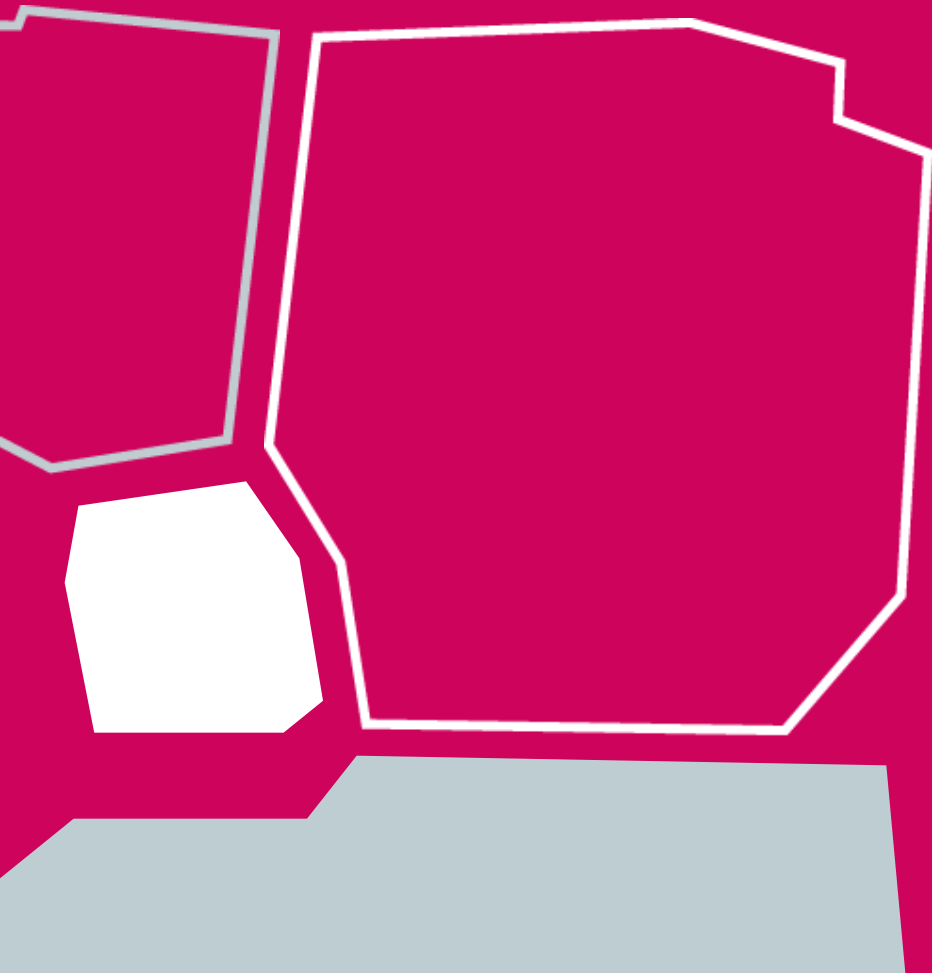


# Citycon Webcast Presentation

Full Year 2011 Results



**CITYCON**  
creating success for retailing

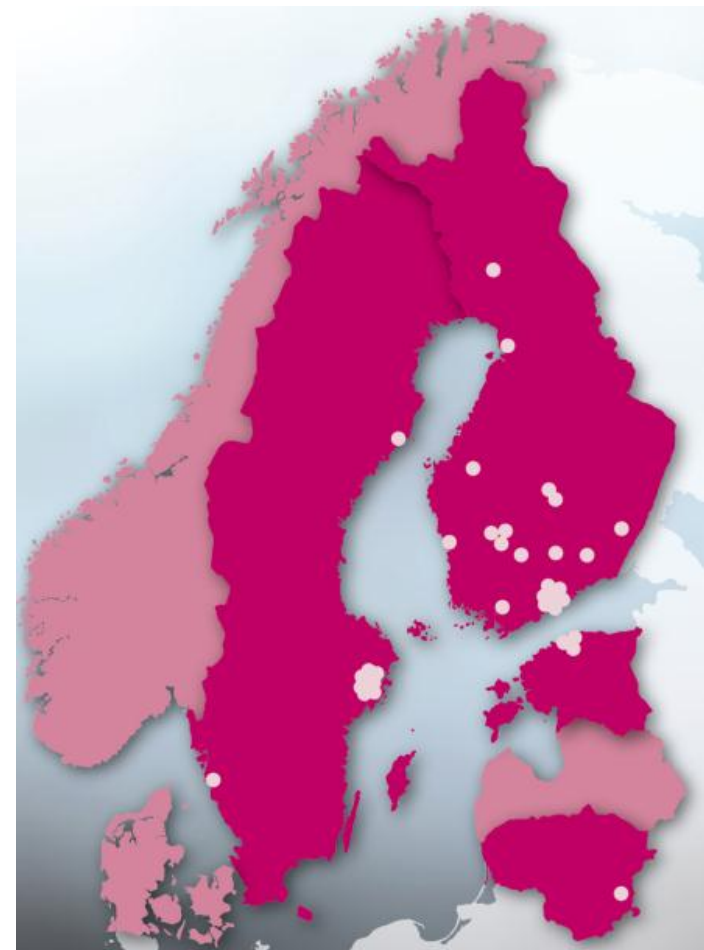
Year 2011

*Liljeholmstorget*



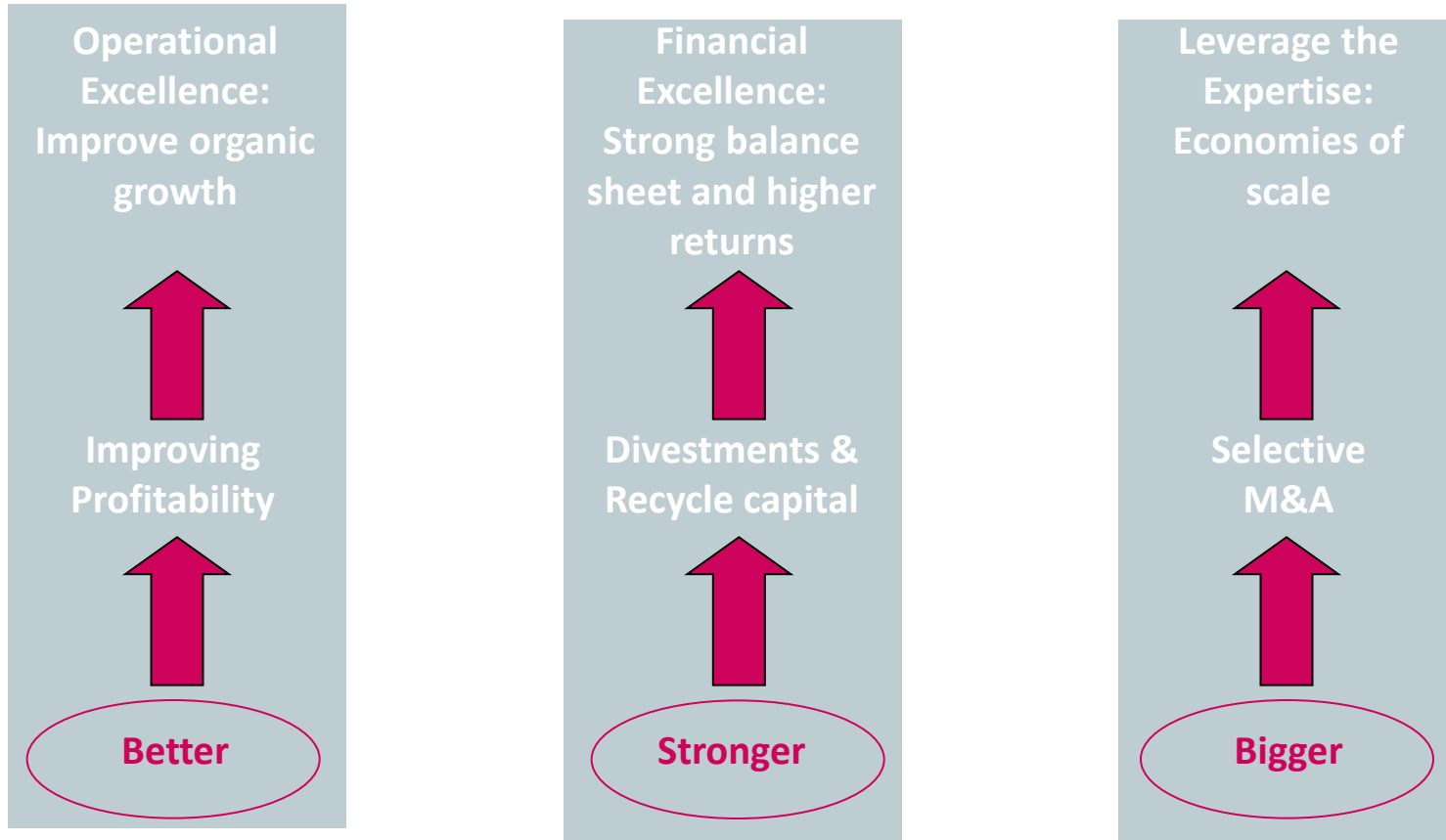
## 2011 - The Year of Change

- Updated strategy:
  - Re-defined core: quality shopping centres
  - Nordic and Baltic Countries
  - Growth; internal and external
- Management changes
- Project Now! - internal business improvements and efficiency
  - The goal: to improve direct earning per share with additional one cent in 2012 and with another in 2013



# Strategy

More Focus -> Total Return



# 2011 Summary

in EUR million	FY 2011	FY 2010	Growth %
Finland	90.5	86.7	4.3
Sweden	35.4	28.7	23.3
Baltic Countries	18.4	11.8	56.5
Net Rental Income, total	144.3	127.2	13.4
Direct Operating profit	117.4	105.0	11.8
EPRA earnings	53.3	47.3	12.7

Per share, EPRA earnings, basic	0.21	0.21
EPRA NNNAV per share	3.29	3.47

Like-for-like NRI growth, total	3.8%
L-f-l Shopping centre NRI growth	7.3%
L-f-l supermarkets and shops NRI growth	-10.7%

## Citycon reached the financial targets for 2011

Guidance:

Turnover to grow EUR 18–23 million 

Direct operating profit to grow EUR 10–15 million 

Direct result (EPRA Earnings) to grow EUR 4–8 million 

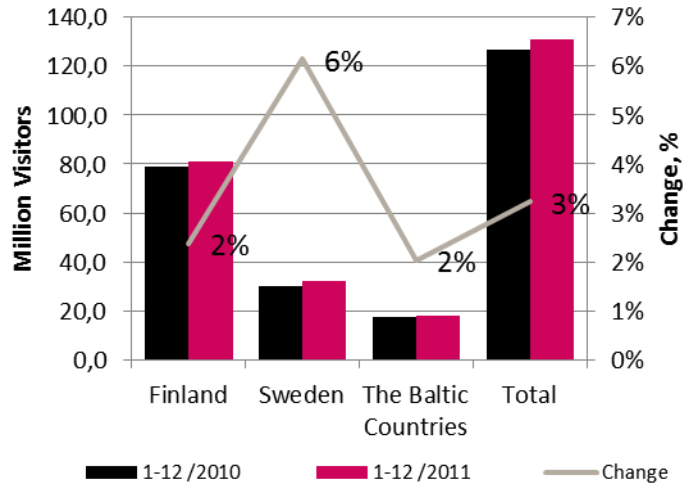
Realized:  
 EUR 21.1 million  
 EUR 12.4 million  
 EUR 6.0 million

## Year 2011

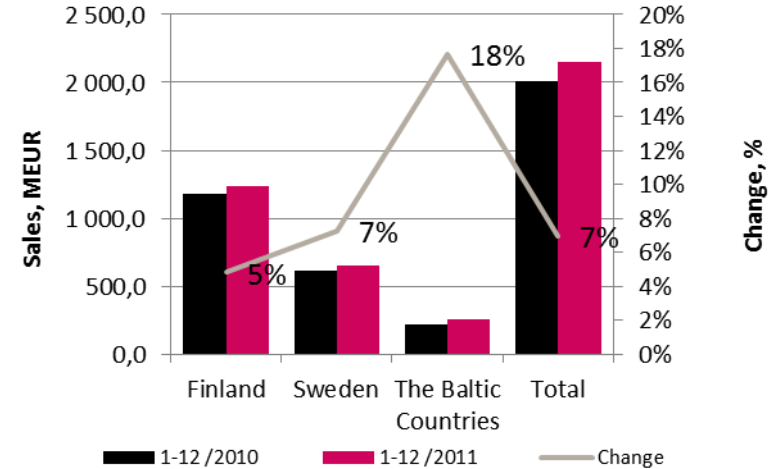
- Increased pay-out **EUR 0.15/share**
- Turnover over EUR 200 million for the first time: **EUR 217.1 million**
- Improved occupancy **95.5%**
- Acquisition of Högdalen in Stockholm and Kristiine in Tallinn
- Divestments: 7 properties, EUR **18.1** million
- Completed and on-going (re)development projects in all regions
  - GLA increased by 52.500 m<sup>2</sup> or **5.6%**
- The company strengthened its balance sheet and improved liquidity:
  - by raising approx. EUR 99 million in new equity through a directed share offering in July by issuing 33 million new shares.
  - by signing EUR 330 million long-term unsecured, five year credit facility
  - by signing a 7-year unsecured term loan facility of EUR 75 million.
  - Liquidity **EUR 345.0 million**, equity ratio **36.0%**

# Sales and Footfall in Citycon Shopping Centres

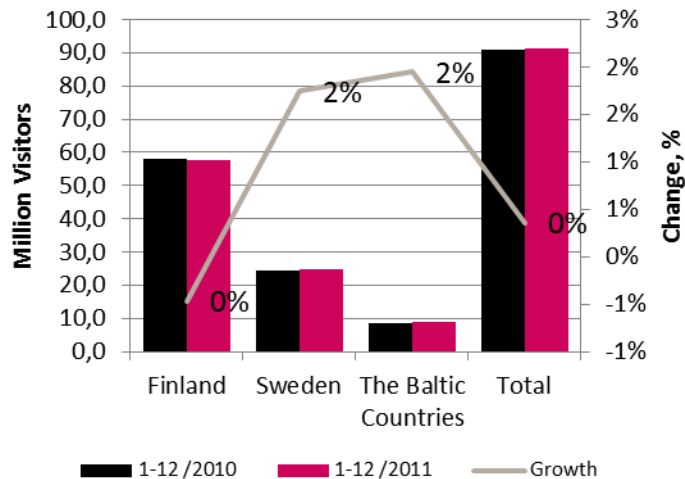
## Shopping Centre Footfall



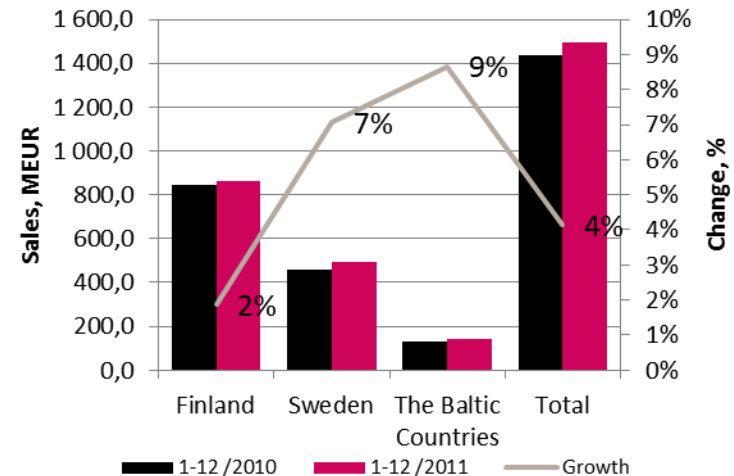
## Shopping Centre Sales



## LFL Shopping Centre Footfall



## LFL Shopping Centre Sales



# Summary of Environmental Targets and Results in 2011



Strategic objectives related to environmental responsibility	Targets for 2011	Results of 2011	
<b>Climate Change</b>			
Reduction of greenhouse gas emission by 20% by year 2020 from the 2009 level	2-3%	I-f-I sc: -0.8%	☹️
<b>Energy</b>			
Reduction of energy consumption (electricity, heating and cooling) by 9% by 2016 from 2009 level	2-3%	I-f-I sc: -2.4%	😊
<b>Water</b>			
Lowering water consumption to an average level of less than 3.5 litres per visitor	3.8 l/visitor	4.3 l/visitor	☹️
<b>Waste</b>			
Shopping centre waste recycling rate to be raised to at least 80% by 2015	78%	78%	😊
Reduction of landfill waste to a maximum of 20% of total waste by 2015	22%	22%	😊
<b>Landuse and Sustainable Construction</b>			
All development projects to be implemented in accordance with environmental classification principles	All projects ongoing in 2011 assessed with LEED criterias	achieved	😊
Development projects are located in built-up environments, within reach of good public transport connections	100%	achieved	😊



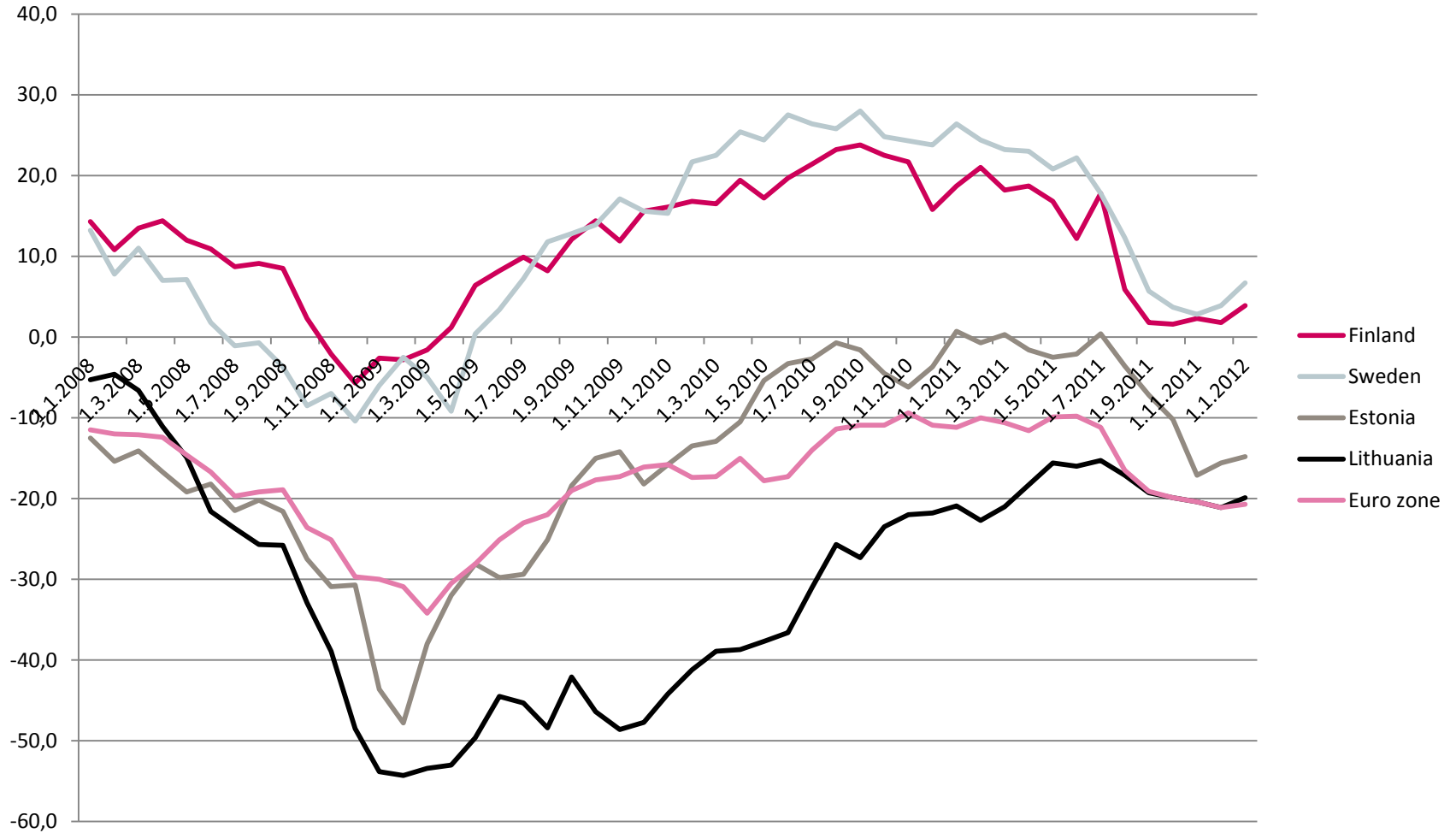
# Business Environment

*Martinlaakso Opening Dec 2011*



# Business Environment

## CONSUMER CONFIDENCE

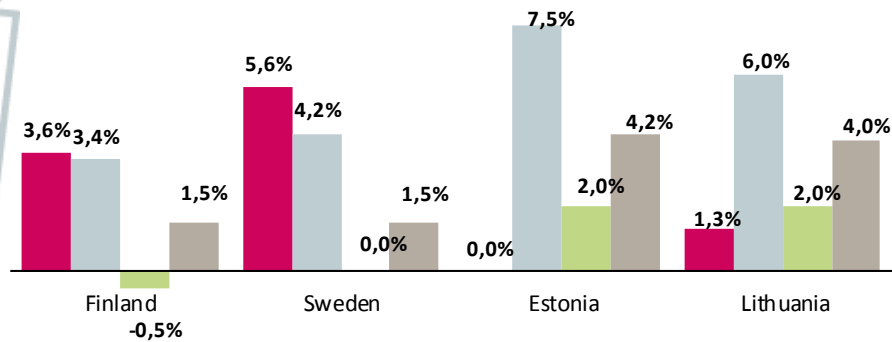


Source: Eurostat

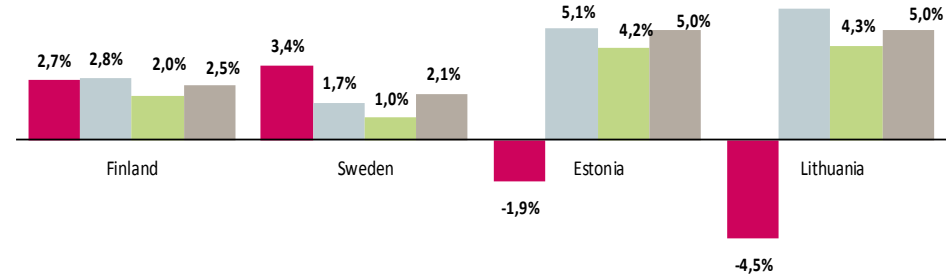
Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

# Business Environment

## GDP



## PRIVATE CONSUMPTION



Source: Nordea

# Business Environment

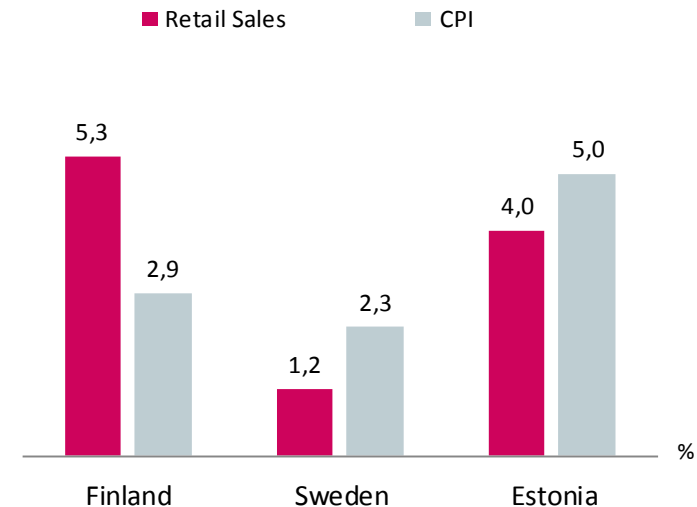
Relatively low unemployment, reasonably strong consumer confidence, low interest rates -> positive effect on retail sales.

Dec-unemployment rates below the European average (10.0%):

- FINLAND 7.4%
- SWEDEN 7.1%
- ESTONIA 10.9% (Sept 2011)

In the real estate market, general sentiment is waiting. Polarization to prime and non-prime.

## RETAIL SALES, 2011 AND DEC-CPI, 2011



Sources:

Statistics Finland, Statistics Sweden, Statistics Estonia, Eurostat, JLL

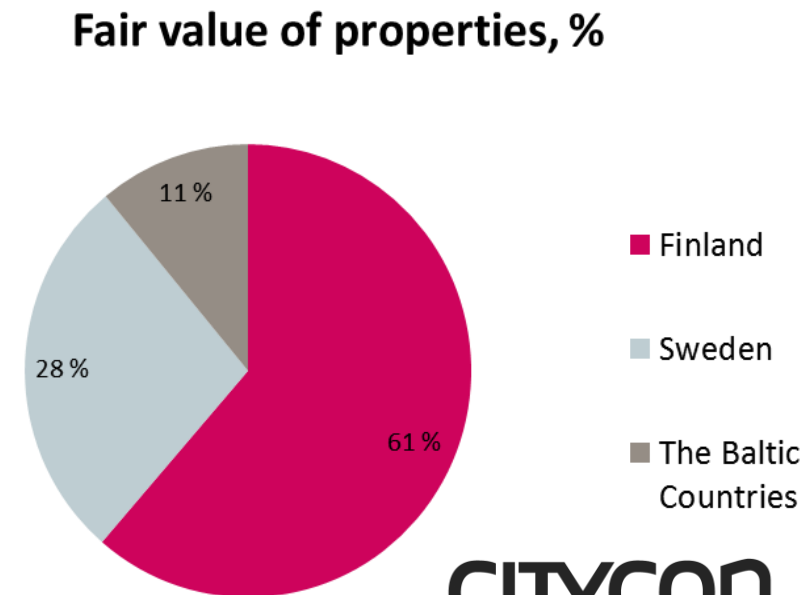
# 2011 – Portfolio Summary

Kristiine

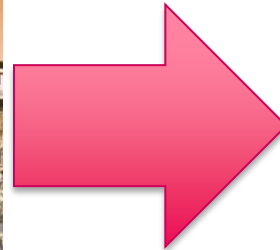


# Portfolio Summary

- Fair value of investment properties EUR 2,522.1 million (2,367.7)
  - Total fair value change EUR –35.3 million due to non-core write-downs.
  - Fair value change of shopping centres positive EUR 7.3 million.
  - Yield requirement 6.4% (Q3/11: 6.4%)
- Citycon has changed its external independent valuator. For the first time, the year-end property values was assessed by Jones Lang LaSalle Finland Oy.  
**-> No major changes in values**



# Year 2011 – Highlights - Myyrmanni Turn Around



# Year 2011 – Highlights - Myyrmanni Turn Around

## New Buzz, New Life, New Myyrmanni!

- Investment: EUR 6.5 million
- Renovated GLA 8,400 m<sup>2</sup>
- Occupancy 100%
- Sales : EUR 160.3 million, +3%
- Footfall: 7.9 million, +4%
- New tenants: H&M, Cubus, Clas Ohlson, and more!
- Extension for another hypermarket 15,000 - 20,000 m<sup>2</sup>, EUR 40 million under planning, estimated project start 2013.





# Year 2011 – Highlights - Kristiine and Högdalen Centrum

	<b>Kristiine</b>	<b>Högdalen Centrum</b>
	Acquisition price: EUR 105 million	Acquisition price: EUR 26.7 million.
<b>GLA approx.</b>	42,500 m <sup>2</sup>	19,200 m <sup>2</sup> , total 15,900 m <sup>2</sup> of retail
<b>No. of stores, anchors</b>	170 PRISMA, Zara, New Yorker, M&S	44 ICA, MatDax, Lindex, Dressman
<b>Occupancy Rate</b>	98% → 100.0%	92% → 96.0%
<b>No. of sales and visitors, 2011</b>	EUR 102.9 million, up +43% 7.1 million, up +22%	EUR 41.6 million, up +4% n.a.



# Property Portfolio, Key Figures

*Magistral*



# NRI Growth by Segments and Portfolios

EUR million	Baltic				Total	TURNOVER
	Finland	Sweden	Countries	Other		
<b>2009</b>	<b>92,4</b>	<b>23,2</b>	<b>9,8</b>	<b>0,0</b>	<b>125,4</b>	<b>186,3</b>
Acquisitions	-	-	-	-	0,0	0,0
(Re)development projects	-4,6	3,5	2,2	-	1,0	6,1
Divestments	-0,3	-1,2	-	-	-1,6	-2,3
Like-for-like properties	-0,6	0,6	-0,2	-	-0,2	1,3
Other (incl. exch. diff.)	0,0	2,6	0,0	0,0	2,5	4,5
<b>2010</b>	<b>86,7</b>	<b>28,7</b>	<b>11,8</b>	<b>0,0</b>	<b>127,2</b>	<b>195,9</b>
Acquisitions	0,1	0,8	6,0	-	7,0 <sup>A</sup>	10,3
(Re)developments projects	4,2	1,4	-0,3	-	5,3 <sup>B</sup>	6,5
Divestments	0,1	-0,9	-	-	-0,8 <sup>C</sup>	-1,8
Like-for-like properties	-0,7	3,8	0,9	-	4,0 <sup>D</sup>	3,2
Other (incl. exch. diff.)	-0,1	1,6	0,1	0,0	1,6 <sup>E</sup>	3,0
<b>2011</b>	<b>90,5</b>	<b>35,4</b>	<b>18,4</b>	<b>0,0</b>	<b>144,3</b>	<b>217,1</b>

- A** Acquisitions: Kristiine and Högdalen Centrum.
- B** (Re)development projects: Forum, Åkersberga, Espoontori , Koskikeskus, Kirkkonummi, Myllypuro and Martinlaakso
- C** Divestments: Residential in Tumba Centrum, residential towers in Jakobsbergs Centrum and residential in Åkersberga Centrum, also some non-core properties in Finland.
- D** LFL properties: Positive LFL growth: 4.0M€, or +3.8% (+2.7% in 9M). LFL growth in shopping centres 7.3%, mainly Liljeholmstorget, IsoOmena and Rocca al Mare. LFL growth in supermarkets and shops , -10.7%, mainly Tikkurilan Anttila and Porin Asema-aukio.
- E** Other: Stronger SEK contributed positively by 1.6M€ to NRI.

Clear positive LFL growth in shopping centres +7.3%, largely due to Liljeholmstorget, Iso Omena and Rocca al Mare.

# Snapshot of Statement of Comprehensive Income

EUR million	Q4/2011	Q4/2010	2011	2010
<b>Gross rental income</b>	53.0	47.4	206.0	185.9
Utility and service charge income	3.0	2.5	11.1	10.0
<b>Turnover</b>	56.0	49.9	217.1	195.9
Property operating expenses	18.4	17.9	71.6	67.4
Other expenses from leasing operations	0.3	0.2	1.2	1.3
<b>Net rental income</b>	37.3	31.8	144.3	127.2
Administrative expenses	9.2	7.8	28.0	23.3
Net Fair value gains/losses on investment property	-17.0	11.3	-35.3	50.8
Net Gains on sale of investment property	-0.3	-0.1	0.6	2.6
<b>Operating loss/profit</b>	10.7	35.4	81.8	157.7
Net Financial income and expenses	-16.3	-13.4	-62.4	-54.9
Share of profit/loss of jointly controlled entities	0.3	-	0.3	-
<b>Loss/profit before taxes</b>	-5.3	22.0	19.7	102.8
Current taxes	0.0	5.3	-0.9	-0.6
Change in deferred taxes	2.1	-9.6	2.5	-11.8
<b>Loss/profit for the period</b>	-3.2	17.7	21.3	90.4
Other comprehensive expenses/income for the period, net of tax	-5.1	12.4	-26.2	6.9
<b>Total Comprehensive profit/loss for the period, net of tax</b>	-8.3	30.1	-4.9	97.3
EPS (basic), EUR	-0.02	0.06	0.05	0.34
EPS (diluted), EUR	-0.02	0.06	0.05	0.34
EPRA earnings per share (basic), EUR	0.05	0.06	0.21	0.21
Indirect result, EUR million	-17.9	0.9	-40.3	31.1
EPRA earnings, EUR million	12.5	13.5	53.3	47.3
Net cash from operating activities per share, EUR	0.04	0.00	0.25	0.09
Loss/profit for the period attributable to parent company shareholders, EUR million	-5.4	14.4	13.0	78.3

# Main Key Figures

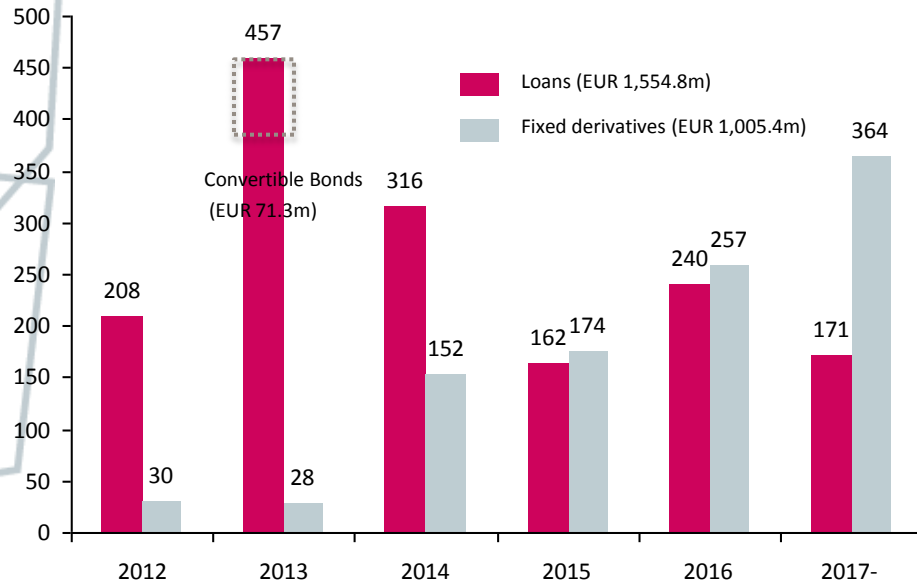
- Outlook for 2012:
  - turnover to grow by EUR 7–16 million
  - EPRA operating profit by EUR 8–16 million
  - EPRA Earnings to increase by EUR 4–11 million
  - EPRA EPS to be EUR 0.21 – 0.23  
compared with the previous year, based on the existing property portfolio and number of shares.
- Strong cash flow per share: EUR **0.25**
- Equity ratio **36.0%**, hedging ratio of the loan portfolio **81.3%**
- Total liquidity of EUR EUR **345.0** million incl. unutilized committed debt facilities (EUR 253.7 m) and cash and cash equivalents (EUR 91.3 m)
- The average loan maturity stood at **2.9** years (3.1 years).

## Financing Overview

- The year-to-date weighted average interest rate for interest-bearing debt remained virtually unchanged compared to the previous year: **4.03%** (4.04%).
- At the year-end, the weighted average interest rate, including interest rate swaps, rose to **4.07%** (3.91%). The year-end average interest rate increased due to higher credit margins on new loans signed in 2011.
- Net financial expenses stood at EUR **62.4** million (EUR 54.9 million)
- Two covenants
  - Equity ratio: Covenant level 32.5%, equity ratio as defined in loan agreements was **39.0%**
  - Interest cover ratio: Covenant level 1.8x, Citycon's period end ICR **2.0x**

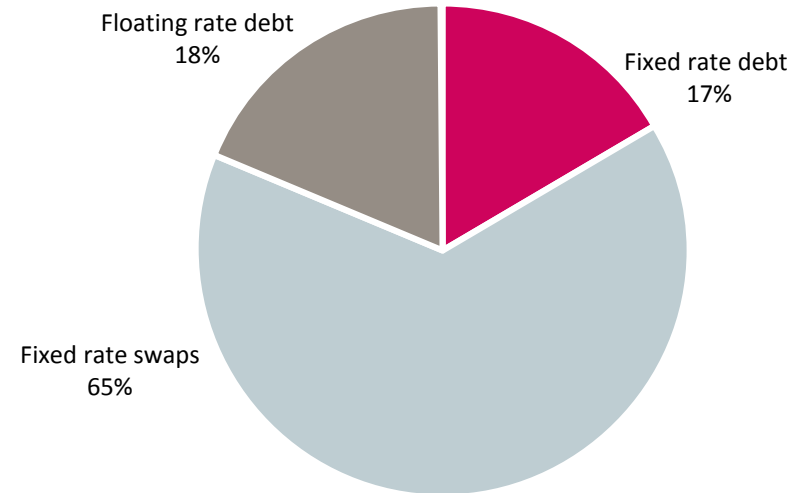
# Key Figures – Financing Overview

## Maturity profile of loans and derivatives



## Interest-bearing debt by fixing type

EUR 1,554.8 million <sup>1)</sup>



- During fourth quarter in 2011, the period-end interest-bearing **net debt increased by EUR 18.3 million** mainly as a result of stronger Swedish krona
- Access to long term financing – additional tranche of the 7-year term loan signed in August was confirmed in Q4 for EUR 25 million
- Conservative financing policy; **average loan maturity at 2.9 years** and average **time to fixing 3.6 yrs**

1) Carrying value of debt as at 31 December 2011 was EUR 1,547.9 million. The difference between fair and carrying value equals the capitalized fees of long term loan facilities and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

# Snapshot of Statement of Financial Position

Statement of Financial Position, EUR million	31 Dec 2011	31 Dec 2010
Investment property	2,522.1	2,367.7
Total non-current assets	2,540.1	2,378.1
Current assets	125.0	56.9
Assets total	2,677.7	2,436.5
Total shareholder's equity	961.8	900.2
Total liabilities	1,715.9	1,536.3
Liabilities and share holders equity	2,677.7	2,436.5

## KEY FIGURES

Equity ratio, %	36.0	37.1
Gearing, %	151.4	153.1
Equity per share, €	3.25	3.47
Net Asset value (EPRA NAV) per share, €	3.62	3.79
EPRA NNNNAV, €	3.29	3.49
Net Rental Yield (actual), %	6.0	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.4	6.4



# Property Portfolio

TOTAL PORTFOLIO	Q4/2011	Q4/2010	2011	2010
Number of leases started during the period	228	245	782	789
Total area of leases started, sq.m. <sup>1)</sup>	49,370	47,621	177,006	160,215
Average rent of leases started (EUR/sq.m.) <sup>1)</sup>	19.8	18.3	19.7	17.9
Number of leases ended during the period	284	294	877	1,279
Total area of leases ended, sq.m. <sup>1)</sup>	53,143	24,114	186,120	190,489
Average rent of leases ended (EUR/sq.m.) <sup>1)</sup>	16.5	20.0	17.9	16.2
Average rent (EUR/sq.m.)			19.7	18.7
Occupancy rate at the end of period, %			95.5	95.1

1) Leases started and ended do not necessarily refer to the same premises

# Ongoing (Re)development Projects

PROPERTY	AREA, sq.m. before and after	TOTAL ESTIMATED NEW INVESTMENT, MEUR	ACTUAL CUMULATIVE CAPEX, by the end of period, MEUR	Expected yield on completion when stabilized,% <sup>1)</sup>	Pre-leasing rate,%	EST. FINAL YEAR OF COMPLETION	
<b>Koskikeskus</b> Tampere, FIN	27 700 28 600	37.9	12.0	6.6	80%	Nov 2012	Redevelopment of the centre. The interior, the entrances, facades and all the technical systems will be thoroughly renewed. Better tenant mix.
<b>Myllypuro</b> Helsinki, FIN	7 700 7 300	21.3	21.3 <sup>2)</sup>	7.4	71%	May 2012	Building of a new retail centre replacing the existing one next to the Myllypuro subway station.
<b>Iso Omena</b> Espoo, FIN	60 600 63 000	7.6	0.6	-	63%	Nov 2012	Extension of shopping centre to former parking facility on the roof top on the second floor.
<b>Magistral</b> Tallinn, EST	9 500 11 900	7.0	2.3	8.3	80%	May 2012	The redevelopment and extension of the Magistral shopping centre.
<b>Åkermyntan</b> Stockholm, SWE	8 500 10 100	6.9	0.2	6.9	83%	Dec 2012	The redevelopment project, the shopping centre and its parking will be renewed and energy efficiency will be improved.

1) Yield on completion,% = Expected stabilized (third year after completion) net rents incl. possible vacancy / total investment (=total capital invested in property by Citycon)

2) The compensation of EUR 5.9 million and its tax impact received from Citycon of Helsinki has been deducted from actual gross investments

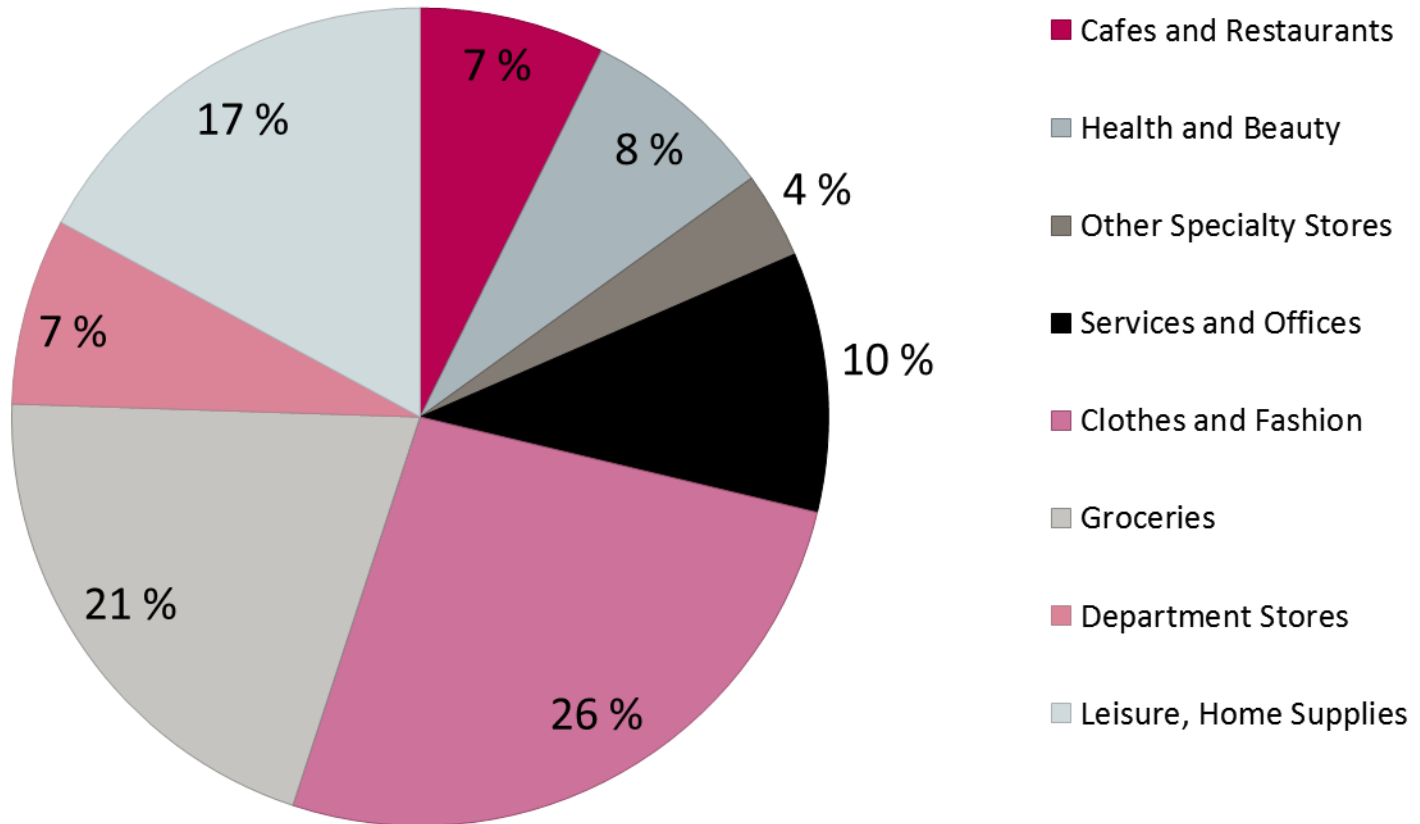
# Property Portfolio

- 5 (re)development projects completed in 2011, largest Åkersberga Centrum
- Occupancy rate **95.5%** (95.1%)
- **3,955 (3,765)** leases with an average length of **3.4 (3.2)** years
- GLA total was **999,270 m<sup>2</sup>**
- Rolling 12-month occupancy cost ratio for I-f-I shopping centres was **8.9%**
- Rents linked to CPI (nearly all the agreements). Year-end 2011, 49% of the leases are tied to tenant's turnover (43% at 31 Dec 2010)
  - Additional rent from turnover based rental agreements was 1.8% (1.3%) of GRI

Top 5 tenants	Proportion of rental income, 31 Dec 2011, %	Average remaining length of leases, yrs
Kesko	17.2 %	4.5
S Group	5.6 %	8.2
ICA	3.4 %	4.4
Stockmann	3.1 %	2.5
Tokmanni (Finnish discount chain)	1.7 %	4.8
Top 5, total	31.1 %	5.0

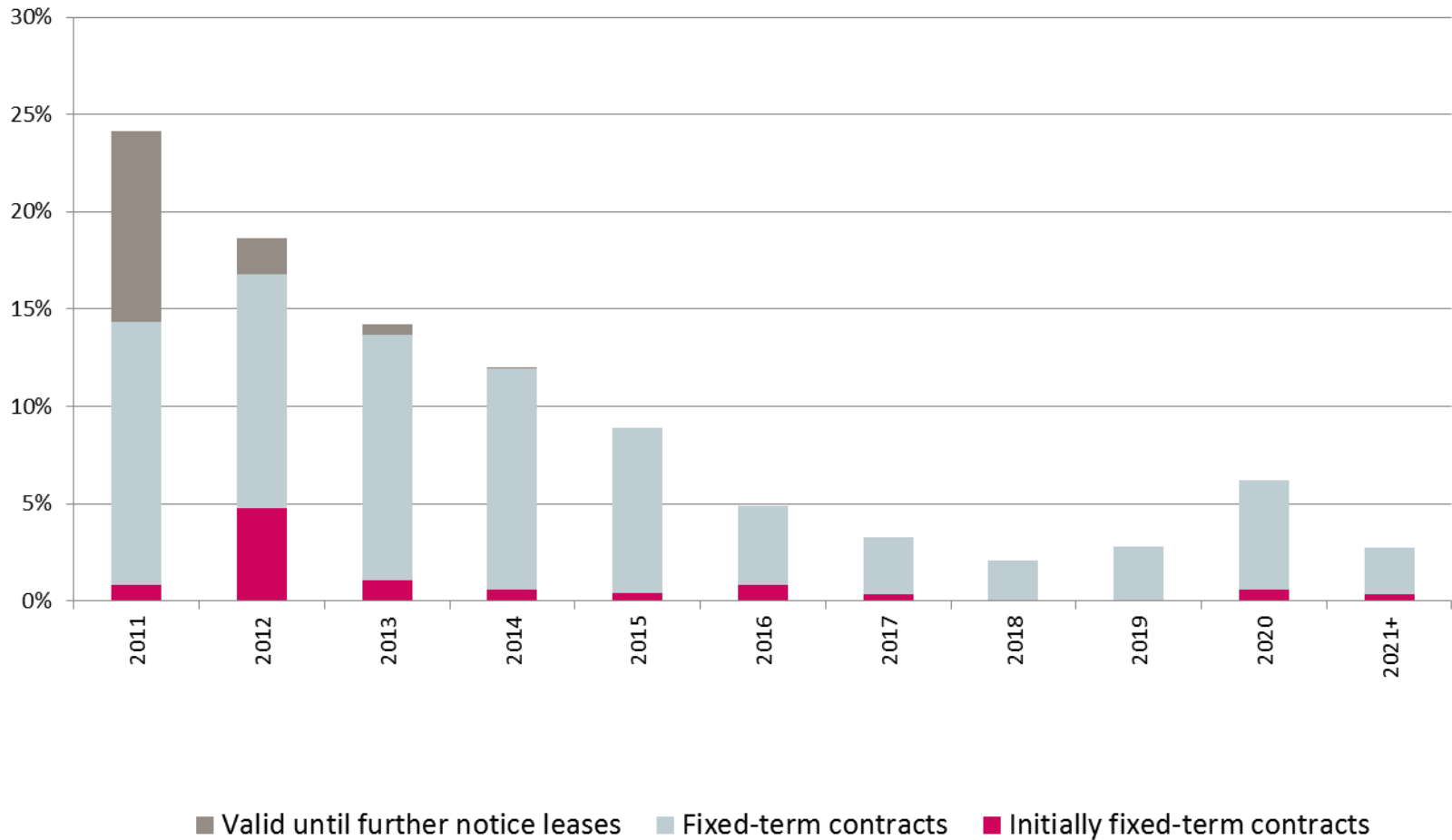
# Shopping Centre Rental Income by Branches, 31 Dec. 2011

Importance of Fashion is growing

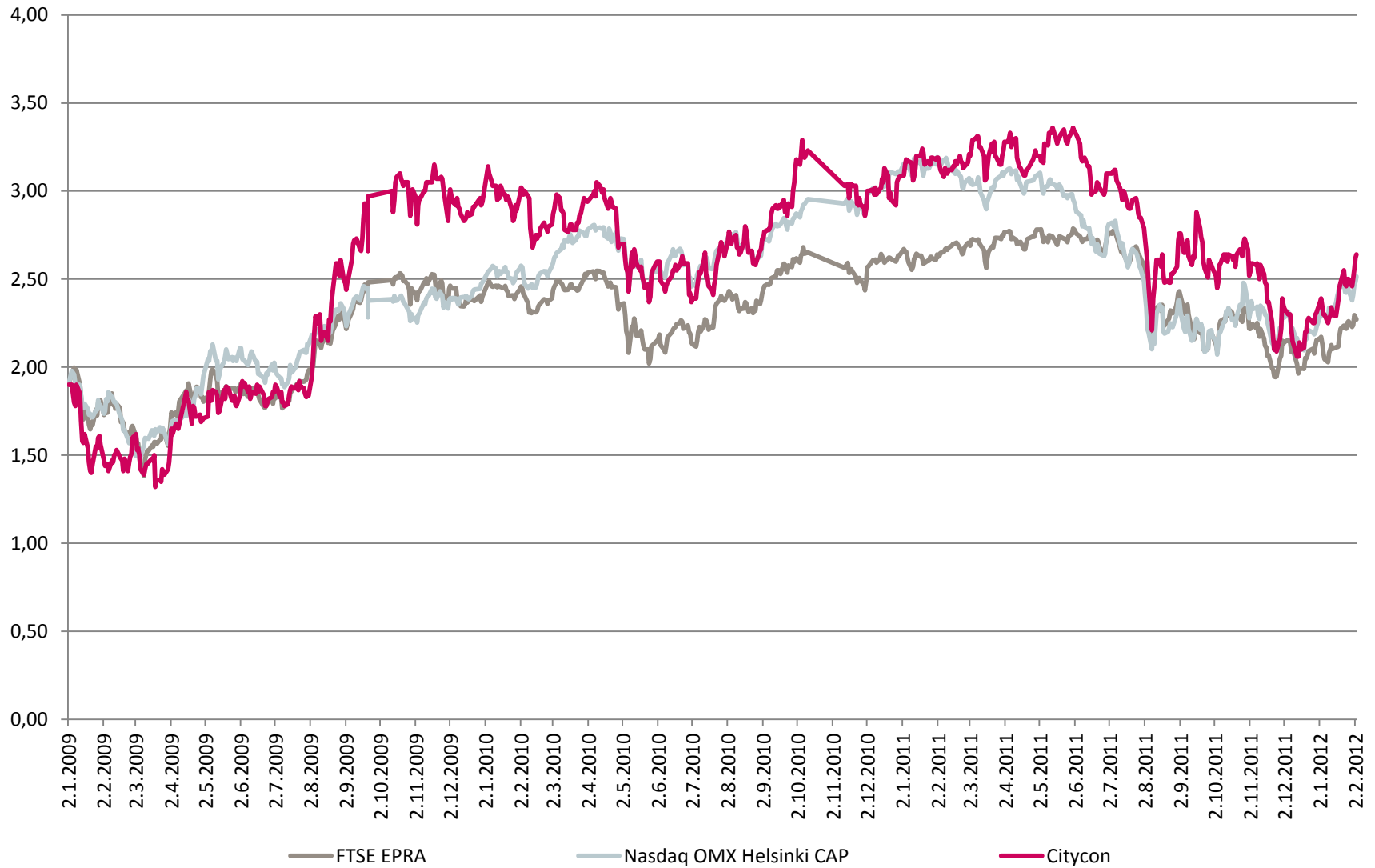


# First Possible Termination Year of the Lease by Contract Type

Average lease length increased to 3.4 years



# Share Performance<sup>1)</sup>



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