Citycon Property Valuation Statement

31 March 2007

CITYCON

1. APPRAISAL METHOD

Aberdeen Property Investors Finland Oy (Aberdeen) has made a valuation of Citycon's property portfolio as of 31 March 2007. The valuation was carried out as a cash flow analyses on the net operating income for a period of 10-years.

1.1 Cash flow calculation method

The year on year cash flow has been calculated on Citycon's existing leases, on expiration the contract rent has been replaced with Aberdeen's view on the market rent. Potential Gross Rental Income (PGI) equals leased space with contract rents and vacant space with market rents. Deducting both the market rent for the idle time between the expired contract and assumed new contract, and the assumed general vacancy level, results in the Effective Gross Rental Income. Effective Gross Rental Income less operating expenses (incl. repairs and tenant improvements) equals the Net Operating Income (NOI). NOI less any investment type of repairs (CAPEX) equals the bottom level cash flow that has been discounted (IRR) to reach the present value of the income stream.

The exit value at the end of the valuation period was calculated by capitalizing the 11th year cash flow (base year) with an exit yield.

The total value for the property was calculated as the sum of the yearly discounted income stream, the discounted residual value at the end of the calculation period and any other value added assets such as unused construction rights and lots.

1.2 Transaction and market data methodology

All variables were estimated based on Aberdeen'smarket observation, such as transactions, rental levels and other observations. All this was made in close cooperation with Citycon's property management, where ABERDEENused its objective veto on the data provided.

1.3 Yield determination

During the past quarter, the activity on the market has remained strong. Competition, on certain locations and certain type of investments, is still intense and we can still see a pressure on yields in many cities around Finland. Especially larger retail units are now in targets of many of the property investors operating in Finland. Within a strong and widely spread demand, the market is currently pricing the liquidity premium very flat giving even extreme yield levels in some areas. The liquidity premium have come down recently. Increased trading volume, property funds starting to make exits and current investors re-structuring their portfolios have increased liquidity in the market. Many investors are also ready to put a premium on the purchase price as they incorporate an upside potential on the rental value in their valuations. Foreign investors also typically enter into large portfolio deals pushing yields downwards. Interest rate levels have increased during the 1st quarter further but that hasn't affect on property prices.

As a result of the market trend Aberdeen has revised its input parameters to meet up the existing market characteristics. The Aberdeen level describes a reasonable market level, where unhealthy and inappropriate market behavior has been eliminated. Positive property market development resulted in a capital return of app. 1,82 % (comparing unchanged portfolio to the 4th quarter).

Definition for net yield requirement: Required rate of return (risk free rate + market risk + property risk). Yield requirements for each properties were defined by Aberdeen Property Investors.

1.4 Potential development projects

Some development projects were valued by using a separate project model. The different model is used only in a project that have: 1) Citycon's board decision, and 2) enough information for a reliable valuation. Required information includes e.g. extensive project plan, several new rental agreements, future investments, etc. The appraiser makes the final decision about the use of the model.

The project model is a normal 10 year cash flow model which also takes into consideration projects' future investments and changing cash flows. It includes present cash flows till the end of development phase and future cash flows after the development.

The project model were used in the valuation of two properties: shopping centre Seinäjoen Torikeskus and shopping centre Hervannan Liikekeskus Oy.

All other potential development options where left out from the valuation. These properties were evaluated based on the current situation and current estimated rental value.

All undeveloped or under development lots were evaluated based on their current zoning. The value in each case was set based on market observations.

2. RESULT

The portfolio consists of a wide range of properties with different market values and different levels of quality. The value of the total portfolio is calculated as the sum of the individual properties. In the sections below we present the result on the total and portfolio level. The different portfolios have further been grouped based on their geographical location. Citycon's latest acquisitions, Tumba Centrum in Sweden and Kiinteistö Oy Lahden Hansa in Lahti, are not included into this valuation. Change in value of the portfolio is totally due to yield, lease agreement, and market rent changes. The total market value with a valuation accuracy of +/- 10 % as of March 31st 2007 was 1,464.8 euros (including Åkersberga and Stenungs Torg as of 100 %).

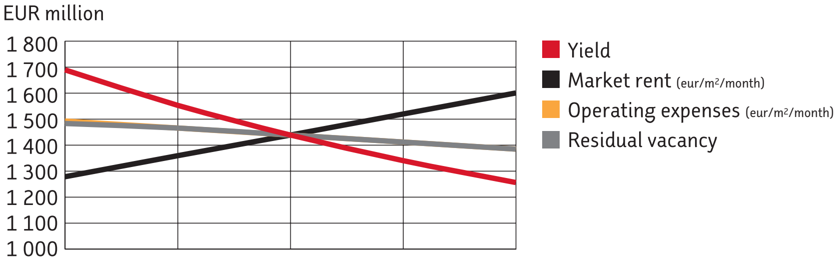
2.1 Market value analysis, 31 March 2007

	Average net yield requirement, %	Average market rent, EUR/sq.m./month	Average operating expenses, EUR/sq.m./month	Fair market value, EUR million
TOTAL PROPERTY PORTFOLIO				
Finland	6.6	17.2	4.2	1,027.7
Sweden	6.2	13.1	3.8	351.6
The Baltic Countries	6.8	14.6	2.6	85.6
Total	**6.5**	**15.9**	**4.0**	**1464.8**
FINLAND				
Helsinki Metropolitan Area				
Shopping Centres	6.1	23.2	5.5	365.7
Other retail properties	6.9	12.8	3.2	117.7
HMA Total	**6.3**	**19.2**	**4.6**	**483.5**
Other parts of Finland				
Shopping Centres	6.5	19.5	4.6	366.8
Other retail properties	7.0	11.3	2.9	177.4
Other Total	**6.7**	**15.9**	**3.9**	**544.2**
SWEDEN				
Greater Stockholm Area				
Shopping Centres	6.1	13.6	4.1	178.4
Other retail properties	6.4	14.9	3.7	80.3
Stockholm Total	**6.2**	**13.1**	**4.0**	**258.8**
Greater Gothenburg Area				
Gothenburg Total	**6.3**	**11.6**	**3.4**	**92.8**
BALTIC COUNTRIES				
Total	**6.8**	**14.6**	**2.6**	**85.6**

3. SENSITIVITY ANALYSIS

The sensitivities of the fair value of properties was tested by changing the key input parameters in the cash flow model. The parameters that are tested are cash flow yield, market rents, operating expenses and residual value vacancy rate. The starting point is the estimated market value of properties. The analysis is made by changing one parameter at a time all else being equal and calculating the corresponding market value of the total portfolio. The figure below shows the results of the analysis.

Yield	-100 bp	-50 bp	no change	+50 bp	+100 bp
Market rent	-10%	-5%	no change	+5%	+10%
Operating expenses	-10%	-5%	no change	+5%	+10%
Residual vacancy	-5%	-2.5%	no change	+2.5%	+5%



The results indicate that the market value is most sensitive to cash flow yield and market rent levels. 100 basis point decrease in yield results in approximately 18% increase in value. Correspondingly, 10% increase in market rents increases the value 11%. The value is not as sensitive to changes in operating expenses and residual vacancy levels