



# TECHNOPOLIS GROUP Q2/2011

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# Technopolis Group



- A profitable growth company
- A real estate-service hybrid
- Business environments for knowledge-intensive companies
- Our specialty is the creation, management and growth of innovation environments
- A scalable concept that we will copy/paste internationally

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# The Technopolis Network

- 1 300 customers employing roughly 20 000 people
- 18 knowledge-intensive campuses operating as a chain
- 611 200 m<sup>2</sup> of space in use and under construction
- High-quality business environments



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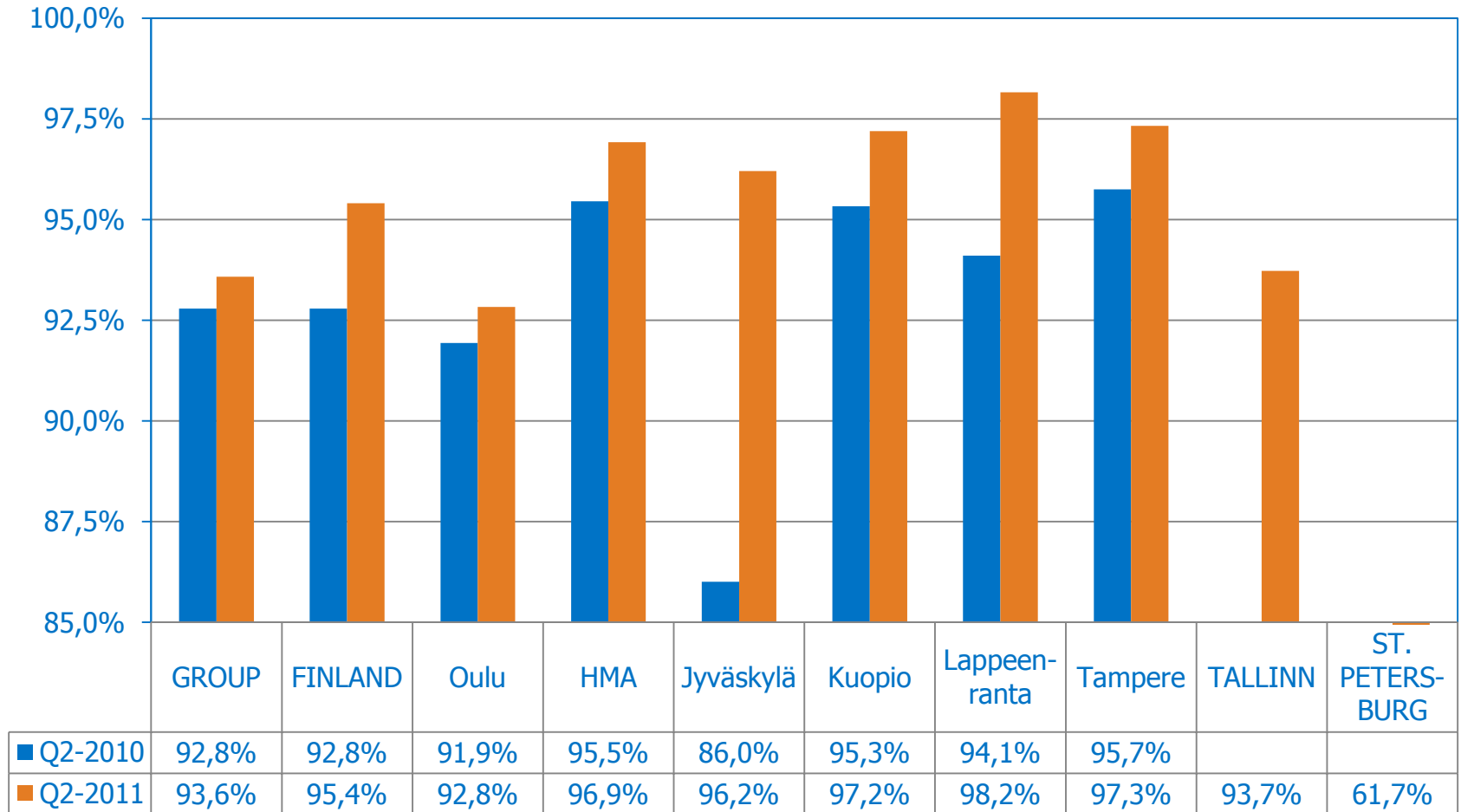
# Highlights

- Business conditions continued to improve in Q2
- Occupancy, net sales and EBITDA on good level and like-for-like rental growth 3,5 %
- We upgrade our sales & earnings growth guidance to 11 - 13 %
- 47 200 m<sup>2</sup> in domestic growth projects in HMA, Jyväskylä, Kuopio & Tampere
- We will fill Pulkovo in 2011 - pre-let rate now at 98,8 %
- In Estonia, occupancies, sales & earnings rising – the first expansion will be launched in Q3

# Key Figures Q2/2011

- Net sales EUR 45,0 million (EUR 39,2 million in Q2/2010), growth 14,8 %
- EBITDA EUR 22,4 million (EUR 20,6 million), growth 8,9 %
- Operating profit rose to EUR 37,0 million (EUR 20,9 million), growth 77,5 %
- Financial occupancy rose in Finland to 95,4 % and Estonia to 93,7 %. Pulkovo at 61,7 %, 98,8 % pre-lets and full by year end
- Equity ratio at 36,3 % (38,0 %)
- Earnings per share (diluted) rose to EUR 0,39 (EUR 0,17)

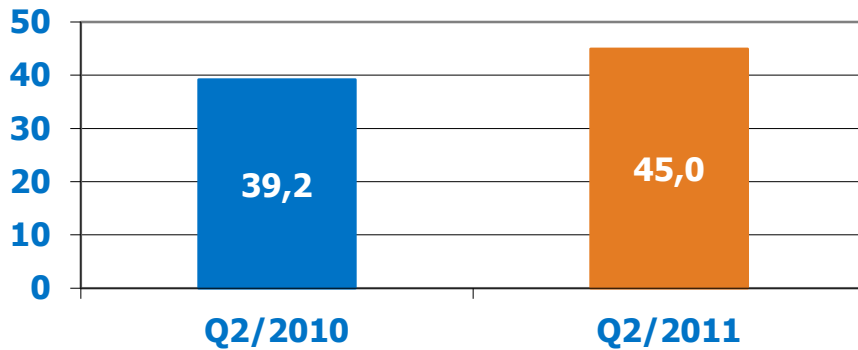
# Financial Occupancy Rate



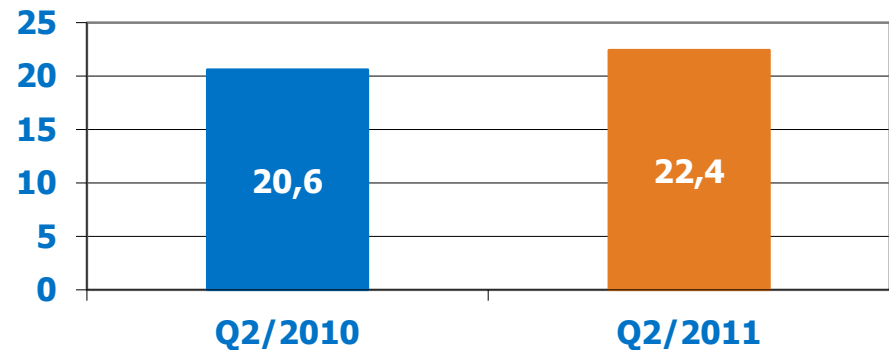
HMA = Helsinki Metropolitan Area

# Sales & Earnings

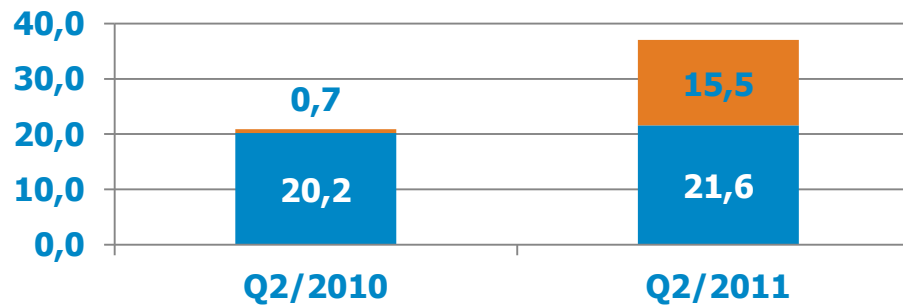
Net Sales, EUR million



EBITDA, EUR million



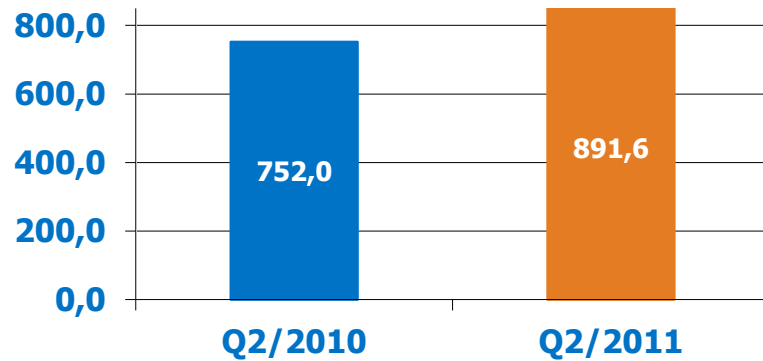
Operating Profit, EUR million



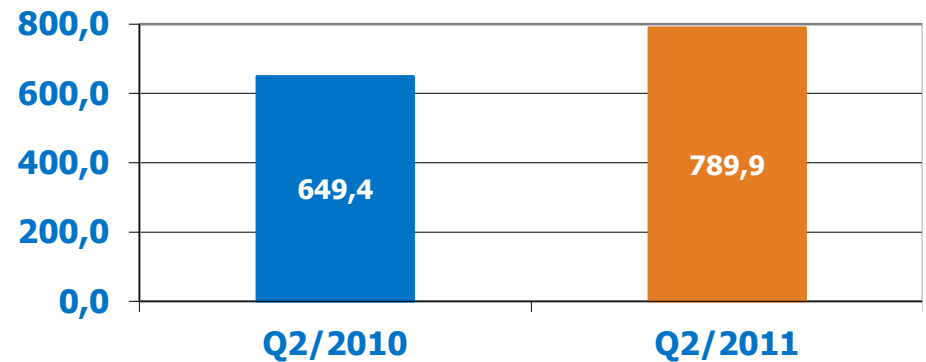
- Change in fair value of investment properties
- Operating profit without change in fair value

# Balance Sheet

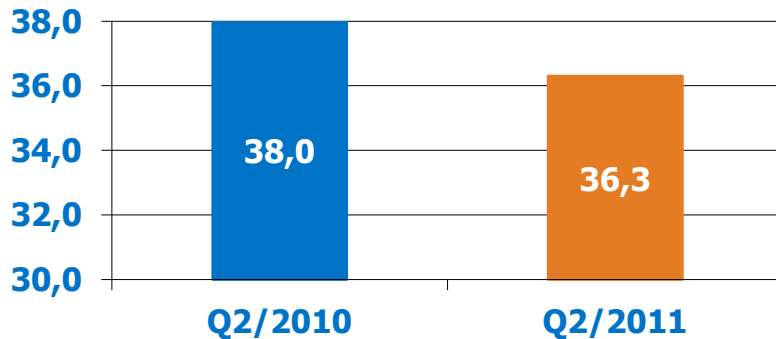
Total Assets & Liabilities, EUR million



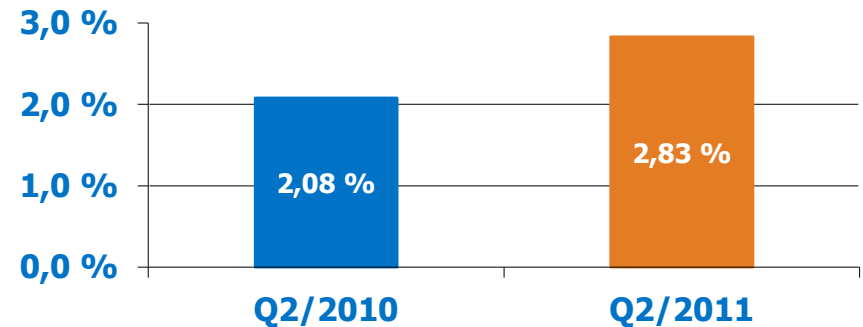
Fair Value of Investment Properties, EUR million



Equity Ratio %

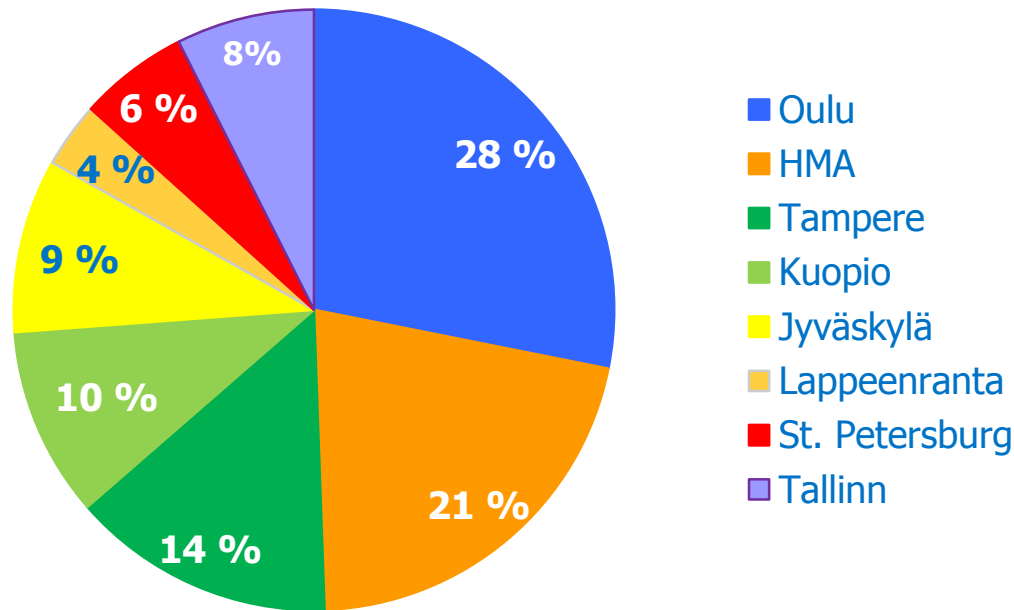


Average Interest Rate



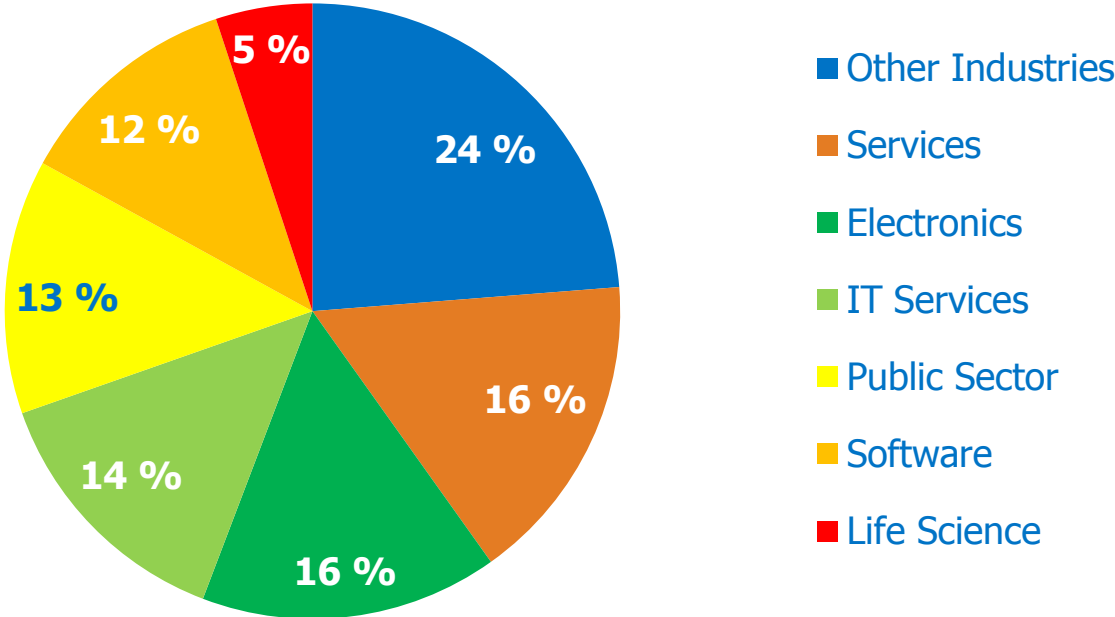


# Technopolis Sites by Region



- Fair market value of investment properties and properties under construction totaled EUR 840,3 million 30.6.2011
- Net market yield of investment properties 30.6.2011 8,1 %
- Fair market value change impact on operating profit: EUR 15,5 million

# Customer Breakdown



# Largest Customers

Customer	Customer
Aalto University	Nokia
ARK Therapeutics	PKC Group
Aspocomp Oulu	Pöyry Group
Digia Finland	Ramboll Finland
Exfo	Savonia University of Applied Sciences
Exigen Services	TeliaSonera Finland
Honeywell	Tieto
Kemira	University of Eastern Finland
Kesko	University of Jyväskylä
Logica Finland	VTT Technical Research Center of Finland

- As of 30.6.2011 the 20 largest customers were renting 36 % of the company's space
- No single company generated more than six per cent of the company's revenue

# 2011 Outlook

- Markets recovering, uncertainty in financial markets
- Nokia events will not impact 2011 financial performance
- Pulkovo filled by the end of the year & good opportunities to boost growth of Technopolis Ülemiste
- Net sales & EBITDA guidance upgraded to +11 - 13 %

# Strategic Financial Targets to 2015

- Net sales growth 10 % on average per annum
- International sales 25 % of revenues by 2015
- Operating centers in 2-3 new European countries
- EBITDA over 50 % of net sales per year
- Long-term minimum equity ratio target 35 %
- Dividend payout 40-50 % of net profit (excluding valuation changes)

# Pipeline

Completed Projects	Area	m <sup>2</sup>	Investment EUR million	Occupancy	Completed
Pulkovo 1	St. Petersburg	24.100	52,8	98,8% *	6/2011
Helsinki-Vantaa 5B	Vantaa	2.900	6,0	100%	5/2011
<b>Total</b>		<b>27.000</b>	<b>58,8</b>		

Under Construction	Area	m <sup>2</sup>	Investment EUR million	Occupancy June 30, 2011	Due for Completion
Finn-Medi Campus	Tampere	12.900	31,5	96%	11/2011
Ruoholahti 2	Helsinki	9.000	27,7	14%	5/2012
Yliopistonrinne 2	Tampere	7.900	22,5	31%	9/2012
Innova 2	Jyväskylä	9.200	19,8	42%	2/2012
Hermia 15B	Tampere	4.800	10,8	88%	1/2012
Viestikatu 2B	Kuopio	3.400	3,9	61%	1/2012
<b>Total</b>		<b>47.200</b>	<b>116,2</b>		

Planned projects	Area	m <sup>2</sup>	Status	Estimated start
Pulkovo 2	St. Petersburg	22.400	Planning	2011 – 2012
Ülemiste Lõõtsa 8	Tallinn	7.200	Investment decision	2011
<b>Total</b>		<b>29.600</b>		

\* Pre-let rate

All space in surface-m<sup>2</sup>

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# Technopolis Investment Criteria

- Excellent locations in growth hubs
- Good quality, flexible standing assets generating positive cash flow
- Critical mass, at least in the 40,000-50,000 sqm range
- Additional building rights to allow further development
- Well balanced knowledge-intensive client mix
- Corporate and/or public sector and/or academic anchors
- Experienced, skilled and well connected local teams
- Positive EPS impact

# Appendices: Additional Data



# Pulkovo Phase 1, St. Petersburg



- Completed 6/2011
- EUR 52,8 million investment
- 24 100 m<sup>2</sup> total space
- Focus on ICT & software
- 98,8 % pre-lets
- Opened September 2010
- Will be filled by the end of 2011

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# Helsinki-Vantaa, Phase 5B



- Completed 5/2011
- EUR 6,0 million investment
- 2 900 m<sup>2</sup> total space
- 100 % let

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# Finn-Medi Campus, Tampere



- Started 5/2010
- EUR 31,5 million cost projection including parking
- 12 900 m<sup>2</sup> total space
- 96 % pre-lets
- Projected completion 11/2011

# Ruoholahti 2, Helsinki



- Started 11/2010
- EUR 27,7 million cost projection including parking
- 9 000 m<sup>2</sup> total space
- 14 % pre-lets
- Estimated completion 5/2012

# Yliopistonrinne 2, Tampere



- Started 4/2011
- EUR 22,5 million cost including parking
- 7 900 m<sup>2</sup> total space
- 31 % pre-lets
- Estimated completion 9/2012

# Innova 2, Jyväskylä



- Started 1/2011
- EUR 19,8 million cost projection including parking
- 9 200 m<sup>2</sup> total space
- 42 % pre-lets
- Estimated completion 2/2012

# Hermia 15B, Tampere



- Started 11/2010
- EUR 10,8 million cost projection including parking
- 4 800 m<sup>2</sup> total space
- 88 % pre-lets
- Projected completion 1/2012

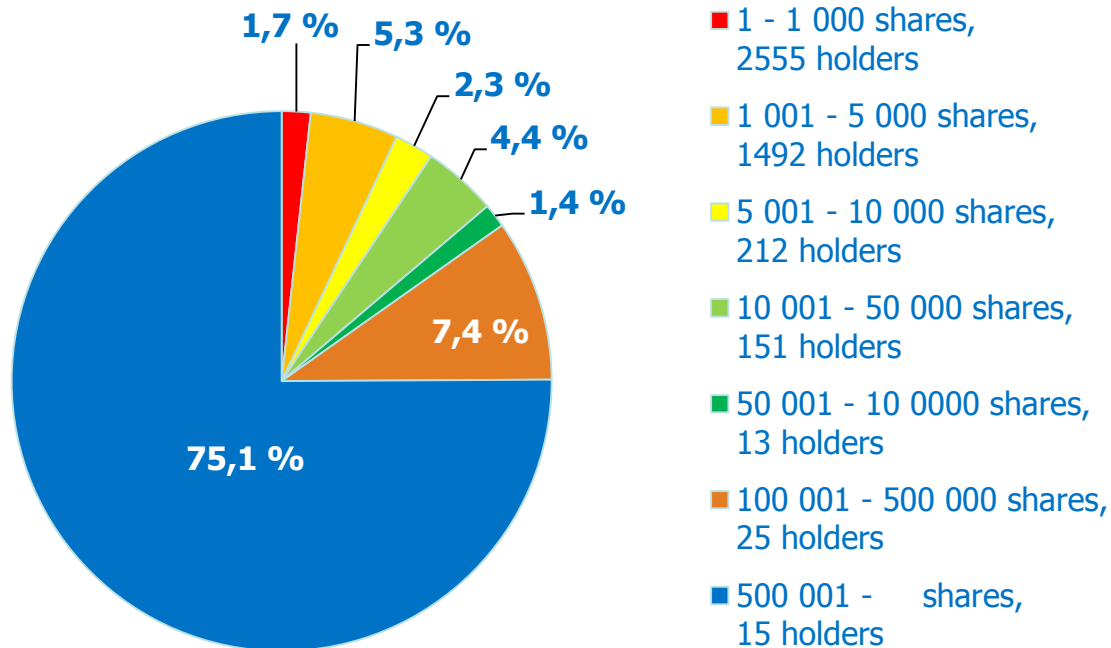
# Shareholders on August 1, 2011

Major Registered Shareholders	% of Share Capital	Number of Shares
Varma Mutual Pension Insurance Company	17,4	11.044.484
Ilmarinen Mutual Pension Insurance Company	9,9	6.272.725
City of Oulu	4,8	3.062.925
City of Tampere	3,1	1.956.649
Kickoff and Jyrki Hallikainen	1,7	1.088.000
The Finnish Cultural Foundation	1,1	712.693
ODIN Finland Fund	1,1	681.600
SITRA Finnish National Fund for Research and Development	1,1	666.036
Laakkonen Mikko	1,0	638.714
OP-Pohjola Group (indirect holding)	1,0	614.520
<b>Total</b>	<b>42,2</b>	<b>26.738.346</b>
Cities Total	10,5	6.671. 839
<b>Nominee Registered</b>	<b>32,6</b>	<b>20.726.844</b>
BNP Paribas Investment Partners indirect holding June 1, 2010	> 10,0	6.579.000
<b>All Shares Total</b>	<b>100,0</b>	<b>63.385.044</b>



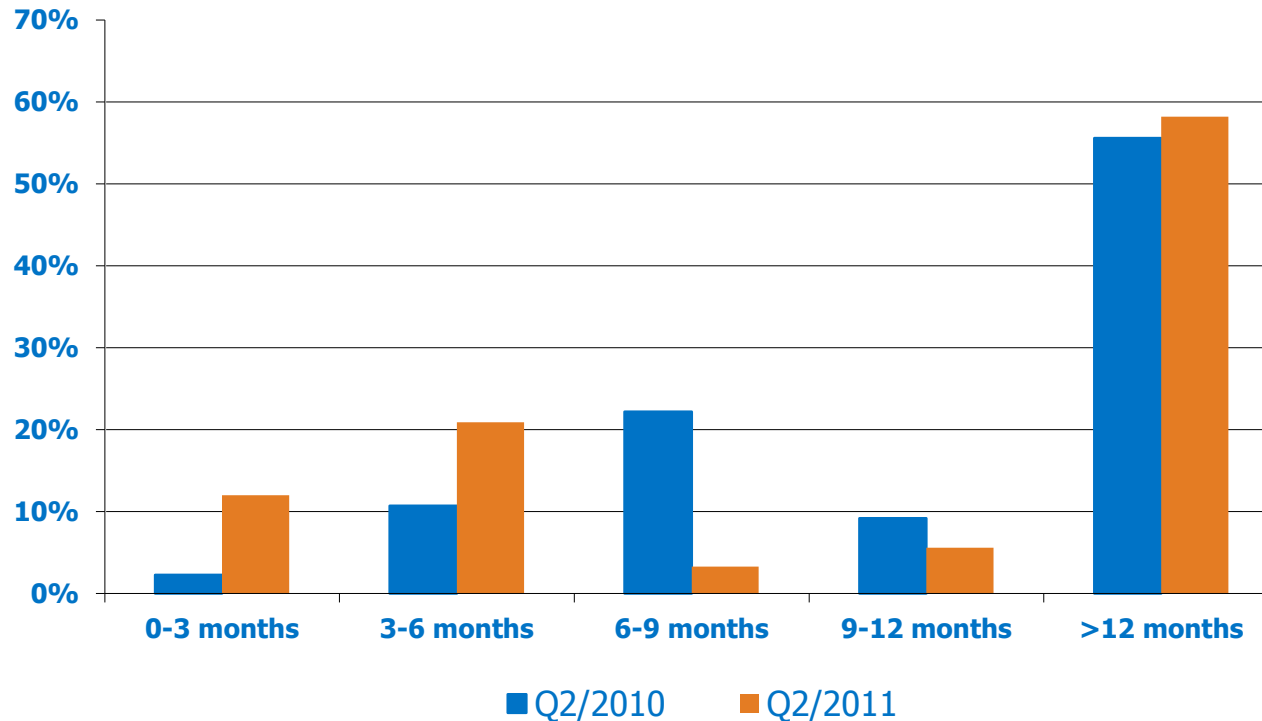
# Ownership Structure August 1, 2011

## % of Shares and Votes



- Number of registered shareholders 4463
- Ownership concentrated to largest shareholders
- ~67 % of holdings domestic and ~33 % international or nominee registered
- August 1, 2011 the market capitalization totaled EUR 209,8 million
- Technopolis is included in FTSE EPRA/NAREIT Global Real Estate Index

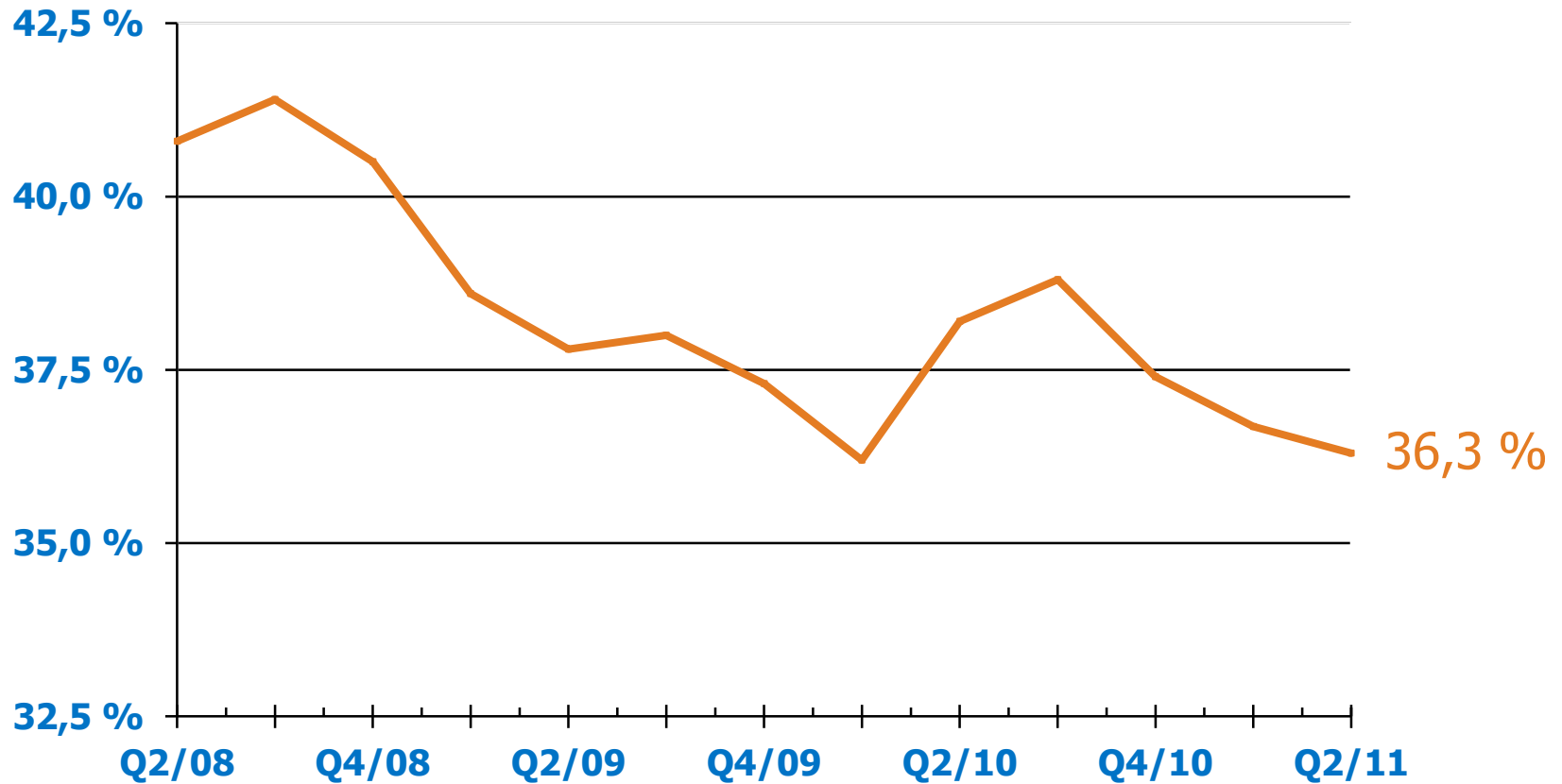
# Lease Portfolio Structure



At the end of the period under review, the open-ended leases that could be terminated and renegotiated during the following 12 months covered a total of 41,8 % (44,4 % Q2/2010) of the entire property portfolio.

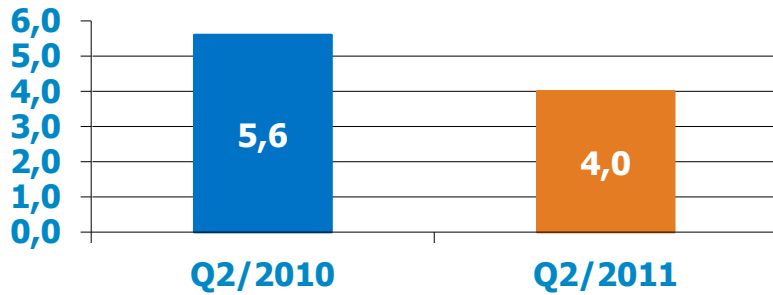
As of the end of the period the average lease period was 17 (19) months

# Equity Ratio

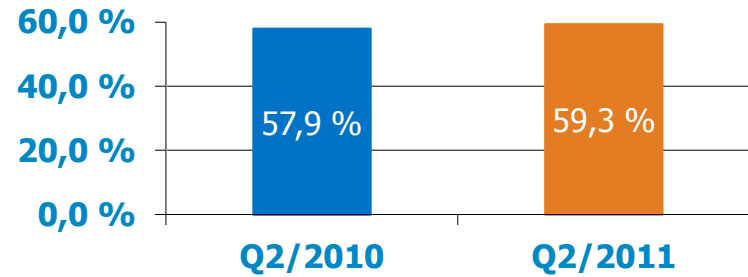


# Interest Coverage Ratio and Loan to Value

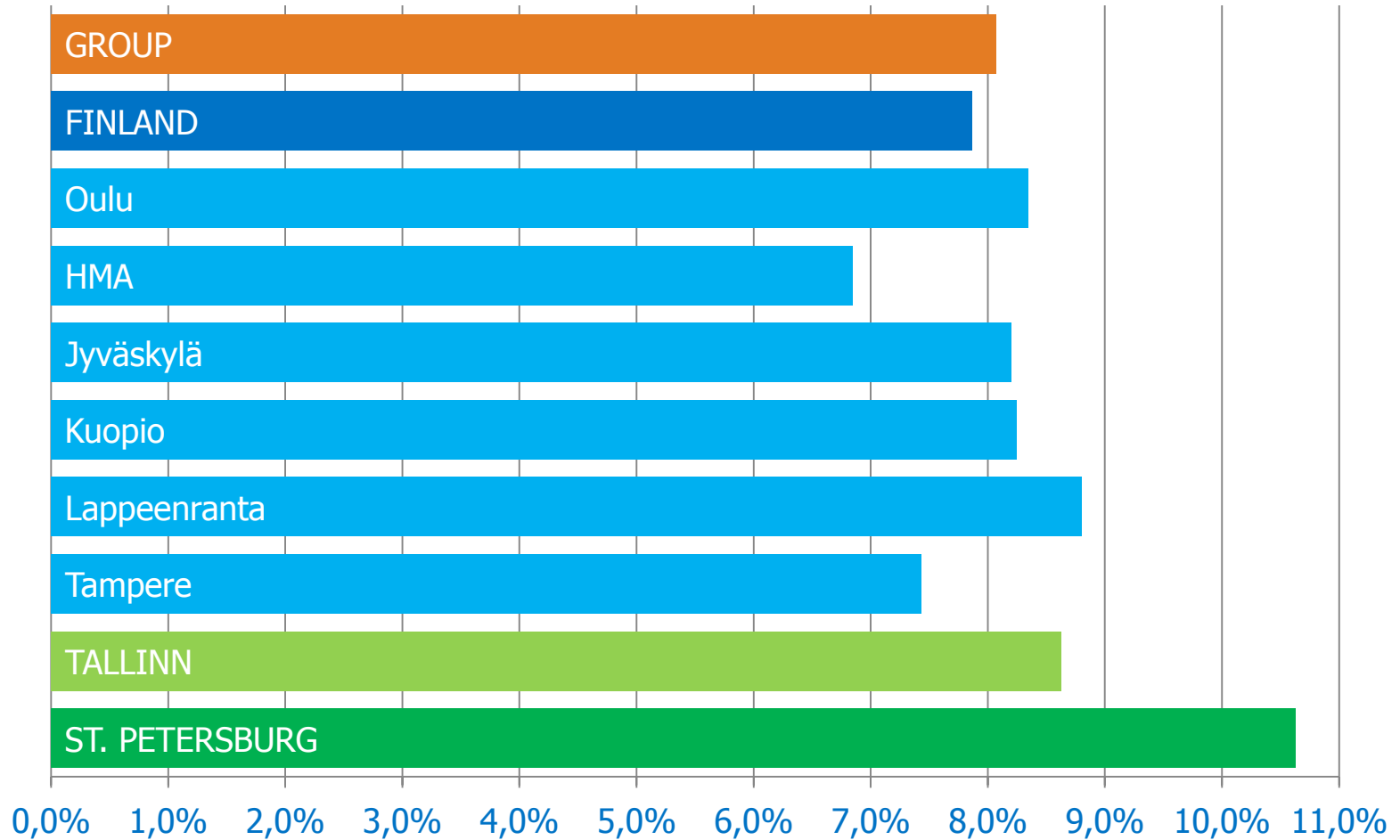
## Interest Coverage Ratio



## Loan to Value



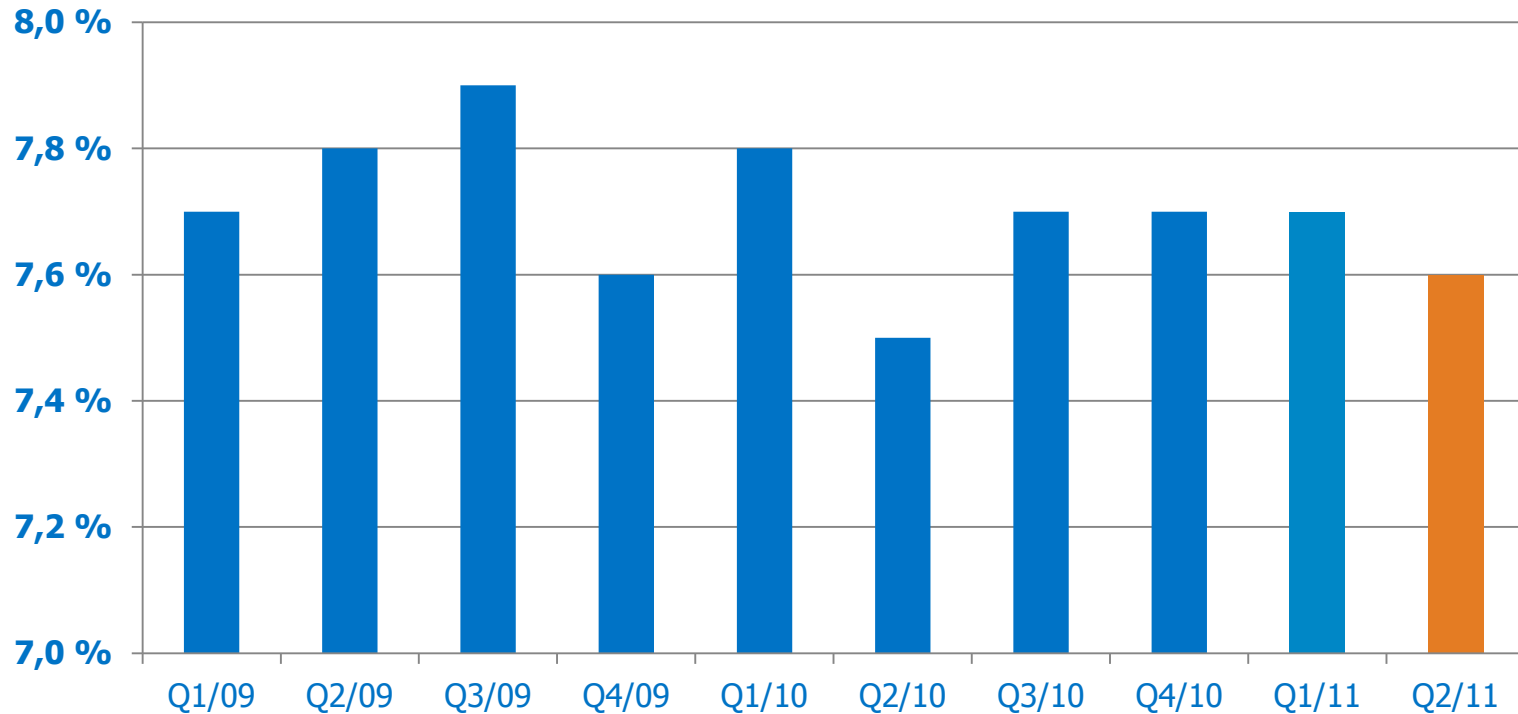
# Net Market Yields, %



HMA = Helsinki Metropolitan Area

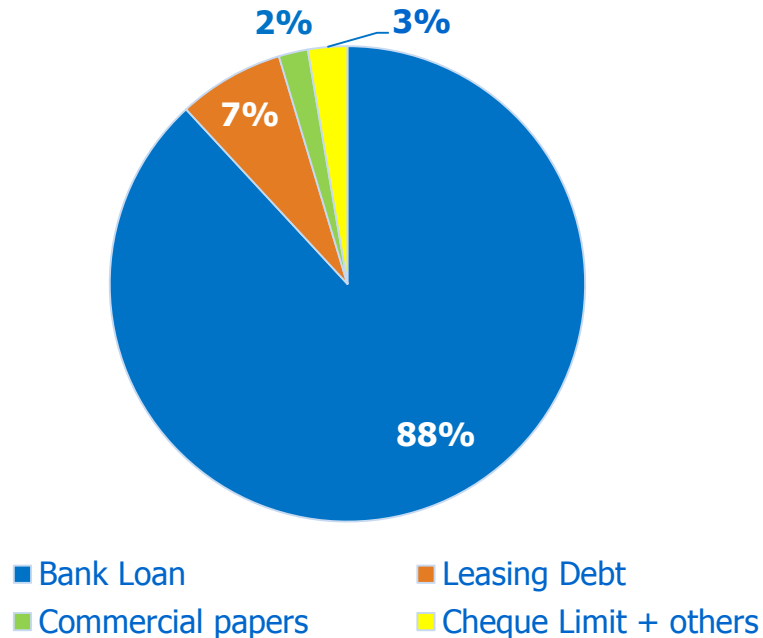
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# Net Rental Yield %



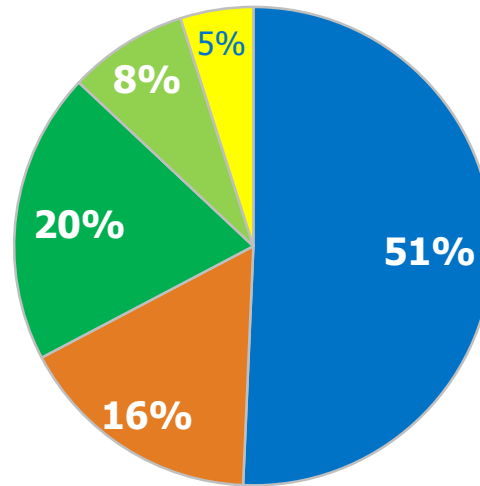
Net Rental Yield % =  $\frac{\text{Total Rental Income from Investment Properties-Direct Costs}}{\text{Fair Market Value of Investment Properties}}$

# Breakdown of Loans



Total interest-bearing liabilities Q2/2011 EUR 502,2 million

# Covenants and Bank Guarantees



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

Total interest-bearing liabilities Q2/2011 EUR 502,2 million