

Technopolis Group Interim Report January 1 – June 30, 2015

Operational Performance Increased by Non-recurring Income of EUR 5.4 Million

- Net sales rose to EUR 89.1 (80.0) million, up 11.3%
- EBITDA rose to EUR 50.2 (42.6) million, up 17.8%
- The financial occupancy rate was 94.1% (93.5%)
- Earnings per share were EUR 0.17 (0.08)
- Direct result (EPRA) was EUR 27.3 (25.0) million, up 9.2%
- Direct result per share (EPRA) was EUR 0.26 (0.24)
- Net asset value per share (EPRA) was EUR 4.59 (4.86)

Compared to the first half of 2014, Technopolis' EBITDA margin increased from 53.3% to 56.4%. Net sales and EBITDA were increased by a non-recurring income of EUR 5.4 million that correlates to two early termination agreements with customers in Oulu. Excluding non-recurring income net sales growth was 4.4% and EBITDA 5.1%. The non-recurring income affects all Group and Finnish segment financials.

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales, EUR million	47.9	40.4	89.1	80.0	161.7
EBITDA, EUR million	28.0	22.0	50.2	42.6	87.2
Operating profit, EUR million	23.4	9.7	38.7	30.4	42.9
Net result for the period, EUR million	11.7	5.4	20.9	16.9	-3.0
Earnings/share EUR	0.11	0.01	0.17	0.08	-0.15
Cash flow from operations/share, EUR			0.28	0.32	0.63
Equity ratio, %			37.9	40.6	38.5
Equity/share, EUR			4.28	4.56	4.17
	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Direct result, EUR million	14.7	12.3	27.3	25.0	55.9
Direct result/share, diluted, EUR	0.14	0.12	0.26	0.24	0.53
Net asset value/share, EUR			4.59	4.86	4.52
Net rental yield, %			7.7	7.2	7.5
Financial occupancy rate, %			94.1*)	93.5	94.7

*) 10,000 m² under renovation and 8,500 m² of unoccupied but rented space

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:

"The positive trend in Technopolis' operational performance seen in the first quarter has continued into the second. With net sales growth in excess of 11% over 2014 and EBITDA growing almost 18% (including non-recurring income) for the same period, positive momentum is increasing.

In the first half of the year we booked a net figure of -9.5 million euros against fair values. The main drivers were actual modernization expenses and reserves for the future totaling roughly 21 million euros. These investments in our brand, campus infrastructure and minimum standards will safeguard Technopolis' occupancy, earnings and customer satisfaction for years to come. This program is now basically ready, and the combination of completed projects and reservations for the future should mitigate the need for further reductions in fair values.

Organic investment activities have also continued apace, both in Finland and abroad. Growth project pre-let rates in Tallinn, Vantaa and Tampere have all increased, with the Lõõtsa 5 project in Tallinn already over 70%

and the Vantaa project almost 80%. The Yliopistonrinne project in downtown Tampere has progressed more slowly (pre-let rate 35.8%), but we remain confident in the project. Our newest expansion project in Vilnius got off to an excellent start with a 48% pre-let rate in a market that shows every sign of continued dynamism.

In April we sold 40% of our Kuopio business unit at fair value to a local investor. The deal brought us EUR 50 million in cash and a strong local partner. This new partnership is now fully operational, and we are satisfied with both the deal and the quality of the collaboration that has taken place in its aftermath.

On the financial side the company continues to enjoy a low average interest rate, despite the marginally higher coupon rate on the unsecured 150 million euro bond we floated this spring. This bond has also enhanced the flexibility and maturity structure of our funding. Our solvency and liquidity are at healthy levels and are positioned to remain so, even if we make further growth investments over the next half year.

The transaction market in our territory has two faces at the moment. The buy side is becoming more challenging as Nordic markets heat up, but the sell side is becoming somewhat easier as market yields fall and buyers in search of targets become increasingly active. This includes the Finnish primary and secondary markets. Technopolis will continue to be active on both the buy and sell side of the transaction market. We will selectively divest non-core assets, while making acquisitions that meet our investment criteria and move the company's growth strategy forward. Our goal remains the same: to increase earnings by building up the scale of our operations while restructuring our campus portfolio to optimize its risk-adjusted return."

Economic Environment

The U.S. economy has recovered with positive employment statistics and growth. This has increased the expectations for the Fed to raise the interest rates in September. The Euro zone has also continued to recover and positive growth indicators are coming in. The weakening of the euro has boosted prospects for European exporters and the euro is expected to weaken more if the Fed raises rates as forecasted.

Finland	2013	2014	2015e
Gross Domestic Production, change y/y, %	-1.3	-0.1	0.4
Consumer Price Index, change y/y, %	1.5	1.0	0.3
Unemployment rate, %	8.2	8.7	8.9

Source: Bloomberg

The Finnish GDP has been negative since 2012, but the country is expected to return to slight growth in 2015. In the forthcoming macro updates there might be pressure to lower expectations. In May the biggest disappointments were in goods exports (down 12% year-on-year) and new manufacturing orders (down 8.6% year-on-year). Competition in the office market is quite intense, but market yield requirements have slightly declined on the whole.

Norway	2013	2014	2015e
Gross Domestic Production, change y/y, %	0.8	2.2	1.5
Consumer Price Index, change y/y, %	2.1	2.0	2.1
Unemployment rate, %	3.5	3.5	4.0

Source: Bloomberg

Low oil prices have impacted Norway's economy, which has reduced investments in the oil industry. Moreover, postponed investment decisions are slowing wage inflation. The Oslo office market has been fairly stable and resilient.

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. The demand has remained strong, but competition is increasing as new projects are built and completed.

Russia	2013	2014	2015e
Gross Domestic Production, change y/y, %	1.3	0.6	-3.6
Consumer Price Index, change y/y, %	6.8	7.8	15.0
Unemployment rate, %	5.5	5.2	6.2

Source: Bloomberg

The decline in raw material prices in combination with economic sanctions have, and will continue to have, a negative impact on the Russian economy. The heaviest impact is coming from falling investments. The Russian central bank has lowered the key interest rate by 6 percentage points to 11% in seven months in order to boost investments. St. Petersburg has seen a significant increase in office supply over the last several years, but rents have been stable.

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

In Lithuania, Russian economic sanctions have had some negative impact, but increasing wages, falling unemployment and declining consumer prices are stimulating domestic demand. In Vilnius demand for modern office space is very strong, driven by international companies setting up and expanding back office operations in the city.

Business Segments

Technopolis has three business segments with a total rentable area of 738,100 m² (738,000 m²).

Finland	1-6/2015	1-6/2014	Change, %	1-12/2014
Number of campuses	16	17	-5.9	16
Rentable space, m ²	534,200*)	548,500	-2.6	543,200
Average rent, EUR/m ²	16.51	16.63	-0.7	16.79
Financial occupancy rate, %	92.4**)	92.5	-0.1pp	93.7
Net rental income, EUR million	57.6	51.4	12.1	103.3
Net sales, EUR million	66.4	59.0	12.5	118.6
EBITDA, EUR million	38.1	31.1	22.6	62.6
Market yield requirement, average, %	7.9	7.9	-	7.9
Fair value of investment properties, EUR million	958.3	958.7	-	951.9

*) 10,000 m² under renovation

***) 10,000 m² under renovation and 8,500 m² of unoccupied but rented space

Average market rents dropped -0.7% due to increase in competition and vacancy in the office markets. The company's overall occupancy rates declined slightly, but were still clearly above the market rates in each of our domestic territories.

In Finland market yield requirements for prime offices have come down in most of the areas. Rental levels are stable, but competition particularly in the Helsinki area, is intense. Office market occupancy rates in Helsinki area were at 87.5%, Oulu at 87.2% and Tampere at 89.3%. (Catella: Market Review, Spring 2015)

Baltic Rim	1-6/2015	1-6/2014	Change, %	1-12/2014
Number of campuses	3	3	-	3
Rentable space, m ²	139,100	129,100	7.7	135,800
Average rent, EUR/m ²	14.42	15.04	-4.1	14.00
Financial occupancy rate, %	99.6	96.9	2.7pp	98.4
Net rental income, EUR million	12.5	11.5	8.6	23.6
Net sales, EUR million	13.2	12.0	9.8	24.9
EBITDA, EUR million	7.1	6.3	12.7	13.4
Market yield requirement, average, %	8.9	9.0	-0.1pp	8.7
Fair value of investment properties, EUR million	245.1	237.2	3.3	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 area increased by 7.7% due to the completions of Lõõtsa 8A in Tallinn and Pulkovo 2 in St. Petersburg. Compared to the first half of 2014, financials were negatively impacted by the depreciation of the Russian ruble. The occupancy rate in the Baltic Rim segment improved from last year by 2.7 percentage points.

Demand in the Tallinn office market was strong and the average vacancy rate for A-class office space was at 4.5% with stable rent levels. The Vilnius office market had very low vacancy with A-class office vacancy at 1.6%. 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 11.7%. In the second quarter asking rents were down 2% in rubles (Colliers: St. Petersburg Office Market H1/2015).

Scandinavia	1-6/2015	1-6/2014	Change, %	1-12/2014
Number of campuses	1	1	-	1
Rentable space, m ²	64,800	63,300	2.4	63,000
Average rent, EUR/m ²	22.05	21.45	2.8	22.03
Financial occupancy rate, %	97.2	95.9	1.3pp	95.6
Net rental income, EUR million	9.1	8.8	3.6	18.0
Net sales, EUR million	9.5	9.1	4.7	18.2
EBITDA, EUR million	4.9	6.0	-17.9	12.0
Market yield requirement, average, %	6.3	6.4	-0.1pp	6.4
Fair value of investment properties, EUR million	207.1	217.4	-4.7	201.8

Scandinavia currently includes the company's Oslo IT Fornebu campus. The campus' rentable space increased due to newly renovated space becoming available. EBITDA was burdened by a EUR 0.7 million increase in Group cost allocations, EUR 0.4 million in service costs and EUR 0.1 million non-recurring pension cost.

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

Financial Performance

In April the Group sold 40% of its Kuopio-based business to KPY Sijoitus for EUR 50 million. The Group's net rental revenue amounted to 79.1 (71.6) million, an increase of 10.5% compared to the corresponding period in 2014. The growth was mainly due to non-recurring income of EUR 5.4 million and index increases in rents. Service revenue amounted to EUR 10.0 (8.4) million, an increase of 18.1%. The Group's net sales in total reached 89.1 (80.0) million, an increase of 11.3%.

Property maintenance expenses decreased to EUR 19.5 (20.7) million, or -5.9%. The decrease is due mainly to cost benefits received through centralization and a decrease in taxes in St. Petersburg. The Group's administrative expenses were EUR 7.1 (6.6) million, up 7.3%. Other operating expenses increased to EUR 12.3 (10.3) million, an increase of 19.6%. Changes in other operating expenses were mainly due to an increase in service costs of EUR 1.1 million and personnel costs of EUR 0.9 million.

The Group's EBITDA was EUR 50.2 (42.6) million, an increase of 17.8%. The EBITDA margin rose to 56.4% (53.3%).

The Group's operating profit was EUR 38.7 (30.4) million. Changes of EUR -9.5 (-10.0) million in the fair value of investment properties had a negative impact on the operating profit. Changes in fair values derived mainly from the actual investments and reservations. Changes in fair values are a result of:

EUR million	Change in net yield requirements	Change in occupancy rate assumptions	Modernization	Other changes	Projects in progress	Total
Finland	3.3	0.6	-15.6	-0.5	0.1	-12.1
Baltic Rim	-0.7	-0.2	-3.1	3.4	5.9	5.3
Scandinavia	1.2	-	-2.4	-1.5	-	-2.7
Total	3.8	0.4	-21.1	1.4	6.0	-9.5

The Group had EUR 2.4 (-2.4) million in unrealized exchange rate gains and EUR 0.7 million in realized losses. Financial expenses were 14.1 (11.4) million, an increase of 23.1%. The increase was mainly related to the Kuopio deal's transfer tax of EUR 2.5 million. Pre-tax profits totaled EUR 24.6 (19.0) million. The net result for the period was EUR 20.9 (16.9) million.

The EPRA-based direct result, which includes only operational items, amounted to EUR 27.3 (25.0) million, an increase of 9.2%. Earnings per share increased to EUR 0.26 (0.24). Financial income and expenses were EUR 15.2 (9.1) million. Operational taxes were EUR 2.5 (5.0) 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 June 30, 2015.

Lease stock, % of space	June 30, 2015	March 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014
Maturity, years					
< 1	21	21	17	17	14
1-3	22	22	23	25	24
3-5	11	10	12	12	9
> 5	22	22	22	21	24
Open-ended leases	24	25	26	25	28
Average lease term in months	38	38	39	40	40
Lease stock, EUR million	437.4	443.9	455.9	463.5	468.2

Investments

The construction projects in progress during the reporting period, their rentable areas and estimated costs on June 30, 2015 are as follows:

Area	Name	Pre-let rate, %	m ²	EUR million	Stabilized yield, % *)	Completion
Tallinn	Lõõtsa 5	72.3	9,200	17.0**)	8.8	09/2015
Vantaa	G-Building	79.3	5,300	18.3	8.0	09/2015
Tampere	Yliopistonrinne 3-4	35.8	11,900	39.0	7.2	05/2016
Vilnius	Delta	48.0	21,600	35.4	9.8	12/2016

*) Stabilized yield = estimated net operating income / cost

**) Technopolis' share 51%

Financing

In May the Group issued a five-year bond of EUR 150 million with a fixed coupon rate of 3.75% per annum. Due to the issue and Kuopio deal of EUR 50 million, the Group had cash reserves of EUR 98.7 million at the end of the period. The Group will reduce its interest-bearing liabilities by EUR 22.0 million in the third quarter. Repayments will have a positive impact on the Group's equity ratio and loan-to-value.

The Group's balance sheet total was EUR 1,610.3 (1,534.1) million, with liabilities accounting for EUR 1,004.0 (914.2) million. The Group's equity per share was EUR 4.28 (4.56), its equity ratio was 37.9% (40.6%) and its loan-to-value ratio was 63.1% (57.9%). At the period-end, the Group's net gearing was 135.0% (131.5%) and its interest coverage ratio was 4.4 (4.6).

The Group's interest-bearing liabilities amounted to EUR 917.2 (840.0) million. The average capital-weighted loan maturity was 6.2 (6.7) years at the end of the period. At the end of the period, 26.5% (48.2%) of the Group's interest-bearing liabilities were floating-rate loans and 73.5% (51.8%) were fixed-rate loans with maturities of 13–60 months. The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.63% (2.50%).

Of all interest-bearing liabilities, 0.04% (4.0%) were pegged to the under-3-month Euribor rate and 26.4% (44.2%) to the Euribor rates from 3 to 12 months. The Group's interest fixing period was 3.0 (2.1) years at the end of the period. At the end of the reporting period, interest rate swaps covered EUR 564.9 (411.6) million of the principal. The hedging ratio for interest-bearing liabilities was 61.6% (49.0%) and the average hedging period was 5.4 (5.1) years.

At the end of the reporting period, Technopolis had EUR 152.2 (97.5) million in untapped credit facilities. The credit facilities included a EUR 127.1 (87.0) million credit line and a EUR 25.1 (10.5) million revolving credit facility. In addition, the company has a EUR 150.0 (150.0) million commercial paper program, of which EUR 42.5 (37.5) million was outstanding at the end of the reporting period.

During the 12-month period following the reporting period, EUR 95.9 (146.1) million in existing interest-bearing loans will mature.

Technopolis had interest-bearing liabilities with covenants worth EUR 730.4 (642.6) million, attached to loans amounting to EUR 478.6 (362.4) million including equity ratio-linked covenants. Of these loans, EUR 416.9 (214.0) million include a call provision. If the equity ratio falls below 33%, EUR 70.7 million of the loan principal could be called in. If the equity ratio falls below 30%, the amount would be EUR 416.8 million. The principal of EUR 122.6 (166.9) 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 0.6 (0.8) million per annum. The EUR 150 million bond has a minimum equity ratio covenant of 28%.

Evaluation of Operational Risks and Uncertainties

The four most significant near term risks affecting Technopolis' business are related to interest rates, geographical concentrations, currencies and customers.

The Group's interest-bearing liabilities amounted to EUR 917.2 (840.0) million. A one percentage point increase in market rates would cause a EUR 1.8 (3.0) million increase in interest costs per annum.

Finland represents 71.1% of the assets and 74.5% of net sales. Country-related matters such as slow economic growth might have an impact on the Group's financial performance.

The Group is exposed to changes in the Norwegian krone and Russian ruble. The direct impact of changes in exchange rates on the Group's operating profit, balance sheet and equity ratio as of June 30, 2015:

Euro % change against the foreign currency	Income statement effect	Translation difference effect	Total effect on the Group's equity
RUB -10	-1.9	-4.8	-6.7
RUB +10	2.3	5.9	8.2
NOK -10		-8.1	-8.1
NOK +10		9.9	9.9

Technopolis has a total of approximately 1,700 customers. The twenty largest customers leased approximately 29.7% of the rented space on June 30, 2015.

The Board of Directors believes there have been no material changes to the near term risks outlined in the 2014 Financial Review. For a more detailed outline of the risks, please see the company's [Financial Review for 2014](#).

GOVERNANCE

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 232 (210) people. The increase in personnel is mainly due to insourcing of reception personnel. On average rental operations employed 85 people, service operations 94 people and Group administration 53 people. The number of personnel at the period end was 243 (214).

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 waste utilization, improving profitability, and the competence and satisfaction of personnel.

	1-6/2015	1-6/2011	Change, %	Target 2016
Energy consumption, kWh/m ²	119.4	129.9	-8.1	-10%
Water consumption, m ³ /person	1.8	2.6	-29.4	-8%
CO ₂ emissions, CO ₂ e kg/sqm	21.9	41.3	-47.1	-50%

For more information, please see [Corporate Social Responsibility Report 2014](#).

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.

Board of Directors

The Technopolis Board of Directors consists of six members: Carl-Johan Granvik, Jorma Haapamäki, Pekka Korhonen, Pekka Ojanpää, Reima Rytsölä and Annica Ånäs. Carl-Johan Granvik serves as the Chairman of the Board and Jorma Haapamäki as the Vice Chairman.

Annual General Meeting

The Annual General Meeting (AGM) of Technopolis Plc was held in Espoo on 27 March 2015. 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 payment date was April 9, 2015. Resolutions of the AGM are available on the company [website](#).

Stock-Related Events and Disclosures of Changes in Holdings

During January 2 – March 27, 2015 the company continued its share buy-back program. On March 30, 2015 a total of 880 shares were turned in accordance with Terms and Conditions of the company's 2010–2012 performance share plan. At the end of the reporting period, June 30, the company held 723,164 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.

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

There have been no significant events after June 30, 2015.

Future Outlook

On June 12, 2015, the company updated its 2015 growth guidance in net sales to 4-6% and EBITDA to 5-7%. In the previous outlook, released February 10, 2015, Technopolis forecasted that its net sales and EBITDA in 2015 would be at the same level as 2014 or slightly higher. The guidance updated on June 12, 2015 remains in effect.

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, August 19, 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. Technopolis Group figures are unaudited.

STATEMENT OF COMPREHENSIVE INCOME	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Currency unit: EUR million					
Rent income	42.5	35.9	79.1	71.6	144.8
Service income	5.4	4.4	10.0	8.4	16.9
Net sales total	47.9	40.4	89.1	80.0	161.7
Other operating income	0.0	0.1	0.0	0.2	0.5
Premises expenses	-9.5	-9.8	-19.5	-20.7	-41.2
Administration costs 1)	-3.8	-3.5	-7.1	-6.6	-13.8
Other operating expenses	-6.7	-5.1	-12.3	-10.3	-20.0
Change in fair value of investment properties	-3.7	-10.9	-9.5	-10.0	-40.5
Depreciation	-0.9	-1.4	-2.0	-2.2	-3.8
Operating profit/loss	23.4	9.7	38.7	30.4	42.9
Unrealized exchange rate profit/loss	0.4	0.8	2.4	-2.4	-22.1
Finance income and expenses	-9.4	-4.0	-16.5	-9.1	-20.2
Result before taxes	14.4	6.5	24.6	19.0	0.6
Deferred taxes	0.1	0.3	1.2	0.2	1.2
Current taxes	-2.8	-1.4	-4.9	-2.4	-4.8
Net result for the period	11.7	5.4	20.9	16.9	-3.0
Distribution:					
To parent company shareholders	12.2	2.1	20.1	10.9	-11.7
To non-controlling shareholders	-0.6	3.2	0.8	6.0	8.8
	11.7	5.4	20.9	16.9	-3.0
Earnings per share, basic, EUR	0.11	0.01	0.17	0.08	-0.15
Earnings per share, diluted, EUR	0.11	0.01	0.17	0.08	-0.15

1) Administration costs includes group expenses from key resources and administration

STATEMENT OF COMPREHENSIVE INCOME	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net result for the period	11.7	5.4	20.9	16.9	-3.0
Other comprehensive income items					
Items that may be reclassified subsequently to profit or loss:					
Translation difference	-1.6	0.9	10.4	-0.9	-20.6
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	3.7	-4.0	3.9	-6.7	-10.8
Taxes related to other comprehensive income items	-1.1	1.1	-1.2	1.5	2.5
Other comprehensive income items after taxes for the period	1.0	-2.0	13.1	-6.1	-29.0
Comprehensive income for the period, total	12.7	3.4	34.0	10.7	-32.0
Distribution:					
To parent company shareholders	13.7	1.0	32.0	5.1	-36.6
To non-controlling shareholders	-1.0	2.4	2.0	5.6	4.6
	12.7	3.4	34.0	10.7	-32.0

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	June 30, 2015	June 30, 2014	Dec 31, 2014
Non-current assets			
Intangible assets	6.6	6.4	6.8
Tangible assets	11.6	33.6	19.6
Completed investment properties	1,410.6	1,413.3	1,378.4
Investment properties under construction	38.7	12.6	26.5
Investments	7.5	10.9	10.8
Deferred tax assets	18.5	15.7	17.8
Non-current assets	1,493.4	1,492.5	1,459.7
Current assets	116.8	41.5	43.2
Assets, total	1,610.3	1,534.1	1,502.9

STATEMENT OF FINANCIAL POSITION,
SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	June 30, 2015	June 30, 2014	Dec 31, 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	207.2	207.2	204.5
Translation difference	-11.3	-4.2	-20.3
Retained earnings	121.2	156.0	153.9
Net profit for the period	20.1	10.9	-11.7
Parent company's shareholders' interests	526.9	559.5	516.1
Non-controlling interests	79.4	60.4	59.5
Shareholders' equity, total	606.3	619.9	575.6
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	821.3	694.0	659.7
Non-interest-bearing liabilities	0.6	0.5	0.7
Deferred tax liabilities	34.3	31.9	34.7
Non-current liabilities, total	856.2	726.4	695.1
Current liabilities			
Interest-bearing liabilities	95.9	146.1	182.2
Non-interest-bearing liabilities	51.8	41.7	50.0
Current liabilities, total	147.8	187.8	232.3
Liabilities, total	1,004.0	914.2	927.3
Shareholders' equity and liabilities, total	1,610.3	1,534.1	1,502.9

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						10.9	6.0	16.9
Other comprehensive income items								
Translation difference				-1.0			0.1	-0.9
Derivatives			-4.7				-0.5	-5.2
Available-for-sale financial assets			0.0					0.0
Comprehensive income for the period			-4.8	-1.0	0.0	10.9	5.6	10.7
Related party transactions								
Dividend						-10.6	-0.5	-11.1
Interest paid to equity related bond			0.0			-4.3		-4.3
Other changes			0.2			-0.1	0.2	0.3
Related party transactions			0.2			-15.0	-0.3	-15.1
Equity June 30, 2014	96.9	18.6	281.4	-4.2		166.9	60.4	619.9
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						20.1	0.8	20.9
Other comprehensive income items								
Translation difference				9.0			1.1	10.1
Derivatives			2.6				0.1	2.7
Available-for-sale financial assets			0.0					0.0
Other changes						0.3		0.3
Comprehensive income for the period			2.6	9.0		20.4	2.0	34.0
Related party transactions								
Dividend						-15.9	-2.4	-18.3
Acquisition of own shares					-1.1			-1.1
Interest paid to equity related bond						-4.5		-4.5
Investment of non-controlling interests							20.3	20.3
Other changes			0.1			0.1	0.0	0.2
Related party transactions			0.1		-1.1	-20.2	17.9	-3.3
Equity June 30, 2015	96.9	18.6	281.4	-11.3	-2.7	144.0	79.4	606.3

STATEMENT OF CASH FLOWS	1-6/ 2015	1-6/ 2014	1-12/ 2014
Currency unit: EUR million			
Cash flows from operating activities			
Net result for the period	20.9	16.9	-3.0
Adjustments:			
Change in fair value of investment properties	9.5	10.0	40.5
Depreciation	2.0	2.2	3.8
Share of profits of associates	0.0	0.0	0.0
Gains from disposals	0.0	0.1	0.1
Other adjustments for non-cash transactions	-2.3	0.5	0.5
Financial income and expenses	16.6	11.5	42.2
Taxes	3.7	2.1	3.6
Increase / decrease in working capital	-1.3	1.3	1.8
Interests received	0.1	0.3	0.3
Dividends received	0.1	0.0	0.0
Interests paid and fees	-7.6	-7.9	-15.5
Other financial items in operating activities	-9.8	-1.7	-5.2
Taxes paid	-2.0	-1.2	-2.6
Net cash provided by operating activities	29.9	34.0	66.6
Cash flows from investing activities			
Investments in investment properties	-28.6	-18.2	-53.2
Investments in tangible and intangible assets	-4.2	-3.8	-11.1
Investments in other securities			
Granted loans			
Repayments of loan receivables		0.5	1.3
Proceeds from sale of investments	0.0	0.9	0.9
Proceeds from sale of tangible and intangible assets	0.1	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	-32.7	-22.5	-60.1
Cash flows from financing activities			
Issue of hybrid bond			
Increase in long-term loans	273.1	51.3	83.0
Decrease in long-term loans	-180.6	-54.6	-94.8
Dividends paid	-18.3	-10.9	-11.1
Paid share issue		0.3	0.3
Acquisition of own shares	-1.1		-1.6
Capital investment by the minority	20.3		
Hybrid bond interest paid	-5.6	-5.6	-5.6
Acquisition of subsidiaries, no change in command		-0.4	-0.4
Change in short-term loans	-15.6	-19.7	1.4
Net cash provided by financing activities	72.2	-39.5	-28.8
Net increase/decrease in cash assets	69.4	-28.0	-22.3
Effects of exchange rate fluctuations on cash held	1.1	-1.1	-3.5
Cash and cash equivalents at period-start	28.3	54.1	54.1
Cash and cash equivalents at period-end	98.7	25.1	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

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Currency unit: EUR million					
Net sales					
Finland	36.0	29.7	66.4	58.9	118.6
Baltic Rim	6.8	6.1	13.2	12.0	24.9
Scandinavia	5.0	4.5	9.5	9.1	18.2
Total	47.9	40.4	89.1	80.0	161.7
EBITDA					
Finland	21.5	16.1	38.1	31.1	62.6
Baltic Rim	3.9	3.4	7.1	6.3	13.4
Scandinavia	2.6	3.0	4.9	6.0	12.0
Unallocated	0.0	-0.4	0.0	-0.8	-0.8
Total	28.0	22.0	50.2	42.6	87.2
Assets					
Finland			1,145.3	1,055.4	1,060.2
Baltic Rim			283.6	281.9	257.2
Scandinavia			226.4	237.2	220.8
Eliminations			-45.0	-40.3	-35.3
Total			1610.3	1534.1	1502.9

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.

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Currency unit: EUR million					
DIRECT RESULT					
Net sales	47.9	40.4	89.1	80.0	161.7
Other operating income	0.0	0.1	0.0	0.2	0.3
Other operating expenses	-19.9	-18.3	-38.9	-37.4	-74.7
Depreciation	-0.9	-1.4	-2.0	-2.2	-3.8
Operating profit/loss	27.1	20.8	48.2	40.6	83.5
Finance income and expenses, total	-9.4	-4.0	-15.2	-9.1	-20.2
Result before taxes	17.7	16.8	33.0	31.5	63.3
Taxes for direct result items	-1.0	-4.1	-2.5	-5.0	-3.9
Non-controlling interests	-2.0	-0.4	-3.2	-1.5	-3.5
Direct result for the period	14.7	12.3	27.3	25.0	55.9

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
INDIRECT RESULT					
Non-recurring items	0.0	-0.1	0.0	-0.2	-0.1
Change in fair value of investment properties	-3.7	-10.9	-9.5	-10.0	-40.5
Operating profit/loss	-3.7	-11.1	-9.5	-10.2	-40.6
Indirect exchange rate profit/loss	0.4	0.8	1.1	-2.4	-22.1
Result before taxes	-3.3	-10.3	-8.4	-12.5	-62.7
Taxes for indirect result items	-1.7	2.9	-1.2	2.9	0.3
Non-controlling interests	2.6	-2.8	2.4	-4.5	-5.2
Indirect result for the period	-2.4	-10.1	-7.2	-14.2	-67.6
Result for the period to the parent company shareholders, total	12.2	2.1	20.1	10.9	-11.7
Earnings per share, diluted					
From direct result	0.14	0.12	0.26	0.24	0.53
From indirect result	-0.02	-0.10	-0.07	-0.13	-0.64
From net result for the period	0.12	0.02	0.19	0.10	-0.11
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.02	-0.02	-0.04
From adjusted net result for the period	0.11	0.01	0.17	0.08	-0.15
KEY INDICATORS					
		1-6/ 2015	1-6/ 2014	1-12/ 2014	
Change in net sales, %		11.3	31.5	28.0	
Operating profit/loss/net sales, %		43.4	38.0	26.5	
Interest coverage ratio		4.4	4.6	4.8	
Equity ratio, %		37.9	40.6	38.5	
Loan to value, %		63.1	57.9	59.7	
Group company personnel during the period, average		232	210	214	
Gross expenditure on assets, MEUR		84.3	26.5	69.1	
Net rental yield of investment properties, % 2)		7.7	7.2	7.5	
Financial occupancy rate, %		94.1	93.5	94.7	
Earnings/share					
basic, EUR		0.17	0.08	-0.15	
diluted, EUR		0.17	0.08	-0.15	
Cash flows from operating activities/share, EUR		0.28	0.32	0.63	
Equity/share, EUR		4.28	4.56	4.17	
Average issue-adjusted number of shares 3)					
basic		105,788,468	106,376,018	106,015,829	
diluted		105,788,468	106,376,018	106,015,829	
Issue-adjusted number of shares at the end of period		105,788,468	106,511,632	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.

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
CHANGE IN VALUE OF INVESTMENT PROPERTIES					
Change in fair value, Finland	2.5	-20.2	-3.9	-22.3	-25.1
Change in fair value, Baltic Rim	-0.9	-0.8	0.7	3.1	4.9
Change in fair value, Scandinavia	-0.7	2.6	-0.4	1.5	1.1
Change in fair value	0.9	-18.3	-3.6	-17.8	-19.1
Changes in acquisition costs of investment properties in financial year	-6.7	2.7	-12.0	1.2	-23.5
Changes in fair value of projects in progress	2.1	4.7	6.0	6.6	2.0
Effect on profit of change in value of investment properties	-3.7	-10.9	-9.5	-10.0	-40.5

CONTINGENT LIABILITIES

Currency unit: EUR million	June 30, 2015	June 30, 2014	Dec 31, 2014
Pledges and guarantees on own debt			
Mortgages of properties	1,015.7	1,044.5	1,009.5
Pledged securities and investment properties	796.8	783.1	758.5
Pledges for land lease payments	3.6	3.6	3.6
Other guarantee liabilities	101.4	207.8	133.8
Leasing liabilities, machinery and equipment			
Project liabilities	5.0	4.1	4.8
	0.2	0.3	0.3
Interest rate and currency swaps			
Nominal values	564.9	420.6	482.9
Fair values	-13.2	-13.0	-17.1

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES June 30, 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	measured at amortized purchase price	Financial assets/ liabilities measured at fair value	Total
Non-current financial assets					
<i>Assets measured at fair value</i>					
<i>Available-for-sale investments</i>					
Available-for-sale quoted financial assets (level 1)		1.1			1.1
Available for sale non-quoted financial assets (level 3)		0.8			0.8
Other non-current receivables	0.3				0.3
Total	0.3	1.9			2.2
Current assets					
<i>Trade and other receivables</i>					
Sales receivables	5.9				5.9
Other current receivables	12.2				12.2
Cash and cash equivalents	98.7				98.7
<i>Derivatives</i>					
Interest rate swaps (level 2)				0.0	0.0
Total	116.8			0.0	116.8
Non-current liabilities					
<i>Financial liabilities recognized at amortized cost</i>					
Non-current finance lease liabilities (level 2)			32.6		32.6
Non-current interest-bearing liabilities (level 2)			758.5		758.5
Non-current non-interest-bearing liabilities (level 2)			0.6		0.6
Other non-current liabilities			34.3		34.3
Total			826.0		826.0
Current liabilities					
<i>Financial liabilities at fair value through profit or loss</i>					
<i>Derivatives (level 2)</i>					
Interest rate swaps, not meeting the criteria for hedge accounting				13.2	13.2
<i>Financial liabilities recognized at amortized cost</i>					
Current finance lease liabilities			2.9		2.9
Other current interest-bearing liabilities			93.0		93.0
Trade and other payables			35.7		35.7
Conditional additional purchase price			0.0		0.0
Income tax liability			3.0		3.0
Total			134.6	13.2	147.8