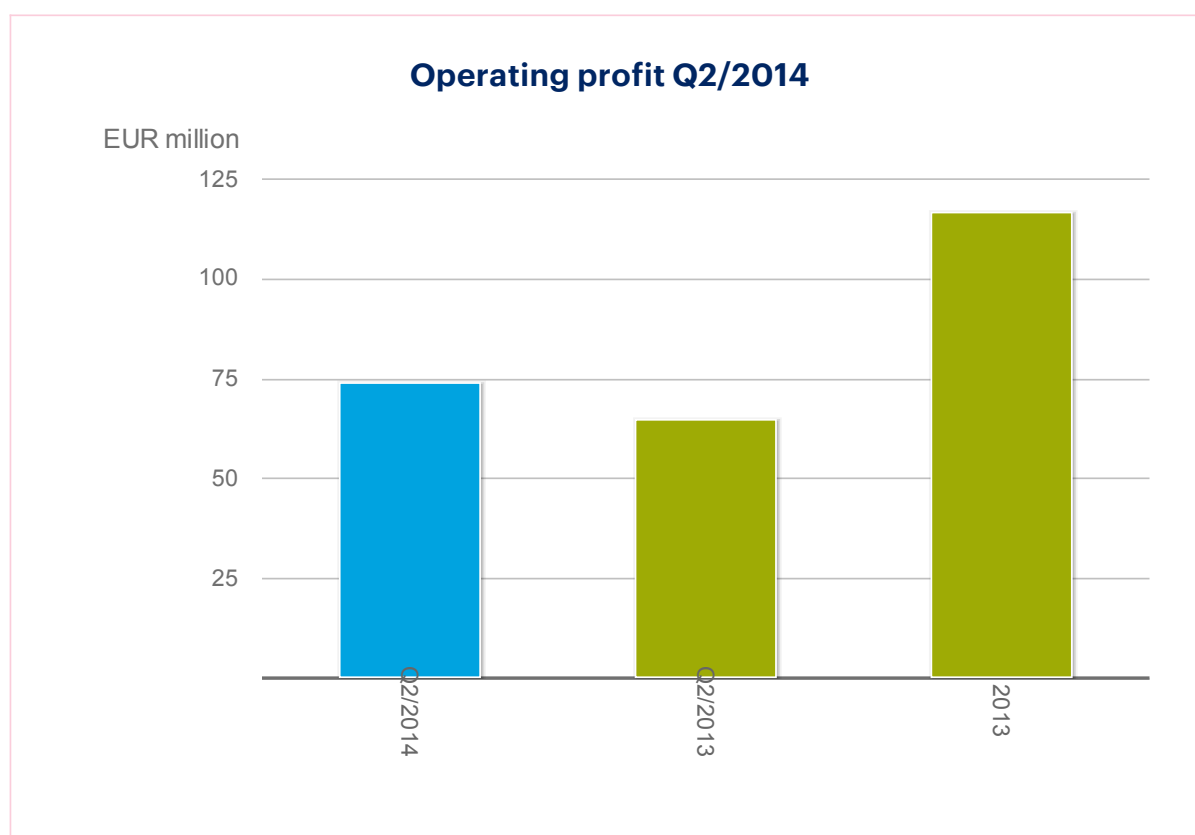
Key indicators

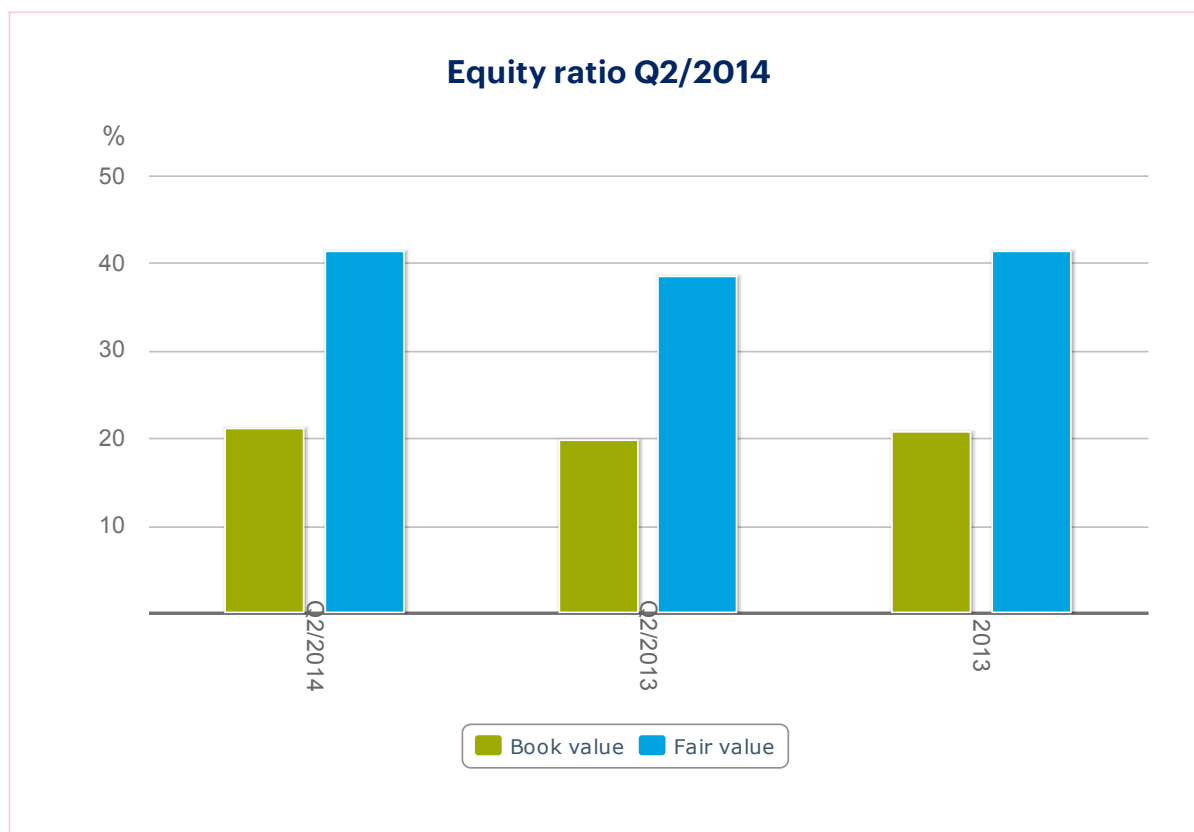
| VVO Group | 1 Jan – 30 June 2014 | 1 Jan – 30 June 2013 | 1 Jan – 31 Dec 2013 |
|--|---------------------------------|---------------------------------|--------------------------------|
| Turnover, EUR million | 188.5 | 171.6 | 346.6 |
| Operating profit, EUR million | 73.8 | 64.6 | 116.2 |
| % of turnover | 39.2 | 37.7 | 33.5 |
| Profit before appropriations and taxes, EUR million | 51.7 | 43.9 | 75.9 |
| % of turnover | 27.5 | 25.6 | 21.9 |
| Earnings per share, EUR | 5.49 | 4.44 | 10.07 |
| Balance sheet total, EUR million | 2,543.4 | 2,379.8 | 2,468.5 |
| Return on equity, % (ROE) | 15.6 | 14.3 | 15.5 |
| Return on investment, % (ROI) | 6.5 | 6.2 | 5.5 |
| Equity ratio, fair value, % | 41.3 | 38.4 | 41.3 |
| Housing and commercial premises, fair value, EUR million | 3,426.2 | 3,174.9 | 3,351.1 |
| Equity per share, fair value, EUR | 214.17 | 183.74 | 209.16 |
| Equity ratio, book value, % | 21.0 | 19.7 | 20.7 |
| Gross investments, EUR million | 101.6 | 72.2 | 223.2 |
| Interest-bearing liabilities, EUR million | 1,847.7 | 1,744.2 | 1,795.1 |
| Cash and cash equivalents, EUR million | 149.6 | 148.3 | 142.3 |
| Employees at end of period | 366 | 364 | 324 |

Fair value was determined at 30 June 2014, 30 June 2013 and 31 December 2013 and included in interim reports and financial statements. An external expert provides a statement on the valuation.

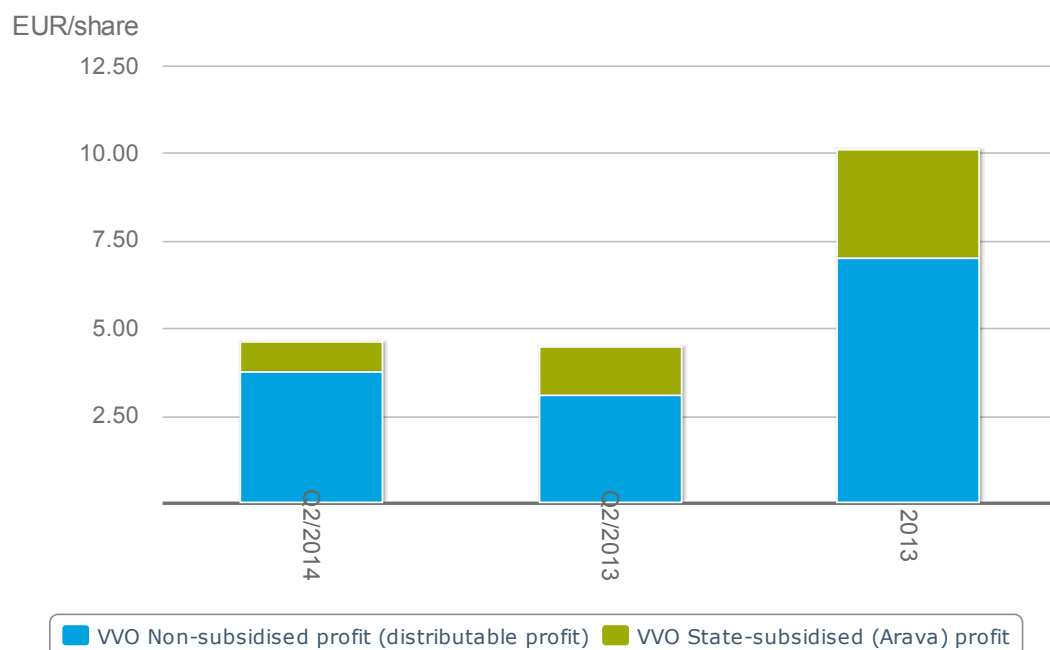


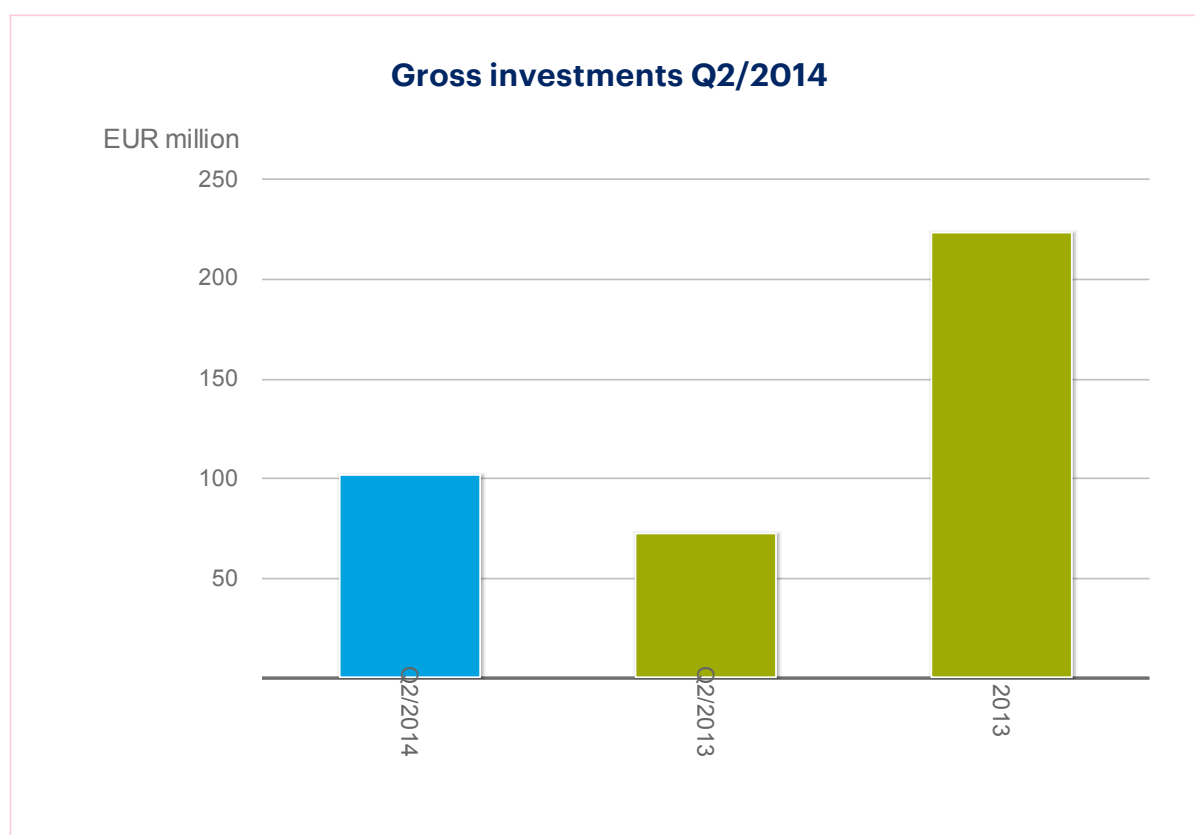






Key ratios per share Q2/2014





Main » CEO's review



Procurements extended rental apartment investments to more than EUR 100 million

Profit performance remained excellent during the review period. An important part of our favourable profit performance remains the more efficient management of maintenance costs. This is a result of the tendering of maintenance and cleaning during the previous financial period as well as improvements to our operating models. Other major factors in our performance trend are low turnover, solid occupancy rate and low financing expenses.

We continued active operations to develop customer service and to increase the number of rental apartments. We procured rental apartments in the Helsinki areas of Etu-Töölö, Munkkiniemi and Lauttasaari from a total of three foundations. Procuring apartments is a part of carrying out our growth strategy: we are increasing the number of apartments through the procurement of existing housing stock and new construction.

A large number of new construction projects were started during the review period and renovation investments were at the same level as last year. Several construction companies replied to VVO's invitation to tender worth one hundred million euros, and negotiations with two of these companies are ongoing. We will be reporting on new rental apartment projects in early autumn.

We are happy that our present customers are, according to our customer surveys, satisfied and willing to recommend VVO as a landlord, year after year.

We carry out regular surveys with our new tenants of their satisfaction with customer service and,

among other things, for making rental agreements electronically. Based on the survey, nearly all new tenants give excellent or good marks for making rental agreements electronically.

Our centralised customer service was expanded to provide a nationwide service in June, and the Customer Service Centre can be contacted by phone or email in all matters relating to apartment rental and housing. In addition to the Customer Service Centre, customers are also served by VVO Home Centres across Finland. Customer service and interaction with our tenants are among our core activities.

VVO updated its strategy during the review period. Our goal is to be the first choice in rental housing. The focus is on increasing the number of rental apartments and an excellent customer experience: by 2018, the number of our rental apartments will grow to 45,000 in 35 locations in Finland and their fair value will grow to EUR 4.5 billion. The customer experience is created by versatile housing solutions, easy and convenient services and smooth-running electronic services. In early autumn we will also launch a new rental housing brand, along with new housing services.

Thank you for the past review period!

Jani Nieminen
CEO

Main » January - June

Operating environment

Overall operating environment

Growth in the global economy is slower than forecasted in early 2014. Not much improvement can be seen in the Finnish economy, either. The slow strengthening of the international economy will, however, probably result in an upswing in the Finnish economy as well.

The growth outlook for Finland's national economy remains challenging. There will be no increase in private consumption, investment will fall, and unemployment is rising. Uncertainty in the economy persists and consumer confidence is weaker than average, and interest rate levels can be expected to remain low throughout 2014. There were no substantial changes in the financing market.

The operating environment within the industry

Demand for rental apartments has remained at a good level. Business is especially good for small rental apartments and newly constructed locations, particularly in growth centres. Demand has fallen slightly for large apartments in older properties. There is clear demand for new homes in the Helsinki Metropolitan Area.

New supply is focusing on privately-financed rental apartments. However, slow planning processes and persistently high contractor prices, particularly in the Helsinki Metropolitan Area, are weakening the conditions for the production of rental apartments.

The Ministry of the Environment is preparing a legal reform that will improve the potential for state-subsidised production with, for example, a new 20-year interest subsidy model. The amended legislation may affect state-subsidised production.

Main » January - June » Segment reporting

Segment reporting

The VVO Group forms a financial entity that reports on its operations in two segments. The basis for the segment division is the profit distribution limitation defined by the Act on State-Subsidised Housing Loans (the ARAVA Act).

The VVO Non-subsidised segment includes privately-financed rental housing, and such state-subsidised housing that has unlimited revenue recognition and is subject to property-specific limitations, based on the ARAVA Act, which will expire by 2025 at the latest. The plot reserve included in inventories and apartments for sale are also included in the VVO Non-subsidised segment.

The VVO State-subsidised segment includes rental housing that is subject to longer-term property-specific limitations based on the ARAVA Act and interest subsidy legislation. The Group companies VVO Asunnot Oy and VVO Korkotukikiinteistöt Oy, which are subject to the profit distribution limitation specified in the ARAVA Act, form part of the VVO State-subsidised segment. These companies can pay their owner an eight per cent return on own funds invested in them that have been confirmed by the Housing Finance and Development Centre of Finland (ARA). The return payable from the annual profits of companies within the VVO State-subsidised segment totals approximately EUR 3 million.

Main » January - June » Turnover and result

Turnover and result

The VVO Group had a turnover of EUR 188.5 (171.6) million for the period 1 January to 30 June 2014. The VVO Non-subsidised segment recorded a turnover of EUR 100.7 (85.6) million, and the VVO State-subsidised segment EUR 93.2 (91.2) million. Increased income from rental activities in both business segments boosted turnover as well as sales income from the VVO Non-subsidised segment's inventory properties.

The Group posted an operating profit of EUR 73.8 (64.6) million, representing 39.2 (37.7) per cent of turnover. Profit before taxes amounted to EUR 51.7 (43.9) million. The result includes EUR 5.4 (6.2) million in sales gains from fixed assets. Our favourable profit performance is based on the successful management of maintenance costs, a small tenant turnover rate, a good occupancy rate, and low financial costs.

Financial income and expenses included in the result totalled EUR -22.1 (-20.7) million. The VVO Non-subsidised segment generated EUR 35.4 (30.5) million in profit before taxes and the VVO State-subsidised segment EUR 16.5 (13.6) million.

Turnover

188.5

million EUR

Profit

51.7

million EUR

Main » January - June » Balance sheet and financing

Balance sheet and financing

At the end of the review period, the Group's balance sheet total was EUR 2,543.4 (2,379.8) million. Equity totalled EUR 522.2 (456.3) million. Equity ratio at fair value was 41.3 (38.4) and at book value 21.0 (19.7) per cent. Equity per share at fair value was EUR 214.17 (183.74) (taking into account imputed tax liability). The equity ratio for VVO Non-subsidised operations was 48.6 (46.8) per cent calculated with fair values and 25.4 (25.2) per cent when book values are used. Return on equity was 15.6 (14.3) per cent and return on investment 6.5 (6.2) per cent.

At the end of June, the Group's liquid assets totalled EUR 149.6 (148.3) million. The Group maintained good liquidity during the period. Of the EUR 80 million commercial paper programme, EUR 59.5 (31.5) million had been issued.

Interest-bearing liabilities stood at EUR 1,847.7 (1,744.2) million at the end of the period.

Main » January - June » Balance sheet and financing » Loans and interest rate hedges

Loans and interest rate hedges

VVO Group loans and interest rate hedging by loan group

| EUR million | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|----------------------------|--------------|--------------|-------------|
| Interest subsidy loans | 608.4 | 606.9 | 611.9 |
| Annuity and mortgage loans | 308.1 | 317.1 | 312.6 |
| Market loans | 852.0 | 761.5 | 802.0 |
| Other loans | 19.7 | 27.2 | 21.0 |
| Commercial papers | 59.5 | 31.5 | 47.5 |
| Total | 1,847.7 | 1,744.2 | 1,795.1 |

| Interest costs from property loans | 1 January – 30 June 2014 | | 1 January – 30 June 2013 | |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | EUR million | average interest rate, % | EUR million | average interest rate, % |
| Interest subsidy loans *) | 4.7 | 1.6 | 5.5 | 1.8 |
| Annuity loans | 5.9 | 3.8 | 6.8 | 4.3 |
| Market loans | 6.9 | 1.8 | 5.7 | 1.9 |
| - Including hedging expenses | 11.1 | 3.0 | 10.1 | 3.1 |
| Other loans | 0.1 | 3.7 | 0.1 | 3.5 |
| Property loans, total | 21.8 | 2.6 | 22.5 | 2.9 |

| Interest rate hedges, EUR million | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|-------------------------------------|--------------|--------------|-------------|
| Market-based loans | 852.0 | 761.5 | 802.0 |
| - With fixed interest | 246.8 | 258.9 | 252.2 |
| - With floating rates | 605.2 | 502.6 | 549.8 |
| Interest rate derivative agreements | 437.4 | 351.6 | 344.9 |

| | | | |
|------------------------------------|-------|-------|-------|
| Interest rate options | 28.0 | 28.0 | 28.0 |
| Value of interest rate derivatives | -39.8 | -30.0 | -27.6 |
| Degree of hedging | 80% | 80% | 74% |

*) The interest subsidy paid by the State to banks was EUR 0.2 (0.6) million.

Main » January - June » Real estate property and fair value

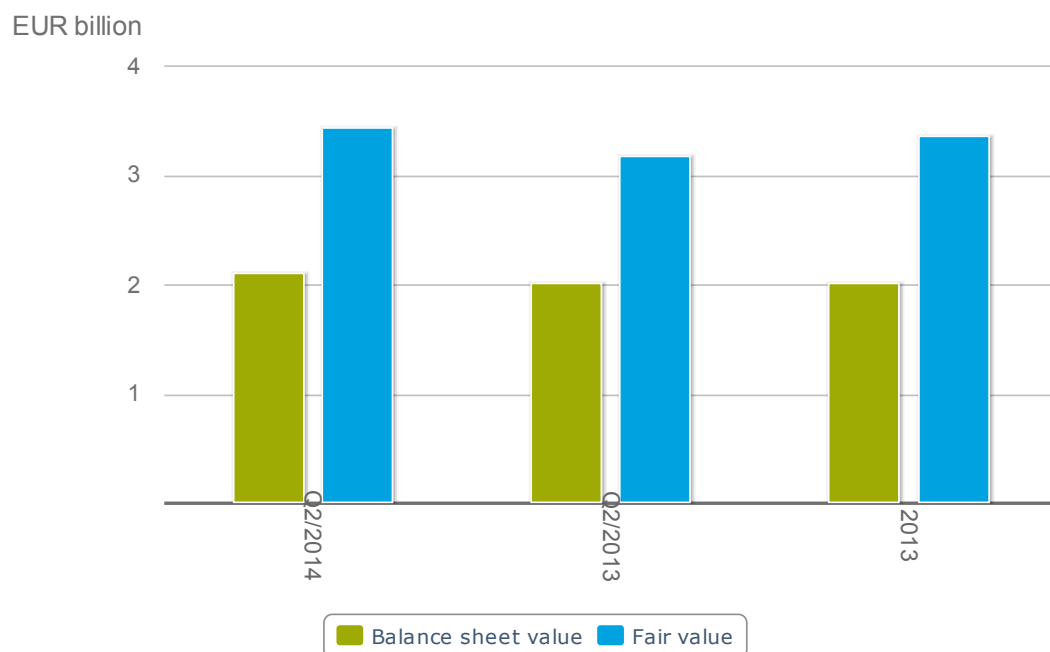
Real estate property and fair value

On 30 June 2013, the Group owned a total of 40,462 (39,851) rental apartments. The VVO Non-subsidised segment accounted for 19,736 (19,077) homes and the VVO State-subsidised segment for 20,726 (20,774).

The fair value of rental apartments owned by the Group and business premises in rental apartment buildings are determined every three months on the basis of the company's own evaluation. An external expert gives a statement on the valuation. Fair value was previously determined at 30 June 2014. The criteria for determining fair value are reported in the notes to the 2013 financial statements.

The fair value of rental apartments and business premises in the rental apartment buildings at 30 June 2014 was approximately EUR 3,426.2 (3,174.9) million, indicating growth of 2.2 per cent to EUR 75.1 million during the review period. The growth was the result of investments, the development of apartment prices and the expiry of state-subsidy limitations on individual properties. The difference in value was EUR 1,329.1 (1,197.1) million, increasing by EUR 16.1 million during the review period, an increase of 1.2 per cent.

Value development Q2/2014



Main » January - June » Rental housing

Rental housing

The financial occupancy rate has remained at an excellent level, standing at 98.2 (98.2) per cent for the review period. During the review period, 343 (113) new privately-financed rental apartments were constructed by VVO in Helsinki, Hämeenlinna, Oulu, Tampere, Turku, Jyväskylä and Vantaa.

At the end of the review period, 394 (225) apartments were vacant due to renovations. Overall turnover was 13.5 (13.1) per cent. Turnover excluding internal exchanges was 11.0 (10.7) per cent. The average rent per square metre in apartments where rent can be freely determined (the Market product group) – a total of 26,349 (23,593) apartments – was EUR 13.21 (12.82) at the end of the period, and EUR 13.05 (12.65) for the full period. The corresponding figures in apartments leased for cost-price rent (the cost principle product group), a total of 14,113 (16,258) apartments, were EUR 12.41 (11.94) at the end of the period and EUR 12.34 (11.86) on average during the period.

Demand for housing has remained high. At the end of the period, there were 20,881 (20,882) active applications (applications are active for three months). The average number of active applications per rental agreement termination was 22.3 (24.7). The number of new rental housing applications received during the review period was 35,695 (36,382).

According to the latest survey, the average period of tenancy was 5.9 (5.8) years. Long customer relationships are based on systematic apartment maintenance, a versatile range of residents' benefits, and active resident activities.

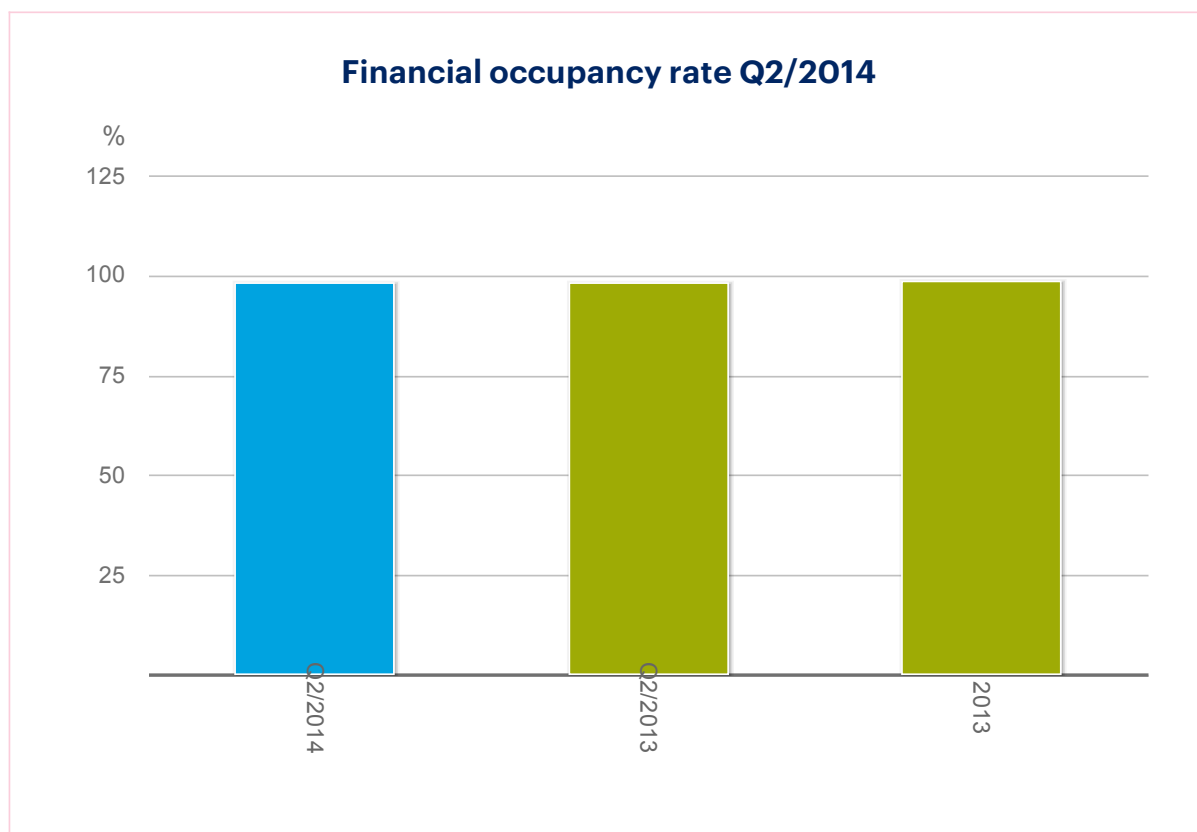
VVO Customer Service Centre began operations in the Helsinki Metropolitan Area in April and expanded to a nationwide service on 10 June 2014. The Centre serves both current and new customers. Customers are also served by the 11 VVO Home Centres across Finland.

VVO's latest tenant survey indicates that our customers are satisfied with the standards of customer service they receive. All new tenants who moved to their apartments during January-February 2014 participated in the survey and the number of respondents was 536. According to the results of the new tenant survey, the electronic rental agreement process had a very positive response. Based on the survey, almost all respondents (94%) give excellent or good marks for making rental agreements electronically. Almost all the new tenants who responded gave excellent or good marks for customer service, applying for apartments and apartment viewing.

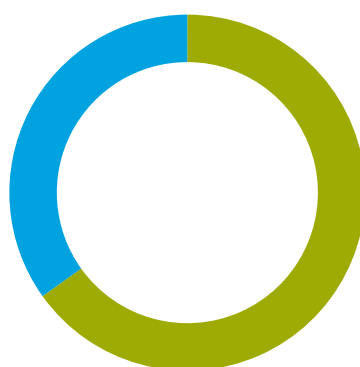
During the review period, VVO tendered out the provision of broadband and television services to its customers and made co-operation agreements with DNA and Elisa. In future, a 10 MB broadband

connection included in rent is available in nearly all VVO apartments, as the agreements cover approximately 38,500 households. The agreements will enter into force on 1 January 2015 and continue up to the end of 2019.

Regional VVO days, which take place biannually, were organised this spring. There were a total of eight events and approximately 650 active tenants took part.



Rental housing stock 30 June 2014



■ Market rent 26,349
■ Cost-price rent 14,113

Main » January - June » Investments and property development



Investments and property development

The construction of 242 (364) apartments was started during the review period. At the end of the period under review, 919 (802) rental apartments were under construction, 858 (683) of them privately funded and 61 (119) financed by long-term interest subsidies. A total of 759 (569) of these are located in the Helsinki region and 160 (233) in other Finnish growth centres.

Several construction companies replied to VVO's invitation to tender worth one hundred million euros, and negotiations with two of these companies are ongoing. The bid covered privately-financed rental apartments built on the construction company's plot, mainly in the Helsinki Metropolitan Area.

Between May and July, VVO procured rental apartments in Etu-Töölö, Helsinki from the Helsinki Deaconess Institute, in Munkkiniemi, Helsinki from the Signe and Ane Gyllenberg Foundation, and in Lauttasaari, Helsinki from Paavo Nurmi Foundation. During the review period, VVO sold 163 (226) apartments.

The Group's gross investments amounted to EUR 101.6 (72.2) million, a total of EUR 12.2 (17.3) million of these investments was allocated to capitalised renovation costs.

A total of

919

rental
apartments
under
construction.

Investments

101.6

million EUR

The VVO Non-subsidised segment accounted for EUR 92.6 (64.3) million of gross investment, and the VVO State-subsidised segment for EUR 9.0 (7.9) million.

Repair costs totalled EUR 32.9 (32.4) million, of which EUR 20.7 (15.1) million was for renovations with an effect on earnings.

The temperature-corrected consumption of heating energy of VVO properties increased by some one per cent on the previous year.

On 8 April 2014, VVO-group plc sold its holding in Suomen Asumisoikeus Oy to Asuntosäätiön Asumisoikeus Oy, a subsidiary of Asuntosäätiö.

Main » January - June » Personnel

Personnel

At the end of the review period, VVO Group employed 366 (364) people, and an average of 335 (343) during the period. VVO also employed approximately 40 temporary summer employees.

Main » January - June » Management and administration

Management and administration

Board Member Antti Rinne resigned from the Board of Directors of VVO-group plc on 24 May 2014. No further changes occurred in the composition of the Board or the Management Group.

Main » January - June » Shareholders

Shareholders

No significant changes occurred in the company's ownership during the review period.

VVO's major shareholders:

| Shareholder | % of shares |
|--|-------------|
| Ilmarinen Mutual Pension Insurance Company | 18.00 |
| Varma Mutual Pension Insurance Company | 16.98 |
| Finnish Metalworkers' Union | 9.70 |
| Trade Union for the Public and Welfare Sectors JHL | 8.73 |
| Finnish Construction Trade Union | 8.31 |
| Service Union United PAM | 7.49 |
| Trade Union PRO | 7.47 |
| Trade Union of Education in Finland OAJ | 7.46 |
| Union of Industrial Employees TEAM | 5.99 |
| Union of Health and Social Care Professionals (Tehy) | 1.39 |
| Other | 8.48 |
| Total | 100.00 |

Main » January - June » Corporate social responsibility

Corporate social responsibility

VVO's operations are based on supplying a wide range of safe and comfortable rental accommodation. VVO seeks to improve the status of rental housing by participating in the public debate on Finnish housing policy. VVO's stable financial development and long-term owner base promote favourable developments in rental accommodation in Finland.

During the review period, VVO recruited approximately 40 temporary summer employees across Finland. VVO participates in the Responsible Summer Job (Vastuullinen kesäduuni) campaign.

Grants were awarded within VVO's Virkeä programme to 26 promising athletes during the application round of spring 2014. The purpose of these grants is to support athletes aged between 14 to 20 who have the commitment and willingness to succeed in their field of sports. VVO also sponsored the following six athletes: Lassi Etelätalo, Henry Manni, Nooralotta Neziri, Emilia Soini, Venla Paunonen and Tommi Pulli.

Main » January - June » Near-term risks and uncertainties

Near-term risks and uncertainties

In terms of financial risks, the situation has not changed dramatically from that described in the financial statements. There have been no significant changes in the loan portfolio.

Uncertainty in the money market continues, and the resulting financial risks are mainly associated with increasing interest margins and other weakening in financing terms.

Main » January - June » Events after the period under review

Events after the period under review

No significant events occurred after the end of the period.

Main » January - June » Outlook for 2014

Outlook for 2014

Finnish companies' economic outlook for the latter part of the year is modest. The current economic condition is below average in all main industries. Uncertainty in the Finnish economy persists, despite the small recovery experienced in the global economy. Consumer confidence is expected to remain weak and available income is expected to decline further. Interest rates are expected to remain exceptionally low.

The strong demand for rental apartments is expected to continue. The focus of new construction remains on privately-financed rental apartments. Furthermore, apartments are shifting from the owner-occupied homes market to rental use.

The number of housing project starts will fall slightly overall, but in the Helsinki Metropolitan Area the number of new housing projects is expected to remain at the previous year's level. Considering Finland as a whole, the number of privately-financed apartment and terraced building starts is likely to fall slightly below the 2013 level. There is fierce competition for the small number of available plots suitable for privately-financed rental housing.

The number of unsold, newly completed apartments has continued to increase, curbing the number of projects initiated by construction companies. The volume of renovation construction continues to increase.

VVO's financial occupancy and resident turnover rates are set to remain at the current level. Group profit performance is expected to remain strong, particularly in the VVO Non-subsidised business. Due to stable demand for rental apartments in growth centres, investments will remain strong. VVO Group will launch a new rental housing brand, along with new housing services.

Main » Financial Statements » Consolidated income statement

Consolidated income statement

| | 1 Jan – 30 June | 1 Jan – 30 June | 1 Jan to 31 Dec |
|--|-----------------|-----------------|-----------------|
| EUR 1,000 | 2014 | 2013 | 2013 |
| Turnover | 188,461 | 171,555 | 346,610 |
| Other operating income | 6,981 | 7,475 | 11,828 |
| Share in profits of associated companies | 492 | 224 | 353 |
| Amortisations and depreciation | -25,384 | -26,218 | -53,701 |
| Expenses | -96,728 | -88,437 | -188,919 |
| Operating profit/loss | 73,822 | 64,598 | 116,171 |
| Net financial expenses | -22,096 | -20,683 | -40,303 |
| Profit before taxes | 51,727 | 43,915 | 75,868 |
| Income tax *) | -11,098 | -11,081 | -1,333 |
| Minority interest | -134 | -101 | -285 |
| Profit for the period | 40,495 | 32,733 | 74,249 |

*) Income tax corresponds to a proportional share of the tax for the entire financial year.

Main » Financial Statements » Consolidated balance sheet

Consolidated balance sheet

| EUR 1,000 | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|---|---------------------|---------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 9,286 | 6,290 | 9,857 |
| Tangible assets | 2,258,786 | 2,055,053 | 2,182,532 |
| Investments | 25,406 | 22,601 | 23,341 |
| Non-current assets total | 2,293,478 | 2,083,944 | 2,215,730 |
| Current assets | | | |
| Inventories | 32,735 | 40,231 | 42,570 |
| Non-current receivables | 2,102 | 2,408 | 3,014 |
| Current receivables | 10,466 | 23,727 | 12,820 |
| Financial securities | 70,169 | 92,200 | 63,969 |
| Cash and cash equivalents | 134,430 | 137,251 | 130,446 |
| Current assets total | 249,903 | 295,817 | 252,819 |
| TOTAL ASSETS | 2,543,380 | 2,379,760 | 2,468,549 |
| EUR 1,000 | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 58,025 | 58,025 | 58,025 |

| | | | |
|---|------------------|------------------|------------------|
| Other equity | 464,128 | 398,307 | 439,919 |
| Total equity | 522,154 | 456,332 | 497,945 |
| Minority interest | 11,215 | 11,242 | 11,241 |
| Obligatory provisions | 1,170 | 1,339 | 1,348 |
| Liabilities | | | |
| Non-current liabilities | 1,825,006 | 1,759,864 | 1,789,625 |
| Current liabilities | 183,836 | 150,983 | 168,391 |
| Total liabilities | 2,008,842 | 1,910,847 | 1,958,015 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 2,543,380 | 2,379,760 | 2,468,549 |

Main » Financial Statements » Consolidated cash flow statement

Consolidated cash flow statement

| EUR 1,000 | 1 Jan – 30 June 2014 | 1 Jan – 30 June 2013 | 31 Dec 2013 |
|---|----------------------|----------------------|----------------|
| Cash flows from operating activities | | | |
| Profit/loss before non-recurring items | 51,727 | 43,915 | 75,868 |
| Adjustments: | | | |
| Depreciation according to plan and impairment | 25,384 | 26,218 | 53,700 |
| Other income and expenses not including payments | -1,450 | -359 | -576 |
| Financial income and expenses | 22,096 | 20,683 | 40,303 |
| Other adjustments | -5,435 | -6,169 | -8,739 |
| Cash flow from operating activities before change in working capital | 92,321 | 84,288 | 160,556 |
| Change in working capital: | | | |
| Change in sales receivables and other receivables | -617 | -8,105 | 1,180 |
| Change in inventories | 9,835 | 1,707 | -632 |
| Change in accounts payable and other liabilities | -12,191 | -4,845 | -2,690 |
| Cash flow from operating activities before financial items, provisions and taxes | 89,348 | 73,044 | 158,413 |
| Interest paid and payments on other operational financial costs | -23,367 | -24,647 | -46,754 |
| Financial income from operating activities | 558 | 1,037 | 2,294 |
| Direct taxes paid | -10,159 | -6,926 | -15,483 |
| Cash flows from operating activities (A) | 56,381 | 42,508 | 98,470 |
| Cash flows from investing activities | | | |

| | | | |
|---|----------------|----------------|-----------------|
| Investments | -101,599 | -66,265 | -208,196 |
| Capital gains | 11,274 | 10,891 | 16,816 |
| Change in granted long-term loans | 20 | | 20 |
| Interest and dividends received on investments | 837 | 406 | 650 |
| Cash flows from investing activities (B) | -89,469 | -54,968 | -190,709 |
| Cash flows from financing activities | | | |
| Change in long-term loans | 47,299 | 91,346 | 123,177 |
| Change in short-term loans | 11,886 | -5,000 | 5,849 |
| Financial securities | -2,478 | -39,718 | -8,662 |
| Dividends paid | -16,286 | -14,805 | -14,805 |
| Cash flows from financing activities (C) | 40,421 | 31,822 | 105,559 |
| Change in cash and cash equivalents (A+B+C) | 7,333 | 19,362 | 13,319 |
| Cash and cash equivalents at beginning of period | 142,283 | 128,963 | 128,963 |
| Cash and cash equivalents at end of period | 149,616 | 148,325 | 142,283 |

Cash and cash equivalents include bank accounts, liquid deposit notes and certificates of deposit.

Main » Financial Statements » Calculation formulas for indicators

Calculation formulas for indicators

| | |
|-------------------------------------|--|
| Return on equity, % = | $\frac{\text{Profit before non-recurring items} - \text{Taxes}}{\text{Equity} + \text{Minority share, average for the year}} \times 100$ |
| Return on investment, % = | $\frac{\text{Profit before non-recurring items} + \text{Financing expenses}}{\text{Balance sheet total} - \text{Interest-free debt, average for the year}} \times 100$ |
| Equity ratio, % = | $\frac{\text{Equity} + \text{Minority share}}{\text{Balance sheet total} - \text{Advances received}} \times 100$ |
| Earnings per share, EUR = | $\frac{\text{Profit before non-recurring items} - \text{Taxes}}{\text{Number of shares at the end of the financial year}}$ |
| Equity per share, fair value, EUR = | $\frac{\text{Equity} + \text{Value difference} - \text{Deferred taxes as a share of the value difference}}{\text{Number of shares at the end of the financial year}}$ |

Main » Financial Statements » Income statement by segment

Income statement by segment

| | VVO Non-Subsidised | VVO State-subsidised | Group con-solidation | Group | VVO Non-subsidised | VVO State-subsidised | Group con-solidation | Group | VVO Non-subsidised | VVO State-subsidised | Group con-solidation | Group |
|--|--------------------|----------------------|----------------------|----------------|--------------------|----------------------|----------------------|----------------|--------------------|----------------------|----------------------|----------------|
| EUR 1,000 | Jan-June 2014 | Jan-June 2014 | measures | Jan-June 2014 | Jan-June 2013 | Jan-June 2013 | measures | Jan-June 2013 | Jan-Dec 2013 | Jan-Dec 2013 | measures | Jan-Dec 2013 |
| External turnover | 96,632 | 91,811 | 18 | 188,461 | 81,683 | 89,853 | 18 | 171,555 | 165,943 | 180,631 | 36 | 346,610 |
| Internal turnover | 4,105 | 1,399 | -5,504 | 0 | 3,917 | 1,329 | -5,247 | 0 | 8,391 | 2,703 | -11,094 | 0 |
| Total turnover | 100,737 | 93,210 | -5,486 | 188,461 | 85,600 | 91,183 | -5,228 | 171,555 | 174,334 | 183,334 | -11,058 | 346,610 |
| Other operating income | 6,652 | 329 | | 6,981 | 6,899 | 376 | 200 | 7,475 | 10,449 | 1,179 | 200 | 11,828 |
| Amortisations and depreciation | -13,425 | -11,981 | 22 | -25,384 | -13,237 | -13,000 | 19 | -26,218 | -27,729 | -25,999 | 27 | -53,701 |
| Share in profits of associated companies | 344 | 311 | -163 | 492 | 43 | 219 | -38 | 224 | 71 | 331 | -50 | 353 |
| External operating costs | -51,326 | -45,375 | -27 | -96,728 | -44,763 | -43,640 | -35 | -88,437 | -90,977 | -97,879 | -63 | -188,919 |
| Internal operating costs | -952 | -4,752 | 5,704 | 0 | -835 | -4,220 | 5,055 | 0 | -1,936 | -9,168 | 11,104 | 0 |
| Total other operating costs | -52,278 | -50,127 | 5,677 | -96,728 | -45,598 | -47,860 | 5,020 | -88,437 | -92,913 | -107,047 | 11,041 | -188,919 |
| Operating profit | 42,030 | 31,742 | 50 | 73,822 | 33,707 | 30,918 | -27 | 64,598 | 64,212 | 51,798 | 160 | 116,171 |
| External financial income and expenses | -11,994 | -10,101 | 0 | -22,096 | -8,468 | -12,215 | 0 | 20,683 | -17,688 | -22,615 | 0 | -40,303 |
| Internal financial income and | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--|---------------|---------------|-------------|---------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|---------------|
| expenses | 2,862 | -2,682 | -180 | 0 | 2,790 | -2,609 | -181 | 0 | 5,645 | -5,283 | -363 | 0 |
| Financial income and expenses | -9,132 | -12,784 | -180 | -22,096 | -5,678 | -14,824 | -182 | 20,683 | -12,043 | -27,898 | -363 | -40,303 |
| Profit before non-recurring items and taxes | 32,898 | 18,959 | -130 | 51,727 | 28,030 | 16,094 | -209 | 43,915 | 52,170 | 23,901 | -203 | 75,868 |

Main » Financial Statements » Balance sheet by segment

Balance sheet by segment

| EUR 1,000 | VVO Non-subsidised | VVO State-subsidised | Group con-solidation measures | Group 30 June 2014 | VVO Non-subsidised | VVO State-subsidised | Group con-solidation measures | Group 30 June 2013 | VVO Non-subsidised | VVO State-subsidised | Group con-solidation measures | Group 31 Dec 2013 |
|----------------------------------|--------------------|----------------------|-------------------------------|--------------------|--------------------|----------------------|-------------------------------|--------------------|--------------------|----------------------|-------------------------------|-------------------|
| Non-current assets | | | | | | | | | | | | |
| Intangible assets | 2,438 | 6,848 | | 9,286 | 2,049 | 4,241 | | 6,290 | 4,036 | 5,820 | | 9,857 |
| Tangible assets | 1,167,652 | 1,087,014 | 4,119 | 2,258,786 | 957,002 | 1,093,971 | 4,080 | 2,055,053 | 1,086,497 | 1,091,939 | 4,097 | 2,182,532 |
| Equity investments | 20,037 | 14,886 | -9,517 | 25,406 | 17,766 | 14,177 | -9,342 | 22,601 | 18,121 | 14,574 | -9,354 | 23,341 |
| | 1,190,127 | 1,108,749 | -5,398 | 2,293,478 | 976,817 | 1,112,389 | -5,262 | 2,083,944 | 1,108,654 | 1,112,333 | -5,257 | 2,215,730 |
| Current assets | | | | | | | | | | | | |
| Inventories and advance payments | 32,735 | | | 32,735 | 40,231 | | | 40,231 | 42,570 | | | 42,570 |
| Receivables | 88,309 | 4,624 | -80,364 | 12,568 | 99,810 | 6,208 | -79,883 | 26,135 | 93,069 | 3,767 | -81,002 | 15,834 |
| Other liquid assets | 14,291 | 40,693 | | 54,983 | 54,604 | 26,522 | | 81,126 | 19,562 | 32,571 | | 52,132 |
| Liquid assets | 87,350 | 62,214 | 52 | 149,616 | 89,396 | 58,900 | 30 | 148,325 | 78,418 | 63,824 | 41 | 142,283 |
| | 222,685 | 107,530 | -80,312 | 249,903 | 284,041 | 91,629 | -79,853 | 295,817 | 233,618 | 100,162 | -80,961 | 252,819 |
| TOTAL ASSETS | 1,412,812 | 1,216,279 | -85,710 | 2,543,380 | 1,260,858 | 1,204,018 | -85,115 | 2,379,760 | 1,342,272 | 1,212,495 | -86,218 | 2,468,549 |
| Equity | | | | | | | | | | | | |
| Equity and funds | 113,800 | 2,859 | -3,280 | 113,380 | 113,799 | 2,859 | -3,374 | 113,284 | 113,800 | 2,859 | -3,280 | 113,380 |
| Retained earnings | 240,176 | 168,869 | -271 | 408,774 | 200,059 | 143,246 | -256 | 343,048 | 228,696 | 156,142 | -273 | 384,565 |
| | 353,976 | 171,729 | -3,551 | 522,154 | 313,858 | 146,105 | -3,630 | 456,332 | 342,496 | 159,001 | -3,553 | 497,945 |
| Minority interest | | | | | | | | | | | | |
| Minority interest | 3,699 | 9,710 | -2,194 | 11,215 | 3,792 | 9,512 | -2,062 | 11,242 | 3,799 | 9,500 | -2,058 | 11,241 |
| Liabilities | | | | | | | | | | | | |
| Interest-free liabilities | 98,863 | 66,718 | -3,234 | 162,347 | 97,872 | 73,271 | -3,123 | 168,021 | 101,779 | 68,503 | -5,985 | 164,296 |
| Interest-bearing liabilities | | | | | | | | | | | | |
| Non-current | 862,155 | 931,420 | -76,502 | 1,717,072 | 764,415 | 947,990 | -70,586 | 1,641,820 | 804,993 | 949,795 | -74,392 | 1,680,396 |
| Current, loan repayments | 26,837 | 36,703 | -229 | 63,310 | 36,334 | 27,140 | -5,714 | 57,760 | 33,798 | 25,697 | -231 | 59,264 |
| Current, other | 67,283 | | | 67,283 | 44,586 | | | 44,586 | 55,407 | | | 55,407 |

| | | | | | | | | | | | | |
|---|------------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|
| | 956,274 | 968,122 | -76,731 | 1,847,665 | 845,335 | 975,130 | -76,300 | 1,744,165 | 894,198 | 975,492 | -74,623 | 1,795,067 |
| | 1,055,137 | 1,034,840 | -79,965 | 2,010,012 | 943,208 | 1,048,401 | -79,423 | 1,912,186 | 995,977 | 1,043,995 | -80,608 | 1,959,363 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 1,412,812 | 1,216,279 | -85,710 | 2,543,380 | 1,260,858 | 1,204,018 | -85,115 | 2,379,760 | 1,342,272 | 1,212,495 | -86,218 | 2,468,549 |