



Interim Report Q2/2014

August 20, 2014

TECHNOPOLIS
more than squares

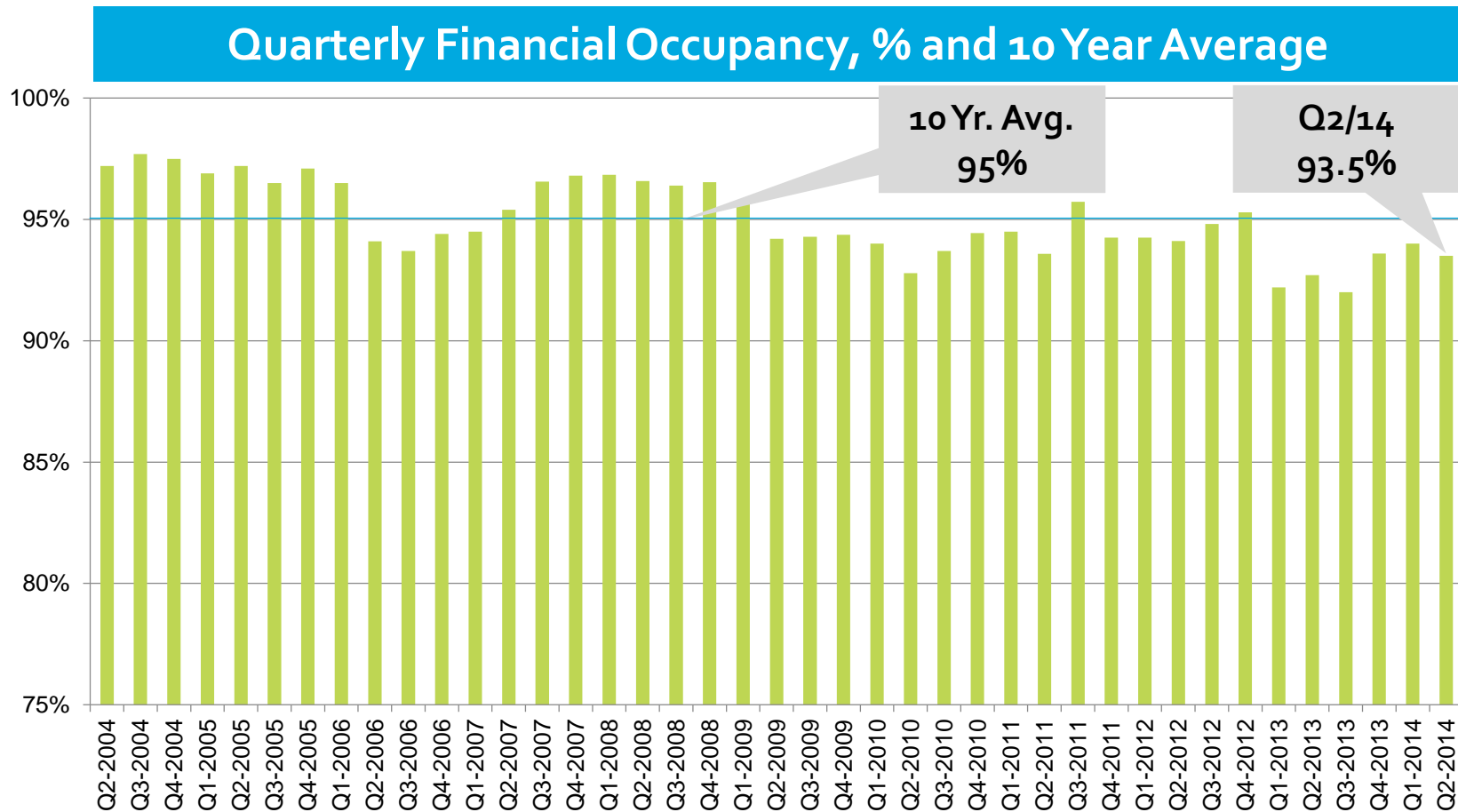
Q2 Highlights

- > Net sales grew 31.5%
- > EBITDA up by 41.3%, admin costs up 24.9%
- > EPRA Operating result rose 35.5%
- > Occupancy solid at 93.5%
- > Equity ratio 40.6% and LTV 57.9%
- > Fair values EUR -10 million
- > Vilnius, Innopoli integration advanced, Oslo in take-over phase

Key Figures

Financials	H1/2014	H1/2013	Δ, %	2013
Net sales, EUR million	80.0	60.9	31.5	126.3
EBITDA, EUR million	42.6	30.2	41.3	64.1
Operating profit, EUR million	30.4	22.4	35.7	43.9
Direct result (EPRA), EUR million	25.0	18.5	35.5	40.5
Direct result/share (EPRA), EUR	0.24	0.22	9.1	0.47
Real Estate Operations				
Financial occupancy rate, %	93.5	92.7	+1.2	93.6
Net rental yield, %	7.2	7.5	-0.3	7.3
Rentable space, 1 000 m ²	740,900	633,700	16.9	746,800

Financial Occupancy



St. Petersburg

	Pulkovo 1	Pulkovo 2*	Pulkovo, Total	% of the Group
Rentable space, m ²	18,900	9,100	27,800	3.8
Financial Occupancy, %	92.6	99.0	95.0	
Net sales, EUR million	2.4	1.3	3.7	4.7
EBITDA, EUR million	0.9	0.9	1.8	4.2
Unrealized foreign exchange profit/loss, EUR million			-2.4	
Market net yield requirement, %	10.9	10.9	10.9	
Fair value, EUR million	43.0	24.9	68.0	4.8

* At the completion rate of 51.5%

Projected Customer Exits in Oulu

Year	Ending contracts, m ²	Effect on Occupancy, %*
2015	12,700	1.7 (H1 0.1; H2 1.6)
2016	5,600	0.8
2017	n/a	n/a
2018	5,700	0.8
2019	n/a	n/a
2020	6,000	0.8
Total	30,000	4.0
approx. 1/3 of sales in 2010-H1/2014		

*Group figure and assuming fixed rentable space of 740,900 m²

Sales & Occupancy in Oulu

Year	Sales, m ²	Financial Occupancy, %
2010	21,500	91,7
2011	14,900	91,8
2012	15,400	94,5
2013	24,800	87,1
1-6/2014	14,500	88,1
Total	91,100	
Of which electronics industry space	43,000	

Strategic Financial Targets 2015 - 2017

Company's goal is to grow in the Nordics and Baltic Rim and in service business

- Net sales and EBITDA growth 15% on average per annum
- EPRA-based annual ROCE *) of at least 6%
- Equity ratio at or above 35% over the cycle

*) Calculated by EPRA-based operating profit

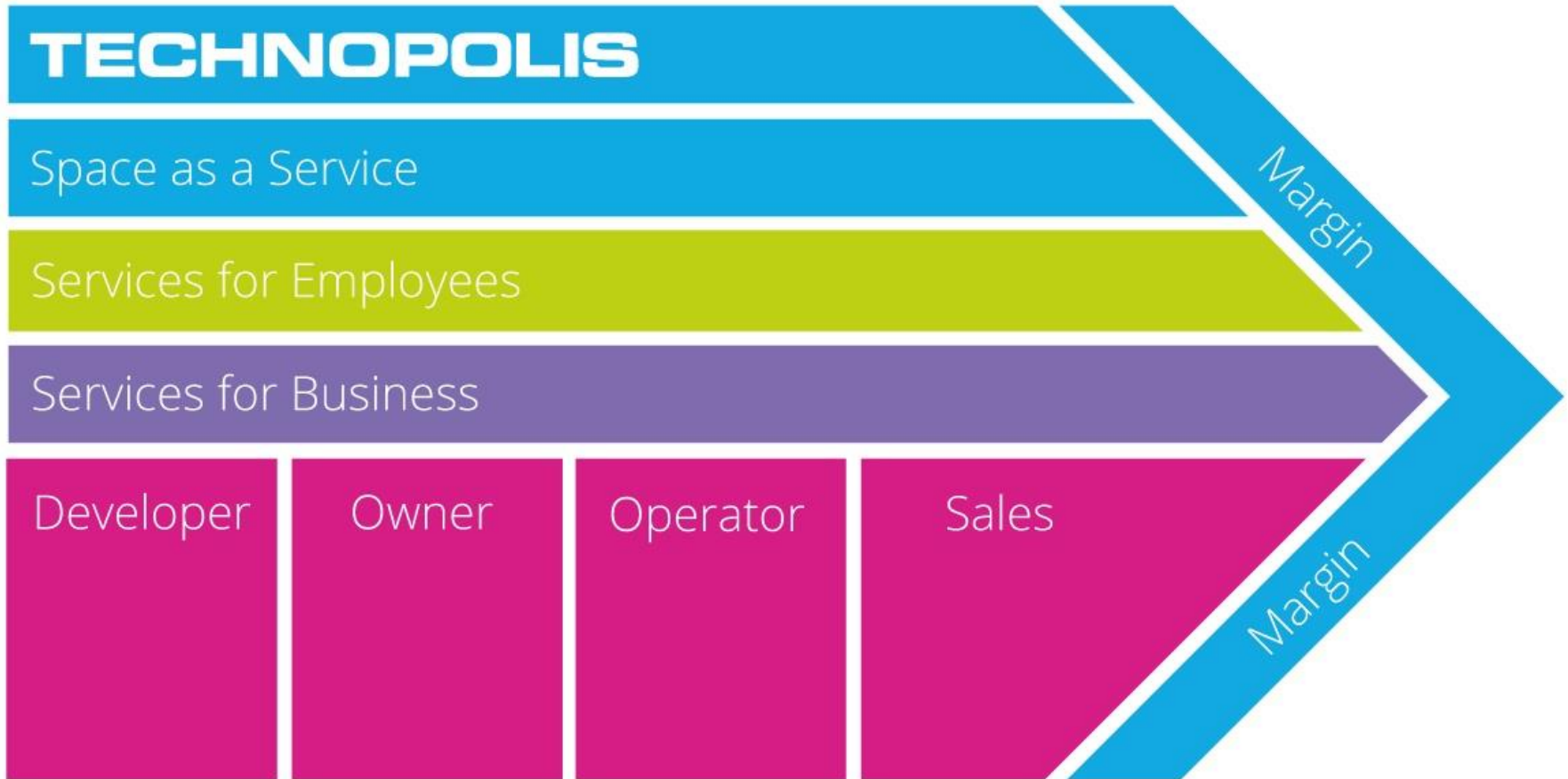
Looking Ahead

- > 2014 growth guidance y/y unchanged:
 - > Net sales 27%-32%
 - > EBITDA 35%-40%
- > Focus on integration and business basics
- > Occupancy challenges in a couple of campuses
- > Solid solvency and liquidity



Appendices: Additional Data

Technopolis Value Chain



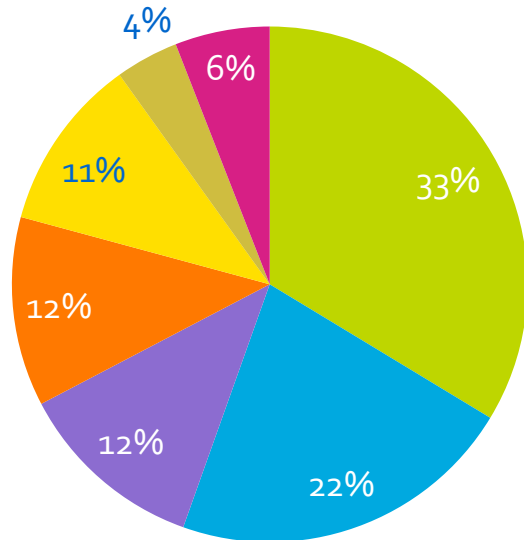
Porter adaptation

Chain of Smart Campuses

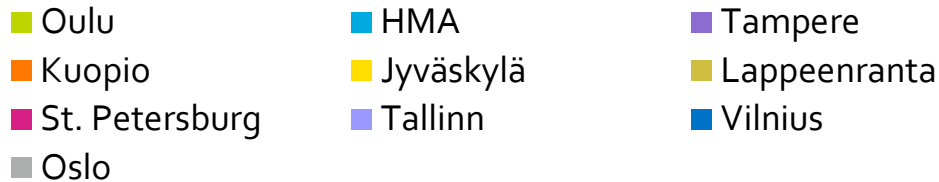
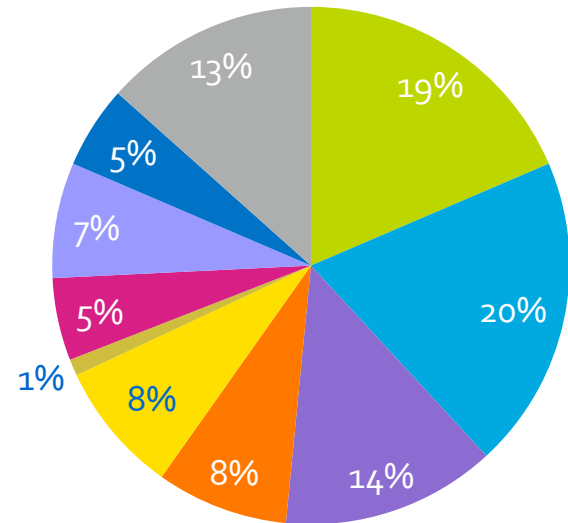


Market Segments by Fair Value

June 30, 2010

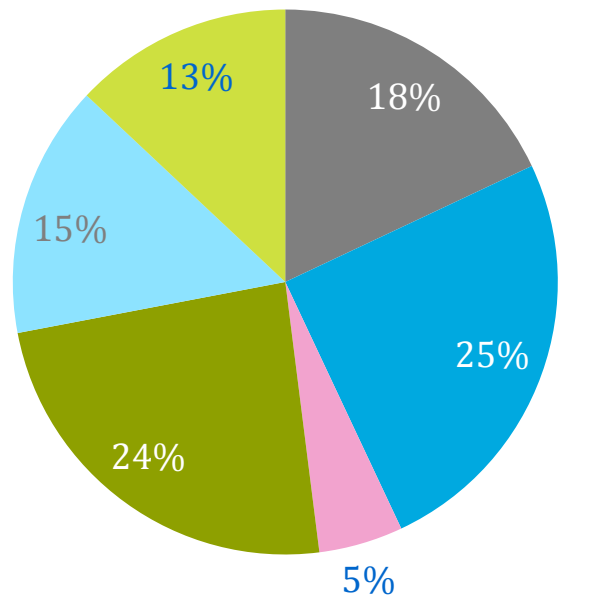


June 30, 2014



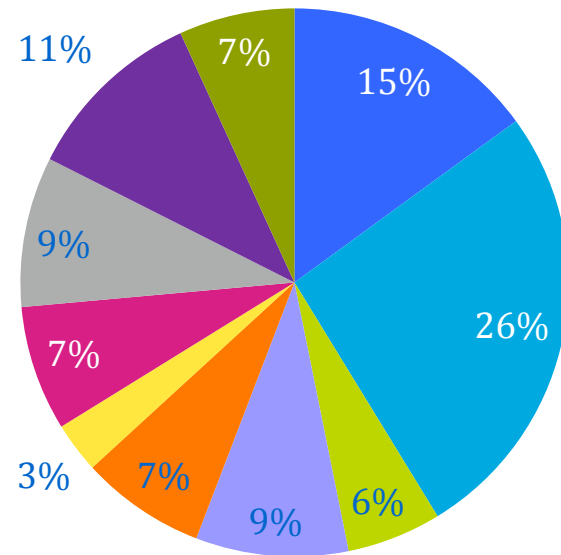
Customer Segments

Segments in June 30, 2010



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

Segments in June 30, 2014



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

Lease Agreements

Lease stock, % of space Maturity in yrs	Q2/2014	Q1/2014	Q4/2013
<1	14	17	22
1-3	24	21	22
3-5	9	12	13
>5	24	22	26
Open-end leases	28	28	17
Av. Maturities in Mo	40	31	35
Lease stock, EUR million	468.2	478.6	470.5

20 largest customers leased approximately 28.8% of the company's rentable space on June 30, 2014

Finland

	1-6/2014	1-6/2013	Δ, %	2013
Rentable space, m ²	548,500	534,200	2.7	555,900
Rent, €/m ² /mo avg.	16.63	15.98	4.1	16.21
Financial occupancy rate, %	92.5	91.7	0.8	92.9
Net rental revenue, EUR million	51.4	47.0	9.2	94.9
Net sales, EUR million	59.0	54.4	8.4	109.4
EBITDA, EUR million	31.1	27.4	13.5	56,1
Market yield requirement, %	7.9	7.9	n/a	7.9
Fair value of investment properties, EUR million	958.7	879.2	9.0	981.0

Baltic Rim

	1-6/2014	1-6/2013	Δ, %	2013
Rentable space, m ²	129,100	99,500	29.7	119,500
Rent, €/m ² /mo avg.	15.04	14.61	2.9	15.04
Financial occupancy rate, %	96.9	98.4	-1.5	99.1
Net rental revenue, EUR million	11.5	6.1	88.9	15.3
Net sales, EUR million	12.0	6.5	85.7	15.9
EBITDA, EUR million	6.3	2.8	128.6	7.6
Market yield requirement, %	9.0	9.4	-0.4	9.0
Fair value of investment properties, EUR million	237.2	165.3	43.5	212.4

Scandinavia

	1-6/2014	1-6/2013	Δ, %	2013 *)
Rentable space, m ²	63,300	-	-	71,400
Rent, €/m ² /mo avg.	21.45	-	-	21.16
Financial occupancy rate, %	95.9	-	-	89.5
Net rental revenue, EUR million	8.8	-	-	0.9
Net sales, EUR million	9.1	-	-	1.0
EBITDA, EUR million	6.0	-	-	0.6
Market yield requirement, %	6.4	-	-	6.5
Fair value of investment properties, EUR million	217.4	-	-	217.0

*) December 11-31, 2013

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

Investments

Area	Name		m ²	EUR million	Stabilized yield, %	Completion
Oulu	Peltola		37,600	31.7	11.2	2/2013
Kuopio	Viestikatu 7B&C		9,300	18.2	9.2	2/2013
Tallinn	Löötsa 8 B&C		14,900	21.1	9.1	3/2013
Vilnius	Ozas		42,200	62.2	9.3	5/2013
Jyväskylä	Innova 4		8,900	23.7	8.1	10/2013
HMA	Innopoli 3		26,300	77.5	7.8	12/2013
Oslo	IT Fornebu		70,500	217.0	7.7	12/2013
Under construction	Pre-let rate 19 Aug 14					
Tallinn	Löötsa 8A	96.1	7,500	11.8	9.1	9/2014
St. Petersburg	Pulkovo 2	65.8	18,700	42.0	12.6	9/2014
Tallinn	Löötsa 5	8.6	9,200	17.0	8.8	9/2015
HMA	G-Building	30	5,300	18.3	8.0	9/2015
Tampere	Yliopist. 3&4	28.9	11,900	39.0	7.2	3/2016

Financing

	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013
Interest bearing debt, EUR million	840.0	850.1	861.9	658.3	658.8
Floating rate, %	48.2	49.7	50.3	60.8	60.2
Fixed rate, %	51.8	50.3	49.7	39.2	39.8
Average interest rate, %	2.50	2.52	2.46	2.08	2.07
Capital weighted loan maturity, yrs	6.7	6.8	7.0	8.1	8.3
Fixing period, yrs	2.1	2.2	2.2	1.9	2.0
Interest cover ratio, %	4.6	4.6	5.3	5.6	5.5
Loan to value, %	57.9	58.5	59.5	57.2	57.8
Maturing loans in next 12 mo, EUR million	146.1	166.4	145.6	130.2	130.5
Untapped credit lines, EUR million	97.5	112.1	87.5	116.7	131.6

Shareholders June 30, 2014

	# of shares	% of shares
Varma Mutual Pension	25,448,192	23.9
Ilmarinen Mutual Pension	11,089,647	10.4
City of Oulu	3,511,211	3.3
OP-Pohjola Group	1,813,085	1.7
Laakkonen Mikko	1,226,184	1.2
The Finnish Cultural Foundation	1,188,042	1.2
Odin Finland	1,119,944	1.1
Jyrki Hallikainen	1,017,010	1.1
City of Tampere	960,577	1.0
Mutual Fund Evli Finnish Equity	932,294	0.9
10 largest shareholders, total	47,732,779	44.8
Foreign shareholders, total	34,717,130	32.6
Others, total	24,042,443	22.6
Total amount of shares	106,492,352	100