

**LISTING PARTICULARS  
17 JUNE 2005**

**REAL ESTATE LEVERATOR PLC**

**€100 MILLION 7 PER CENT.  
BONDS DUE 2015**

**Application will be made to list the Bonds  
on the main list of Helsinki Exchanges**

**Arranger: Sampo Bank plc**

## CONTENTS

1. GENERAL.....	4
1.1 Publishing of the Listing Particulars .....	4
1.2 Parties Responsible for the Listing Particulars and Auditor of the Company .....	5
2. INVESTMENT CONSIDERATIONS .....	6
3. TERMS AND CONDITIONS OF THE BONDS .....	12
4. ADDITIONAL INFORMATION ON THE ISSUE OF THE BONDS .....	18
5. THE COMPANY AND THE PARTNERSHIP.....	19
5.1 General Information .....	19
5.1.1 Real Estate Leverator.....	19
5.1.2 The Partnership.....	19
5.2 Management and Administration.....	20
5.2.1 Real Estate Leverator.....	20
5.2.2 The Partnership.....	20
5.3 Share Capital of Real Estate Leverator .....	21
5.4 Business and Operations .....	21
5.4.1 Structure of the Partnership and the Company .....	21
5.4.2 Real Estate Leverator.....	22
5.4.3 The Partnership.....	24
5.5 Financial Condition.....	30
5.6 The Group Structure of Real Estate Leverator.....	30
5.7 Financial Statements of Real Estate Leverator .....	30
5.8 Other obligations .....	30
5.9 Investments .....	30
5.10 Capital Expenditure .....	31
6. SUMMARY OF HELSINKI METROPOLITAN AREA COMMERCIAL PROPERTY MARKET .....	31
7. OTHER FACTORS AFFECTING THE VALUE OF THE BONDS.....	32
8. NOTICES FOR SUBSCRIBERS OF BONDS .....	33
9. DEFINITIONS .....	34

## 1. GENERAL

### 1.1 Publishing of the Listing Particulars

The Issuer: Real Estate Leverator Plc  
Business Identity Code 1920084-6  
("Real Estate Leverator", "the Company" or "the Issuer")  
c/o CapMan Plc  
Korkeavuorenkatu 32  
FI-00130 Helsinki  
Finland  
registered domicile Helsinki  
telephone +358 (0)9 6155 800

Arranger of the Issue of Bonds: Sampo Bank plc  
Unioninkatu 22  
Helsinki  
FI-00075 SAMPO  
Finland  
registered domicile Helsinki  
telephone +358 (0)10 515 15.

Legal adviser to the Company: Attorneys at law Borenius & Kempainen Ltd  
Yrjönkatu 13 A  
FI-00120 Helsinki

Financial Supervision Authority has approved these Listing Particulars, but assumes no responsibility for the correctness of the information contained therein.

Financial Supervision Authority has on 17 June 2005 (DNro 96/250/2005 and 12/230/2005) granted to the Issuer exemptions relating to the contents of the Listing Particulars and the obligation of the Company to publish interim or annual reports in respect of any period ending before 30 September 2005.

## 1.2 Parties Responsible for the Listing Particulars and Auditor of the Company

The Board of Directors of the Company accepts responsibility regarding information contained in these Listing Particulars and confirms that the information contained in these Listing Particulars is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Helsinki, 17 June 2005

Ari Tolppanen  
Olli Liitola  
Martti Timgren

*Arranger of the issue of the Bonds:*

Sampo Bank plc  
Capital Markets  
Unioninkatu 22  
Helsinki  
FI-00075 SAMPO  
Finland  
telephone +358 (0)10 515 15

*The auditors of the Company responsible for auditing the financial statements of the Company:*

PricewaterhouseCoopers Oy  
Itämerentori 2  
00180 Helsinki

Auditor in charge: Jan Holmberg, APA

## 2. INVESTMENT CONSIDERATIONS

*Prospective investors should consider carefully the following information in conjunction with the other information contained in these Listing Particulars before investing in the Bonds. The risk factors mentioned below describe risks that are associated with an investment in the Bonds. However, the risks involved in an investment in the Bonds are not limited to the factors identified below. It is strongly recommended that prospective investors make their own evaluations of the risks associated with an investment in the Bonds.*

**The Bonds will not be obligations of anyone other than the Company and they will not be guaranteed by any person. No one other than the Company will accept any liability whatsoever in respect of any failure by the Company to pay any amount due under the Bonds. In particular the Bonds will not be obligations of CapMan Real Estate I Ky, a Finnish limited partnership (“the Partnership”), its general partner CapMan Real Estate Oy (“the General Partner”), CapMan Plc (“CapMan”, and together with its subsidiaries the “CapMan Group”), any other member of the CapMan Group or Corintium Oy (“Corintium”).**

### **The Company**

#### *Capitalisation of the Company*

Due to its nature as a special purpose company, the Company is capitalised, in addition to the Bonds, with a minimum amount of equity (share capital of €80,000).

*The Company’s ability to meet its obligations under the Bonds; junior ranking of the Company’s receivable from the Partnership*

The ability of the Company to meet its obligations under the Bonds will be solely dependent on timely receipt by it of principal and interest from the Partnership under the subordinated loan facility (the **“Subordinated Loan Facility”**) granted by the Company to the Partnership in accordance with the terms of the subordinated loan facility agreement (the **“Subordinated Loan Facility Agreement”**). As the receivable of the Company under the Subordinated Loan Facility ranks junior in priority to certain senior creditors of the Partnership, the Company and, indirectly, the holders of the Bonds have a higher risk of non-payment than such senior creditors should the Partnership not be able to fulfil all of its obligations to its creditors.

See also ‘Business and Operations – Real Estate Leverator – Subordinated Loan Facility Agreement’ below.

As to the risks relating to the Partnership being able to generate income in order to meet its obligations under the Subordinated Loan Facility Agreement, see “Investment considerations – The Partnership” below.

#### *Withholding tax on the Bonds*

In the event withholding taxes are imposed in respect of payments to holders of the Bonds (the **“Bondholders”**) on amounts due pursuant to the Bonds, the Company is neither obliged to gross-up or otherwise compensate Bondholders for the lesser amounts the Bondholders will receive as a result of the imposition of withholding taxes nor entitled to redeem the Bonds prematurely. However, in such circumstances the Company will use its reasonable endeavours to mitigate the effects of such taxes, in accordance with the provisions of Condition 6(c).

#### *Absence of rating*

The Bonds will not be rated by any rating agency.

### *Absence of prior public markets*

The Bonds constitute the first issue of securities by the Company. Prior to this issue, there will have been no public market for the Bonds and no market in Finland for securities of the kind represented by the Bonds. Although an application will be made for the Bonds to be admitted for listing them on Helsinki Exchanges (OMHEX), there can be no assurance that an active public market for the Bonds will develop. The liquidity and the market prices for the Bonds can be expected to vary *inter alia* with changes in market and economic conditions, the financial condition and prospects of the Company, the Partnership and the property portfolio that the Partnership will acquire, and other factors that generally influence the market prices of securities.

### *Management risk*

The Company has no executive management resources of its own and, as such, it intends to rely upon, *inter alia*, companies belonging to CapMan Group and other service providers for all asset servicing, executive and administrative functions. Failure by any such party to perform its obligations could have an adverse effect upon the Company's ability to repay the Bonds and the liability of such parties towards the Company under the relevant agreements will be limited. There can be no assurance that, were any such party to resign or its appointment be terminated, a suitable replacement service provider could be found or would be found in a timely manner.

### *Debtor protection*

Finland has certain debtor protection laws that afford some relief to defaulting debtors and may delay the enforcement of remedies otherwise available to a Bondholder.

### *Priority of Payments*

On each Interest Payment Date (subject to solvency of the Company and, indirectly, subject to solvency of the Partnership) funds received from the Partnership and other amounts available to the Company to meet its obligations will be applied on such Interest Payment Date in paying or providing for (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) sums due to third parties incurred in the course of the Company's business;
- (ii) pro rata to the amounts then payable, interest due on the Bonds;
- (iii) principal payments then due on the Bonds

## **The Partnership**

### *Capitalisation of the Partnership*

The Partnership will be capitalised by:

- (i) capital contributions of the limited partners of the Partnership (payable in instalments as drawn down by the General Partner);
- (ii) the Subordinated Loan Facility granted by the Company under the Subordinated Loan Facility Agreement; and
- (iii) a loan facility (the **'Senior Credit Facility'**) granted by a syndicate of financial institutions under the €300,000,000 credit facility agreement (the **'Senior Credit Facility Agreement'**), proceeds of which are intended to finance partly the acquisitions of the Initial Portfolio and the Additional Portfolio (both as defined below) and also to finance partly the development of the properties contained in such portfolios. See also "Business and Operations – The Partnership – Financing of the acquisition of the properties" below.

The Partnership acting through its General Partner, the lenders under the Senior Credit Facility (the “**Senior Lenders**”), the Company, and eventual other parties will enter into an agreement (the “**Intercreditor Agreement**”) which will govern i.a. ranking of the various creditors of the Partnership. See also “Business and Operations – Real Estate Leverator – Intercreditor Agreement” below.

*Inability of the limited partners and the General Partner to meet their repayment obligations to the Partnership*

Each limited partner of the Partnership and the General Partner will commit to pay a certain amount to the Partnership as capital contribution. To the extent specified in the Fund Agreement (as defined below) the limited partners and/or the General Partner of the Partnership shall also be obliged to repay to the Partnership any distributions received by them (excluding management fees and reimbursement of expenses) to the extent necessary for the Partnership to meet its liabilities under agreement relating to the Senior Credit Facility, the Subordinated Loan Facility Agreement, other liabilities of the Partnership to third parties and the Partnership’s liabilities under the indemnification provisions of the Fund Agreement. Drawdowns of the undrawn commitment of the limited partners may be applied for the same purposes. However, there is no assurance that the limited partners and/or the General Partner are able to meet such obligations when required to do so.

*Limited recourse to the General Partner*

Under the terms of the Subordinated Loan Facility Agreement, the Company shall have only limited recourse to the General Partner of the Partnership.

*Nature of investments in the Bonds; no assurance of investment return*

Investment in the Bonds requires long-term commitment with no certainty of return. There can be no assurance that the Partnership will be able to realise such investments in a pre-agreed or timely manner.

The Partnership's task of identifying and negotiating property acquisition opportunities, managing a property portfolio and realising a significant return for investors is difficult. Many investment funds engaged in investments in real estate have been unable to make, manage and realise profits on such investments successfully. The success of the Partnership will depend on the General Partner’s and Investment Adviser’s (as defined below) ability to identify, select, manage, develop and realise investments within the Partnership’s investment objectives.

*Dependence on the key personnel*

CapMan Group’s and the Partnership’s successful investment operations depend on the group’s ability to both hold on to and recruit skilled personnel. The Partnership does not terminate on the death, departure or incapacity of any of the key personnel save for potential termination of the Investment Period (as defined below) as described under “Business and Operations – The Partnership – Key person provisions” below. The General Partner or the Investment Adviser (as defined below) cannot guarantee that they will be able to keep present key personnel or that they will be able to recruit and employ skilled personnel in the future.

*Difficulty in locating suitable investments*

Apart from the Initial Portfolio (as defined below), the Partnership may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or to generate returns for the Company. There is no guarantee that the Partnership will be able to achieve full investment and accordingly the Partnership may only make a limited number of investments leading to inadequate diversification.

### *Competition for investment opportunities*

The Partnership will be competing for investments with other participants, including institutional investors, other real estate funds, investment managers, industrial groups and other operators in the real estate business owned by large and well-capitalised investors. Such competition may increase over time and consequently negatively affect the terms on which investments may be made and reduce the number of attractive investment opportunities available to the Partnership.

### *No rights to control the Partnership's operations*

Neither the Company nor the Bondholders will have an opportunity to control the day-to-day operations, including investment, letting and divestment decisions, of the Partnership. However, a representative nominated by the Company will have right to attend the meetings of the Advisory Board (as defined below) (without voting rights)

### *Conflicts of interest and time*

The fact that the General Partner's carried interest (i.e. entitlement to a portion of the profits of the Partnership's investments) is based on the performance of the Partnership may create an incentive to make investments that are more speculative than would be the case in the absence of such carried interest allocation. There are possible conflicts of interest among the Partnership, the General Partner, the Investment Adviser (as defined below), the key personnel of the CapMan Group, the Company, the Bondholders, lenders of the Partnership and the limited partners. The key personnel of the CapMan Group currently have responsibilities for managing the investments previously made by funds managed by the CapMan Group. These activities will require a commitment of time and resources that might otherwise be devoted to evaluating and monitoring investments on behalf of the Partnership.

### *Legal, regulatory and tax treatment*

There could be changes in tax laws or in their interpretations adverse to the Partnership or to the property investment business as a whole. The Partnership may have income which may be subject to withholding or similar tax. Any such tax withheld will decrease the amount of funds available for meeting the obligations of the Partnership under the Subordinated Loan Facility Agreement.

## **Investment considerations specific to investments in real estate**

### *General*

The investments of the Partnership will be subject to the risks incidental to the ownership and operation of commercial real estate, including, but not limited to, risks associated with the general economic climate; local real estate conditions; competition from other real estate companies; the ability of the property management companies to manage the properties; unavailability of mortgage funds or fluctuations in the interest rates that may render the sale of a property difficult; the financial condition of tenants; buyers and sellers of properties; changes in real estate tax rates, energy prices and other operating expenses; the imposition of rent controls; energy and supply shortages; environmental risk; various uninsured or uninsurable risks; government regulations; fluctuations in interest rates; unemployment, inflation, local recessions or other economic events. These risks, either individually or in combination may cause either a reduction in the income or an increase in operating and other costs which may materially affect the financial position and returns of specific investments of the Partnership and the Partnership generally.

### *Acquisition Risks*

Acquisitions of real estate investments include risks that investments may not perform in accordance with expectations and that anticipated costs of improvements to bring an acquired property up to the standards established for the market position intended for that property may exceed budgeted amounts, as well as general investment risks associated with any new real estate investment.

### *Development and Redevelopment Risks*

Development project of a property is subject to a number of risks, including, without limitation, to risks of construction delays or cost overruns that may increase project costs, risks that the properties will not achieve anticipated occupancy levels or sustain anticipated rent levels, and new project commencement risks, such as the failure to obtain planning, occupancy and other required governmental permits and authorisations and the incurrence of development costs in connection with projects that are not pursued to completion.

### *Insurance Risks*

The Partnership intends to maintain insurance on its real property, including physical loss or damage and public liability in amounts sufficient to permit replacement in the event of a total loss, subject to applicable deductibles. The Partnership will endeavour to obtain coverage of the type and in the amount customarily obtained by owners of properties similar to its real property in the relevant market concerned. There are certain types of losses, however, generally of a catastrophic nature, such as floods and terrorism that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents, encumbering properties that have been pledged as collateral for loans, and other factors might make it economically impractical to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances the insurance proceeds received by the Partnership, if any, might not be adequate to restore the Partnership's investment with respect to the affected property.

### *Property Taxes*

Real property owned by the Partnership is likely to be subject to property taxes when acquiring, disposing and during ownership of that asset. Such taxes may increase as tax rates change and as the properties are assessed or reassessed by taxation authorities.

### *Environmental Liability*

The Partnership may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in a property investment held by the Partnership. The costs of any required remediation or removal of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the owner's ability to sell or lease the property or to borrow using the property as collateral. Laws and regulations may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Generally, the Partnership will obtain environmental audits on all of its acquired properties to identify potential sources of contamination for which such properties may be responsible and to assess the status of environmental regulatory compliance. There can be no assurance, however, that such audits will reveal all environmental liabilities relating to an acquired property.

### *Financial Condition of Tenants*

A tenant of acquired properties may experience, from time to time, a downturn in its business which may weaken its financial conditions and result in the failure to make rental payments when due. No assurance can be given that tenants will continue to make rental payments in a timely manner. The failure of tenants to meet rental obligations on the Partnership's assets may adversely affect the Partnership's operating cash flow and value of its investments.

### *Use of Valuations and Appraisals*

The Partnership will use both internal and external valuations in several contexts for determining an investment's value. An appraisal or a valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of a real estate asset depends to a great extent on economic and other conditions beyond the control of the Partnership, the Company or the General Partner. Furthermore, appraised or otherwise determined values do not necessarily represent the price at which a real estate investment would sell since market prices of real estate investments can only be determined by negotiations between a willing buyer and seller. Generally, appraisals will consider the financial aspects of a property, market transactions and the relative yield for an asset measured against alternative investments. Generally, valuations will be based on the discounted cash flows of the Partnership's assets. If the Partnership were to liquidate a particular investment, the realised value may be more than or less than the appraised value or other valuation of such asset. Furthermore, fluctuations in the appraised values of the properties (which may or may not be linked to the performance of the tenants of their rent payment and other obligations towards the Partnership) may cause changes in the cost of financing under the Senior Credit Facility as well as in the market value of the Bonds.

### *Illiquidity of Investments*

It is unlikely that there will be a public market for any of the investments held by the Partnership. The types of real estate investments held by the Partnership may be such that they require a substantial length of time to liquidate.

### 3. TERMS AND CONDITIONS OF THE BONDS

#### REAL ESTATE LEVERATOR PLC €100 MILLION 7 PER CENT. BONDS DUE 2015

The Board of Directors of Real Estate Leverator Plc (the "**Issuer**") has in its meeting on 17 June 2005 decided to issue bonds (the "**Bonds**") referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended in 746/1993) on the terms and conditions defined below.

The Arranger (the "**Arranger**") of the issue of the Bonds is Sampo Bank plc.

#### 1. Amount and issuance of the Bonds

The maximum principal amount of the Bonds is one hundred million euros (€100,000,000).

The Bonds are issued in the book-entry securities system of Finnish Central Securities Depository Ltd ("**FCSD**") in accordance with the laws governing book-entry system and book-entry accounts as well as the regulations and decisions of FCSD. The Issue Agent (*liikkeeseenlaskun hoitaja*) of the Bonds referred to in the regulations of FCSD (the "**Issue Agent**") is Sampo Bank plc.

The issue date of the Bonds is 29 June 2005 or such later date as may be determined by the Issuer.

The Bonds will be offered for subscription in a minimum amount of €1,000,000 and integral multiples of €500,000. The principal amount of each book-entry unit ("*arvo-osuus*") is €500,000.

#### 2. Subscription of the Bonds

The subscription date of the Bonds is 20 June 2005 or such later date as may be determined by the Issuer.

Bids for subscription shall be submitted to Sampo Bank plc/Capital Markets, Unioninkatu 22, Helsinki 00075 SAMPO, telephone 010 513 2725.

#### 3. Payment of Subscriptions

Subscriptions of the Bonds shall be paid on the issue date. Bonds subscribed and paid for shall be delivered to the book-entry accounts of the subscribers on the issue date in accordance with legislation governing the book-entry system and book-entry accounts as well as regulations and decisions of FCSD.

#### 4. Issue Price

The issue price of the Bonds is 100 per cent.

#### 5. Interest

The rate of interest of the Bonds is 7 per cent. per annum.

Interest on the Bonds will be payable semi-annually in arrears commencing on 16 December 2005 and thereafter on each 16 June and 16 December (each an "**Interest Payment Date**"). Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Bonds outstanding from time to time. The first interest period (which is a short interest period) commences on the issue date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date.

Interest will be calculated on the basis of 30-day months and a year of 360 days.

## 6. Redemption

### *(a) Final Redemption*

Unless previously redeemed as provided in this Condition, the principal of the Bonds shall be repaid with accrued interest on 16 June 2015.

### *(b) Optional Redemption*

On giving no more than 30 nor less than 20 Helsinki banking days' written notice to the Issue Agent and 15 Helsinki banking days' notice to the Bondholders in accordance with Condition 15, the Issuer may redeem the Bonds in whole or in Amortisation Amounts (as defined below) at par with accrued interest on 16 June 2010 or on each subsequent Interest Payment Date until and including 16 December 2014 (each such date a "**Bond Prepayment Date**").

As used in this Condition, "**Amortisation Amount**" in respect of a Bond Prepayment Date means EUR 10,000,000 or if larger, integral multiples of EUR 1,000,000.

### *(c) Redemption for Illegality and Mitigation for Tax Reasons*

If the Issuer at any time satisfies the Issue Agent immediately prior to giving the notice referred to below that, by virtue of a change in tax law (or the application or official interpretation thereof) from that in effect on the (i) issue date, or (ii) the next Interest Payment Date:

- (i) the Issuer would be required to deduct or withhold from any payment of principal or interest in respect of any Bond any Taxes imposed by Finland (other than where the relevant Bondholder or beneficial owner has some connection with Finland other than the holding of Bonds or where the relevant Bondholder would have been able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority); or
- (ii) it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any advances made under the Subordinated Loan Facility Agreement; or
- (iii) the Partnership would be required to deduct or withhold from any payment of principal or interest in respect of the Subordinated Loan Facility Agreement any Taxes imposed by Finland,

then the Issuer shall inform the Issue Agent accordingly and shall, in order to avoid the relevant event described above, use its best endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Bondholders' Meeting as principal debtor under the Bonds.

If the Issuer is unable to arrange such a substitution which would have the result of avoiding the relevant event described above, then the Issuer may in the case of (ii) above, at any time while the event described therein is continuing, having given not more than 60 nor less than 30 Helsinki banking days' notice to the Issue Agent and to the Bondholders in accordance with Condition 15, redeem all, but not some only, of the Bonds at their respective principal amounts outstanding.

As used in this Condition 6, "**Taxes**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Finland or any political sub-division thereof or authority thereof or therein,

## 7. Taxation

All payments in respect of the Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Issue Agent is required by applicable law to make any payment in respect of the Bonds subject to any such withholding or deduction. In that event, the Issuer or the Issue Agent (as the case may be) shall make

such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the Issue Agent will be obliged to make any additional payments to Bondholders in respect of such withholding or deduction.

## **8. Status; No Security**

The Bonds constitute direct, unsubordinated, unsecured and unconditional obligations of the Issuer.

## **9. Payments**

Interest on and principal of the Bonds shall be paid in accordance with the laws governing the book-entry system and book-entry accounts as well as the regulations and decisions of FCSD.

Should the payment date of interest and principal fall on a date which is not a Helsinki banking day, the payment of the amount due will be postponed to the next following Helsinki banking day. The postponement of the payment shall not have an impact on the amount to be paid.

## **10. Events of Default**

Bondholders representing at least one quarter of the aggregate principal amount of the Bonds outstanding may give notice in writing (a "**Termination Notice**") to the Issuer declaring the Bonds to be due and payable together with interest then accrued on the Bonds at any time after the happening and subsistence of an Event of Default (as defined below).

Each of the following events constitutes an **Event of Default**:

- (a) any amount of interest on or principal of the Bonds has not been paid within thirty (30) Helsinki banking days from the relevant due date or, if such due date is not a Helsinki banking day, from the first Helsinki banking day following such day, unless the failure to pay is caused by a reason referred to in Condition 11;
- (b) the Issuer is (or could be deemed by law or a court to be) insolvent or unable to pay its debts, commences negotiation with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or takes any steps for the purpose of making or proposes to enter into or makes, any arrangement or composition for the benefit of its creditors;
- (c) the Issuer takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, bankruptcy, dissolution, administration or reorganisation (otherwise than while solvent and on the terms approved by the Bondholders' Meeting) of the Issuer;
- (d) any person is entitled to terminate, rescind or avoid all of or any material provision of the Subordinated Loan Facility Agreement and alternative arrangements approved by a Bondholders' Meeting are not made within 60 days of the date of the Bondholders' Meeting requiring alternative arrangements to be made or of such an event or of a person becoming so entitled;
- (e) the Issuer creates or permits to subsist any mortgage, charge, pledge, lien (unless arising by operation of law) or other security interest whatsoever over any of its assets or its undertaking, present or future, or sells or otherwise disposes of the whole or any part of its assets or its undertaking, present or future;
- (f) the Issuer engages in any activity whatsoever which is not incidental to or necessary in connection with the issuance of the Bonds or granting the facility governed by the Subordinated Loan Facility Agreement to the Partnership;
- (g) the Issuer has any employees other than a managing director or premises or subsidiaries;

- (h) the Issuer transfers, sells, lends or otherwise disposes of, or deals with, or grants any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein;
- (i) the Issuer pays any dividend, or makes any other distribution to its shareholders or alters any rights attaching to its shares at the issue date;
- (j) the Issuer incurs or permits to subsist any indebtedness in respect of borrowed money whatsoever (other than through issuing the Bonds or raising a capital loan referred to in Chapter 5 of the Companies Act (734/1978, as amended) or gives any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- (k) the Issuer consolidates or merges with any other person or conveys or transfers its properties or assets substantially as an entirety to any other person;
- (l) the Issuer permits the validity or effectiveness of the Subordinated Loan Facility Agreement to be amended, terminated, postponed or discharged; or
- (m) the Issuer purchases or otherwise acquires any Bonds otherwise than in accordance with Condition 6.

## 11. Force Majeure

The Issuer, the Arranger or the Issue Agent shall not be responsible for any damage caused to the Bondholder as a result of

- (a) action of the authorities, war or threat of war, rebellion, terrorism or civil unrest;
- (b) disturbances in postal or telephone communication or the supply of electricity which are due to circumstances beyond the control of the Issuer, the Arranger or the Issue Agent and materially affect operations of any of them,
- (c) any interruption of or delay in any functions or measures of the Issuer, the Arranger or the Issue Agent as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Arranger or the Issue Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
- (e) any other similar force majeure or hindrance which makes it unduly difficult to carry on the activities of the Issuer, the Arranger or the Issue Agent.

## 12. Bondholders' Meeting

- (a) The Board of Directors of the Issuer may, and if requested in writing by Bondholders representing at least one quarter of the aggregate principal amount of the Bonds outstanding, shall convene a meeting of the Bondholders ("**Bondholders' Meeting**") to decide on amendments of these terms and conditions or other matters as specified below.
- (b) Notice of a Bondholders' Meeting shall be published in accordance with Condition 15 no later than 10 days prior to the meeting. The notice shall specify the time, place and agenda of the meeting as well as any action required on the part of a Bondholder to attend the meeting.
- (c) Bondholders' Meeting shall be held in Helsinki and its chairman shall be appointed by the Issuer.
- (d) A Bondholders' Meeting shall constitute a quorum only if the Bondholders present hold 75 per cent or more of the principal amount of the Bonds outstanding.

- (e) If, within 30 minutes after the time appointed for the start of any Bondholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than 14 days and no later than 28 days after the original meeting at a place to be determined by the Issuer. The adjourned Bondholders' Meeting shall constitute a quorum if Bondholders holding 10 per cent or more of the principal amount of the Bonds outstanding are present.
- (f) Notice of an adjourned Bondholders' Meeting shall be given in the same manner as notice of the original meeting. The notice shall also state the conditions for the constitution of a quorum.
- (g) Bondholders' voting rights shall be determined according to the principal of the Bonds held. The Issuer, companies belonging to or funds managed by CapMan Group (other than funds specifically established for the purpose of investing in the Bonds) shall not hold voting rights at the Bondholders' Meeting. Resolutions shall be carried by a majority of two-thirds (2/3) of the votes cast. In the event of a tied vote, the Chairman of the meeting shall have the casting vote.
- (h) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Bondholders' Meeting.
- (i) A Bondholders' Meeting is entitled to make the following decisions that are binding on all the Bondholders:
  - (i) to change the terms and conditions of the Bonds;
  - (ii) to grant a temporary waiver on the terms and conditions of the Bonds;
  - (iii) to allow the Company to agree to any amendment of, or granting of a waiver relating to, Clauses 14(c) or 14(e)(iii)-(vii) of the Subordinated Loan Facility Agreement; or
  - (iv) to issue a Termination Notice in accordance with Condition 10.

However, consent of all the Bondholders is required to:

- (vi) decrease the principal of or interest on the Bonds;
- (vii) extend the maturity of the Bonds;
- (viii) extend the final maturity date of the Subordinated Loan Facility Agreement or to reduce any amount payable thereunder in respect of interest or principal;
- (ix) amend the conditions for the constitution of a quorum at a Bondholders' Meeting; or
- (x) amend the majority requirements of the Bondholders' Meeting.

The consents can be given at the Bondholders' Meeting or by other verifiable means.

The Bondholders' Meeting can authorise a named person to take necessary action to enforce the decisions of the Bondholders' Meeting.

- (j) Resolutions passed by a Bondholders' Meeting shall be binding on all Bondholders irrespective of whether they have been present at the Bondholders' Meeting.
- (k) Resolutions of a Bondholders' Meeting shall be deemed to have been notified to the Bondholders once they have been entered into the issue account of the Bonds maintained by FCSD. In addition, Bondholders are obliged to notify subsequent transferees of the Bonds of the resolutions of the Bondholders' Meeting.

### **13. Limited Recourse**

Notwithstanding any other of these Conditions, the obligations of the Issuer to make any payment under the Bonds shall be equal to the nominal amount of such payment or, if less, the actual amount received or recovered from time to time by or on behalf of the Issuer which consists of funds obtained by the Issuer as payments under the Subordinated Loan Facility. The obligations of the Issuer under these Conditions will be limited to such amounts from time to time and the Bondholders will have no further recourse to the Issuer in respect of such obligations.

Nothing in this Condition 13 shall affect a payment under the Bonds from falling due for the purposes of Condition 10.

### **14. Technical Alterations**

The Board of Directors of the Issuer shall have the right to amend the technical procedures relating to the Bonds in respect of payments and other similar matters without the consent of the Bondholders or of any Bondholders' Meeting.

The Issuer shall advise Bondholders of any such alterations according to Condition 15.

### **15. Notices**

Bondholders shall be advised of matters relating to the Bonds by a notice published in Helsingin Sanomat or any other national daily newspaper selected by the Board of Directors of the Issuer. Account operators of the FCSD book-entry system may also issue notices relating to the Bonds through the book-entry system. Any notice so issued through the book-entry system shall be deemed to have been received by the Bondholders on the third Helsinki banking day after such issuance. In order to facilitate giving of notices to the Bondholders pursuant to this Condition 15, the Issue Agent is entitled to receive information necessary for such purpose from FCSD.

### **16. Prescription**

In case any payment under the Bonds cannot have been made due to incomplete or missing payment instructions within three years from the original due date thereof, the right to such payment shall be prescribed.

### **17. Information**

Copies of the Subordinated Loan Facility Agreement, the Intercreditor Agreement and the agreement governing the obligations of the Issue Agent (the "**Issue Agent Agreement**") shall be available for inspection by the Bondholders at the offices of Real Estate Leverator Plc at c/o CapMan Plc, Korkeavuorenkatu 32, FI-00130 Helsinki and at the offices of Sampo Bank plc at Capital Markets, Unioninkatu 22, Helsinki, FI-00075 SAMPO.

### **18. Applicable Law**

The Bonds shall be governed by Finnish law and any disputes relating to the Bonds shall be settled at the District Court of Helsinki (*Helsingin käräjäoikeus*). However, any plaintiff that is a consumer is entitled to proceed in the district court of the plaintiff's domicile.

#### 4. ADDITIONAL INFORMATION ON THE ISSUE OF THE BONDS

Decisions authorising the issue of the Bonds:	Decision of the Board of Directors of the Issuer dated 17 June 2005.
Type of the Issue:	Individual issue.
Right to subscribe:	Not limited.
Payment of subscriptions and Subscription place:	See Terms and Conditions, Conditions 2 and 3.
Subscription Period:	20 June 2005 or such later date as may be determined by the Issuer.
Method and time of delivery of Bonds:	See Terms and Conditions, Condition 3.
Issue Price:	100 per cent.
Underwriting:	None.
Listing:	Application will be made to have the Bonds listed on the Helsinki Exchanges (OMHEX).
Estimated time of listing:	Latest July 2005.
Yield and duration:	7 per cent. on the issue date with an issue price of 100.
ISIN-Code for the Bonds:	FI0003018614.
Withholding tax:	See Chapter 7 Other factors affecting the value of the Bonds – Taxation below.
Estimate of the proceeds of the issue and their use:	Approximately 99.85 per cent. of the nominal principal amount. The net proceeds of the issue of Bonds are used for on-lending to the Partnership, as more fully described under 5.4.1 Business and Operations – Real Estate Leverator below.

A Finnish summary of the main terms and conditions of the Bonds is available on request from the Company and the Arranger.

Helsinki, on the 17th day of June 2005

#### REAL ESTATE LEVERATOR PLC

## 5. THE COMPANY AND THE PARTNERSHIP

### 5.1 General Information

#### 5.1.1 Real Estate Leverator

The Company was registered in the Trade Register on 27 September 2004 and its business identity code is 1920084-6. Its domicile is Helsinki. Real Estate Leverator is a public limited company (Oyj/Plc) under Companies Act (734/1978, as amended). According to § 2 of its Articles of Association (*unofficial translation from Finnish*):

The business of the company consists of financing and other investment activities, asset management and consulting business relating to such activities.

The sole purpose of the Company is to issue the Bonds and use the net proceeds of the issue for on-lending to the Partnership, as more fully described under 5.4.2 Business and Operations – Real Estate Leverator below.

#### 5.1.2 The Partnership

The Partnership will be a limited partnership to be established under the laws of Finland pursuant to a partnership agreement expected to be dated on or about 20 June 2005. Once established, the Partnership will be registered in the Trade Register. In addition, the General Partner and the limited partners of the Partnership will enter into an agreement among the partners expected also to be dated on or about 20 June 2005 (the “**Fund Agreement**”).

The limited partners of the Partnership will be Finnish institutional investors, each of whom will commit to participate in the Partnership up to a specified amount.

CapMan Real Estate Oy, a Finnish limited liability company to be owned 80 per cent. by CapMan and 20 per cent. by Corintium is the General Partner of the Partnership. The General Partner will be solely responsible for the conduct and management of the Partnership’s business and will be entitled to receive the carried interest (i.e. a portion of the profits of the Partnership), as specified in the Fund Agreement.

The Partnership will be leveraged by a Subordinated Loan Facility provided by Real Estate Leverator pursuant to the Subordinated Loan Facility Agreement. In addition, the Partnership will be financed and thereby leveraged also through the Senior Credit Facility.

The Partnership shall have an advisory board (the “**Advisory Board**”) consisting of representatives of the limited partners, or in some cases of the investors of limited partners. The function of the Advisory Board shall be, among other things, to be consulted by the General Partner, at the General Partner’s sole discretion, on general policies and guidelines and prospective investment sectors, and in addition to i.a:

- (i) review and discuss any potential conflicts of interest reported by the General Partner;
- (ii) approve any amendments to or deviations from the investment policy of the Partnership which shall require (in addition to any consent eventually required from the Company and the Senior Lenders as the case may be) the prior approval of 75 per cent of the votes present at the meeting of the Advisory Board;
- (iii) approve a proposal of the General Partner that a specific investment is considered a Bridging Investment (as defined below) even if the investment is not sold or refinanced by the Partnership within twelve months from the acquisition but within a longer period of time approved by the Advisory Board; and
- (iv) approve any new persons to be treated as key persons for the purposes of the Fund Agreement.

The Advisory Board members will have votes based on the amounts of the participations of the limited partners (or investors in a limited partnership) that they represent. In addition a representative nominated by the Company shall have the right to attend Advisory Board meetings (without voting rights).

The maximum amount of the aggregate of the commitments of the limited partners is €100 million, the maximum amount of the Subordinated Loan Facility is €100 million and the maximum amount of the Senior Credit Facility is €300 million (the aggregate of such amounts, i.e. maximum €500 million, the “**Total Capital**”).

The purpose of the Partnership is to acquire the Initial Portfolio and the Additional Portfolio (both as defined below), as described in more detail under 5.4.3 Business and Operations – the Partnership below.

## **5.2 Management and Administration**

### **5.2.1 Real Estate Leverator**

#### **Board of Directors**

<i>Name</i>	<i>Principal Occupation</i>
Ari Tolppanen, Chairman	Chairman of the Board of Directors of CapMan Plc
Olli Liitola	Chief Financial Officer, CapMan Plc
Martti Timgren	Legal Counsel, CapMan Plc

#### **Managing Director**

Olli Liitola

The business address of the members of the Board of Directors and the Managing Director is c/o CapMan plc, Korkeavuorenkatu 32, FI-00130 Helsinki.

It is intended that the Company will in the future be majority owned and controlled by those Bondholders that are willing to purchase the Company’s shares (at a nominal value of a total share capital of €80,000). It is expected that following such change of ownership in the Company a new board of directors consisting of representatives of Bondholders will be elected.

#### **Administration**

As the Company will have no employees of its own, it will enter into a management outsourcing agreement (the “**Management Outsourcing Agreement**”) with CapMan. Under the Management Outsourcing Agreement, CapMan will provide to the Company services relating to i.a. (i) review and preparation of the Company’s annual and interim reports, (ii) assistance in preparing stock exchange bulletins and other disclosure material as may be required by laws and regulations governing Finnish securities markets and (iii) arranging the Company’s book-keeping as well as preparing its annual accounts.

### **5.2.2 The Partnership**

#### **General Partner**

CapMan Real Estate Oy, business address c/o CapMan Plc, Korkeavuorenkatu 32, FI-00130 Helsinki.

#### **Board of Directors of the General Partner**

<i>Name</i>	<i>Principal Occupation</i>
Vesa Vanha-Honko, Chairman	Head of Group Development, CapMan Plc
Olli Liitola	Chief Financial Officer, CapMan Plc
Ari Tolppanen	Chairman of the Board of Directors of CapMan Plc

The business address of the members of the Board of Directors of the General Partner is c/o CapMan plc, Korkeavuorenkatu 32, FI-00130 Helsinki.

### 5.3 Share Capital of Real Estate Leverator

According to the Company's Articles of Association, its issued share capital must not be less than EUR 80,000 or more than EUR 1,000,000. The Company has only one class of shares. The current registered share capital of the Company is EUR 80,000 consisting of 800,000 shares. The nominal value of a share is EUR 0.10.

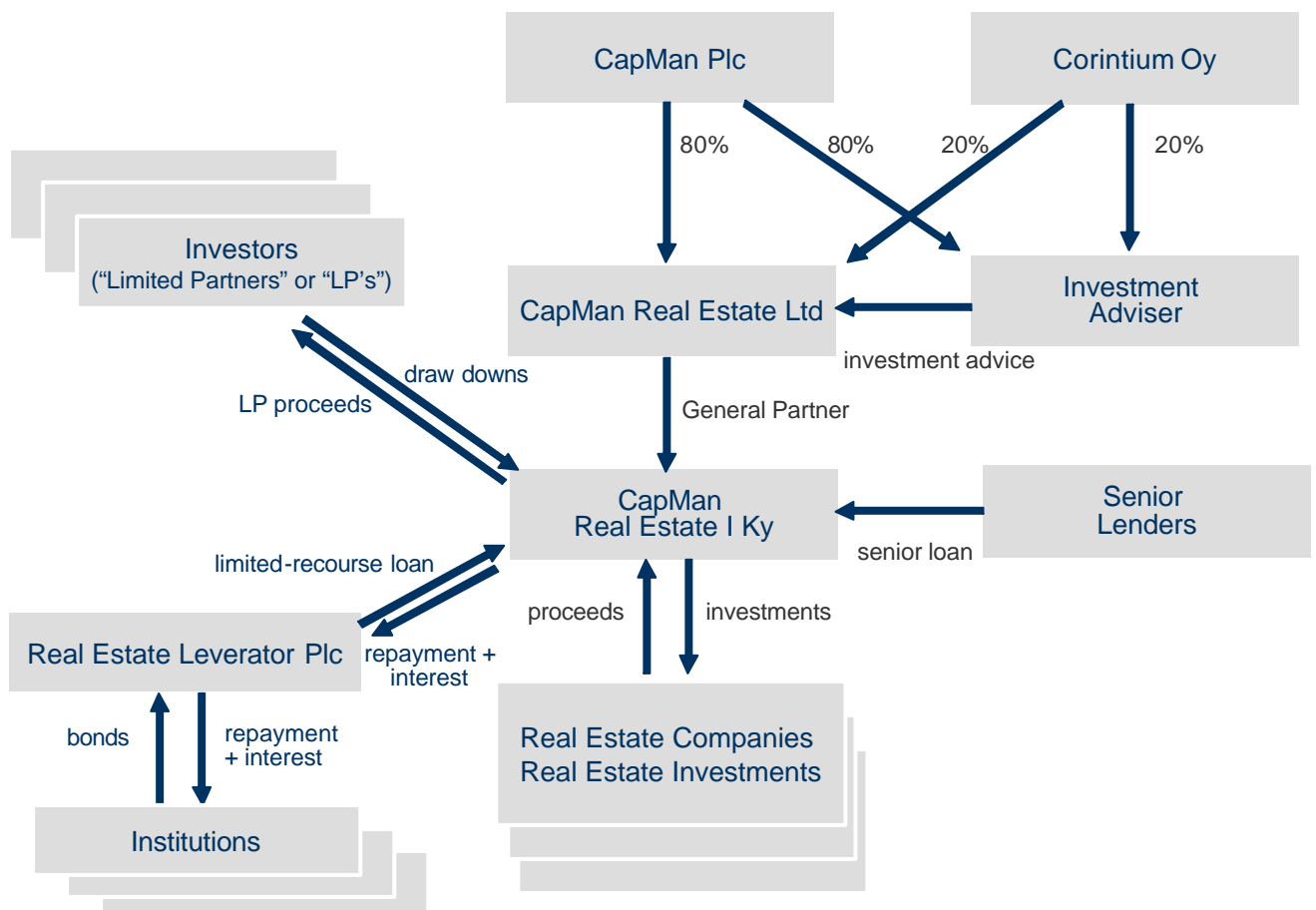
Currently the entire share capital of the Company is held by CapMan. It is intended that a select number of major institutional investors subscribing Bonds as well as Corinthium will also become shareholders of the Company. The intention of CapMan is to retain a maximum of 19.9 per cent. of the Company's shares during the life of the Bonds.

The shareholders of the Company will conclude a shareholders' agreement relating to i.a. administration of the Company and the transfer of its shares. The shareholders' agreement is available for inspection by Bondholders during office hours at the offices of the Company, address c/o CapMan Plc, Korkeavuorenkatu 32, FI-00130 Helsinki.

### 5.4 Business and Operations

#### 5.4.1 Structure of the Partnership and the Company

The diagram below describes the planned final structure of the Partnership and the Company.



#### 5.4.2 Real Estate Leverator

The business of the Company is to issue the Bonds and grant the Subordinated Loan Facility to the Partnership. Since its incorporation it has only engaged in activities related to furtherance of its business.

##### *Subordinated Loan Facility Agreement*

The Subordinated Loan Facility Agreement between the Company and the Partnership is expected to be signed on or about 20 June 2005. The loan drawn under the Subordinated Loan Facility (the “**Loan**”) may only be used for (i) investments in accordance with the investment policy of the Partnership and (ii) covering fees, expenses and liabilities in accordance with the Fund Agreement.

Creditor’s rights and use thereof by the Company towards the Partnership shall also be affected by the provisions of the Intercreditor Agreement.

The main terms of the Subordinated Loan Facility Agreement are:

Maximum principal amount:

The lowest of the following: (i) €100,000,000, (ii) the aggregate nominal principal of Bonds outstanding and (iii) the aggregate amount committed by to be invested by limited partners in the Partnership (the “**Maximum Facility Amount**”).

Ranking:

Subject to the provisions of the Intercreditor Agreement, interest and principal of the Loan will rank:

(i) junior to the Senior Credit Facility;

(ii) junior to (a) the management fees payable to the General Partner, (b) other fees and expenses incurred by the General Partner and required to be reimbursed by the Partnership to the General Partner pursuant to the Fund Agreement, and (c) any borrowing made by the General Partner to the Partnership not exceeding € 1,000,000; and

(iii) in priority to any distributions to the limited partners (or the General Partner in respect of its carried interest) of the Partnership pursuant to the relevant provisions of the Fund Agreement.

Regarding distributions to the limited partners of the Partnership as well as clawback obligations of the General Partner and the limited partners, see also 5.4.3 Business and Operations – The Partnership below under “Distributions” and “General Partner and limited partner clawback provisions”.

Availability:

Subject to not less than 4 Helsinki banking days’ prior notice to the Company and certain conditions precedent being satisfied, the Subordinated Loan Facility is available in one drawdown, amounting to the aggregate amount of the subscribed and duly paid Bonds.

Interest:

The fixed rate of interest of the Loan will be 7.20 per cent. p.a. Interest on the Loan will be payable on the same dates as interest under the Bonds and will accrue on the principal amount of the Loan on the basis 30-day months and a year of 360 days.

Final maturity:

The principal amount of the Loan previously not prepaid will be repaid on 16 June 2015.

Prepayment:

Subject to (i) the prior written consent of the Senior Lenders and (ii) not less than 25 Helsinki banking’ days notice, the Partnership is entitled to prepay the

Loan outstanding under the Subordinated Loan Facility in whole or in Amortisation Amount(s) (as defined in Condition 6(b) of the Bonds), with accrued interest on 16 June 2010 or on each subsequent 16 June or 16 December until and including 16 December 2014.

**Covenants:** The covenants include information covenants, positive covenants and negative covenants. The information covenants include but are not limited to the obligation of the Partnership to provide accounts and other financial information to the Company.

The positive covenants include but are not limited to the obligation of the Partnership to ensure that the Partnership enforces its claw back rights against the limited partners and the General Partner.

The negative covenants include but are not limited limitations to:

- (i) the distributions of funds (other than payment of management fees and Permitted Indebtedness (as defined in the Subordinated Loan Facility Agreement) to the General Partner in accordance with the Fund Agreement) to the limited partners of the Partnership or to the General Partner while an Event of Default, as defined in the Subordinated Loan Facility Agreement, exists,
- (ii) the amount of indebtedness and encumbrances (other than Permitted Indebtedness and Permitted Encumbrance, both as defined in the Subordinated Loan Facility Agreement) incurred or provided by the Partnership,
- (iii) change of business by the Partnership, and
- (iv) the possibility to provide loans and guarantees by the Partnership otherwise than in accordance with the Fund Agreement, the Senior Credit Facility Agreement and the investment policy of the Fund Agreement provided that any loans and guarantees related to or granted in connection with the Senior Credit Facility shall be permitted.

#### *Intercreditor Agreement*

The Intercreditor Agreement is expected to contain provisions, inter alia;

- (i) regulating enforcement and other creditors' rights of the Senior Lenders and the Company towards the Partnership as well as limiting the use of such rights by the Company;
- (ii) prohibiting (a) payments by the Partnership under the Subordinated Loan Facility Agreement if there exists an Event of Default (as defined in the Senior Credit Facility Agreement) under the Senior Credit Facility, and (b) repayment or prepayment of the principal of the Loan, if any obligation under the Senior Credit Facility Agreement is outstanding;
- (iii) providing for repayment to the Partnership of amounts received by the Company against the terms of the Intercreditor Agreement.

#### *Reporting*

The first accounting period of the Company ends on 31 December 2005. Subsequent accounting periods will end on 31 December of each year.

The Company will publish audited financial statements, unaudited interim reports and stock exchange announcements as required by Finnish law.

### 5.4.3 The Partnership

As at the date of the Fund Agreement, investors in the Partnership will be, either directly or indirectly through intermediary partnerships:

Name	Commitment, €
CapMan Real Estate Oy	1 000 000
Eläkevakuutusosakeyhtiö Veritas	500 000
Henkivakuutusosakeyhtiö Veritas	500 000
Keskinäinen Eläkevakuutusyhtiö Etera	10 000 000
Keskinäinen Henkivakuutusyhtiö Suomi	17 500 000
Keskinäinen työeläkevakuutusyhtiö Varma	15 000 000
Keskinäinen Vakuutusyhtiö Kaleva	16 000 000
Lähivakuutus Keskinäinen Yhtiö	2 500 000
Vakuutusosakeyhtiö Henki-Sampo	22 000 000
Valtion Eläkerahasto	15 000 000
	100 000 000

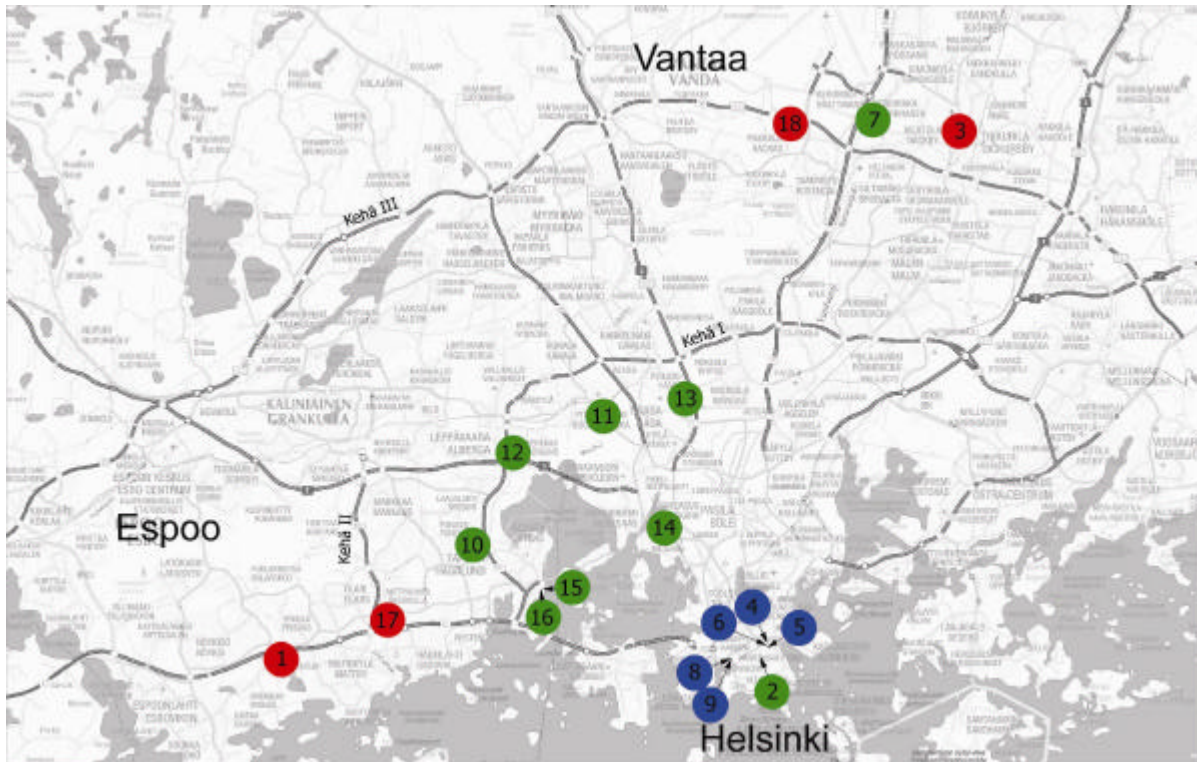
The principles and provisions relating to the Partnership as summarised below are subject to any such changes as may be agreed between the partners of the Partnership.

The business of the Partnership is to acquire from If Vahinkovakuutusyhtiö Oy and from certain limited partners of the Partnership the properties and/or the shares of the real estate companies listed in the table below (the **Initial Portfolio**) and to acquire additional commercial real estate located in the metropolitan Helsinki area (the **Additional Portfolio**).

Address of property	Constr. year	Leasing rate, % as at 28 February 2005	Economical leasing rate %	Total area, sq m	Office, sq m	Retail, sq m	Industrial, production, storage, sq m	Other, sq m	Share of possession %
1. Luoteisrinne 4	1972	87.5	94.6	11 188	4 812	320	5 990	66	100 %
2. Removed									
3. Vantaan Sampotalo Koy	1987	98.1	97.8	6 692	1 032	4 570	1 010	80	100 %
4. Korkeavuorenkatu 32 Koy	1956	100.0	100.0	3 788	2 212		1 576		100 %
5. Korkeavuorenkatu 34 Koy	1960	71.3	80.9	2 558	1 265	600	541	152	100 %
6. Brondankulma Koy	1974	94.9	98.4	8 331	5 099	660	1 147	1 425	100 %
7. Vantaan Autoairport Koy	1999	100.0	100.0	14 802	1 827	12 152		823	100 %
8. Bulevardin Keittohuone Koy	1999	100.0	100.0	3 443	3 443				100 %
9. Bulevardin Wiinanpolttimo Koy	1999	100.0	100.0	2 288	1 164		55	1 069	100 %
10. Espoon Tietäjantie 2 Koy	2000	85.7	85.7	4 567	4 028	61	128	350	100 %
11. Helsingin Strömbergintie 1 Koy	2001	75.2	75.5	6 190	5 734		282	174	100 %
12. Stella Luna Koy	2000	99.4	96.1	5 133	5 007		52	74	100 %
13. Eliel Saarisen tie 2 Koy	2000	100.0	100.0	5 372	3 829		534	1 009	100 %
14. Helsingin Paciuksenkatu 27 Koy	1998	100.0	99.9	4 468	4 464			4	100 %
15. Espoon Keilaranta 5 Koy	2001	100.0	100.0	5 135	4 821		135	179	100 %
16. Espoon Keilaranta 7 Koy	2001	91.1	88.0	5 273	5 095		178		100 %
17. Niittykumpu 4 Koy	1992	95.5	95.9	4 029		3 473	11	545	100 %
18. Pakkalanrinne Koy	2002	98.1	97.8	13 018		13 016		2	50 %
TOTAL		94.8*)	95.4*)	106 275	53 832	34 852	11 639	5 952	

\*) Weighted average of the portfolio

The locations of the Initial Portfolio (numbered as in the above table) are shown on the map below:



Blue = Core Property  
 Green = Core Plus Property  
 Red = Opportunity Property

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### *Investment Policy*

#### Geographical focus

Geographically the focus of the Partnership will be on real estates and investment properties located in Helsinki, Espoo and Vantaa and neighboring municipalities.

#### Strategic investment focus

The main focus of the Partnership will be on office properties. The Partnership may in addition invest in storage and shopping space. The Partnership will invest in "core" and "core plus" real estate and in "opportunity" type real estate with higher return potential. In addition to the acquisition of the Initial Portfolio the Partnership may invest in similar real estate (including Investees (as defined below) with higher risk/reward profile than the Initial Portfolio). The main focus will be on "core plus" properties.

The three categories are characterised as follows:

- (i) Core: office and retail properties with a low return, low risk of high vacancy rate, and long term lease agreements;
- (ii) Core Plus: office and retail properties with a medium return and medium risk of high vacancy rate;
- (iii) Opportunity: office, warehouse and/or retail outlet properties with a high return and high risk of high vacancy rate.

### Liquid assets

Liquid assets that are pending distribution or application in investments may be invested in short-term financial instruments such as bank deposits, mutual funds, municipal securities and bonds or notes issued by member states the European Union or banks.

### Prohibited investments

The Partnership does not make investments in other real estate funds or other collective investment schemes that charge management fees and/or carried interest. The Partnership does not make investments in entities in which an investment made by the Partnership would by operation of applicable law automatically lead to unlimited liability.

### Diversification

The amount of any investment in any single body corporate, real estate or property holding, or other entity, property or person in or in respect of which the Partnership directly or indirectly (through a Holding Company (as defined below)) holds or, as appropriate, intends to hold an investment (each an “**Investee**”) may not exceed 10 per cent of the Total Capital (as determined as of the time of committing to invest) provided that the Partnership may in addition make an investment or enter into a binding undertaking to make an investment with the intention of reselling or refinancing the same to/by a third party within twelve months, or a longer period of time approved by the Advisory Board (each a “**Bridging Investment**”) in which case the aggregate amount of such investments may not exceed 15 per cent of the Total Capital.

Furthermore, the Partnership will seek to acquire a portfolio diversified to the effect that as of the acquisition of the last investment of the Partnership (other than follow-on investments) or, if later, as of the completion and lease of any project comprising the construction of a new building or the development, redevelopment or refurbishment of existing real property, the intention is that (assuming that no realisations of investments have taken place):

- (i) no single lessee of the Partnership or its Investees should account to more than 10 per cent of the rental income accruing to the Partnership;
- (ii) no more than 20 per cent of the rental income accruing to the Partnership should be attributed to lessees operating in any single line of business; and
- (iii) no more than 20 per cent of the rental income accruing to the Partnership should be received from real property located within the same geographical city sector (“*kaupunginosa*” as meant in the land register system (*kiinteistörekisterijärjestelmä*)).

### *Investment procedure*

Realprojekti Oy will be appointed as an investment adviser (the “**Investment Adviser**”) by the General Partner. The General Partner may also appoint other investment advisers. The functions of the Investment Adviser will be i.a. (i) to identify and advise on potential investments and to present proposals on investments; (ii) to recommend other advisors to the General Partner and to co-ordinate activities of such advisors; (iii) to monitor the performance of investments and advise the General Partner as to divestment opportunities; (iv) to advise on leasing and maintenance of the property portfolio of the Partnership; (v) to carry out due diligence procedures and to assist the General Partner in negotiating contracts.

Investments proposals in respect of the Additional Portfolio are initiated, evaluated and negotiated by the General Partner and the Investment Adviser. The board of directors of the General Partner makes the final decision on the investments, Investees and divestments.

### *Financing of the acquisition of properties*

It is intended that the Partnership will finance the acquisition of the Initial Portfolio by using the entire Subordinated Loan Facility (i.e. the proceeds of the Bonds), a drawdown of €100 million of the Senior Credit Facility and through approximately EUR 10 million of capital contributions of the limited partners. Acquisitions of properties into the Additional Portfolio will be financed by drawdowns of the Senior Credit Facility and commitments of the limited partners.

The Senior Credit Facility Agreement is expected to contain provisions customarily used in similar transactions including but not limited to:

- maximum amount €300,000,000
- final maturity date 10 years from the signing of the Senior Credit Facility Agreement
- floating rate interest consisting of Euribor and margin linked to certain financial covenant
- ranking senior to the Subordinated Loan Facility
- secured by the assets of the Partnership

### *Investment Period and Follow-On Investments*

The Partnership has an investment period (the “**Investment Period**”) that will end on the earliest to occur of:

- (i) the fifth anniversary of the date of the Fund Agreement;
- (ii) the date on which the Partnership has been fully invested or the General Partner deems the Partnership to be fully invested; or
- (iii) the date on which a remedy period following a Key Person Event (as defined below) ends if during such period adequate amount of replacing key persons have not been approved and appointed (see Key person provisions below).

After the end of the Investment Period the Partnership shall make no further drawdowns of undrawn participations of the limited partners other than for the purposes of paying the expenses and liabilities of the Partnership (including without limitation the management fee, maintenance and financing charges payable to any mutual real estate company and the repayment of the Subordinated Loan Facility and the Senior Credit Facility) and for the purpose of making follow-on investments or completing contracts entered into before the end of the Investment Period.

### *Distributions*

The Fund Agreement includes certain limitations concerning distributions made to the limited partners. In particular, no distribution may be made if such distribution would be prohibited by, or would cause a default under, the Senior Credit Facility or the Subordinated Loan Facility. In addition, according to the Senior Credit Facility Agreement distributions (in any form, excluding management fees) to the limited partners and the General Partner are not allowed if such distribution would cause the Loan to Value ratio (as defined in the Senior Credit Facility Agreement) to exceed 60.0%;

### *Alternative exits*

The Fund Agreement will include provisions to the effect that the General Partner may submit to the limited partners a proposal to (i) transfer the Partnership (or substantially all of its assets) to a limited company or other entity the shares or units of which may be publicly traded, (ii) apply for such shares or units to be publicly traded, and (iii) agree on arrangements in which such units or shares are allocated to the limited partners or the General Partner and, if necessary, on arrangements to be applied in relation to any potential liabilities towards third parties in relation to such alternative exit. In case the General Partner's proposal is approved by an Investors' Ordinary Consent (as defined in the Fund Agreement), each limited partner shall be deemed to have approved such an alternative exit. It shall be an event of default under the Subordinated Loan Facility Agreement if the Partnership takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, bankruptcy, dissolution,

administration or reorganisation (otherwise than while solvent and on the terms approved by the Company). Such approval may only be based on a similar resolution of a Bondholders' meeting.

#### *General Partner and limited partner clawback provisions*

The Fund Agreement contains customary general partner clawback provisions relating to the distributions made to the General Partner. The clawback obligation shall be guaranteed jointly and severally by CapMan and severally by Corintium.

In addition the limited partners of the Partnership (and the limited partners but not the general partner of the intermediary partnership through which Valtion Eläkerahasto and Keskinäinen Henkivakuutusyhtiö Suomi shall invest in the Partnership) shall be obliged to repay to the Partnership any distributions received by them (or any person from which a limited partner acquired its interest in the Partnership) to the extent necessary for the Partnership to meet its liabilities. These liabilities include the Senior Credit Facility, the Subordinated Loan Facility, any other borrowings by the Partnership, payment of management fees, other liabilities of the Partnership towards third parties and the Partnerships' liabilities under the indemnification provisions of the Fund Agreement. Notwithstanding the above the repayment obligations of the partners will be separate and allocated to them in proportion to the distributions made to the limited partners by the Partnership (in a reversed order of the priority of distributions made) and in case a partner fails to comply with its repayment obligation, the other partners will not be obliged to cover the shortfall.

#### *Re-investments*

As long as the Partnership would be permitted to make an investment or a follow-on investment the General Partner may cause the Partnership to re-invest the proceeds received from the Partnership's investments. However, the General Partner shall not cause the Partnership to make a re-investment or any other investment if as a result the cumulative consolidated activated acquisition cost (excluding depreciation and as defined in detail in the Fund Agreement) of the Investees ("**CCAAC**") would exceed €500 million.

#### *Management Fee*

The General Partner shall charge semi-annually in advance a management fee from the Partnership. The management fees may be either funded by drawdowns of the Senior Credit Facility and/or the Subordinated Loan Facility and/or participations of the limited partners and /or paid from the proceeds received by the Partnership from its investments. The management fee for each fee period shall be calculated on the basis of actual days in such period as follows:

- (i) with respect to each of the management fees payable on payment dates before the end of the Investment Period, the management fee shall be 0.7 per cent. per annum on the portion of the Total Capital not exceeding €300 million, and 0.35 per cent. on the excess of the Total Capital as of the relevant payment date;
- (ii) with respect to management fees payable on payment dates after the end of the Investment Period, the management fee shall be 0.7 per cent. per annum on the CCAAC, as reduced by realisations, not exceeding €300 million, and 0.35 per cent. on the excess of the CCAAC, as reduced by realisations, as of the relevant payment date.

On each payment date after the end of the Investment Period the management fee shall be adjusted on a daily basis to reflect the changes in the CCAAC, as reduced by realisations, during the previous fee period.

#### *Borrowings and collateral*

In addition to the Senior Credit Facility and the Subordinated Loan Facility but subject to any further limitations specified in the Senior Credit Facility Agreement and the Subordinated Loan Facility Agreement the Partnership may

- (i) borrow money from the General Partner for the purposes of covering any liabilities of the Partnership (other than repayment of the participations of the limited partners) at EURIBOR + 2 per cent; and/or
- (ii) in order to enable the Partnership to comply with its obligations, to borrow money up to the amount of any participation of a limited partner that such limited partner has failed to make.

The above shall not prevent any Investee from borrowing money, granting guarantees or giving collateral or otherwise granting security provided that such Investee is not controlled by the Partnership. Any interest-bearing borrowing incurred by an Investee controlled by the Partnership in connection with or after the acquisition thereof shall decrease the amount that the Partnership is, according to the Fund Agreement allowed to draw down under the Senior Credit Facility to an extent corresponding to the Partnership's shareholding in that Investee.

Any assets of the Partnership (including its bank accounts and investments held by the Partnership and, as applicable, rights to proceeds from its investments and all other rights the Partnership may have against Investees) may be given as collateral and the General Partner may cause the Partnership to give guarantees for the senior loans taken by the Investees or limited companies or other entities established or existing for the purposes of the Partnership (and as the case may be, co-investors) holding an investment through such company or entity (the "**Holding Company**") as considered necessary by the General Partner. The General Partner may further enter into agreements pursuant to which the Partnership pledges or agrees to pledge all or a part of its assets to the Senior Lenders. Such agreements may provide that proceeds accrued from the investments of the Partnership are to be directed to a specific bank account pledged for the benefit of the Senior Lenders and that withdrawals from such account will be subject to the consent of a security agent administering such account.

#### *Key person provisions*

In case there are less than three (3) Key Persons (as defined in the Fund Agreement) (i) devoting a substantial portion of their business time to the affairs of the General Partner or the Investment Adviser or (ii) acting as members of the board of directors of the General Partner, the Partnership shall suspend from making new investments (the "**Key Person Event**").

The Partnership may make further new investments if, during a period of 12 months from the notice of a Key Person Event to the limited partners the Advisory Board approves persons nominated by the General Partner as new Key Persons so that as a result of such approval the amount of Key Persons equals or exceeds three (3). The Investment Period of the Partnership shall terminate if adequate amount of such persons have not been approved within such period.

#### *Reporting*

The General Partner shall deliver to the Board of Directors of the Company

- (i) semi-annually (within 3 months from the end of each six-month period ending at the end of each June and December) a report containing information on the aggregate performance of the Partnership, changes in and the valuation of the portfolio of the Partnership, statements on cash flows between the Partnership, the Company and the Senior Lenders, and on the drawdowns of participations from and the distributions made to the limited partners; and
- (ii) if there have been material changes in the value of the portfolio of the Partnership during the three months following the end of a six-month period for which a report was submitted, a report on such changes (within 3 months from the end of such three-month period).

In addition the General Partner shall deliver to the Board of Directors of the Company (i) preliminary information on the closing of accounts of the Partnership within one month from the end of the accounting period, and (ii) the audited annual accounts of the Partnership and the related auditor's report within three months from the end of each accounting period.

### *Removal of the General Partner*

The limited partners holding at least 75 per cent. of the total commitments of the limited partners (excluding commitments of certain CapMan-related parties, if any) may remove the General Partner and elect a new general partner if such termination is as a result of the General Partner's fraud, gross negligence, wilful misconduct or a material breach of the Fund Agreement, if such breach has not been remedied within 60 days from receiving a notice of the same.

The limited partners holding at least 75 per cent. of the total commitments of the limited partners (excluding commitments of certain CapMan-related parties, if any) shall have the right to expel the General Partner or to require the General Partner to be responsible for the winding-up of the affairs of the Partnership. Such termination without cause will entitle the General Partner its full portion of the carried interest attributable to investments made prior to such termination (regardless of whether such investments are realised before or after such termination) as well as an amount representing two times the semi-annual management fee paid on the payment date prior to the termination.

In addition to the above, prior to the full payment of all obligations under the Subordinated Loan Facility the removal of the General Partner shall be subject to consent of the Company (and as the case may be, the consent of the Senior Lenders) and the more detailed provisions of the Fund Agreement.

## **5.5 Financial Condition**

Neither the Company nor the Partnership is involved in any litigation or arbitration which would have a material effect on the financial condition of the Company or the Partnership.

## **5.6 The Group Structure of Real Estate Leverator**

The Company currently belongs to CapMan Group, as CapMan holds 100 per cent. of the issued share capital of the Company. It is, however, intended that the Company will be majority owned and controlled by those Bondholders that are willing to purchase the Company's shares (at a nominal value of a total share capital of €80,000).

The Company has currently no subsidiaries, and it is intended that there will be none also in the future.

## **5.7 Financial Statements of Real Estate Leverator**

As the Company has not conducted any business so far and its first financial period ends on 31 December 2005, no financial statements or interim reports have been prepared so far.

## **5.8 Other obligations**

As at the date of these Listing Particulars, the Company has incurred no indebtedness or off-balance sheet obligations.

## **5.9 Investments**

Apart from its share capital that is currently invested in bank deposits, the Company has made no investments so far.

## 5.10 Capital Expenditure

As at the date of these Listing Particulars, the Company has incurred no capital expenditure.

## 6. SUMMARY OF HELSINKI METROPOLITAN AREA COMMERCIAL PROPERTY MARKET

### Helsinki Metropolitan Area Property Market – May 2005<sup>1</sup>

#### Investment market

Property investment demand has remained strong backed by the inflow of capital in the market from both domestic and foreign investors. The first quarter of 2005 witnessed a drop in investments, but decrease is considered to be only temporary. During the last three years foreign investors have been increasingly active in the Finnish property market and have contributed to increased liquidity. In 2004 foreign investors accounted for more than 40% of the total transaction volume. The Finnish market is considered attractive because of the strong national economy and availability of market information as well as transparent legal system and financial environment. Returns and yields have also remained attractive in international comparison. In 2005 foreign investors have invested e.g. in office and industrial premises located in Helsinki and Espoo. The volume of investments of foreign investors is expected to remain strong this year as well. They are also increasingly interested in properties and portfolios outside Helsinki.

The investment demand of Finnish investors has also remained relatively strong. Despite the Finnish institutions' increased interest in foreign investments, domestic market still attracts new capital as well. Institutions have been mainly interested in new developments in Helsinki area and other growth centers. According to latest surveys they will continue their domestic investments as well. Also some property companies have increased their portfolios mainly by acquisitions from corporations.

Investment volume has remained relatively low for the first quarter of 2005, and only few significant transactions have taken place, but the investment volume is expected to increase in the upcoming months.

Yield requirements have fallen slightly for the most desirable areas and properties. Downward pressure on yields is expected to continue because of low interest rates and increased investment demand. Office yields still remain well above 6.0% in the Helsinki central business district area. In Espoo, in the Leppävaara and Keilaniemi/Otaniemi area, yields are currently at a level of ca. 7.0-8.0%.

#### Rental market

##### Office market

Despite the recent increase in vacancies in the city centre, office vacancies are relatively low by international standards. In the Helsinki area the vacancy rate for office premises is below 10%. In addition, the increase of office vacancies in the Helsinki Metropolitan area has slowed down during the last six months. Demand for modern or modernised and efficient premises in newly constructed buildings is still sustainable all around the Helsinki Metropolitan area. Empty offices are primarily found in old-fashioned buildings in secondary locations. The development activity in the office market has been gradually decreasing as there is very little speculative development and high level of pre-letting is a norm.

Office rents have been falling for the last four years, but the decrease has been moderate compared to many other European cities. However, the downward trend seems to slow down, and there are currently

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<sup>1</sup> Source: KTI Property Information Ltd - KTI Institute for Real Estate Economics

some submarkets in the Helsinki area where rents of new agreements have been increasing during the past six months. A further indicator of slight positive tendency is the increased activity in the market, as the number of new rental agreements has increased from the past years.

The areas most impacted by vacant office premises have been those with a strong IT and telecom focus, such as some submarkets in Espoo and office vacancies are still high in Keilaniemi and Otaniemi. In the Leppävaara area, office premises are currently well occupied and the vacancy rate has fallen significantly. Rental levels have been stable or in a slight decrease. During the last six months net take up has been positive in Espoo indicating a possible stabilization of the market

### **Retail space market**

The demand for retail space has remained relatively strong because of consumers' strong confidence in their own purchasing power. Currently, despite the rapidly increasing stock, retail space is practically fully occupied in most growth centers. The vacancy rate remains still very low in the Helsinki Metropolitan area. In the Helsinki central business district area retail premises are practically fully occupied. New rental agreements consist primarily of small retail premises, where rents have been rising steadily.

Outside the central business district retail rents have been relatively stable with a few local exceptions and have even risen slightly in best locations.

New retail space is under construction in many areas in and outside the city centre. Competition on the retail market will tighten as new projects reach completion. Especially in the Helsinki Metropolitan area some market participants are cautious about the impact of new retail supply on vacancies and rents in the retail market. There are several shopping centers under construction or in the pipeline especially near the Ring Roads I and III.

### **Warehouse and industrial market**

The supply of warehouse and production space in the Helsinki Metropolitan area has been increasing slightly for several years, but the vacancy rate remains low. Most of the vacant premises are located in old fashioned premises. Demand and supply along the eastern part of the Ring Road III for new logistics premises are expected to be strengthened by the completion of the Vuosaari harbour.

## **7. OTHER FACTORS AFFECTING THE VALUE OF THE BONDS**

### *Taxation*

The Company is liable to withhold a tax on interest payable on the Bonds in accordance with laws, regulations and guidelines issued by tax authorities as applicable from time to time. According to the current legislation (Income Tax Act (1535/1992, as amended), the rate of the withholding tax is 28 per cent, if interest is paid to an individual resident in Finland or to an undistributed estate of a deceased resident of Finland. Act on Source Tax on Interest Income (1341/1990, as amended), will not be applicable to the Bonds.

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest.

Payments of principal of and interest on the Bonds made by the Company to Bondholders who are not resident in Finland or who do not hold the Bonds through a permanent establishment in Finland are not subject to withholding or deduction for any taxes in Finland. In case such withholding or deduction in Finland should be imposed in the future the Company has not given any undertaking to pay to the Bondholders any additional amounts which may be required to compensate them for any amounts to be so withheld or deducted.

The information on taxation set forth above is based on tax legislation in force on the date of these Listing Particulars being 17 June 2005.

### *Secondary Market*

Application for the listing of the Bonds on the Helsinki Exchanges shall be made provided that the principal amount of the Bonds issued is at least €3,500,000.

### *Yield to maturity and duration*

On the Issue Date and at an issue price of 100 per cent, the yield to maturity of the Bonds is 7 per cent.

Due to the possibility for optional redemption (see Condition 6(b)) the duration of the Bonds cannot be calculated.

## **8. NOTICES FOR SUBSCRIBERS OF BONDS**

### *General*

These Listing Particulars have been approved in Finland by the Financial Supervision Authority ("*Rahoitustarkastus*"). Other than that, no action has been taken in any jurisdiction that would permit a public offering of any of the Bonds, or possession or distribution of these Listing Particulars or any other offering material, in any country or jurisdiction where action for that purpose is required.

## 9. DEFINITIONS

	<i>page</i>
Additional Portfolio	24
Advisory Board	19
Amortisation Amount	13
Arranger	12
Bond Prepayment Date	13
Bondholders	6
Bondholders' Meeting	15
Bonds	12
Bridging Investment	26
CapMan	6
CapMan Group	6
CCAAC	28
Company	4
Corintium	6
FCSD	12
Fund Agreement	19
General Partner	6
Holding Company	29
Initial Portfolio	24
Intercreditor Agreement	8
Interest Payment Date	12
Investee	26
Investment Adviser	26
Investment Period	27
Issue Agent	12
Issue Agent Agreement	17
Issuer	4, 12
Key Person Event	29
Loan	22
Management Outsourcing Agreement	20
Maximum Facility Amount	22
Partnership	6
Real Estate Leverator	4
Senior Credit Facility	7
Senior Credit Facility Agreement	7
Senior Lender	8
Subordinated Loan Facility	6
Subordinated Loan Facility Agreement	6
Termination Notice	14
Total Capital	20