TECHNOPOLIS

POHJOLA'S CORPORATE BOND SEMINAR

Technopolis is Different

A Nordic Baltic Approach

- A focused real estate company with service DNA
- We develop, own & operate dynamic, smart campuses
- Profitable growth, geographic diversification, chain thinking
- Multiuser facilities, shared, bundled services
- Hands-on sales & account management

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Smart Business Environments

Technopolis' business idea is to combine premises and services into a carefully thought-out offering that supports the growth and success of customers

Service Portfolio

SPACE

Benefit from flexible spaces and supporting services

Flexi Space
- Office & Special Spaces
- Conference & Meeting Space
- Business Lounge

Workplace Services
- Workplace Design
- Furniture & Move-in Services
- ICT Services
- Facility Services
- Cleaning Services
- Reception Services
- Restaurant & Catering

BUSINESS

Focus on your core strengths

Matchmaking Services
- Customers
- Partners
- Financiers
- Talent

Visibility services

Funding Services

EMPLOYEES

Find and keep the best talent

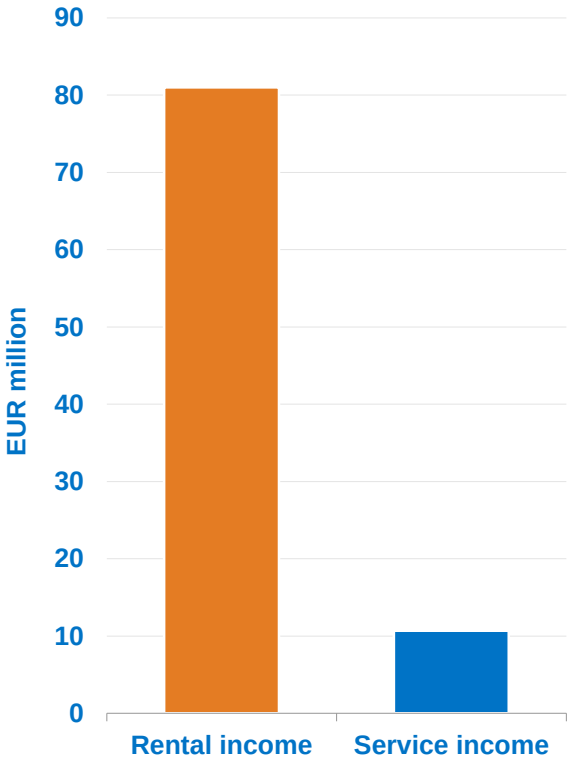
Health and Wellbeing Services
- Gym and massage
- Hair and Beauty
- Occupational health and wellbeing

Restaurant and Cafe Services
- Restaurants and cafes
- Take-out food
- Catering

Travel and Leisure Services
- Accommodation and transportation
- Ticket service

Household Services
- Car wash
- Personal finance
- Groceries

Net Sales, Q1-Q3/2013



A Sales Driven Approach

Property Investor

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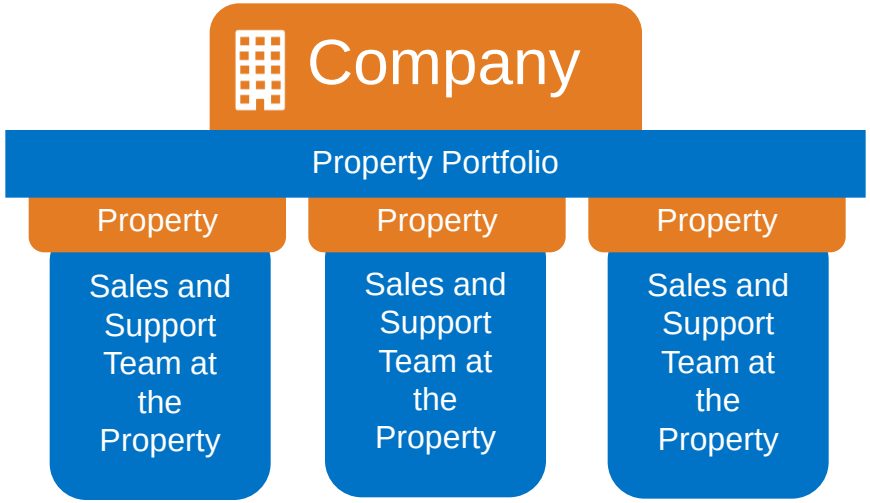
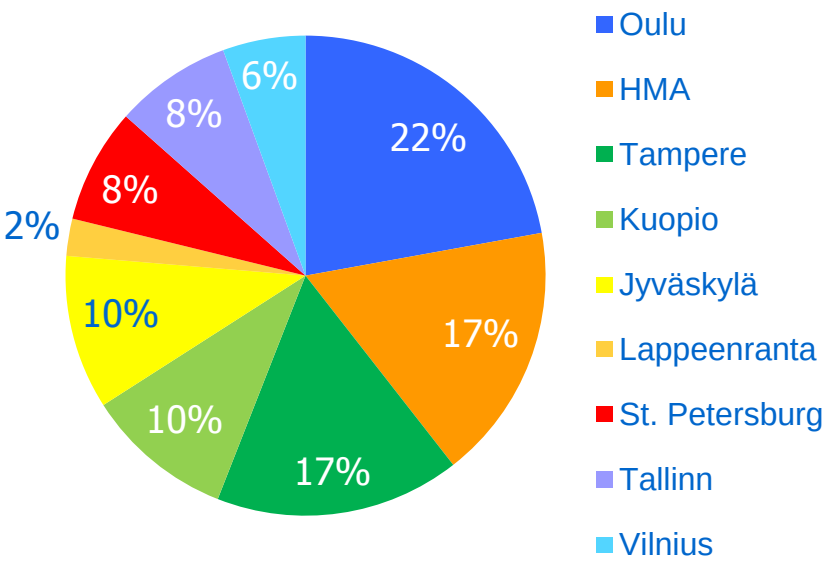


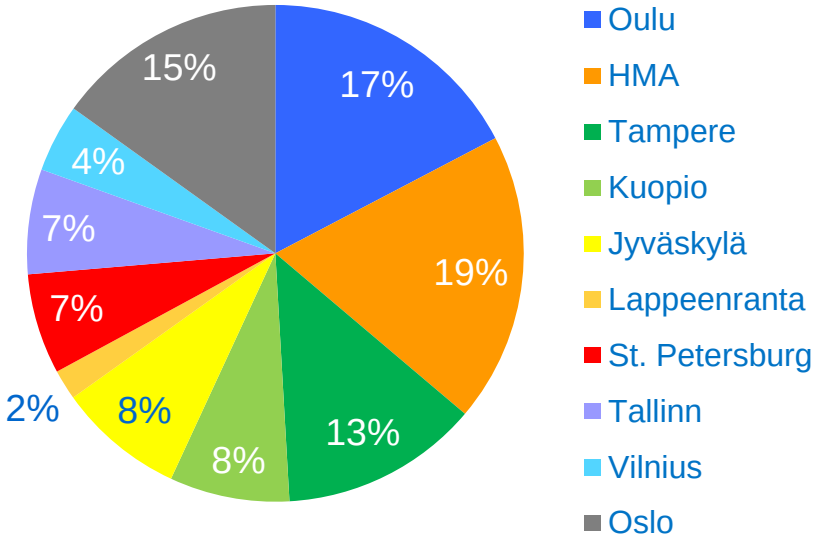
- Dedicated account managers for every campus located on site for fast response
- Incentives aim to maximize occupancy, revenue/sqm and customer satisfaction
- Low volatility in occupancy over the cycle shows that the concept works

Market Segments, in Fair Value

Current Portfolio, Sept 30, 2013



After Investments, before Year-end 2013



"After investments before year-end 2013" calculation method:
Fair value September 30, 2013 + purchase price or estimated investment cost

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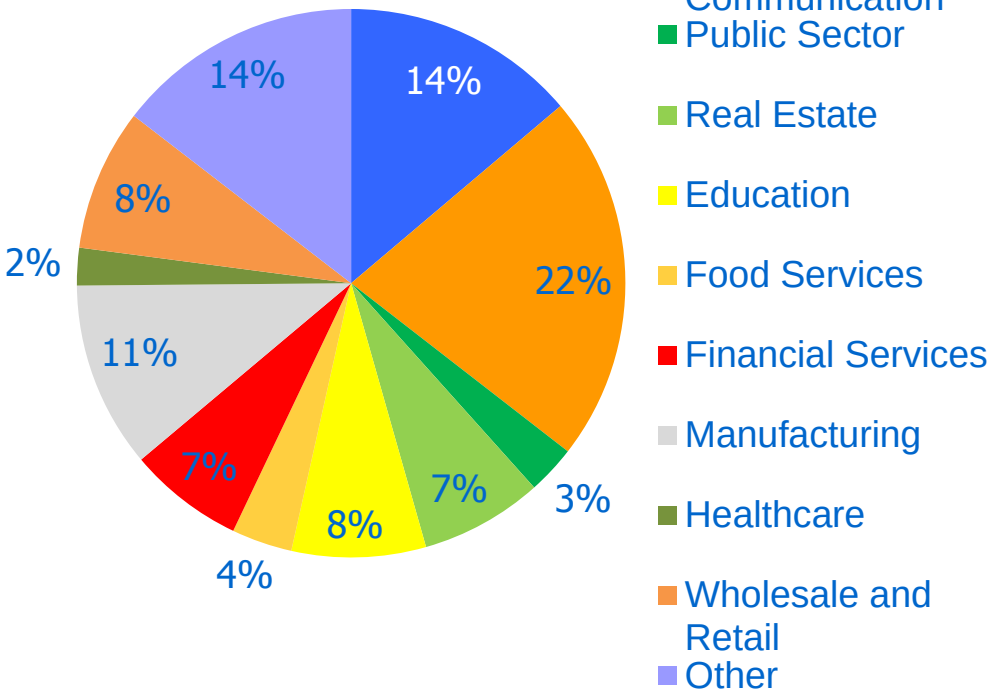
A Diversified Customer Mix

Customer Segments

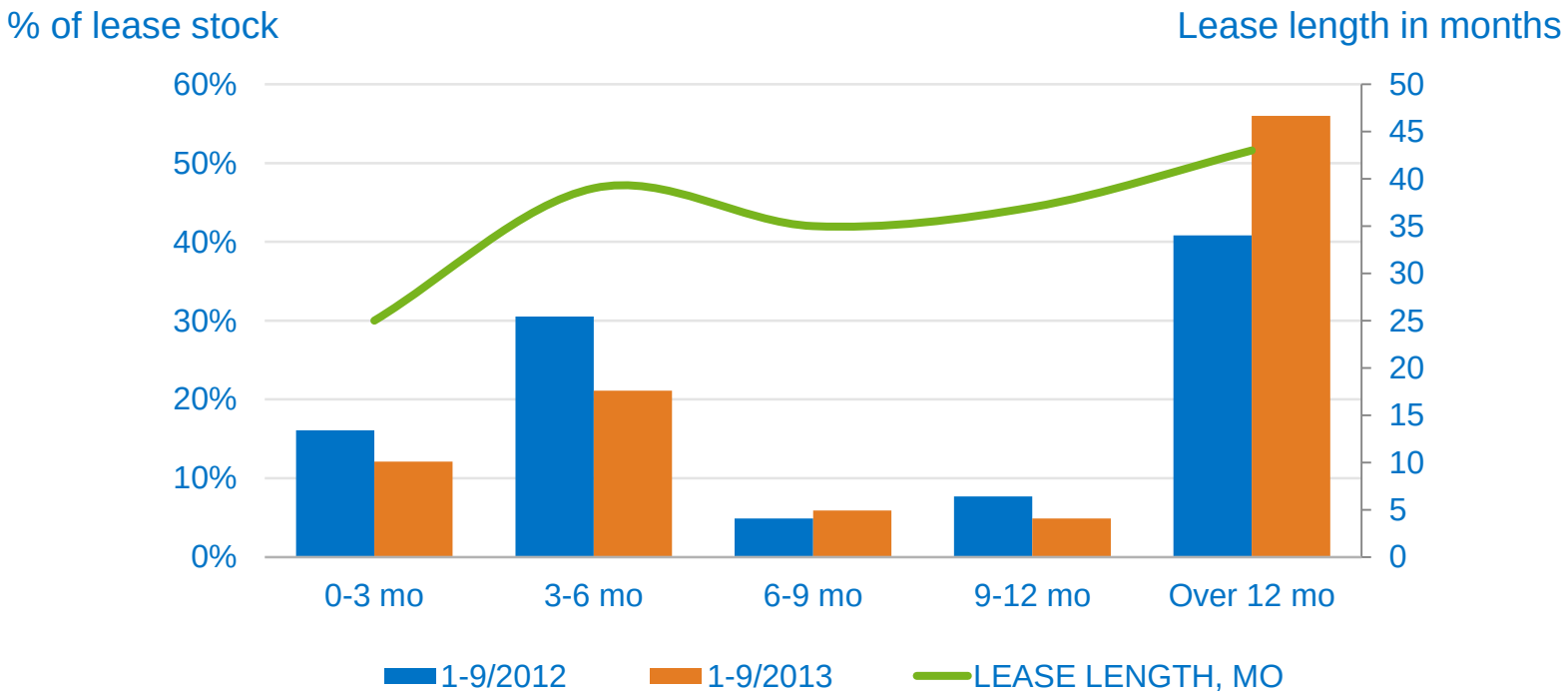


Top 20 Customers

ASPOCOMP
OULU CAPITAL OF NORTHERN SCANDINAVIA
sodexo
CGI
Pirkanmaa Hospital District
Honeywell
RAMBOLL
JYVÄSKYLÄN YLIOPISTO UNIVERSITY OF JYVÄSKYLÄ
kemira
RENESAS Renesas Mobile Corporation
VTT
KESKO
SAVONIA
WESTERN UNION
NOKIA
SEB
YLE
norlandia care
Senaatti KIINTEISTÖT

As of 30 September 2013 the 20 largest customers were renting ca. 38% of the company's space

Lease Portfolio



- Long-term leases boosted the average lease length and lease stock
- At the end of the period the average lease period was 43 (25) months
- Lease stock was EUR 347.2 (238.2) million

Strategic Financial Targets

Target 2014-2016	1-9/2013
Net sales +15% p.a.	y/y 16.5%
EBITDA +15% p.a.	y/y 17.1%
International net sales EUR 50 million by 2016	EUR 10.6 million
ROCE >6% p.a.	6.1%*
Equity Ratio >35% over the cycle	39.4%
Dividend policy avg. 1/3 of net income	50.6% of net income

* Calculated from EPRA EBIT, rolling 12 months

Strategy and Financials

NOTE:
This is for illustrative purposes only – not a guidance!

Key Indicatorors	2012A	2013F	2014F	2015F	2016F	
Turnover Growth, %	15,6 %	15,6 %	37,7 %	8,5 %	16,3 %	
EBITDA Growth	17,3 %	15,1 %	40,3 %	9,4 %	17,6 %	
EBITDA-%	51,9 %	51,7 %	52,7 %	53,1 %	53,7 %	1
Equity Ratio-%	36%	40%	40%	38%	40%	
Gearing, %	156%	140%	142%	154%	142%	
Loan to Value, %	60%	59%	59%	61%	60%	
Avg. Int. rate for debts	1,8 %	2,1 %	2,3 %	2,3 %	2,3 %	
ROE-%	7,4 %	3,9 %	7,9 %	8,2 %	8,1 %	2

Income statement (m€)	2012A	2013F	2014F	2015F	2016F	
Turnover	107,3	124,0	170,8	185,3	215,5	
EBITDA	55,8	64,2	90,0	98,5	115,8	
FV Gains/Losses (Inv. Prop.)	-5,7	-13,0	,0	,0	,0	3
Depreciations	2,0	2,7	3,2	3,6	4,1	
EBIT	48,0	48,5	86,9	94,8	111,7	
Net Financial Expenses	13,6	17,7	21,4	23,6	26,7	
Profit (loss) before taxes	34,4	30,7	65,4	71,2	85,0	
Taxes	7,5	6,1	13,1	14,2	17,0	
Net loss/profit	26,9	24,6	52,4	57,0	68,0	

Cash Flow (m€)	2012A	2013F	2014F	2015F	2016F	
EBITDA	55,8	64,2	90,0	98,5	115,8	
Net Financial Expenses	13,6	17,7	21,4	23,6	26,7	
Taxes	7,5	6,1	13,1	14,2	17,0	
Other adjustements	4,5	3,0	-5,2	-1,5	-3,2	
Operating CF	**39,2**	**43,3**	**50,3**	**59,2**	**68,9**	
Net Investments	116,6	494,5	94,0	168,4	267,7	
CF After Investments	**-77,4**	**-451,3**	**-43,7**	**-109,2**	**-198,9**	4
Chage in IB Liabilities	59,0	250,0	56,0	129,2	129,0	
"Capital injection"	34,5	175,0	,0	,0	100,0	
Dividends	-12,7	-15,1	-13,5	-18,3	-19,9	5
Change in cash	**3,3**	**-41,4**	**-1,2**	**1,7**	**10,2**	

Balance Sheet (m€)	2012A	2013F	2014F	2015F	2016F
Investment properties	1014,1	1504,1	1593,1	1756,0	2017,7
Other Non-Current Assets	34,5	36,4	38,2	40,1	42,0
Current Assets	18,4	21,3	28,9	31,1	35,8
Cash	15,7	11,3	6,5	3,7	9,4
Total assets	**1082,7**	**1573,0**	**1666,7**	**1830,8**	**2104,9**
Equity	389,5	549,0	584,2	618,4	762,0
Hybrid bond	0	75,0	75,0	75,0	75,0
IB Liabilities	637,5	887,5	943,5	1072,7	1201,7
Non IB Liabilities	55,7	61,6	64,0	64,7	66,2
Total Equity and Liabilities	**1082,7**	**1573,0**	**1666,7**	**1830,8**	**2104,9**

1 Net Sales and EBITDA growth rates according to strategy plan. Equity ratio assumption >35%

2 Interest rates are assumed to increase moderately

3 No FV-changes in investment properties are assumed for the forecast period

4 Net CAPEX €180m/y in average. Dividend pay-out ca. 33%

5 Solid financial outstanding requires capital injection

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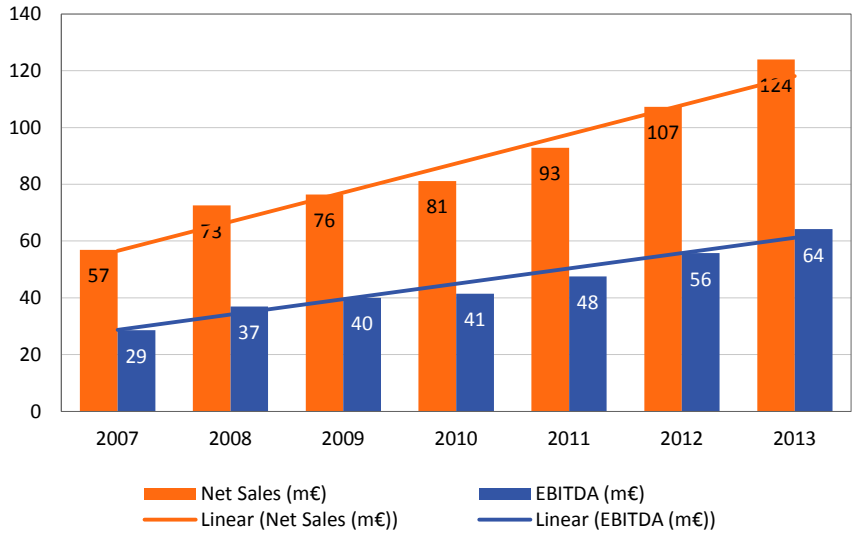
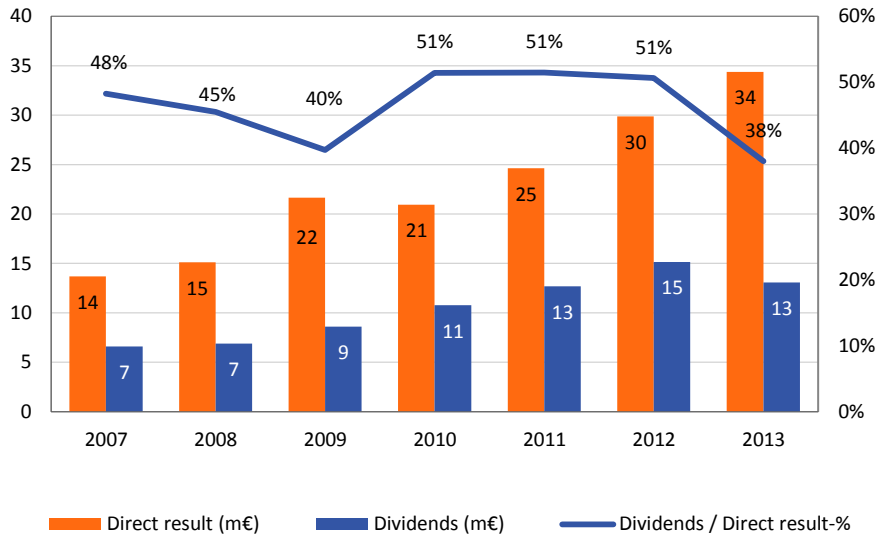
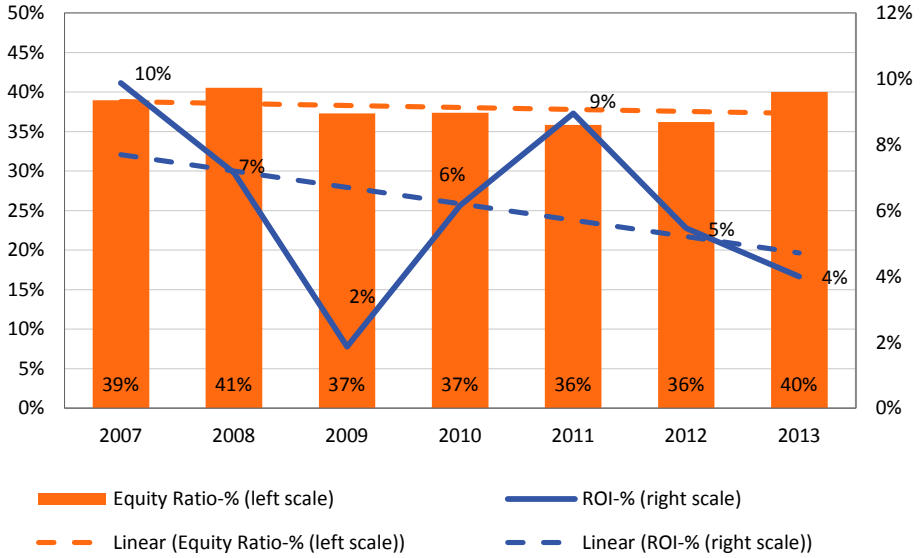
*) FV changes of investment properties may cause significant fluctuations to ROE-%

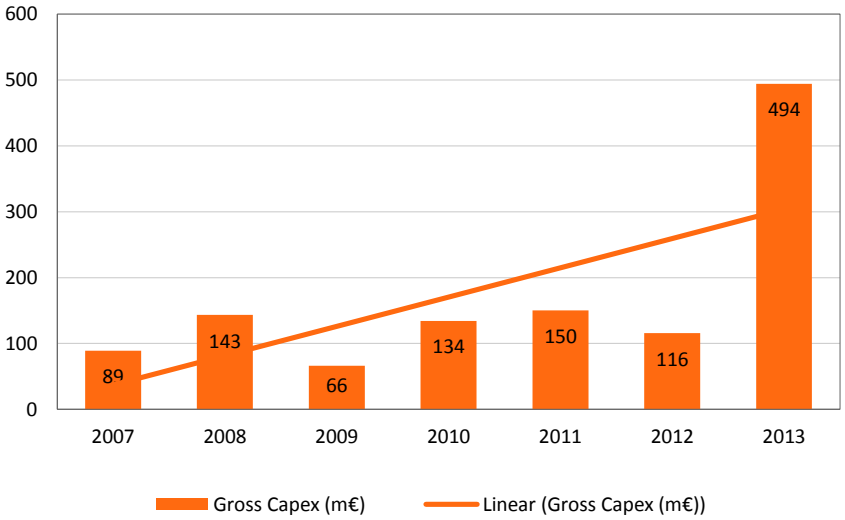
Financials in Brief

NOTE:
2013 figures are based on analysts' consensus and are only illustrative - <u>not a guidance!</u>







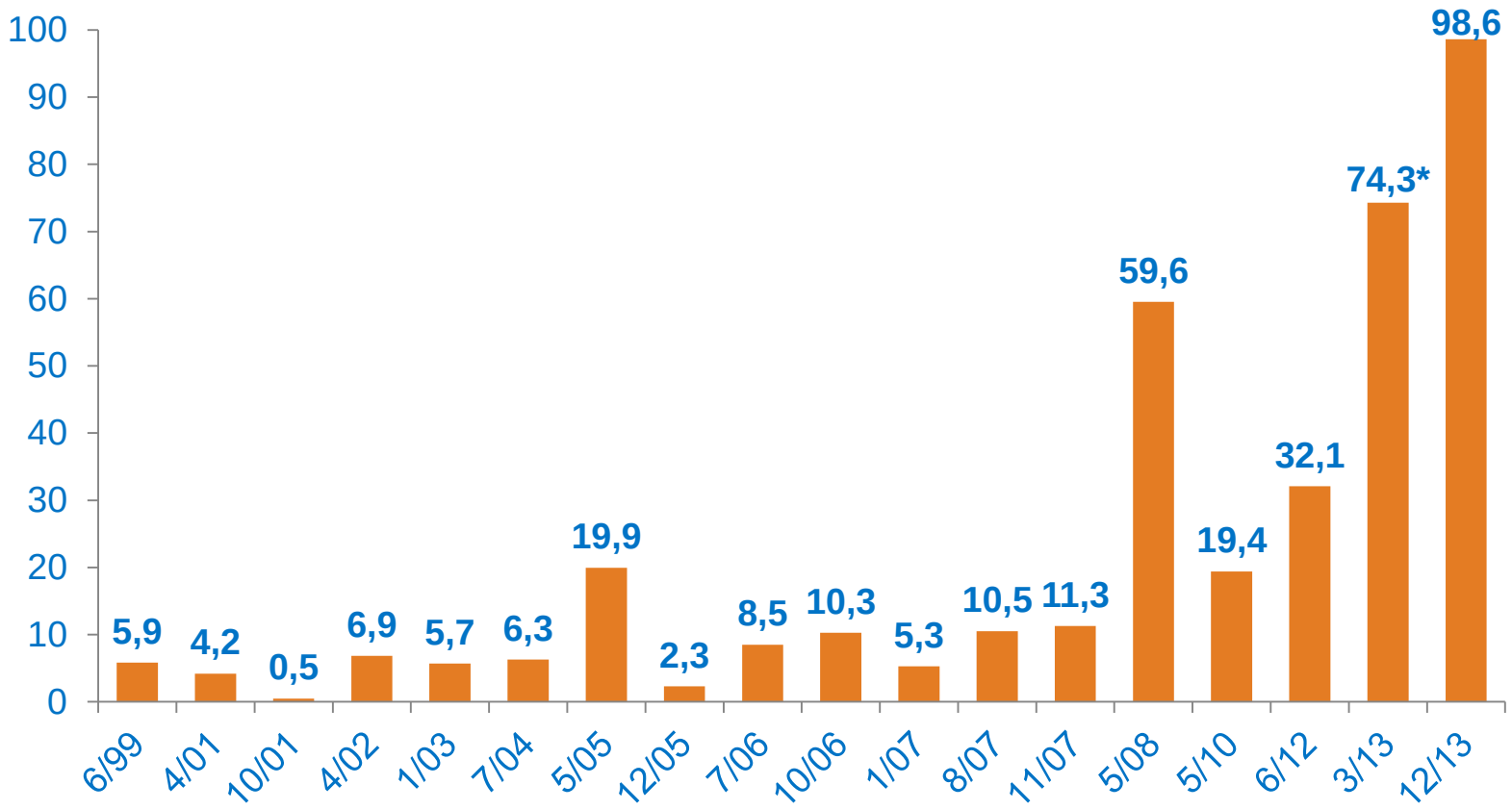


Investments in Last 12 Months

Area	Name	Occupancy rate, %	sqm	EUR million	Stabilized yield, %	Completion
Acquired						
Tampere	Tohloppi	100.0	32,000	23.3	11.8	10/2012
Oulu	Peltola	73.6	37,600	31.7	11.2	02/2013
Vilnius	Alfa & Beta	99.8	31,200	62.6 *)	9.6	05/2013
Completed						
Tampere	Yliopistonrinne 2	97.5	7,500	22.5	7.6	10/2012
Kuopio	Viestikatu 7B&C	93.2	9,300	17.4	9.2	02/2013
Tallinn	Löötsa 8C	95.4	6,200	8.3	9.1	03/2013
Under construction **)						
Vilnius	Gamma	85.0	11,000	62.6 *)	8.8	10/2013
Tallinn	Löötsa 8A&B	81.5	16,300	24.3	9.1	10/13-02/14***)
St. Petersburg	Pulkovo 2	32.7	18,700	42.0	12.6	10/2013
Jyväskylä	Innova 4	91.0	8,900	23.7	8.1	10/2013
Signed investments						
HMA	Falcon	97.0	26,300	77.5	7.8	11-12/2013e
Oslo	Fornebu	90.0	70,500	153.8	7.7	12/2013e
Total			275.5	487.1		

*) total value of the Vilnius deal including all phases
**) pre-let rate October 30, 2013
***) commissioning in phases

Equity Issues



Excludes minor compensation share issues and option subscriptions
*) Hybrid bond issue

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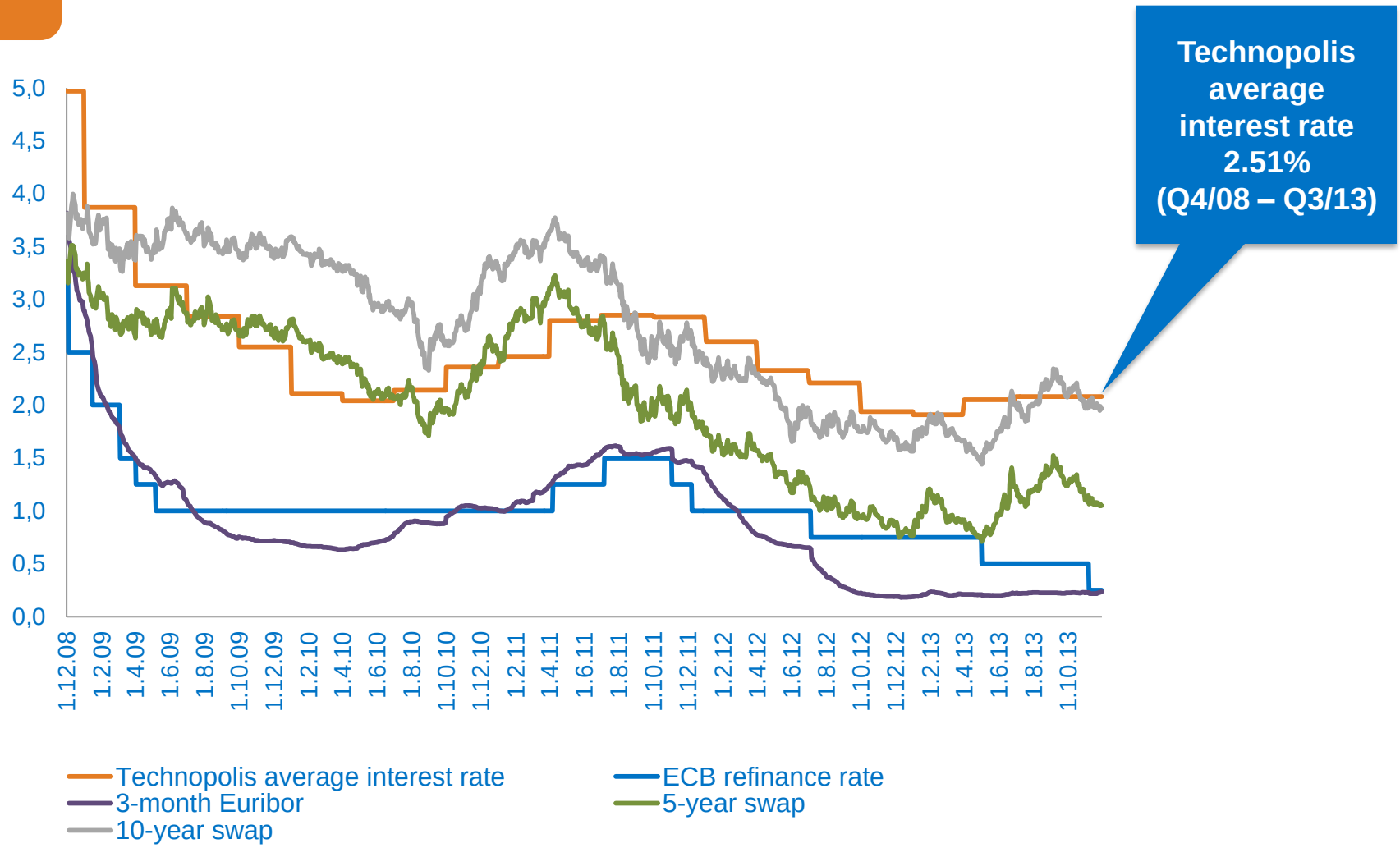
Interest Rates



Sources: Bloomberg and Technopolis interim reports.
Method: Technopolis interest rates are quarterly average interest rates include interest rate swaps. For Q4/13 the company has used the interest rates reported in Q3/13

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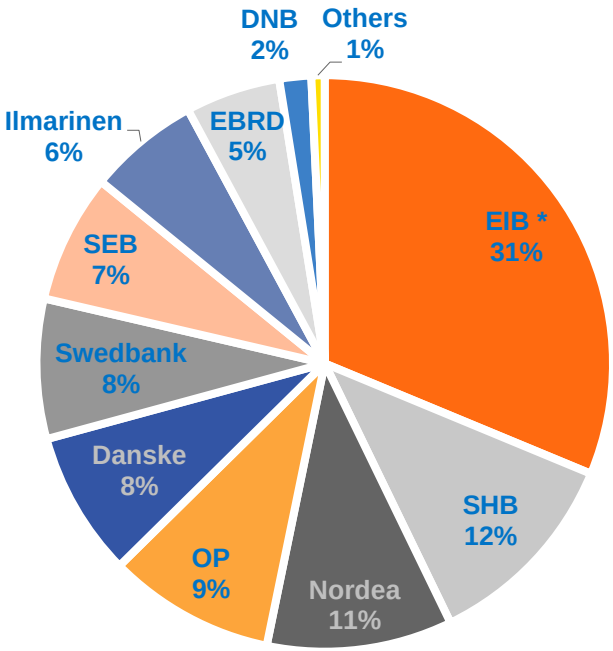
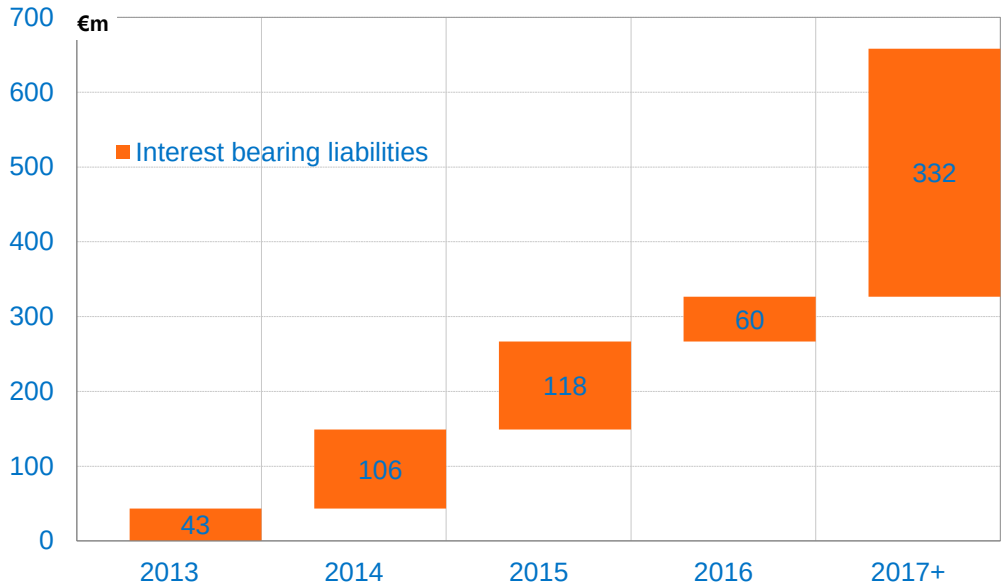
Breakdown of Debts (1/3)





- Total IBD EUR 658.3 million at Q3/2013
- Banks are main IBD funding source, but the loan portfolio is well-diversified
- Annual amortization are well-diversified easing the refinancing

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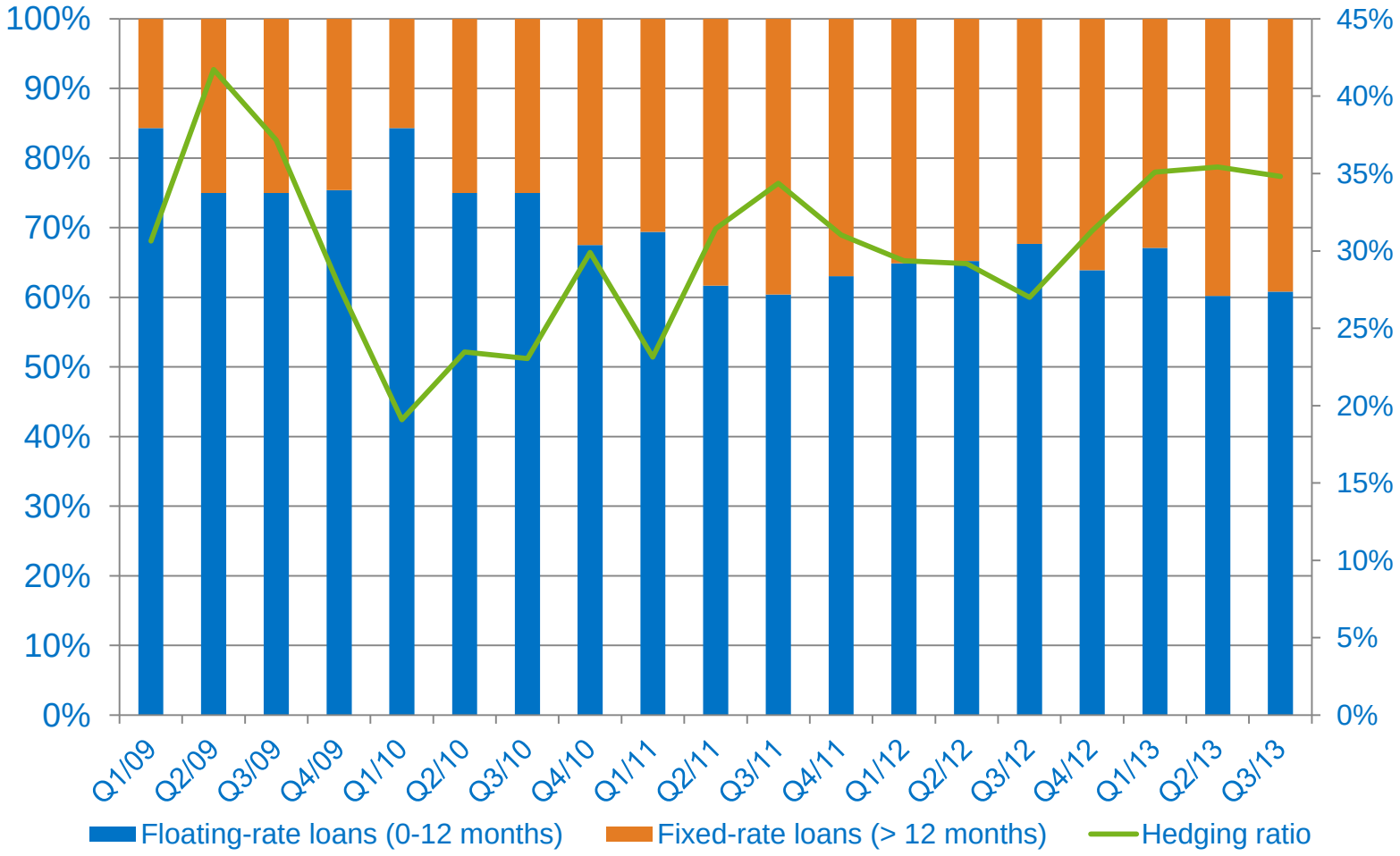
Breakdown of Debts (2/3)



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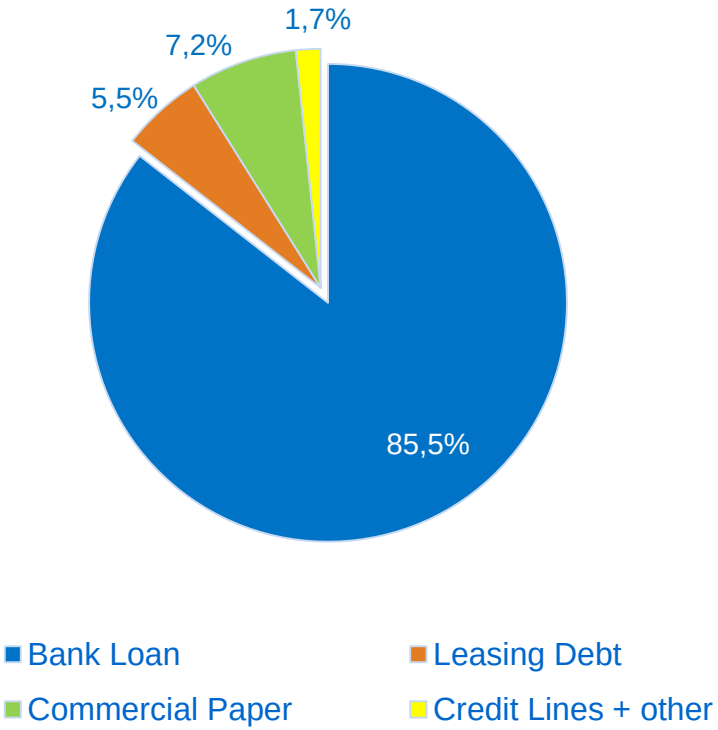
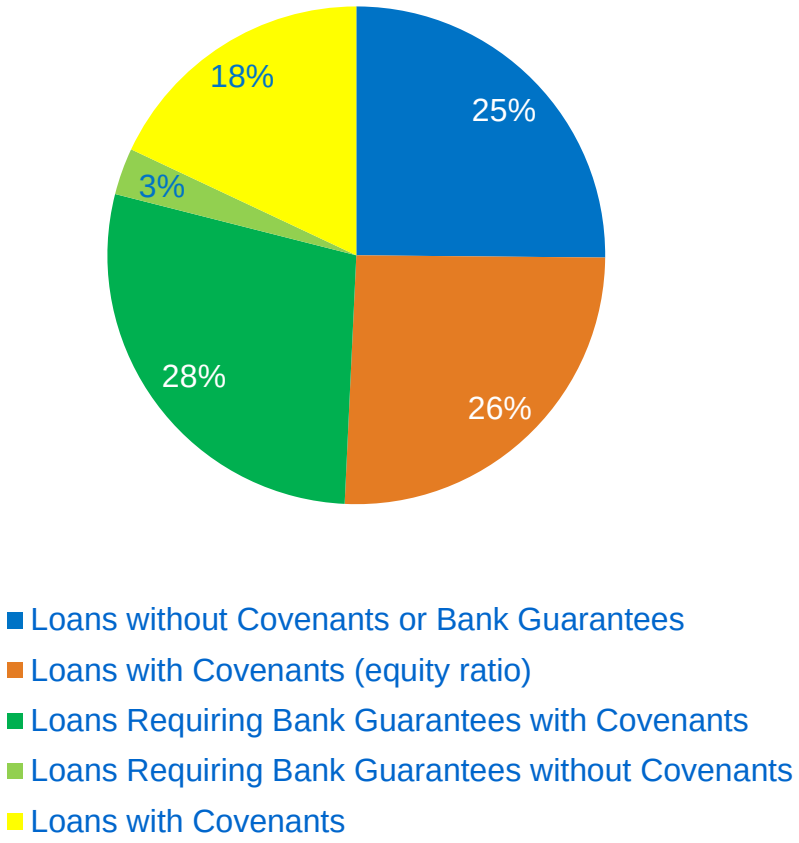
Breakdown of Debts (3/3)





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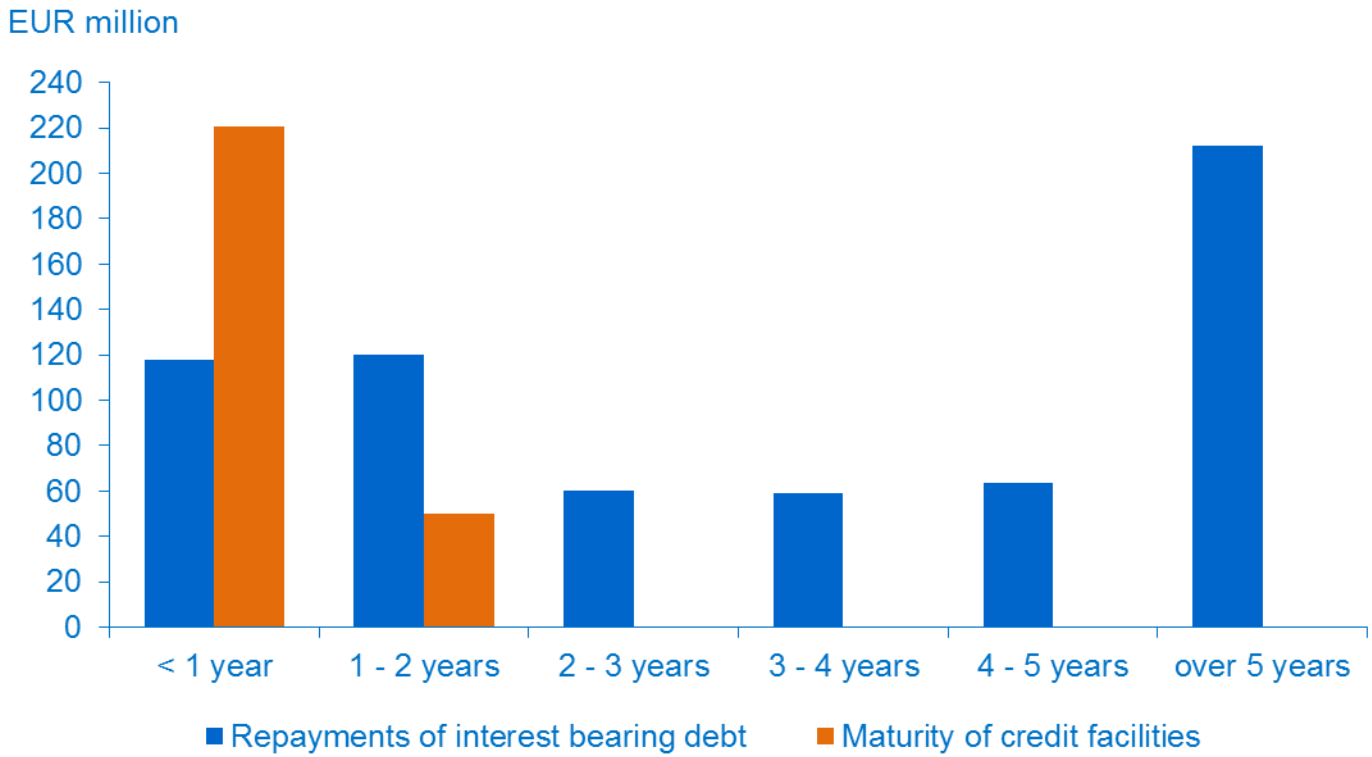
Loan Maturities



- The Group's loan maturities on average is 8.1 (9.0) years
- Within 12 months EUR 130.2 million of loans are coming due
- EUR 116.7 (110.3) million untapped credit facilities

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