

Technopolis Group Financial Statements for 2015**Solid performance and Organic Growth**

- Net sales rose to EUR 170.6 (161.7) million, up 5.5%
- EBITDA rose to EUR 93,0 (87.2) million, up 6.7%
- Financial occupancy rate was 94.6% (94.7%)
- Earnings per share rose to EUR 0.38 (-0.15)
- Direct result (EPRA) EUR 55.0 (55.9) million, down 1.7%
- Direct result per share, diluted (EPRA) EUR 0.52 (0.53)
- Net asset value per share (EPRA) EUR 4.70 (4.52)
- The Board of Directors proposes a dividend of EUR 0.17 per share

Key Indicators	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Net sales, EUR million	41.7	41.4	170.6	161.7
EBITDA, EUR million	20.1	21.9	93.0	87.2
Operating profit, EUR million	25.7	-3.5	88.9	42.9
Net result for the period, EUR million	17.2	-28.0	50.0	-3.0
Earnings/share, EUR	0.14	-0.29	0.38	-0.15
Cash flow from operations/share, EUR			0.60	0.63
Equity ratio, %			39.3	38.5
Equity/share, EUR			4.36	4.17

EPRA-based Key Indicators	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Direct result, EUR million	16.2	16.7	55.0	55.9
Direct result/share, diluted, EUR	0.15	0.16	0.52	0.53
Net asset value/share, EUR			4.70	4.52
Net rental yield, %			7.7	7.5
Financial occupancy rate, %			94.6*)	94.7

*) 16,700 m² under renovation and 11,400 m² of unoccupied but rented space.

The EPRA-based (European Public Real Estate Association) direct result does not include unrealized exchange rate gains and losses, fair value changes or any non-recurring items, such as gains and losses on disposals.

Keith Silverang, CEO:

"The overall macro-environment was tough in 2015, but Technopolis rose to the challenge.

Demand in our main markets was moderate. Competition was tough in Finland, and falling oil prices had an impact on both St. Petersburg and Oslo. However, 2015 demonstrated that the Technopolis concept works. We grew organically and had top line growth of 5.5%. EBITDA was up 6.7% and our EBITDA margin rose to 54.5%, as centralization-related economies continue to kick in.

There were a number of positive operational developments during the year. Service revenues grew as much as 20%, with penetration rising to almost 12%. We are making steady progress toward our strategic service penetration target of 15%. Customer satisfaction improved substantially over the year. For the first time, our average rating was over 4 out of 5. We will build on this foundation to enhance the edge it is giving us in a world where customers want less square meters, more efficiency and a superior service experience.

Occupancy came in at 94.6%. We had like-for-like rental growth in all countries (without the weakening of NOK

and RUB), despite virtually zero inflation in most of our markets. We were able to complete new developments in Tallinn and Vantaa with very high occupancy, and the projects underway in Tampere and Vilnius will bring us further EPS-accretive, organic growth.

As for fair values, the finalization of investment programs in combination with high-occupancy completions and more stable market yields in many of our markets has had a positive impact. We will maintain tight control of capital expenditure moving forward as well. On the financing side, our 2015 bond issue in combination with increased hedging lifted our interest expenses. However, our average interest rate remains one of the lowest among Nordic listed real estate companies. At the same time we have expanded our arsenal of financing instruments and lengthened credit maturities with our first unsecured EUR 150 million bond issue. LTV began to decline in the last quarter as we started to use the proceeds to pay down maturing loans.

We still have plenty of challenges moving forward. We have to find customers for the 10,000 square meters of space in Oulu released from the agreements we prematurely terminated in 2015. This will take time, but we are confident that it can be done. Elsewhere, we need to successfully complete and fill the Yliopistonrinne downtown project in Tampere and boost occupancy on our remaining domestic campuses in Lappeenranta and Oulu. All of this, while selectively divesting assets around the country.

The transactions market remains a double-edged sword. Investors in search of yield are fueling rising international interest in the Finnish real estate market. This is increasing the liquidity of the market and making it easier for sellers to divest assets, but has yet to significantly impact the secondary market. On the other hand, it has become increasingly challenging to acquire quality assets in the Scandinavian arena, with very aggressive bidding on most quality properties that come on the market.

At this point we see no reason to force it. In order to successfully deploy our concept, it is essential that the campuses we acquire are an excellent fit, with the prerequisites to support higher occupancy, service revenue growth and organic expansion – at reasonable valuations that enhance shareholder value. This means we have to be disciplined and patient in our acquisition activities. In the mean time we will concentrate on refining our concept, developing our offering, improving operational efficiency and strengthening our balance sheet. When the right campuses come along, we'll be ready to act."

Economic Environment

In 2015, global economic activity remained subdued. Growth in emerging markets and developing economies, while still accounting for over 70 percent of global growth, declined for the fifth consecutive year, while a modest recovery continued in advanced economies. The key drivers influencing the global outlook are the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery, as several other major advanced economy central banks continue to ease monetary policy. In the euro area, stronger private consumption supported by lower oil prices and low interest rates is outweighing a weakening in net exports. Core inflation rates remain well below objectives in Western European economies. In Norway and Russia lower oil prices strain their fiscal positions and currencies, and weigh on their growth prospects.

Finland	2013	2014	2015e	2016e
Gross Domestic Product, change y/y, %	-1.1	-0.4	0.1	0.8
Consumer Price Index, change y/y, %	1.5	1.0	0.1	1.2
Unemployment rate, %	8.2	8.7	9.3	9.0

Source: Bloomberg Jan 12, 2016, Statistics Finland, Federation of Finnish Financial Services

After slightly positive development in the second quarter, the volume of Finland's gross domestic product decreased in July to September by 0.5% from the previous quarter, and by 0.2% year on year (Statistics Finland). The consensus estimates collected by the Federation of Finnish Financial Services suggest that Finland's GDP grew by 0.1% in year 2015. In 2016, the growth is expected to increase to 0.8%. Unemployment remains high and the outlook for Finnish exporters is moderate. There is also pressure to significantly downsize the public sector that has not yet materialized. Low interest rates have supported valuation in real estate.

Norway	2013	2014	2015e	2016e
Gross Domestic Product, change y/y, %	1.0	2.2	1.4	1.4
Consumer Price Index, change y/y, %	2.1	2.0	2.2	2.8
Unemployment rate, %	3.5	3.5	4.4	4.6

Source: Bloomberg, Jan 12, 2016, Statistics Norway, Nordea Economic Outlook 01/2016

Low oil prices have impacted Norway's economy. Investments in the oil industry have declined sharply, and domestic demand has been weak. Declining oil prices and expected falling interest rates have contributed to a significant depreciation of the krone.

Estonia	2013	2014	2015e	2016e
Gross Domestic Product, change y/y, %	1.7	2.9	1.5	2.5
Consumer Price Index, change y/y, %	2.8	-0.1	-0.5	2.3
Unemployment rate, %	8.7	7.4	6.0	5.5

Source: SEB, Eastern European Outlook, October 2015, DNB Nov 17, 2015, Statistics Estonia

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	2016e
Gross Domestic Product, change y/y, %	1.3	0.6	-4.0	-1.0
Consumer Price Index, change y/y, %	6.8	7.8	15.6	7.0
Unemployment rate, %	5.5	5.2	6.1	6.0

Source: Bloomberg, Jan 12, 2016, SEB, Eastern European Outlook, October 2015

The decline in oil prices, sanctions, high inflation 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 impact is 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	2016e
Gross Domestic Product, change y/y, %	3.5	3.0	1.7	2.9
Consumer Price Index, change y/y, %	1.0	0.1	-0.9	-1.4
Unemployment rate, %	11.8	10.7	9.4	9.0

Source: SEB, Eastern European Outlook, October 2015, Statistics Lithuania, Central Bank Lithuania

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 and exports to the EU. In Vilnius the demand for modern office space remains strong.

Business Segments

Technopolis has three business segments with a total rentable area of 740,400 m² (742,000 m²).

Finland	1-12/2015	1-12/2014	Change, %
Number of campuses	16	16	0.0
Rentable space, m ²	526,900*)	543,200	-3.0
Average rent, EUR/m ²	17.02	16.79	1.4
Financial occupancy rate, %	92.9**)	93.7	-0.8pp
Net rental income, EUR million	107.4	103.3	4.0
Net sales, EUR million	125.0	118.6	5.4

EBITDA, EUR million	69.0	62.6	10.1
Market yield requirement, average, %	7.8	7.9	-0.1pp
Fair value of investment properties, EUR million	984.8	951.9	3.5

*) 16,700 m² under renovation

**) 16,700 m² under renovation and 11,400 m² of unoccupied but rented space

Average rent increased by 1.4% due to changes in the property portfolio, while rental development in the market remained stable. The financial occupancy rate decreased slightly in all other units except in the Helsinki metropolitan area and Jyväskylä, but was still clearly above market rates in most units. Fair values increased due to market yield compression and progress in organic investment projects.

Market yields have come down in the Helsinki Metropolitan Area. In Tampere, Oulu and Jyväskylä, prime office yield requirements rose. Rental levels have been stable, but competition particularly in the Helsinki area is fierce. In the second quarter, office market occupancy rates in the Helsinki area were at 86.6%, in Oulu at 88.8% and in Tampere at 89.1%. In Jyväskylä, the office occupancy rates stood at 87% in the beginning of September. (KTI Market Review, Autumn 2015, Catella Market Review, Autumn 2015)

Baltic Rim	1-12/2015	1-12/2014	Change, %
Number of campuses	3	3	0.0
Rentable space, m ²	147,000	135,800	8.2
Average rent, EUR/m ²	15.15	14.00	8.2
Financial occupancy rate, %	99.5	98.4	1.1pp
Net rental income, EUR million	25.1	23.6	6.4
Net sales, EUR million	26.8	24.9	7.6
EBITDA, EUR million	14.2	13.4	6.0
Market yield requirement, average, %	8.7	8.7	0.0pp
Fair value of investment properties, EUR million	246.7	224.7	9.8

The Baltic Rim segment has three campuses in three countries: Tallinn in Estonia, Vilnius in Lithuania and St. Petersburg in Russia. The average rent in the segment increased due to higher rent in new contracts in St. Petersburg. The occupancy rates in the Baltic Rim improved from last year by 1.1 percentage points. EBITDA growth would have been even better without a EUR 1.8 million negative impact from the weakening Ruble. Fair value development has been positive in Tallinn and Vilnius, whereas St. Petersburg has suffered from an increased yield requirement as well as the weakening Ruble.

In Tallinn, vacancy is marginal in the most popular areas and in new A-class buildings. However, the growing supply of new office space and customers' current financial situation may inhibit rental growth over the next couple of years (Newsec, Dec 2015). In Vilnius, A-class office vacancy was below 1% and quarter-on-quarter rents remained stable in the fourth quarter (Newsec: Quarterly Office Market Overview 2015, Q4). In St. Petersburg the overall market vacancy rate was at 12.1% in the third quarter of 2015. Rents for A-class offices increased by 1.6% in rubles (JLL: St. Petersburg Office Market Q3/2015).

Scandinavia	1-12/2015	1-12/2014	Change, %
Number of campuses	1	1	0.0
Rentable space, m ²	66,500	63,000	5.6
Average rent, EUR/m ²	21.50	22.03	-2.4
Financial occupancy rate, %	97.1	95.6	1.5pp
Net rental income, EUR million	17.8	18.0	-1.0
Net sales, EUR million	18.8	18.2	3.1
EBITDA, EUR million	9.9	12.0	-17.7
Market yield requirement, average, %	6.1	6.4	-0.2pp
Fair value of investment properties, EUR million	194.4	201.8	-3.6

Scandinavia currently includes only the company's Oslo campus. Average rents decreased by 2.4%, which is due to the weakening of the Norwegian krone. In local currency rents were slightly up. The EBITDA was burdened by EUR 1.0 million due to the weakening NOK and also by increased Group cost allocations. The decrease in fair value were due solely to the weakening NOK.

The vacancy rate for the greater Oslo office market was 8.4% in September. Market vacancy is expected to increase in the coming quarters, which will put continued downward pressure on rents. Several well-known companies have moved their headquarters to the Fornebu district, reinforcing the area's reputation as a popular office location. Yields in the Oslo market are still decreasing. (Newsec, Q3 2015)

Financial Performance

The Group's net rental revenue amounted to 150.3 (144.8) million, an increase of 3.8% compared to 2014. Rental revenue includes non-recurring income of EUR 5.4 million booked in April. Service revenue amounted to EUR 20.3 (16.9) million, an increase of 20.3%. The Group's net sales in total reached 170.6 (161.7) million, an increase of 5.5%. Net sales were adversely impacted by EUR 4.0 million due to the weakening NOK and RUB. Without the currency impact, the growth would have been 8.0%.

Premises expenses decreased to EUR 38.9 (41.2) million, or 5.5%. The decrease is due mainly to cost benefits from centralization and a EUR 1.1 million decrease in taxes in St. Petersburg. The Group's administrative expenses were EUR 13.9 (13.8) million, up 0.6%. Other operating expenses increased to EUR 24.8 (20.0) million, an increase of 23.7%. The increase is mainly due to investments in our service offering.

The Group's EBITDA was EUR 93.0 (87.2) million, an increase of 6.7%. The EBITDA margin rose to 54.5% (53.9%). The weakening NOK and RUB reduced the EBITDA by EUR 2.8 million, without which the growth would have been 9.9%.

The Group's operating profit was EUR 88.9 (42.9) million. Cumulative changes in fair values were EUR 1.3 (-40.5) million. Cumulative changes in fair values are derived mainly from the actual investments and reservations. Changes in fair values break down as follows:

EUR million	Net yield requirements	Occupancy rate assumptions	Modernization	Other	Projects in progress	Total
Finland	7.2	-2.1	-18.1	-1.3	1.0	-13.3
Baltic Rim	1.5	0.5	-5.3	7.7*	10.4	14.8
Scandinavia	7.2	-	-5.8	-1.6	-	-0.2
Total	15.9	-1.6	-29.2	4.8	11.4	1.3

* Decline in operating expenses in St. Petersburg.

Finance income and expenses, including exchange rate losses, totaled 33.7 (42.2) million. The decrease is mainly attributable to reduced currency losses. Pre-tax profits totaled EUR 55.1 (0.6) million. The net result for the period was EUR 50.0 (-3.0) million.

EPRA-based Result

The EPRA-based (European Public Real Estate Association) direct result does not include unrealized exchange rate gains and losses, fair value changes or any non-recurring items, such as gains and losses on disposals. The direct result amounted to EUR 55.0 (55.9) million. A decrease of 1.7% was caused by increased financial expenses e.g. due to bond issue and exchange rate development, as well as increased non-controlling interest. Diluted earnings per share amounted to EUR 0.52 (0.53). Financial income and expenses totaled EUR 24.9 (20.2) million. Operational taxes were EUR 3.5 (3.9) million.

Customers and Lease Stock

Technopolis has a total of approximately 1,700 customers. The ten largest customers let approximately 19.7% of rented space as of December 31, 2015.

Lease stock, % of space Maturity, years	Dec 31, 2015	Sept 30, 2015	June 30, 2015	March 31, 2015	Dec 31, 2014
< 1	22	21	21	21	17
1 - 3	20	21	22	22	23
3 - 5	15	11	11	10	12
> 5	19	23	22	22	22
Open-ended leases	24	24	24	25	26
Average lease term in months	36	37	38	38	39
Lease stock, EUR million	429.7	430.6	437.4	452.2	455.9

Investments

Construction projects in progress at the end of the reporting period, their rentable areas and estimated costs on December 31, 2015 are as follows:

Area	Name	Pre-let rate, %	m ²	EUR million	Stabilized yield, % *)	Completion
Tallinn	Lõõtsa 5	98.0	9,200	17.0	8.8	01/2016
Tampere	Yliopistonrinne 3-4	50.2	11,900	40.5	7.2	07/2016
Vilnius	Delta	48.4	21,600	35.4	9.8	12/2016

*) Stabilized yield = estimated net operating income / cost

Financing

The Group's balance sheet total was EUR 1,562.1 (1,502.9) million, with liabilities accounting for EUR 951.4 (927.3) million. The Group's equity per share was EUR 4.36 (4.17), its equity ratio was 39.3% (38.5%) and its loan-to-value ratio (LTV) was 58.8% (59.7%). Compared to last year, the equity ratio increased due to a solid operational result. LTV improved slightly due to pay down of debt and increased fair values of investment properties towards the end of the year. At the period-end, the Group's net gearing was 135.1% (141.4%) and its interest coverage ratio was 4.3 (4.8).

The Group's interest-bearing liabilities amounted to EUR 864.8 (841.9) million. The average capital-weighted loan maturity was 5.9 (6.1) years at the end of the period. A total of 28.7% (40.0%) of the Group's interest-bearing liabilities were floating-rate loans and 71.3% (60.0%) were fixed-rate loans with maturities of 13-60 months. The average interest rate on interest-bearing liabilities excluding the hybrid loan was 2.60% (2.43%). The increase was mainly due to a higher hedging ratio and interest rates on the EUR 150 million bond issued in May 2015.

A total of 1.6% (2.5%) of all interest-bearing liabilities were pegged to the under-3-month Euribor rate and 27.1% (37.5%) to the Euribor rates from 3 to 12 months. The Group's interest fixing period was 2.7 (2.7) years at the end of the period. At the end of the reporting period, interest rate swaps covered EUR 546.5 (482.9) million of the principal. The hedging ratio for interest-bearing liabilities was 57.4% (57.4%) and the average hedging period was 4.9 (5.3) years.

At the end of the reporting period, Technopolis had EUR 92.4 (156.5) million in untapped credit facilities. The credit facilities included a EUR 67.3 (151.1) million credit line and a EUR 25.1 (25.1) million revolving credit facility. In addition, the company has a EUR 150.0 (150.0) million commercial paper program, of which EUR 21.5 (56.5) million was outstanding at the end of the reporting period. At the same time, the Group had cash and cash equivalents worth EUR 39.4 million.

During the 12-month period following the reporting period, EUR 139.0 (182.2) million in existing interest-bearing loans will mature.

Technopolis had interest-bearing liabilities with covenants amounting to EUR 701.5 (626.2) million. Of this total, EUR 460.1 (360.7) million had equity ratio-linked covenants. Of these loans, EUR 402.9 (292.5) million include a call provision. If the equity ratio falls below 33%, EUR 60.3 (90.9) million of the loan principal could be called in. If the equity ratio falls below 30%, the amount could increase by EUR 192.6 (201.6) million. The principal of EUR 117.8 (158.5) 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 864.8 (841.9) million. A one percentage point increase in market rates would cause a EUR 1.7 (2.2) million increase in interest costs per annum.

Finland represents 71.2% of the Group's assets and 73.3% of net sales. Country-related matters such as slow economic growth could 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 December 31, 2015:

Euro % change against the foreign currency	Income statement effect	Translation difference effect	Total effect on the Group's equity	Equity ratio
RUB -10	-1.8	-4.1	-5.9	39.1%
RUB +10	2.2	5.0	7.2	39.6%
NOK -10	-	-7.3	-7.3	39.3%
NOK +10	-	8.9	8.9	39.3%

At the end of the period, the Group's currency exposure towards the Russian ruble was EUR 19.5 million in liabilities and RUB 3.64 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 768 million.

Technopolis has a total of approximately 1,700 customers. The ten largest customers let approximately 19.7% of rented space as of December 31, 2015. In December the ten largest customers accounted for 16.8% of rental income. The single largest customer accounted for 3.9% of rented space and 2.2% of rental income.

It is the opinion of the Board of Directors that 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 [Annual Report](#).

Group Financial Targets

The Technopolis Board of Directors updated the company's strategic targets for the period 2015-2020 in August. While the overall strategy remained unchanged, the company will prioritize growth in Scandinavia. The Board set a lower average growth target for the period in order to take into account the conditions in the transaction market and possible future changes in the company's real estate portfolio. Also, a service penetration target was added.

The targets for the 2015–2020 strategy period are as follows:

- average net sales and EBITDA growth of 10% per annum (previously 15%)
- service penetration 15% by 2020 for like-for-like real estate (2015 penetration: 11.9%)
- 5.5% return on capital employed per annum excluding fair value changes (previously 6.0%)
- equity ratio above 35% over the cycle (unchanged)

Technopolis will continue to explore expansion opportunities throughout the Nordic-Baltic region. It will also continue to divest selected non-core properties and campuses in the domestic market.

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 centralized real estate development, services, marketing and support services.

During the period, the Group employed an average of 239 (214) people. The increase in personnel is mainly due to insourcing of reception personnel and recruitment of other service personnel. On average, rental operations employed 85 people, service operations 100 people and Group administration 54 people. The number of personnel at the period end was 247 (220).

Corporate Responsibility

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

	1-12/2015	1-12/2011	Change, %	Target 2020
Energy consumption, kWh/m ²	221.1	241.8	-8.6	-12%
Water consumption, m ³ /person	3.5	5.6	-38.0	-35%
CO ₂ emissions, CO ₂ e kg/sqm	38.9	76.8	-49.4	-60%

For more information, please see [Corporate Social Responsibility Report](#).

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 Oy.

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 S.A. 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 1,019,591 of its own shares in the period between September 2 and December 31, 2015. At the end of the reporting period, December 31, the company held 1,742,755 of its own shares. The company has continued to acquire its own shares and on February 3, 2016 the company held 2,052,561 of its own shares.

On September 11, 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 S.A. has decreased to 5,284,942 thus totaling 4.96 per cent of all shares in Technopolis Plc.

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 S.A. has increased to 5,410,881 thus totaling 5.08 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 December 31 the company had repurchased 1,019,591 own shares. At the end of the year, the company held in total 1,742,755 own shares.

Post-Fiscal Events

On January 18, 2016 Technopolis received a flagging announcement. According to the flagging notification, the total ownership of shares in Technopolis Plc held by BNP Paribas Investment Partners S.A. has decreased to 5,318,506 thus totaling 4.99 per cent of all shares in Technopolis Plc.

Proposals of the Shareholder's Nomination Board to the Annual General Meeting 2016 regarding the election and remuneration of the members of the Board of Directors were published with a stock exchange release on January 29, 2016.

Board of Directors' Proposal for Distribution of Profit

At the end of the period, distributable funds totaled EUR 24,444,854.95. The Board proposes that a dividend of EUR 0.17 (0.15) per share be paid, totaling approximately to EUR 17.8 million, depending on the amount of outstanding shares at the time of the dividend record date. The Board further proposes that the remainder be left in the retained earnings account. The proposed dividend represents approximately 32.7% of the EPRA-based direct result per share.

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

Annual General Meeting 2016

The Annual General Meeting of 2016 will be held in Espoo on March 30, 2016.

Future Outlook

Technopolis expects its net sales and EBITDA in 2016 to remain at the same level (+/- 5%) as 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, February 3, 2016

Technopolis Plc

Board of Directors

Additional information:

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CEO

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Technopolis' Financial Review 2015 including Board of Directors' Report and full financial statements will be published on February 26, 2016.

Tables

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

The financial review 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	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Currency unit: EUR million				
Rent income	35.9	36.8	150.3	144.8
Service income	5.8	4.6	20.3	16.9
Net sales total	41.7	41.4	170.6	161.7
Other operating income	0.0	0.3	0.1	0.5
Premises expenses	-10.0	-10.9	-38.9	-41.2
Administration costs 1)	-4.1	-1.5	-13.9	-13.8
Other operating expenses	-7.6	-7.4	-24.8	-20.0
Change in fair value of investment properties	6.7	-24.4	1.3	-40.5
Depreciation	-1.1	-1.0	-5.4	-3.8
Operating profit/loss	25.7	-3.5	88.9	42.9
Unrealized exchange rate profit/loss	-2.4	-16.7	-3.2	-22.1
Finance income and expenses	-6.2	-5.8	-30.5	-20.2
Result before taxes	17.1	-26.0	55.1	0.6
Deferred taxes	-1.1	-0.6	-0.5	1.2
Current taxes	1.2	-1.4	-4.6	-4.8
Net result for the period	17.2	-28.0	50.0	-3.0
Distribution:				
To parent company shareholders	16.4	-30.0	44.8	-11.7
To non-controlling shareholders	0.8	2.0	5.3	8.8
	17.2	-28.0	50.0	-3.0
Earnings per share, basic, EUR	0.14	-0.29	0.38	-0.15
Earnings per share, diluted, EUR	0.14	-0.29	0.38	-0.15

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	17.2	-28.0	50.0	-3.0
Other comprehensive income items				
Items that may be reclassified subsequently to profit or loss:				
Translation difference	-4.7	-19.4	-9.1	-20.6
Available-for-sale financial assets	0.0	0.0	0.0	0.0
Derivatives	0.2	-3.0	2.5	-10.8
Taxes related to other comprehensive income items	-0.1	0.8	-0.6	2.5
Other comprehensive income items after taxes for the period	-4.6	-21.5	-7.1	-29.0
Comprehensive income for the period, total	12.6	-49.5	42.9	-32.0
Distribution:				
To parent company shareholders	11.9	-46.9	39.6	-36.6
To non-controlling shareholders	0.7	-2.7	3.3	4.6
	12.6	-49.5	42.9	-32.0

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

STATEMENT OF FINANCIAL POSITION, ASSETS

Currency unit: EUR million	Dec 31, 2015	Dec 31, 2014
Non-current assets		
Intangible assets	5.4	6.8
Tangible assets	12.0	19.6
Completed investment properties	1,426.0	1,378.4
Investment properties under construction	40.4	26.5
Investments	6.8	10.8
Deferred tax assets	15.9	17.8
Non-current assets	1,506.5	1,459.7
Current assets	55.6	43.2
Assets, total	1,562.1	1,502.9

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

Currency unit: EUR million	Dec 31, 2015	Dec 31, 2014
Shareholders' equity		
Share capital	96.9	96.9
Premium fund	18.6	18.6
Equity related bond	74.2	74.2
Other funds	202.7	204.5
Translation difference	-27.4	-20.3
Retained earnings	121.3	153.9
Net profit for the period	44.8	-11.7
Parent company's shareholders' interests	531.0	516.1

Non-controlling interests	79.7	59.5
Shareholders' equity, total	610.8	575.6
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	725.8	659.7
Non-interest-bearing liabilities	0.7	0.7
Deferred tax liabilities	33.9	34.7
Non-current liabilities, total	760.5	695.1
Current liabilities		
Interest-bearing liabilities	139.0	182.2
Non-interest-bearing liabilities	51.9	50.0
Current liabilities, total	190.9	232.3
Liabilities, total	951.4	927.3
Shareholders' equity and liabilities, total	1,562.1	1,502.9

STATEMENT OF CHANGES IN EQUITY
Currency unit: EUR million

Equity attributable to owners of the parent

	Share capital	Premium fund	Other reserves	Translation differences	Own shares	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						-11.7	8.8	-3.0
Other comprehensive income items								
Translation difference				-17.1		-0.4	-3.1	-20.6
Derivatives			-7.3				-1.0	-8.4
Available-for-sale financial assets			0.0					0.0
Comprehensive income for the period			-7.4	-17.1	0.0	-12.2	4.6	-32.0
Related party transactions								
Dividend						-10.6	-0.5	-11.1
Acquisition of own shares						-1.6		-1.6
Interest paid to equity related bond						-4.3		-4.3
Other changes		0.0	0.1			-0.1	0.4	0.4
Related party transactions			0.1		0.0	-16.7	-0.1	-16.7
Equity December 31, 2014	96.9	18.6	278.7	-20.3	0.0	142.2	59.5	575.6
Equity January 1, 2015	96.9	18.6	278.7	-20.3	0.0	142.2	59.5	575.6
Comprehensive income								
Net profit for the period						44.8	5.3	50.0
Other comprehensive income items								
Translation difference				-7.1			-2.0	-9.1
Derivatives			1.9				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	-7.1		44.8	3.3	42.9

Related party transactions								
Dividend						-15.9	-0.7	-16.6
Return of capital							-2.8	-2.8
Acquisition of own shares			-3.7			-1.1		-4.8
Interest paid to equity related bond						-4.5		-4.5
Investment of non-controlling interests							20.3	20.3
Other changes			0.0			0.6	0.0	0.5
Related party transactions			-3.7		0.0	-20.9	16.9	-7.7
Equity December 31, 2015	96.9	18.6	276.9	-27.4	0.0	166.1	79.7	610.8

STATEMENT OF CASH FLOWS

Currency unit: EUR million	1-12/ 2015	1-12/ 2014
Cash flows from operating activities		
Net result for the period	50.5	-3.0
Adjustments:		
Change in fair value of investment properties	-1.3	40.5
Depreciation	5.4	3.8
Share of profits of associates	0.0	0.0
Gains from disposals	0.0	0.1
Other adjustments for non-cash transactions	3.4	0.5
Financial income and expenses	30.5	42.2
Taxes	5.2	3.6
Increase / decrease in working capital	-2.4	1.8
Interests received	0.3	0.3
Dividends received	0.0	0.0
Interests paid and fees	-14.0	-15.5
Other financial items in operating activities	-10.5	-5.2
Taxes paid	-3.4	-2.6
Net cash provided by operating activities	63.6	66.6
Cash flows from investing activities		
Investments in investment properties	-67.7	-53.2
Investments in tangible and intangible assets	-2.5	-11.1
Investments in other securities	0.0	
Granted loans		
Repayments of loan receivables		1.3
Proceeds from sale of investments	0.0	0.9
Proceeds from sale of tangible and intangible assets	0.3	6.7
Acquisition of subsidiaries		-4.6
Net cash used in investing activities	-69.9	-60.1
Cash flows from financing activities		
Increase in long-term loans	278.9	83.0
Decrease in long-term loans	-210.6	-94.8
Dividends paid and return of capital	-18.7	-11.1
Paid share issue		0.3
Acquisition of own shares	-4.8	-1.6
Capital investment by the minority	20.3	
Hybrid bond interest paid	-5.6	-5.6
Acquisition of subsidiaries, no change in command		-0.4
Change in short-term loans	-41.3	1.4
Net cash provided by financing activities	18.3	-28.8

Net increase/decrease in cash assets	12.0	-22.3
Effects of exchange rate fluctuations on cash held	-0.9	-3.5
Cash and cash equivalents at period-start	28.3	54.1
Cash and cash equivalents at period-end	39.4	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	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Net sales				
Finland	29.9	30.4	125.0	118.6
Baltic Rim	7.1	6.4	26.8	24.9
Scandinavia	4.7	4.5	18.8	18.2
Total	41.7	41.4	170.6	161.7
EBITDA				
Finland	13.2	15.0	69.0	62.6
Baltic Rim	4.2	3.2	14.2	13.4
Scandinavia	2.7	3.0	9.9	12.0
Unallocated	0.0	0.6	0.0	-0.8
Total	20.1	21.9	93.0	87.2
Assets				
Finland			1,111.5	1,060.2
Baltic Rim			286.6	257.2
Scandinavia			208.6	220.8
Eliminations			-44.5	-35.3
Total			1,562.1	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 non-hedge 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	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Currency unit: EUR million				
Net sales	41.7	41.4	170.6	161.7
Other operating income	0.0	0.1	0.0	0.3
Other operating expenses	-21.6	-19.7	-77.6	-74.7
Depreciation	0.4	-1.0	-3.9	-3.8

Operating profit/loss	20.5	20.8	89.1	83.5
Finance income and expenses, total	-2.8	-5.8	-24.9	-20.2
Result before taxes	17.8	14.9	64.2	63.3
Taxes for direct result items	-0.6	1.9	-3.5	-3.9
Non-controlling interests	-1.0	-0.1	-5.7	-3.5
Direct result for the period	16.2	16.7	55.0	55.9
INDIRECT RESULT				
Non-recurring items	-1.5	0.1	-1.5	-0.1
Change in fair value of investment properties	6.7	-24.4	1.3	-40.5
Operating profit/loss	5.2	-24.3	-0.2	-40.6
Other indirect financial expenses	-5.9	-16.7	-8.8	-22.1
Result before taxes	-0.6	-41.0	-9.0	-62.7
Taxes for indirect result items	0.7	-3.9	-1.6	0.3
Non-controlling interests	0.1	-1.8	0.4	-5.2
Indirect result for the period	0.2	-46.7	-10.2	-67.6
Result for the period to the parent company shareholders, total	16.4	-30.0	44.8	-11.7
Earnings per share, diluted				
From direct result	0.15	0.16	0.52	0.53
From indirect result	0.00	-0.44	-0.10	-0.64
From net result for the period	0.16	-0.28	0.42	-0.11
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.04	-0.04
From adjusted net result for the period	0.14	-0.29	0.38	-0.15

KEY INDICATORS	Dec 31,2015	Dec 31,2014
Change in net sales, %	5.5	28.0
Operating profit/loss/net sales, %	52.1	26.5
Interest coverage ratio	4.3	4.8
Equity ratio, %	39.3	38.5
Loan to value, %	58.8	59.7
Group company personnel during the period, average	239	214
Gross expenditure on assets, MEUR	89.0	69.1
Net rental yield of investment properties, % 2)	7.7	7.5
Financial occupancy rate, %	94.6	94.7
Earnings/share		
basic, EUR	0.38	-0.15
diluted, EUR	0.38	-0.15
Cash flows from operating activities/share, EUR	0.60	0.63
Equity/share, EUR	4.36	4.17
Average issue-adjusted number of shares 3)		
basic	105,553,364	106,015,829
diluted	105,553,364	106,015,829
Issue-adjusted number of shares at the end of period	104,768,877	106,083,079
P/E ratio	8.79	-24.16
Dividend/share, EUR 4)	0.17	0.15
Dividend payout ratio, %	44.55	-
Effective dividend yield	4.56	4.05

OTHER KEY INDICATORS

Market value of shares, EUR million, Dec 31	390.79	392.51
Share turnover, shares	32,859,940	28,389,026
Share turnover out of average number of shares, %	31.13	26.78
Share prices, EUR		
Highest price	4.64	4.70
Lowest price	3.41	3.40
Average price	3.86	4.23
Price Dec 31	3.73	3.70

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

3) Own shares held by the company (1,742,755 shares) are excluded from the number of shares.

4) Proposal for distribution of dividends

	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
CHANGE IN VALUE OF INVESTMENT PROPERTIES				
Change in fair value, Finland	10.5	-1.3	7.5	-25.1
Change in fair value, Baltic Rim	-1.8	1.8	7.3	4.9
Change in fair value, Scandinavia	2.9	-0.2	4.8	1.1
Change in fair value	11.6	0.3	19.6	-19.1
Changes in acquisition costs of investment properties in financial year	-9.9	-16.4	-29.8	-23.5
Changes in fair value of projects in progress	5.1	-8.4	11.5	2.0
Effect on profit of change in value of investment properties	6.7	-24.4	1.3	-40.5

CONTINGENT LIABILITIES

Currency unit: EUR million	Dec 31, 2015	Dec 31, 2014
Pledges and guarantees on own debt		
Mortgages of properties	956.1	1,009.5
Pledged securities and investment properties	712.1	758.5
Pledges for land lease payments	3.6	3.6
Other guarantee liabilities	97.2	133.8
Leasing liabilities, machinery and equipment	4.6	4.8
Project liabilities	0.2	0.3
Interest rate and currency swaps		
Nominal values	546.5	482.9
Fair values	-15.3	-17.1

Value added tax (VAT) adjustment liability on property investments

Year	2008- 2010	2011	2012	2013	2014	2015	Total
property investment expense (net)	160.6	53.1	81.7	45.9	23.0	17.5	382.0
VAT on property investment	35.4	12.1	18.8	10.9	5.5	4.6	87.3
Annual share of VAT on investment	3.5	1.2	1.9	1.1	0.6	0.5	8.7
VAT deducted	35.3	12.1	18.5	10.5	5.4	4.5	86.2

Annual share of the VAT deducted	3.5	1.2	1.9	1.1	0.5	0.9	9.0
Number of years remaining in the adjustment period	2-4	5	6	7	8	9	
Refundable amount of deduction 12/31/2015	10.0	6.0	11.1	7.4	4.3	7.9	46.6
VAT adjustment liability 12/31/2015							46.6
VAT adjustment liability 12/31/2014							45.5
Change							1.2

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES Dec 31, 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)		0.7			0.7
Available for sale non-quoted financial assets (level 3)		0.8			0.8
Other non-current receivables	0.1				0.1
Total	0.1	1.5			1.6
Current assets					
Trade and other receivables					
Sales receivables	6.6				6.6
Other current receivables	9.7				9.7
Cash and cash equivalents	39.4				39.4
Derivatives					
Interest rate swaps (level 2)				0.0	0.0
Total	55.6			0.0	55.6
Non-current liabilities					
<i>Financial liabilities recognized at amortized cost</i>					
Non-current finance lease liabilities (level 2)			32.0		32.0
Non-current interest-bearing liabilities (level 2)			693.9		693.9
Non-current non-interest-bearing liabilities (level 2)			0.7		0.7
Other non-current liabilities			33.9		33.9
Total			760.5		760.5
Current liabilities					
<i>Financial liabilities at fair value through profit or loss</i>					
Derivatives (level 2)					
Interest rate swaps, not meeting the criteria for hedge accounting				15.3	15.3
<i>Financial liabilities recognized at amortized cost</i>					
Current finance lease liabilities			3.1		3.1
Other current interest-bearing liabilities			135.6		135.6
Trade and other payables			36.9		36.9
Total			175.6	15.3	190.9