TECHNOPOLIS

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Technopolis Group Statements Report for 2013

A Year of Strong Growth for Technopolis

- Net sales rose to EUR 126.3 (107.3) million, up 17.7%
- EBITDA rose to EUR 64.1 (55.8) million, up 15.0%
- The financial occupancy rate was 93.6% (95.3%)
- Earnings per share were EUR 0.30 (0.33), including changes in fair value and unrealized exchange rate losses
- Direct result (EPRA) rose to EUR 40.5 (29.9) million, up 35.6%
- Direct result per share (EPRA) was EUR 0.47 (0.38)
- Net asset value per share (EPRA) was EUR 4.90 (5.12)
- The Board of Directors proposes a dividend of EUR 0.10 per share

The company estimates that its net sales for 2014 will grow by 27% - 32% and EBITDA by 35% - 40% compared to the previous year.

During 2013, the company increased its rentable area by acquiring 165,600 sqm of space, with another 77,900 sqm were under construction. Non-recurring expenses of EUR 2.3 million related to acquisitions and additional purchase prices of previous acquisitions reduced EBITDA. The net profit for the period was EUR 31.6 (27.0) million. Fair value changes of EUR -17.6 (-5.7) million and unrealized exchange rate losses of EUR -5.7 (0.6) million reduced operating earnings while a change in Finnish tax rates increased the net profit for the period by EUR 7.0 million.

The EPRA-based (European Public Real Estate Association) direct result was EUR 40.5 (29.9) million, an increase of 35.6%. The change was mainly due to the increase in EBITDA. The EPRA-based direct result does not include unrealized exchange rate gains or losses or fair value changes.

Key Indicators	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Net sales, EUR million	34.7	28.7	126.3	107.3
EBITDA, EUR million	16.9	15.4	64.1	55.7
Operating profit, EUR million	11.6	15.2	43.9	48.0
Net result for the period, EUR million	14.7	8.7	28.8	25.8
Earnings/share, undiluted, EUR	0.16	0.11	0.30	0.33
Earnings/share, diluted, EUR	0.16	0.11	0.30	0.33
Cash flow from operations/share, EUR			0.53	0.50
Equity ratio, %			40.2	36.2
Equity/share, EUR			4.62	4.46

Earnings and balance sheet figures per share have been adjusted for the share issue.

EPRA-based Key Indicators	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Direct result, EUR million	11.2	10.0	40.5	29.9
Direct result/share, diluted, EUR	0.13	0.13	0.47	0.38
Net asset value/share, EUR			4.90	5.12
Net rental yield, %			7.6	7.8
Financial occupancy rate, %			93.6	95.3

Keith Silverang, CEO:

“We have worked consistently to develop Technopolis into an international real estate company while targeting strong profitability and a healthy capital structure. We have not yet achieved our targeted scale, but 2014 took us much closer to our target, and we therefore have good reason to be satisfied with the company’s performance.

In 2013 we invested roughly a half billion euros in new campuses at home and abroad. The spurt started in February when we acquired the Peltola campus in Oulu, followed by the Vilnius acquisition in May, and then Falcon in Espoo and finally Oslo. Each acquisition offered an attractive risk-return ratio and an excellent fit for the Technopolis concept and real estate portfolio. And every one of them bring opportunities to generate short and long term yield premiums by boosting occupancy, service revenues and raising the value of the campuses. For instance, we added more than 20% to Peltola’s occupancy in first 10 months after the acquisition. In Vilnius we completed and filled a new building while integrating the campus. We were able to partner with powerful Norwegian and Finnish entities in establishing our new Oslo joint venture. And we funded it all with a balance sheet strengthening 75 million euro hybrid bond issue and a 100 million euro rights issue, as well as debt arrangements with solid Nordic banking partners.

In the mean time it was business as usual in operations, with every business unit working hard to boost occupancy, customer satisfaction and earnings. We completed challenging construction projects in Tallinn, Jyväskylä and Kuopio, and our Pulkovo 2 project in St. Petersburg proceeding as planned.

Technopolis ended the year with 17.7% revenue growth, 15% EBITDA growth and financial occupancy increased from 92% in Q3 to 93.6% at the year-end. The company’s equity ratio is over 40% and total shareholder return was approximately 30% for the year. These figures speak for themselves.

Technopolis will focus in 2014 on digesting acquisitions, managing integration effectively, building occupancy and improving profitability. Given the acquisitions at the end of 2013 the company’s net sales and EBITDA will grow robustly in 2014. International revenues are approaching our 2016 target of 50 million euros and there are still plenty of profitable growth opportunities in neighboring markets.

The company still has a lot of potential. We will continue to work very hard to improve the scalability of our concept and to boost productivity and efficiency. We will continue to streamline our portfolio, which will mean not only new campuses but also the divestiture of properties and campuses that are no longer good fit with concept. Our goal is to be able to achieve excellent customer satisfaction, high occupancy and continuous profitable growth on every campus.

We are cautiously optimistic about the future. We’re finally starting to get some help from gradually improving macroeconomic conditions. We have an authentically pan-Nordic-Baltic campus network. We have a great service concept that differentiates us from competitors. Technopolis has an excellent platform from which to continue its journey as a profitable international growth company.”

Business Conditions

According to consensus information collected by the Federation of Finnish Financial Services (FK), Finland’s GDP is forecast to have decreased by 0.8% in 2013. GDP growth was being dragged down by rising unemployment, a soft cycle in exports and lower private consumption due to heavier taxation. According to Statistics Finland figures, the unemployment rate for 2013 was 8.2% and the inflation rate 1.5%. According to consensus information collected by FK, the Finnish economy will return to growth and GDP will increase by 1.2% in 2014.

Norway’s GDP is expected to have grown by 1.9% in 2013 and the unemployment rate to have increased to 3.5%. GDP growth was affected by lower domestic demand in 2013. Inflation amounted to 2.1% in 2013. GDP is expected to grow by 2.3% in 2014.

Estonia's GDP is expected to have grown by approximately 1.3% in 2013, supported by the good price competitiveness of the export sector. The unemployment rate is expected to have decrease by one percentage point to 8.8% and inflation to have slowed to 3.2%. In 2014, the GDP is expected to grow by 2.6%.

Russia's GDP for 2013 is expected to have grown by 1.5% and the unemployment rate to remain at 5.5%, while inflation rose from 5.1% to 6.8%. Moderate development in oil prices impaired the growth. In 2014, the GDP is expected to grow by 2.4%.

In Lithuania, private consumption and exports supported GDP growth, and according to forecasts, it will grow by 3.8% in 2013, while inflation decreased to 1.5%. According to forecasts the unemployment rate decreased by 1.2 percentage points in 2013. GDP is expected to grow by 3.5% in 2014.

Financial Occupancy Rates

In spite of general economic uncertainty, occupancy rates for Technopolis office space have remained good. The Group's financial occupancy rates are as follows:

	Dec 31, 2013*)	**Sept 30, 2013***)	**June 30, 2013**	**March 31, 2013**	**Dec 31, 2012**
Group	93.6	92.0	92.7	92.2	95.3
Finland	92.9	91.0	91.7	91.5	95.1
Oulu	87.1	85.6	84.2	85.9	94.5
HMA	95.3	92.5	93.6	94.1	91.9
Tampere	99.6	96.5	97.4	97.1	97.6
Kuopio	95.6	94.0	93.9	87.6	94.9
Jyväskylä	92.7	91.9	98.9	98.9	98.6
Lappeenranta	91.2	92.4	94.3	93.6	92.5
Norway, Oslo**)	89.5	-	-	-	-
Estonia, Tallinn	97.7	96.2	96.6	96.1	94.9
Russia, St. Petersburg	100.0	100.0	98.8	100.0	100.0
Lithuania, Vilnius***)	99.9	99.8	99.9	-	-

*) Financial occupancy rate does not include space under renovation. September 30, 2013 under renovation was ca. 7,800 sqm and December 31, 2013 ca. 9,500 sqm
**) Norwegian operations were consolidated on December 11, 2013
***) Lithuanian operations were consolidated on May 31, 2013

Business Segments

Geographic Segments

The net sales and EBITDA of Finnish operations developed favorably in 2013. Net sales were EUR 109.4 (97.4) million and EBITDA was EUR 56.1 (51.2) million. The EBITDA margin was 51.2% (52.5%), reflecting a lower financial occupancy rate. Net sales grew by 12.3% and EBITDA by 9.6% compared to 2012.

The Fornebu campus acquired in Oslo, Norway, was consolidated into the accounts on December 11, 2013. By the end of the year, the campus generated EUR 1.0 million of net sales and EUR 0.6 million of EBITDA. The EBITDA margin was 56.4% (-).

The net sales of the Tallinn campus for 2013 were EUR 6.8 (4.8) million and EBITDA was EUR 3.5 (3.1) million. Adjusted for the change in accounting policy, the comparable net sales in 2013 were

EUR 5.6 million, and the EBITDA margin was 63.1%. Comparable net sales grew by 14.8% and EBITDA by 11.5%.

The net sales of the St. Petersburg campus for 2013 were EUR 5.6 (5.0) million and EBITDA was EUR 1.5 (1.4) million. The EBITDA margin was 27.3% (27.4%). The lower EBITDA margin of the campus compared to other geographic segments is primarily related to the unit's lower volume of rentable space.

The Vilnius campus was consolidated into the accounts on May 31, 2013. The unit's net sales for June-December amounted to EUR 3.5 million and EBITDA to EUR 2.5 million. The EBITDA margin was 71.9% (-). The figures include a non-recurring income item of EUR 0.2 million.

Space and Service Operations

In 2013, rental revenue accounted for 88.4% (86.7%) and service revenue for 11.6% (13.3%) of net sales. The acquisition of new campuses influenced the lower relative share of service operations. Depending on the campus, service operations are expected to reach normal revenue levels within one to three years of acquisition.

Breakdown of Net Sales and EBITDA by Sector:

		10-12/2013	10-12/2012	1-12/2013	1-12/2012
Space					
	Net sales	30.5	24.6	111.5	93.0
	EBITDA	21.0	16.6	72.7	61.9
	EBITDA %	68.9	67.4	65.2	66.5
Services					
	Net sales	4.0	4.0	14.7	14.2
	EBITDA	0.2	0.4	1.5	1.3
	EBITDA %	5.2	10.2	10.3	9.4

The EBITDA margin of office space rental operations decreased by 1.3 percentage points in 2013 due to lower initial financial occupancy rates. The full-year EBITDA margin increased to 10.3% (9.4%) in the service sector due to business restructuring. Investments in service production at new acquired campuses decreased the EBITDA margin in the fourth quarter.

Financial Performance

The Group's net sales for the period under review were EUR 126.3 (107.3) million, an increase of 17.7% compared to 2012. The growth was mainly due to increased space. The Group's EBITDA rose to EUR 64.1 (55.8) million in 2013, up 15.0%. The EBITDA margin was 50.7% (51.9%). The EBITDA for the period under review includes EUR 2.3 million in non-recurring expenses related to investments, the restructuring of service operations and incorporation of properties into five regional companies in Finland. Changes of EUR -17.6 (-5.7) million in the fair value of investment properties, mainly resulting from increased market yields in Finland, had a negative impact on operating earnings. The Group's operating profit was EUR 43.9 (48.0) million. Excluding changes in fair value, the operating profit was EUR 61.5 (53.7) million.

The Group's net financial expenses for 2013 totaled EUR 21.2 (13.6) million. EUR -5.7 (0.6) million in unrealized exchange rate gains and losses was booked under net financial expenses. The Group's pre-tax profit totaled EUR 22.6 (34.5) million. The pre-tax profit excluding fair value changes was EUR 40.3 (40.2) million.

Comprehensive income for the period to parent company shareholders was EUR 28.8 (25.8) million which rose by EUR 7.0 million net due to a change in Finnish corporate tax rates.

The EPRA-based direct result amounted to EUR 40.5 (29.9) million for 2013, an increase of 35.6%. Earnings per share increased to EUR 0.47 (0.38). An increase in net sales and EBITDA and a decrease in taxes contributed to the improvement in the EPRA-based figures. Financial expenses were EUR 15.0 (13.0) million and taxes EUR 4.0 (9.2) million.

Customers and Lease Stock

Technopolis has a total of approximately 1,500 customers, and roughly 32,000 people work in Technopolis facilities. The twenty largest customers lease approximately 32.8% of the company's rentable space.

Lease stock, % of space	Dec 31, 2013	Sept 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012
Notice period in months					
0-3	15.6	12.1	13.7	13.7	13.8
3-6	19.0	21.1	24.2	25.5	25.3
7-9	2.8	5.9	5.9	7.0	7.4
10-12	6.4	4.9	5.4	6.5	6.7
> 12	56.2	56.0	50.8	47.2	46.8
Total	100.0	100.0	100.0	100.0	100.0
Average lease term in months	35	43	37	35	39
Lease stock, EUR million	470.5	347.2	342.2	311.1	296.1

Properties and Investments

In 2013, Technopolis invested in all of the countries where it operates and expanded its operations into Lithuania and Norway.

The fair value of the Group's investment properties at the end of the period totaled to EUR 1,436.8 (1,014.1) million, of which completed properties accounted for EUR 1,410.4 (956.5) million, and properties under construction EUR 26.4 (57.6) million. The share of completed properties increased as the result of the acquisition of four campuses and completed organic investments during 2013. The net rental yield decreased to 7.6% (7.8%) due to lower financial occupancy rates in Finland.

Fair value, EUR million		Dec 31, 2013	Sept 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012
Group		1,436.8	1,133.4	1,126.2	1,067.2	1,014.1
Finland		981.0	870.0	879.2	888.0	838.9
	Oulu	260.5	252.6	255.9	259.5	225.3
	HMA	278.2	197.3	201.4	203.9	205.2
	Tampere	188.0	185.3	185.4	186.4	189.2
	Kuopio	110.8	109.7	110.3	110.5	92.2
	Jyväskylä	121.0	96.4	97.4	98.4	97.9
	Lappeenranta	22.4*)	28.6	28.9	29.3	29.2
Norway		217.0 **	-	-	-	-
Estonia		85.2	66.5	66.2	65.6	63.9
Russia		67.2	53.5	51.8	56.6	53.6
Lithuania		60.1	48.1	47.3	-	-
Under construction		26.4	95.4	81.6	56.9	57.6

*) Fair values decreased due to the divestiture of the Vapaudenaukio 1 campus. The value of the transaction was EUR 5.1 million

Market yield requirements applied to the Group's investment properties averaged 7.8% (8.0%), and have been used in fair value calculations.

The Group's total space in completed investment properties at the end of the period was 842,300 (644,300) sqm.

1,000 sqm	Dec 31, 2013	Sept 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012
Group	842.3	697.5	717.5	690.3	644.3
Finland	617.7	582.6	582.6	586.0	541.0
Oulu	230.1	230.1	230.1	229.8	194.3
HMA	111.5	83.2	83.2	86.6	86.6
Tampere	112.1	112.1	112.1	112.1	112.1
Kuopio	69.5	69.5	69.5	69.8	60.3
Jyväskylä	70.3	60.4	60.4	60.4	60.4
Lappeenranta	24.2	27.3	27.3	27.3	27.3
Norway	77.3	-	-	-	-
Estonia*)	74.7	59.3	79.4	80.2	79.2
Russia	31.9	24.1	24.1	24.1	24.1
Lithuania	40.7	31.4	31.4	-	-

*) Changes in the amount of space are due to the demolition of old buildings and the completion of new ones

Properties acquired or investments completed during the last 12 months and projects under construction during the period and their rentable space, as well as estimated acquisition costs, are as follows:

Area	Name	Occupancy rate %, Dec 31, 2013	sqm	EUR million	Stabilized yield, % *)	Completion
Acquired						
Oulu	Peltola	78.8	37,600	31.7	11.2	2/2013
Vilnius	Alfa & Beta	99.8	31,200	62.6 **)	9.6	5/2013
Espoo	Falcon	99.0 ***)	26,300	77.5	7.8	12/2013
Oslo	Fornebu	92.3	70,500	217.0 ****)	7.7	12/2013
Completed						
Kuopio	Viestikatu 7B&C	93.8	9,300	18.2	9.2	2/2013
Tallinn	Löötsa 8C	98.6	6,400	8.1	9.1	3/2013
Tallinn	Löötsa 8B	100.0	8,500	13.0	9.1	10/2013
Jyväskylä	Innova 4	92.3	8,900	23.7	8.1	10/2013
Vilnius	Gama	99.7	11,000	62.6 **)	8.8	10/2013
Under construction						
Tallinn	Löötsa 8A	81.9	7,500	11.8	9.1	09/2014
St. Petersburg	Pulkovo 2	36.1	18,700	42.0	12.6	10/2014

*) stabilized yield = estimated net operating income / acquisition cost
**) total value of the Vilnius deal including all phases
***) includes a rental guarantee
****) Technopolis' share 51%

Pre-let rates for properties under construction as of February 12, 2014. The properties under construction will be commissioned in phases.

TECHNOPOLIS

Financing

The Group's balance sheet totaled EUR 1,560.4 (1,082.7) million, of which liabilities totaled EUR 936.1 (693.2) million. The Group's equity per share was EUR 4.62 (4.46). The Group's equity ratio was 40.2% (36.2%), of which a hybrid bond accounts for a 4.8 (-) percentage points increase. In addition, a rights issue of EUR 100 million in November 2013 had a positive impact on the equity ratio. The loan-to-value ratio was 59.5% (59.5%). At the end of the period, the Group's net gearing was 129.4% (152.1%) and the interest coverage ratio was 5.3 (4.5).

At the end of the period, the Group's interest-bearing liabilities from financial institutions amounted to EUR 861.9 million (EUR 608.1 million), and the average capital-weighted loan period was 7.0 years (8.5 years). The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.46% (1.83%), increasing mainly due to Norwegian crown denominated liabilities in Norway and an increased interest rate hedging ratio. The Group's interest fixing period was 2.2 (1.8) years at the end of the period. At the end of the period, 49.7% (63.9%) of interest-bearing liabilities were floating-rate loans and 50.3% (36.1%) were fixed-rate loans with maturities of 13 - 60 months. Some 2.5 % of the floating-rate loans were pegged to the under-3-month Euribor rate, and 47.2% were pegged to Euribor rates from 3 to 12 months.

The Group had interest-bearing liabilities with covenants worth EUR 671.6 (407.7) million. Loans amounting to EUR 393.5 (366.6) million include covenants relating to the equity ratio. Of these loans, EUR 219.2 (207.5) million include a call-in provision. The call-in covenant is breached if the equity ratio falls below 30%. The principal of EUR 172.3 (150.9) million includes an interest margin revision term. If the equity ratio falls below 33%, the additional impact on interest expenses would be EUR 0.7 (0.5) million per annum.

Technopolis issued a EUR 75 million hybrid bond in March 2013. The bond has a 7.5% annual coupon. It is perpetual, but the company may exercise an early redemption option after five years from the issuance date.

At the end of the reporting period, Technopolis had EUR 87.5 (129.1) million in untapped credit facilities, and cash reserves amounting to EUR 54.1 (15.7) million. The credit facilities contained a EUR 62.4 (112.7) million credit line and a EUR 25.1 (16.4) million revolving credit facility. In addition, the company has a EUR 120.0 (120.0) million commercial paper program, of which EUR 55.7 (46.0) million was issued at the end of the reporting period.

During the 12-month period following the period under review, EUR 145.6 (108.4) million in existing interest-bearing loans will mature.

The company's five largest creditors at the end of the period under review were the European Investment Bank, Handelsbanken, Nordea, Skandinaviska Enskilda Banken, and Swedbank. Their total lending to the company amounted to EUR 614.8 million.

A one percentage point change in market rates would cause a EUR 3.5 (2.9) million change in interest costs per annum. At the end of the reporting period, there were interest rate swaps covering EUR 400.4 (190.4) million of principal. The hedging ratio of interest-bearing liabilities was 46.5% (31.3%) and the average hedging period was 5.2 (5.1) years.

Organization and Personnel

The CEO of Technopolis Plc is Keith Silverang. Reijo Tauriainen, CFO, is the company's Deputy CEO.

The Group Management Team comprises Keith Silverang, Reijo Tauriainen, Juha Juntunen, Sami Juutinen, Kari Kokkonen, and Outi Raekivi. As of January 1, 2014, Sami Juutinen will be responsible for all merger, acquisition, and divesture-related activities throughout the Group as Chief Investment Officer (CIO). At the same time, Juha Juntunen, Director of Finnish Operations, Sales and

Marketing, will assume responsibility as Chief Operating Officer (COO) for all business units, in addition to his previous duties. Kari Kokkonen, Director, Real Estate Operations, will assume responsibility for service operations as of February 2014. The areas of responsibility of the other Management Team members will remain unchanged.

The Technopolis line organization consists of five geographical units: Finland, Norway, Estonia, Russia and Lithuania. The Group organization also has matrix support functions for the Group's real estate development, services, marketing, and support services.

During the period, the Group employed an average of 187 (178) people. Rental operations employed 64 (65) people, the service business 80 (75) people and the Group's administration 43 (38) people. At the end of the period under review, the Group had 200 (179) employees.

Environment and Responsibility

Technopolis has updated its environmental strategy for 2011 - 2015 by adding new sustainability objectives and extending the strategy to 2016. At the same time, Technopolis also specified its corporate responsibility vision, mission, and values.

The environmental targets are to reduce energy consumption by 10%, water consumption by 8%, and CO_2 emissions by 20%. In 2012, Technopolis set new goals for waste: reducing landfill waste by 10% and achieving a utilization ratio of at least 60%. Technopolis has chosen LEED (Leadership in Energy and Environmental Design) building rating systems to compare the environmental competence of buildings and the Green Office label granted by WWF Finland for Technopolis offices in different cities. The additional sustainability goals confirmed in 2013 include: extending the coverage of energy consumption metering and remote reading to 97% of properties, achieving at least a 75% recycling rate in all new construction and major renovation projects (LEED), participating in GRESB sustainability rating and reporting based also on EPRA (European Real Estate Association) best sustainability practice guidelines, in addition to GRI.

Comparison of units held by the Group for the whole year compared to the base year 2011:

	1-12/2013	1-12/2011	change, %
Energy consumption, kWh/gross sqm	236.5	245.6	-3.7
Water consumption, m^3/person	1.2	1.27	-5.5
Carbon dioxide emissions, kg CO_2e/gross sqm	41.9	85.2	-50.8

Increasing eco-efficiency as a result of property energy reviews, investments, and savings measures related to operation has decreased energy and water consumption as well as carbon dioxide emissions. Setting targets for property maintenance to support energy efficiency has increased this effect. In addition, weather conditions, such as the warm summer making the cooling season longer, temperate winter curbing the costs of the heating season, and occupancy rates and usage times of the properties had effects on the consumption figures. The results of Technopolis' corporate responsibility operations were considerable in 2013: the company achieved five new LEED environmental certifications, the Estonian office was granted the country's first Green Office label, and the corporate responsibility report 2012 received an EPRA Bronze award. In addition, the campuses acquired by Technopolis in Oslo and Espoo in 2013 have been granted the BREEAM environmental certificate. Additional information is available in our social responsibility report.

Strategic Financial Targets

Technopolis' Board of Directors approved the company's strategic financial targets for 2014 - 2016 on August 15, 2013. The company left unchanged its targets of average annual growth in net sales and EBITDA of 15%, over EUR 50 million in net sales outside Finland by the end of 2016, and an equity ratio of 35% over the cycle.

The company's Board of Directors specified that the existing ROCE target, calling for of at least a 6% return on capital employed per annum, would apply only to operational activities. The adjusted target for return on capital employed is based on the recommendations of the European Real Estate Association (EPRA), instead of the previous figures calculated according to IFRS, adjusting the revenue for changes in e.g. fair value.

The dividend policy was modified to better match the company's growth targets. The dividend policy was adjusted such that the company will aim to distribute on average one third of its net profit, excluding changes in fair value and their tax impact.

As part of its international growth targets, Technopolis has been analyzing potential international investment targets in the Baltic and Nordic regions. The key criteria for potential acquisitions are sufficient size and growth potential, excellent locations in growth centers, a flexible, high-quality property portfolio, and positive cash flow. The acquisition must have a positive impact on earnings per share, and the campus should be a good match with the Technopolis business concept. The company is also investigating opportunities to divest properties that are not optimal for its concept.

Evaluation of Operational Risks and Uncertainties

Technopolis' most significant business risks relate primarily to general economic development associated with financing and customers, as well as international business risks.

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

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

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

The differences between legislation and administrative procedures in Finland and abroad may create risks.

Changes in exchange rates may have an effect on the company's financial performance and operations. Due to acquisitions in 2013 exchange rate risks have been rising. In accordance with its foreign exchange hedging policy, the company does not hedge balance sheet items. Foreign currency items are recorded at the exchange rate on the transaction date. Any translation differences are entered in the comprehensive income statement under other operating expenses or financial income and expenses, according to the type of transaction involved.

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

The company’s leases fall into two categories: fixed-term and open-ended. The company aims to apply both lease types, depending on the market situation, the property in question, and the sector in which the customer operates.

Declining financial occupancy rates may reduce rental and service revenue and profit, and reduce the fair value of investment properties and, thus, the equity ratio. The current lease structure allows some customers to flexibly adjust the space they need as their business needs change. Although the flexibility of the lease structure may pose a risk to the Group, it is an essential element of Technopolis’ service concept. The company has solid, long-term experience using this business model over a wide variety of economic cycles.

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

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

Group Structure

Technopolis Group comprises the parent company Technopolis Plc, whose subsidiaries have operations in Finland, Lithuania, Norway, Russia, and Estonia. The parent company has several subsidiaries and associates in Finland. Early in the year, Technopolis Plc incorporated most of its Finnish properties into five regional real estate companies. During the course of the fiscal year, the company acquired investment properties in Peltola, Oulu, and the Falcon Business Park in Espoo. In Lithuania, the parent company has a subsidiary, Technopolis Lietuva UAB (100%), which owns the three real estate companies associated with the Vilnius campus by way of a transaction carried out on May 31, 2013. The Group has a 51% holding in Technopolis AS, which owns the Fornebu campus, via its Norwegian subsidiaries Technopolis Holding AS and Technopolis Holding 2 AS. The acquisition of the office campus was completed on December 11, 2013. In Russia, the parent company manages its Pulkovo properties via Technopolis St. Petersburg LLC (100%). The Estonian subsidiary Technopolis Baltic Holding OÜ (wholly owned) manages the holdings in Technopolis Ülemiste AS (51%).

General Meetings of Shareholders

Annual General Meeting 2013

The Annual General Meeting of Shareholders (AGM) of Technopolis was held in Oulu on March 27, 2013.

Resolutions of the Annual General Meeting

Financial Statements and Dividend

The 2013 AGM adopted the Group and parent company’s financial statements for fiscal 2012 and discharged the company’s Board of Directors and CEO from liability. The AGM decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.20 per share. The dividend was paid to shareholders who were registered by Euroclear Finland Ltd on the record date of April 3, 2013. The dividend payment date was April 10, 2013.

Board of Directors and Remuneration of the Members of the Board of Directors

The number of members of the Board of Directors was confirmed at six. Sari Aitokallio, Carl-Johan Granvik, Jorma Haapamäki, Pekka Korhonen, Matti Pennanen, and Timo Ritakallio were elected members of the Board for a term of office expiring at the end of the next Annual General Meeting. Carl-Johan Granvik was elected Chairman of the Board of Directors and Matti Pennanen was elected Vice Chairman.

It was resolved to pay the members of the Board of Directors annual remuneration as follows: EUR 50,000 to the Chairman of the Board, EUR 30,000 to the Vice Chairman of the Board, and EUR 25,000 to each of the other members of the Board. In addition, it was decided that, for participation in meetings of the Board of Directors, each member of the Board of Directors shall, in addition to the annual remuneration, be paid a fee of EUR 600 and the Chairman of the Board of Directors a fee of EUR 1,200 for each Board meeting, and the chairmen of the committees a fee of EUR 800 and each member of the committees a fee of EUR 600 for each meeting of the committees, and that the travel expenses of the members of the Board of Directors and the members of the committees shall be compensated in accordance with the company’s travel policy.

The AGM decided that the annual remuneration is paid on the condition that the Board member commits to using 50% of their annual remuneration to acquire Technopolis Plc shares on the market at the price determined in public trading. The shares are to be acquired within three weeks of the publication of the Interim Report for the period January 1 - March 31, 2013. If the shares cannot be purchased during this period due to insider regulations, they will be acquired on the first occasion possible according to valid insider regulations. Board members are not allowed to transfer the shares obtained as annual remuneration before their membership of the Board has ended.

In the first organizational meeting of the Board of Directors following the AGM, the Board appointed an audit committee and a remuneration committee from among its members. The Audit Committee consists of Carl-Johan Granvik (Chair), Sari Aitokallio, and Pekka Korhonen. The remuneration committee consists of Timo Ritakallio (Chair), Jorma Haapamäki, and Matti Pennanen. The Board of Directors’ view is that all of the Board members are independent of the company and its significant shareholders, with the exception of Timo Ritakallio.

Auditor

KPMG Oy Ab, authorized public accountants, were re-elected as the auditors of the company, with Mr. Ari Eskelinen, APA, as the Auditor-in-Charge.

Shareholders’ Nomination Board

The Annual General Meeting decided to establish a Shareholders’ Nomination Board to prepare proposals concerning the election and remuneration of the members of Board of Directors for the General Meeting and adopted the Charter of the Shareholders’ Nomination Board. The Nomination Board is established for an indefinite period.

The Nomination Board shall consist of three members nominated by the shareholders of the company. In addition, the Chairman of the Board of Directors of the company participates in the work of the Nomination Board as an expert.

The right to nominate members is vested with the three shareholders of the company with the largest share of the votes represented by all the shares in the company annually on September 1, based on the company’s shareholder register held by Euroclear Finland Ltd. However, if a shareholder who has distributed his/her holdings e.g. into several funds, and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in his/her share of ownership, makes a written request to such effect to the Chairman of the Board of Directors no later than on August 31, the aforementioned shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination rights. Should a shareholder not wish to exercise their nomination rights, the rights shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member. The term of office of the members of the Nomination Board expires annually when the new Nomination Board has been appointed.

Based on shareholdings as of September 1, 2013, the members of the Shareholders' Nomination Board are Risto Murto, President and CEO of Varma Mutual Pension Insurance Company, as the chairman, with Harri Sailas, President and CEO of Ilmarinen Mutual Pension Insurance Company, and Jukka Weisell, Financial Director of the City of Oulu. In addition, Carl-Johan Granvik, chair of the Board of Directors of Technopolis Plc, acts as the Nomination Board's expert member.

The Nomination Board has issued its proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting of 2014 in a stock exchange release published on January 31, 2014.

Board Authorizations

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

The amount of treasury shares to be repurchased and/or accepted as pledge shall not exceed 7,556,100 shares, which corresponds to approximately 10% of all the shares in the company. Under the authorization, the company's own shares may only be purchased using unrestricted equity. The company's own shares may be purchased at a price set in public trading on the date of purchase or at a price otherwise determined on the market. The Board of Directors decides how treasury shares will be repurchased and/or accepted as pledge. Treasury shares can be repurchased using, inter alia, derivatives. The company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2014.

The authorization granted by the Annual General Meeting of March 27, 2013, to decide on share issue and issuance of special rights entitling holders to share was revoked by the resolution of the Extraordinary General Meeting held on November 1, 2013.

Extraordinary General Meeting

An Extraordinary General Meeting of Shareholders of Technopolis was held in Espoo on November 1, 2013.

Resolutions of the Extraordinary General Meeting

Board Authorization

The General Meeting authorized the Board of Directors to decide on the issuance of new shares against payment as follows:

The authorization entitles the Board of Directors to issue an aggregate maximum of 45,500,000 shares by one or several decisions. The maximum amount corresponds to approximately 60% of all the current shares of the company.

The new shares are to be issued to the company's shareholders in proportion to their current shareholding (rights issue).

The Board of Directors decides on any other matters related to the share issue.

The authorization will be valid until the end of the next Annual General Meeting; however, no later than June 30, 2014. The authorization revokes the authorization to decide on the issuance of shares as well as the issuance of special rights entitling to shares given by the Annual General Meeting on Mach 27, 2013.

Stock-Related Events and Disclosures of Changes in Holdings

In March 2013, a total of 14,859 new Technopolis Plc shares were subscribed based upon 2007C stock options, and 69,379 new shares related to the 2010–2012 share-based incentive scheme. The new shares were entered into the Trade Register on April 4, 2013.

In April 2013, a total of 240,933 new Technopolis Plc shares were subscribed based upon 2007C stock options. The new shares were entered into the Trade Register on May 15, 2013.

In August 2013, a total of 15,436 new Technopolis Plc shares were subscribed based upon 2007C stock options and entered into the Trade register on August 23, 2013.

In October 2013, a total of 4,171 new Technopolis Plc shares were subscribed based upon 2007C stock options. The new shares were entered into the Trade Register on November 5, 2013.

Based on the authorization given by the Extraordinary General Meeting on November 1, 2013, the Board of Directors decided on a rights issue on November 4, 2013, and to issue a maximum of 30,362,402 new shares, equaling approximately 40% of the company's shares.

The final result of the rights issue was published on December 5, 2013. All offered 30,362,402 new shares were subscribed in the rights issue. The subscription price was EUR 3.29 per share, and the proceeds of the share issue less costs and fees amounted to approximately EUR 98.7 million. The shares were registered in the Trade Register on December 9, 2013. They became subject to public trading on the official list of the NASDAQ OMX Helsinki on December 10, 2013.

Furthermore, a total of 1,403 Technopolis Plc shares were returned to the Technopolis' subsidiary, Technopolis Hitech Oy, in accordance with the terms and conditions of the share-based incentive scheme due to the termination of the employment of a key employee. Technopolis Hitech Oy sold its 1,403 Technopolis Plc shares and the subscription rights entitling it to shares received on the basis of Technopolis Plc's rights issue on November 21, 2013.

At the end of the review period, on December 31, 2013, the company had 106,268,407 shares. The shares are in a single series, and each share entitles the holder to one vote at the Annual General Meeting. The company's share capital is EUR 96,913,626.29.

Unused Board Authorizations

The Board of Directors was authorized by the Annual General Meeting of 2013 to decide on the issue of shares as well as the issue of special rights entitling holders to shares referred to in the Limited Liability Companies Act, as well as on the repurchase and/or on the acceptance as pledge of the company's own shares. After the share issue carried out during the review period, the Board of Directors may decide on the issue of a maximum of 15,137,598 new shares.

The company's Board of Directors has not exercised the authorization given it by the Annual General Meeting of 2013 to repurchase and/or accept as pledges the company's own shares, and the company did not hold any treasury shares at the end of the reporting period.

Board of Directors' Proposal for Distribution of Profit

At the end of the period, distributable funds of the company were EUR 21,791,456. The Board proposes that a dividend of EUR 0.10 (share issue adjusted figure of 0.18) per share be paid, totaling EUR 10,626,840.70. The Board proposes that the remainder be left in the retained earnings account. The proposed dividend is approximately 32% of the earnings per share, excluding changes in the fair value of investment properties and their tax effects.

There have been no significant changes to the company's financial status since the end of the financial period. According to the opinion of the Board of Directors, the company's liquidity is good and the proposed dividend will not negatively impact the company's solvency.

2014 Annual General Meeting

The 2014 Annual General Meeting will be held in Espoo on March 26, 2014. Shareholders can make resolution proposals at the meeting in matters germane to the Annual General Meeting and included in the agenda. Shareholders who wish to include items on the agenda of the Annual General Meeting should submit their request with reasoning or proposals by e-mail to legal@technopolis.fi by February 15, 2014.

Post-Fiscal Events

There have been no significant events since December 31, 2013.

Future Outlook

The Company estimates that its net sales for 2014 will grow by 27% - 32%and EBITDA by 35% - 40% from the previous year.

The Group's financial performance depends on the development of the overall business environment, customer operations, financial markets, and market yields. Furthermore, any changes in the property portfolio may have an impact on the guidance.

Espoo, February 13, 2014

TECHNOPOLIS PLC

Board of Directors

Additional information:
Keith Silverang
CEO
tel. +358 40 566 7785

APPENDICES:

The Financial Statements and a presentation of the Financial Statements are available on the company's website at www.technopolis.fi. To request a printed copy of the document, please call +358 46 712 000 /Technopolis info. The company's financial review for 2013 was published on February 14, 2014, on the company's website.

Technopolis offers a service for receiving reports and releases on the company's website at www.technopolis.fi. Individuals who sign up for the service will receive the company's bulletins electronically.

Tables

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

The Company has amended the recognition principle of deferred taxes as of the beginning of 2013 in accordance with IAS 8 paragraph 14(b). The Company estimates that it will liquidate its shareholdings in real estate companies by selling the shares it holds. The effect amounts to EUR 6.0 million, which is recognized in retained earnings. The change has also a future effect on the company's equity ratio. The amendment has also a future effect on the accrual of deferred taxes and equity ratio.

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

TECHNOPOLIS

The figures are unaudited.

Technopolis Group:

STATEMENT OF COMPREHENSIVE INCOME Currency unit: EUR million	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Net sales	34.7	28.7	126.3	107.3
Other operating income	0.7	0.7	2.0	1.7
Other operating expenses	-18.5	-13.9	-64.2	-53.3
Change in fair value of investment properties	-4.6	0.3	-17.6	-5.7
Depreciation	-0.7	-0.5	-2.7	-2.0
Operating profit/loss	11.6	15.2	43.9	48.0
Finance income and expenses	-6.3	-4.0	-21.2	-13.6
Result before taxes	5.3	11.2	22.6	34.5
Current taxes	10.6	-2.7	8.9	-7.5
Net result for the period	15.9	8.5	31.6	27.0
Other comprehensive income items				
Translation difference	-0.7	0.1	-3.5	0.9
Available-for-sale financial assets	0.0	0.0	0.0	0.0
Derivatives	0.1	-0.1	3.0	-4.0
Taxes related to other comprehensive income items	0.0	0.0	-0.7	1.0
Other comprehensive income items after taxes for the period	-0.6	0.0	-1.2	-2.0
Comprehensive income for the period, total	15.3	8.5	30.4	24.9
Distribution of profit for the period:				
To parent company shareholders	14.6	8.7	28.8	25.8
To non-controlling shareholders	1.3	-0.2	2.7	1.1
	15.9	8.5	31.6	27.0
Distribution of comprehensive income for the period:				
To parent company shareholders	14.0	8.7	27.6	23.8
To non-controlling shareholders	1.3	-0.2	2.7	1.1
	15.3	8.5	30.4	24.9
Earnings per share based on result of flowing to parent company shareholders adjusted by interest expenses on an equity related bond				
Net profit to parent company shareholders	14.7	8.7	28.8	25.8
Interest expenses on an equity related bond	-1.4		-4.3	
Tax effect	0.3		1.1	
Adjusted net profit	13.6	8.7	25.6	25.8
Earnings per share, basic, EUR	0.16	0.11	0.30	0.33
Earnings per share, diluted, EUR	0.16	0.11	0.30	0.33

TECHNOPOLIS

STATEMENT OF FINANCIAL POSITION, ASSETS		
Currency unit: EUR million	2013/12/31	2012/12/31
Non-current assets		
Intangible assets	6.3	5.6
Tangible assets	18.6	13.7
Completed investment properties	1,410.4	956.5
Investment properties under construction	26.4	57.6
Investments	12.1	12.5
Deferred tax assets	15.8	2.7
Non-current assets	1,489.6	1,048.6
Current assets	70.8	34.1
Assets, total	1,560.4	1,082.7

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES		
Currency unit: EUR million	2013/12/31	2012/12/31
Shareholders' equity		
Share capital	96.9	96.9
Premium fund	18.6	18.6
Equity related bond	74.2	0.0
Other funds	211.8	110.2
Translation difference	-3.2	0.3
Retained earnings	142.2	121.7
Net profit for the period	28.8	25.8
Parent company's shareholders' interests	569.3	373.5
Non-controlling interests	55.0	16.1
Shareholders' equity, total	624.3	389.5
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	716.3	499.7
Non-interest-bearing liabilities	0.5	0.3
Deferred tax liabilities	32.8	49.7
Non-current liabilities, total	749.6	549.7
Current liabilities		
Interest-bearing liabilities	145.6	108.4
Non-interest-bearing liabilities	40.9	35.0
Current liabilities, total	186.5	143.5
Liabilities, total	936.1	693.2
Shareholders' equity and liabilities, total	1,560.4	1,082.7

STATEMENT OF CHANGES IN EQUITY
Currency unit: EUR million

	Equity attributable to owners of the parent						
	Share capital	Premium fund	Other reserves	Translation differences	Retained earnings	Share of non-controlling interests	Total shareholders' equity
Equity January 1, 2012	96.9	18.6	81.1	-0.6	134.1	13.1	343.2
Comprehensive income							
Net profit for the period					25.8	1.1	27.0
Other comprehensive income items							
Translation difference				0.9			0.9
Derivatives			-3.0				-3.0
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-3.0	0.9	25.8	1.1	24.9
Related party transactions							
Share issue			32.1				32.1
Dividend					-12.7		-12.7
Change in ownership interests in subsidiaries 1)					0.1		0.1
Other changes			0.0		0.2	1.8	2.0
Related party transactions			32.1		-12.5	1.8	21.4
Equity December 31, 2012	96.9	18.6	110.2	0.3	147.5	16.1	389.5
Equity January 1, 2013 2)	96.9	18.6	110.2	0.3	157.0	16.1	399.0
Comprehensive income							
Net profit for the period					28.8	2.7	31.6
Other comprehensive income items							
Translation difference				-3.5			-3.5
Derivatives			2.3	0.0			2.3
Available-for-sale financial assets			0.0	0.0			0.0
Comprehensive income for the period			2.3	-3.5	28.8	2.7	30.4
Related party transactions							
Share issue			98.7				98.7
Dividend					-15.1	-0.4	-15.5
Equity related bond issue			74.2				74.2
Other changes			0.5		0.4	36.6	37.5
Related party transactions			173.5		-14.8	36.2	194.9
Equity December 31, 2013	96.9	18.6	286.0	-3.2	171.0	55.0	624.3

1) Acquisition of non-controlling interests without change in control

2) Effect of changes in recognition principle of deferred taxes, EUR 6.0 million, and in group structure, EUR 3.5 million, total of EUR 9.5 million, has been recognized in opening balance of 2013 in retained earnings.

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STATEMENT OF CASH FLOWS Currency unit: EUR million	1-12/ 2013	1-12/ 2012
Cash flows from operating activities		
Net result for the period	31.6	27.0
Adjustments:		
Change in fair value of investment properties	17.6	5.7
Depreciation	2.7	2.0
Share of profits of associates	0.1	
Gains from disposals	0.0	-0.1
Other adjustments for non-cash transactions	0.3	0.2
Financial income and expenses	21.2	13.6
Taxes	-8.9	7.5
Increase / decrease in working capital	1.2	1.0
Interests received	0.2	0.2
Dividends received	0.0	0.0
Interests paid and fees	-8.4	-10.3
Other financial items in operating activities	-10.2	-4.4
Taxes paid	-2.0	-3.3
Net cash provided by operating activities	45.2	39.2
Cash flows from investing activities		
Investments in investment properties	-114.4	-107.2
Investments in tangible and intangible assets	-4.2	-8.2
Investments in other securities		0.0
Granted loans	-1.6	
Repayments of loan receivables	0.3	0.0
Proceeds from sale of investments		0.0
Proceeds from sale of tangible and intangible assets	5.9	0.1
Acquisition of subsidiaries	-65.5	-0.7
Proceeds from sale of associates	0.0	
Acquisition of associates		-0.7
Net cash used in investing activities	-179.5	-116.6
Cash flows from financing activities		
Issue of hybrid bond	75.0	
Increase in long-term loans	285.0	96.3
Decrease in long-term loans	-291.2	-58.2
Dividends paid	-15.5	-12.7
Paid share issue	100.4	32.7
Capital investment by the minority	10.6	1.8
Change in short-term loans	9.7	20.9
Net cash provided by financing activities	174.1	80.8
Net increase/decrease in cash assets	39.8	3.3
Effects of exchange rate fluctuations on cash held	-1.3	-0.2
Cash and cash equivalents at period-start	15.7	12.5
Cash and cash equivalents at period-end	54.1	15.7

FINANCIAL INFORMATION BY SEGMENTS

Technopolis Group has five operating segments based on geographical units: Finland, Norway, Estonia, Russia and Lithuania. 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. The Group's net sales or EBITDA do not include significant inter-segment items.

SEGMENT INFORMATION	10-12/	10-12/	1-12/	1-12/
Currency unit: EUR million	2013	2012	2013	2012
Net sales				
Finland	28.4	26.1	109.4	97.4
Norway	1.0		1.0	
Estonia	2.1	1.2	6.8	4.8
Russia	1.7	1.3	5.6	5.0
Lithuania	1.5		3.5	
Total	34.7	28.7	126.3	107.3
EBITDA				
Finland	51.8	13.7	56.1	51.2
Norway	0.6		0.6	
Estonia	3.5	0.8	3.5	3.1
Russia	1.5	0.2	1.5	1.4
Lithuania	2.5		2.5	
Unallocated	-0.1	0.8	-0.1	0.0
Total	59.8	15.4	64.1	55.8
Assets				
Finland			1,147.9	935.7
Norway			231.9	
Estonia			101.4	89.8
Russia			104.1	90.9
Lithuania			77.1	0.0
Eliminations			-102.1	-33.6
Total			1,560.4	1,082.7

EPRA EARNINGS

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

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

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

DIRECT RESULT Currency unit: EUR million	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Net sales	34.7	28.7	126.3	107.3
Other operating income	0.2	0.5	1.3	1.3
Other operating expenses	-18.4	-13.9	-64.0	-53.3
Depreciation	-0.7	-0.5	-2.7	-2.0
Operating profit/loss	15.8	14.7	61.0	53.3
Finance income and expenses, total	-4.3	-2.3	-15.0	-13.0
Result before taxes	11.5	12.4	46.0	40.3
Taxes for direct result items	0.1	-2.6	-4.0	-9.2
Non-controlling interests	-0.5	0.2	-1.5	-1.2
Direct result for the period	11.2	10.0	40.5	29.9
INDIRECT RESULT				
Non-recurring items	0.4	0.2	0.4	0.4
Change in fair value of investment properties	-4.6	0.3	-17.6	-5.7
Operating profit/loss	-4.2	0.4	-17.2	-5.3
Change in fair value of financial instruments	-1.9	-1.7	-6.2	-0.5
Result before taxes	-6.2	-1.2	-23.4	-5.8
Taxes for indirect result items	10.4	-0.1	12.9	1.7
Non-controlling interests	-0.8	0.1	-1.2	0.1
Indirect result for the period	3.5	-1.3	-11.6	-4.0
Result for the period to the parent company shareholders, total	14.7	8.7	28.8	25.8
Earnings per share, diluted				
From direct result	0.13	0.13	0.47	0.38
From indirect result	0.04	-0.02	-0.14	-0.05
From net result for the period	0.17	0.11	0.34	0.33
Effect of the interest expenses from equity related bond	-0.01		-0.04	
From adjusted net result for the period	0.16	0.11	0.30	0.33

TECHNOPOLIS

KEY INDICATORS	1-12/ 2013	1-12/ 2012
Change in net sales, %	17.7	15.6
Operating profit/loss/net sales, %	34.7	44.8
Interest coverage ratio	5.3	4.5
Equity ratio, %	40.2	36.2
Loan to value, %	59.5	59.5
Group company personnel during the period, average	187	178
Gross expenditure on assets, MEUR	466.7	115.8
Net rental yield of investment properties, % 3)	7.6	7.8
Financial occupancy rate, %	93.6	95.3
Earnings/share		
basic, EUR	0.30	0.37
diluted, EUR	0.30	0.37
Cash flows from operating activities/share, EUR	0.53	0.50
Equity/share, EUR	4.62	4.46
Average issue-adjusted number of shares		
basic	85,352,432	77,452,917
diluted	85,531,524	77,710,463
Issue-adjusted number of shares at the end of period	106,268,407	83,709,282
P/E ratio	14.6	10.2
Dividend/share, EUR 4)	0.10	0.18
Dividend payout ratio, %	33.5	54.2
Effective dividend yield	2.3	5.3
OTHER KEY INDICATORS		
Market value of shares, EUR million, Dec 31	462.27	284.87
Share turnover, shares	22,095,150	18,994,144
Share turnover out of average number of shares, %	25.9	27.2
Share prices, EUR		
Highest price	5.16	3.67
Lowest price	3.72	2.64
Average price	4.39	3.25
Price Dec 31	4.35	3.40

3) The figure does not include properties commissioned and acquired during the fiscal year.
4) Proposal for distribution of dividends

SPACE AND SERVICE BUSINESS	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Space				
Net sales	30.5	24.6	111.5	93.0
Other operating income	0.1	0.1	0.2	0.3
Expenses for properties	-8.4	-6.9	-34.3	-27.2
Allocated sales expenses	-1.4	-1.2	-4.9	-4.3
EBITDA	21.0	16.6	72.7	61.9
EBITDA %	68.9	67.4	65.2	66.5
Services				
Net sales	4.0	4.0	14.7	14.2
Other operating income	0.2	0.5	1.3	1.3
Expenses	-3.5	-3.6	-12.8	-12.0
Allocated sales expenses	-0.5	-0.5	-1.8	-2.1
EBITDA	0.2	0.4	1.5	1.3
EBITDA %	5.2	10.2	10.3	9.4

CHANGE IN VALUE OF INVESTMENT PROPERTIES	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Change in fair value, Finland	14.0	5.4	-5.7	-6.3
Change in fair value, Norway	1.6	0.0	1.6	0.0
Change in fair value, Estonia	1.4	-0.5	0.9	0.0
Change in fair value, Russia	-1.5	0.4	3.0	1.6
Change in fair value, Lithuania	-1.1	0.0	-0.2	0.0
Change in fair value	14.4	5.4	-0.5	-4.7
Changes in acquisition costs of investment properties in financial year	-19.2	-7.3	-19.7	-10.7
Changes in fair value of investment properties under construction	-1.2	2.2	2.5	9.7
Effect on profit of change in value of invest-ment properties	-6.0	0.2	-17.6	-5.7

CONTINGENT LIABILITIES Currency unit: EUR million	2013/12/31	2012/12/31
Pledges and guarantees on own debt		
Mortgages of properties	1,051.0	605.6
Pledged securities and investment properties	782.5	201.5
Other guarantee liabilities	173.3	53.5
Leasing liabilities, machinery and equipment	3.9	2.8
Project liabilities	0.3	0.2
Interest rate and currency swaps		
Nominal values	400.4	190.4
Fair values	-6.7	-9.0

Liability to adjust value added tax on property investments

	2008 - 2009	2010	2011	2012	2013	Total
Property investment expense (net)	122.2	39.1	52.8	81.9	45.9	341.8
VAT on property investment	27.1	8.5	12.1	18.8	10.9	77.4
Annual share of VAT on investment	2.7	0.8	1.2	1.9	1.1	7.7
VAT deducted	22.9	8.6	12.1	18.6	10.5	72.6
Annual share of VAT deducted	2.3	0.9	1.2	1.9	1.1	7.3
Number of years remaining in the adjustment period	5 or less	6	7	8	9	
Refundable amount of the deduction on Dec 31, 2013	10.4	5.2	8.5	14.8	9.5	48.3
Liability to adjust VAT on Dec 31, 2013						**48.3**
Liability to adjust VAT on Dec 31, 2012						40.3
Change						8.0

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES December 31, 2013
The following table provides a list of the groups of financial assets and liabilities used for valuation in accordance with IAS 39.

	Loans and other receivables	Available-for-sale financial assets	Fin. measured at amortized purchase price	Fin.assets/ liabilities, total	Fair value	Level
Non-current financial assets						
Assets measured at fair value						
Available-for-sale investments						
Available-for-sale quoted financial assets		1.1		1.1	1.1	Level1
Financial assets recognized at amortized cost						
Available-for-sale financial assets						
Available for sale non-quoted financial assets, measured at acquisition cost		4.6		4.6	4.6	Level3
Other non-current receivables	0.4			0.4	0.4	
Total	**0.4**	**5.8**		**6.1**	**6.1**	
Current assets						
Trade and other receivables						
Sales receivables	6.3			6.3	6.3	
Other current receivables	10.1			10.1	10.1	
Cash and cash equivalents	54.1			54.1	54.1	
Derivatives						
Interest rate swaps, meeting the criteria for hedge accounting				0.3	0.3	Level2

Total	**70.5**		**70.8**	**70.8**	
Non-current liabilities					
Financial liabilities recognized at amortized cost					
Non-current finance lease liabilities		34.2	34.2	34.2	Level2
Non-current interest-bearing liabilities		682.1	682.1	671.6	Level2
Non-current non-interest-bearing liabilities		0.5	0.5	0.5	Level2
Other non-current liabilities		32.8	32.8	32.8	
Total		**749.6**	**749.6**	**739.2**	
Current liabilities					
Financial liabilities at fair value through profit or loss					
Derivatives					
Interest rate swaps, not meeting the criteria for hedge accounting		6.7	6.7	6.7	Level2
Financial liabilities recognized at amortized cost					
Current finance lease liabilities		2.5	2.5	2.5	
Other current interest-bearing liabilities		143.1	143.1	143.1	
Trade and other payables		32.2	32.2	32.2	
Conditional additional purchase price		1.9	1.9	1.9	
Income tax liability		0.1	0.1	0.1	
Total		**179.8**	**179.8**	**179.8**	

Assets and liabilities arising from the acquisition of the Oslo property, Norway

Technopolis Plc, Ilmarinen and IT Fornebu Properties AS (ITFP) jointly acquired a modern multi-tenant campus in the greater Oslo region, Norway in December. Total value of the transaction was NOK 1,800 million and Technopolis' share of the deal is 51 %. The transaction was financed with 35 % own equity and 65 % with syndicated loan from SEB, Nordea and Swedbank.

Acquired assets and liabilities	Fair value, meur
Assets	
Completed investment properties	215.4
Deferred tax assets	8.2
Current assets	0.8
Cash and cash equivalents	4.4
Assets, total	228.8
Liabilities	
Deferred tax liabilities	1.2
Non-current liabilities	135.6
Current liabilities	23.0
Liabilities, total	159.9
Net asset value	69.0
Share of non-controlling interest (49%) from net asset	-33.7

TECHNOPOLIS

value	
Net asset value remaining for Group	*35.2*
Transaction price paid by cash	35.2
Acquired company's cash	4.4
Effect on cash flow	*30.8*

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