

Technopolis Group Interim Report January 1 - March 31, 2015**Strong EBITDA Growth Driven by Cost Control and Scale Advantages**

- Net sales rose to EUR 41.2 (39.7) million, up 3.8%
- EBITDA rose to EUR 22.2 (20.6) million, up 7.9%
- The financial occupancy rate was 93.8% (94.0%)
- Earnings per share were EUR 0.06 (0.07), including changes in fair value and unrealized exchange rate gains
- Direct result (EPRA) was EUR 12.7 (12.8) million, down 0.6%
- Direct result per share (EPRA) was EUR 0.12 (0.12)
- Net asset value per share (EPRA) was EUR 4.47 (4.84)

Compared to the first quarter of 2014 Technopolis' EBITDA margin increased from 51.9% to 53.9%. Net result was affected by a Russian ruble hedging cost of EUR 1.2 million.

Key Indicators	1-3/ 2015	1-3/ 2014	1-12/ 2014
Net sales, EUR million	41.2	39.7	161.7
EBITDA, EUR million	22.2	20.6	87.2
Operating profit, EUR million	15.3	20.7	42.9
Net result for the period, EUR million	9.2	11.5	-3.0
Earnings/share EUR	0.06	0.07	-0.15
Cash flow from operations/share, EUR	0.13	0.16	0.63
Equity ratio, %	37.7	40.1	38.5
Equity/share, EUR	4.15	4.55	4.17

EPRA-based Key Indicators	1-3/ 2015	1-3/ 2014	1-12/ 2014
Direct result, EUR million	12.7	12.8	55.9
Direct result/share, EUR	0.12	0.12	0.53
Net asset value/share, EUR	4.47	4.84	4.52
Net rental yield, %	7.8	7.2	7.5
Financial occupancy rate, %	93.8	94.0	94.7

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

Keith Silverang, CEO:

"Operationally the first quarter of 2015 was solid. Net sales grew almost 4% over 2014 with EBITDA growing almost 8% for the same period, indicating that our cost-effectiveness continues to improve.

The moderate growth we are seeing is a result of successful sales and growth project work in 2014. Last year we commissioned Löötsa 8A in Tallinn and Pulkovo 2 in St. Petersburg. The financial occupancy rates of these buildings are now almost 100%. Filling up Pulkovo 2 is a clear sign of our concept's strength in the St. Petersburg office real estate market. The Group's occupancy overall held up well.

We have made a conscious decision to safeguard long-term occupancy and customer satisfaction in the domestic market by investing in the quality and flexibility of our campuses. This will require an ongoing investment program that will have a negative impact on domestic fair values over the next couple of years. In the first quarter the fair value of investment properties came down EUR 5.9 million which was caused mainly by domestic renovations and modernization reservations.

In the beginning of the year we focused on customer satisfaction and sales. The results of the first quarter

surveys show that our customer satisfaction performance has been improving during the period. We have also learned that our measurement system is among the best in our field.

The currency-related problems we experienced at the end of last year have alleviated to some extent in the beginning of 2015 with the strengthening of the Ruble. In February we also reduced Ruble exposure by repaying EUR 17 million of the company's euro denominated EBRD loan. With only about EUR 22 million left of the loan, both the transaction risks and liabilities have declined.

On April 2 we sold 40% of our Kuopio business unit at fair value to a local investor KPY Sijoitus Oy. The deal brought us EUR 50 million in cash and a strong local partner. We can now recirculate this capital into new investments and use it to service or replace existing debt. Our view is that the Kuopio deal is an indication of increasing activity in the domestic transaction market, also in secondary regions.

It's still too early to predict how 2015 will turn out, but with occupancies in the high nineties in our international campuses and domestic occupancies holding up well we had a good start for the year."

Economic Environment

The weak Russian economy resulting from sanctions and falling oil prices has impacted many of the economies Technopolis operates in. Since the second half of 2014 the currency market has been very volatile. Until recently, the Norwegian crown and Russian ruble have weakened against all major currencies, and the euro has weakened against US dollar. The U.S. economic recovery in combination with a weaker euro has boosted prospects for European exporters, but European growth remains, on the whole, sluggish.

Finland	2013	2014	2015e
Gross Domestic Production, change y/y, %	-1.33	-0.13	0.50
Consumer Price Index, change y/y, %	1.48	1.04	0.30
Unemployment rate, %	8.19	8.66	8.70

Source: Bloomberg

Finnish GDP has been negative since 2012, but the country is expected to return to slight growth in 2015. The economy is expected to be boosted by the weak euro, low oil prices and the European Central Bank's open-handed monetary policy. The Helsinki Metropolitan and Tampere office markets are the most robust in the country, but competition has increased.

Norway	2013	2014	2015e
Gross Domestic Production, change y/y, %	0.78	2.25	1.60
Consumer Price Index, change y/y, %	2.13	2.03	2.30
Unemployment rate, %	3.50	3.53	3.90

Source: Bloomberg

Falling oil prices have impacted Norway's economy, which is expected to reduce investment in the oil industry in the short-term. On the other hand postponed investment decisions are slowing wage inflation. The Oslo office market has been fairly stable, with CBD and the western fringe demonstrating the most resilience.

Estonia	2013	2014	2015e
Gross Domestic Production, change y/y, %	1.6	1.8	2.0
Consumer Price Index, change y/y, %	2.8	0.1	-0.5
Unemployment rate, %	8.6	7.3	7.2

Source: Nordea, Economic Outlook, March 2015

Despite geopolitical risks Estonian economic growth is expected to remain robust. Estonia has been able to replace its primarily commodity-based exports to Russia with increased exports to EU countries. Tallinn dominates the Estonian office market and remains remarkably dynamic, with significant amounts of modern office space being built and absorbed over the last several years. This trend is expected to continue as demand

has remained strong despite increasing supply.

Russia	2013	2014	2015e
Gross Domestic Production, change y/y, %	1.30	0.60	-4.05
Consumer Price Index, change y/y, %	6.78	7.82	15.10
Unemployment rate, %	5.50	5.16	6.45

Source: Bloomberg

Decline in raw material prices in combination with sanctions have, and will continue to have, a negative impact on the Russian economy. The heaviest impact is coming from falling investments caused by the withdrawal of international investors, the unstable ruble and high interest rates. St. Petersburg has seen a significant increase in office supply over the last several years and there is now pressure on the market as demand declines relative to supply.

Lithuania	2013	2014	2015e
Gross Domestic Production, change y/y, %	3.3	2.6	2.8
Consumer Price Index, change y/y, %	1.0	0.1	1.2
Unemployment rate, %	11.9	10.7	10.0

Source: Nordea, Economic Outlook, March 2015

Lithuania joined the euro in January 2015 and it is the fourth best country in Eurozone measured by the public fiscal balance. This gives Lithuania an opportunity to employ a more expansive economic policy. Russian economic sanctions are impacting logistics, dairy production and tourism, but increasing wages, falling unemployment and a decline in consumer prices are stimulating domestic demand. In Vilnius demand for modern office is very strong, driven by international companies setting up and expanding back office operations in the city at a brisk pace. High absorption in combination with relatively brisk GDP growth is expected to maintain this trend for the time being.

Business Segments

Technopolis has three business segments with a total rentable area of 744,600 m² (738,000 m²). Almost 90% of its rental agreements are consumer price index (CPI) linked.

Finland	1-3/2015	1-3/2014	Change, %	1-12/2014
Number of campuses	16	17	-5.9	16
Rentable space, m ²	542,000	547,900	-1.1	543,200
Average rent, EUR/m ²	17.08	16.49	3.6	16.79
Financial occupancy rate, %	92.2	93.0	-0.8pp	93.7
Net rental income, EUR million	26.3	25.6	2.6	103.3
Net sales, EUR million	30.4	29.2	4.1	118.6
EBITDA, EUR million	16.0	15.0	6.7	62.6
Market yield requirement, average, %	7.9	7.9	-	7.9
Fair value of investment properties, EUR million	958.8	978.9	-2.1	951.9

Technopolis' rentable space declined 1.1% due to the sale of a 22,000 m² campus in Oulu. Rents rose 3.6% which was above the CPI of 1%. The company's occupancy rates declined slightly, but were still clearly above the market rates in each of our domestic territories.

In Finland growth has centered on the Helsinki Metropolitan Area (HMA), Tampere and Kuopio. Rental levels are stable in all areas, but competition in HMA is intense. Office market occupancy rates in HMA were at 87.5%, Oulu at 87.2% and Tampere at 89.3% (Catella: Market Review, Spring 2015).

Baltic Rim	1-3/2015	1-3/2014	Change, %	1-12/2014
Number of campuses	3	3	-	3
Rentable space, m ²	139,100	127,400	9.2	135,800
Average rent, EUR/m ²	14.26	14.57	-2.1	14.00
Financial occupancy rate, %	99.7	97.7	2.0pp	98.4
Net rental income, EUR million	6.0	5.7	6.1	23.6
Net sales, EUR million	6.3	5.9	7.4	24.9
EBITDA, EUR million	3.3	3.0	8.6	13.4
Market yield requirement, average, %	8.9	8.9	-	8.7
Fair value of investment properties, EUR million	242.3	230.2	5.2	224.7

The Baltic Rim segment has three cities in three countries: Tallinn in Estonia, Vilnius in Lithuania and St. Petersburg in Russia. The company's rentable space increased by 9.2% due to the completions of Lõõtsa 8A in Tallinn and Pulkovo 2 in St. Petersburg. Increasing space boosted net sales and EBITDA. Average rents were negatively impacted by the depreciation of the Russian ruble. In rubles Technopolis' rents rose 23.4% in St. Petersburg compared to the same period last year. The occupancy rate in Baltic Rim segment improved from the last year by 2.0 percentage points.

Market demand in the Tallinn office market was good and the average vacancy rate for A-class office space was at 4.5% with rent levels stable (Colliers: Baltic States - Real Estate Market Overview, 2015). The Vilnius office market had very low vacancy with A-class office vacancy at 0.6%. Rents for A-class space rose 4.8% year-on-year. (Colliers: Baltic States - Real Estate Market Overview, 2015) In St. Petersburg the overall vacancy rate was at 11.8%. Rental levels were rising at around 1% in rubles (Colliers: St. Petersburg Commercial and Residential Real Estate, 2015).

Scandinavia	1-3/2015	1-3/2014	Change, %	1-12/2014
Number of campuses	1	1	-	1
Rentable space, m ²	63,500	62,700	1.3	63,000
Average rent, EUR/m ²	22.61	24.43	-7.4	22.03
Financial occupancy rate, %	96.2	95.8	0.4pp	95.6
Net rental income, EUR million	4.4	4.4	-1.1	18.0
Net sales, EUR million	4.5	4.6	-3.2	18.2
EBITDA, EUR million	2.3	3.0	-22.0	12.0
Market yield requirement, average, %	6.3	6.5	-0.2pp	6.4
Fair value of investment properties, EUR million	209.9	218.6	-4.0	201.8

Scandinavia includes only the company's Oslo IT Fornebu campus. The campus' rentable space increased due to newly renovated space becoming available. Euro-denominated rents per m² fell 7.4% of which 5.3% was related to the depreciation of the Norwegian crown. The rest was mainly attributable to change in rentable space. The campus' financial occupancy rate improved by 0.4 percentage points to 96.2%.

The occupancy rate of the overall Oslo office market was 92%. In the Fornebu district the vacancy rate was roughly 10%. Outside the CBD rental levels are expected to decline moderately (Akershus Eiendom, Norwegian Property Market, Spring 2015).

Financial Performance

The Group's net rental revenue amounted to 36.3 (35.7) million, an increase of 2.7% compared to the corresponding period in 2014. The growth was mainly due to an increase of 0.9% in rentable space and index increases in rents. Service revenue amounted to EUR 4.6 (4.0) million, an increase of 13.9%. Depending on the campus, service operations are expected to reach their net sales target within 1-3 years from the initial ramp-up. The Group's net sales in total reached 41.2 (39.7) million, an increase of 3.8%.

Property maintenance expenses decreased to EUR 10.1 (10.9) million, or -7.9%. The Group's administrative expenses were EUR 3.9 (3.7) million, up 5.0%. Other operating expenses increased to EUR 5.0 (4.5) million.

The Group's EBITDA was EUR 22.2 (20.6) million, an increase of 7.9%. EBITDA margin was at 53.9% (51.9%).

Changes of EUR -5.9 (1.0) million in the fair value of investment properties had a negative effect on operating profit. Changes in fair values derived from the following:

EUR million	Change in net yield requirement	Change in occupancy rate assumption	Modernization	Projects in progress	Total
Finland	-2.8	0.1	-7.0	-1.1	-10.8
Baltic Rim	-0.2	0.0	0.1	5.0	4.9
Scandinavia	2.3	2.2	-4.5	0.0	0.0
Total	-0.7	2.3	-11.4	3.9	-5.9

The Group's operating profit was EUR 15.3 (20.7) million. It was negatively impacted by changes in fair value.

The Group had EUR 2.1 (-3.2) million in unrealized exchange rate gains. Financial expenses were negatively affected by a non-recurring Russian ruble hedging cost of EUR 1.2 million. The cost increased financial expenses to 7.2 (5.1) million, an increase of 41.8%. Pre-tax profits totaled EUR 10.2 (12.5) million. The net result for the period was EUR 9.2 (11.5) million.

The EPRA-based direct result, which includes only operational items, amounted to EUR 12.7 (12.8) million, a decrease of 0.6%. Earnings per share stayed stable at EUR 0.12 (0.12). Financial income and expenses were EUR -5.8 (-5.1) million. Operational taxes were EUR -1.5 (-0.9) million.

Customers and Lease Stock

Technopolis has a total of approximately 1,700 customers, and roughly 47,000 people work in Technopolis facilities. The twenty largest customers leased approximately 29.7% of the rented space on March 31, 2015.

Lease stock, % of space	March 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	March 31, 2014
Maturity, years					
< 1	21	17	17	14	17
1-3	22	23	25	24	21
3-5	10	12	12	9	12
> 5	22	22	21	24	22
Open-ended leases	25	26	25	28	28
Average lease term in months	38	39	40	40	37
Lease stock, EUR million	452.2	455.9	463.5	468.2	478.6

Investments

The investment projects in progress during the reporting period, their rentable areas and estimated costs on March 31, 2015 are as follows:

Area	Name	Pre-let rate, %	m ²	EUR million	Stabilized yield, % *)	Completion
Tallinn	Löötsa 5	39.5	9,200	17.0**)	8.8	09/2015
Vantaa	G-Building	56.9	5,300	18.3	8.0	09/2015
Tampere	Yliopistorinne 3-4	28.9	11,900	39.0	7.2	03/2016

*) Stabilized yield = estimated net operating income / cost

***) Technopolis' share 51%

Financing

The Group's balance sheet total was EUR 1,532.1 (1,546.3) million, with liabilities accounting for EUR 957.3 (929.3) million. The Group's equity per share was EUR 4.15 (4.55) its equity ratio was 37.7% (40.1%) and its loan-to-value ratio was 59.1% (58.5%). At the period-end, the Group's net gearing was 143.4% (131.4%) and its

interest coverage ratio was 5.5 (4.6).

The Group's interest-bearing liabilities amounted to EUR 852.4 (850.1) million and the average capital-weighted loan maturity was 6.1 (6.8) years at the end of the period. The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.35% (2.52)%.

At the end of the period, 38.9% (49.7%) of the Group's interest-bearing liabilities were floating-rate loans and 61.1% (50.3%) were fixed-rate loans with maturities of 13–60 months. Of all interest-bearing liabilities, 2.3% (2.4%) were pegged to the under-3-month Euribor rate and 36.6% (47.3%) to Euribor rates from 3 to 12 months. The Group's interest fixing period was 2.7 (2.2) years at the end of the period. At the end of the reporting period, interest rate swaps covered EUR 498.4 (395.1) million of principal. The hedging ratio for interest-bearing liabilities was 58.5% (46.5%) and the average hedging period was 5.3 (5.2) years. A one percentage point change in market rates would cause a EUR 2.1 (3.0) million change in interest costs per annum.

At the end of the reporting period, Technopolis had EUR 135.3 (112.1) million in untapped credit facilities, and cash reserves amounting to EUR 29.3 (39.3) million. The credit facilities contained a EUR 128.6 (87.0) million credit line and a EUR 6.7 (25.1) million revolving credit facility. In addition, the company has a EUR 150.0 (150.0) million commercial paper program, of which EUR 76.5 (47.5) million was outstanding at the end of the reporting period.

During the 12-month period following the reporting period, EUR 166.9 (166.4) million in existing interest-bearing loans will mature.

The company's five largest creditors at the end of the period were the European Investment Bank, Nordea, OP-Pohjola Group, Skandinaviska Enskilda Banken and Swedbank, whose total lending to Technopolis amounted to EUR 613.8 million.

Technopolis had interest-bearing liabilities with covenants worth EUR 623.0 (655.0) million, with loans in the amount of EUR 369.3 (369.6) million including equity ratio-linked covenants. Of these loans, EUR 303.6 (215.4) million include a call provision. If the equity ratio falls below 33%, EUR 85.3 million of the loan principal could be called in. If the equity ratio falls below 30%, the amount could increase by EUR 218.3 million. The principal of EUR 154.8 (168.6) 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 (0.8) million per annum.

Organization and Personnel

The CEO of Technopolis is Keith Silverang and the deputy-CEO is Reijo Tauriainen.

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

The Technopolis line organization consists of three geographical units: Finland, the Baltic Rim, and Scandinavia. The Group organization also has matrix to support development, services, marketing, and support services.

During the period, the Group employed an average of 221 (198) people. The increase in personnel is attributable to acquisitions and organic growth. On average rental operations employed 83 people, service operations 89 people and Group administration 49 people. The allocation of the personnel was changed during the first quarter of 2015. The number of personnel at the period end was 227 (200).

Corporate Responsibility

The company's key focus areas of responsibility include reducing carbon dioxide emissions, energy consumption, water use and amount of waste, increasing sorting and recycling, improving profitability, and the competence and satisfaction of personnel. The objective of Technopolis' sustainability strategy is to decrease

consumption in like-for-like properties and emissions generated by these properties by 2016 from the baseline year 2011.

	1-3/2015	1-3/2011	Change, %	Target 2016
Energy consumption, kWh/m ²	74.5	81.5	-8.6	-10%
Water consumption, m ³ /person	0.94	1.30	-28.3	-8%
CO ₂ emissions, CO ₂ e kg/sqm	14.5	25.5	-43.1	-50%

Measures such as property energy audits, use-related technical adjustments, and facility maintenance target setting designed to support energy efficiency have improved eco-efficiency and thereby reduced energy and water consumption in properties. Mild weather in the beginning of the year has enabled saving energy especially in Estonia and Russia. Similarly, changes in tenants, space efficiency, occupancy rates and space use type, for instance the use of space as a data center, affect consumption. In addition to eco-efficiency measures, the increase in the number of users has supported water usage reduction per person. Reductions in emissions are primarily achieved with energy savings and the use of green electricity in all campuses in Finland. More information from: [Technopolis' Corporate Social Responsibility](#)

Strategic Financial Targets

The financial targets for 2015–2017 are as follows:

- average annual growth in net sales and EBITDA of 15%
- at least a 6% return on capital employed per annum excluding fair value changes
- equity ratio at least 35% over the cycle

	2012	2013	2014	Q1/2015
Net sales growth, y/y, %	15.6	17.7	28.0	3.8
EBITDA growth, y/y, %	17.3	15.0	35.9	7.9
ROCE, %	5.5	4.4	6.6	-
Equity ratio, %	36.2	40.2	38.5	37.7

Technopolis is actively seeking both organic and inorganic growth opportunities in the Nordic countries and in the Baltic Rim.

Evaluation of Operational Risks and Uncertainties

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

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

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

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

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

transaction involved.

In accordance with its foreign exchange hedging policy, the company does not hedge balance sheet items. Instead, it hedges part of the transaction risk affecting cash flows in foreign currencies. The Group's Russian and Norwegian subsidiaries generate its foreign currency-related effects. Any translation differences from investments made in Russian rubles (RUB) or Norwegian krone (NOK) are recorded in the income statement. In addition, unrealized financial income and expenses arising from the translation of the euro-denominated portion of the Russian subsidiary's borrowings are entered in the income statement.

The exchange rates used in the 2015 first quarter for operations were 8.73 for the Norwegian krone and 71.09 for the Russian ruble. The euro exchange rates used in the balance sheet were 8.70 for the Norwegian krone and 62.44 for the Russian ruble.

The direct impact of changes in exchange rates on the Group's operating profit, balance sheet and equity ratio as of March 31, 2015:

Euro % change against the foreign currency	Income statement effect	Translation difference effect	Total effect on the Group's equity
RUB -10	-2.0	-4.6	-6.6
RUB +10	2.4	5.7	8.1
NOK -10		-8.3	-8.3
NOK +10		10.2	10.2

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

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

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

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

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

Group Structure

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

General Meetings of Shareholders 2015

The Annual General Meeting (AGM) of Technopolis Plc was held in Espoo on 27 March 2015.

Decisions of the Annual General Meeting of Technopolis Plc

Financial Statements and Dividend

The AGM 2015 adopted the Group and parent company's financial statements for the fiscal year 2014 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 0.15 per share. The dividend was paid to shareholders who were registered by Euroclear Finland Ltd on the record date of March 31, 2015. The dividend payment date was April 9, 2015.

Election and Remuneration of the Members of the Board of Directors

The number of members of the Board of Directors was confirmed at six. Carl-Johan Granvik, Jorma Haapamäki, Pekka Korhonen, Pekka Ojanpää, Reima Rytsölä and Annica Ånäs were elected members of the Board of Directors 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 of the Board of Directors.

It was resolved to pay the members of the Board of Directors annual remuneration as follows: EUR 55,000 to the Chairman of the Board, EUR 31,500 to the Vice Chairman of the Board and EUR 26,250 to each of the other members of the Board. For participation in the 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. Each member of a committee of the Board of Directors shall be paid a fee of EUR 600 and the chairmen of the committees a fee of EUR 800 for each committee meeting. Each member of the Board of Directors whose place of residence is outside of Finland shall be paid a fee of EUR 900 and the Chairman of the Board of Directors a fee of EUR 1,800 for each Board meeting, and each member of a committee a fee of EUR 900 and the chairmen of the committees a fee of EUR 1,200 for each committee meeting, provided that the member of the Board of Directors is physically present at the meeting venue. 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 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 1 January – 31 March, 2015. If the shares cannot be acquired due to insider regulations in that time period, the shares shall be acquired outright once it is possible in accordance with the insider regulations in force at that time. Board members are not allowed to transfer any 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 and HR committee from among its members. The Audit Committee consists of Reima Rytsölä (Chair), Pekka Ojanpää and Annica Ånäs. The Remuneration and HR committee consists of Carl-Johan Granvik (Chair), Jorma Haapamäki and Pekka Korhonen. The Board of Directors' view is that all of the Board members are independent of the company and significant shareholders, with the exception of Reima Rytsölä.

Election and Remuneration of the Auditor

KPMG Oy Ab, authorized public accountants, was re-elected auditor of the company. Ari Eskelinen, APA, will act as the responsible auditor. The remuneration to the auditor shall be paid against the auditor's reasonable invoice.

Board Authorizations

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

The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 10,650,000 shares, which corresponds to approximately 10% of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization. The company's own shares can be repurchased at the price prevailing in public trading on the date of the repurchase or otherwise at the price prevailing on the market. The Board of Directors decides how the company's own shares will be repurchased and/or accepted as pledge. They can be repurchased using, inter alia, derivatives. They can also 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 30 June, 2016.

The AGM authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act as follows.

The amount of shares to be issued shall not exceed 10,650,000 shares, which corresponds to approximately 10% of all the shares in the company. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling the holder to shares. The issuance of shares and of special rights entitling the holder to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization is effective until the end of the next Annual General Meeting; however, no later than 30 June, 2016.

Stock-Related Events and Disclosures of Changes in Holdings

January 2 – March 27, 2015 the company continued its share buy-back program. On March 27 the company held 722,284 of its own shares.

On February 23, 2015 Technopolis received a flagging announcement. According to the flagging notification, the total ownership of shares in Technopolis Plc held by BNP Paribas Investment Partners SA (BNP) has increased to 5,426,317 thus totaling 5.09 per cent of all shares in Technopolis Plc.

On March 30, 2015 a total of 880 shares of Technopolis Plc stock were returned in accordance with Terms and Conditions of the company's 2010–2012 performance share plan. After the return, Technopolis Plc held a total of 723,164 of its own shares.

Unused Board Authorizations

The Board of Directors was authorized by the Annual General Meeting of 2015 to decide on 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 these authorizations.

Post-Fiscal Events

On April 2, 2015 Technopolis Plc announced the sale of 4.0% of its Kuopio-based business unit to KPY Sijointus Oy for EUR 50 million in cash.

Future Outlook

Technopolis has forecasted that its net sales and EBITDA in 2015 will be at the same level or slightly higher than in 2014. In 2014 net sales were EUR 161.7 million and EBITDA EUR 87.2 million.

The Group's financial performance depends on exchange rates, 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. Exchange rate volatility makes forecasting challenging.

Helsinki, May 6, 2015

Technopolis Plc

Board of Directors

Additional information:

Keith Silverang

CEO

tel. +358 40 566 7785

Tables

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

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

The figures are unaudited.

Technopolis Group:

CONSOLIDATED INCOME STATEMENT	1-3/ 2015	1-3/ 2014	1-12/ 2014
Currency unit: EUR million			
Rent income	36.6	35.7	144.8
Service income	4.6	4.0	16.9
Net sales total	41.2	39.7	161.7
Other operating income	0.0	0.1	0.5
Premises expenses	-10.1	-10.9	-41.2
Administration costs 1)	-3.9	-3.7	-13.8
Other operating expenses	-5.0	-4.5	-20.0
Change in fair value of investment properties	-5.9	1.0	-40.5
Depreciation	-1.1	-0.9	-3.8
Operating profit/loss	15.3	20.7	42.9
Unrealized exchange rate profit/loss	2.1	-3.2	-22.1
Finance income and expenses	-7.2	-5.1	-20.2
Result before taxes	10.2	12.5	0.6
Deferred taxes	1.1	0.0	1.2
Current taxes	-2.1	-1.0	-4.8
Net result for the period	9.2	11.5	-3.0
Distribution:			
To parent company shareholders	7.9	8.8	-11.7
To non-controlling shareholders	1.4	2.7	8.8
	9.2	11.5	-3.0

Earnings per share, basic, EUR	0.06	0.07	-0.15
Earnings per share, diluted, EUR	0.06	0.07	-0.15

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	9.2	11.5	-3.0
Other comprehensive income items			
Items that may be reclassified subsequently to profit or loss:			
Translation difference	12.0	-1.8	-20.6
Available-for-sale financial assets	0.0	0.0	0.0
Derivatives	0.2	-2.8	-10.8
Taxes related to other comprehensive income items	-0.1	0.4	2.5
Other comprehensive income items after taxes for the period	12.1	-4.2	-29.0
Comprehensive income for the period, total	21.3	7.3	-32.0
Distribution:			
To parent company shareholders	18.3	4.1	-36.6
To non-controlling shareholders	3.0	3.3	4.6
	21.3	7.3	-32.0

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	31.03.2015	31.03.2014	31.12.2014
Non-current assets			
Intangible assets	6.6	6.1	6.8
Tangible assets	12.7	22.2	19.6
Completed investment properties	1,410.9	1,427.7	1,378.4
Investment properties under construction	26.2	9.8	26.5
Investments	10.8	11.9	10.8
Deferred tax assets	19.5	15.9	17.8
Non-current assets	1,486.7	1,493.6	1,459.7
Current assets	45.4	52.7	43.2
Assets, total	1,532.1	1,546.3	1,502.9

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	31.03.2015	31.03.2014	31.12.2014
Shareholders' equity			
Share capital	96.9	96.9	96.9
Premium fund	18.6	18.6	18.6
Equity related bond	74.2	74.2	74.2
Other funds	204.5	209.7	204.5
Translation difference	-9.8	-5.7	-20.3
Retained earnings	120.8	156.1	153.9
Net profit for the period	7.9	8.8	-11.7
Parent company's shareholders' interests	513.0	558.5	516.1
Non-controlling interests	61.8	58.5	59.5
Shareholders' equity, total	574.8	617.0	575.6

Liabilities

Non-current liabilities			
Interest-bearing liabilities	685.5	684.0	659.7
Non-interest-bearing liabilities	0.6	0.5	0.7
Deferred tax liabilities	34.5	33.0	34.7
Non-current liabilities, total	720.7	717.5	695.1
Current liabilities			
Interest-bearing liabilities	166.9	166.1	182.2
Non-interest-bearing liabilities	69.8	45.7	50.0
Current liabilities, total	236.6	211.8	232.3
Liabilities, total	957.3	929.3	927.3
Shareholders' equity and liabilities, total	1,532.1	1,546.3	1,502.9

1) Administration costs include group expenses from key resources and administration.

STATEMENT OF CHANGES IN EQUITY

Currency unit: EUR million

Equity attributable to owners of the parent

	Share capital	Premium fund	Other reserves	Translation differences	Own shares	Retained earnings	Share of non-controlling interests	Total shareholders' equity
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 equity 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
Equity January 1, 2015	96.9	18.6	278.7	-20.3	-1.6	143.8	59.5	575.6
Comprehensive income								
Net profit for the period						7.9	1.4	9.2
Other comprehensive income items								
Translation difference				10.5		0.0	1.5	12.0
Derivatives			0.0				0.1	0.1
Available-for-sale financial assets			0.0					0.0
Comprehensive income for the period			0.0	10.5		7.9	3.0	21.3
Related party transactions								
Dividend						-15.9	-0.7	-16.6
Acquisition of own shares					-1.1			-1.1
Interest paid to equity related bond						-4.5		-4.5
Other changes			0.0			0.1	0.0	0.1

Related party transactions			0.0	-1.1	-20.3	-0.7	-22.1	
Equity March 31, 2015	96.9	18.6	278.7	-9.8	-2.7	131.4	61.8	574.8

STATEMENT OF CASH FLOWS			1-3/	1-3/	1-12/
Currency unit: EUR million			2015	2014	2014
Cash flows from operating activities					
Net result for the period			9.2	11.5	-3.0
Adjustments:					
Change in fair value of investment properties			5.9	-1.0	40.5
Depreciation			1.1	0.9	3.8
Share of profits of associates			0.0	0.0	0.0
Gains from disposals			0.0		0.1
Other adjustments for non-cash transactions			-2.0	0.3	0.5
Financial income and expenses			7.1	8.3	42.2
Taxes			1.0	1.0	3.6
Increase / decrease in working capital			0.3	2.4	1.8
Interests received			0.0	0.1	0.3
Dividends received			0.0		0.0
Interests paid and fees			-3.9	-4.0	-15.5
Other financial items in operating activities			-3.7	-1.6	-5.2
Taxes paid			-0.8	-0.5	-2.6
Net cash provided by operating activities			14.3	17.2	66.6
Cash flows from investing activities					
Investments in investment properties				-10.0	-53.2
Investments in tangible and intangible assets			-12.2	-0.2	-11.1
Investments in other securities			0.0		
Granted loans					
Repayments of loan receivables				0.3	1.3
Proceeds from sale of investments				0.1	0.9
Proceeds from sale of tangible and intangible assets			0.0	0.0	6.7
Acquisition of subsidiaries				-1.9	-4.6
Proceeds from sale of associates					
Acquisition of associates					
Net cash used in investing activities			-12.2	-11.7	-60.1
Cash flows from financing activities					
Issue of hybrid bond					
Increase in long-term loans			47.5	26.1	83.0
Decrease in long-term loans			-62.7	-31.5	-94.8
Dividends paid			-5.6		-11.1
Paid share issue				0.2	0.3
Acquisition of own shares			-1.1		-1.6
Capital investment by the minority					
Hybrid bond interest paid				-5.6	-5.6
Acquisition of subsidiaries, no change in command				-0.4	-0.4
Change in short-term loans			18.7	-8.9	1.4
Net cash provided by financing activities			-3.2	-20.1	-28.8
Net increase/decrease in cash assets			-1.2	-14.5	-22.3
Effects of exchange rate fluctuations on cash held			2.3	-0.2	-3.5
Cash and cash equivalents at period-start			28.3	54.1	54.1
Cash and cash equivalents at period-end			29.3	39.3	28.3

FINANCIAL INFORMATION BY SEGMENTS

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

SEGMENT INFORMATION

	1-3/ 2015	1-3/ 2014	1-12/ 2014
Currency unit: EUR million			
Net sales			
Finland	30.3	29.2	118.6
Baltic Rim	6.3	5.9	24.9
Scandinavia	4.5	4.6	18.2
Total	41.2	39.7	161.7
EBITDA			
Finland	16.0	15.0	62.6
Baltic Rim	3.3	3.0	13.4
Scandinavia	2.3	3.0	12.0
Unallocated	0.6	-0.4	-0.8
Total	22.2	20.6	87.2
Assets			
Finland	1,060.5	1,115.9	1,060.2
Baltic Rim	281.1	273.2	257.2
Scandinavia	229.0	235.7	220.8
Eliminations	-38.5	-78.5	-35.3
Total	1,532.1	1,546.3	1,502.9

EPRA EARNINGS

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

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

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

DIRECT RESULT	1-3/ 2015	1-3/ 2014	1-12/ 2014
Currency unit: EUR million			
Net sales	41.2	39.7	161.7
Other operating income	0.0	0.1	0.3
Other operating expenses	-19.0	-19.1	-74.7
Depreciation	-1.1	-0.9	-3.8
Operating profit/loss	21.1	19.8	83.5
Finance income and expenses, total	-5.8	-5.1	-20.2
Result before taxes	15.3	14.7	63.3
Taxes for direct result items	-1.5	-0.9	-3.9
Non-controlling interests	-1.1	-1.1	-3.5
Direct result for the period	12.7	12.8	55.9

INDIRECT RESULT			
Non-recurring items	0.0	-0.1	-0.1
Change in fair value of investment properties	-5.9	1.0	-40.5
Operating profit/loss	-5.9	0.9	-40.6
Unrealized exchange rate profit/loss	0.8	-3.2	-22.1
Result before taxes	-5.1	-2.3	-62.7
Taxes for indirect result items	0.5	-0.1	0.3
Non-controlling interests	-0.2	-1.7	-5.2
Indirect result for the period	-4.8	-4.0	-67.6
Result for the period to the parent company shareholders, total	7.9	8.8	-11.7
Earnings per share, diluted			
From direct result	0.12	0.12	0.53
From indirect result	-0.05	-0.04	-0.64
From net result for the period	0.07	0.08	-0.11
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.04
From adjusted net result for the period	0.06	0.07	-0.15
KEY INDICATORS	1-3/ 2015	1-3/ 2014	1-12/ 2014
Change in net sales, %	3.8	33.5	28.0
Operating profit/loss/net sales, %	37.1	52.2	26.5
Interest coverage ratio	5.5	4.6	4.8
Equity ratio, %	37.7	40.1	38.5
Loan to value, %	59.1	58.5	59.7
Group company personnel during the period, average	221	198	214
Gross expenditure on assets, MEUR	32.7	7.4	69.1
Net rental yield of investment properties, % 2)	7.8	7.2	7.5
Financial occupancy rate, %	93.8	94.0	94.7
Earnings/share			
basic, EUR	0.06	0.07	-0.15
diluted, EUR	0.06	0.07	-0.15
Cash flows from operating activities/share, EUR	0.13	0.16	0.63
Equity/share, EUR	4.15	4.55	4.17
Average issue-adjusted number of shares 3)			
basic	105,788,468	106,290,842	106,015,829
diluted	105,788,468	106,376,449	106,015,829
Issue-adjusted number of shares at the end of period	105,788,468	106,407,741	106,083,079

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

3) Own shares held by the company are excluded from the number of shares.

	1-3/ 2015	1-3/ 2014	1-12/ 2014
CHANGE IN VALUE OF INVESTMENT PROPERTIES			
Change in fair value, Finland	-6.3	-2.1	-25.1
Change in fair value, Baltic Rim	1.6	3.9	4.9
Change in fair value, Scandinavia	0.3	-1.2	1.1
Change in fair value	-4.4	0.5	-19.1
Changes in acquisition costs of investment properties in financial year	-5.3	-1.4	-23.5
Changes in fair value of projects in progress	3.9	1.8	2.0
Effect on profit of change in value of investment properties	-5.9	1.0	-40.5

CONTINGENT LIABILITIES			
Currency unit: EUR million			
	31.03.2015	31.03.2014	31.12.2014
Pledges and guarantees on own debt			
Mortgages of properties	1,036.2	1,057.7	1,009.5
Pledged securities and investment properties	773.9	801.4	758.5
Pledges for land lease payments	3.6	3.6	3.6
Other guarantee liabilities	112.5	194.0	133.8
Leasing liabilities, machinery and equipment			
Project liabilities	4.9	4.0	4.8
	0.2	0.3	0.3
Interest rate and currency swaps			
Nominal values	498.4	403.6	482.9
Fair values	-17.1	-9.1	-17.1

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES March 31, 2015

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

	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized purchase price	Financial assets/ liabilities measured at fair value	Total
Non-current financial assets					
Assets measured at fair value					
Available-for-sale investments					
Available-for-sale quoted financial assets (level 1)		1.1			1.1
Available for sale non-quoted financial assets (level 3)		3.7			3.7
Other non-current receivables	0.1				0.1
Total	0.1	4.8			4.8
Current assets					
Trade and other receivables					
Sales receivables	4.3				4.3
Other current receivables	11.8				11.8
Cash and cash equivalents	29.3				29.3
Derivatives					
Interest rate swaps (level 2)				0.0	0.0
Total	45.4			0.0	45.4

Non-current liabilities

Financial liabilities recognized at amortized cost

Non-current finance lease liabilities (level 2)	32.6		32.6
Non-current interest-bearing liabilities (level 2)	652.9		652.9
Non-current non-interest-bearing liabilities (level 2)	0.6		0.6
Other non-current liabilities	34.5		34.5
Total	720.7		720.7

Current liabilities

Financial liabilities at fair value through profit or loss

Derivatives (level 2)

Interest rate swaps, not meeting the criteria for hedge accounting		17.1	17.1
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Financial liabilities recognized at amortized cost

Current finance lease liabilities	2.8		2.8
Other current interest-bearing liabilities	164.0		164.0
Trade and other payables	52.3		52.3
Conditional additional purchase price	0.0		0.0
Income tax liability	0.4		0.4
Total	219.5	17.1	236.6