

## Financial Statements 2014

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## Consolidated income statement, IFRS

MEUR	Notes	1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
<b>Net Sales</b>	2, 3	312,3	311,5
Profit on sales of investment properties	4	2,0	1,8
Fair value change of investment properties	11	63,8	59,6
Share of results of associated companies	14	0,4	0,0
Other operating income	4	1,0	0,2
Material and services		-63,4	-73,7
Personnel expenses	5	-12,6	-12,1
Depreciation, amortization and impairment charges	2, 6	-1,1	-0,9
Loss on sales of investment properties	4	-2,9	-0,1
Other operating expenses	4	-108,2	-107,9
<b>Operating profit</b>		<b>191,3</b>	<b>178,3</b>
Financial Income	2, 8	0,9	0,9
Financial Expenses	2, 8	-40,0	-38,5
		<b>-39,1</b>	<b>-37,6</b>
<b>Profit before tax</b>		<b>152,2</b>	<b>140,8</b>
Income tax expenses	9	-31,8	-21,8
<b>Profit for the period</b>		<b>120,5</b>	<b>118,9</b>
<b>Profit for the period attributable to</b>			
Equity holder of the parent		120,3	118,9
Non-controlling interests		0,1	0,1
		<b>120,5</b>	<b>118,9</b>
<b>Earnings per share attributable to equity holders of the parent</b>			
Basic, EUR		2,37	2,34
Dilluted, EUR		2,37	2,34
Average number of shares, million		50,8	50,8

## Consolidated statement of comprehensive income, IFRS

MEUR		1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
<b>Other comprehensive income</b>			
<b>Items that will never be reclassified to income statement</b>			
Remeasurements of defined benefit liability, net of tax	23	-0,2	0,0
Releted tax		0,0	0,0
		<b>-0,2</b>	<b>0,0</b>
<b>Items that may be reclassified subsequently to income statement</b>			
Cash flow hedges		-22,8	12,7
Available-for-sale financial assets		-0,7	0,2
Translation differences		-0,2	0,0
Related tax		4,7	-2,6
		<b>-18,9</b>	<b>10,3</b>
<b>Other comprehensive income, net of tax</b>		<b>-19,1</b>	<b>10,3</b>
<b>Total comprehensive income</b>		<b>101,4</b>	<b>129,2</b>
<b>Comprehensive income attributable to</b>			
Equity holders of the parent		101,2	129,1
Non-controlling interest		0,1	0,1
		<b>101,4</b>	<b>129,2</b>

## Consolidated statement of financial position, IFRS

MEUR	Note	31 Dec 2014	31 Dec 2013	1 Jan 2013
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property	11	2 528,0	2 316,0	2 088,0
Property, plant and equipment	12	2,4	2,4	2,1
Intangible assets	13	1,3	1,3	1,0
Investments in associated companies	14	0,1	0,2	0,2
Available-for-sale financial assets	16	1,7	2,6	2,6
Non-current receivables	15, 17	10,8	9,1	9,5
Deferred tax assets	18	17,2	12,6	18,2
<b>Total</b>		<b>2 561,5</b>	<b>2 344,1</b>	<b>2 121,5</b>
<b>Current assets</b>				
Inventories	19	188,1	190,1	167,7
Account and other receivables	20	13,1	12,0	49,6
Deferred tax assets		7,1	3,2	1,9
Cash and cash equivalents	21	31,8	46,4	33,7
<b>Total</b>		<b>240,1</b>	<b>251,7</b>	<b>252,9</b>
<b>TOTAL ASSETS</b>		<b>2 801,6</b>	<b>2 595,8</b>	<b>2 374,4</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Equity holders of the parent</b>				
Share Capital	22	4,4	4,4	4,4
Fair value and other reserves		-40,6	-21,9	-32,2
Reserve fund		43,7	43,7	43,7
Reserve for invested non-restricted equity		23,3	44,5	44,5
Retained earnings		861,4	750,9	637,1
<b>Total</b>		<b>892,2</b>	<b>821,7</b>	<b>697,6</b>
<b>Non-controlling interests</b>		<b>0,1</b>	<b>1,0</b>	<b>1,0</b>
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b>892,3</b>	<b>822,8</b>	<b>698,6</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	18	187,9	173,9	191,3
Provisions	26	2,9	3,1	3,4
Other non-current liabilities	15, 25	53,5	29,1	45,2
Defined benefit liabilities	23	0,5	0,4	0,7
Long-term interest bearing liabilities	15, 24	1 373,7	1 339,0	1 249,0
<b>Total</b>		<b>1 618,5</b>	<b>1 545,5</b>	<b>1 489,7</b>
<b>Current liabilities</b>				
Accounts payable and other liabilities	27	70,9	61,5	56,4
Deferred tax liabilities		8,8	3,8	3,4
Short-term interest bearing liabilities	15, 24	211,1	162,3	126,3
<b>Total</b>		<b>290,8</b>	<b>227,5</b>	<b>186,2</b>
<b>TOTAL LIABILITIES</b>		<b>1 909,3</b>	<b>1 773,0</b>	<b>1 675,8</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2 801,6</b>	<b>2 595,8</b>	<b>2 374,4</b>

## Consolidated statement of cash flow, IFRS

MEUR	Notes	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>		120,5	118,9
Adjustments:			
Business activities not involving payment	30	-63,4	-59,4
Profit and loss on sales of investment properties		0,4	-1,7
Interest expenses and other financial expenses		40,6	39,3
Interest income		-0,7	-0,8
Dividend income		-0,1	-0,1
Income taxes		31,8	21,8
<b>Cash flow before change in net working capital</b>		<b>129,0</b>	<b>118,0</b>
Change in net working capital:			
Changes in accounts receivable and other receivables		-1,9	8,4
Change in inventories		2,2	-21,6
Change in accounts payable and other liabilities		7,9	3,1
Change in reserves		-0,2	-0,4
Interest paid		-41,1	-39,1
Interest received		1,2	0,8
Taxes paid		-15,7	-15,5
<b>Net cash flow from operating activities</b>		<b>81,3</b>	<b>53,7</b>
<b>Cash flow from investing activities</b>			
Disposals of subsidiaries, net of disposed cash		-0,1	0,4
Acquisitions of Investment properties and PPE		-175,1	-191,9
Repayments of loans receivable		0,4	0,3
Payments of granted loans		-2,1	0,0
Increase (-)/decrease (+) in short-term investments		0,0	25,0
Disposals of Investment property		24,6	22,2
<b>Net cash flow from investing activities</b>		<b>-152,4</b>	<b>-144,0</b>
<b>Cash flow from financing activities</b>			
Repayments (-) / withdrawals (+) of current loans		28,2	3,1
Withdrawals of non-current loans		254,2	305,0
Repayments of non-current loans		-194,5	-177,2
Return on equity and dividends paid		-30,5	-28,0
<b>Net cash flow from financing activities</b>		<b>57,5</b>	<b>103,0</b>
<b>Change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of period	21	46,4	33,7
Effect of exchange rate fluctuations on cash held		-1,0	0,0
Cash and cash equivalents at the end of period		31,8	46,4

## 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 reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings				
<b>Shareholders' equity 1 Jan 2013</b>	4,4	-32,2	43,7	44,5	233,7	294,2	1,0	295,2	
Adoption of IAS 40 fair value model					403,4	403,4		403,4	
<b>Adjusted Shareholder's equity 1 Jan 2013</b>	4,4	-32,2	43,7	44,5	637,1	697,6	1,0	698,6	
Comprehensive income									
Remeasurements of defined benefit liability									
Cash flow hedges, net of tax		10,2				10,2		10,2	
Available for sale investments, net of tax		0,1				0,1		0,1	
Translation differences					0,1	0,1		0,1	
Profit for the period					118,7	118,7	0,1	118,7	
<b>Total comprehensive income</b>	0,0	10,3	0,0	0,0	118,7	129,0	0,1	129,1	
Transaction with shareholders									
Dividend					-28,0	-28,0		-28,0	
Capital Repayment									
<b>Transaction with shareholders, total</b>	0,0	0,0	0,0	0,0	-28,0	-28,0	0,0	-28,0	
Tax rate change effect on adaptation of IAS 40 fair value model					24,0	24,0		24,0	
Other adjustments	0,0	0,1	0,0		-1,0	-0,9		-0,9	
<b>Total of equity movements</b>	0,0	10,4	0,0	0,0	113,8	124,1	0,1	124,2	
<b>Shareholders' equity 31 Dec 2013</b>	4,4	-21,9	43,7	44,5	750,9	821,7	1,0	822,8	

MEUR	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Fair value and other reserves reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings				
<b>Shareholders' equity 1 Jan 2014</b>	4,4	-21,9	43,7	44,5	750,9	821,7	1,0	822,8	
Comprehensive income									
Remeasurements of defined benefit liability					-0,2	-0,2		-0,2	
Cash flow hedges, net of tax		-18,2				-18,2		-18,2	
Available for sale investments, net of tax		-0,6				-0,6		-0,6	
Translation differences	0,0				-0,2	-0,2		-0,2	
Other adjustments					-0,2	-0,2	0,0	-0,2	
Profit for the period					120,3	120,3	0,1	120,5	
<b>Total comprehensive income</b>	0,0	-18,8	0,0	0,0	119,8	101,0	0,1	101,2	
Transaction with shareholders									
Dividend					-9,2	-9,2	0,0	-9,2	
Capital Repayment					-21,2	-21,2	0,0	-21,2	
<b>Transaction with shareholders, total</b>	0,0	0,0	0,0	-21,2	-9,2	-30,5	0,0	-30,5	
Other adjustments		0,0		0,0	-0,1	-0,1	-1,1	-1,2	
<b>Total of equity movements</b>	0,0	-18,8	0,0	-21,2	110,5	70,5	-1,0	69,5	
<b>Shareholders' equity 31 Dec 2014</b>	4,4	-40,6	43,7	23,3	861,4	892,2	0,1	892,3	

## Notes to the consolidated financial statements, IFRS

### 1. Accounting principles

#### Basis of presentation

SATO is a Finnish public limited company domiciled in Helsinki, Finland. SATO's registered address is Panuntie 4, 00600 Helsinki. SATO Corporation and its subsidiaries together form the consolidated SATO Group ("SATO" or "the Group").

The Board of Directors has approved the financial statements on 28 January 2015. A copy of the company's consolidated financial statements may be obtained from the abovementioned address.

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.

SATO's housing investments include both privately financed and state-subsidised housing assets. In respect of the latter SATO's business is affected by special features of non-profit activities, which are the result of restrictions set on the company's business for state-subsidised housing construction. The non-profit restrictions affect owner organisations through, for example, restrictions on distribution of the profit, divestment and risk-taking as well through prohibition on lending and providing collateral. Housing is also affected by property-specific, fixed-term restrictions, which apply to matters such as the use and handover of apartments, the selection of the residents, and the setting of rent. In respect of non-profit activities, SATO's supervisory authorities are the Housing Fund of Finland (ARA), the State Treasury and the Ministry of the Environment, as well as local authorities in matters concerning the selection of residents.

The main risks in selling and leasing homes consist of interest rates and changes in the housing demand.

#### General principles

SATO's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union observing the standards and interpretations effective on December 31, 2014. The notes to the financial statements are also in compliance with the Finnish accounting principles and corporate legislation.

The consolidated financial statements have been prepared on the basis of acquisition cost, with the exception of available for sale investments, derivatives, and financial assets and liabilities as well as investment property booked at fair value.

The information in the financial statements is stated in millions of euros. 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 IFRS financial statements requires application of judgement by management to make certain estimates and assumptions and to apply discretion in applying the accounting principles. The estimates and assumptions may affect the amount of assets, liabilities and conditional liabilities on the consolidated statements of financial position as well as the amount of income and expenses in the income statement. The estimates and assumptions are based on previous experience and other factors, which are considered to offer the best current view in the assessment of assets or liabilities which cannot be obtained from other sources. The actuality may differ from the estimates made.

The estimates and the related assumptions are constantly revised. Revisions of accounting estimates are booked for the period in which the estimate is revised if the change in the estimate affects only to that period. If the change in the estimate affects both the period in which it is made and subsequent periods, the change in the estimate is correspondingly booked both for that and for future periods.

In the section of the accounting principles entitled "Accounting principles requiring management discretion and the main factors of uncertainty affecting the estimates", information is given on those subdivisions in which management discretion or uncertainty factors in estimates may cause the most effects on the figures shown.

#### Principles of consolidation

The consolidated financial statements are a consolidation of the financial statements of the parent company and the subsidiaries. Subsidiaries are companies over which the parent company has control. Control over a subsidiary is presumed to exist when the investor when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee to affect the amount of the investor's returns.

Acquired subsidiaries are included in the consolidated financial statements from the date of acquisitions until the control ends. Acquired companies are included in the financial statements using the acquisition cost method. The net assets of the acquired company at the acquisition date are booked at the fair value of the land areas and buildings. Acquisitions of real property are generally treated as acquisitions of asset items.

All intra-group transactions, internal receivables and payables, in addition profit on internal transactions and the distribution of profit between Group companies are eliminated as part of the consolidation process.

Mutual property companies and housing companies are treated as joint operations, which are consolidated by the proportionate consolidation method prescribed by the IFRS 11 Joint Arrangements standard. This means that the consolidated financial statements include the Group's share of assets, debts, incomes and expenses. The proportionate method is applied to all such asset items irrespective of the Group's holdings.

Suomen Asumisoikeus Oy is a joint arrangement in which SATO has a 50% interest. The joint arrangements, in which the parties have joint control, are consolidated in SATO's consolidated financial statements in accordance with the consolidation method by the standard IFRS 11 Joint Arrangements, i.e., the equity method.

The housing companies in SATO, which own so-called shared ownership apartments, are treated as structured entities. These are not included in the consolidated financial statements insofar as the companies are considered to be arrangements outside of SATO's operations, in purpose of which is to act on behalf of the people who have invested in shared ownership apartments. Those involved in the ownership arrangements are entitled to purchase the apartment for themselves after an agreed period and thus to benefit from any rise in the apartment's value. SATO handles the governance and building management of the shared ownership properties.

#### Transactions denominated in foreign currencies

The financial statements of the Group entities are based on their primary functional currencies of the economic environment where the companies are operating. The presentation currency of the financial statements is the euro, which is also the functional currency of the parent company. The initial transactions in foreign currencies are translated in the functional currency using the exchange rate of the date of transactions. At the end of the accounting period all open balances of assets and liabilities denominated in foreign currencies are translated into euros at the closing date exchange rate.

Foreign currency denominated receivables and liabilities are translated using period end exchange rates. Foreign exchange gains and losses related to business transactions are treated as adjustments to sales or costs. Foreign exchange gains and losses from translation of assets and liabilities are reported in income statement. Unrealised gains and losses related to cash flow hedges are reported in other comprehensive income.

The statements of income of foreign subsidiaries, whose functional currency is not the euro, are translated into euros based on the average exchange rate of the accounting period. Items in the statement of financial position, with the exception of income for the accounting period, are translated into euros at the closing date exchange rate. Exchange rate differences arising from investments of non-euro currency subsidiaries, as well as the exchange rate differences resulting from translating income and expenses at the average rates and assets and liabilities at the closing rate, are recorded in translation differences under equity. Respective changes during the period are presented in other comprehensive income.

The cumulative translation differences related to foreign operations are reclassified from equity to statement of income upon the disposal of the foreign operation.

## Investment Property

Investment properties are properties defined in IAS 40 Investment Property standard, of which the Group retains possession of in order to obtain rental income or appreciation in value and which are not used by the Group itself. The housing companies in SATO, which own so-called shared ownership apartments, are treated as structured entities thus are not valued as investment property.

At inception investment properties are booked at acquisition value, which includes transaction costs. Later investment properties are valued in 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.

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.

Investment properties under ARAVA legislation are booked at the original acquisition price, including the transaction costs. Later they are valued at the original acquisition price less accumulated depreciation and impairments. Expenditure on repairs to Investment Properties is only capitalised if it increases the property's future revenue-generating capability. The depreciation periods of these capitalisations are set on a case-by-case basis according to the estimated economic life.

An investment property is written off the balance sheet when it is handed over or when the investment property is permanently removed from use and no future economic use can be expected from the handover. The profits and losses from divestments or removals from use of Investment Properties are shown on separate lines in the profit and loss account.

The fair values of the Investment Properties are based on the following:

- the sales comparison method is used in properties of which apartments can be sold individually without restrictions.
- the properties which can be sold just as entire property and to a restricted group of buyers are valued using income value method, and
- the fair values of properties under construction, interest subsidized (short term) properties and ARAVA properties are estimated to be same as acquisition cost

The market value as at the date of the valuation is based on the average of the actual sales prices of comparable housings from the preceding 24 months.

## Other property, plant and equipment

Assets in property, plant and equipment are valued at the original acquisition price less accumulated depreciation and impairments. Property, plant and equipment assets are depreciated in straight-line instalments during their estimated economic lives, which are as follows:

Machinery and equipment 5-10 years  
Other tangible assets 3-6 years

The economic life and residual value of assets are reassessed at each year-end. Changes in the future economic benefits found in the assessment are taken into account by adjusting the economic life and residual value of the assets. Profits and losses arising from sales and divestments of property, plant and equipment assets are booked in the profit and loss account and presented as other income and expenses of business operations.

## Intangible assets

An intangible asset is entered in the balance sheet only if its acquisition cost can be determined reliably and it is likely that an expected economic benefit will accrue to the company from it.

An intangible asset is valued at the original acquisition cost less depreciation and any impairment. Intangible assets consist largely of computer software, which is subjected to straight-line depreciation over 3–6 years.

## Impairment

At end of each reporting period it is assessed whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount from the asset item is estimated. An asset is impaired if the carrying value exceeds the recoverable amount. An impairment loss is recognised in profit or loss.

When an impairment loss is booked, the economic life of the asset item subject to depreciation is reassessed. The impairment loss booked against the asset item is cancelled if there is an increase in the value of the assessment used to determine the recoverable amount from the asset item.

However, the increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

## Inventories

Inventories are valued at the acquisition cost or expected net realisable value if lower. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are comprised of the following items:

- homes under construction, comprised of the portion of projects in progress booked at the balance sheet,
- completed homes and commercial premises intended for sale but unsold at the date of closing of the books,
- land areas and land area companies, which include the acquisition costs of unstated properties, and
- other inventories, which are mostly comprised of projects being planned.

## Financial instruments

SATO's financial assets and liabilities are classified in accordance with the IAS 39 into the following categories: financial assets and liabilities at fair value through profit and loss, financial assets available for sale, loan and other receivables, financial liabilities at amortised cost, and effective cash flow hedges, measured at fair value through other comprehensive income. The instruments are classified at the time of the original acquisition and on the basis of the purpose of the acquisition. Sales and purchases of financial instruments other than those associated with derivatives are booked on the clearance date. All derivatives are booked on the balance sheet on the trade date.

### *Financial assets and liabilities at fair value through profit and loss*

Category includes derivative instruments for which hedge accounting in accordance with IAS 39 is not applied and are hence classified in trading portfolio. These instruments are valued at fair value and profits and losses arising from changes in the fair value, both realised and unrealised, are recognised in the income statement for the period.

### *Loan and other receivables*

Loan and other receivables are nonderivative assets, for which the payments are fixed or can be determined. In balance sheet, they are included in the accounts receivable and other receivables, in either current or non-current assets, according to their terms. Loans and other receivables are valued at amortised acquisition cost less any impairment. The Group books an impairment loss against accounts receivable when there are reasonable indications on the



date of closing the books that the receivable will not be collected in full.

#### *Financial assets available for sale*

Financial assets available for sale are mostly stocks and shares. Investments in listed securities are valued in the financial statements at the buying prices quoted in an active market on the period closing date. Unlisted shares, the fair value of which cannot be determined reliably, are valued at the original acquisition cost or probable value if lower. Unrealised changes in value of financial assets available for sale are booked in the other comprehensive income, with allowance for the deferred tax. Accumulated changes in fair value are not booked from the value adjustment fund to the profit and loss account until the investment is sold or its value has declined to such an extent that an impairment loss is to be booked against the investment.

An entity shall recognise an impairment loss for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. An impairment loss on equity investments classified as available for sale is not cancelled through the profit and loss account.

#### *Cash and cash equivalents*

Cash and cash equivalents are comprised of cash in hand, bank accounts and liquid investments with maturities at the date of acquisition of three months or less. Any negative balances of bank accounts with an overdraft facility are included in current liabilities. The cash and cash equivalents of non-profit companies are kept separate from those of companies not subject to non-profit restrictions.

#### *Financial liabilities at amortised cost*

Financial liabilities are initially recognized at fair value of the proceeds less transaction expenses. Later interest-bearing liabilities are valued at amortised cost using the effective interest method. Financial liabilities are included in non-current and current liabilities and they may be interest-bearing or non-interest-bearing. Interest is accrued in the income statement for the accounting period by the effective interest method.

#### *Derivatives and hedge accounting*

All derivatives are originally booked at fair value at the trade date, and are subsequently measured at fair value. The accounting treatment of profits and losses depends on the intended use of the derivatives. The Group documents the designation of hedging instruments to hedged items and makes its assessment as to whether the derivatives used for hedging are highly effective in negating the changes in the cash flows of the hedged items. The effectiveness is reviewed both when starting the hedging and after the event. The fair value of derivatives is calculated by discounting the contractual cash flows. The fair value of interest-rate options is calculated by using the market prices at the balance sheet date and option valuation models.

The Group treats derivatives either as cash flow hedges or as derivatives for which hedge accounting under IAS 39 is not applied. Changes in value of derivatives subject to hedge accounting are booked in the other comprehensive income. Gains and losses are transferred to the interest expenses in the income statement at the same time as the interest expenses on the hedged item. Any ineffective part of a hedging relationship is booked immediately in financial expenses. Changes in value of derivatives for which hedge accounting is not applied are booked in the financial items in income statement.

#### **Untaxed reserves**

A reserve is booked when the Group has a legal or actual obligation on the basis of prior events, when the realisation of a payment obligation is likely and the amount of the obligation can be reliably estimated. The extent of the construction sector's 10-year liability reserve is based on experience of the realisation of these liabilities. A guarantee period reserve is also booked when a project is credited or charged in the profit and loss account. The extent of the guarantee period reserve is based on experience of the realisation of guarantee expenditures. Other reserves may be reorganization

reserves or loss-making agreements. A reserve is booked for loss-making agreements when the essential expenditure required to meet obligations exceeds the benefits obtained from the agreement.

#### **Principles of income recognition**

##### *Principles of income recognition for sales of new homes*

Income of sales of the newly built homes is recognised in compliance with the *IAS 18 Revenue standard and the related IFRIC 15 Agreements for the Construction of Real Estate interpretation* at the moment when the risks and benefits of the property have been transferred to the buyer. In respect of homes sold during the construction, the risks and benefits are deemed to be transferred on the completion date of the property and for completed homes on the sale date.

##### *Income from services*

Income from services, such as client commissioning, is recognised when the service has been performed.

#### **Lease agreements (SATO as lessor)**

Rental income from Investment Properties is recognised in the profit and loss account in equal instalments over the lease period. When acting as a lessor, SATO has no agreements classified as financial leasing agreements.

#### **Lease agreements (SATO as lessee)**

Lease agreements in which SATO is the lessee are classified as financial lease agreements and they are booked as assets and debts if the risks and benefits have been transferred. Lease agreements are classified at their commencement and they are booked at fair value, or at the present value of minimum rents if lower, in the balance sheet as a tangible asset and financial debt. A tangible asset is depreciated during the economic retention of the asset in question or during the duration of the lease agreement. The rent to be paid is divided into the interest posted to the profit and loss account and the instalment on the financial debt.

Lease agreements are classified as other lease agreements if the characteristic risks and benefits of ownership have not been transferred to an essential extent. Rents to be paid on the basis of other lease agreements are booked as an expense in the profit and loss account in equal instalments over the lease period.

#### **Borrowing costs**

Borrowing costs are capitalised as part of an asset's acquisition expenditure when they are due to the acquisition, construction or manufacture of an asset item which is directly derived from fulfilling the terms. An asset item fulfilling terms is one for which the completion for the intended purpose or for sale will inevitably require a considerable amount of time. Other borrowing costs are posted as an expense for the financial year in which they have occurred. Transaction costs directly due to the taking of loans, which can be attributed to a particular loan, are included in the original matched acquisition cost of the loan and matched as an interest expense using the effective interest rate method.

#### **Public grants**

Public grants, for example for lifts, are booked as decreases in the book value of tangible assets. Received grants therefore reduce the depreciation applied to the asset during its economic life. For SATO, the main form of public support is state-supported interest subsidized loans and Housing Fund of Finland loans, in which state-backed projects receive a low-interest loan with the support of the state. The real interest on these loans is lower than the interest expenses would be on market-based loans. The interest advantage obtained through public support is therefore netted into interest expenses in accordance with IAS 20 and is not shown as a separate item in the interest income.



## Pension arrangements

SATO's pension arrangements are classified as both contribution-based and, for some sections of the personnel, benefit-based. Contributions to contribution-based pension arrangements are booked as an expense in the profit and loss account for the period in which the payment was made. The Group has no legal or actual obligation to make further payments if the recipient of the payments is unable to perform the payment of these pension benefits.

Arrangements other than payment-based ones are treated as benefit based pension arrangements. At SATO, these include the supplementary pension arrangements for the management. Obligations arising from benefit-based pension arrangements are calculated with a method based on the predicted unit of privilege.

The current value of pension obligations, based on actuarial calculations, is posted to the balance sheet after deduction of the assets pertaining to the pension arrangements at their current value, unposted profits and losses based on actuarial calculations, and expenditures based on backdated work done. Pension expenditure is posted to the profit and loss account as an expense over the period of employment of the individuals. Profits and losses based on actuarial calculations are entered in the profit and loss account over the period of employment of the individuals to the extent that they exceed the greatest of the following: 10% of the pension obligation or 10% of the fair value of the assets.

## Income taxes

Income taxes include the taxes based on the taxable profit for the financial year, adjustments to previous years' taxes, and changes in deferred taxes. Deferred tax credits and liabilities are calculated from the differences between the taxation values of assets and debts and their book values according to IFRS. The tax rate set by the date of closing the books is used to determine the deferred taxes. The largest temporary differences arise from investment properties measured at fair value through profit and loss and from financial instruments measured at fair value through hedge reserve in other comprehensive income. A deferred tax credit is booked up to the amount at which it is likely that there will be taxable income in the future against which the temporary difference can be used.

## Operating profit

Operating profit is the net sum formed when the profits from divestments of Investment Properties, the share of the profit of joint ventures and associated companies, and other income from business operations and fair value changes are added to turnover, and the use of materials and services, personnel expenses, depreciation and impairments, losses from divestments of Investment Properties and other expenses of business operations are deducted. Exchange gains and losses are included in operating profit when they arise from items related to ordinary business operations. Exchange gains and losses associated with financing are booked in financial income and expenses.

## Accounting principles requiring management discretion and the main factors of uncertainty affecting estimates

When the financial statements are prepared, the making of estimates is required in certain quarters. At SATO, the main estimates are associated with the following subdivisions: The amount of reserves booked on projects requires estimates of the obligations arising from the projects. In respect of Investment Properties, tangible and intangible assets must be assessed annually for indications that the value of these assets may have declined. If there are such indications, the amount of money accruing from these asset items must be estimated.

## New and amended standards applied in financial year ended

SATO adopted investment property fair value measurement method based on IAS 40 Investment Property standard as of 1 Jan 2014. According to IAS 8 standard voluntary adoption is possible only in case the change will give more reliable and significant information about the circumstances related to business transactions, other events and conditions, which have an effect to entity's financial position, financial profit and cash flows. Adoption of standard was done retrospectively, so that comparative financials (2013) and

opening balance of comparative financial year was adjusted to be in accordance with the standard.

According to IAS 40 standard investment properties are initially booked at acquisition cost, including transaction costs. Later investment properties are measured at fair value when all gains and losses from valuation are reported in the income statement during accounting period when they arise.

## Reporting changes in future financial years

SATO will change its presentation of expenses recognised in profit or loss from 'nature of expense' method to 'function of expense method' as of January 2015. The amendment is intended to provide investors with more relevant and detailed information about expense recognition and function in SATOs business. In addition, alongside cumulative figures presented in interim financial statements, SATO will start reporting the quarterly change of these figures.

During the previous financial years SATO has presented its rental homes divided into two segments, SATO business and VATRO business. SATO's Board of Directors has decided to change the current segment reporting and will start to report SATOs business as a whole as of January 1 2015. The change is due to VATRO business decrease in the residential property value compared to the total property value of SATO.

## Adoption of new and amended standards and interpretations applicable in future financial years

- IFRS 10 *Consolidated Financial Statements* and subsequent amendments: IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard has not had a material impact on SATOs consolidated financial statements.
- IFRS 11 *Joint Arrangements* and subsequent amendments: In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed. The new standard has not had a material impact on SATOs consolidated financial statements.
- IFRS 12 *Disclosures of Interests in Other Entities* and subsequent amendments: IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard has expanded the notes the SATO group provides for its interests in other entities.
- IAS 27 *Separate Financial Statements* (revised 2011) and subsequent amendments: The revised standard includes the provisions on separate IFRS financial statements that were left after the control provisions were included in the new IFRS 10. The revised has not had a material impact on SATOs consolidated financial statements.
- IAS 28 *Investments in Associates and Joint Ventures* (revised 2011): Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted. The revised standard has not had a significant impact on SATOs consolidated financial statements.
- Amendments to IAS 32 *Financial Instruments*: Presentation: The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance. The amendment has not had a significant impact on SATOs consolidated financial statements.
- Amendments to IAS 36 *Impairment of Assets*: The objective of the amendments is to clarify that the scope of the disclosures of information about the recoverable

amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets. The amended standard has not had a significant impact on SATOs consolidated financial statements.

- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement*: The amendments made to IAS 39 provide an exception to the requirement to discontinue hedge accounting in certain circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The amendment has not had an impact on SATOs consolidated financial statements.
- Amendments to IAS 19 *Employee Benefits - Defined Benefit Plans: Employee Contributions*: The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendment has not had a significant impact on SATOs consolidated financial statements.
- Annual Improvements to IFRSs (2011-2013 cycle\* and 2011-2012 cycle\*, December 2013) (effective for financial years beginning on or after 1 July 2014): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven (2010- 2012 cycle) standards. Their impacts vary standard by standard but are not significant

**SATO has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. Other new and amended standards or interpretations do not have impact on SATOs consolidated financial statements.**

- IFRIC 21 Levies (effective for financial years beginning on or after 1 January 2015 after the EU approval process): The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognised when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards. The interpretation is not assessed to have a significant impact on SATOs consolidated financial statements.
- New IFRS 15 *Revenue from Contracts with Customers\** (effective for financial years beginning on or after 1 January 2017): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of IFRS 15.
- New IFRS 9 *Financial Instruments\** (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the impact of IFRS 9.

## 2. Segment information

SATO's operations are divided, managed and monitored in two business areas, SATO business and VATRO business. The division into segments is done by the same principle. SATO business includes privately financed investment homes as well as those state-subsidised and interest-subsidised homes to which property-specific restrictions end mostly by 2016, although for some properties they will continue until 2025. Construction of owner-occupied housing and investment in housing in St. Petersburg are also included in the SATO business. VATRO business includes housing subject to longer-term property-specific restrictions under legislation on state-subsidised loans. These restrictions will end by the year 2047.

Income and expenses allocated to the reported segment are the segments direct earnings and direct expenses and the amounts that can be allocated on a reasonable basis. Financial income and expenses are also included into the segments income and expenses as these are considered to be a key factor in forming the net profit of the segment. Leaving them out would not give a fair view of the segments' net profit.

The assets and liabilities of reporting segment are operational items that the segment uses in its business operations and are reasonably attributable to the segments. The unallocated assets include deferred tax credits as well as the Group's common items. The unallocated debts are comprised mainly of deferred tax liabilities. Investments are comprised of increases in investment properties, tangible fixed assets, and intangible assets which are used in more than one financial year. Pricing between segments is done at appropriate market rate.

According to the Group's strategy, new investments made in the 2000s are targeted in SATO business. As the significance of VATRO business has decreased, SATO's Board decided to abandon the current segment division in the reporting for 2015. As of 1 January 2015, SATO's business will be reported as one entity.

### Calculation of net rental income

The net rental income of investment properties is obtained by deducting from the rental income the maintenance expenses, which include annual repair expenses. In calculating the net rental income, the part of the Group's fixed expenses which concerns the maintenance of the investment properties is added to the maintenance expenses.

### Segment information 1 Jan–31 Dec 2014

MEUR	SATO business	VATRO business	Eliminations	SATO Group, total
Net sales	271,8	40,5		312,3
Profit and loss on sales of Investment properties	-1,0	0,2		-0,9
Depreciation, amortizations and impairment charges	-1,0	-0,1		-1,1
Operating profit	179,4	11,9		191,3
Interest income	0,9	0,0		0,9
Interest expenses	-34,9	-5,1		-40,0
Profit before taxes	145,4	6,8		152,2
Net rental income of Investment properties	126,1	22,7		148,8
Net rental income of Investment properties, % of fair value	5,9	11,7		6,1
Investments	174,1			174,1
Increase in inventory, land areas	5,3			5,3
Depreciation and amortization	-1,0	-0,1		-1,1
Assets and eliminations allocated to segments	2 529,8	213,4	-17,0	2 726,2
Investment Properties	2 336,2	191,8		2 528,0
Cash and cash equivalents	-26,3	7,0		-19,3
Other assets	219,9	14,6	-17,0	217,5
Investments in associated companies	0,0	0,0		0,0
Unallocated assets				75,4
<b>Total Assets</b>				<b>2 801,6</b>
Liabilities allocated to segments	1 553,8	175,8	-17,0	1 712,6
Interest bearing liabilities	1 417,6	167,2		1 584,8
Other liabilities	136,2	8,6	-17,0	127,8
Unallocated liabilities				196,7
<b>Total Liabilities</b>				<b>1 909,3</b>

## Segment information 1 Jan–31 Dec 2013

MEUR	SATO business	VATRO business	Eliminations	SATO Group, total
Net sales	272,4	39,1		311,5
Profit and loss on sales of Investment properties	1,6	0,2		1,8
Depreciation, amortizations and impairment charges	-0,7	-0,2		-0,9
Operating profit	166,9	11,4		178,3
Interest income	0,9	0,0		0,9
Interest expenses	-32,7	-5,8		-38,5
Profit before taxes	135,2	5,6		140,8
Net rental income of Investment properties	115,2	22,1		137,3
Net rental income of Investment properties, % of fair value	6,0	11,1		6,5
Investments	190,6	0,0		190,6
Increase in inventory, land areas	7,5			7,5
Depreciation and amortization	-0,7	-0,2		-0,9
Assets and eliminations allocated to segments	2 384,6	215,2	-15,3	2 584,5
Investment Properties	2 120,2	195,8		2 316,0
Cash and cash equivalents	42,4	5,3		47,7
Other assets	222,1	13,8	-15,3	220,6
Investments in associated companies	-0,1	0,3		0,2
Unallocated assets				11,3
<b>Total Assets</b>				<b>2 595,8</b>
Liabilities allocated to segments	1 429,4	185,0	-15,3	1 599,1
Interest bearing liabilities	1 324,2	178,1		1 502,3
Other liabilities	105,2	6,9	-15,3	96,8
Unallocated liabilities				173,9
<b>Total Liabilities</b>				<b>1 773,0</b>

SATO does not have any single external customer which would bring minimum of 10% of SATOs net profit.

## 3. Distribution of Net sales

MEUR	2014	2013
<b>Net Sales</b>		
Net sales on sales of new constructions	60,6	67,9
Rental income	243,2	229,5
Other income	8,5	14,2
<b>Total</b>	<b>312,3</b>	<b>311,5</b>

## 4. Profit on sales of investment properties and other operating income and expenses

MEUR	2014	2013
<b>Profit and loss on sales of investment properties</b>		
Profit on sales	2,0	1,8
Loss on sales	-2,9	-0,1
<b>Total</b>	<b>-0,9</b>	<b>1,6</b>
<b>Other operating income</b>		
Available-for-sale assets, reclassified to income statement	0,8	0,0
Other items	0,2	0,2
<b>Total</b>	<b>1,0</b>	<b>0,2</b>
<b>Other operating expenses</b>		
Maintenance expenses of investment properties	58,4	61,8
Rental expenses	38,7	35,8
Other administrative expenses	10,0	9,5
Other expenses	1,1	0,8
<b>Total</b>	<b>108,2</b>	<b>107,9</b>
<b>Auditors fees</b>		
Audit	0,1	0,1
Tax consultancy	0,1	0,0
Other services	0,1	0,1
<b>Total</b>	<b>0,3</b>	<b>0,2</b>

## 5. Personnel expenses

MEUR	2014	2013
<b>Personnel expenses</b>		
Salaries and wages	10,3	9,5
Defined contribution pension plans	1,8	1,7
Defined benefit pension plans	0,1	0,5
Other personnel expenses	0,4	0,4
<b>Total</b>	<b>12,6</b>	<b>12,1</b>

Management employee benefits are presented in note 32 Related Party Transactions

<b>Average number of personnel</b>	<b>165</b>	<b>156</b>
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## 6. Depreciation, amortizations and impairment charges

MEUR	2014	2013
<b>Depreciation by asset class:</b>		
Property, plant and equipment	0,6	0,6
Intangible assets	0,5	0,3
<b>Total</b>	<b>1,1</b>	<b>0,9</b>

No Impairment charges have been recognized.

## 7. Research and development

Research and development expenses during 2014 were EUR 0,7 million (2013: EUR 1,1 million) and deferred to balance sheet EUR 0,1 million (2013: EUR 0,7 million).

## 8. Financial income and expenses

MEUR	2014	2013
<b>Financial income</b>		
Interest income on loans receivable and cash and cash equivalents	0,5	0,6
Dividend income on available-for-sale investments	0,1	0,1
Foreign exchange gain	0,3	0,2
<b>Total</b>	<b>0,9</b>	<b>0,9</b>
<b>Financial expenses</b>		
Interest expense on financial liabilities measured at amortized cost	-26,9	-27,2
Interest expense on effective cash flow hedges	-11,3	-9,7
Interest expense on non-hedge accounted derivatives	-0,8	-0,8
Change in fair value, non-hedge accounted derivatives	0,7	0,8
Foreign exchange loss	0,0	-0,1
Other financial expenses	-1,7	-1,4
<b>Total</b>	<b>-40,0</b>	<b>-38,5</b>
<b>Financial income and expenses, net</b>	<b>-39,1</b>	<b>-37,6</b>

## 9. Income taxes

MEUR	2014	2013
<b>Income taxes recognized in income statement</b>		
Current tax from accounting period	16,8	28,1
Current tax from previous period	0,0	0,5
Deferred taxes	14,9	-6,8
<b>Total</b>	<b>31,8</b>	<b>21,8</b>

Reconciliation between the income tax expense recognized in income statement and tax expense calculated with domestic corporate tax rate 20 % of the parent company:

MEUR	2014	2013
<b>Profit before taxes</b>	<b>152,2</b>	<b>140,8</b>
<b>Income tax calculated with domestic corporate tax rate of the parent</b>	<b>30,4</b>	<b>28,2</b>
Non-deductable expenses	1,0	1,3
Tax-exempt income	-0,1	0,0
Items to be recognised in income statement in future periods	0,3	1,4
Items that have been recognised in tax calculation in pervious periods	-0,3	-1,6
Tax from previous periods	0,0	-0,5
Effect of change in tax rate	0,0	-10,4
Adoptation of IAS 40 Fair value model	0,0	3,1
Other items	0,4	0,3
<b>Total adjustments</b>	<b>1,3</b>	<b>-6,3</b>
<b>Income tax expense in income statement</b>	<b>31,8</b>	<b>21,8</b>

## 10. Earnings per share

Undiluted earnings per share is calculated by dividing parent company profit attributable to equity holders with weighted average number of shares outstanding. The amount of SATO's shares 31 december 2014 was 51 001 842. At the end of the reporting period SATO hold 160 000 own shares.

MEUR	2014	2013
Profit attributable to equity holders of the parent	120,3	118,9
Weighted average of shares	50,8	50,8
<b>Earnings per share (EUR)</b>		
Basic	2,4	2,3
Diluted	2,4	2,3

## 11. Investment properties

MEUR	2014	2013
<b>Fair value of investment properties at start of period</b>	<b>2 316,0</b>	<b>2 088,0</b>
Acquisitions, new constructions	152,5	169,3
Other investments to properties	20,1	18,4
Disposals of new investment properties	-25,7	-22,2
Capitalized borrowing costs	1,2	1,0
Reclassification from trading properties	0,2	1,8
Gains and losses from changes in fair value *	63,8	59,6
<b>Fair value of investment properties at end of period</b>	<b>2 528,0</b>	<b>2 316,0</b>

\*Gains and losses from changes in fair value includes foreign exchange losses of EUR 41,2 million.

SATO's investment properties mainly comprises of rental apartments that are located in the largest growth centers. 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 SATOs 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.

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.

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 SATOs' property on site every three years. Existing properties located in St. Petersburg are valued by third party expert (currently JLL, St. Petersburg office).

### Valuation methods

At inception investment properties are booked at acquisition value, which includes transaction costs. Later investment properties are valued on 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 measures investment properties at fair value which are based on:

- Sales comparison
- Income value
- Acquisition cost

### Sales comparison method

Sales comparison method is used in properties of which apartments can be sold individually without restrictions. The market value as at the date of the valuation is based on the average of the actual sales prices of comparable housings from the preceding 24 months. As a source for such comparable sales prices, the Company applies housing price data which, according to its view, represents the most comprehensive data source available. Currently, the Company uses HSP (Hintaseurantapalvelu) price tracking service maintained by CGI Suomi Oy as a source of such housing price data. The HSP price tracking service includes information on sales of apartments and real estates in Finland provided by real estate agents. Market value for each property is individually adjusted using rental house discount. Deduction is mainly based on location, condition and image of the property. Properties located in St. Petersburg are valued by third party expert (JLL).

### Income value

The properties which can be sold just as entire property and to a restricted group of buyers are valued using income value method. Income value is based on the area specific yield and assumption of the long-term rental use of the buildings. Long term renovation costs and interest subsidies are taken into account in income value method.

### Acquisition cost

The fair values of properties under construction, interest subsidized (short term) properties and ARAVA properties are estimated to be same as acquisition cost. At inception these properties are booked at the original acquisition cost, including the transaction costs. Later they are valued on the original acquisition price less accumulated depreciation and impairments.

### Sensitivity analysis of investment properties 31 December 2014

MEUR	-10 %		-5 %		5 %		10 %	
	Change	Change %	Change	Change %	Change	Change %	Change	Change %
<b>Properties measured at market values</b>								
Change in market prices	-160,0	-9,6 %	-80,0	-4,8 %	80,0	4,8 %	160,0	9,6 %
<b>Properties measured at yield value</b>								
Yield requirement	49,2	12,5 %	23,3	5,9 %	-21,1	-5,4 %	-40,2	-10,3 %
Lease income	-65,1	-16,6 %	-32,5	-8,3 %	32,5	8,3 %	65,1	16,6 %
Maintenance costs	20,9	5,3 %	10,5	2,7 %	-10,5	-2,7 %	-20,9	-5,3 %
Utilization rate	-65,1	-16,6 %	-32,5	-8,3 %	-	-	-	-

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.



## 12. Property, plant and equipment

2014

MEUR	Machinery and equipment	Other tangible assets	2014 Total
<b>Balance at the start of the period</b>	<b>4,3</b>	<b>1,4</b>	<b>5,7</b>
Additions	0,6	0,0	0,6
Disposals	-0,2	0,0	-0,2
<b>Balance at the end of the period</b>	<b>4,7</b>	<b>1,4</b>	<b>6,1</b>
<b>Accumulated depreciation at start of the period</b>	<b>3,1</b>	<b>0,3</b>	<b>3,4</b>
Disposals	-0,2	0,0	-0,2
Depreciation for the period	0,5	0,0	0,5
<b>Accumulated depreciation at end of the period</b>	<b>3,4</b>	<b>0,3</b>	<b>3,6</b>
<b>Carrying value at 1 January 2014</b>	<b>1,2</b>	<b>1,1</b>	<b>2,4</b>
<b>Carrying value at 31 December 2014</b>	<b>1,3</b>	<b>1,1</b>	<b>2,4</b>

2013

MEUR	Machinery and equipment	Other tangible assets	2013 Total
<b>Balance at the start of the period</b>	<b>4,7</b>	<b>0,7</b>	<b>5,4</b>
Additions	0,4	0,6	1,0
Disposals	-0,7	0,0	-0,7
<b>Balance at the end of the period</b>	<b>4,3</b>	<b>1,4</b>	<b>5,7</b>
<b>Accumulated depreciation at the start of the period</b>	<b>3,2</b>	<b>0,2</b>	<b>3,4</b>
Disposals	-0,7	0,0	-0,7
Depreciation for the period	0,6	0,1	0,7
<b>Accumulated depreciation at the end of the period</b>	<b>3,1</b>	<b>0,3</b>	<b>3,4</b>
<b>Carrying value at 1 January 2013</b>	<b>1,4</b>	<b>0,6</b>	<b>2,0</b>
<b>Carrying value at 31 December 2013</b>	<b>1,2</b>	<b>1,1</b>	<b>2,4</b>

Machinery and equipment includes assets acquired with financial lease agreements as follows:

MEUR	2014	2013
<b>Balance at the start of the period</b>	<b>0,0</b>	<b>0,7</b>
Additions	0,0	0,0
Disposals	0,0	-0,7
<b>Balance at the end of the period</b>	<b>0,0</b>	<b>0,0</b>
<b>Accumulated depreciation at the start of the period</b>	<b>0,0</b>	<b>0,7</b>
Depreciation for the period	0,0	0,0
Disposals	0,0	-0,7
<b>Accumulated depreciation at the end of the period</b>	<b>0,0</b>	<b>0,0</b>
<b>Carrying value at the end of the period</b>	<b>0,0</b>	<b>0,0</b>

### 13. Intangible assets

2014			
MEUR	Intangible rights	Other intangible assets	2014 Total
<b>Balance at the start of the period</b>	<b>0,3</b>	<b>3,7</b>	<b>4,0</b>
Additions	0,0	0,6	0,6
<b>Balance at the end of the period</b>	<b>0,3</b>	<b>4,2</b>	<b>4,5</b>
<b>Accumulated depreciation at the start of the period</b>	<b>0,3</b>	<b>2,5</b>	<b>2,8</b>
Depreciation for the period	0,0	0,5	0,5
<b>Accumulated depreciation at the end of the period</b>	<b>0,3</b>	<b>2,9</b>	<b>3,2</b>
<b>Carrying value at 1 January 2014</b>	<b>0,0</b>	<b>1,3</b>	<b>1,3</b>
<b>Carrying value at 31 December 2014</b>	<b>0,0</b>	<b>1,3</b>	<b>1,3</b>
2013			
MEUR	Intangible rights	Other intangible assets	2013 Total
<b>Balance at the start of the period</b>	<b>0,3</b>	<b>3,0</b>	<b>3,3</b>
Additions	0,0	0,8	0,8
<b>Balance at the end of the period</b>	<b>0,3</b>	<b>3,7</b>	<b>4,0</b>
<b>Accumulated depreciation at the start of the period</b>	<b>0,3</b>	<b>2,0</b>	<b>2,4</b>
Depreciation for the period	0,0	0,3	0,3
<b>Accumulated depreciation at the end of the period</b>	<b>0,3</b>	<b>2,5</b>	<b>2,8</b>
<b>Carrying value at 1 January 2013</b>	<b>0,0</b>	<b>0,9</b>	<b>0,9</b>
<b>Carrying value at 31 December 2013</b>	<b>0,0</b>	<b>1,3</b>	<b>1,3</b>

### 14. Interests in Other Entities

#### Group Composition

SATO has 12 subsidiaries that are material to the group in 2014 and 2013. The group has a majority of the voting rights in material subsidiaries and non-controlling interests doesn't have a material interest in them.

Mutual property companies and housing companies are treated as joint operations which are consolidated by the proportionate consolidation method. The relative proportionate method is applied to all such asset items irrespective of the Group's holdings. None of these entities are alone material to the group.

List of all entities owned by the group or the parent company is presented in note 36.

#### Significant restrictions

The non-profit entities are under statutory, non-profit restrictions according to which company is allowed to distribute only regulated amount of capital. More information of the restrictions are presented in the note 22. Shareholders equity.

#### Structured entities

The housing companies in SATO that own so-called shared ownership apartments are treated as structured entities. These companies are considered to be external arrangements of SATO's operations and are not included in the consolidated financial statement. Their purpose is to act on behalf of the people who have invested in shared ownership apartments.

There is no significant risk associated to the groups' interests in unconsolidated structured entities. More information of the shared ownership apartments is presented in accounting principles and the note 31. Collateral, commitments and contingencies.

#### Immaterial associates and joint ventures

SATO does not have joint ventures or associates that are material to the group in 2014 and 2013. The following is summarised financial information for the Group's interest in immaterial associates and joint ventures, based on the amounts reported in the Groups's consolidated financial statements:

MEUR	2014	2013
<b>Carrying amount of interests in immaterial associates</b>	<b>0,1</b>	<b>0,2</b>
MEUR	2014	2013
<b>Group's share of:</b>		
profit	0,4	0,0
<b>Total income</b>	<b>0,4</b>	<b>0,0</b>

On 8 April 2014 SATO has sold its part (50%) of its shares of Suomen Asumisoikeus Ltd. to Asumisoikeus Ltd., subsidiary of Asuntosäätiö. The selling price has been accepted by ARA (the Housing Finance and Development Center of Finland). During prior periods Suomen Asumisoikeus Ltd. has been consolidated according to the law of Right Residence Act in respect of dividend distribution 8 % on invested assets.

Suomen Asumisoikeus Ltd. is domiciled in Helsinki. As at 31st March 2014 (31 December 2013) its figures totaled to (EUR million): Assets 1 145,7 (1 164,3), liabilities 820,9 (992,9), net sales 34,1 (131,6) and profit 0,7 (1,9).

## 15. Carrying amounts of financial assets and liabilities by category

2014		Fair value, other com- prehensive income	Fair value through profit and loss	Available-for- sale	Assets and liabilities at amortised cost	Carrying amount total	Fair value hierarchy		
MEUR	Note						Level 1	Level 2	Level 3
<b>Non-current financial assets</b>									
Shares at fair value	16			-	-				
Other shares	16			1,7		1,7			
Loans receivable	17				10,8	10,8		0,0	
Derivative assets	25	0,0				0,0			
<b>Current financial assets</b>									
Accounts receivable	20				10,3	10,3			
Loans receivable	20				0,0	0,0			
Cash and cash equivalents	21				31,8	31,8			
<b>Non-current financial liabilities</b>									
Corporate bonds	24				247,8	247,8	207,2	49,0	
Other loans	24				1 125,9	1 125,9		1 127,1	
Derivative liabilities	25	53,5	-			53,5		53,5	
<b>Current financial liabilities</b>									
Loans	24				211,1	211,1		211,1	
Derivative liabilities	25	3,4	0,4			3,8		3,8	
Accounts payable	27				6,1	6,1			
2013		Fair value, other com- prehensive income	Fair value through profit and loss	Available-for- sale	Assets and liabilities at amortised cost	Carrying amount total	Fair value hierarchy		
MEUR	Note						Level 1	Level 2	Level 3
<b>Non-current financial assets</b>									
Shares at fair value	16			0,8		0,8	0,8		
Other shares	16			1,8		1,8			
Loans receivable	17				9,1	9,1			
Derivative assets	25	0,2				0,2		0,2	
<b>Current financial assets</b>									
Accounts receivable	20				8,8	8,8			
Loans receivable	20				0,0	0,0			
Cash and cash equivalents	21				46,4	46,4			
<b>Non-current financial liabilities</b>									
Corporate bonds	24				247,5	247,5	198,1	49,0	
Other loans	24				1 091,5	1 091,5		1 090,6	
Derivative liabilities	25	27,4	1,1			28,6		28,6	
<b>Current financial liabilities</b>									
Loans	24				162,3	162,3		162,3	
Derivative liabilities	25	0,6				0,6		0,6	
Accounts payable	27				5,6	5,6			

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

## 16. Available-for-sale financial assets

MEUR	2014	2013
<b>Available-for-sale financial assets</b>		
Shares	0,0	0,8
Other holdings	1,7	1,8
<b>Total</b>	<b>1,7</b>	<b>2,6</b>

Shares include quoted shares, valued at the closing price on the report date and other holdings. Changes in market value are recognised in fair value reserves in other comprehensive income, net of tax. Other holdings include shares in unlisted companies, and are valued at the acquisition cost as their fair value cannot be reliably determined. During the period quoted shares have been sold and recognized at fair value through profit and loss.

## 17. Non-current receivables

MEUR	2014	2013
<b>Non-current receivables</b>		
Loans receivable	10,8	9,1
<b>Non-current receivables total</b>	<b>10,8</b>	<b>9,1</b>

The receivables are mainly receivables from housing companies. They are valued at the acquisition cost in the financial statements and their fair value is estimated to be equal to their carrying amount.

## 18. Deferred tax assets and liabilities

Changes in deferred taxes in 2014						
MEUR	1.1.2014	Recognized through profit or loss	Change in corporate tax rate in Finland	Recognized through other comprehensive income	Subsidiaries acquired/sold	31 Dec 2014
<b>Deferred tax assets</b>						
Valuation of financial instruments at fair value	5,9	-0,1	-	4,6	-	10,3
Periodization and temporary differences	6,7	0,2	-	-	0,0	6,9
<b>Total</b>	<b>12,6</b>	<b>0,1</b>	<b>0,0</b>	<b>4,6</b>	<b>0,0</b>	<b>17,2</b>
<b>Deferred tax liabilities:</b>						
Valuation of investment properties at fair value	107,3	15,3	-	-	-	122,6
Valuation of financial instruments at fair value	0,7	-0,3	-	-0,2	-	0,1
Reclassification of housing provisions and depreciation differences	59,0	2,3	-	-	-0,6	60,7
Periodization and temporary differences	4,8	-2,3	-	-	-	2,5
Other items	2,1	0,0	-	-	-0,1	2,0
<b>Total</b>	<b>173,9</b>	<b>15,0</b>	<b>0,0</b>	<b>-0,2</b>	<b>-0,7</b>	<b>187,9</b>

## Changes in deferred taxes in 2013

Changes in deferred taxes in 2013						
MEUR	1.1.2013	Recognized through profit or loss	Change in corporate tax rate in Finland	Recognized through other comprehensive income	Subsidiaries acquired/sold	31 Dec 2013
<b>Deferred tax assets</b>						
Valuation of financial instruments at fair value	11,1	-0,2	0,0	-5,1	-	5,9
Periodization and temporary differences	8,0	3,2	-4,5	-	-	6,7
<b>Total</b>	<b>19,2</b>	<b>3,0</b>	<b>-4,5</b>	<b>-5,1</b>	<b>0,0</b>	<b>12,6</b>
<b>Deferred tax liabilities:</b>						
Valuation of investment properties at fair value	107,3	0,5	-0,5	-	-	107,3
Valuation of financial instruments at fair value	0,4	-0,1	0,4	0,0	-	0,7
Reclassification of housing provisions and depreciation differences	67,4	4,9	-13,3	-	-	59,0
Periodization and temporary differences	4,5	1,4	-1,1	-	0,0	4,8
Other items	2,7	-0,1	-0,5	-	-	2,1
<b>Total</b>	<b>182,2</b>	<b>6,6</b>	<b>-14,9</b>	<b>0,0</b>	<b>0,0</b>	<b>173,9</b>

## 19. Inventories

MEUR	2014	2013
<b>Inventories</b>		
Buildings under construction	66,7	59,3
Completed apartments and commercial space	38,3	34,0
Land areas	71,6	88,3
Other inventories	11,5	8,6
<b>Total</b>	<b>188,1</b>	<b>190,1</b>

Impairment of cost recognized in inventory value was EUR 3.5 (0.8) million.

## 20. Accounts receivable and other receivables

MEUR	2014	2013
<b>Accounts receivable and other receivables</b>		
Accounts receivable	10,3	8,8
Prepaid expenses and accrued income	2,7	2,8
Loan receivables	0,0	0,0
Other receivables	0,0	0,3
<b>Total</b>	<b>13,1</b>	<b>12,0</b>

MEUR	2014	2013
<b>Specification of prepaid expenses and accrued income</b>		
Prepaid expenses and accrued income related to rental services	0,2	0,7
Prepaid expenses and accrued income related to new constructions	0,4	0,2
Prepayments	1,0	0,0
Purchase price receivable	0,9	0,0
Hedge accounting	0,0	0,8
Interest receivables	0,2	0,3
Other	0,0	0,8
<b>Total</b>	<b>2,7</b>	<b>2,8</b>

## 21. Cash and cash equivalents

MEUR	2014	2013
<b>Cash and cash equivalents</b>		
Cash and bank balances	31,8	46,4
<b>Total</b>	<b>31,8</b>	<b>46,4</b>

The cash assets of group companies subject to restrictions due subsidised loans are kept separately from other companies' cash assets. On the report date such restricted companies' cash assets totalled to EUR 22.6 (10.9) million.

## 22. Shareholders equity

2014	Number of shares (1,000)	Share capital	Reserve fund	Reserve for non-restricted equity	2014 Total
<b>MEUR</b>					
<b>Reconciliation of number of shares</b>					
Balance at the start of the period	50 842	4,4	43,7	44,5	92,7
Return on capital	-	-	-	-21,2	-21,2
<b>Balance at the end of the period</b>	<b>50 842</b>	<b>4,4</b>	<b>43,7</b>	<b>23,3</b>	<b>71,4</b>

2013	Number of shares (1,000)	Share capital	Reserve fund	Reserve for non-restricted equity	2013 Total
<b>MEUR</b>					
<b>Reconciliation of number of shares</b>					
Balance at the start of the period	50 842	4,4	43,7	44,5	92,6
Return on capital	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>50 842</b>	<b>4,4</b>	<b>43,7</b>	<b>44,5</b>	<b>92,6</b>

### Description of items in shareholders' equity

#### Shares and share capital

The total number of SATO share as at 31 Dec 2014 was 51 001 842. SATO Plc held 160 000 own share at 31 Dec 2014.

On 2 March 2011 Annual general meeting authorized Board of Directors to decide about one or more direct, payable share issues so that combined total number of own shares held by SATO can be maximum of 160 000. The proposed maximum is equal to 0,3% of total amount of SATO shares. The Board of Directors was authorized to decide on the terms of issue, issue price and criteria on which issue price is based on and other terms of issue. Annual general meeting authorized Board of Directors to decide of a share issue other than in ownership proportion of existing shareholders if there is significant economic reasons for the company. Authorization is valid until 28 Feb 2016.

#### Reserve fund

Reserve fund includes share premium fund.

#### Fair value reserves

Fair value reserves include change in fair value of financial instruments used in cash flow hedge accounting and fair valuation of available for sale financial assets.

#### Reserve for invested non-restricted equity

Reserve for invested non-restricted equity includes other equity investments and subscription price of the shares, which is not booked in share capital.

#### Dividends

After the balance sheet date 31 Dec 2014, the Board of Directors has proposed dividend distribution of EUR 0,20 per share (2013: EUR 0,18 per share) and return of capital EUR 0,42 (2013: 0,42) per share.

#### Restrictions concerning SATOs shareholders equity

In 2014 SATOs retained earnings EUR 861,4 million (2013: EUR 750,1 million) included distribution restricted capital related to subsidized, non-profit businesses totalling to EUR 177,5 million (2013: EUR 148,9 million). The figure includes the share of the change in the fair value reported in the income statement. Part of the group companies are under statutory, non-profit restrictions according to which company is allowed to distribute only regulated amount of capital.

#### Management of capital structure

The aim of SATOs management of capital structure is to support the growth targets and to secure the ability to pay dividend. Another aim is to ensure SATOs prospects of operating in the equity market. SATOs targeted equity ratio measured at fair value is at least 25%. SATOs equity ratio measured at fair value was 31,9 % (2013: 31,7 %). The Board of Directors reviews and assesses SATOs capital structure regularly.

Some of SATOs interest bearing financial agreements include special pricing conditions relating to capital structure and profitability. According to managements assessment these terms did not imply significant risk. In 2014 SATOs capital structure and profitability met the set terms.

## 23. Employee benefits

MEUR	2014	2013
<b>Recognised items in statement of financial position</b>		
Defined benefit obligation	1,6	3,1
Fair value of plan assets	-1,2	-2,7
<b>Net benefit liability recognized in statement of financial position</b>	<b>0,5</b>	<b>0,4</b>

SATOs employee benefit plan is additional pension plan in insurance company fund, which is supplement to statutory pension. Employee benefit plan includes three persons. In statement of financial position item recognized as a liability is a undertaking given to the insured and plan assets include the cover paid by the insurance company. The benefit plan is funded by annual contributions based on actuarial calculations paid to the insurance company.

Pension is increased by the credit from insurance company and therefore SATO has no obligations after insured has retired. In the pension plan amount on assets are measured with same discount rate as plan obligations, in which case discount rate does not create significant risk. Additionally increase in life expectancy does not create significant risk due to the fact that insurance company will be responsible of major part of effect coming from life expectancy.

These arrangements are subject to local tax laws and other legislation.

Following tables show the changes in SATOs plan obligations and plan assets:

## Change of plan obligations

MEUR	2014	2013
<b>Opening defined benefit obligation</b>	<b>3,1</b>	<b>2,6</b>
Current service cost	0,1	0,2
Net interest	0,1	0,1
Actuarial gains (-) / losses (+) on obligation	0,2	0,2
Benefits paid	-1,9	0,0
<b>Defined benefit plan obligations at the end of period</b>	<b>1,6</b>	<b>3,1</b>

## Change of fair value of plan assets

MEUR	2014	2013
<b>Opening Fair value of plan assets</b>	<b>2,7</b>	<b>2,0</b>
Interest income	0,1	0,1
Actuarial gains (+) and losses (-)	-0,1	-0,1
Benefits paid	-1,9	0,0
Employee contributions	0,3	0,7
<b>Fair value of plan assets at the end of the period</b>	<b>1,2</b>	<b>2,7</b>

## Change in net defined benefit liability

MEUR	2014	2013
<b>Net benefit liability recognized in statement of financial position 1 Jan</b>	<b>0,4</b>	<b>0,7</b>
Expenses recognised in income statement	0,1	0,2
Remeasurements	0,2	0,2
Employee contributions	-0,3	-0,7
<b>Net defined benefit liability 31 Dec</b>	<b>0,5</b>	<b>0,4</b>

## Expenses recognized in income statement

MEUR	2014	2013
<b>Expenses recognized in income statement</b>		
Service cost	0,1	0,2
Net interest expenses	0,0	0,0
Actuarial gains and losses	0,2	0,2
<b>Total Expenses recognized in income statement</b>	<b>0,4</b>	<b>0,5</b>

<b>Expected contributions paid by the employer in 2015 (2014)</b>	<b>0,2</b>	<b>0,4</b>
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Classification of asset classes of defined benefit plan assets is not available.

## Assumptions used in calculation

Discount rate	1,70 %	3,00 %
Rate of salary increase	2,00 %	3,00 %
Duration of defined benefit obligation, years	15	15

## 24. Financial liabilities

MEUR	2014	2013
<b>Non-current</b>		
Corporate bonds	247,8	247,5
Bank loans	773,1	723,9
Interest-subsidised loans	215,4	214,7
State-subsidised ARAVA loans	137,4	152,8
<b>Total</b>	<b>1 373,7</b>	<b>1 339,0</b>

MEUR	2014	2013
<b>Current</b>		
Commercial Papers	102,7	72,3
Bank loans	85,1	62,7
Interest-subsidised loans	9,1	15,5
State-subsidised ARAVA loans	14,2	11,8
<b>Total</b>	<b>211,1</b>	<b>162,3</b>

During the reporting period, a total of EUR 150.9 million of new longterm debt was drawn. On December 31, 2014, the average interest on the SATO debt portfolio was 2.6 (2.9) per cent. Fair values of debt is presented in note 15.



## 25. Derivatives

## Fair values of derivative instruments

MEUR	2014			2013		
	Positive	Negative	Net	Positive	Negative	Net
<b>Non-current</b>						
Interest rate swaps, cash flow hedge	-	-35,2	-35,2	-	-22,0	-22,0
Interest rate swaps, non-hedge accounted	-	-	-	-	-1,1	-1,1
Cross-currency and interest rate swaps, cash flow hedge	-	-17,5	-17,5	0,2	-5,3	-5,0
Foreign exchange forward contracts, cash flow hedge	-	-0,9	-0,9	-	-0,1	-0,1
<b>Non-current derivatives, total</b>	<b>0,0</b>	<b>-53,5</b>	<b>-53,5</b>	<b>0,2</b>	<b>-28,6</b>	<b>-28,3</b>
<b>Current</b>						
Interest rate swaps, cash flow hedge	-	-0,2	-0,2	-	-0,4	-0,4
Interest rate swaps, non-hedge accounted	-	-0,4	-0,4	-	-	-
Foreign exchange forward contracts, cash flow hedge	-	-3,2	-3,2	-	-0,3	-0,3
<b>Current derivatives, total</b>	<b>0,0</b>	<b>-3,8</b>	<b>-3,8</b>	<b>0,0</b>	<b>-0,6</b>	<b>-0,6</b>
<b>Total</b>	<b>0,0</b>	<b>-57,4</b>	<b>-57,4</b>	<b>0,2</b>	<b>-29,2</b>	<b>-29,0</b>

## Nominal values of derivative instruments

MEUR	2014	2013
<b>Nominal values</b>		
Interest rate swaps, cash flow hedge	475,9	432,1
Cross-currency and interest rate swaps, cash flow hedge	110,5	112,8
Foreign exchange forward contracts, cash flow hedge	7,6	23,4
Interest rate swaps, non-hedge accounted	20,0	20,0
<b>Total</b>	<b>614,0</b>	<b>588,3</b>

Change in fair value of designated cash flow hedges, booked to hedge reserve in other comprehensive income, totalled EUR -18,2 (11.5) million. Interest rate swaps are used to hedge interest cash flows against fluctuation in market interest rates. Cross-currency and interest rate 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 1-9 years and forward contracts 1-2 years. 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.

## 26. Provisions

MEUR	2014	2013
<b>Provision for refund claim 1 Jan</b>		
Increases	3,1	3,4
Used provisions	0,4	2,9
Cancelleds	-0,5	-2,9
<b>Provision for refund claim 31 Dec</b>	<b>2,9</b>	<b>3,1</b>

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 assesment of previous experience.

## 27. Accounts payable and other liabilities

MEUR		2014	2013
<b>Accounts payable and other liabilities</b>			
Advances received		32,0	16,4
Accounts payable		6,1	5,6
Other liabilities		3,2	4,6
Accrued expenses and prepaid income		29,5	34,8
<b>Total accounts payable and other liabilities</b>		<b>70,9</b>	<b>61,5</b>
<b>Accrued expenses and prepaid income</b>			
Personnel expenses		3,4	5,6
Interest expenses		9,0	9,6
Derivative instruments	25	3,8	0,0
Accrued expenses and prepaid income related to new constructions		8,9	15,4
Accrued expenses and prepaid income related to rental services		2,3	2,9
Accounts payable		1,8	0,0
Other		0,3	1,3
<b>Total accrued expenses and prepaid income</b>		<b>29,5</b>	<b>34,8</b>

## 28. Financial risk management

The goal of SATO's financial risk management is to protect the company from unfavorable changes occurring in the financial market. The main principles of managing finance and financial risks are set out in the Treasury Policy, approved by the Board of Directors. SATO Treasury is responsible for the management of financial risks in accordance with the Treasury Policy. SATO Treasury reports to the CFO, who is responsible for organizing and managing the duties associated with the management of finance and financial risks as well as ensuring that the principles set in the Treasury Policy are complied with.

### Interest rate risk

The most significant of SATO market risks is the impact of market interest rate fluctuation on interest cash flows. To manage interest rate risk, the proportions of fixed and floating rate instruments are balanced in such a way that the risk of a rise in interest expenses is on an acceptable level and liquidity is secured. Interest rate risk mostly results from market-based loans from financial institutions, but the interest rate risk on other types of financial liabilities is also monitored.

Market-based loans are primarily drawn at floating rates. In accordance with the Treasury Policy, the interest rate risk arising from these contracts is hedged using derivative instruments, mainly interest rate swaps and options, so that after hedging fixed rate portion exceeds 60 per cent of the nominal value of the total loan portfolio, excluding ARAVA loans. On 31 December 2014, the fixed rate portion of the loan portfolio after hedging is 67.2 (67.4) percent, the average maturity excluding ARAVA loans being 5,3 (5,7) years. The interest rate derivatives are accounted as designated cash flow hedges. No ineffectiveness has occurred, as the subjects of the hedging and the hedging instruments have the same interest periods. The effect of changes in market interest rates on net financial expenses is examined with sensitivity analyses on the next page.

Changes in market interest rates also affect interest expense on interest subsidised loans. However, in interest subsidised loans, a subsidy is obtained for the part exceeding the deductible rate, so the risk of increases in interest rates for interest subsidised loans are considerably lower than for market based loans. The deductible rate is 2.75–3.5 per cent and the average subsidy on the interest exceeding the deductible rate would be 33.2 (34.3) per cent. Deductible rate on the so-called interim model loans, funded in years 2009 to 2011, is 3.40 per cent and the interest subsidy on the exceeding interest is 75 per cent. A large part of the interest-subsidised loans is tied to long reference rates, ranging 3 to 10 years. Due to the subsidy and long reference rates, the interest rate risk on these loans is not material. In accordance with the Treasury Policy, SATO does not apply hedging to interest-subsidised loans.

In operations financed with state subsidies, rents are based on absorption cost, and hence any interest risk can be transferred to the rents. The interest on state-subsidised ARAVA loans is pegged to changes in Finnish consumer prices. The ARAVA rate is fixed in advance for the following financial period and hence there is no uncertainty of the following period interest expense. Some state-subsidised loans have interest rate cap, the level of which is based on the interest rate of government 10-year bonds. A risk in state-subsidised ARAVA loans is a substantial increase in interest, which would be difficult to transfer in its entirety to rents without delay. In accordance with the Treasury Policy, SATO does not apply hedging to state-subsidised ARAVA loans.

### Currency risk

SATO is exposed to both transaction and translation risks due to investments in St. Petersburg. Transaction risk arises mainly from rouble denominated purchase agreements. Committed agreements are fully hedged with currency forward contracts. On 31 December 2014, SATO had MEUR 10.7 (23.3) in rouble-denominated commitments related to the investments. The translation risk, i.e. the consolidation of foreign currency denominated subsidiary accounts, arises due to the investment properties in St. Petersburg. The fair values of the properties are translated to euros in consolidated financial statements using the closing exchange rate on the report date.

### Price risk

At present, SATO has no items which might be subject to a significant price risk.

### Credit risk

SATO is not exposed to significant concentrations of credit risk. SATO's accounts receivable consist mainly of accounts receivable from construction commissioning. For the most part there is no credit risk related to these receivables, as title to the properties to be sold is not usually transferred to the buyer until the price has been paid. A small proportion of accounts receivable involve rent receivables. SATO has over 24,000 tenants, so the risk entailed in a single receivable is insignificant. Additionally, most lease agreements have security for the rent receivable. SATO's actual credit losses have averaged the equivalent of 0.7 per cent of rental income. In addition, treasury functions, such as liquidity investments and derivative instruments, involve a counterparty risk, which is reduced by careful selection of counterparties and by diversification of contracts among a number of counterparties.

### Liquidity risk

The Group constantly monitors the amount of financing demanded for business operations so that the adequacy of financing will be assured in all circumstances. The cash flow of operative business is steady and fluctuation mainly arise from investment activities.

Liquidity is managed with the commercial paper programme of EUR 200 million, committed credit limits EUR 290 million, and non-committed credit limits, EUR 5 million. On 31 December 2014, the commercial papers issued amounted to EUR 103.0 (72.5) million and EUR 75.0 (25.0) million of the committed credit facility was in use. In liquidity management, it is taken into account that the assets of Group companies subject to non-profit restrictions due to interest subsidies or state subsidized ARAVA loans, are kept separately and allocated to those non-profit operations.

## Sensitivity analysis, interest rate risk

MEUR	2014				2013			
	Profit and Loss		Equity		Profit and Loss		Equity	
	+1 %	-0,10 %	+1 %	-0,10 %	+1 %	-0,10 %	+1 %	-0,10 %
Floating rate loans	-7,6	0,8	-	-	-6,9	0,7	-	-
Cross-currency and interest rate swaps	0,8	-0,1	5,3	-0,5	0,9	-0,1	5,6	-0,6
Interest rate swaps	4,0	-0,4	21,5	-2,2	3,9	-0,4	17,0	-1,8
<b>Total</b>	<b>-2,8</b>	<b>0,3</b>	<b>26,8</b>	<b>-2,8</b>	<b>-2,1</b>	<b>0,2</b>	<b>22,7</b>	<b>-2,3</b>

## Sensitivity analysis, currency risk

MEUR	2014				2013			
	Profit and Loss		Equity		Profit and Loss		Equity	
	+ 10 %	-10 %	+10 %	-10 %	+ 10 %	-10 %	+10 %	-10 %
Foreign currency denominated loans	-10,6	10,6	-	-	-11,4	11,4	-	-
Cross-currency and interest rate swaps	10,5	-10,5	-	-	11,4	-11,4	-	-
Foreign exchange forward contracts	-	-	0,8	-0,8	-	-	1,9	-1,9
<b>Total</b>	<b>-0,1</b>	<b>0,1</b>	<b>0,8</b>	<b>-0,8</b>	<b>0,0</b>	<b>0,0</b>	<b>1,9</b>	<b>-1,9</b>

## Maturity analysis on financial instruments

2014	within 1 year	2-5 years	6-10 years	11-15 years	after 15 years	2014 Total
<b>MEUR</b>						
<b>Financial liabilities</b>						
Market-based loans	-238,7	-555,3	-370,1	-53,6	-58,4	-1 276,0
Interest-subsidised loans	-13,6	-103,8	-132,0	-	-	-249,4
State-subsidised ARAVA loans	-17,7	-56,5	-49,6	-34,1	-11,1	-168,9
Accounts payable	-6,1	-	-	-	-	-6,1
<b>Financial liabilities total</b>	<b>-276,0</b>	<b>-715,6</b>	<b>-551,7</b>	<b>-87,6</b>	<b>-69,5</b>	<b>-1 700,4</b>
<b>Financial instruments</b>						
Foreign exchange forward contracts, inflow	5,9	1,7	-	-	-	7,6
Foreign exchange forward contracts, outflow	-8,7	-2,3	-	-	-	-11,0
Interest rate derivatives	-11,1	-32,4	-7,2	-	-	-50,7
<b>Financial Instruments total</b>	<b>-13,9</b>	<b>-33,0</b>	<b>-7,2</b>	<b>0,0</b>	<b>0,0</b>	<b>-54,1</b>
<b>Total</b>	<b>-289,9</b>	<b>-748,6</b>	<b>-558,9</b>	<b>-87,6</b>	<b>-69,5</b>	<b>-1 754,5</b>
<b>2013</b>						
<b>MEUR</b>						
<b>Financial liabilities</b>						
Market-based loans	-157,3	-464,1	-504,3	-54,6	-70,0	-1 250,4
Interest-subsidised loans	-24,7	-89,2	-130,0	-	-	-244,0
State-subsidised ARAVA loans	-18,2	-63,3	-57,0	-31,6	-29,2	-199,3
Accounts payable	-5,6	-	-	-	-	-5,6
<b>Financial liabilities total</b>	<b>-205,9</b>	<b>-616,6</b>	<b>-691,3</b>	<b>-86,2</b>	<b>-99,2</b>	<b>-1 699,2</b>
<b>Financial instruments</b>						
Foreign exchange forward contracts, inflow	19,4	4,1	-	-	-	23,4
Foreign exchange forward contracts, outflow	-19,3	-3,9	-	-	-	-23,2
Interest rate derivatives	-10,8	-28,6	-8,1	-	-	-47,4
<b>Financial Instruments total</b>	<b>-10,7</b>	<b>-28,4</b>	<b>-8,1</b>	<b>0,0</b>	<b>0,0</b>	<b>-47,2</b>
<b>Total</b>	<b>-216,6</b>	<b>-645,1</b>	<b>-699,4</b>	<b>-86,2</b>	<b>-99,2</b>	<b>-1 746,4</b>

Above figures represent contractual, non-discounted cash flows, including interest payments.

## 29. Other lease agreements

### SATO as lessee

MEUR	2014	2013
<b>Minimum rents to be paid on the basis of other lease agreements:</b>		
Within one year	2,3	2,2
Within two to five years	7,9	6,9
Over six years	5,1	6,7
<b>Total</b>	<b>15,3</b>	<b>15,8</b>

SATO has sublet office premises in Panuntie, Helsinki. The amount of minimum rent income of these premises is EUR 1,9 million (EUR 2,5 million in 2013). In 2014 rent income recognized in income statement were EUR 0,7 million (2013: EUR 0,5 million).

## 30. Notes to the cash flow statement

MEUR	2014	2013
<b>Business actions not involving a payment</b>		
Depreciation	1,1	0,9
Gains and losses from changes in fair value	-63,8	-59,6
Other changes	-0,7	-0,8
<b>Total</b>	<b>-63,4</b>	<b>-59,4</b>

## 31. Collateral, commitments and contingencies

MEUR	2014	2013
<b>Loans for which mortgages and pledges have been given as collateral</b>		
<b>Market loans</b>	<b>1 106,1</b>	<b>1 034,1</b>
Mortgages provided	408,1	312,9
Book value of pledged shares	846,5	824,9
Value of deposits pledged	0,1	0,1
<b>State-subsidised ARAVA loans</b>	<b>151,6</b>	<b>164,6</b>
Mortgages provided	349,2	335,1
Book value of pledged shares	23,8	23,8
<b>Interest-subsidised loans</b>	<b>224,5</b>	<b>230,3</b>
Mortgages provided	309,3	321,3
<b>Guarantees for others</b>		
Owner-occupier home purchase commitments	19,8	19,4
Rs-guarantees	6,8	8,0
<b>Mortgages provided to secure payment of rent and street maintenance</b>		
Property mortgages provided	6,0	6,0
<b>Binding purchase agreements</b>		
For acquisitions of investment properties	69,1	127,2
Pledges for land use payments on zoned plots	6,4	4,8
Commitments to cleaning and removal charges	2,0	0,9
Letters of intent on land for which there is a zoning condition	6,7	6,0

Housing companies which hold so-called shared ownership apartments are treated as special purpose 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 81.3 (87,0) million.

## 32. 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 2014 are Varma Mutual Pension Insurance Company, APG Asset Management N.V., Ilmarinen Mutual Pension Insurance Company, Suomi Mutual Life Assurance Company and LocalTapiola Group.

Varma Mutual Pension Insurance Company sold half of its shares in SATO to APG Asset Management N.V., which makes APG the second largest shareholder in SATO. Following the transaction, Varma's shareholding in SATO is now around 22.8%. Stock exchange release of APG Asset Management N.V.'s acquisition of the SATO Plc.'s shares was released June 2. 2014. In addition Suomi Mutual Life Assurance Company, a shareholder of SATO Corporation, announced on 31st October 2014 that they have sold 3,519,410 of their SATO Corporation shares. By this trade the share of ownership Suomi has of SATO changes from 14.8 % to 7.9 %.

During 2013 related party shareholders consisted of Varma Mutual Pension Insurance Company, Ilmarinen Mutual Pension Insurance Company, Suomi Mutual Life Assurance Company and LocalTapiola Group.

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.

The following transactions were made with related parties:

MEUR	2014	2013
<b>Transactions with related parties</b>		
Lease payments	1,8	1,8
Insurance payments	3,4	3,4
<b>Total</b>	<b>5,2</b>	<b>5,2</b>

MEUR	2014	2013
<b>Open balances with shareholders</b>		
Receivables	0,0	0,0
Liabilities	0,0	28,1
<b>Total</b>	<b>0,0</b>	<b>28,1</b>

MEUR	2014	2013
<b>Management employee benefits</b>		
Salaries and other short-term employee benefits	2,4	2,4
Other long-term employee benefits	0,6	0,4
<b>Total</b>	<b>3,0</b>	<b>2,8</b>

MEUR	2014	2013
<b>Salaries and fees</b>		
President and CEO	0,8	0,8
Deputy to President and CEO	0,5	0,5
Members of the Board of Directors	0,2	0,2
<b>Total</b>	<b>1,5</b>	<b>1,5</b>

Thousand EUR	2014	2013
<b>Compensation recognized as an expense for members of the Board of Directors and the President &amp; CEO</b>		
Erkka Valkila	808	795
Juha Laaksonen	43	44
Esa Lager	24	-
Tarja Pääkkönen	25	7
Andrea Attisani	5	-
Timo Hukka	23	26
Vesa Immonen	25	26
Niina Rajakoski	25	7
Ilkka Tomperi	19	-
Raimo Lind	-	5
Esko Torsti	-	5
Jorma Kuokkanen	-	27
<b>Total</b>	<b>996</b>	<b>941</b>

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. Retirement age for the President and the President's deputy is 60 years. At that time they are entitled to a pension of 60 per cent of their pensionable salary. The Board of Directors has decided to continue the President's employment until December 31st 2015.

Notice period of the President is six months. If the company decides to terminate the President's employment before pension age, the President is entitled to severance pay equal to 12 months' total salary in addition to the salary of the notice period

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.

In spring 2010 the Board of Directors decided on a new long-term incentive scheme for the period 2010- 2012 with a maximum limit. The earnings period is three years and the criterion for accrual is growth in net assets. The commitment period for the incentive scheme will continue until 2014. In spring 2013 the Board of Directors decided on a long-term share based incentive scheme for the period 2013-2015 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 shareholders, commitment of the key people, improvement of competitiveness, and promotion of long-term financial success.

### 33. Borrowing costs

	2014	2013
Capitalised expenses of borrowing costs during the period, MEUR	1,2	1,0
Financial expense index, %	1,3	1,3

### 34. Subsequent events

No significant subsequent events.

### 35. Voluntary adoption of IAS 40 Investment properties standard

SATO adopt fair value model of IAS 40 Investment Property standard of SATOs investment properties as of 1 January 2014. Adoption of the standard was done retrospectively so that comparative financials (2013) and opening balance of comparative financial year was adjusted to be in accordance with the standard.

The voluntary adoption of the standard had an impact on comparative financials (2013) and opening balance of comparative financial year of the fair value of the investment properties, deferred taxes and retained earnings.

MEUR	31.12.2013			31.12.2012		
	reported	adjustment	new value	reported	adjustment	new value
Investment properties	1 711,8	604,2	2 316,0	1 553,7	534,3	2 088,0
Deferred tax liabilities	66,6	120,8	187,4	60,5	130,8	191,3
Retained earnings	267,6	483,4	751,0	233,7	403,4	637,1

\*) Deferred tax assets related to adjustments of depreciations have been reported under deferred tax liabilities.

MEUR	31.12.2013		
	reported	adjustment	new value
Profit on sales of investment properties	13,2	-11,4	1,8
Valuation of investment properties	0,0	59,6	59,6
Depreciation and impairment charges	-22,6	21,7	-0,9
Income taxes	-7,8	-14,0	-21,8

### 36. Subsidiaries owned by the Group and parent company

Group's holding. %      Parent company's holding. %

Holding percentages are the same as voting rights.

#### Subsidiaries held by SATO Corporation

Sato-Asunnot Oy	100,0	100,0
SATOkoti Oy	100,0	100,0
Sato-Rakennuttajat Oy	100,0	100,0
Sato Vuokrakodit Oy	100,0	100,0
Suomen Satokodit Oy	100,0	100,0
Vatrotalot Oy	100,0	100,0
SATO HotelliKoti Oy	100,0	100,0

#### Unconsolidated subsidiaries and associated companies

Keskus-Sato Oy	100,0	100,0
SV-Asunnot Oy	50,0	50,0

#### Other shares

Outakessa Koy	100,0	100,0
Espoon Aallonrivi As Oy	100,0	100,0

#### Companies held by subsidiaries

##### Sato-Asunnot Oy

Agricolankuja 3 As Oy	3,0	3,0
Agricolankuja 8 As Oy	80,7	80,7
Agricolankulma As Oy	0,8	0,8
Albertus As Oy	1,1	1,1
Amos As Oy	0,5	0,5
Arabian Valo, Helsinki As Oy	52,2	52,2
Björneborgsvägen 5 Bost. Ab	0,5	0,5
Bostads Ab Munksnäs N:o 25 Asunto Oy	14,1	14,1
Erkintalo As Oy	1,1	1,1
Espoon Elosalama As Oy	100,0	100,0
Espoon Hassel As Oy	4,4	4,4
Espoon Heinjoenpolku As Oy	100,0	100,0
Espoon Honkavaarantie 5 As Oy	32,2	32,2
Espoon Interior As Oy	11,4	11,4
Espoon Kaupinkalliontie 5 As Oy	48,7	48,7
Espoon Kiskottajankuja 4 As Oy	100,0	100,0
Espoon Kivenhakkaajankuja 3 As Oy	2,3	2,3
Espoon Lansantie 3 As Oy	100,0	100,0
Espoon Lounaismeri As Oy	100,0	100,0
Espoon Malmiportti 4 A - B As Oy	100,0	100,0
Espoon Malmiportti 4 C - D As Oy	100,0	100,0
Espoon Matinniitynkuja 8 As Oy	100,0	100,0
Espoon Myötätuulenmäki As Oy	8,5	8,5
Espoon Niittymaantie 1 As Oy	100,0	100,0
Espoon Niittymaantie 3 As Oy	100,0	100,0
Espoon Numersinkatu 11 As Oy	18,8	18,8
Espoon Omenapuu As Oy	16,0	16,0
Espoon Paratiisiomena As Oy	18,3	18,3
Espoon Perkkajankuja 3 As Oy	100,0	100,0
Espoon Porarinkatu 2 D - E As Oy	100,0	100,0
Espoon Porarinkatu 2 F As Oy	100,0	100,0
Espoon Puikkarinmäki As Oy	100,0	100,0
Espoon Punatulkuntie 5 As Oy	6,0	6,0
Espoon Pyhäjärventie 1 As Oy	100,0	100,0
Espoon Rastaspuistonpolku As Oy	22,6	22,6
Espoon Rastaspuistontie 8 As Oy	7,3	7,3
Espoon Rummunlyöjänkatu 11 D - E As Oy	100,0	100,0
Espoon Ruorikuja 4 As Oy	3,8	3,8
Espoon Ruusulinna As Oy	100,0	100,0
Espoon Satokallio As Oy	11,6	11,6
Espoon Saunalyhty As Oy	6,8	6,8
Espoon Soukanniementie 1 As Oy	100,0	100,0
Espoon Taivalpolku As Oy	3,6	3,6
Espoon Vanharaide As Oy	90,1	90,1
Espoon Vasaratörmä As Oy	5,2	5,2
Espoon Viherlaaksonranta 3-5 As Oy	100,0	100,0
Espoon Viherlaaksonranta 7 As Oy	100,0	100,0



Espoon Yläkartanonpiha As Oy	10,9	10,9
Espoon Zanseninkuja 6 As Oy	100,0	100,0
Etelä-Hämeen Talo Oy	81,3	56,3
Eura III As Oy	100,0	100,0
Fredrikinkatu 38 As Oy	2,7	2,7
Haagan Pappilantie 13 As Oy	2,6	2,6
Haagan Talontie 4 As Oy	3,1	3,1
Hakaniemenranta As Oy	2,5	2,5
Helsingin Akaasia As Oy	13,9	13,9
Helsingin Aleksis Kiven katu 52-54 As Oy	0,5	0,5
Helsingin Ansartie 1 As Oy	100,0	100,0
Helsingin Ansartie 2-4 As Oy	100,0	100,0
Helsingin Ansartie 3 As Oy	100,0	100,0
Helsingin Apollonkatu 19 As Oy	38,2	38,2
Helsingin Arabian Kotiranta As Oy	4,2	4,2
Helsingin Arabiankatu 3 As Oy	13,4	13,4
Helsingin Aurinkotuulenkatu 6 As Oy	100,0	100,0
Helsingin Casa Canal As Oy	13,3	13,3
Helsingin Castreninkatu 3 As Oy	100,0	100,0
Helsingin Cirrus As Oy	1,7	1,7
Helsingin Corona As Oy	17,0	17,0
Helsingin Eiranrannan Estella As Oy	30,8	30,8
Helsingin Eliel Saarisen tie 10 As Oy	96,1	96,1
Helsingin Gerbera As Oy	12,7	12,7
Helsingin Hakaniemenkatu 9 As Oy	100,0	100,0
Helsingin Happiness As Oy	22,2	22,2
Helsingin Hildankulma As Oy	80,1	80,1
Helsingin Isopurje As Oy	3,2	3,2
Helsingin Juhani Ahon tie 12-14 As Oy	100,0	100,0
Helsingin Junonkatu 4 As Oy	100,0	100,0
Helsingin Kaarenjalka 5 As Oy	100,0	100,0
Helsingin Kaivonkatsojantie 2 As Oy	16,4	16,4
Helsingin Kalevankatu 53 As Oy	30,5	30,5
Helsingin Kallioliina As Oy	0,8	0,8
Helsingin Kanavaranta As Oy	8,8	8,8
Helsingin Kangaspellontie 1-5 As Oy	100,0	100,0
Helsingin Kangaspellontie 4 As Oy	20,1	20,1
Helsingin Kangaspellontie 6 KOy	100,0	100,0
Helsingin Kangaspellontie 8 As Oy	16,4	16,4
Helsingin Kaustisenpolku 1 As Oy	100,0	100,0
Helsingin Kerttulinkuja 1 As Oy	7,5	7,5
Helsingin Kirjala As Oy	100,0	100,0
Helsingin Klaavuntie 8-10 As Oy	100,0	100,0
Helsingin Kokkosaarenkatu 4 As Oy	20,8	20,8
Helsingin Koralli As Oy	4,1	4,1
Helsingin Koroistentie As Oy	9,4	9,4
Helsingin Korppaanmäentie 17 As Oy	100,0	100,0
Helsingin Korppaanmäentie 21 As Oy	100,0	100,0
Helsingin Korppaanmäentie 8 As Oy	49,8	49,8
Helsingin Kristianinkatu 11-13 As Oy	100,0	100,0
Helsingin Kultareuna 1 As Oy	39,0	39,0
Helsingin Kutomotie 8a As Oy	100,0	100,0
Helsingin Kutomotie 10a As Oy	75,5	75,5
Helsingin Kutomotie 12a As Oy	100,0	100,0
Helsingin Kuusihovi As Oy	25,4	25,4
Helsingin Kyläkirkontie 13 As Oy	68,5	68,5
Helsingin Köysikujat 2 As Oy	9,5	9,5
Helsingin Lauttasaarentie 19 KOy	58,3	58,3
Helsingin Leikopiha As Oy	9,6	9,6
Helsingin Leikosaarentie 31 As Oy	18,7	18,7
Helsingin Leikovuori As Oy	9,1	9,1
Helsingin Lontoonkatu 9 As Oy	100,0	100,0
Helsingin Lönnrotinkatu 32 As Oy	56,1	56,1
Helsingin Mariankatu 19 As Oy	1,0	1,0
Helsingin Mechelininkatu 12-14 As Oy	100,0	100,0
Helsingin Merenkävijä As Oy	5,1	5,1
Helsingin Meripellonhovi KOy	98,3	98,3
Helsingin Minna Canthinkatu 24 As Oy	1,1	1,1
Helsingin Mylläri As Oy	2,3	2,3
Helsingin Nautilus As Oy	26,0	26,0
Helsingin Navigatortalo KOy	44,7	44,7
Helsingin Nils Westermarckin kuja 18 As Oy	100,0	100,0

Helsingin Nukkeruusunkuja 3 As Oy	15,5	15,5
Helsingin Pakilantie 17 As Oy	100,0	100,0
Helsingin Perustie 16 As Oy	56,0	56,0
Helsingin Piispantie 3 As Oy	100,0	100,0
Helsingin Piispantie 5 As Oy	100,0	100,0
Helsingin Piispantie 7 As Oy	100,0	100,0
Helsingin Piispantie 8 As Oy	100,0	100,0
Helsingin Pirta As Oy	17,1	17,1
Helsingin Porthaninkatu 4 As Oy	0,7	0,7
Helsingin Puuskarinne 1 As Oy	98,2	98,2
Helsingin Päivöläntie 72 As Oy	36,9	36,9
Helsingin Reginankuja 4 As Oy	11,8	11,8
Helsingin Rikhard Nymanin tie 3 As Oy	100,0	100,0
Helsingin Riontähti As Oy	100,0	100,0
Helsingin Rosas As Oy	9,6	9,6
Helsingin Rumpupolon palvelutalo As Oy	4,6	4,6
Helsingin Ruusutarhantie 2-4 As Oy	35,6	35,6
Helsingin Ruusutarhantie 7 As Oy	39,3	39,3
Helsingin Satoaalto As Oy	8,6	8,6
Helsingin Satorinne As Oy	8,5	8,5
Helsingin Serica As Oy	3,8	3,8
Helsingin Siltavoudintie 20 As Oy	100,0	100,0
Helsingin Snellmaninkatu 23 As Oy	100,0	100,0
Helsingin Solarus As Oy	5,9	5,9
Helsingin Solnantie 22 As Oy	98,0	98,0
Helsingin Stenbäckinkatu 5 KOy	60,0	60,0
Helsingin Ståhlbergintie 4 As Oy	93,5	93,5
Helsingin Sähköttäjänkatu 6 As Oy	100,0	100,0
Helsingin Tapaninkulo As Oy	4,7	4,7
Helsingin Tila As Oy	24,5	13,1
Helsingin Tilkankatu 15 As Oy	100,0	100,0
Helsingin Tilkankatu 2 As Oy	100,0	100,0
Helsingin Tilkankatu 6 As Oy	100,0	100,0
Helsingin Topeliuksenkatu 29 As Oy	4,6	4,6
Helsingin Tunturinlinna As Oy	9,5	9,5
Helsingin Tuohiaukio As Oy	1,9	1,9
Helsingin Töölön Oscar As Oy	25,3	25,3
Helsingin Vanha viertotie 16 As Oy	76,7	76,7
Helsingin Vanha viertotie 18 As Oy	47,5	47,5
Helsingin Vanha viertotie 6 As Oy	100,0	100,0
Helsingin Vanha Viertotie 8 As Oy	100,0	100,0
Helsingin Venemestarintie 4 As Oy	100,0	100,0
Helsingin Vervi As Oy	100,0	100,0
Helsingin Villa Kuohu As Oy	25,6	25,6
Helsingin Vuosaaren Helmi As Oy	100,0	100,0
Helsingin Välskärinkatu 4 KOy	85,7	85,7
Hiihtomäentie 34 As Oy	3,7	3,7
Humalniementie 3-5 As Oy	1,1	1,1
Hyvinkään Joutsenlaulu As Oy	20,8	20,8
Hämeenlinnan Aronitunkuja 7 As Oy	100,0	100,0
Jussinhoivi As Oy	3,5	3,5
Jyväskylän Ailakinraitti As Oy	100,0	100,0
Jyväskylän Harjukartano As Oy	23,0	23,0
Jyväskylän Harjunportti As Oy	18,7	18,7
Jyväskylän Lyseonlinna As Oy	6,8	4,6
Jyväskylän Taitoniekansato As Oy	17,4	17,4
Jyväskylän Tanhurinne As Oy	24,1	24,1
Jyväskylän Torihovi As Oy	2,7	2,7
Jyväskylän Yliopistonkatu 18 ja Keskustie 17 As Oy	100,0	100,0
Järvenpään Alhonrinne As Oy	18,4	18,4
Kaarenkunnas As Oy	100,0	100,0
Kajaneborg Bost. Ab	7,3	7,3
Kasarminkatu 14 As Oy	12,2	12,2
Kasarminkatu 10 As Oy	26,7	26,7
Kauniaisten Ersintie 9-11 As Oy	5,5	5,5
Kauniaisten Konsuli As Oy Bost. Ab	7,4	7,4
Keravan Papintie 1 As Oy	100,0	100,0
Ketturinne As Oy	1,3	1,3
Kilonkallionkuja 5 As Oy	100,0	100,0
Kirkkosalmentie 3 As Oy	0,9	0,9
Kivisaarentie 2-6 As Oy	2,7	2,7
Kolehmaisentori As Oy	21,4	21,4

Kristianinkatu 2 As Oy	1,7	1,7
Kulmakatu 12 As Oy	2,1	2,1
Kulmavuorenpiha As Oy	100,0	100,0
Kulmavuorenrinne As Oy	1,0	1,0
Kupittaa Kurki As Oy	6,1	6,1
Kupittaa Satakieli As Oy	6,1	6,1
Kuuselanpuisto As Oy	23,0	23,0
Kuusitie 15 As Oy	1,5	1,5
Kuusitie 3 As Oy	1,8	1,8
Kuusitie 9 As Oy	2,3	2,3
Kvarnhyddan Bost. Ab	1,8	1,8
Laajalahdentie 26 As Oy	6,5	6,5
Lahden Nuolikatku 9 As Oy	100,0	100,0
Lapinniemen Pallopurje As Oy	1,9	1,9
Lapintalo As Oy	1,0	1,0
Lauttasaarentie 11 As Oy	1,6	1,6
Lielahdentie 10 As Oy	9,1	9,1
Linjala 14 As Oy	4,2	4,2
Läntinen Brahenkatku 8 As Oy	0,8	0,8
Lönegropen Bost. Ab, Skidbacksvägen 18	1,6	1,6
Mannerheimintie 100 As Oy	0,9	0,9
Mannerheimintie 108 As Oy	3,0	3,0
Mannerheimintie 148 As Oy	2,5	2,5
Mannerheimintie 170 KOy	32,1	16,3
Mannerheimintie 77 As Oy	1,2	1,2
Mannerheimintie 83-85 As Oy	0,7	0,7
Mannerheimintie 93 As Oy	0,3	0,3
Mariankatku 21 As Oy	1,3	1,3
Mellunsusi As Oy	1,5	1,5
Merimiehenkatku 41 As Oy Bost. Ab	1,6	1,6
Messeniuksenkatku 8 As Oy	2,0	2,0
Messilä As Oy	70,0	70,0
Minna Canthin katku 22 As Oy	2,4	2,4
Mursu As Oy	0,5	0,5
Myllysalama As Oy	68,2	68,2
Myyrinhaukka As Oy	100,0	100,0
Nekalanpuisto KOy	2,9	2,9
Nervanderinkatu 9 As Oy	2,6	2,6
Neulapadontie 4 As Oy	1,2	1,2
Nordenskiöldinkatu 8 As Oy	2,5	2,5
Näkinkuja 2 As Oy	2,5	2,5
Näsinkeskus KOy	11,3	11,3
Näyttelijäntien Pistetalot As Oy	1,4	1,4
Oskelantie 5 As Oy	4,1	4,1
Oskelantie 8 As Oy	2,1	2,1
Otavantie 3 As Oy	0,6	0,6
Otavantie 4 As Oy	1,8	1,8
Oulun Aleksinranta As Oy	100,0	100,0
Oulun Arvolankartano As Oy	2,1	2,1
Oulun Arvolanpiha As Oy	0,0	0,0
Oulun Arvolanpuisto As Oy	9,0	9,0
Oulun Kalevalantie As Oy	100,0	100,0
Oulun Laamannintie 1 As Oy	12,8	12,8
Oulun Laanila I As Oy	100,0	100,0
Oulun Laanila IV As Oy	100,0	100,0
Oulun Laaniranta As Oy	6,0	6,0
Oulun Marsalkka As Oy	5,7	5,7
Oulun Mastolinna As Oy	2,2	2,2
Oulun Notaarintie 1 As Oy	24,4	24,4
Oulun Notaarintie 3 As Oy	5,0	5,0
Oulun Paalikatku 23 As Oy	100,0	100,0
Oulun Peltolantie 18 B As Oy	100,0	100,0
Oulun Rautatienkatku 74 As Oy	100,0	100,0
Oulun Rautatienkatku 78 As Oy	100,0	100,0
Oulun Tullikartano As Oy	17,0	17,0
Oulun Tulliveräjä As Oy	40,7	40,7
Pellervon Pysäköinti KOy	68,9	43,1
Pengerkatku 27 As Oy	2,6	2,6
Pihlajatie N:o 23 As Oy	3,0	3,0
Poutuntie 2 As Oy	3,7	3,7
Puistokaari 13 As Oy	1,9	1,9
Raikukuja II As Oy	100,0	100,0

Raikurinne 1 As Oy	1,3	1,3
Raision Tasontorni As Oy	80,4	80,4
Risto Rytin tie 28 As Oy Bost. Ab	1,5	1,5
Ristolantie 7 As Oy	2,5	2,5
Rovaniemen Väilirakka As Oy	100,0	100,0
Ryytikuja 5 As Oy	0,8	0,8
Saarenkeskus As Oy	0,4	0,4
Salpakolmio As Oy	31,3	31,3
Satakallio As Oy	0,2	0,2
Savilankatu 1 b As Oy	33,3	33,3
Solnantie 32 As Oy	0,9	0,9
Spargäddan Bost. Ab As Oy	1,3	1,3
Sulkaolku 6 As Oy	0,4	0,4
Säästökartano As Oy	0,3	0,3
Taapuri As Oy	2,5	2,5
Tallbergin puistotie 1 As Oy	2,0	2,0
Tammitie 21 As Oy	0,9	0,9
Tampereen Charlotta As Oy	2,0	2,0
Tampereen Härmälänrannan Sisu As Oy	100,0	100,0
Tampereen Jankanpuisto As Oy	100,0	100,0
Tampereen Kanjoninkatu 15 As Oy	56,3	56,3
Tampereen Kauppa-aukio As Oy	100,0	100,0
Tampereen Kokinpellonrinne As Oy	86,9	86,9
Tampereen Kristiina As Oy	19,1	19,1
Tampereen Kuikankatu 2 As Oy	9,7	9,7
Tampereen Linnanhera As Oy	100,0	100,0
Tampereen Pappilan Herra As Oy	100,0	100,0
Tampereen Rotkonraitti 6 As Oy	54,7	54,7
Tampereen Siirtolapuutarhankatu 12 As Oy	5,6	5,6
Tampereen Strada As Oy	46,7	46,7
Tampereen Tarmonkatu 6 As Oy	100,0	100,0
Tampereen Tieteenkatu 14 As Oy	100,0	100,0
Tampereen Walteri As Oy	23,9	23,9
Tapiolan Tuuliniitty, Espoo As Oy	6,8	6,8
Tarkkampusjankatu 14 As Oy	44,1	44,1
Terhokuja 3 As Oy	100,0	100,0
Terhokuja 6 As Oy	11,3	11,3
Tohlopinkontu KOy	100,0	60,0
Turun Asemanlinna As Oy	20,9	20,9
Turun Eteläranta II As Oy	3,2	3,2
Turun Eteläranta III As Oy	2,9	2,9
Turun Eteläranta IV As Oy	3,0	3,0
Turun Fregatinranta As Oy	4,7	4,7
Turun Föörinranta II As Oy	1,0	1,0
Turun Ipnoksenrinne As Oy	6,7	6,7
Turun Kupittaan Peippo As Oy	34,6	34,6
Turun Linnankatu 37 a As Oy	1,7	1,7
Turuntie 112 As Oy	1,4	1,4
Turuntie 63 As Oy	1,6	1,6
Työväen Asunto-osakeyhtiö Rauha	10,2	10,2
Ulvilantie 11 b As Oy	0,6	0,6
Urheilukatu 38 As Oy	56,0	56,0
Vaasankatu 15 As Oy	0,8	0,8
Vallikallionpolku KOy	100,0	100,0
Vallinkyhky As Oy	6,0	6,0
Vantaan Aapramintie 4 As Oy	100,0	100,0
Vantaan Albert Petreliuksen katu 8 As Oy	7,7	7,7
Vantaan Heporinne 4 As Oy	100,0	100,0
Vantaan Kaarenlehmus As Oy	100,0	100,0
Vantaan Kilterinpuisto As Oy	49,4	49,4
Vantaan Kivivuorentie 8 A-B As Oy	100,0	100,0
Vantaan Kivivuorentie 8 C As Oy	100,0	100,0
Vantaan Kärjäkuja 3 As Oy	19,8	19,8
Vantaan Liesitorin palvelutalo As Oy	5,9	5,9
Vantaan Lummepiha As Oy	100,0	100,0
Vantaan Maarinrinne As Oy	12,0	12,0
Vantaan Maarukanrinne 6 As Oy	14,6	14,6
Vantaan Myyrinmutka As Oy	100,0	100,0
Vantaan Oritie 1 As Oy	100,0	100,0
Vantaan Orvokkikuja 1 As Oy	100,0	100,0
Vantaan Pakkalanrinne 5-7 As Oy	100,0	100,0
Vantaan Pakkalanruusu As Oy	3,1	3,1

Vantaan Pronssikuja 1 As Oy	100,0	100,0
Vantaan Ruostekuja 3 As Oy	100,0	100,0
Vantaan Tammiston Tringa As Oy	8,3	8,3
Vantaan Tammistonkatu 29 As Oy	29,1	29,1
Vantaan Tuurakuja 4 As Oy	34,1	34,1
Vantaan Tähti As Oy	33,2	33,2
Viides linja 16 As Oy	1,1	1,1
Viikinkisankari As Oy	35,4	35,4
Vilhonvuorenkatu 8 As Oy - Bost. Ab Vilhelmsbergsgatan 8	1,1	1,1
Vuomeren-Salpa As Oy	2,7	2,7
Vuorastila As Oy	99,0	99,0
Vuoreksen Vega As Oy	88,8	88,8
Vuosaaren Meripihka As Oy, Helsinki	42,7	42,7
OOO SATO-Rus	100,0	100,0
Sato-Pietari Oy	100,0	100,0
OOO Sato Park	100,0	99,0
Sato-Neva Oy	100,0	100,0
<b>Sato-Pietari Oy</b>		
OOO Sato Park	100,0	1,0
<b>SATOkoti Oy</b>		
Espoon Jousenkaari 5 As Oy	100,0	100,0
Espoon Jousenkaari 7 As Oy	100,0	100,0
Espoon Kuunkierros 2 As Oy	83,0	83,0
Helsingin Graniittitie 8 ja 13 As Oy	100,0	100,0
Helsingin Ida Aalbergin tie 3 A As Oy	100,0	100,0
Helsingin Keinulaudantie 7 As Oy	100,0	100,0
Helsingin Killekuja 4 As Oy	100,0	100,0
Helsingin Näyttelijäntie 24 As Oy	100,0	100,0
Helsingin Pajamäentie 6 As Oy	100,0	100,0
Helsingin Pajamäentie 7 As Oy	100,0	100,0
Helsingin Rusthollarinkuja 2 As Oy	100,0	100,0
Hiirakkotie 3 KOy	100,0	100,0
Ojamonkuusi KOy	54,6	54,6
Oulun Hoikantie 14-22 As Oy	100,0	100,0
Tampereen Ruovedenkatu 11 As Oy	100,0	100,0
Tohlopinkontu KOy	100,0	40,0
Vantaan Hiekkaharjuntie 16 As Oy	100,0	100,0
Vihdin Niittytie 1 KOy	100,0	100,0
SATOhousing Oy	100,0	100,0
<b>SATOhousing Oy</b>		
Espoon Kuunsirppi As Oy	100,0	100,0
Espoon Sepetlahdentie 6 As Oy	100,0	100,0
Hannanpiha As Oy	19,1	19,1
Helkalax As Oy	1,3	1,3
Helsingin Hämeenpenger As Oy	100,0	100,0
Helsingin Lapponia As Oy	100,0	100,0
Helsingin Pasilantornit As Oy	60,4	60,4
Helsingin Vetelintie 5 As Oy	100,0	100,0
Helsingin Viulutie 1 As Oy	100,0	100,0
Hervannan Juhani As Oy	14,9	14,9
Kastevuoren Palvelutalo As Oy	100,0	100,0
Kevätesikko As Oy	3,4	3,4
Kotipiennar As Oy	2,8	2,8
Kuhakartano As Oy	1,3	1,3
Kukkolan Koivu As Oy	4,3	4,3
Kuusihalme As Oy	2,3	2,3
Lohjan Riihenkiuas As Oy	100,0	100,0
Maijalanraitti As Oy	6,3	6,3
Malmeken Ömsesidiga Fastighet	12,8	12,8
Mannerheimintie 170 KOy	32,1	15,8
Matinraitti 14 As Oy	1,0	1,0
Muotialantie 31 As Oy	7,0	7,0
Näsinlaine As Oy	1,0	1,0
Oulun Utelias-Salpa As Oy	100,0	100,0
Peltohuhta As Oy	1,2	1,2
Pohjankartano As Oy	22,8	22,8
Puolukkasato As Oy	5,9	5,9
Rantasentteri As Oy	1,5	1,5
Satokaunokki As Oy	7,5	7,5

Satulapuisto As Oy	6,9	6,9
Tampereen Hervannan Puistokallio As Oy	100,0	100,0
Tasatuomo As Oy	1,3	1,3
Tikkamatti As Oy	19,6	19,6
Turun Uudenmaanlinna As Oy	100,0	100,0
Turun Veistämöntori As Oy	100,0	100,0
Ulpukkaniemi As Oy	25,4	25,4
Valtapolku As Oy	1,2	1,2
Vantaan Havukoskenkatu 20 As Oy	100,0	100,0
Vantaan Martinpääsky As Oy	100,0	100,0
Välkynkallio As Oy	0,8	0,8
Yläaitankatu 4 As Oy	1,7	1,7
<b>Sato-Rakennuttajat Oy</b>		
Helsingin Tila As Oy	24,5	11,4
Oulun Peltokerttu As Oy	100,0	100,0
<b>Sato Vuokrakodit Oy</b>		
Espoon Numersinkatu 6 As Oy	11,2	9,2
Espoon Puropuisto As Oy	58,4	55,8
Espoon Ristinientie 22 As Oy	5,4	5,4
Espoon Sokerilinnantie 1 As Oy	4,3	4,3
Espoon Säterinkatu 10 As Oy	6,1	6,1
Espoon Zanseninkuja 4 As Oy	17,4	17,4
Etelä-Hämeen Talo Oy	81,3	25,0
Helsingin Finniläntalo As Oy	80,2	80,2
Helsingin Lintulahdenpuisto As Oy	100,0	100,0
Helsingin Mustankivenraitti As Oy	94,6	94,6
Helsingin Myllypellonpolku 4 As Oy	6,9	6,9
Helsingin Otto Brandtin polku 4 As Oy	5,9	5,9
Helsingin Paciuksenkaari 13 As Oy	2,8	2,8
Helsingin Paciuksenkaari 19 As Oy	1,6	1,6
Helsingin Pasuunatie 8 As Oy	9,1	9,1
Helsingin Taimistontie 9 As Oy	12,3	12,3
Helsingin Tulisuantie 20 As Oy	100,0	100,0
Helsingin Tulvaniitynpolku 5 As Oy	10,2	10,2
Helsingin Vanhanlinnantie 10 As Oy	10,2	10,2
lidesranta 42 Tampere As Oy	6,6	6,6
Jyväskylän mlk:n Kirkkotie 3 As Oy	18,4	12,1
Jyväskylän Vaneritori 4 As Oy	26,2	19,8
Kaarinan Katariinankallio As Oy	35,8	23,5
Kaarinan Katariinanrinne As Oy	12,6	12,6
Kaarinan Kiurunpuisto As Oy	31,7	29,6
Kaarinan Kultarinta As Oy	32,1	26,5
Kaarinan Mattelpiha As Oy	49,5	36,0
Kaarinan Verkapatruuna As Oy	11,7	11,7
Kuovi As Oy	100,0	100,0
Lahden Kauppakatu 36 As Oy	7,9	3,6
Lappeenrannan Kanavansato 2 As Oy	25,0	25,0
Oulun Aleksanteri As Oy	100,0	100,0
Oulun Laamannintie 14 ja 17 As Oy	63,6	61,9
Oulun Laamannintie As Oy	52,2	43,5
Raision Toripuisto As Oy	27,0	20,8
Satulaparkki KOy	53,3	53,3
Tampereen Haapalinnan Antintalo As Oy	55,0	50,7
Tampereen Kyläleni As Oy	76,5	70,7
Tampereen Kyyhky As Oy	8,1	8,1
Tampereen Rantatie 13 E-G As Oy	41,6	41,6
Turun Hehtokatu As Oy	41,0	19,1
Turun Maarianportti As Oy	100,0	100,0
Turun Merenneito As Oy	14,6	14,6
Turun Meripoika As Oy	26,0	26,0
Turun Metallikatu As Oy	100,0	100,0
Turun Seiskarinkulma As Oy	14,0	14,0
Turun Tervaporvari As Oy	79,9	79,9
Turun Unikkoniitty As Oy	18,1	13,9
Tuusulan Naavankierto As Oy	5,3	5,3
Vantaan Herttuantie 3 As Oy	32,6	31,2
Vantaan Orvokitie 17 As Oy	14,3	14,3
<b>Sato-Osaomistus Oy</b>		
Espoon Numersinkatu 6 As Oy	11,2	2,0

Espoon Puropuisto As Oy	58,4	2,5
Helsingin Taavetin aukio 4 As Oy	3,9	3,9
Jyväskylän mlk:n Kirkkotie 3 As Oy	18,4	6,3
Jyväskylän Vaneritori 4 As Oy	26,2	6,4
Kaarinan Katariinankallio As Oy	35,8	12,3
Kaarinan Kiurunpuisto As Oy	31,7	2,1
Kaarinan Kultarinta As Oy	32,1	5,6
Kaarinan Mattelpiha As Oy	49,5	13,5
Lahden Kauppakatu 36 As Oy	7,9	4,3
Oulun Laamannintie 14 ja 17 As Oy	63,6	1,7
Oulun Laamannintie As Oy	52,2	8,6
Raision Toripuisto As Oy	27,0	6,2
Tampereen Haapalinnan Antintalo As Oy	55,0	4,3
Tampereen Kyläleni As Oy	76,5	5,8
Turun Hehtokatu As Oy	41,0	21,9
Turun Unikkoniitty As Oy	18,1	4,2
Vantaan Herttuantie 3 As Oy	32,6	1,4
<b>Suomen Satokodit Oy</b>		
Arhotie 22 As Oy	100,0	100,0
Karpalopolku KOy	100,0	100,0
Kaskenkaatajantie As Oy	100,0	100,0
Meiramikuja As Oy	4,7	4,7
Myllymatkantie 1 As Oy	100,0	100,0
Pellervon Pysäköinti KOy	68,9	25,8
Satosorsa As Oy	19,9	19,9
Vantaan Kortteeri As Oy	6,4	6,4
Vihdin Kirkkoniementie 2 KOy	100,0	100,0
<b>Vatrotalot Oy</b>		
Harjulehmus As Oy	41,0	41,0
Helsingin Laivalahdenportti 5 As Oy	75,5	75,5
Helsingin Toini Muonan katu 8 As Oy	15,6	15,6
Helsingin Muurahaisenpolku 6 Koy	64,4	64,4
Hämeenlinnan Aaponkuja 3 As Oy	47,7	47,7
Jukolanniitty As Oy	52,6	52,6
Jukolantanner As Oy	52,3	52,3
Jyväskylän Kakkospesä As Oy	18,2	18,2
Kangasalan Kukkapuisto As Oy	6,3	6,3
Kaukotie 10-12 As Oy	3,1	3,1
Kavilanniitty As Oy	1,9	1,9
Kirkkonummen Riihipolku As Oy	100,0	100,0
Kukkaropohja KOy	100,0	100,0
Kylänpäänpelto As Oy	43,8	43,8
Laakavuorentie 4 As Oy	39,1	39,1
Lahden Roopenkuja As Oy	57,7	57,7
Marolinnankoti As Oy	15,4	15,4
Merirammi As Oy	25,6	25,6
Meri-Rastilan tie 5 As Oy	23,5	23,5
Meri-Rastilan tie 9 As Oy	9,1	9,1
Nurmijärven Kylänpäänkaari As Oy	45,0	45,0
Nurmijärven Kylänpäänniitty As Oy	35,2	35,2
Pirilänportti As Oy	14,5	14,5
Pohjanpoika As Oy	24,5	24,5
Puolukkavariikko As Oy	33,9	33,9
Raudikkokuja 3 KOy	100,0	100,0
Riviuhkola As Oy	49,9	49,9
Salpalohi KOy	33,3	33,3
Satosyppi As Oy	50,0	50,0
Satotaival As Oy	38,8	38,8
Turun Kivimaanrivi As Oy	13,1	13,1
Turun Mietoistenkuja As Oy	22,5	22,5
Turun Pernon Kartanonlaakso As Oy	68,8	68,8
Turun Sipimetsä As Oy	19,8	19,8
Vantaan Minkkikuja As Oy	70,9	70,9
Vantaan Omaksi As Oy	2,8	2,8
Vantaan Ravurinmäki As Oy	47,8	47,8
Vantaan Ravurinpuisto As Oy	62,9	62,9
SATO-Osaomistus	100,0	100,0
VATROhousing Oy	100,0	100,0

**VATROhousing Oy**



Naantalin Kastovuorenrinne As Oy	25,6	25,6
Nastolan Moreeniraitti As Oy	14,0	14,0
Nokian Miharintie 38-40 As Oy	71,7	71,7
Salon Valhojanrivi As Oy	10,6	10,6
Tasakuusi As Oy	3,7	3,7

31 Dec 2014 31 Dec 2013\*\* 31 Dec 2012\*\* 31 Dec 2011\*\* 31 Dec 2010\*\*

**KEY FINANCIAL INDICATORS**

Net sales, MEUR	312	312	287	232	193
Operating profit, MEUR	191	178	160	209	167
Net financing expenses, MEUR	-39	-38	-39	-35	-33
Profit before taxes, MEUR	152	141	121	174	133
Balance sheet total, MEUR	2 802	2 596	2 360	2 167	1 805
Shareholders' equity and non-controlling interest, MEUR	892	823	693	635	534
Liabilities, MEUR	1 909	1 773	1 696	1 554	1 289
Return on invested capital, % (ROI)	7,7 %	7,7 %	7,7 %	10,9 %	10,3 %
Return on equity, % (ROE)	14,0 %	15,5 %	13,5 %	22,8 %	20,8 %
Equity ratio, %	31,8 %	31,7 %	29,4 %	29,5 %	29,5 %
Investment property, MEUR	2 528	2 316	2 088	1 899	1 657
Gross investments, MEUR	174	191	160	150	104
as percentage of net sales	55,7 %	61,2 %	55,7 %	64,7 %	54,1 %
Personnel, average***	165	156	152	137	129

**KEY INDICATORS PER SHARE**

Earnings per share, EUR	2,37	2,34	1,78	2,63	2,01
Equity per share, EUR ****	17,55	16,16	13,72	12,59	10,48
Number of shares, million	50,8	50,8	50,8	50,8	50,8

**Key figures according to EPRA recommendations and operational cash earnings**

EPRA Earnings, MEUR	65,1	62,7	44,4	43,2	35,5
EPRA Earnings per share, EUR	1,28	1,23	0,87	0,85	0,72
EPRA Net Asset Value, MEUR	1 120,3	1 007	900	825	685
EPRA Net Asset Value per share, EUR	22,04	19,80	17,71	16,23	13,47
Cash earnings, MEUR	72,9	66	62	52	50
Cash earnings per share, EUR	1,43	1,30	1,21	1,02	0,98

\* 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 minority interest

**Formulas used in calculation**

$$\text{Return on investment, \%} = \frac{(\text{Profit or loss before taxes} + \text{interest expense and other financing expenses})}{\text{Balance sheet total} - \text{non-interest-bearing debts (average during the financial year)}} \times 100$$

$$\text{Return on equity, \%} = \frac{(\text{Profit or loss after taxes})}{\text{Shareholders' equity (average during the financial year)}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$$

$$\text{Earnings per share, €} = \frac{\text{Net profit for year due to owners of parent company}}{\text{Adjusted number of shares (average during the financial year)}}$$

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

-/+ Profit on sales of land areas

-/+ Fair value change of financial instruments

-/+ Deferred taxed of above items

- minority interest

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