Audiocast Presentation

Q1 2010

CITYCON
creating success for retailing

Strategy

Citycon

- wants to be the leading shopping centre owner, operator and developer in the Nordic and Baltic countries.
- invests in shopping centres and retail properties in major growing cities with good demographics.
- seeks growth through matching acquisitions and property development.
- adds value on investment across the portfolio by professional active management produced by in-house strong personnel.
- operates by high sustainability standards.
- seeks actively joint-venture arrangements with high-class investors and manages investment on their behalf.
- has a strong balance sheet with competitive and well diversified funding sources and low financial risk exposures.

Strategical goals for environmental impact areas

Climate change

Reduction of greenhouse gas emissions by 20% by year 2020 from the 2009 baseline level (the EU objective is to reduce emissions by 20% by 2020 from the 1990 level)

Energy

Reduction of energy consumption (electricity and heat) by 9% by 2016 from the 2009 level
Improvements in energy efficiency
Finding renewable energy solutions

Water

Keeping water consumption on an average level of less than 3.5 litres per visitor

Waste management and recycling

Shopping centre waste recycling rate to be raised to at least 50% by 2015
Reduction of landfill waste to a maximum of 30% of total waste volume by 2015

Land use and sustainable project development

All development projects to be implemented in accordance with environmental classification principles
Development projects are located in built-up environments, within reach of good transport connections

Geographical overview

FINLAND

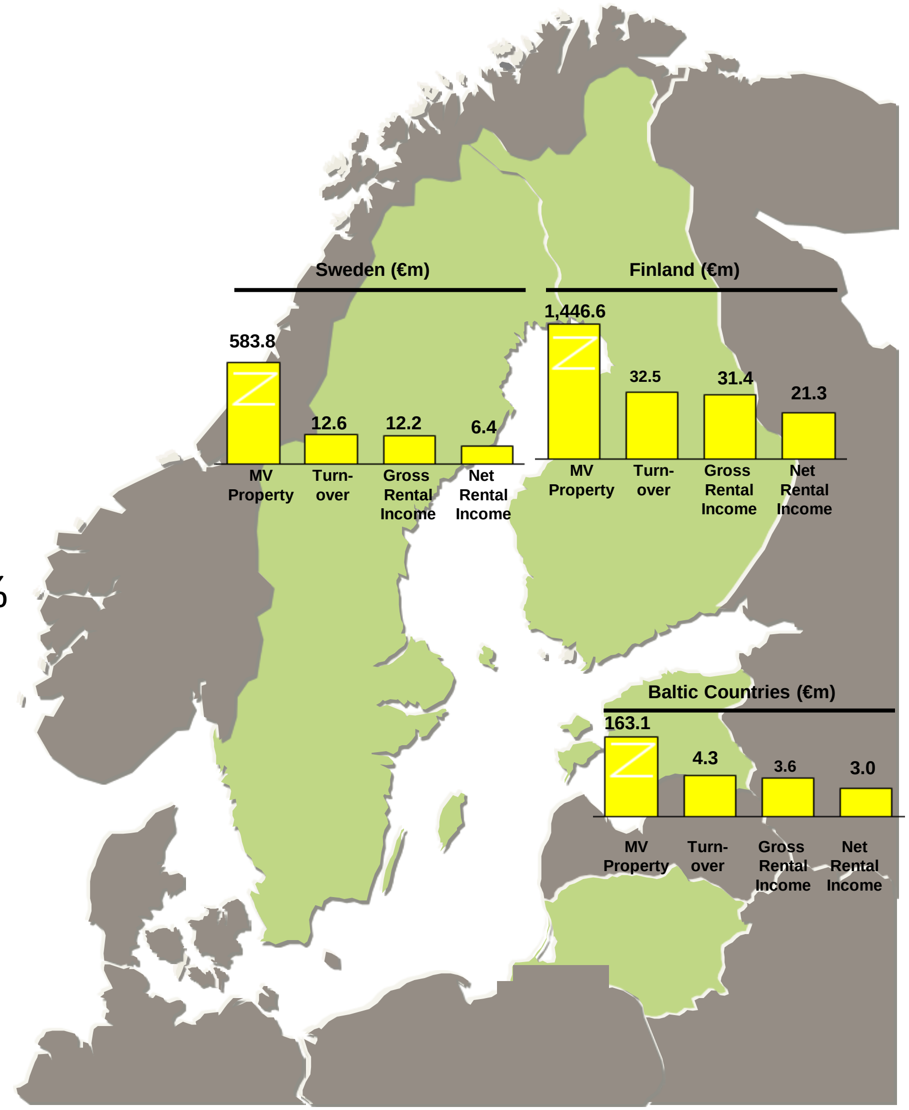
- 69.5% of total net rental income
- Net rental income EUR 21.3million
- Market leader with 22% market share
- 22 shopping centres, 43 other retail properties, one unbuilt lot

SWEDEN

- Net rental income accounted for 20.8% of Citycon's total net rental income
- Net rental income EUR 6.4 million
- 8 shopping centres, 7 other retail properties

BALTIC COUNTRIES

- NRI 9.7% of Citycon's total NRI
- Net rental income EUR 3.0 million
- 3 shopping centres



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Main points of Q1 2010

Main points

- Liljeholmstorget was awarded the Platinum LEED® environmental certificate as the first European shopping centre
- In Finland, new (re)development projects started Espoontori, Myllypuro and Jyväskylä as well as several smaller refurbishments
- Net rental income increased **1**% to EUR **30.6** million despite extra costs caused by exceptionally cold and snowy winter
- Occupancy rate was **94.5%** (95.3%)
- The market value of property portfolio was EUR **2,193.5** million (Q4/2009: EUR 2,147.4 m)
- The valuation yield **6.6%** (Q4/2009: 6.6%) by external appraiser
  - FINLAND 6.6%
  - SWEDEN 6.4%
  - BALTIC COUNTRIES 8.2%

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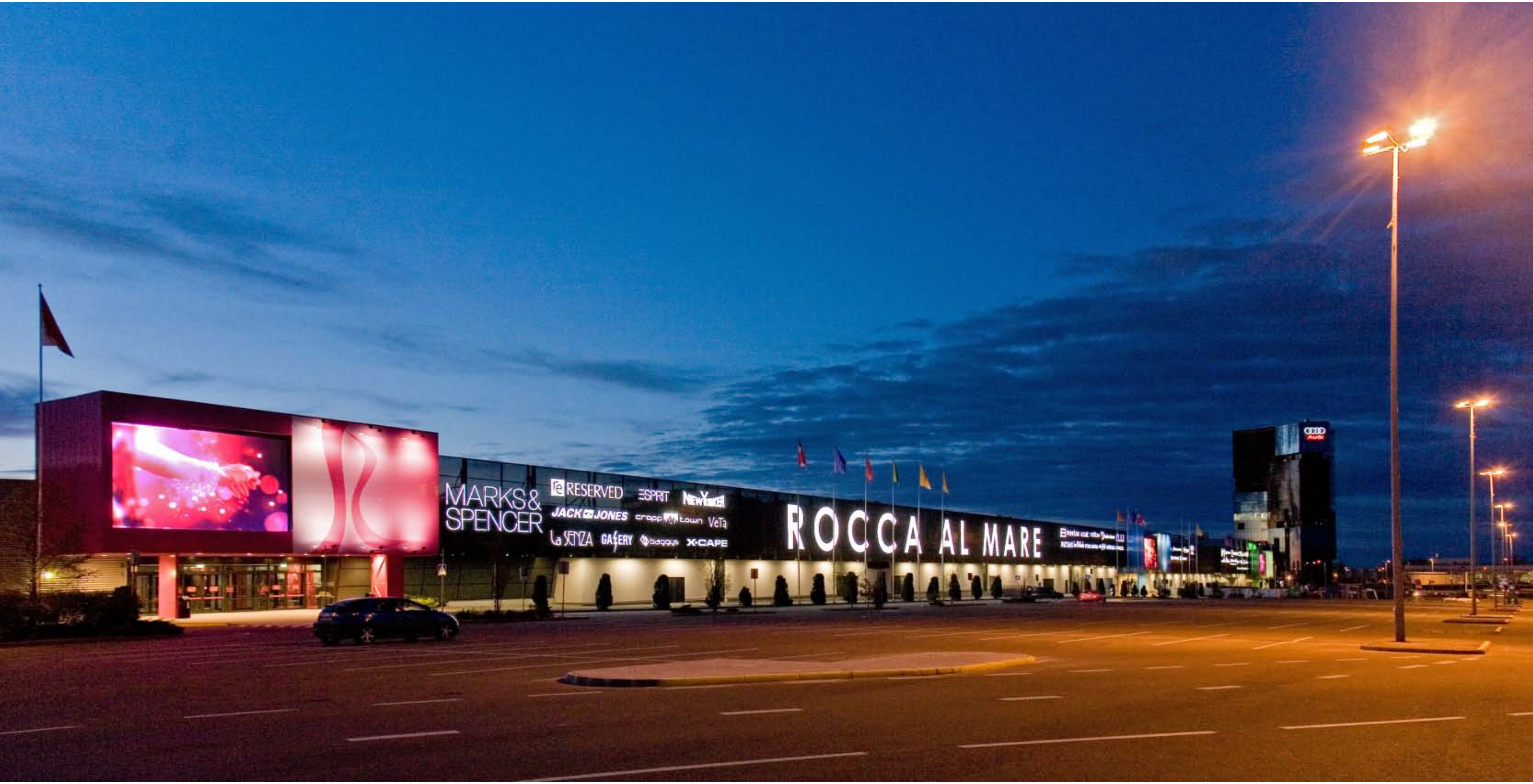
Business environment



Business environment

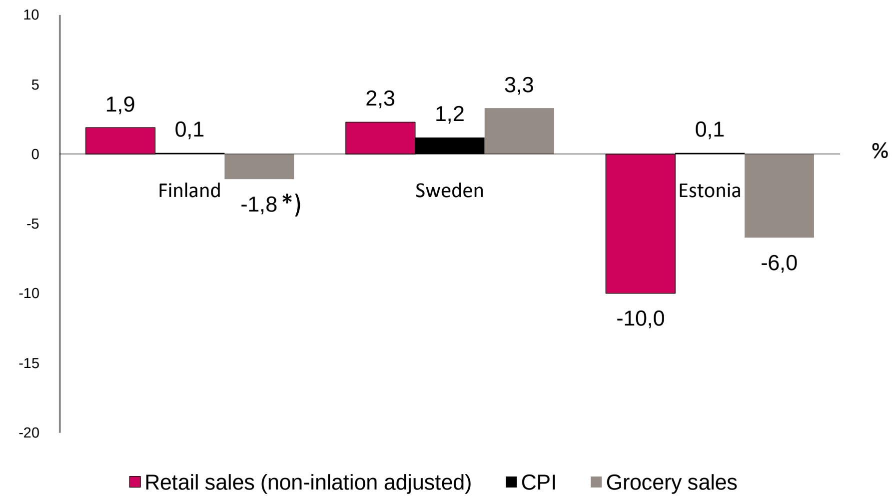
Occupancy rates in shopping centres continue to be high both in Finland and in Sweden. (Jones Lang LaSalle, Nordic City Report, Autumn 2009)

The property market has shown signs of recovery (ibid.)

Consumer confidence stronger, but unemployment rates still a concern. Unemployment rates:

- Finland 9.2% (end of March)
- Sweden 9.3% (end of March)
- Estonia 15.5% (end of 2009)
- Lithuania 13.7% (end of 2009)

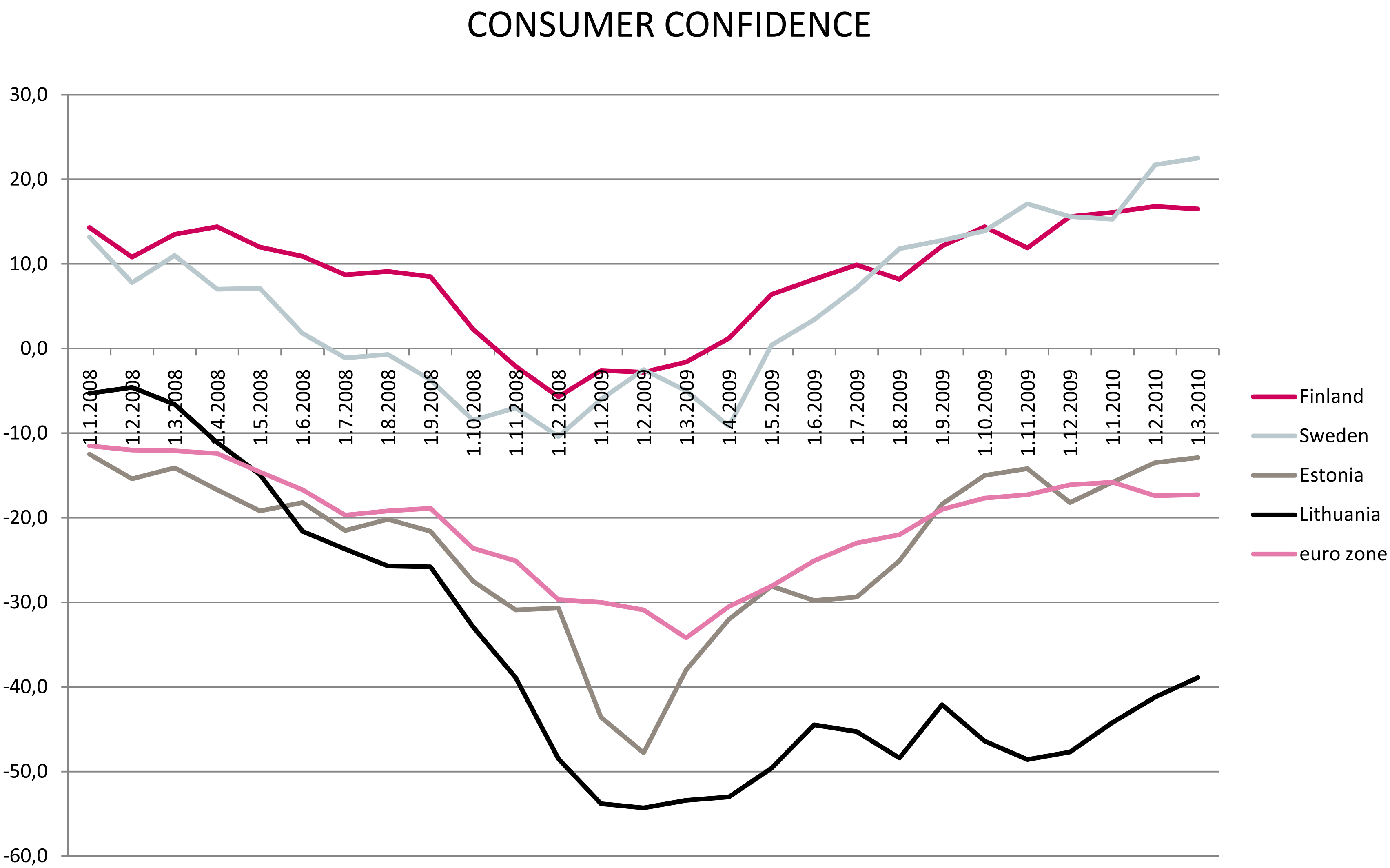
RETAIL AND GROCERY SALES, FEB 10 AND CPI, MARCH 10



*) Decline compared to 2009 figures due to VAT cut from 17% to 12% 1 October of 2009

Sources:
Statistics Finland, Statistics Sweden, Statistics Estonia
Finnish Grocery Trade Association

Business environment



Source: Eurostat

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

Ongoing (re)development projects

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Ongoing (re)development projects

PROPERTY	LOCATION	AREA, sq.m. Before and after	TOTAL ESTIMATED INVESTMENT NEED, MEUR	ACTUAL CUMULATIVE CAPEX, by the end of period, MEUR	EST. FINAL YEAR OF COMPLETION	
Åkersberga Centrum	Österåker, SWE	20 000 33 000	48.1 [1)]	20.6	2011	Refurbishment and extension of the shopping centre in the Greater Stockholm area. Minority owner/investor (25%) local municipality-owned real estate company.
Torikeskus	Seinäjoki, FIN	11 300 11 500	4.0	2.7	2010	Refurbishment of the interiors of the shopping centre underway.
Forum	Jyväskylä, FIN	15 100	16.0	1.4	2010	Refurbishment of interior premises (12 000 sq.m) of the shopping centre.
Myllypuro	Helsinki, FIN	7 700 7 300	20 .0	4.0	2012	Building of a new retail centre replacing the existing one next to the Myllypuro subway station.
Espoontori	Espoo, FIN	16 500 16 400	18.0	6.3	2010	Refurbishment of 10400 sq.m. of interior premises and the parking facility.
Hansa (Trio)	Lahti, FIN	8 000	8.0	0.7	2010	The refurbishment of Hansa property located next to Trio.
Myyrmanni	Vantaa, FIN	8 400	4.8	1.2	2010	Refurbishment of the first floor premises and tenant improvements on the ground floor.
Isolinnankatu	Pori, FIN	7 600	3.0	1.4	2010	Refurbishment of the retail premises in two phases.

1) Calculated based on period end exchange rates. Estimated total investment in SEK has not changed from the year end 2009 (which was EUR 45.6 million).

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Key figures

Financial targets

GROWTH

Continued expansion through property development and selective acquisitions

- Cumulative CAPEX since 2005 in excess of EUR 1.5 billion
- Main emphasis on organic growth

DIVIDENDS

Solid distribution policy

Payout target 50 % of the result for the period after taxes excl. fair value changes on property

- For 2009 the per-share dividend was EUR 0.04 and return from invested unrestricted equity fund EUR 0.10
- EUR 0.14 distribution 7 years in a row

EQUITY RATIO

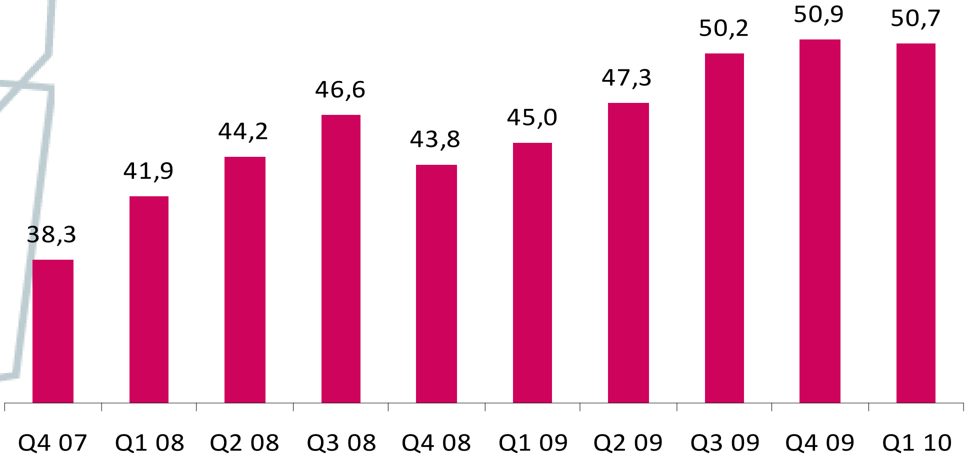
Strong balance sheet

Internal long – term equity ratio target 40 per cent

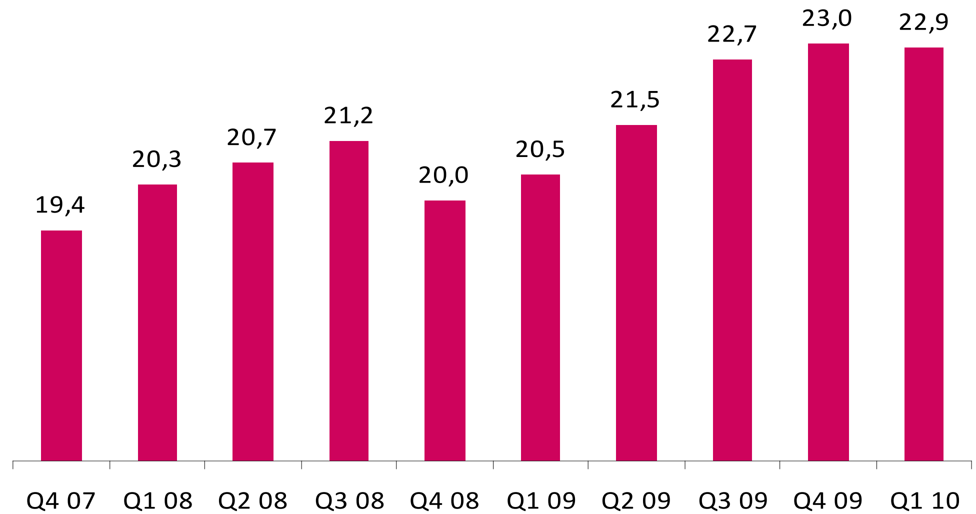
- Equity ratio 32.7% as of 31 March 2010

Key Figures – Profitability

Rolling 12-month Direct Result (EUR million)



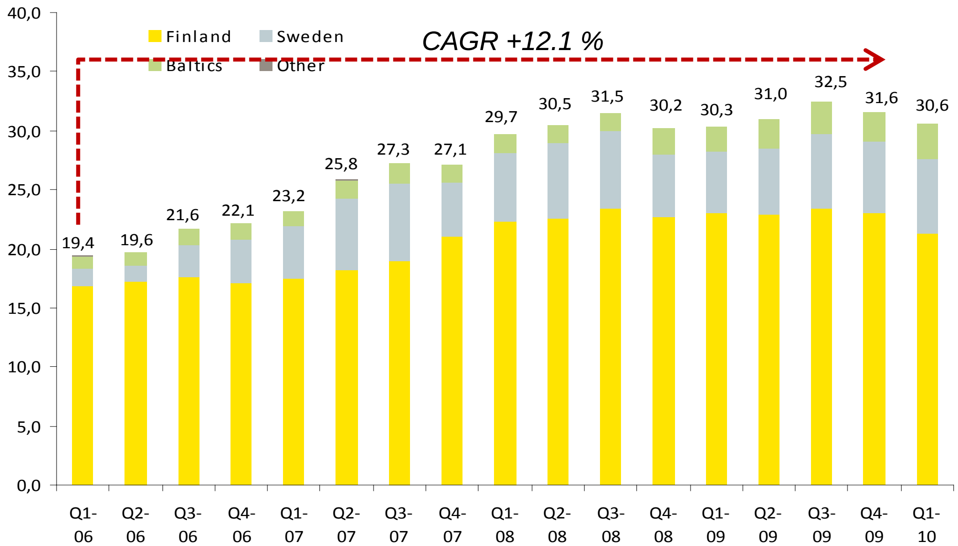
Rolling 12-month Direct Result per Share (EUR/ share)



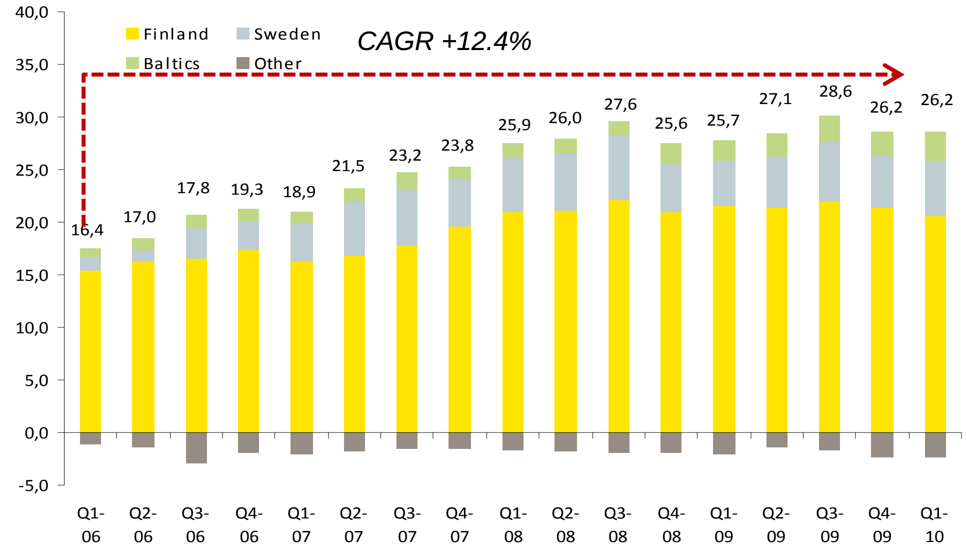
- Citycon's strong direct result performance highlights the resilience of its business model which has also been supported by the recent decline in the net financial expenses
- Grocery anchored retail strategy has supported Citycon's occupancy and net rental income while lower interest rates have led to meaningful cost savings under financial expenses
- Citycon has been able to demonstrate increasing direct result performance both on an absolute and per share basis

Key Figures – Profitability

Quarterly Net Rental Income by segments



Quarterly Operating Profit[1)] by segments



- Citycon has posted solid quarterly growth since 2006 both in terms of Net rental income and Operating profit – Performance both in bull and bear market environment
- Compound annual growth rate (CAGR) has been between 12 - 17 per cent for both quarterly line items since the expansion strategy started in Q1 2006
- Profitable growth – rolling 12-month Operating profit-% has been stable and varied between 56.9 and 59.2 per cent since Q2 2006

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

Snapshot of statement of comprehensive income

EUR million	Q1/2010	Q1/2009	*2009*
Gross rental income	47.2	44.3	*177.8*
Service charge income	2.3	1.6	*8.5*
Turnover	49.5	45.9	*186.3*
Property operating expenses	18.8	15.3	*60.2*
Other expenses from leasing operations	0.1	0.2	*0.7*
Net rental income	30.6	30.3	*125.4*
Administrative expenses	4.5	4.6	*17.8*
Net Fair value losses/gains on investment property	0.8	-31.6	*-97.4*
Net Gains on sale of investment property	3.3	0.1	0.1
Operating loss/profit	30.3	-5.8	*10.3*
Net Financial income and expenses	13.1	12.2	*47.7*
Loss/profit before taxes	17.2	-18.1	*-37.5*
Current taxes	-2.4	-1.7	*-6.5*
Change in deferred taxes	-0.5	1.5	*7.0*
Loss/profit for the period	14.3	-18.3	*-36.9*
Other comprehensive expenses/income for the period, net tax	-5.7	-8.2	*-3.0*
Total Comprehensive loss/profit for the period	8.6	-26.5	*-39.9*

EPS (basic), EUR	0.06	*-0.08*	*-0.16*
EPS (diluted), EUR	0.06	*-0.08*	*-0.16*
Direct Result	*11.4*	*11.6*	*50.9*
Indirect result	*1.6*	*-28.4*	*-85.2*
Direct EPS (diluted), EUR (EPRA EPS)	*0.05*	*0.05*	*0.23*
Net cash from operating activities per share, EUR	*0.03*	*0.10*	*0.30*
Loss/profit for the period attributable to parent company shareholders	13.0	-16.8	-34.3

Main points

- Turnover increased by **7.9%** to EUR **49.5** million (EUR 45.9 m) despite the extra expenses caused by exceptionally cold and snowy winter and low indexation-based rental increases.
- Direct result per share EUR **0.05** (EUR 0.05)
- Profit before taxes was EUR **17.2** million (EUR -18.1 m) incl. **0.8** million (EUR -31.6 m) change in fair value
- Net cash from operating activities per share EUR **0.03** (EUR 0.10)
  - Due to extra ordinary timing items
- Total asset stood at EUR **2,295.4** million
- Equity ratio **32.7**%, hedging ratio **82**%

L-F-L and other NRI development by Segments - Q1/2009 vs. Q1/2010

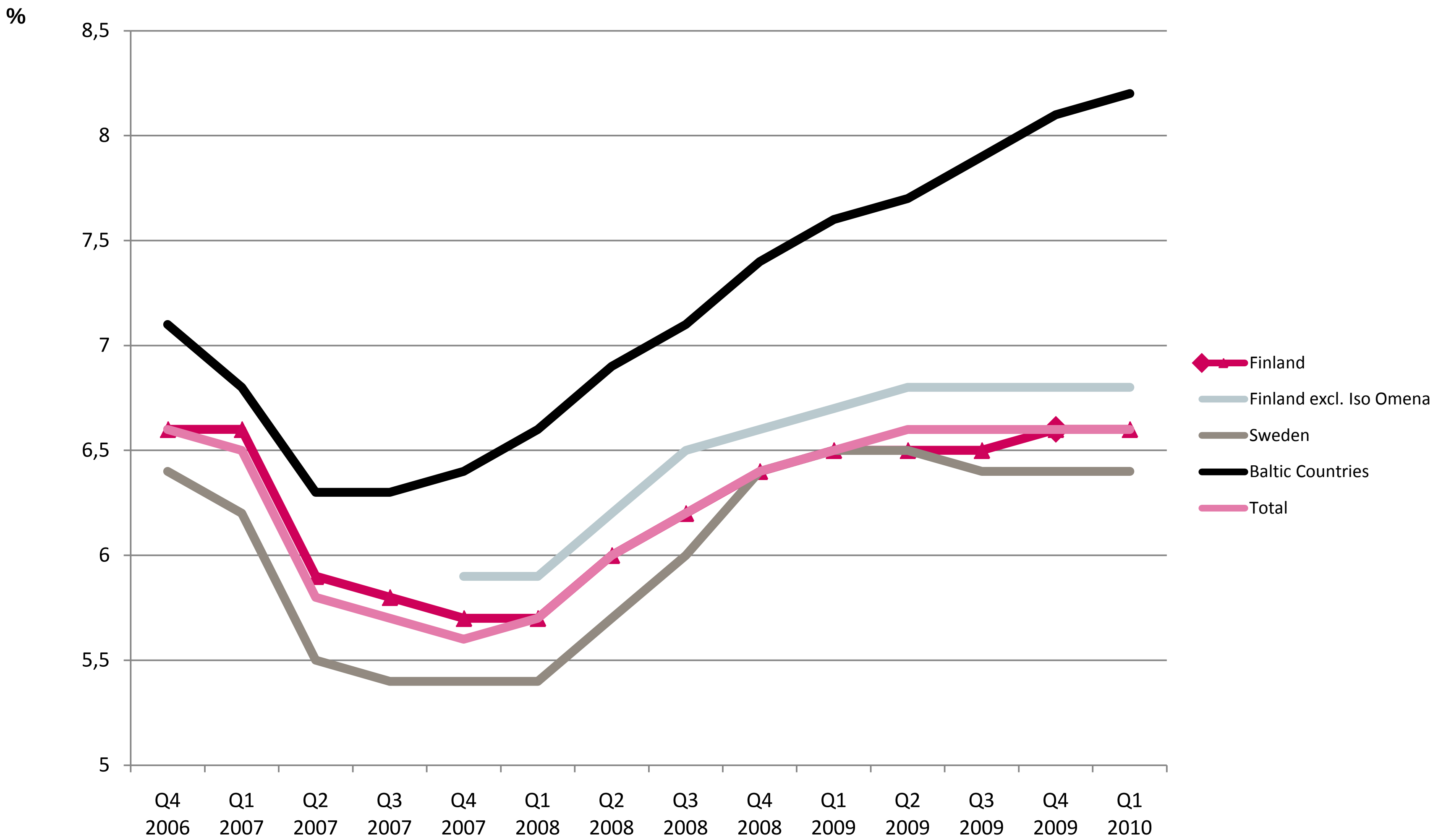
EUR million	Finland	Sweden	the Baltic Countries	Other	Total
Q1/2008	**22,3**	**5,8**	**1,6**	**0,0**	**29,7**
Acquisitions	0,4	0,1	0,0	-	0,4
(Re)developments	0,4	0,0	0,6	-	1,0
Divestments	-0,1	-	-	-	-0,1
Like-for-like	0,1	0,2	-0,1	-	0,2
Other (incl. exch. diff.)	-0,1	-0,8	0,0	0,0	-0,9
Q1/2009	**23,1**	**5,2**	**2,1**	**0,0**	**30,3**
Acquisitions	-	-	-	-	0,0
(Re)developments	-1,1	1,2	1,0	0,0	1,0
Divestments	0,0	-0,3	-	0,0	-0,4
Like-for-like	-0,9	-0,2	-0,1	0,0	-1,1
Other (incl. exch. diff.)	0,2	0,5	0,0	0,0	0,8
Q1/2010	**21,3**	**6,4**	**3,0**	**0,0**	**30,6**

- Approx. 17 500 sq.m. more as vacant areas due to redevelopment projects in Myyrmanni, Espoontori, Forum, Myllypuro, Porin Isolinnankatu and Martinlaakso.
- Jakobsberg as a total moved to divestment portfolio due to residential sale.
- LFL Growth -5.8% mainly due to record cold winter.
- LFL negative in Finland as approx. 5 500 sq.m. more as vacant areas and colder winter (heating and snow cleaning)
- Rental discounts in the LFL properties (Mandarinas + Magistral) higher by 0.1M€ in Q1’10 than in Q1’09.

Property portfolio

- **4,029 (4,080)** leases with an average length of **3.1** (3.1) years, GLA totalled **953,650** sq.m.
- Occupancy rate **94.5**% (95.3%)
- New disclosure on started and ended leases and like-for-like net rental income by segments in the Interim Report Bulletin.
- Like-for-like NRI decreased **5.8**% due to higher property operating expenses (harsh winter), slightly increased vacancy and very low indexation-based rental increases (low inflation/deflation)
- Rolling 12-month occupancy cost ratio for l-f-l shopping centres was **8.6**%,
- Major tenants local and international fashion chains, grocery retailers, local municipalities, sport retailers, cafés and restaurants

Valuation yield development in the portfolio



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

Financing overview

- Average year-to-date interest rate **3.97%**. At the year end, the weighted interest rate averaged **3.91%**

- Net financial expenses EUR **13.1** m (EUR 12.2 m). Increase due mainly to lower interest capitalization after completion of Rocca al Mare and Liljeholmstorget.

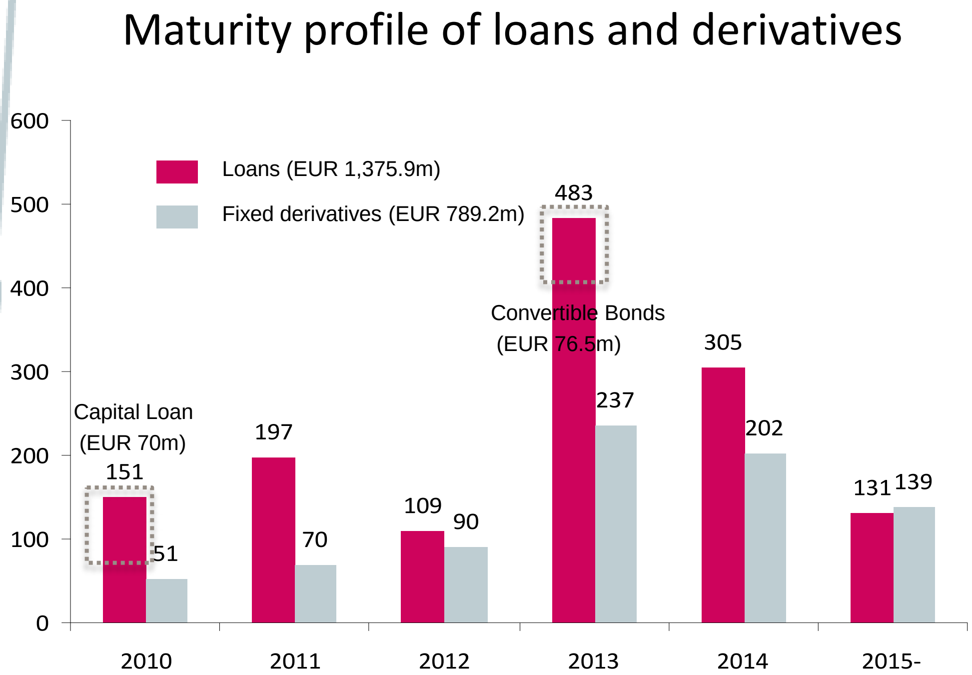
- Total available liquidity was EUR **212.7** million, incl. EUR **164.0** million of unutilized committed debt facilities and cash of EUR **48.7** million

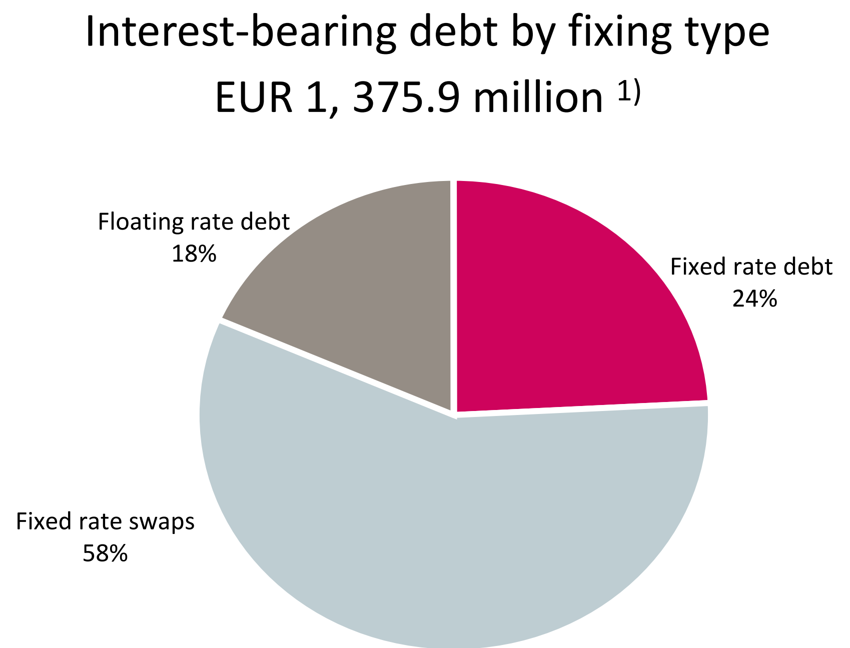
- Two loan covenants
  - Equity ratio: Covenant level 32.5%, equity ratio as defined in loan agreements was **39.2**%
  - Interest cover ratio: Covenant level 1.8x, Citycon's period end ICR **2.3**x

Snapshot of statement of financial position

Statement of Financial Position, EUR million	31 March 2010	31 March 2009	31 Dec 2009
Investment property	2,193.5	2,097.3	2,147.4
Total non-current assets	2,206.2	2,108.6	2,161.4
Current assets	89.3	39.2	91.8
Assets total	2,295.4	2,147.8	2,253.2
Total share holders equity	748.9	781.0	767.9
Total liabilities	1,546.5	1,366.8	1,485.3
Liabilities and share holders equity	2,295.4	2,147.8	2,253.2
KEY FIGURES			
Equity ratio, %	32.7	36.4	34.2
Gearing, %	175.9	151.2	169.5
Equity per share, €	3.20	3.37	3.31
Net Asset value (EPRA NAV) per share, €	3.43	3.62	3.54
EPRA NNNAV, €	3.22	3.55	3.35
Net Rental Yield (actual), %	6.0	5.9	6.1
Average Net Yield Requirement (valuation yield by external appraiser)	6.6	6.5	6.6

Key Figures – Financing Overview



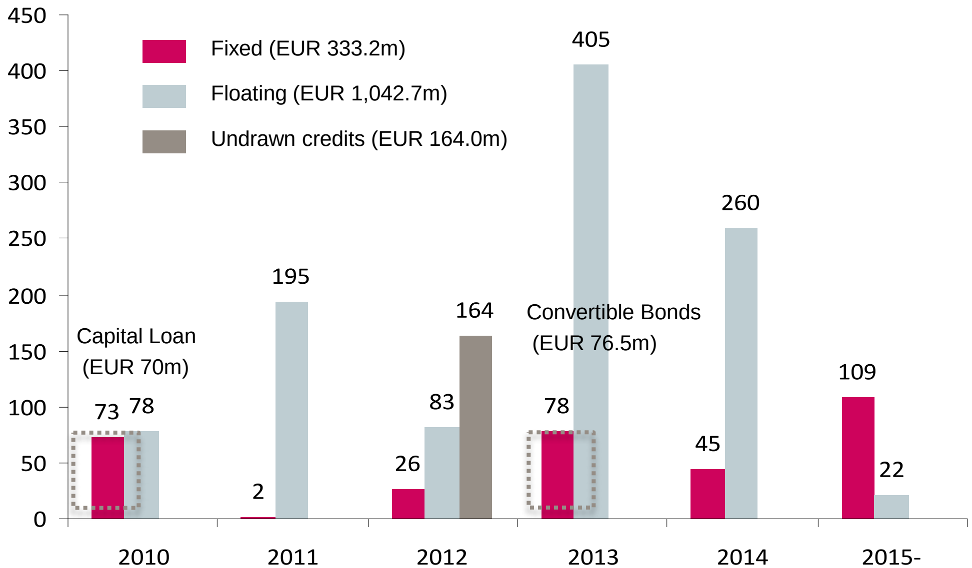


- During first quarter in 2010, the period-end interest-bearing **net debt increased by EUR 15 million** as a result of investments made into development projects and stronger SEK exchange rate
- **High hedging ratio** maintained and increased to around **82%** (80% at the end of Q4). Citycon has during Q1 added hedging of Swedish krona debt.
- Conservative financing policy continues; **average loan maturity 3.3 years** and average **time to fixing** at **3.1 years**

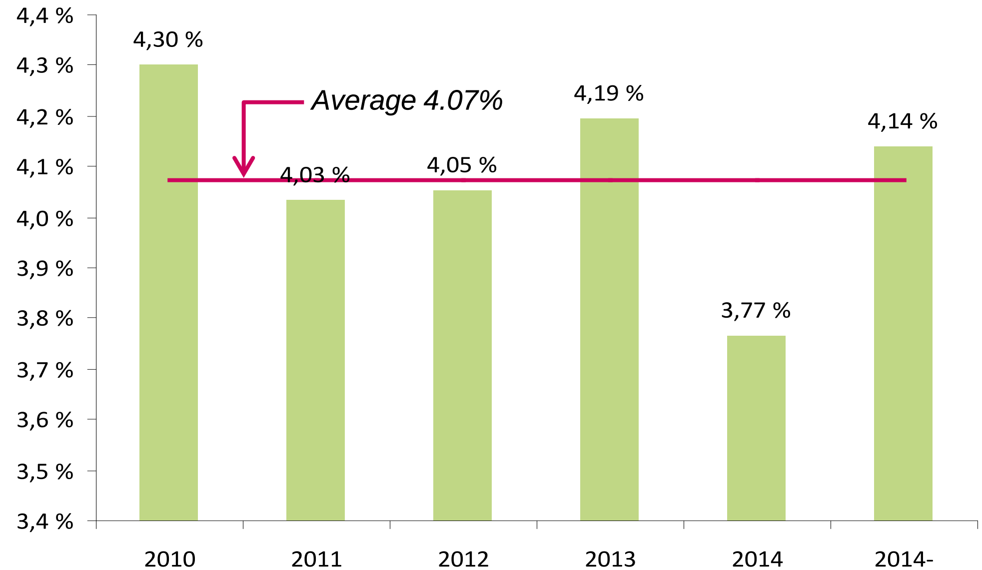
1) Carrying value of debt as at 31 Mar 2010 was EUR 1,366.4 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

Key Figures – Financing Overview

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



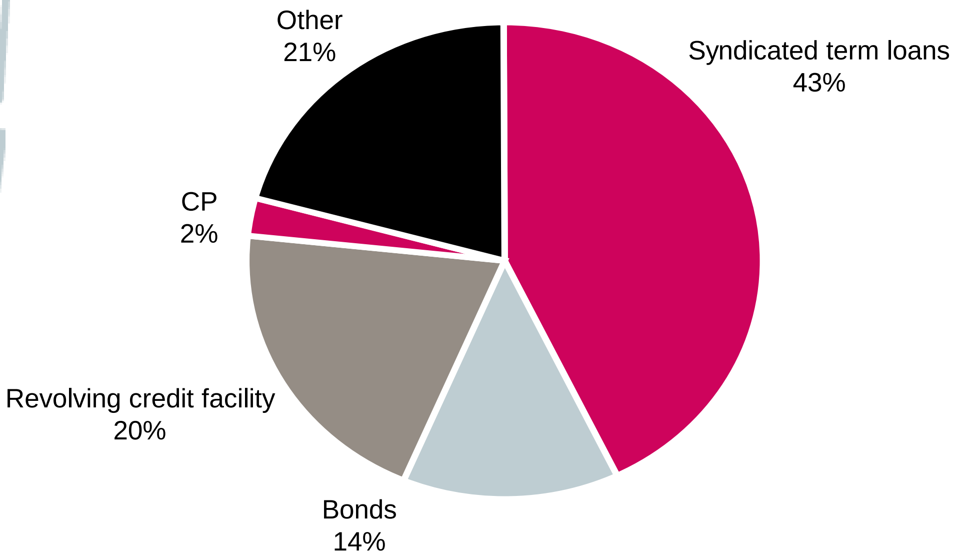
Period-end interest rate by maturity for fixed rate debt and swaps



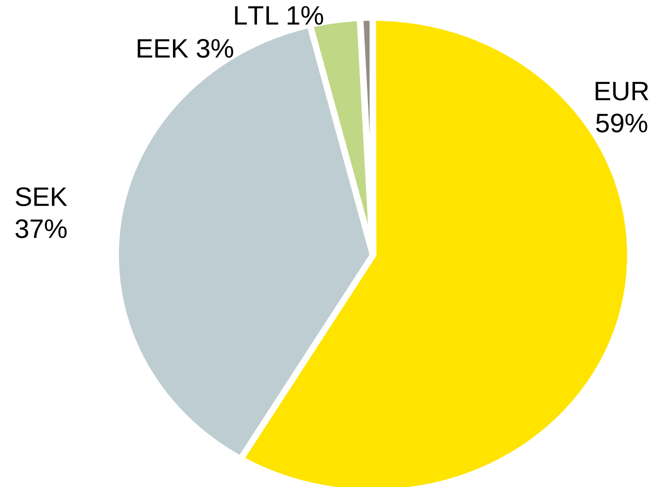
- Favorable maturity structure of debt as the bulk of Citycon’s debt is due on or after 2013
- Available committed undrawn credits are also of long term nature and will fall due in 2012
- Period-end average interest rate was 4.07% for fixed rate borrowings (4.02% in Q4)

Key Figures - Debt Portfolio

Breakdown by debt type
EUR 1,375.9 million 1)



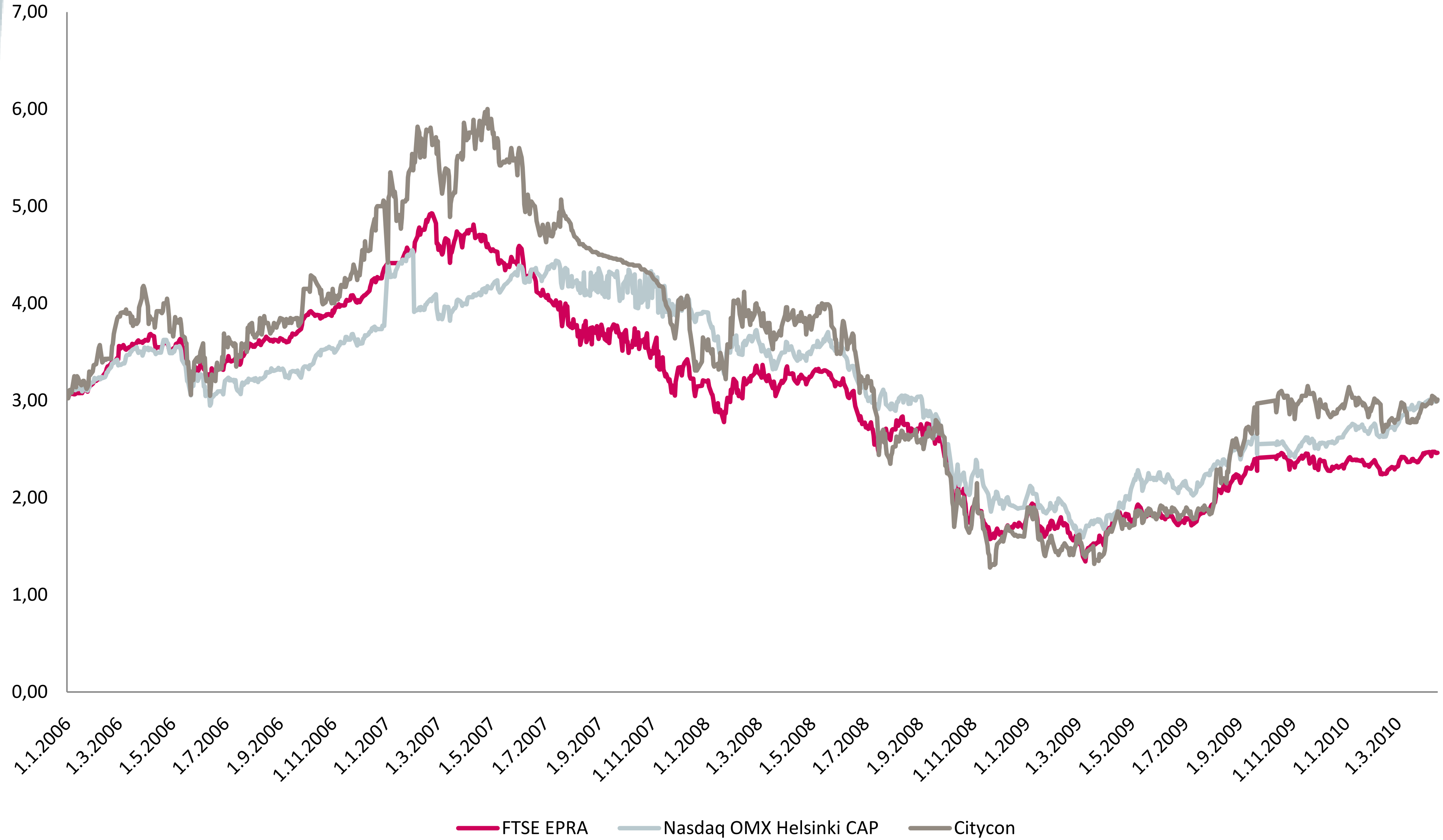
Breakdown by currency
EUR 1,375.9 million 1)



- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **77%** of the debt portfolio
- For three-months period ending 31 Mar 2010 the average year-to-date interest rate was **3.97%** (Q4/2009: 4.16%) and the period-end current run rate stayed below 4% at 3.91%
- Conditions in the bond and bank financing markets continued to improve during Q1

1) Carrying value of debt as at 31 Mar 2010 was EUR 1,366.4 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.

Share performance[1)]



1) Starting values of FTSE EPRA index and OMX Helsinki CAP index on 3 January 2006 have been rebased to Citycon share price at EUR 3.03

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