

TECHNOPOLIS

Interim Report Q1/2014

May 7, 2014

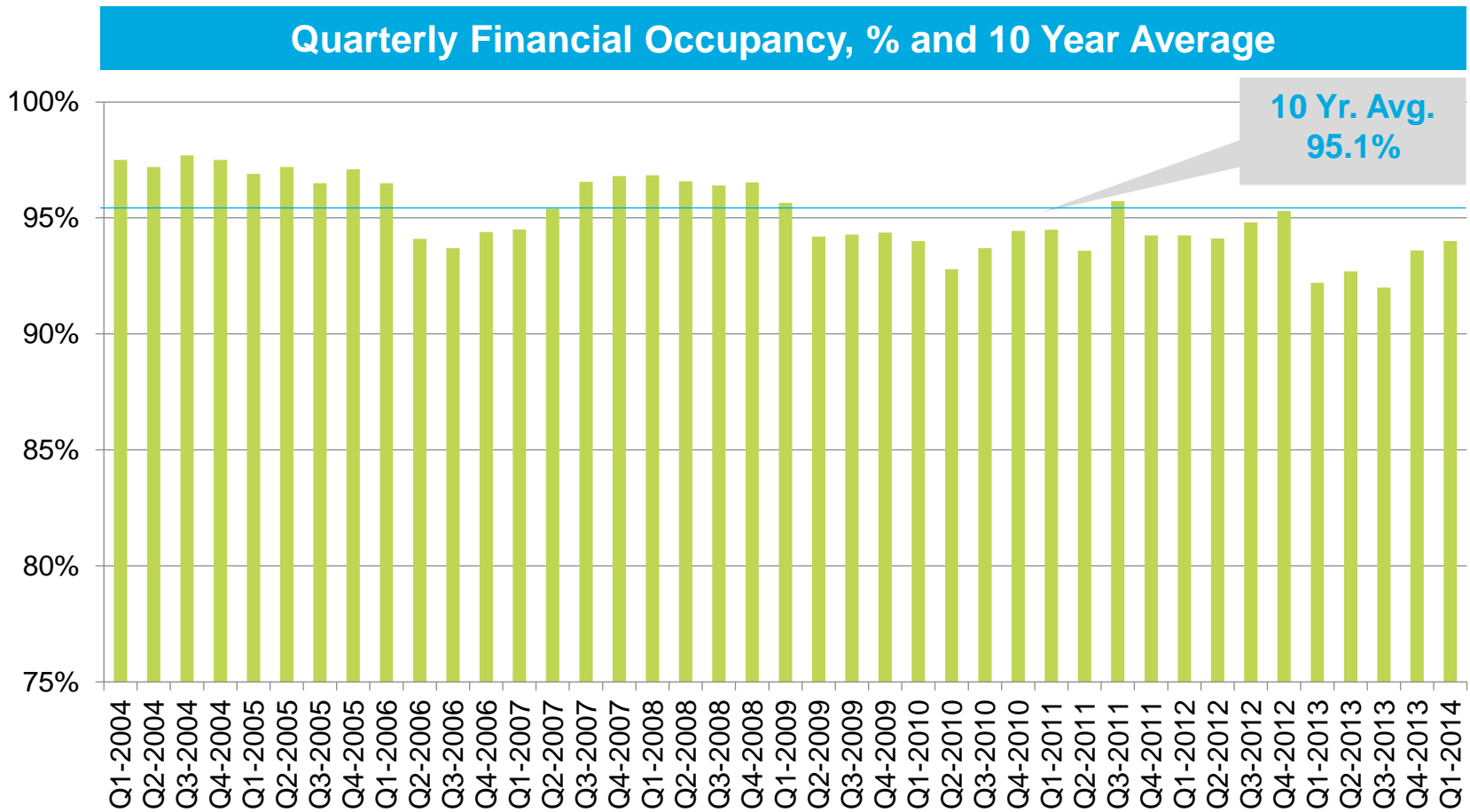
Q1 Highlights

- Net sales grew 33.5% and EBITDA 47.2%
- EPRA Operating result rose 56%
- Occupancy solid at 94%
- Scale advantages as revenue growth outstripping costs:
 - Real estate maintenance costs up 28.2%
 - Admin costs up 27.6%
- Solid balance sheet: Equity ratio 40.1% and LTV 58.5%
- St. Pete: 4.5% of net sales, 2.9% of EBITDA, 5% of fair values
- Focus on consolidation and costs

Key Figures

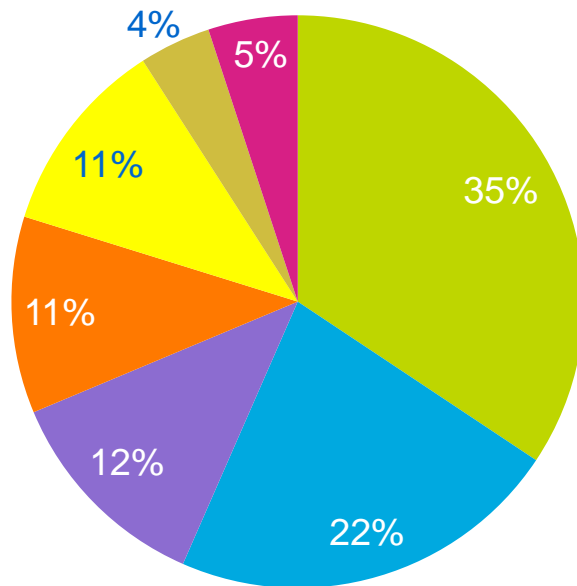
Financials	Q1/2014	Q1/2013	Δ, %	2013
Net sales, EUR million	39.7	29.7	33.5	126,3
EBITDA, EUR million	20.6	14.0	47.2	64,1
Unrealized foreign exchange losses, EUR million	-3.2	0.4	-	-5.7
Direct result (EPRA), EUR million	12.8	8.0	56.0	40.5
Operating profit, EUR million	20.7	16.7	24.3	43,9
Real Estate Operations				
Financial occupancy rate, %	94.0	92.2	+1.8	93.6
Net rental yield, %	7.2	7.2	-	7.3
Rentable space, 1 000 m ²	738,000	601,300	22.7	746,800

Financial Occupancy

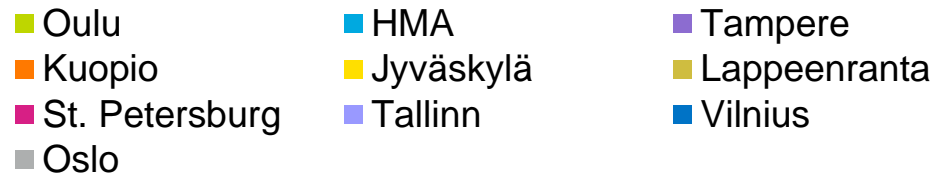
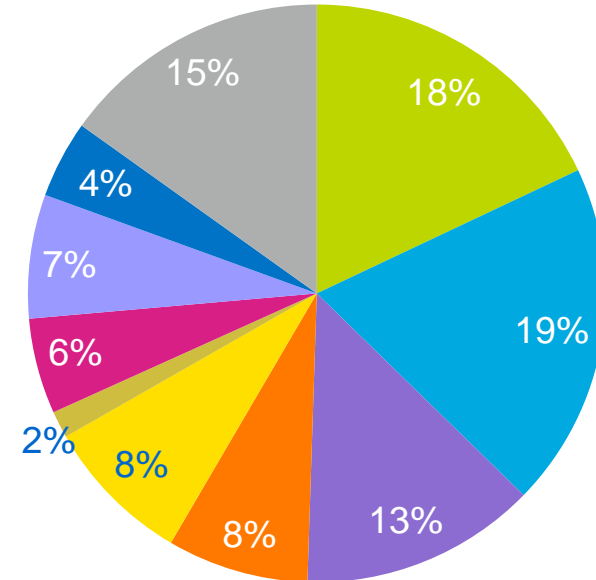


Market Segments by Fair Value

March 31, 2010

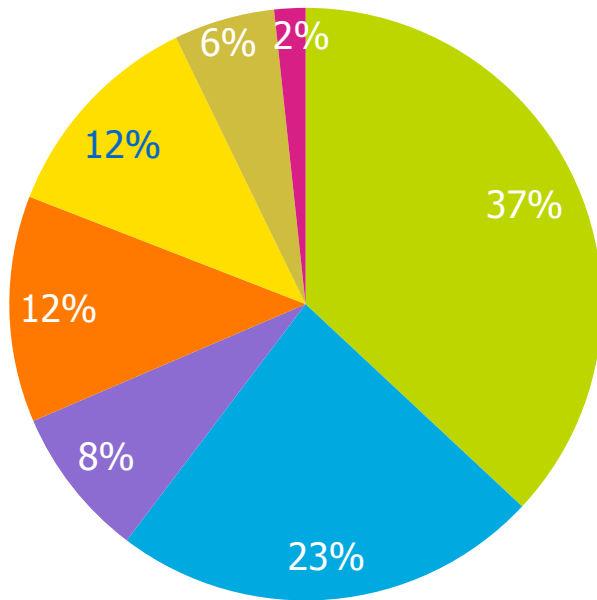


March 31, 2014

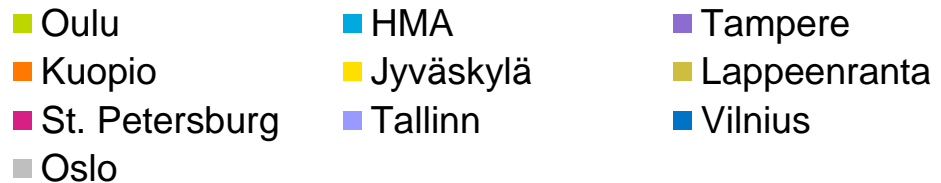
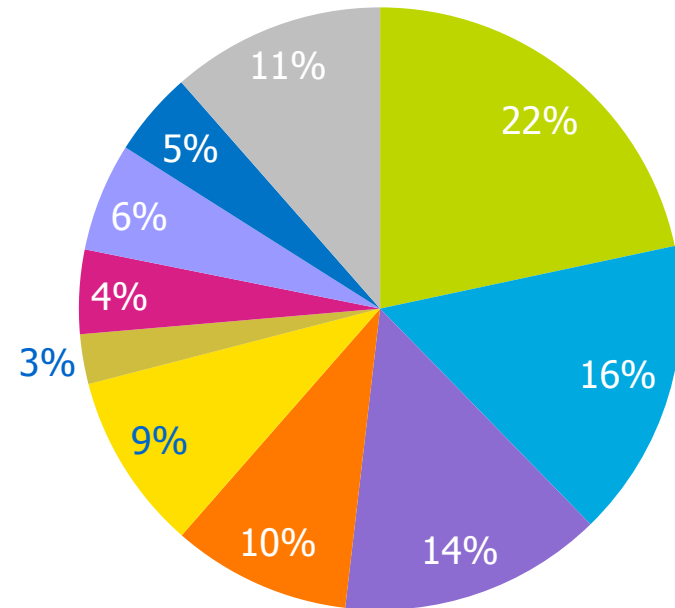


Market Segments by Net Sales

March 31, 2010

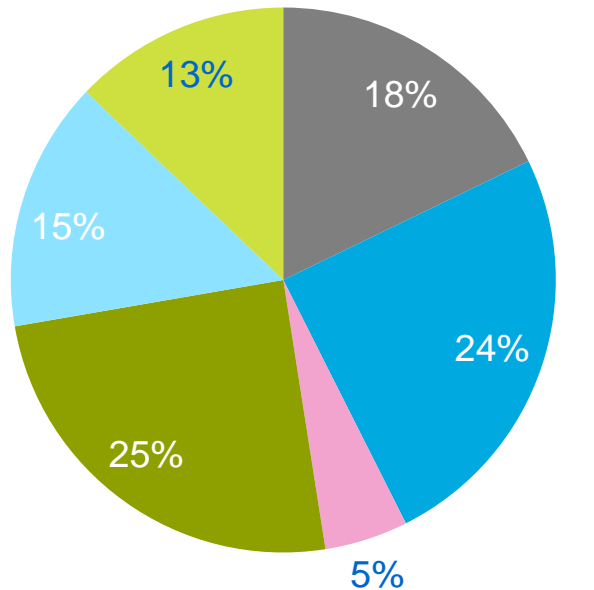


March 31, 2014



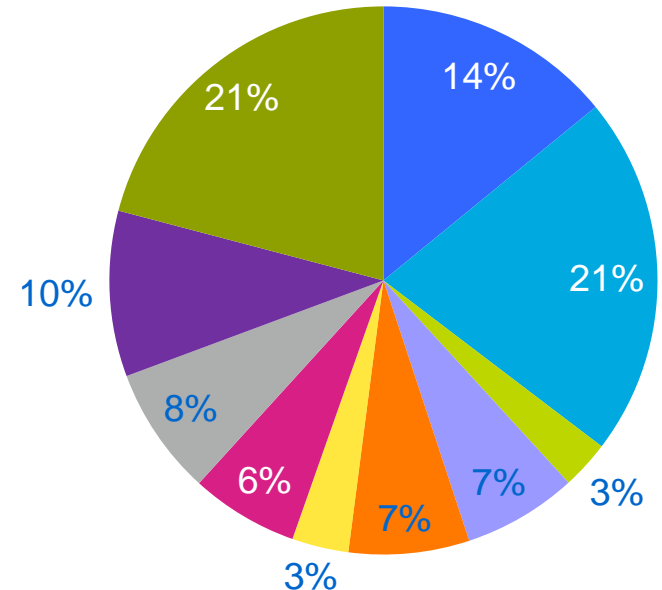
Customer Segments

March 31, 2010



- Electronics
- Life science
- Services
- ICT
- Other
- Public Sector

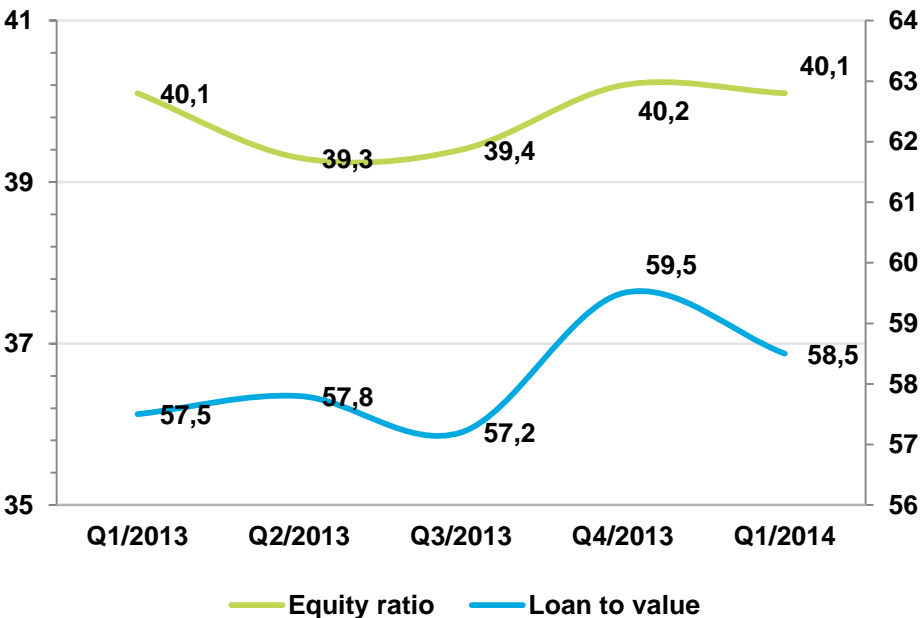
March 31, 2014



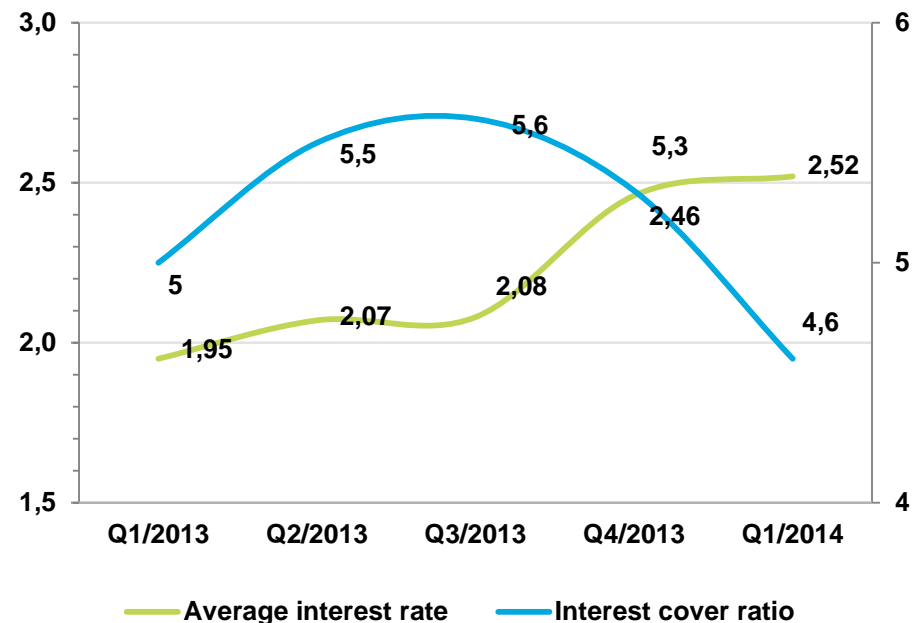
- Professional Services
- Public Sector
- Education
- Financial Services
- Wholesale and Retail
- ICT
- Real Estate
- Food Services
- Manufacturing
- Other

Equity and Debt - Ratios

Loan to Value and Equity Ratio

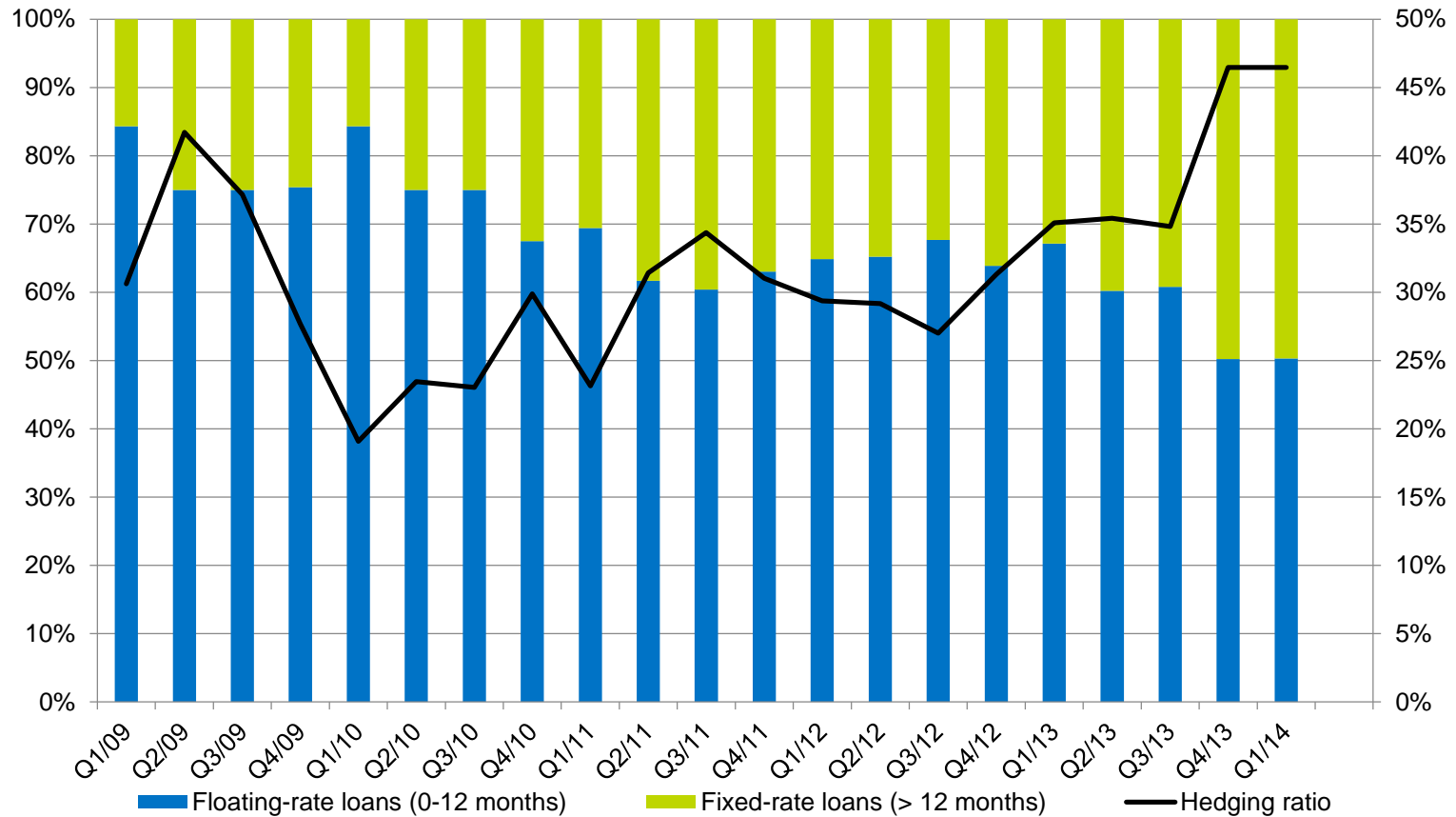


Interest Rate and Interest Coverage Ratio



- Solid balance sheet with equity ratio of 40.1%
- Average interest rate 2.52% (2.12%)

Focus on Hedging



Looking Ahead

- 2014 growth guidance y/y unchanged:
 - Net sales 27%-32%
 - EBITDA 35%-40%
- International investments in 2013 will bring international revenues close to our strategic target
- Focus on integration and business basics
- Occupancy challenges in a couple of campuses
- The company's solvency and liquidity are solid



Appendices: Additional Data

Foreign Exchange Impact

Impact in EUR millions

FX change against euro, %	Income Statement	Translation difference	Total effect on equity
RUB +10	5,4	4,5	9,9
RUB -10	-4,4	-3,7	-8,1
NOK +10	-	4,4	4,4
NOK -10	-	-3,6	-3,6

The rate of Lithuanian litas is currently fixed against the euro

Strategic Financial Targets 2014 - 2016

- Net sales and EBITDA growth 15% on average per annum
- Net sales outside Finland over EUR 50 million by 2016
- At least 6% return on capital employed* per annum
- Equity ratio over 35% over the cycle

* Excluding fair value changes (formula specified)

Technopolis Markets

Finland	2014E
GDP growth	0.8%
Unemployment	8.4%
Credit rating	AAA

Sweden	2014E
GDP growth (%)	2.5%
Unemployment	8.0%
Credit rating	AAA

Norway	2014E
GDP growth (%)	2.2%
Unemployment	3.7%
Credit rating	AAA

Denmark	2014E
GDP growth (%)	1.3%
Unemployment	5.7%
Credit rating	AAA



Russia	2014E
GDP growth (%)	1.1%
Unemployment	5.7%
Credit rating	BBB-

Estonia	2014E
GDP growth (%)	2.8%
Unemployment	8.4%
Credit rating	AA-

Latvia	2014E
GDP growth (%)	5.0%
Unemployment	9.5%
Credit rating	BBB+

Lithuania	2014E
GDP growth (%)	3.2%
Unemployment	9.8%
Credit rating	BBB

Source: Federation of Finnish Financial Services, Bloomberg and Baltic countries Nordea

Finland

	Q1/2014	Q1/2013	Δ, %	2013
Rentable space, m ²	547,900	533,500	2,7	555,900
Rent, €/m ² /mo avg.	16.49	15.88	3.8	16.21
Financial occupancy rate, %	93.0	91.5	1.5	92.9
Net rental revenue, EUR million	25.6	23.2	10.4	94.9
Net sales, EUR million	29.2	26.8	9.1	109.4
EBITDA, EUR million	15,0	13,1	14,7	56,1
Market yield requirement, %	7.9	7.9	-	7.9
Fair value of investment properties, EUR million	978.9	888.0	10.2	981.0

- Growth through acquisitions and organic investments
- Portfolio change drove higher rents

Baltic Rim

	Q1/2014	Q1/2013	Δ, %	2013
Rentable space, m ²	127,400	67,800	87.9	119,500
Rent, €/m ² /mo avg.	14.57	13.90	4.8	15.04
Financial occupancy rate, %	97.7	97.7	-	99.1
Net rental revenue, EUR million	5.7	2.8	103.4	15.3
Net sales, EUR million	5.9	2.9	101.5	15.9
EBITDA, EUR million	3.0	1.1	183.5	7.6
Market yield requirement, %	8.9	9.4	-0.5	9.0
Fair value of investment properties, EUR million	230.2	122.2	88.4	212.4

- Growth through Vilnius acquisitions and organic investments
- Sanctions towards Russia might have an effect in 2014
- Yields came down in Tallinn

Scandinavia

	Q1/2014	Q1/2013	Δ, %	2013 *)
Rentable space, m ²	62,700	-	-	71,400
Rent, €/m ² /mo avg.	24.43	-	-	21.16
Financial occupancy rate, %	95.8	-	-	89.5
Net rental revenue, EUR million	4.4	-	-	0.9
Net sales, EUR million	4.6	-	-	1.0
EBITDA, EUR million	3.0	-	-	0.6
Market yield requirement, %	6.5	-	-	6.5
Fair value of investment properties, EUR million	218.6	-	-	217.0

*) December 11-31, 2013

- Rentable space down due to space under renovation and unallocated space
- Consolidation is well on track

Smart Business Environment

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

Cleaning

Reception

ICT

Conference



BUSINESS

Matchmaking

Events

Visibility

Resources



EMPLOYEES

Restaurants

Gym

Car wash

Massage

Technopolis Investment Criteria



REAL ESTATE

- Location
- Connections
- Scale
- Attractive
- Growth potential
- Good condition and quality
- Flexibility



CUSTOMERS

- Knowledge incentive customer base
- Growth companies, anchors and services
- Different sectors, same challenges
- Cluster effects
- Local and international customers



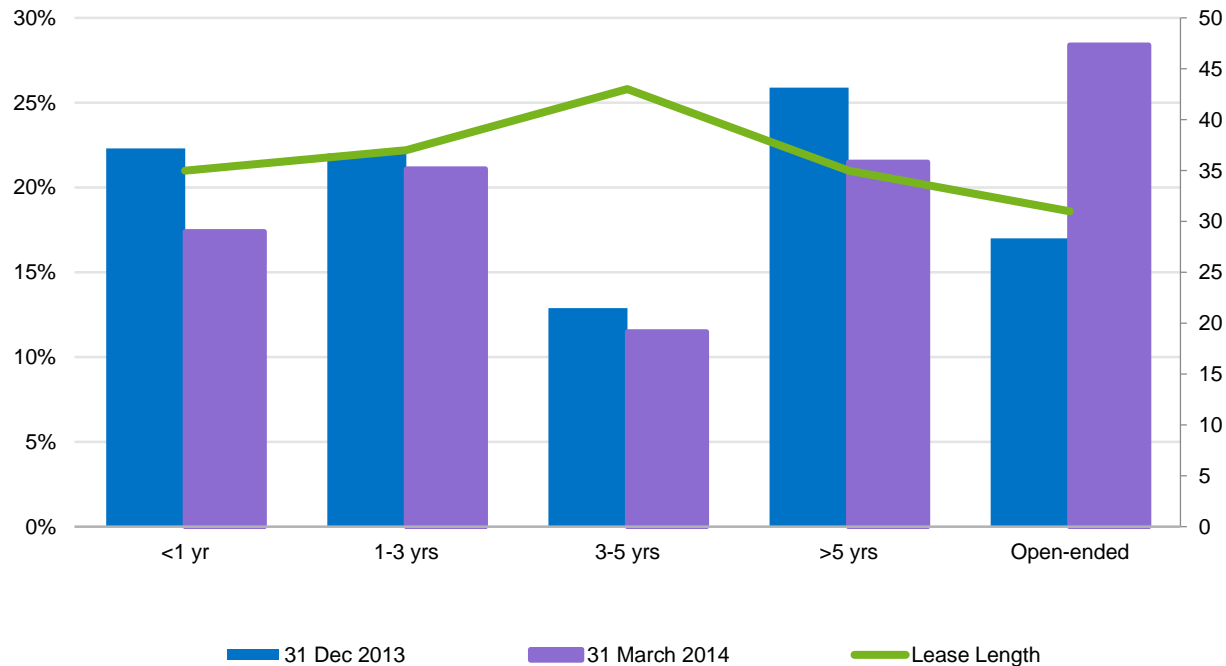
FINANCE

- EPS – positive
- Good yield
- Potential for profitable growth
- Occupancy growth potential
- Potential in service revenue
- Excellent local team

Lease Portfolio

% of lease stock

Lease length in months



- Open-ended increased by 11.4%-points since year end:
 - Underminated fixed term contracts which ended at the year-end were automatically changed to open-ended leases
 - Lease stock was EUR 646.6 million

Investments

Area	Name	m ²	EUR million	Stabilized yield, % *)	Completion
Acquired					
Oulu	Peltola	37,600	31.7	11.2	02/2013
Vilnius	Ozas	42,200	62.6	9.3	05/2013
HMA	Falcon	26,300	77.5	7.8	11-12/2013
Oslo	Fornebu	70,500	217.0 ***)	7.7	12/2013
Completed					
Kuopio	Viestikatu 7B&C	9,300	18.2	9.2	02/2013
Tallinn	Löötisa 8C	6,400	8.1	9.1	03/2013
Tallinn	Löötisa 8B	8,500	13.0	9.1	03/2013
Jyväskylä	Innova 4	8,900	23.7	8.1	10/2013
Under construction					
		Prelet rate, % May 6, 2014			
Tallinn	Löötisa 8A	84.8	7,500	11.8	09/2014 ****)
St. Petersburg	Pulkovo 2	51.0	18,700	42.0	10/2014 ****)
Tallinn	Löötisa 5	-	9,200	17.0 ***)	09/2015
HMA	G-building	30	5,300	18,3	09/2015
Total		250,400	540.9		

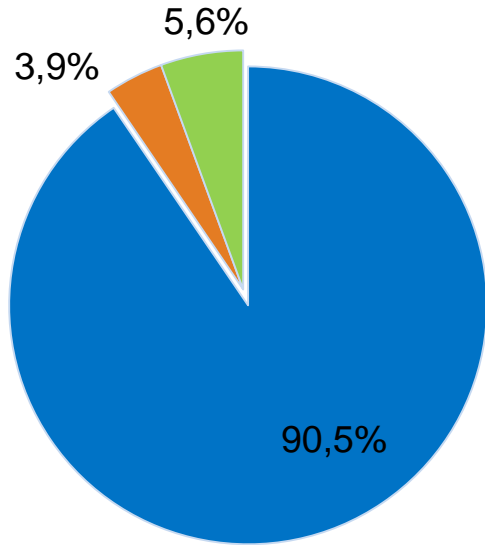
*) stabilized yield = estimated net operating income / acquisition cost

**) Including three-year rental guarantee from sellers

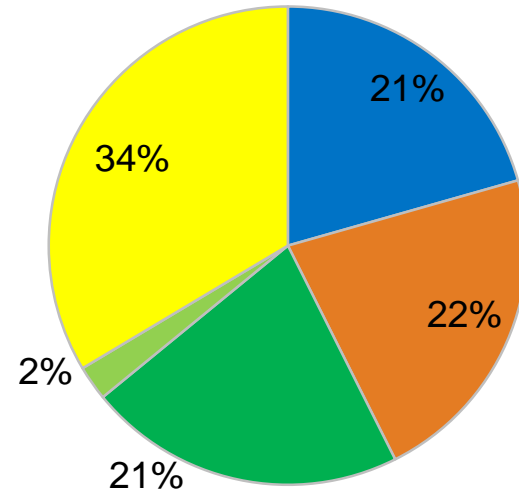
***) Technopolis share 51%

****) Commissioning in phases

Breakdown of Debts and Covenants

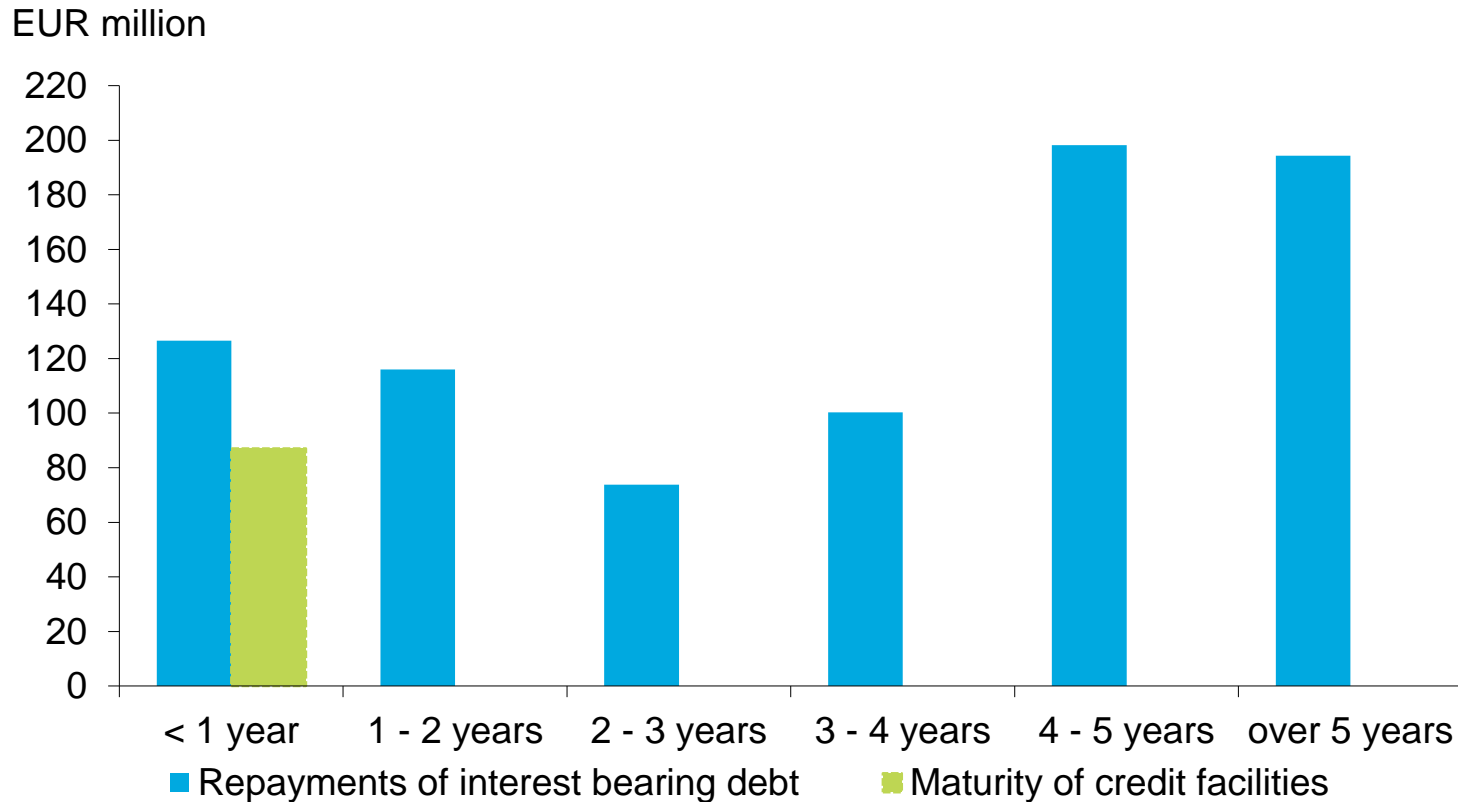


■ Bank Loan ■ Leasing Debt ■ Commercial Paper



■ Loans without Covenants or Bank Guarantees
■ Loans with Covenants (equity ratio)
■ Loans Requiring Bank Guarantees with Covenants
■ Loans Requiring Bank Guarantees without Covenants
■ Loans with Covenants

Loan Maturities



- Capital-weighted loan period on average was 6.8 years
- Within 12 months EUR 166.4 million of loans are coming to due
- EUR 112.1 million untapped credit facilities

Shareholders

Major shareholders April 30, 2014	# of shares	% of shares
Varma Mutual Pension Insurance Company	25,448,192	23.9
Ilmarinen Mutual Pension Insurance Company	11,089,647	10.4
City of Oulu	3,511,211	3.3
OP-Pohjola Group	1,798,733	1.3
Laakkonen Mikko	1,226,184	1.2
The Finnish Cultural Foundation	1,188,042	1.1
City of Tampere	1,160,577	1.1
Odin Finland	1,119,944	1.1
Jyrki Hallikainen	998,236	0.9
Mutual Fund Evli Finnish Equity	932,294	0.9
10 largest shareholders, total	48,049,910	45.2
Foreign shareholders, total	35 037 449	32.9
Others, total	23,320,382	21.9
Total amount of shares	106,407,741	100



Thank you

www.technopolis.fi