

Interim Report Q3/2014

October 30, 2014

TECHNOPOLIS
more than squares

Q3 Highlights

- > Net sales up 31.3%
- > EBITDA up 38.3%, costs up 20.9%*
- > EPRA Direct result rose 33.5%
- > Occupancy solid at 93.5%
- > Equity ratio 40.6% and LTV 58.1%
- > Divesture of 22,000 m² in Oulu at fair value

* Includes a non-recurring cost of EUR 0.5 million



Net Changes of Fair Values

EUR million	Market Yield Related	Occupancy Assumption	Customer Renovation	Planned Infra Modernization	Projects in Progress
Finland	-3.3	-10.1	-10.4	-7.8	+0.3
Baltic Rim	+1.4	-	+1.7	-1.6	+10.1
Scandinavia	+4.8	-3.5	-	+2.3	-
Total	+2.9	-13.6	-8.7	-7.1	+10.4

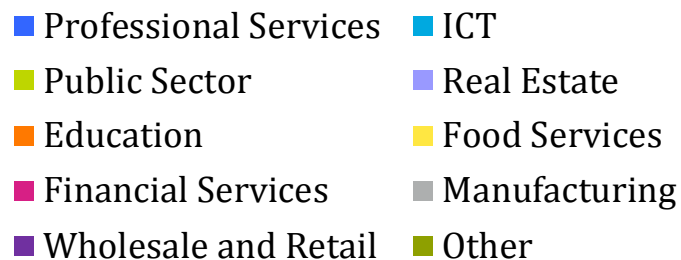
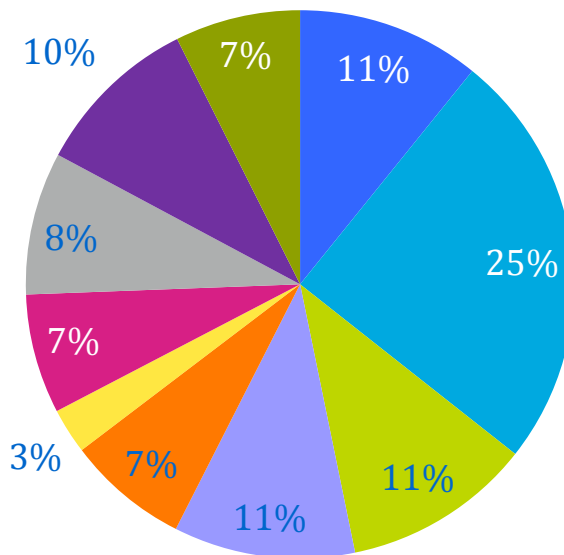
- > In 1-9/2014 fair values were negative of EUR 16.1 million
- > In Q3/2014 fair values negative of EUR 6.1 million

Financing

	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013
Interest bearing debt, EUR million	851.3	840.0	850.1	861.9	658.3
Floating rate, %	51.2	48.2	49.7	50.3	60.8
Fixed rate, %	48.8	51.8	50.3	49.7	39.2
Hedging ratio, %	46.1	49.0	46.5	46.5	34.8
Average interest rate, %	2.47	2.50	2.52	2.46	2.08
Capital weighted loan maturity, years	6.3	6.7	6.8	7.0	8.1
Fixing period, years	2.2	2.1	2.2	2.2	1.9
Interest cover ratio, %	4.8	4.6	4.6	5.3	5.6
Loan to value, %	58.1	57.9	58.5	59.5	57.2
Maturing loans, next 12 mo, EUR million	177.7	146.1	166.4	145.6	130.2
Untapped credit lines, EUR million	110.8	97.5	112.1	87.5	116.7

Customers

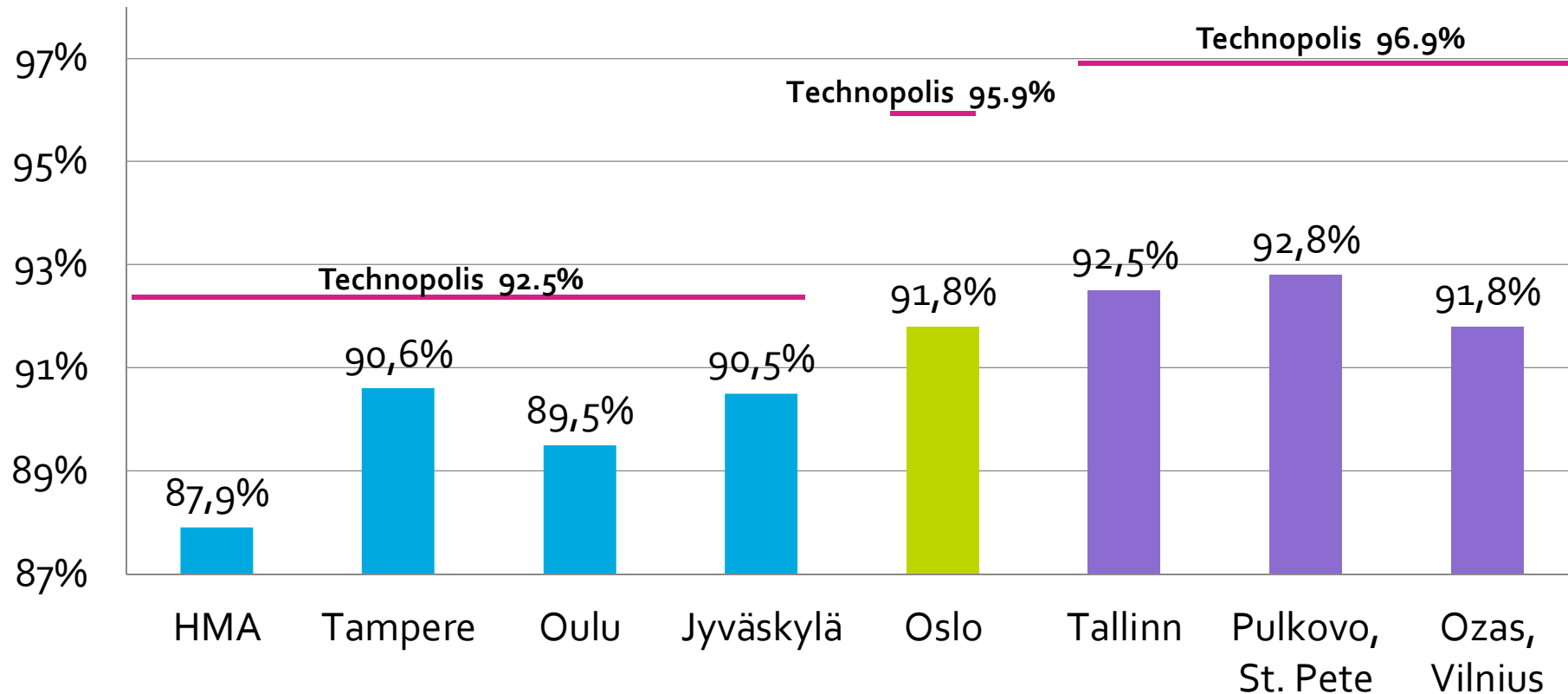
Segments in September 30, 2014



Customer Highlights

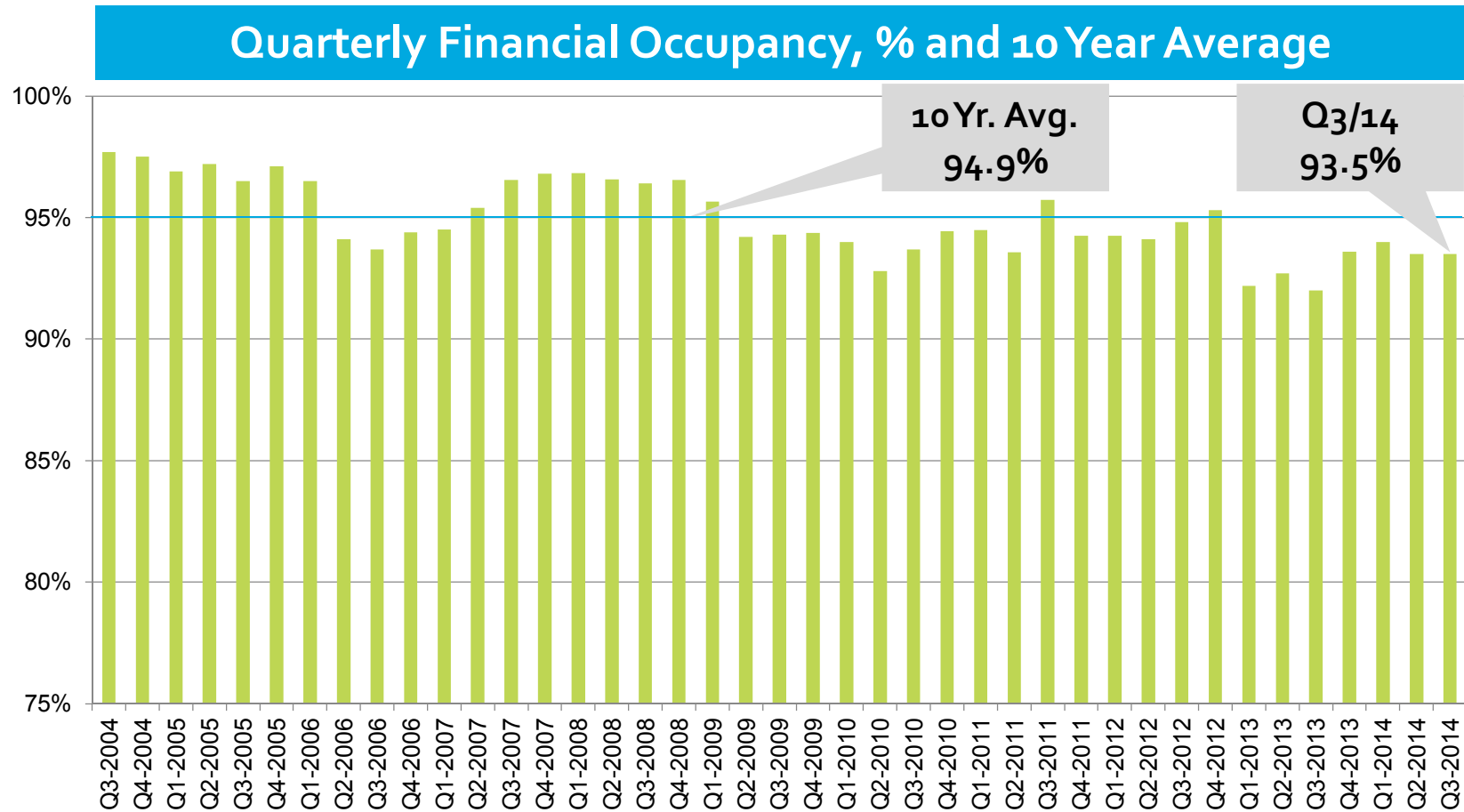
- > Two new large customers in Oslo: 2,100 m² and 1,000 m²
- > Customer satisfaction increased from 3.74 (Q1/14) to 3.82 (Q3/14)
- > Increase in customer activity in Oulu e.g. MediaTek 1,300 m²
- > Three new restaurants opened: Tallinn, Jyväskylä and Vilnius
- > Pulkovo 2 occupancy at 80.5%
- > Tallinn triple tower now full

Markets – Occupancy Rates

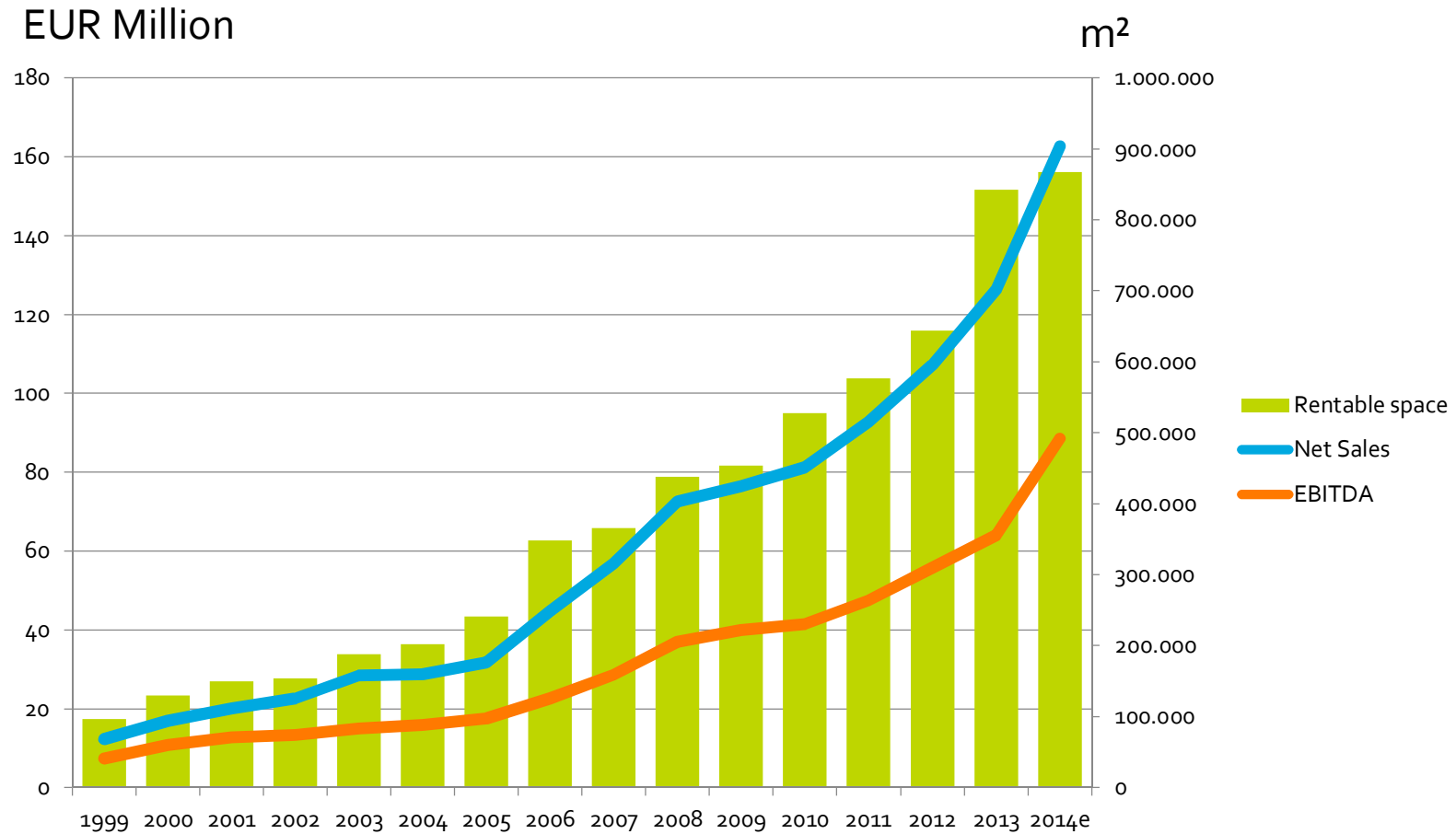


Sources: Q3/2014 Technopolis Interim Report and Q2/reports from Catella (Finland), DTZ (Oslo), Jones Lang LaSalle (St. Petersburg), Colliers (Tallinn) and Newsec (Vilnius). Technopolis figures are financial occupancy rates

Financial Occupancy



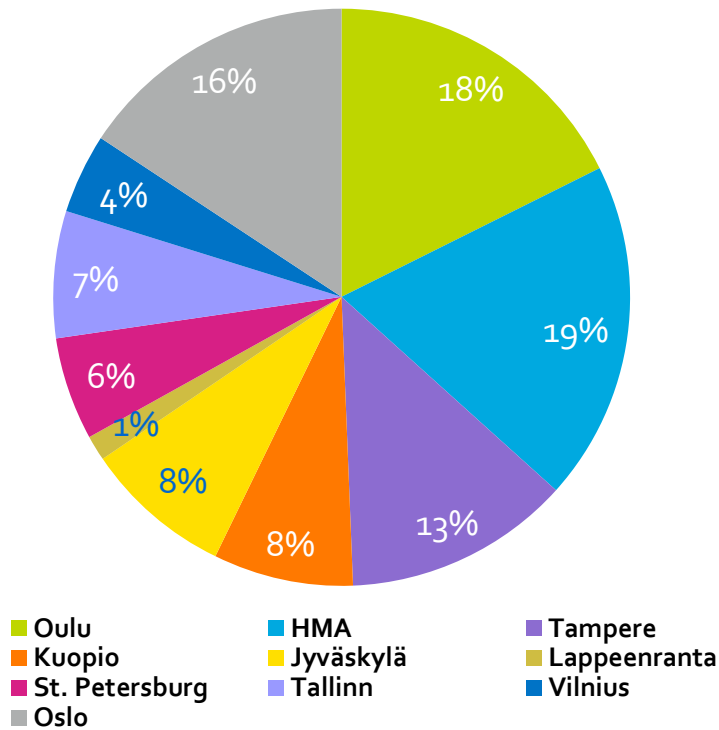
EBITDA, Net Sales & Rentable Space



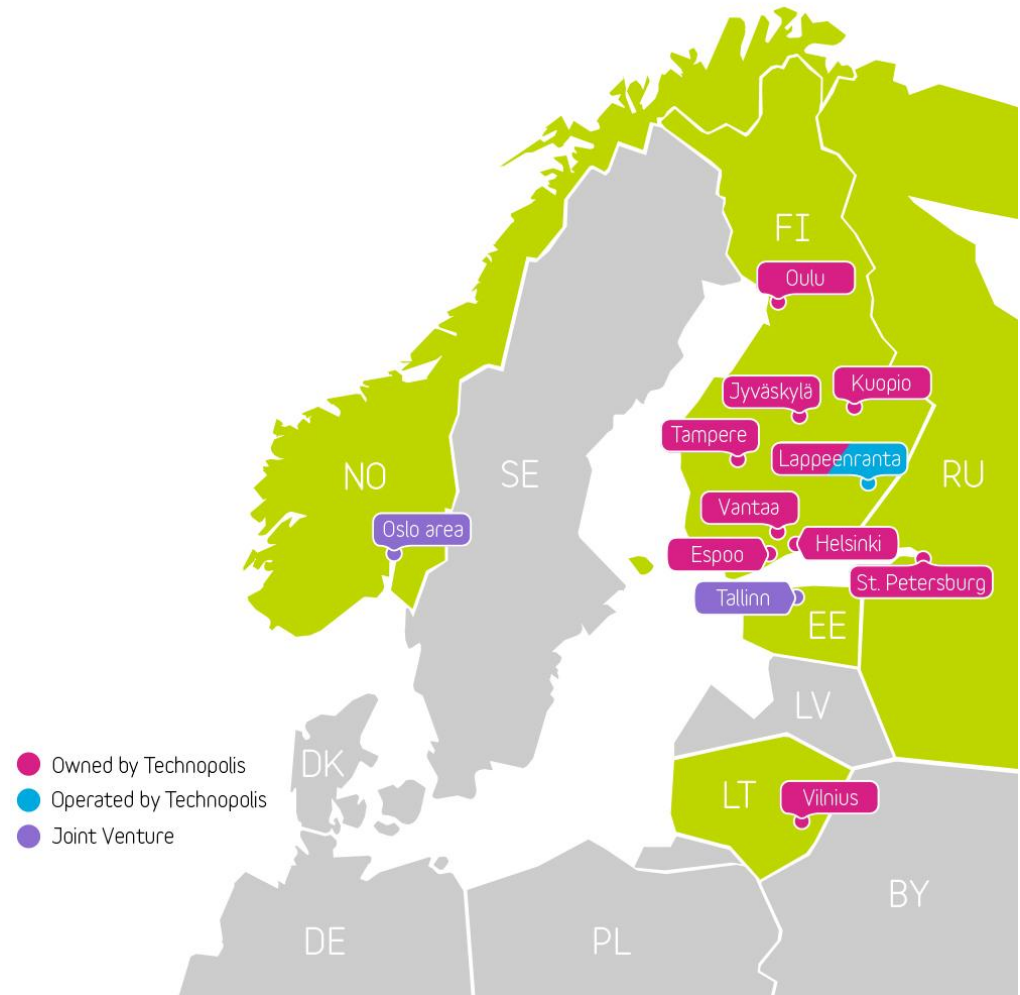
Net Sales & EBITDA 2014 are analysts' consensus estimates
 Rentable space at the end of 2014 is based on estimations

Market Segments by Fair Value

September 30, 2014



30.10.2014



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Looking Ahead

- > 2014 growth guidance y/y unchanged:
 - > Net sales 27%-32%
 - > EBITDA 35%-40%
- > Focus on integration and business basics
- > Sale of Lentokentäntie campus in Oulu will have a positive impact on financial occupancy
- > Solid solvency and liquidity

An abstract graphic consisting of several white, curved lines that form a shape resembling a stylized 'W' or a series of connected curves. The lines are positioned in the upper right quadrant of the slide, set against a solid blue background.

Appendices: Additional Data

Key Figures

Financials	1-9/2014	1-9/2013	Δ, %	2013
Net sales, EUR million	120.3	91.6	31.3	126.3
EBITDA, EUR million	65.3	47.2	38.3	64.1
Operating profit, EUR million	46.4	32.3	43.7	43.9
Direct result (EPRA), EUR million	39.2	29.3	33.5	40.5
Direct result/share (EPRA), EUR	0.37	0.35	5.7	0.47
Real Estate Operations				
Financial occupancy rate, %	93.5	92.0	+1.5pp	93.6
Net rental yield, %	7.3	7.6	-0.3pp	7.6
Market yield, %	7.8	8.2	-0.2pp	7.8
Rentable space, 1 000 m ²	758,200	697,500	8.7	746,800

Lease Agreements

Lease stock, % of space Maturity in years	Q3/2014	Q2/2014	Q1/2014	Q4/2013
<1	17	14	17	22
1-3	25	24	21	22
3-5	12	9	12	13
>5	21	24	22	26
Open-end leases	25	28	28	17
Av. Maturities in Mo	40	40	31	35
Lease stock, EUR million	463.5	468.2	478.6	470.5

20 largest customers leased approximately 27.9% of the company's leased space on September 30, 2014

Finland

	1-9/2014	1-9/2013	Δ, %	2013
Rentable space, m ²	560,200	525,700	6.6	555,900
Rent, €/m ² /mo avg.	16.31	15.92	2.5	16.21
Financial occupancy rate, %	92.1	91.0	+1.1pp	92.9
Net rental revenue, EUR million	77.1	70.4	9.6	94.9
Net sales, EUR million	88.1	81.0	8.8	109.4
EBITDA, EUR million	47.6	42.2	12.9	56,1
Market yield requirement, %	7.9	8.0	-0.1pp	7.9
Fair value of investment properties, EUR million	957.2	870.0	10.0	981.0

Baltic Rim

	1-9/2014	1-9/2013	Δ, %	2013
Rentable space, m ²	134,600	92,100	46.1	119,500
Rent, €/m ² /mo avg.	15.33	14.42	6.3	15.04
Financial occupancy rate, %	98.3	98.5	-0.2pp	99.1
Net rental revenue, EUR million	17.6	10.2	73.0	15.3
Net sales, EUR million	18.5	10.6	74.2	15.9
EBITDA, EUR million	10.1	5.1	100.2	7.6
Market yield requirement, %	9.0	9.4	-0.4pp	9.0
Fair value of investment properties, EUR million	247.6	168.1	47.3	212.4

Scandinavia

	1-9/2014	1-9/2013	Δ, %	2013 *)
Rentable space, m ²	63,400	-	-	71,400
Rent, €/m ² /mo avg.	25.46	-	-	21.16
Financial occupancy rate, %	94.9	-	-	89.5
Net rental revenue, EUR million	13.4	-	-	0.9
Net sales, EUR million	13.7	-	-	1.0
EBITDA, EUR million	9.0	-	-	0.6
Market yield requirement, %	6.4	-	-	6.5
Fair value of investment properties, EUR million	224.9	-	-	217.0

*) December 11-31, 2013

Strategic Financial Targets 2015 - 2017

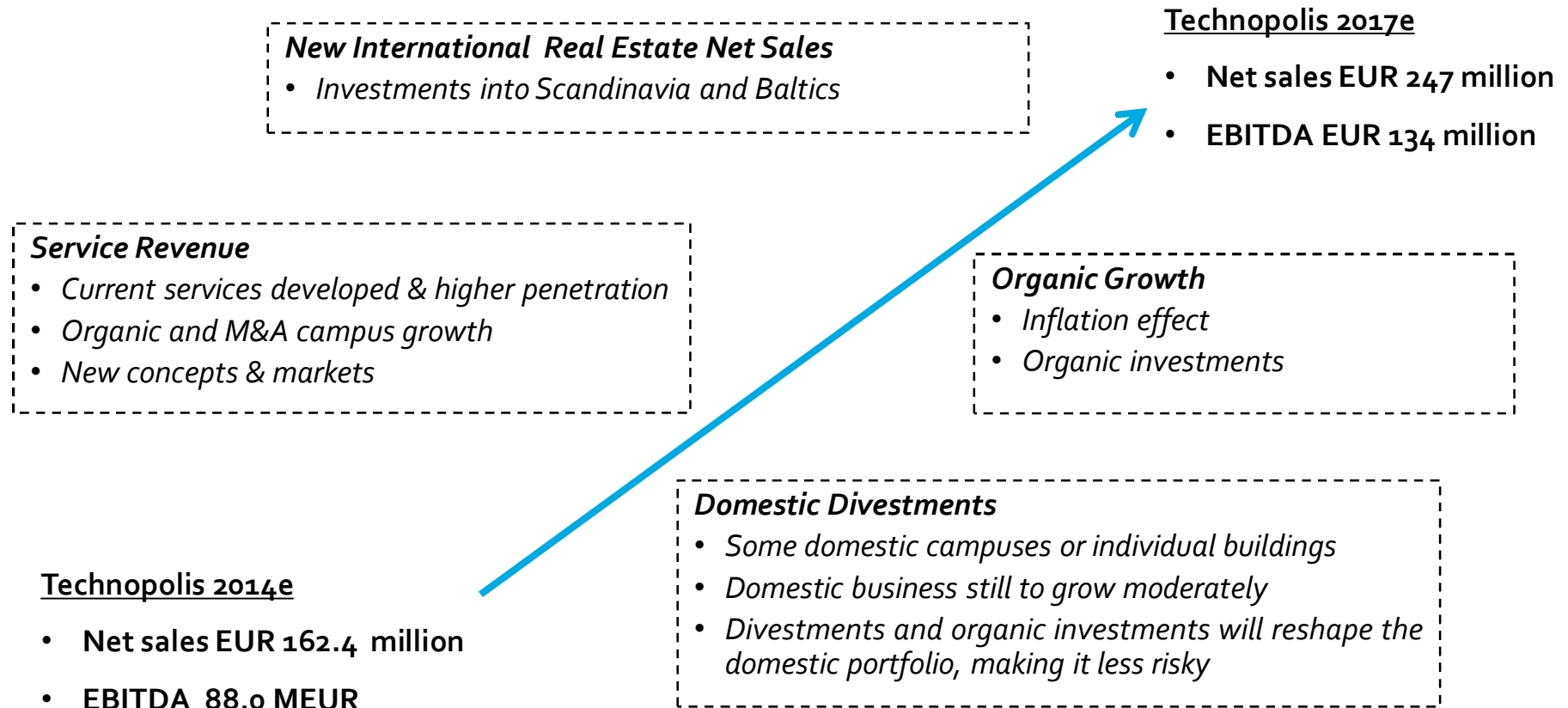
Company's goal is to grow in the Nordics and Baltic Rim and in service business

- > 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

Dividend policy: distribute on average one third of its EPRA-based direct result annually

Growth Path 2017



Growth figures 2014e analysts' estimates. 2017e is assuming 15% annual growth

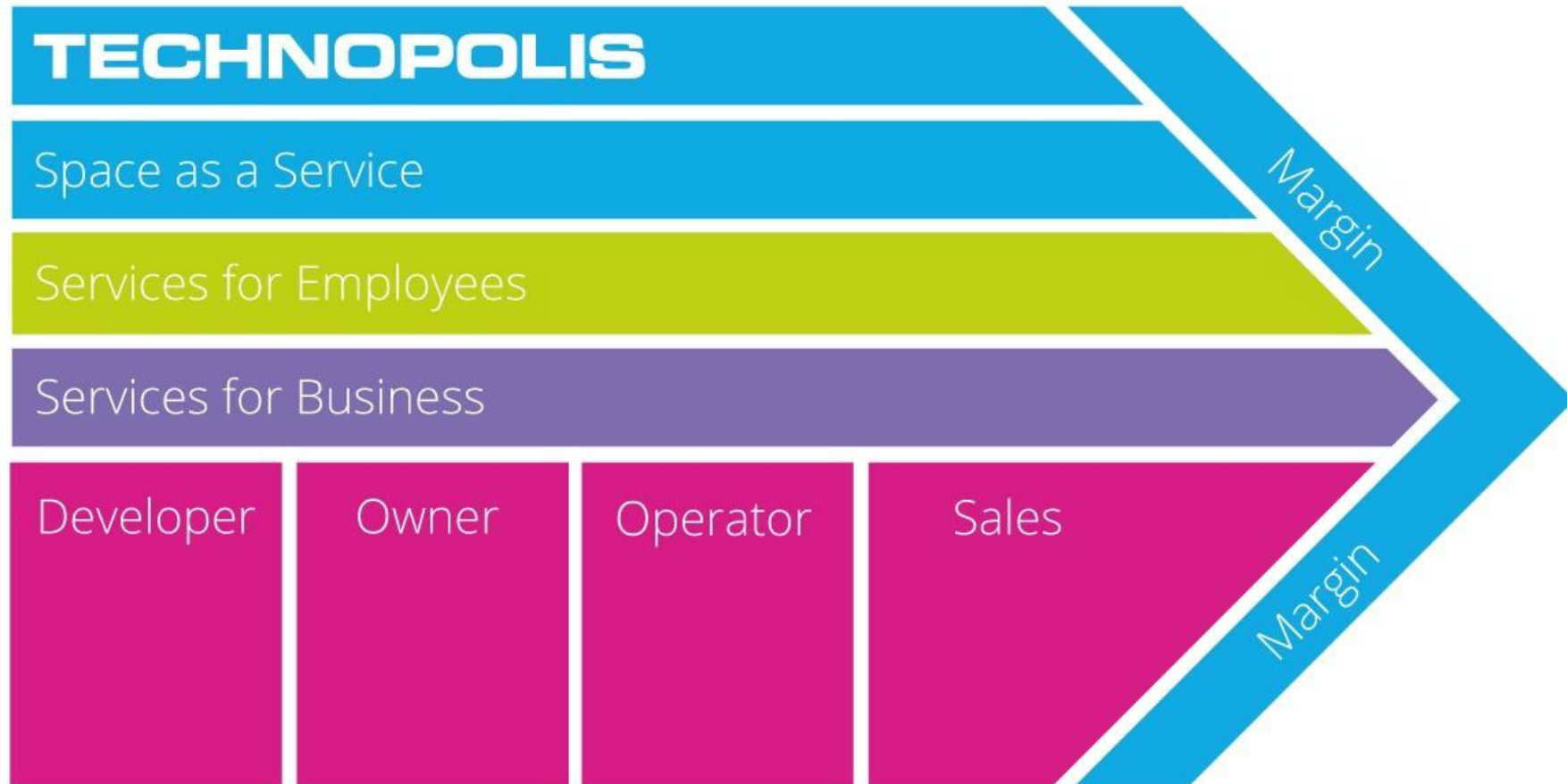
Investment Criteria

- > Good quality, flexible buildings in good shape
- > Excellent location with good transportation links
- > Critical mass, at least in the 50,000 m² range
- > Additional building rights to allow expansion
- > Good customer mix or the potential to create it
- > Generates good cash flow
- > Reasonable yield generating positive EPS impact

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	Löötisa 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	
Tallinn	Löötisa 8A	7,500	11.8	9.1	9/2014	
St. Petersburg	Pulkovo 2	18,700	42.0	12.6	9/2014	
Under construction		Pre-let rate 29 Oct 14				
Tallinn	Löötisa 5	8.6	9,200	17.0	8.8	9/2015
HMA	Building, G	32.6	5,300	18.3	8.0	9/2015
Tampere	Yliopist. 3&4	28.9	11,900	39.0	7.2	3/2016

Technopolis Value Chain



Porter adaptation

Chain of Smart Campuses



Shareholders September 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	1,736,182	1.6
Jyrki Hallikainen/Kickoff Oy	1,233,236	1.2
Laakkonen Mikko	1,226,184	1.2
The Finnish Cultural Foundation	1,188,042	1.1
Odin Finland	1,119,944	1.1
City of Tampere	960,577	0.9
Mutual Fund Evli Finnish Equity	932,294	0.9
10 largest shareholders, total	47,445,512	44.5
Foreign shareholders, total	34,660,048	32.5
Others, total	24,794,072	23.0
Total amount of shares	106,511,632	100