

Renor

ANNUAL REVIEW

2012



2012 key events



PUUVILLA SHOPPING CENTRE

Renor and Ilmarinen began construction of Puuvilla Shopping Centre in November 2012 after a long period of project development work.

LAHTI

At the Asko 2 property, construction began of the market place and the almost 4,200 square metres of offices connected to it.



FORSSA

A major logistics company started operations in the Finlayson area in 2012.

BRAND RENEWAL

Renor revised its strategy, and at the same time renewed its corporate identity. With the new identity we wish to communicate our new strategy and serve our customers even better.

Renor

in brief

- Renor Oy is a Finnish real estate development and investment company with a human face.
- We give historic industrial buildings a new life, tailoring premises to individual customer needs. *We help revive dynamic urban environments and support sustainable development.*
- Our vision is to be the most reliable partner of business premises clients and provide professional service.



2012 in figures

Market value of
property assets

EUR **167**
million

Return on
property assets

7%

Leasable area

308,000
m²

Unused building
rights

320,000
m²

Number of
personnel

36

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main properties

ASKO AREA • www.askonalue.fi
PUUVILLA • www.porinpuuvilla.fi
PMK BUILDING • www.pmktalo.fi

FINLAYSON AREA • www.finlaysonalue.fi
WSOY BUILDING • www.wsoytalo.fi
KARISTONKULMA • www.karistonkulma.fi
TIKKURILAN SILKKI • www.tikkurilansilkki.fi

For Renor 2012 was a *busy, eventful year*. It was also a successful year for its business operations.

The actual net return on Renor's properties was slightly better than our target. Higher financing costs pushed the company's net result down compared to previous years, however. Renor's total occupancy rate at the end of 2012 was 58 per cent.

The most important event in the year was the decision to go ahead with the investment in the Puuvilla Shopping Centre in Pori, and the start of construction. This was made possible by the anchor tenant agreement signed with Kesko Food Ltd for K-citymarket premises in the new shopping centre. Several other leases were signed and we achieved the occupancy rate needed for us to decide to go ahead with the investment. We also succeeded in arranging financing for the project, and we signed a contract with Skanska Talonrakennus Oy to carry out the project at the beginning of November. With the decision to go ahead with the investment, Ilmarinen also became an owner of Puuvilla. The Puuvilla property is now owned jointly by Renor and Ilmarinen Mutual Pension Insurance Company with equal holdings. The Puuvilla Shopping Centre will be completed and opened to the public in autumn 2014.

In Lahti, Renor obtained new clients in the Asko area. Demand was particularly strong for the Asko 2 building, which has developed into a very significant concentration of office employment. Investments in the property are made to meet the needs of new clients. During 2012 one of the biggest investments began in the redevelopment of the property, building premises for Andritz Oy where 150 employees will work. The project will be completed by the summer of 2013. In Lahti, since we are a landowner in the area we were involved in the Radanvarsi (By the railway) idea competition organized by the City of Lahti. This aimed to find new ideas and solutions for future construction in the area beside the railway through an architecture competition. At our other properties, overall the year was similar to previous years.

Renor completed the refinancing of its property portfolio at the beginning of 2012. The long-lasting debt crisis in the euro area and tighter regulation

in the finance sector also affect business financing and the finance market. This is also reflected in the availability and price of property finance.

During 2012 Renor continued the revision of its strategy and completed its strategic planning. The Renor of the future wishes to be the most competent and most highly regarded redeveloper of existing property in the Finnish property market. Its business is based on creative, open-minded redevelopment of property.

Customer value forms the cornerstone for Renor's business operations. In their business activities, our clients continuously face changing challenges and changes in their business environments. Renor wishes to serve its customers in a changing environment, so that the business premises support the success of the client's business in all situations.

A very significant part of Renor's property portfolio comprises historic industrial milieus and



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The properties that we will work on in the future have a history of use for one or more purposes, and have now reached the point where it is necessary to find a new use for them.

Timo Valtonen, President and CEO

properties on these sites that we have systematically developed. In addition to these, we also wish to expand our business operations to other existing properties and redeveloping them. The properties for redevelopment must be important for the community, so that in general people want a new use to be found for them, or it must be important to keep them for the sake of the urban environment and the built environment.

Our strategic choice is that the sites are located in growing urban environments. Urbanisation and the development of the urban structure create opportunities for finding new uses. Everything depends on solving the needs of clients for premises in the properties to be redeveloped. In our opinion, sustainable development means above all utilising and redeveloping the existing built community. Material efficiency through increasing the use of existing property supports sustainable development. New building is not always the best or the only option. Existing properties are already part of the built environment and they utilise the existing infrastructure. This brings cost-efficiency and also saves the community's resources. Renewing the technology in old properties improves their energy efficiency and through this reduces the carbon dioxide load from the built environment. At their best, existing properties are also aesthetically pleasing and attractive

environments that add a new dimension to many different activities.

Renor revised its strategy, and at the same time renewed its corporate identity. With the new identity we wish to communicate our new strategy and serve our customers even better.

Renor's Executive Vice President Hannu Katajamäki left the company's service at the end of the year after a long career. Hannu worked from 1987 onwards for Asko and then Renor. He has headed up leasing and maintenance activities and was involved in developing Renor's property business. I would like to thank Hannu Katajamäki for his valuable contribution to Renor. Hannu continues his work as a shareholder in Renor and as a member of its Board of Directors.

I would like to thank our clients and partners for the excellent cooperation with them and for their confidence in Renor. In addition, I express my warm thanks to Renor personnel for their work and efforts during the past year and to the owners for the smooth cooperation with them. We continue our work of developing an attractive and sustainable built environment.

Timo Valtonen
President and CEO

Renor gives historic industrial buildings a new life, tailoring premises to *individual customer needs*

Increasing demands in society for sustainable development create excellent opportunities for redeveloping existing old properties in Finland. Renor has demonstrated its excellence in this business in the past and has the chance to further reinforce its position as the most highly regarded redevelopment company in the property business.

Renor gives historic industrial buildings a new life, tailoring premises to individual customer needs. It helps revive dynamic urban environments and supports sustainable development.

Renor wishes to be the most competent and most highly regarded landlord and developer of existing properties in the Finnish property market. The goal is to develop the properties and areas of land owned by the company and in this way maintain a sustainable and attractive built environment. The company aims to increase the use and redevelopment of existing historic properties in Finland.

Renor considers its clients as its most important value and has the goal of forming long-term partnerships with them. The business operations of its clients face many challenges and changes. Renor wishes to serve clients in a changing business environment and ensure they have competitive business premises in all situations. The goal is to develop a customer-oriented, service business model in which the focus is on creating the premises needed by the client and facilitating all related business requirements.

Renor wishes to be the most competent and most highly regarded redeveloper of old properties in the Finnish property market.





Renor's properties

Total leasable
area

308,000
m²

Occupancy rate

58%

Market value
of properties

EUR 167
million

Return on
market value
of properties

7%

Renor owns properties in Forssa, Helsinki, Hämeenlinna, Lahti, Pori, Porvoo, Tampere and Vantaa. At present offices, commercial premises, industry and warehouses operate on the properties. Renor also owns individual commercial premises and plots of land that are for sale.

Renor is the leading *redeveloper* of old properties in Finland

The company owns several large former industrial properties that it is developing for new usage following the principles of sustainable development. In its property development the company takes into account environmental values and the needs of the community. It carries out this development work in cooperation with towns and municipalities, and with the Finnish National Board of Antiquities or the regional museum. The company owns altogether some 308,000 square metres of leasable premises and has about 320,000 square metres of unused building rights.

The biggest achievement in property development in 2012 is, without any doubt, getting the Porin Puuvilla shopping centre project to the point where it was possible to start construction work. The goal is to open the new shopping centre to the public during the autumn of 2014.

Renor has also been actively involved in developing the station district in Lahti. An open design competition was held during 2012 in the district, which the Asko area owned by Renor is part of. The City of Lahti is participating in developing the district together with its landowners, on the basis of the ideas in the winning designs in the competition. The goal is to develop a flexible town planning solution for the district that looks far into the future.

The PMK building in Tampere is one part in the city's town planning for Ratapihankatu Street. Renor's goal is to develop the property so that it will be able to make use of the new office and residential building rights on its plot of land.

Renor is also actively developing its property portfolio. Some of the properties are for sale and at the same time the company is looking for other properties that deserve a new life to add to its portfolio.

All activities start from the needs of customers, including property development. Customers are in the public and private sector.



Renor is the most reliable partner for a business premises client, providing professional service.



The biggest development sites at the moment are the Asko area in Lahti, Puuvilla in Pori, the Sonck warehouse L3 in Jätkäsaari in Helsinki, and Tikkurilan Silkki in Vantaa. The company's other development sites are the PMK building in Tampere, the Finlayson area in Forssa, the WSOY building in Porvoo, Karistinkulma in Hämeenlinna, Höyläämötie 3 in Helsinki and Ansatie 3 in Vantaa.



Year of strong growth in Asko area

The Asko area has the biggest land area of Renor's sites and is part of the central district of Lahti. The area is almost two kilometres long, is bordered on one side by national highway 12, and the Lahti-Helsinki motorway is just a couple of minutes' drive away. The Asko area is located beside Lahti railway station and the journey from Helsinki to Lahti takes less than an hour on the direct line. The area is being vigorously developed.

The wide range of businesses in the area has brought clients synergy benefits, since they do not need to go outside the area to look for services. The Asko area has plenty of parking space and is served by three luncheon restaurants.

The construction work that began in 2012 on the area called Tori (the market place) and the almost 4,200 square metres of office premises linked to it are, for Lahti, one of its biggest building projects. The premises being built on the Asko 2 property will be taken into use in summer 2013. A new luncheon restaurant is planned for the Asko 2 building beside Tori.

The roof work for the Asko 2 and Asko 3 properties and the parking facilities on the eastern side of the area were completed early in the autumn in 2012. This gave 460 new parking spaces for customers. Altogether 8,000 m² of premises were renovated in the whole of the Asko area in 2012.

A new cold water plant was completed for Asko 2 in summer 2012. About 2,500 m² of the

offices in the area are cooled with groundwater. The number of premises with cooling will rise in summer 2013, when the Tori Area and new offices are taken into use.

Sale of the plots of land on Moisioinkatu Street began in summer 2012. Apartment blocks, row houses and one family houses are planned for the area.

The City of Lahti began an extensive development project, and connected to this was a design competition for developing the station district and the travel centre. The Asko area is within the area for the competition and Renor will be actively involved in the development project. The Radanvarti architectural competition for the area by the railway in central Lahti was one of the biggest architect competitions for Word Design Capital 2012. The designs for the competition provide a diverse platform for future town planning of the area by the railway.

In her grandfather's footsteps

"My sister and I own Messua Oy, which our father set up 26 years ago. We are third generation entrepreneurs, carrying on in the spirit of advertising agency Mainos Arvelin, which our grandfather set up in the 1960s. We have special ties with this building, for before he set up his own business our grandfather worked in Asko's product display department, which was located in this building. We plan and implement fairs for our customers in Finland and abroad. When you have your own business, all working days are enjoyable, since you can do the work that you want to do. We have a bunch of highly skilled professionals here, and it's a real pleasure to work with them. Some of the high points are the moments when together we bring a major project to a successful conclusion."

ERIIKKA KALLIOKOSKI,
Managing Director, *Messua Oy*

“

The train will whisk you from Helsinki to the Asko area in just 45 minutes.



The wide range of businesses in the Asko area brings clients synergy benefits.



Aukusti Avonius began mass production of furniture in Lahti in 1918. Over the years production expanded to domestic appliances. These businesses formed the basis for Asko Corporation, which later became Uponor Corporation. The industrial operations of Asko and Upo ended mainly in the 1990s. The Asko area comprises 40 hectares of land and several industrial complexes. When Renor became the owner of the Asko area, work on clearing and cleaning up the industrial site got underway and property development began in the area.

Office, production and warehouse premises

127,000
m²

Number of clients

232

Occupancy rate

57%

Unused building rights

250,000
m²

Puuvilla has a catchment area of 230,000 people in the Satakunta region.



Office, production and warehouse premises

33,700
m²

Number of clients

55

Occupancy rate

91%

Unused building rights

80,330
m²

Gustav Efraim Ramberg established the Porin Puuvillatehdas (Pori cotton mill) in 1898. The old spinning mill, the weaving mill, and the head office and residential buildings built in the 1930s are of cultural and historical importance. Finlayson acquired Porin Puuvilla in 1973. Asko Group became the owner of Finlayson in the 1980s, and later Renor Oy became owner of the property. Finlayson's factory operations ended in 1994. A major step in the development of the area was when the University Consortium of Pori moved into the property in 1999.

Puuvilla has developed into the *largest business, education and leisure centre* in the Satakunta region

Porin Puuvilla is a property owned jointly by Renor and Ilmarinen, with equal holdings. The Puuvilla city centre block is located on the bank of the River Kokemäenjoki in the Isosanta district of Pori. The largest shopping centre in Satakunta will open its doors in the Puuvilla area in autumn 2014.

The Puuvilla area is one of the most important built cultural environments on the national list of the Finnish National Board of Antiquities. Puuvilla has changed from a former industrial environment into a modern, diverse cluster of business, government, science and culture, with a central location that attracts many organisations in different fields to the area – today there are more than 50 of them.

Renor and Ilmarinen are working with Skanska to build the largest shopping centre in the Satakunta region in the Puuvilla area, respecting its one hundred year old buildings. Some of the buildings that are in poor condition will be pulled down and replaced with new buildings. The goal is to open the shopping centre in autumn 2014. The

opening of the shopping centre will significantly boost the service offering for those visiting the area. The shopping centre will contain altogether 43,000 square metres of leasable retail premises.

At its height, the old cotton mill employed more than 3,000 people. Today well over twice that many people work and study in the area or visit the area on business. Puuvilla has become the biggest business and education centre in the Satakunta region, where organisations with a well-established local name such as the University Consortium of Pori, the development organisation Prizztech Oy, the regional newspaper Satakunnan Kansa, Pori Jazz, Rakastajat (lovers) theatre, Northern Pori health centre, Northern Pori dental surgery and the central dental surgery.

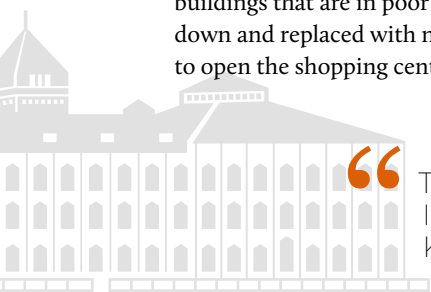
Traditions at Puuvilla mill continue

“I once visited the University Consortium of Pori on an open day, and I got the feeling that I would like to work there. There weren’t any plans at that time for the Northern Pori health centre or for the central dental surgery that was completed in summer 2012. But my intuition has been fulfilled anyway. Enjoyable days at work are busy and pass quickly with some short coffee breaks. You can see people from all sorts of walks of life at Puuvilla, and it has a lively atmosphere. The old, beautiful and dignified milieu gives your work a certain distinctive extra. I was close to my late grandmother, and she worked as a young girl at the cotton mill. It feels good that I am continuing this tradition.”

PAULIINA HIETASALO,
Leading Dentist, *City of Pori Welfare Centre*

“

The old cotton mill is one place to hear jazz in the summer. It is only a short distance from the mill by the river to Kirjurinluoto, the main site for the Pori Jazz Festival.



Construction underway of *largest shopping centre* in Satakunta

The Puuvilla Shopping Centre is a major part of the entire Porin Puuvilla property. When completed, the Puuvilla Shopping Centre will blend in with the rest of the Puuvilla area, respecting its 100-year-old historic milieu. The Puuvilla Shopping Centre will be a unique retail and service centre in the central district of Pori that supports the existing urban structure in the town.

Renor started planning the shopping centre project in the Puuvilla area back in 2006. The sector plan for the cotton mill city block was confirmed in 2008. This permitted the building of even a 50,000 square metre shopping centre and made it possible to go ahead with the project. In November 2012 Renor and Ilmarinen started construction of the shopping centre. Both parties are owners and investors in the project with equal holdings. Skanska Talonrakennus is responsible for the actual construction. The total cost of the construction project is some EUR 130 million. The project is of significance for employment in Satakunta. At its height, construction of the shopping centre will provide work for 300 people. When it is finished, the shopping centre will create 700–800 new permanent jobs. It is planned to open the shopping centre in autumn 2014.

The shopping centre will have 43,000 square metres of leasable retail premises. Puuvilla is located on the northern bank of the River Kokemäenjoki in the rapidly developing central district of Pori, and the central location and 2,000 parking spaces make it easy to get to the shopping centre and all of the Puuvilla area. The buying power of the 230,000 inhabitants of the Satakunta region creates a solid basis for successful business. The unique factory milieu, with its wide-ranging offering of stores, cultural life, restaurants and other services, will attract people from Satakunta and from further afield for shopping, to relax or just to meet friends. The anchor tenants in the shopping centre are

The shopping centre will have 43,000 square metres of leasable retail premises.





Target for
number of
visitors

5.5 million
customers
per year

Stores

80-90

Parking spaces

2,000

Sales target

EUR 115
million

Leasable
premises

43,000
m²

New permanent
jobs

700-800

K-citymarket, H&M and Stadium. Other stores include Aleksi 13, RAY, Tiger Stores, Tiimari, Bik Bok, Carlings, Cubus, Dressmann, Hairlekiini, BR-Lelut, Jack&Jones and Vero Moda.

The goal, and the overriding principle, for the Puuvilla Shopping Centre is a low emission energy solution. Geo-energy will be used for both heating and cooling. The target is to obtain 80% of the annual heating energy with geo-energy and 90% of the annual cooling energy. It is planned to obtain LEED certification for the shopping centre, with a gold class as the minimum target. LEED (Leadership in Energy and Environmental Design) is an internationally recognised and widely used environmental rating system for buildings. The excellent situation in the central district of Pori further supports the environmentally benign aspect, for it is easy to get there on foot, and by cycle, car and bus.

Eco-friendly
construction
is important
for consumers
and investors.

Inviting premises in a *charming industrial milieu*

The Finlayson area owned by Renor in Forssa on the bank of the River Loimijoki is one of the best preserved factory milieus in Finland. It is also one of Renor's most beautiful sites. The area comprises the wellbeing, care service and office complex in the Old Weaving Mill, the old Finlayson mill buildings, and a logistics centre.

The area is in a strategic location in the central district of Forssa between two hypermarkets, K-citymarket and Prisma. The Finlayson area is easily accessible, for Forssa is situated by national highways 2 and 10 in the centre of the southern Finland business triangle formed by Helsinki, Tampere and Turku. The Helsinki-Vantaa airport is just over an hour's drive away.

The Finlayson area offers excellent facilities for logistics operations, for the good traffic connections and loading areas and parking space make it easy to get to the area. A major logistics company that started operations in the Finlayson area in 2012 found premises that could be adapted to the company's needs, with easy access for articulated vehicles.

Over the years a cluster of health and wellbeing services has developed in the Old Weaving Mill. The property offers ideal facilities for companies in this sector, and several of them have operations there. Hoivakoti Pumpuli, which has offered

care services and sheltered accommodation with a higher level of care for the elderly since 2008, in 2012 opened the 18 bed Hoivakoti Pellava for dementia patients in the splendid milieu of the Old Weaving Mill. More examination rooms are also being refurbished for Suomen Terveystalo in 2013. There has been much demand for premises in the Old Weaving Mill from different businesses. The popularity of the building is no doubt due to the central location in an area of natural beauty on the bank of the River Loimijoki, and the comprehensive services available in the area.

One client operating in the area is the Finlayson logistics centre. The Forssa Finlayson factory outlet is also located in the former Finlayson mill building.

The revision of the town plan for the Forssa Finlayson area came into force in 2012. The new town plan makes it possible to plan the use of a larger area and gives freedom to further develop the vacant premises on the site for the needs of existing and potential clients.

Finlayson is the symbol of Forssa

"Finlayson's home textiles, such as duvet covers and towels, are manufactured in Europe and the Far East and then shipped to Forssa. We store them and send them to our customers mainly in Finland and Russia. I used to do quality control as well, and brought products home to test them. We have quite a lot of Finlayson products at home! When I was a little girl I used to go to the weaving mill on open days with my mother. I remember well the thumping of the weaving machines and the dust. It feels as if Finlayson has always been here and these red brick buildings are the symbol of Forssa. I always look forward to spring when the old rose bushes in the courtyard start to flower. Going to work past the sweet-smelling bushes is a real experience for me."

Merja Halonen, Foreman,
Finlayson logistics centre

“

The unique appeal of the Finlayson area has attracted new businesses to the area.



Over the years a cluster of health and wellbeing services has developed in the Old Weaving Mill.



The Finlayson area is a major site protected by the National Board of Antiquities. The area's history goes as far back as 1849, when Forssan Puuvillan Kehrui Yhtiö (Forssa Cotton Spinning Company) was established. A few years later the Wiksberg cotton weaving mill was set up. The Old Weaving Mill, which is of cultural and historical importance, was established in Forssa in 1878 by the British architect Edward Potts. The area later played a major role in the development of the city of Forssa. Renor became owner of the Finlayson area through the Asko Group, which acquired Finlayson in the 1980s.

Office, production and warehouse premises

73,000
m²

Number of clients

105

Occupancy rate

47%

Unused building rights

4,700
m²

The WSOY building has become a lively centre for business and services.



Office, production and warehouse premises

23,900
m²

Number of clients

98

Occupancy rate

79%

Unused building rights

1,700
m²

The history of the WSOY building goes back to 1897, when Count Louis Sparre, a resident of Porvoo, and A.W.Finch started the operations of the Iris works. The works made furniture designed by Sparre and ceramics created by Finch. Werner Söderström Osakeyhtiö purchased the property for its publishing operations in the 1904. Later, together with the other buildings on all of city block 18, the building developed into the most modern printing works in the Nordic countries. Renor purchased the WSOY building in 2005.

Green building *buzzing with activity*

The WSOY building is one of the biggest building complexes in Porvoo. The property is of great value, both historically and for the urban landscape. On the outside the building looks much the same as it did many decades ago. Inside, the old printing press building has been renovated many times to meet the requirements of different users.

The WSOY building, which occupies a complete block in the very heart of Porvoo, has become a lively centre for business and services. The central location makes the building easy to get to. The WSOY building has a leasable floor area of 23,900 square metres and some 100 clients have operations there. Public sector organisations and service sector companies in particular have found suitable premises in this building that is of cultural and historical importance. At present the property houses a family clinic, youth centre, music school, psychiatric polyclinics for children, young people and adults, recreational sports centre, gymnasium, masseur school, several wellbeing companies and workshops for young people.

In 2012 the premises of the children's psychiatric polyclinic were enlarged. The premises of the young people's workshops operated by the City of Porvoo were renovated and new premises were refurbished for an organisation providing services for the handicapped. The roof repairs were completed in 2012. As part of the roof repairs the ventilation in the roof was improved, which reduced the heat load on the attic. The roof repairs also greatly reduced the risk of leaking. In addition, 128 windows were replaced. The WSOY building city block still has 1,700 square metres of unused building rights, but this is not enough for filling in the whole block. To do this, a change in the town plan would be needed to obtain additional building rights.

Old building with a soul

"The organisation Kårkulla Samkommun looks after Swedish-speaking mentally handicapped people. Our offices are located in the WSOY building, and daytime activities for our clients also take place there. My work is challenging and varied, and the best thing about it is that I meet honest clients. It is nice to see when they are happy. I have lived in Porvoo since 1976 and I remember the time when the building was still being used as a printers. The building also brings back pleasant memories for me, for the Folkhälsan school used to be here. I belong to the Martha organisation, and at one time we used to hire the school kitchen quite often and prepare food together there. This building has its own distinct soul, like all old buildings."

GUNILLA BACKMAN, Regional Manager, *Kårkulla Samkommun*

“ Porvoo's town centre services and the charming Porvoo old town are within walking distance of the WSOY building.



Diverse range of premises in a *building of cultural and historical importance*

The PMK building – Puuvillatehtaiden Myyntikonttori (cotton mills' sales office) – functioned until the 1970s as its name implies as the sales office and central warehouse for the cotton mills. Today the property is a major office and business complex in Tampere. Companies operating in more than 80 different sectors function in the almost fully leased property.

The PMK building is centrally located in the Tammela district of Tampere, just under half a kilometre from the railway station. The central location, good parking facilities and convenient transport connections make the PMK building a popular property. The property is mainly suitable for sports/fitness, retail and office premises and for storage premises for these. The property offers premises for a variety of needs, from 10 square metres of storage to a 4,500 square metre fitness centre. A fitness and wellbeing centre, veterinary surgery and laboratory, planning office for the lakeside road tunnel, and a business gift department store operate in the PMK building.

The property contains 17,700 square metres of leasable office, retail and other premises. The clients represent many different business sectors, which makes it possible to take advantage of synergy benefits among those operating in the building. During 2012 minor maintenance repairs were carried out at the PMK building.

The future looks very bright for the PMK building. The status of its location and transport connections will improve with the change in the town plan for Ratapihankatu Street. When it comes into force, the change in the town plan will give the plot of land an extra 4,700 square metres of building rights, and a quarter of this is reserved for retail and office use and the remainder for residential use. The usage of the current PMK building will also widen as part of the change in the town plan.

Business gifts with good vibes

“We set up the company JM Concept Oy in 2006 for importing and selling high quality corporate gifts. I’m one of the two owners and I myself sell corporate gifts for different purposes. We have an elegant store with a character all of its own, and it feels good when clients come to look at our display and we make a sale. Next door we have also set up Kasipaino Oy, a silk screen and embroidery printers, so we can do garment printing for our products at the same time. That means better service. Everything’s very relaxed in the building here, we all say ‘hi’ to each other and chat in the corridors. I remember the PMK building from my childhood. We used to live very close by and I went to Tammela school. We walked past here many times, looking in wonder at the old factory.”

JANNE OJANEN, Owner,
JM Concept Oy

“

With its architecture and in the urban landscape, the building forms part of the Tampere cultural landscape.

PMK building offers premises from 10 square metres of storage to a 4,500 square metre fitness centre.



Finnish cotton mills set up a joint sales office, PMK, in 1932 as they were being squeezed by competition. The first part of the PMK building was built in 1938 and it was extended in 1956. The property was designed by the architect Jarl Eklund. The cotton products from five textile mills were marketed for more than 40 years as the PMK collection. When the sales office ceased operations in the 1980s, the property was converted into a commercial, retail and office building. Renor became owner of the PMK building through the Asko Group, which acquired Finlayson in the 1980s.

Office, production, retail, fitness and warehouse premises
17,700
m²

Number of clients
83

Occupancy rate
84%



A large, multi-story brick building with many windows, surrounded by trees and a clear blue sky. The building is the main subject of the image.

KARISTONKULMA
property is leased
in its entirety
to the Ministry
of Justice.

Office premises

4,700
m²

Number of
clients

1

Occupancy rate

100%

The history of Karistonkulma goes back to the 1920s, when Arvi A. Karisto ordered the work of designing the building on the eve of the global financial crisis. The building was taken into use in 1928 as the printing works and business premises of Karisto Oy. The printing press was the third largest in its time. In the 1980s printing activities were transferred elsewhere, and there were offices and restaurants in the building. In 1992 a new part was built on to the building. The Finnish Cultural Foundation sold the entire share stock of Karistonkulma Oy to Renor Oy in 2007.

Hämeenlinna region *attracts investment*

The building, which was built in 1928 as the printing works and business premises for Karisto Oy, is leased in its entirety to the Ministry of Justice. The Hämeenlinna area is an attractive object for investment not only because of its central location but also because of its key position in government.

Karistonkulma is one of Renor's most important development sites, with a leasable area of 4,700 square metres. The Karistonkulma property is leased in its entirety to the Ministry of Justice, and the Hämeenlinna District Court and district enforcement authority function in the older part of the property and the Hämeenlinna Administrative Court in the newer part. The Ministry of Justice has been the tenant on the property since 1980. Renor acquired the property in 2007.

The courts at different levels handle issues for the Kanta-Häme, Pirkanmaa and Central Finland regions. Some 90 people work in the office section.

There are four courtrooms. The property is in a central location, has good transport connections, and can be easily reached by public transport.

Hämeenlinna is an old government, culture and garrison town, and two million Finns live in its sphere of influence within a 150 kilometre radius of the city. Renor considers the Hämeenlinna area to be an attractive area for investment, in part because of its geographical location. Hämeenlinna is one of the priority areas in Renor's strategy, and in the future the company aims to increase its property assets in the area.

“Karistonkulma is located in the centre of Hämeenlinna on the shore of Lake Vanajavesi.

Undoing knots at Karistonkulma

“I work as chief justice at the Kanta-Häme district court. My days at work include acting as judge but also include duties in personnel management. I feel that in my work I am helping people and get close to them. I have many fond memories from my working career. Some of the most pleasant moments of success are when something that has been stuck in a knot for a long time finally unravels. It is rewarding to see people sighing with relief as a solution is found to their problems. I have been very fond of Karistonkulma, where I work. We have beautiful scenery here looking out over Lake Vanajavesi, and we are located right in the heart of old Hämeenlinna. These surroundings and the high rooms give the court a quite unique dignity.”

JUHANI HIRVONEN,
Chief Justice, *Kanta-Häme
District Court*



Renor owns *three properties in the Helsinki metropolitan area*

Tikkurilan Silkki in Vantaa, with about 100 clients, is popular especially with various small businesses. Renor also owns production and office properties in the Helsinki metropolitan area at Höyläämötie 3 in Pitäjänmäki in Helsinki and at Ansatie 3 in Ylästö in Vantaa.

DEVELOPMENT OF CENTRAL DISTRICT INCREASES APPEAL OF TIKKURILAN SILKKI

Tikkurilan Silkki (the old silk mill) in Vantaa has a central location in the heart of Tikkurila by the River Keravanjoki. The distance to the railway and bus stations is just half a kilometre. The premises in the former silk mill particularly favour small companies that appreciate good transport connections and premises with their own distinctive style.

The present town plan allows for many different uses. The old factory buildings and the whole area will, however, require major renovation, for example concerning the technical infrastructure and the foundations and structures of the buildings. The Tikkurilan Silkki buildings, some of which are protected, will be renovated retaining their distinctive features, but some buildings that are in very poor condition will be replaced with new buildings. The renewal of 1,200 square metres

of roofing on the Tikkurilantie Road side of the building was completed in 2012. Unfortunately the final usage for the property is still undecided, but Renor is continuing to look actively into different options for the property.

The centre of Tikkurila is being actively redeveloped in the next few years. The focal point for the current centre is moving closer to the present railway station, close to which a large office, retail and travel complex is planned. Numerous new residential building projects are in progress and are starting in Tikkurila. In 2015 rail passengers will be able to change from long-distance trains to the Ring Rail Line in Tikkurila, from where the journey to the airport will take just eight minutes. The development of the centre of Tikkurila will at the same time increase the appeal of Tikkurilan Silkki, and its standing as a lively business complex in the centre will become even stronger.

Experiences and electric thrills

“I work as production manager at Heureka, the Finnish Science Centre, where I head up the design and production unit. I help to plan exhibitions, find resources for them and put them up. We have premises in Tikkurilan Silkki where we carry out product development and test future exhibitions. We began working here in Silkki in the 1980s, before the Heureka building even existed. So this is where everything started. It's fascinating to be part of a team of skilled professionals, where working together generates its own little electric thrill. For me, the high points in my work are connected with the final stages of putting up exhibitions. I have many memories of working into the small hours, sorting out those last remaining technical hitches, tired but happy.”

JUSSI SAVA,
Production Manager, *Heureka*





PREMISES WITH COOLING IN PITÄJÄNMÄKI

The property owned by Renor is located by good transport connections in Pitäjänmäki in Helsinki. The Höyläämötie property provides premises with cooling for production and office use. The building was built in 1958 and was renovated at the beginning of the 2000s. The premises are customised in line with client needs.

PRODUCTION AND OFFICE PROPERTY WITHIN THE SPHERE OF INFLUENCE OF AVIAPOLIS

The Ansatie production and office property is located beside Ring Road III close to the Helsinki/Vantaa airport and Aviapolis, which is one of the most desirable business and residential areas in Finland. The property was built in 1980 and is leased to an industrial company that has operated for a long time in the building. The plot of land still has unused building rights. Renor is negotiating with the current client about any development needs for the property.

TIKKURILAN SILKKI

Office, production and warehouse premises

11,149
m²

Number of clients

94

Occupancy rate

65%

Unused building rights

4,000
m²

HÖYLÄÄMÖTIE 3

Office, production and warehouse premises

2,988
m²

Number of clients

7

Occupancy rate

90%

ANSATIE 3

Office, production and warehouse premises

11,848
m²

Number of clients

1

Occupancy rate

100%

Unused building rights

4,300
m²

Established in 1933, Tikkurilan Silkki Oy, originally called Suomen Silkkiteollisuus Oy, represented a new field in the textile industry in Finland that was based on the use of viscose. The Silkki factory properties were built at different phases over the period 1934–1965. Those built in the 1930s were designed by the engineer Herman Kues and the more recent parts by the architect Matti Finell.



The mill ceased operations in 1988, when manufacture of Finn Marin flags was transferred elsewhere. Tikkurila had by then merged with Finlayson. Renor became owner of Tikkurilan Silkki because Finlayson merged with the Asko Group in the 1980s. The Höyläämötie 3 property was built in 1958 and Ansatie 3 in 1980.

Board of Directors and owners of Renor Oy



RENOR OY BOARD OF DIRECTORS:

Renor's Board of Directors has seven members:

Jarmo Rytilahti,
Chairman of the Board

Niilo Pellonmaa,
Deputy Chairman of the Board

Heikki Hyppönen

Hannu Katajamäki

Timo Kokkila

Kari Kolu

Jyrki Ojanen

OWNERS

Renor Oy is owned through their companies by:

Heikki Hyppönen

Hannu Katajamäki

Ilpo Kokkila

Kari Kolu

Janne Larma

Jyrki Ojanen

Niilo Pellonmaa

Jarmo Rytilahti

FROM LEFT: *Kari Kolu, Jarmo Rytilahti and Timo Kokkila*



FROM LEFT: *Niilo Pellonmaa, Jyrki Ojanen, Heikki Hyppönen and Hannu Katajamäki*

Management Team and Personnel of Renor Oy



MANAGEMENT TEAM:

Timo Valtonen,
President and CEO

Mika Hartikka,
*Senior Vice
President, Finance*

Risto Hänninen,
*Senior Vice President,
Customer Relations and
Property Development*

Marko Liimatainen,
Project Director

Toni Pajulahti,
Maintenance Manager

Irma Savolainen,
Legal Counsel

FROM LEFT: *Timo Valtonen, Marko Liimatainen and Toni Pajulahti*



Personnel

At the end of 2012 Renor employed 36 (36) people, and 11 (10) of these were women and 25 (26) men. The average number of personnel at Renor during the year was 38. The average age of personnel was 50 (52) years and the average length of employment was more than 20 (22) years. Three new employees joined Renor during 2012.

Renor's personnel are committed experts. Each site has a head of real estate, between one and five maintenance persons, and a property assistant, who are locally responsible for the properties. The heads of real estate have a broad job description: they are responsible for leasing property, and for its maintenance and development.

Renor has personnel in Group administration working in Helsinki and Lahti in development, marketing and communications, in financial and human resources management, and in senior management.

FROM LEFT: *Irma Savolainen, Mika Hartikka and Risto Hänninen*

Annual summary 2012

1,000 euro

CONSOLIDATED INCOME STATEMENT

	1. Jan.–31. Dec. 2012	1. Jan.–31. Dec. 2011
Rental income	20,028	19,312
Property expenses	-9,402	-9,562
Net operating income	10,626	9,750
Depreciation and amortization	-4,014	-3,873
Administrative expenses	-1,942	-1,760
Profit from disposal of properties	1,070	718
Loss from disposal of properties	-4	-10
Operating profit	5,736	4,825
Financial expenses	-3,350	-1,752
Profit before taxes	2,386	3,073
Income taxes	-444	-285
Profit for period	1,942	2,788

CONSOLIDATED CASH FLOW STATEMENT

	1. Jan.–31. Dec. 2012	1. Jan.–31. Dec. 2011
Cash flow from operating activities before financial items	7,754	7,488
Net financial items	-3,164	-1,515
Taxes paid/received	-816	-37
Net cash from operating activities	3,774	5,936
Investments in properties	-18,878	-11,398
Proceeds from disposal of properties and investments	11,870	525
Net cash from investing activities	-7,008	-10,873
Cash flow from financing activities	7,366	1,468
Cash flow	4,132	-3,469

CONSOLIDATED BALANCE SHEET

	31. Dec. 2012	31. Dec. 2011
Investment properties	130,986	146,425
Receivables	19,125	1,439
Cash and cash equivalents	4,216	84
Total assets	154,327	147,948
Share capital	59,722	59,797
Minority interest	0	368
Non-current liabilities	82,070	6,266
Current liabilities	12,535	81,517
Total shareholders' equity and liabilities	154,327	147,948
Interest-bearing debt, total	83,938	72,359

History

The company's name Renor is derived from Uponor and the words real estate

”

- 1820** *Finlayson cotton mill is established*
- 1878** *Finlayson mill in Forssa is established*
- 1898** *Porin Puuvillatehdas (Porin Cotton Mill) is established*
- 1918** *Asko is established*
- 1930** *Forssa cotton industry is merged with Oy Finlayson Ab*
- 1973** *Finlayson acquires Porin Puuvilla*
- 1985** *Asko acquires most of Finlayson*
- 1999** *Asko Oyj establishes Asko Kiinteistöt Oy*
- 1999** *Asko Oyj changes its name to Uponor Oyj*
- 2000** *Uponor Oyj demergers its real estate operations to Asko Kiinteistöt Oy*
- 2001** *Asko Kiinteistöt changes its name to Renor Oy*
- 2002** *Hannu Katajamäki is appointed President and CEO of Renor*
- 2004** *Nine Finnish investors acquire Renor Oy from Uponor*
- 2005** *Kari Kolu is appointed President and CEO of Renor*
- 2005** *Renor acquires the WSOY building in Porvoo*
- 2007** *Renor acquires Karistonkulma Oy in Hämeenlinna*
- 2008** *The care home Hoivakoti Pumpuli, in which Renor is a shareholder, starts operations in the Finlayson area.*
- 2010** *Renor Oy, Ilmarinen Mutual Pension Insurance Company and Skanska Talonrakennus Oy sign letter of intent for developing Porin Puuvilla.*
- 2011** *Timo Valtonen is appointed President and CEO of Renor*
- 2012** *Renor and Ilmarinen start construction work for Puuvilla Shopping Centre in Pori*

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Vantaa 2013

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