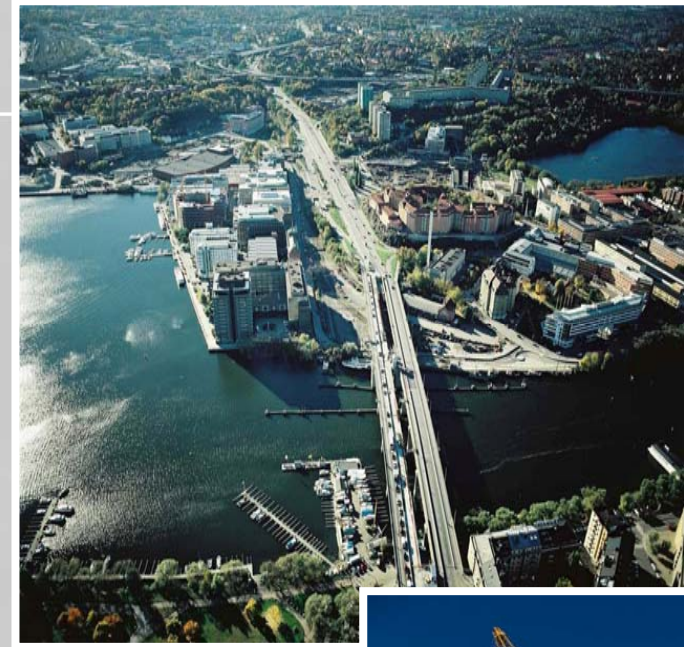


# CITYCON



## ■ Citycon Presentation

Q3 2007

# Disclaimer

CITYCON

This document and the information contained herein is strictly confidential and is being provided to you solely for your information. This document may not be retained by you and neither this document nor the information contained herein may be reproduced, further distributed to any other person or published, in whole or in part, for any purpose.

These materials do not constitute an offer or solicitation of an offer to buy securities anywhere in the world. No securities of Citycon Oyj (the "Company") have been or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Certain ordinary shares of the Company have been offered to "qualified institutional buyers" (as such term is defined in Rule 144A ("Rule 144A")) under the Securities Act, in transactions not involving a public offering within the meaning of the Securities Act. Accordingly, such shares are "restricted securities" within the meaning of Rule 144 and may not be resold or transferred in the United States, absent an exemption from SEC registration or an effective registration statement. There will be no public offering of the securities in the United States.

Subject to certain exceptions, neither this document nor any part or copy of it may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States, or to any "U.S. Person" as that term is defined in Regulation S under the Securities Act. Neither this document nor any part or copy of it may be taken or transmitted into Australia, Canada or Japan, or distributed directly or indirectly in Canada or distributed or redistributed in Japan or to any resident thereof. Any failure to comply with this restriction may constitute a violation of U.S., Australian, Canadian or Japanese securities laws, as applicable. The distribution of this document in other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document is not intended for potential investors and does not constitute or form part of any offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

No representation or warranty, express or implied, is made or given by or on behalf of the Citycon Oyj (the "Company"), or any of their respective members, directors, officers or employees or any other person as to, and no reliance should be placed upon, the accuracy, completeness or fairness of the information or opinions contained in this document or any other information discussed orally. None of the Company or any of their respective members, directors, officers or employees or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

This presentation includes forward-looking statements. The words "believe," "expect," "anticipate," "intend," "may," "plan," "estimate," "will," "should," "could," "aim," "target," "might," or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. By their nature forward-looking statements are subject to numerous assumptions, risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution presentation participants not to place undue reliance on the statements.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. Such information and opinions have not been independently verified.

By attending the presentation you agree to be bound by the foregoing limitations.

# Contents

CITYCON

## Highlights

- Key Figures
- Goals and Key Strengths
- Favorable Business Environment
- Financial Targets

## Property Portfolio

- Latest Acquisitions
- Development Projects

## Key figures

- Property Portfolio
- Profitability
- Financing and Debt Portfolio
- Share Performance and Ownership

## Backup Information

- REIT Legislation in Finland
- Market Environment
- Citycon in Brief



**Koskikeskus  
Tampere and  
Heikintori Espoo  
Finland**



# Highlights Q3/2007

# Highlights – Latest Highlights

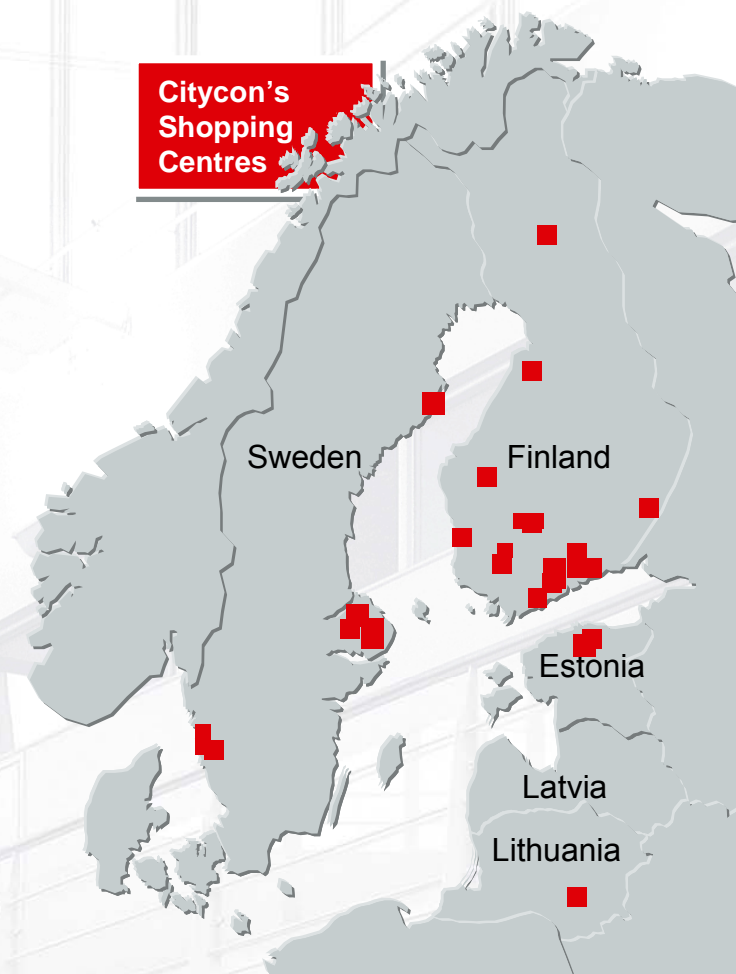
CITYCON

## Q3

- The market value of property portfolio EUR 2,191.2 million (Q2/2007: EUR 1,799.2 million)
- EPS (excl. fair value gains) EUR 0.04
- EUR 21.1 million of fair value gains mostly due to improved net rental income and successful redevelopment projects
- EUR 329 million acquisition Iso Omena in Finland
- The 3<sup>rd</sup> shopping centre acquisition in the Baltic Countries

## Q1- Q3/2007

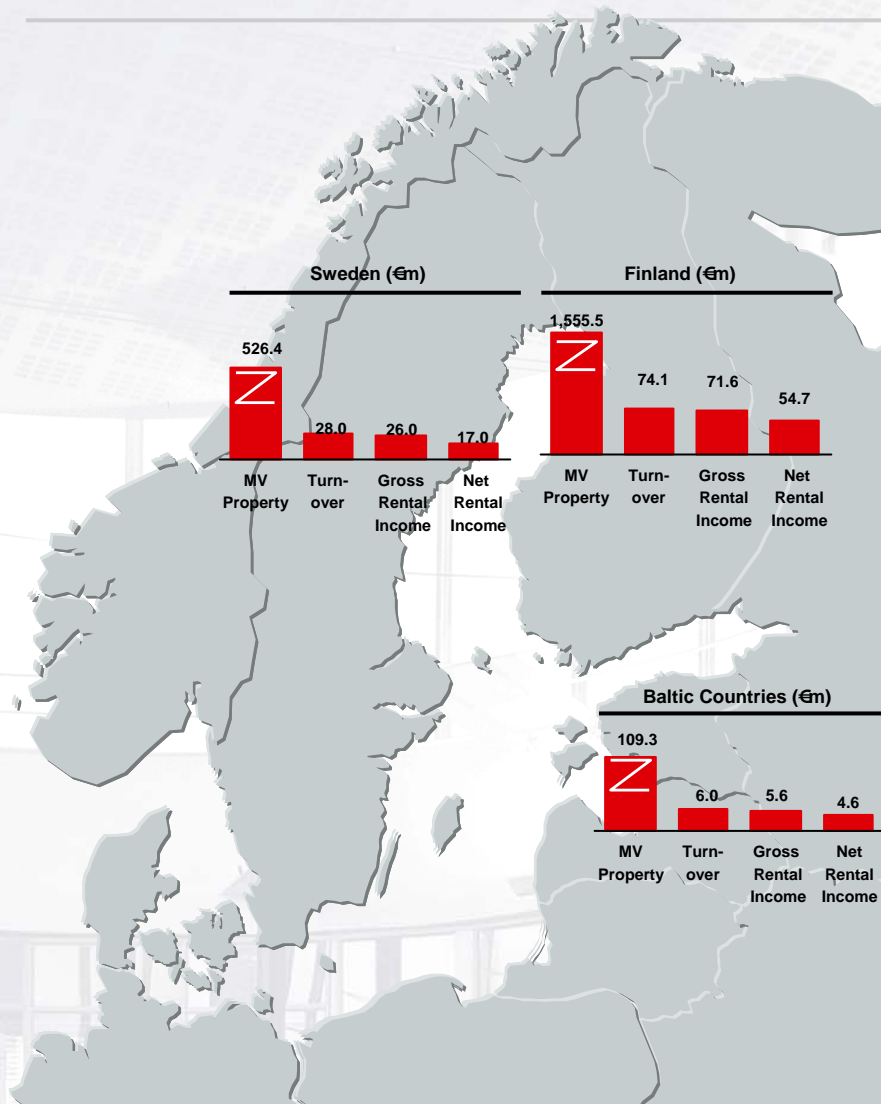
- Profit before taxes EUR 243.5 million including EUR 212.7 million in fair value gains
- Net rental income increased by 25.9% to EUR 76.3 million
- Net rental income for like-for-like properties rose by 9.1%
- Gross capital expenditure EUR 559.8 million
- Equity ratio 41.2 %
- Successful share issues: Directed worth EUR 133.8 million by issuing 25,000,000 new shares. Rights issue worth EUR 99 million by issuing 27,594,782 new shares.



# Highlights – Geographic Overview

CITYCON

## Geographical Overview



### ■ Finland

- 71.7% of total net rental income in Q3/2007
- Net rental income growth of 5.6%, to EUR 54.7 m
- Net rental income for like-for-like properties rose by 9.1%.
- Citycon's largest ever acquisition Iso Omena
- Several major development project ongoing

### ■ Sweden

- Net rental income increased by 207.5 %, to EUR 17.0 million.
- Net rental income accounted for 22.2 % of Citycon's total net rental income
- Citycon's largest development project

### ■ Baltic Countries

- A shopping centre acquisition closed during Q3 in Estonia
- Net rental income rose by 34.1 % to EUR 4.6 million

# Highlights - Successful Rights Issue

CITYCON

- Citycon raised about EUR **99** million through a Rights Issue in September – early October 2007 to finance the Iso Omena acquisition
- **27,594,782** new shares were offered to existing shareholders
  - Subscription price was EUR **3.60** per share
  - **14.3%** increase in number of shares
  - Subscription ratio **7:1**

Rights trading – volume and price

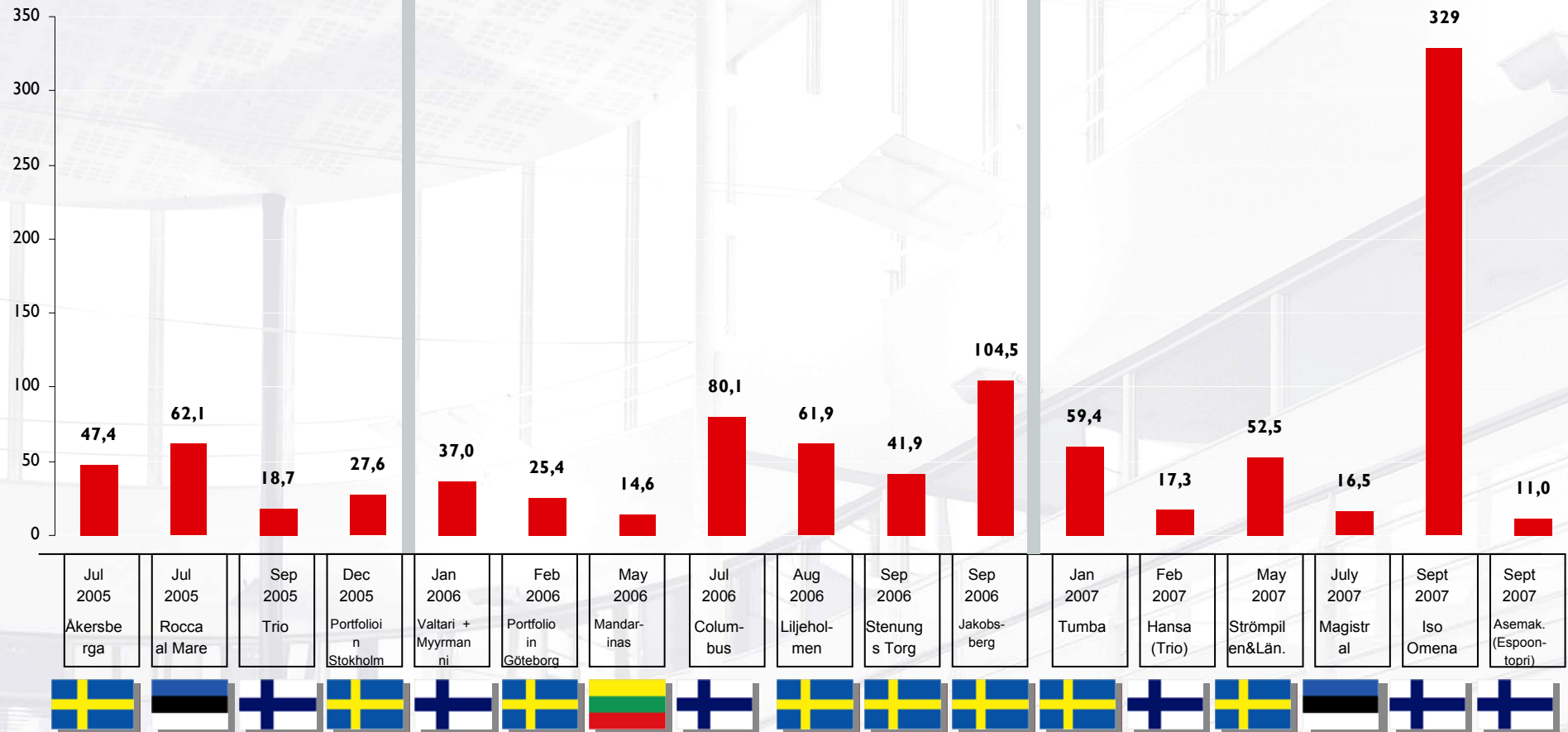


- Rights issue trading in the stock exchange was very active:
  - Total turnover was **38.4** million rights, i.e. some **20%** of the rights given
  - Total value of rights trading amounted to **5.2** million EUR
  - VWAP was **0.1344** euros
- The rights issues was a success **99%** of offered shares were subscribed in the primary subscription and the secondary subscription was over-subscribed.

# Highlights – Acquisition Track Record <sup>1)</sup>

CITYCON

EUR million



<sup>1)</sup> Includes acquisitions exceeding Eur 10 Million



# Highlights – Goals and Focus

CITYCON

## Goals

- Growth
- Expand the property portfolio and increase its value
  - Retail property management
  - Property Development
- Sustained shareholder value

## Strategic focus

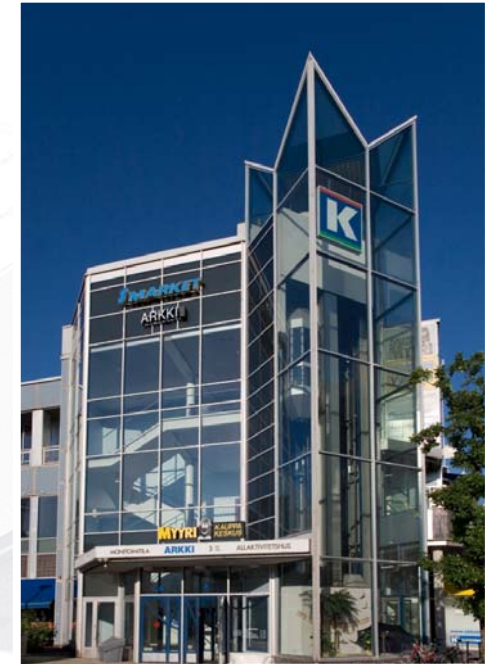
- Retail properties only
- Geographical focus; growing areas in Finland, Sweden and the Baltic Countries

## Position

- Shopping centre market leader in Finland
- Strong position in Sweden and firm foothold in the Baltic Countries

## Strong operating cash flow

## Expertise in retail real estates and financing



Isomyyri  
Finland



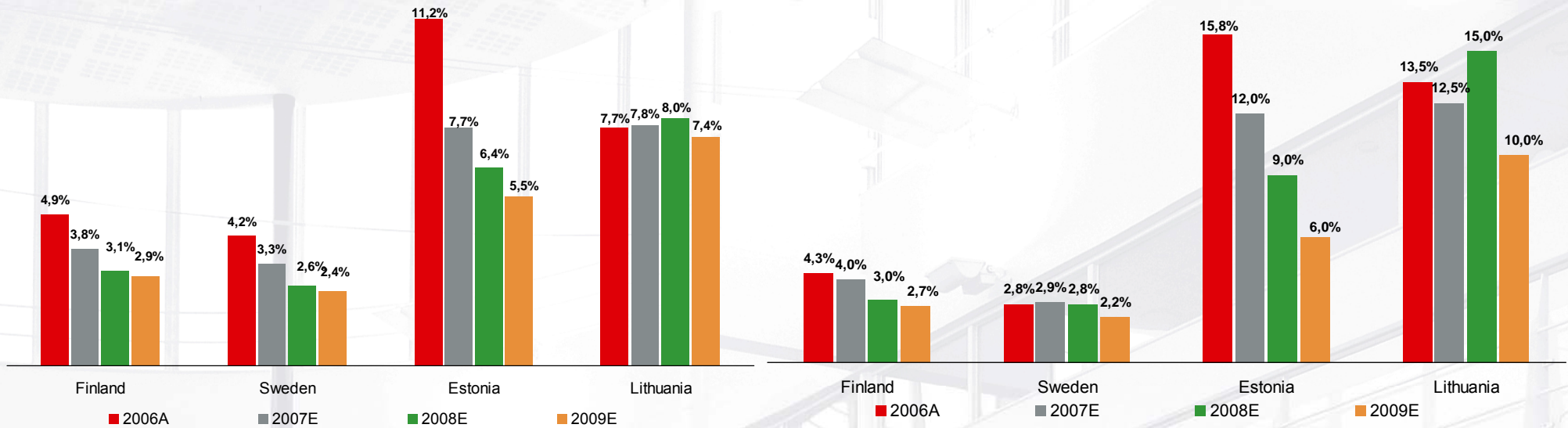
Tumba  
Sweden

# Highlights – Favorable Business Environment

CITYCON

## Strong Growth in Gross Domestic Product

## Positive Outlook for Private Consumption

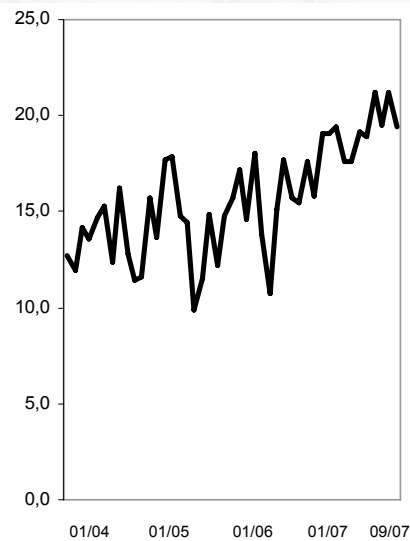


Source: Nordea

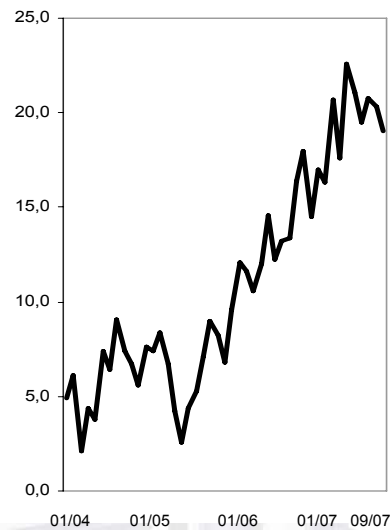
# Highlights – Favorable Business Environment

## Consumer Confidence at Positive Levels

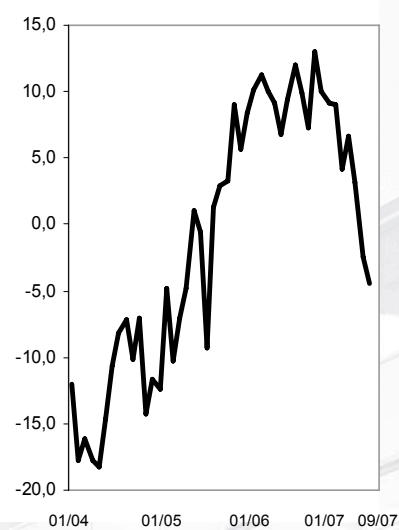
Finland



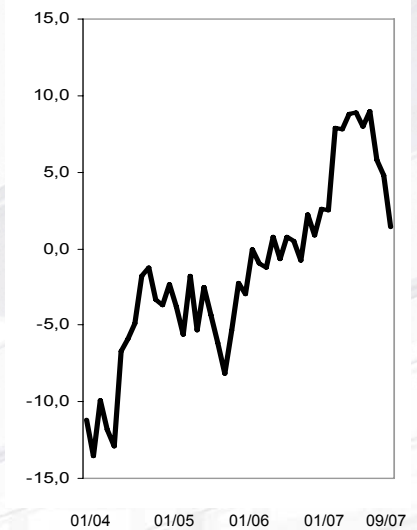
Sweden



Estonia



Lithuania



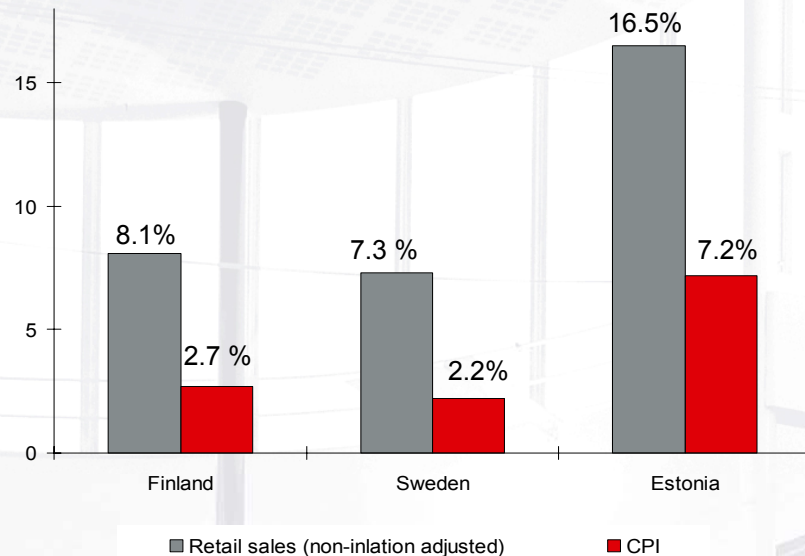
Source. Eurostat

# Highlights – Favorable Business Environment

CITYCON

## Non-Inflation adjusted retail sales and CPI August 2007

(Source: Reuters Knowledge)



**“...Economy is booming..**

- Tax Reductions
- Rising Salaries
- Lower Unemployment
- Increasing Disposable Income”

(Source: Jones Lang LaSalle – Nordic City Report Autumn 2007)

**“The Nordic countries have the strongest public finances in Europe and all currently run in surplus, in complete contrast to most other countries. Sweden has a surplus of “only” 2% in 2006, Finland 4%...”**

(Source: Newsec- Newsec Nordic Report Real Estate Autumn 2007)

**“Vacancies are practically non-existent.**

**Rents have been increasing in the best locations and the increase is expected to continue.”**

(Source: Jones Lang LaSalle – Nordic City Report Autumn 2007)

# Highlights – Financial Targets

## Growth track

- ▶ Continued expansion through acquisitions and property development

- ▶ Cumulative CAPEX since 2005 in excess of EUR 1 billion

## Dividends

- ▶ Solid dividend policy despite growing number of shares outstanding
- ▶ Payout target 50 per cent of the distributable earning excluding fair value gains on property

- ▶ For 2006 Citycon's per-share dividend was 0.14 Eur

## Equity ratio

- ▶ Long-term equity ratio target is 40 per cent

- ▶ Equity ratio of 41.2 % as of 30 September 2007

# Property Portfolio

Latest Acquisitions

Development Project

## Latest Acquisitions - Iso Omena “The Big Apple”

CITYCON

- Citycon acquired shopping centre Iso Omena from Doughty Hanson for appr. EUR 329 million; net initial yield 4.5%.
- Citycon’s largest investment strengthens remarkable company’s position in the HMA.
- Iso Omena is the most renowned shopping centre in the portfolio and increases attractiveness of the company in the eyes of retail operators.
- Citycon plans to increase net rental income by:
  - Extension
  - More efficient tenant mix management
  - More efficient marketing



# Latest Acquisitions - Iso Omena “The Big Apple”

CITYCON

- It is a regional Shopping Centre in Espoo Matinkylä region 15 km from Helsinki CBD.
- The catchment area is growing and is one of the most affluent areas in Finland.
- It is the 5<sup>th</sup> largest shopping centre in Finland.
- Planned underground line with a station bordering Iso Omena will further improve access.
- Opportunity to extend appr. 7,000 m<sup>2</sup>.
- Anchor tenants: Citymarket, Prisma, Alko, Finnkino, H&M and library.

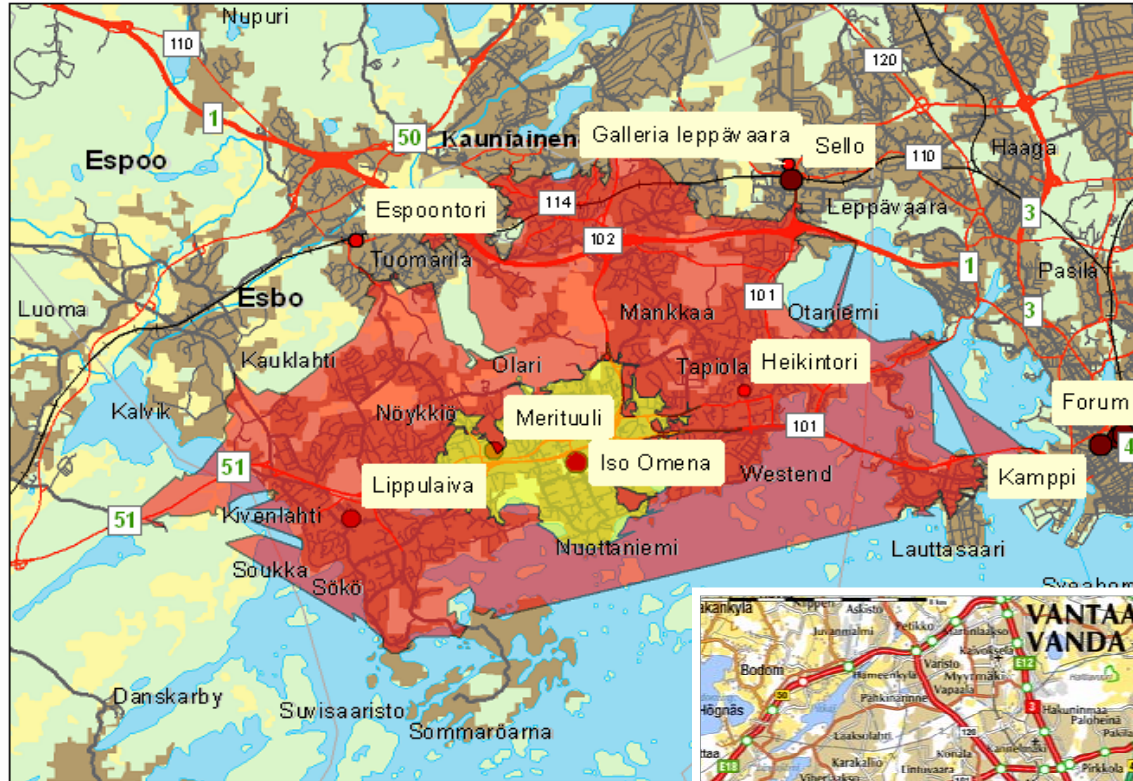
## Key Figures

Opening	2001
Leasable area, m <sup>2</sup>	61,300
of which retail premises, m <sup>2</sup>	49,000
Gross floor area, m <sup>2</sup>	138,458
Building volume, m <sup>3</sup>	761,500
Unexercised building right, m <sup>2</sup>	~7,000
Number of stores and restaurants	over 120
Occupancy rate	98,5 %
Total sales 2006, million	195
Number of visitors 2006, million	8.4
Parking spaces (of which 86% inside)	2200





# Latest Acquisitions - Iso Omena "The Big Apple"



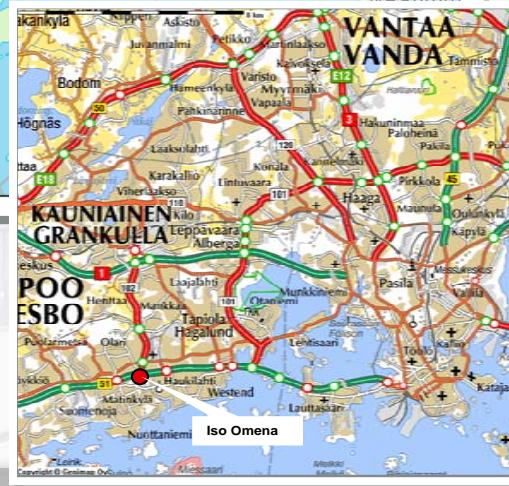
## Catchment area

### 10-minute drive time

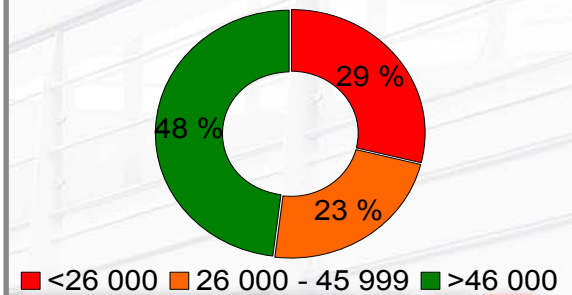
- 149,700 consumers
- 66,500 households
- Purchasing power EUR 2.75 billion

### 5-minute drive time

- 35,000 consumers
- 16,200 households
- Purchasing power EUR 0.6 billion



Catchment Area Household Income Distribution



## Latest Acquisitions - Magistral

- In July Citycon acquired the shopping centre Magistral in Tallinn for approximately EUR 16.5 million, and 8,500 m<sup>2</sup> of building right for EUR 2 million. Net initial yield without the building right was 6.5%.
- Shopping centre is located in the Mustamäe district of Tallinn, one of the most populated areas with a population of appr. 60,000.
- Very good connections from the city centre with busses and trams, easily accessible by car.
- Major tenants
  - RIMI
  - Koduextra
  - Seppälä
  - Rademar
  - Tiimari
  - Bowling



Magistral

Key Figures	
Opening	2000
Number of buildings	1
Total GLA approx.	9,450 m <sup>2</sup>
Number of stores and restaurants	50
Occupancy rate	100 %
Number of visitors (2006)	3.6 million
Parking spaces	150



# Latest Acquisitions – Strömpilen and Länken

- In June Citycon acquired 75% of the leading shopping centre Strömpilen in Umeå and a retail property Länken for appr. EUR 52.5 million, net initial was 5.5%.
- Strömpilen’s GLA is 25,000 m<sup>2</sup> (22,300 m<sup>2</sup> retail) and the acquisition involves 5,000 sq.m. of existing building rights.
- II-phase expansion project 5,000 m<sup>2</sup> + 20,000 m<sup>2</sup> is planned for Strömpilen.
- The retail property Länken’s GLA is 7,200 m<sup>2</sup>.
- Umeå is a university city with a growing market which can be regarded as northern Sweden's economical engine.

Key Figures - Strömpilen	
Total GLA approx.	25 000 m <sup>2</sup>
Occupancy rate	~100 %
Sales, 2006 (incl. VAT)	600 SEK
Number of visitors (2006)	2 million
Major Tenants	ICA Maxi Systembolaget Lindex, H&M Elgiganten



**Strömpilen**



# Property Portfolio - Major Acquisitions 2006 & 2007

CITYCON

Property	Location	Country	Debt free purchase price with transaction expenses (acquisition date exchange rates), EUR million	GLA, total, m2	Initial net yield on purchase price, %	Purchase date	Post-acquisition holdings, %
Lindome	Mölnadal	SWE	8.0	7 600	7.3%	3 January	100
Myyrmani	Vantaa	FIN	35.6	42 000	7.4%	16 January	100
Valtari	Kouvola	FIN	2.0	7 600	7.4%	16 January	100
Tullintori	Tampere	FIN	8.8	10 100		1 February	100
Backa, Hindås, Landvetter, Floda	Greater Gothenburg	SWE	25.7	25 700	7.2%	15 February	100
Mandarinas	Vilnius	LT	14.9	7 900	7.3%	31 May	100
Columbus	Helsinki	FIN	80.1 <sup>1)</sup>	20 000	5.8%	4 July	100
Liljeholmsplan	Stockholm	SWE	60.6	20 000 <sup>2)</sup>		31 August	100
Stenungs Torg	Stenungsund	SWE	37.2	39 100	6.5%	1 September	70
Jakobsbergs Centrum	Järfälla	SWE	106.6	67 000	6.0%	11 September	100
Tumba Centrum	Botkyrka	SWE	59.4	31 000	5.4%	31 January / 07	100
Hansa (part of Trio)	Lahti	FIN	17.3	11 000	5.8%	8 February	100
Strömpilen & Länken	Umeå	SWE	52.5	25 000 + 7 200	5.5%	25 May	75
Magistral	Tallinn	EST	16.5	9450 + Building right for 8500 m <sup>2</sup>	6.5%	16 June	100
Asemakuja 2, office building next to Espoontori	Espoo	FIN	11.0	6 300		31 August	100
Iso Omena	Espoo	FIN	329	61 300	4.5%	14 September	100

1) Includes the investments in the extension project carried out after the acquisition

2) Before extension

# Property Portfolio - Development Projects

CITYCON

## Shopping Centre Duo – An example of Citycon's Successful Development Strategy

- An extension to the shopping centre Duo located in one of the Finland's largest suburb, Hervanta in Tampere, was completed in April. The whole renewed shopping centre will open October 25.
- The leasable area of the shopping centre is 15,500m<sup>2</sup>
  - The old Hervanta retail centre (5,200 m<sup>2</sup>)
  - The new extension (10,300 m<sup>2</sup>)
- During the first six months Duo's footfall has exceeded 1.7 million visitors and sales over EUR 21 million.
- The sales target for 2008 is EUR 50 million and visitor target is 3.5 million.
- The project was completed on budget and schedule.



Opening of  
Shopping  
Centre Duo  
April 27, 2007



# Property Portfolio - Development Projects

CITYCON

## On-going development projects, 30 September 2007

Property	Location	Country	Market value, EUR million (31 Dec 2006)	Area, sq.m. <sup>1)</sup>	Post- development area, sq.m.	Total estimated investment, EUR million <sup>2)</sup>	Actual cumulative CAPEX by the end of the period, EUR	Targeted year of completion	Additional Information
Lippulaiva	Espoo	FIN	47	23 000	34 000	60-70 <sup>3)</sup>	8.7	2008 <sup>4)</sup>	Completion of the refurbishment in 2007. The extension will continue as planned, since the appeal on the development was dismissed in the Supreme Administrative Court in September
Trio	Lahti	FIN	72	32 000	35 000	50.5	10.4	2009 <sup>4)</sup>	The project will be carried out in three stages; completing the first stage in November 2007.
Lentola	Kangasala	FIN		0	12 000	16.6	-	2007	New development under construction.
Torikeskus	Seinäjäki	FIN	12	11 300	12 000	4.0	2.1	2008	Refurbishment under construction.
Åkersberga	Österåker	SWE	55	26 000	26 000	27 <sup>5)</sup>	4.5	2009	Refurbishment and extension of the existing shopping centre.
Liljeholmen	Stockholm	SWE	65	20 100	91 000	110	9.7	2009	The existing building will undergo a considerable extension and refurbishment.
Rocca al Mare	Tallinn	EST	68	28 600	53 500	68 <sup>6)</sup>	9.5	2010	Refurbishment and extension of the existing shopping centre.
						<b>~340</b>	<b>~45</b>		

1) Leasable area owned by Citycon.

2) New capital tied on the project.

3) Both stages included in the figure. The second stage still requires the Board of Directors' decision.

4) The project schedule is subject to a risk associated with city planning.

5) Citycon owns 75% of the shopping centre. The estimated total value of the redevelopment is appr. EUR 40 million

6) The total project included in the figure. Currently only the first stage is decided by the Board of Directors.



Liljeholmen  
in the future

22

# Property Portfolio - Development Projects

CITYCON

## Completed or partly completed development projects

Property	Location	Country	Area, sq.m. <sup>1)</sup>	Post-development area, sq.m.	Total investment, est. EUR million <sup>2)</sup>	Actual cumulative CAPEX by the end of the period, EUR million	Additional Information
Duo	Tampere	FIN	5 000	13 200 <sup>3)</sup>	27.3	24.3	Opening of the new section in April 2007 as scheduled and budgeted. The opening was a success with over 80000 visitors the first week. Completing the refurbishment of the existing premises before Christmas 2007.
Lillinkulma	Kaarina	FIN	0	7 500	10.7	10.9 <sup>4)</sup>	New development consisting of two buildings incl. four retail premises. All premises are leased. Deal completed/paid in May 2007 as scheduled.

- 1) Leasable area owned by Citycon before the project start.
- 2) New capital tied on the project.
- 3) Owned by Citycon.
- 4) Includes stages 1 and 2. Stage 2 was completed earlier than anticipated



Lillinkulma

# Property Portfolio - Development Projects

CITYCON

## Development projects under planning

Citycon's Board of Directors has not yet made a decision on the development project, but it is under planning, an alteration of the city plan is pending or Citycon (or its partner) has a site reservation.

Property	Location	Country	Market value on Dec 31, 2006, MEUR	Project area, sq.m. (1)	Estimated investment need, MEUR (2)	Additional information
Espoonatori	Espoo	FIN	19	24000	50	Change in city plan pending. Plans for extending the shopping centre. Completion target 2009-2010. 3)
Myrmani	Vantaa	FIN	156	10000 4)	25-35	Aim of the project is to develop Myrmani with respect to its functionalities and building an extended section. Completion target 2010. 3)
Galleria	Oulu	FIN	8	20000-30000 5)		Developing the Galleria block into a shopping centre in co-operation with the block's other property owners. Target year of project launch 2008.
Koskikeskus	Tampere	FIN	89	2000 6)		The development of the shopping centre's services through refurbishment and extension. Change in city plan pending. Increase of retail building right by 6200 sq.m. Completion target 2008.
Myllypuro 7)	Helsinki	FIN	2	5000	11-13	Building a new retail centre replacing the existing property. Target year of project launch 2008.
Kuopion Anttila	Kuopio	FIN	17	15000	28-30	Developing the existing building into a new shopping centre including an extension. Target year of project launch 2009. 3)
Heikintori 7)	Espoo	FIN	14	23000	60	Refurbishing and expanding the existing shopping centre. Targeted project launch 2009-2010. 3)
Martinlaakso	Vantaa	FIN	4	6000-8000	25-30	Building a new shopping centre that replaces the existing retail centre. Completion target 2009-2010. 3)
Laajasalo	Helsinki	FIN	4	8000	25-30	Building a new shopping centre that replaces the existing one. Completion target 2009-2010. 3)
MAXX	Tampere	FIN		50-80000		Retail Park project under planning.
Stenungs Torg 7)	Stenungsund	SWE	58	24000-36000	30-50	Citycon has agreed with the shopping centre's minority shareholder on the development of the shopping centre. The project is scheduled to begin in 2007.
Åkermyntan	Hässelby	SWE	13	8500	2-10	Redevelopment of the retail centre.

1) The project area refers to the combination of the area of the existing space under refurbishment owned by Citycon and the area covered by the section under extension.

2) The amount of investment needed will change and become more precise as the planning process proceeds. The figure is the best current estimates.

3) The schedule for the project completion and/or launch involves risks associated with city planning.

4) The project area refers only to the area of the planned extension.

5) The plans are just preliminary and therefore Citycon's final ownership of the project area is not known.

6) The leasable area may be larger than indicated.

7) Partly-owned property.



# Property Portfolio - Development Projects

CITYCON



Espoontori at the moment



# Property Portfolio - Development Projects

CITYCON

## Potential development project

Citycon is analysing opportunities for the development and/extension of for example the properties below. Neither an alteration of the city plan has been applied nor any other official decisions made.

Property	Location	Country	Market value on March 31, 2007, MEUR	Area, sq.m.	Additional information
Ultima	Vantaa	FIN	2	0	Vacant lot of approximately 42,000 sq.m. with 20,000 m <sup>2</sup> in current permitted building area.
IsoKristiina	Lappeenranta	FIN	36	18200	Opportunities to extend the shopping centre are analysed.
Hakunila	Vantaa	FIN	4	3000	Opportunities to develop the property are analysed.
Jyväskylä Forum	Jyväskylä	FIN	49	17400	Citycon is analysing opportunities to extend the shopping centre.
Tumba Centrum	Botkyrka	SWE	61	2200-20000	Citycon is planning to extend the centre. The acquisition was closed on 31 Jan, 2007
Jakobsbergs	Järfälla	SWE	110	6000-17000	The detail plan includes approximately 6,000 sq.m. of retail premises and a maximum of 1,000 m <sup>2</sup> in apartments.
Fruängen	Stockholm	SWE	15	15000	Refurbishment and possible extension.
Backa	Gothenburg	SWE	9	7800	Redevelopment possibilities.



IsoKristiina



Forum



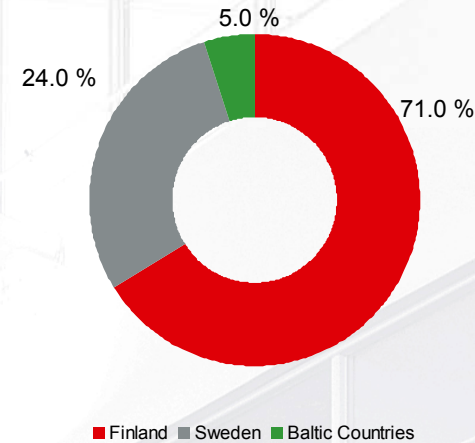
Fruängen

# Key Figures

# Property Portfolio – Key Figures

- 3,730 (3,060) leases with an average length of 2.8 (2.8) years
- Net rental income increased by 25.9% to EUR 76.3 million
- GLA totalled grew by 23.5% to 906,410 m<sup>2</sup>
- Net rental income for like-for-like properties grew by 9.1% (Like-for-like property = held by Citycon 24 months, excl. development projects and lots)
- Rolling 12-month occupancy cost ratio for like-for like properties was 8.5% (8.3%)
- At the end of 2006 the lease agreements tied to lessee's turnover totalled 11% (2005: 5%)
- Rents mainly linked to CPI

Breakdown of property portfolio



Total Lease Portfolio	Q3/2007	Q3/2006	Q1-Q3 2007	Q1-Q3 2006	2006
Net rental income, EUR million	27.3	21.6	76.3	60.6	82.8
Number of leases started during the period <sup>1)</sup>	112	66	348	267	369
Total area of leases started, m <sup>2</sup>	28,884	9,492	75,589	58,478	73,300
Occupancy rate at end of the period, %			96.3	96.7	97.1
Average length of lease portfolio at the end of the period, year			2.8	2.8	2.9
Net rental yield, % <sup>2)</sup>			6.1	7.5	7.1

1) Excluding transferred agreements in acquisitions

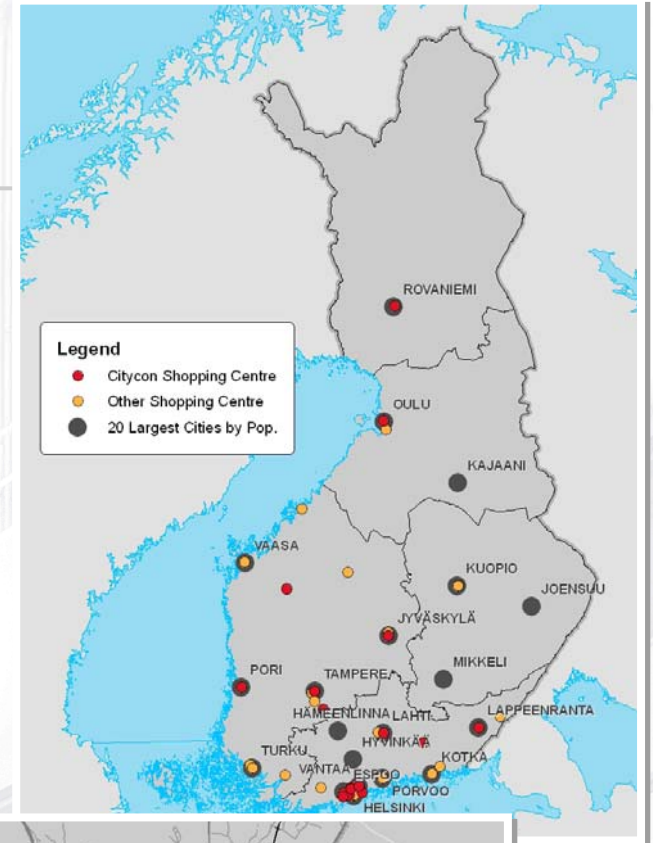
2) Includes the lots for development project

# Property Portfolio – Finland

Finland	Q3/2007	Q3/2006	Q1-Q3 2007	Q1-Q3 2006	2006
Turnover, EUR million	25.5	24.7	74.1	71.8	95.8
Net fair value gains on investment property, EUR million	16.2	20.7	150.5	91.8	104.8
Operating profit, EUR million	33.9	42.6	201.2	145.8	176.1
Gross rental income, EUR million	24.6	24.1	71.6	69.8	93.1
Net rental income, EUR million	18.9	17.7	54.7	51.8	68.8
Capital expenditure, EUR million	353.2	87.2	396.5	147.1	152.8
Number of leases started during the period <sup>1)</sup>	84	57	291	246	321
Total area of leases started, m <sup>2</sup>	14,510	8,945	55,760	54,830	66,500
Market value of property portfolio, EUR million			1,555.5	988.0	1,009.7
Net rental yield, % <sup>2)</sup>			6.6%	7.9%	7.6%
Net rental yield, like-for-like properties, %			7.5%	8.1%	7.9%
Occupancy rate at end of the period, %			95.9%	96.6%	97.2%
Average length of lease portfolio at the end of the period, year			3.1	3.1	3.1

1) Excluding transferred agreements in acquisitions

2) Includes the lots for development projects



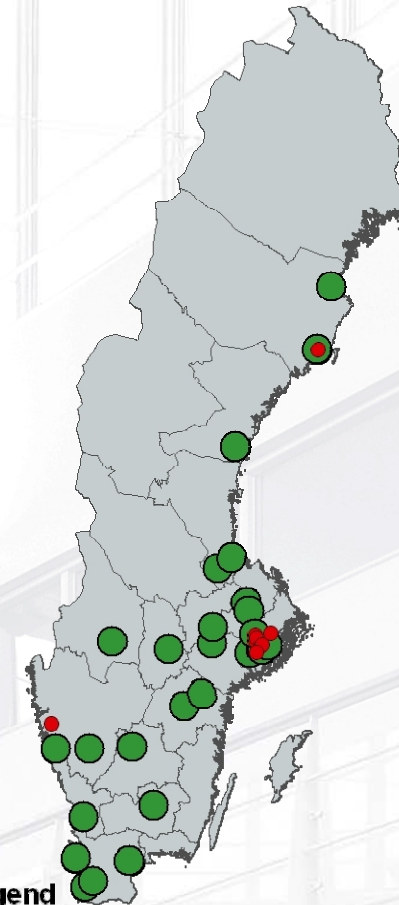
# Property Portfolio – Sweden

CITYCON

Sweden	Q3/2007	Q3/2006	Q1-Q3 2007	Q1-Q3 2006	2006
Turnover, EUR million	10.1	4.8	28.0	10.2	17.3
Net fair value gains on investment property, EUR million	2.3	-0.7	52.9	0.4	8.7
Operating profit, EUR million	7.6	1.5	67.0	4.9	16.8
Gross rental income, EUR million	9.7	4.5	26.0	9.3	15.9
Net rental income, EUR million	6.5	2.7	17.0	5.5	9.3
Capital expenditure, EUR million	3.0	187.8	136.9	226.0	267.2
Number of leases started during the period 1)	18	2	36	5	32
Total area of leases started, m <sup>2</sup>	12,213	149	16,621	748	3,900
Market value of property portfolio, EUR million			526.4	335.5	354.8
Net rental yield, % <sup>2)</sup>			4.8%	5.0%	5.1%
Occupancy rate at end of the period, %			96.9%	96.4%	96.3%
Average length of lease portfolio at the end of the period, year			2.0	2.0	2.2

1) Excluding transferred agreements in acquisitions

2) Includes the lots for development projects



### Legend

- Citycon Shopping Centre
- Municipalities with pop. over 75 000

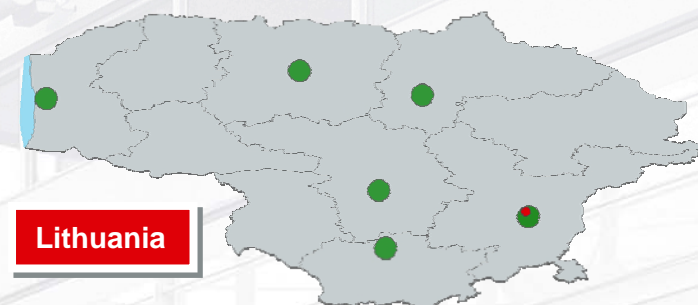
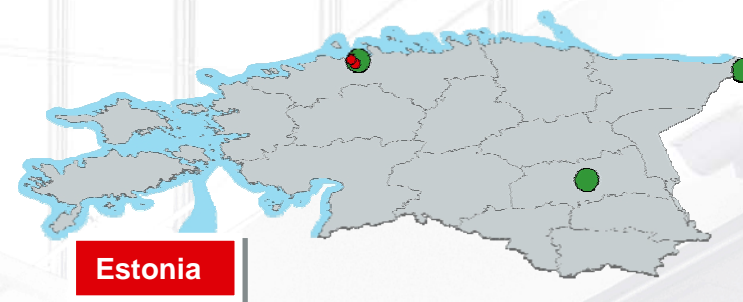
# Property Portfolio – The Baltic Countries

CITYCON

The Baltic Countries	Q3/2007	Q3/2006	Q1-Q3 2007	Q1-Q3 2006	2006
Turnover, EUR million	2.3	1.7	6.0	4.4	6.2
Net fair value gains on investment property, EUR million	2.5	2.4	9.3	5.5	6.6
Operating profit, EUR million	4.2	3.7	13.3	8.6	10.9
Gross rental income, EUR million	2.1	2.1	5.6	4.3	6.1
Net rental income, EUR million	1.8	1.3	4.6	3.4	4.8
Capital expenditure, EUR million	22.2	0.1	26.1	16.2	16.2
Number of leases started during the period 1)	10	7	21	16	16
Total area of leases started, m <sup>2</sup>	2,161	398	3,208	2,900	2,900
Market value of property portfolio, EUR million			109.3	81.0	83.3
Net rental yield, % <sup>2)</sup>			6.4%	6.7%	6.7%
Occupancy rate at end of the period, %			100%	100%	100%
Average length of lease portfolio at the end of the period, year			3.2	3.4	3.3

1) Excluding transferred agreements in acquisitions

2) Includes the lots for development projects

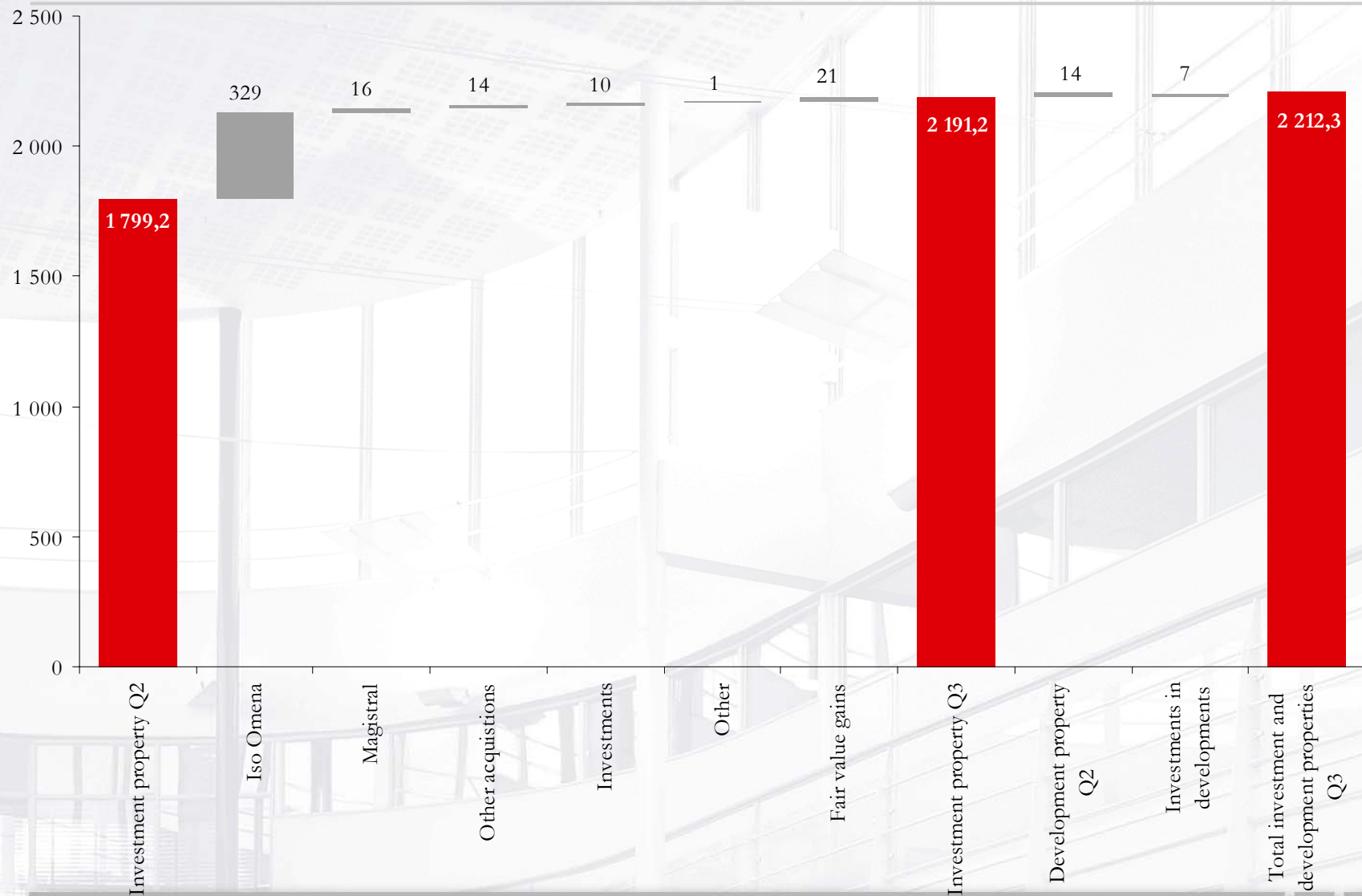


**Legend**

- Citycon Shopping Centre
- Cities with pop. over 50 000

# Property Portfolio - Changes During Q3 2007

CITYCON





# Key Figures - Snapshot

CITYCON

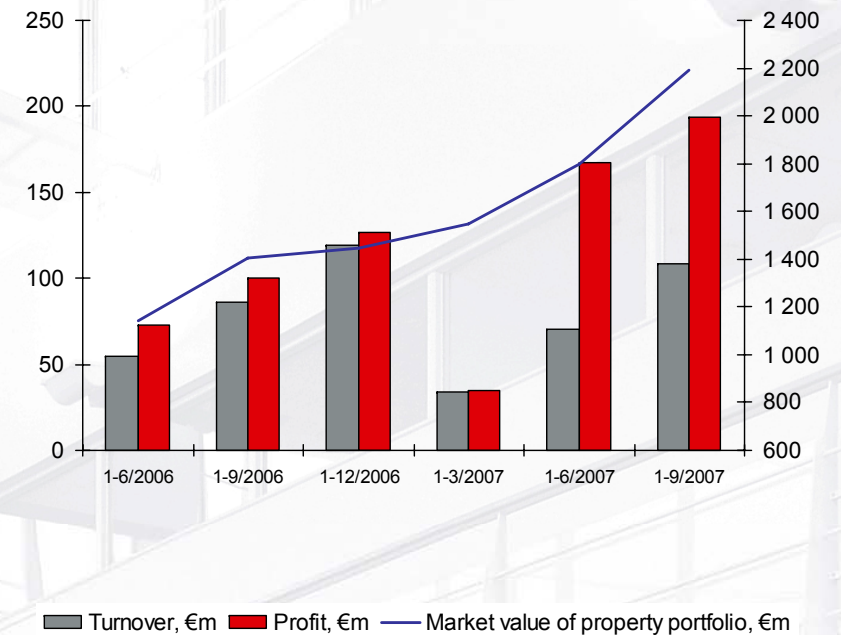
## Income Statement and Balance Sheet

<b>Income Statement , EUR million</b>	<b>Q3/2007</b>	<b>Q1-Q3/2007</b>	<b>Q1-Q3/2006</b>	<b>2006</b>
Turnover	38.0	108.1	86.4	119.4
Net fair value gains on investment property	21.1	212.7	97.0	120.1
Net rental income	27.3	76.3	60.6	82.8
Operating profit	44.3	276.2	154.0	196.5
Profit before taxes	31.0	243.5	131.9	165.6
Profit for the period	23.6	194.0	100.0	126.4
<b>Balance Sheet, EUR million</b>	<b>30 Sep, 2007</b>	<b>30 Sep/06</b>	<b>31 Dec, 2006</b>	
Fair market value of investment properties	2,191.2	1,404.5	1,447.9	
Total non-current assets	2,224.0	1,407.0	1,453.3	
Current assets	94.5	106.9	33.1	
Assets total	2,318.5	1,513.9	1,486.9	
Total shareholders equity	953.9	547.4	580.3	
Liabilities	1,364.5	966.5	906.1	
Interest-bearing liabilities	1,246.1	884.1	813.9	
Total liabilities and share holders equity	2,318.5	1,513.9	1,486.4	

# Key figures - Profitability

CITYCON

Key Figures	Q1-Q3 2007	Q1-Q3 2006	2 006
Equity ratio, %	41.2	36.2	39.1
Gearing, %	122.3	156.9	136.6
Earnings per share (basic), EUR	1.01	0.64	0.78
Earnings per share (diluted), EUR (EPRA EPS)	0.91	0.62	0.74
Earnings per share (basic), excluding the effects of net fair value gains, gains on sale and other extraordinary items, EUR	0.12	0.15	0.20
Net cash from operating activities per share, EUR	0.14	0.14	0.20
Equity per share	4.52	3.21	3.38
EUR (EPRA NAV)	4.94	3.42	3.61
EPRA NNAV	4.40	3.15	3.22



# Consolidated Cash Flow Statement Analysis

CITYCON

EUR MILLION

Jan-Sep 2007 Jan-Sep 2006

Cash flow from operating activities		
Profit before taxes	243,5	131,9
Adjustments	-178,9	-79,8
Change in working capital	-4,2	-1,1
Cash generated from operations	60,4	50,9
Interest and other financial charges paid	-28,8	-26,6
Interest and other financial income received	2,0	0,7
Taxes paid	-7,4	-3,6
<b>Net cash from operating activities (A)</b>	<b>26,2</b>	<b>21,4</b>
Cash flow from investing activities		
Acquisition of subsidiaries, less cash acquired	-509,2	-327,9
Acquisition of investment property	-15,9	-32,3
Capital expenditure on investment properties	-26,1	-23,5
Capital expenditure on development properties, other PP&E and intangible assets	-14,8	-
Sale of investment property	0,3	0,6
<b>Net cash used in investing activities (B)</b>	<b>-565,7</b>	<b>-383,1</b>
Cash flow from financing activities		
Proceeds from share issue	133,6	73,6
Proceeds from pending share issue	51,2	-
Proceeds from short-term loans	481,6	344,0
Repayments of short-term loans	-120,5	-241,0
Proceeds from long-term loans	266,9	675,3
Repayments of long-term loans	-191,5	-461,8
Dividends paid	-23,4	-19,2
<b>Net cash from financing activities (C)</b>	<b>597,8</b>	<b>370,9</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>58,3</b>	<b>9,3</b>
<b>Net cash from operating activities per share, EUR</b>	<b>0,14</b>	<b>0,14</b>

➤ Cash from operations improved by some 22 % as a result of:

- Improved profits
- Relatively low cash financials
- Negative working capital due to development projects
- Higher taxes paid

➤ Acquisition of Iso Omena markedly increased the year-to-date investments

➤ Alone in Q3, Citycon invested over EUR 377 million

➤ At the end of Q3 the rights issue was still pending but has subsequently been closed successfully

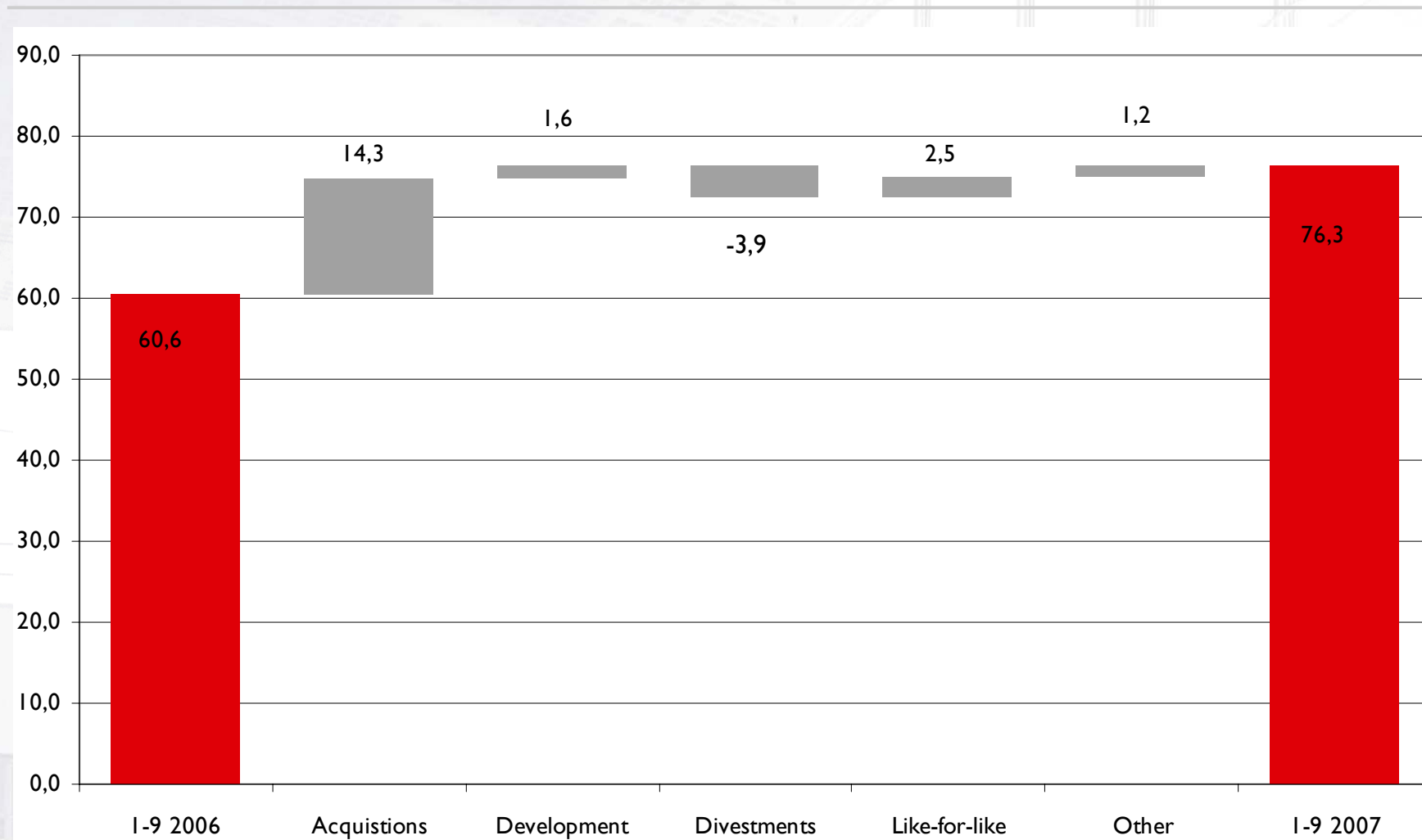
➤ Due to the heavy investments Citycon has strengthened its balance sheet by raising EUR 233 million equity through share issues.

➤ Cash flow per share was roughly unchanged compared to 2006 at 0.14 euros per share

➤ In Q3 CPS decreased to 0.03 euros (Q2 CPS 0.06 euros) mainly due to higher taxes and negative working capital development

# Net Rental Income - 2006 versus 2007

CITYCON

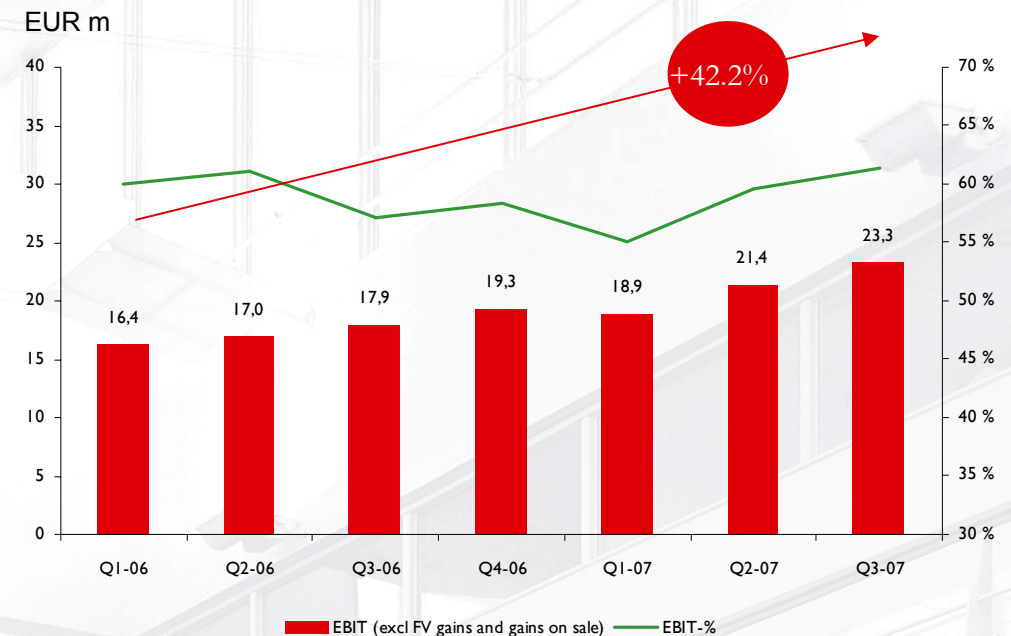
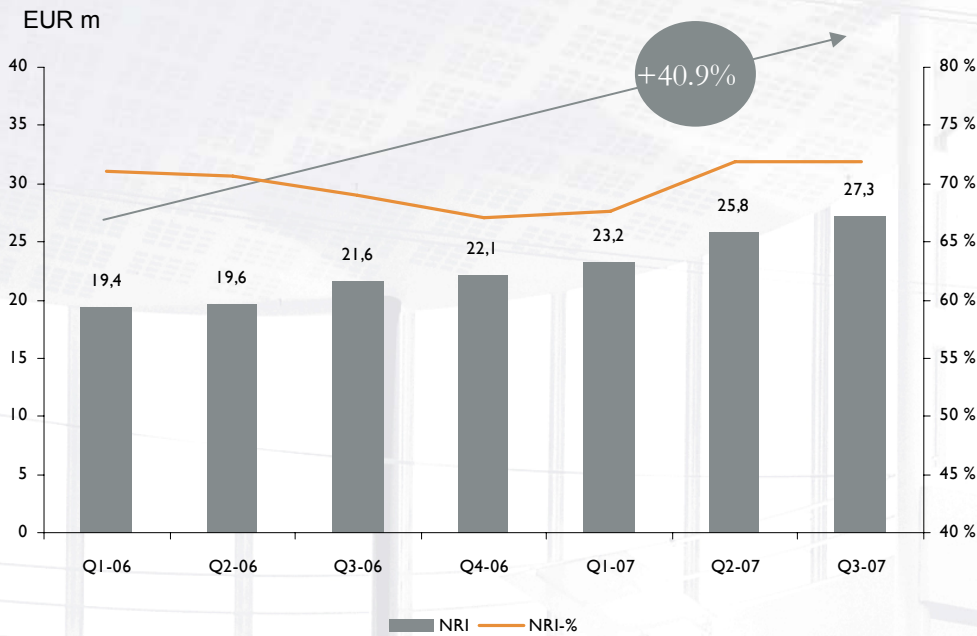


# Key Figures – Group NRI and EBIT Margins Edge Higher

CITYCON

Quarterly development of NRI and NRI-%

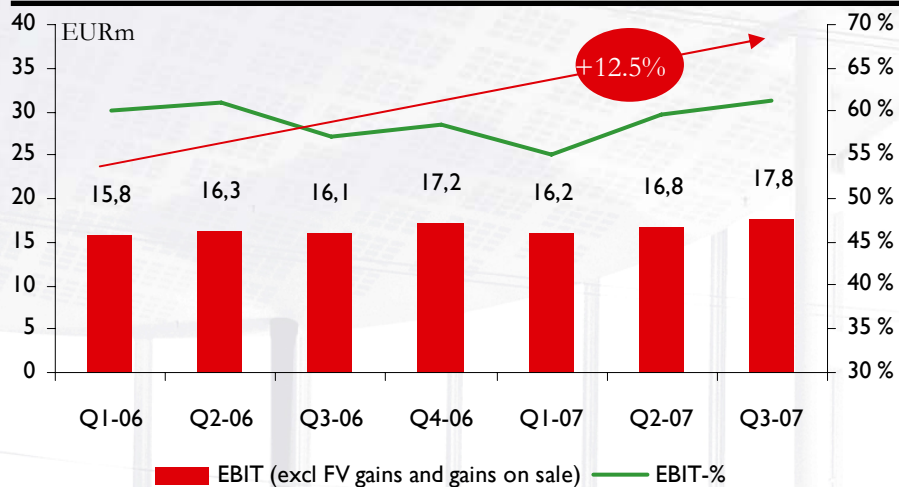
Quarterly development of EBIT and EBIT-%



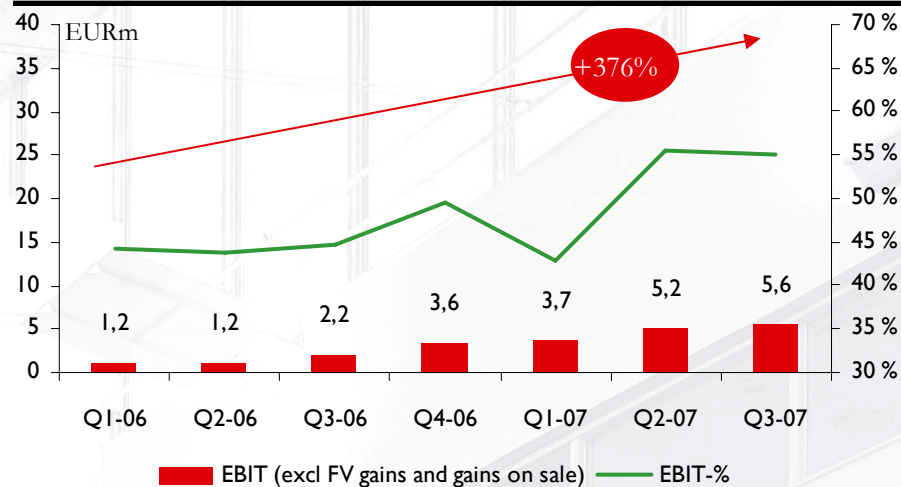
- Since 2006, Citycon has acquired numerous new centres which has resulted in strong increase in both NRI and EBIT
- However, the successful leasing activity and strong growth in I-f-I rent income is highlighted in the fact that both the NRI and EBIT margins have been improving recently
- Acquisition driven growth has not compromised the profitability of the underlying core business

# Key Figures - EBIT improving also in most business areas CITYCON

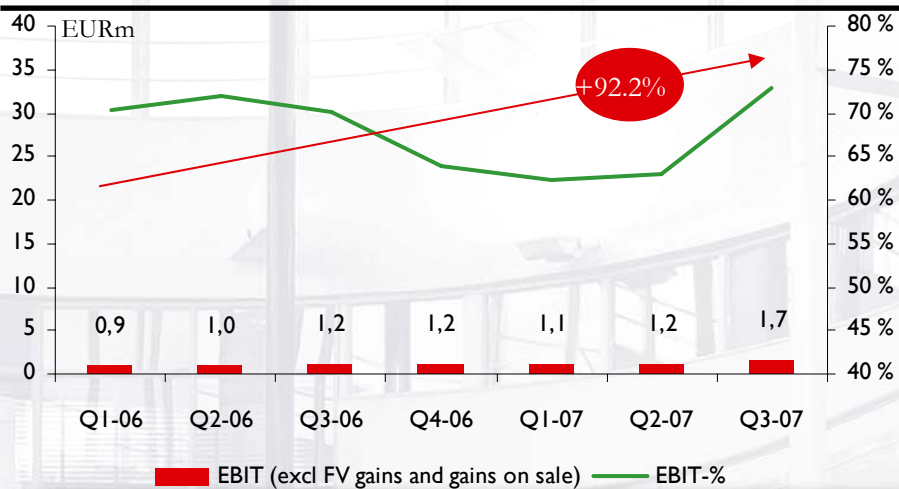
## Finland



## Sweden

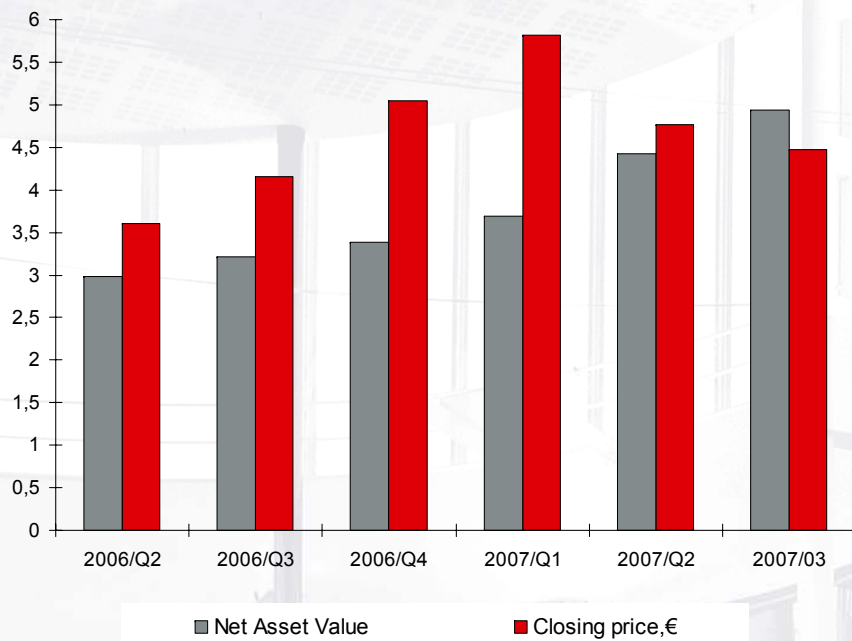


## Baltic Countries

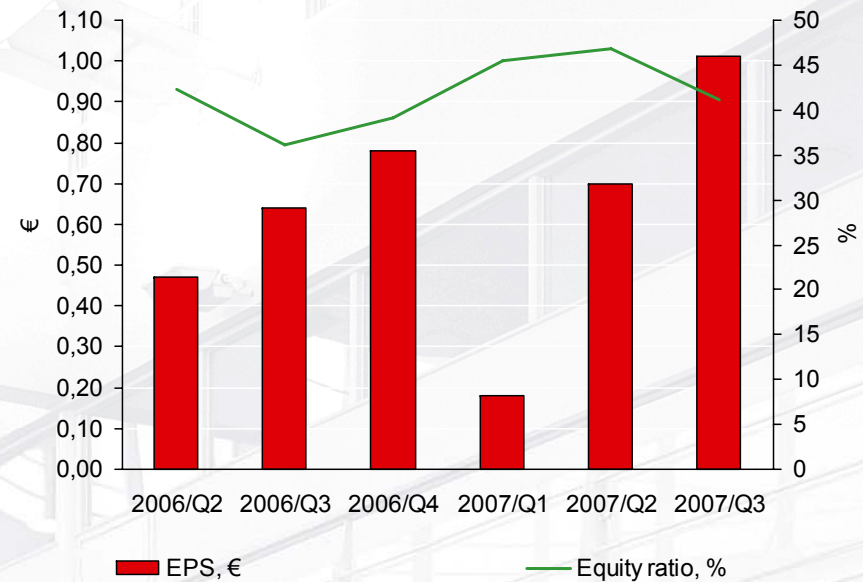


# Key Figures – NAV and EPS Evolution

EPRA NAV versus Share

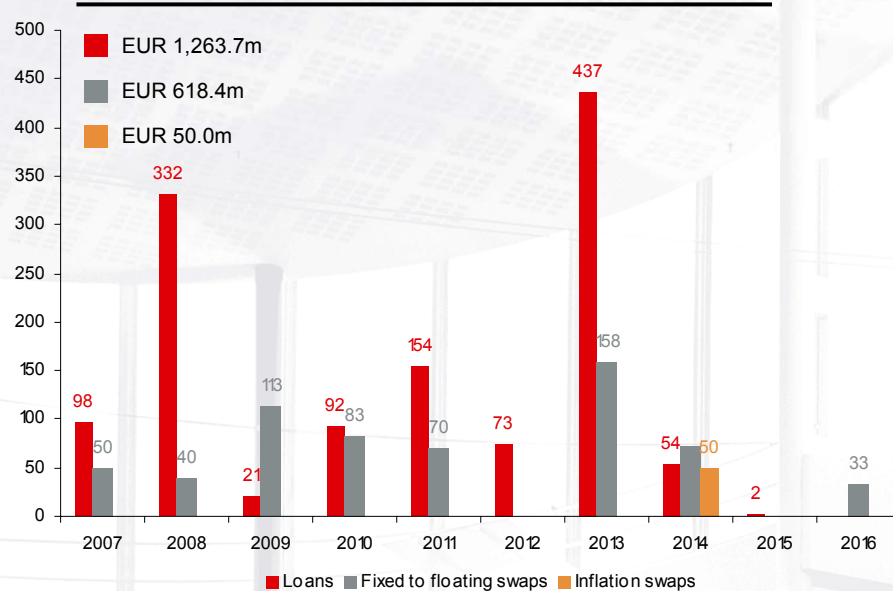


EPS and Equity Ratio

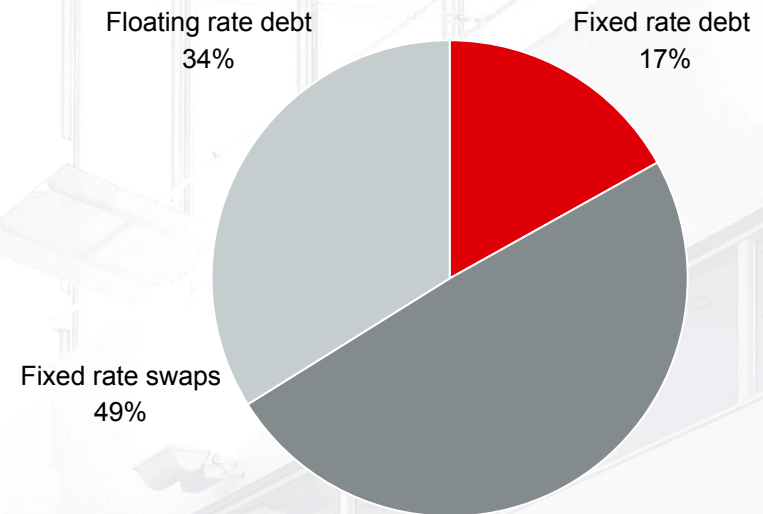


# Key Figures – Financing Overview

Maturity profile of loans and derivatives  
2007 - 2016



Interest-bearing debt by fixing type  
EUR 1,263.7 million <sup>1)</sup>



- During Q3 interest-bearing net debt increased markedly by **EUR 320.9 million** mainly due to acquisition of Iso Omena and Magistral
- As of 30 September effectively **66 %** of the interest-bearing debt on a fixed rate basis. The reduction in the hedge ratio resulted from new short term bridge loan which had a lower hedge ratio
- Average loan maturity at **3.6** years and average time to fixing at **3.0** years as a result of temporary increase in short term debt
- Investment CAPEX into current major development projects continued in Q3, **EUR 18.2 million invested**

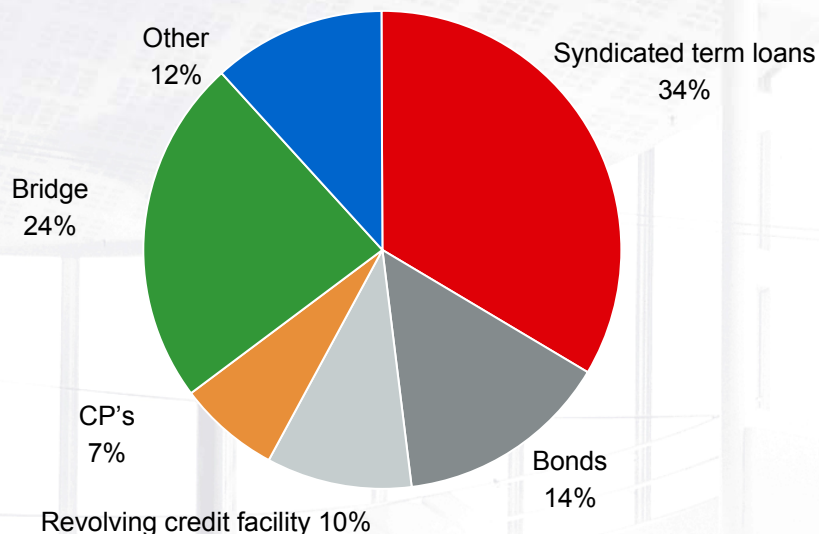
1) Carrying value of debt as at 30 September 2007 was EUR 1,246.1 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.



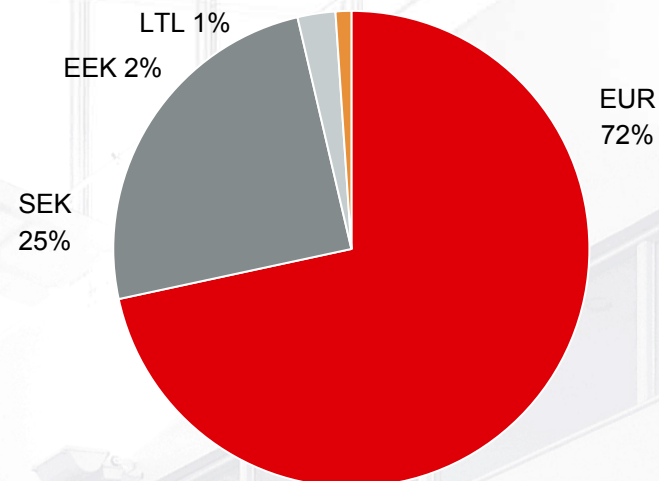
# Key Figures - Debt Portfolio

CITYCON

Breakdown by debt type  
EUR 1,263.7 million <sup>1)</sup>



Breakdown by currency  
EUR 1,263.7 million <sup>1)</sup>

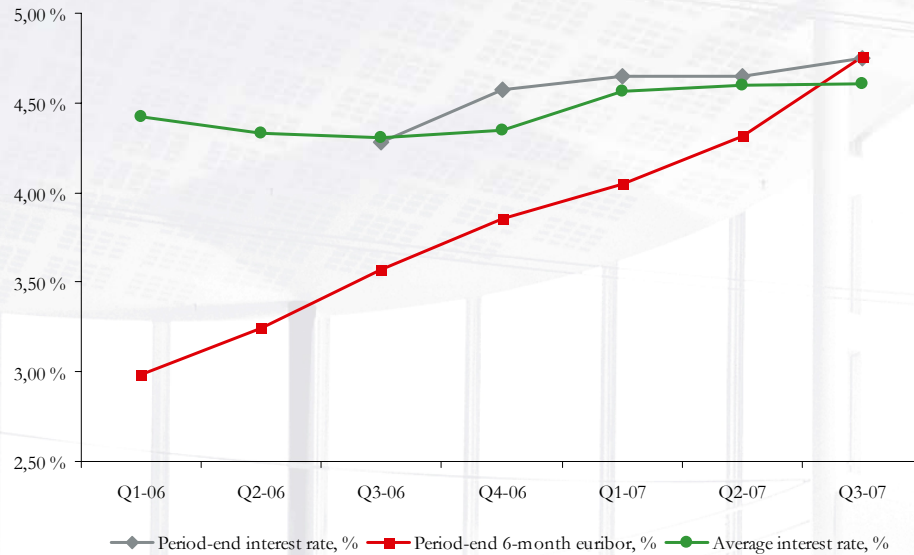


- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **58%** of the debt portfolio and fall due between 2011 and 2013
- Additionally, the bridge loan raised for Iso Omena acquisition has been syndicated with Citycon's core Nordic relationship banks
- In Q3 the average year-to-date interest rate inched 1 basis points higher to **4.61%** (Q3/2006: 4.31%). The period-end current run rate increased by 10 bps to **4.75%** due to higher fixings on new floating debt
- Citycon had unutilized debt facilities of **EUR 69 million** available as of 30 September 2007

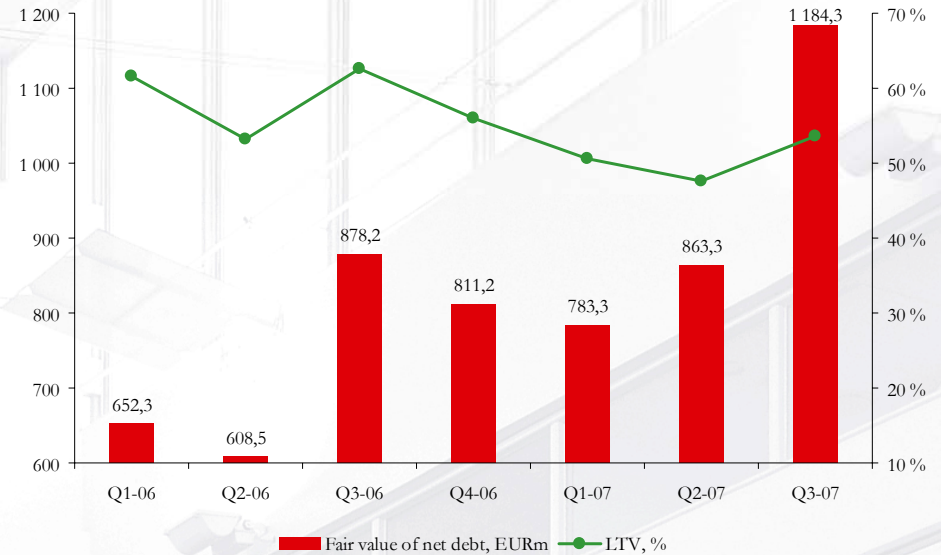
1) Carrying value of debt as at 30 September 2007 was EUR 1,246.1 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

# Key Figures – Interest Rates and LTV

Quarterly development of interest rates 1)



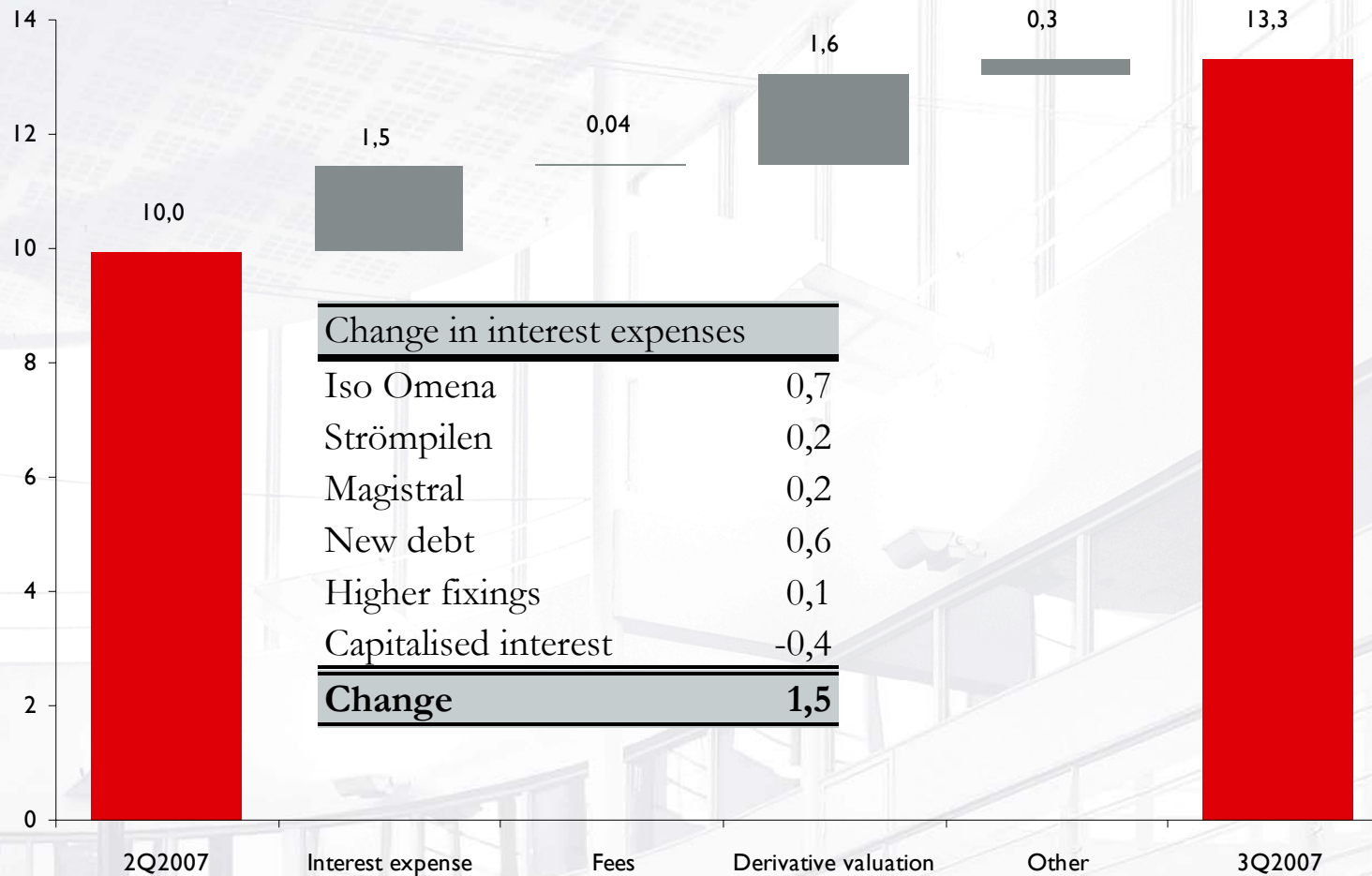
Net debt and LTV-% 2)



- Despite the upward trending short term interest rates, changes in interest rates which Citycon is facing have increased only moderately
- Increasing rates feed through income statement with certain lag and if the current interest rate levels are sustained, also Citycon’s average and period-end interest rates will continue to increase
- Citycon’s LTV-% is currently below the levels in 2006 although net debt is markedly higher as a result of:
  - Successful equity capital market transactions in 2007 have contained leverage
  - Recent acquisitions executed on levels which have allowed further appraisal gains

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 and development properties on the balance sheet date.

# Net Financial Expenses Q2 vs Q3 2007



Change in interest expenses	
Iso Omena	0,7
Strömpilen	0,2
Magistral	0,2
New debt	0,6
Higher fixings	0,1
Capitalised interest	-0,4
<b>Change</b>	<b>1,5</b>

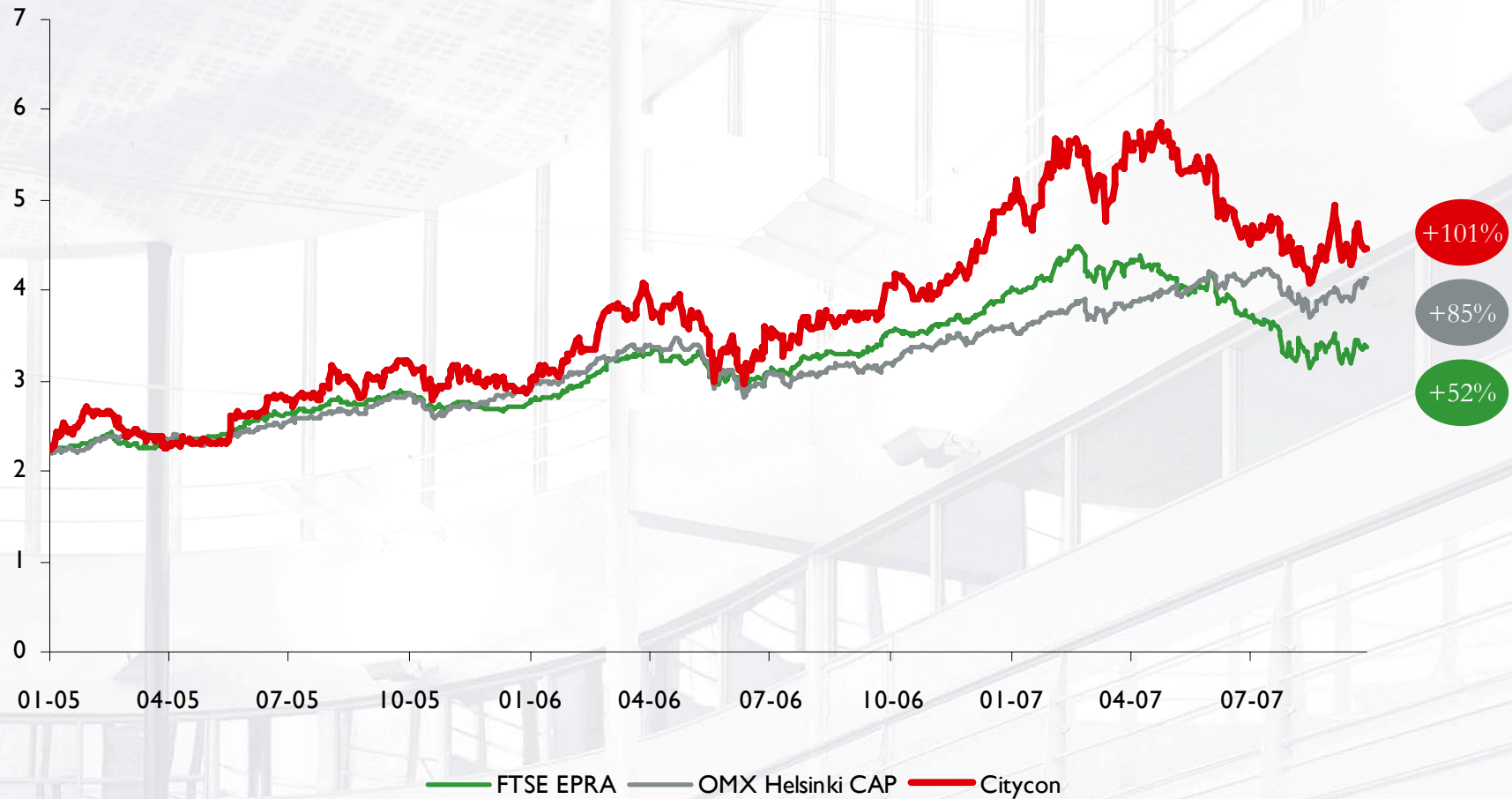
## Breakdown of Net Financial Expenses

Net Financial Expenses (EUR million)	3q 2007	2q 2007	3q 2006	Change-% (y-o-y)	Change-% (q-o-q)	YTD 2007	YTD 2006	Change-% (YTD)
<b>Financial Expenses:</b>								
Interest expenses	-11,2	-9,7	-8,7	30 %	16 %	-30,4	-22,3	36 %
Foreign exchange losses	0,1	0,0	-0,6	-113 %	n.m.	0,0	0,4	-99 %
Capitalised fees	-0,3	-0,2	-0,5	-50 %	7 %	-0,6	-0,8	-19 %
Non-cash option expense from convertible bonds	-0,4	-0,4	-0,3	63 %	5 %	-1,3	-0,3	373 %
Other expenses	-0,3	0,0	0,3	-192 %	n.m.	-0,3	0,2	-300 %
<b>Total Expenses</b>	<b>-12,1</b>	<b>-10,3</b>	<b>-9,7</b>	<b>25 %</b>	<b>18 %</b>	<b>-32,7</b>	<b>-22,8</b>	<b>43 %</b>
<b>Financial Income:</b>								
Interest income	0,2	0,2	0,5	-50 %	26 %	0,7	0,7	-2 %
Fair value gains	-1,4	0,1	0,0	n.m.	n.m.	-0,7	0,0	n.m.
<b>Total Income</b>	<b>-1,2</b>	<b>0,3</b>	<b>0,5</b>	<b>-352 %</b>	<b>-465 %</b>	<b>0,0</b>	<b>0,7</b>	<b>-107 %</b>
<b>Net Financial Expenses</b>	<b>-13,3</b>	<b>-10,0</b>	<b>-9,3</b>	<b>44 %</b>	<b>34 %</b>	<b>-32,7</b>	<b>-22,2</b>	<b>48 %</b>

- Net financials were up 34 percent compared with second quarter and 48 percent year-to-date on the back of higher interest expenses, option expenses from the convertible bond and non-cash derivative valuation losses
- Citycon's effective cash net financials are clearly lower than the income statement charge. The year-to-date cash cost was EUR 26.8 million (income statement EUR 32.7 million). The difference is a result of:
  - Paid interest expenses EUR 3.1 million lower than in income statement
  - Difference of cash and non-cash fees EUR 1.0 million and 0.7 million non-cash derivative loss
  - Realised FX gain on EUR 1.3 million from currency hedging

# Key Figures – Share Performance <sup>1)</sup>

CITYCON

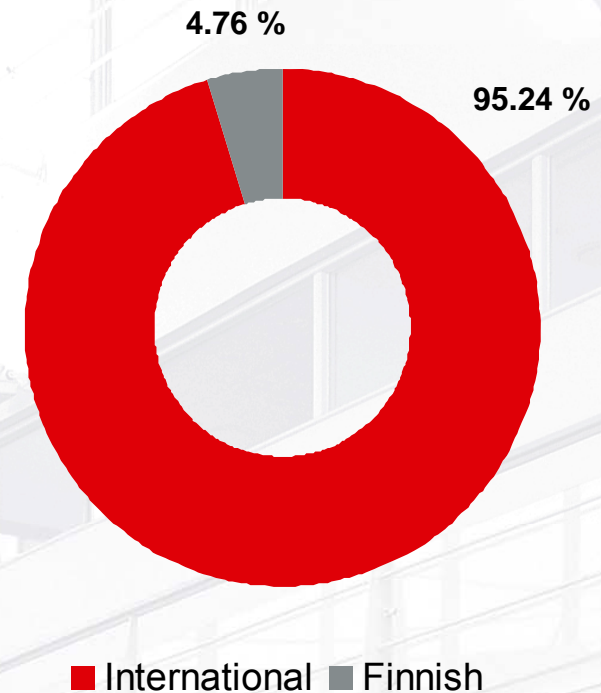


1) Starting values of FTSE EPRA index and OMX Helsinki CAP index on 3 January 2007 have been rebased to Citycon share price at EUR 2.23

## Key Figures - Share Data

- Starting from 1 July the company is included at OMX Large Cap List
- 18 October Market capitalisation totalled EUR 830 million
- **95.24 %** of shareholders are international as of 30 September, 2007
- **2030** shareholders
- Gazit –Globe owned approximately 39.3% and Fidelity International <10%, ING Clarion >5%
- From the 1 April Citycon is included in GPR 250 Property Securities Index. The index includes 250 the most liquid property companies worldwide. Citycon is also included in e.g. FTSE EPRA/NAREIT Global Real Estate Index

Breakdown of shareholders



# Backup Information

## Business Environment – REIT Legislation

CITYCON

- Finland's new right-wing Government stated in Government program in April the intention to review the legislation on real estate investment funds and adopt a new taxation policy for Finnish limited real estate funds to ensure their international competitiveness.
- Expert group was set up by the government for the research process.
- The Finn-REIT legislation structure plans took a step forward as the commerce committee of the Finnish parliament gave a positive statement regarding REIT on 23 January, 2007.
- The possible introduction of REIT structure in Finland is not at any degree dependent on Citycon's actions, the company is not involved in the process and relies on the publicly available information regarding the process. Citycon has not prepared any plans for the possible introduction of the structure at this time.



# Citycon in Brief - Background

CITYCON

Citycon's path to becoming the market leader and an international property investment company



**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 grow
- Ownership structure becomes very international
- Analysing 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**

- The company strengthens its shopping centre portfolio by new acquisitions in Finland and Sweden
- Focus on development and redevelopment: Liljeholmen and Rocca al Mare project started
- Citycon acquires Iso Omena

# Citycon in Brief

---

CITYCON

## Mission

- Demonstrating expertise in retail property business, Citycon not only owns, manages, leases and develops shopping centres and other retail properties but also develops new retail premises.

## Vision

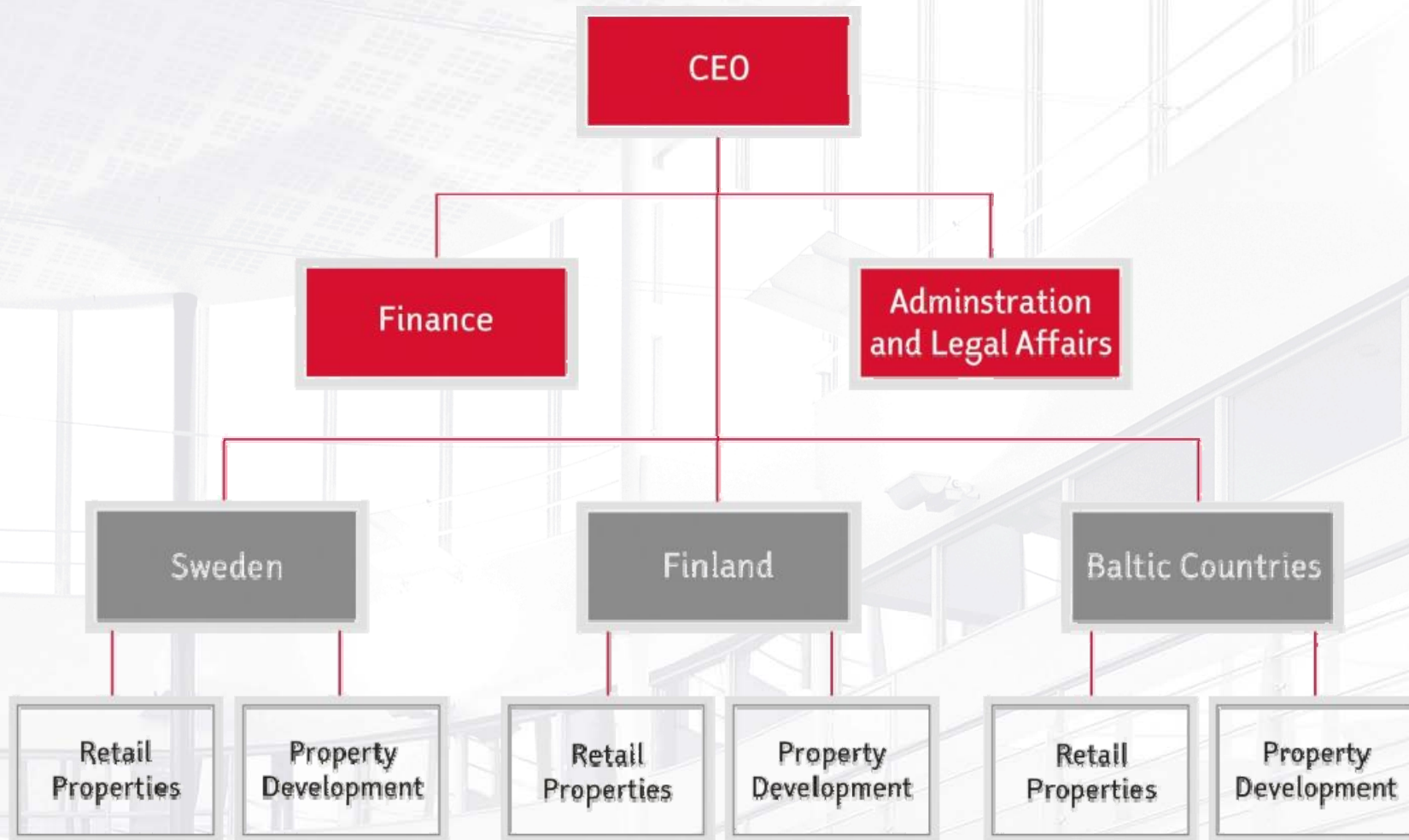
- Citycon aims to expand its property portfolio and increase its value. The company's objective is to serve an array of retailers by providing them with the best industry expertise and premises meeting their needs.

## Strategy

- Citycon focuses on retail properties, its core business consisting of shopping centres and other large retail units. Its business operations concentrate on urban growth centres in Finland, Sweden and the Baltic Countries. In its operations Citycon seeks to expand the Company's value and expertise as well as seeking customer relationships based on strong partnership.
- Citycon's business strategy is based on the following primary elements:
  - Focus solely in retail premises
  - Priority areas are the largest cities in Finland, Scandinavia and the Baltic States
  - Citycon aims at growing its portfolio by acquisitions and development projects

# Citycon in Brief

CITYCON



# Citycon in Brief

CITYCON

## Management



**Petri Olkinuora, CEO**



**Eero Sihvonen, CFO**



**Outi Raekivi**  
Head of Legal Affairs



**Kaisa Vuorio**  
Vice President  
Finnish Operations



**Ulf Attebrant**  
Vice President  
Swedish Operations



**Harri Holmström**  
Vice President  
Baltic Operations

# Citycon Properties – Core Shopping Centres

CITYCON

**Finland**



**Lippulaiva**  
Built 1993  
GLA 23.000 m<sup>2</sup>  
Owned 100 %



**Myrmanni**  
1994  
40.200 m<sup>2</sup>  
100 %



**Trio**  
1977/87  
32.200 m<sup>2</sup>  
89.3 %



**Iso Omena**  
2001  
61.300 m<sup>2</sup>  
100 %

**Columbus**  
1997/07  
20.400 m<sup>2</sup>  
100 %

**Sweden**



**Jakobsberg**  
1959/93  
67.000 m<sup>2</sup>  
100 %



**Stenungstorg**  
1967/93  
37.600 m<sup>2</sup>  
85 %



**Åkersberga**  
1985/96  
33.100 m<sup>2</sup>  
75 %



**Tumba**  
n.a.  
33.100 m<sup>2</sup>  
100 %



**Strömpilen**  
n.a.  
25.000 m<sup>2</sup>  
75 %

**Baltic Countries**



**Rocca al Mare, Estonia**  
1998/00  
28.600 m<sup>2</sup>  
100 %



**Mandarina, Lithuania**  
2005  
8.000 m<sup>2</sup>  
100 %



**Magistral, Estonia**  
2000  
9.450 m<sup>2</sup>  
100 %

# Contact Information

CITYCON

## Investor Relations

### Mr Petri Olkinuora

CEO

Tel. +358 9 6803 6738

Fax +358 9 6803 6788

Petri.Olkinuora@citycon.fi

### Mr Eero Sihvonen

CFO

Tel. +358 50 5579 137

Fax +358 9 6803 6788

Eero.Sihvonen@citycon.fi

### Ms Hanna Jaakkola

Investor Relations Officer

Tel. +358 40 5666 070

Fax +358 9 6803 6788

Hanna.Jaakkola@citycon.fi



Trio  
Finland

### Citycon Oyj

Pohjoisesplanadi 35 AB

FIN-00100 Helsinki

Tel. +358 9 680 36 70

Fax +358 9 680 36 788

info@citycon.fi

[www.citycon.fi](http://www.citycon.fi)

e-mail : firstname.lastname@citycon.fi