

Technopolis Group Interim Report January 1 - September 30, 2014

Profitable Growth Continued

Key figures 1-9/2014 compared with 1-9/2013

- Net sales up by 31.3% to EUR 120.3 (91.6) million
- EBITDA improved by 38.3% to EUR 65.3 (47.2) million
- Financial occupancy rate unchanged at 93.5 (92.0)%
- Earnings per share were EUR 0.14 (0.14), including changes in fair value and unrealized exchange rate losses
- Fair values down EUR -16.1 (-13.0) million
- Unrealized exchange rate losses totaled EUR -5.4 (-3.9) million
- Direct result (EPRA) rose 33.5% to EUR 39.2 (29.3) million
- Direct result per share (EPRA) was EUR 0.37 (0.35)
- Net asset value per share (EPRA) was EUR 4.89 (5.02)

The acquisitions completed in 2013 and investments in campus expansions accelerated business growth significantly, resulting in net sales growth of 31.3%. Technopolis has been able to maintain cost effectiveness with EBITDA growing 38.3% and expenses 20.9%.

Key Indicators	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Net sales, EUR million	40.3	30.8	120.3	91.6	126.3
EBITDA, EUR million	22.7	17.1	65.3	47.2	64.1
Operating profit, EUR million	16.0	9.9	46.4	32.3	43.9
Net result for the period, EUR million	8.2	5.1	25.0	15.6	31.6
Earnings/share, EUR	0.06	0.04	0.14	0.14	0.30
Cash flow from operations/share, EUR			0.47	0.37	0.53
Equity ratio, %			40.6	39.4	40.2
Equity/share, EUR			4.60	4.55	4.66

Earnings and balance sheet figures per share have been share-issue adjusted.

EPRA-based Key Indicators	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Direct result, EUR million	14.1	10.8	39.2	29.3	40.5
Direct result/share, diluted, EUR	0.13	0.13	0.37	0.35	0.47
Net asset value/share, EUR			4.89	5.02	4.94
Net rental yield, %			7.3	7.6	7.6
Financial occupancy rate, %			93.5	92.0	93.6

The EPRA-based (European Public Real Estate Association) direct result does not include unrealized exchange rate gains or losses or fair value changes.

Keith Silverang, CEO:

"Technopolis continued its solid performance in the third quarter with both net sales and EBITDA showing significant growth while the balance sheet and occupancy rate remained strong.

While the economic outlook in Finland remains sluggish and in Russia it is weakening, the Baltic countries and Norway are seeing sustained, moderate economic growth. In this situation, we need to focus sharply on customer satisfaction, excellent service and a proactive sales strategy.

In the past, we have excelled in challenging conditions, whether the challenges involved occupancies, customer satisfaction or financial performance. In St. Petersburg, we have achieved major improvements in the occupancy rate and rental rates of Pulkovo 2. Russian business operations account for 6% of the company's portfolio. The occupancy rates in Vilnius and Tallinn are very high, and we are poised for profitable growth going forward. In Finland, we have been able to maintain our higher-than-market occupancy rate.

Our strategy focuses on international expansion, service business growth and property portfolio development. Our objective is to lower the net sales generated in Finland, currently approximately 70% of the total, and to seek stronger international growth. In Finland, we will focus on campuses with high growth potential. We will divest non-core properties in Finland – the 22,000 m² Lentokentäntie property in Oulu, sold in September at fair value, being a case in point.

We are confident that we will be able to reach the financial targets set for this year.”

Business Conditions and Business Segments

At the end of the reporting period, Technopolis had 758,200 m² of rentable space, divided between three business segments.

Finland

According to consensus information collected by the Federation of Finnish Financial Services (FK), Finland's GDP is forecast to decrease by 0.2% in 2014, inflation is estimated to be 1.2%, and the unemployment rate is forecast to be 8.6%. The economic sanctions against Russia and the structural problems facing the economies of Finland and Europe will delay prospects for an economic upswing.

Finland	1-9/2014	1-9/2013	Change, %	1-12/2013
Number of campuses	17	17	-	17
Rentable space, m ²	560,200	525,700	6.6	555,900
Average rent, €/m ² /Mo	16.31	15.92	2.5	16.21
Financial occupancy rate, %	92.1	91.0	1.1 pp	92.9
Net rental income, EUR million	77.1	70.4	9.6	94.9
Net sales, EUR million	88.1	81.0	8.8	109.4
EBITDA, EUR million	47.6	42.2	12.9	56.1
Market yield requirement, average, %	7.9	8.0	-0,1 pp	7.9
Fair value of investment properties, EUR million	957.2	870.0	10.0	981.0

Technopolis operations and fair values in Finland increased compared to the corresponding period in 2013 following the commissioning of new buildings in Jyväskylä and Kuopio, and the acquisition of properties in Oulu and Espoo.

Baltic Rim

This segment includes Estonia, Russia and Lithuania. Estonia's GDP is expected to grow by 0.7% during the year while the inflation rate is estimated to be 0.4% and the unemployment rate 8.1%. The deteriorating economic prospects in the euro zone and in Russia are clouding the outlook for the export sector. Russia's GDP is forecast to grow by 0.3%. The inflation rate is estimated to be 7.3%, and the unemployment rate 5.4%. Increasingly tough sanctions set by the European Union are holding back economic growth in Russia. Lithuania's GDP is forecast to grow by 2.5%. The inflation rate is estimated to be 0.3%, and the unemployment rate 10.8%, with productivity improvements driving the growth.

Baltic Rim	1-9/2014	1-9/2013	Change, %	1-12/2013
Number of campuses	3	3	-	3
Rentable space, m ²	134,600	92,100	46.1	119,500
Average rent, €/m ² /Mo	15.33	14.42	6.3	15.04
Financial occupancy rate, %	98.3	98.5	-0.2pp	99.1
Net rental income, EUR million	17.6	10.2	73.0	15.3
Net sales, EUR million	18.5	10.6	74.2	15.9
EBITDA, EUR million	10.1	5.1	100.2	7.6
Market yield requirement, average, %	9.0	9.4	-0.4pp	9.0
Fair value of investment properties, EUR million	247.6	168.1	47.3	212.4

Following the acquisition of a campus in Vilnius on May 31, 2013, and investments in the expansion of the Tallinn and St. Petersburg campuses, Technopolis recorded strong growth in operations and in the fair values of properties.

Scandinavia

Norway's GDP is forecast to grow by 2.3% in 2014 with the inflation rate at 2.0% and the unemployment rate at 3.4%. GDP growth is being fueled by the high employment rate and private consumption.

Scandinavia	1-9/2014	1-9/2013	Change, %	1-12/2013 *)
Number of campuses	1	-	-	1
Rentable space, m ²	63,400	-	-	71,400
Average rent, €/m ² /Mo	25.46	-	-	21.16
Financial occupancy rate, %	94.9	-	-	89.5
Net rental income, EUR million	13.4	-	-	1.0
Net sales, EUR million	13.7	-	-	1.0
EBITDA, EUR million	9.0	-	-	0.6
Market yield requirement, average, %	6.4	-	-	6.5
Fair value of investment properties, EUR million	224.9	-	-	217.0

*) December 11 – 31, 2013

As the acquisition of the IT Fornebu campus in Oslo was completed on December 11, 2013, no corresponding figures for the first three quarters of last year are available. At the end of 2013, out of 8,000 m² of vacant space, 4,200 m² were put under renovation and 3,800 m² were converted into public service areas.

Financial Performance

The Group's total net sales were up by 31.3% to EUR 120.3 (91.6) million. The Group's rental revenue amounted to EUR 108.1 (80.5) million; an increase of 34.2 % compared to the corresponding period in 2013; this was primarily due to an increase in rentable space. Service revenue grew by 10.2% to EUR 12.2 (11.1) million. The acquisition of new campuses without service revenue contributed to the growth in the service business being slower than in rental revenue. Depending on the campus, service operations are expected to reach their net sales targets within one to three years of acquisition.

In January–September, the Group's EBITDA was up 38.3% to EUR 65.3 (47.2) million. The EBITDA margin was 54.3% (51.5%).

Strong top line growth resulted in a 20.9% year-on-year increase in expenditure. Property maintenance expenses amounted to EUR 30.3 (23.4) million, an increase of 29.5%. The Group's administrative costs were up 30.7% to EUR 9.7 (7.5) million, and included non-recurring expenses in the amount of EUR 0.5 million. Other operating expenses amounted to EUR 15.2 (14.8) million; an increase of 2.5%.

The fair values of investment properties fell by EUR 16.1 (13.0) million during the reporting period. Fair values decreased by EUR 23.8 million in Finland, EUR 10.1 million of which could be attributed to conservative future occupancy rate assumptions, EUR 7.1 million to increasing modernization costs, and the rest to factors such as rising market yields in some units. The Group's operating profit was EUR 46.4 (32.3) million.

The Group's net financial expenses were EUR 19.7 (14.9) million. Unrealized exchange rate losses of EUR -5.4 (-3.9) million were booked under financial items. The Group's pre-tax profit totaled EUR 26.7 (17.3) million. The net profit for the period was EUR 25.0 (15.6) million.

The EPRA-based direct result increased by 33.5% to EUR 39.2 (29.3) million. Earnings per share rose to EUR 0.37 (0.35). An increase in net sales and EBITDA contributed to the improvement in the EPRA-based figures. Financial expenses in the EPRA-based direct result were EUR 14.3 (10.7) million, showing an increase of 33.6%, and taxes EUR 5.8 (4.2) million, an increase of 40.0%.

Customers and Lease Stock

Technopolis has a total of approximately 1,700 customers, and roughly 40,000 people work in Technopolis facilities. The twenty largest customers had leased approximately 27.9% of the company's rentable space by September 30, 2014.

Lease stock, % of space

Maturity, years	Sept 9, 2014	June 6, 2014	March 31, 2014	Dec 31, 2013
< 1	17	14	17	22
1-3	25	24	21	22
3-5	12	9	12	13
> 5	21	24	22	26
Open-ended leases	25	28	28	17
Average lease term in months	40	40	37	35
Lease stock, EUR million	463.5	468.2	478.6	470.5

Investments

The investment projects in progress during the reporting period, their rentable areas and estimated acquisition costs on September 30, 2014 are as follows:

Area	Name	Pre-let rate, %	m ²	EUR million	Stabilized Yield, % *)	Completion
St. Petersburg	Pulkovo 2 **)	80.5	18,700	42.0	12.6	10/2014
Tallinn	Löötsa 5 ***)	8.6	9,200	17.0**)	8.8	09/2015
Vantaa	G-Building	30.0	5,300	18.3	8.0	09/2015
Tampere	Yliopistonrinne 3-4	28.9	11,900	39.0	7.2	03/2016

*) Stabilized yield = estimated net operating income / acquisition cost

**) Technopolis' share 51%

***) Commissioning in phases

Financing

The Group's balance sheet total was EUR 1,556.9 (1,212.8) million, with liabilities accounting for EUR 930.2 (738.2) million. The Group's equity per share was EUR 4.60 (4.55). The Group's equity ratio was 40.6 % (39.4%) and its loan-to-value ratio was 58.1 % (57.2%). At the period-end, the Group's net gearing was 130.4% (136.6%) and the interest coverage ratio was 4.8 (5.6).

The Group's interest-bearing liabilities from financial institutions amounted to EUR 851.3 (658.3) million and the average capital-weighted loan maturity was 6.3 (8.1) years at the end of the period. The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.47% (2.08%), increasing mainly

due to Norwegian crown-denominated liabilities and an increased interest rate hedging ratio.

At the end of the period, 51.2% (60.8%) of interest-bearing liabilities were floating-rate loans and 48.8% (39.2%) were fixed-rate loans with maturities of 13–60 months. Of all interest-bearing liabilities, 2.1% (5.3%) were pegged to the under-3-month Euribor rate and 49.1% (55.5%) to Euribor rates from 3 to 12 months. The Group's interest fixing period was 2.2 (1.9) years at the end of the period.

At the end of the reporting period, Technopolis had EUR 110.8 (116.7) million in untapped credit facilities, and cash reserves amounting to EUR 34.3 (10.0) million. The credit facilities contained a EUR 86.1 (102.6) million credit line and a EUR 24.7 (14.1) million revolving credit facility. In addition, the company has a EUR 150.0 (120.0) million commercial paper program, of which EUR 52.5 (48.0) million was issued at the end of the reporting period.

During the 12-month period following the reporting period, EUR 177.7 (130.2) million in existing interest-bearing loans will mature.

The company's five largest creditors at the end of the period were the European Investment Bank, Handelsbanken, Nordea, Skandinaviska Enskilda Banken, and Swedbank, whose total lending to Technopolis amounted to EUR 605.7 million.

Technopolis had interest-bearing liabilities with covenants worth EUR 658.5 (472.8) million, with loans in the amount of EUR 376.8 (354.3) million including equity ratio-linked covenants. Of these loans, EUR 306.1 (199.7) million include a call provision. If the equity ratio falls below 33%, EUR 95.9 million of the loan principal must be repaid. If the equity ratio falls below 30%, the amount to be repaid will increase by EUR 210.2 million. The principal of EUR 163.3 (174.1) million includes an interest margin revision term. If the equity ratio falls below 33%, the additional impact on the interest expenses of these loans with the interest margin revision term would be EUR 0.8 (0.7) million per annum.

A one percentage point change in market rates would cause a EUR 2.9 (2.9) million change in interest costs per annum. At the end of the reporting period, interest rate swaps covered EUR 392.9 (229.2) million of principal. The hedging ratio for interest-bearing liabilities was 46.1 (34.8) % and the average hedging period was 4.8 (5.5) years. After the reporting period, Technopolis raised the hedging ratio to 59.8%, as a result of which the hedging period grew to 5.3 years.

Organization and Personnel

The CEO of Technopolis Plc is Keith Silverang. Reijo Tauriainen is the company's CFO and Deputy CEO.

The Group Management Team comprises Keith Silverang, Reijo Tauriainen, Juha Juntunen, Sami Juutinen, Kari Kokkonen, and Outi Raekivi.

The Technopolis line organization consists of three geographical units: Finland, the Baltic Rim, and Scandinavia. The Group organization also has matrix support functions for the Group's real estate development, services, sales, marketing, and support services.

During the period, the Group employed an average of 212 (185) people. The increase in personnel is attributable to acquisitions and organic growth. Rental operations employed 74 (64) people, the service business 89 (78) people and the Group's administration 49 (43) people. The number of personnel at the period end was 218 (187).

Corporate Responsibility

The objective of corporate responsibility strategy is to decrease consumption in comparable properties and emissions generated by these properties by 2016 from the base year 2011. In September 2014, Technopolis raised its carbon dioxide emissions reduction target from 20% to 50%. The company also expanded its environmental strategy to become a corporate responsibility strategy, which assumes a more comprehensive approach to the areas of responsibility that are important to Technopolis and its

stakeholders.

The surface areas in comparable properties have been checked for compliance with the most recent maintenance log data.

	1-9/2014	1-9/2011	Change, %	Target 2016
Energy consumption, kWh/gross m ²	161.1	171.9	-6.3	-10%
Water consumption, m ³ /person	3.2	4.4	-27.9	-8%
Carbon dioxide emissions, kg CO ₂ e/gross m ²	28.0	55.0	-49.1	-50%

Measures such as property energy audits, investments, use-related technical adjustments, and facility maintenance target-setting designed to support energy efficiency have improved eco-efficiency and thereby reduced energy and water consumption in properties. However, in some properties energy consumption rose as a result of the installation of cooling systems in older premises and the warm weather in the summer and fall. Similarly, changes in tenants, occupancy rates and facility use, for instance the use of premises as a data center, affect consumption. Reductions in emissions are primarily achieved with energy savings and the use of green electricity in all campuses in Finland.

During the reporting period, Technopolis achieved Green Star status in the GRESB (Global Real Estate Sustainability Benchmark) survey, and its Corporate Social Responsibility report was awarded the EPRA Bronze award. In the GRESB (Global Real Estate Sustainability Benchmark) survey, Technopolis scored the highest points of all Nordic property companies in the office category.

Furthermore, Technopolis achieved five new LEED certifications during the year, one of which was the first international Technopolis building located in St. Petersburg. Two new construction projects seeking LEED certification were launched during the year, and LEED certification projects were initiated for three existing sites.

Evaluation of Operational Risks and Uncertainties

The most significant risks affecting Technopolis' business have to do with general economic development, translating into financing and customer risks.

The objective of interest rate risk management is to mitigate the negative impact of market rate fluctuations on the Group's earnings, financial position, and cash flow. If necessary, the company uses forwards, interest rate swaps, and interest rate options to hedge interest rate risks. The objective of the company's interest rate risk policy is also to diversify the interest rate risk of loan contracts over different loan periods based on the prevailing market situation.

The objective of refinancing risk management is to ensure that the Group's loan portfolio is sufficiently diversified with regard to repayment schedules and financing instruments. In order to manage financing risks, Technopolis draws upon the resources of a wide range of financiers, a variety of financing instruments, and maintains a sufficient degree of solvency.

Uncertainty in the financial markets may adversely affect the availability and margins of growth financing and refinancing in the future.

The differences between legislation and administrative procedures in Finland and abroad may create risks.

Changes in exchange rates may affect the company's financial performance and operations. Foreign currency items are recorded at the exchange rate on the transaction date. Any translation differences are entered in the income statement under other operating expenses or financial income and expenses, according to the type of transaction involved.

In accordance with its foreign exchange hedging policy, the company does not hedge balance sheet items. In addition to the euro, the company also has liabilities in other currencies associated with an exchange rate risk. The most important of these are the Russian ruble (RUB) and the Norwegian crown (NOK). Translation

differences arising from investments denominated in the Russian ruble and Norwegian crown made in the Russian and Norwegian subsidiaries are recognized under shareholders' equity. In addition, unrealized financial income and expenses arising from the translation of the euro-denominated portion of the Russian subsidiary's borrowings are entered in the income statement.

The direct effect of changes in exchange rates on the Group's operating profit and balance sheet as at September 30, 2014:

Foreign exchange % change against euro	Income statement effect, EUR million	Translation difference effect, EUR million	Total effect on the Group's equity, EUR million
RUB +10	5.2	4.8	10.0
RUB -10	-4.3	-3.9	-8.2
NOK +10	-	10.9	10.9
NOK -10	-	-8.9	-8.9

The objective of customer risk management is to minimize the negative impact of potential changes in customers' financial positions on the company's business and financial performance. Customer risk management focuses on having a solid understanding of the customer's business and active monitoring of customer information. Customer risks are diversified by acquiring customers from all sectors, including the public sector. As part of customer risk management, the leases signed by Technopolis include rental security arrangements.

Leases fall into two categories: fixed-term and open-ended. Both lease types are used as applicable, depending on the market situation, the property in question, and the sector in which the customer operates.

Declining financial occupancy rates may reduce rental and service revenue and profit, and reduce the fair value of investment properties and, thus, the equity ratio. The current lease structure allows customers to flexibly adjust the size of their premises as their business needs change. Although the flexibility of the lease structure may pose a risk to the Group, it is an essential element of Technopolis' service concept. The company has solid, long-term experience and competence in this business model in different stages of the economic cycle.

In new construction projects, Technopolis focuses on quality and on the manageability of properties over their entire life cycle. In the design phase, consideration is given to the property's maintenance and repair requirements in order to implement environmentally sustainable solutions for energy consumption, adaptability of premises, and recycling potential. When acquiring any properties, Technopolis carries out standard property and environmental audits before committing to the transaction. All properties are covered by full value insurance.

Changes in market yields may have a significant impact on the company's financial performance through the fair values of investment properties. As the yields increase, the fair value of properties decreases, and, conversely, as the yields decrease, the fair value of properties increases. Such changes either decrease or increase the Group's operating profit. Changes in market yields do not have any direct impact on the company's net sales, EBITDA, or cash flow, but a negative change in the value of investment properties may reduce the company's equity ratio and, as a result of this, the covenant terms of the loans may be met. In this case, the change in value may have an impact on the cash flow and earnings for the period.

Group Structure

Technopolis Group comprises the parent company Technopolis Plc, whose subsidiaries have operations in Finland, Norway, Estonia, Russia, and Lithuania. The parent company has several subsidiaries and associates in Finland.

Board of Directors

Technopolis Board of Directors consists of six members: Sari Aitokallio, Carl-Johan Granvik, Jorma

Haapamäki, Pekka Korhonen, Pekka Ojanpää and Timo Ritakallio. Carl-Johan Granvik serves as the Chairman of the Board and Jorma Haapamäki as the Vice Chairman.

The Board of Directors' view is that all of the Board members are independent of the company and, with the exception of Timo Ritakallio, of its significant shareholders.

Board Committees

The Audit Committee consists of Carl-Johan Granvik as Chairman, and Sari Aitokallio and Pekka Korhonen as members. The Remuneration and HR Committee consists of Timo Ritakallio as Chairman and Jorma Haapamäki and Pekka Ojanpää as members.

Annual General Meeting

The Annual General Meeting of Shareholders (AGM) of Technopolis Plc was held in Espoo on March 26, 2014. The AGM decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.10 per share. The dividend payment date was April 8, 2014. Resolutions of the AGM are available on the company [website](#).

Shareholders' Nomination Board

Technopolis Annual General Meeting held on March 27, 2013 decided to establish a Shareholders' Nomination Board to prepare future proposals concerning the election and remuneration of the members of the Board of Directors to the General Meetings. The Nomination Board is established for an indefinite period.

Based on shareholding on September 1, 2014, members of the Nomination Board were Risto Murto, President and CEO of Varma Mutual Pension Insurance Company as the Chairman; Harri Sailas, President and CEO of Ilmarinen Mutual Pension Insurance Company, and Matti Pennanen, Mayor, City of Oulu. Carl-Johan Granvik, Chairman of the Board of Technopolis Plc, participates in the Nomination Board's work as an expert adviser.

Stock-Related Events and Disclosures of Changes in Holdings

In January 2014, a total of 20,860 new Technopolis Plc shares were subscribed based upon 2007C stock options. The shares were entered into the Trade Register on February 19, 2014.

In March 2014, a total of 118,474 new Technopolis Plc shares were subscribed based upon 2007C stock options and entered into the Trade Register on March 20, 2014.

In April 2014, a total of 103,891 new Technopolis Plc shares were subscribed based upon 2007C stock options and entered into the Trade Register on May 15, 2014.

The share subscription period for the 2007C stock options ended on April 30, 2014, and the company has no other stock option plans in effect.

Post-Fiscal Events

On October 16, 2014, Technopolis announced that Technopolis CIO and Group Management Team member Sami Juutinen would leave his position on December 31, 2014.

Future Outlook

Technopolis expects to see an increase of 27–32% in net sales and 35–40% in EBITDA in 2014.

The Group's financial performance depends on the development of the overall business environment, customer operations, financial markets, and market yields in the property markets. Furthermore, any

changes in the property portfolio may have an impact on the guidance.

Helsinki, October 29, 2014

Technopolis Plc

Board of Directors

Additional information:

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CEO

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Tables

The accounting policies applied in the interim report are the same as in the latest annual report. The formulas for calculating key indicators are available on the company website. The interim report has been prepared in accordance with the IFRS recognition and valuation principles; the IAS 34 requirements have also been complied with.

The figures are unaudited.

Technopolis Group:

STATEMENT OF COMPREHENSIVE INCOME	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Currency unit: EUR million					
Rent income	36.5	27.4	108.1	80.5	111.1
Service income	3.8	3.3	12.2	11.1	15.2
Net sales total	40.3	30.8	120.3	91.6	126.3
Other operating income	0.1	0.2	0.3	1.3	2.0
Premises expenses	-9.6	-7.4	-30.3	-23.4	-32.8
Administration costs 1)	-3.1	-2.2	-9.7	-7.5	-11.1
Other operating expenses	-4.9	-4.4	-15.2	-14.8	-20.4
Change in fair value of investment properties	-6.1	-6.5	-16.1	-13.0	-17.6
Depreciation	-0.6	-0.7	-2.8	-2.0	-2.7
Operating profit/loss	16.0	9.9	46.4	32.3	43.9
Unrealized exchange rate profit/loss	-3.0	-4.5	-5.4	-4.1	-5.7
Finance income and expenses	-5.3	-0.5	-14.3	-10.8	-15.5
Result before taxes	7.7	4.9	26.7	17.3	22.6
Deferred taxes	1.6	1.3	1.8	2.2	13.8
Current taxes	-1.1	-1.1	-3.5	-3.8	-4.9
Net result for the period	8.2	5.1	25.0	15.6	31.6
Distribution:					
To parent company shareholders	7.4	4.5	18.2	14.2	28.8
To non-controlling shareholders	0.8	0.6	6.8	1.5	2.7
	8.2	5.1	25.0	15.6	31.6
Earnings per share, basic, EUR	0.06	0.04	0.14	0.14	0.30
Earnings per share, diluted, EUR	0.06	0.04	0.14	0.14	0.30

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	8.2	5.1	25.0	15.6	31.6
Other comprehensive income items					
Translation difference	-0.4	-0.9	-1.3	-2.8	-3.5
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	-1.2	0.0	-7.9	2.9	3.0
Taxes related to other comprehensive income items	0.2	0.0	1.7	-0.7	-0.7
Other comprehensive income items after taxes for the period	-1.3	-0.9	-7.5	-0.6	-1.2
Comprehensive income for the period, total	6.8	4.2	17.5	15.1	30.4
Distribution:					
To parent company shareholders	5.2	3.6	10.2	13.6	27.6
To non-controlling shareholders	1.7	0.6	7.3	1.5	2.7
	6.8	4.2	17.5	15.1	30.4

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	Sept 30, 2014	Sept 30, 2013	Dec 31, 2013
Non-current assets			
Intangible assets	6.6	5.7	6.3
Tangible assets	30.0	23.0	18.6
Completed investment properties	1,429.6	1,038.0	1,410.4
Investment properties under construction	11.3	95.4	26.4
Investments	10.8	13.8	12.1
Deferred tax assets	16.6	5.3	15.8
Non-current assets	1,504.9	1,181.2	1,489.6
Current assets	52.1	31.6	70.8
Assets, total	1,556.9	1,212.8	1,560.4

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	Sept 30, 2014	Sept 30, 2013	Dec 31, 2013
Shareholders' equity			
Share capital	96.9	96.9	96.9
Premium fund	18.5	18.6	18.6
Equity related bond	74.2	74.2	74.2
Other funds	206.7	112.9	211.8
Translation difference	-6.0	-2.5	-3.2
Retained earnings	156.2	142.5	142.2
Net profit for the period	18.2	14.2	28.8
Parent company's shareholders' interests	564.7	456.8	569.3
Non-controlling interests	62.0	17.2	55.0
Shareholders' equity, total	626.7	474.0	624.3
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	673.6	528.1	716.3
Non-interest-bearing liabilities	0.6	4.2	0.5
Deferred tax liabilities	31.1	40.3	32.8
Non-current liabilities, total	705.4	572.6	749.6
Current liabilities			
Interest-bearing liabilities	177.7	130.2	145.6
Non-interest-bearing liabilities	47.1	35.9	40.9
Current liabilities, total	224.8	166.2	186.5
Liabilities, total	930.2	738.8	936.1
Shareholders' equity and liabilities, total	1,556.9	1,212.8	1,560.4

1) Administration costs include group expenses from key recourses and administration

STATEMENT OF CASH FLOWS	1-9/ 2014	1-9/ 2013	1-12/ 2013
Currency unit: EUR million			
Cash flows from operating activities			
Net result for the period	25.0	15.6	31.6
Adjustments:			
Change in fair value of investment properties	16.1	13.0	17.6
Depreciation	2.8	2.0	2.7
Share of profits of associates	0.0	0.1	0.1
Gains from disposals	0.1	0.0	0.0
Other adjustments for non-cash transactions	0.6	0.2	0.3
Financial income and expenses	19.7	14.9	21.2
Taxes	1.6	1.7	-8.9
Increase / decrease in working capital	1.3	0.0	1.2
Interests received	0.2	0.1	0.2
Dividends received	0.0	0.0	0.0
Interests paid and fees	-11.9	-6.2	-8.4
Other financial items in operating activities	-0.9	-6.9	-10.2
Taxes paid	-4.4	-2.9	-2.0
Net cash provided by operating activities	50.5	31.5	45.2
Cash flows from investing activities			
Investments in investment properties	-35.4	-87.0	-114.4
Investments in tangible and intangible assets	-2.2	-1.0	-4.2
Investments in other securities			
Granted loans		-1.6	-1.6
Repayments of loan receivables	1.1		0.3
Proceeds from sale of investments	0.9		
Proceeds from sale of tangible and intangible assets	0.7	0.0	5.9
Acquisition of subsidiaries	-1.9	-22.7	-65.5
Proceeds from sale of associates	0.0		0.0
Acquisition of associates			
Net cash used in investing activities	-36.8	-112.3	-179.5
Cash flows from financing activities			
Issue of hybrid bond		75.0	75.0
Increase in long-term loans	62.2	58.8	285.0
Decrease in long-term loans	-72.7	-45.9	-291.2
Dividends paid	-11.0	-15.1	-15.5
Paid share issue	0.3	0.5	100.4
Capital investment by the minority			10.6
Hybrid bond interest paid	-5.6		
Acquisition of subsidiaries, no change in command	-0.4		
Change in short-term loans	-5.6	2.2	9.7
Net cash provided by financing activities	-32.8	75.5	174.1
Net increase/decrease in cash assets	-19.0	-5.3	39.8
Effects of exchange rate fluctuations on cash held	-0.8	-0.4	-1.3
Cash and cash equivalents at period-start	54.1	15.7	15.7
Cash and cash equivalents at period-end	34.3	10.0	54.1

STATEMENT OF CHANGES IN EQUITY

Currency unit: EUR million

	Equity attributable to owners of the parent						
	Share capital	Premium fund	Other reserves	Translation differences	Retained earnings	Share of non-controlling interests	Total shareholders' equity
Equity January 1, 2013	96.9	18.6	110.2	0.3	157.0	16.1	398.7
Comprehensive income							
Net profit for the period					14.2	1.5	15.6
Other comprehensive income items							
Translation difference				-2.8			-2.8
Derivatives			2.2				2.2
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			2.2	-2.8	14.2	1.5	15.1
Related party transactions							
Dividend					-15.1	-0.4	-15.5
Equity related bond issue			74.2				74.2
Other changes			0.5		0.3	0.0	0.8
Related party transactions			74.7		-14.8	-0.4	59.5
Equity September 30, 2013	96.9	18.6	187.2	-2.5	156.4	17.2	473.7
Equity January 1, 2014	96.9	18.6	286.0	-3.2	171.0	55.0	624.3
Comprehensive income							
Net profit for the period					18.2	6.8	25.0
Other comprehensive income items							
Translation difference				-2.8		1.5	-1.3
Derivatives			-5.2			-1.0	-6.2
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-5.2	-2.8	18.2	7.3	17.5
Related party transactions							
Dividend					-10.6	-0.5	-11.1
Interest paid to equity related bond					-4.3		-4.3
Other changes			0.1		0.1	0.1	0.3
Related party transactions			0.1		-14.9	-0.3	-15.1
Equity September 30, 2014	96.9	18.6	280.9	-6.0	174.4	62.0	626.7

FINANCIAL INFORMATION BY SEGMENTS

Technopolis Group has three operating segments based on geographical units: Finland, Baltic Rim and Scandinavia. The Group's net sales or EBITDA do not include significant inter-segment items.

SEGMENT INFORMATION

Currency unit: EUR million	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Net sales					
Finland	29.2	26.6	88.1	81.0	109.4
Baltic Rim	6.5	4.1	18.5	10.6	15.9
Scandinavia	4.6		13.7		1.0
Total	40.3	30.8	120.3	91.6	126.3
EBITDA					
Finland	16.5	14.8	47.6	42.2	56.1
Baltic Rim	3.8	2.3	10.1	5.1	7.6
Scandinavia	3.0		9.0		0.6
Unallocated	-0.6	0.0	-1.5	0.0	-0.1
Total	22.7	17.1	65.3	47.2	64.1
Assets					
Finland			1,065.9	952.2	1,147.9
Baltic Rim			280.5	316.5	282.7
Scandinavia			244.8		231.9
Eliminations			-34.3	-55.9	-102.1
Total			1,556.9	1,212.8	1,560.4

EPRA EARNINGS

Technopolis presents its official financial statements by applying the IFRS standards. The statement of comprehensive income includes a number of items unrelated to the company's actual business operations. Therefore, the company presents its direct result, which better reflects its real result.

The direct result presents the company's net result for the period excluding the change in the fair value of investment properties, the change in the fair value of financial instruments, unrealized exchange rate gains and losses and any non-recurring items, such as gains and losses on disposals. Additionally, the direct result presents the related taxes, deferred tax assets and liabilities and share of non-controlling interests. Items excluded from the direct result and their tax effects and share of non-controlling interests are presented in the statement of income showing the indirect result.

Currency unit: EUR million	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
DIRECT RESULT					
Net sales	40.3	30.8	120.3	91.6	126.3
Other operating income	0.1	0.2	0.2	1.1	1.3
Other operating expenses	-17.6	-13.8	-55.0	-45.6	-64.0
Depreciation	-0.6	-0.7	-2.8	-2.0	-2.7
Operating profit/loss	22.1	16.4	62.7	45.2	61.0
Finance income and expenses, total	-5.2	-4.8	-14.3	-10.7	-15.0
Result before taxes	16.9	11.6	48.4	34.5	46.0
Taxes for direct result items	-0.9	-0.4	-5.8	-4.2	-4.0
Non-controlling interests	-1.9	-0.4	-3.4	-1.0	-1.5
Direct result for the period	14.1	10.8	39.2	29.3	40.5

INDIRECT RESULT					
Non-recurring items	0.0	0.0	-0.2	0.1	0.4
Change in fair value of investment properties	-6.1	-6.5	-16.1	-13.0	-17.6
Operating profit/loss	-6.1	-6.5	-16.3	-12.9	-17.2
Change in fair value of financial instruments	-3.1	-0.1	-5.4	-4.3	-6.2
Result before taxes	-9.2	-6.7	-21.7	-17.2	-23.4
Taxes for indirect result items	1.3	0.6	4.2	2.5	12.9
Non-controlling interests	1.1	-0.2	-3.4	-0.4	-1.2
Indirect result for the period	-6.7	-6.4	-20.9	-15.2	-11.6
Result for the period to the parent company shareholders, total					
	7.4	4.5	18.2	14.2	28.8
Earnings per share, diluted					
From direct result	0.13	0.13	0.37	0.35	0.47
From indirect result	-0.06	-0.08	-0.20	-0.18	-0.14
From net result for the period	0.07	0.05	0.17	0.17	0.34
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.03	-0.03	-0.04
From adjusted net result for the period	0.06	0.04	0.14	0.14	0.30
KEY INDICATORS					
		1-9/ 2014	1-9/ 2013	1-12/ 2013	
Change in net sales, %		31.3	16.5	17.7	
Operating profit/loss/net sales, %		38.6	35.2	34.7	
Interest coverage ratio		4.8	5.6	5.3	
Equity ratio, %		40.6	39.4	40.2	
Loan to value, %		58.1	57.2	59.5	
Group company personnel during the period, average		2.2	1.5	1.7	
Gross expenditure on assets, MEUR		58.1	149.8	466.7	
Net rental yield of investment properties, % 2)		7.3	7.6	7.6	
Financial occupancy rate, %		93.5	92.0	93.6	
Earnings/share					
basic, EUR		0.14	0.14	0.30	
diluted, EUR		0.14	0.14	0.30	
Cash flows from operating activities/share, EUR		0.47	0.37	0.53	
Equity/share, EUR		4.60	4.55	4.66	
Average issue-adjusted number of shares					
basic		106,421,719	83,909,653	85,352,432	
diluted		106,421,719	84,128,226	85,531,524	
Issue-adjusted number of shares at the end of period		106,511,632	84,086,628	106,268,407	

2) The figure does not include properties commissioned and acquired during the fiscal year.

	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
CHANGE IN VALUE OF INVESTMENT PROPERTIES					
Change in fair value, Finland	-1.5	-9.3	-23.8	-19.7	-5.7
Change in fair value, Baltia	0.0	4.0	3.1	4.6	3.6
Change in fair value, Scandinavia	-0.1	0.0	1.3	0.0	1.6
Change in fair value	-1.6	-5.3	-19.4	-15.1	-0.5
Changes in acquisition costs of investment properties in financial year	-8.4	-0.3	-7.1	-0.7	-19.7
Changes in fair value of projects in progress	3.9	-0.9	10.4	2.8	2.5
Effect on profit of change in value of investment properties	-6.1	-6.5	-16.1	-13.0	-17.6

CONTINGENT LIABILITIES

Currency unit: EUR million	Sept 30, 2014	Sept 30, 2013	Dec 31, 2013
Pledges and guarantees on own debt			
Mortgages of properties	1,070.3	237.9	1,051.0
Pledged securities and investment properties	766.8	704.8	782.5
Other guarantee liabilities	206.1	162.1	173.3
Leasing liabilities, machinery and equipment			
Project liabilities	4.5	3.7	3.9
Project liabilities	0.3	0.3	0.3
Interest rate and currency swaps			
Nominal values	401.4	284.2	400.4
Fair values	-14.0	-6.0	-6.7

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES September 30, 2014

The following table provides a list of the groups of financial assets and liabilities used for valuation in accordance with IAS 39.

	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized purchase price	Financial assets liabilities measured at fair value	Total
Non-current financial assets					
Assets measured at fair value					
Available-for-sale investments					
Available-for-sale quoted financial assets (level 1)		1.1			1.1
<i>Financial assets recognized at amortized cost</i>					
Available-for-sale financial assets					
Available for sale non-quoted financial assets, measured at acquisition cost (level 3)		3.7			3.7
Other non-current receivables	0.1				0.1
Total	0.1	4.8			4.9
Current assets					
Trade and other receivables					
Sales receivables	4.9				4.9
Other current receivables	12.7				12.7

TECHNOPOLIS

Cash and cash equivalents	34.3		34.3
Derivatives			
Interest rate swaps (level 2)		0.2	0.2
Total	51.9	0.2	52.1
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Non-current liabilities			
<i>Financial liabilities recognized at amortized cost</i>			
Non-current finance lease liabilities (level 2)		33.0	33.0
Non-current interest-bearing liabilities (level 2)		640.6	640.6
Non-current non-interest-bearing liabilities (level 2)		0.6	0.6
Other non-current liabilities		31.1	31.1
Total		705.4	705.4
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Current liabilities			
<i>Financial liabilities at fair value through profit or loss</i>			
Derivatives (level 2)			
Interest rate swaps, not meeting the criteria for hedge accounting		1.2	14.2
<i>Financial liabilities recognized at amortized cost</i>			
Current finance lease liabilities		2.7	2.7
Other current interest-bearing liabilities		175.0	175.0
Trade and other payables		30.9	30.9
Conditional additional purchase price		1.9	1.9
Income tax liability		0.3	0.3
Total		210.7	14.2
			224.8