




CITYCON

annual report 2001



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Jyväskeskus  
JYVÄSKYLÄ



Lippulaiva  
ESPOO



Heikintori  
ESPOO



Oulun Galleria  
OULU



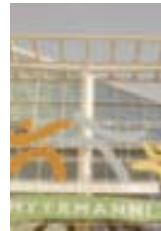
Espoontori  
ESPOO



Trio  
LAHTI



IsoKarhu  
PORI



Myyrmanni  
VANTAA



Koskikeskus  
TAMPERE



Tikkuri  
VANTAA



Sampokeskus  
ROVANIEMI



Iso Kristiina  
LAPPEENRANTA

## Kiinteistösi joitus Oyj Citycon

is Finland's leading listed property investment company specialising in retail premises. Citycon's activities focus on the Helsinki Metropolitan Area and Finland's largest regional centres.

### Key indicators by property portfolio

	Shopping centres	Supermarkets & Shops	Total
Yield, € mill.	33.4	37.9	71.3
Expenses, € mill.	7.7	9.1	16.8
Average book value, € mill.	339.7	320.7	660.4
Net yield, %	7.6	9.0	8.3

Average figures for the properties owned during the year as calculated in accordance with the recommendations of the Finnish Institute of Real Estate Economics.

### Financial indicators

	2001	2000
Turnover, € 1,000	77,716	76,012
Operating profit, € 1,000	44,895	42,279
as % of turnover	57.8	55.6
Result for the financial year, € 1,000	12,595	11,288
Return on equity (ROE), %	4.5	4.0
Return on investment (ROI), %	6.1	5.8
Equity ratio, %	38.2	38.0
EPS, €	0.12	0.11
Dividend per share (Board of Directors' recommendation for 2001)	0.08	0.08
Employees, average	26	22

## Property assets in two portfolios

Citycon's property assets are divided in two portfolios, Shopping Centres and Supermarkets & Shops. The Shopping Centres portfolio accounts for around half of the book value of Citycon's property assets. Shopping centres and the 15 largest supermarkets account for 75 per cent of the yield from Citycon's operations.



### ■ Shopping Centres portfolio

*Citycon's Shopping Centres portfolio contains 13 shopping centres in Finland. The shopping centres are predominantly retail centres with a primary focus on speciality stores. Citycon has a one hundred per cent stake in five of these and a clear majority holding in most others. p. 10*



### Supermarkets & Shops portfolio ■

*Citycon's Supermarkets & Shops portfolio contains 154 properties. The portfolio is divided into three sub-portfolios. The 15 properties in the Supermarkets sub-portfolio include the largest department stores, hypermarkets and supermarkets, most of which are occupied by one tenant. p. 10*

## Managing Director's Review



- *Citycon's clear strategy is to focus on growth centres in Finland, particularly on shopping centres in the Helsinki Metropolitan Area.*
- *We wish new customers and competitors alike a warm welcome.*
- *Shopping centres are accounting for an increasing share of the retail trade. Citycon has a strong position and promising development potential in exactly the right areas.*

Citycon progressed very much as envisaged during 2001. We improved earnings and distributed a competitive dividend to our owners.

We forge our own progress, even though prevailing conditions also play a role. Citycon's clear strategy is to focus on growth centres in Finland, particularly on shopping centres in the Helsinki Metropolitan Area.

Our chosen strategy has been a successful one. Slowing economic growth has eroded demand for office and production premises. In contrast, demand for retail premises has remained brisk in all sectors and greatly exceeds demand in prime shopping areas. The weakened market for office and production premises depends on economic statistics as a whole, whereas demand for retail premises depends mostly on purchasing power, which showed a clear increase. There is continued regional concentration on growth centres in Finland. Citycon is correctly focused.

Whilst the trends we have recognised continue and are gaining in strength, Finland's property investment market is poised to enter a new era. Internationalisation is increasing. Many foreign retail chains have already gained a foothold in Finland. We now expect foreign investors to do the same. There are already major examples.

It is encouraging to see new impulses in the Finnish market. We welcome competition and are well placed to succeed in the face of it. Shopping centres are accounting for an increasing share of the retail trade. Citycon has a sound foothold and promising development potential in exactly the right areas.


We are strategically building on the quality we deliver. We impact directly on the satisfaction of our own customers and in turn add to the satisfaction of their customers, optimise property maintenance and pay careful attention to risk management and environmental aspects. Our tenants include all the major national retail chains and other players engaged in retail operations. We seek to make Citycon's impressive products attractive pleasant centres that are far more than just somewhere to shop.

Citycon has a steady, strong cash flow that is reasonably easy to predict. We pay generous dividends, at least half of our earnings. Factors such as these become more important as general economic uncertainty is reflected in the stock market. Citycon shares, in common with those of other players in our business, were traded modestly during the year. Nevertheless, last year Citycon shares once again provided a good competitive yield for their owners.

It seems that the outlook in 2002 is an encouraging one for Citycon. Purchasing power is expected to rise and even though economic growth is slower than expected, it will be enough to maintain consumer demand and in turn keep the retail premises market brisk. Citycon's focus on good shopping areas, property solutions in the form of attractive, pleasant, quality shopping centres to enhance retail growth, gives us the potential to make further progress in 2002.

The results we have achieved are tribute to the excellence and hard work of our small organisation. I have every reason to thank Citycon's people for their contribution to our performance in 2001 and look forward to building on this progress in 2002.

March 2002



Olli-Pekka Mikkola  
Managing Director

## Review of the Business Environment



As we enter 2002, we leave behind almost a decade of rising rents in business and retail premises. However, this trend began to slow in 2001 and we have already witnessed a clear levelling off of this rise and even a fall.

The economic trend is crucial for the whole property sector. Assessment is difficult because of widely differing and, in some cases, even contradictory economic forecasts.



### *Growing demand for retail premises*

The retail trade, and in turn retail premises, essentially depends on consumer spending power and consumers' confidence in their own personal finances. Rather than weakening, they have gained strength. With the exception of some product groups such as household appliances and cars, retail volumes rose more than expected.

### *Few new projects*

Although relatively many new development projects were completed, especially in the Helsinki Metropolitan Area and Turku region, new major developments have been slow at getting underway. It seems there is likely to be little new development for some years to come. Tougher planning legislation hampers the building of new shopping centres and existing shopping areas become increasingly important.

Shop-specific sales in the grocery retail trade continued to grow at a steady rate of 2 per cent a year as shop size increased and the number of shops fell.

Since the start of 2001, shops of under 400 m<sup>2</sup> in size have been able to decide their own opening hours. Sunday opening increased and increased shop-specific sales.

Speciality shops underwent concatenation and internationalisation. Retailers such as interior design outlets, which need space for bulky goods, have moved to established retail park clusters. Their success depends on quality property development and investment excellence.

People still prefer to visit shops to do their shopping. Online shopping has not become widespread.

### *Home market internationalises*

The property investment market had a brisk year and new phenomena gained strength. Joining EMU has internationalised the property market in

Finland, too. This is evident in the arrival of both foreign investors and international chain stores on the Finnish market.

Large owner-occupants of retail premises are increasingly seeking to dispose of their property assets and free capital for their own core businesses. Large premises are becoming increasingly concentrated in the hands of property investors.

More owners of smaller properties are also entering the market in a bid to tap the relatively low-risk re-letting potential and to generate a steady cash flow. Likewise, many small entrepreneurs also buy their own business premises.

### *Good prospects*

Despite the uncertainty surrounding the global economy, there are many encouraging signs in evidence. Even if recovery is more moderate than expected, Finland is still well-placed to benefit from growth.

Household purchasing power is likely to grow even if unemployment does rise. Consumers seem confident about their own finances and this means consumer demand will probably remain more or less unchanged.

Rents for retail premises are likely to remain at about the same level. No sharp fall is in sight because the market has not overheated despite the long trend in rising rents.

Differences between growth centres and the rest of Finland have become more pronounced, a trend that seems likely to continue. Polarisation of demand also applies to retail premises. Demand is growing in the Helsinki Region and in prime locations in Oulu, Tampere, Turku and Jyväskylä, but waning in remote areas. However, even in the smallest towns, demand remains brisk for central sites for grocery and speciality shops as a result of local concentrations of shops and new retail chains.

The changes and trends in the operating environment favour Citycon's strategy. Growth prospects and future potential are strongest in the areas and property market where Citycon has its focus.

## Citycon's Business



Kiinteistösi joitus Oyj Citycon is Finland's leading property investment company specialising in retail premises. Citycon owns 175 properties, which had a total book value of € 655.3 million at year-end 2001.

Citycon has focused its interests on retail premises, which account for around 98 per cent of the company's property assets. The focus of the company's business is in the Helsinki Metropolitan Area, where more than 60 per cent of its property assets are located.

Citycon specialises in retail premises in Finland. Shopping centres and large retail shops in the Helsinki Metropolitan Area and in towns of over 50,000 inhabitants form the focus of Citycon's property investments.

Citycon's turnover principally consists of the rent yield from its properties. During 2001, rent yields rose to € 71.3 million, compared to € 67.8 million in 2000.

### *Citycon's history in brief*

Citycon was founded in 1988 by the Insurance Company Sampo Pension Ltd, Imatran Voima Oy, Rakennustoimisto A. Puolimatka Oy and Postipankki. Citycon became a listed company shortly after in late 1988. Initially, the company invested especially in office properties.

In 1998, Citycon created a new business concept under which it focused heavily on retail properties. Property deals taking place in 1998 and 1999 resulted in Citycon establishing its position on the Finnish market as a property investment company specialising in properties used as shopping centres and retail premises.

### *Strategy*

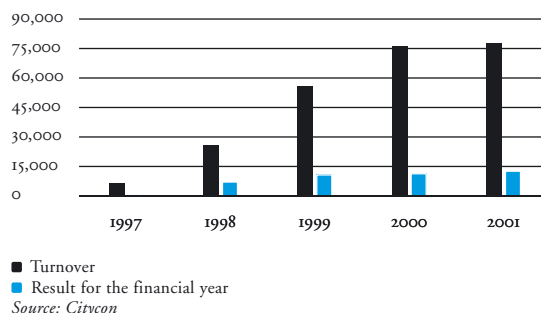
Citycon specialises in retail premises in Finland. Shopping centres and large retail shops in the Helsinki Metropolitan Area and in towns of over 50,000 inhabitants form the focus of Citycon's property investments.

### *Our aim is controlled growth*

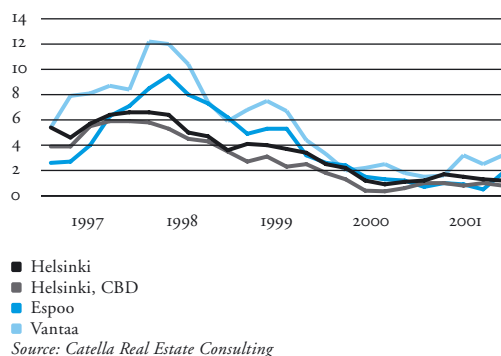
Citycon's aim is controlled growth. In line with its strategy, Citycon is increasingly stepping up its focus on the Helsinki Metropolitan Area and on growth centres where it expects demand for retail premises to remain strong. Citycon is making continued progress with consolidating property ownership in its focus areas and by divesting properties in non-strategic areas.

Citycon is committed to remaining a competitive payer of dividends and to thus making Citycon shares an attractive option on the investment market. The company distributes over half of its post-tax profit as dividend to shareholders.

Citycon's turnover and performance | 1,000€



Vacancy rate for retail premises in the Helsinki Metropolitan Area | %



Citycon's rental agreements provide a sound platform for steady dividends. The company's rental agreements are fixed and not linked to tenants' business performance. Almost all Citycon's rental agreements are linked to the cost of living index. Fixed, long rental agreements ensure a steady yield, making it easier to forecast long-term returns.

### *Priority given to improving own operations during 2001*

Overall economic development and stock exchange trends affected the property market in 2001. Share prices remained low and trading was modest. There were exceptionally few properties on the

#### Citycon's entire property assets by region

€ mill.	Shopping centres	Supermarkets & Shops	Total
Helsinki Metropolitan Area	208.7	123.1	331.8
Surrounding municipalities		12.0	12.0
Turku, Tampere, Oulu, Jyväskylä, Lahti, Kuopio	81.0	60.9	141.9
Others	49.0	120.6	169.6
Total	338.7	316.6	655.3

Property Stock at 31 December 2001, book values

market in 2001 and Citycon primarily gave priority to improving and rationalising its own operations.

Last year saw Citycon implement its first major development project with the expansion and major refurbishment of the IsoKarhu Shopping Centre in Pori.

In early 2001, Citycon completed a strategic property deal when it acquired the entire stock capital, ownership and title to a department store in Kuopio for € 12.7 million. Better known as Anttila, the department store property borders on Kuopio market place.

During 2001, Citycon continued to make progress with its Retail Park concept as planned in the form of research and looking for land. The first investment decisions in line with this concept are likely to be made during 2002. The aim is open the first retail parks within a few years. Retail parks are retail centres designed primarily for shops selling bulky items such as furniture, household appliances, interior design, hardware and sports equipment.

#### *Restructuring*

Rapid growth of the company's business between 1998 and 2000 resulted in Citycon outsourcing the administration services of its properties to Catella Property Consultants Ltd. During 2001, Citycon restructured its operations in line with its increasing business focus on shopping centres. Citycon assumed responsibility for most of the administration, earlier outsourced to its partners, of its properties.

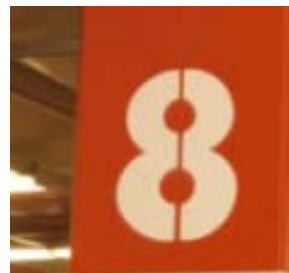
In line with this change, the number of Citycon employees doubled during 2001 and property assets were divided into three geographical business areas.

#### *Future outlook*

On the property market, the unit size of clusters in the retail trade is expected to continue growing. This creates a need to focus our operations even more, both from the geographical and operations aspect.

Internationalisation of the retail trade will also result in more foreign players setting up in Finland. This additional need for premises will create challenges for the retail property market. There are increasingly more shopping centres and clusters of retail shops, which would seem to predict a growth in the number of retail park type centres.

## Citycon's Property Assets



At year-end 2001, Citycon owned 175 (185) properties, which had a total book value of € 655.3 million (€ 650.0 million) and a net yield of 8.3 per cent (8.0%). Citycon's property assets comprise 98 per cent retail properties and are divided into two portfolios depending on property type: Shopping Centres and Supermarkets & Shops.

The Helsinki Metropolitan Area and towns of more than 50,000 inhabitants form the focus areas in Citycon's property assets. The company's investments are centred on the Helsinki Metropolitan Area, with most property assets in Vantaa and Espoo.

In 2001, the net rent generated from Citycon's property assets amounted to € 54.6 million (€ 52.0 million). Economic occupancy was high, more than 98 per cent calculated on the basis of rent yield.

### *Property assets in two portfolios*

Citycon's property assets are divided into two portfolios, Shopping Centres and Supermarkets & Shops. Over half the book value of Citycon's property assets are in the Shopping Centres portfolio. Shopping centres and the 15 largest supermarkets account for 75 per cent of the yield from Citycon's operations.

### *Shopping Centres*

Citycon's Shopping Centres portfolio contains 13 shopping centres in Finland. Citycon has a one hundred per cent stake in five and a clear majority holding in most of the other retail premises.

The shopping centres are predominantly retail centres with a primary focus on speciality stores. Shopping centre success greatly depends on tenant composition, this means the right mix of complementary goods and services. The success of shopping centres also depends on so called anchor shops, those with a household name that attract customers into the centres.

Changes taking place within the retail trade have changed the competitive position of shopping centres in recent years. The speciality goods trade is increasingly focusing on the busiest shopping areas in city centres, shopping centres and on supermarkets specialising in groceries outside the city centre. Shopping centres continue to account for an increasingly large share of the retail trade. Citycon sees this trend continuing.

### *Supermarkets & Shops*

Citycon's Supermarkets & Shops portfolio contains 154 properties divided into three sub-portfolios. The 15 properties in the Supermarkets sub-portfolio include the largest department stores,

hypermarkets and supermarkets, most of which are occupied by one tenant.

The rent cash flow from supermarkets is the steadiest since supermarkets have the longest rental agreements. The average length of rental agreements weighted by rents is 6.9 years. This means the rental income obtainable from the properties is low risk and these properties thus stabilise cash flow.

In 2001, the Supermarkets sub-portfolio gained a new property with the acquisition of a property in Kuopio known as Anttila. At the same time, the smallest property in the Supermarkets sub-portfolio was transferred to the Shops portfolio.

The 87 properties in the Shops sub-portfolio are other retail premises in Citycon's focus areas. These properties are typically supermarkets, retail premises or entire properties that enjoy a prime location. The 52 properties selected for divestment outside Citycon's focus areas are in the Non-core Business sub-portfolio. The other properties are miscellaneous property types (3) and properties for development (1).

### *Citycon's tenants*

Citycon's business idea is to let premises to companies in the retail and groceries trade, both to chain stores and private traders. Chain stores account for around 80 per cent of Citycon's rent yield.

In addition to department stores and supermarkets, chains of speciality goods are also major tenants in shopping centres. Players in the grocery trade are the principal tenants of premises in the Supermarkets & Shops portfolio.

Citycon's largest tenant is Kesko Corporation, which accounts for around 61 per cent of Citycon's gross rent yield. Kesko accounts for 45 per cent of the rent yield (21 rental agreements) in the Shopping Centres portfolio and 80 per cent (63 rental agreements) in the Supermarkets & Shops portfolio.

In addition to various chains of Kesko, other major tenants in the Shopping Centres portfolio

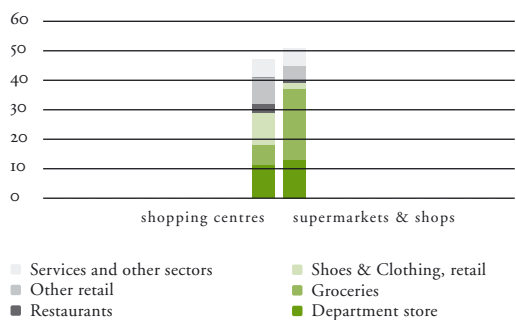
### Shopping centres as at 31 December 2001

Shopping centre	Location	Size, retail area m <sup>2</sup>	Citycon's share of the retail area
1. Myyrmanni	Vantaa	32,112	72%
2. Lippulaiva ja Ulappatori	Espoo	23,181	100%
3. Trio	Lahti	22,734	76%
4. Tikkuri	Vantaa	9,594	100%
5. Isomyyri	Vantaa	11,928	84%
6. Espoontori	Espoo	6,328	100%
7. Sampokeskus	Rovaniemi	12,892	84%
8. Isokarhu	Pori	8,883	100%
9. Iso Kristiina	Lappeenranta	8,880	93%
10. Koskikeskus	Tampere	36,068	21%
11. Jyväskeskus	Jyväskylä	6,508	44%
12. Galleria	Oulu	3,040	100%
13. Heikintori	Espoo	7,050	46%

### Supermarkets portfolio 31 December 2001

Property known as	Location	Size, retail area m <sup>2</sup>	Citycon's share of the retail area
1. Vexi	Espoo	11,455	100%
2. Tikkurilan Anttila	Vantaa	9,800	100%
3. Anttila	Salo	9,900	95%
4. Citymarket	Savonlinna	10,300	100%
5. Länsikeskus	Espoo	6,924	100%
6. Anttila	Kuopio	11,125	100%
7. Paavolan Citymarket	Lahti	8,600	100%
8. Citymarket	Varkaus	7,960	100%
9. Anttila	Pori	5,200	100%
10. Citymarket	Porvoo	7,900	100%
11. Kontumarket	Helsinki	11,804	37%
12. Citymarket	Pori	10,362	100%
13. Foorumi	Riihimäki	5,822	100%
14. Kirkkonummen Supermarket	Kirkkonummi	5,000	100%
15. Valkeakosken Supermarket	Valkeakoski	4,006	100%

Share of investment portfolios and sectors of the cash inflow from rents | %



Analysis of rent inflow from Kesko by sector



Rent yields by region



include Lindex, Rautakirja, Kappahl, Alko, H&M Hennes & Mauritz, Tiimari, Sampo and Nordea Finland.

In addition to Kesko supermarkets, department stores and shops, the largest tenants in the Supermarkets & Shops portfolio include McDonald's, Rautakirja, Tiimari, Nordea Finland, regional coops, the Savings Banks and Huoneistokeskus, an estate agents.

### Letting activities

Letting activities remained brisk during 2001. Retail premises were in demand and market rent levels were at least on a par with earlier ones.

Citycon's total gross rent yield in 2001 amounted to around € 71.3 million (€ 67.8 million).

At year-end 2001, Citycon had 1,150 rental agreements with 681 tenants. During 2001, Citycon concluded 207 new rental agreements, 81 of which were new lets to former tenants.

The annual rent generated by new rental agreements was around € 7.8 million, equivalent to some 11 per cent of gross annual yield from rental agreements. Rent received under the new agreements rose by an average of 29.0 per cent compared to earlier agreements. We negotiated major new agreements in respect of the Isokarhu Shopping Centre in Pori and the Koskikeskus in Tampere.

The average length of rental agreements weighted by rents is 4.5 years. Most of Citycon's rental agreements are long-term fixed agreements at various stages. Most of the agreements that are important as far as rent is concerned are those of so called anchor tenants and supermarkets in shopping centres. Long-term agreements ensure a steady cash flow that is unaffected by fluctuations in market rents.

Citycon had a total of 779 rental agreements that were valid for an indefinite period. These agreements yielded gross rent approaching € 12.0 million a year.





#### Length of rental agreements by investment portfolio

Portfolio	< 1 year	1-3 yr	3-5 yr	5-10 yr	> 10 yr
Shopping centres	27%	20%	11%	42%	0%
Supermarkets & Shops	13%	31%	5%	34%	17%
Supermarkets	3%	27%	2%	37%	31%
Shops	23%	30%	8%	38%	1%
Non-core Business	26%	54%	9%	10%	0%
Total	19%	26%	8%	38%	9%

#### Average length of rental agreements by investment portfolio

Portfolio	Gross rent yield weighted length
Shopping centres	3.7
Supermarkets & Shops	5.1
Supermarkets	6.9
Shops	3.5
Non-core Business	2.0
Total	4.5

## KRESS agreement

The Finnish Ministry of Trade and Industry and the Finnish Association of Building Owners and Construction Clients (RAKLI) signed an agreement to promote energy saving in the property and construction industry. The agreement aims to reduce the specific consumption of energy and to introduce an operating model under which energy efficiency would become an integrated part of the property business.

Citycon became a signatory to the scheme in 2001 by signing a separate accession document under which it undertook to

- draw up a situational analysis of energy use
- draw up and implement an energy use efficiency plan
- report annually on the actions taken and their impact to RAKLI

In early 2001, Citycon renewed its rental agreement practice and divided the basis of rent payment into two parts: capital rent, which is linked to the cost of living index, and maintenance rent. The maintenance rent paid by tenants covers the cost incurred by the property owners of maintaining the building and enables customer service in accordance with their requirements. Most, 95 per cent, of Citycon's existing rental agreements are linked to the cost of living index and three per cent additionally attract a minimum percentual increase.

### *Acquisitions and divestments in accordance with the strategy*

In early 2001, in accordance with its strategy, Citycon concluded a property deal under which Merita Real Estate Ltd transferred the entire stock

capital, ownership of and title to the Kiinteistö Oy Kuopion Kauppakatu 41 property in Kuopio to Citycon on 1 March 2001. Citycon acquired this department store property, which borders on Kuopio market place and is better known as Anttila, for € 12.7 million.

Citycon increased its holding in Heikintori Oy, a shopping centre in Tapiola, Espoo through the acquisition of four retail premises. Subsequent to these deals, Citycon has a 47.7 per cent (43.1%) interest in Heikintori.

During the first nine months of 2001, Citycon continued its divestment programme in line with its strategy of focusing on property ownership in the Helsinki Metropolitan Area and growth centres. During 2001, the company divested the entire capital stock in 14 properties and reduced its interest in a further five. The most significant deal in this respect was the divestment in June 2001 of the Bulevardi 6 Oy premises in the centre of Helsinki.

During 2001, Citycon made gains of € 1.7 million on properties divested for a total of € 11.5 million.

### *Property management – an important part of the property business*

Citycon restructured the management of its property assets in 2001. This restructuring led to property assets being divided into three geographical areas: Helsinki Metropolitan Area East, Helsinki Metropolitan Area West and the Rest of Finland. Regional directors, with the help of property managers and property secretaries, are responsible for business in these three areas.

The change became effective in March 2001 and encouraging results had already been achieved by the end of the year. During the year under review, Citycon assumed responsibility for most of the administration, earlier outsourced to its partners, of its properties. Services sourced outside the company included the practical arrangements of rent relationships, rental agreement negotiations and related conversion work and overall property



management of supermarkets and shops. This process led to tenant and property management registers being transferred to Citycon.

The change will enable Citycon to better maintain properties and to improve customer relationship management. The change was implemented in a bid, through the creation of a direct customer interface, to improve tenant satisfaction, optimise long-term maintenance costs, manage the technical risks relating to properties and to take into account environmental aspects. Concentrating the management of technical maintenance will lead to cost savings through larger joint purchases and by standardising working procedures in different property companies.

*Maintenance quality classification*

To achieve property maintenance targets, Citycon introduced a maintenance quality classification scheme during the year under review. This scheme is used as a tool to guide future maintenance. Classification defines maintenance quality targets for each property.

Key indicators by property portfolio

€ mill.	Shopping centres	Supermarkets & Shops	Total
Yield, € mill.	33.4	37.9	71.3
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Average book value, € mill.	339.7	320.7	660.4
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Average figures for the properties owned during the year. Figures calculated in accordance with recommendations by the Finnish Institute of Real Estate Economics.

The first shopping centre investment in Pori

## Revitalised IsoKarhu opened in October



“Why Pori?”, was the usual first reaction when Citycon decided its first major shopping centre investment. I always gave the same answer: “Why not?”

Shopping centre director Tero Kormano gives convincing reasons for his answer. These are certainly needed since without going into greater details, people in the Helsinki Metropolitan Area don't always understand the attraction of provincial towns such as Pori. However, Citycon found the serious reasons required to go ahead with the investment.

To put it in Kormano's words, “Pori was a suitable target, with almost 80,000 inhabitants, 150,000 customers in the catchment area, tenants waiting and a superb site for a shopping centre.” The decision to go ahead and invest in the major shopping area in the heart of Pori can be considered a relatively risk-free one.

### *Separate properties turned into a coherent shopping centre*

Before the refurbishment project, Citycon acquired full ownership of the IsoKarhu Shopping Centre and the entire block where it stands. Refurbishment of the

IsoKarhu Shopping Centre in Pori turned the existing separate properties into a more practical, homogenous, attractive shopping centre.

The fact that some of the long-term rental agreements were due to expire also facilitated the decision to go ahead with the investment. At any rate something had to be done. Some of the premises had been in office use and others were 8 metres high, a great waste of space. The central location in Pori also made it easier to take the decision to invest in a shopping centre.

“Tenants were attracted by the shopping centre’s central location and so even before the investment decision was finalised, we had a clear idea of who our future tenants would be. Refurbishment also gave us good grounds to raise rents,” Kormano points out.

The IsoKarhu refurbishment project cost € 5.3 million. The project used an arcade to join the various retail premises at street level and, on the first floor, to create coherent, pleasant retail premises. A second storey was added to some of the premises to provide an additional 3,500 m<sup>2</sup> of lettable space at IsoKarhu. There is now around 11,000 m<sup>2</sup> of lettable space.

*IsoKarhu brought Citycon new customers*  
“Refurbishment of IsoKarhu has revitalised the face of Pori. The project also replaced the shopping centre façades and gave the immediate vicinity a new look. The district has become more attractive and more practical. The shopping centre and pedestrian precinct complement each other,” Kormano notes with satisfaction. An increasing share of the pedestrian traffic now passes through the arcade in IsoKarhu. This was one of the key ideas in planning.

Investment in IsoKarhu has enhanced tenants’ interest in Citycon’s shopping centres. New Finnish and international chains moved into IsoKarhu. Their choice is to Citycon’s advantage. New tenants at IsoKarhu include Bianco Footwear, clothing chains Hennes & Mauritz, River Co and Dressman and the Aarikka giftshop.

Arkkitehti Oy Asmala was the firm of architects behind the IsoKarhu refurbishment project. Oy Nortecon Ab was responsible for the commercial planning of the project. The principal building contractor was Rakennus Vuorenpää Oy, which is part of the Skanska Group.

Future tenants were able to express their wishes and thus be involved in designing suitable premises. Large tenants in particular took advantage of this opportunity. There would probably have been more tenants than expected for the premises available.

### *Targets met*

Refurbishment of the IsoKarhu Shopping Centre was completed entirely to schedule. Ten new tenants moved into the shopping centre and eight premises were thoroughly revamped. The largest new tenant is Hennes & Mauritz, which has premises of 2,000m<sup>2</sup>.

IsoKarhu now houses 35 speciality shops, a variety of cafés and restaurants and other various amenities such as an optician, bank and securities company. IsoKarhu has become a centre for speciality shops in Pori and surroundings.

The first weeks and months proved our expectations of IsoKarhu to be correct. The shopping centre had more than 120,000 visitors during its first week. Sales during the first week totalled more than € 1 million. Annual sales in IsoKarhu are expected to rise by 50 per cent to approach € 33.6 million. IsoKarhu is expected to attract 400,000 more customers a year than before refurbishment. This will bring customer numbers to 3 million a year.

Kormano thinks that the IsoKarhu refurbishment project, which was carried out to an extremely tight schedule, will provide Citycon with valuable experiences for future shopping centre refurbishments. We also gained important experiences from the cooperation between tenants and customers since all the original shops remained open during refurbishment.

## *Property valuation*

We have assessed the value of Kiinteistösjointus Oyj Citycon's property assets reported in the balance sheet dated 31 December 2001.

The main valuation principle used was yield value, where market-based net yields are capitalised by property. Yield requirement takes into account the prevailing interest rate, yield growth expectations, yield and property risks relating to the properties and the liquidity for each area and property. Yield requirement per property varies between 6.5 per cent and 12 per cent and averages 8 per cent. Our interest rate and inflation figures in the yield requirements for each property are based on economic forecasts prepared by the Finnish Ministry of Finance. Market rents were determined on the basis of comparative data. We also took into account the impact of existing rental agreements on the value of each property on a cash flow basis. We carried out property surveys in 2000 and 2001.

### *Market conditions when the properties were assessed*

When the properties were assessed there was healthy demand for premises in the Helsinki Metropolitan Area and in growth centres. There was no new demand of any significance in small, declining localities.

Interest rates are expected to remain relatively stable, although there is slightly higher short-term inflationary pressure than earlier.

Most of the retail premises we assessed can be considered as having a very low vacancy risk.

In our opinion the € 655.3 million book value of the properties corresponds to their market value.

Helsinki, 27 February 2002

*Kiinteistötaito Peltola & Pulkkanen Oy*

*Jouko Peltola, LicSc. (Tech)*

*Authorised Property Valuer (APV) generally authorised*

# Employees



Citycon Group's organisation is divided into administration, property business and financial administration.

Citycon restructured its operations during 2001, assuming responsibility for most of the administration, earlier outsourced to its partners, of its properties. These changes led to the number of Citycon employees doubling in 2001. At year-end, Citycon had 29 permanent employees, of which 23 were employed by the parent company.

In addition to the 29 permanent employees, there was also one part-timer. Women accounted for 21 of the employees and men 9. Average employee age was 41.7.

## *Employees by responsibility*

A technical director and three regional directors, assisted by property managers responsible for technical maintenance and property secretaries dealing with customer care and rental agreement administration, are responsible for Citycon's property assets. Property assets are divided into three business areas: Helsinki Metropolitan Area East, Helsinki Metropolitan Area West and the Rest of Finland.

Financial administration is responsible for monitoring the payment of rent and the parent company and group bookkeeping and financial statements. The bookkeeping of group companies remains outsourced.

## *Training is a part of the job*

Citycon invests in training its people. During 2001, five employees began studying at the Real Estate Training Institute. These studies will lead to vocational qualifications of building management, property manager, property secretary and real estate bookkeeping.

For financial administration staff, training addressed the successful transition to the euro throughout the group. Citycon employees also have an opportunity to study English and data processing.

## *Workplace health promotion*

Citycon's people are a vital resource, which is why the company is committed to ensuring their well-being. Citycon provides comprehensive healthcare services for its employees and also supports their leisure time sports and recreational activities.

# Finance

## *Citycon's finance policy*

The principal function of Citycon's treasury operation is to ensure the availability of funds and to manage financial risk in line with the company's financing policy. The parent company is the centre of the group's treasury operation. Treasury is responsible for investor, analyst and banking relations, equity and debt financing, balance sheet planning and interest rate risk management.

In keeping with the company's financing policy, funding takes place at minimum cost and broadens the investor base as appropriate. Through acting consistently, open communications and controlled risk, the company aims at creating increasingly better conditions for competitive funding in respect of cost, availability and timing.

Liquidity management highlights the ongoing dependability of the company's cash flow. Operations are based on predicting cash flow for 12 months at the monthly level and four weeks' cash flow at the daily level. Cash assets are invested in low risk instruments and, if appropriate, in the most liquid certificates of claim.

Interest rate risk management is engineered to manage uncertainty of the company's performance and value attributable to changes in interest rates. The aim is a loan portfolio with an interest rate fixing period of at least 3.5 years and an average borrowing time of at least 4 years. Citycon takes no currency risks and uses derivative instruments solely to reduce or eliminate the risks in the balance sheet. Derivatives are included when determining the company's overall interest rate risk exposure. Interest sensitivity is measured in terms of the impact of one percentage unit change on net income.

## *Financial structure and key indicators*

The consolidated balance sheet total was € 748.9 million (€ 743.4 million). The group's interest bearing debt was € 451.4 million (€ 449.9 million). The average annual interest rate for the group's debt was 5.78 per cent, the average maturity period was 5.8 years and the average interest-rate fixing period was 5.0 years. Group equity ratio stood at 38.2 per cent (38.0%) and 47.3 per cent (47.2%) with the capital loan included in core capital. The EBITDA/net interest charge ratio, which describes debt servicing ability was 1.9 (1.9).

Interest cost rose by 0.21 percentage points on the year. This was largely due to interest-rate levels of around five per cent on the money market in late 2000. Around half of the floating rate loans were automatically linked to this rate. This interest rate continued to impact until well into 2001 and was around 1.5 percentage points higher than the rate in late 1999.

The company repaid loans of around € 35 million and took around € 26 million in new loans. Around € 20 million of the loan portfolio matures in 2002.

Of the loan portfolio, 85 per cent were floating. Half of these were swapped to fixed rate using interest-rate swaps and a third was hedged through interest-rate caps. The nominal value of interest-rate swaps was € 198 million and that of interest-rate caps € 133 million. The market value of derivatives was € 0.5 million at 31 December 2001.

The sensitivity of the loan portfolio reflects the fact that a one percentage point rise in money market interest rates at the beginning of 2002 would raise the interest costs from 5.5 per cent



#### Maturity profile of loan portfolio

Year	2002	2003	2004	2005	2006	2007	2008	2009
Repayment, € mill.	20	16	27	16	27	16	251	68
%	4.6%	3.7%	6.0%	3.7%	6.2%	3.7%	56.6%	15.4%

#### Maturity profile of interest rate swap portfolio

Year	2004	2009	2010
Maturing, € mill.	50	66	82
%	25.2%	33.3%	41.5%

#### Maturity profile of interest rate option portfolio

Year	2003	2004
Maturing, € mill.	79	54
%	59.4%	40.6%

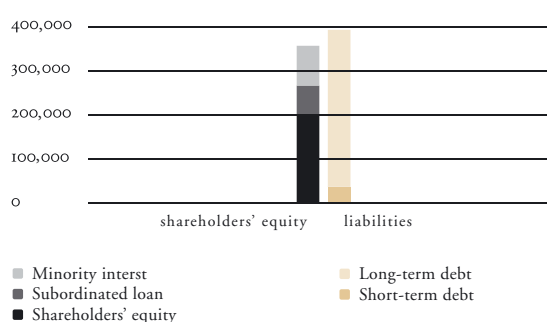
to 5.9 per cent (€ 1.8 million) and a five percentage point rise to 6.2 per cent (€ 3.0 million). Likewise a fall of 1 percentage point in money market interest rates would cut interest charges to 5.4 per cent (€ 0.4 million).

The unprotected part of the loan portfolio is hedged by cash flow, which consists of rental agreements linked to cost of living index. During the period under review, no new derivative contracts were made or existing ones changed.

#### Objectives for 2002

During 2001, Citycon had talks with its principal bankers to change the loan portfolio from loans based on collateral to those based on covenant. It was decided to postpone concrete actions in this respect until 2002 or any major property acquisitions. In this respect, our objectives for 2002 are the same as for 2001. After changing

#### Ratio between shareholders' equity and creditors | 1,000€



its loan portfolio to one based on covenants, the company will issue securities on the debt capital market provided that the capital market can compete on price with the bank market.

# Report by the Board of Directors

## *Business environment*

The long rise in rents for business and retail premises began to slow in 2001. This particularly applied to office premises, where there was a marked increase in supply. By comparison, the situation in respect of retail premises remained good and occupancy rates were high despite new development projects. This was bolstered by strong consumer confidence and continued good consumer demand.

In 2001, sales in the retail trade rose by 5.4 per cent on the year to reach € 18.3 billion, excluding car sales. Foodstuff sales accounted for € 8.2 billion of this figure.

## *Turnover and net income*

Citycon Group's profit for the 2001 financial year rose by 12 per cent to reach € 12.6 million (€ 11.3 million a year earlier). Turnover was € 77.7 million (€ 76.0 million). The operating profit was € 44.9 million (€ 42.3 million). The profit for the financial year before appropriations and taxes was € 17.6 million (€ 15.8 million). Earnings per share were € 0.12 (€ 0.11). Equity per share at the end of the year under review was € 1.91 (€ 1.86). The Board of Directors recommends a dividend payment of € 0.08 per share, amounting to 67 per cent of earnings for all shares.

## *Citycon's property assets*

At year-end 2001, Citycon owned 175 (185) properties, which had a total book value of € 655.3 million (€ 650.3 million). Calculated according to the Finnish Institute of Real Estate Economics

(KTI), net rents from property assets totalled € 54.6 million (€ 52.0 million) and the net rent yield was 8.3 per cent (8%) Citycon's property assets comprise 98 per cent retail properties, which are divided into two portfolios: Shopping Centres and Supermarkets & Shops. The Shopping Centres portfolio accounts for around half of the book value of Citycon's property assets. Shopping centres and the 15 largest supermarkets account for 75 per cent of the yield from Citycon's operations.

## *Letting activities*

Citycon's gross rent yield in 2001 was € 71.3 million. At year-end 2001, Citycon had 1,150 rental agreements with 681 tenants. During 2001, Citycon concluded 207 new rent agreements, 81 of which were re-lets for the same premises.

The total annual rent generated by new rental agreements was around € 7.8 million, equivalent to some 11 per cent of gross annual yield from rental agreements. Rent under the new agreements rose by an average of 29 per cent compared to earlier agreements. We negotiated major new agreements in respect of the Isokarhu Shopping Centre in Pori and the Koskikeskus in Tampere.

## *Development projects*

January 2001 saw the start of work on the most significant project in the Shopping Centres portfolio, a major refurbishment of the IsoKarhu Shopping Centre in Pori. This project turned the existing separate properties into a more practical, homogenous, attractive shopping centre. IsoKarhu now houses 35 speciality shops, a variety of cafés

and restaurants and other various amenities such as an optician, bank and securities company. The IsoKarhu investment totalled € 5.3 million.

### *Property acquired and divested*

On 1 March 2001, Citycon acquired the entire stock capital of the Kiinteistö Oy Kuopion Kauppakatu 41 property in Kuopio for € 12.7 million. This department store property borders on Kuopio market place and is better known as Anttila.

Citycon acquired four retail premises in Heikintori Oy, a shopping centre in Tapiola, Espoo. Subsequent to this deal, Citycon has a 47.7 per cent (43.1%) interest in Heikintori.

During 2001, Citycon divested the entire capital stock in 20 properties and reduced its interest in a further five. The most significant deal in this respect was the divestment in June 2001 of the Bulevardi 6 Oy office and retail premises in the centre of Helsinki.

During 2001, Citycon made gains of € 1.7 million on properties divested for a total of € 11.5 million.

At the end of the year under review, Kinteistö-Kompas Oy, a fully owned subsidiary of the parent company, merged into the parent company.

### *Restructuring*

Rapid growth of the company's business between 1998 and 2000 resulted in Citycon outsourcing the administration services of its properties. During 2001, Citycon restructured its operations in line with its increasing business focus on shopping

centres. Citycon assumed responsibility for most of the administration, earlier outsourced to its partners, of its properties.

In line with this change, the number of Citycon employees doubled during 2001 and property assets were divided into three business areas: Helsinki Metropolitan Area East, Helsinki Metropolitan Area West and Rest of Finland.

### *Finance*

The consolidated balance sheet total was € 748.9 million (€ 743.4 million). The group's interest bearing debt was € 451.4 million (€ 449.9 million). The average interest rate on debt was 5.8 per cent a year. The average loan maturity was 5.8 years and the average interest-rate fixing period was 5.0 years. Group equity ratio stood at 38.2 per cent (38.0%) and 47.3 per cent (47.2%) with the capital loan included in core capital.

Of the loan portfolio, 85 per cent was floating. Half was swapped to fixed rate using interest-rate swaps and a third was hedged through interest-rate caps. The nominal value of interest-rate swaps was € 198 million and that of interest-rate caps € 133 million.

The EBITDA/interest charge ratio, which describes debt servicing ability was 1.9 (1.9).

### *Share performance*

A total of 4,652,941 Citycon shares were traded for € 4.7 million during 2001. The middle trading price weighted by the number of shares traded was € 1.01. During the year under review the lowest and highest trading prices were € 0.93 and € 1.07

respectively. The closing price at 28 December 2001 was € 1.02. The market capitalisation value at the balance sheet date was € 103,941,935.16.

### *Own shares*

Pursuant to the authorisation received from the annual general meeting, on 23 April 2001 the Board of Directors decided to use distributable equity to purchase the company's own shares. Citycon may use its own shares as consideration in any property or share deals, if the company acquires other assets important to its business. The authorisation remains valid, subject to a maximum of one year, until the following annual general meeting. The authorisation was not exercised.

At 31 December 2001, the company owned 3,874,000 of its own shares purchased for a total of € 4,675,812.76, the lowest price paid being € 1.10 and the highest € 1.35. The number of shares purchased corresponded to 3.7 per cent of Citycon's share capital and votes.

### *Board of Directors*

The annual general meeting of 29 March 2001 confirmed the number of board members at six. Stig-Erik Bergström DSc, Heikki Hyppönen, senior vice president Nordea, Juhani Järvi, executive vice president CFO (finance and administration) Kesko Corporation, Jorma Lehtonen, director, real estate Sampo Plc, Carl G. Nordman Counsellor of Industry (hon) and Juha Olkinuora, managing director, in-house services and offices, Nordea. The Board of Directors

appointed Heikki Hyppönen as chairman and Juhani Järvi as vice chairman.

### *Auditors*

Ari Ahti authorised public accountant and Jaakko Nyman authorised public accountant were re-appointed as the company's auditors. Authorised Public Accountants KPMG Wideri Oy Ab were re-appointed as the company's deputy auditors.

### *Employees and salaries*

At the end of the period under review, the group had a total of 29 (24) employees, 23 (13) of which were employed by the parent company.

Wages and salaries paid by the Citycon Group totalled € 1.6 million, of which € 0.3 million was paid to the managing directors and members of the Board of Directors. Wages and salaries paid to employees in the parent company totalled € 1.2 million, of which € 0.2 million was paid to the managing director and to members of the Board of Directors.

### *Corporate Governance*

Citycon complies with the recommendations for the corporate governance of public companies recommended by the Central Chamber of Commerce, the Confederation of Industry and Employers and the Helsinki Exchanges. Citycon has prepared a set of corporate governance guidelines that define the roles and areas of responsibility of the Board of Directors, the managing director and the Corporate Management Committee.

### *Annual general meeting and dividend*

Citycon's Board of Directors has decided to convene the annual general meeting on 26 March 2002 at 10am and to recommend that a dividend of € 0.08 per share be paid for 2001 on all shares outside the company's ownership. The Board of Directors recommends that the record date be 3 April 2002 and that the dividend be paid to shareholders on 10 April 2002.

### *Interim reviews*

Citycon will publish an interim review for 1 January to 31 March 2002 on 25 April 2002.

### *Future outlook*

Despite new development, demand for rented retail premises has remained good, especially in growth centres. Vacancy rates are still low, even though the rate of rent hikes seems to have slowed. The trend in purchasing power and consumers' belief in their own finances will keep consumer demand on the growth track and in turn reflect in the need for retail premises. Given that no major fluctuations are anticipated in the interest market, performance during the current year is expected to be at least on a par with last year's.

# Income Statement

€ 1,000	Notes	Group		Parent company	
		1 Jan.–31 Dec.2001	1 Jan.–31 Dec.2000	1 Jan.–31 Dec.2001	1 Jan.–31 Dec.2000
<i>Turnover</i>	1.	77,716	76,012	67,715	65,325
Other income	2.	105	141		
<i>Charges</i>					
Materials and services	3.	17,276	15,194	2,167	2,070
Staff costs	4.	1,980	1,751	1,538	1,193
Depreciation	5.	6,792	8,522	1,095	1,016
Rents and maintenance charges	6.	4,467	6,173	14,761	13,527
Share of associate's result		494	700		
Other operating charges		<u>1,917</u>	<u>1,534</u>	<u>3,736</u>	<u>1,516</u>
Charges, total		32,926	33,874	23,297	19,322
<i>Operating profit</i>		44,895	42,279	44,418	46,003
Financial income and charges	7.	-27,252	-26,460	-32,237	-31,400
<i>Profit before appropriations and taxes</i>		17,643	15,819	12,181	14,603
Taxes	8.	-5,035	-4,520	-4,154	-4,242
Minority interests		-13	-11		
<i>Profit for the financial year</i>		12,595	11,288	8,027	10,361

# Balance Sheet

€1,000	Notes	Group		Parent company	
		31 Dec. 2001	31 Dec. 2000	31 Dec. 2001	31 Dec. 2000
<b>Assets</b>					
<i>Fixed assets</i>					
	9.				
Intangible assets		5,494	4,976	1,977	1,422
Tangible assets		616,548	607,236	14,679	14,962
<i>Financial assets</i>					
Shares in group companies	10.			455,954	409,121
Shares in associated undertakings	10.	88,619	94,094	90,629	95,738
Own shares		3,951	3,642	3,951	3,642
Other financial assets		<u>24,368</u>	<u>25,147</u>	<u>94,389</u>	<u>130,912</u>
Financial assets, total		116,938	122,882	644,923	639,412
<i>Fixed assets, total</i>		738,980	735,095	661,579	655,796
<i>Current assets</i>					
Short-term debtors	11.	4,178	4,004	8,612	7,071
Cash in hand and at bank		<u>5,770</u>	<u>4,285</u>	<u>3,987</u>	<u>2,301</u>
<i>Current assets, total</i>		9,948	8,289	12,599	9,372
<i>Assets, total</i>		748,928	743,384	674,178	665,168
<b>Shareholders' equity and liabilities</b>					
<i>Shareholders' equity</i>					
	12.				
Subscribed capital		142,324	142,324	142,324	142,324
Share premium account		28,253	28,253	28,253	28,253
Own shares fund		3,951	3,642	3,951	3,642
Other reserves		6,551	6,551	6,551	6,551
Retained earnings		4,412	1,364	6,141	4,007
Profit for the financial year		12,595	11,288	8,027	10,361
Capital loan	13.	<u>68,452</u>	<u>68,452</u>	<u>68,452</u>	<u>68,452</u>
Shareholders' equity, total		266,538	261,874	263,701	263,591
<i>Minority interests</i>		89,918	91,026		
<i>Creditors</i>					
	14.				
Long-term creditors		354,873	350,492	365,723	356,572
Short-term creditors		<u>37,599</u>	<u>39,992</u>	<u>44,754</u>	<u>45,005</u>
Creditors, total		392,472	390,484	410,477	401,577
<i>Shareholders' equity and liabilities, total</i>		748,928	743,384	674,178	665,168

# Cash Flow Statement

€ 1,000

	Group		Parent company	
	1 Jan.–31 Dec.2001	1 Jan.–31 Dec.2000	1 Jan.–31 Dec.2001	1 Jan.–31 Dec.2000
<i>Cash flow from operating activities</i>				
Profit (loss) before exceptional items	17,643	15,819	12,181	14,603
Reconciliations:				
Depreciation according to plan	6,792	8,522	1,095	1,016
Other income and charges not involving payments	494	701	1,425	0
Financial income and charges	27,252	26,460	32,237	31,400
Other reconciliations	-1,945	-3,139	-1,738	-2,702
Cash flow before change in working capital	50,236	48,362	45,200	44,317
Change in working capital				
Increase (-)/decrease (+) in short-term zero-interest debtors	-372	1,700	614	1,118
Increase (-)/decrease (+) in short-term zero-interest creditors	419	-390	2,242	10,044
Cash flow from operating activities before financial items and taxes	50,283	49,672	48,056	55,480
Interest payable and similar financial charges arising from operating activities	-27,673	-27,082	-28,798	-36,103
Dividends receivable from operating activities	2	1	0	0
Interest receivable from operating activities	349	692	316	394
Direct taxes payable	-4,813	-7,299	-4,444	-6,970
Cash flow before exceptional items	18,148	15,983	15,130	12,802
Net cash flow from exceptional items in operating activities	0	141	0	0
<b>Cash flow from operating activities (A)</b>	<b>18,148</b>	<b>16,125</b>	<b>15,130</b>	<b>12,802</b>
<i>Cash flow from investing activities</i>				
Investments in tangible and intangible assets	-7,357	-62	-1,364	-351
Gains from divestments of tangible and intangible assets	41	87	37	65
Investments in other financial assets	-1,169	-3,075	-9,790	-9,415
Gains from divestment of other financial assets	8,999	10,171	11,454	11,233
Loans granted	0	0	-6,835	0
Repayment of loan receivables	7	172	349	2,141
Purchase of shares in subsidiary undertakings	-8,459	-5,851	0	0
Divestment of shares in subsidiary undertakings	2,386	1,412	0	0
Interest receivable on investments	30	28	3,729	2,686
Dividends receivable from investments	0	0	13	0
<b>Cash flow from investing activities (B)</b>	<b>-5,522</b>	<b>2,882</b>	<b>-2,407</b>	<b>6,360</b>
<i>Cash flow from financing activities</i>				
Purchase of own shares	0	-3,679	0	-3,679
Divestment of own shares	0	47	0	47
Increase in short-term loans	2,919	4,269	2,895	4,205
Increase in long-term loans	10,832	214	10,798	183
Repayment of long-term loans	-16,602	-20,886	-16,483	-20,822
Dividends payable and other distribution of profits	-8,226	-6,907	-8,226	-6,907
<b>Cash flow from financing activities (C)</b>	<b>-11,077</b>	<b>-26,943</b>	<b>-11,016</b>	<b>-26,974</b>
Change in liquid assets (a + b + c) increase (+) / decrease (-)	1,549	-7,937	1,707	-7,812
Liquid assets from merger of Kiinteistö-Kompassi Oy	0	0	21	0
Liquid assets from companies divested	-68	0	0	0
Liquid assets from companies acquired	4	0	0	0
Liquid assets at 1 January	4,285	12,221	2,301	10,113
Liquid assets at 31 December	5,770	4,285	3,987	2,301



# Accounting Policies

## *Property valuation*

Properties are valued on the basis of their estimated market value on acquisition. The market value is based on the expected long-term yield potential.

Property acquired before the start of 1998 is valued according to estimates made in 1992.

The acquisition cost of buildings is depreciated according to plan on a linear basis at 1 per cent a year. Should the acquisition cost include excess value as a result of the rent in the agreement significantly exceeding the market rent, this is depreciated in line with the prudence concept during the rental agreement if the potential value of the property concerned is considered as remaining below the acquisition cost during the tenancy period.

The depreciation plan in respect of buildings was changed from 1.5 per cent to 1 per cent at the beginning of 2001.

Repair costs are booked as incurred. The impact of the depreciation plan on group depreciation in 2001 was € 1.9 million.

## *Other fixed assets*

Other long-term expenditure includes costs capitalised in association with the acquisition of property assets, which are depreciated within three years,

and the capitalised costs of repairs to premises, which are depreciated during the validity of the rental agreement.

Machinery and equipment is depreciated over a period of 4 to 30 years. Machinery and equipment includes the technical equipment in buildings. Basic improvements and repairs to such equipment are treated as annual charges.

## *Basis of consolidation*

The consolidated accounts have been prepared in accordance with the purchase method under which the acquisition cost of shares in subsidiary undertakings in the parent company's fixed assets has been eliminated against shareholders' equity when the subsidiary was acquired. Acquisition costs are included in land and buildings up to their market value. Acquisition costs on buildings are depreciated on a linear basis at a rate of 1 per cent a year.

Intragroup transactions and the distribution of profit have been eliminated in the consolidated accounts.

Minority interests appear as a separate item in the consolidated shareholders' equity and results.

## *Associated undertakings*

Associated undertakings have been accounted for using the

equity method. The part of the acquisition cost exceeding the shareholders' equity is included in land and buildings up to their market value. Acquisition costs on buildings are depreciated on a linear basis at a rate of 1 per cent a year. Depreciation is shown as part of the associate's result together with the share of profit for the financial year.

## *Pension arrangements*

Employee pension cover has been arranged through statutory pension insurance.

## *Own shares*

Own shares are shown in financial assets under fixed assets and in the own share fund under shareholders' equity. The own share fund is non-distributable. Own shares have been subtracted from share capital and the number of shares when calculating the financial indicators.

## *Capital loan*

The capital loan appears as a separate item under shareholders' equity and has been treated as debt when calculating the financial indicators.

## *Taxes*

Taxes are shown on an accrual basis. The company has no deferred tax liabilities or assets arising from matching items.

# Notes to the Income Statement

€1,000

	Group		Parent company	
	2001	2000	2001	2000

## 1. Turnover

Turnover consists mainly of income derived from property rents and maintenance. Most of the turnover is generated by properties in the Helsinki Metropolitan Area.

Parent company includes payments made by group companies for building management and administration services. 114 15

Rents and maintenance charges	75,771	73,013	65,938	62,623
Gains from the divestment of fixed assets	<u>1,945</u>	<u>2,998</u>	<u>1,738</u>	<u>2,702</u>
Turnover, total	77,716	76,012	67,676	65,325

## 2. Other Income

Other operating income\*) 105 141 39 0

\*) Electricity income and VAT refunds

## 3. Materials and services

Raw materials and consumables				
Purchases during the financial year	16,486	14,386	1,377	1,263
External services	<u>790</u>	<u>807</u>	<u>790</u>	<u>808</u>
Materials and services, total	17,276	15,194	2,167	2,070

## 4. Employees

Employee numbers during the financial year 26 22 17 11

Staff costs				
Wages and salaries	1,579	1,405	1,227	957
Pension costs	257	211	195	146
Other social security costs	<u>144</u>	<u>135</u>	<u>117</u>	<u>91</u>
Staff costs, total	1,980	1,751	1,539	1,193

Staff costs include management salaries and emoluments:

Managing director	253	279	117	135
Board of Directors	<u>96</u>	<u>103</u>	<u>95</u>	<u>98</u>
Total	349	381	211	233

## 5. Depreciation according to plan

on intangible assets	450	384	450	371
on buildings	5,583	7,578	599	616
on machinery and equipment	<u>759</u>	<u>560</u>	<u>46</u>	<u>29</u>
Depreciation according to plan, total	6,792	8,522	1,095	1,016

Change in depreciation plan in 2001

Depreciation on buildings 1%	5,583
Calculated depreciation 1,5%	<u>7,486</u>
	-1,903

€1,000

	Group		Parent company	
	2001	2000	2001	2000

## 6. Rents and maintenance charges

The item in the parent company includes rents paid to group companies 10,965 8,485

## 7. Financial income and charges

Dividends receivable				
from group companies	0	0	68	66
from others	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>
Dividends receivable, total	2	1	68	66

Interest receivable from long-term financial assets

from group companies	0	0	7,935	5,643
from participating interests	6	10	6	10
from others	24	18	24	18

Interest receivable from long-term financial assets, total 30 28 7 965 5 671

Other interest receivable and similar income

from others	<u>389</u>	<u>565</u>	<u>381</u>	<u>424</u>
Other interest receivable and similar income, total	389	565	381	424

Interest receivable from long-term financial

assets and interest receivable and other similar income 420 594 8,415 6,161

Interest payable and similar charges

to group companies			13,008	10,542
to others	<u>27,673</u>	<u>27,054</u>	<u>27,644</u>	<u>27,019</u>
Interest payable and similar charges, total	27,673	27,054	40,651	37,561

Financial income and

charges, total -27,252 -26,460 -32,237 -31,400

## 8. Taxes

Taxes for the financial year 5,035 4,520 4,154 4,242

The tax used is the equivalent tax on the result.

## 9. Fixed assets

Fixed assets have been booked in the balance sheets at original acquisition cost less value adjustments made in 1992 and booked depreciation.

# Notes to the Balance Sheet

€ 1,000	Group		Parent company		€ 1,000	Group		Parent company	
	2001	2000	2001	2000		2001	2000	2001	2000
<b>Intangible assets</b>					<b>Tangible assets</b>				
<b>Intangible rights</b>					<b>Land</b>				
Acquisition cost at 1 Jan.	51	35	47	32	Acquisition cost at 1 Jan.	117,260	116,752	69	69
Increase, 1 Jan.–31 Dec.	138	15	138	15	Increase, 1 Jan.–31 Dec.	4,952	1,983	0	0
Transfer between items	0	0	0	0	Decrease, 1 Jan.–31 Dec.	-929	-1,302	0	0
Acquisition cost at 31 Dec.	188	51	184	47	Transfer between items	0	-172	0	0
Accumulated depreciation, 1 Jan.–31 Dec.	24	16	24	16	Acquisition cost at 31 Dec.	121,284	117,260	69	69
Depreciation for the financial year	21	9	21	8	<b>Buildings</b>				
Accumulated depreciation at 31 Dec.	45	24	45	24	Acquisition cost at 1 Jan.	493,527	491,881	19,364	19,364
Book value at 31 Dec.	143	27	139	23	Increase, 1 Jan.–31 Dec.	14,875	4,023	192	0
<b>Connection fees</b>					Decrease, 1 Jan.–31 Dec.	-3,530	-2,363	0	0
Acquisition cost at 1 Jan.	2,490	2,531	3	3	Transfer between items	464	-14	0	0
Increase, 1 Jan.–31 Dec.	14	107	0	0	Acquisition cost at 31 Dec.	505,336	493,527	19,556	19,364
Decrease, 1 Jan.–31 Dec.	-41	-3	0	0	Accumulated depreciation, 1 Jan.–31 Dec.	19,526	11,949	4,571	3,955
Transfer between items	0	-145	0	0	Depreciation for the financial year, 1 Jan.–31 Dec.	5,583	7,583	599	616
Book value at 31 Dec.	2,463	2,490	3	3	Accumulated depreciation on decrease	-41	-5	0	0
<b>Other long-term expenditure</b>					Accumulated depreciation at 31 Dec.	25,069	19,526	5,170	4,571
Acquisition cost at 1 Jan.	3,305	2,860	2,241	1,996	Accumulated value adjustments, 1 Jan.–31 Dec.	-757	-757	0	0
Increase, 1 Jan.–31 Dec.	881	247	881	244	Value adjustment for the financial year, 1 Jan.–31 Dec.	0	0	0	0
Decrease, 1 Jan.–31 Dec.	-17	0	-14	0	Accumulated value adjustments at 31 Dec.	-757	-757	0	0
Transfer between items	-8	198	0	0	Book value at 31 Dec.	479,510	473,244	14,386	14,793
Acquisition cost at 31 Dec.	4,162	3,305	3,108	2,241	<b>Machinery and equipment</b>				
Accumulated depreciation, 1 Jan.–31 Dec.	845	482	845	482	Acquisition cost at 1 Jan.	17,149	17,029	264	263
Depreciation for the financial year	429	363	428	363	Increase, 1 Jan.–31 Dec.	223	179	126	61
Accumulated depreciation on decrease	0	0	0	0	Decrease, 1 Jan.–31 Dec.	-78	-72	-48	-60
Accumulated depreciation at 31 Dec.	1,274	845	1,273	845	Transfer between items	-1	14	0	0
Book value at 31 Dec.	2,887	2,459	1,834	1,396	Acquisition cost at 31 Dec.	17,293	17,149	342	264
Intangible assets, total at 31 Dec.	5,494	4,976	1,977	1,422	Accumulated depreciation, 1 Jan.–31 Dec.	1,255	722	177	174
					Depreciation for the financial year, 1 Jan.–31 Dec.	765	560	50	29
					Accumulated depreciation on decrease	-37	-26	-35	-26
					Accumulated depreciation at 31 Dec.	1,983	1,255	192	177
					Book value at 31 Dec.	15,310	15,894	150	86

Machinery and equipment also includes the technical equipment inside the buildings.

# Notes to the Balance Sheet

€1,000	Group		Parent company		€1,000	Group		Parent company	
	2001	2000	2001	2000		2001	2000	2001	2000
<b>Other tangible assets</b>					<b>Shares in associated undertakings</b>				
Acquisition cost at 1 Jan.	401	282	9	9	Acquisition cost at 1 Jan.	95,736	97,668	95,738	97,670
Increase, 1 Jan.–31 Dec.	0	0	0	0	Increase, 1 Jan.–31 Dec.	867	2,776	867	2,776
Decrease, 1 Jan.–31 Dec.	0	-2	0	0	Decrease, 1 Jan.–31 Dec.	-4,732	-3,718	-4,732	-3,718
Transfer between items	8	121	0	0	Transfer between items	-1,244	-990	-1,244	-990
Acquisition cost at 31 Dec.	409	401	9	9	Acquisition cost at 31 Dec.	90,627	95,736	90,629	95,738
Accumulated depreciation, 1 Jan.–31 Dec.	32	19	0	0	Accumulated depreciation, 1 Jan.–31 Dec.	1,641	1,234	0	0
Depreciation for the financial year	0	13	0	0	Depreciation for the financial year, 1 Jan.–31 Dec.	450	723	0	0
Accumulated depreciation at 31 Dec.	32	32	0	0	Accumulated depreciation on decrease	-83	-316	0	0
Book value at 31 Dec.	378	370	9	9	Accumulated depreciation at 31 Dec.	2,008	1,641	0	0
<b>Advances on acquisitions</b>					<b>Own shares</b>				
Acquisition cost at 1 Jan.	0	21	0	0	Acquisition cost at 1 Jan.	3,642	1,037	3,642	1,037
Increase, 1 Jan.–31 Dec.	0	0	0	0	Increase, 1 Jan.–31 Dec.	310	3,679	310	3,679
Transfer between items	0	-21	0	0	Decrease, 1 Jan.–31 Dec.	0	-1,075	0	-1,075
Book value at 31 Dec.	0	0	0	0	Book value at 31 Dec.	3,951	3,642	3,951	3,642
<b>Work in progress</b>					<b>Other financial assets</b>				
Acquisition cost at 1 Jan.	468	0	4	0	<b>Shares in minority interests</b>				
Increase, 1 Jan.–31 Dec.	65	447	65	4	Acquisition cost at 1 Jan.	25,097	26,848	22,759	24,507
Decrease, 1 Jan.–31 Dec.	-4	0	-4	0	Increase, 1 Jan.–31 Dec.	303	2	259	2
Transfer between items	-464	21	0	0	Decrease, 1 Jan.–31 Dec.	-2,318	-2,740	-2,318	-2,740
Book value at 31 Dec.	65	468	65	4	Transfer between items	1,244	988	1,244	990
Tangible assets, total	616,547	607,236	14,679	14,961	Acquisition cost at 31 Dec.	24,325	25,097	21,943	22,759
<b>Financial assets</b>					<b>Loans receivable</b>				
<b>Shares in subsidiaries</b>					from subsidiaries				
Acquisition cost at 1 Jan.	0	0	409,618	376,199	from associated undertakings	42	50	42	50
Increase, 1 Jan.–31 Dec.	0	0	64,753	6,637	from others	0	0	0	0
Decrease, 1 Jan.–31 Dec.	0	0	-17,920	-1,385	Other financial assets, total at 31 Dec.	24,367	25,147	94,389	130,912
Transfer between items	0	0	0	28,167	Financial assets, total at 31 Dec.	116,938	122,883	644,923	639,412
Acquisition cost at 31 Dec.	0	0	456,450	409,618					
Accumulated depreciation, 1 Jan.–31 Dec.	0	0	-496	-496					
Depreciation for the financial year, 1 Jan.–31 Dec.	0	0	0	0					
Accumulated depreciation on decrease	0	0	0	0					
Accumulated depreciation at 31 Dec.	0	0	-496	-496					
Book value at 31 Dec.	0	0	455,954	409,121					

Owned by parent company	Registered office	Parent company holding, %	Owned by parent company	Registered office	Parent company holding, %
<b>10. Group companies</b>			Linjurin Kauppakeskus	Salo	88.50
Asolantien Liikekiinteistö	Vantaa	100.00	Mäntyvuoksi	Imatra	86.80
Eskolanmäki	Kouvola	100.00	Taivalalaisen Liiketalo	Suomussalmi	84.50
Forssan Hämeentie 3	Forssa	100.00	Lappeenrannan Brahenkatu	Lappeenranta	84.40
Hollolan Keskuspuoti	Hollola	100.00	Tikkurilan Kauppakeskus	Vantaa	83.90
Härmälän Markkinatalo	Tampere	100.00	Kuivasjärven Liikekeskus	Oulu	81.60
Iisalmen Kauppakatu 17	Iisalmi	100.00	K-Piste	Luumäki	80.60
Jyväskylän Kauppakatu	Jyväskylä	100.00	Ylihärmän Liiketalo	Ylihärkä	77.60
Kaarinan Liiketalo	Kaarina	100.00	Orimattilan Markkinatalo	Orimattila	77.30
Kanervatien Hallitalo	Laukaa	100.00	Lappeen Liikekeskus	Lappeenranta	75.27
Karjaan Ratakatu 59	Karjaa	100.00	Myyrmani	Vantaa	74.01
Keijutie 15	Lahti	100.00	Kuusamon Linja-autoasema	Kuusamo	69.70
Kirkkonummen Purokummuntie 2	Espoo	100.00	Tornion Kauppakatu	Tornio	68.10
Kotkan Keskuskatu 11	Kotka	100.00	Myyrämäen Kauppakeskus	Vantaa	67.80
Kuopion Kauppakatu 41	Kuopio	100.00	Haukiputaan Markkinatalo	Haukipudas	67.70
Kuusankosken Kauppakatu 7	Kuusankoski	100.00	Kirkkonummen Liikekeskus	Kirkkonummi	66.70
Kuvernöörintie 8	Helsinki	100.00	Espoontori	Espoo	66.64
Lahden Kauppakatu 13	Lahti	100.00	Välivainion Ostoskeskus	Oulu	66.00
Latokasken Ostoskeskus	Espoo	100.00	Eerolan Liikekeskus	Valkekoski	62.90
Lippulaiva	Espoo	100.00	Vantaan Säätötalo	Vantaa	61.24
Loviisan Ulrika	Loviisa	100.00	Kauppapiha	Iisalmi	61.15
Martinlaakson Kivivuorentie 4	Vantaa	100.00	Kivensilmänkuja	Helsinki	60.00
Martinlaaksontie 36	Vantaa	100.00	Ulappapaikoitus	Espoo	59.80
Minkkikuja 4	Vantaa	100.00	Saariportti	Kuopio	57.30
Naantalın Tullikatu	Naantali	100.00	Orimattilan Säätöpankkitalo	Orimattila	56.90
Nokian Välikatu 17	Nokia	100.00	Lahden Trio	Lahti	55.56
Oulun Galleria	Oulu	100.00	Väinölantammi	Pori	55.00
Pietarsaaren Liiketalo	Pietarsaari	100.00	Rajamäen Liikeristeys	Rajamäki	50.70
Porin Asema-aukio	Pori	100.00	Hollolan Keskuskatu	Hollola	50.30
Porin Isolinnankatu 18	Pori	100.00			
Porin IsoKarhu	Pori	100.00			
Rovaniemen Sampotalo	Rovaniemi	100.00			
Runeberginkatu 33	Porvoo	100.00			
Savonlinnan Tulliportinkatu 6-10	Savonlinna	100.00	Eneby	Lohja	48.70
Seinäjoen Varastotie	Seinäjoki	100.00	Espoon Louhenkulma	Espoo	49.93
Seinäjoen Teollisuustie	Seinäjoki	100.00	Espoon Pysäköintitalo	Espoo	27.28
Sinikalliontie	Espoo	100.00	Hakunilan Keskus	Vantaa	29.50
Säkylän Liiketalo	Säkylä	100.00	Heikintori	Espoo	43.11
Talvikkitie	Helsinki	100.00	Hervannan Liikekeskus	Tampere	41.20
Ulappatori	Espoo	100.00	Hrylän Ostoskeskus	Tuusula	20.70
Ultima	Helsinki	100.00	Kaarinan Kauppakeskus	Kaarina	26.20
Valkeakosken Apiankatu	Valkekoski	100.00	Kalajoen Linja-autoasema	Kalajoki	47.30
Vantaan Laajavuoreнкуja 2	Vantaa	100.00	Keravan Liikekeskus	Kerava	34.40
Varkauden K-Kauppakeskus	Varkaus	100.00	Kirkkonummen Liiketalo	Kirkkonummi	24.30
Wavulinintie	Helsinki	100.00	Koivukylän Liikekiinteistö	Vantaa	50.00
Veniamo-Invest	Helsinki	100.00	Kommila	Varkaus	43.40
Vaakalintu	Riihimäki	95.80	Kontulan Asemakeskus	Helsinki	33.50
Metsäpellon Liikekeskus	Lahti	91.30	Kärpäsen Ostoskeskus	Lahti	33.90

Associated undertakings	Registered office	Group holding, %	Parent company holding, %
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# Notes to the Balance Sheet

Associated undertakings	Registered office	Group holding, %	Parent company holding, %	€ 1,000			
				Group		Parent company	
				2001	2000	2001	2000
Laajasalon Liikekeskus	Helsinki	38.80	38.80	<b>11. Short-term debtors</b>			
Lauttasaaren Liikekeskus	Helsinki	23.60	23.60	Trade debtors			
Lentävä	Tampere	35.30	35.30	446	550	310	488
Länsi-Keskus	Espoo	41.36	41.36	Amounts owed by group companies			
Martinniilu	Vantaa	20.80	20.80	Other debtors			
Mastonkulma	Ylöjärvi	29.40	29.40	Prepayments and accrued income			
Multian Palvelukeskus	Multia	46.40	46.40	Total			
Myyrmäen Autopaikoitus	Vantaa	46.38	0.00	Amounts owed by participating interests			
Opiskelijankadun Liikekeskus	Tampere	43.20	43.20	Other debtors			
Otanien Liikekeskus	Espoo	39.22	39.22	110	2	106	2
Parikkalan Liiketalo	Parikkala	50.00	50.00	Prepayments and accrued income			
Petäjaveden Palv. keskus	Petäjävesi	49.02	49.02	2	0	0	0
Pihlajamäen Liiketalo	Helsinki	42.80	42.80	Total			
Pormestarinluodon kesk.	Pori	20.10	20.10	112	2	106	2
Puijonlaakson Palvelukeskus	Kuopio	31.30	31.30	Other debtors			
Pukinmäen Liikekeskus	Helsinki	43.92	43.92	2,344	1,677	2,095	1,128
Ristinummen Palvelukeskus	Vaasa	43.95	43.95	Prepayments and accrued income			
Salpausseläntie	Helsinki	31.30	31.30	1,276	1,775	1,030	1,491
Sibeliuksenkatu 14	Järvenpää	25.95	25.95	Short-term debtors			
Siltavoudintie	Helsinki	20.08	20.08	4,177	4,004	8,612	7,071
Solleftäätan	Uusikaarlepyy	34.77	34.77	Significant prepayments and accrued income			
Soukan Itäinentorni	Espoo	27.30	27.30	Interest cap premium			
Suvilahden Palvelukeskus	Vaasa	41.66	41.66	884	1,445	884	1,445
Tampereen Koskenranta	Tampere	49.34	49.34	<b>12. Shareholders' equity</b>			
Tapiolan Ostoskeskus	Espoo	29.20	29.20	Subscribed capital at 1 Jan.			
Tuiran Palvelukeskus	Oulu	40.00	40.00	142,324	142,324	142,324	142,324
Tulliherra	Kuopio	23.20	23.20	Subscribed capital at 31 Dec.			
Törnäväkulma	Seinäjoki	30.10	30.10	142,324	142,324	142,324	142,324
Valtakatu 5-7	Valkeakoski	31.00	31.00	Share premium account at 1 Jan.			
Varkauden Kauppakatu	Varkaus	46.10	46.10	28,253	28,247	28,253	28,247
Vihdin Linjatalo	Vihti	30.00	30.00	Gains on sale of own shares			
				0	6	0	6
				Share premium account			
				28,253	28,253	28,253	28,253
				Own shares fund at 1 Jan.			
				3,642	1,037	3,642	1,037
				Increase			
				310	3,639	310	3,679
				Decrease			
				0	-1,034	0	-1,075
				Own shares fund at 31 Dec.			
				3,951	3,642	3,951	3,642
				Other reserves at 1 Jan.			
				6,551	6,551	6,551	6,551
				Other reserves at 31 Dec.			
				6,551	6,551	6,551	6,551
				Retained profits/losses at 1 Jan.			
				12,652	11,925	14,368	14,553
				Dividends paid			
				-8,227	-6,907	-8,227	-6,907
				Transfer to own share fund			
				0	-3,639	0	-3,639
				Change in group structure			
				-14	-16		
				Retained earnings at 31 Dec.			
				4,412	1,364	6,141	4,007
				Profit for the financial year			
				at 31 Dec.			
				12,595	11,288	8,027	10,361
				Capital loan at 31 Dec.			
				68,452	68,452	68,452	68,452
				Shareholders' equity, total			
				at 31 Dec.			
				266,538	261,874	263,701	263,591

### 13. Capital loan 1/1999

The parent company has a capital loan of € 68,452,486.

#### Principal terms

- 1) In the event of the company being dissolved or becoming bankrupt, repayment of the loan ranks junior to the company's other debts.
- 2) The loan principal, with accrued interest to the repayment date, will be repaid in full in one instalment on 30 June 2009, provided repayment of the loan leaves full cover for the restricted equity and other restricted reserves in the adopted parent company and consolidated balance sheet for the most recent financial year ended.
- 3) Fixed interest at 7.38% p.a. will be paid on the loan principal until 30 June 2009. Interest will be paid annually in arrears on 30 June. Should the loan not be repaid in full on the maturity date at 30 June 2009, interest on the outstanding principal after this date shall be five (5) percentage units above the 12-month Euribor rate. Interest may be paid only if, according to the adopted parent company and consolidated balance sheet for the most recent financial year just ended, the amount payable is available for the distribution of profit.

The loan matures on 30 June 2009. The accrued interest at 31 December 2001 has been booked as a charge.

### 14. Creditors

€ 1,000	Group		Parent company	
	2001	2000	2001	2000
<b>Long-term creditors</b>				
Fixed interest loans	10,202	13,859	10,202	13,859
Agreed at fixed interest rate through swaps	198,412	198,412	198,412	198,412
Hedged by interest capping	132,512	132,512	132,512	132,512
Market-based loans linked to Euribor rates	<u>13,730</u>	<u>5,687</u>	<u>13,424</u>	<u>5,280</u>
	354,856	350,469	354,550	350,063
Long-term creditors				
Loans from financial institutions	354,856	350,469	354,550	350,063
Loans from group companies	0	0	11,173	6,509
Loans from others	17	22	0	0
Long-term creditors, total	354,873	350,492	365,723	356,572
<b>Creditors maturing in five years or more</b>				
Loans from financial institutions	339,903	284,855	339,861	284,806
Capital loan	<u>68,452</u>	<u>68,452</u>	<u>68,452</u>	<u>68,452</u>
	408,355	353,307	408,313	353,259

€ 1,000	Group		Parent company	
	2001	2000	2001	2000
<b>Short-term creditors</b>				
Loans from financial institutions	23,718	30,950	23,582	30,859
Advances received	461	324	380	201
Trade creditors	<u>833</u>	<u>704</u>	<u>413</u>	<u>419</u>
	25,013	31,979	24,375	31,479
Amounts owed to group companies				
Other creditors			11,180	6,798
Accruals and deferred income			<u>3</u>	<u>96</u>
			11,184	6,894
Amounts owed to participating interests				
Other creditors	13	0	0	0
Accruals and deferred income	<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>
	23	0	10	0
Other creditors	2,900	2,644	752	2,089
Accruals and deferred income	<u>9,662</u>	<u>5,369</u>	<u>8,433</u>	<u>4,542</u>
	12,563	8,013	9,185	6,631
Short-term creditors, total	37,598	39,992	44,754	45,005
Creditors, total	392,471	390,484	410,477	401,577
Significant accruals and deferred income				
Loan interest	3,527	4,088	3,511	4,057
Unpaid buying price	4,405	0	4,405	0
Tax liability	<u>696</u>	<u>176</u>	<u>0</u>	<u>0</u>
	8,628	4,264	7,916	4,057
<b>15. Contingent liabilities</b>				
<b>Contingent liabilities for group debts</b>				
Mortgages on land and buildings	395	639	0	0
<b>Contingent liabilities for parent company debts</b>				
Shares pledged (book value)	552,613	501,077	552,613	501,077
Other pledges given	1,663	514	1,663	38,514
Mortgages on land and buildings	15,147	15,147	15,147	15,147
Leasing commitments	695	686	680	638
Leasing commitments maturing during the next 12 months	241	177	238	145
VAT refund liabilities	2,459	1,205	643	451

# Notes to the Balance Sheet

€ 1,000	Group		Parent company		€ 1,000	31 Dec. 2001	31 Dec. 2000
	2001	2000	2001	2000			

## Liabilities arising from derivatives

Interest-rate derivatives				
Interest-rate swaps 1999 (5-year fixed interest)				
nominal value of underlying instrument	50,000	50,000	50,000	50,000
Interest-rate swaps 1999 (10-year fixed interest)				
nominal value of underlying instrument	66,000	66,000	66,000	66,000
Interest-rate swaps 1999 (11-year fixed interest)				
nominal value of underlying instrument	<u>82,412</u>	<u>82,412</u>	<u>82,412</u>	<u>82,412</u>
Interest rate swaps, total	198,412	198,412	198,412	198,412
Interest rate option 1998 and 1999 (5-year interest cap)				
nominal value of underlying instrument	132,512	132,512	132,512	132,512

Derivatives have been used to hedge the loan stock against rises in interest rates.

The company uses derivatives solely to reduce or eliminate risks in the balance sheet.

## 16. Pledges given

Debts for which mortgages given and shares pledged

Loans from financial institutions	378,527	381,339	378,133	380,922
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## 17. Other commitments

### Capital base

Under a commitment given to its backers, Citycon undertakes to maintain the group's equity ratio at above 40 per cent, the interest-rate fixing period should be at least 3.5 years and the interest margin should be at least 2.0 at the end of the 2002 financial year. The interest margin is calculated by dividing the operating margin by net financial charges. The capital loan and minority interests are included in core capital when calculating the capital base, subject to minority interests accounting for a maximum of 15 per cent of shareholders' equity, likewise subtracting the remaining minority interest from the balance sheet total. Calculated in this way, the group equity ratio was 43 per cent at 31 December 2001.

### Negative Pledge

The parent company and some group companies have given backers a negative pledge.

## 18. Own shares

Number of shares, 1,000	3,874	3,874
Total nominak value	5,212	5,212
Share of subscribed capital, %	3.7	3.7
Shares of votes, %	3.7	3.7
Consideration paid	4,676	4,676



# Five-year Financial Summary

€ 1,000	2001	2000	1999	1998	1997	
<b>Income statement</b>						
Turnover	77,716	76,012	55,562	25,680	6,291	
Other income	105	141				
Depreciation according to plan	6,792	8,522	6,649	3,619	1,828	
Operating profit	44,895	42,279	31,068	14,183	2,869	
Result before exceptional items and taxes	17,643	15,819	15,972	8,722	850	
Result before taxes	17,643	15,819	15,972	8,722	850	
Result for the financial year	12,595	11,288	10,689	7,091	829	
<b>Balance sheet</b>						
Fixed assets	738,980	735,095	741,989	348,646	85,732	
- of which are own shares	3,951	3,642	1,037			
Current assets	9,948	8,289	18,213	7,839	851	
Shareholders' equity and own shares	198,086	193,422	190,084	144,640	47,024	
Capital loan	68,452	68,452	68,452			
Minority interests	89,918	91,026	92,640	10,673		
Creditors	392,471	390,484	409,025	201,172	39,559	
Balance sheet total	748,928	743,384	760,202	356,485	86,583	
<b>Selected financial information</b>						
Return on equity (ROE), %	1), 2)	4.5	4.0	4.9	5.6	1.8
Return on investment (ROI), %	1)	6.1	5.8	6.2	6.2	3.4
Equity ratio, %	1)	38.2	38.0	37.2	43.6	54.3
Equity ratio, % (capital loan included in core capital)		47.3	47.2	46.2	43.6	
Equity ratio for bank, %		43.0	42.7			
Current ratio	1)	0.3	0.2	0.7	0.1	0.1
Gross fixed asset investments		21,794	9,739	327,588	304,348	3,020
as % of turnover		28.0	12.8	589.6	1,185.1	48.0
Employees, average		26	22	12	5	4

1) The formulae for the financial indicators are shown on page 42

2) Own shares have been subtracted from share capital and the number of shares when calculating the financial indicators

# Shares and Shareholders

## *Subscribed capital*

Kiinteistösjointus Oyj Citycon's subscribed capital is € 142,324,468.82 divided between 105,777,858 shares each having a nominal value of € 1.35. The company has one class of shares. Citycon's shares are in the book-entry securities system. Under the company's Articles of Association, Citycon's maximum authorised share capital is € 202,363,713.11. Citycon's shares are quoted on the Helsinki Exchanges. The trading code is CTY1S and a stock exchange lot is 1,000 shares.

## *Increases in subscribed capital*

When formed on 29 January 1988, the company had € 8,409,396.40 in subscribed capital distributed among 2,500,000 shares. Since then increases have been made as follows:

Payment date	Subscriber	Number of shares issued	Issue price €/share	Total number of shares	Subscribed capital, €
23.06.88	Helsingin Myyntitalo	750,000	3.36	3,250,000	10,932,215.21
30.07.88	Oy Terrasilvana Ab	750,000	3.36	4,000,000	13,455,034.11
19.08.88	Insurance Company Sampo Pension Ltd	250,000	3.36	4,250,000	14,295,973.74
19.08.88	PSP Pension Fund	250,000	3.36	4,500,000	15,136,913.38
19.08.88	Kupari&Uusitalo Invest Oy	500,000	3.36	5,000,000	16,818,792.64
07.10.88	General public	2,000,000	3.70	700,000	23,546,309.70
07.12.88	Team-Keskus Oy	800,000	3.87	7,800,000	26,237,316.52
17.04.89	New issue (4:1)	1,950,000	3.70	99,750,000	32,796,645.65
11.11.92	Decrease in accordance with a resolution made by an extraordinary general meeting. Decrease entered in the Trade Register on 23 December 1992		1.68	9,750,000	16,398,322.82
11.11.92	Kansallis-Osake-Pankki, Tukkukauppojen Oy and Ferenda Oy	23,330,000	1.68	30,080,000	50,590,928.27
10.03.98	Decrease and new issue in accordance with the resolution passed by the annual general meeting. Merita Real Estate Ltd, Center-Yhtiöt Oy, Kesko Corporation and Nova Life Insurance Company. Entered in the Trade Register on 11 March 1998	52,053,000	1.68	82,133,000	110,516,286.47
30.06.99	Increase through new issue in accordance with the resolution made by an extraordinary general meeting. Merita Real Estate Ltd, Kesko Corporation, Hämeenkyllän Kauppa Oy, Sampo Insurance Company Plc, Sampo Enterprise Insurance Company Ltd and Pohjola Life Assurance Company Ltd. Entered in the Trade Register on 2 July 1999	23,644,858	1.79	105,777,858	142,324,468.82

## *Analysis of shareholdings*

This analysis is based on information contained in the share register kept by the Finnish Central Securities Depository. At year-end 2001, 105,768,949 shares, equivalent to 99.9 per cent of the subscribed capital had been converted into book-entries (8,909 shares remained in physical form). According to the share register, at year-end 2001, Citycon had 837 owners. At year-end members of the Board of Directors owned 77,530 Citycon shares. The managing director owned no Citycon shares.

*Largest shareholders at 28 December 2001*

	Number of shares and votes	% of total
1. Nordea Bank Finland Plc	45,030,594	42.57
2. Sampo Life Insurance Company Ltd	13,677,071	12.93
3. Center-Yhtiöt Oy (Kesko)	12,761,000	12.06
4. Kesko Corporation	4,535,760	4.29
5. Etra-Invest Oy	2,909,500	2.75
6. Hämeenkylä Kauppa Oy (Kesko)	2,550,000	2.41
7. Suomi Insurance Company Ltd	2,284,100	2.16
8. Norvestia Plc	1,283,000	1.21
9. Sijoitusrahasto Conventum Finland Value	1,203,000	1.14
10. Polar Real Estate Corporation	1,009,091	0.95
11. Fortum Power and Heat	947,700	0.89
12. LEL Employment Pension Fund	750,000	0.71
13. Liikesivistysrahaston Kannatusyhdistys	750,000	0.71
14. Finnish Red Cross	725,000	0.68
15. Verdandi Pension Insurance Company	530,000	0.50
16. Oy Olympia Yhtiöt Ab	400,000	0.38
17. Fennia Life Insurance Company Ltd	400,000	0.38
18. Placeringsfonden Aktia Secura	333,000	0.31
19. Odin Finland	297,500	0.28
20. Veritas Life Insurance Company Ltd	275,000	0.26
Total	92,651,316	87.57
Others, total	13,126,542	12.43
Total	105,777,858	100.00

Citycon owns 3,874,000 of its own shares, equivalent to 3.7 per cent of the shares and votes. 3,911,459 Citycon shares, equivalent to 3.7 per cent of the shares and votes, are nominee registered.

*Shareholdings by owner group at 28 December 2001*

This list is based on information contained in the register kept by the Finnish Central Securities Depository.

	Owners	Number of shares and votes	% of total
Public sector corporations	1	947,700	0.89
Private corporations	98	31,321,931	29.62
Financial and insurance institutions	9	66,893,355	63.23
Public sector entities	3	1,300,000	1.23
Non profit-making organisations	10	1,931,855	1.83
Households and private individuals	728	3,031,608	2.87
Foreign	4	342,500	0.32
In joint accounts		8,909	0.01
Number of shares issued	853	105,777,858	100

# Shares and Shareholders

## *Size of shareholding*

Number of shares	Number of shareholders	% of total	Number of shares	% of total	Number of votes	% of total
1–1,000	441	51.46	192,555	0.18	192,555	0.18
1,001–5,000	226	26.37	645,281	0.61	645,281	0.61
5,001–10,000	73	8.52	592,163	0.56	592,163	0.56
10,001–50,000	72	8.4	1,789,144	1.69	1,789,144	2.72
50,001–100,000	16	1.87	1,092,000	1.03	1,092,000	
100,001–	29	3.38	101,457,806	95.92	101,457,806	95.92
Total	857	100	105,768,949	99.99	105,768,949	99.99
On waiting list			0	0.00	0	0.00
In joint accounts			8,909	0.01	8,909	0.01
Number of shares issued			105,777,858	100.00	105,777,858	100.00

## *Share trading*

A total of 4,652,941 Citycon shares were traded for € 4.68 million during 2001. The middle trading price weighted by the number of shares traded was € 1.01. During the year under review the lowest and highest trading prices were € 0.93 and € 1.07 respectively. The closing price at 28 December 2001 was € 1.02. The market capitalisation value at the balance sheet date was € 103,941,935.16.

## *Own shares*

By 31 December 2001, the company had purchased 3,874,000 of its own shares for a total of € 4,675,812.76 at prices ranging between € 1.10 and € 1.35. The number of shares purchased corresponded to 3.7 per cent of Citycon's share capital and votes.

## *Monthly share trading*

	Trading, €	Trading, no of shares	Middle price, €	Lowest price, €	Highest price, €
January	633,452.56	631,678	1.00	0.97	1.05
February	210,793.68	205,943	1.02	1.00	1.05
March	651,321.50	624,800	1.04	0.93	1.07
April	365,670.00	367,500	1.00	0.95	1.02
May	1,428,553.50	1,403,700	1.02	1.00	1.03
June	138,235.00	137,250	1.01	0.97	1.04
July	57,983.00	57,000	1.02	1.01	1.05
August	125,250.00	126,300	0.99	0.97	1.05
September	188,977.30	197,370	0.96	0.94	0.99
October	364,810.00	376,000	0.97	0.94	0.99
November	383,079.00	393,200	0.97	0.96	1.01
December	134,244.00	132,200	1.02	1.00	1.03

## *Annual share trading*

	Trading, €	Trading, no of shares	Middle price, €	Lowest price, €	Highest price, €
1998	55,563,802.50	30,878,903	1.80	1.09	2.32
1999	67,563,802.50	30,878,903	1.12	0.90	1.38
2000	17,271,162.77	15,602,561	1.11	0.92	1.35
2001	4,682,369.54	4,652,941	1.01	0.93	1.07

### Per share data

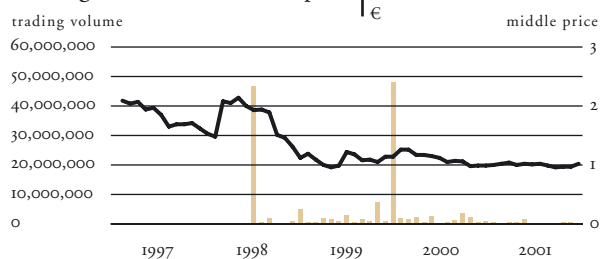
€		2001	2000	1999	1998	1997
EPS	1), 2)	0.12	0.11	0.11	0.10	0.03
Shareholders' equity per share	1), 2)	1.91	1.86	1.80	1.76	1.56
P/E ratio	1), 2)	8	9	10	13	54
Share performance, trading						
Lowest price		0.93	0.92	0.90	1.09	1.35
Highest price		1.07	1.35	1.38	2.32	2.39
Middle price	1)	1.01	1.11	1.12	1.80	2.04
Market capitalisation	1)	103,942	95,790	122,710	103,603	40,473
Share trading						
Shares traded, 1,000		4,653	15,603	59,902	30,879	458
as % of total shares		4.6	15.3	57.1	37.6	1.5
Adjusted average						
number of shares, 1,000		101,904	102,073	94,016	72,293	30,080
Adjusted number of shares						
at balance sheet date, 1,000		101,904	101,904	104,880	82,133	30,080
Own shares fund		3,951	3,642	1,037		
Own shares, 1,000		3,874	3,874	898		
Dividend per share	3)	0.08	0.08	0.07	0.06	
Dividend per earnings, %	1), 3)	64.7	73.0	59.2	60.2	
Effective dividend yield	1), 3)	7.84	8.59	5.75	4.67	

1) The formulae for the financial indicators are shown on page 42

2) Own shares have been subtracted from share capital and the number of shares when calculating the financial indicators

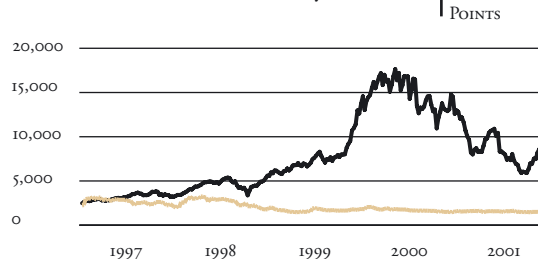
3) Board of Directors' recommendation

### Trading volume and middle price | €



■ Middle price  
■ Trading volume

### HEX All Share index and Citycon's share | POINTS



■ HEX All Share index  
■ HEX Index (Investment)

# Formulae for Financial Ratios

Return on equity (ROE), %	$\frac{\text{profit/loss before exceptional items - taxes}}{\text{shareholders' equity + minority interests (average for year)}} \times 100$
Return on investment (ROI), %	$\frac{\text{profit/loss before exceptional items and taxes + interest and other financial charges}}{\text{balance sheet total - zero-interest debts (average for year)}} \times 100$
Equity ratio, %	$\frac{\text{shareholders' equity + minority interests}}{\text{balance sheet total - advances received}} \times 100$
Current ratio	$\frac{\text{current assets + stock}}{\text{short-term creditors}}$
EPS	$\frac{\text{result before exceptional items - taxes +/- minority interest}}{\text{adjusted number of shares for the financial year}}$
Shareholders' equity per share	$\frac{\text{shareholders' equity}}{\text{adjusted number of shares at balance sheet date}}$
P/E ratio	$\frac{\text{middle closing price at balance sheet date}}{\text{earnings per share}}$
Middle price	$\frac{\text{value of shares traded in euro}}{\text{average number of shares traded}}$
Market capitalisation	number of shares at 31 Dec. x closing price for the financial year
Dividend per earnings, %	$\frac{\text{dividend per share}}{\text{EPS}} \times 100$
Effective dividend yield	$\frac{\text{dividend per share}}{\text{adjusted middle closing price at balance sheet date}} \times 100$

# Distribution of Profit and Auditors' Report

€	2001 Group	2001 Parent company
Other reserves	6,551,237.36	6,551,237.36
Retained earnings	4,411,333.38	6,141,313.52
Profit for the financial year	<u>12,594,915.19</u>	<u>8,027,284.17</u>
Distributable capital	23,557,485.93	20,719,835.05

The Board of Directors is to recommend to the annual general meeting that a dividend of € 0.08 per share be paid on shares outside the company and that the remainder be retained.

Signatories to the financial statement dated 31 December 2001  
Helsinki, 6 March 2002

Heikki Hyppönen	Juhani Järvi
Stig-Erik Bergström	Jorma Lehtonen
Carl G. Nordman	Juha Olkinuora
Olli-Pekka Mikkola	
Managing Director	

## *To the shareholders of Kiinteistösi joitus Oyj Citycon*

We have audited the accounting records, financial statements and the administration by the Board of Directors and Managing Director of Kiinteistösi joitus Oyj Citycon for the year ended 31 December 2001. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit, we express an opinion on these financial statements and on the company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The purpose of our audit of administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Finnish Accounting Act and with other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Finnish Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position.

The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the financial year audited by us. The proposal made by the Board of Directors on how to dispose of the profit is in compliance with the Finnish Companies Act.

Helsinki, 7 March 2002

Ari Ahti	Jaakko Nyman
Authorised Public Accountant	Authorised Public Accountant

# Corporate Governance



Members of Kiinteistösi joitus Oyj Citycon's Board of Directors from the left: Juha Olkinuora, Heikki Hyppönen, chairman, Juhani Järvi, deputy chairman, Jorma Lehtonen, Stig-Erik Bergström, Carl G. Nordman

Citycon complies with the recommendations for the corporate governance of public companies recommended by the Central Chamber of Commerce, the Confederation of Industry and Employers and the Helsinki Exchanges. Citycon has prepared a set of corporate governance guidelines that define the roles and areas of responsibility of the Board of Directors, the managing director and the Corporate Management Committee. Moreover, the Board of Directors is otherwise

committed to developing the company's corporate administration in the interests of Citycon's shareholders to generate added value for the capital invested.

## *Board of Directors*

### *Functions and responsibilities*

The functions and responsibilities of Citycon's Board of Directors are determined in accordance with the provisions of the Finnish Companies Act and other applicable legislation. Ultimate decision-making power is vested in the general meeting

of shareholders. The Board has overall responsibility for the management of the company and for the proper arrangement of its activities and acts in the interests of the company at all times.

To satisfy the requirements imposed on it, the company's Board of Directors approves the company's strategy, business objectives, the budget related thereto and the principles of risk management. The Board decides on the budget and interim financial statements and monitors the enforcement of plans and



the company's financial development. The Board supervises the effectiveness of the company's administration and financial reporting and decides on any changes warranted.

The Board is also responsible for ensuring that all shareholders are treated equally and that corporate communications comply with the principles of transparency. It determines the company's dividend policy and is also responsible for decisions in respect of the following:

- all investments and divestments over FIM 10 million
- appointing the managing director and members of the Corporate Management Committee
- major functional solutions such as actions in the capital market and in developing the property portfolio. The property portfolio is developed by concluding agreements on individual, large properties or complexes formed by numerous small properties in line with the company's strategy. The Board of Directors decides the preliminary agreements in respect of all such projects and authorises the managing director to sign the final agreements and deeds of sale and purchase.

#### *Election procedure*

Citycon's annual general meeting appoints between four and eight members to the Board of Directors. Persons appointed

to the Board are required to have an adequate understanding of the capital markets and property business. The Board elects a chairman and deputy chairman from among its members. Neither the chairman nor the deputy chairman may be the company's managing director. The term of office of the Board of Directors is the period between annual general meetings.

#### *Composition*

In 2001, the Board of Directors had six members. Heikki Hyppönen acted as chairman and Juhani Järvi as deputy chairman of the Board of Directors.

#### *Board meetings*

Citycon's Board of Directors meets as often as the chairman, any other Board member or the company's managing director sees fit. In 2001, the Board of Directors met 15 times. The Board is quorate when more than half its members are present.

When meeting, the Board of Directors receives an account of the company's financial performance, whereupon it decides on any actions warranted by it on the basis of proposals made by the managing director. Minutes are kept of decisions made at Board meetings.

#### *Wages and salaries*

The annual general meeting confirms the salaries and remuneration

paid to members of the Board of Directors. In 2001, in salaries and remuneration paid to the Board of Directors amounted to € 94,774.20. Board members have undertaken to use the annual fee paid to them, less statutory withholding tax and other statutory deductions, to purchase shares in the company. Board members may not convey or pledge shares acquired in this way before the following annual general meeting.

#### *Managing director and Corporate Management Committee*

The functions and responsibilities of Citycon's managing director are determined in accordance with the provisions of the Finnish Companies Act and other applicable legislation. Under these provisions, the managing director is responsible for the everyday running of the company in accordance with instructions issued by the Board of Directors. The managing director oversees the company's financial performance, prepares matters to be presented to the Board of Directors and is responsible for ensuring that the Board is fully informed of the company's situation and business environment. Additionally, the managing director is responsible for ensuring the adequacy of human resources. He also serves as the company's outside representative.

The managing director is assisted by the company's Corporate Management Committee. Meeting once a week, Citycon's CMC is a forum for discussion and minutes are kept of the meetings. Besides the managing director, CMC members include the commercial director, the financial director and the financial manager. At CMC meetings, each member brings up the matters he or she considers is important. These talks ensure matters are sufficiently supervised.

#### *Risk management*

Citycon's Board of Directors and management keep a constant track of business risks, paying particular attention to financing and customer risk management. Other risk areas regularly examined include information systems function, maintenance and backup. Risks are monitored to enable us to take advance precautions and manage any impacts of such risks.

To manage its financing risks, Citycon has decided to comply with a financing policy aimed at ensuring a steady, continuous cash flow. This has been effected by investing cash assets as securely and liquidly as possible, by managing interest risks through various interest instruments and by keeping receivables and liabilities in controlled balance. The company takes no currency risks.

Risks relating to customer relationships are managed by renting only to customers with profitable business and good credit rating and by closely monitoring tenants' payment patterns. Monitoring is largely automated so as ensure speed and avoid human errors.

#### *Supervision system*

Under the provisions of the Finnish Companies Act, ultimate responsibility for the arranging the supervision of book-keeping and asset management is vested in the Board of Directors. The auditors appointed by the annual general meeting are responsible for the company's statutory audit.

The company's auditors were authorised public accountants Ari Ahti and Jaakko Nyman, with authorised public accountants KPMG Wideri Oy Ab as deputy auditors.

The Audit Committee of Citycon's Board of Directors meeting with the auditors at least once a year. The Audit Committee comprises the auditors and the full Board of Directors.

The auditors provide Citycon shareholders with the statutory auditors' report at the company's annual general meeting. The auditors also report to Citycon's managing director at least four times a year.

#### *Insider holding*

Citycon keeps a list of insider holdings in the Finnish Central Security Depository's SIRE system. Citycon complies with the insider holding instructions issued by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. In addition to the insiders defined by law, also the company's managing director's deputy is a member of the company's inner circle.

#### *Incentive schemes*

Citycon has a long-term incentive scheme based on warrants for its employees and an annual bonus scheme. These are supervised by the Compensation Committee, which comprises the chairman of the Board of Directors, a Board member and the managing director. The Compensation Committee is responsible for drafting the bases for the bonus and incentive schemes for consideration by the Board of Directors.

#### *Warrant programme*

The extraordinary general meeting in November 1999 authorised the Board of Directors to issue a total of 5,500,000 warrants to group employees and to the company's subsidiary. These warrants can be exercised to subscribe a total of 5,500,000

Citycon shares. The warrants were issued free of charge.

Each warrant entitles the holder to subscribe one (1) Citycon share having a nominal value of € 1.35. Under the warrant programme, the company's share capital may be increased by a maximum of 5,500,000 new shares or € 7.4 million. The subscription period in respect of all warrants expires on 30 September 2007. Holders of warrants forfeit their subscription right if their employment relationship ends before the start of the subscription period.

#### *Bonus scheme*

In addition to warrant programmes, the company also has an annual bonus scheme for its employees. The Compensation Committee decides the annual bonus payable to the managing director. The managing director is not present when the matter is considered. The key criteria affecting bonus payments are overall group performance, the development of areas of responsibility and tenant satisfaction.

#### *Board of Directors*

HEIKKI HYPPÖNEN, 56  
Chairman since 2001  
MSc (Econ & Bus Adm)  
Senior Vice President,  
Nordea  
Citycon shares, 36,666

JUHANI JÄRVI, 49  
Deputy chairman since 2001  
MSc (Econ & Bus Adm)  
Executive Vice President, CFO  
Kesko Corporation  
Citycon shares, 4,249

STIG-ERIK BERGSTRÖM, 60  
Board member since 2000  
DSc (Econ & Bus Adm)  
Deputy managing director,  
Stockmann Plc until 2001  
Citycon shares, 9,371

CARL G. NORDMAN, 62  
Board member since 1999  
Counsellor of Industry (Hon),  
MSc (Eng)  
Managing director, Oy Aga Ab  
until 2000  
Citycon shares, 8,212

JORMA LEHTONEN, 44  
Board member since 1998  
Director, real estate, MSc (Eng)  
Sampo  
Citycon shares, 7,772

JUHA OLKINUORA, 49  
Board member since 1999  
Head of Unit, MSc (Eng)  
Nordea  
Citycon shares, 11,260

#### *Auditors*

The company's auditors were authorised public accountants Ari Ahti and Jaakko Nyman, with authorised public accountants KPMG Wideri Oy Ab as deputy auditors.

#### *Management and administration*

OLLI-PEKKA MIKKOLA, 51  
Managing director, LL.M.  
Managing director since 1995  
Citycon shares, –

ARI KARHU, 40  
Financial director since 1999,  
MSc (Econ & Bus Adm)  
Citycon shares, –

HENRIK WINBERG, 43  
Commercial director and  
managing director's deputy  
since 2000  
MSc SocSc  
Citycon shares, –

MERJA TUOMI, 46  
Financial manager since 1994,  
business college diploma  
Citycon shares, –

# Properties at 31 December 2001

Property known as	Street address	Postcode	Location	Year of completion/ refurbishment	Holding in company	Surface area owned	Number of tenants	Classification
<b>Helsinki Metropolitan Area</b>								
• Espoon Louhenkulma Koy	Louhentie 2	02130	Espoo	1963	49%	880	2	Shops
• Espoon Toimistotalo Oy	Kirkkojärventie 6	02770	Espoo	1979	12%	887	1	Shops
• Espoontori	Kamreerintie 3	02770	Espoo	1988	67%	8,604	41	SC
• Hakarinne 4	Hakarinne 4	02120	Espoo	1985	56%	379	1	Shops
• Heikintori Oy	Heikintori	02100	Espoo	1968	48%	4,079	18	SC
• Karakallion Ostoskeskus Oy	Karakalliontie 10	02620	Espoo	1967	8%	165	1	Misc
• Latokasken Ostoskeskus	Kaskipiha 1	02340	Espoo	1983	100%	809	6	Shops
• Lippulaiva	Espoonlahdenkatu 4	02320	Espoo	1993	100%	17,732	31	SC
• Länsi-Keskus CM	Pihatörmä 1	02210	Espoo	1989	41%	8,535	1	SM
• Otaniemen Liikekeskus Oy	Otakaari 11	02150	Espoo	1969	39%	336	1	Shops
• Soukan Itäinentorni As.Oy	Soukantie 16	02360	Espoo	1972	27%	1,547	1	Shops
• Tapiolan Ostoskeskus Oy	Tapiontori	02100	Espoo	1961	29%	1,192	2	Shops
• Ulappatori	Ulappakatu 1	02320	Espoo	1991	100%	5,258	30	SC
• Vexi	Sinikalliontie 1	02630	Espoo	1964/92	100%	15,956	13	SM
• Alppilan-Aho As. Oy	Aleksis Kiven katu 48	00510	Helsinki	1962/95	3%	576	2	Shops
• Helsingin Autotalo Oy	Salomonkatu 17	00100	Helsinki	1958	9%	1,380	3	Misc
• Helsingin Uudenmaan- katu 16–20 Koy	Uudenmaankatu 16–20	00120	Helsinki	1967/97	5%	469	1	Shops
• Helsingin Viljatie 6 As. Oy	Malmniraitti 11	00700	Helsinki	1962	10%	315	1	Shops
• Hopeakartano As. Oy	Malminkartanon- aukio 4	00410	Helsinki	1982	16%	623	2	Misc
• Kannelmäen ostoskeskus Oy	Vanhaistentie 1	00420	Helsinki	1959	8%	287	1	Shops
• Kauppalantie 20 As. Oy	Kauppalantie 20	00320	Helsinki	1960	29%	229	1	Shops
• Kivensilmänkuja 1 Koy	Kivensilmänkuja 1	00920	Helsinki	1988	60%	885	1	Shops
• Kolsarintie 2 Koy	Kolsarintie 2	00390	Helsinki	1984	20%	242	1	Misc
• Kontulan Ostoskeskus Oy	Ostostie 4	00940	Helsinki	1967/87	9%	741	1	Shops
• Kontumarket	Keinulaudankuja 4	00940	Helsinki	1988	34%	4,332	1	SM
• Kuvernöörintie 8	Kuvernöörintie 8	00840	Helsinki	1982	100%	359	3	Shops
• Laajasalon Liikekeskus Oy	Yliskyläntie 3	00840	Helsinki	1972/95	39%	1,699	1	Shops
• Lauttasaaren Liikekeskus Oy	Lauttasaarentie 28–30	00200	Helsinki	1970/95	24%	1,464	1	Shops
• Malmintorin Koy	Malmn Kauppatie 18	00700	Helsinki	1987	8%	1,014	1	Shops
• Munkkiniemen puistotie 17 As. Oy	Munkkiniemen puistotie 17	00330	Helsinki	1959	5%	148	1	Shops
• Myllypuron Ostoskeskus Oy	Kiviparintie 2	00920	Helsinki	1966	20%	1,137	1	Shops
• Pihlajamäen liiketalo Oy	Meripihkantie 1	00710	Helsinki	1970	43%	1,610	2	Shops
• Pihlajamäen ostoskeskus Oy	Meripihkantie 3	00710	Helsinki	1963	13%	249	2	Shops
• Porthaninhovi As. Oy	Porthaninkatu 11	00530	Helsinki	1961	11%	317	1	Shops
• Pukinmäen Liikekeskus Oy	Eskolantie 2	00720	Helsinki	1968	44%	629	1	Shops
• Runeberginkatu 30 As. Oy	Runeberginkatu 30	00100	Helsinki	1926	3%	137	1	Shops
• Salpausseläntie 11 Koy	Salpausseläntie 11	00710	Helsinki	1973	31%	592	1	Shops
• Saturnus Koy	Kalevankatu 12	00100	Helsinki	1967	17%	1,073	3	Shops
• Siltakeskus Oy	Jousimiehentie 3	00740	Helsinki	1970	19%	750	1	Misc
• Siltavoudintie 3 As. Oy	Siltavoudintie 3	00640	Helsinki	1963	21%	204	1	Shops
• Töölönhovi As. Oy	Runeberginkatu 57	00260	Helsinki	1935/94	8%	139	1	Shops
• Töölönkulma As. Oy	Töölönkatu 29	00260	Helsinki	1935/90	13%	341	3	Shops
• Wavulinintie 1 Koy	Wavulinintie 1	00210	Helsinki	1950/92	100%	2,794	15	Others
• Viiskulma As. Oy	Laivurinkatu 43	00150	Helsinki	1927	3%	196	1	Shops
• Vuosaaren liikekeskus Oy	Mustalahdentie 4	00960	Helsinki	1965	11%	369	3	Shops
• Vuosaaren Ostoskeskus Oy	Vuosaarentie 8	00980	Helsinki	1967	25%	967	1	Misc

Property known as	Street address	Postcode	Location	Year of completion/refurbishment	Holding in company	Surface area owned	Number of tenants	Classification
• Ylä-Malmintori 3 Koy	Ylä-Malmintori 3	00700	Helsinki	1989	10%	300	1	Shops
• Asolantien Liikekiinteistö Oy	Asolanväylä 50	01360	Vantaa	1986	100%	1,881	1	Shops
• Hakopolun Liikekiinteistöt Oy	Hakopolku 2	01360	Vantaa	1981	10%	410	2	Misc
• Hakucenter Koy	Laukkarinne 6	01200	Vantaa	1986	19%	772	4	Shops
• Hakunilan Keskus Oy	Laukkarinne 4	01200	Vantaa	1982	30%	2,154	4	Shops
• Isomyyri	Liesitori 1	01600	Vantaa	1987	68%	10,000	10	SC
• Kaivoskaupat Koy	Kaivosvoudintie	01610	Vantaa	1965	19%	202	1	Shops
• Koivukylän Liikekiinteistöt Oy	Rautkallinonkatu 3	01360	Vantaa	1975	50%	888	2	Misc
• Korson SM	Minkkikuja 4	01450	Vantaa	1989	100%	2,724	1	Shops
• Martinlaakson Kivivuorentie 4 Koy	Kivivuorentie 4	01620	Vantaa	1976	100%	3,783	23	Shops
• Martinlaakson SM	Laajavuorenkuja 2	01620	Vantaa	1976	100%	1,926	1	Shops
• Martinmiilu Koy	Laajaniityntie 3	01620	Vantaa	1988	21%	1,309	2	Shops
• Myyrinpuro As.Oy	Virtatie 9	01600	Vantaa	1972	4%	275	3	Misc
• Myyrmanni	Iskoskuja 3	01600	Vantaa	1994	74%	30,5860	9	SC
• Tikkuri	Asematie 4-10	01300	Vantaa	1984/91	84%	10,802	40	SC
• Tikkurilan Anttila	Talvikkitie 7-9	01300	Vantaa	1989	100%	11,200	1	SM
• Tikkurilan Kauppatalo Oy	Peltolantie 2	01300	Vantaa	1969	2%	141	1	Misc
• Ultima, tontti	Äyritie 1	01510	Vantaa		100%	0		Misc
• Vantaan Säästötalokoy	Kielotie 20	01300	Vantaa	1983	61%	3,866	19	Shops

#### Municipalities surrounding the Helsinki Metropolitan Area (MHA 2):

• Uudenmaankatu 2 Koy	Uudenmaankatu 2	05800	Hyvinkää	1960	14%	564	4	Misc
• Järvenpään Torinkulma As. Oy	Helsingintie 13	04400	Järvenpää	1983	10%	250	2	Shops
• Sibeliuksenkatu 14 Koy	Sibeliuksenkatu 14	04400	Järvenpää	1983	26%	892	2	Shops
• Irjanpirtti As. Oy	Aleksis Kiventie 14	04200	Kerava	1988	13%	208	1	Shops
• Keravan Liikekeskus Oy	Kauppakaari 8	04200	Kerava	1968	34%	1,113	3	Shops
• Hannunhelmi	Purokummuntie 2	02400	Kirkkonummi	1988	100%	868	1	Shops
• Kirkkonummen Kirkkotalli Koy	Kirkkotallintie 2	02400	Kirkkonummi	1981	16%	168	1	Shops
• Kirkkonummen Liiketalo Koy	Kirkkotallintie 4	02400	Kirkkonummi	1981	24%	376	4	Shops
• Kirkkonummen SM	Asematie 3	02400	Kirkkonummi	1991	67%	5,000	1	SM
• Rajamäen Liikeristeyks Koy	Kiljavantie 1	05200	Rajamäki	1976/92	51%	674	1	Misc
• Hyrylän Ostoskeskus	Koskenmäentie 4	04300	Tuusula	1983	21%	597	5	Shops

#### Turku, Tampere, Lahti, Jyväskylä, Oulu ja Kuopio:

• Haukiputaan Markkinatalo Oy	Kirkkotie 1	90830	Haukipudas	1978	68%	854	1	Shops
• Hollolan keskuskatu Koy	Keskuskatu 4	15870	Hollola	1989	50%	1,349	10	Shops
• Hollolan Keskuspuoti Koy	Kauppakuja 4	15870	Hollola	1987	100%	1,838	14	Shops
• Syppis As. Oy	Rakentajantie 8	15870	Hollola	1981	6%	121	1	Misc
• Jyväskeskus	Kauppakatu 31	40100	Jyväskylä	1955/93	100%	8,129	46	SC
• Tawastinkulma Koy	Kauppakatu 33	40100	Jyväskylä	1970	5%	510	1	Shops
• Kaarinnan Kauppakeskus Koy	Puntarinkatu 3	20780	Kaarina	1988	26%	325	2	Shops
• Kaarinnan Liiketalo	Oskarinkatu 5	20780	Kaarina	1979/82	100%	9,185	9	Shops
• Kuopion Anttila	Kauppakatu 41	70100	Kuopio		100%	11,125	16	SM

# Properties at 31 December 2001

Property known as	Street address	Postcode	Location	Year of completion/ refurbishment	Holding in company	Surface area owned	Number of tenants	Classification
• Kuopion Kauppakatu 13 As. Oy	Kauppakatu 13	70100	Kuopio	1927	7%	126	1	Misc
• Kuopion Neulasoppi As. Oy	Juontotie 6	70150	Kuopio	1986	8%	201	3	Misc
• Puijonlaakson Palvelukeskus Koy	Sammakkolammentie 6	70200	Kuopio	1971	31%	1,412	1	Shops
• Saariportti Koy	Kullervonkatu 14	70500	Kuopio	1972	57%	384	1	Misc
• Tulliherra As. Oy	Tulliportinkatu 23-25	70100	Kuopio	1982	23%	733	1	Shops
• Keijutie 15 Koy	Keijutie 15	15700	Lahti	1975	100%	7,116	1	Shops
• Kärpäsen Ostoskeskus Oy	Satulakatu 13	15830	Lahti	1975	34%	636	1	Shops
• Lahden Paavolan CM	Kauppakatu 13	15140	Lahti	1971	100%	8,577	1	SM
• Lahden Seudun Maakuntatalo Oy	Hämeenkatu 9	15110	Lahti	1964	13%	367	1	Shops
• Lahden Trio Koy	Aleksanterinkatu 20	15140	Lahti	1977/87	56%	32,143	72	SC
• Metsäpellon Liikekeskus Oy	Heinlammintie 29	15210	Lahti	1970	91%	674	1	Shops
• Kanervatien Hallitalo Oy	Laukaantie 25	41340	Laukaa	1986	100%	2,802	1	Shops
• Naantalin Tullikatu 16 Koy	Tullikatu 16	21100	Naantali	1985	100%	3,010	5	Shops
• Välikatu 17-Nokia	Välikatu 17	37100	Nokia	1965/90	100%	868	5	Shops
• Orimattilan Markkinatalo	Erkontie 3	16300	Orimattila	1983	77%	3,410	1	Shops
• Orimattilan Säästöpankkitalo Koy	Erkontie 15	16300	Orimattila	1981	57%	2,603	5	Misc
• Kuivasjärven Liikekeskus Oy	Kuovintie 7	90540	Oulu	1983	82%	565	1	Shops
• Oulun Galleria Koy	Isokatu 23	90100	Oulu	1987	100%	4,227	24	SC
• Tuirran Palvelukeskus Koy	Tuurantie 14	90500	Oulu	1982	40%	813	1	Shops
• Välivainion Ostoskeskus Koy	Siirtolantie 10	90530	Oulu	1966/84	66%	520	1	Misc
• Hervannan Liikekeskus Oy	Insinöörikatu 23	33720	Tampere	1979	41%	2,749	2	Shops
• Härmälän Markkinatalo Oy	Nuolialantie 40	33900	Tampere	1977	100%	1,820	1	Misc
• Jankan Liikekeskus Koy	Ristinarkuntie 20	33700	Tampere	1989	18%	201	1	Shops
• Koskikeskus	Hatanpäänvaltatie 1	33100	Tampere	1988/95	46%	8,114	10	SC
• Lentävä Koy	Männistökuja 2	33410	Tampere	1972/76	35%	855	1	Misc
• Nekalan Rakentajatalo	Viinikankatu 36	33800	Tampere	1987	20%	490	2	Shops
• Opiskelijankadun Liikekeskus Koy	Opiskelijankatu 1	33720	Tampere	1981	43%	331	3	Misc
• Kaivokolmio As. Oy	Hämeenkatu 5	20500	Turku	1973	15%	579	1	Shops
• Käsiyöimestari As.Oy	Yliopistonk. 30 A	20100	Turku	1982	10%	385	1	Shops
• Puutorinkulma As. Oy	Maariankatu 1	20100	Turku	1956	3%	417	1	Shops
• Mastonkulma Koy	Soppeentie 2	33470	Ylöjärvi	1978/89	29%	688	5	Shops
Muut paikkakunnat:								
• Hämeentie 3	Hämeentie 3	31100	Forssa	1978	100%	4,406	2	Misc
• Kauppakatu 17, Iisalmi	Kauppakatu 17	74100	Iisalmi	1962	100%	1,955	11	Misc
• Kauppapiha Koy	Kauppakatu 15	74100	Iisalmi	1972	60%	1,600	5	Misc
• Imatran keskusasema Koy	Koskikatu 1	55120	Imatra	1977	9%	315	1	Misc
• Mäntyvuoksi Koy	Vuoksenniskantie	55800	Imatra	1974	87%	1,268	1	Misc
• Kalajoen Linja- autoasema Koy	Kalajoentie 1	85100	Kalajoki	1976	47%	1,126	1	Misc
• Karhulantie 32-34 Koy	Karhulantie 32-34	48600	Karhula	1965	18%	384	1	Misc
• Karjaan SM	Ratakatu 59	10320	Karjaa	1993	100%	3,046	1	Shops
• Karkkilan Linja-autoasema	Huhdintie 10-12	03600	Karkkila	1989	8%	289	1	Shops

Property known as	Street address	Postcode	Location	Year of completion/ refurbishment	Holding in company	Surface area owned	Number of tenants	Classification
• Kemin City-kulma Oy	Kauppakatu 9-11	94100	Kemi	1973	17%	773	1	Misc
• Kotkan SM	Keskuskatu 11	48100	Kotka	1976	100%	4,242	1	Shops
• Karakeskus Koy	Valtakatu 30	45100	Kouvola	1988	3%	359	1	Misc
• Kouvolan Eskolanmäki	Tasankotie 13	45150	Kouvola	1975	100%	1,476	1	Shops
• Kuusamon Linja- autoasema Oy	Keskuskatu 3	93600	Kuusamo	1983	70%	1,620	1	Misc
• Kuusankosken SM	Kauppakatu 7	45700	Kuusankoski	1980	100%	2,028	1	Shops
• Iso-Kristiina	Brahenkatu 7	53100	Lappeenranta	1987/93	85%	10,693	15	SC
• Loviisan Ulrika Koy	Kuningattarenkatu 9	07900	Loviisa	1988	100%	1,881	12	Shops
• Multian Palvelukeskus Oy	Keskustie 33	42600	Multia	1982	46%	496	1	Misc
• Parikkalan Liiketalo Oy	Parikkalantie 29	59100	Parikkala	1970	50%	478	1	Misc
• Petäjäveden Palvelukeskus Oy	Asematie	41900	Petäjävesi	1980	49%	628	1	Misc
• Pietarsaaren liiketalo	Raatihuoneenkatu 11	68600	Pietarsaari	1967	100%	4,487	4	Misc
• IsoKarhu	Yrjönkatu 16	28100	Pori	1972/01	100%	11,537	31	SC
• Porin Anttila	Isolinnankatu 18	28100	Pori	1986	100%	6,806	1	SM
• Porin Asema-Aukio ja CM	Satakunnankatu 23	28130	Pori	1957/93	100%	18,986	17	SM
• Pormestarinluodon Keskus Koy	Alahangantie 1	28190	Pori	1971/80	20%	595	1	Misc
• Väinöläntammi Koy	Joukahaisentie 8	28330	Pori	1979	55%	600	1	Misc
• Porvoon CM	Runeberginkatu 33	06100	Porvoo	1988	100%	6,255	1	SM
• Riihimäen Foorumi	Keskuskatu 15	11100	Riihimäki	1980	96%	6,608	1	SM
• Rovaniemen Sampokeskus	Rovakatu 28	96100	Rovaniemi	1990	100%	11,769	43	SC
• Salon Anttila	Vilhonkatu 14	24100	Salo	1993	89%	9,920	1	SM
• Savonlinnan CM	Tulliportinkatu 8-10	57100	Savonlinna	1967/96	100%	11,071	1	SM
• Seinäjoen Varasto-ja teollisuustie	Teollisuustie 10	60100	Seinäjoki	1964/85	100%	13,165	7	Misc
• Törnävänkulma As. Oy	Törnäväntie 2	60200	Seinäjoki	1967/95	30%	208	1	Misc
• Taivalalasan Liiketalo Oy	Jäniksenpolku 10	89800	Suomussalmi	1979	85%	568	0	Misc
• Säskylän Liiketalo Oy	Pyhäjärventie	27800	Säskylä	1969/99	100%	976	1	Shops
• K-Piste Koy	Linnalantie 45	54500	Taavetti	1974	81%	881	1	Misc
• Tornion Kauppakatu Koy	Kauppakatu 11	95400	Tornio	1983	68%	1,169	8	Misc
• Sollefteågatan 9 Fastighets Ab	Sollefteåkatu 9	66900	Uusikaarlepyy	1979	35%	712	1	Misc
• Kauppapuistikko 32 As. Oy	Kauppapuistikko 32	65100	Vaasa	1969	9%	196	1	Shops
• Ristinummen Palvelu- keskus Oy	Kappelinmäentie 8	65370	Vaasa	1978	44%	981	1	Shops
• Suvilahden Palvelukeskus Oy	Teirinkatu 6	65350	Vaasa	1976	42%	650	2	Misc
• Eerolan Liikekeskus Oy	Eerolantie 9	37630	Valkeakoski	1980	63%	820	1	Misc
• Valkeakosken SM	Apiankatu 6	37600	Valkeakoski	1982	100%	4,006	1	SM
• Valtakatu 5-7 Koy	Valtakatu 5-7	37600	Valkeakoski	1938/92	31%	502	2	Shops
• Kommila Koy	Savontie 42	78900	Varkaus	1974	43%	702	1	Misc
• Varkauden CM	Relanderinkatu 28-34	78200	Varkaus	1990	100%	8,145	1	SM
• Varkauden Kauppa- katu 40 Koy	Kauppakatu 40	78200	Varkaus	1974	46%	1,362	4	Misc
• Vihdin Linjatalo Oy	Linjakuja 3	03400	Vihti	1978	30%	817	2	Shops
• Eneby KOy	Virkkalantie 13	08700	Virkkala	1985	49%	964	1	Misc
• Ylihärän Liiketalo Oy	Leinosentie	62375	Ylihärnä	1978	78%	551	1	Misc

## Shareholder Information

### Annual general meeting

Kiinteistösjointus Oyj Citycon's annual general meeting is to be held in Kansallissali, Aleksanterinkatu 44, Helsinki at 10 am on Tuesday 26 March.

Shareholders should give notification of their intention to attend the annual general meeting by 3 pm on Friday 22 March 2002.

Shareholders registered by 16 March 2002 in the company's share register kept by the Finnish Central Securities Depository are eligible to attend the meeting.

### Dividend

The Board of Directors is to recommend to the annual general meeting that a dividend of € 0.08 per share be paid for 2001 on all shares outside the company's ownership. The dividend approved by the meeting will be paid to shareholders on the company's share register kept by the Finnish Central Securities Depository at the record date 3 April 2002. The Board of Directors is to recommend to the meeting that the dividend be paid out after the end of the record period on 10 April 2002.

### Changes of name and address

Any changes of name and address should be notified to the book-entry securities register where the book-entry account is registered.

### Interim reviews

Citycon will publish the following interim reviews in 2002

Jan–Mar 2002                    on 25 April 2002

Jan–Jun 2002                   on 29 August 2002

Jan–Sept 2002                on 24 October 2002

The annual report and interim reports are published in Finnish and English. Annual reports are printed in paper format and interim reviews are published in electronic format on Citycon's website at [www.citycon.fi](http://www.citycon.fi). Copies of the annual report and interim reviews may be ordered from [raija.rinneingberg@citycon.fi](mailto:raija.rinneingberg@citycon.fi), by phone on +358 9 680 36720 or by telefax on +358 9 680 36788

### Banks and stockbrokers tracking Citycon's business

The following banks and stockbrokers have announced that they make investment analyses relating to Citycon's business:

Aktia Securities

Gyllenberg Asset Management

Alfred Berg Finland

Handelsbanken Markets

Conventum Securities

Mandatum Stockbrokers

Crédit Agricole Indosuez Cheuvreux

Morgan Stanley Investment Management Limited

Enskilda Securities

Nordea Securities

Evli Bank

Opstock Investment Banking

FIM Securities







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