CITYCON

VALUATION STATEMENT
30 SEPTEMEMBER 2012

SCOPE OF INSTRUCTIONS

In accordance with our instructions as the External Valuer of Citycon Oyj ("Company"), we have carried out a fair valuation of the Properties held within the Company's investment property portfolio as at 30 September 2012, to arrive at our opinion of Fair Value (no allowance was made for the deduction of typical purchaser's costs).

Fair value is defined by the International Accounting Standards Board (IASB) as:

"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date."

The International Valuation Standards Board (IVSB) considers that definitions of Fair Value are generally consistent with Market Value and we confirm that the Fair Value reported is effectively the same as our opinion of the Market Value.

We understand that this valuation is required for financial reporting and performance measurement purposes.

We confirm that our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance. We also confirm that we have no involvement with the subscriber or the properties valued which is likely to cause a conflict of interest in our provision of this advice.

We carried out inspections of each of the properties during September-December 2011. We also have re-inspected 22 properties during year 2012. During this valuation round we also inspected the Arabia shopping centre. We have not measured the properties but have relied on the leasable areas supplied to us by the Company. We have not read copies of the leases or of other related documents, but have relied on the tenancy information provided by the Company, which reflects the latest available tenancy position.

The valuations were carried out by local Jones Lang LaSalle offices in Finland and Sweden. In Estonia and Lithuania, we were supported in the delivery of our advice by local affiliates.

This report is addressed to and may be relied upon by the Company. It has no other purpose and should not be relied on by any other person or entity. No responsibility whatsoever is accepted on the part of any third party, other than those specified above and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with such third parties, without our prior written approval of the form and context in which it will appear.

ECONOMIC BACKGROUND

The economic picture across Europe remains mixed, although GDP growth has been relatively resilient in Germany and the Nordics. The ECB expects the Eurozone economy to shrink by 0.4% this year, with increasing divergence in the growth rates between northern and southern Europe. In a move aimed at restoring confidence in the Eurozone, the ECB announced details of a new bond-buying plan to be run in conjunction with the European Financial Stability Fund (EFSF).

Finland

In 2011, GDP expanded by 2.7% according to Statistics Finland, which means that Finland clearly outperformed the Eurozone average. In the second quarter of year 2012 GDP growth was 1.1% compared the previous quarter and 0.1% compared to Q2 2011. However, export driven Finnish economy has been affected by weakening economic prospects globally. Exports in Finland continued to drop (-0.5%) in Q2 2012 compared to the Q2 2011. Due to the gloomy market conditions, the latest forecasts cover a broad range of predictions, the most pessimistic estimating GDP declining in 2012 of around -1%, while the most optimistic forecasts foresee expansion of around 1.5%. For year 2013 all the current forecasts promise expansion but the variance is wide starting from 0.5% up to 2.5%.

Consumer confidence in the economy has continued to weaken and was clearly below its long-term average in September (0.5 vs. 12.9 since year 1995). Despite the weakening consumer confidence the retail sales have continued to increase. According to Statistics Finland, retail sales rose by 3.8% in July (year-on-year) but sales volume remained unchanged.

Sweden

GDP growth was 4.0% in 2011, well surpassing the EU average (1.6%). GDP growth has been driven by increasing exports, household consumption and business investment, all of which have been assisted by relatively low interest rates and the government's expansive economic policies. Looking ahead, Sweden's GDP is forecast to increase by 2.1% per annum on average during the period (2012-2014), compared with 0.9% per annum for the EU in the same period.

According to HUI (Swedish Retail Institute), Swedish retail sales have seen consistent growth over the last 14 years. Retail sales in Sweden have performed well in recent years and are forecast to outperform most other Western European countries in the period 2011–2015. During 2010, nominal retail sales increased by 3.7%. In 2011, nominal retail sales increased by 0.8%, of which nondaily goods decreased by 0.5% and daily goods increased by 2.5%. An increase of 2.5% in total nominal retail sales is forecast for 2012 which is an increase from the 1.3% that was forecasted in Q1. A new forecast for 2012 will be released at the end of September 2012 and it is unlikely to differ significantly from the Q2 forecast.

Estonia

Estonian retail sales grew by 8.5% at constant prices during first 7 months of 2012. Estonia's economic growth in Q2 2012 by revised results was 2.2%. The central bank forecasts annual GDP real growth to reach 2.6% that is based on solid domestic demand. The sovereign debt crisis in Europe means that Estonian main trading partners' economic growth, i.e. external demand, will remain modest in 2012. Central bank forecasts inflation to slow down to 3.9% over last year and is continuing to decelerate further in 2013.

In July the revenues of retail trade enterprises were 489 million euros, out of which the retail sales of goods accounted for 80%. Compared to July 2011, the revenues from sales increased by 11% at current prices. Compared to the previous month, this indicator stayed at the same level.

Lithuania

Lithuanian economy has shown strong growth in 2012. Domestic demand has contributed most to GDP growth, but dropping consumer confidence compared to last year indicates drop in private consumption. Weaker external demand has decelerated export growth. It is projected that the GDP of Lithuania will increase in real terms by 3.0% in 2012 and 3.4% in 2013. Annual inflation will drop from 4.1% in 2011 to 2.9% in 2012. The Bank of Lithuania foresees inflation lowering further to 2.4% in 2013.

In July 2012 the revenues of retail trade enterprises grew by 6.4% year-on-year at constant prices. During first 7 months of 2012, the revenues of enterprises trading in food products increased by 1.9% over the year at constant prices, of those trading in non-food products increased by 12.7%.

Source: Statistics authorities, research institutes and banks

PROPERTY MARKET

Finland

Overall, the Finnish property investment market has witnessed low levels of transactions since the slowdown in H1 2008. Although investment demand has been increasing, the scarce supply of prime assets has limited transactional activity. During the three quarter the retail investment volume has already reached and exceeded low levels of 2011. The volume can be expected to increase during the last qarter but significant increase is not in sight.

The polarisation of the market seems to be continuing. Demand for core assets remains strong, as equity rich investors keep looking for safe heavens, while tightening financing conditions are affecting the business logic of value added and opportunistic investors. Consequently, shopping centre prime yields have remained stable but the secondary yields are facing upward pressure.

As a consequence of relatively strong retail sales development, retail rents have also been increasing. However, rental growth has been focused on the prime locations except in retail warehouse sector where the rental growth overall seems currently to be over. At the same time, occupier demand is strongest in prime high street and shopping centre units.

Sweden

The retail property transaction volume has decreased from SEK 9.4 billion for the first three quarters of 2011, to SEK 5.8 billion for the first three quarters of 2012. In 2012, it is unlikely that the retail property transaction volume for 2011 will be achieved, which was high, even when compared to the historic trend. In Q1 to Q3 2012, retail property transactions accounted for approximately 11% of the total transaction volume for Sweden.

In the period Q1 2012 to Q3 2012, 73% of retail property investment transactions involved either an international vendor or purchaser, compared with 93% in the period Q1 2011 to Q3 2011.

Yields for prime shopping centres are currently in the region of 5.5% and 6% for prime retail warehouse parks, and have remained stable over the past 12 months.

Estonia

Retail is the most actively developing sector of the Estonian commercial real estate market. Demand for modern shopping centre space has been growing as retailers want to relocate from out-dated or standalone locations to professionally managed shopping centres. Despite the global turmoil, the outlook for Estonian retailing is positive, and plans to enlarge existing shopping centres have been resumed. There are plans to start development of a new shopping centre in East Tallinn with GLA of 57,000 sq m within 12 months. Average vacancy at Tallinn shopping centres is effectively near 0% and retail rents have risen in line with inflation. Investment market has activated in retail segment, besides transactions in super- and hypermarket segment there was one 21.5 MEUR shopping centre transaction in Tallinn in Q3. Retail yields have dropped below 8%.

Lithuania

Third quarter of 2012 has not brought changes to retail trade nor investment. Retail projects with total GLA of 60,000 sq m are in planning phase. Next year a large IKEA store with GLA 30,000 sq m will open its doors. Rents in the centres bottomed out in 2010 forcing landlords to give substantial rent reductions, but these are running out in 2012 and rents are recovering. A large gap persists between rent rates in primary and secondary centres. Well-managed shopping centres have practically no vacant space in main Lithuanian cities. The average vacancy on the capital's retail market has declined to 3%. Rent rates are forecasted to grow in line with inflation.

VALUATION RATIONALE

We have adopted a 10-year cash flow model as a main valuation method. This model was provided by the Company. Cash flows are calculated based on information from existing lease agreements. For the period after the expiry of these agreements, our market evaluation of the estimated rental value (ERV) replaces the contract rent.

Potential Gross Rental Income equals leased space with respect to contract rents and vacant space with respect to ERV. Deducting both the ERV for the void period 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 capital expenditure equals the bottom-level cash flow that has been discounted to reach the income stream's present value.

The residual value at the end of the 10-year cash flow period is calculated by using an exit yield to capitalise the 11th year bottom-level cash flow. The value of the property is calculated as the sum of the annually discounted net income stream, the discounted residual value at the end of the calculation period, and any other assets increasing the value (e.g. unused building right or unbuilt plot).

Development projects are included in the valuation of the portfolio, in line with information received from representatives of the Company. Based on the applied valuation model, future rental income is based on finalised rental agreements and rental projections for the valued development project. Correspondingly, the development period is considered a period when premises generate no/limited income and when uncommitted investments are included in the cost side of the valuation model, as a value reducing factor. Thus, the value of development project increases automatically as investments are committed and the opening day of the renewed premises approaches.

VALUATION

Property Portfolio

At the end of September 2012, Citycon owned 78 properties of which 75 are included in this valuation. The property portfolio under valuation mainly consists of retail properties of which 57 are located in Finland, 14 in Sweden, 3 in Estonia and one in Lithuania. The core of the portfolio is 36 shopping centre properties, which comprise 79% of the portfolio's leasable area and represent most of its value. In addition to the shopping centres, there are other commercial properties.

Since the previous valuation, Citycon has moved one unbuilt plot located in Vantaa and office building Wavulinintie in Helsinki under Investment Properties Held for Sale-category. In addition Citycon has acquired Shopping Center Arabia located in Helsinki, Finland in Q2 and it is valuated externally for the first time in Q3. In Q3 Citycon has purchased also shopping centre Albertslund located in Denmark and it will be included in the valuation in next quarter (Q4).

The total fair value of the portfolio in Q3 2012 was approximately MEUR 2,656. Comparing the Q2 2012 fair value of the portfolio, the fair value increased by MEUR 86.6 i.e. 3.4% and the weighted average yield requirement of the portfolio has decreased by 10bps being now 6.3%. The increase in fair value is mainly driven by investments and purchase of the shopping centre Arabia.

In the table on the next page, weighted average yields (weighted by the value of the property) are presented. Citycon's portfolio includes only a few relatively valuable properties compared to the rest of the portfolio. This means that weighted averages are highly influenced by changes in these few properties. Iso Omena is the portfolio's most valuable property.

Properties in Finland

Since the fair value of the Finnish portfolio is MEUR 1,622, the value of the portfolio increased by 3.0% (MEUR 47.5), compared to the Q2 value. Compared to Q2 figures the weighted yield requirement (6.3%) has stayed same, the weighted initial yield (6.2%) has increased by 10 bps and the reversionary yield (6.8%) has decreased by 10 bps. The change in the value of Finnish portfolio is mainly due to the value increase in shopping centre properties.

Properties in Sweden

The fair value of the Swedish portfolio is MEUR 741, meaning that the portfolio's value has increased by 4.9% since Q2. The weighted average yield requirement for the Swedish portfolio remained the same as in previous quarter, at 5.9%. Weighted average initial yield (5.9%) has increased by 10 bps and the weighted average reversionary yield (6.6%) has decreased 10 bps compared to Q2 figures.

Properties in Estonia and Lithuania

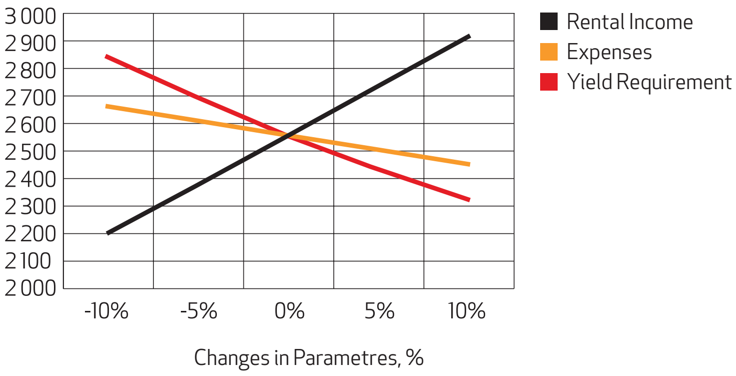
The value of the Estonian and Lithuanian portfolio is MEUR 294. Compared to the Q2 value, this represents a 1.5% increase in value. The weighted average yield requirement of the portfolio has stayed the same being 7.9%. The weighted average initial yield decreased by 20 bps being now 8.2% and the weighted average reversionary yield decreased to 8.0% by 10 bps.

30 September 2012	Number of Properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement, %	Wght. Average Initial Yield, %	Wght. Averag Reversionary Yield, %	Wght. Average Market Rent, EUR/sq.m./ month	Wght. Average Operating Costs EUR/ sq.m./month
Total Property Portfolio							
Finland	57	1,622	6.3%	6.2%	6.8%	25.5	6.3
Sweden	14	741	5.9%	5.9%	6.6%	25.9	7.5
The Baltic Countries	4	294	7.9%	8.2%	8.0%	21.0	3.6
Total	**75**	**2,656**	**6.3%**	**6.3%**	**6.9%**	**25.1**	**6.3**
Finland							
Helsinki Metropolitan Area							
Shopping Centres	11	822	5.8%	5.8%	6.2%	28.3	7.2
Other retail properties	17	80	7.9%	8.2%	9.0%	16.3	5.0
HMA Total	**28**	**903**	**6.0%**	**6.0%**	**6.4%**	**27.2**	**7.0**
Other parts of Finland							
Shopping Centres	12	584	6.4%	6.1%	6.9%	25.2	5.8
Other retail properties	17	116	7.8%	7.8%	9.3%	13.8	3.7
Other total	**29**	**700**	**6.6%**	**6.4%**	**7.3%**	**23.3**	**5.4**
Sweden							
Greater Stockholm Area and Umeå							
Shopping Centres	8	638	5.8%	5.8%	6.4%	27.5	7.9
Other retail properties	2	22	7.2%	6.8%	7.5%	16.8	4.8
Total	**10**	**660**	**5.8%**	**5.9%**	**6.5%**	**27.2**	**7.8**
Greater Gothenburg Area							
Total	**4**	**81**	**6.9%**	**6.4%**	**7.7%**	**15.5**	**5.3**
The Baltic Countries							
Total	**4**	**294**	**7.9%**	**8.2%**	**8.0%**	**21.0**	**3.6**

SENSITIVITY ANALYSIS

A sensitivity analysis of the portfolio's fair value was carried out by creating a summary cash flow based on individual cash flow calculations. Changes in fair value were tested by modifying the key input parameters of the calculations. The parameters tested were yield requirement, estimated rental value and operating expenses. The current fair value of the properties was used as a starting point for the analysis, which was performed by changing one parameter at a time while all others remain unchanged, and then calculating the corresponding fair value of the total portfolio. The sensitivity analysis is a simplified model, intended to support one's understanding of the value effect of different parameters on the valuation. The figure below gives the results of the analysis.

The Sensitivity of Portfolio Value



As seen in the figure above, the value of the portfolio is most sensitive to the changes in estimated rental value and yield requirement. A 10% increase in estimated rental value leads to change of around 14% in value, while a 10% fall in the yield requirement causes a fall of around 11% in value. Changes in expenses have more modest effect on the value than other parameters.

Fair Value as at 30 September 2012

We are of the opinion that the aggregate of the Fair Values, free of liabilities and debt, of the properties in the subject portfolio as at 30 September 2012, is as follows:

€ 2,656,000,000
(Two Thousand Six Hundred Fifty-Six Million Euros)

Yours faithfully

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