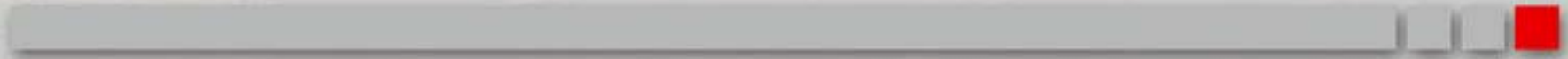


# CITYCON



## Webcasting Presentation

Q2 2008



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## Strategy

## Q2 Main Points

- Market environment

## Property Portfolio

- (Re)development projects
- Sustainable approach

## Key figures

- Q2 Highlights
- Financing overview



Iso Omena  
in Espoo

# Strategy

## Goals

- Growth (mainly organic)

## Sustainability

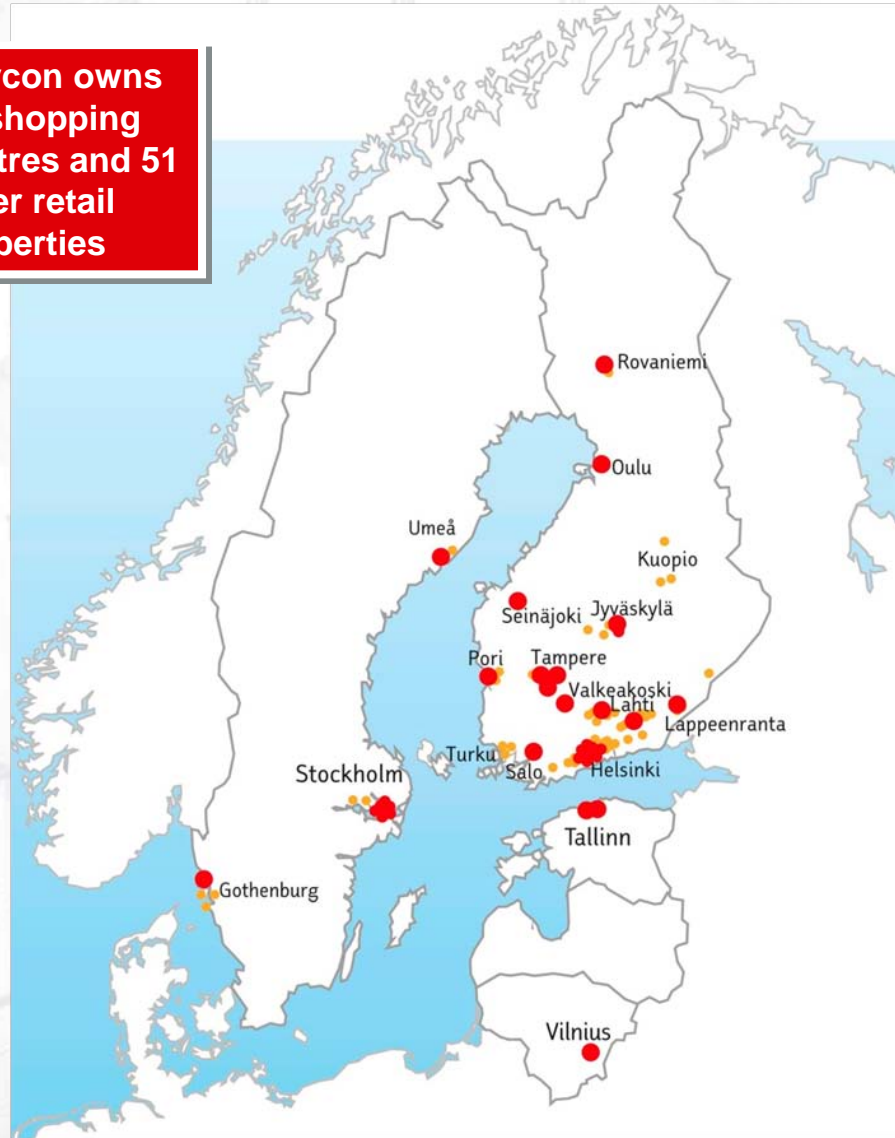
## Strategic focus

- Retail properties only
- Geographical focus

## Strong operating cash flow

## Expertise in retail real estates and financing

Citycon owns 33 shopping centres and 51 other retail properties



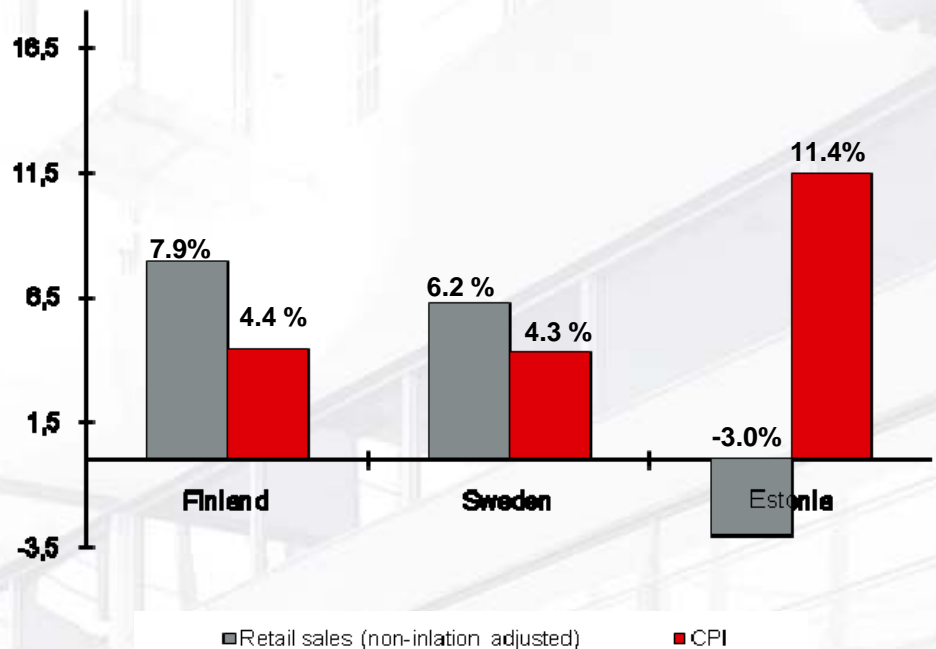
## Q2 Main Points

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- Direct Result at the same level as in Q1 2008
- Cash flow from operating activities remained steady
- (Re)development projects proceeded as planned
- Sustainability a key element in (re)development
  - 10-year loan agreement with NIB with competitive terms
- Financial position strong
- The market value of property portfolio was EUR **2,156.9** million (Q1/2008: EUR 2,226.6 m)
- The fair value losses were EUR **-84.7** million due to changes in property market
- The valuation yield **6.0%** (Q1/2008: 5.7 %) by external appraiser
  - Finland 6.0%
  - Sweden 5.7%
  - The Baltic Counties 6.9%

- Retail sales still growing in Finland and Sweden
- High inflation in all the operating countries
- Consumer confidence down
- Construction costs are growing, but not as rapidly as during 2007
- The spread in yield requirements between prime and other properties increased clearly also in Finland and Sweden (not only in the Baltic countries)

## Retail Sales and CPI, May 08



Sources:

CPI, Estonian Retail Sales: Reuters Knowledge, Statistics Estonia  
Retail Sales Finland and Sweden: Preliminary retail sales data for June, Statistics Finland and Statistics Sweden

# Pilot Projects in Sustainable Construction

Finland



## Trio

Total redevelopment of Lahti downtown shopping centre.

<b>GLA</b>	<b>32,300 m<sup>2</sup></b>
<b>Post-development area (GLA)</b>	<b>35,300 m<sup>2</sup></b>
<b>Total Estimated investment, EUR</b>	<b>60 million</b>
<b>Theoretical gross rental income, EUR *)</b>	<b>11.1 million p.a.</b>
<b>Estimated year of completion</b>	<b>2008</b>

Sweden

## Liljeholmstorget

Construction of a new shopping centre south of Stockholm CBD.

<b>GLA</b>	<b>20,100 m<sup>2</sup></b>
<b>Post-development area (retail, GLA)</b>	<b>28,000 m<sup>2</sup></b>
<b>Total Estimated investment, EUR</b>	<b>120 million</b>
<b>Theoretical gross rental income, EUR</b>	<b>21.5 million p.a.</b>
<b>Estimated year of completion</b>	<b>2009</b>



Estonia



## Rocca al Mare

Extension and redevelopment of existing shopping centre in Tallinn.

<b>GLA</b>	<b>28,600 m<sup>2</sup></b>
<b>Post-development area (GLA)</b>	<b>53,500 m<sup>2</sup></b>
<b>Total Estimated investment, EUR</b>	<b>68 million</b>
<b>Theoretical gross rental income, EUR</b>	<b>12.3 million p.a.</b>
<b>Estimated year of completion</b>	<b>2009</b>

# 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.	Post- development area, sq.m.	Total estimated investment, MEUR	Actual cumulative CAPEX by the end of the period, MEUR	Target year of completion
Liljeholmstorget	Stockholm	SWE	78	20 100	28 000	120	38.2	2009
Rocca al Mare	Tallinn	EST	75	28 600	53 500	68	25.5	2009
Trio	Lahti	FIN	124	32 300	35 300	60	42.0	2008
Torikeskus	Seinäjäki	FIN	13	11 300	12 000	4	2.1	2009
<b>Projects not yet approved, or partly approved, by the Board of Directors</b>								
Lippulaiva	Espoo	FIN	52	18 000	35 000	60-70	21.7	2011
Åkersberga Centrum	Österåker	SWE	58	26 000	35 200	27	4.4	2010
Tumba Centrum	Botkyrka	SWE	64	30 000	38 500	35-37	1.8	2011





## ROCCA AL MARE SHOPPING CENTRE

TALLINN, ESTONIA



Liljeholmenstorget  
construction  
in June 2008

# Key Figures

## Key Figures – 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%**
- Turnover increased by **26.1 %** to EUR 88.5 million (Q1-2/2007: EUR 70.2 m)
- 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

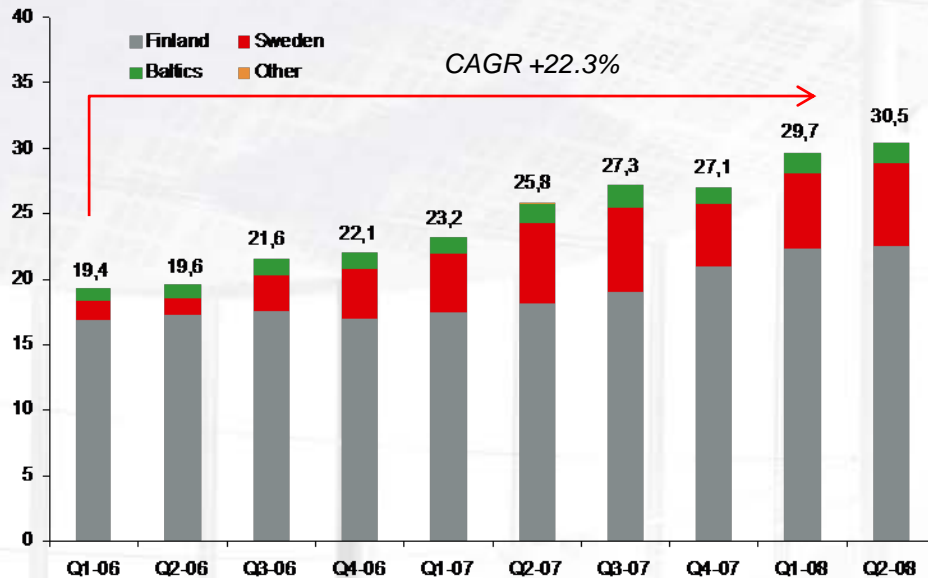
# Income Statement - Snapshot

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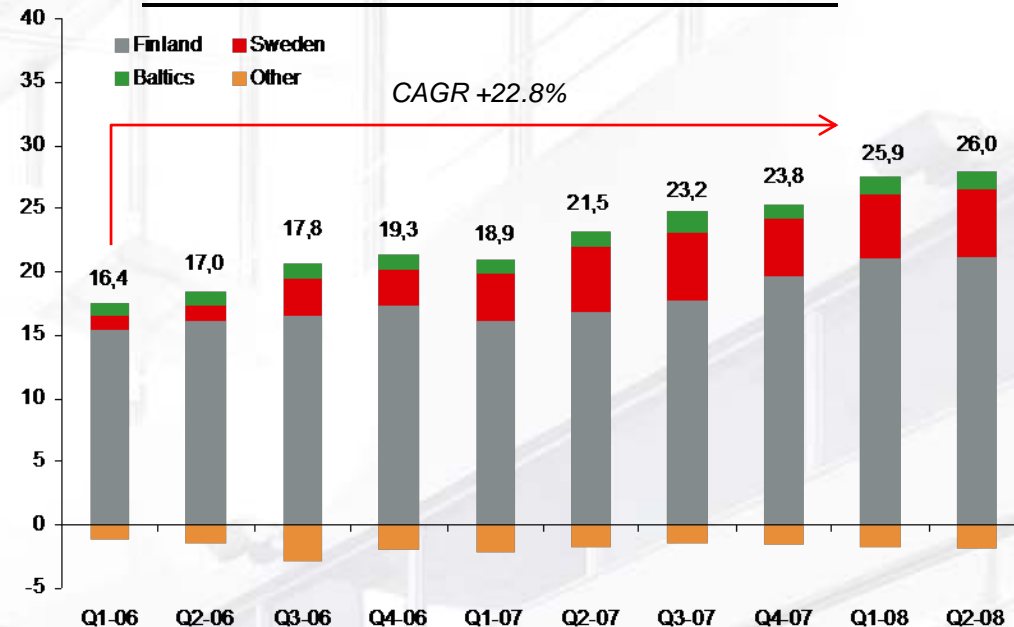
	Q2/2008	Q2/2007	Q1/2008	2 007
Gross rental income	43.4	34.1	41.7	143.7
Turnover	44.2	35.9	44.3	151.4
Net rental income	30.5	25.8	29.7	103.4
Administrative expenses	4.4	4.3	3.9	16.5
Net Fair value gains/losses on investment property	-84.7	160.1	1.4	213.4
Operating profit	-58.7	181.6	27.4	300.7
Net Financial 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

# Key Figures – Profitability

## Quarterly Net Rental Income by segments



## Quarterly Operating Profit<sup>1)</sup> 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

• Citycon Q2 Presentation

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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<b>Balance Sheet, EUR million</b>	<b>30 June 08</b>	<b>30 June 07</b>	<b>2 007</b>
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
<b>Key Figures</b>	<b>30 June 08</b>	<b>30 June 07</b>	<b>2 007</b>
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 NNNNAV, €	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

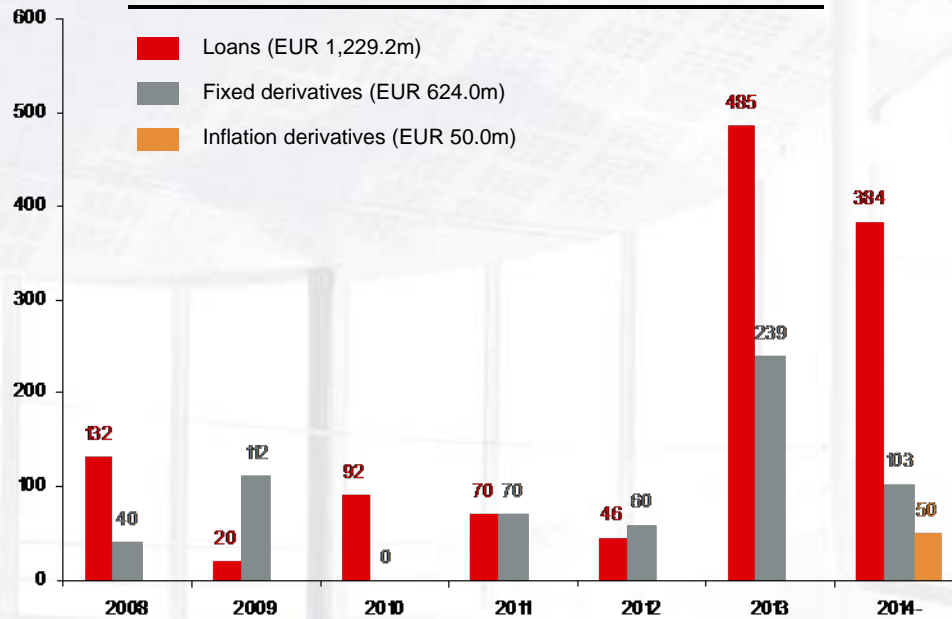
## Key Figures – Financing Overview

- 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

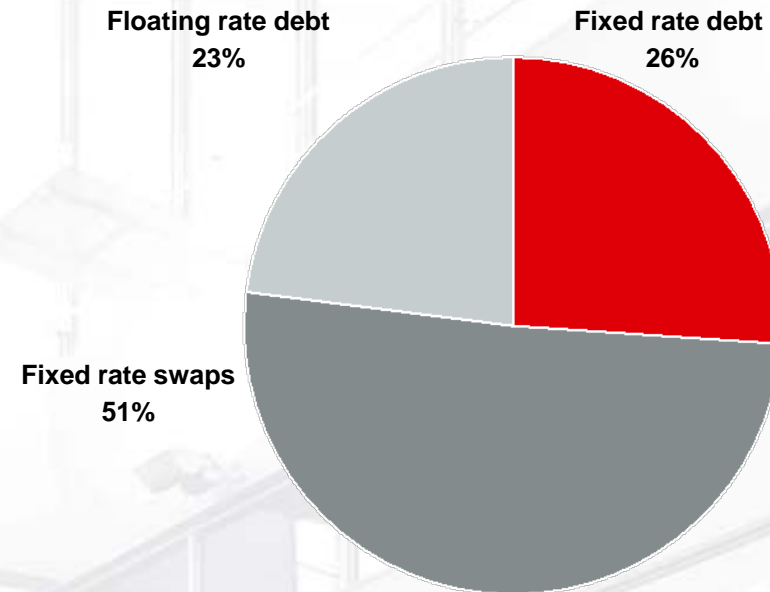


# Key Figures – Financing Overview

## Maturity profile of loans and derivatives



## Interest-bearing debt by fixing type EUR 1,229.2 million <sup>1)</sup>

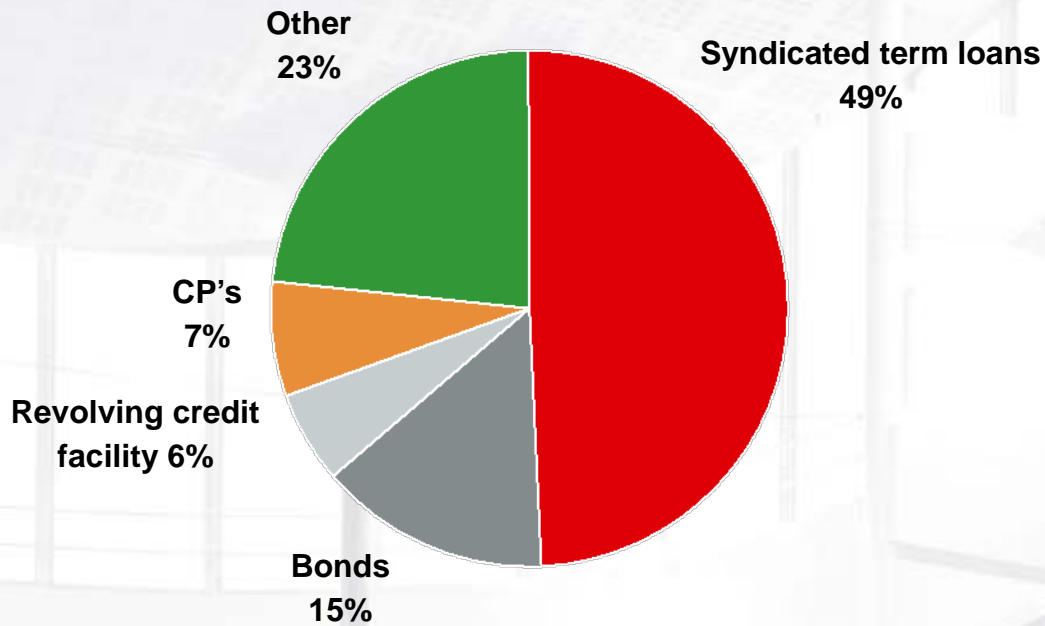


- Period-end interest rate was **4.88%** for the total portfolio.
- High hedging ratio maintained at **77%** (79% at the end of Q1)

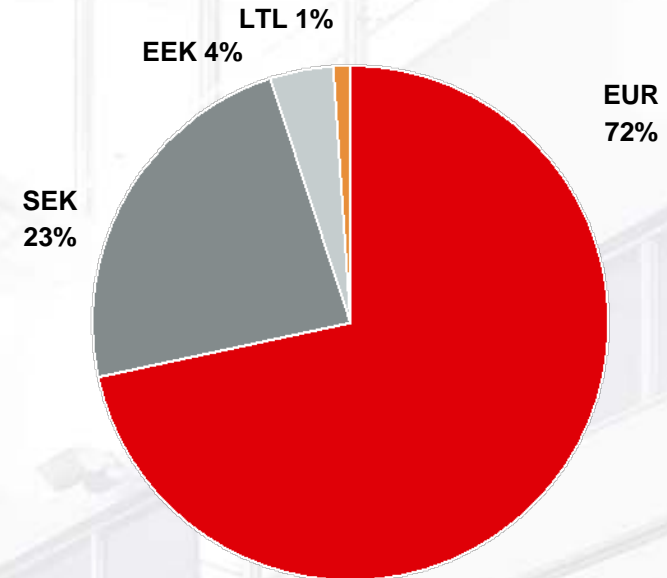
# Key Figures – Financing Overview

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Breakdown by debt type  
EUR 1,229.2 million <sup>1)</sup>



Breakdown by currency  
EUR 1,229.2 million <sup>1)</sup>



- 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

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