

Results for 1-6/2015

August 20, 2015

Q2 in Brief

A Strong Performance

- > Occupancy remained strong at 94.1* (93.5)%
- > Net sales up 11.3% & EBITDA up 17.8%
- > EBITDA margin at 56.4 (53.3)%
- > Service revenues up 18.1%
- > Non-recurring income of EUR 5.4 million
- > Strong cash of EUR 98.7 million

*) 10,000 m² under renovation and 8,500 m² of unoccupied but rented space

Non-Recurring Income

New Opportunities from Early Terminations



- > Total revenue impact EUR +5,4 million
- > Penalties amounts to 50% of contract value
- > **30,000** m² freed up
- > **11,400** m² (38%) already resold
- > Available space **18,600** m² (62%)
- > Good prospect base for the rest

24.8.2015

Changes in Fair Values

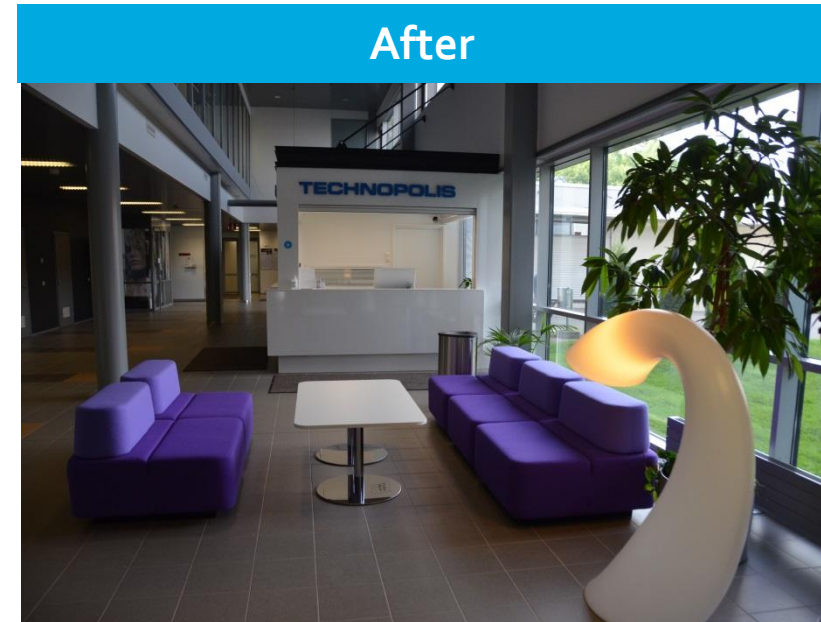
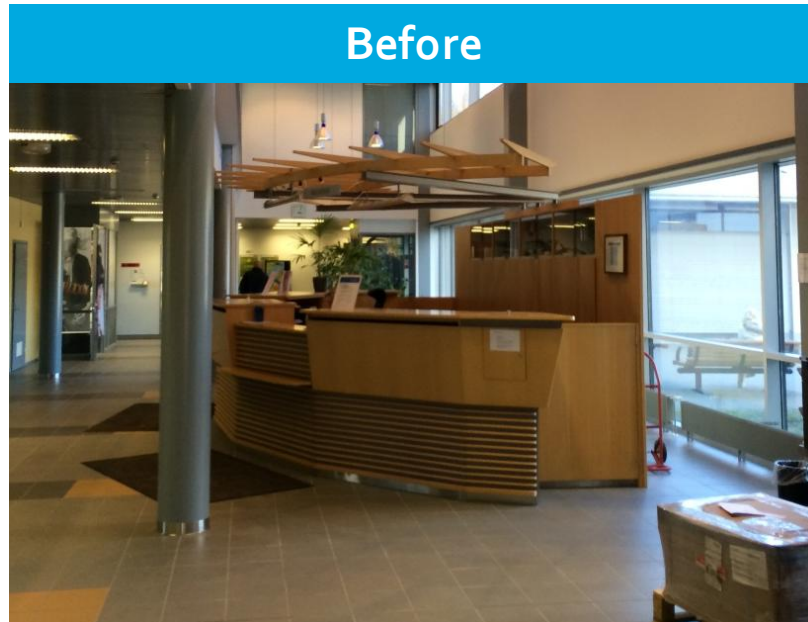
Modernization & Concept Program Now Complete

	Market Yield Related	Occupancy Assumption	Modernization	Projects in Progress	Total
Finland	3.3	0.6	-15.6	0.5	-12.1
Baltic Rim	-0.7	-0.2	-3.1	5.9	5.3
Scandinavia	1.2	-	-2.4	-	-2.7
Total	3.8	0.4	-21.1	1.4	-9.5

Changes in EUR million

- > Modernization program now complete & will no longer **negatively** impact fair values
- > **Direct correlation** with OCR, customer satisfaction, sales & earnings demonstrated
- > Investments in infra & concept will continue but will be FV **neutral** or **positive**

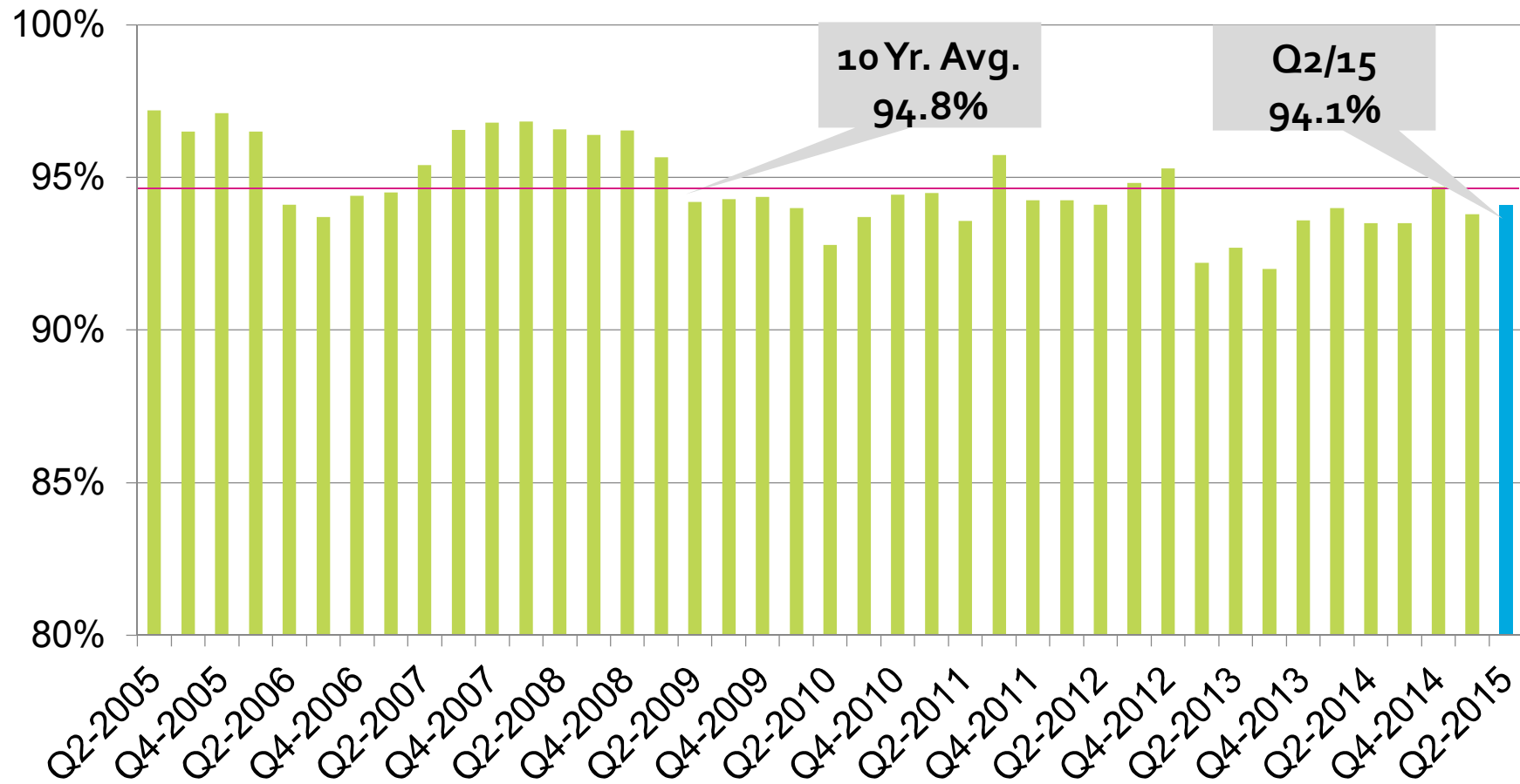
Concept Investments



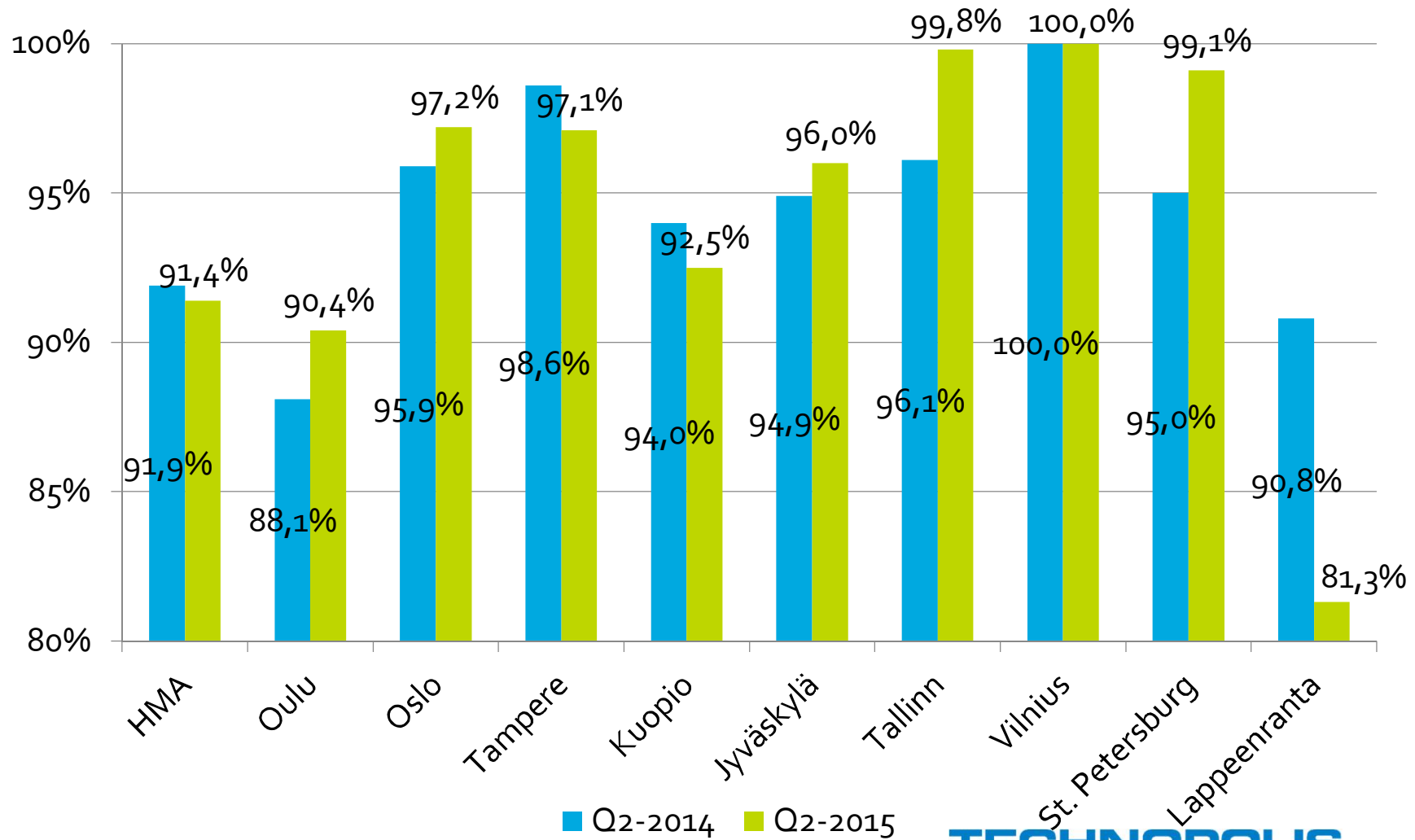
Campus: Ohjelmakaari 10 , Jyväskylä, Finland

- Concept investments of EUR 4.9 million in since 2014
- Covers restaurants, public areas, signage, conference space, receptions etc.
- Minimum standards key to creation of authentic chain operation & scale advantages

Group Financial Occupancy



Unit Occupancy



24.8.2015

Organic Growth Projects

Area	Name	m ²	EUR million	Stabilized yield, %	Financial OCR/ Pre -OCR, %	Completion
Tallinn	Löötsa 8A	7,500	11.8	9.1	98.6	9/2014
St. Petersburg	Pulkovo 2	18,700	42.0	12.6	99.2	9/2014
Tallinn	Löötsa 5	9,200	17.0	8.8	72.3	10/2015
HMA	Vantaa G	5,300	18.3	8.0	88.5	9/2015
Tampere	Yliopist. 3&4	11,900	39.0	7.2	35.8	7/2016
Vilnius	Delta	21,600	35.4	9.8	48.1	12/2016

Note: As of August 19, 2015. Projects in **grey** are not completed i.e. financial occupancy is pre-let rate

> Projects in progress total of EUR 109.7 million

Financing

A Big Cash Surplus

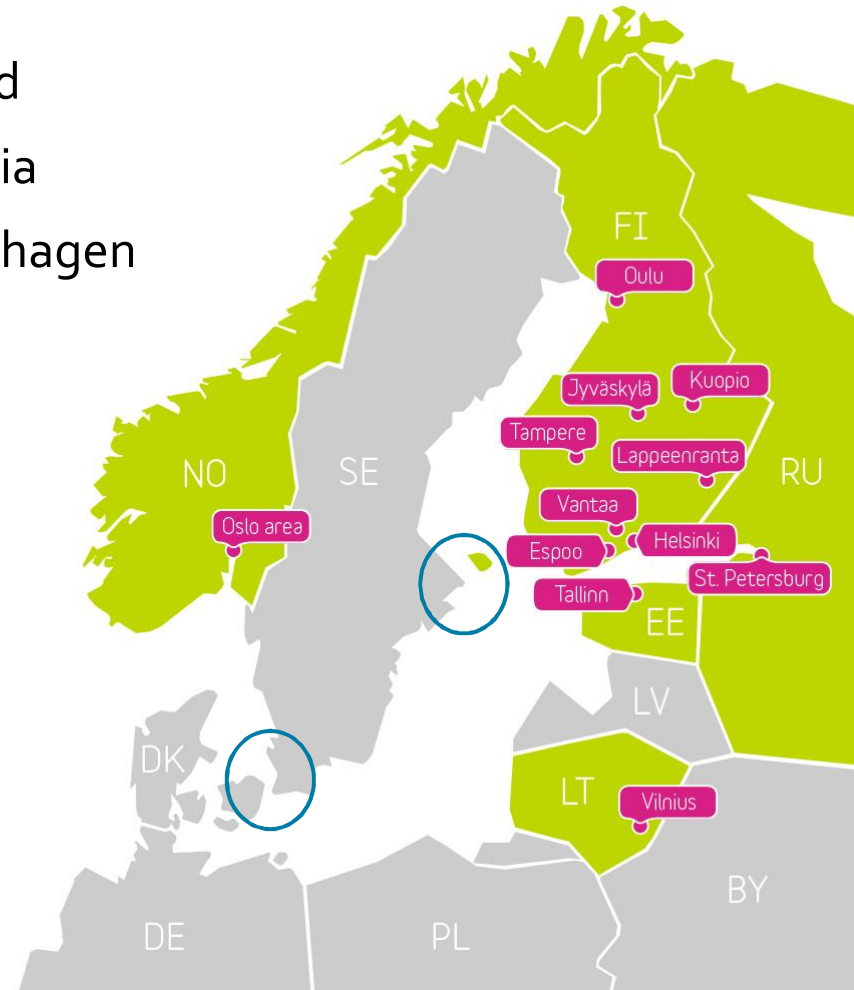
	Q2/2015	2014	2013
Average interest rate, %	2.63	2.43	2.46
Capital weighted loan maturity, years	6.2	6.1	7.0
Interest bearing debt, EUR million	917.2	841.9	861.9
Fixed rate, %	73.5	60.0	49.7
Interest cover ratio, %	4.4	4.8	5.3
Loan to value, %	63.1	59.7	59.5
Cash and equivalents, EUR million	98.7	28.3	54.1

- > Still very low interest rate
- > Loan-to-value to decrease and equity ratio to increase in Q3
- > EUR 22 million will be used for repayments in Q3

2015 Strategy Review

Focus on the West

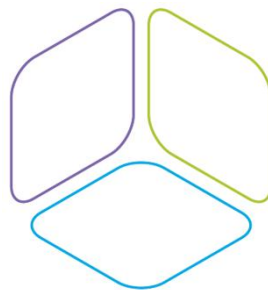
- > The overall strategy remains unchanged
- > We will focus acquisitions on Scandinavia
- > We will prioritize Stockholm and Copenhagen



2015-2020 Strategic Financial Targets

- > Average net sales and EBITDA 10% p.a. (previously 15%)
- > Service penetration at least 15% by 2020 (2014 penetration: 10.5%)*
- > 5.5% return on capital employed p.a. (previously 6%)
- > Equity ratio above 35% over the cycle (unchanged)

* Like-for-like



Looking Ahead

2015 growth guidance:

- > On June 12, 2015, the company updated its 2015 growth forecast, calling for net sales to grow 4-6% and EBITDA to grow 5-7%.
- > We're sticking with this guidance for now.



Appendices: Additional Data

Finland

	Q2/2015	2014	2013
Rentable space, m ²	534,200	543,200	555,900
Rent, €/m ² /mo. avg.	16.51	16.79	16.21
Financial occupancy rate, %	92.4*)	93.7	92.9
Net rental income, EUR million	57.6	103.3	94.9
Net sales, EUR million	66.4	118.6	109.4
EBITDA, EUR million	38.1	62.6	56,1
Market yield requirement, %	7.9	7.9	7.9
Fair value of investment properties, EUR million	958.3	951.9	981.0

*) *) 10,000 m² under renovation and 8,500 m² of unoccupied but rented space

Baltic Rim

	Q2/2015	2014	2013
Rentable space, m ²	139,100	135,800	119,500
Rent, €/m ² /mo. avg.*)	14.42	14.00	15.04
Financial occupancy rate, %	99.6	98.4	99.1
Net rental income, EUR million	12.5	23.6	15.3
Net sales, EUR million	13.2	24.9	15.9
EBITDA, EUR million	7.1	13.4	7.6
Market yield requirement, %	8.9	8.7	9.0
Fair value of investment properties, EUR million	245.1	224.7	212.4

Scandinavia

	Q2/2015	2014	2013 *)
Rentable space, m ²	64,800	63,000	71,400
Rent, €/m ² /mo. avg.	22.05	22.03	21.16
Financial occupancy rate, %	97.2	95.6	89.5
Net rental income, EUR million	9.1	18.0	1.0
Net sales, EUR million	9.5	18.2	1.0
EBITDA, EUR million	4.9	12.0	0.6
Market yield requirement, %	6.3	6.4	6.5
Fair value of investment properties, EUR million	207.1	201.8	217.0

*) December 11-31, 2013

Leases

Lease stock, % of space Maturity in years	Q2/2015	2014	2013
<1	21	17	22
1-3	22	23	22
3-5	11	12	13
>5	22	22	26
Open-end leases	24	26	17
Av. Maturities in Mo	38	39	35
Lease stock, EUR million	437.4	455.9	470.5

20 largest customers leased approximately 29.7% of the company's rented space on June 30, 2015

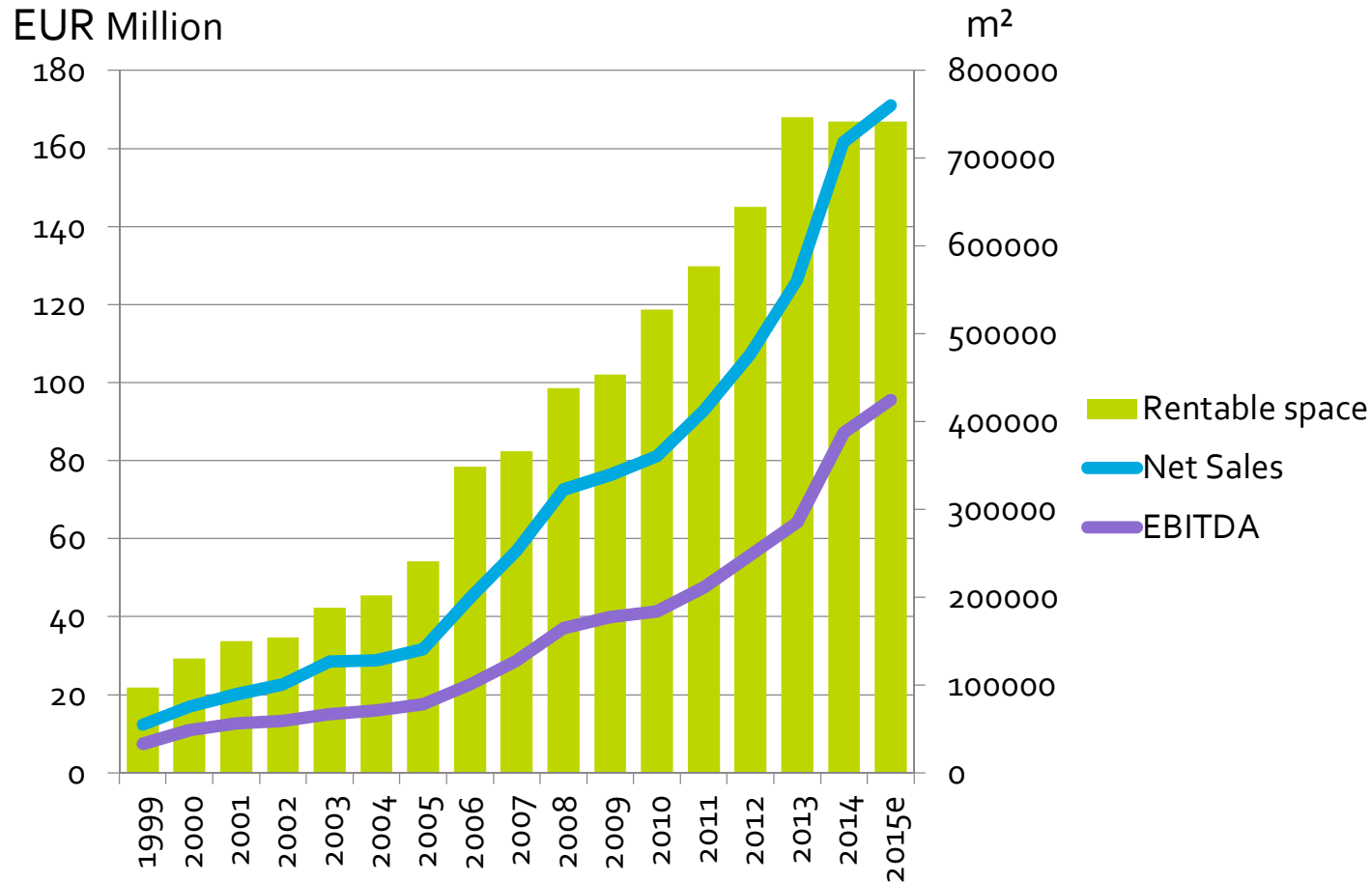
EPRA and Real Estate

EPRA-based and Real Estate Indicators	2010	2011	2012	2013	2014	1-6/2015
Direct result, EUR million	20.9	24.6	29.9	40.5	55.9	27.3
Increase, y/y	-3.3%	17.6%	17.2%	35.6	38.1	9.2
EPS (from direct result, undiluted)	0.29	0.34	0.38	0.47	0.53	0.26
Net asset value/share, EUR	4.52	5.10	5.12	4.94	4.52	4.59
Financial occupancy rate, %	94.4	95.1	95.3	93.6	94.7	94.1
Net rental yield, %	7.7	7.8	7.8	7.6	7.5	7.7
Rentable area, m ²	527,800	576,900	644,300	746,800	742,000	738,100
Increase, y/y	16.4%	9.3%	11.7%	15.9%	-0.01%	n/a
Fair value of competed investment properties, EUR million	727.7	843.8	956.5	1,410.4	1,378.4	1,410.6
Fair value changes, EUR million	2.7	26.3	-5.7	-17.6	-40.5	-9.5

IFRS Figures

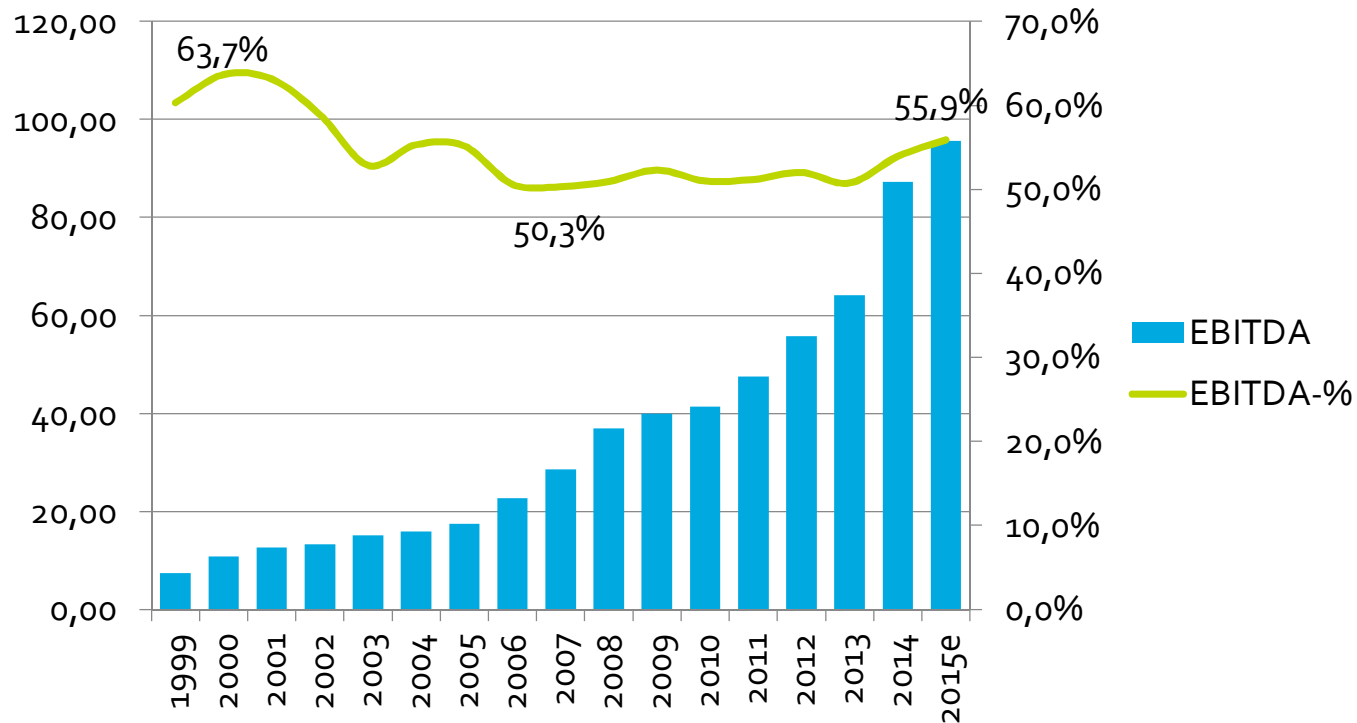
Summary of Income Statement, EUR million	2010	2011	2012	2013	2014	1-6/2015
Net sales	81.2	92.8	107.3	126.3	161.7	89.1
Other operating income	1.6	1.2	1.7	2.0	0.5	0.0
EBITDA	41.4	47.5	55.8	64.1	87.2	50.2
Operating profit	43.0	72.0	48.0	43.9	42.9	38.7
Profit before taxes	33.6	60.0	34.5	22.6	0.6	24.6
Net profit for the year attributable to parent company shareholders	23.3	46.7	25.8	28.8	-11.7	20.1
Summary of Balance Sheet, EUR million	2010	2011	2012	2013	2014	1-6/2015
Total assets	827.6	962.9	1,082.7	1,560.3	1,502.9	1,610.3
Cash and bank	4.5	12.5	15.7	54.1	28.3	98.7
Shareholders' equity	307.6	343.2	389.5	624.3	575.6	606.3
Interest-bearing liabilities	457.9	547.7	608.1	861.9	841.9	917.2
Key Indicators and Financial Ratios	2010	2011	2012	2013	2014	1-6/2015
EBITDA/net sales, %	51.0	51.2	51.9	50.8	53.9	56.4
Dividend/share, EUR	0.15	0.17	0.18	0.10	0.15	n/a
Share price, December 31	4.08	3.35	3.57	4.35	3.70	n/a
Return on equity (ROE), %	8.2	15.0	7.4	6.2	-0.5	n/a
Return on investment (ROI), %	6.2	9.0	5.5	3.6	3.3	n/a
Net debt/equity (gearing), %	147.4	156.0	152.1	129.4	141.4	135.0
Employees in Group companies, average	135	158	178	187	214	232

EBITDA, Net Sales & Rentable Space



Net Sales & EBITDA 2015 are analysts' consensus estimates
 Rentable space from year-end 2014 to 2015 is assumed to be fixed

EBITDA and EBITDA-%



- EBITDA-% turned upward in 2014
- Market expects trend to continue

Shareholders

July 31, 2015	# 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	1,679,372	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
Sijoitusrahasto Evli Suomi Pienyhtiöt	831,994	0.8
Jenny and Antti Wihuri Foundation	738,398	0.7
10 largest shareholders, total	48,066,220	45.1
Foreign shareholders, total	35,912,381	33.7
Others, total	22,533,031	21.2
Total amount of shares	106,511,632	100