STATEMENT

Evaluation of the fair value of Sponda Plc's investment properties on 31 December 2015

EVALUATION OF THE FAIR VALUE OF SPONDA PLC'S INVESTMENT PROPERTIES

Sponda Plc (hereinafter referred to as "Sponda" or "the Company") conducts its own quarterly internal calculation of the fair value of the investment property portfolio of the Company by using a 10-year cash flow model as the valuation method. Catella Property Oy (hereinafter referred to "Catella") audited Sponda's internal property assessment process and calculation methods in autumn 2007 and again in December 2015 and verified that these fulfil IFSR requirements, the commonly approved valuation criteria, and are made according to International Valuation Standards (IVS).

Starting from Q4-2012 Sponda adopted the mid-period convention for discounting cash flow instead of the previously used end-of-year method. This change accounts for the timing of cash flow better and corresponds with the prevailing market practice.

On the date of valuation, 31 December 2015, Catella reviewed the property valuations of the investment properties located in Finland carried out internally by Sponda. The valuations have been prepared on the basis of ***Fair Value*** for financial reporting, which is defined in IVS 300, par. G1 based on IFRS 13 as follows: "*Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.*" IVS 300 par. G2 states that ***Fair Value*** under IFRSs is generally consistent with ***Market Value***.

Catella inspected the data regarding assumptions of market rents and occupancy rates and enquired into the net yield requirements and their effect on the fair value of the properties. In addition to the cash flow method, Catella has used the sales comparison approach as a verifying method when analysing the fair value of the properties.

Development properties, trading properties and properties located in Russia, are excluded from Catella's inspection, neither has Catella inspected the value of the unused building right related to some of the properties in the portfolio.

In a few properties a cursory inspection was carried out in December 2011, but in most properties Catella has not carried out any inspections during this valuation period nor on any earlier occasions. We have relied upon the data of rentable areas, tenancy schedules and operating expenses as provided to us by Sponda in table format; the actual lease agreements have not been inspected.

Catella has reviewed the internal valuation of Sponda's investment property portfolio in accordance with the requirements of the RICS Valuation Standards (January 2014) and the International Valuation Standards (IVS 2013). The review of Sponda's internal property valuations and this statement is conducted for a financial statement for Sponda Plc and it may not be used for any other purpose without the prior written consent of Catella Property Oy. We confirm that Catella's valuers have conducted the review of Sponda's internal property valuations as independent, external and authorized property valuers approved by the Central Chamber of Commerce. We are not aware of any conflicts of interest arising in carrying out this assignment.

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A GENERAL ASSESSMENT OF THE ECONOMY

Sources:
- Statistics Finland
- Eurostat
- European Central Bank
- Ministry of Finance Economics Department, Economic Survey, Winter 2015
- Danske Bank, Economic trends and finance market, December 2015

As an overview of the economic climate it can be stated that the growth prospects of the world economy has slightly weakened towards the end of the year and it is expected that the growth rate in the future is slower than forecasted earlier. The Chinese economy has decelerated faster than expected, which increased uncertainty throughout the global economy. Positive factors are affordable oil price, facilitations for the restrictions of public economy, a revitalized monetary policy and an improved financial market. The promoter of global growth has been the United States, but also the euro zone is growing. In the euro zone the recovery is spurred by the clearly declined exchange rate of the euro, which supports the export sector. However, the essential source of growth is private consumption. The employment climate and inflation are improving gradually. Pent-up investment demand is loosening slowly. The stream of refugees is a new phenomenon, which has an effect on European economy as well. The Finnish GDP diminished in 2014 for the third year in a row and in 2015 the country's economic growth seems to remain close to zero. However, according to forecasters, the bottom of the cycle has been reached and in 2016 only fragile economic growth can be expected.

In emerging Asia's countries, the economic growth rates differ greatly depending on how dependent they are on raw material markets. Chinese GDP grew 7.4 % in 2014, meaning that it slightly lagged behind the government's target of 7.5%. It seems that economic growth will remain at a level of 7 percent in 2015 and the government has decreased its growth target for the next few years to 6.5 percent. A strong decline in mainland China's stock market may have an influence on China's economic growth and cause problems in the financial market. As for India, the outlook for economic growth is encouraging. The growth, which started in late summer 2013, has continued and in 2015 the growth rate was over 7 percent, which is higher than the economic growth rate of China. It is expected that in the future, economic growth in India will be faster than in China, because the Chinese economy is decelerating and the labour costs are increasing. In the third quarter the growth figures of the Japanese economy were clearly revised upwards compared to the level what was announced earlier. The Japanese Central Bank has put strong efforts on resuscitation, which has been three times higher than in the euro zone or in the U.S., if calculated proportionately to the GDP of these countries. Traditionally, Japanese economic growth has leant on exports, but the development of the exports has been a slight disappointment because of the diminishing trade with China. Private consumption has recovered from the weakened state of the beginning of the year, and investments have clearly increased. However, it is expected that the GDP growth in Japan will be rather weak in the near future.

In the United States, economic growth was 2.4 percent in 2014. It turned out that the weak economic growth figures reported in the beginning of the year were not only a transitory phenomenon but they were also incorrect. These figures have been revised exceptionally much upwards and, for example, the negative growth reported in the first quarter amended to a positive figure (+0.6 %). It seems that the growth rate of the whole year 2015 will be approximately 2.5 percent. Unemployment has decreased with record speed and in November it was only 5.0 percent. Due to the improved economic climate, the Federal Reserve (FED) increased its target funds rate by 25 basis points, from 0 – 0.25 percent to 0.25 – 0.50 percent in December. This was the first time the interest rate was raised since 2006. The FED forecasts that U.S. economic growth will further accelerate in 2016 and more raising of the interest rate can be expected, but the pace will be slow and dependent on the country's economic statistics. The FED's first decision to increase the interest rate was expected and the market reaction to the decision was moderate, the exchange rate of the dollar strengthened against the euro and the yen.

In the euro zone the promising recovery of the economy slowed down in 2014, although the economy grew 0.9% compared to the previous year. In the first three quarters of 2015 the economic growth was 1.2 % on average. However, the euro zone is on the pathway to growth and the recovery is supported by the weakened euro and banks' improved lending policies. The underlying factor of both above-mentioned matters is the European Central Bank's (ECB) bond purchase program, which started in March and according to ECB's latest announcement, it will be valid until March 2017. For the time being, euro zone growth has mostly leaned on private consumption, but in the future, recovery in Europe will be based more on exports. The ECB has played an important role in the stabilization of the economic region after the emergence out of the financial crisis and, in the future, its actions for supporting economic growth will also be essential, but monetary policy alone cannot launch the euro zone into sustainable growth.

Finnish GDP decreased 0.4 percent in 2014 according to recalculated information by Statistics Finland. It seems that in 2015 the country's economic growth remained close to zero. The strength of private consumption was a slight surprise in 2015, but in the future the expectations regarding nascent growth of the Finnish economy lean mainly on export. Finland's main export markets, excluding Russia, are growing with a moderate rate and the growth is changing to a more investment-led framework while the pent-up demand of companies and households is slowly breaking out. Finland's investment-led industry should benefit from this development in the future.

Worldwide development supports the growth of the Finnish economy. The global economy is growing moderately, the European Central Bank resuscitates, the euro has weakened and the oil is cheap. However, Finland is not getting in to this good development in full force, because it is suffering from structural changes and cutting lists. The government tries to solve the problems related to competitiveness of the export sector, but even if they would succeed, the results of the reforms have a full-scale impact on export, investments and the employment climate only in the coming years. There is a risk that the government's actions could cause culmination in the labour market climate and strike waves, which would further weaken Finland's economic climate.

Finnish consumer confidence improved early in the year, but after the summer the atmosphere diminished. In May 2015 the confidence indicator was at its highest +15.5, but by August it fell down to +8.3 and in December figure was only +2.4. The long-term average is 11.7. In November 2015, the unemployment rate was 8.2 %, the same as it was in November 2014. According to Statistics Finland, the number of unemployed people in November 2015 was 216,000, which is almost the same amount as one year ago.

The outlook by domestic forecasters regarding the development of the Finnish economy are consistent in the sense that the bottom of the cycle has been reached in 2015 and a fragile economic growth can be expected in 2016 - 2017. Inflation is expected to be below one percent in 2016 and to increase slightly over one percent in 2017, which indicates that the development of index-linked rents will be moderate in the coming few years. In 2015 the development of the cost-of-living index was negative.

Forecasts given in December 2015 are in the following table.

FORECASTER - joulukuu 2015	**GDP 2016 => 2017**	**EXPORT 2016 => 2017**	**INFLATION 2016 => 2017**	**UNEMPLOYMENT RATE 2016 => 2017**
Danske Bank	+ 0,6 % => + 1,1 %	+2,0 % => +4,0%	+1,0 % => +1,2 %	9,8 % => 9,5 %
Nordea Bank	+ 0,5 % => + 0,7 %		+0,8 % => +1,0 %	10,0 % => 10,3 %
LähiTapiola	+ 0,5 % => + 1,0 %	+2,5 % => +2,0 %	+0,9 % => +1,8 %	9,9 % => 9,8%
Bank of Finland	+ 0,7 % => + 1,0 %	+2,1 % => +2,7 %	+0,3 % => +1,0 %	9,2 % => 9,1 %
Ministry of Finance	+ 1,2 % => + 1,2 %	+1,8 % => +2,9 %	+0,9 % => +1,4 %	9,4 % => 9,0 %

The general economic climate affects the Finnish commercial property market in two different ways. The letting market especially suffers from the weak economic climate, but if a property is fully leased with long lease agreements and its other features fulfil investors' requirements, these kinds of prime-properties are desirable investment objects in the investment market.

The weakening economic climate has led to lay-offs at companies, and all investments, including the renting of new premises, are being considered critically. The effects of this development can also be seen in the Helsinki Metropolitan Area office market: the office occupancy rate started to decrease in autumn 2012 and the bearish development still continues. The net-demand for office premises will remain at a low level in the near future. In 2015 only two new office projects, comprising a total area of 13,000 m^2, were launched. However, the Finnish commercial property market is very active, if measured by the recent transaction volume, although the fundamental aspects of the economy have remained weak.

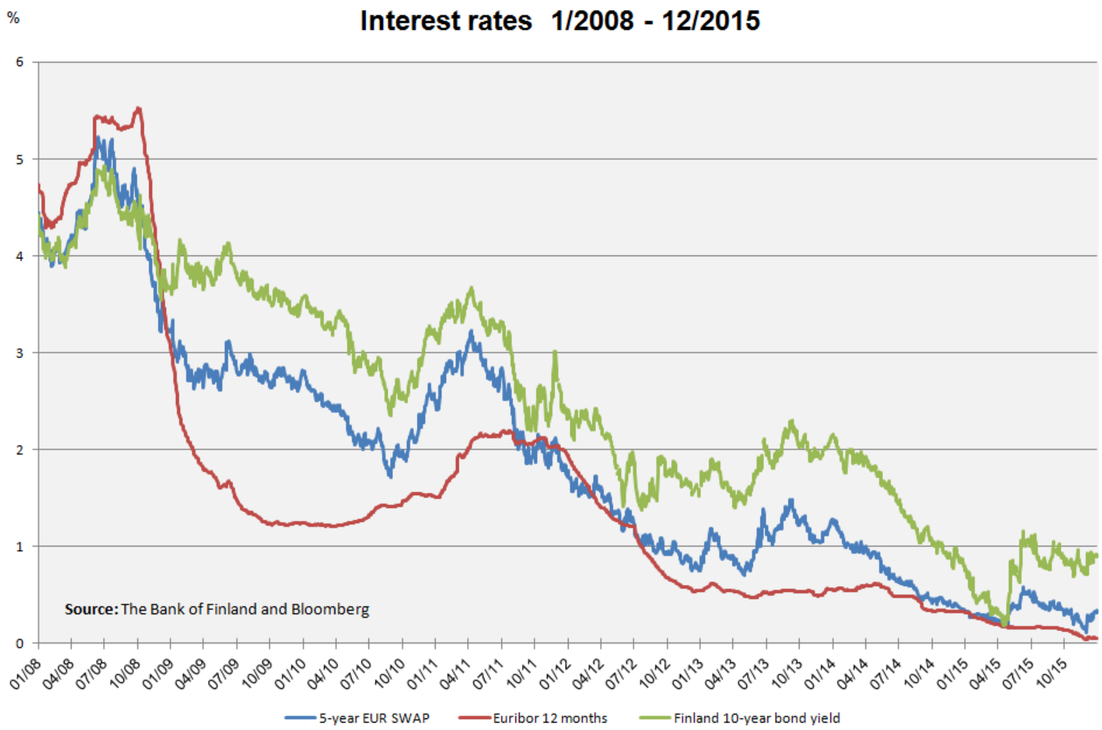
INTEREST LEVEL AND FINANCIAL MARKET

The European Central Bank (ECB) continues resuscitating the economy. At its meeting in December, the ECB kept the steering rate unchanged at 0.05 percent, which has been the level since the last decrease decision made in September 2014. However, in December the ECB decreased the deposit rate to –0.3 percent from the previous -0.2 percent. Nowadays, banks have to pay the central bank if they want to make deposits. When the deposits are subject to a charge, the ECB hopes that it will encourage banks to increase credit granting to firms, which could spur economic growth. It is expected that interest rates will remain at a low level for a rather long time. In addition to the decrease in interest rates, the ECB started a wide-ranging bond purchase program in March and recently it announced that this program will continue until March 2017. If the ECB, according its goal, gets more liquid money on the market by using a negative deposit rate, more money might be steered to real estate investments as well.

The development of market interest rates has followed the decline of the steering rate. At the end of 2011, the 12-month Euribor was still at a level of 1.95 % (and a steering rate of 1.0 %). From the first half of 2013, the 12-month Euribor remained above the

0.50 % level until June 2014, but as a consequence of the reductions of the steering rate, the 12-month Euribor has decreased and was at a level of 0.06 % in December.

The chart below illustrates the development of the (12-month) Euribor 2008 – 12/2015, the Finnish Government Bond (10 years) and the EUR SWAP (5years).



Loans given for real estate investments are often tied to the 5-year SWAP interest rate, which has diverged from the 12-month Euribor in the last few months and started to rise as well as the yield on 10-year government bonds, but the interest rate level is still very low.

According to the CREDI-survey made by Catella in summer 2015, the property financing further lightened in the first half of 2015 and especially the availability of bank loans and margins developed favourably from the standpoint of the borrower . The positive development of property financing has continued uninterrupted for two years. The decrease of the margins helps keep the costs of property financing at a reasonable level even if the interest rates were to accelerate considerably. According to the summer survey, it was forecasted that property financing would also lighten during the latter half of the year – but slightly more moderately than earlier. Due to the reduced interest rate level, lower margins and higher LTV-rates, the gearing is again functioning well in property investments.

In Sweden Catella conducted a similar CREDI-survey in December 2015 and the results show that the availability and terms concerning property financing have tightened in the past three months and it is expected that they will further tighten in the near future. The results of the survey indicate that banks are more conservative than before in their granting of credit. Catella has a new survey under way in Finland as well, but the results are not yet available. However, usually the trends from Sweden reach Finland with a slight delay.

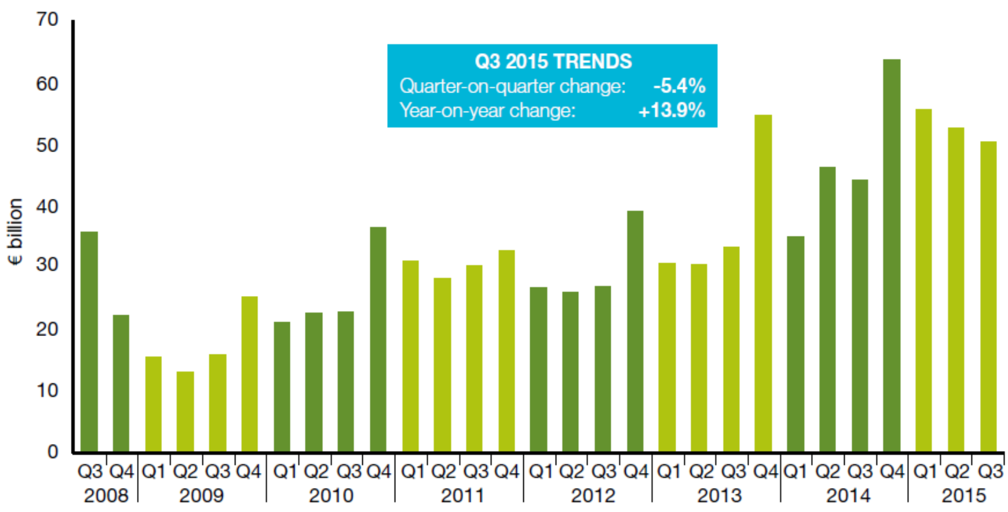
PROPERTY MARKET

European Property Market Climate

Sources: Savills, Knight Frank

According to Savills, the first half of 2015 was the strongest half-year period since 2007 in terms of transaction volume. Savills statistics cover 16 European countries and in the first half of 2015, the combined transaction volume of these countries was €102.5 billion, which is almost 25% higher than in the same period the previous year. **Knight Frank** estimates that the European commercial property market's investment volume in the first half of 2015 was approximately €104.9 billion, showing an increase of 29% compared to the same period previous year. Based on Knight Frank's information, the volume of the third quarter was €50.7 billion, which is 13,9 % higher than in the same period the previous year, but the volume in Q3 was slightly lower than in the first two quarters of the year.

European commercial property investment volumes

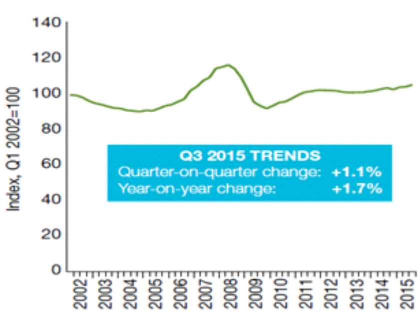


Source: Real Capital Analytics / Knight Frank Research

However, it is expected that the last quarter of the year will be found to be as lively as has been in the earlier years and Knight Frank forecasts that the investment volume of the whole year will be €230 billion, which means a more than 20 percent increase compared to the previous year.

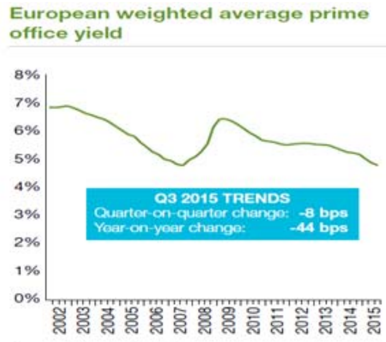
In the third quarter (Q3-2015) the prime office rents continued to increase slightly in several sub-markets, but they are still clearly below the last peak (2007). Knight Frank's prime office rental index increased 1.1 % compared to the previous quarter and 1.7 % to the same period year ago.

European prime office rental index



Source: Knight Frank Research

Prime office yields continued to decrease in several sub-markets due to a strong demand. According to Knight Frank, the European weighted average prime office yield is 4.82 %, which is the same level as in the peak of the last cycle (Q3-2007).

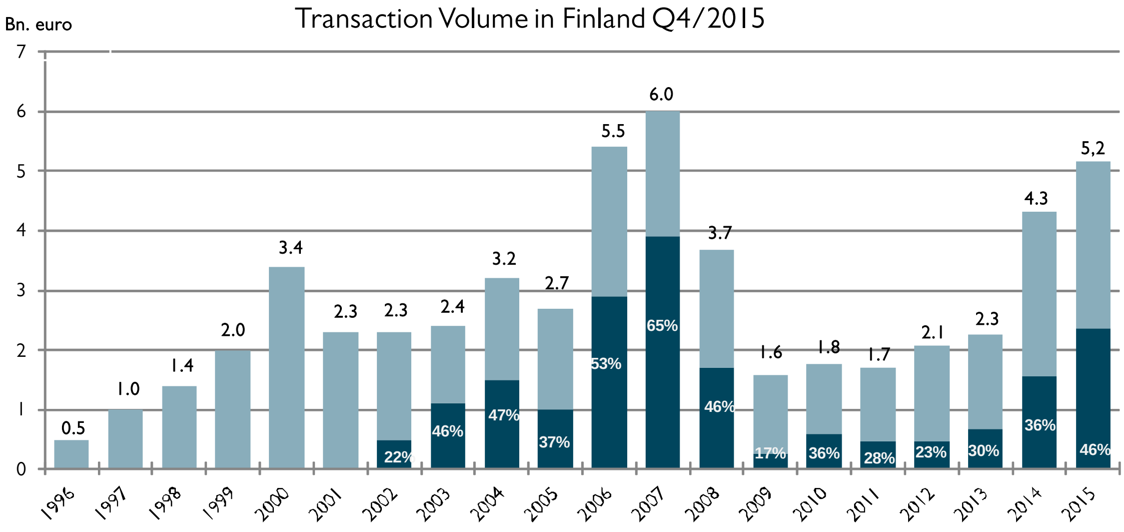


Source: Knight Frank Research

The Finnish investment market

After the financial crisis of 2009 – 2013, the transaction volume of the commercial property market in Finland fluctuated between EUR 1.6 and 2.3 billion. Active trade, which started at the end of 2013, has further picked up and based on the preliminary information, the transaction volume in 2015 reached € 5.2 billion, meaning an increase of 21 percent compared to previous year.

In addition to the deals, which are included in the transaction volume, also stocks of the property investment companies were traded on the market, which indicates that foreign investors are interested in Finnish properties: the Swedish listed company Balder acquired more than half of Sato Oyj's share capital and a fund managed by U.S.-based Balackstone acquired more than half of Certeum Oy's share capital in the stock trades made in 2015. If the value based on deals made of the stocks of these two companies were added to the transaction volume, the total volume would be close to €7 billion.



Source: Catella Property

The strong development of the transaction volume indicates that the Finnish commercial property market follows the international trend, although the fundamental aspects of the economy are different than in many other European countries. The Finnish gross domestic product has diminished three years in a row, the vacancy rates of commercial properties are at a record high and the rent levels are under pressure to decrease. Despite all of this, investors’ interest in properties is strong and the yield requirements of prime properties are decreasing. The reason for this is that there is a lot of equity searching for investment opportunities and due to the low interest rate level, loan financing is affordable. Properties are considered an attractive asset class, because the bond and fixed income market offers historically low returns and the risks in the stock market have increased while share prices have risen to the same level as before the financial crisis.

In 2015 the amount of transactions was at the same level numerically as last year, but several deals were portfolio transactions, which consisted of several properties and this increased the transaction volume. The portion of portfolio transactions was approximately 58 % of the total volume and the combined volume of the deals over €100 million was approximately two billion euros.

The major transactions in the first half of 2015 were:

- An office portfolio (€400 million) bought by a joint venture of Ilmarinen Mutual Pension Insurance Company and Swedish insurance company AMF.
- A retail portfolio (€652 million) bought by a joint venture of Kesko, Ilmarinen Mutual Pension Insurance Company and AMF.
- A logistic property portfolio (€120 million) sold by Posti Group to the Norwegian Risan & Partners.
- Ratos, Varma Mutual Pension Insurance Company and Redito established a joint venture (Serena Properties), which acquired a portfolio of 22 retail properties (€ 200 million) from Varma.

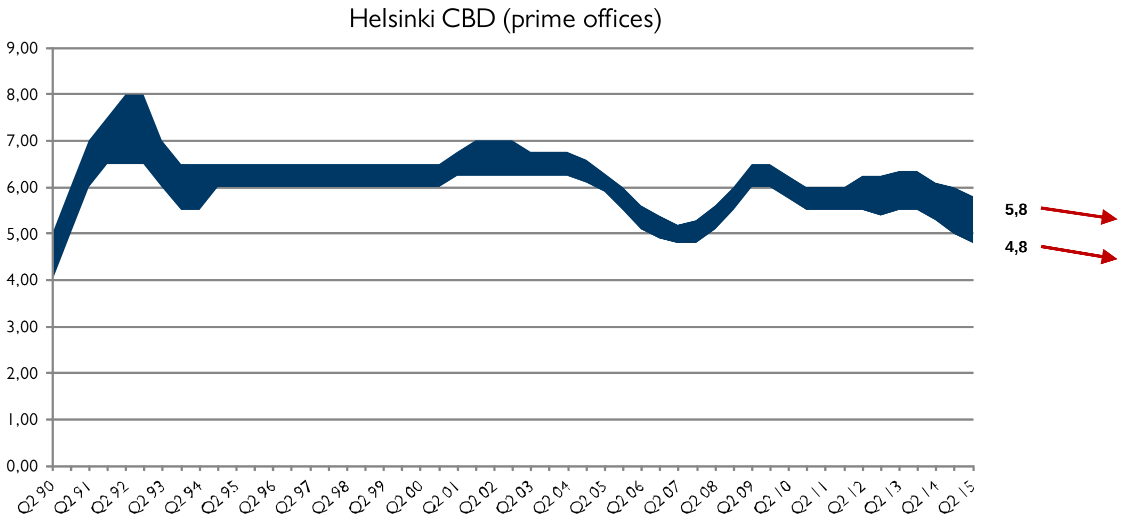
The trade of residential portfolios has also remained active, the transaction volume of the residential portfolios was approximately €1.2 billion.

The share of foreign investors in the transaction volume was 46 percent in 2015. Foreign investors are interested in large single properties and especially portfolios, which have a good rental climate and low technical risks. However, considering the single properties, cross-border investors are primarily interested in the Helsinki Metropolitan Area.

A new feature in the office market is that in 2015 several single B-class office properties have been sold in the Helsinki Metropolitan Area and the buyers were domestic and foreign property funds. Opportunistic investors for risk-bearing properties can be found, but in these cases the yield requirement must be at the right level in order to offer the buyer a big profit potential as a counterbalance to the big risk.

Catella’s opinion on the yield requirement regarding the Helsinki CBD prime-office properties in June 2015 was in the range of 4.8 – 5.8%. The market information based on executed transactions on the market indicates that the yield requirement in the Helsinki CBD has further decreased from last summer. Catella’s opinion on the development of yield levels is based on closed deals, observations of quotes and discussions with investors.

The following chart describes the development of the yields of prime-office properties in the Helsinki CBD **until Q2-2015** and the arrows show the development direction in the last half of 2015.



* Long agreements will lay down yield levels by 0.2 – 0.5 %-units.
* New construction projects are excluded

Source: Catella Property Oy

Due to the difficulties in retail trade, the yield requirement of Helsinki CBD prime-retail properties is slightly higher than the prime-office yield. Catella's opinion on the yield requirement regarding the Helsinki CBD prime retail properties at last summer was 0.2 percentage units higher than in office premises. Due to the change of the market climate, the yield requirements of prime retail properties have decreased as well, but prime offices are more desirable investment objects and retail yields are still slightly higher than office yields.

Investors are similarly interested in modern logistic properties like other property types provided that premises are rented with long lease agreements. Because of a strong demand, the decline in yield requirements concerns logistic properties as well and prime logistic yields have decreased below 7 percent.

Letting Market

The Finnish property market deviates most from the rest of Europe particularly concerning the letting market. Elsewhere in Europe the rents are rising and the vacancy rate is decreasing while in Finland the development is the opposite.

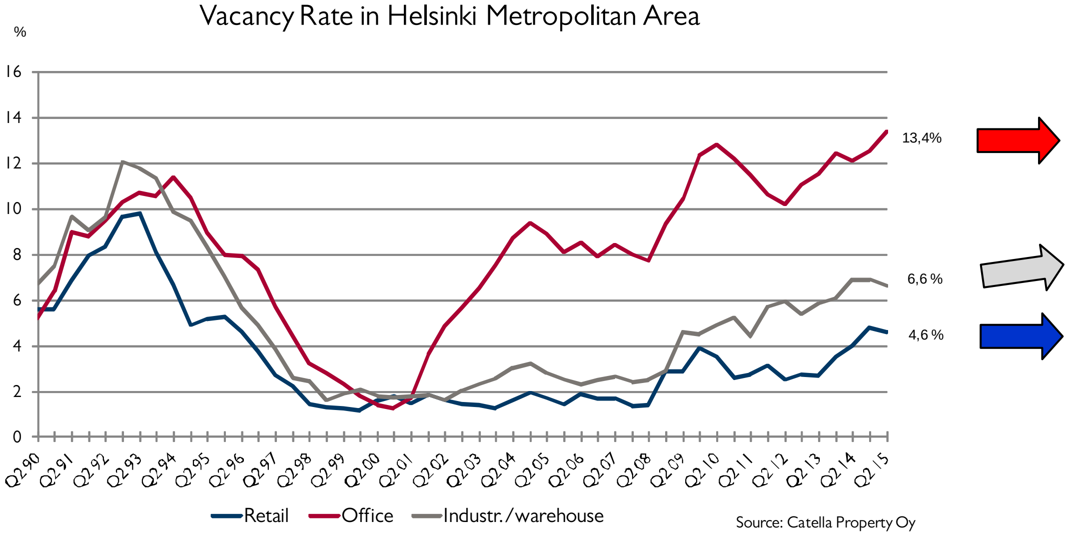
The office letting market in the Helsinki Metropolitan Area is still challenging and in a difficult economic climate, the fight for tenants is hard. Landlords are willing to give several rent-free months or stepped rent increases, which means that the starting rent can be quite low. Additionally, it is typical in this type of market climate that the landlord takes care of the costs of alteration works made at the tenant's request, while in a better economical climate, these costs would be paid for by the tenant. Due to the aforementioned factors, the effective rent is often lower than the nominal rent shown in the rent rolls. In the office districts outside the Helsinki CBD rents are under pressure to decrease because of the difficult economic climate and excess supply.

The vacancy rate of the Helsinki CBD office premises has also increased clearly in autumn 2015, but the rent level has remained more or less unchanged. Tenants' requirements regarding the quality of premises especially in the CBD area have increased and they are willing to pay fairly high rent for modern, high-quality premises, which are in good condition. As there is also plenty of older office space of modest quality in the CBD area, the office market has polarized toward good and poor premises, which also means that the rent level range is wide.

In spite of the difficult climate in the office letting market, several noteworthy lease agreements have been made in the HMA in 2015 or announcement given regarding forthcoming lettings. However, this often means that companies move from the old premises to a new location in order to reduce the size of the premises or to concentrate their activities from several locations to one place and a typical consequence of these actions is that more space becomes vacant to the market than what is rented from the new property.

The decrease of consumers' purchasing power reflects the sales figures in retail trade, which decreased from January - November 1.1 percent compared to the same period in the previous year. Grocery store sales decreased 1.0 percent respectively. The biggest drop took place in wholesale trade, where the sales decreased 5.0 percent compared to last year. The retail space letting market suffers inevitably from diminishing sales and the pressure for decreasing rents is growing. The Helsinki CBD retail market is normally quite resilient to recession and the retail vacancy rate in the CBD area is rather low, but vacant retail premises can be found in good locations. The importance of the micro location has further been emphasized. The retail premises in the best locations are almost fully rented, but the rentability of the premises, which are located slightly apart from pedestrian streams, is more challenging.

The following chart describes the vacancy rates of different premises types in the HMA based on Catella's survey at the **end of June 2015**. Catella is just now collecting data in order to update these figures for the vacancy situation through the end of December 2015 and the arrows on the right side of the chart show the predicted direction of the vacancy rate development.



In the Helsinki Metropolitan Area the office vacancy rate started to increase in summer 2012. The increase of vacant office space was approximately 287,000 sqm by the end of June 2015. The amount of vacant retail space also increased by 74,000 sqm since summer 2012. The vacancy rate of retail premises was 4.6% in June 2015. The vacancy rate of industrial and warehouse premises have increased since summer 2012 by 55,000 sqm reaching a level of 6.6% in June 2015.

Based on Catella's preliminary information, the vacancy rate of office and retail premises remained more or less unchanged, while the vacancy rate of industrial and warehouse premises slightly increased in the second half of 2015.

In the HMA approximately 31,000 sqm of new office space was under construction at the end of 2015. In the long run, the reduction of new construction projects may intercept the increase of the vacancy rate.

THE RESULTS OF THE VALUATION

The date of valuation for Sponda's investment properties is 31 December 2015. Hereafter the key figures of this valuation date have been compared with the key figures of the valuation made on 30 June 2015 because Catella did not give a statement on Sponda's internal calculation of the fair value on 30 September 2015.

The weighted average net yield requirement in the cash flow calculations was 6.13 % (30 June 2015: 6.23 %) for the entire investment property portfolio. The initial yield for the investment property portfolio inspected by Catella was 5.94 % (30 June 2015: 5.80 %). The economic occupancy rate of Sponda's entire Finnish property portfolio was approx. 88.0 % (30 June 2015: approx. 86.5 %). Starting from summer 2010 Sponda has counted the economic occupancy rate according to the instructions of the European Public Real Estate Association (EPRA), which means that e.g. singed lease agreements starting in the near future are taken into account when calculating the occupancy rate. Such vacant properties which are considered to be under development are not taken into account when calculating the occupancy rate.

Changes in the Portfolio Structure in 2014

Since the beginning of 2014 Sponda modified the portfolio structure so that in certain properties located in the city centre of Helsinki and Tampere the retail premises are now part of the Shopping Centre portfolio and the office premises are part of the Office portfolio while earlier the whole property belonged either to the Office and Retail portfolio or to the Shopping Centre portfolio. Now, premises located in a single building can belong to two different portfolios. This also means that separate cash flow calculations are made of the building's retail and office premises. However, in the valuation the property is treated as one entity in the sense that in cash flow calculations the office part and the retail part have the same yield requirement and it is assumed that in a potential transaction situation the object of sale would be the whole property. Therefore, the new portfolio structure did not have any effect on the yield requirements.

In total, the changes in the portfolio structure affect ten properties, of which three are located in Tampere and seven in the Helsinki city centre.

Office Property Portfolio

Approx. 91 % of the value of Sponda's office property portfolio consists of properties located in the Helsinki Metropolitan Area and the remaining 9 % of the properties are located in Tampere, Turku, Oulu, Hämeenlinna and Vaajakoski. The properties located in the Helsinki city centre and in Ruoholahti form approx. 71 % of the value of the HMA properties and their proportion of the entire Finnish office and retail portfolio is approx. 64 %.

No acquisitions were carried to the office property portfolio in the second half of 2015, but there is one finished new construction property located in Helsinki Lassila district, which is now included in the inspection (MREC Estradi, 4,415 m^2). The 23 parking units of Asunto Oy Erkintalo property were divested from the office property portfolio after Catella's previous inspection:

Based on Catella's review, the cash flow yield requirements in the office property portfolio were decreased in 19 cases by mainly 5 - 15 basis points. The changes concerned mainly properties located in the Helsinki city centre and in Ruoholahti, where the market situation has improved. In other locations the decrease of the cash flow yield requirements was based on object-specific features (e.g. improved rental situation). The yield requirements were increased in 14 cases by mainly 10 - 20 basis points. The changes concerned mainly properties located in Espoo and Vantaa and was based on object-specific features (e.g. weakened rental situation). In the other properties the yield requirement remained unchanged. In addition, the occupancy rate assumptions were updated in some cases. The weighted average net yield requirement in the cash flow calculations was 6.17 % for the entire portfolio (30 June 2015: 6.26 %). The initial yield for the portfolio inspected by Catella was approx. 6.19 % (30 June 2015: 6.14 %). The economic occupancy rate of office properties was approx. 88.2 % (30 June 2015: approx. 88.1 %).

Shopping Centre Property Portfolio

The amount of assets in the shopping centre portfolio increased at the beginning of 2014 due to the structural portfolio changes described above and now it consists of 24 assets (earlier 16 assets), but Catella did not inspect one of these properties, because it is an unfinished development property included in the City-Center complex. No actual acquisitions or divestments were carried out from the portfolio in the first half of 2015.

Based on Catella's review the cash flow yield requirements in the shopping centre property portfolio were decreased in five cases by 10 - 20 basis points. These were properties located in the Helsinki city centre and in these same properties there are premises, which belong to the office portfolio. The yield requirement was increased in one case by 15 basis points. In the other properties the yield requirement remained unchanged. The weighted average net yield requirement in the cash flow calculations for the shopping centre property portfolio inspected by Catella was 5.66 % (30 June 2015: 5.67 %). The initial yield for the portfolio was 5.20 % (30 June 2015: 5.06 %). The economic occupancy rate of the portfolio's shopping centres was 91.3 % (30 June 2015: 89.8 %), which also includes rentable premises in the City-Center properties.

Logistics Property Portfolio

The properties of the logistics portfolio are located in the Helsinki Metropolitan Area except for one property. The size of the properties varies so that the smallest objects are 2,000 - 3,000 sq m in size, but after the sale of Vuosaari properties, there are only few objects over the size of 10,000 sq m and the largest property is approximately 15,000 sqm in size.

The following assets were divested from the logistics property portfolio after Catella's previous inspection:

- Melkonkatu 26 — 6,300 sq m
- Vuosaaren Logistiikkakeskus Koy — 64,500 sq m
- Vuosaaren Porttikeskus Koy — 15,000 sq m
- Vuosaari Service Center Koy — 4,800 sq m

All cash flow net yield requirements in the logistics property portfolio remained unchanged. The occupancy rate assumptions and market rent assumptions also remained largely unchanged. The weighted average net yield requirement in the cash flow calculations was 9.11 % (30 June 2015: 8.32 %) for the entire logistics property portfolio. The initial yield for the logistics property portfolio inspected by Catella was 6.61 % (30 June 2015: 5.28 %) while the economic occupancy rate was 67.4 % (30 June 2015: 68.6 %). The increase of the average net yield requirement in the cash flow calculation and the initial yield is caused by the divestment of Vuosaari properties.

Summary

In our opinion, the yield requirements and market rent assumptions used in Sponda's valuation calculations correspond to the actual market yields and rents on the date of valuation.

Some properties in the office and retail portfolio as well as the logistics portfolio have unused building right, but the values of the unused building right are not taken into account when calculating the aforementioned initial yields. The properties of the shopping centre portfolio do not have any unused building right.

The economic occupancy rates of Sponda's investment properties correspond to the average figures on the market regarding the office property portfolio. The economic occupancy rate of the logistics property portfolio and the shopping centre property portfolio is lower than the average rate on the market.

The transaction volume in 2015 was clearly higher than in previous years. The scarcity of the prime-properties for sale and the demand for them has decreased the yield requirements in the Helsinki city centre and in other good office districts. These factors have affected the cash flow yield requirements. Partly, the changes in the cash flow yield requirements were caused by object-specific changes or characteristics related to factors such as the location, technical condition, current rental situation and the future rentability of the premises.

Any notable changes in the operating costs of the properties compared to the situation last summer (Q2-2015) were not made in connection with this valuation.

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Helsinki, 22 January 2016

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