

SPONDA



Half Year Financial Report

1.1.–30.6.2016

Sponda owns, leases and develops business properties in the Helsinki metropolitan area and the largest cities in Finland. Sponda's operations are organised into three business units: Investment Properties, Property Development and Russia. The Investment Properties unit is divided into three segments: Office Properties, Shopping Centres and Logistics Properties. The other segments are Property Development, Russia, Property Investment Companies and other.

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Sponda Plc's half year financial report January–June 2016

JANUARY–JUNE 2016 IN BRIEF (compared with 1 January – 30 June 2015)

- Total revenue increased to EUR 126.9 (116.6) million, primarily due to a property transaction completed in February 2016.
- Net operating income increased by more than 12% and totalled EUR 92.3 (82.1) million.
- Operating profit was EUR 95.6 (91.9) million. This includes a fair value change of EUR 3.0 (12.4) million.
- Cash flow from operations per share was EUR 0.21 (0.19).
- The fair value of the investment properties amounted to EUR 3,713.2 (3,143.2) million.
- Net assets (NAV) per share totalled EUR 5.04 (4.65).
- The economic occupancy rate was 89.1% (86.3%).
- The prospects were revised.

APRIL–JUNE 2016 IN BRIEF (compared with 1 April – 30 June 2015)

- Total revenue was EUR 67.6 (59.4) million.
- Net operating income was EUR 50.2 (42.5) million.
- Operating profit was EUR 48.8 (64.4) million. This includes a fair value change of EUR 5.0 (22.3) million.
- Cash flow from operations per share was EUR 0.09 (0.11).

KEY FIGURES

	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
<i>Total revenue, M€</i>	67.6	59.4	126.9	116.6	230.5
<i>Net operating income, M€</i>	50.2	42.5	92.3	82.1	165.7
<i>Operating profit, M€</i>	48.8	64.4	95.6	91.9	178.1
<i>Earnings per share, €</i>	0.09	0.14	0.18	0.17	0.78
<i>Cash flow from operations per share, €</i>	0.09	0.11	0.21	0.19	0.36
<i>Equity per share, €</i>			5.04	4.65	5.26
<i>Equity ratio, %</i>			46.3	40.7	46.2

KEY FIGURES ACCORDING TO EPRA BEST PRACTICES RECOMMENDATIONS

	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
<i>EPRA Earnings, M€</i>	33.1	26.4	53.9	51.3	232.0
<i>EPRA Earnings per share, €</i>	0.10	0.09	0.17	0.18	0.82
<i>Company adjusted EPRA Earnings, M€</i>	33.2	28.9	54.9	53.5	98.6
<i>Company adjusted EPRA Earnings per share, €</i>	0.10	0.10	0.17	0.19	0.35
<i>EPRA NAV/share, €</i>			5.35	5.47	5.60
<i>EPRA NNNAV/share, €</i>			4.96	4.50	5.15
<i>EPRA Net Initial Yield (NIY), %</i>			5.55	5.48	5.62
<i>EPRA "topped-up" NIY, %</i>			5.57	5.49	5.63
<i>EPRA Vacancy rate, %</i>			10.94	13.68	12.26
<i>EPRA Cost Ratio (including direct vacancy costs), %</i>					17.68
<i>EPRA Cost Ratio (excluding direct vacancy costs), %</i>					12.90

PRESIDENT AND CEO KARI INKINEN

Sponda's result for January–June 2016 result is strong considering the slow growth of the Finnish economy. The six properties acquired at the start of the year in Helsinki's central business district have been integrated into Sponda, and we have achieved synergies from the acquisition; for example, in the form of lower property maintenance costs. I am also very pleased that our economic occupancy rate has increased compared to the end of March. We have improved the occupancy rate of both office properties and shopping centres following the Forum acquisition, which supports our strategy of focusing on prime areas in Helsinki and Tampere. We also improved the occupancy rate of our non-strategic logistics properties.

We finalised the sale of one shopping centre, Solnechniy I in Moscow, in July. After the sale, Sponda's Russian property portfolio comprises two office properties in Moscow and one logistics property in St. Petersburg. We also sold a property located on Yliopistonkatu in Turku, Finland. Following this sale, Sponda owns no properties in Turku.

In June, we announced that we are starting the development of a new office and retail complex in Vantaa's Tikkurila district. Excavation work has already begun and the project will be completed in spring 2018. The construction of the Ratina shopping centre in Tampere is also moving ahead on schedule, and pre-letting has progressed to the point where the pre-let rate for the property now stands at approximately 38%. The property will be completed in spring 2018.

PROSPECTS FOR 2016

Sponda provides prospects for 2016 with regard to the development of the company's net operating income and adjusted EPRA Earnings. Sponda is revising its prospects for 2016.

Net operating income

Sponda estimates that the net operating income for 2016 will amount to EUR 182-192 million (previously EUR 175-190 million). The change is primarily due to the development of the occupancy rate being more favourable than expected, as well as the timing of property sales in 2016.

Adjusted EPRA Earnings

Sponda estimates that company adjusted EPRA Earnings in 2016 will amount to EUR 102-114 million (previously EUR 94-110 million). The change is primarily due to the development of the occupancy rate being more favourable than expected, as well as the timing of property sales in 2016.

BUSINESS CONDITIONS – FINLAND

According to preliminary data from Statistics Finland, Finland's GDP grew by 0.6% compared to the preceding quarter. The Ministry of Finance has increased its 2016 growth forecast for the Finnish economy. According to the revised forecast, Finland's GDP will grow by 1.4% in 2016. The growth is largely based on the favourable development of private consumption and investments. Exports are expected to grow by only 0.8% this year, but the rate of export growth is predicted to increase slightly next year. The forecast for GDP growth in 2017 is 1.0%. The forecast does not take into account the effects of Brexit.

The transaction market remained active in the second quarter with a volume of EUR 1.46 billion according to KTI Property Information. The volume for the first half of the year was EUR 3.63 billion. The property type with the highest trading activity was residential portfolios, with 38% of the total volume. The share of international buyers have come down and accounted for approximately 21% of the total.

The high vacancy rate of office properties in the Helsinki metropolitan area has led to a decrease in new construction. Nevertheless, new projects have been started during the first half of the year in locations including Kalasatama, Ilmala and Leppävaara areas. At the end of March, there were some 90,000 m² of new office space under construction. The amount of retail space currently under construction in the Helsinki metropolitan area is approximately 180,000 m².

The vacancy rates for office premises in the Helsinki metropolitan area decreased last winter but remain high. The vacancy rate was 18.3% in March. According to KTI Property Information, the situation improved in Helsinki and Espoo, while in Vantaa, the amount of vacant space increased. The vacancy rate for retail space in the Helsinki metropolitan area was 4.9% in March according to KTI Property Information.

BUSINESS CONDITIONS – RUSSIA

According to the World Bank, Russia's GDP declined by 3.7% in 2015. According to preliminary information, Russia's GDP declined by 1.2% in the first quarter of 2016, which is a substantially lower rate of decline than in the previous year. The price of oil rose in the first half of the year. The World Bank has increased its forecast of Russian GDP growth in 2016 to -1.2%. The forecast for 2017 is growth of 1.4%.

According to preliminary information from CBRE, the transaction market slowed down compared to the first quarter. The volume in the second quarter was approximately USD

0.4 billion, and the total volume for the first half of the year was approximately USD 2.3 billion.

The preliminary information from CBRE indicates that the average vacancy rate for office premises in Moscow decreased by 0.7 percentage points to 16.7% in the second quarter. There were no changes in rental levels in the second quarter.

GROUP RESULT IN JANUARY–JUNE 2016

Sponda Group's result for January–June was EUR 58.5 (51.2) million, while the result before taxes was EUR 70.2 (68.1) million and operating profit was EUR 95.6 (91.9) million.

Net operating income for the period was EUR 92.3 (82.1) million. The increase in net operating income was primarily attributable to the Forum property acquisition and completed property development projects. Net operating income was reduced by property divestments made last year. The effect of the Forum acquisition is included in the consolidated figures starting from 1 March 2016. Marketing and administration expenses and other operating income and expenses amounted to EUR 11.0 (10.5) million, which represents an increase of EUR 0.5 million compared to the previous year. The increase was mainly attributable to the Forum acquisition and timing differences. The net operating income for the second quarter of 2016 amounted to EUR 50.2 (42.5) million, including the effect of the Forum acquisition for the full quarter.

During the period, the Group recognised profit on sales of EUR 12.6 (1.1) million, primarily from the sale of land in trading properties. The change in fair value of the investment properties was EUR 3.0 (12.4) million due to positive development in Finland. The Group's result was weighed down by amortisation of goodwill amounting to EUR 1.3 (0.0) million. The result for the comparison period includes EUR 6.8 million attributable to the Group's share of the result of Certeum Oy, an associated company that was divested in September 2015.

Financial income and expenses for the period totalled EUR -25.4 (-23.8) million. The increase in expenses is related to an unrealised change in the fair value of derivatives and loan arrangements pertaining to the Forum acquisition.

In accordance with IFRIC 21, the company recognises a liability in the balance sheet when the obligating event occurs. The company periodises real estate taxes in the profit and loss statement during the financial year.

PROPERTY ASSETS 1 JANUARY – 30 JUNE 2016

At the end of June 2016, Sponda had a total of 173 leasable properties, with an aggregate leasable area of approximately 1.2 million m². Of this total, approximately 67% is office premises, 17% shopping centres and 13% logistics premises. Some 3% of the leasable area of the properties is located in Russia.

The fair values of Sponda's investment properties are confirmed as a result of the company's own cash flow-based yield value calculations. The assessment method complies with International Valuation Standards (IVS). The data used in the calculations of fair value is audited at least twice a year by external experts to ensure that the parameters and values used in the calculations are based on market observations.

At the end of June 2016, an external consultant assessed the values of Sponda's investment properties in Finland (Catella Property Oy) and in Russia (CB Richard Ellis). The change in the fair value of the investment properties in January–June 2016 was EUR 3.0 (12.4) million and in April–June EUR 5.0 (22.3) million. The value of Sponda's properties in Finland developed favourably primarily due to a decrease in yield requirements. Yield requirements decreased the most in office properties in Helsinki's central business district and in the Shopping Centres -unit. Other factors contributing to

the increase in fair value included the development margin of property development. The change in the fair value of the properties in Russia was negative. The change was mainly due to a decrease in market rents and an increase in the yield requirement.

Valuation gains/losses on fair value assessment, M€

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>Changes in yield requirements (Finland)</i>	17.1	32.2	17.1	32.2	39.2
<i>Changes in yield requirements (Russia)</i>	-2.3	-7.4	-4.1	-7.4	-7.4
<i>Development gains on property development projects</i>	2.1	1.8	3.9	2.9	25.4
<i>Modernisation investments</i>	-5.6	-9.7	-12.5	-20.7	-37.8
<i>Change in market rents and maintenance costs (Finland)</i>	5.4	9.2	13.7	18.4	30.2
<i>Change in market rents and maintenance costs (Russia)</i>	-9.6	-2.8	-10.7	-15.3	-26.8
<i>Change in currency exchange rates</i>	-0.2	-1.1	-2.4	2.2	0.3
<i>Investment properties, total</i>	7.0	22.3	5.0	12.4	23.2
<i>Property investment companies</i>	-2.0	0.0	-2.0	0.0	0.0
<i>Group, total</i>	5.0	22.3	3.0	12.4	23.2

Changes in Sponda's investment property assets, M€

SPONDA'S INVESTMENT PROPERTIES IN TOTAL, 1.1.–30.6.2016 M€	Total	Office properties	Shopping centres	Logistics properties	Property development	Russia
<i>Operating income</i>	126.3	82.7	33.3	4.3	0.2	5.9
<i>Maintenance expenses</i>	-33.8	-21.9	-7.2	-2.4	-0.8	-1.6
<i>Net operating income</i>	92.4	60.8	26.1	1.9	-0.6	4.3
<i>Investment properties on 1 January 2016</i>	3,101.7	1,994.8	733.6	92.9	129.7	150.7
<i>Investment properties held for sale on 1 January 2016</i>	10.2	8.4	-	1.8	-	-
<i>Capitalised interest 2016</i>	0.4	-	-	-	0.4	-
<i>Acquisitions</i>	589.5	161.2	428.2	-	-	-
<i>Investments</i>	36.8	10.0	1.9	0.6	24.3	0.1
<i>Transfers between segments</i>	-	-	7.2	-	-7.2	-
<i>Sales</i>	-8.3	-4.8	-	-1.8	-1.7	-
<i>Change in fair value</i>	5.0	12.6	6.2	-0.4	3.9	-17.3
<i>Reclassifications to non-current assets held for sale</i>	-22.0	-8.6	-	-3.8	-	-9.6
<i>Investment properties on 30 June 2016</i>	3,713.2	2,173.6	1,177.1	89.2	149.4	123.9
<i>Change in fair value, %</i>	0.2	0.6	0.8	-0.4	3.0	-11.5
<i>Weighted average yield requirement %</i>	6.0	6.0	5.3	9.1		10.5
<i>Weighted average yield requirement %, Finland</i>	5.9					

RENTAL OPERATIONS

Expired lease agreements and new agreements that came into effect in the second quarter of the year were as follows:

	Number (agreements)	Area (m ²)	EUR/m ² /month
<i>New agreements that came into effect during the period</i>	66	19,464	13.80
<i>Expired during the period</i>	63	11,284	18.50
<i>Renewed during the period</i>	51	22,346	18.40

The expired agreements and agreements that came into effect do not necessarily pertain to the same segments and properties.

Sponda calculates the growth in net rental yield for its properties according to EPRA Best Practices Recommendations by using a like-for-like net rental growth formula based on a comparable property portfolio owned by the company for two years. Like-for-like net rental growth was 0.9% (1.8%) for office premises, 6.0% (2.5%) for shopping centres, 7.1% (18.8%) for logistics premises and -2.9% (-4.6%) for properties in Russia. All of Sponda's lease agreements in Finland are tied to the cost of living index.

The economic occupancy rates by type of property and geographical area were as follows:

Type of property	30.6.2016	31.3.2016	31.12.2015	30.9.2015	30.6.2015
<i>Office properties, %</i>	88.3	88.1	88.2	88.0	88.1
<i>Shopping centres, %</i>	94.2	93.8	91.3	90.6	89.8
<i>Logistics properties, %</i>	73.4	68.9	68.3	67.8	68.6
<i>Russia, %</i>	81.9	82.9	84.6	82.3	84.5
<i>Total property portfolio, %</i>	89.1	88.7	87.7	86.2	86.3

Geographical area	30.6.2016	31.3.2016	31.12.2015	30.9.2015	30.6.2015
<i>Helsinki business district, %</i>	92.6	92.4	90.1	89.3	88.3
<i>Helsinki Metropolitan Area, %</i>	86.1	85.3	85.7	83.5	83.7
<i>Turku, Tampere, Oulu, %</i>	89.9	89.4	90.8	91.1	92.3
<i>Russia, %</i>	81.9	82.9	84.6	82.3	84.5
<i>Total property portfolio, %</i>	89.1	88.7	87.7	86.2	86.3

Total cash flow from lease agreements at the end of June 2016 was EUR 1,118.5 (976.9) million. Sponda had 1,971 clients and a total of 3,168 lease agreements. The company's largest tenants were the State of Finland (6.7% of rental income), Kesko Group (4.5% of rental income), HOK-Elanto (4.0% of rental income) and Danske Bank Oyj (3.3% of rental income). Sponda's 10 largest tenants generate approximately 28% of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	% of net rental income
<i>Professional, scientific and technical</i>	7.4
<i>Energy</i>	0.3
<i>Public sector</i>	10.7
<i>Wholesale/retail</i>	27.4
<i>Education</i>	1.1
<i>Logistics/transport</i>	0.9
<i>Hotel and catering business</i>	7.2
<i>Media/publishing</i>	3.3
<i>Other services</i>	14.2
<i>Banking/investment</i>	10.1
<i>Construction</i>	3.2
<i>Industry/manufacturing</i>	3.5
<i>Healthcare</i>	5.0
<i>Telecommunications</i>	5.5
<i>Other</i>	0.3

The average length of all lease agreements was 4.0 (4.1) years. The average length of lease agreements was 4.0 (4.1) years for office properties, 4.8 (5.4) years for shopping centres, 2.4 (3.1) years for logistics properties and 1.7 (3.0) years for properties in Russia. The lease agreements expire as follows:

	% of rental income 30 June 2016	% of rental income 30 June 2015
<i>Within 1 year</i>	15.5	13.1
<i>Within 2 years</i>	14.3	18.2
<i>Within 3 years</i>	11.4	11.7
<i>Within 4 years</i>	7.8	9.4
<i>Within 5 years</i>	10.5	7.0
<i>Within 6 years</i>	7.0	5.5
<i>After more than 6 years</i>	20.9	22.9
<i>Valid indefinitely</i>	12.7	12.2

DIVESTMENTS AND INVESTMENTS

Divestments M€

	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
<i>Properties sold</i>					
<i>Selling price</i>	3.3	50.1	8.3	56.4	157.6
<i>Profit/loss on sale*</i>	-0.2	-1.1	0.0	-1.4	-4.3
<i>Balance sheet value</i>	3.5	51.2	8.3	57.8	161.9

*) Includes sales costs

Investments M€

	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
<i>Properties acquired</i>	-1.9	-	-589.5	-	-4.7
<i>Modernisation investments</i>	-5.6	-9.7	-12.5	-20.7	-37.8
<i>Property development investments</i>	-12.3	-14.7	-24.3	-25.5	-65.2
<i>Investments, total</i>	-19.7	-24.4	-626.2	-46.2	-107.7

Property development investments were mainly directed to the construction of the Ratina shopping centre.

RESULTS BY SEGMENT

Sponda's operations are organised into seven segments: The segments under the Investment Properties business unit are Office Properties, Shopping Centres and Logistics Properties. The other segments are Property Development, Russia and Property Investment Companies. In addition, Sponda reports the Other segment, which includes expenses not attributed to any segment, as well as tax and financing expenses and any operating segments for which separate segment information does not need to be presented.

Office Properties

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>Total revenue, M€</i>	42.8	37.9	82.8	74.2	149.1
<i>Net operating income, M€</i>	32.1	27.8	60.5	53.3	109.7
<i>Operating profit, M€</i>	40.9	53.4	67.6	76.2	134.1
<i>EPRA Net Initial Yield (NIY), %</i>			5.8	5.9	5.9
<i>Economic occupancy rate, %</i>			88.3	88.1	88.2
<i>Fair value of properties, M€</i>			2,173.6	1,882.5	1,994.8
<i>-excludes properties classified as held for sale, M€</i>			8.6	-	8.4
<i>Change in fair value from beginning of year, M€</i>			12.6	28.5	35.5
<i>Leasable area, m²</i>			808,500	752,500	775,000

Investments and divestments in the Office Properties segment during the period were:

M€	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
<i>Properties sold</i>					
<i>Selling price</i>	0.0	11.4	5.0	17.7	17.9
<i>Profit/loss on sale*</i>	0.0	-	0.2	-0.3	-0.2
<i>Balance sheet value</i>	0.0	11.4	4.8	18.0	18.1
<i>Properties acquired</i>	-0.5	-	-161.2	-	-4.7
<i>Modernisation investments</i>	-4.3	-8.1	-9.9	-18.3	-29.7
<i>Property development investments</i>	0.0	-0.1	0.0	-0.2	0.4

	% of rental income 30 June 2016	% of rental income 30 June 2015
<i>Within 1 year</i>	13.8	11.1
<i>Within 2 years</i>	16.8	20.2
<i>Within 3 years</i>	12.2	12.5
<i>Within 4 years</i>	7.3	9.2
<i>Within 5 years</i>	9.4	7.2
<i>Within 6 years</i>	4.2	3.6
<i>After more than 6 years</i>	19.9	20.3
<i>Valid indefinitely</i>	16.6	16.0

Shopping Centres

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>Total revenue, M€</i>	19.2	11.6	33.3	23.2	46.6
<i>Net operating income, M€</i>	15.0	8.9	26.1	17.7	35.7
<i>Operating profit, M€</i>	20.0	12.9	30.3	18.8	35.8
<i>EPRA Net Initial Yield (NIY), %</i>			5.0	4.6	4.7
<i>Economic occupancy rate, %</i>			94.2	89.8	91.3
<i>Fair value of properties, M€</i>			1,177.1	730.5	733.6
<i>Change in fair value from beginning of year, M€</i>			6.2	2.7	3.2
<i>Leasable area, m²</i>			197,500	153,500	153,500

Investments and divestments in the Shopping Centres segment during the period were:

M€	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
<i>Properties sold</i>					
<i>Selling price</i>	-	-	-	-	-
<i>Profit/loss on sale</i>	-	-	-	-	-
<i>Balance sheet value</i>	-	-	-	-	-
<i>Properties acquired</i>	-1.4	-	-428.2	-	-
<i>Modernisation investments</i>	-0.8	-1.4	-1.9	-1.9	-6.8
<i>Property development investments</i>	-	-	-	-	-

	% of rental income 30 June 2016	% of rental income 30 June 2015
<i>Within 1 year</i>	9.9	5.9
<i>Within 2 years</i>	8.0	12.1
<i>Within 3 years</i>	10.6	8.5
<i>Within 4 years</i>	8.5	7.2
<i>Within 5 years</i>	14.3	4.2
<i>Within 6 years</i>	15.5	15.6
<i>After more than 6 years</i>	28.3	42.4
<i>Valid indefinitely</i>	4.8	4.1

Logistics Properties

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
Total revenue, M€	2.3	4.3	4.3	8.3	16.8
Net operating income, M€	1.2	2.3	1.9	4.3	9.1
Operating profit, M€	0.9	0.9	1.8	3.2	-1.9
EPRA Net Initial Yield (NIY), %			5.0	4.6	7.4
Economic occupancy rate, %			73.4	68.6	68.3
Fair value of properties, M€			89.2	204.5	92.9
-excludes properties classified as held for sale, M€			3.8	-	1.8
Change in fair value from beginning of year, M€			-0.4	-1.0	-7.4
Leasable area, m ²			149,000	248,500	152,500

Investments and divestments in the Logistics Properties segment during the period were:

M€	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
Properties sold					
Selling price	2.0	-	2.0	-	100.8
Profit/loss on sale	0.2	-	0.2	-	-3.1
Balance sheet value	1.8	-	1.8	-	103.9
Properties acquired	-	-	-	-	-
Modernisation investments	-0.4	-0.2	-0.6	-0.4	-0.9
Property development investments	0.0	-	-	-	-

The lease agreements will expire as follows:

	% of rental income 30 June 2016	% of rental income 30 June 2015
Within 1 year	26.7	21.0
Within 2 years	4.5	14.4
Within 3 years	7.3	7.6
Within 4 years	15.4	9.3
Within 5 years	5.7	14.1
Within 6 years	1.7	1.6
After more than 6 years	11.0	16.4
Valid indefinitely	27.7	15.7

Property Development

The balance sheet value of Sponda's property development portfolio stood at EUR 149.4 million at the end of June 2016. Of this total, EUR 53.4 million was in undeveloped land sites and the remaining EUR 95.9 million was tied up in property development projects in progress. The value of unused building rights is presented in the assets of the segment concerned for investment properties that have a building, and as part of the Property Development segment for building rights for unbuilt land.

Sponda's property development operations comprise new construction projects and the refurbishment of existing properties. At the end of the review period, the Property Development unit had invested a total of EUR 24.3 million, of which EUR 12.3 million was invested in April–June. The investments were primarily directed to the construction of the Ratina shopping centre.

The construction of the Ratina shopping centre in Tampere began in April 2015. The excavation, foundation and construction work on the Ratina shopping centre has progressed according to plan. The construction of the frame of the Valo-Ratina building will proceed with roofing work on the first section starting in August 2016 and work on building service systems beginning in September 2016. The shopping centre is expected to be completed in spring 2018. The complex comprises a total of approximately 53,000 m² of retail and service premises for more than 150 businesses. The project's total investment, including the land value, is estimated at approximately EUR 240 million, with some EUR 73.3 million invested to date. The project's target development margin is 15% and the estimated net yield on cost is 7.5%. The shopping centre's signed and agreed lease agreements cover approximately 38% of the leasable area.

At the end of June, Sponda announced it will develop an office and retail complex at Tikkurila railway station in Vantaa. The construction of the six-storey office and retail property at Värehteankatu 8 will be implemented in two phases, the first of which began with excavation work in July 2016. The first phase will comprise a total of 9,500 m² of leasable space, half of which will be office space and the other half retail and service premises. The property will have indoor and outdoor parking for 210 cars. The plan for the project's second phase involves the construction of approximately a further 4,000 m² of leasable business premises. The decision on commencing the second phase will be made later based on the occupancy rate. The investment size for the first phase is approximately EUR 31 million and the property is 57% pre-let. The project's yield on cost is estimated at approximately 7.3%. The project will be completed in March 2018.

Russia

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
Total revenue, M€	3.0	5.4	5.9	10.3	16.9
Net operating income, M€	2.2	4.0	4.3	7.7	12.8
Operating profit, M€	-10.7	-8.9	-14.3	-15.2	-24.8
EPRA Net Initial Yield (NIY), %			7.5	6.1	5.8
Economic occupancy rate, %			81.9	84.5	84.6
Fair value of properties, M€			123.9	164.1	150.7
-excludes properties classified as held for sale, M€			9.6		
Change in fair value from beginning of year, M€			-17.3	-20.6	-33.9
Leasable area, m ²			34,500	34,500	34,500

The depreciation of the rouble is affecting tenants' ability to pay rent in Russia. In the current market situation, Sponda has had to negotiate reductions in rent with several tenants.

Investments in and divestments of properties in the Russia unit during the period were:

M€	1.4.- 30.6.2016	1.4.- 30.6.2015	1.1.- 30.6.2016	1.1.- 30.6.2015	1.1.- 31.12.2015
<i>Properties sold</i>					
<i>Selling price</i>	-	38.7	-	38.7	38.7
<i>Profit/loss on sale</i>	-	-1.1	-	-1.1	-1.1
<i>Balance sheet value</i>	-	39.8	-	39.8	39.8
<i>Properties acquired</i>	-	-	-	-	-
<i>Modernisation investments</i>	-0.1	0.0	-0.1	-0.1	-0.1
<i>Property development investments</i>	-	-	-	-	-

In July 2016, Sponda sold the Solnechniy I shopping centre located in Moscow to LLC IT Development at a price of approximately USD 11 million, corresponding to the property's fair value at the end of June. The sale of the Solnechniy I shopping centre is a part of Sponda's strategy to sell the properties it owns in Russia.

The lease agreements will expire as follows:

	% of rental income 30 June 2016	% of rental income 30 June 2015
<i>Within 1 year</i>	52.0	37.0
<i>Within 2 years</i>	23.0	21.0
<i>Within 3 years</i>	9.1	16.5
<i>Within 4 years</i>	6.2	15.6
<i>Within 5 years</i>	6.2	6.5
<i>Within 6 years</i>	0.0	0.3
<i>After more than 6 years</i>	3.4	3.3
<i>Valid indefinitely</i>	0.0	0.0

Property Investment Companies

Sponda's holding in Russia Invest, which invests in property development projects in Russia, is 27%. Russia Invest purchased from SRV a 55% share in the Okhta Mall shopping centre project, which is Phase I of the Septem City project located in St. Petersburg. Sponda's investment amounted to approximately EUR 20.5 million at the end of June 2016.

First Top LuxCo, a fund that invested in office and retail properties outside Finland's largest cities, has been discontinued and Sponda has written down its investment in the fund. The properties owned by the fund have been sold, but Sponda recognised a write-down on its investment of EUR 2.0 million due to the uncertainty regarding the share of the proceeds left for the fund's investors.

FINANCING AND BALANCE SHEET KEY FIGURES

Sponda Group's interest-bearing debt amounted to EUR 1,913 (1,769) million at the end of June 2016. The Group's cash funds totalled EUR 81 (57) million and net debt was EUR 1,832 (1,712) million. The increase in net debt is related to the Forum acquisition made in the first quarter. The debt portfolio comprised EUR 500 million in syndicated loans, EUR 475 million in bonds, EUR 298 million in issued commercial papers, and EUR 639 million in loans from financial institutions. Sponda had EUR 440 million in unused

credit limits. Sponda Group had mortgaged loans of EUR 178.4 million, or 4.6% of the consolidated balance sheet.

In June 2016, Sponda signed a syndicated credit facilities agreement for EUR 600 million in total. The agreement includes a term-loan for EUR 500 million and a EUR 100 million revolving credit facility, with the former used for refinancing existing loans that mature in 2016 and for general corporate purposes. The EUR 100 million revolving credit facility extended the revolving credit facility maturing in November 2016. The unsecured credit facilities are for five years. The terms for the facilities are similar to those of Sponda's other loans and the most important covenants (the equity ratio and the interest coverage ratio) of the arrangement are in line with the company's other financial covenants.

The key balance sheet figures for the end of the second quarter showed positive development. Sponda's equity ratio on 30 June 2016 stood at 46.3% (40.7%). The gearing ratio was 101.3% (121.1%) and Loan to Value (LTV) was 48.5% (50.9%). The weighted average maturity of Sponda's loans was 2.8 (2.5) years. The average interest rate was 2.7% (2.9%) including interest derivatives. Fixed-rate and interest-hedged loans accounted for 70% (86%) of the loan portfolio. The average fixed interest rate period of the debt portfolio was 1.6 (2.5) years.

Sponda's net financing costs for the period totalled EUR -25.4 (-23.8) million. Financial income and expenses include EUR -0.6 (0.9) million in unrealised change in the fair value of derivatives. Interest expenses of EUR 0.4 (0.3) million were capitalised. Net cash flow from operations in the period under review totalled EUR 62.6 (49.1) million. Net cash flow from investing activities was EUR -620.3 (4.7) million and the net cash flow from financing activities was EUR 417.3 (-18.9) million.

PERSONNEL

During the review period Sponda Group had, on average, 110 (104) employees, of whom 99 (94) worked for parent company Sponda Plc. On 30 June 2016, Sponda Group had a total of 111 (104) employees, of whom 103 (95) were employed by the parent company Sponda Plc. Sponda has personnel in Finland and in Russia.

ANNUAL REMUNERATION AND INCENTIVE SCHEMES

Sponda has an annual remuneration scheme that covers all employees and is based on both company objectives and personal targets. The key factors affecting the individual's bonus are profitability and business development. Sponda's employees have the opportunity to participate annually in a Share Programme, the target group of which includes all employees of Group companies, excluding persons in an employment or service relationship with the Group who are included in Sponda's long-term share-based incentive scheme.

Sponda also has a long-term share-based incentive scheme with three three-year vesting periods, the calendar years 2014–2016, 2015–2017 and 2016–2018. The Board of Directors will decide on the earning criteria and on the targets to be laid down for the earning criteria for each vesting period. The earning criteria for the vesting periods 1 January 2014–31 December 2016, 1 January 2015–31 December 2017 and 1 January 2016–31 December 2018 are the Group's average Return on Capital Employed (ROCE) and cumulative Operational Cash Earnings Per Share (CEPS) for the financial years in question, as well as property sales.

The long-term incentive scheme currently covers the members of the Executive Board, six people in all. The Board of Directors can decide on including new key personnel in the scheme. The incentive scheme is described in more detail in the company's stock exchange releases dated 5 February 2014, 5 February 2015 and 4 February 2016.

GROUP STRUCTURE

Sponda Group comprises the parent company Sponda Plc and its wholly- or partly-owned Finnish limited liability companies and property companies. The Group also includes the foreign subsidiaries owned by Sponda Russia Ltd.

SPONDA'S SHARE AND SHAREHOLDERS

The weighted average price of the Sponda share in January–June 2016 was EUR 3.70. The highest quotation on NASDAQ OMX Helsinki Ltd was EUR 4.05 and the lowest EUR 3.32. Turnover during the period totalled 69.2 million shares, or EUR 256.4 million. The closing price of the share on 30 June 2016 was EUR 3.90 and the market capitalisation of the company's share capital was EUR 1,324.8 million.

The Annual General Meeting on 21 March 2016 authorised the Board of Directors to purchase the company's own shares. The authorisation is valid until the next Annual General Meeting. The authorisation was not exercised during the review period.

The Annual General Meeting also authorised the Board of Directors to decide on a share issue and on the issuance of special rights conferring entitlement to the shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in accordance with the proposal of the Board of Directors. The authorisation is valid until the next Annual General Meeting. The authorisation was not exercised during the review period.

On 29 February 2016, the Extraordinary General Meeting authorised Sponda's Board of Directors to decide on issuing new shares through a rights offering, which was carried out between 7 March 2016 and 23 March 2016.

On 30 June 2016, the company had altogether 10,383 shareholders and its ownership structure by sector was as follows:

	Number of shares	Holding, %
<i>Public entities</i>	39,218,849	11.6
<i>Nominee-registered</i>	119,945,218	35.3
<i>Financial and insurance institutions, total</i>	41,911,744	12.3
<i>Households</i>	24,057,323	7.1
<i>Private corporations, total</i>	102,772,462	30.3
<i>Non-profit organisations, total</i>	8,555,764	2.5
<i>Foreign owners, total</i>	3,229,194	0.9
<i>Total number of shares</i>	339,690,554	100.0

The following flagging notices were issued:

- 1 April 2016: Varma Mutual Pension Insurance Company announced that its holding of shares represented 8.56% of the total number of shares and votes in Sponda Plc.
- 1 April 2016: Forum Fastighets Ab announced that its holding of shares represented 28.07% of the total number of shares and votes in Sponda Plc.

BOARD OF DIRECTORS AND AUDITORS

At its constitutive meeting after the Annual General Meeting on 21 March 2016, the Board of Directors elected Kaj-Gustaf Bergh as Chairman and Arja Talma as Deputy Chairman.

The Board of Directors assesses that, of its members, Arja Talma, Outi Henriksson, Leena Laitinen, Juha Metsälä and Raimo Valo are independent of the company and its major shareholders and Kaj-Gustaf Bergh, Christian Elfving and Paul Hartwall are independent of the company.

The Annual General Meeting on 21 March 2016 elected APA Esa Kailiala and authorised public accountants KPMG Oy Ab, with APA Lasse Holopainen as the responsible auditor and APA Petri Kettunen as the deputy auditor, as the company's auditors for a term ending at the close of the next Annual General Meeting.

BOARD COMMITTEES

The members of the Audit Committee are as follows: Arja Talma (Chairman), Raimo Valo (Deputy Chairman), Paul Hartwall (ordinary member) and Outi Henriksson (ordinary member).

The members of the Structure and Remuneration Committee are as follows: Kaj-Gustaf Bergh (Chairman), Christian Elfving (Deputy Chairman), Leena Laitinen (ordinary member) and Juha Metsälä (ordinary member).

SPONDA'S MANAGEMENT

Sponda Plc's President and Chief Executive Officer is Kari Inkinen. The Executive Board comprises the President and CEO, the CFO, the SVP for Corporate Planning and IR, and the heads of three business units, in total six persons.

ENVIRONMENTAL RESPONSIBILITY

Environmental responsibility is one of Sponda's strategic priorities. The main goals of Sponda's environmental responsibility are related to reducing the energy consumption and carbon dioxide emissions of properties, decreasing water consumption, maximising the waste recovery rate and increasing the recycling rate. Sponda works together with customers to reduce the environmental impacts arising from the use of properties. In new construction and renovation, Sponda observes the principles of sustainable development by implementing projects in accordance with international environmental certification systems.

The number of environmental certifications for Sponda's properties grew in the spring after a retail property in Oulu was granted LEED Gold certification. The certification emphasised the excellent location of the property, which makes it easily accessible both by public transport and by car. The fact that Oulu is a city of cyclists was also taken into account in the design process, and there are spaces for over 80 bicycles in front of the property. In order to increase energy efficiency, particular attention was paid to lighting and district ventilation and heating systems. After tenants start using the property, the property's energy consumption will be monitored monthly as part of Sponda's energy efficiency scheme.

The environmental partnership between Sponda and the Finnish Association for Nature Conservation took concrete form in the shape of a solar power station in June. The solar power station, with a nominal output of 5 kW, was installed on the roof of a building located in Helsinki's Lauttasaari district. It generates electricity primarily for use by the building's tenant.

RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

Sponda estimates that the risks and uncertainty factors in the current financial year are related to the development of the Finnish and Russian economies.

In Russia, these risks are related to the depreciation of the Russian rouble, which may cause tenant insolvency and a decrease in property values. The operations in Russia present a foreign exchange risk to Sponda. Changes in exchange rates may cause exchange rate losses that have a negative impact on the company's financial result. The uncertain situation in the Russian market may slow down the sale of Sponda's properties in Russia in 2016.

The slow positive development of the Finnish economy may cause a decline in net operating income and tenant insolvency.

For Sponda's property development projects, the key risk is related to the degree of success in leasing premises.

PROSPECTS FOR 2016

Sponda provides prospects for 2016 with regard to the development of the company's net operating income and adjusted EPRA Earnings. Sponda is revising its prospects for 2016.

Net operating income

Sponda estimates that the net operating income for 2016 will amount to EUR 182-192 million (previously EUR 175-190 million). The change is primarily due to the development of the occupancy rate being more favourable than expected, as well as the timing of property sales in 2016.

Adjusted EPRA Earnings

Sponda estimates that company adjusted EPRA Earnings in 2016 will amount to EUR 102-114 million (previously EUR 94-110 million). The change is primarily due to the development of the occupancy rate being more favourable than expected, as well as the timing of property sales in 2016.

EVENTS AFTER THE PERIOD

In July 2016, Sponda sold the Solnechniy I shopping centre located in Moscow to LLC IT Development at a price of approximately USD 11 million, corresponding to the property's fair value measurement at the end of June. The sale of the Solnechniy I shopping centre is a part of Sponda's strategy to sell the properties it owns in Russia.

4 August 2016
Sponda Plc
Board of Directors

Additional information:

Kari Inkinen, President and CEO, tel. +358 20 431 3311 or +358 400 402 653,
Pia Arrhenius, SVP, Corporate Planning and IR, tel. +358 20 431 3454
or +358 40 527 4462,
Niklas Nylander, CFO, tel. +358 20 431 3480 or +358 40 754 5961.

Distribution:
 NASDAQ OMX Helsinki
 Media
www.sponda.fi

**SPONDA PLC HALF YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2016,
 TABLES**

**Consolidated income statement
 M€**

	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
<i>Total revenue</i>					
<i>Rental income and recoverables</i>	67.5	59.4	126.8	116.4	230.2
<i>Interest income from finance leasing agreements</i>	0.1	0.1	0.2	0.2	0.3
	67.6	59.4	126.9	116.6	230.5
<i>Expenses</i>					
<i>Maintenance expenses</i>	-17.4	-16.9	-34.6	-34.5	-64.8
Net operating income	50.2	42.5	92.3	82.1	165.7
<i>Profit/loss on sales of investment properties</i>	-0.2	-1.0	0.0	-1.5	-4.5
<i>Valuation gains/losses on fair value assessment</i>	5.0	22.3	3.0	12.4	23.2
<i>Amortisation of goodwill</i>	-0.7	-	-1.3	-	-3.0
<i>Profit/loss on sales of associated companies</i>	-	-	-	-	5.2
<i>Profit/loss on sales of trading properties</i>	0.0	2.5	12.5	2.6	2.8
<i>Sales and marketing expenses</i>	-0.5	-0.6	-1.1	-1.2	-2.3
<i>Administrative expenses</i>	-5.1	-4.4	-10.3	-9.7	-19.4
<i>Share of result of associated companies</i>	-	3.3	-	6.8	10.2
<i>Other operating income</i>	0.1	0.0	0.6	0.7	0.9
<i>Other operating expenses</i>	0.0	-0.2	-0.1	-0.4	-0.7
Operating profit	48.8	64.4	95.6	91.9	178.1
<i>Financial income</i>	1.6	2.8	2.5	6.0	6.8
<i>Financial expenses</i>	-13.9	-14.1	-27.9	-29.8	-55.7
Total amount of financial income and expenses	-12.3	-11.2	-25.4	-23.8	-48.9
<i>Profit before taxes</i>	36.5	53.1	70.2	68.1	129.2
<i>Income taxes for current and previous fiscal years</i>	-0.1	-0.7	-2.4	-1.5	-9.3
<i>Deferred taxes</i>	-4.7	-12.5	-9.4	-15.5	107.3
Income taxes, total	-4.8	-13.2	-11.8	-16.9	98.1
Profit/loss for the period	31.7	39.9	58.5	51.2	227.2

<i>Attributable to:</i>					
<i>Equity holders of parent company</i>	31.7	39.9	58.5	51.2	227.2
<i>Non-controlling interest</i>	0.0	0.0	0.0	0.0	0.0
<i>Earnings per share based on profit attributable to equity holders of the parent company</i>					
<i>Basic and diluted, €</i>	0.09	0.14	0.18	0.17	0.78

Consolidated statement of other comprehensive income
M€

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>Profit/loss for the period</i>	31.7	39.9	58.5	51.2	227.2
<i>Other comprehensive income</i>					
<i>Items that will not be reclassified to profit or loss</i>					
<i>Items arising from the remeasurement of defined benefit liabilities (or assets)</i>	-	-	-	-	0.1
<i>Taxes on items that will not be reclassified to profit or loss</i>	-	-	-	-	0.0
<i>Items that will not be reclassified to profit or loss, total</i>	-	-	-	-	0.1
<i>Items that may be reclassified subsequently to profit or loss</i>					
<i>Changes in associated companies recognised directly in comprehensive income</i>	-	0.5	-	0.1	1.4
<i>Net loss/profit from cash flow hedges</i>	1.3	5.9	0.1	6.1	5.9
<i>Translation differences</i>	0.2	-1.5	0.6	0.5	-0.2
<i>Taxes on items that may be reclassified subsequently to profit or loss</i>	-0.3	-1.5	-0.2	-2.1	-1.9
<i>Items that may be reclassified subsequently to profit or loss, total</i>	1.2	3.4	0.5	4.6	5.2
<i>Other comprehensive income for the period after taxes</i>	1.2	3.4	0.5	4.6	5.3
<i>Comprehensive profit/loss for the period</i>	32.9	43.3	59.0	55.8	232.6
<i>Attributable to:</i>					
<i>Equity holders of parent company</i>	32.9	43.3	59.0	55.8	232.6
<i>Non-controlling interest</i>	0.0	0.0	0.0	0.0	0.0

Consolidated balance sheet
M€

	30.6.2016	30.6.2015	31.12.2015
ASSETS			
<i>Non-current assets</i>			
<i>Investment properties</i>	3,713.2	3,143.2	3,101.7
<i>Investments in real estate funds</i>	20.5	21.2	21.4
<i>Investments in associated companies</i>	-	178.5	-
<i>Property, plant and equipment</i>	13.0	13.1	13.0
<i>Goodwill</i>	10.3	14.5	11.5
<i>Other intangible assets</i>	2.1	2.6	2.4
<i>Finance lease receivables</i>	2.7	2.7	2.7
<i>Other investments</i>	0.3	2.9	0.9
<i>Deferred tax assets</i>	9.6	24.9	9.4
Non-current assets total	3,771.8	3,403.9	3,163.1
<i>Current assets</i>			
<i>Trading properties</i>	9.6	7.7	7.7
<i>Trade and other receivables</i>	27.3	13.7	39.9
<i>Cash and cash equivalents</i>	81.0	57.1	220.0
Current assets total	117.9	78.5	267.7
<i>Non-current assets held for sale</i>	22.0	-	10.2
<i>Receivables associated with non-current assets held for sale</i>	0.1	-	-
Total assets	3,911.8	3,482.3	3,441.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Equity holders of parent company holders of the parent company</i>			
<i>Share capital</i>	111.0	111.0	111.0
<i>Share issue premium</i>	159.4	159.4	159.4
<i>Invested non-restricted equity reserve</i>	652.7	433.8	433.8
<i>Fair value reserve</i>	-29.2	-30.1	-29.2
<i>Revaluation reserve</i>	0.7	0.7	0.7
<i>Other equity fund</i>	94.0	94.0	94.0
<i>Translation differences</i>	0.3	0.0	-0.2
<i>Retained earnings</i>	818.2	642.6	813.7

	1,807.2	1,411.4	1,583.2
<i>Non-controlling interest</i>	1.8	1.8	1.8
Shareholders' equity, total	1,809.0	1,413.2	1,585.0
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
<i>Deferred tax liabilities</i>	80.6	211.3	71.5
<i>Provisions</i>	2.4	-	2.4
<i>Interest-bearing loans and borrowings</i>	1,427.8	1,389.2	1,080.4
<i>Other liabilities</i>	37.5	37.5	37.6
Non-current liabilities total	1,548.3	1,638.0	1,192.0
<i>Current liabilities</i>			
<i>Current interest-bearing liabilities</i>	484.8	379.4	580.5
<i>Trade and other payables</i>	60.6	51.8	76.4
<i>Tax liabilities based on the taxable income for the period</i>	8.7	-	7.1
<i>Current liabilities total</i>	554.1	431.2	664.0
<i>Liabilities associated with non-current assets held for sale</i>	0.4	-	0.0
Total borrowings	2,102.8	2,069.2	1,856.0
Total equity and liabilities	3,911.8	3,482.3	3,441.0

Consolidated Cash Flow Statement
M€

	1-6/2016	1-6/2015	1-12/2015
<i>Cash flow from operating activities</i>			
<i>Profit for the period</i>	58.5	51.2	227.2
<i>Adjustments</i>	31.8	22.8	-80.1
<i>Change in net working capital</i>	3.1	4.5	-1.3
<i>Interest received</i>	0.2	0.2	0.5
<i>Interest paid</i>	-24.7	-25.3	-44.8
<i>Other financial items</i>	-5.4	-3.1	-4.7
<i>Dividends received</i>	0.0	0.0	0.0
<i>Taxes received/paid</i>	-0.8	-1.3	-2.0
Net cash provided by operating activities	62.6	49.1	94.9
<i>Cash flow from investing activities</i>			
<i>Acquisition of investment properties</i>	-627.9	-46.9	-99.6
<i>Capital expenditure on real estate funds</i>	-1.1	-2.2	-2.2
<i>Acquisition of tangible and intangible assets</i>	-0.1	-0.1	-0.2
<i>Proceeds from disposal of investment properties</i>	8.4	54.0	154.4
<i>Proceeds from disposal of real estate funds</i>	-	-	0.3
<i>Proceeds from disposal of shares in associated companies</i>	-	-	180.6
<i>Proceeds from disposal of tangible and intangible assets</i>	0.4	-	0.0
<i>Capital repayments from associated companies</i>	-	-	7.6
<i>Repayments of loan receivables</i>	-	-	0.6
Net cash flow from investment activities	-620.3	4.7	241.5
<i>Cash flow from financing activities</i>			
<i>Proceeds from share issue</i>	219.0	-	0.0
<i>Non-current loans, raised</i>	500.0	320.0	320.0
<i>Non-current loans, repayments</i>	-347.9	-344.2	-345.4
<i>Current loans, raised/repayments</i>	99.9	59.1	-50.5
<i>Interest paid on hybrid bond</i>	-	-	-6.4
<i>Dividends paid</i>	-53.8	-53.8	-53.8
Net cash flow from financing activities	417.3	-18.9	-136.1
<i>Change in cash and cash equivalents</i>	-140.4	34.9	200.4
<i>Cash and cash equivalents, beginning of period</i>	220.0	20.3	20.3
<i>Impact of changes in exchange rates</i>	1.4	1.9	-0.7
Cash and cash equivalents, end of period	81.0	57.1	220.0

Consolidated statement of changes in equity
M€

	Share capital	Share issue premium	Invested non-restricted equity reserve	Fair value reserve	Revaluation reserve	Other equity fund	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
<i>Equity 1 January 2015</i>	111.0	159.4	433.8	-35.1	0.7	94.0	0.4	645.5	1,409.7	1.8	1,411.5
<i>Comprehensive income</i>											
<i>Profit for the period</i>								51.2	51.2	0.0	51.2
<i>Other comprehensive income (net of tax)</i>											
<i>Changes in associated companies recognised directly in comprehensive income</i>				0.1					0.1		0.1
<i>Cash flow hedges</i>				4.9					4.9	0.0	4.9
<i>Translation differences</i>							-0.4		-0.4	0.0	-0.4
<i>Comprehensive income, total</i>				5.0			-0.4	51.2	55.8	0.0	55.8
<i>Transactions with shareholders</i>											
<i>Share issue</i>											
<i>Dividend payment</i>								-53.8	-53.8	0.0	-53.8
<i>Transactions with shareholders, total</i>								-53.8	-53.8	0.0	-53.8
<i>Repurchase of hybrid bond</i>											
<i>Interest paid on hybrid bond</i>											
<i>Change</i>								-0.4	-0.4	0.0	-0.4
<i>Equity 30 June 2015</i>	111.0	159.4	433.8	-30.1	0.7	94.0	0.0	642.6	1,411.4	1.8	1,413.2

	Share capital	Share issue premium	Invested non-restricted equity reserve	Fair value reserve	Revaluation reserve	Other equity fund	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
<i>Equity 1 January 2016</i>	111.0	159.4	433.8	-29.2	0.7	94.0	-0.2	813.7	1,583.2	1.8	1,585.0
<i>Comprehensive income</i>											
<i>Profit for the period</i>								58.5	58.5	0.0	58.5
<i>Other comprehensive income (net of tax)</i>											
<i>Changes in associated companies recognised directly in comprehensive income</i>											
<i>Cash flow hedges</i>				0.1					0.1	0.0	0.1
<i>Translation differences</i>							0.5		0.5	0.0	0.5
<i>Comprehensive income, total</i>				0.1			0.5	58.5	59.0	0.0	59.0
<i>Transactions with shareholders</i>											
<i>Share issue</i>			219.0						219.0		219.0
<i>Dividend payment</i>								-53.8	-53.8	0.0	-53.8
<i>Transactions with shareholders, total</i>			219.0					-53.8	165.2	0.0	165.2
<i>Repurchase of hybrid bond</i>											
<i>Interest paid on hybrid bond</i>											
<i>Change</i>								-0.2	-0.2	0.0	-0.2
<i>Equity 30 June 2016</i>	111.0	159.4	652.7	-29.2	0.7	94.0	0.3	818.2	1,807.2	1.8	1,809.0

EPRA KEY FIGURES

Sponda reports operational performance measures in accordance with the recommendations of the European Public Real Estate Association (EPRA). More information on these performance measures is available in Sponda's financial statements.

EPRA Earnings, M€ M€

Sponda's result includes several non-operating items. These items are primarily due to the nature of Sponda's business operations and IFRS reporting obligations. In order to facilitate the monitoring of the operating result, Sponda presents the Group's operating result and operating result per share in accordance with EPRA recommendations. The direct result represents the result from the Group's core business operations. Operating result is calculated by adjusting the Group's result by, inter alia, changes in the fair values of properties and financial instruments, gains and losses on sales, impairment on goodwill and other income and expenses considered by the company to be non-operating items.

The EPRA Earnings figure includes the share of the result of the associated companies adjusted by the changes in fair value of the associated companies' investment properties and financial instruments, and deferred taxes.

The EPRA Earnings figure is presented below using two different calculation methods.

EPRA Earnings, M€

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>EPRA Earnings</i>					
<i>Earnings for the period per IFRS income statement</i>	31.7	39.9	58.5	51.2	227.2
<i>-/+ (i) Net profits or losses from fair value assessment of investment properties</i>	-5.0	-22.4	-3.0	-12.7	-22.4
<i>-/+ (ii) Net profits or losses on disposal of investment properties</i>	0.2	1.0	0.0	1.5	-0.7
<i>-/+ (iii) Net profits or losses on sales of trading properties</i>	0.0	-2.5	-12.5	-2.6	-2.8
<i>+/- (iv) Taxes arising from above items based on result</i>	0.8	-	0.8	-	-
<i>+/- (v) Impairment and amortisation of goodwill</i>	0.7	-	1.3	-	3.0
<i>-/+ (vi) Changes in fair value of financial instruments</i>	0.2	-0.9	0.6	-0.9	0.1
<i>+/- (viii) Deferred taxes arising from the above items</i>	4.6	11.5	8.3	14.8	27.6
EPRA Earnings	33.1	26.4	53.9	51.3	232.0
EPRA Earnings per share, €	0.10	0.09	0.17	0.18	0.82
<i>Company adjustments:</i>					
<i>Deferred taxes on operating result</i>	0.1	2.4	1.0	2.1	-133.5
Adjusted EPRA Earnings	33.2	28.9	54.9	53.5	98.6
Adjusted Earnings per share, €	0.10	0.10	0.17	0.19	0.35

EPRA Earnings can also be calculated from the income statement from top to bottom. The following table presents the EPRA Earnings calculation using this method.

	4-6/16	4-6/15	1-6/16	1-6/15	1-12/15
<i>EPRA Earnings</i>					
<i>Net operating income</i>	50.2	42.5	92.3	82.1	165.7
<i>+ Realised shares of profit from real estate funds</i>	-	-	-	-	-
<i>- Operational marketing and administration expenses</i>	-5.7	-5.1	-11.4	-10.8	-21.7
<i>+/- Other operational income and expenses from business operations</i>	0.2	4.3	0.5	8.3	12.7
<i>Operating profit</i>	44.7	41.7	81.3	79.6	156.7
<i>+/- Operational financial income and expenses</i>	-12.2	-12.1	-24.8	-24.7	-48.8
<i>-/+ Taxes based on operating result</i>	0.7	-0.7	-1.6	-1.5	-9.3
<i>- Deferred taxes based on operating result</i>	-0.1	-2.4	-1.0	-2.1	133.5
EPRA Earnings	33.1	26.4	53.9	51.3	232.0
EPRA Earnings per share, €	0.10	0.09	0.17	0.18	0.82
<i>Company adjustments:</i>					
<i>Deferred taxes on operating result</i>	0.1	2.4	1.0	2.1	-133.5
Adjusted EPRA Earnings	33.2	28.9	54.9	53.5	98.6
Adjusted Earnings per share, €	0.10	0.10	0.17	0.19	0.35

EPRA NAV (net asset value) and EPRA NNAV (adjusted net asset value)

EPRA NAV, €	30.6.2016	30.6.2015	31.12.2015
<i>Equity attributable to equity holders of the parent company</i>	1,807.2	1,411.4	1,583.2
<i>- Other equity reserve</i>	-94.0	-94.0	-94.0
<i>+ Fair value of financial instruments</i>	36.5	36.7	37.7
<i>+ Deferred tax liabilities arising from the fair value assessment of investment properties</i>	79.6	210.4	71.3
<i>- Goodwill arising from the fair value assessment of investment properties</i>	-10.3	-14.5	-11.5
EPRA NAV, M€	1,819.0	1,549.8	1,586.6
EPRA NAV/share, €	5.35	5.47	5.60

EPRA NNAV/share, €	30.6.2016	30.6.2015	31.12.2015
EPRA NAV, M€	1,819.0	1,549.8	1,586.6
- Fair value of financial instruments	-36.5	-36.7	-37.7
-/+ Difference between the fair value and balance sheet value of liabilities	-16.8	-30.2	-19.8
- Deferred tax liabilities arising from the fair value assessment of investment properties	-79.6	-210.4	-71.3
EPRA NNAV, M€	1,686.1	1,272.6	1,457.9
EPRA NNAV/share, €	4.96	4.50	5.15

NOTES TO THE HALF YEAR FINANCIAL REPORT

Accounting principles

This report has been prepared in accordance with IAS 34 (Interim Financial Reporting).

The preparation of the financial statements and the interim report in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities as well as the recognition of income and expenses. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may differ from the estimates used.

All figures are presented in millions of euros and rounded to the nearest EUR 0.1 million, in which case the sum of individual figures may deviate from the total shown.

More detailed information on the accounting principles can be found in Sponda's consolidated financial statements dated 31 December 2015.

The figures in the half year financial report have not been audited.

Income statement by segment
M€

<i>Income statement information</i> 1-6/2016	Office Properties	Shopping Centres	Logistics Properties	Property Development	Russia	Property Investment	Other	Group, total
Total revenue	82.8	33.3	4.3	0.6	5.9	-	0.1	126.9
<i>Maintenance expenses and direct fund expenses</i>	-22.3	-7.2	-2.4	-1.2	-1.6	-	0.0	-34.6
Net operating income	60.5	26.1	1.9	-0.6	4.3	-	0.1	92.3
<i>Profit on sales of investment properties</i>	0.2	-	0.2	-	-	-	-	0.4
<i>Loss on sales of investment properties</i>	-	-	0.0	-0.4	-	-	0.0	-0.4
<i>Profit/loss on disposal of associated companies</i>	-	-	-	-	-	-	-	-
<i>Profit/loss on trading properties</i>	-	-	-	12.5	-	-	0.0	12.5
<i>Valuation gains/losses on fair value assessment</i>	12.6	6.2	-0.4	3.9	-17.3	-2.0	-	3.0
<i>Amortisation of goodwill</i>	-	-	-	-1.3	-	-	0.0	-1.3
<i>Administration and marketing</i>	-5.7	-1.9	0.0	-2.1	-1.3	0.0	-0.4	-11.4
<i>Share of result of associated companies</i>	-	-	-	-	-	-	-	-
<i>Other operating income and expenses</i>	0.1	-0.1	0.1	0.1	0.0	-	0.2	0.5
Operating profit	67.6	30.3	1.8	12.2	-14.3	-2.0	-0.1	95.6
<i>Investments</i>	171.2	430.1	0.6	24.3	0.1	1.2	0.0	627.5
<i>Segment assets</i>	2,185.0	1,177.1	93.1	159.6	133.5	20.5	143.0	3,911.8
<i>- of which classified as held for sale</i>	8.6	-	3.9	-	9.7	-	-	22.1
<i>Economic Occupancy Rate</i>	88.3	94.2	73.4	-	81.9	-	-	89.1

Income statement information 1-6/2015	Office Properties	Shopping Centres	Logistics Properties	Property Development	Russia	Property Investment	Other	Group, total
Total revenue	74.2	23.2	8.3	0.6	10.3	-	-	116.6
Maintenance expenses and direct fund expenses	-20.9	-5.5	-4.0	-1.5	-2.6	-	-	-34.5
Net operating income	53.3	17.7	4.3	-0.9	7.7	-	-	82.1
Profit on sales of investment properties	-	-	-	-	-	-	-	-
Loss on sales of investment properties	-0.3	-	-	-	-1.1	-	-0.2	-1.5
Profit/loss on disposal of associated companies	-	-	-	-	-	-	-	-
Profit/loss on trading properties	-	-	-	2.5	-	-	-	2.6
Valuation gains/losses on fair value assessment	28.5	2.7	-1.0	2.9	-20.6	-	-	12.4
Amortisation of goodwill	-	-	-	-	-	-	-	-
Administration and marketing	-5.3	-1.3	-0.6	-2.1	-1.3	-	-0.2	-10.8
Share of result of associated companies	-	-	-	-	-	6.8	-	6.8
Other operating income and expenses	-0.1	-0.2	0.6	-	-	-	-	0.4
Operating profit	76.2	18.8	3.2	2.5	-15.2	6.8	-0.3	91.9
Investments	18.4	1.9	0.4	25.5	0.1	2.6	0.1	48.9
Segment assets	1,885.2	730.5	204.5	176.2	164.1	199.8	122.0	3,482.3
- of which investment properties held for sale	-	-	-	-	-	-	-	-
Economic Occupancy Rate	88.1	89.8	68.6	-	84.5	-	-	86.3

Key figures

	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Earnings per share, €	0.09	0.14	0.18	0.17	0.78
Equity ratio, %			46.3	40.7	46.2
Gearing ratio, %			101.3	121.1	90.9
Equity per share, €			5.04	4.65	5.26
Cash flow from operations per share, €	0.09	0.11	0.21	0.19	0.36

Quarterly key figures

	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015
Total revenue, M€	67.6	59.3	57.2	56.7	59.4
Net operating income, M€	50.2	42.1	41.3	42.2	42.5
Valuation gains/losses on fair value assessment, M€	5.0	-2.0	10.3	0.5	22.3
Operating profit, M€	48.8	46.7	47.8	38.3	64.4
Financial income and expenses, M€	-12.3	-13.0	-12.1	-13.0	-11.2
Profit/loss for the period, M€	31.7	26.7	158.0	18.0	39.9
Investment properties, M€	3,713.2	3,702.5	3,101.7	3,161.4	3,143.2
Shareholders' equity, M€	1,809.0	1,776.1	1,585.0	1,430.4	1,413.2
Interest-bearing liabilities, M€	1,912.7	1,902.0	1,660.9	1,724.7	1,768.6
Earnings per share, €	0.09	0.09	0.55	0.06	0.14
Cash flow from operations per share, €	0.09	0.12	0.07	0.10	0.11
EPRA NAV/share, €	5.35	5.25	5.60	5.58	5.47
Economic Occupancy Rate, %	89.1	88.7	87.7	86.2	86.3

Itemisations required for alternative key figures

	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Depreciation in administration	-0.2	-0.2	-0.5	-0.4	-0.9
Defined benefit pension plans	0.0	0.0	0.0	0.0	0.0
Financial income and expenses affecting cash flow	-12.7	-12.8	-25.8	-26.1	-51.5
Change in provisions in the income statement	-	-	-	-	2.4
Changes in fair value of associated companies' investment properties and financial instruments, and deferred taxes	-	1.2	-	1.2	2.3
Advances received			4.1	5.4	4.4
Rent deposits received			4.6	4.1	4.3

Investment Properties M€

At the end of June 2016, Sponda had a total of 173 leasable properties, with an aggregate leasable area of approximately 1.2 million m². Of this total, approximately 67% is office premises, 17% shopping centres and 13% logistics premises. Some 3% of the leasable area of the properties is located in Russia.

The fair values of Sponda's investment properties are confirmed as a result of the company's own cash flow-based yield value calculations. The assessment method

complies with International Valuation Standards (IVS). The data used in the calculations of fair value is audited at least twice a year by external experts to ensure that the parameters and values used in the calculations are based on market observations.

At the end of June 2016, an external consultant assessed the values of Sponda's investment properties in Finland (Catella Property Oy) and in Russia (CB Richard Ellis). The change in the fair value of the investment properties in January–June 2016 was EUR 3.0 (12.4) million and in April–June EUR 5.0 (22.3) million. The value of Sponda's properties in Finland developed favourably primarily due to a decrease in yield requirements. Yield requirements decreased the most in office properties in Helsinki's central business district and in the Shopping Centres unit. Other factors contributing to the increase in fair value included the development margin of property development. The change in the fair value of the properties in Russia was negative. The change was mainly due to a decrease in market rents and an increase in the yield requirement.

	30.6.2016	30.6.2015	31.12.2015
<i>Fair value of investment properties, 1 Jan.</i>	3,101.7	3,142.1	3,142.1
<i>Non-current assets held for sale, 1 Jan.</i>	10.2	-	-
<i>Acquisition of investment properties</i>	589.5	-	4.7
<i>Other capital expenditure on investment properties</i>	36.8	46.2	103.0
<i>Disposals of investment properties</i>	-8.3	-57.8	-161.9
<i>Reclassifications from trading properties</i>	-	-	-
<i>Capitalised borrowing costs, increase in period</i>	0.4	0.3	0.8
<i>Valuation gains/losses on fair value assessment</i>	5.0	12.4	23.2
<i>Investment properties reclassified as held for sale</i>	-22.0	-	-10.2
<i>Fair value of investment properties, end of period</i>	3,713.2	3,143.2	3,101.7
<i>Investment properties held for sale</i>	22.0	-	10.2

The Group's most significant investment commitments

Sponda's property development operations comprise new construction projects and the refurbishment of existing properties. At the end of the review period, the Property Development unit had invested a total of EUR 24.3 million, of which EUR 12.3 million was invested in April–June. The investments were primarily directed to the construction of the Ratina shopping centre.

The construction of the Ratina shopping centre in Tampere began in April 2015. The excavation, foundation and construction work on the Ratina shopping centre has progressed according to plan. The construction of the frame of the Valo-Ratina building will proceed with roofing work on the first section starting in August 2016 and work on building service systems beginning in September 2016. The shopping centre is expected to be completed in spring 2018. The complex comprises a total of approximately 53,000 m² of retail and service premises for more than 150 businesses. The total investment value of the project is estimated at approximately EUR 240 million. Some EUR 73.3 million has been invested in the project to date. The project's target development margin is 15% and the estimated net yield on cost is 7.5%. The shopping centre's signed and agreed lease agreements cover approximately 38% of the leasable area.

At the end of June, Sponda announced it will develop an office and retail complex at Tikkurila railway station in Vantaa. The construction of the six-storey office and retail

property at Värehteankatu 8 will be implemented in two phases, the first of which began with excavation work in July 2016. The first phase will comprise a total of 9,500 m² of leasable space, half of which will be office space and the other half retail and service premises. The property will have indoor and outdoor parking for 210 cars. The plan for the project's second phase involves the construction of approximately a further 4,000 m² of leasable business premises. The decision on commencing the second phase will be made later based on the occupancy rate. The investment size for the first phase is approximately EUR 31 million and the property is 57% pre-let. The project's yield on cost is estimated at approximately 7.3%. The project will be completed in March 2018.

Property, plant and equipment

M€

	30.6.2016	30.6.2015	31.12.2015
<i>Carrying amount, beginning of period</i>	13.0	13.2	13.2
<i>Increases</i>	0.1	-	-
<i>Disposals</i>	-	-	0.0
<i>Depreciation for the period</i>	-0.1	-0.1	-0.2
<i>Carrying amount, end of period</i>	13.0	13.1	13.0

Trading properties

M€

	30.6.2016	30.6.2015	31.12.2015
<i>Carrying amount, beginning of period</i>	7.7	7.8	7.8
<i>Disposals and other changes</i>	-0.4	-0.1	-0.1
<i>Increases</i>	2.3	-	-
<i>Reclassifications to investment properties</i>	-	-	-
<i>Valuation changes</i>	-	-	-
<i>Carrying amount, end of period</i>	9.6	7.7	7.7

Collateral and contingent liabilities

<i>Collateral and commitments given by the Group, M€</i>	30.6.2016	30.6.2015	31.12.2015
<i>Loans from financial institutions, covered by collateral</i>	178.4	179.3	125.8
<i>Mortgages</i>	288.1	312.1	288.1
<i>Carrying amount of pledged shares</i>	45.2	20.0	44.6
<i>Total collateral</i>	333.3	332.1	332.7
<i>Lease and other liabilities M€</i>	30.6.2016	30.6.2015	31.12.2015
<i>Lease liabilities</i>	50.5	119.8	53.9
<i>Mortgages</i>	19.6	20.6	23.1
<i>Guarantees and deposit guarantees</i>	2.0	2.3	3.1

<i>Investment commitments to real estate funds</i>	5.4	6.8	6.6
Interest derivatives M€	30.6.2016	30.6.2015	31.12.2015
<i>Swap contracts, notional value</i>	655.0	655.0	655.0
<i>Swap contracts, fair value</i>	-36.5	-36.3	-36.6
<i>Eurobasis swaps, notional value</i>	150.0	150.0	150.0
<i>Eurobasis swaps, fair value</i>	-0.3	-0.3	-0.3
<i>Cap options purchased, notional value</i>	362.9	593.5	363.1
<i>Cap options purchased, fair value</i>	0.2	1.7	0.8
Currency derivatives M€	30.6.2016	30.6.2015	31.12.2015
<i>Currency options, bought, notional value</i>	15.0	7.8	6.4
<i>Currency options, bought, fair value</i>	0.0	0.1	0.0
<i>Currency options, put, notional value</i>	-	-	-
<i>Currency options, put, fair value</i>	-	-	-
Interest rate and currency swaps M€	30.6.2016	30.6.2015	31.12.2015
<i>Interest rate and currency swaps, notional value*</i>	-	72.4	72.4
<i>Interest rate and currency swaps, fair value*</i>	-	-1.7	-1.7

*Interest rate and currency swaps are used to hedge the exchange rate risk related to loans denominated in Swedish krona. The nominal values of interest rate and currency swaps are identical to the nominal values of the loans hedged. Hedge accounting is not applied to hedged loans and interest rate and currency swaps. The unrealised exchange difference of the loans hedged is the inverse of the fair value of the hedging interest rate or currency swap.

All derivative contracts belong to level 2 in the fair value hierarchy mentioned in IFRS 7. Sponda utilises external valuations.

Related party transactions

The following related party transactions were carried out:

Management employee benefits, M€	30.6.2016	30.6.2015	31.12.2015
<i>Salaries and other short-term employee benefits</i>	0.9	0.8	1.7
<i>Share-based payments</i>	0.4	0.5	0.9
Total	1.3	1.4	2.6

Business transactions carried out with related parties; receivables from and liabilities to related parties, M€

	30.6.2016	30.6.2015
	Income	Expenses
<i>Forum Fastighets Ab</i> *)	0.0	-
<i>Konstsamfundet rf</i>	0.1	-
Total	0.1	-

*) Sponda acquired six properties from Forum Fastighets Ab for EUR 576 million on 29 February 2016.

Formulas for the key indicators

IFRS key figures

Earnings per share, € =
$$\frac{\text{Share of earnings for the period attributable to equity holders of the parent company} - \text{interest and expenses on hybrid loan allocated to the period, adjusted for taxes}}{\text{Weighted average number of shares outstanding during the period}}$$

Equity per share, € =
$$\frac{\text{Equity attributable to parent company equity holders} - \text{Other equity reserve}}{\text{Undiluted total number of shares on the date of closing the books}}$$

Alternative key figures defined in accordance with ESMA guidance

Equity ratio, % =
$$100 \times \frac{\text{Equity}}{\text{Balance sheet total} - \text{advances and rent deposits received}}$$

The equity ratio is an indicator of the financial structure that shows the percentage of equity in the capital tied up in operations. The figure reflects the company's financial structure.

Gearing ratio, % =
$$100 \times \frac{\text{Non-current and current interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Equity}}$$

The gearing ratio is an indicator of the financial structure that illustrates the ratio between net debt and equity items. The figure reflects the company's financial structure.

LTV, Loan to value	=	Non-current and current interest-bearing liabilities - Cash and cash equivalents <hr/> Investment properties, Investments in real estate funds, Investments in associated companies, Property, plant and equipment, Trading properties and Non-current assets held for sale total
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Loan to Value indicates the share of liabilities, less cash and cash equivalents, in funding the asset items included in the denominator. The figure reflects the company's financial structure.

Cash flow from operations per share, €	=	Operating profit -/+ Fair value adjustment + Amortisation of goodwill + Depreciation in administration +/- Changes in provisions +/- Defined benefit pension expenses - Financial income & expenses affecting cash flow - Taxes affecting cash flow +/- Changes in fair value of associated companies' investment properties and financial instruments, and deferred taxes <hr/> Weighted average number of shares outstanding during the period
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Cash flow from operations per share is an indicator of cash flow per share based on the income statement. The company uses this figure as a measure of its dividend payout capacity in its dividend policy.

EPRA Earnings	=	Earnings for the period per IFRS income statement -/+ Net profits or losses from fair value assessment of investment properties -/+ Net profits or losses on disposal of investment properties -/+ Net profits or losses on sales of trading properties +/- Taxes arising from above items based on result +/- Impairment and amortisation of goodwill -/+ Changes in fair value of financial instruments +/- Deferred taxes arising from the above items
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EPRA Earnings and company adjusted EPRA Earnings illustrate the earnings from the Group's core business.

EPRA NAV per share, €	=	Equity attributable to parent company equity holders - Other equity reserve
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+ Fair value of financial instruments
+ Deferred tax liabilities resulting from the assessment of fair value of properties and depreciation difference
- Goodwill created from the deferred tax liabilities on properties

Undiluted total number of shares on the date of closing the books

EPRA NAV/share is an indicator of net assets per share adjusted by items that are not assumed to be realised provided that the company continues its business operations in accordance with the going concern principle.

EPRA NNNAV/share, € = EPRA NAV

- Fair value of financial instruments
- Difference between the fair value and balance sheet value of liabilities
- Deferred tax liabilities arising from the fair value assessment of investment properties

Undiluted total number of shares on the date of closing the books

EPRA NNNAV per share is an indicator of net assets per share based on the fair value assessment of balance sheet items on the reporting date.

Other key figures

EPRA Net Initial Yield (NIY), % = $\frac{\text{Annualised net rental income}}{\text{Investment properties}}$

- Development properties
+ Estimated purchaser's costs

EPRA "topped-up" NIY, % = $\frac{\text{Annualised net rental income} + \text{Step rents, rent free periods, etc.}}{\text{Investment properties}}$

- Development properties
+ Estimated purchaser's costs

The reconciliation calculations for the selected Alternative key figures are provided under EPRA Earnings, EPRA NAV and EPRA NNNAV.