



# CITYCON

Full year 2013 Results



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# Citycon's Vision

- Be the household name for Nordic and Baltic retail real estate
- Offer the best retail and social experience in urban, grocery-anchored shopping centres
- Be "recognised" by retailers, shoppers, and investors as the leader in its class



Lippulaiva, Helsinki Metropolitan Area

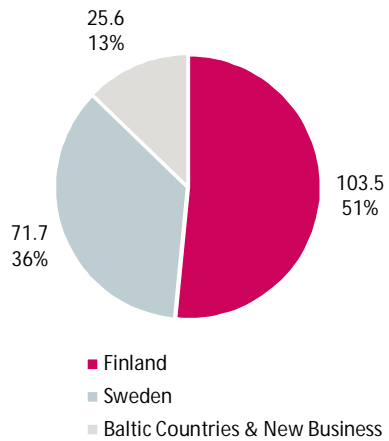


IsoKristiina, Lappeenranta

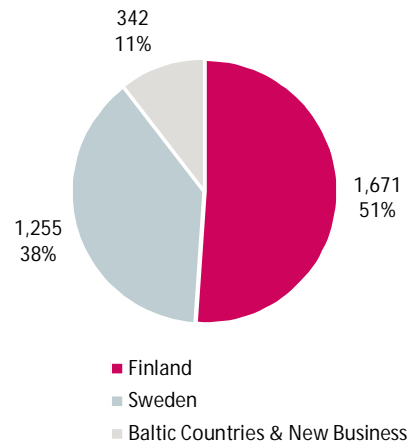
Leading owner and manager of urban grocery-anchored shopping centres in the Nordics and Baltics

# Geographical positioning

Net rental income (2013)  
—with Kista Galleria 100%  
EUR million



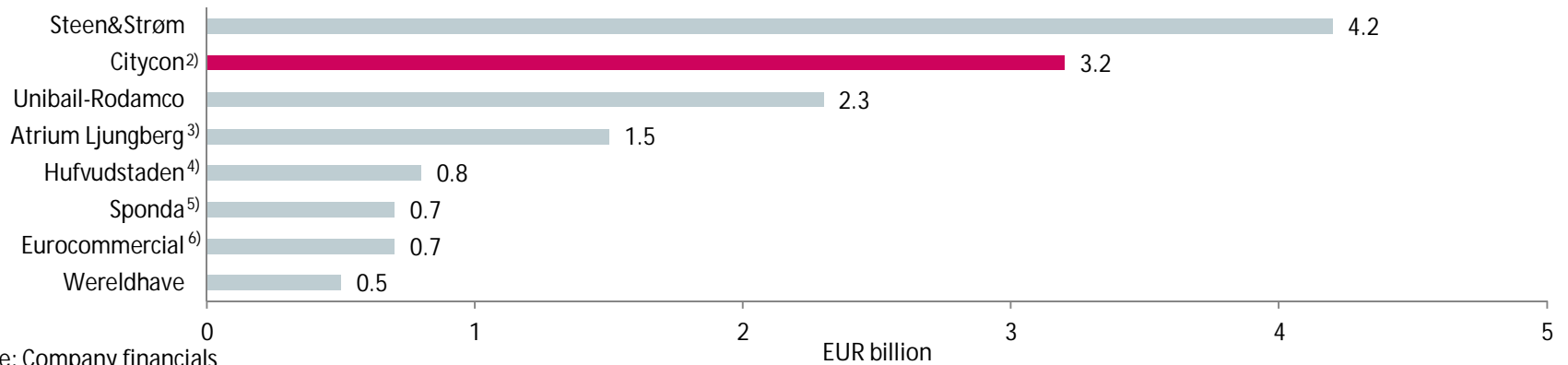
Fair values of properties (Dec 2013)  
—with Kista Galleria 100%  
EUR million



Focus on Nordic and Baltic retail real estate

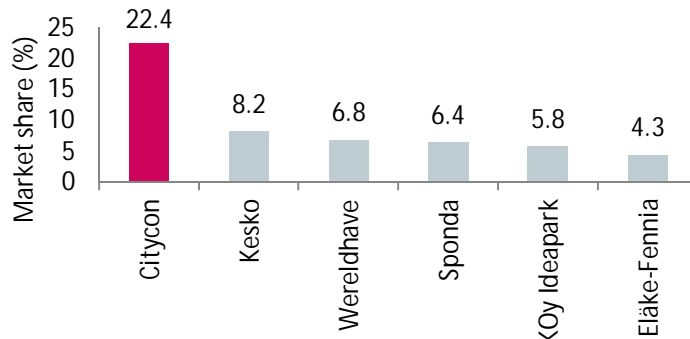
# Leading position in core markets

GAV<sup>1)</sup> of retail real estate portfolio in the Nordic and Baltic regions



Source: Company financials

#1 shopping centre owner and operator in Finland<sup>7)</sup>



Source: Finnish Council of Shopping Centres, 2013

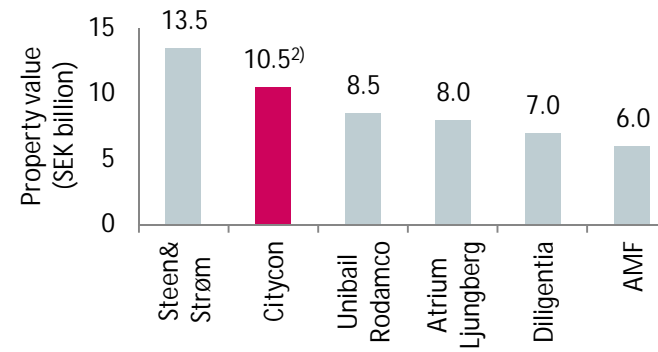
1) As of December 2012

2) Kista Galleria included 100%

3) Retail GAV is assumed to represent 52% of total GAV, in line with retail share of total rents

4) Retail GAV is assumed to represent 28% of total GAV, in line with retail share of total rentable space

#2 shopping centre owner and operator in Sweden



Source: Company financials, Leimdörfer estimates

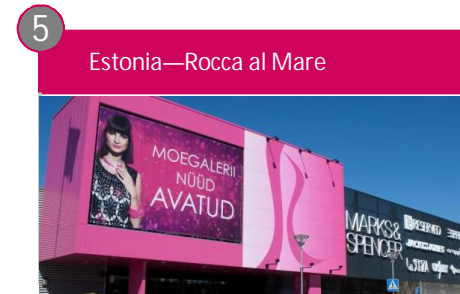
5) Shopping centre segment does not include Russian assets

6) Assumed to include retail assets only

7) Market share by net leasable retail area for owned shopping centres

Meaningful scale in core markets

# Five core assets



	City	Retail premises (sq.m.)	Total GLA (sq.m.)	Parking (# of lots)	Fair value (EUR million) <sup>1)</sup>	Net rental yield, % <sup>2)</sup>	Economic occupancy <sup>1)</sup>	Visitors 2013 (millions)	Sales 2013 (EUR million)	
1	Kista Galleria	Stockholm	60,800	94,200	2,500	535.2 <sup>3)</sup>	6.1%	99.1%	18.5	270.3
2	Iso Omena	Helsinki	51,200	63,300	2,200	388.1	5.4%	99.5%	9.1	259.8
3	Liljeholmstorget Galleria	Stockholm	27,900	41,000	900	257.1	4.8%	97.6%	10.0	178.6
4	Koskikeskus	Tampere	29,600	34,300	425	182.5	6.0%	94.9%	5.4	125.0
5	Rocca al Mare	Tallinn	56,000	57,400	1,300	164.7	7.6%	100.0%	6.6	143.9

1) As of December 2013

2) For FY 2013. Net rental income (last 12 mths)/Average fair value of investment property. Net rental income excludes administrative expenses.

3) Kista Galleria is owned through a 50/50 JV between Citycon and CPPIB

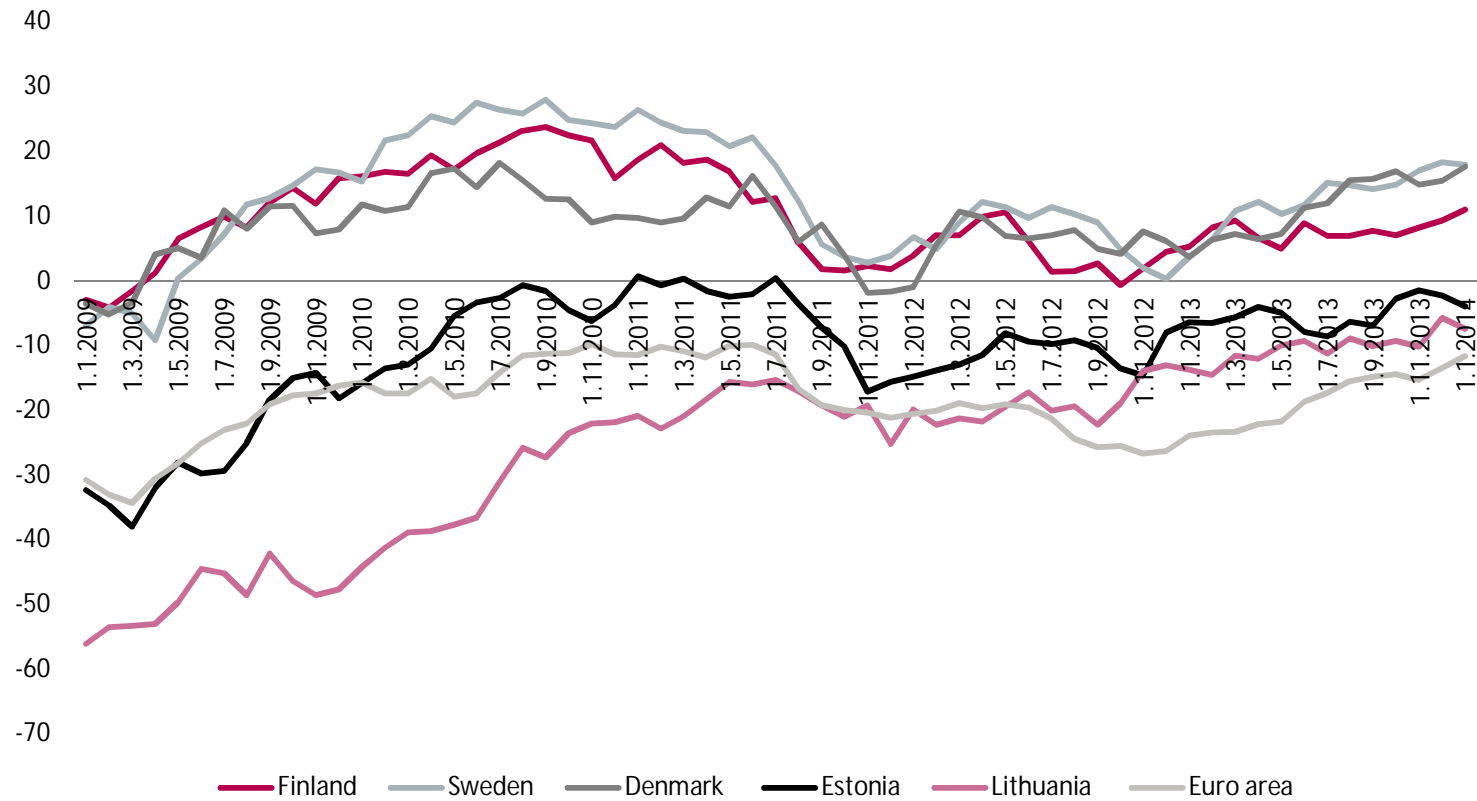


# Business environment



Rocca al Mare, Tallinn

# Consumer confidence



Source: Eurostat

Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

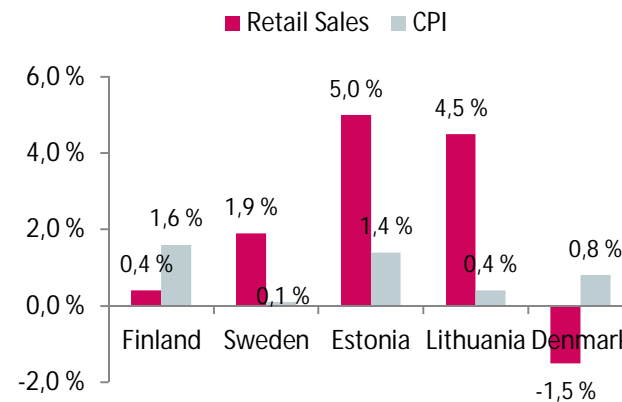
Consumer confidence in all operating countries above Euro area average



# Business environment

- November unemployment rates below the Euro area average (12.1%):
  - Finland 8.4%
  - Sweden 8.0%
  - Estonia 9.0% (October 2013)
  - Lithuania 11.1% (October 2013)
  - Denmark 6.9%
- Demand for core assets remains strong
- No visible yield changes during the last quarters

Retail sales (January-November)<sup>1)</sup> & CPI (December)



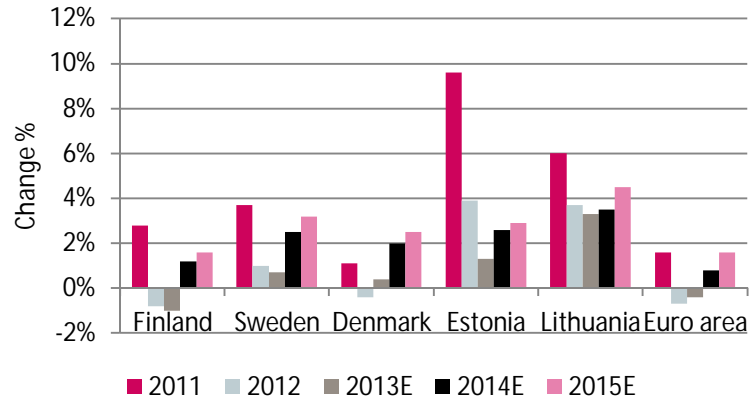
<sup>1)</sup> Retail sales figures are not working day adjusted. Finnish, Swedish and Danish sales figures are reported in current prices, Estonian and Lithuanian in constant prices.

Source: Statistics Finland, Statistics Sweden, Statistics Estonia, Statistics Lithuania, Statistics Denmark, Eurostat, JLL

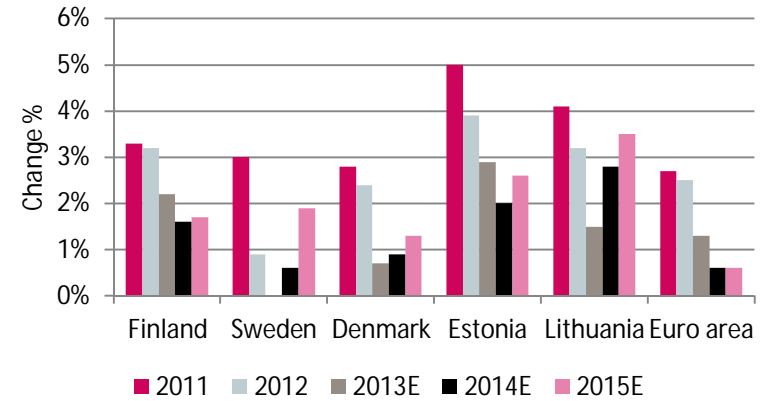
Retail sales positive, though under pressure

# Economic outlook

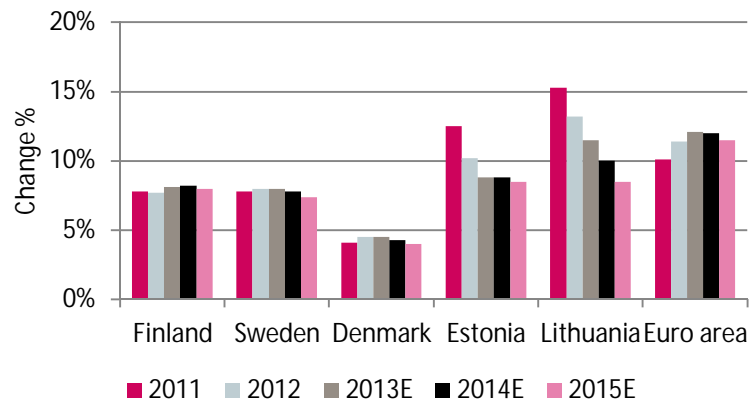
## GDP growth



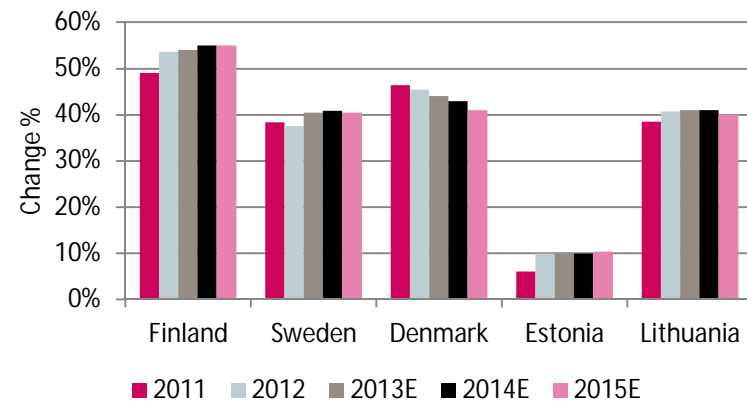
## Inflation



## Unemployment



## Public sector debt as % of GDP



Source: SEB Nordic Outlook report, SEB Eastern European Outlook report

Long-term economic outlook in Citycon's operating countries is solid

# Responding to the changing retail landscape



Urbanisation	<ul style="list-style-type: none"><li>• Growing urban population</li><li>• Increased urban GDP per capita</li></ul>	<p>Citycon:</p> <ul style="list-style-type: none"><li>• 87% of total portfolio in main cities<ul style="list-style-type: none"><li>• 70% in capital cities</li></ul></li><li>• Vast majority of centres connected to public transportation and non-retail services</li><li>• Increased offer of cafes, restaurants, gyms, entertainment, etc.</li><li>• Focus on mainstream retail</li><li>• Growing on-line Citycon community</li><li>• Adoption of both shopping centre and company-wide apps</li></ul>
Convenience	<ul style="list-style-type: none"><li>• Demand for proximity, security, cleanliness, services, and atmosphere</li><li>• More than a shopping destination: health care, medical and municipal services, education, culture</li></ul>	
Social experience	<ul style="list-style-type: none"><li>• Providing a meeting place for the community</li></ul>	
Value and quality	<ul style="list-style-type: none"><li>• Well-informed consumers choose best quality at lowest price</li></ul>	
Multichannel retail	<ul style="list-style-type: none"><li>• Competition from online channels recognised and seen as complementary to traditional retail</li><li>• Retail sales will be highly influenced by technology</li></ul>	

Citycon's portfolio well positioned for changing environment





# Highlights 2013



Kista Galleria, Stockholm

# Highlights 2013

Good financial performance

Substantial reduction of admin expenses

Successful integration of Kista Galleria

Stronger financial position

Recycling of capital

Start of accretive (re)developments



Nasdaq, New York



# Highlights 2013

## Good financial performance

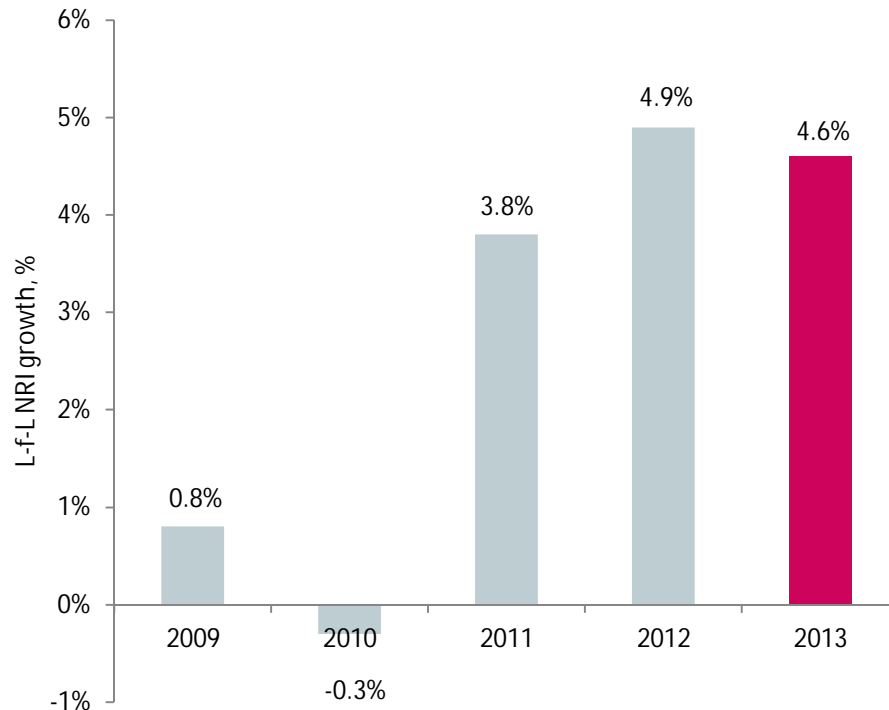
EUR million	Q4/2013	Q4/2012	FY 2013	Y-o-Y % Change
Net Rental Income	41.9	42.1	168.9	4.2%
Administrative expenses	5.5	7.9	20.6	-22.2%
EPRA Operating Profit	36.5	34.2	149.1	9.9%
Net financial income and expenses	-15.1	-17.4	-90.1	32.2%
EPRA Earnings	22.1	16.2	86.7	35.8%
EPRA EPS	0.050	0.046	0.204	2.5%

- Like-for-like net rental income growth: 4.6%
- EPRA EPS growth of 2.5% with 35% increase in number of shares
- Proposal to AGM: EUR 0.15 of dividend and equity return per share (approx. 5.9% dividend yield)

Strong earnings growth, driven by like-for-like NRI performance and cost cutting

# Highlights 2013

## Good financial performance



### Like-for-like net rental income development 2013:

Continued strong like-for-like net rental income growth in both

- Shopping centres: 4.5%
- Supermarkets & shops: 5.6%

Strong growth in all regions

- Finland: 4.9%
- Sweden: 3.7%
- Baltic Countries & New Business: n/a (several (re)development projects ongoing)

Indexation in 2013 was 1.9%

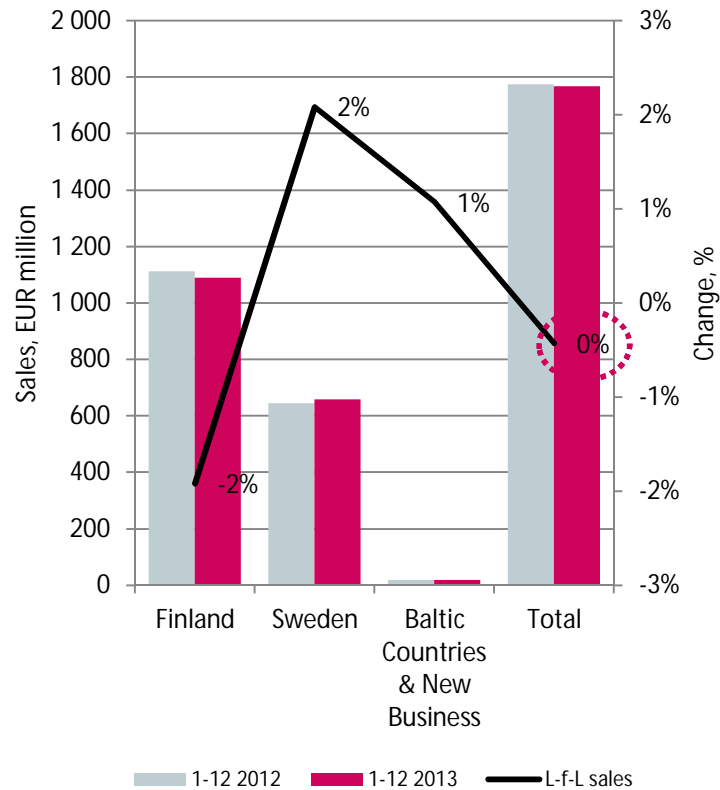
Clear outperformance of annual target of 1% above CPI

# Highlights 2013

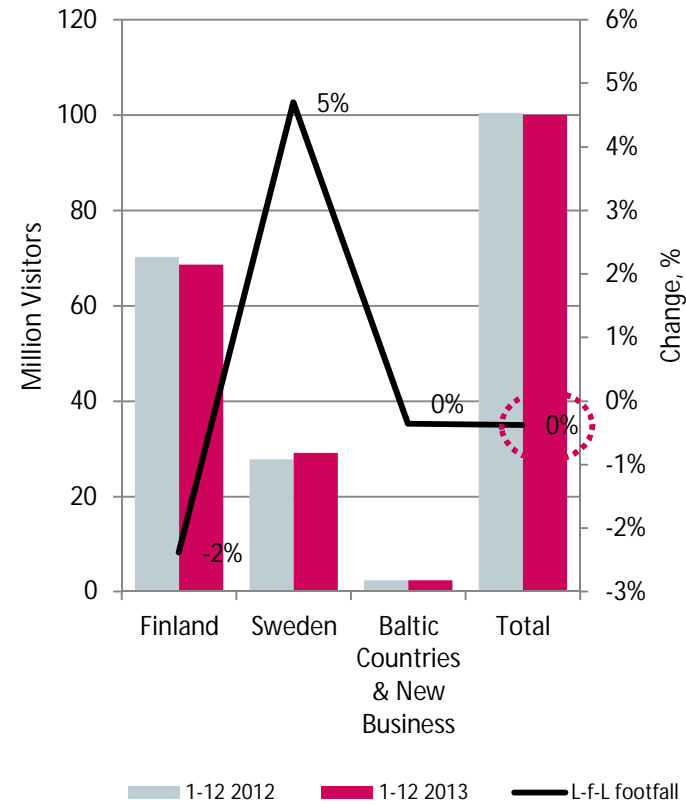
## Good financial performance

In all Citycon SC's  
 Total sales: +1%  
 Total footfall: 0%

L-f-L shopping centre sales



L-f-L shopping centre footfall



Stable footfall and sales in challenging environment





# Highlights 2013

## Good financial performance

	Q4/2013	Q4/2012	Q3/2013
Occupancy rate (economic), %	95.7	95.7	95.8
L-f-L occupancy rate (economic), %	95.2	95.4	95.3
Occupancy cost ratio, % (L-f-L shopping centres)	8.6	8.5	8.6
Average rent, EUR/sq.m./mth	21.5	20.7	21.5

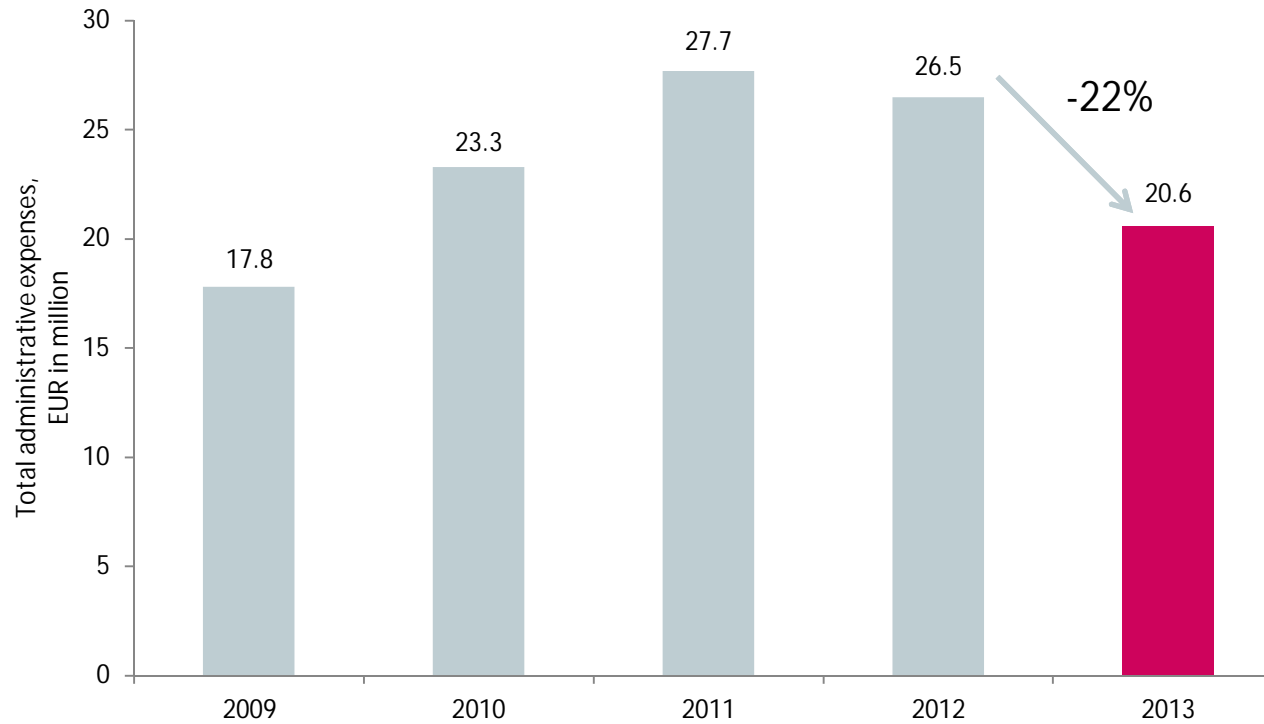
- Occupancy rate stable year-on-year
- Average rent increase of 3.9% year-on-year
- Continued modest occupancy cost ratio

Stable rental development of leases

# Highlights 2013

## Substantial reduction of admin expenses

Target: up to EUR 5 million  
Result: EUR 5.9 million



Cost savings target exceeded

# Highlights 2013

## Successful integration of Kista Galleria



Performance in line with expectations

EUR million	FY 2013
Net Rental Income	32.0
Operating profit	29.6
Fair value	535.2
Fair value change	2.8
Net rental yield <sup>1)</sup>	6.1%
Occupancy rate, economic	99.1%
Average rent EUR/sq.m./mth	33.7

Upgrading of Kista Galleria started

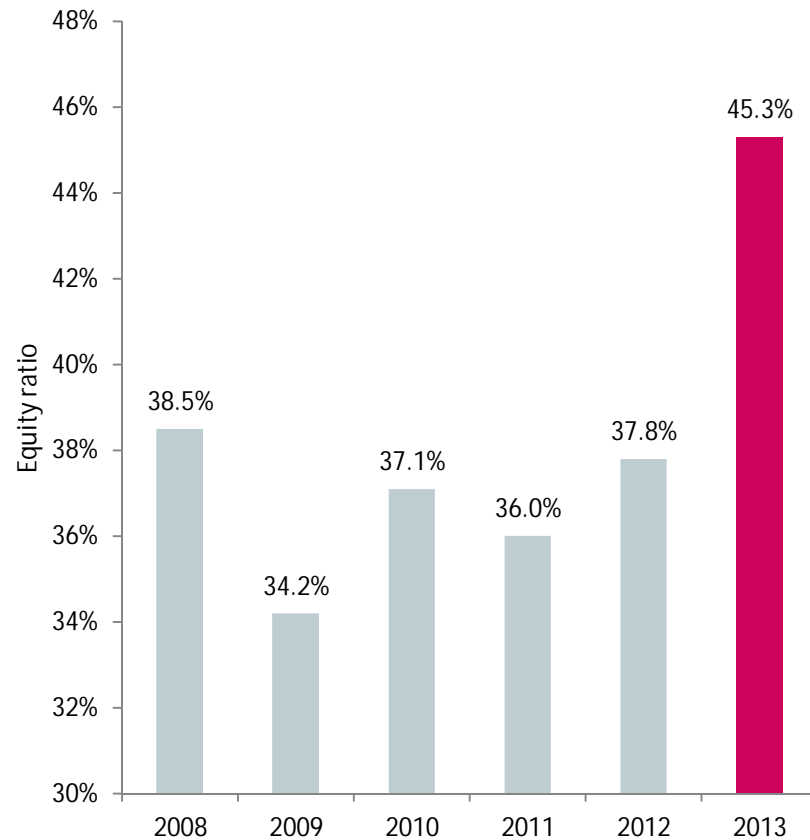
- Construction of high-tech library on-going
- Upgrade of Northern entrance and food court under planning - increasing leisure
- Relocation of Citycon Sweden office to Kista Galleria in Q3/2014

<sup>1)</sup> Net rental income (last 12 mths)/Average fair value of investment property. Net rental income excludes administrative expenses.

Good results in the first year

# Highlights 2013

## Stronger financial position



### 2013 key events:

EUR 200 million rights issue

- 99.7% covered by primary subscription
- 1.5x oversubscribed

Two investment-grade credit ratings

- S&P and Moody's
- Only Nordic real estate company

EUR 500 million unsecured 7-year eurobond

- 1.6x oversubscribed
- 3.75% coupon
- Successful trading in secondary markets

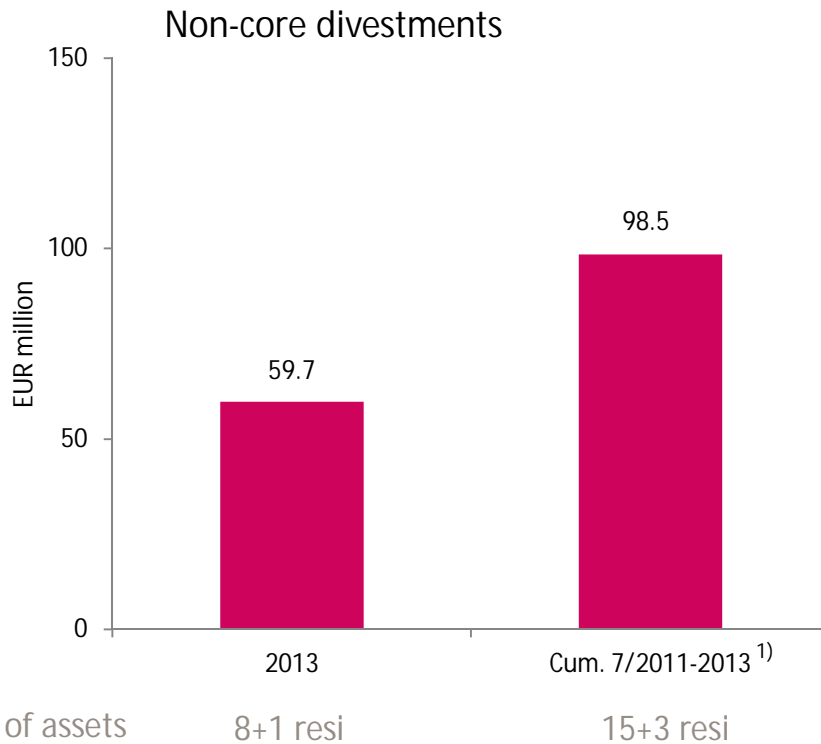


Forum, Jyväskylä

Improved equity ratio and more diversified funding sources

# Highlights 2013

## Recycling of capital



Proceeds invested in accretive (re)development projects and property upgrades

Three divestments signed/closed after Q4 2013 for a total value of EUR 8.7 million:

- SC Koskikara
- Retail property Säkylä
- Residential portfolio in Sweden

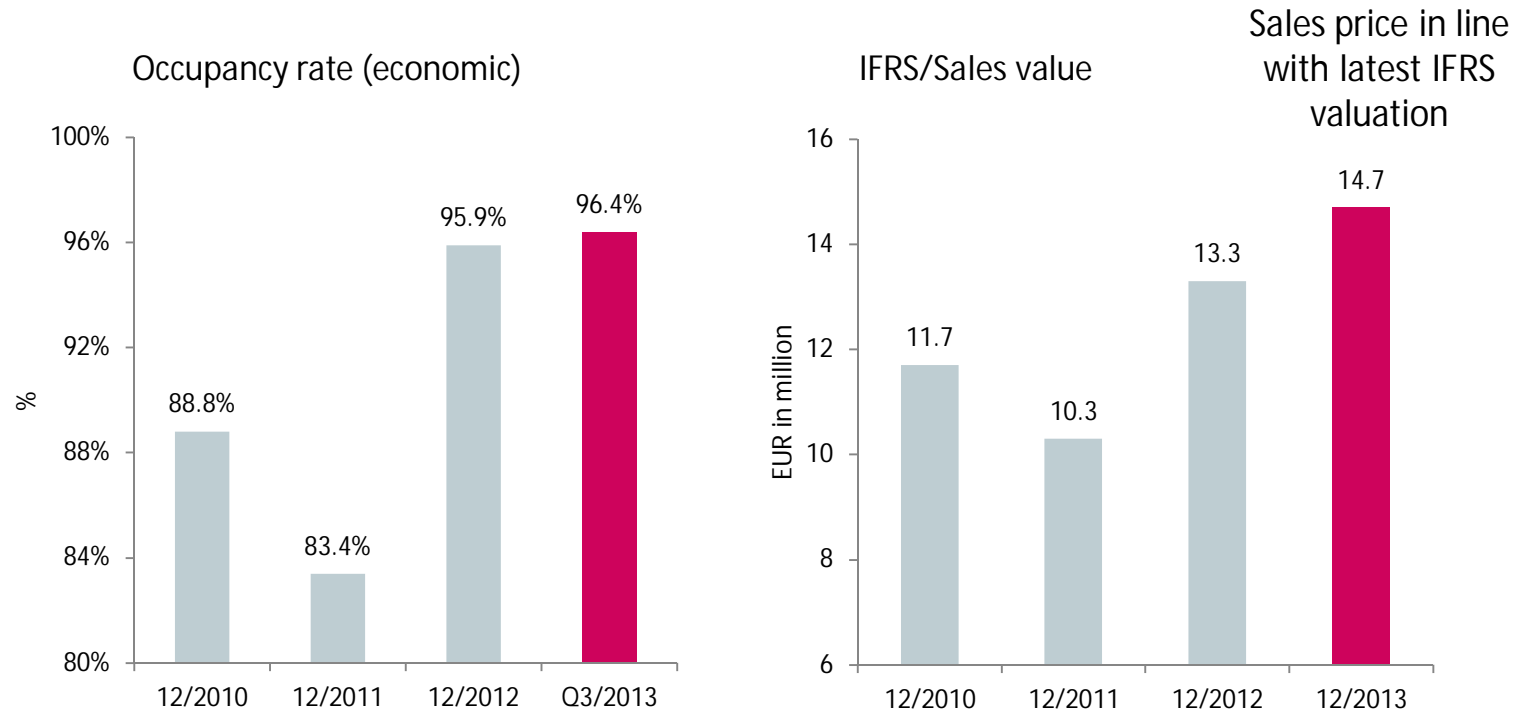
<sup>1)</sup> Strategy update in July 2011

EUR 100 million divested at approx. 5% net premium to IFRS valuation

# Highlights 2013

## Successful divestment of non-cores

Case - Divestment of SC Torikeskus in Seinäjoki in December 2013



Shopping centre Torikeskus divested after value enhancing activities

# Highlights 2013

## Start of accretive (re)developments

4 ongoing (re)development projects with estimated investment value of EUR 165 million

Property	Area before and after (sq.m.)	Citycon's estimated investment (EUR m)	Cum. realised capex (EUR m)	Expected yield on completion when stabilised (%) <sup>1)</sup>	Pre-leasing rate (%)	Est. of completion	
Iso Omena HMA Finland	63,300 90,000	88.0	13.4	6.5-7.0	40	Q3/2016	Three-phased extension project including partial (re)development of existing centre. Extension fully integrated with the new Matinkylä metro station and bus terminal. Phase 1 carried out in 50/50 partnership with NCC.
IsoKristiina Lappeenranta Finland	22,400 34,000	54.0	16.0	7.4	70	Q4/2015	Refurbishment and extension of the shopping centre. Ilmarinen JV partner with a 50% share in the (re)development and in the existing shopping centre. Lappeenranta City Theatre will be located inside the extension part.
Stenungs Torg Gothenburg Sweden	36,400 41,400	18.0	1.5	6.7	67	Q3/2015	Extension project with retail space for six new stores and construction of new main entrance
Kista Galleria Stockholm Sweden	94,200 94,600	5.0	3.3	-	100	Q4/2014	Refurbishment project. Digital library is added to the shopping centre as a joint investment with the City of Stockholm.

<sup>1)</sup>Yield on completion,% = Expected stabilised (third year after completion) net rents incl. possible vacancy / total investment (=total capital invested in property by Citycon)

# Highlights 2013

## Development pipeline

4 (re)development projects in planning<sup>1)</sup>

Property	Additional sq.m.	Citycon's expected net investment (EUR m) <sup>2)</sup>	Target for project initiation	Target year of completion	Additional information
Lippulaiva HMA Finland	15,000– 20,000	40-50	2015	2016	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.
Myrmani HMA Finland	16,000	55	2014	2016	Extension possibility of the shopping centre. Prisma hypermarket and residential units are under planning to be built in connection to Myrmani.
Tumba Centrum Stockholm Sweden	6,000– 8,000	20	2014	2015/2016	Shopping centre expansion project. Negotiations related to zoning ongoing with the city of Botkyrka and a cooperation agreement for residential construction with a construction company.
Kista Galleria Stockholm Sweden	500	6	2014	2015	(Re)development possibility of the shopping centre. The plans include a facelift to the north part of the shopping centre including a new entrance as well as upgrade and extension of the current food court.

<sup>1)</sup> Citycon's Board of Directors has not yet made a decision on these (re)development projects, but they are under planning

<sup>2)</sup> The amount of investment needed will change and become more precise as the planning process proceeds. The figure is the best current estimate

Develop urban potential of existing assets



# Highlights 2013 Summary

Strong operational results

Stronger portfolio

Stronger balance sheet



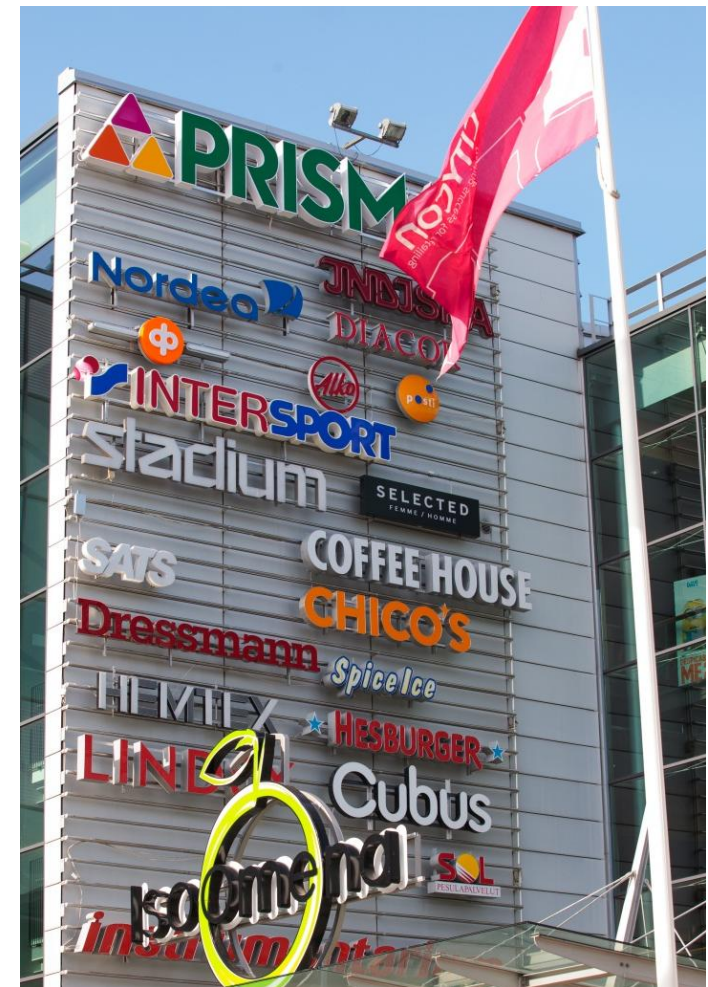
# 2014 onwards

Business environment:  
Challenging retail market especially in Finland

- GDP still below zero
  - Unemployment >8%
  - Increasing taxes and moderate salary increases
- => Pressure on consumer demand and rental growth potential

Citycon:  
Still well positioned

- Urban properties in best locations
  - Grocery-anchored shopping centres
  - Best centres will continue to perform
  - Improved country balance
- => After strong performance in 2013 Citycon expects slower growth in 2014



Iso Omena, Helsinki Metropolitan Area

Slower growth in 2014

# Property portfolio, (re)developments & sustainability



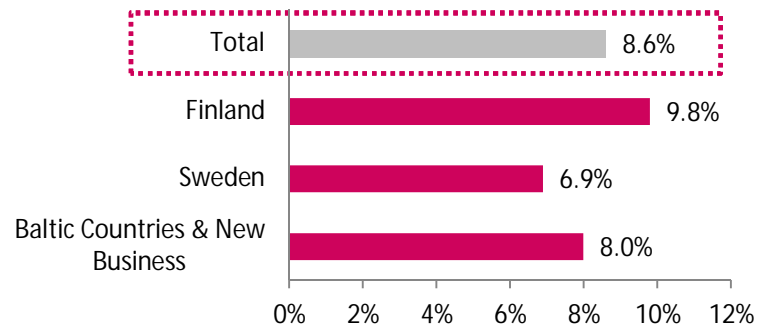
IsoKristiina, Lappeenranta

# Property portfolio

- 3,287 (3,792) leases with an average length of 3.5 (3.5) years
- Total GLA 961,790 m<sup>2</sup> (1,000,270 m<sup>2</sup>)
- Rents linked to CPI (nearly all agreements)

## Occupancy cost ratio

L-f-L Shopping centres, rolling 12 month



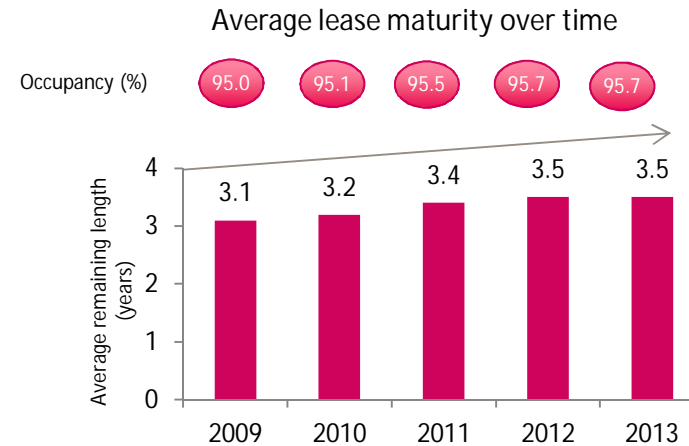
Myyrmanni, Helsinki Metropolitan Area

Relatively low OCR indicating uplift potential in rental levels

# Property portfolio

- Measured in fair value, like-for-like properties accounted for 74.9% of the total portfolio and of I-f-I portfolio 68.6% is in Finland and 84.1% of the total Finnish portfolio is included in I-f-I. Shopping centres represent 89.1% of the I-f-I portfolio.<sup>1)</sup>
- Annualised potential rental value for the portfolio was EUR 246.1million.
  - Includes annualised gross rent based on valid rent roll at period end, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income. Temporary rental rebates are included.
- Actual rental contract level vs. valuation market rents +1.0%
  - Indicates how much higher or lower Citycon's actual rental level is compared to the market rents applied in the external valuation.

<sup>1)</sup> (Re)development projects and lots not included, properties owned by the company for at least 24 months.



Top 5 tenants, 31 Dec 2013

	Proportion of rental income, %	Average remaining length of leases, years
Kesko	16.1%	6.1
S Group	5.7%	6.9
ICA Gruppen AB	4.2%	3.5
Stockmann	2.7%	2.3
Tokmanni	2.0%	3.2
<b>Top 5, total</b>	<b>30.6%</b>	<b>5.4</b>

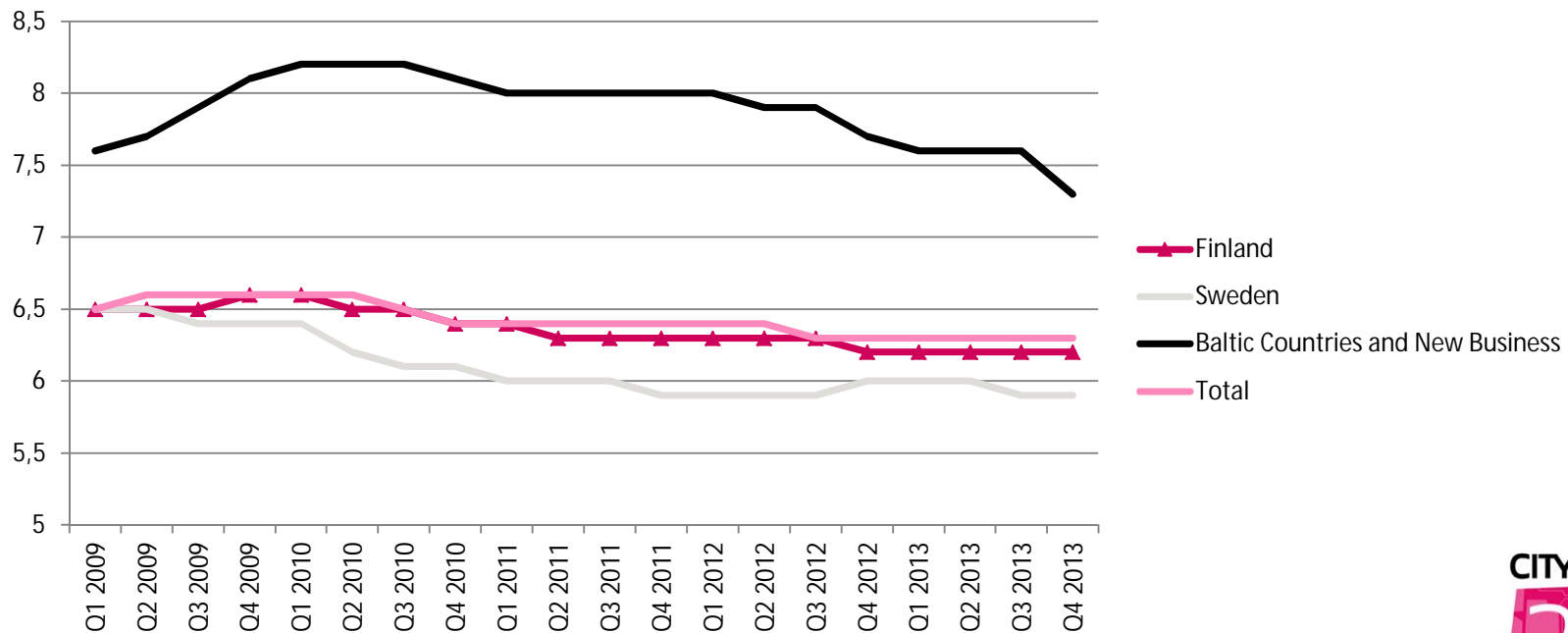
# Valuation yield development

Fair value of investment properties EUR 2,733.5 million

- Total fair value gains in 2013 EUR 26.1 million
  - Fair value gains in shopping centres EUR 25.2 million
  - Fair value gains in supermarkets and shops EUR 0.9 million

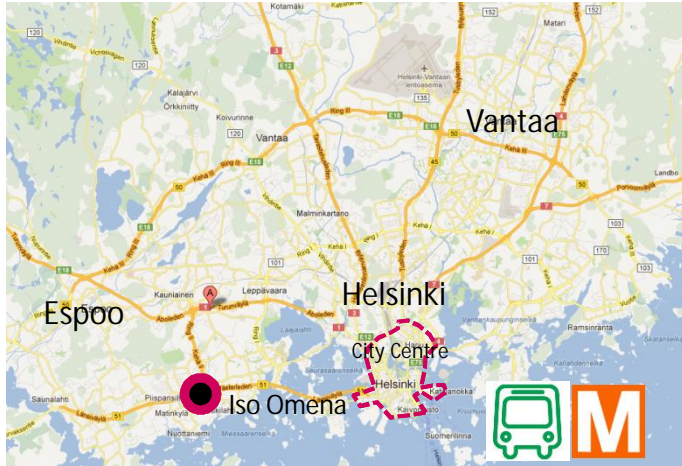
Net yield requirement for entire property portfolio 6.3%<sup>1)</sup>

- Finland 6.2%
- Sweden 5.9%
- Baltic Countries and New Business 7.3%



<sup>1)</sup> Valuation yield is based on external valuator's portfolio valuation.

# Extension and (re)development of Iso Omena



The shopping centre's retail area will grow to 75,000 square metres

Extension will be fully integrated with the new Matinkylä metro station and bus terminal

Approx. 35,000 passengers will pass through the metro centre each day

Citycon and NCC Property Development have a 50/50 partnership in the extension project

Strong purchasing power – the average income of households within the sphere of Iso Omena is twice the Finnish average

Strong population growth throughout Espoo – forecasts project an increase of approx. 20 per cent by 2020

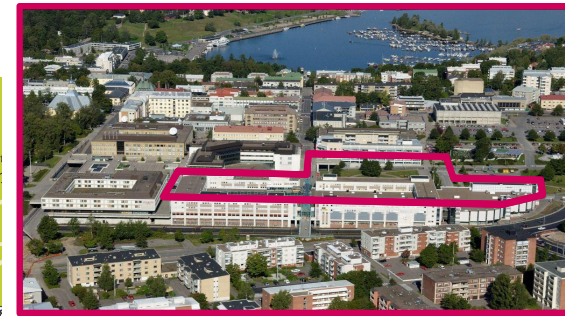
Footfall target:  
From current 9 million to 14.5 million annual visitors

Sales target:  
From current EUR 260 million to EUR 375 million



(Re)development of core shopping centres in key locations

# Strategic (re)development and partnership in IsoKristiina



- IsoKristiina is located in the city centre of Lappeenranta, in Eastern Finland 25 km from the Russian border
- Catchment area is the whole city of Lappeenranta (approximately 72,000 inhabitants)
- In addition, constantly growing Russian tourism brings further purchasing power to Lappeenranta

Co-redevelopment/investment with Ilmarinen – recycling of capital



# Environmental targets and results

Strategic objectives related to environmental responsibility	Targets for 2013	Performance in 2013	
<b>Climate Change</b>			
Reduction of greenhouse gas emission by 20 per cent by year 2020 from the 2009 level	2-3%	In I-f-I SC: -5.9%	✓
<b>Energy</b>			
Reduction of energy consumption (electricity, heating and cooling) by 9 per cent by 2016 from 2009 level	2-3%	In I-f-I SC: -5.4%	✓
Identifying solution that utilise renewable energy	Feasibility study in (re)-development projects	Achieved	✓
<b>Water</b>			
Lowering water consumption to an average level of less than 3.5 litres per visitor	3.9 l/visitor	In I-f-I SC: 3.6 l/visitor	✓
<b>Waste</b>			
Shopping centre waste recycling rate to be raised to at least 80 per cent by 2015	80%	85%	✓
<b>Landuse and Sustainable Construction</b>			
All (re)development projects implemented in accordance with environmental classification principles	All projects ongoing in 2013 assessed with LEED criteria	Achieved	✓
Development projects are located in built-up environments, within reach of good public transport connections	100%	Achieved	✓



Citycon has won the gold-level award in EPRA's sustainability Best Practices series in 2011 and 2012. Citycon has also received Green Star status in the Global Real Estate Sustainability Benchmark (GRESB) assessment.





# Financial figures



Myyrmanni, Helsinki Metropolitan Area

## Summary of 2013 Financial results

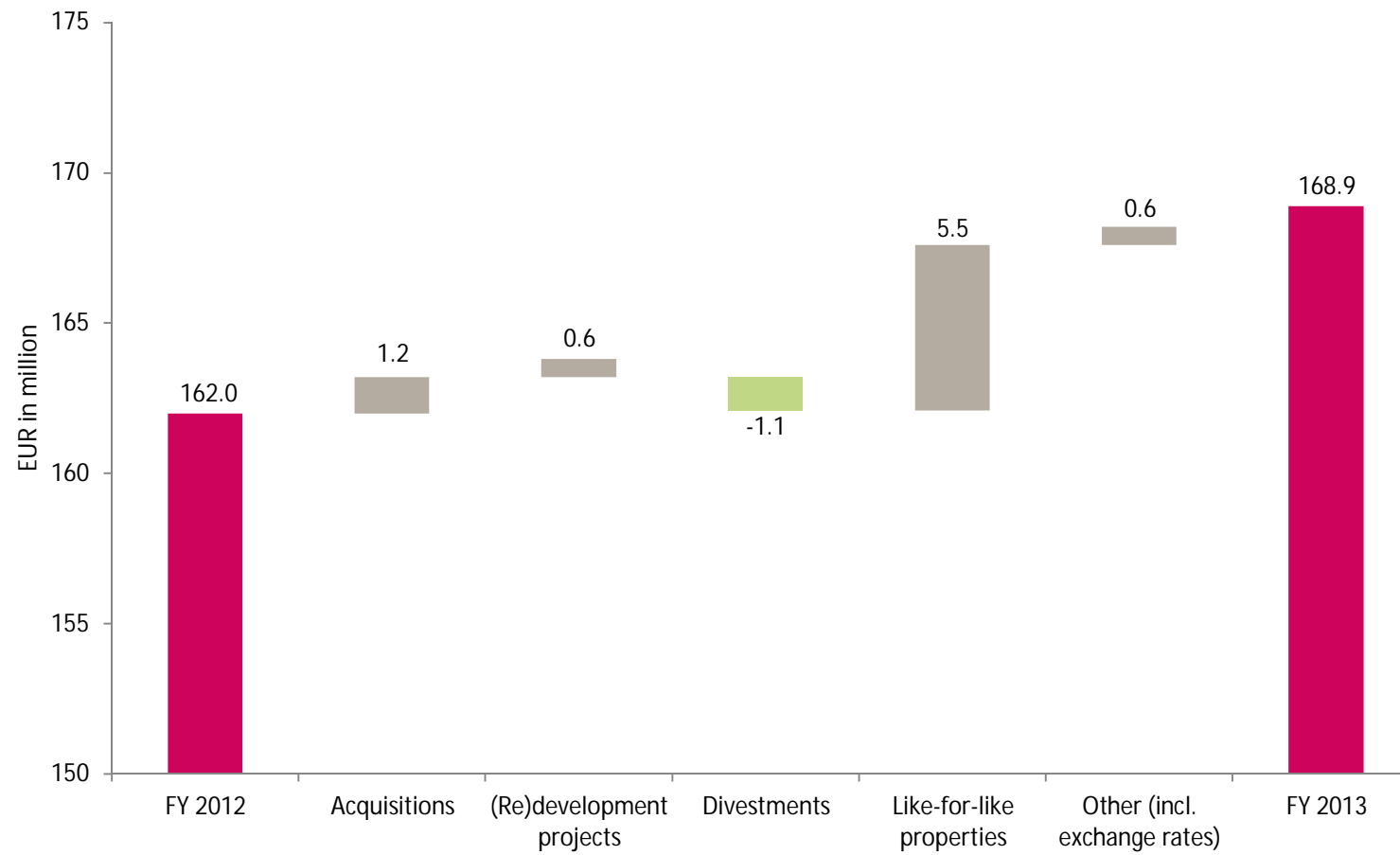
EUR million	Q4/2013	Q4/2012	FY 2013	FY 2013 incl. 100% Kista Galleria <sup>1)</sup>	FY 2012
Net Rental Income, Total	41.9	42.1	168.9	200.9	162.0
NRI, Finland	26.3	25.7	103.5	103.5	98.2
NRI, Sweden	9.0	10.0	39.7	71.7	39.2
NRI, Baltic Countries & New Business	6.6	6.5	25.6	25.6	24.6
EPRA Operating Profit	36.5	34.2	149.1	178.7	135.7
EPRA Earnings	22.1	16.2	86.7	86.7	63.9
EPRA EPS, basic <sup>2)</sup>	0.050	0.046	0.204	0.204	0.199

- Kista Galleria is consolidated in Citycon's financial statements using the equity method.
- In 2013, Kista Galleria contributed approximately EUR 10.3 million to the IFRS based profit for the period, consisting of Citycon's share of result in Kista Galleria and interest and fee income from Kista Galleria

<sup>1)</sup> Kista Galleria figures included for the period 1.1.2013-31.12.2013

<sup>2)</sup> EPRA Earnings per share has been calculated with the issue-adjusted number of shares resulting from the rights issue executed in March 2013

# NRI development



## Snapshot of statement of comprehensive income

EUR million	Q4/2013	Q4/2012	FY 2013	FY 2012
Turnover	62.0	62.1	248.6	239.2
Property operating expenses	19.6	20.1	78.4	75.8
Other expenses from leasing operations	0.4	-0.1	1.3	1.4
Net rental income	41.9	42.1	168.9	162.0
Administrative expenses	5.5	7.9	20.6	26.5
Other operating income and expenses	0.1	0.0	0.9	0.2
Net fair value gains/losses on investment property	4.7	3.8	26.1	23.6
Net gains on sale of investment property	0.8	-0.4	0.8	4.2
Operating profit	42.0	37.6	176.0	163.4
Net financial income and expenses	-15.1	-17.4	-90.1	-68.1
Share of profit/loss of jointly controlled entities	0.8	0.3	4.1	0.2
Profit/loss before taxes	27.8	20.5	90.1	95.5
Profit/loss for the period	36.0	21.8	100.0	87.7
Total comprehensive profit/loss for the period	31.2	19.4	133.2	77.0

## New disclosure: EPRA Cost Ratio

EUR million	FY 2013	FY 2012
EPRA Costs (incl. direct vacancy costs) (A)	45.7	48.3
EPRA Costs (excl. direct vacancy costs) (B)	40.7	42.8
Gross Rental Income (C)	209.6	183.9
EPRA Cost Ratio (incl. direct vacancy costs) (A/C, %)	21.8	26.2
EPRA Cost Ratio (excl. direct vacancy costs) (B/C, %)	19.4	23.3

- The improvement in EPRA Cost Ratio incl. direct vacancy costs resulted mainly from lower administrative expenses and higher gross rental income
- EPRA Cost Ratio excl. direct vacancy costs also improved due to lower EPRA Cost Ratio and higher occupancy rate

## Snapshot of statement of financial position

Statement of financial position, EUR million	31 Dec 2013	31 Dec 2012
Investment properties	2,733.5	2,714.2
Total non-current assets	2,898.6	2,737.6
Total current assets	74.5	75.5
<b>Total assets</b>	<b>2,975.4</b>	<b>2,818.5</b>
Total shareholder's equity	1,340.6	1,059.9
Total liabilities	1,634.7	1,758.6
<b>Total liabilities and shareholders' equity</b>	<b>2,975.4</b>	<b>2,818.5</b>

Key figures	31 Dec 2013	31 Dec 2012
EPRA NAV per share, EUR <sup>1)</sup>	3.10	3.49
EPRA NNNNAV, EUR <sup>1)</sup>	2.90	3.08
Net Yield Requirement, % (valuation yield by external appraiser)	6.3	6.3

<sup>1)</sup> Calculated with the issue-adjusted number of shares resulting from the rights issue executed in March 2013

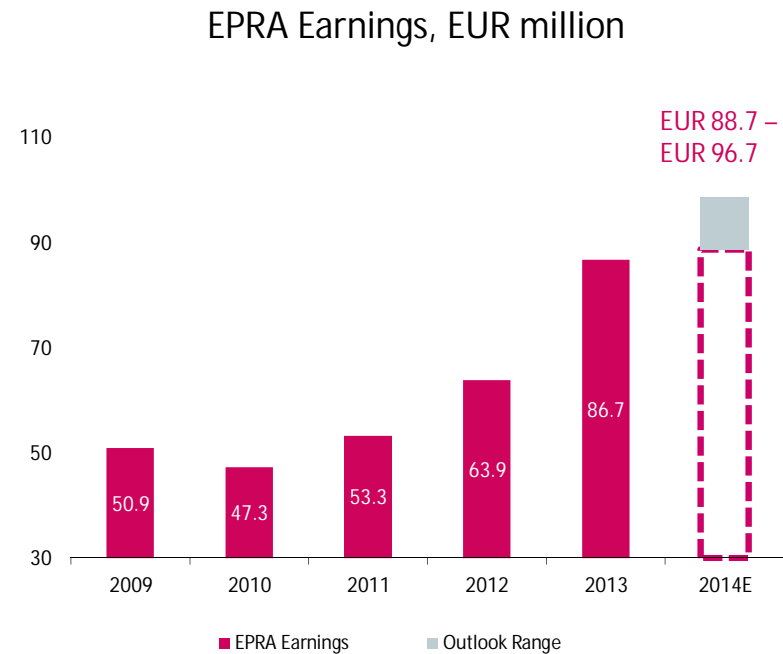
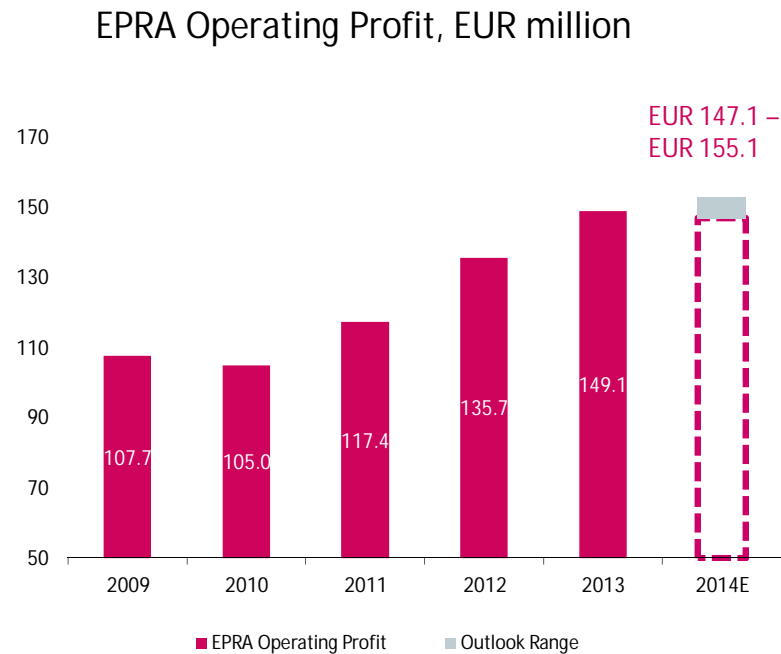
# Property portfolio

	Q4/2013	Q4/2012	FY 2013	FY 2012
Occupancy rate (economic), %	95.7	95.7	95.7	95.7
Average rent, EUR/sq.m.	21.5	20.7	21.5	20.7
Number of leases started during the period	163	195	611	792
Total area of leases started, sq.m. <sup>1)</sup>	52,697	40,257	150,013	141,167
Average rent of leases started, EUR/sq.m. <sup>1)</sup>	17.5	22.0	18.8	20.5
Number of leases ended during the period	458	153	1,117	1,064
Total area of leases ended, sq.m. <sup>1)</sup>	66,260	29,728	186,567	149,972
Average rent of leases ended, EUR/sq.m. <sup>1)</sup>	18.3	24.6	18.6	18.6

<sup>1)</sup> Leases started and ended do not necessarily refer to the same premises



# Outlook 2014



- The company expects:
  - Turnover to increase by EUR +1 to +9 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 based on the existing portfolio and number of shares

# Financing overview



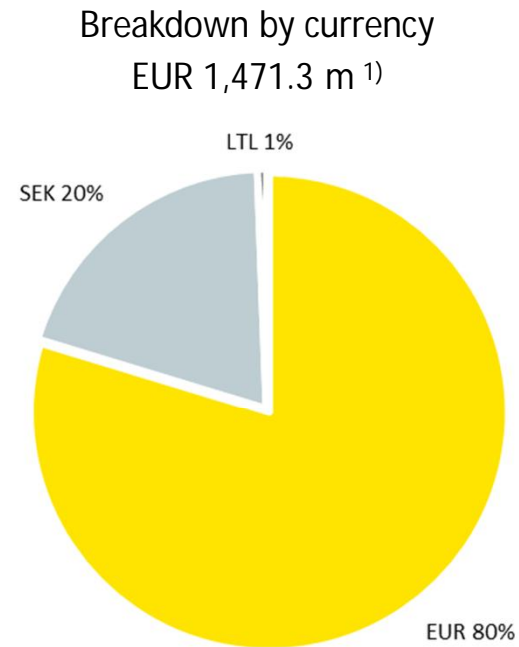
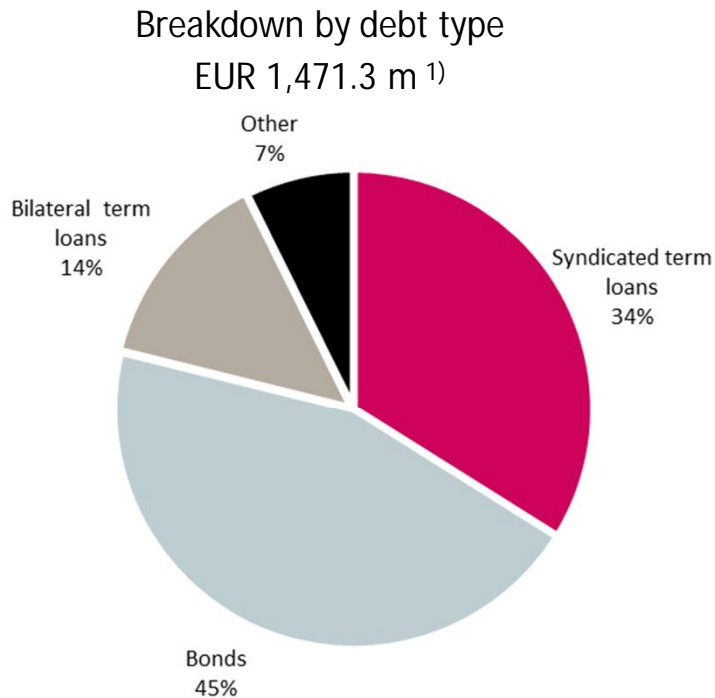
Liljeholmstorget Galleria, Stockholm

## Financing overview – Key figures

KEY RATIOS	Q4/2013	Q3/2013	Q4/2012
Equity ratio, %	45.3	44.1	37.8
Loan-to-value (LTV), %	52.1	53.4	54.5
Gross Debt, EUR million	1,462.4	1,490.2	1,538.8
Cash, EUR million	38.0	25.0	51.0
Current average interest rate, %	4.12	4.07	4.25
Year-to-date average interest rate including interest rate swaps, %	4.06	4.08	4.07
Hedging ratio, %	83.4	91.1	89.2
Average loan maturity, years	4.1	4.3	3.2
Average fixing time, years	3.9	4.2	3.5
Available liquidity, EUR million	435.4	405.0	268.4
Financial covenants:			
Equity ratio (>32,5%)	45.2	44.1	40.5
ICR (>1.8)	2.4	2.3	2.1

- Current average interest rate increased in Q4 due to repayment of all outstanding short-term variable interest-bearing CP's.
- Hedging ratio decreased due to exclusion of swaps and loans maturing within one year.
- Both liquidity and financial covenants improved further and are at comfortable levels.

# Debt type and currency split

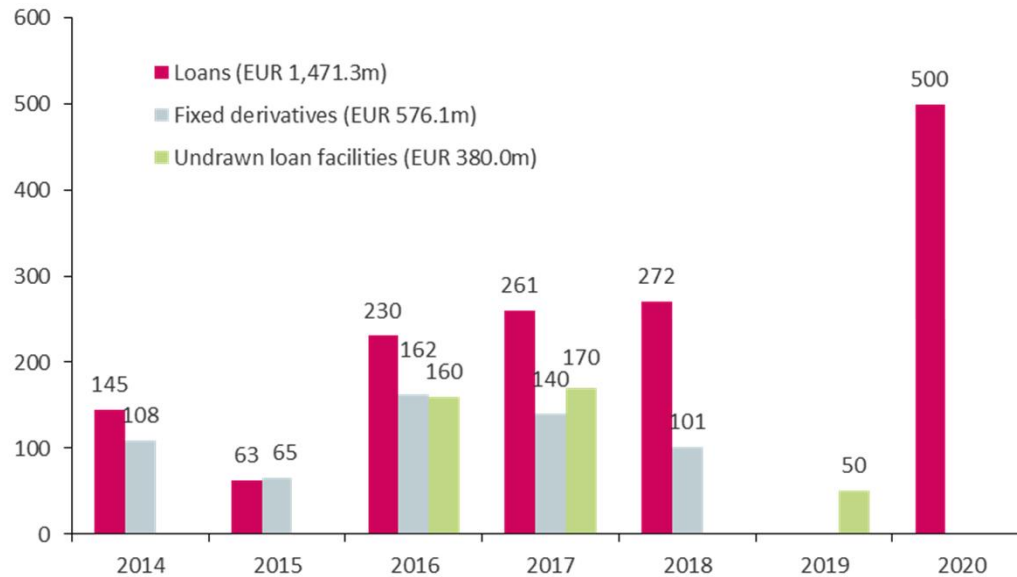


- Well diversified debt sources following the EUR 500 million Eurobond issue in Q2, with bonds now accounting for 45% of total outstanding debt.
- EUR 500 million Eurobond issue has shifted the currency breakdown more towards EUR (80% currently vs. 62% at Q4/2012)

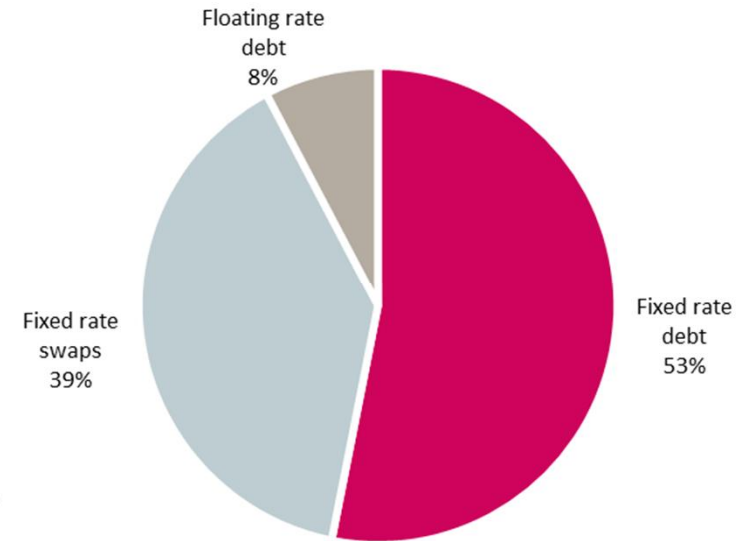
<sup>1)</sup> Carrying value of debt as at 31 Dec 2013 was EUR 1,462.4 million. The difference between fair and carrying value equals the capitalised fees of long-term loan facilities and bonds as well as to the equity component of the convertible bond which is recognised under equity.

# Debt maturities and interest risk hedging

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type  
EUR 1,471.3 m



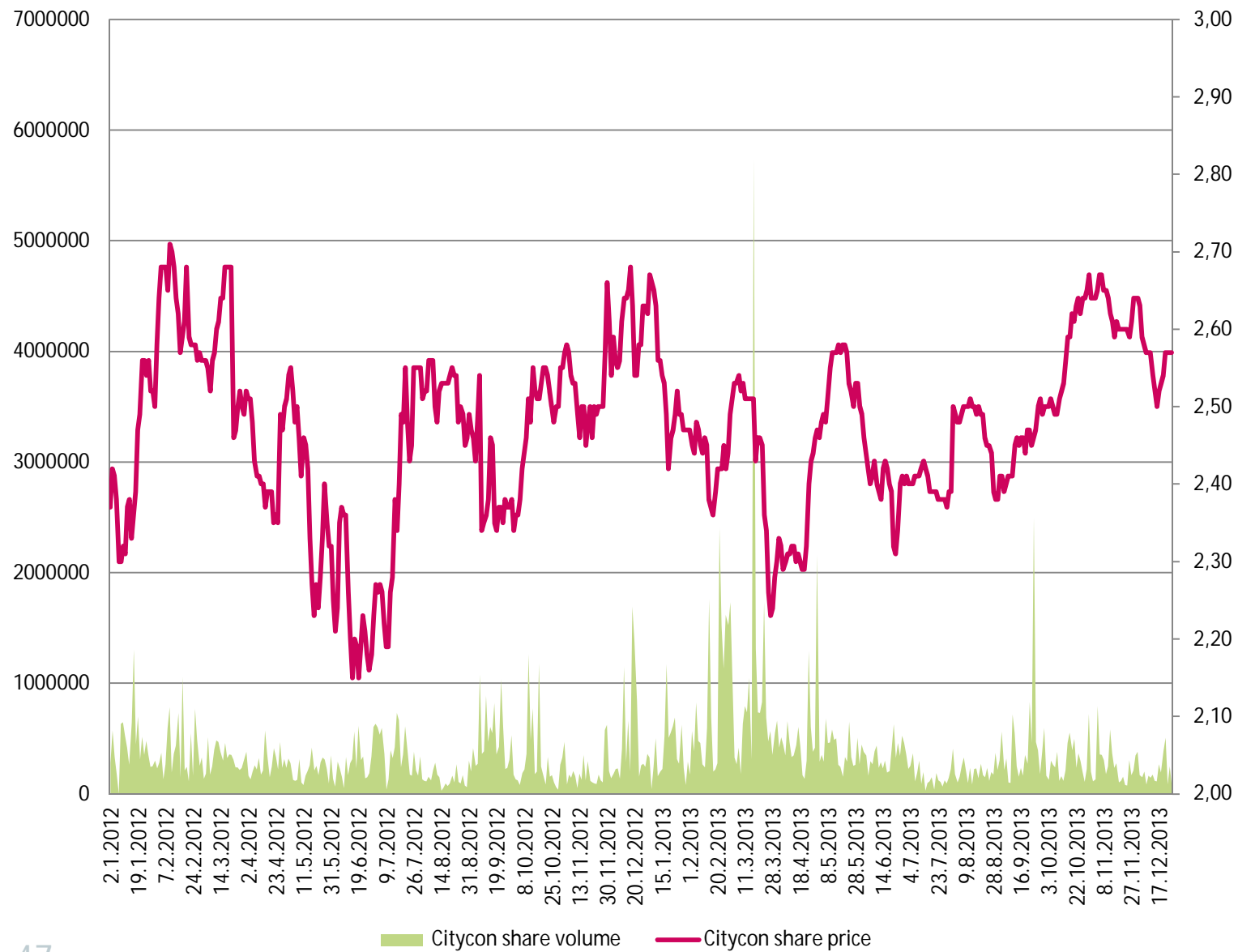
- Average loan maturity decreased in Q4 still being longer than in Q4/2012 (3.2 years) due to the 7-year EUR 500 million Eurobond issued in June 2013.
- Hedging ratio decreased to 83.4% in Q4. The decrease follows the exclusion of swaps and fixed rate loans maturing in 2014 as these are classified under variable rate interest.

# Financial expenses analysis

Net Financial Expenses (EUR thousand)	Q4/2013	Q3/2013	Q4/2012	Q1-Q4/2013	Q1-Q4/2012	Change % YTD
Financial expenses:						
Interest expenses	-15 268	-15 919	-15 961	-64 348	-63 168	2 %
Foreign exchange gains(+)/ losses(-)	-4	-32	-108	46	-24	-288 %
Amortisation of capitalised fees	-413	-412	-389	-2 004	-1 686	19 %
Non-cash option expense from convertible bonds	0	-85	-239	-480	-1 349	-64 %
Other expenses	-972	-746	-799	-29 730	-2 461	1108 %
<b>Total expenses</b>	<b>-16 657</b>	<b>-17 195</b>	<b>-17 497</b>	<b>-96 516</b>	<b>-68 688</b>	<b>41 %</b>
Financial income:						
Interest income	1 544	1 775	99	6 465	551	1073 %
Fair value gains(+)/ losses (-) from derivatives	0	0	0	0	0	0 %
<b>Total income</b>	<b>1 544</b>	<b>1 775</b>	<b>99</b>	<b>6 465</b>	<b>551</b>	<b>1073 %</b>
<b>Net financial expenses</b>	<b>-15 113</b>	<b>-15 420</b>	<b>-17 398</b>	<b>-90 051</b>	<b>-68 136</b>	<b>32 %</b>

- A** Interest expenses in Q4 decreased by EUR 0.6 million from the previous quarter
- B** Amortisation of fees remained at the same level in Q4 as in Q3. Full year figure was EUR 0.3 million higher than last year
- C** Other expenses increased by EUR 0.2 million in Q3, mainly due to accrued commitment fees. Full year figure was higher than last year due to one-off expenses, mainly relating to the fair value loss on the unwinding of IRS's following the EUR 500 million Eurobond issue in June
- D** The full year interest income is clearly higher than last year as Citycon has earned interest on the shareholder loan given to Kista Galleria
- E** Compared to previous year the financial expenses have increased clearly due to one-off costs but excluding Other expenses, the net financial expenses decreased by 8 per cent i.e. EUR 5.4 million

# Share performance and volume

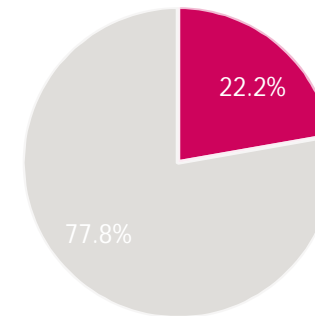


# Ownership, 31 December 2013

- Established and listed on the Helsinki Stock Exchange since 1988
- Market cap EUR 1 129.7 million
- Number of domestic shareholders stayed stable: total 8,820 (7,717) registered shareholders, 22.2% (23.3%) 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)

## Shareholders

■ Domestic ■ International



Trio, Lahti





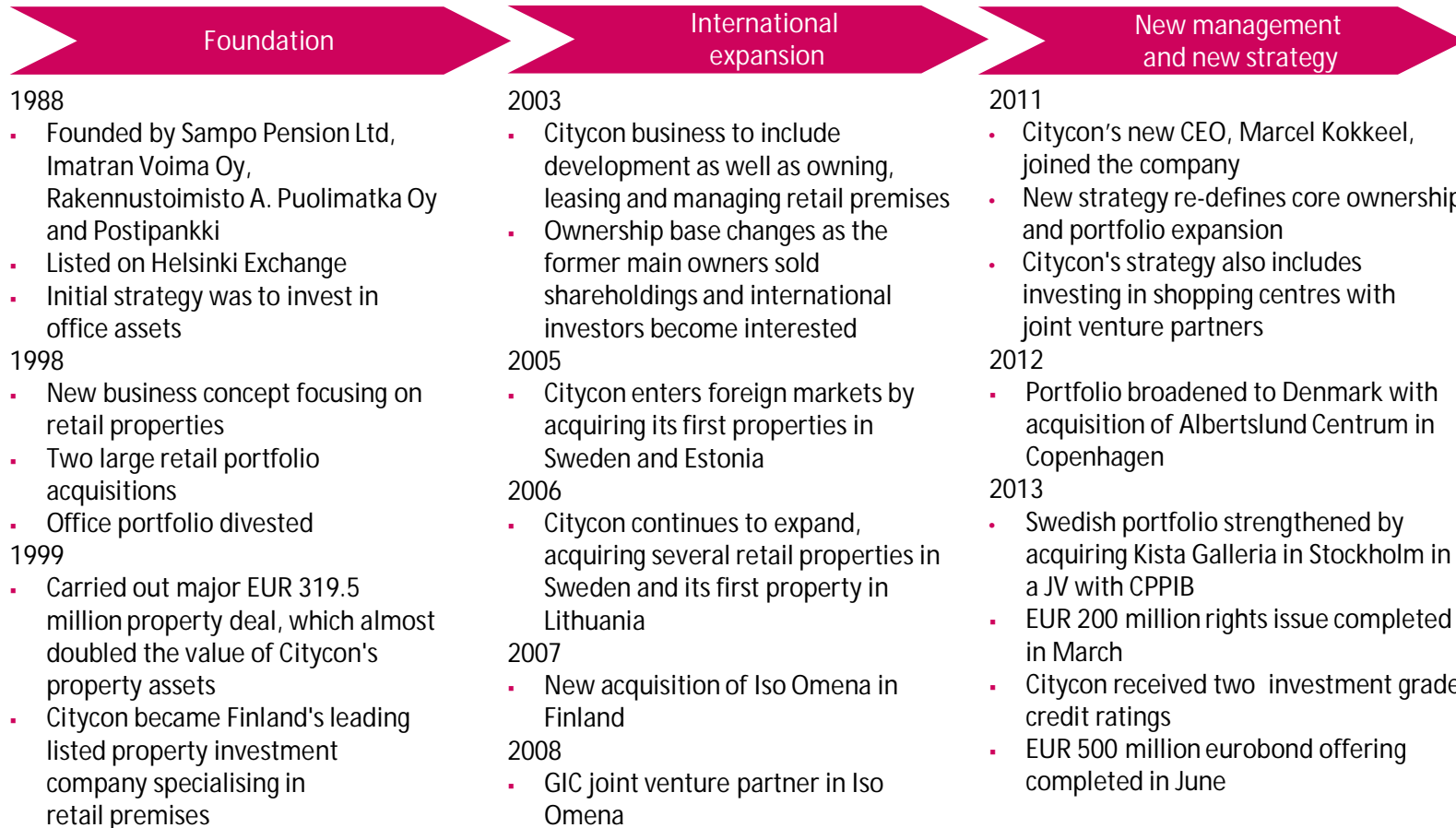
# Back up information



Koskikeskus, Tampere

# History of Citycon

## Citycon's 25 years!



25 years of retail experience and portfolio growth

# NRI growth by segments and portfolios

EUR million	Finland	Sweden	Baltic Countries & New Business	Other	Total	Turnover
2011	90,5	35,4	18,4	0,0	144,3	217,1
Acquisitions	1,5	1,4	4,6	-	7,5	11,1
(Re)development projects	4,6	0,6	0,6	-	5,8	8,3
Divestments	-0,5	-1,7	-	-	-2,3	-4,6
Like-for-like properties	2,2	2,3	1,1	0,0	5,5	5,3
Other (incl. exch. diff.)	0,0	1,2	-0,1	0,0	1,1	1,8
2012	98,2	39,2	24,6	-	162,0	239,2
Acquisitions	0,5	0,0	0,7	-	1,2	2,9
(Re)developments projects	0,8	-0,3	0,2	-	0,6	1,8
Divestments	-0,1	-1,0	-	-	-1,1	-2,3
Like-for-like properties	4,1	1,2	0,2	-	5,5	6,6
Other (incl. exch. diff.)	0,0	0,6	0,0	0,0	0,6	0,4
2013	103,5	39,7	25,6	0,0	168,9	248,6

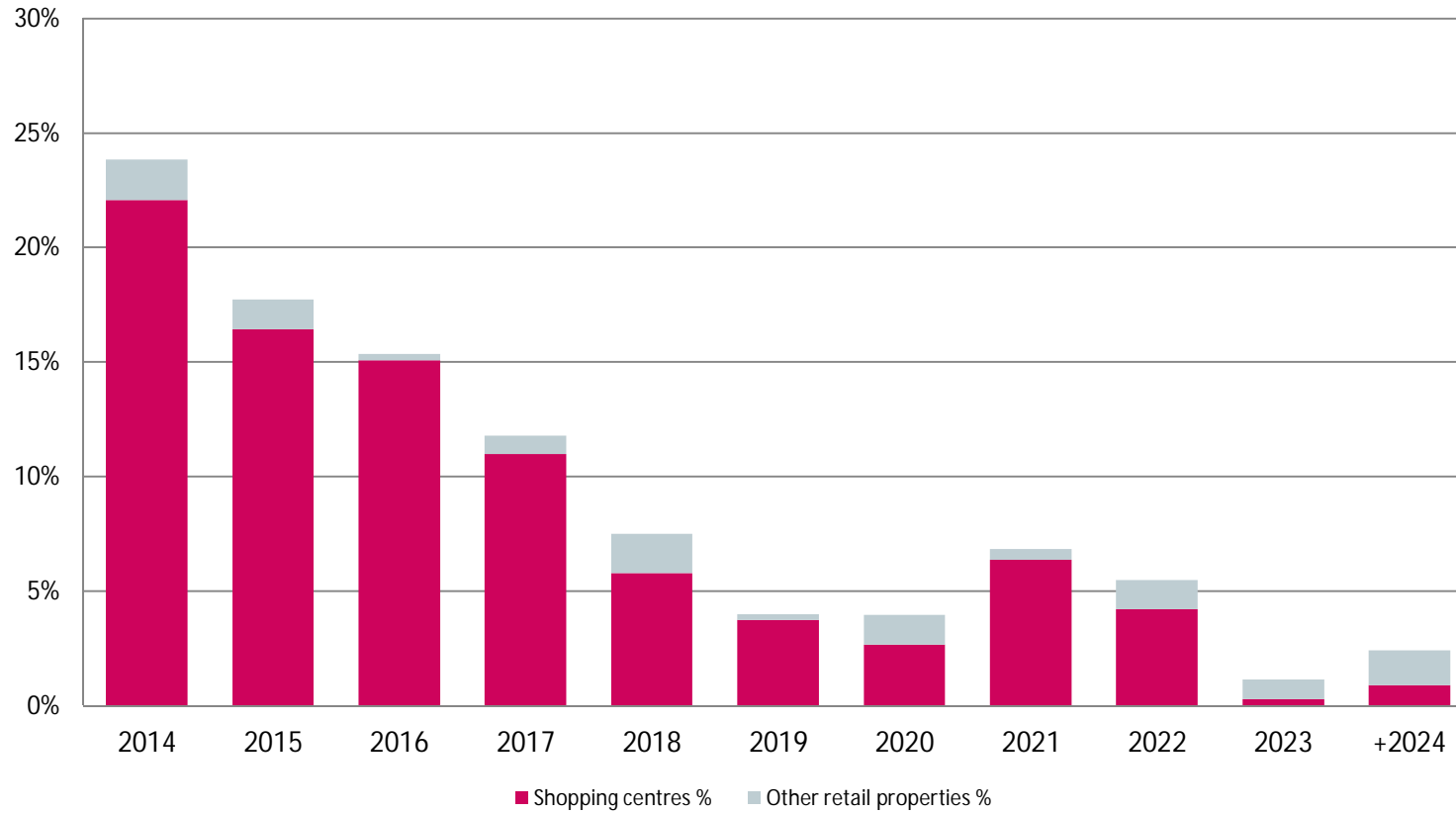
- A** Acquisitions: Albertslund, Citytalo and Arabia
- B** (Re)development projects: Koskikeskus, Magistral, Åkermyntan, Myllypuro, Kristiine, Rocca al Mare, Stenungs Torg and IsoKristiina
- C** Divestments: Lindome, one residential portfolio in Sweden, Hindås and Louhenkulma
- D** L-f-L properties: Positive L-f-L NRI growth: EUR 5.5 million, or +4.6%. L-f-L turnover growth was +3.8% and L-f-L OPEX growth was +1.2%.
- E** Other: FX impact of EUR 0.3 million on NRI.

# Cash flow statement

EUR million	FY 2013	FY 2012
Profit before taxes	90.1	95.5
Adjustments	60.1	42.9
Cash flow before change in working capital	150.2	138.4
Change in working capital	-4.5	8.6
Cash generated from operations	145.6	147.0
Interest and other financial charges paid	-87.0	-62.4
Interest and other financial income received	0.2	0.6
Realised exchange rate losses	-1.5	-22.9
Taxes paid/received	-0.7	-0.8
<b>Cash flow from operating activities (A)</b>	<b>56.6</b>	<b>61.5</b>
Acquisition of subsidiaries and investment properties	-2.0	-41.0
Acquisition of investment properties	0.0	-1.1
Capital expenditure on investment properties, investments in joint ventures, intangible assets and PP&E	-226.6	-93.9
Sale of investment property	60.2	31.1
<b>Cash flow from investing activities (B)</b>	<b>-168.4</b>	<b>-104.9</b>
Proceeds from rights and share issue	196.0	89.9
Proceeds from short-term loans	96.7	117.1
Repayments of short-term loans	-228.9	-157.5
Proceeds from long-term loans	612.4	623.5
Repayments of long-term loans	-527.7	-600.6
Acquisition of non-controlling interests	0.0	-28.5
Dividends and capital return	-49.1	-41.7
<b>Cash flow from financing activities (C)</b>	<b>99.4</b>	<b>2.3</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>-12.3</b>	<b>-41.4</b>
<b>Net cash from operating activities per share, EUR</b>	<b>0.13</b>	<b>0.19</b>

- Cash flows from operating activities decreased due mainly to one-off financial expenses relating to the bond issue and refinancing (interest swap unwinding and bond buybacks in Q2/2013)
- Investments consist primarily of acquisition of joint venture Kista Galleria and (re)development investments. Proceeds from several disposals totaled EUR 60.2 million.
- Financing activities include mainly the EUR 196.0M million proceeds from the share issue in March and EUR 500 million proceeds from the bond issue in June (used to repay existing debt)

# Lease expiry profile Q4/2013



Average remaining length: 3.5 yrs

# Illustrative calculation of ICR covenant using Q4/2013 financials <sup>1)</sup>

Q4/2013 EBITDA for covenant calculation: direct operating profit + depreciations +/- non-cash and exceptional items

EBITDA = EUR 149.1 + EUR 0.9 + EUR 0.5  
= EUR 150.5 million for rolling 12-month period

EUR million	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Cumulative 12-months
EPRA Earnings					
Net rental income	41.9	43.9	42.7	40.4	168.9
Direct administrative expenses	-5.5	-4.7	-5.2	-5.3	-20.6
Direct other operating income and expenses	0.1	0.2	0.2	0.3	0.9
EPRA operating profit	36.5	39.5	37.8	35.4	149.1
Direct net financial income and expenses	-14.9	-15.4	-16.3	-16.4	-63.0
Direct share of loss/profit of joint ventures	-5.3	0.7	0.4	1.1	-3.1
Direct current taxes	-0.2	-0.2	-0.2	-0.2	-0.7
Change in direct deferred taxes	0.3	0.1	-0.4	0.2	0.1
Direct non-controlling interest	-0.5	-0.4	-0.5	-0.4	-1.9
EPRA Earnings, total	15.9	24.2	20.8	19.7	86.7

Q4/2013 ICR  
= (150.5/62.4)  
= 2.4x

Q4/2013 Net financials for covenant calculation: direct net financials – non-cash option amortization from convertible +/- other adjustments incl. FX gains or losses

Net financials = EUR 63.0 – EUR 0.6 – EUR 0.1 EUR = EUR 62.4 million for rolling 12-month period

## Illustrative calculation of equity ratio covenant using Q4/2013 financials <sup>1)</sup>

Equity for covenant calculation:  
total shareholders' equity +  
subordinated debt – non-  
controlling interest +/- fair value of  
derivatives included in equity

Equity = EUR 1,340.6 + EUR 0.0  
– EUR 51.0 + EUR 23.1  
= EUR 1,312.7 million as at 31 Dec  
2013

EUR million	Q4/2013	Q4/2012
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity		
Share capital	259.6	259.6
Share premium fund	131.1	131.1
Fair value reserve	-22.8	-59.8
Invested unrestricted equity fund	493.0	333.0
Retained earnings	428.7	351.8
Total equity attributable to parent company shareholders	1289.6	1015.7
Non-controlling interest	51.0	44.2
Total shareholders' equity	1,340.6	1,059.9
Total liabilities	1,634.7	1,758.6

Equity ratio on 31 Dec 2013  
= (1,312.7/2,906.5) = 45.2%

Total balance sheet for covenant  
calculation: Equity (as defined  
above) + total liabilities –  
subordinated debt +/- – fair value of  
derivatives and other adjustments

Total balance sheet = EUR 1,312.7 +  
EUR 1,634.7 – EUR 0.0 – EUR 40.9  
= EUR 2,906.5 million as at 31 Dec  
2013

# Citycon's major shopping centres

## Finland



**Iso Omena**  
Built 2001  
GLA 63,300 m<sup>2</sup>  
Ownership 60%



**Koskikeskus**  
1988  
34,300 m<sup>2</sup>  
100%

**Myyrmanni**  
1994,2007,2011  
39,600 m<sup>2</sup>  
100%



**Forum**  
1953,1991,2010  
16,800 m<sup>2</sup>  
100%

**Trio (incl. Hansa)**  
1977,2007,2010  
45,600 m<sup>2</sup>  
89.3%



**Lippulaiva**  
1993,2007  
19,000 m<sup>2</sup>  
100%

**Columbus**  
1997,2007  
21,000 m<sup>2</sup>  
100%

## Sweden



**Kista Galleria**  
1977, 2002, 2009  
94,200 m<sup>2</sup>  
50%



**Liljeholmstorget**  
2009  
41,000 m<sup>2</sup>  
100%



**Stenungs Torg**  
1967,1993  
36,400 m<sup>2</sup>  
100%



**Åkersberga Centrum**  
1985,1996,2011  
28,200 m<sup>2</sup>  
75%



**Tumba Centrum**  
1954,2000  
25,500 m<sup>2</sup>  
100%



**Strömpilen**  
1927,1997  
26,900 m<sup>2</sup>  
100%



**Jakobsbergs Centrum**  
1959,1993  
41,500 m<sup>2</sup>  
100%

## Baltic Countries & New Business



**Rocca al Mare**  
Estonia  
1998,2009,2013  
57,400 m<sup>2</sup>  
100%



**Kristiine**  
Estonia  
1999,2010,2013  
43,700 m<sup>2</sup>  
100%



**Mandarinās**  
Lithuania  
2005  
7,900 m<sup>2</sup>  
100%



**Magistral**  
Estonia  
2000,2012  
11,700 m<sup>2</sup>  
100%



**Albertslund Centrum**  
Denmark  
1965  
14,700 m<sup>2</sup>  
100%



# Contact information

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