

CEO, MARCEL KOKKEEL
CFO, EXEC. VP EERO SIHVONEN

AUDIOCAST PRESENTATION

Q3/2016

 CITYCON

Q3/2016: STRONGER COMPANY AFTER OPENING OF ISO OMENA EXTENSION AND SUCCESSFUL BOND ISSUE





HIGHLIGHTS Q3/2016

GOOD PERFORMANCE IN SWEDEN AND NORWAY COMPENSATES CHALLENGES IN FINLAND

- EPRA Earnings +18% mainly due to the acquisition of Norwegian operations
- EPRA EPS EUR 0.127 close to last year's level with 25% more shares

POSITIVE OVERALL LIKE-FOR-LIKE NET RENTAL INCOME

- Adjusted LFL NRI +0.6% including Norway and Kista Galleria
- Norwegian operations performing well: 3.4% LFL NRI

SUCCESSFUL OPENING OF ISO OMENA FIRST PHASE AND ACQUISITION OF JV MINORITY SHARE

- 95% of the first phase leased, grand opening in Q2/2017

SUCCESSFUL BOND ISSUE AT RECORD LOW FIXED COUPON OF 1.25%

- Strong demand, placement more than 6 times oversubscribed

OUTLOOK SPECIFIED

- EPRA EPS EUR 0.16-0.17 (0.1575-0.1725)



FINANCIAL HIGHLIGHTS

MEUR	Q1-Q3/2016	% ¹⁾
Net rental income	169.0	18.9
Direct Operating profit	148.6	16.9
EPRA Earnings	113.2	17.5
EPRA EPS (basic)	0.127	-6.3
EPRA NAV per share	2.83	4.8
Fair value change	38.4	-
Loan to Value (LTV), %	46.2	-

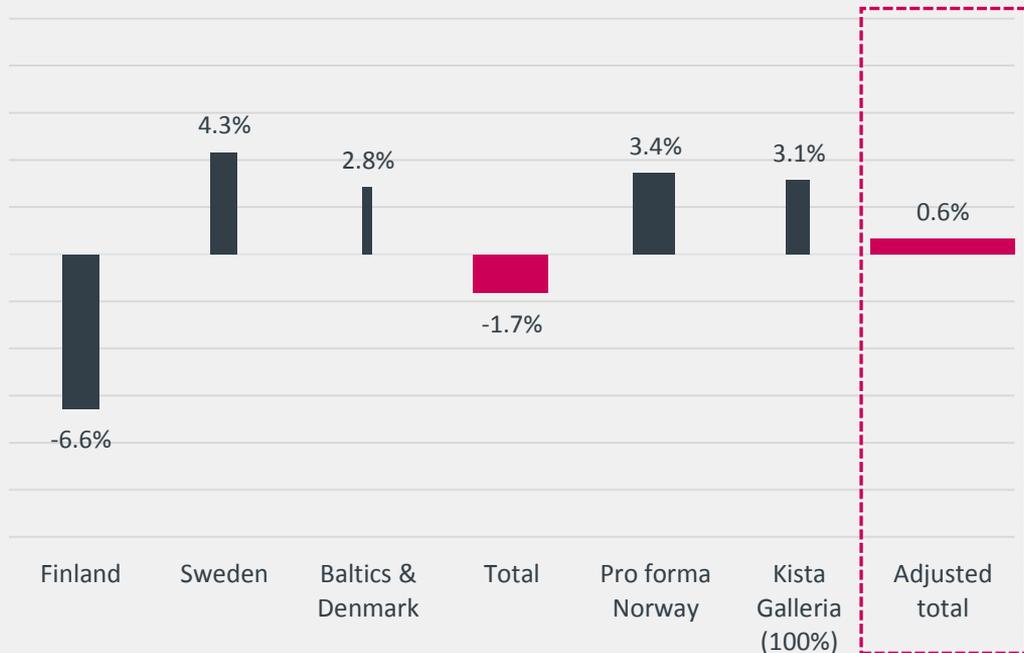
¹⁾ Change from previous year (Q1-Q3/2015)

OVERALL STABLE OPERATING PERFORMANCE – DIVERGING TREND BY COUNTRY CONTINUES



POSITIVE OVERALL LIKE-FOR-LIKE NRI GROWTH DRIVEN BY NORWAY AND SWEDEN

LIKE-FOR-LIKE NET RENTAL INCOME GROWTH

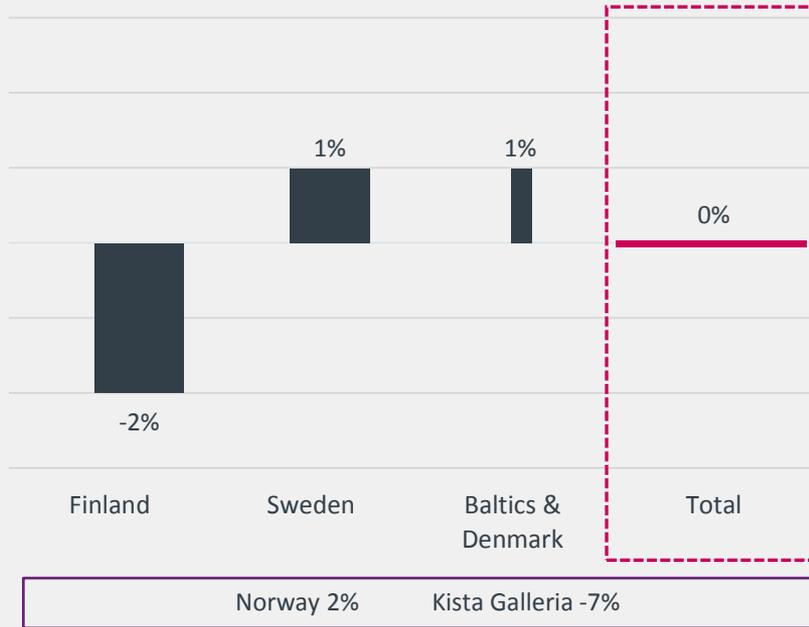


- Operating results reflect the general performance of the main economies
- Finland impacted negatively by (re)developments in the three largest properties in Helsinki area (Iso Omena, Myyrmanni, Lippulaiva)
- The standard like-for-like portfolio represents only 36% of Citycon's total portfolio

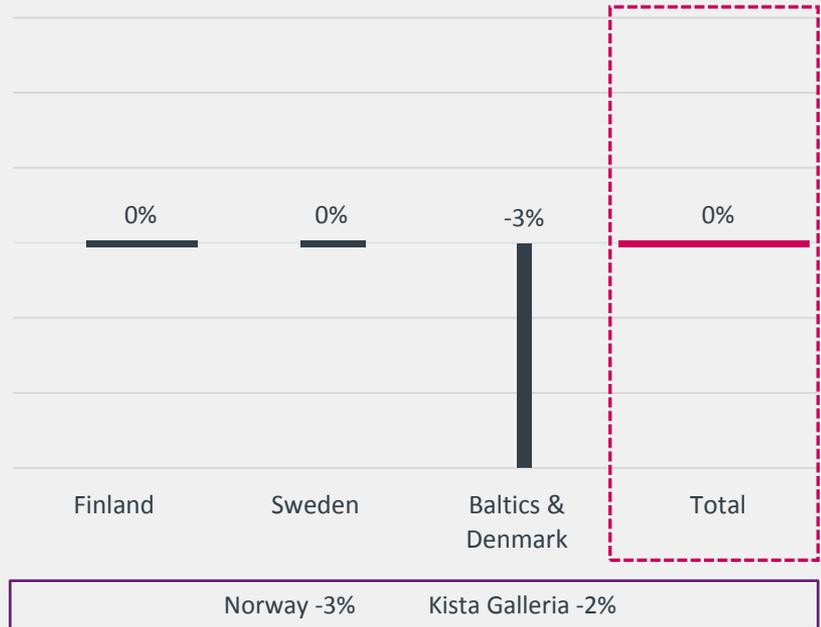
6 The width of each column refers to the weight of the business unit in Citycon's portfolio. Citycon's ownership in Kista Galleria is 50%, but management follows it as if it was fully consolidated. The adjusted total including Kista Galleria 50% was 0.4%

OVERALL STABLE SALES AND FOOTFALL DEVELOPMENT

SALES, LIKE-FOR-LIKE SHOPPING CENTRES

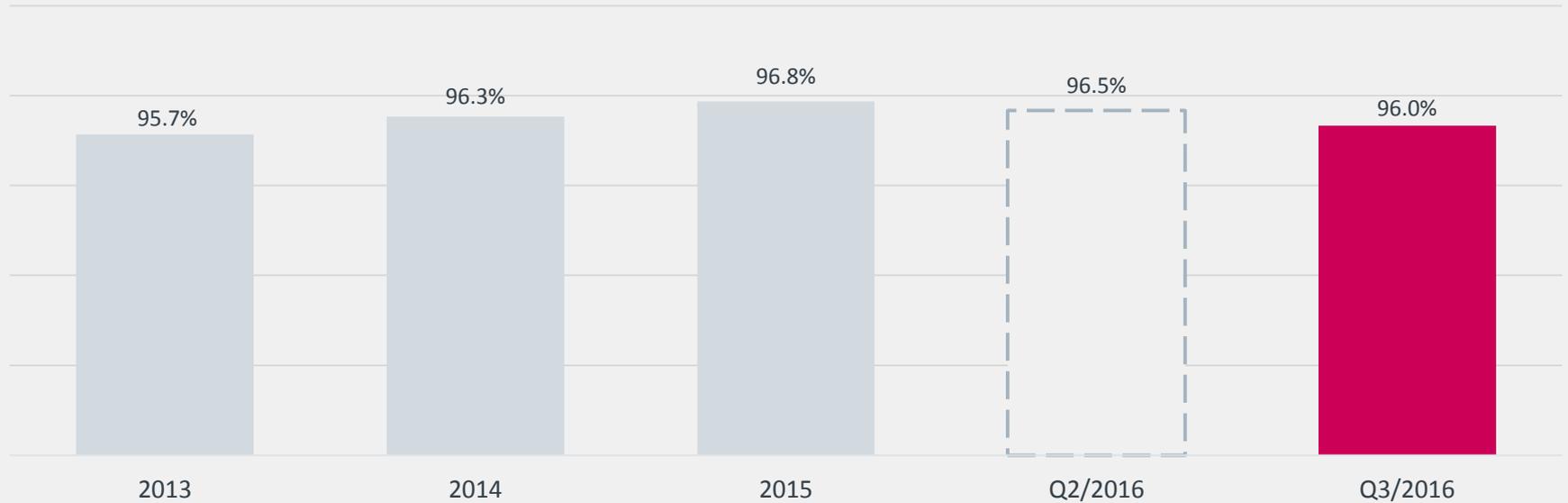


FOOTFALL, LIKE-FOR-LIKE SHOPPING CENTRES



OCCUPANCY REMAINS AT A GOOD LEVEL - 50 BPS DECLINE MAINLY DUE TO FINLAND

OCCUPANCY RATE



DEVELOPMENT PORTFOLIO



 CITYCON

ONGOING (RE)DEVELOPMENTS PROGRESSING – ISO OMENA FIRST PHASE OPENED SUCCESSFULLY WITH 95% LEASED

ONGOING PROJECTS

	City	Area before/ after, sq.m.	Expected investment, MEUR	Cumulative investment, MEUR	Yield on cost ¹⁾ , %	Pre-leasing, %	Completion target
1 Iso Omena	Helsinki area	63,300/101,000	270.0 ²⁾	221.4	6.0	Phase 1: 95% Total SC: 90%	Q3/2016 & Q2/2017
2 Mölndal Galleria	Gothenburg	- /24,000	60.0 (120.0)	21.7	7.0	65%	Q3/2018
3 Porin Asema-aukio³⁾	Pori	18,800/23,000	40.0	31.3	-	100%	Q2/2017

¹⁾ Expected stabilised yield (3rd year after completion). Calculated on total development costs, also including financing and Citycon internal costs.

²⁾ The increase in the investment amount is related to the JV share acquired from NCC Property Development as well as some concept improvements and higher tenant investments.

³⁾ New campus for the Satakunta University of Applied Sciences. Citycon has signed an agreement to sell the property at completion of the project.



SUCCESSFUL OPENING OF ISO OMENA EXTENSION - 30% FOOTFALL INCREASE SINCE OPENING



- Strong international brands, e.g. Superdry, O'Learys, The Athlete's Foot, Peak Performance, H&M, Zara
- 6,000 sq.m. of first-class healthcare services and library
- Grand opening of Iso Omena in Q2/2017
- Metro opening schedule uncertain

“STATE-OF-THE ART” ISO OMENA SHOWS INTERNATIONAL APPEAL



ISO OMENA - LAUNCH OF NEW CITYCON F&B CONCEPT M.E.E.T



- Creating a true dining destination in Iso Omena
- Over 50 cafés and restaurants in total, representing 25% of all retail units
- New restaurants previously featured only in Helsinki CBD
- Directly connected to new, seven-screen Finnkino cinema
- Grand opening in Q2/2017

DEVELOPMENT PIPELINE



DEVELOPMENT PIPELINE – URBAN LOCATIONS IN CAPITAL CITIES

	City	Area before/ after, sq.m.	Expected investment, MEUR	Target initiation/ completion
COMMITTED PROJECTS				
Lippulaiva	Helsinki area	19,200/42,000	200	2016/2020
Down town	Porsgrunn/Skien	24,000/33,000	75	2017/2019
PLANNED PROJECTS				
Tumba Centrum	Stockholm	26,000/36,000	55	2017/2019
Liljeholmstorget Galleria	Stockholm	41,000/63,000	120	2019/2021
Kista Galleria	Stockholm	95,000/111,000	80 ¹⁾	2019/2021
Trekanten	Oslo	24,000/53,000	110	2020/2022

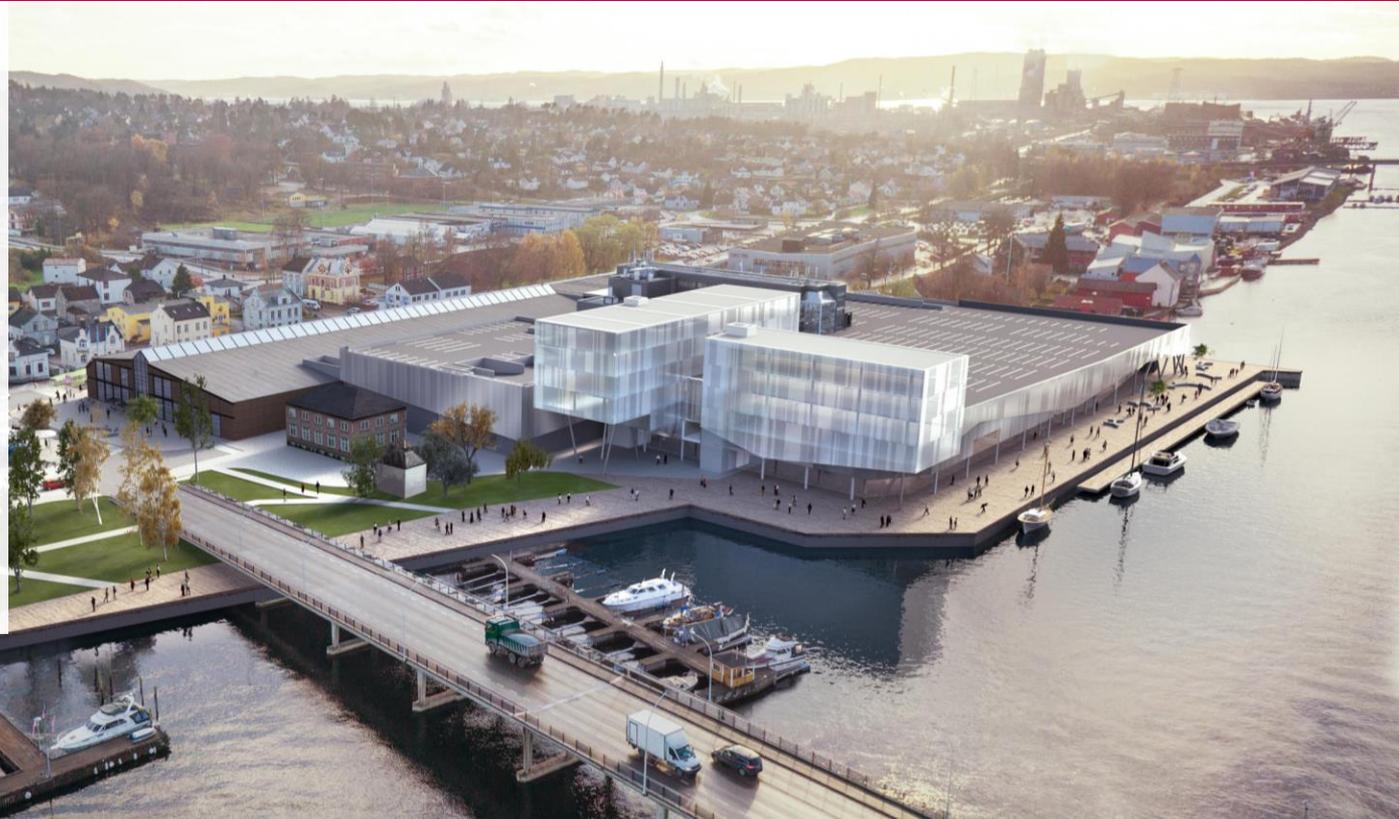
- Development investments of 150-200 MEUR p.a. sourced through recycling of capital. Average YoC 6.5%
- Further upside potential through residential development – making use of urban locations

¹⁾ Citycon's 50% share



PORSGRUNN DOWNTOWN: SHOPPING CENTRE EXTENSION IN THE HEART OF THE CITY BY THE RIVERSIDE

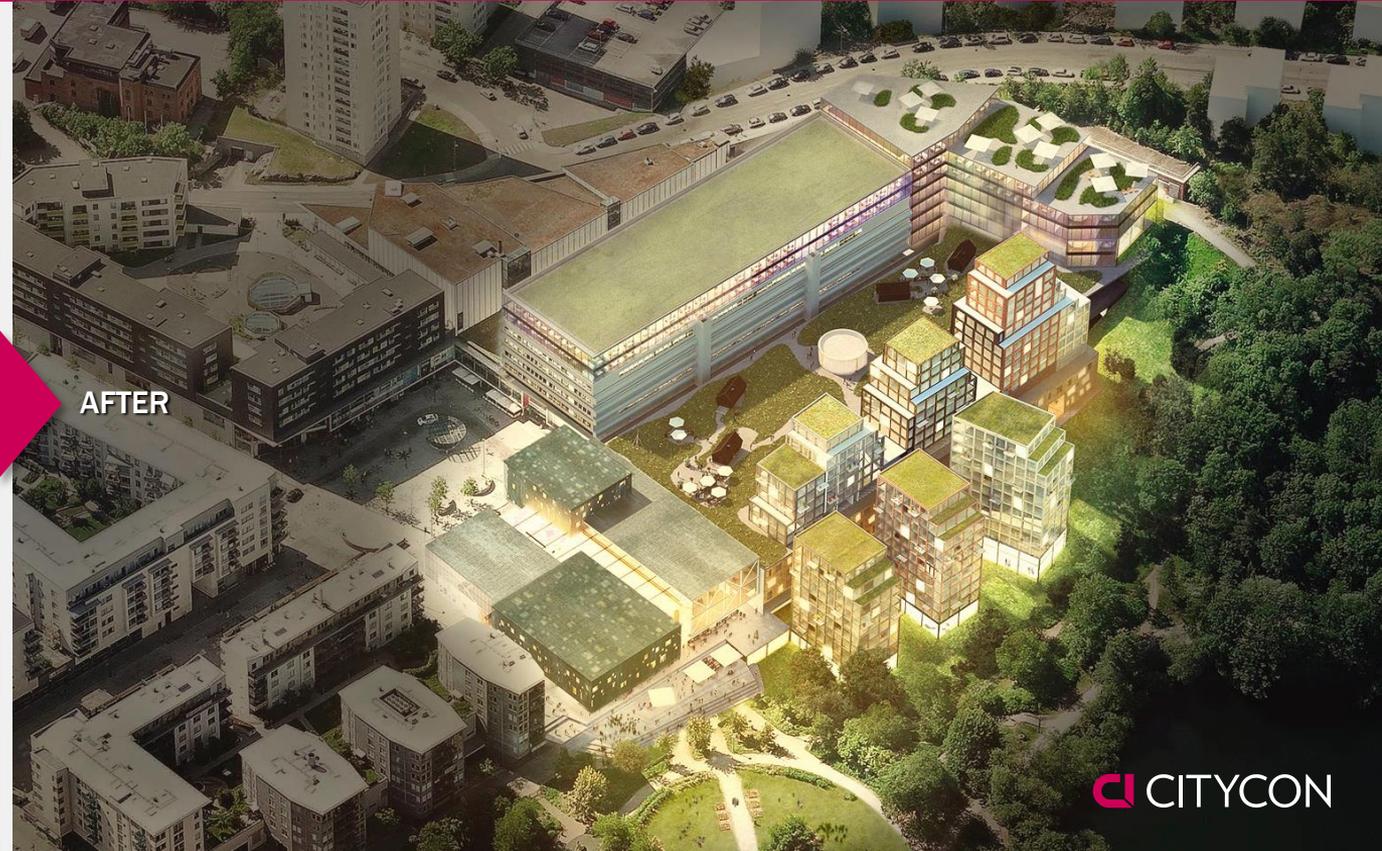
- Strong existing shopping centre of 24,000 sq.m. retail
- (Re)development and extension of 9,000 sq.m. retail. Additional residential
- Development investment of 75 MEUR with a YoC in line with the Citycon target of 150 bps above valuation yield



HELSINKI LIPPULAIVA: FROM A MONOFUNCTIONAL CENTRE TO A MIXED-USE URBAN CROSSPOINT



STOCKHOLM LILJEHOLMSTORGET: CONTINUATION OF AN URBAN SUCCESS STORY BY EXTENDING ON TOP OF THE METRO STATION



OSLO TREKANTEN: TRANSFORMING NEIGHBOURHOOD CENTRE INTO A CITYCON FLAGSHIP IN NORWAY





KEY TARGET AREAS 2016 AND ONWARDS

SUCCESSFUL COMPLETION OF ONGOING DEVELOPMENTS

- Uplift in rental income and earnings 2017 onwards
 - Development investments of 150-200 MEUR p.a. within the existing portfolio with an average YoC of 6.5%
 - Fuel the pipeline
-

RECYCLE CAPITAL THROUGH CONTINUED EXECUTION OF DIVESTMENT STRATEGY

- Divest 200-250 MEUR, mainly in Finland within the coming 1-2 years
-

LONG-TERM LFL NRI GROWTH OF 100 BPS ABOVE INFLATION

- After larger (re)developments have come online in 2017/2018
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FINANCIAL OVERVIEW





FINANCIAL RESULTS

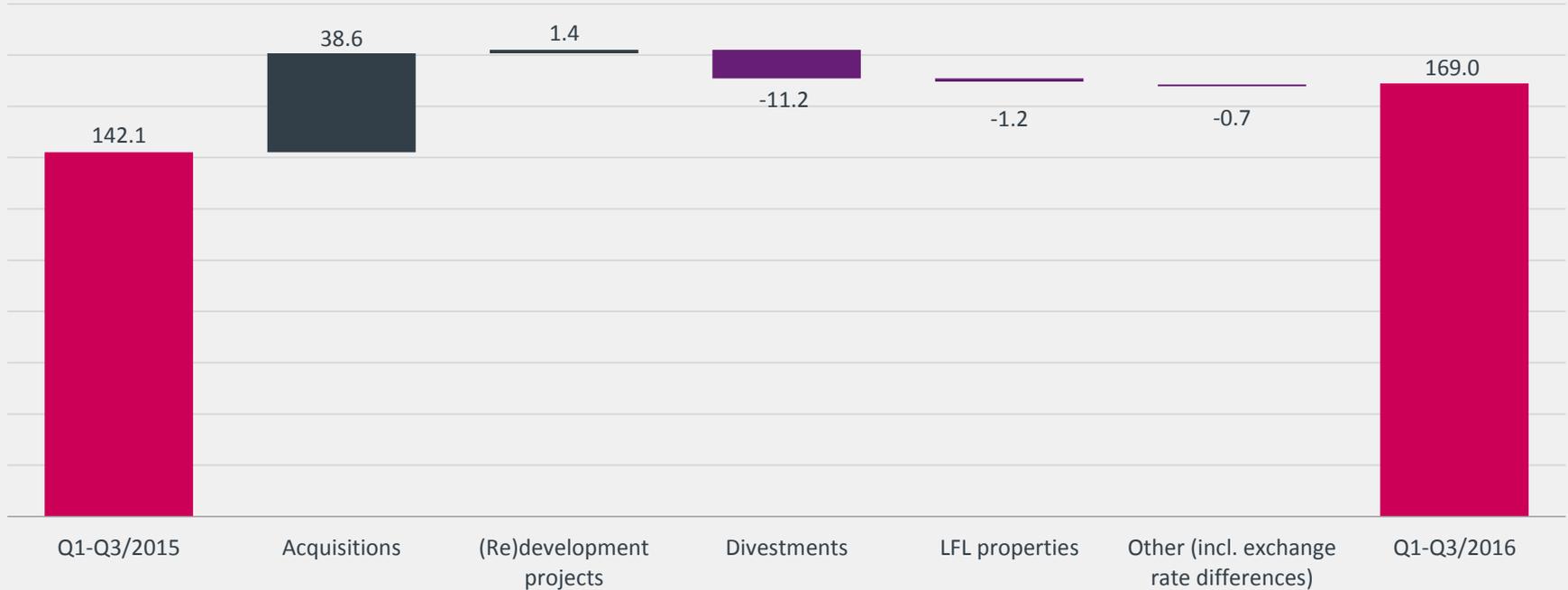
MEUR	Q3/2016	Q3/2015	Q1-Q3/2016	Q1-Q3/2015	Q1-Q3/2016 INCL. KISTA
Gross rental income	61.9	65.9	187.3	158.6	213.2
Net rental income	56.8	59.7	169.0	142.1	192.0
Direct Operating profit	50.2	54.7	148.6	127.2	170.6
EPRA Earnings	38.6	38.9	113.2	96.4	n.a.
EPRA EPS (basic)	0.043	0.046	0.127	0.136	n.a.
EPRA NAV per share	2.83	2.70	2.83	2.70	n.a.

- Direct Operating profit and EPRA Earnings up by 17% due to the Norwegian acquisition
- EPRA EPS EUR 0.127, close to last year's level
 - 25% increase in average number of shares due to rights issue in July 2015
- Kista Galleria contributed to the IFRS-based profit for the period by approx. 7.2 MEUR in Q1-Q3/2016

NET RENTAL INCOME +19% FOLLOWING THE ACQUISITION OF NORWEGIAN OPERATIONS

NRI DEVELOPMENT

MEUR





INCREASED AVERAGE RENT, OCCUPANCY AT A GOOD LEVEL

		Q3/2016	Q2/2016
Occupancy rate (economic)	%	96.0	96.5
Average rent	EUR/sq.m.	22.7	22.4
Average remaining length of lease portfolio	years	3.4	3.2
		Q1-Q3/2016	Q1-Q3/2015
Average rent of leases started	EUR/sq.m.	22.7	22.8
Average rent of leases ended	EUR/sq.m.	21.1	19.7
Leasing spread of renewals and re-lettings	%	-6.2	-

- Q3/2016 leasing spread was -1.6%, improving from Q2 (-2.7%). Including Kista Galleria (100%) the leasing spread was -1.1%
- Q1-Q3/2016 leasing spread including Kista Galleria (100%) was -4.7%. When additionally excluding one large renewal in a non-core property outside Helsinki the leasing spread was -2.1%
- Occupancy slightly down, mainly due to Finland



POSITIVE VALUATION DRIVEN BY SWEDEN AND NORWAY

FAIR VALUE CHANGES, MEUR	Q3/2016	Q1-Q3/2016	Q1-Q3/2015
Finland	0.3	-14.9	-25.4
Norway	0.5	24.8	-
Sweden	7.4	29.2	27.0
Baltics & Denmark	-0.9	-0.7	5.5
Total	7.4	38.4	7.1

WEIGHTED AVERAGE YIELD REQUIREMENT, %	30 SEP 2016	30 JUN 2016	30 SEPT 2015
Finland	5.7	5.8	5.9
Norway	5.2	5.2	-
Sweden	5.2	5.3	5.5
Baltics & Denmark	6.7	6.7	7.0
Average	5.5	5.6	6.0

- Investment properties totalled 4,355 MEUR
- Slightly positive valuation in Finland boosted by Iso Omena
- Fair value changes for Q1-Q3/2016 including Kista Galleria (100%) was 42.6 MEUR

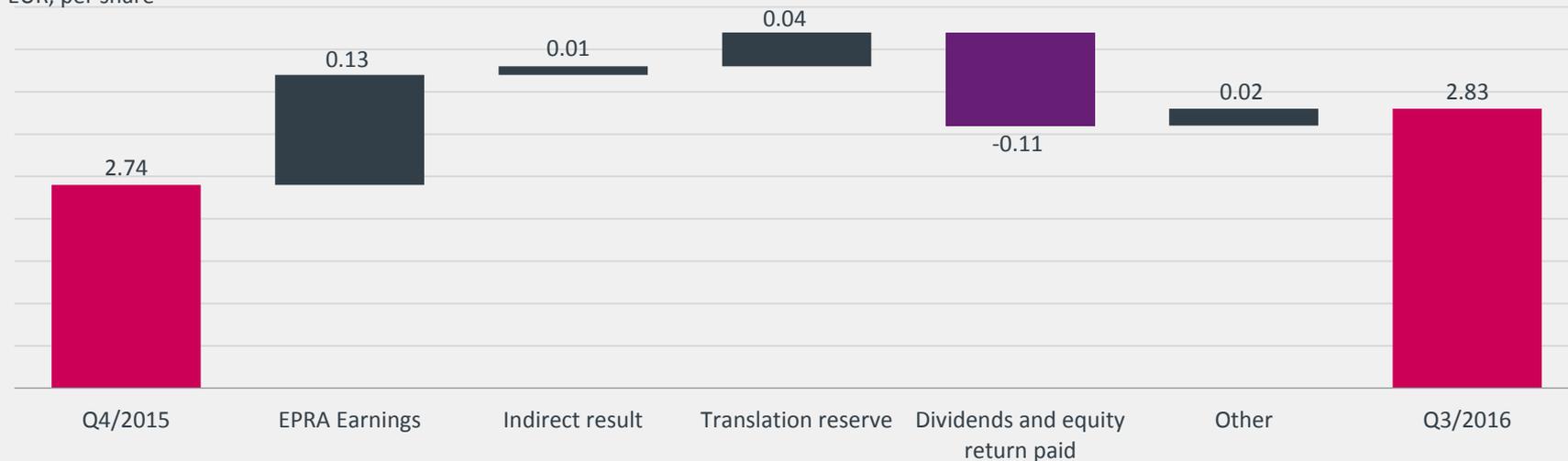
INCOME STATEMENT

MEUR	Q3/2016	Q3/2015	Q1-Q3/2016	Q1-Q3/2015	%
Gross rental income	61.9	65.9	187.3	158.6	18.2
Service charge income	19.2	20.0	59.4	47.7	24.7
Property operating expenses	-23.8	-25.7	-76.7	-63.1	21.5
Other expenses from leasing operations	-0.6	-0.5	-1.1	-1.1	4.8
Net rental income	56.8	59.7	169.0	142.1	18.9
Administrative expenses	-7.2	-12.9	-21.9	-24.1	-8.8
Other operating income and expenses	0.6	1.1	1.5	2.4	-36.7
Net fair value gains on investment property	7.4	4.1	38.4	7.1	-
Net gains on sale of investment property	0.8	-12.0	4.3	-12.4	-
Operating profit	58.4	40.0	191.3	115.2	66.1
Net financial income and expenses	-18.2	-24.6	-44.7	-40.9	9.1
Share of profit/loss of joint ventures	0.9	5.7	4.7	13.0	-63.8
Profit/loss before taxes	41.1	21.1	151.3	87.2	73.6
Profit/loss for the period	31.8	23.1	127.0	85.2	49.1

EPRA NAV STABLE

CHANGE OF NET ASSET VALUE (EPRA NAV)

EUR, per share



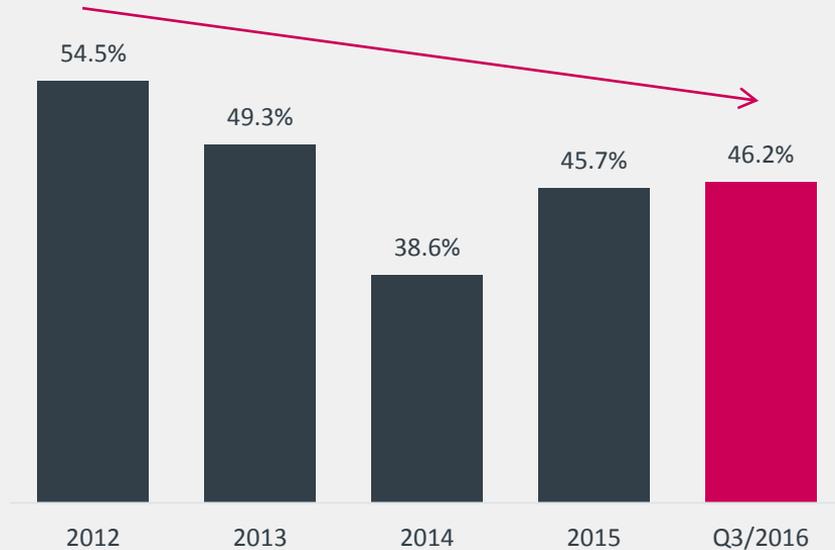
	30 SEPT 2016	30 JUN 2016	31 DEC 2015	30 SEPT 2015
EPRA NAV per share, EUR	2.83	2.80	2.74	2.70
EPRA NNNNAV per share, EUR	2.42	2.42	2.46	2.44

FINANCING OVERVIEW



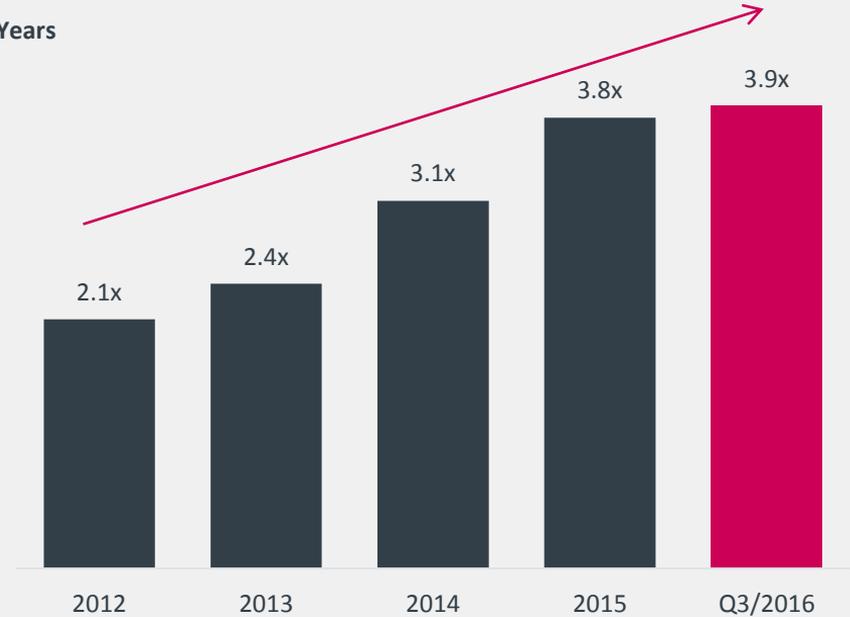
STEADILY IMPROVED ICR

LOAN TO VALUE (LTV)



INTEREST COVER RATIO

Years



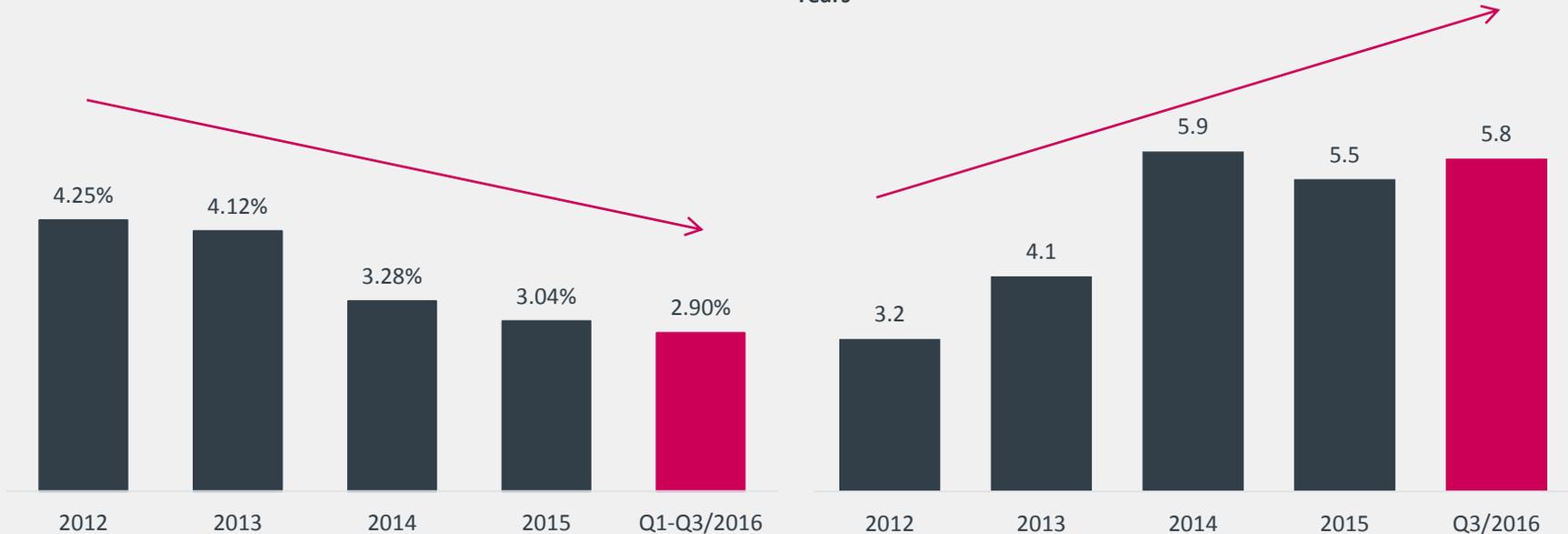
- Slightly higher LTV following buyout of Iso Omena construction JV partner in Q3/2016 and NOK/SEK currency movements

DECREASED AVERAGE INTEREST RATE AND EXTENDED LOAN MATURITY

AVERAGE INTEREST RATE

AVERAGE LOAN MATURITY

Years



– Lower cost of debt following bond issue in August 2016

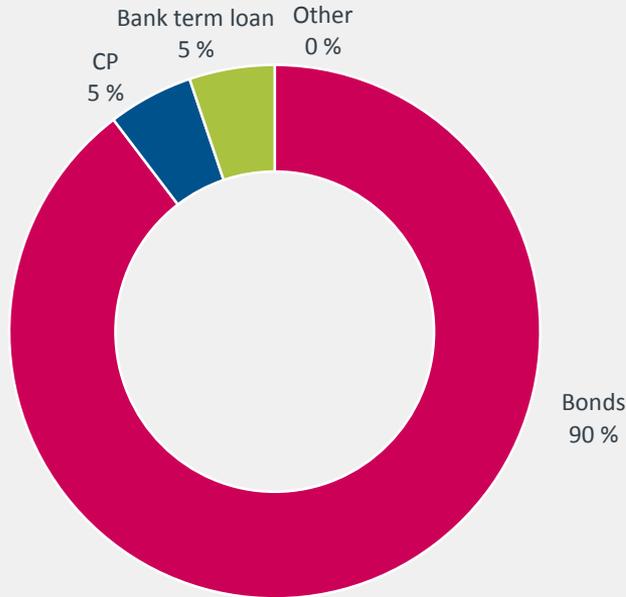
FINANCING KEY FIGURES

		30 SEP 2016	30 SEP 2015	31 DEC 2015
Interest bearing debt, fair value	MEUR	2,156.4	2,022.6	2,037.1
Available liquidity	MEUR	583.3	379.0	377.1
Average loan maturity	years	5.8	5.5	5.5
Interest rate hedging ratio	%	94.8	88.2	84.8
Weighted average interest rate ¹⁾	%	2.90	3.39	3.04
Loan to Value (LTV)	%	46.2	45.2	45.7
Financial covenant: Equity ratio (> 32.5%)	%	47.7	47.7	48.3
Financial covenant: Interest cover ratio (> 1.8)	%	3.9	3.7	3.8

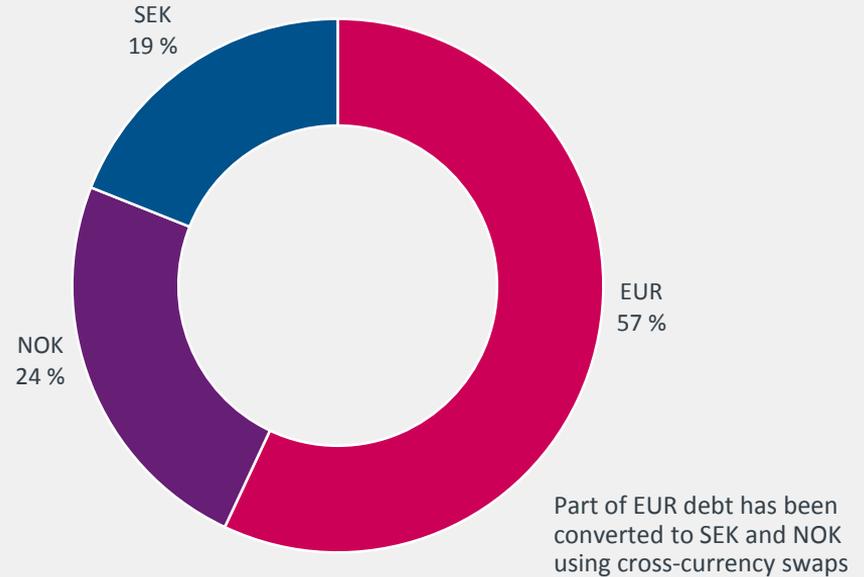
31 ¹⁾ Including cross-currency swaps and interest rate swaps

95% OF DEBT FIXED RATE, VAST MAJORITY BONDS

DEBT BREAKDOWN BY TYPE

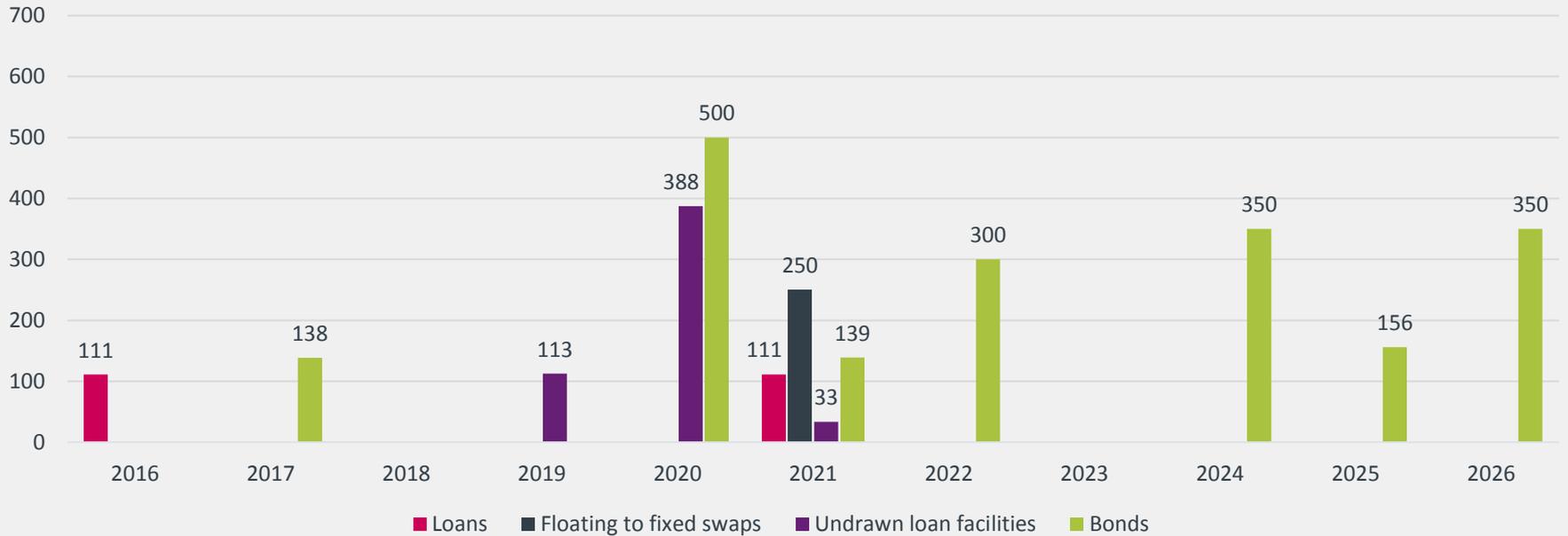


DEBT BREAKDOWN BY CURRENCY



BALANCED MATURITY PROFILE WITH LIMITED NEAR-TERM MATURITIES

DEBT MATURITIES



350 MEUR UNSECURED 10-YEAR EUROBOND SUCCESSFULLY EXECUTED

LATEST BOND ISSUED AT 1.25% COUPON

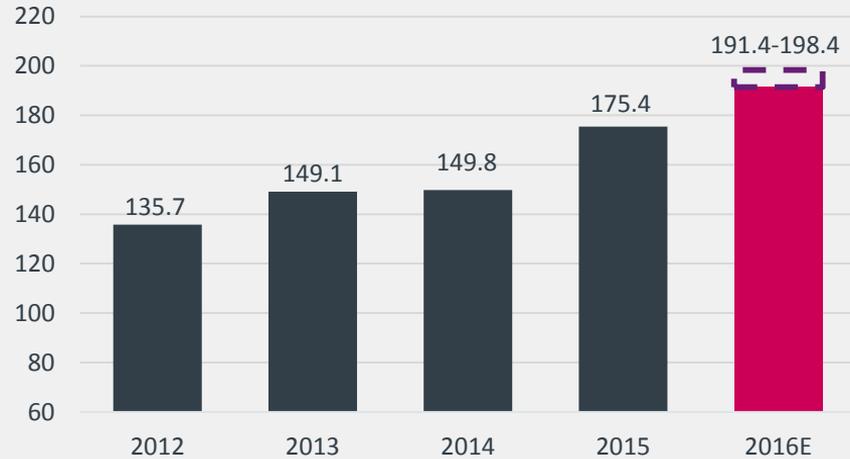
Amount	EUR 350,000,000
Status	Senior unsecured
Rating	Baa1 Stable (Moody's) & BBB Stable (S&P)
Maturity	8 September 2026
Coupon	1.250%
Re-offer spread	MS + 100 bps
Listing	Irish Stock Exchange

DEMONSTRATED ACCESS TO BOND MARKETS

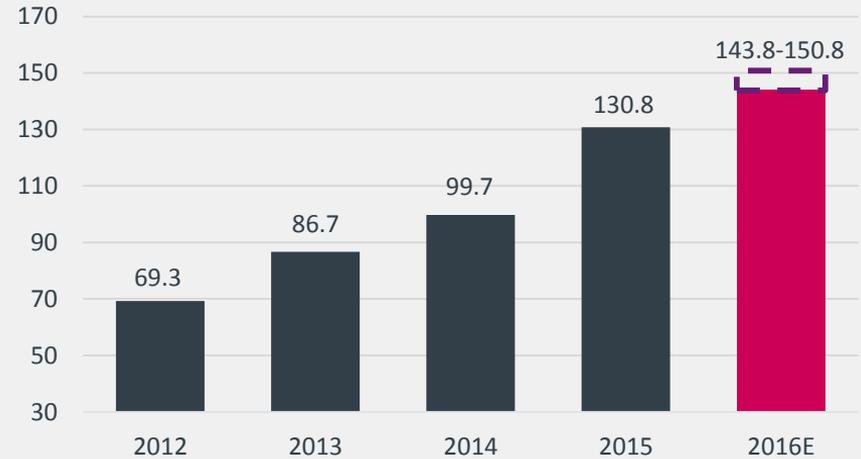
	Issued amount, million	Interest, p.a.	Maturity, years	Issue date
Eurobond	EUR 350	1.25%	10	8/9/2016
Eurobond	EUR 300	2.375%	7	16/9/2015
NOK bond	NOK 1,400	3.9%	10	1/9/2015
NOK bond	NOK 1,250	3-mth Nibor + 155 BP	5.5	1/9/2015
Eurobond	EUR 350	2.50%	10	1/10/2014
Eurobond	EUR 500	3.75%	7	24/6/2013
Bond 2017	EUR 150	4.25%	5	11/5/2012

OUTLOOK 2016 SPECIFIED

DIRECT OPERATING PROFIT



EPRA EARNINGS



- Direct Operating profit + 16 to 23 MEUR (previously 17-26)
- EPRA Earnings + 13 to 20 MEUR (previously 11-20)
- EPRA EPS (basic) 0.16-0.17 EUR (previously 0.1575-0.1725)