TECHNOPOLIS

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Technopolis Group Interim Report January 1 - June 30, 2013

Highlights for 1-6/2013 compared to 1-6/2012:

- Net sales rose to EUR 60.9 (52.1) million, an increase of 16.8%
- EBITDA rose to EUR 30.2 (25.9) million, an increase of 16.5%
- Operating profit increased to EUR 22.4 (18.8) million, including a EUR -6.5 (-6.2) million change in the fair value of investment properties
- Profit attributable to the shareholders of the parent company was EUR 9.7 (8.1) million
- Earnings per share were EUR 0.11 (0.13)
- Cash flow from operations per share was EUR 0.28 (0.21)
- The financial occupancy rate was 92.7% (94.1%)
- Net asset value per share was EUR 5.52 (5.38)

The increase in net sales and EBITDA was mainly due to an increase of 13.6% in space and 0.9% in like-for-like rental income. Space increased by 18.8% over the year, including the Vilnius campus acquired on May 31, 2013. Changes of EUR -6.5 (-6.2) million in the fair value of investment properties and the weakening of the Russian ruble had an unrealized EUR 4.1 million negative impact on the financial performance. The operating profit excluding changes in fair value was EUR 28.9 (24.9) million, and including tax effects, the profit attributable to the shareholders of the parent company was EUR 14.2 (12.4) million. The operating profit excluding changes in fair value increased by 15.8%, and the net result including tax effects by 14.2%. The net result was negatively impacted by non-recurring costs of EUR 0.8 million from the restructuring of service operations, previous investments and the incorporation of properties in Finland.

Key Indicators	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Net sales, EUR million	31.2	26.7	60.9	52.1	107.3
EBITDA, EUR million	16.2	13.7	30.2	25.9	55.8
Operating profit, EUR million	5.7	5.8	22.4	18.8	48.0
Net profit for the period, EUR million	-1.1	-0.4	9.7	8.1	25.8
Earnings/share, undiluted, EUR	-0.03	-0.01	0.11	0.13	0.37
Earnings/share, diluted, EUR	-0.03	-0.01	0.11	0.13	0.37
Cash flow from operations/share, EUR	0.16	0.10	0.28	0.21	0.56
Equity ratio, %			39.3	37.3	36.2
Equity/share, EUR			4.97	4.71	4.94

EPRA-based Key Indicators *)	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Direct result, EUR million	10.5	7.1	18.5	12.5	29.9
Direct result/share, diluted, EUR	0.14	0.11	0.24	0.19	0.43
Net asset value/share, EUR			5.52	5.38	5.67
Net rental yield, %			7.5	7.7	7.8
Financial occupancy rate, %			92.7	94.1	95.3

*) EPRA = European Real Estate Association

Keith Silverang, CEO:

In the first half of the year macro conditions showed the same kind of uncertainty that we have come to accept as the new normal. Technopolis has engineered its strategy and service concept around this reality. This has proven to be effective even in a challenging environment. Our intention is to continue growing profitably and exploit investment opportunities emerging from these market conditions.

The Group's net sales and EBITDA continued to develop favorably compared to 2012 and the previous quarter. We were also able to improve the occupancy of our standing assets, as well as the pre-let rates of buildings under construction over the previous quarter. Liquidity and solvency have remained strong throughout the first half. Fair values did decline mainly in the Helsinki area and Oulu due primarily to increases in market yields. In Russia fair values declined due to the weakening of the ruble against the euro. The main drivers in the rise of market yields were soft macro conditions, weak real estate market liquidity and perceived uncertainty related to the export sector.

Financial occupancy rose from 92.2% to 92.7% from Q1 to Q2 thanks to a good overall sales effort, e.g. the successful execution of a critical 3,700 sqm deal in Kuopio, as well as the partial inclusion of the fully let Vilnius campus starting in June.

The integration of the Vilnius campus has proceeded as planned and the building under construction known as Gamma has been filling up faster than we expected. Currently we consider it possible that the whole campus will be fully let by the end of the year, which could create opportunities to expand the campus. In the mean time we are actively pursuing other investment opportunities both in Finland and abroad.

In August the Technopolis Board of Directors concluded in its annual strategy review that the company's strategy has been and remains effective. Since 2008 net sales have risen nearly 75% and EBITDA over 80%. The company's financial position has remained solid and we have a strong concept. Our targets are ambitious, but we have the prerequisites to achieve them. This provides a strong foundation to build on.

Business Conditions

According to consensus information collected by the Federation of Finnish Financial Services Finland's GDP is forecast to increase 0.1% in 2013. GDP growth is being dragged down by rising unemployment and lower private consumption due to heavier taxation. According to forecasts, the unemployment rate will grow to 8.3% and inflation will decrease to 2.1%.

The Russian economy has remained relatively strong, but the leveling off of oil prices is likely to decelerate economic growth. In 2013, GDP is expected to grow by 2.8%. Estimates forecast inflation to increase to 6.5 and the unemployment rate will remain at 5.5%.

Estonia's GDP is expected to grow by approximately 2.8% in 2013, supported by the competitiveness of the export sector. The unemployment rate is expected to decrease to 9.3% and inflation to slow slightly to 3.3%.

In Lithuania, private consumption and export are supporting robust GDP growth which is expected to rise by 3.3% in 2013. The unemployment rate is expected to decrease to 11.7% and inflation to slow to 2.6%.

Financial Occupancy Rates

In spite of general economic uncertainty demand for Technopolis business space has remained satisfactory. The Group's financial occupancy rates are as follows:

	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012
Group	**92.7**	**92.2**	**95.3**	**94.8**	**94.1**
Finland	**91.7**	**91.5**	**95.1**	**94.7**	**93.9**
Oulu	84.2	85.9	94.5	93.3	91.8
HMA	93.6	94.1	91.9	92.0	88.4
Tampere	97.4	97.1	97.6	98.1	98.7
Kuopio	93.9	87.6	94.9	94.3	96.4
Jyväskylä	98.9	98.9	98.6	98.4	98.2
Lappeenranta	94.3	93.6	92.5	93.5	92.3

Estonia, Tallinn	**96.6**	**96.1**	**94.9**	**92.5**	**92.9**
Lithuania, Vilnius	**99.9 *)**	**-**	**-**	**-**	**-**
Russia, St. Petersburg	**98.8**	**100.0**	**100.0**	**100.0**	**99.4**

*) Ownership of the Vilnius campus was transferred on May 31, 2013

The acquisition of the Peltola campus on February 12, 2013 decreased the financial occupancy rate for Oulu and its occupancy rate was 63.4% as of June 30, 2013. The campus occupancy rate is expected to increase significantly by the end of the year. Signed leases with education sector customers increased the financial occupancy rate in Kuopio to 93.9%.

Business Segments

Geographic Segments

The net sales and EBITDA of Finnish operations developed favorably in January - June 2013. Net sales were EUR 54.5 (47.3) million and EBITDA was EUR 27.4 (24.1) million. The EBITDA margin was 50.4% (51.0%), reflecting the lower financial occupancy rate. Net sales improved by 15.0% and EBITDA by 13.7% compared to the first half of 2012.

In Tallinn, the net sales of the Technopolis campus were EUR 3.2 (2.4) million and EBITDA was EUR 1.6 (1.4) million. Net sales were higher due to a higher financial occupancy rate and a change in the accounting policy for maintenance charges in accordance with the Group's general accounting policy as of the beginning of 2013. Adjusted for the change in accounting policy, the comparable net sales in January - June 2013 were EUR 2.6 million and EBITDA margin was 63.5% (59.4%). Compared to the first half of 2012, comparable net sales improved by 8.3% and EBITDA by 15.6%.

In St. Petersburg, the net sales of the Technopolis campus for January - June 2013 were EUR 2.6 (2.4) million and EBITDA was EUR 0.7 (0.6) million. The EBITDA margin was 24.6% (24.5%).The campus' lower EBITDA margin than other countries is related to the smaller scale. Once the campus expansion is completed net sales are expected to double and EBITDA to triple.

The Vilnius campus acquired in Lithuania was consolidated into the accounts on May 31, 2013. The unit's net sales for June amounted to EUR 0.6 million and EBITDA to EUR 0.5 million. The figures include a non-recurring income item of EUR 0.2 million. The full-year net sales are expected to come in at approximately EUR 3.5 - 3.6 million and EBITDA at approximately EUR 2.5 - 2.7 million.

Space and Service Operations

In January - June 2013, rental revenue accounted for 87.9% (86.7%) and service revenue for 12.1% (13.3%) of net sales.

Breakdown of Net Sales and EBITDA by Sector (excluding eliminations):

		4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Space						
	Net sales	27.4	22.9	53.5	45.2	93.0
	EBITDA	17.6	15.5	33.2	29.4	61.9
	EBITDA %	64.1	67.7	62.1	65.0	66.5
Services						
	Net sales	3.8	3.7	7.5	6.9	14.2
	EBITDA	0.5	0.4	1.0	0.6	1.3
	EBITDA %	13.2	11.6	13.9	9.4	9.4

The EBITDA margin of the office space rental business decreased by 2.9% during January - June 2013 compared to the previous year as a result of a lower initial financial occupancy rate. The EBITDA margin increased to 13.9% (9.4%) in the service sector.

Financial Performance

The Group's net sales for the period under review were EUR 60.9 (52.1) million, an increase of 16.8% compared to January - June 2012. The growth mainly comprised a 13.6% increase in space, and an increase of 0.9% in like-for-like rental income due to index increases. Rentable space increased by 18.8% year-on-year, including the new Vilnius campus. The Group's EBITDA rose to EUR 30.2 (25.9) million in January - June, up 16.5%. The EBITDA margin was 49.5% (49.0%). EBITDA was affected by EUR 0.8 million in non-recurring expenses related to previous investments, the restructuring of service operations and incorporation of properties into five regional companies in Finland. Changes of EUR -6.5 (-6.2) million in the fair value of investment properties had a negative impact on financial performance. The Group's operating profit was EUR 22.4 (18.8) million. Excluding changes in fair value, the operating profit was EUR 28.9 (24.9) million.

The Group's net financial expenses for January - June totaled EUR 10.0 (7.2) million. Net financial expenses were impacted by EUR 1.7 million in higher unrealized exchange rate losses totaling EUR -4.1 (-0.1) million related to the Russian subsidiary's euro-denominated loans and the weakening of the Russian ruble against the euro. The Group's pre-tax profit totaled EUR 12.4 (11.6) million. The pre-tax profit excluding fair value changes was EUR 18.9 (17.8) million.

Unrealized exchange rate losses for April - June amounted to EUR -4.5 (-2.3) million.

The EPRA-based direct result increased by 48.2% to EUR 18.5 (12.5) million for January - June 2013. Earnings per share increased to EUR 0.24 (0.19). An increase in net sales and EBITDA and a decrease in operational financial costs and taxes contributed to the improvement in EPRA-based figures. EPRA financial expenses were EUR 5.8 (7.0) million and taxes EUR 3.8 (4.3) million.

Customers and Lease Stock

Technopolis has a total of approximately 1,400 customers, and 26,000 people work in Technopolis facilities. The twenty largest customers lease approximately 38% of the company's rentable space.

Termination Notice Periods in months	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012
0-3	13.7	13.7	13.8	17.3	16.1
3-6	24.2	25.5	25.3	28.1	30.5
6-9	5.9	7.0	7.4	7.4	4.9
9-12	5.4	6.5	6.7	7.6	7.7
> 12 months, total	50.8	47.2	46.8	39.6	40.8
Average lease term in months	37	35	39	25	27
Lease stock, EUR million	342.2	311.1	296.1	238.2	239.7

Long fixed-term leases signed by the company increased the average lease term by 10 months and the lease stock by 42.8% compared to the previous year.

Properties and Investments

Technopolis' facilities are located next to good traffic connections in the vicinity of universities, airports or downtown areas. In 2013, the Group invested in all of the countries where it operates.

The fair value of the Group's investment properties at the end of the period totaled EUR 1,126.2 (944.0) million, of which completed investment properties accounted for EUR 1,044.6 (902.6) million, and investment properties under construction EUR 81.6 (41.4) million. The net rental yield of the company's investment properties decreased to 7.5% (7.7%) due to lower financial occupancy rates in Finland.

Fair value, EUR million	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012

Group	**1,126.2**	**1,067.2**	**1,014.1**	**963.2**	**944.0**
Finland	**879.2**	**888.0**	**838.9**	**784.7**	**786.3**
Oulu	255.9	259.5	225.3	224.2	224.9
HMA	201.4	203.9	205.2	206.5	206.9
Tampere	185.4	186.4	189.2	134.1	133.9
Kuopio	110.3	110.5	92.2	93.6	94.5
Jyväskylä	97.4	98.4	97.9	97.1	96.7
Lappeenranta	28.9	29.3	29.2	29.1	29.4
Estonia	**66.2**	**65.6**	**63.9**	**64.4**	**64.5**
Lithuania	**47.3**	**-**	**-**	**-**	**-**
Russia	**51.8**	**56.6**	**53.6**	**53.5**	**51.8**
Under construction	**81.6**	**56.9**	**57.6**	**60.7**	**41.4**

Market yield requirements applied to the Group's investment properties averaged 8.1% (8.1%), and have been used in fair value calculations.

The Group's total floor space in completed investment properties at the end of the period was 717,500 (604,200) sqm.

1,000 sqm	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012
Group	**717.5**	**690.3**	**644.3**	**604.1**	**604.2**
Finland	**582.6**	**586.0**	**541.0**	**500.8**	**500.9**
Oulu	230.1	229.8	194.3	194.3	194.4
HMA	83.2	86.6	86.6	86.6	86.6
Tampere	112.1	112.1	112.1	71.9	71.9
Kuopio	69.5	69.8	60.3	60.3	60.3
Jyväskylä	60.4	60.4	60.4	60.4	60.4
Lappeenranta	27.3	27.3	27.3	27.3	27.3
Estonia	**79.4**	**80.2**	**79.2**	**79.2**	**79.2**
Lithuania	**31.4**	**-**	**-**	**-**	**-**
Russia	**24.1**	**24.1**	**24.1**	**24.1**	**24.1**

The decrease in space in the Helsinki Metropolitan Area was due to the demolition of buildings located at Tekniikantie 21 in Espoo. The Vilnius campus in Lithuania was included in the figures as of May 31, 2013.

Properties acquired or investments completed during the last 12 months and projects under construction during the period and their rentable space are as follows:

Area	Name	Occupancy Rate, %, Aug 15, 2013	sqm	EUR million	Yield, %	Completion
Acquired						
Tampere	Tohloppi	100.0	32,000	23.3	11.8	10/2012
Oulu	Peltola	64.9	37,600	31.7	11.2	02/2013
Vilnius	Alfa & Beta	99.8	31,200	62.6 *)	9.6	05/2013
Completed						
HMA	Ruoholahti 2	96.2	8,600	27.1	7.2	06/2012
Tampere	Yliopistonrinne 2	96.6	7,500	22.5	7.6	10/2012
Kuopio	Viestikatu 7B&C	92.2	9,300	17.4	9.2	02/2013
Tallinn	Löötsa 8C	94.8	6,200	8.3	9.1	03/2013
Under construction **)						

Vilnius	Gamma	84.0	11,000	62.6 *)	8.8	10/2013
Tallinn	Löötsa 8A&B	80.7	16,300	24.3	9.1	10/13-2/14***)
St. Petersburg	Pulkovo 2	10.4	18,700	42.0	12.6	10/2013
Jyväskylä	Innova 4	87.4	8,900	23.7	8.1	10/2013

*) total value of the Vilnius deal including all phases
**) pre-let rate August 15, 2013
***) commissioning in phases

All of the Technopolis projects under construction at the closing date are expansions of existing campuses.

Financing

The Group's balance sheet totaled EUR 1,202.2 (1,000.7) million, of which liabilities totaled EUR 732.9 (629.6) million. The Group's equity per share was EUR 4.97 (4.71). The Group's equity ratio was 39.3% (37.3%), increasing 6.2 percentage points due the hybrid loan. The loan-to-value ratio was 57.8% (58.2%). At the end of the period, the Group's net gearing was 136.8% (147.7%) and the interest coverage ratio was 5.5 (3.9).

As a general rule, the Group finances 35% of its investments with shareholders' equity, and the remaining 65% with debt financing, for which the target property is given as collateral.

At the end of the period, the Group's interest-bearing liabilities from financial institutions amounted to EUR 658.8 million (EUR 555.1 million), and the average capital-weighted loan period was 8.3 (8.8) years. The average interest rate on interest-bearing liabilities was 2.07% (2.32%). The Group's interest fixing period was 2.0 (1.6) years at the end of the period. At the end of the period 60.2% (65.2%) of interest-bearing liabilities were floating-rate loans and 39.8% (34.8%) were fixed-rate loans with maturities of 13 - 60 months. The share of fixed-rate loans increased due to the higher use of interest rate swaps. Some 3.9% of floating-rate loans were pegged to the under-3-month Euribor rate, and 56.3% were pegged to Euribor rates from 3 to 12 months.

The Group had interest-bearing liabilities with covenants worth EUR 477.2 (371.4) million. Loans amounting to EUR 361.0 (331.9) million include covenants relating to the equity ratio. Of these loans, EUR 203.4 (144.0) million include a call-in provision. The call-in covenant is breached if the equity ratio falls below 30%. The principal of EUR 157.8 (147.8) million includes an interest margin revision term. If the equity ratio falls below 33%, the additional impact on interest expenses would be EUR 0.5 (0.4) million per annum.

Technopolis issued a EUR 75 million hybrid bond in March 2013. The bond has a 7.5% annual coupon rate. It is perpetual, but the company may exercise an early redemption option after five years.

At the end of the reporting period, Technopolis had EUR 131.6 (137.9) million in untapped credit facilities, and cash reserves amounting to EUR 16.7 (6.9) million. The credit facilities contained a EUR 106.5 (114.7) million credit line and a EUR 25.1 (23.2) million revolving credit facility. In addition, the company has a EUR 120.0 (120.0) million commercial paper program, of which EUR 50.0 (21.0) million was issued at the end of the reporting period.

During the 12-month period following the period under review, EUR 130.5 (82.0) million in existing interest-bearing loans will mature.

The company's five largest creditors at the end of the period under review were the European Investment Bank, Handelsbanken, OP-Pohjola Group, Nordea, and Danske Bank. Their total lending to the company amounted to EUR 467.9 million.

A one percentage point change in market rates would cause a EUR 2.8 (2.7) million change in interest costs per annum. At the end of the reporting period, there were interest rate swaps covering EUR 233.3 (162.0) million of principal. The hedging ratio of interest-bearing liabilities was 35.4% (29.2%).

Organization and Personnel

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

The Group Management Team comprises Keith Silverang, Reijo Tauriainen, Juha Juntunen, Sami Juutinen, Kari Kokkonen, and Outi Raekivi. In order to support the company's growth strategy, the areas of responsibility of the Management Team members were adjusted in connection with the Group's Strategy Review. As of January 1, 2014, Sami Juutinen will be responsible for all merger and acquisition, and divesture-related activities throughout the Group as Chief Investment Officer (CIO). At the same time, Juha Juntunen, currently Director of Finnish Operations, Sales and Marketing, will assume responsibility as Chief Operating Officer (COO) for all business units, in addition to his previous duties.

The Technopolis operational organization consists of four geographical units: Finland, Lithuania, Russia, and Estonia. The Group organization also has matrix support functions for the Group's real estate development, services, marketing, and support services.

During the period, the Group employed an average of 184 (177) people. Rental operations employed 64 (65) people, the service business 78 (74) people and the Group's administration 42 (38) people. At the end of the period under review, the Group had 183 (180) personnel.

Environment

The main targets of the company's environmental strategy for 2011 - 2015 include reducing comparable energy consumption by 10%, water consumption by 8% and carbon dioxide emissions by 20% compared to 2011.

Cumulative comparison of Finnish units compared to the base year of 2011:

	1-6/2013	1-6/2011	change, %
Energy consumption, kWh/gross sqm	46.3	46.9	-1.3
Water consumption, m³/person	1.13	1.14	-16.3
Carbon dioxide emissions, kg CO_2e/gross sqm	3.6	3.8	-57.4

The comparison only includes comparable properties owned by the company throughout the year. Increasing energy efficiency as a result of property energy reviews and savings measures has decreased both energy consumption by the properties and their carbon dioxide emissions. Compared to the corresponding period in the previous year Technopolis now has four new, energy-efficient, LEED-certified properties. The energy consumption of LEED properties is estimated to be at least 10% lower than that of corresponding conventional properties.

Strategic Financial Targets

The company's Board of Directors approved the company's strategic financial targets for 2014 - 2016 on August 15, 2013. The company left unchanged its targets of average annual growth in net sales and EBITDA of 15%, over EUR 50 million in net sales outside Finland by the end of 2016, and an equity ratio of 35% over the cycle.

The company's Board of Directors specified that the existing target calling for at least a 6% return on capital employed per annum to apply to operational activities only. The adjusted target for return on capital employed is based on the recommendations of the European Real Estate Association (EPRA), instead of the previous figures calculated according to IFRS, adjusting the revenue for changes in e.g. fair value.

The dividend policy was modified to better match the company's growth targets. The dividend policy was adjusted such that the company will aim to distribute on average one third of its net profit, excluding changes in fair value and their tax impact.

As part of its international growth targets, Technopolis has been analyzing potential international investment targets in the Baltic Sea and Nordic regions. The key criteria for potential acquisitions are sufficient size and growth potential, excellent locations in growth centers, a flexible, high-quality property portfolio, and positive cash flow. In addition, the acquisition must have a positive impact on earnings per share, and the campus should be a good match with the Technopolis business concept. The company is also investigating opportunities to divest properties that are not optimal for its concept.

Evaluation of Operational Risks and Uncertainties

Technopolis' most significant business risks relate primarily to general economic development associated with financing and customers, as well as international business 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 company's policy concerning interest rate risks also aims to diversify the interest rate risk of loan contracts over different loan periods based on the prevailing market situation and the company's interest rate forecast.

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 the financing risk, Technopolis draws upon the resources of a wide range of financers and a variety of financing instruments, and maintains a sufficient degree of solvency.

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

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

Changes in exchange rates may have an effect on 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 comprehensive income statement under other operating expenses or financial income and expenses, according to the type of transaction involved.

Customer risk management aims 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 profound understanding of the customer's business and actively monitoring customer information. Customer risks are diversified by acquiring customers from all sectors, including the public sector. As part of client risk management, Technopolis leases include rental security arrangements.

The company's leases fall into two categories: fixed-term and open-ended. The company aims to apply both lease types, 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 space they need 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 in this business model over a wide variety of economic cycles.

In new construction projects, Technopolis focuses on quality and the management of the property's 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 purchasing 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. 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 leases may be met. In that case, the change in value can have an impact on the cash flow and result for the period.

Group Structure

Technopolis Group comprises the parent company Technopolis Plc, whose subsidiaries have operations in Finland, Lithuania, Russia, and Estonia. The parent company has several subsidiaries and associates in Finland. In Lithuania, the parent company has a subsidiary, Technopolis Lietuva UAB (100%), which owns the three real estate companies associated with the Vilnius campus. The parent company has two subsidiaries in Russia: Technopolis Neudorf LLC and Technopolis St. Petersburg LLC, both wholly owned. The Estonian subsidiary Technopolis Baltic Holding OÜ (wholly owned) manages the holdings in Technopolis Ülemiste AS (51%).

New subsidiaries, Technopolis Lietuva UAB, Kiinteistö Oy Technopolis Peltola and Kiinteistö Oy Yrttiparkki, were consolidated into Technopolis Group during the review period. Technopolis Lietuva UAB owns the real estate companies UAB Domestas, UAB Urban housing, and UAB Gama Projektai. Technopolis Plc owns five regional real estate companies which, after the business transfer and capital contribution executed on February 28, 2013, each own shares in properties and leases located in their respective region.

Annual General Meeting 2013

The Annual General Meeting of Shareholders (AGM) of Technopolis was held in Oulu on March 27, 2013.

Resolutions of the Annual General Meeting

The AGM 2013 adopted the Group and parent company's financial statements for the financial year 2012 and discharged the company's Board of Directors and CEO from liability. The AGM decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.20 per share. The dividend was paid to shareholders who were registered in the company shareholder register kept by Euroclear Finland Ltd on the record date of April 3, 2013. The dividend payment date was April 10, 2013.

Board of Directors and Remuneration of the Members of the Board of Directors

The number of members of the Board of Directors was confirmed at six. Sari Aitokallio, Carl-Johan Granvik, Jorma Haapamäki, Pekka Korhonen, Matti Pennanen, and Timo Ritakallio were elected members of the Board for a term of office expiring at the end of the next Annual General Meeting. Carl-Johan Granvik was elected Chairman of the Board of Directors and Matti Pennanen was elected Vice Chairman.

It was resolved to pay the members of the Board of Directors annual remuneration as follows: EUR 50,000 to the Chairman of the Board, EUR 30,000 to the Vice Chairman of the Board, and EUR 25,000 to each of the other members of the Board. In addition, it was decided that, for participation in meetings of the Board of Directors, each member of the Board of Directors shall, in addition to the annual remuneration, be paid a fee of EUR 600 and the Chairman of the Board of Directors a fee of EUR 1,200 for each Board meeting, and the chairmen of the committees a fee of EUR 800 and each member of the committees a fee of EUR 600 for each meeting of the committees, and that the travel expenses of the members of the Board of Directors and the members of the committees shall be compensated in accordance with the company's travel policy.

The AGM decided that the annual remuneration is paid on the condition that Board members commit to using 50% of their annual remuneration to acquire Technopolis Plc shares on the market at the price determined in public trading. The shares are to be acquired within three weeks of the publication of the Interim Report for the period January 1 - March 31, 2013. If the shares cannot be purchased during this period due to insider regulations, they will be acquired on the first occasion possible according to valid insider regulations. Board members are not allowed to transfer the shares obtained as annual remuneration before their membership of the Board has ended.

In the first organizational meeting of the Board of Directors following the AGM, the Board appointed an audit committee and a remuneration committee from among its members. The Audit Committee consists of Carl-Johan Granvik, Chair, Sari Aitokallio, and Pekka Korhonen. The remuneration committee consists of Timo Ritakallio, Chair, Jorma Haapamäki, and Matti Pennanen. The Board of Director's view is that all of the Board members are independent of the company, and excluding Timo Ritakallio, of its major shareholders.

Auditor

KPMG Oy Ab, authorized public accountants, was re-elected as auditor of the company, with Mr. Ari Eskelinen, APA, as the Auditor-in-Charge.

Shareholders' Nomination Board

The Annual General Meeting decided to establish a Shareholders' Nomination Board to prepare proposals concerning the election and remuneration of the members of Board of Directors for the General Meeting and adopted the Charter of the Shareholders' Nomination Board. The Nomination Board is established for an indefinite period.

The Nomination Board shall consist of three members nominated by the shareholders of the company. In addition, the Chairman of the Board of Directors of the company participates in the work of the Nomination Board as an expert.

The right to nominate members shall be vested with the three shareholders of the company having the largest share of the votes represented by all the shares in the company annually on September 1, based on the company's shareholder register held by Euroclear Finland Ltd. However, if a shareholder who has distributed his/her holdings into several funds, and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in his/her share of ownership, makes a written request to such effect to the Chairman of the Board of Directors no later than on August 31, the aforementioned shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines his nomination rights. Should a shareholder not wish to exercise his/her nomination rights, the rights shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member. The term of office of the members of the Nomination Board expires annually when the new Nomination Board has been appointed.

Based on shareholdings as of October 1, 2012, the members of the Shareholders' Nomination Board Committee are Risto Murto, Vice President of Varma Mutual Pension Insurance Company, as the chairman, with Harri Sailas, President and CEO of Ilmarinen Mutual Pension Insurance Company, and Timo Kenakkala, Deputy Mayor of the City of Oulu. In addition, Carl-Johan Granvik, chair of the company's Board of Directors, acts as the Nomination Board's expert member.

Board Authorizations

The AGM authorized the Board of Directors to decide on the repurchase and/or on the acceptance as pledges of the company's own shares as follows.

The amount of treasury shares to be repurchased and/or accepted as pledge shall not exceed 7,556,100 shares, which corresponds to approximately 10% of all the shares in the company. Under the authorization, the company's own shares may only be purchased using unrestricted equity. The company's own shares may be purchased at a price set in public trading on the date of purchase or at a price otherwise determined on the market. The Board of Directors decides how treasury shares will be repurchased and/or accepted as pledges. Treasury shares can be repurchased using, inter alia, derivatives. The company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2014.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act as follows:

Pursuant to this authorization, the maximum number of shares to be issued will be 15,112,200, equaling approximately 20% of the company's shares. However, no more than 170,000 shares may be issued on the basis of the authorization for the purpose of implementing incentive schemes decided upon by the General Meeting or the Board of Directors. The Board of Directors decides on all the terms and conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The Board of Director's may decide on the company's share-based incentive schemes. The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2014.

Stock-Related Events and Disclosures of Changes in Holdings

In March 2013, 14,859 new Technopolis Plc shares were subscribed based upon the 2007C stock options, and 69,379 new shares related to the share-based incentive scheme 2010 – 2012. New shares were entered into the Trade Register on April 4, 2013.

In April, 2013 a total of 240,933 new Technopolis Plc shares were subscribed based upon the 2007C stock options. New shares were entered into the Trade Register on May 15, 2013.

At the end of the period, on June 30, 2013, the company had 75,886,398 shares. The shares are in a single series, and each share entitles the holder to one vote at the Annual General Meeting. The company's share capital is EUR 96,913,626.29.

Unused Board Authorizations

The Board of Directors has been authorized by the Annual General Meeting of 2013 to decide on the issuance of shares and the issuance of special rights entitling holders to shares referred to in the Limited Liability Companies Act, as well as on the repurchase and/or on the acceptance as pledges of the company's own shares. The company's Board of Directors has not exercised the authorizations, and the company did not hold any treasury shares at the end of the reporting period.

Post-Fiscal Events

The company announced on August 15, 2013 adjustments to its strategic financial targets. The changes are included in this Interim Report under 'Strategic Financial Targets'. On the same day, the company also announced changes related to the organization and the areas of responsibility of Group Management Team members, effective on January 1, 2014. These changes are included in this Interim Report under 'Organization and Personnel.

Future Outlook

On May 31, 2013, the company upgraded its 2013 net sales and EBITDA growth guidance to 14% - 17% compared to the previous year.

The Group's financial performance depends on the development of the overall business environment, customer operations, financial markets and real estate market yield requirements. Furthermore, any property transactions that take place will have an impact on the guidance.

Vilnius, August 15, 2013

TECHNOPOLIS PLC

Board of Directors

Additional information:
Keith Silverang
CEO
tel. +358 40 566 7785

APPENDICES:

A presentation of the Interim Report is available on the company's website at www.technopolis.fi. To request a printed copy of the document, please call +358 46 712 000 /Technopolis info. The company's financial review for 2012 was published on March 4, 2013, on the company's website.

Technopolis offers a service for receiving reports and releases on the company's website at http://www.technopolis.fi. Individuals who sign up to the service will receive the company's bulletins electronically.

Tables

The accounting policies applied in the interim report are the same as in the 2012 annual report. The formulas for calculating key indicators are available on the company website.

The Company has amended the recognition principle of deferred taxes as of the beginning of 2013 in accordance with IAS 8 paragraph 14(b). The Company estimates that it will liquidate its shareholdings in real estate companies by selling the shares it holds. The effect amounts to EUR 6 million, which is recognized in retained earnings. The change has also a future effect on the accrual of deferred taxes and equity ratio.

The financial 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 Currency unit: EUR million	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Net sales	31.2	26.7	60.9	52.1	107.3
Other operating income 1)	0.3	0.5	1.1	0.7	1.7
Other operating expenses	-15.3	-13.5	-31.8	-26.9	-53.3
Change in fair value of investment properties	-9.8	-7.4	-6.5	-6.2	-5.7
Depreciation	-0.6	-0.5	-1.3	-0.9	-2.0
Operating profit/loss	5.7	5.8	22.4	18.8	48.0
Finance income and expenses	-7.6	-5.7	-10.0	-7.2	-13.6
Result before taxes	-1.8	0.1	12.4	11.6	34.5
Current taxes	1.1	0.3	-1.9	-2.4	-7.5
Net result for the period	-0.7	0.4	10.6	9.2	27.0
Other comprehensive income items					
Translation difference	-2.0	-1.2	-1.6	0.2	0.9
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	2.4	-1.5	2.9	-2.5	-4.0
Taxes related to other comprehensive income	-0.6	0.4	-0.7	0.6	1.0

items					
Other comprehensive income items after taxes for the period	-0.2	-2.4	0.6	-1.7	-2.0
Comprehensive income for the period, total	-0.9	-2.0	11.1	7.5	24.9
Distribution of profit for the period:					
To parent company shareholders	-1.1	-0.4	9.7	8.1	25.8
To non-controlling shareholders	0.4	0.7	0.9	1.0	1.1
	-0.7	0.4	10.6	9.2	27.0
Distribution of comprehensive income for the period:					
To parent company shareholders	-1.3	-2.7	10.3	6.5	23.8
To non-controlling shareholders	0.4	0.7	0.9	1.0	1.1
	-0.9	-2.0	11.1	7.5	24.9
Earnings per share based on result of flowing to parent company shareholders adjusted by interest expenses on an equity related bond:					
Net profit to parent company shareholders	-1.1	-0.4	9.7	8.1	25.8
Interest expenses on an equity related bond	-1.4		-1.5		
Tax effect	0.3		0.4		
Adjusted net profit	-2.2	-0.4	8.6	8.1	25.8
Earnings per share, basic, EUR	-0.03	-0.01	0.11	0.13	0.37
Earnings per share, diluted, EUR	-0.03	-0.01	0.11	0.13	0.37

1) Other operating income consists of operating subsidies received for development services; an equal amount is recorded under operating expenses for development services.

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	06/30/2013	06/30/2012	12/31/2012
Non-current assets			
Intangible assets	5.7	4.8	5.6
Tangible assets	18.1	14.6	13.7
Completed investment properties	1,044.6	902.6	956.5
Investment properties under construction	81.6	41.4	57.6
Investments	13.7	12.7	12.5
Deferred tax assets	5.1	2.6	2.7
Non-current assets	1,168.8	978.6	1,048.6
Current assets	33.5	22.1	34.1
Assets, total	1,202.2	1,000.7	1,082.7

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	06/30/2013	06/30/2012	12/31/2012
Shareholders’ equity			
Share capital	96.9	96.9	96.9
Premium fund	18.6	18.6	18.6
Other funds	187.1	111.4	110.2
Translation difference	-1.3	-0.4	0.3
Retained earnings	141.6	121.6	121.7
Net profit for the period	9.7	8.1	25.8
Parent company’s shareholders’ interests	452.6	356.2	373.5

Non-controlling interests	16.8	15.0	16.1
Shareholders’ equity, total	469.4	371.2	389.5
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	528.3	473.1	499.7
Non-interest-bearing liabilities	2.0	0.7	0.3
Deferred tax liabilities	41.8	46.2	49.7
Non-current liabilities, total	572.1	520.0	549.7
Current liabilities			
Interest-bearing liabilities	130.5	82.0	108.4
Non-interest-bearing liabilities	30.3	27.6	35.0
Current liabilities, total	160.8	109.6	143.5
Liabilities, total	732.9	629.6	693.2
Shareholders’ equity and liabilities, total	1,202.2	1,000.7	1,082.7

STATEMENT OF CASH FLOWS Currency unit: EUR million	1-6/ 2013	1-6/ 2012	1-12/ 2012
Cash flows from operating activities			
Net result for the period	10.6	9.2	27.0
Adjustments:			
Change in fair value of investment properties	6.5	6.2	5.7
Depreciation	1.3	0.9	2.0
Share of profits of associates	0.0		
Gains from disposals	0.0		-0.1
Other adjustments for non-cash transactions	0.1	0.2	0.2
Financial income and expenses	9.9	7.2	13.6
Taxes	1.9	2.4	7.5
Increase / decrease in working capital	-0.1	-2.5	1.0
Interests received	0.1	0.1	0.2
Dividends received	0.0	0.0	0.0
Interests paid and fees	-4.0	-5.8	-10.3
Other financial items in operating activities	-2.9	-2.2	-4.4
Taxes paid	-1.9	-2.2	-3.3
Net cash provided by operating activities	21.6	13.6	39.2
Cash flows from investing activities			
Investments in other securities			0.0
Investments in investment properties	-72.1	-42.6	-107.2
Investments in tangible and intangible assets	-0.8	-1.8	-8.2
Granted loans	-1.4		
Repayments of loan receivables		0.0	0.0
Proceeds from sale of investments		0.0	0.0
Proceeds from sale of tangible and intangible assets	0.0	0.0	0.1
Acquisition of subsidiaries	-22.7	-0.7	-0.7
Acquisition of associates		-0.7	-0.7
Net cash used in investing activities	-97.0	-45.7	-116.6
Cash flows from financing activities			
Issue of hybrid bond	75.0		
Increase in long-term loans	51.3	45.0	96.3
Decrease in long-term loans	-39.5	-35.2	-58.2
Dividends paid	-15.1	-12.7	-12.7

Paid share issue	0.5	32.6	32.7
Capital investment by the minority		0.8	1.8
Change in short-term loans	4.7	-3.9	20.9
Net cash provided by financing activities	76.8	26.6	80.8
Net increase/decrease in cash assets	1.4	-5.5	3.3
Effects of exchange rate fluctuations on cash held	-0.3	-0.1	-0.2
Cash and cash equivalents at period-start	15.7	12.5	12.5
Cash and cash equivalents at period-end	16.7	6.9	15.7

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, 2012	96.9	18.6	81.1	-0.6	134.1	13.1	343.2
Comprehensive income							
Net profit for the period					8.1	1.0	9.2
Other comprehensive income items							
Translation difference				0.3			0.3
Derivatives			-1.9				-1.9
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-1.8	0.3	8.1	1.0	7.6
Related party transactions							
Share issue			32.1				32.1
Dividend					-12.7		-12.7
Change in ownership interests in subsidiaries 2)					0.2		0.2
Other changes			0.0		0.0	0.8	0.8
Related party transactions			32.1		-12.5	0.8	20.4
Equity June 30, 2012	96.9	18.6	111.4	-0.4	129.7	15.0	371.2
Equity January 1, 2013 3)	96.9	18.6	110.2	0.3	157.0	16.1	399.0
Comprehensive income							
Net profit for the period					9.7	0.9	10.6
Other comprehensive income items							
Translation difference				-1.6			-1.6
Derivatives			2.2	0.0			2.2
Available-for-sale financial assets			0.0	0.0			0.0
Comprehensive income for the period			2.2	-1.6	9.7	0.9	11.1
Related party transactions							
Dividend					-15.3	-0.2	-15.5
Equity related bond issue			74.3				74.3
Other changes			0.5		0.0	0.0	0.5
Related party transactions			74.8		-15.3	-0.2	59.3
Equity June 30, 2013	96.9	18.6	187.1	-1.3	151.3	16.8	469.4

2) Acquisition of non-controlling interests without change in control

3) Effect of changes in recognition principle of deferred taxes, EUR 6.0 million, and in group structure, EUR 3.5 million, total of EUR 9.4 million, has been recognized in opening balance of 2013 in retained earnings.

FINANCIAL INFORMATION BY SEGMENTS

Technopolis Group has four operating segments based on geographical units: Finland, Russia, Estonia and Lithuania. The segment division presented in this interim report is based on the Group's existing internal reporting procedures and the organization of the Group's operations. The Group's net sales or EBITDA do not include significant inter-segment items.

SEGMENT INFORMATION	4-6/	4-6/	1-6/	1-6/	1-12/
Currency unit: EUR million	2013	2012	2013	2012	2012
Net sales					
Finland	27.6	24.2	54.4	47.3	97.4
Russia	1.3	1.2	2.6	2.4	5.0
Estonia	1.6	1.2	3.2	2.4	4.8
Lithuania	0.6	0.0	0.6	0.0	0.0
Unallocated	0.0	0.0	0.0	0.0	0.0
Total	31.2	26.7	60.9	52.1	107.3
EBITDA					
Finland	14.3	12.8	27.4	24.1	51.2
Russia	0.4	0.3	0.7	0.6	1.4
Estonia	0.9	0.9	1.6	1.4	3.1
Lithuania	0.5	0.0	0.5	0.0	0.0
Unallocated	0.2	-0.3	0.0	-0.2	0.0
Total	16.2	13.7	30.2	25.9	55.8
Assets					
Finland			964.5	875.0	935.7
Russia			101.2	74.3	90.9
Estonia			102.1	83.1	89.8
Lithuania			98.1	0.0	0.0
Eliminations			-63.6	-31.6	-33.6
Total			1,202.2	1,000.7	1,082.7

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 financial 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 statement of comprehensive income showing 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.

DIRECT RESULT	4-6/	4-6/	1-6/	1-6/	1-12/
Currency unit: EUR million	2013	2012	2013	2012	2012
Net sales	31.2	26.7	60.9	52.1	107.3
Other operating income	0.3	0.4	1.0	0.6	1.3
Other operating expenses	-15.3	-13.5	-31.8	-26.9	-53.3
Depreciation	-0.6	-0.5	-1.3	-0.9	-2.0
Operating profit/loss	15.5	13.1	28.8	24.8	53.3
Finance income and expenses, total	-3.1	-3.5	-5.8	-7.0	-13.0
Result before taxes	12.4	9.6	22.9	17.8	40.3
Taxes for direct result items	-1.7	-1.8	-3.8	-4.3	-9.2

Non-controlling interests	-0.3	-0.7	-0.6	-1.0	-1.2
Direct result for the period	10.5	7.1	18.5	12.5	29.9
INDIRECT RESULT					
Non-recurring items	0.0	0.1	0.1	0.1	0.4
Change in fair value of investment properties	-9.8	-7.4	-6.5	-6.2	-5.7
Operating profit/loss	-9.8	-7.3	-6.4	-6.1	-5.3
Change in fair value of financial instruments	-4.5	-2.3	-4.1	-0.1	-0.5
Result before taxes	-14.3	-9.6	-10.5	-6.2	-5.8
Taxes for indirect result items	2.8	2.1	2.0	1.9	1.7
Non-controlling interests	-0.1		-0.2		0.1
Indirect result for the period	-11.6	-7.4	-8.8	-4.3	-4.0
Result for the period to the parent company shareholders, total	-1.1	-0.4	9.7	8.1	25.8
Earnings per share, diluted					
From direct result	0.14	0.11	0.24	0.19	0.43
From indirect result	-0.15	-0.12	-0.12	-0.07	-0.06
From net result for the period	-0.01	-0.01	0.13	0.13	0.37
Effect of the interest expenses from equity related bond	-0.01		-0.01		
From adjusted net result for the period	-0.03	-0.01	0.11	0.13	0.37

KEY INDICATORS	1-6/ 2013	1-6/ 2012	1-12/ 2012
Change in net sales, %	16.8	15.9	15.6
Operating profit/loss/net sales, %	36.8	36.0	44.8
Interest coverage ratio	5.5	3.9	4.5
Equity ratio, %	39.3	37.3	36.2
Loan to value, %	57.8	58.2	59.5
Group company personnel during the period, average	184	177	178
Gross expenditure on assets, MEUR	128.9	45.7	115.8
Net rental yield of investment properties, % 5)	7.5	7.7	7.8
Financial occupancy rate, %	92.7	94.1	95.3
Earnings/share			
basic, EUR	0.11	0.13	0.37
diluted, EUR	0.11	0.13	0.37
Cash flows from operating activities/share, EUR	0.28	0.21	0.56
Equity/share, EUR	4.97	4.71	4.94
Average issue-adjusted number of shares			
basic	75.665.676	64.209.375	69.913.841
diluted	75.957.498	64.448.523	70.146.318
Issue-adjusted number of shares at the end of period	75.886.398	75.555.227	75.561.227

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

SPACE AND SERVICE BUSINESS	4-6/	4-6/	1-6/	1-6/	1-12/

	2013	2012	2013	2012	2012
Space					
Net sales	27.4	22.9	53.5	45.2	93.0
Other operating income	0.0	0.1	0.0	0.1	0.3
Expenses for properties	-8.6	-6.4	-17.9	-13.7	-27.2
Allocated sales, group and administration expenses	-1.2	-1.1	-2.4	-2.2	-4.3
EBITDA	17.6	15.5	33.2	29.4	61.9
EBITDA %	64.1	67.7	62.1	65.0	66.5
Services					
Net sales	3.8	3.7	7.5	6.9	14.2
Other operating income	0.3	0.4	1.0	0.6	1.3
Expenses	-3.1	-3.1	-6.5	-5.7	-12.0
Allocated sales, group and administration expenses	-0.4	-0.6	-0.9	-1.1	-2.1
EBITDA	0.5	0.4	1.0	0.6	1.3
EBITDA %	13.2	11.6	13.9	9.4	9.4

CHANGE IN VALUE OF INVESTMENT PROPERTIES	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Change in fair value, Finland	-8.8	-9.1	-10.4	-10.1	-6.3
Change in fair value, Russia	-0.7	0.6	1.4	1.2	1.6
Change in fair value, Estonia	-0.5	0.6	-0.8	0.6	0.0
Change in fair value, Lithuania	0.0	0.0	0.0	0.0	0.0
Change in fair value	-10.1	-7.9	-9.8	-8.4	-4.7
Changes in acquisition costs of investment properties in financial year	-0.4	-2.2	-0.5	-3.2	-10.7
Changes in fair value of projects in progress	0.6	2.7	3.7	5.4	9.7
Effect on profit of change in value of investment properties	-9.8	-7.4	-6.5	-6.2	-5.7

CONTINGENT LIABILITIES

Currency unit: EUR million	30.06.2013	30.06.2012	31.12.2012
Pledges and guarantees on own debt			
Mortgages of properties	237.9	538.1	605.6
Pledged securities and investment properties	711.6	203.5	201.5
Other guarantee liabilities	164.3	56.8	53.5
Leasing liabilities, machinery and equipment	6.2	4.7	5.3
Project liabilities	0.4	0.2	0.2
Interest rate and currency swaps			
Nominal values	233.4	162.0	190.4
Fair values	-6.5	-6.5	-9.0

BREAKDOWN OF FINANCIAL ASSETS
AND LIABILITIES

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

	Loans and	Available-	Financial

	other receivables	for-sale financial assets	liabilities measured at amortized financial liabilities	Financial assets/ liabilities total
Non-current financial assets				
Available-for-sale investments		5.7		5.7
Other non-current receivables	1.9			1.9
Total	1.9	5.7		7.7
Current assets				
Trade and other receivables	14.8			14.8
Total	14.8			14.8
Non-current liabilities				
Non-current finance lease liabilities			34.5	34.5
Non-current interest-bearing liabilities			493.8	493.8
Non-current non-interest-bearing liabilities			2.0	2.0
Total			530.3	530.3
Current liabilities				
Current finance lease liabilities			2.3	2.3
Other current interest-bearing liabilities			128.3	128.3
Trade and other payables			29.2	29.2
Income tax liability			1.0	1.0
Total			160.8	160.8

Fair value hierarchy of assets and liabilities measured at fair value

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale financial assets				
Equity investments, measured at acquisition cost			1.7	1.7
Equity investments, measured at fair value	1.1		2.9	4.0
Total	1.1		4.6	5.7
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Derivatives				
Interest rate swaps, meeting the criteria for hedge accounting		6.5		6.5
Total		6.5		6.5

There are no changes in hierarchs in the financial period.

ASSETS AND LIABILITIES CREATED FROM THE ACQUISITION OF LITHUANA VILNIUS BUSINESS UNIT

Technopolis and Lithuanian ICOR Group signed a deal at May 31, 2013 from a new office campus in Lithuania, Vilnius. Technopolis announced the deal at March 15, 2013. Final purchase price of the property is estimated to be EUR 31.8 million. The rentable space of the two ready premises is 31,200 square meters and the financial occupancy rate is 100 percent. Third building included in the acquisition is due for completion in October, 2013 and the rentable space of this building will be 11,000 square meters. The pre-financial occupancy rate is 76 percent. Due to previously agreed possible additional purchase price, the final purchase price increased to EUR 62.6 million. The purchase price includes the costs related to the construction of the third building. Costs related to the acquisition are included to the administrative costs of 2013 of Technopolis Group.

Purchase price calculation	Fair value
Assets	EUR million
Non-current assets	0.0
Completed investment properties	47.3
Investment properties under construction	10.3
Current assets	0.1
Cash and cash equivalents	7.4
Assets, total	*65.1*
Liabilities	
Non-current liabilities	32.8
Current liabilities	0.4
Liabilities, total	*33.2*
Group's net assets and liabilities	31.8
Total	*31.8*
Acquisition cost paid by cash (estimate)	31.8
Cash paid by the acquisition	31.8
Cash in the bank account	7.4
Effect to the cash flow	24.5

Net sales of the acquired properties from the beginning of the year to the acquisition date have been
EUR 1.7 million and EBITDA EUR 1.4 million.

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