

KWG Kommunale Wohnen AG
Profit and loss account

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|--|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sales | | | 19.8 | 19.8 | 21.7 | 26.4 | 34.7 | 35.0 |
| YoY growth | | | 44.2% | 0.0% | 9.6% | 33.7% | 60.0% | 32.6% |
| Revaluation result from investment properties | | | 4.0 | 9.6 | 8.8 | 14.8 | 5.5 | 5.6 |
| Other operating income | | | 0.2 | 0.3 | 3.6 | 16.2 | 0.3 | 0.3 |
| Total revenues | | | 23.9 | 29.6 | 34.0 | 57.4 | 40.5 | 41.0 |
| COGS | | | -7.3 | -6.2 | -7.0 | -8.5 | -11.1 | -11.2 |
| in % of total revenues | | | -30.6% | -21.0% | -20.6% | -14.7% | -27.4% | -27.4% |
| Gross income | | | 16.6 | 23.4 | 27.0 | 48.9 | 29.4 | 29.8 |
| in % of total revenues | | | 69.4% | 79.0% | 79.4% | 85.3% | 72.6% | 72.6% |
| Personnel expenses | | | -1.5 | -1.8 | -2.3 | -2.6 | -3.3 | -3.3 |
| in % of total revenues | | | -6.2% | -6.0% | -6.8% | -4.6% | -8.1% | -8.1% |
| Expenditure on investment properties | | | -3.7 | -3.0 | -3.4 | -4.0 | -5.2 | -4.9 |
| in % of total revenues | | | -15.3% | -10.1% | -9.8% | -6.9% | -12.8% | -12.0% |
| Other operating expenses | | | -2.3 | -1.9 | -2.8 | -2.9 | -3.8 | -3.9 |
| in % of total revenues | | | -9.7% | -6.3% | -8.1% | -5.1% | -9.4% | -9.4% |
| EBITDA | | | 9.1 | 16.8 | 18.6 | 39.4 | 17.1 | 17.7 |
| in % of total revenues | | | 38.1% | 56.5% | 54.6% | 68.7% | 42.2% | 43.1% |
| Depreciation and amortisation | | | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| EBIT | | | 9.0 | 16.6 | 18.4 | 39.2 | 16.9 | 17.5 |
| in % of total revenues | | | 37.7% | 56.0% | 54.0% | 68.3% | 41.7% | 42.6% |
| Financial result | | | -5.8 | -5.8 | -6.4 | -8.5 | -11.3 | -11.1 |
| EBT | | | 3.2 | 10.7 | 11.9 | 30.7 | 5.6 | 6.3 |
| in % of total revenues | | | 13.5% | 36.3% | 35.1% | 53.5% | 13.8% | 15.4% |
| Taxes | | | 0.1 | -2.2 | -2.1 | -4.4 | -1.7 | -1.7 |
| as % of EBT | | | 2.7% | -20.1% | -17.7% | -14.4% | -29.7% | -26.8% |
| Net income including minorities | | | 3.3 | 8.6 | 9.8 | 26.3 | 3.9 | 4.6 |
| Minority interests | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income attributable to shareholders | | | 3.3 | 8.6 | 9.8 | 26.3 | 3.9 | 4.6 |
| in % of total revenues | | | 13.9% | 29.0% | 28.9% | 45.8% | 9.7% | 11.3% |
| Shares outstanding (in millions) | | | 8.6 | 9.9 | 10.8 | 14.4 | 15.9 | 15.9 |
| Earnings per share (EUR) | | | 0.38 | 0.87 | 0.91 | 1.83 | 0.25 | 0.29 |

Source: CBS Research AG, KWG Kommunale Wohnen AG

KWG Kommunale Wohnen AG
Balance Sheet

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|--|------|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | | |
| Noncurrent assets | | | 177.4 | 193.2 | 230.8 | 375.7 | 374.0 | 379.3 |
| as % of total assets | | | 94.7% | 94.1% | 96.6% | 97.2% | 96.8% | 96.4% |
| Intangible assets | | | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Fixed assets | | | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.0 |
| Investment properties | | | 173.6 | 188.6 | 226.4 | 371.4 | 369.6 | 375.2 |
| Other long-term assets | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial assets | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | | | 3.5 | 4.0 | 3.9 | 3.9 | 3.9 | 3.9 |
| Current assets | | | 10.0 | 12.1 | 8.1 | 10.8 | 12.5 | 14.2 |
| as % of total assets | | | 5.3% | 5.9% | 3.4% | 2.8% | 3.2% | 3.6% |
| Inventories | | | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Accounts receivables | | | 0.4 | 0.8 | 1.2 | 1.4 | 1.5 | 1.6 |
| Other receivables and other assets | | | 2.3 | 2.5 | 3.1 | 3.2 | 3.3 | 3.4 |
| Securities | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | | | 7.3 | 8.7 | 3.6 | 6.1 | 7.6 | 9.1 |
| Total Assets | | | 187.5 | 205.2 | 238.8 | 386.6 | 386.4 | 393.5 |
| Shareholders' equity and liabilities | | | | | | | | |
| Total equity | | | 64.7 | 78.1 | 87.8 | 143.2 | 147.2 | 151.8 |
| as % of total equity and liabilities | | | 34.5% | 38.1% | 36.8% | 37.0% | 38.1% | 38.6% |
| Capital stock | | | 9.8 | 10.8 | 10.8 | 15.9 | 15.9 | 15.9 |
| Reserves | | | 40.1 | 42.4 | 40.3 | 64.3 | 64.3 | 64.3 |
| Retained earnings | | | 14.8 | 24.9 | 36.7 | 63.0 | 66.9 | 71.5 |
| Minorities | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Special items | | | 0.0 | 0.0 | 2.3 | 0.0 | 0.0 | 0.0 |
| Contributions to implement the capital increase resolved | | | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Premiums to implement the capital increase resolved | | | 0.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 |
| Noncurrent liabilities | | | 116.8 | 118.6 | 112.8 | 196.2 | 193.1 | 195.2 |
| as % of total equity and liabilities | | | 62.3% | 57.8% | 47.2% | 50.8% | 50.0% | 49.6% |
| Financial liabilities | | | 114.4 | 114.2 | 104.7 | 184.7 | 179.9 | 180.3 |
| Deferred tax liabilities | | | 2.3 | 4.3 | 7.0 | 11.4 | 13.1 | 14.8 |
| Other liabilities | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current liabilities | | | 6.0 | 8.6 | 36.0 | 47.1 | 46.2 | 46.5 |
| as % of total equity and liabilities | | | 3.2% | 4.2% | 15.1% | 12.2% | 12.0% | 11.8% |
| Financial liabilities | | | 2.4 | 5.0 | 31.0 | 42.1 | 41.0 | 41.1 |
| Trade accounts payables | | | 1.2 | 1.0 | 2.1 | 2.1 | 2.2 | 2.3 |
| Short-term tax liabilities | | | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other liabilities | | | 2.3 | 2.6 | 2.8 | 2.8 | 2.9 | 3.0 |
| Total equity and liabilities | | | 187.5 | 205.2 | 238.8 | 386.6 | 386.4 | 393.5 |

Source: CBS Research AG, KWG Kommunale Wohnen AG

KWG Kommunale Wohnen AG

Cash flow statement

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|---|------|------|-------------|-------------|--------------|---------------|-------------|------------|
| Group result before deduction of income tax | | | 2.7 | 10.2 | 11.3 | 30.7 | 5.6 | 6.3 |
| Depreciation and amortisation | | | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Other non-cash items | | | 0.0 | -0.1 | -1.9 | -13.2 | 0.0 | 0.0 |
| Gains/losses from disposal of long term assets | | | 0.2 | 0.0 | -1.2 | 0.0 | 0.0 | 0.0 |
| Result from interest income and interest expense | | | 5.8 | 5.8 | 6.4 | 8.5 | 11.3 | 11.1 |
| Revaluation result from investment properties | | | -4.0 | -9.6 | -8.8 | -14.8 | -5.5 | -5.6 |
| Change in other assets and liabilities | | | -9.9 | -6.4 | -6.2 | -8.6 | -11.3 | -11.1 |
| Cash flow from operating activities | | | -5.1 | 0.1 | 0.0 | 2.8 | 0.3 | 0.9 |
| Net cash flow from investment properties | | | 0.0 | 0.0 | 1.1 | -109.0 | 7.3 | 0.0 |
| Net cash flow from long term assets | | | -2.1 | 0.0 | -22.7 | -0.2 | -0.2 | 0.1 |
| Cash flow from investing activities | | | -2.1 | -5.8 | -21.6 | -109.2 | 7.1 | 0.1 |
| Cash inflow from capital increases | | | 5.3 | 4.8 | 0.0 | 17.8 | 0.0 | 0.0 |
| Net borrowings/retirements of financial debt | | | 1.4 | 2.4 | 16.5 | 91.1 | -5.9 | 0.6 |
| Cash flow from financing activities | | | 6.7 | 7.2 | 16.5 | 108.9 | -5.9 | 0.6 |
| Total change in cash and cash equivalents | | | -0.5 | 1.5 | -5.2 | 2.5 | 1.4 | 1.6 |
| Cash and cash equivalents at the start of the period | | | 7.8 | 7.3 | 8.7 | 3.6 | 6.1 | 7.6 |
| Cash and cash equivalents at the end of the period | | | 7.3 | 8.7 | 3.6 | 6.1 | 7.6 | 9.1 |

Source: CBS Research AG, KWG Kommunale Wohnen AG

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Recommendation history over the last 12 months for the company analysed in this report:

| Date | Recommendation | Price at change date | Price target |
|------------------|----------------|----------------------|--------------|
| 03 August 2012 | BUY | EUR 5.11 | EUR 7.90 |
| 26 July 2012 | BUY | EUR 5.03 | EUR 7.10 |
| 28 June 2012 | BUY | EUR 4.92 | EUR 7.00 |
| 08 March 2012 | BUY | EUR 5.10 | EUR 7.00 |
| 09 November 2011 | BUY | EUR 4.93 | EUR 7.00 |

| | | | |
|----------------|-----|----------|----------|
| 26 August 2011 | BUY | EUR 5.15 | EUR 7.00 |
|----------------|-----|----------|----------|

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