TECHNOPOLIS

TECHNOPOLIS PLC INTERIM REPORT May 7, 2014 at 8:00 a.m.

Technopolis Group Interim Report January 1 – March 31, 2014

Significant Investments in 2013 Drove Profitable Growth

- Net sales rose to EUR 39.7 (29.7) million, up 33.5%
- EBITDA rose to EUR 20.6 (14.0) million, up 47.2%
- The financial occupancy rate was 94.0% (92.2%)
- Earnings per share were EUR 0.07 (0.13), including changes in fair value and unrealized exchange rate losses
- Direct result (EPRA) rose to EUR 12.8 (8.0) million, up 56.0%
- Direct result per share (EPRA) was EUR 0.12 (0.10)
- Net asset value per share (EPRA) was EUR 4.84 (5.09)

The company's net profit for the period was EUR 8.8 (10.8) million, including unrealized exchange rate losses of EUR -3.2 (0.4) million recognized in financial items due to the weakening of the Russian ruble and positive fair value changes of EUR 1.0 (3.3) million.

Key Indicators	1-3/ 2014	1-3/ 2013	1-12/ 2013
Net sales, EUR million	39.7	29.7	126.3
EBITDA, EUR million	20.6	14.0	64,1
Operating profit, EUR million	20.7	16.7	43,9
Net result for the period, EUR million	8.8	10.8	28,8
Earnings/share, EUR	0.07	0.13	0.30
Cash flow from operations/share, EUR	0.16	0.11	0.53
Equity ratio, %	40.1	40.1	40.2
Equity/share, EUR	4.55	4.53	4.66

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

EPRA-based Key Indicators	1-3/ 2014	1-3/ 2013	1-12/ 2013
Direct result, EUR million	12.8	8.0	40.5
Direct result/share, diluted, EUR	0.12	0.10	0.47
Net asset value/share, EUR	4.84	5.09	4.94
Net rental yield, %	7.2	7.2	7.3
Financial occupancy rate, %	94.0	92.2	93.6

The EPRA-based (European Public Real Estate Association) direct result was EUR 12.8 (8.2) million, an increase of 56.0%. The EPRA-based direct result does not include unrealized exchange rate gains or losses or fair value changes. The growth was mainly due to the increase in net sales and EBITDA.

The company amended its income statement and business segment reporting as of the beginning of 2014. The comparable figures for 2013 are available on the company's website and with regard to compared periods, also in this report.

Keith Silverang, CEO:

"It was already clear at the end of last year that the Technopolis would experience significant growth in both net sales and EBITDA during the 2014. We also knew that successful integration of our acquisitions as well as focus on operations would play a key role in our success this year.

The first quarter figures provided an indication that we are on track to successfully execute this plan. Sales in the quarter came in just over 33 % and EBITDA 47 % higher than last year. Occupancy also rose on the period. We are confident that we will meet the full-year guidance, although we expect occupancy-related challenges in a few campuses over the next couple of quarters.

Our financial position remained solid. The company's equity ratio, loan to value and interest cover remained at good levels, and the average interest rate remained low.

We have put unprecedented resources in the successful integration of our new campuses, particularly in Oslo. Our Vilnius campus is already fully integrated and the transformation of Falcon Business Park into Innopoli 3 is well underway. In Oslo the focus right now is on ramping up sales and implementing the Technopolis service concept.

Looking forward, the Ukrainian crisis has weakened economic prospects in Russia. This will also influence the Finnish economy and it's growth outlook. However, I want to emphasize that Technopolis' direct Russian risk is limited to 4.5% of net sales, 2.9% of EBITDA and 5.0% fair values. Most of the foreign exchange impact is related to the translation risk of St. Petersburg balance sheet items.

As for the remainder of the first half as well as the rest of the year, we will continue to focus on integration, operations and efficiency. We have made and we will continue to make value-adding investment decisions in existing campuses and we will not rule out acquisitions should the opportunity arise. We can execute these investments with our existing debt and equity resources as well as strong operational cash flow."

Business Conditions and Business Segments

As of the beginning of 2014, the company's business segments are Finland, the Baltic Rim, and Scandinavia.

Finland

According to consensus information collected by the Federation of Finnish Financial Services (FK), Finland's GDP is forecasted to increase by 0.8% in 2014, inflation is estimated to be 1.6%, and the unemployment rate is forecasted to be 8.4%. The upturn of the economy may be impaired by private consumption, lowered by higher taxation and the economic impacts of the crisis in Ukraine.

Finland	1-3/2014	1-3/2013	Change, %	1-12/2013
Number of campuses	17	17	-	17
Rentable space, m²	547,900	533,500	2.7	555,900
Average rent, €/m²/Mo	16.49	15.88	3.8	16.21
Financial occupancy rate, %	93.0	91.5	1.5	92.9
Net rental income, EUR million	25.6	23.2	10.4	94.9
Net sales, EUR million	29.2	26.8	9.1	109.4
EBITDA, EUR million	15.0	13.1	14.7	56.1
Market yield requirement, average, %	7.9	7.9	-	7.9
Fair value of investment properties, EUR million	978.9	888.0	10.2	981.0

Technopolis' business operations and fair values in Finland increased during period under comparison due to the commissioning of new buildings in Jyväskylä and Kuopio and the acquisition of properties in Oulu and Espoo. The consumer price index increased by 1.5% in 2013, which contributed to the growth in rental revenues. In addition, the rents of the completed and acquired properties were higher.

Baltic Rim

This segment covers Estonia, Russia, and Lithuania. Estonia's GDP is expected to grow by 2.8%. The inflation rate is estimated to be 1.9% and the unemployment rate 8.4%. Strong private demand will support growth during the first months of the year. Russia's GDP is expected to grow by 1.1%. The inflation rate is estimated to be 6.0%, and the unemployment rate 5.7%. Economic growth in Russia may weaken due to the economic sanctions caused by the crisis in Ukraine. Lithuania's GDP is expected to grow by 3.2%. The inflation rate is estimated to be 1.6%, and the unemployment rate 9.8%. The growth will be driven by domestic consumption and investments.

Baltic Rim	1-3/2014	1-3/2013	Change, %	1-12/2013
Number of campuses	3	2	50.0	3
Rentable space, m²	127,400	67,800	87.9	119,500
Average rent, €/m²/Mo	14.57	13.90	4.8	15.04
Financial occupancy rate, %	97.7	97.7	-	99.1
Net rental income, EUR million	5.7	2.8	103.4	15.3
Net sales, EUR million	5.9	2.9	101.5	15.9
EBITDA, EUR million	3.0	1.1	183.5	7.6
Market yield requirement, average, %	8.9	9.4	-0.5	9.0
Fair value of investment properties, EUR million	230.2	122.2	88.4	212.4

Compared to last year, Technopolis' operations and fair values grew strongly. This is due to the 42,200 sqm campus acquired in Vilnius and expansion investments in the Tallinn and St. Petersburg campuses. Increasing consumer prices supported growth in rents during 2013. Consumer prices increased by 2.8% in Estonia, 6.4% in Russia, and 1.2% in Lithuania.

Scandinavia

Norway's GDP is forecast to grow by 2.2%, while inflation is estimated to be 2.0% and the unemployment rate 3.7% in 2014. GDP growth will be strengthened by increasing domestic demand.

Scandinavia	1-3/2014	1-3/2013	Change, %	1-12/2013 *)
Number of campuses	1	-	-	1
Rentable space, m²	62,700	-	-	71,400
Average rent, €/m²/Mo	24.43	-	-	21.86**)
Financial occupancy rate, %	95.8	-	-	89.5
Net rental income, EUR million	4.4	-	-	0.9
Net sales, EUR million	4.6	-	-	1.0
EBITDA, EUR million	3.0	-	-	0.6
Market yield requirement, average, %	6.5	-	-	6.5
Fair value of investment properties, EUR million	218.6	-	-	217.0

*) December 11 -31, 2013

The acquisition of the IT Fornebu campus in Oslo was completed on December 11, 2013, and comparison figures for the first quarter of last year are therefore not available. The rentable floor area decreased during the first quarter compared to the end of 2013 because of 5,800 sqm of floor area being under renovation and an increase in public premises.

Financial Performance

The Group's rental revenue amounted to EUR 35.7 (25.9) million, an increase of 35.7% compared to the corresponding period in 2013. The growth was mainly due to an increase in rentable space. Service revenue amounted to EUR 4.0 (3.8) million, an increase of 6.1%. The acquisition of new campuses contributed to the growth in the service business being slower than in rental revenue. Depending on the campus, service operations are expected to reach their net sales target within one to three years of acquisition. The entire Group's net sales were EUR 39.7 (29.7) million, an increase of 33.5%.

Property maintenance expenses increased by EUR 10.9 (8.5) million, or 27.9%. In spite of the growth in revenues, the Group's administrative expenses increased moderately, by EUR 3.7 (2.9) million, up 31.3%. Other operating expenses decreased to EUR 4.5 (5.2) million.

The Group's EBITDA rose to EUR 20.6 (14.0) million, an increase of 47.2%. The EBITDA margin was 51.9% (47.1%).

Changes of EUR 1.0 (3.3) million in the fair value of investment properties had a positive effect on financial performance. The Group's operating profit was EUR 20.7 (16.7) million.

The Group's net financial expenses were EUR 8.2 (2.4) million. EUR -3.2 (0.4) million in unrealized exchange rate d losses was booked under net financial expenses. The Group's pre-tax profit totaled to EUR 12.5 (14.3) million. The pre-tax profit excluding fair value changes was EUR 11.5 (10.9) million. The company's net profit for the period was EUR 8.8 (10.8) million.

The EPRA-based direct result amounted to EUR 12.8 (8.0) million, an increase of 56.0%. Earnings per share increased to EUR 0.12 (0.10). An increase in net sales and EBITDA and a decrease in taxes contributed to the improvement in the EPRA-based figures. Financial expenses in the EPRA-based direct result were EUR 5.1 (2.8) million and taxes EUR 0.9 (2.1) million.

Customers and Lease Stock

Technopolis has a total of approximately 1,500 customers, and roughly 39,000 people work in Technopolis facilities. The twenty largest customers leased approximately 29.6% of the company's rentable space on March 31, 2014.

Lease stock, % of space Maturity, years	March 31, 2014	Dec 31, 2013
< 1	17.4	22.3
1-3	21.2	22.0
3-5	11.5	12.9
> 5	21.5	25.9
Open-end leases	28.4	17.0
Average lease term in months	31	35
Lease stock, EUR million	646.6	470.5

The company has changed the reporting of its lease stock as of the beginning of 2014 by dividing the maturities on an annual level and reporting open-end leases on a separate line.

Investments

The investment projects in progress during the reporting period, their rentable areas and estimated acquisition cost on May 6, 2014 are as follows:

Area	Name	Pre-let rate, %	m²	EUR million	Stabilized yield, % *)	Completion
Tallinn	Löötsa 8A	84.8	7,500	11.8**)	9.1	09/2014
St. Petersburg	Pulkovo 2	51.0	18,700	42.0	12.6	10/2014
Tallinn	Löötsa 5	-	9,200	17.0**)	8.8	09/2015
Vantaa	G-building	30	5,300	18.3	8.0	09/2015

*) stabilized yield = estimated net operating income / acquisition cost
**) Technopolis' share 51%

The properties that will be completed in 2014 will be commissioned in phases.

Financing

The Group's balance sheet totaled EUR 1,546.3 (1,178.8) million, of which liabilities totaled EUR 929.3 (709.0) million. The Group's equity per share was EUR 4.55 (4.53). The Group's equity ratio was 40.1% (40.1%), of which a hybrid bond accounts for a 4.8 (6.3) percentage point increase. The loan-to-value ratio was 58.5% (57.5%). At the end of the period, the Group's net gearing was 131.4% (119.5%) and the interest coverage ratio was 4.6 (5.0).

At the end of the period, the Group's interest-bearing liabilities from financial institutions amounted to EUR 850.1 million (EUR 618.9 million), and the average capital-weighted loan maturity was 6.8 years (8.5 years). The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.52% (1.95%), increasing mainly due to Norwegian crown-denominated liabilities in Norway and an increased interest rate hedging ratio.

At the end of the period, 49.7% (67.1%) of interest-bearing liabilities were floating-rate loans and 50.3% (32.9%) were fixed-rate loans with maturities of 13 - 60 months. Some 2.4% of the floating-rate loans were pegged to the under-3-month Euribor rate, and 47.3% were pegged to Euribor rates from 3 to 12 months. The Group's interest fixing period was 2.2 (2.1) years at the end of the period.

Technopolis has a EUR 75 million hybrid bond with a 7.5% annual coupon. It is perpetual, but the company may exercise a redemption option in March 2018. EUR 4.3 million of interest paid on the hybrid bond, adjusted for taxes, has been recognized as a decrease in shareholders' equity under retained earnings.

At the end of the reporting period, Technopolis had EUR 112.1 (158.5) million in untapped credit facilities, and cash reserves amounting to EUR 39.3 (57.5) million. The credit facilities contained a EUR 87.0 (133.4) million credit line and a EUR 25.1 (25.1) million revolving credit facility. In addition, the company has a EUR 150.0 (120.0) million commercial paper program, of which EUR 47.5 (59.8) million was issued at the end of the reporting period.

During the 12-month period following the period under review, EUR 166.4 (134.6) 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, Nordea, Skandinaviska Enskilda Banken, and Swedbank. Their total lending to the company amounted to EUR 591.2 million.

The Group had interest-bearing liabilities with covenants worth EUR 655.0 (401.9) million. Loans amounting to EUR 369.6 (360.2) million include covenants relating to the equity ratio. Of these loans, EUR 215.4 (203.7) million include a call provision. The call covenant is breached if the equity ratio falls below 30%. The principal of EUR 168.6 (158.2) million includes an interest margin revision term. If the equity ratio falls below 33%, the additional impact on the interest expenses of these loans with the interest margin revision term would be EUR 0.8 (0.7) million per annum.

A one percentage point change in market rates would cause a EUR 3.0 (2.8) million change in interest costs per annum. At the end of the reporting period, there were interest rate swaps covering EUR 395.1 (217.2) million of principal. The hedging ratio for interest-bearing liabilities was 46.5% (35.1%) and the average hedging period was 5.2 (5.5) years.

In addition to the euro, the company also has liabilities in other currencies associated with an exchange rate risk. The most important of these are the Russian ruble (RUB) and the Norwegian crown (NOK). Translation differences arising from investments denominated in the Russian ruble and Norwegian crown made in the Russian and Norwegian subsidiaries are recognized under shareholders' equity. In addition, unrealized financial expenses and income arise from the translation of the euro-denominated portion of the Russian subsidiary's borrowings, which are entered in the income statement.

Direct effects of exchange rate changes on the Group's operating profit and balance sheet as per the situation on March 31, 2014:

Foreign exchange % change against euro	Income statement effect, EUR million	Translation difference effect, EUR million	Total effect on the Group's equity, EUR million
RUB +10	5.4 EUR million	4.5 EUR million	9.9 EUR million
RUB -10	-4.4 EUR million	-3.7 EUR million	-8.1 EUR million
NOK +10	-	4.4 EUR million	4.4 EUR million
NOK -10	-	-3.6 EUR million	-3.6 EUR million

Organization and Personnel

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

CEO.

The Group Management Team comprises Keith Silverang, Reijo Tauriainen, Juha Juntunen, Sami Juutinen, Kari Kokkonen, and Outi Raekivi. As of January 1, 2014, Sami Juutinen is responsible for all merger, acquisition, and divesture-related activities throughout the Group as Chief Investment Officer (CIO) and Juha Juntunen for the business activities of all business units as Chief Operating Officer (COO). Kari Kokkonen has assumed responsibility for service operations in addition to real estate operations as of February 2014.

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

During the period, the Group employed an average of 198 (184) people. Rental operations employed 61 (64) people, the service business 91 (79) people and the Group's administration 46 (41) people. At the end of the period under review, the Group had 200 (186) employees.

Environment and Responsibility

The main goals of Technopolis' environmental strategy are to reduce energy consumption by 10%, water consumption by 8%, and CO_2 emissions by 20%. In addition, the company aims to reduce landfill waste by 10% and achieve a waste utilization rate of at least 60%. Additional information on energy efficiency and other responsibility goals is available in our social responsibility report.

Comparison of units held by the Group for the whole year compared to the base year 2011:

	1-3/2014	1-3/2011	Change, %
Energy consumption, kWh/gross m^2	74,9	78,2	-4,2
Water consumption, m^3/person	1,1	1,4	-20,5
Carbon dioxide emissions, kg CO_2e/gross m^2	15,2	24,2	-37,2

Increasing eco-efficiency as a result of property energy reviews, investments, and savings measures related to operation has decreased energy and water consumption as well as carbon dioxide emissions. Setting targets for property maintenance to support energy efficiency has increased this effect. The temperate winter has contributed to the energy savings. The companies achieved five new LEED certifications during the first quarter, one of which was the first international Technopolis site in St. Petersburg.

Strategic Financial Targets

Technopolis' Board of Directors approved the company's strategic financial targets for 2014 - 2016 in August 2013 as follows:

- average annual growth in net sales and EBITDA of 15%
- over EUR 50 million in net sales outside Finland
- EPRA-based annual return on investment of at least 6%
- equity ratio of 35% above the cycle

In accordance with its dividend policy, the company aims to distribute on average of one third of its net profit, excluding changes in fair value and their tax impact.

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

Evaluation of Operational Risks and Uncertainties

Technopolis' most significant business risks relate primarily to general economic development associated with financing and customers, as well as international business risks.

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

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, a variety of financing instruments, and maintains a sufficient degree of solvency.

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

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

Changes in exchange rates may affect the company's financial performance and operations. Due to acquisitions in 2013, the company's exposure to exchange rate risks has been rising. In accordance with its foreign exchange hedging policy, the company does not hedge balance sheet items. Foreign currency items are recorded at the exchange rate on the transaction date. Any translation differences are entered in the comprehensive income statement under other operating expenses or financial income and expenses, according to the type of transaction involved.

Customer risk management aims to minimize the negative impact of potential changes in customers' financial positions on the company's business and financial performance. Customer risk management focuses on having a solid understanding of the customer's business and active monitoring of customer information. Customer risks are diversified by acquiring customers from all sectors, including the public sector. As part of 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 size of their premises as their business needs change. Although the flexibility of the lease structure may pose a risk to the Group, it is an essential element of Technopolis' service concept. The company has solid, long-term experience 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 loans may be met. In which case, the change in value may have an impact on the cash flow and earnings for the period.

Group Structure

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

General Meetings of Shareholders

Annual General Meeting 2014

The Annual General Meeting of Shareholders (AGM) of Technopolis was held in Espoo on March 26, 2014.

Resolutions of the Annual General Meeting

Financial statements and dividend

The AGM 2014 adopted the Group and parent company's financial statements for the fiscal year 2013 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 0.10 per share. The dividend was paid to shareholders who were registered by Euroclear Finland Ltd on the record date of March 31, 2014. The dividend payment date was April 8, 2014.

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, Pekka Ojanpää, 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 Jorma Haapamäki 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 will be paid on the condition that the Board member commits to using 50% of their annual remuneration to acquire Technopolis Plc shares on the market at the price determined in public trading. The shares are to be acquired within three weeks of the publication of the Interim Report for the period January 1 - March 31, 2014. 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 Pekka Ojanpää. The Board of Directors' view is that all of the Board members are independent of the company and significant shareholders, with the exception of Timo Ritakallio.

Auditor

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

Board Authorizations

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

The amount of treasury shares to be repurchased and/or accepted as pledge shall not exceed 10,625,000 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 a 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 will be valid until the end of the next Annual General Meeting; however, no later than June 30, 2015.

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 the authorization, the maximum number of shares to be issued is 10,625,000, equaling approximately 10% of the company’s shares. The Board of Directors shall decide 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). However, the authorization cannot be used for incentive schemes. The authorization will be valid until the end of the next Annual General Meeting; however, no later than June 30, 2015.

Stock-Related Events and Disclosures of Changes in Holdings

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

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

Unused Board Authorizations

The Board of Directors was authorized by the Annual General Meeting of 2014 to decide on the n the repurchase and/or on the acceptance as pledge of the company’s own shares issuance, as well as on the issue of shares and special rights entitling holders to shares referred to in the Limited Liability Companies Act. 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

There have been no significant events after March 31, 2014.

Future Outlook

The Company estimates that its net sales for 2014 will grow by 27% - 32% and EBITDA by 35% - 40% over the previous year.

The Group’s financial performance depends on the development of the overall business environment, customer operations, financial markets, and market yields. Furthermore, any changes in the property portfolio may have an impact on the guidance.

Espoo, May 6, 2014

TECHNOPOLIS PLC

Board of Directors

Additional information:
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APPENDICES:

The Interim Report and a presentation of the Interim Report are 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 2013 was published on February 14, 2014, on the company's website.

Technopolis offers a service for receiving reports and releases on the company's website at 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 the same as in the latest financial review. The formulas for calculating key indicators are available on the company website.

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

The figures are unaudited. Technopolis Group:

TECHNOPOLIS

STATEMENT OF COMPREHENSIVE INCOME Currency unit: EUR million	1-3/ 2014	1-3/ 2013	1-12/ 2013
Rent income	35.7	25.9	111.1
Service income	4.0	3.8	15.2
Net sales total	39.7	29.7	126.3
Other operating income	0.1	0.8	2.0
Premises expenses	-10.9	-8.5	-32.8
Administration costs 1)	-3.7	-2.9	-11.1
Other operating expenses	-4.5	-5.2	-20.4
Change in fair value of investment properties	1.0	3.3	-17.6
Depreciation	-0.9	-0.6	-2.7
Operating profit/loss	20.7	16.7	43.9
Unrealized exchange rate profit/loss	-3.2	0.4	-5.7
Finance income and expenses	-5.1	-2.8	-15.5
Result before taxes	12.5	14.3	22.6
Current taxes	-1.0	-3.0	8.9
Net result for the period	11.5	11.3	31.6
Other comprehensive income items			
Translation difference	-1.8	0.4	-3.5
Available-for-sale financial assets	0.0	0.0	0.0
Derivatives	-2.8	0.5	3.0
Taxes related to other comprehensive income items	0.4	-0.1	-0.7
Other comprehensive income items after taxes for the period	-4.2	0.7	-1.2
Comprehensive income for the period, total	7.3	12.0	30.4
Distribution of profit for the period:			
To parent company shareholders	8.8	10.8	28.8
To non-controlling shareholders	2.7	0.4	2.7
	11.5	11.3	31.6
Distribution of comprehensive income for the period:			
To parent company shareholders	4.1	11.5	27.6
To non-controlling shareholders	3.3	0.4	2.7
	7.3	12.0	30.4

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	8.8	10.8	28.8
Interest expenses on an equity related bond	-1.4	-0.1	-4.3
Tax effect	0.3	0.0	1.1
Adjusted net profit	7.6	10.7	25.6
Earnings per share, basic, EUR	0.07	0.13	0.30
Earnings per share, diluted, EUR	0.07	0.13	0.30

TECHNOPOLIS

STATEMENT OF FINANCIAL POSITION, ASSETS			
Currency unit: EUR million	31.03.2014	31.03.2013	31.12.2013
Non-current assets			
Intangible assets	6.1	5.6	6.3
Tangible assets	22.2	14.6	18.6
Completed investment properties	1427.7	1010.3	1410.4
Investment properties under construction	9.8	56.9	26.4
Investments	11.9	12.8	12.1
Deferred tax assets	15.9	4.6	15.8
Non-current assets	1493.6	1104.9	1489.6
Current assets	52.7	73.9	70.8
Assets, total	1546.3	1178.8	1560.4

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES			
Currency unit: EUR million	31.03.2014	31.03.2013	31.12.2013
Shareholders’ equity			
Share capital	96.9	96.9	96.9
Premium fund	18.6	18.6	18.6
Equity related bond	74.2	74.3	74.2
Other funds	209.7	110.6	211.8
Translation difference	-5.7	0.7	-3.2
Retained earnings	156.1	141.5	142.2
Net profit for the period	8.8	10.8	28.8
Parent company’s shareholders’ interests	558.5	453.3	569.3
Non-controlling interests	58.5	16.5	55.0
Shareholders’ equity, total	617.0	469.8	624.3
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	684.0	484.3	716.3
Non-interest-bearing liabilities	0.5	0.3	0.5
Deferred tax liabilities	33.0	44.4	32.8
Non-current liabilities, total	717.5	529.0	749.6
Current liabilities			
Interest-bearing liabilities	166.1	134.6	145.6
Non-interest-bearing liabilities	45.7	45.4	40.9
Current liabilities, total	211.8	180.0	186.5
Liabilities, total	929.3	709.0	936.1
Shareholders’ equity and liabilities, total	1546.3	1178.8	1560.4

1) Administartion costs includes group expenses from key resourses such as marketing, administration and support function expenses.

TECHNOPOLIS

STATEMENT OF CASH FLOWS Currency unit: EUR million	1-3/ 2014	1-3/ 2013	1-12/ 2013
Cash flows from operating activities			
Net result for the period	11.5	11.3	31.6
Adjustments:			
Change in fair value of investment properties	-1.0	-3.3	17.6
Depreciation	0.9	0.6	2.7
Share of profits of associates	0.0	0.0	0.1
Gains from disposals			0.0
Other adjustments for non-cash transactions	0.3	0.0	0.3
Financial income and expenses	8.3	2.4	21.2
Taxes	1.0	3.0	-8.9
Increase / decrease in working capital	2.4	0.2	1.2
Interests received	0.1	0.0	0.2
Dividends received			0.0
Interests paid and fees	-4.0	-2.2	-8.4
Other financial items in operating activities	-1.6	-1.7	-10.2
Taxes paid	-0.5	-0.9	-2.0
Net cash provided by operating activities	17.2	9.5	45.2
Cash flows from investing activities			
Investments in investment properties	-10.0	-52.0	-114.4
Investments in tangible and intangible assets	-0.2	-0.4	-4.2
Investments in other securities			
Granted loans		-0.5	-1.6
Repayments of loan receivables	0.3		0.3
Proceeds from sale of investments	0.1		
Proceeds from sale of tangible and intangible assets	0.0	0.0	5.9
Acquisition of subsidiaries	-1.9		-65.5
Proceeds from sale of associates			0.0
Acquisition of associates			
Net cash used in investing activities	-11.7	-52.8	-179.5
Cash flows from financing activities			
Issue of hybrid bond		75.0	75.0
Increase in long-term loans	26.1	20.9	285.0
Decrease in long-term loans	-31.5	-24.8	-291.2
Dividends paid			-15.5
Paid share issue	0.2	0.0	100.4
Capital investment by the minority			10.6
Hybrid bond interest paid	-5.6		
Acquisition of subsidiaries, no change in command	-0.4		
Change in short-term loans	-8.9	14.0	9.7
Net cash provided by financing activities	-20.1	85.2	174.1
Net increase/decrease in cash assets	-14.5	41.8	39.8
Effects of exchange rate fluctuations on cash held	-0.2	0.1	-1.3
Cash and cash equivalents at period-start	54.1	15.7	15.7
Cash and cash equivalents at period-end	39.3	57.5	54.1

TECHNOPOLIS

STATEMENT OF CHANGES IN EQUITY
Currency unit: EUR million

	Equity attributable to owners of the parent						
	Share capital	Premium fund	Other reserves	Translation differences	Retained earnings	Share of non-controlling interests	Total shareholders' equity
Equity January 1, 2013	96.9	18.6	110.2	0.3	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				0.3
Available-for-sale financial assets			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				
Other changes					0.1		0.1
Related party transactions			74.3		-15.0	0.0	59.3
Equity March 31, 2013	96.9	18.6	184.8	0.7	152.3	16.5	469.8
Equity January 1, 2014	96.9	18.6	286.0	-3.2	171.0	55.0	624.3
Comprehensive income							
Net profit for the period					8.8	2.7	11.5
Other comprehensive income items							
Translation difference				-2.5		0.7	-1.8
Derivatives			-2.1			-0.2	-2.3
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-2.2	-2.5	8.8	3.3	7.3
Related party transactions							
Dividend					-10.6		-10.6
Interest paid to quity related bond					-4.3		-4.3
Other changes			0.1		0.0	0.2	0.3
Related party transactions			0.1		-15.0	0.2	-14.6
Equity March 31, 2014	96.9	18.6	283.9	-5.7	164.8	58.5	617.0

TECHNOPOLIS

FINANCIAL INFORMATION BY SEGMENTS

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

	1-3/	1-3/	1-12/
Currency unit: EUR million	2014	2013	2013
Net sales			
Finland	29.2	26.8	109.4
Baltic Rim	5.9	2.9	15.9
Scandinavia	4.6	0.0	1.0
Total	39.7	29.7	126.3
EBITDA			
Finland	15.0	13.1	56.1
Baltic Rim	3.0	1.1	7.6
Scandinavia	3.0	0.0	0.6
Unallocated	-0.4	-0.2	-0.1
Total	20.6	14.0	64.1
Assets			
Finland	1115.9	1020.8	1147.9
Baltic Rim	273.2	191.3	282.7
Scandinavia	235.7	0.0	231.9
Eliminations	-78.5	-33.3	-102.1
Total	1546.3	1178.8	1560.4

EPRA EARNINGS

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

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

Items excluded from the direct result and their tax effects and share of non-controlling interests are presented in the statement of income showing the indirect result.

DIRECT RESULT	1-3/	1-3/	1-12/
Currency unit: EUR million	2014	2013	2013
Net sales	39.7	29.7	126.3
Other operating income	0.1	0.7	1.3
Other operating expenses	-19.1	-16.5	-64.0
Depreciation	-0.9	-0.6	-2.7
Operating profit/loss	19.8	13.3	61.0
Finance income and expenses, total	-5.1	-2.8	-15.0
Result before taxes	14.7	10.5	46.0
Taxes for direct result items	-0.9	-2.1	-4.0
Non-controlling interests	-1.1	-0.4	-1.5
Direct result for the period	12.8	8.0	40.5

TECHNOPOLIS

INDIRECT RESULT			
Non-recurring items	-0.1	0.0	0.4
Change in fair value of investment properties	1.0	3.3	-17.6
Operating profit/loss	0.9	3.4	-17.2
Change in fair value of financial instruments	-3.2	0.4	-6.2
Result before taxes	-2.3	3.7	-23.4
Taxes for indirect result items	-0.1	-0.9	12.9
Non-controlling interests	-1.7	-0.1	-1.2
Indirect result for the period	-4.0	2.8	-11.6
Result for the period to the parent company shareholders, total	8.8	10.8	28.8
Earnings per share, diluted			
From direct result	0.12	0.10	0.47
From indirect result	-0.04	0.03	-0.14
From net result for the period	0.08	0.13	0.34
Effect of the interest expenses from equity related bond	-0.01	0.00	-0.04
From adjusted net result for the period	0.07	0.13	0.30

KEY INDICATORS	1-3/ 2014	1-3/ 2013	1-12/ 2013
Change in net sales, %	33.5	16.8	17.7
Operating profit/loss/net sales, %	52.2	56.0	34.7
Interest coverage ratio	4.6	5.0	5.3
Equity ratio, %	40.1	40.1	40.2
Loan to value, %	58.5	57.5	59.5
Group company personnel during the period, average	198	184	187
Gross expenditure on assets, MEUR	7.4	50.6	466.7
Net rental yield of investment properties, % 2)	7.2	7.2	7.6
Financial occupancy rate, %	94.0	92.2	93.6
Earnings/share			
basic, EUR	0.07	0.13	0.30
diluted, EUR	0.07	0.13	0.30
Cash flows from operating activities/share, EUR	0.16	0.11	0.53
Equity/share, EUR	4.55	4.53	4.66
Average issue-adjusted number of shares			
basic	106 290 842	83 709 282	85 352 432
diluted	106 376 449	84 019 221	85 531 524
Issue-adjusted number of shares at the end of period	106 407 741	83 709 282	106 268 407

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

TECHNOPOLIS

CHANGE IN VALUE OF INVESTMENT PROPERTIES	1-3/ 2014	1-3/ 2013	1-12/ 2013
Change in fair value, Finland	-2.1	-1.6	-5.7
Change in fair value, Baltic Rim	3.9	1.9	3.6
Change in fair value, Scandinavia	-1.2	0.0	1.6
Change in fair value	0.5	0.3	-0.5
Changes in acquisition costs of investment properties in financial year	-1.4	-0.1	-19.7
Changes in fair value of projects in progress	1.8	3.1	2.5
Effect on profit of change in value of investment properties	1.0	3.3	-17.6

CONTINGENT LIABILITIES

Currency unit: EUR million	31.03.2014	31.03.2013	31.12.2013
Pledges and guarantees on own debt			
Mortgages of properties	1057.7	191.1	1051.0
Pledged securities and investment properties	801.4	734.6	782.5
Other guarantee liabilities	194.0	52.1	173.3
Leasing liabilities, machinery and equipment	4.0	3.2	3.9
Project liabilities	0.3	0.2	0.3
Interest rate and currency swaps			
Nominal values	403.6	217.2	400.4
Fair values	-9.1	-8.8	-6.7

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES March 31, 2014

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

	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized purchase price	Financial assets/ liabilities measured at fair value	Total	Level
Non-current financial assets						
Assets measured at fair value						
Available-for-sale investments						
Available-for-sale quoted financial assets		1.1			1.1	Level1
Financial assets recognized at amortized cost						
Available-for-sale financial assets						
Available for sale non-quoted financial assets, measured at acquisition cost		4.6			4.6	Level3
Other non-current receivables	0.3				0.3	
Total	**0.3**	**5.7**			**5.9**	
Current assets						
Trade and other receivables						
Sales receivables	4.0				4.0	
Other current receivables	9.4				9.4	
Cash and cash equivalents	39.3				39.	

				3	
Derivatives					
Interest rate swaps, meeting the criteria for hedge accounting			0.0	0.0	Level2
Total	**52.7**		**0.0**	**52.7**	
Non-current liabilities					
Financial liabilities recognized at amortized cost					
Non-current finance lease liabilities		33.9		33.9	Level2
Non-current interest-bearing liabilities		650.0		650.0	Level2
Non-current non-interest-bearing liabilities		0.5		0.5	Level2
Other non-current liabilities		33.0		33.0	
Total		**717.5**		**717.5**	
Current liabilities					
Financial liabilities at fair value through profit or loss					
Derivatives					
Interest rate swaps, not meeting the criteria for hedge accounting			8.4	8.4	Level2
Financial liabilities recognized at amortized cost					
Current finance lease liabilities		2.6		2.6	
Other current interest-bearing liabilities		163.5		163.5	
Trade and other payables		35.2		35.2	
Conditional additional purchase price		1.9		1.9	
Income tax liability		0.2		0.2	
Total		**203.4**	**8.4**	**211.8**	

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