Webcast Presentation

Financial Results 2009

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.

Geographical overview

FINLAND

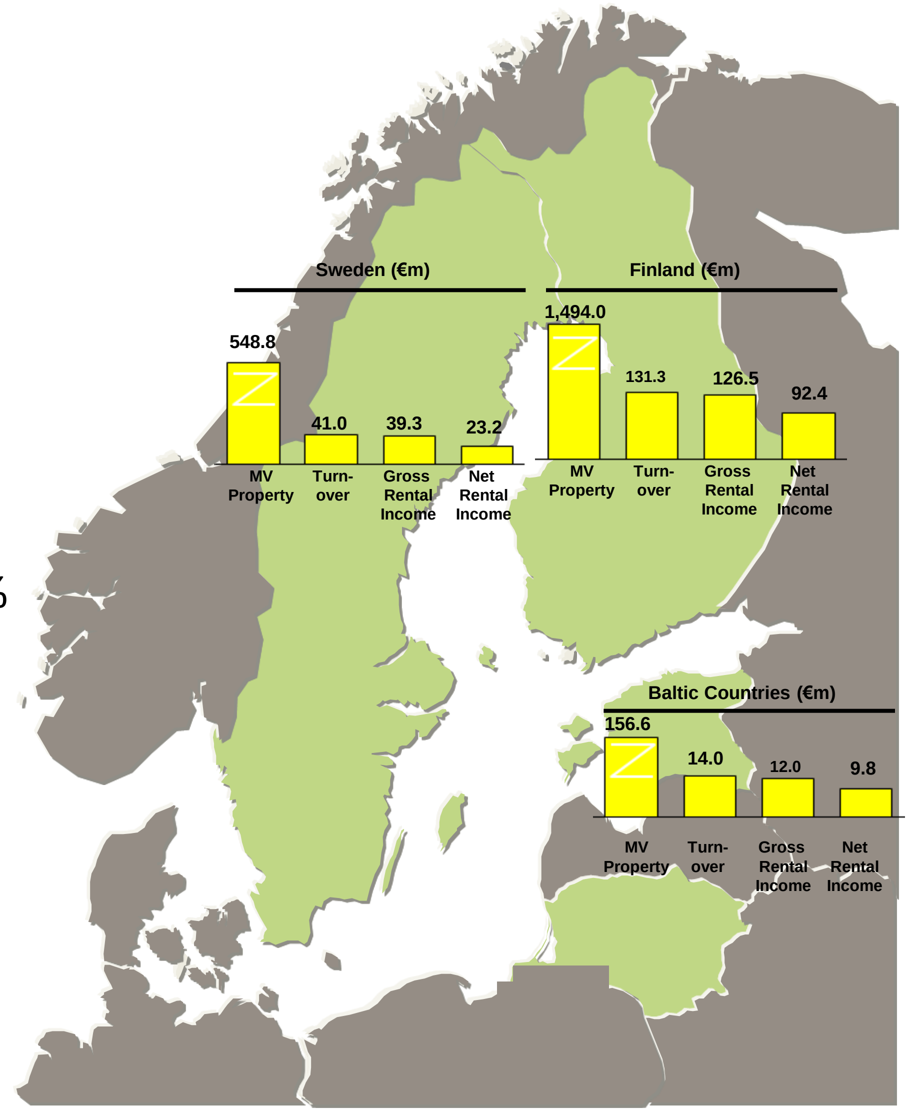
- 73.7% of total net rental income in 2009
- Net rental income growth of 1.6% to EUR 92.4 million
- Market leader with 22% market share

SWEDEN

- Net rental income accounted for 18.5% of Citycon's total net rental income
- Net rental income EUR 23.2 million

BALTIC COUNTRIES

- NRI 7.8% of Citycon's total NRI
- Net rental income rose by 44.6% to EUR 9.8 million



Main points of 2009

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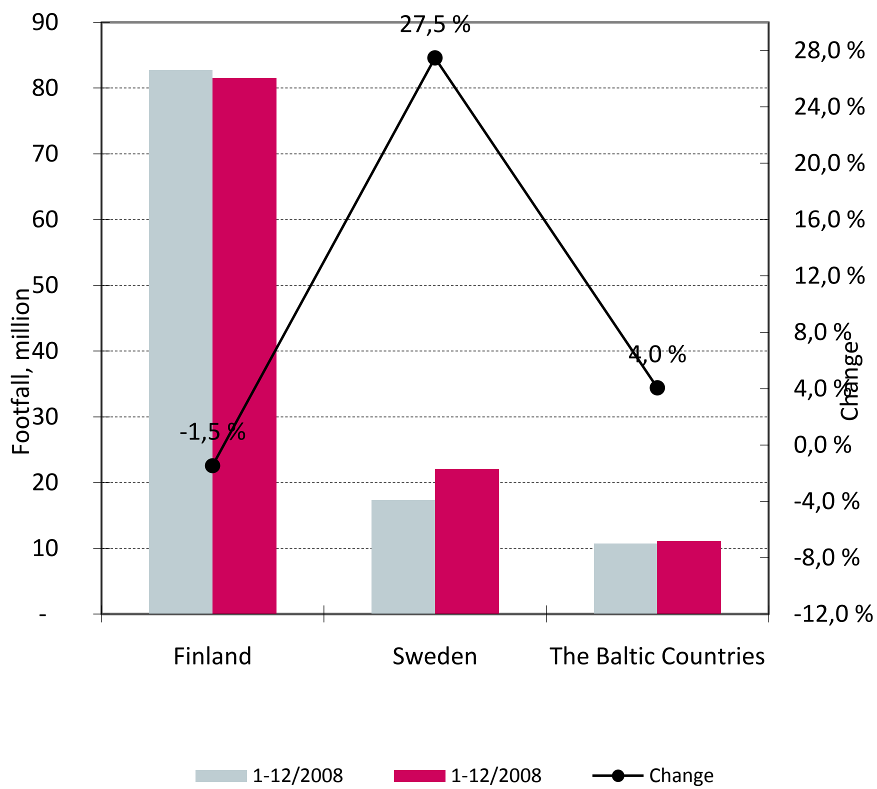
Main points

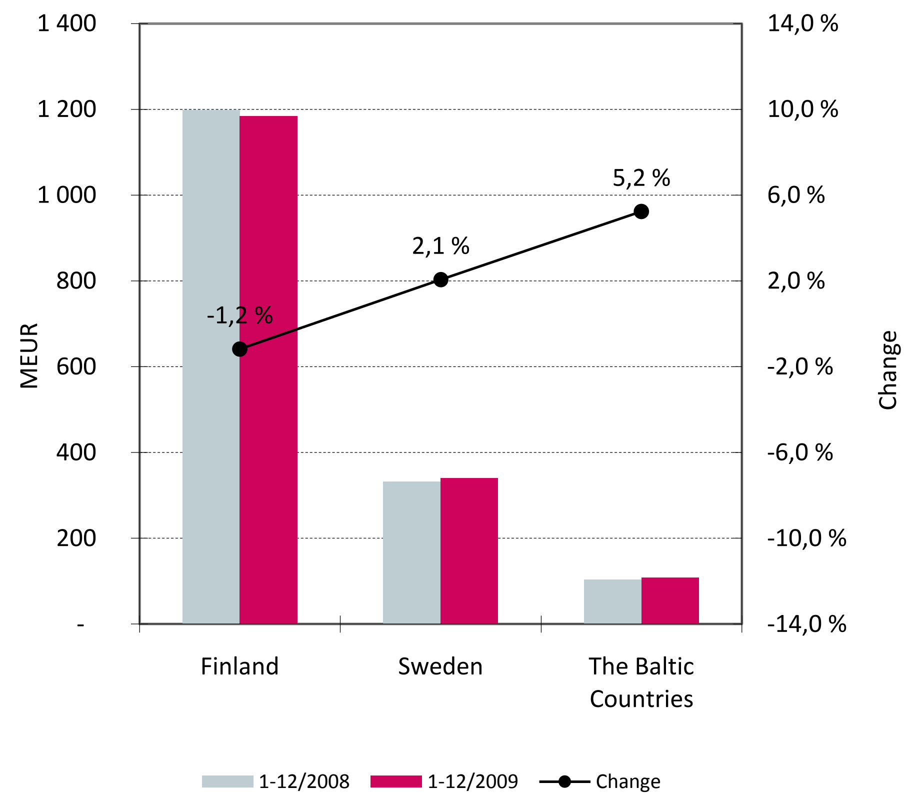
- All time high CFPS and Direct EPS, supported by lower financing costs
- Liljeholmstorget and Rocca al Mare (re)development projects ready
- New (re)development projects started in 2009
- Strong net cash from operating activities, low net financial expenses
- Conservative valuation: the market value of property portfolio was EUR **2,147.4** million (Q3/2009: EUR 2,162.7 m)
- Occupancy rate was **95.0%** (96.0%)
- The valuation yield **6.6%** (Q3/2009: 6.6%) by external appraiser.
  - FINLAND: 6.6%
  - SWEDEN: 6.4%
  - BALTIC COUNTRIES: 8.1%

Sales and footfall

Accumulative shopping centre footfall, Jan-Dec 2009



Accumulative shopping centre sales, Jan-Dec 2009



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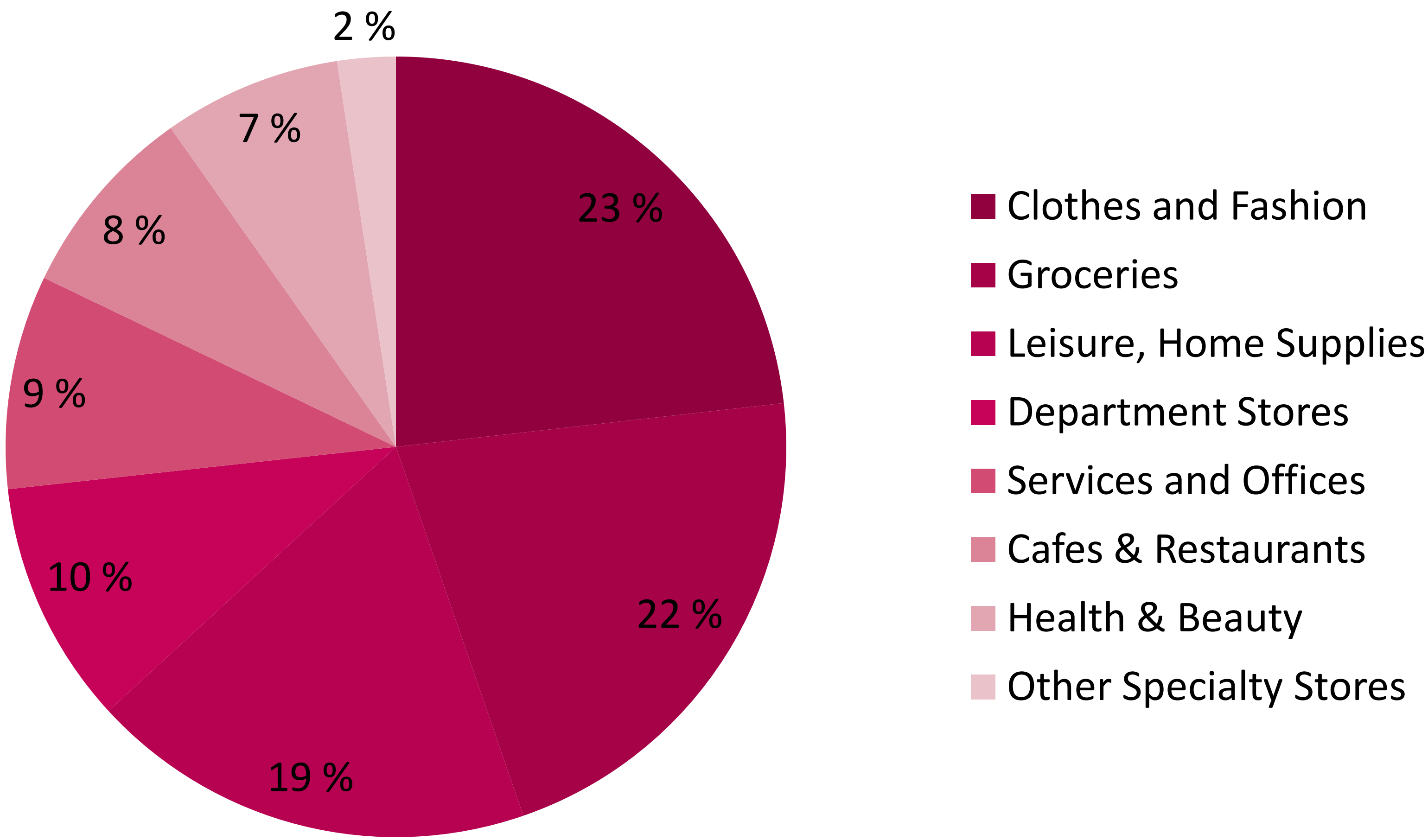
Shopping Centre Rental Income by Branches based on valid rent roll at 31 Dec. 2009



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Business environment

Business environment

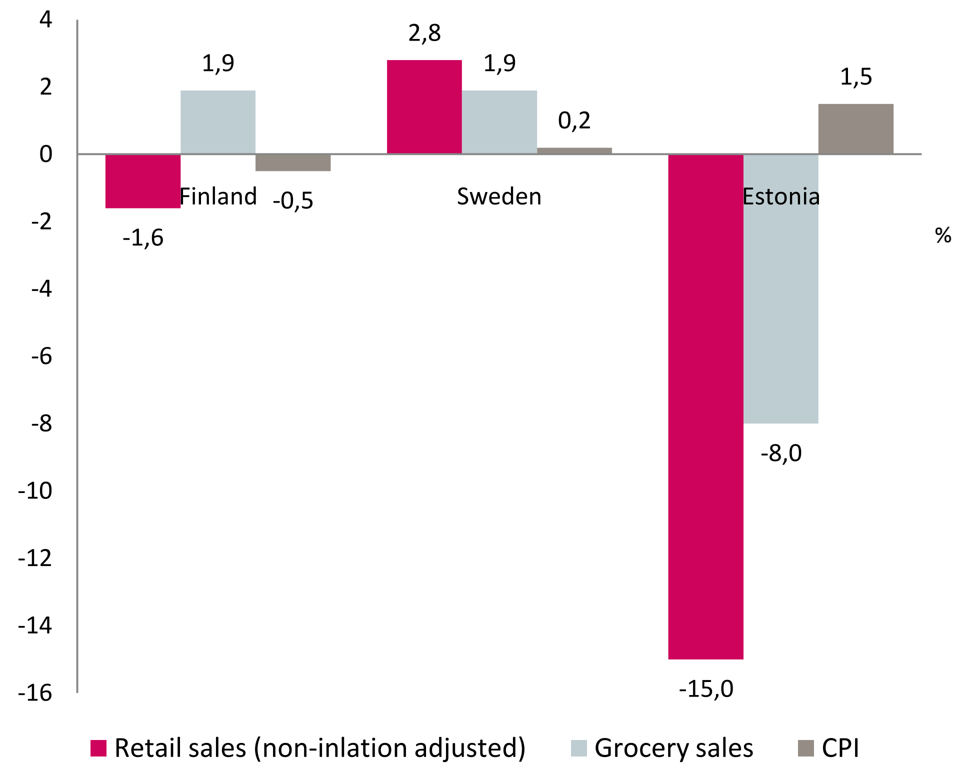
Occupancy rates in shopping centres continue to be high both in Finland and in Sweden. (Jones Lang LaSalle, Nordic City Report, Autumn 2009)

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

Unemployment rates still a concern.

Construction costs have decreased clearly, which supports Citycon's property development business.

RETAIL AND GROCERY SALES, CPI, DEC 09



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

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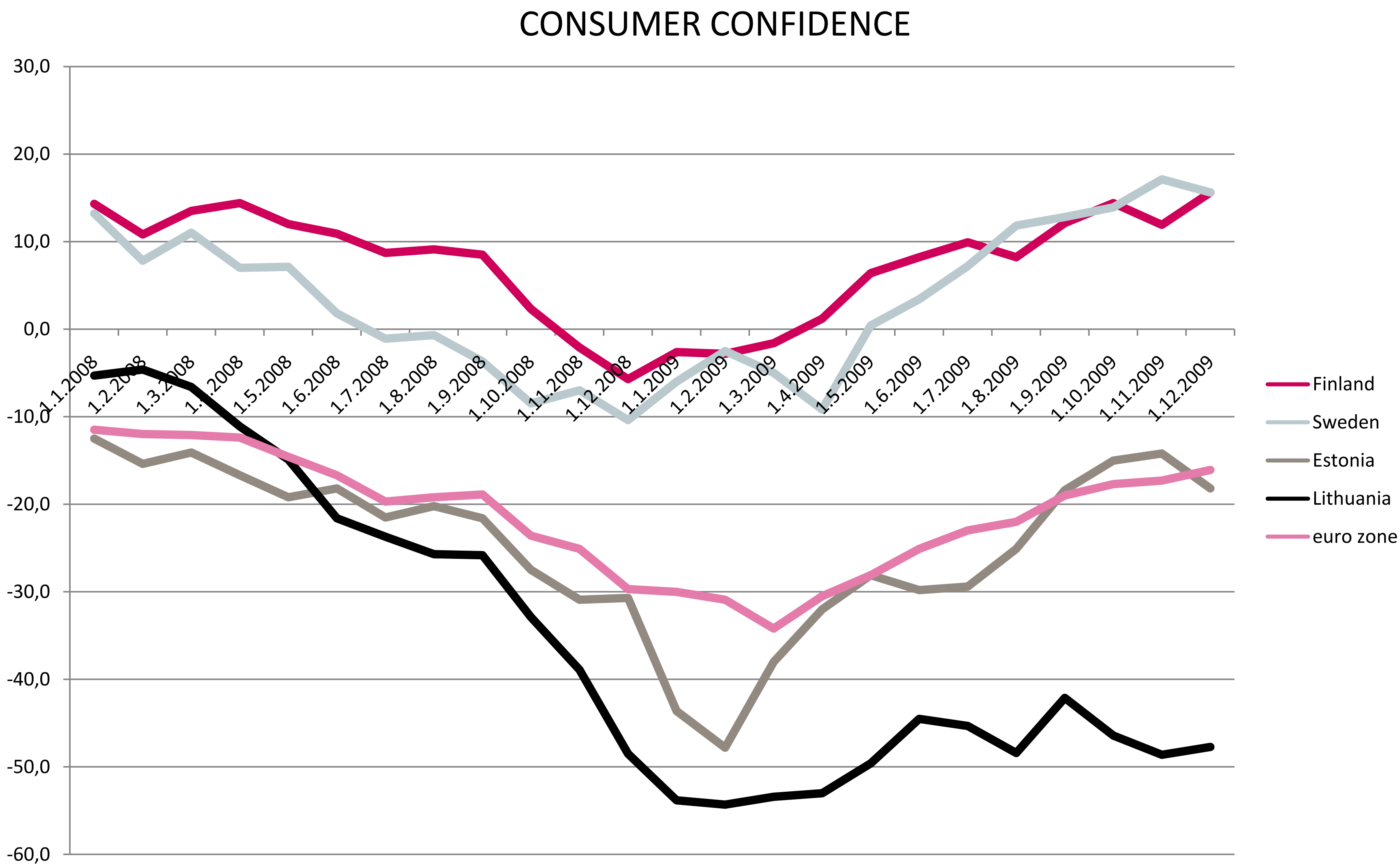
Business environment



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.

(Re)development projects

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Completed Projects

LILJEHOLMSTORGET

The largest development project in Citycon's history!
Construction of a new shopping centre south west of Stockholm city centre. Location is the major traffic hub. Existing building is totally refurbished, new centre is built adjacent to subway station. Pilot project in sustainable construction.

Retail GLA, sq.m.	28,000
Office and health care centre GLA, sq.m.	12,300
Parking hall with 900 spaces, sq.m	32,400
Total estimated new investment, EUR m	138 [1)]
Actual cumulative CAPEX end of period, EUR m	132.1
Completion	October 2009

1) Does not incl. the apartments to be sold

Completed Projects

ROCCA AL MARE

Extension and redevelopment of existing centre west of Tallinn city centre. After the project Rocca al Mare is the largest centres in Estonia and Citycon took over almost a quarter of the Tallinn shopping centre market. Anchor tenant largest Prisma hypermarket in Estonia. Pilot project in sustainable construction.

Original GLA, m^2	28,600
Post-development area (GLA), m^2	53,500
Total Estimated new investment, EUR m	58.3
Actual cumulative CAPEX end of period, EUR m	49.9 [1)]

Completion November 2009

[1)] Remaining capex payable in 2010

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	
Åkersberga Centrum	Österåker, SWE	20 000 33 000	45.6	12.0	Refurbishment and extension of the shopping centre in the Greater Stockholm area.
Torikeskus	Seinäjoki, FIN	11 300 11 500	4.0	2.7	Refurbishment of the interiors of the shopping centre underway.
Forum	Jyväskylä, FIN	15 100	16.0		Refurbishment of interior premises (12 000 sq.m) of the shopping centre.
Myllypuro	Helsinki, FIN	7 700 7 300	20 .0		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		Refurbishment of 10400 sq.m. of interior premises and the parking facility.
Hansa (Trio)	Lahti, FIN	8 000	8.0	0.5	The refurbishment of Hansa property located next to Trio.
Myyrmanni	Vantaa, FIN	8 400	4.8	0.6	Refurbishment of the first floor premises and tenant improvements on the ground floor.
Pori Anttila	Pori, FIN	7 600	3.0	1.5	Refurbishment of the retail premises in two phases.

Ongoing (re)development projects

ÅKERSBERGA CENTRUM

Refurbishment and extension of existing shopping centre in affluent Österåker Greater-Stockholm area, north east of the CBD.
75% pre-let, the anchor tenant is a large ICA-Kvantum grocery store. Project started in summer 2009. Minority owner (25%) local real estate company owned by the municipality.

Retail GLA before project start, sq.m.	20,000
Post-development area (GLA), sq.m.	33,000
Total Estimated investment, EUR m	45.6
- divestment of apartments EUR 16.7 m	
- share of minority owner 25%	
Citycon's estimated new investment, EUR m	20.5
Citycon's cumulative CAPEX end of period, EUR m	12.0
Completion	2011

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Ongoing (re)development projects

FORUM in Jyväskylä

Refurbishment of existing downtown shopping centre in vivid university town of Jyväskylä in Central Finland.
70% pre-let. Mostly fashion, cafes and restaurants as tenants.

Retail GLA, sq.m.	15,100
Project area (GLA), sq. (approx.)	12,000
Total Estimated investment, EUR m	16
Completion	November 2010

Sustainability

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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

Key Performance in 2009

- The first LEED certificate in the Nordic countries was awarded to Trio shopping centre.
- The Green Shopping Centre Management programme was launched.
- Action was taken to improve environmental reporting, and the first report was published.
- Citycon took part in the GRI development work in the property and construction industry.
- Citycon participated in the Ilmastotalkoot climate campaign.

Green Shopping Centre Management Program

Tool for Shopping Centre Management

Internal benchmark

- Energy
- Water
- Waste
- Refrigerants
- Transport
- Procurement
- Training
- Marketing
- Monitoring

- Green thinking in action
- Recognition of Development areas

Key Results

Land use and Sustainable project development

- The first LEED certificate in the Nordic countries was awarded to Trio shopping centre
- Certification processes proceeded according to the schedule
    - Rocca al Mare was awareded first LEED certificate in January 2010
    - Liljeholmstorget is aiming for a platinum level certificate

➢ Action points: Definition of property-level targets and action programmes

Key figures

Financial targets

GROWTH

DIVIDENDS

EQUITY RATIO

Continued expansion through property development and selective acquisitions

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

Solid distribution policy

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

- For 2009 the board of directors propose a per-share dividend EUR 0.04 and return from invested unrestricted equity fund EUR 0.10
- EUR 0.14 distribution 6 years in a row

Strong balance sheet

Internal long – term equity ratio target 40 per cent

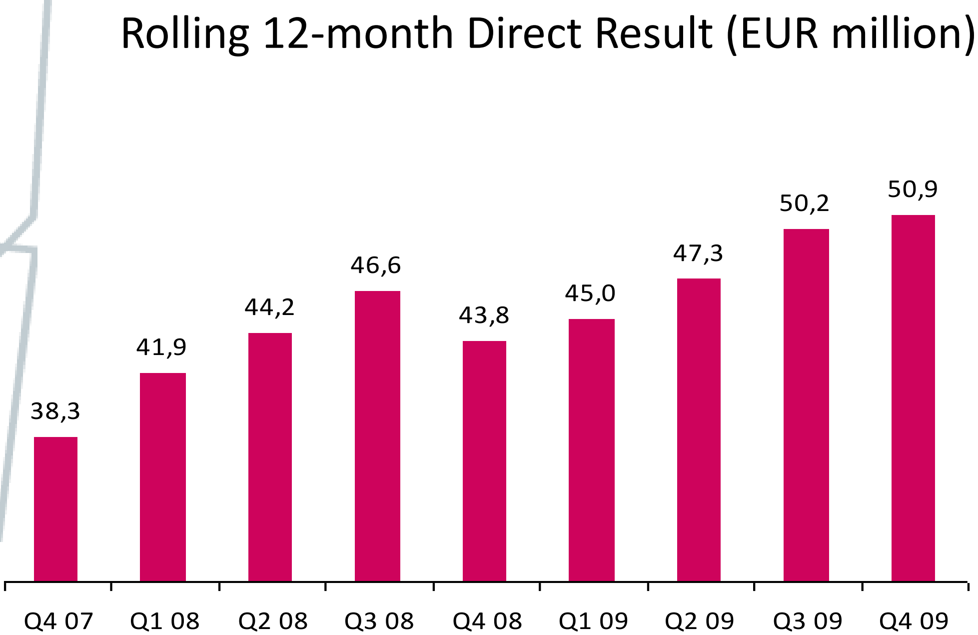
- Equity ratio 34.2 % as of 31 December 2009

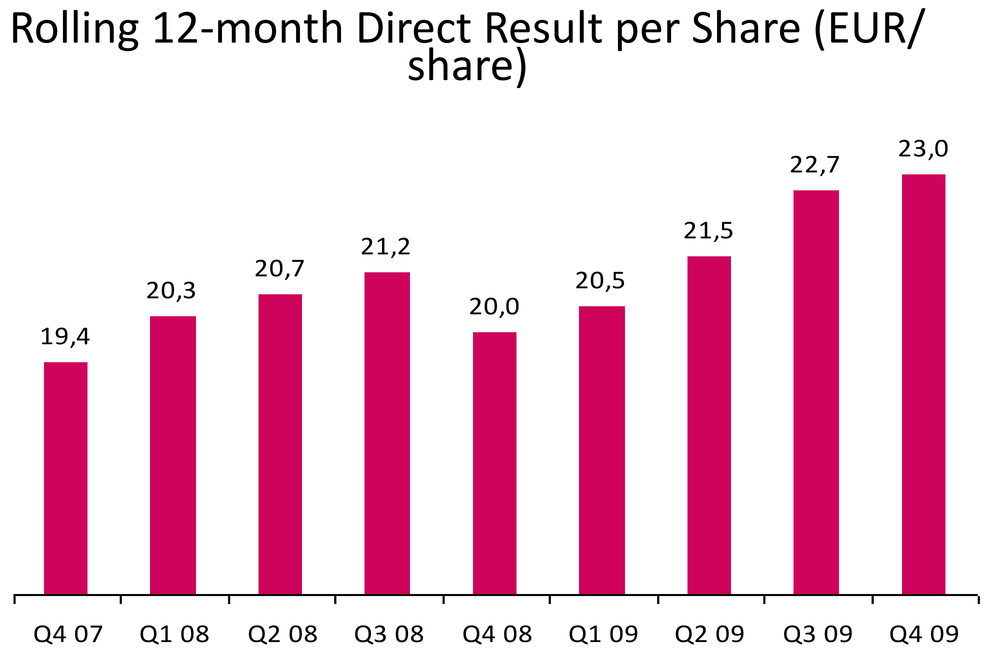
Snapshot of statement of comprehensive income

EUR million	2009	2008
Gross rental income	177.8	173.0
Service charge income	8.5	5.3
Turnover	186.3	178.3
Property operating expenses	60.2	56.3
Other expenses from leasing operations	0.7	0.2
Net rental income	125.4	121.8
Administrative expenses	17.8	16.9
Net Fair value losses/gains on investment property	-97.4	-216.1
Operating loss/profit	10.3	-105.0
Net Financial income and expenses	47.7	57.3
Loss/profit before taxes	-37.5	-162.3
Current taxes	-6.5	-6.6
Change in deferred taxes	7.0	30.0
Loss/profit for the period	-36.9	-138.9
Other comprehensive expenses/income for the period, net tax	-3.0	-35.6
Total Comprehensive loss/profit for the period	-39.9	-174.6

EPS (basic), EUR	-0.16	-0.56
EPS (diluted), EUR	-0.16	-0.56
Direct Result	50.9	43.8
Indirect result	-85.2	-167.9
Direct EPS (diluted), EUR (EPRA EPS)	0.23	0.20
Net cash from operating activities per share, EUR	0.30	0.21
Loss/profit for the period attributable to parent company shareholders	-34.3	-124.1

Key Figures – Profitability

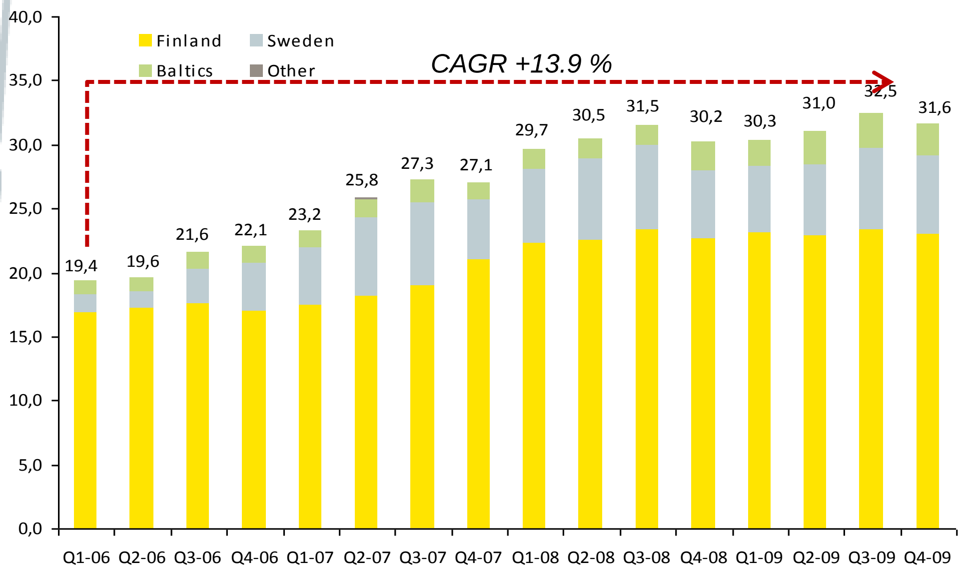




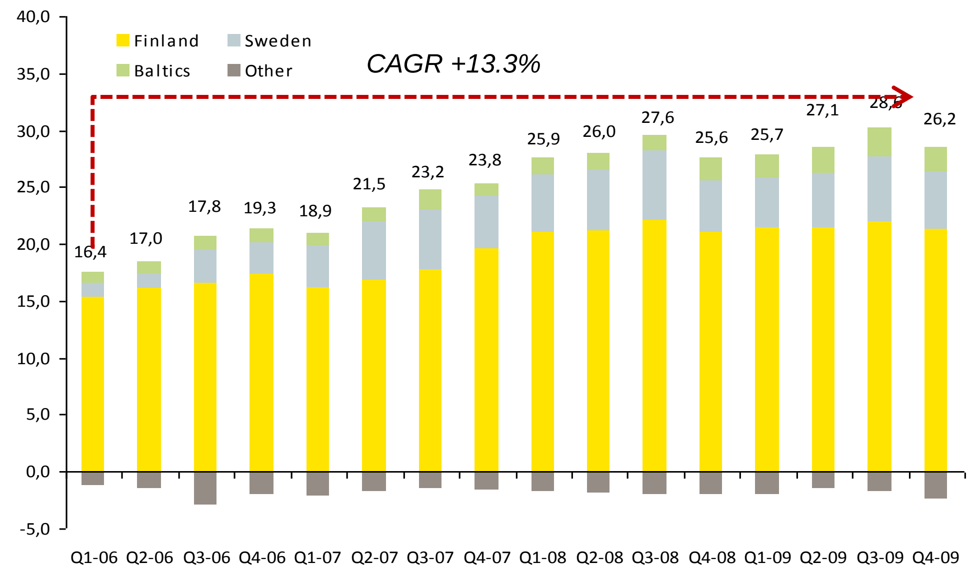
- Citycon's strong direct result performance highlights the resilience of its business model
- Grocery anchored retail strategy has supported Citycon's occupancy and net rental income while lower interest rates have led to meaningful cost savings under financial expenses
- Citycon has been able to demonstrate 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
- In Q4 Citycon posted stable quarterly NRI and EBIT performance in a challenging economic environment highlighting its robust business model

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

Main points

- Turnover increased by **4.5%** to EUR **186.3** million (EUR 178.3m)
- Direct result per share EUR **0.23** (EUR 0.20)
- Loss/profit before taxes was EUR **-37.5** million (EUR -162.3 m) incl. **-97.4** million (EUR -216.1 m) change in fair value
- Strong net cash from operating activities per share EUR **0.30** (EUR 0.21)
  - Supported by lower interest rates, higher operating profit and non-recurring items such as FX gains and change in working capital
- Total asset stood at EUR **2,253.2**million
- Equity ratio **34.2**%, hedging ratio **80.0**%
- **Refinancing not a problem** – total available liquidity cover liquidity needs at least until end of 2010

Financing overview

- Average year-to-date interest rate **4.16%** (4.85%). At the year end, the weighted interest rate averaged **3.87%** , net financial expenses EUR **47.7** m (EUR 57.3 m)

- Two covenants
  - Equity ratio: Covenant level 32.5%, equity ratio as defined in loan agreements was **40.6**%
  - Interest cover ratio: Covenant level 1.8x, Citycon's period end ICR **2.3**x
    -> improvement compared to the Q3 situation

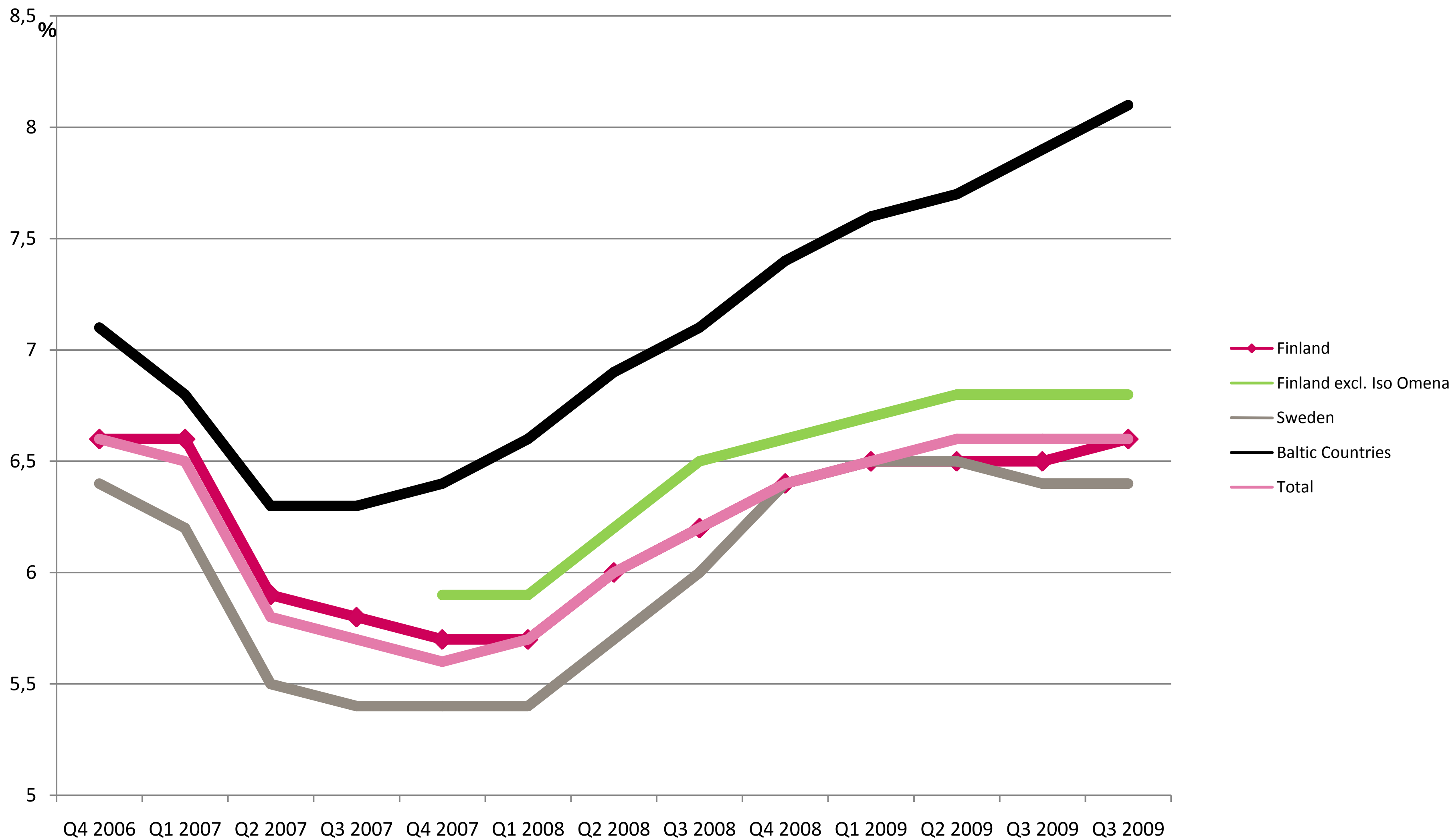
- Citycon made a Bond issue with a total, aggregate value of EUR 40 million directed at domestic retail investors. Proceeds to (re)development projects

- In 2009 Citycon signed a three-year EUR **75** million unsecured revolving credit facility and bought back approx. 30.5% of its Subordinated Convertible Bond 2006

Property portfolio

- **4,235 (3,742)** leases with an average length of **3.1** (3.1) years, GLA totalled **961,150** m^2
- Occupancy rate **95.0**% (96.0%)
- Net rental income increased by **3.0%** to EUR **125.4** million
  - without the weakened Swedish krona, NRI would have increased by 5.0%
- Net rental income for like-for-like properties grew by **0.8**%
- Rolling 12-month occupancy cost ratio for l-f-l shopping centres was **8.6**%, down from Q3
- Major tenants local and international fashion chains, grocery retailers, local municipalities, sport retailers, cafés and restaurants
  - Kesko accounted for 23.2% of rental income and five largest 35.6%

Valuation yield development in the portfolio



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

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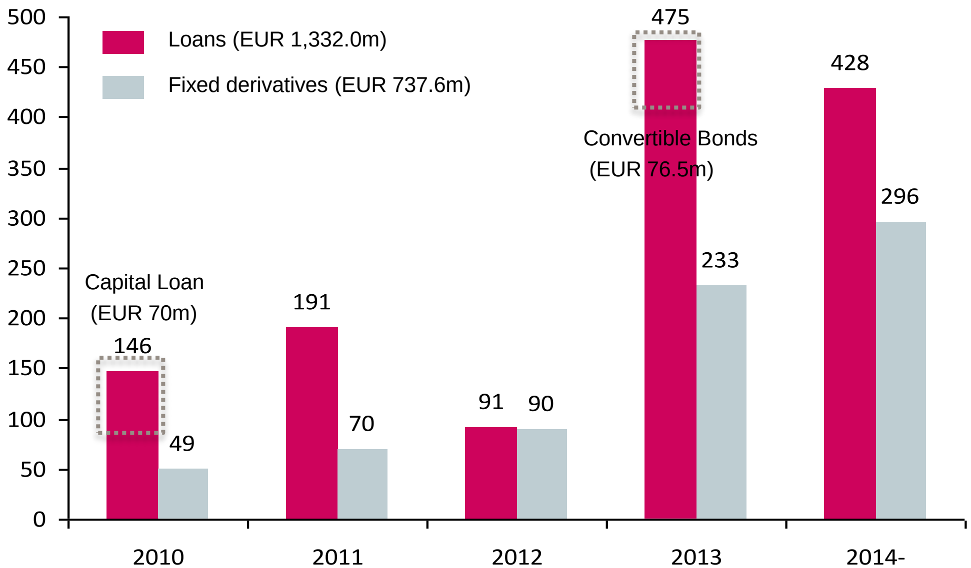
Snapshot of statement of financial position

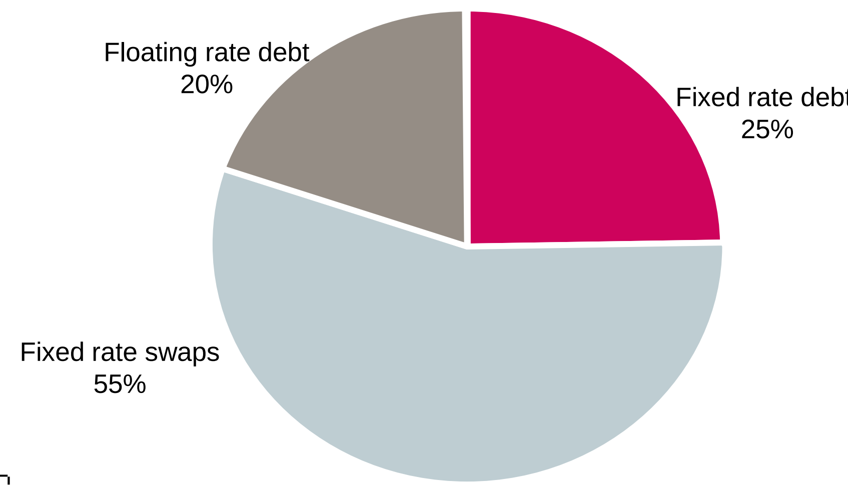
Statement of Financial Position, EUR million	31 Dec 2009	31 Dec 2008
Investment property	2,147.4	2,111.6
Total non-current assets	2,161.4	2,126.1
Current assets	91.8	52.4
Assets total	2,253.2	2,178.5
Total share holders equity	767.9	837.3
Total liabilities	1,485.3	1,341.2
Liabilities and share holders equity	2,253.2	2,178.5
KEY FIGURES		
Equity ratio, %	34.2	38.5
Gearing, %	169.5	141.3
Equity per share, €	3.31	3.62
Net Asset value (EPRA NAV) per share, €	3.54	3.88
EPRA NNNAV, €	3.35	3.80
Net Rental Yield (actual), %	6.1	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.6	6.4

Key Figures – Financing Overview

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type EUR 1, 332.0 million 1)

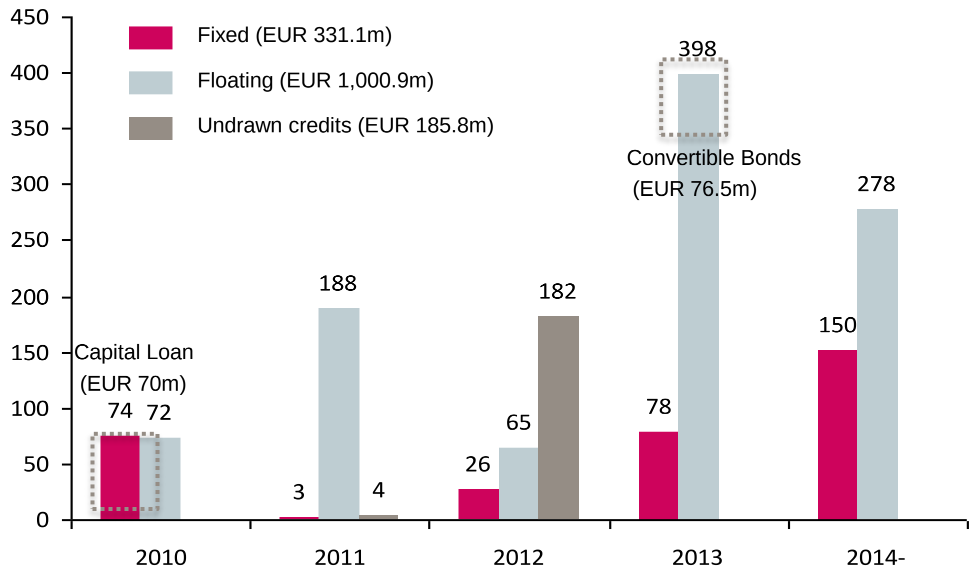


- During fourth quarter in 2009, the period-end interest-bearing **net debt increased by EUR 40 million** as a result of investments made into development projects
- **High hedging ratio** maintained and increased to over **80%** (78% at the end of Q3). Citycon expects to continue increasing hedging ratio during 2010
- Conservative financing policy continues; **average loan maturity 3.6 years** and average **time to fixing** at **3.2 years**

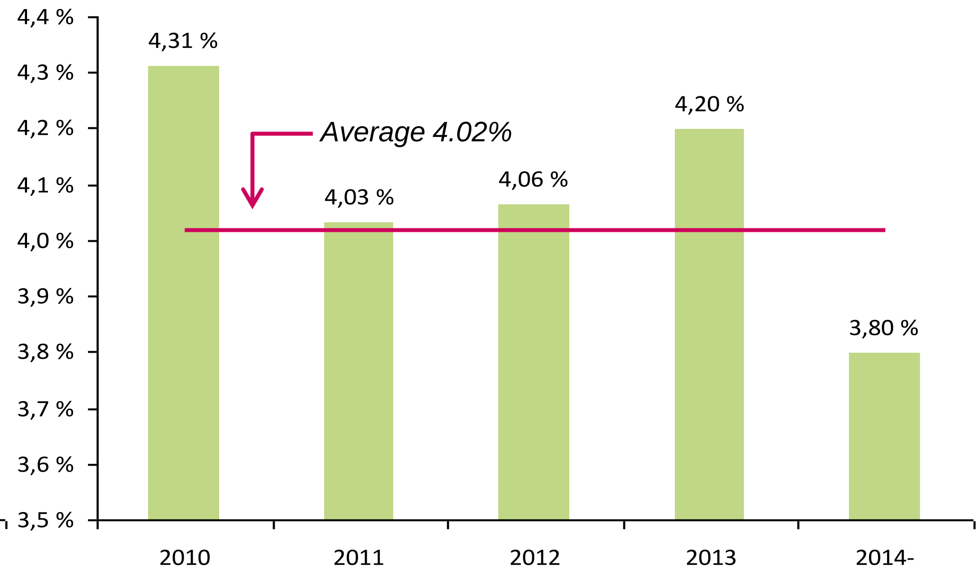
1) Carrying value of debt as at 31 Dec 2009 was EUR 1,321.7 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

Key Figures – Financing Overview

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



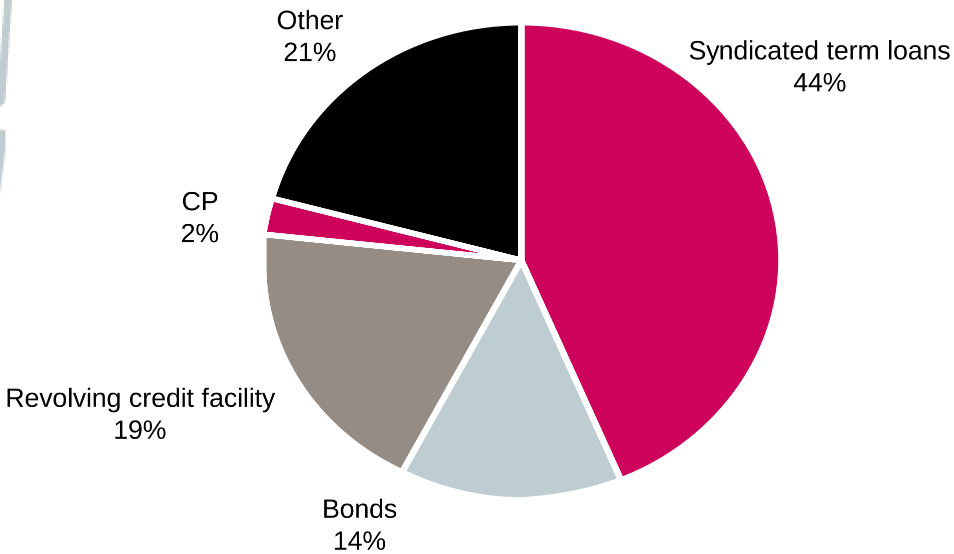
Period-end interest rate by maturity for fixed rate debt and swaps



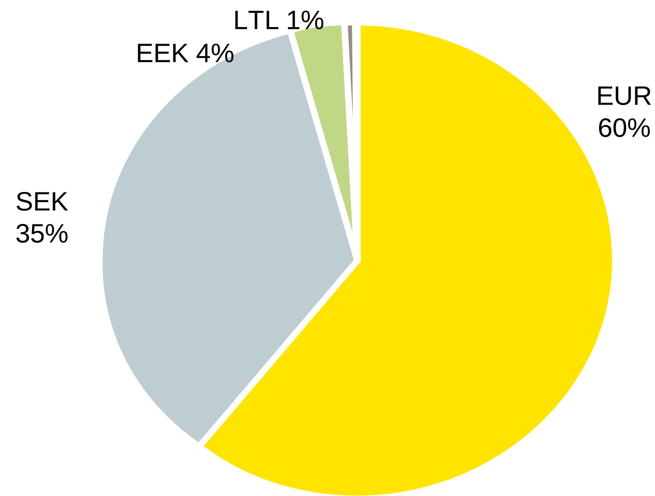
- Favorable maturity structure of debt as the bulk of Citycon's debt is due on or after 2013
- Majority of the available committed undrawn credits are also of long term nature and will fall due in 2012
- Period-end average interest rate was 4.02% for fixed rate borrowings (4.01% in Q3)

Key Figures - Debt Portfolio

Breakdown by debt type
EUR 1,332.0 million 1)



Breakdown by currency
EUR 1,332.0 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
- Bond market presence strengthened by the opportunistic issuance of EUR 40 million domestic retail bond

1) Carrying value of debt as at 31 Dec 2009 was EUR 1,321.7 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)]

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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

Contact information

INVESTOR RELATIONS

Mr Petri Olkinuora
CEO
Tel. +358 207 664 401
Petri.Olkinuora@citycon.fi

Mr Eero Sihvonen
CFO, Executive Vice President
Tel. +358 50 5579 137
Eero.Sihvonen@citycon.fi

Ms Hanna Jaakkola
IRO
Tel. +358 40 5666 070
Hanna.Jaakkola@citycon.fi