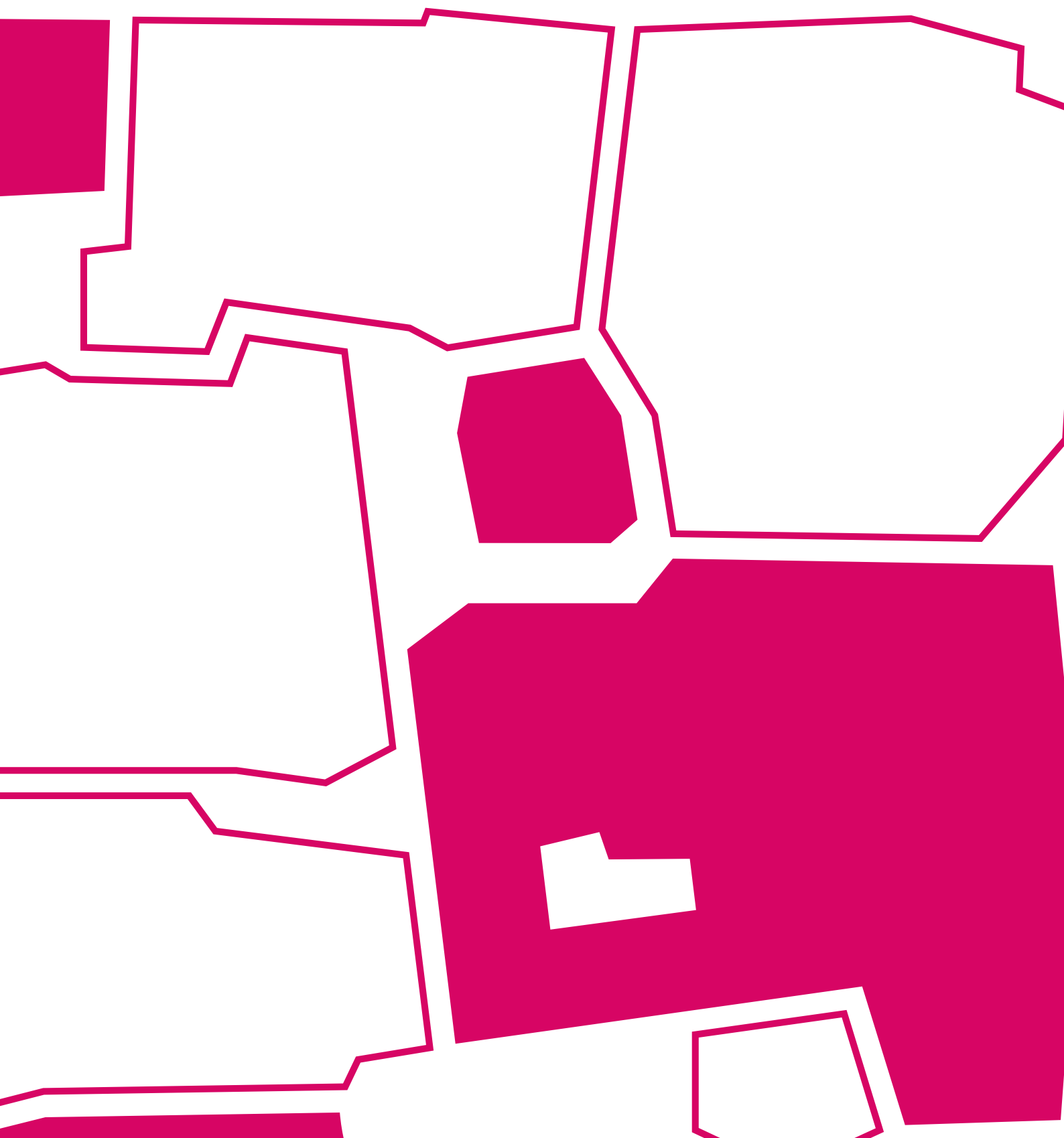


Citycon Oyj's Interim Report  
for 1 January–30 September 2011

**CITYCON**  
creating success for retailing



# Citycon in Brief

Citycon focuses on the shopping centre business in the Nordic and Baltic countries. The company's shopping centres are actively managed and developed by the company's professional personnel, working locally. In the Nordic countries, the company is a pioneer in its adherence to the principles of sustainable development in its shopping centre business. Citycon strives to enhance the commercial appeal of its properties, taking into account the specific characteristics of each property's catchment area such as purchasing power, competition and consumer demand. The ultimate goal is to create rental premises generating added value to tenants and customers.

At the end of September 2011, Citycon owned 36 shopping centres and 45 other retail properties. In addition, the company manages and redevelops one shopping centre without owning it. Of the shopping centres owned by the company, 23 are located in Finland, 9 in Sweden and 4 in the Baltic countries.

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# Citycon Oyj's Interim Report for 1 January–30 September 2011

## Summary of the Third Quarter of 2011 Compared with the Previous Quarter

- Turnover increased to EUR 55.0 million (Q2/2011: EUR 54.1 million).
- Net rental income increased by EUR 1.9 million, or 5.3 per cent, to EUR 38.3 million (EUR 36.3 million). The acquisitions of Kristiine and Högdalen Centrum shopping centres increased net rental income by EUR 0.9 million and completion of redevelopment projects by EUR 0.7 million. In addition, net rental income increased due to lower property operating expenses reflecting common seasonal variations.
- The fair value change of investment properties was EUR –14.4 million (EUR –5.0 million): EUR –5.5 million for shopping centres and EUR –8.9 million for supermarkets and shops, with the fair value of investment properties totalling EUR 2,512.6 million (EUR 2,506.4 million). The average net yield requirement for investment properties was 6.4 per cent (6.4%).
- Earnings per share fell to EUR 0.00 (EUR 0.03), mainly due to higher negative fair value changes.
- Direct operating profit increased by EUR 1.0 million to EUR 31.3 million (EUR 30.2 million) due to higher net rental income partly offset by higher direct administrative expenses that increased by EUR 0.9 million largely due to changes in organisation.
- Direct result per share (diluted) (diluted EPRA EPS) increased slightly and was EUR 0.06 (EUR 0.05) as higher direct operating profit increased the direct result while higher number of shares impacted the per share figure.
- The company specifies its guidance regarding turnover, direct operating profit and direct result.

## Summary of the Period January–September 2011 Compared with the Corresponding Period of 2010

- Turnover increased to EUR 161.0 million (Q1–Q3/2010: EUR 146.1 million).
- Net rental income increased by EUR 11.6 million, or 12.1 per cent, to EUR 107.0 million (EUR 95.4 million). With comparable exchange rates, net rental income grew by EUR 10.1 million or 10.5 per cent. The completion of redevelopment projects such as Espoontori, Forum in Jyväskylä and Åkersberga Centrum increased net rental income by EUR 4.6 million. The acquisitions of the Kristiine and Högdalen Centrum shopping centres increased net rental income by EUR 4.3 million.
- Net rental income from like-for-like properties increased by EUR 2.0 million, or 2.7 per cent, excluding the impact of the strengthened Swedish krona. Like-for-like net rental income from shopping centres increased by EUR 3.7 million, or 6.4 per cent while like-for-like net rental income from supermarkets and shops decreased by EUR 1.8 million, or 11.3 per cent.
- Earnings per share were EUR 0.07 (EUR 0.29). The decrease was mainly due to negative fair value changes. In addition, the share issues taken place in July 2011 have increased the number of shares.
- The direct result per share (diluted) (diluted EPRA EPS) increased and was EUR 0.16 (EUR 0.15).
- Net cash from operating activities per share increased to EUR 0.21 (EUR 0.09) due to higher direct operating profit, positive changes in working capital, received tax returns, extraordinary items and timing differences.
- Citycon acquired the shopping centre Högdalen Centrum in Stockholm for SEK 207.5 million (approx. EUR 23.1 million) and shopping centre Kristiine in Tallinn for EUR 105 million.
- The redevelopment project of the Koskikeskus shopping centre in Tampere was started, with the estimated investment cost being EUR 37.9 million.
- In May, Citycon signed a EUR 330 million long-term unsecured credit facility agreement with a Nordic bank group. The facility consists of a bullet term loan of EUR 220 million and a EUR 110 million revolving credit facility. The loan period is five years.
- The company strengthened its balance sheet and improved liquidity by raising approximately EUR 99 million in new equity through a directed share offering arranged in July by issuing 33 million new shares. In August, the company signed a 7-year unsecured term loan facility for a minimum committed amount of EUR 50 million.
- Citycon Oyj's new CEO, Marcel Kokkeel, assumed his duties on 24 March 2011 and the company's new Executive Vice President, Finnish Operations, Michael Schönach, in the beginning of March. At the end of July the company announced that Ulf Attebrant, the company's Vice President, Swedish Operations, would leave his position by 1 December and that Johan Elfstadius would start as new Head of Swedish Operations on or about 1 December 2011.

## Key Figures

|                                                                      | Q3/2011 | Q3/2010 | Q2/2011 | Q1-Q3/2011 | Q1-Q3/2010 | Change-% <sup>1)</sup> | 2010    |
|----------------------------------------------------------------------|---------|---------|---------|------------|------------|------------------------|---------|
| Turnover, EUR million                                                | 55.0    | 48.0    | 54.1    | 161.0      | 146.1      | 10.3%                  | 195.9   |
| Net rental income, EUR million                                       | 38.3    | 33.0    | 36.3    | 107.0      | 95.4       | 12.1%                  | 127.2   |
| Operating profit, EUR million                                        | 17.0    | 42.8    | 26.0    | 71.2       | 122.3      | -41.8%                 | 157.7   |
| % of turnover                                                        | 30.9%   | 89.2%   | 48.1%   | 44.2%      | 83.8%      | -47.3%                 | 80.5%   |
| Profit/loss before taxes, EUR million                                | 1.0     | 28.8    | 9.5     | 25.0       | 80.8       | -69.1%                 | 102.8   |
| Loss/profit attributable to parent company shareholders, EUR million | -0.7    | 22.5    | 7.9     | 18.3       | 63.9       | -71.3%                 | 78.3    |
| Direct operating profit, EUR million                                 | 31.3    | 28.0    | 30.2    | 88.5       | 80.7       | 9.7%                   | 105.0   |
| % of turnover                                                        | 56.8%   | 58.4%   | 56.0%   | 55.0%      | 55.3%      | -0.5%                  | 53.6%   |
| Direct result (EPRA earnings), EUR million                           | 14.9    | 12.3    | 13.2    | 40.7       | 33.8       | 20.7%                  | 47.3    |
| Indirect result, EUR million                                         | -15.6   | 10.2    | -5.3    | -22.4      | 30.1       | -                      | 31.1    |
| Earnings per share (basic), EUR                                      | 0.00    | 0.10    | 0.03    | 0.07       | 0.29       | -74.8%                 | 0.34    |
| Earnings per share (diluted), EUR                                    | 0.00    | 0.10    | 0.03    | 0.08       | 0.28       | -71.6%                 | 0.34    |
| Direct result per share (diluted), (diluted EPRA EPS), EUR           | 0.06    | 0.06    | 0.05    | 0.16       | 0.15       | 5.6%                   | 0.21    |
| Net cash from operating activities per share, EUR                    | 0.14    | 0.04    | -0.01   | 0.21       | 0.09       | 143.1%                 | 0.09    |
| Fair value of investment properties, EUR million                     |         |         | 2,506.4 | 2,512.6    | 2,299.9    | 9.3%                   | 2,367.7 |
| Equity per share, EUR                                                |         |         | 3.43    | 3.29       | 3.36       | -2.2%                  | 3.47    |
| Net asset value (EPRA NAV) per share, EUR <sup>2)</sup>              |         |         | 3.73    | 3.64       | 3.71       | -1.8%                  | 3.79    |
| EPRA NNNNAV per share, EUR                                           |         |         | 3.43    | 3.31       | 3.37       | -1.8%                  | 3.49    |
| Equity ratio, %                                                      |         |         | 34.8    | 37.7       | 35.9       | 4.8%                   | 37.1    |
| Gearing, %                                                           |         |         | 171.2   | 148.3      | 153.4      | -3.3%                  | 153.1   |
| Net interest-bearing debt (fair value), EUR million                  |         |         | 1,540.1 | 1,445.2    | 1,343.1    | 7.6%                   | 1,386.0 |
| Net rental yield, %                                                  |         |         | 5.8     | 5.9        | 5.9        | -                      | 5.8     |
| Net rental yield, like-for-like properties, %                        |         |         | 6.0     | 6.0        | 6.0        | -                      | 6.0     |
| Occupancy rate (economic), %                                         |         |         | 95.1    | 95.4       | 94.5       | -                      | 95.1    |
| Personnel (at the end of the period)                                 |         |         | 134     | 129        | 123        | 4.9%                   | 129     |

<sup>1)</sup> Change-% is calculated from exact figures and refers to the change between 2011 and 2010.

<sup>2)</sup> In accordance with a change in the EPRA's Best Practice Recommendations 2010, Citycon has changed net asset value (EPRA NAV) calculations so that the fair value of all financial instruments is excluded from the net asset value.

## CEO's Comment

Comments from Citycon Oyj's Chief Executive Officer Marcel Kokkeel on the reporting period:

"The first three quarters of 2011 have been a period of solid performance: the company's net rental income grew by 12.1 per cent, like-for-like net rental income by 2.7 per cent, occupancy rate remained at high level and was 95.4 per cent, shopping centre footfall has grown by 6 per cent and sales by 7 per cent. Especially Liljeholmstorget Galleria in Sweden has improved during this year.

Our property portfolio is now more clearly split into prime, consisting of a large majority of our portfolio, and the non-prime properties. This difference can be seen in leasing and rental development, as well as in valuation of properties. In general, demand for the best properties is solid and their fair values remain stable, whereas non-prime properties show an opposite trend.

The company is in transition phase: our strategy has been updated and changes have taken place in the management. This transition is also reflected in our results: While managing an ongoing business improvement program which will also lead to a lower cost base, 2011 will still show an increase in costs due to this transition. The key part of Citycon's clarified strategy is improving the direct result and rigorous cost control in all our operations. The aim is to be close to customers, tenants and market places and to become a more pro-active partner.

During the reporting period, the company has strengthened its property portfolio by both acquisitions and redevelopment projects. In May, Citycon acquired two new shopping centres: Kristiine in Tallinn, and Högdalen Centrum in Stockholm. Kristiine has out-performed our expectations. The most significant on-going redevelopment projects are in Finland: Koskikeskus in Tampere, Martinlaakso in Vantaa and Myllypuro in Helsinki. Also some non-core properties have been sold and their disposals will continue and – when possible – be accelerated.

Citycon's financial position is good. The directed share issue arranged by the company in July was completed successfully. At the period end, available liquidity totalled EUR 292.8 million and equity ratio was 37.7 per cent."

## Business Environment

After the summer, economic sentiment turned negative, due to the euro area's problems in particular. While this change was primarily visible on the stock market, it did not yet have major impacts on consumer spending. During the year, retail sales have grown both in Finland and Sweden. For the first eight months, retail sales grew by 5.8 per cent in Finland, by 1.2 per cent in Sweden and by 3.0 per cent in Estonia. In August, retail sales in Finland grew by 6.0 per cent, in Sweden by 1.7 per cent and in Estonia by 4.0 per cent year-on-year. (Sources: Statistics Finland, Statistics Sweden, Statistics Estonia)

Household consumer confidence has deteriorated during the past months in all of the company's operating countries. In Finland and Sweden, the household consumer confidence indicator was still positive unlike in Estonia and Lithuania. (Source: Eurostat)

In Finland and Sweden, unemployment is lower than the European Union average: at the end of August, unemployment rate in Finland was 7.8 per cent and in Sweden 7.4 per cent. In Estonia, unemployment is still high, at 12.8 per cent at the end of June. The changeover to the euro has, however, had a positive impact on the Estonian economy, through tourism and foreign investment. (Sources: Statistics Finland, Statistics Sweden, Statistics Estonia)

Consumer prices continued to rise during the reporting period. In August, inflation was 3.8 per cent in Finland, 3.4 per cent in Sweden and 5.5 per cent in Estonia. Interest rates remained low. (Source: ibid)

## Property Markets

General uncertainty in the global economy has cast its shadow on real estate market and the general sentiment is cautious and waiting. In the beginning of the year, it was expected that the demand for average properties and properties in regional towns would increase, but development after the summer has shifted investors' and financiers' interest even more firmly towards prime properties in major cities. The number of completed transactions has been low and it is expected that transaction volumes will remain moderate during the rest of the year. The current view is, that the relative position of prime properties will strengthen and they will keep their value rather well, but there will be downwards pressure on average and non-prime investment properties and on their values. (Source: Realia Management Oy)

## Tenants' Sales and Footfall in Citycon's Shopping Centres

During the first nine months of the year, total sales in Citycon's shopping centres grew by 7 per cent and the footfall increased by 6 per cent, year-on-year. There was sales growth in all of the company's operating countries: 5 per cent in Finland, 7 per cent in Sweden

and 21 per cent in the Baltic countries. In Finland, the footfall increased by 4 per cent, in Sweden by 9 per cent and in the Baltic countries by 9 per cent. Positive developments in sales and footfall are mainly attributable to redevelopment projects completed during recent years. Like-for-like shopping centre sales (sales excluding the impact of redevelopment projects) grew by 5 per cent and were positive in all operating countries. Like-for-like footfall rose by 1 per cent, being positive in Swedish shopping centres in particular.

## Short-Term Risks and Uncertainties

Citycon's Board of Directors considers the company's short-term risks and uncertainties to be associated with economic development in the company's operating regions, which affects demand, rent and vacancy rates in retail premises, as well as with the cost-efficiency of debt financing, changes in the fair value of investment properties and the execution of redevelopment projects. The Board estimates that the most significant risks now faced by the company relate to general economic development, the success of leasing activities for retail premises, reducing the vacancy rate, as well as the cost and availability of financing.

During the first half of the year, the general economic climate was still relatively positive and, for instance, consumer confidence increased in Citycon's operating countries. In the summer, economic activity slowed down while the mounting sovereign-debt crisis has led to major fluctuations in the financial market. Recent economic forecasts for the current and next year have been lowered markedly and the current outlook for the euro area is replete with risks. However, regardless of slower economic growth, several forecasts still expect the economic growth to remain positive next year in all of Citycon's operating countries. Since the risks associated with economic development have undoubtedly increased significantly, we cannot exclude the scenario of a sharp economic downturn coupled with negative economic growth next year.

In such a challenging economic environment, demand for retail premises is unlikely to grow significantly from the current level, which will make leasing activities challenging. Leasing of retail premises was particularly challenging in certain supermarket and shop properties owned by Citycon where the occupancy rate is still clearly below the occupancy rate of the entire property portfolio.

The availability of financing is still good, although greater uncertainty since the summer of 2011 started to affect the cost of financing. Credit ratings of certain European banks have already declined and, in general, banks' funding costs clearly increased during the summer. Nordic banks, however, hold a relatively stronger position and, in spite of the uncertainty, are still willing to finance property companies, although they require slightly higher loan margins than in the spring.

The company's short-term risks and uncertainties are discussed in more depth in the Annual Report for 2010. More details of risk management and its principles are available on the corporate website at [www.citycon.com/riskmanagement](http://www.citycon.com/riskmanagement), and on pages 35–37 and 49–51 of the Annual Report and Financial Statements for 2010.

## Outlook

Citycon continues to focus on increasing both its net cash flow from operating activities and its direct operating profit. In order to implement this strategy, the company will pursue value-added activities, selected acquisitions and proactive asset management.

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

In 2011, Citycon expects its turnover to grow by EUR 18–23 million and its direct operating profit by EUR 10–15 million compared with the previous year, based on the existing property portfolio. The company expects its direct result to increase by EUR 4–8 million from the previous year. These estimates are based on already completed (re)development projects and those completed in the future, as well as on the prevailing level of inflation and the euro-krona exchange rate as well as current interest rates. Properties taken offline for planned development projects will reduce net rental income during the year.

## Changes in the Property Portfolio

### *During the period:*

- The Martinlaakso shopping centre reached its rooftop height and held its topping-out party on 7 September. Its opening ceremony will take place in December 2011.
- The redevelopment and extension of the Magistral shopping centre, Tallinn, was initiated in September. Magistral's interior will be thoroughly refurbished and the shopping centre will be extended by some 2,400 square metres. With an estimated investment cost of EUR 7.0 million, the project is expected to be completed in the spring of 2012. The entire shopping centre will be closed during the renovation and extension work.

- The shopping centre Åkermystan Centrum's redevelopment project in Stockholm was launched. In the redevelopment project, the shopping centre and its parking will be renewed and energy efficiency will be improved. The shopping centre's gross leasable area will increase by approximately 1,700 square metres and the tenant mix will be strengthened. The project investment amounts to approximately EUR 6.9 million and the project is expected to be completed towards the end of 2012.
- Three minor refurbishment projects were launched in Sweden: the refurbishments of Fruängen Centrum in Stockholm, Lindome in Greater-Gothenburg area and Liljeholmstorget's office part. The combined estimated investment need of these projects is approximately EUR 7.5 million and all these projects are expected to be completed during 2012.
- In August, SRV Construction Ltd initiated arbitration proceedings against Citycon's subsidiary, MREC Espoontori related to Espoontori shopping centre's completed redevelopment project. The dispute's monetary value is about EUR 4.6 million including VAT. Citycon doesn't expect SRV's claim to have any significant impact on the company's financial position or results.
- The Högdalen Centrum shopping centre in Stockholm was acquired for 207.5 million Swedish krona (approx. EUR 23.1 million). Högdalen Centrum is located in southern Stockholm, roughly five kilometres from the city centre. The centre's gross leasable area is approximately 14,100 square metres, of which 11,000 square metres are retail premises. More information on the acquisition can be found in the stock exchange release dated 31 May 2011. In July, Citycon acquired all the shares in Kungsleden Imröret AB for approximately 48.7 million Swedish krona (approx. EUR 5.4 million). The company owns an adjacent retail property to Högdalen Centrum with gross leasable area of 5,200 square metres.
- The shopping centre Kristiine in Tallinn, Estonia, was acquired for EUR 105 million. This shopping centre, with approximately 42,600 square metres of leasable area, strengthens Citycon's position in the Tallinn shopping centre market. More information on the acquisition is available from the stock exchange releases dated 17 March 2011 and 2 May 2011.
- A significant redevelopment project was initiated at the Koskikeskus shopping centre in Tampere, resulting in an increase of approximately 1,500 square metres of leasable area. Once the project is completed, Koskikeskus will have approximately 28,600 square metres of leasable retail area. The fully renovated Koskikeskus will open in November 2012. Koskikeskus will remain open and serve customers throughout the renovation project. The total project investment amounts to EUR 37.9 million.
- The first phase of the Myllypuro shopping centre construction project was completed and an opening ceremony was held on 9 June 2011. The shopping centre will be built in phases and is scheduled for completion in May 2012.
- Refurbishment of the older part of Åkersberga Centrum was completed on schedule in April. The renovated shopping centre now provides premises for 70 shops and service providers.
- A co-operation agreement on reviewing the redevelopment opportunities of the Galleria block in Oulu city centre was concluded with Osuuskauppa Arina. This development project has not yet begun; its initiation requires a decision from the Board of Directors. The agreement is outlined in more detail in the press release published on 14 June 2011.
- Agreement was reached to sell 41 apartments connected to the Tumba Centrum shopping centre for around 48 million Swedish krona (roughly EUR 5 million). The deal was closed on 30 June 2011 and a gain on sale of EUR 1.0 million was recorded from the transaction.
- The company sold three non-core retail properties in Finland for a total of EUR 2.0 million. These properties were MREC Naantalin Tullikatu 16, Hakarinne and MREC Mäntyvuoksi. From these transactions, gain on sale of EUR 0.1 million was recorded in the company's statement of comprehensive income. As a consequence, the company's leasable area fell by 4,980 square metres.
- The company acquired a 50% stake in Espagalleria Oy, for EUR 0.3 million. Espagalleria manages, leases and markets the Kämp Galleria in central Helsinki.
- The company increased its holding in three properties where the company was already a shareholder: shares in Hervannan Liikekeskus Oy were bought for EUR 1.2 million, in Asunto Oy Tikkurilan Kassatalo for EUR 2.2 million and shares in Heikintori Oy for EUR 0.5 million. At the end of September, Citycon's ownership of these properties corresponded to 79.4 per cent, 52.1 per cent and 68.7 per cent, respectively.
- The company had eight (re)development projects underway, due to which some 19,800 square metres of retail space were offline. For the moment, the redevelopment projects of Porin Asema-aukio and Isolinnankatu have been discontinued and will be resumed when leasing moves ahead. On-going (re)development projects are presented in more detail in the table below.

Citycon's gross capital expenditure for the period totalled EUR 190.2 million (EUR 86.6 million), with new property acquisitions accounting for EUR 137.5 million (EUR 0.0 million), agreed purchase price adjustments related to property acquisitions concluded earlier for EUR 1.0 million (EUR 2.6 million), acquisitions of joint ventures for EUR 0.3 million (EUR 0.0 million), property development for EUR 50.4 million (EUR 82.9 million) and other investments EUR 1.0 million (EUR 1.0 million).

Capital expenditure (including acquisitions) during the period totalled EUR 42.7 million (EUR 44.4 million) in Finland, EUR 40.7 million (EUR 35.6 million) in Sweden and EUR 106.3 million (EUR 5.8 million) in the Baltic countries. The company made divestments totalling EUR 6.1 million (EUR 67.1 million), from which a total of EUR 1.0 million (EUR 2.2 million) was recorded in gains and losses on sale (tax effect included).

At the end of September, Citycon owned 36 (33) shopping centres and 46 (50) other properties. Of the shopping centres, 23 (22) were located in Finland, 9 (8) in Sweden and 4 (3) in the Baltic countries.

## (Re)development Projects

Citycon is pursuing a long-term increase in the footfall, cash flow and efficiency of its retail properties, as well as in the return on its investment in the properties. The purpose of the company's development activities is to keep its shopping centres competitive for both customers and tenants. In the short term, redevelopment projects weaken returns from some properties, as some retail premises may have to be temporarily vacated for refurbishment, affecting rental income. Citycon aims to complete its construction projects in phases in order to secure continuous cash flow.

The enclosed table lists the most significant (re)development projects in progress, as well as projects completed in 2010 and 2011, as approved by the Board of Directors.

### Redevelopment Projects Completed in 2010 and in Progress on 30 September 2011 <sup>1)</sup>

|                          | Location                | Project area, sq.m.<br>before<br>and after | Estimated<br>total<br>project<br>investment<br>(EUR million) | Actual<br>gross capital<br>investments by<br>30 September 2011<br>(EUR million) | Estimated<br>final<br>year of<br>completion |
|--------------------------|-------------------------|--------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------|
| Forum                    | Jyväskylä, Finland      | 12,000<br>12,000                           | 16.0                                                         | 16.0                                                                            | completed                                   |
| Espoonatori              | Espoo, Finland          | 10,400<br>10,400                           | 25,8 <sup>2)</sup>                                           | 21.2                                                                            | completed                                   |
| Åkersberga Centrum       | Österåker, Sweden       | 20,000<br>27,500                           | 50,9 <sup>3)</sup>                                           | 49.3                                                                            | completed                                   |
| Koskikeskus              | Tampere, Finland        | 27,700<br>28,600                           | 37.9                                                         | 6.6                                                                             | 2012                                        |
| Martinlaakso             | Vantaa, Finland         | 3,800<br>7,300                             | 22.9                                                         | 18.2                                                                            | 2011                                        |
| Myllypuro                | Helsinki, Finland       | 7,700<br>7,300                             | 21.3                                                         | 16,2 <sup>4)</sup>                                                              | 2012                                        |
| Hansa (Trio)             | Lahti, Finland          | 11,000<br>11,000                           | 8.0                                                          | 6.0                                                                             | 2011 <sup>5)</sup>                          |
| Magistral                | Tallin, Estonia         | 9,500<br>11,900                            | 7.0                                                          | 0.6                                                                             | 2012                                        |
| Åkermyntan               | Stockholm, Sweden       | 8,500<br>10,100                            | 6.9                                                          | 0.2                                                                             | 2012                                        |
| Myymanni                 | Vantaa, Finland         | 8,400<br>8,400                             | 6,5 <sup>6)</sup>                                            | 6.5                                                                             | 2011                                        |
| Kirkkonummen liikekeskus | Kirkkonummi,<br>Finland | 5,000<br>5,000                             | 4.0                                                          | 2.9                                                                             | 2011                                        |

<sup>1)</sup> Calculated at end of period exchange rates.

<sup>2)</sup> The estimated total investment of the refurbishment, EUR 18 million, has been exceeded by EUR 2.5 million. In addition, the estimated total project investment includes costs related to the planned extension of Espoonatori to adjacent Asemakuja property, such as zoning and land use payments.

<sup>3)</sup> Estimated total investment in SEK has not changed from year end 2009.

<sup>4)</sup> The compensation of EUR 5.9 million and its tax impact received from Citycon of Helsinki has been deducted from actual gross investments.

<sup>5)</sup> The completion of the project has been postponed due to slower than expected leasing.

<sup>6)</sup> The estimated total investment has been raised by EUR 1.7 million.

Further information on the company's completed, ongoing and planned (re)developments can be found on pages 21–27 of the Annual Report 2010 and on the corporate website.

## Financial Performance

The income statement, statement of financial position, cash flow and business unit-specific figures presented below are for the first nine months of 2011. The figures in brackets are the reference figures for the same period in 2010.

### Turnover

The company's turnover consists mainly of rental income from retail properties, and utility and service charge income. Turnover came to EUR 161.0 million (EUR 146.1 million). Turnover grew by EUR 15.0 million, or 10.3 per cent. With comparable exchange rates, turnover increased by EUR 12.2 million, or 8.3 per cent. Completed redevelopment projects, such as Espoontori, Forum in Jyväskylä and Åkersberga Centrum, accounted for EUR 5.7 million of the turnover growth, with acquisitions accounting for EUR 6.1 million. Divestments (see divestments in 2011 under paragraph Changes in Property Portfolio; sales of apartments in Sweden in 2010 are included in the reference period's divestment portfolio) decreased turnover by EUR 1.6 million. Like-for-like properties contributed to turnover growth by EUR 1.9 million. (Also see the table Net Rental Income and Turnover by Segment and Property Portfolio.)

Turnover from like-for-like properties increased thanks to an improved occupancy rate in shopping centres but reduced due to higher vacancy rates in other retail properties. Turnover from like-for-like properties was also affected by temporary rental rebates falling from EUR 2.4 million to EUR 1.9 million.

At period-end, Citycon had a total of 3,994 (3,793) leases. The leasable area increased by 7.3 per cent to 999,270 square metres. The changes in the number of lease agreements and in the leasable area were due to acquisitions of shopping centre properties in the Baltic Countries and Sweden, opening of redevelopment projects and offset by divestments of supermarket properties in Finland and residential units in Sweden. The average remaining length of the lease portfolio increased and was 3.4 (3.2) years. The average rent increased from EUR 18.5/sq.m. to EUR 19.5/sq.m. thanks to exchange rate changes, redevelopment projects, property acquisitions and divestments as well as to index increments. The economic occupancy rate rose to 95.4 per cent (94.5%), due to lower vacancy rates in shopping centres. During the preceding 12 months, the rolling twelve-month occupancy cost ratio for like-for-like shopping centre properties was 8.5 per cent.

### Lease Portfolio Summary

|                                                                            | Q3/2011 | Q3/2010 | Q2/2011 | Q1-Q3<br>/2011 | Q1-Q3<br>/2010 | Change-<br>% | 2010    |
|----------------------------------------------------------------------------|---------|---------|---------|----------------|----------------|--------------|---------|
| Number of properties                                                       |         |         | 82      | 82             | 83             | -1.2%        | 83      |
| Gross leasable area, sq.m.                                                 |         |         | 995,270 | 999,270        | 931,480        | 7.3%         | 942,280 |
| Annualised potential rental value, EUR million <sup>1)</sup> <sup>2)</sup> |         |         | 224.3   | 226.0          | 201.1          | 12.4%        | 205.2   |
| Average rent (EUR/sq.m.) <sup>2)</sup>                                     |         |         | 19.4    | 19.5           | 18.5           | 5.4%         | 18.7    |
| Number of leases started during the period                                 | 188     | 184     | 179     | 554            | 544            | 1.8%         | 789     |
| Total area of leases started, sq.m. <sup>3)</sup>                          | 64,777  | 33,341  | 28,716  | 127,636        | 112,594        | 13.4%        | 160,215 |
| Average rent of leases started (EUR/sq.m.) <sup>3)</sup>                   | 21.9    | 17.5    | 17.9    | 19.7           | 17.7           | 11.3%        | 17.9    |
| Number of leases ended during the period                                   | 208     | 408     | 217     | 593            | 985            | -39.8%       | 1,279   |
| Total area of leases ended, sq.m. <sup>3)</sup>                            | 62,713  | 42,107  | 35,282  | 132,976        | 165,375        | -19.6%       | 190,489 |
| Average rent of leases ended (EUR/sq.m.) <sup>2)</sup> <sup>3)</sup>       | 21.2    | 14.1    | 15.6    | 18.5           | 15.6           | 18.6%        | 16.2    |
| Occupancy rate at end of the period (economic), %                          |         |         | 95.1    | 95.4           | 94.5           | -            | 95.1    |
| Average remaining length of lease portfolio at the end of the period, year |         |         | 3.4     | 3.4            | 3.2            | 6.3%         | 3.2     |

<sup>1)</sup> Annualised potential rental value for the portfolio includes annualised gross rent based on valid rent roll at the end of the period, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income.

<sup>2)</sup> In 2010 in the Baltic Countries, maintenance fees have been split to maintenance and utility charges in order to make the practice comparable with the other business units. This change had an effect on the figures of the reference period.

<sup>3)</sup> Leases started and ended don't necessarily refer to the same premises.

### Property operating expenses

Property operating expenses consist of the maintenance costs relating to real estate properties, such as electricity, cleaning and repairs. Property operating expenses rose by EUR 3.6 million, from EUR 49.5 million to EUR 53.2 million. With comparable exchange rates, the operating expenses increased by EUR 2.4 million, i.e. 4.8 per cent. The completed (re)development projects and acquisitions increased property operating expenses, while divestments decreased them. The like-for-like property operating expenses increased by EUR 0.4 million due to higher electricity and heating costs, arising from environmental electricity tax and cold winter (Cf. Note 4: Property Operating Expenses). Snow loading expenses decreased markedly from the previous year.

### Other expenses from leasing operations

Other expenses from leasing operations consist of tenant improvements and credit losses. They totalled EUR 0.9 million (EUR 1.1 million). The decrease in expenses was mostly due to lower credit losses in Finnish and Swedish operations.

### Net rental income

Citycon's net rental income was EUR 107.0 million (EUR 95.4 million). Net rental income increased by EUR 11.6 million or 12.1 per cent. With comparable exchange rates, net rental income increased by EUR 10.1 million, i.e. 10.5 per cent. Redevelopment projects such as Espoontori, Forum in Jyväskylä and Åkersberga Centrum increased net rental income by EUR 4.6 million, while the acquisitions of the Kristiine and Högdalen Centrum shopping centres increased net rental income by EUR 4.3 million. Divestments reduced net rental income by EUR 0.8 million. Like-for-like net rental income grew by EUR 2.0 million or 2.7 per cent, mainly thanks to a clear increase in net rental income from Liljeholmstorget Galleria and other shopping centres, and reduced vacancy rates. The negative net rental income development in the Finnish like-for-like portfolio was due mainly to two largely vacant properties in the supermarkets and shops category in the Helsinki Metropolitan Area and one in Pori.

Citycon's property portfolio's net rental yield was 5.9 per cent (5.9%).

The following table presents like-for-like net rental income growth by segment. Like-for-like properties are properties held by Citycon throughout two full preceding periods, excluding properties under redevelopment or extension and undeveloped lots. 57.3 per cent of like-for-like properties are located in Finland, measured in net rental income.

#### Net Rental Income and Turnover by Segment and Property Portfolio

| Net Rental Income by Segments and Portfolios |             |             |                  |            |              | Turnover by Portfolios |
|----------------------------------------------|-------------|-------------|------------------|------------|--------------|------------------------|
| EUR million                                  | Finland     | Sweden      | Baltic Countries | Other      | Total        | Citycon total          |
| <b>Q1-Q3/2009</b>                            | <b>69.4</b> | <b>17.2</b> | <b>7.3</b>       | <b>0.0</b> | <b>93.8</b>  | <b>137.4</b>           |
| (Re)development projects                     | -4.0        | 3.2         | 1.6              | -          | 0.8          | 5.5                    |
| Divestments                                  | -0.2        | -0.3        | -                | -          | -0.5         | -0.9                   |
| Like-for-like properties                     | -0.5        | 0.2         | -0.2             | -          | -0.6         | 0.9                    |
| Other (incl. exchange rate diff.)            | 0.1         | 1.9         | 0.0              | 0.0        | 1.9          | 3.1                    |
| <b>Q1-Q3/2010</b>                            | <b>64.7</b> | <b>22.1</b> | <b>8.7</b>       | <b>0.0</b> | <b>95.4</b>  | <b>146.1</b>           |
| Acquisitions                                 | 0.1         | 0.5         | 3.7              | -          | 4.3          | 6.1                    |
| (Re)developments projects                    | 3.4         | 1.2         | 0.0              | -          | 4.6          | 5.7                    |
| Divestments                                  | 0.0         | -0.8        | -                | -          | -0.8         | -1.6                   |
| Like-for-like properties                     | -0.8        | 2.2         | 0.6              | -          | 2.0          | 1.9                    |
| Other (incl. exchange rate diff.)            | -0.1        | 1.5         | 0.0              | 0.0        | 1.5          | 2.8                    |
| <b>Q1-Q3/2011</b>                            | <b>67.3</b> | <b>26.8</b> | <b>12.9</b>      | <b>0.0</b> | <b>107.0</b> | <b>161.0</b>           |

### Administrative expenses

Administrative expenses totalled EUR 18.8 million (EUR 15.5 million). This represented an increase of EUR 3.3 million or 21.2 per cent, mainly due to organisation restructuring costs (EUR 1.2 million), lower capitalisation of expenses for personnel involved in development projects (EUR 1.0 million), non-cash stock option costs (EUR 0.8 million) and higher headcount. In 2010, the amount of capitalised expenses was higher as projects that had been planned for several years were started. At the end of the period, the Citycon Group employed a total of 129 (123) persons, of whom 86 worked in Finland, 33 in Sweden, nine in the Baltic countries and one in the Netherlands.

### ***Net fair value losses on investment properties***

Net fair value losses on investment properties totalled EUR –18.2 million (gains of EUR 39.5 million). The change in fair value was due to a decrease in value of the supermarket and shop properties by EUR –25.3 million offset by an increase in the value of the shopping centres by EUR 7.0 million. The company recorded a total value increase of EUR 29.2 million (EUR 73.4 million) and a total value decrease of EUR 47.4 million (EUR 34.0 million). On 30 September 2011, the average net yield requirement defined by Realia Management Oy for Citycon's entire property portfolio was 6.4 per cent (30 June 2011: 6.4%). The net yield requirement for properties in Finland, Sweden and the Baltic countries was 6.3 per cent, 6.0 per cent and 7.9 per cent, respectively. The yield requirement for the supermarkets and shops properties increased as well as future market rent estimates slightly reduced and cost estimates increased related to some of these properties.

The average rent used for the valuation rose to EUR 23.9/sq.m. up from EUR 23.4/sq.m. (cf. Note 6: Investment Properties). Realia Management Oy's Valuation Statement for the end of September can be found on the corporate website at [www.citycon.com/valuation](http://www.citycon.com/valuation).

### ***Net gains on the sale of investment properties***

Net gains on the sale of investment properties totalled EUR 1.0 million (EUR 2.8 million) (cf. Changes in Property Portfolio). The reference figure for 2010 included EUR 0.4 million in gains on sale from the divestment of apartments in Jakobsbergs Centrum and Åkersberga Centrum, and EUR 2.3 million from the sale of the building rights for the apartments to be built in connection with the Myllypuron Ostari shopping centre.

### ***Operating profit***

Operating profit came to EUR 71.2 million (EUR 122.3 million). The reduction was primarily due to negative fair value changes, lower gains on sale and higher administrative expenses offset by the increase in net rental income.

### ***Net financial expenses***

Net financial expenses increased by EUR 4.6 million to EUR 46.2 million (EUR 41.6 million). This increase was mainly attributable to higher interest expenses as a result of higher interest-bearing debt. The interest-bearing debt increased due to investments and stronger Swedish krona. The year-to-date weighted average interest rate for interest-bearing debt decreased slightly compared to the previous year, being 3.99 per cent (4.01%), because the short-term market interest rate remained on a low level. At the end of the period, the weighted average interest rate, including interest rate swaps, rose to 4.19 per cent (3.93%), taking into account the expenses for 2011 relating to interest rate swaps unwound during 2010. Period-end average interest rate increased due to higher credit margins on new loans signed in 2011 and repayment of relatively low interest rate commercial papers with the proceeds from the share offering.

### ***Share of profit of joint ventures***

Share of profit of joint ventures totalled EUR 0.0 million (EUR 0.0 million). Share of profit of joint ventures represents Citycon's share of the profit of Espagalleria Oy

### ***Income taxes***

Income taxes for the financial period were EUR –0.5 million (EUR –8.1 million). The decrease was primarily due to lower direct taxes for the period, which fell, due to the fact that depreciations were made in Finland in 2011 also on properties of which Citycon owns less than 100 per cent.

### ***Profit for the period***

Profit for the period came to EUR 24.5 million (EUR 72.6 million). The decrease was mainly due to the lower operating profit resulting from negative fair value changes and higher financial expenses.

### ***Direct result***

The company's direct result was EUR 40.7 million (EUR 33.8 million), up by EUR 7.0 million or 20.7 per cent (cf. EPRA Key Perfor-

mance Measures, Table 1: Direct Result). The growth in the direct result was due to net rental income growth and lower direct income taxes. The reasons for net rental income growth can be found under Net rental income. The lower direct income taxes were mainly due to depreciations, which were also made on properties in Finland of which Citycon owns less than 100 per cent. The direct result was lowered by higher administration expenses and financial expenses. The reasons for administrative expense growth are given under Administrative expenses. The increase in financial expenses in 2011 arose from higher interest expenses due to an increase in interest-bearing debt. The effect of changes in the fair value of the property portfolio, of gains on sales and other indirect items on the profit attributable to the parent company's shareholders, tax effects included, was EUR -22.4 million (EUR 30.1 million). These items don't have any impact on the direct result.

## Statement of Financial Position and Financing

### *Investment properties*

The fair value of the company's property portfolio totalled EUR 2,512.6 million (EUR 2,299.9 million), with Finnish properties accounting for 62.0 per cent (65.1%), Swedish properties for 27.1 per cent (27.8%) and Baltic properties for 10.9 per cent (7.1%).

The fair value of investment properties increased from the end of December 2010 (EUR 2,367.7 million) by EUR 144.9 million to EUR 2,512.6 million because of gross capital expenditure of EUR 188.9 million, offset by divestments totalling EUR 4.6 million (see Changes in Property Portfolio). In addition the net fair value losses on investment properties decreased the value of investment properties by EUR 18.2 million (see detailed analysis under Financial Performance: Net fair value gains on investment properties), and the weakening of the Swedish krona by EUR 21.1 million.

### *Shareholders' equity*

The shareholders' equity attributable to the parent company's shareholders was EUR 913.5 million (EUR 822.1 million). This figure increased from the end of 2010 (EUR 849.5 million) due to share issue of EUR 99.0 million (net of transaction costs) executed in July 2011. In addition, the profit for the reporting period attributable to parent company shareholders' increased the shareholders' equity. On the other hand, dividend payments and equity returns as well as the fair value change of interest derivative contracts decreased the shareholders' equity. Citycon applies hedge accounting, which means that fair value changes of applicable interest derivatives are recorded under Other Items of Comprehensive Income, which affects shareholders' equity. A loss on fair value of interest derivatives of EUR -19.0 million was recorded for the period, taking into account their tax effect (a loss of EUR -7.8 million) (cf. Note 9: Derivative Contracts).

Due to the aforementioned items, NAV per share decreased to EUR 3.64 (Q4/2010: EUR 3.79) and NNNNAV per share to EUR 3.31 (Q4/2010: EUR 3.49). The equity ratio was 37.7 per cent (Q4/2010: 37.1%). The company's equity ratio, as defined in the loan agreement covenants, increased to 40.4 per cent (Q4/2010: 39.4 %) due to share issue executed in July.

Details of the company's share capital, number of shares and related matters can be found under Note 15: Shareholders, Share Capital and Shares.

### *Loans*

Liabilities totalled EUR 1,609.7 million (EUR 1,554.6 million), with short-term liabilities accounting for EUR 122.5 million (EUR 260.6 million). At period-end, Citycon's liquidity was EUR 292.8 million, of which EUR 271.4 million consisted of undrawn, committed credit facilities and EUR 21.5 million of cash and cash equivalents. At the end of the period, Citycon's liquidity, excluding commercial papers, stood at EUR 267.1 million (EUR 126.9 million at 30 June 2011). The July share offering of approximately EUR 99 million and the EUR 50 million new loan agreement signed in August increased the liquidity.

Interest-bearing debt increased year on year by 37.9 million to EUR 1,459.2 million (EUR 1,421.3 million). The fair value of the interest-bearing debt was EUR 1,466.6 million (EUR 1,429.6 million) at period-end. Cash and cash equivalents totalled EUR 21.5 million (EUR 86.5 million), making the fair value of the interest-bearing net debt EUR 1,445.2 million (EUR 1,343.1 million). The average loan maturity, weighted according to the principal amount of the loans, was 3.1 years (3.2 years). The average interest-rate fixing period increased to 3.7 years, up from 3.0 years, due to the fact that new interest hedging was carried out in late 2010 and during 2011.

Citycon's interest coverage ratio improved slightly and stood at 2.0x (Q2/2011: 2.0x).

Fixed-rate debt accounted for 83.1 per cent (80.4%) of the period-end interest-bearing debt, interest-rate swaps included. The hedge ratio increased because Citycon made new hedges and used the proceeds from the share offering to repay floating rate debt. The debt portfolio's hedging ratio was in line with the company's financing policy.

## **Cash Flow Statement**

### ***Net cash from operating activities***

Net cash from operating activities totalled EUR 54.1 million (EUR 19.5 million). The increase was due to higher operating profit, positive changes in working capital, received tax returns as well as extraordinary items and timing differences.

### ***Net cash used in investing activities***

Net cash used in investing activities totalled EUR –191.4 million (EUR –30.3 million). Acquisitions were EUR 138.9 million (EUR 0.0 million). Capital expenditure related to investment properties and tangible and intangible assets totalled EUR 59.7 million (EUR 96.4 million). The negative cash flow from investing activities was reduced by sales of investment properties totalling EUR 7.2 million (EUR 66.1 million).

### ***Net cash from financing activities***

Net cash from financing activities totalled EUR 139.6 million (EUR 76.6 million). This consisted of share issues in July 2011, loan repayments, new loan withdrawals and dividend and equity return payments. New equity was raised and new loans were taken to finance redevelopment investments, acquisitions in Estonia and Sweden and the payment of dividend and equity return.

## **Financial Performance of Business Units**

Citycon's business operations are divided into three business units: Finland, Sweden and the Baltic Countries. The Finnish unit is subdivided into five functions: Centre Management (operative management of shopping centres), Leasing, Marketing, Property Development and Finance and Administration. The Swedish unit is subdivided into three functions: Retail Property Management, Leasing and Commercial Planning and Property Development. The Baltic unit is subdivided into two functions: Retail Property Management and Property Development.

### ***Finland***

Citycon is the market leader in the Finnish shopping centre business. Citycon's share of the Finnish shopping centre market was 22.7 per cent at the end of 2010 (source: Entrecon). At period-end, the company owned 23 shopping centres and 39 other properties in Finland, with a total leasable area of 577,570 square metres (581,780 sq.m.). The leasable area fell due to completed divestments (cf. Changes in Property Portfolio). The annualised potential rental value increased to EUR 137.8 million, mainly due to completed redevelopment projects (Forum in Jyväskylä and Espoontori).

Lease agreements started during the reporting period applied to a GLA of 98,085 square metres (80,180 sq.m.). The average rent for new lease agreements was slightly lower than the average rent for the entire Finnish property portfolio, mainly due to new leases in supermarket and shop properties which in general have lower rents than the shopping centre properties. Ended lease agreements applied to 99,208 square metres (108,890 sq.m.). The average rent for ended lease agreements was also slightly lower than the average for the entire Finnish property portfolio, mainly due to the ended office leases (accounting for approx. 8,800 sq.m.). The average rent rose from EUR 20.4/sq.m. to EUR 20.9/sq.m., mainly thanks to completed redevelopment projects and index increments. The occupancy rate increased to 94.4 per cent (93.7%), following the decreased vacancy in shopping centre properties and reduced future rental estimates of certain vacant premises in supermarkets and shops.

The company's net rental income from Finnish operations during the reporting period totalled EUR 67.3 million (EUR 64.7 million). The net rental income grew by EUR 2.6 million or 4.1 per cent, thanks to the EUR 3.4 million effect of completed redevelopment projects such as Espoontori, Forum in Jyväskylä and a retail property in Kirkkonummi. Net rental income for like-for-like properties in Finland fell by EUR 0.8 million, mainly due to the higher vacancy rate in supermarket and shop properties. The business unit accounted for 62.9 per cent (67.8%) of Citycon's total net rental income. Net rental yield was 6.0 per cent, representing a decrease of 0.2 percentage points from the reference period. The decrease was mainly due to the rise in the fair value of investment properties by EUR 60.6 million to EUR 1,557.3 million.

## Key Figures, Finland

|                                                                            | Q3/2011 | Q3/2010 | Q2/2011 | Q1-Q3<br>/2011 | Q1-Q3<br>/2010 | Change-<br>% | 2010    |
|----------------------------------------------------------------------------|---------|---------|---------|----------------|----------------|--------------|---------|
| Number of properties                                                       |         |         | 62      | 62             | 65             | -4.6%        | 65      |
| Gross leasable area, sq.m.                                                 |         |         | 578,470 | 577,570        | 581,780        | -0.7%        | 579,980 |
| Annualised potential rental value, EUR million <sup>1)</sup>               |         |         | 136.9   | 137.8          | 135.2          | 1.9%         | 135.5   |
| Average rent (EUR/sq.m.)                                                   |         |         | 20.8    | 20.9           | 20.4           | 2.5%         | 20.3    |
| Number of leases started during the period                                 | 107     | 94      | 137     | 340            | 296            | 14.9%        | 429     |
| Total area of leases started, sq.m. <sup>2)</sup>                          | 54,114  | 22,140  | 25,116  | 98,085         | 80,180         | 22.3%        | 107,970 |
| Average rent of leases started (EUR/sq.m.) <sup>2)</sup>                   | 22.8    | 20.4    | 17.3    | 20.7           | 19.8           | 4.5%         | 19.6    |
| Number of leases ended during the period                                   | 111     | 76      | 108     | 338            | 376            | -10.1%       | 458     |
| Total area of leases ended, sq.m. <sup>2)</sup>                            | 49,032  | 12,170  | 21,535  | 99,208         | 108,890        | -8.9%        | 122,680 |
| Average rent of leases ended (EUR/sq.m.) <sup>2)</sup>                     | 22.8    | 22.6    | 18.3    | 20.2           | 18.2           | 11.0%        | 18.2    |
| Occupancy rate at end of the period (economic), %                          |         |         | 94.0    | 94.4           | 93.7           | -            | 94.0    |
| Average remaining length of lease portfolio at the end of the period, year |         |         | 3.4     | 3.4            | 3.1            | 9.7%         | 3.0     |
| Gross rental income, EUR million                                           | 31.9    | 29.7    | 31.4    | 95.1           | 91.2           | 4.3%         | 122.1   |
| Turnover, EUR million                                                      | 33.3    | 30.8    | 32.7    | 98.9           | 94.5           | 4.7%         | 126.5   |
| Net rental income, EUR million                                             | 23.4    | 22.0    | 22.4    | 67.3           | 64.7           | 4.1%         | 86.7    |
| Net rental yield, % <sup>3)</sup>                                          |         |         | 5.9     | 6.0            | 6.2            | -            | 6.0     |
| Net rental yield, like-for-like properties, %                              |         |         | 6.3     | 6.3            | 6.5            | -            | 6.5     |
| Fair value of investment properties, EUR million                           |         |         | 1,551.9 | 1,557.3        | 1,496.7        | 4.0%         | 1,533.0 |

<sup>1)</sup> Annualised potential rental value for the portfolio includes annualised gross rent based on valid rent roll at the end of the period, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income.

<sup>2)</sup> Leases started and ended don't necessarily refer to the same premises.

<sup>3)</sup> Includes the lots for development projects.

## Sweden

At the end of the period, the company had nine shopping centres and seven other retail properties in Sweden, with a total leasable area of 308,200 square metres (278,700 sq.m.). The properties are located in the Greater Stockholm and Gothenburg Areas and in Umeå. The leasable area increased due to the acquisition of the Högdalen Centrum shopping centre and opening of Åkersberga extension and was offset by divestment of residential units. The annualised potential rental value increased to EUR 63.2 million, mainly due the completion of the extension of Åkersberga Centrum, the aforementioned acquisition and to exchange rate fluctuations.

Lease agreements started during the reporting period applied to a GLA of 27,287 square metres (29 810 sq.m.). The average rent level for new lease agreements was lower than the average for the entire Swedish property portfolio, mainly due to new office lease agreements (accounting for approx. 6,100 sq.m.). Ended lease agreements applied to 22,256 square metres (54,076 sq.m.). The average rent level for ended lease agreements was also lower than the average for the entire Swedish property portfolio, due to the low proportion of ended retail leases. Ended retail leases accounted for less than 10,300 sq.m. of the total amount of ended leases.

The average rent rose from EUR 15.7/sq.m. to EUR 17.3/sq.m., mainly due to exchange rate changes and changes in the property portfolio (residential divestments and the completion of the Åkerbergs Centrum extension). The occupancy rate rose to 95.9 per cent (95.0%), thanks to reduced vacancy rates both in shopping centre properties and supermarket and shop properties.

The company's net rental income from Swedish operations increased by EUR 4.7 million or 21.4 per cent to EUR 26.8 million (EUR 22.1 million). If the impact of the strengthened Swedish krona is excluded, net rental income from Swedish operations increased by EUR 3.1 million or 13.3 per cent. The net rental income increase was due to the Åkersberga Centrum redevelopment project, acquisition of the Högdalen Centrum shopping centre as well as to net rental income increases from like-for-like properties. Net rental

income from like-for-like properties grew by EUR 2.2 million, thanks mainly to improved net rental income from Liljeholmstorget Galleria. The business unit accounted for 25.0 per cent (23.1%) of Citycon's total net rental income. Net rental yield was 5.1 per cent, representing an increase of 0.3 percentage points from the reference period. The increase was due mainly to Liljeholmstorget Galleria's improved performance compared to the year before.

#### Key Figures, Sweden

|                                                                            | Q3/2011 | Q3/2010 | Q2/2011 | Q1-Q3<br>/2011 | Q1-Q3<br>/2010 | Change-<br>% | 2010    |
|----------------------------------------------------------------------------|---------|---------|---------|----------------|----------------|--------------|---------|
| Number of properties                                                       |         |         | 16      | 16             | 15             | 6.7%         | 15      |
| Gross leasable area, sq.m.                                                 |         |         | 303,300 | 308,200        | 278,700        | 10.6%        | 291,500 |
| Annualised potential rental value, EUR million <sup>1)</sup>               |         |         | 62.8    | 63.2           | 52.1           | 21.3%        | 54.7    |
| Average rent (EUR/sq.m.)                                                   |         |         | 17.4    | 17.3           | 15.7           | 10.2%        | 15.9    |
| Number of leases started during the period                                 | 71      | 79      | 37      | 185            | 231            | -19.9%       | 316     |
| Total area of leases started, sq.m. <sup>2)</sup>                          | 10,154  | 9,858   | 3,073   | 27,287         | 29,810         | -8.5%        | 46,879  |
| Average rent of leases started (EUR/sq.m.) <sup>2)</sup>                   | 16.9    | 12.0    | 22.0    | 16.2           | 12.4           | 30.6%        | 14.3    |
| Number of leases ended during the period                                   | 31      | 323     | 104     | 172            | 593            | -71.0%       | 777     |
| Total area of leases ended, sq.m. <sup>2)</sup>                            | 4,787   | 28,589  | 12,255  | 22,256         | 54,076         | -58.8%       | 62,584  |
| Average rent of leases ended (EUR/sq.m.) <sup>2)</sup>                     | 19.1    | 10.4    | 11.2    | 13.3           | 10.4           | 27.9%        | 11.9    |
| Occupancy rate at end of the period (economic), %                          |         |         | 95.8    | 95.9           | 95.0           | -            | 96.4    |
| Average remaining length of lease portfolio at the end of the period, year |         |         | 3.0     | 3.0            | 2.9            | 3.4%         | 3.1     |
| Gross rental income, EUR million                                           | 14.4    | 12.2    | 14.3    | 42.8           | 36.9           | 16.0%        | 49.8    |
| Turnover, EUR million                                                      | 14.5    | 13.1    | 15.3    | 44.7           | 38.9           | 14.7%        | 52.8    |
| Net rental income, EUR million                                             | 9.5     | 8.1     | 9.4     | 26.8           | 22.1           | 21.4%        | 28.7    |
| Net rental yield, % <sup>3)</sup>                                          |         |         | 5.0     | 5.1            | 4.8            | -            | 4.8     |
| Net rental yield, like-for-like properties, %                              |         |         | 5.2     | 5.2            | 4.9            | -            | 4.9     |
| Fair value of investment properties, EUR million                           |         |         | 681.0   | 681.9          | 639.9          | 6.6%         | 668.6   |

<sup>1)</sup> Annualised potential rental value for the portfolio includes annualised gross rent based on valid rent roll at the end of the period, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income.

<sup>2)</sup> Leases started and ended don't necessarily refer to the same premises.

<sup>3)</sup> Includes the lots for development projects.

#### Baltic Countries

Citycon has four shopping centres in the Baltic countries: Rocca al Mare, Kristiine and Magistral in Tallinn, Estonia, and Mandarinas in Vilnius, Lithuania. The company acquired the Kristiine shopping centre on 2 May 2011. At the end of September 2011, their gross leasable area totalled 113,500 square metres (71,000 sq.m.). The annualised potential rental value increased to EUR 25.0 million, mostly due to the acquisition of the Kristiine shopping centre. The average rent rose from EUR 16.4/sq.m. to EUR 19.0/sq.m. due to Kristiine acquisition and closing of Magistral shopping centre.

Lease agreements started during the reporting period applied to a GLA of 2,264 square metres (2,604 sq.m.). The average rent level for new lease agreements was higher than the average for the entire Baltic property portfolio, mainly due to new retail leases in the Kristiine shopping centre. Ended lease agreements applied to 11,512 square metres (2,409 sq.m.). The average rent level for ended lease agreements was lower than the average for the entire Baltic property portfolio, as leases in Magistral shopping centre were terminated due to start of the redevelopment project.

The occupancy rate rose to 100.0 per cent (99.8%), as lease agreements were made for all vacant retail premises.

The net rental income from Baltic operations increased markedly by EUR 4.2 million to EUR 12.9 million (EUR 8.7 million) mainly due to acquisition of the Kristiine shopping centre. The business unit accounted for 12.1 per cent (9.1%) of Citycon's total net rental income. Net rental yield was 7.8 per cent, representing an increase of 0.7 percentage points from the reference period. The increase was due to the rise in the net rental income.



## Key Figures, Baltic Countries

|                                                                            | Q3/2011 | Q3/2010 | Q2/2011 | Q1-Q3<br>/2011 | Q1-Q3<br>/2010 | Change-<br>% | 2010   |
|----------------------------------------------------------------------------|---------|---------|---------|----------------|----------------|--------------|--------|
| Number of properties                                                       |         |         | 4       | 4              | 3              | 33.3%        | 3      |
| Gross leasable area, sq.m.                                                 |         |         | 113,500 | 113,500        | 71,000         | 59.9%        | 70,800 |
| Annualised potential rental value, EUR million <sup>1) 2)</sup>            |         |         | 24.6    | 25.0           | 13.8           | 81.2%        | 15.0   |
| Average rent (EUR/sq.m.) <sup>2)</sup>                                     |         |         | 18.3    | 19.0           | 16.4           | 15.9%        | 17.8   |
| Number of leases started during the period                                 | 10      | 11      | 5       | 29             | 17             | 70.6%        | 44     |
| Total area of leases started, sq.m. <sup>3)</sup>                          | 509     | 1,343   | 527     | 2,264          | 2,604          | -13.1%       | 5,366  |
| Average rent of leases started (EUR/sq.m.) <sup>2) 3)</sup>                | 15.5    | 10.3    | 26.0    | 19.4           | 13.4           | 44.8%        | 12.9   |
| Number of leases ended during the period                                   | 66      | 9       | 5       | 83             | 16             | 418.8%       | 44     |
| Total area of leases ended, sq.m. <sup>3)</sup>                            | 8,894   | 1,348   | 1,492   | 11,512         | 2,409          | 377.9%       | 5,225  |
| Average rent of leases ended (EUR/sq.m.) <sup>2) 3)</sup>                  | 13.4    | 18.1    | 12.3    | 13.5           | 17.5           | -22.9%       | 13.2   |
| Occupancy rate at end of the period (economic), %                          |         |         | 99.9    | 100.0          | 99.8           | -            | 99.7   |
| Average remaining length of lease portfolio at the end of the period, year |         |         | 4.4     | 4.3            | 4.8            | -10.4%       | 4.6    |
| Gross rental income, EUR million                                           | 6.1     | 3.4     | 5.3     | 15.0           | 10.4           | 44.5%        | 13.9   |
| Turnover, EUR million                                                      | 7.2     | 4.0     | 6.1     | 17.4           | 12.6           | 38.2%        | 16.7   |
| Net rental income, EUR million                                             | 5.3     | 2.9     | 4.6     | 12.9           | 8.7            | 48.6%        | 11.8   |
| Net rental yield, % <sup>4)</sup>                                          |         |         | 7.7     | 7.8            | 7.1            | -            | 7.5    |
| Net rental yield, like-for-like properties, % <sup>4)</sup>                |         |         | 7.4     | 7.6            | 7.1            | -            | 7.4    |
| Fair value of investment properties, EUR million                           |         |         | 273.6   | 273.5          | 163.3          | 67.5%        | 166.1  |

<sup>1)</sup> Annualised potential rental value for the portfolio includes annualised gross rent based on valid rent roll at the end of the period, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income.

<sup>2)</sup> In 2010 in the Baltic Countries, maintenance fees have been split to maintenance and utility charges in order to make the practice comparable with the other business units. This change had an effect on the figures of the reference period.

<sup>3)</sup> Leases started and ended don't necessarily refer to the same premises.

<sup>4)</sup> Includes the lots for development projects.

## Environmental Responsibility

Citycon defined its long-term strategic objectives relating to environmental responsibility in connection with its strategic planning in the summer of 2009. They are presented in the company's second combined Annual and Corporate Sustainability Report for 2010. The report also describes the company's economic, social and environmental responsibility towards its various stakeholders, applying the recommendations of the Global Reporting Initiative (GRI) on the content and principles of sustainability reporting. The results and indicators for environmental responsibility are presented on pages 38–43 of the Annual and Sustainability Report.

Citycon set new environmental objectives for 2011. The company's aim is to reduce its carbon footprint by 2–3 per cent, its energy consumption by 2–3 per cent, and water consumption in its shopping centres to an average of 3.8 litres per visitor per year. The long-term objectives for waste management and recycling were modified after the original objectives were already reached within the first year. The new long-term target for average waste recycling rate is 80 per cent by 2015, and the corresponding annual target for 2011 is 78 per cent. Landfill waste may account for a maximum of 20 per cent of total waste by 2015, and the corresponding annual target for 2011 is 22 per cent.

By the end of the period, all Citycon shopping centres were audited according to the Green Shopping Centre Management programme. The Green Shopping Centre Management programme is an internal company tool for advancing sustainable development in all of the company's shopping centres. The Green Index, established for assessing these results, rose by 11.1 per cent from the previous year. In co-operation with its property maintenance partner ISS, Citycon has established the Energy Working Group with the mission of developing energy efficiency measurement and follow-up in the properties owned by the company in Finland. Citycon

initiated an extensive assessment of measures for improving its properties' energy efficiency and reducing energy consumption. The company aims to invest in measures which generate consumption and cost savings, such as the renewal of lighting, or increasing frequency transformer use and control in ventilation systems. Furthermore, we ensure the continuous optimisation of adjustments and temperature settings for technical systems, in order to meet consumption and cost saving targets.

## Governance

### Annual General Meeting 2011

Citycon Oyj's Annual General Meeting (AGM) was held in Helsinki, Finland, on 23 March 2011. Decisions made at the AGM are available on the corporate website at [www.citycon.com/agm2011](http://www.citycon.com/agm2011), in the stock exchange release dated 23 March 2011 and in the interim report published on 4 May 2011. The minutes of the AGM are also available on the aforementioned website.

### Changes in Corporate Management

The company's new Executive Vice President, Finnish Operations, Michael Schönach, assumed his duties on 1 March 2011, while Citycon Oyj's new Chief Executive Officer, Marcel Kokkeel, took up his duties on 24 March 2011. Information concerning the CEO's executive contract can be found in the Remuneration Statement available on the corporate website ([www.citycon.com/cg](http://www.citycon.com/cg)).

On 13 July 2011, the company announced the nomination of Anu Tuomola as its General Counsel and a member of the Corporate Management Committee. She took up her position on 1 September 2011. Moreover, on 29 July 2011 Citycon announced that Ulf Attebrant, Vice President, Swedish Operations and member of the Corporate Management Committee, will leave his duties as of 1 December 2011. On the same day, the company announced the nomination of Johan Elfstadius as the new Vice President, Swedish Operations and a member of the Corporate Management Committee. He will assume his duties around 1 December 2011. Personal details of the CEO and other members of the Corporate Management Committee are available on the corporate website ([www.citycon.com/management](http://www.citycon.com/management)).

## Incentive Schemes

### Stock Option Plan 2011

Based on the authorisation granted by the Annual General Meeting on 13 March 2007, the Board of Directors of Citycon Oyj decided, on 3 May 2011, to issue 7,250,000 stock options to key personnel of Citycon and its subsidiaries. The company had a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the key personnel. The purpose of the stock options is to encourage the key personnel to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key personnel to the company.

By the end of September, a total of 4,600,000 stock options 2011A–D(I) and 2011A–D(II) were distributed to 15 key employees within the Group. These option rights entitle their holders to subscribe for 4,600,000 shares in 2012–2018. The option rights granted to the company's CEO and other members of the Corporate Management Committee are presented in the following table.

#### Option rights of the Corporate Management Committee on 30 September 2011

|                                                     | 2011A(I)    | 2011B(I)    | 2011C(I)    | 2011D(I)    | Total     |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|-----------|
| Chief Executive Officer (CEO)                       | 250,000     | 250,000     | 250,000     | 250,000     | 1,000,000 |
|                                                     | 2011A(I-II) | 2011B(I-II) | 2011C(I-II) | 2011D(I-II) |           |
| Other members of the Corporate Management Committee | 387,500     | 387,500     | 387,500     | 387,500     | 1,550,000 |

A share ownership obligation, under which the members of the Corporate Management Committee are obliged to acquire the company's shares with 25 per cent of the gross stock option income gained from the exercised stock options, is incorporated into the 2011 stock options. The acquisition obligation will remain in force until a member of the Corporate Management Committee owns company's shares to the value of his or her gross annual salary, and share ownership must continue while his or her employment or service contract is in force.

Up-to-date information on the stock option holdings of the CEO, the Executive Vice President and CFO, and other members of the Corporate Management Committee are available on the corporate website at [www.citycon.com/insiders](http://www.citycon.com/insiders). The stock option plan and the terms of the stock options are presented in more detail in Note 15 (Shareholders, Share Capital and Shares) of the interim report.

Helsinki, 11 October 2011

Citycon Oyj  
Board of Directors

# EPRA PERFORMANCE MEASURES

## EPRA PERFORMANCE MEASURES

|                                                          | Q3/2011 | Q3/2010 | Change-% | Q1-Q3/2011 | Q1-Q3/2010 | Change-% | 2010 |
|----------------------------------------------------------|---------|---------|----------|------------|------------|----------|------|
| Direct result (EPRA Earnings), EUR million               | 14.9    | 12.3    | 21.2%    | 40.7       | 33.8       | 20.7%    | 47.3 |
| Direct result per share, diluted (Diluted EPRA EPS), EUR | 0.06    | 0.06    | 0.1%     | 0.16       | 0.15       | 5.6%     | 0.21 |
| EPRA NAV, EUR <sup>1)</sup>                              |         |         |          | 3.64       | 3.71       | -1.8%    | 3.79 |
| EPRA NNNAV, EUR                                          |         |         |          | 3.31       | 3.37       | -1.8%    | 3.49 |
| EPRA Net Initial Yield (NIY) (%)                         |         |         |          | 6.2        | 6.3        | -        | 6.3  |
| EPRA "topped-up" NIY (%)                                 |         |         |          | 6.3        | 6.6        | -        | 6.4  |
| EPRA vacancy rate (%)                                    |         |         |          | 4.6        | 5.5        | -        | 4.9  |

<sup>1)</sup> In accordance with a change in the EPRA's Best Practice Recommendations 2010, Citycon has changed EPRA NAV calculations.

The following tables present how EPRA Performance Measures are calculated.

### 1) DIRECT RESULT

| EUR million                                                                   | Q3/2011      | Q3/2010     | Change-%     | Q1-Q3/2011   | Q1-Q3/2010  | Change-%      | 2010         |
|-------------------------------------------------------------------------------|--------------|-------------|--------------|--------------|-------------|---------------|--------------|
| <b>Direct result</b>                                                          |              |             |              |              |             |               |              |
| Net rental income                                                             | 38.3         | 33.0        | 16.0%        | 107.0        | 95.4        | 12.1%         | 127.2        |
| Direct administrative expenses                                                | -7.1         | -5.0        | 40.7%        | -18.7        | -14.9       | 25.7%         | -22.5        |
| Direct other operating income and expenses                                    | 0.1          | 0.1         | 60.7%        | 0.2          | 0.1         | 57.7%         | 0.3          |
| <b>Direct operating profit</b>                                                | <b>31.3</b>  | <b>28.0</b> | <b>11.6%</b> | <b>88.5</b>  | <b>80.7</b> | <b>9.7%</b>   | <b>105.0</b> |
| Direct net financial income and expenses                                      | -16.0        | -14.0       | 14.9%        | -46.2        | -41.1       | 12.5%         | -55.1        |
| Direct share of profit/loss of joint ventures                                 | 0.1          | -           | -            | -0.2         | -           | -             | -            |
| Direct current taxes                                                          | -0.3         | -1.5        | -80.1%       | -0.9         | -4.7        | -81.9%        | -0.6         |
| Change in direct deferred taxes                                               | 0.3          | 0.1         | 245.5%       | 0.7          | 0.1         | 415.1%        | -0.3         |
| Direct non-controlling interest                                               | -0.4         | -0.3        | 48.0%        | -1.2         | -1.3        | -5.0%         | -1.8         |
| <b>Total direct result (EPRA Earnings)</b>                                    | <b>14.9</b>  | <b>12.3</b> | <b>21.2%</b> | <b>40.7</b>  | <b>33.8</b> | <b>20.7%</b>  | <b>47.3</b>  |
|                                                                               |              |             |              |              |             |               |              |
| Direct result per share (diluted), (diluted EPRA EPS), EUR <sup>1)</sup>      | 0.06         | 0.06        | 0.1%         | 0.16         | 0.15        | 5.6%          | 0.21         |
|                                                                               |              |             |              |              |             |               |              |
| <b>Indirect result</b>                                                        |              |             |              |              |             |               |              |
| Net fair value losses/gains on investment property                            | -14.4        | 15.8        | -            | -18.2        | 39.5        | -             | 50.8         |
| Loss/profit on disposal of investment property                                | -0.3         | -0.8        | -58.5%       | 1.0          | 2.8         | -65.6%        | 2.6          |
| Indirect administrative expenses                                              | 0.4          | -0.2        | -            | -0.1         | -0.6        | -89.1%        | -0.8         |
| Movement in fair value of financial instruments                               | -            | 0.0         | -            | -            | -0.5        | -             | 0.2          |
| Indirect share of profit/loss of joint ventures                               | -            | -           | -            | 0.2          | -           | -             | -            |
| Indirect current taxes                                                        | -            | -           | -            | -            | -1.2        | -             | -            |
| Change in indirect deferred taxes                                             | -0.4         | -1.8        | -            | -0.3         | -2.4        | -88.0%        | -11.6        |
| Indirect non-controlling interest                                             | -0.9         | -2.7        | -65.7%       | -5.0         | -7.5        | -33.7%        | -10.3        |
| <b>Total indirect result</b>                                                  | <b>-15.6</b> | <b>10.2</b> | <b>-</b>     | <b>-22.4</b> | <b>30.1</b> | <b>-</b>      | <b>31.1</b>  |
|                                                                               |              |             |              |              |             |               |              |
| Indirect result per share, diluted                                            | -0.06        | 0.04        | -            | -0.08        | 0.13        | -             | 0.13         |
|                                                                               |              |             |              |              |             |               |              |
| <b>Loss/profit for the period attributable to parent company shareholders</b> | <b>-0.7</b>  | <b>22.5</b> | <b>-</b>     | <b>18.3</b>  | <b>63.9</b> | <b>-71.3%</b> | <b>78.3</b>  |



## 2) DIRECT RESULT PER SHARE

|                                                                                 | Q3/2011     | Q3/2010     | Change-%    | Q1-Q3/2011  | Q1-Q3/2010  | Change-%    | 2010        |
|---------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Direct result, EUR million (Table 1)                                            | 14.9        | 12.3        | 21.2%       | 40.7        | 33.8        | 20.7%       | 47.3        |
| Expenses from convertible capital loan, tax effect deducted (EUR million)       | 1.0         | 1.0         | 3.8%        | 3.1         | 3.1         | -0.7%       | 4.1         |
| Profit used in the calculation of diluted direct result per share (EUR million) | 15.9        | 13.3        | 19.8%       | 43.8        | 36.9        | 18.9%       | 51.4        |
| Average number of shares, million                                               | 271.7       | 224.2       | 21.2%       | 253.7       | 222.6       | 14.0%       | 228.1       |
| Adjustment for convertible capital loan, million                                | 17.0        | 17.7        | -4.2%       | 17.0        | 17.7        | -4.2%       | 17.5        |
| Adjustment for stock options, million                                           | -           | -           | -           | -           | -           | -           | 0.0         |
| Adjustments for long-term share-based incentive plan, million                   | 0.2         | 0.1         | 34.2%       | 0.2         | 0.1         | 8.4%        | 0.1         |
| Diluted average number of shares, million                                       | 288.8       | 241.3       | 19.7%       | 270.8       | 240.5       | 12.6%       | 245.8       |
| <b>Direct result per share, diluted (Diluted EPRA EPS), EUR</b>                 | <b>0.06</b> | <b>0.06</b> | <b>0.1%</b> | <b>0.16</b> | <b>0.15</b> | <b>5.6%</b> | <b>0.21</b> |

## 3) EPRA NAV AND EPRA NNNAV PER SHARE

|                                                                                                           | 30 Sept. 2011  |                          |                | 30 Sept. 2010 |                          |                | 31 Dec. 2010 |                          |                |
|-----------------------------------------------------------------------------------------------------------|----------------|--------------------------|----------------|---------------|--------------------------|----------------|--------------|--------------------------|----------------|
|                                                                                                           | EUR million    | Number of shares (1,000) | per share, EUR | EUR million   | Number of shares (1,000) | per share, EUR | EUR million  | Number of shares (1,000) | per share, EUR |
| Equity attributable to parent company shareholders                                                        | 913.5          | 277,811                  | 3.29           | 822.1         | 244,565                  | 3.36           | 849.5        | 244,565                  | 3.47           |
| Deferred taxes from the difference of fair value and fiscal value of investment properties                | 60.0           | 277,811                  | 0.22           | 51.3          | 244,565                  | 0.21           | 59.7         | 244,565                  | 0.24           |
| Fair value of financial instruments <sup>1)</sup>                                                         | 37.8           | 277,811                  | 0.14           | 33.1          | 244,565                  | 0.14           | 18.8         | 244,565                  | 0.08           |
| <b>Net asset value (EPRA NAV)</b>                                                                         | <b>1,011.4</b> | <b>277,811</b>           | <b>3.64</b>    | <b>906.5</b>  | <b>244,565</b>           | <b>3.71</b>    | <b>928.1</b> | <b>244,565</b>           | <b>3.79</b>    |
| Deferred taxes from the difference of fair value and fiscal value of investment properties                | -60.0          | 277,811                  | -0.22          | -51.3         | 244,565                  | -0.21          | -59.7        | 244,565                  | -0.24          |
| The difference between the secondary market price and fair value of bonds and capital loans <sup>2)</sup> | 6.6            | 277,811                  | 0.02           | 2.6           | 244,565                  | 0.01           | 3.6          | 244,565                  | 0.01           |
| Fair value of financial instruments <sup>1)</sup>                                                         | -37.8          | 277,811                  | -0.14          | -33.1         | 244,565                  | -0.14          | -18.8        | 244,565                  | -0.08          |
| <b>EPRA NNNAV</b>                                                                                         | <b>920.1</b>   | <b>277,811</b>           | <b>3.31</b>    | <b>824.8</b>  | <b>244,565</b>           | <b>3.37</b>    | <b>853.1</b> | <b>244,565</b>           | <b>3.49</b>    |

### 1) Fair value of financial instruments

In accordance with a change in the EPRA's Best Practice Recommendations 2010, Citycon has changed EPRA NAV calculations so that the fair value of financial instruments includes all financial instruments. Previously, the fair value of financial instruments included only fair value of instruments outside the scope of hedge accounting.

### 2) Secondary market price

When calculating the EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted in line with EPRA's guidelines so that bonds and capital loans are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds and capital loans are different from this secondary market price. Due to this, in the calculation of this key figure convertible capital loan 1/2006 and bond 1/2009 have been valued using the price derived from the secondary market on the interim balance sheet date. The secondary market price for convertible capital loan 1/2006 was 90.77 per cent (95.75%) and for bond 1/2009 99.98 per cent (101.15%) on 30 September 2011. The difference between the secondary market price and the fair value of the bonds and capital loans was EUR 6.6 million (EUR 2.6 million) on 30 September 2011.

#### 4) EPRA NET INITIAL YIELD (NIY) (%) AND EPRA "TOPPED-UP" NIY (%)

| EUR million                                                                                                                                      | Q1-Q3/2011 | Q1-Q3/2010 | 2010    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|---------|
| Fair value of investment properties determined by the external appraiser                                                                         | 2,505.0    | 2,294.4    | 2,361.1 |
| Less (re)development properties, lots, unused building rights and properties, the valuation of which is based on the value of the building right | -531.1     | -527.4     | -487.4  |
| Completed property portfolio                                                                                                                     | 1,973.9    | 1,767.0    | 1,873.7 |
| Plus the estimated purchasers' transaction costs                                                                                                 | 36.7       | 34.7       | 37.1    |
| Gross value of completed property portfolio (A)                                                                                                  | 2,010.6    | 1,801.7    | 1,910.8 |
| Annualised gross rents for completed property portfolio                                                                                          | 181.4      | 160.0      | 170.8   |
| Property portfolio's operating expenses                                                                                                          | -56.8      | -46.3      | -50.2   |
| Annualised net rents (B)                                                                                                                         | 124.5      | 113.6      | 120.6   |
| Plus the notional rent expiration of rent free periods or other lease incentives                                                                 | 3.1        | 4.4        | 2.4     |
| Topped-up annualised net rents (C)                                                                                                               | 127.7      | 118.1      | 123.0   |
| EPRA Net Initial Yield (NIY) (%) (B/A)                                                                                                           | 6.2        | 6.3        | 6.3     |
| EPRA "topped-up" NIY (%) (C/A)                                                                                                                   | 6.3        | 6.6        | 6.4     |

EPRA NIY is calculated as the annualised rental income, based on the valid rent roll, divided by the gross market value of the completed property portfolio (including estimated transaction costs and excluding properties under development, lots, unused building rights and properties, the valuation of which is based on the value of the building right). Net rental yield instead is calculated over the past 12 month period, by constructing an index from the monthly net rental income and computational monthly market value figures. Net rental yield includes total property portfolio and excludes estimated transaction costs.

#### 5) EPRA VACANCY RATE (%)

EPRA vacancy rate is calculated using the same principles as economic occupancy rate.

| EUR million                                                   | Q1-Q3/2011 | Q1-Q3/2010 | 2010  |
|---------------------------------------------------------------|------------|------------|-------|
| Annualised potential rental value of vacant premises          | 10.0       | 10.5       | 9.6   |
| ./. Annualised potential rental value for the whole portfolio | 218.0      | 191.1      | 196.5 |
| EPRA vacancy rate (%)                                         | 4.6        | 5.5        | 4.9   |

# Interim Condensed Consolidated Financial Statements

## 1 January-30 September 2011

### Condensed Consolidated Statement of Comprehensive Income, IFRS

| EUR million                                                           | Note | Q3/2011      | Q3/2010     | Change-%      | Q1-Q3/2011   | Q1-Q3/2010   | Change-%      | 2010         |
|-----------------------------------------------------------------------|------|--------------|-------------|---------------|--------------|--------------|---------------|--------------|
| Gross rental income                                                   |      | 52.5         | 45.3        | 15.8%         | 153.0        | 138.5        | 10.5%         | 185.9        |
| Utility and service charge income                                     |      | 2.5          | 2.6         | -4.4%         | 8.1          | 7.6          | 6.8%          | 10.0         |
| <b>Turnover</b>                                                       | 3    | <b>55.0</b>  | <b>48.0</b> | <b>14.7%</b>  | <b>161.0</b> | <b>146.1</b> | <b>10.3%</b>  | <b>195.9</b> |
| Property operating expenses                                           | 4    | 16.2         | 14.6        | 10.7%         | 53.2         | 49.5         | 7.3%          | 67.4         |
| Other expenses from leasing operations                                |      | 0.5          | 0.3         | 55.0%         | 0.9          | 1.1          | -19.0%        | 1.3          |
| <b>Net rental income</b>                                              |      | <b>38.3</b>  | <b>33.0</b> | <b>16.0%</b>  | <b>107.0</b> | <b>95.4</b>  | <b>12.1%</b>  | <b>127.2</b> |
| Administrative expenses                                               |      | 6.7          | 5.2         | 27.8%         | 18.8         | 15.5         | 21.2%         | 23.3         |
| Other operating income and expenses                                   |      | 0.1          | 0.1         | 60.7%         | 0.2          | 0.1          | 57.7%         | 0.3          |
| Net fair value losses/gains on investment property                    | 6    | -14.4        | 15.8        | -             | -18.2        | 39.5         | -             | 50.8         |
| Net losses/profit on sale of investment property                      | 6, 7 | -0.3         | -0.8        | -58.5%        | 1.0          | 2.8          | -65.6%        | 2.6          |
| <b>Operating profit</b>                                               |      | <b>17.0</b>  | <b>42.8</b> | <b>-60.3%</b> | <b>71.2</b>  | <b>122.3</b> | <b>-41.8%</b> | <b>157.7</b> |
| Net financial income and expenses                                     |      | -16.0        | -14.0       | 14.8%         | -46.2        | -41.6        | 11.1%         | 54.9         |
| Share of profit/loss of joint ventures                                |      | 0.1          | -           | -             | 0.0          | -            | -             | -            |
| <b>Profit/loss before taxes</b>                                       |      | <b>1.0</b>   | <b>28.8</b> | <b>-96.4%</b> | <b>25.0</b>  | <b>80.8</b>  | <b>-69.1%</b> | <b>102.8</b> |
| Current taxes                                                         |      | -0.3         | -1.5        | -80.1%        | -0.9         | -5.9         | -85.4%        | -0.6         |
| Change in deferred taxes                                              |      | -0.2         | -1.7        | -             | 0.4          | -2.3         | -             | -11.8        |
| <b>Profit/loss for the period</b>                                     |      | <b>0.6</b>   | <b>25.5</b> | <b>-97.8%</b> | <b>24.5</b>  | <b>72.6</b>  | <b>-66.3%</b> | <b>90.4</b>  |
| <b>Profit/loss for the period attributable to</b>                     |      |              |             |               |              |              |               |              |
| Parent company shareholders                                           |      | -0.7         | 22.5        | -             | 18.3         | 63.9         | -71.3%        | 78.3         |
| Non-controlling interest                                              |      | 1.3          | 3.0         | -55.8%        | 6.2          | 8.7          | -29.5%        | 12.0         |
| <b>Earnings per share attributable to parent company shareholders</b> |      |              |             |               |              |              |               |              |
| Earnings per share (basic), EUR                                       | 5    | 0.00         | 0.10        | -102.7%       | 0.07         | 0.29         | -74.8%        | 0.34         |
| Earnings per share (diluted), EUR                                     | 5    | 0.00         | 0.10        | -102.8%       | 0.08         | 0.28         | -71.6%        | 0.34         |
| <b>Other comprehensive expenses/income</b>                            |      |              |             |               |              |              |               |              |
| Net losses/gains on cash flow hedges                                  | 9    | -34.0        | 2.9         | -             | -25.6        | -10.6        | 143.0%        | 5.1          |
| Income taxes relating to cash flow hedges                             | 9    | 8.8          | -0.8        | -             | 6.7          | 2.7          | 143.0%        | -1.3         |
| Exchange losses/gains on translating foreign operations               |      | -0.6         | -1.0        | -             | -2.2         | 2.3          | -             | 3.1          |
| <b>Other comprehensive expenses/income for the period, net of tax</b> |      | <b>-25.8</b> | <b>1.2</b>  | <b>-</b>      | <b>-21.2</b> | <b>-5.5</b>  | <b>286.0%</b> | <b>6.9</b>   |
| <b>Total comprehensive loss/profit for the period</b>                 |      | <b>-25.2</b> | <b>26.7</b> | <b>-</b>      | <b>3.3</b>   | <b>67.2</b>  | <b>-95.0%</b> | <b>97.3</b>  |
| <b>Total comprehensive loss/profit for the period attributable to</b> |      |              |             |               |              |              |               |              |
| Parent company shareholders                                           |      | -26.3        | 23.1        | -             | -2.0         | 57.9         | -             | 83.4         |
| Non-controlling interest                                              |      | 1.1          | 3.5         | -69.1%        | 5.4          | 9.3          | -42.4%        | 13.9         |



# Condensed Consolidated Statement of Financial Position, IFRS

| EUR million                                                                 | Note | 30 Sept. 2011  | 30 Sept. 2010  | 31 Dec. 2010   |
|-----------------------------------------------------------------------------|------|----------------|----------------|----------------|
| <b>Assets</b>                                                               |      |                |                |                |
| Non-current assets                                                          |      |                |                |                |
| Investment properties                                                       | 6    | 2,512.6        | 2,299.9        | 2,367.7        |
| Investments in joint ventures                                               |      | 0.3            | -              | -              |
| Intangible assets and property, plant and equipment                         |      | 2.8            | 2.1            | 2.5            |
| Deferred tax assets                                                         |      | 13.4           | 11.4           | 5.6            |
| Derivative financial instruments and other non-current assets               | 9    | 0.0            | 0.0            | 2.3            |
| <b>Total non-current assets</b>                                             |      | <b>2,529.1</b> | <b>2,313.5</b> | <b>2,378.1</b> |
| <b>Investment properties held for sale</b>                                  | 7    | <b>-</b>       | <b>-</b>       | <b>1.5</b>     |
| Current assets                                                              |      |                |                |                |
| Trade and other receivables                                                 |      | 28.7           | 24.8           | 37.4           |
| Cash and cash equivalents                                                   | 8    | 21.5           | 86.5           | 19.5           |
| <b>Total current assets</b>                                                 |      | <b>50.2</b>    | <b>111.3</b>   | <b>56.9</b>    |
| <b>Total assets</b>                                                         |      | <b>2,579.3</b> | <b>2,424.8</b> | <b>2,436.5</b> |
| <b>Liabilities and shareholders' equity</b>                                 |      |                |                |                |
| Equity attributable to parent company shareholders                          |      |                |                |                |
| Share capital                                                               |      | 259.6          | 259.6          | 259.6          |
| Share premium fund                                                          |      | 131.1          | 131.1          | 131.1          |
| Fair value reserve                                                          |      | -37.8          | -30.5          | -18.8          |
| Invested unrestricted equity fund                                           | 10   | 273.7          | 199.0          | 198.8          |
| Retained earnings                                                           | 10   | 286.9          | 262.8          | 278.8          |
| <b>Total equity attributable to parent company shareholders</b>             |      | <b>913.5</b>   | <b>822.1</b>   | <b>849.5</b>   |
| Non-controlling interest                                                    |      | 56.1           | 48.1           | 50.7           |
| <b>Total shareholders' equity</b>                                           |      | <b>969.6</b>   | <b>870.2</b>   | <b>900.2</b>   |
| Long-term liabilities                                                       |      |                |                |                |
| Long-term interest-bearing debt                                             | 11   | 1,379.9        | 1,198.7        | 1,212.4        |
| Derivative financial instruments and other non-interest bearing liabilities | 9    | 44.7           | 42.9           | 19.2           |
| Deferred tax liabilities                                                    |      | 62.6           | 52.4           | 62.6           |
| <b>Total long-term liabilities</b>                                          |      | <b>1,487.2</b> | <b>1,294.1</b> | <b>1,294.2</b> |
| Short-term liabilities                                                      |      |                |                |                |
| Short-term interest-bearing debt                                            | 11   | 79.3           | 222.6          | 185.3          |
| Derivate financial instruments                                              | 9    | 0.0            | 2.2            | 1.6            |
| Trade and other payables                                                    |      | 43.2           | 35.8           | 55.3           |
| <b>Total short-term liabilities</b>                                         |      | <b>122.5</b>   | <b>260.6</b>   | <b>242.2</b>   |
| <b>Total liabilities</b>                                                    |      | <b>1,609.7</b> | <b>1,554.6</b> | <b>1,536.3</b> |
| <b>Total liabilities and shareholders' equity</b>                           |      | <b>2,579.3</b> | <b>2,424.8</b> | <b>2,436.5</b> |

### Condensed Consolidated Cash Flow Statement, IFRS

| EUR million                                                                           | Note     | Q1-Q3/2011    | Q1-Q3/2010   | 2010         |
|---------------------------------------------------------------------------------------|----------|---------------|--------------|--------------|
| Cash flow from operating activities                                                   |          |               |              |              |
| <b>Profit/loss before taxes</b>                                                       |          | <b>25.0</b>   | <b>80.8</b>  | <b>102.8</b> |
| Adjustments                                                                           |          | 64.7          | -0.2         | 2.3          |
| Cash flow before change in working capital                                            |          | 89.7          | 80.6         | 105.1        |
| Change in working capital                                                             |          | 1.0           | -3.5         | 2.9          |
| <b>Cash generated from operations</b>                                                 |          | <b>90.7</b>   | <b>77.2</b>  | <b>108.0</b> |
|                                                                                       |          |               |              |              |
| Paid interest and other financial charges                                             |          | -42.4         | -42.7        | -68.0        |
| Interest income and other financial income received                                   |          | 0.4           | 0.2          | 0.5          |
| Realised exchange rate losses/gains                                                   |          | -1.1          | -5.4         | -10.6        |
| Taxes received/paid                                                                   |          | 6.5           | -9.7         | -9.9         |
| <b>Net cash from operating activities</b>                                             |          | <b>54.1</b>   | <b>19.5</b>  | <b>20.0</b>  |
|                                                                                       |          |               |              |              |
| Cash flow from investing activities                                                   |          |               |              |              |
| Acquisition of subsidiaries, less cash acquired                                       | 7        | -28.3         | -            | -            |
| Acquisition of investment properties                                                  | 6        | -110.5        | -            | -6.7         |
| Capital expenditure on investment properties as well as on intangible assets and PP&E | 6        | -59.7         | -96.4        | -127.0       |
| Sale of investment properties                                                         | 6,7      | 7.2           | 66.1         | 66.3         |
| <b>Net cash used in investing activities</b>                                          |          | <b>-191.4</b> | <b>-30.3</b> | <b>-67.5</b> |
|                                                                                       |          |               |              |              |
| Cash flow from financing activities                                                   |          |               |              |              |
| Sale of treasury shares                                                               |          | 0.4           | 0.2          | 0.2          |
| Proceeds from share issue                                                             |          | 99.0          | 63.1         | 62.2         |
| Share subscriptions based on stock options                                            |          | -             | 3.3          | 3.3          |
| Proceeds from short-term loans                                                        | 11       | 111.1         | 101.0        | 109.0        |
| Repayments of short-term loans                                                        | 11       | -73.3         | -174.4       | -192.6       |
| Proceeds from long-term loans                                                         | 11       | 476.9         | 270.5        | 346.5        |
| Repayments of long-term loans                                                         | 11       | -440.3        | -156.2       | -252.2       |
| Dividends and equity returns from the invested unrestricted equity fund               | 10       | -34.2         | -31.0        | -31.2        |
| <b>Net cash from financing activities</b>                                             |          | <b>139.6</b>  | <b>76.6</b>  | <b>45.2</b>  |
|                                                                                       |          |               |              |              |
| <b>Net change in cash and cash equivalents</b>                                        |          | <b>2.3</b>    | <b>65.9</b>  | <b>-2.3</b>  |
| Cash and cash equivalents at period-start                                             | 8        | 19.5          | 19.8         | 19.8         |
| Effects of exchange rate changes                                                      |          | -0.2          | 0.8          | 2.0          |
| <b>Cash and cash equivalents at period-end</b>                                        | <b>8</b> | <b>21.5</b>   | <b>86.5</b>  | <b>19.5</b>  |

# Condensed Consolidated Statement of Changes in Shareholders' Equity, IFRS

| EUR million                                                                      | Equity attributable to parent company shareholders |                    |                    |                                    |                     |                   | Equity attributable to parent company shareholders | Non-controlling interest | Shareholders' equity, total |
|----------------------------------------------------------------------------------|----------------------------------------------------|--------------------|--------------------|------------------------------------|---------------------|-------------------|----------------------------------------------------|--------------------------|-----------------------------|
|                                                                                  | Share capital                                      | Share premium fund | Fair value reserve | Invested un-restricted equity fund | Translation reserve | Retained earnings |                                                    |                          |                             |
| <b>Balance at 1 Jan. 2010</b>                                                    | 259.6                                              | 131.1              | -22.7              | 155.2                              | -9.5                | 217.3             | 731.1                                              | 36.8                     | 767.9                       |
| Total comprehensive loss/profit for the period                                   |                                                    |                    | -7.8               |                                    | -0.2                | 63.9              | 55.9                                               | 11.3                     | 67.2                        |
| Share issues                                                                     |                                                    |                    |                    | 62.4                               |                     |                   | 62.4                                               |                          | 62.4                        |
| Share subscriptions based on stock options                                       |                                                    |                    |                    | 3.3                                |                     |                   | 3.3                                                |                          | 3.3                         |
| Recognized gain in the equity arising from convertible bond buybacks             |                                                    |                    |                    |                                    |                     | 0.0               | 0.0                                                |                          | 0.0                         |
| Sale of treasury shares                                                          |                                                    |                    |                    | 0.2                                |                     |                   | 0.2                                                |                          | 0.2                         |
| Dividends and equity return from the invested unrestricted equity fund (Note 10) |                                                    |                    |                    | -22.1                              |                     | -8.8              | -30.9                                              |                          | -30.9                       |
| Share-based payments                                                             |                                                    |                    |                    |                                    |                     | 0.2               | 0.2                                                |                          | 0.2                         |
| <b>Balance at 30 Sept. 2010</b>                                                  | 259.6                                              | 131.1              | -30.5              | 199.0                              | -9.7                | 272.5             | 822.1                                              | 48.1                     | 870.2                       |
| <b>Balance at 1 Jan. 2011</b>                                                    | 259.6                                              | 131.1              | -18.8              | 198.8                              | -8.2                | 287.0             | 849.5                                              | 50.7                     | 900.2                       |
| Total comprehensive loss/profit for the period                                   |                                                    |                    | -19.0              |                                    | -1.4                | 18.3              | -2.0                                               | 5.4                      | 3.3                         |
| Share issues                                                                     |                                                    |                    |                    | 99.0                               |                     |                   | 99.0                                               |                          | 99.0                        |
| Sale of treasury shares                                                          |                                                    |                    |                    | 0.4                                |                     |                   | 0.4                                                |                          | 0.4                         |
| Dividends and equity return from the invested unrestricted equity fund (Note 10) |                                                    |                    |                    | -24.5                              |                     | -9.8              | -34.2                                              |                          | -34.2                       |
| Share-based payments                                                             |                                                    |                    |                    |                                    |                     | 0.9               | 0.9                                                |                          | 0.9                         |
| <b>Balance at 30 Sept. 2011</b>                                                  | 259.6                                              | 131.1              | -37.8              | 273.7                              | -9.6                | 296.5             | 913.5                                              | 56.1                     | 969.6                       |

# NOTES TO THE CONDENSED INTERIM 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 the laws of Finland and domiciled in Helsinki. The Board of Directors has approved the interim financial statements on 11 October 2011.

## 2. Basis of Preparation and Accounting Policies

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The interim financial statements for the nine month period ended on 30 September 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting. The figures are unaudited. The following standards and amendments to existing standards have been adopted in the interim financial statements:

- IAS 12 Deferred tax: Recovery of Underlying Asset
- IFRS 9 Financial instruments: Classification and measurement
- IAS 24 Related party disclosures
- IAS 32 Classification of rights issues
- IFRIC 19 Extinguishing financial liabilities with equity instruments
- IFRIC 14 Prepayments of a minimum funding requirement
- IFRS 7 Disclosures: transfers in the financial assets.

These changes were not relevant to Citycon as they didn't significantly change Citycon's accounting policies.

Additional information on the accounting policies are available in Citycon's Financial Statements 2010 under the Notes to the Consolidated Financial Statements: in Note 3 "Changes in IFRS and accounting policies" and Note 4 "Summary of significant accounting policies".

## 3. Segment Information

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

| EUR million                         | Q3/2011     | Q3/2010     | Change-%     | Q1-Q3/2011   | Q1-Q3/2010   | Change-%     | 2010         |
|-------------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <b>Turnover</b>                     |             |             |              |              |              |              |              |
| Finland                             | 33.3        | 30.8        | 8.0%         | 98.9         | 94.5         | 4.7%         | 126.5        |
| Sweden                              | 14.5        | 13.1        | 10.6%        | 44.7         | 38.9         | 14.7%        | 52.8         |
| Baltic Countries                    | 7.2         | 4.0         | 78.7%        | 17.4         | 12.6         | 38.2%        | 16.7         |
| <b>Total</b>                        | <b>55.0</b> | <b>48.0</b> | <b>14.7%</b> | <b>161.0</b> | <b>146.1</b> | <b>10.3%</b> | <b>195.9</b> |
| <b>Net rental income</b>            |             |             |              |              |              |              |              |
| Finland                             | 23.4        | 22.0        | 6.8%         | 67.3         | 64.7         | 4.1%         | 86.7         |
| Sweden                              | 9.5         | 8.1         | 16.5%        | 26.8         | 22.1         | 21.4%        | 28.7         |
| Baltic Countries                    | 5.3         | 2.9         | 84.7%        | 12.9         | 8.7          | 48.6%        | 11.8         |
| Other                               | -           | -           | -            | -            | 0.0          | -            | 0.0          |
| <b>Total</b>                        | <b>38.3</b> | <b>33.0</b> | <b>16.0%</b> | <b>107.0</b> | <b>95.4</b>  | <b>12.1%</b> | <b>127.2</b> |
| <b>Direct operating profit/loss</b> |             |             |              |              |              |              |              |
| Finland                             | 21.6        | 20.5        | 5.3%         | 62.1         | 60.8         | 2.2%         | 80.9         |
| Sweden                              | 8.1         | 6.9         | 17.2%        | 23.3         | 18.6         | 25.2%        | 24.1         |
| Baltic Countries                    | 4.9         | 2.6         | 87.6%        | 12.1         | 8.0          | 51.4%        | 10.6         |
| Other                               | -3.4        | -2.1        | 63.3%        | -8.9         | -6.7         | 34.1%        | -10.5        |
| <b>Total</b>                        | <b>31.3</b> | <b>28.0</b> | <b>11.6%</b> | <b>88.5</b>  | <b>80.7</b>  | <b>9.7%</b>  | <b>105.0</b> |



| EUR million                                                | Q3/2011      | Q3/2010     | Change-%      | Q1-Q3/2011   | Q1-Q3/2010   | Change-%      | 2010         |
|------------------------------------------------------------|--------------|-------------|---------------|--------------|--------------|---------------|--------------|
| <b>Net fair value losses/profit on investment property</b> |              |             |               |              |              |               |              |
| Finland                                                    | -12.2        | 10.0        | -             | -17.2        | 18.3         | -             | 24.5         |
| Sweden                                                     | -1.5         | 5.4         | -             | -2.1         | 20.3         | -             | 22.8         |
| Baltic Countries                                           | -0.7         | 0.4         | -             | 1.1          | 0.9          | 24.6%         | 3.5          |
| <b>Total</b>                                               | <b>-14.4</b> | <b>15.8</b> | <b>-</b>      | <b>-18.2</b> | <b>39.5</b>  | <b>-</b>      | <b>50.8</b>  |
| <b>Operating profit/loss</b>                               |              |             |               |              |              |               |              |
| Finland                                                    | 9.4          | 30.4        | -69.1%        | 45.0         | 81.3         | -44.6%        | 107.5        |
| Sweden                                                     | 6.7          | 11.5        | -41.3%        | 21.9         | 38.9         | -43.6%        | 46.7         |
| Baltic Countries                                           | 4.2          | 3.0         | 41.0%         | 13.1         | 8.8          | 48.8%         | 14.1         |
| Other                                                      | -3.4         | -2.1        | 63.3%         | -8.9         | -6.7         | 34.1%         | -10.5        |
| <b>Total</b>                                               | <b>17.0</b>  | <b>42.8</b> | <b>-60.3%</b> | <b>71.2</b>  | <b>122.3</b> | <b>-41.8%</b> | <b>157.7</b> |

| EUR million      | 30 Sept. 2011  | 30 Sept. 2010  | Change-%    | 31 Dec. 2010   |
|------------------|----------------|----------------|-------------|----------------|
| <b>Assets</b>    |                |                |             |                |
| Finland          | 1,563.3        | 1,505.2        | 3.9%        | 1,540.6        |
| Sweden           | 702.3          | 653.4          | 7.5%        | 688.8          |
| Baltic Countries | 274.6          | 164.2          | 67.2%       | 166.8          |
| Other            | 39.0           | 102.0          | -61.8%      | 40.3           |
| <b>Total</b>     | <b>2,579.3</b> | <b>2,424.8</b> | <b>6.4%</b> | <b>2,436.5</b> |

The change in segment assets was due to the fair value changes in investment properties as well as investments and disposals.

#### 4. Property Operating Expenses

| EUR million                        | Q3/2011     | Q3/2010     | Change-%     | Q1-Q3/2011  | Q1-Q3/2010  | Change-%    | 2010        |
|------------------------------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Heating and electricity            | 5.3         | 4.3         | 21.8%        | 18.1        | 16.0        | 13.4%       | 22.0        |
| Maintenance expenses               | 5.0         | 5.5         | -9.3%        | 17.0        | 17.0        | 0.1%        | 23.0        |
| Land lease fees and other rents    | 0.3         | 0.3         | 12.4%        | 0.9         | 1.0         | -3.9%       | 1.3         |
| Property personnel expenses        | 0.1         | 0.1         | -25.0%       | 0.4         | 0.4         | 5.5%        | 0.6         |
| Administrative and management fees | 0.5         | 0.5         | 9.0%         | 1.7         | 1.7         | 1.9%        | 2.3         |
| Marketing expenses                 | 1.3         | 0.8         | 61.0%        | 3.6         | 3.4         | 7.2%        | 5.0         |
| Property insurances                | 0.1         | 0.2         | -20.9%       | 0.4         | 0.5         | -17.6%      | 0.5         |
| Property taxes                     | 1.6         | 1.5         | 7.7%         | 4.9         | 4.4         | 10.1%       | 6.3         |
| Repair expenses                    | 2.1         | 1.5         | 34.6%        | 6.1         | 5.1         | 17.9%       | 6.5         |
| Other property operating expenses  | -0.1        | 0.0         | -            | 0.0         | 0.0         | -209.6%     | 0.0         |
| <b>Total</b>                       | <b>16.2</b> | <b>14.6</b> | <b>10.7%</b> | <b>53.2</b> | <b>49.5</b> | <b>7.3%</b> | <b>67.4</b> |

Four properties had no income during the first nine months of 2011 and 2010, but they generated expenses of EUR 0.1 million (EUR 0.2 million)

## 5. Earnings per Share

|                                                                                                | Q1-Q3/2011  | Q1-Q3/2010  | 2010        |
|------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
| <b>Earnings per share, basic</b>                                                               |             |             |             |
| Profit/loss for the period attributable to parent company shareholders, EUR million            | 18.3        | 63.9        | 78.3        |
| Average number of shares, million                                                              | 253.7       | 222.6       | 228.1       |
| <b>Earnings per share (basic), EUR</b>                                                         | <b>0.07</b> | <b>0.29</b> | <b>0.34</b> |
| <b>Earnings per share, diluted</b>                                                             |             |             |             |
| Profit/loss for the period attributable to parent company shareholders, EUR million            | 18.3        | 63.9        | 78.3        |
| Expenses from convertible capital loan, the tax effect deducted (EUR million)                  | 3.1         | 3.1         | 4.1         |
| Profit/loss for the period used in the calculation of diluted earnings per share (EUR million) | 21.4        | 67.0        | 82.5        |
| Average number of shares, million                                                              | 253.7       | 222.6       | 228.1       |
| Adjustment for convertible capital loan, million                                               | 17.0        | 17.7        | 17.5        |
| Adjustment for stock options, million                                                          | -           | -           | 0.0         |
| Adjustments for long-term share-based incentive plan, million                                  | 0.2         | 0.1         | 0.1         |
| Diluted average number of shares, million                                                      | 270.8       | 240.5       | 245.8       |
| <b>Earnings per share (diluted), EUR</b>                                                       | <b>0.08</b> | <b>0.28</b> | <b>0.34</b> |

## 6. Investment Property

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On 30 September 2011, the first mentioned category included Kirkkonummen Liikekeskus, Lahden Hansa (Trio), Myllypuron Ostari, Martinlaakson Ostari, Tampereen Koskikeskus and Myyrmanni in Finland, Åkermymntan in Sweden and Magistral in Estonia.

| EUR million                              | 30 Sept. 2011                                   |                                 |                             |
|------------------------------------------|-------------------------------------------------|---------------------------------|-----------------------------|
|                                          | Investment properties under construction (IPUC) | Operative investment properties | Investment properties total |
| <b>At period-start</b>                   | <b>326.1</b>                                    | <b>2,041.6</b>                  | <b>2,367.7</b>              |
| Acquisitions                             | -                                               | 138.0                           | 138.0                       |
| Investments                              | 29.6                                            | 19.3                            | 49.0                        |
| Disposals                                | -                                               | -4.6                            | -4.6                        |
| Capitalised interest                     | 1.1                                             | 0.8                             | 1.9                         |
| Fair value gains on investment property  | 5.0                                             | 24.2                            | 29.2                        |
| Fair value losses on investment property | -3.2                                            | -44.2                           | -47.4                       |
| Exchange differences                     | -0.4                                            | -20.7                           | -21.1                       |
| Transfers between items                  | 25.0                                            | -25.0                           | 0.0                         |
| <b>At period-end</b>                     | <b>383.2</b>                                    | <b>2,129.4</b>                  | <b>2,512.6</b>              |

| EUR million                              | 30 Sept. 2010                                   |                                 |                             |
|------------------------------------------|-------------------------------------------------|---------------------------------|-----------------------------|
|                                          | Investment properties under construction (IPUC) | Operative investment properties | Investment properties total |
| <b>At period-start</b>                   | <b>269.8</b>                                    | <b>1,877.6</b>                  | <b>2,147.4</b>              |
| Acquisitions                             | 1.9                                             | 0.7                             | 2.6                         |
| Investments                              | 50.5                                            | 30.0                            | 80.5                        |
| Disposals                                | -3.4                                            | -35.7                           | -39.1                       |
| Capitalised interest                     | 1.4                                             | 1.0                             | 2.4                         |
| Fair value gains on investment property  | 12.5                                            | 60.9                            | 73.4                        |
| Fair value losses on investment property | -21.0                                           | -13.0                           | -34.0                       |
| Exchange differences                     | 4.9                                             | 61.7                            | 66.6                        |
| Transfers between items                  | 47.4                                            | -47.4                           | 0.0                         |
| <b>At period-end</b>                     | <b>363.9</b>                                    | <b>1,935.9</b>                  | <b>2,299.9</b>              |



| EUR million                              | 31 Dec. 2010                                    |                                 |                             |
|------------------------------------------|-------------------------------------------------|---------------------------------|-----------------------------|
|                                          | Investment properties under construction (IPUC) | Operative investment properties | Investment properties total |
| At period-start                          | 269.8                                           | 1,877.6                         | 2,147.4                     |
| Acquisitions                             | 1.9                                             | 4.8                             | 6.8                         |
| Investments                              | 69.5                                            | 52.2                            | 121.7                       |
| Disposals                                | -3.4                                            | -36.3                           | -39.7                       |
| Capitalised interest                     | 2.2                                             | 1.2                             | 3.4                         |
| Fair value gains on investment property  | 2.1                                             | 93.6                            | 95.7                        |
| Fair value losses on investment property | -14.0                                           | -30.8                           | -44.9                       |
| Exchange differences                     | 5.8                                             | 73.0                            | 78.7                        |
| Transfers between items                  | -7.8                                            | 6.3                             | -1.5                        |
| At period-end                            | 326.1                                           | 2,041.6                         | 2,367.7                     |

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:

|                  | Weighted average yield requirement (%) |               |              | Weighted average market rents (€/m²) |               |              |
|------------------|----------------------------------------|---------------|--------------|--------------------------------------|---------------|--------------|
|                  | 30 Sept. 2011                          | 30 Sept. 2010 | 31 Dec. 2010 | 30 Sept. 2011                        | 30 Sept. 2010 | 31 Dec. 2010 |
| Finland          | 6.3                                    | 6.5           | 6.4          | 24.9                                 | 23.5          | 23.6         |
| Sweden           | 6.0                                    | 6.1           | 6.1          | 23.3                                 | 23.7          | 24.1         |
| Baltic Countries | 7.9                                    | 8.2           | 8.1          | 20.3                                 | 21.6          | 21.4         |
| Average          | 6.4                                    | 6.5           | 6.4          | 23.9                                 | 23.4          | 23.6         |

## 7. Investment Properties Held for Sale

On 31 December 2010, the Investment Properties Held for Sale included MREC Naantalin Tullikatu 16, which was sold in January 2011.

| EUR million                          | 30 Sept. 2011 | 30 Sept. 2010 | 31 Dec. 2010 |
|--------------------------------------|---------------|---------------|--------------|
| At period-start                      | 1.5           | 26.0          | 26.0         |
| Investments                          |               | 0.1           | -            |
| Disposals                            | -1.5          | -28.2         | -28.5        |
| Exchange differences                 |               | 2.1           | 2.5          |
| Transfers from investment properties | -             | 0.0           | 1.5          |
| At period-end                        | -             | -             | 1.5          |

## 8. Cash and Cash Equivalents

| EUR million              | 30 Sept. 2011 | 30 Sept. 2010 | 31 Dec. 2010 |
|--------------------------|---------------|---------------|--------------|
| Cash in hand and at bank | 21.4          | 21.4          | 19.4         |
| Short-term deposits      | 0.1           | 65.1          | 0.1          |
| Total                    | 21.5          | 86.5          | 19.5         |

## 9. Derivative Financial Instruments

| EUR million                         | 30 Sept. 2011  |              | 30 Sept. 2010  |              | 31 Dec. 2010   |              |
|-------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                                     | Nominal amount | Fair value   | Nominal amount | Fair value   | Nominal amount | Fair value   |
| <b>Interest rate derivatives</b>    |                |              |                |              |                |              |
| Interest rate swaps                 |                |              |                |              |                |              |
| Maturity:                           |                |              |                |              |                |              |
| less than 1 year                    | -              | -            | 124.7          | -2.2         | 40.0           | -1.6         |
| 1-2 years                           | 30.0           | -0.5         | 40.0           | -1.5         | 30.0           | -0.8         |
| 2-3 years                           | 153.2          | -9.4         | 213.4          | -13.3        | 161.2          | -10.2        |
| 3-4 years                           | 224.4          | -6.6         | 207.9          | -15.1        | 202.0          | -6.6         |
| 4-5 years                           | 141.9          | -4.9         | 155.2          | -6.2         | 123.6          | 0.5          |
| over 5 years                        | 410.6          | -22.8        | 151.7          | -6.3         | 313.1          | 0.6          |
| <b>Subtotal</b>                     | <b>960.1</b>   | <b>-44.2</b> | <b>892.9</b>   | <b>-44.5</b> | <b>869.8</b>   | <b>-18.1</b> |
| <b>Foreign exchange derivatives</b> |                |              |                |              |                |              |
| Forward agreements                  |                |              |                |              |                |              |
| Maturity:                           |                |              |                |              |                |              |
| less than 1 year                    | 14.8           | 0.1          | -              | -            | -              | -            |
| <b>Total</b>                        | <b>974.9</b>   | <b>-44.1</b> | <b>892.9</b>   | <b>-44.5</b> | <b>869.8</b>   | <b>-18.1</b> |

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 value of the instruments includes foreign exchange rate gains of EUR 0.2 million (loss EUR -0.7 million), which is recognised in the statement of comprehensive income under net financial income and expenses.

Hedge accounting is applied for interest rates swaps with nominal amount of EUR 960.1 million (EUR 865.5 million). The change in fair values of these derivatives (net of taxes), EUR -19.0 million (EUR -7.8 million), is recognised under other comprehensive income, taking the tax effect into account.

## 10. Dividends and Equity 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 23 March 2011, dividend for the financial year 2010 amounted to EUR 0.04 per share (EUR 0.04 for the financial year 2009) and EUR 0.10 per share was decided to be returned from the invested unrestricted equity fund (EUR 0.10 for the financial year 2009).

Dividend and equity return of EUR 34.2 million for the financial year 2010 (EUR 30.9 million for the financial year 2009) were paid on 8 April 2011.

## 11. Interest-bearing Liabilities

During the period, repayments of interest-bearing debt amounted to EUR 192.1 million and these repayments were made in line with previously disclosed repayment terms.

Other proceeds from and repayments of long-term loans in the cash-flow statement relate to the withdrawals and repayments of revolving credit facilities and new term loans.

## 12. Contingent Liabilities

| EUR million                     | 30 Sept. 2011 | 30 Sept. 2010 | 31 Dec. 2010 |
|---------------------------------|---------------|---------------|--------------|
| Mortgages on land and buildings | 35.7          | 36.1          | 36.9         |
| Bank guarantees                 | 41.7          | 43.6          | 43.4         |
| Capital commitments             | 18.6          | 34.1          | 32.3         |

On 30 September 2011, Citycon had capital commitments of EUR 18.6 million (EUR 34.1 million) relating mainly to development and redevelopment projects.



### 13. Related Party Transactions

Citycon Group's related parties comprise the parent company, subsidiaries, associated companies, minority companies, Board members, CEO, Corporate Management Committee members and Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 47.3 per cent on 30 September 2011 (31 December 2010: 47.3%). During the first nine months of 2011 and 2010, Citycon had the following significant transactions with Gazit-Globe Ltd.:

#### Share issue 2011

In July 2011, the company issued 33 million new shares in a share issue directed to Finnish and international institutional investors, raising approximately EUR 99 million in new equity. Gazit-Globe Ltd. subscribed 14.9 million shares in this share issue.

#### Convertible capital loan

The outstanding amount of convertible capital loan was EUR 71.3 million on 30 September 2011 (EUR 71.3 million on 30 September 2010) and the carrying amount was EUR 67.6 million on 30 September 2011 (EUR 65.8 million). Based on the information Citycon has received, Gazit-Globe Ltd. held 58.9 per cent (58.9%) out of the outstanding amount of convertible capital loan, i.e. EUR 39.9 million (EUR 38.8 million) out of the carrying amount of convertible capital loan on 30 September 2011. Total of EUR 1.9 million (EUR 1.9 million) out of the convertible capital loan annual coupon payment made in 2011 belong to Gazit-Globe Ltd. Out of the convertible capital loan interest liability total of EUR 0.3 million (EUR 0.3 million) belong to Gazit-Globe Ltd on 30 September 2011.

#### Purchases of services and expenses charged forward

Citycon has paid expenses of EUR 0.2 million to Gazit-Globe Ltd. and its subsidiaries and charged expenses of EUR 0.2 million forward to Gazit-Globe Ltd. and its subsidiaries.

### 14. Key Figures

|                                   | Q1-Q3/2011 | Q1-Q3/2010 | Change-% | 2010 |
|-----------------------------------|------------|------------|----------|------|
| Earnings per share (basic), EUR   | 0.07       | 0.29       | -74.8 %  | 0.34 |
| Earnings per share (diluted), EUR | 0.08       | 0.28       | -71.6 %  | 0.34 |
| Equity per share, EUR             | 3.29       | 3.36       | -2.2 %   | 3.47 |
| Equity ratio, %                   | 37.7       | 35.9       | 4.8 %    | 37.1 |

The formulas for key figures are available in the Financial Statements 2010.

### 15. Shareholders, Share Capital and Shares

At the end of September, Citycon had a total of 3,997 (4,793) registered shareholders, of which ten were account managers of nominee-registered shares. Nominee-registered and other international shareholders held 234.1 million (210.5 million) shares, or 84.3 per cent (86.1%) of shares and voting rights in the company.

#### Directed share issues 2011

In July, Citycon issued 246,325 new shares as a part of the company's long-term share-based incentive plan. The new shares were registered in the Trade Register on 15 July 2011 and trading in them began on 18 July 2011 in the NASDAQ OMX Helsinki Ltd. Following the registration, the number of shares in the company increased to 244,811,297 shares.

In July, Citycon arranged a directed share offering. The offering was based upon the authorisation granted by Citycon's Annual General Meeting of 13 March 2007. Waiving the shareholders' pre-emptive subscription rights, the share offering was directed to Finnish and international institutional investors and was carried out in an accelerated book-building process on 13 July 2011.

Based on the bids submitted during the book-building process, on 13 July 2011 the company's Board of Directors decided to issue 33 million new shares at a per-share subscription price of EUR 3.02. The subscription price, EUR 99 million, was recorded in the invested unrestricted equity fund. The new shares were registered in the Trade Register on 18 July 2011 and trading in them

began on the following day in the NASDAQ OMX Helsinki Ltd. The new shares entitle their holders to a dividend for the financial year beginning on 1 January 2011. Following the issue, the number of the company's shares rose to 277,811,297. The new shares offered accounted for 13.5 per cent of the number of Citycon's shares prior to the offering and for 11.9 per cent thereafter.

### Flagging notices

On 14 July 2011, the company was notified by Ilmarinen Mutual Pension Insurance Company that Ilmarinen had participated in Citycon's directed share offering in July and that as a result of this, Ilmarinen's shareholding in the company had exceeded the threshold of 1/20. According to the notice, on 14 July 2011, Ilmarinen held a total of 24,943,027 Citycon shares, or 8.99 per cent of the total shares and votes in the company.

### Information on Shares and Share Capital

|                                                  | Q1-Q3/2011 | Q1-Q3/2010 | Change-% | 2010  |
|--------------------------------------------------|------------|------------|----------|-------|
| <b>Share price, transactions, EUR</b>            |            |            |          |       |
| Low                                              | 2.15       | 2.29       | -6.1%    | 2.29  |
| High                                             | 3.41       | 3.15       | 8.3%     | 3.31  |
| Average                                          | 2.97       | 2.75       | 8.0%     | 2.84  |
| Latest                                           | 2.56       | 3.13       | -18.2%   | 3.08  |
| Market capitalisation at period-end, EUR million | 711.2      | 765.5      | -7.1%    | 753.3 |
| <b>Share trading volume</b>                      |            |            |          |       |
| Number of shares traded, million                 | 68.3       | 85.7       | -20.3%   | 115.0 |
| Value of shares traded, EUR million              | 203.1      | 235.8      | -13.9%   | 326.4 |
| <b>Share capital and shares</b>                  |            |            |          |       |
| Share capital at period-start, EUR million       | 259.6      | 259.6      | -        | 259.6 |
| Share capital at period-end, EUR million         | 259.6      | 259.6      | -        | 259.6 |
| Number of shares at period-start, million        | 244.6      | 221.1      | 10.6%    | 221.1 |
| Number of shares at period-end, million          | 277.8      | 222.6      | 24.8%    | 244.6 |

During the period, there were no changes in the company's share capital, but the number of shares increased by 33.2 million shares following the directed share issues arranged in July. 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 and own shares

Pursuant to a share issue authorisation granted by the AGM of 2007, the Board of Directors can still decide on a maximum of 9,537,087 shares to be issued or treasury shares to be conveyed. Based on this authorisation, the Board may also decide on the grant of stock options and other special rights. The Board exercised this authorisation on 3 May 2011 when it decided to issue stock options; on 12 July 2011 when it decided on directed share issues without payment as a part of the company's long-term share-based incentive plan; and on 13 July 2011, when it decided on a directed share offering to Finnish and international institutional investors. This authorisation will be valid until 13 March 2012.

The AGM of 2011 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 period-end, the Board of Directors had no other authorisations.

During the reporting period, the company held 145,000 treasury shares, which the company had directed to itself in July in a share issue without payment related to the company's long-term share-based incentive plan. The treasury shares were conveyed between 20 and 22 July 2011 at the market price prevailing at the time of conveyance through public trading organised by NASDAQ OMX Helsinki Ltd, waiving the shareholders' pre-emptive subscription rights. At the end of the period, the company had no treasury shares.

## Stock options 2011

The Board of Directors of Citycon Oyj decided on 3 May 2011, by virtue of an authorisation granted by the Annual General Meeting of the company held on 13 March 2007, to issue stock options to the key personnel of the company and its subsidiaries.

The maximum total number of stock options issued is 7,250,000, and they entitle their owners to subscribe for a maximum total of 7,250,000 new shares in the company or existing shares held by the company. The stock options will be issued gratuitously. The stock options are marked with the symbol 2011A(I), 2011A(II) and 2011A(III); with the symbol 2011B(I), 2011B(II) and 2011B(III); with the symbol 2011C(I), 2011C(II) and 2011C(III); and with the symbol 2011D(I), 2011D(II) and 2011D(III). Upon the distribution of stock options the Board of Directors will decide on how the stock options are divided into the sub-categories.

The number of shares subscribed by exercising stock options 2011 corresponds to a maximum total of 2.6 per cent of the shares and votes in the company, after the potential share subscription, if new shares are issued in the share subscription.

## Share subscription price

For stock options 2011A–D(I), the share subscription price is EUR 3.17 per share, and it is based on the trade volume weighted average quotation of the company's share on NASDAQ OMX Helsinki Ltd during twenty (20) trading days following the release date of the company's Full Year 2010 Results, i.e. during 10 February–9 March 2011. For stock options 2011A–D(II), the share subscription price is EUR 3.31, and it is based on the trade volume weighted average quotation of the company's share on NASDAQ OMX Helsinki Ltd during twenty (20) trading days following the release date of the company's Interim Report Q1/2011, i.e. during 5 May–1 June 2011. For stock options 2011A–D(III), the share subscription price is based on the trade volume weighted average quotation of the company's share on NASDAQ OMX Helsinki Ltd during twenty (20) trading days following the release date of the company's Interim Report Q3/2011, i.e. 13 October–9 November 2011. The share subscription price will be recognised in the company's invested unrestricted equity fund. Each year, the per-share dividends and equity returns, differing from the company's normal practice, may be deducted from the share subscription price.

## Share Subscription Period

|                                    | 2011A(I-III)  | 2011B(I-III)  | 2011C(I-III)  | 2011D(I-III)  |
|------------------------------------|---------------|---------------|---------------|---------------|
| Share subscription period to begin | 1 April 2012  | 1 April 2013  | 1 April 2014  | 1 April 2015  |
| Share subscription period to end   | 31 March 2018 | 31 March 2018 | 31 March 2018 | 31 March 2018 |

## Distributed stock options

The Board of Directors decided to distribute a total of 2,250,000 stock options divided into sub-categories 2011A–D(I); 562,500 stock options in each sub-category. The average theoretical market value of distributed stock options 2011A–D(I) is approximately EUR 0.78 per stock option, approximately EUR 1,755,000 in total. The theoretical market value has been calculated by using the following average input factors: share price EUR 3.20, risk free interest rate 3.18 per cent, dividend 4.4 per cent, validity of stock options approximately seven years and volatility 35 per cent.

Furthermore, the Board of Directors decided to distribute a total of 2,350,000 stock options divided into sub-categories 2011A–D(II). The average theoretical market value of distributed stock options 2011A–D(II) is approximately EUR 0.73 per stock option, approximately EUR 1,715,500 in total. The theoretical market value with the following average input factors: share price 3.20 euros, risk free interest rate 2.85 per cent, dividend 4.4 per cent, validity of stock options approximately seven years and volatility 35 per cent.

The terms and conditions of stock options 2011 in their entirety are available on the corporate website at [www.citycon.com/](http://www.citycon.com/) options.

For more investor information, please visit the corporate website at [www.citycon.com](http://www.citycon.com).

***For further information, please contact:***

*Marcel Kokkeel, CEO*  
Tel. +358 20 766 4521 or +358 40 154 6760  
[marcel.kokkeel@citycon.fi](mailto:marcel.kokkeel@citycon.fi)

*Eero Sihvonen, Executive Vice President and CFO*  
Tel. +358 20 766 4459 or +358 40 557 9137  
[eero.sihvonen@citycon.fi](mailto:eero.sihvonen@citycon.fi)

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# Report on Review of Citycon Oyj's Interim Financial Information for the period January 1–September 30, 2011

## To the Board of Directors of Citycon Oyj

### *Introduction*

We have reviewed the accompanying statement of financial position of Citycon Oyj as of September 30, 2011 and the related statements of comprehensive income, changes in equity and cash flows for the nine-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.

### *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 September 30, 2011, and of its financial performance and its cash flows for the nine-month period then ended in accordance with the Securities Market Act.

October 11, 2011

ERNST & YOUNG OY  
Authorized Public Accountants

Tuija Korpelainen, Authorized Public Accountant