

SPONDA

 *Interim Report*

1.1.–30.9.2014



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

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## *Sponda Plc's interim report January–September 2014*

### **JANUARY–SEPTEMBER 2014 IN BRIEF (compared with 1 January – 30 September 2013)**

- Total revenue was EUR 189.4 (198.9) million. The decline was primarily due to the sale of properties and an increase in the vacancy rate.
- Net operating income was EUR 135.6 (143.5) million.
- Operating profit was EUR 118.8 (123.5) million. This includes a fair value change of EUR -1.8 (-1.5) million.
- Cash flow from operations per share was EUR 0.28 (0.30).
- The fair value of the investment properties amounted to EUR 3,122.3 (3,264.7) million.
- Net assets per share totalled EUR 4.63 (4.50).
- The economic occupancy rate was 86.5% (88.0%).
- The prospects were revised.

### **JULY–SEPTEMBER 2014 IN BRIEF (compared with 1 July – 30 September 2013)**

- Total revenue was EUR 63.2 (65.7) million.
- Net operating income was EUR 46.2 (49.5) million.
- Operating profit was EUR 42.2 (44.1) million. The operating profit includes a fair value change of EUR 0.1 (0.7) million.
- Cash flow from operations per share was EUR 0.11 (0.11).

### **KEY FIGURES**

	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
<i>Total revenue, M€</i>	63.2	65.7	189.4	198.9	264.3
<i>Net operating income, M€</i>	46.2	49.5	135.6	143.5	190.9
<i>Operating profit, M€</i>	42.2	44.1	118.8	123.5	153.0
<i>Earnings per share, €</i>	0.07	0.07	0.20	0.19	0.34
<i>Cash flow from operations per share, €</i>	0.11	0.11	0.28	0.30	0.40
<i>Equity per share, €</i>			4.63	4.50	4.64
<i>Equity ratio, %</i>			40.1	39.4	40.7
<i>Interest cover ratio</i>			3.3	3.0	3.1

## KEY FIGURES ACCORDING TO EPRA BEST PRACTICES RECOMMENDATIONS

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
EPRA Earnings, M€	26.7	30.0	78.4	83.8	111.5
EPRA Earnings per share, €	0.09	0.11	0.28	0.30	0.39
EPRA NAV/ (net asset per share), €			5.39	5.25	5.29
EPRA NNNAV/share, €			4.50		4.52
EPRA Net Initial Yield (NIY), %			5.58	6.37	5.84
EPRA, "topped-up" NIY, %			5.59	6.37	5.84
EPRA Cost Ratio (including direct vacancy costs), %					16.27
EPRA Cost Ratio (excluding direct vacancy costs), %					11.37

### PRESIDENT AND CEO KARI INKINEN

At the end of September, we concluded the sales of the properties and real estate funds sold to Certeum. With the transaction, Sponda becomes a shareholder in Certeum with a holding of about 38%, which means the company expects to receive stable dividend income on its share. This was a significant strategic milestone, as the transaction represents a large part of the implementation of our strategy that was revised a year ago.

Property acquisitions and property development projects will increase Sponda's cash flow from 2015 onwards. The company currently has two new property development projects under construction in Helsinki. They are both office properties and are located in Ilmala and Lassila. In addition, modernisation investments on two entire properties will be completed in Helsinki, on Keskuskatu and in Ruoholahti. There are currently few newly developed properties under construction in the Helsinki market, and Sponda's properties constitute a significant proportion of the total.

The Finnish transaction market has been active this year. Including the Certeum transaction, the total volume was estimated at the end of September to be slightly under EUR 3 billion. Demand exceeds supply particularly for properties in central Helsinki, which has resulted in a rise in property values this year.

### PROSPECTS FOR 2014

Sponda provides prospects for 2014 with regard to the development of the economic occupancy rate and the company's net operating income.

#### *Economic occupancy rate*

Sponda expects the economic occupancy rate of the Group's properties in 2014 to decline slightly from 2013. Earlier Sponda estimated that the economic occupancy rate in 2014 will remain largely unchanged from 2013. The revised estimate is mainly based on bankruptcies and debt restructurings in the tenant base during the third quarter.

#### *Net operating income*

Sponda estimates that the net operating income will be EUR 175-180 million (Q2/2014: 175-183 million) at the end of 2014 (including the net operating income from the properties sold to Certeum for the period they were held). The estimate was revised based on the expected letting activities in the fourth quarter 2014 and on property transactions that could still affect Sponda's net operating income.

## **CERTEUM**

On 30 September 2014, Sponda Plc concluded the sales of 12 logistics properties and its shares in the real estate funds Sponda Fund I, Sponda Fund II and Sponda Fund III to Certeum Ltd. The total debt-free sales price of the 12 logistics properties is EUR 216.7 million and their economic occupancy rate is about 80.2%. The average net yield is about 7.2%. The sales price of the shares in the real estate funds is EUR 77.2 million.

In conjunction with the transaction, Sponda became a Certeum shareholder and Sponda's holding in Certeum will be about 38%, which amounts to approximately EUR 175 million. Sponda's final holding in Certeum will be determined after the usual adjustments to the sales price have been made. Sponda has made a commitment not to sell its shares in Certeum before the Annual General Meeting of spring 2015. In line with its strategy, Sponda plans to reduce its ownership in Certeum in the future.

The transaction is described in more detail in the company's stock exchange release published on 30 April 2014.

## **BUSINESS CONDITIONS – FINLAND**

According to preliminary data from Statistics Finland, Finnish GDP volume grew by 0.2% in April–June compared to the first quarter. The year-on-year decrease was 0.1%.

The Finnish Ministry of Finance forecasts that the Finnish GDP will show no growth in 2014. The current GDP growth forecast for 2015 is 1.2%. The forecast attributes the expected GDP growth to a conservative increase in private consumption, a slight recovery in investment, and an increase in industrial and service production.

According to KTI Property Information, the property transaction volume for the first half of the year was approximately EUR 1.48 billion. The third-quarter volume was almost equal to that amount, approximately EUR 1.44 billion. This figure includes Certeum Oy's transactions in excess of EUR 0.9 billion. There are many more property transactions pending. According to Catella, the full-year transaction volume will be approximately EUR 4 billion.

The weak economic situation is reflected in new construction activity. According to a forecast by KTI Property Information, only some 80,000 m<sup>2</sup> of new premises will be added to the Helsinki metropolitan area office property market in 2014. Of this total, approximately 55,000 m<sup>2</sup> was completed in the first half of the year.

In spite of the weak economic situation, the vacancy rates for office premises in the Helsinki metropolitan area decreased in the third quarter. According to Catella, the average vacancy rate stood at 12.1% at the end of June. The vacancy rate in Helsinki's central business district continued to increase after the first quarter. After the first half of the year, the vacancy rate was 8.5%, an increase of 1.2 percentage points from the start of the year.

## **BUSINESS CONDITIONS – RUSSIA**

According to the Bank of Finland, Russian GDP growth slowed down in 2013 and early 2014 as growth in domestic demand slowed down substantially. The Bank of Finland forecasts that full-year GDP growth for 2014 will slow down to zero due to increased uncertainty caused by the Ukrainian crisis, which particularly affects private investment. Although the price of oil is not expected to increase in 2015 and 2016, the Russian economy is estimated to recover gradually as the world economy picks up. The current forecasts for GDP growth are 0.5% for 2015 and 1.5% for 2016. The forecasts assume that the reactions of the financial markets related to the Ukrainian crisis are limited, and that sanctions will not be prolonged or expanded.

The Russian transaction market has remained relatively active. The volume of property transactions in the third quarter exceeded the volume for the first half of the year. The total volume for the year stood at approximately USD 3.2 billion at the end of September, which is substantially lower than the USD 4.8 billion reported for the corresponding period last year.

The preliminary information from CBRE indicates that the average vacancy rate for office premises in Moscow continued to increase in the third quarter. The increase of 0.6 percentage points saw the vacancy rate rise to 15.1%. The vacancy rate for Class A office space increased from 24% to 24.5%, while the vacancy rate for Class B office space increased from 12% to 12.3%. The increase in the vacancy rate was attributable to the weak economic situation and the completion of new property development projects. Nearly 0.5 million m<sup>2</sup> of new office space was completed in Moscow in the third quarter. The full-year increase is expected to be 1.4 million m<sup>2</sup>.

#### **OPERATIONS AND PROPERTY ASSETS 1 JANUARY – 30 SEPTEMBER 2014**

Net operating income from all of Sponda's property assets totalled EUR 135.6 (143.5) million in January–September 2014 and EUR 46.2 (49.5) million in July–September. Of this total, office premises accounted for 56%, shopping centres for 19%, logistics premises for 13%, Russia for 9% and the Real Estate Funds unit for 3%. On 30 September 2014, Sponda had a total of 170 leasable properties, with an aggregate leasable area of approximately 1.2 million m<sup>2</sup>. Of this total, approximately 63% is office premises, 13% shopping centres and 20% logistics premises. Some 4% of the leasable area of the properties is located in Russia.

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

At the end of September 2014, the fair value of Sponda's properties was assessed internally for both Finland and Russia. The change in fair value of the investment properties was EUR -5.3 (-6.0) million in January–September and EUR -2.6 (-1.7) million in July–September. The most significant negative effect on fair value was attributable to changes in maintenance costs and market rents for properties in Russia. The change in currency exchange rates was positive in the third quarter as the USD strengthened against Euro. 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€**

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Changes in yield requirements (Finland)</i>	0.0	0.0	3.3	-5.7	-5.0
<i>Changes in yield requirements (Russia)</i>	0.0	0.0	0.0	0.0	0.0
<i>Development gains on property development projects</i>	1.9	0.0	1.9	2.2	2.2
<i>Modernisation investments</i>	-11.5	-5.2	-27.7	-14.8	-22.6
<i>Change in market rents and maintenance costs (Finland)</i>	11.1	6.3	26.5	16.2	22.1
<i>Change in market rents and maintenance costs (Russia)</i>	-8.2	1.1	-15.1	-0.9	-7.1
<i>Change in currency exchange rates</i>	4.1	-3.9	5.7	-3.1	-5.7
<i>Investment properties, total</i>	<b>-2.6</b>	<b>-1.7</b>	<b>-5.3</b>	<b>-6.0</b>	<b>-16.1</b>
<i>Real estate funds</i>	0.7	-1.2	-1.9	-3.7	-8.8
<i>Realised share of fund profits</i>	2.0	3.6	5.5	8.1	10.7
<i>Group, total</i>	<b>0.1</b>	<b>0.7</b>	<b>-1.8</b>	<b>-1.5</b>	<b>-14.2</b>

**Changes in Sponda's investment property assets  
M€**

<b>SPONDA'S INVESTMENT PROPERTIES IN TOTAL 1.1.-30.9.2014, M€</b>	<b>Total</b>	<b>Office properties</b>	<b>Shopping centres</b>	<b>Logistics</b>	<b>Property development</b>	<b>Russia</b>
<i>Operating income</i>	183.9	105.5	34.2	26.8	0.4	17.1
<i>Maintenance expenses</i>	-52.6	-28.8	-7.8	-9.7	-1.3	-5.0
<i>Net operating income</i>	131.3	76.6	26.4	17.1	-0.9	12.1
<i>Investment properties on 1 January 2014</i>	3,253.3	1,753.3	717.5	426.5	108.2	247.8
<i>Capitalized interests 2014</i>	0.2	0.1	0.0	0.0	0.1	0.0
<i>Acquisitions</i>	65.0	65.0	0.0	0.0	0.0	0.0
<i>Investments</i>	40.6	24.9	2.9	0.5	11.8	0.5
<i>Transfers between segments</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Sales</i>	-231.5	-14.8	0.0	-216.7	0.0	0.0
<i>Change in fair value</i>	-5.3	6.2	0.9	-2.6	0.1	-9.9
<b><i>Investment properties on 30 September 2014</i></b>	<b>3,122.3</b>	<b>1,834.7</b>	<b>721.3</b>	<b>207.7</b>	<b>120.2</b>	<b>238.4</b>
<i>Change in fair value, %</i>	-0.2	0.4	0.1	-0.6	0.1	-4.0
<i>Weighted average yield requirement %</i>	6.6	6.4	5.8	8.3		9.6
<i>Weighted average yield requirement %, Finland</i>	6.4					



## RENTAL OPERATIONS

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

	Number (agreements)	Area (m <sup>2</sup> )	EUR/m <sup>2</sup> / month
<i>New agreements that came into effect during the period</i>	77	21,668	15.10
<i>Expired during the period</i>	91	19,797	19.00
<i>Renewed during the period</i>	41	13,887	20.00

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

Sponda calculates the growth in net rental yield for its properties according to EPRA Best Practices Recommendations by using a like-for-like net rental growth formula based on a comparable property portfolio owned by the company for two years. Like-for-like net rental growth was 3.8% (1.1%) for office premises, 7.0% (-1.8%) for shopping centres, -16.7% (-6.7%) for logistics properties and -14.2% (-0.6%) for properties in Russia. All of Sponda's lease agreements in Finland are tied to the cost of living index.

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

Type of property	30.9.2014	30.6.2014	31.3.2014	31.12.2013	30.9.2013
<i>Office properties, %</i>	88.3*)	87.9*)	88.2*)	90.1	89.6
<i>Shopping centres</i>	89.3*)	90.4*)	92.9*)	89.0	90.8
<i>Logistics, %</i>	65.6	71.9	71.7	75.2	75.6
<i>Russia, %</i>	89.4	89.0	88.4	96.0	96.1
<i>Total property portfolio, %</i>	86.5	85.7	86.2	87.9	88.0

Geographical area	30.9.2014	30.6.2014	31.3.2014	31.12.2013	30.9.2013
<i>Helsinki business district, %</i>	88.3	89.4	89.4	88.1	88.5
<i>Helsinki Metropolitan Area, %</i>	83.2	82.2	82.8	84.9	84.8
<i>Turku, Tampere, Oulu, %</i>	92.2	90.4	92.9	94.7	94.9
<i>Russia, %</i>	89.4	89.0	88.4	96.0	96.1
<i>Total property portfolio, %</i>	86.5	85.7	86.2	87.9	88.0

\*) From the beginning of 2014, office and retail premises and shopping centres located in the same investment property have been divided into their respective segments for part of the investment properties. The properties were previously classified according to their primary use. The change applied to approximately ten properties, and its effect was -1.2 percentage points for office properties and 3.6 percentage points for shopping centre properties at the time the change was made.

Total cash flow from lease agreements at the end of September 2014 was EUR 1,055.4 (1,229.8) million. Sponda had 1,884 clients and altogether 2,902 lease agreements. The company's largest tenants were the State of Finland (7.7% of rental income), Kesko Group (4.7% of rental income), HOK-Elanto (3.7% of rental income) and Danske Bank Oyj (3.7% of rental income). Sponda's 10 largest tenants generate approximately 30% of the company's total rental income. Sponda's tenants by sector were as follows:



<b>Sector</b>	<b>% of net rental income</b>
<i>Professional, scientific and technical</i>	6.2
<i>Energy</i>	0.4
<i>Public sector</i>	11.8
<i>Wholesale/retail</i>	26.0
<i>Education</i>	1.2
<i>Logistics/transport</i>	4.5
<i>Hotel and catering business</i>	5.2
<i>Media/publishing</i>	3.7
<i>Other services</i>	13.3
<i>Banking/investment</i>	9.3
<i>Construction</i>	1.5
<i>Industry/manufacturing</i>	6.4
<i>Healthcare</i>	4.2
<i>Telecommunications</i>	6.1
<i>Other</i>	0.3

The average length of all lease agreements was 4.4 (4.6) years. The average length of lease agreements was 4.4 (4.8) years for office properties, 5.8 (6.2) years for shopping centres, 3.5 (4.2) years for logistics properties and 2.5 (2.1) years for properties in Russia. The lease agreements expire as follows:

	<b>% of rental income 30 September 2014</b>	<b>% of rental income 30 September 2013</b>
<i>Within 1 year</i>	12.8	13.5
<i>Within 2 years</i>	10.1	9.3
<i>Within 3 years</i>	17.7	9.9
<i>Within 4 years</i>	8.5	12.4
<i>Within 5 years</i>	9.7	8.3
<i>Within 6 years</i>	3.5	4.9
<i>After more than 6 years</i>	26.5	27.8
<i>Valid indefinitely</i>	11.4	13.9

## **DIVESTMENTS AND INVESTMENTS**

### **Divestments M€**

	<b>1.7.- 30.9.2014</b>	<b>1.7.- 30.9.2013</b>	<b>1.1.- 30.9.2014</b>	<b>1.1.- 30.9.2013</b>	<b>1.1.- 31.12.2013</b>
<i>Properties sold</i>					
<i>Selling price</i>	225.1	9.9	232.1	18.6	33.1
<i>Profit/loss on sale*</i>	0.0	-0.2	0.6	0.2	0.8
<i>Balance sheet value</i>	225.1	9.7	231.5	18.0	31.9

\*) Includes sales costs

## Investments M€

	1.7.- 30.9.2014	1.7.- 30.9.2013	1.1.- 30.9.2014	1.1.- 30.9.2013	1.1.- 31.12.2013
<i>Properties acquired</i>	-65.0	-3.1	-65.0	-3.1	-3.1
<i>Maintenance investments</i>	-11.5	-5.2	-27.7	-14.7	-22.6
<i>Property development investments</i>	-4.4	-1.3	-13.0	-9.4	-14.0

Property development investments were mainly directed to the construction of an office building in Ilmala.

## RESULTS BY SEGMENT

Sponda's operations are organised into six segments: The segments under the Investment Properties business unit are Office Properties, Shopping Centres and Logistics Properties. The other segments are Property Development, Russia and Real Estate Funds. Sponda sold its shares in real estate funds on 30 September 2014.

Sponda's segment information is prepared under the principle that an investment property belongs in the segment that matches its primary use. From the beginning of 2014, office and retail premises and shopping centres located in the same investment property have been divided into their respective segments for part of the investment properties. This change was made due to reasons related to the management of current and potential customer relationships and customer relationship management in general, and it concerned a total of ten properties.

### Office Properties

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Total revenue, M€</i>	35.5	35.6	105.5	107.1	143.0
<i>Net operating income, M€</i>	26.1	26.8	76.6	77.7	104.0
<i>Operating profit, M€</i>	25.8	27.4	76.4	76.4	104.1
<i>EPRA Net Initial Yield (NIY), %</i>			5.9	6.1	6.2
<i>Economic occupancy rate, %</i>			88.3	89.6	90.1
<i>Fair value of properties, M€</i>			1,834.7	1,717.7	1,753.3
<i>Change in fair value from beginning of year, M€</i>			6.2	4.9	7.6
<i>Leasable area, m<sup>2</sup></i>			769,500	764,500	756,000

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

M€	1.7.- 30.9.2014	1.7.- 30.9.2013	1.1.- 30.9.2014	1.1.- 30.9.2013	1.1.- 31.12.2013
<i>Properties sold</i>					
<i>Selling price</i>	8.4	0.0	15.4	8.7	20.6
<i>Profit/loss on sale</i>	0.0	0.0	0.6	0.4	0.9
<i>Balance sheet value</i>	8.4	0.0	14.8	8.3	19.7
<i>Properties acquired</i>	-65.0	-3.1	-65.0	-3.1	-3.1
<i>Maintenance investments</i>	-9.4	-4.1	-22.6	-11.9	-17.9
<i>Property development investments</i>	-0.3	-0.9	-2.3	-5.2	-8.4

The lease agreements will expire as follows:

	% of rental income 30 September 2014	% of rental income 30 September 2013
<i>Within 1 year</i>	11.0	10.4
<i>Within 2 years</i>	9.8	11.5
<i>Within 3 years</i>	20.0	9.8
<i>Within 4 years</i>	9.1	11.7
<i>Within 5 years</i>	8.6	9.0
<i>Within 6 years</i>	3.8	4.9
<i>After more than 6 years</i>	22.1	25.0
<i>Valid indefinitely</i>	15.5	17.7

In July 2014, Sponda acquired an office property located in central Tampere, at Åkerlundinkatu 11 A-D, for EUR 63.7 million. The net initial yield for the property is approximately 7%. The property has a leasable area of approximately 20,000 m<sup>2</sup> and parking for 308 cars. Its occupancy rate is 97%.

### Shopping Centres

<b>Shopping centres</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
<i>Total revenue, M€</i>	11.3	11.5	34.2	34.5	45.9
<i>Net operating income, M€</i>	8.8	9.1	26.4	26.2	34.9
<i>Operating profit, M€</i>	7.6	6.4	25.2	21.2	29.0
<i>EPRA Net Initial Yield (NIY), %</i>			4.6	6.0	4.4
<i>Economic occupancy rate, %</i>			89.3	90.8	89.0
<i>Fair value of properties, M€</i>			721.3	739.6	717.5
<i>Change in fair value from beginning of year, M€</i>			0.9	-3.2	-3.4
<i>Leasable area, m<sup>2</sup></i>			151,000	157,500	157,500

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

<b>M€</b>	<b>1.7.- 30.9.2014</b>	<b>1.7.- 30.9.2013</b>	<b>1.1.- 30.9.2014</b>	<b>1.1.- 30.9.2013</b>	<b>1.1.- 31.12.2013</b>
<i>Properties sold</i>					
<i>Selling price</i>	0.0	0.0	0.0	0.0	0.0
<i>Profit/loss on sale</i>	0.0	0.0	0.0	0.0	0.0
<i>Balance sheet value</i>	0.0	0.0	0.0	0.0	0.0
<i>Properties acquired</i>	0.0	0.0	0.0	0.0	0.0
<i>Maintenance investments</i>	-1.6	-0.7	-2.9	-1.6	-2.7
<i>Property development investments</i>	0.0	0.0	0.0	0.0	0.0

The lease agreements will expire as follows:

	% of rental income 30 September 2014	% of rental income 30 September 2013
<i>Within 1 year</i>	6.6	4.4
<i>Within 2 years</i>	7.6	4.4
<i>Within 3 years</i>	10.1	6.2
<i>Within 4 years</i>	8.3	16.5
<i>Within 5 years</i>	6.6	7.6
<i>Within 6 years</i>	1.2	5.8
<i>After more than 6 years</i>	56.0	51.0
<i>Valid indefinitely</i>	3.7	4.2

### Logistics properties

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Total revenue, M€</i>	9.0	9.7	26.8	29.2	38.7
<i>Net operating income, M€</i>	5.9	6.9	17.1	19.5	25.9
<i>Operating profit, M€</i>	5.4	6.7	13.3	14.3	16.9
<i>EPRA Net Initial Yield (NIY), %</i>			4.1	6.4	5.5
<i>Economic occupancy rate, %</i>			65.6	75.6	75.2
<i>Fair value of properties, M€</i>			207.7	410.0	426.5
<i>Change in fair value from beginning of year, M€</i>			-2.6	-4.1	-7.7
<i>Leasable area, m<sup>2</sup></i>			248,500	480,000	477,500

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

M€	1.7.- 30.9.2014	1.7.- 30.9.2013	1.1.- 30.9.2014	1.1.- 30.9.2013	1.1.- 31.12.2013
<i>Properties sold</i>					
<i>Selling price</i>	216.7	0.0	216.7	0.0	2.5
<i>Profit/loss on sale</i>	0.0	0.0	0.0	0.0	0.0
<i>Balance sheet value</i>	216.7	0.0	216.7	0.0	2.5
<i>Properties acquired</i>	0.0	0.0	0.0	0.0	0.0
<i>Maintenance investments</i>	-0.5	-0.4	-1.6	-1.1	-1.7
<i>Property development investments</i>	1.1	0.0	1.1	0.0	0.0

The lease agreements will expire as follows:

	<b>% of rental income 30 September 2014</b>	<b>% of rental income 30 September 2013</b>
<i>Within 1 year</i>	17.8	13.1
<i>Within 2 years</i>	13.5	6.9
<i>Within 3 years</i>	7.0	9.1
<i>Within 4 years</i>	4.9	7.7
<i>Within 5 years</i>	11.0	3.1
<i>Within 6 years</i>	13.4	6.4
<i>After more than 6 years</i>	17.7	31.6
<i>Valid indefinitely</i>	14.7	22.1

At the end of September 2014, Sponda sold 12 logistics properties to Certeum Oy for EUR 216.7 million.

### **Property development**

The balance sheet value of Sponda's property development portfolio stood at EUR 120.2 million at the end of September 2014. Of this total, EUR 59.7 million was in undeveloped land sites and the remaining EUR 60.5 million was tied up in property development projects in progress. The value of unused building rights is presented in the assets of the segment concerned for investment properties that have a building, and as part of the Property Development segment for building rights for unbuilt land. The value of unused building rights was previously presented in its entirety in the Property Development segment.

At the end of the review period, the Property Development unit had invested a total of EUR 11.8 million, of which EUR 5.2 million was invested in the third quarter. The investments were primarily directed to the construction of an office building in Ilmalanrinne.

Sponda's property development operations comprise new construction projects and the refurbishment of existing properties. Sponda is constructing a three-building office complex in Ilmala, Helsinki for use by Sweco. The project is expected to be completed in December 2015. The project's investment size is approximately EUR 57 million and the office complex is 97% pre-let.

In addition, Sponda started construction in June 2014 on a new office building with a floor area of approximately 4,600 m<sup>2</sup> in Helsinki's Lassila district. The total investment of the project will be approximately EUR 10.6 million. The building's main tenant will be Kone Elevators Finland and the project is set to be completed in June 2015. The property is approximately 50% pre-let.

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 50,000 m<sup>2</sup> and a total investment of approximately EUR 200 million. The decision to invest has not yet been made.

## Russia

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Total revenue, M€	5.6	6.7	17.1	22.0	28.6
Net operating income, M€	4.0	5.3	12.1	16.8	21.8
Operating profit, M€	-0.7	1.8	0.4	10.6	5.6
EPRA Net Initial Yield (NIY), %			7.2	8.7	8.0
Economic occupancy rate, %			89.4	96.1	96.0
Fair value of properties, M€			238.4	256.7	247.8
Change in fair value from beginning of year, M€			-9.9	-4.0	-13.1
Leasable area, m <sup>2</sup>			44,500	44,500	44,500

The decline in revenue and net operating income is almost entirely due to an increase in the vacancy rate of Western Realty (Ducat II) and an increase in the maintenance costs of certain properties.

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

M€	1.7.- 30.9.2014	1.7.- 30.9.2013	1.1.- 30.9.2014	1.1.- 30.9.2013	1.1.- 31.12.2013
Properties sold					
Selling price	0.0	9.9	0.0	9.9	9.9
Profit/loss on sale*	0.0	-0.2	0.0	-0.2	-0.2
Balance sheet value	0.0	9.7	0.0	9.7	9.7
Properties acquired	0.0	0.0	0.0	0.0	0.0
Maintenance investments	0.0	0.0	-0.5	-0.1	-0.3
Property development investments	0.0	-0.9	0.0	-0.9	-0.9
*) Includes sales costs					

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, where the leases are for longer periods than average. The lease agreements will expire as follows:

	% of rental income 30 September 2014	% of rental income 30 September 2013
Within 1 year	29.9	42.2
Within 2 years	13.8	9.3
Within 3 years	24.2	16.8
Within 4 years	7.2	15.3
Within 5 years	20.0	12.8
Within 6 years	0.0	1.4
After more than 6 years	4.9	2.2
Valid indefinitely	0.0	0.0

## Real Estate Funds

Sponda was a non-controlling holder in four real estate funds until 30 September 2014. At the end of September 2014, Sponda sold its shares in Sponda Fund I, Sponda Fund II and Sponda Fund III to Certeum Oy for EUR 77.2 million. Sponda was responsible for managing the properties acquired by Sponda Fund I, Sponda Fund II and Sponda Fund III, and received management fees. The total revenue, net operating income and operating profit of the segment were:

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Total revenue, M€</i>	1.7	1.7	4.8	5.1	6.8
<i>Net operating income, M€</i>	1.4	1.4	4.0	4.0	5.2
<i>Operating profit, M€</i>	3.0	2.7	4.3	4.6	2.0

The change in the fair value of the real estate funds was EUR -1.9 (-3.7) million in January–September and EUR 0.7 (-1.2) million in July–September. The realised shares of profit from real estate funds totalled EUR 5.5 (8.1) million in January–September and EUR 2.0 (3.6) million in the third quarter.

First Top LuxCo (Sponda's holding 20% until 30 September 2014) invests in office and retail properties outside Finland's largest cities. The value of the fund's property investments stood at EUR 66.1 million on 30 September 2014.

Sponda's holding in Russia Invest, which invests in property development projects in Russia, is 27%. Russia Invest purchased from SRV a 55% share in the Okhta Mall shopping centre project, which is Phase I of the Septem City project located in St. Petersburg. Sponda's investment in this project is approximately EUR 16.6 million on 30 September 2014. More information on the project is provided in the company's stock exchange release dated 17 June 2013.

## CASH FLOW AND FINANCING

Sponda's net cash flow from operations in the period under review totalled EUR 92.8 (82.6) million. Net cash flow from investing activities was EUR 46.1 (-26.5) million and the net cash flow from financing activities was EUR -39.3 (-67.5) million. Net financing costs amounted to EUR -44.3 (-43.9) million in January–September and EUR -14.4 (-15.1) million in July–September. Financial income and expenses include EUR -4.6 (0.2) million in unrealised change in the fair value of derivatives in the period under review, and EUR -1.2 (-0.3) million in the third quarter. Interest expenses of EUR 0.2 (0.2) million were capitalised.

Sponda's equity ratio on 30 September 2014 stood at 40.1% (39.4%) and the gearing ratio was 121.9% (131.2%). Interest-bearing debt amounted to EUR 1,831.6 (1,815.6) million and the average maturity of loans was 1.6 (2.2) years. The average interest rate was 2.8% (3.1%) including interest derivatives. Fixed-rate and interest-hedged loans accounted for 76% (74%) of the loan portfolio. The average interest rate re-fixing period of the debt portfolio was 2.2 (1.9) years. The interest cover ratio, which describes the company's solvency, was 3.3 (3.0).

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 in the income statement.

Sponda Group's debt portfolio at the end of September comprised EUR 620 million in syndicated loans, EUR 471 million in bonds, EUR 280 million in issued commercial papers, and EUR 460 million in loans from financial institutions. Sponda had EUR 495



million in unused credit limits. Sponda Group had mortgaged loans of EUR 179.9 million, or 5.1% of the consolidated balance sheet.

## **PERSONNEL**

During the review period Sponda Group had, on average, 122 (122) employees, of whom 112 (111) worked for parent company Sponda Plc. On 30 September 2014, Sponda Group had altogether 103 (120) employees, of whom 93 (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–September 2014 were EUR -16.5 (-17.2) 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. In February 2014, Sponda's Board of Directors decided to implement an Employee Share Programme. The target group of the Share Programme includes all employees of the company and its Group companies, excluding persons in an employment or service relationship with the Group who are included in Sponda's long-term share-based incentive scheme.

Sponda also has a long-term share-based incentive scheme with three three-year vesting periods, 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 period from 1 January 2012 to 31 December 2014 are the Group's average Return on Capital Employed (ROCE) and cumulative Operational Cash Earnings Per Share (CEPS) for the financial years in question. The earning criteria for the vesting period from 1 January 2013 to 31 December 2015 and 1 January 2014 to 31 December 2016 include property sales in addition to the above.

The long-term incentive scheme currently covers the members of the Executive Board, altogether six people. The Board of Directors can decide on including new key personnel in the system. The incentive scheme is described in more detail in the company's stock exchange releases dated 20 March 2012, 1 February 2013 and 1 November 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 the management companies for Sponda's real estate funds as well as Sponda Russia Ltd and its subsidiaries.

## **SPONDA'S SHARE AND SHAREHOLDERS**

The weighted average price of Sponda's share in January–September 2014 was EUR 3.72. The highest quotation on NASDAQ OMX Helsinki Ltd was EUR 4.10 and the lowest EUR 3.35. Turnover during the period totalled 58.4 million shares, or EUR 217.3 million. The closing price of the share on 30 September 2014 was EUR 3.58 and the market capitalisation of the company's share capital was EUR 1,066.4 million.

The Annual General Meeting on 19 March 2014 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 30 September 2014 the company had altogether 8,859 shareholders and its ownership structure by sector was as follows:

	<b>Number of shares</b>	<b>Holding, %</b>
<i>Public entities</i>	32,131,720	11.4
<i>Nominee-registered</i>	144,151,121	50.9
<i>Financial and insurance institutions, total</i>	31,494,993	11.1
<i>Households</i>	21,494,957	7.6
<i>Private corporations, total</i>	46,109,714	16.3
<i>Non-profit organisations, total</i>	2,975,709	1.1
<i>Foreign owners, total</i>	4,717,248	1.7
<i>Total number of shares</i>	283,075,462	100.0

No flagging notices were issued during the period under review.

## **BOARD OF DIRECTORS AND AUDITORS**

Sponda's Board of Directors has seven members: Kaj-Gustaf Bergh, Christian Elfving, Paul Hartwall, Juha Laaksonen, Leena Laitinen, Arja Talma and Raimo Valo.

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

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), Juha Laaksonen (ordinary member) and Paul Hartwall (ordinary member).

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

## **SPONDA'S MANAGEMENT**

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

## **ENVIRONMENTAL RESPONSIBILITY**

Environmental responsibility is one of Sponda's strategic priorities. In 2014, the focus of Sponda's environmental responsibility is on reducing the energy consumption of properties, increasing the waste recovery rate, reducing the environmental impacts arising from the use of properties in co-operation with customers, the environmental certification of new property development projects, and reducing the environmental impacts of the company's own operations.

Sponda again received international recognition for its responsibility. Sponda was ranked as the best property investment company in the Nordic region by the Carbon Disclosure Project (CDP). With a score of 92B, Sponda's ranking in this year's report was well above average in Finland and in the Nordic region as a whole. The CDP assessment measures companies' greenhouse gas emissions, emissions targets, measures to reduce emissions, business risks and opportunities related to climate change, and reporting on these matters.

Sponda was also again ranked among the best companies in the property sector in the international Global Real Estate Sustainability Benchmark (GRESB) survey. Sponda's overall result in the 2014 survey improved from the previous year, placing the company among the top quartile of property companies. Sponda was awarded a Green Star in the survey for the second year running. The survey involves a comprehensive assessment of the various areas of corporate responsibility, ranging from company-level management, stakeholder co-operation and risk management to the energy consumption, energy certification, waste utilisation and environmental classification of individual properties. GRESB implements the objectives of EPRA, European Public Real estate Association, with respect to developing the consistency and transparency of their reporting and the implementation of responsibility at the property level.

## **RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE**

Sponda estimates that the risks and uncertainty factors in the current financial year are caused by the weak development of the Finnish and Russian economies. These risks relate to a decline in economic occupancy rates and a fall in rental yield in both Finland and Russia, resulting from the insolvency of tenants.

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

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.

## **EVENTS AFTER THE PERIOD**

In October 2014, Sponda signed an agreement with Swedbank AB (publ), Finnish Branch for a five-year unsecured loan of EUR 100 million. The loan was used in its entirety for partially refinancing an existing syndicated loan that matures in November 2015. The syndicated loan's remaining principal before the repayment was EUR 330 million.

In October 2014, Sponda signed an agreement with Pohjola Bank plc for a five-year unsecured loan of EUR 100 million. The loan was used in its entirety for partially refinancing an existing syndicated loan that matures in November 2015. The syndicated loan's remaining principal before the repayment was EUR 130 million.

## PROSPECTS FOR 2014

Sponda provides prospects for 2014 with regard to the development of the economic occupancy rate and the company's net operating income.

### *Economic occupancy rate*

Sponda expects the economic occupancy rate of the Group's properties in 2014 to decline slightly from 2013. Earlier Sponda estimated that the economic occupancy rate in 2014 will remain largely unchanged from 2013. The revised estimate is mainly based on bankruptcies and debt restructurings in the tenant base during the third quarter.

### *Net operating income*

Sponda estimates that the net operating income will be EUR 175-180 million (Q2/2014: 175-183 million) at the end of 2014 (including the net operating income from the properties sold to Certeum for the period they were held). The estimate was revised based on the expected letting activities in the fourth quarter 2014 and on property transactions that could still affect Sponda's net operating income.

4.11.2014  
Sponda Plc  
Board of Directors

### Additional information:

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**SPONDA PLC INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2014, TABLES**

**Consolidated income statement  
M€**

	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
<i>Total revenue</i>					
<i>Rental income and recoverables</i>	61.5	64.0	184.3	193.6	257.2
<i>Interest income from finance leasing agreements</i>	0.1	0.1	0.2	0.2	0.3
<i>Fund management fees</i>	1.6	1.7	4.8	5.1	6.8
	<b>63.2</b>	<b>65.7</b>	<b>189.4</b>	<b>198.9</b>	<b>264.3</b>
<i>Expenses</i>					
<i>Maintenance expenses</i>	-16.8	-15.9	-53.0	-54.2	-71.8
<i>Direct fund expenses</i>	-0.2	-0.3	-0.8	-1.1	-1.6
	-17.1	-16.2	-53.7	-55.4	-73.4
<b>Net operating income</b>	<b>46.2</b>	<b>49.5</b>	<b>135.6</b>	<b>143.5</b>	<b>190.9</b>
<i>Profit/loss on sales of investment properties</i>	0.0	-0.2	0.6	0.3	0.8
<i>Valuation gains/losses on fair value assessment</i>	0.1	0.7	-1.8	-1.5	-14.2
<i>Profit/loss on sales of trading properties</i>	1.8	0.0	1.9	0.0	0.0
<i>Sales and marketing expenses</i>	-0.6	-0.5	-1.5	-1.6	-2.2
<i>Administrative expenses</i>	-4.9	-4.5	-15.0	-15.6	-21.0
<i>Other operating income</i>	0.1	0.0	0.2	0.2	0.6
<i>Other operating expense</i>	-0.6	-1.0	-1.3	-1.7	-2.0
<b>Operating profit</b>	<b>42.2</b>	<b>44.1</b>	<b>118.8</b>	<b>123.5</b>	<b>153.0</b>
<i>Financial income</i>	0.5	-3.0	10.2	11.4	23.3
<i>Financial expenses</i>	-14.9	-12.1	-54.5	-55.3	-83.1
<b>Total amount of financial income and expenses</b>	<b>-14.4</b>	<b>-15.1</b>	<b>-44.3</b>	<b>-43.9</b>	<b>-59.8</b>
<i>Profit before taxes</i>	27.8	28.9	74.5	79.6	93.2
<i>Income taxes for current and previous fiscal years</i>	-0.5	-0.9	-1.7	-2.8	-3.8
<i>Deferred taxes</i>	-5.4	-6.5	-12.5	-17.7	-22.5
<i>Change in tax base of deferred taxes</i>	0.0	0.0	0.0	0.0	36.3
<b>Income taxes, total</b>	<b>-6.0</b>	<b>-7.3</b>	<b>-14.2</b>	<b>-20.5</b>	<b>9.9</b>
<b>Profit/loss for the period</b>	<b>21.8</b>	<b>21.6</b>	<b>60.3</b>	<b>59.1</b>	<b>103.1</b>
<i>Attributable to:</i>					
<i>Equity holders of the parent company</i>	21.8	21.6	60.3	59.1	103.1
<i>Non-controlling interest</i>	0.0	0.0	0.0	0.0	0.0
<i>Earnings per share based on profit attributable to equity holders of the parent company</i>					
<i>Basic and diluted, €</i>	0.07	0.07	0.20	0.19	0.34

**Consolidated statement of comprehensive income**  
**M€**

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Profit/loss for the period</i>	21.8	21.6	60.3	59.1	103.1
<i>Other comprehensive income</i>					
<i>Items that will not be reclassified to profit or loss</i>					
<i>Actuarial gains/losses of defined benefit pension plans</i>	0.0	0.0	0.0	0.0	-0.1
<i>Taxes on items that will not be reclassified to profit or loss</i>	0.0	0.0	0.0	0.0	0.0
<i>Change in tax rate, revaluation reserve</i>	0.0	0.0	0.0	0.0	0.0
<b><i>Items that will not be reclassified to profit or loss, total</i></b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Items that may be reclassified subsequently to profit or loss</i>					
<i>Net loss/profit from cash flow hedges</i>	-3.7	-0.8	-15.4	14.1	16.0
<i>Translation differences</i>	-0.4	-0.1	-0.3	-0.6	-1.0
<i>Taxes on items that may be reclassified subsequently to profit or loss</i>	1.0	0.3	3.5	-3.0	-4.5
<b><i>Items that may be reclassified subsequently to profit or loss, total</i></b>	<b>-3.1</b>	<b>-0.6</b>	<b>-12.2</b>	<b>10.5</b>	<b>10.5</b>
<i>Other comprehensive income for the period after taxes</i>	-3.1	-0.6	-12.2	10.5	10.4
<b><i>Comprehensive profit/loss for the period</i></b>	<b>18.8</b>	<b>21.0</b>	<b>48.0</b>	<b>69.6</b>	<b>113.5</b>
<i>Attributable to:</i>					
<i>Equity holders of the parent company</i>	18.8	21.0	48.0	69.6	113.5
<i>Non-controlling interest</i>	0.0	0.0	0.0	0.0	0.0

**Consolidated balance sheet**  
**M€**

	30.9.2014	30.9.2013	31.12.2013
<b>ASSETS</b>			
<i>Non-current assets</i>			
<i>Investment properties</i>	3,122.3	3,264.7	3,253.3
<i>Investments in real estate funds</i>	18.6	92.1	88.3
<i>Investments in associated companies</i>	174.6	0.0	0.0
<i>Property, plant and equipment</i>	12.9	12.6	12.5
<i>Goodwill</i>	14.5	14.5	14.5
<i>Other intangible assets</i>	3.0	1.0	1.5
<i>Finance lease receivables</i>	2.7	2.7	2.7
<i>Other investments</i>	3.7	21.3	11.1
<i>Deferred tax assets</i>	25.8	33.9	27.4

<b>Non-current assets total</b>	<b>3,378.2</b>	<b>3,442.9</b>	<b>3,411.4</b>
<i>Current assets</i>			
<i>Trading properties</i>	7.8	7.8	7.8
<i>Trade and other receivables</i>	20.4	23.7	33.7
<i>Cash and cash equivalents</i>	117.8	17.6	18.8
<b>Current assets total</b>	<b>146.0</b>	<b>49.0</b>	<b>60.3</b>
<b>Total assets</b>	<b>3,524.2</b>	<b>3,491.9</b>	<b>3,471.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<i>Equity holders of the parent company</i>			
<i>holders of the parent company</i>			
<i>Share capital</i>	111.0	111.0	111.0
<i>Share issue premium</i>	159.5	159.5	159.5
<i>Invested non-restricted equity reserve</i>	433.8	433.8	433.8
<i>Fair value reserve</i>	-33.8	-21.7	-21.5
<i>Revaluation reserve</i>	0.7	0.6	0.7
<i>Other equity fund</i>	94.0	94.0	94.0
<i>Translation differences</i>	2.0	2.2	1.9
<i>Retained earnings</i>	637.4	588.9	628.1
	1,404.5	1,368.3	1,407.5
<i>Non-controlling interest</i>	1.8	1.8	1.8
<b>Shareholders' equity, total</b>	<b>1,406.2</b>	<b>1,370.0</b>	<b>1,409.3</b>
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
<i>Deferred tax liabilities</i>	189.7	220.0	182.1
<i>Provisions</i>	1.1	0.0	0.0
<i>Interest-bearing loans and borrowings</i>	1,301.0	1,516.3	1,505.5
<i>Other liabilities</i>	44.8	27.4	27.2
<b>Non-current liabilities total</b>	<b>1,536.5</b>	<b>1,763.8</b>	<b>1,714.8</b>
<i>Current liabilities</i>			
<i>Current interest-bearing liabilities</i>	530.6	299.3	283.3
<i>Trade and other payables</i>	50.8	58.8	64.4
<b>Current liabilities total</b>	<b>581.4</b>	<b>358.1</b>	<b>347.6</b>
<b>Total borrowings</b>	<b>2,118.0</b>	<b>2,121.9</b>	<b>2,062.5</b>
<b>Total equity and liabilities</b>	<b>3,524.2</b>	<b>3,491.9</b>	<b>3,471.7</b>



**Consolidated Cash Flow Statement**  
**M€**

	1-9/2014	1-9/2013	1-12/2013
<i>Cash flow from operating activities</i>			
<i>Profit for the period</i>	60.3	59.1	103.1
<i>Adjustments</i>	65.4	73.9	74.1
<i>Change in net working capital</i>	8.1	0.4	-3.9
<i>Interest paid</i>	-37.9	-47.6	-59.5
<i>Interest received</i>	0.5	0.7	0.9
<i>Other financial items</i>	-2.0	-1.3	-4.3
<i>Dividends received</i>	0.0	0.0	0.0
<i>Taxes received/paid</i>	-1.6	-2.6	-3.8
<b><i>Net cash provided by operating activities</i></b>	<b>92.8</b>	<b>82.6</b>	<b>106.5</b>
<i>Cash flow from investing activities</i>			
<i>Acquisition of investment properties</i>	-70.3	-37.4	-50.9
<i>Capital expenditure on real estate funds</i>	-5.4	-12.2	-13.6
<i>Investments in shares in associated companies</i>	-46.1	-	-
<i>Acquisition of tangible and intangible assets</i>	-2.3	-0.7	-1.2
<i>Proceeds from sale of investment properties</i>	101.6	23.8	38.2
<i>Proceeds from sale of real estate funds</i>	68.2	-	-
<i>Proceeds from sale of tangible and intangible assets</i>	-	-	0.0
<i>Capital repayments from real estate funds</i>	0.4	-	-
<b><i>Net cash flow from investment activities</i></b>	<b>46.1</b>	<b>-26.5</b>	<b>-27.4</b>
<i>Cash flow from financing activities</i>			
<i>Non-current loans, raised</i>	15.1	103.9	403.9
<i>Repurchase of hybrid bond</i>	-	-92.8	-92.8
<i>Non-current loans, repayments</i>	-25.7	-45.7	-345.9
<i>Current loans, raised/repayments</i>	22.3	23.4	7.4
<i>Interest paid on hybrid bond</i>	-	-8.1	-14.5
<i>Dividends paid</i>	-51.0	-48.1	-48.1
<b><i>Net cash flow from financing activities</i></b>	<b>-39.3</b>	<b>-67.5</b>	<b>-90.1</b>
<i>Change in cash and cash equivalents</i>	99.6	-11.4	-11.0
<i>Cash and cash equivalents, beginning of period</i>	18.8	30.1	30.1
<i>Impact of changes in exchange rates</i>	-0.5	-1.1	-0.2
<b><i>Cash and cash equivalents, end of period</i></b>	<b>117.8</b>	<b>17.6</b>	<b>18.8</b>

**Consolidated statement of changes in equity**  
**M€**

	Share capital	Share issue premium	Invested non-restricted equity reserve	Fair value reserve	Revaluation reserve	Other equity fund	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
<i>Equity 1 January 2013</i>	111.0	159.5	433.8	-32.3	0.6	186.1	2.3	585.0	1,445.9	1.7	1,447.7
<i>Comprehensive income</i>											
<i>Profit for the period</i>								59.1	59.1	0.0	59.1
<i>Other comprehensive income (net of tax)</i>											
<i>Cash flow hedges</i>				10.6					10.6		10.6
<i>Translation differences</i>							-0.1		-0.1		-0.1
<i>Comprehensive income, total</i>				10.6			-0.1	59.1	69.6	0.0	69.6
<i>Transactions with shareholders</i>											
<i>Dividend payment</i>								-48.1	-48.1		-48.1
<i>Transactions with shareholders, total</i>								-48.1	-48.1		-48.1
<i>Repurchase of hybrid bond</i>						-92.1			-92.1		-92.1
<i>Interest paid on hybrid bond</i>								-6.1	-6.1		-6.1
<i>Change</i>								-0.9	-0.9	0.0	-0.9
<b><i>Equity 30 September 2013</i></b>	<b>111.0</b>	<b>159.5</b>	<b>433.8</b>	<b>-21.7</b>	<b>0.6</b>	<b>94.0</b>	<b>2.2</b>	<b>588.9</b>	<b>1,368.3</b>	<b>1.8</b>	<b>1,370.0</b>

	Share capital	Share issue premium	Invested non-restricted equity reserve	Fair value reserve	Revaluation reserve	Other equity fund	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity, total
<i>Equity 1 January 2014</i>	111.0	159.5	433.8	-21.5	0.7	94.0	1.9	628.1	1,407.5	1.8	1,409.3
<i>Comprehensive income</i>											
<i>Profit for the period</i>								60.3	60.3	0.0	60.3
<i>Other comprehensive income (net of tax)</i>											
<i>Cash flow hedges</i>				-12.3					-12.3		-12.3
<i>Translation differences</i>							0.1		0.1		0.1
<i>Comprehensive income, total</i>				-12.3			0.1	60.3	48.0	0.0	48.0
<i>Transactions with shareholders</i>											
<i>Dividend payment</i>								-51.0	-51.0		-51.0
<i>Transactions with shareholders, total</i>								-51.0	-51.0		-51.0
<i>Change</i>								-0.1	-0.1	0.0	-0.1
<b><i>Equity 30 September 2014</i></b>	<b>111.0</b>	<b>159.5</b>	<b>433.8</b>	<b>-33.8</b>	<b>0.7</b>	<b>94.0</b>	<b>2.0</b>	<b>637.4</b>	<b>1,404.5</b>	<b>1.8</b>	<b>1,406.2</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Accounting principles

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

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 estimates used.

Sponda has not adopted the IFRIC 21 Levies interpretation (effective on 1 January 2014). The EU approved the interpretation in June 2014 for implementation no later than the next financial year beginning after 17 June 2014. Sponda has decided to adopt the interpretation effective from the financial year beginning on 1 January 2015.

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.

### Segment information

Sponda's segment information is prepared under the principle that an investment property belongs in the segment that matches its primary use. Sponda's business segments are: Office Properties, Shopping Centres, Logistics Properties, Property Development, Real Estate Funds and Russia. From the beginning of 2014, office and retail premises and shopping centres located in the same investment property have been divided into their respective segments for part of the investment properties. This change was made due to reasons related to the management of current and potential customer relationships and customer relationship management in general. It affected the division between segments of 10 investment properties. The comparison figures have been adjusted accordingly.

More detailed information on the accounting principles can be found in Sponda Plc's consolidated financial statements dated 31 December 2013.

The figures in the interim report have not been audited.

### Strategy

On 30 September 2014, Sponda concluded the sales of 12 logistics properties and its shares in the real estate funds Sponda Fund I, Sponda Fund II and Sponda Fund III to Certeum Ltd. The transaction was part of a broader arrangement that included an agreement on establishing Certeum, a new company specialising in investments in logistics and industrial properties. The total debt-free sales price of the 12 logistics properties sold was EUR 216.7 million, and the sales price of the shares in real estate funds was EUR 77.2 million. Sponda subscribed to Certeum shares in conjunction with the arrangement, and Sponda's holding in Certeum will be about 38%, which amounts to approximately EUR 175 million.

**Income statement by segment**  
**M€**

<i>Income statement information</i> 1–9/2014	Office properties	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group, total
<b>Total revenue</b>	<b>105.5</b>	<b>34.2</b>	<b>26.8</b>	<b>1.0</b>	<b>17.1</b>	<b>4.8</b>	<b>0.0</b>	<b>189.4</b>
<i>Maintenance expenses and direct fund expenses</i>	-28.9	-7.8	-9.7	-1.7	-5.0	-0.8	0.0	-53.7
<b>Net operating income</b>	<b>76.6</b>	<b>26.4</b>	<b>17.1</b>	<b>-0.6</b>	<b>12.1</b>	<b>4.0</b>	<b>0.0</b>	<b>135.6</b>
<i>Profit on sales of investment properties</i>	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.6
<i>Loss on sales of investment properties</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Profit/loss on trading properties</i>	0.0	0.0	0.0	1.9	0.0	0.0	0.0	1.9
<i>Change in value of trading properties</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Valuation gains/losses on fair value assessment</i>	6.2	0.9	-2.6	0.1	-9.9	3.6	0.0	-1.8
<i>Administration and marketing</i>	-6.3	-1.9	-1.0	-2.2	-1.8	-3.3	0.0	-16.5
<i>Other operating income and expenses</i>	-0.8	-0.3	-0.1	0.1	0.0	0.0	0.0	-1.1
<b>Operating profit</b>	<b>76.4</b>	<b>25.2</b>	<b>13.3</b>	<b>-0.7</b>	<b>0.4</b>	<b>4.3</b>	<b>0.0</b>	<b>118.8</b>
<i>Investments</i>	89.9	2.9	0.5	11.8	0.5	5.5	48.3	159.4
<i>Segment assets</i>	1,837.4	721.3	207.7	134.7	238.4	18.6	366.0	3,524.2
<i>Economic Occupancy Rate</i>	88.3	89.3	65.6		89.4			86.5

<i>Income statement information 1–9/2013</i>	Office properties	Shopping centres	Logistics	Property development	Russia	Real estate funds	Other	Group, total
<b>Total revenue</b>	<b>107.1</b>	<b>34.5</b>	<b>29.2</b>	<b>1.0</b>	<b>22.0</b>	<b>5.1</b>	<b>0.0</b>	<b>198.9</b>
<i>Maintenance expenses and direct fund expenses</i>	-29.3	-8.4	-9.7	-1.6	-5.2	-1.1	0.0	-55.4
<b>Net operating income</b>	<b>77.7</b>	<b>26.2</b>	<b>19.5</b>	<b>-0.7</b>	<b>16.8</b>	<b>4.0</b>	<b>0.0</b>	<b>143.5</b>
<i>Profit on sales of investment properties</i>	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4
<i>Loss on sales of investment properties</i>	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	-0.2
<i>Profit/loss on trading properties</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Change in value of trading properties</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Valuation gains/losses on fair value assessment</i>	4.9	-3.2	-4.1	0.5	-4.0	4.4	0.0	-1.5
<i>Administration and marketing</i>	-6.5	-1.6	-0.8	-2.3	-2.1	-3.8	0.0	-17.2
<i>Other operating income and expenses</i>	-0.2	-0.2	-0.2	-1.0	0.0	0.0	0.0	-1.6
<b>Operating profit</b>	<b>76.4</b>	<b>21.2</b>	<b>14.3</b>	<b>-3.5</b>	<b>10.6</b>	<b>4.6</b>	<b>0.0</b>	<b>123.5</b>
<i>Investments</i>	20.2	1.6	1.1	3.3	1.0	12.2	0.7	40.1
<i>Segment assets</i>	1,720.4	739.6	410.0	155.2	256.7	92.1	117.9	3,491.9
<i>Economic Occupancy Rate</i>	89.6	90.8	75.6		96.1			88.0

### Key figures

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
<i>Earnings per share, €</i>	0.07	0.07	0.20	0.19	0.34
<i>Equity ratio, %</i>			40.1	39.4	40.7
<i>Gearing ratio, %</i>			121.9	131.2	125.6
<i>Equity per share, €</i>			4.63	4.50	4.64
<i>Cash flow from operations per share, €</i>	0.11	0.11	0.28	0.30	0.40

### Quarterly key figures

	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013
<i>Total revenue, M€</i>	63.2	62.6	63.5	65.3	65.7
<i>Net operating income, M€</i>	46.2	45.5	44.0	47.4	49.5
<i>Valuation gains/losses on fair value assessment, M€</i>	0.1	4.8	-6.7	-12.7	0.7

<i>Operating profit, M€</i>	42.2	44.9	31.7	29.5	44.1
<i>Financial income and expenses, M€</i>	-14.4	-14.5	-15.3	-15.9	-15.1
<i>Profit/loss for the period, M€</i>	21.8	25.6	12.9	44.0	21.6
<i>Investment properties*, M€</i>	3,122.3	3,269.0	3,253.4	3,253.3	3,264.7
<i>Shareholders' equity, M€</i>	1,406.2	1,387.4	1,367.9	1,409.3	1,370.0
<i>Interest-bearing liabilities, M€</i>	1,831.6	1,793.1	1,816.8	1,788.8	1,815.6
<i>Earnings per share, €</i>	0.07	0.09	0.04	0.15	0.07
<i>Cash flow from operations per share, €</i>	0.11	0.08	0.09	0.10	0.11
<i>EPRA NAV/ (net asset per share), €</i>	5.39	5.31	5.18	5.29	5.25
<i>Economic occupancy rate, %</i>	86.5	85.7	86.2	87.9	88.0

\*) includes investment properties classified as held for sale

## EPRA Earnings, M€ M€

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

In 2013, Sponda changed its method of calculation and presentation for EPRA Earnings to better correspond with EPRA recommendations. Due to this change, EPRA Earnings is presented with two different calculation methods below.

<b>EPRA Earnings, M€</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
<i>EPRA Earnings</i>					
<i>Earnings for the period per IFRS income statement</i>	21.8	21.6	60.3	59.1	103.1
<i>-/+ (i) Net profits or losses from fair value assessment of investment properties</i>	1.9	2.9	7.3	9.7	24.9
<i>-/+ (ii) Net profits or losses on disposal of investment properties</i>	0.0	0.2	-0.6	-0.3	-0.8
<i>-/+ (iii) Net profits or losses on sales of trading properties</i>	-1.8	0.0	-1.9	0.0	0.0
<i>+/- (iv) Taxes arising from above items based on result</i>	0.0	0.0	0.0	0.0	0.0



-/+ (vi) Changes in fair value of financial instruments	1.2	0.3	4.6	-0.2	0.9
+/- (viii) Deferred taxes arising from the above items	3.6	5.1	8.8	15.5	-16.6
<b>EPRA Earnings</b>	<b>26.7</b>	<b>30.0</b>	<b>78.4</b>	<b>83.8</b>	<b>111.5</b>
<b>EPRA Earnings per share, €</b>	<b>0.09</b>	<b>0.11</b>	<b>0.28</b>	<b>0.30</b>	<b>0.39</b>

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

<b>EPRA Earnings, M€</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
<i>EPRA Earnings</i>					
<i>Net operating income</i>	46.2	49.5	135.6	143.5	190.9
<i>+ Realised shares of profit from real estate funds</i>	2.0	3.6	5.5	8.1	10.7
<i>- Operational marketing and administration expenses</i>	-5.5	-4.9	-16.5	-17.2	-23.2
<i>+/- Other operational income and expenses from business operations</i>	-0.4	-1.0	-1.1	-1.6	-1.4
<i>Operating profit</i>	42.3	47.1	123.5	132.9	177.1
<i>+/- Operational financial income and expenses</i>	-13.2	-14.8	-39.7	-44.1	-58.9
<i>-/+ Taxes based on operating result</i>	-0.5	-0.9	-1.7	-2.8	-3.8
<i>- Deferred taxes based on operating result</i>	-1.9	-1.4	-3.7	-2.2	-2.9
<b>EPRA Earnings</b>	<b>26.7</b>	<b>30.0</b>	<b>78.4</b>	<b>83.8</b>	<b>111.5</b>
<b>EPRA Earnings per share, €</b>	<b>0.09</b>	<b>0.11</b>	<b>0.28</b>	<b>0.30</b>	<b>0.39</b>

### Investment Properties M€

	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>Fair value of investment properties, beginning of period</i>	3,253.3	3,261.3	3,261.3
<i>Acquisition of investment properties</i>	65.0	3.1	3.1
<i>Other capital expenditure on investment properties</i>	40.6	24.1	36.6
<i>Disposals of investment properties</i>	-231.5	-18.0	-31.9
<i>Capitalised borrowing costs, increase in period</i>	0.2	0.2	0.3
<i>Valuation gains/losses on fair value assessment</i>	-5.3	-6.0	-16.1
<i>Fair value of investment properties, end of period</i>	3,122.3	3,264.7	3,253.3

Net operating income from all of Sponda's property assets totalled EUR 135.6 (143.5) million in January–September 2014 and EUR 46.2 (49.5) million in July–September. Of this total, office premises accounted for 56%, shopping centres for 19%, logistics premises for 13%, Russia for 9% and the Real Estate Funds unit for 3%. On 30 September 2014, Sponda had a total of 170 leasable properties, with an aggregate leasable area of approximately 1.2 million m<sup>2</sup>. Of this total, approximately 63% is office premises, 13% shopping centres and 20% logistics premises. Some 4% of the leasable area of the properties is located in Russia.

At the end of September 2014, the fair value of Sponda's properties was assessed internally for both Finland and Russia. The change in fair value of the investment properties was EUR -5.3 (-6.0) million in January–September and EUR -2.6 (-1.7) million in July–September. The most significant negative effect on fair value was attributable to changes in maintenance costs and market rents for properties in Russia. The change in currency exchange rates was positive in the third quarter as the USD strengthened against Euro. The changes in fair values are itemised in the table "Valuation gains/losses on fair value assessment".

### The Group's most significant investment commitments

At the end of the review period, the Property Development unit had invested a total of EUR 11.8 million, of which EUR 5.2 million was invested in the third quarter. The investments were primarily directed to the construction of an office building in Ilmalanrinne.

Sponda's property development operations comprise new construction projects and the refurbishment of existing properties. Sponda is constructing a three-building office complex in Ilmala, Helsinki for use by Sweco. The project is expected to be completed in December 2015. The project's investment size is approximately EUR 57 million and the office complex is 97% pre-let.

In addition, Sponda started construction in June 2014 on a new office building with a floor area of approximately 4,600 m<sup>2</sup> in Helsinki's Lassila district. The total investment of the project will be approximately EUR 10.6 million. The building's main tenant will be Kone Elevators Finland and the project is set to be completed in June 2015. The property is approximately 50% pre-let.

### Property, plant and equipment M€

	30.9.2014	30.9.2013	31.12.2013
<i>Carrying amount, beginning of period</i>	12.5	12.5	12.5
<i>Increases</i>	0.5	0.2	0.2
<i>Disposals</i>	-	-	-
<i>Depreciation for the period</i>	-0.2	-0.2	-0.3
<b><i>Carrying amount, end of period</i></b>	<b>12.9</b>	<b>12.6</b>	<b>12.5</b>

## Trading properties

M€

	30.9.2014	30.9.2013	31.12.2013
<i>Carrying amount, beginning of period</i>	7.8	7.8	7.8
<i>Disposals and other changes</i>	0.0	-	-
<i>Increases</i>	-	-	-
<i>Reclassifications to investment properties</i>	-	-	-
<i>Valuation changes</i>	-	-	-
<b><i>Carrying amount, end of period</i></b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>

## Collateral and contingent liabilities

<b><i>Collateral and commitments given by the Group</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>M€</i>			
<i>Loans from financial institutions, covered by collateral</i>	179.9	145.0	144.8
<i>Mortgages</i>	312.1	264.2	264.2
<i>Carrying amount of pledged shares</i>	19.5	19.1	19.2
<i>Guarantees</i>	-	-	-
<i>Total collateral</i>	331.6	283.3	283.4
<b><i>Lease and other liabilities</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>M€</i>			
<i>Lease liabilities</i>	127.0	94.5	93.7
<i>Mortgages</i>	3.7	3.9	3.9
<i>Guarantees</i>	2.6	4.7	4.7
<i>Investment commitments to real estate funds</i>	9.3	30.1	28.7
<b><i>Interest derivatives</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>M€</i>			
<i>Swap contracts, notional value</i>	615.0	850.9	695.7
<i>Swap contracts, fair value</i>	-42.6	-28.5	-26.7
<i>Eurobasis swaps, notional value</i>	150.0	-	150.0
<i>Eurobasis swaps, fair value</i>	-0.4	-	-0.5
<i>Cap options purchased, notional value</i>	554.2	404.1	404.1
<i>Cap options purchased, fair value</i>	1.0	3.6	3.0
<b><i>Currency derivatives</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>M€</i>			

<i>Currency options, bought, notional value</i>	8.7	9.9	9.5
<i>Currency options, bought, fair value</i>	0.0	0.1	0.1
<i>Currency options, put, notional value</i>	8.7	9.9	9.5
<i>Currency options, put, fair value</i>	-0.2	0.0	0.0
<b><i>Interest rate and currency swaps</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>M€</i>			
<i>Interest rate and currency swaps, notional value*</i>	187.4	337.4	187.4
<i>Interest rate and currency swaps, fair value*</i>	0.4	16.5	6.9

\*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€**

<b><i>Management employee benefits</i></b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<i>Salaries and other short-term employee benefits</i>	1.5	1.4	1.9
<i>Share-based payments</i>	0.6	1.1	1.4
<i>Total</i>	2.2	2.5	3.3

## Formulas for the key indicators

Earnings per share, €	=	$\frac{\text{Share of earnings for the period attributable to equity holders of the parent company} - \text{interest on hybrid loan allocated to the period, adjusted for taxes}}{\text{Weighted average number of shares outstanding during the period}}$
Equity ratio, %	=	$100 \times \frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}}$
Gearing ratio, %	=	$100 \times \frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Shareholders' equity}}$
Equity per share, €	=	$\frac{\text{Equity attributable to parent company equity holders} - \text{Other equity reserve}}{\text{Undiluted total number of shares on the date of closing the books}}$
Cash flow from operations per share, €	=	$\frac{\begin{aligned} &\text{Operating profit} \\ &-/+ \text{Fair value adjustment} \\ &+ \text{Allocation of goodwill} \\ &+ \text{Depreciation in administration} \\ &+/- \text{Changes in provisions} \\ &+/- \text{Defined benefit pension expenses} \\ &- \text{Financial income \& expenses affecting cash flow} \\ &- \text{Taxes affecting cash flow} \\ &+/- \text{Other items} \end{aligned}}{\text{Weighted average number of shares outstanding during the period}}$
EPRA NAV per share, €	=	$\frac{\begin{aligned} &\text{Equity attributable to parent company equity holders} \\ &- \text{Other equity reserve} \\ &+ \text{Fair value of financial instruments} \\ &+ \text{Deferred tax liabilities resulting from the assessment of fair value of properties and depreciation difference} \\ &- \text{Goodwill created from the deferred tax liabilities on properties} \end{aligned}}{\text{Undiluted total number of shares on the date of closing the books}}$
EPRA Net Initial Yield (NYI), %	=	$\frac{\text{Annualised net rental income}}{\text{Investment properties} - \text{Development properties} + \text{Estimated purchaser's costs}}$
EPRA "topped up" NYI, %	=	$\frac{\text{Annualised net rental income} + \text{Step rents, rent-free periods, etc.}}{\text{Investment properties} - \text{Development properties} + \text{Estimated purchaser's costs}}$