



Q1 | 2018

INTERIM REPORT
JANUARY—MARCH

CITYCON Q1/2018: GOOD OPERATIONAL DEVELOPMENT

- Good development in operational figures: occupancy rate improved slightly and leasing spread in renewals and re-lettings developed positively and was +1.9% during the first quarter. Also in Finland operational figures developed well.
- Excellent operating performance in shopping centre Iso Omena: footfall and tenant sales developed strongly.
- Divestments conducted in 2017 (total amount EUR 325 million) impacted net rental income and EPRA Earnings as expected.
- Well on track to 2018 guidance: outlook remains unchanged.

JANUARY-MARCH 2018

- Net rental income was EUR 53.3 million (Q1/2017: 56.6). Divestments decreased net rental income by EUR 4.1 million and weaker currencies by EUR 1.8 million.
- EPRA Earnings was EUR 36.1 million (38.3) as a result of lower net rental income following disposals while lower administrative expenses as well as net financial expenses partly offset this reduction. EPRA Earnings per share (basic) was EUR 0.041 (0.043), negative impact from weaker currencies was EUR 0.0017.
- IFRS-based earnings per share was EUR 0.02 (0.03) as a result of lower net rental income, net fair value losses on investment properties and lower share of results in joint ventures.

OUTLOOK 2018 UNCHANGED

| | | |
|---------------------------------------|------|-------------|
| EPRA Earnings per share (basic) | EUR | 0.155-0.175 |
| Direct operating profit ¹⁾ | MEUR | -15 to +1 |
| EPRA Earnings ¹⁾ | MEUR | -14 to +4 |

¹⁾ Change compared to the previous year

These estimates are based on the existing property portfolio and excluding the planned divestment of retail property in Kuopio, Finland as well as on the prevailing level of inflation, the EUR-SEK and EUR-NOK exchange rates, and current interest rates. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

KEY FIGURES

| | | Q1/2018 | Q1/2017 | % ¹⁾ | 2017 |
|--|------|---------|---------|-----------------|---------|
| Net rental income | MEUR | 53.3 | 56.6 | -5.8% | 228.5 |
| Direct operating profit ²⁾ | MEUR | 47.4 | 50.3 | -5.8% | 200.5 |
| Earnings per share (basic) | EUR | 0.02 | 0.03 | -29.9% | 0.10 |
| Fair value of investment properties | MEUR | 4,141.2 | 4,447.3 | -6.9% | 4,183.4 |
| Loan to Value (LTV) ²⁾ | % | 46.8 | 47.1 | -0.7% | 46.7 |
| EPRA based key figures²⁾ | | | | | |
| EPRA Earnings | MEUR | 36.1 | 38.3 | -5.9% | 152.3 |
| EPRA Earnings per share (basic) | EUR | 0.041 | 0.043 | -5.9% | 0.171 |
| EPRA NAV per share | EUR | 2.71 | 2.83 | -4.3% | 2.71 |

¹⁾ Change from previous year. Change-% is calculated from exact figures and with historical exchange rates.

²⁾ Citycon presents alternative performance measures according to the European Securities and Markets Authority (ESMA) new guidelines. More information is presented in Basis of Preparation and Accounting Policies in the notes to the accounts.

CEO MARCEL KOKKEEL:

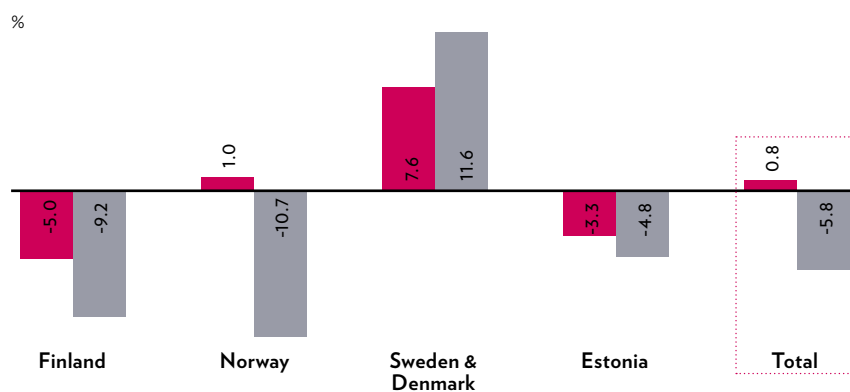
"We started the year with good operational results. Citycon's total net rental income, excluding Kista Galleria, was EUR 53 million in Q1 2018, and the like-for-like net rental income grew by 0.8%. The performance of our Swedish and Danish operations continued to be strong, and also the performance of our Finnish portfolio improved driven by the positive economic environment as well as better property portfolio fundamentals. Our EPRA EPS in Q1/2018 was EUR 0.041 and declined only slightly from 2017 despite the disposal of 13 non-core assets for EUR 325 million last year. The EPRA EPS was supported by cost reduction initiatives resulting in clearly lower administrative expenses. We also saw a positive leasing spread in renewals and re-lettings during the first quarter of 2018.

January-March 2018 was the first full quarter in Iso Omena with the new Western metro fully operational. Footfall more than doubled and tenant sales grew by more than 40% with same-store sales also up by 13% during the first quarter. Kista Galleria was taken out of the like-for-like portfolio as we will execute a substantial programme to re-position our shopping centre as a more necessity-based community centre.

During the quarter, we continued to execute on our strategy to improve portfolio quality and increasingly focus on multi-functional shopping centres in growing urban areas. We divested one smaller shopping centre in Stockholm during the quarter and announced the planned disposal of an asset in Finland after quarter-end in early April. The total proceeds of these divestments, amounting to approximately EUR 50 million, will be used to strengthen our balance sheet and to fund our development pipeline, which is not yet generating cash. Looking ahead, we will continue our capital recycling actions and aim to divest 5-10% of our property portfolio in terms of fair value in the next few years."

1. LIKE-FOR-LIKE NET RENTAL INCOME CONTINUED TO GROW IN SWEDEN AND NORWAY

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, Q1/2018 VS. Q1/2017



- Like-for-like NRI Development (at comparable exchange rates)
- NRI Development (at historical exchange rates)

NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

| MEUR | Net rental income | | | | | | Gross rental income |
|---|-------------------|-------------|------------------|------------|------------|-------------|---------------------|
| | Finland | Norway | Sweden & Denmark | Estonia | Other | Total | Total |
| Q1/2017 | 20.0 | 21.2 | 9.8 | 5.6 | 0.1 | 56.6 | 66.1 |
| Acquisitions | - | - | 1.0 | - | - | 1.0 | 1.1 |
| (Re)development projects | 1.8 | -0.2 | - | -0.2 | - | 1.4 | 1.4 |
| Divestments | -3.1 | -0.9 | -0.1 | - | - | -4.1 | -4.9 |
| Like-for-like properties ¹⁾ | -0.5 | 0.2 | 0.7 | -0.1 | - | 0.3 | 0.3 |
| Other (incl. exchange rate differences) | -0.1 | -1.3 | -0.4 | 0.0 | -0.1 | -1.9 | -3.4 |
| Q1/2018 | 18.1 | 18.9 | 10.9 | 5.3 | 0.1 | 53.3 | 60.7 |

¹⁾ Like-for-like properties are properties held by Citycon throughout two full preceding periods. Like-for-like properties exclude properties under (re)development or extension.

The net rental income decreased mainly due to divestments of EUR 325 million conducted during 2017. On the other hand (re) development projects (mainly Iso Omena and Buskerud) coming online and the acquisition of phase 1 and 2 of the shopping centre Straedet in Denmark increased the net rental income.

Like-for-like gross rental and service charge income increased by EUR 1.1 million. Like-for-like property operating expenses increased from the corresponding period by EUR 0.8 million. As a result, like-for-like net rental grew by EUR 0.3 million or 0.8%. The growth was driven by Sweden, where renegotiations, rent indexations and higher service charges increased income.

Net rental income from the Finnish operations decreased by 9.2% compared to Q1/2017 mainly due to divestments of non-core assets in 2017. This was partly offset by the completed (re)development project of Iso Omena, which increased net rental income. Net rental income from the like-for-like portfolio decreased by 5.0% due to the competitive market environment especially outside Helsinki metropolitan area which put pressure on rents and increased vacancy. The Finnish like-for-like portfolio accounted for 47% out of the total Finnish portfolio measured by net rental income.

Net rental income from Norwegian operations decreased by 10.7% compared to Q1 /2017 due to disposals of non-core assets in 2017 and a weaker NOK compared to previous year. The net rental income for the like-for-like portfolio increased by 1.0% driven mainly by capital rent growth from indexation and higher parking income.

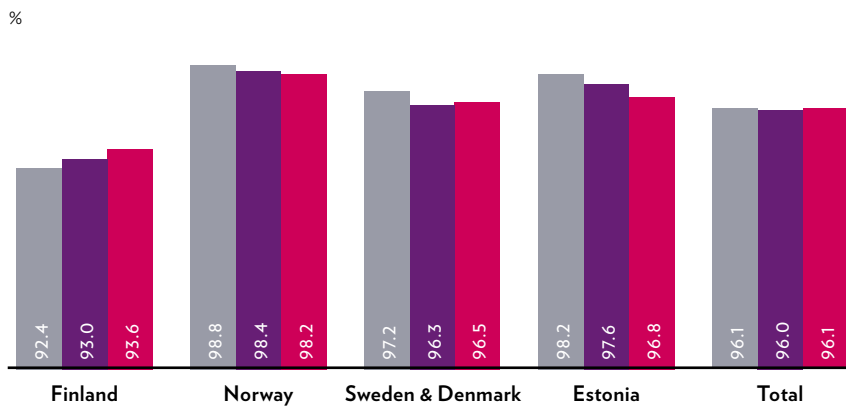
Net rental income from Swedish and Danish operations increased strongly by 11.6% due to acquisitions and strong like-for-like growth. Like-for-like portfolio grew by 7.6% as a result of higher service charge income due to timing of service charge re-calculations for 2017, rent indexations and renegotiated lease agreements in several centres. The acquisition of shopping centre Straedet in Denmark had a significant positive impact on net rental income.

Net rental income from the Estonian operations decreased by 4.8% compared to Q1 /2017 due to negative like-for-like growth of 3.3% in shopping centre Rocca al Mare and impact from redevelopment project in shopping centre Kristiine.

2. OPERATIONAL FIGURES

The economic occupancy rate improved by 10 bps during the period especially due to decreased retail vacancies in Iso Omena and Iso Kristiina in Finland. The average rent per sq.m. decreased from year end 2017 due to weaker exchange rates. With comparable rates, the average rent per sq.m. increased by EUR 0.2 mostly due to rent indexations. The year-to-date leasing spread of renewals and re-lettings was +1.9%. The positive development was mainly driven by Norway and a single re-letting in Estonia.

ECONOMIC OCCUPANCY RATE ¹⁾

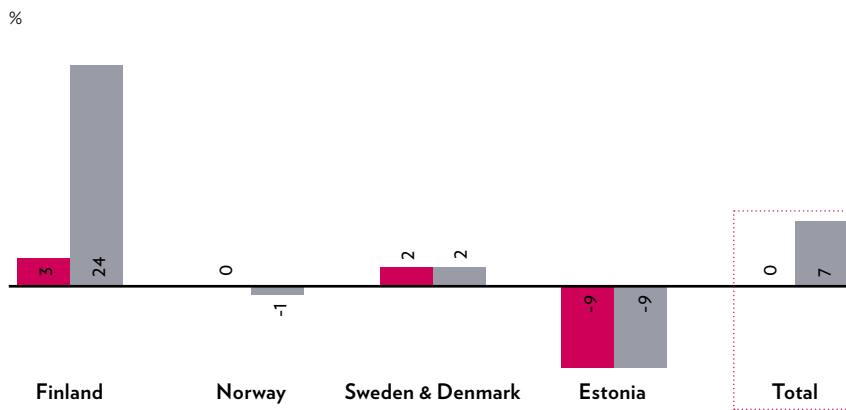


■ 31 March 2017 ²⁾ ■ 31 December 2017 ■ 31 March 2018

¹⁾ Including Kista Galleria 50%.

²⁾ Comparison period figures per 31 March 2017 adjusted to include an office building in Norway.

TENANT SALES DEVELOPMENT, Q1/2018 VS. Q1/2017 ¹⁾

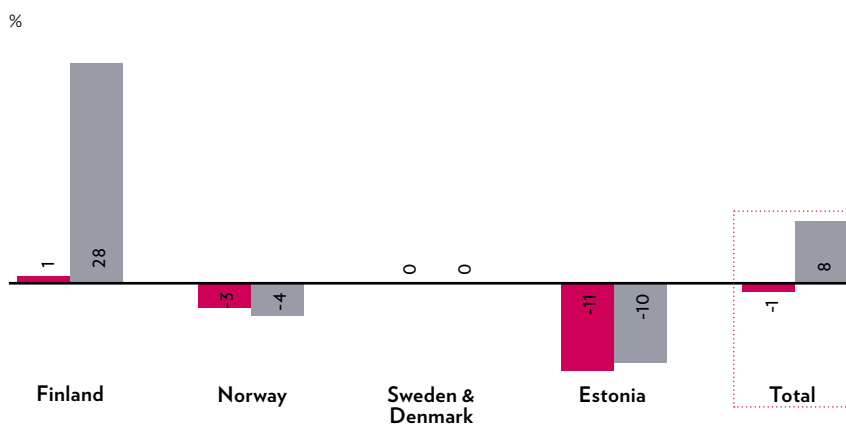


■ Like-for-like sales

■ Total sales (including Kista Galleria 50%)

¹⁾ Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates.

FOOTFALL DEVELOPMENT, Q1/2018 VS. Q1/2017 ¹⁾



■ Like-for-like footfall

■ Total footfall (including Kista Galleria 50%)

¹⁾ Footfall figures include estimates.

LEASE PORTFOLIO SUMMARY ¹⁾

| | | 31 March 2018 | 31 March 2017 ²⁾ | 31 December 2017 |
|---|-----------|---------------|-----------------------------|------------------|
| Number of leases | pcs | 4,512 | 4,810 | 4,581 |
| Average rent | EUR/sq.m. | 23.0 | 23.8 | 23.2 |
| Finland | EUR/sq.m. | 26.6 | 26.6 | 26.3 |
| Norway | EUR/sq.m. | 21.1 | 22.3 | 21.8 |
| Sweden and Denmark | EUR/sq.m. | 22.1 | 23.1 | 22.4 |
| Estonia | EUR/sq.m. | 21.6 | 21.9 | 20.7 |
| Average remaining length of lease portfolio | years | 3.5 | 3.3 | 3.5 |
| Occupancy cost ratio ³⁾ | % | 8.7 | 8.7 | 8.7 |
| Leasing spread, renewals and re-lettings | % | 1.9 | -4.5 | -4.0 |

¹⁾ Including Kista Galleria 50%.

²⁾ Comparison period figures per 31 March 2017 adjusted to include an office building in Norway.

³⁾ The rolling twelve month occupancy cost ratio for like-for-like shopping centres.

LEASING ACTIVITY ¹⁾

| | | Q1/2018 | Q1/2017 | 2017 |
|--------------------------------|-----------|---------|---------|---------|
| Total area of leases started | sq.m. | 43,955 | 63,173 | 259,053 |
| Average rent of leases started | EUR/sq.m. | 23.2 | 25.1 | 22.9 |
| Total area of leases ended | sq.m. | 57,055 | 81,329 | 347,330 |
| Average rent of leases ended | EUR/sq.m. | 24.0 | 22.4 | 23.1 |

¹⁾ Including Kista Galleria 50%. Leases started and ended do not necessarily refer to the same premises.

3. VALUATION ITEMS IMPACTED OPERATING PROFIT

Administrative expenses declined to EUR 6.2 million (6.8) driven by lower personnel expenses from lower wages and salaries and non-cash incentive expenses as well as lower consulting expenses. At the end of the reporting period, Citycon Group employed a total of 250 (252) full-time employees (FTEs), of whom 69 worked in Finland, 108 in Norway, 59 in Sweden, 11 in Estonia, 2 in the Netherlands and 1 in Denmark.

Operating profit declined to EUR 39.3 million (56.8) due to the fair value losses of EUR -7.9 million (gain 7.3).

Net financial expenses year-to-date decreased by EUR 2.7 million to EUR 12.8 million (15.5) mainly due to a lower average debt level, weaker currencies and lower other financial expenses.

Share of profit of joint ventures totalled EUR -2.9 million (0.2). The decrease came mainly from fair value loss and higher deferred taxes in Kista Galleria.

Profit for the period decreased to EUR 20.0 million (29.0) mainly due to fair value losses.

4. PROPERTY PORTFOLIO VALUE DECLINED SLIGHTLY

PROPERTY PORTFOLIO SUMMARY

| 31 March 2018 | No. of properties | Gross leasable area | Fair value, MEUR | Properties held for sale, MEUR | Portfolio, % |
|--|-------------------|---------------------|------------------|--------------------------------|--------------|
| Shopping centres, Finland | 13 | 342,250 | 1,628.0 | - | 39% |
| Other retail properties, Finland | 2 | 12,540 | 2.0 | 21.5 | 1% |
| Finland, total | 15 | 354,790 | 1,630.0 | 21.5 | 39% |
| Shopping centres, Norway | 17 | 414,700 | 1,371.6 | 24.1 | 33% |
| Rented shopping centres, Norway ¹⁾ | 2 | 18,200 | - | - | - |
| Norway, total | 19 | 432,900 | 1,371.6 | 24.1 | 33% |
| Sweden and Denmark, total | 9 | 239,900 | 835.6 | - | 20% |
| Estonia, total | 2 | 101,600 | 304.0 | - | 7% |
| Shopping centres, total | 43 | 1,116,650 | 4,139.2 | 24.1 | 99% |
| Other retail properties, total | 2 | 12,540 | 2.0 | 21.5 | 1% |
| Investment properties, total | 45 | 1,129,190 | 4,141.2 | 45.6 | 100% |
| Kista Galleria (50%) | 1 | 46,250 | 292.2 | - | - |
| Investment properties and Kista Galleria (50%), total | 46 | 1,175,440 | 4,433.4 | 45.6 | - |

¹⁾ Value of rented properties is recognised within intangible rights based on IFRS rules.

The fair value of investment properties decreased by EUR 42.2 million to EUR 4,141.2 million (31 December 2017: 4,183.4). Property disposals and transfers from investment properties to investment properties held for sale decreased the fair value by EUR 43.4 million while the investments increased the fair value by EUR 19.4 million. In addition, changes in exchange rates decreased the fair value by EUR 10.4 million and fair value losses by EUR 7.9 million.

FAIR VALUE CHANGES

| MEUR | Q1/2018 | Q1/2017 | 2017 |
|--|-------------|------------|--------------|
| Finland | -13.6 | -9.6 | -44.7 |
| Norway | -3.7 | 14.4 | -22.2 |
| Sweden and Denmark | 12.8 | 3.4 | 30.6 |
| Estonia | -3.5 | -0.9 | -6.5 |
| Investment properties, total | -7.9 | 7.3 | -42.9 |
| Kista Galleria (50%) | -0.5 | 0.0 | -0.6 |
| Investment properties and Kista Galleria (50%), total | -8.4 | 7.3 | -43.5 |

The company recorded a total value increase of EUR 25.0 million (51.0) and a total value decrease of EUR 32.9 million (43.6).

Citycon measures the fair values of the properties internally in the first and third quarter. CBRE measures the fair values for the half-yearly report and Financial statements.

CBRE's Valuation Advisory for the period-end is available on Citycon's website below Investors.

5. RECYCLING OF CAPITAL

ACQUISITIONS AND DIVESTMENTS Q1/2018

| | | Location | Date | Gross leasable area, sq.m. | Price, MEUR |
|---------------------------|-----------------|-------------------|----------|----------------------------|-------------|
| Divestments | | | | | |
| Åkermyntan | Shopping centre | Stockholm, Sweden | 31 March | 10,300 | 30.0 |
| Divestments, total | | | | 10,300 | 30.0 |

During the first quarter of 2018, Citycon continued to implement its divestment strategy and divested shopping centre Åkermyntan together with residential building rights for a total value of approximately EUR 30 million. Since the strategy update in 2011, Citycon has divested 63 non-core properties and five residential portfolios for a total value of EUR 705 million. The company will continue to improve the quality of the portfolio and aims to divest 5-10% of the property portfolio in terms of value in the next few years.

6. (RE)DEVELOPMENT PROJECTS PROGRESSED

At the end of the reporting period, Citycon had two major (re)development projects underway: the Mölndal Galleria project in Gothenburg and the Lippulaiva project in the Greater Helsinki area.

(RE)DEVELOPMENT PROJECTS IN PROGRESS ON 31 MARCH 2018 ¹⁾

| | Location | Area before/after, sq.m. | Expected gross investment, MEUR | Actual gross investment by 31 March 2018, MEUR | Pre-leasing by 31 March 2018 | Completion |
|------------------|--------------------------------|--------------------------|---------------------------------|--|------------------------------|------------|
| Mölndal Galleria | Gothenburg, Sweden | -/24,000 | 60,0 (120,0) ²⁾ | 45.0 | 85% | Q3/2018 |
| Lippulaiva | Greater Helsinki area, Finland | 19,200/44,300 | 215.0 | 57.0 | 60% | 2021 |

¹⁾ In addition to these projects, Citycon has signed an agreement with TK development regarding the forward purchase of Straedet project in Køge in the greater Copenhagen area. Citycon will acquire the newly constructed shopping centre at completion in three parts: the first part was acquired on 4 July 2017, the second part was acquired 21 December 2017 and the final part is expected to be acquired during Q2/2018. The total purchase price is EUR 75 million based on a fixed 6.25% net initial yield.

²⁾ The number in brackets reflects Citycon's total investment in the project including agreed buyouts of JV shares.

Further information on Citycon's completed, ongoing and potential (re)developments can be found in the company's Financial Review 2017.

7. SHAREHOLDERS' EQUITY

Equity per share decreased to EUR 2.47 (31 December 2017: 2.48), mainly due to dividends and equity return of EUR 28.9 million whereas profit for the period of EUR 20.0 million attributable to parent company shareholders increased equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 2,202.5 million (31 December 2017: 2,208.1).

8. FINANCING

KEY FINANCING FIGURES

| | | 31 March 2018 | 31 March 2017 | 31 December 2017 |
|--|-------|---------------|---------------|------------------|
| Interest bearing debt, fair value | MEUR | 2,087.6 | 2,243.9 | 2,097.2 |
| Available liquidity | MEUR | 561.3 | 557.1 | 559.4 |
| Average loan maturity | years | 4.9 | 5.2 | 5.1 |
| Loan to Value (LTV) | % | 46.8 | 47.1 | 46.7 |
| Equity ratio (financial covenant > 32.5) | % | 47.2 | 46.5 | 47.4 |
| Interest cover ratio (financial covenant > 1.8) | | 3.9 | 3.8 | 3.8 |
| Solvency ratio (financial covenant < 0.65) | | 0.46 | 0.46 | 0.46 |
| Secured solvency ratio (financial covenant < 0.25) | | 0.02 | 0.02 | 0.02 |
| Average interest-rate fixing period | years | 4.8 | 5.1 | 5.1 |
| Interest rate hedging ratio | % | 94.4 | 90.8 | 94.1 |

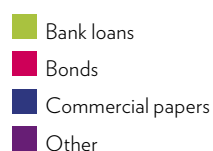
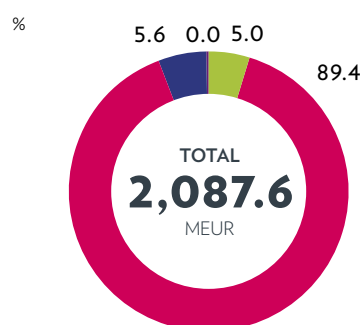
During January-March 2018 Citycon did not raise new debt. Proceeds from non-core property divestments were partly used to repay debt. Some commercial papers were repaid, and NOK 100 million of the NOK 1,400 million bond carrying a fixed coupon of 3.9% was repurchased from the open markets and cancelled.

Citycon uses interest rate swaps to hedge the floating interest rate risk exposure. According to the company's treasury policy, the currency net transaction risk exposure with profit and loss impact is fully hedged through currency forwards and cross-currency swaps.

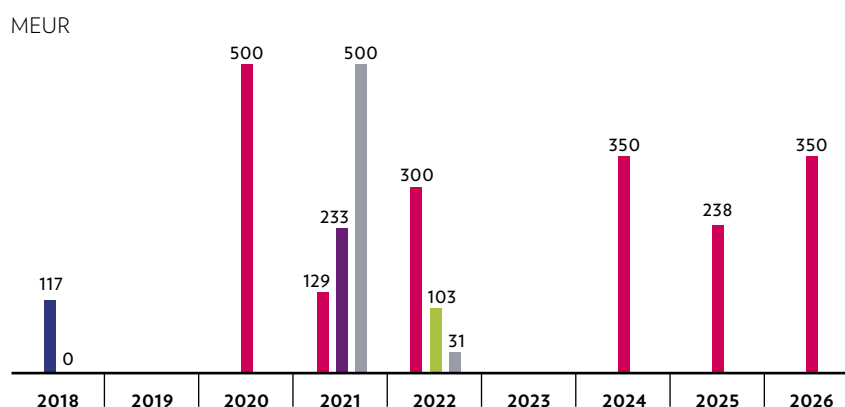
INTEREST-BEARING DEBT

The fair value of interest-bearing debt decreased during the quarter by EUR 9.6 million to EUR 2,087.6 million, as operative cash flow and divestments more than covered the funding need for acquisitions, (re)development project investments, equity repayments and dividends. The weighted average loan maturity decreased to 4.9 years, as no new long-term debt was raised during the quarter. The LTV remained stable at 46.8% (46.7%) despite lower net debt as property fair values declined slightly.

BREAKDOWN OF LOANS



DEBT MATURITIES



FINANCIAL EXPENSES

Net financial expenses year-to-date decreased by EUR 2.7 million to EUR 12.8 million (15.5) mainly due to a lower average debt level, weaker currencies and lower other financial expenses. Other financial expenses include EUR 0.6 million of indirect costs realized when NOK 100 million of the NOK 1,400 million bond was repurchased and cancelled. The other financial income included EUR 0.8 million of indirect financial income that relates to fair value changes of cross-currency swaps not under hedge accounting. The financial income mainly consists of the interest income on loans to Kista Galleria and Mölndal Galleria, and partly on interest differences from forward agreements. The average cost of debt remained stable.

FINANCIAL EXPENSES

| | | Q1/2018 | Q1/2017 | 2017 |
|---|-------------|--------------|--------------|--------------|
| Financial expenses | MEUR | -15.3 | -17.1 | -63.2 |
| Financial income | MEUR | 2.5 | 1.6 | 6.9 |
| Net financial expenses (IFRS) | MEUR | -12.8 | -15.5 | -56.4 |
| Direct net financial expenses (EPRA) | MEUR | -13.1 | -14.0 | -54.4 |
| Weighted average interest rate ¹⁾ | % | 2.78 | 2.78 | 2.78 |
| Year-to-date weighted average interest rate ¹⁾ | % | 2.81 | 2.79 | 2.70 |

¹⁾ Including interest rate swaps and cross-currency swaps

9. BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT KEY FIGURES

| % | Finland | Norway | Sweden | Denmark | Estonia | Euro area |
|-------------------------------|---------|--------|--------|---------|---------|-----------|
| GDP growth forecast, 2018 | 2.5% | 2.0% | 2.6% | 2.4% | 3.5% | 2.5% |
| Unemployment, 2/2018 | 8.4% | 4.0% | 5.9% | 4.8% | 6.5% | 8.5% |
| Inflation, 3/2018 | 0.8% | 2.2% | 1.9% | 0.5% | 2.8% | 1.4% |
| Retail sales growth, 1-2/2018 | 4.0% | 1.7% | 2.8% | 1.3% | 3.0% | 1.8% |

Sources: SEB Nordic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark

In Finland, retail sales continued to grow strongly during the first quarter of the year. Retail rents and shopping centre yields remained stable in the better-quality centres in the Helsinki Metropolitan Area (HMA), while secondary centres outside HMA continued to experience pressure in rents. During the first quarter of the year, the retail property transaction market remained very active.

In Norway, retail sales continued to grow. According to a report by Kvarud Analyse the footfall decreased slightly in Norway but the average basket size increased by 1.0%. Shopping centre rents and yields remained stable in Norway during the quarter with the yields in prime shopping centres around 4.25%. Retail property investment market volumes were slightly lower than on average.

In Sweden, retail sales grew during the first quarter. Rental development in the best shopping centres was positive but the market in secondary locations was more challenging. The prime shopping centre yields remained stable at around 4.25%. There were no major transactions on the market during the first quarter.

In Denmark, retail sales grew but the growth has been modest since 2015. There were no major changes in rental levels and the prime shopping centre yields were approximately 4.0%.

In Estonia, retail sales grew strongly especially in cosmetic stores and pharmacies. The prime shopping centre rental levels remained stable but the expansions of current centres and new developments coming online are expected to increase the gap between prime and secondary assets. Prime shopping centre yields were unchanged approximately at 6.25%.

(Sources: SEB Nordic Outlook, European Commission, CBRE, Statistics Finland/Norway/Sweden/Estonia/Denmark, Eurostat)

10. RISKS AND UNCERTAINTIES

The most significant near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia as well as how this affects the fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial result. Increased competition locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail in on pages 38–39 in the Financial Statements 2017, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

11. GENERAL MEETING

Annual General Meeting 2018

Citycon's Annual General Meeting (AGM) was held in Helsinki on 20 March 2018. A total of 400 shareholders attended the AGM either personally or through a proxy representative, representing 83.3% of shares and votes in the company.

The AGM adopted the company's Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2017. The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. The authorisation is valid until the opening of the next AGM.

The AGM resolved the number of members of the Board of Directors to be nine. Chaim Katzman, Bernd Knobloch, Arnold de Haan, Kirsi Komi, David Lukes, Andrea Orlandi, Per-Anders Ovin and Ariella Zochovitzky were re-elected to the Board of Directors and Ofer Stark was elected as a new member to the Board of Directors.

Ernst & Young Oy, a firm of authorised public accountants, was re-elected as the auditor of the company for 2018.

The AGM decisions and the minutes of the AGM are available on the company's website at citycon.com/agm2018.

12. SHARES, SHARE CAPITAL AND SHAREHOLDERS

SHARES AND SHARE CAPITAL

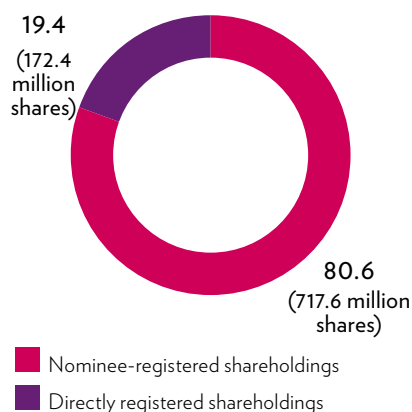
| | | Q1/2018 | Q1/2017 | % | 2017 |
|----------------------------------|------|-------------|-------------|---|-------------|
| Share capital at period-start | MEUR | 259.6 | 259.6 | - | 259.6 |
| Share capital at period-end | MEUR | 259.6 | 259.6 | - | 259.6 |
| Number of shares at period-start | | 889,992,628 | 889,992,628 | - | 889,992,628 |
| Number of shares at period-end | | 889,992,628 | 889,992,628 | - | 889,992,628 |

SHARE PRICE AND TRADING

| | | Q1/2018 | Q1/2017 | % | 2017 |
|-------------------------------------|---------|---------|---------|--------|---------|
| Low | EUR | 1.79 | 2.16 | -17.0% | 2.08 |
| High | EUR | 2.25 | 2.39 | -5.9% | 2.50 |
| Average | EUR | 2.03 | 2.28 | -11.1% | 2.23 |
| Latest | EUR | 1.83 | 2.22 | -17.7% | 2.16 |
| Market capitalisation at period-end | MEUR | 1,626.0 | 1,975.8 | -17.7% | 1,920.6 |
| Number of shares traded | million | 81.4 | 43.1 | 88.9% | 177.3 |
| Value of shares traded | MEUR | 162.1 | 98.1 | 65.2% | 395.9 |

SHAREHOLDERS 31 MARCH 2018

% of shares and voting rights



The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. The shares have no nominal value.

At the end of March 2018, Citycon had a total of 16,819 (13,531) registered shareholders, of which nine were account managers of nominee-registered shares. The most significant registered shareholders at period-end can be found on company's website citycon.com/major-shareholders.

DIVIDEND AND EQUITY REPAYMENT

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 MARCH 2018 ¹⁾

| | Record date | Payment date | EUR / share |
|---------------------|---------------|---------------|---------------|
| Dividend for 2017 | 22 March 2018 | 29 March 2018 | 0.01 |
| Equity repayment Q1 | 22 March 2018 | 29 March 2018 | 0.0225 |
| Total | | | 0.0325 |

REMAINING BOARD AUTHORISATION FOR EQUITY REPAYMENT ²⁾

| | Preliminary record date | Preliminary payment date | EUR / share |
|---------------------|-------------------------|--------------------------|---------------|
| Equity repayment Q2 | 21 June 2018 | 29 June 2018 | 0.0325 |
| Equity repayment Q3 | 20 September 2018 | 28 September 2018 | 0.0325 |
| Equity repayment Q4 | 14 December 2018 | 28 December 2018 | 0.0325 |
| Total | | | 0.0975 |

¹⁾ Board decision based on the authorisation issued by the AGM 2018

²⁾ The AGM 2018 authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to distribute dividend and/or equity repayment four times during the period of validity of the authorisation. In this case, the Board of Directors will make separate resolutions on each distribution of the dividend and/or equity repayment so that the preliminary record and payment dates will be as stated above. Citycon shall make separate announcements of such Board resolutions.

BOARD AUTHORISATIONS

In addition to the asset distribution authorisation of the Board of Directors explained above, the Board of Directors of the company had two valid authorisations at the period-end granted by the AGM held on 20 March 2018:

- The Board of Directors may decide on an issuance of a maximum of 85 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.55% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2019.
- The Board of Directors may decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches. The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 50 million shares, which corresponded to approximately 5.61% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2019.

During January – March 2018, the Board of Directors used three times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. The repurchases and conveyances were made for payment of rewards earned under the company's share plans in accordance with the terms and conditions of the plans:

Restricted share plan 2015

- On 5 January 2018, the company repurchased a total of 30,000 its own shares and conveyed them on 10 January 2018 to two key persons of the company.
- On 7 March 2018, the company repurchased a total of 7,500 its own shares and conveyed them on 23 March 2018 to one key person of the company.

Performance share plan 2015

- On 13 February 2018, the company repurchased a total of 24,767 its own shares and conveyed them on 1 March 2018 to 19 key persons of the company.

OWN SHARES

During the reporting period, the company held a total of 62,267 company's own shares which the company conveyed for payment of rewards earned under the share plans before the period end as explained in the section Board authorisations above. At the end of the period, the company or its subsidiaries held no shares in the company.

SHARE-RELATED EVENTS

Shareholder agreements

Gazit-Globe Ltd. and Canada Pension Plan Investment Board European Holdings S.à r.l (CPPIBEH) have signed an agreement regarding certain governance matters relating to Citycon on 12 May 2014. Further information on the agreement between Gazit-Globe Ltd. and CPPIBEH is available on the company's website at citycon.com/shareholder-agreements.

The company has no knowledge of any other shareholder agreements.

INCENTIVE PLANS

Long-term Share-based Incentive Plans and Stock Option Plan 2011

Citycon has five incentive plans for the Group key employees:

- matching share plan 2018-2020,
- restricted share plan 2018-2020,
- performance share plan 2015,
- restricted share plan 2015 and
- stock option plan 2011 (expired 31 March 2018).

In February 2018, the Board of Directors approved two new share-based incentive plans for the Group key employees, a Matching Share Plan 2018–2020 and a Restricted Share Plan 2018–2020. The Matching Share plan 2018–2020 is directed to the CEO and other members of the Corporate Management Committee and the Restricted Share plan is directed to selected key employees of the company, excluding the CEO and other members of the Corporate Management Committee. Stock option plan 2011 expired 31 March 2018.

The full terms and conditions of share-based incentive plans are available on the company's website at citycon.com/remuneration and the full terms and conditions of the expired stock option plan 2011 on the company's website at citycon.com/options. The subscription ratios, prices and periods of the expired stock option plan 2011 as well as the stock options granted to the CEO and other Corporate Management Committee members are available in the Note 1.6. of the Financial Statements 2017.

13. EVENTS AFTER THE REPORTING PERIOD

Citycon signed an agreement on 6 April 2018 to divest a retail property in Kuopio, Finland for approximately EUR 22 million. The transaction is expected to be closed during Q2/2018.

14. OUTLOOK 2018 UNCHANGED

| | | |
|---------------------------------------|------|---------------|
| EPRA Earnings per share (basic) | EUR | 0.155 – 0.175 |
| Direct operating profit ¹⁾ | MEUR | -15 to +1 |
| EPRA Earnings ¹⁾ | MEUR | -14 to +4 |

¹⁾ Change compared to the previous year

These estimates are based on the existing property portfolio and excluding the planned divestment of retail property in Kuopio, Finland as well as on the prevailing level of inflation, the EUR-SEK and EUR-NOK exchange rates, and current interest rates. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

For more investor information, please visit the company's website at www.citycon.com.

Espoo, 18 April 2018
Citycon Oyj
Board of Directors

For further information, please contact:

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Citycon is a leading owner, manager and developer of urban, grocery-anchored shopping centres in the Nordic region, managing assets that total approximately EUR 4.5 billion. Citycon is No. 1 shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia. Citycon has also established a foothold in Denmark.

Citycon has investment-grade credit ratings from Moody's (Baa1) and Standard & Poor's (BBB). Citycon Oyj's share is listed in Nasdaq Helsinki.

www.citycon.com

EPRA PERFORMANCE MEASURES

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2017 in section "EPRA performance measures".

EPRA PERFORMANCE MEASURES

| | | Q1/2018 | Q1/2017 | % | 2017 |
|---------------------------------|------|---------|---------|-------|-------|
| EPRA Earnings | MEUR | 36.1 | 38.3 | -5.9% | 152.3 |
| EPRA Earnings per share (basic) | EUR | 0.041 | 0.043 | -5.9% | 0.171 |
| EPRA NAV per share | EUR | 2.71 | 2.83 | -4.3% | 2.71 |
| EPRA NNAV per share | EUR | 2.40 | 2.47 | -2.9% | 2.37 |

The following tables present how EPRA Performance Measures are calculated.

1) EPRA EARNINGS

| MEUR | Q1/2018 | Q1/2017 | % | 2017 |
|--|--------------|--------------|---------------|--------------|
| Earnings in IFRS Consolidated Statement of Comprehensive Income | 20.0 | 28.5 | -29.9% | 87.4 |
| -/+ Net fair value gains/losses on investment property | 7.9 | -7.3 | - | 42.9 |
| -/+ Net gains/losses on sale of investment property | -3.2 | -1.9 | 67.1% | -6.0 |
| + Indirect other operating expenses | 3.4 | 2.8 | 22.6% | 12.8 |
| +/- Fair value losses/gains of financial instruments | -0.8 | 1.5 | - | 2.0 |
| +/- Early close-out costs of debt and financial instruments | 0.6 | - | - | - |
| - Fair value gains and other indirect items of joint ventures and associated companies | 4.4 | 1.6 | 173.3% | 6.9 |
| +/- Change in deferred taxes arising from the items above | 3.8 | 12.7 | -70.1% | 5.8 |
| + Non-controlling interest arising from the items above | 0.0 | 0.5 | -93.0% | 0.5 |
| EPRA Earnings | 36.1 | 38.3 | -5.9% | 152.3 |
| Issue-adjusted average number of shares, million | 890.0 | 890.0 | - | 890.0 |
| EPRA Earnings per share (basic), EUR | 0.041 | 0.043 | -5.9% | 0.171 |

The table below presents an alternative calculation of EPRA Earnings from the statement of comprehensive income from top to bottom.

| MEUR | Q1/2018 | Q1/2017 | % | 2017 |
|--|--------------|--------------|--------------|--------------|
| Net rental income | 53.3 | 56.6 | -5.8% | 228.5 |
| Direct administrative expenses | -6.2 | -6.8 | -10.1% | -29.1 |
| Direct other operating income and expenses | 0.2 | 0.5 | -55.7% | 1.1 |
| Direct operating profit | 47.4 | 50.3 | -5.8% | 200.5 |
| Direct net financial income and expenses | -13.1 | -14.0 | -6.9% | -54.4 |
| Direct share of profit/loss of joint ventures and associated companies | 1.5 | 1.8 | -18.0% | 6.2 |
| Direct current taxes | -0.1 | -0.1 | -3.4% | -0.8 |
| Direct deferred taxes | 0.3 | 0.3 | -4.5% | 0.7 |
| Direct non-controlling interest | 0.0 | 0.0 | - | 0.0 |
| EPRA Earnings | 36.1 | 38.3 | -5.9% | 152.3 |
| EPRA Earnings per share (basic), EUR | 0.041 | 0.043 | -5.9% | 0.171 |

2) EPRA NAV PER SHARE AND EPRA NNNAV PER SHARE

| | 31 March 2018 | | | 31 March 2017 | | | 31 December 2017 | | |
|--|----------------|--|----------------|----------------|--|----------------|------------------|--|----------------|
| | MEUR | Number of shares on the balance sheet date (1,000) | per share, EUR | MEUR | Number of shares on the balance sheet date (1,000) | per share, EUR | MEUR | Number of shares on the balance sheet date (1,000) | per share, EUR |
| Equity attributable to parent company shareholders | 2,202.5 | 889,993 | 2.47 | 2,302.5 | 889,993 | 2.59 | 2,207.3 | 889,993 | 2.48 |
| Deferred taxes from the difference of fair value and fiscal value of investment properties | 302.7 | 889,993 | 0.34 | 316.9 | 889,993 | 0.36 | 297.6 | 889,993 | 0.33 |
| Goodwill as a result of deferred taxes | -93.5 | 889,993 | -0.11 | -104.7 | 889,993 | -0.12 | -91.8 | 889,993 | -0.10 |
| Fair value of financial instruments | -2.8 | 889,993 | 0.00 | 2.2 | 889,993 | 0.00 | 0.8 | 889,993 | 0.00 |
| Net asset value (EPRA NAV) | 2,408.9 | 889,993 | 2.71 | 2,516.9 | 889,993 | 2.83 | 2,413.8 | 889,993 | 2.71 |
| Deferred taxes from the difference of fair value and fiscal value of investment properties | -302.7 | 889,993 | -0.34 | -316.9 | 889,993 | -0.36 | -297.6 | 889,993 | -0.33 |
| Goodwill as a result of deferred taxes | 93.5 | 889,993 | 0.11 | 104.7 | 889,993 | 0.12 | 91.8 | 889,993 | 0.10 |
| The difference between the secondary market price and fair value of bonds ¹⁾ | -70.0 | 889,993 | -0.08 | -107.2 | 889,993 | -0.12 | -100.2 | 889,993 | -0.11 |
| Fair value of financial instruments | 2.8 | 889,993 | 0.00 | -2.2 | 889,993 | 0.00 | -0.8 | 889,993 | 0.00 |
| EPRA NNNAV | 2,132.5 | 889,993 | 2.40 | 2,195.2 | 889,993 | 2.47 | 2,107.1 | 889,993 | 2.37 |

¹⁾ When calculating the EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the fair value of the bonds was EUR 70.0 million (107.2) as of 31 Mar 2018.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 January - 31 March 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

| MEUR | Note | Q1/2018 | Q1/2017 | % | 2017 |
|--|------|-------------|-------------|---------------|--------------|
| Gross rental income | 3 | 60.7 | 66.1 | -8.2% | 257.4 |
| Service charge income | 3 | 19.9 | 20.4 | -2.4% | 80.8 |
| Property operating expenses | | -27.1 | -29.6 | -8.6% | -107.8 |
| Other expenses from leasing operations | | -0.2 | -0.3 | -20.6% | -1.9 |
| Net rental income | 3 | 53.3 | 56.6 | -5.8% | 228.5 |
| Administrative expenses | | -6.2 | -6.8 | -10.1% | -29.1 |
| Other operating income and expenses | | -3.2 | -2.2 | 41.8% | -11.6 |
| Net fair value losses/gains on investment property | 3 | -7.9 | 7.3 | - | -42.9 |
| Net gains/losses on sale of investment property | | 3.2 | 1.9 | 67.1% | 6.0 |
| Operating profit | 3 | 39.3 | 56.8 | -30.8% | 150.9 |
| Net financial income and expenses | | -12.8 | -15.5 | -17.4% | -56.4 |
| Share of loss/profit of joint ventures and associated companies | | -2.9 | 0.2 | - | -0.7 |
| Profit before taxes | | 23.6 | 41.5 | -43.1% | 93.8 |
| Current taxes | | -0.1 | -0.1 | -3.4% | -0.8 |
| Deferred taxes | | -3.5 | -12.4 | -71.7% | -5.1 |
| Profit for the period | | 20.0 | 29.0 | -31.0% | 87.9 |
| Profit attributable to | | | | | |
| Parent company shareholders | | 20.0 | 28.5 | -29.9% | 87.4 |
| Non-controlling interest | | 0.0 | 0.5 | -92.9% | 0.5 |
| Earnings per share attributable to parent company shareholders | | | | | |
| Earnings per share (basic), EUR | 4 | 0.02 | 0.03 | -29.9% | 0.10 |
| Earnings per share (diluted), EUR | 4 | 0.02 | 0.03 | -29.8% | 0.10 |
| Other comprehensive income | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Net gains/losses on cash flow hedges | | 4.3 | -2.1 | - | -3.1 |
| Income taxes relating to cash flow hedges | | -0.9 | 0.4 | - | 0.6 |
| Share of other comprehensive income of joint ventures and associated companies | | 0.2 | -0.2 | - | 1.9 |
| Exchange losses/gains on translating foreign operations | | -0.4 | -6.8 | -94.7% | -76.3 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | | 3.2 | -8.7 | - | -76.8 |
| Other comprehensive income for the period, after taxes | | 3.2 | -8.7 | - | -76.8 |
| Total comprehensive profit/loss for the period | | 23.2 | 20.3 | 14.3% | 11.1 |
| Total comprehensive profit/loss attributable to | | | | | |
| Parent company shareholders | | 23.2 | 19.7 | 18.0% | 10.6 |
| Non-controlling interest | | 0.0 | 0.6 | -103.1% | 0.5 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

| MEUR | Note | 31 March 2018 | 31 March 2017 | 31 December 2017 |
|---|-------|----------------|----------------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Investment properties | 5 | 4,141.2 | 4,447.3 | 4,183.4 |
| Goodwill | | 155.0 | 169.6 | 153.3 |
| Investments in joint ventures and associated companies | | 223.9 | 223.2 | 228.0 |
| Intangible and tangible assets, and other non-current assets | | 55.7 | 26.4 | 39.8 |
| Deferred tax assets | | 6.2 | 3.5 | 4.3 |
| Total non-current assets | | 4,582.0 | 4,870.1 | 4,608.9 |
| Investment properties held for sale | 7 | 45.6 | 37.2 | 25.4 |
| Current assets | | | | |
| Derivative financial instruments | 9, 10 | 5.4 | 1.9 | 1.8 |
| Trade and other current assets | | 35.2 | 45.6 | 31.8 |
| Cash and cash equivalents | 8 | 10.7 | 11.1 | 10.1 |
| Total current assets | | 51.4 | 58.6 | 43.7 |
| Total assets | 3 | 4,679.0 | 4,965.9 | 4,678.0 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Equity attributable to parent company shareholders | | | | |
| Share capital | | 259.6 | 259.6 | 259.6 |
| Share premium fund | | 131.1 | 131.1 | 131.1 |
| Fair value reserve | | 2.8 | -2.2 | -0.8 |
| Invested unrestricted equity fund | 11 | 1,103.5 | 1,210.3 | 1,123.5 |
| Retained earnings | 11 | 705.5 | 703.7 | 694.7 |
| Total equity attributable to parent company shareholders | | 2,202.5 | 2,302.5 | 2,208.1 |
| Non-controlling interest | | 1.2 | 1.5 | 1.2 |
| Total shareholders' equity | | 2,203.7 | 2,304.0 | 2,209.4 |
| Long-term liabilities | | | | |
| Loans | | 1,957.5 | 1,884.0 | 1,959.2 |
| Derivative financial instruments and other non-interest bearing liabilities | 9, 10 | 3.2 | 5.2 | 4.7 |
| Deferred tax liabilities | | 306.8 | 321.1 | 301.1 |
| Total long-term liabilities | | 2,267.6 | 2,210.3 | 2,265.0 |
| Short-term liabilities | | | | |
| Loans | | 117.4 | 345.8 | 124.7 |
| Derivative financial instruments | 9, 10 | 1.0 | 2.1 | 1.2 |
| Trade and other payables | | 89.3 | 103.7 | 77.7 |
| Total short-term liabilities | | 207.7 | 451.6 | 203.6 |
| Total liabilities | 3 | 2,475.3 | 2,661.9 | 2,468.6 |
| Total liabilities and shareholders' equity | | 4,679.0 | 4,965.9 | 4,678.0 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

| MEUR | Note | Q1/2018 | Q1/2017 | 2017 |
|--|---------|--------------|--------------|---------------|
| Cash flow from operating activities | | | | |
| Profit before taxes | | 23.6 | 41.5 | 93.8 |
| Adjustments to profit before taxes | | 25.0 | 10.2 | 110.5 |
| Cash flow before change in working capital | | 48.6 | 51.7 | 204.3 |
| Change in working capital | | -3.5 | -4.5 | 7.6 |
| Cash generated from operations | | 45.1 | 47.1 | 212.0 |
| | | | | |
| Paid interest and other financial charges | | -2.4 | -4.5 | -66.8 |
| Interest income and other financial income received | | 0.1 | 0.6 | 3.8 |
| Current taxes paid | | -1.0 | -0.4 | -0.1 |
| Net cash from operating activities | | 41.9 | 42.9 | 148.9 |
| | | | | |
| Cash flow from investing activities | | | | |
| Acquisition of subsidiaries, less cash acquired | 5, 6, 7 | - | -74.2 | -144.4 |
| Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets | 5, 6, 7 | -25.4 | -44.7 | -154.0 |
| Sale of investment properties | 5, 6, 7 | 27.2 | 43.2 | 315.9 |
| Net cash used in investing activities | | 1.9 | -75.7 | 17.5 |
| | | | | |
| Cash flow from financing activities | | | | |
| Proceeds from short-term loans | | 256.3 | 494.7 | 2,078.7 |
| Repayments of short-term loans | | -255.0 | -435.0 | -2,099.0 |
| Proceeds from long-term loans and receivables | | 0.1 | 0.0 | 107.6 |
| Repayments of long-term loans | | -11.0 | 0.0 | -139.3 |
| Acquisition of non-controlling interests | | - | 0.0 | 0.0 |
| Dividends and return from the invested unrestricted equity fund | 11 | -28.2 | -29.2 | -116.2 |
| Realized exchange rate gains/losses | | -3.9 | -2.4 | -2.7 |
| Net cash used in financing activities | | -41.8 | 28.1 | -171.0 |
| | | | | |
| Net change in cash and cash equivalents | | 2.0 | -4.8 | -4.7 |
| Cash and cash equivalents at period-start | 8 | 10.1 | 15.9 | 15.9 |
| Effects of exchange rate changes | | -1.4 | 0.0 | -1.1 |
| Cash and cash equivalents at period-end | 8 | 10.7 | 11.1 | 10.1 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

Equity attributable to parent company shareholders

| MEUR | Share capital | Share premium fund | Fair value reserve | Invested unrestricted equity fund | Translation reserve | Retained earnings | Equity attributable to parent company | Non-controlling interest | Shareholders' equity, total |
|---|---------------|--------------------|--------------------|-----------------------------------|---------------------|-------------------|---------------------------------------|--------------------------|-----------------------------|
| | | | | | | | share-holders | | |
| Balance at 1 January 2017 | 259.6 | 131.1 | -0.3 | 1,230.3 | -16.8 | 707.6 | 2,311.4 | 0.8 | 2,312.3 |
| Total comprehensive profit/loss for the period | | | -1.9 | | -6.9 | 28.5 | 19.7 | 0.6 | 20.3 |
| Dividends paid and equity return (Note 10) | | | | -20.0 | | -8.9 | -28.9 | | -28.9 |
| Share-based payments | | | | | | 0.3 | 0.3 | | 0.3 |
| Balance at 31 March 2017 | 259.6 | 131.1 | -2.2 | 1,210.3 | -23.8 | 727.5 | 2,302.5 | 1.5 | 2,304.0 |
| Balance at 1 January 2017 | 259.6 | 131.1 | -0.3 | 1,230.3 | -16.8 | 707.6 | 2,311.4 | 0.8 | 2,312.3 |
| Total comprehensive profit/loss for the period | | | -0.5 | | -76.3 | 87.4 | 10.6 | 0.5 | 11.1 |
| Dividends paid and equity return (Note 10) | | | | -106.8 | | -8.9 | -115.7 | | -115.7 |
| Share-based payments | | | | | | 0.8 | 0.8 | | 0.8 |
| Acquisition of non-controlling interests | | | | | | 0.1 | 0.1 | -0.1 | 0.0 |
| Balance at 31 December 2017 | 259.6 | 131.1 | -0.8 | 1,123.5 | -93.2 | 787.1 | 2,207.3 | 1.2 | 2,208.5 |
| Changes in accounting policies (IFRS2 & IFRS 9) | | | | | | 0.8 | 0.8 | | 0.8 |
| Balance at 1 January 2018 | 259.6 | 131.1 | -0.8 | 1,123.5 | -93.2 | 787.9 | 2,208.1 | 1.2 | 2,209.4 |
| Total comprehensive profit/loss for the period | | | 3.6 | | -0.3 | 20.0 | 23.2 | 0.0 | 23.2 |
| Dividends paid and equity return (Note 10) | | | | -20.0 | | -8.9 | -28.9 | | -28.9 |
| Share-based payments | | | | | | 0.0 | 0.0 | | 0.0 |
| Balance at 31 March 2018 | 259.6 | 131.1 | 2.8 | 1,103.5 | -93.5 | 799.0 | 2,202.5 | 1.2 | 2,203.7 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIC COMPANY DATA

Citycon is a real estate company specialised in retail premises. Citycon operates in the business units Finland, Norway, Sweden & Denmark and Estonia. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the interim financial statements on 18th of April 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The interim financial statements for the three month period ended on 31 March 2018 have been prepared, apart from the exceptions listed below, in accordance with the same accounting policies and methods as in previous annual financial statements and in accordance with IAS 34 Interim Financial Reporting standard. The figures are unaudited.

IFRS 15 Revenue from contracts with customers (application from 1 January 2018 onwards)

The majority Citycon's sales revenues consist of rental income which by definition falls under the scope of IAS 17 (from 1 January 2019 onwards IFRS 16). In Citycon's business operations IFRS 15 is only applied to the service charge income, which consist mainly out of service charges and utility charges. Citycon considers to act as a principal in respect to service charge income.

The main impact from the implementation of IFRS 15 to Citycon's reporting is the change in disclosure regarding rental agreements in which the rental income has not been divided between capital rent and service charge income in the previous financial years. Due to the change EUR 1.2 million of gross rental income has been allocated to service charge income in the first quarter of 2018. The allocation did not have any impact on Citycon's net rental income.

| MEUR | Q1/2018 (IFRS 15) | Q1/2018 (IAS 18) |
|-----------------------|-------------------|------------------|
| Gross rental income | 60.7 | 61.9 |
| Service charge income | 19.9 | 18.7 |
| Total | 80.6 | 80.6 |

IFRS 9 Financial instruments (application from 1 January 2018 onwards)

Application of the standard will offer more possibilities regarding hedge accounting, but does not require mandatory changes to Citycon's present principles of booking nor disclosure of financial instruments.

The standard will however bring changes to recording impairments of financial instruments, which calls for assessment of expected credit loss. The standard allows Citycon to apply the simplified valuation model on its rent receivables (IAS 17) and trade receivables (IAS 18) when recording the expected credit loss in its reporting. The expected credit loss from maximum contractual period is based on the amount of trade receivables, realized credit losses and expectations regarding the future development of the economic situation. The effect from the restating of Citycon's credit loss provision to equity of 1 January 2018 was EUR 0,0 million.

IFRS 2 Share-based payments - Clarification and Measurement of Share-based Payment

Transactions (application from 1 January 2018 onwards)

The amendments clarify the accounting treatment of share-based payments with net settlement features for withholding tax obligations. According to the previous application of IFRS 2, the share-based transactions with net settlement features have been treated separately as an equity-settled and a cash-settled transaction. Due to the amendments, the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments from 1 January 2018 onwards.

The effect from restatement of the liability arising from the cash-settled share-based payments to retained earnings of 1 January 2018 was EUR 0.9 million.

Additional information on the otherwise unchanged accounting policies is available in Citycon's annual financial statements 2017.

New ESMA (European Securities and Markets Authority) guidelines on alternative performance measures are effective for the financial year 2016. Citycon also presents alternative performance measures, such as EPRA performance measures and loan to value, to reflect the underlying business performance and to enhance comparability between financial periods. Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

3. SEGMENT INFORMATION

Citycon's business consists of the regional business units Finland, Norway, Sweden & Denmark and Estonia.

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures' and associated companies in the statement of comprehensive income and Citycon's share of Kista Galleria's total assets is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period by approximately EUR -1.2 million.

The Board of Directors follows IFRS segment result and in addition Kista Galleria's financial performance separately, and therefore, segment information includes both IFRS segment results and Kista Galleria result.

Citycon changed the presentation of segments and Kista Galleria's financial performance during the financial year 2017 to better meet the information presented to the Board of Directors. Effects from the change to Citycon's reporting have been disclosed in the financial statements of 2017.

| MEUR | Q1/2018 | Q1/2017 | % | 2017 |
|---|-------------|-------------|---------------|--------------|
| Gross rental income | | | | |
| Finland | 20.8 | 23.9 | -12.9% | 94.2 |
| Norway | 21.6 | 24.3 | -10.9% | 91.5 |
| Sweden and Denmark | 12.7 | 12.2 | 4.1% | 49.0 |
| Estonia | 5.5 | 5.7 | -3.3% | 22.6 |
| Total Segments | 60.7 | 66.1 | -8.2% | 257.4 |
| Kista Galleria (50%) | 3.6 | 4.3 | -15.7% | 16.5 |
| Service charge income | | | | |
| Finland | 7.5 | 8.1 | -6.3% | 31.9 |
| Norway | 7.0 | 7.8 | -10.8% | 30.0 |
| Sweden and Denmark | 3.9 | 3.1 | 26.1% | 12.7 |
| Estonia | 1.5 | 1.5 | 3.3% | 6.1 |
| Total Segments | 19.9 | 20.4 | -2.4% | 80.8 |
| Kista Galleria (50%) | 1.0 | 0.9 | 7.6% | 3.4 |
| Net rental income | | | | |
| Finland | 18.1 | 20.0 | -9.2% | 84.7 |
| Norway | 18.9 | 21.2 | -10.7% | 79.6 |
| Sweden and Denmark | 10.9 | 9.8 | 11.6% | 41.3 |
| Estonia | 5.3 | 5.6 | -4.8% | 22.2 |
| Other | 0.1 | 0.1 | -39.9% | 0.7 |
| Total Segments | 53.3 | 56.6 | -5.8% | 228.5 |
| Kista Galleria (50%) | 3.1 | 3.9 | -19.4% | 14.4 |
| Direct operating profit | | | | |
| Finland | 17.6 | 19.2 | -8.7% | 81.6 |
| Norway | 17.7 | 20.3 | -12.9% | 74.8 |
| Sweden and Denmark | 10.3 | 8.9 | 15.1% | 37.9 |
| Estonia | 5.3 | 5.5 | -3.4% | 21.6 |
| Other | -3.4 | -3.6 | -5.6% | -15.4 |
| Total Segments | 47.4 | 50.3 | -5.8% | 200.5 |
| Kista Galleria (50%) | 3.0 | 3.7 | -19.8% | 13.8 |
| Net fair value losses/gains on investment property | | | | |
| Finland | -13.6 | -9.6 | 41.4% | -44.7 |
| Norway | -3.7 | 14.4 | - | -22.2 |
| Sweden and Denmark | 12.8 | 3.4 | - | 30.6 |
| Estonia | -3.5 | -0.9 | - | -6.5 |
| Total Segments | -7.9 | 7.3 | - | -42.9 |
| Kista Galleria (50%) | -0.5 | 0.0 | - | -0.6 |
| Operating profit/loss | | | | |
| Finland | 3.5 | 9.8 | -64.2% | 32.9 |
| Norway | 14.0 | 31.9 | -56.2% | 40.8 |
| Sweden and Denmark | 23.4 | 14.1 | 66.6% | 77.6 |
| Estonia | 1.8 | 4.6 | -60.6% | 15.0 |
| Other | -3.4 | -3.6 | -5.6% | -15.4 |
| Total Segments | 39.3 | 56.8 | -30.8% | 150.9 |
| Kista Galleria (50%) | 2.5 | 3.7 | -32.6% | 13.2 |

| MEUR | 31 March 2018 | 31 March 2017 | % | 2017 |
|-----------------------|----------------|----------------|--------------|----------------|
| Assets | | | | |
| Finland | 1,659.2 | 1,863.1 | -10.9% | 1,658.6 |
| Norway | 1,603.4 | 1,765.9 | -9.2% | 1,578.7 |
| Sweden and Denmark | 1,044.2 | 998.4 | 4.6% | 1,088.5 |
| Estonia | 305.7 | 307.5 | -0.6% | 307.3 |
| Other | 66.5 | 31.0 | 114.4% | 44.9 |
| Total Segments | 4,679.0 | 4,965.9 | -5.8% | 4,678.0 |
| Kista Galleria (50%) | 300.5 | 320.2 | -6.1% | 314.8 |
| Liabilities | | | | |
| Finland | 11.3 | 8.9 | 26.4% | 8.2 |
| Norway | 19.7 | 26.2 | -24.8% | 17.5 |
| Sweden and Denmark | 12.5 | 14.6 | -14.4% | 20.9 |
| Estonia | 2.5 | 2.4 | 3.6% | 1.3 |
| Other | 2,429.3 | 2,609.7 | -6.9% | 2,420.8 |
| Total Segments | 2,475.3 | 2,661.9 | -7.0% | 2,468.6 |
| Kista Galleria (50%) | 241.1 | 254.8 | -5.4% | 249.9 |

The change in segment assets was due to the fair value changes in investment properties as well as investments and disposals.

4. EARNINGS PER SHARE

| | | Q1/2018 | Q1/2017 | % | 2017 |
|--|---------|-------------|-------------|---------------|-------------|
| Earnings per share, basic | | | | | |
| Profit attributable to parent company shareholders | MEUR | 20.0 | 28.5 | -29.9% | 87.4 |
| Issue-adjusted average number of shares | million | 890.0 | 890.0 | 0.0% | 890.0 |
| Earnings per share (basic) | EUR | 0.02 | 0.03 | -29.9% | 0.10 |
| Earnings per share, diluted | | | | | |
| Profit attributable to parent company shareholders | MEUR | 20.0 | 28.5 | -29.9% | 87.4 |
| Issue-adjusted average number of shares | million | 890.0 | 890.0 | 0.0% | 890.0 |
| Adjustment from share-based incentive plans and options | million | 8.4 | 9.0 | -6.7% | 9.0 |
| Average number of shares used in the calculation of diluted earnings per share | million | 898.4 | 899.0 | -0.1% | 899.0 |
| Earnings per share (diluted) | EUR | 0.02 | 0.03 | -29.8% | 0.10 |

5. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date, the first mentioned category included Lippulaiva in Finland. On 31 March 2017, the first mentioned category included Porin Asema-aukio and Iso Omena in Finland.

IPUC-category includes the fair value of the whole property even though only part of the property may be under construction.

31 MARCH 2018

| MEUR | Investment properties under construction (IPUC) | Operative investment properties | Investment properties, total |
|--|---|------------------------------------|---------------------------------|
| At period-start | 121.0 | 4,062.4 | 4,183.4 |
| Investments | 5.8 | 13.2 | 19.0 |
| Disposals | - | -23.6 | -23.6 |
| Capitalized interest | 0.4 | 0.0 | 0.4 |
| Fair value gains on investment property | - | 25.0 | 25.0 |
| Fair value losses on investment property | -0.2 | -32.7 | -32.9 |
| Exchange differences | - | -10.4 | -10.4 |
| Transfers between items | - | -19.7 | -19.7 |
| At period-end | 127.0 | 4,014.1 | 4,141.2 |

31 MARCH 2017

| MEUR | Investment properties under construction (IPUC) | Operative investment properties | Investment properties, total |
|--|---|------------------------------------|---------------------------------|
| At period-start | 723.9 | 3,613.7 | 4,337.6 |
| Acquisitions | - | 72.9 | 72.9 |
| Investments | 14.5 | 23.4 | 37.9 |
| Capitalized interest | 1.0 | 0.4 | 1.4 |
| Fair value gains on investment property | 17.8 | 33.2 | 51.0 |
| Fair value losses on investment property | - | -43.6 | -43.6 |
| Exchange differences | - | -11.0 | -11.0 |
| Transfers between items | - | 1.2 | 1.2 |
| At period-end | 757.2 | 3,690.1 | 4,447.3 |

31 DECEMBER 2017

| MEUR | Investment properties under construction (IPUC) | Operative investment properties | Investment properties, total |
|--|---|------------------------------------|---------------------------------|
| At period-start | 723.9 | 3,613.7 | 4,337.6 |
| Acquisitions | - | 142.5 | 142.5 |
| Investments | 49.7 | 84.0 | 133.7 |
| Disposals | - | -59.8 | -59.8 |
| Capitalized interest | 1.1 | 2.2 | 3.2 |
| Fair value gains on investment property | - | 113.0 | 113.0 |
| Fair value losses on investment property | -2.4 | -153.5 | -155.9 |
| Exchange differences | - | -130.3 | -130.3 |
| Transfers between items | -651.3 | 450.7 | -200.6 |
| At period-end | 121.0 | 4,062.4 | 4,183.4 |

The fair value of investment properties has been measured internally for the interim reporting on 31 March 2018 and 31 March 2017. The fair value measurement for the financial statements for 2017 was conducted by external appraiser, CBRE.

When measuring the values internally, Citycon has based the valuations on the yields and market rent indications received from the external appraiser. In addition, the external appraiser conducts the fair value evaluation of all properties under (re)development. Also, the first fair value measurement of the acquired properties is always conducted externally.

The fair value is calculated by a net rental income based cash flow analysis. Market rents, the yield requirement, the occupancy rate and operating expenses form the key variables used in the cash flow analysis. The segments' yield requirements and market rents used in the cash flow analysis were as follows:

YIELD REQUIREMENT AND MARKET RENTS

| | Weighted average yield requirement, % | | | Weighted average market rents, EUR/sq.m./mo | | |
|--|--|------------------|---------------------|--|------------------|---------------------|
| | 31 March 2018 | 31 March 2017 | 31 December 2017 | 31 March 2018 | 31 March 2017 | 31 December 2017 |
| Finland | 5.3 | 5.5 | 5.3 | 31.2 | 29.9 | 31.2 |
| Norway | 5.4 | 5.3 | 5.4 | 22.6 | 23.2 | 22.0 |
| Sweden and Denmark | 5.1 | 5.2 | 5.2 | 25.1 | 26.3 | 25.9 |
| Estonia | 6.5 | 6.7 | 6.5 | 20.8 | 20.4 | 20.7 |
| Investment properties, average | 5.4 | 5.5 | 5.4 | 26.2 | 26.3 | 26.2 |
| Investment properties and Kista Galleria (50%), average | 5.3 | 5.4 | 5.3 | 26.7 | 27.1 | 26.9 |

6. CAPITAL EXPENDITURE

| MEUR | Q1/2018 | Q1/2017 | 2017 |
|---|-------------|--------------|--------------|
| Acquisitions of properties ¹⁾ | - | 72.9 | 142.5 |
| Acquisitions of and investments in joint ventures | 6.6 | 3.9 | 18.0 |
| Property development | 19.4 | 39.4 | 137.0 |
| Goodwill and other investments | 0.4 | 0.5 | 1.2 |
| Total capital expenditure incl. acquisitions | 26.4 | 116.7 | 298.7 |

Capital expenditure by segment

| | | | |
|---|-------------|--------------|--------------|
| Finland | 12.5 | 28.2 | 100.1 |
| Norway | 3.0 | 80.6 | 84.9 |
| Sweden and Denmark | 9.2 | 7.5 | 109.0 |
| Estonia | 1.5 | 0.3 | 3.9 |
| Group administration | 0.3 | 0.1 | 0.8 |
| Total capital expenditure incl. acquisitions | 26.4 | 116.7 | 298.7 |

| | | | |
|----------------------------------|-------------|-------------|--------------|
| Divestments ²⁾ | 23.8 | 46.1 | 319.6 |
|----------------------------------|-------------|-------------|--------------|

¹⁾ Capital expenditure takes into account deduction in the purchase price calculations and FX rate changes

²⁾ Excluding transfers into 'Investment properties held for sale'-category

7. INVESTMENT PROPERTIES HELD FOR SALE

On 31 March 2018, the Investment Properties Held for Sale comprised of one property in Norway and one property in Finland. The property transactions are expected to be finalized during Q2 of 2018. On 31 March 2017, the Investment Properties Held for Sale comprised of two properties in Norway and one residential property in Finland.

Citycon had no businesses held for sale (in accordance with IFRS 5) on 31 March 2018 or 31 March 2017.

| EUR million | 31 March 2018 | 31 March 2017 | 2017 |
|--------------------------------------|---------------|---------------|-------------|
| At period-start | 25.4 | 81.9 | 81.9 |
| Disposals | - | -43.1 | -251.9 |
| Exchange differences | 0.4 | -0.5 | -5.0 |
| Changes in fair value | -1.8 | - | - |
| Transfers from investment properties | 21.5 | -1.2 | 200.4 |
| At period-end | 45.6 | 37.2 | 25.4 |

8. CASH AND CASH EQUIVALENTS

| MEUR | 31 March 2018 | 31 March 2017 | 31 December 2017 |
|--------------------------|---------------|---------------|------------------|
| Cash in hand and at bank | 5.0 | 6.1 | 3.7 |
| Other bank deposits | 5.7 | 5.0 | 6.4 |
| Total | 10.7 | 11.1 | 10.1 |

Cash and cash equivalents in the cash flow statement comprise the items presented above. Other bank deposits consists mainly of restricted cash.

9. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

| MEUR | 31 March 2018 | | 31 March 2017 | | 31 December 2017 | |
|--|-----------------|------------|-----------------|------------|------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | | | |
| I Financial assets at fair value through profit and loss | | | | | | |
| Derivative financial instruments | 32.3 | 32.3 | 2.8 | 2.8 | 14.2 | 14.2 |
| II Derivative contracts under hedge accounting | | | | | | |
| Derivative financial instruments | 8.9 | 8.9 | 0.8 | 0.8 | 7.0 | 7.0 |
| Financial liabilities | | | | | | |
| I Financial liabilities amortised at cost | | | | | | |
| Loans | | | | | | |
| Loans from financial institutions | 220.3 | 220.7 | 315.9 | 316.5 | 225.9 | 226.3 |
| Bonds | 1,854.6 | 1,866.8 | 1,913.9 | 1,927.4 | 1,858.0 | 1,870.9 |
| II Financial liabilities at fair value through profit and loss | | | | | | |
| Derivative financial instruments | 3.8 | 3.8 | 4.8 | 4.8 | 3.7 | 3.7 |
| III Derivative contracts under hedge accounting | | | | | | |
| Derivative financial instruments | 0.0 | 0.0 | 1.0 | 1.0 | 0.7 | 0.7 |

10. DERIVATIVE FINANCIAL INSTRUMENTS

| MEUR | 31 March 2018 | | 31 March 2017 | | 31 December 2017 | |
|-------------------------------------|----------------|-------------|----------------|-------------|------------------|-------------|
| | Nominal amount | Fair value | Nominal amount | Fair value | Nominal amount | Fair value |
| Interest rate swaps | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | - | - | - | - | - | - |
| 1-5 years | 232.5 | 2.4 | 245.4 | 0.8 | 228.7 | 0.2 |
| over 5 years | - | - | - | - | - | - |
| Subtotal | 232.5 | 2.4 | 245.4 | 0.8 | 228.7 | 0.2 |
| Cross-currency swaps | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | - | - | - | - | - | - |
| 1-5 years | 457.9 | 30.6 | 350.0 | -1.7 | 457.9 | 15.0 |
| over 5 years | - | - | 107.9 | -1.0 | - | - |
| Subtotal | 457.9 | 30.6 | 457.9 | -2.6 | 457.9 | 15.0 |
| Foreign exchange forward agreements | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | 44.1 | 4.4 | 215.1 | -0.3 | 84.6 | 1.6 |
| Total | 734.6 | 37.4 | 918.5 | -2.1 | 771.2 | 16.8 |

Derivative financial instruments are used in hedging the interest rate and foreign currency risk.

Hedge accounting is applied for interest rate swaps which have a nominal amount of EUR 232.5 million (245.4) and for a cross-currency swap converting EUR debt into NOK debt which has a nominal amount of EUR 107.9 million (107.9). The change in fair values of these derivatives is recognised under other comprehensive income, taking the tax effect into account. In addition, EUR -0.1 million (0.1) have been recognised in 'Share of other comprehensive income of joint ventures and associated companies' from interest rate swaps hedging loan of Sektor Portefølje II AS.

Citycon also has currency forwards and cross-currency swaps to convert EUR debt into SEK debt. Changes in fair values of these are reported in the profit and loss statement as hedge accounting is not applied.

Furthermore, changes in fair values of interest rate caps hedging Kista Galleria's loans are recognised under 'Share of profit of joint ventures and associated companies'.

11. DIVIDEND AND EQUITY REPAYMENT

Citycon's AGM 2018 decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed for the financial year 2017 shall not exceed EUR 0.01 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. The authorisation is valid until the opening of the next AGM.

On the basis of the authorisation mentioned above and explained in interim report sections 11 and 12 the Board of Directors decided in March 2018 to distribute dividend of EUR 0.01 per share, or EUR 8.9 million and equity repayment of EUR 0.0225 per share, or EUR 20.0 million. Following the dividend and equity repayment paid on 29 March 2018, the Board's authorization for dividend distribution is used in its entirety and the remaining authorisation for equity repayment is EUR 0.0975 per share. Preliminary payment dates for equity repayments to be distributed on basis of the authorization are 29 June 2018, 28 September 2018 and 28 December 2018. The Board of Directors will make separate resolutions on each distribution of the equity repayment and the company shall make separate announcements of such Board resolutions.

Total amount of dividend EUR 8.9 million and equity repayment EUR 106.8 million were distributed during the financial year 2017, of which EUR 8.9 million dividend and EUR 20.0 million equity repayment were distributed during the first quarter of 2017.

12. CONTINGENT LIABILITIES

| MEUR | 31 March 2018 | 31 March 2017 | 31 December 2017 |
|---------------------------------|---------------|---------------|------------------|
| Mortgages on land and buildings | 134.3 | 141.8 | 132.1 |
| Bank guarantees | 32.6 | 144.2 | 40.9 |
| Capital commitments | 261.7 | 230.2 | 337.9 |

At period-end, Citycon had capital commitments of EUR 261.7 million (230.2) relating mainly to on-going (re)development projects.

13. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures; Board members; CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 45.5% on 31 March 2018 (43.9%).

Purchases of services

Over the period or comparison period Citycon paid no expenses to Gazit-Globe Ltd. and its subsidiaries but invoiced EUR 0.0 million expenses forward to Gazit-Globe Ltd. and its subsidiaries (EUR 0.1).

REPORT ON REVIEW OF CITYCON OYJ'S INTERIM FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1-MARCH 31, 2018

TO THE BOARD OF DIRECTORS OF CITYCON OYJ

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Citycon Oyj as of March 31st, 2018 and the related condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland.

Helsinki, April 18th 2018

Ernst & Young Oy
Accountant Firm

Mikko Ryttilahti
Authorized Public Accountant