

Interim Report

1.1.–30.6.2009

SPONDA



Sponda Plc's interim report January – June 2009

Sponda Group's total revenue and net operating income continued to develop positively in the second quarter of 2009. Total revenue increased some 8 % from the corresponding period in the previous year to EUR 61.8 million (30 June 2008: EUR 57.3 million). Net operating income rose 6 % to EUR 44.8 (42.3) million. The economic occupancy rate was 88.4 % (91.9 %).

The change in the value of property was EUR -129.3 (9.3) million at the end of June, and the second quarter accounted for EUR -12.0 (-3.3) million of this. The valuation of investment properties was carried out internally at Sponda and of the property in the real estate funds by an external evaluator. The negative change in the value of investment properties was due mainly to a moderate decline in market rents and for real estate fund properties the change arose from the rise in yield requirements.

Sponda's result after tax for the first half of 2009 was EUR -81.8 (34.3) million. The result for the second quarter was positive, EUR 10.1 (13.8) million.

Result of operations and financial position January – June 2009 (compared with same period in 2008):

- Total revenue grew 12 % from the previous year to EUR 122.4 (109.2) million.
- Net operating income also rose about 12 %, to EUR 89.8 (80.5) million.
- Operating result was EUR -49.9 (81.3) million.
- The result after tax was EUR -81.8 (34.3) million.
- Earnings per share were EUR -0.45 (0.19).
- Cash flow from operations per share improved to EUR 0.37 (0.29).
- The fair value of investment properties amounted to EUR 2,786.2 (2,761.5) million.
- Net assets per share totalled EUR 3.54 (5.21).
- EPRA net assets per share were EUR 4.20 (6.26).
- Economic occupancy rate was 88.4 % (91.1 %).
- Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years was 5.32 % for office and retail properties, 6.85 % for shopping centres and -4.18 % for logistics properties.

Result of operations and financial position April – June 2009 (compared with same period in 2008):

- Total revenue increased 8 % from the previous year to EUR 61.8 (57.3) million.
- Net operating income was EUR 44.8 (42.3) million, growth of 6 % year-on-year.
- Operating profit was EUR 27.9 (34.9) million, which includes a change in the value of properties of EUR -12.0 (-3.3) million.
- Profit after tax was EUR 10.1 (13.8) million.
- Earnings per share were EUR 0.05 (0.08).
- Cash flow from operations per share was EUR 0.19 (0.15).

Key figures

	4-6/09	4-6/08	1-6/09	1-6/08	1-12/08
Economic occupancy rate, %			88.4	91.1	88.5
Total revenue, M€	61.8	57.3	122.4	109.2	224.3
Net operating income, M€	44.8	42.3	89.8	80.5	166.8
Operating result, M€	27.9	34.9	-49.9	81.3	117.3
Earnings per share, €	0.05	0.08	-0.45	0.19*	0.16*
Cash flow from operations per share, €	0.19	0.15	0.37	0.29	0.78

<i>Net assets per share, €</i>		3.54	5.21*	4.93*
<i>EPRA net assets per share, €</i>		4.20	6.26*	6.04*
<i>Equity ratio, %</i>		37	34	32
<i>Gearing, %</i>		144	160	180

* As the result of the rights offering in the second quarter, per share figures have been adjusted, in accordance with IAS 33.

CEO Kari Inkinen:

"The uncertainty in the real estate market remains. This can be seen, for example, in the very low volume of property transactions compared to last year. This makes it difficult to determine the value of properties, and is also reflected in developments in property values. There is going to be pressure to reduce property rent levels, and this in turn will affect the valuation of properties.

Sponda strengthened its capital structure against possible reductions in the values of properties by organising a rights offering with pre-emptive subscription rights for existing shareholders. The share offering, which raised some EUR 200 million, was successful and was oversubscribed. The funds raised were used to repay debts, strengthening the company's balance sheet. I would like to thank shareholders for participating in the rights offering and for their confidence in Sponda.

Despite the pressure to reduce property rents, we have succeeded in keeping the fall in the occupancy rate very moderate. One very positive feature has been that new leasing agreements have on average been signed with higher rents than the leases that have expired."

Prospects

Sponda forecasts that the company's net operating income will be higher than in 2008. The reasons for this are that during 2008 rent levels rose and several fully leased office and retail properties were completed and added to Sponda's investment property portfolio.

The company also estimates that its economic occupancy rate will decline only slightly in 2009 from the figure at the end of 2008, even though the property market expects the number of vacant business premises to increase in 2009 significantly. The forecast for the occupancy rate is based on the company's assessment of the lease agreements that are starting or expiring by the end of 2009.

When making the forecasts for 2009, the company has assumed that, despite the uncertain market conditions, no significant losses of income will occur in 2009 due to the insolvency of tenants.

Business conditions – Finland

The volume of real estate transactions remained at a low level. The Institute for Real Estate Economics (KTI) estimated that property transactions with a total value of about EUR 680 million had been made in Finland by the end of June. The most active buyers were Finnish institutional investors.

Finnish business cycle forecasts estimate that the gross national product will decline 5-6 % in 2009. Unemployment has risen to about 9 %, and is forecast to continue to rise in 2010. As the national economy shrinks, forecasts for the property market indicate that vacancy rates will rise, as new properties have been completed and businesses require less space. It is also expected that there will be pressure to reduce rental levels.

Business conditions – Russia

The consensus estimate for growth in Russia's gross national product in 2009 is some -7 %. For 2010 positive growth is forecast, mainly due to the rise in the price of oil, the strengthening of the rouble and increasing industrial output.

Hardly any real estate transactions have taken place in Russia in 2009, which makes it extremely challenging to define the market prices of properties. According to some real estate agents, yield requirements for properties vary between 11.5 and 13 % in Moscow and in St Petersburg.

Vacancy rates for high quality offices in the Moscow and St Petersburg regions rose during the first half of 2009. Vacancy rates in both cities are around 15 – 25 %, depending on the geographical location. Rental levels fell considerably from the very high levels of 2008 for both office and retail premises.

Sponda's operations in January – June 2009

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, Real Estate Funds, and Russia. The Investment Properties unit is divided into three segments: Office and Retail Properties, Shopping Centres and Logistics Properties. The other segments are Real Estate Funds, Property Development and Russia.

Net operating income from all of Sponda's property assets totalled EUR 89.8 (80.5) million in the six month period. Office and retail premises accounted for 53 % of this, shopping centres for 16 %, logistics properties for 16 %, the Real Estate Funds unit for 6 % and Russia for 10 %. Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years was 5.32 % for office and retail properties, 6.85 % for shopping centres and -4.18 % for logistics properties. Rental growth is calculated in accordance with EPRA recommendations.

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

Type of property	30.6.09	30.6.08	31.12.08
Office and Retail, %	90.3	90.5	91.1
Shopping centres	97.1	95.7	96.7
Logistics, %	76.1	87.5	77.4
Russia and Baltic, %	89.1	100.0	86.3
Total property portfolio, %	88.4	91.1	88.5
Geographical area	30.6.09	30.6.08	31.12.08
Helsinki Business District, %	91.3	91.9	90.4
Helsinki Metropolitan Area, %	91.2	90.6	92.5
HMA logistics, %	74.5	85.8	75.0
Other areas, %	92.8	96.9	91.9
Total property portfolio, %	88.4	91.1	88.5

Total cash flow derived from leasing agreements on 30 June 2009 was EUR 1,108 million (30 June 2008: EUR 862 million). Sponda had 2,018 clients and altogether 3,150 leasing agreements. The company's biggest tenants were the Finnish State (8.4 % of rental income),

Kesko Group (6.5 % of rental income), Sampo Bank Plc (6.1 % of rental income) and HOK-Elanto (4.1 % of rental income). Sponda's 10 largest tenants generate about 33 % of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	% of net rental
Professional, scientific and technical activities	5.5 %
Energy	0.5 %
Public sector	10.3 %
Wholesale/retail	27.2 %
Education	0.9 %
Media /Publishing	2.0 %
Logistics/Transport	8.4 %
Hotel and catering business	4.6 %
Other services	7.9 %
Banking/Investment	11.7 %
Construction	2.8 %
Industry/manufacturing	6.0 %
Healthcare	4.0 %
Telecommunications	7.2 %
Others	1.2 %

The average length of all the leasing agreements was 4.7 (4.3) years. The average length of leasing agreements was 5.0 years for office and retail properties, 5.3 years for shopping centres and 3.3 years for logistics properties. A total of 176 new leases (42,000 m²) came into force in January – June 2009. The figure includes the lease agreements for the Elo shopping centre. During the January – June period 86 leases (30,000 m²) expired. The lease agreements for Sponda's property portfolio expire as follows:

Expiry within	% of rental income
1 year	13.1
2 years	11.7
3 years	11.5
4 years	6.6
5 years	10.3
6 years	5.0
More than 6 years	27.9
Open ended	13.9

Property portfolio

On 30 June 2009 Sponda had a total of 203 properties, with an aggregate leasable area of about 1.5 million m². Of this, some 52 % is office and retail premises, 9 % shopping centres and 36 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of June 2009 Sponda's investment properties were assessed internally. The change in fair value in April – June was EUR -12.0 million (30 June 2008: EUR -3.3 million) and in January – June EUR -129.3 (9.3) million. In the second quarter, factors in this change were modernization investments and changes in market rents for properties. For the real

estate funds, in which Sponda is a minority shareholder, the assessment of the fair value of the property portfolio was carried out by an external evaluator. The change in fair value had an impact on Sponda's result of EUR -5.6 million.

Valuation gains/losses on assessing Sponda's investment properties at fair value

M€	4-6/2009	1-6/2009
<i>Changes in yield requirements (Finland)</i>	-	-50.7
<i>Changes in yield requirements (Russia)</i>	-	-49.4
<i>Development gains on property development projects</i>	-	-
<i>Modernization investments</i>	-5.3	-10.2
<i>Change in market rents and maintenance costs (Finland)</i>	-3.1	-1.8
<i>Change in market rents and maintenance costs (Russia)</i>	2.0*	-11.5
Investment properties, total	-6.4	-123.7
<i>Real estate funds</i>	-5.6	-5.6
Group, total	-12.0	-129.3

* Change was mainly due to changes in exchange rates

The changes in Sponda's investment property assets since the beginning of 2009 were as follows:

Sponda's investment properties, M€	Total	Office & Retail	Shopping centres	Logis-tics	Property develop-ment	Russia
<i>Operating income</i>	114.1	64.0	18.6	20.0	0.1	11.4
<i>Maintenance costs</i>	-29.7	-16.5	-4.1	-5.9	-0.5	-2.7
<i>Net operating income</i>	84.4	47.5	14.5	14.1	-0.5	8.6
<i>Investment properties on 1 Jan. 2009, includ. cum. capitalized interest</i>	2 915.5	1 460.6	541.6	462.8	189.1	261.3
<i>Capitalized interest 2009</i>	1.8	0.0	0.0	0.0	1.5	0.3
<i>Acquisitions in 2009</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Investments</i>	29.2	6.6	12.6	0.5	8.7	0.8
<i>Other transfers</i>	0.0	1.5	-0.1	-1.2	-0.3	0.0
<i>Sales in 2009</i>	-36.6	-0.4	0.0	-35.3	-0.8	0.0
<i>Valuation gains/losses</i>	-123.7	-33.8	-9.6	-17.2	-1.7	-61.3
Fair value of investment properties at 30 June 2009	2 786.2	1 434.4	544.6	409.6	196.5	201.0
<i>Change in fair value %</i>	-4.2	-2.3	-1.8	-3.7	-0.9	-23.5
Annual net operating income/ fair value at 30 June 2009 (*	6.8 %	6.6 %	6.0 %	6.9 %		9.4 %

Weighted average yield requirement % for entire portfolio	6.84	6.62	6.11	8.03	11.48
------------------------------------------------------------------	-------------	-------------	-------------	-------------	--------------

*) excluding property development

Investments and divestments

Sponda sold investment properties during the January – June period for a total value of EUR 36.6 million, with April – June accounting for EUR 19.8 million of this. No properties were bought during the first six months of the year.

Investments in property maintenance totalled EUR 10.2 million in the January – June period, with EUR 5.5 million of this being spent in the second quarter. Altogether EUR 19.3 million had been invested in property development by the end of June, with the second quarter accounting for EUR 3.4 million. The property development investments were mainly allocated to the renovation of the City-Center complex in Helsinki city centre.

Office and Retail Properties

The economic occupancy rate for Office and Retail Properties was 90.3 % (30 June 2008: 90.5 %). The property portfolio had a fair value on 30 June 2009 of EUR 1,434.4 million, and the change in fair value compared to the beginning of 2009 was EUR -33.8 million. The leasable area of office and retail properties was some 780,000 m², and an estimated 80 % of this was office premises and 20 % retail premises. The unit's total revenue, net operating income and operating profit in the period were as follows:

Office and Retail, M€	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Total revenue	32.4	32.1	65.2	62.6	125.7
Net operating income	23.9	23.7	48.0	46.2	92.9
Operating profit	19.9	20.9	11.3	45.1	47.7

In January – June 2009 Sponda sold office and retail properties for EUR 0.9 million. No properties were acquired in the period. Capital expenditure on property maintenance amounted to EUR 7.5 million by the end of June.

Shopping centres

The Shopping Centres unit had an economic occupancy rate of 97.1 % (96.1 %). The properties had a fair value of EUR 544.6 million, including a change in fair value of EUR -9.6 million. The shopping centres had a combined leasable area of about 140,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

Shopping centres, M€	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Total revenue	10.3	7.4	18.6	14.2	29.3
Net operating income	8.2	5.7	14.5	10.8	22.2
Operating profit	5.8	5.0	4.3	10.6	17.3

In January – June 2009 investments by the segment totalled EUR 12.5 million. This was allocated to the Elo shopping centre, which opened on 1 April in Ylöjärvi.

Logistics Properties

The Logistics Properties unit had an economic occupancy rate of 76.1 % (30 June 2008: 77.4 %). The low occupancy rate for the Vuosaari logistics complex lowers the overall occupancy rate. The properties had a fair value at the end of June 2009 of EUR 409.6 million, including a change in fair value of EUR -17.2 million. The logistics properties had a total leasable area of 530,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

<i>Logistics, M€</i>	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
<i>Total revenue</i>	10.2	9.1	20.6	18.9	37.9
<i>Net operating income</i>	7.3	6.7	14.5	14.0	28.5
<i>Operating profit</i>	5.0	4.1	-3.0	10.1	2.8

In the January – June period Sponda sold logistics property for EUR 35.3 million, with the April – June period accounting for EUR 19.7 million of this. The properties sold are in Vantaa and they were purchased by Mandatum Life Insurance Company and Kaleva Mutual Insurance Company. The properties were fully leased and the sale had no impact on Sponda's result.

No new properties were acquired. Capital expenditure on property maintenance since the beginning of the year totalled EUR 0.5 million.

Property development

The balance sheet value of Sponda's property development portfolio at the end of June 2009 was EUR 196.5 million. Of this, some EUR 81.5 million was in undeveloped land sites and the remaining EUR 115.0 million was tied up in property development projects in progress. Investments in property development and acquisitions during January – June 2009 totalled EUR 7.9 million. Most of this was for the City-Center project.

Sponda aims to obtain development gains of 15 % on the investment costs for projects. At present the company's only property development project is the City-Center shopping complex in the centre of Helsinki.

In the City-Center project, construction work is continuing on the underground service facilities and the shafts for technical services. The next phase involves construction of the office building, the retail premises on the third floor, and the light shaft into the shopping centre and will begin at the earliest towards the end of 2009. It is estimated that the renovation of the City-Center complex will be completed in 2012 and the total investment will be some EUR 110 million.

Sponda is carrying out development projects for the Ratina shopping centre and adjacent areas in Tampere. A 55,000 m² shopping centre is planned for the area, for which the total investment cost is estimated at EUR 200 million. Planning of the project is underway, and the final decision about the investment has not been made.

Real Estate Funds

Sponda is a minority holder in three real estate funds, First Top LuxCo, Sponda Real Estate Fund I Ky and Sponda Real Estate Fund II Ky. Sponda is responsible for managing the funds and their properties, and receives management fees. The properties of the funds were valued by external evaluators, Jones Lang LaSalle and Kiinteistötaito Peltola & Co, at the end of June 2009.

The unit's total revenue, net operating income and operating profit in the period were as follows:

<i>Real Estate Funds, M€</i>	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
<i>Total revenue</i>	3.0	5.2	6.1	8.2	13.2
<i>Net operating income</i>	2.5	4.1	5.1	6.6	11.3
<i>Operating profit</i>	-4.8	3.3	-3.7	14.5	14.3

First Top LuxCo (Sponda's holding 20 %) invests in office and retail properties outside Finland's largest cities. At the end of June 2009 the fund's property investments had a fair value of EUR 105.9 million.

Sponda Real Estate Fund I Ky (Sponda's holding 46 %) invests in logistics sites outside the Helsinki metropolitan area. At the end of the second quarter of 2009 the properties it owned had a fair value of EUR 190.1 million.

Sponda Real Estate Fund II Ky (Sponda's holding 44 %) mainly invests in logistics properties in medium sized towns in Finland. The fund has a target size for its real estate investment of about EUR 200 million and the fair value of its property portfolio at the end of June 2009 was EUR 96.6 million.

In addition to those mentioned above, Sponda is also responsible for managing the property portfolio, with a value of about EUR 300 million, sold in March 2007 to Whitehall Street Real Estate Limited and Niam Nordic Investment Fund III.

Russia

At the end of the review period, the economic occupancy rate for the Russia unit was 89.1 % (30 June 2008: 100 %). The property portfolio had a fair value at the end of June of EUR 201.0 million, and the change in the fair value was EUR -61.3 million. During the second quarter the value of the properties changed by EUR 2.0 million, which was due mainly to the impact of the change in exchange rates. The assessment of the fair value of the properties in Russia was carried out internally at Sponda in the second quarter.

Capital expenditure on property development and new purchases in January - June 2009 totalled EUR 0.4 million.

The unit's total revenue, net operating income and operating profit in the period were as follows:

<i>Russia, M€</i>	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
<i>Total revenue</i>	5.7	2.8	11.4	4.3	16.2
<i>Net operating income</i>	4.2	2.1	8.6	3.2	12.0
<i>Operating profit</i>	5.4	0.8	-54.4	1.3	1.3

The typical length of a lease in Russia is 11 months. Sponda's leasing agreements in Russia also conform to this practice, apart from the Western Realty (Ducat II) and OOO Adastra properties in Moscow and St Petersburg where the leases are for longer periods than average. The average length of leasing agreements in Russia on 30 June 2009 was 3.8 years, and the leasing agreements expire as follows:

Expiry in	% rental income
1 year	22.8
2 years	6.0
3 years	9.7

4 years	12.1
5 years	14.2
6 years	13.7
More than 6 years	21.5

Sponda receives about half of its rental income in Russia in US dollars. About half is in roubles, and much of this is tied to the exchange rate for the dollar or the euro. The company's rouble risk is reduced because a major part of the unit's expenses are denominated in roubles. It is Sponda's policy to hedge 6 months cash flow in Russia.

Cash flow and financing

Sponda's net cash flow from operations on 30 June 2009 totalled EUR 42.4 million (30 June 2008: EUR 105.1 million). Net cash flow from investing activities was EUR -22.6 (-234.4) million, and after financing activities was EUR -6.2 (114.5) million. Net financial income and expenses during the quarter totalled EUR -33.2 (-36.1) million. Interest expenses of EUR 1.8 (5.2) million were capitalized.

Sponda's equity ratio on 30 June 2009 was 37 % (30 June 2008: 34 %) and gearing was 144 % (160 %). Interest-bearing debt amounted to EUR 1,633.1 (1,705.5) million, the average maturity of Sponda's loans was 2.8 (2.9) years, and the average interest rate 3.8 % (4.7 %). Fixed-rate and interest-hedged loans accounted for 63 % of the loan portfolio. The average interest-bearing period of the whole debt portfolio was 1.7 (2.4) years. The interest margin, which describes the company's solvency, was 2.4 (2.2).

Sponda applies hedge accounting, according to which changes in the fair value of interest rate swaps and interest rate options that meet the criteria for hedge accounting are recognized in equity in the balance sheet.

Sponda Group's debt portfolio on 30 June 2009 comprised syndicated loans with a nominal value of EUR 685 million, EUR 259 million in bonds, EUR 140 million in issued commercial papers, and EUR 552 million in loans from financial institutions. Sponda had EUR 400 million in unused credit limits and EUR 10 million in unused account limits. Sponda Group has mortgaged loans of EUR 141.4 million, or 4.7 % of the company's balance sheet.

In April 2009 Sponda extended the credit limits that function as back-up financing for its commercial papers for a further 12 and 24 months. The agreements were extended with the current lenders such that EUR 150 million will mature in 12 months time and EUR 100 million in 24 months.

In addition, Sponda signed an agreement for a EUR 82 million secured credit facility with Helaba (Landesbank Hessen-Thüringen Girozentralen). The credit facility is for 5 years and it ensures that Sponda can refinance the bonds that mature in 2010. The margin on the credit facilities corresponds to today's market rates. The loan arrangements will not have a significant impact on Sponda's financial expenses. After these arrangements Sponda has no other long-term loans that mature before spring 2011.

Personnel and administration

During the review period Sponda Group had on average 135 employees (30 June 2008: 135), of whom 120 (124) worked for the parent company Sponda Plc. On 30 June 2009 Sponda Group had altogether 133 (135) employees, of whom 119 (126) were employed in the parent company Sponda Plc. Sponda has personnel in Finland and in Russia. Sponda's sales and administration costs on 30 June 2009 totalled EUR 11.2 million (30 June 2008: EUR 12.3 million).

Sponda's employees belong to an incentive bonus scheme, under which bonuses are indexed to the company's targets. The company operates a long-term share-based incentive scheme for its senior executives that was launched on 1 January 2006. Sponda's Board of Directors

decided to continue the long-term share-based incentive scheme for its senior executives in 2009-2011. Those in the scheme are members of the company's Executive Board. Bonuses under this scheme are based on cash flow from operations per share and on return on equity, and Sponda shares are bought with these bonuses. These shares carry a restriction forbidding their disposal within two years of their issue. The bonus is paid annually.

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 and their subsidiaries.

The Sponda share and shareholders

The weighted average price of the Sponda share in January – June 2009 was EUR 2.55. The highest quotation on NASDAQ OMX Helsinki Oy was EUR 3.93 and the lowest EUR 1.87. Turnover during the January – June period totalled 104.1 million shares or EUR 267.9 million. The closing price of the share on 30 June 2009 was EUR 2.03, and the market capitalization of the company's share capital was EUR 563 million.

The Annual General Meeting on 25 March 2009 authorized the Board of Directors to purchase the company's own shares. The authorization was not exercised during the review period.

Sponda issued the following flagging announcements in the April-June 2009 period:

- 11 May 2009: Julius Tallberg-Kiinteistöt Oyj announced that the shares it owns represent 7.32 % of the share capital and voting rights of Sponda Plc.
- 25 June 2009: Julius Tallberg-Kiinteistöt Oyj announced that the shares it owns represent 4.82 % of the share capital and voting rights of Sponda Plc.

On 30 June 2009 the company had altogether 9 831 shareholders and its ownership structure was as follows:

	Number of shares	Holding, %
Public entities	18 118 544	6.5
Nominee registered	93 166 191	33.7
Financial and insurance institutions, total	13 965 134	5.0
Households	29 947 163	10.8
Private corporations, total	117 518 335	42.5
Non-profit organizations, total	3 793 217	1.4
Foreign owners, total	307 249	0.1
Special accounts	759 629	0.3
Total number of shares	277 575 462	100.0

Extraordinary General Meeting

An Extraordinary General Meeting of Sponda Plc was held on 25 May 2009. The general meeting approved the proposal by Sponda's Board of Directors to authorize the Board of Directors to decide on a rights offering and its terms. The authorization also included the right to decide on a secondary offering of any unsubscribed shares as determined by the Board of Directors.

Rights offering

Sponda Plc announced on 7 May 2009 that it was planning a rights offering of approximately EUR 200 million. Sponda's Board of Directors decided on 25 May 2009, under the authorization given by the extraordinary general meeting on 25 May 2009, on a EUR 208.2 million rights offering. The Board resolved to issue a maximum of 166,545,277 new shares such that Sponda shareholders would have the pre-emptive right to subscribe the new shares in proportion to their existing shareholding in Sponda.

The subscription price for the offer shares was EUR 1.25 per offer share. The subscription period began on 2 June 2009 and ended at 5.00 pm on 22 June. The final result of the rights offering shows that 164,889,918 shares were subscribed with the subscription rights, or 99.0 % of all the shares offered. The remaining 1,655,359 shares (1.0 % of all the shares offered), which were subscribed without subscription rights, were allocated, in accordance with the terms and conditions of the rights offering, to subscribers who had also subscribed shares pursuant to subscription rights.

Trading in the interim shares, representing the shares subscribed pursuant to subscription rights in the share offering, commenced on the Helsinki Stock Exchange on 23 June 2009. The shares subscribed in the offering were registered with the Finnish Trade Register and the interim shares were combined with Sponda's existing shares on 30 June 2009.

On 25 June 2009, Sponda's Board of Directors approved all subscriptions pursuant to subscription rights and the subscriptions made without subscription rights in accordance with the terms and conditions of the right offering. As a result of the rights offering, the number of Sponda shares increased by 166,545,277 to 277,575,462.

Sponda's largest shareholder, Solidium Oy, subscribed 57,098,247 shares in the offer, Julius Tallberg-Kiinteistöt Oyj subscribed 7,815,679 shares and Ilmarinen Mutual Pension Insurance Company 7,231,638 shares. Danske Markets and UBS Investment Bank acted as joint global coordinators and joint bookrunners for the rights offering.

Board of Directors and auditors

Sponda's Board of Directors has seven members: Klaus Cawén, Tuula Entelä, Timo Korvenpää, Lauri Ratia, Martin Tallberg, Arja Talma and Erkki Virtanen. At its constitutive meeting after the AGM on 25 March 2009 the Board elected Lauri Ratia as its chairman and Timo Korvenpää as vice chairman.

The Board of Directors assessed that of its members Klaus Cawén, Tuula Entelä, Timo Korvenpää, Lauri Ratia and Arja Talma are independent of the company and of major shareholders and Martin Tallberg and Erkki Virtanen are independent of the company.

Sponda Plc's auditors are APA Raija-Leena Hankonen and authorized public accountants KPMG Oy Ab, and APA Riitta Pyykkö is deputy auditor.

Committees of the Board of Directors

The following were elected members of the Audit Committee after the AGM on 25 March 2009: Arja Talma, chairman, Timo Korvenpää, vice chairman and Erkki Virtanen, ordinary member.

The following were elected to the Structure and Remuneration Committee after the AGM on 25 March 2009: Lauri Ratia, chairman, Klaus Cawén, vice chairman, and Tuula Entelä and Martin Tallberg, ordinary members.

Management

Sponda Plc's president and chief executive officer is Kari Inkinen. The Executive Board comprises the president and CEO, the CFO, the SVP Corporate Communications and IR, and the heads of the business units, in total seven persons.

Tax authority decision

Sponda stated in its interim report on 1 November 2007 that the Uusimaa corporate tax office had decided to deviate from the company's 2006 tax returns with respect to the deductible losses allowable against the company's profit. The tax assessment adjustment board amended the Uusimaa corporate tax office's decision regarding the deductibility of Sponda Kiinteistöt Oy's (formerly Kapiteeli Oyj) confirmed losses for previous years in favour of Sponda in December 2007. The company issued a statement about this on 19 December 2007.

The state official representing the interests of tax recipients has appealed the decision of the adjustment board.

Environmental responsibility

The real estate sector plays a major role in fighting climate change and promoting the wellbeing of the environment. Sponda takes environmental aspects into account in the design and use of properties. Sponda improves energy efficiency at properties by upgrading and replacing the technical systems and equipment on the properties. Heat recovery equipment, for example, can give significant energy savings.

In the design and construction of the Prisma retail property in Itäkeskus, Helsinki, which was completed at the end of 2008, particular attention was paid to energy efficiency, and this has been increased through the use of technical building systems. For example, the condensation heat from refrigeration equipment is used to heat the parking facilities, and ventilation in the parking facilities is governed by the level of exhaust fumes in the air. Powerful air curtain heaters in the main entrances give further energy savings.

During 2009 Sponda is introducing the "Sponda 10+" scheme. Ten properties have been chosen for the pilot project in the scheme, in which Sponda and the users of the property aim to identify areas where energy can be saved. The costs saved in this way will be re-invested in the property, so the clients will also benefit financially from the scheme. Sponda's head office is one of the properties in the pilot scheme.

One goal for 2009 is to further develop the main guidelines for new projects. This will utilize the feedback received about completed projects and will examine how implementing the guidelines has affected the environmental impact of buildings during their use.

Prospects

Sponda forecasts that the company's net operating income will be higher than in 2008. The reasons for this are that during 2008 rent levels rose, and fully leased office and retail properties were completed and added to Sponda's investment property portfolio.

The company also estimates that its economic occupancy rate will only decline slightly in 2009 from the figure at the end of 2008, even though the property market expects the number of vacant business premises to increase in 2009 significantly. The forecast for the occupancy rate is based on the company's assessment of the lease agreements that are starting or expiring by the end of 2009.

When making the forecasts for 2009, the company has assumed that, despite the uncertain market conditions, no significant losses of income will occur in 2009 due to the insolvency of tenants.

Risks and uncertainty factors in the near future

Sponda believes that the key risks and uncertainty factors in the current financial period, due to the recession, relate to changes in the fair value of properties, a decline in economic occupancy rates, a reduction in market rents and a decline in rental income resulting from the insolvency of tenants.

The values of properties follow the business cycle, and in the current state of the market it is possible that the value of Sponda's properties will continue to fall in 2009 in Finland and in Russia. This may weaken the company's equity ratio and its profit.

The general economic situation in Finland and Russia may cause the solvency of Sponda's customers to weaken in 2009, which in turn may reduce Sponda's rental income and increase the vacancy rates in the properties owned by the company.

The operations in Russia increase Sponda's foreign exchange risk. The company hedges the cash flow risk in Russia for the coming 6 months.

6 August 2009
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

This interim report has been prepared applying IAS 34 (Interim Reports). The report is unaudited.

Sponda Plc

Consolidated income statement (IFRS)

M€

	4-6/09	4-6/08	1-6/09	1-6/08	1-12/08
<i>Total revenue</i>					
<i>Rental income and recoverables</i>	58.9	51.7	116.4	100.5	210.8
<i>Interest income from finance leasing agreements</i>	0.1	0.1	0.2	0.2	0.3
<i>Service income</i>	-	-	-	-	-
<i>Fund management fees and share of fund profit</i>	2.8	5.5	5.9	8.5	13.1
	61.8	57.3	122.4	109.2	224.3
<i>Expenses</i>					
<i>Maintenance expenses</i>	-16.5	-14.2	-31.7	-27.3	-55.5
<i>Service expenses</i>	-	-	-	-	-
<i>Direct fund expenses</i>	-0.5	-0.8	-0.9	-1.4	-2.0
	-17.0	-15.0	-32.6	-28.7	-57.5
<i>Net operating income</i>	44.8	42.3	89.8	80.5	166.8
<i>Profit/loss on sales of investment properties</i>	0.3	0.9	0.5	1.3	12.1
<i>Valuation gains/losses</i>	-12.0	-3.3	-129.3	9.3	-44.9
<i>Allocation of goodwill</i>	-	-	-	-	-13.0
<i>Profit/loss on sales of trading properties</i>	0.4	1.7	0.2	2.2	21.5
<i>Sales and marketing expenses</i>	-0.4	-0.6	-0.7	-1.1	-2.1
<i>Administrative expenses</i>	-5.4	-6.0	-10.5	-11.2	-22.1
<i>Share of result of associated companies</i>	0.0	-0.1	0.0	-0.1	-0.4
<i>Other operating income</i>	0.2	0.1	0.4	0.8	0.8
<i>Other operating expenses</i>	0.0	-0.2	-0.3	-0.4	-1.3
<i>Operating result</i>	27.9	34.9	-49.9	81.3	117.3
<i>Financial income</i>	0.9	0.7	1.3	1.3	1.7
<i>Financial expenses</i>	-15.1	-18.4	-34.5	-37.3	-76.7
<i>Provision for interest expenses</i>	-	-	-	-0.1	-0.1
<i>Financial income and expenses, net</i>	-14.2	-17.7	-33.2	-36.1	-75.1
<i>Profit before taxes</i>	13.7	17.1	-83.0	45.2	42.2
<i>Income taxes for current and previous fiscal years</i>	-0.8	-0.2	-1.2	-0.1	-1.3
<i>Deferred taxes</i>	-2.8	-3.1	2.4	-10.8	-11.8
<i>Income taxes, total</i>	-3.6	-3.3	1.2	-10.9	-13.1
<i>Profit for period</i>	10.1	13.8	-81.8	34.3	29.2
<i>Attributable to:</i>					
<i>Equity holders of the parent company</i>	10.1	13.9	-81.8	34.4	29.3
<i>Minority interest</i>	0.0	-0.1	-0.1	-0.1	-0.1

<i>Earnings per share based on profit attributable to equity holders of the parent company:</i>					
<i>Basic and diluted, €</i>	0.05	0.08	-0.45	0.19	0.16
<i>Basic and diluted, attributable to equity holders, €</i>	0.04	0.08	-0.48	0.19	0.13
<i>Basic and diluted, attributable to holders of hybrid loan, €</i>	0.01	0.00	0.03	0.00	0.03
<i>Average number of shares, million</i>					
<i>Basic and diluted, million</i>	187.8	178.0	182.9	178.0	178.0
Statement of comprehensive income (IFRS)					
<i>Profit/loss for period</i>	10.1	13.8	-81.8	34.3	29.2
<i>Other comprehensive income</i>					
<i>Net loss/profit from hedging cash flow</i>	3.8	30.0	-13.8	17.7	-39.9
<i>Translation difference</i>	-0.2	1.8	3.6	-0.5	-2.0
<i>Other items</i>	-	-	-	-	0.1
<i>Taxes on comprehensive income</i>	-0.7	-8.1	2.1	-4.5	10.4
<i>Other comprehensive income for period after taxes</i>	2.9	23.7	-8.1	12.7	-31.5
<i>Comprehensive profit/loss for period</i>	13.0	37.5	-89.9	47.0	-2.3
<i>Allocation of comprehensive profit/loss for period:</i>					
<i>Equity holders of parent company</i>	13.0	37.6	-89.8	47.1	-2.2
<i>Minority interest</i>	0.0	-0.1	-0.1	-0.1	-0.1

Consolidated balance sheet (IFRS)

M€

	30.6.2009	31.12.2008	30.6.2008	1.1.2008
ASSETS				
<i>Non-current assets</i>				
<i>Investment properties</i>	2 786.2	2 915.5	2 761.5	2 539.4
<i>Investments in real estate funds</i>	57.8	60.6	57.2	35.0
<i>Property, plant and equipment</i>	14.6	14.5	14.4	15.7
<i>Goodwill</i>	14.5	14.5	27.5	27.5
<i>Other intangible assets</i>	0.0	0.0	0.1	4.1
<i>Finance lease receivables</i>	2.7	2.7	2.7	2.7
<i>Investments in associated companies</i>	2.8	3.3	3.0	0.0
<i>Long-term receivables</i>	4.2	4.7	43.9	26.4

<i>Deferred tax assets</i>	53.2	56.6	53.1	56.9
<i>Total non-current assets</i>	2 936.2	3 072.5	2 963.4	2 707.7
<i>Current assets</i>				
<i>Trading properties</i>	27.6	29.5	36.5	37.2
<i>Trade and other receivables</i>	43.6	56.7	60.8	130.7
<i>Cash and cash equivalents</i>	28.9	16.0	12.5	27.4
<i>Total current assets</i>	100.1	102.3	109.9	195.3
<i>Total assets</i>	3 036.3	3 174.7	3 073.3	2 903.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of parent company</i>				
<i>Share capital</i>	111.0	111.0	111.0	111.0
<i>Share premium fund</i>	159.5	159.5	159.5	159.5
<i>Translation differences</i>	0.8	-1.4	0.3	0.7
<i>Fair value fund</i>	-29.9	-19.7	22.9	9.8
<i>Revaluation fund</i>	0.6	0.6	0.6	0.6
<i>Reserve for invested unrestricted equity</i>	411.9	209.7	209.7	209.7
<i>Other equity fund</i>	129.0	129.0	129.0	-
<i>Retained earnings</i>	327.6	418.4	423.1	444.6
	1 110.4	1 007.1	1 056.1	935.9
<i>Minority interest</i>	1.7	1.8	1.5	2.2
<i>Total shareholders' equity</i>	1 112.1	1 008.9	1 057.7	938.1
<i>Liabilities</i>				
<i>Non-current liabilities</i>				
<i>Interest-bearing loans and borrowings</i>	1 326.9	1 543.8	1 262.1	1 056.4
<i>Provisions</i>	0.3	8.7	13.7	15.0
<i>Other liabilities</i>	38.3	26.3	0.1	0.0
<i>Deferred tax liabilities</i>	199.9	216.7	224.8	213.7
<i>Total non-current liabilities</i>	1 565.4	1 795.5	1 500.7	1 285.2
<i>Current liabilities</i>				
<i>Current interest-bearing loans and borrowings</i>	306.2	284.5	443.3	606.3
<i>Trade and other payables</i>	52.5	85.9	71.6	73.4
<i>Total current liabilities</i>	358.8	370.4	514.9	679.7
<i>Total liabilities</i>	1 924.2	2 165.8	2 015.6	1 964.8
<i>Total shareholders' equity and liabilities</i>	3 036.3	3 174.7	3 073.3	2 903.0
<i>Interest-bearing liabilities</i>	1 633.1	1 828.3	1 705.5	1 662.7

Consolidated statement of cash flows (IFRS)
M€

	1-6/2009	1-12/2008	1-6/2008
<i>Cash flow from operating activities</i>			
<i>Net profit for the period</i>	-81.8	29.2	34.3
<i>Adjustments</i>	160.9	134.6	34.8
<i>Change in net working capital</i>	12.5	49.8	73.0
<i>Interest received</i>	0.7	1.3	1.1
<i>Interest paid</i>	-46.1	-70.3	-37.1
<i>Other financial items</i>	-3.2	-2.2	-0.9
<i>Dividends received</i>	0.5	0.0	0.0
<i>Taxes received/paid</i>	-0.9	-1.8	-0.1
<i>Net cash from operating activities</i>	42.4	140.7	105.1
<i>Cash flow from investing activities</i>			
<i>Investments in investment properties</i>	-46.5	-466.7	-231.1
<i>Investments in real estate funds</i>	-2.9	-16.3	-11.3
<i>Investments in tangible and intangible assets</i>	-0.3	-0.8	-0.5
<i>Proceeds from sale of investment properties</i>	27.0	93.9	8.5
<i>Proceeds from sale of intangible and tangible assets</i>	-	0.0	-
<i>Repayment of loan receivables</i>	0.0	-	-
<i>Net cash from investing activities</i>	-22.6	-389.8	-234.4
<i>Cash flow from financing activities</i>			
<i>Proceeds from share issue</i>	200.0	-	-
<i>Proceeds from equity bond</i>	-	128.6	128.7
<i>Non-current loans, raised</i>	91.2	540.7	214.4
<i>Non-current loans, repayments</i>	-207.9	-140.4	-5.2
<i>Current loans, raised / repayments</i>	-78.2	-235.4	-167.9
<i>Interest paid on equity bond</i>	-11.4	-	-
<i>Dividends paid</i>	-	-55.5	-55.5
<i>Net cash from financing activities</i>	-6.2	238.0	114.5
<i>Change in cash and cash equivalents</i>	13.6	-11.1	-14.8
<i>Cash and cash equivalents, start of period</i>	16.0	27.4	27.4
<i>Impact of changes in exchange rates</i>	-0.7	-0.3	-0.1
<i>Cash and cash equivalents, end of period</i>	28.9	16.0	12.5

Changes in Group shareholders' equity
M€

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity at 31 Dec. 2007	111.0	159.5	0.7	9.8	0.6	209.7
Impact of adopting IAS 23						
Adjusted equity 1 Jan. 2008	111.0	159.5	0.7	9.8	0.6	209.7
Comprehensive income in period			-0.4	13.1		
Change						
Dividend payment						
Options implemented and paid as shares						
Equity at 30 June 2008	111.0	159.5	0.3	22.9	0.6	209.7

	Other equity reserve	Retained earnings	Total	Minority interest	Total shareholders' equity
Equity 31 Dec. 2007	-	441.3	932.6	2.2	934.8
Impact of adopting IAS 23		3.3	3.3		3.3
Adjusted equity 1 Jan. 2008	-	444.6	935.9	2.2	938.1
Comprehensive income in period		34.4	47.1	-0.1	47.0
Change	129.0		129.0	-0.6	-0.6
Dividend payment		-55.5	-55.5		-55.5
Options implemented and paid as shares		-0.4	-0.4		-0.4
Equity at 30 June 2008	129.0	423.1	1 056.1	1.5	1 057.7

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity 31 Dec. 2008	111.0	159.5	-1.4	-19.7	0.6	209.7
Comprehensive income in period			2.1	-10.2		
Change						202.2
Equity 30 June 2009	111.0	159.5	0.8	-29.9	0.6	411.9

	Other equity reserve	Retained earnings	Total	Minority interest	Total share- holders' equity
Equity 31 Dec. 2008	129.0	418.4	1 007.1	1.8	1 008.9
Comprehensive income in period		-81.8	-89.8	-0.1	-89.9
Interest paid on equity bond		-8.4	-8.4		-8.4
Change		-0.6	201.5	0.0	0.0
Equity 30 June 2009	129.0	327.6	1 110.4	1.7	1 112.1

Notes to the Group's interim report

Accounting principles

This interim report bulletin has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles applied in preparing the interim report are the same as those used for the 2008 financial statements.

All the figures have been rounded, so the total of the individual figures may differ from the total amounts given. The figures in the interim report have not been audited.

Assessment of impact of new standards and interpretations

The following revised standards that came into force at the beginning of 2009 have had an impact on Sponda's consolidated reporting:

IAS 23 Borrowing costs: The revised standard requires the borrowing costs arising from purchasing, building or manufacturing a qualifying asset to be immediately included in the acquisition cost of the asset. For Sponda, this mainly affects the construction projects of its property development activities. The company adopted the standard retroactively, as from 1 January 2006. Previously, borrowing costs have been recognized in the financial period in which they were incurred. The change in the accounting principles affects borrowing costs and the change in the fair value of property development projects in the income statement. The figures in the 2008 interim reports and financial statements have been adjusted accordingly. The impact on the retained earnings at 1 January 2008 is EUR 3.3 million and on the net profit for 2008 EUR 2.6 million. The impact on the net profit for Q2 2008 was EUR 2.1 million and for the January-June 2008 period EUR 3.8 million.

IAS 1 Presentation of Financial Statements: In accordance with the revised standard, as from the beginning of 2009 Sponda is presenting two separate statements, an income statement and a statement of comprehensive income. The revision also affects the presentation of the calculation of shareholders equity.

IAS 40 Investment Properties: As a result of the amendment to the standard, Sponda is presenting investment properties that are under construction at fair value. One condition for this, however, is that the fair value can be reliably measured. The fair value has not been measured for the development investments for the City-Center project in the centre of Helsinki. The amendment is not applied retroactively.

IFRS 8 Operating segments: The standard states that segment information shall be based on regular internal reporting to management. After adopting the standard, Sponda has added Shopping Centres to segment reporting.

Deferred tax assets have not been recognized for the difference between the acquisition cost of a property and a lower fair value, if the property has been recognized as an asset item in accordance with IAS 12.15b and a tax liability was not originally recognized at the time of purchase for the difference between the acquisition cost and the taxable value of the property.

Segment information, income statement

M€

Business areas

<i>Income statement 1-6/2009</i>	Office & Retail	Shop- ping cen- tres	Logis- tics	Proper- ty develo pment	Russia	Funds	Other	Group total
<i>Total revenue</i>	65.2	18.6	20.6	0.6	11.4	6.1	0.0	122.4

<i>Maintenance expenses and direct fund expenses</i>	-17.2	-4.1	-6.1	-1.6	-2.7	-0.9	0.0	-32.6
Net operating income	48.0	14.5	14.5	-1.0	8.6	5.1	0.0	89.8
<i>Profit on sale of investment properties</i>	0.2	0.0	1.4	0.0	0.0	0.0	0.0	1.5
<i>Loss on sale of investment properties</i>	0.0	0.0	-1.1	0.0	0.0	0.0	0.0	-1.1
<i>Profit/loss on sale of trading properties</i>	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
<i>Valuation gains and losses</i>	-33.8	-9.6	-17.2	-1.7	-61.3	-5.6	0.0	-129.3
<i>Allocation of goodwill</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Administration and marketing</i>	-3.4	-0.6	-0.7	-1.7	-1.7	-3.1	0.0	-11.2
<i>Other operating income and expenses</i>	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Operating profit	11.3	4.3	-3.0	-4.3	-54.4	-3.7	0.0	-49.9

<i>Capital expenditure</i>	6.6	12.6	0.5	8.7	1.0	2.9	0.1	32.4
<i>Segment assets</i>	1 437.1	544.6	409.6	211.1	201.0	57.8	175.1	3 036.3

Income statement 1-6/2008	Office & Retail	Shop- ping cen- tres	Logis- tics	Proper- ty develo- pment	Russia	Funds	Other	Group total
Total revenue	62.6	14.2	18.9	1.0	4.3	8.2	0.0	109.2
<i>Maintenance expenses and direct fund expenses</i>	-16.4	-3.4	-4.9	-1.3	-1.1	-1.6	0.0	-28.7
Net operating income	46.2	10.8	14.0	-0.3	3.2	6.6	0.0	80.5
<i>Profit on sale of investment properties</i>	0.5	0.0	0.0	0.8	0.0	0.0	0.0	1.3
<i>Loss on sale of investment properties</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Profit/loss on sale of trading properties</i>	0.9	0.0	0.0	0.1	0.0	1.2	0.0	2.2
<i>Valuation gains and losses</i>	1.2	0.5	-2.7	0.9	0.0	9.4	0.0	9.3
<i>Administration and marketing</i>	-3.5	-0.7	-1.1	-1.8	-2.5	-2.7	0.0	-12.3
<i>Other operating income and expenses</i>	-0.2	0.0	-0.1	0.0	0.6	0.0	0.0	0.3
Operating profit	45.1	10.6	10.1	-0.3	1.3	14.5	0.0	81.3
<i>Capital expenditure</i>	17.2	27.1	21.1	94.2	66.7	11.3	0.5	238.1

Segment assets	1 475.4	448.8	357.5	364.4	145.7	57.2	224.3	3 073.3
----------------	---------	-------	-------	-------	-------	------	-------	---------

Geographical areas

30 June 2009	Income	Assets
Finland	111.0	2 835.3
Russia	11.4	201.0
Total	122.4	3 036.3

30 June 2008	Income	Assets
Finland	104.9	2 927.6
Russia	4.3	145.7
Total	109.2	3 073.3

Investment properties M€

	30.6.2009	31.12.2008	30.6.2008
Fair value of investment properties, start of period	2 915.5	2 534.9	2 534.9
Impact of adopting IAS 23 on balance at start of period		4.5	4.5
Purchase of investment properties		210.6	90.4
Other capital expenditure on investment properties	29.2	275.0	135.9
Disposal of investment properties	-36.6	-82.8	-8.2
Transfers to/from property, plant and equipment		1.3	1.3
Transfers from trading properties		14.7	-
Other transfers		-2.5	-2.5
Capitalized equity expenses, increase in period	1.8	12.4	5.2
Valuation gains/losses	-123.7	-52.6	-
Fair value of investment properties, end of period	2 786.2	2 915.5	2 761.5

On 30 June 2009 Sponda had a total of 203 properties, with an aggregate leasable area of about 1.5 million m². Of this, some 52 % is office and retail premises, 9 % shopping centres and 36 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of June 2009 Sponda's investment properties were assessed internally. The change in fair value in April – June was EUR -12.0 million (30 June 2008: EUR -3.3 million) and in January – June EUR -129.3 (9.3) million. In the second quarter, factors in this change were modernization investments and changes in market rents for properties. An assessment was made of the fair value of the property portfolio owned by the real estate funds in which Sponda is a minority shareholder. This had an impact on Sponda's result of EUR -5.6 million.

The Group's most significant investment commitments

In the City-Center project, construction work is continuing on the underground service facilities and the shafts for technical services. The next phase involves construction of the office building, the retail premises on the third floor, and the light shaft into the shopping centre and will begin at the earliest towards the end of 2009. It is estimated that the renovation of the City-Center complex will be completed in 2012 and the total investment will be some EUR 110 million.

Sponda is carrying out development projects for the Ratina shopping centre and adjacent areas in Tampere. A 55,000 m² shopping centre is planned for the area, for which the total investment cost is estimated at EUR 200 million. Planning of the project is underway, and the final decision about the investment has not been made.

<i>Property, plant and equipment</i> <i>M€</i>	30.6.2009	31.12.2008	30.6.2008
<i>Carrying amount, start of period</i>	14.5	15.7	15.7
<i>Additions</i>	0.3	0.8	0.0
<i>Disposals</i>	-	0.0	-
<i>Reclassifications to/from investment properties</i>	-	-1.3	0.0
<i>Other transfers</i>	-	-0.1	0.0
<i>Depreciation for the period</i>	-0.2	-0.6	0.0
<i>Carrying amount, end of period</i>	14.6	14.5	15.7
<i>Trading properties</i> <i>M€</i>	30.6.2009	31.12.2008	30.6.2008
<i>Carrying amount, start of period</i>	29.5	37.2	37.2
<i>Disposals and other changes</i>	-1.9	-4.5	-1.7
<i>Increases</i>			1.0
<i>Reclassifications to investment properties</i>		-3.1	
<i>Carrying amount, end of period</i>	27.6	29.5	36.5

Tax authority decision

Sponda stated in its interim report on 1 November 2007 that the Uusimaa corporate tax office had decided to deviate from the company's 2006 tax returns with respect to the deductible losses allowable against the company's profit. The tax assessment adjustment board amended the Uusimaa corporate tax office's decision regarding the deductibility of Sponda Kiinteistöt Oy's (formerly Kapiteeli Oyj) confirmed losses for previous years in favour of Sponda in December 2007. The company issued a statement about this on 19 December 2007.

The state official representing the interests of tax recipients has appealed the decision of the adjustment board.

Contingent liabilities
Collateral and commitments given by the Group
M€

	30.6.2009	30.6.2008	31.12.2008
Loans from financial institutions, covered by collateral	141.4	24.2	50.3
<i>Mortgages</i>	269.2	80.3	109.2
<i>Book value of pledged shares</i>	17.2	-	17.0
<i>Guarantees</i>	-	-	57.6
<i>Total collateral</i>	286.4	80.3	183.8
Lease and other liabilities	30.6.2009	30.6.2008	31.12.2008
<i>Lease liabilities</i>	104.9	45.5	44.6
<i>Other liabilities</i>	-	0.1	
<i>Mortgages</i>	2.9	2.8	3.0
<i>Guarantees</i>	13.4	7.9	7.3
Interest derivatives	30.6.2009	30.6.2008	31.12.2008
<i>Swap contracts, notional value</i>	997.8	735.0	915.0
<i>Swap contracts, fair value</i>	-40.6	21.0	-27.0
<i>Cap options purchased, notional value</i>	272.5	547.5	187.5
<i>Cap options purchased, fair value</i>	0.6	20.2	1.0
<i>Forward rate agreements, notional value</i>	-	-	-
<i>Forward rate agreements, fair value</i>	-	-	-
Currency derivatives	30.6.2009	30.6.2008	31.12.2008
<i>Currency forward, notional value</i>	-	-	5.1
<i>Currency forward, fair value</i>	-	-	0.0
<i>Currency options, bought, notional value</i>	4.7	-	-
<i>Currency options, put, notional value</i>	4.7	-	-
<i>Net fair value of currency options</i>	0.1	-	-

Key figures

	4-6/09	4-6/08	1-6/09	1-12/08	1-6/08
<i>Earnings per share, €</i>	0.05	0.08	-0.45	0.16	0.19
<i>Equity ratio, %</i>			37	32	34
<i>Gearing, %</i>			144	180	160
<i>Equity per share, €</i>			3.54	4.93	5.21
<i>Cash flow from operations per share, €</i>	0.19	0.15	0.37	0.78	0.29
<i>EPRA, NAV, net assets per share, €</i>			4.20	6.04	6.26

Calculation of financial ratios

Earnings/share, €	=		Share of earnings for the period attributable to equity holders of the parent company
			<hr/> Adjusted average number of shares during the period
Earning/share, attributable to equity holders, €	=		Share of earnings for the period attributable to equity holders of the parent company - interest of the hybrid bond
			<hr/> Adjusted average number of shares during the period
Earning/share, attributable to hybrid bond holders, €	=		Interest of the hybrid bond
			<hr/> Adjusted average number of shares during the period
Equity ratio, %	=	100	Shareholders' equity
		x	<hr/> Balance sheet total – advances received
Gearing, %	=	100	Interest-bearing liabilities - cash and cash equivalents
		x	<hr/> Shareholders' equity
Equity/share, €	=		Equity attributable to equity holders of parent company - Other equity reserve
			<hr/> Basic number of shares on the last day of the reporting period
Cash flow from operations/share, €	=		Operating profit
			-/+ Valuation gains/losses
			+ 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
			<hr/> Average weighted number of shares during the period
EPRA NAV, net assets per share, €	=		Equity attributable to equity holders of parent company
			- Other equity reserve
			+ Deferred tax relating to the fair valuation of property and to property depreciation allowances
			- Goodwill relating to deferred tax liability
			<hr/> Basid number of shares on the last day of the reporting period

Related party transactions

The following transactions took place with related parties:

Rental income from state institutions and companies totalled EUR 11.2 million in January-June 2009 (1-12/2008: EUR 23.9 million).

<i>Management employee benefits</i>	30.6.2009	30.6.2008	31.12.2008
<i>Salaries and other short-term employee benefits</i>	1.2	1.2	2.3
<i>Share-based payments</i>	0.2	0.1	0.3
<i>Total</i>	1.4	1.3	2.6