Interim Report

1.1.–31.3.2008

SPONDA

Sponda Plc’s interim report January – March 2008

Sponda Group’s total revenue in the first quarter of 2008 was EUR 51.9 million (31 March 2007: EUR 59.1 million). Net operating income after property maintenance costs and direct costs for funds was EUR 38.2 (40.4) million. The sale of an approximately EUR 400 million property portfolio on 31 March 2007 had a positive impact on the total revenue and net operating income in the 2007 figures for comparison.

Operating profit, including an upward revaluation of properties of EUR 12.6 (47) million, was EUR 46.5 (103.4) million. The revaluation of properties was due to the rising values of properties owned by real estate funds and to the increase in market rents. The economic occupancy rate of Sponda’s properties improved to 92.0 % (89.3 %).

Result of operations and financial position January – March 2008 (compared with same period in 2007):

- Total revenue was EUR 51.9 (59.1) million. The 2007 figure includes revenue from the approx. EUR 400 million property portfolio sold on 31 March 2007.
- Net operating income was EUR 38.2 (40.4) million.
- Operating profit was EUR 46.5 (103.4) million.
- Profit after tax was EUR 18.8 (57.7) million.
- Earnings per share were EUR 0.17 (0.58).
- Cash flow from operations per share was EUR 0.15 (0.34).
- The fair value of investment properties amounted to EUR 2,684.1 (2,251.0) million.
- Net assets per share totalled EUR 7.97 (8.10).
- EPRA net assets per share were EUR 9.63 (9.43).
- The economic occupancy rate rose to 92.0 (89.3) %.
- Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years was 6.88 % for office and retail property and 7.89 % for logistics property.

Key figures

	1-3/08	1-3/07	1-12/07
Economic occupancy rate, %	**92.0**	89.3	91.2
Total revenue, M€	**51.9**	59.1	210.9
Net operating income, M€	**38.2**	40.4	152.8
Operating profit, M€	**46.5**	103.4	256.7
Earnings per share, €	**0.17**	0.58	1.27
Cash flow from operations per share, €	**0.15**	0.34	0.81
Net assets per share, €	**7.97**	8.10	8.40
EPRA net assets per share, €	**9.63**	9.43	10.04
Equity ratio, %	**30**	36	32
Gearing, %	**197**	148	175

President and CEO Kari Inkinen

"Sponda's goal remains to grow in line with its previously published targets. During the first quarter of 2008, investments in the Property Development and Russia and the Baltic Countries business units made progress according to plan. Sponda is aiming to make annual investments in property development of EUR 150 million and in its investments in Russia to achieve a EUR 300-400 million property portfolio by the end of 2009.

Despite the uncertainty in the finance market and the decline in the economic situation in the USA, Sponda signed loan agreements during 2008 for EUR 350 million with similar loan margins as at the end of 2007. The company's long-term goal is to maintain the equity ratio at 33 %, and during 2008 Sponda's goal is to strengthen its solidity.

Leasing operations continued to be brisk and Sponda's economic occupancy rate improved to 92 %. I can be satisfied that the company's economic occupancy rate now stands at market level."

Prospects

Sponda expects its net operating income for 2008 to improve compared to the previous year. This estimate is based on the higher average rents and improved economic occupancy rate during 2007. A slight improvement in the economic occupancy rate compared to the end of 2007 is also forecast for 2008.

Earnings per share will improve in 2008 compared to the 2007 figure, after eliminating the changes made to fair value from the figures. Total capital of EUR 150 million will be allocated to property development in 2008. This, combined with anticipated increase in financing expenses, will probably result in cash flow from operations per share, including profits and losses on sales of properties, being slightly below that in 2007.

Business conditions

Finland's property market remained active in the first months of 2008. The Finnish Real Estate Federation estimated real estate investment at about EUR 2 billion during the first quarter of the year. Based on actual property transactions, it looks as if property prices are not falling in the Helsinki Metropolitan Area.

According to Catella Property Group, the vacancy rate for office premises in the Helsinki Metropolitan Area remained at 8 %. About 240,000 m² of new office premises are being built in the Helsinki Metropolitan Area, which is estimated to exceed demand for these premises and will cause the vacancy rate for offices to rise slightly in 2009. Office rents rose encouragingly during 2007 and are expected to continue to rise in 2008.

The vacancy rate for retail premises remains low, at 1.4 %. According to Catella, some 77,000 m² of new retail premises were completed in the Helsinki Metropolitan Area in 2007 and it is estimated that nearly 200,000 m² will be completed in 2008. The new premises are not expected to exceed demand and the vacancy rate should remain at a low level. Despite the high occupancy rate, rents are still rising very moderately.

The vacancy rate for logistics premises in the Helsinki Metropolitan Area is also low, at 2.4 %. New logistics premises to meet the demand will be completed during 2008. Market rents rose to some extent, mainly because of the new logistics buildings.

Sponda's operations in January – March 2008

Sponda owns, leases and develops business properties in Finland, mainly in the Helsinki Metropolitan Area and in the largest cities, and in Russia. Sponda's operations are organized in five business units: Office & Retail, Logistics, Property Development, Real Estate Funds, and Russia and the Baltic Countries.

Net operating income from Sponda's property assets totalled EUR 38.2 million in the first quarter of 2008 (31 March 2007: EUR 40.4 million). Office and Retail accounted for 72 % of this, Logistics for 19 %, Real Estate Funds for 6 %, and Russia and Baltic Countries for 3 %. Like-for-like rental growth during the past two years for the property portfolio that Sponda has owned for two years (portfolio does not include properties acquired with the Kapiteeli deal) was 6.88 % for office and retail property and 7.89 % for logistics property. Rental growth is calculated in accordance with EPRA recommendations.

The economic occupancy rate continued to improve and by type of property and geographical area was as follows:

Type of property	**31.3.08**	**31.3.07**	**31.12.07**
Offices and retail, %	**91.2**	89.3	91.0
Logistics, %	**92.8**	89.0	91.9
Russia and Baltic Countries	**100.0**	100.0	100.0
Total property portfolio, %	**92.0**	89.3	91.2
Geographical area	**31.3.08**	**31.3.07**	**31.12.07**
Helsinki Business District, %	**90.9**	86.7	90.6
Helsinki Metropolitan Area, %	**90.3**	89.1	90.2
HMA logistics, %	**91.8**	87.7	90.6
Other areas, %	**97.8**	98.0	96.9
Total property portfolio, %	**92.0**	89.3	91.2

Total cash flow derived from leasing agreements on 31 March 2008 was EUR 855 million (31 March 2007: EUR 768 million) and the average length of all the agreements was 4.4 (4.3) years. The average length of leasing agreements for office and retail properties was 4.7 years and for logistics premises it was 3.0 years. Sponda signed a total of 158 new leases (40,000 m²) during January – March 2008 and 72 leases (36,000 m²) expired. The lease agreements for Sponda's property portfolio expire as follows:

Expiry within	% of rental income
1 year	12.0
2 years	12.0
3 years	18.7
4 years	6.7
5 years	7.2
6 years	5.0
More than 6 years	23.4
Open-ended	15.0

Property portfolio

On 31 March 2008 Sponda had a total of 210 properties with an aggregate leasable area of about 1.4 million square metres. Of this 65 % are office and retail premises and 35 % logistics premises.

The fair values of Sponda's investment properties are confirmed based on the company's own calculations in which Sponda applies the yield method based on cash flow analysis. The assessment method meets the requirements of the IVS (International Valuation Standards). All the material used to calculate the fair values of the properties will be audited twice a year by a qualified independent assessor to ensure that the parameters used by Sponda and the values these have generated are consistent with market trends. During the first quarter Sponda's properties have not been audited by an independent assessor.

During January – March 2008 Sponda recorded change in fair value of EUR 3.3 million. The rise in the value of the properties was due to new leases and to the fall in the vacancy rate for properties. There was no rise in the value of Sponda's investment property portfolio resulting from a decline in yield requirements for the properties. At the end of the period the investment properties had a fair value of EUR 2,684.1 million (31 March 2007: EUR 2,251.0 million).

During the first quarter independent assessors revalued the properties owned by two real estate funds in which Sponda is a minority shareholder, and the combined valuation gains from assessing at fair value were EUR 9.3 million. The valuation was now done for the first time since the funds were set up.

Sponda's investment properties 1.1.-31.3.2008	**Group, total**	**Office & Retail**	**Logistics**	**Property Develop-ment**	**Russia & Baltic**
Operating income	48.9	37.3	9.8	0.3	1.5
Maintenance costs	13.2	9.7	2.5	0.6	0.4
Net operating income	35.7	27.6	7.3	-0.3	1.1
Fair value of investment properties at 1 Jan 2008	2 534.9	1 883.9	327.6	246.2	77.2
Acquisitions in 2008	90.1	7.0	18.6	0.0	64.4
Investments	63.8	6.2	1.0	55.3	1.2
Other transfers	-2.3	-13.4	5.4	5.6	0.0
Sales in 2008	-5.7	-5.7	0.0	0.0	0.0
Change in fair value	3.3	3.9	-0.8	0.1	0.0
Fair value of investment properties at 31 March 2008	**2 684.1**	**1 882.1**	**351.9**	**307.3**	**142.8**
Change in fair value %	0.1	0.2	-0.2	0.0	0.0
Annual net operating income/ fair value at 31 March 2008	**6.3 %**	**5.9 %**	**8.6 %**		**10.3 %**
Yield requirement used in calculating fair value -%		5.0-9.25	7.0-8.25		
Weighted average yield requirement for -% for entire portfolio	6.4 %				

Investments and divestments

During the January – March 2008 period Sponda purchased investment properties for altogether EUR 90.1 million and sold investment properties for EUR 6.1 million.

Capital expenditure allocated to property maintenance and improvements in quality levels in the first quarter amounted to EUR 8.5 million. Sponda invested EUR 55.3 million in property development. This was spent on renovating the City-Center complex in the centre of Helsinki, construction of the logistics centre at Vuosaari Harbour, and on the retail premises in the Itäkeskus district of Helsinki and the office properties in the Ruoholahti and Sörnäinen districts of Helsinki.

Office and retail properties

The economic occupancy rate for the Office and Retail Property unit improved slightly, to 91.2 % (31 March 2007: 89.3 %). The property had a fair value on 31 March 2008 of EUR 1,882.1 million. Change in fair value of properties since the beginning of 2008 amounted to EUR 3.9 million. The property portfolio had a leasable area of about 870,000 m², with office premises accounting for an estimated 75 % of this and retail properties for 25 %. The unit's total revenue, net operating income and operating profit during the quarter were as follows:

Office and retail, M€	**1-3/2008**	**1-3/07**	**1-12/07**
Total revenue	**37.3**	44.4	154.4
Net operating income	**27.6**	31.0	113.8
Operating profit	**29.8**	81.3	197.4

During the first quarter of 2008 Sponda sold office and retail property for EUR 6.1 million. Capital expenditure on property maintenance totalled EUR 6.2 million by the end of March.

Sponda announced in December 2007 of the acquisition of a shopping center Elovainio in Ylöjärvi, near Tampere for EUR 62 million. The property is currently under construction and the purchase price will be paid once the building is ready. The construction work is underway and the proceeding as planned and the building is scheduled to be completed in spring 2009. The shopping centre will have about 24,500 m² of leasable retail premises and parking for 850 cars. The building is fully leased and the main tenant will be K-Citymarket.

Logistics property

The economic occupancy rate for the Logistics Properties unit continued to improve, and on 31 March 2008 was 92.8 % (31 March 2007: 89.0 %). The property had a fair value of EUR 351.9 million, and change in fair value since the beginning of 2008 were EUR -0.8 million including capital expenditure on property maintenance. The property portfolio had a leasable area of about 475,000 m². The unit's total revenue, net operating income and operating profit during the January-March period were as follows:

Logistics, M€	**1-3/08**	**1-3/07**	**1-12/07**
Total revenue	**9.8**	7.8	32.0
Net operating income	**7.3**	5.7	24.2
Operating profit	**6.0**	17.8	47.0

During the first quarter of 2008 Sponda purchased logistics property for EUR 18.6 million. No property was sold during the quarter. Capital expenditure on property maintenance totalled EUR 1.0 million during the quarter.

Property development

The balance sheet value of Sponda's property development portfolio at the end of March 2008 was EUR 307.3 million. Undeveloped land sites accounted for some EUR 100 million of this and the remainder, EUR 207.3 million, was tied up in property development projects in progress. During the first quarter EUR 55.3 million was spent on developing properties and new purchases. The company has not made assessments of development projects that are still in progress.

The phase of the City-Center project that includes construction of the Kaivokatu street-level premises and station tunnel premises was completed in April 2008. The next phase, construction of the underground service facilities for the city centre service tunnel, got underway early in 2008. The renovation of the City-Center complex is expected to be completed in 2011 and the total investment is estimated at some EUR 110 million.

Construction of the logistics area, gatehouse building, car park building and passenger terminal at Vuosaari Harbour is progressing on schedule. About one quarter of the premises has been leased, as was expected for this stage of the project. The project will have a total investment value of roughly EUR 140 million, of which the first phase due for completion towards the end of 2008 accounts for EUR 100 million. The harbour will start operations in November 2008. Sponda is responsible for developing, leasing and managing all the premises that it owns.

Construction of the retail property in the Itäkeskus district in Helsinki is proceeding on schedule. Construction of the interior started in spring 2008. The total investment value for the retail property will be about EUR 56 million and it will have a leasable area of 21,500 m^2. The property has been leased in its entirety to HOK-Elanto and will be completed by the end of 2008.

Construction of the office building at Porkkalankatu 22 in the Ruoholahti district of Helsinki is progressing according to plan. The investment value of the project will be about EUR 29 million and it will have a leasable area of 13,500 m^2. The building has been fully leased, and it will be completed in autumn 2008. The main tenants will be Altia and Diacor.

Sponda started construction of an office building at Lautatarhankatu 2 in the Sörnäinen district of Helsinki. The building is 51 % leased and its main tenant will be Tradeka Oy, which will move its head office into the new premises. The project will have a total investment cost of about EUR 22 million and the property will have a leasable area of 9,200 m^2. The estimated completion date is towards the end of 2008.

Sponda Plc and Sponda Kiinteistöt Oy (formerly Kapiteeli Oyj) were chosen in April 2006 as main contractors for the Ratina shopping centre in Tampere and for development projects in adjacent areas. Sponda is designing a 48,000 m^2 shopping centre for the area. The total investment cost is estimated at EUR 200 million. Planning of the project has started and construction is scheduled to start in autumn 2008.

In October 2007 the city government of Vaasa chose Sponda Plc to be its partner in developing the shopping centre planned to replace the disused bus station. The goal is for Sponda and the City of Vaasa to design and plan the land site for the shopping centre together. After the planning process, Sponda and the City of Vaasa will agree on the sale of the land site. It is hoped to obtain building rights of 40,000 m^2 for the land as well as parking space for 1,000 cars. The shopping centre will be completed at the earliest in 2010.

Real estate funds

Sponda is a minority holder in two real estate funds, First Top LuxCo and Sponda Real Estate Fund I Ky. Sponda is responsible for managing the funds and their properties, and receives management fees. During the first quarter independent assessors revalued the properties owned by these two funds, and the combined valuation gains from assessing at fair value were EUR 9.3 million. The valuation was now done for the first time since the funds were set up.

In February 2008 Sponda set up a new real estate fund, Sponda Real Estate Fund II Ky, which mainly invests in logistics properties in medium sized towns in Finland. During the first quarter, property was acquired for the fund for EUR 50 million, equity investments will be made in the fund during the second quarter of the year.

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

Real estate funds, M€	**1-3/08**	**1-3/07**	**1-12/07**
Total revenue	**3.0**	4.6	14.5
Net operating income	**2.5**	2.3	10.0
Operating profit	**11.2**	6.2	6.8

First Top LuxCo (Sponda's holding 20 %) invests in office and retail properties outside Finland's largest cities. At the end of March 2008 the fund's property investments had a fair value of EUR 109 million. The fair values of the properties owned by the fund were reviewed during the first quarter by an independent assessor, Peltola & Pulkkanen.

Sponda Real Estate Fund I Ky (Sponda's holding 46 %) invests in logistics sites outside the Helsinki Metropolitan Area. At the end of the review period the fair value of the fund's property investments was reviewed by an independent assessor, Jones Lang LaSalle, and the properties had a fair value of EUR 205 million. The fund reached its target size at the beginning of 2008.

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 and the Baltic Countries

Sponda is actively looking for properties for investment and development in the Russian and Baltic markets. At the end of March 2008 Sponda's property portfolio had a value of EUR 143 million. The unit's total revenue, net operating income and operating profit in January – March 2008 were as follows:

Russia & Baltic, M€	**1-3/08**	**1-3/07**	**1-12/07**
Total revenue	**1.5**	0.3	1.9
Net operating income	**1.1**	0.3	1.5
Operating profit	**0.5**	-0.3	-0.4

Sponda purchased two shopping centres in Moscow for USD 109 million in March 2008. Both shopping centres are fully leased. The Sun Paradise I shopping centre was purchased for USD 66 million, and has 9,000 m2 of leasable retail premises and parking for 242 cars. The price for Sun Paradise II was USD 43 million and this shopping centre has 6,500 m2 of leasable retail property and parking facilities for 120 cars.

The office property purchased by Sponda in Moscow in October 2007 has been completed. The work on the interior was finished and the opening ceremonies were held in April 2008. The negotiations with potential tenant are ongoing.

Cash flow and financing

Sponda's net cash flow from operations on 31 March 2008 totalled EUR 35.7 million (31 March 2007: EUR 191.3 million). Net cash flow from investing activities was EUR -144.1 (239.3) million and after financing activities was EUR 93.8 (-441.0) million.

Financial income and expenses during the quarter totalled EUR -20.8 (-25.3) million. Sponda's equity ratio on 31 March 2008 was 30 % (31 March 2007: 36 %) and gearing was 197 % (148 %). Interest-bearing debt amounted to EUR 1,757.9 (1,346.1) million, the average maturity of Sponda's loans was 2.9 (1.8) years and the average interest rate 4.5 % (4.6 %). Fixed-rate and interest-hedged loans accounted for 61 % of the loan portfolio. The average interest-bearing period of the whole debt portfolio was 2.5 (3.3) years. The interest margin, which describes the company's solvency, was 2.0 (1.9).

At the end of March Sponda Group's debt portfolio comprised EUR 650 million in syndicated loans, EUR 396 million million in bonds, EUR 264 million in issued commercial papers, and EUR 448 million in loans from financial institutions. Sponda has EUR 230 million in unused credit limits and an unused EUR 150 million committed long-term credit facility. Sponda Group has mortgaged loans of EUR 68 million, or 2.3 % of the company's balance sheet.

In February 2008 Sponda signed agreements with Swedbank for a 5-year EUR 100 million credit facility and with OKO Bank for a 7-year EUR 50 million credit facility.

In March 2008 Sponda also signed agreements with Danske Bank A/S, Helsinki Branch for a 7-year EUR 150 million facility and with Ilmarinen Mutual Pension Insurance Company for a 7-year EUR 50 million credit facility.

The margins on all the loans raised in the first quarter are in line with the loans raised in autumn 2007. The loans will be used to finance Sponda's property development investments and investments in Russia.

Personnel and administration

During the January-March period Sponda Group had on average 135 employees (220 in the corresponding period of 2007), of whom 125 (132) worked for the parent company Sponda Plc. On 31 March 2008 Sponda Group had altogether 136 (220) employees, of whom 125 (136) 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 2008 totalled EUR 5.7 million (31 March 2007: EUR 7.3 million).

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

Group structure

Sponda reduced its holding in Ovenia Oy, which provides property management services, from 55 % to 45 % in January 2008. The purpose of the sale was to broaden the ownership base of Ovenia so as to further strengthen the growth and development of the company's business operations.

Sponda Group comprises the parent company and the subsidiary Sponda Kiinteistöt Oy (formerly Kapiteeli Oyj), as well as 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

The weighted average price of the Sponda share in the January-March 2008 period was EUR 7.77. The highest quotation on the Helsinki Stock Exchange was EUR 8.70 and the lowest EUR 6.61. Turnover during January-March totalled 25 million shares or EUR 195 million. The closing price of the share on 31 March 2008 was EUR 8.27, and the market capitalization of the company's share capital was EUR 918 million.

The Annual General Meeting on 19 March 2008 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 during the January-March period.

At the end of the review period on 31 March 2008 Sponda's ownership structure was as follows:

	Number of shares	% of total
The Finnish State	38 065 498	34.3
Other public entities	2 847 235	2.6
Nominee registered	60 146 199	54.2
Households	6 680 797	6.0
Non-profit organizations, total	1 372 622	1.2
Private corporations, total	926 825	0.8
Financial and insurance institutions, total	881 862	0.8
Foreign owners, total	109 147	0.1
Total number of shares	111 030 185	100.0

Annual General Meeting

The Annual General Meeting of Sponda Plc was held in Helsinki on 19 March 2008. The meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year of 2007 and discharged the Board of Directors and the CEO from liability. The AGM approved the Board's proposal to pay a dividend of EUR 0.50 per share. The record date for the dividend payment was 26 March 2008 and the dividend was paid on 2 April 2008.

The AGM approved the Board's proposal to amend Article 4 of the company's Articles of Association.

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 authorization is valid until 30 June 2009. This authorization replaces the authorization given by the AGM on 4 April 2007.

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. 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 authorization is in force until 30 June 2009. This authorization replaces the authorization for the assignment of treasury shares given by the AGM on 4 April 2007.

The AGM resolved, from the proposition of the Council of State's ownership steering department, representing the company's largest shareholder, the State of Finland, to appoint a Nomination Committee to prepare proposals for the following Annual General Meeting relating to the company's board members and their remuneration. The Nomination Committee shall consist of the chairman of the board as an expert member, as well as representatives of the three largest shareholders. The three shareholders who hold the largest shares of all the voting rights on the 3 November immediately preceding the next AGM are entitled to appoint the members representing the shareholders. If a shareholder does not wish to use their right of appointment, the right is transferred to the next largest shareholder. The largest shareholders will be determined from 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 spread among several different funds, will be aggregated, if the shareholder notifies the Board of Directors in writing of his request to do so by 31 October 2008 at the latest. The Nomination Committee is convened by the chairman of the board and the Committee elects a chairman from among its members. The Nomination Committee shall submit its proposals to the Board of Directors of the Company at the latest on the 2 February immediately preceding the Annual General Meeting.

Board of Directors and auditors

The number of the members of the Board of Directors was confirmed as six. The following were re-elected: Ms. Tuula Entelä, Mr. Timo Korvenpää, Mr. Lauri Ratia, and Ms. Arja Talma; and Mr. Klaus Cawén and Mr. Erkki Virtanen were elected as new members, 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 chairman of the board is paid a monthly remuneration of EUR 5,000, the deputy chairman a monthly remuneration of EUR 3,000, and ordinary members a monthly remuneration of EUR 2,600. 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 Kai Salli as principal auditor and APA Riitta Pyykkö as deputy auditor, were appointed as the company's auditors to serve until the close of the next AGM.

Committees of the Board of Directors

At its constitutive meeting after the AGM on 19 March 2008, the Board of Directors elected Lauri Ratia as its chairman and Timo Korvenpää as deputy chairman.

The following were elected members of the Audit Committee: Arja Talma was elected chairman and Timo Korvenpää and Erkki Virtanen were elected ordinary members.

The following were elected to the Structure and Remuneration Committee: Lauri Ratia was elected chairman and Tuula Entelä and Klaus Cawén were elected 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 Legal Affairs and Treasury, and the heads of the business units, in total eight persons.

Suit for payment

In a ruling issued on 11 January 2007, the Helsinki city court ordered Sponda Plc to pay interest, penal interest and court costs totalling roughly EUR 7.6 million to Sampo Bank Plc based on a credit agreement. Sponda appealed the decision to the Helsinki court of appeal on 9 February 2007.

Tax authority decision

Sponda declared 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. Sponda sent out a press release on the matter on 19 December 2007.

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

Subsequent events

On 11 April 2008, Sponda and the Port of Helsinki signed a contract to build the Vuosaari Harbour Service Center. The project will be carried out in three phases, and the total investment for the first phase will be about EUR 12 million. At present some 60 % of the premises in the Vuosaari Service Center have been leased, and the main tenants will be Multilink Oy and Steveco Oy.

Prospects

Sponda expects its net operating income for 2008 to improve compared to the previous year. This estimate is based on the higher average rents and improved economic occupancy rate during 2007. A slight improvement in the economic occupancy rate compared to the end of 2007 is also forecast for 2008.

Earnings per share will improve in 2008 compared to the figure for 2007 after eliminating from the figures the changes already implemented in fair value. Some EUR 150 million of capital will be allocated to property development in 2008. This, combined with anticipated increase in financing expenses, will probably result in cash flow from operations per share, including profits and losses on the sale of properties, being slightly below the figure for 2007.

Risks and uncertainty factors in the near future

Recognized risks in the property investment sector include the risks associated with the property market and the risks relating to property investments and capital expenditure. If they materialize these could weaken Sponda's financial result. Rising construction costs and delays in project schedules may increase the costs of property development. In Russia there are also risks relating to permit procedures that may have an impact on the schedules of property development projects.

Financing involves refinancing risks and loan agreements have an interest rate risk. The currently prevailing uncertainty in the finance market may mean that the capital needed to carry out Sponda's growth strategy will be less readily available. Sponda reduces the refinancing risk by using credit agreements of varying durations, employing a number of funding sources and maintaining the company's reputation as a trustworthy debtor. Risks from floating rate financing are reduced with interest hedging agreements. Expanding international operations increase Sponda's foreign exchange risk.

Sponda's operational risks are risks resulting from inadequate or defective internal processes or systems. They also include risks associated with the legal operating environment. Operational risks relate for example to the functionality of the company's information systems and to the permanence of its skilled employees.

6 May 2008
Sponda Plc
Board of Directors

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

Sponda Plc

Consolidated income statement (IFRS)
M€

	1-3/2008	**1-3/2007**	**1-12/2007**
Total revenue			
Rental income and recoverables	**48.8**	57.0	193,4
Interest income from finance leasing agree-ments	**0.1**	0.1	0,3
Service income	**-**	1.2	6,1
Fund management fees and share of fund profit	**3.0**	0.8	11,1
	51.9	59.1	210,9
Expenses			
Maintenance expenses	**-13.1**	-18.3	-55,2
Service expenses	**-**	-0.3	-1,4
Direct fund expenses	**-0.6**	-0.1	-1,5
	-13.7	-18.7	-58,1
Net operating income	**38,2**	40.4	152.8
Profit/loss on sales of investment properties	**0.4**	1.3	1.2
Valuation gains/losses	**12.6**	47.0	92.9
Profit/loss on sales of trading properties	**0.5**	21.6	35.6
Sales and marketing expenses	**-0.5**	-0.5	-2.0
Administrative expenses	**-5.2**	-6.8	-23.9
Other operating income	**0.7**	0.5	0.5
Other operating expenses	**-0.2**	-0.1	-0.4
Operating profit	**46.5**	103.4	256.7
Financial income	**0.6**	1.8	4.4
Financial expenses	**-21.3**	-27.1	-76.1
Provision for interest expenses	**-0.1**	-	-0.6
Financial income and expenses, net	**-20.8**	-25.3	-72.3
Profit before taxes	**25.7**	78.1	184.4
Income taxes for current and previous fiscal years	**0.1**	-	-0.4
Deferred taxes	**-7.0**	-20.4	-47.4
Income taxes, total	**-6.9**	-20.4	-47.8
Profit for period	**18.8**	57.7	136.6
Attributable to:			
Equity holders of the parent company	**18.8**	57.8	136.5
Minority interest	**-**	-0.1	0.1
Profit for period	**18.8**	57.7	136.6
Earnings per share based on profit attributable to equity holders of the parent company:			

Earnings per share, basic, €	**0.17**	0.58	1.27
Earnings per share, diluted,€	**0.17**	0.58	1.27
Average number of shares, million			
Basic	**111.0**	98.9	107.8
Diluted	**111.0**	98.9	107.8

Consolidated balance sheet (IFRS)
M€

	31.3.2008		**31.12.2007**	**31.3.2007**
ASSETS				
Non-current assets				
Investment properties	**2 684.1**		2 534.9	2 251.0
Investments in real estate funds	**47.9**		35.0	21.8
Property, plant and equipment	**14.2**		15.7	15.6
Goodwill	**27.5**		27.5	27.5
Other intangible assets	**0.1**		4.1	4.9
Finance lease receivables	**2.7**		2.7	2.7
Investments in associated companies	**3.7**		-	-
Long-term receivables	**11.6**		26.4	14.9
Deferred tax assets	**55.1**		56.9	65.8
Total non-current assets	**2 846.9**		2 703.2	2 404.2
Current assets				
Trading properties	**89.0**		37.2	60.4
Trade and other receivables	**53.8**		130.7	46.0
Cash and cash equivalents	**12.7**		27.4	13.2
Total current assets	**155.5**		195.3	119.6
Total assets	**3 002.4**		2 898.5	2 523.8
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	**-1.2**		0.7	0.1
Fair value fund	**0.7**		9.8	11.6
Revaluation fund	**0.6**		0.6	0.6
Reserve for invested unrestricted equity	**209.7**		209.7	209.7
Retained earnings	**404.2**	1)	441.3	407.1

	884.5	932.6	899.6
Minority interest	**1.6**	2.2	1.7
Total shareholders' equity	**886.1**	934.8	901.3
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	**1 210.3**	1 056.4	601.3
Provisions	**14.6**	15.0	16.5
Deferred tax liabilities	**214.1**	212.6	178.4
Total non-current liabilities	**1 439.0**	1 284.0	796.2
Current liabilities			
Current interest-bearing loans and borrowings	**547.6**	606.3	744.8
Trade and other payables	**129.7**	1) 73.4	81.5
Total current liabilities	**677.3**	679.7	826.3
Total liabilities	**2 116.3**	1 963.7	1 622.5
Total shareholders' equity and liabilities	**3 002.4**	2 898.5	2 523.8
Interest-bearing loans and borrowings	**1 757.9**	1 662.7	1 346.1

1) The dividend of EUR 55.5 million was deducted from retained earnings and recorded in 'Other liabilities' on 31 March 2008. The impact on the cash flow will be presented in the second quarter.

The dividend of EUR 44.4 million paid for 2006 is presented in the second quarter of 2007.

Consolidated statement of cash flows (IFRS)
M€

	1-3/2008	**1-12/2007**	**1-3/2007**
Cash flow from operating activities			
Net profit for the period	**18,8**	136,6	57,7
Adjustments	**14,1**	26,9	-28,3
Change in net working capital	**16,5**	135,1	177,1
Interest received	**0,7**	4,5	0,9
Interest paid	**-14,1**	-78,4	-19,3
Other financial items	**-0,4**	-13,7	3,7
Taxes received/paid	**0,1**	0,5	-0,5
Net cash from operating activities	**35,7**	211,5	191,3
Cash flow from investing activities			
Investments in investment properties	**-147,0**	-280,3	-34,2
Investments in real estate funds	**-2,0**	-15,6	-2,4
Investments in tangible and intangible assets	**-0,2**	-1,7	-0,7

Proceeds from sale of investment properties	**5,1**	277,9	276,1
Repayments of loan receivables	**-**	0,7	0,5
Net cash flow from investing activities	**-144,1**	-19,0	239,3
Cash flow from financing activities			
Proceeds from share issue	**-**	239,5	239,5
Non-current loans, raised	**157,5**	810,5	-
Non-current loans, repayments	**-5,1**	-371,9	-56,4
Current loans, raised/repayments	**-58,6**	-822,1	-624,1
Dividends paid	**-**	-44,7	-
Net cash from financing activities	**93,8**	-188,7	-441,0
Change in cash and cash equivalents	**-14,6**	3,8	-10,4
Cash and cash equivalents, start of period	**27,4**	23,6	23,6
Effects of changes in currency exchange rates	**-0,1**	-	-
Cash and cash equivalents, end of period	**12,7**	27,4	13,2

Changes in Group shareholders' equity
M€

	Share capital	**Share premium reserve**	**Translation differences**	**Fair value reserve**	**Revaluation reserve**
Equity at 31 Dec. 2006	79.3	159.5	-	2.3	0.6
Cash flow hedges:					
Amount taken to equity				11.1	
Amount recognized in income statement				1.2	
Reversed hedging instruments				0.2	
Increase			0.1		
Decrease					
Taxes on items recognized in equity or transferred from equity				-3.2	
Total income and expenses recognized directly in equity			0.1	9.3	
Profit for period					
Total income and expenses for the period			0.1	9.3	
Decrease					
Dividend payment					
Share issue	31.7				
Options implemented and paid as shares					
Equity 31 March 2007	111.0	159.5	0.1	11.6	0.6

	Invested non-restricted equity reserve	Retained earnings	Total	Minority interest	Total share-holders' equity
Equity 31 Dec. 2006	-	349.3	591.0	1.8	592.8
Cash flow hedging:					
Amount taken to equity			11.1		11,1
Amount recognized in income statement			1.2		1,2
Reversed hedging instruments			0.2		0,2
Increase			0.1		0.1
Decrease			-		-
Taxes on items recognized in equity or transferred from equity			-3.2		-3.2
Total income and expense recognized directly in equity			9.4		9.4
Profit for period		57.8	57.8	-0.1	57.7
Total income and expense for the period		57.8	67.2	-0.1	67.1
Decrease			-		-
Dividend payment			-		-
Share issue	209.7		241.4		241.4
Options implemented and paid as shares			-		-
Equity 31 March 2007	209.7	407.1	899.6	1.7	901.3

Changes in Group shareholders' equity					
M€	**Share capital**	**Share premium reserve**	**Trans-lation dif-ferences**	**Fair value reserve**	**Revalu-ation reserve**
Equity 31 Dec. 2007	111.0	159.5	0.7	9.8	0.6
Cash flow hedging:					
Amount taken to equity				-12.4	
Amount recognized in income statement					
Reversed hedging instruments				0,1	
Increase					
Decrease			-2.3		
Taxes on items recognized in equity or transferred from equity			0.4	3.2	
Total income and expense recogni-zed directly in equity			-1.9	-9.1	

Profit for period					
Total income and expense for the period			-1.9	-9.1	
Decrease					
Dividend payment					
Share issue					
Options implemented and paid as shares					
Equity 31 March 2008	111.0	159.5	-1.2	0.7	0.6

	Invested non-restricted equity reserve	**Retained earnings**	**Total**	**Minority interest**	**Total share-holders' equity**
Equity 31 December 2007	209.7	441.3	932.6	2.2	934.8
Cash flow hedging:					
Amount taken to equity			-12.4		-12,4
Amount recognized in income statement			-		-
Reversed hedging instruments			0.1		0,1
Increase			-		-
Decrease			-2.3		-2.3
Taxes on items recognized in equity or transferred from equity			3.6		3.6
Total income and expense recognized directly in equity			-11.0		-11.0
Profit for period		18.8	18.8		18.8
Total income and expense for the period		18.8	7.8		7.8
Decrease			-	-0.6	-0.6
Dividend paid		-55.5	-55.5		-55.5
Share issue			-		-
Options implemented and paid as shares		-0.4	-0.4		-0.4
Equity 31 March 2008	209.7	404.2	884.5	1.6	886.1

Notes to the Group's interim report

Accounting principles

The Group adopted on 1 January 2008 the IFRS 8 standard Operating Segments. Adopting the standard will affect the presentation of segment information. In other respects the accounting principles for the financial statements are the same as those used for the financial statements of 31 December 2007.

Income statement by business area

1-3/2008	**Office & retail**	**Logis-tics**	**Prop-erty devel-opment**	**Russia/ Baltic**	**Funds**	**Other**	**Group, total**
Total revenue	37.3	9.8	0.3	1.5	3.0	0.0	51.9
Maintenance expenses and direct fund expenses	-9.7	-2.5	-0.6	-0.4	-0.5	0.0	-13.7
Net operating income	**27.6**	**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	0.4
Loss on sale of investment properties	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	0.5	0.0	0.5
Valuation gains and losses	3.9	-0.8	0.1	0.0	9.4	0.0	12.6
Administration and marketing expenses	-2.0	-0.5	-0.9	-1.1	-1.2	0.0	-5.7
Other income and expenses	-0.1	0.0	0.1	0.5	0.0	0.0	0.5
Operating profit	**29.8**	**6.0**	**-1.0**	**0.5**	**11.2**	**0.0**	**46.5**

1-3/2007	**Office & retail**	**Logis-tics**	**Prop-erty devel-opment**	**Russia/ Baltic**	**Funds**	**Other**	**Group, total**
Total revenue	44.3	7.8	0.5	0.3	4.6	1.6	59.1
Maintenance expenses and direct fund expenses	-13.4	-2.1	-0.3	0.0	-2.3	-0.6	-18.7
Net operating income	**31.0**	**5.7**	**0.2**	**0.3**	**2.3**	**1.0**	**40.4**
Profit on sale of investment properties	1.3	0.0	0.0	0.0	0.0	0.0	1.3
Loss on sale of investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on sale of trading properties	17.1	0.0	0.0	0.0	4.5	0.0	21.6
Valuation gains and losses	34.3	12.7	0.0	0.0	0.0	0.0	47.0

Administration and marketing expenses	-2.4	-0.6	-0.8	-0.6	-0.6	-2.3	-7.3
Other income and expenses	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Operating profit	**81.3**	**17.8**	**-0.6**	**-0.3**	**6.2**	**-0.9**	**103.4**

Investment properties

	31.3.2008	31.12.2007	31.3.2007
Fair value of investment properties, start of period	**2 534.9**	2 455.1	2 455.1
Purchase of investment properties	**90.1**	115.1	3.2
Other capital expenditure on investment properties	**63.8**	138.9	17.5
Disposal of investment properties	**-5.7**	-277.0	-275.0
Transfers to/from property, plant and equipment	**0.1**	4.2	3.2
Transfers from trading properties	**-**	7.6	-
Other transfers	**-2.4**	-1.9	-
Valuation gains/losses	**3.3**	92.9	47.0
Fair value of investment properties, end of period	**2 684.1**	2 534.9	2 251.0

Investment properties are properties held by the company for the purpose of earning rental revenue or for capital appreciation. Sponda has chosen the fair value method to measure its investment properties, recognizing changes in their fair value in the income statement.
The fair values of Sponda's investment properties are confirmed based on the company's own calculations in which Sponda applies the yield method based on cash flow analysis. The assessment method meets the requirements of the IVS (International Valuation Standards). All the material used to calculate the fair values of the properties will be audited twice a year by a qualified independent assessor to ensure that the parameters used by Sponda and the values these have generated are consistent with market trends. During the first quarter Sponda's properties have not been audited by a independent assessor.

In January – March 2008 valuation gains from assessing Sponda's investment properties at fair value were EUR 3.3 million. The rise in the value of the properties was due to new leases and to the fall in the vacancy rate for properties. There was no rise in the value of Sponda's investment property portfolio resulting from a decline in yield requirements for the properties. At the end of the period the investment properties had a fair value of EUR 2684.1 million (31 March 2007: EUR 2251.0 million).

During the first quarter independent assessors assessed the fair value of the properties owned by two real estate funds in which Sponda is a minority shareholder, and the total valuation gains were EUR 9.3 million.

The Group's most significant investment commitments are in the following projects:

The phase of the City-Center project that includes construction of the Kaivokatu street-level premises and station tunnel premises was completed in April 2008. The next phase, construction of the underground service facilities for the city centre service tunnel, got underway early in 2008. The renovation of the City-Center complex is expected to be completed in 2011 and the total investment is estimated at some EUR 110 million

Construction of the logistics area, gatehouse building, car park building and passenger terminal at Vuosaari Harbour is progressing on schedule. About one quarter of the premises has been leased, as was expected for this stage of the project. The project will have a total investment value of roughly EUR 140 million, of which the first phase due for completion towards the end of 2008 accounts for EUR 100 million. The harbour will start operations in November 2008. Sponda is responsible for developing, leasing and managing all the premises that it owns.

Construction of the retail property in the Itäkeskus district in Helsinki is proceeding on schedule. Construction of the interior started in spring 2008. The total investment value for the retail property will be about EUR 56 million and it will have a leasable area of 21,500 m^2. The property has been leased in its entirety to HOK-Elanto and will be completed by the end of 2008.

Construction of the office building at Porkkalankatu 22 in the Ruoholahti district of Helsinki is progressing according to plan. The investment value of the project will be about EUR 29 million and it will have a leasable area of 13,500 m^2. The building has been fully leased, and it will be completed in autumn 2008. The main tenants will be Altia Corporation and Diacor Terveyspalvelut Oy.

Sponda started construction of an office building at Lautatarhankatu 2 in the Sörnäinen district of Helsinki. The building is 51 % leased and its main tenant will be Tradeka Oy, which will move its head office into the new premises. The project will have a total investment cost of about EUR 22 million and the property will have a leasable area of 9200 m^2. The estimated completion date is towards the end of 2008.

Sponda Plc and Sponda Kiinteistöt Oy (formerly Kapiteeli Oyj) were chosen in April 2006 as main contractors for the Ratina shopping centre in Tampere and for development projects in adjacent areas. Sponda is designing a 48,000 m^2 shopping centre for the area. The total investment cost is estimated at EUR 200 million. Planning of the project has started and construction is scheduled to start in autumn 2008.

In October 2007 the city government of Vaasa chose Sponda Plc to be its partner in developing the shopping centre planned to replace the disused bus station. The goal is for Sponda and the City of Vaasa to design and plan the land site for the shopping centre together. After the planning process, Sponda and the City of Vaasa will agree on the sale of the land site. It is hoped to obtain building rights of 40,000 m^2 for the land as well as parking space for 1000 cars. The shopping centre will be completed at the earliest in 2010.

Property, plant and equipment

	31.3.2008	31.12.2007	31.3.2007
Carrying amount, start of period	**15.7**	19.5	19.5
Additions	**0.2**	2.6	1.0
Disposals	**-**	-1.7	-1.5
Reclassifications to/from investment properties	**-0.1**	-4.2	-3.2
Other transfers	**-1.4**	-	-
Depreciation for the period	**-0.2**	-0.5	-0.2
Carrying amount, end of period	**14.2**	15.7	15.6

Trading properties

	31.3.2008	31.12.2007	31.3.2007
Carrying amount, start of period	**37.2**	231.1	231.1
Disposals and other changes	**0.7**	-186.3	-170.7
Additions	**51.1**	-	-
Reclassifications to investment properties	**-**	-7.6	-
Carrying amount, end of period	**89.0**	37.2	60.4

Sampo Bank Ltd's suit for payment

In its ruling, the Helsinki city court ordered Sponda Plc to pay interest, penal interest and court costs totalling EUR 7.6 million to Sampo Bank Plc based on a credit agreement. Sponda appealed the decision to the Helsinki court of appeal on 9 February 2007. The amount of Sampo Bank's suit for payment, EUR 7.6 million, was recognized as an expense under provisions in the 2006 financial statements. In 2007 EUR 0.6 million was recognized as an expense under provisions and in 2008 EUR 0.1 million, so the total provision is EUR 8.3 million on 31 March 2008.

Tax authority decision

Sponda declared 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. Sponda sent out a press release on the matter 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 Group
M€

	31.3.2008	**31.3.2007**
Loans from financial institutions, covered by collateral	**68.4**	15.1
Mortgages	**103.2**	0.2
Book value of pledged shares	**51.1**	143.5
Guarantees	**33.0**	16.5
Collateral, total	**187.3**	160.2
Lease and other liabilities	**31.3.2008**	**31.3.2007**
M€		
Lease liabilities	**1.9**	1.1
Other liabilities	**0.1**	0.1
Mortgages	**2.7**	2.3
Guarantees	**0.0**	0.0
Interest derivatives	**31.3.2008**	**31.3.2007**
M€		
Swap contracts, notional value	**660.0**	555.0
Swap contracts, fair value	**0.9**	3.8
Cap options purchased, notional value	**557.0**	557.0
Cap options purchased, fair value	**8.7**	11.2
Forward rate agreements, notional value	**-**	-
Forward rate agreements, fair value	**-**	-

Key indicators

	1-3/2008	1-12/2007	1-3/2007
Earnings per share, €	**0.17**	1.27	0.58
Equity ratio, %	**30**	32	36
Gearing, %	**197**	175	148
Equity per share, €	**7.97**	8.40	8.10
Cash flow from operations per share, €	**0.15**	0.81	0.34
EPRA NAV, net assets per share, €	**9.63**	10.04	-

Calculation of financial ratios

Earnings per share, €	=	Share of profit for the period attributable to equity holders of the parent company / 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 per share, €	=	Equity attributable to equity holders of parent company on 31 March / Adjusted number of shares on 31 March
Cash flow from operations/share €	=	(Operating profit -/+ Valuation gains and losses +/- Changes in provisions +/- Defined benefit pension expenses - Financial income & expenses affecting cash flow - Taxes affecting cash flow) / Average adjusted number of shares during the period
EPRA NAV, net assets per share, €	=	(Equity attributable to equity holders of parent company on 31 March + Deferred tax relating to the fair valuation of property and to property depreciation allowances - Goodwill relating to deferred tax liability) / Adjusted number of shares on 31 March

Related party transactions

The following transactions took place with related parties:

Rental income from state institutions and companies totalled EUR 6.4 million in the January – March 2008 period (1-12/2007: EUR 24.9 million).

Management employee benefits

	1-3/2008	1-12/2007	1-3/2007
Salaries and bonuses	**1.1**	2.3	0.4
Incentive bonuses	**-**	0.7	0.3
Share-based payments	**-**	0.2	-
Total	**1.1**	3.2	0.7

There were no outstanding loans receivable from key management on 31 March 2008 or 31 December 2007.

Members of the Board of Directors held 4600 shares and members of the Executive Board 107,981 shares on 31 March 2008 (31 December 2007: 3970 and 31,368 shares).

The Finnish State held 34.3 % of Sponda's shares on 31 March 2008 (31 December 2007: 34.3 %).

Events after the close of the period

On 11 April 2008, Sponda and the Port of Helsinki signed a contract to build the Vuosaari Harbour Service Center. The project will be carried out in three phases, and the total investment for the first phase will be about EUR 12 million. At present some 60 % of the premises in the Vuosaari Service Center have been leased, and the main tenants will be Multilink Oy and Steveco Oy.