



CITYCON

Full year 2013 Results - Audiocast
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Highlights 2013



Kista Galleria, Stockholm

Highlights 2013

Good financial performance

Substantial reduction of admin expenses

Successful integration of Kista Galleria

Stronger financial position

Recycling of capital

Start of accretive (re)developments



Nasdaq, New York

Highlights 2013

Good financial performance

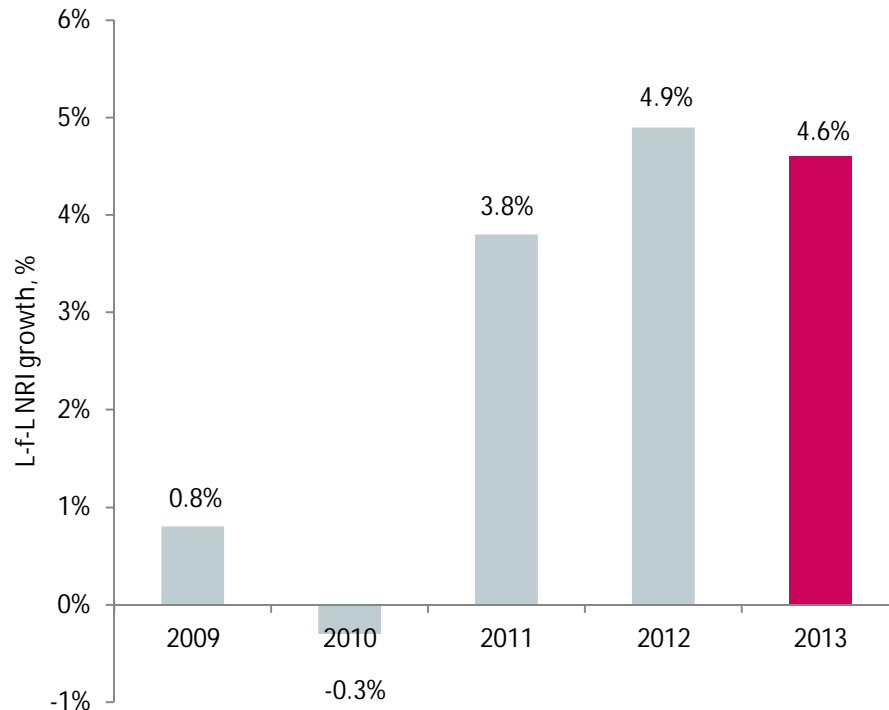
EUR million	Q4/2013	Q4/2012	FY 2013	Y-o-Y % Change
Net Rental Income	41.9	42.1	168.9	4.2%
Administrative expenses	5.5	7.9	20.6	-22.2%
EPRA Operating Profit	36.5	34.2	149.1	9.9%
Net financial income and expenses	-15.1	-17.4	-90.1	32.2%
EPRA Earnings	22.1	16.2	86.7	35.8%
EPRA EPS	0.050	0.046	0.204	2.5%

- Like-for-like net rental income growth: 4.6%
- EPRA EPS growth of 2.5% with 35% increase in number of shares
- Proposal to AGM: EUR 0.15 of dividend and equity return per share (approx. 5.9% dividend yield)

Strong earnings growth, driven by like-for-like NRI performance and cost cutting

Highlights 2013

Good financial performance



Like-for-like net rental income development 2013:

Continued strong like-for-like net rental income growth in both

- Shopping centres: 4.5%
- Supermarkets & shops: 5.6%

Strong growth in all regions

- Finland: 4.9%
- Sweden: 3.7%
- Baltic Countries & New Business: n/a (several (re)development projects ongoing)

Indexation in 2013 was 1.9%

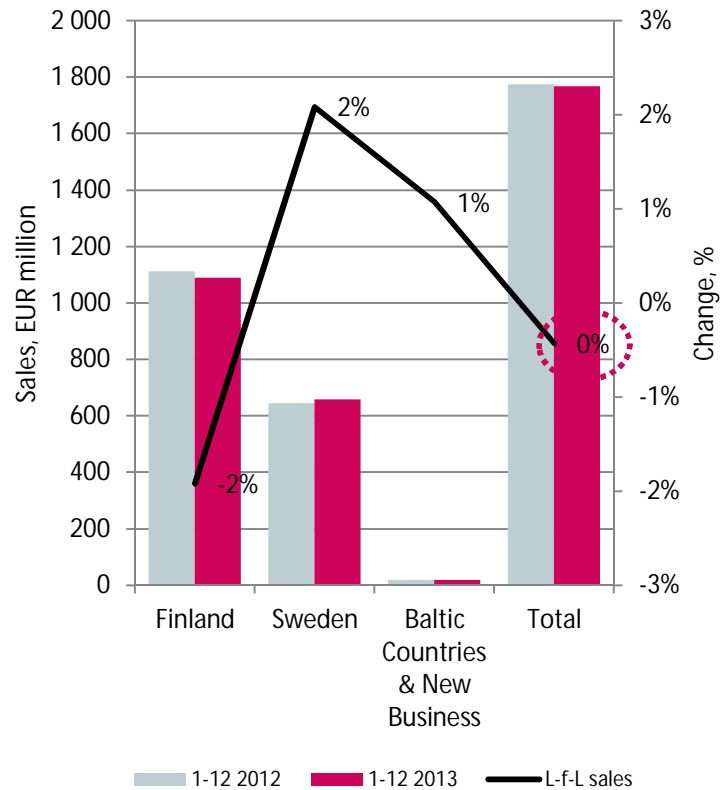
Clear outperformance of annual target of 1% above CPI

Highlights 2013

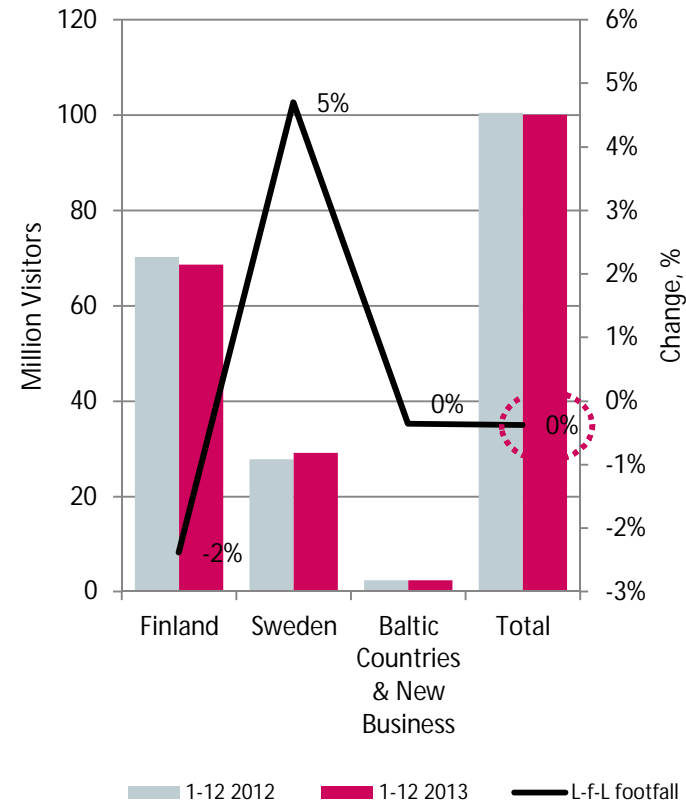
Good financial performance

In all Citycon SC's
 Total sales: +1%
 Total footfall: 0%

L-f-L shopping centre sales



L-f-L shopping centre footfall



Stable footfall and sales in challenging environment



Highlights 2013

Good financial performance

	Q4/2013	Q4/2012	Q3/2013
Occupancy rate (economic), %	95.7	95.7	95.8
L-f-L occupancy rate (economic), %	95.2	95.4	95.3
Occupancy cost ratio, % (L-f-L shopping centres)	8.6	8.5	8.6
Average rent, EUR/sq.m./mth	21.5	20.7	21.5

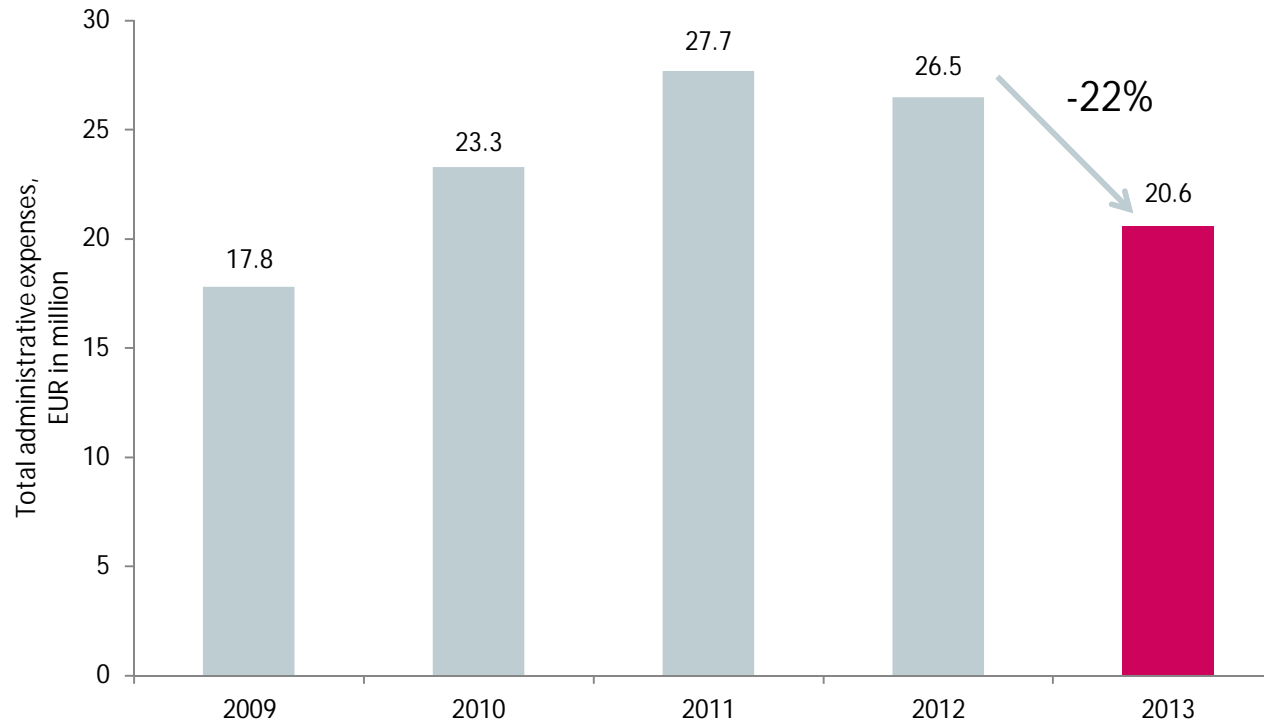
- Occupancy rate stable year-on-year
- Average rent increase of 3.9% year-on-year
- Continued modest occupancy cost ratio

Stable rental development of leases

Highlights 2013

Substantial reduction of admin expenses

Target: up to EUR 5 million
Result: EUR 5.9 million



Cost savings target exceeded

Highlights 2013

Successful integration of Kista Galleria



Performance in line with expectations

EUR million	FY 2013
Net Rental Income	32.0
Operating profit	29.6
Fair value	535.2
Fair value change	2.8
Net rental yield ¹⁾	6.1%
Occupancy rate, economic	99.1%
Average rent EUR/sq.m./mth	33.7

Upgrading of Kista Galleria started

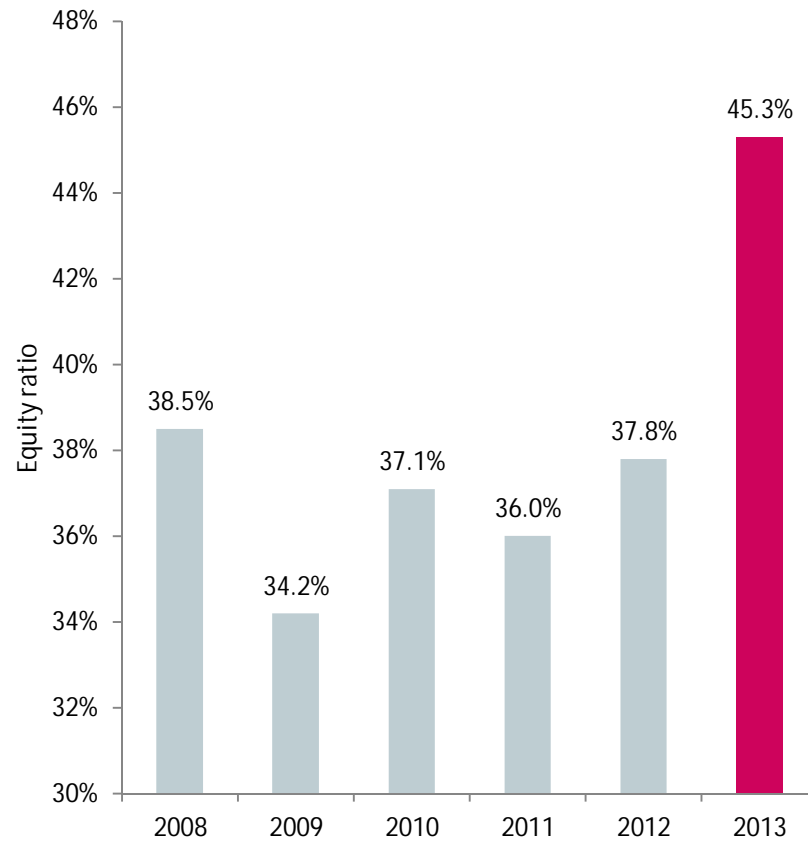
- Construction of high-tech library on-going
- Upgrade of Northern entrance and food court under planning - increasing leisure
- Relocation of Citycon Sweden office to Kista Galleria in Q3/2014

¹⁾ Net rental income (last 12 mths)/Average fair value of investment property. Net rental income excludes administrative expenses.

Good results in the first year

Highlights 2013

Stronger financial position



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

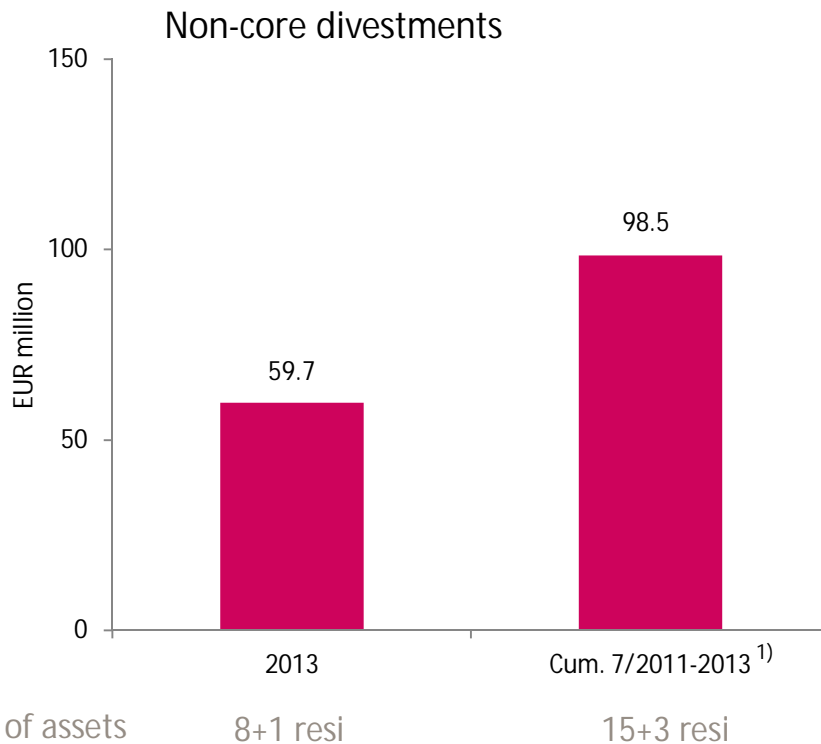


Forum, Jyväskylä

Improved equity ratio and more diversified funding sources

Highlights 2013

Recycling of capital



Proceeds invested in accretive (re)development projects and property upgrades

Three divestments signed/closed after Q4 2013 for a total value of EUR 8.7 million:

- SC Koskikara
- Retail property Säkylä
- Residential portfolio in Sweden

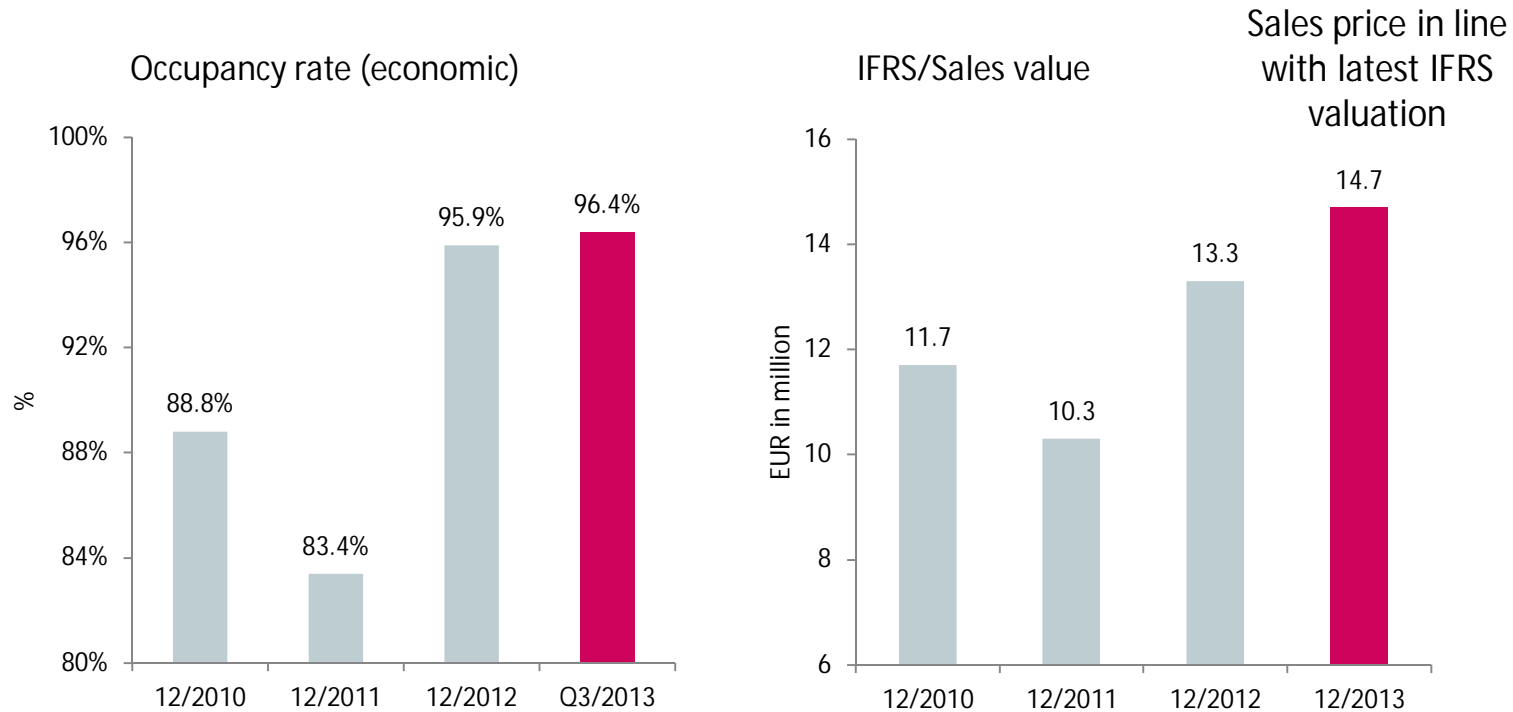
¹⁾ Strategy update in July 2011

EUR 100 million divested at approx. 5% net premium to IFRS valuation

Highlights 2013

Successful divestment of non-cores

Case - Divestment of SC Torikeskus in Seinäjoki in December 2013



Shopping centre Torikeskus divested after value enhancing activities

Highlights 2013

Start of accretive (re)developments

4 ongoing (re)development projects with estimated investment value of EUR 165 million

Property	Area before and after (sq.m.)	Citycon's estimated investment (EUR m)	Cum. realised capex (EUR m)	Expected yield on completion when stabilised (%) ¹⁾	Pre-leasing rate (%)	Est. of completion	
Iso Omena HMA Finland	63,300 90,000	88.0	13.4	6.5-7.0	40	Q3/2016	Three-phased extension project including partial (re)development of existing centre. Extension fully integrated with the new Matinkylä metro station and bus terminal. Phase 1 carried out in 50/50 partnership with NCC.
IsoKristiina Lappeenranta Finland	22,400 34,000	54.0	16.0	7.4	70	Q4/2015	Refurbishment and extension of the shopping centre. Ilmarinen JV partner with a 50% share in the (re)development and in the existing shopping centre. Lappeenranta City Theatre will be located inside the extension part.
Stenungs Torg Gothenburg Sweden	36,400 41,400	18.0	1.5	6.7	67	Q3/2015	Extension project with retail space for six new stores and construction of new main entrance
Kista Galleria Stockholm Sweden	94,200 94,600	5.0	3.3	-	100	Q4/2014	Refurbishment project. Digital library is added to the shopping centre as a joint investment with the City of Stockholm.

¹⁾Yield on completion,% = Expected stabilised (third year after completion) net rents incl. possible vacancy / total investment (=total capital invested in property by Citycon)



Highlights 2013

Development pipeline

4 (re)development projects in planning¹⁾

Property	Additional sq.m.	Citycon's expected net investment (EUR m) ²⁾	Target for project initiation	Target year of completion	Additional information
Lippulaiva HMA Finland	15,000– 20,000	40-50	2015	2016	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.
Myrmani HMA Finland	16,000	55	2014	2016	Extension possibility of the shopping centre. Prisma hypermarket and residential units are under planning to be built in connection to Myrmani.
Tumba Centrum Stockholm Sweden	6,000– 8,000	20	2014	2015/2016	Shopping centre expansion project. Negotiations related to zoning ongoing with the city of Botkyrka and a cooperation agreement for residential construction with a construction company.
Kista Galleria Stockholm Sweden	500	6	2014	2015	(Re)development possibility of the shopping centre. The plans include a facelift to the north part of the shopping centre including a new entrance as well as upgrade and extension of the current food court.

¹⁾ Citycon's Board of Directors has not yet made a decision on these (re)development projects, but they are under planning

²⁾ The amount of investment needed will change and become more precise as the planning process proceeds. The figure is the best current estimate

Develop urban potential of existing assets



Highlights 2013 Summary

Strong operational results

Stronger portfolio

Stronger balance sheet



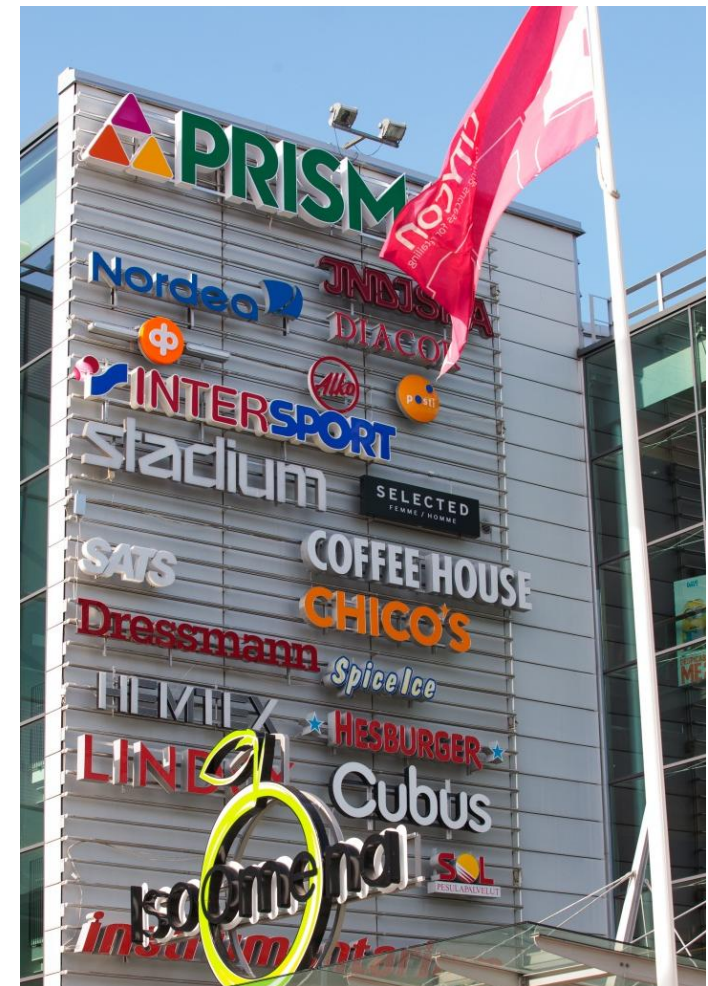
2014 onwards

Business environment:
Challenging retail market especially in Finland

- GDP still below zero
 - Unemployment >8%
 - Increasing taxes and moderate salary increases
- => Pressure on consumer demand and rental growth potential

Citycon:
Still well positioned

- Urban properties in best locations
 - Grocery-anchored shopping centres
 - Best centres will continue to perform
 - Improved country balance
- => After strong performance in 2013 Citycon expects slower growth in 2014



Iso Omena, Helsinki Metropolitan Area

Slower growth in 2014



Financial figures



Myyrmanni, Helsinki Metropolitan Area

Summary of 2013 Financial results

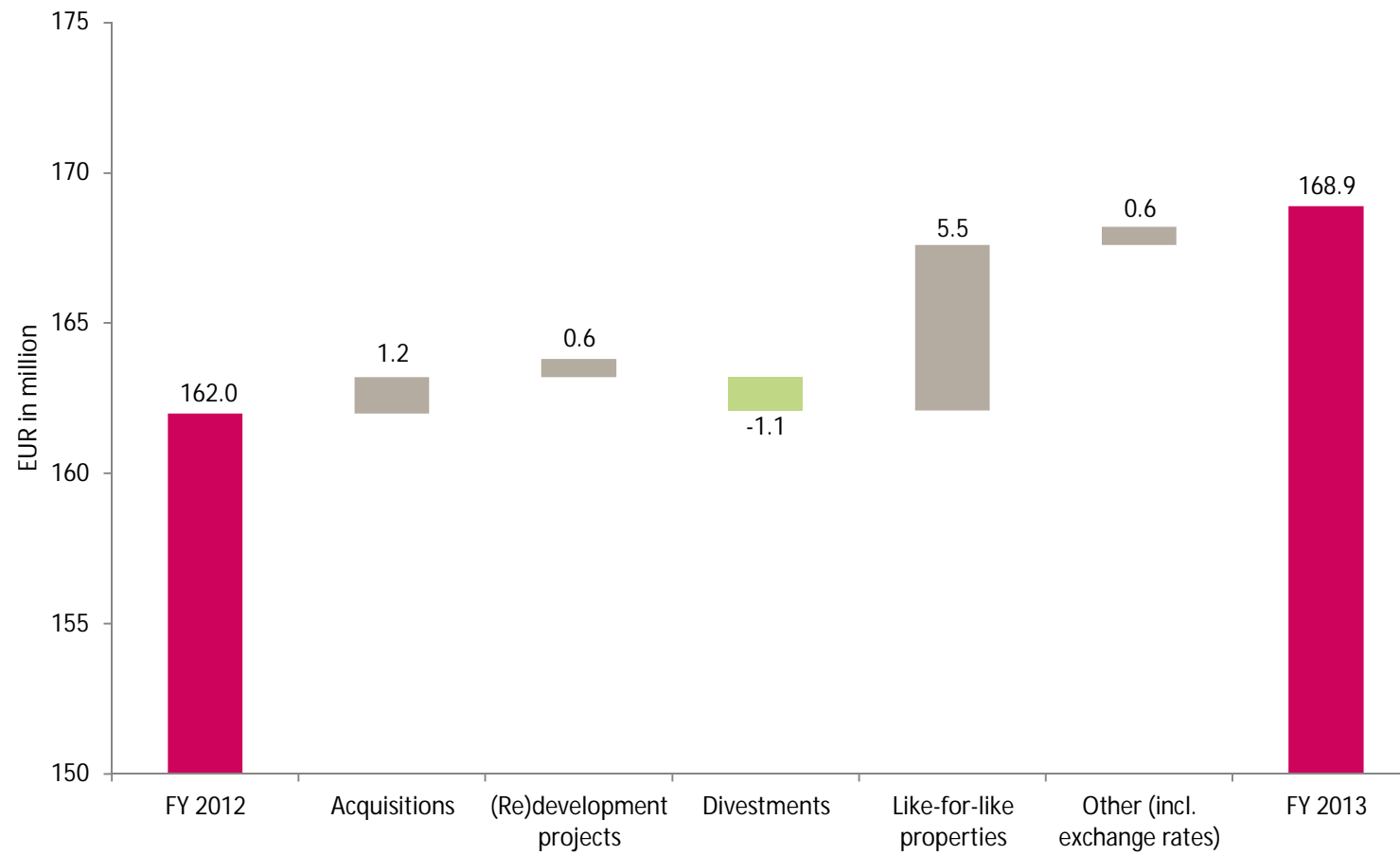
EUR million	Q4/2013	Q4/2012	FY 2013	FY 2013 incl. 100% Kista Galleria ¹⁾	FY 2012
Net Rental Income, Total	41.9	42.1	168.9	200.9	162.0
NRI, Finland	26.3	25.7	103.5	103.5	98.2
NRI, Sweden	9.0	10.0	39.7	71.7	39.2
NRI, Baltic Countries & New Business	6.6	6.5	25.6	25.6	24.6
EPRA Operating Profit	36.5	34.2	149.1	178.7	135.7
EPRA Earnings	22.1	16.2	86.7	86.7	63.9
EPRA EPS, basic ²⁾	0.050	0.046	0.204	0.204	0.199

- Kista Galleria is consolidated in Citycon's financial statements using the equity method.
- In 2013, Kista Galleria contributed approximately EUR 10.3 million to the IFRS based profit for the period, consisting of Citycon's share of result in Kista Galleria and interest and fee income from Kista Galleria

¹⁾ Kista Galleria figures included for the period 1.1.2013-31.12.2013

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

NRI development



Snapshot of statement of comprehensive income

EUR million	Q4/2013	Q4/2012	FY 2013	FY 2012
Turnover	62.0	62.1	248.6	239.2
Property operating expenses	19.6	20.1	78.4	75.8
Other expenses from leasing operations	0.4	-0.1	1.3	1.4
Net rental income	41.9	42.1	168.9	162.0
Administrative expenses	5.5	7.9	20.6	26.5
Other operating income and expenses	0.1	0.0	0.9	0.2
Net fair value gains/losses on investment property	4.7	3.8	26.1	23.6
Net gains on sale of investment property	0.8	-0.4	0.8	4.2
Operating profit	42.0	37.6	176.0	163.4
Net financial income and expenses	-15.1	-17.4	-90.1	-68.1
Share of profit/loss of jointly controlled entities	0.8	0.3	4.1	0.2
Profit/loss before taxes	27.8	20.5	90.1	95.5
Profit/loss for the period	36.0	21.8	100.0	87.7
Total comprehensive profit/loss for the period	31.2	19.4	133.2	77.0

New disclosure: EPRA Cost Ratio

EUR million	FY 2013	FY 2012
EPRA Costs (incl. direct vacancy costs) (A)	45.7	48.3
EPRA Costs (excl. direct vacancy costs) (B)	40.7	42.8
Gross Rental Income (C)	209.6	183.9
EPRA Cost Ratio (incl. direct vacancy costs) (A/C, %)	21.8	26.2
EPRA Cost Ratio (excl. direct vacancy costs) (B/C, %)	19.4	23.3

- The improvement in EPRA Cost Ratio incl. direct vacancy costs resulted mainly from lower administrative expenses and higher gross rental income
- EPRA Cost Ratio excl. direct vacancy costs also improved due to lower EPRA Cost Ratio and higher occupancy rate

Snapshot of statement of financial position

Statement of financial position, EUR million	31 Dec 2013	31 Dec 2012
Investment properties	2,733.5	2,714.2
Total non-current assets	2,898.6	2,737.6
Total current assets	74.5	75.5
Total assets	2,975.4	2,818.5
Total shareholder's equity	1,340.6	1,059.9
Total liabilities	1,634.7	1,758.6
Total liabilities and shareholders' equity	2,975.4	2,818.5

Key figures	31 Dec 2013	31 Dec 2012
EPRA NAV per share, EUR ¹⁾	3.10	3.49
EPRA NNAV, EUR ¹⁾	2.90	3.08
Net Yield Requirement, % (valuation yield by external appraiser)	6.3	6.3

¹⁾ Calculated with the issue-adjusted number of shares resulting from the rights issue executed in March 2013

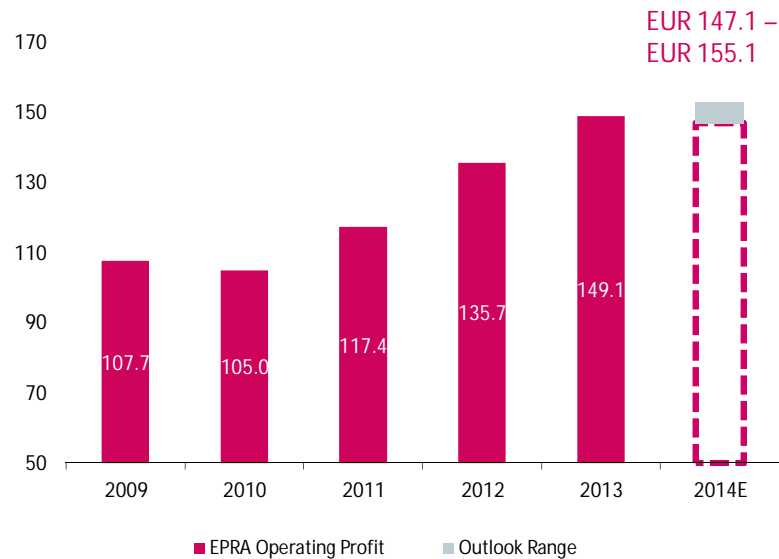
Property portfolio

	Q4/2013	Q4/2012	FY 2013	FY 2012
Occupancy rate (economic), %	95.7	95.7	95.7	95.7
Average rent, EUR/sq.m.	21.5	20.7	21.5	20.7
Number of leases started during the period	163	195	611	792
Total area of leases started, sq.m. ¹⁾	52,697	40,257	150,013	141,167
Average rent of leases started, EUR/sq.m. ¹⁾	17.5	22.0	18.8	20.5
Number of leases ended during the period	458	153	1,117	1,064
Total area of leases ended, sq.m. ¹⁾	66,260	29,728	186,567	149,972
Average rent of leases ended, EUR/sq.m. ¹⁾	18.3	24.6	18.6	18.6

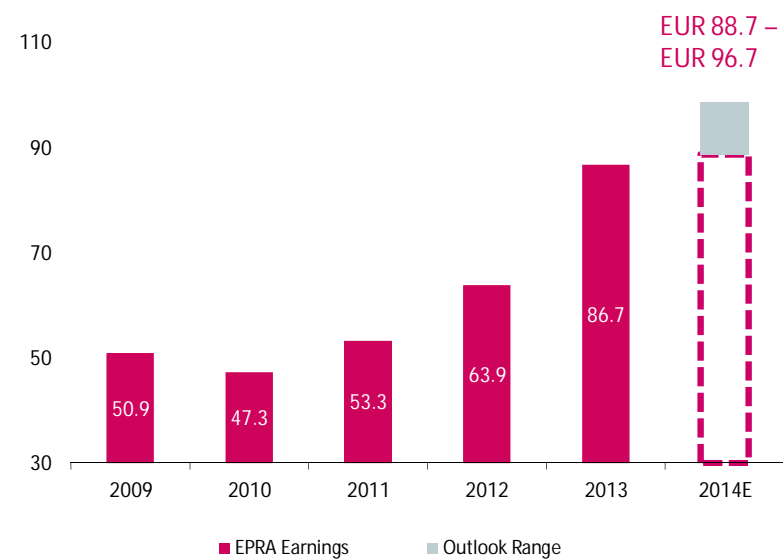
¹⁾ Leases started and ended do not necessarily refer to the same premises

Outlook 2014

EPRA Operating Profit, EUR million



EPRA Earnings, EUR million



- The company expects:
 - Turnover to increase by EUR +1 to +9 million
 - EPRA Operating Profit to change by EUR -2 to +6 million
 - EPRA Earnings to increase by EUR +2 to +10 million
 - EPRA EPS (basic) to be EUR 0.20–0.22 based on the existing portfolio and number of shares

Financing overview



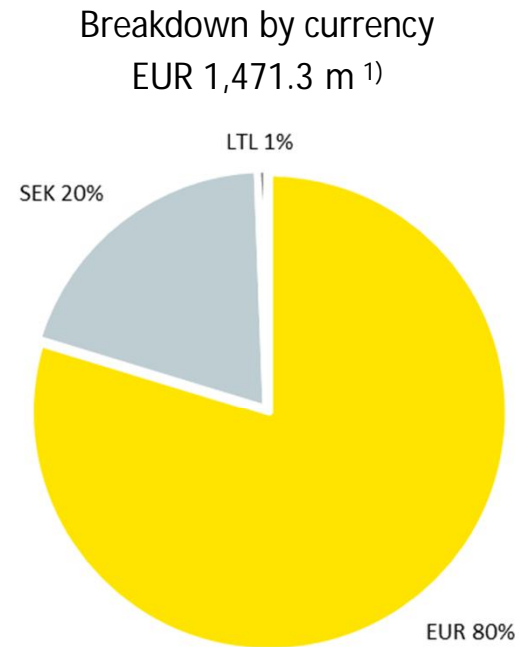
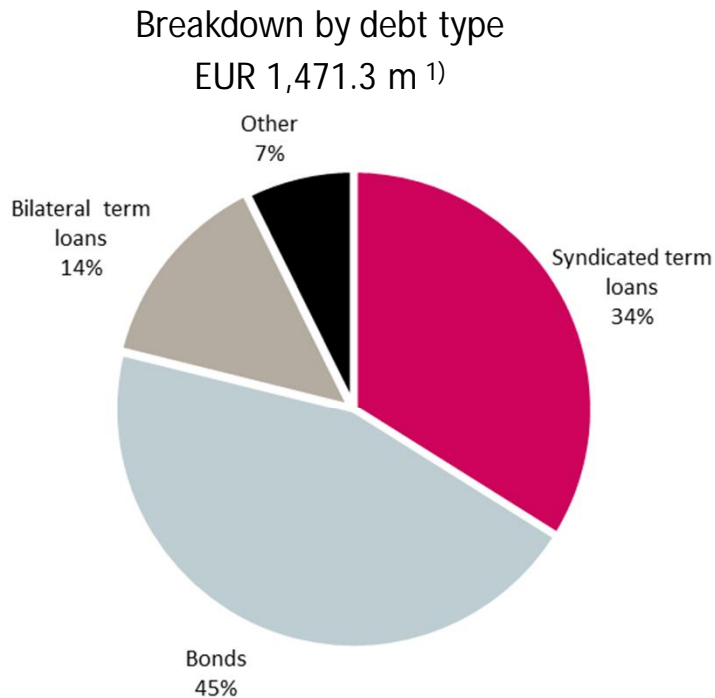
Liljeholmstorget Galleria, Stockholm

Financing overview – Key figures

KEY RATIOS	Q4/2013	Q3/2013	Q4/2012
Equity ratio, %	45.3	44.1	37.8
Loan-to-value (LTV), %	52.1	53.4	54.5
Gross Debt, EUR million	1,462.4	1,490.2	1,538.8
Cash, EUR million	38.0	25.0	51.0
Current average interest rate, %	4.12	4.07	4.25
Year-to-date average interest rate including interest rate swaps, %	4.06	4.08	4.07
Hedging ratio, %	83.4	91.1	89.2
Average loan maturity, years	4.1	4.3	3.2
Average fixing time, years	3.9	4.2	3.5
Available liquidity, EUR million	435.4	405.0	268.4
Financial covenants:			
Equity ratio (>32,5%)	45.2	44.1	40.5
ICR (>1.8)	2.4	2.3	2.1

- Current average interest rate increased in Q4 due to repayment of all outstanding short-term variable interest-bearing CP's.
- Hedging ratio decreased due to exclusion of swaps and loans maturing within one year.
- Both liquidity and financial covenants improved further and are at comfortable levels.

Debt type and currency split

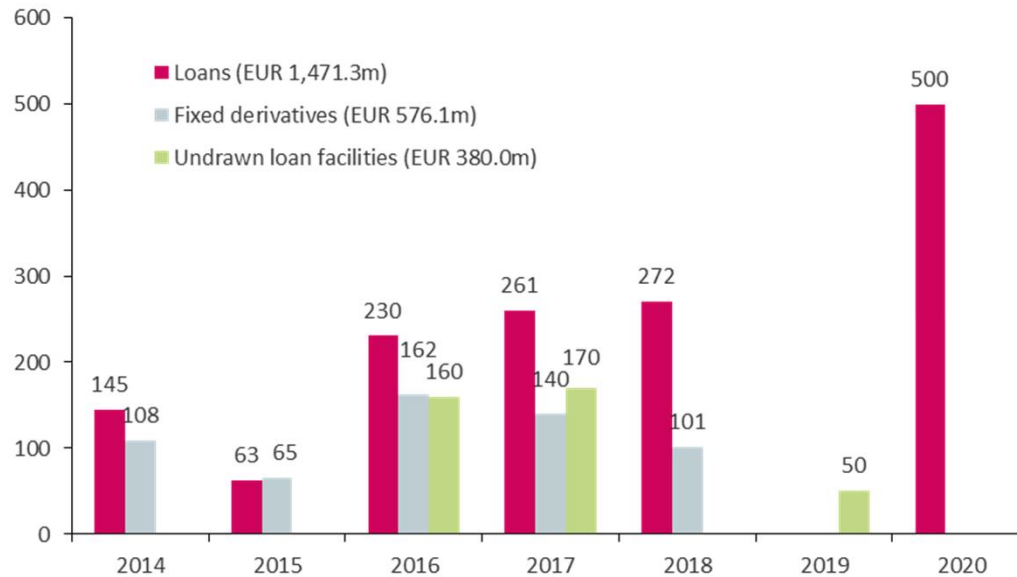


- Well diversified debt sources following the EUR 500 million Eurobond issue in Q2, with bonds now accounting for 45% of total outstanding debt.
- EUR 500 million Eurobond issue has shifted the currency breakdown more towards EUR (80% currently vs. 62% at Q4/2012)

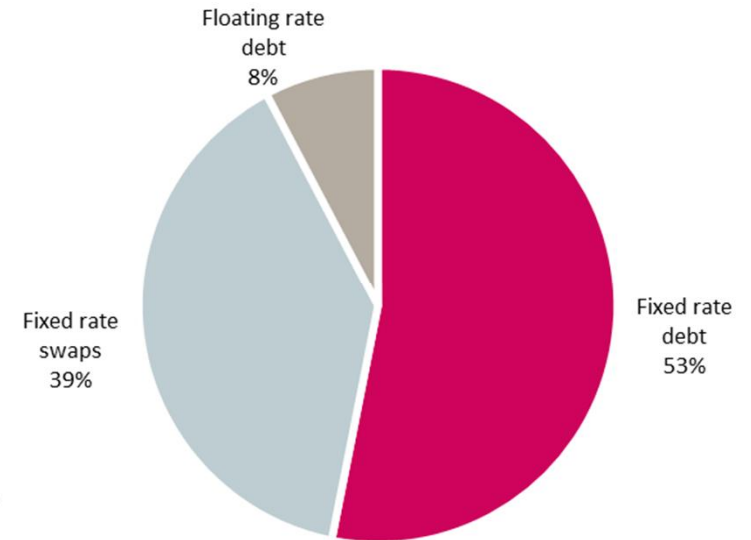
¹⁾ Carrying value of debt as at 31 Dec 2013 was EUR 1,462.4 million. The difference between fair and carrying value equals the capitalised fees of long-term loan facilities and bonds as well as to the equity component of the convertible bond which is recognised under equity.

Debt maturities and interest risk hedging

Maturity profile of loans and derivatives



Interest-bearing debt by fixing type
EUR 1,471.3 m



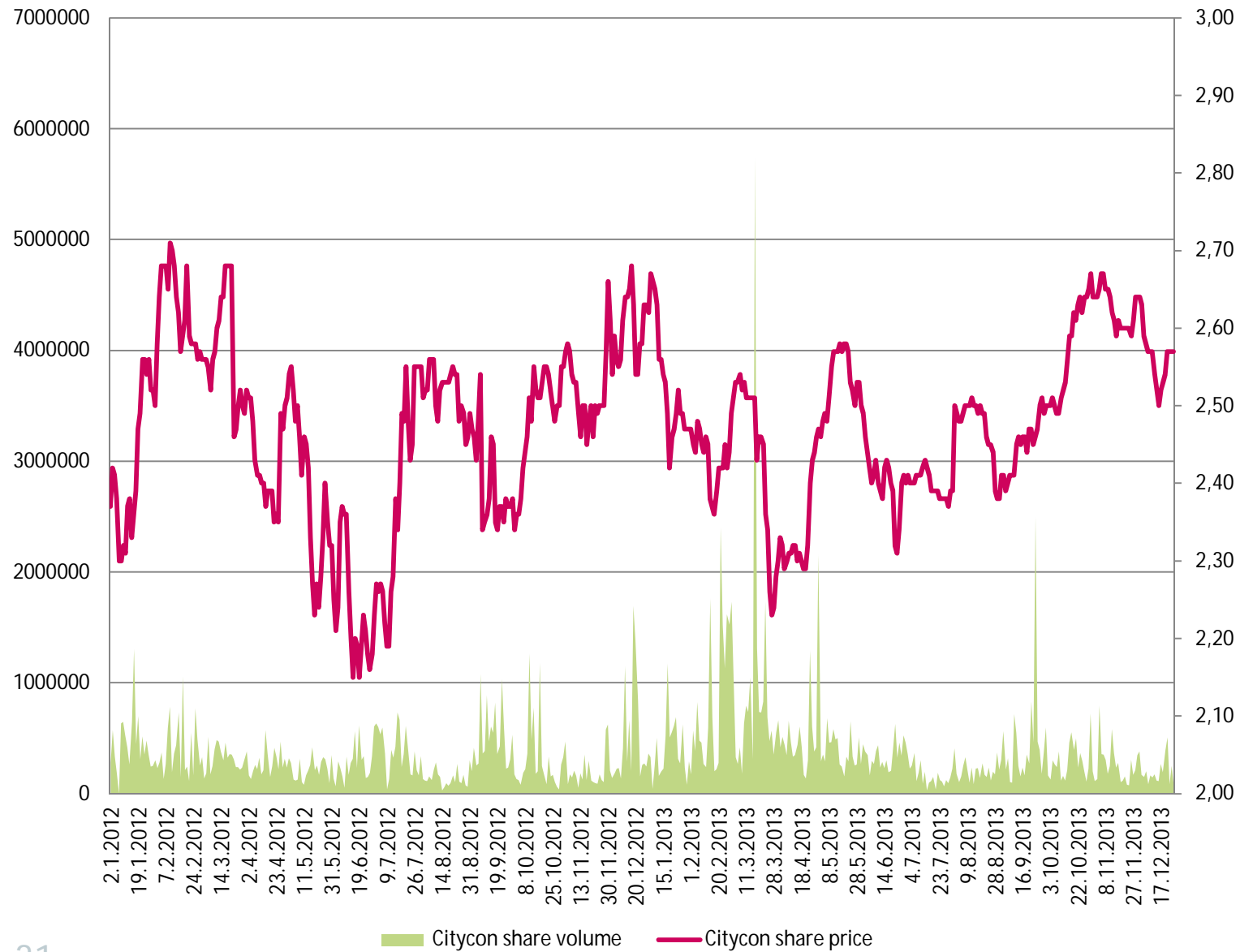
- Average loan maturity decreased in Q4 still being longer than in Q4/2012 (3.2 years) due to the 7-year EUR 500 million Eurobond issued in June 2013.
- Hedging ratio decreased to 83.4% in Q4. The decrease follows the exclusion of swaps and fixed rate loans maturing in 2014 as these are classified under variable rate interest.

Financial expenses analysis

Net Financial Expenses (EUR thousand)	Q4/2013	Q3/2013	Q4/2012	Q1-Q4/2013	Q1-Q4/2012	Change % YTD
Financial expenses:						
Interest expenses	-15 268	-15 919	-15 961	-64 348	-63 168	2 %
Foreign exchange gains(+)/ losses(-)	-4	-32	-108	46	-24	-288 %
Amortisation of capitalised fees	-413	-412	-389	-2 004	-1 686	19 %
Non-cash option expense from convertible bonds	0	-85	-239	-480	-1 349	-64 %
Other expenses	-972	-746	-799	-29 730	-2 461	1108 %
Total expenses	-16 657	-17 195	-17 497	-96 516	-68 688	41 %
Financial income:						
Interest income	1 544	1 775	99	6 465	551	1073 %
Fair value gains(+)/ losses (-) from derivatives	0	0	0	0	0	0 %
Total income	1 544	1 775	99	6 465	551	1073 %
Net financial expenses	-15 113	-15 420	-17 398	-90 051	-68 136	32 %

- A** Interest expenses in Q4 decreased by EUR 0.6 million from the previous quarter
- B** Amortisation of fees remained at the same level in Q4 as in Q3. Full year figure was EUR 0.3 million higher than last year
- C** Other expenses increased by EUR 0.2 million in Q3, mainly due to accrued commitment fees. Full year figure was higher than last year due to one-off expenses, mainly relating to the fair value loss on the unwinding of IRS's following the EUR 500 million Eurobond issue in June
- D** The full year interest income is clearly higher than last year as Citycon has earned interest on the shareholder loan given to Kista Galleria
- E** Compared to previous year the financial expenses have increased clearly due to one-off costs but excluding Other expenses, the net financial expenses decreased by 8 per cent i.e. EUR 5.4 million

Share performance and volume

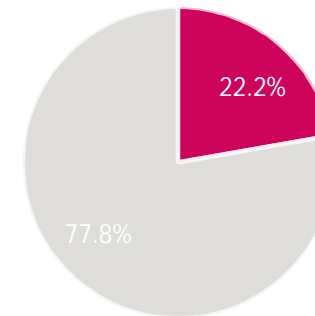


Ownership, 31 December 2013

- Established and listed on the Helsinki Stock Exchange since 1988
- Market cap EUR 1 129.7 million
- Number of domestic shareholders stayed stable: total 8,820 (7,717) registered shareholders, 22.2% (23.3%) 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)

Shareholders

■ Domestic ■ International



Trio, Lahti

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