Financial Results

for 1 January-31 December 2009

CITYCON

creating success for retailing

Financial Results for 1 January-31 December 2009

Summary of the Last Quarter of 2009

- Turnover grew to EUR 48.9 million (Q3/2009: EUR 45.9 million).
- Net rental income declined by 2.7 per cent to EUR 31.6 million (EUR 32.5 million), mainly due to higher operating expenses than in the previous quarter, reflecting common seasonal fluctuation.
- Net cash from operating activities per share was EUR 0.06 (EUR 0.05).
- Earnings per share were EUR -0.11 (EUR 0.06).
- Direct result per share (diluted) was EUR 0.06 (EUR 0.06).
- The fair value change of investment properties was EUR -38.6 million (EUR -1.2 million). The fair value change was mainly due to slightly reduced net rental income growth in the appraisal assumptions and higher valuation yield in the Baltic Countries. The fair value of investment properties was EUR 2,147.4 million (EUR 2,162.7 million).
- The average net yield requirement for investment properties remained at the previous quarter's level and was 6.6 per cent (6.6%) at the end of the period, according to an external appraiser.
- Net financial expenses totalled EUR 12.0 million (EUR 11.7 million).
- On the basis of its loan agreement covenants, Citycon's interest cover ratio improved to 2.3x (2.2x) and equity ratio fell to 40.6 per cent (42.4%).
- Citycon issued new bonds with a total, aggregate value of EUR 40 million directed at domestic retail investors. The proceeds thereof will be used to finance (re)development projects.
- During the last quarter of 2009, the Liljeholmstorget shopping centre construction project in Stockholm and the redevelopment and extension project of the Rocca al Mare shopping centre in Tallinn, Estonia were completed.
- The Board of Directors proposes a per-share dividend of EUR 0.04 (EUR 0.04) and, additionally, a return of equity from invested unrestricted equity fund of EUR 0.10 (EUR 0.10) per share.

Summary of the Year 2009

- Turnover increased by 4.5 per cent to EUR 186.3 million (2008: EUR 178.3 million). This increase was due to the growth in gross leasable area and active development of the retail properties. Turnover growth was adversely impacted by slightly higher vacancy rates.
- Profit/loss before taxes was EUR -37.5 million (EUR -162.3 million), including a EUR -97.4 million (EUR -216.1 million) change in the fair value of investment properties.
- Net rental income increased by 3.0 per cent to EUR 125.4 million (EUR 121.8 million). If the impact of the weakened Swedish krona (SEK) is excluded, net rental income increased by 5.0 per cent.
- Net rental income from like-for-like properties rose by 0.8 per cent.
- The company's direct result increased to EUR 50.9 million (EUR 43.8 million).
- Direct result per share (diluted) rose to EUR 0.23 (EUR 0.20).
- Earnings per share were EUR -0.16 (EUR -0.56). Changes in the fair value of investment properties have a substantial impact on earnings per share.
- The occupancy rate was 95.0 per cent (96.0 %). The decrease in the occupancy rate resulted from a slight increase in the vacancy rate in Finland, Sweden and in the Baltic Countries.
- Net cash from operating activities per share increased to EUR 0.30 (EUR 0.21). This growth was mainly due to one-off exchange rate gains, lower interest expenses, and positive changes in working capital as well as increased operating profit.
- The equity ratio was 34.2 per cent (38.5 %). This decrease resulted mainly from fair value changes in investment properties and higher debt due to investments.
- The company's financial position remained good during the period. Total available liquidity at the end of the reporting period was EUR 205.6 million, including unutilised committed debt facilities amounting to EUR 185.8 million and EUR 19.8 million in cash. The available liquidity will cover the authorised investments and scheduled debt interest and repayments at least until the end of 2010, without any additional financing sources.
- In June, an agreement was concluded on the sale of the apartments under construction in Liljeholmen, Sweden, totalling SEK 176 million (approximately EUR 16.3 million).
- In July, Citycon agreed on the sale of the 181 apartments in Åkersberga Centrum in Greater Stockholm area, Sweden, for approximately EUR 16.7 million. Concurrently, it was decided to redevelop the Åkersberga Centrum shopping centre. The estimated total investment amounts to EUR 46 million with Citycon accounting for 75 per cent.

Key Figures

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-% [1]
Turnover, EUR million	48.9	45.2	45.9	186.3	178.3	4.5 %
Net rental income, EUR million	31.6	30.2	32.5	125.4	121.8	3.0 %
Operating loss/profit, EUR million	-12.4	-27.9	27.4	10.3	-105.0	–
% of turnover	–	–	59.6%	5.5%	–	–
Loss/profit before taxes, EUR million	-24.4	-40.9	15.6	-37.5	-162.3	-76.9%
Loss/profit attributable to parent company shareholders, EUR million	-23.8	-30.7	13.3	-34.3	-124.1	-72.4%
Direct operating profit, EUR million	26.3	25.6	28.6	107.7	105.3	2.3 %
% of turnover	53.9%	56.7%	62.2%	57.8%	59.1%	–
Direct result, EUR million	12.5	11.8	14.2	50.9	43.8	16.3 %
Indirect result, EUR million	-36.3	-42.5	-0.9	-85.2	-167.9	-49.3 %
Earnings per share (basic), EUR	-0.11	-0.14	0.06	-0.16	-0.56	-72.4 %
Earnings per share (diluted), EUR	-0.11	-0.14	0.06	-0.16	-0.56	-72.4 %
Direct result per share (diluted), (diluted EPRA EPS), EUR	0.06	0.05	0.06	0.23	0.20	15.2%
Net cash from operating activities per share, EUR	0.06	0.07	0.05	0.30	0.21	42.4 %
Fair value of investment properties, EUR million [2]			2,162.7	2,147.4	2,111.6	1.7 %
Equity per share, EUR			3.41	3.31	3.62	-8.5 %
Net asset value (EPRA NAV) per share, EUR			3.64	3.54	3.88	-8.8 %
EPRA NNNAV per share, EUR			3.46	3.35	3.80	-11.8 %
Equity ratio, %			35.9	34.2	38.5	–
Gearing, %			159.5	169.5	141.3	–
Net interest-bearing debt (fair value), EUR million			1,272.3	1,312.2	1,194.6	9.8 %
Net rental yield, %			6.1	6.1	5.8	–
Net rental yield, like-for-like properties, %			6.6	6.7	6.0	–
Occupancy rate, %			94.7	95.0	96.0	–
Personnel (at the end of the period)			117	119	113	5.3 %
Dividend per share, EUR				0.04 [3]	0.04	-
Return from invested unrestricted equity fund per share, EUR				0.10 [3]	0.10	-
Dividend and return from invested unrestricted equity fund per share total, EUR				0.14 [3]	0.14	-

1) Change-% is calculated from exact figures and refers to the change between 2009 and 2008.
2) Due to the adoption of amended IAS 40 Investment property -standard, the fair value of investment properties also includes development properties.
3) Proposal by the Board.

On 9 February 2010, Citycon's Board of Directors approved the company's Financial Statements for the accounting period 1 January-31 December 2009. They can be found at www.citycon.com.

CEO Petri Olkinuora's Comments on the Year 2009: Successful completion of two (re)development projects

"The company's net cash from operating activities per share and direct result per share were among the best in the company's history. Direct result increased to EUR 50.9 million, thanks to growth in rental income and lower interest costs. Citycon's financial position is stable and we have sufficient committed, non-utilized credit facilities to finance the projects under construction.

Over the year, the occupancy rate showed only a slight decrease and was 95 per cent. Total sales of all of Citycon's shopping centres remained at almost their previous year's levels, although the retail environment continued to deteriorate.

At the end of 2009, the largest development projects in the history of Citycon were completed in Stockholm and in Tallinn where Liljeholmstorget and Rocca al Mare were opened to the public very successfully. These completed projects strengthen the company's market position within the Swedish and the Estonian shopping centre business.

Citycon continues to have several (re)development projects under planning in all of its operating countries. The company's investments mainly aim at improving the long-term competitiveness of its existing property portfolio. The extension and redevelopment of the Åkersberga Centrum shopping centre in Sweden, the thorough redevelopment of the Espoontori shopping centre in Finland, and the construction of the new Helsinki Myllypuro shopping centre are some of the latest projects. Significant development projects currently under planning in Finland include the extension of Iso Omena above the future metro station, a new shopping centre to be constructed in Vantaa Martinlaakso, and the redevelopment of the shopping centre Forum in Jyväskylä. These projects are targeted to meet the quality standards of the international LEED (Leadership in Energy and Design) certification."

Business Environment

The year 2009 had a challenging start in all of Citycon's operating countries. The global recession turned into a depression most visibly in the Baltic countries, also the Finnish and the Swedish economies contracted. During 2009, developments in the real economy were reflected in retailing.

In 2009, Finnish retail sales shrank by 1.6 per cent but grocery sales grew by 1.9 per cent in January-November. In Sweden, retail sales grew by 2.8 per cent and grocery sales by 1.9 per cent. Trade slowed down most in the Baltic countries. Retail sales reduced by 15.0 per cent and grocery sales by 8.0 per cent in Estonia, and by 18.3 per cent and 10.3 per cent in Lithuania. (Sources: Statistics Finland, Statistics Sweden, Statistics Estonia) Affordable clothing sales grew in Finland and Sweden, whereas furniture and car sales suffered most (Newsec Property Report, Autumn 2009). The year 2009 was the second successive year for weakened retail trade profitability in Finland (source: Statistics Finland).

In Sweden, retail sales took an upward swing in the summer, but in Finland and in the Baltic countries they continued on a downward trend throughout 2009. The economic situation continues to be difficult in the Baltic countries. (Sources: Statistics Finland, Statistics Sweden, Statistics Estonia)

Consumer confidence in economic development weakened in the summer, but slowly began to recover, especially in Finland and in Sweden. Inflation turned into a consumer price decline, and interest rates remained at record low levels in all of Citycon's operating countries. (Sources: Statistics Finland, Statistics Sweden, Statistics Estonia)

The instability of the global financial market has impacted the price and availability of financing throughout the year. Toward the end of 2009, availability did improve but the margins on debt financing remained rather high.

Business and Property Portfolio Summary

Citycon is an active owner, operator and long-term developer of shopping centres, laying the foundation for a successful retail business. The company aims to increase its net yield from shopping centres over the long term through active retail property management and systematic redevelopment efforts. Citycon's retail properties serve both consumers and retailers.

Citycon is the market leader in the Finnish shopping centre business, holds a strong position in Sweden and a firm foothold in the Baltic countries. It assumes responsibility for the business operations and the administration of its investment properties.

Citycon is involved in the day-to-day operations of its shopping centres and, in co-operation with its tenants, aims to increase the attractiveness, footfall, sales and profits of its shopping centres on a continuous basis.

Citycon is a pioneer in the Nordic shopping centre market, seeking to factor environmental considerations into its shopping centre management and its redevelopment and development projects. The Trio shopping centre in Lahti, Finland, was the first project in the Nordic countries to be awarded the LEED certification in 2009. The Trio project was one of Citycon's three pilot projects for sustainable construction.

Citycon operates in Finland, Sweden and the Baltic countries, and the company's investments are focused on areas with expected population and purchasing power growth.

At the end of 2009, Citycon owned 33 (33) shopping centres and 51 (52) other properties. Of the shopping centres, 22 (22) were located in Finland, eight (8) in Sweden and three (3) in the Baltic countries. The market value of the company's entire property portfolio totalled EUR 2,147.4 million (EUR 2,111.6 million) with Finnish properties accounting for 67.2 per cent (70.7 %), Swedish properties for 25.6 per cent (21.9 %) and Baltic properties for 7.3 per cent (7.4 %) of the portfolio. The gross leasable area at the end of the period was 961,150 square metres.

Changes in the Fair Value of Investment Properties

Citycon measures its investment properties at fair value, under the IAS 40 standard, according to which changes in the fair value of investment properties are recognised through profit or loss. Due to the amendment to IAS 40 standard on 1 January 2009, Citycon also measures its development properties at fair value instead of at cost, and no longer presents development properties separately from investment properties on the statement of financial position.

In accordance with the International Accounting Standards (IAS) and the International Valuation Standards (IVS), an external professional appraiser conducts a valuation of Citycon's property portfolio on a property-by-property basis at least once a year. In 2009, however, Citycon had its properties valued on a quarterly basis by an external appraiser, due to market volatility.

Citycon's property portfolio is valued by Realia Management Oy, part of the Realia Group. Realia Management Oy is the preferred appraisal service provider of CB Richard Ellis in Finland. A summary of Realia Management Oy's Property Valuation Statement at the end of 2009 can be found at www.citycon.com/valuation. The valuation statement includes a description of the valuation process and the factors contributing to the valuation, as well as the results of the valuation, and a sensitivity analysis.

In 2009, the fair value of Citycon's property portfolio decreased. This decrease was due to changes in the general conditions in the property and financial market and to higher yield requirements resulting from the general economic recession. The period saw a total value increase of EUR 5.5 million and a total value decrease of EUR 102.9 million. The net effect of these changes on the company's profit was EUR -97.4 million (EUR -216.1 million).

On 31 December 2009, the average net yield requirement defined by Realia Management Oy for Citycon's property portfolio came to 6.6 per cent (31 December 2008: 6.4 %, and 30 September 2009: 6.6 %).

Lease Portfolio and Occupancy Rate

At the end of the financial year, Citycon had a total of 4,235 (4,143) leases. The average remaining length of the lease agreements was 3.1 years (3.1 years).

Citycon's property portfolio's net rental yield was 6.1 per cent (5.8 %) and its occupancy rate was 95.0 per cent (96.0 %). The decrease in occupancy rate was a result of a slight increase in vacancies across the portfolio in all of Citycon's operating regions, due to toughened market conditions.

During the period under review, Citycon's net rental income grew by 3.0 per cent to EUR 125.4 million. The leasable area increased by 2.5 per cent to 961,150 square metres. Excluding the impact of the weakened Swedish krona (SEK), net rental income from like-for-like properties grew by 0.8 per cent.

Like-for-like properties are properties held by Citycon throughout the 24-month reference period, excluding properties under refurbishment and redevelopment as well as undeveloped lots. 78.5 per cent of like-for-like properties are located in Finland. The calculation method for net yield and standing (like-for-like) investments is based on guidelines issued by the KTI Institute for Real Estate Economics and the Investment Property Databank (IPD).

During the last 12 months, the rolling twelve-month occupancy cost ratio for like-for-like properties was 8.6 per cent. The occupancy cost ratio is calculated as the share of net rent and potential service charges paid by a tenant to Citycon, of the tenant's sales, excluding VAT. The VAT percentage is an estimate.

Lease Portfolio Summary,total portfolio

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Number of leases started during the period	386	255	140	873	572	52,6
Total area of leases started, sq.m.	69,262	69,730	23,789	141,628	124,960	13.3
Occupancy rate at end of the period, %			94.7	95.0	96.0	-1.0
Average remaining length of lease portfolio at the end of the period, year			3.0	3.1	3,1 [1)]	0.0

1) Interpretation of the remaining length of a lease agreement has been revised.

Acquisitions and Divestments

Citycon continues to focus on the development and redevelopment of the company's shopping centres, and monitors the developments in the shopping centre markets across its operating regions. No new shopping centres were acquired during 2009.

At the start of January, Citycon divested all shares in its subsidiary MREC Kiinteistö Oy Keijutie 15. The debt-free sales price of this non-core property in Lahti amounted to approximately EUR 3 million and the company booked a gain on sale of EUR 0.1 million. As part of its strategy, the company aims to continue divestments of non-core properties.

In June, Citycon agreed to sell the 72 apartments under construction within the Liljeholmstorget shopping centre in Stockholm, Sweden, for approximately SEK 176 million (approximately EUR 16.3 million). The gain on sale is estimated to be around SEK 30 million (around EUR 2.8 million), depending on the final construction expenditure. The gain on sale will be recognised under fair value changes in the statement of comprehensive income as the residential construction progresses.

In July, Citycon agreed on the sale of the 181 apartments within the Åkersberga Centrum, Sweden, for approximately SEK 181 million (approximately EUR 16.7 million). The intention was to execute the deal during the last quarter of 2009, but the closing is now expected to take place during the first half of 2010, due to a delay in the official property registration process. This transaction is not expected to generate any gain on sale.

Development Projects

Citycon is pursuing a long-term increase in the footfall and cash flow, as well as in the efficiency and return on its retail properties. The aim of the company's development activities is to keep its shopping centres competitive for both customers and tenants.

In the short term, redevelopment projects may weaken returns from some properties, as some retail premises may temporarily have to be vacated for refurbishment, which affects rental income. Citycon aims to carry out its redevelopment projects phase by phase, so that the whole shopping centre does not have to be closed during the works in question, thus ensuring a continuous cash flow.

Completed (Re)development Projects

Towards the year end 2009, Citycon completed two major development projects, the Liljeholmstorget shopping centre in Stockholm and the Rocca al Mare centre in Tallinn. Both projects were completed within the planned schedule and in an environmentally sustainable manner.

Liljeholmstorget Galleria

In October, Citycon opened the Liljeholmstorget Galleria shopping centre, the largest single development project in Citycon's history. The total investment in this redevelopment project was almost EUR 200 million, including the initial acquisition cost. The gross leasable area in this south-western Stockholm shopping centre is 28,000 square metres, and the premises are essentially fully let. The three storey shopping centre houses some 90 tenants, including the ICA Kvantum and Willys Hemma grocery stores, Systembolaget, the well-known fashion stores KappAhl, H&M, Gina Tricot and Vero Moda, as well as numerous restaurants, sporting goods and interior decoration shops. Liljeholmstorget Galleria also houses an underground parking hall for 900 cars.

Liljeholmstorget Galleria has an excellent location at a busy transport node, in the middle of a developing residential and business district. Since a precondition for the building permit was that housing would also be constructed, 72 new rental flats will be built above the shopping centre. Apartments are not within Citycon's core business and therefore the company has already agreed to sell them.

Rocca al Mare

The three-stage and three-year Rocca al Mare redevelopment and extension project was completed in November. This shopping centre was built in the 1990s and Citycon acquired it in 2005, deciding at the time to redevelop it thoroughly and to substantially extend it. This shopping centre is located in a well-off district eight kilometres west of the heart of Tallinn. Today, Rocca al Mare is the largest shopping centre in Estonia with a total of 53,500 square metres of leasable area. The premises are fully let. Rocca al Mare accommodates some 160 retail shops, including Ivo Nikkolo, New Yorker and the first Estonian Marks & Spencer, as well as the largest Baltic Prisma hypermarket.

Citycon's total investment in Rocca al Mare amounts to approximately EUR 120 million, including the initial acquisition cost. All authorised investments having been implemented, the Rocca al Mare shopping centre may still be extended by a further 4,000 square metres.

(Re)development Projects in Progress

During the period under review, Citycon initiated the redevelopment and extension project of the Åkersberga Centrum located in the Österåker district of Greater Stockholm area. The total budget for the project is about SEK 467 million (EUR 46 million), of which Citycon's share is 75 per cent.

The leasable area of the shopping centre will grow by about 13,000 square metres, the existing shopping centre will be redeveloped and additional parking facilities will be built for 350 vehicles. Construction work was initiated in the summer of 2009 and the refurbished shopping centre will be completed in 2011. The shopping centre will remain open throughout the project.

The enclosed table lists the most significant development and redevelopment projects in progress and completed during 2009, as approved by the Board of Directors. Capital expenditure during 2009 on all development projects reached EUR 24.2 million in Finland, EUR 95.9 million in Sweden and EUR 13.9 million in the Baltic Countries.

(Re)development projects completed in 2009 and in progress on 31 December 2009 [1)]

	Location	Estimated total investment (EUR million)	Actual gross capital expenditure by 31 Dec. 2009 (EUR million)	Estimated final year of completion
Liljeholmstorget	Stockholm, Sweden	138[2)]	132.1	completed
Rocca al Mare	Tallinn, Estonia	58.3	49.9[3)]	completed
Åkersberga Centrum	Österåker, Sweden	45.6	16.0	2011
Torikeskus	Seinäjoki, Finland	4	2.7	2010
Hansa (Trio)	Lahti, Finland	8	0.5	2010
Myyrmanni	Vantaa, Finland	4.8	0.6	2010

1) Calculated at end of period exchange rates.
2) Does not include apartments to be sold.
3) Remaining capital expenditure payable in 2010.

(Re)development projects under planning

Citycon and the construction company NCC were jointly awarded a provisional contract for the design of a metro centre to be built for the western metro line at Matinkylä in Espoo, adjacent to the Iso Omena shopping centre. The aim of Citycon and NCC is to create a metro centre which combines excellent commercial services with smooth connections between the metro train and its feeder terminal. The western metro line connecting Helsinki and Espoo is due for completion in 2014. Other redevelopment projects under planning in Finland are the Martinlaakso shopping centre in Vantaa and the Forum shopping centre in Jyväskylä.

More information on planned projects can be found in the Annual Report 2009, to be published during week 9/2010.

Business Units

Citycon's business operations are divided into the business units Finland, Sweden and the Baltic Countries. The Swedish and Baltic business units are sub-divided into the business areas Retail Properties and Property Development. The Finnish business unit was reorganised at the end of 2009. The Finnish unit is sub-divided into the business areas Retail Property Management (operative management of shopping centres), Asset Management (property management, investments and divestments), Leasing and Marketing and Property Development.

Finland

Citycon is the market leader in the Finnish shopping centre business. Citycon's market share was approximately 22 per cent of the Finnish shopping centre market in 2009 (source: Entrecon). During the period under review, the company's net rental income from its Finnish operations came to EUR 92.4 million (EUR 90.9 million). The business unit accounted for 73.7 per cent of Citycon's total net rental income.

The key figures of the Finnish property portfolio are presented below. Development projects have been covered previously in this document.

Lease Portfolio Summary, Finland

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Number of leases started during the period	84	193	65	295	452	-34.7
Total area of leases started, sq.m.	18,420	31,930	20,530	57,220	79,130	-27.7
Occupancy rate at end of the period, %			94.1	94.6	95.7	-1.1
Average remaining length of lease portfolio at the end of the period, year			2.9	2.8	3.1	-9.7

Financial performance, Finland

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Gross rental income, EUR million	31.5	30.8	31.3	126.5	122.5	3.3
Turnover, EUR million	32.7	32.0	32.4	131.3	126.8	3.5
Net rental income, EUR million	23.0	22.6	23.4	92.4	90.9	1.7
Net fair value losses/gains on investment property, EUR million	-14.6	-48.6	-4.6	-65.1	-154.3	-57.8
Operating profit/loss, EUR million	6.8	-21.7	17.4	21.2	-62.9	-
Capital expenditure, EUR million	15.3	10.0	2.8	24.5	69.2	-64.6
Fair value of investment properties, EUR million (1			1,449.7	1,442.0	1,494.0	-3.5
Net rental yield, % (2			6.4	6.5	6.0	-
Net rental yield, like-for-like properties, %			6.6	6.7	6.1	-

1) D ue to the adoption of amended IAS 40 Investment property -standard, the fair value of investment properties also includes development properties.
2) Includes the lots for development projects.

Sweden

Citycon has strengthened its position in the Swedish shopping centre market, and has eight shopping centres and seven other retail properties in Sweden. They are located in the Greater Stockholm and Greater Gothenburg areas and in Umeå. The company's net rental income from Swedish operations decreased by 3.5 per cent and totalled EUR 23.2 million (EUR 24.1 million). Excluding the impact of the weakened Swedish krona, net rental income from Swedish operations would have increased by 6.5 per cent from the previous year. The business unit accounted for 18.5 per cent of Citycon's total net rental income.

The key figures of the Swedish property portfolio are presented below. Development projects have been covered previously in this document.

Lease Portfolio Summary, Sweden

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Number of leases started during the period	245	19	71	449	58	674.1
Total area of leases started, sq.m.	42,163	9,060	2,995	59,351	15,340	286.9
Occupancy rate at end of the period, %			95.0	94.7	96.0	-1.3
Average remaining length of lease portfolio at the end of the period, year			2.2	3.0	2.4	25.0

Financial performance, Sweden

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Gross rental income, EUR million	11.4	9.9	9.6	39.3	41.1	-4.5
Turnover, EUR million	12.4	10.1	9.9	41.0	41.9	-2.0
Net rental income, EUR million	6.1	5.3	6.4	23.2	24.1	-3.5
Net fair value losses/gains on investment property, EUR million	-17.0	-21.4	-1.3	-19.6	-70.1	-72.1
Operating loss/profit, EUR million	-12.0	-16.9	4.4	0.3	-49.1	-
Capital expenditure, EUR million	33.4	21.7	29.1	95.9	65.6	46.0
Fair value of investment properties, EUR million (1			551.0	548.8	462.4	18.7
Net rental yield, % (2			4.8	4.7	5.0	-
Net rental yield, like-for-like properties, %			6.4	6.5	5.6	-

1) Due to the adoption of amended IAS 40 Investment property -standard, the fair value of investment properties also includes development properties.
2) Includes the lots for development projects.

Baltic Countries

At the end of 2009, Citycon owned three shopping centres in the Baltic countries: Rocca al Mare and Magistral in Tallinn, Estonia, and Mandarinas in Vilnius, Lithuania. The difficult economic situation in the Baltic countries has affected the sales of Citycon's shopping centres and increased tenants' requests for rental rebates. At the same time, the risk of credit loss has increased. The Baltic vacancy rate has, however, not increased to any substantial degree during the period under review. Net rental income from the Baltic operations amounted to EUR 9.8 million (EUR 6.8 million). The business unit accounted for 7.8 per cent of Citycon's total net rental income.

The key figures of the Baltic property portfolio are presented below. Ongoing development projects have been covered previously in this document.

Lease Portfolio Summary, Baltic Countries

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Number of leases started during the period	57	43	4	129	62	108.1
Total area of leases started, sq.m.	8,679	28,740	264	25,057	30,490	-17.8
Occupancy rate at end of the period, %			99.7	99.4	99.8	-0.4
Average remaining length of lease portfolio at the end of the period, year			5.4	5.2	5.4 1)	-3.7

1) Interpretation of the remaining length of a lease agreement has been revised.

Financial performance, Baltic Countries

	Q4/2009	Q4/2008	Q3/2009	2009	2008	Change-%
Gross rental income, EUR million	2.3	3.0	3.4	12.0	9.3	29.1
Turnover, EUR million	3.8	3.1	3.6	14.0	9.6	45.5
Net rental income, EUR million	2.5	2.2	2.7	9.8	6.8	44.6
Net fair value losses/gains on investment property, EUR million	-7.1	10.6	4.7	-12.7	8.3	-
Operating loss/profit, EUR million	-4.9	12.6	7.2	-3.8	14.4	-
Capital expenditure, EUR million	1.7	6.1	1.2	13.9	22.7	-38.8
Fair value of investment properties, EUR million [1]			162.0	156.6	155.3	0.8
Net rental yield, % [2]			6.7	6.4	6.2	-
Net rental yield, like-for-like properties, %			8.1	8.2	7.4	-

1) Due to the adoption of amended IAS 40 Investment property -standard, the fair value of investment properties also includes development properties.
2) Includes the lots for development projects.

Turnover and Profit

Turnover for the financial year came to EUR 186.3 million (EUR 178.3 million), derived principally from the rental income generated by Citycon's retail premises. Gross rental income accounted for 95.5 per cent (97.0 %) of turnover.

Operating profit came to EUR 10.3 million (EUR -105.0 million). Profit before taxes was EUR -37.5 million (EUR -162.3 million) and profit after taxes attributable to the parent company's shareholders was EUR -34.3 million (EUR -124.1 million). The increase in operating profit was mainly due to fair value changes of the property portfolio. The operating profit rose also due to the completion of (re)development projects, thanks to net rental income generated by new and refurbished premises. Credit losses remained modest at EUR 0.6 million. Temporary rental rebates amounted to EUR 1.6 million in 2009.

The effect of changes in the fair value of the property portfolio, of gains on sale and other indirect items on the profit attributable to the parent company's shareholders was EUR -85.2 million (EUR -167.9 million), tax effects included. Taking this into account, the direct result after taxes was EUR 7.1 million above the reference period level (Cf. Note "Reconciliation between direct and indirect result"). The growth in the direct result is mainly attributed to the increased net rental income and lower financing expenses due to lower interest rates and changes in exchange rates. In addition, a gain of EUR 0.4 million, including tax effects, from the buybacks of convertible bonds was recognised under the direct result.

Current taxes on the direct result were higher for the financial year than during the reference period, due to growth in the direct result and the buybacks of convertible bonds.

Earnings per share were EUR -0.16 (EUR -0.56). Direct result per share, diluted, (diluted EPRA EPS) was EUR 0.23 (EUR 0.20). Net cash flow from operating activities per share was EUR 0.30 (EUR 0.21).

Human Resources and Administrative Expenses

At the end of the period, Citycon Group employed a total of 119 (113) persons, of whom 78 worked in Finland, 33 in Sweden and eight in the Baltic countries. Administrative expenses increased to EUR 17.8 million (EUR 16.9 million), including EUR 0.4 million (EUR 0.3 million) of expenses related to employee stock options and the company's share-based incentive scheme.

Investments and Divestments

Citycon's reported gross capital expenditure during the year totalled EUR 134.6 million (EUR 157.8 million). Of this, property acquisitions accounted for EUR 0.0 million (EUR 17.4 million), property development for EUR 134.0 million (EUR 139.6 million) and other investments for EUR 0.6 million (EUR 0.8 million). The investments were financed through cash flow from operations and existing financing arrangements.

In July, Citycon agreed on the sale of the 181 apartments within the Åkersberga Centrum, Sweden, for approximately SEK 181 million (approximately EUR 16.7 million). In June, Citycon agreed to sell the apartments under construction within the Liljeholmstorget shopping centre in Stockholm, Sweden, for approximately SEK 176 million (approximately EUR 16.3 million). At the end of January, Citycon divested all shares in its subsidiary MREC Kiinteistö Oy Keijutie 15. The debt-free sales price of this non-core property in Lahti amounted to approximately EUR 3 million.

Statement of Financial Position and Financing

The total assets at the end of the financial year stood at EUR 2,253.2 million (EUR 2,178.5 million). Liabilities totalled EUR 1,485.3 million (EUR 1,341.2 million), with short-term liabilities accounting for EUR 227.4 million (EUR 109.5 million). The Group's financial position remained good. At the end of the period under review, Citycon's liquidity was EUR 205.6 million, of which EUR 185.8 million consisted of undrawn, committed credit facilities and EUR 19.8 million of cash and cash equivalents. At the end of the accounting period, Citycon's liquidity, excluding short-term credit limits and commercial papers, stood at EUR 172.9 million (31 December 2008: EUR 158.7 million).

For the purpose of short-term liquidity management, the company uses a EUR 100 million non-committed Finnish commercial paper programme and a non-committed Swedish commercial paper programme worth SEK one billion. During the second half of 2009, the domestic commercial papers market had picked up and by the end of the accounting period under review, Citycon had issued commercial papers to the value of EUR 32.6 million. Citycon's financing is mainly arranged on a long-term basis, with short-term interest-bearing debt constituting approximately 11 per cent of the Group's total interest-bearing debt at the end of the report period.

Year-on-year, reported interest-bearing debt increased by EUR 122.1 million, to EUR 1,321.7 million (EUR 1,199.5 million) in 2009. The fair value of the Group's interest-bearing debt was EUR 1,332.0 million (EUR 1,211.3 million).

The Group's cash and cash equivalents totalled EUR 19.8 million (EUR 16.7 million). The fair value of the Group's interest-bearing net debt stood at EUR 1,312.2 million (EUR 1,194.6 million).

The year-to-date weighted average interest rate decreased compared to the previous year and was 4.16 per cent (4.85 % during reference period). The average loan maturity, weighted according to the principal amount of the loans, stood at 3.6 years (4.6 years). The average interest-rate fixing period was 3.2 years (3.3 years).

Citycon's interest cover ratio covenant improved slightly due to lower interest costs and the improved direct result coming to 2.3 (Q3/2009: 2.2). Citycon's equity ratio covenant as defined in the loan agreements fell to 40.6 per cent (Q3/2009 42.4 %) due to investments financed with debt and the fair value loss of the property portfolio.

The weighted interest rate, interest-rate swaps included, averaged 3.87 per cent on 31 December 2009.

At the end of the reporting period, the Group's equity ratio was 34.2 per cent (38.5 %). Gearing stood at 169.5 per cent (141.3%).

Citycon's period-end interest-bearing debt included 75.1 per cent (75.8 per cent) of floating-rate loans, of which 73.7 per cent (66.4 %) had been converted to fixed-rate ones by means of interest-rate swaps. Fixed-rate debt accounted for 80.2 per cent (74.5 %) of the company's year-end interest-bearing debt, interest-rate swaps included. The debt portfolio's hedging ratio is in line with the Group's financing policy. In 2009, Citycon utilized the prevailing low interest rates by making new interest-rate swaps and by extending maturing contracts, thereby increasing the debt portfolio's hedging ratio.

Citycon applies hedge accounting, whereby changes in the fair value of interest-rate swaps subject to hedge accounting are recognised under other comprehensive income. The year-end nominal amount of interest-rate swaps totalled EUR 737.6 million (EUR 591.7 million), with hedge accounting applied to interest-rate swaps whose nominal amount totalled EUR 713.2 million (EUR 568.7 million).

On 31 December 2009, the nominal amount of all of the Group's derivative contracts totalled EUR 759.7 million (EUR 614.8 million), and their fair value was EUR -29.2 million (EUR -9.8 million). The decline of market interest rates during 2009 decreased the fair value of Citycon's interest rate derivatives. Hedge accounting is applied for the majority of interest rate derivatives, meaning that any changes in their fair value will be recognised under other comprehensive income. Thereby, the fair value loss for these derivatives does not affect the profit for the period or the earnings per share, but the total comprehensive income. During the reporting period, the fair value loss recognised under other comprehensive income, taking account of the tax effect, totalled EUR -5.0 million (EUR -22.6 million).

Net financial expenses totalled EUR 47.7 million (EUR 57.3 million). This decrease was mainly attributable to lower interest rates and the buybacks of convertible bonds.

Net financial expenses in the statement of comprehensive income include EUR 0.6 million of non-recurring income for the buyback of the convertible bonds. In addition, net financial expenses in the statement of comprehensive income include EUR 1.4 million (EUR 1.8 million) in non-cash expenses related to the option component on convertible bonds.

Loan Market Transactions

Syndicated Loan

In March, Citycon signed an agreement for a EUR 75 million unsecured revolving credit facility with a group of three Nordic banks. The agreement is valid for three years.

The new syndicated loan will further strengthen the company's available liquidity and provide the means of financing Citycon's growth on a committed basis. The proceeds from the credit facility will be used to finance strategic investments such as shopping centre redevelopment projects. The credit margins of the loan are subject to a pricing grid based on Citycon's interest cover ratio covenant, as has been the case with the company's previous loan agreements.

Subordinated Convertible Bonds 2006

In July 2006, Citycon's Board of Directors decided to issue subordinated capital convertible bonds to the amount of EUR 110 million, directed at international institutional investors and consisting of 2,200 bonds, each with a face value of EUR 50,000. The issue of the convertible bonds waiving the shareholders' pre-emptive subscription rights was based on the authorisation given at Citycon's Annual General Meeting on 14 March 2006. These convertible bonds have been listed on the NASDAQ OMX Helsinki since 22 August 2006. The maturity of the bonds is 7 years and they will pay a coupon of 4.5 per cent annually in arrears. Furthermore, the conversion period is from 12 September 2006 to 27 July 2013, and the maturity date is 2 August 2013. The current conversion price is EUR 4.20.

In the autumn of 2008, Citycon began the buybacks of the convertible bonds as the market situation enabled the repurchases at a price clearly below the face value of the bonds, and as the repurchases enabled the company to strengthen its statement of financial position and cut its net financial expenses.

Citycon continued to repurchase the convertible bonds during the period under review, during which time the company repurchased a total of 128 bonds for EUR 3.6 million (including interest accrued). The repurchased bonds have been cancelled. The total number of bonds after the cancellations is 1,530, and they entitle to subscribe for a maximum of 18,214,285 shares and allow a maximum increase of EUR 24,589,284.75 in Citycon's share capital.

By the end of the accounting period under review, Citycon had repurchased a total principal amount of EUR 33.5 million of the 2006 convertible bonds, corresponding to approximately 30.5 per cent of the aggregate amount of the convertible bonds. The weighted average repurchase price was 53.5 per cent of the face value of the bonds.

Bond 2009

On 30 November 2009, the Board of Directors of Citycon decided to issue an unsecured domestic bond and offer it for subscription for domestic retail investors. The total nominal amount of the unsecured bond issued is EUR 40 million. Unless the loan is prior to that redeemed or repurchased on the secondary market, the loan period is 17 December 2009-17 December 2014. The bond will pay a coupon of 5.1 per cent annually on 17 December until 17 December 2014. This bond is listed on the NASDAQ OMX Helsinki exchange.

The proceeds from the issue of the bond will be used to finance redevelopment and extension projects and to finance potential acquisitions in line with Citycon's investment strategy.

Short-term Risks and Uncertainties

For risk management purposes, Citycon has a holistic Enterprise Risk Management (ERM) programme in place. The purpose of risk management is to ensure that the company meets its business targets. The ERM's purpose is to generate updated and consistent information for the company's senior executives and Board of Directors on any risks threatening the targets set in the strategic and annual plans.

Citycon's Board of Directors estimates that major short-term risks and uncertainties are associated with economic developments in the company's operating regions, the cost of debt financing, changes in the fair value of investment properties and execution of redevelopment projects.

Economic fluctuations and trends have a significant influence on demand for leasable premises as well as rental levels. These constitute one of the key near-term risks for the company. Economic growth has decelerated distinctly in all of the company's operating areas since 2008, and many economists predict that growth will remain modest in 2010 in Finland, Sweden and the Baltic countries. In addition, unemployment is expected to remain at above-normal levels while inflation remains low. Such an economic development might reduce demand for retail premises, weaken the lessees' ability to pay rent, increase vacancy rate and limit opportunities for increasing rents.

The refurbishment and redevelopment of retail properties is an integral part of Citycon's growth strategy. Implementation of this strategy requires both equity and debt financing. The financial market weakened markedly in 2008 and the situation remained challenging throughout 2009. Banks' willingness to lend money to enterprises has not recovered to pre-crisis levels. Moreover, the margins of long-term unsecured bank loans, in particular, have remained high in spite of the financial markets' improved situation during the second half of 2009. If stricter regulations for banks are realised in the future, it may maintain such abnormally high costs for financing provided by banks. Citycon's financial position is good. At the end of 2009, the company's available liquidity totalled EUR 205.6 million, consisting mainly of committed long-term credit limits and cash and cash equivalents. Citycon is capable of financing its current projects in their entirety as planned.

A number of factors contribute to the value of retail properties, such as general and local economic development, demand among property investors and the expected rate of inflation. Investment property value trends are subject to untypical levels of uncertainty due to the challenging economic situation and increased unemployment throughout the company's operating areas. During recent years, retail property values have declined, with Citycon recognising fair value losses on its investment properties during the financial years 2008 and 2009. Trading activity in the property market remained at historically low levels during 2009. While changes in properties' fair value have an effect on the company's profit for the financial year, they do not have an immediate impact on cash flow.

A key element in Citycon's strategy lies in the development of existing properties to meet the lessees' needs more effectively. The most central short-term risk related to development projects includes leasing new premises in the currently difficult economic environment. Citycon is preparing major redevelopment projects throughout its operating countries, meaning – if all of these projects are carried out – that the leasable area in the company's centres will increase significantly in the forthcoming years. Successful implementation of these new development projects is of primary importance as regards Citycon's financial development and growth. The key risk involves demand for retail premises as well as market rent levels in an environment characterised by slow economic growth. At this very moment, relatively low construction costs would favour launching new projects but, on the other hand, in order for new projects to be viable, they require attaining a sufficient rate of pre-leasing with sufficient rental levels.

More details on Citycon's risk management are available on the corporate website at www.citycon.com/riskmanagement and on pages 32-34 of the Financial Statements 2009.

Environmental Responsibility

Citycon seeks to lead the way in responsible shopping centre business and to promote sustainable development within the business. The location of Citycon's shopping centres in city centres, local centres or generally adjacent to major traffic flows, combined with excellent public transport connections, make them well positioned to face the demands of sustainable development.

Citycon has initiated a Green Shopping Centre Management programme to foster sustainable development in all Citycon shopping centres. The programme was implemented in 2009, and it aims to promote energy efficiency, recycling and other operations that promote sustainable development.

At the end of June, the Trio shopping centre was awarded the first LEED® (Leadership in Energy and Environmental Design) environmental certificate in the Nordic countries. Trio, located in Lahti, Finland, is one of Citycon's three pilot projects of sustainable construction. The other LEED projects include the redevelopment and extension of the Rocca al Mare shopping centre in Tallinn, and the construction of the Liljeholmstorget shopping centre in Stockholm. Citycon has sought LEED certification also for these projects. Certification forms an essential element of Citycon's efforts toward sustainable development.

Citycon defined its long-term environmental responsibility goals in connection with its strategic planning in summer 2009. For the first time, in its Annual Report 2009 Citycon is including data on its environmental performance, with key figures on energy and water consumption, waste recycling rates, and the carbon footprint of the company's business operations. These key figures are used to specify site-specific action plans to help promote the company's environmental performance goals.

Annual General Meeting 2009

Citycon Oyj's Annual General Meeting (AGM) took place in March in Helsinki, Finland. The AGM adopted the company's financial statements for the accounting year 2009 and discharged the members of the Board of Directors and the Chief Executive Officer from liability. The AGM decided on a dividend of EUR 0.04 per share for the financial year 2009 and, in addition, on an equity return of EUR 0.10 per share from the invested unrestricted equity fund. The dividend and equity return were paid on 3 April 2009.

Board of Directors

The number of Board members was increased from eight to nine, with Amir Bernstein, Gideon Bolotowsky, Raimo Korpinen, Tuomo Lähdesmäki, Claes Ottosson, Dor J. Segal, Thomas W. Wernink and Per-Håkan Westin being re-elected to the Board for a one-year-term. Israeli citizen Ariella Zochovitzky, B.A., MBA and CPA, born in 1957, was elected as a new member of the Board.

On 1 December 2009, Citycon's Extraordinary General Meeting elected Mr. Ronen Ashkenazi, B.Sc., Civil Engineering, born in 1962, a member of the Board of Directors to replace Mr. Amir Bernstein, who had resigned on 30 November 2009 for the remainder of the term ending on 11 March 2010. A citizen of Israel, Mr. Ronen Ashkenazi has been professionally active in real estate business for 25 years. Mr. Ashkenazi is CEO and minority shareholder of Gazit Globe Israel (Development) Ltd., subsidiary of Citycon's largest shareholder Gazit Globe Ltd. Gazit Globe Israel (Development) Ltd. is a company mainly focused on shopping centre development.

Auditor

Ernst & Young Oy, a firm of authorised public accountants, was re-elected by the Annual General Meeting to act as the company's auditor during the accounting period 2009, with Authorised Public Accountant Tuija Korpelainen as the chief auditor.

Other decisions made by the Annual General Meeting have been reported in the interim report published on 23 April 2009.

Shareholders, Share Capital and Shares

Citycon shares have been listed on the Helsinki exchange since 1988. Citycon is a Mid Cap Company in the Financials sector, sub-industry Real Estate Operating Companies. Its trading code is CTY1S and its shares are traded in euros. The ISIN code used in international securities clearing is FI0009002471.

Trading and Share Performance

In 2009, the number of Citycon shares traded on the NASDAQ OMX Helsinki totalled 149.3 million (150.9 million) at a total value of EUR 296.1 million (EUR 443.1 million). The highest quotation during the year was EUR 3.16 (EUR 4.28) and the lowest EUR 1.30 (EUR 1.26). The reported trade-weighted average price was EUR 1.99 (EUR 2.94), and the share closed at EUR 2.94 (EUR 1.68). The company's year-end market capitalisation totalled EUR 649.9 million (EUR 371.3 million).

Shareholders

There was a significant increase in the number of Finnish Citycon shareholders during the period under review. On 31 December 2009, Citycon had a total of 3,733 (2,190) registered shareholders, of which ten were account managers of nominee-registered shares. Nominee-registered and other international shareholders held 198.7 million (210.7 million) shares, or 89.9 per cent (95.3 %) of shares and voting rights in the company.

Notifications of Changes in Shareholdings

Perennial Investment Partners Limited notified the company in March that its holdings in Citycon Oyj had fallen below the five per cent threshold. According to the notification, Perennial Investment Partners Limited held a total of 7,770,418 Citycon shares on 12 March 2009, equivalent to 3.52 per cent of the company's share capital and voting rights.

AXA Investment Managers Paris notified the company of several changes in its holdings during 2009. According to a notification submitted in December, still valid at the end of the reporting period, the holdings of AXA S.A. in Citycon Oyj had fallen below the five per cent threshold. According to the notification, AXA S.A. and its subsidiaries held a total of 10,070,707 Citycon shares on 10 December 2009, equivalent to 4.56 per cent of the company's share capital and voting rights.

Share Capital

At the beginning of 2009, the company's registered share capital totalled EUR 259,570,510.20 and the number of shares was 220,998,989. During the period, there were no changes in the company's share capital but the number of shares grew by 60,746 shares, which the company issued through directed, free share issues in May as part of the company's long-term, share-based incentive plan. At the end of the period, the company's registered share capital totalled EUR 259,570,510.20, and the number of shares amounted to 221,059,735. The company has a single series of shares, each share entitling to one vote at general meetings of shareholders. The shares have no nominal value.

Board Authorisations

The AGM for 2007 authorised the Board of Directors to decide on issuing new shares and disposing of treasury shares through paid or free share issues. New shares can be issued and treasury shares can be transferred to shareholders in proportion to their existing shareholding or through a directed share issue waiving the pre-emptive rights of shareholders, if a weighty financial reason exists for doing so. The Board can also decide on a free share issue to the company itself. In addition, the Board was authorised to grant special rights referred to in Section 1 of Chapter 10 of the Finnish Limited Liability Companies Act, entitling their holders to receive, against payment, new shares in the company or treasury shares. The combined number of new shares to be issued and treasury shares to be transferred, including the shares granted on the basis of the special rights, may not exceed 100 million. At the end of the accounting period, the number of shares that can be issued or disposed of on the basis of the authorisation totalled 72,317,432. This authorisation is valid until 13 March 2012.

The 2009 AGM authorised the Board of Directors to decide on the acquisition of 20 million of the company's own shares. This acquisition authorisation will be valid until the next Annual General Meeting. The company had no treasury shares at the end of the accounting period.

At the end of the accounting period, the Board had no other authorisations.

Stock Options 2004

The Annual General Meeting held on 15 March 2004 authorised the issue of a maximum of 3,900,000 stock options to the personnel of the Citycon Group. The stock options are listed on the NASDAQ OMX Helsinki exchange.

The subscription period for Citycon's stock options 2004 A expired at the end of March. A total of 386,448 shares were subscribed with these options. The number of unexercised stock options 2004 A totalled 694,925. These stock options have been deleted as worthless from their holders' book-entry accounts.

The table below shows details of the 2004 stock options. The full terms and conditions of the stock option plan are available on the corporate website at www.citycon.com/options. No shares were subscribed based on the stock options 2004 during the period under review.

Basic Information on Stock Options 2004 as at 31 December 2009

	2004 B	2004 C
No. of options granted	1 090 000	1 050 000
No. held by Veniamo-Invest Oy 1)	210 000	250 000
Subscription ratio, option/shares	1:1.2127	1:1.2127
Subscription price per share, EUR 2)	2.5908	4.2913
Subscription period began	1.9.2007	1.9.2008
Subscription period ends	31.3.2010	31.3.2011
No. of options exercised	-	-
No. of shares subscribed with options	-	-
No. of options available for share subscription	1 090 000	1 050 000
No. of shares that can be subscribed	1 321 843	1 273 335

1) *Veniamo-Invest Oy, a wholly-owned subsidiary of Citycon Oyj, cannot subscribe for its parent company's shares.*
2) *Following the dividend payment and equity return in 2009. The share subscription prices are reduced by half of the per-share dividends paid and per-share equity returned. However, the share subscription price is always at least EUR 1.35.*

Events after the Financial Year

Initiated development projects

In the beginning of January, the company announced the start of two planned development projects.

A new shopping centre will be built in Myllypuro in 2010-2012 to replace the current retail centre, and 255 new privately financed rental and right-of-occupancy flats will be built adjacent to it, as well as an underground parking hall for 270 cars. The total value of the project is over EUR 60 million, of which EUR 20 million will pay for the shopping centre and parking hall to be owned by Citycon. At the beginning of 2009, Citycon sold all apartments to be built within the shopping centre, as well as the three companies incorporated by it to manage their ownership. Residential investors are responsible for the building development and the leasing of their own apartments. The leasable area of the new shopping centre will be about 7,300 square metres. Currently, over 60 per cent of the premises have been leased.

Citycon's shopping centre Espoontori in Espoo will be thoroughly redeveloped in 2010. The entire shopping centre of 10,400 square metres and the adjacent parking hall will be renovated and modernised to fit the requirements of today's clientele. Citycon's investment in this project will total EUR 18 million.

In February, the company announced that shopping centre Forum in Jyväskylä, Finland, will be redeveloped completely. The company's investment in this project will total EUR 16 million.

Citycon's total investment in these three projects amounts to approximately EUR 54 million.

Subscription of shares with option rights

A total of 356,558 new Citycon shares were subscribed for at a per-share subscription price of EUR 2.5908 exercising stock options B under the company's 2004 stock option scheme at the start of the year. The share subscription price of EUR 923,770.47 was recognised under the invested unrestricted equity fund. The new shares are expected to be registered in the Trade Register on 15 February 2010. Following the registration, the number of registered Citycon shares will amount to 221,416,293 shares. The unexercised 2004 B stock options entitle their holders to subscribe for additional 965,285 new shares.

Board Proposal for Dividend Distribution and Distribution of Assets from the Invested Unrestricted Equity Fund

The parent company's retained earnings amount to EUR 27.5 million, of which profit for the period is EUR 18.5 million. On 31 December 2009, the funds in the parent company's invested unrestricted equity fund amounted to a total of EUR 157.0 million.

The Board of Directors proposes to the Annual General Meeting of 11 March 2010 that a per-share dividend of EUR 0.04 be paid out for the financial year ending on 31 December 2009, and that EUR 0.10 per share be returned from the invested unrestricted equity fund. The Board of Directors proposes that the record date for dividend payment and equity return be 16 March 2010 and that the dividend and equity return be paid on 7 April 2010.

Outlook

Citycon continues to focus on increasing its net cash from operating activities and direct operating profit. In order to implement this strategy, the company will pursue value-added activities while cautiously monitoring the market for potential acquisitions.

Due to market changes and tight financing conditions, the initiation of planned projects will be carefully evaluated against stricter pre-leasing criteria. Citycon intends to continue the divestment of its non-core properties to improve the property portfolio and strengthen the company's financial position. The company is also considering alternative property financing sources.

The grocery sales sector, which accounts for a substantial share of the company's lease portfolio, cushions the impact of rental cyclicality in the company's business. The company expects only moderate changes in net rental income, direct operating profit and direct result in 2010, since new (re)development projects will not be fully operational until towards the end of 2010.

Amsterdam, 9 February 2010

Citycon Oyj

Board of Directors

Condensed Consolidated Financial Statements 1 January - 31 December 2009

Condensed Consolidated Statement of Comprehensive Income, IFRS

EUR million	Note	Q4/ 2009	Q4/ 2008	Change-%	2009	2008	Change-%
Gross rental income		45.2	43.7	3.5%	177.8	173.0	2.8%
Service charge income		3.7	1.5	150.9%	8.5	5.3	58.7%
Turnover	3	**48.9**	**45.2**	**8.2%**	**186.3**	**178.3**	**4.5%**
Property operating expenses		17.0	14.9	13.8%	60.2	56.3	6.8%
Other expenses from leasing operations		0.3	0.1	206.7%	0.7	0.2	233.1%
Net rental income		**31.6**	**30.2**	**4.8%**	**125.4**	**121.8**	**3.0%**
Administrative expenses		5.4	4.7	15.6%	17.8	16.9	5.2%
Other operating income and expenses		0.0	6.0	-99.7%	0.0	6.1	-100.3%
Net fair value losses/gains on investment property		-38.6	-59.3	-34.9%	-97.4	-216.1	-54.9%
Net gains/losses on sale of investment property		-	0.0	-	0.1	0.1	-46.5%
Operating loss/ profit		**-12.4**	**-27.9**	**-55.5%**	**10.3**	**-105.0**	**-**
Net financial income and expenses		12.0	13.0	-8.3%	47.7	57.3	-16.7%
Loss/profit before taxes		**-24.4**	**-40.9**	**-40.4%**	**-37.5**	**-162.3**	**-76.9%**
Current taxes		-1.2	-2.2	-45.7%	-6.5	-6.6	-1.9%
Change in deferred taxes		1.3	7.6	-83.2%	7.0	30.0	-76.5%
Loss/profit for the period		**-24.3**	**-35.5**	**-31.6%**	**-36.9**	**-138.9**	**-73.5%**
Other comprehensive income/expenses							
Net gains/losses on cash flow hedges		1.0	-44.3	-	-6.7	-30.5	-77.9%
Income taxes relating to cash flow hedges		-0.3	11.5	-	1.8	7.9	-77.9%
Exchange losses/ gains on translating foreign operations		-0.1	-12.8	-99.4%	2.0	-13.0	-
Other comprehensive income/expenses for the period, net of tax		**0.7**	**-45.5**	**-**	**-3.0**	**-35.6**	**-91.6%**
Total comprehensive loss/profit for the period		**-23.6**	**-81.0**	**-70.9%**	**-39.9**	**-174.5**	**-77.2%**
Loss/profit attributable to							
Parent company shareholders		-23.8	-30.7	-22.5%	-34.3	-124.1	-72.4%
Minority interest		-0.5	-4.8	-90.1%	-2.6	-14.8	-82.5%
Total comprehensive loss/profit attributable to							
Parent company shareholders		-24.2	-73.2	-66.9%	-38.4	-156.8	-75.5%
Minority interest		0.7	-7.8	–	-1.4	-17.8	-91.9%
Earnings per share (basic), EUR	5	-0.11	-0.14	-22.5%	-0.16	-0.56	-72.4%
Earnings per share (diluted), EUR	5	-0.11	-0.14	-22.5%	-0.16	-0.56	-72.4%
Direct result	4	12.5	11.8	6.0%	50.9	43.8	16.3%
Indirect result	4	-36.3	-42.5	-14.5%	-85.2	-167.9	-49.3%
Loss/profit for the period attributable to parent company shareholders		**-23.8**	**-30.7**	**-22.5%**	**-34.3**	**-124.1**	**-72.4%**

Condensed Consolidated Statement of Financial Position, IFRS

EUR million	Note	31 Dec. 2009	31 Dec. 2008
Assets			
Non-current assets			
Investment properties	6	2,147.4	2,111.6
Intangible assets and property, plant and equipment		1.6	1.7
Deferred tax assets		8.6	6.8
Derivative financial instruments and other non-current assets	9	3.8	6.0
Total non-current assets		2,161.4	2,126.1
Current assets			
Investment properties held for sale	7	26.0	-
Derivative financial instruments	9	-	13.9
Trade and other receivables		46.1	21.7
Cash and cash equivalents	8	19.8	16.7
Total current assets		91.8	52.4
Total assets		**2,253.2**	**2,178.5**
Liabilities and Shareholders' Equity			
Equity attributable to parent company shareholders			
Share capital		259.6	259.6
Share premium fund		131.1	131.1
Fair value reserve	9	-22.7	-17.7
Invested unrestricted equity fund	10	155.2	177.3
Retained earnings	10	207.8	248.8
Total equity attributable to parent company shareholders		731.1	799.1
Minority interest		36.8	38.2
Total shareholders' equity		767.9	837.3
Liabilities			
Long-term interest-bearing debt	11	1,175.4	1,149.2
Derivative financial instruments and other non-interest bearing liabilities	9	32.5	25.5
Deferred tax liabilities		50.0	57.1
Total long-term liabilities		1,257.9	1,231.7
Short-term interest-bearing debt	11	146.3	50.3
Derivate financial instruments	9	1.5	4.9
Trade and other payables		79.7	54.3
Total short-term liabilities		227.4	109.5
Total liabilities		**1,485.3**	**1,341.2**
Total liabilities and shareholders' equity		**2,253.2**	**2,178.5**

Condensed Consolidated Cash Flow Statement, IFRS

EUR million	Note	2009	2008
Cash flow from operating activities			
Loss/profit before taxes		-37.5	-162.3
Adjustments		145.7	268.1
Cash flow before change in working capital		108.3	105.8
Change in working capital		10.7	-2.1
Cash generated from operations		119.0	103.7
Paid interest and other financial charges		-54.4	-63.1
Interest income and other financial income received		0.3	1.2
Realized exchange rate gains and losses		11.8	5.1
Taxes paid/received		-10.4	0.2
Net cash from operating activities		**66.2**	**47.2**
Cash flow from investing activities			
Acquisition of subsidiaries, less cash acquired	6	-	-24.0
Capital expenditure on investment properties as well as on intangible assets and PP&E	6	-130.9	-127.0
Sale of investment properties	6	3.1	7.0
Net cash used in investing activities		**-127.9**	**-144.1**
Cash flow from financing activities			
Equity contribution from minority shareholder		-	25.9
Proceeds from short-term loans	11	149.7	72.1
Repayments of short-term loans	11	-77.1	-125.8
Proceeds from long-term loans	11	295.1	623.3
Repayments of long-term loans	11	-273.0	-473.6
Dividends paid	10	-30.9	-30.9
Net cash from financing activities		**63.8**	**90.9**
Net change in cash and cash equivalents		**2.1**	**-6.1**
Cash and cash equivalents at period-start	8	16.7	24.2
Effects of exchange rate changes		1.0	-1.4
Cash and cash equivalents at period-end	8	**19.8**	**16.7**

Condensed Consolidated Statement of Changes in Shareholders' Equity, IFRS

EUR million	Share-capital	Share Premium fund	Fair value reserve	Invested un-restricted equity fund	Trans-lation-reserve	Retained earnings	Equity attribut-able to parent company share-holders	Minority interest	Share-holders' equity, total
	Equity attributable to parent company shareholders								
Balance at 1 Jan. 2008	**259.6**	**131.1**	**4.9**	**199.3**	**-0.3**	**387.3**	**982.0**	**28.9**	**1,010.9**
Total comprehensive loss/profit for the period			-22.6		-10.0	-124.1	-156.8	-17.8	-174.5
Share subscriptions based on stock options				0.0			0.0		0.0
Recognized gain in the equity arising from convertible bond buybacks						4.6	4.6		4.6
Dividends and return from the invested unrestricted equity fund (Note 9)				-22.1		-8.8	-30.9		-30.9
Share-based payments						0.3	0.3		0.3
Acquisition of minority interests							-	27.0	27.0
Balance at 31 Dec. 2008	**259.6**	**131.1**	**-17.7**	**177.3**	**-10.3**	**259.1**	**799.1**	**38.2**	**837.3**
Balance at 1 Jan. 2009	**259.6**	**131.1**	**-17.7**	**177.3**	**-10.3**	**259.1**	**799.1**	**38.2**	**837.3**
Total comprehensive loss/profit for the period			-5.0		0.8	-34.3	-38.4	-1.4	-39.9
Recognized gain in the equity arising from convertible bond buybacks						1.1	1.1		1.1
Sale of treasury shares				0.0			0.0		0.0
Dividends and return from the invested unrestricted equity fund (Note 9)				-22.1		-8.8	-30.9		-30.9
Share-based payments						0.2	0.2		0.2
Acquisition of minority interests							-	0.0	0.0
Balance at 31 Dec. 2009	**259.6**	**131.1**	**-22.7**	**155.2**	**-9.5**	**217.3**	**731.1**	**36.8**	**767.9**

Notes To The Condensed Consolidated Financial Statements

1. Basic Company Data

Citycon is a real estate company investing in retail premises. Citycon operates mainly in Finland, Sweden and the Baltic countries. Citycon is a Finnish public limited liability company established under Finnish law and domiciled in Helsinki. The Board of Directors has approved the financial statements on 9 February 2010.

2. Basis of Preparation and Accounting Policies

Citycon has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and applied the IFRS/IAS standards, effective as of 31 December 2009, which refer to the approved applicable standards and their interpretations under European Union Regulation No. 1606/2002. More information about the accounting policies can be found from Citycon's annual financial statements for the year ended 31 December 2009.

The following new standards as well as amendments and interpretations to the existing standards have been adopted in the financial statements: IFRS 8 (new standard) Operating Segments, IAS 1 (revised) Presentation of Financial Statements and IAS 40 (amendment) Investment Property and consequential amendments to IAS 16 Property, Plant and Equipment. The adoption of IFRS 8 Operating Segments and IAS 1 Presentation of Financial Statements amended the presentation of financial statements and the adoption of IAS 40 Investment Property changed the measurement of development properties. The adoption of IFRS 8 Operating Segments did not change the number or the content of the reported segments. The corporate management follows the segments' direct operating profit. Therefore, direct operating profit for each segment is presented due to the adoption of IFRS 8. The adoption of IAS 1 Presentation of Financial Statements changed the income statement format and the format of statement of changes in the shareholders' equity. Due to the adoption of IAS 40 Investment Property, Citycon measures its development properties in fair value instead of at cost. Since the development properties are now measured at fair value just like the operative investment properties, Citycon no longer presents development properties separately from investment properties on the statement of financial position. In the Notes to the Financial Statements, Citycon divides its investment properties into two groups: operative investment properties and development/redevelopment properties. The fair value gains of the development properties amounted to EUR 11.4 million during the Q1/2009. Additional information on the new standards as well as on the amendments and interpretations to the existing standards are available in Citycon's Financial Statements 2009, in the notes to the consolidated financial statements, note 3 "Changes in IFRS and accounting policies" under the Notes to the Consolidated Financial Statements (see pages 18-19 in the Financial Statements).

3. Segment Information

Citycon's business consists of the regional business units Finland, Sweden and the Baltic Countries..

EUR million	Q4/2009	Q4/2008	Change-%	2009	2008	Change-%
Turnover						
Finland	32.7	32.0	2.5%	131.3	126.8	3.5%
Sweden	12.4	10.1	22.6%	41.0	41.9	-2.0%
Baltic Countries	3.8	3.1	21.0%	14.0	9.6	45.5%
Total	**48.9**	**45.2**	**8.2%**	**186.3**	**178.3**	**4.5%**
Net rental income						
Finland	23.0	22.6	1.7%	92.4	90.9	1.7%
Sweden	6.1	5.3	13.9%	23.2	24.1	-3.5%
Baltic Countries	2.5	2.2	14.7%	9.8	6.8	44.6%
Other	0.0	0.0	-	0.0	0.0	-
Total	**31.6**	**30.2**	**4.8%**	**125.4**	**121.8**	**3.0%**

EUR million	Q4/2009	Q4/2008	Change-%	2009	2008	Change-%
Direct operating profit/loss						
Finland	21.4	21.0	1.5%	86.3	85.4	1.0%
Sweden	5.1	4.5	14.1 %	20.0	21.0	-4.6 %
Baltic Countries	2.2	2.0	9.1%	8.8	6.2	42.8%
Other	-2.3	-1.9	21.3%	-7.4	-7.2	2.6%
Total	**26.3**	**25.6**	**2.8 %**	**107.7**	**105.3**	**2.3 %**
Operating profit/loss						
Finland	6.8	-21.7	-131.2%	21.2	-62.9	-
Sweden	-12.0	-16.9	-29.1%	0.3	-49.1	-
Baltic Countries	-4.9	12.6	-	-3.8	14.4	-
Other	-2.3	-2.0	17.8%	-7.4	-7.4	-0.5%
Total	**-12.4**	**-27.9**	**-55.5%**	**10.3**	**-105.0**	**-**

EUR million	31 Dec. 2009	31 Dec. 2008	Change-%
Assets			
Finland	1,455.5	1,504.2	-3.2%
Sweden	605.7	466.9	29.7%
Baltic Countries	157.6	156.3	0.8%
Other	34.3	51.1	-32.8%
Total	**2,253.2**	**2,178.5**	**3.4%**

The change in segment assets was due to the fair value losses in investment properties, weakened Swedish krona and capital expenditure.

4. Reconciliation between Direct and Indirect Result

Due to the nature of Citycon's business and the obligation to apply IFRS, the consolidated statement of comprehensive income includes several items related to non-operating activities. In addition to the consolidated statement of comprehensive income under IFRS, Citycon also presents its profit/loss attributable to parent company shareholders with direct result and indirect result separately specified, in an attempt to enhance the transparency of its operations and to facilitate comparability of reporting periods. Direct result describes the profitability of the Group's operations during the reporting period disregarding the effects of fair value changes, gains or losses on sales, other extraordinary items and other comprehensive income items. Earnings per share calculated based on direct result corresponds to the earnings per share definition recommended by EPRA.

Direct result excludes the changes in fair value of financial instruments that are recognized in the statement of comprehensive income under net financial income and expenses. In order to hedge against interest rate risk, Citycon has entered into, in accordance with its interest rate risk management policy, interest rate and inflation derivatives which do not qualify under hedge accounting treatment under IFRS. Changes in fair value of such derivatives are recognized in the statement of comprehensive income under net financial income and expenses. These derivatives hedge the group against interest rate risk and in accordance with the terms of the derivatives Citycon receives floating money market interest rate which has a matching interest rate determination procedure with group's floating rate debt. The interest rate which Citycon pays under these derivatives does not depend on the money market interest rate which means that these derivatives hedge Citycon against rising floating interest rates. The aim is to ensure effectiveness of the hedges by matching the interest rate fixing procedure between the derivatives recognized in the statement of comprehensive income under net financial income and expenses and floating rate debt of Citycon.

EUR million	Q4/2009	Q4/2008	Change- %	2009	2008	Change- %
Direct result						
Net rental income	31.6	30.2	4.8%	125.4	121.8	3.0%
Direct administrative expenses	-5.3	-4.6	14.4%	-17.7	-16.5	7.0%
Direct other operating income and expenses	0.0	0.1	-77.7%	0.0	0.1	-115.0%
Direct operating profit	**26.3**	**25.6**	**2.8%**	**107.7**	**105.3**	**2.3%**
Direct net financial income and expenses	-11.9	-11.7	1.8%	-47.7	-54.2	-12.1%
Direct current taxes	-1.2	-1.4	-16.5%	-6.2	-4.8	29.6%
Direct change in deferred taxes	-0.1	0.0	-337.7%	-0.2	0.2	-203.5%
Direct minority interest	-0.6	-0.7	-16.2%	-2.8	-2.8	-1.8%
Total direct result	**12.5**	**11.8**	**6.0%**	**50.9**	**43.8**	**16.3%**
Direct result per share (diluted), (diluted EPRA EPS), EUR 1)	0.06	0.05	6.2%	0.23	0.20	15.2%
Indirect result						
Net fair value losses/gains on investment property	-38.6	-59.3	-34.9%	-97.4	-216.1	-54.9%
Profit/loss on disposal of investment property	0.0	0.0	-100.0%	0.1	0.1	-46.5%
Indirect administrative expenses	-0.1	-0.1	116.8%	-0.1	-0.4	-69.0%
Indirect other operating income and expenses	0.0	5.9	-100.0%	0.0	6.0	-100.0%
Movement in fair value of financial instruments	-0.1	-1.4	-95.4%	-0.1	-3.1	-97.9%
Indirect current taxes	0.0	-0.8	-100.0%	-0.3	-1.8	-84.0%
Change in indirect deferred taxes	1.4	7.5	-81.7%	7.3	29.7	-75.6%
Indirect minority interest	1.1	5.6	-80.2%	5.3	17.6	-69.6%
Total indirect result	**-36.3**	**-42.5**	**-14.5%**	**-85.2**	**-167.9**	**-49.3%**
Indirect result per share, diluted	-0.16	-0.19	-14.5%	-0.39	-0.76	-49.4%
Loss/profit for the period attributable to parent company shareholders	**-23.8**	**-30.7**	**-22.5%**	**-34.3**	**-124.1**	**-72.4%**

1) The calculation of the direct result per share is presented in the Note 5 "Earnings per share"..

5. Earnings per Share

	2009	2008
A) Earnings per share calculated from the profit/loss for the period		
Earnings per share, basic		
Loss/profit attributable to parent company shareholders, EUR million	-34.3	-124.1
Issue-adjusted average number of shares, Million	221.0	221.0
Earnings per share (basic), EUR	**-0.16**	**-0.56**
Earnings per share, diluted		
Loss/profit attributable to parent company shareholders, EUR million	-34.3	-124.1
Expenses from convertible capital loan, the tax effect deducted, EUR million	-	-
Loss/profit used in the calculation of diluted earnings per share, EUR million	-34.3	-124.1
Issue-adjusted average number of shares, Million	221.0	221.0
Convertible capital loan impact, Million	-	-
Adjustment for stock options, Million	-	-
Adjustments for long-term share-based incentive plan	-	-
Issue-adjusted average number of shares used in the calculation of diluted earnings per share, Million	221.0	221.0
Earnings per share (diluted), EUR	**-0.16**	**-0.56**
The incremental shares from assumed conversions or any income or cost related to dilutive potential shares are not included in calculating 2009 and 2008 diluted per-share figures because the profit attributable to parent company shareholders was negative.		
B) Earnings per share calculated from the direct result for the period		
Direct result per share (diluted), (diluted EPRA EPS)		
Direct result, EUR million (Note 4)	50.9	43.8
Expenses arising from convertible capital loan, adjusted with the tax effect deduction, EUR million	4.2	5.6
Profit used in the calculation of direct result per share, EUR million	55.1	49.4
Issue-adjusted average number of shares, Million	221.0	221.0
Convertible capital loan impact, Million	18.5	25.4
Adjustment for stock options, Million	-	0.8
Adjustments for long-term share-based incentive plan	0.0	-
Issue-adjusted average number of shares used in the calculation of diluted earnings per share, Million	239.5	247.2
Direct result per share (diluted), (diluted EPRA EPS), EUR	**0.23**	**0.20**

6. Investment Property

Citycon divides its investment properties into two categories: investment properties under construction (IPUC) and operative investment properties. Due to the adoption of amended IAS 40 Investment property -standard, Citycon presents the development properties under the investment properties. Therefore, previously presented properties under redevelopment -category is extended to include also development properties and is called investment properties under construction (IPUC).

At the period end Investment properties under construction -category included the following shopping centres: Liljeholmstorget, Åkersberga Centrum and Lahden Hansa. At 31 December 2008 this category included Liljeholmstorget and Rocca al Mare as well as extension projects in Åkersberga Centrum and Lippulaiva.

EUR million		31 Dec. 2009	
	Investment properties under construction (IPUC)	Operative investment properties	Investment properties total
At period-start	**271.8**	**1,839.9**	**2,111.6**
Acquisitions	0.0	0.0	0.0
Investments	84.4	33.4	117.8
Disposals	-	-2.7	-2.7
Capitalized interest	6.3	1.6	7.9
Fair value gains on investment property	-	5.5	5.5
Fair value losses on investment property	-14.9	-88.0	-102.9
Exchange differences	10.6	17.3	27.9
Transfers between items	-88.3	70.6	-17.7
At period-end	**269.8**	**1,877.6**	**2,147.4**

EUR million		31 Dec. 2008	
	Investment properties under construction (IPUC)	Operative investment properties	Investment properties total
At period-start	**544.5**	**1,704.4**	**2,248.9**
Acquisitions	6.8	10.6	17.4
Investments	120.9	12.0	132.9
Disposals	0.0	-7.6	-7.6
Capitalized interest	6.8	0.0	6.8
Fair value gains on investment property	4.8	10.5	15.3
Fair value losses on investment property	-44.5	-186.9	-231.4
Exchange differences	-28.8	-41.6	-70.4
Transfers between items	-338.7	338.5	-0.2
At period-end	**271.8**	**1,839.9**	**2,111.6**

An external professional appraiser has conducted the valuation of the company's investment properties with a net rental income based cash flow analysis. Market rents, occupancy rate, operating expenses and yield requirement form the key variables used in the cash flow analysis. The segments' yield requirements and market rents used by the external appraiser in the cash flow analysis were as follows:

	Yield requirement (%)		Market rents (€/m²)	
	2009	**2008**	**2009**	**2008**
Finland	6.6	6.4	22.5	21.9
Sweden [1)]	6.4	6.4	21.3	12.3
Baltic Countries	8.1	7.4	21.4	20.2
Average	6.6	6.4	22.1	19.9

1) Figures for Sweden on 31 December 2009 include the development projects of the Liljeholmstorget and Åkersberga Centrum shopping centres.

7. Investment properties held for sale

Investment properties held for sale comprises buildings rights acquired for the Myllypuro development project, which were sold to three different residential investors through share transactions that took place on 12 January 2010. In addition, investment properties held for sale include 181 residential units in Åkersberga Centrum, which were agreed in July 2009 to be sold to Tegeltornet AB.

	2009	2008
At period-start	**-**	**-**
Investments	8.3	-
Transfers from investment properties	17.7	-
At period-end	**26.0**	-

8. Cash and Cash Equivalents

EUR million	2009	2008
Cash in hand and at bank	13.5	16.7
Short-term deposits	6.4	-
Total	**19.8**	**16.7**

9. Derivative Financial Instruments

	2009		2008	
	Nominal amount	**Fair value**	**Nominal amount**	**Fair value**
Interest rate derivatives				
Interest rate swaps				
Maturity:				
less than 1 year	48.8	-1.2	86.0	1.4
1-2 years	70.0	1.0	46.0	-1.5
2-3 years	60.0	-3.0	70.0	3.5
3-4 years	262.9	-14.5	41.8	-1.9
4-5 years	198.0	-7.3	228.8	-10.1
over 5 years	97.9	-4.0	119.0	-8.9
Subtotal	**737.6**	**-29.0**	**591.7**	**-17.5**
Foreign exchange derivatives				
Forward agreements				
Maturity:				
less than 1 year	22.0	-0.2	23.1	7.6
Total	**759.7**	**-29.2**	**614.8**	**-9.8**

The fair value of derivative financial instruments represents the market value of the instrument with prices prevailing at the end of the period. Derivative financial instruments are used in hedging the interest rate risk of the interest bearing liabilities and foreign currency risk.

The fair values include foreign exchange rate gain of EUR 3.5 million (EUR 16.2 million) which is recognized in the statement of comprehensive income under net financial income and expenses.

Hedge accounting is applied for interest rates swaps which have nominal amount of EUR 713.2 million (EUR 568.7 million). The fair value loss recognized under other comprehensive income taking into account the tax effect totals EUR -5.0 million (EUR -22.6 million).

10. Dividends and Return from the Invested Unrestricted Equity Fund

The Board of Directors proposes to the Annual General Meeting of 11 March 2010 that a per-share dividend of EUR 0.04 be paid out for the financial year ending on 31 December 2009 and that EUR 0.10 per share be returned from the invested unrestricted equity fund.

In accordance with the proposal by the Board of Directors and the decision by the Annual General Meeting held on 18 March 2009, dividend for the financial year 2008 amounted to EUR 0.04 per share (EUR 0.04 for the financial year 2007) and EUR 0.10 per share was decided to be returned from the invested unrestricted equity fund (EUR 0.10 for the financial year 2007).

Dividend and equity return of EUR 30.9 million for the financial year 2008 (EUR 30.9 million for the financial year 2007) were paid on 3 April 2009.

11. Interest-bearing Liabilities

During the period, Citycon has agreed on a new revolving credit facility in the amount of EUR 75 million in order to finance future strategic investments. The loan bears a floating interest rate and is due within 3 years. During the period, repayments of other bank loans amounting to EUR 43.9 million were made in line with previously disclosed repayment terms.

Other proceeds and repayments from/of long-term loans in the cash-flow statement arose from the use of revolving credit facilities.

12. Contingent Liabilities

EUR million	2009	2008
Mortgages on land and buildings	42.9	40.6
Bank guarantees	45.4	45.6
Capital commitments	44.0	13.0
VAT refund liabilities	46.2	21.3

On 31 December 2009, Citycon had capital commitments of EUR 44.0 million (EUR 13.0 million) relating mainly to development and redevelopment projects.

13. Related Party Transactions

There were no significant transactions with the related parties during the period.

14. Key Figures

	Q4/2009	Q4/2008	Change-%	2009	2008	Change-%
Earnings per share (basic), EUR	-0.11	-0.14	-22.5%	-0.16	-0.56	-72.4%
Earnings per share (diluted), EUR	-0.11	-0.14	-22.5%	-0.16	-0.56	-72.4%
Equity per share, EUR				3.31	3.62	-8.5%
Net asset value (EPRA NAV) per share, EUR				3.54	3.88	-8.8%
Equity ratio, %				34.2	38.5	-

The formulas for key figures can be found from the 2009 annual financial statements.

Financial reports in 2010

Citycon will publish its Annual Report 2009 on the corporate website in week 9/2010 at the latest, and in print in week 10/2010 at the latest.

Citycon will issue three interim reports during the financial year 2010 as follows:

January-March 2010, on Wednesday 21 April 2010, at approximately 9:00 a.m.
January-June 2010, on Wednesday 14 July 2010, at approximately 9:00 a.m. and
January-September 2010, on Wednesday 13 October 2010, at approximately 9:00 a.m.

Annual General Meeting

Citycon Oyj will hold its Annual General Meeting at Finlandia Hall, Helsinki Auditorium, Mannerheimintie 13e, Helsinki, Finland, on Thursday 11 March 2010, starting at 2:00 p.m.

For more investor information, please visit the corporate website at www.citycon.com.

For further information, please contact:

Petri Olkinuora, CEO
Tel +358 20 766 4401 or +358 400 333 256
petri.olkinuora@citycon.fi

Eero Sihvonen, Executive Vice President and CFO
Tel +358 20 766 4459 or +358 50 557 9137
eero.sihvonen@citycon.fi

Distribution:
NASDAQ OMX Helsinki
Major media
www.citycon.com