ANNUAL REPORT 2002

TECHNOPOLIS

Information for Shareholders

Annual General Meeting

The Annual General Meeting of Technopolis Plc will be held on Thursday, March 27, 2003, starting at 12.00 noon, in the auditorium of the Medipolis Center at Kiviharjuntie 11, Oulu, Finland. Shareholders registered in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd. by March 17, 2003 have the right to participate. Shareholders whose shares have not been transferred to the book-entry system also have the right to participate provided they were registered in the company's shareholder register before March 6, 1998. In this case, upon arrival at the AGM, they must present their share certificates or other documentation proving that their shares have not been transferred to the book-entry system.

Shareholders wishing to attend the AGM must give notice of their intention to do so by 4.00 p.m. on March 24, 2003, either in writing to Ms. Leena Marmila, Technopolis Plc, Elektroniikkatie 8, 90570 Oulu, Finland, or by telephone to +358 8 551 3213, or by email to leena.marmila@technopolis.fi. The notice must be received by the above deadline. Shareholders are requested to present any powers of attorney along with their notice of intention to participate.

Copies of the financial statements and the proposals of the Board of Directors are available for shareholders to view from March 20, 2003, at the company's headquarters in Oulu (street address: Elektroniikkatie 8). The company will send copies of the said documents to shareholders upon request.

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 ending on Dec. 31, 2002. The dividend will be paid to shareholders who are registered in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd. by the dividend record date, April 1, 2003. The Board proposes that the dividends be paid on April 8, 2003. However, no dividends will be paid on shares issued by the company in connection with the acquisition of Innopoli Ltd.'s shares (Technopolis uudet), implemented through a share exchange. This is as stipulated in the terms of the rights offering.

Interim Reports for 2003

Technopolis Plc will publish three interim reports for 2003 as follows: January-March on May 7, January-June on July 17 and January-September on October 22.

Contents

Technopolis in a Nutshell

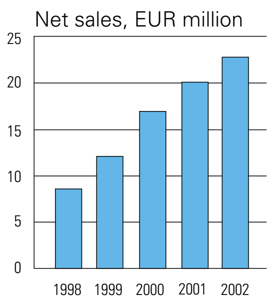
The year 2002 was a very satisfactory one for Technopolis Plc. The company's net sales and profit developed positively. Net sales increased to EUR 22.6 million and profit before extraordinary items to EUR 6 million. Moreover, there were significant developments during the year. Construction started on a major enterprise center near the Helsinki-Vantaa International Airport. The first stage will be completed in June 2003. Technopolis also made an exchange offer to the shareholders of Innopoli Ltd., located in Espoo, in order to acquire the company. As a result, Innopoli became a part of Technopolis in January, 2003.

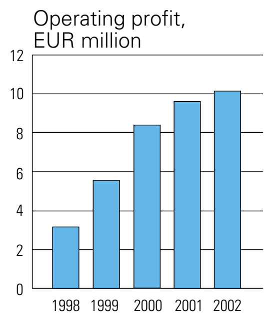
Technopolis is the largest company in Finland specializing in providing operating environments for high tech companies. Around 7,500 people from more than 500 companies are currently working in Technopolis facilities. The company has a unique business concept to meet the needs of high tech companies in particular. Drawing on more than 20 years of experience, it emphasizes the provision of modern premises, backed by a wide range of services and company development programs.

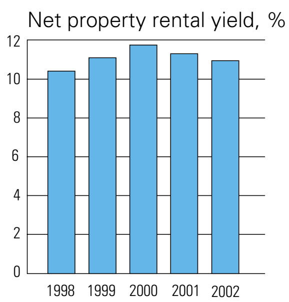
Technopolis operates in Oulu at the Linnanmaa site on the University of Oulu campus, in the Kontinkangas site near the city center and by the Lentokentäntie road in Kempele. The company is preparing to construct a new enterprise center in the Oulu city center. Technopolis also operates in Helsinki-Vantaa and Espoo in the Helsinki metropolitan area.

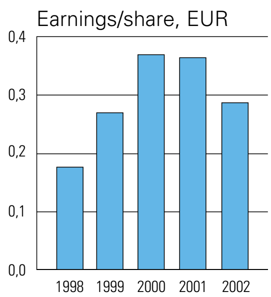
Technopolis has good prospects to continue profitable growth. Its successful customers and long-term rent agreements create a solid foundation for the company's operations.

Technopolis Plc's generous dividend policy provides its owners with good returns. The dividend proposed by the Board of Directors, EUR 0.25 per share, would mean an effective dividend yield of 8.4 % based on the year's closing share price. Technopolis Plc's shares are quoted on the main list of the Helsinki Exchanges, in the Investment group.









To our Shareholders

A positive year for shareholders

The year 2002 was very positive for Technopolis shareholders. The company carried out a rights offering in March primarily for old and secondarily for new shareholders. The subscription price was EUR 2.35. By year's end, the share price had risen to EUR 2.98, up by a healthy 26.8 %.

Technopolis' share price out-performed the HEX All Share Index. The end-of-year news about the acquisition of Innopoli Ltd. was well-received by the market. The excellent result for 2002 again allows the company to propose a dividend of EUR 0.25 per share to the Annual General Meeting. This continues to be among the best in the Helsinki Exchanges, even in this year of record high dividends.

The company's market capitalization increased rapidly during 2002. Starting from EUR 36.7 million in January, it rose to EUR 50 million, supported by the successful rights offering in March and the Innopoli acquisition at the end of the year.

Customers of Technopolis

Ever since the foundation of Technopolis more than 20 years ago, our customers have been high-tech enterprises and related service organizations. They have included new firms with innovative products, well-established international companies and a wide range of enterprises in between. Technopolis offers services suitable for all stages of the corporate lifecycle – from incubator concepts to substantial operating environments and technology programs.

The ideas for many of our most successful services have come from our customers. In this regard, I would like to thank our creative, development-oriented customers for your fine cooperation.

Service concept the basis for success

The service concept of Technopolis demonstrated its competitiveness in last year's challenging business environment. This is well reflected by the fact that the company's occupancy ratio has remained excellent. At the end of 2002, it was 98.7 %, compared with 99.2 % one year earlier. The Group's net sales grew by 12.5 %, and net profit went up by 4.8 %.

The Technopolis service concept is always developed in close cooperation with customers. A description of the concept can be found on pages 7-13 of our Annual Report.

Technopolis Oulu expanded

The Technopolis operating environments in the Oulu region are superbly located with respect to the needs of the technology sector. Technopolis Linnanmaa is the largest of our enterprise centers in the Oulu region. It houses 173 companies and 4,400 employees. The University of Oulu and VTT (the Technical Research Center of Finland) are situated next to it. Technopolis Kontinkangas is an excellent location for medical and biotechnology companies, and, thanks to its central location, also for other high tech firms. Kontinkangas houses 54 firms and 600 employees. Technopolis Lentokentäntie has a high profile location close to the airport. 12 companies and 1,400 employees work in this impressive building.

In the fall of 2002, preliminary planning was started for a Technopolis project in Oulu city center. It will be located in the Autonummi district in the urban center. Premises covering 15,000 square meters will be constructed primarily for wellness and media sector companies. The aim is to complete the first stage in 2005.

Strong start for Technopolis Helsinki-Vantaa

The Technopolis Helsinki-Vantaa project made significant progress in 2002. The first stage of an extensive land deal was completed in March when property was bought from CAA Finland and the City of Vantaa with building rights to 32,000 floor square meters, about half a kilometer from the International Airport. The second stage of the land deal, which is of similar size, will be concluded in 2004.

By June, rental commitments for more than half of the first building stage had been secured. The decision to start construction was then made. The investment will exceed EUR 10 million, and will result in 8,000 floor square meters which will be ready by June 2003. The first stage will house approx. 25 companies with an estimated 180 employees. In June, an agreement was reached with the main occupant of the second building stage, the Espoo-Vantaa Institute of Technology (EVITech). Construction on the second stage will begin in March 2003. After the agreement with EVITech, 67 % of the building has been rented.

Technopolis Innopoli increases regional coverage

Technopolis and Innopoli in Espoo are the two oldest technology centers in Finland. In December, Technopolis accepted the offer of the principal owners of Innopoli Ltd. – Nordea and the Pohjola and Suomi insurance companies – to exchange the shares of Innopoli for the shares of Technopolis. Technopolis made an exchange offer to the other Innopoli shareholders as well. By January 2003, it had been accepted by shareholders owning 98 % of Innopoli's shares.

The expansion of Technopolis into the heart of the scientific community in Espoo is a very important step for the company strategically. Technopolis is now able to offer its concept very comprehensively to technology companies in Finland. Innopoli also brings 250 customer companies with 1,200 employees to the Technopolis Group.

Shareholders

Technopolis has 2,723 shareholders, including 2,447 households. The latter continue to increase their percentage of Technopolis shares which now stands at 38 %. The largest shareholders on February 19, 2003 were the City of Oulu (18.3 %), Erkki Etola and his investment company Etra Invest Oy Ab (altogether 15.3 %) and Finnvera Plc (3.8 %).

Prospects for 2003

The business environment will be more challenging than last year due to a marked decrease in general occupancy ratios. Nevertheless, the management estimates that Technopolis' net sales will increase by 20–25 % in 2003 and that net profit will also improve by 25–30 %. The company estimates that earnings per share, which was EUR 0.29 in 2002, will be 0.30–0.32 in 2003. Our business is stabilized against economic fluctuations by a rental portfolio totaling EUR 72.4 million at the end of 2002.

Personnel and Board of Directors

The record business results achieved by Technopolis in 2002 were due in large measure to our talented and dedicated employees. Our versatile overall concept allows us to serve customers more broadly than competing solutions. We have achieved excellent results in developing operating environments for high tech companies. There is every reason to believe that our progress in the coming years will continue to be strong.

It is essential for a growth company like Technopolis to have a Board of Directors that steers steadfastly in the right direction and focuses on the right issues. In the year under review, the Board concentrated on strategic issues. The main lines of development have thus been defined until the end of 2005.

I wish to extend my warmest thanks to the employees and Board of the Technopolis Group for their outstanding work in 2002.

Pertti Huuskonen
President and CEO

Main Events in 2002

January
Technopolis announced its intention to raise its share capital through a rights offering. The objective was to gather a maximum of EUR 7 million from the market, to secure the company's ability to self-finance its investment program and to prepare for possible corporate and property acquisitions.

February
An Extraordinary General Meeting approved the Board of Directors' proposal to raise the share capital through a rights offering – which subsequently began on February 28, 2002.

March
The rights offering ended on March 18, 2002, with about 1,950 investors subscribing. 97.8 % of the shares offered were subscribed for with primary subscription rights. The subscriptions made with secondary subscription rights exceeded the shares on offer 16 times. As a result of the rights offering, the company's share capital increased by EUR 4.9 million.

Technopolis revised its corporate structure by integrating into the parent company most of the business operations of Technopolis Hitech Ltd., a subsidiary specializing in the service business. Technopolis also announced its intention to merge Medipolis Ltd., a subsidiary specializing in health care technology and biotechnology, into the parent company.

The company acquired 2.6 hectares of land near the Helsinki-Vantaa International Airport. The sales price was EUR 5.7 million, and the agreement was made with the City of Vantaa and Lentoasemakiinteistöt Oyj, owned by the Finnish Civil Aviation Administration. The land deal was the first stage in the implementation of preliminary agreements signed previously. The second stage will be of similar size and is planned for implementation in March, 2004.

April
Technopolis, the first technology center in the Nordic countries, celebrated its 20th anniversary.

May
The first stage of the new Technopolis Mediaani project was completed near Oulu City center. The 4,500 gross square meters of floor space represent an investment of EUR 5.9 million.

A new GMP plant, fulfilling the requirements of the pharmaceutical authorities, was opened. The plant provides biotech companies with pilot-scale GMP facilities, production equipment and skilled personnel to produce biomaterials for clinical research.

June
Technopolis started to construct the first stage (8,000 gross square meters) of its new enterprise center near Helsinki-Vantaa International Airport. The investment is over EUR 10 million.

Technopolis announced it was negotiating with EVITech (Espoo-Vantaa Institute of Technology) and Vakes (Vantaa Vocational Institute) to build training facilities and a pilot plant for electronics manufacture at the Helsinki-Vantaa site. The new facilities and pilot plant will cover 6,000 gross square meters at a total investment of approx. EUR 6.5 million.

September
Octopus, a development and testing environment for mobile applications and services, was brought into use. The Octopus project is part of the Oulu Region Center of Expertise Program.

October
Technopolis Plc offered to purchase the shares of Innopoli Ltd., located in Espoo, through an exchange of shares. Technopolis and Innopoli's main owners, Nordea Bank Finland Plc, Pohjola Group and Suomi Insurance Company Ltd., had reached a joint understanding on the terms of the deal. Technopolis announced that the exchange offer would be extended to all Innopoli shareholders.

November
Technopolis announced a plan to build a new enterprise center in the heart of Oulu. The center will offer an operating environment mainly for companies from the wellness, content production and media sectors. The first stage of the project, comprising 15,000 floor square meters, is planned for completion in 2005.

The company made an exchange offer to the shareholders of Innopoli Ltd. As a consideration for each Innopoli share, Technopolis offered a certain number of its own new shares.

December
Technopolis extended the period for the exchange offer made to Innopoli's shareholders. In the original period, shareholders representing 92.78 % of all Innopoli shares accepted the offer. The extension expired on January 10, 2003.

The Technopolis Concept

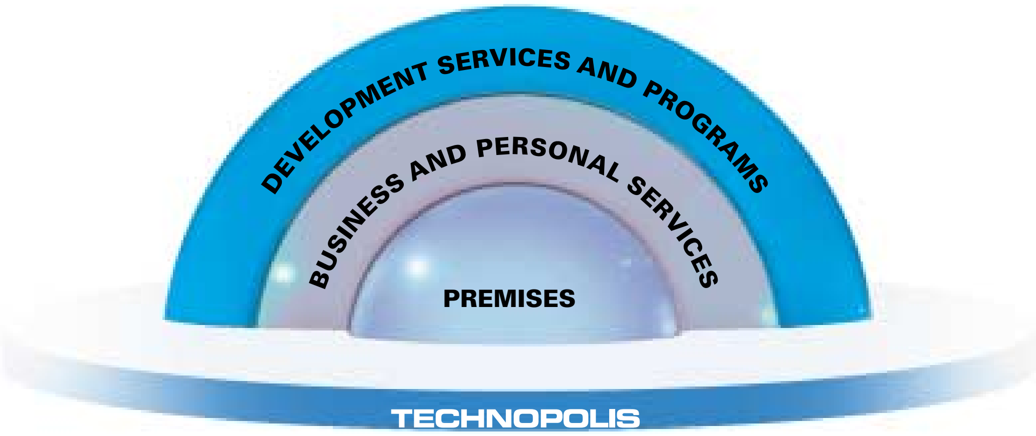
The Technopolis business idea is to help its customers grow and prosper. This idea is realized through the Technopolis operating concept, designed to meet the needs of high tech companies in particular. The Technopolis concept covers the provision of premises, business and personal services, and development services and programs.

Technopolis' premises are always designed and built with particular regard for the needs of high tech companies. They are high quality, modern and adaptable. Their size and layout can be contracted, expanded or adjusted cost-efficiently.

Technopolis' wide range of services covers both customer businesses and their employees. The business services improve the cost-efficiency and flexibility of customer companies, while the personal services promote employee satisfaction and improve work efficiency. The services are produced by Technopolis together with its partners.

Development services and programs improve the competitiveness of customer companies and support their internationalization. The Oulu Region Center of Expertise Program plays an essential role. For example, its forum activities create a continuing dialogue between companies and training and research institutes. Technopolis operating environments also create an excellent basis for versatile cooperation.

A more detailed description of the Technopolis concept can be found on pages 8-13.



Technopolis has been developing its three-part operating concept for over twenty years. The concept is designed to meet the needs of high tech companies in particular, and to help them grow and prosper. Technopolis is constantly developing and expanding the services included in the concept. The wishes and opinions of our customers play an important role in the development process.

P R E M I S E S

Technopolis designs and builds its operating premises especially to suit the needs of high tech companies and companies providing services for them. The premises are high quality, modern and adaptable. Customer companies can select premises based on their stage of development and their goals. The facilities can also be contracted or expanded, or adjusted cost-efficiently as required. Thus customer companies will always have premises that are tailored to their needs as far as is possible.

Some examples of our new projects:

Figures 1 and 3.
The Technopolis Helsinki-Vantaa project proceeded according to plan in 2002. The first stage of the enterprise center, located only half a kilometer from the Helsinki-Vantaa International Airport, will be completed in June 2003. With floor space of 8,000 gross square meters, the first stage building will house over 30 companies and represent an investment of over EUR 10 million.

Technopolis has already completed plans for construction of the second stage. The stage two facilities are designed for the use of Espoo-Vantaa Polytechnic (EVITech) in training and testing for electronics manufacture. Technopolis has also begun preparations for the third construction stage.

Once fully completed, Technopolis Helsinki-Vantaa will provide 65,000 floor square meters, accommodating 3,000 employees.

Figure 2.
Technopolis acquired Innopoli Ltd., located in Espoo, in January 2003. Technopolis Innopoli is situated in the biggest concentration of technological research and education and high tech companies in Finland. The main target of Innopoli is to generate business based on innovations created in the universities and research institutes of the Helsinki metropolitan area. Approximately 1,800 people are working in the 43,000-floor-square-meter facilities.

Figure 4.
The first stage of Technopolis Mediaani, located in Kontinkangas near the Oulu City center, was completed in May, 2002. The building has been wholly rented by TietoEnator Oy. Technopolis Mediaani comprises 4,500 gross square meters and represents an investment of EUR 5.9 million.

1.

2.

PHOTO: PEKKA AGARTH

4.

© FM-KARTTA OY

3.

BUSINESS AND PERSONAL SERVICES

The services provided by Technopolis are divided into two groups: business services aimed at customer companies, and personal services. In each case, the service selection is versatile and constantly being expanded.

The business services directly support the operations of Technopolis' customer companies. They aim to help customer companies succeed and improve their competitiveness. They allow them to focus on their core businesses and create favorable conditions for this.

Technopolis' business services are easy-to-use and cost-efficient. They are easy-to-use because of the one-stop service principle which ensures fast and flexible procurement of different services. They are cost-efficient because Technopolis can benefit from economies of scale in both procurement and production of services. Customer companies can choose exactly which services they wish to use and to what extent.

Typical business services provided by Technopolis are telecommunications, telephone systems, conference, reception, office, postal and human resources services and services related to the premises.

Inexpensive, high-quality telecommunications services are built around the fast Technopolis Service Access network. The network connects all Technopolis operating environments in the Oulu region. The telephone system services provide inexpensive telephone connections and functional call switching services. Conference services provide facilities, technical aids and refreshments for meetings and negotiations. Reception services direct visitors and deliveries to the correct customer companies. Office services handle all routine office work. Postal services handle both regular post as well as courier post. Human resources services provide secretarial and assistant help. Facilities services include property and grounds management, security services, cleaning and overall facilities management services.

A major part of Technopolis' services are handled by the various service providers operating in Technopolis' premises, offering legal, accounting, patenting, translation and communications services.

The personal services are aimed at the employees of companies located in Technopolis' operating environments. Their purpose is to make the working environment as comfortable as possible and improve job satisfaction among employees. Functional personal services improve work efficiency and increase the appeal of companies.

The list of personal services is long and constantly being expanded. Currently they include occupational health and dentist services, physical therapy, travel agency services, dry-cleaning, home cleaning, employee cafeteria, child day care, gymnasiums and hairdressing.

In 2002, Technopolis expanded its complete service selection to its Kempele business center. Another important improvement was setting up and implementing the Technopolis Service Access network.

DEVELOPMENT SERVICES AND PROGRAMS

Technopolis has a unit specializing in the corporate development services and programs that are part of the Technopolis concept. The unit handles both the Oulu Region Center of Expertise Program and the Vantaa Hitech Program. Technopolis is also actively involved in the creation of important Oulu Growth Agreement projects.

The Oulu Region Center of Expertise Program has achieved excellent results. In the Finnish Ministry of the Interior's interim report on the center of expertise programs, Oulu was in a league of its own. Between 1999 and 2002, the Oulu Region Center of Expertise Program was directly responsible for creating 2,755 new jobs and maintaining 836 jobs. In the whole of Finland, the Center of Expertise Programs managed to create a total of 5,700 new jobs during the review period, of which Oulu accounted for nearly a half. Other results of the Oulu Region Center of Expertise Program are also impressive. During the review period, the program was involved in creating 41 new enterprises and 124 new products.

The purpose of the Oulu Region Center of Expertise Program is to improve the competitiveness of Oulu companies, promote their internationalization and create the conditions for success. The most important means for achieving these goals are research and training projects serving the needs of companies and often based on systematic work done at various cooperation forums.

The Center of Expertise Program uses industry-specific forums, that bring together companies and research and training institutes, as a strategic tool. The forums include the Mobile Forum (telecommunications), NCEMForum (electronics), Software Forum, Wellness Forum (wellness technology), Bio-forum (biotechnology) and Eco Forum (environmental technology). The forums try to envision future developments in different industries and technologies and the solutions best suited to tackling these developments. Finally the forum participants join forces to create practical pioneering projects.

The major achievements of Technopolis' development services and programs in 2002 included 1) the introduction of the environmental technology sector and, with it, totally new companies, to the center of expertise programs, 2) the initiation of Octopus, a new development and testing environment for mobile applications and services, 3) the inauguration of a GMP plant fulfilling the requirements of the pharmaceutical authorities, 4) the planning of the Sendai wellness center together with a Japanese partner and 5) the start-up of the Global Software project aimed at the international market.

Technopolis also has other ways of participating in the development of its customer companies. For example, Technopolis operating environments offer corporate consulting and incubator services and help in creating business plans and organizing start-up finance. This work is carried out by Oulutech Ltd., an affiliate of Technopolis.

The informal and spontaneous networking that constantly takes place in Technopolis operating environments is also extremely important. As Technopolis centers bring together companies and training and research institutes from many sectors, they form an excellent network for cooperation and interaction. People from different companies and sectors meet in Technopolis restaurants, reception areas, elevators, tennis courts, gyms and social events. These meetings can often be characterized as “creative collisions” which mark the beginning of countless innovations, projects and long-term partnerships.


Fibrogen Europe Oy
Formu Group
Hi-Col Oy
Instrumentarium Oy
Jr-Yrityspalvelu Oy
M-Technology Oy
Mawell Oy
MedFiles Oy
Medici Data Oy
Prowellness Onlife Oy
Medipolis Oy
Medipolis GMP Oy
Contant Oy
Newtest Oy
Olympus Finland Oy
Gamelot Oy
Suomen radiologipalvelu Oy
Thermo Labsystems
Tietomekka Oy
Triolab Oy
EST Medical Oy
Stryker AB

Board of Directors' Report Jan 1 - Dec 31, 2002

The Technopolis Group's consolidated net sales grew to EUR 22.6 million in 2002, an increase of 12.5 % on the previous year. The profit before extraordinary items was EUR 6.0 million, up by 4.8 %. The Board of Directors of Technopolis Plc proposes a dividend distribution of EUR 0.25 per share, totaling 85 % of the net profit for the year. The company expects net sales to increase by 20 to 25 % and net profit by 25 to 30 % in 2003. The company estimates that earnings per share will be EUR 0.30 to 0.32.

Business environment

The general environment for the premises business continued to be challenging in 2002. Many Internet and IT sector businesses with high growth expectations had to reassess their growth forecasts and adjust their premises for lower personnel numbers.

In the Oulu region, general property under-utilization rates grew, and as a result, competition became tighter. Business property developers and companies which had been forced into business restructuring and had long-term lease commitments were letting premises at prices that did not cover costs. Technopolis' concept helped to keep its occupancy ratio quite high, being 98.7 % at the end of the year.

In the Helsinki metropolitan area, premises under-utilization rates increased significantly in 2002, making the environment even more challenging. A significant number of premises were sub-let at low prices in the Helsinki region as well. The unique location of Technopolis Helsinki-Vantaa and the company's overall concept enabled Technopolis to raise the ratio of binding rental agreements for the first stage of the building project to a little over 75 % by the end of 2002. The project is currently under construction and will be brought into use in June 2003.

Results

The net sales and operating profit of the Technopolis Group developed positively in 2002. The consolidated net sales were EUR 22.6 million (EUR 20.1 million in 2001), an increase of 12.5 % on the previous year. The operating profit was EUR 10.0 million (EUR 9.7 million), up by 3.1 %. The profit before extraordinary items was EUR 6.0 million (EUR 5.8 million), an increase of 4.8 %. Profit was burdened by EUR 0.6 million in non-recurring expenses arising from the share issue in March and from the acquisition of Innopoli shares in December. The company's equity to assets ratio at the end of 2002 was 36.7 % (34.2 %). Earnings per share were EUR 0.29 (EUR 0.36). The company's Board of Directors proposes that a dividend of EUR 0.25 per share (EUR 0.25 per share), totaling 85 % of the net profit for the year, be distributed. According to the proposal, the effective dividend yield would be 8.4 % calculated from the share price at the end of the year.

Of the net sales, rent income accounted for EUR 18.9 million (EUR 16.8 million) and service income for EUR 3.7 million (EUR 3.3 million). Rent income increased by 12.7 % over 2001. Depreciation according to plan totaled EUR 3.3 million (EUR 3.0 million), an increase of 10.9 %. The balance sheet total was EUR 143.7 million (EUR 130.1 million), an increase of 10.4 %.

Structure of net sales

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

EUR million	Parent company	Technopolis Hitech Ltd.	Medipolis Ltd.
Net sales	17.65	2.64	1.83
Other income	2.83		0.30
Planned depreciation	-2.77	-0.09	-0.37
Operating expenses	-8.64	-2.04	-1.20
Operating profit	9.07	0.51	0.56
Net financial costs	-3.30		-0.31
Net profit	2.99	0.36	0.19

At the end of 2002, the business operations of Technopolis Hitech Ltd., a subsidiary wholly owned by Technopolis Plc, were integrated into the parent company. The parent company's other operating income includes EUR 0.54 million in profits from the merger. This internal profit has been eliminated in the consolidated financial statements. Technopolis Plc's holding in Medipolis Ltd. remained at 56 %.

The Group's real estate portfolio for rent comprised 35 properties with a total rentable area of 154,000 floor square meters (150,000 floor square meters on December 31, 2001). The occupancy ratio at the end of 2002 was 98.7 % (99.2 %). At the end of 2002, the Group's order portfolio, mainly based on long-term rent agreements, totaled EUR 72.4 million (EUR 79.8 million). 90 % of the portfolio based on fixed-term agreements ends at the earliest in 2006-2012.

Investments

In March, Technopolis signed a contract with the City of Vantaa and Lentoasemakiinteistöt Oyj, owned by the Finnish Civil Aviation Administration, to acquire 2.6 hectares of land in the proximity of the Helsinki-Vantaa International Airport. The price was EUR 5.7 million. This was the first of the land deals agreed to be implemented in two stages in the preliminary agreements signed in 2001. The second stage will be of similar size and will be concluded in March, 2004.

The first stage of the new Technopolis Mediaani building was completed in May at Kontinkangas in Oulu. The total investment is EUR 5.9 million. The size of the completed Mediaani is 4,500 gross square meters and it is wholly leased to TietoEnator Oyj.

In June, Technopolis started construction work on the first stage of an enterprise center near the Helsinki-Vantaa International Airport. The size of the first stage is 8,000 gross square meters and the investment will be over EUR 10 million. The occupancy ratio of the business premises by the end of the year was 75 %. The first stage will be completed in June 2003.

At the end of 2002, the company began preparations for a new enterprise center in the Oulu City center to host companies from the wellness, content production and media sectors. The estimated size of the building project is 15,000 floor square meters, and the first stage is expected to be completed in 2005.

Events related to the company's shares

The company's shares were quoted on the main list of the Helsinki Exchanges, in the Investment group. The share price varied between EUR 2.60 and EUR 3.32 in 2002. The average price for 2002 was EUR 2.91. The last trading price on Dec. 30, 2002 was EUR 2.98. The trading volume totaled EUR 4,877,508.

The Extraordinary General Meeting held on February 20, 2002 decided to raise the company's share capital through a rights offering based on the shareholders' pre-emptive subscription rights, by a minimum of EUR 1.69 and a maximum of EUR 4,934,588.75, by issuing a minimum of 1 and a maximum of 2,919,875 new shares with a counter-book value of EUR 1.69. On the basis of their primary pre-emptive subscription right, the shareholders had the right to subscribe to one new share for each four old shares. The subscription price was EUR 2.35 per share and the subscription period was from February 28 to March 18, 2002.

The rights offering was oversubscribed. The number of subscriptions made on the basis of the primary pre-emptive subscription right was 97.8 % of the number of the shares offered. The number of subscriptions made on the basis of the secondary pre-emptive subscription right exceeded the number of shares offered by 16 times.

As a result, the share capital of the company increased by EUR 4,934,588.75. The new share capital is EUR 24,672,943.75 divided into 14,599,375 shares. The increase in share capital was entered in the Trade Register on April 2, 2002. The new shares give entitlement to a full dividend for the financial year starting January 1, 2002.

Due to the rights offering, the company's Board of Directors decided on March 19, 2002 to change the terms of the share options granted by the company on March 23, 2001, as regards the maximum increase stated in the original options terms.

The maximum amount of the increase is EUR 1,267,500 which corresponds to 600,000 options. The change in the terms was registered on June 3, 2002. The total number of options distributed by the end of the year was 585,000.

An Extraordinary General Meeting held on December 18, 2002 decided, in deviation from the pre-emptive subscription rights of shareholders, to raise the company's share capital by a minimum of EUR 1,762,353.97, and a maximum of EUR 3,524,706.25, by issuing a minimum of 1,042,813 and a maximum of 2,085,625 new shares with a counter-book value of EUR 1.69. In accordance with the Board of Directors' proposal, the shares were offered for subscription by the registered shareholders of Innopoli Ltd. Accordingly, one Innopoli share entitles its holder to 1.47469 new Technopolis shares, and any fractions of shares are paid in cash. As a result of the transaction, the company's share capital can be raised to no more than EUR 28,197,650, and the number of shares to no more than 16,685,000.

At the end of 2002, the company had 2,723 shareholders. 37.9 % of the shares were held by households, while 0.13 % were nominee-registered.

No convertible bonds were launched. The company has not redeemed its own shares.

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

Financing

The Group's net financial expenses were EUR 4.0 million (EUR 4.0 million). The Group's balance sheet total was EUR 143.7 million (EUR 130.1 million), of which liabilities accounted for EUR 91.0 million (EUR 85.7 million). The Group's equity to assets ratio was 36.7 % (34.2 %). The Group's equity per share was EUR 3.33 (EUR 3.47).

The Group's long-term liabilities at the end of 2002 amounted to EUR 75.1 million (EUR 74.7 million). The average interest rate of loans was 4.35 %. Due to the interest rate risk related to these loans, the bases for calculating interest rates have been divided. At the end of 2002, 49.3 % of the company's loans were bound to either the 6 or 12 month Euribor rate or to the Bank of Finland's rate. 50.7 % of the loans were fixed-interest loans of 13-60 months. The average maturity period of outstanding loans was 12 years.

As part of total financing, Technopolis has a EUR 20 million domestic commercial paper program which allows the company to issue commercial papers with a maturity of less than a year. On December 31, 2002, the issued commercial papers totaled EUR 4.0 million.

Organization and personnel

At the end of the financial year, the company's Board of Directors comprised Kari Nenonen, Chairman, Juha Hulkko, Vice Chairman and the following elected members: Antti Hannula, Lauri H.J. Lajunen, Erkki Rantala and Pertti Rantanen. The company's auditor was Ernst & Young Oy, Authorized Public Accountants, with Rauno Sipilä, APA, as the responsible auditor.

During the year, the Group employed an average of 69 (65) people, of whom 15 (14) were employed in jobs related to premises activities, 34 (33) in corporate services and 20 (18) in project services. Personnel costs increased by 22.8 % on the previous year.

By the end of 2002, the company had integrated most of the business operations of Technopolis Hitech Ltd., a subsidiary specializing in the service business and wholly owned by Technopolis Plc, into the parent company. Technopolis also intends to merge Medipolis Ltd., a subsidiary specializing in the health care technology and biotechnology fields, into the parent company and is currently in negotiations with the company's minority owners to acquire their shares.

Development activity

The Group was responsible for the implementation of the Oulu Region Center of Expertise Program. Expenses paid through the Group for the center of expertise program and other projects in 2002 amounted to EUR 2.7 million, from which the corresponding incomes have been entered as other operating income. These project operations had no effect on the Group's results.

Decisions of the Annual General Meeting

The Annual General Meeting held on March 22, 2002 confirmed the consolidated and parent company income statements and balance sheets for the financial year 2001, released those responsible for the accounts from further liability and decided that a dividend of EUR 0.25 per share be distributed. The Annual General Meeting also decided to cancel the previous share issue authorization granted to the Board of Directors and to grant a new one in its place, and to transfer options to the President and CEO.

Events after the financial year

Based on an offer made by the majority owners of Innopoli Ltd., in December 2002 Technopolis made an exchange offer to all Innopoli shareholders to acquire the Innopoli shares they hold. Shareholders representing approximately 97.5 % of all Innopoli shares accepted the exchange offer by January 10, 2003. The number of new Technopolis shares offered to Innopoli's shareholders corresponded in total to 12.5 % of Technopolis' shares after the implementation of the share issue. An additional purchase premium of 0-2.5 % will also be paid depending on Innopoli Ltd.'s adjusted operating profit for 2003, and based on certain terms and conditions, defined in more detail in the terms of the exchange offer, concerning the continuation of the exceptional permission concerning the land lease agreement and temporary buildings of Otaniemi Science Park.

As a result of accepting the subscriptions, the ownership of 1,328,799 Innopoli shares, which corresponds to 93.96 % of all Innopoli shares, was transferred to Technopolis. A total of 10 Innopoli shareholders who accepted the exchange offer and together own 49,430 Innopoli shares, corresponding to 3.5 % of all Innopoli shares, have not delivered their share certificates, temporary certificates or subscription certificates and/or will have to have their share certificates invalidated. The increase in share capital will be made later for these notifications of acceptance, and therefore the Board of Directors decided to extend the subscription period to November 30, 2003. Three Innopoli shareholders did not accept the exchange offer. The Board of Directors of Technopolis has decided to begin redemption procedures.

After the first installment of the increase in share capital, the company's new share capital totaled EUR 27,967,113.72, divided into 16,548,588 shares with a counter-book value of EUR 1.69. The increase in share capital was entered in the Trade Register on January 27, 2003. The 1,949,213 new shares were accepted for trading on the Helsinki Exchanges on January 29, 2003, in their own series (Technopolis uudet) until the dividend for the January 1 - December 31, 2002 financial year has been paid for the old shares.

Based on the decision of the Extraordinary General Meeting held on December 18, 2002 and the acceptance of the exchange offer on January 14, 2003, Kari Nenonen will act as the company's Chairman of the Board and Pertti Voutilainen as Vice Chairman. The other Board members are Juha Hulkko, Marketta Kokkonen, Lauri H.J. Lajunen, Erkki Rantala and Pertti Rantanen.

Future outlook

The management of Technopolis estimates that in 2003 the demand for the company's high tech operating environments will be satisfactory and the occupancy ratio will remain good. The company expects its net sales to increase by 20 to 25 % and its net profit by 25 to 30 % in 2003. The profit for 2003 will be burdened by non-recurring expenses from the Innopoli arrangement, but will be improved by synergy benefits and the recognition in the accounts of consolidation difference arising from the arrangement. The company estimates that earnings per share will be EUR 0.30-0.32.

Over 75 % of the total floor area of the first stage of the new Technopolis Helsinki-Vantaa project, due for completion in June 2003, has already been rented with binding agreements. The company estimates that the conditions for the decision to begin construction on the second stage will be fulfilled during the first quarter of 2003.

The occupancy ratio, profitability and return on equity of Innopoli Ltd., of which Technopolis acquired a 94 % holding on January 14, 2003, are significantly below the Group average. Innopoli's occupancy ratio is 88.7 %. Technopolis has addressed these factors by improving the efficiency of marketing and the organization. Technopolis believes that in 2003, the occupancy ratio and profitability of Innopoli Ltd. will improve to a level closer to that of Technopolis.

Technopolis is protected against fluctuations in the business cycle by long-term rent agreements which totaled EUR 72.4 million at the end of 2002. 90 % of the portfolio based on fixed-term agreements ends at the earliest in 2006-2012.

The development of the company's financial result is dependent on trends in the general operating environment, customer business and the financial markets. Factors in these areas may affect the company's result through changes in occupancy ratios, the use of services, financing costs and office rent prices.

Currency unit: EUR 1 000

Key Indicators and Financial Ratios

	2002	2001	2000	1999	1998
Summary of income statement					
Net sales	22 643	20 133	16 960	12 260	9 016
Rent income	17 697	15 589	12 486	9 257	6 052
Sub-rent income	1 238	1 215	1 096	1 104	1 266
Total rent income	18 935	16 804	13 582	10 360	7 318
Service income	3 708	3 329	3 376	1 900	1 699
Other operating income	2 666	2 896	2 584	2 192	1 827
Gross margin	13 316	12 688	10 825	7 419	4 760
Operating profit	10 027	9 721	8 426	5 636	3 170
Income after financial items	6 030	5 755	5 325	3 847	1 320
Net profit for the year	4 127	4 101	3 697	2 856	918
Summary of balance sheet					
Total assets	143 695	130 107	113 286	89 444	70 496
Buildings and structures	119 167	116 008	97 229	73 763	57 312
Financial securities, cash & bank	2 767	1 690	1 911	2 586	3 376
Shareholders' equity	48 612	40 544	34 270	32 439	24 319
Interest-bearing liabilities	83 334	79 962	69 973	49 488	41 844
Key indicators and financial ratios					
Change in net sales, %	12.47	18.71	38.33	35.98	34.36
Operating profit/net sales, %	44.28	48.28	49.68	45.97	35.15
Return on equity (ROE), %	8.92	9.95	10.17	8.76	4.49
Return on investment (ROI), %	7.83	8.52	8.79	7.43	5.91
Equity to assets ratio, %	36.70	34.15	33.59	40.44	38.27
Net debt/equity, %	153.03	176.37	179.17	129.96	142.92
Interest margin, %	244.81	238.98	267.22	303.65	165.92
Employees in Group companies	69	65	52	31	25
Share-related indicators					
Earnings/share, EUR	0.29	0.36	0.37	0.27	0.18
Equity/share, EUR	3.33	3.47	3.42	3.23	2.91
Dividend/share, EUR	0.25*	0.25	0.25	0.19	0.07
Average issue-adjusted no. of shares	14 064 950	11 151 451	10 033 500	9 355 538	5 151 911
Issue-adjusted no. of shares on Dec. 31	14 599 375	11 679 500	10 033 500	10 033 500	8 361 500
Real estate portfolio indicators					
Book value of real estate portfolio	131 397	121 659	102 690	76 783	59 283
Net investments in real estate portfolio	6 025	21 531	26 765	18 996	26 333
Net investments in real estate portfolio (incl. projects in progress)	15 156	20 156	25 253	20 310	25 208
Net yield of book value of real estate	11.30	11.42	11.82	11.28	10.44
Other key indicators and financial ratios					
Price/earnings (P/E) ratio, %	10.16	8.80	7.65	10.75	
Dividend payout ratio, %	85.21*	70.08	67.86	67.62	
Effective dividend yield, %	8.39*	7.96	8.87	6.29	
Market capitalization of shares, EUR	43 506 138	36 673 630	28 294 470	29 498 490	
Share turnover	1 674 781	2 812 126	3 507 575	1 406 863	
Share turnover/ave. no. of shares, %	11.91	25.22	34.96	14.02	
Share prices, EUR					
Highest price	3.32	3.25	3.92	3.60	
Lowest price	2.60	2.50	2.75	2.35	
Average price	2.91	2.83	3.09	2.86	
Price on Dec. 30	2.98	3.14	2.82	2.94	

* Proposal for distribution of dividends

Currency unit: EUR

Consolidated Income Statement

	1.1.–31.12.2002	1.1.–31.12.2001
Net sales	22 643 214	20 132 994
Other operating income	2 666 176	2 896 062
Personnel expenses	-3 065 178	-2 496 614
Depreciation and write-downs	-3 289 490	-2 967 286
Other operating expenses	-8 927 881	-7 844 296
Operating profit	10 026 841	9 720 859
Financial income and expenses	-4 085 124	-4 042 086
Share of profits of affiliated companies	87 965	76 639
Profit before extraordinary items	6 029 683	5 755 412
Extraordinary items		172 305
Profit before appropriations and taxes	6 029 683	5 927 717
Direct taxes	-1 702 448	-1 708 712
Minority interests	-200 645	-118 504
Net profit for the year	4 126 590	4 100 500

Currency unit: EUR

Consolidated Balance Sheet

	31.12.2002	31.12.2001
ASSETS		
Non-current assets		
Intangible assets	581 121	505 822
Tangible assets	137 481 721	125 196 854
Holdings in Group companies and affiliated companies	814 535	727 249
Other shareholdings	215 254	223 664
Total non-current assets	139 092 631	126 653 589
Current assets		
Short-term receivables	1 835 523	1 762 825
Cash and bank	2 766 857	1 690 365
Total current assets	4 602 380	3 453 190
TOTAL ASSETS	143 695 011	130 106 779

	31.12.2002	31.12.2001
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	24 672 944	19 738 355
Premium fund	13 798 375	11 871 257
Revaluation fund	412 382	412 382
Other funds	19 176	5 872
Other shareholders' equity	4 184 687	2 763 858
Retained earnings	1 397 362	1 651 549
Net profit for the year	4 126 590	4 100 500
Total shareholders' equity	48 611 516	40 543 773
Minority interests	4 036 917	3 836 272
Liabilities		
Deferred taxes	2 350 824	1 780 181
Long-term liabilities	72 733 102	72 915 437
Short-term liabilities	15 962 653	11 031 116
Total liabilities	91 046 579	85 726 734
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	143 695 011	130 106 779

Currency unit: EUR

Consolidated Statement of Cash Flows

	1.1.–31.12.2002	1.1.–31.12.2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	10 026 841	9 720 859
Adjustments to operating profit	3 289 490	3 139 592
Increase/decrease in working capital	1 190 001	333 906
Interests received	75 696	94 760
Interests paid and payments	-4 132 151	-4 004 960
Dividends received	3 000	2 000
Taxes paid	-1 131 806	-1 040 249
Net cash provided by operating activities	9 321 071	8 245 907
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in other securities	8 409	
Investments in tangible and intangible assets	-15 649 657	-19 575 011
Subsidiaries acquired		-496 214
Net cash used in investing activities	-15 641 247	-20 071 225
Net cash before financing activities	-6 320 176	-11 825 318
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term loans	10 969 235	20 947 368
Decrease in long-term loans	-11 514 398	-11 028 971
Dividends paid	-2 919 875	-2 508 375
Paid share issue	6 861 706	4 194 400
Change in short-term loans	4 000 000	
Net cash provided by financing activities	7 396 668	11 604 422
Net increase/decrease in cash assets	1 076 491	-220 896
Cash assets on January 1	1 690 365	1 911 260
Cash assets on December 31	2 766 857	1 690 365

Currency unit: EUR

Parent Company Income Statement

	1.1.–31.12.2002	1.1.–31.12.2001
Net sales	17 650 820	15 658 377
Other operating income	2 829 600	2 455 376
Personnel expenses	-1 355 728	-914 028
Depreciation and write-downs	-2 765 381	-2 465 312
Other operating expenses	-7 288 842	-6 220 523
Operating profit	9 070 469	8 513 890
Financial income and expenses	-3 299 962	-3 087 864
Profit before extraordinary items	5 770 507	5 426 026
Profit before appropriations and taxes	5 770 507	5 426 026
Appropriations	-1 773 936	-2 001 168
Direct taxes	-1 005 771	-995 329
Net profit for the year	2 990 801	2 429 529

Currency unit: EUR

Parent Company Balance Sheet

	31.12.2002	31.12.2001
ASSETS		
Non-current assets		
Intangible assets	431 574	325 548
Tangible assets	122 222 625	109 417 682
Holdings in Group companies and affiliated companies	5 798 931	5 796 624
Other shareholdings	196 989	205 315
Total non-current assets	128 650 118	115 745 169
Current assets		
Short-term receivables	1 408 231	987 670
Cash and bank	1 964 706	1 209 040
Total current assets	3 372 937	2 196 711
TOTAL ASSETS	132 023 056	117 941 880

	31.12.2002	31.12.2001
SHAREHOLDERS’ EQUITY AND LIABILITIES		
Shareholders’ equity		
Share capital	24 672 944	19 738 355
Premium fund	13 772 113	11 844 996
Retained earnings	1 134 543	1 624 889
Net profit for the year	2 990 801	2 429 529
Total shareholders’ equity	42 570 400	35 637 769
Accumulated appropriations	7 667 862	5 893 925
Liabilities		
Long-term liabilities	66 787 339	66 560 217
Short-term liabilities	14 997 455	9 849 969
Total liabilities	81 784 794	76 410 186
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	132 023 056	117 941 880

Currency unit: EUR

Parent Company Statement of Cash Flows

	1.1.–31.12.2002	1.1.–31.12.2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	9 070 469	8 513 889
Adjustments to operating profit	2 765 381	2 465 312
Increase/decrease in working capital	987 007	400 490
Interests received	195 048	212 400
Interests paid and payments	-3 811 990	-3 654 340
Dividends received	316 980	354 077
Taxes paid	-1 005 771	-995 329
Net cash provided by operating activities	8 517 125	7 296 499
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in other securities	6 019	-8 479
Investments in tangible and intangible assets	-15 676 349	-19 368 706
Net cash used in investing activities	-15 670 330	-19 377 184
Net cash before financing activities	-7 153 206	-12 080 685
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term loans	10 969 235	20 345 020
Decrease in long-term loans	-11 002 195	-10 135 108
Dividends paid	-2 919 875	-2 508 375
Paid share issue	6 861 706	4 194 400
Change in short-term loans	4 000 000	
Net cash provided by financing activities	7 908 871	11 895 937
Net increase/decrease in cash assets	755 666	-184 748
Cash assets on January 1	1 209 040	1 393 788
Cash assets on December 31	1 964 706	1 209 040

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 Ltd., Oulun Teknoparkki Oy, Kiinteistö Oy Oulun Moderava, Kiinteistö Oy Oulun Mediaani, Medipolis GMP Oy and Technopolis Uusi Hitech Oy, entered in the Trade Register on June 13, 2002, 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. The goodwill arising from the acquisition of Kiinteistö Oy Oulun Moderava has been allocated to buildings. 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.

Technopolis Hitech Ltd. was merged into the parent company on December 31, 2002. The affects of the merger have been eliminated in the consolidated financial 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.

Technopolis Hitech Ltd. was merged into the parent company on December 31, 2002. A merger profit of EUR 542,126 is included in other operating income of the parent company.

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 EUR 1,042,765, 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:

	2002	2001	
Intangible rights	20 %	20 %	straight-line depreciation
Other long-term expenditure	10 %	10 %	straight-line depreciation
Buildings and structures (stone or similar)	2-2.5 %	2-2.5 %	straight-line depreciation
Buildings and structures (wooden)	3 %	3 %	straight-line depreciation
Machinery and equipment	15-25 %	15-25 %	depreciation from book value

The subsidiary, Medipolis Ltd., applies a depreciation plan which differs from that of the parent company, i.e. 15 % 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.

Currency unit: EUR

Notes Concerning the Income Statement

	Group 2002	2001	Parent company 2002	2001
Net sales by business area				
Rent income	18 935 359	16 803 808	17 447 434	15 469 519
Service income	3 707 855	3 329 185	203 386	188 858
Net sales	22 643 214	20 132 993	17 650 820	15 658 377
Other operating income				
Development projects	2 666 176	2 896 062	2 287 474	2 455 376
Merger profit			542 126	
Other operating income	2 666 176	2 896 062	2 829 600	2 455 376
Personnel expenses				
Salaries and fees	2 401 738	2 003 296	1 026 548	727 163
Pensions	405 516	341 194	175 378	121 226
Indirect employee costs	257 925	152 124	153 802	65 639
Total	3 065 178	2 496 614	1 355 728	914 028
Average number of employees	69	65	21	17
Salaries of CEO and Board members				
President & CEO	379 348	354 460		
Members of the Board	62 220	38 104	46 260	34 782
Depreciation and write-downs				
Depreciation of tangible and intangible assets	3 289 490	2 967 286	2 765 381	2 465 312
Financial income and expenses				
Dividend income				
From Group companies			314 580	350 071
From affiliated companies		2 006		2 006
From others	3 000	2 000	2 400	2 000
Income from share of profits of affiliated companies				
Other interest income				
From Group companies			4 378	4 244
From affiliated companies		341		341
From others	75 695	65 403	61 230	63 536
Other financial income				
From Group companies			128 490	142 987
From share of profits of affiliated companies	87 965	76 639		
From others		29 357	949	1 291
Interest and other financial expenses				
To others	-4 163 819	-4 141 193	-3 811 990	-3 654 340
Total financial income and expenses	-3 997 159	-3 965 448	-3 299 962	-3 087 864
Exchange rate losses from earlier years included in "interest and other financial expenses"	-63 336	-63 336		
Appropriations				
Depreciation difference			1 773 936	2 001 168
Direct taxes				
Income tax from extraordinary items		49 969		
Income tax from actual operations	1 131 806	993 045	1 005 771	995 329
Change in deferred tax liability	570 642	665 698		
Total	1 702 448	1 708 712	1 005 771	995 329

Currency unit: EUR

Notes Concerning Balance Sheet Assets

	Group		Parent company	
	2002	2001	2002	2001
Changes in non-current assets				
Intangible rights				
Acquisition cost, Jan. 1	97 309	91 463	34 578	34 578
Increases	34 912	5 846	44 713	
Accumulated depreciation, Jan. 1	-65 468	-51 573	-26 906	-21 838
Depreciation for the year	-33 859	-13 894	-28 200	-5 068
Intangible rights, Dec. 31	32 894	31 842	24 185	7 672
Other long-term expenditure				
Acquisition cost, Jan. 1	846 551	719 287	595 229	521 899
Increases	201 056	127 264	250 281	73 330
Accumulated depreciation, Jan. 1	-372 570	-268 429	-277 352	-201 472
Depreciation for the year	-126 811	-104 141	-160 770	-75 880
Other long-term expenditure, Dec. 31	548 226	473 981	407 389	317 877
Land areas				
Acquisition cost, Jan. 1	4 430 896	4 418 931	2 376 273	2 364 308
Increases	6 538 678	11 965	6 538 678	11 965
Revaluation 1997	1 042 765	1 042 765		
Connection fees	176 876		176 464	
Increases	41 299	176 876	36 479	176 464
Land areas, Dec. 31	12 230 514	5 650 537	9 127 894	2 552 737
Buildings and structures				
Total acquisition cost, Jan. 1	126 190 510	105 884 199	113 424 299	93 132 341
Increases	6 000 170	20 306 311	6 000 170	20 291 958
Accumulated depreciation, Jan. 1	-10 573 132	-8 041 136	-9 189 983	-6 935 040
Depreciation for the year	-2 807 099	-2 531 996	-2 541 280	-2 254 943
	118 810 450	115 617 378	107 693 207	104 234 316
Construction period interest, Jan. 1	708 907	708 907		
Accumulated depreciation, Jan. 1	-685 277	-614 386		
10-year straight-line depreciation for year	-23 630	-70 891		
Construction period interest, Dec. 31		23 630		
Goodwill from construction, Jan. 1	378 767			
Increases		378 767		
	-11 363			
Depreciation for the year	-11 022	-11 363		
Goodwill from construction, Dec. 31	356 382	367 404		
Buildings and structures, Dec. 31	119 166 832	116 008 412	107 693 207	104 234 316

Depreciation of construction period interest is included in “other financial expenses” in the income statement.

Machinery and equipment				
Net expenditures, Jan. 1	1 294 698	1 281 746	388 264	329 177
Increases	318 772	384 307	380 035	188 508
Decreases	-37 722	-54 100	-11 605	
Depreciation for the year	-326 035	-317 255	-189 834	-129 421
Machinery and equipment, Dec. 31	1 249 712	1 294 698	566 860	388 264

Currency unit: EUR

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Advance payments and projects in progress				
Net expenditures, Jan. 1	2 224 570	3 599 771	2 224 570	3 599 771
Increases/decreases	2 592 299	-1 375 201	2 592 299	-1 375 201
Projects in progress, Dec. 31	4 816 869	2 224 570	4 816 869	2 224 570
Investments				
Holdings in Group companies				
Acquisition cost, Jan. 1			5 023 499	4 518 855
Increases/decreases			-1 111	504 644
Holdings in Group companies, Dec. 31			5 022 388	5 023 499
Holdings in affiliated companies				
Acquisition cost, Jan. 1	706 371	706 371	697 962	697 962
Increases	8 409		8 409	
Group share of profit/loss	99 755	20 878		
Holdings in affiliated companies, Dec. 31	814 535	727 249	706 371	697 962
Other shareholdings				
Acquisition cost, Jan. 1	223 664	223 664	205 314	205 314
Decreases	-8 409		-8 325	
Other shareholdings, Dec. 31	215 255	223 664	196 989	205 314
Receivables from Group companies				
Loans, Jan. 1			75 164	82 930
Decreases			-4 992	-7 766
Receivables from Group companies, Dec. 31			70 172	75 164
Investments, Dec. 31	1 029 790	950 913	5 995 920	6 001 939

Currency unit: EUR

	End of financial year	Holding, %	Nominal value/ Counter-book value	Book value
Shareholdings of parent company				
Holdings in Group companies				
Medipolis Ltd., 26,350 shares, Oulu	31.12.2002	55.7	4 431 752	4 431 752
Technopolis Uusi Hitech Oy, 500 shares, Oulu	31.12.2002	100.0	50 000	63 304
Oulun Teknoparkki Oy, 100 shares, Oulu	31.12.2002	69.0	16 819	22 688
Kiinteistö Oy Oulun Moderava, 22,270 shares, Oulu	31.12.2002	100.0	3 786	496 214
Kiinteistö Oy Oulun Mediaani, 2,810 shares, Oulu	31.12.2002	100.0	8 430	8 430
Total				5 022 388
Holdings in affiliated companies				
OuluTech Oy, 30 shares, Oulu	31.12.2002	30.0	5 046	33 806
Iin Micropolis Oy, 500 shares, Ii	31.12.2002	25.7	84 094	84 094
Technocenter Kempele Oy, 501 shares, Kempele	31.12.2002	48.5	125 250	588 471
Total				706 371
Other shareholdings				
Incap Oyj, 20,000 shares	31.12.2002	0.2	32 600	84 094
Oulun Puhelin Oyj, 22,500 shares	31.12.2002	0.06	11 250	51 079
Kiinteistö Oy Teknocent, 250 shares	31.12.2002	6.2	42 047	42 047
Tekno-Tennis Oy, 68 shares	31.10.2002	64.8	2 859	16 238
Nallikari-Tennis Oy, 20 shares		0.9	3 027	3 196
Subscription rights				252
Share in Luottokunta cooperative				84
Total				196 990
Shareholdings of Group				
Holdings in affiliated companies				
OuluTech Oy, 30 shares		30.0	5 046	33 806
Group share of profit/loss				79 131
Iin Micropolis Oy, 500 shares		25.7	84 094	84 094
Group share of profit/loss				-85 202
Technocenter Kempele Oy, 501 shares		48.5	125 250	588 471
Group share of profit/loss				114 235
Total				814 535
Other shareholdings				
Incap Oyj, 20,000 shares		0.2	32 600	84 094
Oulun Puhelin Oyj, 30,000 shares		0.08	15 000	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				3 532
Total				215 255

Currency unit: EUR

	Group 2002	2001	Parent company 2002	2001
Short-term receivables				
Sales receivables	833 779	785 022	615 222	384 233
Receivables from Group companies				
Sales receivables			42 224	34 701
Accrued income and prepaid expenses			272	354
Receivables from affiliated companies				
Sales receivables	1 588	7 693	1 588	4 842
Accrued income and prepaid expenses	1 000 157	970 110	748 925	563 540
Total short-term receivables	1 835 523	1 762 825	1 408 231	987 670
Adjusting entries for assets				
Exchange rate losses on foreign currency credits, Jan. 1	95 004	158 340		
Decreases	-63 336	-63 336		
Exchange rate losses on foreign currency credits, Dec. 31	31 668	95 004		

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 based on loan periods.

Currency unit: EUR

Notes concerning Balance Sheet Shareholders' Equity and Liabilities

	Group 2002	2001	Parent company 2002	2001
Changes in shareholders' equity				
Share capital, Jan. 1	19 738 355	16 956 615	19 738 355	16 956 615
Share issues	4 934 589	2 781 740	4 934 589	2 781 740
Share capital, Dec. 31	24 672 944	19 738 355	24 672 944	19 738 355
Share issues, Jan. 1				
Increases	6 861 706	4 682 800	6 861 706	4 682 800
Transfer to share capital	-4 934 589	-2 781 740	-4 934 589	-2 781 740
Transfer to premium fund	-1 927 118	-1 901 060	-1 927 118	-1 901 060
Share issues, Dec. 31				
Premium fund, Jan. 1	11 871 257	9 970 197	11 844 996	9 943 936
Issue premium	1 927 118	1 901 060	1 927 118	1 901 060
Premium fund, Dec. 31	13 798 375	11 871 257	13 772 114	11 844 996
Revaluation fund, Jan. 1	412 383	412 383		
Change in deferred tax liability				
Revaluation fund, Dec. 31	412 383	412 383		
Other funds				
Building fund, Jan. 1	5 872	5 872		
Increases	13 304			
Building fund, Dec. 31	19 176	5 872		
Retained earnings, Jan. 1	8 515 906	6 924 884	4 054 418	4 133 264
Other decreases	-13 982	-1 103		
Dividends distributed	-2 919 875	-2 508 375	-2 919 875	-2 508 375
Net profit for the year	4 126 590	4 100 500	2 990 801	2 429 529
Retained earnings, Dec. 31	9 708 638	8 515 906	4 125 344	4 054 418
Shareholders' equity	48 611 516	40 543 773	42 570 401	35 637 769
Distributable funds				
Retained earnings	5 582 049	4 415 406	1 134 543	1 624 889
Net profit for the year	4 126 590	4 100 500	2 990 801	2 429 529
Accumulated depreciation difference and amount transferred to shareholders' equity from optional reserves	-5 484 998	-4 184 687		
Distributable funds	4 223 640	4 331 219	4 125 343	4 054 418

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 million (EUR 168,438 in 2001) has been transferred, after deducting minority interests, from the revaluation fund to long-term liabilities.

	Group 2002	2001	Parent company 2002	2001
Long-term liabilities				
Loans from financial institutions	71 420 455	71 602 789	65 851 097	65 623 974
Deferred taxes	2 350 824	1 780 181		
Other liabilities	1 312 647	1 312 647	936 242	936 242
Total long-term liabilities	75 083 926	74 695 617	66 787 339	66 560 216

Currency unit: EUR

	Group 2002	2001	Parent company 2002	2001
Short-term liabilities				
Advances received	231 494	146 034	229 988	117 955
Accounts payable	2 160 723	1 242 494	1 938 938	1 046 211
Liabilities to Group companies				
Accounts payable			108 929	149 107
Adjusting entries for liabilities				1 923
Liabilities to affiliated companies				
Accounts payable	167	83 855	167	83 855
Other short-term liabilities	11 893 207	8 205 302	11 331 617	7 518 567
Adjusting entries for liabilities	1 677 062	1 353 431	1 387 815	932 352
Total short-term liabilities	15 962 653	11 031 116	14 997 455	9 849 970
Deferred tax assets				
Deferred tax assets				
From accrued items	57 966	97 495		
Total	57 966	97 495		
Deferred tax liabilities				
From appropriations	2 240 352	1 709 238		
From other temporary items	168 438	168 438		
Total	2 408 789	1 877 676		
Deferred tax liabilities (net)	2 350 824	1 780 181		
Assets pledged and contingent liabilities				
Mortgages				
Loans from financial institutions	78 894 424	78 850 304	72 951 282	72 984 241
Mortgages	103 394 670	93 115 115	101 897 700	87 228 418
Rent liabilities				
Mortgages	456 825	456 825	456 825	456 825
Total mortgages	103 851 495	93 571 940	102 354 525	87 685 243
Pledged rent income				
Loans from financial institutions	3 343 970	3 813 907	3 343 970	3 813 907
Pledged rent income	770 791	759 088	770 791	759 088
Interest rate swaps in 2001 (fixed interest 5 years)	4 000 000	4 000 000	4 000 000	4 000 000
Interest rate swaps in 2002 (fixed interest 5 years)	4 000 000		4 000 000	
Interest rate swaps in 2002 (fixed interest 3 years)	4 000 000		4 000 000	
Interest rate swap values are nominal values.				
Other liabilities				
Liability for return of VAT, which is realized if properties are sold or their intended use is changed in the situations referred to in section 33 of the VAT Act.	19 177 970	18 400 000	19 177 970	18 000 000
Rent payment liabilities	676 831			
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	504 563	504 563
Leasing liabilities				
To be paid in the current financial year	25 289	25 710		
To be paid later	14 125	36 890		
Leasing liabilities, total	39 413	62 600		

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, %

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

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

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

Effective dividend yield, %

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

Net rent income ratio, %

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

Floor area occupancy ratio, %

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

Shares and Shareholders

The company's business name is Technopolis Oyj in Finnish and Technopolis Plc in English, and its domicile is Oulu, Finland. It was entered in the Trade Register on September 16, 1982 under the name Oulun Teknologiakylä Oy (registration no. 309.397). It became a public limited company on November 5, 1997, changing its name to Technopolis Oulu Oyj on April 15, 1998, and again to Technopolis Oyj on April 7, 2000. Its business code is 0487422-3. Technopolis' shares are quoted on the main list of the Helsinki Exchanges, under the code TEC.

Shares and share capital

According to its Articles of Association, Technopolis Plc's share capital is EUR 15,000,000 at minimum and EUR 60,000,000 at maximum, within which limits it may be increased or decreased without amending the Articles of Association. The company's registered share capital on Dec. 31, 2002 was EUR 24,672,943.75, divided into 14,599,375 fully-paid shares with a counter-book value of EUR 1.69. The company had one share series in the fiscal year, with each share giving the right to one vote at a General Meeting. The company's shares have been in the book-entry system since March 7, 1998.

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	16 956 615.00	1.69	10 033 500	7.4.2000
Increase in share capital	19 488 235.00	1.69	11 531 500	20.4.2001
Increase in share capital	19 738 355.00	1.69	11 679 500	8.10.2001
Increase in share capital	24 672 943.75	1.69	14 599 375	2.4.2002
Increase in share capital	27 967 113.72	1.69	16 548 588	27.1.2003

Rights offering, February 28 - March 18, 2002

An Extraordinary General Meeting of February 20, 2002 decided to raise the company's share capital by a rights offering based on shareholders' pre-emptive subscription rights, by a minimum of EUR 1.69 and a maximum of EUR 4,934,588.75, by issuing a minimum of 1 and a maximum of 2,919,875 new shares with a counter-book value of EUR 1.69. Based on their primary pre-emptive subscription right, shareholders could subscribe for one new share for each four old shares. The subscription price was EUR 2.35 per share and the subscription period was February 28 - March 18, 2002.

The rights offering was oversubscribed, with 97.8 % of the shares offered being subscribed for on the basis of primary pre-emptive subscription rights. The subscriptions made on the basis of secondary pre-emptive subscription rights exceeded the shares offered 16 times. The company's new share capital, EUR 24,672,943.75, divided into 14,599,375 shares, was entered in the Trade Register on April 2, 2002. The new shares will give the right to a full dividend for the financial year starting January 1, 2002.

Due to the rights offering, the terms of options granted by the company on March 23, 2001 were changed as regards the maximum increase stated in the original options terms, by decision of the Board of Directors on March 19, 2002. The maximum increase is EUR 1,267,500, corresponding to 600,000 options. This change was registered on June 3, 2002.

Annual General Meeting of March 22, 2002

The Annual General Meeting held on March 22, 2002 decided to distribute a dividend of EUR 0.25 per share.

The Annual General Meeting cancelled the share issue authorization granted to the Board of Directors at the AGM of March 23, 2001 with respect to the unused parts, and reauthorized the Board to decide, within one year of the AGM, on the raising of share capital by a rights offering, and/or an issue of options or convertible bonds in one or more installments. Based on the authorization, a maximum of 2,335,900 new shares with a counter-book value of EUR 1.69 could be subscribed for, raising the company's share capital by a maximum of EUR 3,947,671.

Acquiring the shares of Innopoli Ltd.

In October, Technopolis offered to acquire the shares of Innopoli Ltd. after Innopoli's main owners, representing 53.4 % of the share capital, had reached a joint understanding on the terms of the sale, and Technopolis' Board of Directors had accepted their proposal. The transaction was to be implemented through a share offering. The number of new Technopolis shares to be offered to the Innopoli shareholders would be equivalent to 15 % of Technopolis' total shares after execution of the share issue.

Technopolis offered, as a consideration for each Innopoli share, 1.47469 new shares of the company with a counter-book value of EUR 1.69. The offer period was December 2 - 16, 2002, during which time 92.78 % of all Innopoli shareholders accepted the exchange offer. The Board decided on an extension to January 10, 2003 with the aim of acquiring the total stock.

An Extraordinary General Meeting held on December 18, 2002 decided, in deviation from the pre-emptive subscription rights of shareholders, to raise the company's share capital by a minimum of EUR 1,762,353.97, and a maximum of EUR 3,524,706.25, by issuing a minimum of 1,042,813 and a maximum of 2,085,625 new shares with a counter-book value of EUR 1.69. The shares were offered for subscription by the shareholders of Innopoli Ltd. registered in Innopoli´s share register according to the terms and conditions set by the Board. Accordingly, one Innopoli share entitles its holder to 1.47469 new Technopolis shares, and any fractions of shares are paid in cash. As a result of the transaction, the company's share capital can be raised to no more than EUR 28,197,650, and the number of shares to no more than 16,685,000.

The General Meeting decided that the subscription period for the share offering would be January 9 - 13, 2003, and that for technical reasons, the Board could extend the subscription period to end by November 30, 2003 at the latest.

After the financial year, shareholders representing approximately 97.5 % of all Innopoli shares accepted the exchange offer by January 10, 2003. The number of new Technopolis shares offered to the Innopoli shareholders was equivalent to 12.5 % of Technopolis' total shares after execution of the share issue. As a result of accepting the subscriptions, the ownership of 1,328,799 Innopoli shares, corresponding to 93.96 % of all Innopoli shares, was transferred to Technopolis. A total of 10 Innopoli shareholders who accepted the exchange offer and together owned 49,430 Innopoli shares, corresponding to 3.5 % of all Innopoli shares, did not deliver their share certificates, temporary certificates or subscription certificates and/or will have to have their share certificates invalidated. The increase in share capital will be made later for these notifications of acceptance, and therefore the Board of Directors decided to extend the subscription period to November 30, 2003.

After the first installment of the increase in share capital, the company's new share capital totaled EUR 27,967,113.72, divided into 16,548,588 shares with a counter-book value of EUR 1.69. The increase in share capital was entered in the trade register on January 27, 2003. The 1,949,213 new shares were accepted for trading on the Helsinki Exchanges on January 29, 2003, in their own series (Technopolis uudet) until the dividend for the past financial year has been paid for the old shares.

Largest shareholders, Dec. 31, 2002

	Number of shares	Percentage of shares and votes, %
City of Oulu	2 615 062	17.91
Etola Erkki	1 818 725	12.46
Etra Invest Oy	714 450	4.89
Finnvera Plc	632 875	4.33
Yleisradio Pension Trust	426 200	2.92
City of Vantaa	375 000	2.57
KTV Municipal Sector Trade Union	318 244	2.18
Suomi Insurance Company Ltd.	278 200	1.91
MTK Central Union of Agricultural Producers and Forest Owners	250 000	1.71
Kapiteeli Ltd.	247 050	1.69

After Nordea Bank Finland Plc, a subsidiary of Nordea AB (publ), accepted Technopolis' exchange offer made to Innopoli shareholders in December, Nordea Bank's holding of Technopolis' share capital and votes rose above one twentieth. To the company's knowledge, no other ownership changes of the type referred to in chapter 2, section 10 of the Securities Market Act have occurred.

Shareholding Breakdown, Dec. 31, 2002

Share amount	Holdings	%	Shares/ votes	%
1 - 500	1 102	40.47	301 982	2.07
501 - 1 000	606	22.25	453 954	3.11
1 001 - 10 000	928	34.08	2 408 544	16.50
10 001 - 100 000	68	2.50	2 094 482	14.35
100 001 -	19	0.70	9 311 863	63.78
Total	2 723	100.00	14 570 825	99.80
Joint account			28 550	0.20
No. of shares issued			14 599 375	100.00

Shareholdings by Sector, Dec. 31, 2002

	Holdings	%	Shares/ votes	%
Private companies	195	7.16	1 996 645	13.68
Finance & insurance	14	0.51	1 635 255	11.20
Public bodies	19	0.70	3 595 570	24.63
Non-profit institutions	42	1.54	1 808 695	12.39
Households	2 447	89.90	5 526 709	37.86
Foreign investors	5	0.18	7 951	0.05
Total	2 722	100.00	14 570 825	99.80
Joint account			28 550	0.20
No. of shares issued			14 599 375	100.00
Nominee-registered shares	1		18 746	0.13

Share-related Indicators

Issue-adjusted number of shares

On Dec. 31, 2002	14 599 375
Average during year	14 064 950

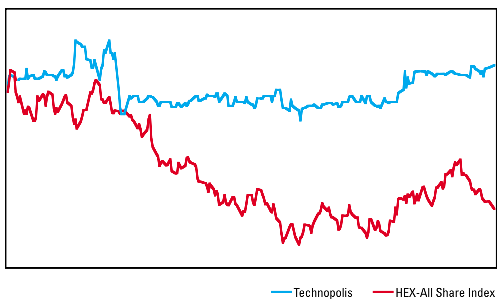
Share-related indicators

Earnings/share, EUR	0.29
Equity/share, EUR	3.33
Dividend/share, EUR (proposal)	0.25
Dividend payout ratio, %	85.21
Price/earnings (P/E) ratio, %	10.16
Effective dividend yield, %	8.39

Share prices

Highest price	3.32
Lowest price	2.60
Average price	2.91
Price on Dec. 30	2.98
Market capitalization of shares, Dec. 30, EUR	43 506 138
Share turnover, EUR	4 877 508
Shares traded	1 674 781

Share prices



Board of Directors' Proposal for the Distribution of Profits

The distributable funds at the disposal of the Annual General Meeting amount to EUR 4,125,343. The Board of Directors proposes that dividends of EUR 0.25 per share be distributed, totaling EUR 3,649,844. The Board proposes that the remaining EUR 475,499 be left in retained earnings.

Oulu, February 21, 2003

Kari Nenonen
Chairman of the Board

Pertti Voutilainen
Vice Chairman of the Board

Juha Hulkko
Member of the Board

Marketta Kokkonen
Member of the Board

Lauri H.J. Lajunen
Member of the Board

Erkki Rantala
Member of the Board

Pertti Rantanen
Member of the Board

Pertti Huuskonen
President and CEO

Auditor's Report

To the shareholders of Technopolis Plc

We have audited the accounting, the financial statements and the corporate governance of Technopolis Plc for the period of 1.1. - 31.12.2002. 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.

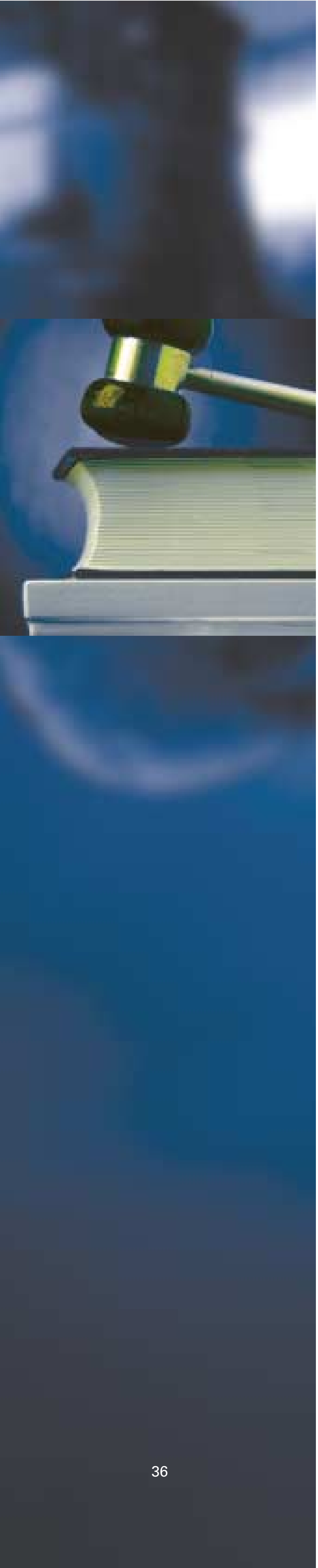
We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the 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, February 24, 2003

ERNST & YOUNG OY
Authorized Public Accounting Firm

Rauno Sipilä
Authorized Public Accountant



Company Management and Auditors on December 31, 2002

Board of Directors

Mr. Kari Nenonen, M.A., born 1953, has served as Chairman of the Board since 2000. He has also been the Mayor of Oulu since 1999. Before that, he was the Business Enterprise Director and Internationalization Manager of the City of Oulu, and the Development Manager of the Regional Council of Northern Ostrobothnia.

Mr. Juha Hulkko, M.Sc. (Tech.), eMBA, born 1954, has been the Vice Chairman of the Board since 2001 and a Member of the Board since 1995. He is the Chairman of the Board of Elektrobit Group Oyj.

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

Dr. Lauri H.J. Lajunen, Professor of Chemistry, born 1950, has served in different roles on the Board of Directors of Technopolis since 1996. He has been President of the University of Oulu since 1993, having been appointed Professor of Chemistry in 1976.

Mr. Erkki Rantala, M.Soc.Sc., born 1946, has been a Member of the Board since March 2002. He has been the Mayor of Vantaa since 1997.

Mr. Pertti Rantanen, Civil Engineer, born 1942, has been a Member of the Board since 2001. Since 1989, he has acted as the responsible Construction Manager and Real Estate Director of the Nokia Group, and since the beginning of 2002 as the Real Estate Development Director of Nokia Asset Management Oy.

Operating Management

Mr. Pertti Huuskonen, M.Sc. (Tech), eMBA (Marketing), born 1956, has been the President and CEO of the parent company, Technopolis Plc, since 1985. Previously, he was the CEO of Vakote Oy, a machine automation company founded by him.

Ms. Sirkka Aho, Process Engineer, born 1959, has been the Managing Director of Medipolis GMP Ltd. since July 2002. Previously, she served as Project Manager and Production Manager in Medipolis Ltd. between 1999 and 2002 and, before that, as Quality Assurance and Development Engineer in Orion Group Plc Fermion.

Ms. Satu Barsk, M.Sc. (Econ. & Bus. Adm.), eMBA, born 1961, has been the President and CEO of the subsidiary, Technopolis Hitech Oy, since 1997 and will continue as Director of Service Operations after the merger. Previously, she was Sales Director of Finland Post Ltd., responsible for corporate services in Northern Finland.

Mr. Jouni Hannuksela, Building Engineer, born 1947, is the Construction Director of Technopolis Plc. He also served as Real Estate Director and Real Estate Manager from 1988 and, before that, held different contractor posts in the construction sector.

Ms. Mervi Käki, MJD, born 1957, has been Director of Technopolis Plc's operations in the Helsinki metropolitan area since September 2001. She was previously Managing Director of Helsinki Fair Ltd. Wanha Satama.

Dr. Martti Launonen, born 1953, has been the Director of the Oulu Region Center of Expertise since 1999. Previously, from 1990 to 1999, he was a Director in the POHTO Institute for Management and Technological Training, specializing in business management and organizational development.

Mr. Seppo Selmgren, Dip. EMC, born 1965, is the Marketing Director of Technopolis Plc. He also served as Marketing Manager and Project Manager after joining the company in 1997. He was previously Marketing Manager at the Spa Hotel Eden.

Shareholdings of the management

The Members of the Board, the President and CEO, and controlled companies held 271,164 shares of Technopolis Plc on December 31, 2002, which is 1.86 % of the total number of shares.

Auditors

The company's auditor has been Ernst & Young Oy, Authorized Public Accountants, with **Rauno Sipilä**, APA, as the responsible auditor.

Members of the Board of Directors of Technopolis Plc on December 31, 2002 (from the right): Kari Nenonen (Chairman), Erkki Rantala, Antti Hannula, Juha Hulkko, Pertti Rantanen, and Lauri H.J. Lajunen.


PAKKAHUONE