Interim Report 1.1.–31.3.2011

SPONDA

Sponda Plc's interim report January-March 2011

Sponda Plc's total revenue in the first quarter of 2011 was EUR 58.6 million (31 March 2010: EUR 57.6 million). Net operating income after property maintenance costs and direct costs for funds declined to EUR 39.6 (40.4) million. Higher than normal property maintenance costs due to the exceptionally heavy snowfall in the winter contributed to the decrease in net operating income. Sponda's operating profit was EUR 37.4 (36.3) million.

Result of operations and financial position January-March 2011 (compared with the same period in 2010)

- Total revenue was EUR 58.6 (57.6) million.
- Net operating income was EUR 39.6 (40.4) million. Net operating income was affected by the high property maintenance costs in the first quarter.
- Operating profit was EUR 37.4 (36.3) million, which includes a fair value change of EUR 3.1 (-0.1) million.
- Cash flow from operations per share was EUR 0.07 (0.08).
- The fair value of investment properties amounted to EUR 2,916.0 (2,768.1) million.
- Net assets per share totalled EUR 3.82 (3.46).
- The economic occupancy rate was 88.2% (86.2%).
- The prospects for 2011 remain unchanged.

Key figures

	1-3/2011	1-3/2010	1-12/2010
Total revenue, M€	**58.6**	57.6	232.1
Net operating income, M€	**39.6**	40.4	168.7
Operating profit, M€	**37.4**	36.3	216.2
Earnings per share, €	**0.06**	0.04	0.40
Cash flow from operations per share, €	**0.07**	0.08	0.37
Net assets per share, €	**3.82**	3.46	3.86
Equity ratio, %	**38**	37	39
Interest margin	**3.0**	2.9	3.0

Key figures according to EPRA Best Practices Recommendations

	1-3/2011	1-3/2010	1-12/2010
EPRA Earnings, M€	**17.2**	15.6	74.0
EPRA Earnings per share, €	**0.06**	0.06	0.27
EPRA NAV/share, €	**4.56**	4.10	4.59
EPRA Net Initial Yield (NIY), %	**6.58**	N/A	6.37
EPRA, "topped-up" NIY, %	**6.59**	N/A	6.38

CEO Kari Inkinen

”The economic occupancy rate of Sponda's properties continued to improve in the first quarter of 2011. The occupancy rate for logistics properties increased by two percentage points from the end of 2010. This positive development is primarily linked to the properties in Vantaa's Hakkila district. The occupancy rate for Russian properties rose to 98.3% (31 December 2010: 96.4%), which means that the properties are practically fully occupied.

After the period under review, Sponda signed an agreement to purchase the Fennia Quarter located in Helsinki's Central Business District. The newly acquired properties are an excellent strategic fit with Sponda's CBD portfolio. The acquisition will have a positive impact on Sponda's net assets per share and cash flow per share figures and further improve net operating income for 2011.

Active property development is part of Sponda’s strategy. In the first quarter of the year, work was completed on the construction of a new production facility and the renovation of office premises for Metso Automation in the Hakkila district of Vantaa. The project was completed on schedule and the company's target profit margin of 15% for property development projects was exceeded.

The Zeppelin shopping centre expansion project in Oulu and the renovation of the Kauppa-Häme property in Tampere will both be completed in late 2011. The second phase of the company's major development project in central Helsinki, the City-Center complex, will be completed on schedule in late summer. In August 2011, Sponda will begin work on the Kuntotalo office building in Ruoholahti. The project is scheduled for completion in April 2013.

We also expect to have the investment decision for the Ratina Shopping centre in Tampere before the summer holidays. This will allow work to begin on the project in late summer.”

Prospects

Sponda expects the vacancy rates of its investment properties to continue falling in 2011. This assessment is based on the 2011 growth forecasts for the Finnish economy and increased demand for properties in prime locations.

Net operating income in 2011 is expected to be higher than that of 2010. This is based on the predicted fall in vacancy rates and the completion of property development projects during the year.

Business conditions - Finland

According to consensus forecasts, Finland's GDP will grow approximately 4% in 2011. This growth is supported by increased volume in the Finnish manufacturing and construction sectors.

The property markets in Finland are showing positive signs in both property transactions and rental operations. According to estimates by KTI Kiinteistötieto Oy, the transaction volume in the first quarter of the year was approximately EUR 0.2 billion. While this total figure is similar to the previous year, it is clear that activity on the market has increased in terms of both the number of properties and the volume of buyers.

Rental levels for commercial properties in Helsinki are on the rise, with rents for office and retail space in the Central Business District, in particular, already showing an increase on 2010. Moderate growth is expected to continue throughout 2011. The vacancy rates for office properties began to decline in 2010 and this trend is expected to continue in 2011. The vacancy rates of retail properties are expected to remain low. Vacancy rates for logistics properties are also expected to decline during the year.

Business conditions - Russia

Forecasts suggest that the annual growth in the Russian economy will be slightly above 4% in 2011. Growth in Russia is driven by the increase in oil prices, falling unemployment and improved consumer confidence.

Property values have begun to increase slowly in Moscow. Jones Lang LaSalle estimates the vacancy rate of office properties in Moscow to be approximately 14%. There has been a moderate rise in rental levels, which is expected to continue in 2011.

In St Petersburg, the vacancy rate for office properties is 15-17% depending on location and quality. While rental levels on the whole have remained stable, the expectation is that they will increase moderately in the Central Business District.

Operations and property assets January - March 2011

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

Net operating income from all of Sponda's property assets totalled EUR 39.6 (40.4) million during the period. Office and retail premises accounted for 51% of this, shopping centres for 20%, logistics premises for 15%, Russia for 11% and the Real Estate Funds unit for 3%.

On 31 March 2011, Sponda had a total of 194 properties, with an aggregate leasable area of approximately 1.5 million m². Of this, some 50% is office and retail premises, 10% shopping centres and 37% logistics premises. Approximately 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 valuers to ensure that the parameters and values used in calculations are based on market observations.

At the end of the first quarter of 2011, the values of Sponda's investment properties were assessed internally within the company. The change in the fair value of the investment properties in January-March 2011 was EUR 3.1 (-0.1) million. The positive change in the fair value was primarily the result of changes in yield requirements in Finland due to longer lease agreements, while currency exchange rates had a negative impact on the fair values. The changes in fair values are itemised in the table ”Valuation gains/losses on fair value assessment.

Valuation gains/losses on fair value assessment

M€	**1-3/11**	1-3/10	1-12/10
Changes in yield requirements (Finland)	**6.9**	0.0	22.9
Changes in yield requirements (Russia)	**0.0**	0.0	11.5
Development gains on property development projects	**4.9**	0.9	2.7
Modernisation investments	**-11.9**	-5.6	-29.9
Change in market rents and maintenance costs (Finland)	**4.1**	-2.8	23.1
Change in market rents and maintenance costs (Russia)	**2.2**	0.0	5.0
Exchange rate change	**-4.5**	6.3	5.2
Investment properties, total	**1.7**	-1.2	40.5
Real estate funds	**0.0**	-0.4	-1.7
Realised shares of profits from real estate funds	**1.4**	1.4	5.6
Group, total	**3.1**	-0.1	44.4

The changes in Sponda's investment property assets were as follows:

Sponda's investment properties, M€	Total	Office and retail	Shopping centres	Logistics	Property develop ment	Russia
Operating income	57.1	30.4	10.2	9.9	0.2	6.4
Maintenance costs	-18.5	-10.1	-2.3	-4.0	-0.4	-1.7
Net operating income	38.6	20.2	7.9	5.9	-0.3	4.8
Fair value of investment properties at 1 January 2011	2,870.6	1,459.1	557.1	422.5	227.7	204.2
Capitalised interest 2011	0.9	0.0	0.0	0.1	0.7	0.1
Acquisitions	10.0	10.0	0.0	0.0	0.0	0.0
Investments	35.0	8.5	0.8	14.2	11.1	0.5
Transfers between segments	0.0	0.0	0.0	0.0	0.0	0.0
Sales	-2.2	-2.2	0.0	0.0	0.0	0.0
Valuation gains/losses	1.7	3.1	-4.2	5.1	0.0	-2.4
Fair value of investment properties as at 31 March 2011	**2,916.0**	**1,478.6**	**553.7**	**441.9**	**239.5**	**202.3**
Change in fair value, %	0.1	0.2	-0.8	1.2	0.0	-1.2
Weighted average yield requirement %	7.0	6.6	5.9	8.0		10.7
Weighted average yield requirement %, Finland	6.7					

Rental operations

The current trends in rental levels in Finland are illustrated by the difference in average rent per square metre for lease agreements that expired during the period and lease agreements that came into effect in the period. The figures for expired lease agreements and new agreements that came into effect between January-March were as follows:

	Number	**Area (m²)**	**EUR/m²/mnth**
Came into effect during the period	126	74,070	12.31
Expired during the period	86	23,108	15.29
Renewed during the period	39	40,954	15.52

The expired agreements and agreements that came into effect do not necessarily pertain to the same segments and properties. In the first quarter of the year the proportion of logistics properties was higher for agreements that came into effect than in expired agreements, which explains the lower rental level in the new agreements.

Sponda also calculates the growth in 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 rental growth was -4.1% for office and retail properties, 15.7% for shopping centres, -1.0% for logistics properties and 11.8% 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	31.3.11	31.12.10	30.9.10	30.6.10	31.3.10
Office and retail, %	**87.7**	87.7	87.7	87.7	86.5
Shopping centres	**97.4**	98.1	98.2	96.7	96.5
Logistics, %	**77.8**	75.8	74.8	75.9	76.0
Russia %	**98.3**	96.4	93.3	91.5	87.4
Total property portfolio, %	**88.2**	88.0	87.4	87.3	86.2

Geographical area	31.3.11	31.12.10	30.9.10	30.6.10	31.3.10
Helsinki Business District, %	**88.0**	89.8	89.4	88.6	86.5
Helsinki Metropolitan Area, %	**85.3**	84.3	84.3	84.2	84.0
Turku, Tampere, Oulu	**95.7**	96.8	96.0	96.7	95.5
Russia	**98.3**	96.4	93.3	91.5	87.4
Total property portfolio, %	**88.2**	88.0	87.4	87.3	86.2

Total cash flow from lease agreements on 31 March 2011 was EUR 1,225 (1,066) million. Sponda had 2,021 clients and altogether 3,131 lease agreements. The company's largest tenants were the public sector (11.1% of rental income), Kesko Group (5.8% of rental income), HOK-Elanto (3.9% of rental income) and Sampo Bank Plc (3.8% of rental income). Sponda's 10 largest tenants generate about 34% of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	**% of net rental income**
Professional, scientific and technical activities	7.89
Energy	0.57
Public sector	11.49
Wholesale/retail	25.13
Education	1.21
Logistics/transport	6.38
Hotel and catering business	3.83
Media/publishing	1.61
Other services	7.74
Banking/investment	9.94
Construction	1.85
Industry/manufacturing	9.08
Healthcare	3.71
Telecommunications	5.95
Other	3.62

The average length of all lease agreements was 5.1 (4.5) years. The average length of lease agreements was 5.4 (5.0) years for office and retail properties, 6.7 (4.9) for shopping centres and 4.5 (3.5) years for logistics properties. The lease agreements for Sponda's property portfolio expire as follows:

	% of rental income 31.3.2011	% of rental income 31.3.2010
within 1 year	13.8	16.2
within 2 years	10.3	11.9
within 3 years	11.2	9.4
within 4 years	6.4	9.9
within 5 years	6.4	6.7
within 6 years	5.4	4.6
more than 6 years remaining	32.9	27.5
Open-ended	13.6	14.0

Investments and divestments

In the first quarter of 2011, Sponda sold properties for EUR 2.3 million and recorded a profit on these disposals of EUR 0.2 million. The balance sheet values of the sold properties totalled EUR 2.2 million. The company purchased properties for a total of EUR 10.0 million during the period under review.

Investments in property maintenance totalled EUR 11.9 million. The majority of the investments in property maintenance were allocated to the on-going renovation of Unionikatu 20-22. Property development investments totalled EUR 23.1 million and were primarily directed to the modernisation of the City-Center property in Helsinki's Central Business District and the construction of a production facility and office building in the Hakkila district of Vantaa.

Office and retail properties

	1-3/11	1-3/10	1-12/10
Total revenue, M€	**30.4**	30.3	122.6
Net operating income, M€	**20.2**	21.3	88.6
Operating profit, M€	**21.7**	15.6	107.1
Economic occupancy rate, %	**87.7**	86.5	87.7
Fair value of properties, M€	**1,478.6**	1,416.7	1,459.1
Change in fair value from beginning of year, M€	**3.1**	-5.4	14.9
Leasable area, m²	**738,500**	756,500	737,000

The company sold office and retail properties for a total of EUR 2.3 million between January-March 2011. The company purchased properties for EUR 10.0 million during the period. Investments in property maintenance for the segment totalled EUR 8.5 million in the same period.

Shopping centres

	1-3/11	1-3/10	1-12/10
Total revenue, M€	**10.2**	10.0	39.7
Net operating income, M€	**7.9**	7.7	31.4
Operating profit, M€	**3.3**	6.0	31.3
Economic occupancy rate, %	**97.4**	96.5	98.1

Fair value of properties, M€	**553.7**	542.3	557.1
Change in fair value from beginning of year, M€	**-4.2**	-1.3	1.1
Leasable area, m²	**141,000**	137,000	141,000

No properties were purchased or sold in the period under review. Investments in property maintenance totalled EUR 0.2 million.

Logistics properties

	1-3/11	1-3/10	1-12/10
Total revenue, M€	**9.9**	9.4	36.6
Net operating income, M€	**5.9**	5.7	24.8
Operating profit, M€	**10.7**	4.8	30.0
Economic occupancy rate, %	**77.8**	76.0	75.8
Fair value of properties, M€	**441.9**	395.5	422.5
Change in fair value from beginning of year, M€	**5.1**	-0.8	3.1
Leasable area, m2	**536,500**	527,000	514,000

No properties were purchased or sold in January-March in the logistics properties segment. Investments in property maintenance totalled EUR 3.2 million.

Property Development

The balance sheet value of Sponda's property development portfolio at the end of March stood at EUR 239.5 million. Of this total, EUR 81.4 million was in undeveloped land sites and EUR 143.9 million was tied up in property development projects in progress. Investments in property development and acquisitions totalled EUR 23.1 million at the end of March 2011. Most of these investments were allocated to the development of the City-Center and Hakkila properties.

Sponda's property development operations comprise new construction projects and refurbishment of existing properties. At present, investments are allocated as follows between the company's major projects:

	City-Center	**Zeppelin shopping centre**
Total investment, M€	125.0*)	18.0
Invested by 31 March 2011, M€	92.7*)	0.6
Capitalised interest expenses by 31 March 2011, M€	10.8	-
Completion	2012	late 2011

*) Figure does not include capitalised interest expenses.

The construction of a production facility and renovation of an office building in the Hakkila district of Vantaa was completed on schedule and the primary tenant, Metso Automation, has already moved in. The project exceeded the company's target profit margin of 15%.

In the City-Center project, construction of the inner court office building is nearing completion. The office building and the new retail premises developed in the second phase of the shopping complex are scheduled for completion in summer 2011. The City-Center refurbishment project is expected to be completed for the most part in 2012 with a total investment of approximately EUR 125 million.

Sponda has begun work to expand the Zeppelin shopping centr in Oulu. The project will add some 4,000 m² of new retail space for the Prisma hypermarket and 4,700 m² of space for specialty retail. Lease agreements have been concluded in advance for over 60% of the new retail space. The total investment in the expansion is approximately EUR 18 million and the shopping centre will be completed in late 2011.

Sponda purchased an office and retail property in central Tampere for approximately EUR 10 million. The company is planning to make an additional investment of approximately EUR 6.5 million to modernise the property. The aim is to complete the project by the end of 2011.

Sponda is developing an office property in the Ruoholahti district of Helsinki with a total floor space of approximately 6,000 m². Over 70% of the building will be leased to the primary tenant, Talentum Plc. Construction of the office building is set to begin in August 2011 and the project is scheduled for completion in April 2013. The project's total investment is estimated at approximately EUR 23.5 million, inclusive of the value of the current building at the location, which will be demolished.

Sponda is carrying out development projects for the Ratina shopping complex in Tampere and related areas. The current plans are for a shopping centre with a total area of 55,000 m² and a total investment of approximately EUR 200 million. The marketing of the property is still on-going and no final decision on the investment has been made.

Russia

	1-3/11	1-3/10	1-12/10
Total revenue, M€	**6.4**	5.6	23.6
Net operating income, M€	**4.8**	4.1	17.7
Operating profit, M€	**1.7**	9.5	36.3
Economic occupancy rate, %	**98.3**	87.4	96.4
Fair value of properties, M€	**202.3**	188.0	204.2
Change in fair value from beginning of year, M€	**-2.4**	6.3	21.7
Leasable area, m2	**46,500**	46,500	46,500

The change in the fair value of the company's Russian properties in the first quarter of the year, EUR -2.3 million, resulted from changes in market rents and maintenance costs (EUR 2.2 million) and exchange rate fluctuations (EUR -4.5 million).

The typical length of a lease in Russia is 11 months. Sponda's lease agreements in Russia conform to this practice, with the exception of the Western Realty (Ducat II) property in Moscow and the OOO Adastra property in St Petersburg, where the leases are for longer periods than average. The average length of Sponda's lease agreements in Russia on 31 March 2011 was 2.6 (3.2) years, with lease agreements expiring as follows:

	% of rental income 31.3.2011	% of rental income 31.3.2010
within 1 year	39.1	37.2
within 2 years	15.8	3.5
within 3 years	11.0	16.2
within 4 years	5.8	10.8
within 5 years	8.7	8.9
within 6 years	12.6	3.6
more than 6 years remaining	7.0	19.8

Real Estate Funds

Sponda is a minority holder in three real estate funds: First Top LuxCo, Sponda Fund I Ky and Sponda Fund II Ky. Sponda is responsible for managing the funds and their properties, and receives management fees. The total revenue, net operating income and operating profit for the Real Estate Funds segment were:

	1-3/11	1-3/10	1-12/10
Total revenue, M€	**1.6**	1.7	7.2
Net operating income, M€	**1.3**	1.4	5.7
Operating profit, M€	**1.3**	1.2	4.2

The property portfolios owned by the funds were not assessed at fair value at the end of the period under review. From the second quarter of the 2010 financial year onwards, the company has recognised the realised shares of profits from real estate funds on the income statement under changes in fair value instead of total revenue. The share of profits in January-March was EUR 1.4 (1.4) million. The comparison figures have been adjusted accordingly.

First Top LuxCo (Sponda's holding 20%) invests in office and retail properties outside Finland's largest cities. The value of the fund's property investments stood at EUR 94.2 million at the end of the period under review.

Sponda Fund I Ky invests in logistics sites outside the Helsinki metropolitan area. Sponda's holding in the fund is 46%. At the end of March 2011, the value of the fund's property portfolio was EUR 185.3 million.

Sponda Fund II Ky (Sponda's holding 44%) mainly invests in logistics properties in medium sized cities in Finland. The fund has a target size for its real estate investment of approximately EUR 200 million and the fair value of its property portfolio at the end of March 2011 was EUR 125.2 million.

In addition to the funds mentioned above, Sponda is also responsible for managing the property portfolio, with a value of approximately EUR 230 million, sold in March 2007 to Whitehall Street Real Estate Limited and Niam Nordic Investment Fund III.

Cash flow and financing

Sponda's net cash flow from operations in the period under review totalled EUR 25.7 (31 March 2010: 16.1) million. Net cash flow from investing activities was EUR -38.6 (0.4) million and the net cash flow from financing activities was EUR 4.7 (-19.5) million. Net financing costs for the period totalled EUR -12.6 (-16.6) million. Interest expenses of EUR 0.9 (1.1) million were capitalised.

Sponda's equity ratio on 31 March 2011 stood at 38% (31 March 2010: 37%) and the gearing ratio was 135% (145%). Interest-bearing debt amounted to EUR 1,619.4 (1,610.4) million and the average maturity of Sponda's loans was 2.9 (2.5) years. The average interest rate was 3.8% (3.8%) including interest derivatives. Fixed-rate and interest-hedged loans accounted for 87% (67%) of the loan portfolio. The average interest-bearing period of the entire debt portfolio was 2.5 (1.8) years. The interest cover ratio, which describes the company's solvency, was 3.0 (2.9).

Sponda applies hedge accounting to those interest derivatives that meet the criteria for hedge accounting. Changes in the fair value of interest derivatives that fall under hedge accounting are recognised in equity on the balance sheet. Changes in the fair value of other interest derivatives and currency options are recorded on the income statement.

Sponda Group's debt portfolio on 31 March 2011 comprised syndicated loans with a nominal value of EUR 640 million, EUR 250 million in bonds, EUR 99 million in issued commercial papers and EUR 630 million in loans from financial institutions. Sponda had EUR 460 million in unused credit limits. Sponda Group had mortgaged loans of EUR 141 million, or 4.5% of the consolidated balance sheet.

Sponda issued a SEK 650 million bond in March 2011. The maturity date of the five-year bond is 4 April 2016. The bond pays a floating coupon of three month STIBOR +2.40%. Proceeds and cash flows of the issue have been swapped to euros, eliminating currency risk. Sponda will apply for listing of the bond on the NASDAQ OMX Helsinki Ltd.

Other significant events in the reporting period

Sponda sold its 45.1% share in Ovenia Oy, a provider of property management services, to funds managed by Vaaka Partners Ltd and to Ovenia's current management. The parties agreed not to disclose the transaction price. Sponda records a profit of approximately EUR 7.8 million on the sale, which will be allocated to the second quarter of 2011.

Sponda was one of the founding shareholders of Ovenia and contributed strongly to the company's development. As Ovenia grew and expanded its customer base, the current shareholders deemed it appropriate for Ovenia's further development to divest their shares.

Personnel

During the review period Sponda Group had on average 119 (127) employees, of whom 107 (114) worked for parent company Sponda Plc. On 31 March 2011 Sponda Group had altogether 120 (125) employees, of whom 108 (113) were employed by the parent company Sponda Plc. Sponda has personnel in Finland and in Russia. Sponda's sales and administration costs in the period totalled EUR -5.6 (-4.9) million.

Incentive and bonus systems

Sponda has a bonus scheme that covers all employees and is based on both company objectives and personal targets. The key factors affecting the bonus are profitability and business development.

Sponda also has a long-term incentive scheme with two one-year earnings periods, the 2010 and 2011 calendar years, and two three-year earnings periods, 2010-2012 and 2011-2013. The incentive scheme's criteria are tied to cash flow from operations per share and return on investment.

The share-based incentive scheme presently covers the members of the company's Executive Board, altogether seven persons. The incentive scheme is described in more detail in the company's stock exchange release of 17 March 2010.

Group structure

Sponda Group comprises the parent company, the subsidiary Sponda Kiinteistöt Oy (formerly Kapiteeli Oy) and the Group's mutually owned property companies, which are either wholly or majority owned by Sponda Plc or Sponda Kiinteistöt Oy. Sponda Group also includes Sponda Russia Ltd and Sponda Asset Management Oy, as well as their subsidiaries.

Sponda's share and shareholders

The weighted average price of Sponda's share in the period between January-March 2011 was EUR 3.86. The highest quotation on NASDAQ OMX Helsinki Oy was EUR 4.08 and the lowest EUR 3.51. Turnover during the year totalled 35.0 million shares for EUR 135.3 million. The closing price of the share on 31 March 2011 was EUR 4.01 and the market capitalisation of the company's share capital was EUR 1,113.1 million.

The Annual General Meeting on 16 March 2011 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.

Sponda issued no flagging announcements in the three months ended March 2011.

On 31 March 2011 the company had altogether 9,618 shareholders and its ownership structure was as follows:

	Number of shares	Holding, %
Public entities	55 494,150	20.0
Nominee registered	141,656,973	51.0
Financial and insurance institutions, total	2,631,819	0.9
Households	24,654,475	8.9
Private corporations, total	47,497,711	17.1
Non-profit organisations, total	3,974,276	1.4
Foreign owners, total	1,666,058	0.6
Total number of shares	277,575,462	100.0

Sponda Plc's Annual General Meeting

The Annual General Meeting of Sponda Plc was held in Helsinki on 16 March 2011. The meeting adopted the consolidated financial statements and the parent company's financial statements for the 2010 financial year and discharged the Board of Directors and the CEO from liability.

The AGM adopted the proposal of the Board to pay a dividend of EUR 0.15 per share for the 2010 financial year. The record date for the dividend payment was 21 March 2011 and the dividend was paid on 28 March 2011.

The number of the members of the Board of Directors was confirmed as six (6). Klaus Cawén, Tuula Entelä, Lauri Ratia, Arja Talma and Erkki Virtanen were re-elected and Raimo Valo was elected as a new member to serve on the Board of Directors until the close of the next Annual General Meeting.

The AGM confirmed that the annual remuneration for the Chairman of the Board is EUR 60,000, for the Deputy Chairman EUR 36,000 and for ordinary members EUR 31,200. Of this annual remuneration, 40% is paid in Sponda Plc shares purchased on the market. The shares will be purchased within two weeks of the publication of the interim report for January-March 2011. In addition, the AGM confirmed that an attendance allowance of EUR 600 is paid to all members of the Board of Directors for each meeting, including Board Committee meetings.

APA Raija-Leena Hankonen and authorised public accountants KPMG Oy Ab, with APA Kai Salli as the responsible auditor and APA Ari Eskelinen as the deputy auditor, were appointed as the company's auditors to serve until the close of the next Annual General Meeting. It was decided that the auditors will be paid against invoice.

Authorisation for the Board to decide on purchasing the company's own shares

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of own shares using the company's unrestricted equity pursuant to the proposal of the Board of Directors. A maximum of 13,878,000 shares can be acquired in one or more tranches. The proposed maximum number corresponds to approximately five per cent of all shares in the company.

The shares shall be acquired in public trading, as such this shall be a directed purchase, deviating from the pre-emptive rights of shareholders.

The authorisation is valid until the next Annual General Meeting. It replaces the authorisation granted by the AGM on 17 March 2010.

Authorising the Board to decide on a share issue and the granting of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue and on the granting of special rights entitling to shares, pursuant to Chapter 10(1) of the Companies Act, in accordance with the proposal of the Board. A share issue may be effected by offering new shares or by the transfer of treasury shares. Based on this authorisation, the Board of Directors may make a decision on a directed share issue in deviation from the shareholders' pre-emptive rights and on the granting of special rights subject to the conditions stipulated by the Companies Act.

Under the authorisation, a maximum of 27,757,000 shares can be issued. The proposed maximum number corresponds to approximately 10 per cent of all shares in the company.

The Board of Directors can act on this authorisation in one or several tranches. The Board of Directors can use the authorisation to finance or carry out corporate acquisitions, to strengthen the company's capitalisation, or for other purposes decided by the Board of Directors. The authorisation may not, however, be used for implementing incentive schemes for the company's management or key personnel.

The Board of Directors is authorised to decide on other conditions pertaining to the issuing of shares and special rights.

The authorisation is in force until the next Annual General Meeting. The authorisation replaces the one granted by the AGM on 17 March 2010 to decide on a share issue and on granting special rights entitling to shares.

Appointment of Nomination Board

The Annual General Meeting resolved, on the proposition of the company's largest shareholder Solidium Oy, to appoint a Nomination Board to prepare proposals for the next Annual General Meeting concerning the company's Board members and their remuneration.

The duties of the Nomination Board include:
a. The preparation of the proposal on the members of the Board of Directors to be presented to the General Meeting;
b. The preparation of the proposal on matters pertaining to the remuneration of the members of the Board of Directors to be presented to the General Meeting;
c. Looking for prospective successors for the members of the Board of Directors; and
d. The presentation of the proposals on the members of the Board of Directors and matters pertaining to their remuneration to the General Meeting.

The three largest shareholders or their representatives shall be elected to the Nomination Board. The Nomination Board shall also include the Chairman of the Board of Directors as an expert member. The three shareholders who are entered in the company's shareholders' register maintained by Euroclear Finland Oy on 1 October 2011 and whose portions of the votes produced by all the shares in the company according to the shareholders' register are the greatest shall have the right to appoint members representing shareholders. If a shareholder with an obligation to disclose certain changes in its holdings under the Securities Markets Act (a shareholder obligated to give a flagging notice) presents a demand regarding the matter to the company's Board of Directors on 30 September 2011 at the latest, the holdings of such a shareholder registered in several different funds or registers shall be aggregated when calculating the portion of votes. If a shareholder does not wish to exercise its right to appoint a member to the Nomination Board, the right shall be transferred to the next largest shareholder according to the shareholders' register, who otherwise would not have the right to appoint a member.

The Nomination Board is convened by the Chairman of the Board of Directors and the Nomination Board elects its chairman from amongst its members. The Nomination Board must give its proposal to the company's Board of Directors by 1 February before the Annual General Meeting, at the latest.

Board of Directors and auditors

Sponda's Board of Directors has six members: Klaus Cawén, Tuula Entelä, Lauri Ratia, Arja Talma, Raimo Valo and Erkki Virtanen. The Chairman of the Board is Lauri Ratia and its Deputy Chairman is Klaus Cawén.

The Board of Directors assesses that, of its members, Klaus Cawén, Tuula Entelä, Lauri Ratia, Arja Talma and Raimo Valo are independent of the company and of its major shareholders and Erkki Virtanen is independent of the company.

Sponda Plc's auditors are APA Raija-Leena Hankonen and authorised public accountants KPMG Oy Ab, with APA Kai Salli as the responsible auditor and APA Ari Eskelinen as the deputy auditor.

Board committees

The members of the Audit Committee are as follows: Arja Talma (Chairman), Raimo Valo (Deputy Chairman) and Erkki Virtanen (ordinary member).

The members of the Structure and Remuneration Committee are as follows: Lauri Ratia (chairman), Klaus Cawén (vice chairman) and Tuula Entelä (ordinary member).

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 Communications and IR, and the heads of the business units, in total seven persons.

Environmental responsibility

The real estate sector plays a key role in fighting climate change and promoting the wellbeing of the environment. Environmental expertise is one of Sponda's strategic priorities.

The company has set company level objectives for 2011 related to, amongst other things, reducing energy consumption in properties owned by Sponda, adopting a low energy concept in new sites developed by the company, reducing the environmental load of its operations and creating a healthy and satisfying working environment for its clients. Environmental responsibility is also extended to properties owned by Sponda in Russia, with the aim of reducing electricity and water consumption, particularly in Moscow.

Sponda obtained LEED® (Leadership in Energy and Environmental Design) Silver Environmental Certification for an Existing Building for its office property at Sörnäistenkatu 2 in Helsinki, close to the Kalasatama area. The major tenants of the office building, which was completed in 2008, are Suomen Lähikauppa Oy and Tryg Insurance. The LEED certification process for an existing building involves the assessment and measurement of the building's environmental efficiency, including aspects such as energy consumption, indoor environmental quality, cleaning and maintenance as well as the use of materials, energy and water by the building's occupants. The certification also has an effect on the future use of the property by defining the optimal ways of working for various functions, from an environmental standpoint.

Events after the end of the period

Sponda Plc signed an agreement on 4 April 2011 with Svenska Handelsbanken for an unsecured EUR 50 million credit limit for five years. The margin and conditions for the credit limit are the same as in the credit facility that Sponda signed on 1 November 2010. The key covenants of the loan are linked to the equity ratio and interest cover ratio. The loan is being used in its entirety to repay existing debts.

Sponda purchased the Fennia Quarter located in the Helsinki Central Business District from Suomi Mutual Life Assurance Company, with the purchase consisting of all the shares in six real estate companies and a portion of the shares in a company managing the Kaisaniemi metro hall. The Fennia Quarter has a total of approximately 25,500 m^2 of office space and approximately 14,200 m^2 of retail premises. On the date of closing the sale, the vacancy rate of this entity was approximately 9.7%. The net initial yield of the object is approximately 5.7%.

Sponda paid a total of EUR 122,000,000 to Suomi Mutual for the entity as the debt-free purchase price, of which EUR 100,000,000 less the net debt of the target has been paid in cash on signing the purchase agreement. In addition to the cash payment, Sponda's Board of Directors decided to pay a part of the purchase price through an issue of 5,500,000 new shares in Sponda directed to Suomi Mutual based on the share issue authorisation given by Sponda's Annual General Meeting of Shareholders on 16 March 2011.

Grounds for the purchase

One of Sponda's key strengths is its property portfolio that is concentrated in the best locations in the Helsinki Metropolitan Area. The purchase of the Fennia Quarter supports Sponda's strategy and strengthens the property portfolio of Sponda's Investment Properties business unit. The major tenants in the entity are Finland's Slot Machine Association, Finnkino and the City of Helsinki. The concluded purchase will have a positive impact on Sponda's net assets per share and cash flow per share already in 2011. The company has estimated that Finland's property market will see a positive turn during the ongoing year and the anticipated rise in rents in the central Helsinki area in particular will have a positive impact on the profitability of the Fennia Quarter in the future.

The title to the Fennia Quarter passed to Sponda in connection with signing the sale and purchase agreement and the entity will increase Sponda's rental income from the beginning of May 2011. The purchase was concluded on normal market terms.

Directed issue

In addition to the cash payment, Sponda's Board of Directors decided to issue 5,500,000 new shares in Sponda to Suomi Mutual through a directed issue based on the share issue authorisation given by Sponda's Annual General Meeting of Shareholders on 16 March 2011. The share issue will be carried out against a contribution in kind. Suomi Mutual subscribed for all the shares at a subscription price of four euros (EUR 4.00) per share. This is the closing price of the share as at 29 March 2011 and exceeds the equity per share adjusted by dividends as at 31 December 2010 as well as the average price of Sponda's shares adjusted by dividends in February 2011. Thus, the total value of the share consideration was EUR 22,000,000. Sponda's Board of Directors believes that the subscription price per share determined in connection with the purchase is justified as part of the totality of the purchase of the Fennia Quarter.

On the aforementioned grounds, Sponda's Board of Directors finds that there is a weighty financial reason for carrying out the share issue in deviation from the shareholders' pre-emptive rights in connection with the purchase of the Fennia Quarter.

The shares issued to Suomi Mutual will entitle their holder to shareholder's rights after the shares have been registered in the Finnish Trade Register and in Sponda's shareholders' register, on or about 5 May 2011. Sponda will file an application to NASDAQ OMX Helsinki Ltd for the admission of the new shares to public trading. The shares will be incorporated in the book-entry system and will become subject to public trading on the official list of NASDAQ OMX Helsinki Ltd on or about 6 May 2011. On 20 April 2011, the Finnish Financial Supervisory Authority granted to Sponda an exemption from the duty to publish a prospectus related to the listing of new shares.

The new shares to be issued to Suomi Mutual will represent approximately 1.94 per cent of all Sponda's shares after the directed issue has been registered. After the registration, Sponda will have a total of 283,075,462 shares. The subscription price of the new shares will be credited to the invested unrestricted equity reserve and Sponda's share capital will remain unchanged at EUR 111,030,185.

Prospects

Sponda expects the vacancy rates of its investment properties to continue falling in 2011. This assessment is based the 2011 growth forecasts for the Finnish economy and increased demand for properties in prime locations.

The company expects net operating income in 2011 to exceed that of 2010. This expected increase is based on the predicted fall in vacancy rates and the completion of property development projects during the year.

Risks and uncertainty factors in the near future

Sponda believes that the key risks and uncertainty factors in the current financial period arise from the possibility of the economy growing at a slower rate than expected and relate to a decline in economic occupancy rates and a fall in rental income resulting from the insolvency of tenants.

For Sponda's property development projects, the key risks are related to the degree of success in leasing premises and the potential increase in construction costs. Higher than expected vacancy rates in newly completed business premises would have an impact on the Group's total vacancy rate and, as a result, have a negative effect on the Group's net operating income.

The differences between Russian and Finnish legislation and the way the authorities operate in the two countries may cause additional risks for Sponda. The operations in Russia increase Sponda's foreign exchange risk. Changes in exchange rates may cause exchange rate losses that have a negative impact on the company's financial result.

A rapid and sharp rise in market interest rates in 2011 would increase Sponda's financial expenses, which would have a negative impact on the company's result.

6 May 2011
Sponda Plc
Board of Directors

Further information:
Kari Inkinen, President and CEO, tel. +358 20-431 3311 or +358 400-402 653,
CFO Erik Hjelt, tel. +358 20-431 3318 or +358 400-472 313 and
Pia Arrhenius, SVP, Corporate Communications and IR, tel. +358 20-431 3454 or +358 40-527 4462.

Distribution:
NASDAQ OMX Helsinki
Media
www.sponda.fi

Sponda Plc

Consolidated income statement
M€

	1-3/2011	1-3/2010	1-12/2010
Total revenue			
Rental income and recoverables	**57.0**	55.9	224.9
Interest income from finance leasing agreements	**0.1**	0.1	0.3
Fund management fees	**1.5**	1.6	6.9
	58.6	57.6	232.1
Expenses			
Maintenance expenses	**-18.6**	-16.9	-61.9
Direct fund expenses	**-0.3**	-0.3	-1.5
	-19.0	-17.2	-63.3
Net operating income	**39.6**	40.4	168.7
Profit/loss on sales of investment properties	**0.2**	1.3	5.8
Valuation gains/losses on fair value assessment	**3.1**	-0.1	44.4
Profit/loss on sales of trading properties	**0.0**	0.3	19.4
Sales and marketing expenses	**-0.3**	-0.3	-1.4
Administrative expenses	**-5.3**	-4.6	-19.0
Share of result of associated companies	**-0.1**	0.0	0.1
Other operating income	**0.1**	0.0	0.2
Other operating expenses	**0.2**	-0.6	-2.1
Operating profit	**37.4**	36.3	216.2
Financial income	**2.6**	0.3	1.7
Financial expenses	**-15.2**	-16.9	-60.3
Financial income and expenses, net	**-12.6**	-16.6	-58.5
Result before taxes	**24.8**	19.6	157.7
Income taxes for current and previous fiscal years	**-0.8**	-1.0	-3.6
Deferred taxes	**-5.0**	-4.2	-33.7
Income taxes, total	**-5.8**	-5.2	-37.3
Profit for the period	**19.1**	14.5	120.4
Attributable to:			
Equity holders of the parent company	**19.1**	14.5	120.6
Non-controlling interest	**0.0**	0.0	-0.2
Earnings per share based on profit attributable to equity holders of the parent company			
Basic and diluted, €	**0.06**	0.04	0.40

Consolidated statement of comprehensive income
M€

	1-3/2011	1-3/2010	1-12/2010
Profit/loss for the period	**19.1**	14.5	120.4
Other comprehensive income			
Net loss/profit from hedging cash flow	**15.9**	-5.5	9.3
Translation difference	**-0.1**	1.2	1.4
Taxes on comprehensive income	**-4.1**	1.6	-2.2
Other comprehensive income for period after taxes	**11.7**	-2.6	8.4
Comprehensive profit/loss for period	**30.8**	11.9	128.8
Attributable to:			
Equity holders of the parent company	**30.8**	11.9	129.0
Non-controlling interest	**0.0**	0.0	-0.2

Consolidated balance sheet
M€

	31.3.2011	31.3.2010	31.12.2010
ASSETS			
Non-current assets			
Investment properties	**2,916.0**	2,768.1	2,870.6
Investments in real estate funds	**59.8**	55.8	59.8
Property, plant and equipment	**13.5**	14.1	13.6
Goodwill	**14.5**	14.5	14.5
Other intangible assets	**0.5**	0.0	0.4
Finance lease receivables	**2.7**	2.7	2.7
Investments in associated companies	**0.4**	2.8	2.0
Long-term receivables	**10.2**	3.8	7.5
Deferred tax assets	**30.0**	39.0	36.9
Total non-current assets	**3,047.7**	2,901.0	3,008.1
Current assets			
Trading properties	**10.3**	22.8	10.3
Trade and other receivables	**24.7**	34.2	41.1
Cash and cash equivalents	**18.9**	27.2	27.0
Total current assets	**53.9**	84.1	78.4
Total assets	**3,101.6**	2,985.1	3,086.5

SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity			
holders of parent company			
Share capital	**111.0**	111.0	111.0
Share premium fund	**159.5**	159.5	159.5
Translation differences	**0.6**	0.5	0.6
Fair value reserve	**-8.8**	-31.5	-20.6
Revaluation reserve	**0.6**	0.6	0.6
Reserve for invested unrestricted equity	**412.0**	412.0	412.0
Other equity fund	**129.0**	129.0	129.0
Retained earnings	**384.3**	309.1	407.0
	1,188.2	1,090.2	1,199.1
Non-controlling interests	**1.7**	1.8	1.7
Total shareholders' equity	**1,189.9**	1,092.0	1,200.8
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	**1,345.8**	1,393.4	1,399.4
Provisions	**0.0**	0.0	0.0
Other liabilities	**10.5**	37.7	25.5
Deferred tax liabilities	**223.2**	193.4	221.0
Total non-current liabilities	**1,579.5**	1,624.5	1,645.9
Current liabilities			
Current interest-bearing loans and borrowings	**273.5**	217.0	173.2
Trade and other payables	**58.7**	51.5	66.5
Total current liabilities	**332.2**	268.5	239.7
Total liabilities	**1,911.7**	1,893.0	1,885.7
Total equity and liabilities	**3,101.6**	2,985.1	3,086.5

Consolidated statement of cash flows
M€

	1-3/2011	1-3/2010	1-12/2010
Cash flow from operating activities			
Profit for the period	**19.1**	14.5	120.4
Adjustments	**16.7**	22.2	42.7
Change in net working capital	**2.2**	-4.8	12.1
Interest received	**0.1**	0.2	0.7
Interest paid	**-12.9**	-11.9	-61.4
Other financial items	**-0.4**	-3.5	-10.2
Dividends received from associated companies	**1.5**	-	0.9
Taxes received/paid	**-0.6**	-0.6	-2.7
Net cash flow from operating activities	**25.7**	16.1	102.6
Cash flow from investing activities			
Acquisition of investment properties	**-40.8**	-10.1	-75.9
Capital expenditure on real estate funds	**-**	-	-5.4
Acquisition of tangible and intangible assets	**-0.1**	0.0	-0.5
Proceeds from sale of investment properties	**2.3**	10.6	41.5
Repayments of loan receivables	**-**	-	0.8
Net cash flow from investing activities	**-38.6**	0.4	-39.5
Cash flow from financing activities			
Non-current loans, raised	**-**	150.0	715.1
Non-current loans, repayments	**-35.2**	-100.2	-600.3
Current loans, raised/repayments	**81.5**	-36.0	-136.0
Interest paid on equity bond	**-**	-	-11.4
Dividends paid	**-41.6**	-33.3	-33.3
Net cash flow from financing activities	**4.7**	-19.5	-65.9
Change in cash and cash equivalents	**-8.3**	-3.0	-2.7
Cash and cash equivalents, beginning of period	**27.0**	29.1	29.1
Impact of changes in exchange rates	**0.2**	1.1	0.6
Cash and cash equivalents, end of period	**18.9**	27.2	27.0

Consolidated statement of changes in equity
M€

	Share capital	Share premium reserve	Translation difference	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve	Other equity reserve	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 31 December 2009	111.0	159.5	-0.9	-27.4	0.6	412.0	129.0	328.0	1,111.7	1.8	1,113.5
Comprehensive income for period			1.5	-4.0				14.5	11.9	0.0	11.9
Dividend payment								-33.3	-33.3		-33.3
Equity at 31 March 2010	111.0	159.5	0.5	-31.5	0.6	412.0	129.0	309.1	1,090.2	1.8	1,092.0

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve	Other equity reserve	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 31 Dec 2010	111.0	159.5	0.6	-20.6	0.6	412.0	129.0	407.0	1,199.1	1.7	1,200.8
Comprehensive income for period			0.0	11.8				19.1	30.8	0.0	30.8
Dividend payment								-41.6	-41.6		-41.6
Change								-0.1	-0.1		-0.1
Equity at 31 March 2011	111.0	159.5	0.6	-8.8	0.6	412.0	129.0	384.3	1,188.2	1.7	1,189.9

Notes to the consolidated financial statements

Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, applying the same accounting principles as those used for the 2010 financial statements and taking into account the amendments to IAS/IFRS standards that came into force in 2011. The amendments to the IAS/IFRS standards did not have a material impact on this interim report.

All figures are presented in millions of euro 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 Plc's consolidated financial statements for the year 2010.

The figures in the interim report have not been audited.

Income statement by segment
M€

	Office and retail premises	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group
Income statement 1-3/2011								
Total revenue	**30.4**	**10.2**	**9.9**	**0.1**	**6.4**	**1.6**	**0.0**	**58.6**
Maintenance expenses and direct fund expenses	-10.1	-2.3	-4.0	-0.5	-1.7	-0.3	0.0	-19.0
Net operating income	**20.2**	**7.9**	**5.9**	**-0.4**	**4.8**	**1.3**	**0.0**	**39.6**
Profit on sale of investment properties	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Loss on sale of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on sale of trading properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation gains/losses	3.1	-4.2	5.1	0.0	-2.4	1.4	0.0	3.1
Administration and marketing	-1.8	-0.4	-0.4	-1.0	-0.7	-1.4	0.0	-5.7
Other operating income and expenses	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.2
Operating profit	**21.7**	**3.3**	**10.7**	**-1.2**	**1.7**	**1.3**	**0.0**	**37.4**
Investments	18.5	0.8	14.2	11.1	0.5	0.0	0.0	45.1
Segment assets	1,481.3	553.7	441.9	254.0	202.3	59.8	108.6	3,101.6
Economic occupancy rate	87.7	97.4	77.8		98.3			88.2

	Office and retail premises	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group
Income statement data 1-3/2010								
Total revenue	**30.3**	**10.0**	**9.4**	**0.6**	**5.6**	**1.7**	**0.0**	**57.6**
Maintenance expenses and direct fund expenses	-9.0	-2.3	-3.6	-0.5	-1.5	-0.3	0.0	-17.2
Net operating income	**21.3**	**7.7**	**5.7**	**0.1**	**4.1**	**1.4**	**0.0**	**40.4**
Profit on sale of investment properties	1.2	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Loss on sale of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on sale of trading properties	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.3
Valuation gains/losses	-5.4	-1.3	-0.8	0.1	6.3	1.1	0.0	-0.1
Administration and marketing	-1.5	-0.3	-0.2	-0.7	-0.8	-1.3	0.0	-4.9
Other operating income and expenses	0.0	0.0	0.0	-0.5	-0.2	0.0	0.0	-0.6
Operating profit	**15.6**	**6.0**	**4.8**	**-0.8**	**9.5**	**1.2**	**0.0**	**36.3**
Investments	5.4	0.0	0.5	4.1	0.1	0.0	0.0	10.1
Segment assets	1,419.4	542.3	395.5	240.2	188.0	55.8	143.9	2,985.1
Economic occupancy rate	86.5	96.5	76.0		87.4			86.2

Direct and indirect result

The direct result represents the result from the Group's core business. The direct result is calculated by adjusting the figures in the consolidated income statement for changes in the fair value of properties and financial instruments, profit/loss on the sale of properties, amortisation of goodwill and other such income and expenses that the company considers non-direct items.

M€	**1-3/2011**	1-3/2010	1-12/2010
Direct result			
Net operating income	**39.6**	40.4	168.7
Realised shares of profit from real estate funds	**1.4**	1.4	5.6
Marketing and administrative expenses	**-5.7**	-4.9	-20.4
Other income and expenses for business operations	**0.4**	-0.4	-1.0
Financial income and expenses	**-13.4**	-15.3	-58.0
Taxes based on direct result	**-0.8**	-0.9	-1.8
Deferred taxes based on direct result	**-4.3**	-4.7	-19.2
Non-controlling holding share of direct result	**0.0**	0.0	0.0
Total	**17.2**	15.6	74.0

Indirect result			
Profit/loss on sales of investment properties	**0.2**	1.3	5.8
Valuation gains/losses on fair value assessment	**1.7**	-1.6	38.8
Profit/loss on sales of trading properties	**0.0**	0.3	19.4
Marketing and administrative expenses	**0.0**	0.0	0.0
Other income and expenses for business operations	**-0.3**	-0.3	-0.8
Financial income and expenses	**0.9**	-1.3	-0.5
Taxes based on indirect result	**0.0**	-0.1	-1.8
Deferred taxes based on indirect result	**-0.6**	0.5	-14.5
Non-controlling holding share of indirect result	**0.0**	0.0	0.2
Total	**1.8**	-1.1	46.6

Quarterly key figures

M€	**Q1/2011**	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Total revenue	**58.6**	58.5	57.7	58.3	57.6
Net operating income	**39.6**	42.5	42.8	43.0	40.4
Valuation gains/losses on fair value assessment	**3.1**	33.4	1.1	10.1	-0.1
Operating profit	**37.4**	83.0	40.2	56.7	36.3
Financial income and expenses	**-12.6**	-13.5	-13.8	-14.7	-16.6
Profit/loss for the period	**19.1**	54.2	19.4	32.4	14.5
Investment properties	**2,916.0**	2,870.6	2,795.9	2,798.0	2,768.1
Equity	**1,189.9**	1,200.8	1,138.5	1,116.1	1,092.0
Interest-bearing liabilities	**1,619.4**	1,572.6	1,580.5	1,597.7	1,610.4
Earnings per share, €	**0.06**	0.19	0.06	0.11	0.04
Cash flow from operations per share, €	**0.07**	0.09	0.09	0.11	0.08
EPRA NAV	**4.56**	4.59	4.27	4.19	4.10
Economic occupancy rate, %	**88.2**	88.0	87.4	87.3	86.2

Investment properties
M€

	31.3.2011	31.3.2010	31.12.2010
Fair value of investment properties, start of period	**2,870.6**	2,767.5	2,767.5
Purchase of investment properties	**10.0**	0.0	0.8
Other capital expenditure on investment properties	**35.0**	10.1	76.4
Disposal of investment properties	**-2.2**	-9.3	-37.5
Transfers from trading properties	**0.0**	0.0	18.4

Capitalised equity expenses, increase in period	**0.9**	1.1	4.5
Valuation gains/losses on fair value assessment	**1.7**	-1.2	40.5
Fair value of investment properties, end of period	**2,916.0**	2,768.1	2,870.6

Net operating income from all of Sponda's property assets totalled EUR 39.6 (40.4) million during the period. Office and retail premises accounted for 51% of this, shopping centres for 20%, logistics premises for 15%, Russia for 11% and the Real Estate Funds unit for 3%.

On 31 March 2011, Sponda had a total of 194 properties, with an aggregate leasable area of approximately 1.5 million m². Of this, some 50% is office and retail premises, 10% shopping centres and 37% logistics premises. Approximately 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 valuers to ensure that the parameters and values used in calculations are based on market observations.

At the end of the first quarter of 2011, the values of Sponda's investment properties were assessed internally within the company. The change in the fair value of the investment properties in January-March 2011 was EUR 3.1 (-0.1) million. The positive change in the fair value was primarily the result of changes in yield requirements in Finland due to longer lease agreements, while currency exchange rates had a negative impact on the fair values. The changes in fair values are itemised in the table ”Valuation gains/losses on fair value assessment.

The Group's most significant investment commitments

In the City-Center project, construction of the inner court office building is nearing completion. The office building and the new retail premises developed in the second phase of the shopping complex are scheduled for completion in summer 2011. The City-Center refurbishment project is expected to be completed for the most part in 2012 with a total investment of approximately EUR 125 million.

Sponda has begun work to expand the Zeppelin shopping centr in Oulu. The project will add some 4,000 m² of new retail space for the Prisma hypermarket and 4,700 m² of space for specialty retail. Lease agreements have been concluded in advance for over 60% of the new retail space. The total investment in the expansion is approximately EUR 18 million and the shopping centre will be completed in late 2011.

Sponda purchased an office and retail property in central Tampere for approximately EUR 10 million. The company is planning to make an additional investment of approximately EUR 6.5 million to modernise the property. The aim is to complete the project by the end of 2011.

Sponda is developing an office property in the Ruoholahti district of Helsinki with a total floor space of approximately 6,000 m². Over 70% of the building will be leased to the primary tenant, Talentum Plc. Construction of the office building is set to begin in August 2011 and the project is scheduled for completion in April 2013. The project's total investment is estimated at approximately EUR 23.5 million, inclusive of the value of the current building at the location, which will be demolished.

Sponda is carrying out development projects for the Ratina shopping complex in Tampere and related areas. The current plans are for a shopping centre with a total area of 55,000 m² and a total investment of approximately EUR 200 million. The marketing of the property is still on-going and no final decision on the investment has been made.

Property, plant and equipment
M€

	31.3.2011	31.3.2010	31.12.2010
Carrying amount, start of period	**13.6**	14.3	14.3
Additions	**0.0**	0.0	0.0
Disposals	**0.0**	0.0	0.0
Depreciation for the period	**-0.2**	-0.2	-0.7
Carrying amount, end of period	**13.5**	14.1	13.6

Trading properties
M€

	31.3.2011	31.3.2010	31.12.2010
Carrying amount, start of period	**10.3**	22.8	22.8
Disposals and other changes	**0.0**	-0.1	-2.9
Increases	**-**	-	-
Reclassifications to investment properties	**0.0**	-	-9.6
Carrying amount, end of period	**10.3**	22.8	10.3

Contingent liabilities
Collateral and commitments given by the Group
M€

	31.3.2011	31.3.2010	31.12.2010
Loans from financial institutions, covered by collateral	141.0	141.2	141.1
Mortgages	269.2	269.2	269.2
Book value of pledged shares	18.6	17.9	18.6
Guarantees	-	-	-
Total collateral	287.8	287.0	287.7

Lease and other liabilities	**31.3.2011**	31.3.2010	31.12.2010
M€			
Lease liabilities	100.1	102.5	100.8
Mortgages	3.9	2.9	3.9
Guarantees	15.7	15.8	15.7
Investment commitments to real estate funds	12.9	18.3	12.9

Interest derivatives	**31.3.2011**	31.3.2010	31.12.2010
M€			
Swap contracts, notional value	932.8	1,012.8	822.8
Swap contracts, fair value	-11.8	-42.6	-27.6
Cap options purchased, notional value	575.0	532.5	600.0

Cap options purchased, fair value	8.9	1.7	6.2
Forward rate agreements, notional value	-	-	-
Forward rate agreements, fair value	-	-	-

Currency derivatives	**31.3.2011**	31.3.2010	31.12.2010
M€			
Currency forwards, notional value	-	-	-
Currency forwards, fair value	-	-	-
Currency options, bought, notional value	5.5	5.2	5.9
Currency options, bought, fair value	0.1	0.0	0.1
Currency options, put, notional value	3.8	5.2	4.9
Currency options, put, fair value	0.0	-0.2	-0.1

Interest rate and currency swaps	**31.3.2011**	31.3.2010	31.12.2010
M€			
*Interest rate and currency swaps, notional value **	222.4	-	-
*Interest rate and currency swaps, fair value **	-0.3	-	-

**) Interest rate and currency swaps are used to hedge the exchange rate risk related to loans denominated in Swedish krona. Hedge accounting is not applied to hedged loans and interest rate and currency swaps.*

Related party transactions
The following transactions took place with related parties:

Management employee benefits

M€	**31.3.11**	31.3.10	31.12.10
Salaries and other short-term employee benefits	**0.5**	0.4	1.8
Share-based payments	**0.3**	0.2	0.8
Total	**0.7**	0.6	2.6

Key figures

	1-3/2011	1-3/2010	1-12/2010
Earnings per share, €	**0.06**	0.04	0.40
Equity ratio, %	**38**	37	39
Gearing, %	**135**	145	129
Equity per share, €	**3.82**	3.46	3.86
Cash flow from operations per share, €	**0.07**	0.08	0.37

Calculation of financial ratios

Earnings per share, €	=		Share of earnings for the period attributable to equity holders of the parent company - interest on hybrid loan allocated to the period, adjusted for taxes ——— Weighted average number of shares outstanding during the period
Equity ratio, %	=	100 x	Equity ——— Balance sheet total - advances received
Gearing, %	=	100 x	Interest-bearing liabilities - cash and cash equivalents ——— Equity
Equity per share, €	=		Equity attributable to parent company equity holders - Other equity reserve ——— Basic number of shares on the last day of the reporting period
Cash flow from operations per share, €	=		Operating profit -/+ Valuation gains/losses on fair value assessment + Allocation of goodwill + Depreciation in administration +/- Changes in provisions +/- Defined benefit pension expenses - Financial income & expenses affecting cash flow - Taxes affecting cash flow +/- Other items ——— Weighted average number of shares outstanding during the period
EPRA NAV per share, €	=		Equity attributable to parent company equity holders - Other equity reserve + Deferred tax relating to the fair valuation of property and to property depreciation allowances - Goodwill relating to deferred tax liability ——— Basic number of shares on the last day of the reporting period
EPRA Earnings per share, M€	=		Net operating income + Realised gains from real estate funds - Marketing and administration expenses +/- Other operating income and expenses +/- Operating financial income and expenses +/- Taxes based on operating result +/- Change in deferred taxes based on operating items +/- Operating share of non-controlling shareholders ———

		Weighted average number of shares outstanding during the period
EPRA Net Initial Yield (NYI), %	=	<u>Annualised net rents</u> Investment properties - Development properties + Estimated purchaser's costs
EPRA "topped up" NYI, %	=	Annualised net rents <u>+ Step rents, rent free periods etc.</u> Investment properties - Development properties + Estimated purchaser's costs