Citycon Full Year 2012 Results

CITYCON creating success for retailing 25

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Citycon - Creating Success for Retailing

- Founded and listed in Helsinki Stock Exchange in 1988
- In 2012, Citycon's shopping centres attracted more than **130** million customers, sales totalled more than EUR **2.1** billion
- Invests in shopping centres in major growing cities with good demographics in Nordic and Baltic countries
- Seeks growth through shopping centre acquisitions and property (re)development
- Seeks actively joint-venture arrangements with high-class investors and manages investment on their behalf, or on behalf of third party
- Operates by high sustainability standards

Asset strategy

- High quality portfolio
  - urban locations
  - strong occupancy & footfall
  - strong development pipeline
- “Safehaven” economics
  - GDP for 2013E [1]
    - Finland: 1.2%
    - Sweden: 1.8%
    - Denmark: 1.9%
    - Estonia: 3.5%
    - Lithuania: 3.3%
    - Euro zone average: 0.6%
  - Retail sales 2012[2]:
    - Finland: 4.4%
    - Sweden: 2.3%
    - Estonia: 7.0% (jan-nov’12)
    - Lithuania: 4.8% (jan-nov’12)
  - Full inflation protection

1) Nordea
2) Statistics Finland, Sweden, Estonia and Lithuania

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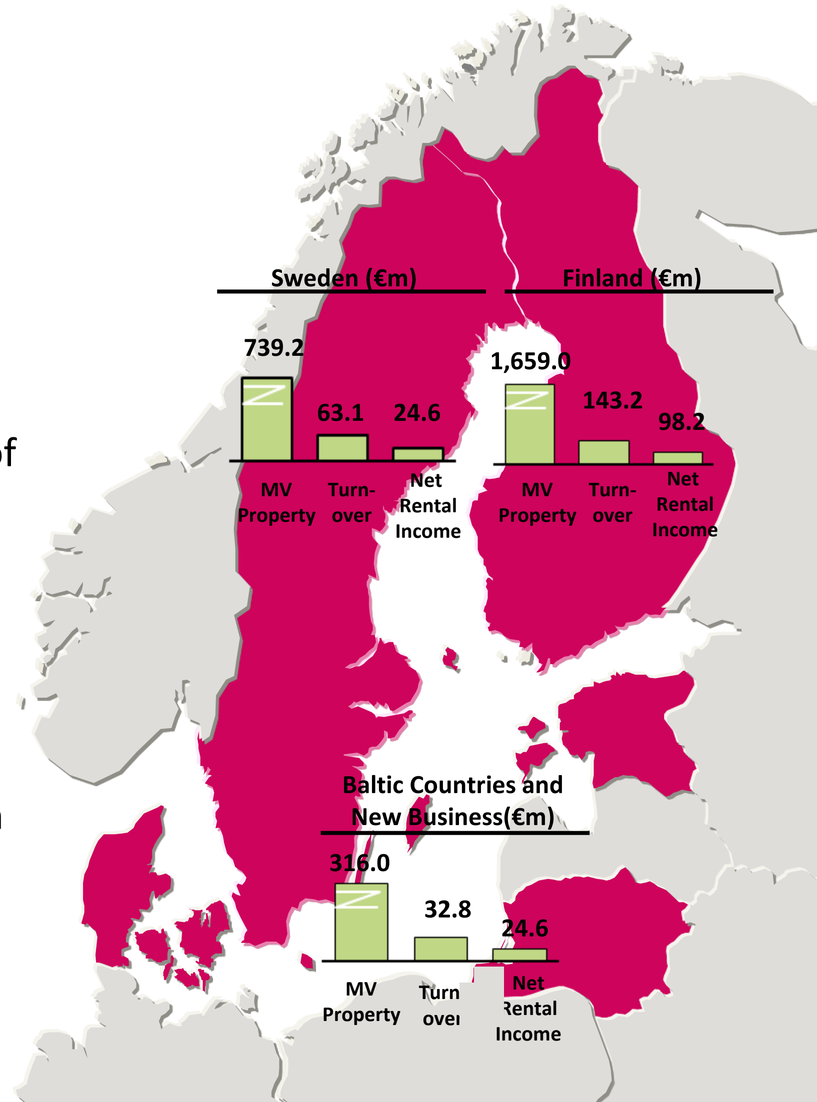
Current Geographical Overview 2012

FINLAND
- A market leader
- Net rental income EUR 98.2 million
- 60.6% of total net rental income
- Currently 23 shopping centres, 35 other retail properties, one unbuilt lot

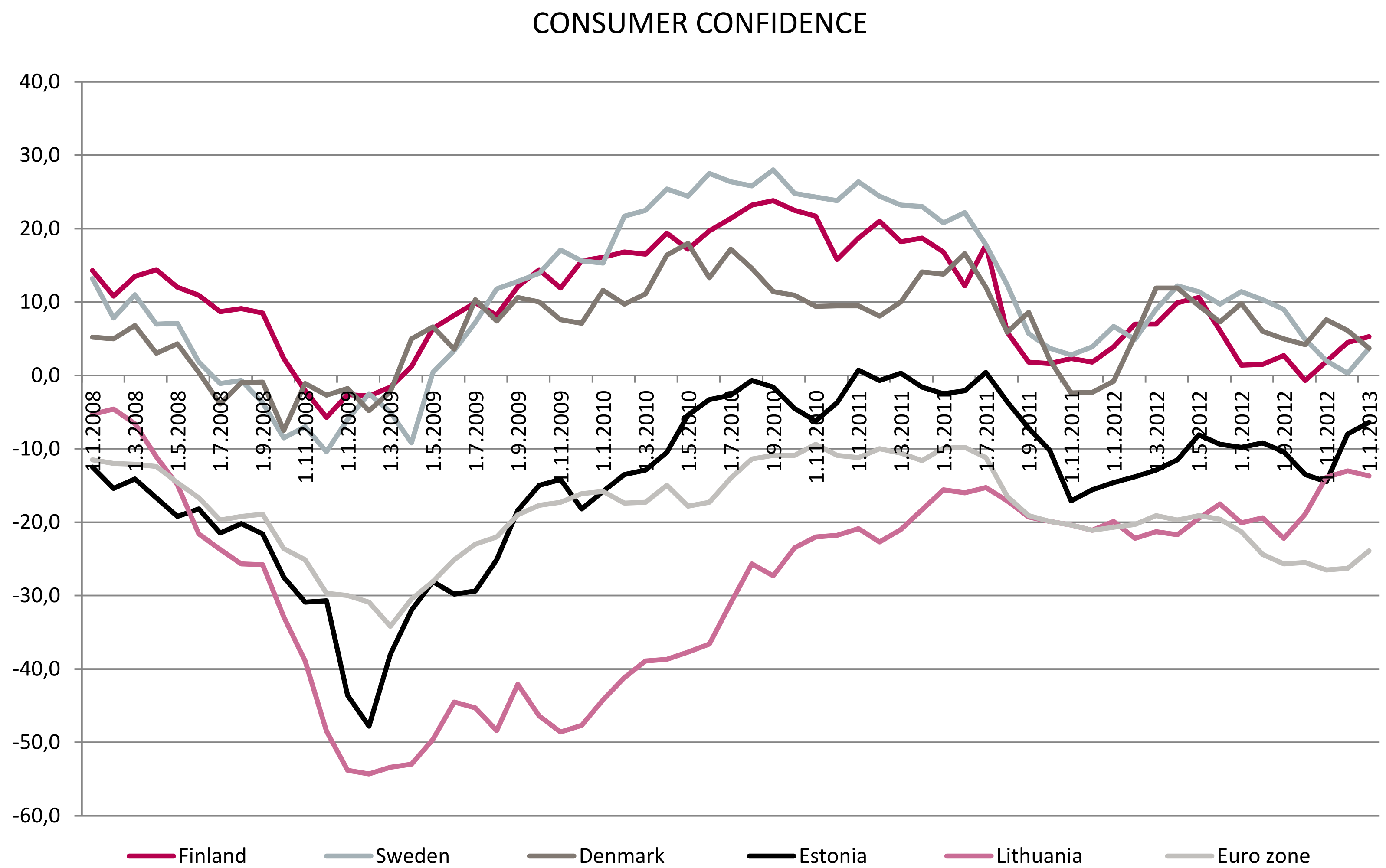
SWEDEN
- Net rental income accounted for 24.2% of Citycon's total net rental income
- Net rental income EUR 39.2 million
- 9 shopping centres, 5 other retail properties

BALTIC COUNTRIES AND NEW BUSINESS
- NRI 15.2% of Citycon's total NRI
- Includes the Danish Albertslund Centrum
- Net rental income EUR 24.6 million
- 5 shopping centres, three countries



Business environment

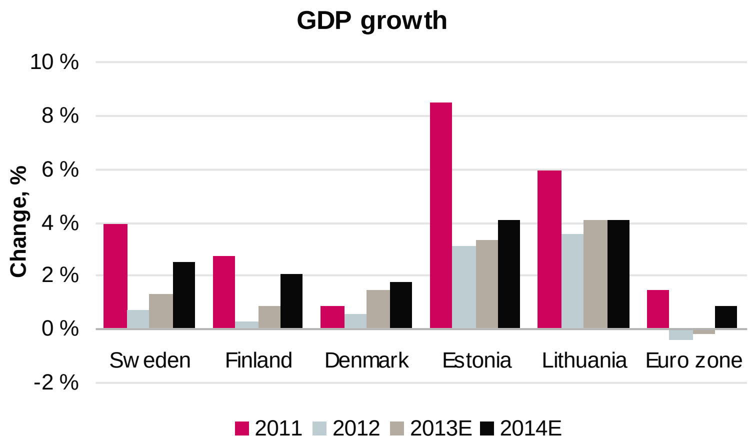
Business Environment

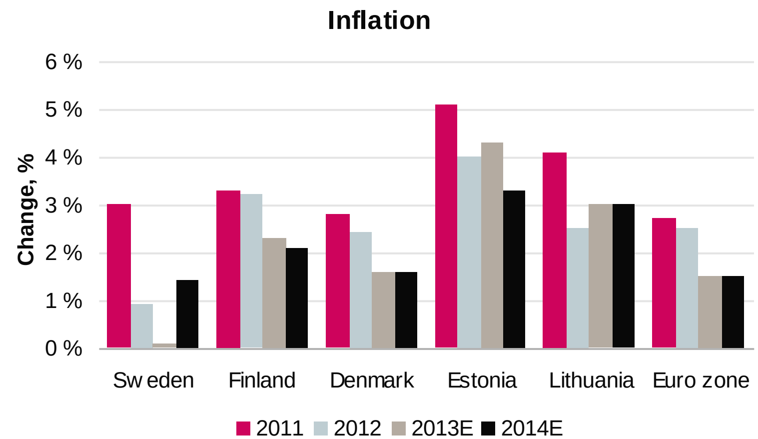


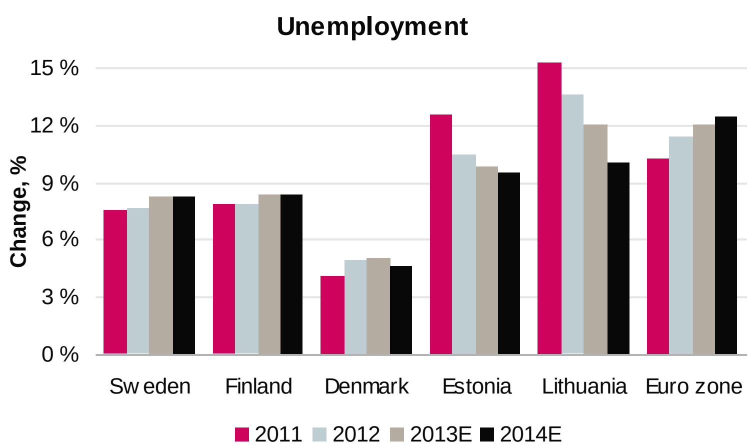
Source: Eurostat

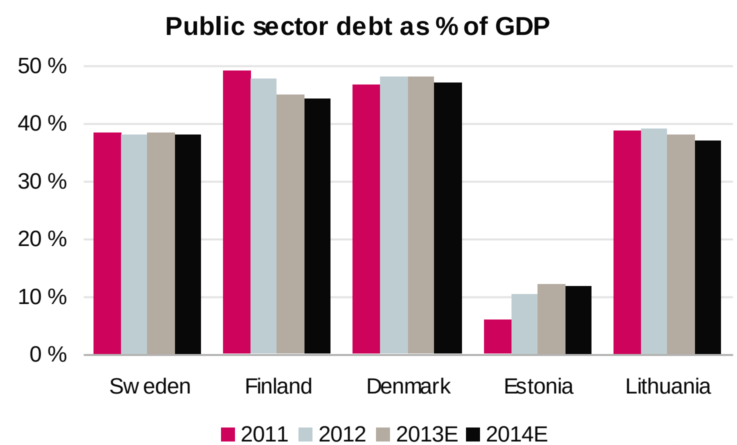
Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

Strong economic outlook in all current Citycon countries









Source: SEB Nordic Outlook report

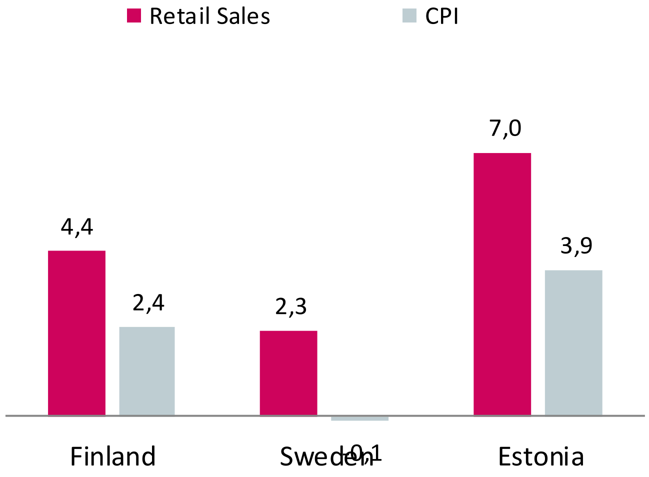
Business Environment

December unemployment rates below the European average (10.7%):

- FINLAND 7.7%
- SWEDEN 8.1%
- DENMARK 7.9%
- ESTONIA 9.5% (Oct 2012)
- LITHUANIA 12.5% (Oct 2012)

In the real estate market, polarization to prime and non prime. Shopping centre prime yields have remained stable but the secondary yields are facing upward pressure.

RETAIL SALES, 2012
AND DECEMBER, 2012

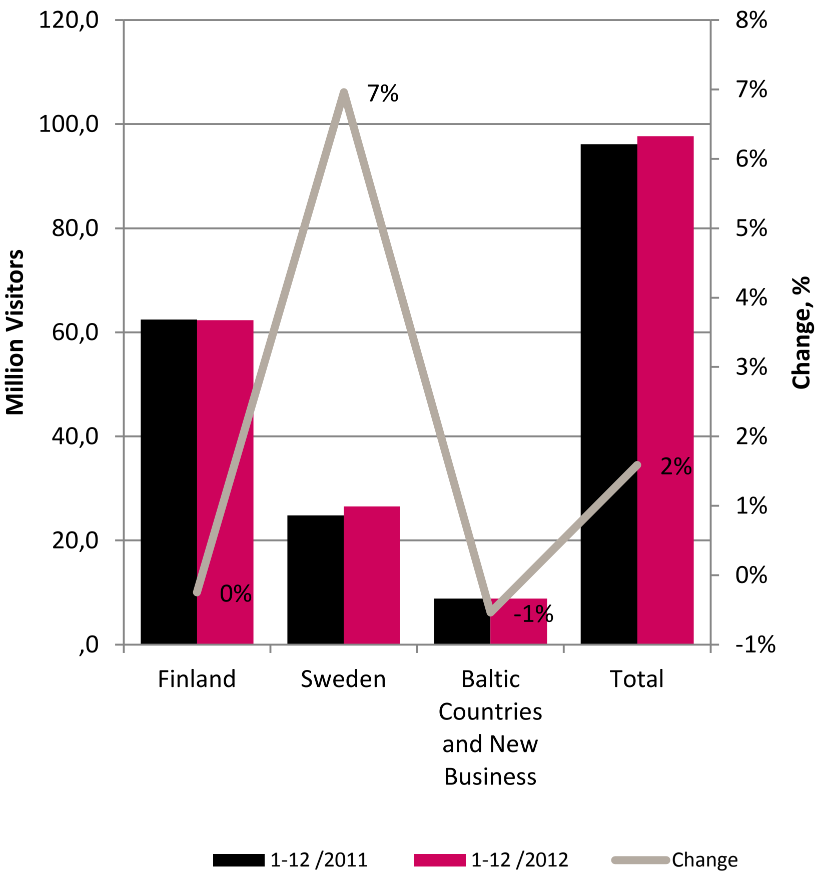


Sources:
Statistics Finland, Statistics Sweden, Statistics Estonia, Eurostat, JLL

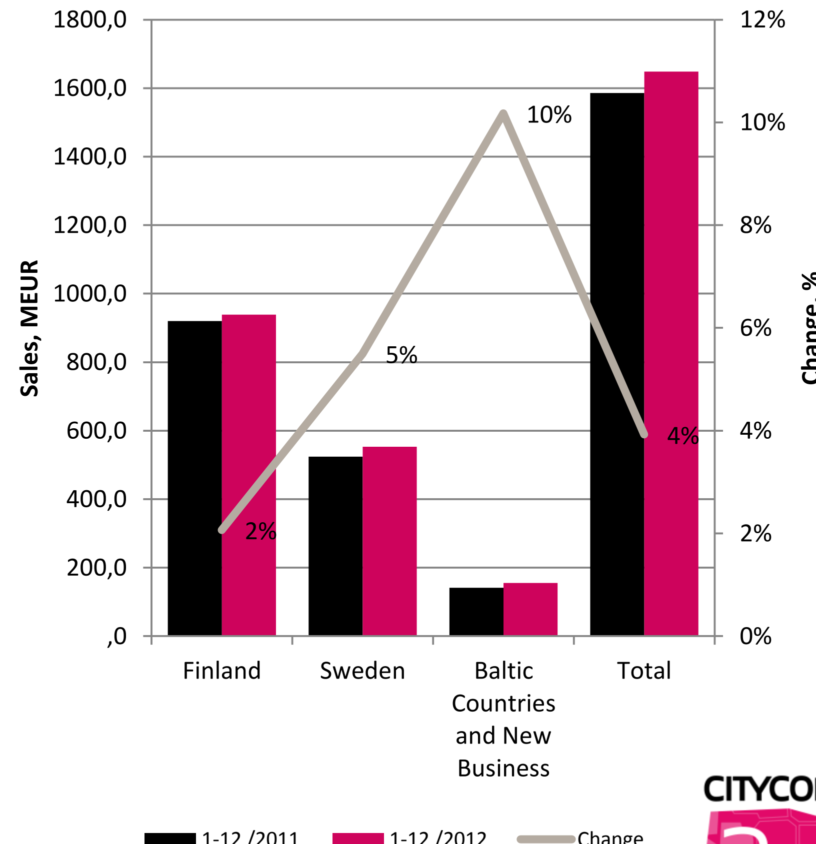
Citycon Shopping Centres - Sales and Footfall

In all Citycon SC's
total sales : +6%
total footfall : +3%

LFL Shopping Centre Footfall



LFL Shopping Centre Sales



Highlights of 2012

Summary of 2012 – Financial results

in EUR million	Q4 2012	*Q4 2011*	*Q3 2012*	FY 2012	FY 2011	Change-%
Net Rental Income, total	42.1	*37.3*	*42.6*	162.0	144.3	12.3
NRI Finland	25.7	*23.2*	*25.2*	98.2	90.5	8.5
NRI Sweden	10.0	*8.6*	*10.6*	39.2	35.4	10.8
NRI Baltic Countries and New Business	6.5	*5.5*	*6.7*	24.6	18.4	33.6
EPRA Operating Profit	34.2	*28.9*	*37.3*	135.7	117.4	15.5
EPRA Earnings	16.2	*12.5*	*17.8*	63.9	53.3	20.0
EPRA EPS, basic	0.049	*0.043*	*0.062*	0.214	0.197	8.5
EPRA NNNAV per share			*3.24*	3.08	3.29	-6.4

Proposal to AGM: **EUR 0.15** of dividend and equity return per share

Summary of 2012 – Operational results

in EUR million	FY 2012
Like-for-like NRI growth, total	**4.9%**
L-f-l Shopping centre NRI growth	6.0%
L-f-l supermarket s& shops NRI growth	-0.6%
Like-for-like sales in shopping centres, growth	4.0%
Like-for-like footfall in shopping centres	2.0%

Significant leasing activity

- New brands: Debenhams (agreement + LOI), Tommy Hilfiger, Tiger, Crocs, Collage, Furla, Cos, NewYorker
- New tenants to the region, cross border agreements: H&M, Expressions (accessories), Yo

Summary of 2012

Refinancing

- EUR 150 million unsecured domestic bond with a 5 year maturity
- Credit facility of EUR 360 million, an average maturity of 5 years with a Nordic bank group
- Rights issue of approx. EUR 90.7 million and 49 million new shares

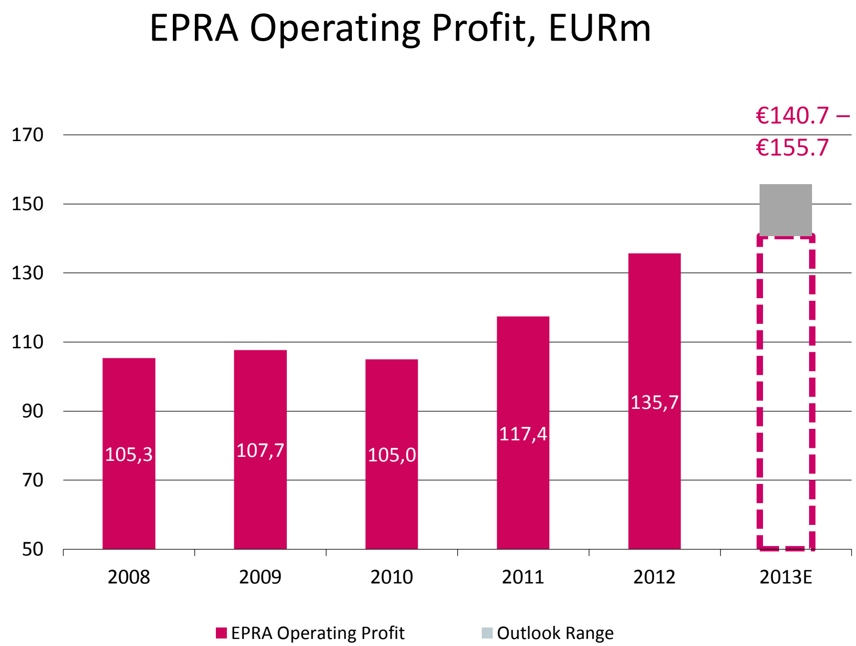
Business Improvements

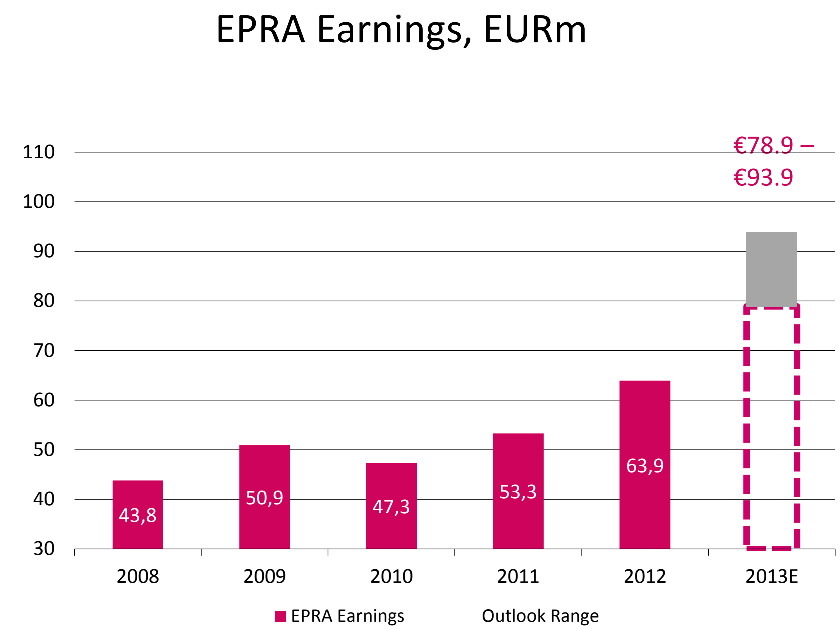
- Like-for-like NRI growth 4.9%
- The efficiency program continues with higher targets for 2013: admin cost savings target is up to EUR 5 m compared to 2012
- Change from country organization to clusters: One Citycon
- Fair value of property portfolio:
  - The average net yield requirement by external appraiser: 6.3% (6.4%)
  - Net fair value gains EUR 23.6 million (EUR -35.3 m)

Growth

- The acquisition of Kista Galleria

Citycon Outlook 2013





- **The company expects:**
  - its turnover to increase by EUR 5–20 million compared to 2012
  - Its EPRA operating profit to grow by EUR 5–20 million
  - its EPRA earnings to increase by EUR 15–30 million
  - EPRA EPS is expected to be EUR 0.22–0.26 based on the existing number of shares

Kista Galleria

Kista Galleria at a glance

One of the largest shopping centres in Stockholm

- GLA: ~90,000 m^2 of leasable area, 60,000 m^2 retail
- Parking facility with 2,500 parking spaces
- Visitors: 18.1 million (2011)

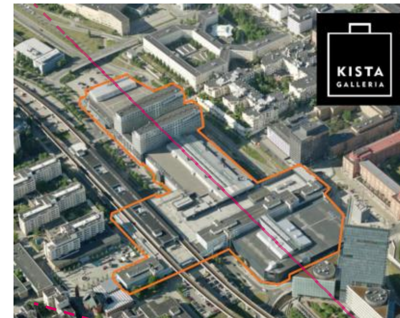
Modern, state-of-the-art facility

- Built in 1977
- Redeveloped and extended in 2002
- Extended in 2009

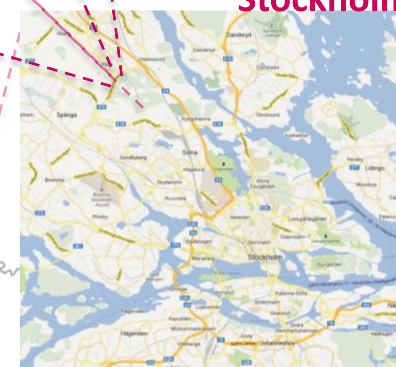
Superior connectivity

- Integrated with Kista metro station, 17 min from the Stockholm CBD
- Close to major highway systems

Kista Galleria



Stockholm

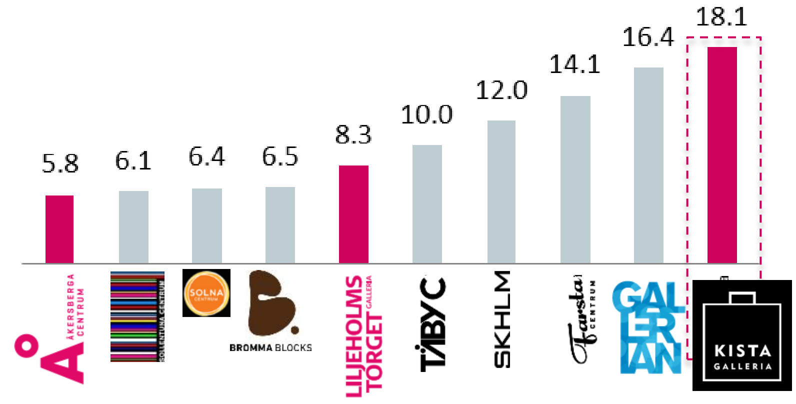


Winning asset in its catchment area

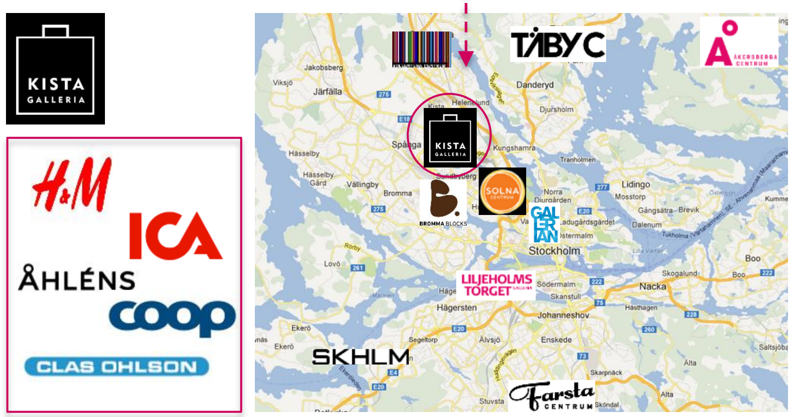
Perfect mix of mid-market brands that suit well to the demography of Kista up-and-coming inhabitants and workers

- One of the largest shopping centres in Stockholm
- Superior connectivity
- Purchasing power in the catchment area to **grow by 62% by 2025** driven by population and economic growth
- Well positioned in its catchment area

Stockholm leading footfall in 2011 (m)



Stockholm key shopping centres



Total catchment: 345,000
Primary catchment:
125,000 + 70,000 per day
Natural footfall: >50,000 daily

FY 2012

Transaction structure

Joint venture with CPPIB

CPP INVESTMENT BOARD

- 50/50 ownership with Canada Pension Plan Investment Board ("CPPIB"), representing their first investment in the Nordics region
- The CPPIB Fund is €126 billion of which €13 billion (approx. 11%) is real estate
- A key strategy for CPPIB in their joint venture investments is to partner with top-tier investment managers around the world
- Citycon will be responsible for the asset and property management of Kista Galleria, in which Citycon will receive management fees in line with market practice
- Kista Galleria will be equity consolidated to Citycon

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Investment rationale

- Enhancement of Citycon's earnings quality and growth potential
- High quality asset addition to portfolio
- Increased exposure to attractive Swedish market
- Increased clustering of attractive Stockholm market
- High quality long term partner - CPPIB
- Improved retail space offering to tenants

(Re)development Project, Sustainability Achievements, Property Portfolio

Changes in the Property Portfolio

- Acquisitions in 2012
  - Shopping centre Arabia, Helsinki (EUR 19.5 m)
  - Albertslund Centrum, Greater-Copenhagen, Denmark (tot. EUR 24 m)
  - Minorities in existing shopping centres:
    - Koskikeskus, Tampere, FIN (EUR 7.8 m)
    - Citytalo next to Galleria, Oulu, FIN (EUR 13.5 m)
    - Strömpilen, Umeå, SWE (EUR 13.8 m)
    - Stenugstorg, Stenungsund, SWE (EUR 14.7 m)

- Divestments in 2012
  - Retail properties in Sweden totaling EUR 14.9 m
  - Residential in Sweden totaling EUR 15.6 m
  - Retail properties in Finland and a shopping centre totaling EUR 1.4 m

→ EUR 31.9 m

- New on non-core properties, economic occupancy rate 88.7% (86.5%)
  - Supermarket and shops, Finland, occupancy 90.3% (85.0%)
    - Kesko Letter Of Intent
    - New concept under planning (Pori)

(Re)development Projects in 2012

	Property	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)	(Pre-) Leasing rate,%	Est. of Completion	
Redevelopments and extensions	**Åkermyntan Stockholm, SWE**	8 500 10 100	6.9	6.7	6.9	93	Q2/ 2013	The redevelopment project, the shopping centre and its parking will be renewed and energy efficiency will be improved. Slight delay due to negotiations with existing tenants.
Redevelopments and extensions	**Magistral Tallinn, EST**	9 500 11 700	7.0	7.0	8.3	100	Completed in May 2012	The redevelopment and extension of the Magistral shopping centre.
Redevelopments and extensions	**Myllypuro Helsinki, FIN**	7 700 7 300	21.3	21.3 2)	7.4	85.3	Completed in May 2012	Building of a new retail centre replacing the existing one next to the Myllypuro subway station.
Redevelopments and extensions	**Koskikeskus Tampere, FIN**	27 700 28 600	37.9	40.5	6.6	90.5	Completed in Nov 2012	Redevelopment of the centre. The interior, the entrances, facades and all the technical systems will be thoroughly renewed. Better tenant mix.
Extension	**Iso Omena Espoo, FIN**	60 600 63 000	7.6	7.5	-	100	Completed in Nov 2012	Extension of shopping centre to former parking facility on the roof top on the second floor.

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

2) The compensation of EUR 5.9 million and its tax impact received from City of Helsinki has been deducted from actual gross investments

Largest (Re)development Projects Under Planning

Citycon's Board of Directors has **not** yet made a decision on these (re)development project, but it is under planning.

Property	Project area, sq.m.[1)]	Net expected Citycon's investment need, MEUR[2)]	Target year of project launch	Target year of completion	Additional information
Iso Omena[3)] **Espoo (Helsinki MA) Finland**	27 000	80-90 (total 170)	2013[4)]	2016	Planning reservation together with the construction company NCC regarding above ground premises of the upcoming Matinkylä subway station of western subway line, bus terminal and extension of shopping centre Iso Omena. The subway line is scheduled to be completed late 2015. GIC owns 40% of Iso Omena together with Citycon. LOI signed with the first Debenhams to enter Finland signed to the extension part.
IsoKristiina Lappeenranta Finland	32000[5)]	55	2013	2015	Refurbishment and extension of the existing shopping centre under planning. Co-operation agreement with city of Lappeenranta signed. The city plans to locate its city theatre into the shopping centre's extension part. Already more than 50% of the shopping centres lease agreements has been signed /agreed.
Lippulaiva Espoo Finland	15000-20000	40-50	2014	2016	Extension of the shopping centre. The refurbishment of interior premises completed. Planning of the extension continues.
Myyrmanni Vantaa (Helsinki MA) Finland	16000	55	2014[4)]	2016	Extension possibilities of the shopping centre to two different sides of the centre to the former health care centre's and Paalutori's plot. Parking is planned to be transferred underground. Prisma hypermarket and residential units are under planning to be built in connection to Myyrmanni. Covered access from the adjacent local train station to the planned extension.

1) The project area refers only to the area of the planned extension.
2) The amount of investment needed will change and become more precise as the planning process proceeds. The figure is the best current estimate.
3) Partly-owned property.
4) The schedule for the project completion and/or project launch and/or project area involves risks associated with city planning.
5)The project area refers to the combination of the area of the existing premises under refurbishment owned by Citycon and the area of the extension.

Summary of Environmental Targets and Results in 2012

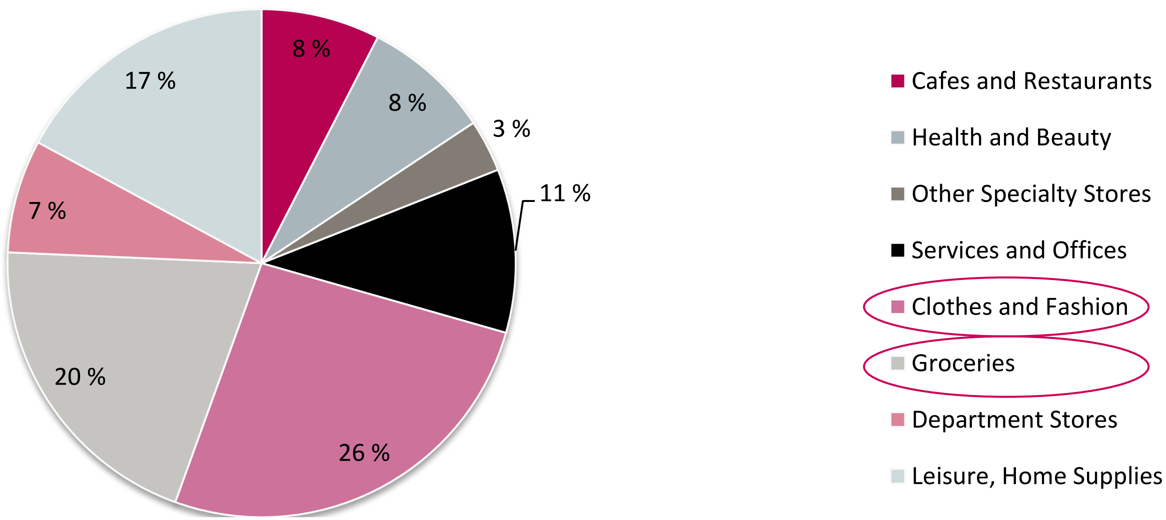
Strategic objectives related to environmental responsibility	Targets for 2012	Results of 2012	
Climate Change			
Reduction of greenhouse gas emission by 20 per cent by year 2020 from the 2009 level	2-3%	In l-f-l shopping centres: -3.3 %	√
Energy			
Reduction of energy consumption (electricity, heating and cooling) by 9 per cent by 2016 from 2009 level	2-3%	In l-f-l shopping centres: -1.7 %	○
Identifying solution that utilise renewable energy	-	in progress	√
Water			
Lowering water consumption to an average level of less than 3.5 litres per visitor	4.0 l/visitor	In l-f-l shopping centres: 3.9 l/visitor	√
Waste			
Shopping centre waste recycling rate to be raised to at least 80 per cent by 2015	78 %	83 %	√
Reduction of landfill waste to a maximum of 20 per cent of total waste by 2015	22 %	16 %	√
Landuse and Sustainable Construction			
All development projects to be implemented in accordance with environmental classification principles	All projects ongoing in 2012 assessed with LEED criterias	achieved	√
Development projects are located in built-up environments, within reach of good public transport connections	100 %	achieved	√

Property portfolio

Key Figures - Property Portfolio

- **3,846 (3,955)** leases with an average length of **3.5** (3.4) years
- GLA total was **1.000.270** m^2 →First time more than a million!
- Rolling 12-month occupancy cost ratio for total like-for-like shopping centres was **8.9**%
- Rents linked to CPI (nearly all the agreements)

Shopping Centre Rental Income by Branches based on valid rent roll at 31 Dec. 2012



FY 2012

Key Figures - Property Portfolio

TOTAL PORTFOLIO	Q4/2012	Q4/2011	Q3/2012	2012	2011
Number of leases started during the period	195	228	140	792	782
Total area of leases started, sq.m. 1)	40,257	49,370	23,685	141,167	177,006
Average rent of leases started (EUR/sq.m.) 1)	22.0	19.8	22.5	20.5	19.7
Number of leases ended during the period	153	284	328	1,064	877
Total area of leases ended, sq.m. 1)	29,728	53,143	34,366	149,972	186,120
Average rent of leases ended (EUR/sq.m.) 1)	24.6	17.2	16.8	18.6	18.1
Average rent (EUR/sq.m.)			20.8	20.7	19.7
Occupancy rate at the end of period, %			95.4	95.7	95.5

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

Property Portfolio

- Measured in fair value, like-for-like properties accounted for **71.7**% of the total portfolio and of l-f-l portfolio **60.8**% is in Finland and **71.3**% of the total Finnish portfolio is included in l-f-l. Shopping centres represent **88.4**% of the l-f-l portfolio. (Re)development projects and lots not included, properties are owned by the company for at least 24 months.
  - Like-for-like NRI growth, total: **4.9**%

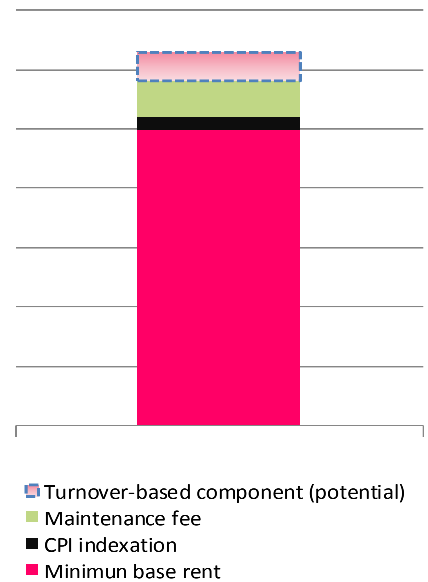
- Annualised rental value for the portfolio was EUR **245.9** million.

  Includes annualised gross rent based on valid rent roll on period end, market rent of vacant premises and rental income from turn over based contracts and possible other rental income. Temporary rental rebates are included.

- Actual rental contract level vs. valuation market rents **-0.2**%

  Indicates how much higher or lower Citycon's actual rental level is compared to the market rents applied in the external valuation.

Illustration of a typical lease agreement



Top 5 tenants 31 Dec 2012	Proportion of rental income, %	Average remaining length of leases, years
Kesko	16.9%	4.2
S Group	5.7%	7.7
ICA	3.4%	4.0
Stockmann	3.0%	2.2
H&M	1.7%	4.2
Top 5, total	30.6%	4.7

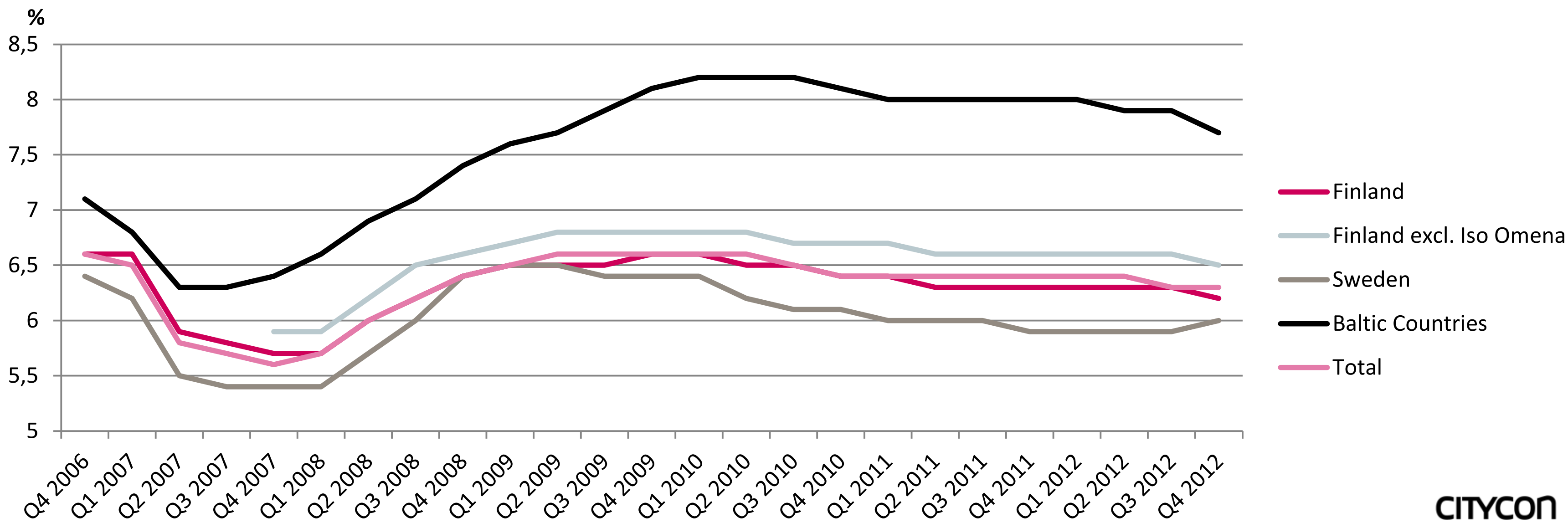
Valuation Yield Development in the Portfolio

Fair value of investment properties EUR **2,714.2** million (2,522.1)

- Total fair value gains EUR **23.6** million (EUR -35.3 million)
- Fair value gain in shopping centres EUR **35.0** million
- Fair value loss in super markets and shops EUR **-11.5** million

Yield requirement for entire property portfolio: **6.3** %

- Finland **6.2** %
- Sweden **6.0** %
- Baltic countries and New Business **7.7** %



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

Key Figures and Financing

Snapshot of Statement of Comprehensive Income

EUR million	Q4/2012	Q4/2011	2012	2011
Gross rental income	58.5	53.0	225.9	206.0
Service charge income	3.6	3.0	13.3	11.1
Turnover	62.1	56.0	239.2	217.1
Property operating expenses	20.1	18.4	75.8	71.6
Other expenses from leasing operations	-0.1	0.3	1.4	1.2
Net rental income	42.1	37.3	162.0	144.3
Administrative expenses	7.9	9.0	26.5	27.7
Other operating income and expenses	0.0	0.0	0.2	0.2
Net fair value gains/losses on investment property	3.8	-17.0	23.6	-35.3
Net gains on sale of investment property	-0.4	-0.6	4.2	0.3
Operating loss/profit	37.6	10.7	163.4	81.8
Net financial income and expenses	-17.4	-16.3	-68.1	-62.4
Share of profit/loss of jointly controlled entities	0.3	0.3	0.2	0.3
Profit/loss before taxes	20.5	-5.3	95.5	19.7
Current taxes	-0.2	0.0	-1.4	-0.9
Change in deferred taxes	1.5	2.1	-6.4	2.5
Profit/loss for the period	21.8	-3.2	87.7	21.3
Other comprehensive expenses/income for the period, net of tax	-2.4	-5.1	-10.7	-26.2
Total Comprehensive profit/loss for the period, net of tax	19.4	-8.3	77.0	-4.9
EPS (basic), EUR			*0.26*	*0.05*
EPRA earnings per share (basic), EUR	*0.049*	*0.043*	*0.214*	*0.197*
EPRA earnings, EUR million	*16.2*	*12.5*	*63.9*	*53.3*
Net cash from operating activities per share, EUR	*0.04*	*0.04*	*0.21*	*0.25*
Profit/loss for the period attributable to parent company shareholders, EUR million	*20.4*	*-5.4*	*77.2*	*13.0*

NRI Growth by Segments and Portfolios

EUR million	Finland	Sweden	Baltic Countries& New Business	Other	Total	TURNOVER
2010	**86,7**	**28,7**	**11,8**	**0,0**	**127,2**	**195,9**
Acquisitions	0,1	0,8	6,0	-	7,0	10,3
(Re)development projects	4,2	1,4	-0,3	-	5,3	6,5
Divestments	0,1	-0,9	-	-	-0,8	-1,8
Like-for-like properties	-0,7	3,8	0,9	0,0	4,0	3,2
Other (incl. exch. diff.)	-0,1	1,6	0,1	0,0	1,6	3,0
2011	**90,5**	**35,4**	**18,4**	**0,0**	**144,3**	**217,1**
Acquisitions	1,5	1,4	4,6	-	7,5 A	11,1
(Re)developments projects	4,6	0,6	0,6	-	5,8 B	8,3
Divestments	-0,5	-1,7	-	-	-2,3 C	-4,6
Like-for-like properties	2,2	2,3	1,1	-	5,5 D	5,3
Other (incl. exch. diff.)	0,0	1,2	-0,1	0,0	1,1 E	1,8
2012	**98,2**	**39,2**	**24,6**	**0,0**	**162,0**	**239,1**

- A Acquisitions: Kristiine, Högdalen, Arabia and Albertslund.
- B (Re)development projects: Martinlaakson Ostari, Koskikeskus, Myyrmanni, Myllypuro, Åkersberga, Magistral
- C Divestments: Floda and Landvetter, residential disposals in Sweden, Tullintori and Valtari in Finland and other smaller divestments.
- D LFL properties: Positive LFL NRI growth: +4.9% (+5.3% in Q3'12). LFL turnover growth was +3.2% and LFL OPEX was flat. LFL growth in the Shopping Centres portfolio was 6.0%, mainly from Rocca al Mare, Liljeholmstorget, Iso Omena, Jakobsberg.
- E Other: FX impact of +1.1M€ on NRI.

Snapshot of Statement of Financial Position

Statement of Financial Position, EUR million	31 Dec 2012	31 Dec 2011
Investment property	2,714.2	2,522.1
Total non-current assets	2,737.6	2,540.1
Current assets	75.5	125.0
Assets total	2,818.5	2,677.7
Total shareholder's equity	1,059.9	961.8
Total liabilities	1,758.6	1,715.9
Liabilities and share holders equity	2,818.5	2,677.7

KEY FIGURES		
Equity ratio, %	37.8	36.0
Gearing, %	139.8	151.4
Equity per share, €	3.11	3.25
Net Asset value (EPRA NAV) per share, €	3.49	3.62
EPRA NNNAV, €	3.08	3.29
Net Rental Yield (actual), %	6.4	6.0
Average Net Yield Requirement (valuation yield by external appraiser)	6.3	6.4

Cash Flow Statement

EUR MILLION	Q1-Q4 2012	Q1-Q4 2011
Operating activities		
Profit before taxes	95,5	19,7
Adjustments	42,9	99,2
Cash flow before change in working capital	138,4	118,9
Change in working capital	8,6	1,6
Cash generated from operations	147,0	120,5
Interest and other financial charges paid	-62,4	-60,1
Interest and other financial income received	0,6	0,6
Realized exchange rate losses	-22,9	-1,8
Taxes paid/received	-0,8	7,2
Cash flows from operating activities (A)	61,5	66,3
Investing activities		
Acquisition of subsidiaries, less cash acquired	-41,0	-33,7
Acquisition of investment properties	-1,1	-105,5
Capital expenditure on investment properties, investments in jointly controlled entities, intangible assets and PP&E	-93,9	-82,4
Sale of investment property	31,1	18,3
Cash flows from investing activities (B)	-104,9	-203,3
Financing activities		
Sale of treasury shares	-	0,4
Proceeds from rights and share issue	89,9	98,9
Proceeds from short-term loans	117,1	160,9
Repayments of short-term loans	-157,5	-100,2
Proceeds from long-term loans	623,5	594,6
Repayments of long-term loans	-600,6	-511,8
Acquisition of non-controlling interests	-28,5	-
Dividends and capital return	-41,7	-34,3
Cash flows from financing activities (C)	2,3	208,5
Net change in cash and cash equivalents (A+B+C)	-41,1	71,6
Net cash from operating activities per share, EUR	0,21	0,25

A Strong cash generated from operations, which increased by 16 % from 120.5M€ to 147.0M€ due to clear improvement in EPRA Earnings. Higher direct operating profit which improved the cash flow was mainly due to contribution from acquisitions, like-for-like growth and completed developments as well as slightly lower admin costs.

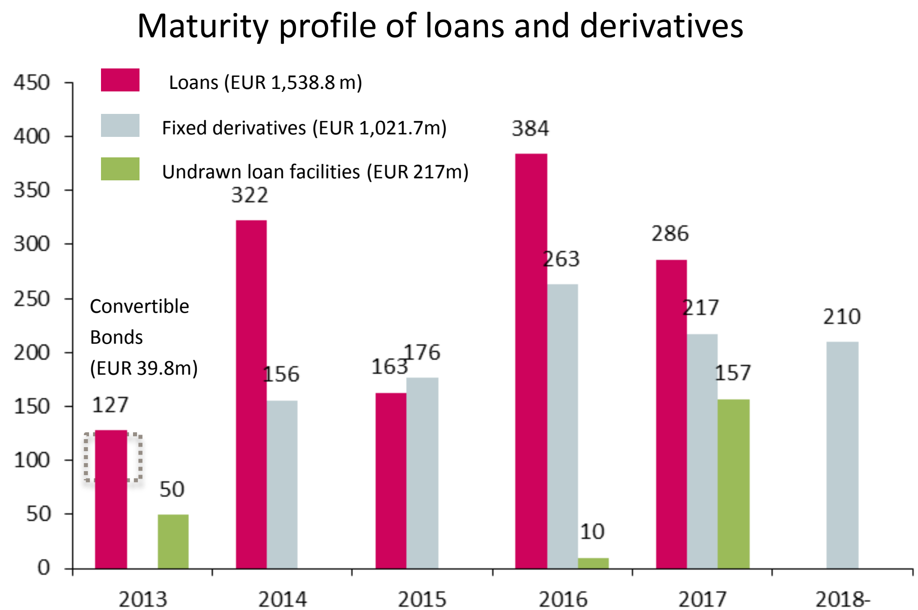
- Also, positive working capital change of 8.6M€ in 2012 (VATs- returns) compared to positive change of 1.6M€ in 2011 contributed to CF from operating activities.
- On the contrary, cash flows from operating activities were impacted by the increased taxes paid. Taxes were positive in 2011 by EUR 7.2 million due to the tax returns.
- Higher realised FX losses of 22.9M€ compared to 1.8M€ in 2011 due to the repayment of large SEK loans as part of 360M€ refinancing. In the P/L this is offset by an evenly large increase in the unrealized FX result.

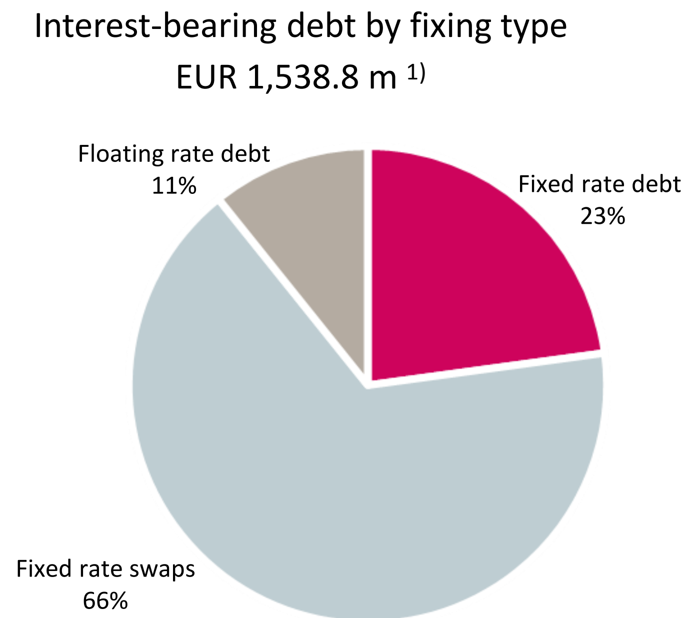
B Investments mainly related to redevelopment of Koskikeskus and acquisition of Arabia and Citytalo (Albertslund acquisition will be paid in 2013).

C Proceeds from disposals, mainly residential and non-core in Sweden, totaled EUR 31.1 million

D Cumulative cash flow per share below the previous year (due to FX losses). CFPS stood at EUR 0.21 per share compared to EUR 0.25 in 2011.

Key Figures – Financing Overview

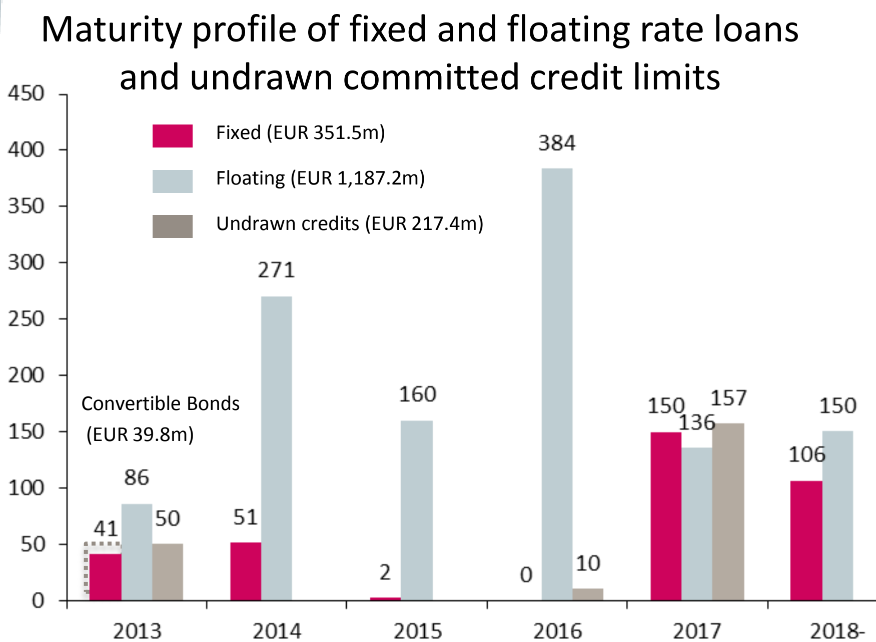


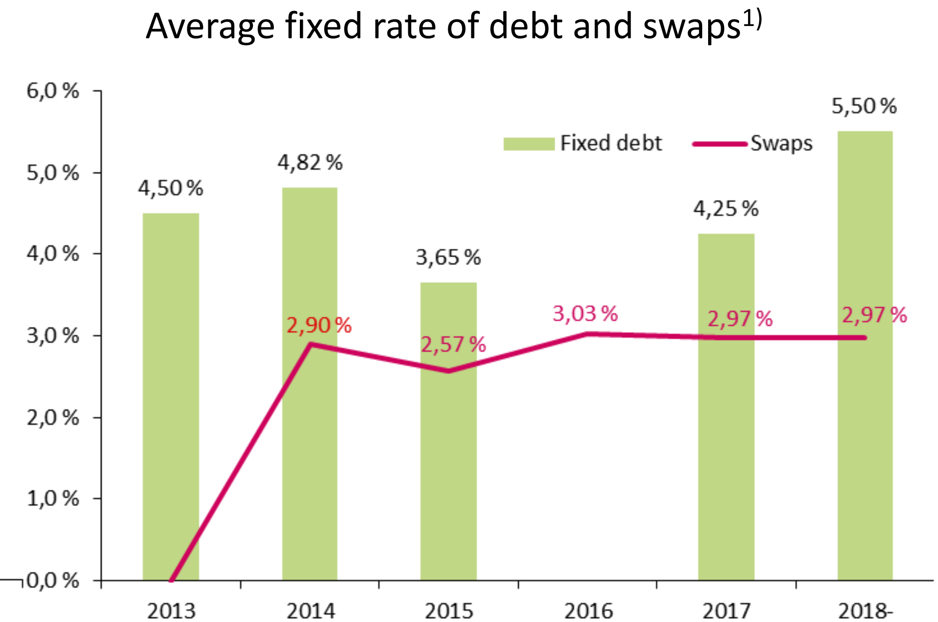


- On 30 Nov 2012, settlement of refinancing the majority of debt due in 2013 from the EUR 360 million long-term unsecured credit facility and other credit facilities took place. As a result the average loan maturity increased to 3.2 years. The average time to fixing was 3.5 years.
- Convertible bond buy-back of EUR 1.45 million executed during Q4 - further reducing debt maturities during 2013.
- The Q4 period-end interest-bearing net debt decreased by EUR 87.4 million from Q3 resulting from the EUR 90.7 million rights issue completed 1 October 2012.

1) Carrying value of debt as at 31 December 2012 was EUR 1,533.0 million. The difference between fair and carrying value equals the capitalized fees of long term loan facilities and bonds as well as to the equity component of the convertible bond which is recognized under equity.

Key Figures – Financing Overview



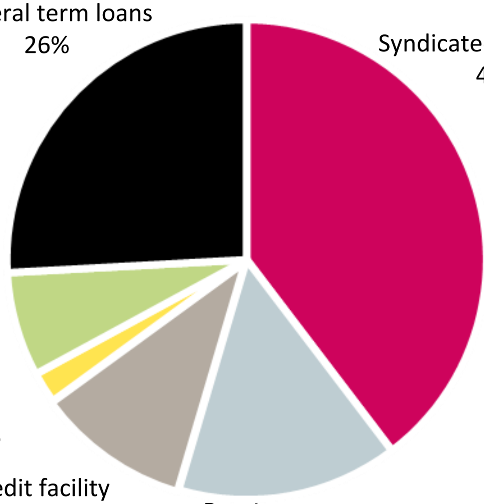


- Main maturities in 2013 is the EUR 39.8 million outstanding convertible bond, EUR 32.5 million of outstanding commercial papers, several smaller bilateral bank loans, some of which will be refinanced and scheduled repayments.
- Hedging ratio high at 89.2%, increased from 86.1% in Q3 2012. Increase is due to repayments on floating rate debt following the rights issue in October. The large increase compared to 81.3% in Q4 201 is mainly due to the issue of the EUR 150 million fixed rate bond in Q2 2012.

1) Average fixed interest rate for the debt and swaps falling due in each year. The average fixed rate of the swaps do not include credit margins while the fixed rate of the debt does include the credit margin.

Key Figures - Debt Portfolio

Breakdown by debt type
EUR 1,538.8 m [1)]



Breakdown by currency
EUR 1,538.8 m [1)]

- Sufficient liquidity buffer – Citycon's unused committed credit facilities at the end of Q4 2012 stood at EUR 217.4 million and cash at EUR 51.0 million. Available liquidity excluding commercial paper of EUR 32.7 million stood at EUR 235.7 million including cash.
- Diversifying the funding structure has been a top priority. Following the successful domestic bond issue in Q2 there is less bank financing in the balance sheet.

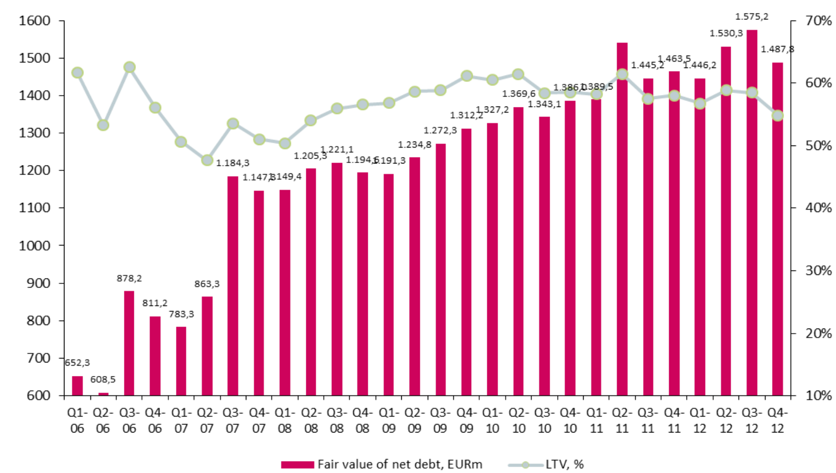
CITYCON 25

1) Carrying value of debt as at 31 December 2012 was EUR 1,533.0 million. The difference between fair and carrying value equals the capitalized fees of long term loan facilities and bonds as well as to the equity component of the convertible bond which is recognized under equity.

Key Figures – Interest Rates and LTV

Quarterly development of interest rates 1)

Net debt and LTV-% 2)

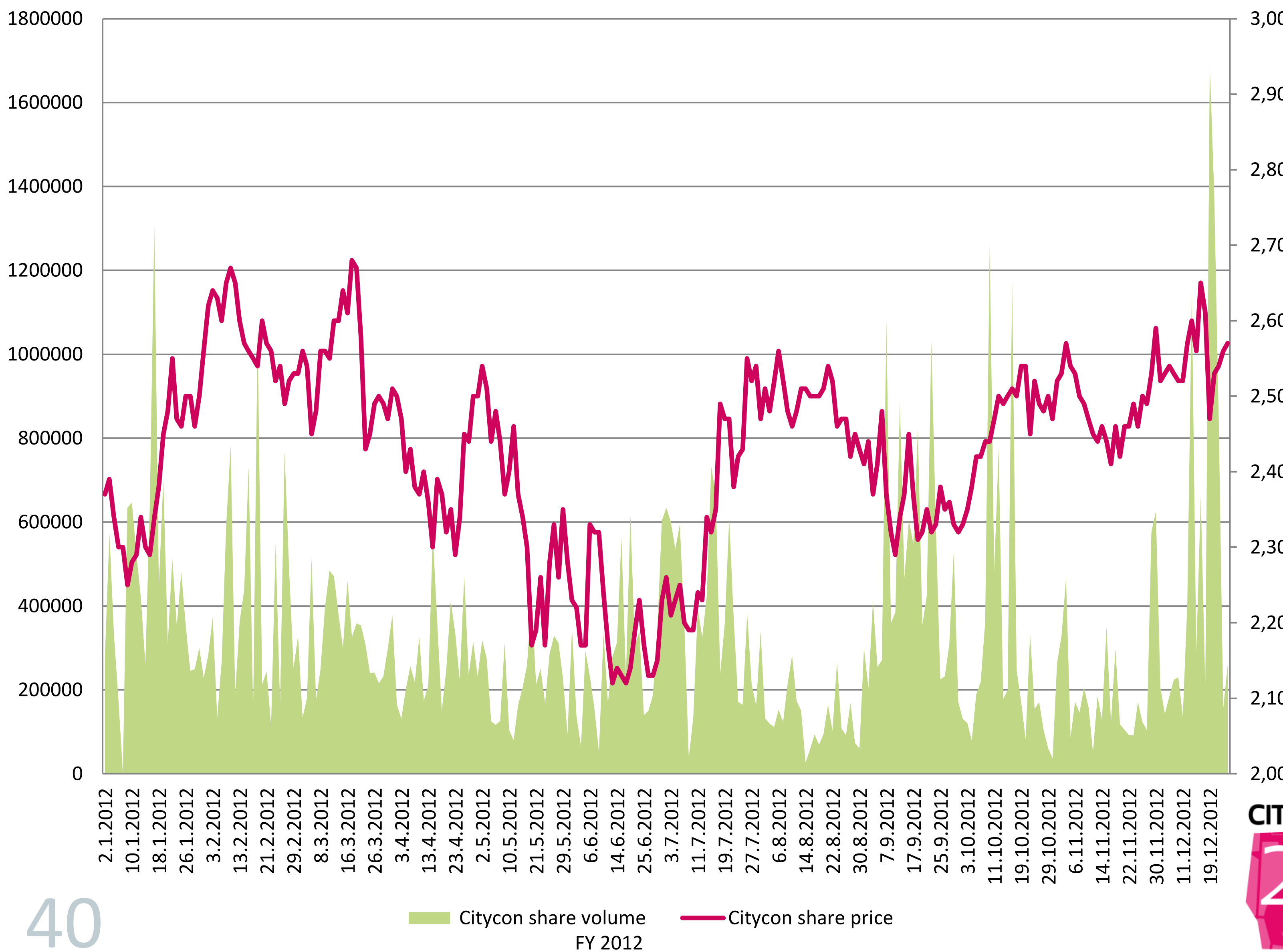


- Interest rates feed through the income statement with a certain lag and Citycon's average interest rate for the twelve-month period ended 31 December 2012 increased slightly to 4.07 per cent (Q3'12: 4.06%) due to higher credit margins on drawings from the EUR 360 million long-term unsecured credit facility taken out on 30 November 2012.
- Period-end run rate however increased significantly by 29 bps to 4.25 per cent mainly due to higher credit margins on the EUR 360 million facility. Market interest rate continue to be extremely low.
- Citycon's LTV-% decreased considerably due to the EUR 90.7 million rights issue, which lead to a lower net debt, and higher fair values of investment properties.

1) *Average interest rate calculated based on the year-to-date income statement interest expenses divided by weighted average interest bearing debt year-to-date. Period-end interest rate is the run rate based on the actual interest rates on floating and fixed rate debt prevailing on the balance sheet date taking into account interest rate swaps. Both interest rates include applicable credit margins.*

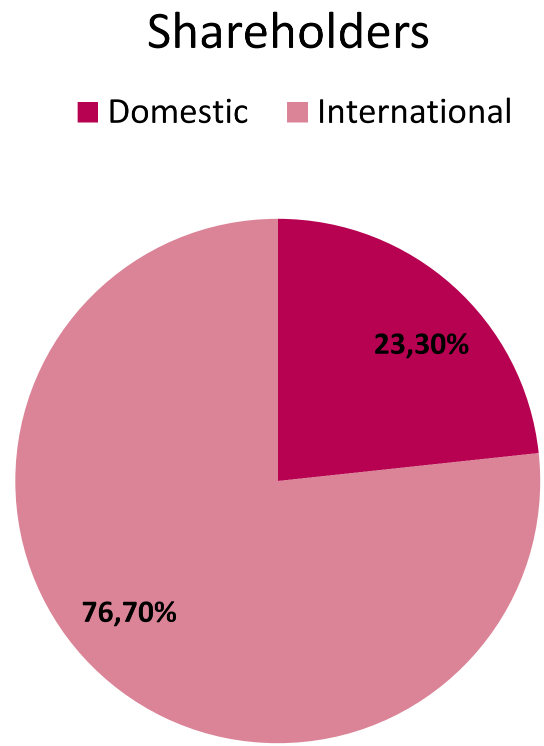
2) *LTV-% calculated as fair value of net debt divided by the appraised value of investment properties on the balance sheet date.*

Share Performance and Volume



Ownership

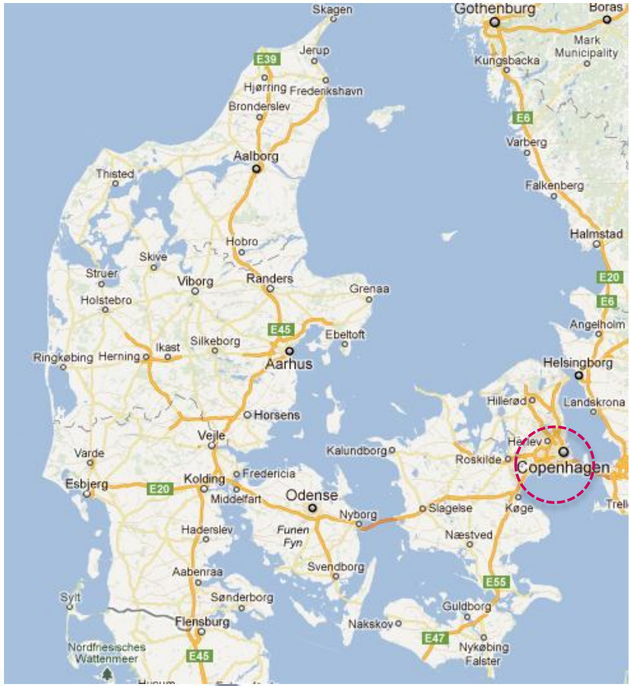
- Established and listed on the Helsinki Stock Exchange since 1988
- 31 Dec 2012 market cap **EUR 840.1 m**
- Number of domestic shareholders increased: total **7,177** (4,276) registered shareholders, **23.3%** (17.1%) of total
- Largest Shareholders:
  - Gazit-Globe **49.0%**
  - Ilmarinen **8.99%**
- Citycon is included among others in Global Real Estate Sustainability Benchmark Survey Index and FTSE EPRA/NAREIT Global Real Estate Index.



Back up information

Albertslund Centrum – Entry to Denmark

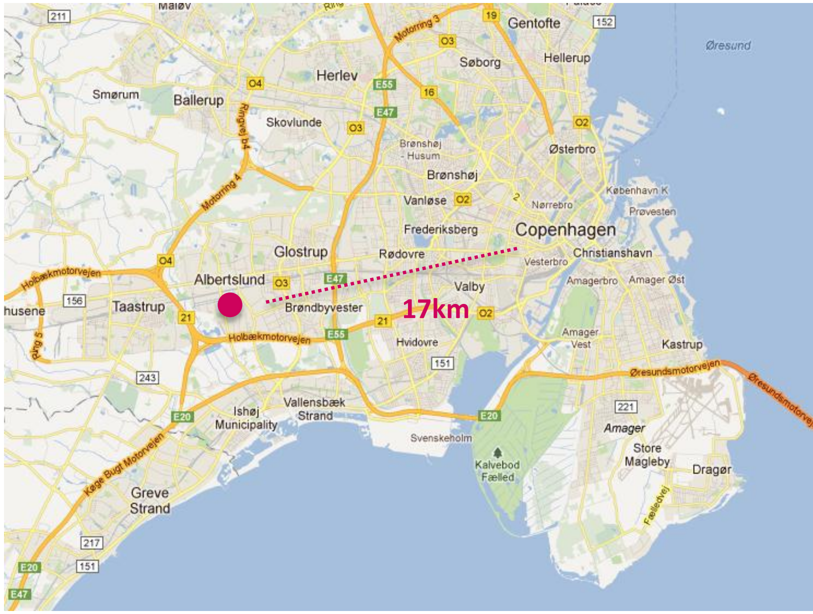
- Citycon acquired Albertslund Centrum from Albertslund Municipality for DKK 181 million (approx. EUR 24 million)
- On the acquisition date, the net initial yield on the investment is approximately 7.5 per cent
- Albertslund shopping centre is an urban community centre that serves also as the social hub of the Albertslund Municipality
- Thanks to its local nature the shopping centre does not face major competition in the area
- For the time being, property management outsourced to TK Development



Property Facts

Built	1965
GLA (existing/ future grocery extension)	16 000/4 000
GLA total	20 000
Parking places (existing/future grocery extension)	960/300
No. of shops	45
Retail anchors	Superbest, Aldi, Danske Bank, Albertslund Apotek, Fona
Occupancy (economical)	97.5%

- Possibilities to improve the centre and tenant mix
- Great transportation connections - next to the train station
- Municipality interested in developing the area as it forms the heart of the Albertslund Municipality
- Sustainable cash flow and proven track record
- Grocery anchored
- Minor competition



	Albertslund	Copenhagen	Denmark
Population 2011	27 800	539 500	5 560 500
Average family income '09, DKK	418 355 vs. Country Index 94%	362 487 vs. Country Index 82%	443 823
Average disposable income, DKK	286 768 Index 97%	236 284 Index 80%	294 369

Lease expiry profile

Average remaining length: 3.5 yrs

Financial Expenses Analysis

Net Financial Expenses (EUR million)	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Change-% (y-o-y)	Change-% (q-o-q)	YTD 2012	YTD 2011	Change-% (YTD)
Financial Expenses:										
Interest expenses	-16,0	-16,2	-15,6	-15,4	-15,5	3 %	-1 %	-63,2	-58,5	8 %
Foreign exchange gains(+)/ losses(-)	-0,1	0,1	0,0	0,0	0,0	n.m.	n.m.	0,0	0,1	-127 %
Capitalised fees	-0,4	-0,6	-0,4	-0,3	-0,3	12 %	-33 %	-1,7	-1,6	4 %
Non-cash option expense from convertible bonds	-0,2	-0,3	-0,4	-0,4	-0,4	-40 %	-23 %	-1,3	-1,5	-12 %
Other expenses	-0,8	-1,1	-0,3	-0,3	-0,3	212 %	-29 %	-2,5	-1,4	70 %
Total Expenses	**-17,5**	**-18,1**	**-16,7**	**-16,4**	**-16,4**	6 %	-3 %	**-68,7**	**-63,0**	9 %
Financial Income:										
Interest income	0,1	0,1	0,1	0,3	0,2	-43 %	87 %	0,6	0,6	-3 %
Fair value gains(+)/ losses (-) from derivatives	0,0	0,0	0,0	0,0	0,0	n.m.	n.m.	0,0	0,0	n.m.
Total Income	**0,1**	**0,1**	**0,1**	**0,3**	**0,2**	-43 %	87 %	**0,6**	**0,6**	-3 %
Net Financial Expenses	**-17,4**	**-18,1**	**-16,6**	**-16,1**	**-16,3**	**7 %**	**-4 %**	**-68,1**	**-62,4**	**9 %**

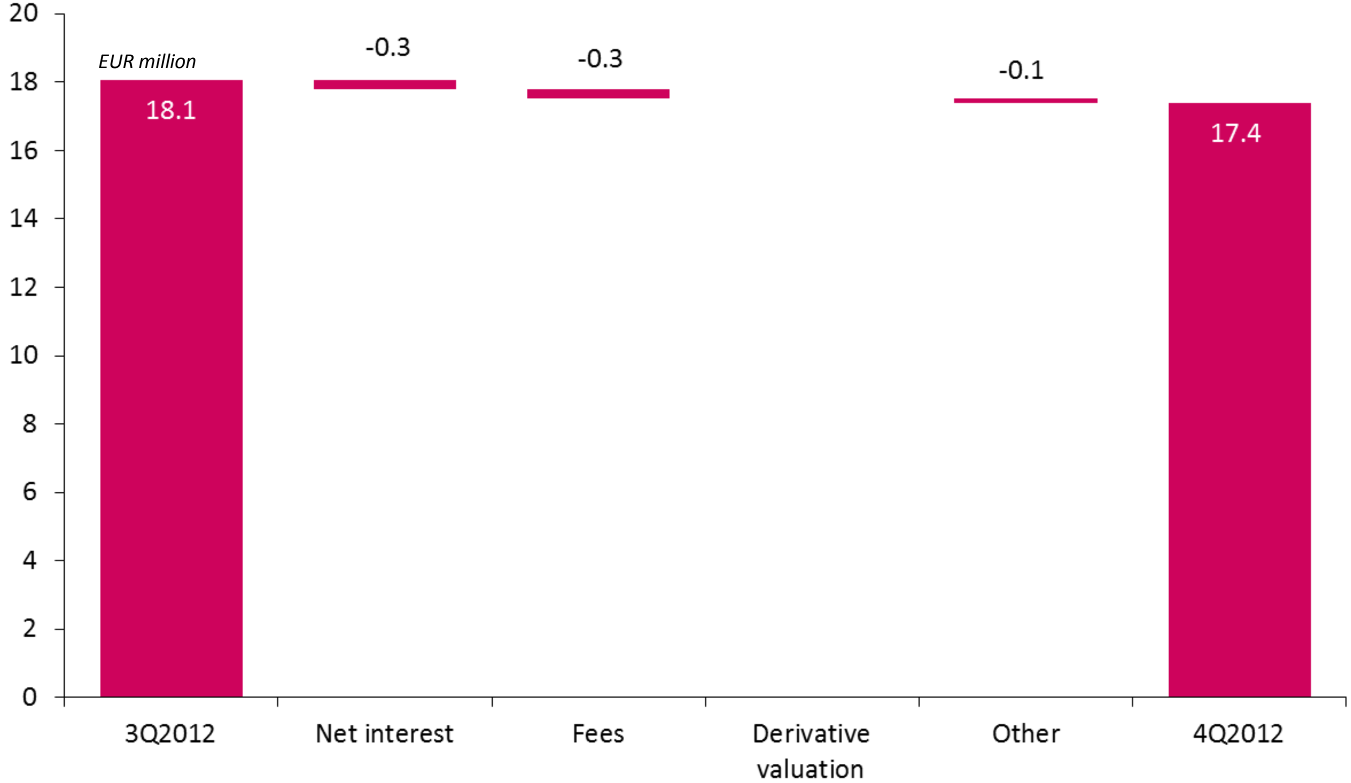
- Interest expenses in Q4 decreased by EUR 0.2 million from the previous quarter partially due to lower debt as the funds raised in the equity issue was used to repay debt in November and slightly weaker SEK. Year-to-date interest expenses increased by EUR 4.7 million to EUR 63.2 million due to higher average amount of debt and higher credit margins.

- Capitalized fees in Q4 decreased by EUR 0.2 million due to extra-ordinary writedowns of amortized fees in Q3 related to the refinancing.

- Non-cash option expense in Q4 decreased by EUR 0.1 million due to the lower nominal amount outstanding following the convertible bond buyback. Other expenses in Q4 decreased by EUR 0.3 million compared to the high costs in Q3, but remained higher than in Q1 and Q2 because of additional fees related to refinancing and Kista aqcuisition.

- Total net financial expenses decreased by 4 per cent from previous quarter to EUR 17.4 million due to lower interest expenses and lower other expenses. Compared to previous year, net financial expenses increased by 9 per cent to EUR 68.1 million. Interest expenses increased by EUR 4.7 million due to higher average interest rate (4.07 % vs 4.03%) and stronger SEK.

Net Financial Expenses Q3 2012 vs Q4 2012



- Net Interest expenses decreased by 0.3 M€ from the previous quarter partially due to lower debt as the funds raised in the equity issue was used to repay debt in November and slightly weaker SEK.
- Fees decreased by 0.3 M€ due to extra-ordinary writedowns of amortized fees in Q3 related to the refinancing and lower non-cash option expense by 0.1 M€ due to the lower nominal amount outstanding following the convertible bond buyback.
- Other expenses in Q4 decreased by 0.3 M€ compared to the high costs in Q3, but remained higher than in Q1 and Q2 because of additional committment fees related to refinancing and waiver fees related to Kista aqcuisition. In addition, FX losses of EUR 0.1 million were posted in Q4, against a gain of EUR 0.1 in Q3.

Illustrative Calculation of ICR Covenant Using Q4 2012 Financials*

Q4 2012 EBITDA for covenant calculation: direct operating profit + depreciations +/- non-cash and exceptional items

EBITDA = EUR 135.7 + EUR 1.2 + EUR 1.5

= EUR 138.4 million for rolling 12-month period

EUR million EPRA Earnings	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Cumulative 12-months
Net rental income	42,1	42,6	39,7	37,5	162,0
Direct administrative expenses	-7,9	-5,4	-6,6	-6,6	-26,5
Direct other operating income and expenses	0,0	0,1	0,0	0,1	0,2
EPRA operating profit	**34,2**	**37,3**	**33,1**	**31,0**	**135,7**
Direct net financial income and expenses	-17,4	-18,1	-16,6	-16,1	-68,1
Direct share of loss/profit of joint ventures	0,0	0,0	0,0	0,0	0,0
Direct current taxes	-0,2	-0,6	-0,4	-0,3	-1,4
Change in direct deferred taxes	0,0	-0,3	0,1	0,2	0,0
Direct non-controlling interest	-0,6	-0,6	-0,6	-0,4	-2,2
EPRA Earnings, total	**16,2**	**17,8**	**15,6**	**14,3**	**63,9**

Q4 2012 ICR

= (138.4/66.0)

= 2.1x

Q4 2012 Net financials for covenant calculation: direct net financials – non-cash option amortization from convertible +/– other adjustments incl. FX gains or losses

Net financials = EUR 68.1 –2.0 -EUR 0.2 EUR **= EUR 66.0 million** for rolling 12-month period

** All numbers are approximations*

Illustrative Calculation of Equity Ratio Covenant Using Q4 2012 Financials*

Equity for covenant calculation: total shareholders' equity + subordinated debt – non-controlling interest +/– fair value of derivatives included in equity

Equity = EUR 1,059.9 + EUR 39.1 – EUR 44.2 + EUR 57.1

= EUR 1,111.9 million as at 31 December 2012

EUR million Liabilities and shareholders' equity	Q4 2012	Q4 2011
Shareholders' equity		
Share capital	259,6	259,6
Share premium fund	131,1	131,1
Fair value reserve	-59,8	-45,7
Invested unrestricted equity fund	333,0	273,7
Retained earnings	351,8	284,0
Total equity attributable to parent company shareholders	1015,7	902,6
Non-controlling interest	44,2	59,2
Total shareholders' equity	**1059,9**	**961,8**
Total liabilities	**1.758,6**	**1.715,9**

Equity ratio on 31 Dec 2012

= (1,111.9/2,744.5) = 40.5%

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 1,111.9 + EUR 1,758.6 – EUR 86.9 – EUR 39.1

= EUR 2,744.5 million as at 31 December 2012

* All numbers are approximations

Citycon in Brief - Background

Citycon's 25 years!

1988
- Quoted on the Main List of Helsinki Stock Exchange Office portfolio

1998
- Focus on Retail
- Two large Retail portfolio acquisitions
- Office portfolio divested
- Outsourced property management

1999
- Acquisition of 13 shopping centres

2003
- Property portfolio expands considerably
- Citycon's ownership base changes
- International investors become interested in Citycon

2004
- Citycon continues to growth
- Ownership structure becomes very international
- Analyzing potential for entry into the Baltic countries and Scandinavia

2005
- Citycon enters foreign markets by acquiring its first properties in Sweden and Estonia
- Increases holdings in a number of Finnish shopping centres

2006
- Citycon continues to expand acquiring several retail properties especially in Sweden and its first property in Lithuania
- The disposal of non-core properties

2007
- New acquisitions in Finland and Sweden
- Liljeholmen and Rocca al Mare project started
- Citycon acquires Iso Omena

2008
- The company sells 40% of Iso Omena to GIC.
- Citycon puts more emphasis on green, sustainable construction and redevelopment

2009
- Trio gets the first LEED- certificate in the Nordic Countries
- Sells non-core assets, apartments, in Sweden and starts the (re)development project in Åkersberga.
- Liljeholmstorget and Rocca al Mare (re)developments completed 2010

2010
- Continues to (re)develop its' properties especially in Finland; Forum, Espoontori, Martinlaakso and Myllypuro being the largest projects.
- Continues to sell non-core assets.
- Changes in the management.

2011
- New CEO and other changes in the management
- Updates the strategy and re-defines core ownership
- Acquisitions of Kristiine and Högdalen
- Continues with (re)developments and disposals

Citycon’s Major Shopping Centres

Finland

Iso Omena
Built 2001
GLA 60.500 m²
Ownership 60 %

Koskikeskus
1988
27.700 m²
100 %

Myyrmanni
1994/2007/2010
45.700 m²
100 %

Forum
1953/91/2010
22,000 m²
Citycon 69 %

Trio (incl. Hansa)
1977/87/2008
45.700 m²
89.3 %

Columbus
1997/07
21.000 m²
100 %

Lippulaiva
1993
18.500 m²
100 %

Sweden

Liljeholmstorget
2009
40.900 m²
100 %

Stenungstorg
1967/93
36.400 m²
100 %

Åkersberga Centrum
1985/96/2011
27.500 m²
75 %

Tumba Centrum
1952/2002
29.100 m²
100 %

Strömpilen
1927/1997
26.800 m²
100 %

Jakobsbergs Centrum
1959/93
56.300 m²
100 %

Baltic Countries & New Business

Rocca al Mare
Estonia
1998/2009
53.500 m²
100 %

Kristiine
Estonia
1999/2002/2010
42.500 m²
100 %

Mandarinas
Lithuania
2005
8.000 m²
100 %

Magistral
Estonia
2000/2012
11.900 m².
100 %

Albertslund Centrum Denmark
1965
16.000 m²
100 %

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