



*a home close to
everything
I need*

#allmyfriendsnearby#everythingwithinreach#myhome

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KEY FIGURES

	Q2 2016	Q1 2016	Q2 2015	Q1 2015
Rental housing portfolio at the end of the review period	25,437 homes €3.25 billion	23,365 homes €2.82 billion	24,356 homes €2.65 billion	24,241 homes €2.59 billion
Investments	€407.6 million	€37.2 million	€66.8 million	€29.3 million
Under construction at the end of the review period (Finland and St. Petersburg)	1,520 rental homes	1,246 rental homes	1,095 rental homes	990 rental homes
Average rent in Finland at the end of the review period	16.18 €/m²/month	15.97 €/m ² /month	15.36 €/m ² /month	15.34 €/m ² /month
Cash Earnings	€13.5 million	€21.0 million	€11.1 million	€21.6 million
Shareholders' equity at the end of the review period	€1.16 billion	€1.01 billion	€0.95 billion	€0.91 billion
Customers' Net Promoter Score	28	24	26	26



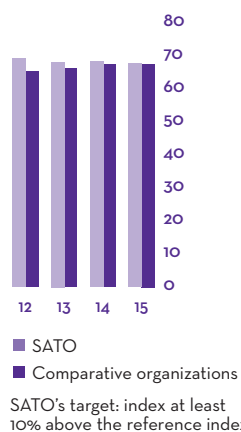
STRATEGY

SATO is a reliable lessor which operates in the long term, while taking care of its customers. We are one of the most active housing investors in Finland. We acquire new and old rental homes and maintain and develop them.

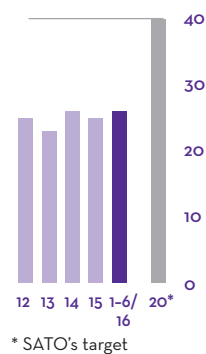
We have operated in the housing market for 75 years, and we have acquired know-how concerning the changing customer needs and market dynamics along the way. Some 165 SATO employees are working daily with our partnership network for better housing.

Strategic goals

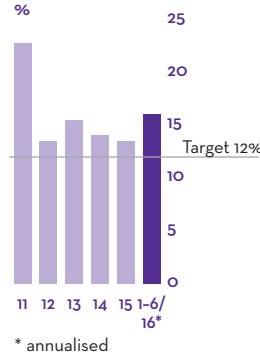
Personnel's satisfaction, index



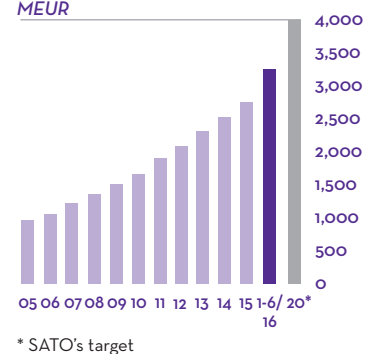
Net promoter score NPS



Return on Equity



Value of the investment property



SATO CORPORATION'S INTERIM REPORT, 1 JAN - 30 JUN 2016

Summary for the period 1 Jan - 30 Jun 2016 (1 Jan - 30 Jun 2015)

- Profit before taxes stood at EUR 108.9 (93.0) million.
- The profit improvement was based on the change in the fair value of rental homes, EUR 63.0 (44.7) million.
- Shareholders' equity was EUR 1,156 (945) million, or EUR 20.41 (18.59) per share.
- Return on equity was 16.1 (16.1) percent.
- Equity ratio was 33.0 (32.5) percent.
- Rental income amounted to EUR 126.5 (125.0) million.
- Investments in rental homes stood at EUR 444.8 (96.1) million.
- A total of 2,412 (485) rental homes were acquired or completed.
- A total of 1,520 new rental homes under construction.
- The occupancy rate in Finland was 94.9 (96.5) percent.

Summary for the period 1 Apr - 30 Jun 2016 (1 Apr - 30 Jun 2015)

- Profit before taxes amounted to EUR 45.6 (34.7) million.
- The change in the fair value of rental homes included in the result was EUR 23.2 (8.1) million.
- Rental income amounted to EUR 65.4 (62.9) million.
- Investments in rental homes stood at EUR 407.6 (66.8) million.
- Two major acquisitions were completed totalling 2,270 rental homes: 1,255 (SVK Yhtymä Oy) and 1,015 (Suomen Laatuasunnot Oy).
- The occupancy rate in Finland was 95.1 (96.6) percent.

Operating environment

During the spring, there were some signs of economic growth in Finland, mainly due to the construction industry. Housing sales picked up during the spring, and consumer confidence grew stronger. The consumer confidence indicator was 14.9 in June (12.5 in May and 9.8 in April). The growth of the Finnish economy continues to rely on consumption, as exports continue to decrease.

During the spring and summer, the global economic, political and security-related crises have clearly increased uncertainty. The result of the Brexit referendum on 23 June 2016 and the starting process of Britain leaving the EU may decelerate economic growth or decrease stability in the EU. The weak situation of the Italian banks is also casting a shadow on economic development in the eurozone. The effects on the Finnish economy may be considerable, as the signs of growth are weak to begin with. The uncertainty is expected to keep the market interest rates at their current level – that is, close to zero – for a long time.

The demand for rental homes has improved during the spring. The demand has increased, but the supply of rental homes in growth centres has also increased significantly. The increased supply has stabilised the relationship between supply and demand in many areas, which has increased tenant turnover with regard to the entire rental housing base.

The demand for owner-occupied housing picked up during the spring.

The Bank of Finland estimates that the Russian economy is about to stop decreasing after a decline of around two years, even though growth still cannot be expected any time soon in retail, for example. The strong decrease in retail sales and private consumption is explained by the reduced purchasing power and the spending of cash assets on loan repayments by households. A sustainable foundation for growth cannot be laid until investment activities are resumed in Russia.

Saku Sipola, President and CEO:

- The investments made by SATO reached a record high level during the review period. The company invested around EUR 450 million in increasing its rental housing base. Most of the investments were related to two significant transactions, through which we purchased around 2,300 rental homes. The integration of the properties and our cooperation with the occupants have progressed smoothly, which has been a fine demonstration of competence of our employees and network of partners.
- In May-June, we strengthened our capital structure through rights issue to our existing shareholders. The successful rights issue shows our shareholders' strong commitment to the growth and development of the company and to maintaining a good capital structure.
- In addition to strong investment activity, we continued to actively develop our customer relationships. To improve customer service, we are strengthening existing operating models and developing new ones. As a result of this work, the number of our new rental agreements has increased during the spring and summer, as has our customers' willingness to recommend SATO.

REVIEW PERIOD 1 JANUARY – 30 JUNE 2016 (1 JANUARY – 30 JUNE 2015)

Net sales and profit

The Group's net sales in January-June decreased by 9.8 percent from the reference period to EUR 158.3 (175.5) million. Net sales decreased due to SATO's strategic decision to give up its production of owner-occupied homes and focus on business operations related to rental homes. Of the net sales, rental income accounted for EUR 126.5 (125.0) million.

Operating profit increased by 17.9 percent to EUR 131.8 (111.9) million. Operating profit without the change in the fair value of rental homes was EUR 68.8 (67.2) million. The change of fair value was positively affected by the strengthening of rental homes as well as the expiry of restrictions of certain sites.

Profit before taxes increased by 17.1 percent to EUR 108.9 (93.0) million. The improvement was based on the positive change in the value of rental homes. Cash earnings from operations (free cash flow after taxes excluding change in fair value) in January-June amounted to EUR 34.4 (32.7) million.

Financial position and financing

The Group's consolidated balance sheet totalled EUR 3,498.3 (2,909.5) million at the end of June. Equity was EUR 1,155.8 (945.1) million. Equity per share was EUR 20.41 (18.59). In June, equity was strengthened by EUR 112.9 million by two share issues.

The Group's equity ratio was 33.0 (32.5) percent at the end of June. The minimum target is an equity ratio of 30 percent.

The Group's annualized return on equity was 16.1 (16.1) percent. The return on investment was 9.1 (8.8) percent.

Interest-bearing liabilities at the end of June totalled EUR 1,998.4 (1,654.0) million, of which loans subject to market terms accounted for EUR 1,518.0 (1,282.7) million. The average interest rate was 2.5 (2.4) percent. Net financing costs totalled EUR 22.9 (18.8) million.

EUR 300 million of new long-term financing was raised. The solvency ratio (debt-to-assets) was 56 (56) percent at the end of the reporting period. In March, SATO issued a EUR 300 million unsecured bond with a credit rating of Baa3 from Moody's, offered to European investors. The bond has a

maturity of five years, and it has a fixed coupon rate of 2.375 percent.

The calculated impact of changes in the market value of interest hedging on equity was EUR -12.1 (7.8) million and on profit before taxes EUR 0.0 (0.4) million.

Housing assets and fair value

The development of the value of rental homes is a key factor for SATO. Its housing assets are focused on sizes of apartments and areas for which the demand will increase in the long term. The allocation of building repairs is based on life-cycle plans and repair-need specifications.

On 30 June 2016, SATO owned a total of 25,437 (24,356) homes. A total of 2,412 rental homes were acquired or completed. The total number of divested rental homes and shared ownership homes redeemed by the owner occupants was 276.

The fair value of rental homes was EUR 3,248.6 (2,652.9) million at the end of June. The change in the fair value, including the rental homes acquired and divested during the reporting period, was EUR 495.7 (124.9) million.

Of the value of homes, the Helsinki region accounted for some 80 percent, Tampere, Turku, Oulu and Jyväskylä made up 16 percent, and St. Petersburg covered 4 percent at the end of March.

Investments and divestments

Investment activities prepare the ground for growth. Since 2000, SATO has invested a total of EUR 2.4 billion in housing. SATO acquires and builds entire rental buildings and single rental homes.

Investments in rental homes stood at EUR 444.8 (96.1) million. Of the investments made during the review period, 62 percent were made in the Helsinki Metropolitan Area. Of the investments 15 percent was targeted in newbuild homes.

At the end of June, binding purchase agreements in Finland totalled EUR 163.4 (245.7) million.

In all, 128 (302) rental homes with a total value of EUR 12.2 (15.9) million were divested in Finland during the review period.

Rental activities

Effective rental activities provide home seekers with quick access to a home and the Group with solid returns on investments. Rental services are mainly offered by SATO's rental offices. In addition, SATO's electronic channels make finding a home easy for customers.

Rental income increased by 1.2 percent to EUR 126.5 (125.0) million. The economic occupancy rate of homes in Finland was 94.9 (96.5) percent on average, and the tenant turnover rate was 40.8 (40.0) percent. The large number of rental

homes completed on the market over the past 12 months and the intensifying competition contributed to the increase in tenant turnover and the decrease in the occupancy rate. The rental market is currently in balance in many locations.

The average monthly rent of SATO rental homes was EUR 16.18 (15.36) per square metre, while the average monthly rent of shared ownership homes was EUR 8.84 (8.66) per square metre. The average rent increase is based on investments in small apartments in growth centres and low-cost housing divestments made outside the focus area. The rent increases were more moderate than in previous years.

Net rental income from homes stood at EUR 80.9 (78.6) million, and the net rental income rate was 5.8 (6.2) percent on an annual level.

Property development

Property development allows for new investments in rental homes in Finland. The rental capacity and value of rental homes owned by SATO are developed through renovation activities.

The book value of owned plot reserves totalled EUR 64.0 (58.6) million at the end of June. The value of new plots acquired by the end of June totalled EUR 9.6 (6.6) million.

Permitted building right for 950 homes is being developed for the plots of the company's own stock of buildings. This will facilitate utilisation of the existing infrastructure and a denser urban structure and so support the development potential of local services. The first SATO StudioHome is a prime example of supplementary construction. The concept was designed in response to the growing need for inexpensive homes in the Helsinki region. The construction of the first SATO StudioHome building will begin in August beside the SATO-owned block of rental flats in the Martinlaakso district of Vantaa in Finland. The functionality and comfort of the surroundings of the existing building will improve simultaneously. The SATO StudioHome building will be completed in late 2017 and will have 68 apartments with balconies, with a room height of almost four metres, creating an atmosphere of spaciousness and light.

In SATO's Finnish operations, a total of 98 (359) rental homes and 0 (99) homes for sale were completed. On 30 June 2016, a total of 1,446 (878) rental homes and 76 (98) owner-occupied homes were under construction.

A total of EUR 19.4 (23.9) million was spent on repairing homes and improving the quality of homes.

A total of 76 (76) new homes were sold in January–June. At the end of the review period, a total of 13 (44) completed homes and 19 (90) homes under construction remained unsold. The total purchase value of these unsold homes amounted to EUR 13.7 (66.2) million. SATO has made the strategic decision to discontinue the production of

owner-occupied homes and to concentrate on the rental housing business.

Business operations in St. Petersburg

The housing market in St. Petersburg corresponds to that of the whole of Finland in terms of volume. SATO has been following its growth strategy by investing in rental homes in St. Petersburg. Homes are acquired in central locations in the city.

At the end of June, housing assets in St. Petersburg totalled EUR 118,7 (131,0) million. The total amount of binding purchase agreements was EUR 0,0 (4,7) million.

At the end of June, SATO owned 460 (313) completed and 74 (217) homes under construction in St. Petersburg. The average monthly rent of the apartments for rent was EUR 12,92 (15,82) per square metre. The change in the average rent is mainly due to changes in the exchange rate for the rouble and homes completed in cheaper areas.

The economic occupancy rate of rental homes was 79,8 (91,8) percent on average. The decrease in occupancy rate was caused by the general economic situation in Russia, the number of rental homes completed and the ongoing bridge and subway construction work causing commuting difficulties in some parts of St. Petersburg.

Personnel

At the end of June, the Group employed 166 (171) people, of whom 154 had a permanent contract of employment. The average number of personnel was 165 (170) in January–June.

REVIEW PERIOD 1 APRIL – 30 JUNE 2016 (1 APRIL – 30 JUNE 2015)

Net sales and profit

The year-on-year change in the Group's net sales was 0,8 percent in 1 April – 30 June, and the net sales totalled EUR 79,9 million (EUR 79,2 million in April–June 2015). Of the net sales, rental income accounted for EUR 65,4 (62,9) million.

The operating profit was EUR 58,9 (44,4) million.

Profit before taxes was EUR 45,6 (34,7) million. The change in the fair value of rental homes included in the result was EUR 23,2 (8,1) million.

Financing

SATO signed new EUR 400 million committed Unsecured Credit Facilities on 14th June 2016. The Facilities comprise two separate tranches: a EUR 200,000,000 five-year Revolving Credit Facility and a EUR 200,000,000 three-year

Revolving Credit Facility, both with two one-year extension options.

The Facilities will be used for refinancing of existing bilateral facilities and general corporate purposes.

Housing assets, fair value, and investments

The number of homes increased by 2,072 in April–June. The change in the fair value was EUR 23,2 (8,1) million.

Investments in rental homes totalled EUR 407,6 (66,8) million. A total of 62 (183) homes were divested in Finland at a total value of EUR 5,7 (7,3) million.

The most significant investments were the acquisition of all of the shares in SVK Yhtymä Oy, as result of which 1,255 rental homes were transferred to SATO, and a total of 1,015 rental homes acquired from Suomen Laatuasunnot Oy. The homes acquired are located in the Helsinki, Tampere and Turku regions.

Rental activities

Rental income increased by 3,9 percent to EUR 65,4 (62,9) million. The economic occupancy rate of homes in Finland was 95,1 (96,6) percent on average, and the rental home turnover rate was 40,6 (40,4) percent.

Net rental income from homes was EUR 43,0 (38,6) million, and the net rental income rate in rental homes was 6,2 (6,2) percent on an annual level.

Property development

The value of new plots acquired in April–June totalled EUR 5,7 (5,1) million.

In Finland, a total of 66 (205) rental homes and 0 (34) owner-occupied homes were completed.

A total of EUR 14,3 (12,2) million was spent on repairing homes and improving the quality of homes.

A total of 20 (42) owner-occupied homes were sold in April–June.

Business operations in St. Petersburg

In April–June, the value of housing assets in St. Petersburg increased by EUR 5,8 (5,8) million. A total of 74 (217) rental homes were under construction. No new acquisitions were made.

The economic occupancy rate of rental homes was 82,6 (91,6) percent on average.

Share issues

In a rights issue carried out from 17 May 2016 to 10 June 2016, SATO's shareholders subscribed for a total of 5,052,462 shares. A total of 5,043,889 shares were subscribed for

pursuant to primary subscription rights, and a total of 8,573 shares were subscribed for pursuant to secondary subscription rights. The unsubscribed shares were not offered for subscription. The subscription price was EUR 19.53 per share on offer, and SATO raised proceeds of approximately EUR 98.7 million through the rights issue. The subscription price was recorded in the invested unrestricted equity fund.

SATO completed the acquisition of all of the shares in SVK Yhtymä Oy. The transaction was completed by a directed share issue approved by SATO's Board of Directors. Shareholders of SVK Yhtymä subscribed for a total of 728,763 shares in SATO. As a result of the transaction, 1,255 modern rental apartments were transferred to SATO.

The share issues mentioned above were carried out based on the authorisation granted to the Board of Directors by the Annual General Meeting on 3 March 2016.

Future risks and uncertainties

The economy continues to grow slowly, which is reflected in the housing and financing markets.

The change in the market value of homes affects the value of SATO's housing assets. The positive development of the value of housing assets and the rental capacity of homes are secured by focusing on small apartments located in growth centres.

St. Petersburg is the only business area for SATO in Russia. Risks in housing investment activities in St. Petersburg are associated with the development of the market value of homes, fluctuations in exchange rates and other changes in the operating environment. St. Petersburg's share is limited to a maximum of 10 percent of the Group's housing assets. The current value of housing assets in St. Petersburg accounts for approximately four percent of the Group's total housing assets.

Changes in interest rates affect SATO's result and balance sheet through changes in interest expenses and the market value of interest hedging. In accordance with the Group's financing policy, the aim is to ensure that at least 60 percent of all loans are fixed-rate loans. The adequacy of financing is monitored using a rolling liquidity estimate.

A more detailed description of risks and risk management is available in the Group's 2015 annual report and on the company's website at www.sato.fi.

Outlook

In the operating environment, SATO's business operations are mainly affected by consumer confidence, development of purchasing power, the rent and price development of homes, and the interest rate.

The Finnish economy and the general climate of confidence picked up slightly during the first half of the year, but the global economic, political and security-related crises and the result of the Brexit referendum have clearly increased uncertainty globally and particularly in Europe. Interest rates are expected to remain low, which will have a positive impact on SATO's financing costs.

Increasing urbanisation and immigration provide good long-term prospects for continued investments in Finland, unless conditions for rental housing business are not weakened by legislative changes.

New quality requirements have been added for several years now to the rules governing the production of new homes. This has increased the production costs of homes at the same time as purchasing power has weakened. This means that the matching of demand and supply has become more difficult.

SATO's net rental income is expected to increase from 2015 due to new investments.

Rent increases are expected to be more modest than in the previous years.

About 80 percent of SATO's housing assets are located in the Helsinki region, where positive development of prices is expected to continue.

The uncertain economic situation in Russia is expected to continue. For the time being, SATO will refrain from making new investment decisions in Russia.

SATO Corporation's shareholders on 22 July 2016

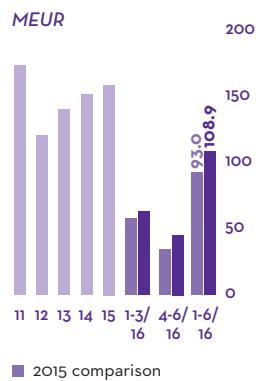
Largest shareholders and their holdings

Fastighets Ab Balder	53.6%
APG Asset Management NV	22.6%
Elo Mutual Pension Insurance Company	12.7%
The State Pension Fund	4.9%
The Finnish Construction Trade Union	1.1%
Others (78 shareholders)	5.1%
	100%

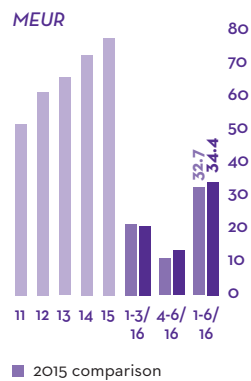
On 22 July 2016, SATO had 56,783,067 shares and 83 shareholders registered in the book-entry system. The share turnover rate was 1.1 percent for the period 1 January – 22 July 2016.

FINANCIAL TREND

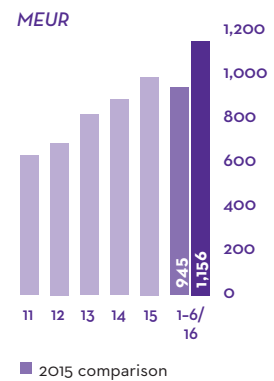
Profit before taxes



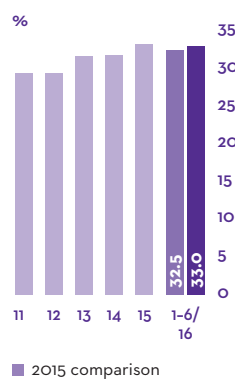
Cash earnings (CE)



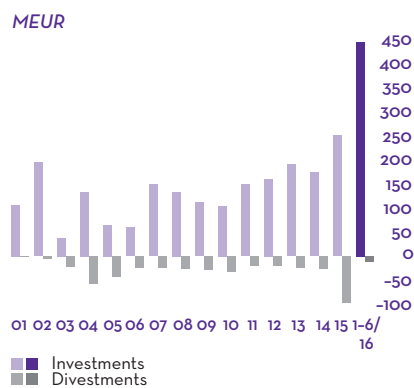
Shareholders' equity



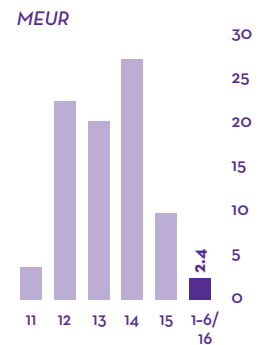
Equity ratio



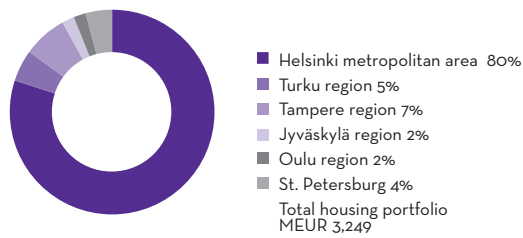
Housing investments and divestments



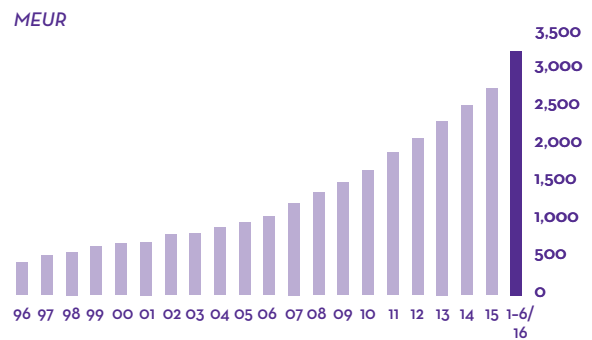
Housing investments in St. Petersburg



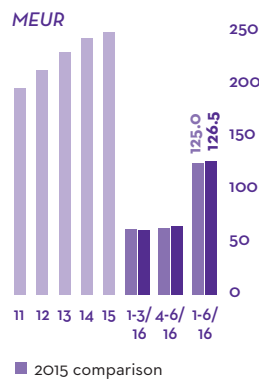
Regional distribution of the housing portfolio 30 June 2016



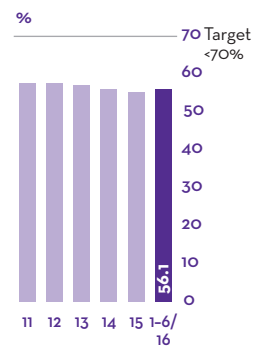
Trend in the housing portfolio value



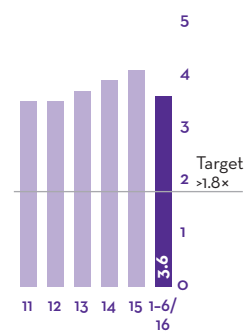
Rental income



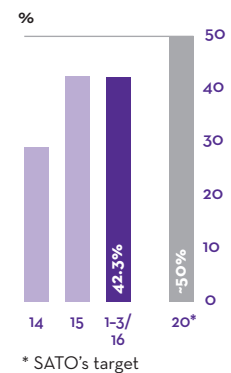
Solvency Ratio



Interest Coverage



Unencumbered assets



Loan portfolio, nominal values 30 June 2016, total MEUR 2,012



CONSOLIDATED INCOME STATEMENT, IFRS

MEUR	1 Apr -30 Jun 2016	1 Apr -30 Jun 2015	1 Jan -30 Jun 2016	1 Jan -30 Jun 2015	1 Jan -31 Dec 2015
Rental Income	65.4	62.9	126.5	125.0	249.4
Sales Income, new production	9.7	16.1	22.8	49.4	72.7
Sales Income, land stock	4.6	0.1	8.6	0.7	0.7
Sales Income, other	0.2	0.1	0.5	0.3	0.6
Net sales	79.9	79.2	158.3	175.5	323.4
Property maintenance expenses	-21.7	-23.5	-43.9	-44.8	-95.1
Ground rents	-0.6	-0.6	-1.2	-1.2	-2.4
New production expenses	-8.2	-13.7	-20.1	-44.6	-66.5
Carrying value, land stock sold	-4.5	-0.1	-8.1	-0.4	-0.4
Operating expenses	-35.0	-37.9	-73.4	-91.0	-164.5
Net operating income	44.9	41.3	84.9	84.4	158.9
Proceeds from disposal of investment properties	5.6	10.6	12.8	19.2	95.5
Carrying value of investment properties sold	-5.7	-7.3	-12.2	-15.9	-87.0
Fair value change of investment properties	23.2	8.1	63.0	44.7	62.4
Sales and marketing expenses	-2.6	-2.2	-4.4	-4.5	-8.7
Administrative expenses	-5.7	-5.6	-11.1	-11.0	-21.3
Other operating income	0.1	0.0	0.2	0.0	2.0
Other expenses	-0.9	-0.5	-1.4	-5.1	-5.5
Operating profit	58.9	44.4	131.8	111.9	196.5
Financial income	0.2	0.2	0.2	0.4	0.9
Financial expenses	-13.5	-9.8	-23.2	-19.3	-37.9
	-13.3	-9.6	-22.9	-18.8	-37.0
Profit before tax	45.6	34.7	108.9	93.0	159.4
Income tax expenses	-9.5	-6.6	-22.4	-19.1	-32.5
Profit for the period	36.1	28.1	86.5	73.9	127.0
Profit for the period attributable to					
Equity holder of the parent	36.1	28.1	86.5	73.9	126.8
Non-controlling interests	0.0	0.0	0.0	0.0	0.1
	36.1	28.1	86.5	73.9	127.0
Earnings per share attributable to equity holders of the parent					
Basic, EUR	0.68	0.55	1.66	1.45	2.49
Diluted, EUR	0.68	0.55	1.66	1.45	2.49
Average number of shares, million	53.3	50.8	52.0	50.8	50.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	1 Apr –30 Jun 2016	1 Apr –30 Jun 2015	1 Jan –30 Jun 2016	1 Jan –30 Jun 2015	1 Jan –31 Dec 2015
Other comprehensive income					
Items that will never be reclassified to income statement	0.0	0.0	0.0	0.0	0.1
Cash flow hedges	-6.6	10.9	-14.3	12.8	6.9
Translation differences	0.0	-0.1	0.0	0.1	-0.1
Related tax	1.3	-2.2	2.9	-2.6	-1.4
Items that may be reclassified subsequently to income statement	-5.2	8.7	-11.4	10.3	5.5
Other comprehensive income, net of tax	-5.2	8.7	-11.4	10.3	5.6
Total comprehensive income	30.9	36.8	75.1	84.3	132.5
Comprehensive income attributable to					
Equity holders of the parent	30.9	36.8	75.1	84.3	132.4
Non-controlling interest	0.0	0.0	0.0	0.0	0.1
	30.9	36.8	75.1	84.3	132.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
ASSETS			
Non-current assets			
Investment property	3,248.6	2,652.9	2,752.9
Tangible assets	2.2	2.3	2.2
Intangible assets	2.1	1.9	1.8
Investments in associated companies	0.0	0.0	0.0
Available-for-sale financial assets	1.7	1.7	1.7
Non-current receivables	12.3	14.0	13.0
Deferred tax assets	18.2	14.3	15.5
Total	3,285.1	2,687.0	2,787.0
Current assets			
Inventories	107.6	141.2	111.8
Account and other receivables	18.6	14.2	13.9
Deferred tax assets	7.4	10.9	6.3
Cash and cash equivalents	79.7	56.2	60.7
Total	213.2	222.6	192.7
TOTAL ASSETS	3,498.3	2,909.6	2,979.7
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Equity holders of the parent			
Share Capital	4.4	4.4	4.4
Fair value and other reserves	-46.6	-30.4	-35.1
Reserve fund	43.7	43.7	43.7
Reserve for invested non-restricted equity	114.9	1.9	1.9
Retained earnings	1,039.3	925.3	978.1
Total	1,155.7	945.0	993.1
Non-controlling interests	0.1	0.1	0.1
TOTAL SHAREHOLDERS EQUITY	1,155.8	945.1	993.2
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	217.6	196.6	202.6
Provisions	3.9	5.1	5.2
Derivatives	64.5	43.7	47.8
Long-term non-interest bearing liabilities	0.8	0.3	0.8
Long-term interest bearing liabilities	1,881.3	1,389.3	1,488.8
Total	2,168.2	1,635.0	1,745.2
Current liabilities			
Accounts payable and other liabilities	57.3	56.6	49.5
Deferred tax liabilities	0.0	8.2	4.3
Short-term interest bearing liabilities	117.1	264.7	187.4
Total	174.4	329.5	241.2
TOTAL LIABILITIES	2,342.5	1,964.5	1,986.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,498.3	2,909.5	2,979.7

CONSOLIDATED STATEMENT OF CASH FLOW, IFRS

MEUR	1 Apr -30 Jun 2016	1 Apr -30 Jun 2015	1 Jan -30 Jun 2016	1 Jan -30 Jun 2015	1 Jan -31 Dec 2015
Cash flow from operating activities					
Profit for the period	36.1	28.1	86.5	73.9	127.0
Adjustments:					
Business activities not involving payment	-25.0	-8.0	-64.0	-40.0	-56.9
Profit and loss on sales of investment properties	-0.1	-3.3	-0.8	-3.3	-8.6
Other adjustments	0.2	-2.1	0.0	-2.3	-2.5
Interest expenses and other financial expenses	13.5	10.0	23.2	19.7	38.3
Interest income	-0.1	-0.2	-0.2	-0.4	-0.8
Dividend income	0.0	0.0	0.0	0.0	0.0
Income taxes	9.5	6.5	22.4	19.0	32.5
Cash flow before change in net working capital	34.0	31.1	67.0	66.6	128.8
Change in net working capital:					
Changes in accounts receivable and other receivables	0.0	0.3	-2.5	-1.9	-1.1
Change in inventories	-2.7	25.0	5.6	47.3	76.7
Change in accounts payable and other liabilities	0.9	3.4	2.6	-8.0	-18.6
Interest paid	-13.2	-12.1	-21.9	-23.3	-40.9
Interest received	-0.1	0.2	0.0	0.4	0.9
Taxes paid	-8.6	-11.5	-12.8	-14.6	-21.0
Net cash flow from operating activities	10.4	36.4	38.0	66.5	124.8
Cash flow from investing activities					
Disposals of subsidiaries, net of disposed cash	0.0	0.0	0.0	0.0	0.3
Acquisitions of Investment properties	-165.8	-66.8	-203.0	-96.1	-250.4
Acquisitions of tangible and intangible assets	-0.1	-0.3	-0.5	-0.8	-1.3
Repayments of loans receivable	0.5	0.9	0.6	1.5	2.2
Payments of granted loans	-0.2	-1.8	-1.0	-1.8	-3.2
Disposals of Investment property	5.5	10.6	12.9	19.4	59.1
Net cash flow from investing activities	-160.1	-57.3	-190.9	-77.9	-193.3
Cash flow from financing activities					
Repayments (-) / withdrawals (+) of current loans	38.3	5.4	40.9	32.4	1.1
Withdrawals of non-current loans	0.0	55.0	298.3	97.7	483.7
Repayments of non-current loans	-208.6	-18.4	-240.0	-63.0	-355.5
Payments received from the issue of shares	98.7	0.0	98.7	0.0	0.0
Repayment of capital and dividends paid	0.0	0.0	-25.4	-31.5	-31.5
Net cash flow from financing activities	-71.7	42.0	172.4	35.6	97.7
Change in cash and cash equivalents	-222.5	21.1	19.4	24.1	29.2
Cash and cash equivalents at the beginning of period	301.6	35.2	60.7	31.8	31.8
Effect of exchange rate fluctuations on cash held	0.0	0.0	0.1	0.2	-0.1
Cash M&A	0.5	0.0	0.5	0.0	-0.3
Cash and cash equivalents at the end of period	79.7	56.2	79.7	56.2	60.7

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

MEUR	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Fair value and other reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings			
Shareholders' equity 1 Jan 2015	4.4	-40.6	43.7	23.3	861.4	892.2	0.1	892.2
Comprehensive income					0.0	0.0		0.0
Remeasurements of defined benefit liability					0.0	0.0		0.0
Cash flow hedges, net of tax		10.3			0.0	10.3		10.3
Available-for-sale investments, net of tax					0.0	0.0		0.0
Translation differences					0.1	0.1		0.1
Other adjustments					0.0	0.0		0.0
Profit for the period					73.9	73.9		73.9
Total comprehensive income	0.0	10.3	0.0	0.0	74.0	84.3	0.0	84.3
Transaction with shareholders						0.0		0.0
Dividend					-10.2	-10.2		-10.2
Capital Repayment				-21.3		-21.3		-21.3
Transaction with shareholders, total	0.0	0.0	0.0	-21.3	-10.2	-31.5	0.0	-31.5
Other adjustments						0.0		0.0
Total of equity movements	0.0	10.3	0.0	-21.3	63.9	52.8	0.0	52.8
Shareholders' equity 30 Jun 2015	4.4	-30.4	43.7	1.9	925.3	945.0	0.1	945.1

MEUR	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Fair value and other reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings			
Shareholders' equity 1 Jan 2016	4.4	-35.1	43.7	1.9	978.1	993.1	0.1	993.2
Comprehensive income								
Remeasurements of defined benefit liability					0.0	0.0		0.0
Cash flow hedges, net of tax		-11.5				-11.5		-11.5
Available-for-sale investments, net of tax						0.0		0.0
Translation differences					0.1	0.1		0.1
Other adjustments						0.0		0.0
Profit for the period					86.5	86.5	0.0	86.5
Total comprehensive income	0.0	-11.5	0.0	0.0	86.6	75.1	0.0	75.1
Transaction with shareholders								
Issue of shares				112.9		112.9		112.9
Dividend					-25.4	-25.4	0.0	-25.4
Capital Repayment				0.0		0.0	0.0	0.0
Transaction with shareholders, total	0.0	0.0	0.0	112.9	-25.4	87.5	0.0	87.5
Other adjustments					0.0	0.0	0.0	0.0
Total of equity movements	0.0	-11.5	0.0	112.9	61.1	162.6	0.0	162.6
Shareholders' equity 30 Jun 2016	4.4	-46.6	43.7	114.9	1,039.3	1,155.7	0.1	1,155.8

NOTES TO THE INTERIM REPORT

1. Notes to the interim report

SATO is a Finnish public limited company domiciled in Helsinki, Finland. SATOs registered address is Panuntie 4, 00600 Helsinki. SATO Corporation and its subsidiaries together form the consolidated SATO Group ("SATO" or "the Group"). SATO group provides housing solutions and its operations consists of investments in housing properties in the largest growth centres. About 80 per cent of the investment property is located in the Helsinki region. Rest of the operations are located in Tampere, Turku, Oulu, Jyväskylä and St. Petersburg.

SATOs interim report has been prepared in accordance with IAS 34 Interim Financial Reporting -standard. Figures presented in these financial statements have been rounded from exact figures and therefore the sum of figures presented individually can deviate from the presented sum figure. The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The figures in the interim report are unaudited.

From the beginning of the year 2016 SATO has adopted new or amended standards and interpretations as described in the financial statements 2015. The interpretation has been assessed not to have a significant impact on SATOs consolidated financial statements. Other parts of the interim report have been reported according to same accounting principles as in SATOs Financial Statements of 2015.

2. Segment information

SATO's profitability is shown as one operating segment. Significant operational decisions are done by SATO's Board of Directors, which reviews the performance at the same level as reporting of the entity's chief operating decision maker. The Group operates in two geographic regions, Finland and Russia. SATO does not have any single external customer which would bring minimum of 10% of SATOs net profit.

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Assets by geographical regions			
Finland	3,372.7	2,771.7	2,867.1
Russia	125.7	137.9	112.6
Total	3,498.3	2,909.6	2,979.7

3. Result on disposal of investment properties

MEUR	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Sold Investment properties					
Proceeds from disposal of investment properties	5.6	10.6	12.8	19.2	95.5
Carrying value of investment properties sold	-5.7	-7.3	-12.2	-15.9	-87.0
Total	0.0	3.3	0.7	3.3	8.6

Proceeds from the disposal of investment properties correspond to the disposal price received net of disposal costs. The carrying value of disposed assets corresponds to the fair value recognised on the previous closing statement of financial position and capitalised expenses for the period.

4. Investment properties

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Fair value of investment properties at start of period	2,752.9	2,528.0	2,528.0
Acquisitions, new constructions	439.1	81.3	218.0
Other investments to properties	4.5	13.3	29.1
Disposals of investment properties	-12.2	-15.9	-87.0
Capitalized borrowing costs	0.6	0.5	1.1
Reclassification from trading properties	0.7	1.1	1.3
Gains and losses from changes in fair value *	63.0	44.7	62.4
Fair value of investment properties at end of period	3,248.6	2,652.9	2,752.9

*Gains and losses from changes in fair value includes foreign exchange profit of EUR 10.8 (12.2) million.

Significant investments during the period:

On 1 April 2016, SATO Corporation acquired the shares of SVK Yhtymä Oy. The transaction transfers 1,255 rental homes, mainly constructed in the 2000s, to SATO's ownership. In addition, SATO purchased a total of 1,015 rental homes from Suomen Laatuasunnot Oy in April. The acquired homes are located in the Helsinki, Tampere and Turku regions.

Valuation methods

SATO's investment properties mainly comprises of rental apartments that are located in the largest growth centres. About 80 percent of the housing property is located in the Helsinki region. Investment property value is taken care by renovation and repair activity based on their lifecycle and repair plans. Increase in the fair value of SATO's investment property was mainly due to market price levels, reclassifications from measurement group to another when legal restrictions have ended and changes in parameters used in valuation.

The valuation of SATO's investment properties is based on a method which has been prepared by SATO in co-operation with a third party expert (currently: JLL (Helsinki office)). The external expert issues quarterly a statement on the applicability of SATO's valuation methods, the appropriateness of sources of information used and the credibility of the valuation. As part of the valuation process, the external expert also reviews each SATO's property on site every three years. Existing properties located in St. Petersburg are valued by third party expert (currently JLL, St. Petersburg office). The principles and methods used in the fair value valuation are approved by the Corporate Management Group. During the valuation process all the periodical changes are analysed. The result of the valuation and the periodic change in fair value booked through profit and loss are reported to the Corporate Management Group and Board of Directors.

At inception investment properties are booked at acquisition value, which includes transaction costs. Later investment properties are valued at fair value. Gains and losses from changes in fair value are booked through profit and loss in the period when they are incurred. Fair value is the price at which the property would trade in a competitive auction setting. Fair value of investment properties represents the price in local primary market taking into account the condition and location of the property. SATO's investment properties valuation methods are sales comparison method, Income value method and Acquisition cost method.

Some of the investment properties are subject to legislative and usage restrictions. The so-called non-profit restrictions apply to the owning company and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include, among other things, permanent limitations on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include the use of apartments, the selection of residents, the setting of rent and divestment of apartments, and they are fixed-term.

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Investment property by valuation classes			
Sales comparison method	2,524.9	1,912.8	2,054.1
Income value	549.2	501.2	508.5
Acquisition method	174.5	238.8	190.3
Total	3,248.6	2,652.8	2,752.9

Sensitivity analysis of investment properties

Sensitivity analysis of investment properties has been presented in the 2014 financial statement. Quarterly changes are not significant. All SATOs investment properties are classified to hierarchy level 3 under IFRS 13. Items which are included in the hierarchy level 3 are measured using input data which is not based on observable market data.

5. Tangible assets

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Balance at the start of the period	2.2	2.4	2.4
Additions	0.3	0.1	0.3
Disposals	-0.3	-0.1	-0.2
Accumulated depreciation of disposals	0.3	0.1	0.2
Depreciation	-0.3	-0.3	-0.5
Balance at the end of the period	2.2	2.3	2.2

6. Intangible assets

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Balance at the start of the period	1.8	1.3	1.3
Additions	0.6	0.7	1.0
Transfers between items	0.0	0.2	0.2
Depreciation	-0.3	-0.3	-0.7
Balance at the end of the period	2.2	1.9	1.8

7. Inventories

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Inventories			
Buildings under construction	19.1	43.2	9.3
Completed apartments and commercial space	11.0	27.4	33.5
Land areas	64.0	58.6	57.5
Other inventories	13.4	12.0	11.5
Total	107.6	141.2	111.8

8. Shareholders equity

The total number of SATOs shares is 56 623 067 (51 001 842) and company holds 160 000 (160 000) owns shares as at 30 June 2016.

During the period, SATO carried out a directed share issue and a rights issue. SATO announced on 1 April 2016 the acquisition of all the shares in SVK Yhtymä Oy. The transaction was completed by a directed share issue approved by SATO's Board of Directors. Shareholders of SVK Yhtymä subscribed for a total of 728,763 SATOs shares. In the rights issue a total of 5,052,462 shares was subscribed. SATO raised approximately EUR 98.7 million through the rights issue. The subscription price is recorded to the reserve for invested non-restricted equity.

The following dividend and repayment of capital were declared and paid by the company:

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Paid dividends and repayment of capital			
Repayment of capital 0,0 (0,42) per share, EUR	0.0	-21.3	-21.3
Dividends 0,50 (0,20) per share, EUR	-25.4	-10.2	-10.2
Total	-25.4	-31.5	-31.5

9. Financial liabilities

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Financial liabilities			
Commercial Papers	62.9	135.1	103.7
Corporate bonds	844.1	248.0	545.5
Bank loans	611.1	899.7	707.3
Interest-subsidised loans	389.8	228.4	226.1
State-subsidised ARAVA loans	90.6	142.9	93.6
Total	1,998.4	1,654.0	1,676.2

In March 2016 SATO issued a euro 300 million unsecured corporate bond for European investors, with maturity of five years and coupon rate of 2.375 per cent. The loan was assigned Baa3 rating by Moody's and is listed in Irish Stock Exchange.

SATO acquired two housing portfolios in April 2016 and the loans transferred to SATO among these transactions explain the increased amount of interest-subsidised loans.

The average interest on the SATO debt portfolio during the period was 2.5 (2.4) per cent.

For purposes of short-term financing, SATO has a commercial paper program of EUR 200 (200) million, committed credit limits of EUR 400 (290) million, and a non-committed current overdraft limit of EUR 5 (5) million.

10. Derivatives

MEUR	30 Jun 2016			30 Jun 2015	31 Dec 2015
	Positive	Negative	Net	Net	Net
Fair values of derivative instruments					
Interest rate swaps, cash flow hedge	0.7	-47.0	-46.3	-29.4	-33.2
Cross-currency and interest rate swaps, cash flow hedge	-	-18.2	-18.2	-14.0	-13.6
Foreign exchange forward contracts, cash flow hedge	-	-	-	-0.9	-0.8
Interest rate swaps, non-hedge accounted	-	0.0	0.0	0.0	-
Total	0.7	-65.2	-64.5	-44.3	-47.6
Nominal values of derivative instruments					
Interest rate swaps, cash flow hedge			676.8	526.4	499.6
Cross-currency and interest rate swaps, cash flow hedge			107.2	109.4	108.3
Foreign exchange forward contracts, cash flow hedge			-	3.9	1.6
Interest rate swaps, non-hedge accounted			83.1	20.0	-
Total			867.0	659.8	609.4

Change in fair value of designated interest rate hedges, booked to hedge reserve in other comprehensive income, totalled EUR -12.1 (7.8) million. Interest rate swaps are used to hedge interest cash flows against fluctuation in market interest rates. Cross-currency and interest rates swaps additionally hedge the currency risks of interest and repayment cash flows of loan contracts denominated in foreign currency. Currency forward contracts are used to hedge contractual cash flow relating to binding purchase agreements denominated in foreign currency. Interest rate hedges have maturities ranging between 1-10 years and forward contracts 1 year. Typically netting agreements are applied to derivative contracts, however the contracts are represented in gross value in financial statements. The method of presentation has no significant impact on figures on reporting or comparative period.

11. Fair values of financial instruments

MEUR	30 Jun 2016			30 Jun 2015		
	Level 1:	Level 2:	Level 3:	Level 1:	Level 2:	Level 3:
Assets						
Loans receivable		12.3			11.2	
Derivative assets		0.7			2.8	
Cash and cash equivalents		79.7			56.2	
Liabilities						
Corporate bonds	856.5	24.0		235.8	24.0	
Other loans		1 157.0			1,407.0	
Derivative liabilities		65.2			47.1	

MEUR	31 Dec 2015		
	Level 1:	Level 2:	Level 3:
Assets			
Loans receivable			11.9
Derivative assets			1.1
Cash and cash equivalents			60.7
Liabilities			
Corporate bonds			537.1
Other loans			1,131.8
Derivative liabilities			48.7

Fair values of assets and liabilities at fair value hierarchy level 1 are quoted on operational markets. Level 2 assets and liabilities fair values are based on verifiable input data and level 3 asset and liabilities are based on unverified input data.

SATO fair values of assets and liabilities level 1 are quoted market prices. Values on hierarchy level 2 are based on discounted cash flows, with market rates as calculation input. Loans are presented at acquisition cost.

12. Non-current provisions

MEUR	Other provisions	Provision for refund claim	Provision for litigation claim	Total
Provision at the end of the period Dec 31 2015	0.0	3.0	2.2	5.2
Increases	1.7	0.1	0.0	1.8
Used provisions	-1.0	0.0	-1.9	-2.9
Cancellations	0.0	-0.1	0.0	-0.1
Provision at the end of the period Jun 30 2016	0.7	3.0	0.3	3.9

Provision for refund claim includes guarantees related to new construction business and 10 year warranty period after completion of the work. Provision for refund claim is measured based on previous claims and assessment of previous experience.

Provision for litigation claim is due to litigation process started during 2008 of one of SATOs investment in Helsinki. Based on Helsinki Court of Appeals decision given on January 30 2015, SATO has recorded a profit effecting litigation claim provision. The expense has been included in 'other expenses' in the income statement in 2015.

13. Notes to the cash flow statement

MEUR	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Business actions not involving a payment					
Depreciation	0.3	0.3	0.6	0.6	1.2
Gains and losses from changes in fair value of investment properties	-23.2	-8.1	-63.0	-44.7	-62.4
Unrealised gains and losses measured at fair value, Interest rate swaps	0.0	-0.2	0.0	-0.4	-0.4
Changes in provisions	-2.1	0.0	-1.6	4.5	4.8
Total	-25.0	-8.0	-64.0	-40.0	-56.9

14. Collateral, commitments and contingencies

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Mortgages and pledges for secured borrowings			
Secured borrowings	1,335.5	1,463.9	1,232.5
Pledges and mortgages provided, fair value	2,016.3	2,119.2	1,715.9
Guarantees for others			
Shared ownership apartment purchase commitments	15.8	21.9	31.0
Rs-guarantees	4.6	4.3	4.1
Mortgages provided to secure payment of rent and street maintenance			
Property mortgages provided	5.8	6.0	5.8
Binding purchase agreements			
For acquisitions of investment properties	166.4	122.4	151.2
Pledges for land use payments on zoned plots	5.2	5.6	7.3
Commitments to cleaning and removal charges	0.7	1.0	2.5
Letters of intent on land for which there is a zoning condition	3.9	6.7	5.2

Housing companies which hold so-called shared ownership apartments are treated as structured entities, which are established for a fixed period, and are not included in the consolidation. On the report date, the loans of such housing companies included in the shared ownership systems, totalled EUR 54.5 (79.5) million.

15. Related party transactions

SATO Group's related party consists of the parent company SATO Plc. its subsidiaries and associated companies. SATOs related party includes persons or entities that have control or joint control, significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. Shareholders whose holding is 20% or more are automatically considered as related party of SATO. When ownership is below 20% shareholders are considered as related party when they have considerable influence of the reporting entity for example through position in the Board of Directors.

Shareholders that are considered as SATOs related party in 2016 are APG Asset Management N.V., Elo Mutual Pension Insurance Company and Fastighets AB Balder.

Shareholders that are considered as SATOs related party in 2015 are Varma Mutual Pension Insurance Company, APG Asset Management N.V. Ilmarinen Mutual Pension Insurance Company (until 1 th of April 2015), Elo Mutual Pension Insurance Company and since 1th of April 2015 Fastighets AB Balder, a Swedish property investment company.

The members of the Board of Directors of SATO, CEO and the members of the Corporate Management Group and the entities controlled or jointly controlled by them are considered as SATOs related party. Also close members of their family are considered as related party. The Corporate Management Group comprises of SATO Corporation's President and CEO, Vice Presidents, Customer Relationships and Communications Director and Chief Financial Officer.

Related party transactions consist of rental agreements and insurance payments. The terms and conditions used in the related party transactions are equivalent to the terms used in transactions between independent parties.

The following transactions were made with related parties:

MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Transactions with related parties			
Rental agreements	0.0	0.2	0.2
Insurance payments	0.0	1.0	1.0
Total	0.0	1.1	1.1
MEUR	30 Jun 2016	30 Jun 2015	31 Dec 2015
Management employee benefits			
Salaries and other short-term employee benefits	1.0	0.9	1.5
Other long-term employee benefits	0.4	0.4	0.9
Total	1.4	1.3	2.4

Rights issue 2016

During 2016 SATO issued 5.1 million new shares in a rights issue in June 2016. The gross proceeds raised by SATO in the rights issue were approximately EUR 98.7 million. Related parties subscribed 4.6 million shares in the rights issue.

Management Remuneration

Persons employed by the Group are not paid separate remuneration when serving as a member of the Board of Directors or as a President of a Group company. The members of SATOs Corporate Management Group are covered by an annual incentive scheme based on the SATOs profit and fulfilment of the key targets for their respective area of responsibility. The Board of Directors approves the payment of bonuses. Retirement age for the President's deputy is 60 years. At that time they are entitled to a pension of 60 per cent of their pensionable salary.

Board of Directors have decided on a long-term incentive scheme for the period 2013 - 2015, 2014 - 2016, 2015 - 2017 and 2016-2018 with a maximum limit. The incentive scheme applies to 15 people working in management positions in SATO. The purposes of the incentive schemes are to combine the goals of the management with those of the shareholder, commitment of the key people, improvement of competitiveness and promotion of long-term financial success.

16. Subsequent events

No significant events after the reporting period.

KEY INDICATORS

Key financial indicators	1-6/2016	1-6/2015	1-12/2015	1-12/2014	1-12/2013**	1-12/2012**	1-12/2011**
Net sales, MEUR	158	175	323	312	312	287	232
Profit before taxes, MEUR	109	93	159	152	141	121	174
Earnings per share, EUR	1.66	1.45	2.49	2.37	2.34	1.78	2.63
Balance sheet total, MEUR	3,498	2,910	2,980	2,802	2,596	2,360	2,167
Shareholders' equity, MEUR	1,156	945	993	892	823	693	635
Interest bearing liabilities, MEUR	1,998	1,654	1,676	1,585	1,501	1,375	1,255
Equity per share, EUR ****	20.41	18.59	19.53	17.55	16.16	13.72	12.59
Average number of shares, million *	52.0	50.8	50.8	50.8	50.8	50.8	50.8
Number of shares, million *	56.6	50.8	50.8	50.8	50.8	50.8	50.8
Return on invested capital, % (ROI)	9.1 %	8.8 %	7.6 %	7.7 %	7.7 %	7.7 %	10.9 %
Return on equity, % (ROE)	16.1 %	16.1 %	13.5 %	14.0 %	15.5 %	13.5 %	22.8 %
Equity ratio, %	33.0 %	32.5 %	33.3 %	31.8 %	31.7 %	29.4 %	29.5 %
Personnel, average***	165	171	172	165	156	152	137
Personnel at the end of period	166	170	170	169	156	150	141
Key figures according to EPRA recommendations and operational cash earnings							
EPRA Earnings, MEUR	33.1	31.8	64.5	65.1	62.7	44.4	43.2
EPRA Earnings per share, EUR	0.64	0.63	1.27	1.28	1.23	0.87	0.85
EPRA Net Asset Value, MEUR *****	1,419.6	1,171.6	1,227.8	1,120.3	1,006.9	900.5	825.1
EPRA Net Asset Value per share, EUR *****	25.1	23.0	24.2	22.0	19.8	17.7	16.2
Cash earnings, MEUR	34.4	32.7	78.1	72.9	66.1	61.6	51.9
Cash earnings per share, EUR	0.66	0.64	1.54	1.43	1.30	1.21	1.02
Quarter key financial indicators	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	
Net sales, MEUR	79.9	78.4	78.6	69.3	79.2	96.3	
Operating profit, MEUR	58.9	72.9	65.9	18.7	44.4	67.5	
Profit and losses from changes of fair value	23.2	39.8	36.1	-18.3	8.1	36.6	
Net financing expenses, MEUR	-13.3	-9.6	-9.0	-9.2	-9.6	-9.2	
Profit before taxes, MEUR	45.6	63.3	57.0	9.4	34.7	58.3	
Earnings per share, EUR	0.68	0.99	0.90	0.15	0.55	0.90	
Average number of shares, million *	53.3	50.8	50.8	50.8	50.8	50.8	
Gross investments, MEUR	407.6	37.2	55.5	98.9	66.8	29.3	
as percentage of net sales	510.4 %	47.4 %	70.5 %	142.6 %	84.4 %	30.4 %	
Key figures according to EPRA recommendations and operational cash earnings							
EPRA Earnings, MEUR	16.4	16.7	14.7	18.0	17.3	14.5	
EPRA Earnings per share, EUR	0.31	0.33	0.29	0.35	0.34	0.29	
Cash earnings, MEUR	13.5	21.0	23.3	22.2	11.1	21.6	
Cash earnings per share, EUR	0.25	0.41	0.46	0.44	0.22	0.42	

* The 160,000 shares held by the Group have been deducted from the number of shares.

** Adoption of IAS 40 Investment properties - standard fair value model has been taken into account retrospectively in key figures. Retrospectively adjusted figures are unaudited.

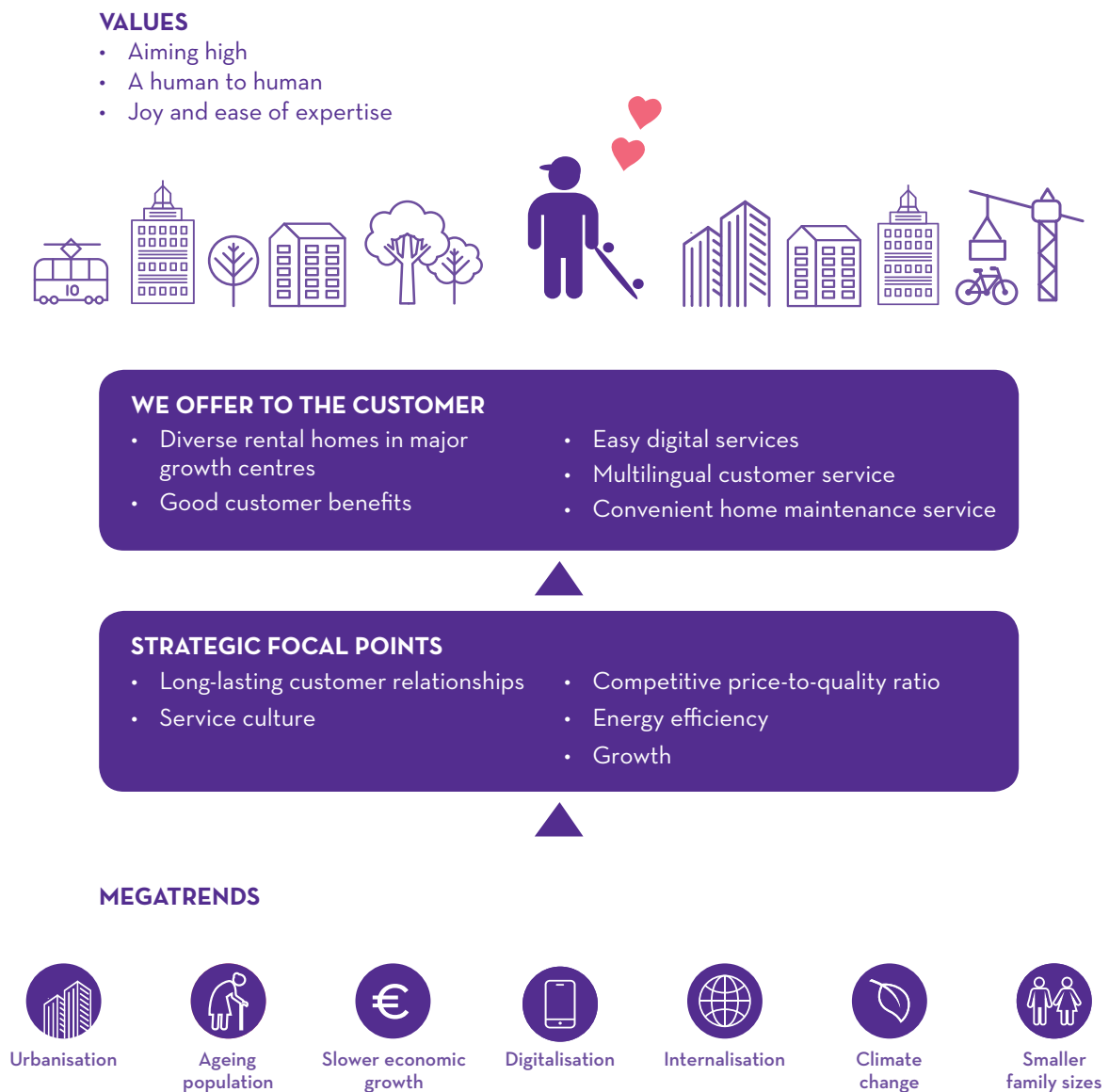
*** Including summer trainees

**** Equity excluding non-controlling interests

***** Includes items valued at their carrying amount

FORMULAS USED IN CALCULATION

Return on investment, %	= $\frac{(\text{Profit or loss before taxes} + \text{interest expense and other financing expenses})}{\text{Balance sheet total} - \text{non-interest-bearing debts (average during the financial year)}} \times 100$
Return on equity, %	= $\frac{(\text{Profit or loss after taxes})}{\text{Shareholders' equity (average during the financial year)}} \times 100$
Equity ratio, %	= $\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
Earnings per share, EUR	= $\frac{\text{Net profit for year due to owners of parent company}}{\text{Adjusted number of shares (average during the financial year)}}$
Equity per share, EUR	= $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares (at the end of the reporting period)}}$
EPRA Earnings	Profit for the period, IFRS -/+ Gains and losses from valuation of investment properties - Profit on sales of investment properties + Loss on sales of investment properties -/+ Profit on sales of new apartments adjusted with sales and marketing expenses -/+ Profit on sales of land areas -/+ Fair value change of financial instruments -/+ Deferred taxed of above items - Non-controlling interests
EPRA Net Asset Value	Net asset value -/+ Fair value of financial instruments (net), net of tax -/+ Deferred tax assets and liabilities (net)
Cash Earnings	Operating profit +/- Gains and losses from valuation of investment properties + Depreciations +/- Change of provisions +/- Defined benefit plans - Cash based financial income and expenses - Cash taxed +-Other items



a home the way
you want it

SATO homes

25,400

Personnel

165

Investments/year, € million

200-400

Fair value of investment assets

€3.2 BILLION

Operating areas

Helsinki metropolitan area, Tampere,
Turku, Jyväskylä, Oulu and St. Petersburg



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