

TECHNOPOLIS



ANNUAL REPORT 2000

Annual General Meeting

The Annual General Meeting of Technopolis Plc will be held on Friday, March 23, 2001, starting at 12.00 noon, in the Saalastinsali Hall of the main building of the University of Oulu, at street address Pentti Kaite-rankatu 1, Oulu (postal code 90014 Oulun yliopisto). Shareholders who have been registered in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd by March 13, 2001 have the right to participate in the meeting. Shareholders whose shares have not been transferred to the book-entry system also have the right to participate in the Annual General Meeting provided that they were registered in the company share register before March 6, 1998, in which case they must present upon arrival at the Annual General Meeting their share certificates or other documentation indicating that title to the shares has not been transferred to the book-entry system.

The meeting agenda consists of the matters referred to in Article 11 of the Articles of Association, the Board of Directors' proposal to amend Articles 2, 5, 8, 11, 10 and 14 of the Articles of Association, the Board of Directors' proposal to cancel the share issue authorization previously given to the Board of Directors and to grant a new share issue authorization, the commencement of share issue preparations and the offering of options to key personnel.

Shareholders who wish to participate in the Annual General Meeting must signify their intention to do so by 4.00 p.m. on March 21, 2001, either in writing to Teija Koskela, Technopolis Plc, Elekroniikkatie 8, 90570 Oulu, Finland, or by telephone to +358 8 551 3200/Teija Koskela, or by email to teija.koskela@otm.fi. The letter must have been received by 4.00 p.m. on March 21, 2001. Shareholders are requested to present any powers of attorney along with their notice of intention to participate.

Payment of Dividends

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.25 per share be paid for the financial year that ended on December 31, 2000. The record date for the payment of dividends is March 28, 2001, and the actual date the dividends will be paid is April 4, 2001, provided that the Annual General Meeting approves the Board of Directors' proposal for the distribution of dividends.

Interim Reports for 2001

Technopolis Plc will publish three interim reports for 2001 as follows: January-March on April 24, 2001, January-June on July 20, 2001 and January-September on October 23, 2001.

Information for Shareholders	2
Technopolis in a Nutshell	3
President's Review	4
Main Events in 2000	6
The Technopolis Concept	7
Premises	8
Business Services	11
Networks	12
Image	13
Financial Statements	
Board of Directors' Report	14
Consolidated Income Statement, Balance Sheet and Statement of Cash Flows	16
Parent Company's Income Statement, Balance Sheet and Statement of Cash Flows	19
Notes to the Financial Statements	22
Key Indicators and Financial Ratios	31
Definitions of Key Indicators and Financial Ratios	32
Shares and Shareholders	33
Board of Directors' Proposal for the Distribution of Profits	35
Auditors' Report	35
Company Management and Auditors	36
List of Real Estate Holdings	38

Technopolis in a Nutshell

The Technopolis Plc Group specializes in providing operating environments for high tech companies. The Technopolis service concept combines communications to the academic and research community, tailored services, successful imaging and state-of-the-art facilities.

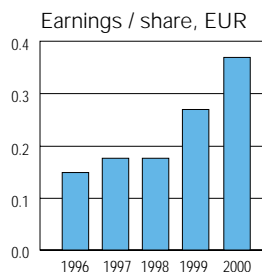
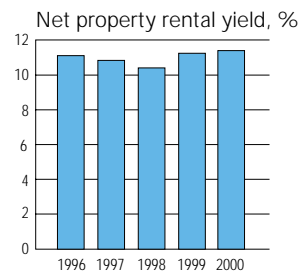
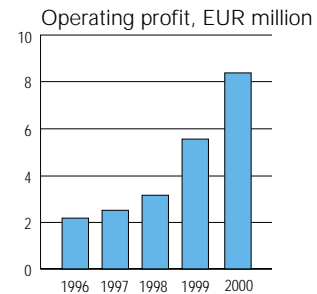
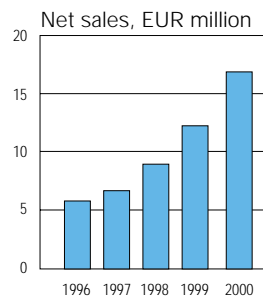
Technopolis customers are high tech companies and companies providing services for high tech companies. Technopolis customers represent sectors such as telecommunications, information technology, pharmaceutical technology and biotechnology.

The Technopolis Group is growing along with the high technology industry. In the Oulu region, the company already operates in three locations: at the University

campus in Linnanmaa, near Oulu city center at Kontinkangas and on the Lentokentäntie road at Kempele.

Future Technopolis centers will be located at Kaakkuri in the Oulu region and in the proximity of Helsinki-Vantaa International Airport in the Helsinki metropolitan area. The company is starting significant property development projects in both areas. When completed, the new centers will house dozens of companies and thousands of employees.

Technopolis Plc's growth has been strong in recent years. The annual net sales growth has averaged approximately 35% for three years running. Technopolis Plc's shares are quoted on the main list of the Helsinki Exchanges, in the Investment sector.



To our Shareholders



Growth, profitability and good dividends

Technopolis Plc Group's strong and profitable growth continued in 2000. The net sales of the company increased by 38% and the operating profit by 50% from the previous year. Earnings per share rose to EUR 0.37, a 34% increase over the previous year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.25 be distributed from the net profit for the year. The effective dividend yield would therefore be 8.9%, which is at the highest level of stock exchange listed companies.

Shareholders and share price trend

Technopolis has 2,225 shareholders, of which 1,982 are households. The percentage of households has risen significantly from the previous year

and is now 19.7%. We believe that the increase is due to the fact that private investors have realized how competitive the company's high dividends are. The turnover of the company's shares grew in 2000 and was 2.5 times greater than in the previous year.

The Technopolis share price continued to be relatively stable during an otherwise quite turbulent stock exchange year. If we compare the Technopolis share price to the HEX portfolio index, we can see that the company has kept its value relatively well. Dividends make up a significant proportion of the return for Technopolis shareholders. The Board of Directors' objective is to distribute two thirds of the profit annually as dividends.

Customer growth creates new opportunities

High technology is the fastest growing sector in the world. Technopolis is the biggest provider of high tech operating environments in Finland. The company began work in the sector almost twenty years ago. Technopolis recognizes the special needs of high tech companies and offers them a complete service. Over 200 corporate customers with more than

5000 employees rent operating facilities from the company. Our customers anticipate strong growth in the future, which suggests growth potential for Technopolis and creates demand for new operating environments.

Technopolis service concept

The Technopolis concept has been specially designed to accommodate the needs of high tech companies. The concept combines co-operation between high tech companies and the academic and research community, special services required by high tech companies, flexible office facilities and imaging that helps in recruiting new staff. A more detailed description of the concept can be found on pages 7-13 of the Annual Report.

Oulu region operating environments

Technopolis has four growing business sites in the Oulu region. The Linnanmaa university campus area is today a unique center where over 4000 experts work. New modern buildings are under construction to respond to the growing need for more space. Technopolis is the biggest investor beside the Lentokentäntie road in Oulu. Operations there began last year and the development continues. Thanks to Medipolis and Nokia Peltola, the area surrounding Oulu University Hospital has also become an interesting center of expertise, soon to be supplemented with a planned new, advanced office complex called Technopolis Mediaani. Technopolis is also preparing a new site at Kaakkuri in Oulu, where a land area with building rights of approx. 100,000 floor square meters has been reserved.

Helsinki-Vantaa International Airport area

A little over a year ago, Technopolis began to investigate the possibility



of expanding its operations to the Helsinki Metropolitan Area. After examining various options, Technopolis decided on a site near the Helsinki-Vantaa International Airport. Negotiations with the landowners, the Finnish Civil Aviation Authority and the City of Vantaa, were successful and a preliminary agreement leading to a final land sale was signed on February 22, 2001. The size of the project will be 64,000 floor square meters and construction is expected to be carried out in six stages. We expect the area to attract high tech companies because of its excellent location and the Technopolis concept.

Prospects for 2001

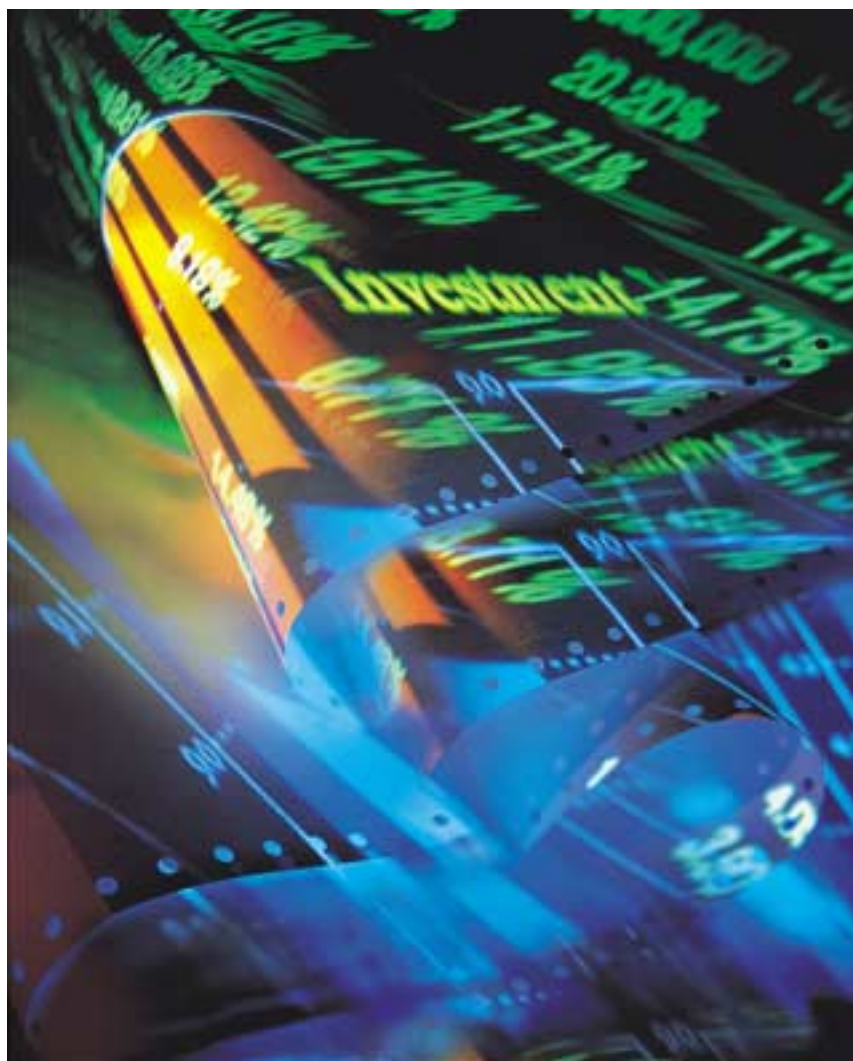
Technopolis expects that the demand for new operating premises will remain high in the first half of the year. After that, general economic trends will affect market developments. Technopolis is protected against fluctuations in the business cycle by long-term leases which totaled EUR 84.3 million on December 31, 2000.

We estimate that our net sales will continue to grow in 2001 and reach the Group's long-term growth objective of 15% at minimum. We also estimate that the net profit for 2001 will match the good level attained in 2000. The net profit is dependent on developments in the interest and capital markets during the course of the year.

Personnel and Board of Directors

The Group's employees performed big and small miracles every day in 2000, a year of rapid growth. This hard work and commitment resulted in the most profitable year of our history so far.

Mr. Kari Nenonen, Mayor of Oulu, who took over as the new Chairman, and the other members of the Board have supported and encouraged the company's management



in an exemplary way. Their work in renewing and implementing the company's strategy was extremely valuable.

I wish to extend my warmest thanks to the employees and the Board of Directors for their excellent and efficient co-operation during the year.

Pertti Huuskonen
President and CEO



Main Events in 2000



January

Technopolis Plc signed an agreement with PKC Group Oyj to build new operating facilities for PKC Group in the Oulu Lentokentäntie area. The size of the new building will be 23,000 square meters and the investment will total EUR 18 million. Technopolis is the biggest investor in the Lentokentäntie road area and the new building will be the biggest single building in the area.

An agreement was also made to transfer ownership of PKC Group's former facilities to a company founded together by Technopolis Plc, Fortel Invest Oy and the municipality of Kempele. The company was later named Technocenter Kempele Oy.

A building extension of 5,000 square meters for Nokia Mobile Phones was completed at the Oulu science park.

March

The company signed a deal for the preliminary design of R&D facilities for Sonera Corporation on the Elektriikkatie road in Oulu.

The company announced preparations for a major new building project in the Medipolis area. The building size was targeted at 15,000 square meters, making a total investment of EUR 16.8 million. Construction is to be completed in stages.

The Annual General Meeting of Technopolis Plc was held on March 24, 2000 and decided to distribute a dividend of EUR 0.185 /share.

May

The company decided to begin a building project for telecommunications companies consisting of 6,000 square meters and worth EUR 6 million. Sonera Corporation leased most of the building's facilities.

June

Technopolis and the City of Vantaa announced negotiations for cooperation in the Helsinki-Vantaa International Airport area. The idea was to develop the area into an internationally attractive, high-tech, corporate operating environment.

The company signed a deal with Kaleva Kustannus Oy to develop electronic network services for high-tech companies.

The extension to Smarthouse on the Elektriikkatie road was completed at the end of June. The size of the extension was 2,000 square meters, which was immediately taken up and all facilities leased out.

July

PKC Group's Lentokentäntie area production facilities were completed on schedule and brought into use as

planned during PKC Group's summer production shutdown.

September

Technopolis began the construction of two new buildings on the Elektriikkatie road in the Oulu science park. The total investment will amount to approx. EUR 12 million and the size of the buildings to 12,000 square meters.

October

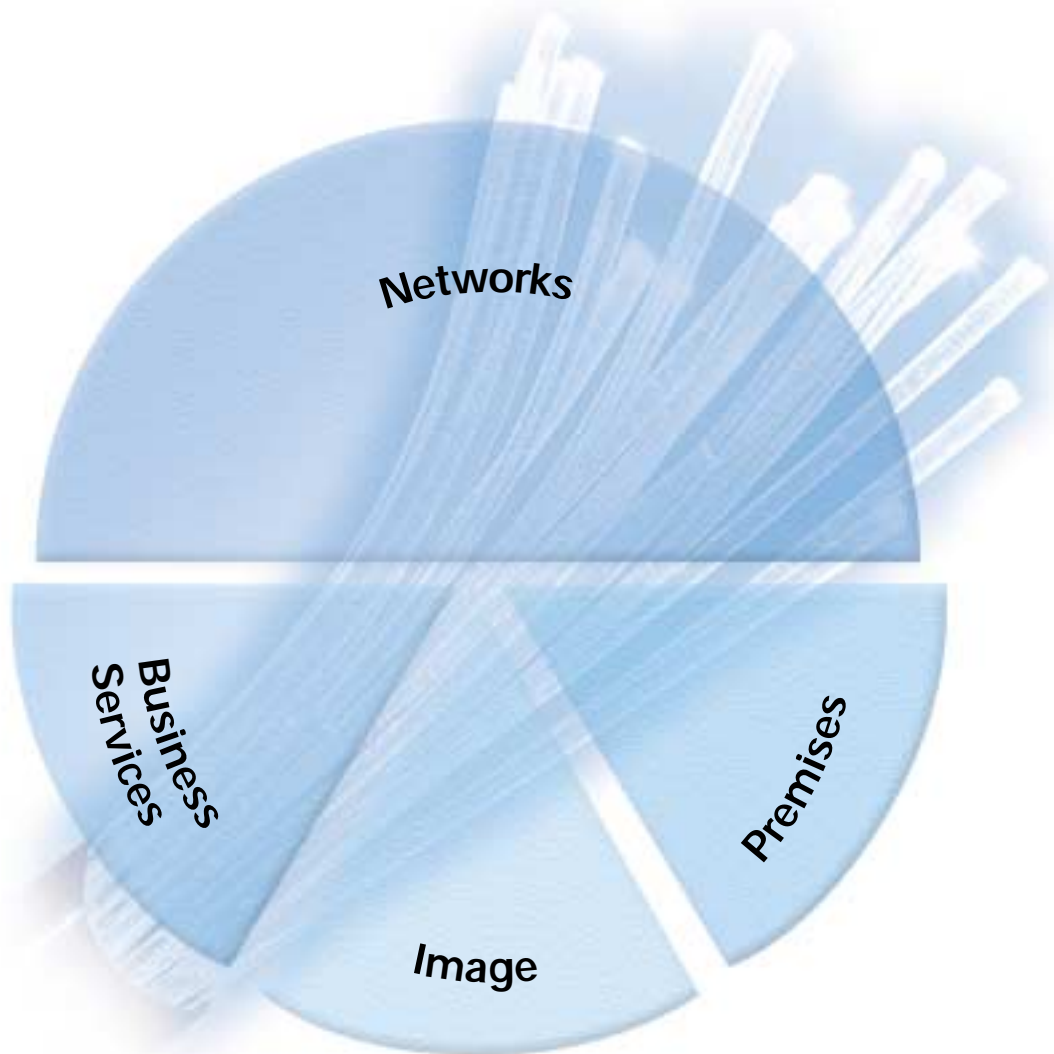
The office facilities at Lentokentäntie road were completed on schedule and brought into use. PKC Group leases most of the building, but Polar Electro Oy and a division of the Fennia Group specializing in network services for a digital economy also lease facilities.

December

The company announced preparations for a new technology center at Kaakkuri in Oulu and proposed that the City of Oulu would reserve for Technopolis land areas with total building rights of at least 100,000 square meters at Kaakkuri. Both the City Technical Board and later the Oulu City Board decide to support the proposal.

The Technopolis Concept

Operating Environments for High Tech Companies



Networks

Technopolis provides a concentration of high tech companies and teaching and research units in which there are excellent opportunities for networking and interaction. These activities are supported by various projects and development programs, such as the Oulu Region's Center of Expertise Program, which promote corporate success by focusing on the needs of corporate customers.

Business Services

Technopolis has developed a wide and versatile range of services to accommo-

date all the needs of high tech companies. These services increase the occupant companies' cost-effectiveness and flexibility. They also increase employee comfort and work efficiency.

Image

The Technopolis brand is a guarantee of high quality and success for those high tech companies that lease the facilities. This image gives occupant companies advantages in recruiting, marketing their products, securing finance and in other key areas of their business.

Premises

The Technopolis concept is based on providing facilities for high tech companies. The facilities come in different sizes, are tailored to suit individual companies and are quickly and easily available. The premises of the Technopolis Group include a wide variety of options with considerable flexibility in making internal modifications.

Elektroniikkatie 2

Preparations for two new eight-story buildings on the Elektroniikkatie road in the Oulu science park began last fall. A ten-year lease was made with NetHawk Oy for facilities of 4,700 square meters in

one of the new buildings. Other occupants will be Talgo-Transtech Oy, Digia Oy and Kolster Oy Ab. The buildings will also have premises for small companies and the Technopolis service company. The buildings will

be completed in two stages in June and October 2001.



Elektroniikkatie 6

Construction on a building for telecommunications companies comprising 6,000 square meters began in the spring. Most of the building, approximately 4,700 square meters, has been leased by Sonera Corporation for ten years. Sonera announced that it will concentrate its wireless communications research and development resources in Oulu in the new building. Other companies occupying the building will be Rescomi Oy and Solid Information Technology Oy. Construction will be completed in two stages by the spring of 2001.



Smarthouse, Elektroniikkatie 8

Smarthouse is a 21st century optimal operating environment for high tech companies. Smarthouse has been extremely popular which prompted Technopolis to start planning an extension in November 1999, before the first stage was even completed. The extension offices were soon leased and construction progressed according to plan. Technopolis will use the experience and knowledge gained in the Smarthouse project in all its future projects. After the extension, Smarthouse with its 7,700 square meters is the Technopolis flagship.



Oulu, Lentokentäntie

In January 2000, Technopolis signed an agreement with PKC Group Oyj on the building of new facilities on the Lentokentäntie road in Oulu. The production part of the facilities were completed in July and the offices in October. Construction proceeded according to plan and Technopolis was able to meet the demanding schedule. The building is 23,000 square meters.

Technopolis Plc is the biggest single investor in the Lentokentäntie road area. So far, the company has invested over EUR 20 million in purchasing land and building new facilities. Technopolis still has building rights of up to approx. 24,000 square meters on the land it owns in the area.



Helsinki-Vantaa International Airport area

During 2000, the company negotiated with the City of Vantaa and the Finnish Civil Aviation Authority to commence operations in the proximity of the Helsinki-Vantaa International Airport. The objective is to create a concentration of high technology which would be internationally attractive. The project will comprise approximately 64,000 square meters of building floor area and will be completed in seven stages. The area is particularly attractive for high tech companies that appreciate a high-profile location and the proximity of an international airport. A preliminary agreement on the land deal was signed on February 22, 2001.



© FM-Kartta Oy

Oulu, Kaakkuri

The Kaakkuri area is a new district with 15,000 residents in southern Oulu. Construction in the area is well under way. The area will become a regional center providing good local services to its residents. The City of Oulu has reserved approximately 100,000 floor square meters in the area for Technopolis to develop. Approximately 5,000 people will work in the Technopolis buildings in the area. The area is currently being zoned.



Business Services



The Technopolis Group's service company, Technopolis Hitech Oy (still called Oulu Hitech Services Ltd at the close of the financial year on December 31, 2000), provides a wide range of telephone, telecommunications and Internet services to corporate customers. The telephone exchange network comprises approximately 1,500 connections. The high number of connections means that companies get volume discounts on phone calls and free phone calls within the internal network. In addition to telephone connections, Technopolis Hitech offers companies high-quality phone call switching services. Companies can choose the telecommunications and Internet connections they prefer, from ISDN connections to fast, fixed connections.

Technopolis Hitech provides companies with email and Internet services.

One of the most conspicuous services of Technopolis Hitech is the visitor reception and information service. Technopolis Hitech also arranges suitable facilities and services for meetings and conferences. Staff restaurants are able to provide suitable catering for all kinds of occasions, be they negotiations, seminars or sauna evenings.

Technopolis Hitech's human resources service provides companies with skilled personnel for office and secretarial services, enabling companies to concentrate on their core activities.

Postal and international courier services are always available. Technopolis Hitech also arranges basic office

services such as photocopying, the printing of transparencies, filing, word processing, etc. using state-of-the-art equipment to ensure high-quality results.



Networks

The success of high tech companies is based on how well they can exploit their specialized knowledge. The Technopolis concept offers companies excellent opportunities to network both with other companies and with research and educational institutes. These networking services are realized through the internationally acclaimed Centre of Expertise Programme.

The Centre of Expertise Programme has been set up to exploit specialized technological knowledge. It creates operating environments and internationalization opportunities for companies and research and educational institutes. It also develops environments for innovative activity and creates technology programmes with links to international technology development.

Activities revolve around spearhead projects that seek to create fertile conditions for information and welfare industry companies to grow and thrive in co-operation with research and educational institutes. The projects have steering groups consisting of company representatives and other specialists. 200 organizations are actively involved in the projects. The portfolio of spearhead projects

establishing new enterprise was valued at EUR 25 million in 2000.

Examples of our projects

The Mobile Forum provides IT companies, the University of Oulu and research institutes a forum where they can focus on R&D in new technological areas. The VRFlow research project has been testing e-commerce in practice for a year now, while mm-HACS, a project that aims to facilitate the everyday lives of the elderly, has also advanced to the experimental stage. The Princess project is developing a service platform for intelligent and mobile multimedia services. The CyPhone project is developing a mobile phone that is able to transmit and receive moving stereo images. The most recent research project, Monica, will begin soon. It will study the development of production facilities for value-added services in the mobile telecommunications industry.

A project aimed at strengthening the electronics industry in Northern Finland was set up through the Centre of Expertise Programme. The project portfolio totaled EUR 10 million in 2000.

The Wellness Forum, a planning forum for companies and research

and educational institutes related to the welfare industry, was established in 2000 with the aim of initiating new projects in the Oulu region. The projects involved consortiums of companies assisted by research and educational institutes. More than ten companies are currently participating in the Wellness Forum.

The construction of a GMP product development environment for the City of Oulu began in May 2000. The project has proceeded according to plan and the facilities will be ready for use by the end of 2001 or the beginning of 2002. The preparations include GMP training projects under the MBS project of the Oulu Region's Centre of Expertise Programme. The training projects have significantly increased GMP knowledge and preparedness. The challenge for 2001 is to continue the GMP training programmes together with the appropriate companies, as well as the validation process, and to develop an international co-operation and networking model for industry and the research community in order to ensure the quick commercialization of innovations and technologies.




 Image


Technopolis Plc places great importance on active media communications. Positive international recognition supports the marketing and international co-operation of companies located in the Technopolis operating environments.

Communication supports the Group's internationally recognized image as a strong concentration of high tech companies, and increases international interest in Technopolis. In 2000, the knowledge and resources

of companies located in Technopolis centers received considerable attention thanks to the active communications policy.

Future communication needs were taken into consideration in 2000 by redesigning the visual corporate image of Technopolis and by harmonizing the Group's graphical presentation. The Group's logo and all basic promotional material were redesigned. Clear graphic instructions were also drawn up for the Group.



Board of Directors' Report Jan 1 - Dec 31, 2000

Business environment

The general market for premises was relatively favorable in 2000. Property under-utilization rates were low in the growth centers, and there was occasionally even excess demand for suitable premises. During the year, occupancy rates and rent/lease levels increased in the Oulu region. Interest rates rose significantly, but fell towards the end of the year. As the business of high tech companies progressed very favorably in Finland, the Technopolis Group had good conditions for growth.

Results

The Technopolis Group, which specializes in providing operating environments for high tech companies, continued its strong growth in 2000. The Group's consolidated net sales for 2000 were EUR 17 million (EUR 12.3 million in 1999), an increase of 38% on the previous year. The operating profit was EUR 8.4 million (EUR 5.6 million), representing growth of 50% on the previous year. The income after financial items was EUR 5.3 million (EUR 3.9 million), up by 38% on the previous year. The net profit for the year was EUR 3.7 million (EUR 2.9 million). Earnings per share were EUR 0.37 (EUR 0.27), an increase of 34%.

Other operating income totaled EUR 2.6 million (EUR 2.2 million), consisting of operating subsidies received to cover costs arising from the Oulu Region Centre of Expertise Programme, and which had no effect on the Group's results.

Investments and premises

The Technopolis Group continued its significant investment program in 2000, with total investments amounting to EUR 26.8 million. During the year several buildings and extensions were completed, and new projects were started.

In January the building of new premises for mainly the PKC Group Oyj started beside Oulu's Lentokentäntie road. Technopolis concluded a 12-year lease agreement with PKC. The building was completed in record time in two stages in July and October. The investment was approx. EUR 17.8 million with a total floor area of about 23,000 square meters. The other tenants at the site are Polar Electro Oy and a division of the Fennia Group specializing in network services for a digital economy.

In January 2000 an approx. 5,000 square meter extension for Nokia Mobile Phones was completed. The investment was EUR 3.9 million.

During the spring of 2000 the extension of Aspocomp Oy's circuit board factory was completed. The project involved the building of about 2,000 square meters of floor space, the total value of which was about EUR 1.5 million in the review period.

In May, the construction of 6,300 square meters of premises mainly for the use of Sonera Corporation was started. The building represents an investment of about EUR 6 million and will be completed in stages by spring 2001. A 10-year lease agreement has been made with Sonera. The other occupants include Rescomi Oy and Solid Information Technology Oy.

At the end of June an extension was completed for Smart-house. The approx. 2,000 square meters extension represented an investment of about EUR 2.6 million.

In September, Technopolis started a building project of about 12,000 square meters, comprising two buildings. One has been rented to NetHawk Oy on a 10-year lease. The main tenants of the other building, Talgo-Transtech Oy, Digia Oy and Patentitoimisto Kolster Oy Ab, have signed leases of 5-8 years. The investment will total approx. EUR 12.5 million. The buildings will be completed in two stages in June and October 2001.

At the end of 2000, the Technopolis Group's premises for leasing had a total floor area of about 130,000 square meters. At the end of the year, the tenancy rate of these premises was 99.9% (99.8%). The premises include approximately 10,000 square meters for sub-renting. It is estimated that by the end of 2001, the Group's leasing premises will increase to about 145,000 square meters.

Structure of net sales

The business of the Technopolis Group was divided between Group companies as follows:

	Parent company	Technopolis Hitech Oy	Medipolis Ltd
	EUR mill.	EUR mill.	EUR mill.
Net sales	12.72	2.52	2.39
Other income	2.15		0.73
Planned depreciation	-1.93	-0.07	-0.39
Operating expenses	-5.56	-2.05	-2.08
Operating profit	7.38	0.39	0.65
Net financial costs	-2.59		-0.44
Net profit	2.09	0.28	0.21

At the end of 2000, Technopolis Plc had a 100% holding in Technopolis Hitech Ltd and 55.7% in Medipolis Oy.

Events related to the company's shares

At the end of 2000, the company had 2,225 shareholders, with 3.76% of the total shares being nominee-registered and 19.74% being held by private investors.

Quotation of the company's shares began on the main list of the Helsinki Exchanges in the "Investment" group, on June 8, 1999. The share price varied between EUR 3.92 and EUR 2.75 in 2000, with the average price for the year being EUR 3.09. The last trading price on Dec. 29, 2000 was EUR 2.82. By the end of the year the trading volume was EUR 28,294,470.

The company's Board of Directors has authorization within one (1) year of the Annual General Meeting of March 24, 2000 to decide on one or more convertible bond issues, and/or the issuing of options, and/or to decide on raising the share capital by one or more subscription issues, provided that in the convertible bonds issue or issue of options or the subscription issue, no more than 1,997,057 new shares of the company with an equivalent value of EUR 1.69 may be subscribed for. Based on the authorization, the company's share capital may be raised by a maximum of EUR 3,375,027.12.

The authorization will entitle the Board to deviate from shareholders' pre-emptive rights to subscribe for new shares, convertible bonds or options, in accordance with section 2, chapter 4 of the Companies' Act, and to decide on the subscrip-

tion prices, the persons entitled to subscribe, the subscription terms, and the terms and conditions of the convertible bonds and options. The authorizations departing from the pre-emptive rights of shareholders can be used provided that the company has weighty financial reasons for doing so, such as financing of corporate acquisitions or other arrangements affecting the development of the company's business operations or capital servicing. If the capital is raised by a subscription issue, other than on the basis of convertible bonds or options, the Board of Directors will be entitled to decide on whether the shares can be subscribed for in kind, or otherwise on particular conditions.

No options or convertible bonds have been issued. The company has not redeemed its own shares.

The company abides by and applies the insider guidelines prepared by the HEX Helsinki Exchanges for listed companies on October 28, 1999.

Financing

The Group's net financial expenses were EUR 3.1 million (EUR 1.8 million). The Group's balance sheet total was EUR 113.3 million (EUR 89.4 million), of which liabilities accounted for EUR 75.3 million (EUR 53.4 million). The Group's long-term liabilities at the end of the year amounted to EUR 66.6 million (EUR 44.9 million). The Group's equity ratio was 33.6% (40.4%). The Group's equity per share was EUR 3.42 (EUR 3.2). The average maturity period of the loans of the Technopolis Group was 12 years and the average interest rate at the end of the year was 5.32%. On December 31, 2000, fixed interest loans accounted for 36.8% of the parent company's total loans, their average rate being 5.13%. The remainder of the loans were bound to either the 6 or 12 month Euribor rate or to the Bank of Finland's rate. The average rate of these loans was 5.39%. During 2001 about 34% of the fixed interest loans will be converted to a variable rate. The average remaining loan period of the fixed-interest loans at the end of the year was 11 years and of variable rate loans 7 years.

The Group

The company's Board of Directors will propose that negotiations be started with the City of Oulu and the Oulu University Hospital on the acquisition of the Medipolis Oy shares owned by them. The company's objective is thus to raise its holding in Medipolis Oy as near as possible to 100%.

In January, Technopolis, Fortel Invest Oy and the Kempele municipality together established Technocenter Kempele Oy, which purchased the PKC Group Oyj's premises of about 11,000 square meters in the center of Kempele. Technopolis owns about 48% of Technocenter Kempele Oy.

Organization and personnel

At the end of the year, the company's Board of Directors comprised Kari Nenonen, Chairman, and Lauri H.J. Lajunen, Vice Chairman and the following elected members: Antti Hannula, Juha Hulikko, Timo Huttunen, Pentti Kinnunen, Timo Korhonen and Seppo Säynäjäkangas. Lauri H.J. Lajunen served as the Chairman during January 1 - March 23, 2000 and Kari Nenonen from March 24, 2000.

The company's auditor was Tilintarkastajien Oy - Ernst & Young, Authorized Public Accountants, with Seppo Laine, APA, acting as the responsible auditor until May 24, 2000 and Rauno Sipilä, APA, from May 24, 2000, and Reijo Karppinen, APA.

During the year, the Group employed an average of 52 (31) people, of whom 12 (9) were employed by the parent company,

21 (10) by Medipolis Oy and 19 (12) by Technopolis Hitech Ltd. The increase in personnel was caused by the strong growth of the service business.

Development activity

Technopolis has signed a co-operation agreement with Kaleva Kustannus Oy on the development of electronic network services for high tech companies. Through this project the company aims to provide even better services for its customer companies in global networking.

In 2000, the company created a new type of lease agreement system in which high tech companies could pay their lease commitments partly with their own shares. In 2001 the company intends to make the first agreements using this system.

The Technopolis Group was responsible for the implementation of the Oulu Region Centre of Expertise Programme. Expenses paid through the Group for the expertise centre programme and other projects in 2000 amounted to EUR 2.1 million, from which the corresponding incomes have been entered as other operating income. These project operations had no effect on the Group's results.

Events after the financial year

Technopolis Plc has negotiated a preliminary agreement by which Lentoasemakiinteistö Oy and the City of Vantaa will sell to Technopolis an area of land near the Helsinki-Vantaa International Airport containing building rights of 64,000 floor square meters for a price of FIM 1,200/floor square meter. According to the preliminary agreement, the deal will be implemented in two equally large stages. The first stage will be completed when the area is ready for building, and the second when two years have passed from the completion of the first stage.

In January, the Oulu City Board made a reservation in principle for Technopolis Plc of an area in the Kaakkuri district of Oulu containing about 100,000 square meters of building rights. The exact size of the reservation and the conditions of sale will become clear during the on-going zoning process.

Future outlook

The company's management estimates that the demand for new operating premises will remain good during the first half of 2001. The development of the market thereafter will depend on the general economic situation. Technopolis is protected against fluctuations in the business cycle by long-term leases which totaled EUR 84.3 million on Dec. 31, 2000.

Technopolis is currently preparing new sites in the Linnanmaa university area in Oulu, near the center of Kontinkangas and beside the Lentokentäntie road at Kempele. Working in co-operation with the authorities, the Technopolis Group will be developing new sites and operating environments in the area near the Helsinki-Vantaa International Airport and the Kaakkuri district of Oulu during the first half of the year.

The company's management anticipates that the company's net sales will continue to grow in 2001 and reach at least the Group's long-term growth target of 15%. The management estimates that the net profit for 2001 will match the good level of the previous year. It will also depend on how the interest and capital markets develop this year.

The company's results will be affected by how rapidly the new operating environment projects in the vicinity of the Helsinki-Vantaa International Airport and the Oulu Kaakkuri district progress in practice.

Currency unit: EUR

Consolidated Income Statement

	Jan 1 - Dec 31, 2000	Jan 1 - Dec 31, 1999
Net sales	16 959 873	12 260 387
Other operating income	2 583 548	2 191 721
Personnel expenses	-2 161 125	-1 322 558
Depreciation and write-downs	-2 398 486	-1 783 150
Other operating expenses	-6 557 472	-5 710 526
Operating profit	8 426 338	5 635 873
Financial income and expenses	-3 035 801	-1 784 879
Share of profits of affiliated companies	-65 722	-3 844
Profit before extraordinary items	5 324 815	3 847 150
Extraordinary items		296 959
Direct taxes	-1 558 924	-1 087 445
Minority interests	-69 372	-200 231
Net profit for the year	3 696 519	2 856 433

Currency unit: EUR

Consolidated Balance Sheet

	Dec 31, 2000	Dec 31, 1999
ASSETS		
Fixed assets		
Intangible assets	1 697 008	1 442 972
Tangible assets	106 382 580	82 881 982
Investments	874 274	452 752
Total fixed assets	108 953 862	84 777 705
Current assets		
Short-term receivables	2 421 375	2 079 920
Cash and bank	1 911 260	2 585 977
Total current assets	4 332 635	4 665 896
TOTAL ASSETS	113 286 497	89 443 601
	Dec 31, 2000	Dec 31, 1999
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	16 956 615	16 875 136
Premium fund	9 970 197	10 051 677
Revaluation fund	412 382	418 191
Other funds	5 872	5 872
Other shareholders' equity	1 455 017	411 727
Retained earnings	1 773 349	1 820 340
Net profit for the year	3 696 519	2 856 433
Total shareholders' equity	34 269 951	32 439 375
Minority interests	3 718 264	3 648 892
Liabilities		
Deferred taxes	1 114 483	501 880
Long-term liabilities	65 468 896	44 414 824
Short-term liabilities	8 714 903	8 438 631
Total liabilities	75 298 282	53 355 335
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	113 286 497	89 443 601

Currency unit: EUR

Consolidated Statement of Cash Flows

	Jan 1 - Dec 31, 2000	Jan 1 - Dec 31, 1999
Cash flows from operating activities		
Operating profit	8 426 338	5 635 873
Adjustments to operating profit	2 398 486	2 080 109
Increase / decrease in working capital	-496 259	1 852 504
Interests received	140 546	98 226
Interests paid and payments	-3 050 088	-1 821 105
Dividends received	3 400	5 046
Taxes paid	-955 994	-908 939
Net cash provided by operating activities	6 466 429	6 941 715
Cash flows from investing activities		
Investments in other securities	-482 676	
Investments in tangible and intangible assets	-25 287 770	-21 505 238
Net cash used in investing activities	-25 770 445	-21 505 238
Net cash before financing activities	-19 304 016	-14 563 523
Cash flows from financing activities		
Withdrawal of long-term loans	28 585 947	11 836 225
Repayment of long-term loans	-8 100 383	-4 192 775
Dividends paid	-1 856 265	-562 521
Paid share issues		6 692 940
Net cash provided by financing activities	18 629 300	13 773 868
Net increase / decrease in cash assets	-674 716	-789 654
Cash assets on January 1	2 585 977	3 375 631
Cash assets on December 31	1 911 260	2 585 977

Currency unit: EUR

Parent Company Income Statement

	Jan 1 - Dec 31, 2000	Jan 1 - Dec 31, 1999
Net sales	12 723 608	9 464 391
Other operating income	2 145 930	2 005 309
Personnel expenses	-739 095	-553 230
Depreciation and write-downs	-1 929 100	-1 357 943
Other operating expenses	-4 821 302	-4 598 704
Operating profit	7 380 041	4 959 822
Financial income and expenses	-2 587 799	-1 476 616
Profit before extraordinary items	4 792 242	3 483 206
Appropriations	-1 843 438	-1 477 475
Direct taxes	-857 625	-564 145
Net profit for the year	2 091 180	1 441 585

Currency unit: EUR

Parent Company Balance Sheet

	Dec 31, 2000	Dec 31, 1999
ASSETS		
Fixed assets		
Intangible assets	1 462 162	1 183 101
Tangible assets	91 377 675	67 870 072
Investments	5 505 060	5 023 335
Total fixed assets	98 344 897	74 076 508
Current assets		
Short-term receivables	1 320 324	1 565 151
Cash and bank	1 393 788	907 405
Total current assets	2 714 112	2 472 556
TOTAL ASSETS	101 059 010	76 549 064
	Dec 31, 2000	Dec 31, 1999
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	16 956 615	16 875 136
Premium fund	9 943 936	10 025 415
Retained earnings	2 042 085	2 456 764
Net profit for the year	2 091 180	1 441 585
Total shareholders' equity	31 033 815	30 798 000
Accumulated appropriations	3 892 757	2 049 319
Liabilities		
Long-term liabilities	59 624 511	37 232 578
Short-term liabilities	6 507 926	6 468 266
Total liabilities	66 132 438	43 700 845
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	101 059 010	76 549 064

Currency unit: EUR

Parent Company Statement of Cash Flows

	Jan 1 - Dec 31, 2000	Jan 1 - Dec 31, 1999
Cash flows from operating activities		
Operating profit	7 380 041	4 959 822
Adjustments to operating profit	1 929 100	1 357 943
Increase / decrease in working capital	-251 441	1 474 467
Interests received	109 032	50 716
Interests paid and payments	-2 702 754	-1 534 901
Dividends received	5 923	7 568
Taxes paid	-857 625	-564 145
Net cash provided by operating activities	5 612 277	5 751 470
Cash flows from investing activities		
Investments in other securities	-481 725	-1 101 503
Investments in tangible and intangible assets	-24 779 522	-19 264 669
Net cash used in investing activities	-25 261 247	-20 366 172
Net cash before financing activities	-19 648 970	-14 614 702
Cash flows from financing activities		
Withdrawal of long-term loans	25 541 751	11 470 417
Repayment of long-term loans	-3 550 132	-2 580 716
Dividends paid	-1 856 265	-562 521
Paid share issues		5 852 000
Net cash provided by financing activities	20 135 354	14 179 179
Net increase / decrease in cash assets	486 384	-435 523
Cash assets on January 1	907 404	1 342 927
Cash assets on December 31	1 393 788	907 404

Notes to the Financial Statements

Accounting Principles

Scope of consolidated financial statements

The consolidated financial statements include the parent company Technopolis Plc and those subsidiaries in which the parent company directly or indirectly controls more than 50% of the voting rights produced by the shares. Affiliated companies are primarily those in which the parent company controls 20-50% of the voting rights and holds more than 20% of the shares.

The subsidiaries Medipolis Ltd, Technopolis Hitech Oy (still called Oulu Hitech Services Ltd at the close of the financial statements on December 31, 2000) and Oulun Teknoparkki Oy are included in the consolidated financial statements. The subsidiary Tekno-Tennis Oy has not been included in the consolidated financial statements due to lack of activities. OuluTech Oy, Ii Micropolis Oy and Technocenter Kempele Oy are included in the financial statements as affiliated companies.

Principles of consolidation

All intra-Group transactions, internal margins on fixed assets, internal receivables and liabilities and internal profit distribution have been eliminated in the consolidation process. Minority interests are presented separately in the consolidated balance sheet and income statement. The acquisition method has been used in eliminating the mutual shareholdings of Group companies. Affiliated companies have been treated using the equity method of accounting. A share of the net profit for the year of affiliated companies, corresponding to the ownership percentage, has been presented as financial income in the consolidated statements.

Other operating income

The business subsidies received for certain development projects have been entered in other operating income. Correspondingly, the expenses relating to the development projects have been entered as other operating expenses and personnel expenses.

Valuation of fixed assets

Intangible and tangible assets are stated in the balance sheet at cost, less accumulated depreciation. Fixed assets are valued in variable expenses. The book value of buildings includes a revaluation of approximately EUR 1 million, originating from a subsidiary. A deferred tax liability of EUR 0.17 million has been transferred, after deducting minority interests, from the revaluation fund to long-term liabilities.

In the parent company financial statements, the depreciation difference is presented in the income statement as appropriations, while the accumulated depreciation difference is presented in the balance sheet as accumulated appropriations. In the consolidated financial statements, the accumulated depreciation difference is divided between shareholders' equity and the tax liability.

A depreciation plan is used to determine the depreciation of fixed assets. The depreciation based on estimated economic lifetimes is as follows:

	2000	1999	
Intangible rights	20.00%	20.00%	straight-line depreciation
Other long-term expenditure	10.00%	10.00%	straight-line depreciation
Buildings and structures (stone or similar)	2.00-2.50%	2.00-2.50%	straight-line depreciation
Buildings and structures (wooden)	3.00%	3.00%	straight-line depreciation
Machinery and equipment	15.00-25.00%	15.00-25.00%	depreciation from book value

The subsidiary, Medipolis Ltd, applies a depreciation plan which differs from that of the parent company, i.e. 15.0% depreciation from book value with regard to machinery and equipment.

Translation of foreign currency items

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of each transaction. At the end of the financial year, unsettled foreign currency transaction balances are valued at the average rates of the balance sheet date.

Direct taxes

The direct income taxes for the financial year are accrued and written into the income statement. The change in deferred tax liabilities and assets is entered in the consolidated financial statements and calculations are made of accrual differences and other temporary differences in accordance with alternative 2 of the guidelines of the Finnish Accounting Standards Board. The deferred tax liabilities and assets are not written into the parent company balance sheet. Deferred taxes are calculated according to the tax rates on the balance sheet date. In the consolidated balance sheet the deferred tax liabilities and assets are netted and detailed in the notes to the balance sheet. The tax assets outstanding at the end of the financial year originate from unused depreciation in taxation.

Notes Concerning the Income Statement

Net sales by business area	Group 2000	1999	Parent company 2000	1999
Lease income	13 582 394	10 360 488	12 472 234	9 401 323
Service income	3 376 035	1 899 898	251 373	63 068
Net sales	16 959 873	12 260 387	12 723 608	9 464 391
Personnel expenses				
Salaries and fees	1 671 107	1 037 655	563 964	432 822
Pensions	285 637	167 064	94 554	68 536
Indirect employee costs	204 381	117 839	80 577	51 873
Total	2 161 125	1 322 558	739 095	553 230
Average number of employees	52	31	12	9
Salaries of President and Board members				
President & CEO	293 499	247 865		
Members of the Board	23 336	21 108	18 417	12 110
Depreciation and write-downs				
Depreciation of tangible and intangible assets	2 398 486	1 783 150	1 929 100	1 357 943
Financial income and expenses				
Dividend income				
From Group companies			2 523	2 523
From affiliated companies		959		959
From others	3 400	5 046	3 400	5 046
Income from share of profits of affiliated companies		-3 844		
Other interest income				
From Group companies			4 244	4 119
From affiliated companies	4 055	3 066	4 569	3 066
From others	514	91 845	93 880	39 257
Other financial income				
From share of profits of affiliated companies	-65 722			
From others	140 546	3 316	6 340	3 316
Interest and other financial expenses				
To others	-3 184 315	-1 889 110	-2 702 754	-1 534 901
Total financial income and expenses	-3 101 522	-1 788 723	-2 587 798	-1 476 616
Exchange rate losses from earlier years included in "interest and other financial expenses"	-481 414	-130 509		-67 174
Appropriations				
Depreciation difference			1 843 438	2 049 319
Direct taxes				
Income tax from actual operations	972 622	611 345	857 625	564 145
Change in deferred tax liability	586 302	476 100		
Total	1 558 924	1 087 445	857 625	564 145

Notes Concerning Balance Sheet Assets

Changes in fixed assets	Group		Parent company	
	2000	1999	2000	1999
Intangible rights				
Acquisition cost, Jan 1	968 655	763 279	845 630	667 190
Increases	329 069	205 375	317 944	178 440
Accumulated depreciation, Jan 1	-35 836	-19 833	-16 462	-9 654
Depreciation for the year	-15 738	-16 003	-5 376	-6 808
Intangible rights, Dec 31	1 246 151	932 819	1 141 736	829 168
Other long-term expenditure				
Acquisition cost, Jan 1	694 234	415 540	497 858	415 540
Increases	25 053	278 694	24 041	82 317
Accumulated depreciation, Jan 1	-184 081	-99 210	-143 925	-85 438
Depreciation for the year	-84 348	-84 871	-57 547	-58 487
Other long-term expenditure, Dec 31	450 858	510 153	320 426	353 933
Land areas				
Acquisition cost, Jan 1	1 977 357	927 864		
Increases	1 235 313	1 049 493	1 235 313	
Revaluation 1997	1 042 765	1 042 765		
Land areas, Dec 31	4 255 435	3 020 122	1 235 313	
Buildings and structures				
Total acquisition cost, Jan 1	79 643 191	61 678 605	67 612 033	48 816 783
Increases	25 532 101	17 964 586	25 520 308	18 795 250
Accumulated depreciation, Jan 1	-6 045 262	-4 602 922	-5 178 590	-3 991 414
Depreciation for the year	-1 995 874	-1 442 340	-1 756 450	-1 187 176
Book value, Dec 31	97 134 156	73 597 929	86 197 301	62 433 443
Construction period interest, Jan 1	708 907	708 907		
Accumulated depreciation, Jan 1	-543 496	-472 605		
10-year straight-line depreciation for year	-70 891	-70 891		
Construction period interest, Dec 31	94 520	165 412		
Buildings and structures, Dec 31	97 228 676	73 763 341		
Depreciation of construction period interest is included in "other financial expenses" in the income statement.				
Machinery and equipment				
Net expenditures, Jan 1	981 770	421 052	316 415	169 192
Increases	656 629	878 921	135 161	295 289
Decreases	-54 126	-78 267	-12 673	-42 594
Depreciation for the year	-302 527	-239 936	-109 726	-105 472
Machinery and equipment, Dec 31	1 281 746	981 770	329 177	316 415
Advance payments and projects in progress				
Net expenditures, Jan 1	5 111 569	3 797 578	5 115 874	3 385 206
Increases / decreases	-1 511 798	1 313 990	-1 516 103	1 730 668
Projects in progress, Dec 31	3 599 771	5 111 569	3 599 771	5 115 874

Currency unit: EUR

Shareholdings of parent company	End of financial year	Holding, %	Nominal value	Book value
Holdings in Group companies				
Medipolis Oy, 26,350 shares, Oulu	31.12.2000	55.7	4 431 752	4 431 752
Technopolis Hitech Oy, 100 shares, Oulu	31.12.2000	100.0	16 819	64 415
Oulun Teknoparkki Oy, 100 shares, Oulu	31.12.2000	69.0	16 819	22 688
Total				4 518 855
Holdings in affiliated companies				
OuluTech Oy, 30 shares, Oulu	31.12.2000	30.0	5 046	33 806
Iin Micropolis Oy, 450 shares, Ii	31.12.2000	23.1	75 685	75 685
Technocenter Kempele Oy, 485 shares, Kempele	31.12.2001	48.5	125 250	588 471
Total				697 962
Other shareholdings				
Incap Oyj, 20,000 shares	31.12.2000	0.6	2	84 094
Uusi Oulun Puhelin Oyj, 90 shares	31.12.2000	0.1	0.2	51 079
Kiinteistö Oy Teknocent, 250 shares	31.12.2000	6.2	42 047	42 047
Tekno-Tennis Oy, 68 shares	31.10.2000	64.8	2 859	16 238
Oulun Teknologiakylän Päiväkoti Oy, 5 shares		2.0	8 409	8 409
Nallikari-Tennis Oy, 20 shares		0.9	3 027	3 196
Subscription rights				252
Total				205 315
Shareholdings of Group				
Holdings in affiliated companies				
OuluTech Oy, 30 shares		30.0	5 046	33 806
Group share of profit				75 664
Iin Micropolis Oy, 500 shares		25.6	84 094	84 094
Group share of loss				-68 417
Technocenter Kempele Oy, 485 shares		48.5	588 471	588 471
Group share of loss (1st financial year ends Dec 31, 2001)				-63 008
Total				650 610
Other shareholdings				
Incap Oyj, 20,000 shares		0.6	2	84 094
Uusi Oulun Puhelin Oyj, 120 shares		0.2	0.2	69 344
Kiinteistö Oy Teknocent, 250 shares		6.2	42 047	42 047
Tekno-Tennis Oy, 68 shares		64.8	2 859	16 238
Other shares				11 941
Total				223 664

Currency unit: EUR

	Group 2000	1999	Parent company 2000	1999
Holdings in affiliated companies				
Shares held in affiliated companies	650 610	127 334	697 961	109 490
Other investments				
Shares held in Group companies			4 518 855	4 518 855
Receivables from Group companies				
Loans			82 930	87 922
Receivables from affiliated companies				
Loans maturing after 5 years or more		100 913		100 913
Other shareholdings	223 664	224 505	205 315	206 156
Other investments, total	223 664	325 418	4 807 100	4 913 845
Short-term receivables				
Sales receivables	488 583	449 802	45 099	124 648
Receivables from Group companies				
Sales receivables			37 432	191 571
Receivables from affiliated companies				
Sales receivables	25 584	3 892	19 693	
Accrued income and prepaid expenses	1 907 207	1 626 225	1 218 100	1 248 933
Total short-term receivables	2 421 374	2 079 920	1 320 324	1 565 151
Adjusting entries for assets				
Exchange rate losses on foreign currency credits, Jan 1	221 676	352 185		67 174
Decreases	-63 336	-130 509		-67 174
Exchange rate losses on foreign currency credits, Dec 31	158 340	221 676		

Depreciation of capitalized exchange rate losses on foreign currency credits is presented under "financial expenses" in the income statement. Exchange rate losses are depreciated annually during the loan period, based on income expectations.

Notes concerning Balance Sheet Shareholders' Equity and Liabilities

Changes in shareholders' equity	Group	Parent company		1999
	2000	1999	2000	
Share capital, Jan 1	16 956 615	14 063 033	16 875 136	14 063 033
Share issues		2 812 102		2 812 102
Share capital, Dec 31	16 956 615	16 875 136	16 875 136	16 875 136
Share issues, Jan 1				
Increases		5 852 000		5 852 000
Transfer to share capital		-2 812 102		-2 812 102
Transfer to premium fund		-3 039 898		-3 039 898
Share issues, Dec 31				
Premium fund, Jan 1	9 970 197	7 011 779	10 025 415	6 985 517
Issue premium		3 039 898		3 039 898
Premium fund, Dec 31	9 970 197	10 051 677	10 025 415	10 025 415
Revaluation fund, Jan 1	418 191	527 639		
Change in minority interests		53 181		
Change in deferred tax liability	-5 808	-162 630		
Revaluation fund, Dec 31	412 383	418 191		
Other funds				
Building fund, Jan 1	5 872	5 872		
Building fund, Dec 31	5 872	5 872		
Retained earnings, Jan 1	5 088 500	2 858 810	3 898 349	3 019 285
Other decreases	-3 870			
Dividends distributed	-1 856 265	-562 521	-1 856 265	-562 521
Change in minority interests		-64 222		
Net profit for the year	3 696 519	2 856 433	2 091 180	1 441 585
Retained earnings, Dec 31	6 924 884	5 088 500	4 133 264	3 898 349
Shareholders' equity	34 269 951	32 439 375	31 033 815	30 798 900
Distributable funds				
Retained earnings	3 228 365	2 232 067	2 042 085	2 456 764
Net profit for the year	3 696 519	2 856 433	2 091 180	1 441 585
Accumulated depreciation difference and amount transferred to shareholders' equity from optional reserves	-2 763 857	-1 475 510		
Distributable funds	4 161 027	3 612 990	4 133 265	3 898 349

Currency unit: EUR

Revaluation

The value of a lot owned by Medipolis Ltd was raised by EUR 1,042,765 in 1997, based on a calculation of the probable sales price. A deferred tax liability of EUR 168,438 (EUR 162,630 in 1999) was transferred, after deducting minority interests, from the revaluation fund to long-term liabilities.

	Group		Parent company	
	2000	1999	2000	1999
Long-term liabilities				
Loans from financial institutions	64 093 515	40 717 381	58 688 269	37 232 579
Other liabilities	1 375 381	3 697 443	936 242	
Total long-term liabilities	65 468 896	44 414 824	59 624 511	37 232 579
Short-term liabilities				
Advances received	182 704	194 359	122 104	75 526
Accounts payable	1 080 541	2 138 564	806 890	1 808 449
Liabilities to Group companies				
Accounts payable			179 842	295 963
Liabilities to affiliated companies				
Accounts payable	35 905	74 022	35 905	74 022
Other short-term liabilities	5 637 994	5 253 633	4 184 831	3 617 903
Adjusting entries for liabilities	1 777 759	778 053	1 178 355	596 403
Total short-term liabilities	8 714 903	8 438 631	6 507 927	6 468 266
Deferred tax liabilities and assets				
Deferred tax assets				
From accrued items	182 854	234 559		
Total	182 854	234 559		
Deferred tax liabilities				
From appropriations	1 128 899	573 809		
From other temporary items	168 438	162 630		
Total	1 297 337	736 439		
Deferred tax liabilities (net)	1 114 483	501 880		

Currency unit: EUR

Assets pledged and contingent liabilities

	Group 2000	1999	Parent company 2000	1999
Mortgages				
Loans from financial institutions	68 179 575	45 530 026	62 774 329	40 782 710
Mortgages	75 719 612	56 798 351	69 832 915	52 593 653
Rent liabilities				
Mortgages	217 625	217 625	217 625	217 625
Total mortgages	75 937 237	57 015 976	70 050 540	52 811 278
Pledged rent income				
Loans from financial institutions	4 620 220	5 426 533	4 620 220	5 426 533
Pledged rent income	733 974	712 540	733 974	712 540
Collateral given on behalf of Group companies				
Guarantees	840 940	840 940	840 940	840 940
Collateral given on behalf of affiliated companies				
Guarantees	504 563		504 563	
Leasing liabilities				
To be paid in the current financial year	31 306	52 929		1 813
To be paid later	55 897	79 470		
Leasing liabilities, total	87 203	132 400		1 813

Key Indicators and Financial Ratios

	2000	1999	1998	1997	1996
Summary of income statement					
Net sales	16 960	12 260	9 016	6 711	5 793
Rent income	12 486	9 257	6 052	4 224	3 471
Sub-rent income	1 096	1 104	1 266	1 068	1 035
Total rent income	13 582	10 360	7 318	5 292	4 506
Service income	3 376	1 900	1 699	1 419	1 287
Other operating income	2 584	2 192	1 827	1 873	1 801
Gross margin	10 825	7 419	4 760	3 691	3 029
Operating profit	8 426	5 636	3 170	2 553	2 174
Income after financial items	5 325	3 847	1 320	1 309	1 041
Net profit for the year	3 697	2 856	918	908	746
Summary of balance sheet					
Total assets	113 286	89 444	70 496	47 005	39 978
Buildings and structures	97 229	73 763	57 312	32 317	29 407
Financial securities, cash & bank	1 911	2 586	3 376	3 299	5 008
Shareholders' equity	34 270	32 439	24 319	13 630	12 389
Interest-bearing liabilities	69 973	49 488	41 844	27 417	23 981
Key indicators and financial ratios					
Change in net sales, %	38.33	35.98	34.36	15.84	21.70
Operating profit / net sales, %	49.68	45.97	35.15	38.05	37.53
Return on equity (ROE), %	10.17	8.76	4.49	6.20	6.28
Return on investment (ROI), %	8.79	7.43	5.91	6.68	6.94
Equity on assets ratio, %	33.59	40.44	38.27	34.55	35.95
Net debt / equity, %	179.17	129.96	142.92	148.80	132.15
Interest margin, %	267.22	303.65	165.92	191.77	172.87
Employees in Group companies	52	31	25	22	20
Share-related indicators, EUR					
Earnings / share	0.37	0.27	0.18	0.18	0.15
Equity / share	3.42	3.23	2.91	2.83	2.57
Dividend / share	0.25*	0.19	0.07	0.05	0.04
Average issue-adjusted no. of shares	10 033 500	9 355 538	5 151 911	4 811 500	4 728 435
Issue-adjusted no. of shares on Dec 31	10 033 500	10 033 500	8 361 500	4 811 500	4 811 500
Real estate portfolio indicators					
Book value of real estate portfolio	101 484	76 783	59 283	34 287	30 335
Net investments in real estate portfolio	26 765	18 996	26 333	3 773	8 945
Net investments in real estate portfolio (incl. projects in progress)	25 253	20 310	25 208	7 856	5 676
Net yield % of book value of real estate	11.82	11.28	10.44	10.94	11.09
Other key indicators and financial ratios					
Price / earnings (P / E) ratio, %	7.65	10.75			
Dividend payout ratio, %	67.86*	67.62			
Effective dividend yield, %	8.87	6.29			
Market capitalization of shares, EUR	28 294 470	29 498 490			
Share turnover	3 507 575	1 406 863			
Share turnover / ave. no. of shares, %	34.96	14.02			
Share prices, EUR					
Highest price	3.92	3.60			
Lowest price	2.75	2.35			
Average price	3.09	2.86			
Dec 29	2.82	2.94			

* Proposal for distribution of dividends

Definitions of Key Indicators and Financial Ratios

Return on equity (ROE), %

$$100 \times \frac{\text{Profit or loss before extraordinary items - Taxes}}{\text{Equity + Minority interests}}$$

Return on investment (ROI), %

$$100 \times \frac{\text{Profit or loss before extraordinary items + Interest and other financial expenses}}{\text{Total assets - Non interest-bearing liabilities}}$$

Equity to assets ratio, %

$$100 \times \frac{\text{Equity + Minority interests}}{\text{Total assets - Advances received}}$$

Net debt / equity, %

$$100 \times \frac{\text{Interest-bearing debt - Cash \& bank and financial securities}}{\text{Equity + Minority interests}}$$

Interest margin, %

$$100 \times \frac{\text{Income before extraordinary items + Financial expenses}}{\text{Financial expenses}}$$

Earnings / share

$$\frac{\text{Profit before extraordinary items - Taxes +/- Minority interests}}{\text{Average number of shares adjusted for share issues}}$$

Equity / share

$$\frac{\text{Equity}}{\text{Issue-adjusted number of shares on Dec 31}}$$

Dividend / share

$$\frac{\text{Dividend}}{\text{Issue-adjusted number of shares on Dec 31}}$$

Dividend payout ratio, %

$$100 \times \frac{\text{Dividend/share}}{\text{Earnings/share}}$$

Price / earnings (P / E) ratio

$$\frac{\text{Issue-adjusted share price on Dec 31}}{\text{Earnings / share}}$$

Effective dividend yield, %

$$100 \times \frac{\text{Issue-adjusted dividend/share}}{\text{Issue-adjusted share price on Dec 31}}$$

Net rent income ratio, %

$$100 \times \frac{\text{Rent income - Direct expenses (from Group-owned properties)}}{\text{Average book value of real estate portfolio during year}}$$

Surface area renting ratio, %

$$100 \times \frac{\text{Total surface area (floor square meters)}}{\text{Total surface area for rent (floor square meters)}}$$

Shares and Shareholders

The company's business name is Technopolis Oyj, in English Technopolis Plc, and its domicile is the City of Oulu, Finland. The company was registered in the Trade Register on September 16, 1982 under the name Oulun Teknologia kylä Oy with the registration number 309.397, and was converted into a public limited company on November 5, 1997. The company's name was changed to Technopolis Oulu Oyj on April 15, 1998, and later, in accordance with a decision of the Annual General Meeting of March 2000, to Technopolis Oyj. This name, as well as a parallel business name, Technopolis Plc, was registered on April 7, 2000. Oulun Teknologia kylä and Technopolis Oulu are supplementary business names.

Shares and capital

Technopolis Plc has issued 10,033,500 shares. The company's share capital of EUR 16,956,615 is divided into 10,033,500 shares with an equivalent book value of EUR 1.69. The company has one share series and each share carries one vote. The shares are in the book-entry system.

According to the Articles of Association of Technopolis Plc, the company's minimum share capital is EUR 15,000,000 and its maximum share capital EUR 60,000,000, within which limits the share capital may be increased or decreased without amending the company's Articles of Association. The minimum and the maximum share capital were registered on April 7, 2000.

Increases in share capital

	Share capital	Nominal value	Number of shares	Entered in the register
Company foundation	336 375,80	168.19	2 000	16.9.1982
Increase in share capital	1 345 503,40	168.19	8 000	22.5.1986
Increase in share capital	2 691 006,80	168.19	16 000	10.2.1988
Increase in share capital	4 372 886,10	8.41	520 000	28.3.1990
Increase in share capital	6 392 654,90	8.41	760 180	10.4.1991
Increase in share capital	8 092 362,10	8.41	962 300	7.3.1996
Increase in share capital	14 063 033,50	1.68	8 361 500	26.11.1998
Increase in share capital	16 875 135,60	1.68	10 033 500	8.6.1999
Increase in share capital				
by a funds transfer	16 956 615,00		10 033 500	7.4.2000

Annual General Meeting of March 24, 2000

Pursuant to the proposals of the Board of Directors, the Annual General Meeting of Technopolis Plc decided on March 24, 2000 to restate the company's share capital in euros. It also decided to waive the par value of the share, and to set the minimum and maximum number of shares allowed by the Articles of Association at 5,000,000 and 50,000,000 respectively. The company's share capital was raised by a funds transfer of EUR 81,479.40 from FIM 100,335,000.00 (equivalent to EUR 16,875,135.60 rounded off to two decimals) to EUR 16,956,615.00. The funds transfer was executed by transferring EUR 81,479.40 from the premium fund to the share

capital without issuing new shares. Subsequently, the company's share capital of EUR 16,956,615.00 was divided into 10,033,500 shares. The equivalent book value of a share was registered as EUR 1.69.

The Annual General Meeting authorized the Board of Directors, within one (1) year of the Annual General Meeting, to decide on one or more issues of convertible bonds and/or options, and/or to decide on raising the share capital by one or more subscription issues, provided that in the issue of convertible bonds or options or in the subscription issue no more than 1,997,057 new shares of the company with an equivalent value of EUR 1.69 per share may be subscribed for. Based on the authorization, the company's share capital can be raised by a maximum of EUR 3,375,027.12.

The authorization entitles the Board to deviate from shareholders' pre-emptive rights to subscribe for new shares, convertible bonds or options, in accordance with section 2, chapter 4 of the Companies' Act, and to decide on the subscription prices, the persons entitled to subscribe, the subscription terms, and the terms and conditions of the convertible bonds and options. The authorizations departing from the pre-emptive rights of shareholders can be used provided that the company has weighty financial reasons for doing so, such as financing of acquisitions or other arrangements affecting the development of the company's business operations or the company's capital servicing. If the capital is raised by a subscription issue, other than on the basis of convertible bonds or options, the Board of Directors is entitled to decide on whether the shares can be subscribed for in kind, or otherwise on particular conditions.

Largest Shareholders, Dec 31, 2000

	No. of shares	%
City of Oulu	2 092 050	20.85
Etra Invest Oy	567 400	5.66
Finnvera Plc	506 300	5.05
Fortel Invest Oy	369 400	3.68
Tiiviste-Group Oy	326 000	3.25
Norvestia Oyj	303 800	3.03
Pohjola Life Insurance Company Ltd.	285 000	2.84
Sampo Enterprise Insurance Company Ltd.	269 500	2.69
Kapiteeli Ltd.	247 050	2.46
Suomen Kulttuurirahaston Kannatusyhdistys ry	153 000	1.52

According to notifications received by Technopolis, the holding of Norvestia Oyj decreased to 3.7% in March and that of Osuuspankkien Eläkesäätiö s.r. to 3.3% in May. Etra Invest Oy's holding increased to 5.66% in October. To the company's knowledge, no other ownership changes of the type referred to in chapter 2, section 9 of the Securities Market Act have occurred.

Shareholding Breakdown, Dec 31, 2000

Share amount	Holdings	%	Shares/votes	%
1 - 500	1 186	53.30	333 380	3.32
501 - 1 000	526	23.64	452 595	4.51
1 001 - 10 000	444	19.96	1 304 775	13.00
10 001 - 100 000	53	2.32	1 908 150	19.02
100 001 -	16	0.72	6 002 650	59.83
Total	2 225	100.00	10 001 550	99.68
Joint account			31 950	0.32
No. of shares issued			10 033 500	100.00

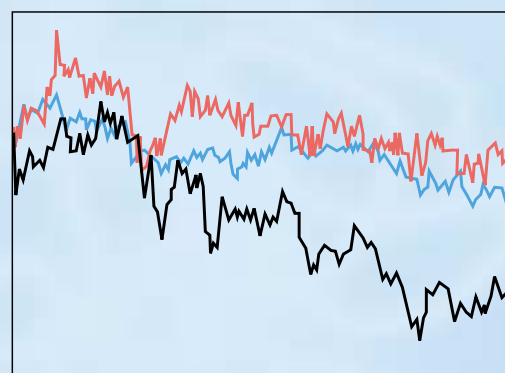
Shareholdings by Sector, Dec 31, 2000

	Holdings	%	Shares/votes	%
Private companies	171	7.69	2 888 793	28.79
Finance & insurance	21	0.94	1 988 500	19.82
Public bodies	15	0.67	2 371 100	23.63
Non-profit institutions	31	1.39	771 100	7.69
Households	1 982	89.16	1 980 957	19.74
Foreign investors	3	0.13	1 100	0.01
Total	2 223	100.00	10 001 550	99.68
Joint account			31 950	0.32
No. of shares issued			10 033 500	100.00
Nominee-registered shares	2	377 600	3.76	

Share-related Indicators

Issue-adjusted number of shares	
On Dec 31, 2000	10 033 500
Average during year	10 033 500
Share-related indicators	
Earnings / share	0.37
Equity / share	3.42
Dividend/share (proposal)	0.25
Dividend payout ratio, % (proposal)	67.86
P / E ratio, %	7.65
Effective dividend yield, %	8.87
Share prices	
Highest price	3.92
Lowest price	2.75
Average price	3.09
Final price Dec 29, 2000	2.82
Market capitalization of shares	28 294 470
Share turnover	10 839 051
Shares traded	3 507 575

Share Prices



Year 2000

— Technopolis Plc — Investment — HEX-Portfolio Index

Board of Directors' Proposal for the Distribution of Profits

The distributable funds at the disposal of the Annual General Meeting amount to EUR 4,133,265. The Board of Directors proposes that dividends of EUR 0.25 per share be distributed, totaling EUR 2,508,375. The Board proposes that the remaining EUR 1,756,725 be left in retained earnings.

Oulu, February 28, 2001

Kari Nenonen
Chairman of the Board

Lauri H.J. Lajunen
Vice Chairman of the Board

Antti Hannula
Member

Juha Hulkko
Member

Timo Huttunen
Member

Pentti Kinnunen
Member

Timo Korhonen
Member

Seppo Säynäjäkangas
Member

Pertti Huuskonen
President and CEO

Auditors' Report

To the shareholders of Technopolis Plc

We have audited the accounting, the financial statements and the corporate governance of Technopolis Oyj for the period 1.1.2000-31.12.2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President and CEO. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the President and CEO have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Oulu, March 1, 2001

TILINTARKASTAJIEN OY - ERNST & YOUNG
Authorized Public Accounting Firm

Reijo Karppinen
Authorized
Public
Accountant

Rauno Sipilä
Authorized Public Accountant

Company Management and Auditors

Board of Directors

Mr. Kari Nenonen, born 1953, has served as Chairman of the Board since March 24, 2000. He is the current Mayor of Oulu (elected in 1999) and was previously the Business Enterprise Director and Internationalization Manager of the City of Oulu, and the Development Manager of the Regional Council of Northern Ostrobothnia.

Prof. Lauri H.J. Lajunen, born 1950, has served as Vice Chairman of the Board since 1996 except for 1.1 - 23.3.2000 when he was Chairman. He has served as President of the University of Oulu since 1993, having been appointed Professor of Chemistry in 1976.

Mr Antti Hannula, born 1964, has been a Member of the Board since 1998. He is currently a Partner in Nextit Ventures Oy, having previously been Vice President, Investment in Norvestia Oy during 1997-1999.

Mr Juha Hulkko, born 1954, has been a Member of the Board since 1995. He is a Director in the Elektrobit Group and the Chairman of the Board of Elektrobit Ltd, a company founded by him. Elektrobit specializes in wireless telecommunications, operates in nine locations in Finland and has twelve foreign subsidiaries on three continents.

Mr. Timo Huttunen, born 1959, has been a Member of the Board since 1999. He has held various posts at Nokia since 1985 and is currently Vice President, Software Development at Nokia Mobile Phones.

Mr. Pentti Kinnunen, born 1954, has been a Member of the Board since 2000. He has held various posts in Kera Oy and Finnvera Oyj since 1991, and has been the Regional Di-

rector of Finnvera Oyj's Oulu office since 1999.

Mr Timo Korhonen, born 1952, has been a Member of the Board since 1997. He is Chairman of the Board of CCC Software Professionals Oy, a software house founded by him. The CCC Group has over 400 employees in various locations around the world.

Mr Seppo Säynäjäkangas, born 1942, has been a Member of the Board since 1993. He is Chairman of the Board and Group President of Polar Electro Oy, a firm which he founded. Polar Electro is the world's leading manufacturer of heart rate monitors and interface equipment. Seppo Säynäjäkangas is a professor of electronics and a professor of entrepreneurship at the University of Oulu.



Operating Management

Mr Pertti Huuskonen, born 1956, has been the President and CEO of the parent company, Technopolis Plc, since joining it in 1985. Before that he had been the President of Vakote Oy, a machine automation company founded by him.

Ms Saara Lampelo, born 1950, has been the President and CEO of the Technopolis subsidiary, Medipolis Ltd, since 1994. From 1989 to 1994

she served as Director of the Training and Development Center of the University of Kuopio.

Ms Satu Barsk, born 1961, has been the President and CEO of the Technopolis subsidiary, Technopolis Hitech Oy, since 1997. Previously, she was Sales Director of Finland Post Ltd, responsible for corporate services in Northern Finland.

Shareholdings of the management, December 31, 2000

The Members of the Board, the President & CEO and companies under their control held 72,400 shares of Technopolis Plc on December 31, 2000, which is 0.72% of the total number of shares.

Auditors

The Annual General Meeting elects two auditors. At least one of these auditors must be an auditor or firm of public accountants approved by the Central Chamber of Commerce of Finland. The auditor's assignment terminates at the end of the Annual General Meeting following the election. The company's auditor has been Tilintarkastajien Oy - Ernst & Young, Authorized Public Accountants, with Mr. Seppo Laine, APA, as the responsible auditor until May 24, 2000, followed by Mr. Rauno Sipilä, APA, from May 24, 2000, and Mr. Reijo Karppinen, APA.



Members of the Board of Directors of Technopolis Plc in 2000 (back row, from the left): Pentti Kinnunen, Timo Korhonen, Juha Hulkko, Timo Huttunen, Lauri H.J. Lajunen, Kari Nenonen and Antti Hannula.

List of Real Estate Holdings

		Floor area, square meters			Completion year	Book value, EUR
		Office	Production	Total		
Enterprise building 3	Teknologiantie 3	967		967	1988	268 858
Enterprise building 4	Teknologiantie 4	961		961	1986	300 784
Enterprise building 5	Teknologiantie 5	1 015		1 015	1987	242 402
Enterprise building 6	Teknologiantie 6	897		897	1986	193 594
Enterprise building 7	Teknologiantie 7	996		996	1988	233 307
Enterprise building 8	Teknologiantie 8	724		724	1987	161 564
Enterprise building 9	Teknologiantie 9	970		970	1989	217 112
Enterprise building 10	Teknologiantie 10	788		788	1987	168 874
Warehouse	Teknologiantie 3		325	325	1987	31 147
Enterprise building 16	Teknologiantie 16	1 218		1 218	1990	808 319
Enterprise building 21 1)	Tutkijantie 11		3 327	3 327	1992	2 969 563
Enterprise building 22a	Tutkijantie 2	897		897	1996	604 670
Enterprise building 23 1), 2)	Tutkijantie 13		3 496	3 496	1994	1 611 240
Enterprise building 24 3)	Tutkijantie 4	6 221		6 221	1994	3 324 792
Enterprise building 53	Elektroniikkatie 3	6 722		6 722	1998	5 482 047
Enterprise building 54	Elektroniikkatie 4	3 928		3 928	1999	3 296 777
Enterprise building 55	Elektroniikkatie 5	6 612		6 612	1998	5 911 550
Smarthouse 4)	Elektroniikkatie 8	7 627		7 627	1999	9 817 199
Enterprise building 59	Elektroniikkatie 9	990	495	1 485	1997	893 862
Enterprise building 60	Elektroniikkatie 10	8 560		8 560	1996	6 665 465
Enterprise building 61	Elektroniikkatie 11	3 069		3 069	1999	3 169 729
Enterprise building 62	Elektroniikkatie 12	3 200		3 200	1997	2 433 419
Enterprise building 63	Elektroniikkatie 13	8 774		8 774	1998	7 131 652
Enterprise building 64	Elektroniikkatie 14	4 783		4 783	1999	3 764 324
Enterprise building 65	Elektroniikkatie 15	3 147		3 147	1998	2 759 911
Enterprise building 66	Elektroniikkatie 16	4 816		4 816	2000	3 740 000
Enterprise building 67	Elektroniikkatie 17		3 433	3 433	1998	2 534 729
Enterprise building	Kiveläntie 10	6 386	16 614	23 000	2000	17 333 564
Technopolis, total		84 268	27 690	111 958		86 070 455
Medipolis		10 405		10 405	1992	10 874 857
Sub-rent						
Main building	Teknologiantie 1	3 493		3 493		
Enterprise building 22	Tutkijantie 2	5 347		5 347		
Enterprise building 12	Teknologiantie 12	1 186		1 186		
Sub-rent, total		10 026		10 026		
Premises for rent, total				132 389		
Under construction in 2001						
Enterprise building 48	Elektroniikkatie 2	5 558		5 558	2001	
Enterprise building 50	Elektroniikkatie 2	5 568		5 568	2001	
Enterprise building 56	Elektroniikkatie 6	6 210		6 210	2001	

1) Building was completed in 1992 and extended in 1995. In 1999, an extension combining enterprise building 21 and enterprise building 23 was constructed.

2) Building was completed in 1994 and extended in 1996. In 1999, an extension combining enterprise building 21 and 23 was constructed.

3) Building was completed in three stages in 1989, 1993 and 1994.

4) Extension of Smarthouse, 1,916 square meters, was completed in June 2000.



TECHNOPOLIS PLC

Elektroniikkatie 8

90570 Oulu, Finland

Tel. +358 8 551 3211

Fax +358 8 551 3210

www.technopolis.fi

