Audiocast Presentation

Q1 2009

CITYCON

creating success for retailing

Contents

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Strategy

Citycon's strategy is:

- To concentrate on shopping centre business in Finland, Sweden and the Baltic countries.
- To manage and develop its shopping centres in a centralised manner, using Citycon's own, active and professional personnel working locally.
- To create success for retailing.
- To promote sustainable development in shopping-centre management and development.
- To reduce business risks with a strong balance sheet and cash flow combined with conservative financing policy.

Financial targets

GROWTH

DIVIDENDS

EQUITY RATIO

Continued expansion through property development and selective acquisitions

- Cumulative CAPEX since 2005 in excess of EUR 1.5 billion
- Main emphasis on organic growth

Solid distribution policy

Payout target 50 % of the result for the period after taxes excl. fair value changes on property

- For 2008 per-share dividend EUR 0.04 and return from invested unrestricted equity fund EUR 0.10
- EUR 0.14 distribution 6 years in a row

Strong balance sheet

Internal long – term equity ratio target 40 per cent

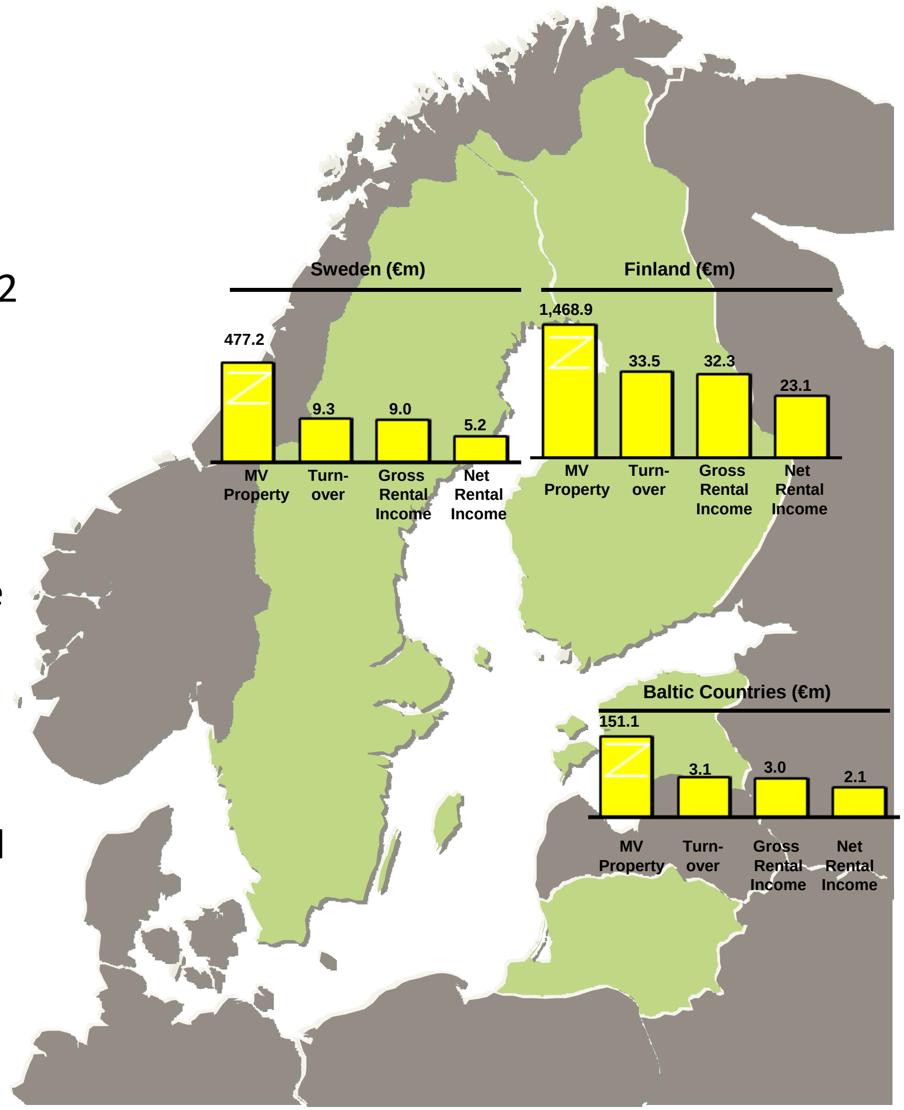
- Equity ratio 36.4 % as of 31 March 2009

Geographical overview

FINLAND
- 76.1% of total net rental income and 70.0% of the total portfolio by value
- Market leader with 24% market share; 22 shopping centers and 42 other retail properties

SWEDEN
- Net rental income 17.1 % of Citycon's total NRI and 22.8% of property by value
- Citycon's largest development project Liljeholmstorget

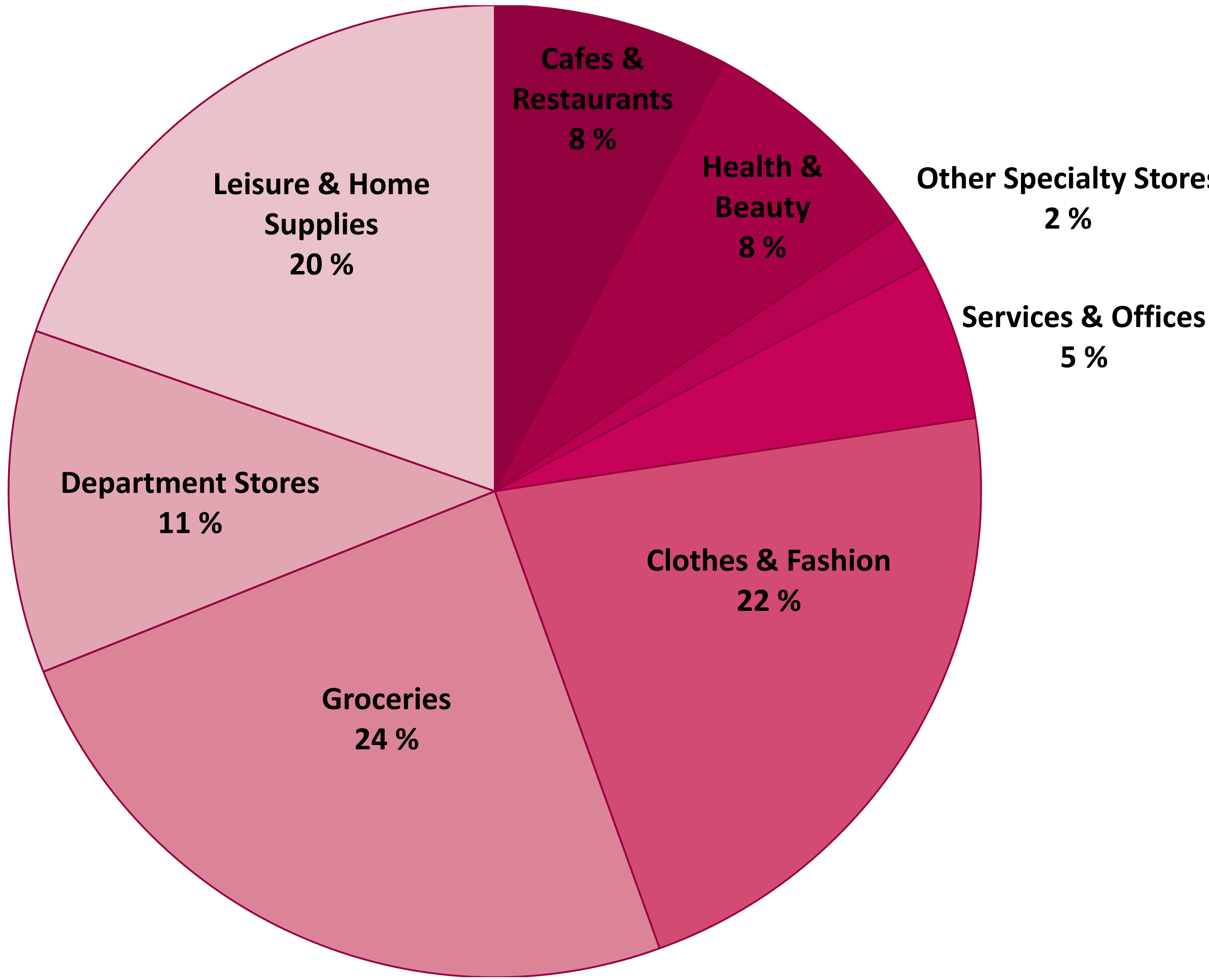
BALTIC COUNTRIES
- Net rental income 6.8% of Citycon's total NRI and 7.2% by value
- Citycon's second largest development project Rocca al Mare



Main points

- Strong financial performance and ample credit lines
- Net rental income increased and was EUR **30.3** million
  - Increase 2.2%, without the weakened Swedish krona the increase would have been 5.1 %
- Strong net cash from operating activities EUR 0.10 per share
  - Supported by lower interest rates and stable net rental income
- Lower interest costs
  - Lower interest rates and the buybacks of convertible bond
- Occupancy rate was **95.3%** (96.0%)
- The market value of property portfolio was EUR **2,097.3** million (Q4/2008: EUR 2,111.6 m)
- The valuation yield **6.5%** (Q4/2008: 6.4%) by external appraiser.
  - FINLAND: 6.5%
  - SWEDEN: 6.5%
  - BALTIC COUNTRIES: 7.6%

Shopping centre rental income by branches *)

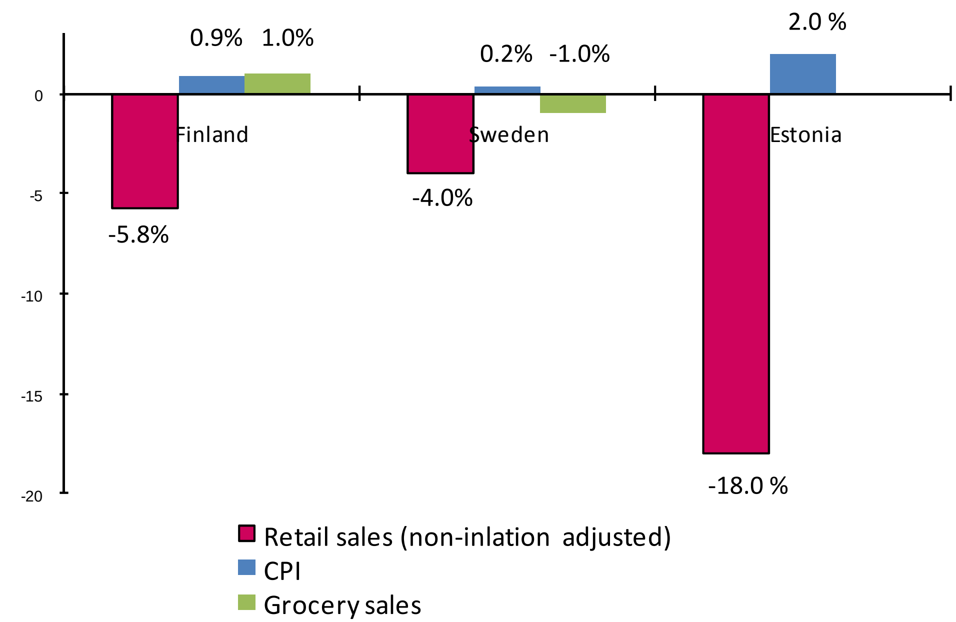


***) Excl. Supermarket and shops -portfolio**

Business environment

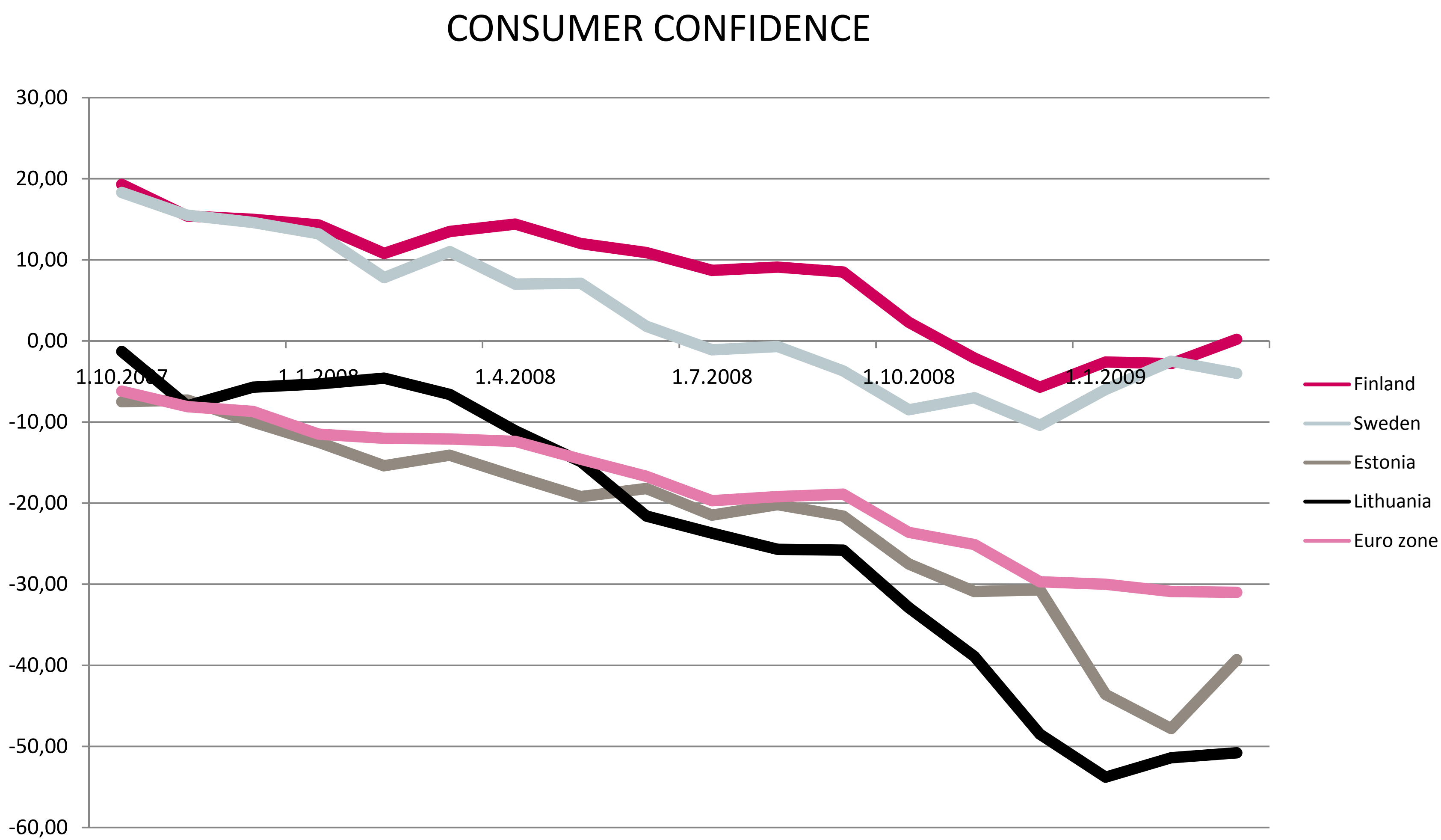
- Inflation and interest rates down
- GDP and private consumption estimates down for 2009, 2010
- Unemployment rising in all the operating counties
- Low investment activity in property sector and rising yield requirements
- In retail sector grocery is holding up and January-February grocery trade in Finland up 5.6%

RETAIL AND GROCERY SALES, CPI, FEB 09



Sources:
Statistics Finland , Statistics Sweden, Statistics Estonia
Finnish Grocery Trade Association

Business environment



Source: Eurostat

Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

(Re)development projects

Ongoing (re)development projects

LILJEHOLMSTORGET

Pilot project in sustainable construction. Construction of a new shopping centre south west of Stockholm city centre. Location is the major traffic hub, the whole area is being redeveloped into attractive residential neighborhood. Existing building is totally refurbished, new centre is currently being built adjacent to subway station. Parking underground. Post-development area incl. parking 91,000 m².

GLA, m²	20,100
Post-development area, retail (GLA), m² (+ 11,800 m² offices)	28,000
Total Estimated investment, EUR + original acquisition price in 2006 EUR 60.6 m	130
Actual cumulative CAPEX end of period, EUR	84.3
Theoretical gross rental income, EUR m	21.5 p.a.
Estimated year of completion	2009

**) Calculation of theoretical gross rental Income is based on 1st year of operation at 100% occupancy, including estimations of service charge income, income from turnover-based contracts and possible non-rental income.*

ONGOING PROJECTS include also a 4 million refurbishment of Torikeskus

Ongoing (re)development projects

ROCCA AL MARE

Pilot project in sustainable construction. Extension and redevelopment of existing shopping centre west of Tallinn city centre. After the project Rocca al Mare will be the largest centres in Estonia, large and affluent catchment area. Originally built in 1998. The development project consists of three phases and the first phase was opened fully let 1 October. With this project, Citycon will take over almost a quarter of the Tallinn shopping centre market. Anchor tenant largest Prisma hypermarket in Estonia.

GLA, m^2	28,600
Post-development area (GLA), m^2	53,500
Total Estimated investment, EUR m	64.3
Actual cumulative CAPEX end of period, EUR m	41.9
Theoretical gross rental income, EUR m	12.3 p.a.
Estimated year of completion	2009

**) Calculation of theoretical gross rental Income is based on 1st year of operation at 100% occupancy, including estimations of service charge income, income from turnover-based contracts and possible non-rental income.*

ONGOING PROJECTS include also a 4 million refurbishment of Torikeskus

Completed (re)development projects

TRIO

Total redevelopment of Lahti downtown shopping centre. The most important shopping venue in its large catchment area,100 kilometers from Helsinki. Originally built in 1977/87 and consisted of three separate buildings. Adjacent Hansa-building (11,400 m^2, not incl. in GLA below) will be refurbished later (subject to board approval). Pilot project in sustainable construction.

GLA, m^2	32,300
Post-development area (GLA), m^2	35,000
Total investment, EUR m	58.3
Yield on cost, 2009, approx.	7.0%
Sales, EUR m	62.2
Footfall, m	5.8
Catchment area population	118 600

Completed according to the schedule

**) Calculation of theoretical gross rental Income is based on 1st year of operation at 100% occupancy, including estimations of service charge income, income from turnover-based contracts and possible non-rental income.*

(Re)development projects under planning

FUTURE POTENTIAL:

- Most of Citycon's shopping centres offer extension and (re)development possibilities

➢ Organic growth potential without new acquisitions

➢ Citycon knows the possibilities: properties, tenants, catchment areas, local authorities

  ➢ Improving the existing portfolio is considered lesser risk than green field projects / new acquisitions

- Citycon will selectively start certain projects, based on market conditions, subject to board approval and financing

Planned projects listed in the Annual Report and Citycon website.

Key Figures

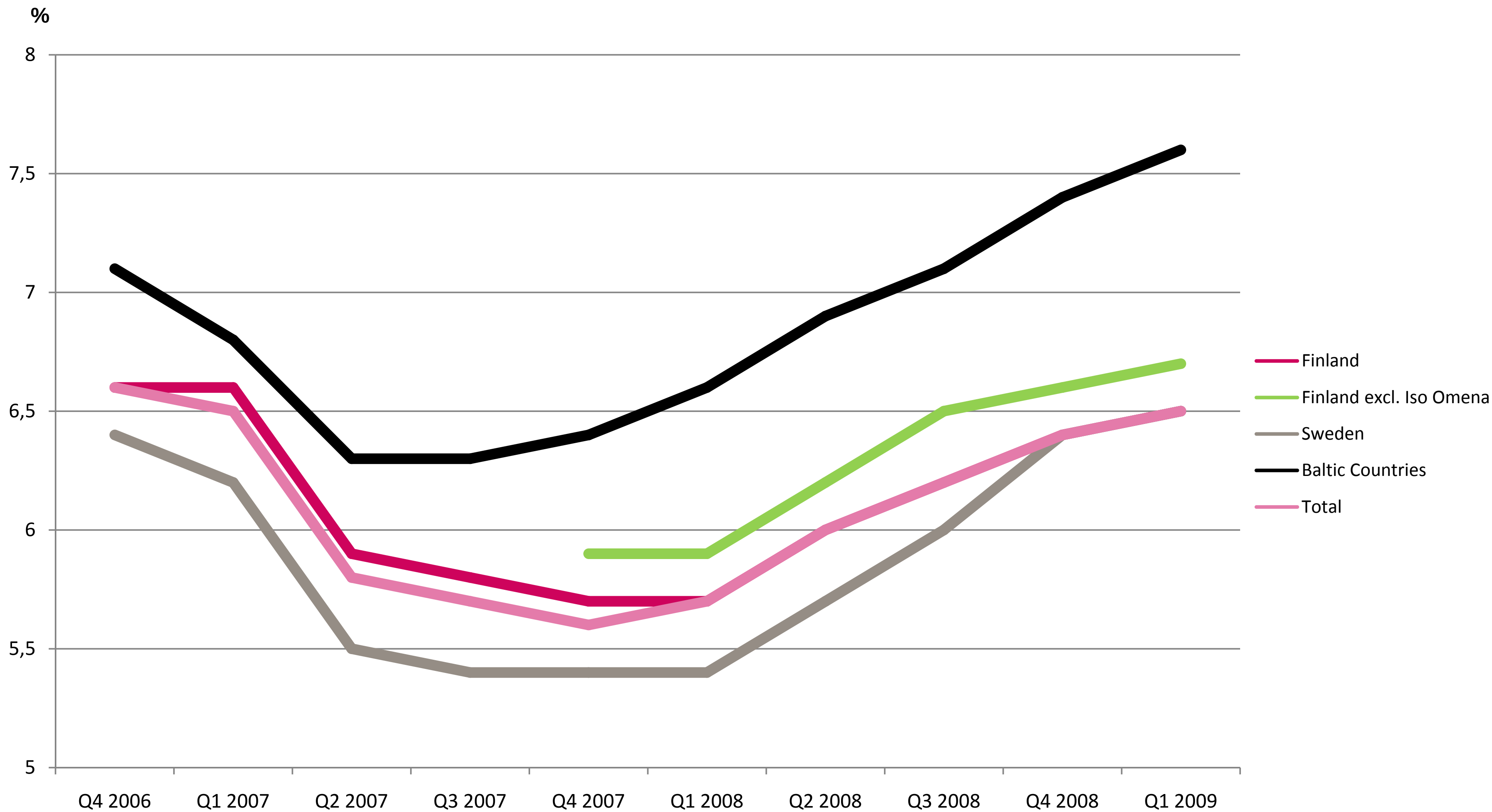
Main points

- Turnover increased by **3.6%** to EUR **45.9** million
- Direct result per share EUR **0.05** (EUR 0.05)
- Net cash from operating activities per share EUR **0.10** (EUR 0.06)
- Loss/profit before taxes was EUR **-18.1** million (EUR 11.3 million) incl. **-31.6** million (EUR 0.05 million) change in fair value
- Net financial expenses decreased
- During the period, the company signed a committed three-year agreement for a EUR **75** million unsecured revolving credit facility with a group of three Nordic banks

Financing overview

- Statement of Financial Position totalled at EUR **2,147.8** million
- Refinancing not an issue – total liquidity of EUR **290.4** million incl. unutilized committed debt facilities (EUR 276.7m) and cash (EUR 13.7 m)
  - Covers committed development pipeline and repayments at least until 2010 without other financing sources
- Equity ratio **36.4**%, hedging ratio **74%**
- Average year-to-date interest rate **4.46%** (Q1/2008: 4.93%). The period-end current run rate **4.36%** , net financial expenses EUR **12.2** m (EUR 15.1 m)
- Company has bought back since autumn 2008 approx. 30.5% of its Subordinated Convertible Bond 2006 (initially EUR 110 m issued) at the weighted average repurchase price of 53.5% of the face value
- Two covenants
  - Equity ratio, covenant level 32.5% -> 31 March **43.2**%
  - Interest cover ratio, covenant level 1.8x-> **2.0**x
    - Slight improvement compared to the year end situation

Valuation yield development in the portfolio



Valuation yield above is based on external valuator’s portfolio valuation.

Property portfolio

- **4,080 (3,665)** leases with an average length of **3.1** (3.0) years
- GLA grew by **1.0**% to **932,750** m^2
- Net rental income increased by **2.2** % to EUR **30.3** million
    - without the weakened Swedish krona, NRI would have increased by **5.1** %
- Net rental income for like-for-like properties grew by **0.9**%, due mainly to higher heating, electricity and maintenance costs than during Q1 2008.
- Rolling 12-month occupancy cost ratio for l-f-l shopping centres was **8.7**% (8.7%)
- Occupancy rate **95.3**%
- Rents linked to CPI (nearly all the agreements). End of 2008 **24.2**% (2007: 16.1%) of rental agreements were also tied to tenant’s turnover.
    - In 2008 approx. **1**% of net rental income came from turn-over based part of the rental agreements.

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Snapshot of Statement of Comprehensive Income

EUR million	Q1 2009	Q1 2008	2008
Gross rental income	44.3	41.7	173.0
Service charge income	1.6	2.6	5.3
Turnover	45.9	44.3	178.3
Property operating expenses	15.3	14.6	56.3
Other expenses from leasing operations	0.2	0.1	0.2
Net rental income	30.3	29.7	121.8
Administrative expenses	4.6	3.9	16.9
Net Fair value losses/gains on investment property	-31.6	0.5	-216.1
Operating loss/profit	-5.8	26.4	-105.0
Net Financial income and expenses	12.2	15.1	57.3
Loss/profit before taxes	-18.1	11.3	-162.3
Current taxes	-1.7	-2.3	-6.6
Change in deferred taxes	1.5	2.3	30.0
Loss/profit for the period	-18.3	11.3	-138.9
Other comprehensive expenses/income for the period, net tax	-8.2	-4.0	-35.6
Total Comprehensive loss/profit for the period	-26.5	7.3	-174.6

EPS (basic), EUR	-0.08	0.04	-0.56
EPS (diluted), EUR	-0.08	0.04	-0.56
Direct Result	11.6	10.4	43.8
Indirect result	-28.4	-1.3	-167.9
Direct EPS (diluted), EUR (EPRA EPS)	0.05	0.05	0.20
Net cash from opertaing activities per share, EUR	0.10	0.06	0.21
Loss/profit for the period attributable to parent company shareholders	-16.8	9.1	-124.1

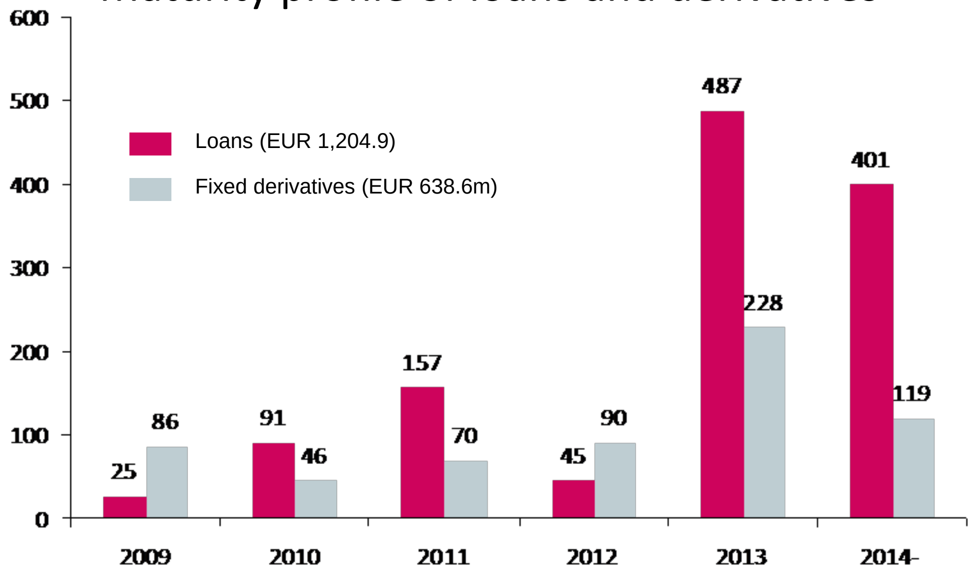
Snapshot of Statement of Financial Position

Statement of Financial Position, EUR million	31 March 2009	31 March 2008	31 Dec 2008
Investment property	2,097.3	2,282.1	2,111.6
Total non-current assets	2,108.6	2,289.1	2,126.1
Current assets	39.2	67.9	52.4
Assets total	2,147.8	2,357.0	2,178.5
Total share holders equity	781.0	1,013.1	837.3
Total liabilities	1, 366.8	1,343.9	1,341.2
Liabilities and share holders equity	2,147.8	2,357.0	2,178.5

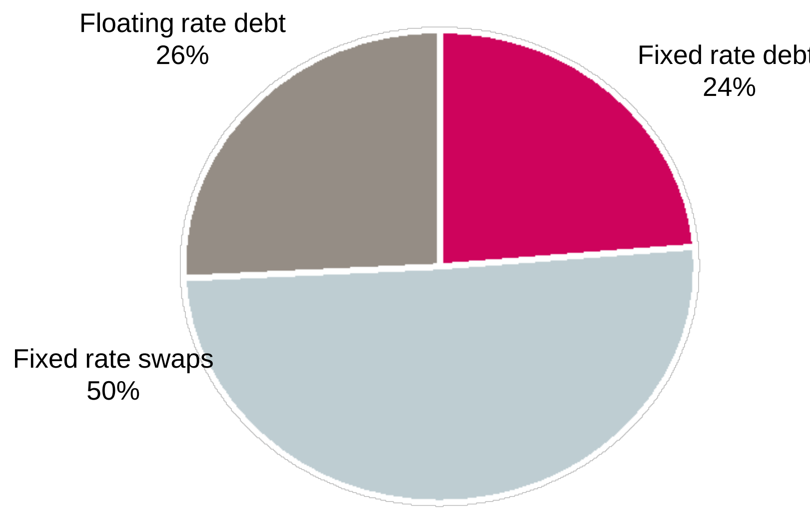
KEY FIGURES			
Equity ratio, %	36.4	43.0	38.5
Gearing, %	151.2	111.8	141.3
Equity per share, €	3.37	4.33	3.62
Net Asset value (EPRA NAV) per share, €	3.62	4.70	3.88
EPRA NNNAV, €	3.55	4.31	3.80
Net Rental Yield (actual), %	5.9	5.5	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.5	5.7	6.4

Key Figures – Financing Overview

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type EUR 1,204.9 million 1)



- During first quarter in 2009, the period-end interest-bearing net debt **edged lower by EUR 3 million** as a result of strong cash flow from operations

- Conservative financing policy continues; average loan maturity was **4.5** years and average time to fixing at **3.2** years

1) Carrying value of debt as at 31 Mar 2009 was EUR 1,194.4 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

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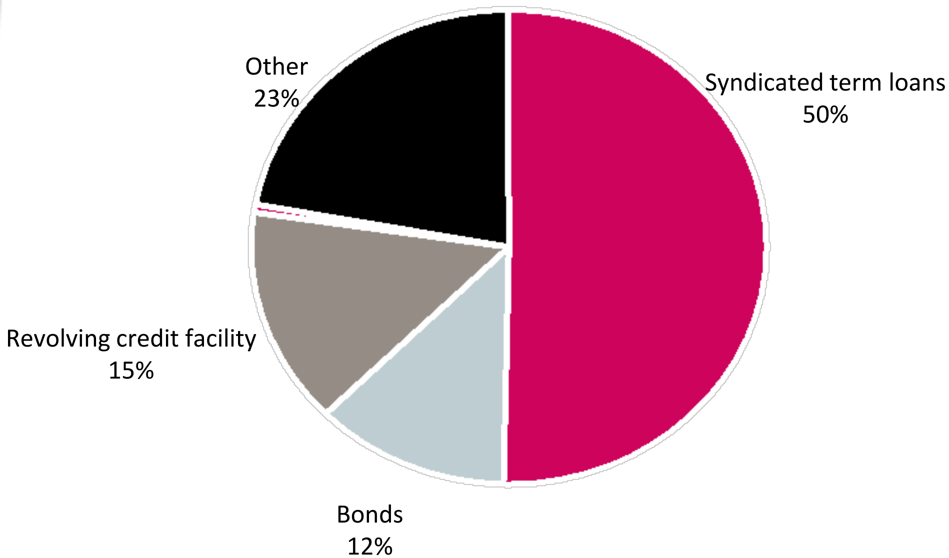
Key Figures - Debt Portfolio

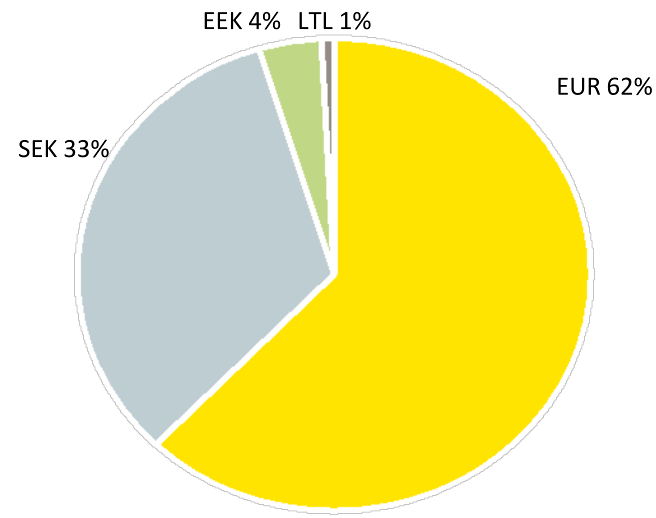
Breakdown by debt type

EUR 1,204.9 million 1)



Breakdown by currency

EUR 1,204.9 million 1)



- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **77%** of the debt portfolio
- In Q1 the average year-to-date interest rate drifted down by 39 basis points to **4.46%** (Q1/2008: 4.93%). The period-end current run rate also decreased to **4.36**% as short term market rates plunged
- During Q1 Citycon bought back EUR **6.4** million of the convertible bonds

1) Carrying value of debt as at 31 Mar 2009 was EUR 1,194.4 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

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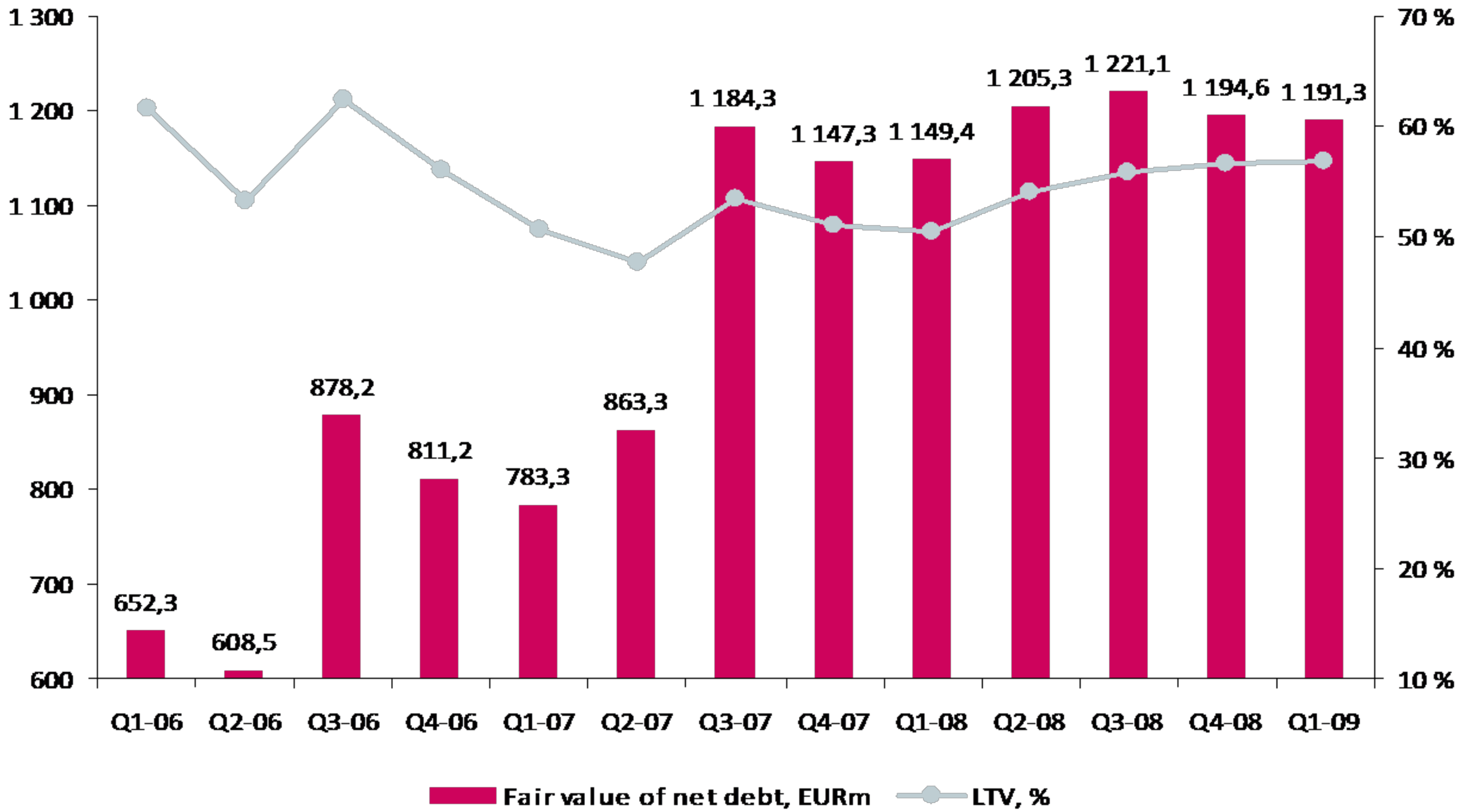
Key Figures – Net debt and LTV-%



- Citycon's LTV-% increased somewhat as a result of fair value losses as the net debt has been relatively stable since Q3 2007 despite ongoing major investments.

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Backup information

Illustrative Calculation of ICR Covenant Using Q1 2009 Financials*

Q1 2009 EBITDA for covenant calculation: direct operating profit + depreciations +/- non-cash and exceptional items

EBITDA = EUR 105.2 + EUR 0.5 + EUR 0.5

= EUR 106.2 million for previous 12-month period

EUR million Direct result	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Cumulative 12-months
Net rental income	30,3	30,2	31,5	30,5	122,4
Direct administrative expenses	-4,6	-4,6	-3,9	-4,2	-17,3
Direct other operating income and expenses	0,0	0,1	0,0	0,0	0,1
Direct operating profit	**25,7**	**25,6**	**27,6**	**26,2**	**105,2**
Direct net financial income and expenses	-12,0	-11,7	-14,6	-14,1	-52,4
Direct current taxes	-1,4	-1,4	-1,0	-1,2	-5,0
Direct change in deferred taxes	0,0	0,0	0,2	0,0	0,3
Direct minority interest	-0,7	-0,7	-0,9	-0,7	-3,1
Total direct result	**11,6**	**11,8**	**11,3**	**10,2**	**45,0**

Q1 2009 ICR

= (106.2/52.6)

= 2.0

Q1 2009 Net financials for covenant calculation: direct net financials + gain from convertible buyback – non-cash option amortization from convertible +/– other adjustments incl. FX gains or losses

Net financials = EUR 52.4 + EUR 3.0 – EUR 1.7 – EUR 1.1

= EUR 52.6 million for previous 12-month period

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** All number are approximations*

Illustrative Calculation of Equity Ratio Covenant Using Q1 2009 Financials*

Equity for covenant calculation: total shareholders' equity + subordinated debt (cf. Note 23) – minority interest +/– fair value of derivatives included in equity

Equity = EUR 781.0 + EUR 138.1 – EUR 36.6 + EUR 25.6

= **EUR 908.1 million** as at 31 Mar 2009

EUR million Liabilities and shareholders' equity	Q1 2009	Q1 2008
Shareholders' equity		
Share capital	259,6	259,6
Share issue	–	–
Share premium fund and other restricted reserves	131,1	131,1
Fair value reserve	-25,6	0,6
Invested unrestricted equity fund	155,2	177,2
Retained earnings	224,2	387,6
Total equity attributable to parent company shareholders	744,4	956,1
Minority interest	36,6	57,0
Total shareholders' equity	**781,0**	**1013,1**
Total liabilities	**1 366,8**	**1 343,9**

Equity ratio on 31 March 2009

= (908.1/2,101.2) = 43.2%

Total balance sheet for covenant calculation:Equity (as defined above) + total liabilities – subordinated debt +/– fair value of derivatives and other adjustments

Total balance sheet = EUR 908.1 + EUR 1,366.8 – EUR 138.1 – EUR 35.6

= **EUR 2,101.2 million** as at 31 Mar 2009

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** All number are approximations*

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