Full Year Result

1.1.–31.12.2009

SPONDA

Sponda Plc Financial Statements January – December 2009

Sponda Plc's total revenue increased to the record level of EUR 243.0 million (31 December 2008: EUR 224.3 million). Net operating income after property maintenance costs and direct costs for funds was EUR 181.6 (166.8) million. The company's operating profit was EUR -13.3 (117.3) million. This includes a change in the fair value of the property portfolio of altogether EUR -175.1 (-44.9) million.

Result of operations and financial position January – December 2009 (compared with figures for January – December 2008)

- Total revenue increased some 8 % from the previous year to EUR 243.0 (224.3) million.
- Net operating income rose about 9 % to EUR 181.6 (166.8) million.
- Operating profit was EUR -13.3 (117.3) million.
- The result after tax was EUR -81.6 (29.2) million.
- Earnings per share were EUR -0.35 (0.16).
- Cash flow from operations per share was EUR 0.45 (0.78).
- The fair value of the investment properties amounted to EUR 2,767.5 (2,915.5) million.
- Net assets per share totalled EUR 3.54 (4.93).
- EPRA net assets per share were EUR 4.18 (6.04).
- The economic occupancy rate was 86.6 (88.5) %.
- The Board of Directors proposes to the AGM that a dividend of EUR 0.12 per share be paid for the 2009 financial year.

Result of operations and financial position October - December 2009 (compared with same period in 2008)

- Total revenue rose to EUR 59.8 (58.2) million.
- Net operating income was EUR 44.6 (41.7) million.
- Operating profit was EUR 23.5 (30.2) million, which includes a change in the value of properties of EUR -14.4 (-17.5) million.
- Profit after tax was EUR 6.3 (4.8) million.
- Earnings per share were EUR 0.02 (0.03).
- Cash flow from operations per share was EUR 0.04 (0.30).

Key figures

	10-12/09	10-12/08	**1-12/09**	1-12/08
Economic occupancy rate, %			**86.6**	88.5
Total revenue, Me	**59.8**	58.2	**243.0**	224.3
Net operating income, Me	**44.6**	41.7	**181.6**	166.8
Operating profit, Me	**23.5**	30.2	**-13.3**	117.3
Earnings per share, e	**0.02**	0.03	**-0.35**	0.16*
Cash flow from operations per share, e	**0.07****	0.29	**0.45*****	0.78
Net assets per share, e			**3.54**	4.93*
EPRA net assets per share, e			**4.18**	6.04*
Equity ratio, %			**37**	32
Gearing, %			**141**	180

*) In consequence of the share issue during the second quarter, per share figures have been adjusted in accordance with IAS 33.
**) Per share figure has been calculated using 277 575 462 shares. The 2008 comparison figure has not been adjusted according to the IAS 33.
***) Per share figure has been calculated using 195 874 005 shares. The 2008 comparison figure has not been adjusted according to the IAS 33.

CEO Kari Inkinen

”Sponda recorded an excellent result from rental operations in 2009 despite the challenging market conditions. Total revenue increased 8 % and was the largest in the history of the company, even though the company purchased no new properties and sold property for EUR 40 million. Financing costs were at low level.

Another positive feature was the increase in property development activity towards the end of the year. We began construction of the office building in the City-Center complex in the central business district of Helsinki, and we also invested in property refurbishment, in particular by raising the energy efficiency of our properties.

Real estate investment is a late cycle business by nature, and the impact of developments in the economy is felt in the financial results of property companies after a delay of about one year. Despite this, I forecast that rents for business properties in the Helsinki metropolitan area will maintain their level better than is generally expected. I also forecast that the first half of 2010 will be a challenging period for Sponda’s leasing activities, that vacancy rates will rise early in the year, but that there will be a positive turn in the second half of the year.

During 2010, in addition to maintaining occupancy rates we will also be focusing our efforts on environmental responsibility. In 2009 we launched the Spondan 10+ scheme, in which we work with clients to improve energy usage in properties. Our goal is, together with the users of properties, to identify areas where energy savings can be made. Ten buildings of different ages and types, are participating in the pilot project, and one of these is Sponda’s own office building.”

Prospects

Sponda forecasts that the economic occupancy rate of the company’s business properties will continue to decline in the first part of 2010. The occupancy rate is expected, however, to start to pick up during 2010. Forecast is based on terminating lease agreements and on estimated GDP growth in 2010.

The net operating income in 2010 is estimated to be lower than that in 2009. The reasons for this decline are the planned property sales and the fall in the occupancy rates that began in 2009 and is continuing in the first half of 2010.

Confirmed losses of Sponda Kiinteistöt Oy

On 1 November 2007 in conjunction with the interim report, Sponda Plc announced that the tax authorities had decided to deviate from Sponda Kiinteistöt Oy’s (formerly Kapiteeli Oy) tax return for the tax year 2006 and deemed the Company’s taxable income to be EUR 192 million. The matter relates to Sponda Kiinteistöt Oy’s confirmed losses, which totalled approximately EUR 558 million for tax years 1996–1999.

In accordance with law, the Company’s losses shall not be deducted if over half of its shares change hands during the year when the losses occur or thereafter. However, the tax office performing the taxation may, for special reasons, grant the right to deduct losses regardless of the change in ownership. Kapiteeli Oy was granted exemptions for deducting losses on 29 September 2006 and 13 December 2006. Sponda Plc acquired all the shares in Kapiteeli Oy through a purchase completed on 14 December 2006.

However, when processing Sponda Kiinteistöt Oy’s 2006 tax return, the tax authorities deemed that the granted exemptions were not valid, since according to the tax authorities, Sponda Kiinteistöt Oy’s operations cannot be deemed to have continued as described in the exemption decision after the Company’s personnel transferred to the service of the parent company, Sponda Plc. In the Company’s view, the tax authorities’ position is erroneous, since the question is only of a transfer of salary payment to the group's parent company, while the Company's business operations continue unchanged.

Upon Sponda Kiinteistöt Oy's claim for adjustment, the Uusimaa Tax Assessment Adjustment Board unanimously amended the tax authorities' decision and approved the deductibility of the confirmed losses. On 14 September 2009, the Helsinki Administrative Court, by a vote of 2-1, approved the appeal of the decision of the Tax Assessment Adjustment Board lodged by the state official representing the interests of tax recipients. The Company has appealed the Administrative Court's decision to the Supreme Administrative Court. In accordance with the appeal directions given by the Administrative Court, the appeal to the Supreme Administrative Court requires a leave to appeal. According to the experts consulted by the Company, no leave for appeal is required, and in any case, there are grounds for granting leave to appeal in the matter. The experts consulted by the Company estimate that the Supreme Administrative Court's decision in the principal matter will be given by the summer of 2010.

The Uusimaa corporate tax office has amended the debiting of tax in 2006 for Sponda Kiinteistöt Oy by altogether EUR 53.8 million and the Tax Office for Major Corporations has adjusted the 2007 tax assessment of Sponda Kiinteistöt Oy by altogether EUR 59.7 million and the 2008 tax assessment by altogether EUR 26.4 million. The tax adjustments for 2006 - 2008 total EUR 131 million and corporate interest is EUR 8.9 million, altogether EUR 139.9 million. Penalty interest is calculated on the adjusted amounts and this is 7 % from 1 January 2010. Penalty interest is calculated for the 2006 tax as from 15 December 2009 and for 2007 and 2008 as from 21 January 2010.

However, because of the suspension order imposed by the Supreme Administrative Court and the decision on the ban on enforcing the tax taken by the Tax Office for Major Corporations, the company does not need to pay the taxes before a decision has been taken on the appeal against the ruling of the Administrative Court. Since the company does not need to pay taxes based on the decision of the Administrative Court, Sponda Kiinteistöt Oy is not recognizing a tax expense while the matter is unresolved but is stating the tax issue in the notes to the financial statements.

In the event the Supreme Administrative Court would not amend the Administrative Court's decision, the Company would incur a tax cost of approximately EUR 49.9 million for 2006, approximately EUR 55.8 million for 2007 and approximately EUR 25.3 million for 2008, i.e. a total of approximately EUR 131.0 million for 2006–2008, which amount the Company would have to pay. Sponda Kiinteistöt Oy's unused confirmed losses, which expire in 2009, amount to EUR 54.4 million, with a related tax receivable of approximately EUR 14.1 million. In addition the company would have to pay corporate interest of some EUR 8.9 million and penalty interest for the 2006 tax as from 15 December 2009 and for 2007 and 2008 as from 21 January 2010 until the payment date. The company has calculated that the corporate interest would amount to EUR 12.8 million.

Based on the statements of the experts it has consulted, Sponda Plc considers the Administrative Court's decision to be erroneous and that it is more likely that the Supreme Administrative Court will approve Sponda Kiinteistöt Oy's appeal than that the appeal would be rejected. In the event the Company would have to pay taxes based on the Administrative Court's decision, Sponda Kiinteistöt Oy will enter the tax expense and interest under expenses in the Group's interim report or financial statements immediately following the payment decision. If the tax expense of EUR 131.0 million and interest of EUR 8.9 million as well as 2009 tax of EUR 14.1 million had been paid in the January – December 2009 financial period, the consolidated profit for the period would have been EUR – 235.5 million and shareholders' equity EUR 959.6 million. If these expenses had been recognized, the corresponding figures for net assets per share would have been EUR 2.99, earnings per share EUR -1.02, cash flow from operations per share EUR -0.33 and equity ratio 32 %.

On 31 December 2009 Sponda had unused credit limits of altogether EUR 450 million.

Business conditions – Finland

According to preliminary estimates by the Institute for Real Estate Economics (KTI), property transactions with a total value of about EUR 1.5 billion were made in Finland in 2009, where in 2008 the figure for the same period was about EUR 4 billion. The current state of the market makes property a competitive investment, and the transaction market is expected to recover during 2010.

Rent levels fell slightly in the second half of 2009. The fall was more moderate in the central business and Ruoholahti districts of Helsinki than elsewhere.

Vacancy rates for business premises are thought to have risen towards the end of 2009. Economic recovery is forecast to begin during 2010. Since virtually no new properties came on the market in 2009, current vacancy rates are expected to go down as demand rises after 2010.

Business conditions – Russia

The global recession had a bigger impact on Russia in 2009 than on Finland. This was also reflected in the Russian property market, where hardly any property transactions took place and rents fell considerably. Vacancy rates rose up to 30 % in some areas and hardly any development projects were started because of tight financing situation.

According to expert assessments, the Russian economy has reached its lowest point, the volume of vacant premises is no longer increasing and demand is growing. Forecasts for the economy in 2010 are cautiously optimistic, and Russia is expected to recover more quickly than Western Europe thanks to the rising price of crude oil.

Sponda's operations in January – December 2009

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

Net operating income from all of Sponda's property assets totalled EUR 181.6 (166.8) million during the year. Office and retail premises accounted for 53 % of this, shopping centres for 17 %, logistics premises for 15 %, the Real Estate Funds unit for 6 % and Russia for 9 %. Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years was 1.40 % for office and retail properties, 4.66 % for shopping centres and -3.83 % for logistics properties. Rental growth is calculated in accordance with EPRA recommendations. All of Sponda's leasing agreements are tied to the cost of living index.

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

Type of property	**31.12.09**	30.9.09	30.6.09	31.3.09	31.12.08
Office and Retail, %	**87.9**	87.9	90.3	90.5	91.1
Shopping centres	**96.4**	97.3	97.1	97.8	96.7
Logistics, %	**74.5**	75.0	76.1	78.8	77.4
Russia, %	**88.2**	87.5	89.1	88.5	86.3
Total property portfolio, %	**86.6**	86.8	88.4	88.8	88.5

*Geographical area **	**31.12.09**	30.9.09	30.6.09	31.3.09	31.12.08
Helsinki Business District, %	**86.2**	85.5	91.3	91.1	90.4
Helsinki Metropolitan Area, %	**84.8**	85.6	85.7	86.8	86.6
Turku, Tampere, Oulu, %	**95.7**	95.4	96.0	96.1	97.4
Russia	**88.2**	87.5	89.1	88.5	86.3
Total property portfolio, %	**86.6**	86.8	88.4	88.8	88.5

*) Geographical areas changed from earlier reports.

Total cash flow from leasing agreements on 31 December 2009 was EUR 1,030 (1,060) million. Sponda had 1,996 clients and altogether 3,178 leasing agreements. The company's biggest tenants were the Public Sector (10.2 % of rental income), Kesko Group (6.2 % of rental income), Sampo Bank Plc (3.9 % of rental income) and HOK-Elanto (3.8 % of rental income). Sponda's 10 largest tenants generate about 32 % of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	**% of net rental**
Professional, scientific and technical activities	7.8 %
Energy	0.5 %
Public sector	10.2 %
Wholesale/retail	27.2 %
Education	0.9 %
Logistics/Transport	6.7 %
Media /Publishing	1.7 %
Hotel and catering business	3.9 %
Other services	8.1 %
Banking/Investment	10.4 %
Construction	2.2 %
Industry/manufacturing	6.8 %
Healthcare	4.0 %
Telecommunications	6.1 %
Others	3.3 %

The average length of all the leasing agreements was 4.4 (4.6) years. The average length of leasing agreements was 4.9 years for office and retail properties, 5.1 years for shopping centres and 2.9 years for logistics properties. A total of 120 new leases (26,500 m²) came into effect in October – December 2009, and 126 leases (55,400 m²) expired during this period. The lease agreements for Sponda's property portfolio expire as follows:

Expiry within	% of rental income
1 year	14.0
2 years	10.0
3 years	12.6
4 years	7.9

5 years	9.7
6 years	5.2
More than 6 years	26.5
Open ended	14.1

Property portfolio

On 31 December 2009 Sponda had a total of 198 properties, with an aggregate leasable area of about 1.5 million m². Of this some 52 % is office and retail premises, 9 % shopping centres and 36 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of 2009 an external evaluator assessed the value of Sponda's investment properties. The change in fair value in October – December was EUR -14.4 million (31 December 2008: EUR -17.5 million) and for the whole year EUR -175.1 (-44.9) million. In the final quarter of the year, the main factors affecting the fair value were the fall in market rents for properties and the increase in vacancy rates. The assessments were made by Catella Property Group in Finland and CB Richard Ellis in Russia, and their statements can be seen on the company's Internet site. The fair values of undeveloped land areas were assessed by Newsec. For the real estate funds, Jones Lang LaSalle and Kiinteistötaito Peltola & Co assessed the fair values of the properties owned by Sponda Fund I and Sponda Fund II at the end of 2009.

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

M€	**10-12/2009**	**1-12/2009**	**1-12/2008**
Changes in yield requirements (Finland)	-4.6	-54.7	-88.8
Changes in yield requirements (Russia)		-49.4	-4.3
Development gains on property development projects	-1.2	-1.2	34.4
Modernization investments	-7.1	-21.3	-26.6
Change in market rents and maintenance costs (Finland)	0.1	-8.4	34.4
Change in market rents and maintenance costs (Russia)	1.5	-26.9(**	-1.7
Change in currency exchange rates	-0.6	-5.0 (*	
Investment properties, total	**-11.7**	**-166.8**	**-52.6**
Real estate funds	-2.7	-8.3	7.7
Group, total	**-14.4**	**-175.1**	**-44.9**

**) change in value due to changes in exchange rates 6-12/2009*

***) includes changes in value due to changes in exchange rates 1-6/2009*

The changes in Sponda's investment property assets in 2009 were as follows:

Sponda's investment properties, M€	**Total**	**Office & Retail**	**Shopping centres**	**Logis-tics**	**Proper-ty develop ment**	**Russia**
Operating income	225.2	126.6	39.3	37.3	0.2	21.8
Maintenance costs	-56.8	-31.3	-8.0	-10.8	-1.2	-5.5
Net operating income	168.4	95.3	31.4	26.6	-1.0	16.4

Investment properties on 1 Jan. 2009, includ. cum. capitalized interest	2 915.5	1 460.6	541.6	462.8	189.1	261.3
Capitalized interest 2009	3.7	0.0	0.0	0.0	3.0	0.7
Acquisitions in 2009	0.0	0.0	0.0	0.0	0.0	0.0
Investments	53.4	14.4	13.2	0.8	23.5	1.4
Other transfers	2.0	1.2	-0.1	-1.2	2.0	0.0
Sales in 2009	-40.3	-4.2	0.0	-35.3	-0.8	0.0
Valuation gains/losses	-166.8	-46.2	-11.3	-30.9	3.6	-81.9
Fair value of investment properties at 31 December 2009	**2 767.5**	**1 425.8**	**543.6**	**396.1**	**220.6**	**181.4**
Change in fair value %	-5.7	-3.2	-2.1	-6.7	1.9	-31.3
*Annual net operating income / fair value at 31 December 2009 *)*	**6.9 %**	**6.7 %**	**6.6 %**	**6.7 %**		**10.1 %**
Weighted average yield requirement -% for entire portfolio	**7.19**	**6.67**	**6.12**	**8.11**		**11.48**
Weighted average yield requirement -% for portfolio - Finland	**6.87**					

**) Excluding property development*

Investments and divestments

Sponda sold investment properties during 2009 for a total value of EUR 40.3 million, with EUR 3.7 million of these being in the fourth quarter. No properties were purchased during the year.

Investments in property maintenance totalled EUR 21.3 million in 2009, with EUR 7.2 million of this in the fourth quarter. Altogether EUR 32.0 million was invested in property development during the year, with the final quarter accounting for EUR 5.9 million. This was mainly spent on the renovation of the City-Center complex in the centre of Helsinki and on the purchase of land for the Ratina shopping centre.

Office and Retail Properties

The economic occupancy rate for Office and Retail Properties was 87.9 % (31 December 2008: 91.1%). The property portfolio had a fair value on 31 December 2009 of EUR 1425.8 million, and the change in fair value from the beginning of 2009 was EUR -46.2 million. The leasable area of office and retail properties was some 770,000 m², and an estimated 80 % of this was office premises and 20 % retail premises. The unit's total revenue, net operating income and operating profit in the period were as follows:

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Total revenue	**31.9**	31.5	**129.0**	125.7
Net operating income	**23.6**	22.3	**96.3**	92.9
Operating profit	**14.2**	-0.5	**46.5**	47.7

During 2009 Sponda sold office and retail property for EUR 4.2 million. No properties were bought during the year. Capital expenditure on property maintenance amounted to EUR 15.5 million by the end of the year.

Sponda signed a binding agreement on 23 December 2009 to sell Koy Vanhajämerä to CapMan Hotels RE Ky for EUR 10 million. The 5,185 square metre property, which is currently in use as offices, is located in the Kamppi districy of Helsinki, at Albertinkatu street 36 and Lönnrotinkatu street 27. Sponda will record capital gains of EUR 1.2 million on the sale for the first quarter 2010.

Shopping Centres

The Shopping Centres had an economic occupancy rate of 96.4 % (96.7 %). The properties had a fair value of EUR 543.6 million, including a change in fair value of EUR -11.3 million in 2009. The shopping centres had a combined leasable area of about 140,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Total revenue	**10.3**	7.6	**39.3**	29.3
Net operating income	**8.7**	5.6	**31.4**	22.2
Operating profit	**8.4**	1.7	**18.7**	17.3

In 2009 investments by the segment totalled EUR 13.2 million. Apart from expenditure of EUR 0.7 million on maintenance, this was allocated to the Elo shopping centre, which opened on 1 April in Ylöjärvi.

Logistics Properties

The Logistics Properties had an economic occupancy rate of 74.5 % (77.4 %). The properties had a fair value at the end of 2009 of EUR 396.1 million, including a change in fair value of EUR -30.9 million. The logistics properties had a total leasable area of 530,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Total revenue	**8.7**	9.6	**38.6**	37.9
Net operating income	**5.6**	7.1	**27.4**	28.5
Operating profit	**0.6**	-3.1	**-4.5**	2.8

In 2009 Sponda sold logistics property for EUR 35.3 million.
No new properties were purchased in the period. Capital expenditure on property maintenance since the beginning of the year totalled EUR 0.8 million.

On 27 October 2009 Sponda and Metso Automation signed an agreement for production premises to be built in Hakkila, Vantaa. The new building, with a floor area of about 22,000 square metres, will be erected beside the Honkatalo logistics centre in Vantaa owned by Sponda at Vanha Porvoontie 229, Vantaa. The new building will be leased in its entirety to the Metso Automation business line with a long-term, 15 year lease. Sponda is also leasing to Metso some 12,000 square metres of office and warehouse premises in the adjacent Honkatalo office building. Almost the entire office building will be occupied by Metso. Sponda's total investment is estimated at about EUR 40 million.

Property Development

The balance sheet value of Sponda's property development portfolio at the end of 2009 was EUR 220.6 million. Of this, some EUR 90.4 million was in undeveloped land sites and the remaining EUR 130.2 million was tied up in property development projects in progress. Investments in property development and acquisitions during the year totalled EUR 23.5 million, and most of this was for the City-Center project and for the purchase of a land area relating to the Ratina shopping centre.

Sponda aims to obtain development gains of 15 % on the investment costs for projects. The property development business will activate during 2010. Sponda's product development business comprises new build projects and refurbishment of existing properties.

The City-Center project is moving on to the above ground floors. The next phase involves the construction of the office building starting in the inner court of the complex, and new retail premises will be built on the first and second floors of the retail complex and in place of the parking deck on the third floor. It is estimated that the City-Center renovation will be completed in 2012 and that the total investment will be some EUR 125 million.

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

Russia

At the end of the review period, the economic occupancy rate for the Russia unit was 88.2 % (86.3 %). The property portfolio had a fair value at the end of the year of EUR 181.4 million, and the change in the fair value from the beginning of 2009 was EUR -81.9 million. The fair value of the properties in Russia was assessed by CB Richard Ellis at the end of 2009.

Capital expenditure on property development and maintenance in 2009 totalled EUR 0.4 million.

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

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Total revenue	**4.9**	6.3	**21.8**	16.2
Net operating income	**3.5**	4.5	**16.4**	12.0
Operating profit	**1.8**	-3.1	**-70.4**	1.3

The typical length of a lease in Russia is 11 months. Sponda's leasing agreements in Russia also conform to this practice, apart from the Western Realty (Ducat II) and OOO Adastra properties in Moscow and St Petersburg where the leases are for longer periods than average. The average length of leasing agreements in Russia on 31 December 2009 was 3.0 years, and the leasing agreements expire as follows:

Expiry in	**% rental income**
1 year	40.3
2 years	2.8
3 years	17.2
4 years	2.5
5 years	14.9

6 years	2.3
More than 6 years	20.0

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

Real Estate Funds

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

The unit's total revenue (including management fees and share of fund profits), net operating income and operating profit in the period were as follows:

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Total revenue	**3,4**	2,5	**12,7**	13,2
Net operating income	**2,9**	2,0	**10,9**	11,3
Operating profit	**-1,4**	-1,1	**-3,6**	14,3

The management fees and share of profits for the funds were as follows:

M€	**10-12/2009**	10-12/2008	**1-12/2009**	1-12/2008
Management fees	**1.7**	2.3	**6.6**	8.5
Share of profit	**1.6**	0.0	**5.8**	4.7
	3.3	2.3	**12.4**	13.1

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

Sponda Real Estate Fund I Ky (Sponda's holding 46 %) invests in logistics sites outside the Helsinki metropolitan area. At the end of 2009 the properties it owned had a fair value of EUR 186.4 million.

Sponda Real Estate Fund II Ky (Sponda's holding 44 %) mainly invests in logistics properties in medium sized towns in Finland. The fund has a target size for its real estate investment of about EUR 200 million and the fair value of its property portfolio at the end of 2009 was EUR 95.8 million.

In addition to those mentioned above, Sponda is also responsible for managing the property portfolio, with a value of about EUR 280 million, sold in March 2007 to Whitehall Street Real Estate Limited and Niam Nordic Investment Fund III.

Cash flow and financing

Sponda's net cash flow from operations on in 2009 totalled EUR 96.0 million (31 December 2008: EUR 140.7 million). Net cash flow from investing activities was EUR -40.8 (-389.8) million and the net cash flow from financing activities was EUR -41.7 (238.0) million. Net financing costs in the period totalled EUR -65.0 (-75.1) million. Interest expenses of EUR 3.7 (12.4) million were capitalized.

Sponda's equity ratio on 31 December 2009 was 37 % (31 December 2008: 32 %) and gearing was 141 % (180 %). Interest-bearing debt amounted to EUR 1,597.8 (1,828.3) million and the average maturity of Sponda's loans was 2.4 (3.0) years. The the average interest rate was 3.7 % (4.6 %) including interest derivatives. Fixed-rate and interest-hedged loans accounted for 65 % of the loan portfolio. The average interest-bearing period of the whole debt portfolio was 1.8 (1.7) years. The interest margin, which describes the company's solvency, was 2.7 (2,1).

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

Sponda Group's debt portfolio on 31 December 2009 comprised syndicated loans with a nominal value of EUR 670 million, EUR 250 million in bonds, EUR 153 million in issued commercial papers, and EUR 527 million in loans from financial institutions. Sponda had EUR 450 million in unused credit limits. Sponda Group had mortgaged loans of EUR 141.3 million or 4.7 % of the consolidated balance sheet.

In December 2009 Sponda signed an agreement for a EUR 150 million unsecured 5-year loan with Nordea Bank Finland Plc. The margin on the loan corresponds to today's market rates and the terms and conditions of the loans are the same as with Sponda's other loans. The loan is being used in its entirety to repay existing debts and replaces short term credit facilities for the same amount that mature in March 2010.

Personnel and administration

During the review period Sponda Group had on average 135 employees (31 December 2008: 137), of whom 121 (125) worked for parent company Sponda Plc. On 31 December 2009 Sponda Group had altogether 134 (141) employees, of whom 120 (125) were employed in parent company Sponda Plc. Sponda has personnel in Finland and in Russia. Sponda's sales and administration costs in the period totalled EUR 22.0 million (31 December 2008: EUR 24.2 million).

Sponda's employees belong to an incentive bonus scheme, under which bonuses are indexed to the company's targets. The company operates a long-term share-based incentive scheme for its senior executives that was launched on 1 January 2006. Sponda's Board of Directors decided to continue the long-term share-based incentive scheme for its senior executives in 2009-2011. Those in the scheme are members of the company's Executive Board. Any bonuses under this scheme are based on cash flow from operations per share and on return on equity, and Sponda shares are bought with these bonuses. These shares carry a restriction forbidding their disposal within two years of their issue. The bonus is paid annually.

Group structure

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

The Sponda share and shareholders

The weighted average price of the Sponda share in 2009 was EUR 2.57. The highest quotation on NASDAQ OMX Helsinki Oy was EUR 3.93 and the lowest EUR 1.87. Turnover during the year totalled 233.1 million shares or EUR 599.2 million. The closing price of the share on 31 December 2009 was EUR 2.73, and the market capitalization of the company's share capital was EUR 758 million.

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

Sponda issued no flagging announcements in the October-December 2009 period.

On 31 December 2009 the company had altogether 9905 shareholders and its ownership structure was as follows:

	Number of shares	**Holding, %**
Public entities	18 281 780	6.6
Nominee registered	115 571 346	41.6
Financial and insurance institutions, total	9 663 461	3.5
Households	26 998 859	9.7
Private corporations, total	101 550 110	36.6
Non-profit organizations, total	3 934 727	1.4
Foreign owners, total	1 575 179	0.6
Total number of shares	277 575 462	100.0

Board of Directors and auditors

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

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

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

Martin Tallberg resigned from the Board of Directors of Sponda Plc as of 25 August 2009.

Committees of the Board of Directors

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

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

Management

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

Shareholders' Nomination Committee

Sponda Plc's Shareholders' Nomination Committee decided to propose to the Annual General Meeting on 17 March 2010 that the number of members of the Board of

Directors be confirmed as six and that the current members Klaus Cawén, Tuula Entelä, Timo Korvenpää, Lauri Ratia, Arja Talma and Erkki Virtanen be re-elected.

The Nomination Committee proposes to the AGM that for the term of office ending at the 2011 Annual General Meeting the members elected to the Board of Directors at the AGM be paid an annual fee that is the same amount as the fee paid for the term of office ending at the 2010 AGM: to the chairman a fee of EUR 60,000, to the deputy chairman a fee of EUR 36,000 and to the ordinary members a fee of EUR 31,200. In addition, the Nomination Committee proposes that each Board member is paid an attendance fee of EUR 600 per meeting, including the meetings of the Board committees. The Nomination Committee proposes that 40 % of the annual fee is paid in Sponda Plc shares to be acquired on the market. The shares will be acquired within two weeks of when the January – March 2010 interim report has been published.

Sponda's Board of Directors will include the proposals in the invitation to the AGM to be published at a later date.

The members of the Nomination Committee were the three largest shareholders on 2 November 2009:

Solidium Oy, Kari Järvinen
Ilmarinen Mutual Pension Insurance Company, Timo Ritakallio and
OP-Delta investment fund, Harri Nummela.

Environmental responsibility

The real estate sector plays a key role in fighting climate change and promoting the wellbeing of the environment, for it generates about one third of Finland's greenhouse gas emissions. Construction, repairs, and property maintenance and use all have an impact on the environment. The decision taken by Finland's government in October 2009 to reduce greenhouse gas emissions by 80 per cent by 2050 sets challenges for the property sector, and Sponda aims to respond to these.

Sponda made environmental responsibility a strategic priority in autumn 2009. Sponda is developing a wide range of solutions and procedures to raise the energy efficiency of properties and make them more environmentally friendly. Working with clients Sponda strives to find the best user-friendly means that also support clients in achieving their own environmental goals.

As a responsible property owner, it is important for Sponda to address the environmental impacts of its properties both during the project stage and when the property is in use. Sponda takes into account both the needs of its clients and environmental aspects when designing and constructing buildings and business premises. In 2009 Sponda launched the 10+ -scheme in which Sponda and its customers identify areas in a property where energy can be saved. In the pilot scheme there are 10 different types of properties of different age and Sponda's head office is one of them.

Events after end of period

In January 2010 Sponda Plc signed an extension agreement with Sampo Bank Plc for a 3-year loan of EUR 57.6 million. The agreement extends the short-term project loan that was originally taken for the Elo shopping centre. The margin on the loan corresponds to today's market rates and the terms and conditions of the loan are unchanged.

Prospects

Sponda forecasts that the economic occupancy rate of the company's business properties will continue to decline in the first part of 2010. The occupancy rate is expected, however, to start to pick up during 2010. Forecast is based on terminating lease agreements and on estimated GDP growth in 2010.

The net operating income in 2010 is estimated to be lower than that in 2009. The reasons for this decline are the planned property sales and the fall in the occupancy rates that began in 2009 and is continuing in the first half of 2010.

Risks and uncertainty factors in the near future

Sponda believes that the key risks and uncertainty factors in the current financial period arise from a delay in the expected recovery in the economy, and relate to a decline in economic occupancy rates, a reduction in market rents and a decline in rental income resulting from the insolvency of tenants.

The general economic situation in Finland and Russia may cause the solvency of Sponda's customers to weaken in 2010, which in turn may reduce Sponda's rental income and increase the vacancy rates in the properties owned by the company.

The differences between Russian and Finnish legislation and the way the authorities operate in the two countries may cause extra risks for Sponda. The operations in Russia increase Sponda's foreign exchange risk. Changes in exchange rates may cause exchange rate losses which have a negative impact on the company's financial result. The company hedges the currency denominated cash flow from Russia for the coming 6 months

Sponda may have to pay and record taxes relating to the confirmed losses of Sponda Kiinteistöt Oy during the current financial year. This would weaken the company's result and equity ratio.

A rapid and sharp rise in market interest rates in 2010 would increase Sponda's financial expenses, and would have a negative impact on the company's result.

Annual General Meeting and dividend

The Board of Directors of Sponda Plc proposes that the Annual General Meeting be held on 17 March 2010 and proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid.

5 February 2010
Sponda Plc
Board of Directors

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

Distribution:
NASDAQ OMX Helsinki
Media
www.sponda.fi

Sponda Plc

Consolidated income statement (IFRS)
Me

	10-12/2009	10-12/2008	**1-12/2009**	1-12/2008
Total revenue				
Rental income and recoverables	**56.4**	55.8	**230.3**	210,8
Interest income from finance leasing agreements	**0.1**	0.1	**0.3**	0,3
Fund management fees and share of fund profit	**3.3**	2.3	**12.4**	13,1
	59.8	58.2	**243.0**	224,3
Expenses				
Maintenance expenses	**-14.7**	-16.0	**-59.5**	-55,5
Direct fund expenses	**-0.5**	-0.5	**-1.9**	-2,0
	-15.2	-16.5	**-61.4**	-57,5
Net operating income	**44.6**	41.7	**181.6**	166.8
Profit/loss on sales of investment properties	**-0.2**	9.7	**0.3**	12.1
Valuation gains/losses	**-14.4**	-17.5	**-175.1**	-44.9
Amortization of goodwill	**0.0**	-13.0	**0.0**	-13.0
Profit/loss on sales of trading properties	**1.3**	15.7	**4.0**	21.5
Sales and marketing expenses	**-0.5**	-0.4	**-1.5**	-2.1
Administrative expenses	**-5.4**	-5.3	**-20.5**	-22.1
Share of result of associated companies	**-0.1**	-0.2	**0.0**	-0.4
Other operating income	**0.1**	-0.1	**0.8**	0.8
Other operating expenses	**-2.0**	-0.4	**-2.9**	-1.3
Operating result	**23.5**	30.2	**-13.3**	117.3
Financial income	**0.7**	-0.1	**2.1**	1.7
Financial expenses	**-16.1**	-19.9	**-67.2**	-76.7
Provision for interest expenses	**-**	-	**-**	-0.1
Financial income and expenses, net	**-15.4**	-20.0	**-65.0**	-75.1
Result before taxes	**8.1**	10.3	**-78.3**	42.2
Income taxes for current and previous fiscal years	**-1.3**	-1.1	**-3.2**	-1.3
Deferred taxes	**-0.5**	-4.4	**-0.1**	-11.8
Income taxes, total	**-1.7**	-5.5	**-3.3**	-13.1
Profit/loss for period	**6.3**	4.8	**-81.6**	29.2
Attributable to:				
Equity holders of the parent company	**6.4**	4.8	**-81.5**	29.3
Minority interest	**0.0**	-0.1	**-0.1**	-0.1

Earnings per share based on profit attributable to equity holders of the parent company:				
Basic and diluted,€	**0.02**	0.03	**-0.35**	0.16
Basic and diluted, attributable to equity holders, €	**0.01**	0.01	**-0.40**	0.13
Basic and diluted, attributable to holders of hybrid loan, €	**0.01**	0.02	**0.05**	0.03
Average number of shares, million				
Basic and diluted, million	**277.6**	178.0	**230.6**	178.0
Direct result	**17.4**	6.1	**67.4**	38.9
Indirect result	**-11.1**	-1.2	**-148.9**	-9.6
Statement of comprehensive income (IFRS)				
Profit/loss for period	**6.3**	4.8	**-81.6**	29.2
Other comprehensive income				
Net loss/profit from hedging cash flow	**5.4**	-37.2	**-10.4**	-39.9
Translation difference	**1.0**	-3.2	**0.7**	-2.0
Other items	**-**	0.1	**-**	0.1
Taxes on comprehensive income	**-1.7**	9.9	**2.4**	10.4
Other comprehensive income for period after taxes	**4.6**	-30.4	**-7.3**	-31.5
Comprehensive profit/loss for period	**11.0**	-25.6	**-88.9**	-2.3
Allocation of comprehensive profit/loss for period:				
Equity holders of parent company	**11.0**	-25.6	**-88.8**	-2.2
Minority interest	**0.0**	-0.1	**-0.1**	-0.1

Consolidated balance sheet (IFRS)
Me

	31.12.2009	31.12.2008	1.1.2008
ASSETS			
Non-current assets			
Investment properties	**2 767.5**	2 915.5	2 539.4
Investments in real estate funds	**56.2**	60.6	35.0
Property, plant and equipment	**14.3**	14.5	15.7
Goodwill	**14.5**	14.5	27.5

Other intangible assets	**0.0**	0.0	4.1
Finance lease receivables	**2.7**	2.7	2.7
Investments in associated companies	**2.8**	3.3	0.0
Long-term receivables	**7.4**	4.7	26.4
Deferred tax assets	**41.1**	56.6	56.9
Total non-current assets	**2 906.6**	3 072.5	2 707.7
Current assets			
Trading properties	**22.8**	29.5	37.2
Trade and other receivables	**31.6**	56.7	130.7
Cash and cash equivalents	**29.1**	16.0	27.4
Total current assets	**83.6**	102.3	195.3
Total assets	**2 990.2**	3 174.7	2 903.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity			
holders of parent company			
Share capital	**111.0**	111.0	111.0
Share premium fund	**159.5**	159.5	159.5
Translation differences	**-0.9**	-1.4	0.7
Fair value fund	**-27.4**	-19.7	9.8
Revaluation fund	**0.6**	0.6	0.6
Reserve for invested unrestricted equity	**412.0**	209.7	209.7
Other equity fund	**129.0**	129.0	-
Retained earnings	**328.0**	418.4	444.6
	1 111.7	1 007.1	935.9
Minority interest	**1.8**	1.8	2.2
Total shareholders' equity	**1 113.6**	1 008.9	938.1
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	**1 287.2**	1 543.8	1 056.4
Provisions	**0.0**	8.7	15.0
Other liabilities	**30.5**	26.3	0.0
Deferred tax liabilities	**193.8**	216.7	213.7
Total non-current liabilities	**1 511.4**	1 795.5	1 285.2
Current liabilities			
Current interest-bearing loans and borrowings	**310.6**	284.5	606.3
Trade and other payables	**54.5**	85.9	73.4
Total current liabilities	**365.2**	370.4	679.7

Total liabilities	**1 876.6**	2 165.8	1 964.8
Total shareholders' equity and liabilities	**2 990.2**	3 174.7	2 903.0
Interest-bearing liabilities	**1 597.8**	1 828.3	1 662.7

Consolidated statement of cash flows (IFRS)
Me

	1-12/2009	1-12/2008
Cash flow from operating activities		
Net profit/loss for the period	**-81.6**	29.2
Adjustments	**243.4**	134.6
Change in net working capital	**19.1**	49.8
Interest received	**1.2**	1.3
Interest paid	**-78.4**	-70.3
Other financial items	**-5.1**	-2.2
Dividends received	**0.0**	0.0
Dividends received from associated companies	**0.5**	-
Taxes received/paid	**-3.0**	-1.8
Net cash from operating activities	**96.0**	140.7
Cash flow from investing activities		
Investments in investment properties	**-77.2**	-466.7
Investments in real estate funds	**-3.9**	-16.3
Investments in tangible and intangible assets	**-0.3**	-0.8
Proceeds from sale of investment properties	**40.6**	93.9
Proceeds from sale of intangible and tangible assets	**0.0**	0.0
Repayment of loan receivables	**0.0**	-
Net cash from investing activities	**-40.8**	-389.8
Cash flow from financing activities		
Proceeds from share issue	**200.2**	-
Proceeds from equity bond	**-**	128.6
Non-current loans, raised	**91.2**	540.7
Non-current loans, repayments	**-248.0**	-140.4
Current loans, raised / repayments	**-73.7**	-235.4
Interest paid on equity bond	**-11.4**	-

Dividends paid	**-**	-55.5
Net cash from financing activities	**-41.7**	238.0
Change in cash and cash equivalents	**13.6**	-11.1
Cash and cash equivalents, start of period	**16.0**	27.4
Impact of changes in exchange rates	**-0.5**	-0.3
Cash and cash equivalents, end of period	**29.1**	16.0

Changes in Group shareholders' equity
Me

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity at 31 Dec. 2007	111.0	159.5	0.7	9.8	0.6	209.7
Impact of adopting IAS 23						
Adjusted equity 1 Jan. 2008	111.0	159.5	0.7	9.8	0.6	209.7
Comprehensive income in period			-2.0	-29.5		
Change						
Dividend payment						
Options implemented and paid as shares						
Equity at 31 December 2008	111.0	159.5	-1.4	-19.7	0.6	209.7

	Other equity reserve	Retained earnings	Total	Minority holding	Total shareholders' equity
Equity 31 Dec. 2007	-	441.3	932.6	2.2	934.8
Impact of adopting IAS 23		3.3	3.3		3.3
Adjusted equity 1 Jan. 2008	-	444.6	935.9	2.2	938.1
Comprehensive income in period		29.3	-2.2	-0.1	-2.3
Change	129.0		129.0	-0.3	128.7
Dividend payment		-55.5	-55.5		-55.5
Options implemented and paid as shares					0.0
Equity at 31 December 2008	129.0	418.4	1 007.1	1.8	1 008.9

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity 31 Dec. 2008	111.0	159.5	-1.4	-19.7	0.6	209.7
Comprehensive income in period			0.4	-7.7		
Change						202.3
Equity 31 December 2009	111.0	159.5	-0.9	-27.4	0.6	412.0

	Other equity reserve	Retained earnings	Total	Minority holding	Total shareholders' equity
Equity 31 Dec. 2008	129.0	418.4	1 007.1	1.8	1 008.9
Comprehensive income in period		-81.5	-88.8	-0.1	-88.9
Interest paid on equity bond		-8.4	-8.4		-8.4
Change		-0.5	201.8	0.2	202.0
Equity 31 December 2009	129.0	328.0	1 111.7	1.8	1 113.6

Notes to the consolidated financial statements

Accounting principles

This financial statements bulletin has been prepared in accordance with IAS 34, Interim Financial Reporting, applying those IFRS-standards and –intepretations that are valid 31 December 2009. More detailed information on the accounting principles can be found from Sponda Plc's financial statements for the year 2009. All the figures have been rounded, so the total of the individual figures may differ from the total amounts given. The figures in the financial statements bulletin have not been audited.

Assessment of impact of new standards and interpretations

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

IAS 23 Borrowing costs: The revised standard requires the borrowing costs arising from purchasing, building or manufacturing a qualifying asset to be immediately included in the acquisition cost of the asset. For Sponda, this mainly affects the construction projects of its property development activities. The company adopted the standard retroactively, as from 1 January 2006. Previously, borrowing costs have been recognized in the financial period in which they were incurred. The change in the accounting principles affects borrowing costs and the change in the fair value of property development projects in the income statement. The figures in the 2008 interim reports and financial statements have been adjusted accordingly. The impact on the retained earnings at 1 January 2008 is EUR 3.3 million, on the net profit for 2008 EUR 2.6 million, and on the 2008 earnings per share EUR 0.01.

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

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

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

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

Income statement by business areas
Me

Income statement 1-12/2009	**Office & Retail**	**Shopping centres**	**Logis-tics**	**Proper-ty develo pment**	**Russia**	**Funds**	**Other**	**Group total**
Total revenue	**129.0**	**39.3**	**38.6**	**1.4**	**21.8**	**12.7**	**0.0**	**243.0**

Maintenance expenses and direct fund expenses	-32.7	-8.0	-11.2	-2.2	-5.5	-1.9	0.0	-61.4
Net operating income	**96.3**	**31.4**	**27.4**	**-0.8**	**16.4**	**10.9**	**0.0**	**181.6**
Profit on sale of investment properties	0.3	0.0	1.4	0.0	0.0	0.0	0.0	1.6
Loss on sale of investment properties	-0.3	0.0	-1.1	0.0	0.0	0.0	0.0	-1.3
Profit/loss on sale of trading properties	3.0	0.0	0.0	1.1	0.0	0.0	0.0	4.0
Valuation gains and losses	-46.2	-11.3	-30.9	3.6	-81.9	-8.3	0.0	-175.1
Allocation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration and marketing	-6.6	-1.3	-1.3	-3.3	-3.4	-6.1	0.0	-22.0
Other operating income and expenses	0.1	-0.1	0.0	-0.6	-1.5	0.0	0.0	-2.1
Operating profit/loss	**46.5**	**18.7**	**-4.5**	**0.0**	**-70.4**	**-3.6**	**0.0**	**-13.3**
Financial income and expenses							**-65.0**	**-65.0**
Profit/loss before taxes							**-65.0**	**-78.3**
Income tax							**-3.3**	**-3.3**
Profit for the period							**-68.3**	**-81.6**
Capital expenditure	14.4	13.2	0.8	23.5	1.4	3.9	0.4	57.6
Segment assets	1 428.5	543.6	396.1	235.1	181.4	56.2	149.3	2 990.2

Income statement 1-12/2008	**Office & Retail**	**Shopping centres**	**Logis-tics**	**Proper-ty develo pment**	**Russia**	**Funds**	**Other**	**Group total**
Total revenue	**125.7**	**29.3**	**37.9**	**2.0**	**16.2**	**13.2**	**0.0**	**224.3**
Maintenance expenses and direct fund expenses	-32.8	-7.1	-9.4	-2.2	-4.1	-1.8	0.0	-57.5
Net operating income	**92.9**	**22.2**	**28.5**	**-0.1**	**12.0**	**11.3**	**0.0**	**166.8**
Profit on sale of investment properties	11.5	0.0	0.0	0.8	0.0	0.0	0.0	12.3
Loss on sale of investment properties	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	-0.2
Profit/loss on sale of trading properties	4.7	0.0	0.0	15.3	0.0	1.6	0.0	21.5
Valuation gains and losses	-53.8	-3.6	-23.6	34.5	-6.0	7.7	0.0	-44.9
Allocation of goodwill	0.0	0.0	0.0	-13.0	0.0	0.0	0.0	-13.0

Administration and marketing	-6.4	-1.3	-2.1	-3.4	-4.7	-6.3	0.0	-24.2
Other operating income and expenses	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	-0.9
Operating profit	**47.7**	**17.3**	**2.8**	**34.0**	**1.3**	**14.3**	**0.0**	**117.3**
Financial income and expenses							**-75.1**	**-75.1**
Profit before taxes							**-75.1**	**42.2**
Income tax							**-13.1**	**-13.1**
Profit for the period							**-88.2**	**29.2**
Capital expenditure	29.7	39.7	23.8	205.2	187.1	16.3	0.8	502.6
Segment assets	1 463.3	541.6	462.8	203.7	261.3	60.6	181.4	3 174.7

Geographical areas

31 December 2009	**Income**	**Assets**
Finland	221.2	2 808.8
Russia	21.8	181.4
Total	243.0	2 990.2

31 December 2008	**Income**	**Assets**
Finland	208.1	2 913.4
Russia	16.2	261.3
Total	224.3	3 174.7

Direct and indirect result

Direct result represents the result from the Group's core business. Direct result is calculated by adjusting the Consolidated Income Statement with, for example, changes in fair value of properties and financing instruments, profit/loss on sales of properties, amortization of goodwill and other income and expenses which the Company sees as non-direct items.

Me

	10-12/2009	10-12/2008	**1-12/2009**	1-12/2008
Direct result				
Net operating income	**44.6**	41.7	**181.6**	166,8
Marketing and administration	**-5.8**	-5.7	**-22.0**	-24,2
Other income and expenses for business operations	**-1.7**	-0.5	**-1.1**	0,0
Financial income and expenses	**-16.9**	-23.5	**-68.7**	-87,3
Taxes based on direct result	**-1.3**	-1.1	**-3.2**	-1,3

Deferred taxes based on direct result	**-1.5**	-4.9	**-19.1**	-15,2
Minority holding share of direct result	**0.0**		**0.0**	0,0
Total	**17.4**	6.1	**67.4**	38.9
Indirect result				
Profit/loss on sale of investment properties	**-0.2**	9.7	**0.3**	12,1
Valuation gains and losses	**-14.4**	-17.5	**-175.1**	-44,9
Amortization of goodwill	**0.0**	-13.0	**0.0**	-13,0
Profit/loss on sale of trading properties	**1.3**	15.7	**4.0**	21,5
Administration and marketing	**0.0**	0.0	**0.0**	0,0
Other income and expenses for business operations	**-0.3**	-0.3	**-1.0**	-1,0
Financial income and expenses	**1.5**	3.5	**3.7**	12,2
Taxes based on indirect result	**0.0**	0.0	**0.0**	0,0
Deferred taxes based on indirect result	**1.0**	0.5	**19.0**	3,4
Minority holding share of indirect result	**0.0**	0.1	**0.1**	0,1
Total	**-11.1**	-1.2	**-148.9**	-9.6

Investment properties
Me

	31.12.2009	31.12.2008
Fair value of investment properties, start of period	**2 915.5**	2 534.9
Impact of adopting IAS 23 on balance at start of period		4.5
Purchase of investment properties	**0.0**	210.6
Other capital expenditure on investment properties	**53.4**	275.0
Disposal of investment properties	**-40.3**	-82.8
Transfers to/from property, plant and equipment	**0.0**	1.3
Transfers from trading properties	**2.0**	14.7
Other transfers	**0.0**	-2.5
Capitalized equity expenses, increase in period	**3.7**	12.4
Valuation gains/losses	**-166.8**	-52.6
Fair value of investment properties, end of period	**2 767.5**	2 915.5

On 31 December 2009 Sponda had a total of 198 properties, with an aggregate leasable area of about 1.5 million m². Of this, some 52 % is office and retail premises, 9 % shopping centres and 36 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of 2009 Sponda's investment properties were assessed by external evaluators. The change in fair value in October-December was EUR -14.4 million (31 December 2008: EUR -17.5 million) and for the whole year EUR -175.1 (-44.9) million. In the final quarter of the year, the main factors affecting the fair value were the fall in market rents for properties and the increase in vacancy rates. The assessments were made by Catella Property Group in Finland and CB Richard Ellis in Russia, and their statements can be seen on the company's Internet site. The fair values of undeveloped land areas were assessed by Newsec. For the real estate funds, Jones Lang LaSalle and Kiinteistötaito Peltola & Co assessed the fair values of the property portfolios of Sponda Fund I and Sponda Fund II at the end of 2009.

The Group's most significant investment commitments

The City-Center project is moving on to the above ground floors. The next phase involves the construction of the office building starting in the inner court of the complex, and new retail premises will be built on the first and second floors of the retail complex and in place of the parking deck on the third floor. It is estimated that the City-Center renovation will be completed in 2012 and that the total investment will be some EUR 125 million.

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

On 27 October 2009 Sponda and Metso Automation signed an agreement for production premises to be built in Hakkila, Vantaa. The new building, with a floor area of about 22,000 square metres, will be erected beside the Honkatalo logistics centre in Vantaa owned by Sponda at Vanha Porvoontie 229, Vantaa. The new building will be leased in its entirety to the Metso Automation business line with a long-term, 15 year lease. Sponda is also leasing to Metso some 12,000 square metres of office and warehouse premises in the adjacent Honkatalo office building. Almost the entire office building will be occupied by Metso. Sponda's total investment is estimated at about EUR 40 million.

Property, plant and equipment
Me

	31.12.2009	31.12.2008
Carrying amount, start of period	**14.5**	15.7
Additions	**0.3**	0.8
Disposals	**-**	0.0
Reclassifications to/from investment properties	**-**	-1.3
Other transfers	**1.9**	-0.1
Depreciation for the period	**-0.5**	-0.6
Carrying amount, end of period	**14.3**	14.5

Trading properties	**31.12.2009**	31.12.2008
Me		
Carrying amount, start of period	**29.5**	37.2
Disposals and other changes	**-6.7**	-4.5
Increases		
Reclassifications to investment properties	**0.0**	-3.1
Carrying amount, end of period	**22.8**	29.5

Contingent liabilities
Collateral and commitments given by the Group
Me

	31.12.2009	**31.12.2008**
Loans from financial institutions, covered by collateral	141.3	50.3
Mortgages	269.2	109.2
Book value of pledged shares	17.5	17.0
Guarantees	0.0	57.6
Total collateral	286.7	183.8

Lease and other liabilities	**31.12.2009**	**31.12.2008**
Me		
Lease liabilities	103.3	44.6
Mortgages	3.0	3.0
Guarantees	16.2	7.3
Investment commitments to property funds	18.3	18.3

Interest derivatives	**31.12.2009**	**31.12.2008**
Me		
Swap contracts, notional value	1027.8	915.0
Swap contracts, fair value	-37.0	-27.0
Cap options purchased, notional value	512.5	187.5
Cap options purchased, fair value	3.6	1.0
Forward rate agreements, notional value	-	-
Forward rate agreements, fair value	-	-

Currency derivatives	**31.12.2009**	**31.12.2008**
Me		
Currency forward, notional value	-	5.1
Currency forward, fair value	-	0.0
Currency options, bought, notional value	4.9	-
Currency options, put, notional value	4.9	-
Net fair value of currency options	-0.1	-

Key figures

	10-12/09	10-12/08	**1-12/09**	1-12/08
Earnings per share, €	**0.02**	0.03	**-0.35**	0.16
Equity ratio, %			**37**	32
Gearing, %			**141**	180

Equity per share, €			**3.54**	4.93
Cash flow from operations per share, €	**0.07**	0.29	**0.45**	0.78
EPRA, NAV, net assets per share, €			**4.18**	6.04

Calculation of financial ratios

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

Related party transactions

The following transactions took place with related parties:

Rental income from state institutions and companies totalled EUR 22.3 million in 2009 (1-12/2008: EUR 23.9 million).

Management employee benefits	**31.12.2009**	**31.12.2008**
Salaries and other short-term employee benefits	2.2	2.3
Share-based payments	0.4	0.3
Total	2.6	2.6

Events after end of period

In January 2010 Sponda Plc signed an extension agreement with Sampo Bank Plc for a 3-year loan of EUR 57.6 million. The agreement extends the short-term project loan that was originally taken for the Elo shopping centre. The margin on the loan corresponds to today's market rates and the terms and conditions of the loan are unchanged.