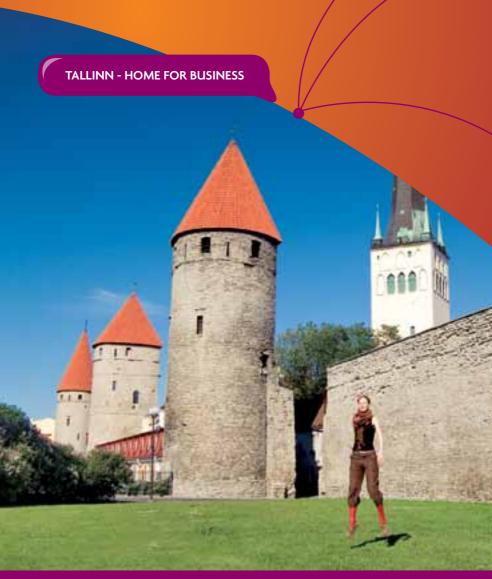
TALLINN 2011



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REPUBLIC OF ESTONIA

Area $45,227 \text{ km}^2$

Climate Average temperature in July +22° C (2010)

Average temperature in February -9° C (2011)

Population 1,340,194 (1 January 2011)

Time zone GMT +2 in winter

GMT +3 in summer

Language Estonian

Currency the euro (EUR)

As of May 1, 2004, Estonia is a member state of the European Union. As of March 29, 2004, Estonia is a full member of NATO.

As of December 21, 2007, Estonia belongs to the Schengen Area.



TALLINN

Tallinn, the capital of Estonia, is located in Northern Europe in the northeast part of the Baltic Sea Region, on the coast of the Gulf of Finland. A favourable geographic location has helped Tallinn develop into a port city, as well as an industrial and commercial centre. Tallinn, a well-known Hanseatic town, received its township rights in 1248.

LOCATION IN THE WORLD

Latitude 59° 26´ North and longitude 24° 46´ East.

GEOGRAPHIC INDICATORS

Area 159.1 km²

Islands (1) Aegna 3.04 km²

Lakes (2) Harku 1.7 km², Ülemiste 9.4 km²

 $\begin{array}{ccc} \textbf{Sea coast} & 46 \text{ km} \\ \textbf{Land border} & 59 \text{ km} \end{array}$

The highest point in Nomme is 63.6 m above sea level.

Population 412,950 (1 April 2011) Population density 2,595 per square km

LAND OWNERSHIP

As a result of land reform, as of 1 January 2011, 33,328 cadastral units with a total area of 11,960 hectares were registered in the National Land Registry, which comprise 75.6% of Tallinn's area.

As of 1 January 2011, there were 4,120.2 hectares of land in **municipal ownership** registered in the land cadastre, which comprises 26.0% of the city's area.

Land in private ownership: 5,638.3 hectares, i.e. 35.6% of the city's area.

Land remaining in state ownership registered in the land cadastre totals 2,201.5 hectares, i.e. 13.9% of the city's area.

As of 1 January 2011, there was 3,867 hectares of ${\bf unreformed\ land}$ in Tallinn, which comprised 24.4% of the city's area.

Tallinn has 40 km² of parks, forests, etc.

As of 2011, Tallinn is a member of the following international organizations

Baltic Metropoles Network	Cooperation network of the metropolises in the Baltic Sea Region
Hanseatic League	Hanseatic Movement
EC/EUROCITIES	Network of major European cities
UBC	Union of Baltic Cities
ECAD	European Cities Against Drugs
OWHC	Organization of World Heritage Cities
ECM	European Cities Marketing
ICA	Intelligent Community Association
EUREGIO	Cooperation project of Helsinki and Tallinn
INTA	International Network for Urban Development
ASCE	Association of Significant Cemeteries in Europe
UCEU	The Union of Capitals of the European Union
LUCI	The Lighting Urban Community International
POLIS	European Cities and Regions Networking for New Transport Solutions

Tallinn has permanent associations with 26 cities in the world

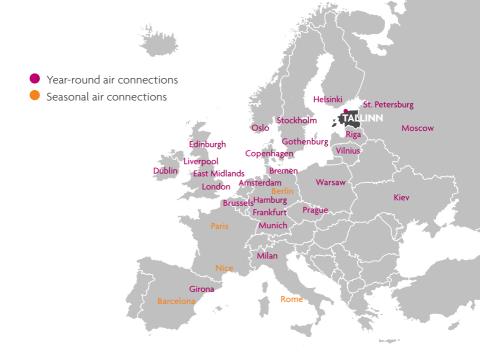
Annapolis (USA)	Newcastle/Gateshead (United Kingdom)
Berliin (Germany)	Odessa (Ukraine)
Dartford (United Kingdom)	Peking (China)
Firenze (Italy)	Riia (Latvia)
Gent (Belgium)	Schwerin (Germany)
Groningen (The Netherlands)	Skopje (Macedonia)
Hangzhou (China)	Stockholm (Sweden)
Helsingi (Finland)	St. Peterburg (Russia)
Kiel (Germany)	Toronto (Canada)
Kiiev (Ukraine)	Turu (Finland)
Kotka (Finland)	Veneetsia (Italy)
Malmö (Sweden)	Viin (Austria)
Moskva (Russia)	Vilnius (Lithuania)

Distance of from Tallinn to larger cities and year-round air connections, 2011

City	Distance from Tallinn (by plane, km)	Flight duration (h)	Airlines
Kuressaare	188	45 min	Estonian Air
Kärdla	124	30 min	Avies
Tartu	163	45 min	Estonian Air
Helsinki	82	30 min	Finnair, FinnComm, Blue1
Riga	280	55 min	Air Baltic
St. Petersburg	310	1 h 10 min	Estonian Air
Stockholm	380	1 h – 1 h 15 min	Estonian Air, Ryanair
Vilnius	530	1 h 30 min	Estonian Air, Air Baltic
Gothenburg	755	1 h 20 min	City Airline
Oslo	800	1 h 30 min	Estonian Air, Norwegian, Ryanair
Warsaw	840	1 h 20 min	LOT Polish Airlines
Copenhagen	860	1 h 35 min	Estonian Air
Moscow	860	1 h 40 min	Estonian Air
Kiev	1,075	1 h 50 min	Estonian Air
Prague	1,200	2 h 10 min	Czech Airlines
Bremen	1,217	2 h 25 min	Ryanair
Frankfurt	1,400	2 h 25 min	Lufthansa
Düsseldorf	1,458	2 h 30 min	Ryanair
Amsterdam	1,475	2 h 30 min	Estonian Air
Munich	1,495	2 h 25 min	Lufthansa
Brussels	1,600	2 h 35 min	Estonian Air
Edinburgh	1,712	2 h 45 min	Ryanair
London	1,750	2 h 45 min	Estonian Air, EasyJet, Ryanair
East Midlands	1,770	3 h	Ryanair
Liverpool	1,823	3 h	EasyJet
Milan	1,870	3 h	Ryanair
Dublin	2,010	3 h 20 min	Ryanair
Girona	2,472	3 h 45 min	Ryanair

Source: Lennart Meri Tallinn Airport





Distances from Tallinn to larger cities and seasonal air connections, 2011

City	Distance from Tallinn (by plane, km)	Flight duration (h)	Airlines
Berlin	1,045	1 h 50 min - 3 h 15 min	Estonian Air
Paris	1,845	3 h 10 min	Estonian Air
Nice	2,120	3 h 15 min	Estonian Air
Rome	2,145	3 h 25 min	Estonian Air
Barcelona	2,560	4 h	Estonian Air

Source: Lennart Meri Tallinn Airport

Regular international passenger traffic between the Port of Tallinn and other cities, 2011

Destination	Departures per week from the Port of Tallinn during the summer	Duration (h)
Helsinki	79	2 - 3.5 *
Mariehamn	7	11
Stockholm	7	16
St. Petersburg**	1	13

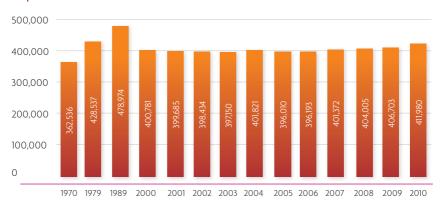
^{*} depending on vessel type

Source: Port of Tallinn

^{**} departure from Paldiski

POPULATION

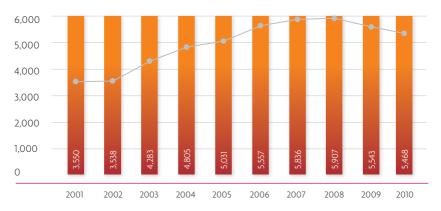
Population of Tallinn, 1970-2010



Sources: Statistics Estonia, Register of Population

In 2010, the birth rate decreased by 1.4% compared to the previous year. In the record month of August, **509** births per month were registered in Tallinn.

Live births in Tallinn, 2001-2010



Source: Statistics Estonia

Population by districts, 1 April 2011

District	Area (km²)	Population (%)	Population density km ²
Haabersti	22.1	10	1,868
City Centre	30.4	12	1,665
Kristiine	7.8	7	3,825
Lasnamäe	27.5	28	4,225
Mustamäe	8.1	16	7,974
Nõmme	29.1	9	1,312
Pirita	18.8	4	832
North-Tallinn	15.1	14	3,722
Tallinn total	159.1	100	2,595

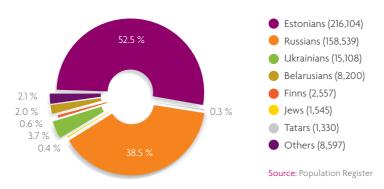
Source: Register of Population

General population data of Tallinn, 2010

	Total	per 1,000 inhabitants
Births	5,468	13.3
Deaths	4,598	11.2
Natural increase	870	2.1
Marriages	2,379	5.8
Divorces	1,341	3.3

Source: Statistics Estonia

National composition of population in Tallinn, 1 January 2011



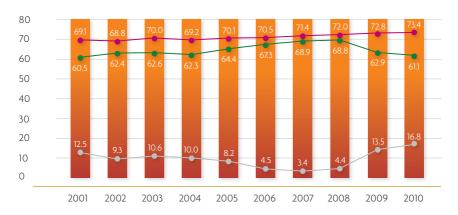
LABOUR MARKET

Population of Tallinn by economic status, 2010 (thousands)

Economically active population (labour force)	227.7
Employed	189.4
Unemployed	38.3
Economically inactive population	82.4
Labour force participation rate (%)	73.4
Employment rate (%)	61.1
Unemployment rate (%)	16.8

Source: Statistics Estonia, Estonian Labour Force Survey

Employment in Tallinn, 2001-2010 (%)



- The unemployment rate is the percentage of unemployed people in the labour force
- The employment rate is the percentage of employed people in the working-age population
- Labour force participation is the percentage of the labour force in the working-age population (ages 15 to 74)

Source: Statistics Estonia, Estonian Labour Force Survey



Employment in Tallinn by field of activity, 2010 %

	thousands	%
Wholesaling and retailing; repair of motor vehicles and motorcycles	31.9	15.3
Processing industry	31.8	15.2
Public administration and national defence, statutory social insurance	18	8.6
Transport and warehousing	17.5	8.4
Education	15.6	7.5
Health care and social welfare	13.1	6.3
Professional, scientific and technological activities	11.8	5.7
Administrative and support activities	10.5	5.0
Construction	10.4	5.0
Lodgings and catering	8.8	4.2
Information and communications	8.7	4.2
Art, entertainment and leisure	8.4	4.0
Financial and insurance activities	7.6	3.6
Real estate activities	6.2	3.0
Electrical, gas and steam supply; water supply; sewerage services; waste management	2.1	1.0
Other fields of activity	6.2	3.0
TOTAL	208.7	97.0

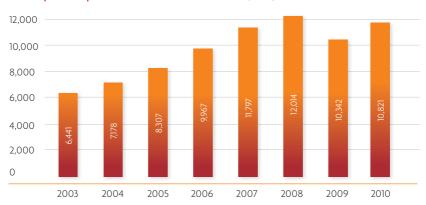
Sources: Statistics Estonia, Estonian Labour Force Survey

ECONOMY

ECONOMIC GROWTH

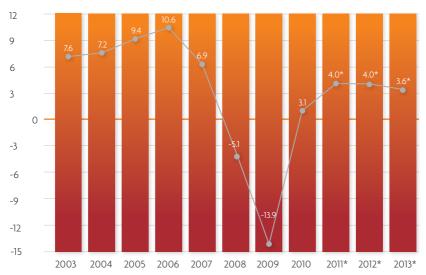
 In 2010, GDP at current prices was 14.5 billion EUR and GDP in constant prices (2000) was 8.98 billion EUR

GDP per capita in Estonia, 2003-2010 (EUR)



Source: Statistics Estonia

Real growth of GDP in Estonia, 2003-2013 (%)



* forecast

Sources: Bank of Estonia, Statistics Estonia



GDP per capita in the Baltic Sea Region, 2010 (EUR)

Norway	41,039
Sweden	27,039
Denmark	25,484
Finland	24,929
Germany	24,512
Czech Republic	17,777
Estonia	13,194
Estonia Hungary	13,194 13,194
Hungary	13,194
Hungary Poland	13,194 13,055

Real growth of GDP by countries, 2010 (%)

Sweden	4.1
Poland	3.8
Germany	3.6
Finland	3.2
Estonia	2.4
Czech Republic	2.3
Norway	1.5
Denmark	1.0
Hungary	0.8
Lithuania	0.4
Latvia	-1.8

Source: CIA World Factbook 2010

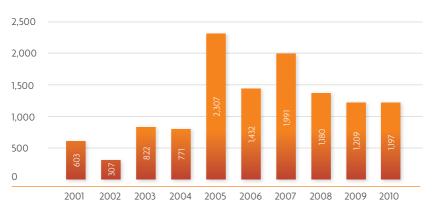
- In the Global Competitiveness Report compiled by the World Economic Forum, Estonia ranks 33rd among 139 countries. This is based on information that characterises the country's development according to whether the development is based on resources, technology or innovation.
- According to the Heritage Foundation and Wall Street Journal Index of Economic Freedom for 2011, Estonia ranks 14th among 183 countries and 5th among 43 European countries. The evaluation is based on trade policy, government intervention, financial policy, the relative importance of the black market in the economy, etc.
- In the 2011 Bertelsmann Transformation Index (BTI), Estonia is assigned 4th place
 among 128 countries. The Index characterises the development of the market
 economy and democracy in the given country based on the speed and efficiency
 of the reforms related to these developments.

FOREIGN INVESTMENTS

- By the end of 2010, foreign investments in Estonia totalled 12.25 billion EUR.
- According to the Bank of Estonia, in Estonia foreign direct investments per capita totalled 895 EUR in 2009.

According to the Bank of Estonia, during 2010, a total of **1.20 billion** EUR of direct investments were made in Estonia and **1.18 billion** EUR was invested in companies registered in Tallinn.

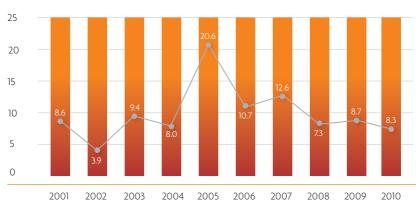
Foreign direct investments into Estonia, 2001-2010 (mln EUR)



Source: Bank of Estonia

The rapid growth of foreign direct investments in 2005 resulted from the buyout of Hansapank shares by a foreign investor. In 2006-2008, nearly 70-75 % of the revenues from direct investments came from reinvested revenues. In 2009, the primary investments were in share capital.

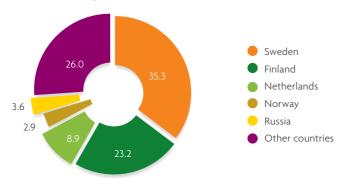
Inflow of direct investments into Estonia, % of GDP, 2001-2010



Source: Bank of Estonia

Direct investment shares, 31 December 2010

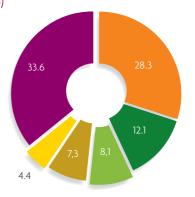
In Estonia by countries (%)



In Estonia by fields of activity (%)

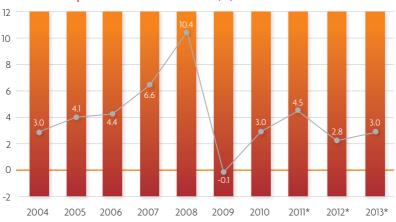
- Financial brokering, excl. insurance and pension funds.
- Real estate activities
- Headquarters activity, management-related consultancy
- Wholesaling and brokering trade, excl. motor vehicles and motorcycles
- Fields of activity related to warehousing and transport
- Others

Source: Bank of Estonia



STANDARD OF LIVING

Consumer price index, 2004-2013 (%)



^{*} forecast

Source: Ministry of Finance

Estonia places 34th among 169 countries in the international Human Development Index compiled by the United Nations. The index considers the population's educational level, life span and level of economic development. Compared to 2009, Estonia moved up six places.

Main socioeconomic indicators in Tallinn, 2010-2011

	EUR/ month
Average gross wages 2010	896
Average old-age pension 2010	315
Subsistence minimum 2011	76.70
Minimum expenditure on foodstuffs 2011 1Q	64.92
Minimum wage 2011	278.02

Source: Statistics Estonia

As of 1 January 2011, the rate of dependants in Tallinn was 44.8%, i.e. the
proportion of the population between the ages of 0-14 and older than 65
compared to the proportion of the population between the ages of 15-64.



FINANCE & BANKING

Estonia has been assigned the following credit ratings:

Fitch Ratings A/stable (19 July 2010)
Standard & Poor's A/positive (21 April 2011)
Moody's A1/stable (31 March 2010)

Tallinn has been assigned the following credit rating:

Moody's A3

- According to the Bank of Estonia, there were 1,002 ATM machines and 17,333 companies accepting card payments as of the 1 January 2011.
- As of 1 January 2011, Estonian banks have issued a total of 1,804,226 cards.
- The total number of clients using Internet banking services at the largest Estonian banks is 1,828,189 as of 31 March 2011.

Approximately **98%** of the bank transfers are performed electronically; **93.5%** of income tax declarations are made through the e-Tax Board.

BUSINESS ACTIVITIES

 According to the data of the Centre of Registers and Information Systems of the Ministry of Justice, 61,836 companies and 8,023 sole proprietors were registered in Tallinn as of 1 April 2011.

The number of businesses registered in Tallinn as of 1 April 2011 by main fields of activity

Agriculture, forestry and fishery Mining	646 51 3,691	0.92	452	194
		0.07		
	3,691	0.07	51	
Processing industry		5.28	3,378	313
Supply of electrical power, gas, steam and conditioned air	126	0.18	123	3
Water supply, sewerage services, waste and pollution management	158	0.23	150	8
Construction	6,665	9.54	6,432	233
Wholesaling and retailing; repair of motor vehicles and motorcycles	15,753	22.55	14,667	1,086
Transport and warehousing	4,242	6.07	2,569	1,673
Lodgings and catering	1,539	2.20	1,488	51
Information and communications	3,603	5.16	3,357	246
Financial and insurance activities	3,681	5.27	3,635	46
Real estate activities	6,048	8.66	5,687	361
Professional, scientific and technological activities	10,550	15.10	9,588	962
Administrative and support activities	5,848	8.37	5,654	194
Public administration and national defence, statutory social insurance	13	0.02	12	1
Education	1,113	1.59	768	345
Health care and social welfare	866	1.24	642	224
Art, entertainment and leisure	2,049	2.93	1,114	935
Other service activities	3,209	4.59	2,064	1,145
Domestic housekeeping as an employer's activity, domestic housekeeping for one's own use, i.e. without differentiating between the production of goods and provision of services	7	4	3	
Activities of extraterritorial organizations and units	1	0.001	1	
Total:	69,859	100	61,836	8,023

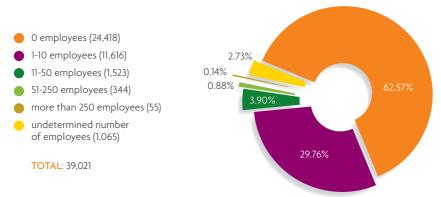
Enterprises by types of owners in Tallinn, 1 April 2011

State	26	0.04%
Local municipality	12	0.02%
Private Estonian persons	60,454	86.54%
Private foreign persons	8,971	12.84%
Information unavailable	396	0.57%
TOTAL	69,859	100%

Source: Estonian Ministry of Justice Centre of Registers and Information Systems

In 2011, the number of companies in Tallinn with foreign holdings was **10,340**, of which **8,561** with over 50% foreign holdings.

Active businesses and the number of employees therein based on the 2009 annual reports



Source: Estonian Ministry of Justice Centre of Registers and Information Systems

In 2009, the number of companies with turnovers of more than 100 thousand EUR was 9,403 and 19 companies with turnovers of 100 million EUR or more.

- As of 1 April 2011, there were 16.9 entrepreneurs per 100 Tallinn citizens.
- There are a total of four business incubators active in Tallinn; three are operated by the Business Support and Credit Management Foundation established by the City, and one is operated by TEHNOPOL, the Tallinn Technology Park. Microlink, an information technology company has also opened a business incubator as a private initiative. Four business incubators operate in Tallinn, of which three are under the administration of the Foundation for Business Support and Credit Administration, and one under the administration of Tallinn Technological Park Development Foundation TEHNOPOL.

BUSINESS SUPPORT AND CREDIT MANAGEMENT FOUNDATION:

Kopli Business Incubator, provides office space for up to 20 companies (750 m², max 45 furnished workstation); located on the third floor of the Tallinn Kopli Vocational School building; has a separate entrance. Intended for the development of small-sized and experimental production;

Ülemiste Business Incubator, provides office space for up to 11 companies (600 m², 39 furnished workstations); located on the basement level of the main building of the Mainor Business School in the Ülemiste Smart Business City;

Creative Incubator for companies in creative industries, provides office and studio space for up to 23 different companies in creative industries (1100 m², max 50 workstations); located in the Baltika Quarter in Tallinn city centre, where many creative enterprises have gathered.

TEHNOPOL:

Tallinn's Tehnopol Research Park is a research and business campus for start-ups and developing businesses in the immediate vicinity of the Tallinn University of Technology and the IT College. Over 150 companies operate in Tehnopol and it's Estonia's largest business incubator for start-up technology companies. The Tehnopol companies are active primarily in the fields of ICT, electronics, mechanics, biotechnology and materials technology. In addition to businesses, five research and development centres also operate in Tehnopol, which link the top-level research at the universities with business. Tehnopol provides companies with start-up services in the incubator, suitable commercial premises, business development services, as well as opportunities for close cooperation with universities and international networks. Tehnopol is a member of IASP (International Association of Science Parks).

Tehnopol development projects:

Tehnomeedium – a business centre for medical and biotechnology companies Mehhatroonikum – a business centre for mechanics and machine-building companies Digitalu – business centre for information technology and communication companies

TALLINN'S INDUSTRIAL PARKS:

Tondiraba Industrial Park: on 22.5 hectares bordered by Peterburi Rd., Laagna Rd., Kuuli Rd. and Taevakivi Rd.;

Betooni Industrial Park: on 3.6 hectares at Betooni Rd. 6; **Suur-Sõjamäe Industrial Park**: on 6.4 hectares at Suur-Sõjamäe Str 29b.

- As of April 2011, four lots were available at Betooni, and all 16 lots at Suur-Sõjamäe.
- The industrial parks are conveniently situated at logistic locations in the vicinity of the traffic intersection between Peterburi Rd. and the Tallinn roundabout.
- Good access from all directions by all transport, including public transportation; the city centre, airport and main highways are only a 10-minute drive; the Port of Muuga is only a 20-minute drive.
- Thanks to the large residential areas in the vicinity, there is sufficient available labour force.

TALLINN CITY ENTERPRISE BOARD:

In order to develop small enterprises, the City has prepared a programme for developing small businesses in Tallinn. The following support measures are provided to companies within the framework of this programme:

- **New job creation grants** (for investments in fixed assets upon creating at least three new jobs);
- Supports for creating social jobs (for wages starting with the creation of five social jobs as well as nonprofit organizations and foundations that operate in the public interest, upon creating at least three social jobs);
- Support for company trainee supervisors (support for the instruction of trainees studying occupations related to natural and exact sciences, as well as technical, production and construction);
- Trade fair grants (for participation in trade fairs taking place in Estonia);
- Supports for the co-financing of cluster projects (cluster supports are directed at the co-financing of cluster cooperation projects).





TALLINN – A CENTRE FOR FINANCIAL SERVICES BY 2012

Tallinn's vision is to become a reliable centre for financial services and products.

Competitive competences:

Gateway to Central and Eastern Europe

- Funds and mandate management
- Account management services of the financial instruments
- Private banking
- Wealth management

Centre for Financial Innovation

Safe and user-friendly e- and m-solutions have brought the reputation of advanced IT-country. Estonia can be the location for R & D centres of any financial services provider whose headquarters is situated abroad.

- Invest with Estonian-based fund managers and investment banks in the Central and Eastern European region
- Relocate your asset management firm to Tallinn
- Move your headquarters/holding company to Tallinn

Electronic mindset

- Businesses & authorities online
- Highly developed online banking system; easy-to-open accounts
- Creation of financial information systems, Internet banking, software for trading environments
- Services related to cybersecurity
- Dynamic and online Financial Supervision Authority
- Micro-payments, m-payments

Experienced player spreading knowledge to the region

- Understands the culture and traditions of the former Communist Bloc
- Utilizing the experience of less-developed Central and Eastern European countries
- Active financial services industry for exploiting opportunities in the region

USEFUL LINKS:

Ministry of Finance www.fin.ee
Financial Supervision Authority www.fi.ee
Tallinn Stock Exchange www.omxgroup.com
Bank of Estonia www.eestipank.info
Estonian Tax and Customs Board www.emta.ee
Chamber of Notaries www.notar.ee

TOURISM

According to the 2011 *Travel and Tourism Competitiveness Report*, compiled by *World Economic Forum*, Estonia ranks 25th among 139 countries.

Accommodation capacity and occupancy rates in Tallinn, 2006-2010

	2006	2007	2008	2009	2010
Accommodation establishments	364	395	412	342	363
Including the number of hotels	48	52	53	57	58
Number of rooms	6,049	7,076	7,172	7,540	7,607
Number of beds	12,130	14,456	14,439	15,250	15,378
Room occupancy rate, (%)	58	55	50	44	52
Bed occupancy rate, (%)	49	47	42	36	44
Average cost for 24 hours (EUR)	38	38	38	33	31

Source: Statistics Estonia, Tallinn City Tourist Office & Convention Bureau

Tallinn conference sites, 2011

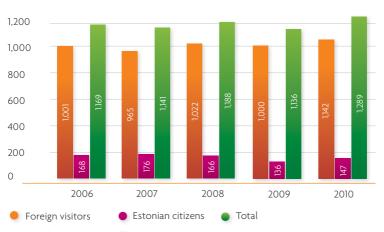
Number of seats in conference centres	Number of conference sites
500-1,000	10
1,001-2,000	2
6,000	1

Source: Tallinn City Tourist Office & Convention Bureau





Accommodated in Tallinn, 2006-2010 (thousands)

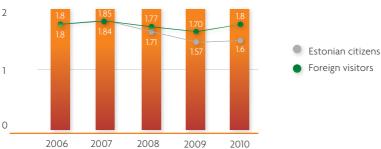


Source: Tallinn City Tourist Office & Convention Bureau

According to nationality, 595,600 Finnish, 103,200 Russian, 59,200 Swedish, 57,800 German, 37,700 Latvian, 34,800 Norwegian, and 31,300 British visitors were accommodated in Tallinn.

The number of foreign tourists was impacted primarily by an increased number of cultural and sports events (EM figure skating, Sting, Metallica and Rod Stewart concerts, CSIT world games, Tallinn marathon). Compared to previous years, the number of repeat visitors at cultural events also increased (e.g. Old Town Days, Birgitta Festival).

Average length of overnight stays in Tallinn's accommodation establishments, 2006-2010 (nights)

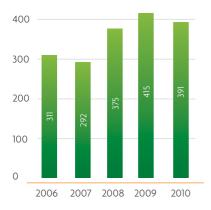


Source: Statistics Estonia

Compared to previous years, the durations of stays by both foreign and domestic tourists have increased and this throughout the year. Based on data from Statistics Estonia, the average stay for tourists in Tallinn in 2010 was 1.78 nights (+5%). The longest trips to Tallinn were made in January (2.09 nights) and the shortest in May (1.71 nights).

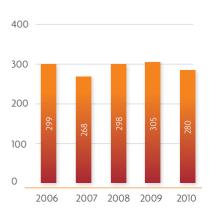
Cruise passenger arrivals at Tallinn ports.

2006-2010 (thousands)



Source: Port of Tallinn, Board of the Border Guard

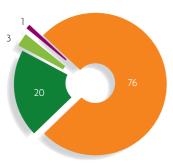
Cruise ship arrivals at Tallinn ports, 2006-2010



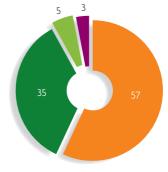
Distribution of tourists by purpose of visit, 2010

Of the 1.29 million tourists that stayed at Tallinn's accommodations establishments in 2010, the purpose of their travel can be divided as follows: 963,400 vacationers, 275,400 business travellers, 37,600 conventioneers, and 12,300 who were travelling for other reasons (study, health, visiting friends, etc.).

Foreign visitors break down as follows (%), 2010



Domestic tourist trips to Tallinn break down as follows (%), 2010

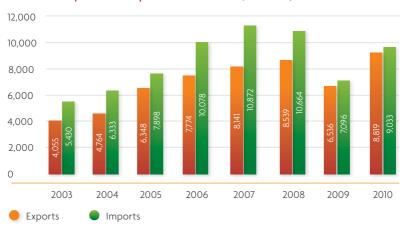


vacationers 🔵 business travellers 🔵 conventioneers 🗶 travelling for other reasons

FOREIGN TRADE

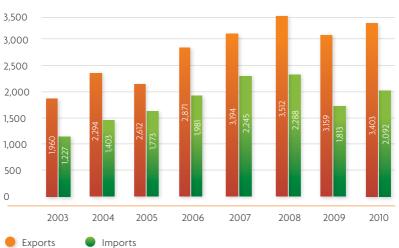
- The volume of Estonian foreign trade was 17.8 billion EUR in 2009. Exports
 totalled 8.8 billion EUR (49.4%) and imports 9 billion EUR (50.6%). According to
 the Statistical Office of Estonia, the trade balance shortage was 0.2 billion EUR in
 2010.
- Compared to 2009, the annual volume of foreign trade increased by 29% in 2010, with exports increased 35% and imports 23%.

Goods exports/imports, 2003-2010 (mln EUR)



Source: Bank of Estonia

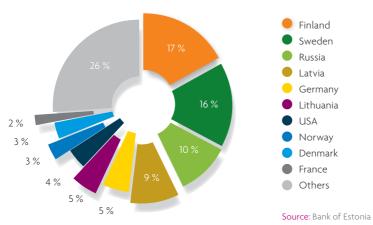
Services exports/imports, 2003-2010 (mln EUR)



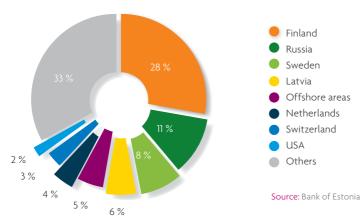
Source: Bank of Estonia



Export of goods by countries, 2010



Export of services by countries, 2010

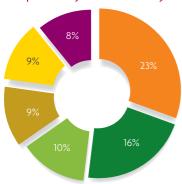


TALLINN'S MAJOR EXPORTERS:

- Baltika manufacture of men's and women's clothing
- BLRT Group construction and repair of ships; manufacture of metal structures
- Elcoteq Tallinn manufacture of electronics products
- Krimelte manufacture of joint sealants and construction foams
- Norma manufacture of car safety belts and their components
- Henkel Makroflex manufacture of paints, lacquers and other finishing materials, as well as printing ink and mastics
- ABB manufacture of electric motors, generators and transformers
- Liviko production of alcoholic beverages
- Premia Tallinna Külmhoone production of ice cream

In 2010, there were **10,645** exporting companies in Estonia, including 4,722 in Tallinn.

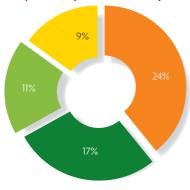
Exports by commodity:



- Machinery and equipment, machinery and mechanical appliances; electrical appliances
- Mineral products, mineral fuels, mineral oils
- Agricultural produce and foodstuffs
- Metals and metal products
- Wood and articles of wood
- Miscellaneous manufactured products

Source: Statistics Estonia

Imports by commodity:



- Machinery and equipment, machinery and mechanical appliances; electrical appliances
- Mineral products, mineral fuels, mineral oils
- Agricultural produce and foodstuffs

Metals and metal products

Source: Statistics Estonia

HOUSING AND REAL ESTATE

HOUSING

Housing stock in Tallinn, 1 January 2011

Number of dwellings	197,995
Total housing stock	10,925 thousand m ²
housing area	7,102 thousand m ²
state-owned	0.04%
municipal	0.15%
private	99.8%
Housing stock per person	26.5 m ²
Average size of dwelling	55 m ²

Source: Building Registry of the Ministry of Economic Affairs and Communications

Capacity of new buildings in Tallinn, 2006-2010

Category of building	Volume of construction	2006	2007	2008	2009	2010
Residential buildings	Number of flats	2,000	3,408	3,026	1,591	1,266
	Floor space of dwellings (m²)	144,049	254,468	221,317	124,082	103,284
Non-residential buildings	Useful floor space (m²)	288,791	512,137	270,506	477,744	180,236

Source: Building Registry of the Ministry of Economic Affairs and Communications

REAL ESTATE

Rental prices for commercial premises in Tallinn, (EUR/m² per month)

Space in shopping centres

150-300m ²	12.8-19.2
30-150m ²	22.4-32
Anchor tenants	8-12.1

Source: Ober-Haus real estate market review for 2010 Q4



Tallinn's commerce is concentrated in large shopping centres (with more than $10,000 \text{ m}^2$ of floor space), of which there are 10 in Tallinn. As of the third quarter of 2009, the commercial space in Tallinn totalled $820,000 \text{ m}^2$, which is about 2 m^2 per resident.

Rental prices for manufacturing and warehouse space in Tallinn, (EUR/m² per month)

A-class	2.9-4.2
B, C-class	0.6-2.9

Source: AS Arco Vara real estate market review for 2010 Q4

Rental prices for office space in Tallinn, (EUR/m² per month)

Area	A-class	B-class	C klass	
City centre	7.7-16	7.6-11.5		
Areas surrounding city centre		6.4-9.6	3.2-5.7	

DEVELOPMENT PROJECTS

Expansion of Ülemiste City during the next five years **50,000 m²**Renovation of the Tehnopol commercial building **3,000 m²**

Tehnopol Digitalu **6,000 m²**Tehnomeedikum **12 000 m²**Mehhatroonikum **9,000 m²**Tallinn's industrial parks **37,850 m²**Bauhaus **20,000 m²**Culture Cauldron **10,000 m²**

TRANSPORT

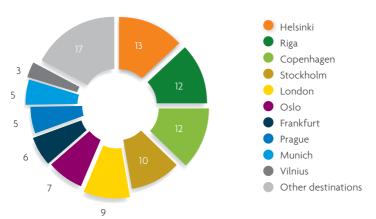
- In 2010, 1,384,831 passengers passed through Tallinn Airport. This was 2.9% more
 passengers than in 2009. A total of 11,960 tonnes of goods were transported,
 which is 43% less than in 2009. The number of flight operations (including all
 arrivals and departures) was 33,587, which was 3.1% more than in 2009.
- In 2010, 36.7 million tonnes of goods and 7.92 million passengers passed through the ports belonging to the Port of Tallinn.

Port of Tallinn

	2006	2007	2008	2009	2010
Number of passengers (thousands)	6,760	6,514	7,247	7,257	7,915
Number of ships	11,724	10,614	9,132	7,239	7,274
- cargo ships	3,043	2,753	2,535	2,616	2,147
- passenger ships	8,683	7,861	6,597	4,623	5,127
Container cargo (TEU)	152,000	180,911	180,927	131,059	151,969
Turnover of goods (thousands of tonnes)	41,300	36,028	29,077	31,597	36,650

Source: Port of Tallinn

Main flight directions, 2010 (%)



Source: Lennart Meri Tallinn Airport



Passengers, in Tallinn Airport 2006-2010 (thousands, includes both arriving and departing passengers)



Source: Lennart Meri Tallinn Airport

Network of urban streets in Tallinn, 1 January 2011 (km)

Urban streets	1,010
Streets with sidewalks	911
Pathways and bicycle trails	191

Source: Municipal Engineering Services Department

Motor vehicles, 1 January 2011 (km)

Motor vehicles per 1,000 inhabitants

322

Motor vehicles, including	159,515
cars	132,906
trucks	21,599
motorcycles	3,741
buses	1,269

Source: Statistics Estonia

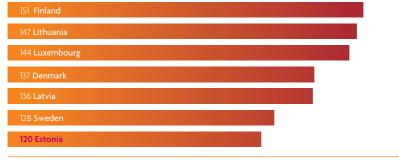
COMMUNICATIONS

Estonian mobile phone operators and the number of clients, 1 January 2011

Operator	EMT AS	Elisa AS	Tele2 Eestis AS
Number of clients	797,000	438,200	468,000

Source: Websites of mobile phone operators

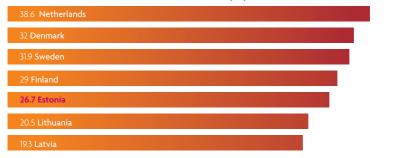
Mobile phone service end consumer density per 100 inhabitants, 2010 (%)



Source: European Commission 16 Implementation Report, Estonian Competition Authority

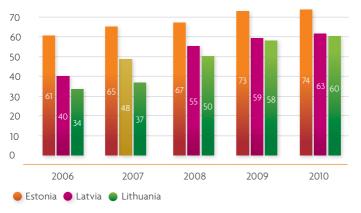
74% of the population or **758,100** residents of Estonia aged 16-74 use the Internet.

Fixed Internet connection density per 100 inhabitants, 2010 (%)



Source: European Commission 16 Implementation Report, Estonian Competition Authority

Proportion of Internet users among the population between the ages of 15-74 (has used the Internet in the last 6 months)



Source: TNS EMOR, e-track Survey

 According to the World Economic Forum International Technology Index Estonia ranked 25th among 134 countries. This is based on the level of IT used for the promotion of the country's economy.

Using the information and telecommunications technology in developing the national economy,

2005-2011 (ranking among 138 countries)

	2005	2006	2007	2008/2009	2009/2010	2010/2011
Sweden	8	2	2	2	1	1
Finland	5	4	6	6	6	3
Estonia	23	20	20	18	25	26
Lithuania	44	39	33	35	41	42
Latvia	51	42	44	48	52	52

Source: The Global Information Technology Report produced by The World Economic Forum (WEF) in cooperation with INSEAD Business School

In terms of using information technology for economic development, Estonia is the most successful Eastern European country.

 At the Intelligent Community Forum (ICF), held in New York on 2010 May 21, Tallinn was chosen as one of Top Seven Intelligent Communities of the Year for the fourth time.

Tallinn is increasing its information technology-related capability, is using the newest systems, and helping to implement and improve e-services in the country. This time, Tallinn earned recognition for the speedy and widespread implementation of new and innovative information technology solutions. The City of Tallinn has guaranteed the internetization of all schools, and there are over 300 wireless Internet hotspots in the city of which 60 have free Internet connections provided by the city. The provision of free broad-based computer training for the residents, the comprehensive implementation of e-governance solutions in the management of the city, the continual growth of the number of e-services directed at the population, use of ID cards as public transportation tickets are only some examples of the activities that characterize Tallinn as a community that functions dynamically and innovatively.

Tallinn is the top city in the world for wireless Internet. The U.S. TV channel
Discovery Tech, which reports on popular science, history and technology, chose
Tallinn as the world's best city in terms of WiFi wireless Internet coverage.

DEVELOPMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY IN ESTONIA

FACTS:

- As of April 5, 2011, the number of public wireless Internet or WiFi hotspots in Estonia was 1,141, of which 348 are located in Tallinn: www.wifi.ee.
- As of January 1, 2011, there were almost 700 public Internet points in Tallinn.
- As of April 7, 2011, over 14,170 EU domains have been registered by Estonian companies and private individuals: www.zone.eu.
- 98% of bank transfers are executed electronically and 93.5% of income tax returns are submitted electronically.
- The NATO Cooperative Cyber Defence Centre of Excellence is located in Estonia.
- Estonia has received confirmation that the headquarters for the European IT Agency (so-called Schengen visa area information system) will be located here.
- Of those who voted in the parliamentary elections, 140 846 voters or 15% voted by Internet. (voter turnout 63%).

DEVELOPMENTS:

- M-payments it is possible to pay for various products and services by mobile phone, for instance, parking and public transportation tickets.
- Mobile-ID service allows the users of e-services to securely confirm their identity through their personal mobile phones, for instance, to log into Internet banks and provide digital signatures. The mobile-ID service is a counterpart to the ID card in one's mobile phone. The number of transaction has reached 1.4 million, and the service was being used by over 20,000 people by the end of April 2011: www.id.ee/mobiil.
- A **DigiDoc portal** has been created that allows digital signatures to be given, the validity of digital signatures to be controlled and access to information restricted. To date, almost 1 million digital signatures have been given: www.digidoc.sk.ee.
- A GPS-based monitoring service for vehicles that allows for the optimization of transport costs: www.track24.eu.
- In 2009, a **Demo Centre** was created by the ICT sector, with the following goals: to promote cooperation in the product development, integration and joint marketing of ICT solutions in both the public and private sphere; to increase the marketing and sales capabilities of Estonian ICT companies in foreign markets; and to encourage cooperation among the members in order to jointly participate in international procurements. The Demo Centre is located in the building of Ülemiste City. The companies that established the Demo Centre include MicroLink Eesti, Santa Monica Networks, Datel, Elion Enterprises, EMT, Ülemiste City and Microsoft Eesti. As of 1st April 2011, 19 companies from the ICT sector have officially joined the Demo Centre and the centre has acquired an international ICT-related cooperation platform. In total, 15 companies are involved in various forms of partnership: www.demokeskus.ee.
- Two **e-invoice portals** operate in Estonia: **www.arved.ee** ja **www.earvekeskus.ee.**As of 2010, the proportion of e-invoices is 25% of the total volume of invoices in Estonia. The e-invoice portals allow invoices to be issued, collected and stored.



- Mobile Boarding Pass. After Mobile check-in and confirmation message the
 Mobile Boarding Pass will be sent directly to your mobile phone by e-mail or text
 message. As well as the 2D barcode, it contains a plain text with all the important
 information about your flight.
- The world's first **Skype booth** was opened at Lennart Meri Tallinn Airport, which can be used to make free video calls to other Skype users.
- A citizens' centre has been introduced, where institutions of the national and local governments cooperate in order to provide citizens, officials and companies the information and services they need from one place – from centralized state portals:
 - E-state portal (1998): www.riik.ee.
 - Citizens' portal (2003): www.eesti.ee In the citizens' portal people can check their information that is stored in various national data collections, and fill out applications, sign and send documents.
 - Information portal (2003): www.eesti.ee. The information portal provides
 practical information regarding the rights and obligations of the people living
 in Estonia, as well as suggestions for doing business with Estonian government
 institutions.
 - X-Road information exchange layer for information systems (2001): x-tee.riik.ee.
 - eesti.ee address (2003) two e-mail addresses are created for every ID-card user, which are intended as official communications channels between the government and private individuals.
 - Over 1 million ID cards have been issued in Estonia. As of 17th April 2011, there were 425,000 electronic ID-card users in Estonia: www.id.ee.
 - Estonia's E-University (2003): www.e-uni.ee.
 - E-school: www.ekool.ee.
 - In March 2004, an ID-ticket system for public transportation was implemented: www.pilet.ee.
 - It was possible to vote using the Internet for the first time during the 2007 Riigikogu elections: www.vvk.ee.
 - In April 2008, the e-health project was implemented. A patients' portal has been created where people can see their health records, as well as make, cancel and change their doctor's appointments and pay for doctor's visits. Users can enter the patients' portal using their ID card using the following websites: www.digilugu.ee, www.etervis.ee ja www.eesti.ee.
 - Two large information systems were introduced in Estonia in 2009 the Health Information System and Prescription Centre. In both of these information systems, the concerned parties are the patient on the one hand and the health care system on the other: www.etervis.ee.
 - As of 2010, digital prescriptions are being issued, which are electronic prescriptions that are issued by doctors and which the pharmacies can access when patients go to the pharmacy with their personal ID documents.

HEALTH CARE AND SOCIAL CARE

HEALTH CARE, 2010

Hospitals	8
Number of beds	2,545
Hospitalizations per year	102,698
Family doctor practices	260
Number of patients	469,167
Ambulance squads	17
Resuscitation brigades	3
Emergency calls without resuscitation brigades	72,905

Source: Health Board

• The average size of a family doctor practice was 1,804 patients.

SOCIAL WELFARE, 2010

- In order to help children and families with children, child protection officials have been hired by the social welfare departments in the city districts. In 2010, a total of 54 children protection officials worked in the city districts.
- In 2010, 823 children without parental care were registered in the city districts. In 2010, 184 children were housed in orphanages in Tallinn.
- In 2010, 1,386 people used domestic services.
- As of 1 January 2011, there were 116,694 pensioners, including 95,608 pensioners in Tallinn.

EDUCATION

Educational level of economically active residents in Tallinn, 2010

	Thousands	%
Elementary and basic education	14.5	6.4
Secondary, vocational, and vocational secondary education after basic education	110.4	48.5
Higher education	102.8	45.2
Vocational secondary education after secondary education	24	10.5
Bachelor's, master's or doctoral degrees	78.9	34.6
Total	227.7	100

Source: Statistics Estonia, Estonian Labour Force Survey

Educational institutions in Tallinn, 2010/2011

Early elementary schools	2
Basic schools	1
Upper secondary schools	1
Vocational schools	15
Adult education	60
Universities	17
Public universities	3
Private universities	22
State-owned applied institutions of higher education	4
Private applied institutions of higher education	3
State-owned applied institutions of higher education	5
Private applied institutions of higher education	10

Source: Ministry of Education and Research, Tallinn Education Department

There were **42,759** students studying in Tallinn's universities in 2010/2011.



The number of graduates from Estonian higher education institutions in 2010, by fields of study

Social sciences, business and law	4,302	37.6%
Liberal arts and sciences	1,463	12.8%
Nature sciences and exact sciences	1,261	11%
Technology, manufacturing and construction	1,226	10.7%
Health and welfare	1,125	9.8%
Services	972	8.5%
Education	881	7.7%

Source: Ministry of Education and Research

As of the beginning of the 2010/2011 educational year, there were **1,279** students studying in Englishlanguage study programmes of higher education, most of them in the higher education institutions of Tallinn.

Source: Ministry of Education and Research

• In addition to their native language, most people speak English and Russian, many speak Finnish, German and French.

CULTURE

As of 1 April 2011, according to the Tallinn Cultural Heritage Department, Tallinn has

44	museums
40	galleries and exhibition halls
13	virtual galleries
26	libraries + a library bus
13	concert halls
14	theatres
19	project-based theatres
4	cinemas
14	cultural centres, community centres and leisure centre
11	social and hobby centres for the elderly
15	hobby centres and schools for young people
13	open youth centres
21	children's music, dance and exercise studios
1	Botanic Garden
1	Zoo
42	churches

Source: Cultural Heritage Department, Estonian Ministry of the Interior



THE CAPITAL OF CULTURE PROGRAMME COMPRISES 251 EVENTS INCLUDING

29 performance arts projects;

18 audio-visual arts projects;

7 literary projects;

64 interdisciplinary projects;

14 sports projects;

16 folk culture projects;

24 art projects:

11 cityscape and design projects;

68 music projects.

The European Capital of Culture 2011 – Tallinn programme will bring the following to Tallinn:

7,000	events
1,100	volunteers
2.2	Culture Kilometres along the coastline
17	city installations
3	new musical compositions
2	new theatre buildings
2	experimental galleries
1	UFO

Tallinn has many traditional events and festivals:

- Simpel Session 2012, Europe's largest indoor skateboarding & BMX competition
- Festival of Lights (January and February)
- Tallinna Mõõk, World Cup fencing competition (March)
- Estonian Film Festival (March)
- Tallinn Music Week
- Estonian Music Days (April)
- Jazzkaar, international jazz festival (April, September and December)
- International Choir Competition (April)
- Tallinn Rally (May)

- International Judo Federation World Cup event in Tallinn (June)
- Old Town Days (June)
- Song and Dance Festival (July)
- Nargen Festival (June September)
- Flower Festival (June October)
- World Cup competition in steeplechase (July)
- MTB Port of Tallinn GP 2010, Mountain Bike (July)
- Õllesummer Beer Festival (July)
- Tallinn Sea Days (July)
- International Organ Festival (August)
- Birgitta Festival in the ruins of the St Birgitta Convent (August)
- Tallinn Fashion Week (August)
- Bigbank European Athletics Meet Tallinn 2011 (August)
- August Dance Festival
- Design Night in the Old Town (September)
- CREDO Orthodox Music Festival (September)
- New World Festival (September)
- Tallinn Marathon (September)
- Tallinn International Horse Show (October)
- Golden Mask Theatre Festival (November)
- Jewish Culture Festival Ariel (November)
- Tallinn International Open Cup in Latin American and Standard Dances (November)
- St. Martin's Day Fair at the Saku Arena (November)
- Black Nights Film Festival (December)

The following events will take place in Tallinn in 2011:

- Theatre NO99 Straw Theatre (May September 2011)
- European Athletics Junior Championships at Kadriorg Stadium (July 2011)
- XII European Junior Checkers Championships (August 2011)
- European Street Basketball Championships (August 2011)
- International Tour de Baltic Way 2011 bicycle race (August)
- ERGO World Discus Challenge (September 2011)
- Classic Bodybuilding World Championships, World Cup in Fitness, Body Fitness and Bodybuilding (November 2011)



ENVIRONMENT

- Tallinn has many sites under nature protection, such as the Pirita River's ancient valley, the meteorite trace in Tondiraba, the limestone banks in Maarjamäe, Kadrioru Park and others.
- From an art history point of view, the greenbelt around the Old Town, comprising
 well-preserved historical parks, is unique. For instance, the baroque Kadriorg Park
 and the romantic Löwenruh Park.
- Tallinn has four Natura 2000 nature reserves: the Aegna Nature Reserve, Paljassaare Nature Reserve, Rahumäe Nature Reserve and the Paljassaare Bird Sanctuary.

Tallinn includes:

Areas of scenic preservation	3
Parks	50
Preservation area parks	24
Single sites under nature conservation	118
trees and stands of trees	52
stones and boulder fields	48
springs	5
various surface forms (escarpments, outcrops, spits, meteorite impression)	13
Public beaches (Pirita, Stroomi, Pikakari, Kakumäe and Harku)	5

Tallinn has **40 km²** of parks, forests etc.

TALLINN'S BUDGET

Budget of Tallinn, 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Budget (thous EUR)	362,460	438,254	425,599	502,732	467,229	458,443	464,382

2005-2009 actual expenditures 2010-2011 bugetary allocations Source: Tallinn City Government Office, Financial Services

Revenues, 2011

	EUR
Personal income tax	214,398,668
Land tax	20,768,022
Advertising fees	1,917,349
Fees from closing streets	511,293
Parking charges	4,921,197
Sales tax	15,977,912
Boat tax	6,391
Fees	461,442
Revenues from operations	49,351,937
Rent and leasing	6,276,076
Sale of rights	2,859,023
Sale of other goods and services	2,287,142
Other revenues	2,902,436
Financial income	383,470
Sale of assets	6,381,578
Other revenue from assets	383,470
Dividends	5,464,446
Grants from the government and other institutions	70,544,490
Foreign financing	30,133,280
Co-financing of foreign projects	8,884
Loans	25,539,159
Change in deposits	28,525
Adjustments to claims	2,876,024
Total revenues	464,382,214

Source: Tallinn City Government Office, Financial Services

Expenses, 2011

Lxperises, 2011	EUR
City management	974,349
City support services	28,485,391
Public order	3,624,620
Education	90,022,388
Incl. private and public sector cooperation projects	11,208,825
Culture	22,937,058
Sports and leisure	10,058,599
Youth work	1,612,450
Social welfare	31,309,669
Roads and streets	54,753,842
Ground maintenance	6,666,665
Engineering networks	18,094,653
Incl. private and public sector cooperation projects	12,942,415
Other utility costs	1,155,318
City economy	20,983,375
Incl. private and public sector cooperation projects	8,705,086
Public transport	54,102,666
Environmental protection	1,492,301
Municipal planning	2,891,663
Business environment	4,752,533
Health care	2,134,653
Other economic activities	1,917,350
Financial expenses	6,837,204
Reserves, incl.	4,149,264
City Government's reserve fund	2,109,907
City districts reserve fund	313,742
Reserve for claims related to court disputes	1 270 222
and other legal disputes	1,278,233
Reserve for discounted claims	319,558
Reserve for actions related to the assets and activities of the City	63,912
Reserve for self- and co-financing	63,912
Expenses related to state allotments	68,065,906
and allotments of other institutions	00,000,700
Increase in deposits	11,299,452
Increase in share capital	479
Contribution to share capital	2,500
Repayment of loans	13,805,108
Financial lease payments	936,881
Changes in liabilities*	1,315,877
Expenses in total	464,382,214

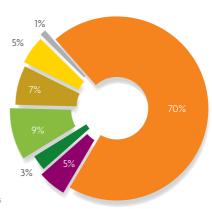
 $^{^{\}star}$ Reflects the difference of the revenues and expenses presented at the time they were incurred and payments that were made.

Source: Tallinn City Government Office, Financial Services



Investment plan, 2011

- Roads and streets
- Education and science
- Sports and leisure time
- Culture
- Housing and organization of land exploitation
- City support services (incl. public order)
- Ground maintenance



Source: Tallinn City Government Office, Financial Services

Investment plan, 2011

	EUR
Roads and streets	33,380,687
Culture	4,419,011
Housing and organization of land exploitation	3,429,592
Education and science	2,365,197
City support services	2,296,800
Sports and leisure time	1,557,678
Ground maintenance	491,462
Total investment projects	47,940,427
·	

Source: Tallinn City Government Office, Financial Services





Tallinn City Enterprise Board

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