TECHNOPOLIS PLC INTERIM REPORT APRIL 23, 2009 at 11.00 a.m.

TECHNOPOLIS GROUP INTERIM REPORT JANUARY 1 – MARCH 31, 2009

Highlights for period 1 – 3/2009 compared with 2008 equivalent
- Net sales reached EUR 19.4 million (EUR 16.4 million), an increase of 18.4%
- EBITDA rose 12.9% to EUR 9.9 million (EUR 8.8 million)
- The direct result rose 50.7% to EUR 4.8 million (EUR 3.2 million)
- The operating loss was EUR 4.2 million (operating profit EUR 10.8 million), mainly due to a fall of EUR 14.0 million (EUR +2.6 million) in the fair value of investment properties and properties under construction
- The loss before taxes was EUR 7.9 million (profit before taxes EUR 7.7 million) including a fall of EUR 14.0 million (EUR +2.6 million) in the fair value of investment properties and properties under construction
- The financial occupancy rate was 95.7% (96.8%)
- The Group's equity ratio was 38.6% (32.9%)

Keith Silverang, President and CEO:

"Despite the continued downward trend in the global economy, Technopolis' operations made moderate progress during the reporting period without the financial crisis having a substantial impact on the Group's financial position or finance expenses. With its current credit facilities of EUR 222.5 million, the Group can meet the funding needs of normal business and scheduled investments. Interest rates have gone down and the margins up, which together have resulted in lower-than-forecasted interest expenses. The crisis in the real economy has begun to be reflected in the operating potential of our clients, and some of them have given notice on their leases or requested negotiations in order to reduce the space leased.

"In accordance with its concept, Technopolis offers suitable and flexible operating environment solutions even in times of recession. This has been seen in a lively demand for small premises. Lease agreements have mostly been entered into at the price level prevailing in the fourth quarter of 2008. Market yield requirements are increasing, which is why the fair values of investment properties and properties under construction have fallen by a total of EUR 14 million. The financial occupancy rate remained high and the Group's net sales and EBITDA rose on the previous period."

Business Conditions in Finland and St. Petersburg

The economic crisis is already reflected in increased difficulty in acquiring loan financing for property deals and in higher loan spreads. The problems of the real economy will, however, have a delayed impact on the property market. But it is to be expected that the downward trend in the financial position of tenant companies will cause an increase in vacancy rates, and rentals may come down slightly in 2009. (Source: Catella March 31, 2009).

As the problems of the real economy begin to be reflected in companies' financial position, the leasing market, which performed relatively well in 2008, will be expecting changes. The vacancy rates of operating premises, particularly offices, are expected to rise. With increasing supply, the upward trend in rental levels will come to a halt and may turn downward, at least partly. (Source: Catella)

There has been a significant fall in property investments on the St. Petersburg property market since the third quarter of 2008. Very few deals have been closed or deals have been postponed. Some increase in activity is expected for the second and third quarters in 2009. Occupancy rates will go down in office centers as new commercial centers are completed and as companies vacate premises to optimize their rental expenses. (Source: Colliers 2009)

The deterioration in the global economic environment is seen in changes in the demand for operating environments among top technology clients in Technopolis' operating sectors. In accordance with its concept, Technopolis offers suitable and flexible operating environment solutions even in times of recession. Demand has focused on fairly small premises, and thanks to its lease portfolio the Group has succeeded in meeting such needs. During the reporting period, the rents in the majority of new leases remained at the level prevailing during the last quarter of 2008. The Group's financial occupancy rate remained at a reasonable level and was 95.7% at the end of the reporting period (March 31, 2008: 96.8%). The uncertainty on the financial markets has been reflected to some extent in the spreads of the loans drawn by the company and in the availability of funding. Interest rates have gone down and the margins up, which together have resulted in lower-than-budgeted interest expenses.

Operations

The Technopolis Group has defined the operating segments required under IFRS 8, which took effect at the beginning of 2009. There are two operating segments based on geographical units: Finland and Russia. The segment division is based on the Group's existing internal reporting procedures and the organization of the Group's operations. The Group will be presenting information based on the operating segments starting with this first interim report for the current year.

The Group's net sales for the reporting period reached EUR 19.4 million (EUR 16.4 million in 2008), an increase of 18.4 %. Of this, rental revenue accounted for 84.4% (81.9%) and service revenue for 15.6% (18.1%). The reduction in the relative share of service revenue was mainly due to the discontinuation of the Consulting Unit in autumn 2008. The Group's Development Services helped clients in obtaining EUR 14.0 million worth of risk capital. Rental revenue from comparable sources increased 3.0%. Like for like rental growth, i.e., the trend in rental revenue from comparable sources, is calculated by comparing the rental revenue in the period 1-3/2009 with that in the equivalent period in 2008. To ensure comparability, the figures do not include properties commissioned or acquired during the year. EBITDA for the year was EUR 9.9 million (EUR 8.8 million), an increase of 12.9%.

The operating loss was EUR 4.2 million (operating profit EUR 10.8 million) including a fall of EUR 14.0 million (EUR +2.6 million) in the fair value of investment properties and properties under construction. The fall in the operating profit was due to a decline in the fair value of investment properties caused by the rise in yield requirements. This fall had no impact on the net sales, EBITDA or cash flow. The decrease in the operating profit reduces the Group’s equity ratio.

The Group’s net finance expenses totaled EUR 3.7 million (EUR 3.1 million). The Group’s loss before taxes was EUR 7.9 million (profit EUR 7.7 million).

This is the first interim report in which the company presents its direct result, which gives a more accurate presentation of the real result. The Group’s direct result was EUR 4.8 million (EUR 3.2 million), an increase of 50.7%. The direct result shows the company’s result for the fiscal period excluding changes that have taken place in the fair values of investment properties and financial instruments during the period, any non-recurring items and tax effects relating to the above-mentioned items.

Total assets in the statement of financial position were EUR 685.5 million (EUR 630.5 million), an increase of 8.7%. The Group’s equity ratio at the end of the period was 38.6% (32.9%).

The fair value of the Group’s finished investment property at the end of the period was EUR 582.0 million (EUR 549.0 million). As of January 1, 2009 the company has duly complied with the amended IAS 40 standard, under which investment properties under construction recognized in tangible assets must also be measured at fair value, provided that fair value can be reliably determined. The fair value of investment properties under construction was EUR 24.3 million at the end of the period. The amendment to the standard was not applied retroactively.

The negative earnings impact of the change in the fair values of investment properties and properties under construction was EUR 14.0 million (EUR +2.6 million in 2008) in the reporting period. The negative change in the fair value is mainly due to the increased market yield requirements.

Yield requirements are calculated by means of analyses done by two independent appraisal agencies for each individual region. The yields are calculated by taking the average of the upper and lower ranges reported by these organizations. On March 31, 2009, the average net yield requirement for Group properties was 7.85% (7.26% on March 31, 2008). A conservative average occupancy rate of 95.5% was projected for the calculation of the fair values over a ten-year time frame. The Group’s targets concerning the actual occupancy rates are higher than this. Over the period from 2000 to 2008, the Group’s average occupancy rate was 97.5%. By the end of the reporting period, assets worth EUR 20.9 million were tied up in the company in St. Petersburg.

The Group’s total rentable space was 438,337 square meters at the end of the period (412,293 square meters on March 31, 2008). The Group’s average financial occupancy rate at the end of the period was 95.7% (96.8%). The financial occupancy rate depicts rental revenues from the properties as a percentage of the aggregate of market rents for occupied premises and the estimated market rent for vacant space. At the end of the reporting period, the lease portfolio held by the Group totaled EUR 128.1 million (EUR 120.4 million).

Group Structure

The Technopolis Group includes the parent company, Technopolis Plc, which has operations in Espoo, Helsinki, Jyväskylä, Kuopio, Lappeenranta, Oulu, Tampere and Vantaa, and its subsidiaries Innopoli Ltd and Kiinteistö Oy Innopoli II, both wholly owned and both in Espoo, and other subsidiaries.

Technopolis has established two Russian companies in St. Petersburg, Technopolis Neudorf LLC and Technopolis St. Petersburg LLC, both wholly owned by Technopolis.

The parent company has a minority holding in the affiliated companies Kiinteistö Oy Hermia (49.3%), Technocenter Kempele Oy (48.5%), Kiinteistö Oy Bioteknia (28.5%), Iin Micropolis Ltd (25.7%), Jyväskylä Innovation Ltd (24%), Kuopio Innovation Ltd (24%) and Lappeenranta Innovation Ltd (20%). Technopolis Plc has a 13% holding in Oulu Innovation Ltd.

The Group also includes Technopolis Ventures Ltd in Espoo, which is wholly owned by Innopoli Ltd. Technopolis Ventures Ltd owns the subsidiaries Technopolis Ventures Lappeenranta Ltd (100%), Technopolis Ventures Jyväskylä Ltd (100%), Technopolis Ventures Oulu Ltd (70%), Technopolis Ventures Professia Ltd in Tampere (50.1%), and Technopolis Ventures Kuopio Ltd (100%). Technopolis Ventures Ltd has a 25% holding in Otaniemi Development Ltd.

Major Investments and Development Projects

Phase 5 of the Kontinkangas technology center was launched in June 2008. The extension is approximately 4,030 square meters and the total cost of the project is projected at about EUR 7.2 million. Phase 5 is due for completion in the summer of 2009. Approximately 66% of the extension has already been let.

A decision was made to start Phase 1 of the Hermia 15 property in Tampere in April 2008. The estimated cost of the 11,790 square meters project is EUR 14.5 million, which includes a parking facility for 300 vehicles. The Phase 1 premises have been let 100%. Phase 1 is due for completion in August 2009.

Construction of Phase 1 of the Yliopistonrinne project in downtown Tampere was started in June 2008. The new technology center will be located on a plot of land bought from the City of Tampere earlier in January, next to the University of Tampere. The price of the plot was EUR 5.6 million. The estimated total cost of the 19,200 square meters project is EUR 33.3 million, which includes a parking facility for 130 vehicles. With 73% of the Phase 1 facilities already let, the project is due for completion in March 2010.

Construction of Phase 2 of the Ohjelmakaari project in Ylistönmäki, Jyväskylä, was started in June 2008. The estimated cost of the project is about EUR 7.7 million, which includes a section of a parking facility to be built at a later date. The gross floor area is about 4,790 square meters. With 71% of the Phase 1 facilities already let, the project is due for completion in June 2009.

Construction of Phase 1 of the Pulkovo technology center in St. Petersburg has begun. The new center will be erected on a plot owned by Technopolis St. Petersburg LCC near Pulkovo International Airport. The estimated cost of the 24,100 square meters building is about EUR 50 million. Construction is proceeding according to plan. The market situation is extremely challenging, but there is reasonable demand. In accordance with local market practice, most leases will be signed after completion of the project. Phase 1 is due for completion in the spring of 2010.

Stock-Related Events

The company's share capital stands at EUR 96,913,626.29, with 57,345,341 shares outstanding.

The company has not received any notices of changes in ownership during the reporting period.

Financing

With its current credit facilities, Technopolis can finance its operating activities and all investments already decided on. At the end of the period, Technopolis had EUR 119.9 million worth of untapped binding long-term credit facilities and loans and cash in the amount of EUR 10.5 million. Of the long-term credit facilities, EUR 80.0 million is credit extended by the European Investment Bank to Technopolis for future extension projects in Finland. Technopolis has a EUR 90 million domestic commercial paper program to manage its short-term liquidity, which allows the company to issue commercial papers with a maturity of less than one year. At the end of the reporting period, the Group's outstanding commercial papers stood at EUR 2.4 million (EUR 32.8 million). Technopolis also has an untapped EUR 15.0 million checking account overdraft facility. All in all, Technopolis has a total of EUR 222.5 million in short- and long-term credit facilities.

The Group's net finance expenses totaled EUR 3.7 million (EUR 3.1 million). The Group's total assets as indicated in the statement of financial position were EUR 685.5 million (EUR 630.5 million), of which liabilities accounted for EUR 422.3 million (EUR 424.2 million). The Group's equity ratio was 38.6 % (32.9%). At the end of the period, the Group's net gearing was 133.8% (173.2%). The Group's equity per share was EUR 4.59 (EUR 4.67).

The Group's interest-bearing liabilities at the end of the reporting period were EUR 362.5 million (EUR 365.1 million). On March 31, 2009, the average interest rate on interest-bearing loans was 3.11% (4.75%). At the end of the period, 75.5% (71.0%) of the interest-bearing loans were floating rate loans and 24.5% (29.0%) were fixed rate loans. The average capital-weighted loan period was 10.4 years (11.0 years).

The Group has interest-bearing long-term loans worth EUR 343.7 million, some of which include EUR 56.6 million worth of covenants relating to the equity ratio. As far as these loans are concerned, a poorer equity ratio may lead to higher interest rate margins or premature repayment. The interest rate margins of the loans cannot, however, rise significantly from their current level if the equity ratio weakens, since the financiers have been raising their margins over the past 12 months in accordance with the credit conditions with reference to the availability of refinancing and higher price levels. The margins of some loans and bank guarantees may rise with lower equity ratios as shown in the table below.

Loan (L) or bank guarantee (BG) principal, EUR million	Current loan margin (%)	Equity ratio under 38%	Equity ratio under 33%	Equity ratio under 30%	Other
10.0 (L)	0.65			0.85	
4.9 (L)	0.65		0.70	1.00	
10.1 (L)	1.00				Loan may be terminated if equity ratio under 38%
1.6 (L)	0.45				Margin may be changed or loan terminated if equity ratio under 28%
10.0 (BG)	0.365	0.4		0.60	
20.0 (BG)	0.265	0.35		0.65	Covenant validity begins 8.12.2013

Bank guarantees, EUR 66.0 million, have been given as security for the EUR 65.0 million in loans granted by the European Investment Bank. EUR 20.0 million of these guarantees will expire by the end of 2013 and the plan is to extend them. Significant increases in margins may be expected when these bank guarantees are extended.

Of the existing interest-bearing loans, a total of EUR 18.9 million will mature during the 12-month period following the reporting period.

Financing for the Pulkovo construction project in Russia will be provided by funding acquired by the parent company, which will be converted into long-term loans and shareholders’ equity with due regard for the Russian thin-capitalization rules.

Organization and Personnel

The President and CEO of Technopolis is Keith Silverang, MBA. Mr. Silverang has dual US and Finnish citizenship. He took his undergraduate degree at Boston University and completed an MBA at the Helsinki School of Economics.

At its meeting on February 26, 2009, the Technopolis Board of Directors decided to change its organizational structure and to reduce the number of members on the Management Team. The Board decided to appoint Mr. Reijo Tauriainen, M.A., CFO and Deputy CEO. Mr. Tauriainen served as Chief Financial Officer in the company in 2004-2007. He has been serving as the Finnish Country Manager since the beginning of 2008 and will continue in this office.

The Technopolis line organization now consists of three business units: Finland, Russia and New Markets. Furthermore, the Group organization will have matrix support functions for its real estate development, business services, business development and support activities. The New Markets Unit has no net sales or operating profit and its expenses are included in administrative expenses.

The Management Team comprises President and CEO Keith Silverang, Finnish Country Manager and CFO Reijo Tauriainen, Director of Tampere operations and Business Services Satu Eskelinen and Chief Development Officer Jukka Akselin.

The Group employed an average of 153 (151) people during the period. There were 58 (50) employees in real estate operations, 34 (35) in business services and 61 (66) in development services. At the end of the reporting period, the total number of Group personnel was 153 (157).

Annual General Meeting

The Annual General Meeting of Shareholders (AGM) of Technopolis Plc was held on March 26, 2009. The AGM adopted the Group and Parent Company financial statements for fiscal year 2008 and released the company management from liability.

The AGM decided to pay a dividend of EUR 0.12 per share as proposed by the Board. The dividend was to be paid to the shareholders who were registered in the share register kept by Euroclear Finland Oy on the record date March 31, 2009. The dividends were paid on April 7, 2009.

The Annual General Meeting decided to amend section 8 of the Articles of Association by specifying that notices of the AGM should be served no later than three weeks before the AGM.

The number of members on the Board of Directors was confirmed at six. Teija Andersen, Jussi Kuutsa, Matti Pennanen, Timo Ritakallio and Erkki Veikkolainen were elected to the Board for the term ending at the conclusion of the next Annual General Meeting. As well as the above members, the Board includes Pertti Huuskonen, who was elected full-time Chairman of the Board by the AGM on March 27, 2008, for a term that began on September 15, 2008, and will end with the conclusion of the 2010 Annual General Meeting. Matti Pennanen was elected Deputy Chairman of the Board.

The Annual General Meeting decided that Pertti Huuskonen be paid compensation according to the decision made thereon by the AGM of March 27, 2008, and in compliance with the agreement made with him, for the period beginning with the conclusion of the 2009 AGM and ending with the conclusion of the following AGM, taking into account, however, that the monetary compensation payable to Mr. Huuskonen will be reduced by 15 percent to EUR 288,150 in accordance with his own savings initiative.

The other members of the Board will be paid annual compensation as follows: EUR 30,000 to the Deputy Chairman of the Board and EUR 25,000 to Board members. The Board members will be paid an additional EUR 600 per meeting for participation. Travel costs will be compensated to Board members in accordance with the company's travel regulations.

The AGM further decided to authorize the Board to extend the compensation agreement made with Pertti Huuskonen by one year under the original terms so that it will end with the conclusion of the 2011 AGM. According to the original terms the monetary compensation to the Chairman of the Board for the period is EUR 339 000.

KPMG Oy Ab were appointed auditors for the Group, with Tapio Raappana, APA, as the auditor-in-charge. It was decided that the auditors be paid auditing fees on the basis of reasonable invoicing.

The Annual General Meeting decided to authorize the Board of Directors to decide on purchasing the company's own shares as follows. The maximum number of shares to be acquired pursuant to this authorization is 5,700,000, which is equivalent to approximately 9.94% of the company's issued shares. Under the authorization, the company's own shares may only be purchased using its unrestricted equity.

The company's own shares may be purchased at a price arrived at in public trading on the date of acquisition or at a price otherwise determined by the market.

The decision on how the shares are to be acquired will be made by the Board of Directors. Derivatives may be used for this purpose. Shares need not necessarily be acquired in proportion to the current holdings of the existing shareholders (directed acquisition).

This authorization to purchase the company's own shares cancels the authorization granted by the Annual General Meeting of March 27, 2008.

The authorization will expire on September 26, 2010.

The AGM resolved to authorize the Board to decide on a share issue and on granting options and other special rights giving entitlement to shares as referred to in Chapter 10, section 1, of the Limited Liability Companies Act as follows.

The maximum number of shares to be issued pursuant to this authorization is 11,400,000, which is equivalent to approximately 19.88% of the company's issued shares.

The Board of Directors will decide on all the terms of the share issue and on the granting of special rights giving entitlement to shares. The authorization concerns both the issuance of new shares and the conveyance of the company’s own shares. A share issue may be floated and special rights giving entitlement to shares granted in derogation to the pre-emptive right of shareholders (directed issue).

This authorization cancels the authorizations granted by the Extraordinary General Meeting of November 29, 2007 and by the Annual General Meeting of March 27, 2008, to decide on a share issue and on granting special rights giving entitlement to shares.

The authorization will expire on 26 March, 2012.

At the AGM, the Board made the decision to amend its proposal referred to in the notice of the meeting so that the number of shares to be issued pursuant to the authorization may not exceed 11,400,000, which is equivalent to approximately 19.88% of the company’s issued shares.

The AGM decided to adopt a share ownership plan for key personnel in the Technopolis Group.

The purpose of the plan is to harmonize the goals of the owners and the key personnel in order to increase the company's value, to make the key personnel committed to the company and to offer them a competitive remuneration plan based on share ownership.

The plan consists of three earning periods: the calendar years 2010, 2011 and 2012. The Board of Directors will decide on the criteria and targets for each earning period in the December of the previous year. Rewards for the earning periods 2010, 2011 and 2012 will be paid in 2011, 2012 and 2013 partly in cash and partly in company shares. Shares may not be disposed of during a commitment period of two and a half years.

Maximum rewards payable under the plan usually correspond to the value of some 800,000 Technopolis Plc shares (including the proportion payable in cash).

Evaluation of Operational Risks

The most significant risks in the business operations of Technopolis are financial and client risks as well risks related to the business operations in Russia.

The objective of interest rate risk management is to mitigate the negative impact of market rate fluctuations on the Group’s performance, financial position and cash flow. If necessary, the company will make use of forwards, interest rate swaps and interest rate options to hedge interest rate risks. Another aim of the company’s interest rate risk policy is to diversify the interest rate risk of loan contracts over various loan periods on the basis of the market situation prevailing at any given time and the interest rate forecast created by the company.

It is indicative of the structure of Technopolis’ loan portfolio at the end of the fiscal period that a one point change in money market rates would change interest rate costs by EUR 1.8 million per annum.

Because of the interest rate risk associated with loans, a policy of diversifying interest bases is pursued. On March 31, 2009, 75.5% of the company’s interest-bearing loans were pegged to the 3-12 month Euribor rate. Of all interest-bearing loans, 24.5% were fixed-rate loans with a maturity of 13 to 60 months.

The objective of refinancing risk management is to ensure that the Group loan portfolio is sufficiently diversified in terms of the repayment schedules and financing instruments. The average capital-weighted outstanding loan period for interest-bearing loans was 10.4 years. In order to manage the financing risk, Technopolis draws upon the resources of a wide range of financiers, makes use of a variety of financing instruments and maintains a high degree of solvency.

Extended uncertainty on the financing market may affect the availability of growth financing and refinancing and their spreads in the future.

The differences between Russian and Finnish legislation and administrative procedures may give rise to risks. If the premises cannot be let as planned, the Pulkovo technology center will pose a financial risk to the Group. Once completed, Pulkovo will represent approximately 7% of the combined fair value of the Group's investment properties.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company’s financial position and operations. Business transactions denominated in rubles are recorded at the exchange rate applied on the transaction date. Any translation differences are entered in the comprehensive statement of income under other operating expenses or finance income and expenses according to the type of transaction involved. The acquisition of land in St. Petersburg has been financed in the local currency, and the related exchange rate risk has been hedged using a currency swap.

The deterioration in the general economic situation, if prolonged, may have an adverse effect on the company’s clients and hence on the Group’s business operations.

Client risk management aims to minimize the negative impact of potential changes in the client’s financial position on the company’s business and its financial performance. Client risk management focuses on a close understanding of the business that the client is engaged in and on the active monitoring of client information. As part of client risk management, Technopolis leases include rental security arrangements. All the properties have full-value insurance.

Geographically, the Group’s property portfolio is diversified among the Helsinki metropolitan area, Jyväskylä, Lappeenranta, Tampere, the Oulu region, and St. Petersburg. No single client accounts for more than 8.7% of the Group’s net sales. All in all, the Group has some 1,175 clients operating in several different sectors.

The company’s leases fall into two categories: fixed-term and open-ended. The company aims to employ both types of lease depending on the market situation, the property involved and the tenant’s business.

At the end of the period under review, the open-ended leases that could be terminated and renegotiated during the following 12 months covered a total of 200,720 square meters of space, or 50% of the entire property portfolio. The notice periods for these leases are as follows: three months or less 9%; three to six months 25%; six to nine months 48%; and more than nine months 18% of the leases. At the end of the period, the average term of leases was 23 months.

The current lease structure allows clients to change the premises they occupy flexibly as their business changes. This is a key element of the Technopolis service concept, and the company has solid long-term experience and expertise in employing this approach under varying economic conditions.

In new building projects, Technopolis focuses on quality specifications and the manageability of the property's entire lifecycle. In the design phase, due consideration is given to all the maintenance and repair requirements in order to implement environmentally sustainable solutions for energy consumption, the adaptability of office facilities and recycling potential. When properties are bought, Technopolis carries out the standard property and environmental audits before finally committing itself to the transaction.

Changes in the market yield requirements may have a significant impact on the financial performance. When the yield requirements increase, the fair values of properties fall. Conversely, when the yield requirements decrease, the fair values of properties increase. While the changes increase or decrease the company's operating profit, they do not affect its direct result.

Outlook

Technopolis management expects the demand for its high-tech facilities and services to decline in 2009. There is a considerable risk that the financial occupancy rate will fall, which may have an adverse impact on the company's net sales and EBITDA in 2009 and 2010.

The management anticipates that the economic downturn, if protracted, will pose a challenge to the Group's growth targets. The company will continue to pursue measures aimed at protecting profitability even under difficult market conditions. The Group management expects the net sales and EBITDA to increase by 5% to 8% in 2009.

In accordance with its growth strategy for 2012, Technopolis' objective is to have a presence in all the major Finnish high-tech hot spots and in two or three other countries, in addition to Finland and Russia. The Group aims to increase its net sales at an average annual rate of 15% through both organic expansion as well as acquisitions.

The Group's financial performance is determined by the general macroeconomic trends, client operations, financial markets and the yield requirements for properties. Developments in these areas may affect the Group's financial performance through changes in occupancy rates, the use of services, financing costs, the fair values of properties and office rent levels.

Oulu, April 23, 2009

TECHNOPOLIS PLC
Board of Directors

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President and CEO

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Technopolis provides an online information bulletin service that can be subscribed to on the company website. Subscribers will receive the company’s information bulletins by email.

The accounting policies applied in the interim report and the formula for calculating key indicators are basically the same as in the 2008 annual report. Since January 1, 2009, the company has applied the revised IAS 1 and IAS 40 standards as well as the IFRS 8 regulations. While the interim report has been prepared in accordance with the IFRS recognition and valuation principles, all the IAS 34 requirements have not been complied with.

The Technopolis Group has two operating segments based on geographical units: Finland and Russia. With the expansion of the operations, a third operating segment, New Markets, may also be reported. The segment division presented in this interim report is based on the Group’s existing internal reporting procedures and the organization of the Group’s operations. This is the first interim report in which the Group presents the information on the operating segments complete with comparative data.

Investment properties are valued in accordance with the fair value model. The company has duly complied with the amended IAS 40 standard, under which investment properties under construction must be measured at fair value, provided that fair value can be reliably determined. The company has applied the amended standard since the beginning of 2009.

The figures are unaudited.

Technopolis Group:

STATEMENT OF COMPREHENSIVE INCOME Currency unit: EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Net sales	19,40	16,38	72,57
Other operating income 1)	0,47	2,07	5,48
Other operating expenses	-9,93	-9,63	-41,07

Change in fair value of investment properties	-14,04	2,58	-0,69
Depreciation 2)	-0,13	-0,56	-0,98
Operating profit/loss	-4,22	10,83	35,31
Finance income and expenses	-3,69	-3,15	-13,93
Result before taxes	-7,91	7,68	21,38
Income taxes	2,15	-2,15	-5,53
Net result for the period	-5,76	5,53	15,85
OTHER COMPREHENSIVE INCOME ITEMS			
Available-for-sale financial assets	0,00	-0,03	-0,04
Taxes related to other comprehensive income items	0,00	0,01	0,01
Other comprehensive income items after taxes for the period	0,00	-0,02	-0,03
COMPREHENSIVE INCOME FOR THE PERIOD, TOTAL	-5,76	5,51	15,82
Distribution of profit for the period:			
To parent company shareholders	-5,74	5,65	15,99
To non-controlling shareholders	-0,02	-0,12	-0,14
	-5,76	5,53	15,85
Distribution of comprehensive income for the period:			
To parent company shareholders	-5,74	5,63	15,96
To non-controlling shareholders	-0,02	-0,12	-0,14
	-5,76	5,51	15,82

Earnings per share based on result flowing to parent company shareholders:

Earnings/share, basic (EUR)	-0,10	0,13	0,31
Earnings/share, adjusted for dilutive effect (EUR)	-0,10	0,13	0,31
Average number of shares:			
- basic	57 345 341	44 110 053	52 029 796
- diluted	57 345 341	44 190 560	52 118 705

STATEMENT OF FINANCIAL

POSITION, ASSETS

Currency unit: EUR million	31.3.2009	31.3.2008	31.12.2008
Non-current assets			
Intangible assets	1,98	2,05	2,02
Tangible assets	50,48	32,08	37,94
Investment property	582,04	549,02	594,02
Investments	26,40	26,58	26,70
Deferred tax assets	2,46	2,86	1,89
Non-current assets	663,36	612,59	662,57
Current assets	22,10	17,90	20,99
Assets, total	685,46	630,49	683,56

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million			
Shareholders’ equity			
Share capital	96,91	74,55	96,91
Premium fund	18,55	18,55	18,55
Other funds	63,82	27,37	63,82
Other shareholders’ equity	0,13	0,18	0,55
Retained earnings	89,28	79,68	79,62
Net result for the period	-5,74	5,65	15,99
Parent company’s shareholders’ interests	262,96	205,98	275,44
Non-controlling interests	0,24	0,28	0,26
Shareholders’ equity, total	263,20	206,26	275,70
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	343,68	315,17	329,84
Non-interest-bearing liabilities	1,35	1,39	1,38
Deferred tax liabilities	35,56	37,11	38,11
Non-current liabilities, total	380,58	353,67	369,33
Current liabilities			
Interest-bearing liabilities	18,87	49,89	20,43
Non-interest-bearing liabilities	22,81	20,67	18,10
Current liabilities, total	41,68	70,56	38,53
Liabilities, total	422,26	424,24	407,86
Shareholders’ equity and liabilities, total	685,46	630,49	683,56

STATEMENT OF CASH FLOWS

Currency unit: EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Cash flows from operating activities			
Operating profit/loss	-4,22	10,83	35,31
Change in fair value of investment properties	14,04	-2,58	0,69
Depreciation	0,13	0,56	0,98
Other adjustments for non-cash transactions	0,13	-0,25	0,14
Increase / decrease in working capital	1,79	0,12	0,24
Interests received	0,69	0,21	2,41
Interests paid and fees	-5,91	-3,70	-17,12
Income from other investments	0,00		0,01
Taxes paid	-0,63	-0,47	-2,47
Net cash provided by operating activities	6,03	4,72	20,19
Cash flows from investing activities			
Investments in other securities	-0,02	-0,11	-1,11
Investments in investment properties	-15,19	-21,02	-70,21
Investments in tangible and intangible assets	-0,03	-0,03	-0,27
Repayments of loan receivables	0,00	0,00	0,01
Gains from disposals of other investments		2,30	2,33
Acquisition of subsidiaries		-18,72	-22,21
Net cash used in investing activities	-15,23	-37,57	-91,46
Cash flows from financing activities			
Increase in long-term loans	22,10	45,90	70,21
Decrease in long-term loans	-8,24	-4,17	-14,46
Dividends paid			-6,60
Paid share issue		0,02	58,48
Repayments of finance leasing receivables	0,26	0,22	0,95
Change in short-term loans	-1,58	-2,45	-31,24
Net cash provided by financing activities	12,54	39,52	77,34
Net increase/decrease in cash assets	3,34	6,66	6,07
Cash and cash equivalents at period-start	7,15	1,08	1,08
Cash and cash equivalents at	10,48	7,74	7,15

period-end

STATEMENT OF CHANGES IN EQUITY

Currency unit: EUR million	Share capital	Premium fund	Other funds	Retained earnings	Non-controlling shareholders	Shareholders' equity
EQUITY 31.12.2007	74,54	18,55	27,38	86,29	0,40	207,17
Share capital increase	0,01		0,01			0,02
Directed share issue						0,00
Dividend distribution				-6,62		-6,62
Comprehensive income for the period			-0,02	5,65	-0,12	5,51
Other changes				0,18		0,18
EQUITY 31.3.2008	74,55	18,55	27,37	85,50	0,28	206,26
Share issue	22,36		37,26			59,63
Comprehensive income for the period			-0,01	10,34	-0,02	10,31
Other changes			-0,81	0,32		-0,49
EQUITY 31.12.2008	96,91	18,55	63,82	96,16	0,26	275,70
Dividend distribution				-6,88		-6,88
Comprehensive income for the period			0,00	-5,74	-0,02	-5,76
Other changes				0,13		0,13
EQUITY 31.3.2009	96,91	18,55	63,82	83,67	0,24	263,20

Financial information by segment

The Group's net sales or EBITDA do not include inter-segment items. Items after the EBITDA, such as depreciation, financing items and taxes, are not presented in the segment information because they are not allocated to segments.

SEGMENT INFORMATION Currency unit: EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Net sales			

Finland	19,34	16,36	72,43
Russia	0,06	0,06	0,27
Unallocated and eliminations	0,00	-0,04	-0,13
Total	19,40	16,38	72,57
EBITDA			
Finland	10,94	10,17	42,32
Russia	-0,15	-0,21	-0,54
Unallocated and eliminations	-0,84	-1,16	-4,80
Total	9,95	8,81	36,98
Assets			
Finland	678,02	629,65	671,47
Russia	20,93	11,64	19,14
Eliminations	-13,49	-10,80	-7,05
Total	685,46	630,49	683,56

Direct and Indirect Result

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

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

Items excluded from the direct result and their tax effects are presented in the statement of income showing the indirect result. Earnings per share have been calculated both from the direct and indirect results in accordance with the instructions issued by the European Public Real Estate Association EPRA. The direct and indirect result and the earnings per share calculated from them are consistent with the company's financial result and earnings per share for the period.

Technopolis Group DIRECT RESULT Currency unit: EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Net sales	19,40	16,38	72,57
Other operating income	0,46	1,14	4,45
Other operating expenses	-9,93	-9,63	-41,07
Depreciation	-0,13	-0,13	-0,56

Operating profit/loss	9,81	7,75	35,40
Finance income and expenses, total	-3,49	-3,37	-15,19
Result before taxes	6,32	4,38	20,21
Taxes for direct result items	-1,50	-1,29	-5,22
Non-controlling interests	0,02	0,12	0,14
Direct result for the period	4,83	3,21	15,12
INDIRECT RESULT			
Non-recurring items	0,01	0,92	1,03
Change in fair value of investment properties	-14,04	2,58	-0,69
Non-recurring depreciation	0,00	-0,42	-0,42
Operating profit/loss	-14,03	3,08	-0,08
Change in fair value of financial instruments	-0,19	0,22	1,25
Result before taxes	-14,22	3,30	1,17
Taxes for indirect result items	3,65	-0,86	-0,30
Indirect result for the period	-10,57	2,45	0,87
Result for the period, total	-5,74	5,65	15,99
Earning per share, diluted *)			
From direct result	0,08	0,07	0,29
From indirect result	-0,18	0,06	0,02
From net result for the period	-0,10	0,13	0,31
Number of shares adjusted for dilutive effect	57 345 341	44 190 560	52 118 705

*) Earnings per share calculated according to EPRA's instructions

KEY INDICATORS

	1-3/2009	1-3/2008	1-12/2008
Change in net sales, %	18,4	20,5	27,5
Operating profit/loss/net sales, %	-21,8	66,1	48,7
Equity ratio, %	38,6	32,9	40,5

Group company personnel during the period, average	153	151	165
Gross expenditure on assets, EUR 1,000	14 714	87 718	143 273
Net rental revenue of investment properties, % 3)	7,7	7,3	7,6
Financial occupancy rate, %	95,7	96,8	96,5
Earnings/share			
basic, EUR	-0,10	0,13	0,31
diluted, EUR	-0,10	0,13	0,31
Equity/share, EUR	4,59	4,67	4,80
Average issue-adjusted number of shares			
basic	57 345 341	44 110 053	52 029 796
diluted	57 345 341	44 190 560	52 118 705

CONTINGENT LIABILITIES

Currency unit: EUR million	31.3.2009	31.3.2008	31.12.2008
Pledges and guarantees on own debt			
Mortgages of properties	389,82	242,10	264,03
Book value of pledged securities	160,41	166,88	162,42
Other guarantee liabilities	13,24	47,87	13,24
Collateral given on behalf of associates	0,50	0,50	0,50
Leasing liabilities, machinery and equipment	1,36	1,05	0,94
Project liabilities	0,16	0,26	0,21
Interest rate and currency swaps			
Nominal values	111,06	20,72	112,00
Fair values	0,44	0,50	0,56

1) Other operating income consists of operating subsidies received for development services; an equal amount is recorded under operating expenses for development services. The 2008 figures include non-recurring items of EUR 0.9 million.

2) The 2008 figures include non-recurring depreciation of EUR 0.4 million.

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

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