

Technopolis Plc: Technopolis Group Interim Report January 1 – March 31, 2011**Highlights for period 1–3/2011 compared with 2010**

- Net sales rose to EUR 22.2 million (EUR 19.4 million)
- EBITDA rose to EUR 10.3 million (EUR 10.0 million)
- Operating profit rose to EUR 16.0 million (EUR 10.3 million) including a change of EUR 6.1 million (EUR 0.5 million) in the fair value of investment properties
- Financial items include EUR 1,9 million in unrealized interest rate swap-related earnings
- Profit before taxes totaled EUR 15.5 million (EUR 7.8 million)
- The financial occupancy rate rose to 94.5% (94.0%)
- The Group's equity ratio rose to 36.6% (36.2%)
- Earnings/share (undiluted) rose to EUR 0.18 (EUR 0.09) and diluted EUR 0.18 (EUR 0.09)

Keith Silverang, CEO:

"The economy on Technopolis' main markets has stabilized, and the financial occupancy climbed to 94.5%. Like-for-like rental growth was 2.7%, primarily due to increasing occupancy rates and index increases. Organic growth is continuing in Finland. New projects have been launched during the first quarter in downtown Jyväskylä and Tampere.

Technopolis Pulkovo in St. Petersburg is semi-operational and will be fully operational during the first half of the year. The pre-occupancy rate increased to 68.2% at the end of the period under review. It rose to 74% on the strength of several new deals closed in April and the prospect pipeline is strong. The St. Petersburg market is continuing to recover, and we have targeted full occupancy in Pulkovo by the end of the year. The St. Petersburg operations are expected to be in the black by the end of 2011, provided that the occupancy rates develop as planned.

The operations of Technopolis Ülemiste have developed favorably. The occupancy rates are healthy, and rents, revenues and EBITDA are all rising owing to the recovery of the Estonian market. Concept integration is proceeding according to plan and we hope to launch the first expansion project on the campus this year.

Nokia's strategy shift may affect Technopolis' operations, but the 2011 guidance will not be changed. Technopolis has consistently strived to reduce its risks related to the mobile sector. Nearly all premises leased to Nokia are located in Oulu and Nokia's share has declined to six percent of the Group's net sales. The figure will fall below four percent at the year end. According to our estimate, the mobile sector as a whole is slightly under 10% of the company's net sales."

Business Environment in Finland, St. Petersburg and Tallinn

The Finnish economy has been in recovery during the first months of 2011. Forecasts for economic growth in 2011 vary between 3.0% and 4.0%. Inflation has begun to accelerate hand in hand with economic growth, and inflation rate forecasts vary between 1.2% and 2.3%.

The recovery has halted the decline in the office space market, which can be seen in the launch of as many as fifteen new office building projects in the Helsinki Metropolitan Area, with 100,000 square meters of office space under construction (Catella, December 31, 2010). The positive economic development has halted the increase in vacancy rates in the Helsinki Metropolitan Area (Catella, March 31, 2011). The situation in domestic growth centers regarding office space varies by city.

During the first quarter of 2011, the vacancy rate in the St. Petersburg office market declined to the level of approximately 15% (Jones Lang LaSalle, St. Petersburg Office Market Overview Q1 2011). Supply and demand are expected to balance gradually by the end of 2012. The rents of office buildings have remained stable throughout 2010 (Jones Lang LaSalle, St. Petersburg, Office market, Q3/2010). The rents have remained unchanged in rubles but increased in USDs following the strengthening of the ruble in the wake of increasing oil prices.

The yield requirements of high-quality properties with high occupancy rates, located in good areas and with good transportation connections are expected to decline in St. Petersburg's Pulkovo area from the current level of 12.0%–12.5% to 10.0%–10.5% by the beginning of 2012 (Jones Lang LaSalle Q4-2010).

The Estonian economy is a positive exception among the Baltic countries, and after the country joined the euro, the interest of foreign investors in the Estonian market has increased. According to the reliability indicator on the Tallinn real estate market, the situation has remained favorable but the expectations in the market vary (Colliers, December 2010.)

At the end of 2010, the average vacancy rate in Tallinn stood at 12%. Occupancy rates and rents are expected to develop favorably in the office market.

Operations

Technopolis Group has three operating segments based on geographic units: Finland, Russia, and Estonia. The segmentation presented is based on the Group's existing internal reporting procedures and the organization of the Group's operations.

During the first quarter of 2011, demand for innovation environments remained favorable in the areas in which Technopolis operates and the Group's financial occupancy rate was at 94.5 % at the end of the period (March 31, 2010 94.0% and December 31, 2010 94.4%). The Group's financial occupancy rate has included the lease stock of the Estonian subsidiary from December 31, 2010.

The competitive situation in Finnish growth centers remained stable during the period under review. The company's occupancy rates are still above the average in all domestic growth centers. In St. Petersburg, the first tenants of Technopolis Pulkovo have moved in and the rental market is recovering. The aim is to reach full occupancy in Technopolis Pulkovo by the end of the year. The St. Petersburg unit's EBITDA for the period under review was EUR - 0.6 million, but it is expected to exceed breakeven during the second half of the year at the latest, provided that the occupancy rates develop as planned. Net sales and EBITDA in Tallinn were at the expected level, and the financial occupancy rate remained favorable in spite of the competitive situation in the office space market.

The Group's financial occupancy rates:

Financial Occupancy Rate, %	March 31, 2011	March 31, 2010	December 31, 2010
Group	94.5	94.0	94.4
Finland	94.6	94.0	94.5
Oulu	92.3	94.0	91.7
HMA	97.1	95.6	98.0
Jyväskylä	94.1	86.5	94.6
Kuopio	94.4	96.5	96.3
Lappeenranta	98.4	93.6	94.4
Tampere	97.3	97.0	96.1
Estonia	92.9	-	93.5

The final commissioning of Technopolis Pulkovo (St. Petersburg) was carried out in phases during the first half of 2011, after which the site will begin to influence the Group's financial occupancy rate.

The Group's net sales for the period under review were EUR 22.2 million (EUR 19.4 million), showing an increase of 14.6 %. Rental revenue accounted for 86.6% (85.2%) and service revenues for 13.4% (14.8%) of net sales. Like-for-like rental growth was 2.7%, primarily due to increasing occupancy rates and index increases.

The Group's EBITDA was EUR 10.3 million (EUR 10.0 million), an increase of 3.4%. EBITDA increased less than net sales primarily due to the slower than expected start in the rental operations of the St. Petersburg subsidiary and growth investments.

The Group operates in the real estate business and services. Breakdown of net sales and EBITDA by business area. (The figures are from management accounting without eliminations.)

Premises	1-3/2011	1-3/2010	1-12/2010
Net sales	19.3	16.8	70.3
EBITDA	11.6	11.0	47.1
EBITDA %	60.2 %	65.1 %	67.1 %

Services	1-3/2011	1-3/2010	1-12/2010
Net sales	2.9	2.6	11.2
EBITDA	0.5	0.4	1.1
EBITDA %	15.7 %	14.6 %	10.2 %

The Group's operating profit totaled EUR 16.0 million (EUR 10.3 million). The increase in operating profit is, to a significant extent, due to a write-up of EUR 6.1 million (EUR 0.5 million) in the fair market value of investment properties. The change in the fair market value of investment properties has no impact on the Group's net sales, EBITDA or cash flow.

The Group's net financial expenses totaled EUR 0.6 million (EUR 2.6 million), including EUR 1.9 million of unrealized gains from interest rate swaps. The Group has extended the interest rate fixing period of its loans by carrying out interest rate swaps. The Group's profit before taxes totaled EUR 15.5 million (EUR 7.8 million).

The Group's direct result was EUR 5.2 million (EUR 5.4 million), a decrease of 3.3 %. The direct result shows the company's result for the financial period, excluding changes in the fair market value of investment properties and financial instruments during the period, as well as any non-recurring items and tax effects related to these items. The weakening of the direct result is primarily due to the slower than expected ramp-up of rental operations of the St. Petersburg subsidiary, growth investments, as well as rising real estate maintenance, financing costs and depreciation.

Total assets were EUR 847.4 million (EUR 718.9 million), an increase of 17.9%. The Group's equity ratio at the end of the period was 36.6 % (36.2%).

The fair market value of the Group's investment properties at the end of the period was EUR 737.1 million (EUR 600.1 million) and the fair market value of investment properties under construction was EUR 67.8 million (EUR 58.6 million). The earnings impact of the change in the fair value of investment properties was EUR 6.1 million (EUR 0.5 million) during the period under review. The increase in the fair market value of investment properties mainly resulted from a slight decline in market yields. Uncertainties concerning the development of the Russian market have been taken into account in the fair market value of property under construction in Russia.

Net market yields are calculated by taking the average of the upper and lower ranges of net market yield, as reported by two independent appraisal agencies for each individual region. On March 31, 2011, the average net yield for Group properties was 7.9% (8.1% on March 31, 2010 and 8.0% on December 31, 2010). The average ten-year occupancy rate used in the fair value calculation was 95.6%. The Group has set a higher target for the financial occupancy rate than this. Over the period of 2001–2010, the Group's average occupancy rate was 96.7%.

The Group's total rentable space at the end of the period was 537,000 square meters (453,600 square meters), with 71,100 square meters under construction. The Group's financial occupancy rate at the end of the period was 94.5% (94.0%). The financial occupancy rate depicts rental revenues from the properties as a percentage of the aggregate of the rents for occupied premises and the estimated market rent for vacant space. The lease stock held by the Group totaled EUR 129.6 million (EUR 115.8 million) at the end of the reporting period.

Geographically, the Group's property portfolio is diversified between the Oulu region, the Helsinki Metropolitan Area, Jyväskylä, Kuopio, Lappeenranta, Tampere, St. Petersburg in Russia, and Tallinn in Estonia. No single customer accounts for more than 6% of the Group's net sales. The Group has a total of approximately 1,300 customers across a wide range of sectors.

Investment properties March 31, 2011	Fair market value EUR million	Net yield, %	m2
- Finland	667.5	7.9%	448,300
Oulu	236.2	8.3%	192,900
HMA	162.7	6.9%	74,700
Jyväskylä	70.9	8.2%	47,100
Kuopio	84.1	8.3%	53,900
Lappeenranta	29.5	8.8%	27,300
Tampere	84.2	7.4%	52,400
- Russia, St. Petersburg (land plot)	7.1		
- Estonia, Tallinn (share of ownership 51%)	62.4	8.6%	79,200
Group investment properties total	737.1	7.9%	527,500
Investment properties under construction*	67.8	various	71,100
Other properties (holdings, rented)			9,500

* Investment properties under construction have been assessed at fair value and recognized on the basis of their rate of completion on the balance sheet date.

Major Investments and Development Projects

Projects under construction on March 31, 2011:

	Area	m2	EUR million	Occupancy rate % March 31, 2011	Net yield	Due for completion
Pulkovo Phase 1	St. Petersburg	24,100	52.3	68.2*	11.3	Q2/2011
Finn-Medi campus	Tampere	12,900	31.5	95.0	7.3	11/2011
Ruoholahti 2	Helsinki	9,900	27.7	14.0	6.5	5/2012
Yliopistonrinne 2	Tampere	7,900	22.5	31.0	6.9	9/2012
Innova 2	Jyväskylä	9,100	19.8	36.0	7.6	2/2012
Hermia 15 B	Tampere	4,800	10.8	65.0	7.3	1/2012
Helsinki-Vantaa 5, Part 2	HMA	2,400	6.0	100.0	7.0	5/2011

* Occupancy rose to 74% at the end of April

Phase 1 of Technopolis Pulkovo has been issued all of the required permits from the authorities. The property is not yet finished and has not been handed over by the contractor. The building was brought on line in phases during the first half of 2011, after which the property will influence the Group's financial occupancy rate. The occupancy of Phase 1 with pre-leases rose to 74% at the end of April. In terms of the development of the lease stock, Pulkovo has succeeded well among the class A office properties in St. Petersburg. By the end of the period under review, a total of EUR 52.2 million had been committed to operations in St. Petersburg.

At the end of the reporting period, Technopolis had premises under construction in Helsinki-Vantaa and Ruoholahti in the Helsinki Metropolitan Area; in Yliopistonrinne in downtown Tampere and Hermia in Hervanta, Tampere; and Phase 2 of Innova in downtown Jyväskylä. In addition, a campus for well-being services and life sciences is under construction in the Finn-Medi area in Tampere, where the Eye Center of the Pirkanmaa Hospital District, a Patient Hotel for Norlandia Care Oy and office premises will be located. The projects will expand existing centers.

Planned projects:	Status	Area	m2	Estimated launch
Pulkovo 2	Planning	St. Petersburg	22,400	2011–2012
Technopolis Ülemiste	Planning	Tallinn	7,500	2011
Viestikatu 2B	Planning	Kuopio	3,600	2011

Technopolis will divest properties that do not suit innovation center operations, or are not part of the core business.

Strategy

In accordance with its strategy, Technopolis aims to operate in the best knowledge-intensive cities in Finland, Russia, Estonia, and two or three other countries by 2015. The Group aims to increase net sales by an annual average of 10%. The goal is that 25% of the net sales will be generated outside of Finland by 2015 with growth generated through both organic expansion and acquisitions. The Group's equity ratio target is a minimum of 35%.

Technopolis has been continuously analyzing potential international investment targets in Europe for growth. The key criteria for potential acquisitions are the sufficient size and growth potential of the target, excellent location in growth centers, high-quality and flexible property portfolio, and positive cash flow. The customer base of the targeted property must be suitable for the Technopolis concept. In addition, the project must have a positive effect on earnings per share.

Financing

Technopolis can finance all Board approved investments with its existing credit facilities. At the end of the reporting period Technopolis' available funds consisted of EUR 198.7 million in untapped credit facilities, and cash amounting to EUR 4.9 million. These contained a EUR 103.0 million commercial paper program, a EUR 85 million credit line and a EUR 10.7 million revolving credit facility. Use of the available credit limit facilities requires collateral arrangements. At the end of the reporting period, the value of commercial paper issued by Technopolis totaled EUR 17.0 million. After the end of the period under review, the revolving credit facility has been used by taking a EUR 20.0 million loan from the European Investment Bank.

The Group's net financial expenses totaled EUR 0.6 million (EUR 2.6 million), including EUR 1.9 million of unrealized gains from interest rate swaps. The Group's interest coverage ratio was 4.1 (5.2). The interest coverage ratio indicates the relation between EBITDA and accrual-based interest expenses.

The Group's total assets were EUR 847.4 million (EUR 718.9 million), of which liabilities totaled EUR 538.8 million (EUR 460.1 million). The Group's equity ratio was 36.6% (36.2%). At the end of the period, the Group's net gearing was 149.5% (150.1%). The Group's equity per share was EUR 4.70 (EUR 4.51).

At the end of the period, the Group's interest-bearing liabilities amounted to EUR 466.1 million (EUR 392.8 million), and the average capital-weighted loan period was 8.4 years (10.1 years). The average interest rate on interest-bearing liabilities was 2.55% (1.98%) on March 31, 2011. Of interest-bearing liabilities, 69.4% (84.3%) were floating rate loans and 30.6% (15.7%) were fixed rate loans at the end of the period.

Technopolis has prepared for a potential increase in interest rates by increasing the number of interest swaps and by decreasing the 12-month market rate dependency. A one percentage point change in market rates would cause a EUR 2.5 million change in the interest costs per annum. At the end of the period under review, there were interest rate swaps covering EUR 107.9 million, and additional interest rate swaps have been entered into for a further EUR 50 million.

The Group's loan to value ratio, that is, the ratio of interest-bearing liabilities to the fair value of investment properties and properties under construction, was 57.6% (58.7%). The Group has interest-bearing liabilities from credit institutions worth EUR 411.4 million, of which EUR 183.4 million include covenants related to equity ratio, debt service ratio or loan-to-value.

A covenant related to the debt service ratio and loan-to-value is included in the EUR 40.9 million borrowings of Technopolis Ülemiste (Technopolis holdings 51%). In terms of the aforementioned loan, the subsidiary's debt service ratio must be at a minimum of 1.1 and its loan-to-value no more than 70%. If the covenants are breached, the lender may terminate the loan.

Loans amounting to EUR 142.5 million include covenants related to the equity ratio. A decline in the equity ratio may lead to higher interest rate margins or premature repayment in some loans. The margins of some loans and bank guarantees may rise as the equity ratio falls. Potential changes in the margins take effect in accordance with the contractual provisions of each loan. Of these loans, EUR 47.9 million have call-in clauses. The call-in can be executed if the equity ratio falls below 30%.

If the Group's equity ratio would fall to 35% and the covenants would take effect immediately, the impact on the Group's interest rate expenses would be EUR 0.1 million. Correspondingly, if the equity ratio would be 33% or less, the impact on the Group's interest rate expenses would be EUR 0.4 million.

Bank guarantees in the amount of EUR 106.0 million have been given as security for the EUR 103.7 million in loans granted by the European Investment Bank. EUR 21.0 million of these bank guarantees will expire by the end of 2013, and the plan is to extend them. The extension of these bank guarantees may result in increased loan guarantee margins. Of the EIB borrowing mentioned above, EUR 20.0 million was raised in April, after the end of the period under review.

During the 12-month period following the period under review, EUR 62.1 million in existing interest-bearing loans will mature.

The financing of Technopolis Pulkovo, Phase 1, has been arranged through the parent company's investments in shareholders' equity and with an EBRD loan of EUR 31.6 million.

Organization and Personnel

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

The Group Management Team comprises Keith Silverang (CEO), Reijo Tauriainen (CFO), Satu Eskelinen, Marko Järvinen, Kari Kokkonen, Jukka Rauhala and Sami Juutinen. Sami Juutinen assumed his position as Director of International Operations on February 14, 2011.

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

During the period, the Group employed an average of 144 (129) people. Facilities operations employed 85 (61) people, Business Services 42 (35) people and Development Services 17 (33) people. At the end of the period under review, the Group's personnel totaled 150 (129).

Technopolis key personnel have a share incentive program decided on by the Board of Directors as authorized by the Annual General Meeting, offering the key personnel the opportunity to earn a maximum of 150,000 shares in 2011. The earning criteria for the performance shares are weighted and consist of the growth of the company's earnings per share (60% weight) and the increase in the like-for-like rental income (40% weight).

Group Structure

Technopolis Group comprises the parent company Technopolis Plc, which has operations in Espoo, Helsinki, Jyväskylä, Kuopio, Lappeenranta, Oulu, Tampere, and Vantaa, and its subsidiaries, Innopoli Ltd and Kiinteistö Oy Innopoli II, both wholly owned and located in Espoo, mutual real estate company Finnmedi 6-7 (wholly owned), and mutual real estate company Hermia (63.9%) in Tampere as well as other subsidiaries.

Technopolis has established two Russian companies in St. Petersburg, Technopolis Neudorf LLC and Technopolis St. Petersburg LLC, both wholly owned. In Estonia, Technopolis has Technopolis Baltic Holding OÜ (wholly owned), which manages the holdings in Technopolis Ülemiste AS (51%).

The parent company has non-controlling interests in the affiliated companies Technocenter Kempele Oy (48.5%), Kiinteistö Oy Bioteknia (28.5%), Iin Micropolis Oy (25.7%), Jyväskylä Innovation Ltd (24%), Kuopio Innovation Ltd (24%), and Lappeenranta Innovation Ltd (20%). Technopolis Plc has a 13% holding in Oulu Innovation Ltd. Technopolis Group owns 35% of Otaniemi Marketing Ltd.

The Group also includes Technopolis Ventures Ltd, wholly owned by Innopoli Ltd, in Espoo. The Group plans to merge Innopoli Ltd. and Technopolis Ventures Ltd. into the parent company Technopolis Plc by the end of May 2011. The mergers will not affect the personnel.

Annual General Meeting

The Annual General Meeting of Shareholders (AGM) of Technopolis Plc was held on March 30, 2011. The AGM 2011 adopted the Group and parent company's financial statements for the financial year 2010

and discharged the company's board of directors and CEO from liability. The annual general meeting decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.17 per share. The dividend was paid to shareholders who were registered in the company shareholders register kept by Euroclear Finland Ltd on the record date of April 4, 2011. The dividend payment date was April 11, 2011.

The number of members on the Board of Directors was confirmed at six. Teija Andersen, Carl-Johan Granvik, Pertti Huuskonen, Pekka Korhonen, Matti Pennanen, and Timo Ritakallio were elected members of the Board for a term that ends at the close of the next Annual General Meeting. Pertti Huuskonen was elected the Chairman of the Board and Carl-Johan Granvik the Vice Chairman of the Board. KPMG Oy Ab, authorized public accountants, was elected as auditor of the company, with Mr. Tapio Raappana, APA, as the Auditor-in-Charge.

The Annual General Meeting held on March 30, 2011, decided to form a shareholder nominations committee to prepare proposals for the next Annual General Meeting on the composition and remuneration of the Board of Directors. The nominations committee will be composed of the Chairman of the Board of Directors and three members representing the three largest shareholders, who may not be members of the Board of Directors of the company. The member appointed by the largest shareholder will act as Chairman of the Committee. The term of office of the nomination committee will continue until a new nomination committee is appointed, unless the general meeting resolves otherwise. The nomination committee prepares the above-mentioned proposals also for extraordinary general meetings, if needed. A person who may not, according to the applicable Finnish Corporate Governance Code, be appointed to a nominations committee of the Board of Directors, cannot be appointed to the nominations committee. The nominations committee will also fulfill the requirements of independence in relation to the company as set out in the Code.

The other resolutions of the general meeting are presented in the release on the resolutions of the Annual General Meeting published on March 30, 2011.

Board Authorizations

The company's Annual General Meeting held on March 30, 2011, authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act as follows: Pursuant to this authorization, the maximum number of shares to be issued will be 12,677,000, equaling approximately 20% of the company's shares. The Board of Directors decides on all the terms and conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). However, the authorization cannot be used for incentive schemes. The authorization supersedes the authorizations given to the Board of Directors by the General Meeting of March 26, 2009, to decide on the issuance of shares and of special rights entitling to shares. The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2012. If the authorization regarding the issuance of shares is exercised in full, the nominal dilution effect will be 20%.

The AGM of 2009 decided to adopt a performance share incentive plan for key personnel in Technopolis Group. Based on the plan, a maximum of 390,000 shares may be given as remuneration.

The share incentive plan has been implemented and, in 2011, the company key personnel have the opportunity to earn a maximum of 150,000 shares. If the total of 150,000 shares is earned, the nominal dilution effect will be 0.2%.

Stock-Related Events and Disclosures of Changes in Holdings

The number of the company's shares is 63,385,044 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, and the subscription price of new shares is registered in the company's unrestricted equity reserve.

On January 19, 2011, Varma Mutual Pension Insurance Company announced that its direct holding of Technopolis Plc's share capital and votes had increased above two twentieths (15%) as a result of a share transaction carried out on January 18, 2011. After the transaction, the proportion of Technopolis Plc's share capital and votes controlled directly by Varma Mutual Pension Insurance Company is 10,279,371 shares and 16.22%, respectively.

On January 19, 2011, OP-Pohjola Group Central Cooperative announced that the proportion of Technopolis Plc's share capital and votes held by OP-Pohjola Group and its related parties as well as OP-Pohjola Group affiliates and the mutual funds managed by them, had decreased under one twentieth (5%) as a result of a share transaction carried out on January 18, 2011. The proportion of Technopolis Plc's share capital and votes indirectly controlled by OP-Pohjola Group is 2,649,543 shares and 4.180%, respectively.

Evaluation of Operational Risks and Uncertainties

The most significant risks concerning Technopolis' operations are primarily those associated with economic and financial trends, manifesting themselves in the form of financing and customer risks, as well as operational and 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 and the interest rate forecast created by the company.

Indicative of the structure of Technopolis' loan portfolio at the end of the period is the equation that a one percentage point change in the money market rates would change interest rate costs by EUR 2.5 million per annum.

Because of the interest rate risk associated with loans, a policy of diversifying interest bases is pursued. On March 31, 2011, 16.7% of interest-bearing liabilities were pegged to the under 3-month Euribor rate and 52.7% were pegged to the 3–12 month Euribor rate. 30.6% of interest-bearing liabilities were fixed-rate loans with maturities of 13–60 months.

After the end of the period under review, interest swaps were acquired for capital of EUR 50 million, altering the fixing period structure so that 9.8% of the interest-bearing liabilities are now pegged to the under 3-month Euribor rate, 50.6% are pegged to the 3–12 month Euribor rate, and 39.6% being fixed-rate loans with maturities of 13–60 months.

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. The average capital-weighted outstanding loan maturity was 8.4 years. In order to manage financing risk, Technopolis draws upon the resources of a wide range of financiers and 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 and refinancing and their margins in the future.

The differences between Russian, Estonian, and Finnish legislation and administrative procedures may create risks. If the Pulkovo premises cannot be leased as planned, the Pulkovo technology center pose financial risks. Once completed, the Pulkovo technology center will account for approximately 4.9% of the fair value of the Group's entire investment property portfolio.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company's financial performance and operations. Ruble-denominated transactions are recorded at the exchange rate of the transaction date. Any translation differences are entered in the income statement under other operating expenses or finance income and expenses according to the type of transaction involved.

Changes in general economic conditions may have an adverse effect on the company's clients and hence on the Group's operations.

Customer risk management aims to minimize the negative impact of potential changes in the 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 of customer information. Customer risks are diversified by acquiring customers from all technology sectors, knowledge-intensive operations, and 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 internal customer operates.

At the end of the period under review, open-ended leases in the lease portfolio that could be terminated and renegotiated within the next 12 months covered approximately 227,100 (185,800 on March 31, 2010) square meters of allocated space, equaling 48.3% (45% on March 31, 2010) of the weighted area in the entire property portfolio. The term of notice for these agreements is broken down as shown in the table below.

Notice period months	March 31, 2011	March 31, 2011	March 31, 2010	March 31, 2010
	Allocated sq m	% of lease stock	Allocated sq m	% of lease stock
0–3	61.900	13.2	19,300	4.7
3–6	96.600	20.5	44,100	10.8
6–9	42.300	9.0	91,600	22.3
9–12	26.300	5.6	30,800	7.5
Total	227.100	48.3	188,200	45.3

At the end of the period, the average lease period was 19 (21) months. The figure does not include the lease stock of properties under construction.

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 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 and long-term experience in 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 value 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, covenants of the leases may be triggered. In that case, the change in value will have an impact on the cash flow and result for the period.

Post-Fiscal Events

At the end of April a series of deals were closed that boosted the pre-let rate of Technopolis Pulkovo to approximately 74%. The largest agreement covering 1,000 square meters was signed with Eltech SPb that provides high technology solutions to the Russian semiconductor industry. For more detail see the stock exchange release dated May 2, 2011.

Technopolis made the following announcement in connection with Nokia Plc's stock exchange release of April 27, 2011 concerning its labor negotiations. The Technopolis Plc guidance for year 2011 will not be changed. The share of Nokia Plc has declined to six per cent of the Group's net sales and will decline below four per cent at the year end.

Technopolis and Savonia University of Applied Sciences proceeded to a pre-agreement in Kuopio, according to which Savonia will move its operations into Technopolis premises in phases. The first lease in connection with the pre-agreement was signed on April 13, 2011. Savonia University of Applied Sciences will lease approximately 2,000 square meters from June 30, 2011, for a rental period of twenty-

five years. In addition to the premises, the agreement also covers a variety of services. Additional information on the pre-agreement is disclosed in the stock exchange release issued on April 13, 2011.

Future Outlook

The Group's Management estimates that both net sales and EBITDA will grow 9–11% in 2011 from the previous year.

The Group's financial performance depends of the development of the overall business environment, customer operations, as well as the yield requirements from the financial markets and properties. Developments in these areas and resulting changes in the occupancy rate, use of services, financing costs, the fair value of properties, and facilities rents may have an impact on the Group's sales and earnings.

Oulu, May 4, 2011

TECHNOPOLIS PLC

Board of Directors

Keith Silverang
CEO
tel. +358 40 566 7785

APPENDICES:
Financial Reports

A presentation of the interim report is available on the company's website at www.technopolis.fi/for_investors/presentations. The interim report is available in PDF-format on the company's website at www.technopolis.fi. To request a hardcopy of the document, please call +358 46 712 000 /Technopolis info.

Technopolis offers a service for receiving reports and releases at the company's website at http://www.technopolis.fi/for_investors/releases_service. Individuals who sign up with the service will receive the company's reports and releases electronically.

Financial Reports

The accounting policies applied in the interim report and the formulas for calculating key indicators are the same as in the 2010 annual report. 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:

STATEMENT OF COMPREHENSIVE INCOME	1-3/ 2011	1-3/ 2010	1-12/ 2010
Currency unit: EUR million			
Net sales	22.21	19.37	81.18
Other operating income 1)	0.40	0.33	1.57
Other operating expenses	-12.27	-9.69	-41.34
Change in fair value of investment properties	6.13	0.46	2.74
Depreciation	-0.43	-0.16	-1.13
Operating profit/loss	16.05	10.31	43.01
Finance income and expenses	-0.55	-2.55	-9.43
Result before taxes	15.50	7.75	33.59
Income taxes	-3.98	-2.43	-10.13
Net result for the period	11.52	5.32	23.46
Other comprehensive income items			
Translation difference	0.33	0.00	0.00
Available-for-sale financial assets	0.02	0.01	0.02
Taxes related to other comprehensive income items	0.00	0.00	-0.01
Other comprehensive income items after taxes for the period	0.34	0.01	0.02
Comprehensive income for the period, total	11.86	5.33	23.48
Distribution of profit for the period:			
To parent company shareholders	11.17	5.32	23.25
To non-controlling shareholders	0.35	0.00	0.21
	11.52	5.32	23.46
Distribution of comprehensive income for the period:			
To parent company shareholders	11.51	5.33	23.27
To non-controlling shareholders	0.35	0.00	0.21
	11.86	5.33	23.48
Earnings per share based on result of flowing to parent			
Earnings/share, basic (EUR)	0.18	0.09	0.38
Earnings/share, adjusted for dilutive effect (EUR)	0.18	0.09	0.38

STATEMENT OF FINANCIAL POSITION

Currency unit: EUR million

	03/31/2011	03/31/2010	12/31/2010
ASSETS			
Non-current assets			
Intangible assets	4.01	3.63	4.05
Tangible assets	76.40	71.41	65.17
Investment properties	737.08	600.13	727.67
Investments	13.06	25.56	13.05
Deferred tax assets	4.18	2.78	4.41
Non-current assets	834.72	703.51	814.36
Current assets	12.71	15.40	13.25
Assets, total	847.43	718.91	827.61

SHAREHOLDER'S EQUITY AND LIABILITIES

	03/31/2011	03/31/2010	12/31/2010
Shareholders' equity			
Share capital	96.91	96.91	96.91
Premium fund	18.55	18.55	18.55
Other funds	84.23	63.95	84.22
Translation difference	0.33	0.00	0.00
Other shareholders' equity	0.14	0.21	0.66
Retained earnings	86.67	73.82	73.75
Net result for the period	11.17	5.32	23.25
Parent company's shareholders' interests	298.00	258.77	297.35
Non-controlling interests	10.60	0.01	10.25
Shareholders' equity, total	308.60	258.78	307.60
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	404.00	357.13	409.92
Non-interest-bearing liabilities	1.15	1.23	1.30
Deferred tax liabilities	43.68	33.79	41.44
Non-current liabilities, total	448.83	392.15	452.65
Current liabilities			
Interest-bearing liabilities	62.14	35.63	47.95
Non-interest-bearing liabilities	27.86	32.35	19.41
Current liabilities, total	90.00	67.98	67.36
Liabilities, total	538.83	460.13	520.01
Shareholders' equity and liabilities, total	847.43	718.91	827.61

Since the beginning of 2011, the Russian subsidiary has reported to the parent company in rubles.

Because of this, translation differences occur for the first time in 2011. Translation differences arise when converting foreign subsidiary's financial statements in the reporting currency of the parent company.

STATEMENT OF CASH FLOWS	1-3/ 2011	1-3/ 2010	1-12/ 2010
Currency unit: EUR million			
Cash flows from operating activities			
Net result for the period	11.52	5.32	23.46
Adjustments:			
Change in fair value of investment properties	-6.13	-0.46	-2.74
Depreciation	0.43	0.16	1.13
Share in affiliate profits	-0.04	0.01	0.03
Gains from disposals			-2.01
Other adjustments for non-cash transactions	0.14	-0.01	0.70
Financial income and expenses	0.58	2.54	9.40
Taxes	3.98	2.43	10.13
Increase / decrease in working capital	1.39	0.78	1.65
Interests received	0.06	0.07	0.40
Dividends received			0.01
Interests paid and fees	-2.25	-2.34	-7.16
Other financial items in operating activities	-0.63	-0.90	-3.09
Taxes paid	-1.10	-0.46	-6.84
Net cash provided by operating activities	7.95	7.15	25.05
Cash flows from investing activities			
Investments in other securities	-0.02	-0.26	-0.47
Investments in investment properties	-15.38	-9.57	-54.17
Investments in tangible and intangible assets	-0.15	-0.71	-2.41
Repayments of loan receivables	0.03	0.09	4.07
Proceeds from sale of investments		0.00	1.52
Proceeds from sale of tangible and intangible assets	0.04		2.21
Acquisition of subsidiaries			-11.88
Net cash used in investing activities	-15.48	-10.45	-61.13
Cash flows from financing activities			
Increase in long-term loans	15.81	10.00	43.74
Decrease in long-term loans	-12.83	-6.97	-31.56
Dividends paid			-8.60
Paid share issue			20.49
Change in short-term loans	4.99	0.03	11.98
Net cash provided by financing activities	7.97	3.07	36.05
Net increase/decrease in cash assets	0.44	-0.23	-0.03
Effects of exchange rate fluctuations on cash held	-0.03		
Cash and cash equivalents at period-start	4.49	4.52	4.52
Cash and cash equivalents at period-end	4.90	4.28	4.49

STATEMENT OF CHANGES IN
EQUITY

Currency unit: EUR million	Share capital	Premium fund	Other funds	Trans- lation diffe- rence	Retained earnings	Non- controllin g share- holders	Shareh olders' equity
EQUITY Dec 31, 2009	96.91	18.55	63.94		82.42	0.01	261.84
Dividend distribution					-8.60		-8.60
Comprehensive income			0.01		5.32		5.33
Other changes					0.21		0.21
EQUITY March, 31, 2010	96.91	18.55	63.95		79.35	0.01	258.78
EQUITY Dec 31, 2010	96.91	18.55	84.22		97.67	10.25	307.60
Dividend distribution					-10.78		-10.78
Comprehensive income			0.01	0.33	11.17	0.35	11.86
Other changes					-0.09		-0.09
EQUITY March 31, 2011	96.91	18.55	84.23	0.33	97.98	10.60	308.60

Financial Information by Segment

On March 31, 2011, Technopolis Group has three operating segments based on geographical units: Finland, Russia and Estonia. Estonia became the third segment due the establishment of the new subsidiary in Tallinn in October 2010. 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. Items after the EBITDA, such as depreciation, financing items and taxes, are not presented in the segment information because they are not allocated to segments.

SEGMENT INFORMATION	1-3/ 2011	1-3/ 2010	1-12/ 2010
Currency unit: EUR million			
Net sales			
Finland	20.73	19.04	79.92
Russia	0.31	0.33	0.27
Estonia	1.16		1.04
Unallocated	0.01	0.00	-0.05
Total	22.21	19.37	81.18
EBITDA			
Finland	10.09	10.27	42.22
Russia	-0.56	-0.03	-1.97
Estonia	0.80		0.78
Unallocated	0.01	-0.23	0.37
Total	10.34	10.01	41.40
Assets			
Finland	732.39	705.55	728.73
Russia	52.24	45.07	47.87
Estonia	73.94		73.64
Eliminations	-11.14	-31.71	-22.63
Total	847.43	718.91	827.61

Direct and Indirect Result

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

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

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

Technopolis Group			
DIRECT RESULT	1-3/	1-3/	1-12/
Currency unit: EUR million	2011	2010	2010
Net sales	22.21	19.37	79.17
Other operating income	0.39	0.26	1.53
Other operating expenses	-12.27	-9.69	-41.34
Depreciation	-0.43	-0.16	-1.13
Operating profit/loss	9.90	9.78	38.22
Finance income and expenses, total	-2.41	-1.95	-8.88
Taxes for direct result items	7.50	7.82	29.34
Result before taxes	-1.96	-2.47	-8.20
Non-controlling interests	-0.35		-0.21
Direct result for the period	5.18	5.35	20.94
INDIRECT RESULT			
Non-recurring items	0.01	0.07	2.05
Change in fair value of investment properties	6.13	0.46	2.74
Operating profit/loss	6.14	0.53	4.79
Change in fair value of financial instruments	1.86	-0.60	-0.55
Result before taxes	8.01	-0.07	4.24
Taxes for indirect result items	-2.01	0.03	-1.93
Indirect result for the period	5.99	-0.04	2.31
Result for the period to the parent company shareholders, total	11.17	5.32	23.25
Earnings per share, diluted *)			
From direct result	0.08	0.09	0.34
From indirect result	0.09	0.00	0.04
From net result for the period	0.18	0.09	0.38

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

KEY INDICATORS	1-3/ 2011	1-3/ 2010	1-12/ 2010
Change in net sales, %	14.6	-0.1	6.3
Operating profit/loss/net sales, %	72.3	53.2	53.0
Interest coverage ratio	4.1	5.2	4.9
Equity ratio, %	36.6	36.2	37.4
Loan to value, %	57.6	58.7	58.0
Group company personnel during the period, average	144	129	135
Gross expenditure on assets, EUR million	14.7	12.4	134.4
Net rental revenue of investment properties, % 2)	7.7	7.8	7.7
Financial occupancy rate, %	94.5	94.0	94.4
Earnings/share			
basic, EUR	0.18	0.09	0.38
diluted, EUR	0.18	0.09	0.38
Equity/share, EUR	4.70	4.51	4.69
Average issue-adjusted number of shares			
basic	63.385.044	57.345.341	61.040.730
diluted	63.600.941	57.483.297	61.186.677
CONTINGENT LIABILITIES			
Currency unit: EUR million	03/31/2011	03/31/2010	12/31/2010
Pledges and guarantees on own debt			
Mortgages of properties	428.6	353.9	351.9
Book value of pledged securities	184.6	164.6	171.5
Other guarantee liabilities	61.7	12.6	46.5
Collateral given on behalf of associates	0.5	0.5	0.5
Leasing liabilities, machinery and equipment	3.8	2.2	3.8
Project liabilities	0.3	0.2	0.2
Interest rate and currency swaps			
Nominal values	107.9	75.0	136.9
Fair values	0.75	-1.15	-1.27

1) Other operating income consists of operating subsidies received for development services; an equal amount is recorded under operating expenses for development services.

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

Distribution:
NASDAQ OMX Helsinki
Main news media
www.technopolis.fi