



AUDIOCAST PRESENTATION
Q4/2017

HIGHLIGHTS OF 2017





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EPRA EARNINGS PER SHARE OF EUR 0.171

- Good net rental income growth in Norway and Sweden
 - Completed development projects, Iso Omena in particular, supported earnings growth
-

FINAL OPENING OF THE ISO OMENA EXTENSION IN THE GREATER HELSINKI AREA

- Metro extension with adjacent retail premises opened in mid-November
 - December 2017 footfall increased by almost 50% and tenant sales by 40% compared to December 2016
-

SIGNING A LETTER OF INTENT WITH KLÖVERN TO DEVELOP 'GLOBEN SHOPPING' IN STOCKHOLM

- JV to acquire and develop the shopping centre in the up-and-coming neighbourhood of Globen
 - Citycon to own 55% of the property with expected completion 2022-2023
-

SUCCESSFUL DIVESTMENTS OF EUR 325 MILLION

- 13 non-core assets, in Finland and Norway in particular, divested during the year
 - Total divestments approximately EUR 325 million with valuation close to book value
-

DIVIDEND PROPOSAL OF EUR 0.13 PER SHARE

- Corresponding to approximately 6.0% dividend yield at year-end closing price of EUR 2.16
 - Pay-out ratio of approximately 76% of EPRA EPS
-

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

- Second phase opened successfully on 20 April 2017
- 4,500 sq.m. Dudesons Activity Park opened in October 2017
- Metro extension with adjacent retail premises opened mid-November 2017
- Strong and international tenant mix, 97% leased
- Strong operational performance since second phase opening:
 - Footfall +29%
 - Customers by car +35%
 - Total turnover +40%
 - Turnover of existing tenants +12%



ACCELERATED RECYCLING OF CAPITAL

ACQUISITIONS IN 2017

	Location	Date	Value, MEUR
Oasen – office building	Bergen, Norway	5 January	78.0
Straedet – Part I	Køge, Denmark	4 July	12.5
Straedet – Part II	Køge, Denmark	21 December	60.0
Total			151

DIVESTMENTS IN 2017

	Assets	Value, MEUR
Finland	9	235
Norway	3	54
Sweden	1 + building rights	36
Total	13	325



2017: GOOD DEVELOPMENT IN SWEDEN AND NORWAY OFFSET WEAKER PERFORMANCE IN FINLAND



OUR OPERATING ENVIRONMENT REMAINED SOLID WITH CLEAR IMPROVEMENT IN THE FINNISH ECONOMY

KEY ECONOMIC INDICATORS IN OUR OPERATING COUNTRIES

2017 change*	Finland	Norway	Sweden	Denmark	Estonia
GDP growth (%)	3.2	1.9	2.7	2.0	4.0
Unemployment rate (%)	8.7	4.1	6.5	5.6	5.4
Inflation (%)	0.5	1.6	1.7	1.0	3.4
Retail sales growth (%)	2.2	2.3	2.3	0.8	1.0

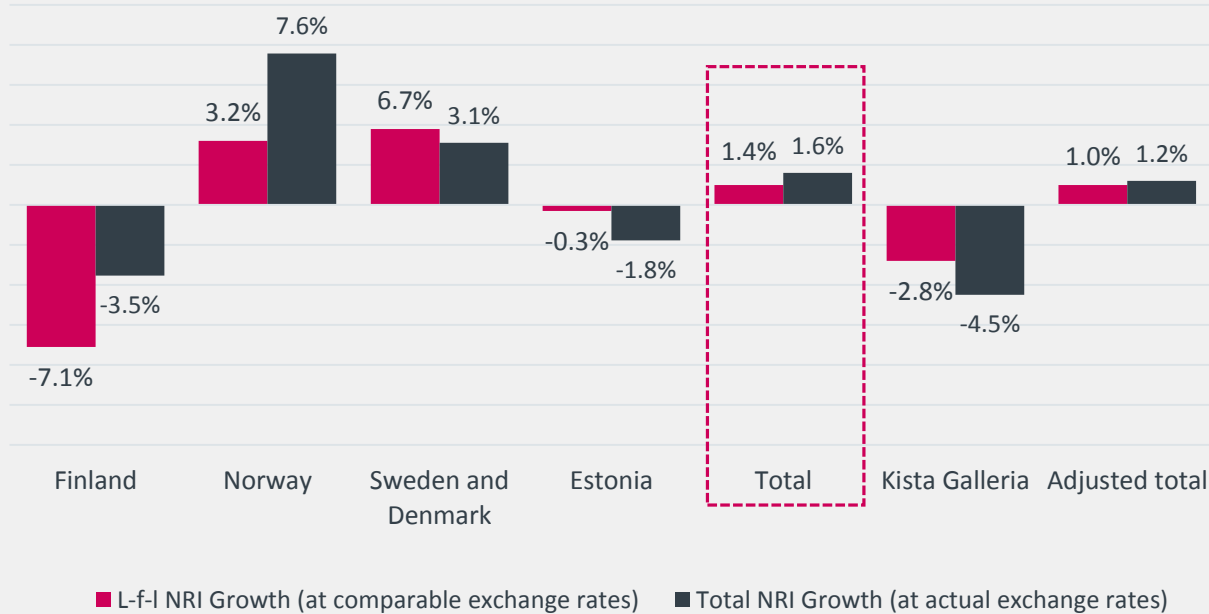


*Sources: SEB Nordic Outlook, Nordea Economic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark. Some figures are based on estimates.

TOTAL NRI GREW BY 1.6%

LIKE-FOR-LIKE NRI GREW BY 1.4%

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME GROWTH
Q1-Q4/2017 VS. Q1-Q4/2016

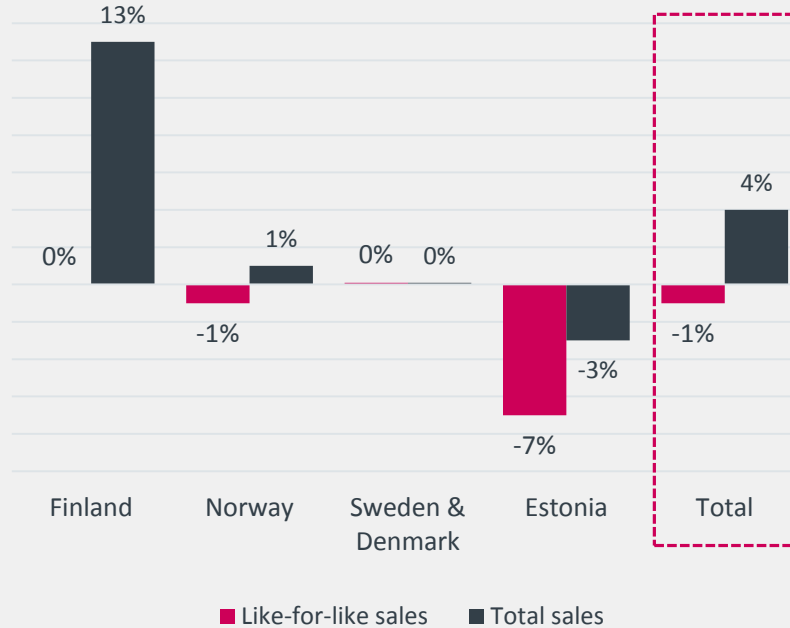


- Like-for-like portfolio in Finland represented 34% of the total net rental income of the Finnish portfolio. Strong shopping centres in greater Helsinki (Iso Omena, Myyrmanni, Lippulaiva) out of the like-for-like portfolio due to (re)development projects
- As of Q1/2018, Kista Galleria to be taken out from the like-for-like portfolio due to repositioning and re-tenanting

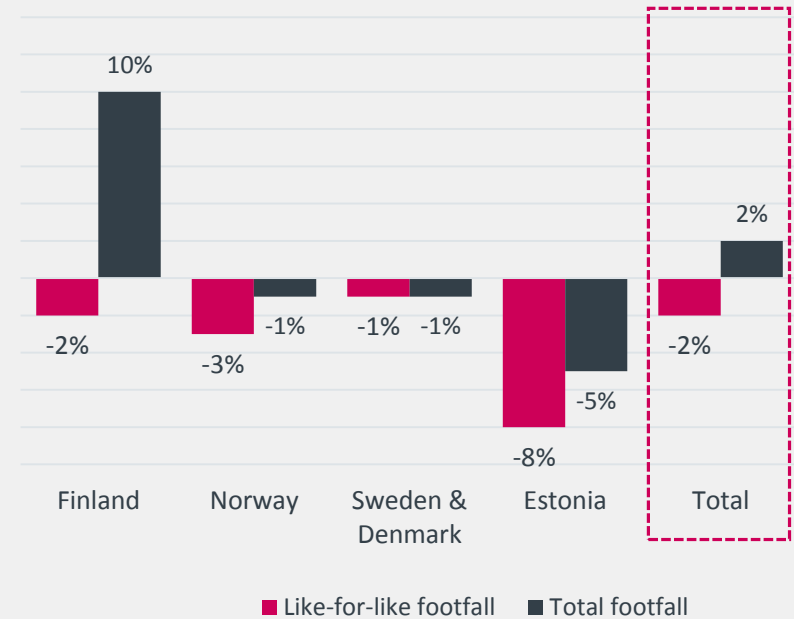
OVERALL SALES +4% AND FOOTFALL +2%

L-F-L SALES AND FOOTFALL DECLINED SLIGHTLY

TENANT SALES DEVELOPMENT
2017 vs. 2016, % ¹⁾

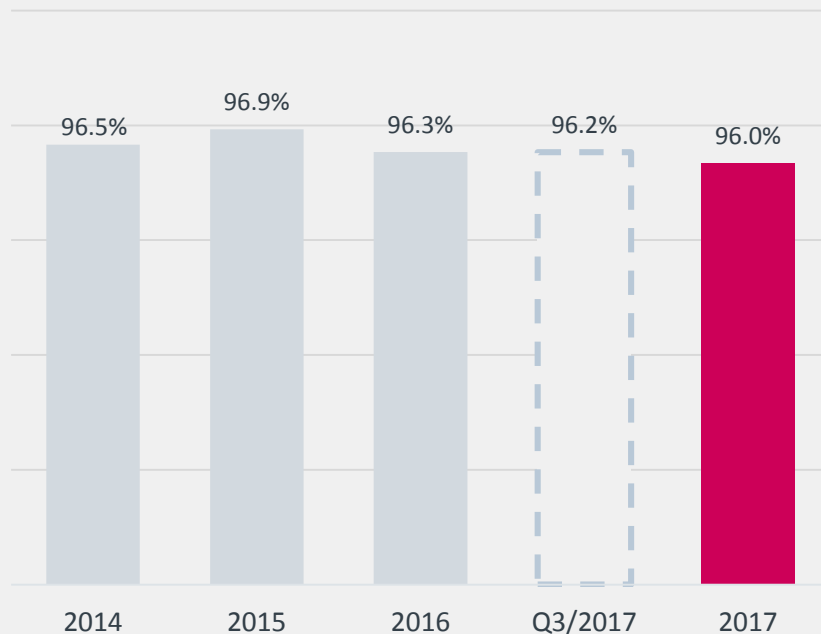


FOOTFALL DEVELOPMENT
2017 vs. 2016, % ¹⁾



OCCUPANCY REMAINED STABLE AT A HIGH LEVEL

OCCUPANCY RATE



		Q4/2017	Q4/2016
Average rent	EUR/sq.m.	23.2	23.2
Average remaining length of the lease portfolio	years	3.5	3.3

		2017	2016
Average rent of leases started	EUR/sq.m.	22.9	22.4
Average rent of leases ended	EUR/sq.m.	23.1	21.3
Leasing spread of renewals and re-lettings	%	-4.0	-2.5

- Q1-Q4/2017 leasing spread still negative mainly due to increased competition in Estonia and in secondary cities in Finland.

FINANCIAL OVERVIEW



Q4/2017 FINANCIALS

MEUR	Q4/2017	Q4/2016	Change %	Q4/2017 INCL. KISTA 50%
Gross rental income	62.1	64.1	-3.2	66.1
Net rental income	53.9	55.9	-3.7	57.1
Direct operating profit	45.9	49.9	-8.1	49.0
EPRA Earnings	33.8	37.9	-10.8	N/A
EPRA EPS (basic)	0.038	0.043	-10.8	N/A
EPRA NAV per share	2.71	2.82	-3.9	N/A



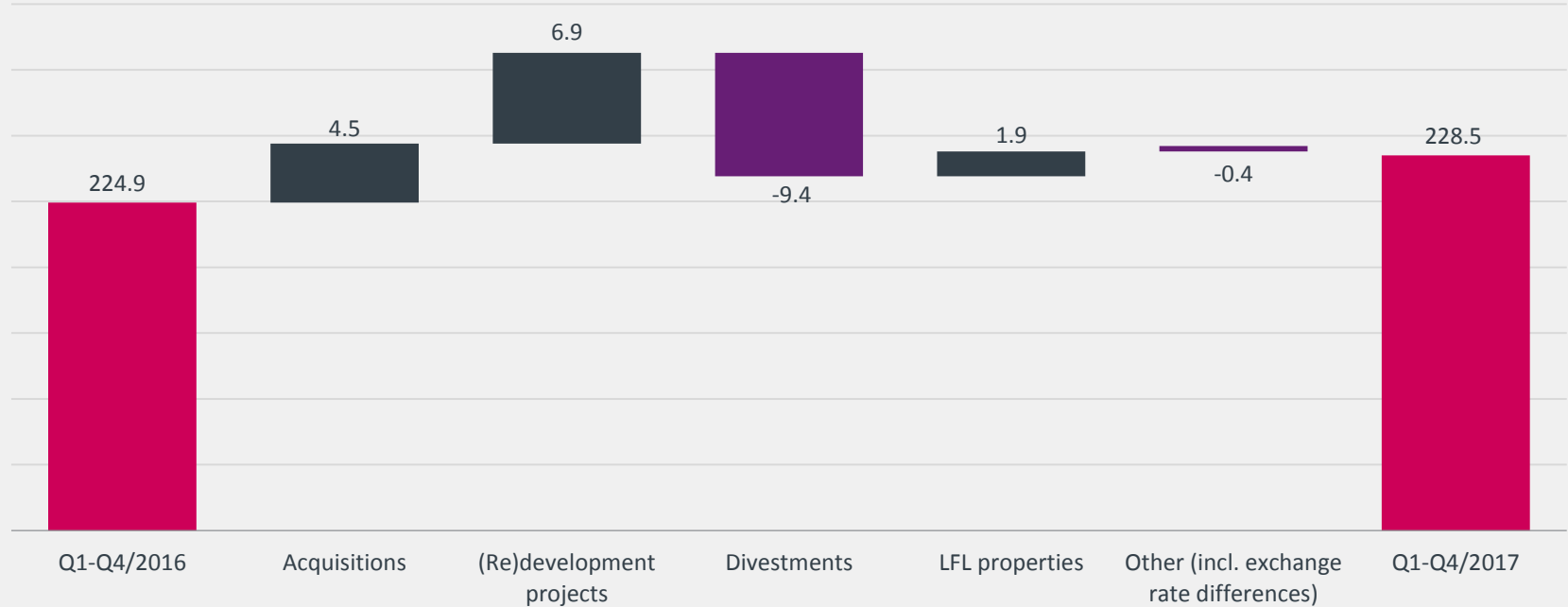
FULL YEAR 2017 FINANCIALS

MEUR	2017	2016	Change %	2017 INCL. KISTA 50%
Net rental income	228.5	224.9	1.6	242.8
Direct operating profit	200.5	198.5	1.0	214.3
EPRA Earnings	152.3	151.1	0.8	N/A
EPRA EPS (basic)	0.171	0.170	0.8	N/A
EPRA NAV per share	2.71	2.82	-3.9	N/A
Fair value change	-42.9	25.9	-	-43.5
Loan to Value (LTV), %	46.7	46.6	0.3	N/A

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

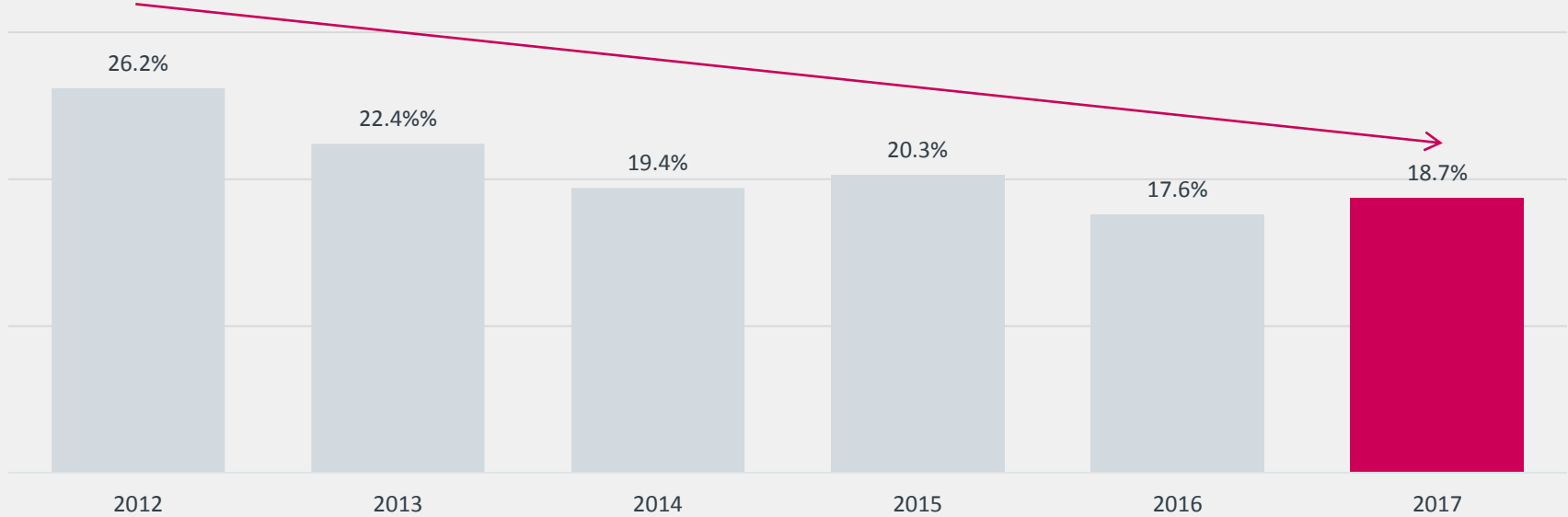
NRI DEVELOPMENT

MEUR



THE EPRA COST RATIO HAS IMPROVED SINCE 2012

EPRA Cost Ratio



EPRA Cost ratio includes direct vacancy costs



SEK AND NOK WEAKENED IN 2017

	Closing rates				Average rates	
	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017	2016
SEK	9.5322	9.6398	9.6490	9.8438	9.6342	9.4670
NOK	9.1683	9.5713	9.4125	9.8403	9.3246	9.2925

Foreign currency translation impact on Q4 / 2017

NRI
-0.79 MEUR
EPRA EPS
-0.07 EUR

Foreign currency translation impact on 2017

NRI
-1 MEUR
EPRA EPS
-0.08 EUR

Translation loss in other comprehensive income totalled EUR 76.3 million



FAIR VALUE CHANGES

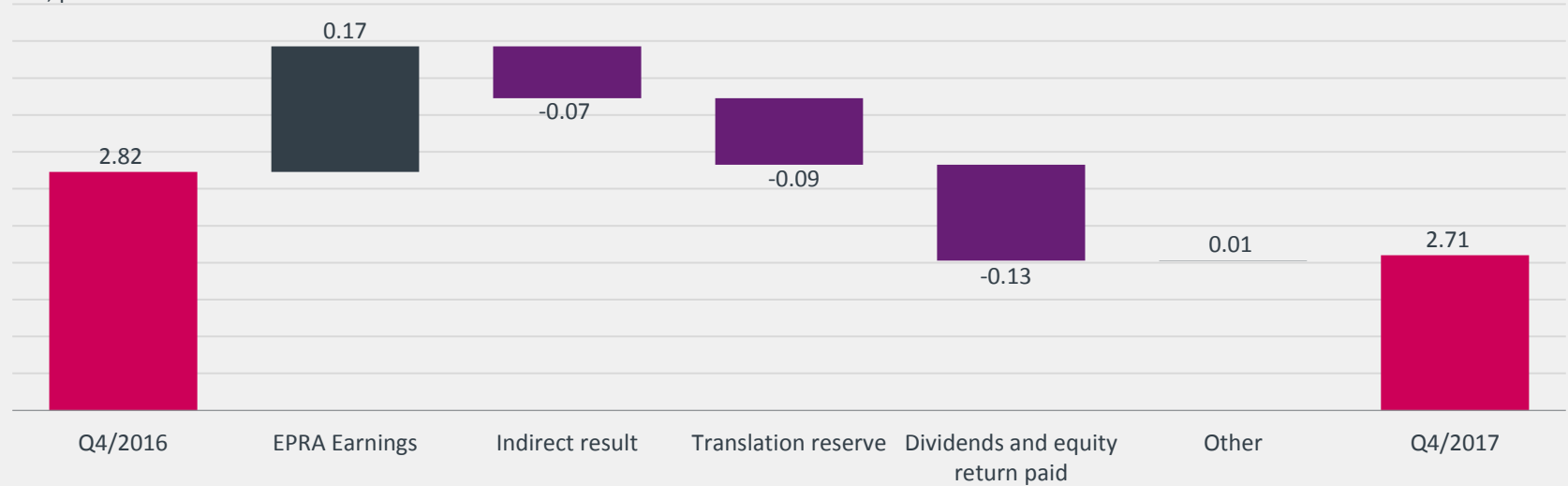
FAIR VALUE CHANGES, MEUR	Q4/2017	Q4/2016	Q1-Q4/2017	Q1-Q4/2016
Finland	-8.4	-18.3	-44.7	-33.2
Norway	-10.7	-5.0	-22.2	19.8
Sweden & Denmark	10.5	11.4	30.6	40.5
Estonia	-2.1	-0.6	-6.5	-1.2
Investment properties, total	-10.6	-12.5	-42.9	25.9
Kista Galleria (50%)	-1.1	3.4	-0.6	5.5
Investment properties and Kista Galleria (50%), total	-11.7	-9.0	-43.5	31.5
WEIGHTED AVERAGE YIELD REQUIREMENT, %		31 DEC 2017	31 DEC 2016	
Investment properties and Kista Galleria (50%), average		5.3	5.4	

Fair value assessment conducted by CBRE

SLIGHT DECLINE IN EPRA NET ASSET VALUE DUE TO FX AND REVALUATIONS

CHANGE OF NET ASSET VALUE (EPRA NAV)

EUR, per share



31 DEC 2017

31 DEC 2016

EPRA NAV per share, EUR 2.71 2.82

EPRA NNAV per share, EUR 2.37 2.47



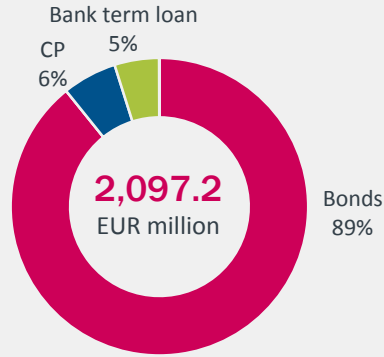
MAIN FINANCING TARGETS

- Loan to Value 40-45% ■ 46.7%
- Average maturity of loan portfolio > 5 yrs ✓ 5.1
- Debt portfolio's hedge ratio 70-90% ✓ 94%
- Strong investment-grade credit ratings ✓ BBB/Baa1
- Financing mainly unsecured ✓ 95%
- Substantial liquidity buffer ✓ MEUR 559

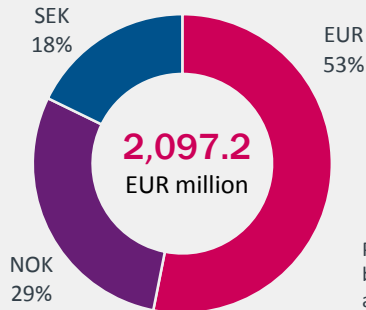
**Stable business model matched
by conservative financing targets**

90% OF DEBT FIXED RATE WITH BALANCED MATURITY PROFILE

DEBT BREAKDOWN BY TYPE

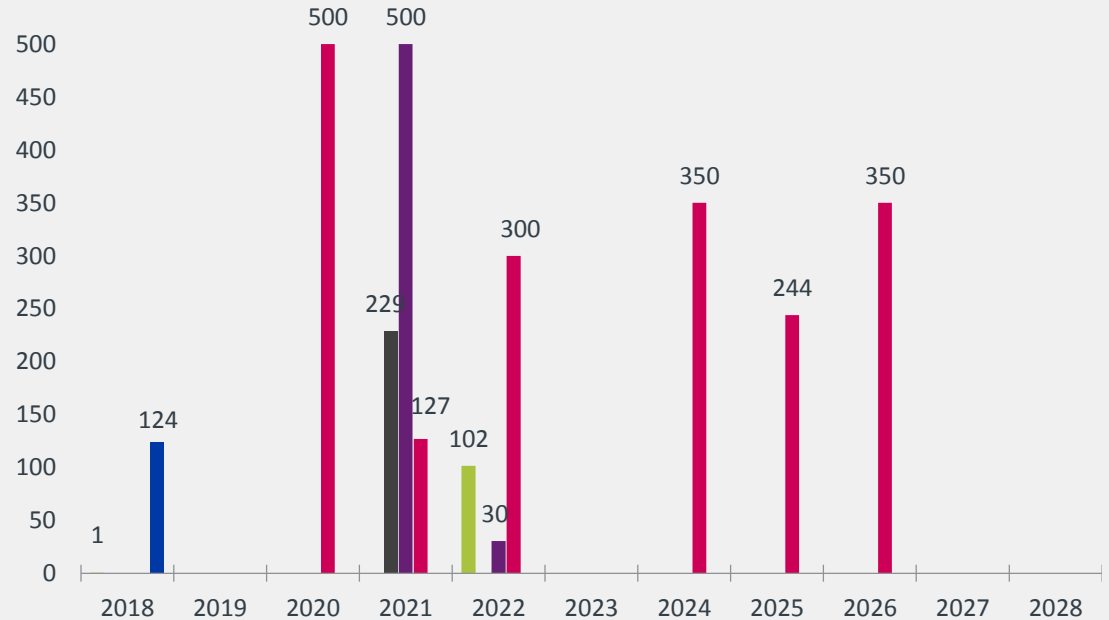


DEBT BREAKDOWN BY CURRENCY



Part of EUR debt has been converted to SEK and NOK using cross-currency swaps

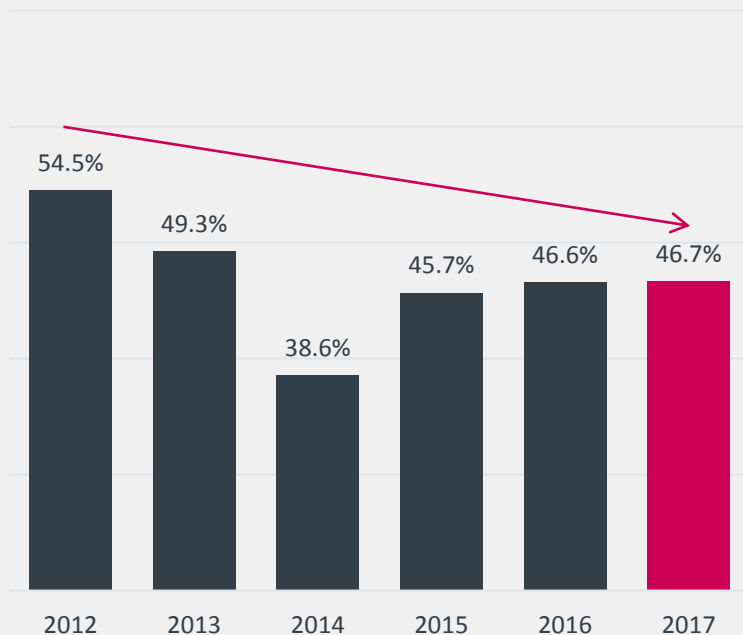
DEBT MATURITIES



Loans Floating to fixed swaps Undrawn loan facilities Bonds Commercial Paper

LTV REMAINED AT PREVIOUS YEAR'S LEVEL

LOAN TO VALUE (LTV)

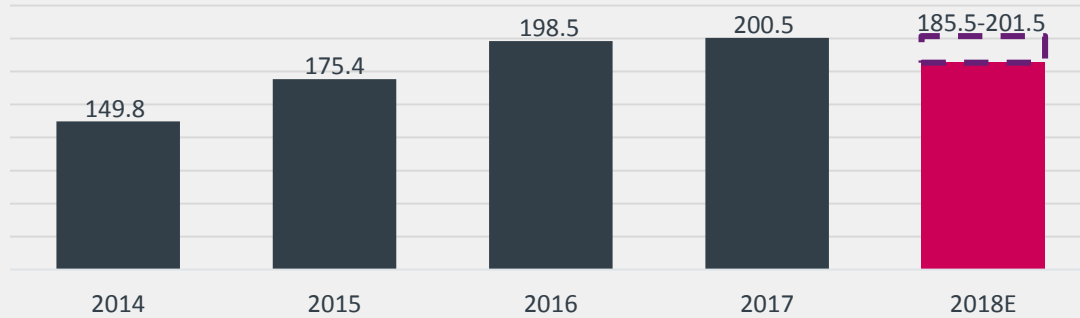


FINANCING KEY FIGURES

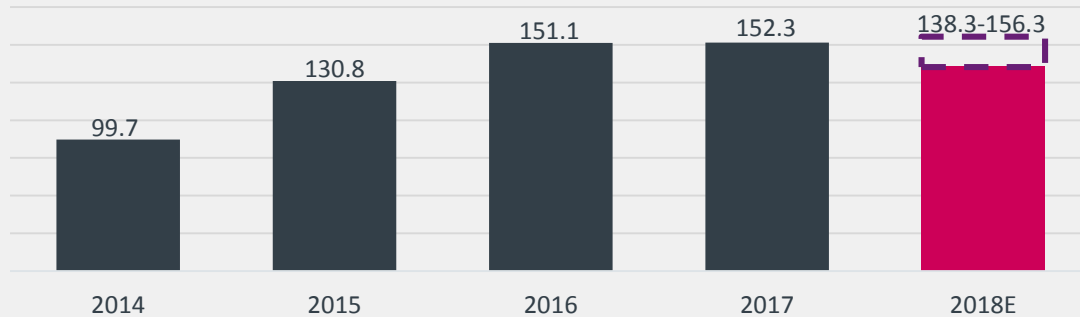
		31 DEC 2017	31 DEC 2016
Interest bearing debt, fair value	MEUR	2,097.2	2,191.5
Available liquidity	MEUR	559.4	560.4
Average loan maturity	years	5.1	5.6
Interest rate hedging ratio	%	94.1	93.1
Weighted average interest rate ¹⁾	%	2.78	2.86
Loan to Value (LTV)	%	46.7	46.6
Financial covenant: Equity ratio (> 32.5%)	%	47.4	47.3
Financial covenant: Interest cover ratio (> 1.8)	%	3.8	3.8

OUTLOOK 2018

DIRECT OPERATING PROFIT



EPRA EARNINGS



Direct operating profit

MEUR -15 to +1

EPRA Earnings

MEUR -14 to +4

EPRA EPS (basic)

EUR 0.155-0.175

LOOKING FORWARD AT 2018



URBAN CONVENIENCE AT THE HEART OF COMMUNITIES

OUR URBAN DEVELOPMENTS ARE PROGRESSING

ONGOING PROJECTS

	City	Area before/ after, sq.m.	Expected investment, MEUR	Cumulative investment, MEUR	Yield on cost ¹⁾ , %	Pre-leasing, %	Completion target
1 Mölndal Galleria	Gothenburg	- /24,000	60.0 (120.0)	44.4	6.0-6.5	80	Q3/2018
2 Lippulaiva	Helsinki metropolitan area	19,200/44,300	215.0	44.0	6.25-6.75	55	2021

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



DEVELOPMENT PIPELINE – URBAN LOCATIONS IN CAPITAL CITIES

	City	Area before/ after, sq.m.	Expected investment, MEUR	Target initiation/ completion
PLANNED (UNCOMMITTED)				
Tumba Centrum	Stockholm	23,100/30,500	40	2018/2020
Kista Galleria	Stockholm	92,500/105,000	80 ¹⁾	2020/2023
Oasen	Bergen	56,800/68,800	100	2019/2022
Liljeholmstorget Galleria	Stockholm	40,500/64,500	100	2020/2023
Trekanten	Oslo	23,800/45,000	135	2019/2022
DownTown	Porsgrunn		Under review	

– Development investments of MEUR 100-150 p.a. sourced through capital recycling

– The DownTown project was scaled down to optimize the current shopping centre instead of extending it

¹⁾ Citycon's share MEUR 40 (50%)



WE WILL MAKE KISTA AN EVEN STRONGER SHOPPING CENTRE WITH RE-POSITIONING AND RE-TENANTING

SOLID DEVELOPMENT SINCE ACQUISITION IN 2013

- Solid footfall with 18 million visitors per year
- Good fair value development with fair value gains of close to EUR 45 million (Kista 50%)
- Good growth in direct operating profit

REPOSITIONING IN 2018

- Increased focus on convenience-based services, such as groceries. Also leisure to be repositioned during 2018
- Repositioning will impact > 20% of GLA. Kista to be taken out of the like-for-like portfolio in Q1 2018
- Re-tenanting and re-positioning estimated to be completed by spring 2019





STRATEGIC FOCUS AREAS 2018

FURTHER CAPITAL RECYCLING

- Divest 5-10% of the total property portfolio in terms of fair value in the coming 3-5 years in Finland and Norway in particular
 - Proceeds to be used for reducing leverage and for (re)development of core assets
 - Selective acquisitions should interesting opportunities arise
-

OPERATIONAL EXCELLENCE

- Proactive leasing activity to maintain and improve high occupancy rates and to increase urban community appeal
 - Maintain strict cost management
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LOAN TO VALUE TARGET 40-45%

- Strengthen balance sheet with proceeds from divestments
-

JOURNEY TOWARDS BETTER QUALITY CONTINUES

CONTACT INFORMATION

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APPENDIX



INCOME STATEMENT

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Gross rental income	62.1	64.1	-3.2	257.4	251.4	2.4
Service charge income	21.9	20.9	4.8	80.8	80.3	0.6
Property operating expenses	-29.5	-28.8	2.2	-107.8	-105.5	2.2
Other expenses from leasing operations	-0.6	-0.2	175.9	-1.9	-1.4	39.8
Net rental income	53.9	55.9	-3.7	228.5	224.9	1.6
Administrative expenses	-8.2	-6.3	31.0	-29.1	-28.2	3.1
Other operating income and expenses	-7.0	-4.2	68.9	-11.6	-2.6	-
Net fair value gains/losses on investment property	-10.6	-12.5	-14.7	-42.9	25.9	-
Net gains on sale of investment property	-3.7	0.1	-	6.0	4.3	39.2
Operating profit	24.3	33.1	-26.7	150.9	224.4	-32.8
Net financial income and expenses	-13.5	-13.0	4.2	-56.4	-57.7	-2.2
Share of profit/loss of joint ventures	0.7	10.1	-93.5	-0.7	14.8	-
Profit/loss before taxes	11.4	30.2	-62.3	93.8	181.5	-48.3
Current taxes	-0.4	-0.3	25.3%	-0.8	-0.7	7.2%
Deferred Taxes	12.2	4.3	182.3%	-5.1	-19.5	-73.8%
Profit/loss for the period	23.2	34.3	-32.3	87.9	161.3	-45.5

BALANCE SHEET

MEUR	31 DEC 2017	31 DEC 2016
Investment properties	4,183.4	4,337.6
Total non-current assets	4,608.9	4,762.8
Investment properties held for sale	25.4	81.9
Total current assets	43.7	56.2
Total assets	4,678.0	4,900.9
Total shareholders' equity	2,208.5	2,312.3
Total liabilities	2,469.5	2,588.7
Total liabilities and shareholders' equity	4,678.0	4,900.9