TECHNOPOLIS

TECHNOPOLIS PLC INTERIM REPORT May 8, 2013 at 8:16 a.m.

Technopolis Group Interim Report January 1 - March 31, 2013

Highlights for Q1/2013 compared to Q1/2012:

- Net sales rose to EUR 29.7 (25.4) million, an increase of 16.8%
- EBITDA rose to EUR 14.0 (12.2) million, an increase of 14.4%
- Operating profit increased to EUR 16.7 (13.0) million, which included a EUR 3.3 (1.2) million increase in the fair value of investment properties
- Profit attributable to the shareholders of the parent company amounted to EUR 10.8 (8.5) million
- Earnings per share were EUR 0.14 (0.13)
- Cash flow from operations per share was EUR 0.12 (0.11)
- Net asset value per share was EUR 6.62 (5.65)
- The financial occupancy rate was 92.2% (94.3)%

The increase in net sales and EBITDA was mainly due to an increase of 14.3% in space and a rise of 2.1% in like-for-like rental income. Changes of EUR 3.3 (1.2) million in the fair value of investment properties had a positive effect on the financial performance. Excluding changes in fair value and the related tax effects, the operating profit was EUR 13.3 (11.8) million, and profit attributable to the shareholders of the parent company rose to EUR 8.3 (7.4) million. Results were negatively impacted by non-recurring costs of EUR 0.5 million from the service business rearrangement, investments and incorporation of the Finnish business.

Key indicators	1-3/ 2013	1-3/ 2012	1-12/ 2012
Net sales, EUR million	29.7	25.4	107.3
EBITDA, EUR million	14.0	12.2	55.8
Operating profit, EUR million	16.7	13.0	48.0
Net result for the period, EUR million	10.8	8.5	25.8
Earnings/share, basic, EUR	0.14	0.13	0.37
Earnings/share, diluted, EUR	0.14	0.13	0.37
Cash flow from operations/share, EUR	0.12	0.11	0.56
Equity ratio, %	40.1	34.9	36.2
Equity/share, EUR	6.00	4.91	5.34

The 1-3/2012 share-related figures have been adjusted for the 2012 share issue.

EPRA-based Key indicators	1-3/ 2013	1-3/ 2012	1-12/ 2012
Direct result, EUR million	8.0	5.4	29.9
Direct result/share, diluted, EUR	0.11	0.08	0.43
Net asset value/share, EUR	6.62	5.65	5.67
Net rental yield, %	7.2	7.3	7.8
Financial occupancy rate, %	92.2	94.3	95.3

Keith Silverang, CEO:

The profitable growth trend which characterized last year has continued in the first quarter of year 2013. Specifically the Group’s net sales and EBITDA continued to develop favorably while we were able to safeguard the company’s liquidity and capital structure.

The Peltola acquisition brought us an excellent multiuser campus in a very good location right next to our Kontinkangas campus with strong academic and life sciences sectors. Peltola brings us the opportunity to add value by building occupancy and new growth around a long-term anchor.

Technopolis signed a deal in the first quarter of year 2013 to acquire a campus in Vilnius. The company expects to close the Vilnius deal by the end of May. The acquisition will bring us once again a good location, new buildings, high occupancy and significant growth potential. This case will generate good profitability and healthy cash flow from day one. The first two properties are already fully let.

The Group's financial occupancy declined from 94.3% to 92.2%. Of this decline 1.6% came from the Peltola acquisition. At the time it was acquired, the financial occupancy rate was 55.0% and, by the end of the quarter, it had increased to 63.3%. Peltola's occupancy has developed favorably since the acquisition and we expect this trend to continue. The remainder of the decline came primarily from a single vacant space in Kuopio being prepared for a significant group of customers. We currently expect this space to be filled starting from the second half of the year.

In addition we issued a EUR 75 million hybrid bond, which strengthened the Group's balance sheet. In consequence the equity ratio rose to 40.1%.The coupon was 7.5%.

Business conditions remained challenging in the Group's operating region. We expect them to continue like this for the rest of the year. In spite of this we believe that our concept and sales machine will continue to bring us robust and profitable growth.

Business Environment

According to Etla's forecast Finland's GDP will increase by approximately 0.3% in 2013, with the growth mainly taking place during the second half of the year. Growth is being weakened by the unemployment rate increasing to 8.1%, and lower consumer spending due to increased taxes. According to Etla, inflation will rise to 2.4%, partly driven by a 1% increase in value added tax rates.

The Russian economy, which depends on commodities exports, has remained relatively strong. In 2013, GDP is expected to grow by approximately 3.1% in real terms. Early in the year, growth has been supported by high oil price. Inflation has been estimated to increase to 6.4%, and the unemployment rate to decrease to 5.8%.

Estonia's real GDP is expected to grow by approximately 3.0% in 2013, supported by the good price competitiveness of the export sector. The country's government debt is the lowest in the eurozone, at 12% of GDP. The unemployment rate is estimated to decrease to 9.6%, and inflation to slow slightly to 3.4%.

Financial Occupancy Rates

In spite of the macroeconomic uncertainty and recent weakening of GDP, the demand for Technopolis business space has remained good. The Group's financial occupancy rates are as follows:

	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Group	**92.2**	**95.3**	**94.8**	**94.1**	**94.3**
Finland	**91.5**	**95.1**	**94.7**	**93.9**	**94.4**
Oulu	a) 85.9	94.5	93.3	91.8	92.2
HMA	94.1	91.9	92.0	88.4	95.5
Tampere	97.1	97.6	98.1	98.7	98.6
Kuopio	87.6	94.9	94.3	96.4	96.1
Jyväskylä	98.9	98.6	98.4	98.2	91.4
Lappeenranta	93.6	92.5	93.5	92.3	94.7
Estonia, Tallinn	**96.1**	**94.9**	**92.5**	**92.9**	**90.2**
Russia, St. Petersburg	**100.0**	**100.0**	**100.0**	**99.4**	**97.1**

a) Occupancy rates are not comparable due to the acquisition of the Peltola campus on February 12, 2013

Business Segments

Geographical Segments

The net sales and EBITDA of Finnish operations developed favorably. Net sales were EUR 26.8 (23.1) million and EBITDA was EUR 13.1 (11.3) million. The EBITDA margin was stable at 49.0% (49.2%).

Compared to the first quarter of 2012, net sales increased by 16.2% and EBITDA by 15.6%.

In Tallinn, the net sales of the Technopolis Ülemiste airport campus were EUR 1.6 (1.2) million and EBITDA was EUR 0.8 (0.5) million. The EBITDA margin was 49.0% (45.8%). Net sales increased by 35.4% and EBITDA by 44.7% compared to the first quarter of 2012. Net sales were higher due to a change in the accounting policy of maintenance charges and the higher financial occupancy rate. A change in accounting policy and higher financial occupancy increased net sales. Adjusted by the change in accounting policy the comparable net sales in the first quarter of 2012, was EUR 1.4 million.

In St. Petersburg, the net sales of the Technopolis Pulkovo airport campus were EUR 1.3 (1.2) million and EBITDA was EUR 0.3 (0.3) million. The EBITDA margin was 20.2% (26.8%).

Space and Service Business

Rental revenue accounted for 87.8 % (87.4%) and service revenue for 12.2% (12.6%) of net sales.

Breakdown of net sales and EBITDA by business function (excluding eliminations):

EUR million, unless otherwise specified	1-3/2013	1-3/2012	1-12/2012
Space			
Net sales	26.1	22.2	93.0
EBITDA	15.7	13.8	61.9
EBITDA %	60.0	62.2	66.5
Services			
Net sales	3.7	3.2	14.2
EBITDA	0.5	0.2	1.3
EBITDA %	14.5	6.8	9.4

The EBITDA margin of the office space rental business decreased by 2.2% during the first quarter compared to the previous year. The change was attributable to Peltola’s low initial financial occupancy rate and a higher real estate management costs. The EBITDA margin increased to 14.5% (6.8%) in the service business. The change was mainly related to non-recurring items.

Financial Performance

The Group’s net sales for the period under review were EUR 29.7 (25.4) million, an increase of 16.8%. The growth comprised a 14.3% increase in space and an increase of 2.1% in like-for-like rental income. This was mainly due to index increases. The Group’s EBITDA was EUR 14.0 (12.2) million, up 14.4%. EBITDA growth was effected by the lower financial occupancy rate. Changes of EUR 3.3 (1.2) million in the fair value of investment properties had a positive effect on financial performance. The Group’s operating profit was EUR 16.7 (13.0) million. Excluding changes in the fair value and the related tax effects, the operating profit was EUR 13.3 (11.8) million.

The Group’s net financial expenses totaled EUR 2.4 (1.4) million. Net financial expenses were impacted by EUR 1.7 million in lower gains from currency rates, which added EUR 0.5 (2.2) million to net financial expenses. The Group’s result before taxes totaled EUR 14.3 (11.5) million. Without changes in fair value, the result before taxes was EUR 10.9 (10.3) million.

The EPRA-based direct result increased to EUR 8.0 (5.4) million and direct result to EUR 0.11 (0.08) per share. Financial expenses decreased to EUR 2.8 (3.6) million and taxes to EUR 2.1 (2.5) million, which contributed to the direct result.

Customers and Lease Stock

Technopolis has a total of approximately 1,400 customers, and 24,000 people working in Technopolis facilities. The twenty largest customers lease approximately 33% of the company’s rentable space.

Lease stock, % of space Notice period in months	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012	March 31, 2012
0 – 3	13.7	13.8	17.3	16.1	16.7
3 – 6	25.5	25.3	28.1	30.5	29.4
6 – 9	7.0	7.4	7.4	4.9	5.8
9 – 12	6.5	6.7	7.6	7.7	5.6
>12 months, total	47.2	46.8	39.6	40.8	42.5
Average lease term in months	35	39	25	27	26
Lease stock, EUR million	311.1	296.1	238.2	239.7	215.6

Compared to the March 31, 2012 the average lease term has increased by 9 months. This is a result of long fixed-term leases signed by the company.

Properties and Investments

Technopolis' facilities are located next to good traffic connections in the vicinity of universities, airports or downtown areas. The Group has invested in Finland, Russia and Estonia so far in 2013.

The fair value of the Group's investment properties at the end of the period totaled EUR 1,067.2 (932.8) million, of which completed investment properties accounted for EUR 1,010.3 (883.2) million. Investment properties under construction were EUR 56.9 (49.6) million.

Fair value, EUR million	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Group	**1067.2**	**1014.1**	**963.2**	**944.0**	**932.8**
Finland	**888.0**	**838.9**	**784.7**	**786.3**	**765.3**
Oulu	259.5	225.3	224.2	224.9	229.2
HMA	203.9	205.2	206.5	206.9	179.7
Tampere	186.4	189.2	134.1	133.9	134.4
Kuopio	110.5	92.2	93.6	94.5	95.7
Jyväskylä	98.4	97.9	97.1	96.7	96.8
Lappeenranta	29.3	29.2	29.1	29.4	29.5
Estonia	**65.6**	**63.9**	**64.4**	**64.5**	**63.8**
Russia	**56.6**	**53.6**	**53.5**	**51.8**	**54**
Under construction	**56.9**	**57.6**	**60.7**	**41.4**	**49.6**

The Group's average net rental yield on investment properties was 7.2% (7.3%) and the average market yield requirement used in fair value calculations was 8.0% (8.0%).

The Group's total floor space in completed investment properties at the end of the period was 690,300 (595,200) sqm.

1,000 sqm	March 31, 2013	Dec 31, 2012	Sept 30, 2012	June 30, 2012	March 31, 2012
The Group	**690.3**	**644.3**	**604.1**	**604.2**	**595.2**
Finland	**586.0**	**541.0**	**500.8**	**500.9**	**491.9**
Oulu	229.8	194.3	194.3	194.4	194.4
HMA	86.6	86.6	86.6	86.6	77.6
Tampere	112.1	112.1	71.9	71.9	71.9
Kuopio	69.8	60.3	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, Tallinn	**80.2**	**79.2**	**79.2**	**79.2**	**79.2**
Russia, St. Petersburg	**24.1**	**24.1**	**24.1**	**24.1**	**24.1**

The Group finances its investments, almost without exception, with 35 percent shareholders' equity and the remaining 65 percent share with debt financing, for which the target property is given as collateral. 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, %	sqm	EUR million	a) Yield, %	Completion
Acquired						
Tampere	Tohloppi	100.0	32,000	23.3	11.9	10/2012
Oulu	Peltola	63.3	37,600	31.7	11.6	02/2013
Completed						
Kuopio	Viestikatu 2B	91.5	3,100	5.0	8.7	01/2012
Tampere	Hermia 15B	100.0	4,500	10.9	7.4	01/2012
Jyväskylä	Innova 2	100.0	8,000	20.5	8.2	03/2012
HMA	Ruoholahti 2	95.1	8,600	27.1	7.0	06/2012
Tampere	Yliopistonrinne 2	93.6	7,500	22.5	7.1	10/2012
Kuopio	Viestikatu 7B&C	82.8	9,300	17.4	9.1	02/2013
Tallinn	Löötsa 8C	100.0	6,200	8.3	9.2	03/2013
Under construction b)						
Tallinn	Löötsa 8A&B	54.9	16,300	24.3	9.2	c)10/13-02/14
St. Petersburg	Pulkovo 2	9.8	18,700	42.0	12.6	10/2013
Jyväskylä	Innova 4	48.0	8,900	23.7	8.2	10/2013

a) stabilized yield = estimated net rental revenue / fair value at the end of the period
b) pre-let rate May 7, 2013
c) 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 1,178.8 (982.8) million, of which liabilities totaled EUR 709.0 (641.8) million. The Group's equity per share was EUR 6.00 (4.91). The Group's equity ratio was 40.1% (34.9%) and the loan-to-value ratio was 57.5% (62.3%). At the end of the period, the Group's net gearing was 119.5% (161.0%) and the interest coverage ratio was 5.0 (3.4).

At the end of the period, the Group's interest-bearing liabilities from financial institutions amounted to EUR 618.9 (555.1) million, and the average capital-weighted loan period was 8.5 (8.5) years. The average interest rate on interest-bearing liabilities was 1.95% (2.45%). The Group's interest fixing period was 2.1 (1.6) years at the end of the period. Of interest-bearing liabilities, at the end of the period 67.1% (64.9%) were floating-rate loans and 32.9% (35.1%) were fixed-rate loans with maturities of 13 - 60 months. The share of floating-rate loans was affected by the higher use of commercial paper program. Some 9.6% of interest-bearing liabilities were pegged to the under-3-month Euribor rate, and 57.5% were pegged to Euribor rates from 3 to 12 months.

Technopolis issued a EUR 75 million hybrid bond in March 2013. The coupon of the bond is 7.5% per annum. The bond is perpetual but the company may exercise an early redemption option after five years.

A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. A hybrid bond does not confer to its holder the right to vote at shareholder meetings and does not dilute the holdings of the current shareholders.

At the end of the reporting period, Technopolis had EUR 158.5 (140.7) million in untapped credit facilities and cash reserves amounting to EUR 57.5 (6.3) million. The credit facilities contained a EUR 133.4 (139.7) million credit line and a EUR 25.1 (1.0) million revolving credit facility. In addition, the company has a EUR 120.0 (120.0) million commercial paper program, of which EUR 59.8 (20.0) million was issued at the end of the reporting period.

During the 12-month period following the period under review, EUR 134.6 (70.3) 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, Danske Bank, Nordea, and OP-Pohjola Group. Their total lending to the company amounted to EUR 478.5 million.

A one % change in market rates would cause a EUR 2.8 (2.6) million change in interest costs per annum. At the end of the reporting period, there were interest rate swaps covering EUR 217.2 (163.0) million of principal. The hedging ratio of interest-bearing liabilities was 35.1% (29.4%).

The Group had interest-bearing liabilities with covenants worth EUR 401.9 (348.3) million. Loans amounting to EUR 360.2 (308.5) million include covenants relating to the equity ratio. Of these loans, EUR 203.7 (119.2) million include a repayment term. The repayment covenant is breached if the equity ratio falls below 30%. If the equity ratio falls below 33%, the additional impact on interest expenses would be EUR 0.5 (0.4) million per annum.

Organization and Personnel

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

On March 31, 2013, the Group Management Team comprised Keith Silverang, Reijo Tauriainen, Juha Juntunen, Sami Juutinen, Kari Kokkonen, and Outi Raekivi.

The Technopolis operational organization consists of three geographic units: Finland, Russia, and Estonia. The Group organization also has matrix support functions for the Group’s real estate development, services, and support services.

During the period, the Group employed an average of 184 (176) people. Rental operations employed 26 (28) people, and the service business 74 (70) people and the Group’s administration 41 (37) people. At the end of the period under review, the Group’s personnel totaled 186 (178).

Environment

Key objectives 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 2010.
The Technopolis Tallinn office was granted the right to use the WWF Green Office label in February 2013. The company estimates that 5 - 6 new properties will be LEED-certified during 2013.

Quarterly comparison of Finnish units:

	1-3/2013	1-3/2012	% change
Energy consumption, kWh/gross sqm	77.0	79.0	-2.5
Water consumption, m^3/person	1.22	1.68	-27.3
Carbon dioxide emissions, CO_2e kg/gross sqm	14.6	15.9	-8.2

The comparison only includes comparable properties owned by the company throughout the year. The significant decline in water consumption is primary due to lowered water pressure. The decline in carbon dioxide is attributable to lower energy usage.

Strategy and Financial Targets

In September 2012, the company's Board of Directors approved the company's financial targets for the period 2012 - 2016 as follows:

- net sales and EBITDA growth average of 15% per annum
- over EUR 50 million in net sales outside Finland
- at least a 6% return on capital employed per annum
- an equity ratio above 35% over the cycle
- a 40% - 50% dividend distribution on net profit excluding changes in fair value and their tax effects

The company is strengthening the proportion of the health and education sectors in its customer portfolio by investing in these segments and the services they employ. Technopolis is working to diversify its customer portfolio geographically and by sector.

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 high-quality and flexible property portfolio, and positive cash flow. In addition, the acquisition must have a positive impact on earnings per share, and the customer base of the property 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 interest rate forecast created by the company.

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 loan margins in the future.

The differences between Russian, Estonian, and Finnish legislation and administrative procedures may create risks.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company's financial performance and operations. Ruble-denominated transactions 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 of customers' financial position 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 affected. 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, Russia, and Estonia. The parent company has several subsidiaries and associates in Finland. 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, Kiinteistö Oy Technopolis Peltola and Kiinteistö Oy Yrttiparkki, were established during the review period. Tehnopolis Plc owns five regional real estate companies, which after the business transfer and capital contribution executed on February 28, 2013, each owns shares in properties and leases located in the 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 shareholders 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. The chairpersons of the committees will be paid a fee of EUR 800 and each member of the committees a fee of EUR 600 for each meeting of the committees. 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 the Board member commits to using 50% of his or her 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

Directors' 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 to 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 shareholders' register held by Euroclear Finland Ltd. However, if a shareholder who has distributed his/her holdings e.g. 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, said shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination right. Should a shareholder not wish to exercise his/her nomination right, the right 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 shareholding on October 1, 2012, the members of the Nominating Committee are Risto Murto, Vice President of Varma Mutual Pension Insurance Company, as the chairman, and 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 pledge 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 pledge. 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

The company had 75,561,227 shares outstanding on March 31, 2013. 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.

Untapped Board Authorizations

The Board of Directors has been authorized by the Annual General Meeting of 2013 to decide on the issuance of shares as well as 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 pledge 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

On April 2, 2013, 14,859 new Technopolis Plc's shares based upon the 2007C stock options and 69,379 new shares related to the share-based incentive scheme were entered into the Trade Register. The number of shares in Technopolis increased to 75,645,465.

The company stated in its stock exchange release of March 15, 2013 that it would close the Vilnius campus deal by May 1, 2013. On May 3, 2013, Technopolis updated the schedule and, according to the new estimate, the deal will be closed by the end of May 2013.

Future Outlook

The company estimates its net sales and EBITDA will grow 9% -12% in 2013 from the previous year.

The company will upgrade its future outlook for net sales and EBITDA growth from 9 - 12% to 14 - 17% for 2013 when the Vilnius deal is closed.

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

Helsinki, May 7, 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. During the interim period under review the company has issued an equity related bond, so called hybrid bond. The interest costs of the hybrid bond affect earnings/share and equity/share indicators. The formulas for calculating key indicators are available on the company website. The share-related result and balance sheet figures for the comparison period of 1-3/2012 have been adjusted for the 2012 share issue.

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 prior assumption was a direct sale of a real estate. The effect amounts to EUR 5.5 million. The change has also a future effect on the accrual of deferred taxes and equity ratio. Change in group structure also contributed a EUR 3.5 million change on deferred taxes. The changes are recognized in retained earnings. If used December 31, 2012 the equity ratio of the company would have been 36.7% and equity/share EUR 5.06. Comparison figures for the prior periods have not been calculated.

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	1-3/ 2013	1-3/ 2012	1-12/ 2012
Net sales	29.7	25.4	107.3
Other operating income 1)	0.8	0.2	1.7
Other operating expenses	-16.5	-13.4	-53.3
Change in fair value of investment properties	3.3	1.2	-5.7
Depreciation	-0.6	-0.5	-2.0
Operating profit/loss	16.7	13.0	48.0
Finance income and expenses	-2.4	-1.4	-13.6
Result before taxes	14.3	11.5	34.5
Current taxes	-3.0	-2.7	-7.5
Net result for the period	11.3	8.8	27.0
Other comprehensive income items			
Translation difference	0.4	1.7	0.9
Available-for-sale financial assets	0.0	0.0	0.0
Derivatives	0.5	-0.9	-4.0
Taxes related to other comprehensive income items	-0.1	0.2	1.0
Other comprehensive income items after taxes for the period	0.7	1.0	-2.0
Comprehensive income for the period, total	12.0	9.8	24.9
Distribution of profit for the period:			
To parent company shareholders	10.8	8.5	25.8
To non-controlling shareholders	0.4	0.3	1.1
	11.3	8.8	27.0
Distribution of comprehensive income for the period:			
To parent company shareholders	11.5	9.5	23.8

To non-controlling shareholders	0.4	0.3	1.1
	12.0	9.8	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	10.8	8.5	25.8
Interest expenses on an equity related bond	-0.1		
Tax effect	0.0		
Adjusted net profit	10.7	8.5	25.8
Earnings per share, basic, EUR	0.14	0.13	0.37
Earnings per share, diluted, EUR	0.14	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	03/31/2013	03/31/2012	12/31/2012
Non-current assets			
Intangible assets	5.6	4.2	5.6
Tangible assets	14.6	12.0	13.7
Completed investment properties	1,010.3	883.2	956.5
Investment properties under construction	56.9	49.6	57.6
Investments	12.8	12.7	12.5
Deferred tax assets	4.6	2.3	2.7
Non-current assets	1,104.9	964.0	1,048.6
Current assets	73.9	18.8	34.1
Assets, total	1,178.8	982.8	1,082.7

STATEMENT OF FINANCIAL POSITION,
SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	03/31/2013	03/31/2012	12/31/2012
Shareholders’ equity			
Share capital	96.9	96.9	96.9
Premium fund	18.6	18.6	18.6
Other funds	184.8	80.4	110.2
Translation difference	0.7	1.0	0.3
Retained earnings	141.5	121.3	121.7
Net profit for the period	10.8	8.5	25.8
Parent company’s shareholders’ interests	453.3	326.7	373.5
Non-controlling interests	16.5	14.2	16.1
Shareholders’ equity, total	469.8	341.0	389.5
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	484.3	485.4	499.7
Non-interest-bearing liabilities	0.3	0.8	0.3
Deferred tax liabilities	44.4	47.2	49.7
Non-current liabilities, total	529.0	533.4	549.7
Current liabilities			
Interest-bearing liabilities	134.6	69.7	108.4
Non-interest-bearing liabilities	45.4	38.7	35.0
Current liabilities, total	180.0	108.5	143.5
Liabilities, total	709.0	641.8	693.2

TECHNOPOLIS

Shareholders' equity and liabilities, total	1,178.8	982.8	1,082.7

STATEMENT OF CASH FLOWS Currency unit: EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
Cash flows from operating activities			
Net result for the period	11.3	8.8	27.0
Adjustments:			
Change in fair value of investment properties	-3.3	-1.2	5.7
Depreciation	0.6	0.5	2.0
Share of profits of associates	0.0		
Gains from disposals			-0.1
Other adjustments for non-cash transactions	0.0	0.1	0.2
Financial income and expenses	2.4	1.4	13.6
Taxes	3.0	2.7	7.5
Increase / decrease in working capital	0.2	0.0	1.0
Interests received	0.0	0.0	0.2
Dividends received			0.0
Interests paid and fees	-2.2	-3.5	-10.3
Other financial items in operating activities	-1.7	-0.6	-4.4
Taxes paid	-0.9	-1.1	-3.3
Net cash provided by operating activities	9.5	7.2	39.2
Cash flows from investing activities			
Investments in other securities			0.0
Investments in investment properties	-52.0	-19.9	-107.2
Investments in tangible and intangible assets	-0.4	-0.7	-8.2
Granted loans	-0.5		
Repayments of loan receivables		0.0	0.0
Proceeds from sale of investments			0.0
Proceeds from sale of tangible and intangible assets	0.0	0.0	0.1
Acquisition of subsidiaries		-0.2	-0.7
Acquisition of associates		-0.5	-0.7
Net cash used in investing activities	-52.8	-21.3	-116.6
Cash flows from financing activities			
Withdrawal of an equity related bond	75.0		
Increase in long-term loans	20.9	37.0	96.3
Decrease in long-term loans	-24.8	-25.0	-58.2
Dividends paid			-12.7
Paid share issue	0.0		32.7
Capital investment by the minority		0.8	1.8
Change in short-term loans	14.0	-5.0	20.9
Net cash provided by financing activities	85.2	7.7	80.8
Net increase/decrease in cash assets	41.8	-6.4	3.3
Effects of exchange rate fluctuations on cash held	0.1	0.2	-0.2
Cash and cash equivalents at period-start	15.7	12.5	12.5
Cash and cash equivalents at period-end	57.5	6.3	15.7

STATEMENT OF CHANGES IN EQUITY
Currency unit: EUR million

	Equity attributable to owners of the parent						
	Share capi-tal	Premi-um fund	Other rese-rves	Trans-lation differed-ces	Re-tained earn-ings	Share of non-control-ling interests	Total share-holders' 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					8.5	0.3	8.8
Other comprehensive income items							
Translation difference				1.7			1.7
Derivatives			-0.7				-0.7
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-0.7	1.7	8.5	0.3	9.8
Related party transactions							
Dividend					-12.7		-12.7
Change in ownership interests in subsidiaries 2)					0.1		0.1
Other changes					-0.2	0.8	0.6
Related party transactions					-12.8	0.8	-12.0
Equity March 31, 2012	96.9	18.6	80.4	1.0	129.8	14.2	341.0
Equity January 1, 2013 3)	96.9	18.6	110.2	0.3	156.5	16.1	398.5
Comprehensive income							
Net profit for the period					10.8	0.4	11.3
Other comprehensive income items							
Translation difference				0.4			0.4
Derivatives			0.3	0.0			0.3
Available-for-sale financial assets			0.0	0.0			0.0
Comprehensive income for the period			0.3	0.4	10.8	0.4	12.0
Related party transactions							
Dividend					-15.1		-15.1
Equity related bond issue			74.3				74.3
Other changes			0.0		0.1		0.1
Related party transactions			74.3		-15.0		59.3
Equity March 31, 2013	96.9	18.6	184.8	0.7	152.3	16.5	469.8

2) Acquisition of non-controlling interests without change in control
3) Effect of changes in recognition principle of deferred taxes, EUR 5.5 million, and in group structure, EUR 3.5 million, total of EUR 9.0 million, has been recognized in opening balance of 2013 in retained earnings.

FINANCIAL INFORMATION BY SEGMENTS

Technopolis Group has three operating segments based on geographical units: Finland, Russia and Estonia. 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	1-3/	1-3/	1-12/
Currency unit: EUR million	2013	2012	2012
Net sales			
Finland	26.8	23.1	97.4
Russia	1.3	1.2	5.0

Estonia	1.6	1.2	4.8
Unallocated	0.0	0.0	0.0
Total	29.7	25.4	107.3
EBITDA			
Finland	13.1	11.3	51.2
Russia	0.3	0.3	1.4
Estonia	0.8	0.5	3.1
Unallocated	-0.2	0.0	0.0
Total	14.0	12.2	55.8
Assets			
Finland	1,020.8	853.9	935.7
Russia	97.9	70.4	90.9
Estonia	93.4	82.0	89.8
Eliminations	-33.3	-23.5	-33.6
Total	1,178.8	982.8	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. Earnings per share have been calculated both from the direct and indirect results in accordance with the instructions issued by the European Public Real Estate Association EPRA.

The direct and indirect result and the earnings per share calculated from them are consistent with the company’s financial result and earnings per share for the period.

DIRECT RESULT Currency unit: EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
Net sales	29.7	25.4	107.3
Other operating income	0.7	0.2	1.3
Other operating expenses	-16.5	-13.4	-53.3
Depreciation	-0.6	-0.5	-2.0
Operating profit/loss	13.3	11.8	53.3
Finance income and expenses, total	-2.8	-3.6	-13.0
Result before taxes	10.5	8.2	40.3
Taxes for direct result items	-2.1	-2.5	-9.2
Non-controlling interests	-0.4	-0.3	-1.2
Direct result for the period	8.0	5.4	29.9
INDIRECT RESULT			
Non-recurring items	0.0	0.0	0.4
Change in fair value of investment properties	3.3	1.2	-5.7
Operating profit/loss	3.4	1.2	-5.3
Change in fair value of financial instruments	0.4	2.1	-0.5
Result before taxes	3.7	3.3	-5.8

Taxes for indirect result items	-0.9	-0.2	1.7
Non-controlling interests	-0.1	0.0	0.1
Indirect result for the period	2.8	3.1	-4.0
Result for the period to the parent company shareholders, total	10.8	8.5	25.8
Earnings per share, diluted 4)			
From direct result	0.11	0.08	0.43
From indirect result	0.04	0.05	-0.06
From net result for the period	0.14	0.13	0.37

4) Earnings per share calculated according to EPRA's instructions.

KEY INDICATORS	1-3/ 2013	1-3/ 2012	1-12/ 2012
Change in net sales, %	16.8	14.5	15.6
Operating profit/loss/net sales, %	56.0	51.0	44.8
Interest coverage ratio	5.0	3.4	4.5
Equity ratio, %	40.1	34.9	36.2
Loan to value, %	57.5	59.0	59.5
Group company personnel during the period, average	184	176	178
Gross expenditure on assets, MEUR	50.6	27.9	115.8
Net rental income of investment properties, % 5)	7.2	7.3	7.8
Financial occupancy rate, %	92.2	94.3	95.3
Earnings/share			
basic, EUR	0.14	0.13	0.37
diluted, EUR	0.14	0.13	0.37
Cash flows from operating activities/share, EUR	0.12	0.11	0.56
Equity/share, EUR	6.00	4.91	4.94
Average issue-adjusted number of shares			
basic	75,561,227	66,586,727	69,913,841
diluted	75,840,997	66,787,804	70,146,318
Issue-adjusted number of shares at the end of period	75,561,227	66,586,727	75,561,227

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

SPACE AND SERVICE BUSINESS	1-3/ 2013	1-3/ 2012	1-12/ 2012
Space			
Net sales	26.1	22.2	93.0
Other operating income	0.0	0.0	0.3
Expenses for properties	-9.3	-7.3	-27.2
Allocated sales, group and administration expenses	-1.2	-1.1	-4.3
EBITDA	15.7	13.8	61.9
EBITDA %	60.0	62.2	66.5
Services			
Net sales	3.7	3.2	14.2
Other operating income	0.7	0.2	1.3
Expenses	-3.4	-2.6	-12.0
Allocated sales, group and administration expenses	-0.4	-0.5	-2.1

EBITDA	0.5	0.2	1.3
EBITDA %	14.5	6.8	9.4

CHANGE IN VALUE OF INVESTMENT PROPERTIES	1-3/ 2013	1-3/ 2012	1-12/ 2012
Change in fair value, Finland	-1.6	-1.0	-6.3
Change in fair value, Russia	2.2	0.6	1.6
Change in fair value, Estonia	-0.2	0.0	0.0
Change in fair value	0.3	-0.4	-4.7
Changes in acquisition costs of investment properties in financial year	-0.1	-1.0	-10.7
Changes in fair value of projects in progress	3.1	2.7	9.7
Effect on profit of change in value of investment properties	3.3	1.2	-5.7

CONTINGENT LIABILITIES

Currency unit: EUR million	03/31/2013	03/31/2012	12/31/2012
Pledges and guarantees on own debt			
Mortgages of properties	191,1	525,5	605,6
Pledged securities and investment properties	734,6	204,7	201,5
Other guarantee liabilities	52,1	58,4	53,5
Leasing liabilities, machinery and equipment	6,3	4,4	5,3
Project liabilities	0,2	0,2	0,2
Interest rate and currency swaps			
Nominal values	217,2	163,0	190,4
Fair values	-8,8	-4,8	-9,0

Distribution:
NASDAQ OMX Helsinki
Main news media
www.technopolis.fi