



# TECHNOPOLIS GROUP Q4/2010

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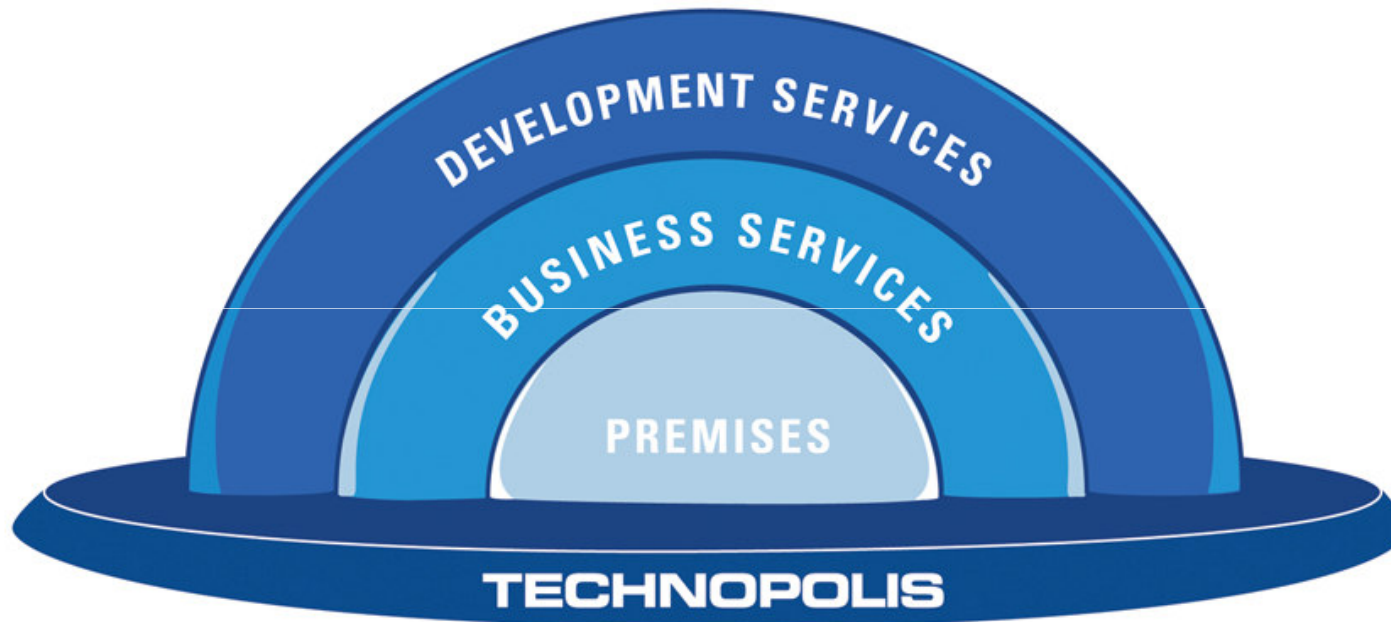
# Technopolis Group



- 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 Concept



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# The Technopolis Network

- 1 300 customers employing roughly 20 000 people
- 18 knowledge-intensive campuses operating as a chain
- 594 100 m<sup>2</sup> of space in use and under construction
- High-quality business environments from 10 m<sup>2</sup> to 40 000 m<sup>2</sup>



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# Highlights

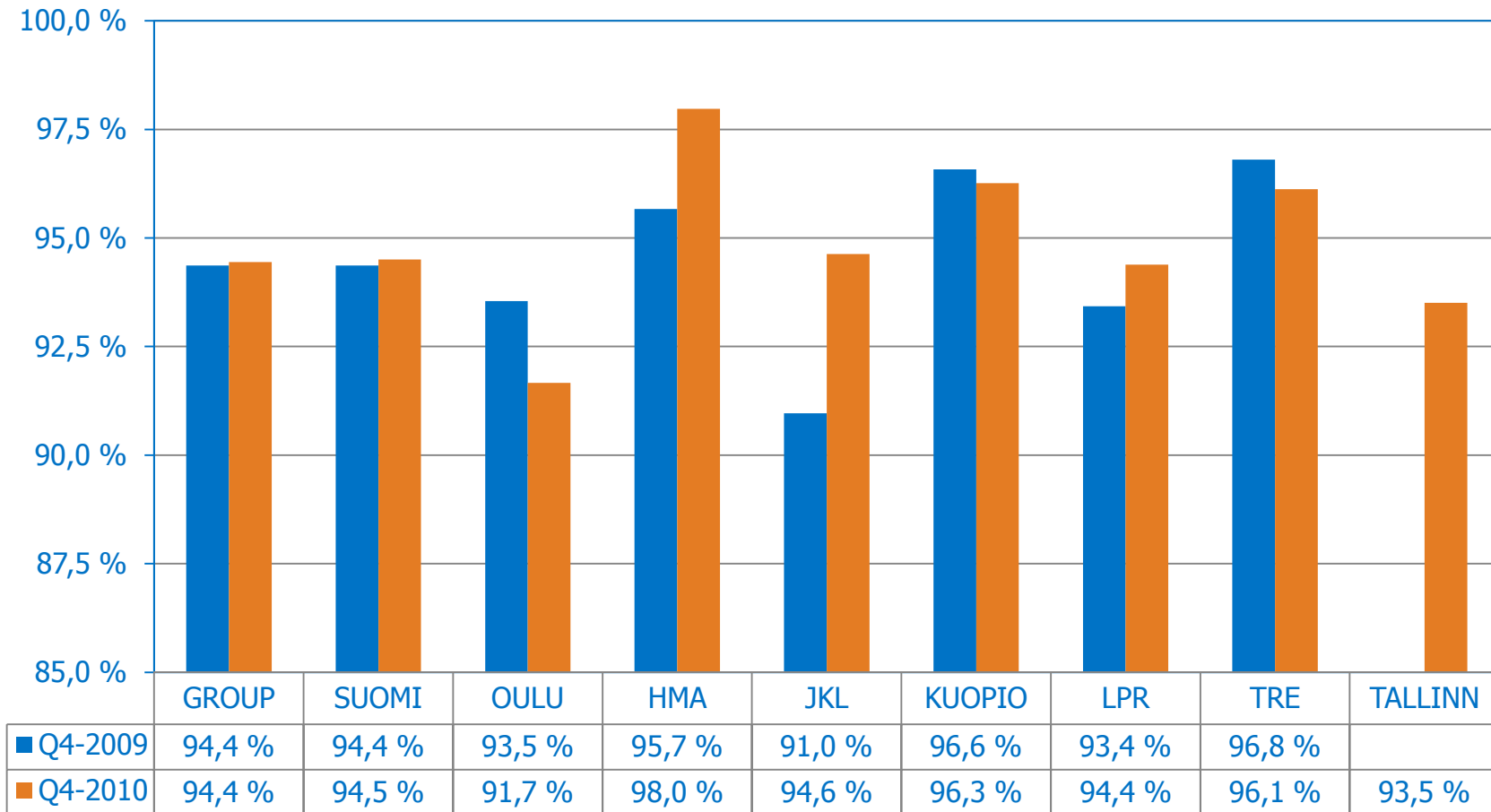
- Operational environment in Finland improved significantly in H2/2010
- In H2/2010 occupancy improved +1,6 percentage units to a good level of 94,4 %
- Net sales and EBITDA satisfactory and on target
- Domestic growth under construction in HMA, Kuopio and Tampere totaling over 30 350 m<sup>2</sup>
- Technopolis Ülemiste acquisition closed on October 2010, going well
- Russian market recovering, Pulkovo pre-let rate at 65 % and we aim to fill it in 2011
- We're forecasting 9 - 11 % growth in both sales and earnings

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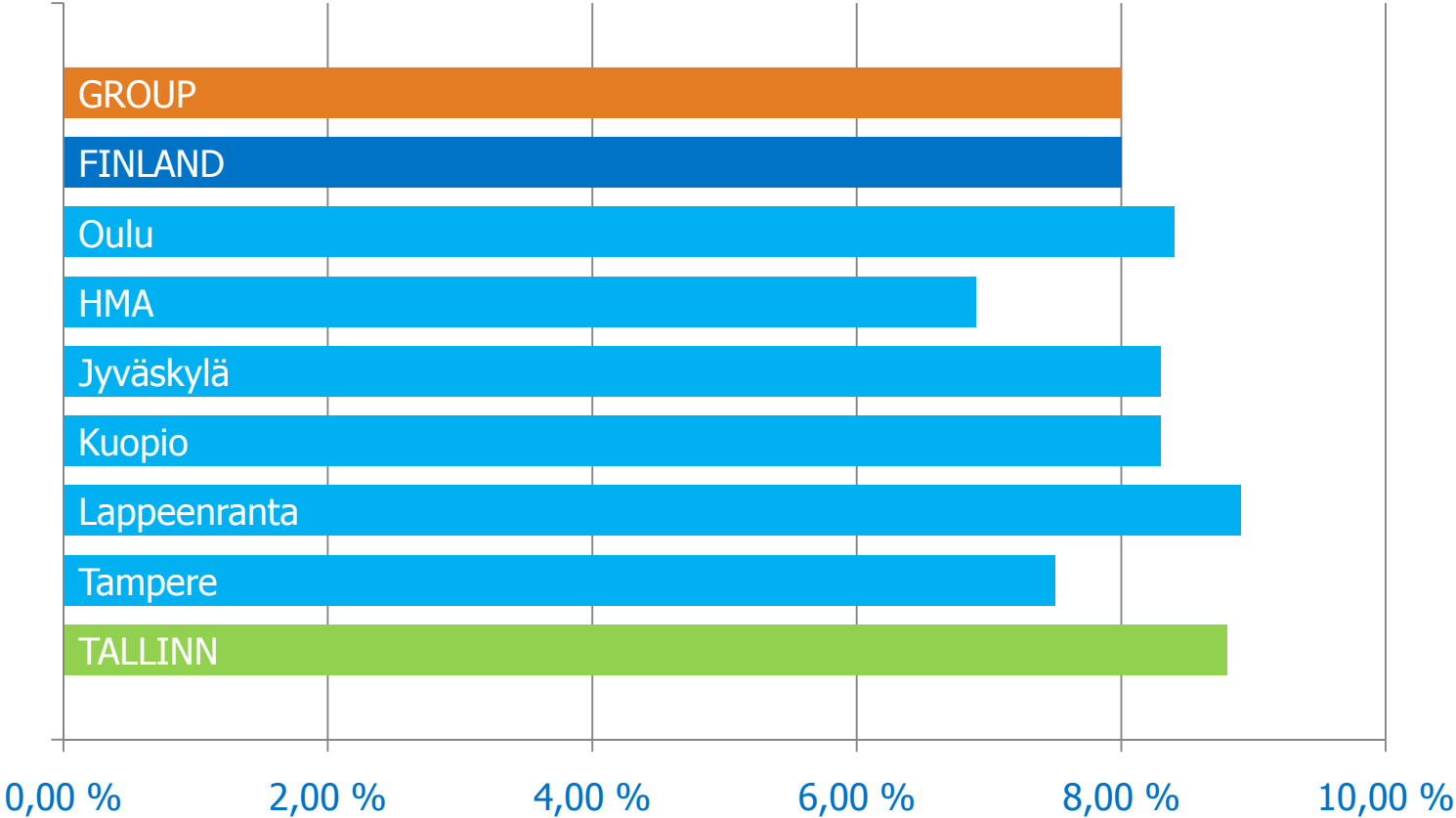
# Key Figures Q4/2010

- Net sales EUR 81.2 million (EUR 76.4 million in Q4/2009), growth 6.3 %
- EBITDA EUR 41.4 million (EUR 40.0 million), growth 3.6 %
- Operating profit rose to EUR 43.0 million (EUR 2.3 million), growth 185,8%
- Financial occupancy rate was 94.4 % (94.4 %)
- Equity ratio was 37.4 % (37.3 %)
- Earnings per share (diluted) were EUR 0.38 (EUR -0.13)

# Financial Occupancy Rate

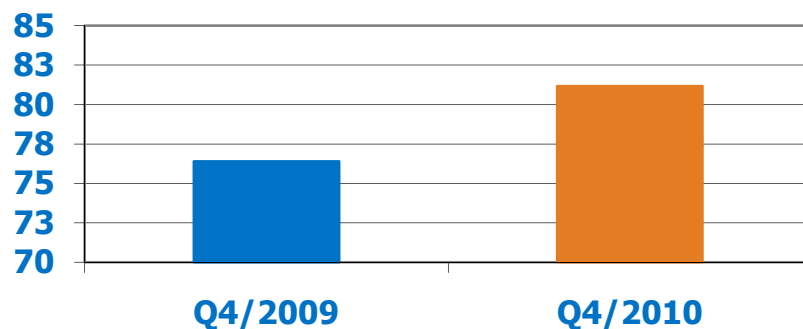


# Net Yields, %

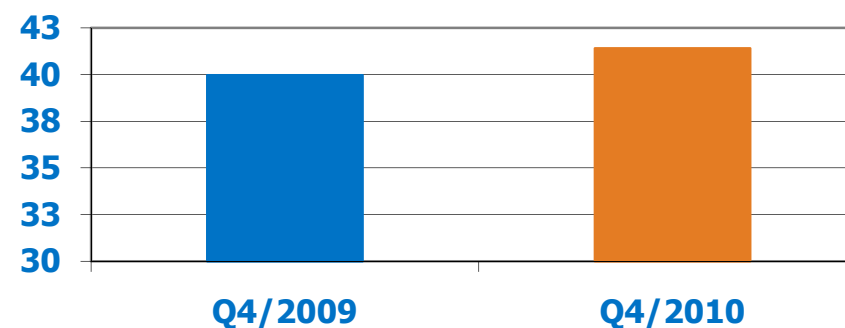


# Sales & Earnings

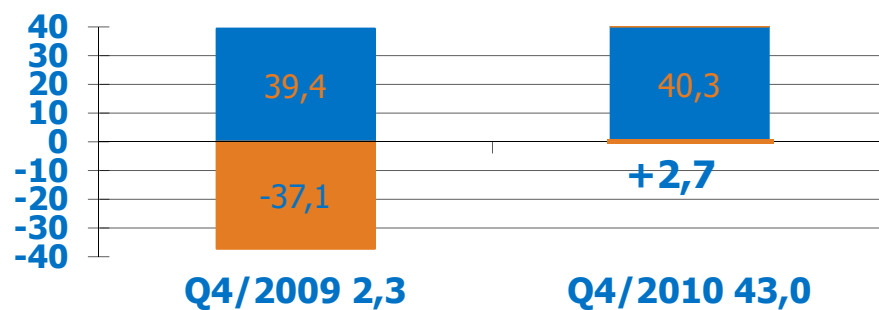
Net Sales, EUR million



EBITDA, EUR million

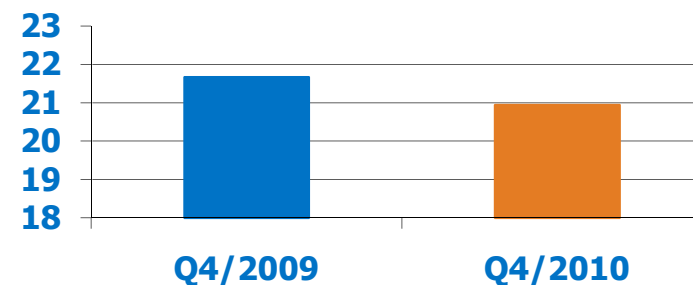


Operating Profit, EUR million



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

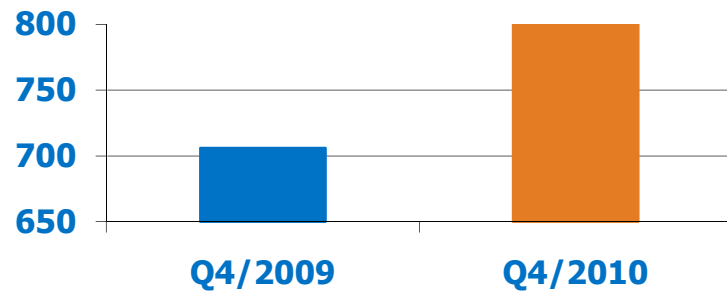
PRO FORMA: Direct Result, EUR million



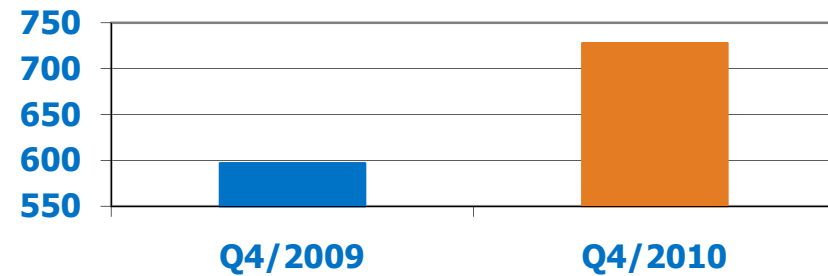
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# Balance Sheet

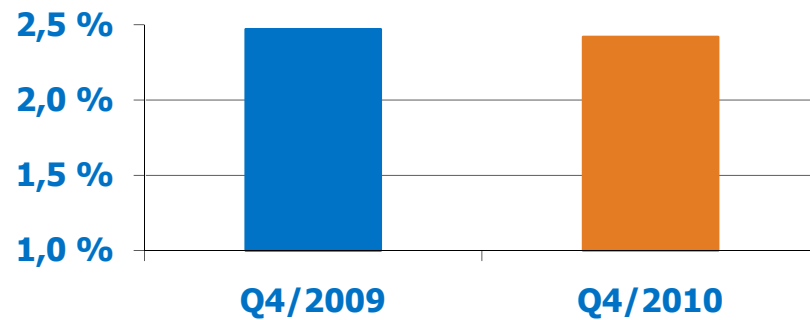
Total Assets & Liabilities, EUR million



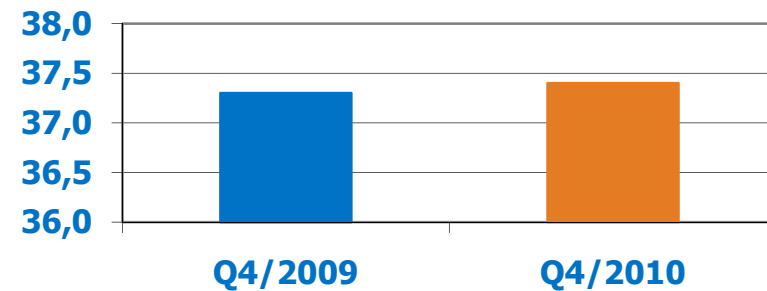
Fair Value of Investment Properties, EUR million



Average Interest Rate

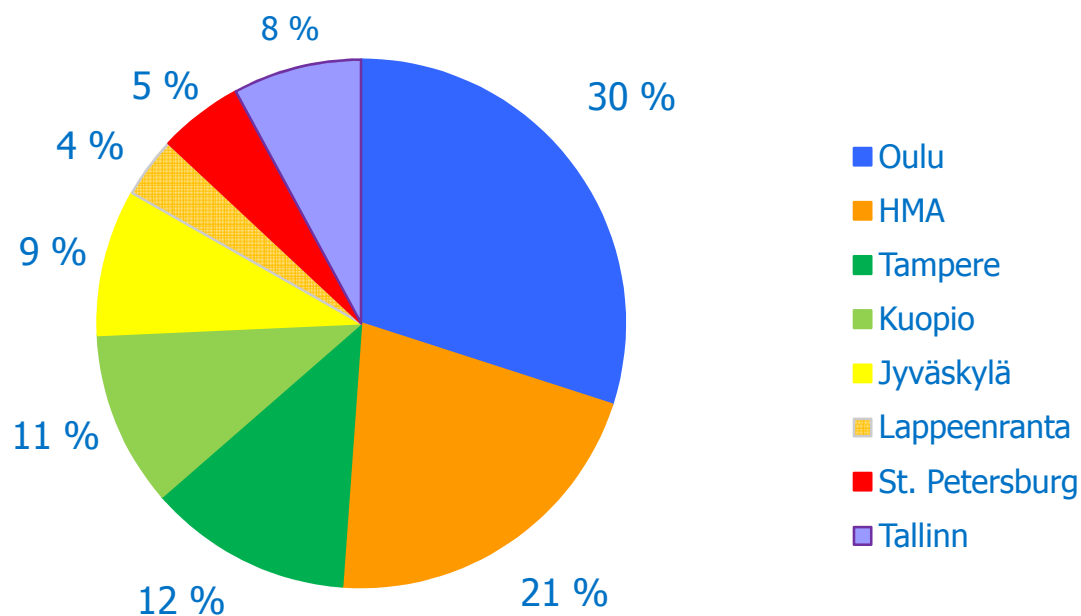


Equity Ratio %



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# Technopolis Sites by Region

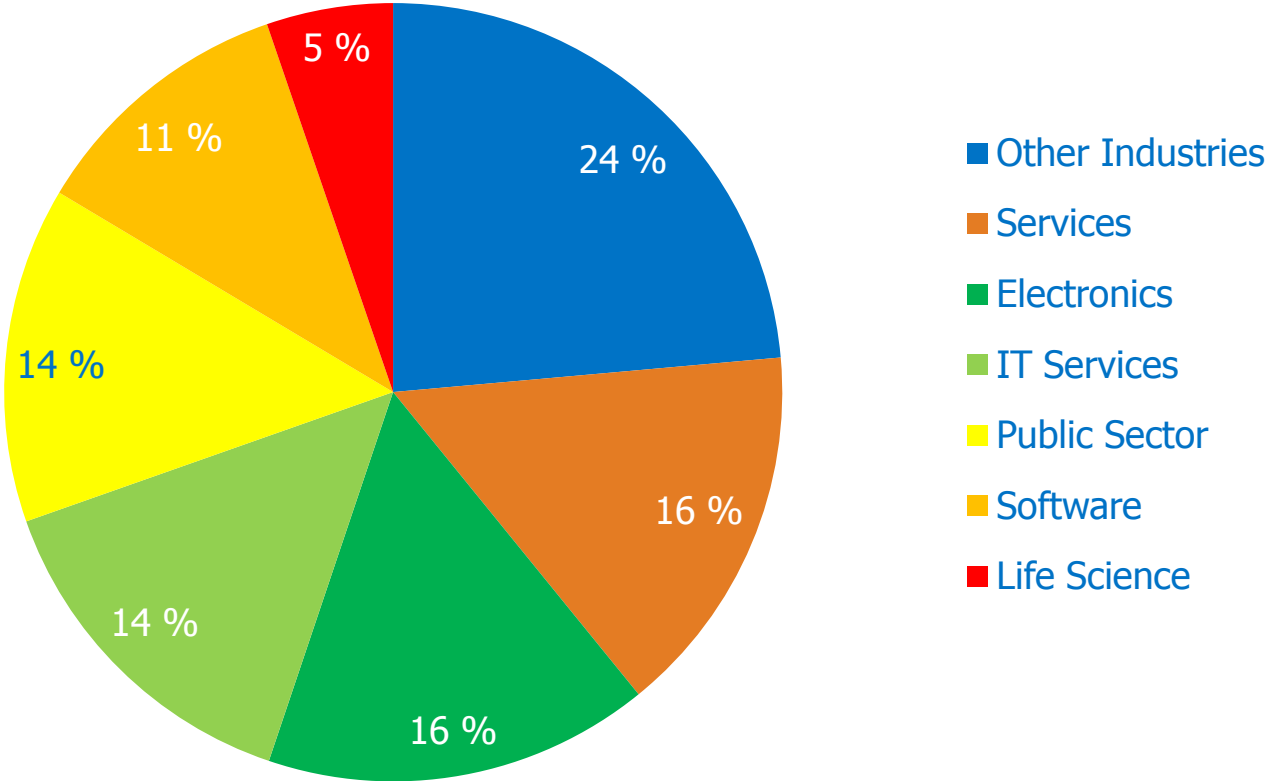


- Fair market value of investment properties\* and properties under construction 31.12.2010 EUR 788 million
- Net market yield of investment properties 31.12.2010 7,99% (8,07%)
- Fair market value change impact on operating profit: EUR 2,7 million (EUR -37,1 million)

\* includes fair value of shares and investments in associates

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# Customer Breakdown



# Largest Customers

| Customer             | Customer                                 |
|----------------------|--|
| Aalto University     | Logica Suomi Ltd                         |
| ARK Therapeutics Ltd | Microlink Eesti Ltd                      |
| Aspocomp Oulu Ltd    | NetHawk Ltd                              |
| Digia Plc            | Nokia Plc                                |
| Fazer Amica Ltd      | PKC Group                                |
| Honeywell Ltd        | Pöyry Group                              |
| Itä-Suomi University | Sasken Finland Ltd                       |
| Jyväskylä University | TeliaSonera Finland Plc                  |
| Kemira Plc           | Tieto Corporation                        |
| Kesko Plc            | VTT Technical Research Center of Finland |

- As of 31.12.2010 the 20 largest customers were renting 34 % of the company's space.
- No single company generates more than 6,0 % of the company's revenue.

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# Pipeline

| Project            | Status       | City      | Year    | m <sup>2</sup> | MEUR         | Occupancy |
|--------------------|--------------|-----------|---------|----------------|--------------|-----------|
| St. Pete Pulkovo 1 | comissioned  | St. Pete  | Q2/2010 | 24 100         | 52,3         | 65 %*     |
| Finn-Medi Campus   | under const. | Tampere   | 11/2011 | 12 900         | 29,6         | 91 %      |
| Ruoholahti 2       | under const. | Helsinki  | 5/2012  | 9 900          | 27,7         | 14.4 %    |
| Hermia 15B         | under const. | Tampere   | 1/2012  | 4 850          | 10,8         | 54 %      |
| Helsinki-Vantaa 5B | under const. | Vantaa    | 5/2011  | 2 700          | 6,0          | 75 %      |
| Innova 2           | under const. | Jyväskylä | 2/2012  | 9 200          | 19,8         | 30%       |
| Yliopistonrinne 2  | Planning     | Tampere   | 9/2012  | 7 900          | 22,5         | 25%       |
| <b>Total</b>       |              |           |         | <b>71 550</b>  | <b>168,7</b> |           |

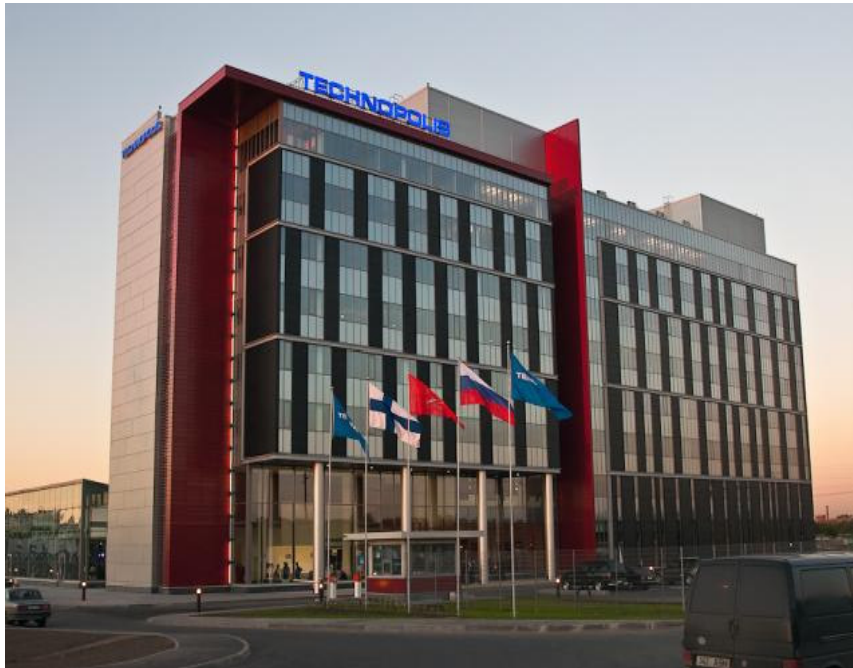
| Project                | Status   | City     | Estimated start | m <sup>2</sup> |
|------------------------|----------|----------|-----------------|----------------|
| Pulkovo 2              | Planning | St. Pete | 2011-2012       | 22 400         |
| Technopolis Ülemiste 1 | Planning | Tallinn  | 2011            | 7 500          |
| Viestikatu 2 B         | Planning | Kuopio   | 2011            | 3 600          |
| <b>Total</b>           |          |          |                 | <b>33 500</b>  |

\* Pre-let rate

Please note, all spaces in floor-m<sup>2</sup>

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# Pulkovo Phase 1, St. Petersburg



- Started 8/2008
- EUR 52,3 million cost projection
- 24 100 m<sup>2</sup> total space
- Focus on ICT & software
- 65 % pre-lets
- Opened September 2010
- Site now fully registered

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# Finn-Medi Campus, Tampere



- Started 5/2010
- EUR 29,6 million cost projection including parking
- 12 900 m<sup>2</sup> total space
- 91% binding pre-lets
- Projected completion 11/2011

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# Ruoholahti 2, Helsinki



- Started 11/2010
- EUR 27,7 million cost projection including parking
- 9 900 m<sup>2</sup> total space
- Occupancy rate 14,4 %
- Estimated completion 5/2012

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# Hermia 15B, Tampere



- Started 11/2010
- EUR 10,8 million cost projection including parking
- 4 850 m<sup>2</sup> total space
- 54 % binding pre-lets
- Projected completion 1/2012

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# Helsinki-Vantaa, Phase 5B



- Started 6/2010
- MEUR 6,0 cost projection
- 2 700 m<sup>2</sup> total space
- 75 % binding pre-lets
- Projected completion 5/2011

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# Innova 2, Jyväskylä



- Started 1/2011
- MEUR 19,8 cost projection including parking
- 9 200 m<sup>2</sup> total space
- 30 % binding lets
- Projected completion 2/2012

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# Yliopistonrinne 2, Tampere



- Estimated start 4/2011
- EUR 22,5 million cost projection including parking
- 7 900 m<sup>2</sup> total space
- 25 % binding lets
- If started 4/2011, projected completion 9/2012

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# 2011 Outlook

- Economy and markets recovering
- +9 - 11 % guidance for both 2011 net sales and EBITDA
- Looking to fill Pulkovo & consolidate Technopolis Ülemiste

# Strategic Financial Targets to 2015

- 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)

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# Appendices: Additional Data

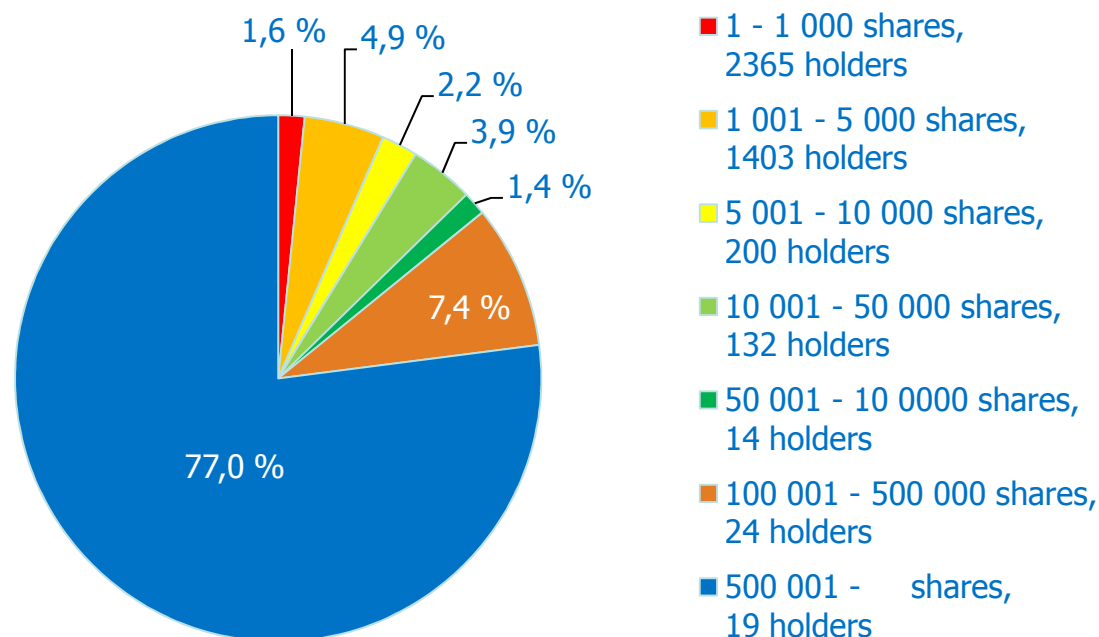
# Shareholders on Jan 24, 2011

| Major Registered Shareholders                                 | % of share capital | Number of shares  |
|---|--------------------|-------------------|
| Varma Mutual Pension Insurance Company                        | 16,22              | 10 279 371        |
| Ilmarinen Mutual Pension Insurance Company                    | 8,32               | 5 272 725         |
| City of Oulu  | 4,83               | 3 062 925         |
| City of Tampere   | 3,09               | 1 956 649         |
| OP-Pohjola Group (indirect holding)                           | 4,12               | 2 611 475         |
| Jyrki Hallikainen and Kickoff Oy                              | 2,11               | 1 338 000         |
| The Finnish Cultural Foundation                               | 1,12               | 712 693           |
| ODIN Finland Fund   | 1,08               | 686 066           |
| SITRA Finnish National Fund for Research and Development      | 1,05               | 666 036           |
| Laakkonen Mikko   | 1,01               | 638 714           |
| <b>Total</b>  | <b>42,95</b>       | <b>27 224 654</b> |
| Cities Total  | 10,52              | 6 669 483         |
| <b>Nominee Registered</b>                                     | <b>34,34</b>       | <b>21 762 992</b> |
| BNP Paribas Investment Partners indirect holding June 1, 2010 | > 10,00            | 6 579 000         |
| <b>All Shares Total</b>                                       | <b>100,00</b>      | <b>63 385 044</b> |

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# Ownership Structure Jan 24, 2011

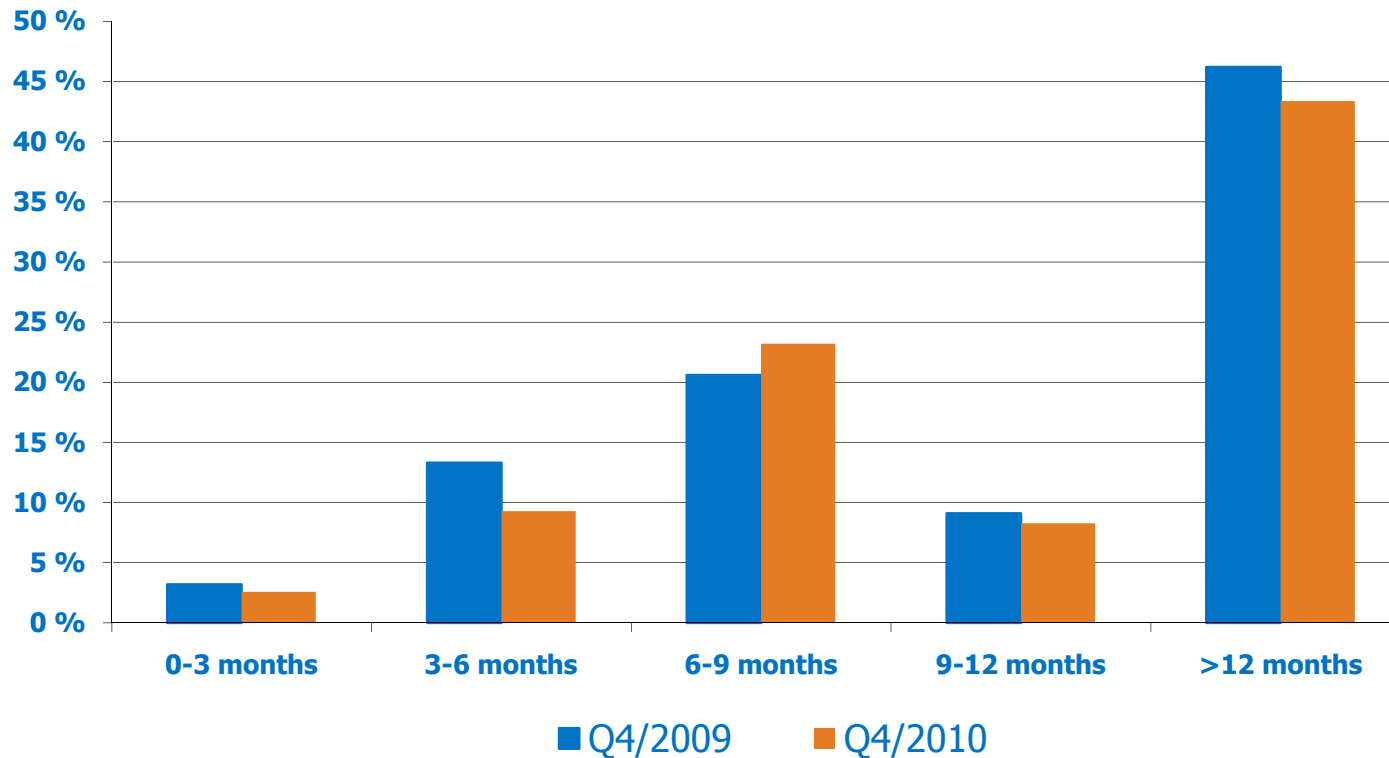
% of Shares and Votes



- Number of registered shareholders 4157
- Ownership concentrated to largest shareholders
- ~65% of holdings domestic and ~35% international or nominee registered
- January 24, 2011 the market capitalization totaled EUR 267,5 million
- Technopolis is included in FTSE EPRA/NAREIT Global Real Estate Index

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# Lease Portfolio Structure

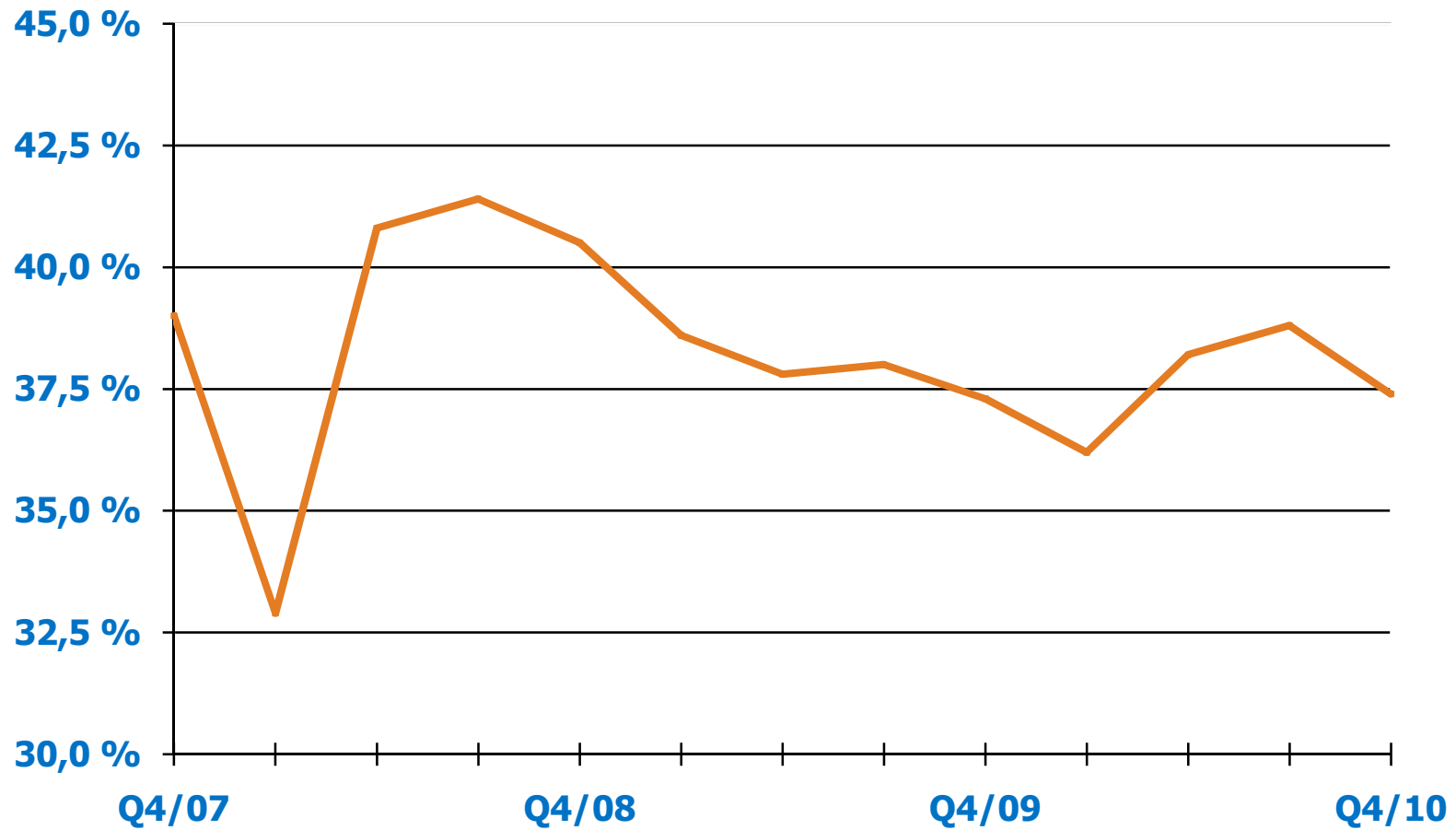


At the end of the period under review, the open-ended leases that could be terminated and renegotiated during the following 12 months covered a total of 43,3 % (46,1 % Q4/2009) of the entire property portfolio.

As of the end of the period the average lease period was 23 (21) months

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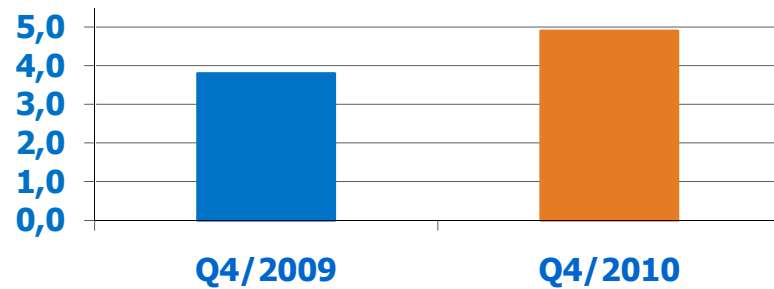
# Equity Ratio



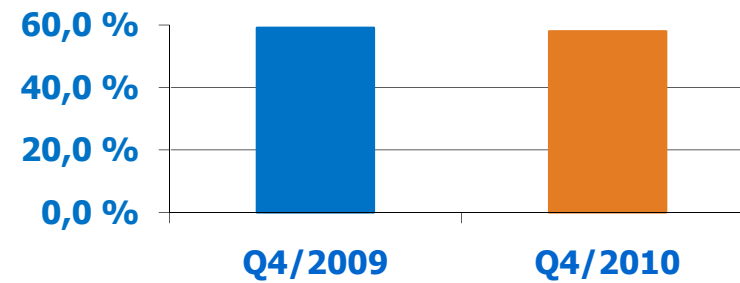
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# Interest Coverage Ratio and Loan to Value

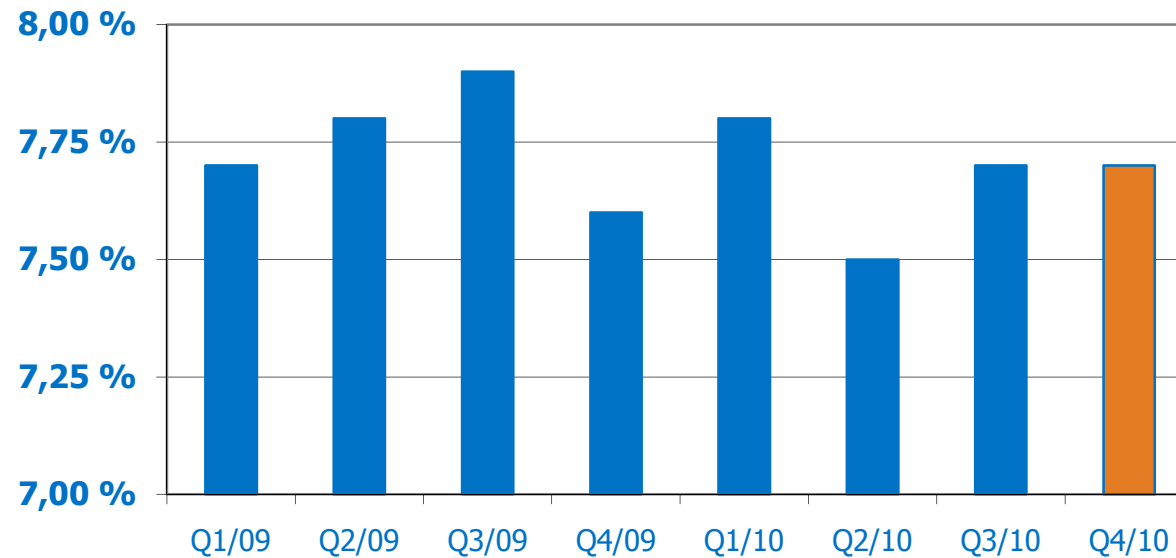
Interest Coverage Ratio



Loan to Value



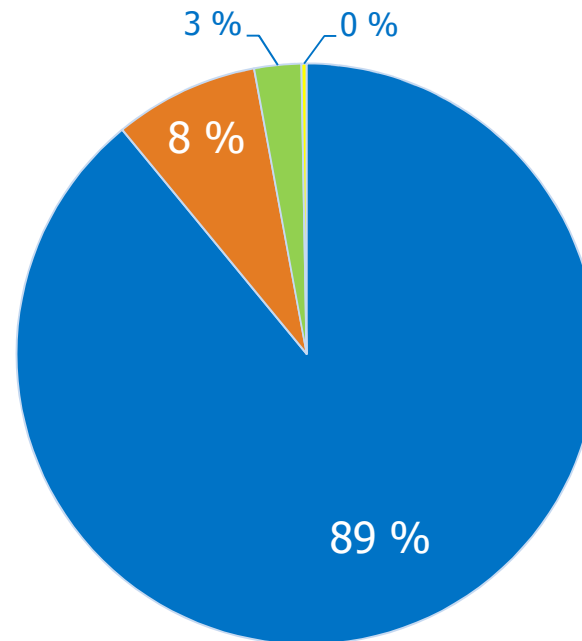
# Net Rental Yield %



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

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# Breakdown of Loans

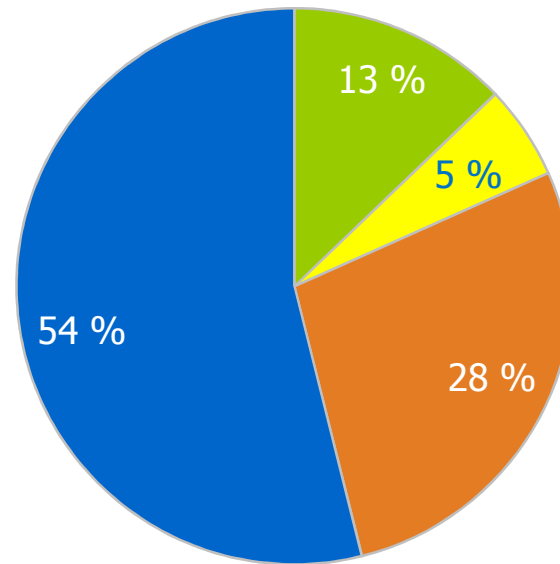


■ Bank Loan ■ Leasing Debt ■ Commercial papers ■ Cheque Limit + others

Total interest-bearing liabilities Q4/2010 EUR 457.9 million

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# Covenants and Bank Guarantees



- Loans Requiring Bank Guarantees with Covenants
- Loans Requiring Bank Guarantees without Covenants
- Loans with Covenants
- Loans without Covenants or Bank Guarantees

Total interest-bearing liabilities Q4/2010 EUR 457.9 million