Full Year Results

Q1–Q4

2014

Audiocast presentation

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CITYCON

2014: A YEAR OF ACTION WITH SOLID PERFORMANCE AND A MUCH STRONGER BALANCE SHEET

2014: A year of action

- EUR 200 million directed share issue – CPPIB becomes a 15% shareholder
- EUR 200 million rights issue – significant deleveraging
- Investment-grade credit ratings upgraded to BBB & Baa2
- JV with NCC regarding (re)development of Mölndals Galleria in Gothenburg
- Successful placement of EUR 350 million Eurobond – decreased cost of debt
- Acquisition of GIC's 40% stake in Iso Omena – full ownership of top asset
- EUR 500 million revolving credit facility signed
- Divestment of 11 non-core properties in Finland and one shopping centre in Lithuania

Solid financial and operating performance

EUR million	FY2014	FY2013	Change-%
Net rental income	169.4	168.9	0.3
EPRA Operating profit	149.8	149.1	0.4
EPRA Earnings	99.7	86.7	14.9
EPRA Earnings per share (basic)	0.191	0.203	-5.9
EPRA NAV	3.01	3.13	-3.7

- Like-for-like gross rental income increase of 1.3%
- Like-for-like net rental income (NRI) increase of 2.9%
- EPRA EPS decrease of 5.9% driven by:
  - 22% increase in average number of shares
  - Strong like-for-like NRI
  - Decreased leverage

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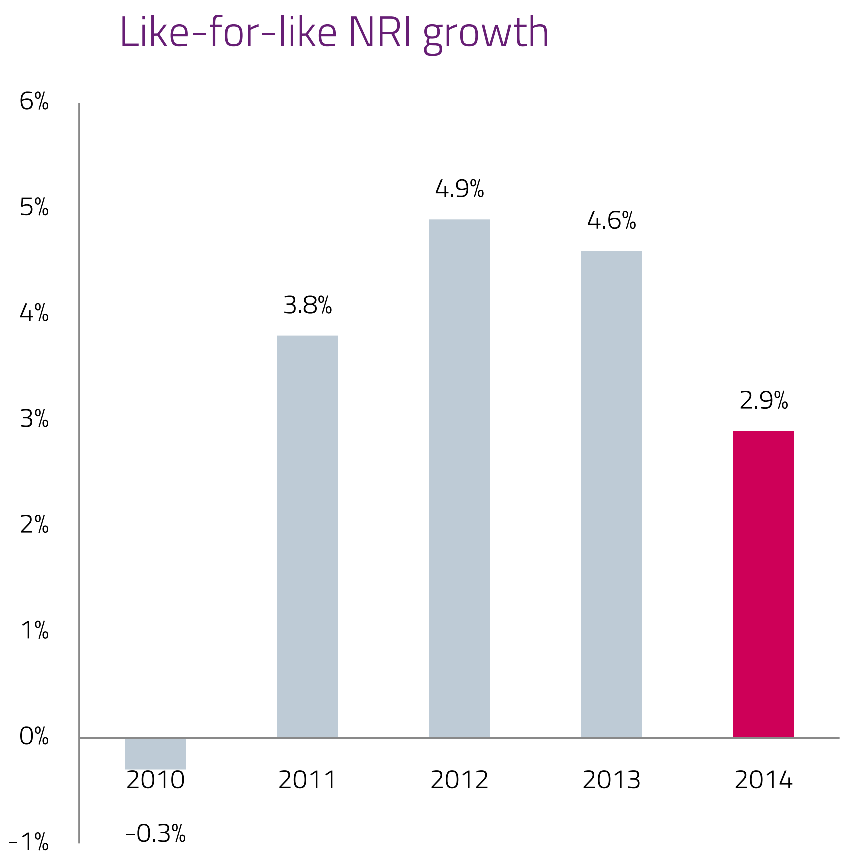
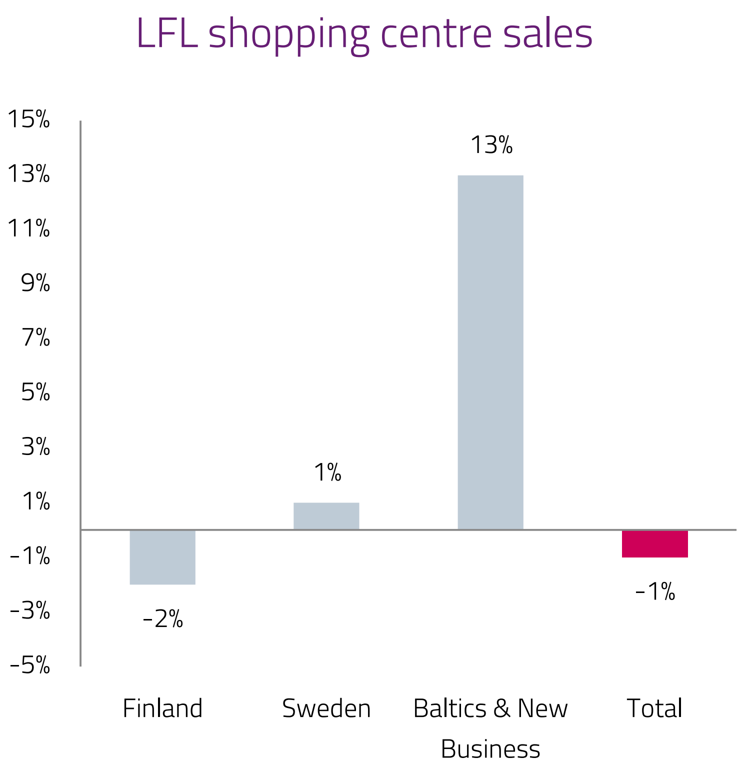
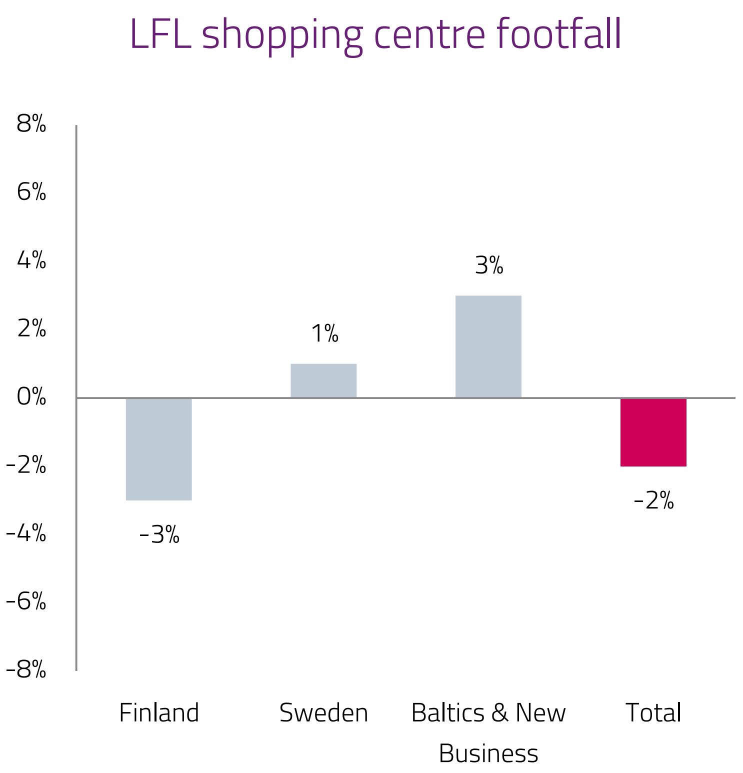
Continued growth in like-for-like NRI in all regions



- Continued strong like-for-like NRI growth in a close to zero inflation environment
  - Shopping centres: 3.2%
  - Supermarkets & shops: 0.1%
- Growth in all regions
  - Finland: 2.5%
  - Sweden: 3.8%
  - Baltics & New Business: n.a. due to (re)development projects
- Occupancy rate 96.3%
  - Increase of 0.6 ppt driven by strong leasing in Sweden and supermarkets and shops leasing in Finland

Sales and footfall in Finland under pressure



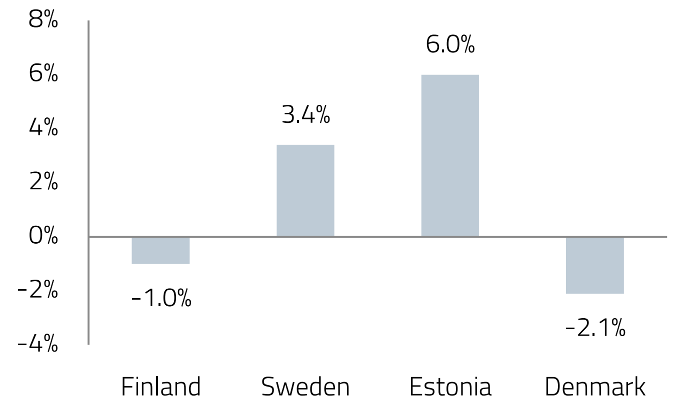


Retail environment continues to be challenging in Finland and positive in Sweden

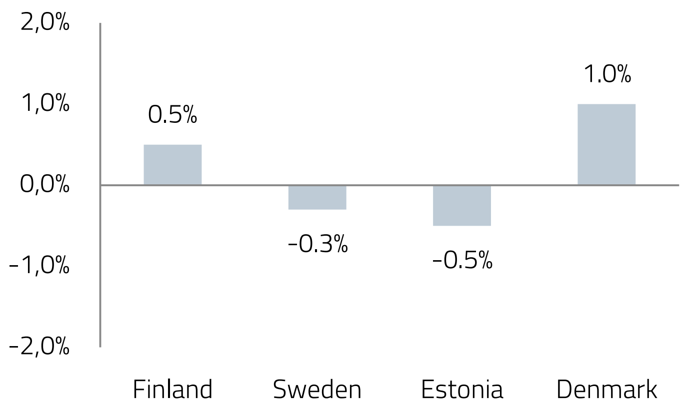
- Finland
  - GDP forecast for 2015 modest
  - Consumers hold back on spending
- Sweden
  - Strong economic fundamentals drive retail spending
- Baltics
  - Steady retail outlook

Urban, grocery-anchored shopping centre strategy provides solid cash flow

Retail sales 2014



Consumer price index 2014



Portfolio improvement in 2014

Divestments

- 12 properties approx. EUR 30 million (Note: 26 properties approx. EUR 111 million since July 2011)

(Re)developments

- Total investment volume approx. EUR 122 million
  - Mainly Iso Omena, IsoKristiina & Stenungs Torg

Selective acquisitions

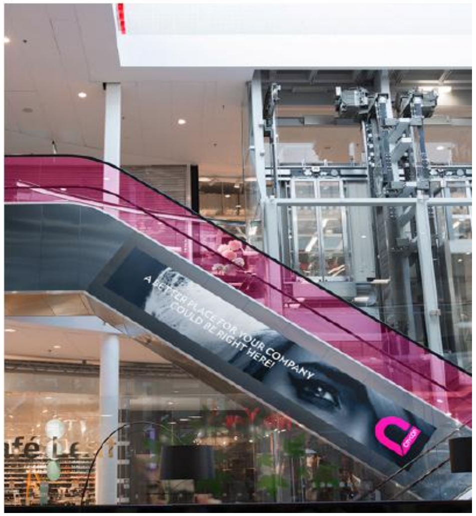
- GIC's 40% minority stake in Iso Omena
- Mölndals Galleria in Gothenburg approx. EUR 120 million

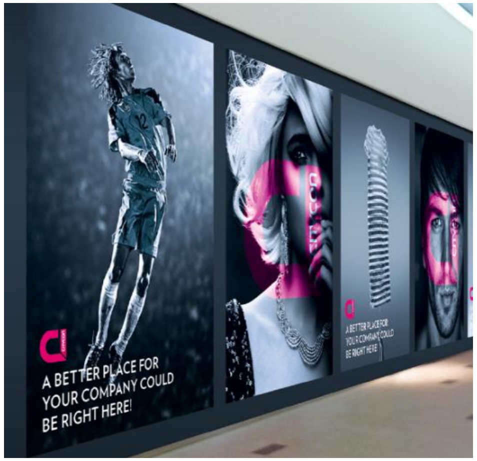
One Citycon style and branding started in shopping centres

Q1–Q4
2014

KOSKIKESKUS

STENUNGSTORG





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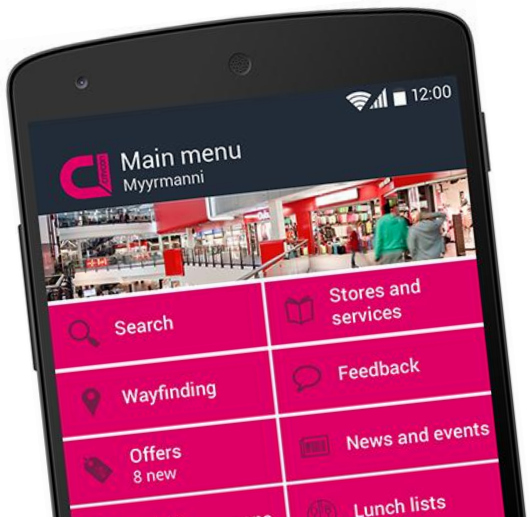
Cityconline – building community and loyalty

506 000 facebook likers
+ 23%

135 000 newsletter subscribers

Mobile apps in all largest centres

22 pick-up points



225
digital
screens
(+73%)

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2015-2016: Reposition and further enhance quality of portfolio

Focus on asset criteria	▪ Urban ▪ Convenience / daily needs ▪ Upside potential through management
Divestments	▪ Approx. EUR 150-250 million
Selective acquisitions	▪ Meeting investment criteria
(Re)developments	▪ Approx. EUR 300-400 million
Diversification of cash flows	▪ Reduce Finnish exposure ▪ Create a balanced Nordic and Baltic portfolio

Further enhancement of portfolio: Developments progressing

	Area before/ after, sq.m.	Citycon's (expected) investment need, EUR m	Actual investments by 31.12.2014, EUR m	Expected yield on completion when stabilised, %	Pre-leasing rate, %	Completion target	
Iso Omena	63,300 99,000	182.0	36.6	6.5-7.0	35%	Q4/2016	Extension & (re)develop ment
Iso Kristiina	22,400 34,000	56.0	40.3	7.3	80%	Q4/2015	Extension & (re)develop ment
Stenungs Torg	36,400 41,400	18.0	9.7	7.5	Phase 1 100%	Phase 2 Q1/2016	Phase 1 completed
Kista Galleria	94,600 95,100	6.0	5.2	-	100%	Food court Q4/2015	North entrance completed

Stenungs Torg - phase 1 completed

- Phase 1 completed in Oct 2014
  - New main entrance
  - H&M & Nordic Wellness new anchor tenants
- Phase 2 further extension and upgrade

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Iso Omena - top shopping centre in the Helsinki region

- New concept with improved circulation
    - Total extension approx. 35,000 sq.m. (of which retail 29,000 sq.m.)
- Grand opening Q4/2016
- Full integration with new metro
    - 35,000 passengers/day

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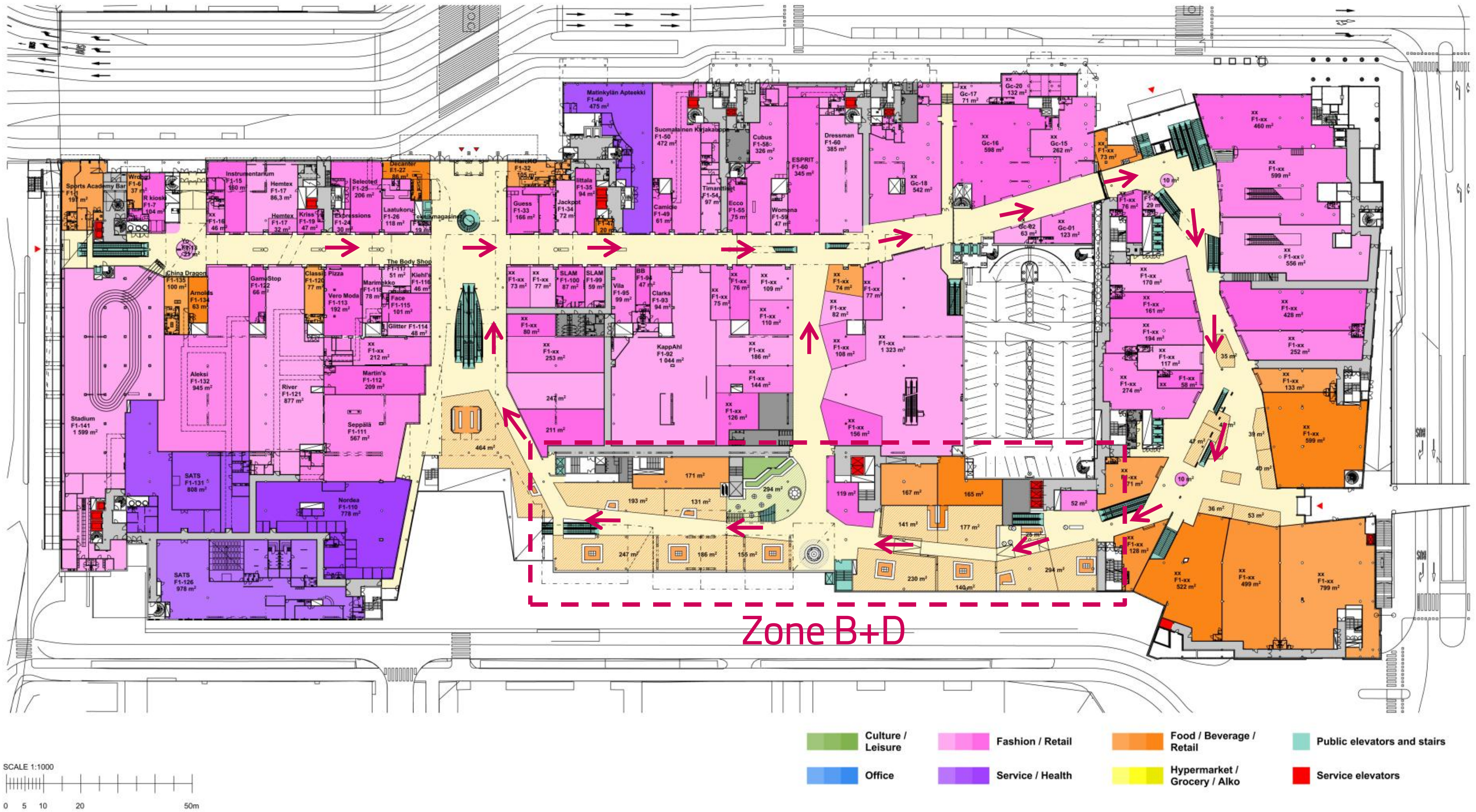
Iso Omena - top shopping centre in the Helsinki region

Ground floor



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IsoKristiina – prime shopping and entertainment location

- Opening of phase 1 in May 2015
- Grand opening Oct 2015
- Theather, healthcare, gym, and cinema integrated
- Strong anchor profile e.g. Sokos / Marks & Spencer, Kesko, Claes Ohlson

Kista Galleria – continue (re)development and extension in a three step program

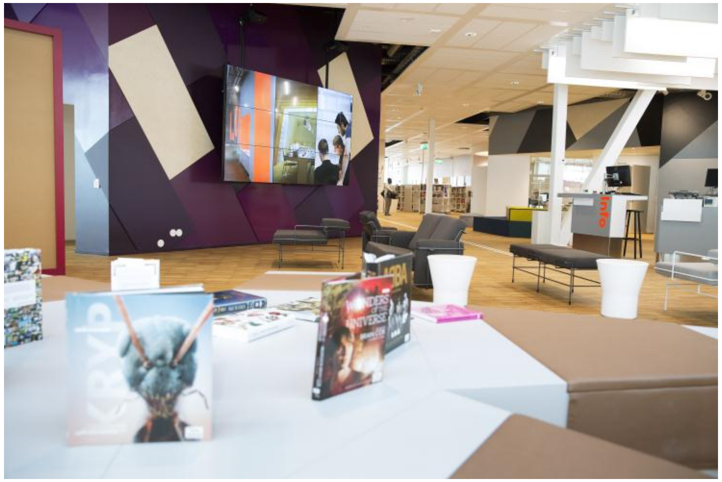
Full action since January 2013

1) Upgrade tenant mix/enhance customer flow
   - Digital library ✓
   - New northern entrance ✓
2) Food court upgrade 2015
3) Extension 10,000m^2 (Kista Gateway) ~2017/2018

⇒ Total investment so far EUR 25 million (incl. new Citycon Sweden HQ)

Strong performance

- Fair value Dec 2014: EUR 568 million
  +16% in SEK since Jan 2013
- NRI 2014: EUR 30.3 million
  + 6% in SEK since 2012 with CPI in Sweden -0.2%



Development pipeline
3 projects committed and one planned ≥ 2015

	Estimated project area/additional sq.m.	Citycon's expected investment need, EUR m	Target for project initiation/ completion	
C Mölndals Galleria	25,000	120	2015/2018	Building of a new shopping centre replacing the old retail property. Joint venture agreement for the (re)development signed with NCC PD. Zoning process and pre-leasing ongoing.
C Porin Asema-aukio	23,000	40	2015/2017	Construction of a new campus for Satakunta University of Applied Sciences in Porin Asemaukio. The project will secure a strong, long-term tenant for the non-core property and solve the considerable vacancy.
C Tumba Centrum	11,000	53	2015/2017	Extension project combined with a new bus terminal. Zoning has been approved, pre-leasing ongoing.
P Lippulaiva	36,000/ 23,000	50-70	2015/2017	Extension possibility of the shopping centre. Zoning process ongoing due to the plans to extend the western metro line and build a new bus terminal next to Lippulaiva. Plans include a new library, cultural services and hypermarket.

Mölndals Galleria – urban city gallery focusing on daily necessities

- 50% JV with NCC PD
- Acquisition of NCC's share at completion
- Construction start in 2015 after finalised zoning and pre-leasing
- Main tenants about to sign
- Grand opening early 2018

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Forward purchase of Straedet in Køge

- Announced 28 Jan 2015
- Forward purchase from TK Development at fixed 6.25% yield
- Modern high-street like open-air shopping centre in the Copenhagen area
- Completion and acquisition Q2/2017

(Re)developments and refurbishments put pressure on 2015 and starts contributing in 2016

IsoKristiina (re)development

- Grand opening Oct 2015

Iso Omena (re)development

- Connection to extension incl. partial demolition of parking building
  - 7% of GLA offline since Feb 2015

Lippulaiva refurbishment

- Restructuring of Anttila premises
  - 23% of GLA offline since Feb 2015

Myyrmanni refurbishment

- Phase 1: Restructuring of Anttila premises
  - 17% of GLA offline since Feb 2015
- Phase 2: Upgrade of food court in 2016

Going forward

2015 EPRA EPS guidance
17.5-19.5

(Re)developments and selected acquisitions support further earnings growth 2016/2017

Maintain strong capital base
Target LTV: 40-45%

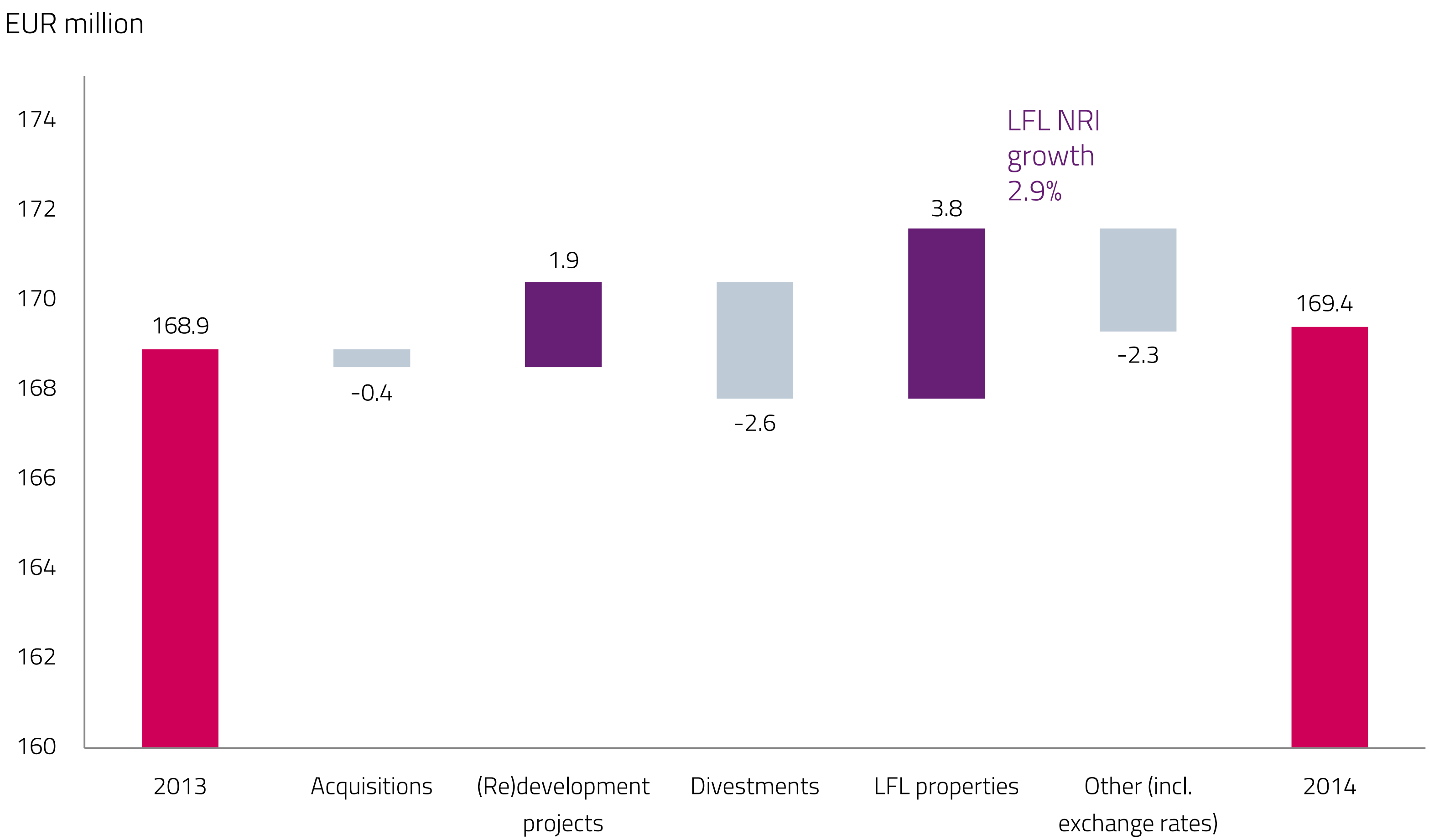
FINANCIAL
REVIEW

Financial results

EUR million	FY2014	FY2013	Change-%	FY2014 incl. Kista
Net rental income, total	169.4	168.9	0.3	199.6
NRI, Finland	103.0	103.5	-0.5	103.0
NRI, Sweden	38.9	39.7	-2.1	69.2
NRI, Baltics & New Business	27.5	25.6	7.3	27.5
EPRA Operating profit	149.8	149.1	0.4	177.7
EPRA Earnings	99.7	86.7	14.9	99.7
EPRA EPS (basic)	0.191	0.203	-5.9	0.191

- Substantial earnings growth driven mainly by lower financing expenses
- Higher share count due to equity raises
- Kista Galleria contributed to the IFRS based profit for the period by approx. EUR 22.6 million in FY2014

NRI development



Positive like-for-like NRI performance in all countries

Stable leasing indicators

	Q4/2014	Q4/2013	Q3/2014
Occupancy rate (economic), %	96.3	95.7	95.7
LFL occupancy rate (economic), %	95.8	95.0	95.2
Occupancy cost ratio, % (LFL shopping centres)	8.6	8.7	8.7
Average rent, EUR/sq.m./mth	21.6	21.5	21.7

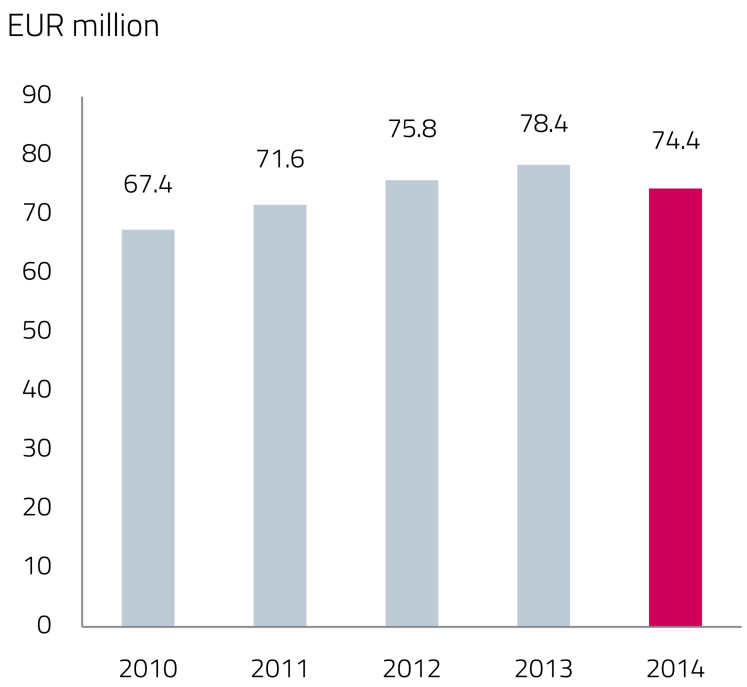
- Occupancy increase of 0.6 ppt driven by strong leasing in Sweden and supermarkets and shops leasing in Finland
- Average rent development stable, though under pressure in Finland
- Continued modest occupancy cost ratio

Stable leasing indicators

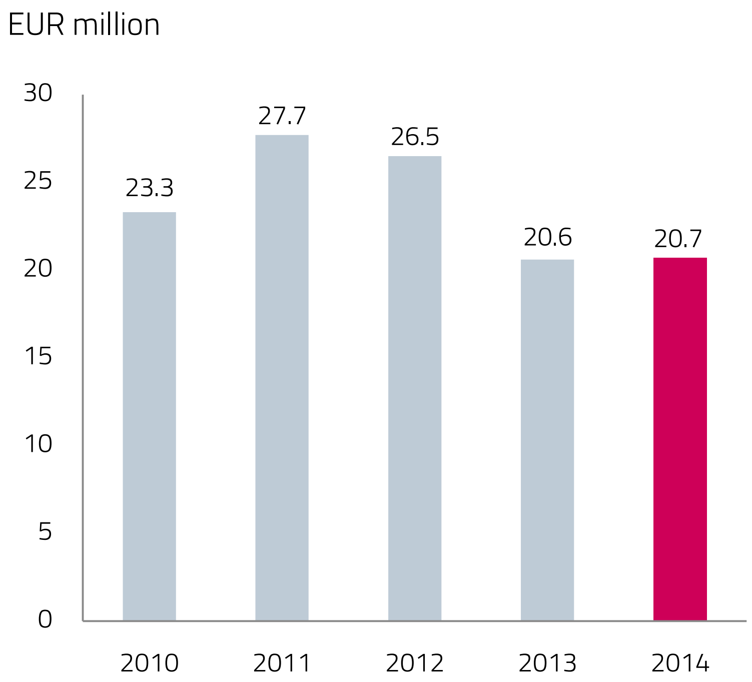
	Q4/2014	Q4/2013	FY2014	FY2013
Average rent, EUR/sq.m.	21.6	21.5	21.6	21.5
# of leases started	184	163	595	611
Total area of leases started, sq.m.	34,168	52,697	122,568	150,013
Average rent of leases started, EUR/sq.m.	22.1	17.5	19.9	18.8
# of leases ended	222	458	724	1,117
Total area of leases ended, sq.m.	47,826	66,260	144,880	186,567
Average rent of leases ended, EUR/sq.m.	20.1	18.3	21.0	18.6

Decreasing opex and stable admin expenses

Property operating expenses



Administrative expenses



Income statement

EUR million	Q4/2014	Q4/2013	FY2014	FY2013	Change-%
Turnover	60.8	62.0	245.3	248.6	-1.3
Property operating expenses	19.1	19.6	74.4	78.4	-5.1
Other expenses from leasing operations	0.4	0.4	1.6	1.3	17.4
Net rental income	41.3	41.9	169.4	168.9	0.3
Administrative expenses	6.3	5.5	20.7	20.6	0.3
Other operating income and expenses	-0.1	0.1	1.0	0.9	18.1
Net fair value gains/losses on investment property	2.2	4.7	15.7	26.1	-40.0
Net gains/losses on sale of investment property	0.0	0.8	-0.3	0.8	-
Operating profit	37.1	42.0	165.0	176.0	-6.2
Net financial income and expenses	-11.8	-15.1	-77.5	-90.1	-13.9
Share of profit/loss of joint ventures	5.3	0.2	14.9	1.7	-
Profit/loss before taxes	30.6	27.2	102.4	87.6	16.9
Profit/loss for the period	22.8	47.0	89.7	102.0	-12.1

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Positive valuation driven by Sweden and Baltics

	Valuation change EUR million	Net yield requirement, %	
	FY2014	31 Dec 2014	31 Dec 2013
Total	**15.7**	**6.1**	**6.3**
Finland	-15.8	6.1	6.2
Sweden	13.3	5.7	5.9
Baltics and New Business	18.1	7.2	7.3

Balance sheet

EUR million	31 Dec 2014	31 Dec 2013
Investment properties	2,769.1	2,733.5
Total non-current assets	2,965.2	2,896.2
Total current assets	64.8	74.5
Total assets	**3,037.2**	**2,973.0**
Total shareholder's equity	1,652.5	1,278.8
Total liabilities	1,384.8	1,694.2
Total liabilities and shareholders' equity	**3,037.2**	**2,973.0**

	31 Dec 2014	31 Dec 2013
EPRA NAV per share, EUR	3.01	3.13
EPRA NNNAV per share, EUR	2.63	2.78
Net yield requirement, %	6.1	6.3

- Stronger balance sheet following equity raises and refinancing

FINANCING OVERVIEW

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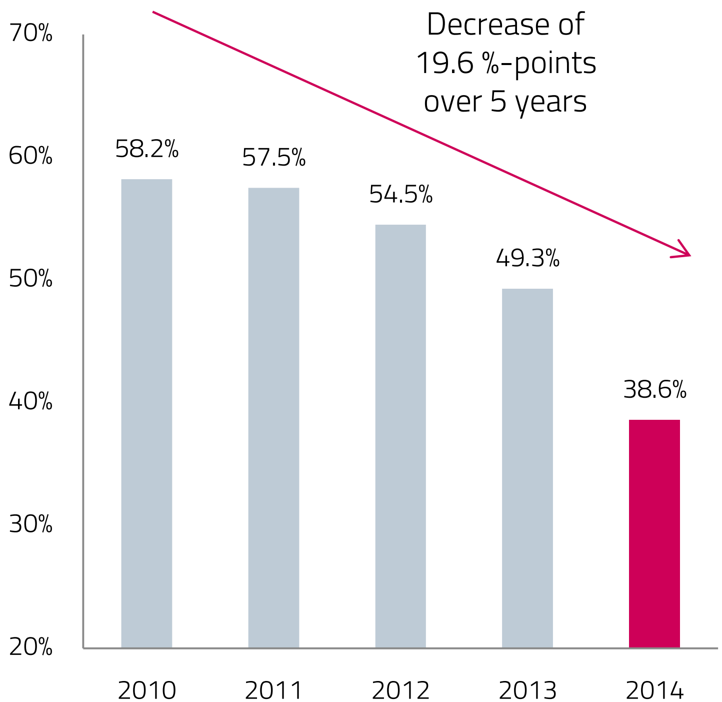
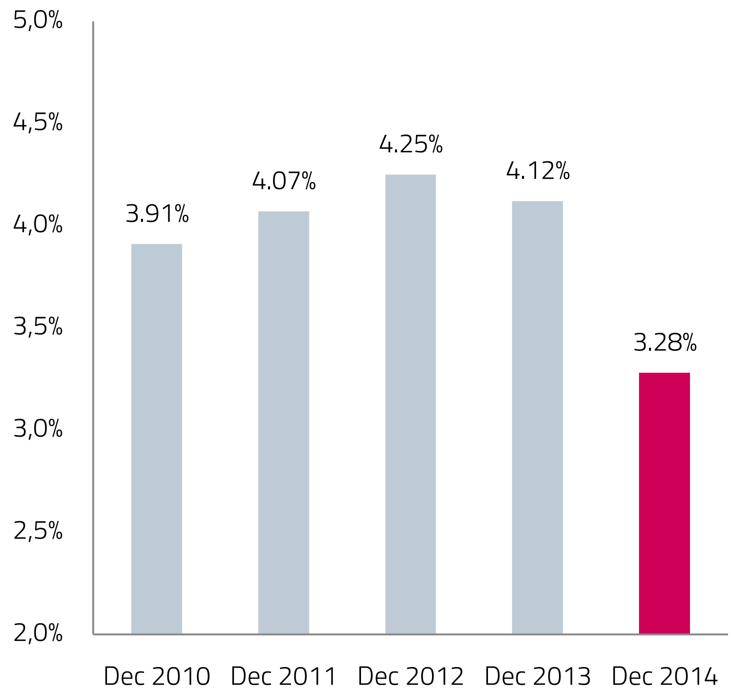
Stronger balance sheet

Loan to Value



Weighted average interest rate



Financing key figures

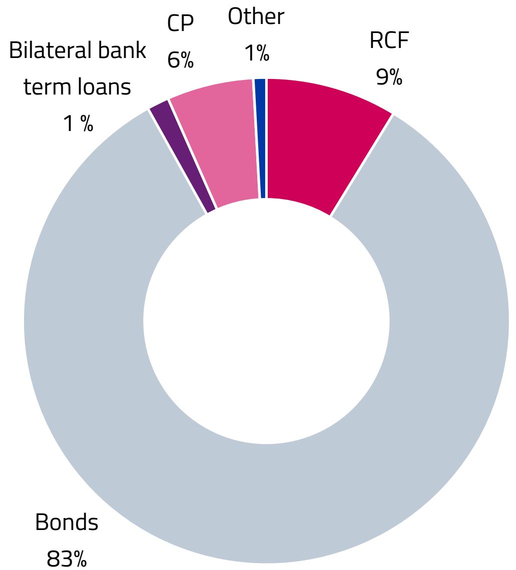
	Q4/2014	Q4/2013	Q3/2014
Interest bearing debt, fair value, EUR million	1,188.4	1,471.3	1,200.9
Available liquidity, EUR million	449.8	435.4	514.2
Average loan maturity, years	5.9	4.1	3.8
Hedging ratio, %	88.0	83.4	87.4
Weighted average interest rate, %[1)]	3.28	4.12	4.03
Loan to Value (LTV), %	38.6	49.3	36.7
Financial covenant: Equity ratio (>32.5%)	54.8	45.2	54.4
Financial covenant: ICR (>1.8)	3.1	2.4	2.8

- Average interest rate decreased and average loan maturity increased following the issue of the EUR 350 million 10-year Eurobond at 2.5%, debt prepayments and the closing of interest rate swaps during Q4/2014
- The ICR and equity ratio improved further
- Available liquidity at comfortable levels

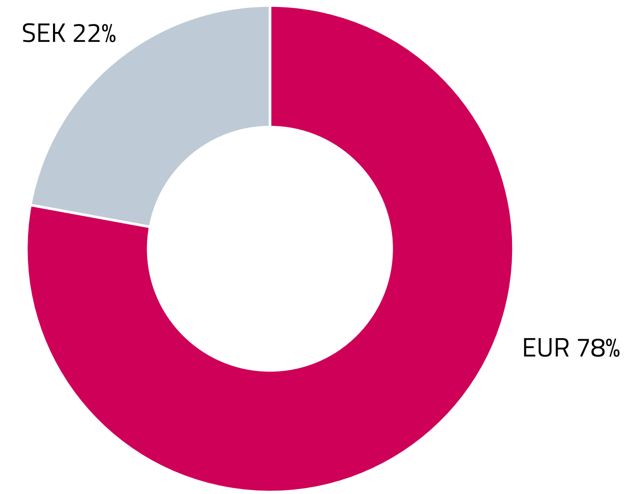
[1)] Including interest rate swaps

Debt type and currency split

Breakdown by debt type [1)]



Breakdown by currency [1)]

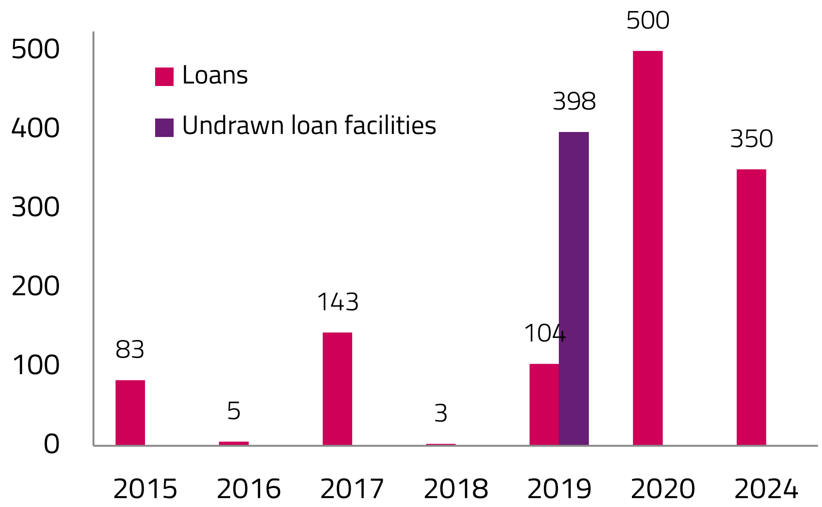


- Share of bond debt has increased following the EUR 350 million bond issue
- Currency breakdown shifted more towards EUR after bond issue. Part has been converted to SEK debt using cross-currency swaps

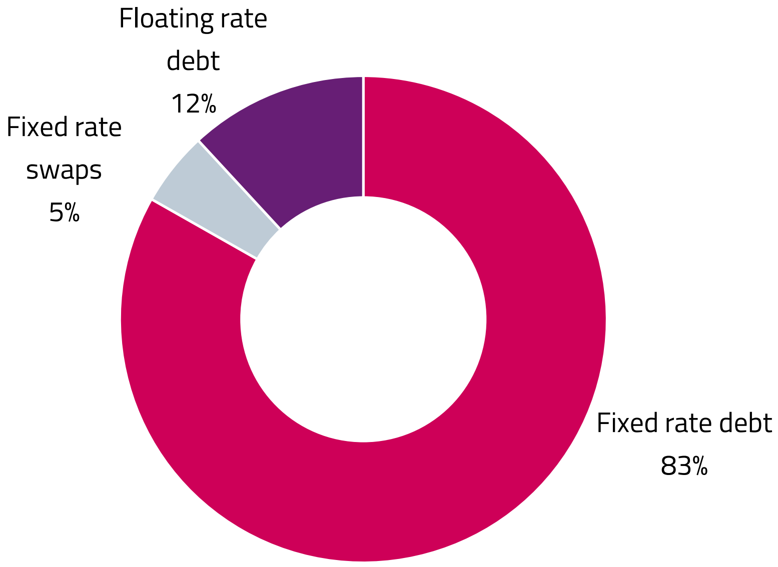
[1)] Calculated based on fair value of interest bearing debt

Debt maturities and interest risk hedging

Maturity profile of debt [1)]



Debt by fixing type



- Average loan maturity increased substantially to 5.9 years as a result of the issue of the 10-year bond maturing in 2024
- Majority of loan maturities in 2015 are commercial papers that can be rolled over at maturity

[1)] Calculated based on fair value of interest bearing debt

Financial expenses breakdown

EUR million	Q4/2014	Q4/2013	FY 2014	FY 2013	
Interest expenses	-10.1	-15.3	-51.0	-64.3	A
Foreign exchange gains (+) / losses (-)	0.2	0.0	0.1	0.0	
Other expenses	-3.8	-1.4	-33.8	-32.2	B
Total expenses	**-13.7**	**-16.7**	**-84.7**	**-96.5**	
Interest income	1.9	1.5	7.2	6.5	C
Net financial expenses	**-11.8**	**-15.1**	**-77.5**	**-90.1**	

A. Interest expense decrease related mainly to lower average debt level and in Q4 also a lower average interest rate level
B. Other financial expenses include fair value losses on the interest rate swaps closed in relation to debt prepayments in Q2-Q4. Similar one-off expenses were incurred also in 2013
C. Interest income is mainly received from the shareholder loan given to Kista Galleria

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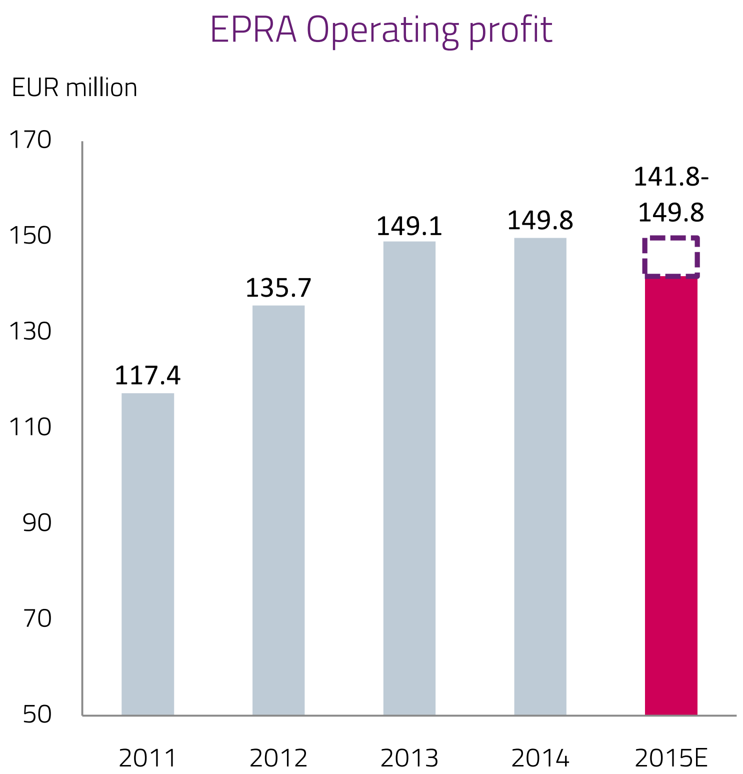
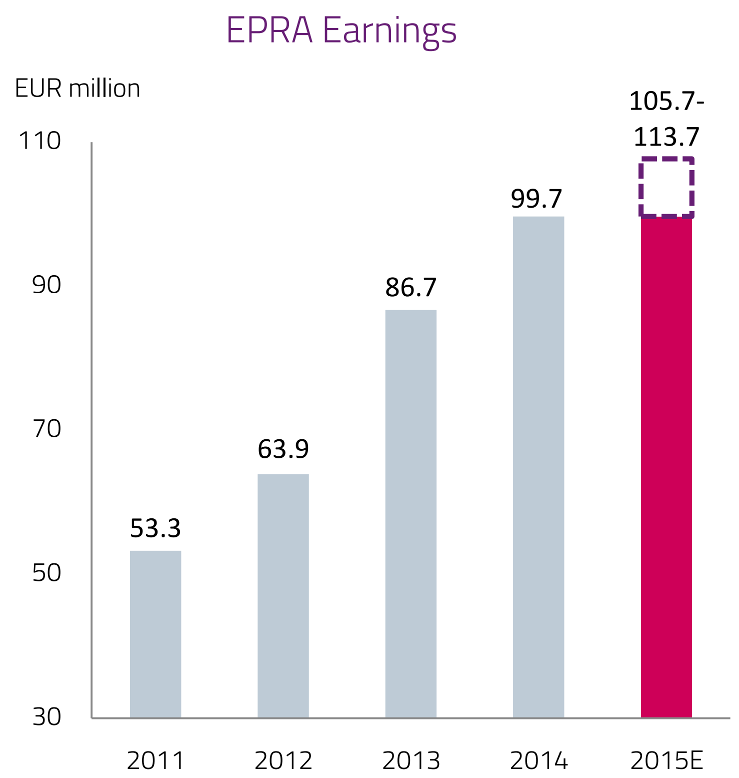
Outlook 2015





▪ EPRA Operating profit	EUR (-8) to 0 million
▪ EPRA Earnings	EUR 6 to 14 million
▪ EPRA EPS (basic)	EUR 0.175–0.195

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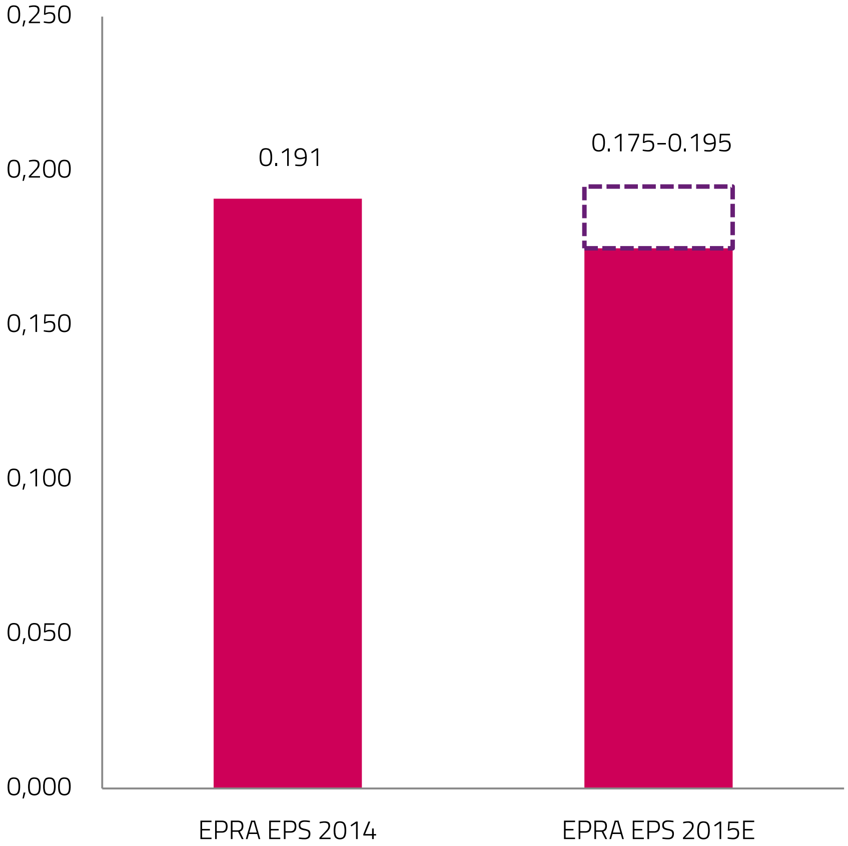
Outlook 2015



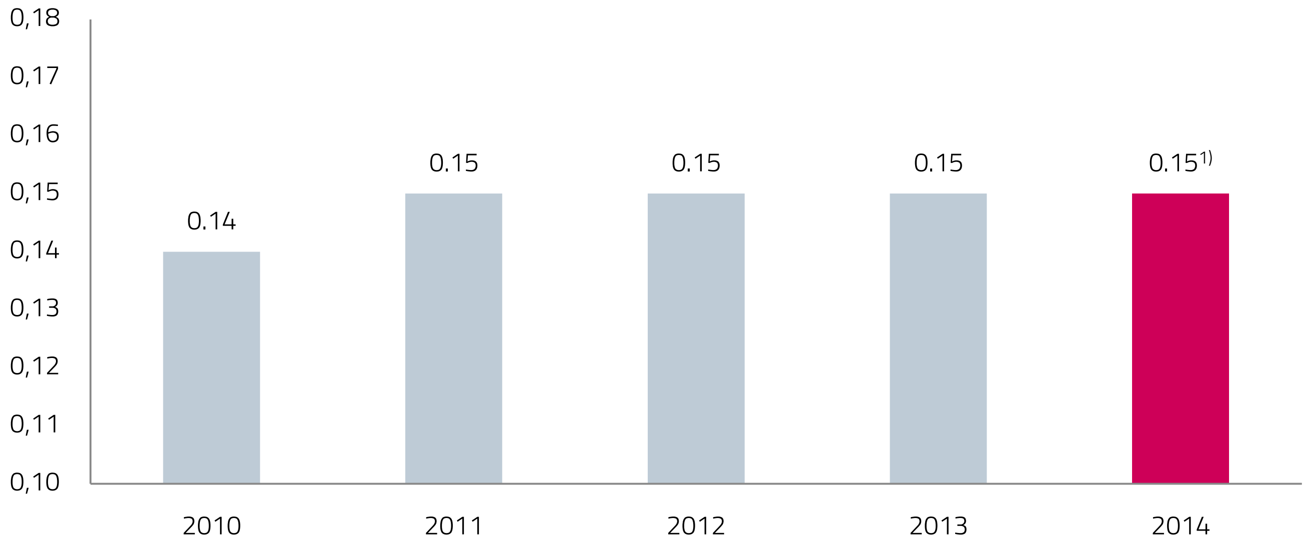
+ Positive like-for-like NRI growth
+ Decreased financing expenses

- Higher share count
- Short-term impact of ongoing (re)developments
- Full-year impact of non-core disposals

Dividend per share

- Proposal by Board of Directors:
  - EUR 0.15 per share return of equity from invested unrestricted equity fund
- Represents a dividend yield of approx. 4.9% (based on current share price)
- Payment on 30 March 2015

Dividend/equity return distribution
EUR per share



[1)] Proposal by Board of Directors

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