Audiocast Presentation

Q2 2009

CITYCON
creating success for retailing

Strategy

- Leading owner, operator and developer of shopping centres in growing cities in Finland, Sweden and the Baltic countries.
- In-house shopping centre management, leasing, commercial concept creation, market research and development expertise.
- Priority in sustainable shopping centre management and development.
- Strong financial position.

Financial targets

GROWTH

Continued expansion through property development and selective acquisitions

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

DIVIDENDS

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

EQUITY RATIO

Strong balance sheet

Internal long – term equity ratio target 40 per cent

- Equity ratio 36.2 % as of 30 June 2009

Geographical overview

FINLAND

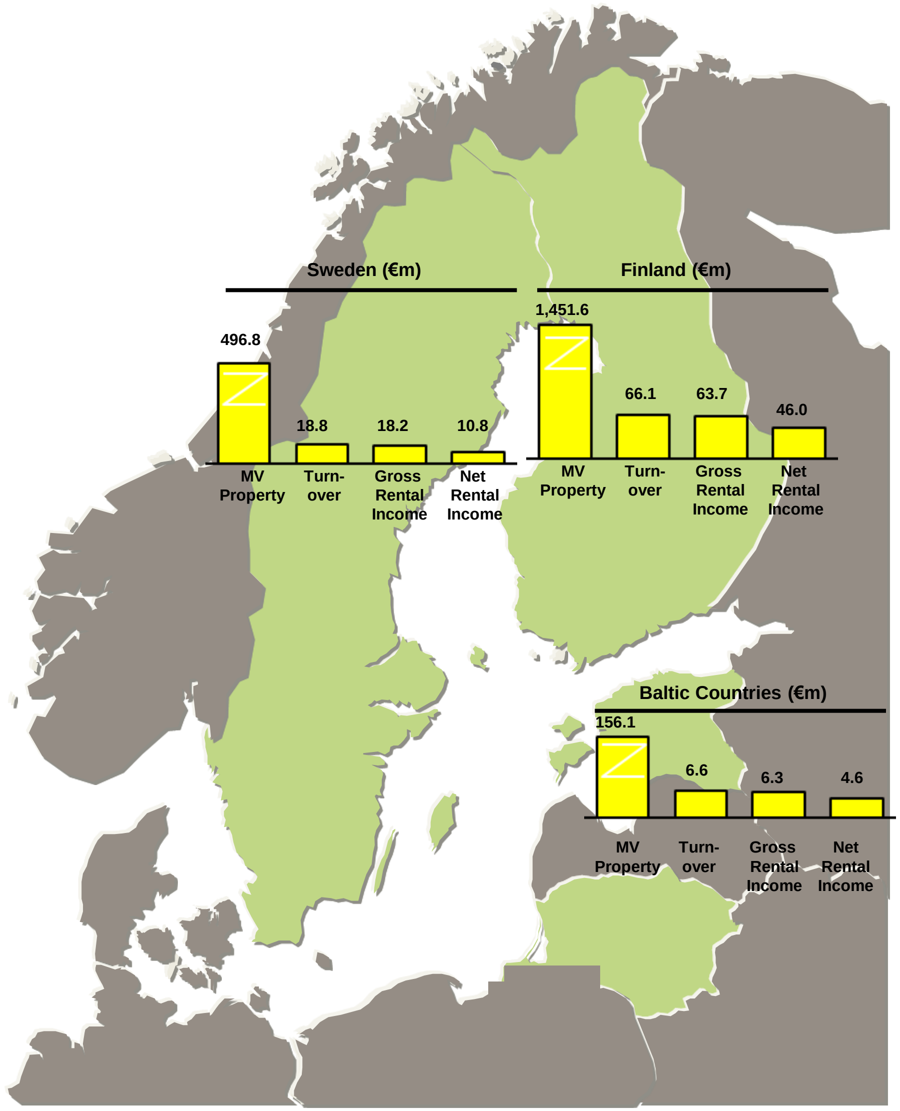
- 74.9% of the company's total net rental income in Q2 2009
- Market leader with 24% market share; 22 shopping centers and 42 other retail properties

SWEDEN

- Net rental income accounted for 17.6% of Citycon's total net rental income
- Citycon's largest development project Liljeholmstorget, Åkersberga Centrum redevelopment started this summer

BALTIC COUNTRIES

- NRI 7.5% of Citycon's total NRI
- Citycon's second largest development project Rocca al Mare



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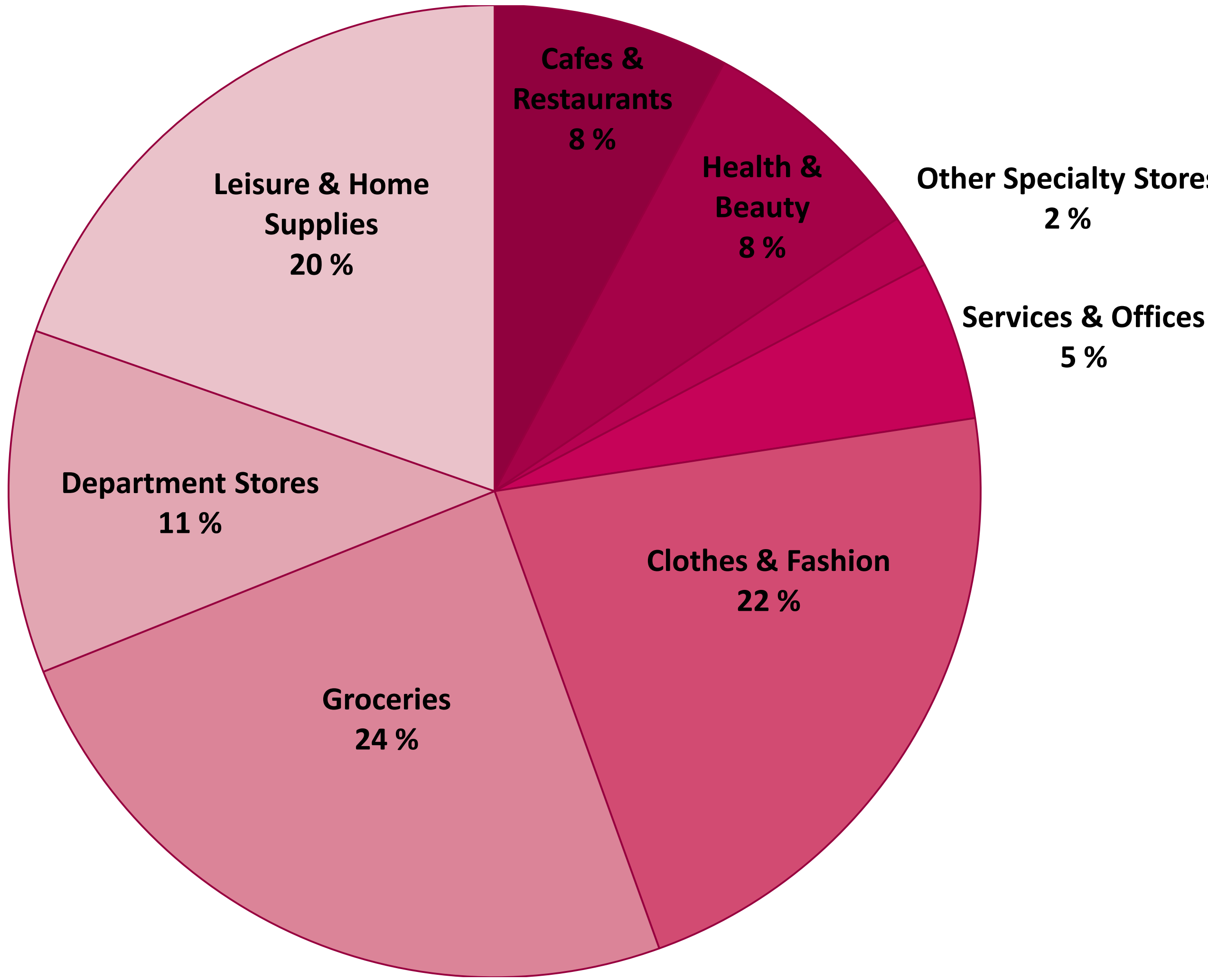
Main points

- Strong performance despite the challenging business environment
- Successful non-core apartment disposals in Sweden
- The first LEED® certificate in the Nordics was granted to Trio
- Strong net cash from operating activities
- Net rental income increased by **2.0**% to EUR **61.3** million
    - Without the weakened Swedish krona, the increase would have been 4.9%
- The market value of property portfolio was EUR **2,104.5** million (Q1/2009: EUR 2,097.3 m)
- Occupancy rate was **94.8%** (95.7%)
- The valuation yield **6.6%** (Q1/2009: 6.5%) by external appraiser.
    - FINLAND: 6.5%
    - SWEDEN: 6.5%
    - BALTIC COUNTRIES: 7.7%

Shopping centre rental income by branches *)

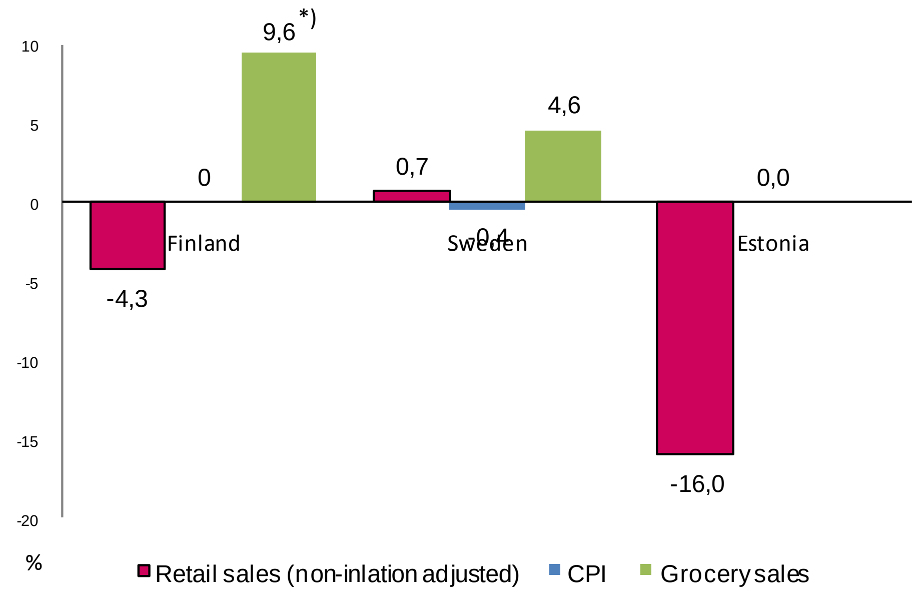


*) Excl. Supermarket and shops -portfolio

Business environment

- Inflation and interest rates down
- GDP and private consumption estimates down for 2009, 2010
- Unemployment rising in all the operating countries
- Low investment activity in property sector and rising yield requirements, but activity has picked up during Q2
- In retail sector grocery is holding up in Finland and Sweden

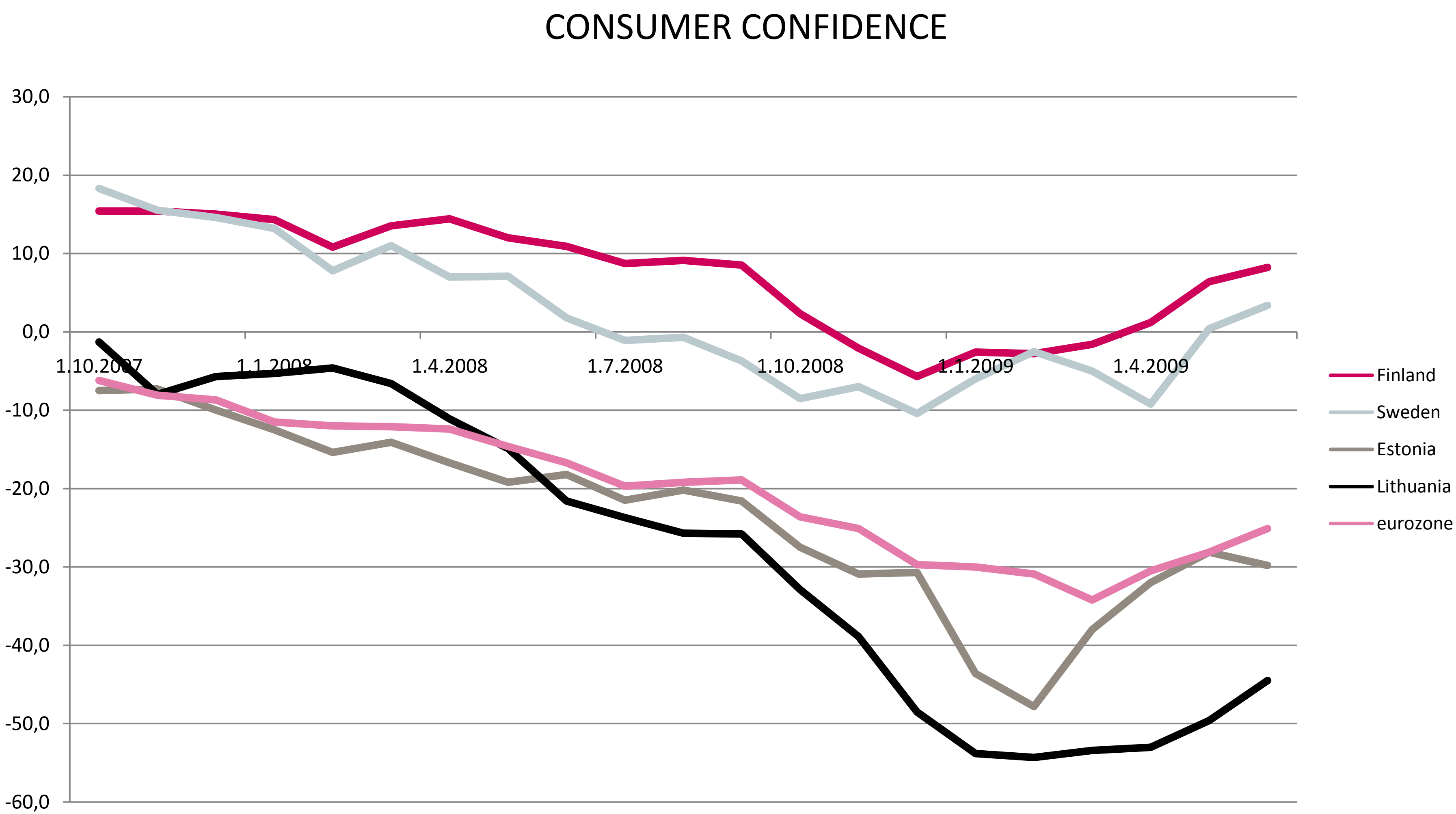
RETAIL AND GROCERY SALES, CPI, MAY 09



*) April 2009

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.

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Projects under construction

Projects under construction

ÅKERSBERGA CENTRUM

Refurbishment and extension of existing shopping centre in Greater-Stockholm area, north east of the CBD. Shopping centre is located in the centre of affluent Österåker municipality and has very good public transportation. Originally build in 1985 and extended/refurbished in 1995/1996.
75 pre-let, the anchor tenant is a large ICA-Kvantum grocery store, also some 350 new parking spaces will be added. Project started in summer 2009. Minority owner (25%) local real estate company owned by the municipality.

Retail GLA before project start, sq.m.	20,000
Post-development area (GLA), sq.m.	33,000
Total Estimated investment, EUR m	44.0
- divestment of apartments EUR 16.7 m	
- share of minority owner 25%	
Citycon’s estimated new investment, EUR m	20.5
Citycon’s cumulative CAPEX end of period, EUR m	6.3
Completion	2011

Projects under construction

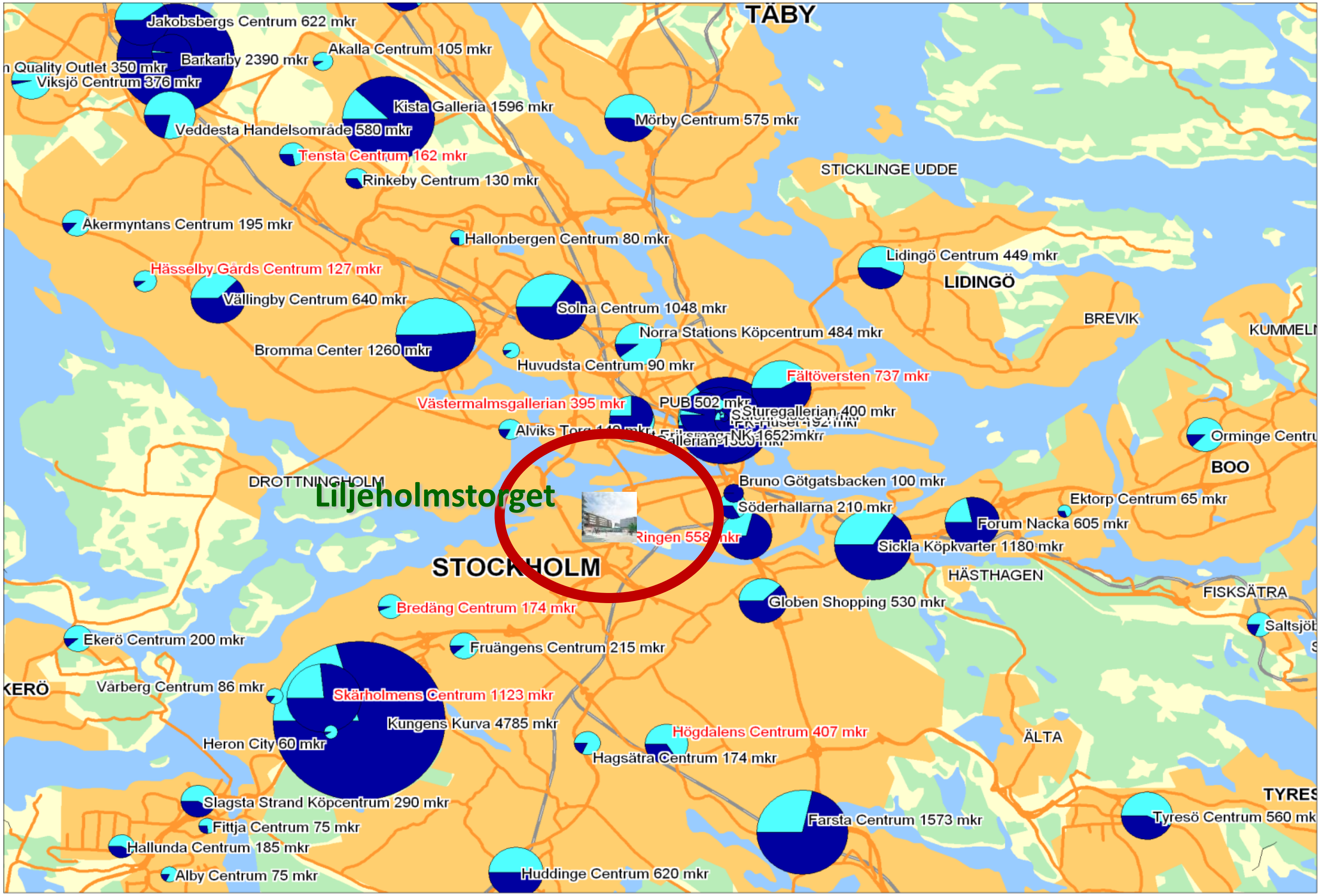
LILJEHOLMSTORGET

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 sq.m.
Pilot project in sustainable construction.

Retail GLA, sq.m.	28,000
Office and health care centre GLA, sq.m.	12,300
Parking hall with 900 spaces, sq.m	32,400
Total estimated new investment, EUR m	130
+ original acquisition price in 2006 EUR 60.6 m	
Actual cumulative CAPEX end of period, EUR m	100.6
Theoretical gross rental income, EUR m	21.5 p.a.
Completion	October 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.*

Liljeholmstorget - Stockholm shopping centers



Source: Centrumutveckling AB

Projects under construction

ROCCA AL MARE

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 second phase was opened fully let in May 2009. With this project, Citycon will take over almost a quarter of the Tallinn shopping centre market. Anchor tenant largest Prisma hypermarket in Estonia. Pilot project in sustainable construction.

Original GLA, m^2	28,600
Post-development area (GLA), m^2	53,500
Total Estimated new investment, EUR m	61.3
Actual cumulative CAPEX end of period, EUR m	47.3
Theoretical gross rental income, EUR m	12.3 p.a.
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.

Key Figures

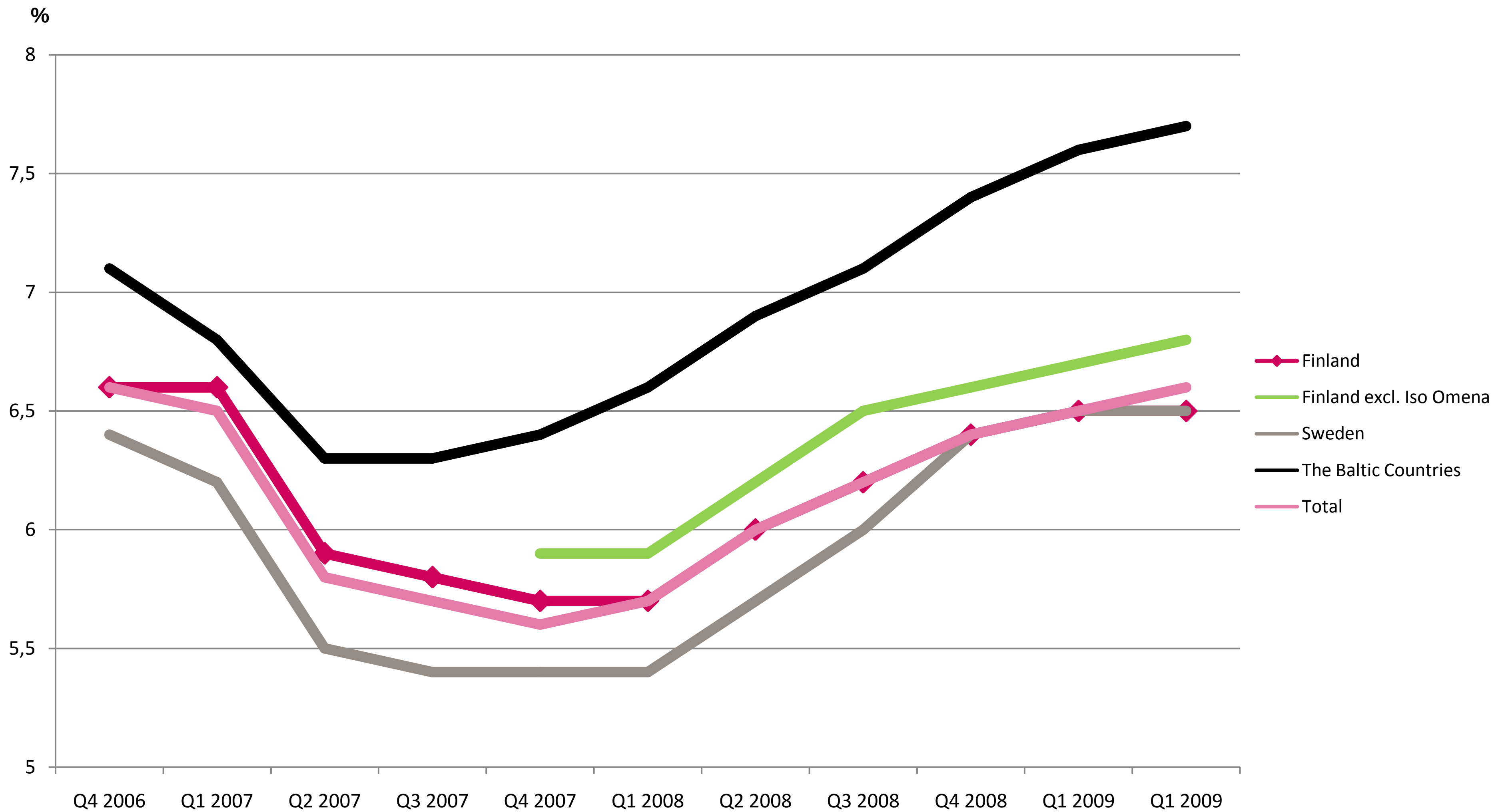
Main points

- Turnover increased by **3.3%** to EUR **91.5** million
- Direct result per share EUR **0.11** (EUR 0.09)
- Loss/profit before taxes was EUR **-28.7** million (EUR -62.1 m) incl. **-57.6** million (EUR -85.1 m) change in fair value
- Strong net cash from operating activities per share EUR **0.19** (EUR 0.12)
  - Supported by lower interest rates , stable net rental income and non-recurring items such as FX gains and change in working capital
- Net financial expenses decreased
- Refinancing not an issue in the near future – total liquidity of EUR **242.5** m incl. unutilized committed debt facilities (EUR 225.8m) and cash (EUR 16.7 m)
  - ➢ Covers committed development pipeline and repayments at least until 2010 without other financing sources

Financing overview

- Balance sheet totalled at EUR **2,147.5** million
- Equity ratio **36.2**%, hedging ratio **77**% (74% at the end of Q1)
- Average year-to-date interest rate **4.24%** (Q2/2008: 4.90%). The period-end current run rate **4.10%** , net financial expenses EUR **24.0** m (EUR 29.0 m)
- Citycon signed earlier this year a three-year EUR **75** million unsecured revolving credit facility with three Nordic banks
- 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% -> 30 June **42.9**%
  - Interest cover ratio, covenant level 1.8x-> **2.1**x
    - improvement compared to the Q1 situation

Valuation yield development in the portfolio



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

Property portfolio

- **4,080 (3,662)** leases with an average length of **3.0** (2.8) years
- GLA grew by **2.4**% to **949,157**m²
- Net rental income for like-for-like properties grew by **2.1**%
- Rolling 12-month occupancy cost ratio for l-f-l shopping centres was **8.6**%
- Occupancy rate **94.8**% (95.7%)
- 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

Snapshot of Statement of Comprehensive Income

EUR million	Q1-Q2 2009	Q1-Q2 2008	2008
Gross rental income	88.2	85.1	173.0
Service charge income	3.2	3.4	5.3
Turnover	91.5	88.5	178.3
Property operating expenses	29.8	28.4	56.3
Other expenses from leasing operations	0.4	0.0	0.2
Net rental income	61.3	60.1	121.8
Administrative expenses	8.5	8.4	16.9
Net Fair value losses/gains on investment property	-57.6	-85.1	-216.1
Operating loss/profit	-4.7	-33.0	-105.0
Net Financial income and expenses	24.0	29.0	57.3
Loss/profit before taxes	-28.7	-62.1	-162.3
Current taxes	-3.3	-3.4	-6.6
Change in deferred taxes	6.0	14.0	30.0
Loss/profit for the period	-26.0	-51.6	-138.9
Other comprehensive expenses/income for the period, net tax	-4.2	9.9	-35.6
Total Comprehensive loss/profit for the period	-30.2	-41.6	-174.6

EPS (basic), EUR	-0.11	-0.21	-0.56
EPS (diluted), EUR	-0.11	-0.21	-0.56
Direct Result	24.2	20.6	43.8
Indirect result	-48.0	-68.1	-167.9
Direct EPS (diluted), EUR (EPRA EPS)	0.11	0.09	0.20
Net cash from operating activities per share, EUR	0.19	0.12	0.21
Loss/profit for the period attributable to parent company shareholders	-23.8	-47.5	-124.1

Snapshot of Statement of Financial Position

Statement of Financial Position, EUR million	30 June 2009	30 June 2008	31 Dec 2008
Investment property	2,104.5	2,233.1	2,111.6
Total non-current assets	2,114.5	2,254.9	2,126.1
Current assets	33.0	38.1	52.4
Assets total	2,147.5	2,293.0	2,178.5
Total share holders equity	777.4	964.4	837.3
Total liabilities	1,370.2	1,328.6	1,341.2
Liabilities and share holders equity	2,147.5	2,293.0	2,178.5
KEY FIGURES			
Equity ratio, %	36.2	42.1	38.5
Gearing, %	157.4	123.3	141.3
Equity per share, €	3.35	4.13	3.62
Net Asset value (EPRA NAV) per share, €	3.58	4.46	3.88
EPRA NNNAV, €	3.46	4.20	3.80
Net Rental Yield (actual), %	6.0	5.4	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.6	6.0	6.4

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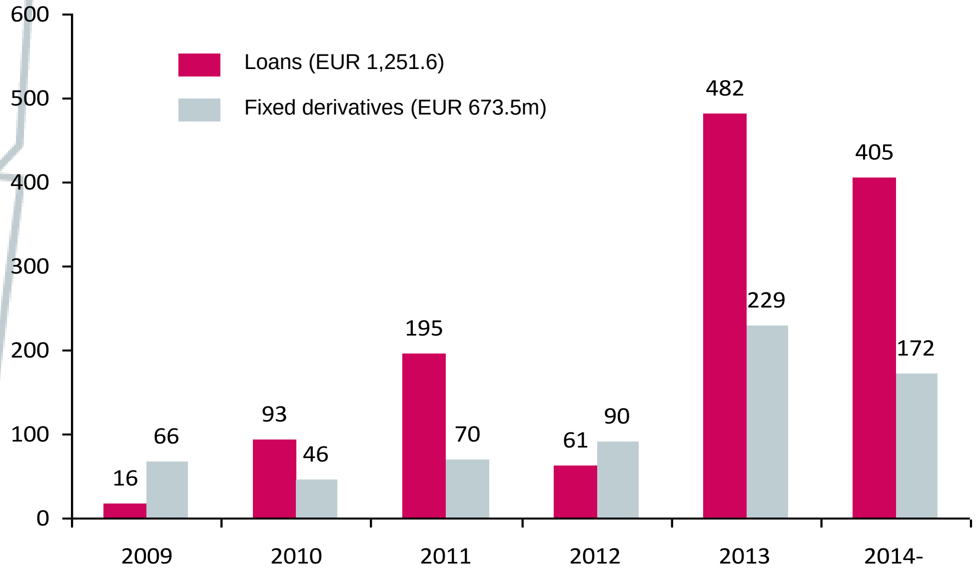
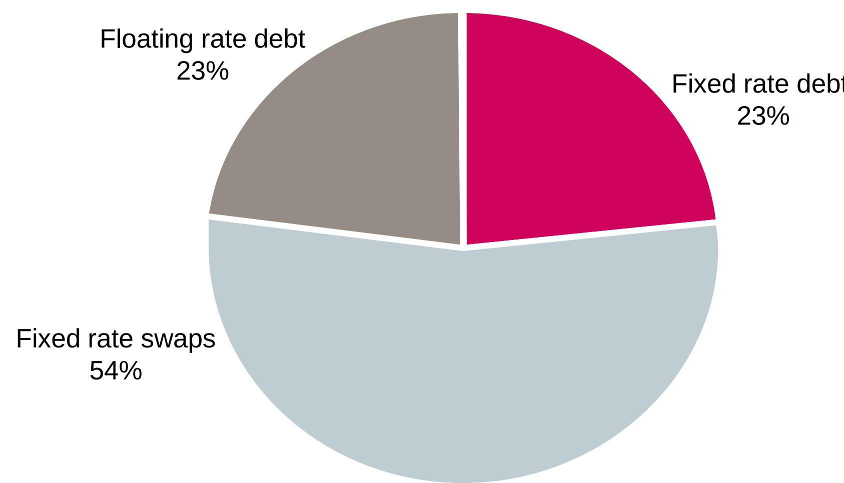
Key Figures – Financing Overview

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type

EUR 1,251.6 million [1)]



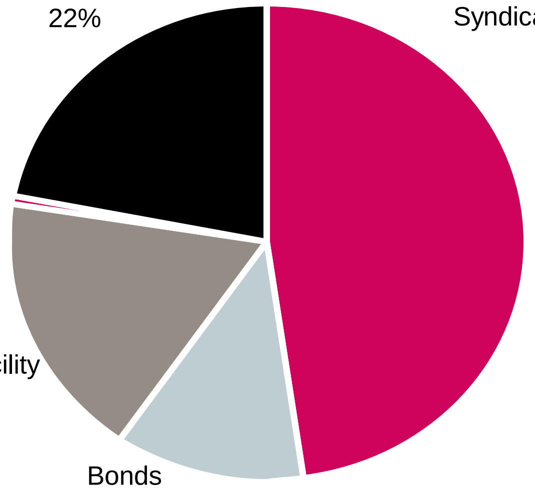
- During second quarter in 2009, the period-end interest-bearing net debt increased by EUR 44 million as a result of dividend payment and investments into development projects
- High hedging ratio maintained and increased to 77% (74% at the end of Q1). Citycon has during Q2 rolled over maturing hedges and put into place new ones in order to safeguard future competitive lending rates
- Conservative financing policy continues; average loan maturity was 4.2 years and average time to fixing at 3.1 years

1) Carrying value of debt as at 30 June 2009 was EUR 1,240.6 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.

Key Figures - Debt Portfolio

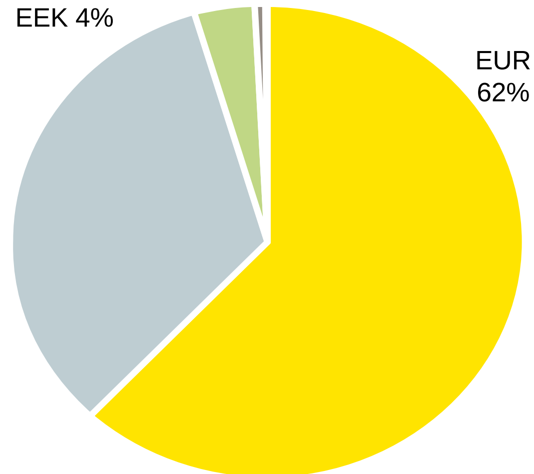
Breakdown by debt type

EUR 1,251.6 million 1)



Breakdown by currency

EUR 1,251.6 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 **78%** of the debt portfolio

- In Q2 the average year-to-date interest rate drifted down by 22 basis points to **4.24%** (Q1/2009: 4.46%). The period-end current run rate also decreased to 4.10% as short term market rates plunged and remained low

1) Carrying value of debt as at 30 June 2009 was EUR 1,240.6 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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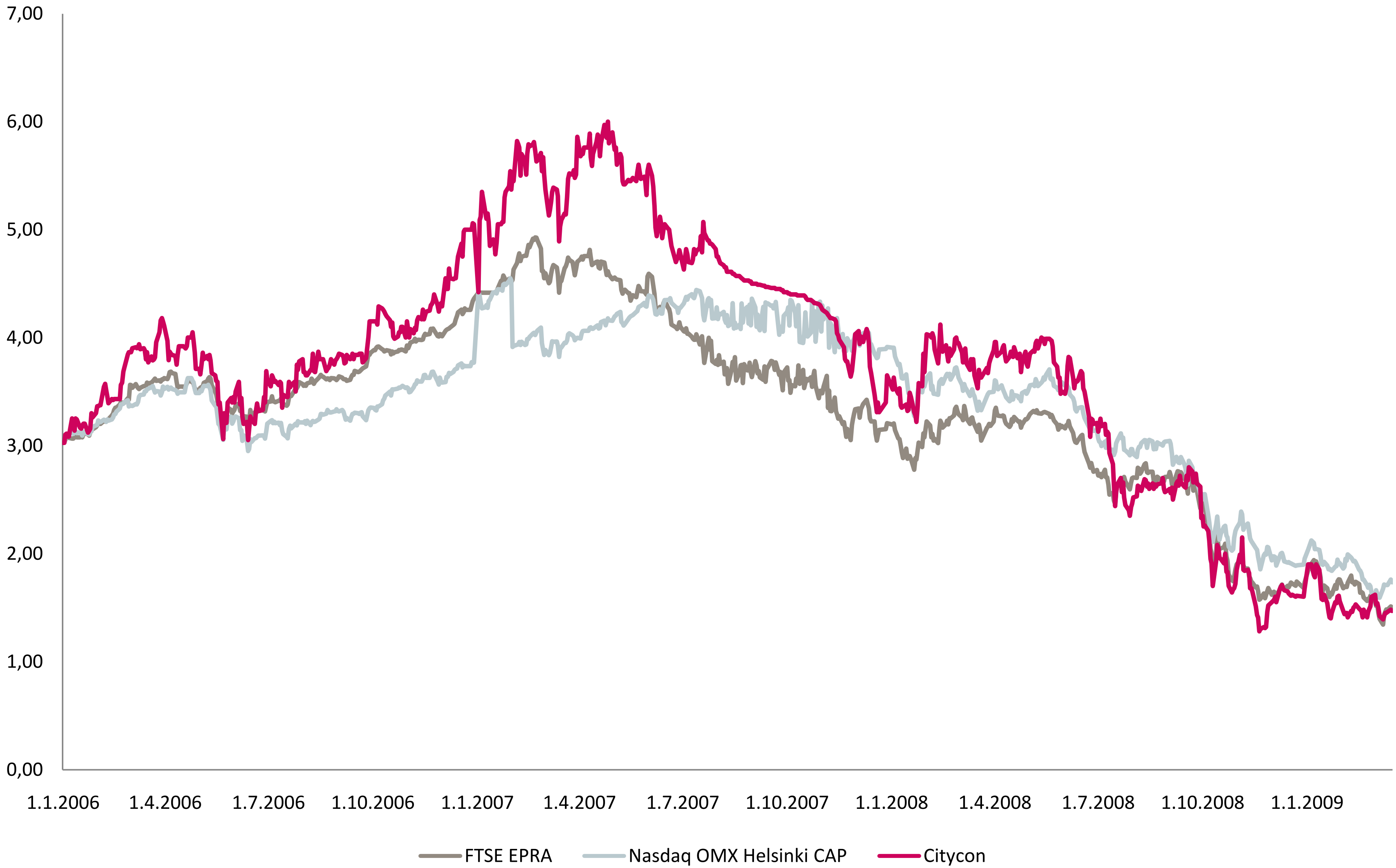
Share performance[1)]



1) Starting values of FTSE EPRA index and OMX Helsinki CAP index on 3 January 2006 have been rebased to Citycon share price at EUR 3.03

Backup information

Illustrative Calculation of ICR Covenant Using Q2 2009 Financials*

Q2 2009 EBITDA for covenant calculation: direct operating profit + depreciations +/- non-cash and exceptional items

EBITDA = EUR 106.0 + EUR 0.5 + EUR 0.3

= **EUR 106.8 million** for previous 12-month period

EUR million Direct result	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Cumulative 12-months
Net rental income	31,0	30,3	30,2	31,5	122,9
Direct administrative expenses	-3,9	-4,6	-4,6	-3,9	-17,0
Direct other operating income and expenses	0,0	0,0	0,1	0,0	0,1
Direct operating profit	**27,1**	**25,7**	**25,6**	**27,6**	**106,0**
Direct net financial income and expenses	-12,1	-12,0	-11,7	-14,6	-50,4
Direct current taxes	-1,5	-1,4	-1,4	-1,0	-5,3
Direct change in deferred taxes	-0,2	0,0	0,0	0,2	0,1
Direct minority interest	-0,7	-0,7	-0,7	-0,9	-3,0
Total direct result	**12,6**	**11,6**	**11,8**	**11,3**	**47,3**

Q2 2009 ICR

= (106.8/50.8)

= 2.1

Q2 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 50.4 + EUR 3.0 – EUR 1.6 – EUR 1.0

= **EUR 50.8 million** for previous 12-month period

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All number are approximations

Illustrative Calculation of Equity Ratio Covenant Using Q2 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 777.4 + EUR 138.5 – EUR 36.1 + EUR 22.1

= EUR 901.8 million as at 31 June 2009

EUR million Liabilities and shareholders' equity	Q2 2009	Q2 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	-22,1	15,1
Invested unrestricted equity fund	155,2	177,2
Retained earnings	217,4	330,7
Total equity attributable to parent company shareholders	741,3	913,7
Minority interest	36,1	50,7
Total shareholders' equity	**777,4**	**964,4**
Total liabilities	**1 370,2**	**1 328,6**

Equity ratio on 30 June 2009

= (901.8/2,100.7) = 42.9%

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 901.8 + EUR 1,370.2 – EUR 138.5 – 32.8 EUR

= EUR 2,100.7 million as at 30 June 2009

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** All number are approximations*

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