

CITYCON



Capital Markets Day

Stockholm, 3 September 2008



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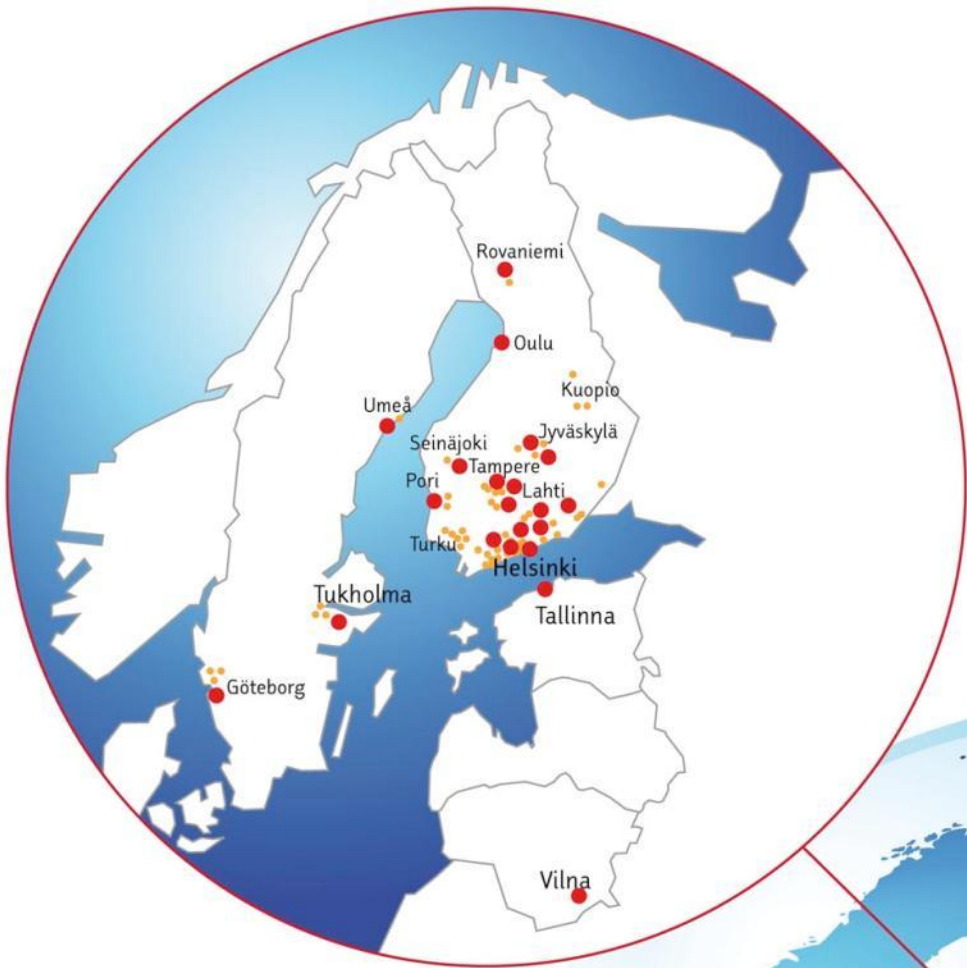
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Agenda

- 9.00** **Opening and Welcoming Words**
Hanna Jaakkola, IRO
- 9.05** **Citycon in European Context – Thoughts of the Chairman of the Board**
Thomas W. Wernink, Chairman of the Board of Directors
- 9.20** **Citycon Today**
Petri Olkinuora, CEO
- 9.40** **Citycon's Financial Position**
Eero Sihvonen, CFO
- 10.00** ***Coffee Break***
- 10.10** **Latest from Finland; Commercial Development – Method of Value Creation**
Kaisa Vuorio, Vice President, Finnish Operations
Pekka Helin, Commercial Director, Finnish Operations
- 10.30** **What is Happening in the Baltic Countries? How about Russia?**
Harri Holmström, Vice President, Baltic Operations
- 10.50** **Citycon in Sweden, Case Liljeholmstorget**
Ulf Attebrant, Vice President, Swedish Operations
- 11.10** **Q&A**
- 11.30** **Site visit and lunch at Liljeholmstorget**

Citycon in European Context – Thoughts of the Chairman of the Board

Thomas W. Wernink, Chairman of the Board of Directors



Citycon Today

Petri Olkinuora, CEO

Highlights – Goals and Focus

Goals

- Growth, mainly organic

Strategic focus

- Retail properties only
- Geographical focus
 - Growth centres, capitals in the Baltic Countries

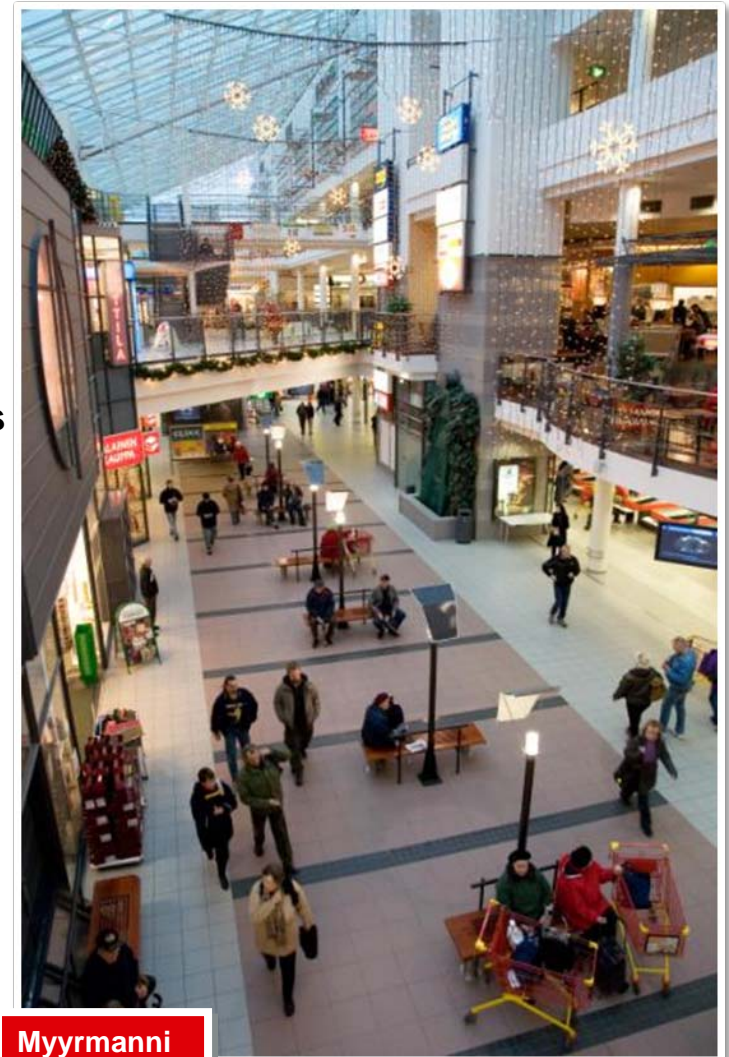
Sustainability

Position

- Market leader in Finland
- Strong position in Sweden
- Growing in the Baltic Countries

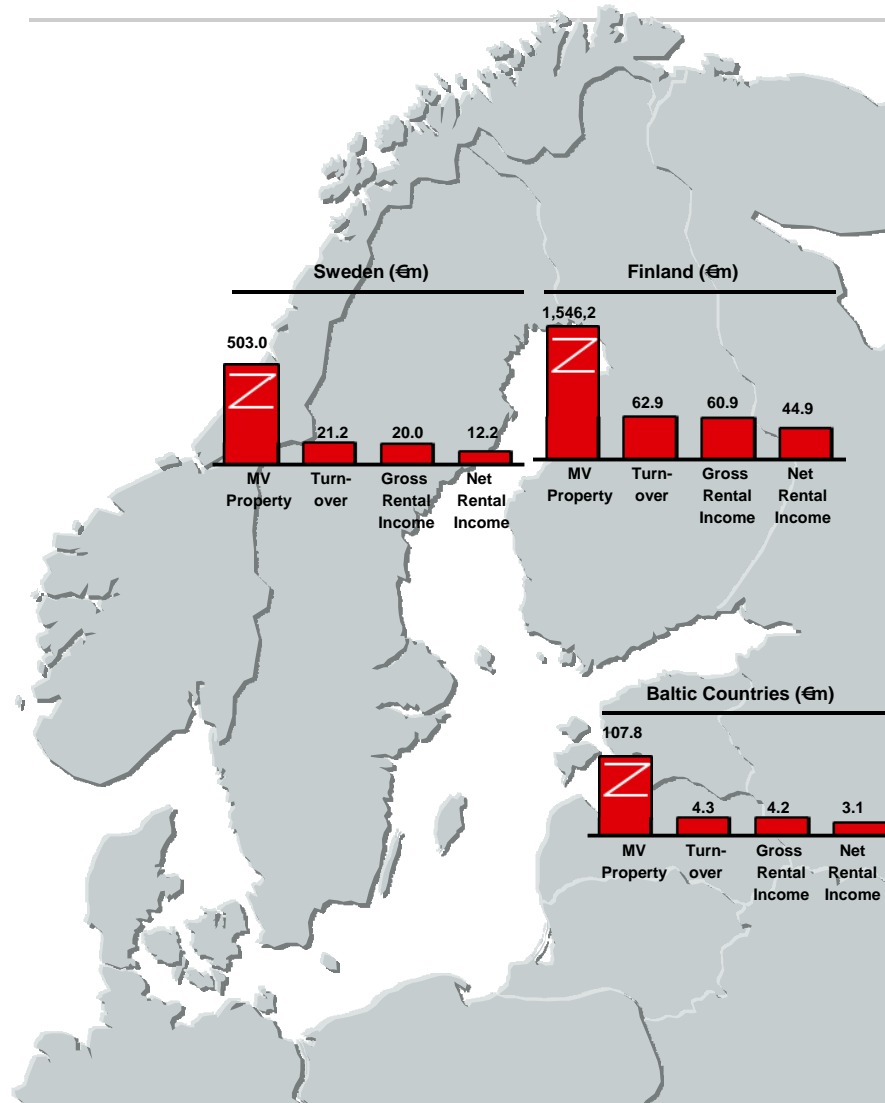
Strong operating cash flow

Expertise in retail real estates and financing



Myyrmanni
in Vantaa

Geographical Overview



Finland

- 74.6% of total net rental income in Q1- Q2/2008
- Net rental income growth of 25.6 % to EUR 44.9 m
- Market leader; 22 shopping centers and 45 other retail properties
- Large redevelopment project in Trio, Lahti

Sweden

- Net rental income accounted for 20.3 % of Citycon's total net rental income
- Net rental income increased by 16.9%, to EUR 12.2m
- Citycon's largest development project Liljeholmstorget

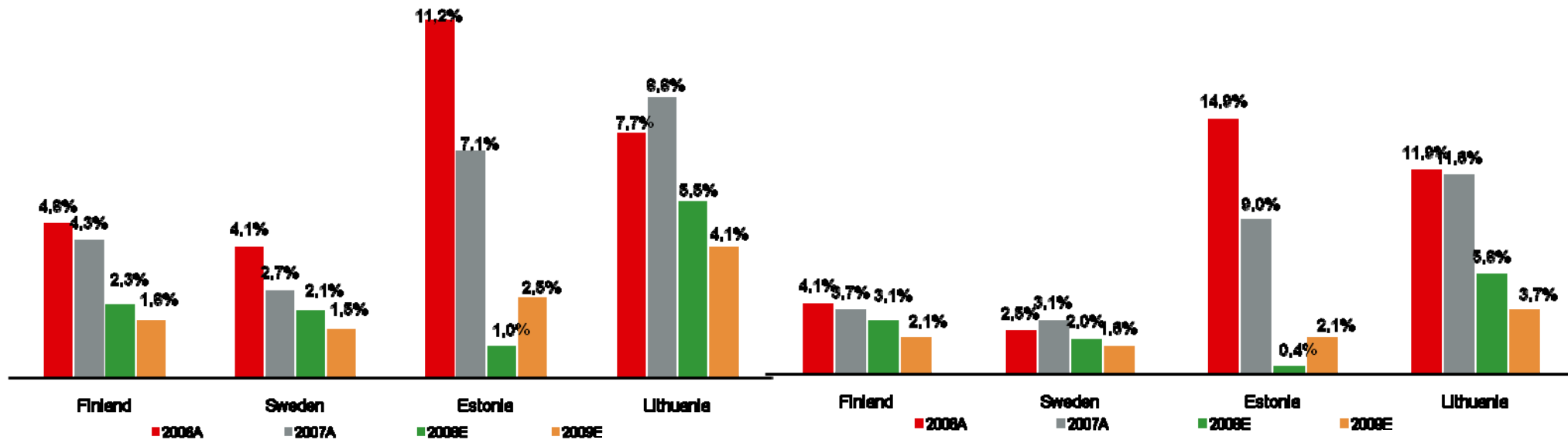
Baltic Countries

- Citycon's second largest development project going on in Estonia, Rocca al Mare
- Net rental income rose by 11.6 % to EUR 3.1 million

Business Environment

GDP

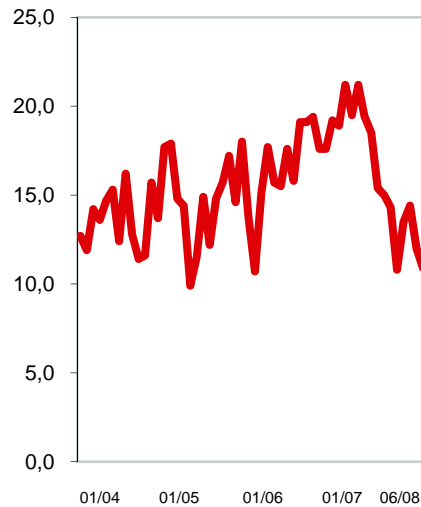
Private Consumption



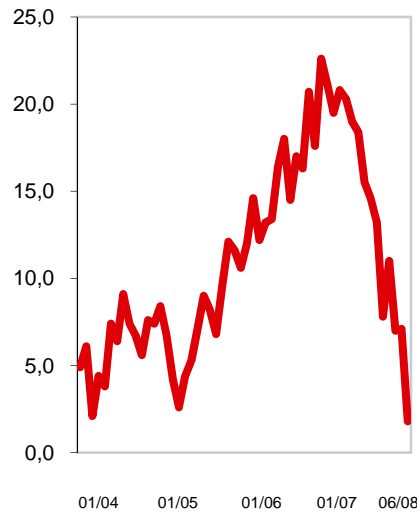
Source: Nordea

Consumer Confidence

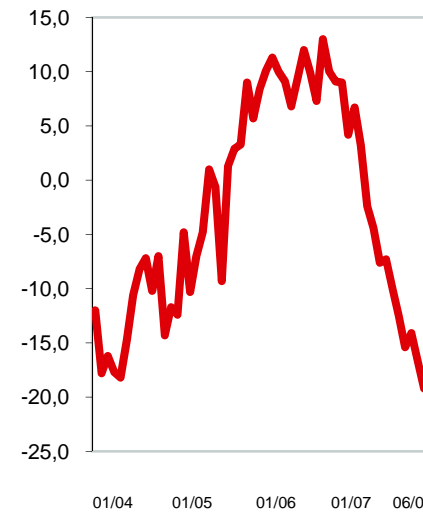
Finland



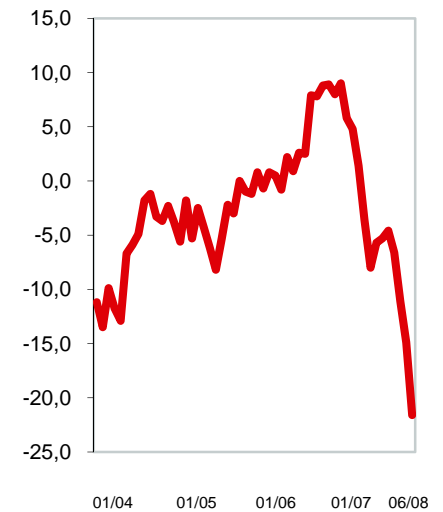
Sweden



Estonia



Lithuania

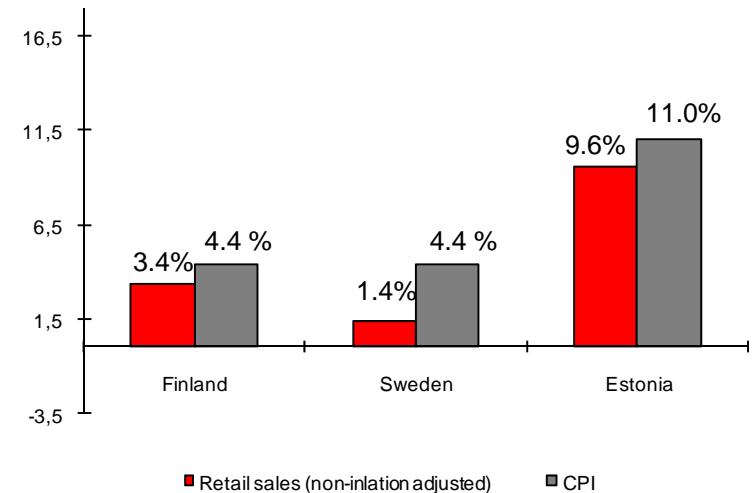


Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

Source: Eurostat

- The spread in yield requirements between prime and other properties increased clearly not only in the Baltic countries but also in Finland and Sweden (source: Jones Lang LaSalle).
- Construction costs are growing, but not as rapidly as during 2007 (05/2007-05/2008):
 - Finland: +4.5% (June 2008, Statistics Finland)
 - Sweden +4.7% (May 2008, Byggindex, Sweden)
 - Estonia +6.0% (April 2008, Statistics Estonia)
- REIT-legislation is on the Government agenda and proceeding. The discussion is currently focusing on residential REIT-model only.

Retail Sales and CPI, July 08



Sources:

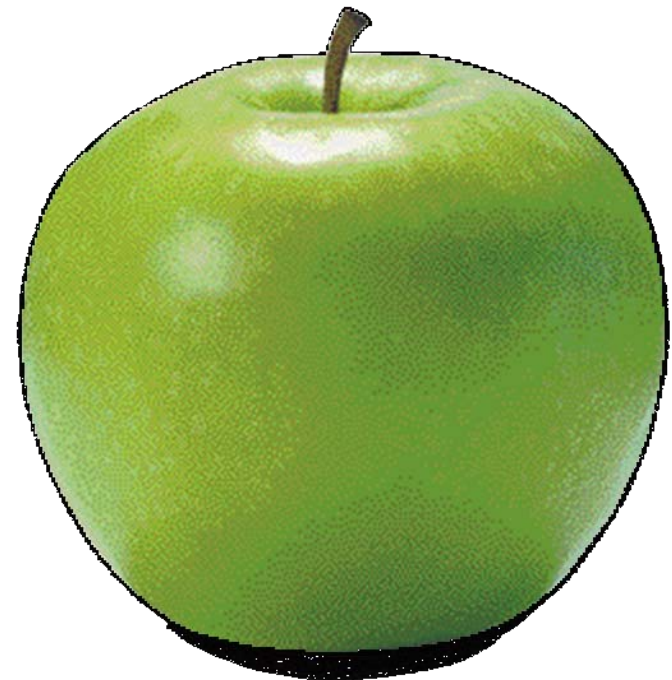
CPI, Estonian Retail Sales: Reuters Knowledge

Retail Sales Finland and Sweden: Statistics Finland and Statistics Sweden

Sustainable Approach

Sustainable Shopping Centre – What and Why? CITYCON

- Energy and material costs will increase in the future
- Legislation will get tighter
- Consumers will be more aware of green products and services
- Investors will put more value to good ESG
(environmental, social and corporate governance)
- Safety / security issues are more important
- Tenants are starting to make demands on shopping centre operations
- Maintenance and construction service providers will be challenged
- Responsible and long-term shopping centre management is essential
 - **Question of creating competitive advantage**



Property Portfolio

Largest Shopping Centres

Largest Shopping Centres

Finland



Lippulaiva
Built 1993
GLA 23.000 m²
Owned 100 %



Koskikeskus
1988
25.700 m²
88 %

Myyrmanni
1994
40.200 m²
100 %



Forum
1953/91
17.400 m²
Citycon 69 %

Trio
1977/87
32.200 m²
89.3 %



Iso Omena
2001
61.300 m²
100 %

Columbus
1997/07
20.400 m²
100 %

Sweden



Jakobsberg
1959/93
67.000 m²
100 %



Stenungstorg
1967/93
37.600 m²
85 %



Åkersberga
1985/96
33.100 m²
75 %



Tumba
n.a.
33.100 m²
100 %



Strömpilen
n.a.
25.000 m²
75 %

Baltic Countries



Rocca al Mare, Estonia
1998/00
28.600 m²
100 %



Mandarinina, Lithuania
2005
8.000 m²
100 %



Magistral, Estonia
2000
9.450 m²
100 %

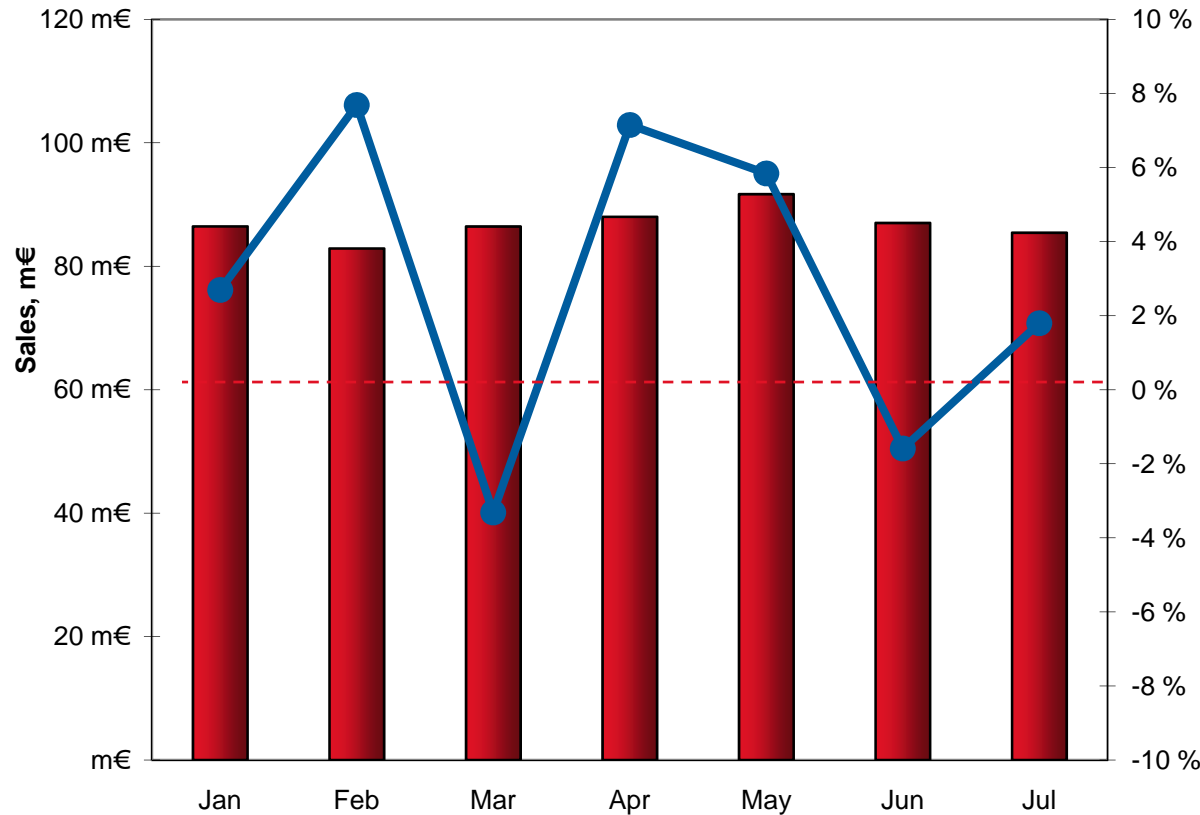
Largest Shopping Centres by Value

1. Iso Omena, Espoo, Finland
2. Myyrmanni, Vantaa, Finland
3. Trio, Lahti, Finland
4. Jakobsberg, Järfälla, Sweden
5. Koskikeskus, Tampere, Finland
6. Columbus, Helsinki, Finland
7. Liljeholmen, Stockholm, Sweden
8. Rocca Al Mare, Tallinn, Estonia
9. Tumba Centrum, Stockholm, Sweden
10. Forum, Jyväskylä, Finland



Shopping Centre Performance

Monthly Sales in Finnish Citycon Shopping Centres, 2008 *)



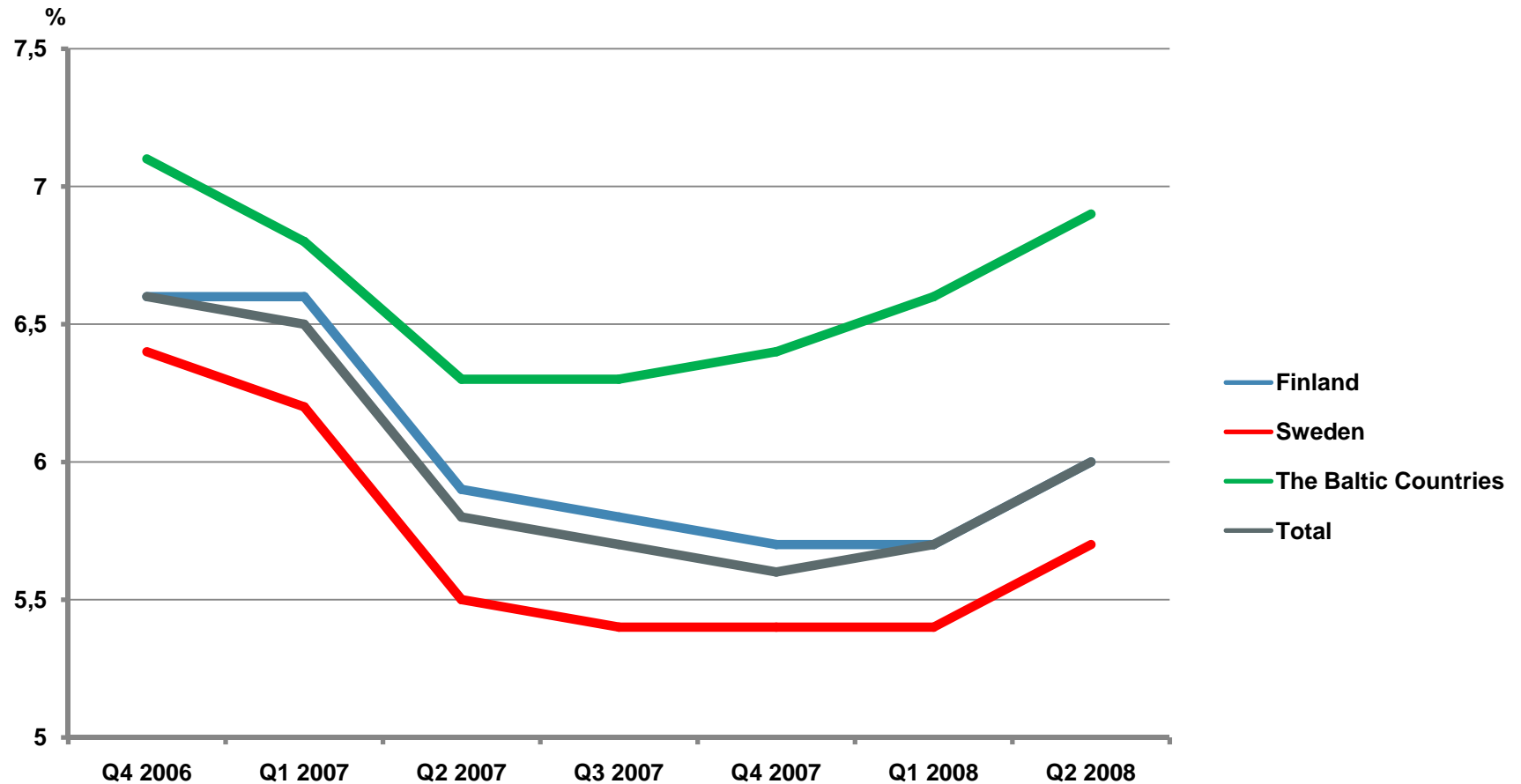
■ Monthly Sales 2008, €

● Sales Change

*)The March – April change was due mainly to the timing of Easter. During June the number of Sundays that fell in June 2008 totaled five (four in 2007). Sundays are less busy than the other days of the week.

- Shopping centre sales in Finland have increased in 2008.
- Shopping centre sales over all in Sweden have been flat compared to 2007. The larger centres have reported sales growth.
- The Baltic centre sales have also increased during 2008 except for Rocca al Mare, which is under development.

Valuation Yield Development in the Portfolio



Valuation yield above is based on external valuator's portfolio valuation. The company adapted the country organisation during Q3 2006.

Citycon's Shopping Centres

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Iso Omena, Espoo
60 600m²
Sales 2007: 212.2 EUR million
Visitors 2007: 8.4 million

Iso Omena “The Big Apple”

CITYCON

- Citycon acquired in September 2007 shopping centre Iso Omena from Doughty Hanson for appr. EUR 329 million; net initial yield 4.5%.
- The company sold 40% of the centre in February 2008 to GIC RE (part of Government of Singapore Investment Corporation). The selling price was equivalent to the acquisition price of EUR 329 million.
- Citycon will continue to be the asset manager and responsible for development of Iso Omena.
- A trophy asset. The catchment area is one of the most affluent areas in Finland. It is the 5th largest shopping centre in Finland.
- Underground line planned
- Plans to increase net rental income by:
 - Extension
 - Tenant mix improvements
 - More efficient marketing

Key Figures

Opening year	2001
Leasable area, m ²	61,300
of which retail premises, m ²	49,000
Gross floor area, m ²	138,458
Building volume, m ³	761,500
Unexercised building right, m ²	~7,000
Number of stores and restaurants	over 120
Occupancy rate	98,5 %
Total sales 2007, million	212.2
Number of visitors 2007, million	8.4
Parking spaces (of which 86% inside)	2,200



Citycon's Shopping Centres

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Heikintori, Espoo
40 years 2008
9 500 m²
Sales 2007: 27.0 EUR million
Visitors 2007: 2.2 million

Citycon's Shopping Centres

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Jakobsbergs Centrum, Järfälla
67 500 m²
Sales 2007: 67.3 EUR million
Visitors 2007: 5.5 million

Citycon's Shopping Centres

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Strömpilen, Umeå
27 000 m²
Sales 2007: 88.6 million

Citycon's Shopping Centres

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Magistral, Tallinn
9 500 m²
Sales 2007: 17.7 EUR million
Visitors 2007: 3.5 million

Property Portfolio

(Re)development Projects

Development and Redevelopment Projects

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On-going projects, 30 June 2008

Property	Location	Country	Market value, EUR million (31 Dec. 2007)	Area, sq.m. ¹⁾	Post-development area, sq.m.	Total estimated investment, MEUR ²⁾	Actual cumulative CAPEX by the end of the period, MEUR	Target year of completion	Additional information
Liljeholmstorget	Stockholm	SWE	78	20 100	28 000	120	38.2	2009	Construction of a new shopping centre and total refurbishment of the existing building. Total post-development area including underground parking 91,000 m ² .
Rocca al Mare	Tallinn	EST	75	28 600	53 500	68	25.5	2009	Redevelopment and major extension of the existing shopping centre.
Trio	Lahti	FIN	124	32 300	35 300	60	42.0	2008	Redevelopment of the existing shopping centre.
Torikeskus	Seinäjäki	FIN	13	11 300	12 000	4	2.1	2009	Refurbishment of the exiting shopping centre.

Projects not yet approved, or partly approved, by the Board of Directors

Property	Location	Country	Market value, EUR million (31 Dec. 2007)	Area, sq.m. ¹⁾	Post-development area, sq.m.	Total estimated investment, MEUR ²⁾	Actual cumulative CAPEX by the end of the period, MEUR	Target year of completion	Additional information
Lippulaiva	Espoo	FIN	52	18 000	35 000	60-70 ³⁾	21.7	2011	Refurbishment and extension of the existing shopping centre. The refurbishment of indoor areas was completed in spring 2008. The extension plan is under renewal. The appeal regarding the change of zoning required for the extension was dismissed in the Supreme Administrative Court in September 2007.
Åkersberga Centrum	Österåker	SWE	58	26 000	35 200	27 ⁴⁾	4.4	2010	Redevelopment and extension of the existing shopping centre. The project has been delayed due to a tenant complaint. The project plan is under renewal.
Tumba Centrum	Botkyrka	SWE	64	30 000	38 500	35-37 ⁵⁾	1.8	2011	Redevelopment and extension of the shopping centre. In the first phase the centre will be refurbished and extended by 500 sq.m. The second phase includes remarkable redevelopment and extension.

1) Leasable area owned by Citycon.

2) New capital tied on the project.

3) Both planned stages included in the estimate. The second stage is subject to the Board of Directors' decision.

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

5) Both stages included in the figure. The second stage is subject to the Board of Directors' decision. The estimated investment need of the initiated first phase is approx. EUR 8 million.

Pilot Projects in Sustainable Construction

Finland



Trio

Total redevelopment of Lahti downtown shopping centre. The most important shopping venue in its large catchment area, 100 kilometers from Helsinki. Originally built in 1977/87 and consisted of three separate buildings. Adjacent Hansa-building (11,400 m², not incl. in GLA below) will be refurbished after completion of the Trio redevelopment (subject to board approval).

GLA	32,300 m²
Post-development area (GLA)	35,300 m²
Total Estimated investment, EUR	60 million
Theoretical gross rental income, EUR *)	11.1 million p.a.
Estimated year of completion	2008

Sweden

Liljeholmstorget

Construction of a new shopping centre south of Stockholm city centre. Location is the major traffic hub, the whole area is being redeveloped into attractive residential neighborhood. Existing building is totally refurbished, new centre is currently being built adjacent to subway station. Parking underground.

GLA	20,100 m²
Post-development area (GLA)	28,000 m² retail (+ 11,800 m² offices)
Total Estimated investment, EUR	120 million
Theoretical gross rental income, EUR	21.5 million p.a.
Estimated year of completion	2009



Estonia



Rocca al Mare

Extension and redevelopment of existing shopping centre west of Tallinn city centre. After the project Rocca al Mare is one of the largest centres in the Baltic countries, large and affluent catchment area. Originally built on 1998.

GLA	28,600 m²
Post-development area (GLA)	53,500 m²
Total Estimated investment, EUR	68 million
Theoretical gross rental income, EUR	12.3 million p.a.
Estimated year of completion	2009

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Citycon's Financial Position

Eero Sihvonen, CFO

Targets and Highlights

Financial Targets

Growth track	<ul style="list-style-type: none">▶ Continued expansion through property development and selective acquisitions	<ul style="list-style-type: none">▶ Cumulative CAPEX since 2005 in excess of EUR 1 billion▶ The main emphasis on organic growth
Dividends	<ul style="list-style-type: none">▶ Solid distribution policy despite growing number of shares outstanding▶ Payout target 50 per cent of the distributable earning excluding fair value gains on property	<ul style="list-style-type: none">▶ For 2007 Citycon's distribution was 0.14 EUR per-share dividend was 0.04 EUR and return from invested unrestricted equity fund 0.10 EUR
Equity ratio	<ul style="list-style-type: none">▶ Strong balance sheet▶ Long-term equity ratio target is 40 per cent	<ul style="list-style-type: none">▶ Equity ratio of 42.1 % as of 30 June 2008

Q2 Highlights

- Net cash from operating activities per share EUR **0.06** (EUR 0.06) and EPRA EPS EUR **0.04** (EUR 0.04), EPRA NAV EUR **4.46** (EUR 4.70)
- Net rental income grew by **2.7%** to EUR 30.5 million compared to Q1 (Q1/2008: EUR 29.7 m)
 - Net rental income for like-for-like properties grew **0.3%**
- Valuation yield by external appraiser **6.0%** (Q1 2008: 5.7%)
- Profit /loss before taxes was EUR **-62.1** million (Q1-2/2007: EUR 212.5 m), incl. EUR **-83.3** (EUR 191.6 m) change in the fair value
- Financing costs were EUR **14.7** million (Q1/2008: EUR 16.1 m)
- Total liquidity of EUR **349.4** million which comprises of unutilized committed debt facilities amounting to EUR **325.6** million and cash **23.8** million

Property Portfolio

- **3,662** (3,415) leases with an average length of **2.8** (2.9) years
- Net rental income increased by **22.7%** to EUR **60.1** million
- Net rental income for like-for-like properties grew by **0.3%**

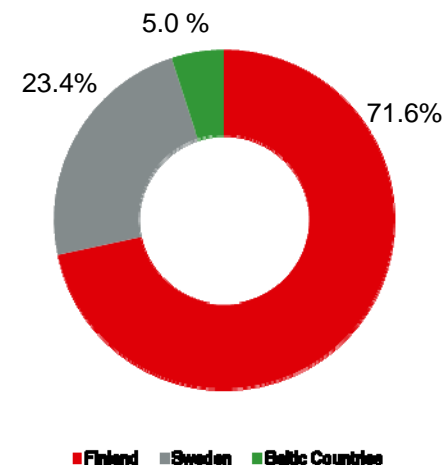
Like-for-like property = held by Citycon 24 months, excl. development projects and lots.
Citycon's portfolio totaled EUR **2,156.9** million, of which like-for-like properties accounted for **41.5 %**. Of I-f-I portfolio **91.9 %** is in Finland and **53.5%** of the total Finnish portfolio is included in I-f-I.

- GLA totalled grew by **12.4 %** to **926,550 m²**
- Total NRI growth **2.7%** in Q2
- Rolling 12-month occupancy cost ratio for I-f-I properties **8.8%** (Q4/07: 8.7%)
- End of 2007 **16.1 %** (2006: 11% of rental agreements were tied to lessee's turnover. Rents also linked to CPI (nearly all the agreements).

Property Portfolio

- **Annualised rental value for the portfolio was EUR 176.5 m**
Includes annualised gross rent based on valid rent roll on the 30th June, market rent of vacant premises and rental income from turnover-based contracts and possible other rental income.
- **Actual rental contract level vs. valuation market rents +2%**
Indicates how much higher Citycon's actual rental level is compared to the market rents applied in the external valuation.

Breakdown of property portfolio



Total Portfolio	Q2/2008	Q2/2007	Q1/2008	2007	2006
Net Rental Income, EUR million	30.5	25.8	29.7	103.4	82.8
Number of leases started during the period ¹⁾	112	122	124	512	369
Total area of leases started, m ²	18,170	28,745	24,240	103,408	73,300
Occupancy rate at end of the period, %	95.7	95.8	96.0	95.7	97.1
Average length of lease portfolio at the end of the period, year	2.8	2.9	3.0	3.0	2.9
Net Rental Yield (actual), % ²⁾	5.4	6.4	5.5	5.8	7.1
Average Net Yield Requirement (valuation yield by external appraiser), %	6.0	5.8	5.7	5.6	6.6

1) Excluding transferred agreements in acquisitions
2) Includes lots and development projects

Figures and Financing

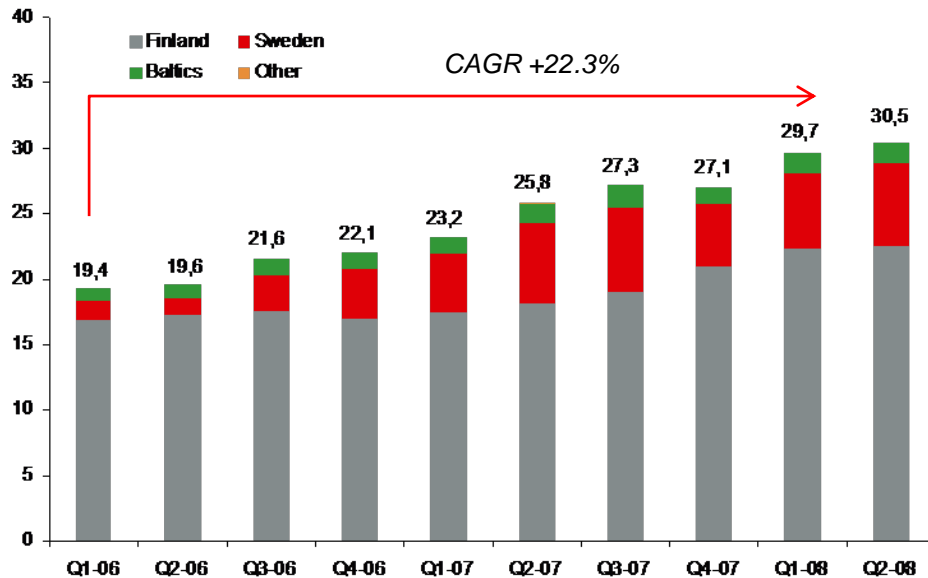
Income Statement - Snapshot

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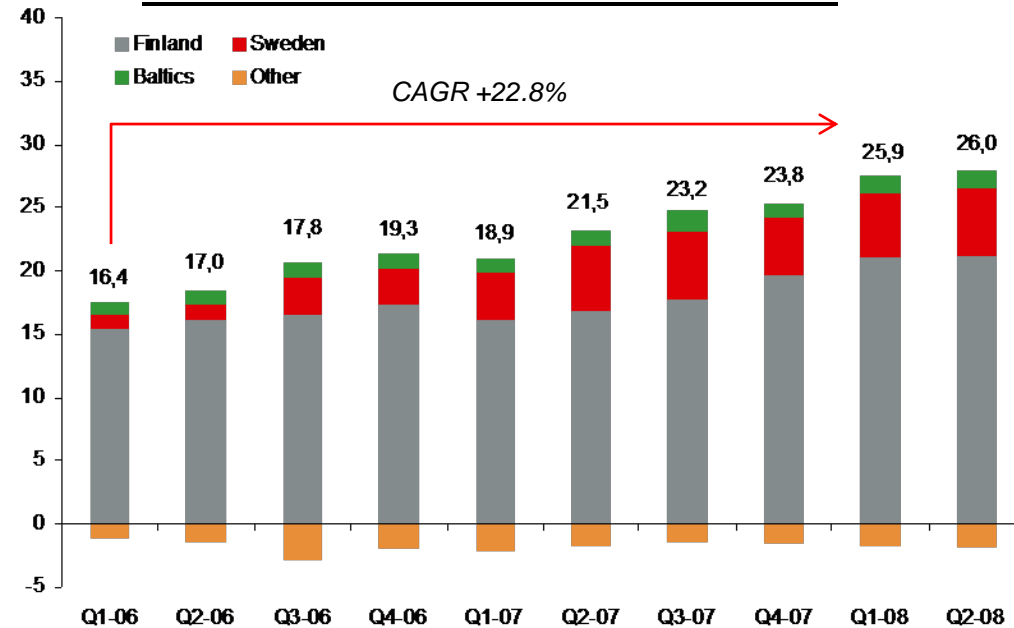
	Q2/2008	Q2/2007	Q1/2008	2 007
Gross rental income	43.4	34.1	41.7	143.7
Turnover	44.2	35.9	44.3	151.4
Net rental income	30.5	25.8	29.7	103.4
Administrative expenses	4.4	4.3	3.9	16.5
Net Fair value gains/losses on investment property	-84.7	160.1	1.4	213.4
Operating profit	-58.7	181.6	27.4	300.7
Net Financial income and expenses	14.7	10.0	16.1	47.3
Profit / loss before taxes	-73.4	171.6	11.3	253.5
Current taxes	-1.2	-2.8	-2.3	-3.4
Change in deferred taxes	11.7	-33.1	2.3	-46.2
Profit / loss for the period	-62.8	135.8	11.3	203.9
EPS (basic), EUR	-0.26	0.68	0.04	1.00
EPS (diluted), EUR	-0.26	0.60	0.04	0.91
Direct EPS (diluted), EUR (EPRA EPS)	0.04	0.04	0.04	0.18
Net cash from opertaing activities per share, EUR	0.06	0.06	0.06	0.20

Figures – Profitability

Quarterly Net Rental Income by segments



Quarterly Operating Profit¹⁾ by segments



- Citycon has posted **strong quarterly growth** since 2006 both in terms of Net rental income and Operating profit
- Compound annual growth rate (CAGR) has been over **22 %** mark for both quarterly line items since the expansion strategy started in Q1 2006
- **Profitable growth** – rolling 12-month Operating profit-% has varied between 57.6 and 59.2 percent since Q2 2006 and currently stands at **58.3** percent

1) Excluding Net fair value gains on investment property and Profit or loss on disposal of investment property

Balance Sheet – Snapshot, Key Figures

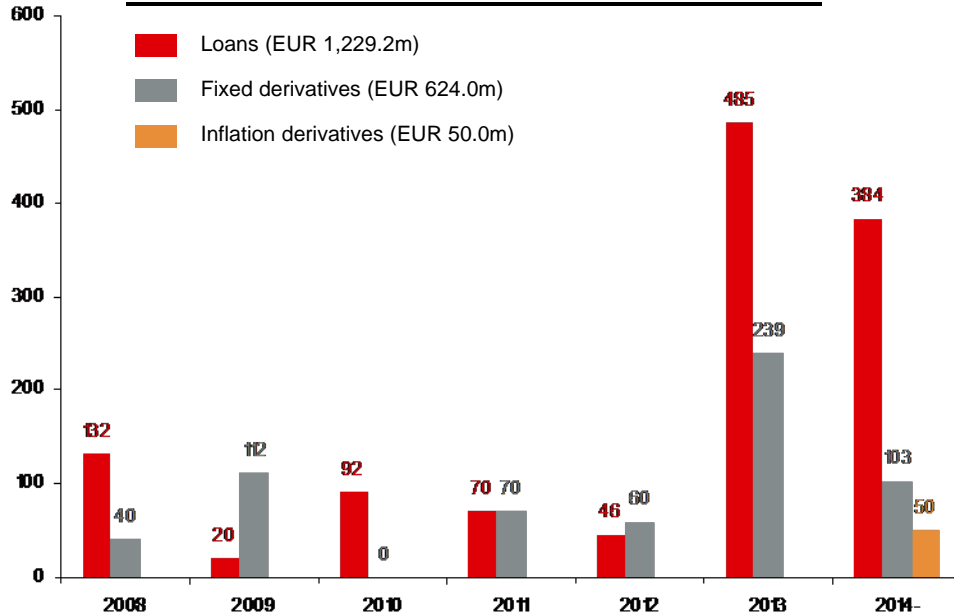
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Balance Sheet, EUR million	30 June 08	30 June 07	2 007
Fair market value of investment properties	2,156.9	1,799.2	2,215.7
Total non-current assets	2,254.9	1,827.7	2,260.5
Current assets	38.1	50.3	48.1
Assets total	2,293.0	1,878.7	2,308.6
Total share holders equity	964.4	879.5	1,010.9
Liabilities	1,328.6	998.5	1,297.7
Liabilities and share holders equity	2,293.0	1,878.1	2,308.6
Key Figures	30 June 08	30 June 07	2 007
Equity ratio, %	42.1	46.9	43.9
Gearing, %	123.3	96.2	111.8
Equity per share, €	4.13	4.32	4.44
Net Asset value (EPRA NAV) per share, €	4.46	4.70	4.83
EPRA NNAV, €	4.20	4.17	4.42
Net Rental Yield (actual), %	5.4	6.4	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.0	5.8	5.6

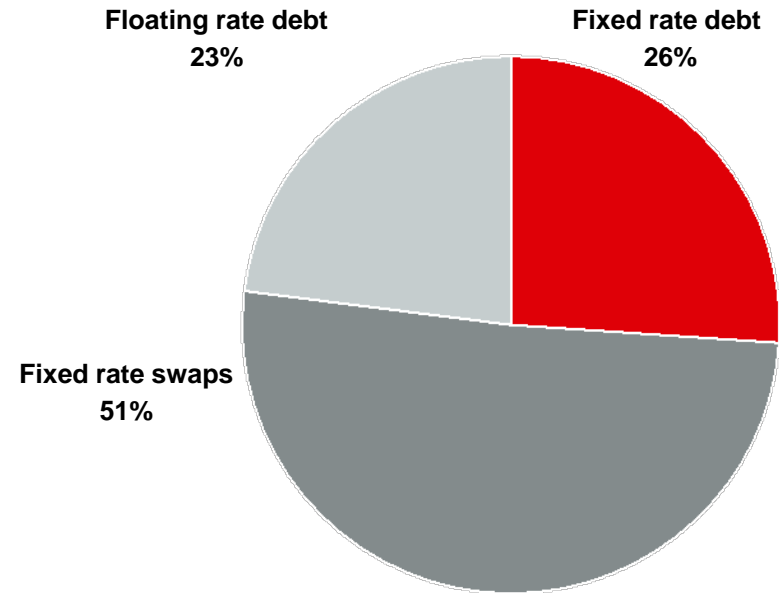
- During second quarter in 2008, the period-end interest-bearing net debt was increased by EUR **56** million (and was EUR 1,205.3 million) as a result of dividend payment and investments into development projects
- Conservative financing policy continues;
 - Average loan maturity was **4.8** years and average time to fixing at **3.0** years
 - High hedging ratio
- In Q2 the average year-to-date interest rate decreased by 3 basis points to **4.90%** (Q2/2007: 4.60%).
- **Refinancing not an issue**– total liquidity of EUR 349.4
- New 10-year EUR 30 million loan signed with NIB with competitive terms

Financing Overview

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type
EUR 1,229.2 million ¹⁾

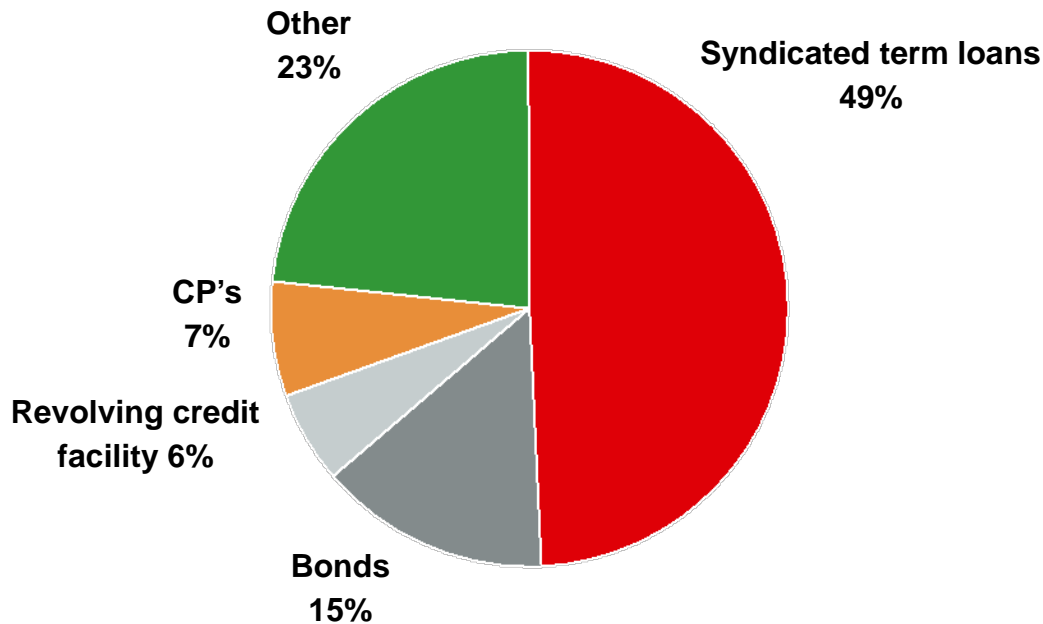


- Period-end interest rate was **4.88%** for the total portfolio.
- High hedging ratio maintained at **77%** (79% at the end of Q1)

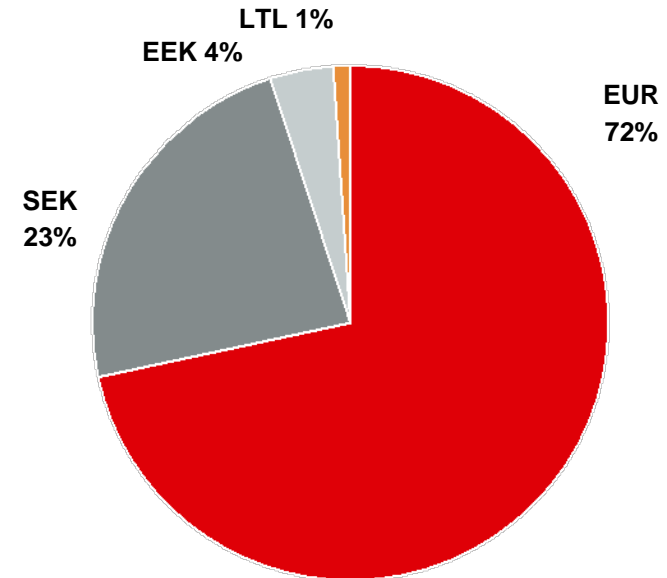
1) Carrying value of debt as at 30 June 2008 was EUR 1,212.9 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

Financing Overview

Breakdown by debt type
EUR 1,229.2 million ¹⁾



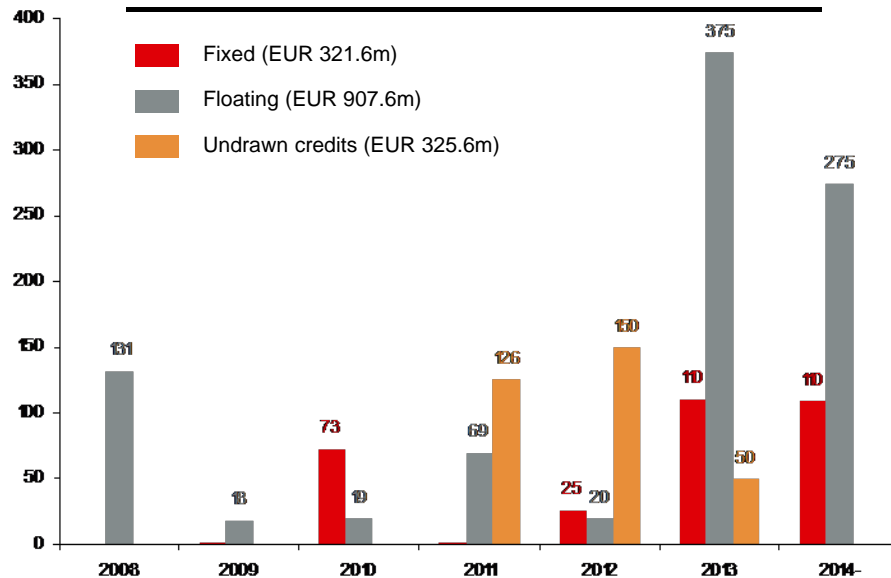
Breakdown by currency
EUR 1,229.2 million ¹⁾



- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **69%** of the debt portfolio

¹⁾ Carrying value of debt as at 30 June 2008 was EUR 1,212.9 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.

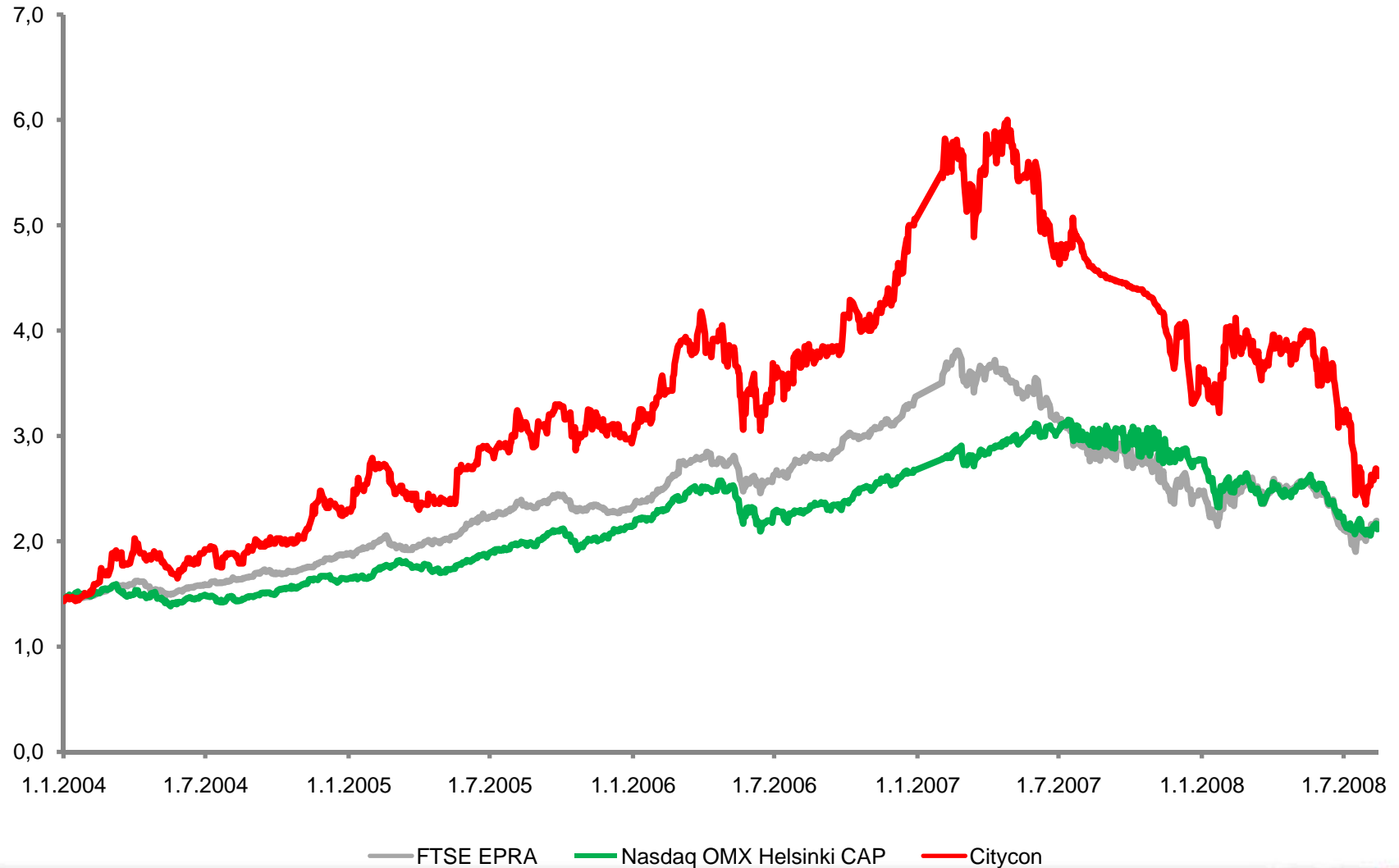
Maturity profile of fixed and floating rate loans and undrawn committed credit limits



- Bulk of Citycon's debt is due on or after 2013
- Current available committed undrawn credits are also of long term nature and will fall due between 2011 and 2013

Share and Ownership

Share Performance ¹⁾

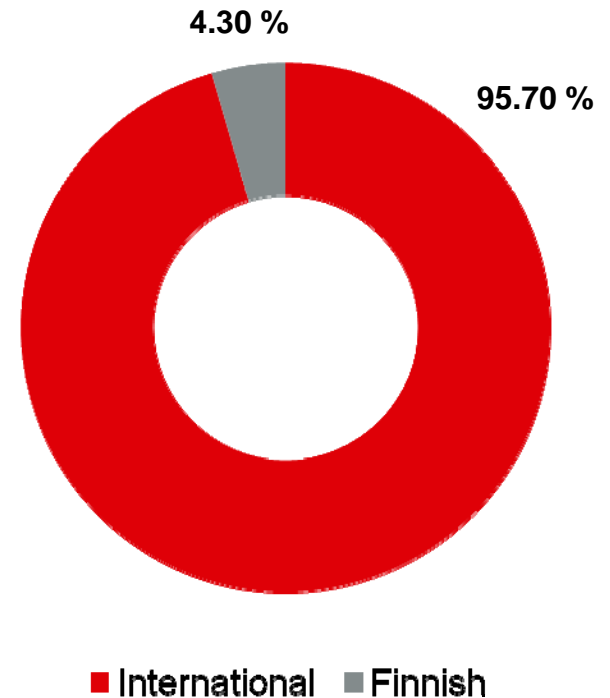


1) Starting values of FTSE EPRA index and OMX Helsinki CAP index on 3 January 2007 have been rebased to Citycon share price at EUR 2.23

Ownership

- Market capitalisation totalled EUR **575** million as of 28 August 2008
- **95.7%** of shareholders are international as of 31 July, 2007
- **1984** registered shareholders
- **Largest Share holders**
 - Gazit –Globe ~39.35%
 - Perennial Investment Partners Ltd >5%
 - ING Clarion Real Estate Securities, L.P. >5%
 - *AXA Investment managers* <5%
 - *Fidelity International* <5%
- 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



Thank You!

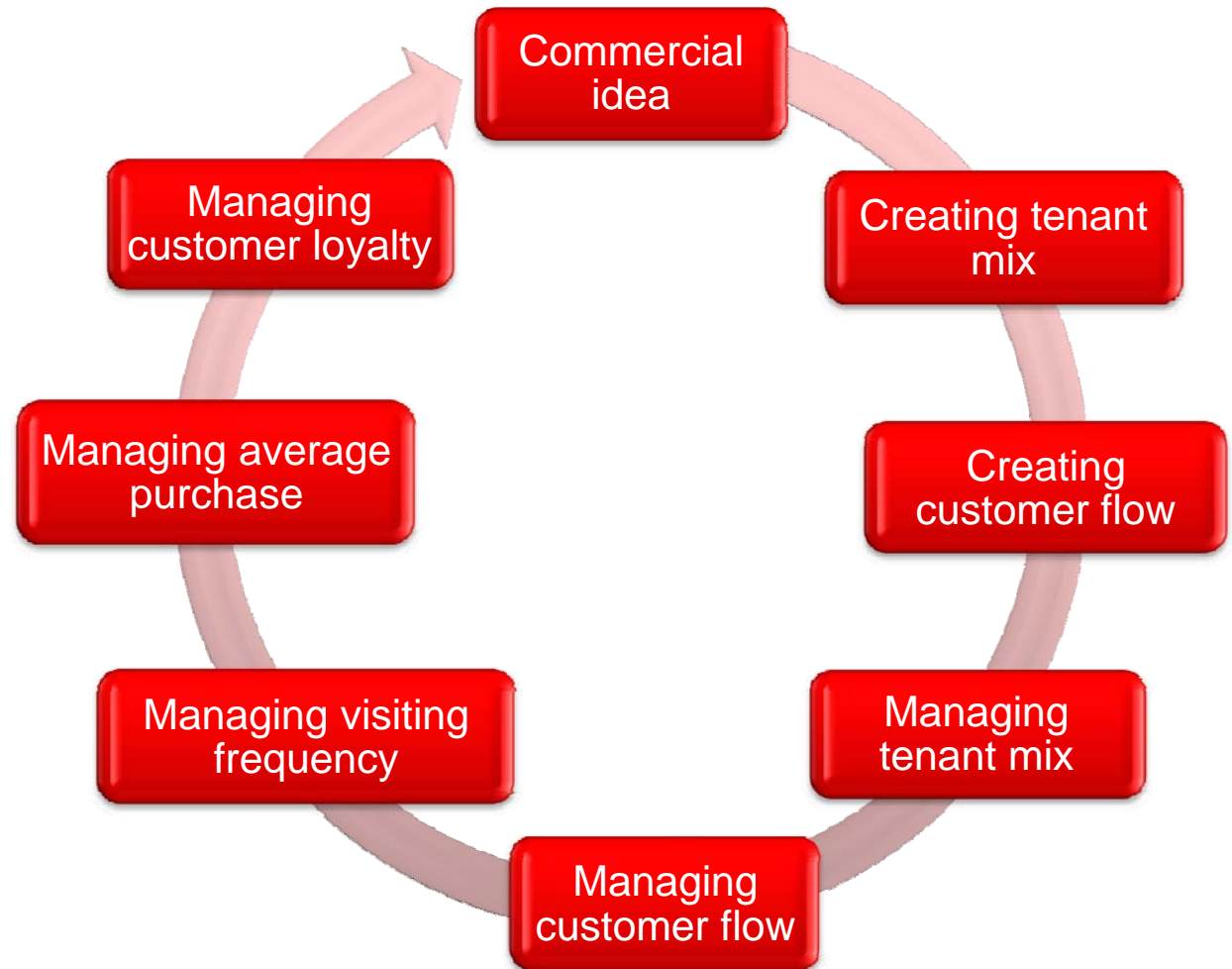
Latest from Finland Commercial Development – Method of Value Creation

Kaisa Vuorio, Vice President, Finnish Operations

Pekka Helin, Commercial Director, Finnish Operations

Success Factors in Shopping Centre Management

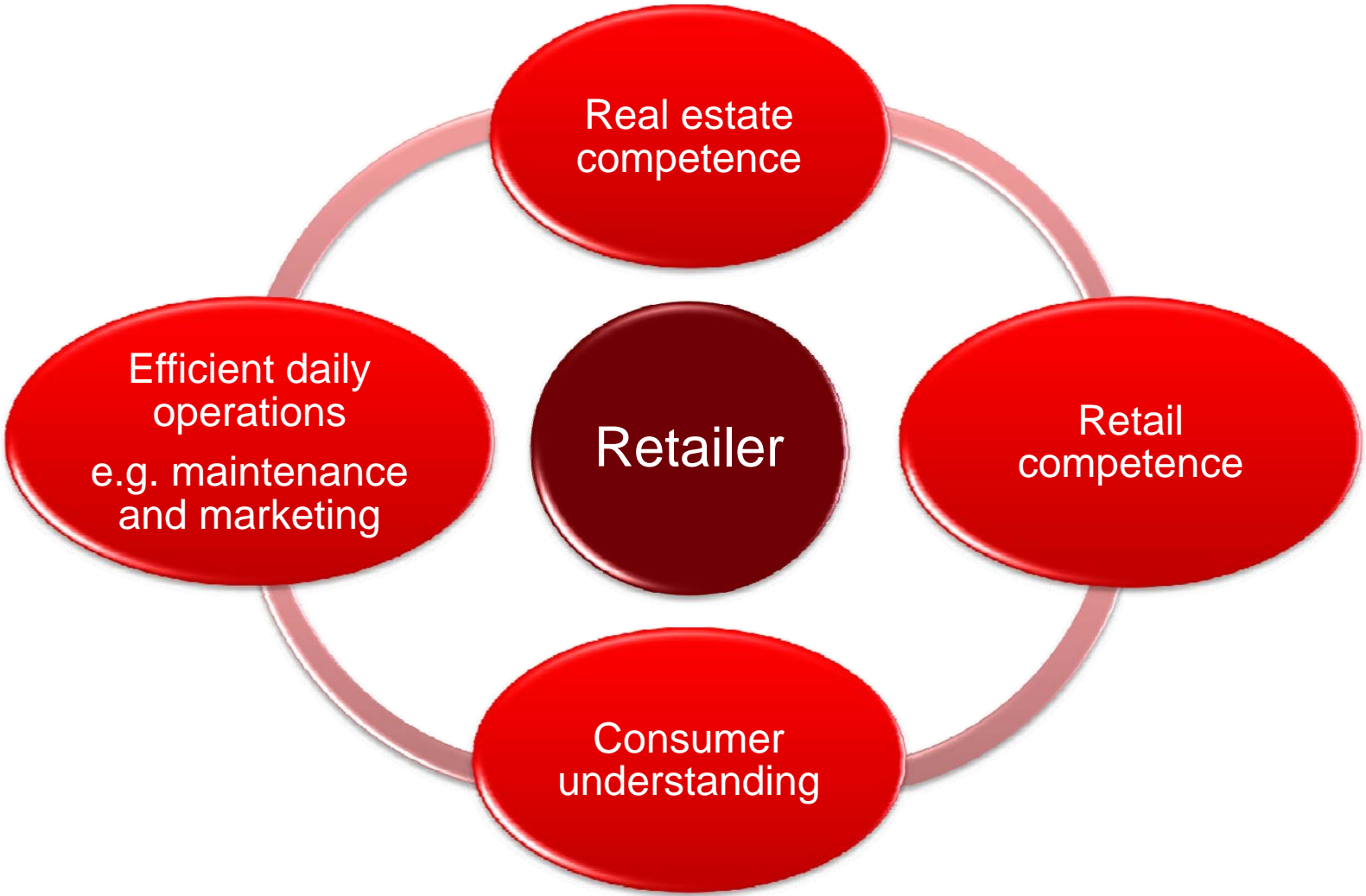
- Business insight and proper market positioning are the basis for successful commercial idea
- Proper tenant mix is based on retail knowledge
 - Retail categories
 - Retailer attractiveness amongst target group
- Successful shopping centre management requires understanding of consumer behavior





- Shopping is gradually becoming a fragmented idea which is affected by
 - Needs to be fulfilled
 - Time available
 - Convenience factors
- Diverse shopper behaviour patterns have an impact on how consumers choose the centre they visit
- The same consumer might have different needs in different occasions

Retailers Want to Outsource Location Management CITYCON

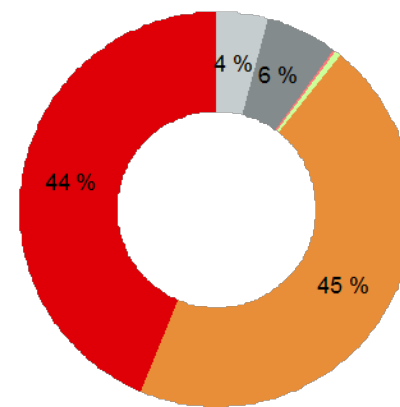


- Clusters emerge from similarities in
 - Reasons to visit a centre
 - Customers' behaviour in a centre
 - Catchment areas of centres
 - Requirements for offering
- Help to position a centre in the market
 - Basic arguments and criteria for positioning
- Cost savings in shopping centre management through centralised steering and support
- Improved marketing through a consistent marketing communication strategy in each cluster
 - Message, activities, contact plan, media mix, events

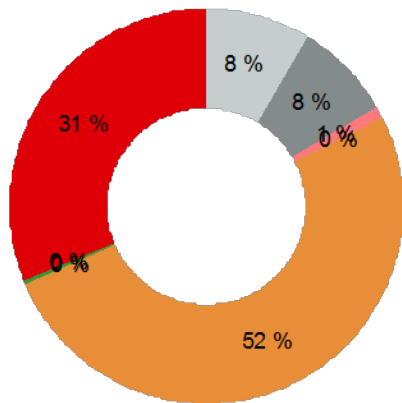


Meeting points of City Centres

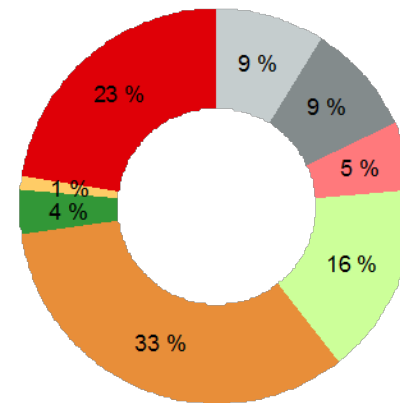
Pleasure. Passing the time.
 Through-passage. A Place to be.
 Captures the moment. Happenings.
 Rootless. Feel of freedom.
 Pulse. Continuous movement. Busy.



- Cafes & Restaurants
- Health & Beauty
- Other Specialty Stores
- Services & Offices
- Clothes & Fashion
- Groceries
- Department Stores
- Leisure & Home Supplies



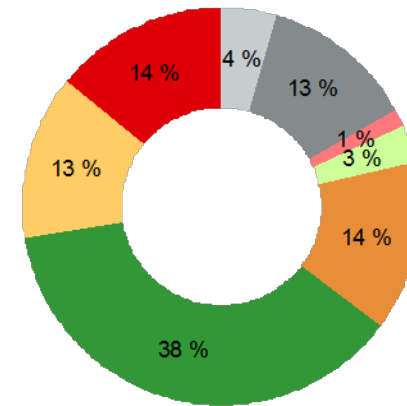
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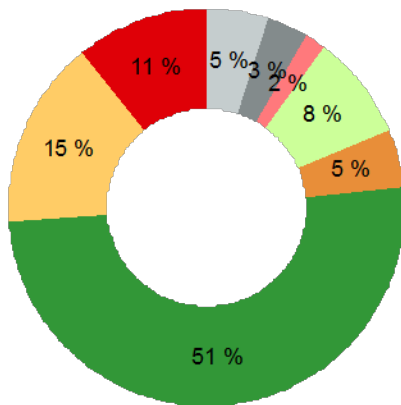
- Cafes & Restaurants
- Health & Beauty
- Other Specialty Stores
- Services & Offices
- Clothes & Fashion
- Groceries
- Department Stores
- Leisure & Home Supplies

Local Centres

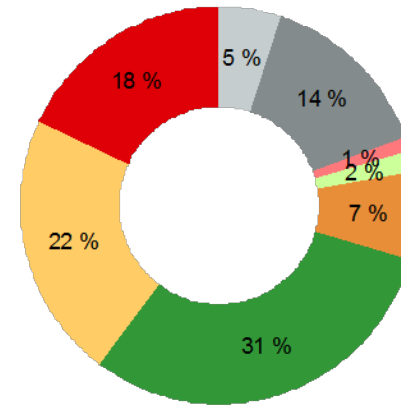
Centre of the local community.
 Family-oriented.
 Planned shopping.
 One knows what the centre offers.
 Safe and secure, but not boring.
 Strong relationship to the neighbourhood.



- Cafes & Restaurants
- Health & Beauty
- Other Specialty Stores
- Services & Offices
- Clothes & Fashion
- Groceries
- Department Stores
- Leisure & Home Supplies



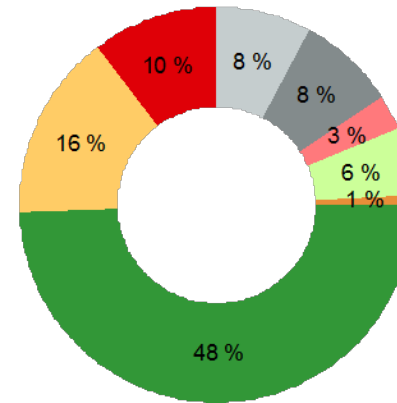
- Cafes & Restaurants
- Health & Beauty
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- Services & Offices
- Clothes & Fashion
- Groceries
- Department Stores
- Leisure & Home Supplies



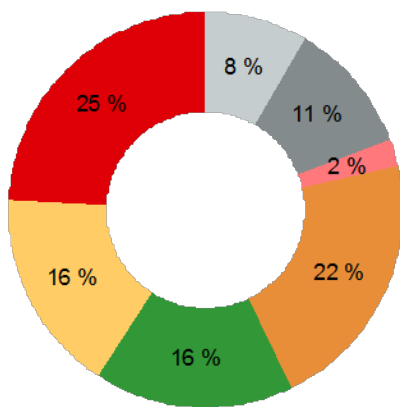
- Cafes & Restaurants
- Health & Beauty
- Other Specialty Stores
- Services & Offices
- Clothes & Fashion
- Groceries
- Department Stores
- Leisure & Home Supplies

Partners in Everyday Life Centres

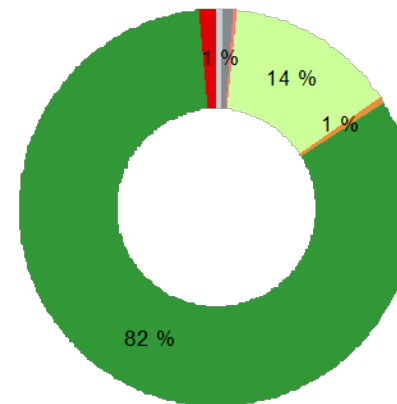
Pragmatic.
Fast Shopping.
Removes Stress.
No special locality.
Straightforward.
Keeps it's promises.



- Cafes & Restaurants
- Health & Beauty
- Other Specialty Stores
- Services & Offices
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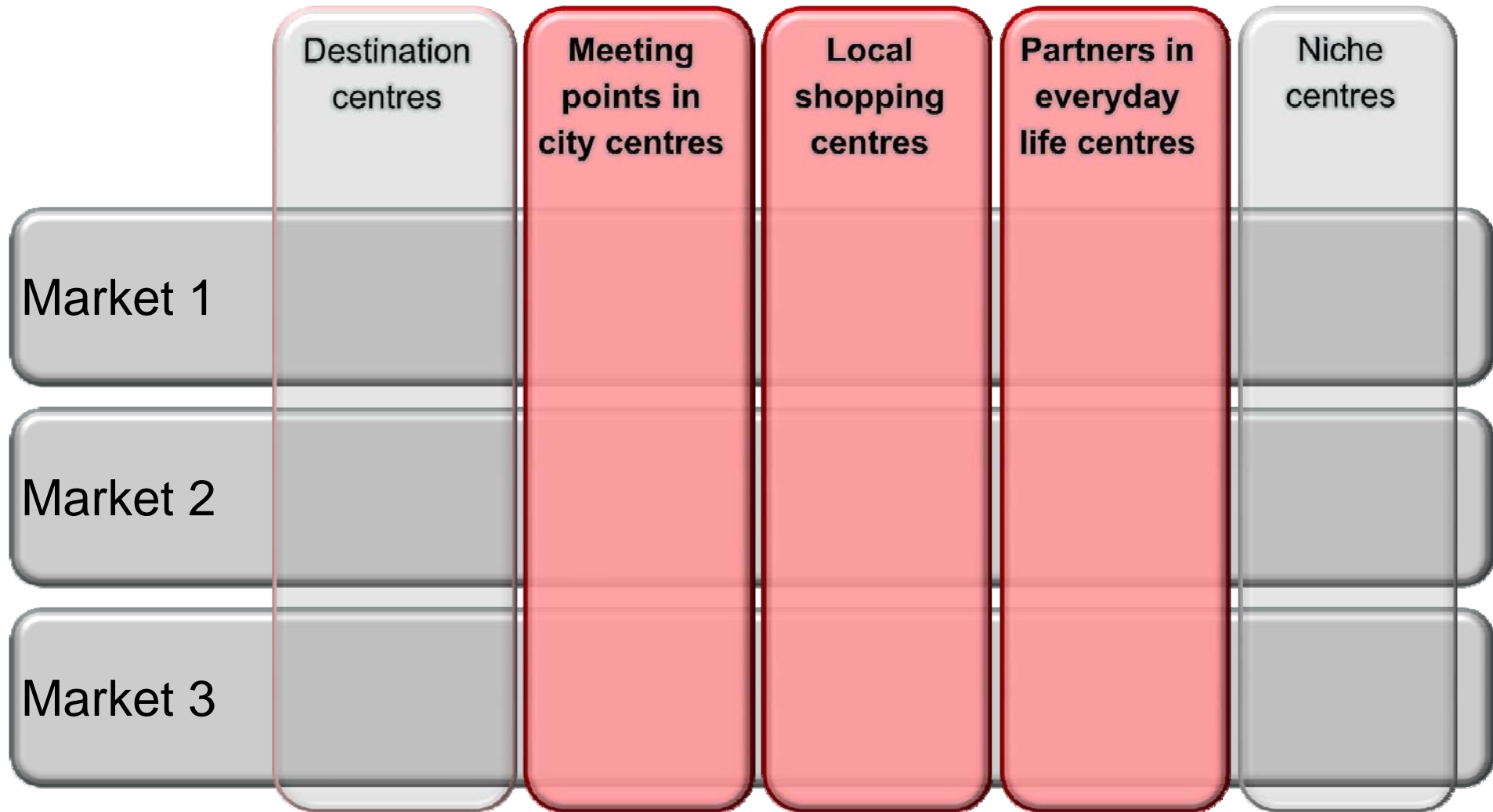
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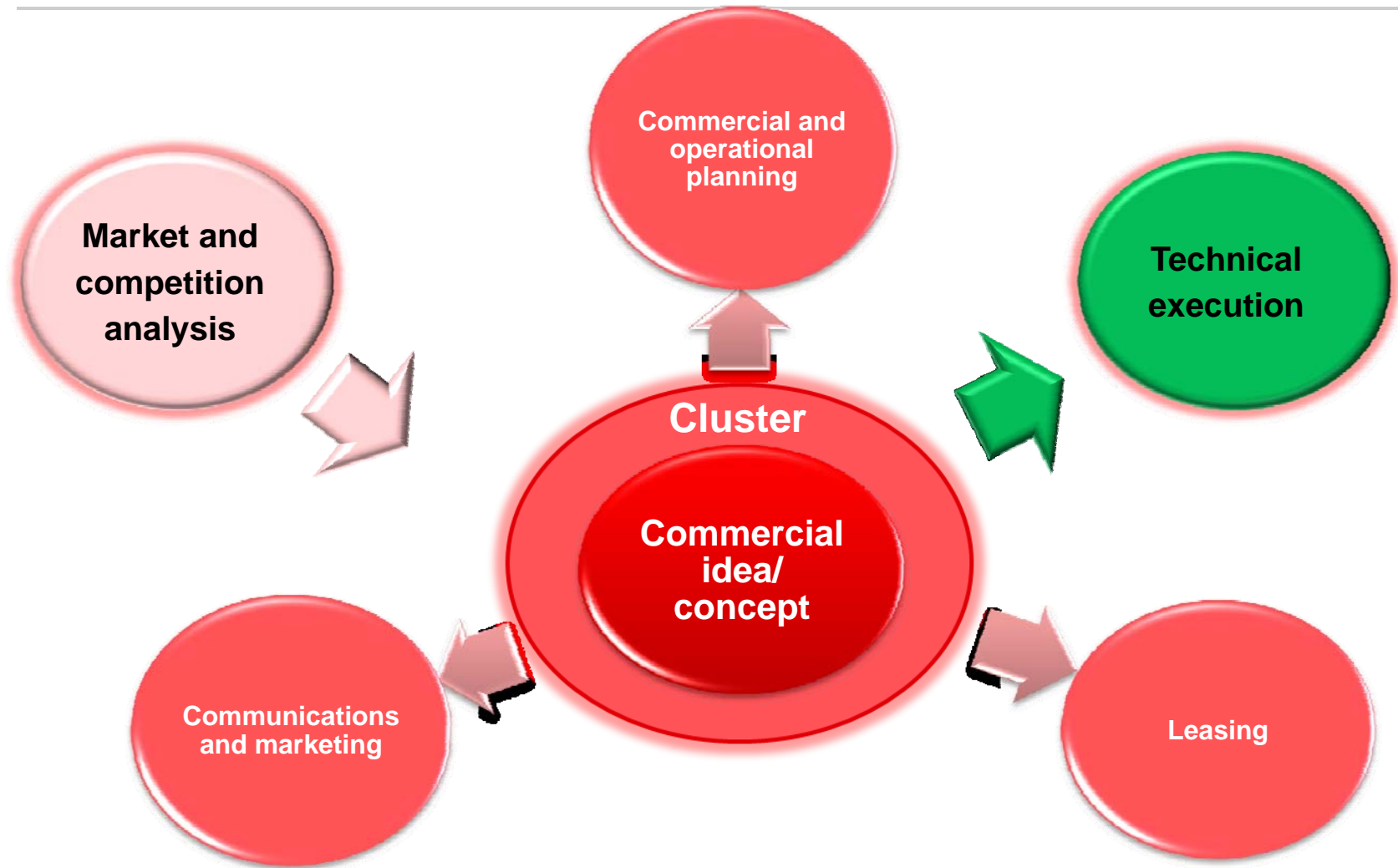
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Clusters Are Citycon's Core Competence – Concepts That Are Managed in A Common Way

CITYCON



Clusters and Strong Commercial Concept Form a Solid Basis Successful Shopping Centre Development



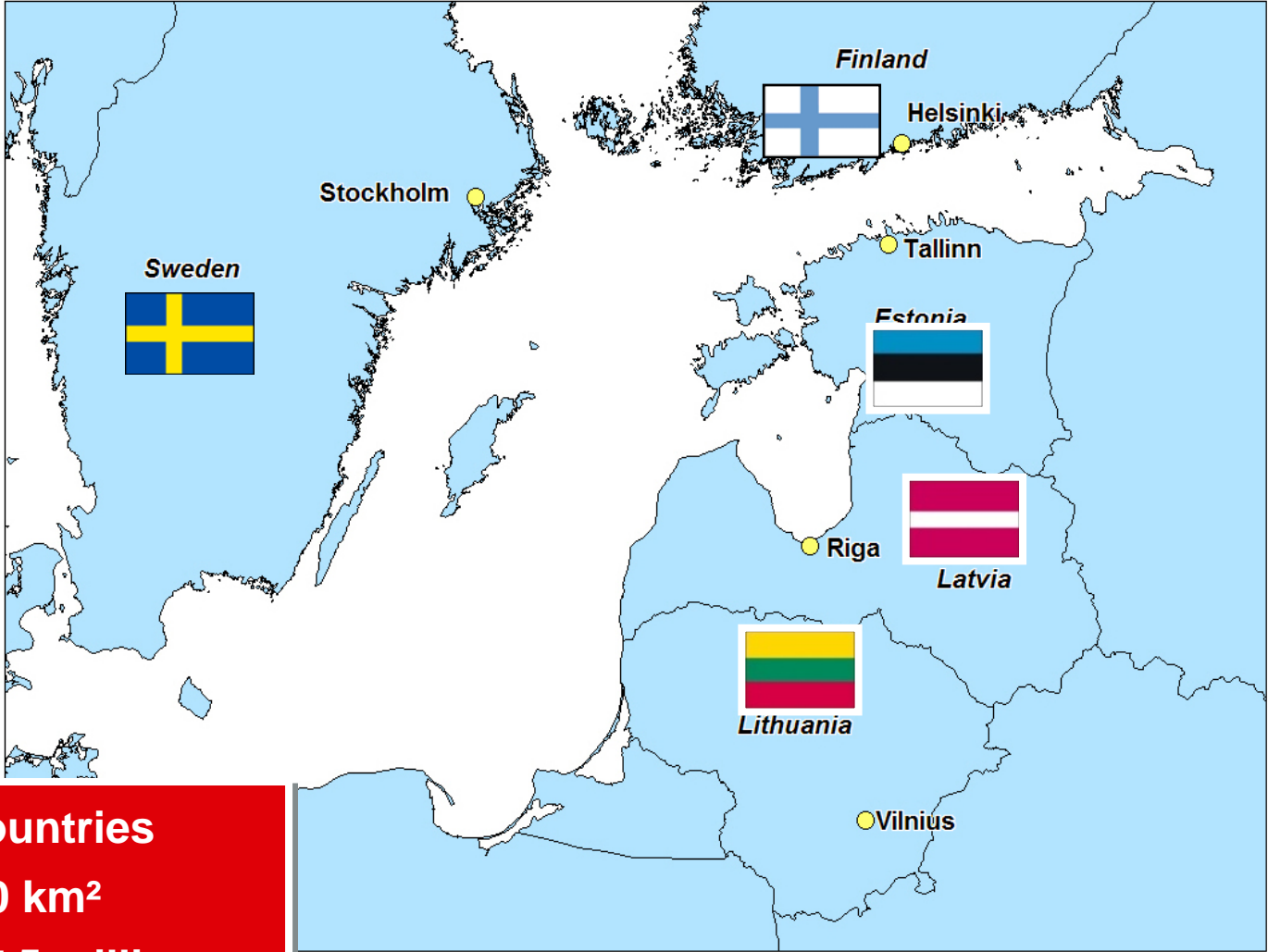
THANK YOU!

THANK YOU!

What is Happening in the Baltic Countries? How about Russia?

Harri Holmström, Vice President, Baltic Operations

Citycon's Geography



The Baltic Countries
Area: 175 000 km²
Population: 7.5 million

Before



Retail Market in the Region – Historical Cornerstones

- Development in 1990 began from zero. Open markets were the leading retail format.
- Culture of department stores was already developed and it was a cornerstone for future shopping center culture.
- First hypermarket in Baltics was opened in Tallinn 1994 (Maksimarket)
- First mall-type shopping center Rocca al Mare was opened in 1998 in Tallinn.
- First foreign hypermarket chain Prisma enters the market in 1999.
- First major shopping center transaction to foreign capital – Rocca al Mare acquired by Citycon in 2005.



After

CITYCON



Citycon in the Baltic Countries

CITYCON



Citycon in the Baltic Countries

CITYCON



Citycon in the Baltic Countries

CITYCON



Citycon in the Baltic Countries

CITYCON

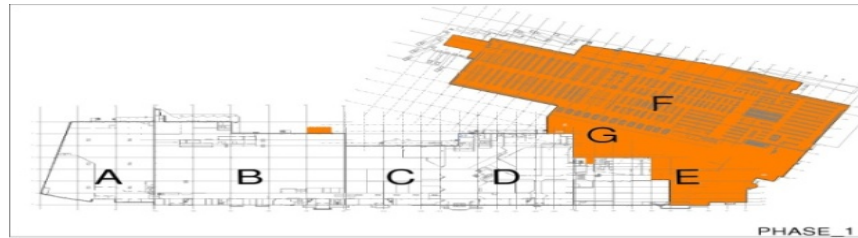


Rocca Al Mare - Commercial Concept



Phase I – October 2008

Prisma, home and children area



Phase 2 – May 2009

Fashion area, sport and leisure



Phase 3 – November 2009

Restaurants, health and beauty





- Citycon has established its presence in the Baltic Countries with three shopping centres: Rocca al Mare and Magistral in Tallinn and Mandarinas in Vilnius.
- After Rocca extension Citycon will be the market leader in Tallinn with approx. 25% market share in major shopping centres.
- All three centres are performing well providing the cash flow expected from the very beginning after acquisition.
- The extension of Rocca al Mare is on-going and the opening of first phase is scheduled for 1 October 2008. The grand opening is during autumn 2009. The extension will ensure Citycon competitive edge in the mature shopping centre market in Tallinn.
- Magistral extension is planned start after completion of Rocca al Mare.
- Shopping centre Mandarinas is a neighbourhood centre and it has still some development potential in the tenant mix.
- Citycon has started LEED program for sustainable development and will continue on the path to green shopping centre.

- Local and international retailers reported extensive growth (20–50%) figures during 2007, but now there is a clear slow down.
- The demand for retail space is still good and the vacancy rates are close to zero.
- The rental levels are on sustainable level compared to sales figures.
- No major changes in rents up or down are expected in a short run, however if the downtrend continues it will threaten the rent level.
- Purchasing power is developing well, but the inflation is high.
- Consumer confidence is record low.
- Customer behaviour is coming more like in Western Europe with less expenditure on food.
- GDP growth declining especially in Estonia.

- Considerably less international investors than last year. Most active are the German funds which are still looking for investments rather aggressively.
- The yield compression has stopped and the yields are going up, however no comparables to confirm that. One major deal during last few months.
- There are more shopping centres for sale and under auction process. Deal making tend to take at least double the time than last year.
- The shopping centre development pipeline is still extensive especially in Riga and Vilnius. Some developers have stopped their schemes (Tallink in Lasnamae).
- Rocca al Mare extension is the only shopping centre project under construction in Tallinn this year.



Thank You!



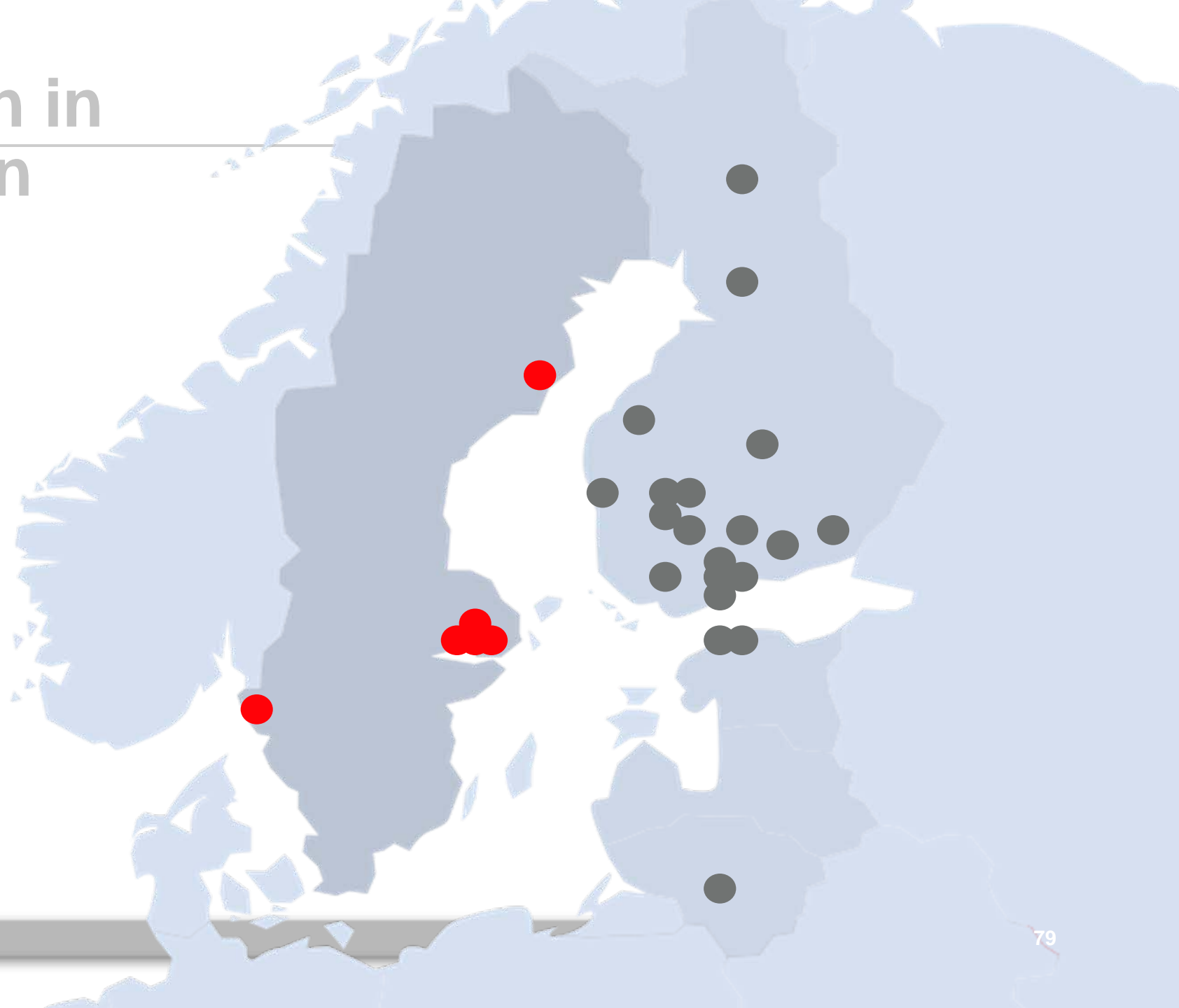
Citycon in Sweden – Case Liljeholmstorget

Ulf Attebrant, Vice President, Swedish Operations



SWEDISH SHOPPING

Citycon in Sweden





**JAKOBSBERG
CENTRUM**



STRÖMPILEN



ÅKERSBERGA



**ÅKERMYNTAN
CENTRUM**



**TUMBA
CENTRUM**



**STENUNGSTORG
CENTRUM**

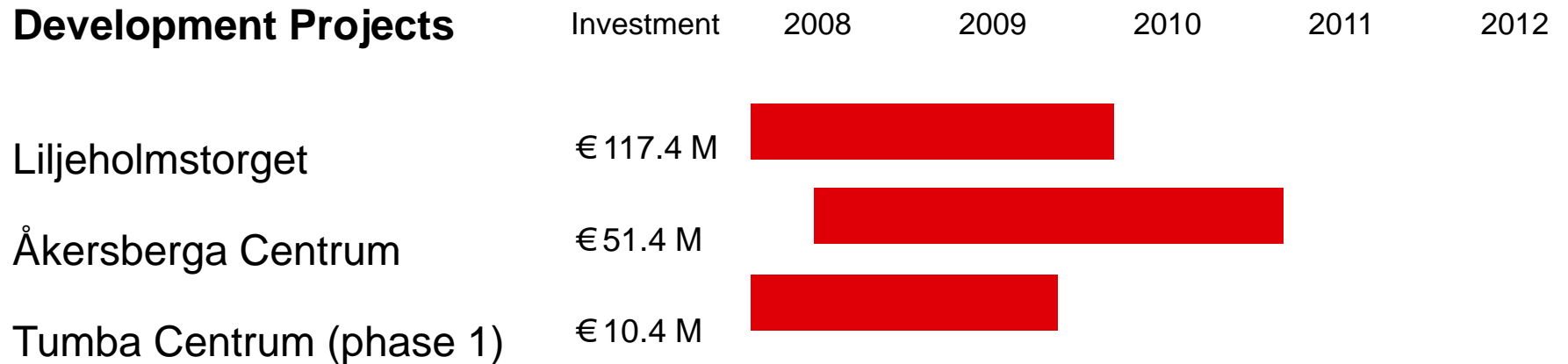


**FRUÄNGENS
CENTRUM**

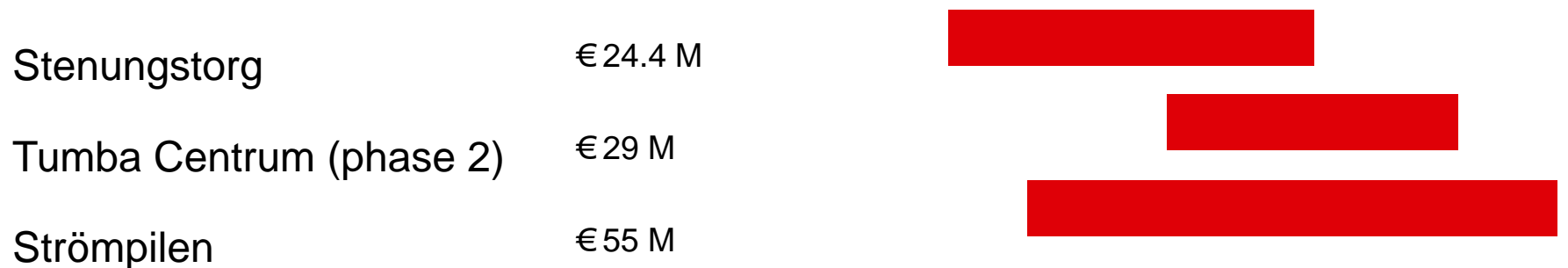


**LILJEHOLMSTORGET
GALLERIA**

Development Projects



Project under planning





LILJEHOLMS TORGET GALLERIA

Liljeholmstorget

One of Stockholm's fastest growing residential areas. Around 100,000 people are expected to live in Liljeholmen in 2015, a 25 per cent increase.

Liljeholmstorget



A new part of the city







Västra Kungsholmen

Lilla Essingen

Liljeholmen

Liljeholmskajen / Årstadal

Norra station

Hjorthagen

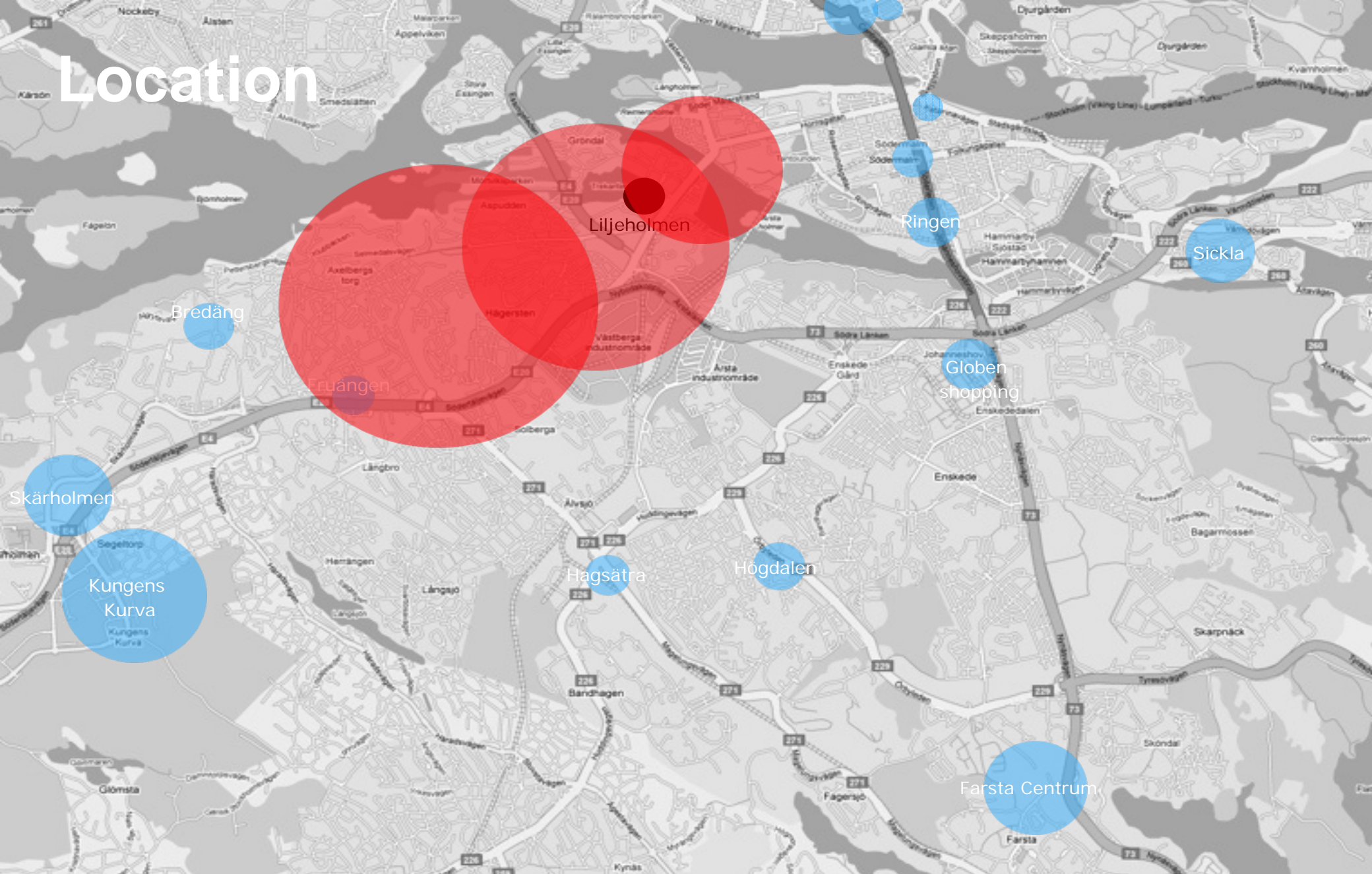
Värtahamnen

Danviks lösen

Hammarby sjöstad

Liljeholmstorget

Location



Liljeholmen

Ringen

Sickla

Bredång

Fruängen

Globen shopping

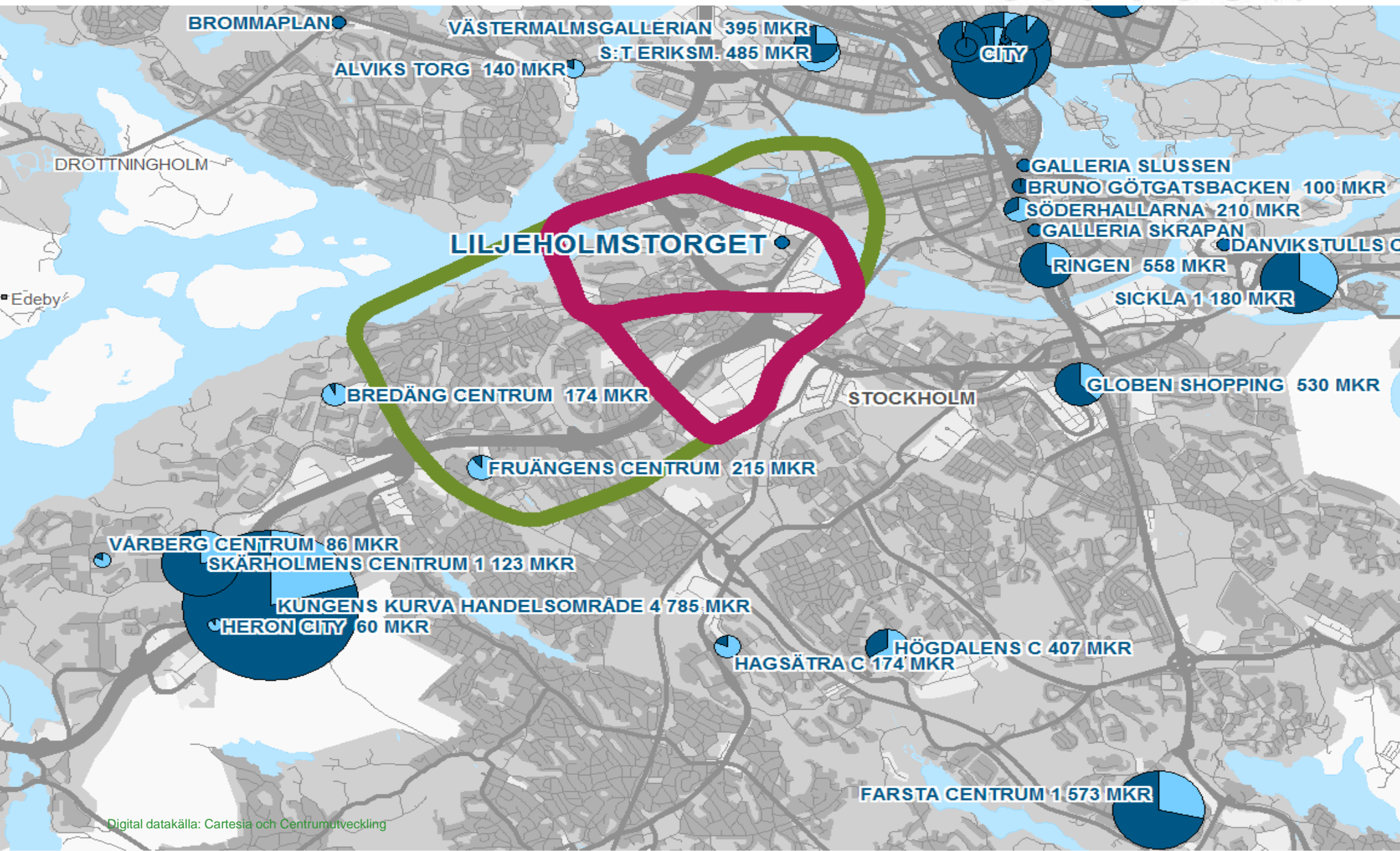
Skårholmen

Kungens Kurva

Hagsåtra

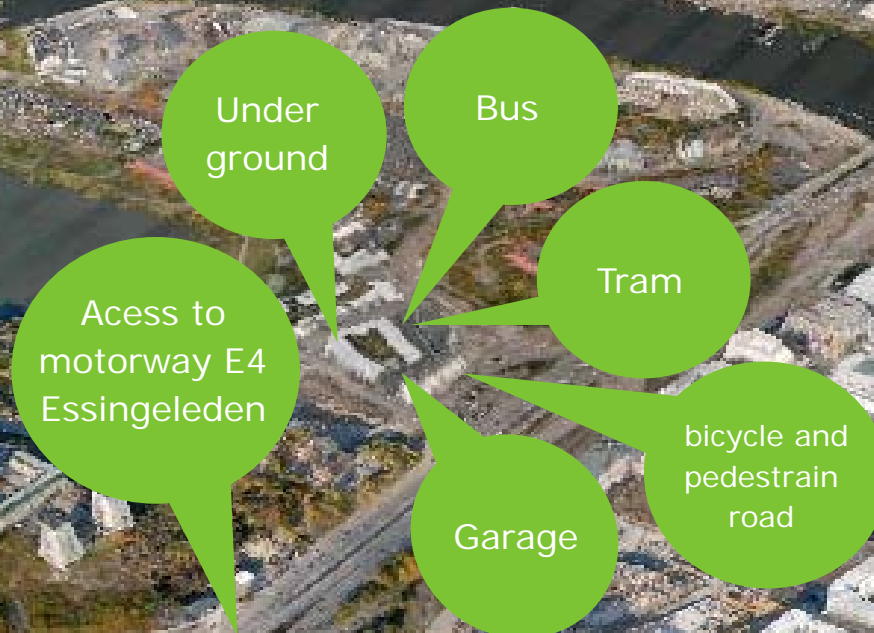
HögdaLEN

Farsta Centrum



Digital datakälla: Cartesia och Centrumutveckling

Communications





LILJEHOLMS
TORGET **GALLERIA**

2nd floor



2nd floor



3d floor



3d floor



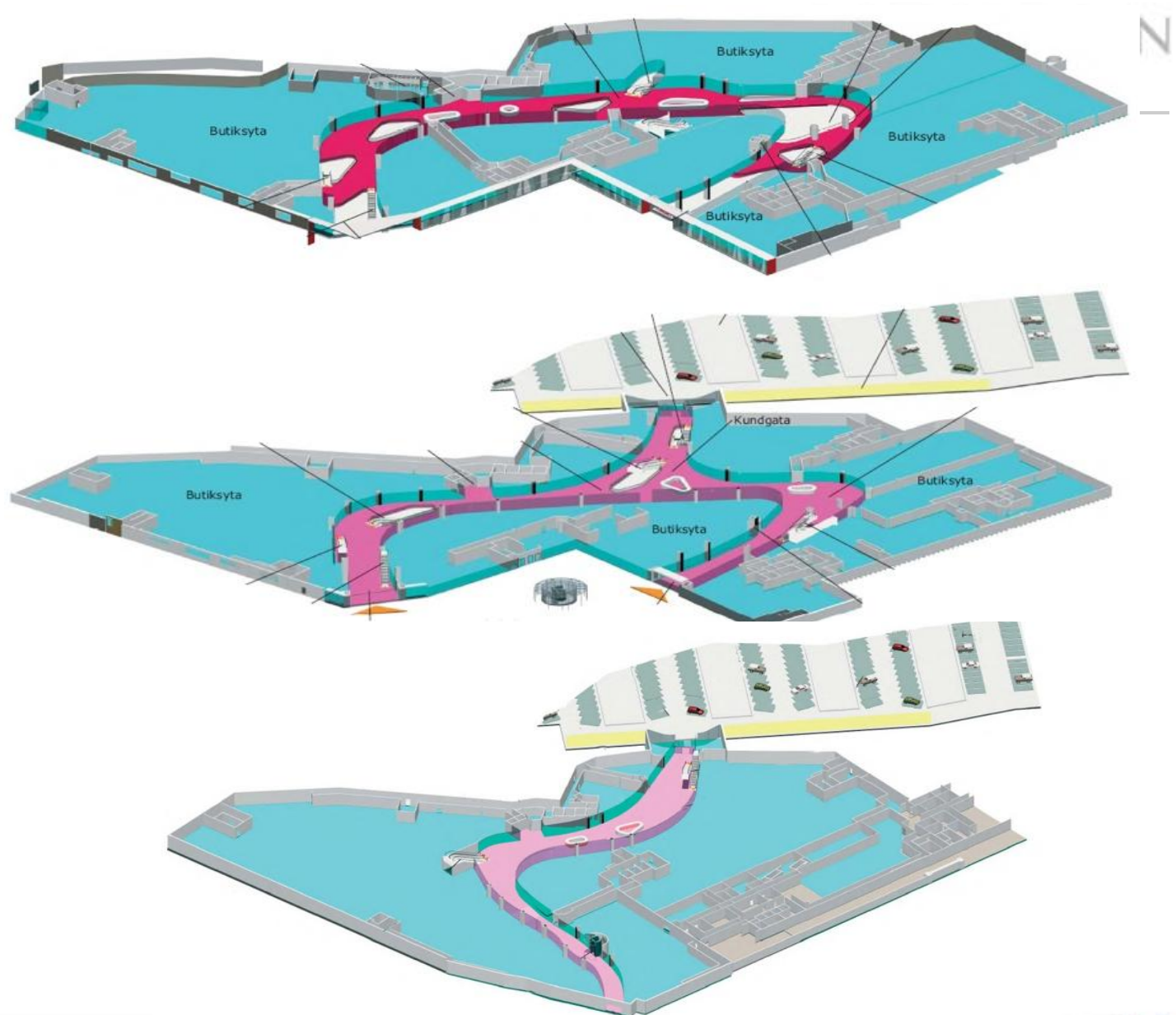
1st floor



1st floor



Floors

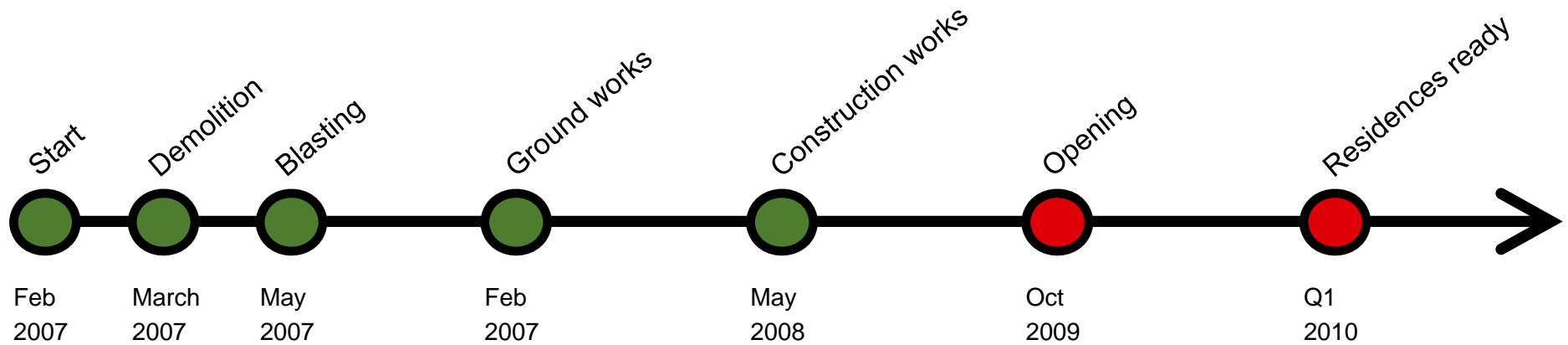


Garage



Time schedule

CITYCON



H&M

ICA

KICKS

BRANDS



Pilot project for LEED - environmental certification



CON



LILJEHOLMS
TORGET GALLERIA

**WELCOME IN
OCTOBER 2009**



Questions & Answers

Thank you!

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