

# Technopolis Group

Q2 / 2009 Review

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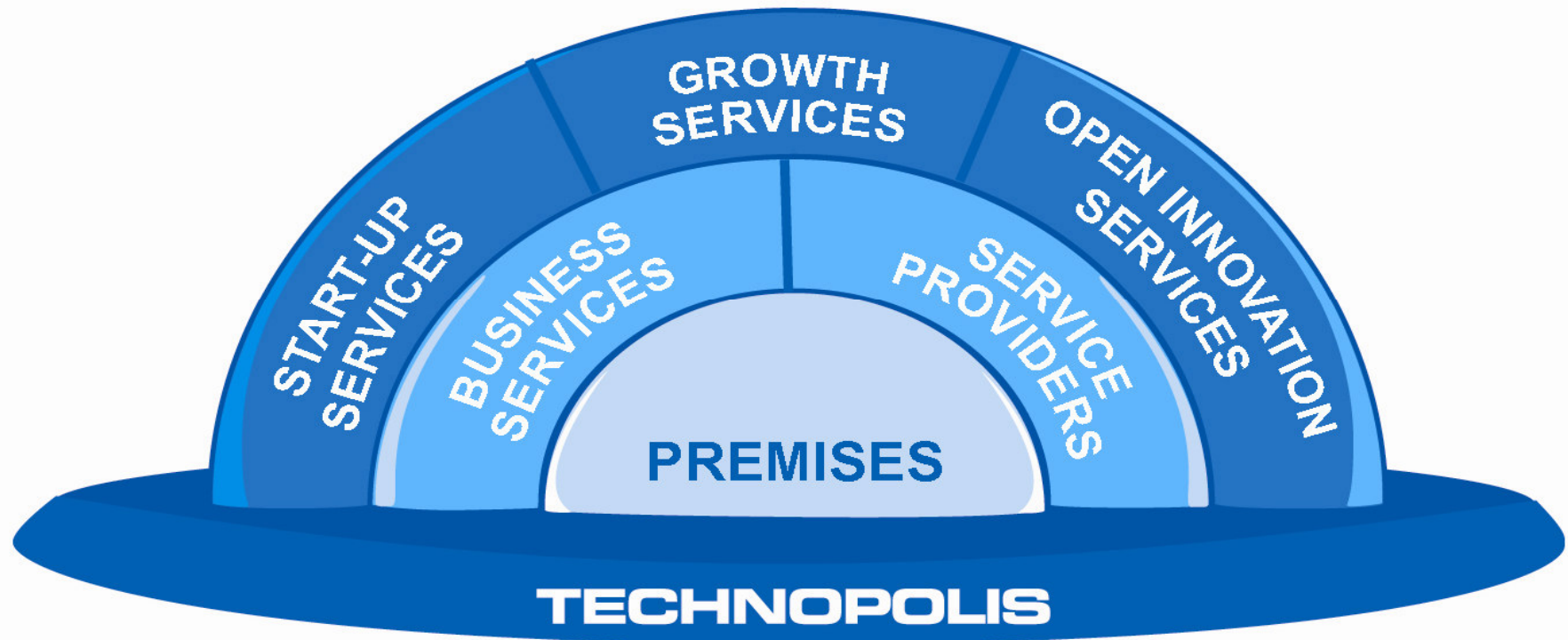
# Technopolis Group



- Specializing in business environments for high-tech companies
- The biggest STP chain in Europe
- A profitable growth company
- A unique concept

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# The Technopolis Concept



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# The Technopolis STP Network

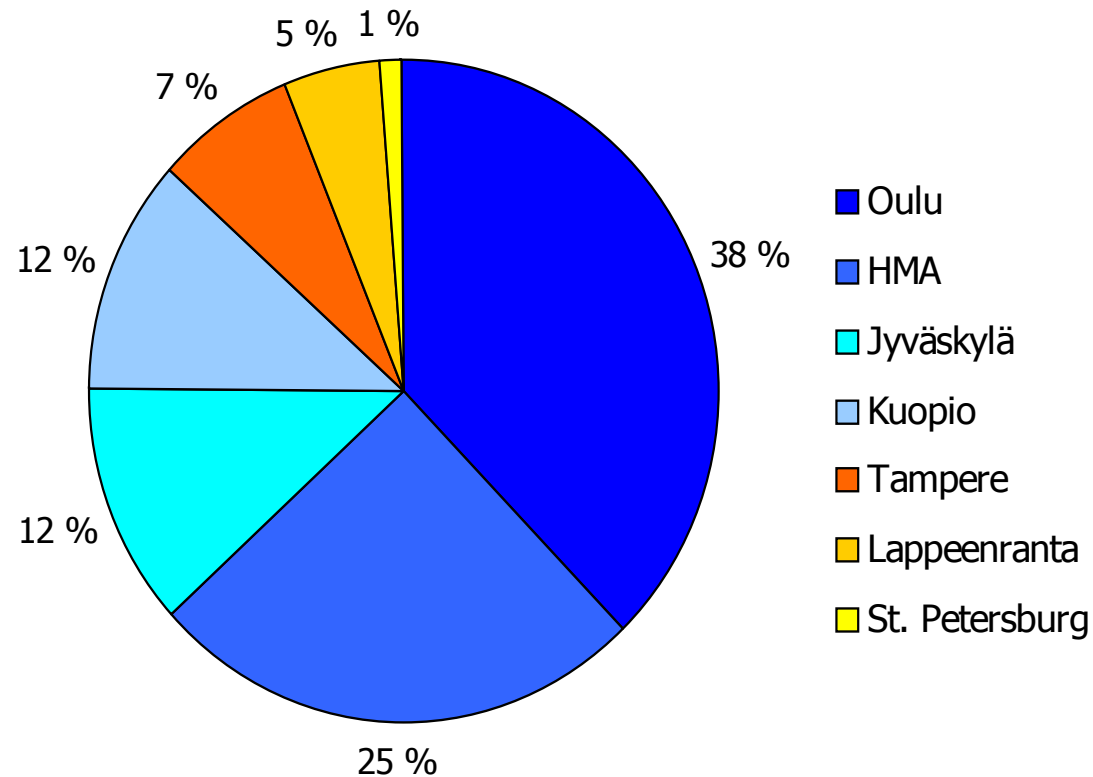
- 1 180 customers employing roughly 16 000 people
- 15 science and technology parks (STPs) operating as a chain
- 481 000 m<sup>2</sup> of space in use and under construction
- High-quality business environments from 10 m<sup>2</sup> to 40 000 m<sup>2</sup>



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# Breakdown of Properties by Region

Q2 2009



Fair market value of investment property 30.6.2009 MEUR 610

Change in market yield Q2 2008 vs Q2 2009: 0.5 %

Fair market value change impact on operating profit: MEUR -28.6

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# Largest Customers

Customer	Customer
ARK Therapeutics Ltd	Metso Paper Ltd
Aspocomp Oulu Ltd	NetHawk Ltd
Digia Plc	Nokia Oyj
Fazer Amica Ltd	PKC Group Plc
Honeywell Ltd	Pöyry Group
Inion Ltd	SWECO Industry Ltd
Jyväskylä University	TKK (Helsinki University of Technology)
Kemira Plc	TeliaSonera Finland Plc
Kuopio University	Tieto Corporation
Logica Suomi Ltd	VTT

- As of 30.6.2009 the 20 largest customers were renting 48 % of the company's space.
- No single company generates more than 8,8 % of the company's rental revenue.

# Largest Investments

Project		City	Year	m <sup>2</sup>	Investment MEUR	Binding pre-lets
Kontinkangas Phase 5	finished	Oulu	2009	4 030	6,7	94 %
Hermia 15, Phase 1	under const.	Tampere	2009	11 790	14,5	100 %
Ohjelmakaari Phase 2	finished	Jyväskylä	2009	4 790	7,7	76 %
Yliopistonrinne Phase 1	under const.	Tampere	2010	19 200	33,3	81 %
St. Pete, Pulkovo Phase 1	under const.	Russia	2010	24 100	50,0	3 %
Total				63 910	112,2	

# Kontinkangas 5, Oulu



- Completed in June 2009
- Cost MEUR 6,7
- Total space 4 030 m<sup>2</sup>
- 94 % occupancy
  - Ixonos Plc
  - Tieto Plc
  - Eka Polymer Latex Ltd
  - Discendum Ltd

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# Hermia 15, Tampere



- Start-up decision in May, 2008
- MEUR 14,5 cost projection
- 11 790 m2 total space
- 100 % binding pre-lets
  - EpiCrystals Ltd
  - TAC Finland Ltd
  - Sassen Finland Ltd
- Projected completion 8/2009

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# Yliopistonrinne Phase 1, Tampere



- Started June, 2008
- MEUR 33,3 cost projection
- Total space 19 200 m<sup>2</sup>
- 81 % binding pre-lets
  - Ruokakesko Plc
  - Safety Technology Authority (Tukes)
  - VR-Track Ltd
  - Aleksin Ravintolat Oy

Projected completion 2/2010

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# Ohjelmakaari Phase 2, Jyväskylä



- Completed in June 2009
  - Cost MEUR 7,7
  - Total space 4 790 m<sup>2</sup>
  - 76 % occupancy
- Are Ltd
  - Visma Software Ltd
  - SRV Keski-Suomi Ltd
  - Suomen Verkkomaksut Ltd
  - Command, Control And Information Systems Plc

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# Pulkovo Phase 1, St. Petersburg



- MEUR 50 cost projection
- Total space 24 100 m2
- Focus on ICT & software
- 3 % binding pre-lets
- 1st pre-lease signed  
- M-Cloud Ltd
- Projected completion Spring, 2010

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# Business Development Services

Technopolis Ventures Serves More Than Half of Finnish High Tech High Growth Start-ups

Start-Up Operations*	2005	2006	2007	2008	2009 Q2
<b>Class-A start-ups</b>	19	36	52	65	79
<b>Risk investments for clients (deals)</b>	22	25	20	41	9
<b>Risk financing for clients (MEUR)</b>	NA	12	15	53	14.4
<b>Early stage Risk financing deals avg. (MEUR)</b>	NA	0.48	0.70	1.29	1.60

\* 2004-2007 pro forma, Tampere and Kuopio from 2007

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# **Key Figures**

## **Q2 2009**

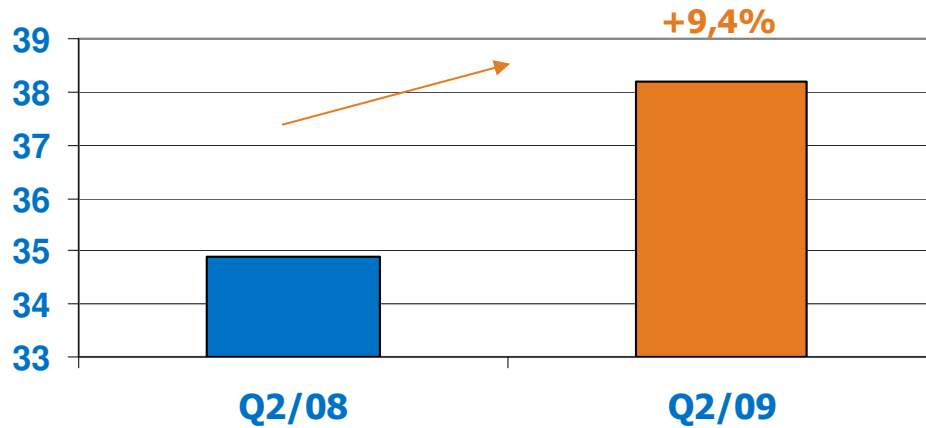
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# Highlights Q2/2009

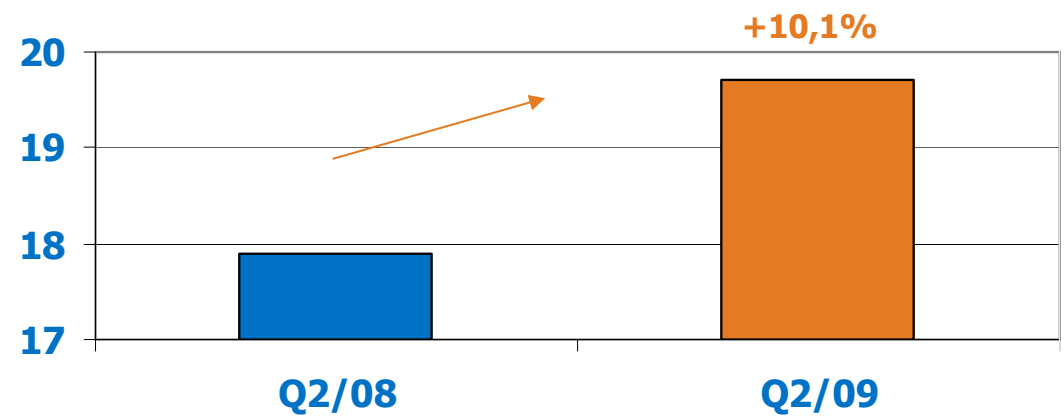
Key Sales & Earnings Figures, MEUR	Q2/2009	Q2/2008
Net Sales	38,2	34,9
EBITDA	19,7	17,9
Direct Result	10,1	7,3
Operating Profit	-9,1	15,5
Investment Property Fair Value Change	-28,6	-1,7
Profit before Taxes	-15,4	8,7
Earnings per Share (Diluted )	-0,20	0,14
Other Key Figures & Ratios		
Financial Occupancy Rate	94,2 %	96,6 %
Equity Ratio	37,8 %	40,8 %
Financing-Related Ratios		
Interest Bearing Liabilities, Period End, MEUR	373,9	337,6
Average Interest Rate, Period End	3,05 %	4,83 %
Interest Coverage Ratio	3,3	2,2
Loan to Value	58,9 %	57,2 %

# Sales & Earnings

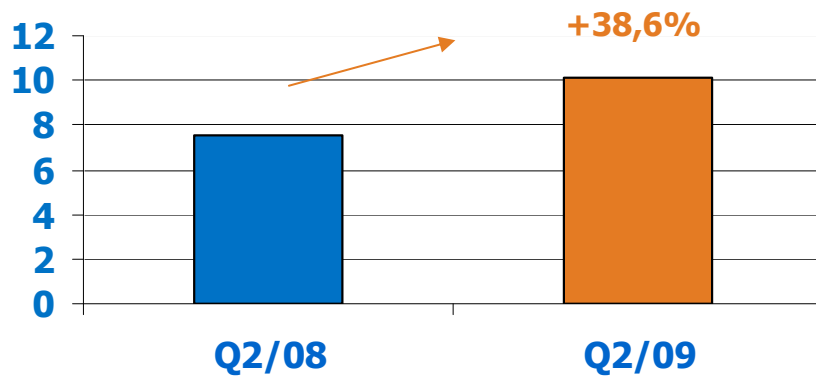
Net sales, EUR million



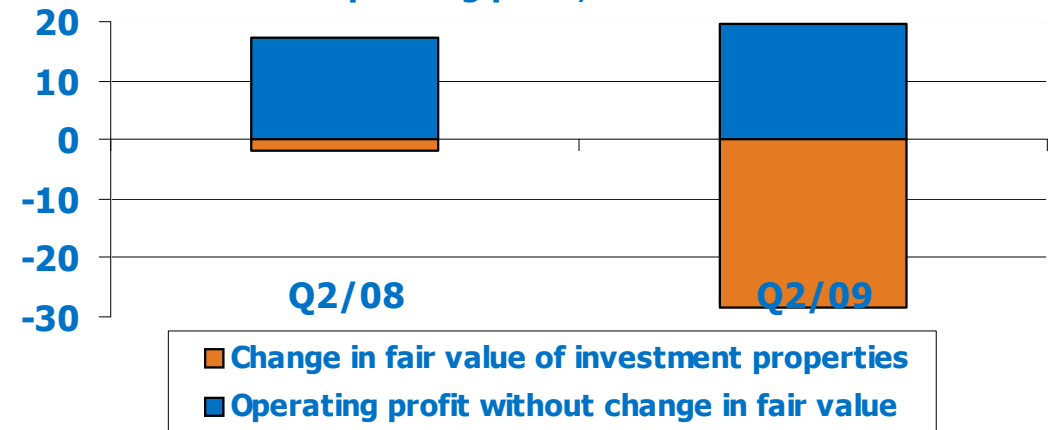
EBITDA, EUR million



Direct result, EUR million

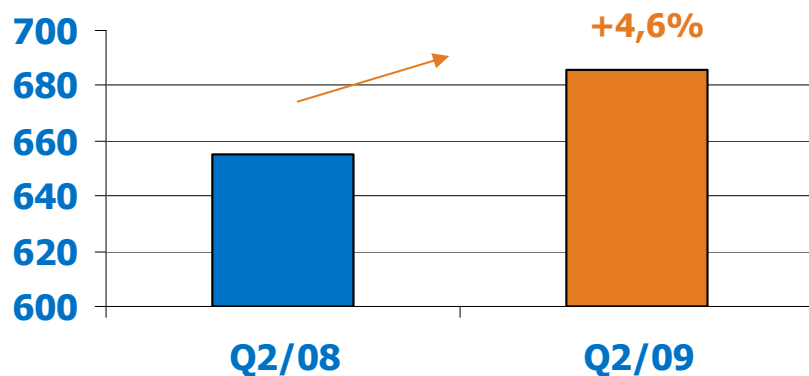


Operating profit, EUR million

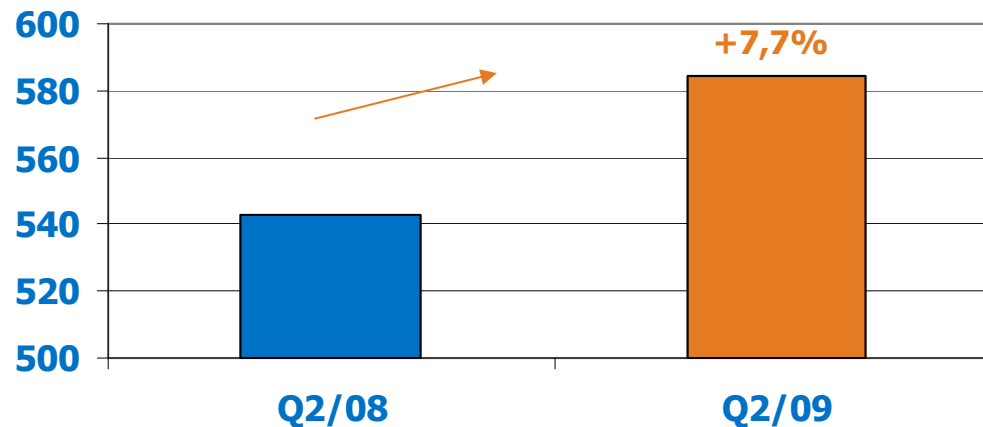


# Balance Sheet

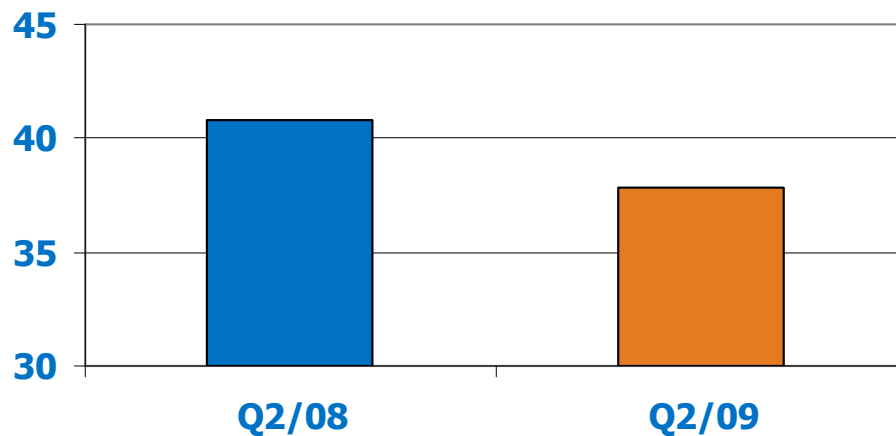
Total assets & liabilities, EUR million



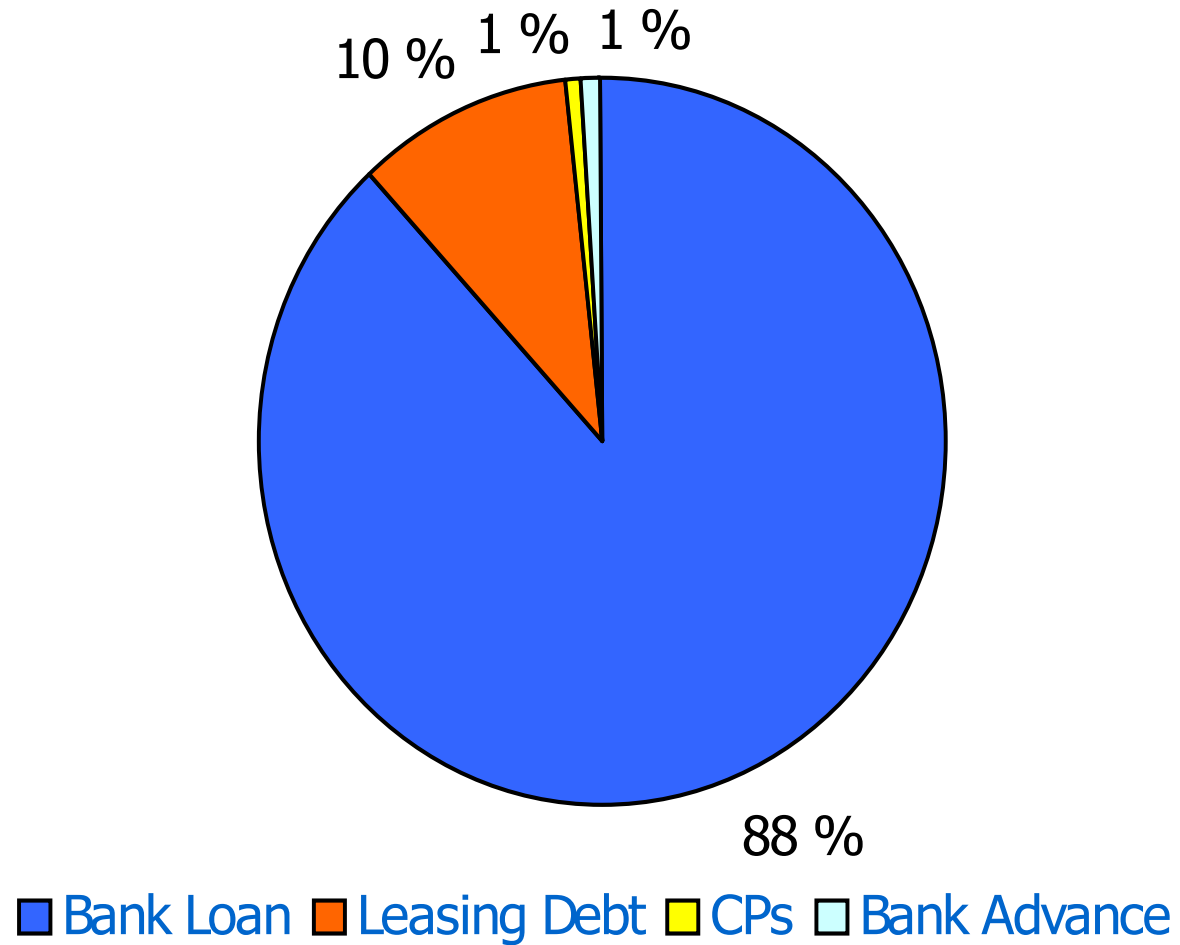
Fair value of investment properties, EUR million



Equity ratio %



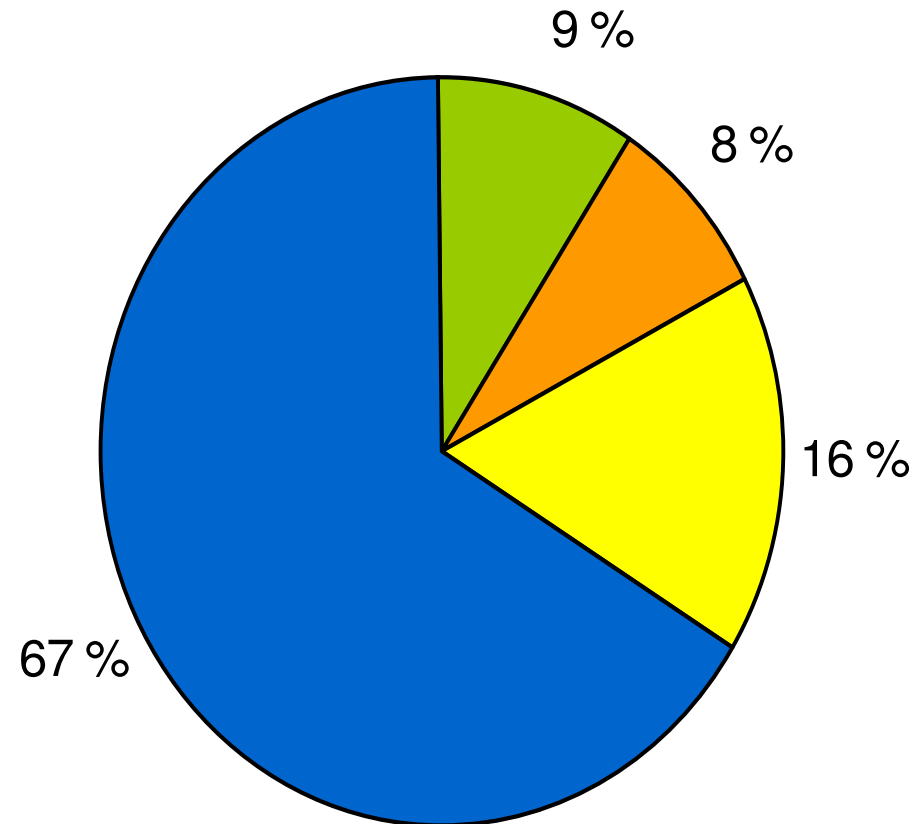
# Breakdown of Loans



Total loans 30.6.2009 MEUR 374

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# Covenants and Bank Guarantees

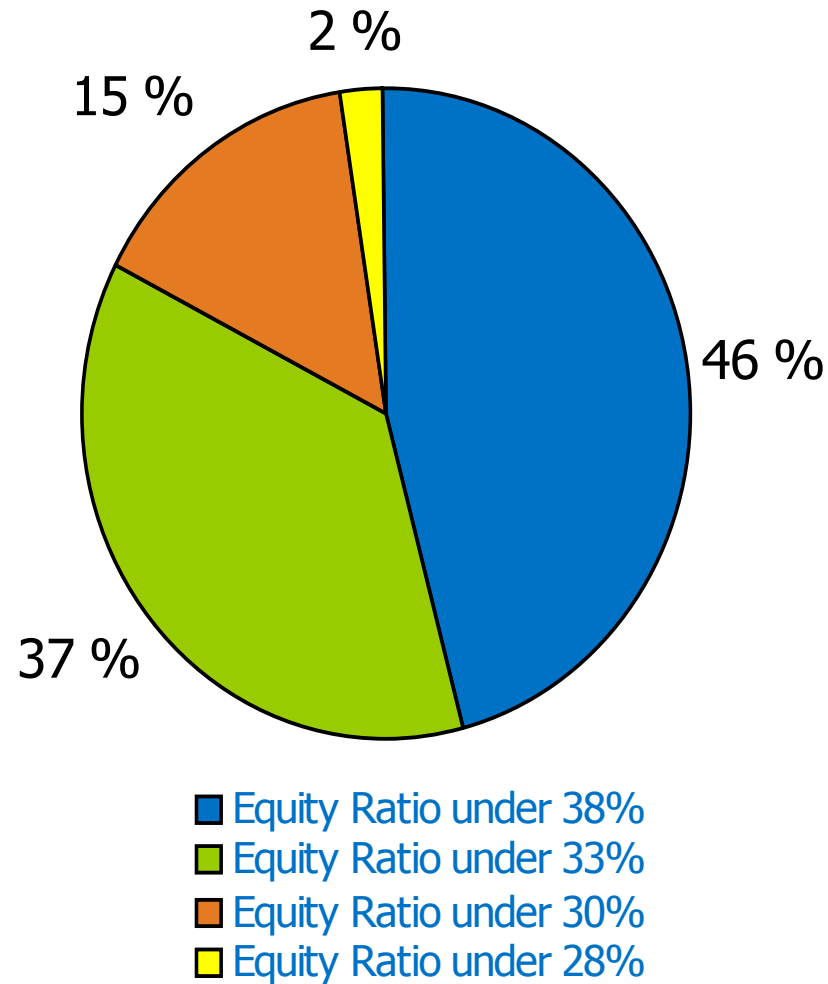


- Loans Requiring Bank Guarantees with Covenants
- Loans Requiring Bank Guarantees without Covenants
- Loans with Covenants
- Loans without Covenants or Bank Guarantees

Total loans 30.6.2009 MEUR 374

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# Covenant-Required Minimum Equity Ratio Breakdown

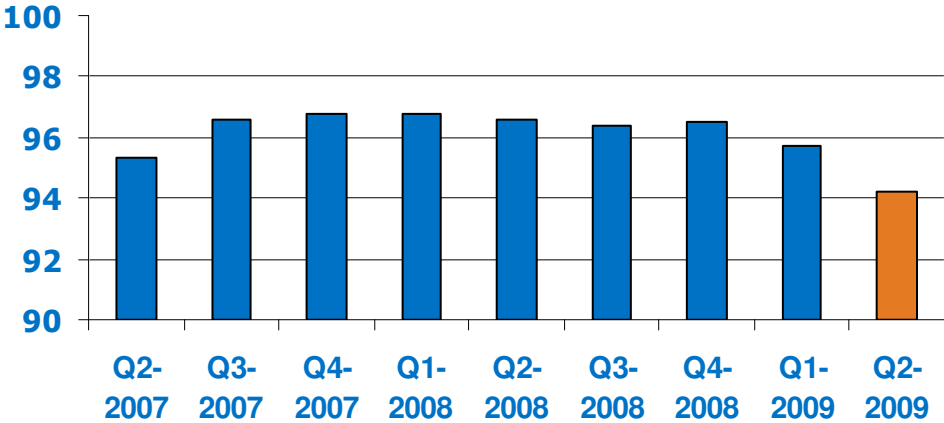


Total loans with covenants MEUR 65,5

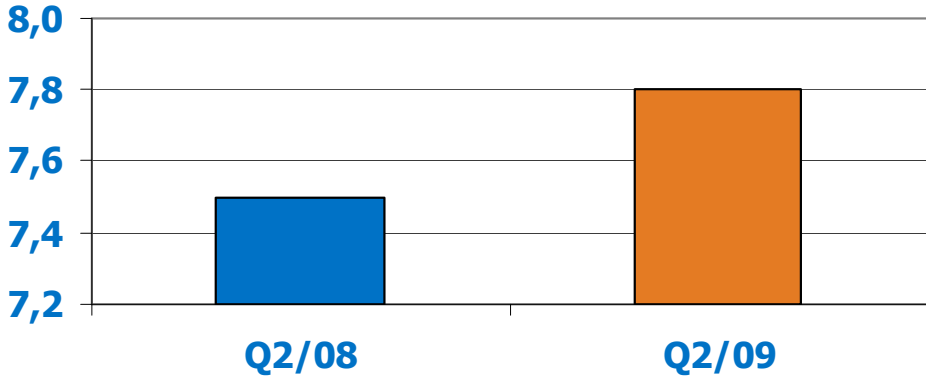
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# Occupancy & Net Rental Yield

Financial occupancy rate %



Net rental yield, %



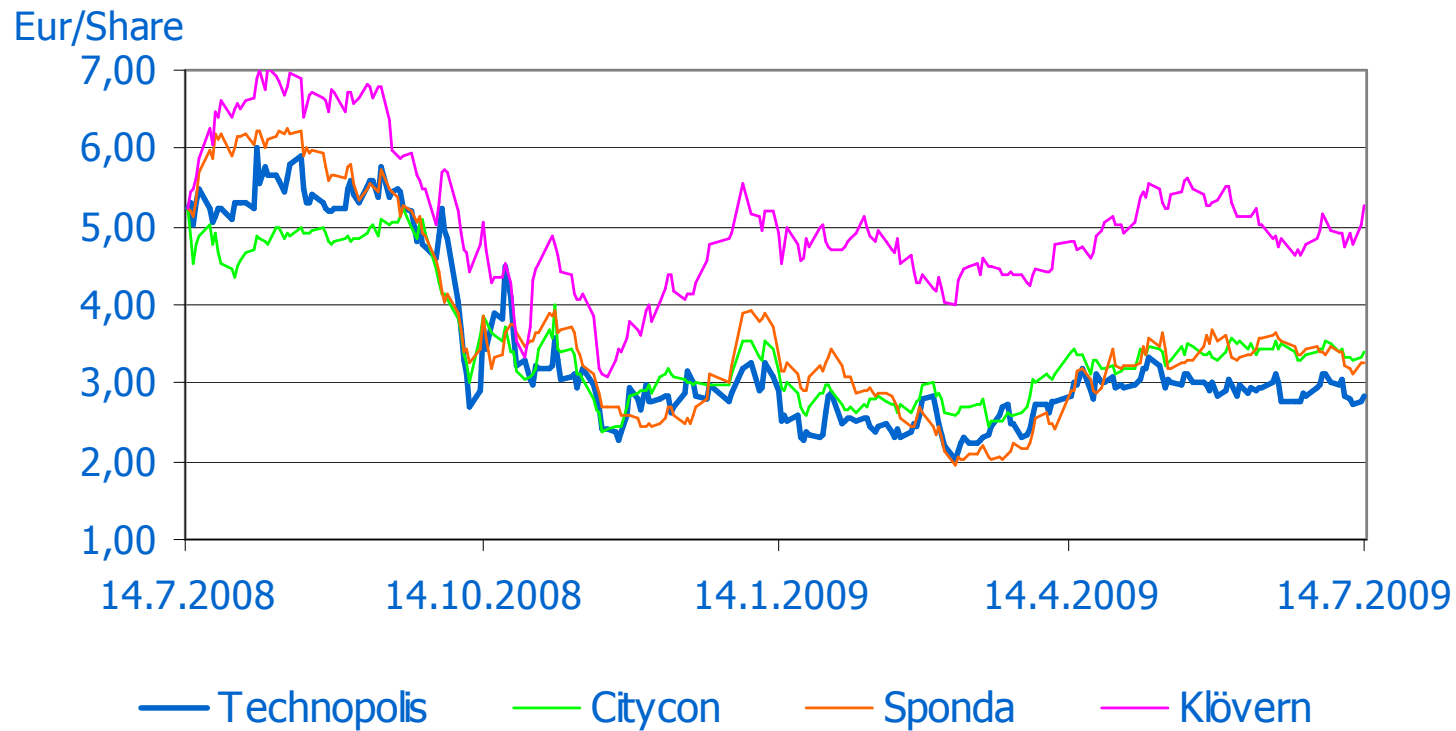
# Shareholders

Major Shareholders	% of Share Capital	Number of Shares
Varma Mutual Pension Insurance Company	9,37	5 374 740
Ilmarinen Mutual Pension Insurance Company	6,52	3 737 725
City of Oulu	5,34	3 062 925
City of Tampere	3,41	1 956 649
Jyrki Hallikainen and Kickoff Oy	2,27	1 300 000
OP Life Assurance Company Ltd	2,13	1 222 884
OP Pension Fund	1,54	885 938
OP Pension Foundation	1,32	757 380
The Finnish Cultural Foundation	1,24	712 693
Odin Finland	1,23	707 200
Total	34,37	19 718 134
Nominee registrations	42,47	24 352 267

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# Share price

## July 14, 2008-July 14, 2009 (peers scaled)



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# 2009 Outlook

- Demand deteriorating
- Significant risk of declining financial occupancy
- Challenges to net sales and EBITDA if occupancies decline
- Continued actions to safeguard profitability also in difficult conditions
- 5-8 % net sales and EBITDA growth forecast still in effect

# Vision 2014

- Operating in the best knowledge intensive cities in Finland, Russia and 2-3 other countries
- Average annual revenue growth 10 %
- Both organic and M&A-based growth
- 25 % of the revenue earned outside Finland
- Equity ratio 35 %

# Thanks!



## Technopolis Management Team

Reijo Tauriainen, Keith Silverang, Satu Eskelinen, Jukka Akselin

[keith.silverang@technopolis.fi](mailto:keith.silverang@technopolis.fi)  
+358 40 566 7785

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