

Audiocast presentation

Q1/2014 Results

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2014
Q1

CITYCON



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Highlights Q1/2014

Steady financial performance

Continued focus on cost control

Challenging retail environment

Developments progressing

Strengthened management team



Nasdaq, New York

Steady financial performance

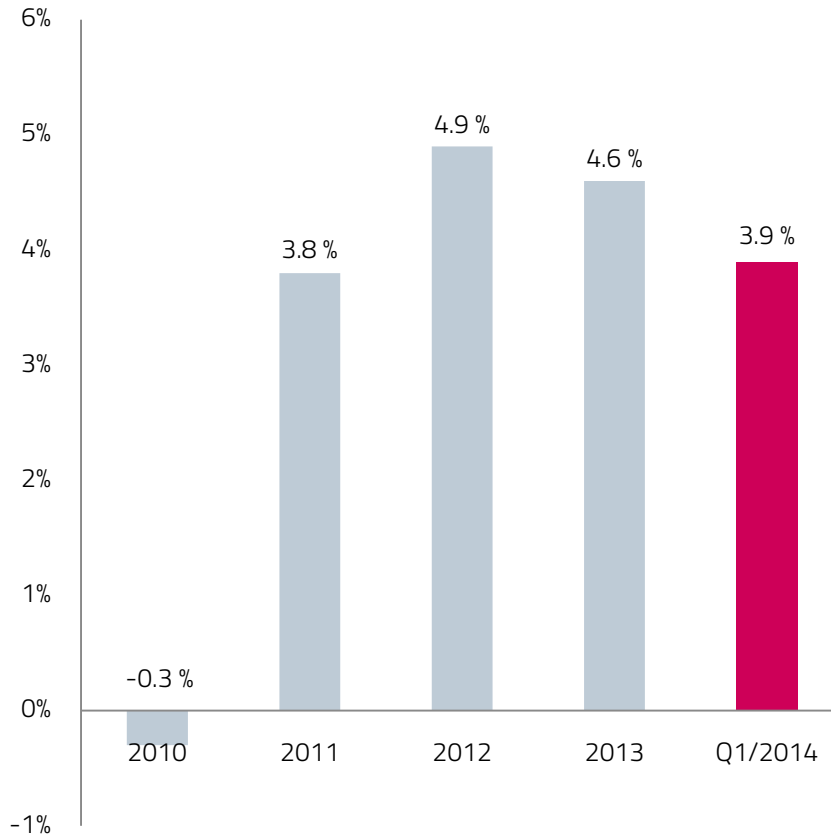
EUR million	Q1/2014	Q1/2013	Change-%	Q4/2013	2013
Net rental income	40.7	40.4	0.8%	41.9	168.9
Administrative expenses	5.1	5.3	-4.6%	5.5	20.6
EPRA Operating profit	36.1	35.4	1.9%	36.5	149.1
Net financial income & expenses	-13.7	-16.4	-16.7%	-15.1	-90.1
EPRA Earnings	22.3	19.7	13.4%	22.1	86.7
EPRA Earnings per share (basic)	0.051	0.052	-3.2%	0.050	0.204

- Like-for-like net rental income growth: 3.9%
- EPRA EPS close to last years level incl. full impact of rights issue (Q1/2013)
- Fair value gains of EUR 11.9 million (EUR 24.8 million incl. Kista Galleria)
- Kista Galleria performance according to expectations. Year on year result affected by the weaker Swedish krona and temporary vacancy due to refurbishments

Steady financial performance

Strong LFL NRI development

LFL net rental income growth



- Continued strong like-for-like net rental income growth in low inflation environment
 - Shopping centres: 4.3%
 - Supermarkets & shops: 1.4%
- Growth in all regions
 - Finland: 4.4%
 - Sweden: 1.5%
 - Baltic Countries & New Business: n.a. (several projects ongoing)

Steady financial performance

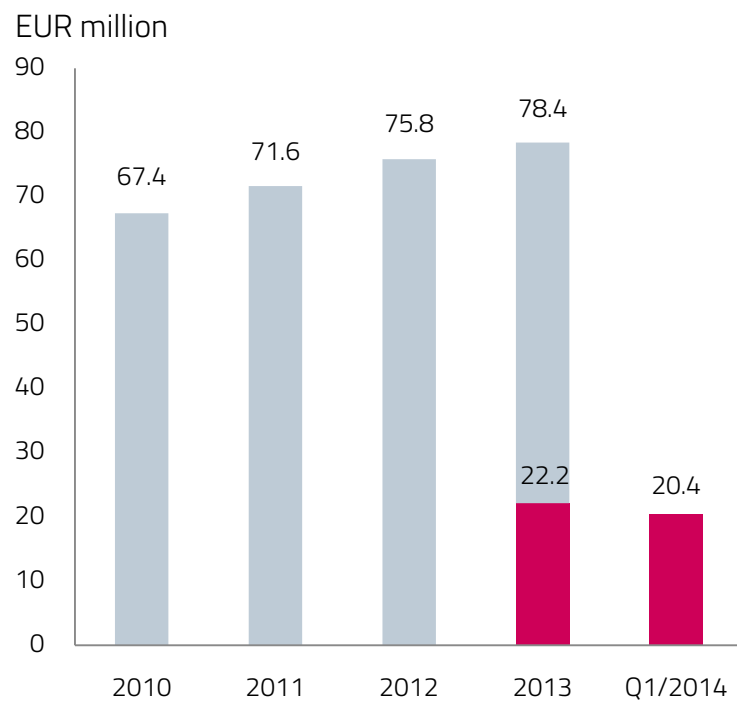
All leasing indicators stable

	Q1/2014	Q1/2013	Q4/2013
Occupancy rate (economic), %	95.5%	95.0%	95.7%
LFL occupancy rate (economic), %	94.9%	94.7%	95.2%
Occupancy cost ratio, % (LFL shopping centres)	8.7%	8.7%	8.7%
Average rent, EUR/sq.m./mth	21.7	21.3	21.5

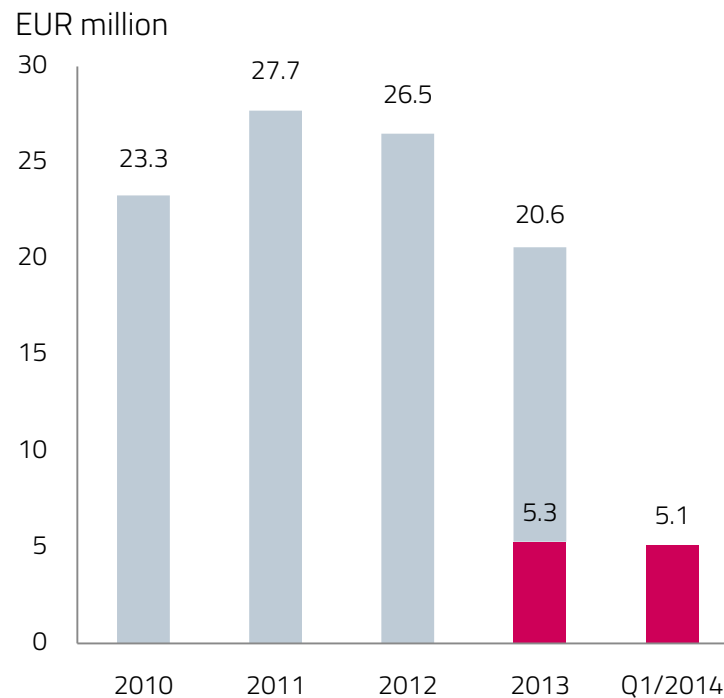
- Occupancy rate at stable level
- Average rent increase of 1.9% year on year, though under pressure in Finland
- Continued modest occupancy cost ratio

Continued focus on cost control

Property operating expenses

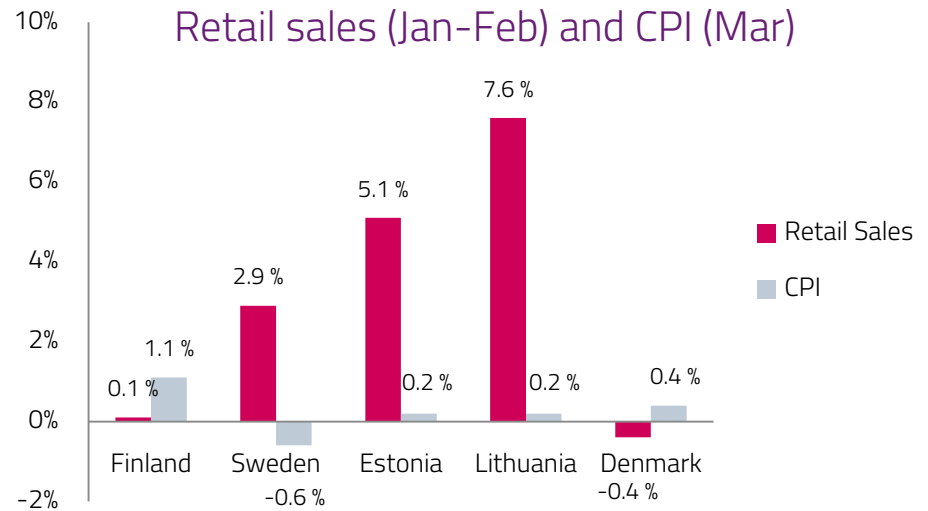


Administrative expenses



Challenging retail environment especially in Finland

- Finland
 - Modest GDP forecast
 - Consumers hold back on spending
- Sweden
 - Stronger economic fundamentals drive retail spending
- Baltics
 - Steady retail outlook



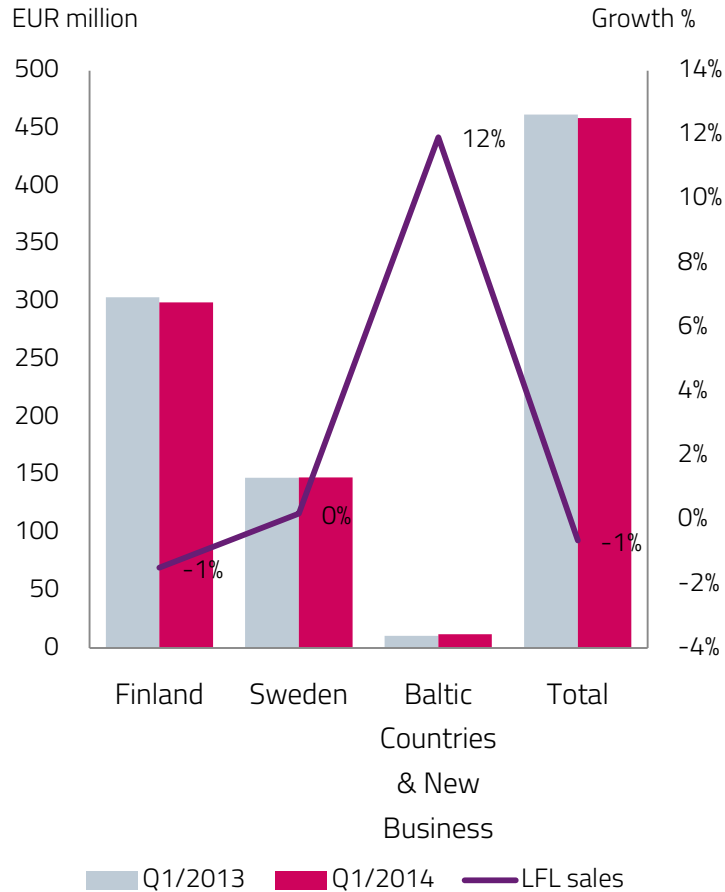
GDP growth estimates

	2014	2015
Finland	0.2%	1.3%
Sweden	2.5%	3.3%
Estonia	2.3%	3.6%
Lithuania	3.5%	3.9%
Denmark	1.7%	1.8%

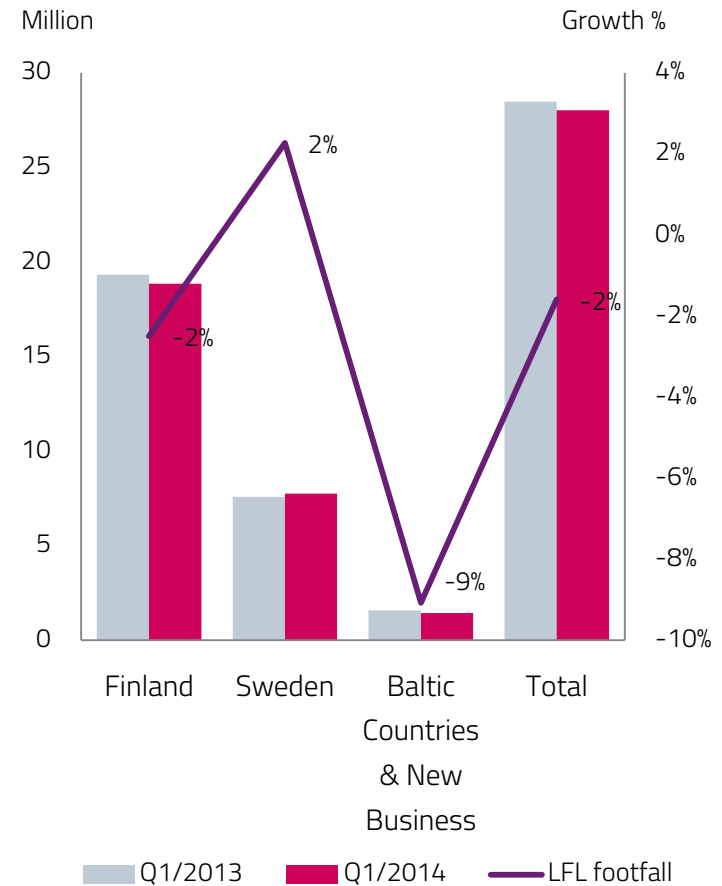
Sources: Statistics Finland/Sweden/Estonia/
Lithuania /Denmark, European Commission

Challenging retail environment LFL sales and footfall slightly down

LFL shopping centre sales



LFL shopping centre footfall



Developments progressing

	Area before/ after, sq.m.	Citycon's expected investment need, EUR m	Actual investments by 31.3.2014, EUR m	Expected yield on completion when stabilised, %	Pre-leasing rate, %	Completion target
Iso Omena	63,300 90,000	88.0	16.3	6.5-7.0	40%	Q3/2016
Iso Kristiina	22,400 34,000	54.0	20.3	7.6	70%	Q4/2015
Stenungs Torg	36,400 41,400	18.0	3.2	7.5	67%	Q3/2015
Kista Galleria	94,200 94,600	5.0	3.3	-	100%	Q4/2014

Development pipeline

4 projects planned ≥ 2015

	Estimated project area/additional sq.m.	Citycon's expected investment need, EUR m	Target for project initiation/completion	
Kista Galleria	6,000/ 500	6	2014/2015	The plans include a facelift to the north part of the shopping centre with new entrance, additional leisure and restaurant offering as well as extension of the current food court.
Myyrmanni	26,600/ 16,600	55	2014/2016	Extension possibility of the shopping centre on two sides. Hypermarket and residential units are under planning to be built in connection to the centre.
Tumba Centrum	7,000- 10,000	34	2015/2016	Extension project combined with a new bus terminal. Negotiations related to zoning ongoing with the Municipality.
Lippulaiva	36,000/ 23,000	50-70	2015/2017	Extension possibility of the shopping centre. Zoning process ongoing due to the plans to extend the western metro line and build a new bus terminal next to Lippulaiva. Plans include a new library, cultural services and hypermarket.

Development pipeline

Kista Galleria is being upgraded



Digital library – ongoing

- Refurbishment and extension project including a new a 2,400 sq.m. digital library
- Joint investment with the City of Stockholm.
- Total investment approx. EUR 10 million.

Food court and North Entrance (re)development project started in April

- Facelift to the north part with new entrance, additional leisure and restaurant offering as well as extension of the current food court.
- Total investment approx. EUR 12 million



Strengthened management team

More focus on successful leasing



- **Jurn Hoeksema** was appointed Chief Operating Officer and a member of the management team as of June 2014.
- Jurn Hoeksema has broad international experience in the shopping centre business.
- **Harri Holmström**, current COO, has been appointed to a new role of Chief Commercial Officer.

Summary of Q1/2014 and going forward

Slower growth expectations for 2014 reflected in the outlook

Q1/2014: Solid LFL performance, positively impacted by lower costs

Ongoing (re)developments support further earnings and NAV growth as of 2015-2016



FINANCIAL FIGURES

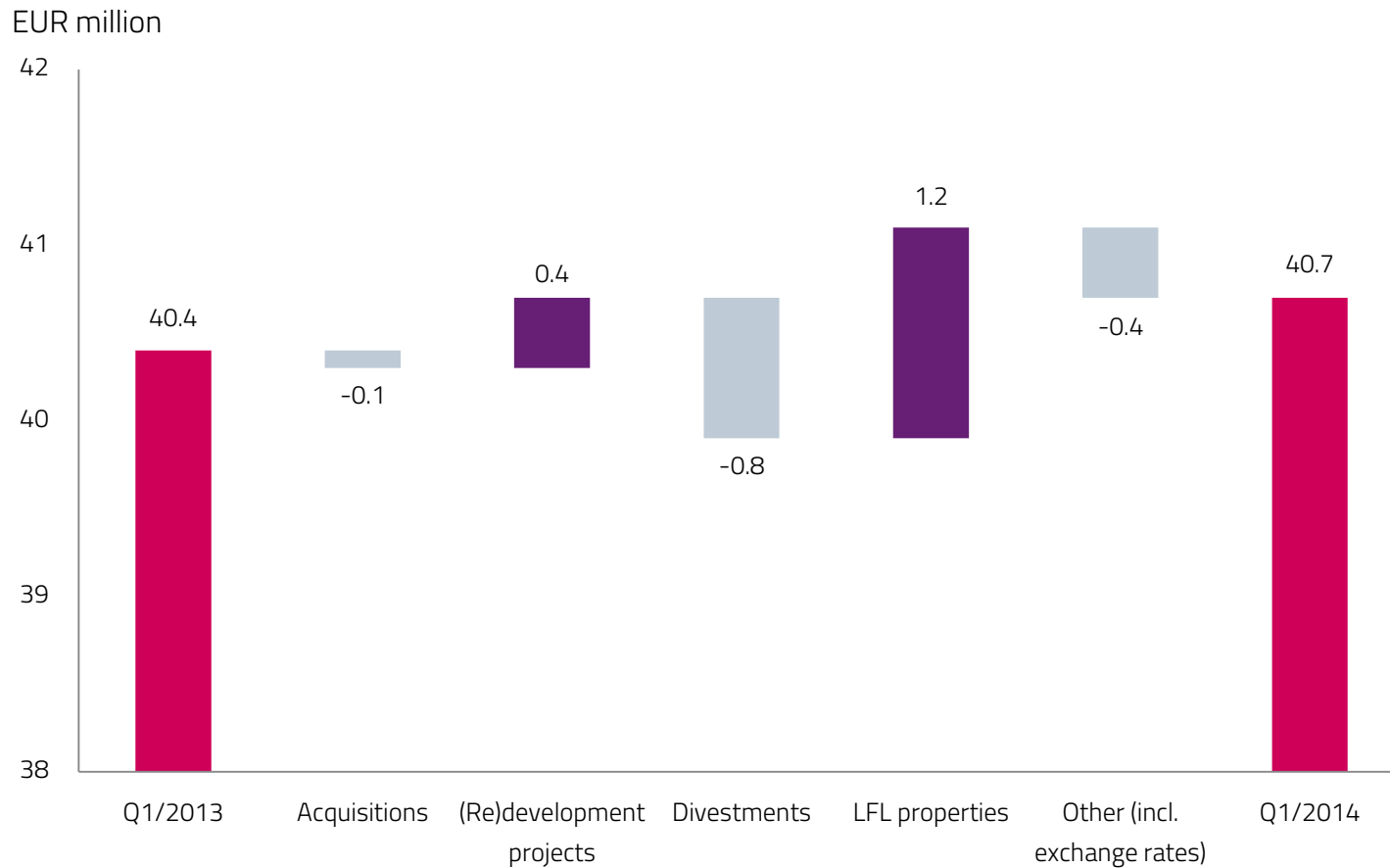


Financial results

	Q1/2014	Q1/2013	Q1/2014 incl. Kista	2013
Net rental income, total	40.7	40.4	48.1	168.9
NRI, Finland	24.4	24.2	24.4	103.5
NRI, Sweden	9.2	9.7	16.7	39.7
NRI, Baltic Countries & New Business	7.0	6.4	7.0	25.6
EPRA Operating Profit	36.1	35.4	43.1	149.1
EPRA Earnings	22.3	19.7	22.3	86.7
EPRA EPS (basic)	0.051	0.052	0.051	0.204

- In Q1/2014 Kista Galleria contributed to the IFRS based profit for the period by approx. EUR 8.8 million.

NRI development



Income statement

	Q1/2014	Q1/2013	Change-%	2013
Turnover	61.3	62.9	-2.5%	248.6
Property operating expenses	20.4	22.2	-8.3%	78.4
Other expenses from leasing operations	0.2	0.3	-17.6%	1.3
Net rental income	40.7	40.4	0.8%	168.9
Administrative expenses	5.1	5.3	-4.6%	20.6
Other operating income and expenses	0.4	0.3	31.0%	0.9
Net fair value gains/losses on investment property	11.9	11.8	1.1%	26.1
Net gains/losses on sale of investment property	0.2	-0.4	-	0.8
Operating profit	48.2	46.7	3.0%	176.0
Net financial income and expenses	-13.7	-16.4	-16.7%	-90.1
Share of profit/loss of jointly controlled entities	6.8	1.1	530.4%	4.1
Profit/loss before taxes	41.3	31.4	31.5%	90.1
Profit/loss for the period	38.8	28.1	38.1%	100.0

Balance sheet

	31 Mar 2014	31 Dec 2013
Investment properties	2,744.3	2,733.5
Total non-current assets	2,923.9	2,898.6
Total current assets	42.6	74.5
Total assets	2,972.2	2,975.4
Total shareholder's equity	1,309.8	1,340.6
Total liabilities	1,662.4	1,634.7
Total liabilities and shareholders' equity	2,972.2	2,975.4

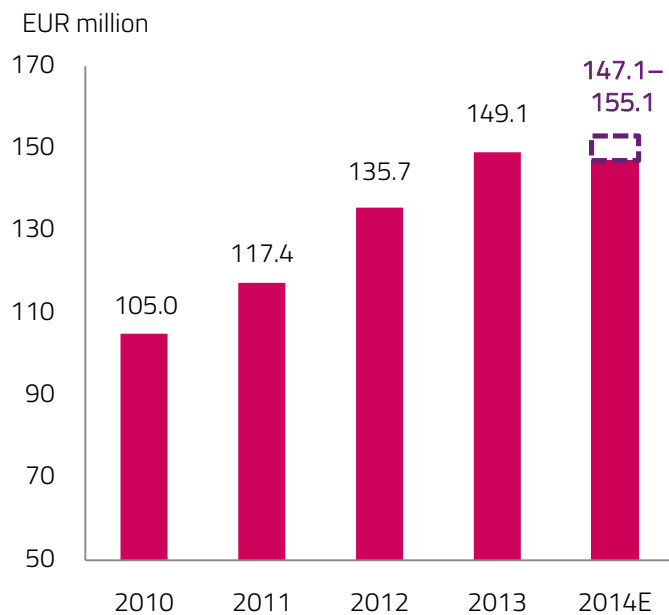
	31 Mar 2014	31 Dec 2013
EPRA NAV per share, EUR	3.03	3.10
EPRA NNNNAV per share, EUR	2.74	2.90
Net yield requirement, %	6.2%	6.3%

Property portfolio

	Q1/2014	Q1/2013	Change-%	Q4/2013
Occupancy rate (economic), %	95.5	95.0	-	95.7
Average rent, EUR/sq.m.	21.7	21.3	1.9%	21.5
# of leases started	144	167	-13.8%	163
Total area of leases started, sq.m.	30,696	35,387	-15.4%	52,697
Average rent of leases started, EUR/sq.m.	18.9	20.7	-9.2%	17.5
# of leases ended	204	250	-18.4%	458
Total area of leases ended, sq.m.	37,282	55,151	-32.4%	66,260
Average rent of leases ended, EUR/sq.m.	22.5	18.6	21.0%	18.3

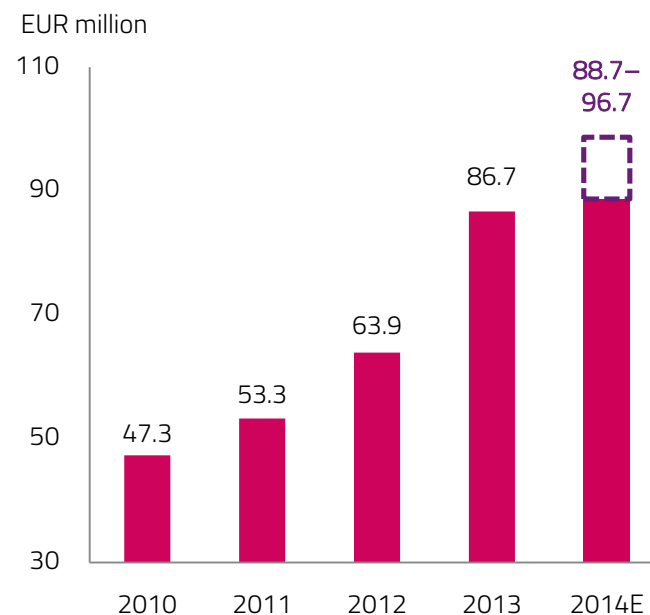
Outlook 2014

EPRA Operating profit



■ EPRA Operating profit □ Outlook Range

EPRA Earnings



■ EPRA Earnings □ Outlook Range

- Company guidance 2014:
 - Turnover to change by EUR -1 to 7 million
 - EPRA Operating profit to change by EUR -2 to 6 million
 - EPRA Earnings to increase by EUR 2 to 10 million
 - EPRA EPS (basic) to be EUR 0.20–0.22

FINANCING OVERVIEW



Key financing figures

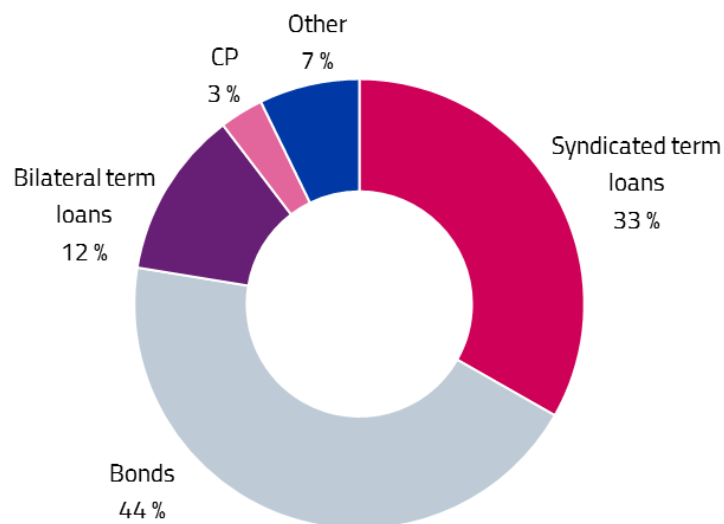
	Q1/2014	Q1/2013	Q4/2013
Interest bearing debt, fair value, EUR million	1,491.8	1,585.9	1,471.3
Available liquidity, EUR million	414.2	335.1	435.4
Average loan maturity, years	3.8	3.0	4.1
Average fixing period, years	3.6	3.2	3.9
Hedging ratio, %	82.1	87.4	83.4
Weighted average interest rate, % ¹⁾	4.03	4.20	4.12
YTD average interest rate, % ¹⁾	4.08	4.11	4.06
Loan to Value (LTV), %	50.3	49.0	49.3
Financial covenant: Equity ratio (32.5%)	44.1	42.6	45.2
Financial covenant: ICR (>1.8)	2.5	2.1	2.4

- Weighted average interest rate decreased versus Q4/2013 due to the issuance of EUR 47 million of commercial papers at the end of the period.
- Citycon changed the reporting of LTV in the period by including also 'Investments in joint ventures' in the investment properties. LTV increased slightly mainly due to the dividend payment in Q1 (in 2013 paid in Q2).

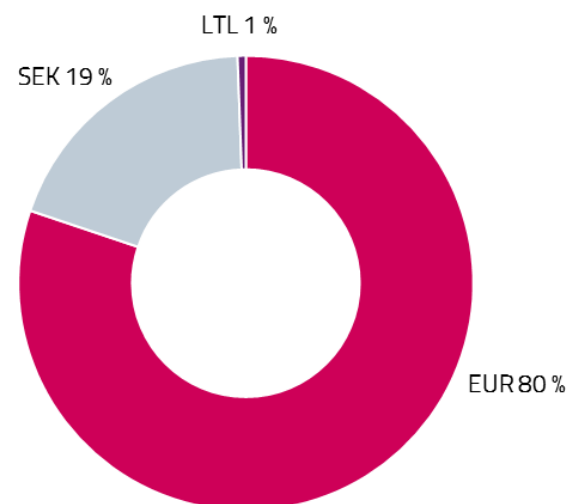
1) Including interest rate swaps

Debt type and currency split

Breakdown by debt type ¹⁾



Breakdown by currency ¹⁾

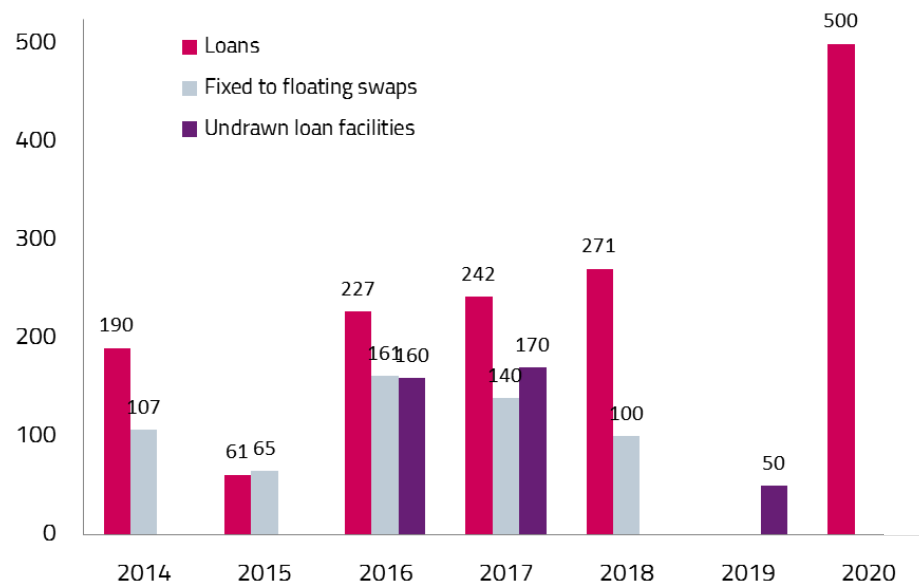


- Well diversified debt sources following the EUR 500 million Eurobond issue in Q2/2013 - bonds accounting for 44% of total outstanding debt.
- EUR 500 million Eurobond issue has shifted the currency breakdown more towards EUR.

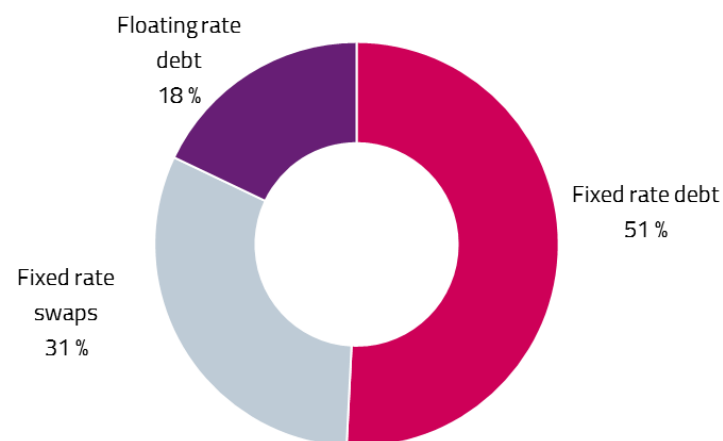
1) Calculated based on fair value of interest bearing debt

Debt maturities and interest risk hedging

Maturity profile of loans and derivatives



Interest bearing debt by fixing type ¹⁾



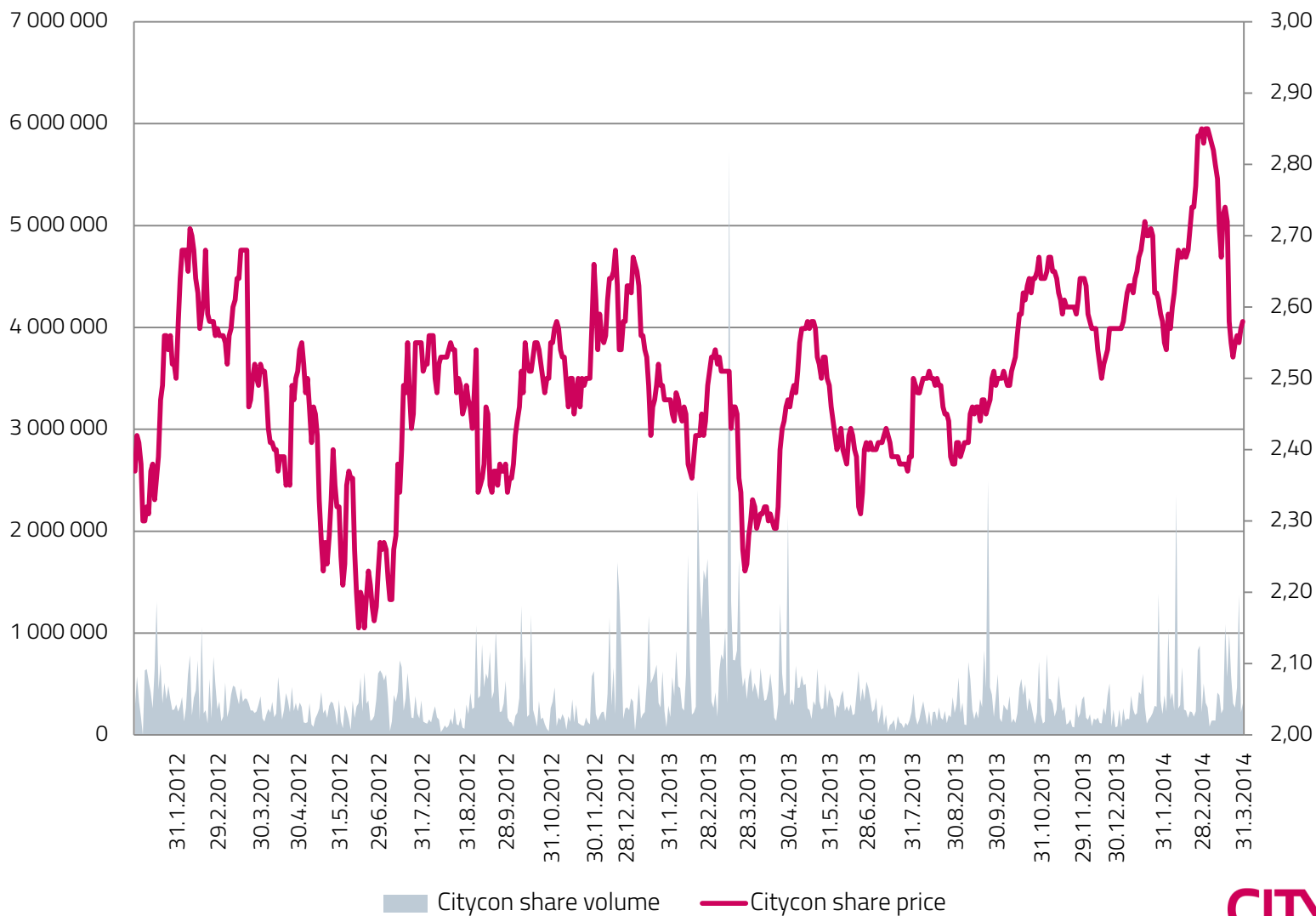
- Average loan maturity in Q1 decreased to 3.8 years as no new long term debt was issued. Clearly longer than one year ago (3.0 years) due to the 7-year EUR 500 million Eurobond issued in Q2/2013.
- The decrease in the hedging ratio to 82.1% was mainly due to the exclusion of swaps and fixed rate loans maturing within one year.

1) Calculated based on fair value of interest bearing debt

SHARES AND SHAREHOLDERS

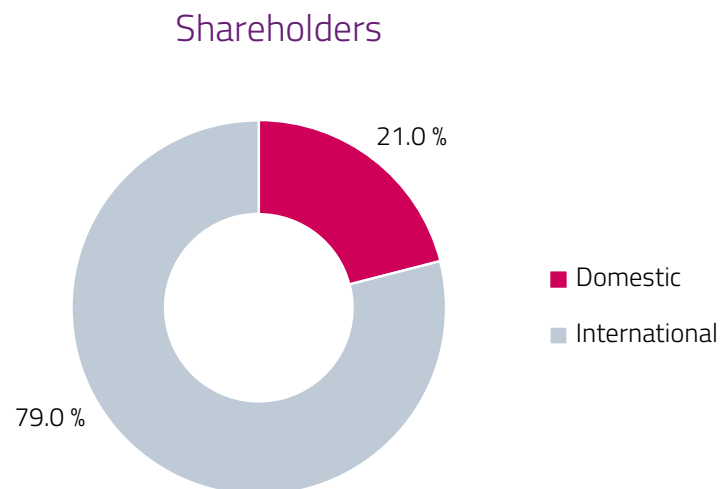


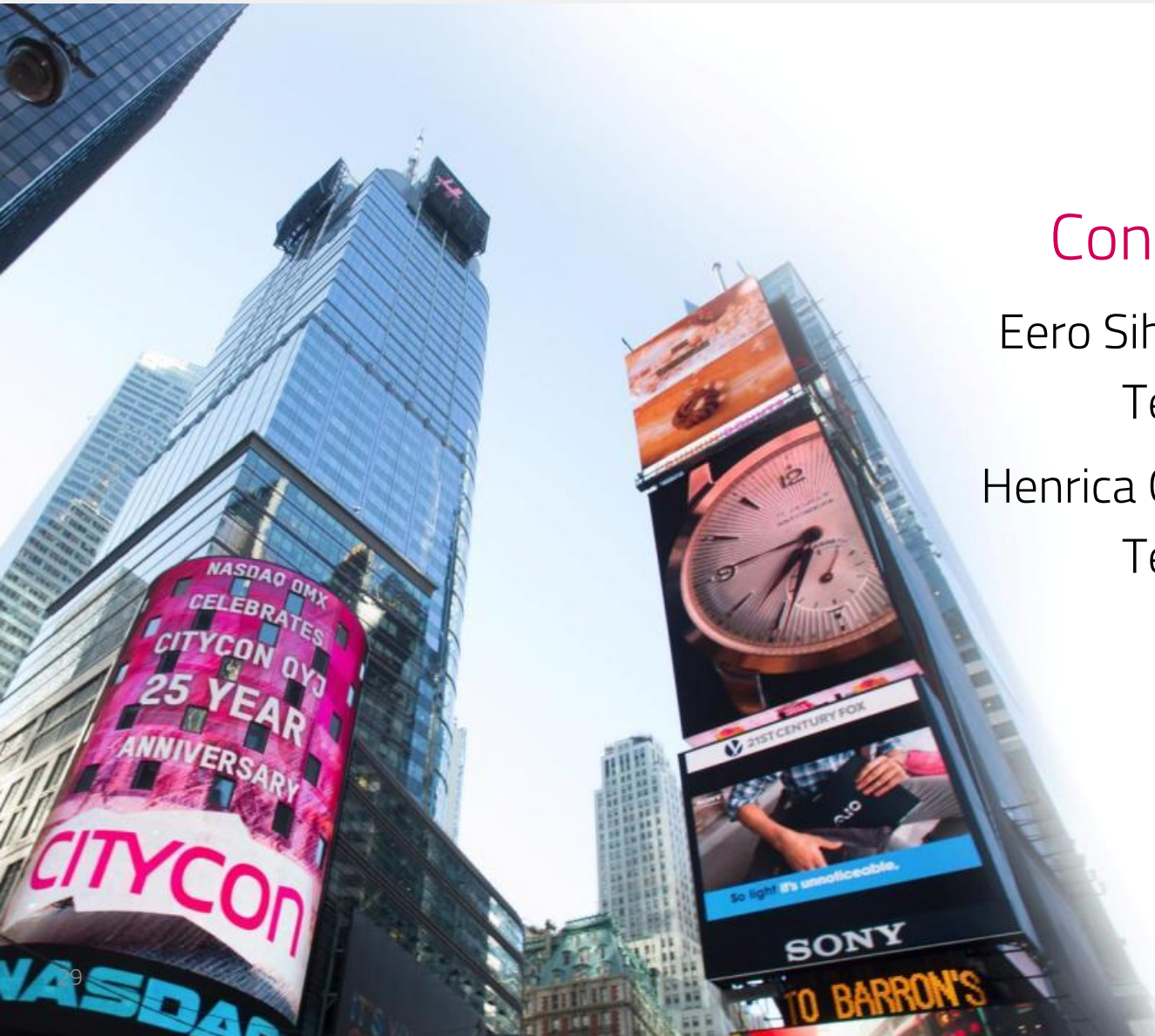
Share performance and volume



Ownership, 31 March 2014

- Established and listed on the Helsinki Stock Exchange since 1988
- Market cap **EUR 1,138.5 million**
- Number of domestic shareholders stayed stable: total **8,857** (8,509) registered shareholders, **21.0%** (24.8%) of total
- Largest Shareholders:
 - Gazit-Globe **49.3%**
 - Ilmarinen **8.98%**
- Included in Global Real Estate Sustainability Benchmark Survey Index, FTSE EPRA/NAREIT Global Real Estate Index, iBoxx BBB Financial index (EUR 500 million bond)





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