TECHNOPOLIS PLC INTERIM REPORT 21.10.2008 at 12.15 a.m.

TECHNOPOLIS GROUP INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2008

Highlights of 1-9/2008 compared with the corresponding period of 2007:
- Net sales rose to EUR 53.0 million (EUR 41.2 million), an increase of 28.9 %.
- EBITDA rose to EUR 28.1 million (EUR 21.5 million), an increase of 30.2 %.
- Operating profit fell to EUR 25.9 million (EUR 30.4 million) which includes a EUR -1.3 million (EUR 9.3 million) change in the fair value of investment properties.
- Profit before taxes totaled EUR 15.9 million (EUR 23.6 million), a decrease of 32.7 %.
- The financial occupancy ratio was 96.4 % (96.6 %).
- Earnings per share, diluted, were EUR 0.23/share (EUR 0.42/share).
- The Group's management expects that in 2008 net sales and EBITDA excluding non-recurring gains will grow by 22-26 % over the previous year.

Keith Silverang, President and CEO:

"The Group's business developed favorably during the review period in spite of deteriorating global economic conditions. The financial crisis has had no significant impact on the Group's rental or service operations. The financial occupancy ratio has remained high and the Group's net sales and occupancy rate increased relative to 2007. The main events of the third quarter included the completion of the first stage of the Ruoholahti technology center in downtown Helsinki, and the completion of the third and fourth stages of the Kontinkangas technology center in Oulu. The occupancy rates of the completed properties were high from the outset and a positive change in fair market value was recorded for the properties."

Operations

The Group's net sales for the third quarter were EUR 53.0 million (EUR 41.2 million in 1-9/2007), an increase of 28.9 %. Rental income accounted for 81.8 % (82.0 %) and service income for 18.2 % (18.0 %) of net sales. EBITDA (earnings before interest, taxes, depreciation and amortization) for the period was EUR 28.1 million (EUR 21.5 million), an increase of 30.2 %. 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 quarter was EUR 25.9 million (EUR 30.4 million), a decrease of 14.7 %. The operating profit declined due to a decrease in the the fair value of investment properties which has no impact on the Group's net sales, EBITDA or cash flow. Depreciation according to plan includes a nonrecurring item of EUR 0.4 million. The Group's net financial expenses totaled EUR 10.0 million (EUR 6.8 million). Profit before taxes for the period was EUR 15.9 million (EUR 23.6 million).

The balance sheet total was EUR 659.0 million (EUR 513.7 million), an increase of 28.3 %. The Group's equity ratio at the end of the period was 41.4 % (36.9 %).

The fair market value of the Group's investment properties at the end of the quarter was EUR 576.2 million (EUR 464.2 million). The change in the fair market value of investment properties during the period had a negative impact of EUR -1.3 million (EUR 9.3 million in 1-9/2007). The net change in fair market value includes gains from an increase in market rents in some properties and an increase in the value of properties purchased or completed during the period. Losses in fair market value followed from an increase in market yield requirements. The adjustment of fair market calaculation parameters to better reflect actual market conditions also had some impact on property values, including inflation upgrades for 2008-2009 and a slight increase in long-term inflation expectations

Over the period October 1, 2008 - September 30, 2009, the current exceptionally high rate of inflation has been taken into account in the calculation of the fair value of maintenance costs and index-linked rental income. For the period October 1, 2008 - December 31, 2008, 4.7 % was used as the projected inflation rate and 2.5 % was used as the annual expected inflation rate for 2009; the latter is the median percentage using forecasts by nine publishers of economic reviews (reference 1).

The projected long-term inflation rate used in the calculation of fair value was raised from 1.75% to 2.0 % for the period from October 2009 onwards.

Site-specific net yield requirements are provided by two third-party property assessment companies. The average of their respective averages is employed in the Group’s fair market value calculations with respect to yield requirements.The net yield requirement for properties rose 0.16 percent during the third quarter. The Group’s average net yield requirement for its properties on September 30, 2008 was 7.47 % (7.22 % on September 30, 2007). In order to be conservative, an average occupancy ratio of 94.3 % was used to calculate fair market values Over a 10 year spectrum, although the Group’s historical, actual and projected occupancies for the actual occupancy rate are higher than this.

The Group's total rentable surface area was 429,036 floor square meters at the end of the period (366,045 square meters on September 30, 2007). The Group’s average financial occupancy ratio at the end of the quarter was 96.4 % (96.6 %). 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 117.7 million (EUR 119.8 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 (wholly owned), Kiinteistö Oy Innopoli II in Espoo (wholly owned), Technopolis Kuopio Oy (wholly owned) and other subsidiaries. The Group has begun to merge Technopolis Kuopio Oy with the parent company.

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

The parent company has minority holdings in the affiliates 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 Lappeenranta Oy (100 %), Technopolis Ventures Jyväskylä Oy (100 %), Technopolis Ventures Oulu Oy (70 %), Technopolis Ventures Professia Oy in Tampere (50.1 %) and Technopolis Ventures Kuopio Oy (100 %). Technopolis Ventures Oy also has a 25 % holding in Otaniemi Development Ltd.

Principal Investments and Projects

An agreement 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 space 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 m2 in size and has been fully let.

The first stage of the Lappeenranta Vapaudenaukio project was completed in May 2008. Its total space of 3,150 m2 has been fully let.

The first phase of the Technopolis technology center currently being built in Ruoholahti, Helsinki was completed in August 2008. The first phase is 6,600 floor m2. So far 94 % of the building has been let with binding agreements.

The third phase of the Oulu Kontinkangas technology center was completed in August 2008 and the fourth phase was completed in September. The third phase is 3,090 floor m2 and the fourth phase is 3,900 floor square meters. Both the third and fourth phases have already been fully let.

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 phase is summer 2009. Approximately 50 % of the extension has been pre-let.

The fifth phase of the Technopolis Helsinki-Vantaa technology center is estimated to be completed in November 2008. The phase is about

6,700 gross square meters and the investment will amount to about EUR 15 million. Approximately 50% of the building has so far been leased out.

A decision was made in April to commence construction of the first phase of the Hermia 15 property in Tampere. The project's cost estimate is EUR 14.5 million and the gross area is 12,150 m2, which includes a parking garage for 300 vehicles. Pre-lets have been signed for 70 % of the first phase premises. The first phase is expected to be completed in August 2009.

June also saw the start of the first phase of Technopolis's Yliopistonrinne technology center in Tampere's city center. The new center is located near the University of Tampere. The cost estimate is EUR 33.3 million and the gross area will be 19,200 m2, including an indoor parking facility for 130 vehicles. The first phase, 34 % of which has already been let, 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 approx. EUR 5.6 million.

In June, Technopolis also started to implement the second stage of its Ohjelmakaari technology center, located in the Yliopistonmäki district of Jyväskylä. 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 approx. 4,790 square meters. The building, 62 % of which has been pre-let, 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 design-build 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 design. The first phase is expected to cost approximately EUR 50 million and the gross area to be built will be approximately 24,100 square meters. The first phase of the technology center is scheduled for completion in spring 2010.

Technopolis Stock

On April 27, 2008, the Technopolis Board of Directors approved 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 good solvency. 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 subscription price was EUR 4.50 per share and the subscription period was from May 7 to May 20, 2008. Each shareholder of Technopolis 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 by the completion of the rights issue on May 20, 2008. 13,029,489 shares were subscribed for the primary offering, representing approximately 98.5 % of the shares on offer. 7,855,625 shares were subscribed in the secondary offering, 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 were recorded in the Trade Register on May 26, 2008. They were admitted for trading on the NASDAQ OMX Helsinki Ltd on May 27, 2008. The new shares entitle owners to a full dividend and to all other rights attached to the shares as of their date of entry in the Trade Register.

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 upon entry of the new shares in the Trade Register.

In December 2007, a total of 4,300 Technopolis shares were subscribed with 2005A options. An increase in share capital of EUR 7,267 was registered on February 6, 2008. The new shares entitled their holders to dividends for fiscal 2007 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 NASDAQ OMX Helsinki as of June 2, 2008. The total number of 2005B stock options is 436,000. Each option entitles its holder to subscribe 1.043 Technopolis Plc shares. The subscription price for the 2005B stock options is EUR 6.188 per share. The 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 outstanding 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 in Finnish during its period of validity through the company's Internet pages, and printed copies of it can be obtained in Finnish or English from the company or from the OMX Way service point of NASDAQ OMX 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 on July 3, 2008.

According to information received by the company, 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 10.0 million (EUR 6.8 million). The Group's balance sheet total was EUR 659.0 million (EUR 513.7 million), of which liabilities accounted for EUR 387.7 million (EUR 324.9 million). The Group's equity ratio was 41.4 % (36.9 %)at the end of the quarter. The Group's net gearing at the end of the quarter was 118.8 % (147.8 %). The Group's equity per share was EUR 4.73 (EUR 4.47).

The Group's interest-bearing liabilities at the end of the period were EUR 333.9 million (EUR 280.1 million). The average interest rate of loans was 5.08 % on September 30, 2008 (4.68 %). At the end of the period, 72.7 % (73.3 %) of the Group’s long-term loans were variable rate, and 27.3 % (26.7 %) were fixed-rate. The average capital-weighted outstanding repayment period was 10.5 years (9.9 years).

During the 12 months following the period, EUR 19.1 million shall be payable on existing interest-bearing liabilities. At the end of the period, Technopolis had available undrawn long-term binding lines of credit and loans totaling EUR 104.8 million and cash assets of EUR 10.5 million. Of the remaining long-term credit lines EUR 100.0 million from the European Investment Bank is for the company’s future expansion projects in Finland.

Technopolis manages its short-term liquidity with a EUR 90.0 million domestic commercial paper program which allows the company to issue commercial papers with maturities of less than a year. The commercial papers in issue totaled EUR 4.0 million (EUR 35.2 million) at the end of the period. Technopolis also has a checking account limit with a credit facility up to EUR 15.0 million; the full amount is available and undrawn.

The financing of construction activities in Russia is to be handled using financing acquired by parent company. This financing will be converted into long-term loans and equity taking into account the low Russian capitalization requirements.

Organization and Personnel

After the review period, in the meeting held on October 21, 2008, the Technopolis Board of Directors decided to change the organizational structure and reduce the number of Management Team members. From now on the Group’s operational organization will comprise three business units: Finland, Russia and New markets. Furthermore, the Group’s organization will have matrix support functions for the Group’s real estate development, business services, business development and support activities.

The Group Management Team comprises the CEO Keith Silverang, the Chief Development Officer Jukka Akselin, Finnish Country Manager Reijo Tauriainen, the Director of Tampere operations Satu Eskelinen and the CFO Jarkko Ojala.

On September 23, 2008, the Board of Directors of Technopolis decided to transfer its consultation services and regional development program operations to Technopolis Ventures Oy and Oulu Innovation Ltd. This transfer will enable the company to focus on its core businesses. The sale of consulting services abroad will end as the company expands internationally in order to prevent technology center know-how from leaking into potential growth markets. Instead of regional development programs, national and international 'Open Innovation' services with the aim of helping Technopolis’s client companies will be added to the Technopolis business development service mix.

The CEO of Technopolis, Keith Silverang, MBA, 47, took over on September 15, 2008. Silverang is a citizen of both the United States and Finland. He took his undergraduate degree at Boston University and did his MBA at the Helsinki School of Economics. Keith Silverang joined Technopolis in 2004. He earlier held internationalization-related and executive positions with AAC Global Oy, Oy Hackman AB and his own company, Oy ICS Ltd.

On September 15, 2008, Pertti Huuskonen, who has led the company since 1985, became the full-time Chairman of the Technopolis Board, in keeping with the shareholders' decision at the Annual General Meeting. As Chairman of the Board, Pertti Huuskonen will focus on international growth and finding new investment targets.

The Group employed an average of 167 (142) people during the period. 60 (50) persons were employed in jobs related to premises activities, 38 (32) persons in business services and 69 (60) persons in development services.

Annual General Meeting

The Annual General Meeting of March 27, 2008 approved the consolidated and parent company financial statements for fiscal 2007, 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 ending 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 CEO has been entered in the Trade Register and will expire at the close of the Annual General Meeting held in the second fiscal 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 auditor in charge.

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 a 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 shall concern both the issuing of new shares and the conveyance of the company’s own shares. The shares and special rights giving entitlement to shares may be issued 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 shall be valid until 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 its loan portfolio. The interest rate risk policy was updated in September 2008. The objective of interest rate risk management is to reduce the negative impact of market rate fluctuations on the Group's financial performance, financial position and cash flow. If necessary, the company will employ forwards, interest rate swaps and interest rate options in order to hedge interest rate risk. The company's financing policy also 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 forecast created in the company.

The purpose of managing refinancing risk is to ensure that the Group's loan portfolio is sufficiently diversified in terms of repayment schedules and financing instruments.

In order to manage financial risk, Technopolis uses a wide range of financing companies,utilizes wide variety of financial instruments and maintains a high equity ratio.

Prolonged instability in the financial market may make it more difficult to receive growth financing and refinancing in the future.

Given the structure of the Technopolis long-term 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 1.5 million per annum.

Due to the interest rate risk related to loans, a policy of diversification has been followed. On September 30, 2008, 72.7 % of long-term loans were linked to the 3-12 month Euribor rate. Of the long-term loans, 27.3 % were fixed-interest loans of 13-60 months. The long-term loans' average capital-weighted outstanding repayment period was 10.5 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 maturities of less than a year. The commercial papers outstanding totaled EUR 4.0 million on September 30, 2008.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company's financial performance 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 that any changes in customers' financial situation may have on the company's business or 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 rental deposits. Properties are insured with full value insurance.

The Group's property portfolio is divided geographically between the Helsinki metropolitan 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 1,200 customers, which operate in several different sectors.

The company’s leases can be divided into two categories: fixed-term leases and open ended leases. The company aims to apply both types of leases depending on the market situation, property and the nature of the tenant’s business.

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 normal property and environmental assessments before committing to the transaction.

Changes in market yield requirements may have a substantial impact on the company’s earnings performance. When yield requirements increase, the fair market value of properties decreases, and when yield requirements decrease, the fair value of properties increases. The changes can thus have either an increasing or decreasing effect on the Group’s operating profit.

Future Prospects

Technopolis management expects that demand for the company’s high tech operating environments will remain satisfactory in 2008 and that the occupancy ratio of its facilities and demand for services will remain good in spite of the deteriorating international economic conditions. The management does believe, however, that should the financial crisis become prolonged or expand, it may pose a challenge to the Group's growth prospects. The management has taken steps to secure the company's profitability even under challenging economic conditions. The Group’s management expects that in 2008, net sales and earnings, excluding non-recurring gains, will grow by 22-26 %. The forecast has been raised since the previous review period.

As part of its strategy for growth, Technopolis aims to operate in top high technology hot spots in Finland, as well as in Russia and 2-3 other countries by 2012. The Group’s target is to increase its net sales by an average of 15 % annually. It will grow organically as well as through acquisitions.

The Group's financial performance is dependent on trends in the general business environment, its customer businesses, the financial markets and on yield requirements. Changes occurring in these areas may affect the Group's financial performance through changes in occupancy ratios, the use of services, financing costs, the fair market values of properties and office rent levels.

Helsinki, October 21, 2008

TECHNOPOLIS PLC
Board of Directors

Keith Silverang
CEO

For more information:
Keith Silverang, tel. +358 40 566 7785

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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	7-9/ 2008	7-9/ 2007	1-9/ 2008	1-9/ 2007	1-12/ 2007
Net sales	18.16	13.32	53.04	41.15	56.90
Other operating income 2)	1.23	1.30	4.37	3.91	5.24
Other operating expenses	-9.25	-6.71	-29.36	-23.51	-33.50
Change in fair value of investment properties	0.41	3.92	-1.32	9.34	14.55
Depreciation according to plan 3)	-0.14	-0.16	-0.82	-0.49	-0.62
Operating profit	10.40	11.66	25.92	30.40	42.56
Financial income and expenses, total	-3.21	-2.49	-10.01	-6.77	-9.67
Profit before taxes	7.19	9.17	15.91	23.63	32.89
Income taxes	-2.02	-2.52	-4.30	-6.33	-8.81
Net profit for the period	5.17	6.65	11.60	17.30	24.08
Distribution of profit for the period:					
To parent company shareholders	5.17	6.64	11.76	17.27	24.04
To minority shareholders	0.00	0.01	-0.15	0.04	0.04
	5.17	6.65	11.60	17.30	24.08

BALANCE SHEET, ASSETS

EUR million	30.9.2008	30.9.2007	31.12.2007
Non-current assets			
Intangible assets	2.02	2.50	2.49
Tangible assets	31.62	14.77	26.90
Investment properties	576.24	464.19	468.76
Investments	26.02	22.41	22.22
Deferred tax assets	2.66	1.83	2.41
Non-current assets	638.57	505.70	522.78
Current assets	20.47	7.99	9.50
Held-for-sale non-current assets	0.00	0.00	1.87
Total assets	659.04	513.69	534.16

BALANCE SHEET, SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	30.9.2008	30.9.2007	31.12.2007
Equity			
Share capital	96.91	71.36	74.54
Premium fund	18.55	18.49	18.55
Other funds	63.82	19.44	27.38
Other shareholders' equity	0.43	0.39	0.55
Retained earnings	79.61	61.70	61.70
Net profit for the period	11.76	17.27	24.04
Attributable to shareholders of parent company	271.08	188.66	206.77
Minority interests	0.24	0.16	0.40
Total equity	271.33	188.82	207.17
Liabilities			
Long-term liabilities			
Interest-bearing liabilities	312.80	233.59	227.95
Non-interest-bearing liabilities	1.41	1.44	1.42
Deferred tax liabilities	37.92	32.87	35.08
Long-term liabilities, total	352.13	267.90	264.45
Short-term liabilities			
Interest-bearing liabilities	21.11	46.53	49.90
Non-interest-bearing liabilities	14.47	10.44	12.64
Total short-term liabilities	35.59	56.97	62.54
Total liabilities	387.71	324.86	326.99
Total shareholders' equity and liabilities	659.04	513.69	534.16

CONSOLIDATED CASH FLOW STATEMENT

Eur million	1-9/2008	1-9/2007	1-12/2007
Cash flow from operating activities			
Operating profit	25.92	30.40	42.56
Change in fair value of investment properties	1.32	-9.34	-14.55

Depreciation	0.82	0.49	0.62
Other non-cash adjustments	0.00	0.38	0.52
Change in working capital	1.04	0.91	0.33
Interest received	1.35	0.63	0.82
Interests and fees paid	-13.22	-7.77	-11.15
Income from other investments in non-current assets	0.01	0.01	0.02
Taxes paid	-1.67	-2.13	-2.91
Net cash provided by operating activities	15.57	13.58	16.25
Cash flow from investing activities			
Other investments	-0.11	-1.56	-1.65
Investments in investment properties	-48.17	-16.68	-27.56
Investments in tangible and intangible assets	-0.16	-0.28	-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	-19.73	-47.66	-48.93
Net cash used in investing activities	-65.86	-66.13	-78.15
Cash from financing activities			
Increase in long-term loans	50.21	67.89	67.89
Decrease in long-term loans	-10.89	-17.34	-20.09
Dividends paid	-6.66	-5.68	-5.68
Paid share issue	58.54	5.51	16.79
Repayments of finance lease receivables	0.69	0.59	0.81
Change in short-term loans	-31.18	-0.19	0.46
Net cash provided by financing activities	60.72	50.77	60.18
Net change in cash and cash equivalents	10.43	-1.77	-1.73
Cash and cash equivalents at beginning of period	1.08	2.80	2.80
Cash and cash equivalents at end of period	11.51	1.03	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	3.84		12.05			15.89
Dividend				-5.68		-5.68

distribution						
Net profit for the period				17.27	0.03	17.30
Other changes		-0.06	0.02	0.31	-4.44	-4.17
SHAREHOLDERS' EQUITY Sep 30, 2008	71.36	18.49	19.44	79.36	0.16	188.82
Share capital increase						
Share offering	3.17		8.03			11.20
Dividend distribution						
Net profit for the period				6.77	0.01	6.78
Other changes		0.06	-0.09	0.16	0.22	0.35
SHAREHOLDERS' EQUITY Dec 31, 2007	74.54	18.55	27.38	86.29	0.40	207.17
Share capital increase						
Share offering	22.36		37.19			59.55
Dividend distribution				-6.62		-6.62
Net profit for the period				11.76	-0.15	11.61
Other changes	0.01		-0.75	0.36		-0.38
SHAREHOLDERS' EQUITY Sep 30, 2008	96.91	18.55	63.82	91.80	0.24	271.33

KEY INDICATORS

	1-9/2008	1-9/2007	1-12/2007
Change in net sales, %	28.9	34.6	26.9
Operating profit / net sales, %	48.9	73.9	74.8
Equity to assets ratio, %	41.4	36.9	39.0
Average no. of employees in Group companies during period	167	142	142
Gross expenditure on non-current assets, EUR 1,000	118 376	74 299	88 962
Net rental income of property portfolio, % 4)	7.7	7.8	7.5
Financial occupancy ratio, %	96.4	96.6	96.8
Earnings / share			
undiluted, EUR	0.23	0.42	0.58
diluted, EUR	0.23	0.42	0.58
Equity / share, EUR	4.73	4.47	4.69
Average issue-adjusted no. of shares			
undiluted	50,245,014	40,800,453	41,407,380
diluted	50,111,727	40,840,228	41,469,091

CONTINGENT LIABILITIES

Eur million	30.9.2008	30.9.2007	31.12.2007

Pledges and guarantees on own debt			
Mortgages	264.00	202.20	203.70
Book value of pledged securities	165.52	97.65	97.77
Bank guarantees	46.74		
Other liabilities	0.10	0.10	0.10
Collateral given on behalf of associates	0.50	0.50	0.50
Leasing liabilities, machinery and equipment	1.05	0.48	0.48
Project liabilities	0.02	0.32	6.14
Interest rate and currency swaps			
Nominal values	132.00	7.28	17.28
Fair values	0.22	0.15	0.28

1) source: The Research Institute of Finnish Economy. ETLA. Sep 3, 2008. Suhdannenäkymät syyskuussa (i.e. Economic trend report on September 2008). www.etla.fi

2) 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 1-9/2008 includes EUR 0.9 million in non-recurring items.

3) Depreciation for the review period 1-9/2008 includes EUR 0.4 million in non-recurring depreciation.

4) Does not include properties commissioned or acquired during the year.

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