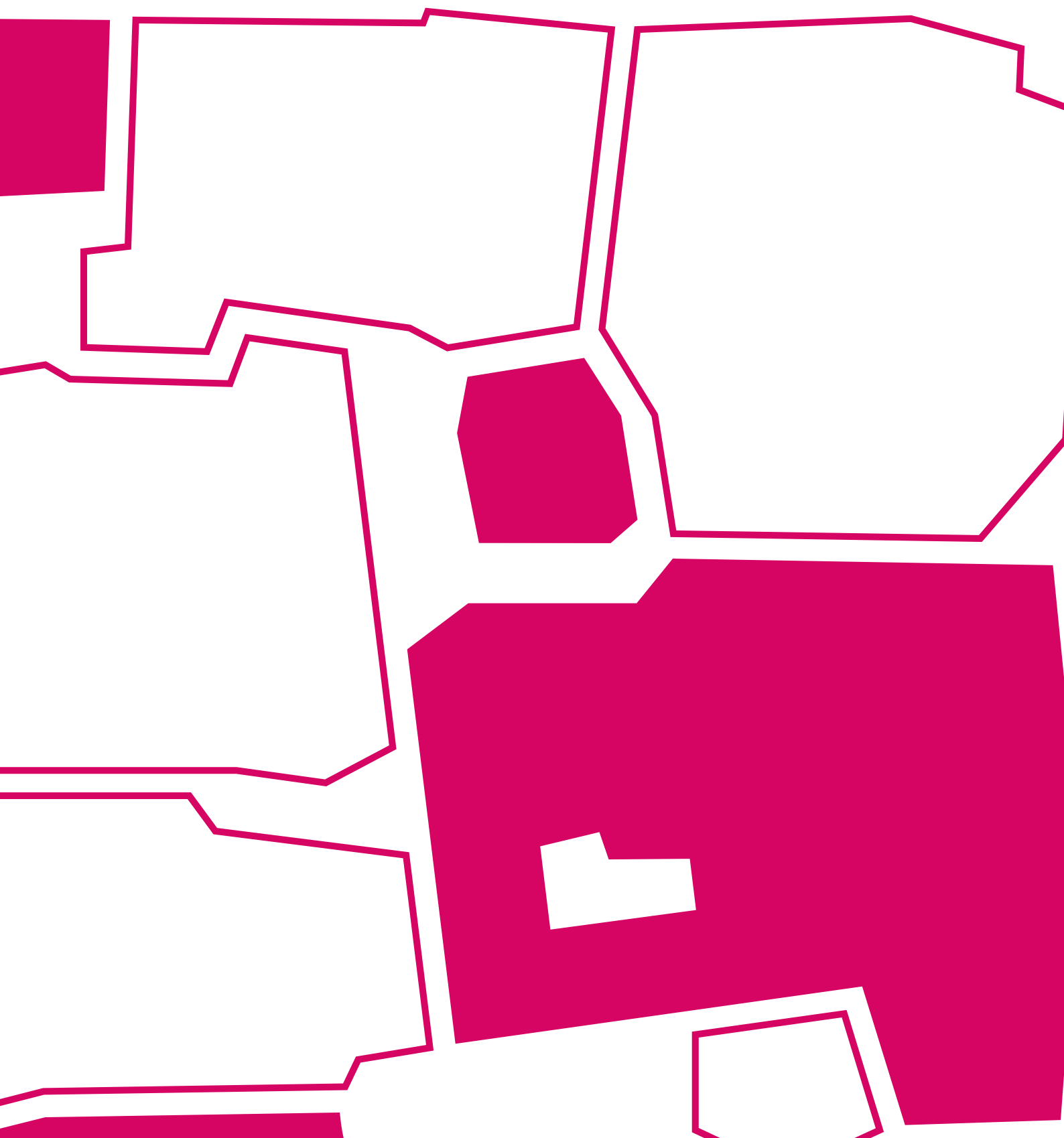


Interim Report

1 January – 31 March 2009

CITYCON

creating success for retailing



Citycon Oyj's Interim Report for 1 January – 31 March 2009

Summary of the First Quarter of 2009 Compared with the Previous Quarter

- Turnover grew by 1.5 per cent to EUR 45.9 million (Q4/2008: EUR 45.2 million).
- Net rental income increased by 0.5 per cent to EUR 30.3 million (EUR 30.2 million) mainly due to annual consumer price index increases in rents. If the impact of the weakened Swedish krona is excluded, net rental income increased by 1.4 per cent.
- Net cash from operating activities per share was EUR 0.10 (EUR 0.07). Lower interest rates and stable net rental income supported the cash flow, while most of the increase was due to one-off items, timing differences and exchange rate changes.
- Earnings per share were EUR -0.08 (EUR -0.14).
- Direct result per share (diluted) was EUR 0.05 (EUR 0.05).
- The fair value change of investment properties was EUR -31.6 million (EUR -59.3 million). The fair market value of the investment properties decreased to EUR 2,097.3 million (EUR 2,111.6 million).
- The average net yield requirement for investment properties rose and was 6.5 per cent (6.4%) at the end of the period, according to an external appraiser. The increase in the net yield requirement was due to general market conditions.
- Net financial expenses decreased to EUR 12.2 million (EUR 13.0 million) as a result of lower interest rates, exchange rate changes and the buybacks of the convertible bonds.
- Citycon's interest cover ratio covenant was 2.0x (2.0x) and equity ratio as defined in the loan agreements was 43.2 per cent (45.1%).
- During the period, the company signed a committed three-year agreement for a EUR 75 million unsecured revolving credit facility with a group of three Nordic banks. The agreement will further strengthen the company's liquidity and support the implementation of strategic investments.

Summary of the First Quarter of 2009 Compared with the Corresponding Quarter of Last Year

- Turnover grew by 3.6 per cent to EUR 45.9 million (2008: EUR 44.3 million), due mainly to the growth in gross leasable area and active development of retail properties. Turnover growth was also impacted by slightly higher vacancy.
- Profit/loss before taxes was EUR -18.1 million (EUR 11.3 million), including a EUR -31.6 million (EUR 0.5 million) change in the fair value of investment properties.
- Net rental income increased by 2.2 per cent to EUR 30.3 million (EUR 29.7 million). Without the weakening of the Swedish krona, net rental income would have increased by 5.1 per cent.
- Net rental income from like-for-like properties rose by 0.9 per cent. Higher heating, electricity and maintenance costs than during the reference period lowered the growth of like-for-like net rental income.
- The company's direct result rose to EUR 11.6 million (EUR 10.4 million).
- The direct result per share (diluted) was EUR 0.05 (EUR 0.05).
- Earnings per share were EUR -0.08 (EUR 0.04). This decrease resulted mainly from the fair value changes of the investment properties.
- The occupancy rate was 95.3 per cent (96.0%). The decrease resulted from a slight increase in vacancy across the portfolio in all of Citycon's operating countries.
- Net cash from operating activities per share increased also compared to the reference period in 2008 and was EUR 0.10 (EUR 0.06).
- The equity ratio was 36.4 per cent (43.0%). This decrease resulted mainly from the fair value changes of the investment properties and dividend payout.
- The company's financial position remained good during the period. Total liquidity at the end of the reporting period was EUR 290.4 million, including unutilised committed debt facilities amounting to EUR 276.7 million and EUR 13.7 million in cash. The available liquidity will cover the authorised investments and scheduled debt interest and repayments until at least the end of 2010, without the need for additional financing sources.

Key Figures

	Q1/2009	Q1/2008	Change-% ¹⁾	Q4/2008	2008
Turnover, EUR million	45.9	44.3	3.6%	45.2	178.3
Net rental income, EUR million	30.3	29.7	2.2%	30.2	121.8
Operating loss/profit, EUR million	-5.8	26.4	-	-27.9	-105.0
% of turnover	-	59.7%	-	-	-
Loss/profit before taxes, EUR million	-18.1	11.3	-	-40.9	-162.3
Loss/profit attributable to parent company shareholders, EUR million	-16.8	9.1	-	-30.7	-124.1
Direct operating profit, EUR million	25.7	25.9	-0.7%	25.6	105.3
% of turnover	56.1%	58.5%	-	56.7%	59.1%
Direct result, EUR million	11.6	10.4	11.3%	11.8	43.8
Indirect result, EUR million	-28.4	-1.3	-	-42.5	-167.9
Earnings per share (basic), EUR	-0.08	0.04	-	-0.14	-0.56
Earnings per share (diluted), EUR	-0.08	0.04	-	-0.14	-0.56
Direct result per share (diluted), (diluted EPRA EPS), EUR	0.05	0.05	10.2%	0.05	0.20
Net cash from operating activities per share, EUR	0.10	0.06	70.3%	0.07	0.21
Fair value of investment properties, EUR million ²⁾	2,097.3	2,282.1	-8.1%		2,111.6
Equity per share, EUR	3.37	4.33	-22.1%		3.62
Net asset value (EPRA NAV) per share, EUR	3.62	4.70	-23.1%		3.88
EPRA NNNNAV per share, EUR	3.55	4.31	-17.5%		3.80
Equity ratio, %	36.4	43.0	-		38.5
Gearing, %	151.2	111.8	-		141.3
Net interest-bearing debt (fair value), EUR million	1,191.3	1,149.4	3.6%		1,194.6
Net rental yield, %	5.9	5.5	-		5.8
Net rental yield, like-for-like properties, %	6.4	6.0	-		6.2
Occupancy rate, %	95.3	96.0	-		96.0
Personnel (at the end of the period)	113	104	8.7%		113

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.

CEO Petri Olkinuora's Comments on the First Quarter:

"Citycon continued its solid financial performance during the first quarter of 2009. The direct result improved, net rental income and the net rents of like-for-like properties increased. Demand for rental premises remained good in Finland and Sweden, but turned weaker in the Baltic countries.

Sales in Citycon's shopping centres grew in the retail environment that continued to be challenging.

Citycon's financing situation remained good and was supported further by the new EUR 75 million revolving credit facility with a group of three Nordic banks signed at the end of March.

In addition, Citycon continued to buy back the 2006 convertible bonds during the period. The company has bought back convertible bonds at a total face value of EUR 33.5 million, of which EUR 6.4 million was bought back during the first quarter. The drop in interest rates and the successful buybacks of convertible bonds reduced our financial expenses during the quarter."

Business Environment

The economic environment continued to deteriorate during the reporting period. The economic trend also began to affect sales in the retail sector. The quickest to react were home appliances, hardware and vehicles, whose sales are in decline in the company's operating countries. Grocery sales, on the other hand, remained relatively stable. In Finland, retail sales fell by 5.8 per cent in February, although one of the reasons for this was the fact that the comparative period was longer in 2008, which was a leap year (source: Statistics Finland). In Sweden, the corresponding figure was -4.0 per cent, and in Estonia -18.0 per cent (Statistics Sweden, Statistics Estonia).

In Finland, the grocery retail sales of the Finnish Grocery Trade Association's member companies grew 1.0 per cent on the previous year in February, and the sales of hypermarkets and department stores grew by 2.3 per cent. The cumulative growth of grocery sales in January-February grew by 5.6 per cent, although there was one trading day less this year than in the leap year 2008. The prices of food products and non-alcoholic beverages have increased by about 7 per cent since a year ago, impacting the growth in the value of sales (the Finnish Grocery Trade Association). In Sweden, respectively, cumulative grocery sales in January-February fell by 1.0 per cent (Statistics Sweden).

Consumer and corporate confidence in the economic trend has clearly weakened in Citycon's operating countries. Inflation and market interest rates also continued to decline (Nordea).

Volatility in the global financial markets has reduced the availability of debt and clearly raised the margins on new loans. At the same time, long-term relationship with banks has become a key factor in financing decisions.

Property transactions remained at a near standstill at the start of the year, which was evidenced by the lack of transactions in the shopping centre sector. Construction costs continued to decline during the early part of the year. (Catella)

Business and Property Portfolio Summary

Citycon is an active owner 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 redevelopment efforts. Citycon's retail properties serve both consumers and retailers.

Citycon is the market leader in the Finnish shopping centre business and holds a strong position in Sweden and a firm foothold in the Baltic countries. It assumes responsibility for the business operations and 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, as it aims to factor environmental considerations into its shopping centre management as well as its redevelopment and development projects. The company has three sustainable development pilot projects, and the redevelopment of the Trio shopping centre was the first one to be completed at the end of 2008.

Citycon operates in Finland, Sweden and the Baltic countries. Thanks to careful market research and good local knowledge, Citycon has been able to acquire shopping centres in major growth centres in the countries in which it operates. Citycon's investments are focused on areas with expected population and purchasing power growth.

At the end of the period under review, 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.

At the end of March, the market value of the company's property portfolio totalled EUR 2,097.3 million (EUR 2,282.1 million) with Finnish properties accounting for 70.0 per cent (70.1%), Swedish properties for 22.8 per cent (24.1%) and Baltic properties for 7.2 per cent (5.7%). The gross leasable area at the end of March totalled 932,750 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. Furthermore, due to the amendment to IAS 40 standard (effective from 1 January 2009) Citycon measures also its development properties at fair value instead of at cost and presents no longer 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. However, in 2009, Citycon will have its properties valued by an external appraiser on a quarterly basis, due to increased market volatility.

Citycon's property portfolio is valued by Realia Management Oy, part of the Realia Group. Realia Management Oy works in association with the leading provider of real estate services, the international company CB Richard Ellis. A summary of Realia Management Oy's Property Valuation Statement at the end of March 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.

During the period under review, 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 8.2 million and a total value decrease of EUR 39.8 million. The net effect of these changes on the company's profit was EUR -31.6 million (EUR 0.5 million).

On 31 March 2009, the average net yield requirement defined by Realia Management Oy for Citycon's property portfolio came to 6.5 per cent (Q1/2008: 5.7% and 31 December 2008: 6.4%).

Lease Portfolio and Occupancy Rate

At the end of the period under review, Citycon had a total of 4,080 (3,665) leases. The average remaining length of the lease agreements was 3.1 (3.0) years. Citycon's property portfolio's net rental yield was 5.9 per cent (5.5%) and the occupancy rate was 95.3 per cent (96.0%). The decrease in occupancy rate was a result of slight increase in vacancy across the portfolio in all of Citycon's operating countries due to toughened market conditions.

Citycon's net rental income grew by 2.2 per cent to EUR 30.3 million during the period under review. The leasable area rose by 1.0 per cent to 932,750 square metres. Net rental income from like-for-like properties grew by 0.9 per cent when excluding the impact of the weakened Swedish krona.

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. 74.3 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 8.7 per cent (8.7%). 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

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Number of leases started during the period	128	124	3.2	255	572
Total area of leases started, sq.m.	16,066	24,240	-33.7	69,730	124,960
Occupancy rate at end of the period, %	95.3	96.0	-0.7		96.0
Average remaining length of lease portfolio at the end of the period, year	3.1	3.0	3.3		3.1 ¹⁾

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 follows developments in the shopping centre market across its operating regions. No new shopping centres were acquired during the period under review.

At the end of January, Citycon divested all the shares in its subsidiary MREC Kiinteistö Oy Keijutie 15. The debt-free selling price of this non-core property in Lahti amounted to approximately EUR 3 million and the company booked a sales profit of EUR 0.1 million. The company's strategy is to continue the sale of non-core properties.

Development Projects

Citycon currently has two major development projects in progress, Rocca al Mare in Tallinn and Liljeholmstorget in Stockholm. The purpose of the company's development activities is to keep its shopping centres competitive for both customers and tenants. Citycon is pursuing a long-term increase in the footfall and cash flow, as well as in the efficiency and return of its retail properties.

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

Sustainable Construction and Management

In its development projects, Citycon is paying increasing attention to environmental management methods and solutions. The company has three pilot projects, aimed at identifying the best practices to be implemented in the sustainable construction and management of shopping centres. These pilot projects include building a new shopping centre at Liljeholmen in Stockholm, Sweden, and the redevelopment and extension of the Rocca al Mare shopping centre in Tallinn, Estonia, and the already completed redevelopment of the Trio shopping centre in Lahti, Finland.

The assessment applied in the pilot projects comprises a total of over 60 points, reviewing various factors such as the energy efficiency of the property, indoor air quality, the choice of materials, the utilisation of public transport and minimising the environmental impacts of construction work. On the basis of this assessment, practical development measures will be introduced in order to establish systematic, sustainable construction practices.

The Trio shopping centre is also the first shopping centre in Finland for which an international LEED (Leadership in Energy and Environmental Design) environmental certification is being sought. The objective is to obtain this certification for other pilot projects as well. Citycon remains confident that, in the long term, a responsible approach to its business operations will enhance its reputation as a responsible player in the shopping centre markets and its attraction as an international investment.

(Re)development Projects in Progress

The table below lists the most significant development and redevelopment projects in progress, as approved by the Board of Directors. More information on planned projects can be found on the corporate website at www.citycon.com, in executive presentations and the Annual Report 2008, which was published in February.

Capital expenditure during the report period on all development projects amounted to EUR 3.1 million in Finland, EUR 14.4 million in Sweden and EUR 5.3 million in the Baltic countries.

(Re)development Projects in Progress

	Location	Estimated total cost (EUR million)	Actual gross expenditure by 31 March 2009 (EUR million)	Estimated final year of completion
Liljeholmstorget	Stockholm, Sweden	130	84.3	2009
Rocca al Mare	Tallinn, Estonia	64.3	41.9	2009
Trio	Lahti, Finland	60	58.3 ¹⁾	Completed
Torikeskus	Seinäjoki, Finland	4	2.6	2009

1) Current expenditure before the final project report.

The company's largest development project, which is also its main sustainable construction project, involves the construction of a new shopping centre in Liljeholmen, Stockholm. This project has advanced within the planned budget and schedule. The shopping centre's anchor tenants include among others the ICA-Kvantum grocery retailer, Hennes & Mauritz, MQ-fashion chain and Systembolaget. With the new shopping centre being expected to open in October 2009, the leasing of its retail premises is proceeding as planned.

The first stage of the redevelopment of the Rocca al Mare shopping centre in Tallinn was completed, with new premises opening in October 2008. The next stage of the redevelopment project, a fashion world to be opened in May, will encompass more than 60 fashion stores. Two major European fashion brands, New Yorker and Marks & Spencer, are among the companies opening stores in Rocca al Mare. The New Yorker outlet will be the chain's largest in Estonia, while Marks & Spencer will open its first store in the country. All the new premises have already been let. In completely renovated form, Rocca al Mare is expected to open in the autumn of 2009.

The totally refurbished Trio shopping centre in downtown Lahti was completed in November 2008, in time for the Christmas season. Thanks to this redevelopment project, Trio regained its position as the leading shopping centre in Lahti and the entire Päijät-Häme region.

Citycon's Board of Directors has also approved a redevelopment project involving the Torikeskus in Seinäjoki. No other projects have been approved by the company's Board of Directors, as new development projects will be started only once financing and lease agreements have been adequately secured.

Business Units

Citycon's business operations are divided into three business units: Finland, Sweden and the Baltic Countries. These are sub-divided into two business areas: Retail Properties and Property Development. The Finnish business unit also includes a Commercial Development function, responsible for the commercial development of Citycon's Finnish shopping centres and the development of new commercial concepts.

Finland

Citycon is the market leader in the Finnish shopping centre business. Citycon's market share was 24 per cent of the Finnish shopping centre market last year (source: Entrecon). The company's net rental income from Finnish operations during the period under review was EUR 23.1 million (EUR 22.3 million). The business unit accounted for 76.1 per cent of Citycon's total net rental income.

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

Lease Portfolio Summary, Finland

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Number of leases started during the period	66	100	-34.0	193	452
Total area of leases started, sq.m.	9,190	21,800	-57.8	31,930	79,130
Occupancy rate at end of the period, %	94.9	95.7	-0.8		95.7
Average remaining length of lease portfolio at the end of the period, year	3.0	3.2	-5.0		3.1

Financial Performance, Finland

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Gross rental income, EUR million	32.3	30.4	6.2	30.8	122.5
Turnover, EUR million	33.5	31.4	6.6	32.0	126.8
Net rental income, EUR million	23.1	22.3	3.3	22.6	90.9
Net fair value losses/gains on investment property, EUR million	-25.5	-2.1	-	-48.6	-154.3
Operating loss/profit, EUR million	-4.0	19.0	-	-21.7	-62.9
Capital expenditure, EUR million	3.2	22.8	-86.0	10.6	69.2
Fair market value of investment properties, EUR million ¹⁾	1,468.9	1,600.5	-8.2		1,494.0
Net rental yield, % ²⁾	6.2	5.8			6.0
Net rental yield, like-for-like properties, %	6.7	6.3			6.5

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.

Sweden

Citycon has achieved a substantial position in the Swedish shopping centre market and has eight shopping centres and seven other retail properties in Sweden, located in the Greater Stockholm and Greater Gothenburg areas and in Umeå. The company's net rental income from Swedish operations decreased by 9.9 per cent and totalled EUR 5.2 million (EUR 5.8 million). If the impact of the weakened Swedish krona is excluded, net rental income from Swedish operations increased by 4.9 per cent in comparison with the previous year. This business unit accounted for 17.1 per cent of Citycon's total net rental income.

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

Lease Portfolio Summary, Sweden

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Number of leases started during the period	61	8	-	19	58
Total area of leases started, sq.m.	6,873	840	-	9,060	15,340
Occupancy rate at end of the period, %	95.5	96.1	-0.7		96.0
Average remaining length of lease portfolio at the end of the period, year	2.3	2.3	1.7		2.4

Financial Performance, Sweden

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Gross rental income, EUR million	9.0	9.2	-1.6	9.9	41.1
Turnover, EUR million	9.3	10.7	-12.9	10.1	41.9
Net rental income, EUR million	5.2	5.8	-9.9	5.3	24.1
Net fair value gains/losses on investment property, EUR million	3.4	1.7	103.7	-21.4	-70.1
Operating profit/loss, EUR million	7.8	6.7	16.3	-16.9	-49.1
Capital expenditure, EUR million	14.4	8.2	75.9	23.0	65.6
Fair market value of investment properties, EUR million ¹⁾	477.2	550.4	-13.3		462.4
Net rental yield, % ²⁾	5.1	4.6			5.0
Net rental yield, like-for-like properties, %	5.7	5.1			5.4

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.

Baltic Countries

At the end of the period under review, Citycon owned three shopping centres in the Baltic countries: Rocca al Mare and Magistral in Tallinn, Estonia, and Mandarinas in Vilnius, Lithuania. The more difficult economical situation in the Baltic countries has affected the sales and footfall of Citycon's shopping centres, although the vacancy has not increased remarkably. Net rental income from Baltic operations amounted to EUR 2.1 million (EUR 1.6 million). The business unit accounted for 6.8 per cent of Citycon's total net rental income.

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

Lease Portfolio Summary, Baltic Countries

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Number of leases started during the period	1	16	-93.8	43	62
Total area of leases started, sq.m.	3	1,600	-99.8	28,740	30,490
Occupancy rate at end of the period, %	99.5	100	-0.5		99.8
Average remaining length of lease portfolio at the end of the period, year	5.4	2.6	107.7		5.4 ¹⁾

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

Financial Performance, Baltic Countries

	Q1/2009	Q1/2008	Change-%	Q4/2008	2008
Gross rental income, EUR million	3.0	2.2	38.1	3.0	9.3
Turnover, EUR million	3.1	2.2	39.2	3.1	9.6
Net rental income, EUR million	2.1	1.6	31.7	2.2	6.8
Net fair value losses/gains on investment property, EUR million	-9.6	0.9	-	10.6	8.3
Operating loss/profit, EUR million	-7.7	2.3	-	12.6	14.4
Capital expenditure, EUR million	5.3	5.7	-7.2	6.7	22.7
Fair market value of investment properties, EUR million ¹⁾	151.1	131.2	15.2		155.3
Net rental yield, % ²⁾	6.1	6.0			6.2
Net rental yield, like-for-like properties, %	7.2	6.9			7.2

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 first quarter of the financial year came to EUR 45.9 million (EUR 44.3 million), principally derived from the rental income generated by Citycon's retail premises. Gross rental income accounted for 96.6 per cent (94.2%) of turnover.

Operating profit came to EUR -5.8 million (EUR 26.4 million). Profit before taxes was EUR -18.1 million (EUR 11.3 million) and profit after taxes attributable to the parent company's shareholders EUR -16.8 million (EUR 9.1 million). The decrease in operating profit was mainly due to the fair value loss of the property portfolio. On the other hand, as a result of the completed redevelopment projects, the operating profit rose due to net rental income generated by increased and refurbished premises.

The effect of changes in the fair value of the property portfolio, of gains on sales and of other indirect items on the profit attributable to the parent company's shareholders, was EUR -28.4 million (EUR -1.3 million), tax effects included. Taking this into account, the direct result after taxes was EUR 1.2 million above the reference period level (cf. Note "Reconciliation between direct and indirect result"). The growth in the direct result came mainly from increased net rental income as well as exchange rate changes and decreased interest rates resulting in lower financial expenses. In addition, a gain of EUR 0.4 million, including tax effects, for the buybacks of convertible bonds was recognised under the direct result.

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

Earnings per share were EUR -0.08 (EUR 0.04). Direct result per share, diluted, (diluted EPRA EPS) was EUR 0.05 (EUR 0.05). Net cash flow from operating activities per share amounted to EUR 0.10 (EUR 0.06).

Human Resources and Administrative Expenses

At the end of the report period, Citycon Group employed a total of 113 (104) persons, of whom 75 were employed in Finland, 30 in Sweden and eight in the Baltic countries. Administrative expenses increased to EUR 4.6 million (EUR 3.9 million), including EUR 0.1 million (EUR 0.1 million) in calculated non-cash expenses related to employee stock options and the company's share-based incentive scheme. The higher expenses when compared to the reference period were due to organisation growth.

Capital Expenditure and Divestments

Citycon's reported gross capital expenditure during the reporting period totalled EUR 23.1 million (EUR 37.9 million). Of this, property acquisitions accounted for EUR 0.0 million (EUR 7.3 million), property development EUR 22.9 million (EUR 30.3 million) and other investments EUR 0.2 million (EUR 0.3 million). These investments were financed through cash flow from operations and existing financing arrangements.

At the end of January, Citycon divested all the shares in its subsidiary MREC Kiinteistö Oy Keijutie 15. The debt-free selling 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 reporting period stood at EUR 2,147.8 million (EUR 2,357.0 million). Liabilities totalled EUR 1,366.8 million (EUR 1,343.9 million), with short-term liabilities accounting for EUR 105.7 million (EUR 159.2 million). The Group's financial position remained good. At the end of the period under review, Citycon's liquidity was EUR 290.4 million, of which EUR 276.7 million consisted of undrawn, committed credit facilities and EUR 13.7 million of cash and cash equivalents. At the end of the period, Citycon's liquidity, short-term credit limits and commercial papers excluded, stood at EUR 270.4 million (Q4/2008: 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. By the end of the period under review, Citycon had issued commercial papers to the value of EUR 5.0 million. Citycon's financing is mainly arranged on a long-term basis, with short-term interest-bearing debt constituting approximately 2.0 per cent of the Group's total interest-bearing debt at the end of the report period.

From the reference period, interest-bearing debt increased by EUR 11.2 million to EUR 1,194.4 million (EUR 1,183.2 million). The fair value of the Group's interest-bearing debt stood at EUR 1,204.9 million (EUR 1,200.1 million).

The Group's cash and cash equivalents totalled EUR 13.7 million (EUR 50.7 million). The fair value of the Group's interest-bearing net debt stood at EUR 1,191.3 million (EUR 1,149.4 million).

The year-to-date weighted average interest rate decreased compared to the previous year and was 4.46 per cent (4.93% during reference period). The average loan maturity, weighted according to the principal amount of the loans, stood at 4.5 years (5.1 years). The average interest-rate fixing period was 3.2 years (3.1 years).

Citycon's interest cover ratio covenant improved slightly due to lower interest costs and came to 2.0x (Q4/2008: 2.0x). The company's equity ratio as defined in the loan agreements decreased due to dividend and equity return payout as well as the fair value change of the property portfolio, and was 43.2 per cent (Q4/2008: 45.1%).

The weighted interest rate, interest-rate swaps included, averaged 4.36 per cent on 31 March 2009.

At the end of the reporting period the Group's equity ratio was 36.4 per cent (43.0%). Gearing stood at 151.2 per cent (111.8%).

Of Citycon's interest-bearing debt at the end of the period under review, 76.3 per cent (73.2%) was in floating-rate loans, of which 66.2 per cent (71.2%) had been converted into fixed-rate loans by means of interest-rate swaps. Fixed-rate debt accounted for 74.2 per cent (78.8%) of the Group's year-end interest-bearing debt, interest-rate swaps included. The loan portfolio's hedging ratio is in line with the Group's financing policy.

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 period-end nominal amount of interest-rate swaps totalled EUR 638.6 million (EUR 675.2 million), with hedge accounting applied to interest-rate swaps whose nominal amount totalled EUR 615.8 million (EUR 598.6 million).

On 31 March 2009, the nominal amount of all of the Group's derivative contracts totalled EUR 655.7 million (EUR 783.0 million), and their fair value was EUR -19.3 million (EUR 2.0 million). The decline of market interest rates at the beginning of the year 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 earnings per share but the total comprehensive income. On 31 March 2009, the fair value loss recognised under other comprehensive income, taking account of the tax effect, totalled EUR -7.9 million (31 December 2008: EUR -4.4 million).

Net financial expenses totalled EUR 12.2 million (EUR 15.1 million). This decrease was attributable to lower interest rates at the start of the year and the buybacks of convertible bonds.

Net financial expenses in the statement of comprehensive income include EUR -0.3 million in non-cash expenses related to derivative valuation, but also non-recurring income worth EUR 0.6 million for the buyback of the convertible bonds was recorded in net financial expenses. In addition, net financial expenses in the statement of comprehensive income include EUR 0.4 million (EUR 0.5 million) in non-cash expenses related to the option component on convertible bonds.

Loan Market Transactions

At the end of the period under review, 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 will 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.

Buybacks of Subordinated Convertible Capital Bonds Issued in 2006

In July 2006, Citycon's Board of Directors decided to issue subordinated capital convertible bonds, to the amount of EUR 110 million, directed to international institutional investors. 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 exchange 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 autumn 2008, Citycon began the repurchases of the convertible bonds, since the market situation enabled the company to repurchase the bonds at a price clearly below their face value and because the repurchases enabled the company to strengthen its statement of financial position and decrease its net financial expenses. In November-December 2008, Citycon repurchased a total of 542 bonds, each with a face value of EUR 50,000, which the company's Board of Directors decided to cancel on 9 December 2008 and 11 February 2009, in accordance with the terms and conditions of the convertible bonds.

Citycon continued the buybacks of the 2006 convertible bonds during the period under review by repurchasing a total of 128 bonds for EUR 3.6 million (including interest accrued), on 27 February 2009 and 10 March 2009. The repurchased bonds were cancelled on 18 March 2009. After this cancellation, the number of bonds issued under the convertible bonds is 1,530 and the maximum number of shares to be subscribed for with bonds is 18,214,285. As a result of the cancellation, the maximum increase in Citycon's share capital on the basis of the convertible bonds decreased from EUR 26,646,428.25 to EUR 24,589,284.75. The amendments to Citycon's convertible bonds were registered in the Trade Register on 2 April 2009.

By the end of March, 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.

Short-term Risks and Uncertainties

For risk management purposes, Citycon has a holistic Enterprise Risk Management (ERM) programme in place. Citycon's risk management aims to ensure that the company can meet its strategic and operational goals, while the ERM's purpose is to generate up-to-date and consistent information for the company's senior executives and Board of Directors on any risks threatening the targets set in 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 availability of financing as well as changes in the fair value of investment properties and interest rates. Redevelopment and construction of the company's own properties means that the risks associated with project management and with the leasing of new premises will also increase.

A number of factors contribute to the value of retail properties, such as general and local economic development, investment demand, and interest rates. At present, investment property values are subject to abnormally high uncertainty due to the global financial crisis and the dramatically weaker economic outlook in the company's operating regions.

As a result of the credit crisis, property prices have fallen, and Citycon has also recorded fair value losses for the period under review from the lower values of investment properties. During the period under review, trading activity on the property markets has been slow. Furthermore, the weakening economic conditions make the future development of properties' fair value even more uncertain. While changes in the investment properties' fair value have an effect on the company's profit for the period, they do not have an immediate impact on cash flow.

Economic fluctuations and developments materially affect demand for rental premises and rental rates. These represent one of the company's key short-term risks. All of the company's operating regions experienced a marked slow-down in economic growth compared with the same period last year. Several economists forecast markedly negative economic growth for all of the company's operating regions for the rest of the year. These economic conditions could reduce demand for retail premises, weaken tenants' ability to pay rent and raise the vacancy rate in the company's properties, which might have a negative impact on the company's business and financial performance.

Citycon's growth relies on the refurbishment and redevelopment of retail properties. Implementation of this strategy requires both equity and debt financing. Difficulties in the banking sector have made banks more reluctant to lend money to enterprises. Furthermore, due to falling share prices and investors' reluctance to invest in shares, it is more difficult for listed companies to acquire equity through share issues. Citycon's financial position is strong, enabling it to finance its ongoing projects in full as planned. The company will need new financing for future new investments and growth efforts, and the terms of such arrangements will naturally be affected by the financial situation at that time.

In addition to the availability of financing, Citycon's main financial risk is the interest-rate risk of the company's loan portfolio. During the period under review, the six-month interest rate in the euro area fell by 1.3 percentage points, while in Sweden the equivalent interest rate dropped 1.3 percentage points. During this period, Citycon's average interest rate decreased by 0.39 percentage points due to the clear decline in market rates.

The short-term risks involved in (re)development projects are associated with the leasing of new premises and the implementation of construction projects. Leasing risks in projects are minimised by securing the allocation of sufficient resources to the leasing operations of new properties, investing in the marketing of new shopping centres and concluding agreements with anchor tenants prior to a project's commencement or at its initial stage. Project implementation risks are managed using sufficient resources. Responsibility for projects is borne by experienced in-house project managers.

More details on the company's risk management are available on the company's website at www.citycon.com/riskmanagement and on pages 32–34 of the Financial Statements 2008.

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, makes them well positioned to face the demands of sustainable development.

To further develop its operations, Citycon surveyed its tenants' views in 2008 on measures that promote sustainable development and has assembled a list of tangible proposals for improvement. The survey covered 350 tenants and store managers in Finland and Sweden, and another 13 persons responsible for environmental affairs in major retail companies were also interviewed.

The survey indicated that, up to the present day, environmental affairs have not been a key priority in sales activities conducted in shopping centres, but in this respect the retail sector may well put pressure on shopping centre operators in the future. Forerunners in the retail sector are already placing demands on partners such as shopping centres.

Citycon has initiated a Green Shopping Centre Management programme to foster sustainable development in all shopping centres owned by the company. The programme, to be implemented in 2009, aims to promote energy efficiency, recycling and other operations that support sustainable development.

Citycon is currently engaged in sustainable construction through three pilot projects, for which the company is seeking the international LEED (Leadership in Energy and Design) certification. These projects form an essential element of Citycon's efforts towards sustainable development and include the already completed redevelopment of the Trio shopping centre in Lahti, the redevelopment and extension of the Rocca al Mare shopping centre in Tallinn, and the construction of the Liljeholmstorget shopping centre in Stockholm.

Resolutions of the 2009 Annual General Meeting

Citycon Oyj's Annual General Meeting (AGM) took place in Helsinki, Finland, on 18 March 2009. The AGM adopted the consolidated financial statements and the parent company's financial statements for the financial year 2008 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 2008 and, in addition, on an equity return of EUR 0.10 per share from the invested unrestricted equity fund. The record date for the dividend payout and equity return was 23 March 2009, and the dividend and equity return were paid on 3 April 2009.

Board Members and Their Remuneration

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 to the Board. Thom Wernink was elected as Board Chairman and Tuomo Lähdesmäki as Deputy Chairman at the Board's organisation meeting, which was held after the Annual General Meeting.

The AGM decided that Board members' fees would remain unchanged, with the Chairman of the Board of Directors being paid an annual fee of EUR 160,000, the Deputy Chairman EUR 60,000 and ordinary members of the Board EUR 40,000. In addition, the AGM decided that the Chairman of the Board and the Chairmen of the Board's committees be paid a meeting fee of EUR 700 and the other Board and committee members EUR 500 per meeting. Furthermore, it was decided that Board members residing outside the Greater Helsinki area would be compensated for actual travel and accommodation expenses and any other expenses resulting from their work on the Board.

Board Committees

In its meeting following the AGM, the Board also elected the members of the Board Committees. The members of the Committees are listed in the table below.

Audit Committee	Remuneration Committee	Investment Committee	Nomination Committee
Raimo Korpinen (Ch.)	Tuomo Lähdesmäki (Ch.)	Thom Wernink (Ch.)	Tuomo Lähdesmäki (Ch.)
Gideon Bolotowsky	Gideon Bolotowsky	Amir Bernstein	Claes Ottosson
Per-Håkan Westin	Thom Wernink	Raimo Korpinen	Thom Wernink
Thom Wernink		Dor J. Segal	
Ariella Zochovitzky		Per-Håkan Westin	

Independence of the Members of the Board of Directors

In the view of the Board of Directors, all Board members are independent of the company as non-executive directors and Gideon Bolotowsky, Raimo Korpinen, Tuomo Lähdesmäki, Thom Wernink and Per-Håkan Westin are independent of major shareholders.

Auditor

Ernst & Young Oy, a firm of authorised public accountants, continues as the company auditor with Authorised Public Accountant Tuija Korpelainen as the chief auditor.

Partial Amendments to the Articles of Association

In accordance with the proposal by the Board of Directors, the AGM decided to amend Article 4 of the company's Articles of Association in respect of the maximum number of members on the Board of Directors so that the maximum number of members is ten. The AGM also decided to amend Article 11 in respect of the publication of the notice to a general meeting so that the notice shall also be published on the company's website no later than 21 days before the meeting. The amendments to the Articles of Association were entered in the Trade Register on 2 April 2009.

Authorising the Board of Directors to Decide on the Acquisition of the Company's Own Shares

The AGM authorised the Board to decide on an acquisition of a maximum of 20 million of the company's own shares by using unrestricted equity through public trading on the NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of the acquisition. The shares shall be acquired to improve the company's capital structure or to be used in the financing or implementation of potential acquisitions or other corporate transactions. The company may hold, convey or cancel the shares for the aforementioned purposes. The Board was authorised to decide on other terms and conditions related to the acquisition of the company's own shares. This acquisition authorisation will be valid until the next Annual General Meeting.

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 shares are traded in euros. The ISIN code used in international securities clearing is FI0009002471.

Trading and Share Performance

During January–March, the number of Citycon shares traded on the NASDAQ OMX Helsinki totalled 54.8 million (41.6 million) at a total value of EUR 82.0 million (EUR 153.7 million). The highest quotation during the period was EUR 2.02 (EUR 4.28) and the lowest EUR 1.30 (EUR 3.13). The reported trade-weighted average price was EUR 1.50 (EUR 3.69), and the share closed at EUR 1.46 (EUR 3.88). The company's market capitalisation at the end of March totalled EUR 322.7 million (EUR 857.4 million).

Shareholders

At the end of March, Citycon had a total of 2,869 (1,984) registered shareholders, of which ten were account managers of nominee-registered shares. Nominee-registered and other international shareholders held 202.8 million (211.8 million) shares, or 91.8 per cent (95.8%) of shares and voting rights in the company.

Notifications of Changes in Shareholdings

During the January–March, Citycon received one notification regarding 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.

Share Capital

At the end of March 2009, the company's registered share capital totalled EUR 259,570,510.20 and the number of shares 220,998,989. There were no changes in the company's share capital or the number of shares during the period. The company has a single series of shares, with 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 the 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 March, the number of shares that can be issued or disposed of on the basis of the authorisation totalled 72,398,178. This authorisation is valid until 13 March 2012.

The AGM for 2009 authorised the Board of Directors to decide on the acquisition of 20 million of the company's own shares. The acquisition authorisation will be valid until the next Annual General Meeting.

At the end of the period under review, 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. The number of unexercised stock options 2004 A totalled 694,925 (excluding the stock options held by Veniamo-Invest Oy), which would have entitled their holders to subscribe for a maximum of 842,735 shares. These stock options have been deleted as worthless from their holders' book-entry accounts.

The table below includes information on the number of stock options 2004 and their subscription ratios and subscription prices. The full terms and conditions of the stock option plan are available on the company's website at www.citycon.com/options.

Basic Information on Stock Options 2004 as at 1 April 2009

	2004 A	2004 B	2004 C
No. of options granted	1,040,000	1,090,000	1,050,000
No. held by Veniamo-Invest Oy ¹⁾	260,000	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 Sept. 2006	1 Sept. 2007	1 Sept. 2008
Subscription period ended/ends	31 March 2009	31 March 2010	31 March 2011
No. of options exercised	345,075	-	-
No. of shares subscribed with options	386,448	-	-
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.

No shares were subscribed based on the stock options 2004 during the period under review. The maximum number of shares that can be further subscribed for exercising the outstanding stock options 2004 B/C amounts to 2,595,178 new shares.

Outlook

Citycon continues to focus on increasing its cash flow and operating profit (excluding fair value changes). In order to implement this strategy, the company will focus on value-added activities while cautiously monitoring the market for potential acquisitions.

Due to market changes and tight financing conditions, all planned projects will be re-evaluated before their launch. Citycon intends to continue the divestment of its non-core properties to improve the property portfolio and strengthen the company's statement of financial position. The company is also considering alternative property financing sources.

The fact that the grocery sales sector accounts for a major share of the company's lease portfolio cushions the impact on net rental income. The company expects its net rental income to increase moderately in 2009 from the previous year's level, resulting from redevelopment projects coming online and active shopping centre management.

Helsinki, 22 April 2009

Citycon Oyj
Board of Directors

Unaudited Interim Condensed Financial Statements 1 January - 31 March 2009

Condensed Consolidated Statement of Comprehensive Income, IFRS

EUR million	Note	Q1/2009	Q1/2008	Change-%	2008
Gross rental income		44.3	41.7	6.1%	173.0
Service charge income		1.6	2.6	-38.4%	5.3
Turnover	3	45.9	44.3	3.6%	178.3
Property operating expenses		15.3	14.6	5.4%	56.3
Other expenses from leasing operations		0.2	0.1	249.0%	0.2
Net rental income		30.3	29.7	2.2%	121.8
Administrative expenses		4.6	3.9	15.7%	16.9
Other operating income and expenses		0.0	0.2	-103.5%	6.1
Net fair value losses/gains on investment property		-31.6	0.5	-	-216.1
Net gains/losses on sale of investment property		0.1	0.1	-46.5%	0.1
Operating loss/profit		-5.8	26.4	-	-105.0
Net financial income and expenses		12.2	15.1	-19.1%	57.3
Loss/profit before taxes		-18.1	11.3	-	-162.3
Current taxes		-1.7	-2.3	-22.8%	-6.6
Change in deferred taxes		1.5	2.3	-33.9%	30.0
Loss/profit for the period		-18.3	11.3	-	-138.9
Other comprehensive income/expenses					
Net losses/gains on cash flow hedges		-10.7	-5.9	82.2%	-30.5
Income taxes relating to cash flow hedges		2.8	1.5	82.2%	7.9
Exchange losses/gains on translating foreign operations		-0.2	0.4	-	-13.0
Other comprehensive expenses/income for the period, net of tax		-8.2	-4.0	106.2%	-35.6
Total comprehensive loss/profit for the period		-26.5	7.3	-	-174.6
Loss/profit attributable to					
Parent company shareholders		-16.8	9.1	-	-124.1
Minority interest		-1.5	2.2	-	-14.8
Total comprehensive loss/profit attributable to					
Parent company shareholders		-24.9	5.0	-	-156.8
Minority interest		-1.6	2.3	-	-17.8
Earnings per share (basic), EUR	5	-0.08	0.04	-	-0.56
Earnings per share (diluted), EUR	5	-0.08	0.04	-	-0.56
Direct result	4	11.6	10.4	11.3%	43.8
Indirect result	4	-28.4	-1.3	-	-167.9
Loss/profit for the period attributable to parent company shareholders		-16.8	9.1	-	-124.1



Condensed Consolidated Statement of Financial Position, IFRS

EUR million	Note	31 March 2009	31 March 2008	31 Dec. 2008
Assets				
Non-current assets				
Investment properties	6	2,097.3	2,282.1	2,111.6
Intangible assets and property, plant and equipment		1.6	1.6	1.7
Deferred tax assets		9.6	-	6.8
Derivative financial instruments and other non-current assets	8	0.0	5.4	6.0
Total non-current assets		2,108.6	2,289.1	2,126.1
Current assets				
Derivative financial instruments	8	9.4	1.4	13.9
Trade and other receivables		16.1	15.8	21.7
Cash and cash equivalents	7	13.7	50.7	16.7
Total current assets		39.2	67.9	52.4
Total assets		2,147.8	2,357.0	2,178.5
Liabilities and Shareholders' Equity				
Equity attributable to parent company shareholders				
Share capital		259.6	259.6	259.6
Share premium fund and other restricted reserves		131.1	131.1	131.1
Fair value reserve	8	-25.6	0.6	-17.7
Invested unrestricted equity fund	9	155.2	177.2	177.3
Retained earnings	9	224.2	387.6	248.8
Total equity attributable to parent company shareholders		744.4	956.1	799.1
Minority interest		36.6	57.0	38.2
Total shareholders' equity		781.0	1,013.1	837.3
Liabilities				
Long-term interest-bearing debt	10	1,169.1	1,094.9	1,149.2
Derivative financial instruments and other non-interest bearing liabilities	8	36.4	5.5	25.5
Deferred tax liabilities		55.6	84.3	57.1
Total long-term liabilities		1,261.1	1,184.7	1,231.7
Short-term interest-bearing debt	10	25.3	88.4	50.3
Derivate financial instruments	8	1.4	-	4.9
Trade and other payables		79.0	70.8	54.3
Total short-term liabilities		105.7	159.2	109.5
Total liabilities		1,366.8	1,343.9	1,341.2
Total liabilities and shareholders' equity		2,147.8	2,357.0	2,178.5

Condensed Consolidated Cash Flow Statement, IFRS

EUR million	Note	Q1/2009	Q1/2008	2008
Cash flow from operating activities				
Loss/profit before taxes		-18.1	11.3	-162.3
Adjustments		44.0	14.8	268.1
Cash flow before change in working capital		25.9	26.1	105.8
Change in working capital		-0.5	-3.7	-2.1
Cash generated from operations		25.4	22.4	103.7
Paid interest and other financial charges		-16.0	-14.0	-63.1
Interest income, exchange rate gains and other financial income received		13.1	0.8	6.3
Taxes paid/received		-0.5	3.8	0.2
Net cash from operating activities		22.1	13.0	47.2
Cash flow from investing activities				
Acquisition of subsidiaries, less cash acquired	6	-	-14.4	-24.0
Capital expenditure on investment properties as well as on intangible assets and PP&E	6	-25.4	-32.0	-127.0
Sale of investment properties	6	3.1	7.7	7.0
Net cash used in investing activities		-22.4	-38.7	-144.1
Cash flow from financing activities				
Equity contribution from minority shareholder		-	25.7	25.9
Proceeds from short-term loans	10	11.5	165.1	72.1
Repayments of short-term loans	10	-36.6	-181.5	-125.8
Proceeds from long-term loans	10	84.0	229.0	623.3
Repayments of long-term loans	10	-60.8	-186.0	-473.6
Dividends paid	9	-	-	-30.9
Net cash used in/from financing activities		-1.8	52.2	90.9
Net change in cash and cash equivalents		-2.1	26.5	-6.1
Cash and cash equivalents at period-start	7	16.7	24.2	24.2
Effects of exchange rate changes		0.9	0.1	-1.4
Cash and cash equivalents at period-end	7	13.7	50.7	16.7

Condensed Consolidated Statement of Changes in Shareholders' Equity, IFRS

EUR million	Equity attributable to parent company shareholders						Equity-attributable to parent company shareholders	Minority interest	Shareholders' equity, total
	Share capital	Share premium fund and other reserves	Fair value reserve	Invested un-restricted equity fund	Translation reserve	Retained earnings			
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			-4.4		0.3	9.1	5.0	2.3	7.3
Dividends and return from the invested unrestricted equity fund (Note 9)				-22.1		-8.8	-30.9		-30.9
Share-based payments						0.1	0.1		0.1
Acquisition of minority interests							-	25.7	25.7
Balance at 31 March 2008	259.6	131.1	0.6	177.2	0.0	387.6	956.1	57.0	1,013.1
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			-7.9		-0.1	-16.8	-24.9	-1.6	-26.5
Recognized gain in the equity arising from convertible bond buybacks						1.1	1.1		1.1
Dividends and return from the invested unrestricted equity fund (Note 9)				-22.1		-8.8	-30.9		-30.9
Share-based payments						0.0	0.0		0.0
Balance at 31 March 2009	259.6	131.1	-25.6	155.2	-10.4	234.6	744.4	36.6	781.0



Notes To The Interim 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 interim financial statements on 22 April 2009.

2. Basis of Preparation and Accounting Policies

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The interim condensed consolidated financial statements for the period 1 January–31 March 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting. The following new standards as well as amendments and interpretations to the existing standards have been adopted in the interim 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 arising from the development properties amounted to EUR 11.4 million during the period. 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 2008, in Chapter 3 "Changes in IFRS and accounting policies" under the Notes to the Consolidated Financial Statements (see pages 18-19 in the Financial Statements).

Otherwise, same accounting principles and policies are applied in the interim financial statements as in the annual financial statements for the year 2008. The interim financial statements do not include all the disclosures required to be disclosed in the annual financial statements. Therefore, they should be read in conjunction with Citycon's annual financial statements for the year 2008.

3. Segment Information

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

EUR million	Q1/2009	Q1/2008	Change-%	2008
Turnover				
Finland	33.5	31.4	6.6%	126.8
Sweden	9.3	10.7	-12.9%	41.9
Baltic Countries	3.1	2.2	39.2%	9.6
Total	45.9	44.3	3.6%	178.3
Net rental income				
Finland	23.1	22.3	3.3%	90.9
Sweden	5.2	5.8	-9.9%	24.1
Baltic Countries	2.1	1.6	31.7%	6.8
Other	0.0	0.0	-	0.0
Total	30.3	29.7	2.2%	121.8



EUR million	Q1/2009	Q1/2008	Change-%	2008
Direct operating profit/loss				
Finland	21.5	21.1	1.9%	85.4
Sweden	4.4	5.0	-13.0%	21.0
Baltic Countries	1.9	1.5	32.4%	6.2
Other	-2.0	-1.6	24.5%	-7.2
Total	25.7	25.9	-0.7%	105.3
Operating loss/profit				
Finland	-4.0	19.0	-	-62.9
Sweden	7.8	6.7	16.3%	-49.1
Baltic Countries	-7.7	2.3	-	14.4
Other	-2.0	-1.6	23.4%	-7.4
Total	-5.8	26.4	-	-105.0

EUR million	31 March 2009	31 March 2008	Change-%	31 Dec. 2008
Assets				
Finland	1,479.5	1,605.2	-7.8%	1,504.2
Sweden	480.8	556.4	-13.6%	466.9
Baltic Countries	152.3	132.4	15.1%	156.3
Other	35.2	63.0	-44.1%	51.1
Total	2,147.8	2,357.0	-8.9%	2,178.5

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	Q1/2009	Q1/2008	Change- %	2008
Direct result				
Net rental income	30.3	29.7	2.2%	121.8
Direct administrative expenses	-4.6	-3.8	21.1%	-16.5
Direct other operating income and expenses	0.0	0.0	-120.8%	0.1
Direct operating profit	25.7	25.9	-0.7%	105.3
Direct net financial income and expenses	-12.0	-13.8	-12.9%	-54.2
Direct current taxes	-1.4	-1.2	21.7%	-4.8
Direct change in deferred taxes	0.0	-0.1	-	0.2
Direct minority interest	-0.7	-0.4	59.3%	-2.8
Total direct result	11.6	10.4	11.3%	43.8
Direct result per share (diluted), (diluted EPRA EPS), EUR ¹⁾	0.05	0.05	10.2%	0.20
Indirect result				
Net fair value losses/gains on investment property	-31.6	0.5	-	-216.1
Profit/loss on disposal of investment property	0.1	0.1	-46.5%	0.1
Indirect administrative expenses	-	-0.2	-	-0.4
Indirect other operating income and expenses	-	0.1	-	6.0
Movement in fair value of financial instruments	-0.3	-1.4	-81.3%	-3.1
Indirect current taxes	-0.3	-1.1	-72.6%	-1.8
Change in indirect deferred taxes	1.5	2.4	-36.6%	29.7
Indirect minority interest	2.2	-1.8	-	17.6
Total indirect result	-28.4	-1.3	-	-167.9
Indirect result per share, diluted	-0.13	-0.01	-	-0.76
Loss/profit for the period attributable to parent company shareholders	-16.8	9.1	-	-124.1

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

5. Earnings per Share

	Q1/2009	Q1/2008	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	-16.8	9.1	-124.1
Issue-adjusted average number of shares, Million	221.0	221.0	221.0
Earnings per share (basic), EUR	-0.08	0.04	-0.56
Earnings per share, diluted			
Loss/profit attributable to parent company shareholders, EUR million	-16.8	9.1	-124.1
Expenses from convertible capital loan, the tax effect deducted, EUR million	-	1.4	-
Loss/profit used in the calculation of diluted earnings per share, EUR million	-16.8	10.5	-124.1
Issue-adjusted average number of shares, Million	221.0	221.0	221.0
Convertible capital loan impact, Million	-	26.2	-
Adjustment for stock options, Million	-	1.0	-
Issue-adjusted average number of shares used in the calculation of diluted earnings per share, Million	221.0	248.1	221.0
Earnings per share (diluted), EUR	-0.08	0.04	-0.56
The incremental shares from assumed conversions or any income or cost related to dilutive potential shares are not included in calculating Q1/2009 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)	11.6	10.4	43.8
Expenses arising from convertible capital loan, adjusted with the tax effect deduction, EUR million	1.1	1.4	5.6
Profit used in the calculation of direct result per share, EUR million	12.7	11.9	49.4
Issue-adjusted average number of shares used in the calculation of diluted earnings per share, Million	240.3	248.1	247.2
Direct result per share (diluted), (diluted EPRA EPS), EUR	0.05	0.05	0.20

6. Investment Property

Citycon divides its investment properties into two categories: properties under redevelopment 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 development/redevelopment properties. During the period, development/redevelopment properties included the projects in the following shopping centres: Liljeholmstorget, Rocca al Mare, Lippulaiva, Åkersberga Centrum, Jakobsbergs Centrum, Stenungs Torg and Porin Isolinnankatu 18.

EUR million	31 March 2009		
	Development/ redevelopment properties	Operative investment properties	Investment properties total
At period-start	271.8	1,839.9	2,111.6
Investments	19.0	1.8	20.8
Disposals	-	-2.7	-2.7
Capitalized interest	1.8	0.3	2.1
Fair value gains on investment property	7.4	0.8	8.2
Fair value losses on investment property	-10.0	-29.8	-39.8
Exchange differences	-1.5	-1.4	-3.0
Transfers between items	226.4	-226.4	0.0
At period-end	514.9	1,582.4	2,097.3

EUR million	31 March 2008		
	Development/ redevelopment properties	Operative investment properties	Investment properties total
At period-start	544.5	1,704.4	2,248.9
Acquisitions	7.1	0.2	7.3
Investments	25.2	3.3	28.5
Disposals	-	-7.6	-7.6
Capitalized interest	1.0	0.9	2.0
Fair value gains on investment property	2.2	16.2	18.4
Fair value losses on investment property	-8.3	-9.7	-17.9
Exchange differences	1.0	1.5	2.5
Transfers between items	-69.9	69.9	0.0
At period-end	502.9	1,779.2	2,282.1

EUR million	31 Dec. 2008		
	Development/ redevelopment properties	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 (€/m ²)		
	31 March 2009	31 March 2008	31 Dec. 2008	31 March 2009	31 March 2008	31 Dec. 2008
Finland	6.5	5.7	6.4	22.1	21.1	21.9
Sweden ¹⁾	6.5	5.4	6.4	18.0	13.5	12.3
Baltic Countries	7.6	6.6	7.4	20.1	19.5	20.2
Average	6.5	5.7	6.4	21.0	19.2	19.9

1) Numbers of Sweden on 31 March 2009 include the development project of Liljeholmstorget shopping centre.

7. Cash and Cash Equivalents

EUR million	31 March 2009	31 March 2008	31 Dec. 2008
Cash in hand and at bank	9.9	13.9	16.7
Short-term deposits	3.8	36.8	-
Total	13.7	50.7	16.7

8. Derivative Financial Instruments

EUR million	31 March 2009		31 March 2008		31 Dec. 2008	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate derivatives						
Interest rate swaps						
Maturity:						
less than 1 year	86.0	1.5	40.0	0.1	86.0	1.4
1-2 years	45.7	-1.9	112.6	-1.2	46.0	-1.5
2-3 years	110.0	0.7	83.0	-1.7	70.0	3.5
3-4 years	50.0	-1.7	110.0	1.2	41.8	-1.9
4-5 years	228.4	-15.7	20.0	-0.2	228.8	-10.1
over 5 years	118.6	-11.0	309.6	3.0	119.0	-8.9
Subtotal	638.6	-28.1	675.2	1.2	591.7	-17.5
Foreign exchange derivatives						
Forward agreements						
Maturity:						
less than 1 year	17.1	8.8	107.7	0.8	23.1	7.6
Total	655.7	-19.3	783.0	2.0	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 gain of EUR 9.4 million (EUR 1.3 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 615.8 million (EUR 598.6 million). The fair value loss recognized under other comprehensive income taking into account the tax effect totals EUR -7.9 million (EUR -4.4 million).



9. Dividends and Return 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.

10. 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 0.8 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.

11. Contingent Liabilities

EUR million	31 March 2009	31 March 2008	31 Dec. 2008
Mortgages on land and buildings	40.3	46.7	40.6
Bank guarantees	45.6	49.0	45.6
Capital commitments	12.8	34.8	13.0

On 31 March 2009, Citycon had capital commitments of EUR 12.8 million (EUR 34.8 million) relating mainly to development and redevelopment projects.

12. Related Party Transactions

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

13. Key Figures

	Q1/2009	Q1/2008	Change-%	2008
Earnings per share (basic), EUR	-0.08	0.04	-	-0.56
Earnings per share (diluted), EUR	-0.08	0.04	-	-0.56
Equity per share, EUR	3.37	4.33	-22.1%	3.62
Net asset value (EPRA NAV) per share, EUR	3.62	4.70	-23.1%	3.88
Equity ratio, %	36.4	43.0	-	38.5

The formulas for key figures can be found from the 2008 annual financial statements.

Report on the Review of Citycon Oyj's Interim Financial Information for the period January 1 – March 31, 2009

To the Board of Directors of Citycon Oyj

Introduction

We have reviewed the accompanying statement of financial position of Citycon Oyj as of March 31, 2009 and the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with the Securities Market Act, chapter 2, paragraph 5 a. Based on our interim review we express at the request of the Board of Directors a report in accordance with the Securities Market Act, chapter 2, paragraph 5 a, sub-paragraph 7.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information, prepared in accordance with International Financial Reporting Standards as adopted by the EU, does not give a true and fair view of the financial position of the entity as at March 31, 2009, and of its financial performance and its cash flows for the three-month period then ended in accordance with the Securities Market Act.

Helsinki, April 22, 2009

Ernst & Young Oy
Authorized Public Accountants

Tuija Korpelainen, Authorized Public Accountant

Financial reports in 2009

In 2009, Citycon will publish two more interim reports as follows:

January-June 2009, on Friday, 17 July 2009, at approximately 9:00 am and
January-September 2009, on Thursday, 15 October 2009, at approximately 9:00 am.

For further information for investors, please visit Citycon's website, www.citycon.com.

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