



# CITYCON

Capital Markets Day

12 September 2013

Kista Galleria, Stockholm



# Agenda

- 13:15 Business, strategy and finance update  
*CEO Marcel Kokkeel*  
*CFO, Exec. VP Eero Sihvonen*
- Operational update  
*COO Harri Holmström*
- Nordic property market and Kista Galleria case study  
*CIO Nils Styf*
- 15:00 Coffee break
- 15:30 Chairman of the Board, Chaim Katzman  
(via video conference)
- 16:00 Summary and Q&A
- 16:30 End of Capital Markets Day



Kista Galleria, Stockholm





# Citycon's Vision



Iso Omena, Helsinki Metropolitan Area

# Citycon's Vision

- Be the household name for Nordic and Baltic retail real estate
- Offer the best retail and social experience in urban, grocery-anchored shopping centres
- Be "recognised" by retailers, shoppers, and investors as the leader in its class



Lippulaiva, Helsinki Metropolitan Area



IsoKristiina, Lappeenranta

Leading owner and manager of urban, grocery-anchored shopping centres in the Nordics and Baltics





# Strategy

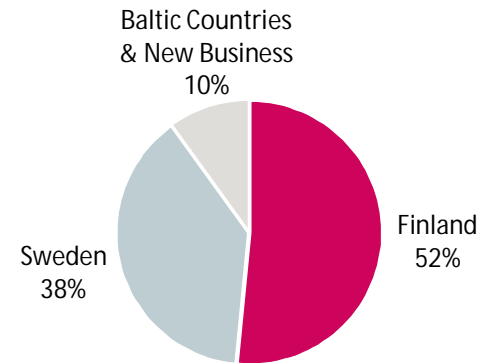


Liljeholmstorget Galleria, Stockholm

# Focus on Nordic and Baltic retail real estate



## Geographical positioning<sup>1)</sup>



<sup>1)</sup> Kista Galleria included 100%



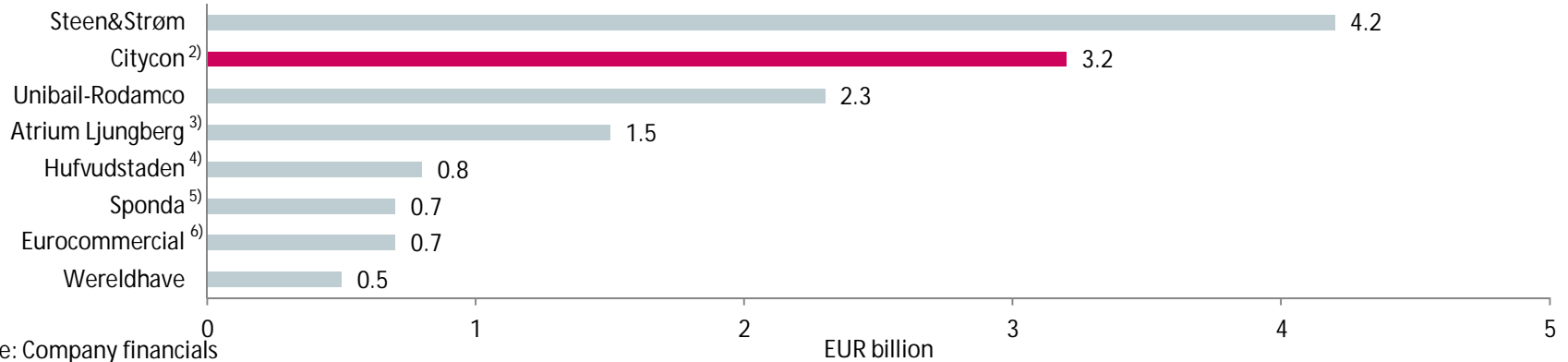
Myyrmanni, Helsinki Metropolitan Area

All operating countries have robust fundamentals



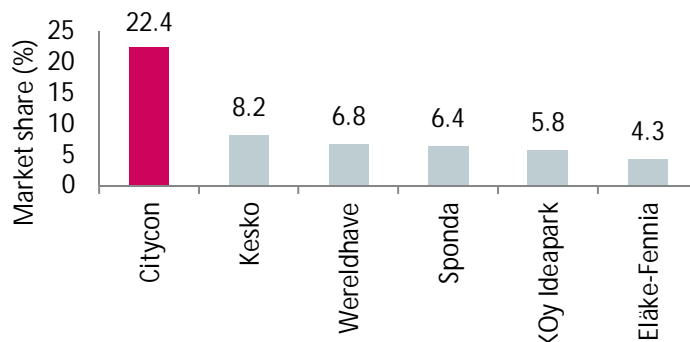
# Leading position in core markets

GAV<sup>1)</sup> of retail real estate portfolio in the Nordic and Baltic regions



Source: Company financials

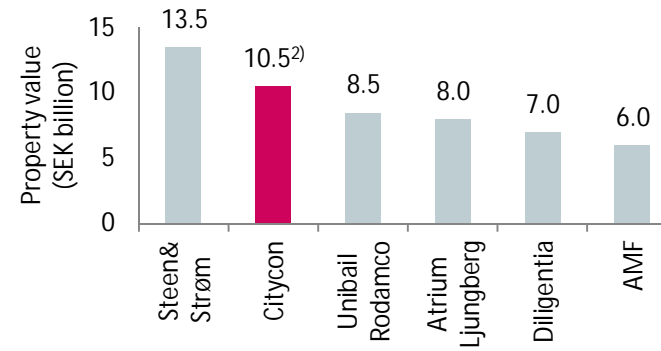
#1 shopping centre owner and operator in Finland<sup>7)</sup>



Source: Finnish Council of Shopping Centres, 2013

- 1) As of December 2012
- 2) Kista Galleria included 100%
- 3) Retail GAV is assumed to represent 52% of total GAV, in line with retail share of total rents
- 4) Retail GAV is assumed to represent 28% of total GAV, in line with retail share of total rentable space

#2 shopping centre owner and operator in Sweden



Source: Company financials, Leimdörfer estimates

- 5) Shopping centre segment does not include Russian assets
- 6) Assumed to include retail assets only
- 7) Market share by net leasable retail area for owned shopping centres

Meaningful scale in core markets



# Focus on urban locations driven by strong demographics

## Core assets:

- Located close to where people live and work
  - Natural population growth
- Connected to public transportation
- Benefit from high barriers to entry e.g., land constraints, zoning restrictions
- Shared access to education, healthcare, culture, municipality services



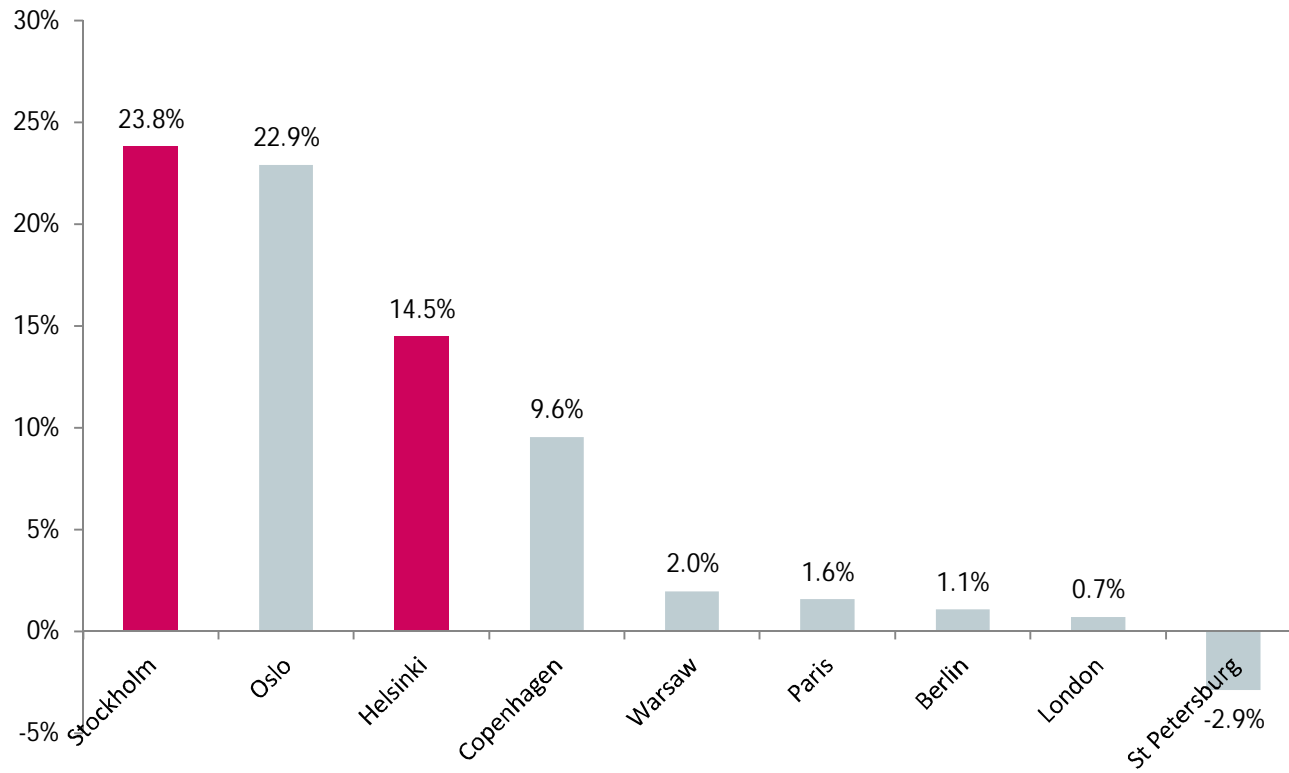
Iso Omena, Helsinki Metropolitan Area

Urban locations in growing cities



# Urbanisation in Nordics still ongoing

Population growth estimate % (2011-2025)



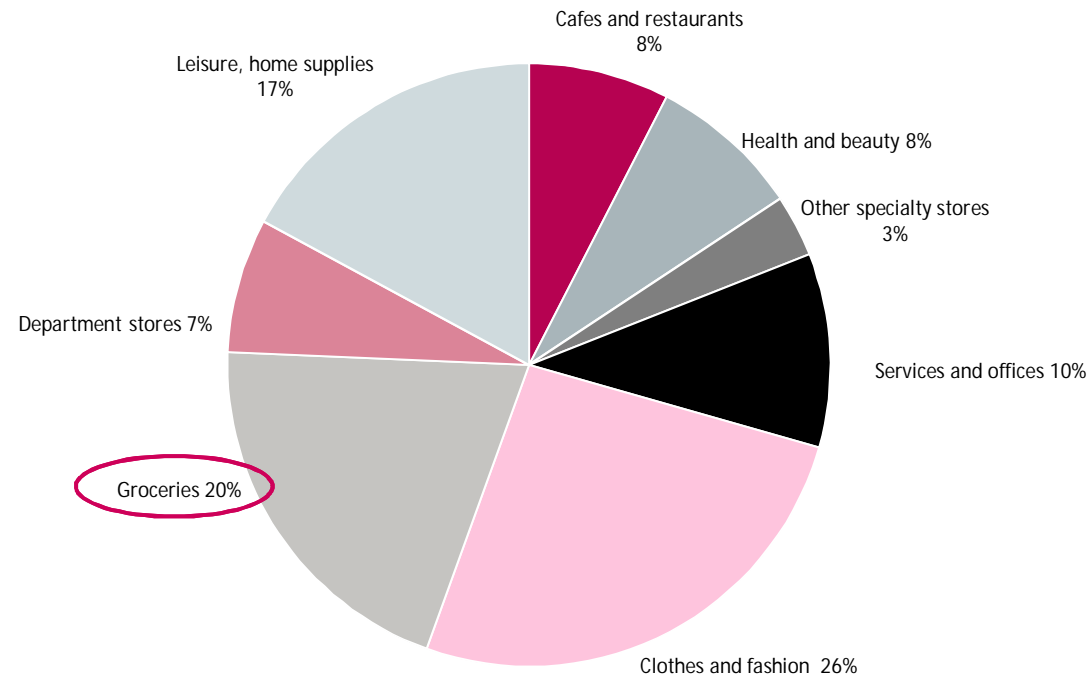
Source: Statistics Finland, Norway, Sweden, Denmark and [www.demographia.com](http://www.demographia.com)

Stockholm and Helsinki are two of the three fastest growing cities in Europe



# Core portfolio of grocery-anchored shopping centres, a stable asset class with predictable cash flows

Shopping centre rental income by branches (2012)



20% of rental income derives from stable grocery-anchors





# Strategic Execution



Koskikeskus, Tampere

# Strategic execution

## Operational distinction

- Strong like-for-like NRI performance
- Improved footfall
- Increased cost savings
- Stable occupancy

## Stronger property portfolio

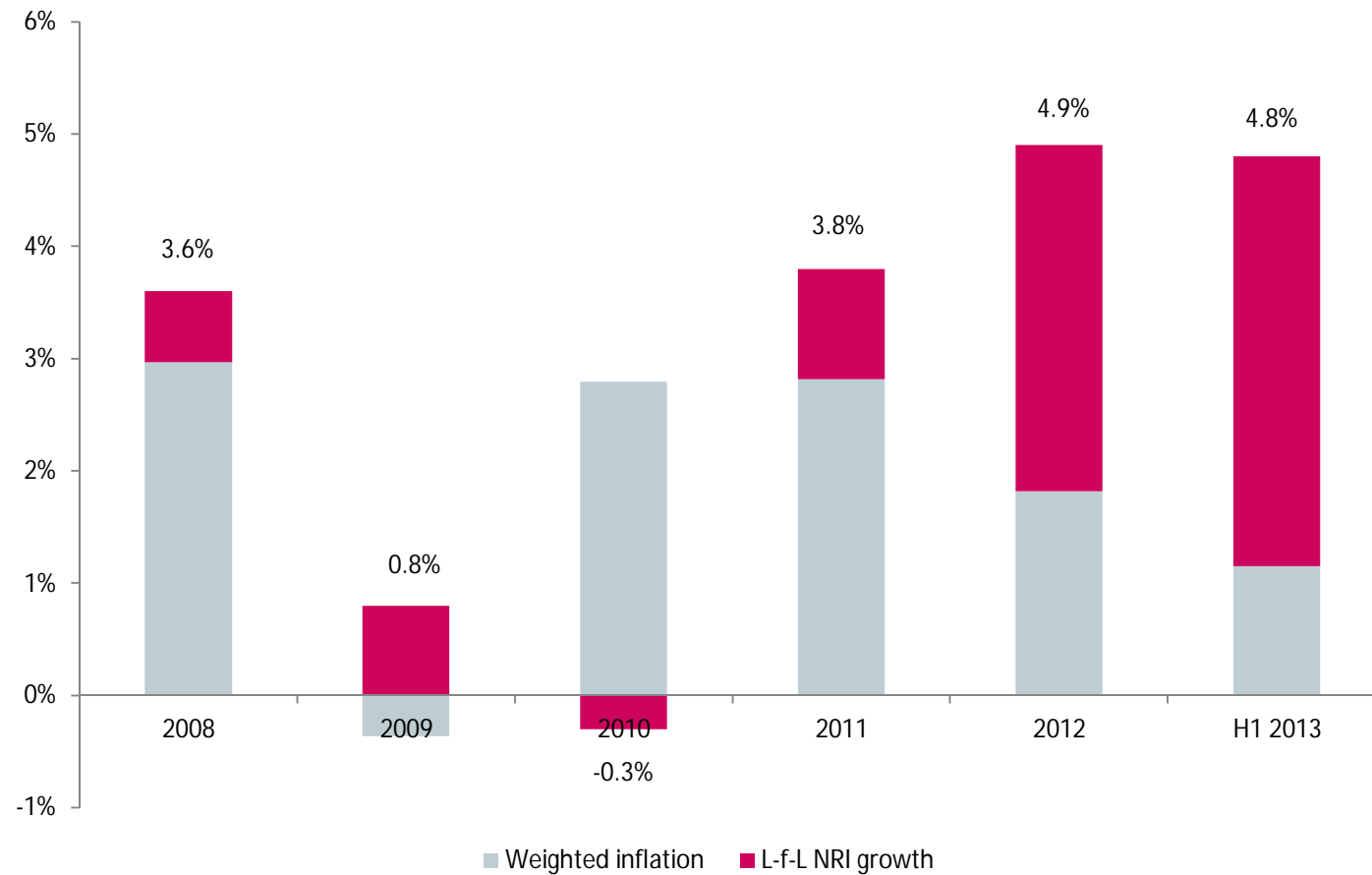
- Balanced and better-quality portfolio
- Strategic joint ventures with top investors
- Extended average lease maturity
- Selective accretive (re)developments (no green fields)
- Selective strategic property acquisitions

## Robust balance sheet

- Improved equity ratio / lower LTV
- EUR 200 million rights issue
- Two investment-grade credit ratings
- EUR 500 million unsecured 7-year eurobond

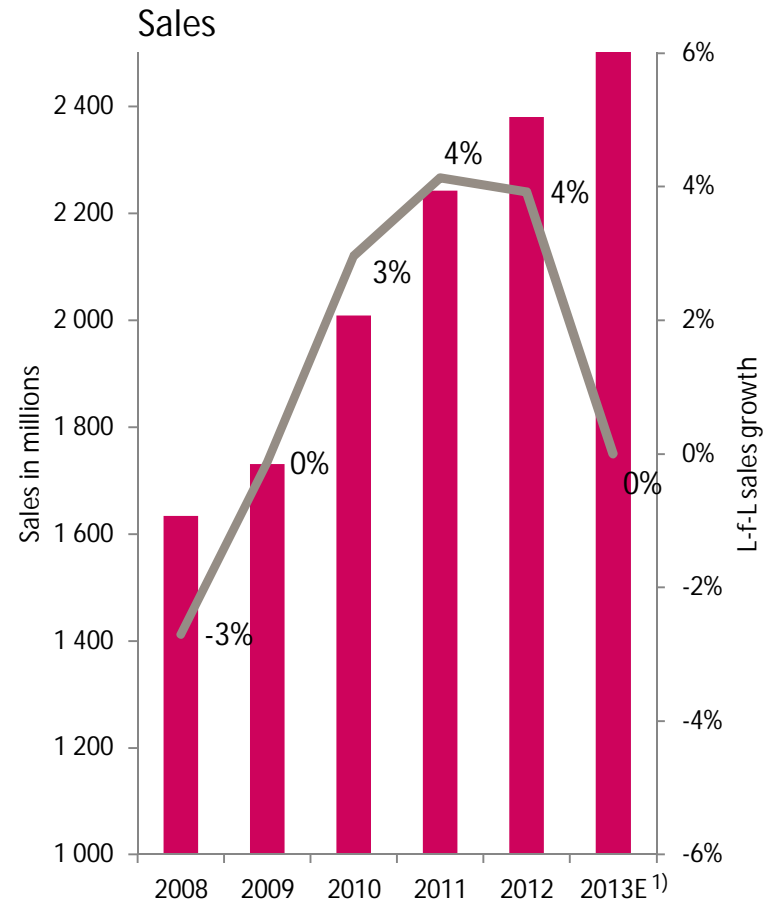
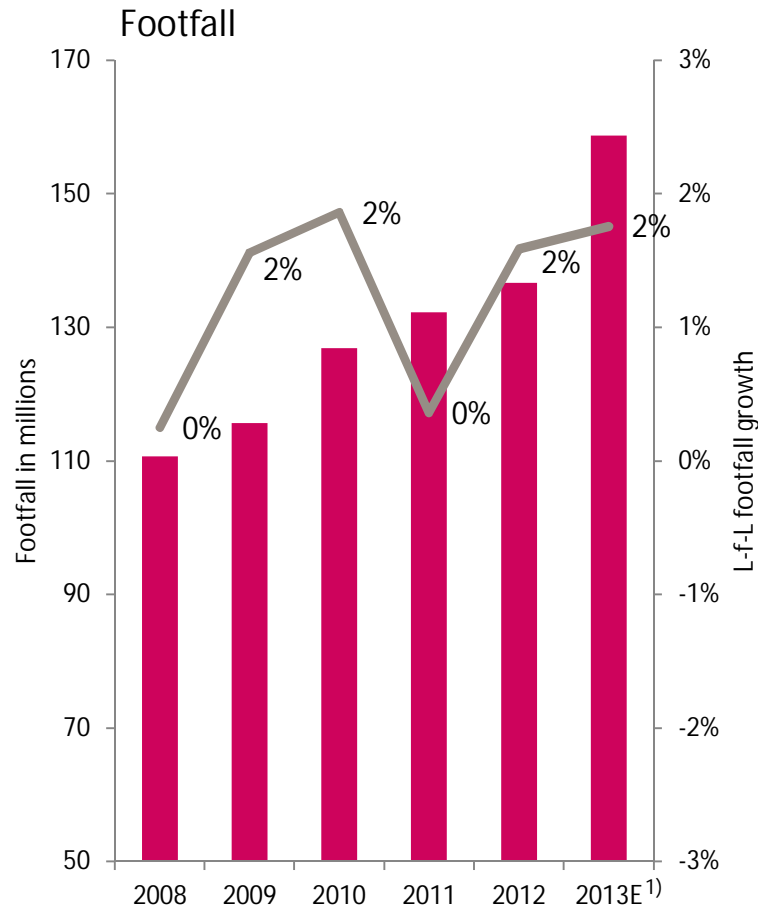


## Strong organic growth, like-for-like NRI



Improved cash flow from existing operations

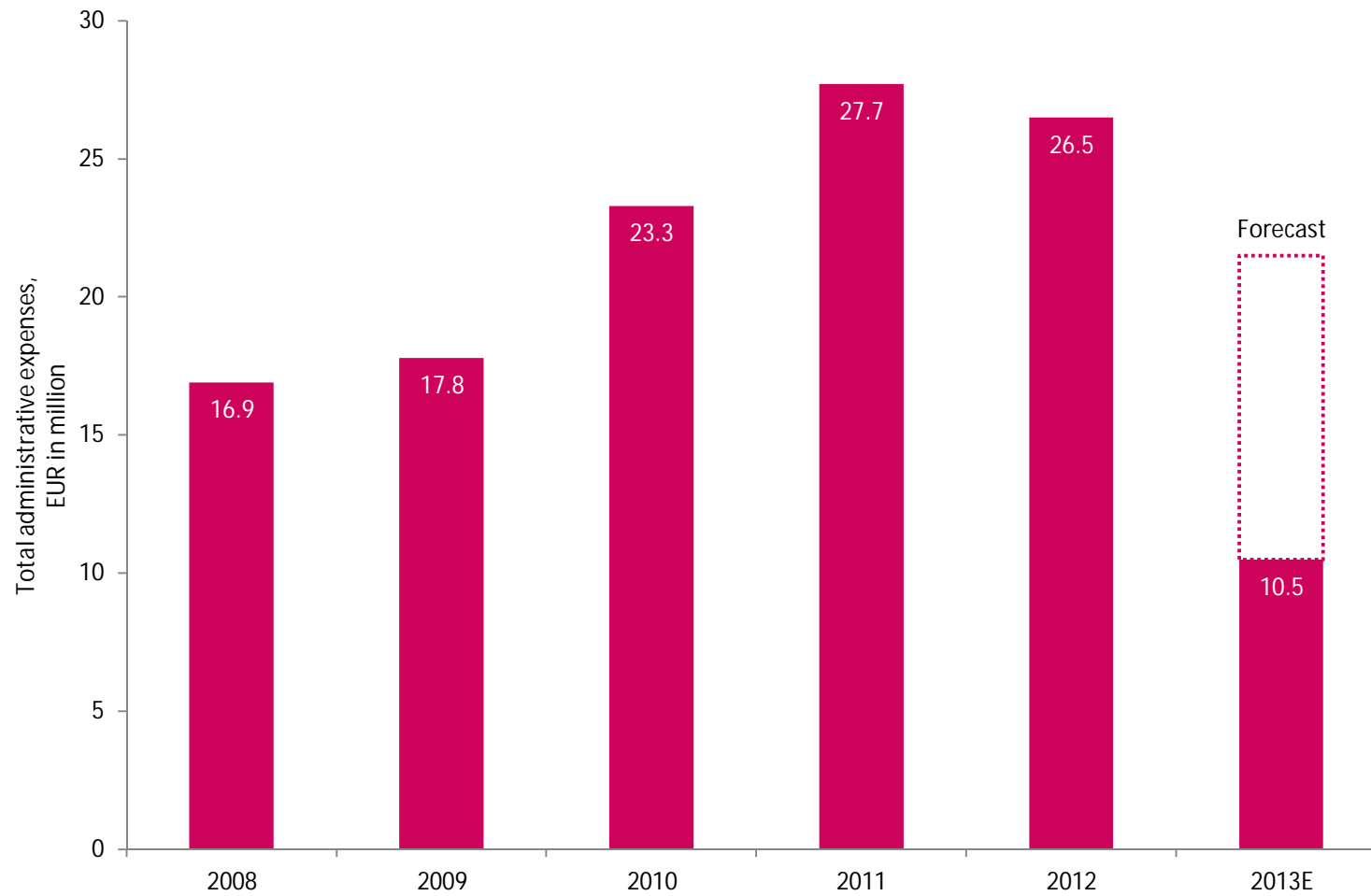
# Solid footfall and sales growth



<sup>1)</sup> Footfall and sales in millions based on H1 2013 and H2 2013 estimate based on same growth as H1 to H2 2012  
L-f-L growth based on H1 2013 vs. H1 2012

Stronger footfall results in increased sales

# Decreased administrative expenses

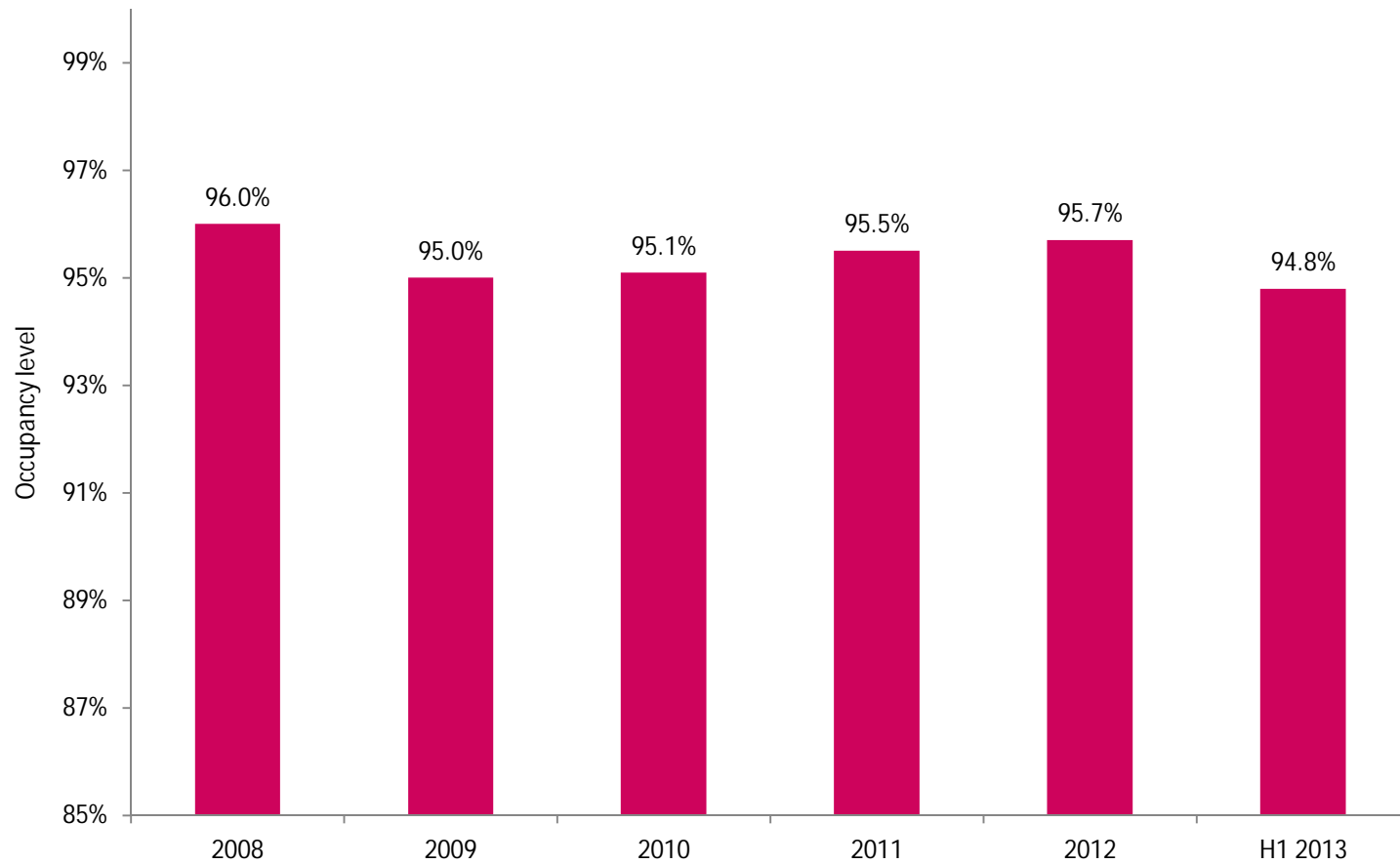


Cost savings program on track in 2013 (up to EUR 5 million)





# High occupancy sustained throughout the cycle



Strong portfolio with low income volatility and strong income predictability



# Strategic execution

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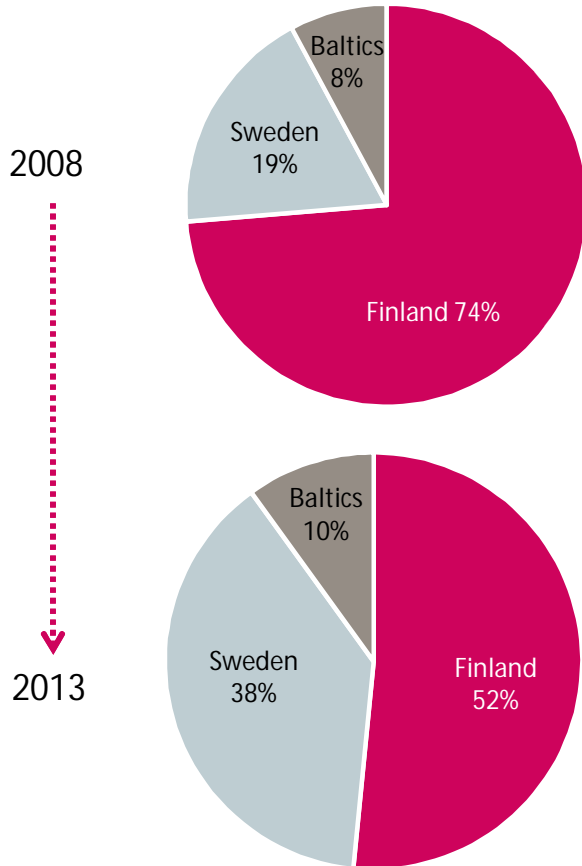
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# Balanced and improved property portfolio

More balanced Nordic portfolio<sup>1)</sup>



<sup>1)</sup> Kista Galleria included 100%

JV partner of choice for top investors

## Kista Galleria



- IFRS market value: EUR 530 million
- GLA: 90,000 sq.m.
- JV partner: CPPIB 50%/50%

## IsoKristiina



- IFRS market value: EUR 37 million
- GLA: 20,000 + 14,000 sq.m.
- JV partner: Ilmarinen 50%/50%

## Iso Omena

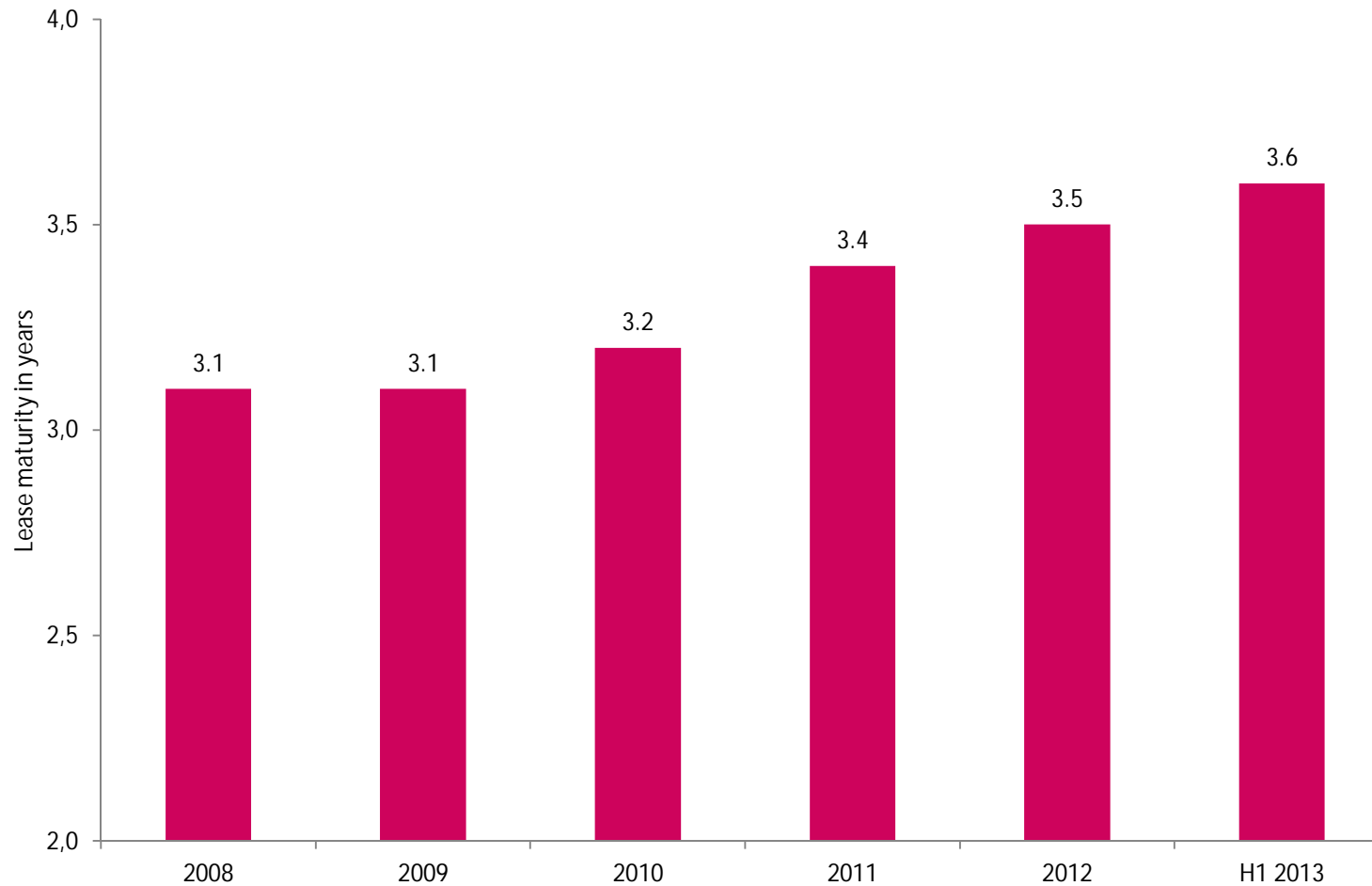


- IFRS market value: EUR 374 million
- GLA: 50,000 + 25,000 sq.m.
- JV partner: GIC, NCC PD

Increasingly diversified cash flows



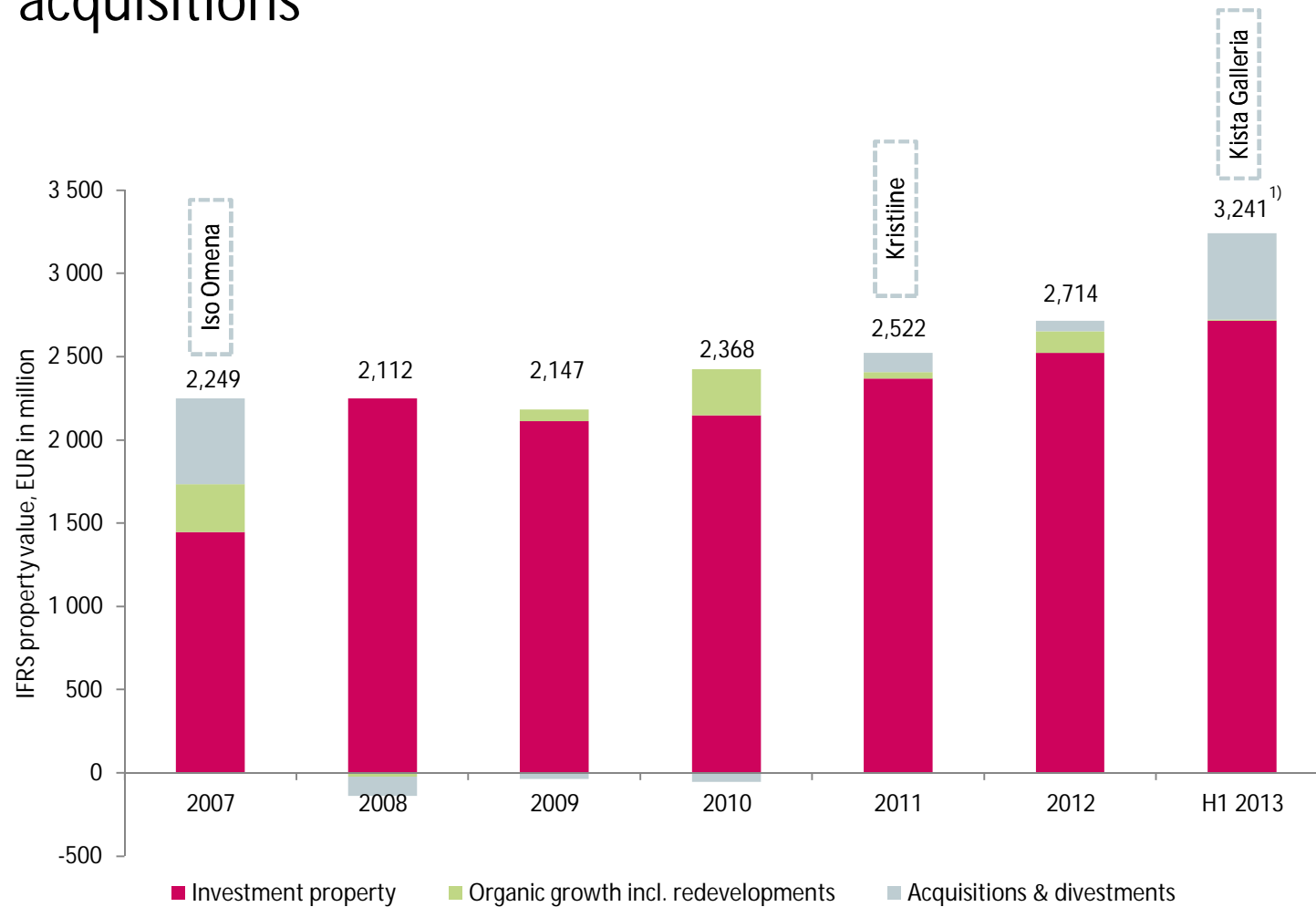
# Average lease maturity in Nordics shorter than in Europe



Clear improvement in lease maturities



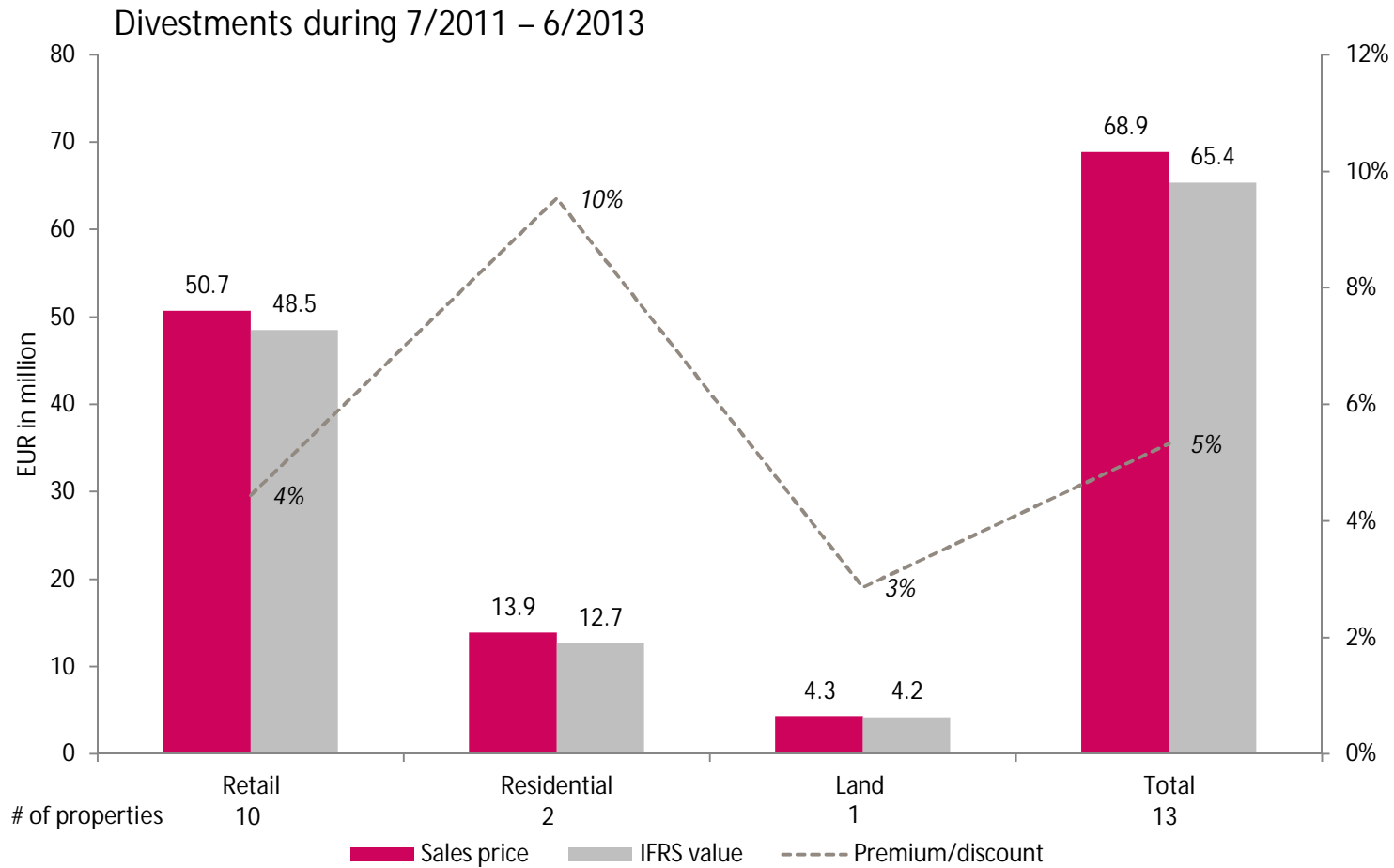
# Focus on organic growth supported by selective strategic acquisitions



<sup>1)</sup> Kista Galleria 100% included

Increased cash flow from existing operations

# Non-core divestments on-going, executed sales of EUR 70 million



Sold at average 5% premium to IFRS value





# Strategic execution

## Operational distinction

- Strong like-for-like NRI performance
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## Robust balance sheet

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# Robust balance sheet



## 2013 key events:

EUR 200 million rights issue

- 99.7% covered by primary subscription
- 1.5x oversubscribed

Two investment-grade credit ratings

- S&P and Moody's
- Only Nordic real estate company

EUR 500 million unsecured 7-year eurobond

- 1.6x oversubscribed
- 3.75% coupon
- Successful trading in secondary markets



Forum, Jyväskylä

Improved equity ratio and more diversified funding sources

# Trends in a Changing Landscape



Liljeholmstorget, Stockholm



# Responding to the changing retail landscape



Urbanisation	<ul style="list-style-type: none"><li>• Growing urban population</li><li>• Increased urban GDP per capita</li></ul>	<p>Citycon:</p> <ul style="list-style-type: none"><li>• 87% of total portfolio in main cities<ul style="list-style-type: none"><li>• 70% in capital cities</li></ul></li><li>• Vast majority of centres connected to public transportation and non-retail services</li><li>• Increased offer of cafes, restaurants, gyms, entertainment, etc.</li><li>• Focus on mainstream retail</li><li>• Growing on-line Citycon community</li><li>• Adoption of both shopping centre and company-wide apps</li></ul>
Convenience	<ul style="list-style-type: none"><li>• Demand for proximity, security, cleanliness, services, and atmosphere</li><li>• More than a shopping destination: health care, medical and municipal services, education, culture</li></ul>	
Social experience	<ul style="list-style-type: none"><li>• Providing a meeting place for the community</li></ul>	
Value and quality	<ul style="list-style-type: none"><li>• Well-informed consumers choose best quality at lowest price</li></ul>	
Multichannel retail	<ul style="list-style-type: none"><li>• Competition from online channels recognised and seen as complementary to traditional retail</li><li>• Retail sales will be highly influenced by technology</li></ul>	

Citycon's portfolio well positioned for changing environment



What's next?



Rocca al Mare, Tallinn

# Continue focusing on organic growth

Further improve asset and property management

- One Company = One Citycon
- Building a brand
- Efficiency improvements

Focus on successful redevelopments

- Organic growth through selected (re)developments
- ~EUR 100-125 million /p.a.

Implement active joint venture strategy

- Long-term partnerships with top investors
- Recycling of capital
- Additional management fee income

Continue targeted sale of non-core assets

- Represents approx. 7% of total portfolio
- Sale process focused on value maximisation
- Exploring opportunities to redevelop certain properties from non-core to core (e.g., Helsinki)

Attention on improving current business model and property portfolio



# Financials



Forum, Jyväskylä



# Continued execution of financial strategy

EUR 200 million rights issue completed in March 2013

- Rights issue was a strategic transaction intended to permanently reduce leverage
- Creates a stronger base from which to execute the business plan

Two corporate investment-grade credit ratings received in May 2013

- BBB- from Standard & Poor's
- Baa3 from Moody's
- Acknowledgement of Citycon's solid business model
- Improved access to debt capital markets

EUR 500 million eurobond issued in June 2013

- Proceeds used to prepay debt and repurchase bonds
  - extend average loan maturity
  - improve available liquidity
  - decrease average interest rates

Positioning Citycon as a true European real estate player

# Successful EUR 200 million equity issue in Q1 2013

## Successful execution

- 114,408,000 new shares for approximately EUR 200 million
- Oversubscribed 1.5x in total
- Major shareholder participation

## Use of proceeds

- Strategic transaction carried out to reduce permanently Citycon's leverage
- Prerequisite for investment-grade rating
- Used to pay down credit lines following Kista Galleria acquisition

## Stronger balance sheet

- Equity ratio improved to 42.7% in Q2 (35.0% in Q2 2012)
- LTV improved to 54.2% in Q2 (58.3% in Q4 2012)

Strategic transaction to strengthen permanently balance sheet

# Investment-grade credit ratings received by two leading global rating agencies

## MOODY'S

Baa3 (Stable Outlook)

16<sup>th</sup> May 2013

- "Citycon's Baa3 rating primarily reflects its recurring rental income with inflation-indexed leases."
- "The company has pursued a successful strategy to invest in and manage shopping centres offering grocery- and necessity-driven retail that are based in growing urban locations, dominant in their catchment area, close to public transportation and located primarily in Finland, Sweden and Estonia."
- "The company's solid cash flow is supported by high average occupancy rates, 95.0% at 31 March 2013 as reported by the company."
- "Although the trend was negative in the first quarter, we expect that Citycon will maintain healthy occupancy levels because the cost of occupation is at affordable levels for the company's tenants."

## STANDARD & POOR'S

BBB- (Stable Outlook)

10<sup>th</sup> May 2013

- "Finland-based retail real estate investment company Citycon Oyj derives most of its revenues from shopping centres in the Nordic and Baltic regions."
- "We consider that Citycon has the ability to generate stable operating cash flows from its large portfolio of standing retail assets in low-risk countries and that it will likely maintain its target loan-to-value ratio of 50% or lower."
- "We are assigning our 'BBB-' long-term and 'A-3' short-term ratings to Citycon."
- "The stable outlook reflects our forecast that Citycon's rental income growth will likely support interest coverage of 2.0x-2.5x over the medium term."

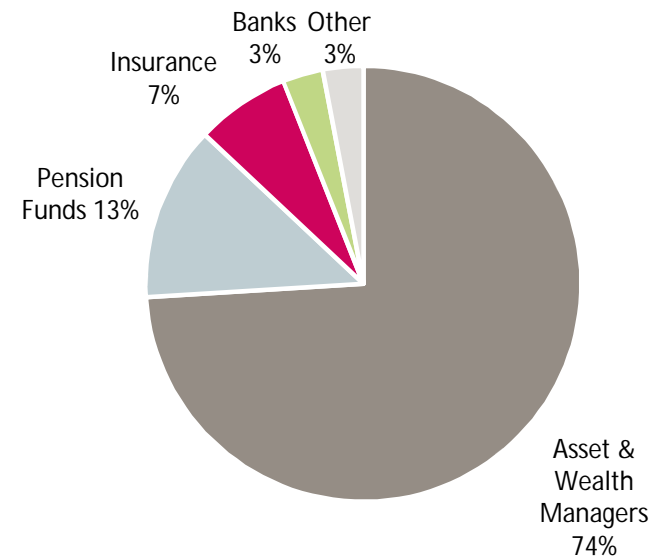
Ratings confirm successful execution of strategy thus far

# EUR 500 million unsecured 7-year eurobond successfully executed

## Transaction Terms

Issuer	Citycon Oyj
Status	Senior, Unsecured, RegS Bearer Notes
Rating	Baa3 (stable) / BBB- (stable)
Maturity	24 June 2020
Size	EUR 500,000,000
Coupon	3.750% (Annual, Act/Act)
Re-offer Spread	MS+245bps
Listing	Dublin Exchange

## Final allocation



## Joint bookrunners



Successful inaugural benchmark EUR 500 million eurobond issue



# EUR 500 million eurobond trading data

Issue: 14<sup>th</sup> June  
 Price: 99.511%  
 Spread to Mid swaps: 245 bps  
 Yield: 3.831%

- iTraxx Main has since come in 5bps from 109bps to 104bps
- iTraxx Crossover has come in 42bps from 452bps to 410bps
- iBoxx BBB Financial index, where Citycon is now included, is trading at 247bps down from 269bps on 14<sup>th</sup> June



Included in bond index iBoxx BBB, trading at approx. 3.8% yield





## Financial performance in H1 2013

EUR million	H1 2013	H1 2013 incl. 100% Kista Galleria <sup>1)</sup>	H1 2012	FY 2012
Net Rental Income, total	83.0	98.7	77.3	162.0
NRI Finland	50.3	50.3	47.3	98.2
NRI Sweden	20.1	35.8	18.6	39.2
NRI Baltic Countries & New Business	12.7	12.7	11.4	24.6
EPRA Operating Profit	73.2	87.8	64.1	135.7
EPRA Earnings	40.4	40.4	29.9	63.9
EPRA EPS, basic <sup>2)</sup>	0.099	0.099	0.096	0.199

- Kista Galleria is consolidated in Citycon's financial statements using the equity method

<sup>1)</sup> Citycon's management follow the performance of Kista Galleria as if it were fully consolidated into Citycon's net rental income and operating profit. Kista Galleria figures included for the period 1.1.2013-30.6.2013

<sup>2)</sup> EPRA Earnings per share has been calculated with the issue-adjusted number of shares resulting from the rights issue executed in March 2013

Clear earnings growth and stable EPRA EPS maintained with higher share count

## Snapshot of statement of comprehensive income

EUR million	H1 2013	H1 2012	2012
Gross rental income	117.3	109.9	225.9
Service charge income	7.2	6.3	13.3
Turnover	124.5	116.2	239.2
Property operating expenses	41.0	37.9	75.8
Other expenses from leasing operations	0.5	1.0	1.4
Net rental income	83.0	77.3	162.0
Administrative expenses (incl. other operating income and expenses)	9.9	13.1	26.3
Net fair value gains/losses on investment property	15.1	6.0	23.6
Net gains on sale of investment property	-0.8	1.1	4.2
Operating loss/profit	87.5	71.2	163.4
Net financial income and expenses	-59.5	-32.7	-68.1
Share of profit/loss of jointly controlled entities	2.4	-0.1	0.2
Profit/loss before taxes	30.3	38.5	95.5
Current taxes	-0.4	-0.7	-1.4
Change in deferred taxes	0.8	-6.4	-6.4
Profit/loss for the period	30.7	31.4	87.7
Other comprehensive expenses/income for the period, net of tax	34.7	-1.1	-10.7
Total Comprehensive profit/loss for the period, net of tax	65.5	30.4	77.0

Operating profit grew substantially, result was impacted by non-recurring refinancing expenses

## Snapshot of statement of financial position

Statement of financial position, EUR million	30 Jun 2013	30 Jun 2012	31 Dec 2012
Investment properties	2,711.3	2,602.0	2,714.2
Total non-current assets	2,879.2	2,621.0	2,737.6
Total current assets	98.2	88.0	75.5
Total assets	2,983.9	2,720.5	2,818.5
Total shareholder's equity	1,272.8	951.6	1,059.9
Total liabilities	1,711.1	1,768.9	1,758.6
Total liabilities and shareholders' equity	2,983.9	2,720.5	2,818.5

### Key figures

Equity ratio, %	42.7	35.0	37.8
Loan to Value (LTV), %	54.2	58.3	54.5
Gearing, %	115.7	160.2	139.8
Equity per share, EUR	2.78	3.19	3.11
EPRA NAV per share, EUR	2.99	3.60	3.49
EPRA NNAV, EUR	2.77	3.21	3.08
Net Rental Yield (actual), %	6.4	6.2	6.4
Net Yield Requirement, % (valuation yield)	6.3	6.4	6.3

Balance sheet strengthened by recent equity issuance

## Key figures of property portfolio

	Q2 2013	Q2 2012	Q1 2013	2012
Number of leases started during the period	125	247	167	792
Total area of leases started (sq.m.) <sup>1)</sup>	35,423	33,254	35,387	141,167
Average rent of leases started (EUR/sq.m.) <sup>1)</sup>	19.1	19.1	20.7	20.5
Number of leases ended during the period	200	200	250	1,064
Total area of leases ended (sq.m.) <sup>1)</sup>	46,057	19,758	55,151	149,972
Average rent of leases ended (EUR/sq.m.) <sup>1)</sup>	17.3	20.9	18.6	18.6
Average rent (EUR/sq.m.)	21.5	20.4	21.3	20.7
Occupancy rate at the end of period (economic), %	94.8	95.6	95.0	95.7

<sup>1)</sup> Leases started and ended do not necessarily refer to the same premises

Positive average rent development

## Execution of financial strategy

### Reduced leverage

- LTV 61.5% to 54.2% (Q2 2011-Q2 2013)
- Target LTV of 50% or below

### Interest hedging policy mainly based on fixed rates

- Interest hedging ratio 76.0% to 90.2% (Q2 2011-Q2 2013)
- Target between 70-90% fixed

### Increased average loan maturity

- 3.1 years to 4.4 years (Q2 2011-Q2 2013)
- Targeting up to 5 years

### Diversified funding sources

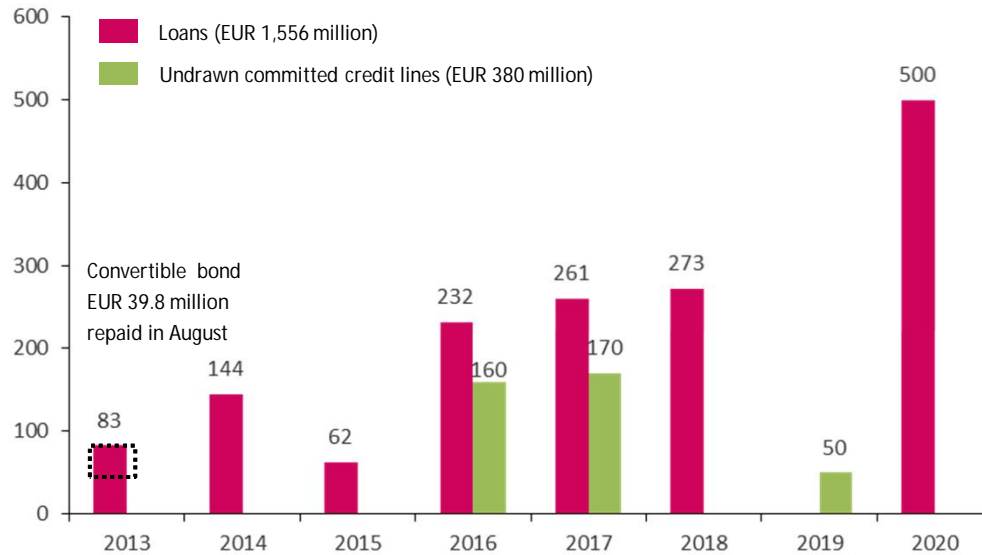
- Improved access to bond capital markets
- Higher share of bonds

Stronger balance sheet and more diversified funding

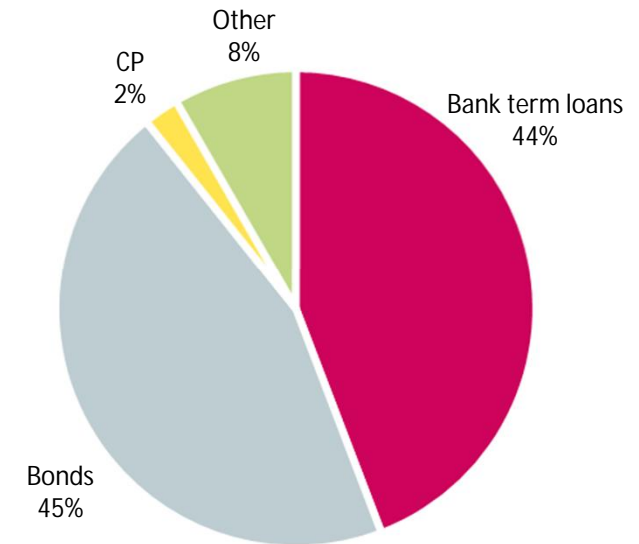


# Debt diversification and extended maturity profile

Maturity profile of loans and derivatives



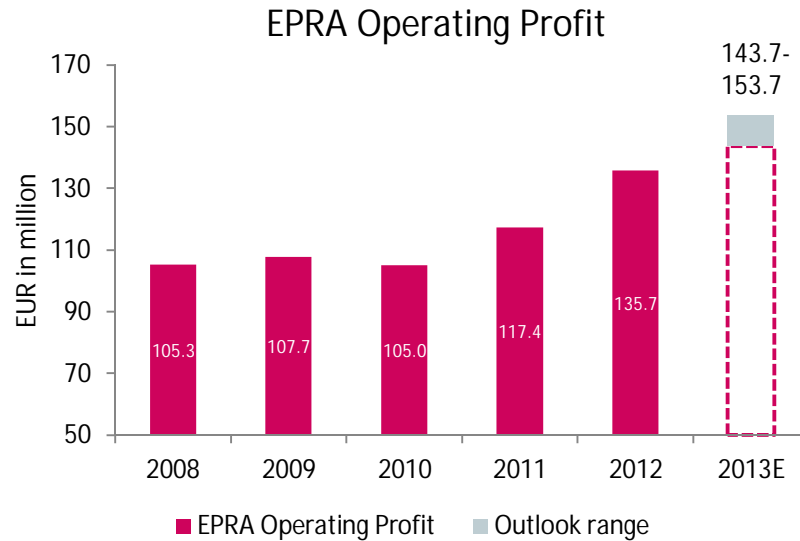
Interest-bearing debt by type



- Longer debt maturity profile; maturity extended to 4.4 years in Q2
- Interest-rate risk hedging ratio maintained at approx. 90%
- More diversified funding base and demonstrated access to bond markets following the EUR 500 million bond issue
- Ample credit limits; EUR 380 million unutilised available committed credit lines

Average loan maturity extended to 4.4 years in Q2 from 3.0 years in Q1

# Outlook

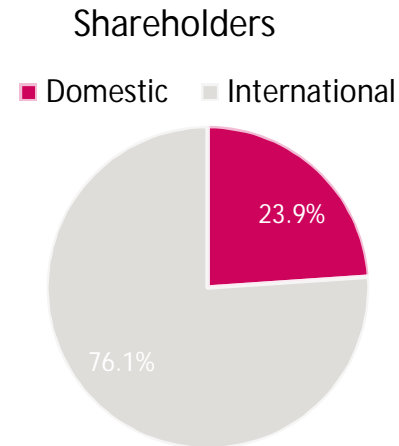


- Company guidance:
  - Turnover to increase by EUR 7–17 million (previously EUR 5–20 million)
  - EPRA Operating Profit to grow by EUR 8–18 million (EUR 5–20 million)
  - EPRA Earnings to increase by EUR 18–28 million (EUR 15–30 million)
  - EPRA EPS (basic) to be EUR 0.19–0.23 based on the existing portfolio and increased number of shares (EUR 0.19–0.24)

Positive guidance was maintained and range narrowed in Q2

# Ownership 30 June 2013 and summary overview

- Established and listed on the Helsinki Stock Exchange since 1988
- Market cap EUR 1 054.7 million
- Number of domestic shareholders increased: total 8,613 (5,825) registered shareholders, 23.9% (19.2%) of total
- Largest Shareholders:
  - Gazit-Globe 49.3%
  - Ilmarinen 8.98%
- Included in Global Real Estate Sustainability Benchmark Survey Index, FTSE EPRA/NAREIT Global Real Estate Index, iBoxx BBB Financial index (EUR 500 million bond)



Trio, Lahti



Thank you  
Q&A



Kista Galleria, Stockholm

# Operational update

Harri Holmström, COO





# Organisational Initiatives



Duo, Tampere

# Driving efficiency and cost savings through organisational change

From a country based to a cluster based organisation in 2013:

- 8 clusters with similar composition of staff and competences
- Reduction of one management layer
- Supermarket and shop properties integrated into clusters
- Clear line responsibilities and specialised support functions
- Enhance culture of engagement and operational excellence



Iso Omena, Helsinki Metropolitan Area



Trio, Lahti

More streamlined and efficient organisation



# Maximising value of the assets through operational distinction

Standardisation and harmonisation of operations throughout all regions e.g.:

- Cross-border leasing
- Specialty leasing
- Marketing
- Procurement

Recent launch of three key initiatives in all clusters:

- Improve quality and minimise costs
- Improve welcoming and pleasant atmosphere based on Citycon standards
- Optimise income out of the assets



Magistral, Tallinn



Espoontori, Helsinki Metropolitan Area

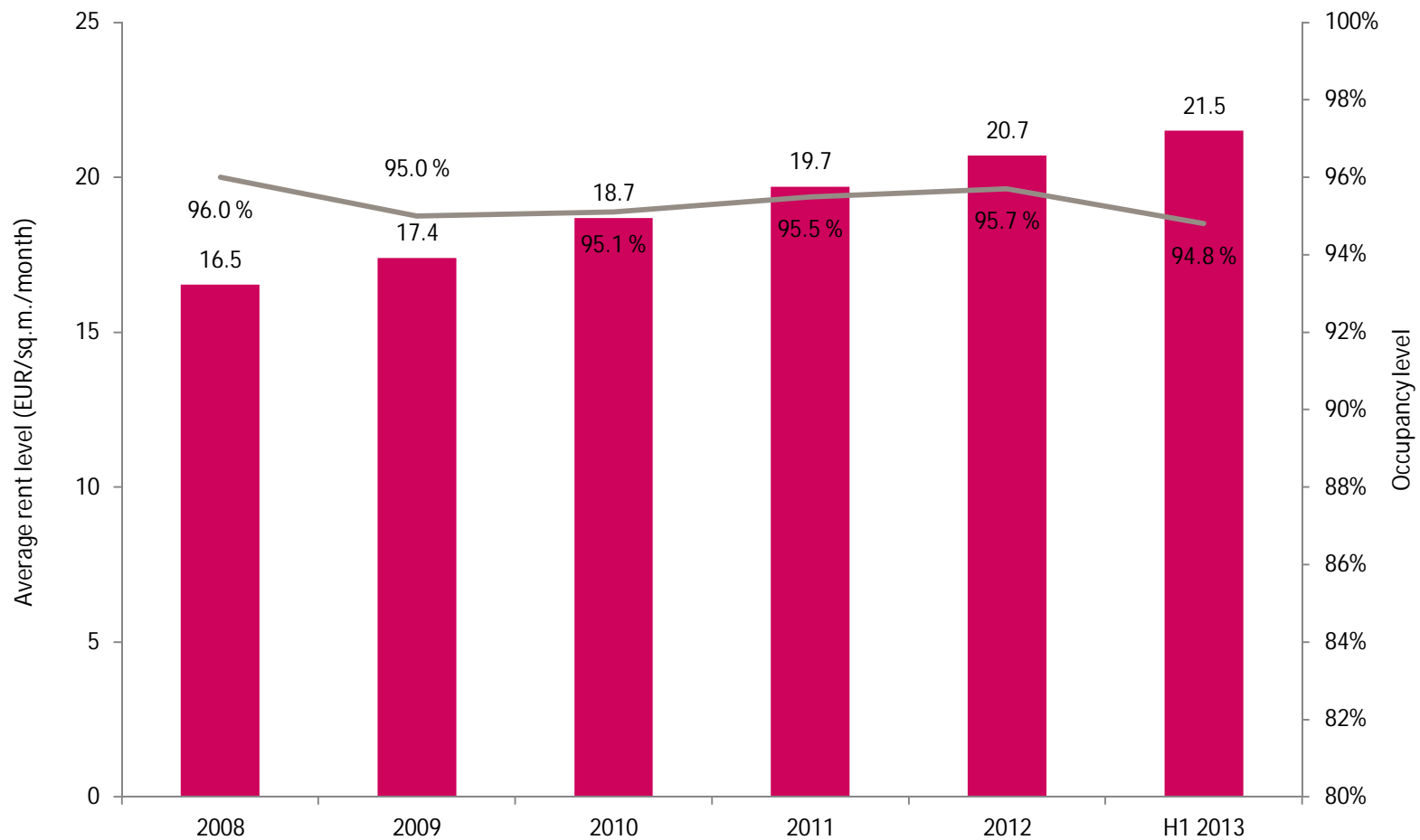
Creating value through economies of scale

# Income Drivers



Kristiine, Tallinn

# Realised rental growth through stable occupancy over the cycle



Improved portfolio quality drives rental growth



# Enhanced value through extended lease maturity

Kesko lease package:

- Kesko extended leases on 44,000 sq.m. in 11 assets in supermarket and shop portfolio
- Contract lengths range from 10 to 15 years
- Increase entire Citycon portfolio's average lease maturity by 4 months



Sinikalliontie, Helsinki Metropolitan Area

Solid cash flow from strong covenants



# Demonstrated leasing success by regional approach



POLARN O. PYRET



CITYCON



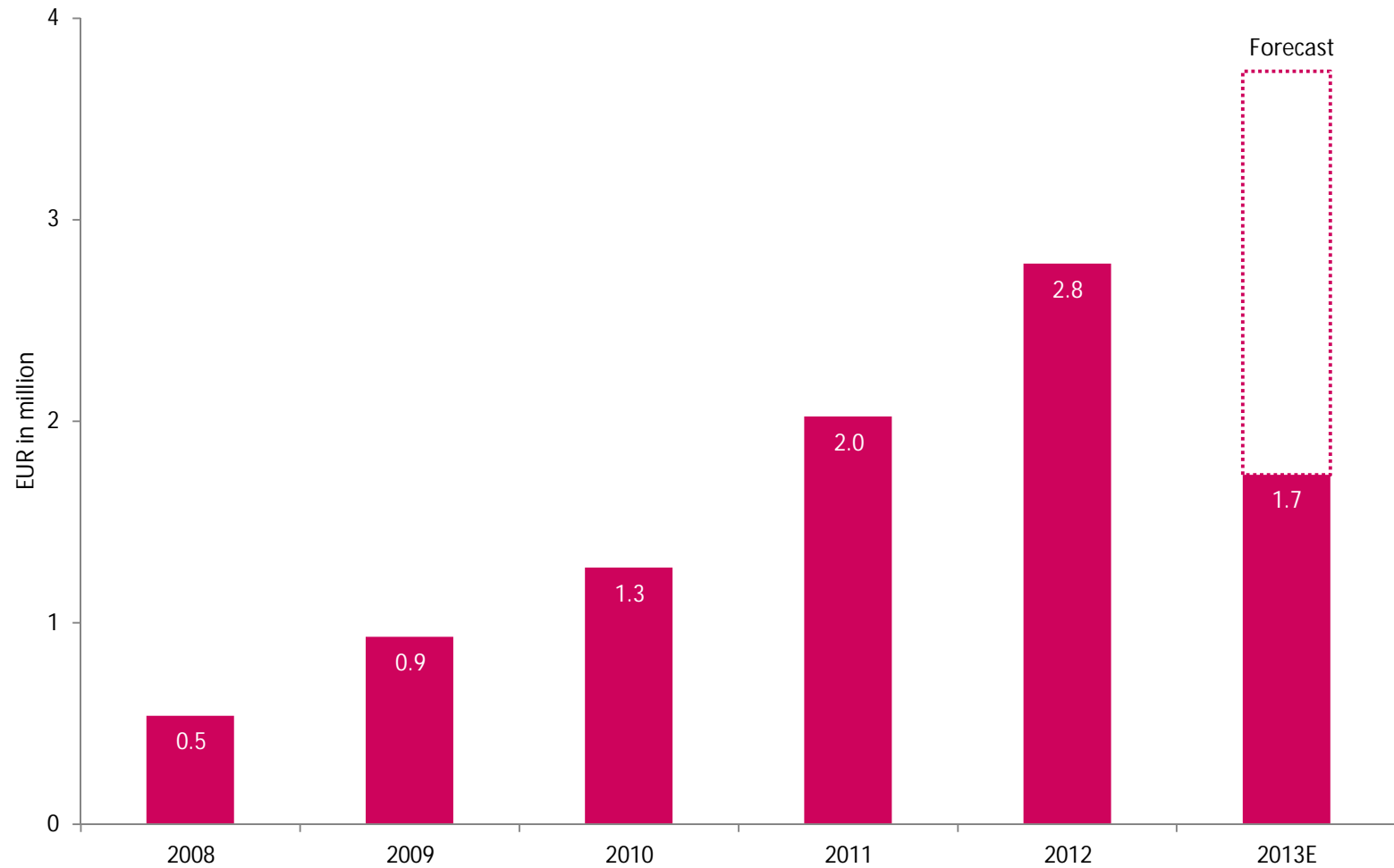
A true Nordic and Baltic partner for key regional and international retailers

# Nordic countries offer great potential for new international retailers



Nordics is the "best kept secret" for retailers

# Accelerated non-rental income



Potential for further growth of specialty leasing





# Cost Optimisation



Myyrmanni, Helsinki Metropolitan Area

# Successful tendering of property maintenance services in Finland



All property management services



Property Maintenance



Security



Cleaning and waste

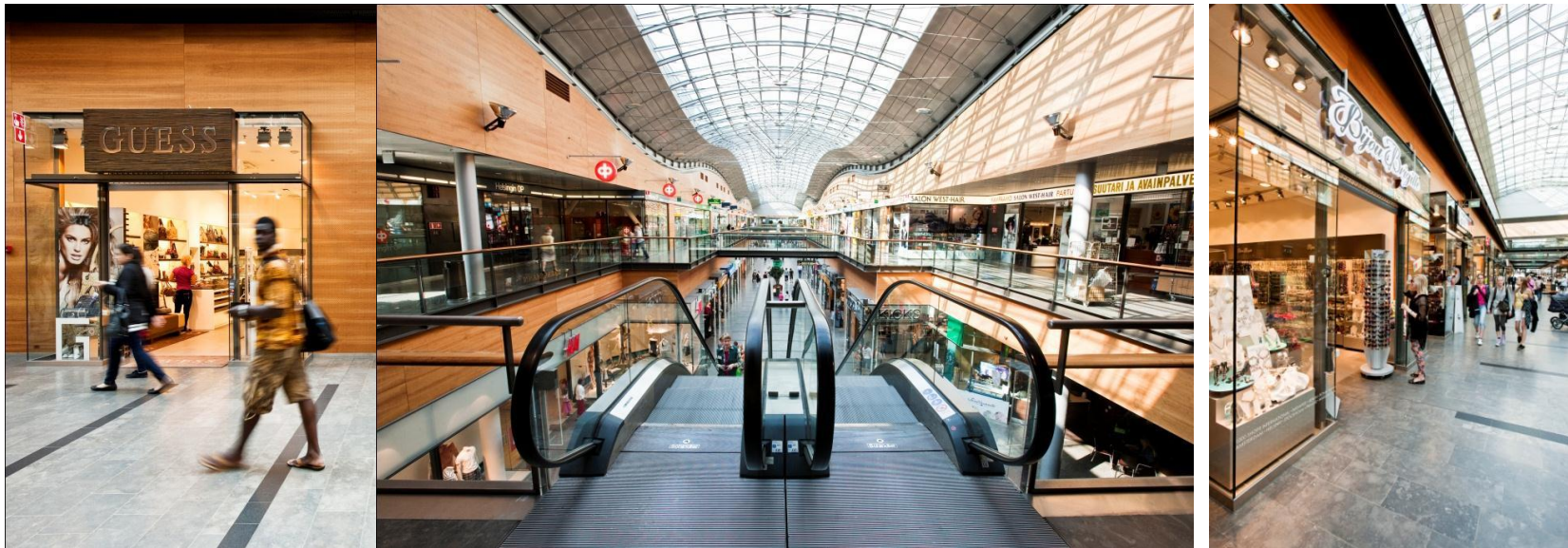
Substantial savings achieved from Finnish tendering, same method to be applied in Sweden



# Achieved energy efficiency through sustainability program

## Results:

- Total investment 2010-2016: EUR 3.3 million
- Average payback time: 5 years
- L-f-L energy consumption last 2 years: -1.7% (2012) and -16.2% (2011)



Iso Omena, Helsinki Metropolitan Area

Considerable savings from energy reduction program





# Marketing Initiatives

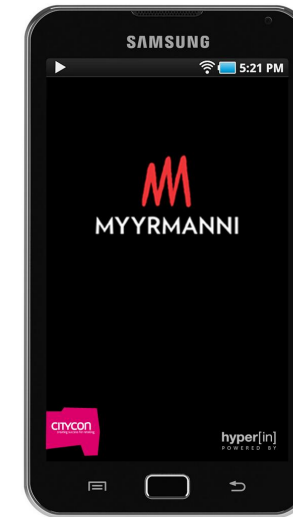


Martinlaakso, Helsinki Metropolitan Area

# Adoption of digital marketing

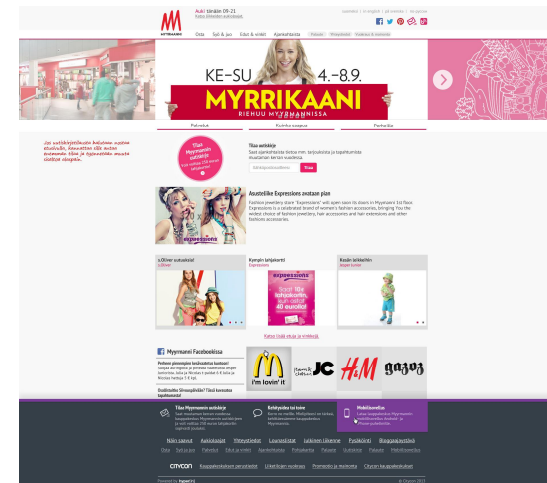
## Digital marketing:

- Creation of Citycon's social media community started 1.5 years ago
  - Iso Omena and Koskikeskus #1 and #2 in terms of Facebook fans in Finland
  - Rocca al Mare #1 in Estonia
  - Kista Galleria #3 in Stockholm
- Unified layout in shopping centre websites
- Mobile application for every shopping centre in Finland
- Dedicated bloggers for the largest shopping centres



**Citycon Shopping Centres on Facebook** **CITYCON**  
creating success for retailing

Finland	Sweden	Estonia
<p><b>Iso Omena</b> Piispansilta 11, Espoo</p> <p><b>31991</b> likes</p>	<p><b>Koskikeskus</b> Hatanpään valtatie 1, Tampere</p> <p><b>31789</b> likes</p>	<p><b>Myyrmanni</b> Iskoskuja 3 A 1, Vantaa</p> <p><b>24964</b> likes</p>



Combination of digital and physical community creates direct access to customers

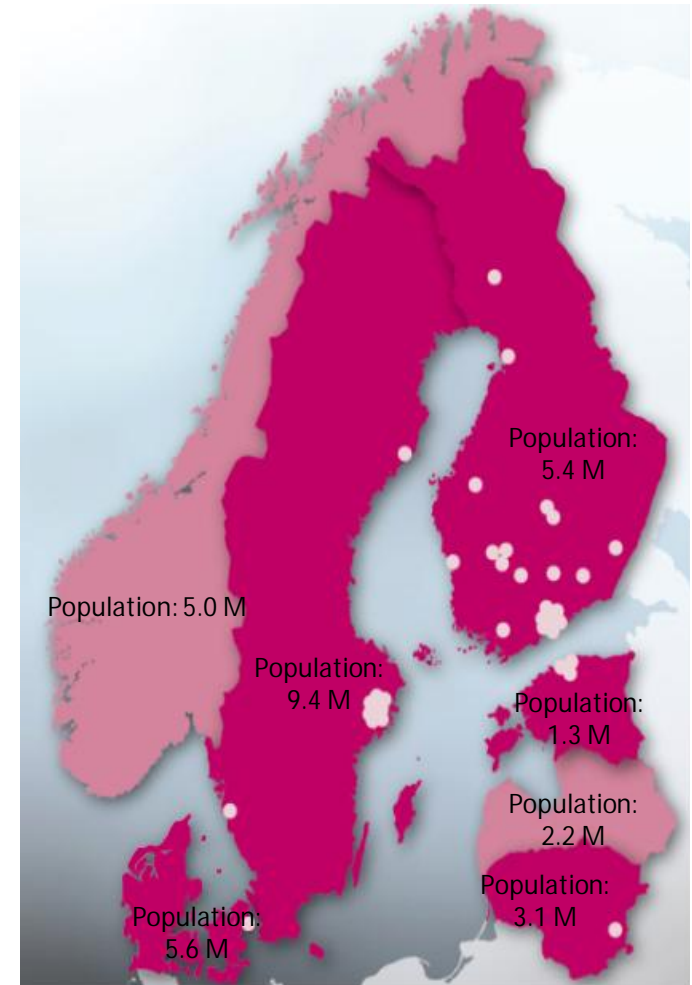


# Nordic property market and Kista Galleria case study

Nils Styf, CIO



# Nordic Investment Market



The Nordic and Baltic Markets



# Strong investor demand for Nordic markets

## Market overview

### Sweden

- One of the most liquid real estate markets in Europe
- Very strong demand from domestic investors
- Continued high inflow of “new” international capital and domestic buyers
- ➔ Strong investor demand with increasing interest for “secondary” assets

### Finland

- Shortage of supply
- High yield spread between prime and secondary markets
- Many international investors targeting the market but very few deals. A few larger deals expected to be concluded soon
- ➔ Higher inflow of capital expected with a primary focus on “core” assets but also a downward pressure on secondary yields

### Baltics

- Low liquidity with few buyers
- ➔ Low investment activity with some sellers “forced” to sell



Liljeholmstorget Galleria, Stockholm

Nordics considered a “safe haven” by many international investors

# Nordic region: active investment market

## Key highlights

### Countries

- Sweden is by far the most liquid investment market
- Finland lagging behind, but substantial investor interest

### Asset classes

- Primary focus on core assets, but interest for secondary assets increasing
- Strong demand for residential (rental) products by Swedish investors
- CBD offices in all the capital cities
- Increasing interest in retail with focus on prime shopping centres and grocery assets

### Type of products

- Cash flow assets providing stable and predictable yields
- Flight to quality and “bond type” investments
- CBD products or prime shopping centres

### Buyers

- Primarily “equity buyers” without the need for third party debt
- Market dominated by local institutions
- “New” international investors entering the market
- Pension funds and other institutions looking for JV partners

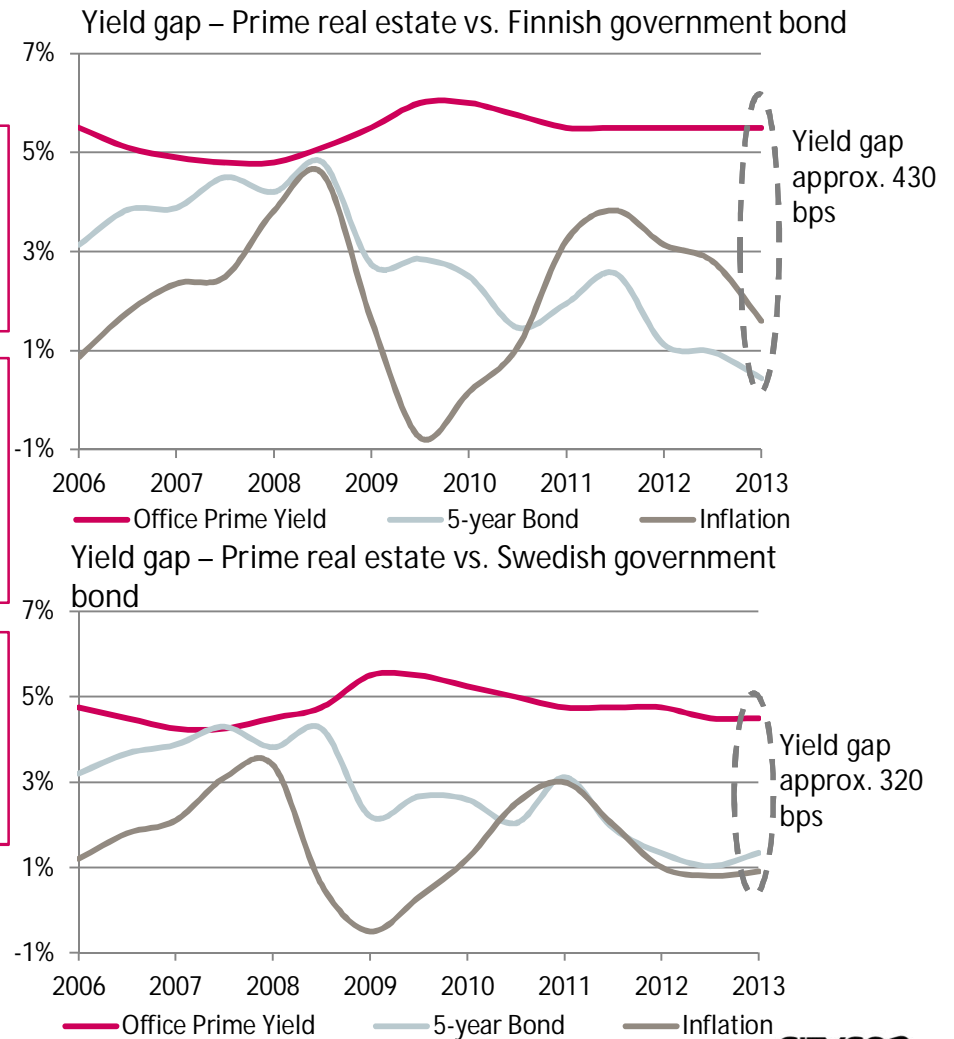
Large diversified investor base of international and domestic investors



# Historically large yield gap

## Key highlights

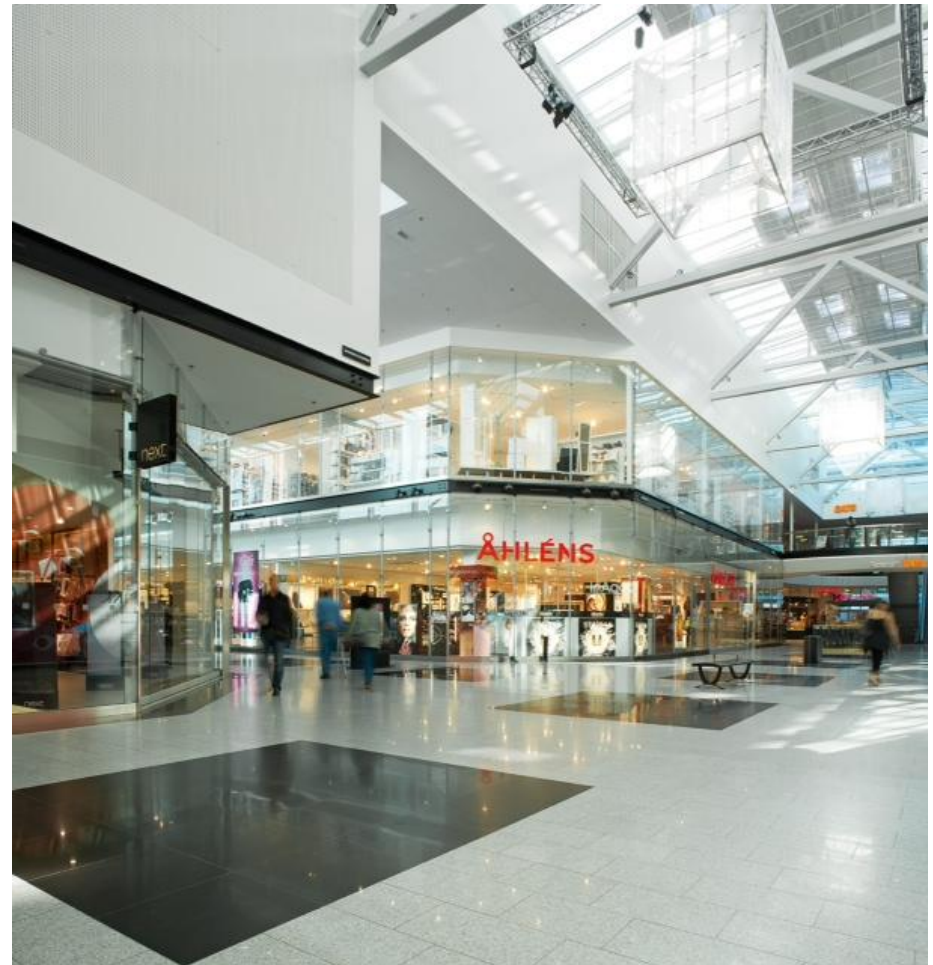
- Prime yields**
  - Little or no differences in prime yields between countries
  - Prime shopping centre yields: 5.0-5.5%
  - Prime office yields: 4.50-5.25%
- Secondary yields**
  - Low transparency and large spread in secondary retail yields
  - Yield range of 6.5%-8.5% depending on location, lease length and quality of cash flows
  - Increasing risk appetite
- Large yield gap**
  - Historically large yield gap, despite recent increase in bond yields
  - Downward pressure on yields expected, especially for secondary assets



Increasing risk appetite by investors



# Investments and Divestments



Kista Galleria, Stockholm

# Investments and divestments

## Investments

- Focus on organic growth rather than acquisitions
- Strict monitoring of ongoing redevelopments
- Evaluation of new accretive extension and redevelopment potential

## Divestments

- Implement value-add initiatives before selling
- Divested approx. EUR 70 million of small assets in last 2 years, at premium to valuation
- Targeted individual sale processes focused on value maximisation
  - Smaller non-core properties, but also land plots, residential etc.

## Joint ventures

- Build long-term relationships with quality domestic and international investors
- Co-developer and long-term investment partner
- Recycling of capital

Focus on improving the quality of the portfolio



# Kista Case Study

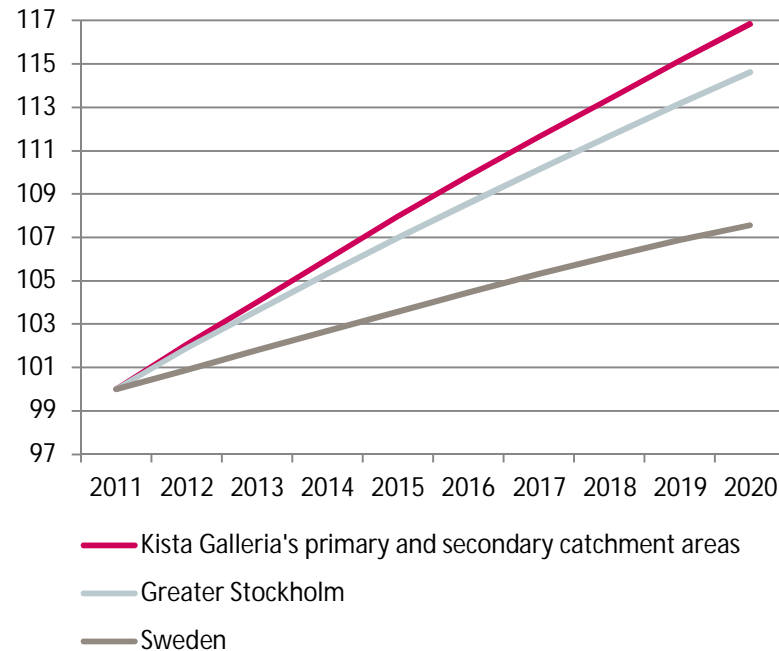


Kista Galleria, Stockholm

# Kista Galleria is uniquely positioned in one of the most dynamic and urban areas in Stockholm

- Sweden's largest office sub-market
  - 75,000 employees
- Kista area growing twice as fast as the rest of Stockholm
- Direct catchment of 130,000 inhabitants
  - Population expected to grow by 30,000-40,000 within 15 year
  - 3,500 apartments and single-family houses are planned
- Highest number of visitors in Stockholm
  - 18.5 million p.a.
- The most generous opening hours in Stockholm
  - 10am-9pm, every day
- Largest food court in Sweden

Population forecast (indexed), 2011=100

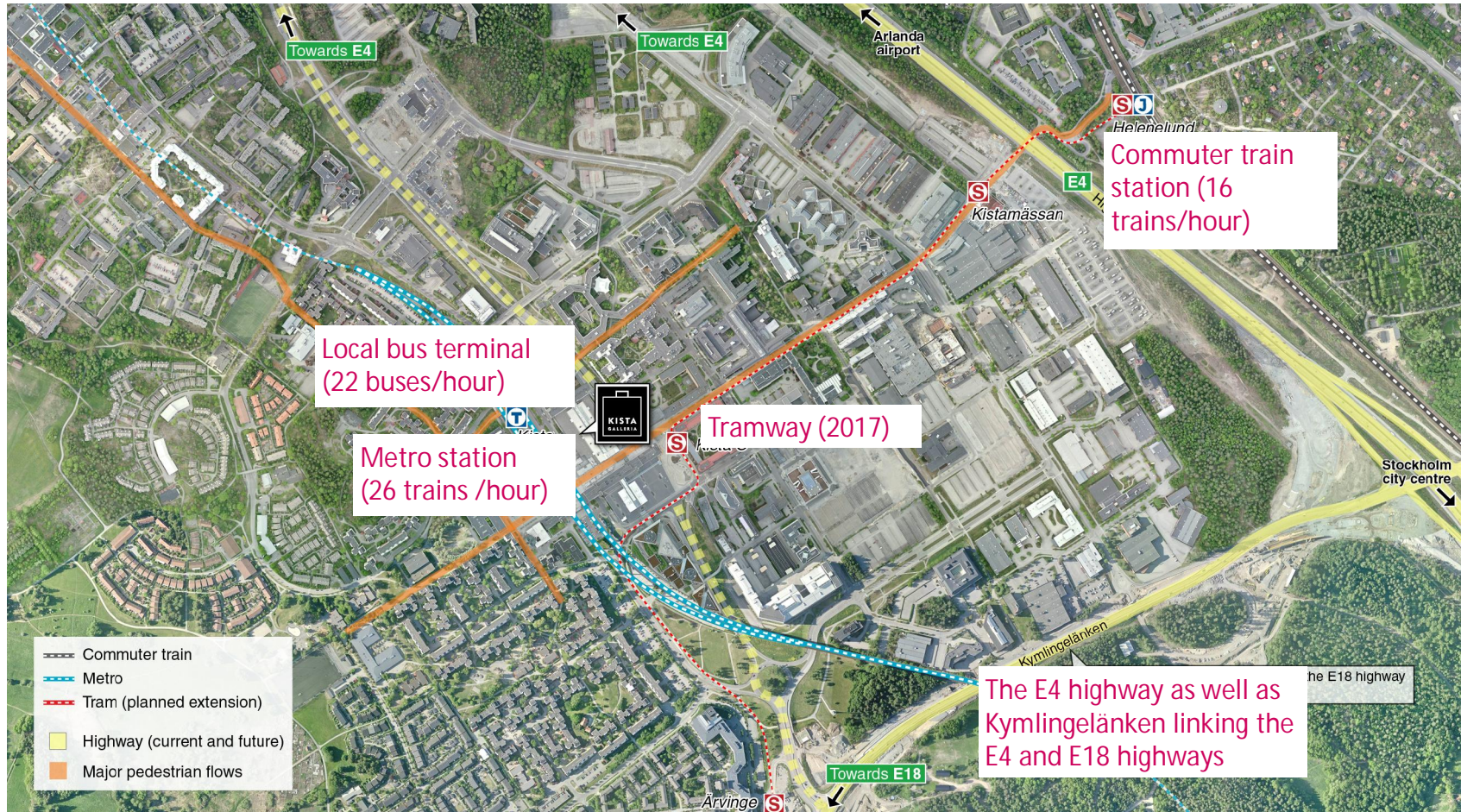


Kista Galleria is a well established shopping centre with a natural customer flow





# Kista has superior transportation links

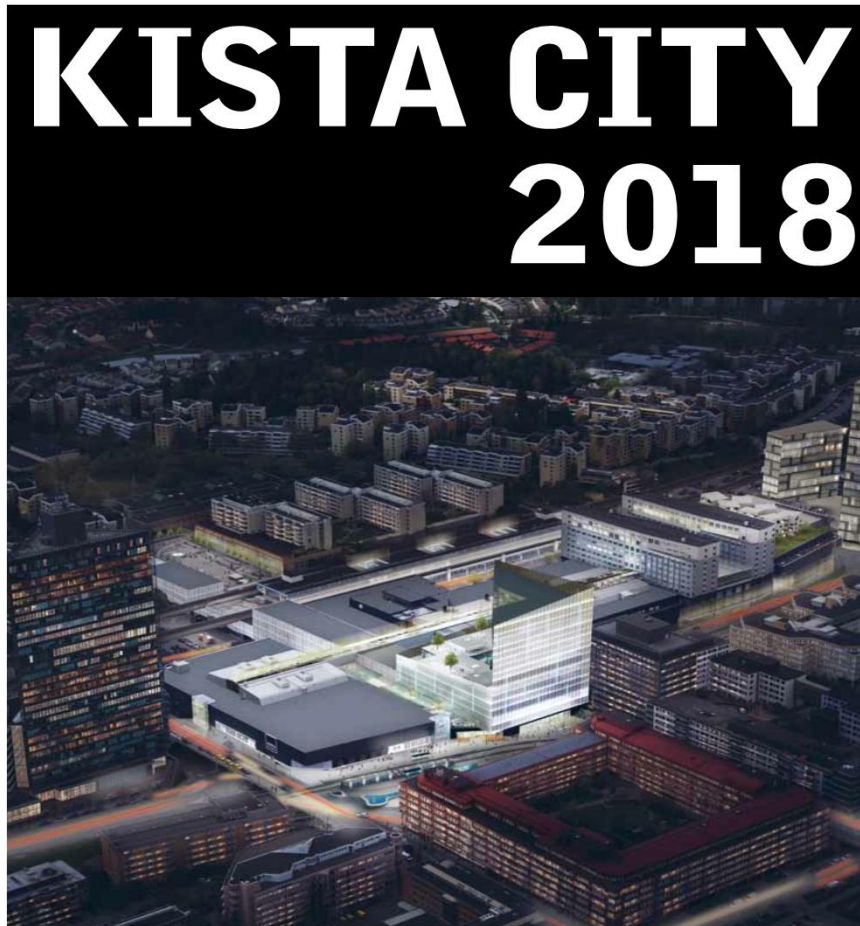


Aerial map of Kista with transportation links

Kista Galleria has excellent public transportation and car access



# Further development of Kista Galleria in line with “Kista City 2018” vision



KISTA MEDICAL CENTRE

10,000 SQ. M. NEW RETAIL & LEISURE

STAYING IN KISTA – ADDITIONAL HOTEL FACILITIES

70% MORE STUDENT HOUSING

KISTA IDEA CITY

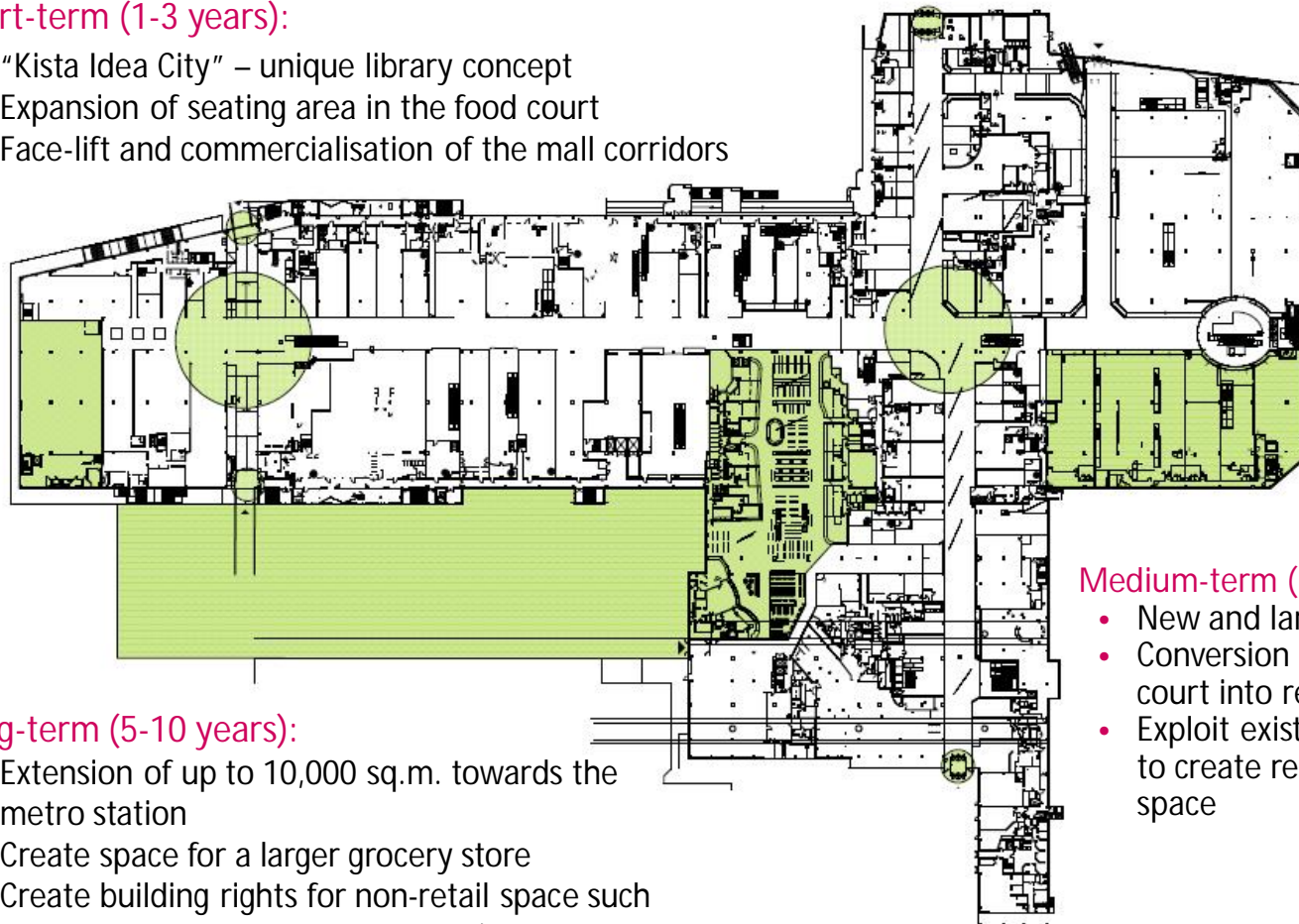
GROCERIES AND NECESSITY

Joint vision with Municipality of Stockholm

# Significant potential for optimising urban space

## Short-term (1-3 years):

- "Kista Idea City" – unique library concept
- Expansion of seating area in the food court
- Face-lift and commercialisation of the mall corridors



## Long-term (5-10 years):

- Extension of up to 10,000 sq.m. towards the metro station
- Create space for a larger grocery store
- Create building rights for non-retail space such as residential, medical offices and/or hotel

## Medium-term (3-5 years):

- New and larger food court
- Conversion of existing food court into retail units
- Exploit existing building rights to create residential or leisure space

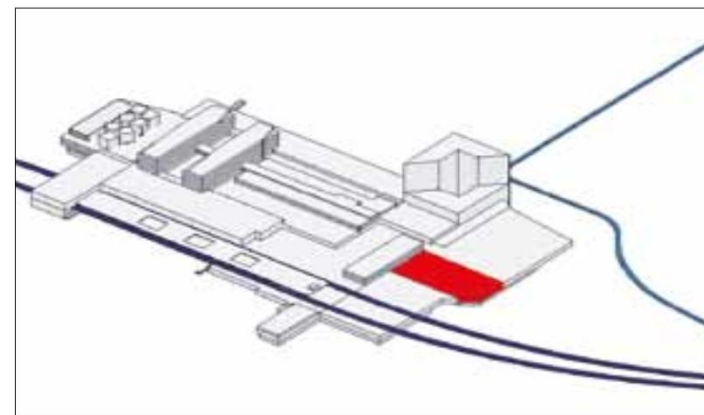
Maximising value through accretive redevelopments

# Creating Kista Idea City in 2014

- 2,400 sq.m. concept library leased on a 10-year lease to the City of Stockholm
- Creation of 400 sq.m. new space
- Significant political and monetary investment by the City of Stockholm
- New library concept in Sweden with clear links with the high tech areas of Kista Science City
- A full scale digital library with cultural activities, education and café



Rendering of the entrance to Kista Idea City

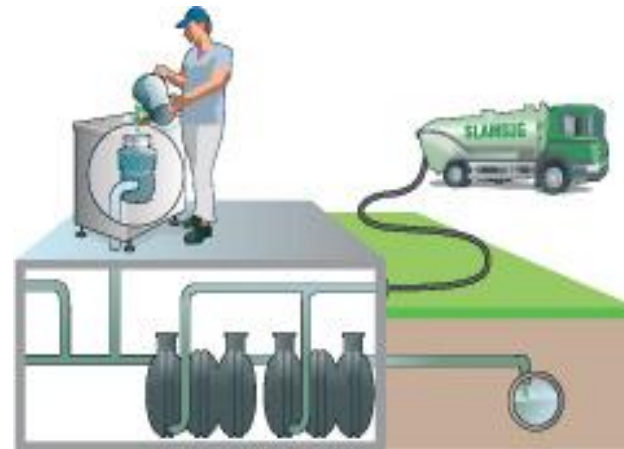


Location of Kista Idea City

Establishing a unique library concept for Sweden

# Wet waste project in Kista Galleria

- Kista food court creates up to 900kg of wet waste every day
- Advanced food mill and two giant tanks installed in the basement to turn wet waste into biogas
- Close cooperation with the City of Stockholm and Stockholm Water
- Never been done on a large scale basis
- Kista Galleria produces biogas for up to 12,000 km a month for local buses



Advanced food mill to turn wet waste into biogas



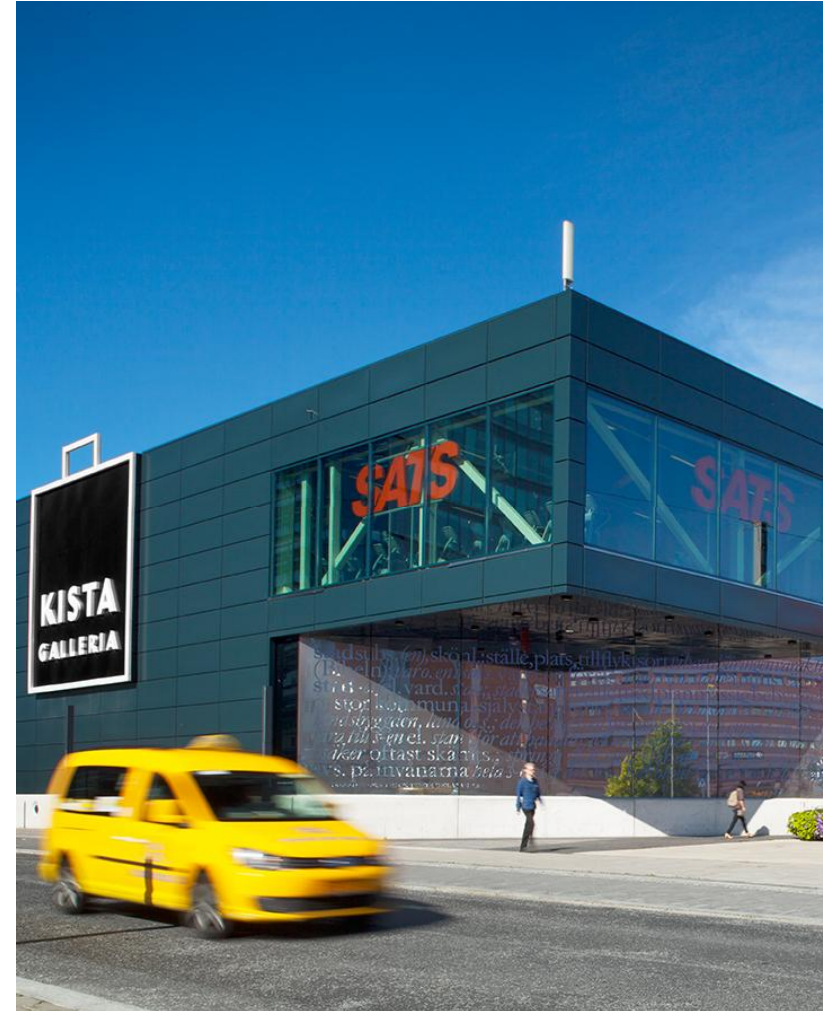
Local buses using biogas as fuel

Community engagement a key for Kista Galleria





Thank you  
Q&A



Kista Galleria, Stockholm