Technopolis Group Interim Report January 1 – September 30, 2015

Q3 Occupancy and Fair Values Improving

- Net sales rose to EUR 128.9 (120.3) million, up 7.1%
- EBITDA rose to EUR 72.9 (65.3) million, up 11.7%
- Financial occupancy rate rose to 94.5% (93.5%)
- Earnings per share rose to EUR 0.24 (0.14)
- Direct result (EPRA) EUR 38.8 (39.2) million, down 1.0%
- Direct result per share (EPRA) EUR 0.37 (0.37)
- Net asset value per share (EPRA) EUR 4.57 (4.89)

Key Indicators	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Net sales, EUR million	39.8	40.3	128.9	120.3	161.7
EBITDA, EUR million	22.7	22.7	72.9	65.3	87.2
Operating profit, EUR million	24.4	16.0	63.1	46.4	42.9
Net result for the period, EUR million	11.9	8.2	32.8	25.0	-3.0
Earnings/share EUR	0.07	0.06	0.24	0.14	-0.15
Cash flow from operations/share, EUR			0.43	0.47	0.63
Equity ratio, %			38.2	40.6	38.5
Equity/share, EUR			4.25	4.60	4.17

EPRA-based Key Indicators	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Direct result, EUR million	11.4	14.1	38.8	39.2	55.9
Direct result/share, EUR	0.11	0.13	0.37	0.37	0.53
Net asset value/share, EUR			4.57	4.89	4.52
Net rental yield, %			7.7	7.3	7.5
Financial occupancy rate, %			94.5*)	93.5	94.7

*) 18,700 m² under renovation and 12,400 m² of unoccupied but rented space

The EPRA-based (European Public Real Estate Association) direct result does not include unrealized exchange rate gains, losses or fair value changes.

Keith Silverang, CEO:

"The third quarter did not bring any dramatic change to the trend lines already visible in our operational performance in the first half of 2015. Financial occupancy has now reached 94.5% as expected. Fair values also increased by EUR 4.1 million in the third quarter.

Cumulative net sales growth in excess of 7% and EBITDA growth of almost 12% over 2014 is robust, but much of that growth came from payments (EUR 5.4 million) related to the premature termination of the Oulu leases reported in Q2. If we exclude these non-recurring items net sales and EBITDA grew 3.5% and 5.1% respectively, and with domestic inflation running almost flat, most of the EBITDA growth came from rising cost-effectiveness and the high-occupancy completion of the Vantaa G-building (occupancy 97.0%).

Of particular interest is the high occupancy of all our international units and the robust growth that our Tallinn and Vilnius units have demonstrated. Our Oslo unit has also strongly outperformed its market and operations in St. Petersburg (occupancy 99.8%) have continued to perform very well, despite the uncertainty related to the Russian economy.

In Finland business conditions remain challenging with no end in sight. Despite this, nearly all of our business units have outperformed the market. The HMA, Tampere, Kuopio and Jyväskylä units have all generated strong occupancy, sales and earnings. Oulu has proven resilient, and we are confident that, while it may take some time, we will be able to resell the remaining 11,000 square meters released from the agreements prematurely terminated this year.

For both our international and domestic units, hands-on customer care has been a crucial ingredient in successful operations. Direct sales and customer care, in combination with flexible facilities, targeted renovation investments and well-integrated service layering have enhanced customer satisfaction and created stickiness. The result is above-market occupancy and robust service sales growth (18% year-on-year so far). Customers need and want less square meters, more flexibility and more motivating working environments. We will embrace this trend because it is perfectly aligned with our concept.

Our top priority is to acquire good quality campuses in Scandinavian markets while reducing domestic exposure through joint ventures and the selective divestiture of individual assets and campuses. We are actively pursuing campus acquisition opportunities in accordance with the Group's strategic targets.

On the financial side the company will continue using its excess liquidity to reduce loan-to-value (LTV) this autumn, while maintaining sufficient liquidity to execute any investment opportunities that may arise. With fair values increasing and debt repayments continuing, we expect LTV to decline by the year-end, assuming other variables remain unchanged."

Economic Environment

The Federal Reserve did not raise its key interest rate in September. Key elements behind the decision were the global economic slow-down, low inflation in the U.S. and volatile stock markets. Apart from the concern about Greece, the outlook for Europe is stable at worst and positive at best, supported by the expansive monetary policy and the low interest rates. However, unemployment remains high in many European countries, in addition to uncertainty as to whether there is adequate political will to deal with the increase in public debt and refugee inflows.

Finland	2013	2014	2015e
Gross Domestic Product, change y/y, %	-1.3	-0.1	0.2
Consumer Price Index, change y/y, %	1.5	1.0	0.1
Unemployment rate, %	8.2	8.7	8.9

Source: Bloomberg

Sequentially the volume of Finland's gross domestic production increased by 0.2% in the second quarter of 2015. This can be considered as a slightly positive sign that the economy is perhaps moving back towards a growth track. Expectations for the remainder of 2015 are quite modest, inhibited high unemployment and the moderate outlook for Finnish exporters. There is also pressure to significantly downsize the public sector that has not yet materialized. Low interest rates have mitigated the valuation pressure in real estate.

Norway	2013	2014	2015e
Gross Domestic Product, change y/y, %	0.8	2.2	1.3
Consumer Price Index, change y/y, %	2.1	2.0	2.1
Unemployment rate, %	3.5	3.5	4.3

Source: Bloomberg

Low oil prices have impacted Norway's economy. Investments in the oil industry have been reduced and the Norwegian krone has been weakening against the euro. The weakening of the krone improves the price competitiveness of the Norwegian export industry outside of oil and gas. In the long term the Norwegian government's aim has been to decrease the economy's dependence on oil and gas, and this might speed up the process. The Oslo office market has been fairly stable, but there are signs of changes as the oil and gas industry is cutting expenses and investments.

Estonia	2013	2014	2015e
Gross Domestic Product, change y/y, %	1.6	1.8	1.9
Consumer Price Index, change y/y, %	2.8	0.1	0.5
Unemployment rate, %	8.6	7.3	6.5

Source: SEB, Eastern European Outlook, October 2015

Despite geopolitical risks Estonian economic growth is expected to remain robust. Estonia has been able to replace its primarily commodity-based exports to Russia with increased exports to Sweden and other EU countries. Tallinn dominates the Estonian office market. Demand has remained strong, but competition is increasing.

Russia	2013	2014	2015e
Gross Domestic Product, change y/y, %	1.3	0.6	-3.9
Consumer Price Index, change y/y, %	6.8	7.8	15.3
Unemployment rate, %	5.5	5.2	6.0

Source: Bloomberg

The decline in oil prices, sanctions and structural problems have and will continue to impact the Russian economy. Structural problems include a poor business climate, corruption, heavy central government influence and an obsolete infrastructure. The heaviest direct economic impacts are coming from falling investments and consumption. Office stock in St. Petersburg has steadily increased over the last several years, but completions are expected to decrease in 2016. In the mid-term demand for quality space and services is likely to outstrip supply in St. Petersburg as indigenous customers upgrade to higher quality and more efficient facilities.

Lithuania	2013	2014	2015e
Gross Domestic Product, change y/y, %	3.3	2.6	1.8
Consumer Price Index, change y/y, %	1.0	0.1	-0.7
Unemployment rate, %	11.9	10.7	9.5

Source: SEB, Eastern European Outlook, October 2015

In Lithuania, the drop in Russian trade and export goods prices have had some negative impact. The economy has been stimulated by an increase in private consumption which is driven by higher real wages, low savings and continued optimistic expectations. In Vilnius the demand for modern office space is very strong and rent levels have been rising steadily.

Business Segments

Technopolis has three business segments with a total rentable area of 730,400 m² (758,200 m²).

Finland	1-9/2015	1-9/2014	Change, %	1-12/2014
Number of campuses	16	17	-5.9	16
Rentable space, m²	524,400*)	560,200	-6.4	543,200
Average rent, EUR/m²	17.12	16.31	5.0	16.79
Financial occupancy rate, %	92.9**)	92.1	0.8pp	93.7
Net rental income, EUR million	82.5	77.1	7.0	103.3
Net sales, EUR million	95.1	88.1	7.9	118.6
EBITDA, EUR million	55.8	47.6	17.1	62.6
Market yield requirement, average, %	7.7	7.9	-0.2pp	7.9
Fair value of investment properties, EUR million	1,002.5	957.2	4.7	951.9

*) 18,700 m² under renovation
**) 18,700 m² under renovation and 12,400 m² of unoccupied but rented space

Average rents increased by 5.0% due to the disposal of the Lentokentäntie campus in Oulu and the completion of the Vantaa G-building. The Lentokentäntie campus was semi-industrial and rent levels were significantly below the company average. Vantaa is a well-situated pure office campus and rent levels are higher than the average. The company's domestic occupancy rates increased slightly and were still clearly above the market rates in most of the units.

In Finland market yields have come down in the Helsinki Metropolitan Area, Kuopio and Tampere. Yield requirements rose in Oulu, Jyväskylä and Lappeenranta. Rental levels are stable, but competition particularly in the Helsinki area, is fierce. The office market occupancy rates in the Helsinki area were at 86.6%, in Oulu at 88.8% and in Tampere at 89.1%. (Catella: Market Review, Autumn 2015).

Baltic Rim	1-9/2015	1-9/2014	Change, %	1-12/2014
Number of campuses	3	3	0.0	3
Rentable space, m^2	141,150	134,600	4.9	135,800
Average rent, EUR/m^2	14.32	15.33	-6.6	14.00
Financial occupancy rate, %	99.9	98.3	1.6pp	98.4
Net rental income, EUR million	18.6	17.6	5.6	23.6
Net sales, EUR million	19.7	18.5	6.5	24.9
EBITDA, EUR million	10.0	10.1	-1.3	13.4
Market yield requirement, average, %	8.7	9.0	-0.3pp	8.7
Fair value of investment properties, EUR million	229.2	247.6	-7.4	224.7

The Baltic Rim segment has three cities in three countries: Tallinn in Estonia, Vilnius in Lithuania and St. Petersburg in Russia. The average rent came down due to the depreciation of the Russian ruble. Rents in rubles have steadily increased. The occupancy rate in the Baltic Rim segment improved from last year by 1.6 percentage points.

Demand in the Tallinn office market was strong. Current take-up activity is largely driven by IT companies (Colliers: Tallinn Real Estate Market Q3/2015). The Vilnius office market's A-class office vacancy was at 0% and quarter-over-quarter rents remained stable (Newsec: Quarterly Office Market Overview 2015, Q3). In St. Petersburg the overall market vacancy rate was at 12.1%. In the third quarter rents for A-class offices increased by 1.6% in rubles (JLL: St. Petersburg Office Market Q3/2015).

Scandinavia	1-9/2015	1-9/2014	Change, %	1-12/2014
Number of campuses	1	1	0,0	1
Rentable space, m^2	64,800	63,400	2.2	63,000
Average rent, EUR/m^2	22.38	23.82	-6.0	22.03
Financial occupancy rate, %	97.0	94.9	2.2pp	95.6
Net rental income, EUR million	13.4	13.4	0.0	18.0
Net sales, EUR million	14.1	13.7	2.9	18.2
EBITDA, EUR million	7.1	9.0	-20.7	12.0
Market yield requirement, average, %	6.2	6.4	-0.2pp	6.4
Fair value of investment properties, EUR million	190.5	224.9	-15.3	201.8

Scandinavia currently includes the company's Oslo IT Fornebu campus. Average rents decreased by 6%, which is due to the weakening of the Norwegian krone. In krone rents were slightly up. The EBITDA was burdened by EUR 1.4 million increase in Group cost allocations, EUR 0.5 million service costs and EUR 0.1 million non-recurring pension cost.

The vacancy rate for the Norwegian office market was 8.3%. Older and ineffective office space tends to remain vacant, and this is also a driver for declining rents in some of the less popular office areas. Vacancy risk at Fornebu area is considered to be low. Yields in the market are still decreasing and prime office yields are at 4.25% (Akershus Eiendom: The Norwegian Commercial Property Market, Autumn 2015).

Financial Performance

The Group's net rental revenue amounted to 114.4 (108.1) million, an increase of 5.9% compared to the corresponding period in 2014. Rental revenue includes non-recurring income of EUR 5.4 million booked in April. Service revenue amounted to EUR 14.5 (12.2) million, an increase of 18.0%. The Group's net sales in total reached 128.9 (120.3) million, an increase of 7.1%.

Premises expenses decreased to EUR 29.0 (30.3) million, or 4.5%. The decrease is due mainly to cost benefits from centralization and a EUR 0.6 million decrease in property taxes in St. Petersburg. The Group's administrative expenses were EUR 9.8 (9.7) million, up 1.1%. Other operating expenses increased to EUR 17.2 (15.2) million, an increase of 13.0%. The increase is mainly due to investments in sales, marketing and services.

The Group's EBITDA was EUR 72.9 (65.3) million, an increase of 11.7%. The EBITDA margin rose to 56.6% (54.3%).

The Group's operating profit was EUR 63.1 (46.4) million. In the third quarter the company reduced the amount of new investments and the fair values increased by EUR 4.1 million. Cumulative changes of the fair values were EUR -5.5 (-16.1) million and it had a negative impact on the operating profit. Cumulative changes in fair values are derived mainly from the actual investments and reservations. Changes in fair values are a result of:

EUR million	Net yield requirements	Occupancy rate assumptions	Modernization	Other*)	Projects in progress	Total
Finland	5.0	2.9	-16.5	-10.5	0.3	-18.8
Baltic Rim	1.5	-0.2	-2.7	8.4	6.1	13.1
Scandinavia	6.1	-	-1.7	-4.2	-	0.2
Total	12.6	2.7	-20.9	-6.3	6,4	-5.5

*) Decrease in rentable space in Oulu and Kuopio, decrease in rent levels in HMA, Oulu and Oslo and decline in operating expenses in St. Petersburg

Financial expenses, including exchange rate losses, were 25.1 (19.7) million, an increase of 27.1%. This is mainly attributable to the EUR 2.5 million transfer tax related to the Kuopio deal in April, the cost of EUR 1.2 million from the ruble hedging in February and a EUR 1.0 million fair value change from interest rate swaps. Pre-tax profits totaled EUR 38.0 (26.7) million. The net result for the period was EUR 32.8 (25.0) million.

EPRA-based Result

The EPRA-based (European Public Real Estate Association) direct result does not include unrealized exchange rate gains, losses or fair value changes. Direct result amounted to EUR 38.8 (39.2) million, a decrease of 1.0%. Earnings per share were stable at EUR 0.37 (0.37). Financial expenses were EUR 22.1 (14.3) million. Operational taxes were EUR 2.9 (5.8) million.

Customers and Lease Stock

Lease stock, % of space Maturity, years	Sept 30, 2015	June 30, 2015	March 31, 2015	Dec 31, 2014	Sept 30, 2014
< 1	21	21	21	17	17
1-3	21	22	22	23	25
3-5	11	11	10	12	12
> 5	23	22	22	22	21
Open-ended leases	24	24	25	26	25
Average lease term in months	37	38	38	39	40
Lease stock, EUR million	430.6	437.4	443.9	455.9	463.5

Investments

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

Area	Name	Pre-let rate, %	m²	EUR million	Stabilized yield, % *)	Completion
Tallinn	Lõõtsa 5	75.0	9,200	17.0	8.8	01/2016
Tampere	Yliopistonrinne 3–4	37.2	11,900	39.0	7.2	05/2016
Vilnius	Delta	48.1	21,600	35.4	9.8	12/2016

*) Stabilized yield = estimated net operating income / cost

Financing

The Group's balance sheet total was EUR 1,585.1 (1,556.9) million, with liabilities accounting for EUR 982.8 (930.2) million. The Group's equity per share was EUR 4.25 (4.60), its equity ratio was 38.2% (40.6%) and its loan-to-value ratio (LTV) was 61.9% (58.1%). The Group will reduce its interest-bearing liabilities by EUR 24.1 million in the fourth quarter, and this should improve equity ratio and LTV. Compared to last year, equity ratio decreased mainly due to the negative changes in fair values of investment properties and foreign exchange losses. LTV was affected by the bond issue of EUR 150 million which temporarily increased the Group's gross debt. At the period-end, the Group's net gearing was 135.0% (130.4%) and its interest coverage ratio was 4.4 (4.8).

The Group's interest-bearing liabilities amounted to EUR 896.7 (851.3) million. The average capital-weighted loan maturity was 6.1 (6.3) years at the end of the period. 30.2% (51.2%) of the Group's interest-bearing liabilities were floating-rate loans and 69.8% (48.8%) were fixed-rate loans with maturities of 13–60 months. The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.56% (2.47%).

Of all interest-bearing liabilities, 2.7% (2.1%) were pegged to the under-3-month Euribor rate and 27.5% (49.1%) to the Euribor rates from 3 to 12 months. The Group's interest fixing period was 2.9 (2.2) years at the end of the period. At the end of the reporting period, interest rate swaps covered EUR 506.1 (392.9) million of the principal. The hedging ratio for interest-bearing liabilities was 56.4% (46.1%) and the average hedging period was 5.4 (4.8) years.

At the end of the reporting period, Technopolis had EUR 116.4 (110.8) million in untapped credit facilities. The credit facilities included a EUR 100.9 (86.1) million credit line and a EUR 15.6 (24.7) million revolving credit facility. In addition, the company has a EUR 150.0 (150.0) million commercial paper program, of which EUR 34.0 (52.5) million was outstanding at the end of the reporting period.

During the 12-month period following the reporting period, EUR 130.3 (177.7) million in existing interest-bearing loans will mature.

Technopolis had interest-bearing liabilities with covenants worth EUR 711.3 (658.5) million, attached to loans amounting to EUR 469.2 (376.8) million including equity ratio-linked covenants. Of these loans, EUR 409.9 (306.1) million include a call provision. If the equity ratio falls below 33%, EUR 65.1 (95.9) million of the loan principal could be called in. If the equity ratio falls below 30%, the amount would be EUR 259.9 (306.1) million. The principal of EUR 120.9 (163.3) million includes an interest margin revision term. If the equity ratio falls below 33%, the additional impact on the interest expenses of these loans with the interest margin revision term would be EUR 0.6 (0.8) million per annum. The bond of EUR 150 million has a minimum equity ratio covenant of 28%.

Evaluation of Operational Risks and Uncertainties

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

The Group's interest-bearing liabilities amounted to EUR 896.7 (851.3) million. A one percentage point increase in market rates would cause a EUR 1.7 (2.9) million increase in interest costs per annum.

Finland represents 70.1% of the assets and 73.8% of net sales. Country-related matters such as slow economic growth might have an impact on the Group's financial performance.

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

Euro % change against the foreign currency	Income statement effect	Translation difference effect	Total effect on the Group's equity
RUB -10	-1.8	-4.6	-6.4
RUB +10	2.3	5.6	7.9
NOK -10		-7.6	-7.6
NOK +10		9.3	9.3

At the end of the period the Group's currency exposure towards the Russian ruble was EUR 20.2 million in liabilities and RUB 3.66 billion in equity. In Norway the Group had liabilities only in the Norwegian krone and thus it is only vulnerable to translation differences in equity. Norwegian subsidiaries equity totaled NOK 790 million.

Technopolis has a total of approximately 1,700 customers. The ten largest customers leased approximately 20.0 % of the rented space on September 30, 2015. In September the ten largest customers accounted for 16.8% of the rental income. The single biggest customer accounted for 4.0% of the rented space and 2.2% of the rental income.

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

GOVERNANCE

Organization and Personnel

The CEO of Technopolis is Keith Silverang and the deputy-CEO is Reijo Tauriainen. The Group Management Team comprises Keith Silverang, Reijo Tauriainen, Juha Juntunen, Kari Kokkonen and Outi Raekivi.

The Technopolis line organization consists of three geographical units: Finland, the Baltic Rim and Scandinavia. The Group organization also has a matrix to support development, services, marketing and support services.

During the period, the Group employed an average of 237 (212) people. The increase in personnel is mainly due to insourcing of reception personnel. On average rental operations employed 86 people, service operations 97 people and Group administration 54 people. The number of personnel at the period end was 251 (218).

Corporate Responsibility

The company's key focus areas of responsibility include reducing carbon dioxide emissions, energy consumption, water use and amount of waste, increasing sorting and waste utilization, improving profitability, and the competence and satisfaction of personnel.

	1-9/2015	1-9/2011	Change, %	Target 2016
Energy consumption, kWh/m²	156.8	173.3	-9.6	-10%
Water consumption, m³/person	2.7	4.3	-37.4	-8%
CO2 emissions, CO2e kg/sqm	26.9	55.7	-51.6	-50%

For more information, please see Corporate Social Responsibility Report 2014.

Group Structure

Technopolis Group comprises the parent company Technopolis Plc, whose subsidiaries have operations in Finland, Norway, Estonia, Russia, and Lithuania. The parent company has several subsidiaries and associates in Finland. In April the Group sold 40% of its Kuopio-based business to KPY Sijoitus.

Board of Directors

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

Annual General Meeting

The Annual General Meeting (AGM) of Technopolis Plc was held in Espoo on 27 March 2015. The AGM decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.15 per share. The dividend payment date was April 9, 2015. Resolutions of the AGM are available on the company website.

Stock-Related Events and Disclosures of Changes in Holdings

During January 2 – March 27, 2015 the company continued its share buy-back program. On March 30, 2015 a total of 880 shares were returned in accordance with the Terms and Conditions of the company´s 2010–2012 performance share plan.

On February 23, 2015 Technopolis received a flagging announcement. According to the flagging notification, the total ownership of shares in Technopolis Plc held by BNP Paribas Investment Partners SA has increased to 5,426,317 thus totaling 5.09 per cent of all shares in Technopolis Plc.

On September 1, 2015 Technopolis' Board of Directors decided to launch a share buyback program. The share buyback is based on the authorization granted to the Board of Directors at the Annual General Meeting of Technopolis Plc on March 27, 2015. Pursuant to the authorization of the AGM 2015, Technopolis acquired a total of 329,607 own shares in the period between September 2 and September 30, 2015. At the end of the reporting period, September 30, the company held 1,052,771 of its own shares. The company has continued to acquire its own shares and on October 28, 2015 the company held 1,322,771 of its own shares.

On September 14, 2015 Technopolis received a flagging announcement. According to the flagging notification, the total ownership of shares in Technopolis Plc held by BNP Paribas Investment Partners SA has decreased to 5,284,942 thus totaling 4.96 per cent of all shares in Technopolis Plc.

Unused Board Authorizations

The Board of Directors was authorized by the Annual General Meeting of 2015 to decide on the repurchase and/or on the acceptance as a pledge of the company's own shares issuance, as well as on the issue of shares and special rights entitling holders to shares referred to in the Limited Liability Companies Act. The company may, pursuant to the authorization regarding treasury shares, repurchase and/or accept as pledge 10,650,000 shares. Pursuant to this authorization by September 30 the company had repurchased 329,607 own shares.

Post-Fiscal Events

On October 2, 2015 Technopolis received a flagging announcement. According to the flagging notification, the total ownership of shares in Technopolis Plc held by BNP Paribas Investment Partners SA has increased to 5,410,881 thus totaling 5.08 per cent of all shares in Technopolis Plc.

Future Outlook

The outlook is unchanged and Technopolis expects to see an increase of 4-6% in net sales and 5-7% in EBITDA in 2015.

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

Helsinki, October 28, 2015

Technopolis Plc
Board of Directors

Additional information:
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Tables

The accounting policies applied in the interim report is the same as in the latest annual report. The formulas for calculating key indicators are available on the company website. The interim report has been prepared in accordance with the IFRS recognition and valuation principles; the IAS 34 requirements have also been complied with. The figures are unaudited.

Technopolis Group:

CONSOLIDATED INCOME STATEMENT Currency unit: EUR million	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Rent income	35.2	36.5	114.4	108.1	144.8
Service income	4.5	3.8	14.5	12.2	16.9
Net sales total	39.8	40.3	128.9	120.3	161.7
Other operating income	0.0	0.1	0.0	0.3	0.5
Premises expenses	-9.5	-9.6	-29.0	-30.3	-41.2
Administration costs 1)	-2.8	-3.1	-9.8	-9.7	-13.8
Other operating expenses	-4.9	-4.9	-17.2	-15.2	-20.0
Change in fair value of investment properties	4.1	-6.1	-5.5	-16.1	-40.5
Depreciation	-2.4	-0.6	-4.3	-2.8	-3.8
Operating profit/loss	24.4	16.0	63.1	46.4	42.9
Unrealized exchange rate profit/loss	-3.1	-3.0	-0.7	-5.4	-22.1
Finance income and expenses	-7.9	-5.3	-24.3	-14.3	-20.2
Result before taxes	13.4	7.7	38.0	26.7	0.6
Deferred taxes	-0.5	1.6	0.7	1.8	1.2
Current taxes	-1.1	-1.1	-5.9	-3.5	-4.8
Net result for the period	11.9	8.2	32.8	25.0	-3.0
Distribution:					
To parent company shareholders	8.3	7.4	28.4	18.2	-11.7
To non-controlling shareholders	3.6	0.8	4.4	6.8	8.8
	11.9	8.2	32.8	25.0	-3.0
Earnings per share, basic, EUR	0.07	0.06	0.24	0.14	-0.15
Earnings per share, diluted, EUR	0.07	0.06	0.24	0.14	-0.15

STATEMENT OF COMPREHENSIVE INCOME					
Net result for the period	11.9	8.2	32.8	25.0	-3.0
Other comprehensive income items					
Items that may be reclassified subsequently to profit or loss					
Translation difference	-14.7	-0.4	-4.3	-1.3	-20.6
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	-1.6	-1.2	2.3	-7.9	-10.8
Taxes related to other comprehensive income items	0.7	0.2	-0.5	1.7	2.5
Other comprehensive income items after taxes for the period	-15.6	-1.3	-2.5	-7.5	-29.0
Comprehensive income for the period, total	-3.7	6.8	30.3	17.5	-32.0
Distribution:					
To parent company shareholders	-4.4	5.2	27.6	10.2	-36.6
To non-controlling shareholders	0.7	1.7	2.7	7.3	4.6
	-3.7	6.8	30.3	17.5	-32.0

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	Sept 30, 2015	Sept 30, 2014	Dec 31, 2014
Non-current assets			
Intangible assets	5.1	6.6	6.8
Tangible assets	13.3	30.0	19.6
Completed investment properties	1,410.8	1,429.6	1,378.4
Investment properties under construction	31.6	11.3	26.5
Investments	7.2	10.8	10.8
Deferred tax assets	17.8	16.6	17.8
Non-current assets	1,485.8	1,504.9	1,459.7
Current assets	99.2	52.1	43.2
Assets, total	1,585.1	1,556.9	1,502.9

STATEMENT OF FINANCIAL POSITION,
SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	Sept 30, 2015	Sept 30, 2014	Dec 31, 2014
Shareholders' equity			
Share capital	96.9	96.9	96.9
Premium fund	18.6	18.5	18.6
Equity related bond	74.2	74.2	74.2
Other funds	205.4	206.7	204.5
Translation difference	-22.9	-6.0	-20.3
Retained earnings	121.5	156.2	153.9
Net profit for the period	28.4	18.2	-11.7
Parent company's shareholders' interests	522.0	564.7	516.1
Non-controlling interests	80.3	62.0	59.5
Shareholders' equity, total	602.3	626.7	575.6
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	766.4	673.6	659.7
Non-interest-bearing liabilities	0.6	0.6	0.7
Deferred tax liabilities	34.4	31.1	34.7
Non-current liabilities, total	801.4	705.4	695.1
Current liabilities			
Interest-bearing liabilities	130.3	177.7	182.2
Non-interest-bearing liabilities	51.1	47.1	50.0
Current liabilities, total	181.4	224.8	232.3
Liabilities, total	982.8	930.2	927.3
Shareholders' equity and liabilities, total	1,585.1	1,556.9	1,502.9

1) Administration costs include group expenses from key resources and administration.

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, 2014	96.9	18.6	286.0	-3.2	171.0	55.0	624.3
Comprehensive income							
Net profit for the period					18.2	6.8	25.0
Other comprehensive income items							
Translation difference				-2.8		1.5	-1.3
Derivatives			-5.2			-1.0	-6.2
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-5.2	-2.8	18.2	7.3	17.5
Related party transactions							
Dividend					-10.6	-0.5	-11.1
Share issue			0.0				0.0
Interest paid to equity related bond			0.0		-4.3		-4.3
Investment of non-controlling interests						0.0	0.0
Other changes			0.1		0.1	0.1	0.3
Related party transactions			0.1		-14.9	-0.3	-15.1
Equity September 30, 2014	96.9	18.6	280.9	-6.0	174.4	62.0	626.7
Equity January 1, 2015	96.9	18.6	278.7	-20.3	142.2	59.5	575.6
Comprehensive income							
Net profit for the period					28.4	4.4	32.8
Other comprehensive income items							
Translation difference				-2.6		-1.8	-4.3
Derivatives			1.8			0.0	1.9
Available-for-sale financial assets			0.0				0.0
Other changes					0.0		0.0
Comprehensive income for the period			1.9	-2.6	28.4	2.7	30.3
Related party transactions							
Dividend					-15.9	-0.7	-16.6
Acquisition of own shares			-1.0		-1.1		-2.1
Interest paid to equity related bond					-4.5		-4.5
Investment of non-controlling interests						18.6	18.6
Other changes			0.0		0.8	0.1	0.9
Related party transactions			-1.0		-20.7	18.0	-3.6
Equity September 30, 2015	96.9	18.6	279.6	-22.9	149.9	80.3	602.3

STATEMENT OF CASH FLOWS

Currency unit: EUR million	1-9/ 2015	1-9/ 2014	1-12/ 2014
Cash flows from operating activities			
Net result for the period	32.8	25.0	-3.0
Adjustments:			
Change in fair value of investment properties	5.5	16.1	40.5
Depreciation	4.3	2.8	3.8
Share of profits of associates	0.0	0.0	0.0
Gains from disposals	0.0	0.1	0.1
Other adjustments for non-cash transactions	1.1	0.6	0.5
Financial income and expenses	24.3	19.7	42.2
Taxes	5.2	1.6	3.6
Increase / decrease in working capital	-4.2	1.3	1.8
Interests received	0.2	0.2	0.3
Dividends received	0.1	0.0	0.0
Interests paid and fees	-10.2	-11.9	-15.5
Other financial items in operating activities	-10.7	-0.9	-5.2
Taxes paid	-3.0	-4.4	-2.6
Net cash provided by operating activities	45.4	50.5	66.6
Cash flows from investing activities			
Investments in investment properties	-48.2	-35.4	-53.2
Investments in tangible and intangible assets	-3.4	-2.2	-11.1
Granted loans	0.0		
Repayments of loan receivables		1.1	1.3
Proceeds from sale of investments	0.0	0.9	0.9
Proceeds from sale of tangible and intangible assets	0.0	0.7	6.7
Acquisition of subsidiaries	0.0	-1.9	-4.6
Proceeds from sale of associates	0.0	0.0	
Acquisition of associates	0.0		
Net cash used in investing activities	-51.6	-36.8	-60.1
Cash flows from financing activities			
Increase in long-term loans	285.2	62.2	83.0
Decrease in long-term loans	-192.9	-72.7	-94.8
Dividends paid	-16.6	-11.0	-11.1
Paid share issue		0.3	0.3
Acquisition of own shares	-2.1		-1.6
Capital investment by the minority	18.6	0.0	
Hybrid bond interest paid	-5.6	-5.6	-5.6
Acquisition of subsidiaries, no change in command		-0.4	-0.4
Change in short-term loans	-25.0	-5.6	1.4
Net cash provided by financing activities	61.7	-32.8	-28.8
Net increase/decrease in cash assets	55.4	-19.0	-22.3
Effects of exchange rate fluctuations on cash held	-0.3	-0.8	-3.5
Cash and cash equivalents at period-start	28.3	54.1	54.1
Cash and cash equivalents at period-end	83.4	34.3	28.3

FINANCIAL INFORMATION BY SEGMENTS

Technopolis Group has three operating segments based on geographical units: Finland, Baltic Rim and Scandinavia. The Group's net sales or EBITDA do not include significant inter-segment items.

SEGMENT INFORMATION

Currency unit: EUR million	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Net sales					
Finland	28.7	29.2	95.1	88.1	118.6
Baltic Rim	6.5	6.5	19.7	18.5	24.9
Scandinavia	4.6	4.6	14.1	13.7	18.2
Total	39.8	40.3	128.9	120.3	161.7
EBITDA					
Finland	17.6	16.5	55.8	47.6	62.6
Baltic Rim	2.9	3.8	10.0	10.1	13.4
Scandinavia	2.2	3.0	7.1	9.0	12.0
Unallocated	0.0	-0.6	0.0	-1.5	-0.8
Total	22.7	22.7	72.9	65.3	87.2
Assets					
Finland			1,110.9	1,065.9	1,060.2
Baltic Rim			298.3	280.5	257.2
Scandinavia			220.5	244.8	220.8
Eliminations			-44.6	-34.3	-35.3
Total			1,585.1	1,556.9	1,502.9

EPRA EARNINGS

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

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

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

DIRECT RESULT Currency unit: EUR million	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Net sales	39.8	40.3	128.9	120.3	161.7
Other operating income		0.1	0.0	0.2	0.3
Other operating expenses	-17.1	-17.7	-56.0	-55.0	-74.7
Depreciation	-2.4	-0.6	-4.3	-2.8	-3.8
Operating profit/loss	20.4	22.1	68.5	62.7	83.5
Finance income and expenses, total	-6.9	-5.2	-22.1	-14.3	-20.2
Result before taxes	13.4	16.9	46.4	48.4	63.3
Taxes for direct result items	-0.4	-0.9	-2.9	-5.8	-3.9
Non-controlling interests	-1.6	-1.9	-4.7	-3.4	-3.5
Direct result for the period	11.4	14.1	38.8	39.2	55.9

INDIRECT RESULT					
Non-recurring items	0.0	0.0	0.0	-0.2	-0.1
Change in fair value of investment properties	4.1	-6.1	-5.5	-16.1	-40.5
Operating profit/loss	4.1	-6.1	-5.4	-16.3	-40.6
Other indirect financial expenses	-4.1	-3.1	-3.0	-5.4	-22.1
Result before taxes	0.0	-9.2	-8.4	-21.7	-62.7
Taxes for indirect result items	-1.1	1.3	-2.3	4.2	0.3
Non-controlling interests	-2.1	1.1	0.3	-3.4	-5.2
Indirect result for the period	-3.2	-6.7	-10.4	-20.9	-67.6
Result for the period to the parent company shareholders, total	8.3	7.4	28.4	18.2	-11.7
Earnings per share, diluted					
From direct result	0.11	0.13	0.37	0.37	0.53
From indirect result	-0.03	-0.06	-0.10	-0.20	-0.64
From net result for the period	0.08	0.07	0.27	0.17	-0.11
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.03	-0.03	-0.04
From adjusted net result for the period	0.07	0.06	0.24	0.14	-0.15

KEY INDICATORS	1-9/ 2015	1-9/ 2014	1-12/ 2014
Change in net sales, %	7.1	31.3	28.0
Operating profit/loss/net sales, %	49.0	38.6	26.5
Interest coverage ratio	4.4	4.8	4.8
Equity ratio, %	38.2	40.6	38.5
Loan to value, %	61.9	58.1	59.7
Group company personnel during the period, average	237	212	214
Gross expenditure on assets, MEUR	83.0	37.5	69.1
Net rental yield of investment properties, % 2)	7.7	7.3	7.5
Financial occupancy rate, %	94.5	93.5	94.7
Earnings/share			
basic, EUR	0.24	0.14	-0.15
diluted, EUR	0.24	0.14	-0.15
Cash flows from operating activities/share, EUR	0.43	0.47	0.63
Equity/share, EUR	4.25	4.60	4.17
Average issue-adjusted number of shares 3)			
basic	105,756,047	106,421,719	106,015,829
diluted	105,756,047	106,421,719	106,015,829
Issue-adjusted number of shares at the end of period	105,458,861	106,511,632	106,083,079

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

3) Own shares held by the company (1,052,771 shares) are excluded from the number of shares.

CHANGE IN VALUE OF INVESTMENT PROPERTIES	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Change in fair value, Finland	0.9	-1.5	-3.0	-23.8	-25.1
Change in fair value, Baltic Rim	8.4	0.0	9.1	3.1	4.9
Change in fair value, Scandinavia	2.3	-0.1	1.9	1.3	1.1
Change in fair value	11.6	-1.6	8.1	-19.4	-19.1
Changes in acquisition costs of investment properties in financial year	-7.9	-8.4	-19.9	-7.1	-23.5
Changes in fair value of projects in progress	0.4	3.9	6.4	10.4	2.0
Effect on profit of change in value of investment properties	4.1	-6.1	-5.5	-16.1	-40.5

CONTINGENT LIABILITIES

Currency unit: EUR million	Sept 30, 2015	Sept 30, 2014	Dec 31. 2014
Pledges and guarantees on own debt			
Mortgages of properties	961.4	1,070.3	1,009.5
Pledged securities and investment properties	746.5	766.8	758.5
Pledges for land lease payments	3.6	3.6	3.6
Other guarantee liabilities	98.5	206.1	133.8
Leasing liabilities, machinery and equipment	4.6	4.5	4.8
Project liabilities	0.2	0.3	0.3
Interest rate and currency swaps			
Nominal values	506.1	401.4	482.9
Fair values	-15.5	-14.0	-17.1

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES September 30, 2015

The following table provides a list of the groups of financial assets and liabilities used for valuation in accordance with IAS 39.

	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized purchase price	Financial assets/ liabilities measured at fair value	Total
Non-current financial assets					
Assets measured at fair value					
Available-for-sale investments					
Available-for-sale quoted financial assets (level 1)		1.1			1.1
Available for sale non-quoted financial assets (level 3)		0.8			0.8
Other non-current receivables	0.1				0.1
Total	0.1	1.9			1.9
Current assets					
Trade and other receivables					
Sales receivables	6.8				6.8
Other current receivables	9.1				9.1
Cash and cash equivalents	83.4				83.4
Derivatives					
Interest rate swaps (level 2)				0.0	0.0
Total	99.2			0.0	99.2
Non-current liabilities					
Financial liabilities recognized at amortized cost					
Non-current finance lease liabilities (level 2)			31.9		31.9
Non-current interest-bearing liabilities (level 2)			704.4		704.4
Non-current non-interest-bearing liabilities (level 2)			0.6		0.6
Other non-current liabilities			34.4		34.4
Total			771.3		771.3
Current liabilities					
Financial liabilities at fair value through profit or loss					
Derivatives (level 2)					
Interest rate swaps, not meeting the criteria for hedge accounting				15.5	15.5
Financial liabilities recognized at amortized cost					
Current finance lease liabilities			3.0		3.0
Other current interest-bearing liabilities			127.1		127.1
Trade and other payables			33.2		33.2
Conditional additional purchase price			0.0		0.0
Income tax liability			2.6		2.6
Total			165.9	15.5	181.4