Interim Report

1 January - 31 March 2009

sponda

Sponda Plc's interim report January – March 2009

Sponda Group's operations continued to grow strongly. Total revenue rose 17 % from the previous year to EUR 60.6 million (31 March 2008: EUR 51.9 million). Net operating income also rose 17 % to EUR 45.0 (38.2) million. The economic occupancy rate was 88.8 % (92.0 %).

The company's operating result, which includes a change in value of the investment properties of EUR -117.3 (12.6) million, was EUR -77.8 (46.5) million. The negative change in value was EUR -54.0 million for investment property in Finland and EUR –63.3 million for investment property in Russia. The fall in value of the properties was mainly due to changes in market yield requirements. The average yield requirement for Sponda's property portfolio at the end of the review period was 6.84 % (6.73 %) in Finland and 11.45 % in Russia.

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, IAS 1 Presentation of Financial Statements, IAS 40 Investment Properties and IFRS 8 Operating Segments. Their impacts are explained separately in the notes to this interim report.

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

- Total revenue grew to EUR 60.6 (51.9) million.
- Net operating income improved to EUR 45.0 (38.2) million.
- Operating result was EUR -77.8 (46.5) million. The fall in operating profit was due to changes in the value of property totalling EUR -117.3 million recognized in the first quarter.
- Profit after tax was EUR -91.9 (20.5) million.
- Earnings per share were EUR -0.83 (0.19).
- Cash flow from operations per share rose to EUR 0.18 (0.15).
- The fair value of investment properties amounted to EUR 2,802.8 (2,690.9) million.
- Net assets per share totalled EUR 6.98 (8.01).
- EPRA net assets per share were EUR 8.69 (9.69).
- Economic occupancy rate was 88.8 % (92.0 %).

Key figures

	1-3/09	1-3/08	1-12/08
Economic occupancy rate, %	**88.8**	92.0	88.5
Total revenue, M€	**60.6**	51.9	224.3
Net operating income, M€	**45.0**	38.2	166.8
Operating result, M€	**-77.8**	46.5	117.3
Earnings per share, €	**-0.83**	0.19	0.26
Cash flow from operations per share, €	**0.18**	0.15	0.78
Net assets per share, €	**6.98**	8.01	7.91
EPRA net assets per share, €	**8.69**	9.69	9.68

Equity ratio, %	**30**	30	32
Gearing, %	**199**	196	180

CEO Kari Inkinen

"Sponda's operating result remained strong in the first quarter of the year. Net operating income improved 17 %, which is extremely positive. The whole Group's economic occupancy rate improved slightly, which was contrary to expectations and overall market developments. In my opinion this is a strong demonstration of the strength of Sponda's property portfolio and of the company's market expertise. Demand for leasing premises remained at a reasonable level in the first months of the year, and forecasts of a rapid weakening of the leasing market have not been seen yet.

After the end of the review period we concluded negotiations to extend credit limits of EUR 250 million and for a EUR 82 million 5-year bank loan. The loans will secure the refinancing of Sponda's long-term loans until 2011. These successful financial arrangements show that Sponda is still seen as a reliable player in the market.

We continued to sell properties as planned, and during the first months of 2009 sold logistics properties for a total of EUR 38 million. Sponda intends to continue selling property to strengthen its balance sheet."

Prospects

Despite the fact that both rental levels and occupancy rates are expected to fall in the property market in 2009, Sponda forecasts that the company's net operating income will be higher than in 2008. The reasons for this are that during 2008 rent levels rose and several fully leased office and retail properties were completed and added to Sponda's investment property portfolio. Since major uncertainties still exist the financial and property markets in 2009, the company will not give any other guidance.

Business conditions – Finland

The transaction market in the property investment sector was quiet at the beginning of 2009. The Institute for Real Estate Economics (KTI) estimated that the total volume of property transactions in Finland during the first quarter was about EUR 300 million. Buyers were mainly Finnish institutional investors.

Finnish business cycle forecasts indicate that declining foreign trade will result in a sharp fall in the gross national product in 2009. As the national economy shrinks, forecasts for the property market indicate that vacancy rates will rise, as new properties have been completed and businesses require less space. It is expected that there will be pressure to reduce rental levels.

Business conditions – Russia

According to the Pohjola Bank, the forecast growth for Russia's gross national product in 2009 is -2.2 %, but this figure is expected to decline still further. The reduction in industrial output and the fall in the price of oil have been some of the biggest factors in these developments, in addition to the global financial crisis.

The global financial crisis has altered the Russian property market. Development projects have been suspended due to financing problems in the second half of 2008, and the buying and selling of completed properties has also slowed down.

Activity in the leasing market is expected to be lower in 2009 than in the previous year. Vacancy rates for high quality offices in the Moscow and St Petersburg regions rose during the first quarter. Rental levels fell considerably from the very high levels of 2008 for both office and retail premises.

Sponda's operations in January – March 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 were organized at the beginning of 2009 in four business units: Investment Properties, Property Development, Real Estate Funds, and Russia. Investment Properties –business unit was divided into three segments: Office and Retail properties, Shopping Centres and Logistics properties. Other segments are Property Development, Property Funds and Russia.

Net operating income from Sponda's property assets totalled EUR 45.0 million during the period (31.3.2008: EUR 38.2 million). Office and retail premises accounted for 54 % of this, shopping centres for 14 %, logistics properties for 16 %, the Real Estate Funds business unit for 6 % and Russia for 10 %. Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years was 6.7 % for office and retail properties, 6.8 % for shopping centres and -4.5 % for logistics properties. Rental growth is calculated in accordance with EPRA recommendations.

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

Type of property	**31.3.09**	31.3.08	31.12.08
Office and Retail, %	**90.5**	90.5	91.1
Shopping centres	**97.8**	94.3	96.7
Logistics, %	**78.8**	92.8	77.4
Russia, %	**88.5**	100.0	86.3
Total property portfolio, %	**88.8**	92.0	88.5

Geographical area	**31.3.09**	31.3.08	31.12.08
Helsinki Business District, %	**91.1**	90.9	90.4
Helsinki Metropolitan Area, %	**91.7**	90.3	92.5
HMA logistics, %	**77.5**	91.8	75.0
Rest of Finland, %	**92.2**	97.8	91.9
Total property portfolio, %	**88.8**	92.0	88.5

Total cash flow derived from leasing agreements on 31 March 2009 was EUR 1079 million (31 March 2008: EUR 855 million). Sponda had 1794 customers and altogether 3046 leasing agreements. The company's biggest tenants were the Finnish State (8.5 % of rental income), Sampo Bank Plc (6.2 % of rental income), Kesko Group (6.2 % of rental income) and HOK-Elanto (4.0 % of rental income). Sponda's 10 largest tenants generate just over 30 % of the company's total rental income. Sponda's tenants by sector were as follows:

Sector	**% of net rental**
Professional, scientific and technical activities	5.5 %
Energy	0.5 %
Public sector	10.3 %
Wholesale/retail	27.2 %
Education	0.9 %

Media /Publishing	2.0 %
Logistics/Transport	8.4 %
Hotel and catering business	4.6 %
Other services	7.9 %
Banking/Investment	11.7 %
Construction	2.8 %
Industry/manufacturing	6.0 %
Healthcare	4.0 %
Telecommunications	7.2 %
Others	1.2 %

The average length of all the leasing agreements was 4.6 (4.4) years. The average length of leasing agreements was 4.8 years for office and retail properties, 5.6 years for shopping centres and 3.4 years for logistics properties. A total of 166 new leases (99,000 m²) came into force in January – March 2009. About half of these were for new office and shopping centre properties completed at the end of 2008. During the January – March period 126 leases (60,000 m²) expired. The expired leases include the leases for the property sold during the review period. The lease agreements for Sponda's property portfolio expire as follows:

Expiry within	% of rental income
1 year	13.0
2 years	13.4
3 years	12.2
4 years	6.9
5 years	9.7
6 years	5.6
More than 6 years	25.5
Open ended	13.7

Property portfolio

On 31 March 2009 Sponda had a total of 206 properties, with an aggregate leasable area of about 1.5 million m². Of this, some 52 % is office and retail premises, 8 % shopping centres and 37 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of March 2009 Sponda's investment properties in Finland were assessed by Catella Property Group and the investment properties in Russia were assessed by Cushman & Wakefield. Their official statements, including the principles used for calculating the values, can be seen on Sponda's Internet site.

At the end of March, the change in the fair value of Sponda's investment properties was EUR -117.3 million (31 March 2008: EUR 12.6 million). The main factor in this change was the rise in the market yield requirements for properties. The assessment of the properties in Russia was verified for the first time by an external valuator. Economic growth in Russia slowed down considerably at the end of 2008, and this also brought pressure to bring down prices in the property market in the first quarter. At the end of the period Sponda's entire property portfolio had a fair value of EUR 2802.8 (2,690.9) million.

Value assessments were not made during the first quarter of 2009 of the properties owned by two real estate funds in which Sponda is a minority shareholder.

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

M€	**1-3/2009**	1-12/2008
Changes in yield requirements (Finland)	**-50.7**	-88.8
Changes in yield requirements (Russia)	**-49.4**	-4.3
Development gains on property development projects	**-**	34.4
Modernization investments	**-4.9**	-26.6
Change in market rents and maintenance costs (Finland)	**1.2**	34.4
Change in market rents and maintenance costs (Russia)	**-13.5**	-1.7
Investment properties, total	**-117.3**	-52.6
Real estate funds	**-**	7.7
Group, total	**-117.3**	-44.9

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

Sponda's investment properties, M€	**Total**	**Office & Retail**	**Shopping centres**	**Logis-tics**	**Property develop-ment**	**Russia**
Operating income	56.3	32.2	8.3	10.1	0.0	5.7
Maintenance costs	-14.7	-8.2	-2.0	-3.1	-0.1	-1.3
Net operating income	41.6	24.0	6.3	7.0	-0.1	4.4
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	0.9	0.0	0.0	0.0	0.7	0.2
Acquisitions in 2009	0.0	0.0	0.0	0.0	0.0	0.0
Investments	20.6	3.1	12.9	0.4	3.8	0.4
Other transfers	0.0	1.6	-0.1	-1.2	-0.3	0.0
Sales in 2008	-16.8	-0.4	0.0	-15.6	-0.8	0.0
Valuation gains/losses	-117.3	-31.4	-7.5	-14.9	-0.2	-63.3
Fair value of investment properties at 31 March 2009	**2 802.8**	**1 433.5**	**546.9**	**431.5**	**192.3**	**198.6**
Change in fair value %	-4.0	-2.1	-1.4	-3.2	-0.1	24.2
Annual net operating income/ fair value at 31 March 2009 (*	**6.7 %**	**6.7 %**	**5.3 %**	**6.5 %**		**9.8 %**
Yield requirement used in calculating fair value -%		5.3-10.0		6.65-8.9		11.0-13.0
Weighted average yield require-	**6.84**					**11.45**

ment for -% for entire portfolio

**) excluding property development*

Investments and divestments

Sponda sold investment properties during the first quarter of 2009 for a total value of EUR 16.8 million. No properties were bought during the quarter.

Investments in property maintenance totalled EUR 4.7 million in the first quarter. Altogether EUR 15.9 million was invested in property development in the January – March period. This was mainly allocated to finishing work on property development projects completed at the end of 2008 and on the renovation of the City-Center complex in Helsinki city centre.

Investment properties

Sponda's investment properties in Finland were transferred on 1 January 2009 to a single business unit, Investment Properties. The assets of the business unit were allocated to three segments: office and retail properties, shopping centres and logistics properties.

Office and Retail Properties

The economic occupancy rate for Office and Retail Properties was 90.5 % (31 March 2008: 90.5 %). On 31 March 2009, the property portfolio had a fair value of EUR 1,433.5 million, and the change in fair value compared to the beginning of 2009 was EUR -31.4 million. The leasable area of office and retail properties was some 780,000 m², and an estimated 80 % of this was office premises and 20 % retail premises. The unit's total revenue, net operating income and operating profit in the period were as follows:

Office and Retail, M€	**1-3/2009**	**1-3/2008**	**1-12/2008**
Total revenue	**32.8**	30.5	125.7
Net operating income	**24.1**	22.5	92.9
Operating profit	**-8.6**	24.2	47.7

In January – March 2009 Sponda purchased office and retail properties for EUR 0.9 million. No properties were sold in the period. Capital expenditure on property maintenance amounted to EUR 4.0 million by the end of March.

Shopping Centres

The Shopping Centres had an economic occupancy rate of 97.8 % (94.3 %). The properties had a fair value of EUR 546.9 million, including a change in fair value of EUR -7.5 million. The shopping centres had a combined area of about 110,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

Shopping centres, M€	**1-3/2009**	**1-3/2008**	**1-12/2008**
Total revenue	**8.3**	6.8	29.3
Net operating income	**6.3**	5.1	22.2
Operating profit	**-1.5**	5.6	17.3

On 20 December 2007 Sponda signed an agreement to purchase the Elovainio shopping centre under construction in Ylöjärvi from Rakennustoimisto Palmberg Oy. The centre

was completed on schedule, and it opened for business on 1 April 2009. The shopping centre has 24,500 square metres of leasable retail premises and parking for 850 cars. The property was purchased fully leased and the main tenant is the supermarket K-citymarket.

Logistics Properties

The Logistics Properties unit had an economic occupancy rate of 78.8 % (31 March 2008: 92.8 %).The decrease comes from the low occupancy level in the Vuosaari logistics centre. The properties had a fair value at the end of March of EUR 431.5 (351.9) million, including a change in fair value of EUR -14.9 million. The logistics properties had a total leasable area of 550,000 m². The unit's total revenue, net operating income and operating profit in the period were as follows:

Logistics, M€	**1-3/2009**	**1-3/2008**	**1-12/2008**
Total revenue	**10.4**	9.8	37.9
Net operating income	**7.2**	7.3	28.5
Operating profit	**-8.0**	6.0	2.8

In the January – March period Sponda sold logistics property for EUR 15.6 million. No new properties were purchased. Capital expenditure on property maintenance in the first quarter totalled EUR 0.4 million.

Property Development

The balance sheet value of Sponda's property development portfolio at the end of March 2009 was EUR 192.3 million. Of this, some EUR 81.5 million was in undeveloped land sites and the remaining EUR 110.8 million was tied up in property development projects in progress. Investments in property development and acquisitions during January – March 2009 totalled EUR 15.9 million. Most of this was costs relating to the completion of the Elovainio shopping centre.

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

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

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

Real Estate Funds

Sponda is a minority holder in three real estate funds, First Top LuxCo, Sponda Real Estate Fund I Ky and Sponda Real Estate Fund II Ky. Sponda is responsible for managing the funds and their properties, and receives management fees. The property portfolios of all the funds were valued by external evaluators at the end of December 2008.

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

Real Estate Funds, M€	**1-3/2009**	**1-3/2008**	**1-12/2008**
Total revenue	**3.1**	3.0	13.2
Net operating income	**2.6**	2.5	11.3
Operating profit	**1.1**	11.2	14.3

First Top LuxCo (Sponda's holding 20 %) invests in office and retail properties outside Finland's largest cities. At the end of March 2009 the fund's property investments had a fair value of EUR 107 million.

Sponda Real Estate Fund I Ky (Sponda's holding 46 %) invests in logistics sites outside the Helsinki metropolitan area. At the end of the first quarter of 2009 the properties the fund owned had a fair value of EUR 199 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 March 2009 was EUR 99.5 million.

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

Russia

At the end of the review period, the economic occupancy rate for the Russia unit was 88.5 % (31 March 2008: 100 %). The property portfolio had a fair value at the end of March of EUR 198.6 million, and the change in the fair value was EUR -63.3 million. The change in value was due mainly to the rise in market yield requirements. The trading currency for Russian property is mainly the US dollar, and for this reason the devaluation of the rouble has not had a direct impact on the fair values of property. The fair value of the properties was assessed at the end of March by Cushman & Wakefield, and the evaluation report can be seen on Sponda's website.

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

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

Russia, M€	**1-3/2009**	**1-3/2008**	**1-12/2008**
Total revenue	**5.7**	1.5	16.2
Net operating income	**4.4**	1.1	12.0
Operating profit	**-59.8**	0.5	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 March 2009 was 4.0 years, and the leasing agreements expire as follows:

Expiry in	% rental income
1 year	21.3
2 years	5.0

3 years	11.5
4 years	11.2
5 years	15.5
6 years	15.6
More than 6 years	19.9
Open ended	N/A

Sponda receives about half of its rental income in Russia in US dollars. About half is in roubles, and significant part 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 from Russian operations.

Cash flow and financing

Sponda's net cash flow from operations on 31 March 2009 totalled EUR 25.2 million (31 March 2008: EUR 35.7 million). Net cash flow from investing activities was EUR -13.5 (-144.1) million and after financing activities was EUR -14.1 (93.8) million. Net financial income and expenses during the quarter totalled EUR -19.0 (-18.5) million. Interest expenses of EUR -0.9 (-2.3) million were capitalized.

Sponda's equity ratio on 31 March 2009 was 30 % (31 March 2008: 30 %) and gearing was 199 % (196 %). Interest-bearing debt amounted to EUR 1,814.4 (1,757.9) million, the average maturity of Sponda's loans was 2.8 (2.9) years, and the average interest rate 3.6 % (4.5 %). Fixed-rate and interest-hedged loans accounted for 61 % of the loan portfolio. The average interest-bearing period of the whole debt portfolio was 1.8 (2.5) years. The interest margin, which describes the company's solvency, was 2.2 (2.0).

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 March 2009 comprised syndicated loans with a nominal value of EUR 800 million, EUR 259 million in bonds, EUR 188 million in issued commercial papers, and EUR 570 million in loans from financial institutions. Sponda had EUR 180 million in unused credit limits and EUR 10 million in unused account limits. The credit limits are a back-up line for the commercial papers. Sponda Group has mortgaged loans of EUR 54.1 million or 1.8 % of the company's balance sheet.

Personnel and administration

During the review period Sponda Group had on average 135 employees (31 March 2008: 133), of whom 120 (123) worked for the parent company Sponda Plc. On 31 March 2009 Sponda Group had altogether 134 (134) employees, of whom 120 (123) were employed in the parent company Sponda Plc. Sponda has personnel in Finland and in Russia. Sponda's sales and administration costs on 31 March 2009 totalled EUR 5.4 million (31 March 2009: EUR 5.7 million).

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

Group structure

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

The Sponda share and shareholders

The weighted average price of the Sponda share in January – March 2009 was EUR 2.63. The highest quotation on NASDAQ OMX Helsinki Oy was EUR 3.93, and the lowest EUR 1.87. Turnover during the first quarter totalled 33.3 million shares or EUR 86.7 million. The closing price of the share on 31 March 2009 was EUR 2.07, and the market capitalization of the company's share capital was EUR 230 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 January-March 2009 period.

On 31 March 2009 the company had altogether 8659 shareholders and its ownership structure was as follows:

	Number of shares	Holding, %
Public entities	2 278 340	2.1
Nominee registered	37 466 428	33.7
Financial and insurance institutions, total	2 475 795	2.2
Households	14 127 108	12.7
Private corporations, total	52 849 251	47.6
Non-profit organizations, total	1 604 999	1.4
Foreign owners, total	228 264	0.2
Total number of shares	111 030 185	100.0

Sponda Plc's Annual General Meeting

The Annual General Meeting of Sponda Plc was held in Helsinki on 25 March 2009. The meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year of 2008 and discharged the Board of Directors and the CEO from liability. The AGM approved the Board's proposal not to pay a dividend for the 2008 financial year.

The number of the members of the Board of Directors was confirmed as seven (7). The following were re-elected: Mr Klaus Cawén, Ms. Tuula Entelä, Mr. Timo Korvenpää, Mr. Lauri Ratia, Ms. Arja Talma and Mr Erkki Virtanen; and Mr. Martin Tallberg was elected as a new member, to serve on the Board of Directors until the close of the following AGM. All had given their consent to election.

The AGM confirmed that the monthly remuneration for the chairman of the board is EUR 5000, for the deputy chairman is EUR 3000, and for ordinary members EUR 2600. In addition the AGM confirmed that an attendance allowance of EUR 600 is paid to all members for each meeting. Travel expenses are refunded in accordance with the company's current travel policy.

APA Raija-Leena Hankonen and authorized public accountants KPMG Oy Ab, with APA Riitta Pyykkö as deputy auditor, were appointed as the company's auditors to serve until the close of the next AGM. It was decided that the auditor will be paid against invoice.

The AGM authorized the Board of Directors to decide on the acquisition of own shares using the company's free equity pursuant to the proposal of the Board of Directors. A maximum of 5,500,000 shares can be acquired in one or more tranches. The proposed maximum number corresponds to approximately five per cent of all shares of the company. The Board of Directors shall decide on other conditions for purchasing the company's own shares. The authorization is valid until the following Annual General Meeting. This authorization replaces the authorization given by the AGM on 19 March 2008.

The AGM authorized the Board of Directors to decide on a share issue and on the granting of special rights entitling to shares, pursuant to Chapter 10(1) of the Companies Act, in accordance with the proposal of the Board. A share issue may be effected by offering new shares or by the transfer of treasury shares. Based on this authorization, the Board of Directors is authorized to make a decision on a directed share issue in deviation from the shareholders' pre-emptive rights and on the granting of special rights subject to the conditions mentioned in the Companies Act.

Under the authorization, a maximum of 11.000.000 shares can be issued. The proposed maximum amount corresponds approximately to 10 per cent of all the current shares of the Company.

The Board of Directors can act on this authorization in one or several tranches. The Board of Directors can use the authorization to finance or carry out corporate acquisitions, to strengthen the company's capitalization, or for other purposes decided by the Board of Directors. The authorization may not, however, be used for implementing incentive schemes for the company's management or key personnel.

The Board of Directors is authorized to decide on other conditions of the share issues and for issuing special rights. The authorization is in force until the next Annual General Meeting. This authorization replaces the one given by the AGM on 19 March 2008 to decide on a share issue and on granting special rights entitling to shares.

The Annual General Meeting of the Shareholders resolved, on the proposition of the Company's largest shareholder Solidium Oy, to appoint a Nomination Committee to prepare proposals for the following Annual General Meeting concerning the company's board members and their remuneration. The Nomination Committee shall consist of the representatives of the three largest shareholders. In addition, the Chairman of the Board and one Board member, elected by the Board and independent of the largest shareholders, shall be appointed to the Nomination Committee. The three shareholders who hold the largest number of all the voting rights on the 2 November preceding the next Annual General Meeting shall have the right to appoint the members representing the shareholders. Should a shareholder not wish to exercise their nomination right, the right shall be transferred to the next largest shareholder. The largest shareholders will be determined by the shareholder information entered in the book-entry system, however in such a way that the holdings of a shareholder with an obligation, pursuant to the Finnish Securities Markets Act, to disclose information on certain changes in ownership (shareholder with disclosure obligation), for example holdings in several different funds, will be aggregated, if the shareholder notifies the Board of Directors in writing of his request to do so no later than 31 October 2009. The Nomination Committee shall be convened by the Chairman of the Board and the Committee appoints a chairman from among its members. The proposals of the Nomination Committee are to be submitted to the Board of Directors of the company at the latest on the 1 February immediately preceding the Annual General Meeting.

Board of Directors and auditors

Sponda's Board of Directors has seven members: Klaus Cawén, Tuula Entelä, Timo Korvenpää, Martin Tallberg, 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 Tuula Entelä, Timo Korvenpää, Lauri Ratia, Arja Talma and Klaus Cawén are independent of the company and of major shareholders and Erkki Virtanen and Martin Tallberg are 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.

Committees of the Board of Directors

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

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

Management

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

Tax authority decision

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

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

Environmental responsibility

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

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

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

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

Subsequent events

On 27 April 2009 Sponda Plc extended the credit limits that function as back-up financing for its commercial papers for a further 12 and 24 months. The agreements were extended with the current lenders such that EUR 150 million will mature in 12 months time and EUR 100 million in 24 months.

In addition, Sponda signed an agreement for a EUR 82 million secured credit facility with Helaba (Landesbank Hessen-Thűringen Girozentralen). The credit facility is for 5 years and it ensures that Sponda can refinance the bonds that mature in 2010.

The margin on the credit facilities corresponds to today’s market rates. The loan arrangements do not change Sponda’s financial expenses significantly. The covenants of the loans are the same as with the company’s other loans and the key covenants are linked to the equity ratio and the interest coverage ratio. After these arrangements Sponda has no other long-term loans that mature before spring 2011.

Sponda sold two logistics properties in Vantaa and a retail property in Joensuu for a combined total of some EUR 22 million to investment company owned by Mandatum Life Insurance Company Limited and Kaleva Mutual Insurance Company and to Sislin Oy. The sale of the properties has no impact on Sponda’s result.

Prospects

Despite the fact that both rental levels and occupancy rates are expected to fall in the property market in 2009, Sponda forecasts that the company’s net operating income will be higher than in 2008. The reasons for this are that during 2008 rent levels rose and several fully leased office and retail properties were completed and added to Sponda’s investment property portfolio. Since major uncertainties still exist the financial and property markets in 2009, the company will not give any other guidance.

Risks and uncertainty factors in the near future

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

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

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

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

7 May 2009
Sponda Plc
Board of Directors

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

Distribution:
NASDAQ OMX Helsinki
Media
www.sponda.fi

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

Sponda Plc

Consolidated income statement (IFRS)
M€

	1-3/2009	1-3/2008	1-12/2008
Total revenue			
Rental income and recoverables	**57.5**	48.8	210.8
Interest income from finance leasing agreements	**0.1**	0.1	0.3
Service income	**-**	-	-
Fund management fees and share of fund profit	**3.1**	3.0	13.1
	60.6	51.9	224.3
Expenses			
Maintenance expenses	**-15.2**	-13.1	-55.5
Service expenses	**-**	-	-
Direct fund expenses	**-0.4**	-0.6	-2.0
	-15.6	-13.7	-57.5
Net operating income	**45.0**	38.2	166.8
Profit/loss on sales of investment properties	**0.2**	0.4	12.1
Valuation gains/losses	**-117.3**	12.6	-44.9
Allocation of goodwill	**-**	-	-13.0
Profit/loss on sales of trading properties	**-0.2**	0.5	21.5
Sales and marketing expenses	**-0.3**	-0.5	-2.1
Administrative expenses	**-5.1**	-5.2	-22.1
Share of result of associated companies	**0.0**	-	-0.4
Other operating income	**0.2**	0.7	0.8
Other operating expenses	**-0.3**	-0.2	-1.3
Operating result	**-77.8**	46.5	117.3
Financial income	**0.4**	0.6	1.7
Financial expenses	**-19.3**	-19.0	-76.7
Provision for interest expenses	**-**	-0.1	-0.1
Financial income and expenses, net	**-19.0**	-18.5	-75.1
Profit before taxes	**-96.7**	28.1	42.2
Income taxes for current and previous fiscal years	**-0.3**	0.1	-1.3
Deferred taxes	**5.2**	-7.6	-11.8
Income taxes, total	**4.9**	-7.6	-13.1
Profit for period	**-91.9**	20.5	29.2
Attributable to:			
Equity holders of the parent company	**-91.9**	20.5	29.3
Minority interest	**0.0**	-	-0.1
Earnings per share based on profit attributable to equity holders of the parent company:			

Basic and diluted,€	**-0.83**	0.19	0.26
Basic and diluted, attributable to equity holders, €	**-0.85**	0.19	0.21
Basic and diluted, attributable to holders of hybrid bond, €	**0.03**	-	0.05
Average number of shares, million			
Basic and diluted, million	**111.0**	111.0	111.0
Comprehensive Income Statement			
Profit/loss for period	**-91.9**	20.5	29.2
Other comprehensive income			
Net loss/profit from hedging cash flow	**-17.6**	-12.3	-39.9
Translation difference	**3.8**	-2.3	-2.0
Other items	**-**	-	0.1
Taxes on comprehensive income	**2.8**	3.6	10.4
Other comprehensive income for period after taxes	**-11.0**	-11.0	-31.5
Comprehensive profit/loss for period	**-102.9**	9.5	-2.3
Allocation of comprehensive profit/loss for period:			
Equity holders of parent company	**-102.9**	9.5	-2.2
Minority interest	**0.0**	-	-0.1

Consolidated balance sheet (IFRS)
M€

	31.3.2009	31.12.2008	31.3.2008	1.1.2008
ASSETS				
Non-current assets				
Investment properties	**2 802.8**	2 915.5	2 690.9	2 539.4
Investments in real estate funds	**63.5**	60.6	47.9	35.0
Property, plant and equipment	**14.7**	14.5	14.2	15.7
Goodwill	**14.5**	14.5	27.5	27.5
Other intangible assets	**0.0**	0.0	0.1	4.1
Finance lease receivables	**2.7**	2.7	2.7	2.7
Investments in associated companies	**2.8**	3.3	3.7	0.0
Long-term receivables	**3.9**	4.7	11.6	26.4
Deferred tax assets	**59.3**	56.6	55.1	56.9
Total non-current assets	**2 964.3**	3 072.5	2 853.8	2 707.7
Current assets				
Trading properties	**29.4**	29.5	89.0	37.2
Trade and other receivables	**42.0**	56.7	53.8	130.7
Cash and cash equivalents	**12.7**	16.0	12.7	27.4

Total current assets	**84.1**	102.3	155.5	195.3
Total assets	**3 048.4**	3 174.7	3 009.3	2 903.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity				
holders of parent company				
Share capital	**111.0**	111.0	111.0	111.0
Share premium fund	**159.5**	159.5	159.5	159.5
Translation differences	**0.6**	-1.4	-1.2	0.7
Fair value fund	**-32.7**	-19.7	0.7	9.8
Revaluation fund	**0.6**	0.6	0.6	0.6
Reserve for invested unrestricted equity	**209.7**	209.7	209.7	209.7
Other equity fund	**129.0**	129.0	-	-
Retained earnings	**325.9**	418.4	409.2	444.6
	903.7	1 007.1	889.6	935.9
Minority interest	**1.7**	1.8	1.6	2.2
Total shareholders' equity	**905.4**	1 008.9	891.2	938.1
Liabilities				
Non-current liabilities				
Interest-bearing loans and borrowings	**1 547.7**	1 543.8	1 210.3	1 056.4
Provisions	**0.3**	8.7	14.6	15.0
Other liabilities	**41.5**	26.3	0.0	0.0
Deferred tax liabilities	**207.6**	216.7	215.8	213.7
Total non-current liabilities	**1 797.1**	1 795.5	1 440.7	1 285.2
Current liabilities				
Current interest-bearing loans and borrowings	**266.6**	284.5	547.6	606.3
Trade and other payables	**79.3**	85.9	129.7	73.4
Total current liabilities	**345.9**	370.4	677.3	679.7
Total liabilities	**2 143.0**	2 165.8	2 118.0	1 964.8
Total shareholders' equity and liabilities	**3 048.4**	3 174.7	3 009.3	2 903.0
Interest-bearing liabilities	**1 814.4**	1 828.3	1 757.9	1 662.7

Consolidated statement of cash flows
M€

	1-3/2009	1-3/2008	1-12/2008
Cash flow from operating activities			
Net profit for the period	**-91.9**	20.5	29.2
Adjustments	**131.3**	12.4	134.6
Change in net working capital	**13.0**	16.5	49.8
Interest received	**0.1**	0.7	1.3
Interest paid	**-26.7**	-14.1	-70.3
Other financial items	**-0.6**	-0.4	-2.2
Dividends received	**0.5**	0.0	0.0
Taxes received/paid	**-0.5**	0.1	-1.8
Net cash from operating activities	**25.2**	35.7	140.7
Cash flow from investing activities			
Investments in investment properties	**-27.2**	-147.0	-466.7
Investments in real estate funds	**-2.9**	-2.0	-16.3
Investments in tangible and intangible assets	**-0.2**	-0.2	-0.8
Proceeds from sale of investment properties	**16.9**	5.1	93.9
Proceeds from sale of intangible and tangible assets			0.0
Repayment of loan receivables			-
Net cash from investing activities	**-13.5**	-144.1	-389.8
Cash flow from financing activities			
Proceeds from share issue			-
Proceeds from hybrid bond			128.6
Non-current loans, raised	**3.9**	157.5	540.7
Non-current loans, repayments	**-0.2**	-5.1	-140.4
Current loans, raised / repayments	**-17.8**	-58.6	-235.4
Dividends paid			-55.5
Net cash from financing activities	**-14.1**	93.8	238.0
Change in cash and cash equivalents	**-2.4**	-14.6	-11.1
Cash and cash equivalents, start of period	**16.0**	27.4	27.4
Impact of changes in exchange rates	**-0.9**	-0.1	-0.3
Cash and cash equivalents, end of period	**12.7**	12.7	16.0

Changes in Group shareholders' equity
M€

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity at 31 Dec. 2007	111.0	159.5	0.7	9.8	0.6	209.7
Impact of adopting IAS 23						
Adjusted equity 1 Jan.1 2008	111.0	159.5	0.7	9.8	0.6	209.7
Comprehensive income in period			-1.9	-9.1		
Decrease						
Dividend payment						
Options implemented and paid as shares						
Equity at 31 March 2008	111.0	159.5	-1.2	0.7	0.6	209.7

	Other equity reserve	Retained earnings	Total	Minority interest	Total shareholders' equity
Equity 31 Dec. 2007	-	441.3	932.6	2.2	934.8
Impact of adopting IAS 23		3.3	3.3		3.3
Adjusted equity 1 Jan. 2008	-	444.6	935.9	2.2	938.1
Comprehensive income in period		20.5	9.5		9.5
Decrease			0.0	-0.6	-0.6
Dividend payment		-55.5	-55.5		-55.5
Options implemented and paid as shares		-0.4	-0.4		-0.4
Equity 31 March 2008	-	409.2	889.6	1.6	891.2

	Share capital	Share premium reserve	Translation differences	Fair value reserve	Revaluation reserve	Invested non-restricted equity reserve
Equity 31 Dec. 2008	111.0	159.5	-1.4	-19.7	0.6	209.7
Comprehensive income in period			2.0	-13.0		
Decrease						
Equity 31 March 2009	111.0	159.5	0.6	-32.7	0.6	209.7
	111.0	159.5	0.6	-32.7	0.6	209.7

	Other	Retained	Total	Minority	Total

	equity reserve	earnings		interest	share-holders' equity
Equity 31 Dec. 2008	129.0	418.4	1 007.1	1.8	1 008.9
Comprehensive income in period		-91.9	-102.9		-102.9
Decrease		-0.6	-0.6	0.0	0.0
Equity 31 March 2009	129.0	325.9	903.7	1.7	905.4

Notes to the Group's interim report

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting principles and methods of calculation as those used for the 2008 financial statements. All figures have been rounded, so the total of the individual figures may differ from the total amounts presented. The figures in the interim report are unaudited.

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 Janury 2006. Previously, borrowing costs have been recognized in the financial period in which they were incurred. The change in the accounting principles affects borrowing costs and the change in the fair value of property development projects in the income statement. The figures in the 2008 interim reports and financial statements have been adjusted accordingly. The impact on the retained earnings at 1 January 2008 is EUR 3.3 million and on the net profit for 2008 EUR 2.6 million. The impact on the net profit for the period for comparison Q1 2008 has been EUR 1.7 million.

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

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

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

No deferred tax asset has been recognised from the loss between the acquisition cost and the fair value of the real estate if the real estate has been accounted for as an asset under IAS 12.15b and no deferred tax liability was recognised from the difference between the acquisition cost and the tax deductible value of the real estate initially at the time of the acquisition.

Income statement segment
M€

Income statement 1-3/2009	**Office & Retail**	**Shopping centres**	**Logistics**	**Property development**	**Russia**	**Funds**	**Other**	**Group total**
Total revenue	32.8	8.3	10.4	0.4	5.7	3.1	0.0	60.6
Maintenance expenses and direct fund expenses	-8.7	-2.0	-3.2	0.0	-1.3	-0.4	0.0	-15.6

Net operating income	**24.1**	**6.3**	**7.2**	**0.4**	**4.4**	**2.6**	**0.0**	**45.0**
Profit on sale of investment properties	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Loss on sale of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on sale of trading properties	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	-0.2
Valuation gains and losses	-31.4	-7.5	-14.9	-0.2	-63.3	0.0	0.0	-117.3
Allocation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration and marketing	-1.5	-0.3	-0.3	-0.9	-0.9	-1.5	0.0	-5.4
Other operating income and expenses	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
Operating profit	**-8.6**	**-1.5**	**-8.0**	**-1.0**	**-59.8**	**1.1**	**0.0**	**-77.8**
Capital expenditure	3.1	12.8	0.4	3.9	0.4	2.9	0.1	23.6
Segment assets	1 436.2	546.9	431.5	207.0	198.6	63.5	164.7	3 048.4

Income statement 1-3/2008	**Office & Retail**	**Shopping centres**	**Logistics**	**Property development**	**Russia**	**Funds**	**Other**	**Group total**
Total revenue	**30,5**	**6,8**	**9,8**	**0,3**	**1,5**	**3,0**	**0,0**	**51,9**
Maintenance expenses and direct fund expenses	-8.0	-1.7	-2.5	-0.6	-0.4	-0.5	0.0	-13.7
Net operating income	**22.5**	**5.1**	**7.3**	**-0.3**	**1.1**	**2.5**	**0.0**	**38.2**
Profit on sale of investment properties	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Loss on sale of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on sale of trading properties	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5
Valuation gains and losses	3.0	0.9	-0.8	0.1	0.0	9.4	0.0	12.6
Administration and marketing	-1.6	-0.4	-0.5	-0.9	-1.1	-1.2	0.0	-5.7
Other operating income and expenses	-0.1	0.0	0.0	0.1	0.5	0.0	0.0	0.5
Operating profit	**24.2**	**5.6**	**6.0**	**-1.0**	**0.5**	**11.2**	**0.0**	**46.5**
Capital expenditure	12.8	0.4	19.6	55.3	65.6	12.9	0.0	166.6
Segment assets	1 475.0	409.8	351.9	340.4	144.0	47.9	240.3	3 009.3

Geographical areas

31 March 2009	**Income**	**Assets**

Finland	54.9	2 849.8
Russia	5.7	198.6
Total	60.6	3 048.4

31 March 2008	**Tuotot**	**Varat**
Finland	50.4	2 865.3
Russia	1.5	144.0
Total	51.9	3 009.3

Investment properties
M€

	31.3.2009	**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		210,6
Other capital expenditure on investment properties	20,6	275,0
Disposal of investment properties	-16,8	-82,8
Transfers to/from property, plant and equipment		1,3
Transfers from trading properties		14,7
Other transfers		-2,5
Capitalized equity expenses, increase in period	0,9	12,4
Valuation gains/losses	-117,3	-52,6
Fair value of investment properties, end of period	**2 802,8**	**2 915,5**

On 31 March 2009 Sponda had a total of 206 properties, with an aggregate leasable area of about 1.5 million m². Of this, some 52 % is office and retail premises, 8 % shopping centres and 37 % logistics premises. Some 3 % of the leasable area of the properties is located in Russia.

At the end of March 2009 Sponda's investment properties in Finland were assessed by Catella Property Group and the investment properties in Russia were assessed by Cushman & Wakefield. Their official statements, including the principles used for calculating the values, can be seen on Sponda's Internet site.

At the end of March, the change in the fair value of Sponda's investment properties was EUR -117.3 million (31 March 2008: EUR 12.6 million). The main factor in this change was the rise in the market yield requirements for properties. The assessment of the properties in Russia was verified for the first time by an external valuator. Economic growth in Russia slowed down considerably at the end of 2008, and this also brought pressure to bring down prices in the property market in the first quarter. At the end of the period Sponda's entire property portfolio had a fair value of EUR 2802.8 (2,690.9) million.

Value assessments were not made during the first quarter of 2009 of the properties owned by two real estate funds in which Sponda is a minority shareholder.

The Group's most significant investment commitments

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

Property, plant and equipment
M€

	31.3.2009	31.12.2008	31.3.2008
Carrying amount, start of period	14.5	15.7	15.7
Additions	0.2	0.8	0.2
Disposals	-	0.0	-
Reclassifications to/from investment properties	-	-1.3	-0.1
Other transfers	-	-0.1	-1.4
Depreciation for the period	-0.1	-0.6	-0.2
Carrying amount, end of period	14.7	14.5	14.2

Trading properties ***M€***	31.3.2009	31.12.2008	31.3.2008
Carrying amount, start of period	29.5	37.2	37.2
Disposals and other changes	-0.1	-4.5	0.7
Increases			51.1
Reclassifications to investment properties		-3.1	-
Carrying amount, end of period	29.4	29.5	89.0

Tax authority decision

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

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

Contingent liabilities
Collateral and commitments given by the Group
M€

	31.3.2009	31.3.2008	31.12.2008
Loans from financial institutions, covered by collateral	54.1	68.4	50.3
Mortgages	109.1	103.2	109.2

Book value of pledged shares	17.0	51.1	17.0
Guarantees	57.6	33.0	57.6
Total collateral	183.7	187.3	183.8

Lease and other liabilities	**31.3.2009**	**31.3.2008**	**31.12.2008**
M€			
Lease liabilities	99.8	46.0	44.6
Other liabilities		0.1	
Mortgages	2.9	2.7	3.0
Guarantees	13.4	0.0	7.3

Interest derivatives	**31.3.2009**	**31.3.2008**	**31.12.2008**
M€			
Swap contracts, notional value	915.0	660.0	915.0
Swap contracts, fair value	-44.5	0.9	-27.0
Cap options purchased, notional value	272.5	557.0	187.5
Cap options purchased, fair value	0.4	8.7	1.0
Forward rate agreements, notional value	-	-	-
Forward rate agreements, fair value	-	-	-

Currency derivatives			
M€			
Currency forward, notional value	2.6	-	5.1
Currency forward, fair value	-0.1	-	0.0
Currency options, bought, notional value	2.7	-	-
Currency options, put, notional value	2.7	-	-
Net fair value of currency options	0	-	-

Key figures

	1-3/09	1-12/08	1-3/08
Earnings per share, €	**-0.83**	0.26	0.19
Equity ratio, %	**30**	32	30
Gearing, %	**199**	180	196
Equity per share, €	**6.98**	7.91	8.01
Cash flow from operations per share, €	**0.18**	0.78	0.15
EPRA, NAV, net assets per share, €	**8.69**	9.68	9.69

Calculation of financial ratios

Ratio			Numerator	Denominator
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 5.5 million in January-March 2009 (1-12/2008: EUR 23.9 million).

Management employee benefits

	31.3.2009	31.3.2008	31.12.2008
Salaries and other short-term employee benefits	**0.4**	0.4	2.3
Share-based payments	**0.1**	0.1	0.3
Total	**0.5**	0.6	2.6

Events after the close of the period

On 27 April 2009 Sponda Plc extended the credit limits that function as back-up financing for its commercial papers for a further 12 and 24 months. The agreements were extended with the current lenders such that EUR 150 million will mature in 12 months time and EUR 100 million in 24 months.

In addition, Sponda signed an agreement for a EUR 82 million secured credit facility with Helaba (Landesbank Hessen-Thűringen Girozentralen). The credit facility is for 5 years and it ensures that Sponda can refinance the bonds that mature in 2010. The credit agreement strengthens Helaba’s operations in the Nordic market.

The margin on the credit facilities corresponds to today’s market rates. The loan arrangements do not change Sponda’s financial expenses significantly. The covenants of the loans are the same as with the company’s other loans and the key covenants are linked to the equity ratio and the interest coverage ratio. After these arrangements Sponda has no other long-term loans that mature before spring 2011.

Sponda sold two logistics properties in Vantaa and a retail property in Joensuu for a combined total of some EUR 22 million to investment company owned by Mandatum Life Insurance Company Limited and Kaleva Mutual Insurance Company and to Sislin Oy. The sale of the properties has no impact on Sponda’s result.