TECHNOPOLIS GROUP INTERIM REPORT, JANUARY 1 - JUNE 30, 2008

Highlights of 1-6/2008 compared with the corresponding period of 2007:
- Net sales rose to EUR 34.9 million (EUR 27.8 million), an increase of 25.4 %.
- EBITDA (Earnings before interest, taxes, depreciation and amortization) rose to EUR 17.9 million (EUR 13.6 million), an increase of 31.4 %
- Operating profit was EUR 15.5 million (EUR 18.7 million), which includes EUR -1.7 million (EUR 5.4 million) from change in fair value of investment properties.
- Profit before taxes totaled EUR 8.7 million (EUR 14.5 million), a decrease of 39.7 %.
- The financial occupancy ratio was 96.6 % (95.4 %).
- Earnings per share, diluted, were EUR 0.14/share (EUR 0.26/share).

Pertti Huuskonen, President and CEO:

"The Group's business developed favorably in the review period. Major events included the expansion of Technopolis to Kuopio and a successful rights issue in which the company raised some EUR 59.6 million of new equity. Two of the building projects in progress at the turn of the year were completed, namely the Hermia 12 property in Tampere and the first stage of the Lappeenranta City project. With respect to other ongoing building projects, we advanced as planned. In the second quarter we initiated new projects in Jyväskylä, Oulu and Tampere in Finland, and in St. Petersburg in Russia. Their combined cost is estimated at approximately EUR 113 million."

Business

The Group's net sales for the review period were EUR 34.9 million (EUR 27.8 million in 1-6/2007), representing growth of 25.4 %. Of the net sales for the period, rental income accounted for 81.6 % (79.7 %) and service income for 18.4 % (20.3 %). EBITDA (earnings before interest, taxes, depreciation and amortization) for the period was EUR 17.9 million (EUR 13.6 million), an increase of 31.4 %. The other operating income for the review period includes a nonrecurring capital gain of EUR 0.4 million and nonrecurring compensation of EUR 0.5 million for premature lease termination. The operating profit for the review period was EUR 15.5 million (EUR 18.7 million). Depreciation according to plan includes a nonrecurring item of EUR 0.4 million. The Group's net financial expenses totaled EUR 6.8 million (EUR 4.3 million). Profit before taxes for the review period was EUR 8.7 million (EUR 14.5 million).

The balance sheet total was EUR 655.3 million (EUR 443.7 million), an increase of 47.7 %. The Group's equity ratio at the end of the period was 40.8 % (38.9 %).

The fair value of the Group's investment properties at the end of the review period was EUR 542.6 million (EUR 398.2 million). The effect on profit of the change in the fair values of investment properties during the period was EUR -1.7 million (EUR 5.4 million). The profit effect was mainly due to the increase in the return requirements of the market and the change in the fair values of properties bought and completed in the period.

The Group's total rentable floor area was 415,443 floor square meters at the end of the review period (346,077 floor square meters at June 30, 2007). The Group's average financial occupancy ratio at the end of the period was 96.6 % (95.4 %). The financial occupancy ratio describes the rental revenue from the properties as a percentage of the combined total of the rent for the leased space and the estimated market rent for the vacant space. The Group's leases at the end of the review period totaled EUR 119.8 million (EUR 121.2 million).

Group structure

The Technopolis Group includes the parent company, Technopolis Plc, which has operations in Espoo, Helsinki, Jyväskylä, Lappeenranta, Oulu, Tampere and Vantaa, and its subsidiaries Innopoli Oy in Espoo (100 % owned), Kiinteistö Oy Innopoli II in Espoo (100 % owned), Technopolis Kuopio Oy (100 % owned) and other subsidiaries. The Group has begun to merge Technopolis Kuopio Oy into the parent company.

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

The parent company has minority holdings in the associates Kiinteistö Oy Hermia (49.3 %), Technocenter Kempele Oy (48.5 %), 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 Oy in Espoo (wholly owned by Innopoli Oy). Technopolis Ventures Oy has the following subsidiaries: Technopolis Ventures Kareltek Ltd in Lappeenranta (100 % owned), Technopolis Ventures JSP Ltd in Jyväskylä (100 % owned), Technopolis Ventures Oulutech Oy in Oulu (70 % owned), Technopolis Ventures Professia Oy in Tampere (50.1 % owned) and Technopolis Ventures Kuopio Oy in Kuopio (100 % owned). Technopolis Ventures Oy also has a 25 % holding in Otaniemi Development Ltd.

Principal investments and development projects

The deed of sale concerning the shares of Technopolis Kuopio Oy (previously Kuopion Teknologiakeskus Teknia Oy) was signed with the City of Kuopio on February 21, 2008. The transaction price paid in cash was EUR 18.7 million, based on Kuopion Teknologiakeskus Teknia Oy’s net debt position on February 21, 2008. After the transaction and the simultaneous acquisition of the shares held by the municipality of Siilinjärvi, Technopolis holds 100 % of Technopolis Kuopio’s shares. Technopolis Kuopio Oy comprises three modern property companies, the total rentable area of which adds up to 47,860 square meters.

The Hermia 12 property was completed in Tampere in February. The building is approximately 5,000 floor square meters in size and has been fully leased out.

The first stage of the Lappeenranta City project was completed in May 2008. Its total area of 3,150 floor square meters has been fully leased out.

The first stage of the Technopolis Ruoholahti technology center currently being built in Helsinki is estimated to be completed in August 2008. The size of the first stage is 6,600 floor square meters and the cost is estimated at EUR 20 million, including parking facility and site costs. 83 % of the building has so far been leased out.

With respect to Oulu's Kontinkangas technology center, the third stage is expected to reach completion in August while the fourth stage is expected to reach completion in September this year. The size of the third stage is 3,500 gross square meters and the investment will total approximately EUR 5 million. The size of the fourth stage is about 4,290 gross square meters and the investment will total approximately EUR 7.5 million. Both the third and fourth stages have already been fully leased out.

The fifth stage of the Technopolis Helsinki-Vantaa technology center is estimated to be completed in November 2008. The size of the fifth stage is about 6,700 gross square meters and the investment will amount to about EUR 15 million. 40 % of the building has so far been leased out.

It was decided to commence construction of the first stage of Tampere's Hermia 15 property in April. The project's cost estimate is EUR 14.5 million and the gross area will be 12,150 square meters, including a parking facility for 300 vehicles. Binding preliminary leases have been signed for 70 % of the first stage facilities. The first stage is estimated to be completed in August 2009.

In June, Technopolis commenced construction of the fifth stage of its Kontinkangas technology center in Oulu. The size of the extension will be approximately 4,350 gross square meters and the investment will total approximately EUR 7.2 million. The completion date for the fifth stage is summer 2009. Approximately 50 % of the extension has already been leased out.

June also saw the start of construction on the first stage of Technopolis's Yliopistonrinne technology center in Tampere's city center. The new center is located at the corner of the Kalevantie and Kanslerinrinne streets near the University of Tampere. The project is estimated to cost EUR 33.3 million and the gross area will be 19,200 square meters, including an indoor parking facility for 130 vehicles. The first stage, 34 % of whose premises have already been leased out, is scheduled for completion in February, 2010. The new technology center is located on approximately 3,950 square meters of land acquired from the City of Tampere in January. The transaction price was EUR 480 per square meter of building rights area, and totaled approximately EUR 5.6 million.

Technopolis also started to implement the second stage of its Ohjelmakaari technology center, located in the Yliopistonmäki district of Jyväskylä, in June. The project is estimated to cost EUR 7.7 million, which includes a portion of the costs of a parking facility due to be built later on. The gross area of the building will be approximately 4,790 square meters. 62 % of the second stage facilities have already been leased out and the building is scheduled for completion in June 2009.

In June, Technopolis entered into a contract to build the first stage of the Pulkovo technology center in St. Petersburg. The new technology center is located in the immediate vicinity of the Pulkovo International Airport on land owned by Technopolis St. Petersburg LCC. A Russian company, STEP Construction, was chosen as the turnkey contractor for the first stage. The contract includes not only the construction work required to implement the project, but also the management of permit regulations and general project planning. The first stage is estimated to cost approximately EUR 50 million and the gross area to be built will be approximately 24,100 square meters. The first stage of the technology center is scheduled for completion in spring 2010.

Events related to the Technopolis share

On April 27, 2008, the Technopolis Board of Directors decided on a rights issue amounting to approximately EUR 59.6 million. The proceeds from the offering were to be used for financing investments in accordance with the company's investment plan, for ensuring the company's growth and for maintaining its equity ratio. The decision was based on the authorizations granted by the Annual General Meeting on March 27, 2008 and by an Extraordinary General Meeting held on November 29, 2007.

The share subscription period began on May 7, 2008 and expired on May 20, 2008. The subscription price was EUR 4.50 per share. Each Technopolis shareholder was entitled to subscribe for three (3) new shares for every ten (10) shares held on the record date, May 2, 2008.

All of the offered 13,233,540 shares had been subscribed for by the completion of the rights issue on May 20, 2008. 13,029,489 shares were subscribed for in the primary subscription, representing approximately 98.5 % of the shares on offer. 7,855,625 shares were subscribed for in the secondary subscription, exceeding the number of shares available by approximately 37 times. The gross proceeds raised by the company in the rights issue totaled approximately EUR 59.6 million.

The 13,233,540 new shares subscribed for were entered in the Trade Register on May 26, 2008. They were admitted for trading on the OMX Nordic Exchange Helsinki Ltd on May 27, 2008. The new shares gave entitlement to a full dividend and to all other rights attached to the shares as of their date of entry in the Trade Register.

Various adjustments to the terms and conditions of the company's stock option program for 2005 and 2007 necessitated by the rights issue also became effective on May 26, 2008, as a result of their entry in the Trade Register.

In December 2007, a total of 4,300 Technopolis shares were subscribed for with 2005A options. An increase in share capital of EUR 7,267 was entered in the Trade Register on February 6, 2008. The new shares entitled their holders to dividends for the 2007 financial year and to all other shareholder rights as of the registration date. The shares were admitted for trading as of February 7, 2008.

Technopolis Plc's 2005B stock options were admitted for trading on the OMX Nordic Exchange as of June 2, 2008. The total number of 2005B stock options is 436,000. Each option entitles its holder to subscribe for 1.043 Technopolis Plc shares. The share subscription price with the 2005B stock options is EUR 6.188 per share. The share subscription period began on June 1, 2008 and will end on April 30, 2010. The terms and conditions of the stock option program were announced in their entirety in a Technopolis stock exchange release dated March 2, 2005. The amendments to the terms and conditions were announced in a stock exchange release dated April 28, 2008.

As a result of the increases, the company's share capital now stands at EUR 96,913,626.29 and the number of shares at 57,345,341 shares.

The Registration Document published in compliance with the Finnish Securities Markets Act, approved by the Finnish Financial Supervision Authority on April 14, 2008, and containing information about the company and its business and financial position is available during its period of validity through the company's Internet pages in Finnish language, and printed copies of it can be obtained from the company in Finnish or Englis language or from the service point of OMX Nordic Exchange Helsinki Ltd at Fabianinkatu 14, FI-00100 Helsinki.

Disclosures of changes in holdings

According to information received by the company, the proportion of Technopolis Plc’s share capital and votes held by Gazit-Globe Ltd, Tel Aviv, Israel, rose above one twentieth (5 %) as a result of a share transaction carried out on February 12, 2008, and above one tenth (10 %) as a result of a share transaction carried out on May 15, 2008, and above three twentieths (15 %) as a result of a share transaction carried out after the review period on July 3, 2008.

According to information received by the company on March 25, 2008, the proportion of Technopolis Plc’s share capital and votes held by ABN AMRO Asset Management Holding N.V., rose above one twentieth (5 %) as a result of a share transaction carried out on November 7, 2006.

Financing

The Group's net financial expenses totaled EUR 6.8 million (EUR 4.3 million). The Group's balance sheet total was EUR 655.3 million (EUR 443.7 million), of which liabilities accounted for EUR 389.2 million (EUR 272.2 million). The Group's equity ratio was 40.8 % (38.9 %). The Group's net gearing at the end of the period was 118.5 % (135.6 %). The Group's equity per share was EUR 4.64 (EUR 4.22).

The Group's interest-bearing liabilities at the end of the review period were EUR 337.6 million (EUR 234.4 million). The average interest rate of loans was 4.83 % on June 30, 2008 (4.34 %). At the end of the period, 71.2 % (74.1 %) of the Group’s long-term loans were variable rate loans, and 28.8 % (25.9 %) were fixed-rate loans. The average capital-weighted outstanding loan period was 10.8 years (12.0 years).

Technopolis supplements its financing with a EUR 90.0 million domestic commercial paper program which allows the company to issue commercial papers with a maturity of less than a year. The commercial papers in issue totaled EUR 4.0 million (EUR 41.7 million) at the end of the period.

At the beginning of April, Technopolis Plc signed a EUR 100 million financing agreement with the European Investment Bank (EIB). The financing agreement consists of a EUR 100 million line of credit, valid for 18 months from the agreement signing date. According to the agreement, the EIB will finance the company's future expansion projects in Finland.

Organization and personnel

The Group Executive Board includes the President and CEO Pertti Huuskonen, the directors Jukka Akselin, Hannu Eronen, Satu Eskelinen, Markku Hokkanen, Martti Launonen, Seppo Selmgren, Keith Silverang and Reijo Tauriainen, and the CFO Jarkko Ojala.

The Group's operating organization comprises three business units: Capital Area, Growth Centers and Russia. The Capital Area unit is headed by Keith Silverang, the Growth Centers unit is headed by Reijo Tauriainen, and the Russia unit is headed by Peter Coachman. Furthermore, the Group's organization features some matrix operations for the Group's property development, marketing and sales, and service concept. The Group's Consulting unit and the business development company Technopolis Ventures Oy report to Keith Silverang.

Keith Silverang, MBA, 47, who is currently the Vice President of Capital Area operations, has been appointed as the new President and CEO of Technopolis. He will take over from September 15, 2008. Silverang, who is a citizen of both the USA and Finland, took his undergraduate degree at Boston University and did his MBA at the Helsinki School of Economics. Keith Silverang joined Technopolis in 2004, after previously holding internationalization-related and executive positions with AAC Global Oy, Oy Hackman AB and his own company, Oy ICS Ltd.

From the date when Silverang takes up his new appointment, Pertti Huuskonen, who has led the company since 1985, will become the full-time Chairman of the Board of Technopolis, in accordance with the decision taken at the Annual General Meeting.

The Group employed an average of 162 (140) people during the review period. 56 (48) persons were employed in jobs related to premises activities, 38 (32) persons in business services and 68 (60) persons in development services.

Annual General Meeting

The Annual General Meeting of March 27, 2008 confirmed the consolidated and parent company financial statements for the 2007 financial year, released the company's management from further liability and approved the Board of Director's proposal to distribute a dividend of EUR 0.15 per share for the year that ended on December 31, 2007.

The Annual General Meeting decided to amend the paragraph of the Articles of Association concerning the term of the Board of Directors to state that the term of Board members shall expire no later than at the end of the Annual General Meeting held in the second financial year after their election.

It was decided to elect six members to the company's Board of Directors. Jussi Kuutsa, Matti Pennanen, Timo Ritakallio, Erkki Veikkolainen and Juha Yli-Rajala were elected for a term that begins at the close of the General Meeting deciding on their election and expires at the close of the subsequent Annual General Meeting. The company’s current President and CEO Pertti Huuskonen was elected as the full-time Chairman of the Board for a term that will begin when the company's next President and CEO has been entered in the Trade Register and will expire at the close of the Annual General Meeting held in the second financial year following his election. Timo Parmasuo was elected as the Chairman of the Board for a term that begins at the close of the General Meeting deciding on his election and expires at the beginning of Pertti Huuskonen's term. Matti Pennanen was elected as the Vice Chairman of the Board.

The firm of KPMG Oy Ab, Authorized Public Accountants, was chosen as the company’s auditor with Tapio Raappana, APA as the responsible auditor.

The Annual General Meeting decided to authorize the company’s Board of Directors to decide on acquiring the company’s own shares. The maximum number of the company’s own shares that can be acquired shall be 4,000,000, equivalent to approximately 9.07 % of the company’s total shares. Pursuant to the authorization, the company's own shares may be acquired only with unrestricted equity at the price arrived at in public trading on the date of acquisition or at a price otherwise established on the market. The Board of Directors shall decide on how the shares are to be acquired. Derivatives may be used in the acquisition. Shares may be acquired in deviation from the proportional holdings of shareholders (directed acquisition). The authorization revokes the authorization given by the Annual General Meeting of March 29, 2007, and shall be valid until May 31, 2009, at the latest.

Furthermore, the Annual General Meeting decided to authorize the Board to decide on a share issue and on the issuing of stock options and other special rights giving entitlement to shares, as specified in Chapter 10, Section 1 of the Companies Act, on the condition that the maximum number of shares to be issued pursuant to the authorization shall be 8,000,000 shares, equivalent to approximately 18.14 % of the company's total shares. The Board of Directors was authorized to decide on all terms and conditions of the share issue and the issuing of special rights giving entitlement to shares. The authorization concerns both the issuing of new shares and the conveyance of the company’s own shares. Such shares and special rights giving entitlement to shares may be offered to certain parties. The authorization does not revoke the authorization given to the Board by the General Meeting of November 29, 2007 to decide on the issuing of shares as well as on the issuing of stock options and other special rights giving entitlement to shares. The authorization will expire on May 31, 2009, at the latest.

Evaluation of operational risks and uncertainty factors

The most significant risks related to Technopolis’s business operations are mainly financial risks and customer risks.

Technopolis’s main financial risk is the interest rate risk related to the loan portfolio. The objective of interest rate risk management is to lower or remove the negative impact of market rate fluctuation on the Group's performance, balance sheet and cash flow. The company’s financing policy aims to diversify the interest rate risk of loan contracts over various loan periods on the basis of the market situation prevailing at any particular time and the interest rate prognosis created in the company. If necessary, the company will employ forward rate agreements, interest rate swaps and interest rate options. In order to manage financial risk, Technopolis uses a wide range of financing companies and maintains a high equity ratio.

Technopolis only uses derivatives to reduce or remove financial risks in the balance sheet.

With the structure of the Technopolis loan portfolio at the end of the review period, a one percentage point increase in money market rates would increase interest rate costs by EUR 1.7 million per annum.

Due to the interest rate risk related to loans, a policy of diversification has been followed. On June 30, 2008, 71.2 % of long-term loans was bound to the 3-12 month Euribor rate. Of the long-term loans, 28.8 % was fixed-interest loans of 13-60 months. The long-term loans’ average capital-weighted outstanding loan period was 10.8 years. Technopolis supplements its total financing with a EUR 90.0 million domestic commercial paper program which allows the company to issue commercial papers with a maturity of less than a year. The commercial papers in issue totaled EUR 4.0 million on June 30, 2008.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company’s financial situation and operations. Business transactions denominated in rubles are recorded at the exchange rate of the transaction date. Any translation differences are entered in the income statement under other operating expenses or financial income and expenses depending on the nature of the transaction. The purchase of land in St. Petersburg was financed in local currency. Currency risks have been minimized by applying a currency swap.

Customer risk management aims to minimize the negative impact of any changes in customers' financial situation on the company’s business and profit. In customer risk management, the emphasis is on familiarity with the customer's business and active monitoring of customer information. As part of customer risk management, Technopolis's leases include rent collateral arrangements. Properties are insured with full value insurance.

The Group's property portfolio is divided geographically between the Capital area, Jyväskylä, Kuopio, Lappeenranta, Tampere and the Oulu region. No single customer accounts for more than 9.3 % of the Group’s net sales. The Group has a total of about 1,150 customers, which operate in several different sectors.

The company’s leases can be divided into two categories: fixed-term leases and leases valid until further notice. The company aims to apply both types of leases depending on the market situation, property and the nature of the lessee’s business area.

In new building projects, Technopolis focuses on quality determination and the manageability of the property's entire lifecycle. In the design phase, all the building’s maintenance and service requirements are taken into account, with the aim of implementing environmentally friendly solutions in terms of energy consumption, the adaptability of office facilities, and recycling possibilities. In connection with property purchases, Technopolis carries out the normal property and environmental assessments before committing to the transaction.

Changes in market return requirements may have a substantial effect on profit performance. When return requirements increase, the fair value of investment properties decreases, and when return requirements decrease, the fair value of investment properties increases. The changes have either an increasing or decreasing effect on the Group operating profit.

Outlook for the future

Technopolis management expects that demand for the company’s high tech operating environments will be satisfactory in 2008 and that the occupancy ratio of its facilities and demand for their services will remain good. Technopolis estimates that its net sales and EBITDA for 2008 excluding sales profits will grow by 20-24 % on the previous year.

As part of its strategy for growth, Technopolis aims to operate in the top high technology cities in Finland, as well as in Russia and 1-2 other countries by 2011. The Group aims to increase its net sales by an average of 15 % annually. It seeks to grow organically as well as through acquisitions.

The Group's financial performance is dependent on trends in the general operating environment, in customer business, in the financial markets and in the return requirements for properties. Changes occurring in these areas may affect the Group's result through changes in occupancy ratio, the use of services, financing costs, the fair value of properties and office rent levels.

Oulu, July 18, 2008

TECHNOPOLIS PLC
Board of Directors

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President and CEO

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A PDF version of this interim report is available at www.technopolis.fi. Requests for a printed version can be made to Technopolis info, tel. +358 8 511 3228.

Technopolis Plc has a news release service, which can be subscribed for on the Internet. Service subscribers will receive the Group's releases by email.

Investment property is valued in accordance with the fair value model. The direct internal and external costs of construction are included in the acquisition cost of investment properties during the period of construction, as provided for in IAS 16. Interest expenses on loans for the construction period are allocated to the acquisition cost of properties under construction, as provided for in IAS 23.

The accounting policies and the key figures' calculation formulae applied to this Interim Report are the same as those applied to the 2007 financial statements. This Interim Report complies with the recognition and measurement principles of the IFRS, although not all of the requirements of IAS 34 have been complied with.

The figures are unaudited.

The Technopolis Group:

INCOME STATEMENT

EUR million	4-6/ 2008	4-6/ 2007	1-6/ 2008	1-6/ 2007	1-12/ 2007
Net sales	18,50	14,23	34,88	27,82	56,90
Other operating income 1)	1,08	1,38	3,15	2,62	5,24
Other operating expenses	-10,47	-8,35	-20,11	-16,80	-33,50
Change in fair value of investment properties	-4,31	3,27	-1,73	5,42	14,55
Depreciation according to plan 2)	-0,12	-0,17	-0,67	-0,32	-0,62
Operating profit	4,68	10,37	15,52	18,73	42,56
Financial income and expenses, total	-3,65	-2,38	-6,80	-4,28	-9,67
Profit before taxes	1,04	7,99	8,72	14,46	32,89
Income taxes	-0,13	-2,22	-2,28	-3,80	-8,81
Net profit for the period	0,91	5,77	6,44	10,65	24,08
Distribution of profit for the period:					
To parent company shareholders	0,94	5,76	6,59	10,63	24,04
To minority shareholders	-0,03	0,01	-0,15	0,03	0,04
	0,91	5,77	6,44	10,65	24,08

BALANCE SHEET, ASSETS

EUR million	30.6.2008	30.6.2007	31.12.2007
Non-current assets			
Intangible assets	2,05	2,55	2,49
Tangible assets	49,48	8,94	26,90
Investment properties	542,59	398,21	468,76

Investments	26,31	22,61	22,22
Deferred tax assets	2,39	2,04	2,41
Non-current assets, total	622,82	434,35	522,78
Current assets	32,52	9,36	9,50
Held-for-sale non-current assets	0,00	0,00	1,87
Total assets	655,33	443,71	534,16

BALANCE SHEET, SHAREHOLDERS' EQUITY AND LIABILITIES, EUR million	30.6.2008	30.6.2007	31.12.2007
Equity			
Share capital	96,91	68,69	74,54
Premium fund	18,55	18,49	18,55
Other funds	63,84	11,51	27,38
Other shareholders' equity	0,35	0,29	0,55
Retained earnings	79,61	61,78	61,70
Net profit for the period	6,59	10,63	24,04
Attributable to shareholders' of parent company	265,85	171,39	206,77
Minority interests	0,25	0,16	0,40
Total equity	266,10	171,54	207,17
Liabilities			
Long-term liabilities			
Interest-bearing liabilities	316,58	181,03	227,95
Non-interest-bearing liabilities	1,44	1,46	1,42
Deferred tax liabilities	36,48	25,66	35,08
Long-term liabilities, total	354,51	208,15	264,45
Short-term liabilities			
Interest-bearing liabilities	21,05	53,35	49,90
Non-interest-bearing liabilities	13,68	10,67	12,64
Short-term liabilities, total	34,73	64,01	62,54
Total liabilities	389,24	272,16	326,99
Total shareholders' equity and liabilities	655,33	443,71	534,16

CONSOLIDATED CASH FLOW STATEMENT
EUR million

	1-6/2008	1-6/2007	1-12/2007
Cash flow from operating activities			
Operating profit	15,52	18,73	42,56
Change in fair value of investment properties	1,73	-5,42	-14,55
Depreciation	0,67	0,32	0,62
Other non-cash adjustments	-0,07	0,28	0,52
Change in working capital	0,59	1,49	0,33
Interests received	0,36	0,42	0,82
Interests and fees paid	-6,26	-4,81	-11,15
Income from other investments in non-current assets	0,01	0,01	0,02
Taxes paid	-1,29	-1,40	-2,91
Net cash provided by operating	11,25	9,63	16,25

activities

Cash flow from investing activities			
Other investments	-0,11	-1,55	-1,65
Investments in investment properties	-36,64	-9,74	-27,56
Investments in tangible and intangible assets	-0,09	-0,27	-0,38
Repayments of loan receivables	0,01	0,01	0,02
Sales proceeds from other investments	2,30	0,04	0,34
Acquisition of subsidiaries	-19,95	-4,10	-48,93
Net cash used in investing activities	-54,48	-15,62	-78,15
Cash flow from financing activities			
Increase in long-term loans	50,21	12,89	67,89
Decrease in long-term loans	-7,12	-14,92	-20,09
Dividends paid	-6,68	-5,67	-5,68
Paid share issue	58,79	5,30	16,79
Repayments of finance lease receivables	0,45	0,39	0,81
Change in short-term loans	-31,20	6,90	0,46
Net cash provided by financing activities	64,45	4,88	60,18
Net change in cash and cash equivalents	21,21	-1,11	-1,73
Cash and cash equivalents at beginning of period	1,08	2,80	2,80
Cash and cash equivalents at end of period	22,29	1,69	1,08

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
EUR million

	Share capital	Premium fund	Other funds	Retained earnings	Minority interests	Equity
SHAREHOLDERS' EQUITY Dec 31, 2006	67,32	18,55	7,37	67,46	4,58	165,28
Share capital increase	0,21					0,21
Share offering	1,16		4,13			5,29
Dividend distribution				-5,68		-5,68
Net profit for the period				10,63	0,03	10,65
Other changes		-0,06	0,01	0,28	-4,45	-4,22
SHAREHOLDERS' EQUITY Jun 30, 2007	68,69	18,49	11,51	72,69	0,16	171,54
Share capital increase						
Share offering	5,85		15,95			21,80
Dividend distribution						
Net profit for the period				13,41	0,01	13,42

Other changes		0,06	-0,08	0,19	0,23	0,40
SHAREHOLDERS' EQUITY Dec 31, 2007	74,54	18,55	27,38	86,29	0,40	207,17
Share capital increase	0,01		0,01			0,02
Share offering	22,36		37,19			59,55
Dividend distribution				-6,62		-6,62
Net profit for the period				6,59	-0,15	6,44
Other changes			-0,74	0,28		-0,46
SHAREHOLDERS' EQUITY Jun 30, 2008	96,91	18,55	63,84	86,55	0,25	266,10

KEY INDICATORS

	1-6/2008	1-6/2007	1-12/2007
Change in net sales, %	25,4	49,1	26,9
Operating profit / net sales, %	44,5	67,3	74,8
Equity to assets ratio, %	40,8	38,9	39,0
Average no. of employees in Group companies during period	162	140	142
Gross expenditure on non-current assets, EUR 1,000	103 114	6 276	88 962
Net rental income of property portfolio, % 3)	7,5	7,5	7,5
Financial occupancy ratio, %	96,6	95,4	96,8
Earnings / share			
undiluted, EUR	0,14	0,26	0,58
diluted, EUR	0,14	0,26	0,58
Equity / share, EUR	4,64	4,22	4,69
Average (issue-adjusted) no. of shares			
undiluted	46 655 838	40 520 699	41 407 380
diluted	46 527 654	40 691 940	41 469 091

CONTINGENT LIABILITIES
EUR million

	30.6.2008	30.6.2007	31.12.2007
Pledges and quarantees on own debt			
Mortgages	245,50	179,37	203,70
Pledged securities	166,09	36,55	97,77
Bank guarantees	47,41		
Other liabilities	0,10	0,10	0,10
Collateral given on behalf of associates	0,50	0,50	0,50
VAT return liability	10,46	13,30	11,49
Leasing liabilities, machinery and equipment	1,03	0,25	0,48
Project liabilities	0,02	0,26	6,14

Interest rate and currency

swaps			
nominal values	96,15	4,00	17,28
market values	0,55	-0,03	0,28

1) Other operating income comprises operating subsidies received for development services, for which the same amount of development service expenses have been recorded as operating expenses. Other operating income for the review period 1-6/2008 includes EUR 0.9 million in nonrecurring items.

2) Depreciation for the review period 1-6/2008 includes EUR 0.4 million in nonrecurring depreciation.

3) Does not include properties brought into use and acquired during the year.

APPENDIX:
Assets and liabilities originating from the acquisition of Kuopion Teknologiakeskus Teknia Oy.

Acquisition cost statement
EUR million

	Fair values	Carrying amounts
Assets	EUR million	EUR million
Intangible and tangible assets	0,87	1,22
Investment properties	62,73	60,96
Investments and deferred tax assets	5,21	4,71
Receivables	1,59	1,59
Cash and cash equivalents	1,34	1,34
Total assets	71,73	69,82
Liabilities		
Long-term liabilities	44,89	44,89
Deferred tax liabilities	0,91	
Short-term liabilities	4,85	4,26
Total liabilities	50,64	49,15
Minority interests in net assets	0,00	0,00
Net assets attributable to Group	21,09	21,09
Net assets, total	21,09	21,09
Transaction price paid in cash	18,71	
Other share of acquisition price	2,40	
Goodwill	-0,02	
Transaction price paid in cash	21,11	
Acquired company’s cash and cash equivalents	1,34	
Effect on cash flow	19,77	

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