CITYCON

VALUATION STATEMENT
30 JUNE 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 June 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 re-inspected nine properties during Q1 2012 and seven properties during Q2 2012. 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 European economy is currently characterised by low consumer and business confidence, tight credit conditions, high and rising unemployment, low wage growth, elevated inflation and high oil prices. Among the major EU economies, GDP growth is expected to slow sharply in 2012 to just 1% in Germany and 0.4% in the UK while no growth is anticipated in France. However, these forecasts have been upgraded compared to the start of this year. Forecasts for Italy and Spain have been further downgraded as fiscal consolidation hits hard. The Nordics and CEE are expected to outperform but growth prospects for this year remain low, and significantly below the last year's growth rate.

Finland

In 2011, GDP expanded by 2.9% according to Statistics Finland, which means that Finland clearly outperformed the Eurozone average. In the first quartile of year 2012 GDP growth was 0.8% compared the previous quartile and 1.7% compared to Q1 2011. However, export driven Finnish economy has been affected by weakening economic prospects globally. Finland experienced a drop in exports of 0.2% in Q1 2012 compared to the Q1 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 almost 2%. For year 2013 all the current forecasts promise expansion but the variance is wide starting from under 1% up to 2.5%.

Although consumer confidence in the economy has been weakening and was clearly below its long-term average in June (5.8 vs. 12.9 since year 1995), retail sales have continued to increase although the increase is more modest than previously. According to Statistics Finland, retail sales rose by 1.4% in April (year-on-year) and the sales volume drop by 2.2%.

Sweden

GDP growth was 4.0% in 2011, 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 2.3% per annum on average during the period 2012-2014, compared with 1% 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 non-daily 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.

Estonia

Estonian retail sales grew by 10% at constant prices during first 4 months of 2012 Estonia's economic growth in 2012 is set to slow due to the external environment, but the slowdown will not be as extensive as forecasted last year. The more optimistic GDP real growth expectation (+2.6%) is based on solid domestic demand at the first half of the year. The sovereign debt crisis in Europe means that Estonian main trading partners' economic growth, i.e. external demand, will remain modest in 2012. Inflation has slowed down to 4.2% over last year and is continuing to decelerate further in 2013.

In April the revenues of retail trade enterprises were 431 million euros, out of which the retail sales of goods accounted for 81%. Compared to April 2011, the revenues from sales increased by 13% at current prices. Compared to the previous month, this indicator stayed at the same level.

Lithuania

Lithuanian economy has performed better than forecasted in 2011. Domestic demand, and the private consumption expenditure in particular, is the biggest contributor to GDP growth. Although there is a lot of uncertainty in global economic outlook Lithuanian economy grew strongly during first two quarters in 2012. It is projected that the real GDP of Lithuania will increase by 3.0% in 2012 and 3.5% in 2013. Annual inflation will drop from 4.1% in 2011 to 2.9% in 2012, but the Bank of Lithuania has raised annual inflation outlook during last months.

In April 2012 the revenues of retail trade enterprises grew by 1.5 per cent year-on-year at constant prices. During four first months of 2012, the revenues of enterprises trading in food products increased by 1.4% over the year at constant prices, of those trading in non-food products – increased by 13.8%.

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. Despite a retail investment volume in H1 2012 which was about 25% higher than the figure for H2 2011, no major increase is forecast in transaction volumes for the year 2012. As a result of strong investment demand, shopping centre prime yields have remained stable but the secondary yields are facing upward pressure.

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.

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 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 increased from SEK 3.22 billion for the first half of 2010, to SEK 8.537 billion for the first half of 2011. In H1 2012, the retail property transaction volume was some SEK 3.38 billion, which is 40% of the volume recorded for the first half of 2011. In H1 2012, retail property transactions accounted for 9% of the total transaction volume for Sweden, with most volume accounted for by office (45%) and residential (29%) transactions.

In H1 2011, 94% of retail property investment transactions involved either an international vendor or purchaser, compared with 70% in 2010. In H1 of 2012, some 69% of retail transactions were cross border, due to which the trend, of a very high percentage of transactions being made by cross border investors, will continue.

Yields for prime shopping centres are currently in the region of 5.50% and 6% for prime retail warehouse parks, and have remained stable over the last 4 quarters.

Estonia

Retail is the most actively developing sector of the Estonian commercial real estate market. Demand for shopping centre space has been growing as shopping in centres increases its share of shopping behaviour and retail chains expand cautiously. 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 m2 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, main transactions have taken place in super- and hypermarket sub-segments. Retail yields have dropped below 8%.

Lithuania

Second quarter of 2012 has not brought changes to retail market. Two foreign developers have plans to develop new shopping centres in Vilnius, but the launch schedules have been postponed several times and construction works are not expected to be started within 24 months. 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

The property portfolio consists mainly of retail properties located in Finland, Sweden, Estonia and Lithuania. Citycon Oyj fully or partly owns a total of 76 properties, of which 58 are located in Finland, 14 in Sweden, 3 in Estonia and one in Lithuania. The core of the portfolio is 35 shopping centre properties, which comprise 78% of the portfolio's leasable area and represent most of its value. In addition to the shopping centres, there are other commercial properties and development properties. Except one plot in the Helsinki metropolitan area, all of the owned properties have been built.

Since the previous valuation, Citycon has sold two properties; part of Tumba centrum and Jakobsberg Bostäder 3 AB. Both of the sold properties are located in Sweden in Stockholm area. In addition Citycon has purchased remaining part of the Koskikeskus shopping centre located in Tampere, Finland and owns now 100% of the shopping centre.

The total fair value of the portfolio in Q2 2012 was approximately MEUR 2,570. Comparing the Q1 2012 fair value of the portfolio, the fair value increased by MEUR 28 i.e. 1.1% but the weighted average yield requirement of the portfolio remained the same (6.4%) as in Q1. The increase in fair value is mainly driven by investments made in Q2 and an increase in rents.

In the table below, 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 1,574, the value of the portfolio increased by 1.6% (MEUR 25), compared to the Q1 value. The weighted yield requirement (6.3%), the weighted initial yield (6.1%) and the reversionary yield (6.9%) remained the same as in the previous quarter. 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 706, meaning that the portfolio's value has decreased by 0.2% since Q1, when it was MEUR 707. The decrease is due to the disposed properties. The weighted average yield requirement for the Swedish portfolio remained the same as in previous quarter, at 5.9% in Q2. Both the weighted average initial yield (5.8%) and the weighted average reversionary yield (6.7%) have remained also same as in Q1.

Properties in Estonia and Lithuania

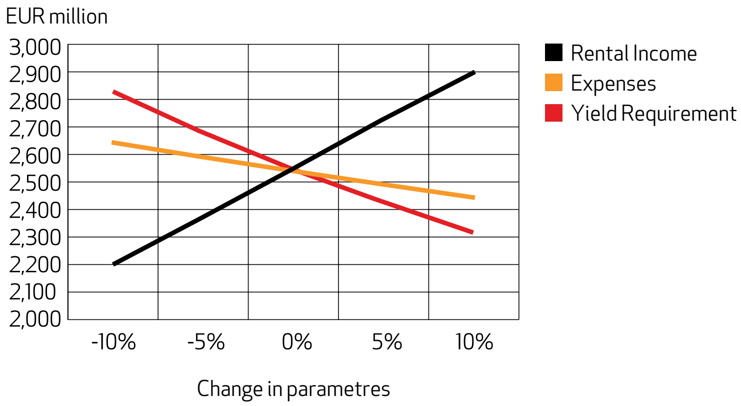
The value of the Estonian and Lithuanian portfolio is MEUR 290. Compared to the Q4 value, this represents a 1.5% increase in value. The weighted average yield requirement of the portfolio has decreased 10bps being now 7.9%. The weighted average initial yield increased to 8.4% (8.3% in Q1) and the weighted average reversionary yield fell to 8.1% (8.3% in Q1).

30 June 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	58	1574	6.3%	6.1%	6.9%	25.6	6.3
Sweden	14	706	5.9%	5.8%	6.7%	24.8	7.2
The Baltic Countries	4	290	7.9%	8.4%	8.1%	20.9	3.6
Total	**76**	**2.570**	**6.4%**	**6.3%**	**7.0%**	**24.8**	**6.2**
Finland							
Helsinki Metropolitan Area							
Shopping Centres	10	800	5.8%	5.7%	6.2%	28.3	7.1
Other retail properties	19	87	8.0%	7.5%	9.1%	16.2	5.0
HMA Total	**29**	**887**	**6.0%**	**5.9%**	**6.5%**	**27.2**	**6.9**
Other parts of Finland							
Shopping Centres	12	571	6.4%	6.1%	7.0%	25.5	5.8
Other retail properties	17	117	7.8%	7.7%	9.4%	13.4	3.6
Other total	**29**	**688**	**6.6%**	**6.4%**	**7.4%**	**23.5**	**5.5**
Sweden							
Greater Stockholm Area and Umeå							
Shopping Centres	8	607	5.8%	5.6%	6.5%	26.3	7.6
Other retail properties	2	21	7.2%	7.5%	7.6%	16.2	4.7
Total	**10**	**628**	**5.8%**	**5.7%**	**6.5%**	**26.0**	**7.5**
Greater Gothenburg Area							
Total	**4**	**78**	**6.9%**	**6.6%**	**7.7%**	**15.0**	**5.2**
The Baltic Countries							
Total	**4**	**290**	**7.9%**	**8.4%**	**8.1%**	**20.9**	**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 June 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 June 2012, is as follows:

€ 2,570,000,000
(Two Thousand Five Hundred Seventy Million Euros)

Yours faithfully

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