

Citycon Audiocast Presentation

Q3 2010



CITYCON
creating success for retailing

Strategy

Citycon

- wants to be the leading shopping centre owner, operator and developer in the Nordic and Baltic countries.
- invests in shopping centres and retail properties in major growing cities with good demographics.
- seeks growth through matching acquisitions and property development.
- adds value on investment across the portfolio by professional active management produced by in-house strong personnel.
- operates by high sustainability standards.
- seeks actively joint-venture arrangements with high-class investors and manages investment on their behalf.
- has a strong balance sheet with competitive and well diversified funding sources and low financial risk exposures.



Current Sustainability Issues



Land use and Sustainable project development

- Liljeholmstorget was awarded as the first European shopping centre the Platinum-level LEED® environmental certificate
- Rocca al Mare was awarded silver-level LEED® certificate first in the Baltic Countries in January 2010
- The first ever LEED® certificate in the Nordic countries was awarded to Trio shopping centre
- All new development projects will be carried out in accordance with the quality criteria of environmental certificates
- Citycon one of the founding members of Green Building Council, Finland established in April 2010
- Internal Green Shopping Centre Management Program

Geographical overview

FINLAND

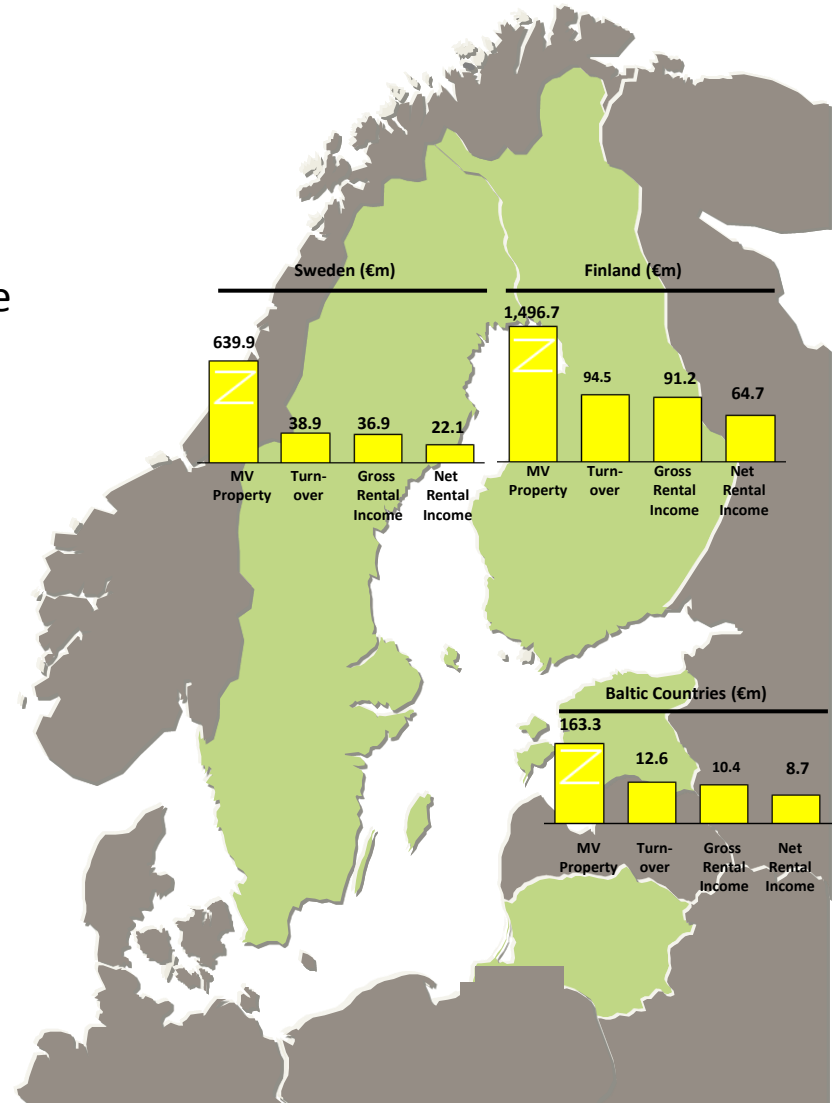
- 67.8% of total net rental income
- Net rental income EUR 64.7 million
- Market leader with 22% market share
- 22 shopping centres, 42 other retail properties, one unbuilt lot

SWEDEN

- Net rental income accounted for 23.1% of Citycon's total net rental income
- Net rental income EUR 22.1 million
- 8 shopping centres, 7 other retail properties

BALTIC COUNTRIES

- NRI 9.1% of Citycon's total NRI
- Net rental income EUR 8.7 million
- 3 shopping centres; 2 in Estonia, one in Lithuania



Main Points of Q1-Q3/2010

Leed® Platinum shopping centre Liljeholmstorget in Stockholm



Main Points

- In September, the company issued **22** million new shares raising approx. EUR **63** million in new equity.
- The company finalised the sale of apartments located in Åkersberga Centrum, Sweden. All divestments totalled EUR **67.1** million, total gain on sale EUR **2.2** million (incl. tax effects).
- Currently nine (re)development projects under construction.
- Net rental income increased by **1.7%** to EUR **95.4** million. Occupancy rate was **94.5%** (94.7%).
- The market value of property portfolio was EUR **2,299.9** million (Q2/2010: EUR 2,229.5 m). The valuation yield **6.5%** (Q2/2010: 6.6%)
- Outlook 2010 unchanged: “Citycon’s turnover is expected to grow by approx. 3–7% and direct operating profit by approx. 1–4 % compared with the previous year, based on the existing portfolio. The company expects its direct result to be moderately lower than in the previous year.”

Business Environment

During Jan-August 2010, retail sales increased by 3.7% in Finland, 2.6% in Sweden and -7.0% in Estonia.

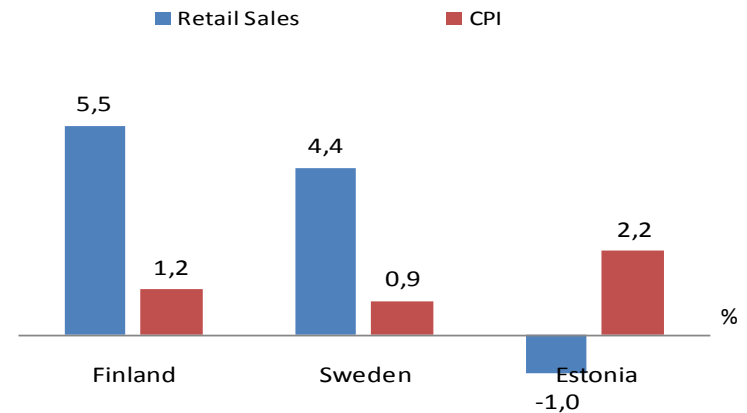
The property market has picked up especially in Sweden.

GDP is expected to grow by approx.3% in 2011 in Finland, Sweden and Lithuania and by 4% in Estonia.

Consumer confidence stronger, unemployment rates have turned. Unemployment rates in August:

- FINLAND 7.3%
- SWEDEN 7.4%
- ESTONIA 18.6%

RETAIL SALES
AND CPI, August 2010

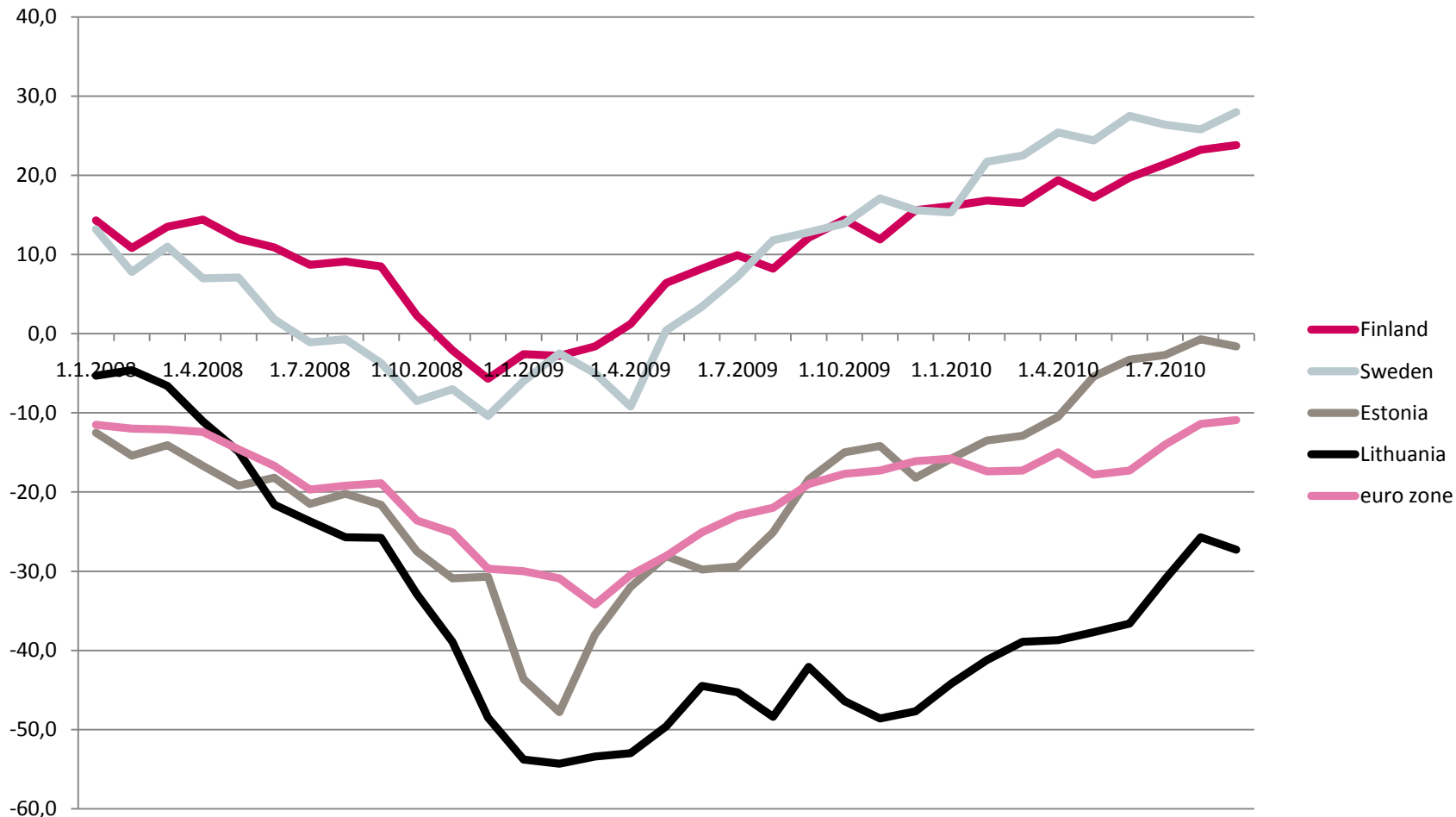


Sources:

Statistics Finland, Statistics Sweden, Statistics Estonia, Nordea

Business Environment

CONSUMER CONFIDENCE



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.

Audiocast Q3 2010



Ongoing (Re)development Projects

Extension part of Åkersberga Centrum in Österåker



Ongoing (Re)development Projects

PROPERTY	LOCATION	AREA, sq.m. before and after	TOTAL ESTIMATED NEW INVESTMENT, MEUR	ACTUAL CUMULATIVE CAPEX, by the end of period, MEUR	Expected yield on completion when stabilized, % ¹⁾	EST. FINAL YEAR OF COMPLETION	
Åkersberga Centrum	Österåker, SWE	20 000 27 000	51.1 ²⁾	32.9	7.3	2011	Refurbishment and extension of the shopping centre in the Greater Stockholm area. Citycon owns 75%, minority owner/investor (25%) local municipality-owned real estate company.
Martinlaakso	Vantaa, FIN	3 800 7 300	26.3	4.7	7.4	2011	Building of a new retail centre replacing the existing one next to the Martinlaakso railway station.
Myllypuro	Helsinki, FIN	7 700 7 300	20.0	10.1	7.4	2012	Building of a new retail centre replacing the existing one next to the Myllypuro subway station.
Espoonatori	Espoo, FIN	16 500 16 400	25.8	15.1	6.9	2010	Refurbishment of 10400 sq.m. of interior premises and the parking facility.
Forum	Jyväskylä, FIN	15 100	16.0	8.8	11.2	2010	Refurbishment of interior premises (12 000 sq.m) of the shopping centre.
Hansa (Trio)	Lahti, FIN	8 000	8.0	4.0	6.6	2011	The refurbishment of Hansa property located next to Trio.
Myyrmanni	Vantaa, FIN	8 400	4.8	3.3		2010	Refurbishment of the 1st floor premises and tenant improvements on the ground floor.
Kirkkonummen liikekeskus	Kirkkonummi, FIN	5 000	4.0	1.3		2010	Refurbishment of the retail centre.
Isolinnankatu	Pori, FIN	7 600	3.0	1.5		2010	Refurbishment of the retail premises in two phases.

1) Yield on completion,% = Expected stabilized (third year after completion) net rents incl. possible vacancy / total investment (=total capital invested in property by Citycon)

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CITYCON

2) Calculated based on period end exchange rates. Estimated total investment in SEK has not changed from the year end 2009 (which was EUR 45.6 million).

Completed Projects

ROCCA AL MARE

Extension and redevelopment of existing centre west of Tallinn city centre, Estonia. Original estimate investment totalled EUR 68.0 million.

LEED® -silver certified!

Original GLA, m ²	28,600
Post-development area (GLA), m ²	53,500
Total new investment, EUR m	53.8
Expected yield on completion when stabilized, %	9.9
Completion	November 2009

LILJEHOLMSTORGET

Construction of a new shopping centre south west of Stockholm city centre. Existing building is totally refurbished, new centre built.

LEED® -platinum certified!

Retail GLA, sq.m.	28,400
Office and health care centre GLA, sq.m.	12,300
Parking hall with 900 spaces, sq.m	32,400
Total new investment, EUR m	154.8
Expected yield on completion when stabilized, %	6.2
Completion	October 2009

1) Yield on completion,% = Expected stabilized (third year after completion) net rents incl. possible vacancy / total investment (=total capital invested in property by Citycon)

Key Figures and Property Portfolio

Future image of Myllypuro shopping centre in Helsinki



Snapshot of Statement of Comprehensive Income

EUR million	Q1-Q3/2010	Q1-Q3/2009	2009
Gross rental income	138.5	132.6	177.8
Service charge income	7.6	4.8	8.5
Turnover	146.1	137.4	186.3
Property operating expenses	49.5	43.2	60.2
Other expenses from leasing operations	1.1	0.4	0.7
Net rental income	95.4	93.8	125.4
Administrative expenses	15.5	12.4	17.8
Net Fair value gains/losses on investment property	39.5	-58.7	-97.4
Net Gains on sale of investment property	2.8	0.1	0.1
Operating profit/loss	122.3	22.7	10.3
Net Financial income and expenses	-41.6	-35.8	-47.7
Profit/loss before taxes	80.8	-13.1	-37.5
Current taxes	-5.9	-5.3	-6.5
Change in deferred taxes	-2.3	5.8	7.0
Profit/loss for the period	72.6	-12.6	-36.9
Other comprehensive expenses/income for the period, net tax	-5.5	-3.7	-3.0
Total Comprehensive profit/loss for the period, net of tax	67.2	-16.3	-39.9

EPS (basic), EUR	0.29	-0.05	-0.16
EPS (diluted), EUR	0.28	-0.05	-0.16
Direct Result	33.8	38.4	50.9
Indirect result	30.1	-48.9	-85.2
Direct EPS (diluted), EUR (EPRA EPS)	0.15	0.17	0.23
Net cash from operating activities per share, EUR	0.09	0.24	0.30
Profit/loss for the period attributable to parent company shareholders	63.9	-10.5	-34.3

Main points

- Turnover increased by **6.3%** to EUR **146.1** million (EUR 137.4 m) due mainly to growth in gross leasable area and development of retail properties.
- Direct result per share EUR **0.15** (EUR 0.17)
- Profit before taxes was EUR **80.8** million (EUR -13.1 m) incl. **39.5** million (EUR -58.7 m) change in property fair value
- Net cash from operating activities per share EUR **0.09** (EUR 0.24)
 - Due to extra ordinary items and timing differences
- Total asset stood at EUR **2,424.8** million
- Equity ratio **35.9%**, hedging ratio of the loan portfolio **80.0%**

Property Portfolio

- **3,793 (4,033)** leases with an average length of **3.2 (3.0)** years
- GLA totalled **931,480** sq.m.
- Net rental income increased by **1.7%** to EUR **95.4** million
- Net rental income for like-for-like properties decreased by **0.8%**
 - (excl. impact of strengthened Swedish krona) due to higher property operating expenses reflecting seasonal fluctuations and exceptionally cold and snowy winter, slightly increased vacancy and very low indexation-based rental increases
- Rolling 12-month occupancy cost ratio for I-f-I shopping centres was **8.5%**
- Occupancy rate **94.5%** (94.7%)

Like-for-like and other NRI development by Segments -1-9/2009 vs. 1-9/2010

EUR million	Finland	Sweden	the Baltic Countries	Other	Total
1-9'2008	68,2	18,8	4,6	0,0	91,6
Acquisitions	-	-	-	0,0	0,0
(Re)developments	1,2	0,1	2,9	0,0	4,3
Divestments	-0,2	0,0	0,0	0,0	-0,2
Like-for-like	0,2	0,5	-0,3	0,0	0,4
Other (incl. exch. diff.)	-0,1	-2,2	0,1	0,0	-2,3
1-9'2009	69,4	17,1	7,3	0,0	93,8
Acquisitions	-	-	-	-	0,0
(Re)developments	-4,0	3,2	1,6	0,0	0,8
Divestments	-0,2	-0,3	-	0,0	-0,5
Like-for-like	-0,5	0,2	-0,2	0,0	-0,6
Other (incl. exch. diff.)	0,1	1,9	0,0	0,0	1,9
1-9'2010	64,7	22,1	8,7	0,0	95,4

➤ Approximately 21,000 sq.m. (on average during 9 months) more space off-line due to redevelopment projects in Myyrmanni, Espoontori, Forum, Hansa, Myllypuro, Kirkkonummen liikekeskus, Porin Isolinnankatu and Martinlaakso.

➤ LFL negative in Finland as approximately 4,000 sq.m. higher vacancy, low indexation and colder winter (heating and snow cleaning 0.8M€). LFL-growth was -1.0% in Finland.

➤ Residential towers in Jakobsberg moved to divestments.

➤ LFL-growth was +1.3% in Sweden.

➤ Rental discounts in the LFL properties (Mandarinas + Magistral) higher by 0.2M€ in 1-9'10 than in 1-9'09. LFL-growth was -15.3% in the Baltic Countries.

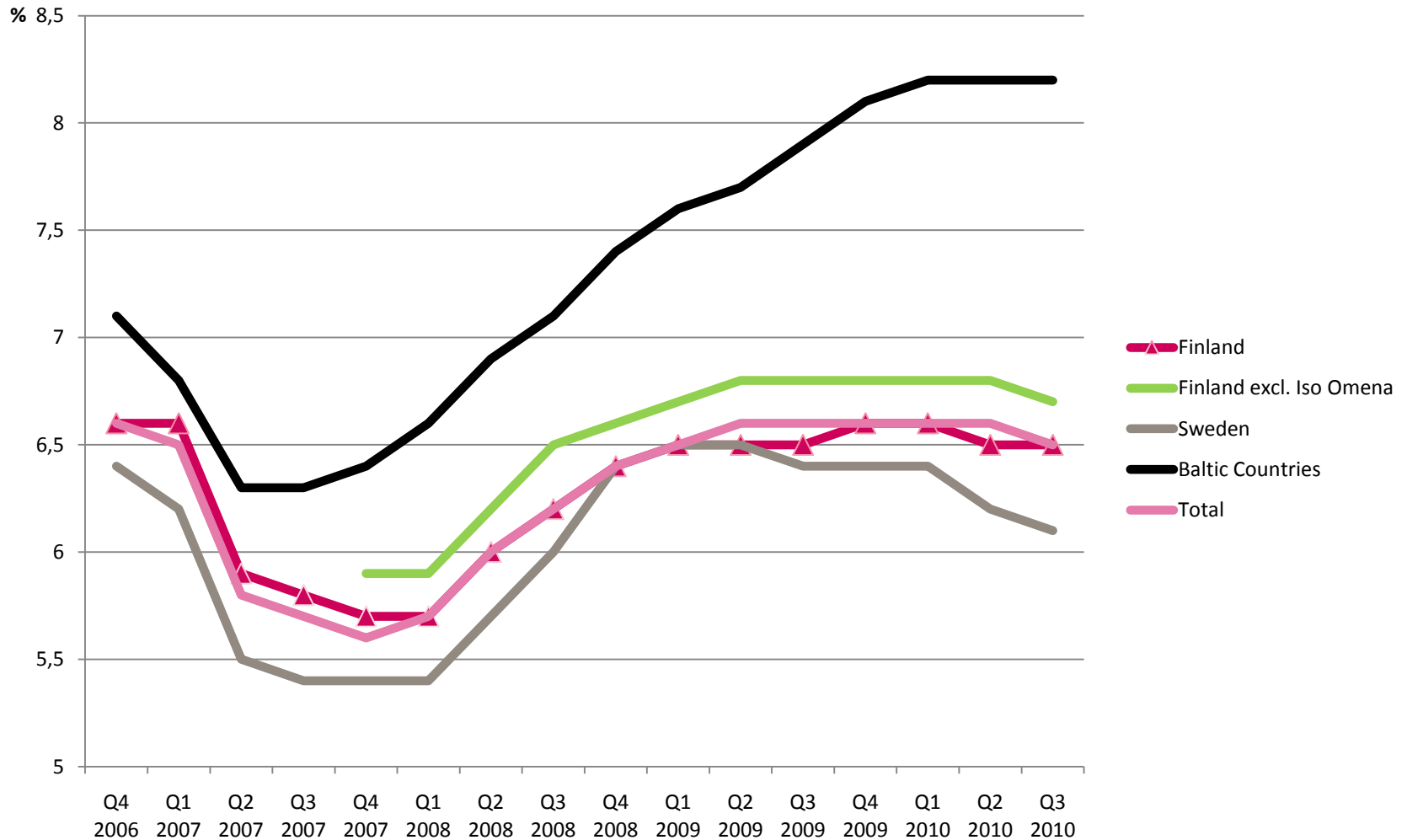
➤ Stronger SEK contributed to NRI positively by 1.9M€.

Property Portfolio

TOTAL PORTFOLIO	Q3/2010	Q3/2009	Q2/2010	2009
Number of leases started during the period	184	140	175	873
Total area of leases started, sq.m. ¹⁾	33 341	23 789	36 256	141 628
Average rent of leases started (EUR/sq.m.) ¹⁾	17.5	20.7	17.2	23.6
Number of leases ended during the period	408	187	185	781
Total area of leases ended, sq.m. ¹⁾	42 107	40 798	54 801	127 730
Average rent of leases ended (EUR/sq.m.) ¹⁾	14.2	17.2	14.2	17.5
Average rent (EUR/sq.m.)	20.4	19.6	20.3	19.7
Occupancy rate at the end of period, %	94.5	94.7	94.6	95.0

1) Leases started and ended do not necessarily refer to the same premises

Valuation Yield Development in the Portfolio



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

Financing

Leed® Silver shopping centre Rocca al Mare Tallinnassa



Directed Share Offering - Transaction Summary

- Citycon issued **22** million new shares by way of an accelerated book-building representing approx. 9.9 % of the shares and votes prior to the offering
- The offering was over-subscribed leading to a tight discount compared with the closing price (2.88) for the Citycon share on 21 Sep 2010
- Subscription price determined in the book-building was EUR 2.87 leading to gross proceeds of EUR **63.1** million which will initially be used to repay interest-bearing debt
- Transaction rationale
 - Stronger balance sheet with equity ratio closer the long term target and more in line with the European peers
 - Enhance financial flexibility and increase liquidity
 - Enable redevelopment investments and potential acquisitions in line with the strategy of the company
- New shares listed on the official list of NASDAQ OMX Helsinki Ltd on Friday 24 September 2010

Financing Overview

- Total liquidity of EUR **263.6** million incl. unutilized committed debt facilities (EUR 177.1 m) and cash (EUR 86.5 m)
- Equity ratio **35.9%**, hedging ratio of the loan portfolio **80%**
- Average year-to-date interest rate was **4.01%**.
- The weight period-end average interest rate was **3.93%** for fixed rate borrowings and swaps.
- The average loan maturity stood at **3.2** years (3.9 years).
- Net financial expenses stood at EUR **41.6** million (EUR 35.8 million)
- Two covenants
 - Equity ratio: Covenant level 32.5%, equity ratio as defined in loan agreements was **38.9%**
 - Interest cover ratio: Covenant level 1.8x, Citycon's period end ICR **2.1x**

Snapshot of Statement of Financial Position

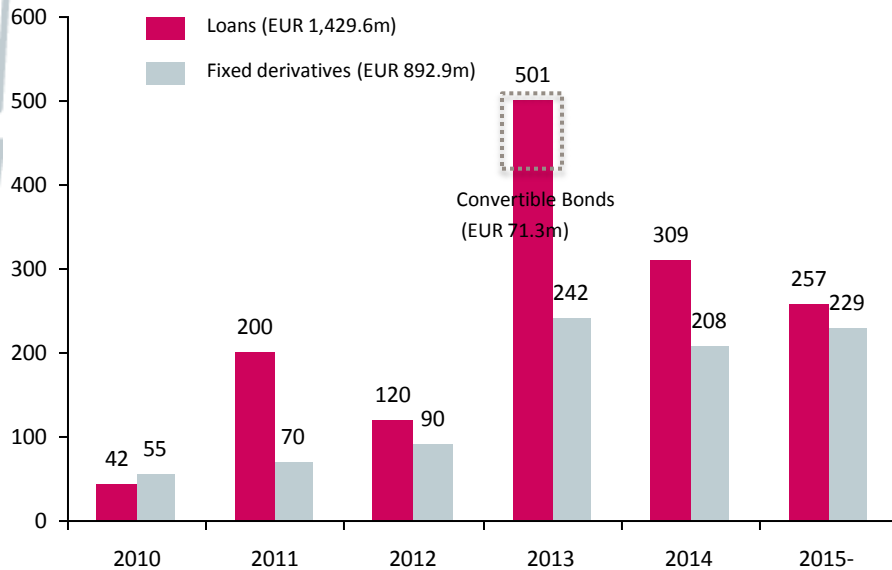
Statement of Financial Position, EUR million	30 Sept 2010	30 Sept 2009	31 Sept 2009
Investment property	2,299.9	2,162.7	2,147.4
Total non-current assets	2,313.5	2,173.3	2,161.4
Current assets	111.3	34.1	91.8
Assets total	2,424.8	2,207.4	2,253.2
Total shareholder's equity	870.2	791.3	767.9
Total liabilities	1,554.6	1,416.1	1,485.3
Liabilities and share holders equity	2,424.8	2,207.4	2,253.2

KEY FIGURES

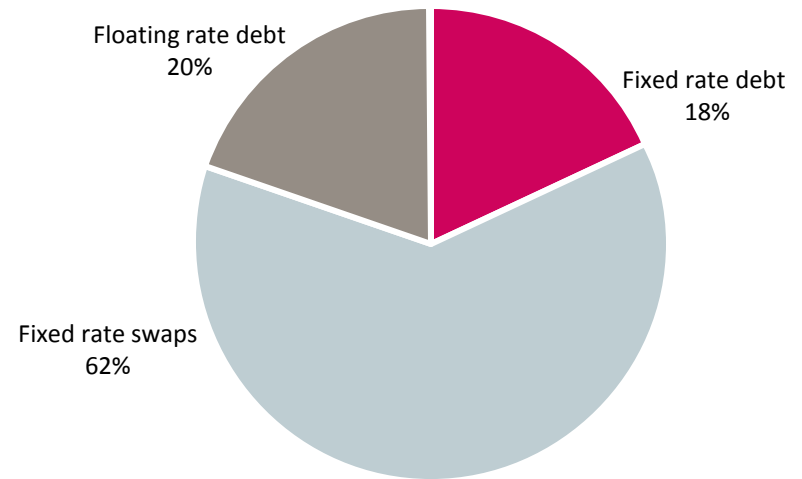
Equity ratio, %	35.9	35.9	34.2
Gearing, %	153.4	159.5	169.5
Equity per share, €	3.36	3.41	3.31
Net Asset value (EPRA NAV) per share, €	3.58	3.64	3.54
EPRA NNNNAV, €	3.37	3.46	3.35
Net Rental Yield (actual), %	5.9	6.1	6.1
Average Net Yield Requirement (valuation yield by external appraiser)	6.5	6.6	6.6

Key Figures – Financing Overview

Maturity profile of loans and derivatives



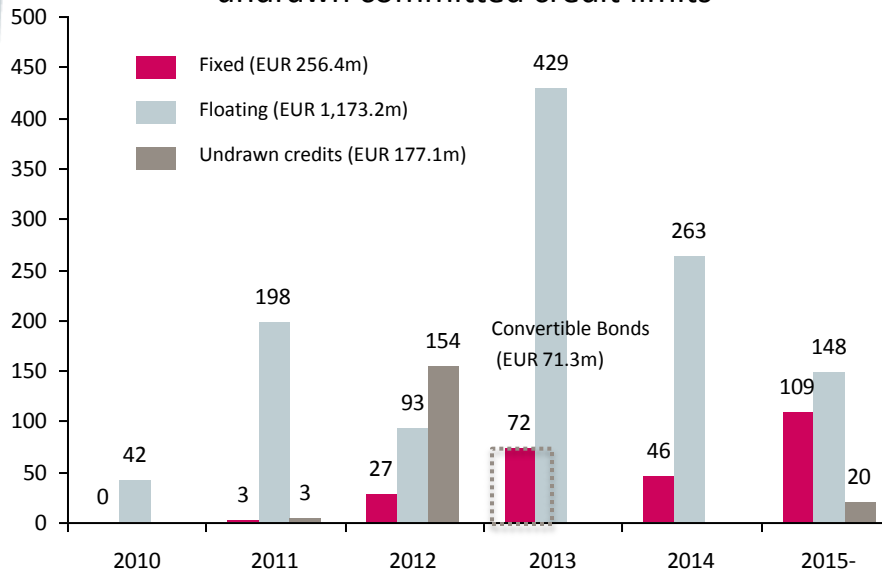
Interest-bearing debt by fixing type
EUR 1, 429.6 million ¹⁾



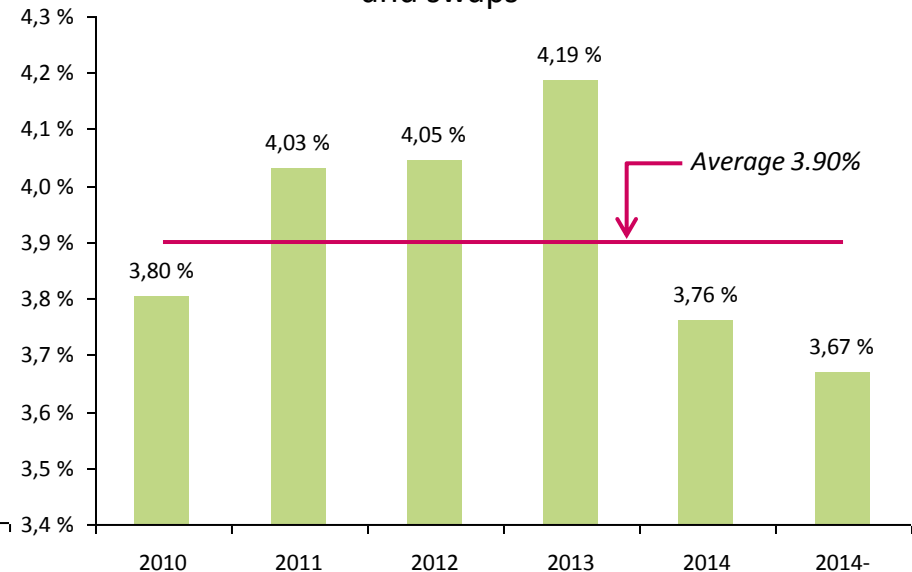
- During third quarter in 2010, the period-end interest-bearing **net debt decreased by EUR 35 million** as a result of the share issue of EUR 63 million carried out in September
- **Refinancing not a problem** - Citycon has demonstrated its access to both equity and debt markets in 2010. Total available liquidity increased in Q3 to EUR **263.6** million and covers all approved investment needs of the company

Key Figures – Financing Overview

Maturity profile of fixed and floating rate loans and undrawn committed credit limits



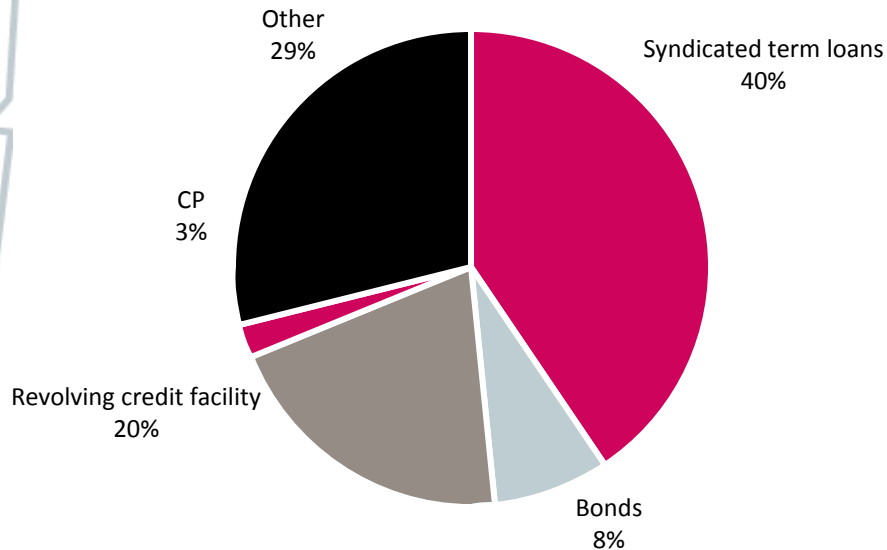
Period-end interest rate by maturity for fixed rate debt and swaps



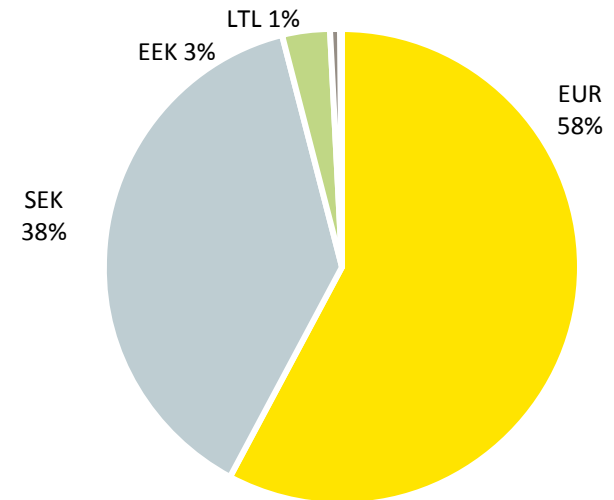
- Favorable maturity structure of debt as the bulk of Citycon's debt is due on or after 2013
- Available committed undrawn credits are also of long term nature and will fall due in 2012 and 2015

Key Figures - Debt Portfolio

Breakdown by debt type
EUR 1,429.6 million ¹⁾

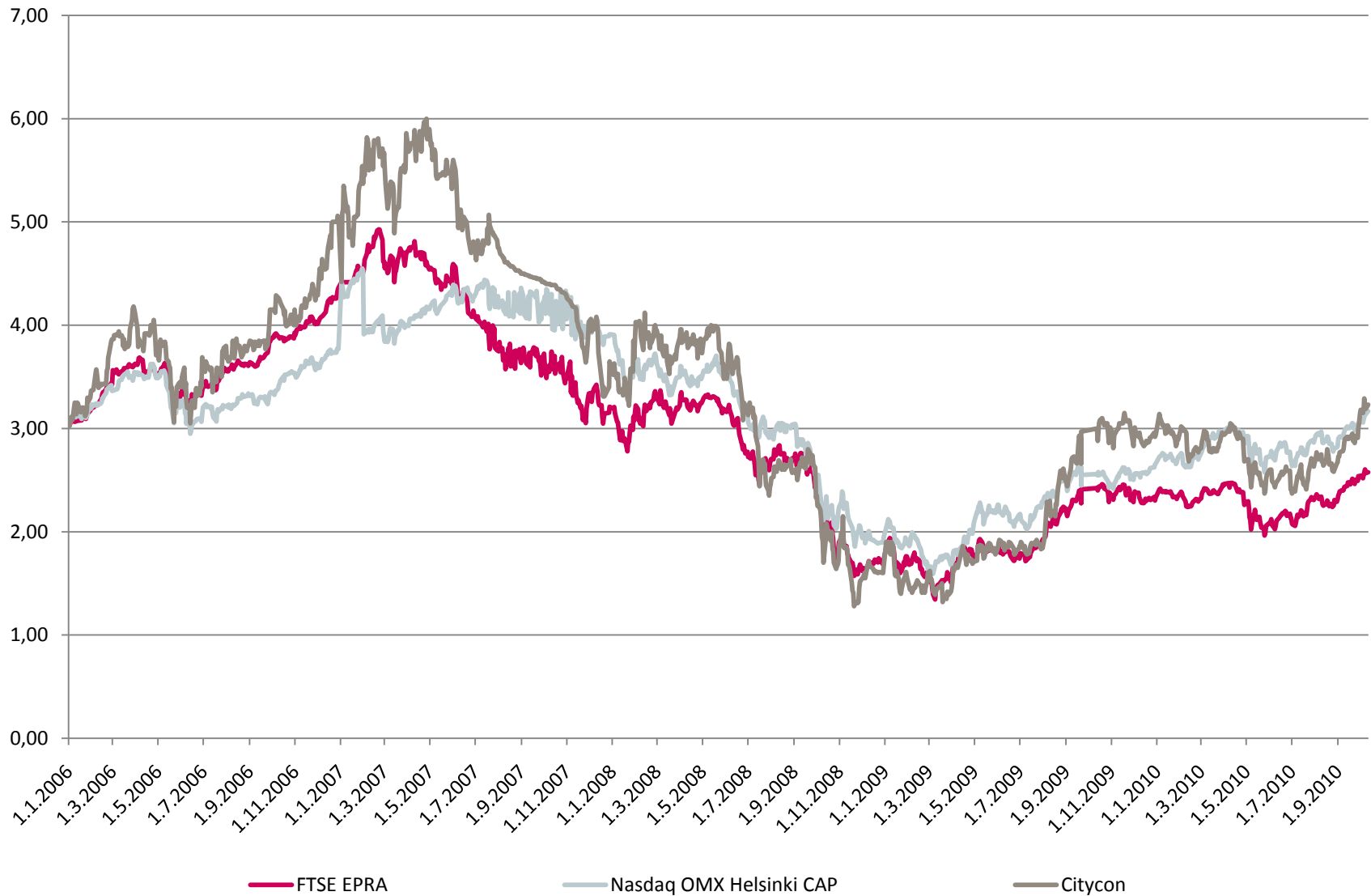


Breakdown by currency
EUR 1,429.6 million ¹⁾



- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **69 %** of the debt portfolio
- For nine-months period ending 30 Sept 2010 the average year-to-date interest rate was **4.01 %** (Q2/2010: 4.00 %)

Share Performance¹⁾



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