



AUDIOCAST PRESENTATION
Q1/2017

Q1/2017:
GOOD START TO THE YEAR





HIGHLIGHTS Q1/2017

6.6% INCREASE IN EPRA EPS TO EUR 0.043

- Good performance in Sweden and Norway compensates for weaker Finland
 - Overall net rental income growth and lower administrative expenses
 - Completed (re)development projects support earnings growth
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POSITIVE LIKE-FOR-LIKE NET RENTAL INCOME

- LFL NRI +1.1% including Kista Galleria (50%)
 - Finland negatively impacted by ongoing (re)developments and weaker performance of non-core properties
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FURTHER PORTFOLIO QUALITY UPGRADE

- Divestment of three non-core properties for MEUR 47 including first Norwegian divestment
 - Further capital recycling opportunities in Norway
 - Iso Omena leasing increased to 98%, second phase opening today
 - Lippulaiva (re)development started – 60% pre-leased with more than three years until opening
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GUIDANCE 2017 UNCHANGED

- EPRA EPS EUR 0.155-0.175
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FINANCIAL HIGHLIGHTS

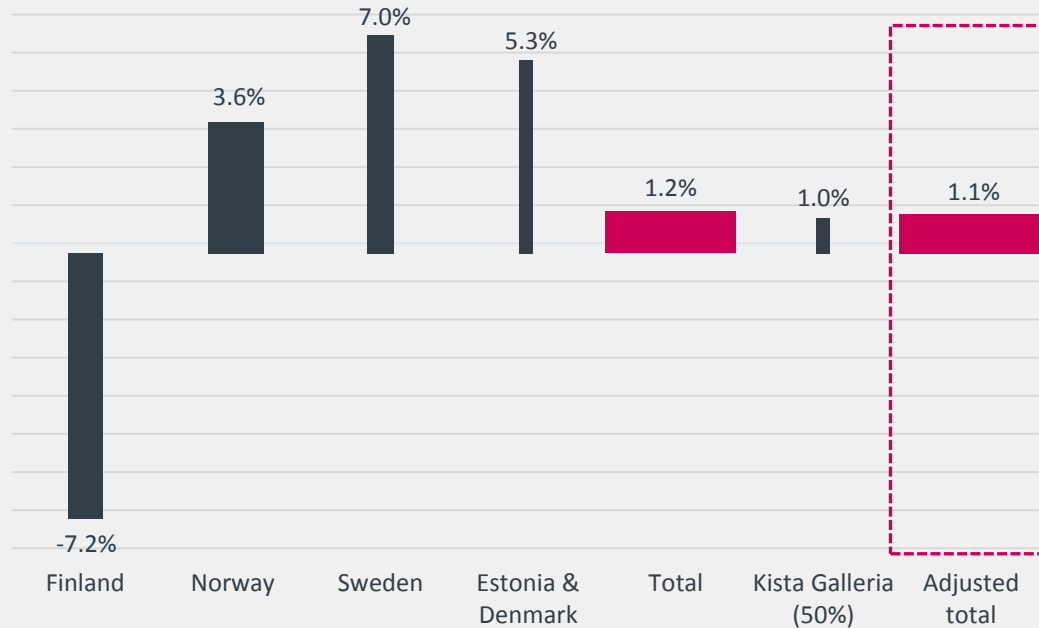
MEUR	Q1/2017	% ¹⁾
Net rental income	56.6	2.5
Direct operating profit	50.3	5.0
EPRA Earnings	38.3	6.6
EPRA EPS (basic)	0.043	6.6
EPRA NAV per share	2.83	1.7
Fair value change	7.3	-72.1
Loan to Value (LTV), %	47.1	-

¹⁾ Change from previous year (Q1/2016)

**GOOD PERFORMANCE IN ALL COUNTRIES
EXCEPT NON-CORES IN FINLAND**

POSITIVE OVERALL LIKE-FOR-LIKE NRI GROWTH, NON-CORES IN FINLAND STILL STRUGGLING

LIKE-FOR-LIKE NET RENTAL INCOME GROWTH

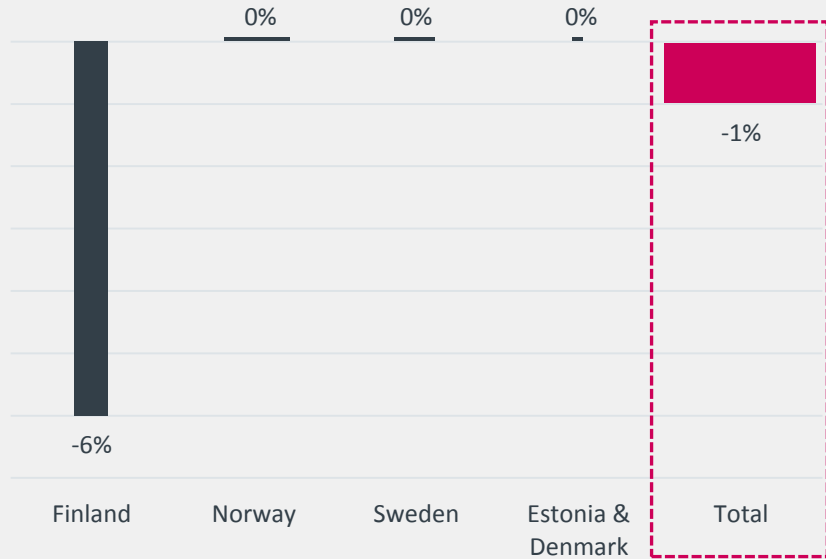


- Strong shopping centres in Helsinki area (Iso Omena, Myyrmanni, Lippulaiva) all under (re)development in Q1/2017
- The like-for-like portfolio in Finland represents only 39% of the total value of the Finnish portfolio

OVERALL SALES AND FOOTFALL REMAINED UNCHANGED, MILD DECREASE OF LFL SALES AND FOOTFALL

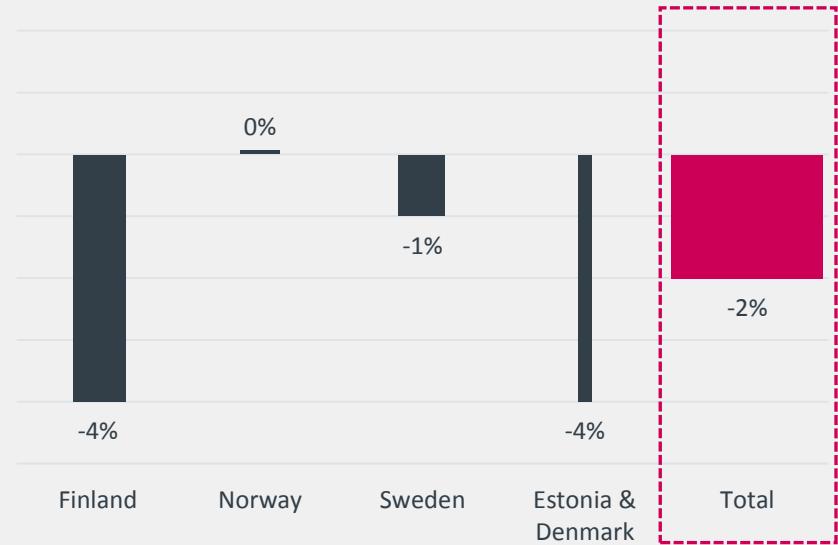
LIKE-FOR-LIKE SALES

Q1/2017 vs. Q1/2016, % ¹⁾



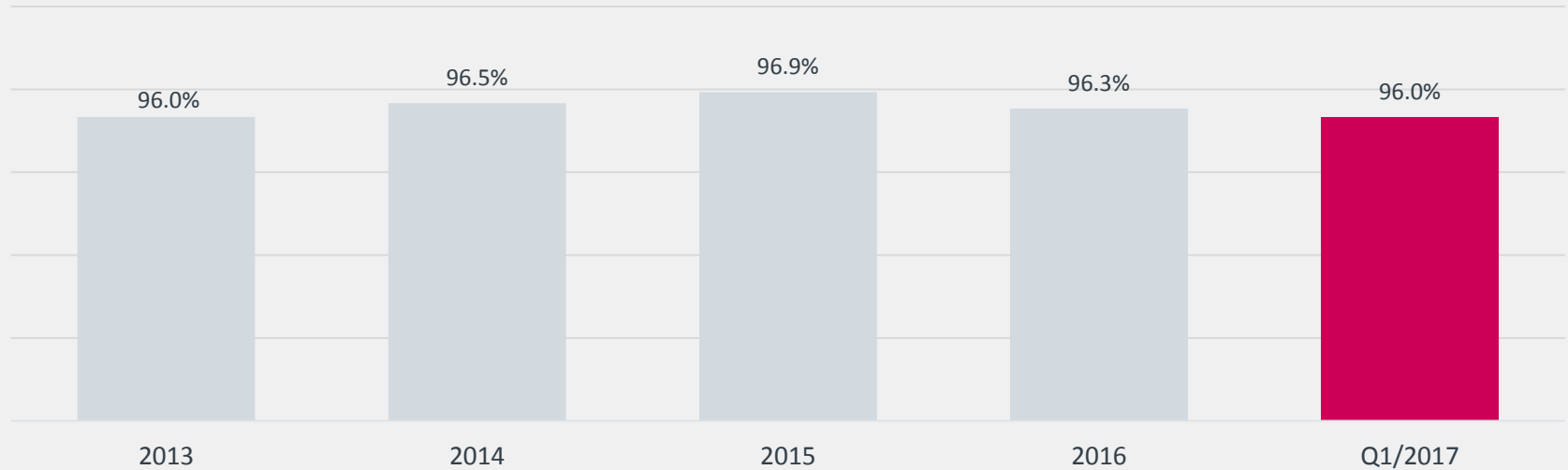
LIKE-FOR-LIKE FOOTFALL

Q1/2017 vs. Q1/2016, % ¹⁾



OCCUPANCY REMAINS AT AN OVERALL GOOD LEVEL

OCCUPANCY RATE ¹⁾



DEVELOPMENT PORTFOLIO



URBAN DEVELOPMENTS PROGRESSING – ISO OMENA PHASE 2 TO OPEN 98% 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	258.6	6.0	Total SC: 98%	Phase 2: April 2017
2 Porin Asema-aukio²⁾	Pori	18,800/23,000	40.0	38.1	-	100%	Q2/2017
3 Mölndal Galleria	Gothenburg	- /24,000	60.0 (120.0)	32.9	7.0	70%	Q3/2018
4 Lippulaiva	Helsinki area	19,200/42,000	200.0	27.9	6.5-6.8	60%	2020

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

²⁾ New campus for the Satakunta University of Applied Sciences. Citycon has signed an agreement to sell the property at completion of the project.

Citycon has also signed an agreement with TK Development regarding the forward purchase of Straedet in Köge in the greater Copenhagen area for MEUR 75 (Q2/2017-Q1/2018).



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ISO OMENA HAS BECOME THE LEADING SHOPPING AND LEISURE DESTINATION IN THE HELSINKI AREA

- Second phase opening 20.4. Addition of quality F&B and leisure
- Zara opening early April
- Strong tenant demand, 98% leased
- The 6,000 sq.m. service square of Espoo has attracted >1 million visitors since opening in August
- Citycon's HQ to move to Iso Omena in May 2017
- Information on metro opening expected in May



CASE PORI – MAXIMIZING VALUE BEFORE DIVESTMENT



- Former supermarket & shop property of 19,000 sq.m. with declining value trend
- Citycon won the competition for the new University of Applied Sciences campus project in 2014
- 20-year lease agreement with the municipality. 100% pre-leased at initiation of project
- Sold to Hemsö in 2015
- Development profit approx. 15%

DEVELOPMENT PIPELINE



DEVELOPMENT PIPELINE – URBAN LOCATIONS IN CAPITAL CITIES

	City	Area before/ after, sq.m.	Expected investment, MEUR	Target initiation/ completion
COMMITTED				
Down Town	Porsgrunn	38,000/46,000	75	2017/2019
PLANNED (UNCOMMITTED)				
Tumba Centrum	Stockholm	23,400/32,000	50	2018/2020
Kista Galleria	Stockholm	92,500/111,000	80 ¹⁾	2019/2021
Oasen	Bergen	31,300/43,300	80	2019/2021
Liljeholmstorget Galleria	Stockholm	40,500/63,000	120	2020/2022
Trekanten	Oslo	23,900/45,000	110	2020/2022

– Development investments of MEUR 150-200 p.a. sourced through recycling of capital

¹⁾ Citycon's share MEUR 40 (50%)





KEY TARGET AREAS 2017 AND ONWARDS

FURTHER CAPITAL RECYCLING OPPORTUNITIES

- Divestments of MEUR 200-250, mainly in Finland, within the coming 1.5 years
 - Further potential in Norway: divestments of up to MEUR 200-250 over the next three years
 - MEUR 150-200 p.a. in developments within the existing portfolio with an average YoC of 150 bps over yield requirement
 - Selective acquisitions
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LONG-TERM LFL NRI GROWTH OF 100 BPS ABOVE INFLATION

- Following completion of disposal program
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LOAN TO VALUE TARGET 40-45%

- Recycling of capital
 - Selective joint venture opportunities
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FINANCIAL OVERVIEW



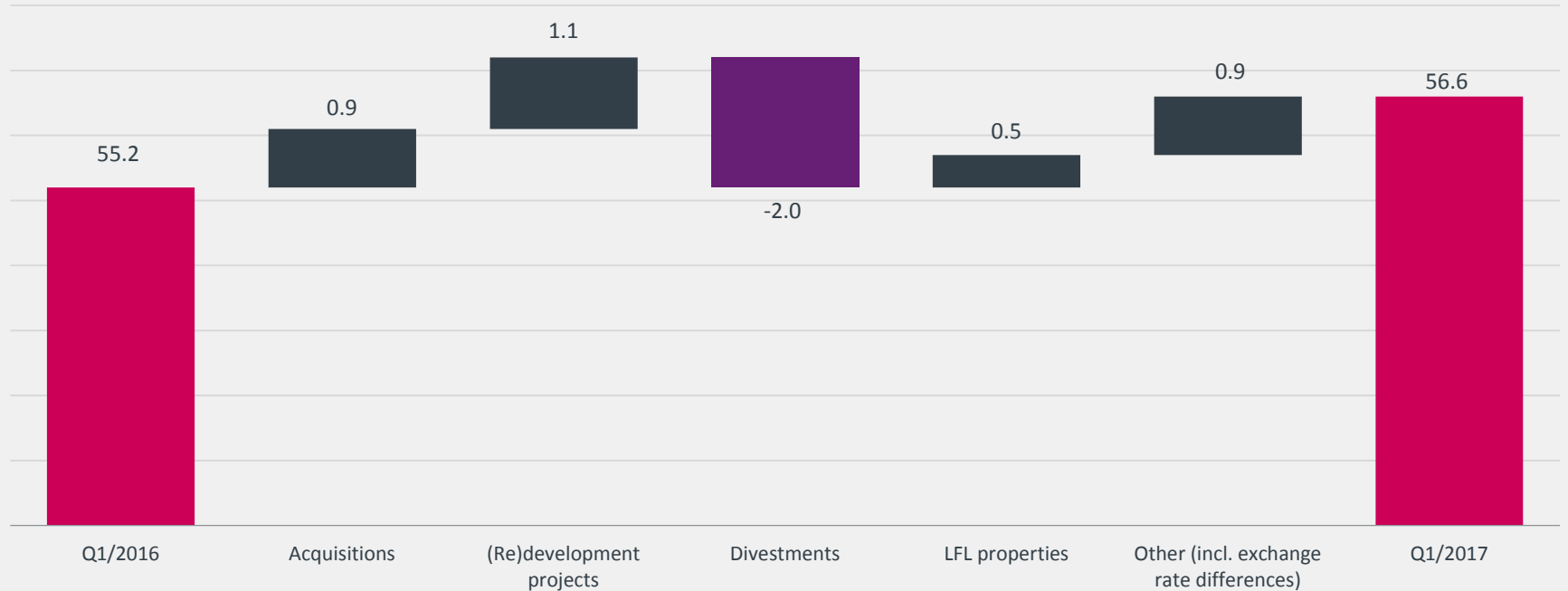
FINANCIAL RESULTS

MEUR	Q1/2017	Q1/2016	%	Q1/2017 INCL. KISTA 50%
Gross rental income	66.1	63.3	4.4	70.4
Net rental income	56.6	55.2	2.5	60.5
Direct operating profit	50.3	47.9	5.0	54.0
EPRA Earnings	38.3	36.0	6.6	n.a.
EPRA EPS (basic)	0.043	0.040	6.6	n.a.
EPRA NAV per share	2.83	2.78	1.7	n.a.

- EPRA EPS increase fuelled by increased net rental income and lower direct administrative expenses
- Kista Galleria contributed to the IFRS-based profit for the period by approx. MEUR 0.5 in Q1/2017

(RE)DEVELOPMENT PROJECTS COMING ONLINE SUPPORTED NET RENTAL INCOME GROWTH

NRI DEVELOPMENT MEUR





INCREASED AVERAGE RENT, OCCUPANCY AT A GOOD LEVEL

		Q1/2017	2016
Occupancy rate (economic)	%	96.0	96.3
Average rent	EUR/sq.m.	24.0	23.2
Average remaining length of lease portfolio	years	3.3	3.3
		Q1/2017	2016
Average rent of leases started	EUR/sq.m.	25.1	22.4
Average rent of leases ended	EUR/sq.m.	22.4	21.3
Leasing spread of renewals and re-lettings	%	-4.5	-2.5

- Q1/2017 leasing spread negative mainly due to challenging retail environment in Finland and increased competition in Estonia

All figures including Kista Galleria 50%



POSITIVE VALUATION DRIVEN BY NORWAY

FAIR VALUE CHANGES, MEUR	Q1/2017	Q1/2016	2016
Finland	-9.6	-8.3	-33.2
Norway	14.4	24.1	19.8
Sweden	3.5	8.8	39.7
Estonia & Denmark	-1.0	1.7	-0.4
Investment properties, total	7.3	26.3	25.9
Kista Galleria (50%)	0.0	1.2	5.5
Investment properties and Kista Galleria (50%), total	7.3	27.5	31.5
WEIGHTED AVERAGE YIELD REQUIREMENT, %			
Investment properties and Kista Galleria (50%), average	5.4	5.6	5.4

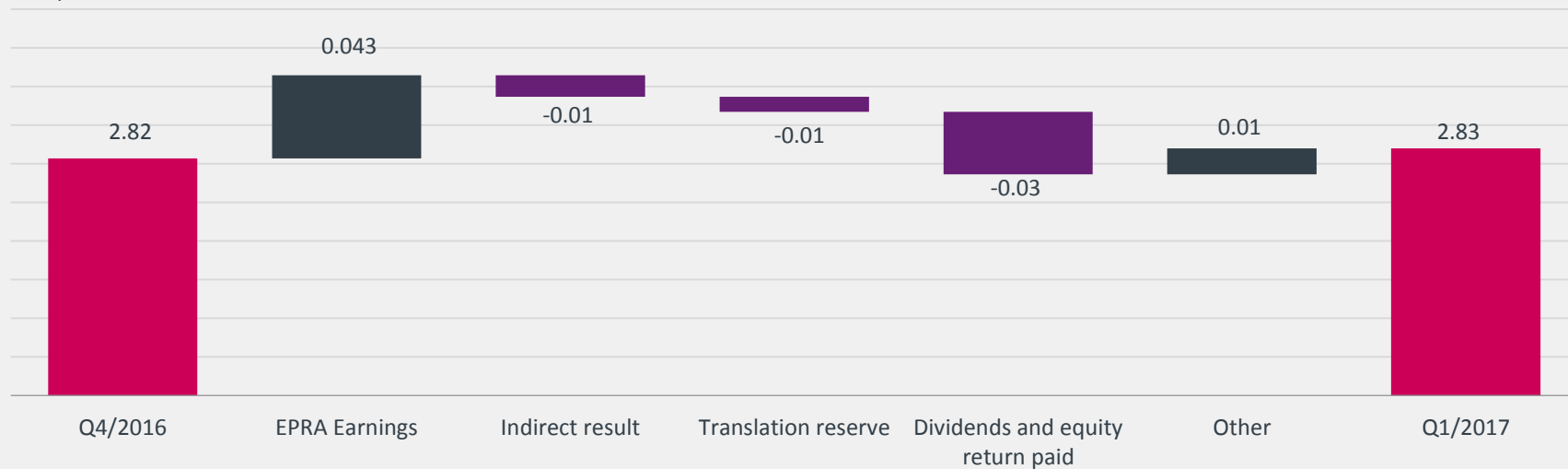
INCOME STATEMENT

MEUR	Q1/2017	Q1/2016	%	2016
Gross rental income	66.1	63.3	4.4	251.4
Service charge income	20.4	20.1	1.9	80.3
Property operating expenses	-29.6	-27.7	6.8	-105.5
Other expenses from leasing operations	-0.3	-0.4	-16.9	-1.4
Net rental income	56.6	55.2	2.5	224.9
Administrative expenses	-6.8	-7.5	-8.7	-28.2
Other operating income and expenses	-2.2	0.2	-	-2.6
Net fair value gains on investment property	7.3	26.3	-72.1	25.9
Net gains on sale of investment property	1.9	0.0	-	4.3
Operating profit	56.8	74.3	-23.5	224.4
Net financial income and expenses	-15.5	-13.5	15.0	-57.7
Share of profit/loss of joint ventures	0.2	4.0	-94.5	14.8
Profit/loss before taxes	41.5	64.8	-36.0	181.5
Profit/loss for the period	29.0	57.8	-49.9	161.3

STABLE EPRA NAV

CHANGE OF NET ASSET VALUE (EPRA NAV)

EUR, per share



	31 MAR 2017	31 MAR 2016	31 DEC 2016
EPRA NAV per share, EUR	2.83	2.78	2.82
EPRA NNAV per share, EUR	2.47	2.45	2.47

BALANCE SHEET

MEUR	31 MAR 2017	31 MAR 2016	31 DEC 2016
Investment properties	4,447.3	4,079.1	4,337.6
Total non-current assets	4,870.1	4,575.4	4,762.8
Investment properties held for sale	37.2	71.7	81.9
Total current assets	58.6	66.8	56.2
Total assets	4,965.9	4,714.0	4,900.9
Total shareholders' equity	2,304.0	2,281.0	2,312.3
Total liabilities	2,661.9	2,433.0	2,588.7
Total liabilities and shareholders' equity	4,965.9	4,714.0	4,900.9

FINANCING OVERVIEW



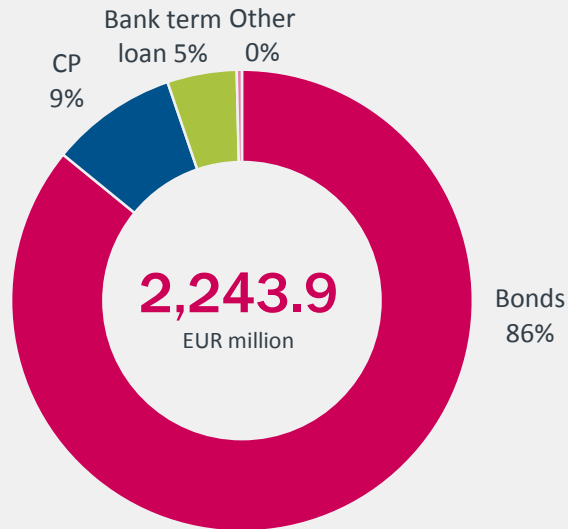
FINANCING KEY FIGURES

		31 MAR 2017	31 MAR 2016	31 DEC 2016
Interest bearing debt, fair value	MEUR	2,243.9	2,035.1	2,191.5
Available liquidity	MEUR	557.1	381.2	560.4
Average loan maturity	years	5.2	5.3	5.6
Interest rate hedging ratio	%	90.8	85.3	93.1
Weighted average interest rate ¹⁾	%	2.78	3.05	2.86
Loan to Value (LTV)	%	47.1	45.0	46.6
Financial covenant: Equity ratio (> 32.5%)	%	46.5	48.5	47.3
Financial covenant: Interest cover ratio (> 1.8)	%	3.8	3.7	3.8

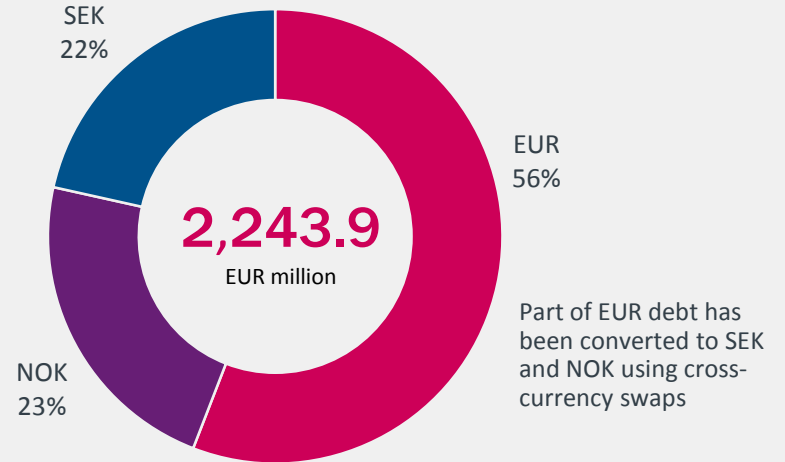
¹⁾ Including cross-currency swaps and interest rate swaps

91% OF DEBT FIXED RATE, VAST MAJORITY BONDS

DEBT BREAKDOWN BY TYPE

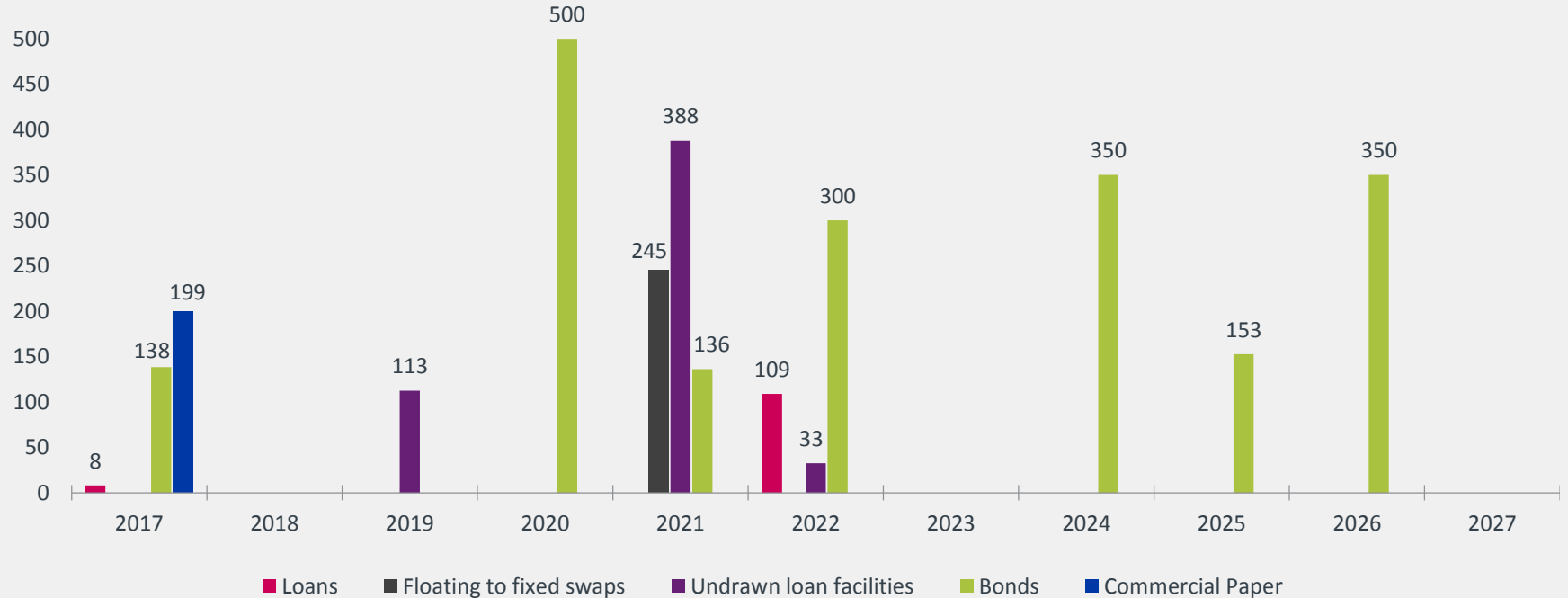


DEBT BREAKDOWN BY CURRENCY



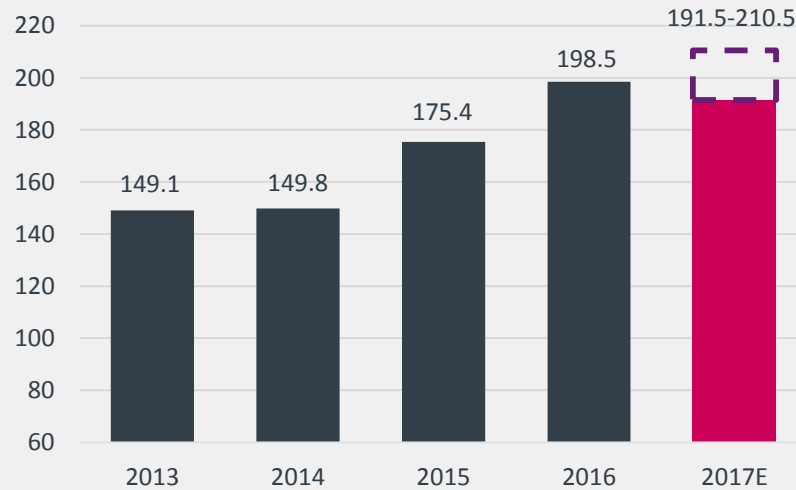
BALANCED MATURITY PROFILE WITH LONG AVERAGE LOAN MATURITY

DEBT MATURITIES

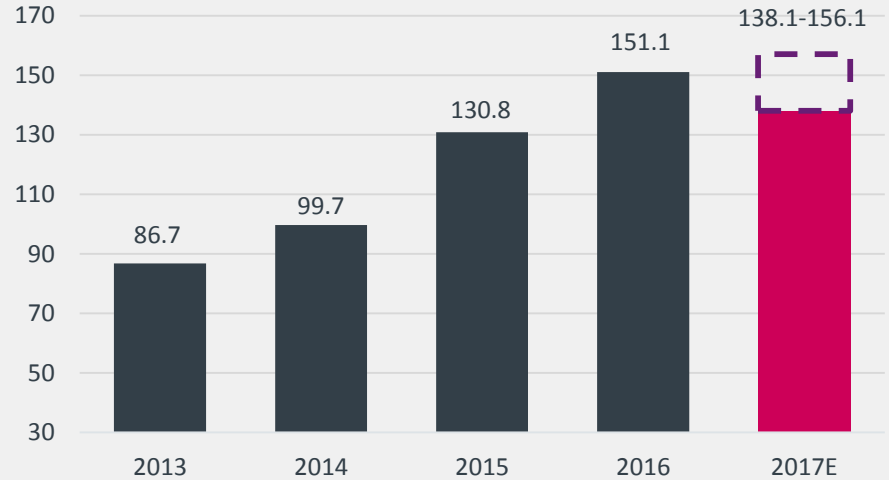


OUTLOOK 2017 UNCHANGED

DIRECT OPERATING PROFIT



EPRA EARNINGS



- Direct operating profit MEUR -7 to 12
- EPRA Earnings MEUR -13 to 5
- EPRA EPS (basic) EUR 0.155-0.175

CITYCON'S CAPITAL MARKETS DAY

16-17 MAY 2017

- Tuesday 16 May in Iso Omena, Espoo
 - Management presentations and update on Nordic/Finnish market
 - Asset tour in Iso Omena, Lippulaiva and Myyrmanni
- Wednesday 17 May possibility to join an asset tour in Stockholm
 - Liljeholmstorget Galleria, Kista Galleria and Jakobsbergs Centrum
- Please register latest by 2 May 2017: tiina.tahkolahti@citycon.com or +358 50 547 1196

More info: www.citycon.com/investors

