TECHNOPOLIS

TECHNOPOLIS PLC INTERIM REPORT October 26, 2012 at 8:00 a.m.

Technopolis Group Interim Report January 1 - September 30, 2012

Highlights for 1-9/2012 compared to the corresponding period in 2011:

- Net sales rose to EUR 78.7 (68.0) million, up 15.7%
- EBITDA rose to EUR 40.3 (34.7) million, up 16.2%
- Change in the fair value of investment properties was EUR -6.0 (25.7) million, decreasing the operating profit, profit before taxes, and profit attributable to the shareholders of the parent
- Operating profit decreased to EUR 32.9 (59.0) million
- Profit before taxes decreased to EUR 23.3 (49.6) million
- Profit attributable to the shareholders of the parent totaled EUR 17.1 (35.7) million
- The equity ratio was 36.9% (36.2)
- The financial occupancy rate was 94.8% (95.7)
- Net rental revenue from investment properties amounted to 7.8% (7.7)
- Earnings per share (undiluted) were EUR 0.25 (0.54) and diluted EUR 0.25 (0.54)
- Cash flow from operations per share was EUR 0.34 (0.33)
- Net assets value per share amounted to EUR 5.52 (5.51)
- Guidance on net sales and EBITDA growth upgraded to 14-16%

The increase in net sales and EBITDA was mainly due to an increase of 7.2% in total rentable space and an increase of 3.4% in like-for-like rental income. A change of EUR -6.0 (25.7) million in the fair value of investment properties had a negative impact on the figures. Without the change in fair value and related tax effects, the operating profit amounted to EUR 38.8 (33.3) million, profit before taxes was EUR 29.3 (23.9) million, and profit attributable to the shareholders of the parent company increased to EUR 21.2 (16.7) million. Excluding the change in fair value, the profit figures improved slightly relative to net sales.

Key indicators	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Net sales, EUR million	26.6	23.0	78.7	68.0	92.8
EBITDA, EUR million	14.4	12.3	40.3	34.7	47.5
Operating profit, EUR million	14.1	22.0	32,9	59.0	72.0
Net result for the period, EUR million	8.9	11.2	17.1	35.7	46.7
Earnings/share, EUR (undiluted)	0.13	0.17	0.25	0.54	0.70
Earnings/share, EUR (diluted)	0.13	0.17	0.25	0.54	0.70
Cash flow from operating activities/share, EUR	0.14	0.10	0.34	0.33	0.46
Equity ratio, %	36.9	36.2	36.9	36.2	35.8
Equity/share, EUR	5.37	4.79	5.37	4.79	4.96

Last year’s share-related figures have been adjusted for the share issue.

EPRA-based key indicators	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Direct result, EUR million	8.7	3.1	21.0	14.8	24.6
Direct result/share, EUR (diluted)	0.13	0.05	0.31	0.22	0.37
Net asset value/share, EUR	5.52	5.51	5.52	5.51	5.65
Net rental revenue, %	7.8	7.7	7.8	7.7	7.8
Financial occupancy rate, %	94.8	95.7	94.8	95.7	95.1

The EPRA-based (European Real Estate Association) direct result increased by 41.9% year-on-year to EUR 21.0 (14.8) million. The increase was due to an increase in rentable space and rents. Furthermore, the strengthening of the Russian ruble contributed to the direct result and comprehensive income, resulting in the recognition of EUR 1.2 (-2.2) million in financial income.

TECHNOPOLIS

Keith Silverang, CEO:

Despite continuous macroeconomic uncertainty, the company's situation has remained stable. Technopolis continues to aim for profitable growth. At the core of the company's growth strategy is the expansion of our existing campuses and the acquisition of new ones.

The closing of the Tohloppi deal after the third quarter will strengthen our position in Tampere and add the multimedia and the creative fields to our portfolio. The project can be replicated elsewhere, and it will also bring us a stable and long-term anchor customer, Yle (Finland's national public broadcasting company) with whom we signed a twenty-year lease that will boost the Group's average lease length and stock.

We have also strengthened our organic growth outside the domestic market. Our campuses in St. Petersburg and Tallinn will grow significantly as the result of ongoing construction projects. We have also actively continued to investigate opportunities for acquisitions. In the Baltic countries, property valuation levels are low, while St. Petersburg offers a favorable growth outlook. The Nordic countries offer stable market conditions.

More stringent solvency requirements, as well as general economic conditions have spurred banks to increase their margins. Despite this the Group's average interest rate dropped from the previous quarter, falling to 2.12%. The company is also preparing for a possible increase in interest rates and prevailing low market rates provide good opportunities to increase our hedging ratio.

The outlook for the remainder of 2012 is clear, and therefore the company raised its guidance for the full year. We will focus on the management of risks and particularly on customers, in addition to preparing for possible changes in business conditions.

Business Environment and Segments

Uncertainty in the global economy has continued despite the recent measures by the European and U.S. central banks. Europe is in recession, but the U.S. growth outlook has improved recently. Forecasts predict slight growth in Europe next year, but there are major uncertainties associated with forecasts under prevailing conditions.

Despite challenging economic conditions, the demand for Technopolis office space remained satisfactory. The Group's financial occupancy rates are as follows:

	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Group	**94.8**	**94.1**	**94.3**	**95.1**	**95.7**
Finland	**94.7**	**93.9**	**94.4**	**95.1**	**95.8**
Oulu	93.3	91.8	92.2	91.8	94.7
HMA	92.0	88.4	95.5	95.3	95.3
Tampere	98.1	98.7	98.6	98.5	98.0
Kuopio	94.3	96.4	96.1	98.2	97.4
Jyväskylä	98.4	98.2	91.4	96.8	96.9
Lappeenranta	93.5	92.3	94.7	92.6	95.6
Estonia	**92.5**	**92.9**	**90.2**	**90.7**	**94.4**
Russia	**100.0**	**99.4**	**97.1**	**100.0**	**95.3**

Finland

The Finnish office rental market was affected by general economic uncertainty caused by the debt crisis in the Eurozone. Companies are preparing for the economic downturn with personnel cuts, which has on the other hand encouraged new entrepreneurship. Startups need flexible and adaptable space, which offers Technopolis new business opportunities.

In the Helsinki metropolitan area, the increase in office vacancies seems to have stopped, and the occupancy rate of office space stood at 89.2% at the end of the period. Occupancy rates may however decrease in the near future as the result of the soft economic cycle and increase in capacity. Approximately 160,000 square meters of new office space is under construction in the Helsinki metropolitan area. In Oulu, office occupancy rates were 93.7%, and demand is focused on the downtown area. The office occupancy rate in Tampere was 93.6%. Tampere occupancy rates are estimated to decrease slightly due to space being vacated by Nokia and its subcontractors. Office occupancy rates in Jyväskylä were 93.8%, the same level as in the beginning of the year.

In the previous quarter Technopolis Helsinki metropolitan area occupancies declined due to the commissioning of Ruoholahti Phase 2. In the third quarter the Ruoholahti situation improved and occupancies rebounded. In Oulu, occupancy rate rose to 93.3%. In Kuopio, occupancy rates decreased by 2.1%, primarily due to alteration works needed to accommodate the expansion of a customer. In other locations, there were no major changes during the quarter.

The net sales and EBITDA of Finnish operations developed favorably. Net sales were EUR 71.3 (62.7) million and EBITDA was EUR 37.5 (32.7) million. Net sales increased by 13.7% and EBITDA by 14.9% compared to the corresponding period in 2011. In particular, investments in the healthcare and educational sectors generated growth.

Russia

The Russian economy, which is dependent on raw material exports, has remained relative stable, and it is expected to grow at a rate of almost 4% in real terms this year. The St. Petersburg region is expected to exceed this rate of growth.

The Technopolis unit in Russia is in the Pulkovo area, close to the St. Petersburg international airport. During the third quarter, demand in St. Petersburg focused on Class A office properties, whose occupancy rates and rents have increased. Occupancy rates for the St. Petersburg area were 91.0% (88.0). Technopolis Pulkovo’s financial occupancy returned to the 100% level it was at in the end of the previous year (95.3).

In St. Petersburg, the net sales of Technopolis Pulkovo totaled EUR 3.7 (1.7) million and EBITDA was EUR 1.2 (-0.5) million. Rents have increased markedly as the result of lease renegotiations held early in 2012.

Estonia

Estonia’s gross domestic product is expected to increase by approximately 2% in real terms in 2012. The Estonian economy is in good shape and the country is nearly debt free.

In Tallinn, where the Technopolis Ülemiste subsidiary operates, office occupancy rates have stabilized at approximately 93%. The occupancy rate of the company’s airport campus was 92.5% (94.4%). Demand is strong in downtown areas, with the occupancy rates of high-quality office premises at 95-97%.

Net sales and EBITDA of the Technopolis Ülemiste airport campus remained at a good level. Net sales were EUR 3.6 (3.5) million and EBITDA was EUR 2.3 (2.5) million.

Financial Performance

The Group’s net sales for the period under review were EUR 78.7 million (EUR 68.0 million), an increase of 15.7%. Rental revenue accounted for 87.0% (86.7%) and service revenue for 13.0% (13.3%) of net sales. Like-for-like rental growth was 3.4%, primarily due to index increases.

Breakdown of net sales and EBITDA by business type, excluding eliminations:

	7-9/2012	7-9/2011	1-9/2012	1-9/2011	1-12/2011
Space					
Net sales	23.2	20.2	68.4	59.3	80.7
EBITDA	15.9	13.6	45.3	38.7	52.9
EBITDA %	68.4	67.4	66.2	65.3	65.6
Services					
Net sales	3.3	2.7	10.2	8.6	12.1
EBITDA	0.3	0.3	0.9	1.4	2.0
EBITDA %	8.6	10.8	9.1	16.2	16.4

The EBITDA for the office rental business for the first three quarters increased by 0.9 percentage points. The EBITDA margin decreased to 9.1% (16.2%) in the service business. This was mainly due to a change in the allocation of operating expenses in internal accounting. The Group's EBITDA was EUR 40.3 (34.7) million, an increase of 16.2%.

The Group's operating profit totaled EUR 32.9 (59.0) million. The decrease in operating profit is mainly due to a decline in the fair value of investment properties. Changes in fair value amounted to EUR -6.0 (25.7) million for the period. Without the change in fair value, operating profit was EUR 38.8 (33.3) million.

The Group's net financial expenses totaled EUR 9.6 (9.5) million. In 2011, EUR 1.7 million of unrealized interest swap income was recognized in the comprehensive statement of income before the Group changed to the IAS 39 hedge accounting as of 1 May 2011. Financial income of EUR 1.2 (-2.2) million was recognized from the strengthening of the Russian ruble.

The Group's result before taxes totaled EUR 23.3 (49.6) million. Without the change in fair value, the result before taxes was EUR 29.3 (23.9) million.

The Group's EPRA-based direct result increased by 41.9% to EUR 21.0 (14.8) million. The increase in the direct result and net sales was due to an increase of 7.2% in the property portfolio and like-for-like rental growth of 3.4%. The strengthening of the Russian ruble by EUR 1.2 (-2.2) million contributed positively to the net financial items. The direct result per share was EUR 0.31 (0.22).

Customers and Lease Stock

The Group has a total of approximately 1,400 customers across a wide range of sectors. Service companies make up the company's largest customer segment, accounting for approximately 23% of the company's rentable space. The twenty largest customers lease approximately 33% of the company's rentable space.

Lease stock

Notice period in months	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
0-3	17.3	16.1	16.7	13.1	15.8
3-6	28.1	30.5	29.4	28.7	28.1
6-9	7.4	4.9	5.8	6.2	7,6
9-12	7.6	7.7	5.6	5.7	6.5
> 12 months, total	39.6	40.8	42.5	46.3	42.0
Average lease term in months	25	27	26	26	21
Lease stock, EUR million	238.2	239.7	215.6	215.4	149.3

The increase in the share of 0-3 month leases is mainly attributable to the expiry of certain long fixed-term leases by the year-end 2012. In other respects, the proportions are on the same level as 2011, which reflects the normal lease stock for the Group. The average lease period and lease stock have increased considerably year-on-year. Long fixed-term leases signed by the company with the public sector since the fourth quarter of last year have contributed to this development.

Investment Properties

The fair value of the Group's investment properties totaled EUR 963.2 (863.3) million at the end of the period, of which completed investment properties accounted for EUR 902.5 (793.7) million and properties under construction for EUR 60.7 (69.6) million. Net market yields on investment properties and properties under construction are calculated by taking the average of the upper and lower ranges of net market yields, as reported by two independent appraisal agencies for each individual region. At the end of the period, the average net yield for Group properties was 8.0% (8.0%). The average ten-year occupancy rate used in fair value calculations was 94.9% (95.7%). The Group's average occupancy rate was 96.2% (96.7%) over the period 2002-2011.

The Group's total rentable space at the end of the period was 604,100 (564,000) square meters, up 7.2%, with 75,100 (47,200) square meters under construction. The Group's financial occupancy rate at the end of the period was 94.8% (95.7%). The financial occupancy rate depicts rental revenues from the properties as a percentage of the aggregate of the rents for occupied premises and the estimated market rent for vacant space.

Geographically, the Group's property portfolio is diversified between the Oulu region, the Helsinki metropolitan area, Tampere, Kuopio, Jyväskylä, Lappeenranta, Tallinn, and St. Petersburg. Technopolis facilities are located next to good transport connections in the vicinity of universities, airports and downtown areas.

Investment properties September 30, 2012		Fair value, EUR million	Net yield requirement,%	m2
Finland		**784.7**	**7.9**	**491,300**
	Oulu	224.2	8.5	192,900
	HMA	206.5	7.0	86,600
	Tampere	134.1	7.3	70,300
	Kuopio	93.6	8.4	57,500
	Jyväskylä	97.1	7.9	56,700
	Lappeenranta	29.1	8.9	27,300
Estonia	Tallinn	**64.4**	**8.4**	**79,200**
Russia	St. Petersburg	**53.5**	**10.6**	**24,100**
Completed investment properties	**Total**	**902.5**	**8.0**	**594,600**
Investment properties under construction 1)	**Total 8 properties**	**60.7**	**6.9-10.1**	**75,100**
Investment properties completed and under construction, total		**963.2**		**669,700**
Other properties (holdings and rented)				9,500

Fair value on the basis of their rate of completion as of the balance sheet day.

Investments

At the end of the period under review, Technopolis had office space under construction in Tampere, Kuopio, and Jyväskylä in Finland as well as in Tallinn, Estonia and St. Petersburg, Russia. The projects are expansions of existing campuses.

Investments completed during the last 12 months and projects under construction during the period are as follows:

Area	Name	Occupancy rate, %	m2	EUR million	Initial yield %	Completion
Completed						
Tampere	Finnmedi	99.9	12,900	27.9	7.1	11/2011
Kuopio	Viestikatu 2 B	99.3	3,400	5.0	7.9	01/2012
Tampere	Hermia 15 B	99.5	4,800	10.9	7.2	01/2012
Jyväskylä	Innova 2	100.0	9,600	20.5	7.7	03/2012
HMA	Ruoholahti 2	87.8	9,000	27.3	5.9	06/2012
Under construction						
Tampere 1)	Yliopistonrinne 2	55.4	7,900	22.5	6.2	10/2012
Kuopio	Viestikatu 7B	80.0	4,800	8.5	7.4	01/2013
Kuopio	Viestikatu 7C	50.6	4,800	8.2	8.3	01/2013
Tallinn	Löötsa 8C	96.0	8,200	8.3	8.6	01/2013
St. Petersburg	Pulkovo 2	0.0	22,700	42.0	10.6	10/2013
Tallinn	Löötsa 8A & B	52.6	17,800	24.3	8.1	10/2013
Jyväskylä	Innova 4	24.6	8,900	23.4	7.7	10/2013

Occupancy rate 85.4% in October.

Financing

The Group’s balance sheet totaled EUR 1,038.8 (917.9) million, of which liabilities totaled EUR 657.5 (587.1) million. The Group’s equity ratio was 36.9% (36.2%). The increase was mainly due to a rights issue with a net intake of EUR 31.8 million during the second quarter. At the end of the period, the Group’s net gearing was 147.4% (154.7%). The Group’s equity per share was EUR 5.37 (EUR 4.79).

At the end of the period, the Group’s interest-bearing liabilities amounted to EUR 580.3 million (EUR 517.6 million), and the average capital-weighted loan period was 9.0 years (8.6 years). The average interest rate on interest-bearing liabilities was 2.12% (2.85 %). Of interest-bearing liabilities, 67.7% (60.4%) were floating rate loans and 32.3% (39.6%) were fixed rate loans at the end of the period. The relative proportion of fixed interest rates fell due to the low probability of rising interest rates. The company aims to keep the minimum share of fixed interest rate in interest-bearing liabilities at the level of the end of the period.

At the end of the reporting period, Technopolis had EUR 110.3 (74.9) million in untapped credit facilities and cash amounting to EUR 18.3 (5.6) million. The credit facilities contained a EUR 89.6 (60.0) million credit line and a EUR 20.7 (14.9) million revolving credit facility. In addition, the company has a EUR 120.0 (120.0) million commercial paper program, of which EUR 34.0 (25.0) million was issued at the end of the reporting period.

During the 12-month period following the period under review, EUR 94.9 (73.5) 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, Nordea, Sampo, OP-Pohjola Group, and Handelsbanken. Their total lending to the company amounted to EUR 437.3 million.

The Group’s interest fixing period was 1.5 (1.5) years at the end of the period. A one percentage point change in market rates would cause a EUR 2.8 (2.2) million change in interest costs per annum. At the end of the reporting period, there were interest rate swaps covering EUR 156.7 million (EUR 177.9 million) of principal.

The Group’s interest coverage ratio was 4.0 (3.8). The interest coverage ratio indicates the relation between EBITDA and accrual-based interest expenses. The Group’s loan-to-value ratio was 63.4% (59.2%).

The Group had interest-bearing liabilities with covenants worth EUR 390.9 (230.4) million. Loans amounting to EUR 351.0 (190.1) million include covenants relating to the equity ratio. A decline in the equity ratio may lead to higher interest rate margins or premature repayment of these loans. Potential changes in the margins take effect in accordance with the contractual provisions of each loan. Of these loans, EUR 167.2 (40.6) million include a repayment covenant. The repayment covenant is breached if the equity ratio falls below 30%. The equity ratio decreasing to 33%-35% would increase interest rate expenses by EUR 0.1 (0.1) million per annum. If the equity ratio falls below 33%, the additional impact on interest expenses would be EUR 0.5 (0.4) million per annum.

A covenant related to interest coverage and loan-to-value is included in the EUR 39.9 (40.3) million borrowings of Technopolis Ülemiste (Group holding 51%). In terms of the aforementioned loan amount, the subsidiary's interest cover must be at a minimum of 1.1 and its loan-to-value must not exceed 70%. If the covenants are breached, the lender may call in the loan. At the end of the reporting period, Technopolis Ülemiste's interest cover was 1.9 (1.4) and loan-to-value was 49.6% (54.0%).

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, Marko Järvinen, Satu Eskelinen, Sami Juutinen, Kari Kokkonen, and Jukka Rauhala. The Technopolis operational organization consists of three geographic units: Finland, Russia, and Estonia. The Group organization also has matrix functions for the Group's real estate development, services, and support functions.

During the period, the Group employed an average of 177 (154) people. Rental operations employed 98 (89) people and the service business 79 (56) people. At the end of the period under review, the Group's personnel totaled 178 (165). The increase in the number of personnel is mainly due to strengthening the central corporate functions and services.

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.

In October 2012, the Finnish WWF granted all Technopolis offices in Finland the right to use the Green Office label and the Innova 2 building in Jyväskylä received LEED Platinum certificate. Technopolis Ülemiste in Estonia is applying for the right to use the Green Office label. It is expected to be granted early next year. The company will apply for LEED environmental certificates for all new investments. At the end of the period under review, the company had two LEED-certified properties, and the aim is to increase the figure to four by the end of 2012.

Quarterly comparison of Finnish units:

	7-9/2012	7-9/2011	1-9/2012	1-9/2011	% change
Energy consumption, kWh/gross m2	38.2	41.1	163.3	165.8	-1.3
Water consumption, m3/person	1.25	1.28	1.42	1.46	-2.6
Carbon dioxide emissions, CO2e kg/gross m2	1.9	14.2	16.5	51.4	-67.8

The property portfolio included in the comparison has been specified further, and comparability has been improved over the previous quarter. The comparison only includes properties owned by the company throughout the year. The significant decrease in carbon dioxide emissions is primarily due to the company adopting so-called "green electricity," such as wind power and hydroelectric power, as of January 1, 2012.

Strategy and Financial Targets

In September 2011, 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 net sales outside Finland
- at least 6% return on capital employed per annum
- equity ratio over 35% over the cycle
- 40%-50% dividend distribution on net profit excluding changes in fair value and their tax effects

The company is strengthening the share of the health and education sectors in its customer portfolio by investing in these segments and the services employed by them. 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 the 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 conditions 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.

A one percentage point change in the money market rates would change interest rate costs by EUR 2.8 million per annum. Because of the interest rate risk associated with loans, a policy of diversifying interest bases has been pursued. Some 5.1% of interest-bearing liabilities were pegged to the under 3-month Euribor rate and 62.6% were pegged to the 3–12 month Euribor rate. Of the interest-bearing liabilities, 32.3% were fixed-rate loans with maturities of 13–60 months.

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. The average capital-weighted outstanding loan period was 9.0 years. In order to manage 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. The company estimates that the risk related to the restructuring of the electronics industry to its business currently represents a maximum of 3% of the space leased to customers. Customer risk management focuses on having a profound understanding of the customer's business and active monitoring of customer information. Customer risks are diversified by acquiring customers from all sectors and 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 had solid, long-term experience with 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 value 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, covenant terms of loans 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%). A more detailed Group structure is presented in the company's annual report on page 84.

The mutual real estate companies Innova 4, Technopolis Tohloppi, Technopolis Innopoli 3 and Technopolis Viestikatu 7 were established during the financial period.

Annual General Meeting 2012

The Annual General Meeting of Shareholders (AGM) of Technopolis was held in Espoo on March 27, 2012.

Resolutions of the Annual General Meeting

The AGM 2012 adopted the Group and parent company's financial statements for the financial year 2011 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 March 30, 2012. The dividend payment date was April 11, 2012.

Board of Directors and remuneration of the members of the Board of Directors

The number of members on the Board of Directors was confirmed at six. Carl-Johan Granvik, Matti Pennanen, Teija Andersen, Pertti Huuskonen, Pekka Korhonen, 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 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, 2012. If the remuneration cannot be paid as shares in the company, it will be paid fully in cash. Board members are not allowed to transfer the shares obtained as annual remuneration before their membership in 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 number. The Audit Committee consists of Carl-Johan Granvik, chair, and Pertti Huuskonen and Pekka Korhonen. The remuneration committee consists of Timo Ritakallio, chair, and Teija Andersen and Matti Pennanen. The Board of Director’s opinion is that all of the Board members, apart from Pertti Huuskonen, are independent of the company, and excluding Timo Ritakallio, of its major shareholders.

Auditor

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

Shareholders’ Nominating Committee

The Annual General Meeting decided to form a shareholders' nominating committee to prepare proposals for the next Annual General Meeting on the composition and remuneration of the Board of Directors. The Nominating Committee is composed of three members representing the three largest shareholders, who may not be members of the Board of Directors of the company, and the Chairman of the Board of Directors as an expert member and secretary to the committee. The member appointed by the largest shareholder acts as Chairman of the Committee. The term of office of the Nominating Committee will continue until a new nomination committee is appointed, unless the general meeting resolves otherwise. The Nominating Committee prepares the above-mentioned proposals also for extraordinary general meetings, if needed. A person who could not, according to the applicable Finnish Corporate Governance Code, be appointed to a nominations committee of the Board of Directors, cannot be appointed to the nominating committee. The shareholders’ nominating committee will also fulfill the requirements of independence in relation to the company as set out in the Code.

Based on shareholdings on October 1, 2011, the members of the Nominating Committee are Risto Murto, Vice President of Varma Mutual Pension Insurance Company as the chairman, Harri Sailas, President and CEO of Ilmarinen Mutual Pension Insurance Company and Timo Kenakkala, Deputy Mayor of City of Oulu. In addition, Carl-Johan Granvik, Chairman of the Board of Directors of Technopolis Plc, will act as the Nominating Committee's expert member and secretary. The new Nominating Committee was established after the reporting period on October 1, 2012, on the basis of shareholdings. There were no changes in the composition of the Nominating Committee.

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 pledges shall not exceed 6,338,500 shares, which corresponds to approximately 10 per cent 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, 2013.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and other special rights entitling holders 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 12,677,000, equal to approximately 20% of the company's shares. The Board of Directors decides on all the terms and conditions of the issuance of shares and of special rights entitling holders to shares. The issuance of shares and of special rights entitling holders 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. However, no more than 350,000 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 authorization is effective until the end of the next Annual General Meeting, however, no later than June 30, 2013, and it cancels the authorization given to the Board of Directors by the General Meeting on March 30, 2011 to decide on the issuance of shares as well as the issuance of other special rights entitling holders to shares.

Stock-Related Events and Disclosures of Changes in Holdings

The company currently has 75,555,227 shares outstanding. 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. The number of shares in the company was 63,385,044 shares on March 31, 2012. The number of shares increased by 81,347 shares as the result of the directed share issue without consideration to key employees covered by the company's share incentive program executed on April 26, 2012, and the number of shares increased by a further 12,088,836 new shares with the rights issue that ended on June 18, 2012. The dilution effect of these share issues totaled 19.2%. The share issues were implemented by virtue of a Board authorization of the Annual General Meeting of March 27, 2012.

On February 2, 2012, Ilmarinen Mutual Pension Insurance Company announced that its direct holding of Technopolis Plc's share capital and votes had increased above two twentieths (10%) as a result of a transaction carried out on February 2, 2012. After the transaction, the proportion of Technopolis Plc's share capital and votes controlled directly by Ilmarinen Mutual Pension Insurance Company was 6,372,725 shares and 10.05%, respectively.

According to information received on March 13, 2012 from BNP Paribas Investment Partners, the proportion of Technopolis Plc's shares and votes held by its funds had decreased below one-tenth (10%) on October 20, 2010 and below one-twentieth (5%) on January 17, 2012. The proportion of Technopolis Plc's shares and votes directly and indirectly controlled on March 9, 2012 by BNP Paribas Investment Partners and its funds was 2,653,086 shares and 4.19%, respectively. Indirect holdings were 70,717 shares, which represents 0.11% of shares and votes.

The subscription period for 2007C stock options decided upon by the Annual General Meeting of Technopolis Plc on March 22, 2005 commenced in accordance with the option program's terms and conditions on May 1, 2012 and Technopolis applied for entry of the 2007C stock options on the trading list of the NASDAQ OMX Helsinki exchange. The trading of 2007C stock options on the NASDAQ OMX Helsinki exchange commenced on May 2, 2012.

On April 26, 2012, the company's Board of Directors approved a directed share issue of 81,347 new shares in the company without consideration to the key employees fulfilling the Performance Share Plan target criteria. A total of 18 people belonging to the management and personnel of the company received rewards in the share issue. The shares were registered with the Trade Register on April 30, 2012 and listed on the trading list of NASDAQ OMX Helsinki on May 2, 2012.

On May 15, 2012, the company's Board of Directors decided on a rights issue based on the authorization granted by the Annual General Meeting on March 27, 2012, and to issue a maximum of 12,088,836 new shares, representing approximately 19.05% of all shares in the company. The final result of the rights issue was published on June 18, 2012.

All 12,088,836 new shares offered were subscribed for in the share issue. 11,874,720 shares were subscribed for in the primary subscription, which is approximately 98.2% of the shares offered. 8,470,366 shares were subscribed for in the secondary subscription, of which the subscription of 214,116 shares was approved. Thus, 168.3% of the shares offered were subscribed for.

The subscription price was EUR 2.70 per share, and the company raised approximately EUR 31.8 million with the share issue after expenses and fees. The shares were registered on June 19, 2012. They were listed on the trading list of Nasdaq OMX Helsinki on June 20, 2012.

Untapped Board Authorizations

The Board of Directors has been authorized by the Annual General Meeting of 2012 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.

Following the share issues realized during the reporting period, the Board may decide on the issuance of a further 506,817 new shares, conveyance of treasury shares held by the company or issuance of option and other special rights. The company's Board of Directors has not exercised the authorization to repurchase and/or accept as pledges the company's own shares, and the company did not hold any treasury shares at the end of the reporting period.

Post-Fiscal Events

The company announced the composition of the Shareholders' Nominating Committee established by the Annual General Meeting on October 8, 2012. Members of the Nominating Committee are Risto Murto, Executive Vice President of Varma Mutual Pension Insurance Company, Harri Sailas, President and CEO of Ilmarinen Mutual Pension Insurance Company, Timo Kenakkala, Deputy Mayor of City of Oulu, and Carl-Johan Granvik, Chairman of Technopolis Plc's Board of Directors, acting as an expert member and secretary of the Committee. Risto Murto acts as Chairman of the Nominating Committee.

Technopolis signed on October 17, 2012, a contract with Yle (Finland's national public broadcasting company) to acquire Yle's Tohloppi complex in Tampere. The total investment amounts to approximately EUR 23.3 million, including a transfer tax of 4%. The deal is expected to increase Technopolis' net sales for 2012 by approximately EUR 0.9 million, EBITDA by approximately EUR 0.5 million, and the operating profit by about EUR 0.3 million. Yle and the Tampere University of Applied Sciences (TAMK) will remain in the property as tenants under 20-year leases.

Future Outlook

The Group's management upgraded its guidance for the company's net sales and EBITDA growth compared to 2011. The forecast has been raised because of the Tohloppi acquisition in October. Group's management now expects net sales and EBITDA to grow 14-16% over 2011 compared with its earlier estimate of 12-15%.

The Group's financial performance depends on the development of the overall business environment, customer operations, and market yield requirements.

Espoo, Finland, October 26, 2012

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 hardcopy of the document, please call +358 46 712 000 /Technopolis info.

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

Tables
The accounting policies applied in the interim report are same as in the 2011 annual report. The formulas for calculating key indicators are available on the company website. The share-related figures for the comparison year have been adjusted for share issue due to the share issue carried out during the financial period.

Technopolis Group employs derivative instruments (mainly interest rate swaps) for hedging risks relating to market rate fluctuations. As of May 1, 2011, the Group implemented hedge accounting in accordance with IAS 39. Consequently, changes in the fair value of derivative instruments designated as effective hedges are recognized directly as comprehensive income in the consolidated financial statements. Changes in the fair value of ineffective hedges are recognized immediately in the income statement. Most of the Group's current interest rate swaps meet the criteria for hedge accounting.

The interim report has been prepared in accordance with the IFRS recognition and valuation principles; the IAS 34 requirements have also been complied with.

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The figures are unaudited.

Technopolis Group:
STATEMENT OF COMPREHENSIVE INCOME

Currency unit: EUR million	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Net sales	26.56	22.99	78.67	67.97	92.83
Other operating income 1)	0.32	0.13	1.02	0.66	1.22
Other operating expenses	-12.46	-10.86	-39.38	-33.93	-46.52
Change in fair value of investment properties	0.20	10.22	-5.98	25.69	26.28
Depreciation	-0.53	-0.47	-1.48	-1.35	-1.83
Operating profit/loss	14.09	22.01	32.86	59.03	71.99
Finance income and expenses	-2.39	-5.64	-9.58	-9.47	-11.98
Result before taxes	11.70	16.37	23.28	49.56	60.01
Current taxes	-2.44	-4.29	-4.82	-12.41	-11.22
Net result for the period	9.26	12.08	18.46	37.16	48.80
Other comprehensive income items					
Translation difference	0.69	-0.87	0.84	-0.62	0.06
Available-for-sale financial assets	0.01	0.00	0.04	0.05	0.05
Derivatives	-1.42	-2.86	-3.88	-3.79	-4.39
Taxes related to other comprehensive income items	0.34	0.74	0.94	0.97	1.13
Other comprehensive income items after taxes for the period	-0.37	-2.99	-2.05	-3.38	-3.15
Comprehensive income for the period, total	8.89	9.09	16.41	33.77	45.64
Distribution of profit for the period:					
To parent company shareholders	8.94	11.16	17.09	35.74	46.70
To non-controlling shareholders	0.32	0.92	1.37	1.41	2.10
	9.26	12.08	18.46	37.16	48.80
Distribution of comprehensive income for the period:					
To parent company shareholders	8.57	8.17	15.04	32.36	43.55
To non-controlling shareholders	0.32	0.92	1.37	1.41	2.10
	8.89	9.09	16.41	33.77	45.64
Earnings per share based on result of flowing to parent company shareholders:					
Earnings/share, basic (EUR)	0.13	0.17	0.25	0.54	0.70
Earnings/share, adjusted for dilutive effect (EUR)	0.13	0.17	0.25	0.54	0.70

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

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STATEMENT OF FINANCIAL POSITION, ASSETS			
Currency unit: EUR million	09/30/2012	09/30/2011	12/31/2011
Non-current assets			
Intangible assets	8.32	3.90	6.72
Tangible assets	16.55	15.12	12.02
Completed investment properties	902.50	793.65	843.78
Investment properties under construction	60.71	69.60	61.70
Investments	12.60	11.77	12.21
Deferred tax assets	2.57	2.36	2.57
Non-current assets	1003.24	896.41	938.99
Current assets	35.52	20.67	23.89
Assets, total		0.86	
STATEMENT OF FINANCIAL POSITION, ASSETS	1038.77	917.93	962.88

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES			
Currency unit: EUR million	09/30/2012	09/30/2011	12/31/2011
Shareholders’ equity			
Share capital	96.91	96.91	96.91
Premium fund	18.55	18.55	18.55
Other funds	110.27	81.54	81.10
Translation difference	0.20	-1.61	-0.64
Other shareholders’ equity	121.90	87.72	87.42
Retained earnings	17.09	35.74	46.70
Parent company’s shareholders’ interests	364.93	318.85	330.04
Non-controlling interests	16.31	11.96	13.13
Shareholders’ equity, total	381.24	330.81	343.17
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	485.39	444.06	468.84
Non-interest-bearing liabilities	0.85	1.09	1.04
Deferred tax liabilities	47.41	48.34	45.97
Non-current liabilities, total	533.65	493.49	515.85
Current liabilities			
Interest-bearing liabilities	94.91	73.50	78.87
Non-interest-bearing liabilities	28.97	20.13	24.99
Current liabilities, total	123.88	93.63	103.86
Liabilities, total	657.53	587.12	619.71
Shareholders’ equity and liabilities, total	1038.77	917.93	962.88

STATEMENT OF CASH FLOWS	1-9/	1-9/	1-12/
Currency unit: EUR million	2012	2011	2011
Cash flows from operating activities			
Net result for the period	18.46	37.16	48.80
Adjustments:			
Change in fair value of investment properties	5.98	-25.69	-26.28
Depreciation	1.48	1.35	1.83
Share of profits of associates		-0.12	-0.03
Gains from disposals	-0.10		0.03
Other adjustments for non-cash transactions	0.23	0.44	0.60
Financial income and expenses	9.58	9.59	12.01
Taxes	4.82	12.41	11.22
Increase / decrease in working capital	-1.84	0.12	-0.90

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Interests received	0.08	0.11	0.18
Dividends received	0.01	0.01	0.01
Interests paid and fees	-8.29	-7.42	-10.24
Other financial items in operating activities	-3.70	-1.84	-2.40
Taxes paid	-3.27	-4.22	-4.35
Net cash provided by operating activities	23.44	21.90	30.47
Cash flows from investing activities			
Investments in other securities		-0.01	-0.01
Investments in investment properties	-63.16	-69.41	-98.13
Investments in tangible and intangible assets	-5.63	-1.36	-4.36
Granted loans		-0.03	-0.08
Repayments of loan receivables	0.02	0.12	0.13
Proceeds from sale of investments	0.04	0.40	0.41
Proceeds from sale of tangible and intangible assets	0.10	0.18	0.16
Acquisition of subsidiaries	-0.66		
Acquisition of associates	-0.67	-0.02	-0.72
Proceeds from sales of associates		0.01	0.87
Net cash used in investing activities	-69.96	-70.11	-101.74
Cash flows from financing activities			
Increase in long-term loans	70.63	77.20	113.32
Decrease in long-term loans	-47.09	-29.83	-36.83
Dividends paid	-12.67	-10.77	-10.77
Paid share issue	32.64		
Capital investment by the minority	1.81	0.29	0.78
Change in short-term loans	7.15	12.78	12.87
Net cash provided by financing activities	52.47	49.68	79.38
Net increase/decrease in cash assets	5.95	1.46	8.10
Effects of exchange rate fluctuations on cash held	-0.13	-0.30	-0.08
Cash and cash equivalents at period-start	12.51	4.49	4.49
Cash and cash equivalents at period-end	18.33	5.64	12.51

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, 2011	96.91	18.55	84.22	0.00	97.67	10.25	307.60
Comprehensive income							
Net profit for the period					36.74	1.41	38.15
Other comprehensive income items							
Translation difference				-1.61			-1.61
Available-for-sale financial assets			0.03				0.03
Comprehensive income for the period			0.03	-1.61	36.74	1.41	36.57
Related party transactions							
Dividend					-10.78		-10.78
Other changes			0.09		-0.17	0.29	0.21
Related party transactions			0.09		-10.95	0.29	-10.57
Equity September 30, 2011	96.91	18.55	84.34	-1.61	123.46	11.96	333.61
Equity January 1, 2012	96.91	18.55	81.10	-0.64	134.12	13.13	343.17
Comprehensive income							
Net profit for the period					17.09	1.37	18.46
Other comprehensive income items							
Translation difference				0.84			0.84
Derivatives			-2.93	0.00			-2.93
Available-for-sale financial assets			0,04	0.00			0.04
Comprehensive income for the period			-2,89	0.84	17.09	1.37	16.41
Related party transactions							
Dividend					-12.68		-12.68
Share issue			32.07				32.07
Change in ownership interests in subsidiaries 2)					0.08		0.08
Other changes					0.38	1.81	2.19
Related party transactions			32.07		-12.22	1.81	21.67
Equity September 30, 2012	96.91	18.55	110.27	0.20	138.99	16.31	381.24

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

Financial Information by Segment

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 Currency unit: EUR million	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Net sales					
Finland	24.04	21.04	71.31	62.73	85.19
Russia	1.29	0.77	3.73	1.71	2.93
Estonia	1.22	1.17	3.61	3.51	4.67

Unallocated	0.00	0.00	0.02	0.02	0.04
Total	26.56	22.99	78.67	67.97	92.83
EBITDA					
Finland	13.41	11.54	37.52	32.65	44.82
Russia	0.60	-0.14	1.20	-0.52	-0.23
Estonia	0.90	0.82	2.32	2.45	3.13
Unallocated	-0.48	0.07	-0.72	0.11	-0.18
Total	14.42	12.29	40.31	34.69	47.54
EBITDA					
Finland			907.64	799.87	840.19
Russia			82.05	58.36	62.52
Estonia			87.64	76.38	79.04
Eliminations			-38.56	-16.69	-18.87
Total			1038.77	917.93	962.88

Direct and Indirect Result

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 and any non-recurring items, such as gains and losses on disposals. As the company had interest rate and currency swaps in 2011 that did not satisfy the IFRS criteria for hedge accounting, the changes in the fair value of these financial instruments are recognized in the statement of comprehensive income. Additionally, the statement of comprehensive income showing the direct result presents the related taxes and deferred tax assets and liabilities.

Items excluded from the direct result and their tax effects 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.

Technopolis Group

DIRECT RESULT Currency unit: EUR million	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Net sales	26.56	22.99	78.67	67.97	92.83
Other operating income	0.20	0.10	0.79	0.61	1.12
Other operating expenses	-12.46	-10.86	-39.38	-33.93	-46.49
Depreciation	-0.53	-0.47	-1.48	-1.35	-1.83
Operating profit/loss	13.77	11.76	38.61	33.29	45.64
Finance income and expenses, total	-2.39	-5.64	-9.58	-11.18	-13.68
Taxes for direct result items	11.37	6.12	29.03	22.11	31.95
Result before taxes	-2.40	-2.05	-6.68	-5.92	-5.23
Non-controlling interests	-0.32	-0.92	-1.37	-1.41	-2.10
Direct result for the period	8.65	3.15	20.98	14.78	24.62
INDIRECT RESULT					
Non-recurring items	0.12	0.02	0.23	0.05	0.07
Change in fair value of investment properties	0.20	10.22	-5.98	25.69	26.28
Operating profit/loss	0.33	10.25	-5.75	25.74	26.36
Change in fair value of financial instruments				1.71	1.71
Result before taxes	0.33	10.25	-5.75	27.45	28.06

Taxes for indirect result items	-0.04	-2.23	1.86	-6.49	-5.99
Indirect result for the period	0.29	8.01	-3.89	20.96	22.08
Result for the period to the parent company shareholders, total	8.94	11.16	17.09	35.74	46.70
Earnings per share, diluted 3)					
From direct result	0.13	0.05	0.31	0.22	0.37
From indirect result	0.00	0.12	-0.06	0.31	0.33
From net result for the period	0.13	0.17	0.25	0.54	0.70

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

CHANGE IN VALUE OF INVESTMENT PROPERTIES	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Change in fair value, Finland	-1.66	4.20	-11.76	15.03	15.45
Change in fair value, Russia	0.04	1.61	1.20	1.68	4.67
Change in fair value, Estonia	-0.09	1.37	0.49	1.66	2.45
Change in fair value	-1.71	7.19	-10.07	18.37	22.57
Changes in acquisition costs of investment properties in financial year	-0.17	-0.26	-3.39	-1.29	-9.21
Changes in fair value of projects in progress	2.08	3.30	7.48	8.62	12.93
Effect on profit of change in value of investment properties	0.20	10.22	-5.98	25.69	26.28

KEY INDICATORS	1-9/ 2012	1-9/ 2011	1-12/ 2011
Change in net sales, %	15.7	16.5	14.4
Operating profit/loss / net sales, %	41.8	86.9	77.5
Interest coverage ratio	4.0	3.8	3.7
Equity ratio, %	36.9	36.2	35.8
Loan to value, %	63.5	59.2	60.0
Group company personnel during the period, average	177	154	158
Gross expenditure on assets, EUR million	69.5	107.5	150.0
Net rental revenue of investment properties, % 4)	7.8	7.7	7.8
Financial occupancy rate, %	94.8	95.7	95.1
Earnings/share			
basic, EUR	0.25	0.54	0.70
diluted, EUR	0.25	0.54	0.70
Cash flows from operating activities/share, EUR	0.34	0.33	0.46
Equity/share, EUR	5.37	4.79	4.96
Average issue-adjusted number of shares			
basic	68,018,931	66,586,727	66,586,727
diluted	68,251,700	66,774,413	66,767,124

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

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CONTINGENT LIABILITIES

Currency unit: EUR million	09/30/2012	09/30/2011	12/31/2011
Pledges and guarantees on own debt			
Mortgages of properties	565.85	448.60	472.49
Book value of pledged securities	204.62	197.72	208.24
Other guarantee liabilities	55.11	61.13	60.87
Leasing liabilities, machinery and equipment	5.80	4.01	4.30
Project liabilities	0.18	0.33	0.18
Interest rate and currency swaps			
Nominal values	156.70	177.87	169.96
Fair values	-7.83	-3.20	-3.87

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