Press Release
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Municipality Finance's share issue succeeds beyond expectations

Subscribing to Municipality Finance Plc's share issue was very active, and the issue succeeded beyond expectations. The total amount of subscriptions came to EUR 40.6 million, representing 12,698,002 shares. During the first subscription period, which ended on 25 March 2009, subscriptions were made to the amount of EUR 33.5 million, and during the second subscription period, which began right after the first and ended on 30 June 2009, subscriptions were made to the amount of EUR 7.1 million.

Extensive participation – municipalities of all sizes take part
The municipality sector as a whole participated very extensively in the issue. Most of the subscribers were municipalities, several limited liability companies, fully-owned by municipalities, also partook in it.

The total number of subscriptions was 191, of which 49 were made during the first subscription period and 142 during the second. Municipality Finance got 37 new shareholders in the issue, increasing the number of Municipality Finance's shareholders to 301. The population of the municipalities participating in the issue represents 79.5% of the entire Finnish population, and the average subscription amount relative to the municipalities' population was EUR 3.8.

Strong support for the funding system
"We are very positively surprised by the outcome of the issue and would like to extend a big thank you to all those who participated in it. In our view, an outcome as excellent as this represents a clear statement from the municipality sector in favour of a joint municipality funding system and, what is most exciting, shows strong commitment on the part of a very extensive group of municipalities. We are pleased that municipalities of different sizes all over Finland decided to take part in the share issue and, thus, strengthened Municipality Finance's position in the funding markets", states CEO **Pekka Averio.**

The excellent outcome of the issue strengthens Municipality Finance's capital adequacy, which needed improving under the current economic circumstances due to the sharply increased lending. "Our funding activities during the early part of the year were successful, which is a sign of appreciation of the Finnish system from international investors. Maintaining Municipality Finance's good credit rating is nevertheless a vital pillar for us as we raise funding from the international finance markets. This issue allows us to reinforce our position on the market and has thus secured an important source of funding for the Finnish municipalities for their activities under the challenging economic conditions", Averio estimates.

Municipality Finance Plc
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Municipality Finance Plc is a local government credit institution owned by Finnish municipalities, the Local Government Pensions Institution and the Government and is the parent company of the Municipal Finance Group. Municipality Finance Plc specialises in the funding of housing production. The company's mission is to ensure top-value financial services for its clients, to be efficient and to grow profitably. The Group's balance sheet totalled EUR 12,512 million on December 31, 2008. The company offers market-based funding to municipalities and municipal federations, to municipality-controlled entities and non-profit housing corporations. The company's funding, which is guaranteed by the Municipal Guarantee Board, is obtained from international capital markets and domestic investors. Funding provided by the company goes into social and non-profit service projects, such as schools, housing and hospitals. The Group includes Financial Advisory Services Inspira Ltd, which offers financial advisory services for investments, financial and asset arrangements, asset management and various analysis services.