Citycon Presentation

Full Year Results 2008

CITYCON
creating success for retailing

Contents

Strategy

MISSION

Our mission is to ensure that people shop in Citycon's shopping centres. By combining property investment and shopping centre business, Citycon creates sustainable shareholder value.

VISION

Citycon is a shopping centre business leader, an active owner and a long-term developer aiming to increase the value of its properties. Citycon's properties represent the most desired retail venues and they attract consumers. The company is the preferred employer in its field.

Strategy

Citycon’s strategy is:

- To concentrate on shopping centre business in Finland, Sweden and the Baltic countries.
- To manage and develop its shopping centres in a centralised manner, using Citycon’s own, active and professional personnel working locally. This creates efficiency and synergies, and guarantees knowledge of the local markets.
- To create added value for customers and to enhance the properties’ commercial appeal, considering each retail venue’s and its catchment area’s commercial preconditions: purchasing power, consumers’ desires and needs and the market situation in the retail business.
- To promote sustainable development in shopping-centre management and development. Citycon seeks internal certification for its redevelopment and extension projects.
- To reduce business risks with a strong balance sheet and cash flow combined with conservative financing policy.

Financial targets

GROWTH

DIVIDENDS

EQUITY RATIO

Continued expansion through property development and selective acquisitions

- Cumulative CAPEX since 2005 in excess of EUR 1 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 2008 per-share dividend is proposed to be 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

Long – term equity ratio target 40 per cent

- Equity ratio 38.5 % as of 31 December 2008

Geographical overview

FINLAND

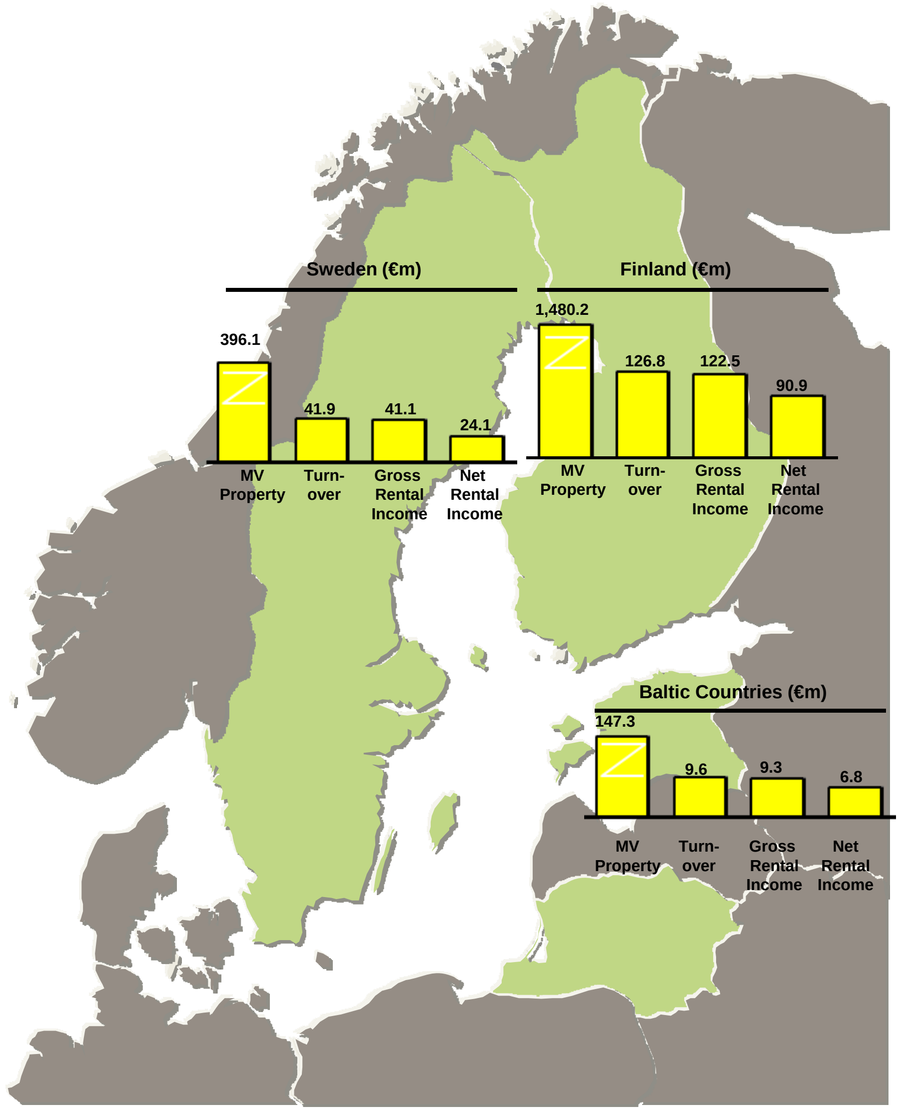
- 74.7% of total net rental income in 2008
- Net rental income growth of 20.1 % to EUR 90.9 million
- Market leader with 24% market share; 22 shopping centers and 42 other retail properties

SWEDEN

- Net rental income accounted for 19.8 % of Citycon's total net rental income
- Net rental income increased by 11.3% to EUR 24.1 million
- Citycon's largest development project Liljeholmstorget

BALTIC COUNTRIES

- Citycon's second largest development project going-on in Estonia, Rocca al Mare
- Net rental income rose by 13.8 % to EUR 6.8 million



Main points

LAST QUARTER (vs. Q3)

- The fair value change was EUR **-59.3** million and the market value of property portfolio was EUR **2,023.6** million (EUR 2,094.4 m)
- The valuation yield **6.4%** (6.2%) by external appraiser.
- Net rental income was EUR **30.2** million (EUR 31.5 m)
- Direct result per share (EPRA EPS) EUR **0.05** (EUR 0.05)
- Net cash from operating activities per share EUR **0.07**

2008 (vs. 2007)

- Like –for-like net rental income growth **3.6 %** and for l-f-l shopping centres **4.5%**
- Turnover increased by **17.7%** to EUR **178.3** million (EUR 151.4 m)
- Direct result per share (EPRA EPS) EUR **0.20** (EUR 0.19)
- Direct result grew EUR **43.8** million (EUR 38.3 m)
- Net cash from operating activities per share EUR **0.21** (EUR 0.20)
- Profit /loss before taxes now EUR **-162.3** million (EUR 253.5 m), incl. EUR **-216.1** (EUR 211.4 m) fair value change

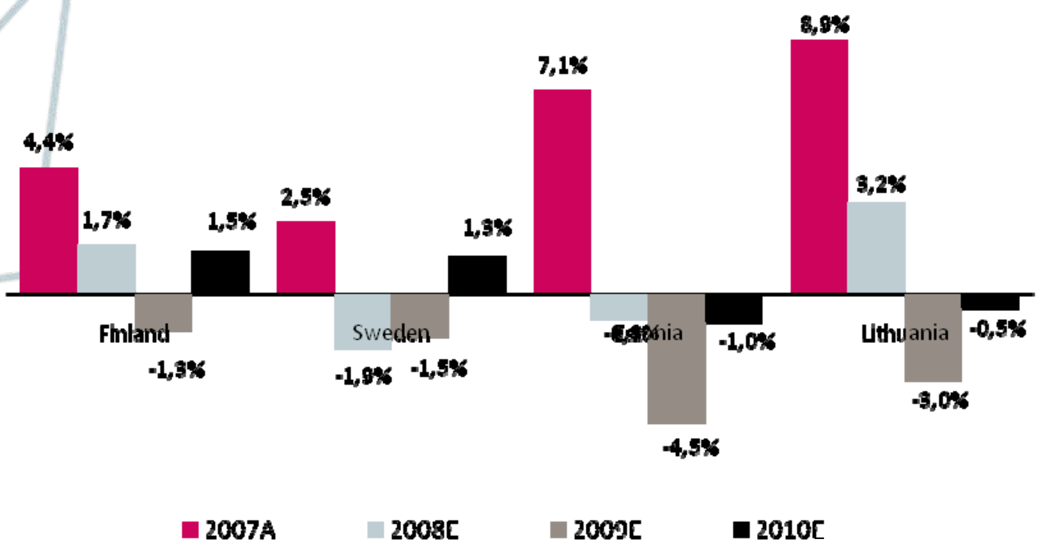
Financing overview

- Balance sheet total stood at EUR **2,178.5** million
- Refinancing not an issue – total liquidity of EUR **203.7** million incl. unutilized committed debt facilities (EUR 187.0 m) and cash (EUR 16.7 m)
    - ➢ Covers committed development pipeline and repayments at least until 2010 without other financing sources
- Equity ratio **38.5**%
- Net financial expenses:
    - Q4: EUR **13.0** m (Q3: EUR 15.2 m), incl. non-cash of EUR 1.4 m related to valuation of interest rate derivatives
    - Full year 2008: EUR **57.3** m (EUR 45.3 m), incl. EUR 3.1 m from interest derivative valuation
- Company bought back approx. 25% of its Subordinated Convertible Bond 2006 (initially EUR 110 m issued) - effects:
    - P&L net financing expenses included a gain of EUR **2.4** million with corresponding EUR **0.8** million tax expense
    - Net impact after tax expenses on equity EUR **4.6** million
        - ➢ Total increase in consolidated equity from the transactions was EUR **6.1** million
        - ➢ Going forward reduced cash interest expenses and non-cash amortized fee expenses
- Two covenants
    - Equity ratio, covenant level 32.5% -> end of year **45.1**%
    - Interest cover ratio, covenant level 1.8x-> **2.0**x

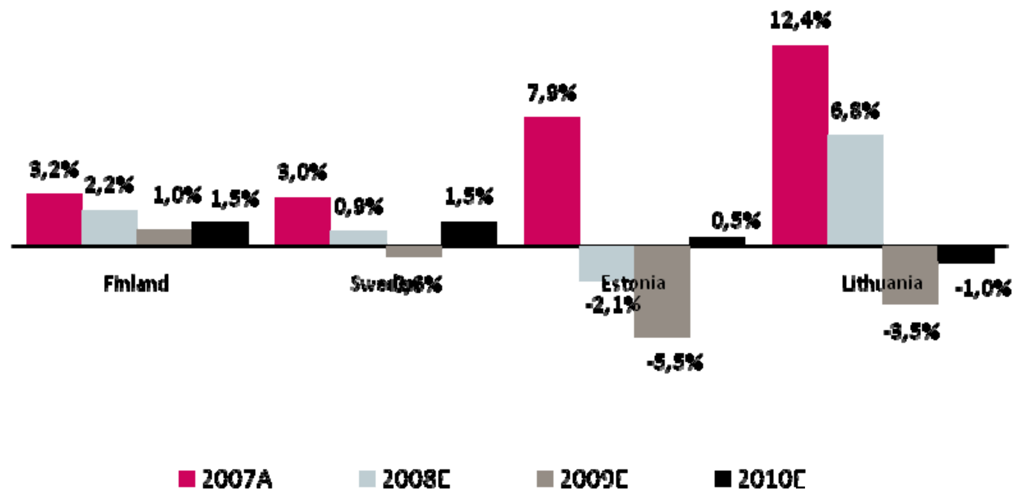
Business environment

Business environment

GDP



PRIVATE CONSUMPTION



Source: Nordea

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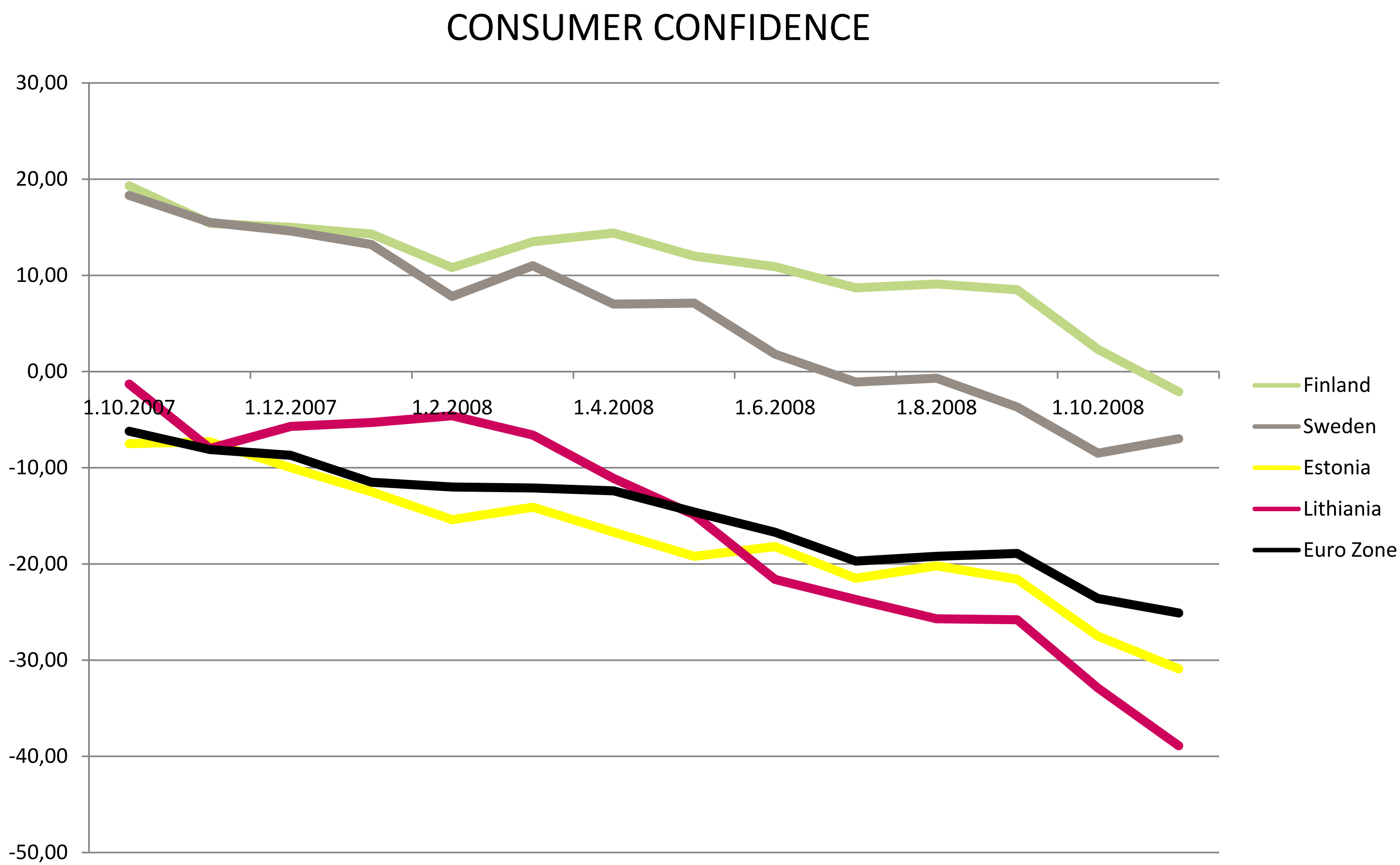
Business environment



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.

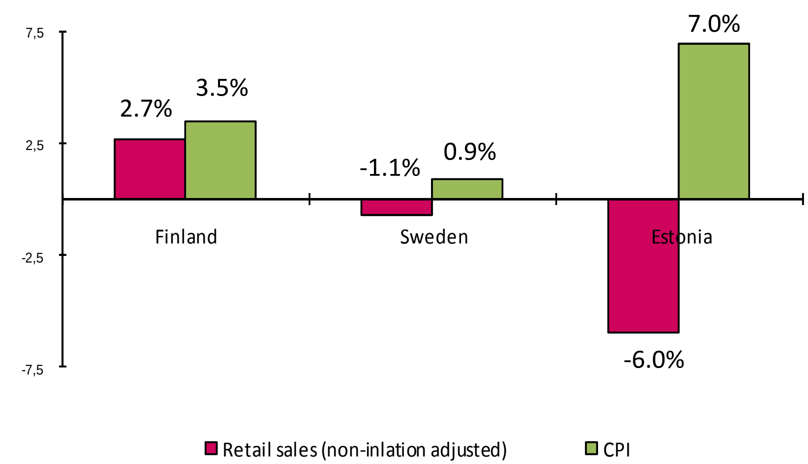
Business environment

PROPERTY MARKET [1)]

- The views on property values differ significantly between the buying and selling parties.
- The few property deals conducted in Finland mainly between local institutional investors, same in Sweden.
- In the Baltic countries, the property market has come to an almost complete standstill.
- The spread in yield requirements between prime and riskier properties continued in 2008 and, according to Catella, this trend will continue. Yield requirements for prime properties have only shown a slight increase.
- Yield requirements increased in all of Citycon's operating countries .

[1)] Sources: Realia, Catella

RETAIL SALES AND CPI



Sources:
Statistics Finland , Statistics Sweden and Statistics Estonia

(Re)development projects

Sustainable shopping centre –why and how?

WHY?

- Energy and material costs will increase in the future
- Legislation will get tighter
- Consumers will be more aware of green products and services
- Investors will put more value to good ESG (environmental, social and corporate governance)
- Safety / security issues are more important
- Tenants are starting to make demands on shopping centre operations
- Maintenance and construction service providers will be challenged
- Responsible and long-term shopping centre management is essential

➢ Question of creating competitive advantage

OUR ACTIONS

1. Internal **Green Shopping Centre Management Programme** to foster sustainable development in all Citycon shopping centres. Goals:

    - is to promote energy efficiency, waste processing, recycling etc.
    - Concrete actions, financial incentives, clear communication

2. Three pilot projects in sustainable construction, for which Citycon is seeking international **LEED** (Leadership in Energy and Environmental design) certification.

3. In 2009 Citycon participates in the largest climate change campaign in Finland – **Ilmastotalkoot**.

Completed (re)development projects

**) Calculation of theoretical gross rental Income is based on 1st year of operation at 100% occupancy, including estimations of service charge income, income from turnover-based contracts and possible non-rental income.*

TRIO

Total redevelopment of Lahti downtown shopping centre. The most important shopping venue in its large catchment area,100 kilometers from Helsinki. Originally built in 1977/87 and consisted of three separate buildings. Adjacent Hansa-building (11,400 m^2, not incl. in GLA below) will be refurbished later this year (subject to board approval). Pilot project in sustainable construction.

GLA, m^2	32,300
Post-development area (GLA), m^2	35,000
Total estimated investment, EUR m	60
Actual cumulative CAPEX spent, EUR m	58.3 1)
Theoretical gross rental income, EUR m *)	11.1 p.a.
Yield on cost, 2009, approx.	7.0%
Sales, EUR m	62.2
Footfall, m	5.8
Catchment area population	118 600

Completed according to the schedule

1) Current expenditure before the final project report.

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Ongoing (re)development projects

ROCCA AL MARE

Pilot project in sustainable construction. Extension and redevelopment of existing shopping centre west of Tallinn city centre. After the project Rocca al Mare will be the largest centres in Estonia, large and affluent catchment area. Originally built on 1998. The development project consists of three phases and the first phase was opened fully let 1 October. With this project, Citycon will take over almost a quarter of the Tallinn shopping centre market. Anchor tenant largest Prisma hypermarket in Estonia.

GLA, m^2	28,600
Post-development area (GLA), m^2	53,500
Total Estimated investment, EUR m	64.3
Actual cumulative CAPEX end of period, EUR m	29.3
Theoretical gross rental income, EUR m	12.3 p.a.
Estimated year of completion	2009

LILJEHOLMSTORGET

Pilot project in sustainable construction. Construction of a new shopping centre south of Stockholm city centre. Location is the major traffic hub, the whole area is being redeveloped into attractive residential neighborhood. Existing building is totally refurbished, new centre is currently being built adjacent to subway station. Parking underground. Post-development area incl. parking 91,000 m^2.

GLA, m^2	20,100
Post-development area, retail (GLA), m^2 (+ 11,800 m^2 offices)	28,000
Total Estimated investment, EUR + original acquisition price in 2006 EUR 60.6 m	130
Actual cumulative CAPEX end of period, EUR	70.7
Theoretical gross rental income, EUR m	21.5 p.a.
Estimated year of completion	2009

**) Calculation of theoretical gross rental Income is based on 1st year of operation at 100% occupancy, including estimations of service charge income, income from turnover-based contracts and possible non-rental income.*

ONGOING PROJECTS include also a 4 million refurbishment of Torikeskus

Ongoing (re)development projects – Rocca al Mare

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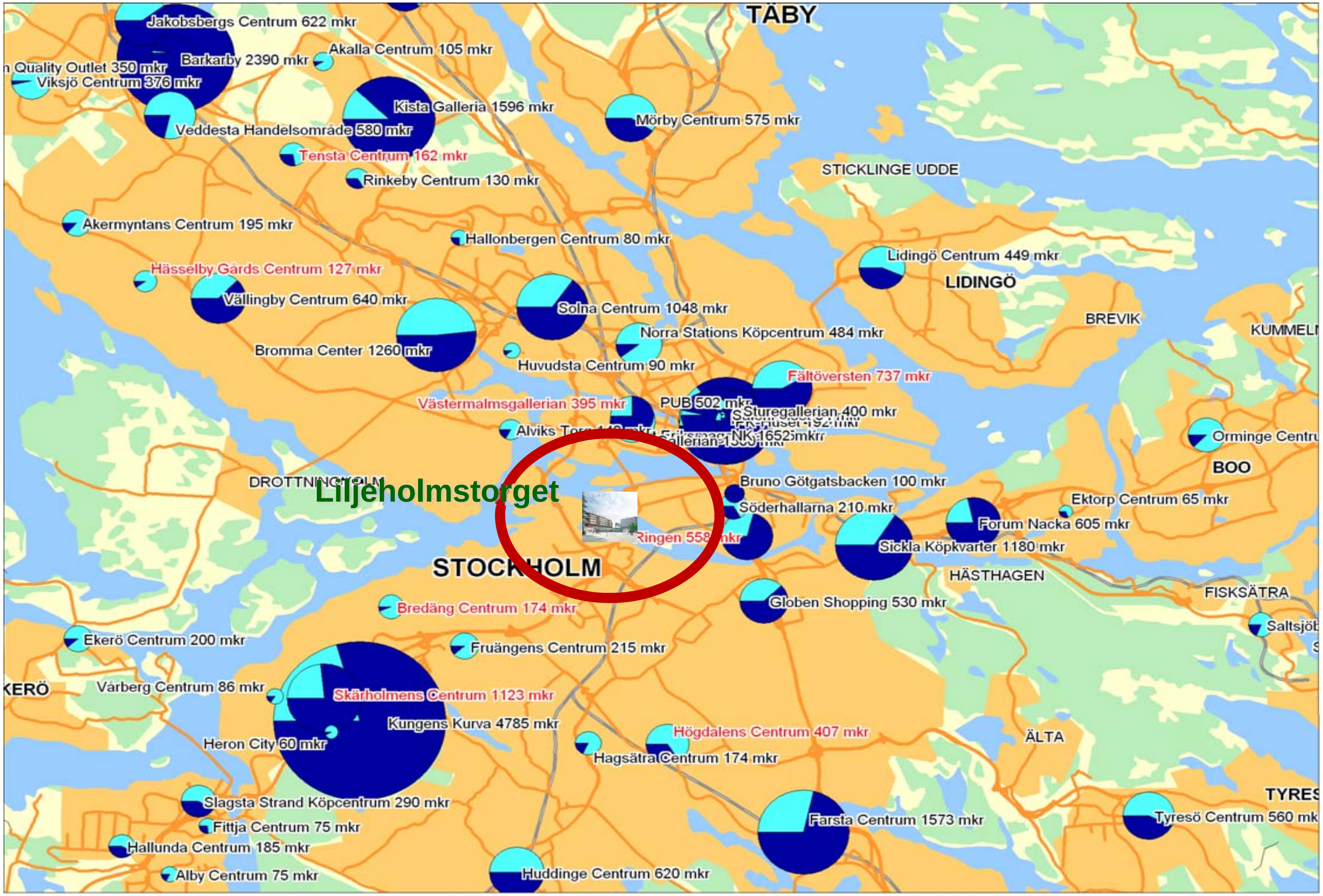
Ongoing (re)development projects – Liljeholmstorget

Liljeholmstorget - Stockholm shopping centers



Source: Centrumutveckling AB

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(Re)development projects under planning

Citycon's Board of Directors has not yet made a decision on the (re)development project, but it is under planning, an alteration of the city plan is pending or Citycon (or its partner) has a site reservation.

			Market value, MEUR (31 Dec. 2008)	Project area, sq.m. (1	Estimated investment need, MEUR 2)	Target year of project launch	Target year of completion	Additional information
Property	**Location**							
Lippulaiva	Espoo	FIN	48,3	35 000	**60-70**	**2010**	**2012**	Refurbishment and extension of the existing shopping centre. The refurbishment of interior premises completed. Planning of the extension project continues.
Åkersberga Centrum 6)	Öster-åker	SWE	42,6	31 000	**45**	**2009**	**2011**	Refurbishment and extension of the shopping centre.
Tumba Centrum	Botkyrka	SWE	47,4	38 500	**35-37**	**2009**	**2012**	Redevelopment and extension of the shopping centre. In the first phase the centre will be refurbished and extented slightly, the project (appr. EUR 6 million) is on-going and included in the figure. The second phase includes remarkable redevelopment and extension and is planned to start 2011.
Iso Omena	Espoo	FIN	305,6	5 000 4)	**15**	**2009**	**2010**	Extension of the shopping centre in two stages, the first stage is planned to begin and to be completed in 2009, and the second phase in 2010. The shopping centre may offer further possibilities for extension in the future.
Espoontori	Espoo	FIN	31,6	24 000	**60-70**	**2012**	**2014**	Refurbishment of interior premises planned to be carried out in 2009 (EUR 6 -7 million). Alteration of city plan pending, facilitating the extension and refurbishment of the existing shopping centre. 3)
Myyrmanni	Vantaa	FIN	158,4	11 000	**11-13**	**2010**	**2010**	The second floor of the shopping centre will be refurbished into a fashion world.
				25000 - 30000	**30-35**	**2011**	**2013**	Extension of the shopping centre. The City of Vantaa granted a site reservation to Citycon in January 2009 for the former health care centre's plot. The extension will also include residential units but Citycon will not invest in them.
				30000 - 35000	**30-35**	**2011**	**2014**	The second phase of the shopping centre Myyrmanni's extension, including the construction of Prisma hypermarket to the shopping centre's immediate vicinity. In January 2009, the City of Vantaa granted a site reservation to Citycon also for a so called Paalutori plot, located on the other side of the centre. Parking is planned to be transferred underground. The extension will also include residential units, but Citycon will not invest in them. Planned to launch the project following the extension to be carried out on the health care centre's plot. 3)
Galleria	Oulu	FIN	8,9	17 000	**50-55**	**2011**	**2013**	Redevelopment of the Galleria block into a shopping centre in co-operation with the block's and the adjacent block's other property owners. The other main owner is retail cooperative Arina. The estimated investment need for the whole project totals 130-140 EUR million, final allocation of the costs not agreed upon. The project includes the acquisition and refurbishment of the adjoining property (approx. 11,000 sq.m.) and its connection to the existing centre as well as an underground parking facility. A new commercial concept ready. 3)
Koskikeskus	Tampere	FIN	114,8	2 000 5)	**8-12**	**2009**	**2010**	Refurbishment of interior premises of the shopping centre underway, the project started in 2007.

1) The project area refers to the combination of the area of the existing premises under refurbishment owned by Citycon and the area of the extension.
2) The amount of investment needed will change and become more precise as the planning process proceeds. The figure is the best current estimate.
3) The schedule for the project completion and/or launch involves risks associated with city planning.
4) The project area refers only to the area of the planned extension.
5) The leasable area may be larger than indicated.
6) Partly-owned property.

(Re)development projects under planning

Citycon's Board of Directors has not yet made a decision on the (re)development project, but it is under planning, an alteration of the city plan is pending or Citycon (or its partner) has a site reservation.

Property	Location		Market value, MEUR (31 Dec. 2008)	Project area, sq.m. (1	Estimated investment need, MEUR 2)	Target year of project launch	Target year of completion	Additional information
Myllypuro	Helsinki	FIN	0,5	7 400	**20**	**2010**	**2012**	Building a new retail centre replacing the existing one.
Kuopion Anttila	Kuopio	FIN	22,0	15 000	**35-40**	**2011**	**2013**	Redevelopment and extension of the existing building into a new shopping centre. Commercial concept of the project ready. The project has been postponed due to more difficult market conditions. 3)
Heikintori 6)	Espoo	FIN	11,8	23 000	**2-4**	**2010**	**2010**	Refurbishment of interior premises of the existing shopping centre. The contemplated redevelopment and extension project as well as the related zoning has not proceeded according to the earlier plans since the shareholders of the shopping centre company do not have a common understanding on the project.
Martinlaakso	Vantaa	FIN	3,9	7000-8000	**25-30**	**2009**	**2011**	Building a new shopping centre replacing the existing retail centre. Negotiations with the possible final owners of the residential units on-going.
Laajasalo	Helsinki	FIN	3,8	8 000	**25-30**	**2012**	**2013**	Building a new retail centre replacing the existing one. 3)
IsoKristiina	Lappeenranta	FIN	34,2	25 000	**50-70**	**2009**	**2012**	Refurbishment and extension of the existing shopping centre under planning. Citycon purchased the adjacent plot for the extension in February 2009. Commercial concept as well as the city plan ready.
Hansa	Lahti	FIN	21,3	8 000	**8**	**2009**	**2009**	The refurbishment of Hansa property located next to Trio. The goal is to connect the property better and more commercially to Trio. Alteration of the city plan pending to allow building of retail premises on the bridge connecting Trio and Hansa, over the street of Vapaudenkatu.
Forum	Jyväskylä	FIN	57,6	10 000	**15**	**2010**	**2011**	Refurbishment of interior premises of the shopping centre.
Porin Anttila	Pori	FIN	4,6	7 600	**3**	**2009**	**2010**	Refurbisment of the retail premises in two phases. The first 1.5 EUR million and 2,500 sq.m. phase is on-going and ready in March 2009. The entire project ready in 2010.
StenungsTorg 6)	Stenungsund	SWE	38,4	30 000	**25-30**	**2009**	**2011**	Citycon has agreed with the shopping centre's minority shareholder on the redevelopment and extension of the shopping centre. The estimated investment refers to Citycon's share. First phase started in January 2009.
Strömpilen 6)	Umeå	SWE	42,0	40 000	**54**	**2009**	**2011**	Refurbishment and extension of the shopping centre.
Länken 6)	Umeå	SWE	12,4	5 000	**8-9**	**2010**	**2011**	Refurbishment and extension of the retail property.
Jakobsbergs	Järfälla	SWE	93,3	8 000	**3**	**2009**	**2009**	Redevelopment and extension of the shopping centre. Aloitettu tammikuussa 2009.
Åkermyntan Centrum	Hässelby	SWE	10,0	8 500	**2-10**	**2010**	**2011**	Redevelopment of the shopping centre, building of new residential units adjoining the centre under review.
Magistral	Tallinn	EST	15,2	10 000	**10**	**2010**	**2011**	Refurbishment and extension of the shopping centre.

1) The project area refers to the combination of the area of the existing premises under refurbishment owned by Citycon and the area of the extension.
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Property portfolio

Property portfolio

- **3,742 (3,700)** leases with an average length of **3.2** (3.0) years
- GLA totalled grew by **1.5 %** to **937,650** m^2
- Net rental income increased by **17.8%** to EUR **121.8** million
- Net rental income for like-for-like properties grew by **3.6**%
    - NRI growth for l-f-l shopping centres grew by **4.5**%

    Like-for-like property = held by Citycon 24 months, excl. development projects and lots.

    Like-for-like properties accounted for 54.4% of the total portfolio and of l-f-l portfolio 77.9% is in Finland and 57.9% of the total Finnish portfolio is included in l-f-l. Shopping centre represent 76.3% of the l-f-l portfolio.

- Rolling 12-month occupancy cost ratio for l-f-l shopping centres is **8.5**% (Q3/08: 8.8%)
- Rents linked to CPI (nearly all the agreements)
- End of 2008 **24.2** % (2007: 16.1%) of rental agreements were also tied to tenant’s turnover

Property portfolio

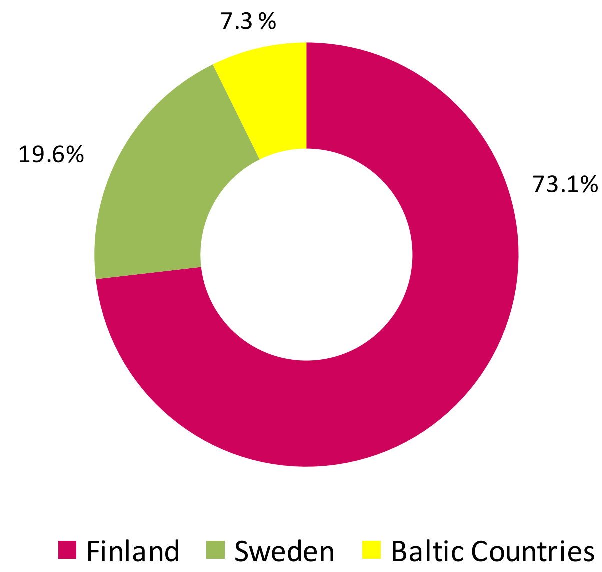
RENTAL CONTRACTS

- Major tenants largest grocery retailer in Nordics also fashion tenants and local discount department stores are important.
  - Largest tenant Finnish retailer Kesko with **26.6**% of NRI
  - Five largest totaled **38.4**% of NRI and include Kesko, S-Group, Stockmann, ICA, Tokmanni
- Annualised rental value for the portfolio was EUR **187.4** million

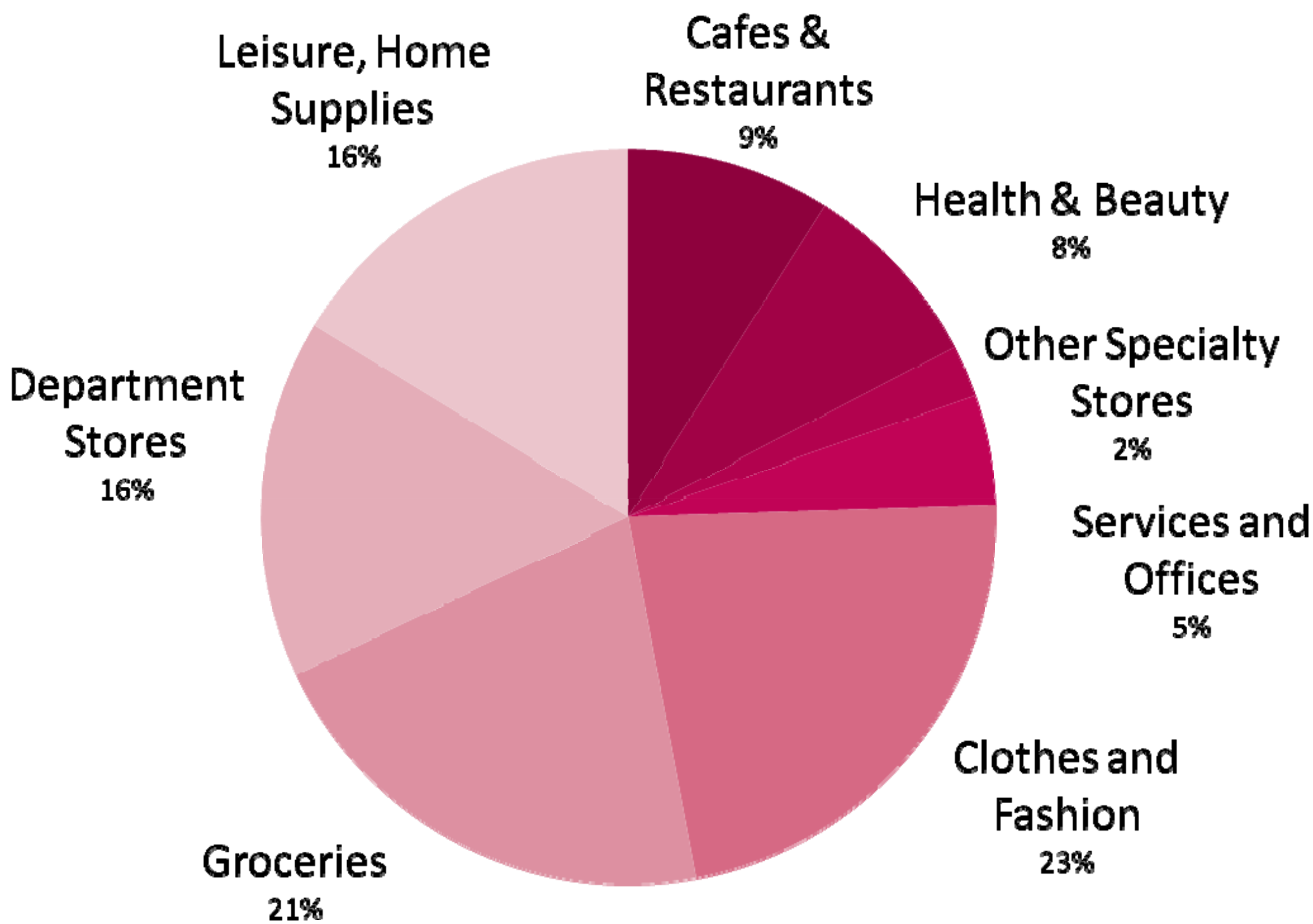
  Includes annualised gross rent based on valid rent roll on end of year, market rent of vacant premises and rental income from turn over based contracts and possible other rental income.
- Actual rental contract level vs. valuation market rents +**1.2**%

  Indicates how much higher Citycon's actual rental level is compared to the market rents applied in the external valuation.

BREAKDOWN OF PROPERTY PORTFOLIO



Shopping centre rental income by branches *)



*) Excl. Supermarket and shops -portfolio

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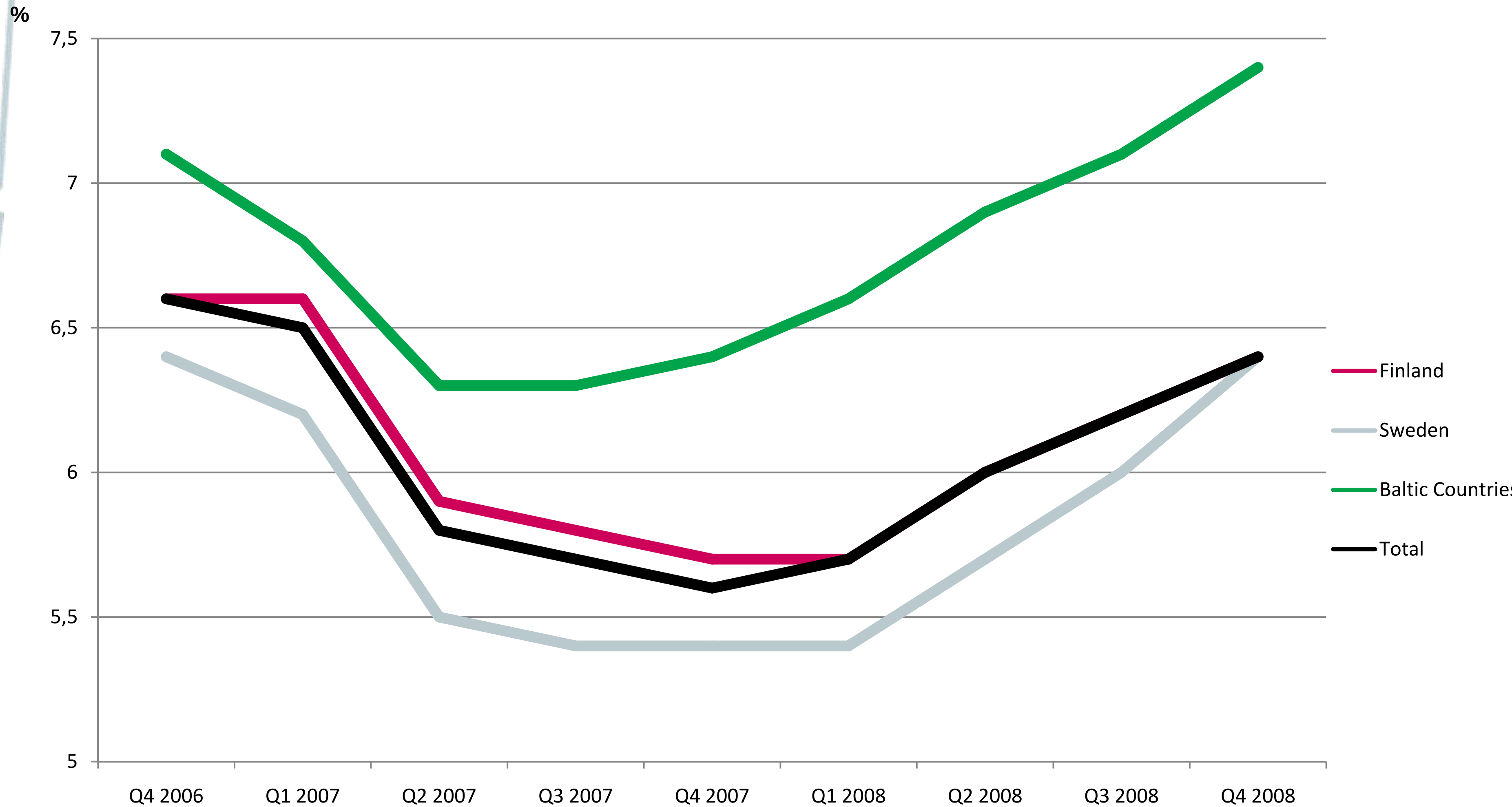
Valuation yield development in the portfolio



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

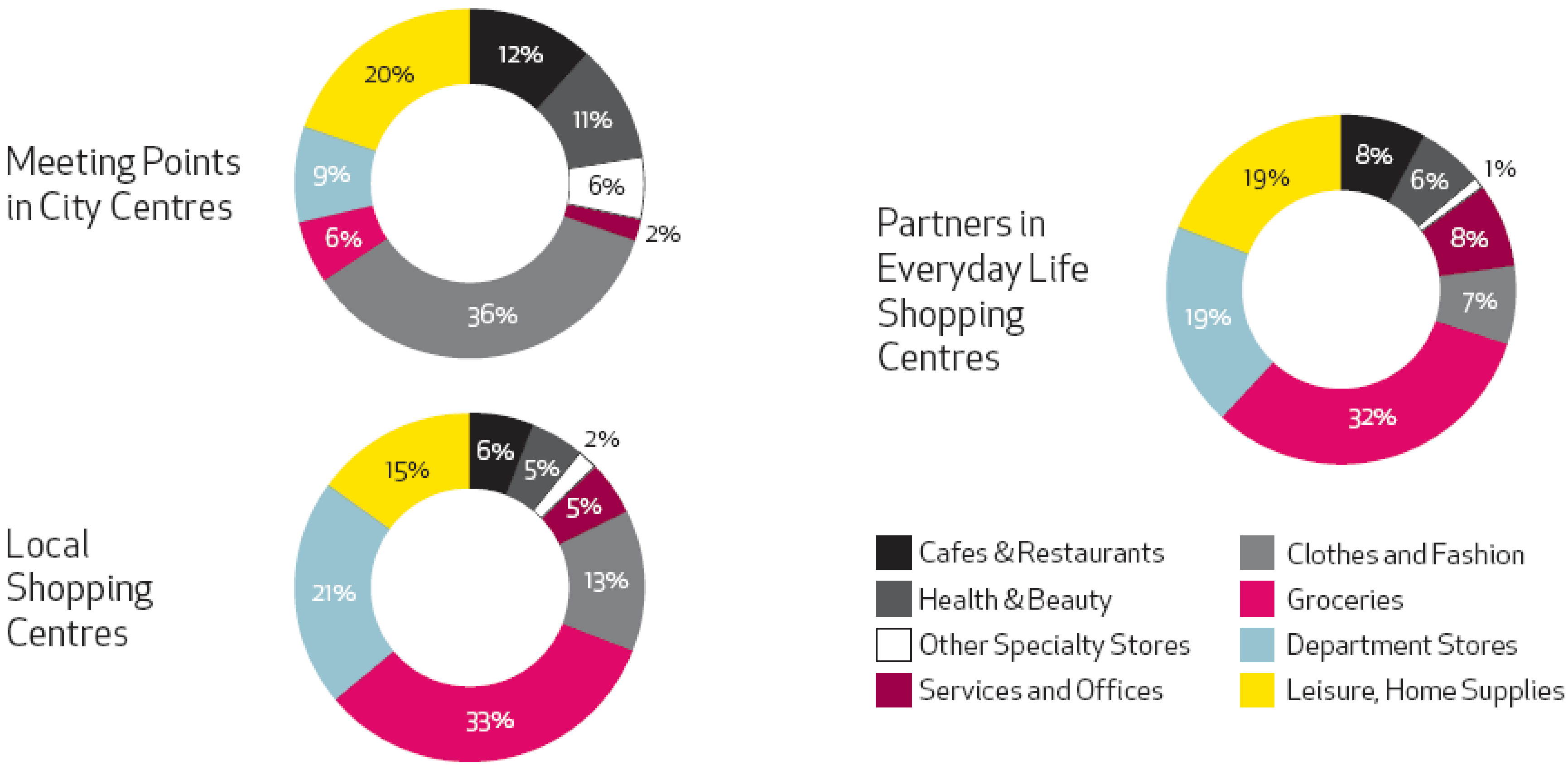
Property portfolio

TOTAL PORTFOLIO	Q4 2008	Q4 2007	2008	2007
Net Rental Income, EUR million	30.2	27.1	121.8	103.4
Number of leases started during the period [1)]	255	164	572	512
Total area of leases started, m^2	69,730	27,854	124,960	103,408
Occupancy rate at end of the period ,%			96.0	95.7
Average length of lease portfolio at the end of the period, year			3.2	3.0
Net Rental Yield (actual), % [2)]			5.8	5.8
Average Net Yield Requirement (valuation yield by external appraiser), %			6.4	5.6

1) Excluding transferred agreements in acquisitions 2) Includes lots and development projects

Sales area by branch for each cluster

Citycon has classified the Finnish shopping centres into three cluster according to their role in a consumer's life.



The role of shopping centres in a consumer's life

Shopping centres have different roles in a consumer's life. On this basis Citycon has classified its shopping centres and applies common marketing and management methods within these categories. This creates efficiency and synergies. Now introduced in Finland, the operating model will be extended to the company's other business units in the near future. The shopping centre Iso Omena features many characteristics of Local Shopping Centres. However, its catchment area is wider and offering more extensive than Citycon's other Local Shopping Centres.

	Meeting Points in City Centres	Local Shopping Centres	Partners in Everyday Life Centres
	Forum • Galleria • Heikintori IsoKarhu • IsoKristiina • Jyväskeskus Koskikeskus • Sampokeskus Torikeskus • Trio	Columbus • Duo • Koskikara Lippulaiva • Myyrmanni Tikkuri • Valtari	Espoontori • Isomyyri Linjuri • Tullintori
Brand's role in life	Beating heart of the city, offering irresistible satisfaction of shopping.	Close to its community, fulfilling all basic family needs.	Everyday service centre for busy people.
Properties	Entertaining. Offering is deep, not necessarily that wide. Perfect for "hanging around".	Offering is wide, not necessarily that deep. Public services	Convenient and "easy going". Fast. Limited assortment. "Compact" size.
Territory	Leasure time. Social interaction	Family everyday and festivities.	Everyday routines.

Key figures

Income statement - snapshot

EUR million	Q4 2008	Q4 2007	2008	2 007
Gross rental income	43.7	40.6	173.0	143.7
Service charge income	1.5	2.7	5.3	7.7
Turnover	45.2	43.3	178.3	151.4
Property operating expenses	14.9	16.0	56.3	47.8
Other expenses from leasing operations	0.1	0.2	0.2	0.3
Net rental income	30.2	27.1	121.8	103.4
Administrative expenses	4.7	3.9	16.9	16.5
Net Fair value losses/gains on investment property	*-59.3*	*-0.1*	*-216.1*	211.4
Operating loss/profit	-27.9	23.7	-105.0	298.7
Net Financial income and expenses	13.0	13.7	57.3	45.3
Loss/profit before taxes	-40.9	10.0	-162.3	253.5
Current taxes	2.2	-3.2	-6.6	-3.4
Change in deferred taxes	-7.6	3.3	30.0	-46.2
Profit / loss for the period	-35.5	9.9	-138.9	203.9
EPS (basic), EUR	-0.14	0.04	-0.56	1.00
EPS (diluted), EUR	-0.14	0.04	-0.56	0.91
Direct Result	11.8	14.6	43.8	38.3
Indirect result	-42.5	-5.4	-167.9	162.1
Direct EPS (diluted), EUR (EPRA EPS)	0.05	0.06	0.20	0.19
Net cash from operating activities per share, EUR	0.07	0.06	0.21	0.20
Loss/profit for the period attributable to parent company shareholders	-30.7	9.3	-124.1	200.3

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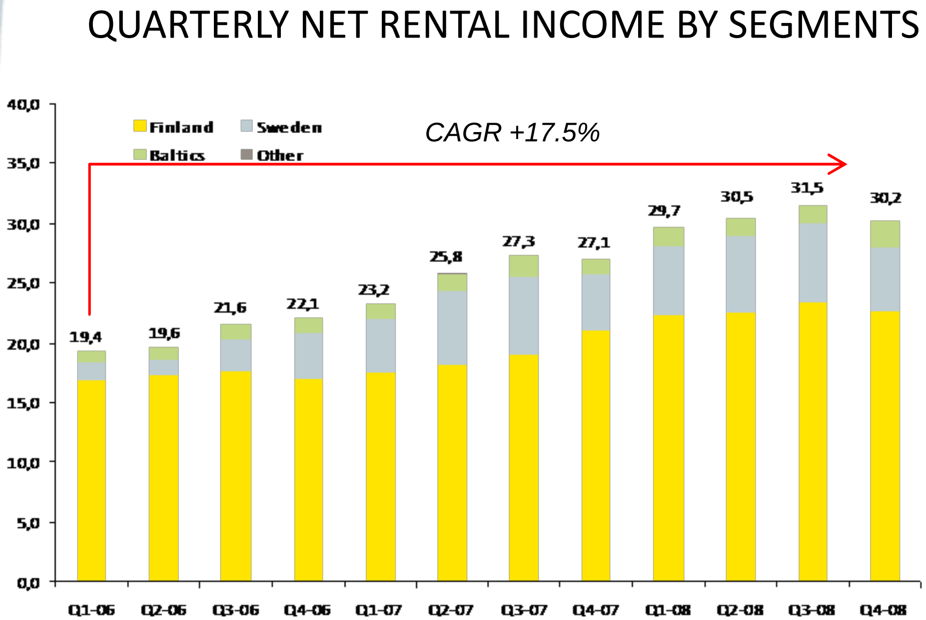
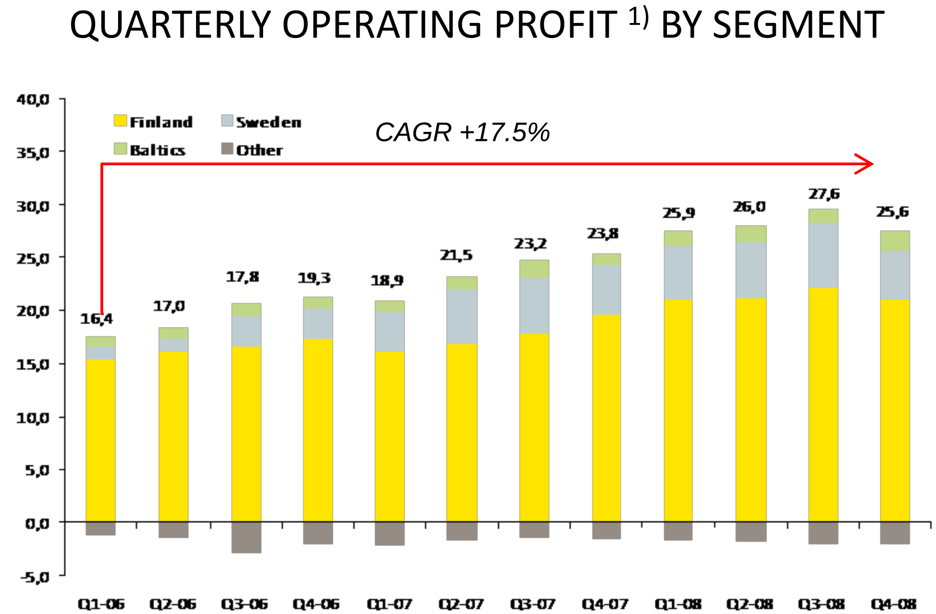
Key figures – profitability





- Citycon has posted solid quarterly growth since 2006 both in terms of Net rental income and Operating profit
- Compound annual growth rate (CAGR) has been around 17.5 per cent mark for both quarterly line items since the expansion strategy started in Q1 2006
- Last quarter of the year usually marks a drop in NRI and EBIT due to seasonal fluctuations of operating and maintenance expenses
- Profitable growth – rolling 12-month Operating profit-% has varied between 57.6 and 59.2 per cent since Q2 2006 and currently stands at 58.9 per cent

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

Balance sheet – snapshot

BALANCE SHEET, EUR million	31 Dec 2008	31 Dec 2007
Fair market value of investment properties	2,023,6	2,215.7
Total non-current assets	2,126.1	2,260.5
Current assets	52.4	48.1
Assets total	2,178.5	2,308.6
Total share holders equity	837.3	1,010.9
Liabilities	1,341.2	1,297.7
Liabilities and share holders equity	2,178.5	2,308.6

KEY FIGURES	2 008	2 007
Equity ratio, %	38.5	43.9
Gearing, %	141.3	111.8
Equity per share, €	3.62	4.44
Net Asset value (EPRA NAV) per share, €	3.88	4.82
EPRA NNNAV, €	3.80	4.42
Net Rental Yield (actual), %	5.8	5.8
Average Net Yield Requirement (valuation yield by external appraiser)	6.4	5.6

Consolidated cash flow statement FY 2008

EUR MILLION	FY 2008	FY 2007
Operating activities		
Profit before taxes	-162,3	253,5
Adjustments	268,1	-164,9
Change in working capital	-2,1	0,2
Cash generated from operations	103,7	88,8
Interest and other financial charges paid	-63,1	-42,7
Interest and other financial income received	6,3	3,1
Taxes paid	0,2	-10,0
Cash flows from operating activities (A)	47,2	39,3
Investing activities		
Acquisition of subsidiaries, less cash acquired	-24,0	-517,6
Acquisition of investment property	-	-16,0
Capital expenditure on investment properties	-58,2	-39,3
Capital expenditure on development properties, other PP&E and intangible assets	-68,8	-24,5
Sale of investment property	7,0	0,3
Cash flows from investing activities (B)	-144,1	-597,1
Financing activities		
Proceeds from share issue	-	232,4
Equity contribution from minority shareholder	25,9	-
Proceeds from short-term loans	72,1	773,1
Repayments of short-term loans	-125,8	-727,9
Proceeds from long-term loans	623,3	535,8
Repayments of long-term loans	-473,6	-228,9
Dividends paid	-30,9	-23,4
Cash flows from financing activities (C)	90,9	561,1
Net change in cash and cash equivalents (A+B+C)	-6,1	3,3
Net cash from operating activities per share, EUR	0,21	0,20

- **Cash flows from operations improved by 20% due to:**
  - Improved cash generation through higher profits
  - Taxes were clearly below year 2007 paid taxes due to a large tax rebate received in 1q 2008 resulting from the change in depreciation policy in 2007
- Cash net financials 44% higher due to ongoing redevelopment projects and therefore higher debt level and increased average interest rate

- **Investments focused on the on-going development projects**
- Disposal of Iso Omena is reflected in the "Cash flow from financing activities"
- Proceeds from sale of investment property mainly relate to Ulappatori transaction

- **Cash flow per share increased by 8%** compared to 2007 at 0.21 euros per share despite higher # of shares
- Disposal of 40% of Iso Omena to GIC is shown as "Equity contribution from minority shareholder" and "Proceeds from long-term loans"
- Delivering stable and growing operative cash flow continues to be a top priority for Citycon and one of the cornerstones of its growth strategy

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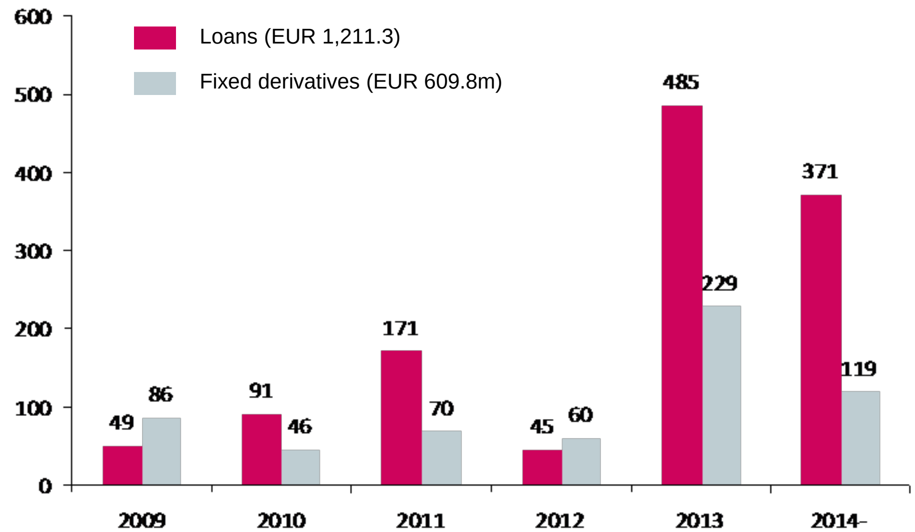
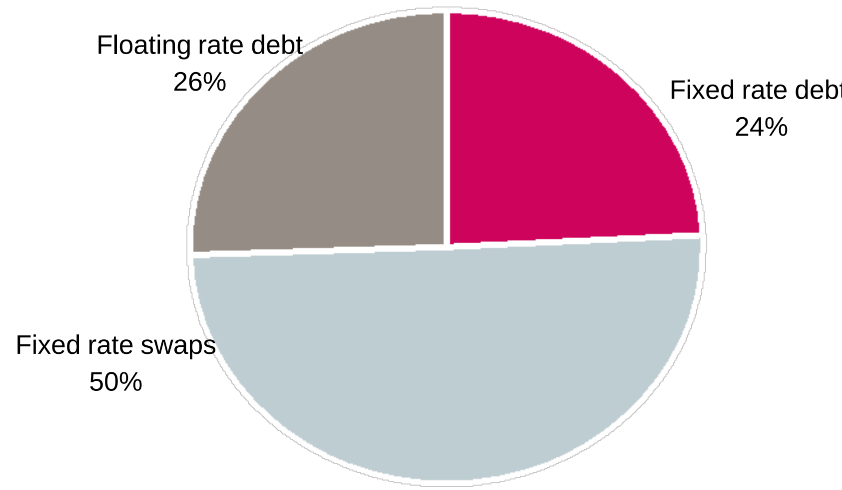
Key figures – financing overview

MATURITY PROFILE OF LOANS AND DERIVATIVES



INTEREST-BEARING DEBT BY FIXING TYPE EUR 1,211.3 MILLION[1)]

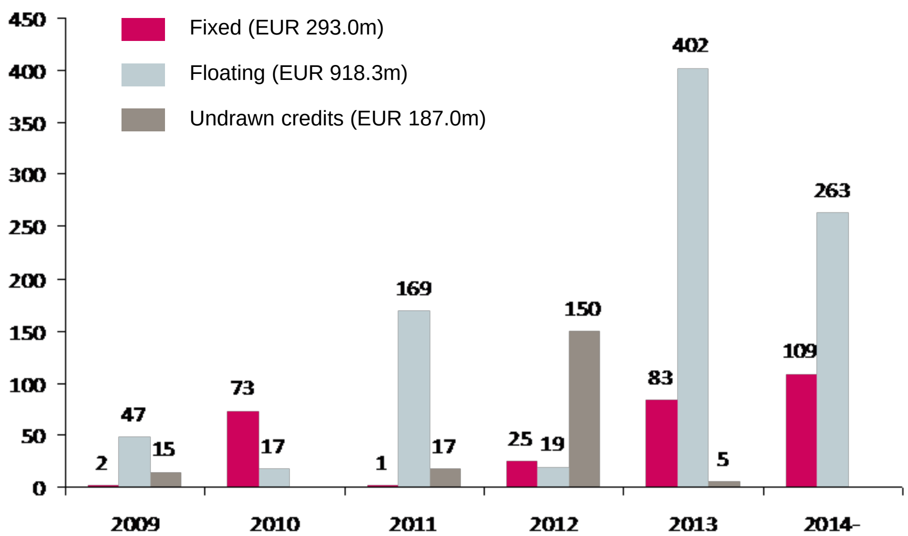


- During fourth quarter in 2008, the period-end interest-bearing net debt **edged lower by EUR 10 million** as a result of weaker EUR/ SEK exchange rate
- High hedging ratio maintained at **74%** (76% at the end of Q3)
- Conservative financing policy continues; average loan maturity was **4.6** years and average time to fixing at **3.3** years
- **Refinancing not a problem** – total available liquidity cover liquidity needs at least until 2010

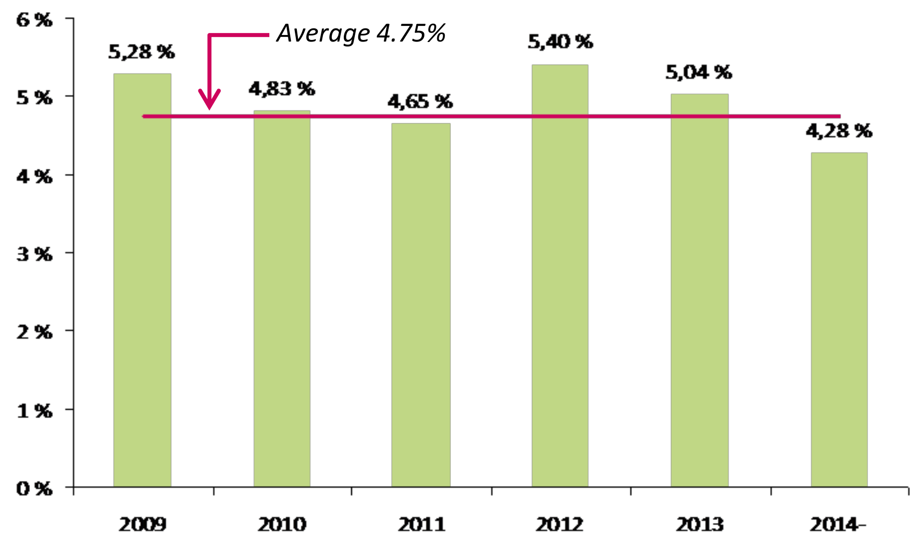
1) Carrying value of debt as at 31 Dec 2008 was EUR 1,199.5 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

Key figures – financing overview

MATURITY PROFILE OF FIXED AND FLOATING RATE LOAND AND UNDRAWN COMMITTED CREDIT LIMITS



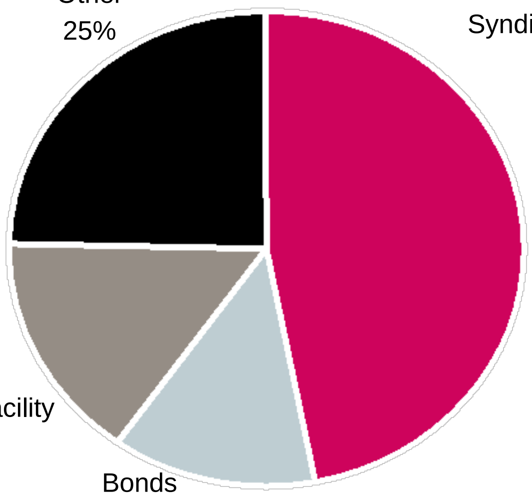
PERIOD-END INTEREST RATE BY MATURITY



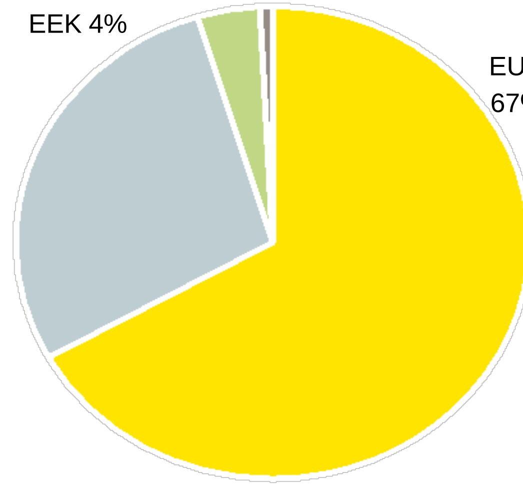
- Bulk of Citycon's debt is due on or after 2013
- Majority of the available committed undrawn credits are also of long term nature and will fall due between 2011 and 2013
- Period-end interest rate was 4.75% for the total portfolio. Deviations from the average are mainly attributable to maturing hedges

Key figures - debt portfolio

BREAKDOWN BY DEBT TYPE
EUR 1,211.3 MILLION 1)



BREAKDOWN BY CURRENCY
EUR 1,211.3 MILLION 1)

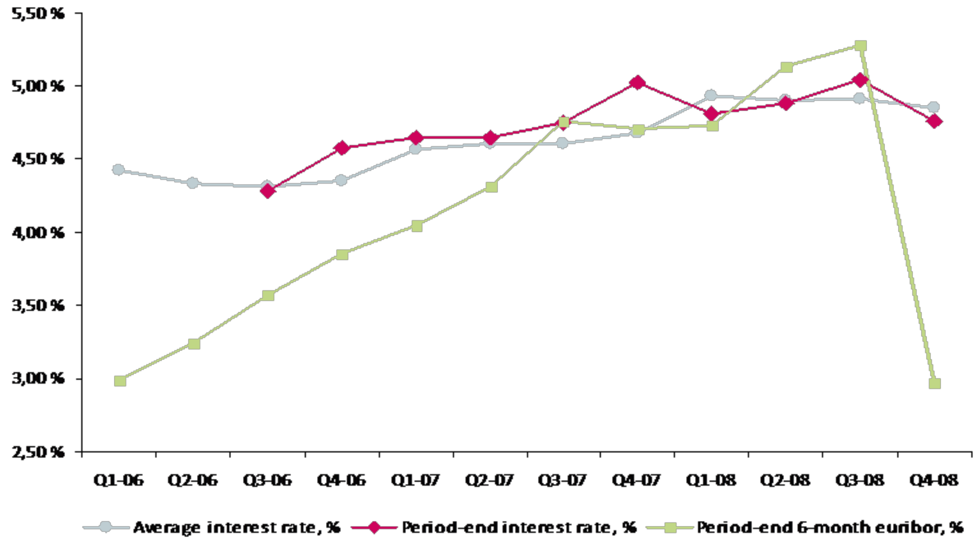


- The backbone of the debt financing continues to be the syndicated term and revolving facilities together with the bonds issued which comprise of **75%** of the debt portfolio
- In Q4 the average year-to-date interest rate drifted down by 7 basis points to **4.85%** (Q4/2007: 4.68%). The period-end current run rate also decreased to 4.75% as short term market rates plunged
- During Q4 Citycon repaid all short-term CP's and bought back some 25% of the convertible bonds
- Citycon had as at period-end **total liquidity of EUR 203.7 million** which comprised of unutilized committed debt facilities amounting to EUR 187.0 million and cash EUR 16.7 million. Excluding short-term credit facilities Citycon's liquidity was EUR 158.7 million

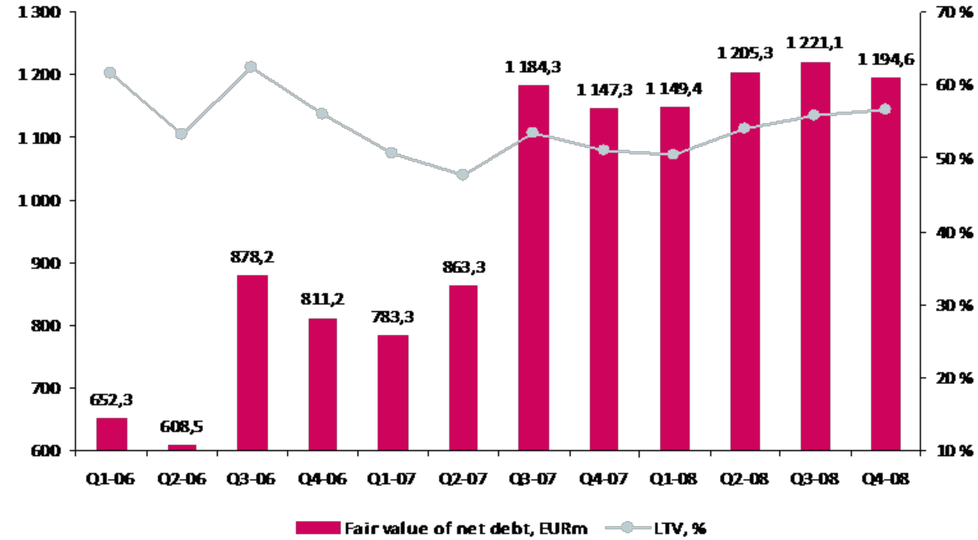
1) Carrying value of debt as at 31 Dec 2008 was EUR 1,199.5 million. The difference between fair and carrying value equals the capitalized fees of senior loan facility and convertible bond issue as well as to the equity component of the convertible bond which is recognized under equity.

Key figures – interest rates and LTV

QUARTERLY DEVELOPMENT OF INTEREST RATES 1)



NET DEBT AND LTV-% 2)



- Interest rates feed through income statement with certain lag and Citycon's average interest rate decreased marginally to 4.85% while market interest rates plunged in Q4
- Lower money market rates should lead to lower borrowing rates for Citycon in early 2009
- Also longer term fixed swap rates have plunged below 3% giving Citycon an opportunity to roll over EUR 86 of derivatives due in 2009 at a very attractive levels
- Citycon's LTV-% increased somewhat as a result of fair value losses from investment property but despite new debt raised for investments into on-going development projects, net debt decreased due to depreciation of Swedish krona and convertible bond buyback

1) *Average interest rate calculated based on the year-to-date income statement interest expenses divided by weighted average interest bearing debt year-to-date. Period-end interest rate is the run rate based on the actual interest rates on floating and fixed rate debt prevailing on the balance sheet date taking into account interest rate swaps. Both interest rates include applicable credit margins.*

2) *LTV-% calculated as fair value of net debt divided by the appraised value of investment and development properties on the balance sheet date.*

Breakdown of financial expenses

Net Financial Expenses (EUR million)	4q 2008	3q 2008	4q 2007	Change-% (y-o-y)	Change-% (q-o-q)	YTD 2008	YTD 2007	Change-% (YTD)
Financial Expenses:								
Interest expenses	-12,9	-13,8	-13,4	-4 %	-6 %	-53,4	-42,7	25 %
Foreign exchange losses	-0,1	-0,1	-0,1	12 %	140 %	-0,2	-0,1	39 %
Capitalised fees	-0,2	-0,2	-0,5	-60 %	-4 %	-0,8	-1,1	-30 %
Non-cash option expense from convertible bonds	-0,4	-0,5	-0,5	-6 %	-11 %	-1,8	-1,8	4 %
Other expenses	-0,5	-0,2	-0,2	nm	nm	-1,2	-0,5	144 %
Total Expenses	-14,2	-14,8	-14,6	-3 %	-4 %	-57,4	-46,2	24 %
Financial Income:								
Interest income	0,2	0,1	0,8	-79 %	23 %	0,8	1,4	-45 %
Fair value gains	-1,4	-0,6	0,2	nm	nm	-3,1	-0,6	nm
Gain from Convertible Bond buyback	2,4	-	-	na	na	2,4	0,0	na
Total Income	1,2	-0,4	0,9	29 %	nm	0,1	0,9	-88 %
Net Financial Expenses	-13,0	-15,2	-13,7	-5 %	-14 %	-57,3	-45,3	26 %

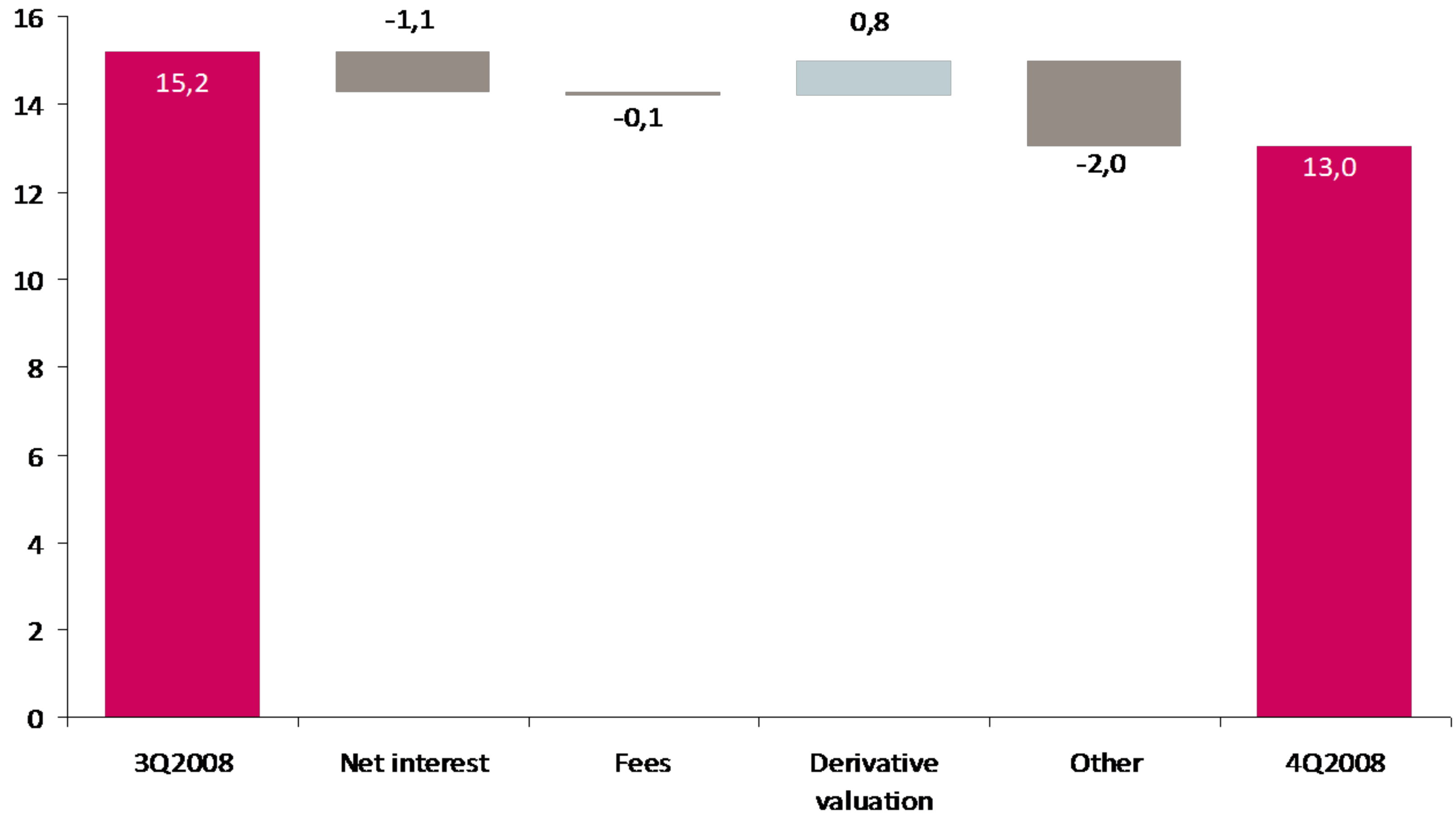
4Q 2008

- Interest expenses decreased 4% from the previous quarter to EUR 12.9 million due to plunging interest rates
- Total net financial expenses were 5% lower compared to previous quarter due to lower interest expenses and gain from Convertible Bond buyback
- Net financials expenses excluding one-off items decreased 4% from previous quarter

2008 YTD

- Full-year net financials expenses increased by 26%. Citycon's direct operating profit on the other hand was up year-on-year by approximately 21% and average interest-bearing debt increased in 2008 by 26.2%
- Going forward, the convertible buyback will reduce interest expenses and non-cash amortization of the option
- Total full-year P/L non-cash valuation loss from derivatives EUR 3.1 million. In addition, balance sheet effect from the derivatives valuation was EUR -17.7 million as at 31 Dec 08

Net financial expenses Q3 2008 vs Q4 2008



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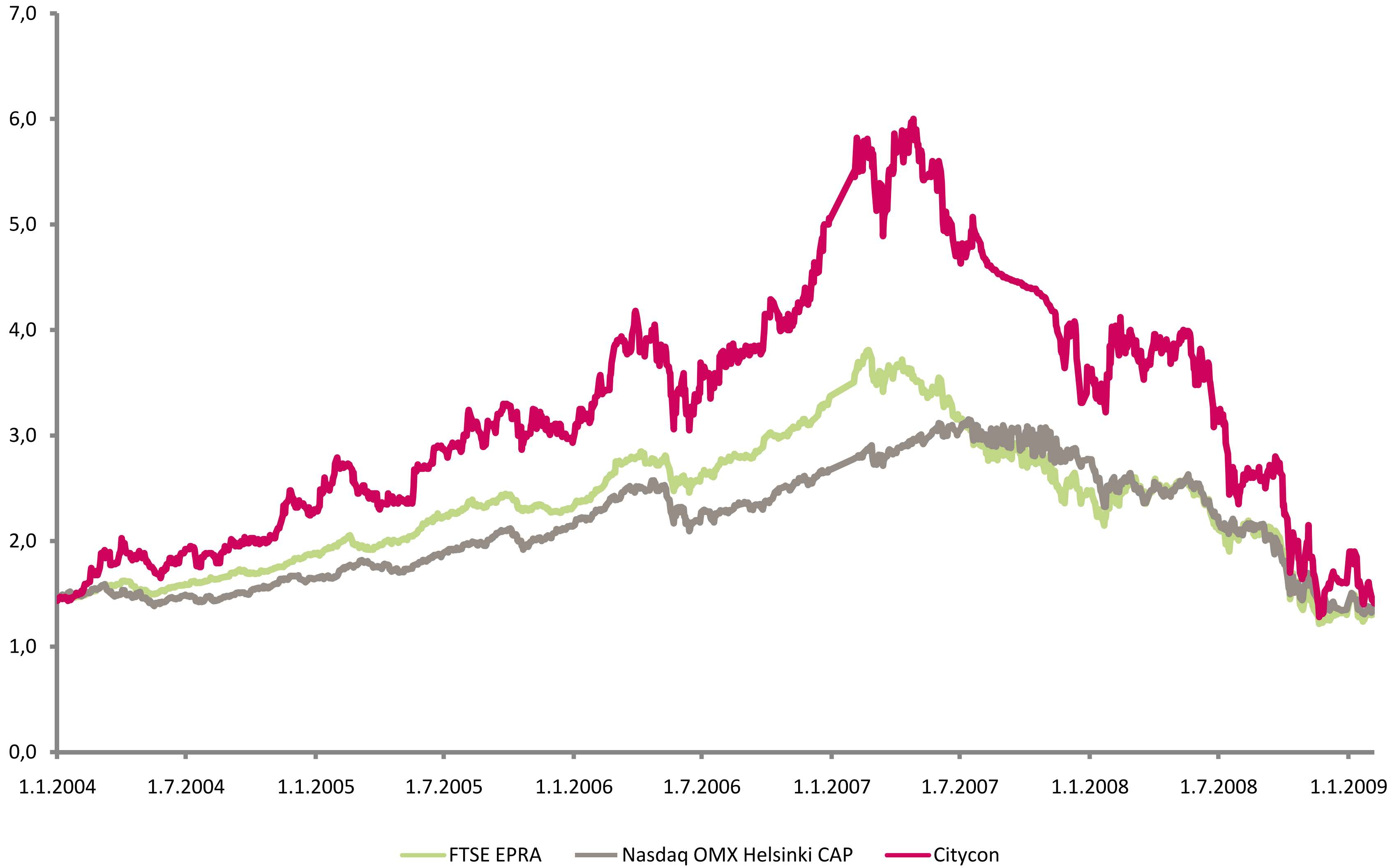
Key figures – share performance 1)



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1) Starting values of FTSE EPRA index and OMX Helsinki CAP index on 3 January 2007 have been rebased to Citycon share price at EUR 2.23

Ownership

- End of year market capitalisation totaled EUR 371.3 million
- 95.3 % of shareholders international
    - One of the highest in Helsinki stock exchange
- 2190 registered shareholders
- Largest Shareholders:
    - Gazit-Globe 43.4%
    - Perennial Investment Partners Ltd >5%
    - ING Clarion Real Estate Securities >5%
- Citycon is included in GPR 250 Property Securities Index. The index includes 250 the most liquid property companies wolrdwide
- Citycon is also included in e.g. FTSE EPRA/NAREIT Global Real Estate Index

SHAREHOLDERS

Backup information

Property portfolio – Finland

FINANCIAL PERFORMANCE	Q4 2008	Q4 2007	Q3 2008	2008	2007	Change-%
Number of leases started during the period	193	151	66	452	442	2.3
Total area of leases started, sq.m.	31,930	18,640	11,090	79,130	74,400	6.4
Occupancy rate at end of the period, %			95.7	95.7	95.6	0.1
Average remaining length of lease portfolio at the end of the period, year			3.1	3.1	3.1	0.0

LEASE PORTFOLIO	Q4/2008	Q4/2007	Q3/2008	2008	2007	Change-%
Gross rental income, EUR million	30.8	29.1	30.8	122.5	100.7	21.7
Turnover, EUR million	32,0	30.2	31.9	126.8	104.3	21.6
Net rental income, EUR million	22.6	21.0	23.4	90.9	75.7	20.1
Net fair value losses/gains on investment property, EUR million	-48.6	-2.3	-45.0	-154.3	148.1	–
Operating loss/profit, EUR million	-21.7	17.3	-22.9	-62.9	218.4	–
Capital expenditure, EUR million	10.6	32.5	18.0	69.2	429.1	-83.9
Fair market value of investment properties, EUR million			1,519.3	1,480.2	1,587.0	-6.7
Net rental yield, % (1			5.8	6.0	6.2	–
Net rental yield, like-for-like properties, %			6.3	6.5	6.6	–
Net yield requirement (valuation yield), %			6.2	6.4	5.7	

1) Includes the lots for development projects.

Property portfolio – Sweden

FINANCIAL PERFORMANCE	Q4 2008	Q4 2007	Q3 2008	2008	2007	Change-%
Number of leases started during the period	19	13	13	58	49	18.4
Total area of leases started, sq.m.	9,060	9,179	1,670	15,340	25,800	-40.5
Occupancy rate at end of the period, %			94.8	96.0	95.1	0.9
Average remaining length of lease portfolio at the end of the period, year			2.4	2.4	2.4	0.0

LEASE PORTFOLIO	Q4 2008	Q4 2007	Q3 2008	2008	2007	Change-%
Gross rental income, EUR million	9.9	9.4	11.3	41.1	35.4	16.4
Turnover, EUR million	10.1	11.1	10.5	41.9	39.0	7.2
Net rental income, EUR million	5.3	4.7	6.5	24.1	21.6	11.3
Net fair value losses/gains on investment property, EUR million	-21.4	2.3	-29.3	-70.1	54.7	–
Operating loss/profit, EUR million	-16.9	6.9	-23.3	-49.1	73.4	–
Capital expenditure, EUR million	23.0	5.5	18.5	65.6	142.4	-53.9
Fair market value of investment properties, EUR million			464.1	396.1	517.5	-23.5
Net rental yield, % (1			4.7	5.0	4.6	–
Net rental yield, like-for-like properties, %			5.2	5.4	4.9	–
Net yield requirement (valuation yield), %			6.0	6.4	5.4	

1) Includes the lots for development projects.

Property portfolio – The Baltic Countries

FINANCIAL PERFORMANCE	Q4 2008	Q4 2007	Q3 2008	2008	2007	Change-%
Number of leases started during the period	43	-	2	62	21	195.2
Total area of leases started, sq.m.	28,740	-	50	30,490	3,208	850.4
Occupancy rate at end of the period, %			99.8	99.8	100.0	-0.2
Average remaining length of lease portfolio at the end of the period, year			2.2	6.8	2.8	142.9

LEASE PORTFOLIO	Q4 2008	Q4 2007	Q3 2008	2008	2007	Change-%
Gross rental income, EUR million	3.0	2.1	2.1	9.3	7.7	20.7
Turnover, EUR million	3.1	2.0	2.1	9.6	8.0	19.4
Net rental income, EUR million	2.2	1.4	1.5	6.8	6.0	13.8
Net fair value gains/losses on investment property, EUR million	10.6	-0.1	2.6	8.3	8.7	–
Operating profit/loss, EUR million	12.6	1.0	4,0	14.4	13.8	–
Capital expenditure, EUR million	6.7	5.6	3.8	22.7	31.7	-28.3
Fair market value of investment properties, EUR million			111.0	147.3	111.2	32.5
Net rental yield, % (1			5.8	6.2	6.2	–
Net yield requirement (valuation yield), %			7.1	7.4	6.4	

1) Includes the lots for development projects.

Illustrative calculation of ICR covenant using FY 2008 financials*

FY 2008 EBITDA for covenant calculation: direct operating profit + depreciations +/- non-cash and exceptional items

EBITDA = EUR 105.3 + EUR 0.5 + EUR 1.0

= **EUR 106.8 million** for previous 12-month period

EUR million	FY 2008	FY 2007	Change-%
Direct result			
Net rental income	121,8	103,4	17,8 %
Direct administrative expenses	-16,5	-16,5	0,2 %
Direct other operating income and expenses	0,1	0,5	-77,9 %
Direct operating profit	**105,3**	**87,4**	**-59,9 %**
Direct net financial income and expenses	-54,2	-44,7	21,2 %
Direct current taxes	-4,8	-3,4	40,0 %
Direct change in deferred taxes	0,2	-0,2	-
Direct minority interest	-2,8	-0,9	223,7 %
Total	**43,8**	**38,3**	**14,4 %**

FY 2008 ICR

= (106.8/54.2)

= 2.0

FY 2008 Net financials for covenant calculation: direct net financials + gain from convertible buyback – non-cash option amortization from convertible +/– other adjustments incl. FX gains or losses

Net financials = EUR 54.2 + EUR 2.4 – EUR 1.8 – EUR 0.6

= **EUR 54.2 million** for previous 12-month period

** All number are approximations*

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Illustrative calculation of equity ratio covenant using FY 2008 financials*

Equity for covenant calculation: total shareholders' equity + subordinated debt (cf. Note 23) – minority interest +/– fair value of derivatives included in equity

Equity = EUR 837.3 + EUR 143.3 – EUR 38.2 + EUR 17.7

= **EUR 960.1 million** as at 31 Dec 2008

EUR million Liabilities and Shareholders' Equity	FY 2008	FY 2007
Shareholders' equity		
Share capital	259,6	259,6
Share premium fund and other restricted reserves	131,1	131,1
Fair value reserve	-17,7	4,9
Invested unrestricted equity fund	177,3	199,3
Retained earnings	248,8	387,0
Total equity attributable to parent company shareholders	799,1	982,0
Minority interest	38,2	28,9
Total shareholders' equity	**837,3**	**1 010,9**
Total liabilities	**1 341,2**	**1 297,7**

Equity ratio as at 31 Dec 2008

= (960.1/2,129.0)

= 45.1%

Total balance sheet for covenant calculation:Equity (as defined above) + total liabilities – subordinated debt +/ – fair value of derivatives and other adjustments

Total balance sheet = EUR 960.1 + EUR 1,341.2 – EUR 143.3 – EUR 29.0

= **EUR 2,129.0 million** as at 31 Dec 2008

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** All number are approximations*

Citycon in brief - background

Citycon's path to becoming the market leader and an international real estate company

1988
- Quoted on the Main List of Helsinki Stock Exchange Office portfolio

1998
- Focus on Retail
- Two large Retail portfolio acquisitions
- Office portfolio divested
- Outsourced property management

1999
- Acquisition of 13 shopping centres

2003
- Property portfolio expands considerably
- Citycon's ownership base changes
- International investors become interested in Citycon

2004
- Citycon continues to growth
- Ownership structure becomes very international
- Analysing potential for entry into the Baltic countries and Scandinavia

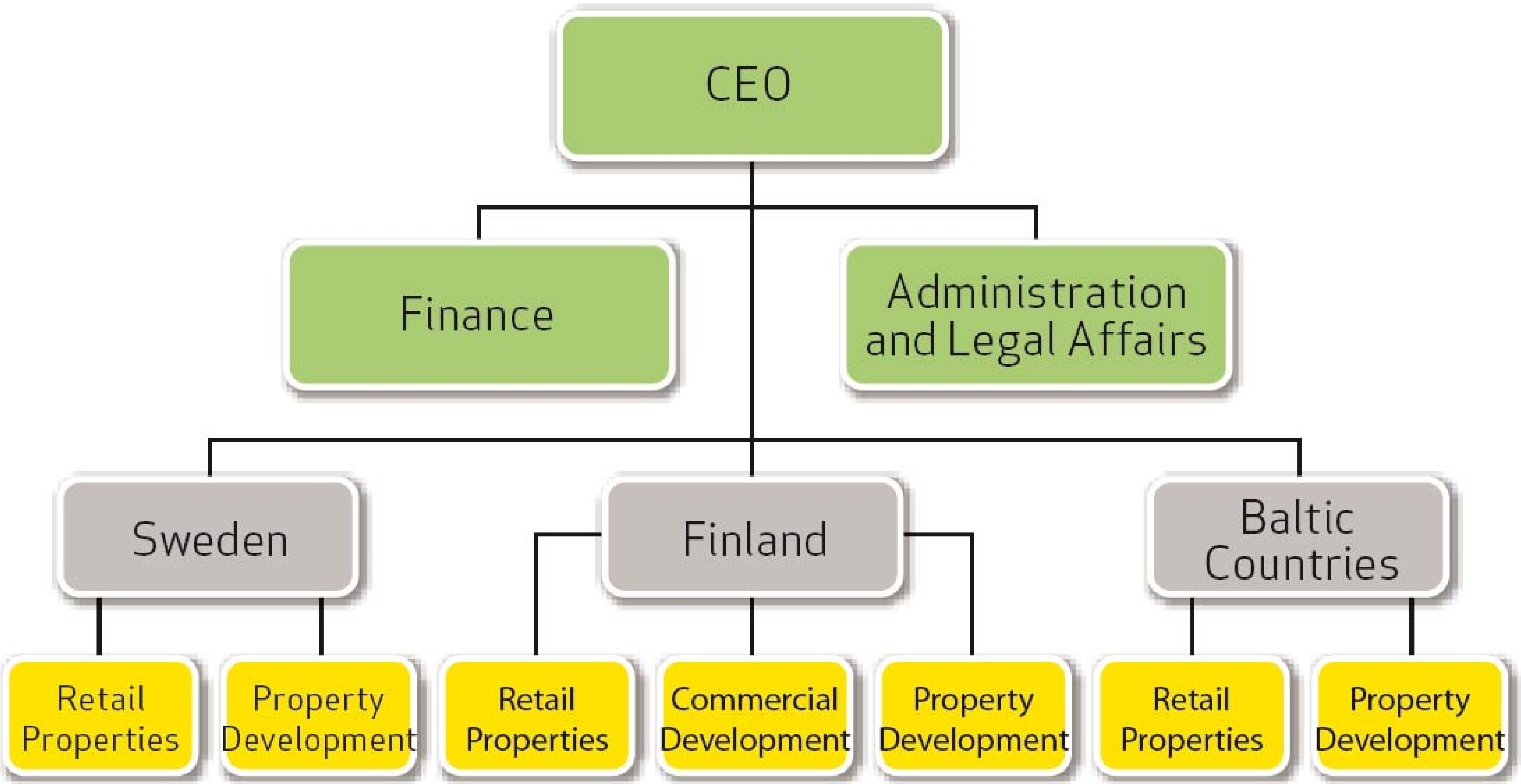
2005
- Citycon enters foreign markets by acquiring its first properties in Sweden and Estonia
- Increases holdings in a number of Finnish shopping centres

2006
- Citycon continues to expand acquiring several retail properties especially in Sweden and its first property in Lithuania
- The disposal of non-core properties

2007
- The company strengthens its shopping centre portfolio by new acquisitions in Finland and Sweden
- Focus on development and redevelopment: Liljeholmen and Rocca al Mare project started
- Citycon acquires Iso Omena

2008
- The company sells 40% of Iso Omena to GIC.
- Citycon puts more and more emphasis on green, sustainable construction and redevelopment and is aiming to get international environmental certification for its projects.

Country organisation



Management

Petri Olkinuora, CEO

Eero Sihvonen, CFO

Outi Raekivi
Head of Legal Affairs

Kaisa Vuorio
Vice President
Finnish Operations

Ulf Attebrant
Vice President
Swedish Operations

Harri Holmström
Vice President
Baltic Operations

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