Interim Report

1.1.–31.3.2013

Sponda Plc's interim report January–March 2013

Result of operations and financial position 1 January – 31 March 2013 (compared with 1 January – 31 March 2012)

- Total revenue was EUR 66.0 (66.0) million.
- Net operating income was EUR 45.4 (46.1) million. The decrease was due to higher maintenance costs resulting from the severe winter.
- Operating profit was EUR 44.8 (43.7) million. This includes a fair value change of EUR 5.5 (2.8) million.
- Cash flow from operations per share was EUR 0.09 (0.09).
- The fair value of the investment properties amounted to EUR 3,274.3 (3,177.4) million.
- Net assets per share totalled EUR 4.38 (4.17).
- The economic occupancy rate was 88.2% (88.4%).
- The prospects remain unchanged.
- Net financing costs for the period totalled EUR -13.5 (-14.0) million. Financial income and expenses include EUR 1.0 (2.7) million in unrealised change in the fair value of derivatives. Excluding the aforementioned change in fair value, financial income and expenses totalled EUR -14.5 (-16.7) million.
- Sponda has changed its accounting principles with regard to IAS 12 Income Taxes. The change took effect at the beginning of 2013. The change had a positive effect of approximately 1.5%-points on the Group's equity ratio. The comparison figures for 2012 have been adjusted accordingly.

Key figures

	1-3/2013	1-3/2012	1-12/2012
Total revenue, M€	**66.0**	66.0	264.6
Net operating income, M€	**45.4**	46.1	192.2
Operating profit, M€	**44.8**	43.7	210.5
Earnings per share, €	**0.07**	0.07	0.37
Cash flow from operations per share, €	**0.09**	0.09	0.40
Net assets per share, €	**4.38**	4.17	4.45
Equity ratio, %	**40.8**	38.8	41.3
Interest cover ratio	**2.9**	2.6	2.8

Key figures according to EPRA Best Practices Recommendations

	1-3/2013	1-3/2012	1-12/2012
EPRA Earnings, M€	**20.3**	18.8	83.1
EPRA Earnings per share, €	**0.07**	0.07	0.29
EPRA NAV/share, €	**5.07**	4.77	5.12
EPRA Net Initial Yield (NIY), %	**6.64**	6.58	6.61
EPRA, "topped-up" NIY, %	**6.65**	6.59	6.63

President and CEO Kari Inkinen

Sponda's result for the first quarter of 2013 was stable, with the exception of a seasonal increase in maintenance costs. The Group's economic occupancy rate was in line with earlier forecasts. I am particularly pleased with the positive development in occupancy rates in Helsinki's central business district and shopping centres. This supports our view of the importance of property locations. Our challenge remains the vacancy rate of logistics properties, which has increased from the beginning of the year. Finnish exports remained very low in the first quarter, which contributed to the slow demand for logistics premises.

Our aim is to reduce the proportion of logistics premises and non-strategic properties in our portfolio. Under the prevailing market conditions, the demand for properties for sale is low and transactions are slow to materialise. Nevertheless, I believe that our planned disposals will realise in 2013.

With the Citycenter and Ruoholahti projects now completed, Sponda does not have any property development projects with the exception of maintenance investments. We remain active with regard to the Ratina shopping centre project, and the first preliminary agreements have already been signed. Our goal is to begin the project during summer 2013. The start of construction of the Ratina shopping centre will be announced when the investment decision has been made.

Prospects

Sponda expects the vacancy rates of its investment properties at year's end 2013 to be largely unchanged from the end of 2012. The estimate is based on leases already signed and forecast changes in rental agreements.

Comparable net operating income (excluding disposals) in 2013 is expected to increase slightly from 2012. This increase is based on rising rent levels for business premises in Helsinki's central business district and the completion of property development projects.

Business conditions – Finland

The European economy continues to be plagued by uncertainty, and the effects are also reflected in the Finnish economy. The Finnish GDP contracted by 0.2% in 2012. The current forecasts indicate GDP growth of 0.4% in 2013. The predicted growth is based on the expectation of increased exports, which depends on Finnish export countries seeing positive economic development. The forecast inflation rate for 2012 is approximately 2.8%, with inflation expected to slow down to a rate of 2.1% in 2013. (Ministry of Finance)

The uncertainty in the global economy is reflected in the Finnish property market. The total transaction volume in 2012, EUR 2.1 billion, was only slightly higher than in the previous year (EUR 1.8 billion). According to a preliminary estimate by KTI Property Information, the transaction volume in the first quarter of 2013 was only EUR 0.3 billion, which is substantially lower than in the previous year (approximately EUR 0.5 billion).

Some 120,000m² of new office space was completed in the Helsinki metropolitan area in 2012. The vacancy rate rose to approximately 11% in the same period. The total amount of new office space completed in 2013 will be largely unchanged from 2012. As the current economic conditions do not support an increase in the demand for office premises, the vacancy rate is likely to continue rising. This will also lead to downward pressure on market rents.

Business conditions – Russia

The Russian GDP is estimated to have grown by 3.4% in 2012 and the growth rate is expected to slow down in 2013. The estimate is based on the decline in oil prices and slower growth in private consumption. (Ministry of Economy)

The total transaction volume in the Russian property market in 2012 stood at approximately USD 7 billion. The total volume in 2013 is predicted to be slightly lower.

The vacancy rate for office properties in Moscow decreased slightly in 2012, and this trend is expected to continue in 2013. The average vacancy rate currently stands at approximately 12%. Rental levels are expected to remain stable in 2013. The high-end rent for Class A office space is currently at approximately USD 1,200/m²/year.

Operations and property assets 1 January – 31 March 2013

Sponda owns, leases and develops business properties in the Helsinki metropolitan area and the largest cities in Finland, as well as in Russia. Sponda's operations are organised into 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 45.4 (46.1) million in January–March 2013. Of this total, office and retail premises accounted for 54%, shopping centres for 17%, logistics premises for 13%, Russia for 13% and the Real Estate Funds unit for 3%.

On 31 March 2013, Sponda had a total of 185 properties, with an aggregate leasable area of approximately 1.5 million m². Of this, some 53% is office and retail premises, 11% shopping centres and 33% 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 a minimum, twice annually by external experts to ensure that the parameters and values used in calculations are based on market observations.

At the end of March 2013, the fair value of Sponda's properties was assessed internally for both Finland and Russia. The change in fair value of the investment properties in January–March was EUR 5.0 (0.9) million. The positive change in the value in Finland was mainly due to successful renting and changes in market rents. In Russia, the main factor behind the positive change was exchange rate fluctuations. 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€	**1-3/13**	1-3/12	1-12/12
Changes in yield requirements (Finland)	**0.0**	0.0	20.9
Changes in yield requirements (Russia)	**0.0**	0.0	6.5
Development gains on property development projects	**0.2**	-1.2	-0.7
Modernisation investments	**-4.6**	-6.8	-28.5
Change in market rents and maintenance costs (Finland)	**4.7**	8.2	26.4
Change in market rents and maintenance costs (Russia)	**1.3**	0.6	-0.1
Change in currency exchange rates	**3.3**	0.1	0.4

Investment properties, total	**5.0**	**0.9**	**24.9**
Real Estate Funds	**-1.9**	0.0	0.6
Realised shares of profit from real estate funds	**2.4**	1.9	7.5
Group, total	**5.5**	**2.8**	**33.0**

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

Investment Properties 1.1-31.3.2013, M€	Total	Office and retail	Shopping centres	Logistics	Property develop ment	Russia
Operating income	64.0	35.6	11.1	9.5	0.1	7.7
Maintenance costs	-19.9	-11.0	-2.8	-3.8	-0.4	-1.9
Net operating income	44.1	24.6	8.3	5.7	-0.3	5.8
Investment properties at 1 January 2013	3,261.3	1,705.7	736.7	414.4	135.1	269.4
Capitalised interest 2013	0.1	0.1	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Investments	7.9	5.8	0.4	0.5	1.2	0.1
Transfers between segments	0.0	0.0	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value, %	5.0	-0.4	1.3	-0.5	0.0	4.6
Investment properties at 31 March 2013	**3,274.3**	**1,711.2**	**738.5**	**414.3**	**136.3**	**274.0**
Change in fair value, %	0.2	0.0	0.2	-0.1	0.0	1.7
Weighted average yield requirement %	6.8	6.5	5.6	8.2		9.7
Weighted average yield requirement %, Finland	6.5					

Rental operations

Sponda's figures for expired lease agreements and new agreements that came into effect in the first quarter were as follows:

	Number (agreements)	**Area (m²)**	**EUR/m²/month**
Came into effect during the period	91	31,512	9.88
Expired during the period	75	29,079	12.64
Renewed during the period	62	39,834	16.65

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

Sponda 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 net rental growth was 1.5% (9.7%) for office and retail premises, 0.4% (-8.2%) for shopping centres, -16.2% (4.0%) for logistics premises and -1.3% (5.4%) for properties in Russia. The negative growth rate for logistics premises is due to an increased vacancy rate compared to January-March 2012. 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 Mar 2013**	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Office and retail, %	**89.2**	89.4	89.3	89.2	88.7
Shopping centres, %	**94.1**	93.0	93.1	93.8	93.9
Logistics, %	**74.8**	75.6	76.7	78.0	78.1
Russia, %	**96.8**	95.4	93.5	99.0	98.7
Total property portfolio, %	**88.2**	88.1	88.0	88.9	88.4

Geographical area	**31 Mar 2013**	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Helsinki Business District, %	**89.0**	88.3	87.9	87.8	87.9
Helsinki Metropolitan Area, %	**84.3**	85.0	85.5	86.2	85.6
Turku, Tampere, Oulu, %	**96.3**	95.7	94.8	94.2	94.3
Russia, %	**96.8**	95.4	93.5	99.0	98.7
Total property portfolio, %	**88.2**	88.1	88.0	88.9	88.4

Total cash flow from lease agreements at the end of March 2013 was EUR 1,228.3 (1,265.0) million. Sponda had 2,124 clients and a total of 3,213 lease agreements. The company's largest tenants were the State of Finland (8.1% of rental income), Kesko Group (4.4% of rental income), HOK-Elanto (3.8% of rental income) and Danske Bank Oyj (3.7% of rental income). Sponda's 10 largest tenants generate approximately 29% of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	**% of net rental income**
Professional, scientific and technical	5.8
Energy	0.2
Public sector	12.1
Wholesale/retail	27.1
Education	1.5
Logistics/transport	5.2
Hotel and catering business	5.0
Media/publishing	1.7
Other services	12.6
Banking/investment	11.5

Construction	1.7
Industry/manufacturing	6.0
Healthcare	4.0
Telecommunications	5.5
Other	0.2

The average length of all lease agreements was 4.6 (4.8) years. The average length of lease agreements was 4.7 (4.9) years for office and retail properties, 6.2 (6.7) years for shopping centres, 4.5 (4.3) years for logistics properties and 2.4 (2.4) years for properties in Russia. The lease agreements expire as follows:

	% of rental income 31 Mar 2013	% of rental income 31 Mar 2012
Within 1 year	14.6	15.1
Within 2 years	9.7	11.5
Within 3 years	9.5	7.9
Within 4 years	10.9	7.0
Within 5 years	11.3	8.3
Within 6 years	4.3	8.1
After more than 6 years	26.1	28.2
Valid indefinitely	13.7	13.8

Investments and divestments

Sponda did not purchase or sell properties during the period under review.

Sponda's investments totalled EUR 7.9 million in January-March 2013. Investments in property maintenance represented EUR 4.6 million and investments in property development EUR 3.4 million of this total. Property development investments were directed to the development of an office property in Ruoholahti, which was completed in April 2013.

Office and Retail Properties

	1-3/13	1-3/12	1-12/12
Total revenue, M€	**35.6**	35.2	143.9
Net operating income, M€	**24.6**	24.1	104.9
Operating profit, M€	**22.0**	24.8	130.0
EPRA Net Initial Yield (NIY), %	**6.3**	6.1	6.3
Economic occupancy rate, %	**89.2**	88.7	89.4
Fair value of properties, M€	**1,711.2**	1,653.5	1,705.7
Change in fair value from beginning of year, M€	**-0.4**	2.3	31.4
Leasable area, m²	**763,500**	780,000	763,000

No office or retail properties were purchased or sold in the period under review. Investments in property maintenance totalled EUR 3.7 million. The lease agreements for Sponda's office and retail premises expire as follows:

	% of rental income 31 Mar 2013	% of rental income 31 Mar 2012
Within 1 year	10.1	12.5
Within 2 years	12.0	11.1
Within 3 years	10.6	10.5
Within 4 years	8.8	8.4
Within 5 years	12.9	6.5
Within 6 years	4.4	10.0
After more than 6 years	22.9	24.3
Valid indefinitely	18.4	16.7

Shopping centres

	1-3/13	1-3/12	1-12/12
Total revenue, M€	**11.1**	10.8	42.0
Net operating income, M€	**8.3**	8.1	32.3
Operating profit, M€	**9.2**	7.8	25.7
EPRA Net Initial Yield (NIY), %	**7.3**	6.1	6.1
Economic occupancy rate, %	**94.1**	93.9	93.0
Fair value of properties, M€	**738.5**	585.7	736.7
Change in fair value from beginning of year, M€	**1.3**	-0.4	-5.3
Leasable area, m²	**157,500**	157,500	156,500

No shopping centre properties were purchased or sold in the period under review. Investments in property maintenance totalled EUR 0.4 million. The lease agreements for shopping centres expire as follows:

	% of rental income 31 Mar 2013	% of rental income 31 Mar 2012
Within 1 year	5.9	8.0
Within 2 years	3.1	4.6
Within 3 years	4.5	3.1
Within 4 years	14.1	3.9
Within 5 years	10.2	13.8
Within 6 years	6.6	6.1
After more than 6 years	51.3	55.7
Valid indefinitely	4.4	4.8

Logistics properties

	1-3/13	1-3/12	1-12/12
Total revenue, M€	**9.5**	11.2	42.3
Net operating income, M€	**5.7**	7.4	28.7
Operating profit, M€	**4.8**	6.7	22.4
EPRA Net Initial Yield (NIY), %	**5.9**	6.6	6.6
Economic occupancy rate, %	**74.8**	78.1	75.6
Fair value of properties, M€	**414.3**	448.7	414.4
Change in fair value from beginning of year, M€	**-0.5**	-0.4	-4.9
Leasable area, m²	**480,000**	534,500	485,000

No logistics properties were purchased or sold in the period under review. Investments in property maintenance totalled EUR 0.5 million. The lease agreements for shopping centres expire as follows:

	% of rental income 31 Mar 2013	% of rental income 31 Mar 2012
Within 1 year	14.4	16.6
Within 2 years	6.3	15.0
Within 3 years	10.0	4.9
Within 4 years	7.2	3.3
Within 5 years	4.2	5.3
Within 6 years	4.7	3.6
After more than 6 years	33.0	30.2
Valid indefinitely	20.4	21.2

Property development

The balance sheet value of Sponda's property development portfolio stood at EUR 136.3 million at the end of March 2013. Of this total, EUR 91.2 million was in undeveloped land sites and the remaining EUR 45.1 million was tied up in property development projects in progress. At the end of March 2013, the Property Development unit had invested a total of EUR 1.2 million, which was directed to the planning of future property development projects.

Sponda's property development operations comprise new construction projects and refurbishment of existing properties. Sponda does not currently have active property development projects in progress.

Sponda developed an office property in the Ruoholahti district of Helsinki with total floor space of approximately 6,000 m². Over 70% of the building is leased to the primary tenant, Talentum Plc. The office building was completed on schedule in April 2013, with an occupancy rate in excess of 90% at the time of completion. The project's development margin target, 15% of the total investment, was exceeded. The estimated total investment was approximately EUR 23.5 million.

Sponda is carrying out development projects for the Ratina shopping centre 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 decision to invest has not yet been made.

Russia

	1-3/13	1-3/12	1-12/12
Total revenue, M€	**7.7**	6.7	28.7
Net operating income, M€	**5.8**	5.1	22.2
Operating profit, M€	**9.7**	5.0	25.7
EPRA Net Initial Yield (NIY), %	**9.4**	11.4	9.2
Economic occupancy rate, %	**96.8**	98.7	95.4
Fair value of properties, M€	**274.0**	225.3	269.4
Change in fair value from beginning of year, M€	**4.6**	0.7	6.4
Leasable area, m²	**50,500**	46,500	50,500

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) and Bakhrushina House properties in Moscow and the OOO Adastra property in St Petersburg, where the leases are for longer periods than average. The lease agreements expire as follows:

	% of rental income 31 Mar 2013	% of rental income 31 Mar 2012
Within 1 year	40.9	39.1
Within 2 years	12.2	19.6
Within 3 years	10.0	6.0
Within 4 years	19.0	10.3
Within 5 years	13.8	14.5
Within 6 years	0.9	8.5
After more than 6 years	3.2	2.1
Valid indefinitely	0.0	0.0

Real Estate Funds

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

	1-3/13	1-3/12	1-12/12
Total revenue, M€	**1.7**	1.5	6.5
Net operating income, M€	**1.3**	1.2	5.2
Operating profit, M€	**0.5**	1.8	8.0

The fair values of the real estate funds were not assessed externally during the period under review. The change in the fair value of Sponda's real estate funds in January-March 2013 was EUR -1.9 (0.0) million. The realised shares of profit from real estate funds were EUR 2.4 (1.9) million.

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 70.8 million on 31 March 2013.

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 2013, the value of the fund's property portfolio was EUR 170.9 million.

Sponda Fund II Ky (Sponda's holding 44%) mainly invests in logistics properties in medium-sized cities in Finland. On 31 March 2013, the fair value of its property portfolio was EUR 188.1 million.

Sponda Fund III Ky (Sponda's holding 36%) 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 170 million and the fair value of its property portfolio on 31 March 2013 was EUR 105.0 million.

In addition to the funds mentioned above, Sponda is also responsible for managing the property portfolio, with a value of about EUR 121 million, sold in March 2007 to Whitehall Street Real Estate Limited and Niam Nordic Investment Fund III.

By the end of March 2013, no investment decisions had been made with regard to Russian Invest, an investment company established in September 2011.

Cash flow and financing

Sponda's net cash flow from operations in the period under review totalled EUR 35.9 (31.6) million. Net cash flow from investing activities was EUR -15.6 (-10.3) million and the net cash flow from financing activities was EUR -28.9 (-16.1) million. Net financing costs for the period totalled EUR -13.5 (-14.0) million. Financial income and expenses include EUR 1.0 (2.7) million in unrealised change in the fair value of derivatives. Excluding the aforementioned change in fair value, financial income and expenses totalled EUR -14.5 (-16.7) million. Interest expenses of EUR 0.1 (0.1) million were capitalised.

Sponda's equity ratio on 31 March 2013 stood at 40.8% (38.8%) and the gearing ratio was 122.1% (133.8%). Interest-bearing debt amounted to EUR 1,765.5 (1,787.0) million and the average maturity of loans was 2.4 (2.8) years. The average interest rate was 3.4% (3.7%) including interest derivatives. Fixed-rate and interest-hedged loans accounted for 70% (75%) of the loan portfolio. The average interest-bearing period of the entire debt portfolio was 1.7 (1.9) years. The interest cover ratio, which describes the company's solvency, was 2.9 (2.6).

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 2013 comprised EUR 675 million in syndicated loans, EUR 328 million in bonds, EUR 289 million in issued commercial papers, and EUR 474 million in loans from financial institutions. Sponda had EUR 510 million in unused credit limits. Sponda Group had mortgaged loans of EUR 141.0 million, or 4.0% of the consolidated balance sheet.

Sponda has two hybrid bonds outstanding. The first one, issued in 2008, amounts to EUR 92.8 million and is callable on 27 June 2013. The new hybrid bond, issued on 21 November 2012, amounts to EUR 95 million and the first call date is 5 December 2017. The EUR 92.8 million hybrid bond callable in June 2013 has an effect on the Group's equity ratio of approximately 2.5 percentage points.

Number of employees

During the review period Sponda Group had, on average, 123 (126) employees, of whom 112 (114) worked for parent company Sponda Plc. On 31 March 2013, Sponda Group had altogether 122 (123) employees, of whom 112 (111) were employed by the parent company Sponda Plc. Sponda has personnel in Finland and in Russia. Sponda's sales and administration costs in January-March 2013 were EUR -5.9 (-5.8) million.

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 also has a long-term share-based incentive scheme with four three-year vesting periods, 2011–2013, 2012–2014, 2013–2015 and 2014-2016. The Board of Directors will decide on the earning criteria and on targets to be established for the earning criteria for each vesting period. The earning criteria for the vesting periods from 1 January 2011 to 31 December 2013 and 1 January 2012 to 31 December 2014 are the Group's average Return on Capital Employed (ROCE) in the vesting periods mentioned and the Group's cumulative Operational Cash Earnings Per Share (CEPS) for the periods mentioned. The earning criteria for the vesting period from 1 January 2013 to 31 December 2015 are the same as above, and additionally the Group's equity ratio at the end of the vesting period. In addition, the Board of Directors will assess the Group's success in relation to the prevailing market conditions.

The long-term incentive scheme currently covers the members of the Executive Board, altogether seven people. The Board may decide to include more key employees in the scheme. The incentive scheme is described in more detail in the company's stock exchange releases dated 20 March 2012 and 1 February 2013.

Group structure

Sponda Group comprises the parent company, the subsidiary Sponda Kiinteistöt 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 Asset Management Oy and Sponda Russia Ltd, as well as its subsidiaries.

Sponda's share and shareholders

The weighted average price of the Sponda share in January-March 2013 was EUR 3.74. The highest quotation on NASDAQ OMX Helsinki Ltd was EUR 4.05 and the lowest EUR 3.51. Turnover during the year totalled 14.8 million shares, or EUR 55.3 million. The closing price of the share on 28 March 2013 was EUR 3.68 and the market capitalisation of the company's share capital was EUR 1,041.7 million.

The Annual General Meeting on 18 March 2013 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 entitling to 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 28 March 2013 the company had altogether 9,006 shareholders and its ownership structure was as follows:

	Number of shares	Holding, %
Public entities	61,383,600	21.7
Nominee-registered	138,999,193	49.1
Financial and insurance institutions, total	7,706,359	2.7
Households	22,238,806	7.9
Private corporations, total	46,139,499	16.3
Non-profit organisations, total	3,634,777	1.3
Foreign owners, total	2,973,228	1.1
Total number of shares	283,075,462	100.0

The following flagging notices were issued:

- 15 April 2013: Ilmarinen Mutual Pension Insurance Company notified that the total number of shares it holds represents 0.0% of the total number of shares and votes in Sponda Plc.
- 15 April 2013: HC LPN Holding Oy Ab (Hartwall Capital Oy Ab) announced that its holding of shares represented 9.56% of the total number of shares and votes in Sponda Plc.

Sponda Plc's Annual General Meeting

The Annual General Meeting of Sponda Plc was held in Helsinki on 18 March 2013. The meeting adopted the consolidated financial statements and the parent company's financial statements for the 2012 financial year and discharged the Board of Directors and the CEO from liability.

The Annual General Meeting resolved to pay a dividend of EUR 0.17 per share from the financial period 2012 in accordance with the proposal of the Board of Directors. The record date for the dividend payment was 21 March 2013 and the dividend was paid on 28 March 2013.

The number of the members of the Board of Directors was confirmed as seven (7). The current members Klaus Cawén, Tuula Entelä, Arja Talma and Raimo Valo were re-elected to the Board of Directors, and Kaj-Gustaf Bergh, Christian Elfving and Juha Laaksonen were elected as new members of the Board for the term until the close of the next Annual General Meeting.

The Annual General Meeting confirmed the remuneration of the Board of Directors as follows: the Chairman of the Board shall be paid EUR 60,000 per year, the Deputy Chairman EUR 36,000 per year and the other members EUR 31,200 per year. 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 date of the publication of the interim report for January–March 2013. The Annual General Meeting further confirmed that the Chairman of the Board shall be paid a compensation of EUR 1,000 and the other Board members EUR 600 for Board meetings attended and that the Board members shall be paid EUR 600 for each committee meeting attended, and that the Chairman of the Audit Committee shall be paid EUR 1,000 for each Audit Committee meeting attended.

APA Esa Kailiala and authorised public accountants KPMG Oy Ab, with APA Kai Salli as the responsible auditor and APA Lasse Holopainen as the deputy auditor, were appointed as the company’s auditors for a term ending at the close of the next Annual General Meeting. The Annual General Meeting resolved to remunerate the auditors in accordance with their invoice.

Amendment of the Articles of Association

The Board of Directors decided to withdraw its proposal concerning the amendment of the Articles of Association regarding the participation in and invitation to the General Meeting of shareholders.

Authorisation for the Board of Directors 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 14,150,000 shares can be acquired in one or more tranches.The proposed maximum number corresponds to approximately 5% of all shares in the company.

The shares shall be acquired in public trading, and 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 20 March 2012.

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 issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in accordance with the proposal of the Board of Directors. 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 issuance of special rights subject to the conditions stipulated by the Finnish Companies Act.

Under the authorisation, a maximum of 28,300,000 shares can be issued.The proposed maximum number corresponds to approximately 10% 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 valid until the next Annual General Meeting. The authorisation replaces the one granted by the AGM on 20 March 2012 to decide on a share issue and on the issuance of special rights entitling to shares.

Establishment of a permanent Nomination Board

The Annual General Meeting of Shareholders resolved, based on the proposal of the company’s Board of Directors, to establish a Shareholders’ Nomination Board. The Nomination Board shall prepare the proposals on the election and the remuneration of the members of the Board of Directors to be presented to the Annual General Meeting. Furthermore, the Annual General Meeting approved the rules of procedure of the Shareholders’ Nomination Board.

The Shareholders' Nomination Board consists of three members appointed by the shareholders. In addition, the Chairman of the Board of Directors shall act as an expert member of the Nomination Board. The member appointed by the largest shareholder shall act as the Chairman of the Nomination Board, unless otherwise decided by the Nomination Board.

It is the duty of the Chairman of the Board of Directors to request the three largest shareholders according to holdings as at 30 September of the calendar year preceding the Annual General Meeting of Shareholders to appoint one member each to the Shareholders' Nomination Board.

The three shareholders who are entered in the company's shareholders' register maintained by Euroclear Finland Ltd and whose portion of the votes produced by all the shares in the company according to the shareholders' register are the greatest on 30 September of the calendar year preceding the Annual General Meeting have the right to appoint members representing shareholders. If a shareholder with an obligation to disclose certain changes in its holdings (a shareholder obligated to give a flagging notice) pursuant to the Finnish Securities Markets Act presents a written demand regarding the matter to the company's Board of Directors at the latest on 28 September of the calendar year preceding the Annual General Meeting, the holdings of such a shareholder registered in several different funds or registers will be added together when calculating the number of votes. If a shareholder does not wish to use its right to appoint a member to the Nomination Board, the right will be transferred to the next largest shareholder according to the shareholders' register who would otherwise not have the right to appoint a member to the Nomination Board.

Board of Directors and auditors

Sponda's Board of Directors has seven members: Kaj-Gustaf Bergh, Klaus Cawén, Christian Elfving, Tuula Entelä, Juha Laaksonen, Arja Talma and Raimo Valo. The Chairman of the Board is Kaj-Gustaf Bergh and its Deputy Chairman is Klaus Cawén.

The Board of Directors assesses that, of its members, Klaus Cawén, Tuula Entelä, Juha Laaksonen, Arja Talma and Raimo Valo are independent of the company and its major shareholders and Kaj-Gustaf Bergh and Christian Elfving are independent of the company.

Sponda Plc's auditors are APA Esa Kailiala and authorised public accountants KPMG Oy Ab, with APA Kai Salli as the responsible auditor and APA Lasse Holopainen as the deputy auditor.

Board Committees

The members of the Audit Committee are as follows: Arja Talma (Chairman), Raimo Valo (Deputy Chairman), Christian Elfving (ordinary member) and Juha Laaksonen (ordinary member).

The members of the Structure and Remuneration Committee are as follows: Kaj-Gustaf Bergh (Chairman), Klaus Cawén (Deputy 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 sustainability reporting integrated in the company's annual report is implemented according to the GRI C level.

The company's environmental responsibility objectives for 2013 are related to, amongst other things, reducing energy consumption in Sponda's own office and across the company's entire property portfolio, increasing the proportion of recoverable waste, implementing energy efficiency initiatives agreed upon with customers in conjunction with environmental partnerships and engaging in research and development related to reducing energy consumption. Environmental responsibility was also extended to properties owned by Sponda in Russia, with the aim of reducing electricity and water consumption, particularly in Moscow.

Sponda and other climate partners have signed a climate covenant. As part of the Climate Partners network, a joint initiative of the Confederation of Finnish Industries and the City of Helsinki, the participating companies sign climate covenants identifying the measures they will take to control climate change in their own operations.

Sponda Plc's covenants are:

- The comparable total energy consumption of Sponda's properties will be reduced by 10% by 2016.
- The recycling rate in Sponda's properties will be increased to over 70% by 2014.

Events after the end of the period

In April 2013, pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, Ilmarinen announced that, as of 15 April 2013, its share of ownership of Sponda Plc fell below the 1/20 (5%) threshold and that its current share of ownership of Sponda Plc is 0%.

In April 2013, pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, HC LPN Holding Oy Ab (Hartwall Capital Oy Ab) announced that, as of 15 April 2013, its share of ownership of Sponda Plc rose above the 1/20 (5%) threshold and that its current share of ownership of Sponda Plc is 9.56%.

Prospects

Sponda expects the vacancy rates of its investment properties at year's end 2013 to be largely unchanged from the end of 2012. The estimate is based on leases already signed and forecast changes in rental agreements.

Comparable net operating income (excluding disposals) in 2013 is expected to increase slightly from 2012. This increase is based on rising rent levels for business premises in Helsinki's central business district and the completion of property development projects.

Risks and uncertainty factors in the near future

Sponda believes that the risks in the current financial year will be largely unchanged from the previous year. The key risks and uncertainty factors arise from the ongoing European economic crisis. These risks relate to a decline in economic occupancy rates and a fall in rental income in both Finland and Russia, resulting from the insolvency of tenants.

The development of the Finnish economy will be particularly affected by the continuation of the public debt crisis in Europe. The slowing of growth may affect the operations of Finnish companies and thereby increase the vacancy rates of office properties.

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.

Significant changes in market interest rates and margins may have a negative effect on Sponda's financial result and contribute to slower growth in the property business.

Capital Markets Day

Sponda will organise a Capital Markets Day for investors, analysts and journalists on 15 May 2013 in Helsinki. The main themes for the day will be, in addition to a company update, the Finnish economy and property sector financing in Finland. In addition to Sponda's representatives, there will be guest speakers who will give their insight to the market. At the end of the day, participants will have an opportunity to visit Sponda's properties, Citycenter and Fennia Block, in Helsinki.

3 May 2013
Sponda Plc
Board of Directors

Additional 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€

	1-3/2013	1-3/2012	1-12/2012
Total revenue			
Rental income and recoverables	**64.2**	64.5	257.8
Interest income from finance leasing agreements	**0.1**	0.1	0.3
Fund management fees	**1.7**	1.5	6.5
	66.0	66.0	264.6
Expenses			
Maintenance costs	**-20.1**	-19.7	-71.1
Direct fund expenses	**-0.4**	-0.3	-1.3
	-20.6	-20.0	-72.4
Net operating income	**45.4**	46.1	192.2
Profit/loss on sales of investment properties	**0.0**	0.9	2.5
Valuation gains/losses on fair value assessment	**5.5**	2.8	33.0
Profit/loss on sales of trading properties	**0.0**	0.0	5.2
Change in value of trading property	**0.0**	0.0	0.0
Sales and marketing expenses	**-0.5**	-0.4	-2.0
Administrative expenses	**-5.4**	-5.3	-20.7
Other operating income	**0.1**	0.1	0.4
Other operating expense	**-0.4**	-0.4	-0.1
Operating profit	**44.8**	43.7	210.5
Financial income	**13.7**	10.4	35.9
Financial expenses	**-27.2**	-24.4	-94.6
Total amount of financial income and expenses	**-13.5**	-14.0	-58.8
Profit before income tax	**31.3**	29.6	151.8
Income taxes for current and previous fiscal years	**-1.1**	-0.7	-3.7
Deferred taxes	**-6.4**	-5.8	-33.8
Income taxes, total	**-7.6**	-6.4	-37.5
Profit/loss for the period	**23.7**	23.2	114.2
Attributable to:			
Equity holders of the parent company	**23.7**	23.2	114.3
Non-controlling interest	**0.0**	0.0	0.0
Earnings per share based on profit attributable to equity holders of the parent company			
Basic and diluted, €	**0.07**	0.07	0.37

Consolidated statement of comprehensive income
M€

	1-3/2013	1-3/2012	1-12/2012
Profit/loss for the period	**23.7**	23.2	114.2
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit pension plans	**0.0**	0.0	-0.2
Taxes on items that will not be reclassified to profit or loss	**0.0**	0.0	0.0
Items that will not be reclassified to profit or loss, total	**0.0**	0.0	-0.1
Items that may be reclassified subsequently to profit or loss			
Net loss/profit from hedging cash flow	**6.6**	-0.6	-3.1
Translation differences	**0.2**	0.2	0.1
Taxes on items that may be reclassified subsequently to profit or loss	**-1.7**	-0.3	0.4
Items that may be reclassified subsequently to profit or loss, total	**5.0**	-0.7	-2.5
Other comprehensive income for the period after taxes	**5.0**	-0.7	-2.6
Comprehensive profit/loss for the period	**28.8**	22.5	111.6
Attributable to:			
Equity holders of the parent company	**28.8**	22.5	111.6
Non-controlling interest	**0.0**	0.0	0.0

Consolidated balance sheet
M€

	31 Mar 2013	31 Mar 2012	31 Dec 2012	1 Jan 2012
ASSETS				
Fixed assets and other non-current assets				
Investment properties	**3,274.3**	3,177.4	3,261.3	3,165.7
Investments in real estate funds	**84.1**	65.5	83.6	65.5
Property, plant and equipment	**12.7**	12.9	12.5	13.1
Goodwill	**14.5**	14.5	14.5	14.5
Other intangible assets	**0.8**	0.7	0.7	0.6
Finance lease receivables	**2.7**	2.7	2.7	2.7
Long-term receivables	**32.0**	7.4	21.2	5.0

Deferred tax assets	**37.1**	43.4	38.4	44.0
Fixed assets and other non-current assets total	**3,458.3**	3,324.6	3,435.0	3,311.1
Current assets				
Trading properties	**7.8**	7.9	7.8	7.9
Trade and other receivables	**24.8**	22.2	48.9	41.9
Funds	**21.7**	32.1	30.1	26.4
Current assets total	**54.2**	62.2	86.7	76.1
Total funds	**3,512.5**	3,386.8	3,521.8	3,387.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity				
holders of the parent company				
Share capital	**111.0**	111.0	111.0	111.0
Share issue premium	**159.5**	159.5	159.5	159.5
Translation differences	**2.3**	2.2	2.3	2.5
Fair value reserve	**-27.3**	-30.5	-32.3	-30.0
Revaluation reserve	**0.6**	0.6	0.6	0.6
Reserve for invested unrestricted equity	**433.8**	433.8	433.8	433.8
Other equity fund	**186.1**	129.0	186.1	129.0
Retained earnings	**560.2**	504.2	585.0	526.3
	1,426.1	1,309.8	1,445.9	1,332.6
Non-controlling interest	**1.8**	1.7	1.7	1.7
Shareholders' equity total	**1,427.9**	1,311.6	1,447.7	1,334.4
Liabilities				
Long-term liabilities				
Interest-bearing loans and borrowings	**1,451.3**	1,307.0	1,460.3	1,380.8
Other liabilities	**33.0**	39.6	38.1	40.3
Deferred tax liabilities	**212.7**	187.2	205.9	181.8
Long-term liabilities total	**1,697.0**	1,533.7	1,704.4	1,602.9
Current liabilities				
Short-term interest-bearing liabilities	**314.2**	480.0	275.9	374.1
Trade and other payables	**73.4**	61.5	93.9	75.9
Current liabilities total	**387.6**	541.5	369.7	449.9
Total borrowings	**2,084.6**	2,075.3	2,074.1	2,052.8
Total equity and liabilities	**3,512.5**	3,386.8	3,521.8	3,387.2

Consolidated Cash Flow Statement
M€

	1-3/2013	1-3/2012	1-12/2012
Cash flow from operating activities			
Net profit for the period	**23.7**	23.2	114.2
Adjustments	**18.0**	18.8	68.7
Change in net working capital	**5.5**	4.5	-2.6
Interest received	**0.2**	0.2	1.2
Interest paid	**-11.5**	-15.5	-66.6
Other financial items	**1.1**	1.4	2.4
Dividends received	**0.0**	0.0	0.0
Taxes received/paid	**-1.2**	-0.9	-4.5
Net cash provided by operating activities	**35.9**	31.6	112.8
Cash flow from investing activities			
Acquisition of investment properties	**-12.9**	-13.7	-114.9
Capital expenditure on real estate funds	**-2.4**	-	-18.4
Acquisition of tangible and intangible assets	**-0.3**	-0.2	-0.3
Proceeds from sale of investment properties	**0.0**	3.5	57.3
Capital repayments from real estate funds	**-**	-	0.9
Repayments of loan receivables	**-**	-	0.2
Net cash flow from investments	**-15.6**	-10.3	-75.3
Cash flow from financing activities			
Receipts from issue of equity bond	**-**	-	93.7
Non-current loans, raised	**-**	-	235.0
Repurchase of equity bond	**-**	-	-37.9
Non-current loans, repayments	**-19.1**	-19.1	-298.9
Current loans, raised/repayments	**38.3**	48.3	31.8
Interest paid on equity bond	**-**	-	-12.8
Dividends paid	**-48.1**	-45.3	-45.3
Net cash flow from financing	**-28.9**	-16.1	-34.4
Change in cash and cash equivalents	**-8.6**	5.1	3.2
Cash and cash equivalents, start of period	**30.1**	26.4	26.4
Impact of changes in exchange rates	**0.2**	0.6	0.5
Cash and cash equivalents, end of period	**21.7**	32.1	30.1

Consolidated statement of changes in equity
M€

	Share capital	Share issue premium	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve	Other equity fund	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
Equity 31 December 2011	111.0	159.5	0.5	-30.0	0.6	433.8	129.0	475.0	1,279.4	1.7	1,281.1
Impact of changes in accounting principles			2.0					51.3	53.2		53.2
Equity 1 January 2012, adjusted	111.0	159.5	2.5	-30.0	0.6	433.8	129.0	526.3	1,332.6	1.7	1,334.4
Comprehensive income											
Net income for the period								23.2	23.2	0.0	23.2
Other comprehensive income (net of tax)											
Cash flow hedges				-0.5					-0.5		-0.5
Translation differences			-0.2						-0.2		-0.2
Comprehensive income, total			-0.2	-0.5				23.2	22.5	0.0	22.5
Transactions with shareholders											
Dividend payment								-45.3	-45.3		-45.3
Transactions with shareholders, total								-45.3	-45.3		-45.3
Interest paid on hybrid bond									0.0		0.0
Change								0.0	0.0		0.0
Equity 31 March 2013	111.0	159.5	2.2	-30.5	0.6	433.8	129.0	504.2	1,309.8	1.7	1,311.6

	Share capital	Share issue premium	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve	Other equity fund	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
Equity 31 December 2012	111.0	159.5	0.7	-32.3	0.6	433.8	186.1	534.4	1,393.8	1.7	1,395.6
Impact of changes in accounting principles			1.5					48.1	52.1		52.1
Equity 1 January 2013, adjusted	111.0	159.5	2.3	-32.3	0.6	433.8	186.1	585.0	1,445.9	1.7	1,447.7
Comprehensive income											
Net income for the period								23.7	23.7	0.0	23.7
Other comprehensive income (net of tax)											
Cash flow hedges				5.0					5.0		5.0
Translation differences			0.1						0.1		0.1
Comprehensive income, total			0.1	5.0				23.7	28.8	0.0	28.8
Transactions with shareholders											
Dividend payment								-48.1	-48.1		-48.1
Transactions with shareholders, total								-48.1	-48.1		-48.1
Change								-0.4	-0.4	0.0	-0.4
Equity 31 March 2013	111.0	159.5	2.3	-27.3	0.6	433.8	186.1	560.2	1,426.1	1.8	1,427.9

Notes to the consolidated financial statements

Accounting principles

This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting). Starting from the beginning of the financial year, the company has applied certain new or revised IFRS standards and IFRIC interpretations as described in the 2012 financial statements. In addition, the company has voluntarily amended its accounting principles with regard to IAS 12 (Income Taxes) on the basis of IAS 8 14 (b). According to the newly applied accounting principle, recovery of the carrying amount of investment properties valued at fair value in the calculation of deferred taxes will normally happen through sale. As the company's principle will be to realise its shareholding in property companies by selling the shares it owns, the deferred taxes are also calculated according to the same principle under the new accounting principle. The amendment caused a significant effect on the deferred taxes recognised for investment properties. The changes are shown in the table below. The amendment was implemented with retrospective effect and the figures for the comparison period have been adjusted accordingly. Otherwise this interim report has been prepared applying the IFRS standards and interpretations valid on 31 December 2012.

The preparation of the financial statements 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 values 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 Plc's consolidated financial statements dated 31 December 2012.

The figures in the interim report have not been audited.

The effects of the voluntary amendment of accounting principles with regard to IAS 12 Income Taxes and the amendment of IAS 19 Employee Benefits:

M€

Effect on equity

Reported shareholders' equity 31 December 2011	1,281.1
Effect of amendments to IAS 12, 1 January 2012	53.9
Effect of amendments to IAS 19, 1 January 2012	-0.6
Adjusted shareholders' equity 1 January 2012	**1,334.4**

Reported shareholders' equity 31 December 2012	1,395.6
Effect of amendments to IAS 12, 1 January 2012	53.9
Effect of amendments to IAS 19, 1 January 2012	-0.6
Effect of amendments to IAS 12, 31 December 2012	-1.2
Effect of amendments to IAS 19, 31 December 2012	0.0
Adjusted shareholders' equity 31 December 2012	**1,447.7**

M€	
Effect on deferred tax liabilities	
Reported deferred tax liabilities 31 December 2011	235.7
Effect of amendments to IAS 12, 1 January 2012	-53.9
Effect of amendments to IAS 19, 1 January 2012	0.0
Adjusted deferred tax liabilities 1 January 2012	**181.8**

Reported deferred tax liabilities 31 December 2012	258.6
Effect of amendments to IAS 12, 1 January 2012	-53.9
Effect of amendments to IAS 19, 1 January 2012	0.0
Effect of amendments to IAS 12, 31 December 2012	1.2
Effect of amendments to IAS 19, 31 December 2012	0.0
Adjusted deferred tax liabilities 31 December 2012	**205.9**

M€	
Effect on deferred tax assets	
Reported deferred tax assets 31 December 2011	43.8
Effect of amendments to IAS 19, 1 January 2012	0.1
Adjusted deferred tax assets 1 January 2012	**44.0**

Reported deferred tax assets 31 December 2012	38.3
Effect of amendments to IAS 19, 1 January 2012	0.1
Effect of amendments to IAS 19, 31 December 2012	0.0
Adjusted deferred tax assets 31 December 2012	**38.4**

M€	
Total effect on consolidated comprehensive income	
Reported total comprehensive income for the period 1 January - 31 December 2012	112.8
Effect of amendments to IAS 12	-1.2
Effect of amendments to IAS 19	0.0
Adjusted total comprehensive income for the period 1 January - 31 December 2012	**111.6**

%	
Effect on equity ratio and equity per share	
Reported equity ratio 31 December 2012	39.8
Adjusted equity ratio 31 December 2012	41.3

Reported equity per share 31 December 2012	4.27
Adjusted equity per share 31 December 2012	**4.45**

Income statement by segment
M€

Income statement information 1-3/2013	Office and retail premises	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group, total
Total revenue	**35.6**	**11.1**	**9.5**	**0.3**	**7.7**	**1.7**	**0.0**	**66.0**
Maintenance expenses and direct fund expenses	-11.1	-2.8	-3.8	-0.6	-1.9	-0.4	0.0	-20.6
Net operating income	**24.6**	**8.3**	**5.7**	**-0.3**	**5.8**	**1.3**	**0.0**	**45.4**
Profit on sales of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on sales of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on trading properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in value of trading properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation gains/losses on fair value assessment	-0.4	1.3	-0.5	0.0	4.6	0.5	0.0	5.5
Administration and marketing	-2.3	-0.5	-0.3	-0.7	-0.7	-1.3	0.0	-5.8
Other operating income and expenses	0.1	0.0	-0.1	-0.3	0.0	0.0	0.0	-0.3
Operating profit	**22.0**	**9.2**	**4.8**	**-1.3**	**9.7**	**0.5**	**0.0**	**44.8**
Investments	5.8	0.4	0.5	1.2	0.1	2.4	0.3	10.6
Segment assets	1,713.9	738.5	414.3	150.8	274.0	84.1	136.9	3,512.5
Economic Occupancy Rate	89.2	94.1	74.8		96.8			88.2

Income statement information 1-3/2012	Office and retail premises	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group, total
Total revenue	**35.2**	**10.8**	**11.2**	**0.7**	**6.7**	**1.5**	**0.0**	**66.0**
Maintenance expenses and direct fund expenses	-11.0	-2.7	-3.8	-0.5	-1.7	-0.3	0.0	-20.0
Net operating income	**24.1**	**8.1**	**7.4**	**0.2**	**5.1**	**1.2**	**0.0**	**46.1**
Profit on sale of investment properties	0.4	0.5	0.0	0.0	0.0	0.0	0.0	0.9
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
Change in value of trading property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation gains/losses on fair value assessment	2.3	-0.4	-0.4	-1.2	0.7	1.9	0.0	2.8
Administration and marketing	-2.0	-0.4	-0.4	-0.8	-0.8	-1.3	0.0	-5.7
Other operating income and expenses	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	-0.4
Operating profit	**24.8**	**7.8**	**6.7**	**-2.3**	**5.0**	**1.8**	**0.0**	**43.7**
Investments	8.3	0.6	0.2	3.3	0.0	0.0	0.2	12.6
Segment assets	1,656.2	585.7	448.7	247.4	225.3	65.5	126.7	3,386.8
Economic Occupancy Rate	88.7	93.9	78.1		98.7			88.4

Direct and indirect result

The direct result represents the result from the Group's core business operations. 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, capitalised interest, the premiums of cap options, profit/loss on the sale of properties, amortisation of goodwill and other such income and expenses that the company considers non-direct items.

M€	**1-3/2013**	1-3/2012	1-12/2012
Direct result			
Net operating income	**45.4**	46.1	192.2
Realised shares of profit from real estate funds	**2.4**	1.9	7.5
Marketing and administrative expenses	**-5.8**	-5.7	-22.7
Other income and expenses for business operations	**-0.3**	-0.4	0.3
Financial income and expenses	**-15.0**	-17.5	-67.9
Taxes based on direct result	**-1.1**	-0.7	-3.9

Deferred taxes based on direct result	**-5.3**	-4.9	-22.3
Non-controlling holding share of direct result	**0.0**	0.0	0.0
Total	**20.3**	18.8	83.1
Indirect result			
Profit/loss on sales of investment properties	**0.0**	0.9	2.5
Valuation gains/losses on fair value assessment	**3.1**	0.9	25.5
Profit/loss on sales of trading properties	**0.0**	0.0	5.2
Change in value of trading property	**0.0**	0.0	0.0
Marketing and administrative expenses	**0.0**	0.0	0.0
Other income and expenses for business operations	**0.0**	0.0	0.0
Financial income and expenses	**1.5**	3.4	9.2
Taxes based on indirect result	**0.0**	0.0	0.2
Deferred taxes based on indirect result	**-1.1**	-0.9	-11.5
Non-controlling holding share of indirect result	**0.0**	0.0	0.0
Total	**3.4**	4.4	31.1

Quarterly key figures

	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Total revenue, M€	**66.0**	66.4	66.0	66.2	66.0
Net operating income, M€	**45.4**	47.4	50.2	48.5	46.1
Valuation gains/losses on fair value assessment, M€	**5.5**	21.3	2.9	6.0	2.8
Operating profit, M€	**44.8**	69.5	48.1	49.3	43.7
Financial income and expenses, M€	**-13.5**	-14.4	-14.6	-15.7	-14.0
Profit/loss for the period, M€	**23.7**	41.6	24.7	24.8	23.2
Investment properties, M€	**3,274.3**	3,261.3	3,213.9	3,233.9	3,177.4
Shareholders' equity, M€	**1,427.9**	1,447.7	1,349.0	1,326.3	1,311.6
Interest-bearing liabilities, M€	**1,765.5**	1,736.2	1,804.5	1,844.9	1,787.0
Earnings per share, €	**0.07**	0.14	0.08	0.08	0.07
Cash flow from operations per share, €	**0.09**	0.12	0.10	0.10	0.09
EPRA NAV, €	**5.07**	5.12	4.93	4.85	4.77
Economic occupancy rate, %	**88.2**	88.1	88.0	88.9	88.4

Investment properties
M€

	31 Mar 2013	31 Mar 2012	31 Dec 2012
Fair value of investment properties, start of period	**3,261.3**	3,165.7	3,165.7
Purchase of investment properties	**0.0**	0.0	53.1
Other capital expenditure on investment properties	**7.9**	12.4	76.0
Disposal of investment properties	**0.0**	-1.8	-59.3
Transfers from trading properties	**0.0**	0.0	0.0
Capitalised equity expenses, increase in period	**0.1**	0.1	0.8
Valuation gains/losses on fair value assessment	**5.0**	0.9	24.9
Fair value of investment properties, end of period	**3,274.3**	3,177.4	3,261.3

Net operating income from all of Sponda's property assets totalled EUR 45.4 (46.1) million in January–March 2013. Of this total, office and retail premises accounted for 54%, shopping centres for 17%, logistics premises for 13%, Russia for 13% and the Real Estate Funds unit for 3%.

On 31 March 2013, Sponda had a total of 185 properties, with an aggregate leasable area of approximately 1.5 million m². Of this, some 53% is office and retail premises, 11% shopping centres and 33% 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 calculations are based on market observations.

At the end of March 2013, the fair value of Sponda's properties was assessed internally for both Finland and Russia. The change in fair value of the investment properties in January–March was EUR 5.0 (0.9) million. The positive change in the value in Finland was mainly due to successful renting and changes in market rents. In Russia, the main factor behind the positive change was exchange rate fluctuations. The changes in fair values are itemised in the table "Valuation gains/losses on fair value assessment".

The Group's most significant investment commitments

Sponda's property development operations comprise new construction projects and refurbishment of existing properties. Sponda does not currently have active property development projects in progress.

Sponda developed an office property in the Ruoholahti district of Helsinki with total floor space of approximately 6,000 m². Over 70% of the building is leased to the primary tenant, Talentum Plc. The office building was completed on schedule in April 2013, with an occupancy rate in excess of 90% at the time of completion. The project's development margin target, 15% of the total investment, was exceeded. The estimated total investment was approximately EUR 23.5 million.

Sponda is carrying out development projects for the Ratina shopping centre 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 decision to invest has not yet been made.

Property, plant and equipment
M€

	31 Mar 2013	31 Mar 2012	31 Dec 2012
Carrying amount, start of period	**12.5**	13.1	13.1
Increases	**0.2**	0.0	0.1
Disposals	**-**	0.0	0.0
Depreciation for the period	**0.0**	-0.2	-0.6
Carrying amount, end of period	**12.7**	12.9	12.5
Trading properties on 31 March 2013			
M€	**31 Mar 2013**	31 Mar 2012	31 Dec 2012
Carrying amount, start of period	**7.8**	7.9	7.9
Disposals and other changes	**-**	-	-0.1
Increases	**-**	-	-
Reclassifications to investment properties	**-**	-	-
Valuation changes	**-**	-	-
Carrying amount, end of period	**7.8**	7.9	7.8

Contingent liabilities
M€

Collateral and commitments given by the Group	**31 Mar 2013**	31 Mar 2012	31 Dec 2012
Loans from financial institutions. covered by collateral	**141.4**	140.1	141.8
Mortgages	**264.2**	269.2	264.2
Book value of pledged shares	**18.6**	19.4	18.6
Guarantees	**-**	-	-
Total collateral	**282.8**	288.5	282.8
Lease and other liabilities	**31 Mar 2013**	**31 Mar 2012**	**31 Dec 2012**
Lease liabilities	**96.1**	96.9	96.3
Mortgages	**3.9**	3.9	3.9
Guarantees	**4.6**	15.7	3.6
Investment commitments to real estate funds	**39.9**	28.6	42.3

Interest derivatives	31 Mar 2013	31 Mar 2012	31 Dec 2012
Swap contracts, notional value	**871.4**	972.2	871.6
Swap contracts, fair value	**-36.2**	-40.4	-42.9
Cap options purchased, notional value	**300.0**	565.0	300.0
Cap options purchased, fair value	**0.7**	0.8	0.6
Forward rate agreements, notional value	**-**	-	-
Forward rate agreements, fair value	**-**	-	-
Currency derivatives	**31 Mar 2013**	**31 Mar 2012**	**31 Dec 2012**
Currency forwards, notional value	**-**	-	-
Currency forwards, fair value	**-**	-	-
Currency options, bought, notional value	**10.3**	7.1	10.2
Currency options, bought, fair value	**0.0**	0.1	0.1
Currency options, put, notional value	**10.3**	7.1	10.2
Currency options, put, fair value	**-0.2**	-0.1	-0.1
Interest rate and currency swaps			
*Interest rate and currency swaps, notional value**	**337.4**	337.4	337.4
*Interest rate and currency swaps, fair value**	**30.1**	5.9	19.5

*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
M€

The following transactions took place with related parties:

Management employee benefits	**31 Mar 2013**	31 Mar 2012	31 Dec 2012
Salaries and other short-term employee benefits	**0.4**	0.5	1.8
Share-based payments	**0.5**	0.3	1.6
Total	**1.0**	0.8	3.4

Key figures

	1-3/2013	1-3/2012	1-12/2012
Earnings per share, €	**0.07**	0.07	0.37
Equity ratio, %	**40.8**	38.8	41.3
Gearing ratio, %	**122.1**	133.8	117.9
Equity per share, €	**4.38**	4.17	4.45
Cash flow from operations per share, €	**0.09**	0.09	0.40

Formulas for the key indicators

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	Shareholders' equity / Balance sheet total - advances received
Gearing ratio, %	=	100 x	Interest-bearing liabilities - cash and cash equivalents / Shareholders' equity
Equity per share, €	=		Equity attributable to parent company equity holders - Other equity reserve / Undiluted total number of shares on the date of closing the books
Cash flow from operations per share, €	=		Operating profit -/+ Fair value adjustment + 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 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 Earnings per share, M€	=	Net operating income + Realised shares of profit 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), %	=	Annualised net rents Investment properties - Development properties + Estimated purchaser's costs
EPRA "topped up" NYI, %	=	Annualised net rents + Step rents, rent-free periods, etc. Investment properties - Development properties + Estimated purchaser's costs