TECHNOPOLIS PLC STOCK EXCHANGE BULLETIN January 29, 2009 12.00

TECHNOPOLIS GROUP FINANCIAL STATEMENTS FOR 2008

Highlights of 2008 compared 2007:
- Net sales hit EUR 72.6 million (EUR 56.9 million), an increase of 27.5%
- EBITDA rose 29.2% to EUR 37.0 million (EUR 28.6 million)
- Operating profit fell to EUR 35.3 million (EUR 42.6 million) mainly due to a fall of EUR -0.7 million (EUR 14.6 million) in the fair value of investment properties
- Profit before taxes fell 35.0% to EUR 21.4 million (EUR 32.9 million)
- Financial occupancy rate 96.5% (96.8%)
- Diluted earnings per share EUR 0.31 (EUR 0.58)
- The Board will propose a dividend of EUR 0.12/share (EUR 0.15/share)

Keith Silverang, President and CEO:

Despite the global economic downturn in the second half of the year, Technopolis's operations developed favorably during the reporting period without the financial crisis having a substantial impact on the Group's rental or service operations. The financial occupancy ratio remained high, and the Group's net sales and EBITDA improved on 2007.

Growth continued in accordance with company's strategy, with the Group's property portfolio increasing by a 72,292 m^2 gross. The most significant development was the acquisition of Kuopion Teknologiakeskus Teknia Oy (Teknia Technology Park) and the expansion of operations in Kuopio. New technology centers or extensions to existing centers were completed in Helsinki, Lappeenranta, Oulu, Tampere, and Vantaa during the reporting period. Overall, the occupancy rates of the completed properties were high when commissioned and positive changes in their fair value were recorded. In 2008, we were able to raise approx. EUR 59.6 million in new share capital through a successful rights issue for the purpose of financing the Group's investments and growth, and securing its solvency.

Towards the end of 2008, we launched a number of internal development programs designed to standardize and integrate key processes, to invest in developing staff competences, and to make efficient use of new technologies. Through these actions we seek to enhance the Group's cost efficiency, improve quality and create a platform for international expansion.

Overview

Measured by the number of clients, Technopolis Plc is one of Europe's largest science and technology park chains. The Technopolis Group is Finland's largest specialized provider of business environment services for high tech companies, offering a comprehensive range of services combining modern premises with business and business development services. Technopolis operates or is in the process of building technology centers in Espoo, Helsinki, Jyväskylä, Lappeenranta, Oulu, Tampere and Vantaa in Finland, and in St.

Petersburg in Russia. Currently, some 1,175 companies with 16,000 employees are working in the Technopolis technology centers.

Business conditions in Finland and St. Petersburg

According to the Finnish Institute for Real Estate Economics KTI, the crisis originating in the financial market has also spread uncertainty in the property market, and the volume of transactions fell considerably from the earlier years. The weakening of general economic conditions is also expected to be reflected in the property market and to affect the demand for premises. Yield requirements are increasing and risk premiums growing at a time when the availability of funding is declining and lending spreads are increasing.

According to KTI’s fall 2008 bulletin, occupancy rates in areas just outside downtown Helsinki have slightly declined, while rent levels in high-end properties are increasing. For some time now, the increased supply of premises has been reflected in relatively low occupancies in Espoo. In Vantaa, demand for office space has remained strong. In Tampere, the supply and demand for business premises in equilibrium. Of the other big cities, the office premises markets have been strongest in Kuopio and Oulu.

According to a survey conducted by Statistics Finland, construction costs in Finland increased by 1.6% from December 2007 to December 2008. However, this trend peaked, and from November to December 2008, the construction cost index fell by 0.8%.

During the latter half of 2008, the office premises market in St. Petersburg was unstable. There was an increasing supply of new, high-end offices while at the same time the rental market stagnated. The markets are expecting office rents and real estate values to fall substantially from the current level. As a result of the ailing financial markets, a number of property deals closed earlier in the fall have been cancelled and several projects frozen (source: Catella).

Despite the deterioration of the global economy, demand for high-tech business environments in the areas in which Technopolis operates has been satisfactory, and the Group’s financial occupancy rate has remained a solid 96.5% at the end of 2008. Increases in rent levels have primarily followed the changes in the cost-of-living index. To some extent, the uncertainty in the financial markets has been reflected in the spreads on the loans drawn down by the company and in the availability of funding.

Operations

The Group’s net sales for the reporting period reached EUR 72.6 million (EUR 56.9 million in 2007), an increase of 27.5%. Of this, rental income accounted for 81.4% (80.9%) and service income for 18.6% (19.1%). EBITDA for the year was EUR 37.0 million (EUR 28.6 million), an increase of 29.2%. Other operating income includes a non-recurring capital gain of EUR 0.4 million and non-recurring compensation of EUR 0.5 million for the premature termination of a lease. The Group’s profit after depreciation and valuation items was EUR 35.3 million (EUR 42.6 million), a decrease of 17.0%. The fall in profits was due to a decline in the fair value of investment properties which, however, had no impact on net sales, EBITDA or cash flow. Planned depreciation includes a non-recurring item of EUR 0.4 million. The Group's net financial expenses totaled EUR 13.9 million (EUR 9.7 million). The Group's profit before taxes was EUR 21.4 million (EUR 32.9 million).

The balance sheet total was EUR 683.6 million (EUR 534.2 million), an increase of 28.0%. The Group's equity ratio at the end of the period was 40.5% (39.0%).

The fair value of the Group's investment property at the end of 2008 was EUR 594.0 million (EUR 468.8 million). The earnings impact of the change in fair values was EUR -0.7 million (EUR 14.6 million in 2007). The net change in fair value includes both a positive effect on profit from an increase in market rents in some properties together with the appreciation of properties acquired and completed during the reporting period, and a negative effect caused by an increase in the yield requirements. Additionally, the change in fair value was affected by an adjustment to fair value calculation principles with respect to the first-year inflation rate and long-term inflation expectations. The projected long-term inflation rate used in the fair value calculation was 2.00%.

Yield requirements are calculated by analyzing by two independent appraisal agencies for each individual region. The yields are calculated by taking the average of the upper and lower ranges reported by these organizations. On December 31, 2008, the average net yield requirement for Group properties was 7.68% (7.26% on December 31, 2007). A conservative average occupancy rate of 95.5% was projected for the calculation of the fair values over a ten-year time frame. The Group's targets concerning the actual occupancy rates have been consistently higher than that. Over the period from 2000 to 2008, the Group's average occupancy rate was 97.5%.

The Group's total rentable space was 438,337 m^2 at the end of 2008 (366,045 m^2 on December 31, 2007). The Group's average financial occupancy rate at the end of the year was 96.5% (96.8%). The financial occupancy rate depicts rental revenues from the properties as a percentage of the aggregate of market rents for occupied premises and the estimated market rent for vacant space. At the end of the reporting period, the lease portfolio held by the Group totaled EUR 122.5 million (EUR 111.0 million).

Group structure

The Technopolis Group includes the parent company, Technopolis Plc, which has operations in Espoo, Helsinki, Jyväskylä, Kuopio, Lappeenranta, Oulu, Tampere and Vantaa, and its subsidiaries Innopoli Oy and Kiinteistö Oy Innopoli II, both fully owned and both in Espoo, and other subsidiaries. Technopolis Kuopio Oy has been merged with the parent company.

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

The parent company has a minority holding in the affiliated companies Kiinteistö Oy Hermia (49.3%), Technocenter Kempele Oy (48.5%), Kiinteistö Oy Bioteknia (28.5%), Iin Micropolis Oy (25.7%), Jyväskylä Innovation Ltd (24%), Kuopio Innovation Oy (24%) and Lappeenranta Innovation Ltd (20%). Technopolis Plc has a 13% holding in Oulu Innovation Ltd.

The Group also includes Technopolis Ventures Oy in Espoo which is wholly owned by Innopoli Oy. Technopolis Ventures Oy owns the subsidiaries Technopolis Ventures Lappeenranta Oy (100%), Technopolis Ventures Jyväskylä Oy (100%), Technopolis Ventures Oulu Oy (70%), Technopolis Ventures Professia Oy in Tampere (50.1%), and Technopolis Ventures Kuopio Oy (100%). Technopolis Ventures Oy has a 25% holding in Otaniemi Development Ltd.

Major investments and development projects

The agreement to acquire the share capital of Technopolis Kuopio (formerly Kuopion Teknologiakeskus Teknia Oy) was signed with the City of Kuopio on February 21, 2008. The price paid for the shares in cash was EUR 18.7 million based on Kuopion Teknologiakeskus Teknia Oy's net debt position on February 21, 2008. Following the transaction and the simultaneous purchase of the shares held by the Municipality of Siilinjärvi, Technopolis Kuopio became wholly owned by Techonopolis. During the last quarter, Technopolis Kuopio Oy was merged with the parent company. As a result of this acquisition, Technopolis now has a 50,705 m^2 of modern office space in Kuopio.

The Hermia 12 property in Tampere was completed in February. The building has space totaling 5,000 m^2 and is fully let.

Phase 1 of the Lappeenrannan Vapaudenaukio project was completed in May. The property has a 3,150 m^2 of space and is fully let.

Phase 1 of the new technology center in Ruoholahti, Helsinki, was completed in August. The property has a 6,600 m^2 of space. Binding leases have been signed for 98% of the building.

Phase 3 of the Kontinkangas technology center in Oulu saw completion in August and Phase 4 in September. Phases 3 and 4 have 3,090 m^2 and 3,900 m^2 of space, respectively. Both new phases are fully let.

The construction of Phase 5 of the Kontinkangas technology center in Oulu was launched in June. The extension is approx. 4,350 m^2 and the total cost of the project projected at EUR 7.2 million. Phase 5 is due for completion in the summer of 2009. Approx. 66% of the extension has already been let.

Phase 5 of the Helsinki-Vantaa technology center was completed in December. A little over 68% of the 6,700 m^2 phase has been let.

A decision was made to start the Phase 1 of the Hermia 15 property in Tampere in April. The estimated cost of the 12,150 m^2 project is EUR 14.5 million, which includes a parking facility for 300 vehicles. 70% of the Phase 1 premises have been let. Phase 1 is due for completion in August 2009.

Construction of Phase 1 of the Yliopistonrinne project in downtown Tampere was launched in June. The new technology center will be erected on a plot of land bought from the City of Tampere earlier in January, located next to the University of Tampere. The price of the plot was EUR 5.6 million. The estimated total cost of the 19,200 m^2 project is EUR 33.3 million, which includes a parking facility for 130 vehicles. With 41% of the Phase 1 facilities already let, the project is due for completion in February 2010.

Construction of Phase 1 of the Ohjelmakaari project in Ylistönmäki, Jyväskylä, was started in June. The estimated cost of the 4,790 m^2 project is EUR 7.7 million, which includes a section of a parking facility to be built at a later date. With 63% of the Phase 1 facilities already let, the project is due for completion in June 2009.

In June 2008, Technopolis signed a contract on to build Phase 1 of the Pulkovo technology center in St. Petersburg. The new center will be erected on a plot owned by Technopolis St. Petersburg LCC near Pulkovo International Airport. The contract for Phase 1 was awarded to STEP Construction, a Russian company that will serve as the design-build contractor on the project. Aside from actual construction, the contract includes the design and planning required for the building permit and the execution of the works. The estimated cost of the 24,100 m^2 building is EUR 50 million and it is due for completion in the spring of 2010.

Stock-related events

On April 27, 2008, the Board of Technopolis Plc decided to launch a 59.6 million euro rights issue. The equity raised in the rights issue will be used to finance the Group’s investments and secure growth and solvency. The decision was based on the authorizations granted by the Annual General Meeting of March 27, 2008 and the Extraordinary General Meeting of November 29, 2007.

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

All 13,233,540 shares offered for subscription in the rights issue ending on May 20, 2008, were subscribed. A total of 13,029,489 shares, or 98.5% of the shares offered, were subscribed pursuant to the primary subscription. A total of 7,855,625 shares were subscribed in the issue based on the secondary subscription rights, meaning that the number of shares available in the secondary issue was over-subscribed 37 times. The company raised approx. EUR 59.6 million in new equity through the rights issue.

The new shares allocated in the rights issue, totaling 13,233,540, were registered on May 26, 2008. The new shares were began public trading on the Office List of the OMX Nordic Exchange Helsinki Oy on May 27, 2008. The new shares will be entitled to full dividends and carry all the rights conferred by the shares as of the date of registration.

The amendments to the 2005 and 2007 stock option plans due to the rights issue took effect on May 26, 2008, following Trade registration.

In December 2007, a total of 4,300 Technopolis shares were subscribed under the 2005A option plan. The increase in share capital of EUR 7,267 was registered on February 6, 2008. The new shares will be entitled to dividends for fiscal 2007 and carry all the shareholder rights as of the date of registration. The shares began trading on February 7, 2008.

Technopolis Plc's 2005B options were accepted for trading on the OMX Nordic Exchange Helsinki on June 2, 2008. The total number of 2005B options is 436,000. Each option entitles its holder to subscribe 1,043 Technopolis shares. The share price under option plan 2005B is EUR 6.188 per share. The subscription period started on June 1, 2008 and will end on April 30, 2010. A full disclosure of the terms and conditions of the option program was made in Technopolis's stock exchange bulletin dated March 2, 2005. A disclosure of the amendment to the terms of the option program was made in Technopolis's stock exchange bulletin dated April 28, 2005.

After the increases, the company's share capital stands at EUR 96,913,626.29, with 57,345,341 shares outstanding.

The registration document of Technopolis Plc pursuant to the Finnish Securities Market Act approved by the Finnish Financial Supervision Authority on April 14, 2008, which contains information on the company, its operations and financial position, is available, for as long as it remains valid, in the Finnish language on the company's website and in printed form in Finnish and English at the company's offices and at OMX Way, the customer service outlet of NASDAQ OMX Helsinki Ltd. at Fabianinkatu 14, FI-00100 Helsinki, Finland.

Disclosure of changes in holdings

According to a notification received by the company, the proportion of Technopolis Plc's share capital and votes directly held by the Ilmarinen Mutual Pension Insurance Company (Business ID Code 0107638-1), Helsinki, Finland, has exceeded one twentieth (5%) as a result of a transaction concluded on December 11, 2008.

According to a notification received by the company, the proportion of Technopolis Plc's share capital and votes directly held by the Varma Mutual Pension Insurance Company (Business ID Code 0533297-9), Helsinki, Finland, has exceeded one twentieth (5%) as a result of a transaction concluded on December 12, 2008.

According to a notification received by the company, the proportion of Technopolis Plc's share capital and votes held by Gazit-Globe Ltd (registration number 52-0033234), Tel Aviv, Israel, has fallen below one tenth (10%) as a result of a transaction concluded on December 11, 2008 and below one twentieth (5%) as a result of a share transaction concluded on December 12, 2008. At its highest, the proportion of share capital and votes held by Gazit-Globe Ltd. in Technopolis Plc was three-twentieths (15%) during the reporting period.

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

Financing

The Group’s net financial expenses totaled EUR 13.9 million (EUR 9.7 million). The Group’s balance sheet total was EUR 683.6 million (EUR 534.2 million), of which liabilities accounted for EUR 407.9 million (EUR 327.0 million). The Group’s equity ratio was 40.5% (39.0%). At the end of the period, the Group’s net gearing was 124.5% (133.6%). The Group’s equity per share was EUR 4.80 (EUR 4.69).

The Group’s interest-bearing liabilities at the end of the reporting period were EUR 350.3 million (EUR 277.9 million). On December 31, 2008, the average interest rate on interest-bearing liabilities was 4.76% (4.82%). At the end of the period, 74.3% (65.2%) of the interest-bearing liabilities were variable rate loans and 25.7% (34.8%) were fixed rate loans. The average capital-weighted loan period was 10.8 years (11.1 years).

Of the existing interest-bearing liabilities, a total of EUR 20.4 million will mature during the 12-month period following the reporting period. At the time of the review, Technopolis had untapped long-term credit facilities and loans amounting to EUR 146.8 million and cash in the amount of EUR 7.1 million. Of the long-term credit facilities, EUR 80.0 million consists of credit extended by the European Investment Bank to Technopolis for future extension projects in Finland.

Technopolis has a EUR 90 million domestic commercial paper program to manage its short-term liquidity which allows the company to issue commercial papers with a maturity of less than one year. At the end of the reporting period, the Group’s outstanding commercial papers stood at EUR 4.0 million (EUR 35.2 million). Technopolis also has an untapped EUR 15.0 million checking account overdraft facility. All in all, Technopolis has a total of EUR 249.8 million in short- and long-term credit facilities.

Financing for the Pulkovo construction project in Russia will be provided by parent company funding, which will be converted into long-term loans and shareholders’ equity with due regard to the Russian thin capitalization rules.

Organization and personnel

Pertti Huuskonen, who had been President and CEO of the company since 1985, became full-time Chairman of the Board of Directors of the Technopolis Group on September 15, 2008, in accordance with the decision of the Annual General Meeting. In this role, he will focus on international growth and new investment opportunities.

The new Technopolis President and CEO is 48-year-old Keith Silverang, who took up the post on September 15, 2008. Silverang has dual US and Finnish citizenship. He took his undergraduate degree at Boston University and completed an MBA at the Helsinki School of Economics. Keith Silverang joined Technopolis in 2004. His earlier posts include internationalization and executive positions with AAC Global Oy, Oy Hackman AB and his own company, Oy ICS Ltd.

On September 23, 2008, the Board of Directors of Technopolis decided to transfer its consulting services and regional development program operations to Technopolis Ventures Oy and Oulu Innovation Ltd. This transfer will enable the company to focus on its core businesses. Instead, the company will focus on national and international 'Open Innovation' services with the aim of helping Technopolis's anchor clients benefit from the innovation expertise possessed by the Group's SME clients.

The Technopolis Ventures Group put in a good performance during the reporting period under its new President and CEO Will Cardwell. The company helped its clients to raise a record amount of new venture capital in excess of EUR 53 million. All five Finnish growth companies that made the Red Herring Top 100 Global list are or have been clients of the Technopolis Ventures Group.

At its meeting on October 21, 2008, the Technopolis Board of Directors decided to change its organizational structure and to reduce the number of members on the Group Management Team. The Technopolis line organization now consists of three business units: Finland, Russia and New Markets. Furthermore, the Group organization will have matrix support functions for its sales and marketing, real estate development, business services, business development and support activities.

The company's CFO Jarkko Ojala resigned on December 14, 2008. Reijo Tauriainen, the Finnish Country Manager, who was the company's CFO from 2004 to 2007, has taken over as Acting CFO until further notice.

The Group Management Board comprises President and CEO Keith Silverang, Finnish Country Manager and Acting CFO Reijo Tauriainen, Director of Tampere operations Satu Eskelinen and Chief Development Officer Jukka Akselin.

The Group employed an average of 165 (142) people during the fiscal year. There were 59 (49) employees in real estate operations, 38 (33) in business services and 68 (60) in development services. At the end of the reporting period, the total number of Group personnel was 158 (138).

Annual General Meeting

The Annual General Meeting of March 27, 2008 adopted the Group and Parent Company financial statements for fiscal 2007, the company management from liability and decided to pay a dividend of EUR 0.15 per share for the period ending December 31, 2007, as proposed by the Board of Directors.

The Annual General Meeting decided to amend the section of the Articles of Association specifying the term of the members of the Board of Directors such that the term of a member of the Board of Directors ends with the conclusion of the Annual General Meeting held during the second fiscal year following his/her appointment at the latest.

It was resolved that the Board of Directors would have six members. Jussi Kuutsa, Matti Pennanen, Timo Ritakallio, Erkki Veikkolainen and Juha Yli-Rajala were elected to the Board of Directors for a term beginning at the conclusion of the Annual General Meeting that elected them and ending with the conclusion of the next Annual General Meeting. Pertti Huuskonen, the then President and CEO of the company, was elected full-time Chairman of the Board for a term beginning when the next President and CEO has been officially registered and ending with the conclusion of the Annual General Meeting held in the second fiscal year following the Chairman's election. Timo Parmasuo was elected Chairman of the Board for a term beginning at the conclusion of the Annual General Meeting that elected him and ending when Pertti Huuskonen's term begins. Matti Pennanen was elected Deputy Chairman of the Board.

KPMG Oy Ab, Authorized Public Accountants, were appointed as the Group auditors, the auditor-in-charge is Tapio Raappana, APA.

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of a maximum of 4,000,000 of the company's own shares, representing approx. 9.07% of the company's issued shares. Pursuant to the authorization, these shares may only be acquired using the company's unrestricted equity, either at the price set in public trading on the date of acquisition or at a price otherwise determined on the market. The Board of Directors will decide how to acquire the shares; derivatives may be used along with other means for the purpose of acquisition. Shares need not necessarily be acquired in proportion to the current holdings of the existing shareholders (directed acquisition). This authorization cancels the authorization granted by the Annual General Meeting of March 29, 2007 and will expire on May 31, 2009 at the latest.

The Annual General Meeting further authorized the Board of Directors to decide on a share issue and on option rights and other special rights entitling holders to shares as defined in chapter 10, section 1, of the Limited Liability Companies Act, the maximum number of shares to be issued pursuant to the authorization being 8,000,000, equivalent to approx. 18.14% of the company's issued shares. The Board of Directors was authorized to decide on all the terms of the share issue and the granting of special rights giving entitlement to shares. The authorization concerns both the issuance of new shares and conveyance of the company's own shares. The share issue and the granting of special rights giving entitlement to shares may be offered to specific parties. This authorization does not revoke the authorization granted to the Board by the Annual General Meeting of November 29, 2007, to decide on a share issue and on granting special rights giving entitlement to shares. The authorization will expire on May 31, 2009 at the latest.

Evaluation of operational risks

The most significant risks in the operations of Technopolis are financial risks and client risks.

The objective of interest rate risk management is to mitigate the negative impact of market rate fluctuations on the Group's performance, financial position and cash flow. If necessary, the company will make use of forwards, interest rate swaps and interest rate options to hedge interest rate risks. Another aim of the company’s interest rate risk policy is to diversify the interest rate risk of loan contracts over various loan periods on the basis of the market situation prevailing at any given time and the interest rate forecast created by the company. The interest rate risk policy was updated in September 2008.

It is indicative of the structure of Technopolis’s loan portfolio at the end of the financial year that a one point change in money market rates would change interest rate costs by EUR 1.9 million per annum.

Because of the interest rate risk associated with loans, a policy of diversifying interest bases is pursued. On December 31, 2008, 74.3% of the company’s interest-bearing loans were pegged to the 3-12 month Euribor rate. Of all interest-bearing liabilities, 25.7% were fixed-rate loans with a maturity of 13 to 60 months.

The objective of refinancing risk management is to ensure that the Group loan portfolio is sufficiently diversified with regard to repayment schedules and financing instruments. The average capital-weighted outstanding loan period was 10.8 years. In order to manage financing risk, Technopolis draws upon the resources of a wide range of financiers, makes use of a variety of financing instruments and maintains strong solvency.

Extended uncertainty on the financing market may adversely affect the availability of growth financing and refinancing and their spreads in the future.

Changes in the exchange rates between the Russian ruble and the euro may have an effect on the company’s financial performance and operations. Transactions denominated in rubles are recorded at the exchange rate applied on the transaction date. Any translation differences are entered in the income statement under other operating expenses or financial income and expenses according to the type of transaction involved. The acquisition of land in St Petersburg has been financed in the local currency, and the related exchange rate risk has been hedged using a currency swap.

The general weakening of economic conditions, if prolonged, may have an adverse effect on the company’s clients and hence on the Group’s operations.

Client risk management aims to minimize the negative impact of any changes in the client’s financial position on the company’s business and its financial performance. Client risk management is based on a close understanding of the business the client is engaged in and on active monitoring of client information. As part of client risk management, Technopolis leases include rental security arrangements. All the properties have full value insurance.

Geographically, the Group’s property portfolio is diversified between the Helsinki metropolitan area, Jyväskylä, Lappeenranta, Tampere and the Oulu region. No single client accounts for more than 9.1% of the

Group’s net sales. All in all, the Group has some 1,175 client operating in several different sectors.

The company’s leases fall into two categories: fixed-term leases and open-ended leases. The company aims to employ both types of lease depending on the market situation, the property involved and the tenant’s business.

At the end of the period under review, the open-ended leases that could be terminated and renegotiated during the following 12 months covered a total of 227,467 m^2 of space, or 57% of the entire property portfolio. The notice periods for these leases are as follows: three months or less: 24%, three to six months: 52%, six to nine months: 16%, and more than nine months: 8% of the leases. At the end of the period, the average term of leases was 24 months.

The current lease structure allows clients to change the premises they occupy flexibly as their business changes. This is a key element of the Technopolis service concept, and the company has solid long-term expertise in employing this approach under varying economic conditions.

In new building projects, Technopolis focuses on quality specifications and the manageability of the property’s entire lifecycle. In the design phase, due consideration is given to all the maintenance and repair requirements in order to implement environmentally friendly solutions in terms of energy consumption, the adaptability of office facilities and recycling potential. When real estate deals are closed, Technopolis carries out the standard property and environmental audits before committing to the transaction.

Changes in the yield requirements may have a significant impact on financial performance. When the yield requirements increase, the fair value of properties fall. Conversely, when the yield requirements decrease, the fair value of properties increase. Such changes have an equivalent impact on the Group’s operating profit.

Board of Directors proposal for distribution of profits

The distributable funds at the disposal of the Annual General Meeting of the parent company Technopolis Plc amount to EUR 9,159,372. The Board of Directors proposes that a dividend of EUR 0.12 per share be paid out, totaling EUR 6,881,441. The rest is to remain in the retained earnings account.

Outlook for the future

Technopolis management expects the demand for its high-tech facilities and services to remain at a reasonable level in 2009. The management anticipates that the economic downturn, if protracted, may pose a challenge to the Group’s growth targets. The company will continue to pursue measures aimed at safeguarding its financial performance also under difficult market conditions. The Group management expects the net sales and EBITDA to increase by 5% to 8% in 2009.

In accordance with its growth strategy for 2012, Technopolis’s objective is to have a presence in all the major Finnish high-tech hot spots and in two or three other countries, in addition to Finland and Russia. The Group aims to increase its net sales by an average annual rate of 15 through both organic expansion as well as acquisition.

The Group's financial performance is determined by the general macroeconomic trends, client operations, financial markets and the yield requirements for properties. Developments in these areas may affect the Group's financial performance through changes in occupancy rates, the use of services, financing costs, the fair values of properties and office rent levels.

Oulu, January 29, 2009

TECHNOPOLIS PLC
Board of Directors

Keith Silverang
President and CEO

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A PDF version of this financial report is available at www.technopolis.fi. For a hardcopy version, please contact: tel. +358 8 551 3228 / Technopolis info.

Technopolis provides an online information bulletin service. Subscribers will receive the company's information bulletins by email.

The company's Annual Report will only be published online during week 11 (beginning March 9).

Investment properties are valued in accordance with the fair value model. The acquisition cost for investment properties during construction includes all the internal and external costs directly related to construction work in accordance with the IAS 16 standard. In accordance with the IAS 23 standard, borrowing costs for the construction period have been allocated to the acquisition cost of properties under construction.

The consolidated financial statements have been drawn up in accordance with IAS and IFRS standards. The accounting and calculation principles are presented in the financial statements.

The Technopolis Group has defined the operating segments required under the IFRS 8 standard that took effect at the beginning of 2009. There are two operating segments based on geographical units: Finland and Russia. The segment division is based on the Group's existing internal reporting procedures and the organization of the Group's operations. The Group will be presenting information on the operating segments as of the first interim report for the current year.

The company has duly complied with the amended IAS 40 standard, under which investment properties under construction must be measured at fair value, provided that fair value can be reliably determined. The company will apply the amended standard as of the beginning of 2009.

The figures are audited.

Technopolis Group:

INCOME STATEMENT EUR million	10-12/ 2008	10-12/ 2007	1-12/ 2008	1-12/ 2007
Net sales	19.54	15.75	72.57	56.90
Other operating income 1)	1.11	1.33	5.48	5.24
Other operating expenses	-11.79	-9.99	-41.07	-33.50
Change in fair value of investment properties	0.63	5.21	-0.69	14.55
Depreciation according to plan 2)	-0.16	-0.14	-0.98	-0.62
Operating profit	9.32	12.16	35.31	42.56
Financial income and expenses total	-3.92	-2.90	-13.93	-9.67
Profit before taxes	5.39	9.26	21.38	32.89
Income taxes	-1.22	-2.48	-5.53	-8.81
Net profit for the period	4.17	6.78	15.85	24.08
Distribution of profit for the period:				
To parent company shareholders	4.15	6.77	15.99	24.04
To minority shareholders	0.02	0.01	-0.14	0.04
	4.17	6.78	15.85	24.08

BALANCE SHEET, ASSETS EUR million	31.12.2008	31.12.2007
Non-current assets		
Intangible assets	2.02	2.49
Tangible assets	37.94	26.90
Investment property	594.02	468.76
Investments	26.70	22.22
Deferred tax assets	1.89	2.41
Non-current assets	662.57	522.78
Current assets	20.99	9.50
Non-current assets available for sale		1.87
Total assets	683.56	534.16

BALANCE SHEET, SHAREHOLDERS' EQUITY AND LIABILITIES EUR million	31.12.2008	31.12.2007
Shareholders’ equity		
Share capital	96.91	74.54
Premium fund	18.55	18.55
Other funds	63.82	27.38
Other shareholders’ equity	0.55	0.55
Retained earnings	79.62	61.70
Net profit for the period	15.99	24.04
Parent company’s shareholders’ interests	275.44	206.77
Minority interests	0.26	0.40
Total shareholders’ equity	275.70	207.17
Liabilities		
Long-term liabilities		

Interest-bearing liabilities	329.84	227.95
Non-interest-bearing liabilities	1.38	1.42
Deferred tax liabilities	38.11	35.08
Total long-term liabilities	369.33	264.45
Short-term liabilities		
Interest-bearing liabilities	20.43	49.90
Non-interest-bearing liabilities	18.10	12.64
Total short-term liabilities	38.53	62.54
Total liabilities	407.86	326.99
Total shareholders’ equity and liabilities	683.56	534.16

GROUP CASH FLOW STATEMENT

EUR million	1-12/2008	1-12/2007
Cash flow from operating activities		
Operating profit	35.31	42.56
Revaluation of investment properties	0.69	-14.55
Depreciation	0.98	0.62
Other non-cash adjustments	0.14	0.52
Increase / decrease in working capital	0.24	0.33
Interest received	2.41	0.82
Interest and fees paid	-17.12	-11.15
Income from other investments in non-current assets	0.01	0.02
Taxes paid	-2.47	-2.91
Cash flow from operating activities	20.19	16.25
Net cash used in investing activities		
Investments in other instruments	-1.11	-1.65
Investments in investment properties	-70.21	-27.56
Investments in tangible and intangible assets	-0.27	-0.38
Repayments of loan receivables	0.01	0.02
Income from other investments of non-current assets	2.33	0.34
Acquisition of subsidiaries	-22.21	-48.93
Net cash used in investing activities	-91.46	-78.15
Cash flows from financing activities		
Increase in long-term loans	70.21	67.89
Decrease in long-term loans	-14.46	-20.09
Dividends paid	-6.60	-5.68
Paid share issue	58.48	16.79
Repayments of finance leasing receivables	0.95	0.81
Change in short-term loans	-31.24	0.46
Cash flow from financing activities	77.34	60.18
Net increase/decrease in cash assets	6.07	-1.73
Cash assets at beginning of period	1.08	2.80
Cash assets at end of period	7.15	1.08

ACCOUNT OF CHANGES

IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Premium fund	Other funds	Retained earnings	Minority share	Shareholders' equity
SHAREHOLDERS' EQUITY DEC 31, 2006	67.32	18.55	7.37	67.46	4.58	165.28
Share capital increase	0.21					0.21
Directed share issue	7.01		20.08			27.09
Dividend distribution				-5.68		-5.68
Net profit for the period				24.04	0.04	24.08
Other changes			-0.07	0.47	-4.22	-3.82
SHAREHOLDERS' EQUITY DEC 31, 2007	74.54	18.55	27.38	86.29	0.40	207.17
Directed share issue	22.36		37.19			59.55
Dividend distribution				-6.62		-6.62
Net profit for the period				15.99	-0.14	15.85
Other changes	0.01		-0.75	0.49		-0.25
SHAREHOLDERS' EQUITY DEC 31, 2008	96.91	18.55	63.82	96.16	0.26	275.70

KEY INDICATORS

	1-12/2008	1-12/2007
Change in net sales, %	27.5	26.9
Operating profit/net sales, %	48.7	74.8
Equity to assets ratio, %	40.5	39.0
Group company personnel during the period, average	165	142
Gross expenditure on non-current assets, EUR 1,000	143,273	88,962
Net rental income of property portfolio, % 3)	7.6	7.5
Financial occupancy ratio, %	96.5	96.8

SHARE-RELATED INDICATORS

Earnings/share		
undiluted, EUR	0.31	0.58
diluted, EUR	0.31	0.58
Equity/share, EUR	4.80	4.69
Dividend/share, EUR 4)	0.12	0.15
Average issue-adjusted number of shares		
undiluted	52,029,796	41,407,380
diluted	52,118,705	41,469,091
Issue-adjusted number of shares at year-end	57,345,341	44,107,501
P/E ratio	9.4	10.0
Dividend payout ratio, %	39.1	25.8
Effective dividend yield	4.2	2.6

OTHER KEY INDICATORS AND FINANCIAL RATIOS

Market value of shares, EUR million, Dec 31	165.15	256.26
Share turnover, shares	33,013,701	21,519,642
Share turnover out of average number of shares, %	63.5	52.0
Share prices, EUR		
Highest price	6.48	8.31
Lowest price	2.26	4.55
Average price	4.84	6.85
Price Dec 31	2.88	5.81

CONTINGENT LIABILITIES

EUR million	31.12.2008	31.12.2007
Pledges and guarantees on own debt		
Mortgages	264.03	203.70
Book value of pledged securities	162.42	97.77
Other guarantee liabilities	13.24	0.10
Collateral given on behalf of associates	0.50	0.50
Leasing liabilities, machinery and equipment	0.94	0.48
Project liabilities	0.21	6.14
Interest rate and currency swaps		
Nominal values	112.00	17.28
Fair values	0.56	0.28

VAT review responsibility for property investments	5 year review period			10 year review period
Year	2005	2006	2007	2008
Property investment cost	16.37	43.90	4.80	57.45
VAT on property investment	3.60	9.66	1.06	12.64
VAT deducted	3.56	9.26	1.05	12.57
Annual amount under review	0.71	1.85	0.21	1.26
Review responsibility as at Dec 31, 2008	0.71	3.70	0.63	11.31
Total VAT review responsibility for property investments as at Dec 31, 2008				16.36

1) Other operating income consists of operating subsidies received for development services; an equivalent amount is recorded under operating expenses for development services. Other operating income for the period Jan to Dec 2008 includes non-recurring items totaling EUR 0.9 million.

2) Depreciation for the period Jan to Dec 2008 includes non-recurring items totaling EUR 0.4 million.

3) Does not include properties put to use and acquired during the financial year.

4) Proposal for distribution of 2008 dividends

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