Valuation Statement

CITYCON OYJ
30 JUNE 2017

CBRE

CONTENTS

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EXECUTIVE SUMMARY

The Citycon portfolio being valued includes 51 properties, of which 44 are 100% owned by Citycon and 7 are partially owned. 49 of the assets are shopping centres and 2 are other retail properties. Additionally some properties include additional value for unbuilt but approved residential or retail area, or include a built residential or office component.

The portfolio is geographically divided into 5 countries; Finland, Norway, Sweden, Denmark and Estonia. The key figures of the portfolio are presented in the table below.

30 June, 2017	Number of properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement	Wght. Average Initial Yield	Wght. Average Reversionary Yield	Wght. Average Market Rent, EUR/sq.m./ month	Wght. Average Operating Costs EUR/sq.m./ month
Total Property Portfolio							
Finland	21	1 776	5,5 %	5,2 %	5,9 %	30,3	7,6
Norway	19	1 456	5,4 %	5,3 %	5,8 %	22,5	5,1
Sweden	8	754	5,1 %	5,1 %	5,6 %	26,9	7,3
Estonia and Denmark	3	338	6,6 %	7,1 %	7,2 %	20,4	3,2
Total	**51**	**4 324**	**5,5 %**	**5,4 %**	**5,9 %**	**26,3**	**6,4**

The total fair value of the portfolio as at 30 June 2017 was approximately 4,324 million Euros. One office building acquired in Norway has been included in the valuations for the first time in Q2. In addition 2 properties have been sold in Finland during Q2.

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INSTRUCTIONS

Our instruction from Citycon Oyj was to carry out a fair valuation of the properties held in Citycon's investment portfolio as at 30 June 2017. The purpose of the valuation is financial reporting and performance measurement by Citycon.

Fair Value is defined by the International Accounting Standards Board (IASB) and IFRS 13 as:

"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date".

The International Valuation Standard Board (IVSB) considers that the IFRS 13 definition of Fair Value is generally consistent with the concept of Market Value and therefore the reported Fair Value is effectively the same as our opinion of Market Value. We confirm that the valuations are fully compliant with IFRS standards and IVSC's valuation standards. Our opinion of Fair Value (IFRS 13) is based upon the Scope of Work and Valuation Assumptions listed below, and has been primarily derived using comparable recent market transactions on arm's length terms.

The stated values do not include transaction costs, in accordance with normal valuation practice in the subject markets.

SCOPE OF WORK AND ASSUMPTIONS

We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

The values reported represent 100% of the market values of the company shares owned by Citycon.

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Differences between these valuations and Citycon's latest published accounts have not been commented on since these are the first valuations of this portfolio undertaken by CBRE.

The values stated in this report represent our objective opinion of Fair Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

The Properties have been valued by valuers who are qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (January 2014).

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions as to the value of the subject properties. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject properties as at the valuation date.

We confirm that we have had no previous material involvement with any of the properties and there is no conflict of interest.

The principal signatory of this report has not continuously been the signatory of valuations for the same addressee and valuation purpose as this report.

We have carried out our work based upon information supplied to us by Citycon, which we have assumed to be correct and comprehensive.

We inspected the properties internally in May-June 2017, with the exception of Sampokeskus which has not been inspected by CBRE.

We have not measured the properties but have relied upon the floor areas provided to us by Citycon, which we have assumed to be correct and comprehensive.

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In the absence of information to the contrary, we have assumed that the properties are not contaminated or adversely affected by any existing or proposed environmental law.

We have not carried out any building surveys or been provided with a building survey from an external party. In the absence of information to the contrary, we have assumed that the properties are free from rot, infestation, structural or latent defect and that the services are in working order and free of defect. We have otherwise had regard to the age and apparent general condition of the Properties.

We have investigated town planning on the Council's websites. We have assumed that all buildings have been erected in accordance with or prior to planning control and have the benefit of permanent planning consents or existing use rights for their current use.

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto.

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MARKET OVERVIEW

FINLAND

Economic Overview

Finnish economy is showing positive signs and improving. According to Statistics Finland's preliminary data, the volume of Finland's gross domestic product increased in Q1 2017 by 1.2 per cent from the previous quarter. Compared with the first quarter of 2016, GDP adjusted for working days grew by 2.7 per cent. The GDP growth was some 1.4 % in 2016. From the beginning of the year economic forecasts for the coming years have been increased. The growth of the Finnish economy has been mainly based on private consumption and partly on construction. Both retail trade and sales of services increased, supported by improving employment and low inflation. Also the consumer confidence has peaked to a record level during first quartile of the year.

In the first quarter of 2017, the volume of exports grew by five per cent from the previous quarter and by close to nine per cent year-on-year. Imports decreased by one per cent from the previous quarter but increased by nearly four per cent from one year ago. Private investments increased in almost all categories: investments in construction, infrastructure, machinery and equipment, as well as research and development all showed positive development. In total, private investments increased by some 3% in 2016.

Growth in construction was one of the main drivers of the growth of the Finnish economy in 2016. Construction was boosted by active residential construction in particular, as the demand for housing remains strong in all major cities.

In a recent Business Tendency Survey of Confederation of Finnish Industries EK, the general business outlook was expected to improve gradually. The companies responding to the survey anticipated moderate growth for their sales and production output for the first half of 2017. Also in this survey, construction sector had the most positive expectations. The service and industrial sectors' outlook indicators had also improved markedly between October 2016 and January 2017.

Although the signs are positive for the Finnish economy, the underlying growth comes mainly from private consumption at a time when wage levels have not increased. This means that a lot of spending is funded by debt, making Finland's economy fragile for outside shocks.

Retail Market Overview

According to Statistics Finland, retail sales increased by 0.2 % percent in April 2017 from April 2016. Over the same period, the volume of retail sales grew by 0.4 %. For the daily consumer goods trade, sales increased by 1.6 % and the sales volume by 2.1 % compared to same period the previous year.

Positive signals from the economy and improving consumer confidence are keeping rental development quite stable, at least in the better quality centres. Outside the Helsinki Metropolitan area, rental growth has generally been negative. Downward pressures continue to be seen in secondary centres, both in the HMA and outside it. The pipeline of shopping centers in the HMA is large and the upcoming stock additions will tighten shopping centre competition. The new stock will mainly be concentrated along the metro line, including the new Western metro extension to open later in 2017, often in locations with significant new residential development as well.

Retail property sales volume during the first half of 2017 was ca. 564 million, which is lower than in the preceding 2 years during the same period both in terms of sales volume and number of sales. Sales volume has been constrained by limited supply for sale, and investor demand, especially for good quality stock, still remains at a good level. Prime yields in the HMA are currently ca. 4,5%, unchanged from Q1.

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Shopping centre sales in Q2 include the sale of Entresse in Espoo for 30,4 million to a fund managed by Barings, Skanssi shopping centre in Turku to CBRE Global Investors and Aapeli shopping centre in Kuopio to Agore Kiinteistöt, in which the seller Elo retains an ownership share and the other owners are Swedish pension fund Första AP-fonden and Trevian.

NORWAY

Economic Overview

The Norwegian economy continues to grow, albeit at a somewhat subdued level. The oil-led downturn over the past two years seems to be coming towards an end and the economic conditions as well as the GDP growth are improving. Statistics Norway's business tendency survey for manufacturing, mining and quarrying has reached the 50-point threshold in Q1 2017, for the first time in nine quarters, which indicates growth expectations in those sectors. Mainland GDP growth increased by 20 basis points on Q4 2016 and reached 0.6% in the first quarter of 2017 (Statistics Norway, 2017) further demonstrating a pick-up in the economy resultant from improved private demand. The unemployment rate measured by the Labour Force Survey (LFS) has decreased to 4.5% as at April 2017, a decrease of 40 basis points since the peak in the summer of 2016. Statistics Norway projects a modest fall in unemployment going forward as economic activity continues to improve. The bureau expects the 2017 GDP growth and mainland GDP growth to come in at 1.5% and 1.8%, respectively.

Retail Market Overview

Retail sales growth increased by 2.9% year-on-year, as of April 2017 led by an increase of 2.2% in sales volumes, according to Statistics Norway. Inflation measured by the CPI decreased to 2.2% in April, while core inflation stands at 1.7% (Statistics Norway, 2017). The shopping centre turnover index increased by 0.6% in the first four months of 2017, according to Kvarud Analyse. The total number of visitors decreased by 1.2% during the first four months, however the average basket size increased to NOK 1.9% to NOK 330 per visit (Kvarud Analyse, 2017).

Shopping centre rents have remained stable over the last twelve months as the competition from e-commerce intensifies. The internationalisation of the Norwegian retail market continues evident by the brandification of high-street retail, which has seen a surge of new entrants over the last 12 months. The most recent additions to the high-street scene include Balenciaga, Daniel Wellington, Isabel Marant and Nike. This trend confirms the attractiveness of Norwegian retail market on the international scene.

The Norwegian commercial real estate investment volume picked up in the fourth quarter of 2016 as the total 2016 volume reached approximately NOK 73 billion, the second highest volume on record in the Norwegian market. The investment market in Q1 2017 continued in the same vein, recording a record high NOK 22 billion in investment volume. This is the highest Q1 figure recorded in Norway over the past five years. After a sluggish start to Q2 investment volumes have picked up lately and we anticipate the volume to reach NOK 40 billion by the end of H2.

Retail transactions amounted to some 22% of the total volume, slightly up on the 2016 total of 20%. Most notable retail transactions year-to-date include the disposals of Esso and McDonald's properties with a combined value in the vicinity of NOK 3 billion. The prime shopping centre yield in Q2 is estimated at 4,25%, unchanged from Q1 2017.

SWEDEN

Economic Overview

The economy continues to display positive signs of growth, with consumers showing resilience despite rising inflation and domestic businesses benefiting from stronger demand from both at home and abroad. The Swedish growth drivers are mainly household consumption and fixed gross investments.

Sweden's GDP increased by 0.4% in the first quarter of 2017, seasonally adjusted and compared with the fourth quarter of 2016. The GDP increased by 2.2%, working-day adjusted and compared with the first quarter of 2016. GDP growth is forecast to slow to 2.6% this year from 3.1% in 2016, but it remains above the historic average and stronger than in the Eurozone and US. This is largely due to a slowdown in investment as growth in residential investment eases.

Private consumption should continue to grow at a healthy pace this year, as unemployment and interest rates remain low and a pick-up in nominal wage growth lifts real disposable incomes. But the impact of rising inflation will be felt towards the end of this year and into 2018. GDP growth is forecast to moderate further, to 2.1% in 2018, but will be underpinned by a solid consumption growth, a healthy labour market, an accommodative monetary policy and moderate investment growth.

Retail Market Overview

According to HUI Research, retail sales growth in 2016 was 3.4% and further growth of 3.0% is forecasted for 2017. In 2016 e-commerce sales increased by 16 % when compared to 2015 and ended up at SEK 57.9 bn. In 2017 an increase of 17% is forecasted, when compared to the 2016 sales volume, corresponding to approx. SEK 67.7 bn.

Generally, retail rents for strong shopping centres in the region have increased by 2% to 4% over the past year, assisted by the strong retail turnover growth in Sweden. A similar, or slightly lower rate of rental growth is expected for the remainder of 2017 as retail turnover growth rate eases somewhat and so the retailers' ability to pay higher rents decreases. Generally, restaurant turnover growth is increasing at a higher rate than retail turnover, and hence there is generally higher rental growth potential for the restaurant sub-sector.

2016 was a strong year for the investment market and also the retail sector, which ended up at SEK 26.1 bn representing 16% of the total transaction volume. The cross border share of retail investments in 2016 equates to 34%, above the average of 28%. In Q1 2017 the retail transaction volume ended up at SEK 7.4 billion, representing 16% of the total transaction volume.

A notable transaction in Q2 2017 was the Trianon deal, where Trianon, a local real estate company in Malmö, acquired the shopping centre Malmö Entré. Seller was the German CRI (Commerz Real Investmentgesellschaft). The total lettable area is 40,000 sq m and the price was SEK 425.9 bn (SEK 9,597 /sq m).

Prime yield for shopping centres in Sweden in Q2 2017 was ca. 4,25%, which is down by 25 basis points from Q1 2017. Prime shopping centre yields have compressed over the last year, given strong demand and low supply assisted by continued low interest rates. A strong market with increasing retail sales for seven consecutive years driven by positive macro fundamentals resulting in high purchasing power and strong tenant demand.

DENMARK

Economic Overview

The GDP showed a seasonally adjusted real growth of 0.3% in Q1 2017 compared to Q4 2016. There was particular progress in construction and transport. Compared to Q1 2016, the GDP showed a growth rate of 1.8%. In Q1 2017, GDP grew by 0.4% in the EU, while growth was 0.2% in USA. With an annual growth rate of 1.9% forecasted in both the EU and the USA, the Danish economy is just below this level with an expected GDP increase of 1.6%. If considering growth for the last four quarters in relation to the previous four quarters (the rolling annual growth rate), growth is in Denmark 1.5%, where growth in the EU and the US was 1.8% and 1.7%.

In March 2017 unemployment in Denmark was 4.3%, up from 4.1% six months earlier. Wages are continuing to exhibit strong growth that will underpin consumer spending going forward. Unemployment is forecasted to be unchanged at 4.2% in 2017, with wages rising by 5.3%.

The upswing in inflation continued into March, with headline CPI rising by 1% year-on-year. This is in line with the Eurozone, which has seen a sharp rise in inflation since the start of the year. Inflation is expected to reach 1.1% in 2017 and increase to 1.5% next year, and by 2020 to stabilize at 1.7%.
2017 appears to be the year with a turn in interest rate levels. Long-term government bond yields are expected to remain low by historical standards but higher than in recent years and trending up. After reaching almost zero-zone in Q3 2016, the long-term (10-year) interest rate was 0.66% in Q1 2017, and expected further up to 0.83% at year-end.

The Danish government recently published an economic strategy plan: DK2025 – A stronger Denmark. The proposal is focusing on developing a stronger Danish economy and strengthening the growth rate. Even though the unemployment rate is low, and the growth in the economy is increasing, the growth rate is still at a modest level. Some of the areas of focus are to increase companies' investment, have a strong and dynamic private sector and developing a workforce that can support an aging population.

Denmark is a traditional safe-haven for investors, with a consensus based political scene and a stable economy. Expectations point towards 1.6% growth for the Danish economy in 2017 according to Oxford Economics and 1.8% in 2018. Monetary policy has been eased, which will further support households and companies, while low inflation is expected to support private consumption this year. Growth within Denmark's main trading partners is also expected to lead to stronger export growth, while a weaker euro (to which the DKK remains pegged) also improves the country's competitiveness.

Retail Market Overview

According to Statistics Denmark's data, retail sales in April 2017 were 0.3% higher than in March when the figures are corrected for price trends, normal seasonal fluctuations and the effect of trading days.

The rise came after a slight increase in March by 0.1%. In April, the sale of clothing fell by 0.1%, while the sale of other consumer goods rose by 0.4%. Developments in the sale of clothing is interesting to follow over the last five years in the face of rising trade on foreign websites.

There is one shopping centre under construction in Copenhagen - Kronen vanløse (former Galleri A). Since the construction has been initiated, the project has been slightly changed. The shopping center will be 20,000 sq m, while the residential block will be constructed above the center and will total 15,000 sq m.

Prime net shopping centre rents have been rather stable since Q3 2015 and currently stand at DKK 5,500 per sq m pa. The prime shopping centre yield stands at ca. 4,00% as at Q1 2017, contracting thus by 50 bps y-o-y and remaining unchanged from Q1 2017.

One of the most shopping centre significant deals in Q1 2017 was AP Pension's acquisition of Tårnby

Torv. This 12,000 sq m large neighbourhood centre was traded for DKK 75 million. According to AP Pension, the transaction included building rights – some 100 apartments (70-75 sq m large) will be constructed.

We expect vacancy rates to remain stable in the best performing centres. Demand and rental levels are also expected to hold at levels previously achieved.

ESTONIA

Economic Overview

Improving upon the 1.6% growth generated in 2016, Estonia's real GDP is forecast to increase by 2.3% in 2017 and 2.8% in 2018, as investment levels and export growth gain momentum. In particular, domestic demand is projected to grow, as businesses start investing again and EU funds are utilised.

According to Statistics Estonia, in Q1 2017, the gross domestic product (GDP) of Estonia increased by 4.4% compared to Q1 2016. Manufacturing production grew 8% year-on-year in May 2017 with around two thirds of industries exceeding 2016 figures. The growth in production can mainly be attributed to an increase in output of wood, metal and food products, as well as electrical equipment.

The unemployment rate during Q1 2017 was 5.6%, while the labour force participation rate was 70.2% during the same period, establishing a record high when compared with Q1 figures of recent years. The rise in employment is likely helped by government reforms encouraging pensioners to re-enter the labor market, increased wages and recovering consumer confidence. Inflation is likely to accelerate towards 3% in 2017 and 2018. Year-on-year monthly consumer price index (CPI) growth for Estonia for the months of Q1 2017 was 2,7%, 3,4% and 2,8% respectively, according to Statistics Estonia.

Retail Market Overview

During Q1 2017 retail sales in Estonia continued to grow by 5.2%, however it is forecasted that average wage growth in real terms is expected to slow to around 3.0% and prices will rise in 2017. In addition to the increasing popularity of e-commerce (internet sales in Q1 2017 increased by 40.0% when compared with the same period of 2016); the potential market entry of the German supermarket chain Lidl, may have an impact on the supermarkets' sector.

The strong and continuous growth of retail sales has positively influenced the commercial real estate market which is expressed in terms of higher demand for retail space and reduced vacancies in higher quality premises. However, shopping centres with a less favourable location and/or planning struggle with higher than average vacancy rates. In Tallinn, prime shopping rents in Q2 2017 have remained stable on a quarterly basis, however indicate a decline when compared with the same period a year ago.

Tallinn remains in the driving seat in terms of new retail space deliveries set for the next two years. There are several new shopping areas in an active development or construction phase. If all of the announced pipeline is realized in the coming years and is not transformed into uses other than retail, the next few years will be challenging for both the retailers and owners of shopping centres as competition tightens. This will exert pressure primarily on the profits of those retailers with weaker concepts in less attractive locations. It is likely that any rent increases will remain lower than inflation, even within the most successful centres. As rental agreements are usually agreed for a longer time period, it could become increasingly difficult to leave a particular location when sales have fallen, and, therefore, the share of stores generating a loss could grow. Conversely, increased competition among real estate developers could result in lower rents for retailers.

The increasing popularity of e-commerce and the possible market entry of the German supermarket chain Lidl may increase competition and put further pressure on retailers' profitability.

In Tallinn, the growth of the four leading regional shopping centres was recorded at 3.5% in Q1 2017 compared with the same period in 2015, whilst growth during H2 2016 was recorded at 5.2% y/y on average. However, it must be noted that despite the overall demographic challenges, inhabitant numbers in the major cities together with the surrounding conglomerations have remained stable or even slightly increased. In Tallinn, an increase in footfall by 2.3% during Q1 2017 was observed when compared with the same period in 2016.

Capital cities are still the main investment targets in the Baltic countries, offering the most expensive yet liquid assets, with yields for properties in other large cities being higher. During Q2 2017 there were several small retail investment transactions, including a Selver supermarket development, Hortes garden centre and a Prisma hypermarket located in Narva, with a total investment volume of around 26 m EUR.

During Q2 2017 no large shopping centre investment transactions were recorded. The largest transaction registered in the Baltics during Q2 2017 was the Kesko deal with the property investment company UAB Baltic Retail Properties, where the main shareholder is CPA:17 - Global, a property investment fund managed by the US based W. P. Carey Inc., with a 70% ownership interest. The entire deal is valued at approximately €174 million. The selling price of the properties owned by Kesko (seven stores in Estonia and Latvia) was €64 million.

The prime retail yield during Q2 2017 has not changed on a quarterly basis and is estimated to be 6.65%.

VALUATION METHODOLOGY

We have assessed the fair values primarily by using the income approach by undertaking 10 year discounted cashflow analyses. The cashflow model used was provided to us by Citycon and has been developed by an external service provider. This model was used for Citycon's valuations for the first time in Q2 2017.

The calculation uses the current contract rents until lease expiry and the market rents assessed by CBRE after lease expiry. The lease expiry dates adopted are the earliest possible lease break dates for fixed term leases, and for leases that are valid until further notice, a certain number of lease renewals have been assumed and adopted. The rents under the current leases and assessed market rents for the vacant tenancies and after lease expiries form the potential gross income.

The model utilises a long term vacancy rate for each tenancy after the adopted lease expiry date, and rent voids have also been applied after the initial lease expiries. Any rent discounts under the current leases and leases starting after the valuation date are also adjusted for in the calculation.

Other income, such as car parking, casual mall leasing, advertising etc. is then added to the rent cashflow to arrive at the forecast gross income. Operating expenses have then been deducted from the forecast gross income to arrive at a net income. This is the income used to calculate the initial yields at the valuation date.

Furthermore, deductions have been made for anticipated capital expenditure, tenant improvement costs to occur after lease expiry and other project investments. We have not been provided with long term capital expenditure forecasts by Citycon, only the immediate investments, and the capital expenditure allowances made are based on our general knowledge of costs for these type of properties, and are estimates only.

The values of the properties are based on the sum of the discounted 10 year cashflow and present value of the terminal value. Any possible additional value, such as the value of unutilised approved building area which is considered to be usable, has been added as well.

The discount rates used are based on acceptable yields escalated by the average projected inflation during the 10 year cashflow period. The yields are derived from sales evidence and utilising our general market knowledge.

There are currently no development properties in the valued portfolio.

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VALUATION

Citycon's investment portfolio being valued includes 51 properties, of which 44 are 100% owned by Citycon and 7 are partially owned. 49 of the assets are shopping centres and 2 are other retail properties. Additionally some properties include additional value for unbuilt but approved residential or retail area, or include a built residential or office component.

The portfolio is geographically divided into 5 countries; Finland (21 properties), Norway (19 properties), Sweden (8 properties), Estonia (2 properties) and Denmark (1 property).

There are some very large shopping centres in the portfolio and the 5 largest assets account for 38% of the total value. The largest assets by value are Iso Omena and Koskikeskus in Finland, Herkules and Oasen Kjopesenter in Norway and Liljeholmstorget in Sweden.

10 of the property values include additional value for approved building area which has not yet been utilized and one property has been valued based on the value of its total building right, from which the cost of demolishing the existing building has been deducted.

The total fair value of the portfolio as at 30 June 2017 was approximately 4,324 million Euros. One office building acquired in Norway has been included in the valuations for the first time in Q2. In addition 2 properties have been sold in Finland during Q2.

30 June, 2017		Number of properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement	Wght. Average Initial Yield	Wght. Average Reversionary Yield	Wght. Average Market Rent, EUR/sq.m./ month	Wght. Average Operating Costs EUR/sq.m./ month
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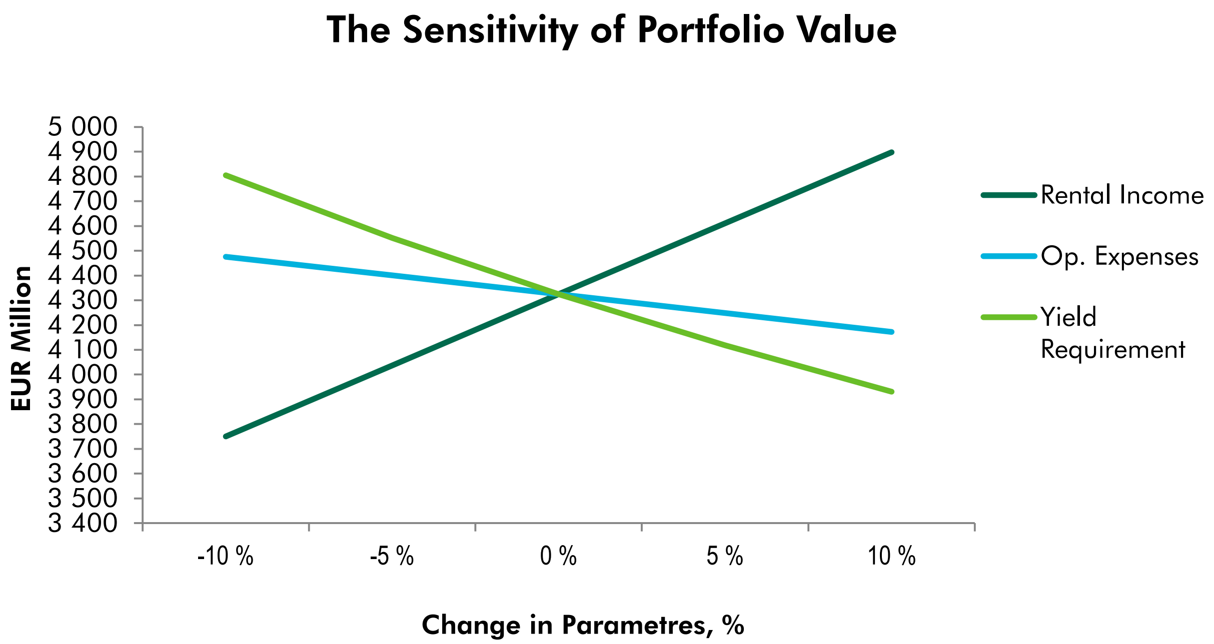
Total		**51**	**4 324**	**5,5 %**	**5,4 %**	**5,9 %**	**26,3**	**6,4**
Finland								
Helsinki Metropolitan Area								
	All Properties	12	1 234	5,1 %	4,7 %	5,4 %	31,4	8,1
Other parts of Finland								
	All Properties	9	542	6,4 %	6,4 %	7,1 %	27,8	6,4
Norway								
Greater Oslo Area								
	Shopping Centres	7	583	5,0 %	5,1 %	5,4 %	24,9	5,7
Other Areas in Norway								
	Shopping Centres	12	873	5,6 %	5,4 %	6,1 %	20,9	4,8
Sweden								
Greater Stockholm Area and Umeå								
	Shopping Centres	7	670	5,0 %	5,0 %	5,5 %	28,0	7,6
Greater Gothenburg area								
	Shopping Centres	1	84	5,9 %	5,9 %	6,6 %	17,7	4,8
Estonia and Denmark								
	Shopping Centres	3	338	6,6 %	7,1 %	7,2 %	20,4	3,2

SENSITIVITY ANALYSIS

A sensitivity analysis has been undertaken for the portfolio based on a portfolio summary, by changing the main parameters of the valuation calculation and examining its impact on the portfolio value. The valuation calculation parameters in the analysis are the yield, rental income and operating expenses, which have been adjusted one at a time, and the impact on value compared to the current situation. The analysis is a simplified model of the actual valuation calculations and the results are indicative only.

The results of the sensitivity analysis are illustrated in the figure below.



The value is the most sensitive to changes in rents, with the value changing by 13% with the income level reducing or increasing by 10%. The next biggest impact is made by changes in the yield, with a 10% reduction in the capitalisation rate resulting in an 11% increase in value and a 10% increase in the capitalisation rate causing a 9% reduction in value. A 10% change in operating expenses only has a ca. 4% impact on value, both up and down.

VALUATION ASSESSMENT

We are of the opinion that the aggregate of the Fair Values of Citycon Oyj's investment property portfolio, free of liabilities and debt, as at 30 June 2017 is approximately:

4 324 000 000 Euros

(Four Billion Three Hundred Twenty Four Million Euros)

In Helsinki, Oslo and Stockholm 4 July 2017

Pia Pirhonen MRICS, AKA
Senior Analyst
For and on behalf of CBRE Finland Oy

Olli Kantanen MRICS, AKA
Senior Director
For and on behalf of CBRE Finland Oy

Paul Morice, MRICS
Senior Director
For and on behalf of CBRE Norway AS

Daniel Holmkvist, MRICS,
Certified Real Estate Valuer by Samhällsbyggarna
Director
For and on behalf of CBRE Sweden AB