



CITYCON

Q1 2013 Results - Audiocast Presentation
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Highlights of Q1 2013



Highlights of Q1 2013

Good financial performance in Q1

- Like-for-like net rental income growth of 3.5%
- EPRA Operating Profit EUR 35.4 million, increase 14.3%
- EPRA Earnings EUR 19.7 million, increase 37.5%
- Net fair value gains of EUR 11.8 million

Closing of Kista Galleria acquisition

- Strategic move to rebalance the portfolio under management and to strengthen Citycon's market position in Sweden
- Portfolio share of Sweden increased from approx. 25% to approx. 40% in regards to fair market value (including Kista Galleria 100 %)
- 50/50 joint venture with CPPIB
- Total investment of EUR 530 million, net initial yield 5.5%
- Started off well according to expectations
- Further integration within portfolio and organisation in Q2
- Expansion of food court is priority

Highlights of Q1 2013

Rights issue of approx. EUR 200 million successfully executed and completed

- Largest ever equity raise by Citycon
- Oversubscription of 150 %, 99.7 % by primary subscription
- Strategic move to permanently de-leverage the company

(Re)development and partnership in IsoKristiina

- 50/50 joint venture with Ilmarinen as co-developer and co-owner
- Recycling of capital by selling 50% of existing centre to Ilmarinen in Q1 based on IFRS market value
- Close to 60% of lease agreements signed/agreed
- Construction started end of March

Highlights of Q1 2013

Further capital recycling through divestment of non-core properties

- In Q1 signing or closing of divestment of three non-core properties (Hindås, Ultima & Lindome) for a total value of EUR 15 million, Lindome closed 16 April
- Further divestment program to be executed after value enhancing activities

Substantial cost reduction actions showing result

- Administrative expenses reduction in Q1 in line with full year target for 2013 of up to EUR 5 million
- Change from country organization to clusters: One Citycon
- Opex savings program in good progress, even though exceptionally cold March increased energy expenses in Q1

Summary of Q1 2013 – Operational results

in EUR million	Q1 2013
Like-for-like NRI growth, total	3.5 %
L-f-I Shopping centre NRI growth	3.8 %
L-f-I Supermarket & shops NRI growth	1.9 %
L-f-I Shopping centre sales development	-1.0 %
L-f-L Shopping centre footfall development	0.0 %

- Three trading days less in Q1 2013 compared to Q1 2012

Summary of Q1 2013 – Portfolio key numbers excluding Kista Galleria

	Q1 2013	Q1 2012	Q4 2012
Occupancy rate (economic), %	95.0	95.5	95.7
Occupancy cost ratio, % (LFL shopping centres)	8.6	8.9	8.9
Average rent, EUR/sq.m.	21.3	20.5	20.7
Fair value gain, EUR in million	11.8	5.9	3.8
Net yield requirement, %	6.3	6.4	6.3

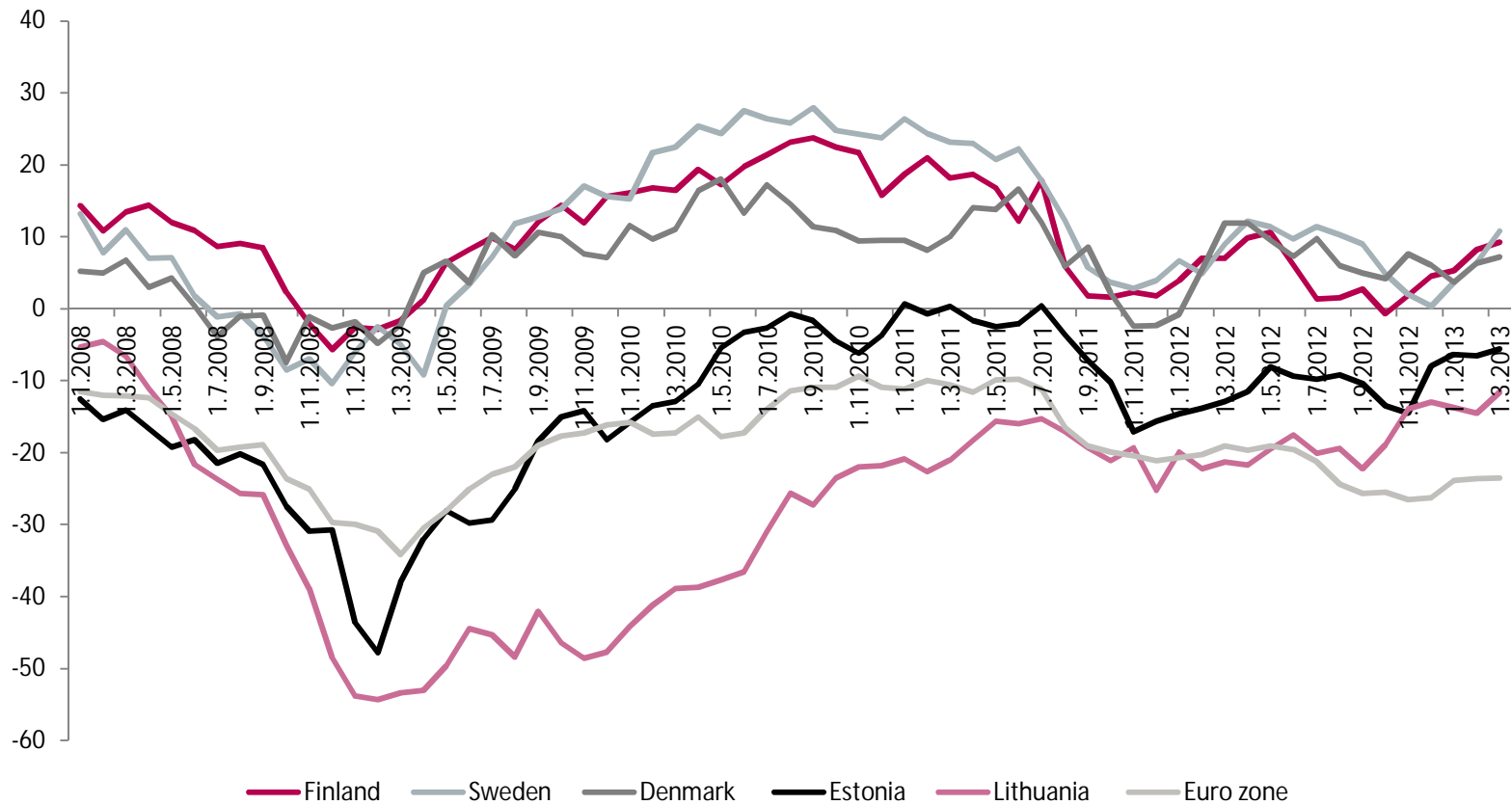


Business environment



Business environment

CONSUMER CONFIDENCE



Source: Eurostat

Consumer confidence indicator is conducted as an interview survey. It includes respondent's view on financial situation, general economic situation, unemployment expectations over the next 12 months, and savings over the next 12 months.

Consumer confidence in Nordics above Euro zone average

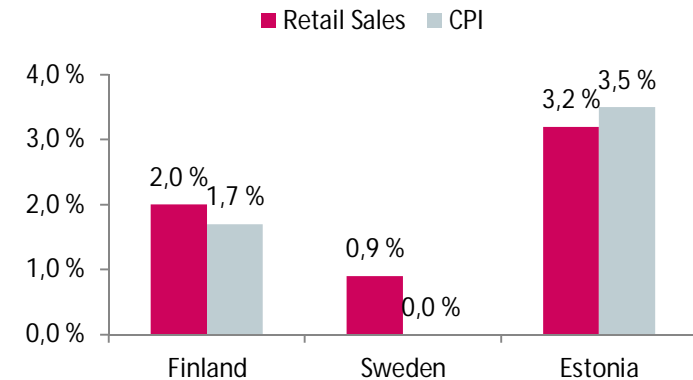
Business environment

February unemployment rates below the European Union average (10.9%):

- Finland 8.1 %
- Sweden 8.2 %
- Estonia 9.9 % (Jan 2013)
- Lithuania 13.3 % (Jan 2013)

In the real estate market, polarization to prime and non-prime continues. Shopping centre prime yields have remained stable but secondary yields are facing upward pressure.

Retail sales (Jan-Feb)¹⁾ & CPI (March)



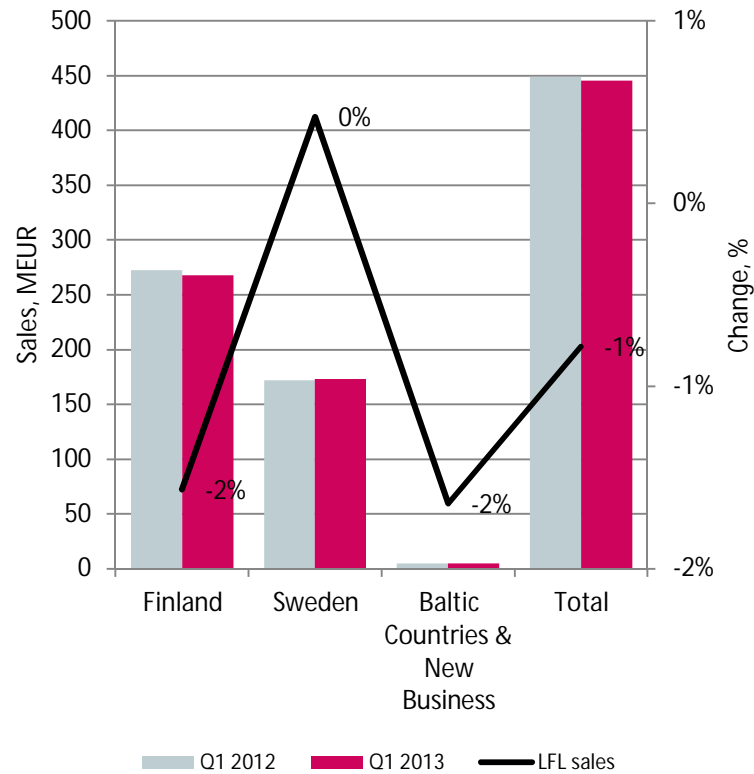
¹⁾ Retail sales figures are not working day adjusted. Finnish and Swedish sales figures are reported in current prices and Estonian in constant prices.

Source: Statistics Finland, Statistics Sweden, Statistics Estonia, Eurostat, JLL

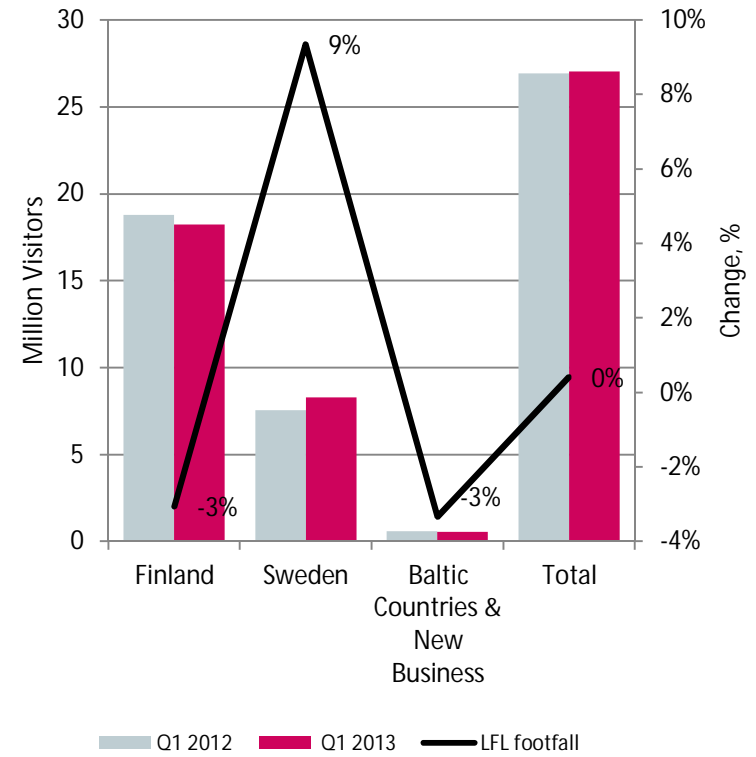
Retail sales positive, though under pressure

Sales and footfall

LFL Shopping Centre Sales

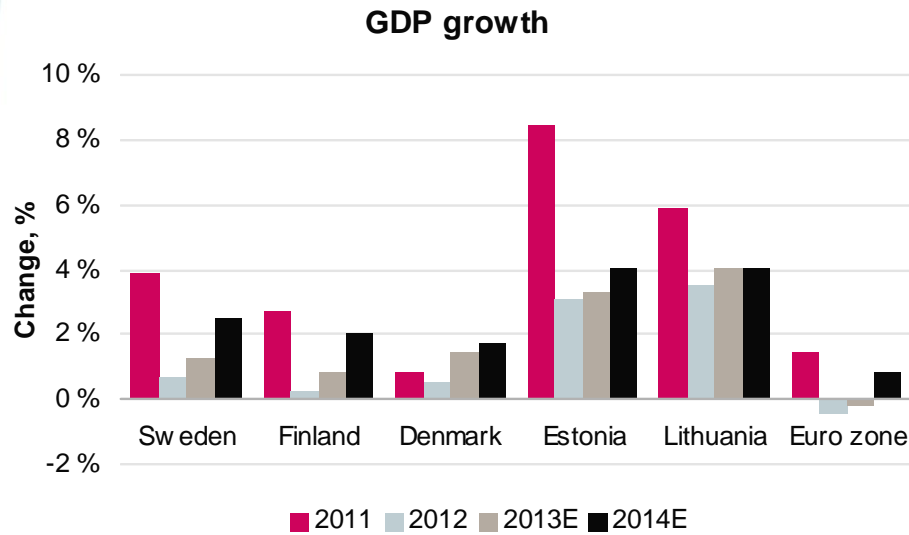


LFL Shopping Centre Footfall

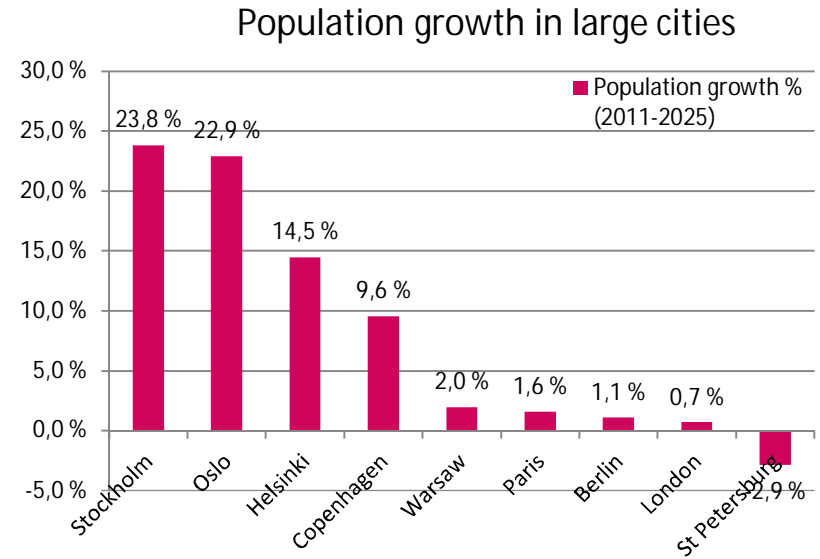


Solid sales and footfall taking into account three less trading days

Business environment



Source: SEB Nordic Outlook report



Source: Statistics Finland, Norway, Sweden, Denmark and <http://www.demographia.com/db-wuaproject.pdf>

Strong population growth in Citycon's core cities

Business environment

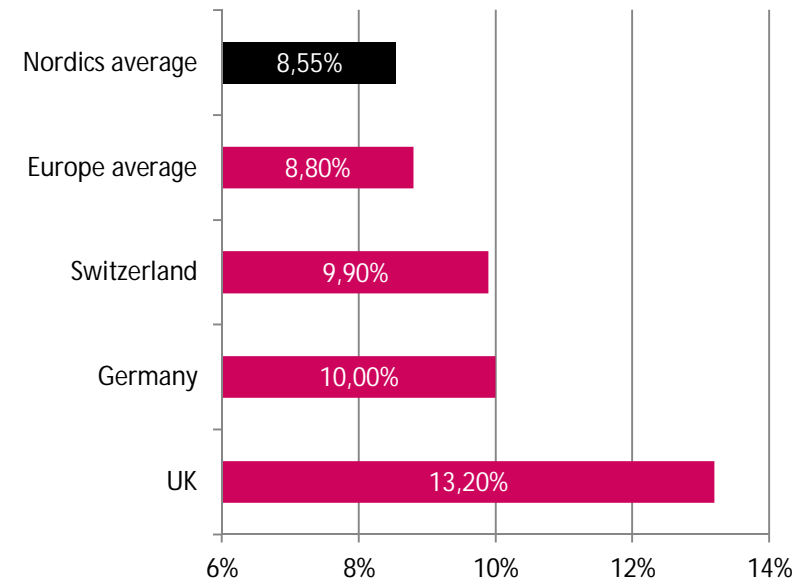
Europe brand penetration

Rank	Country	Total ¹⁾	Rank	Country	Total
1.	Germany	711	12.	Switzerland	220
2.	Spain	585	13.	Austria	207
3.	France	545	14.	Denmark	189
4.	United Kingdom	496	15.	Hungary	162
5.	Netherlands	464	16.	Romania	160
...			17.	Finland	156
10.	Sweden	240	18.	Norway	151
11.	Czech Republic	229			

¹⁾ Number of retail brands

Source: <http://www.retailindex.com/HomeSearch/CalculateNumberofRetailerspercountrysector.aspx>

Online purchases of total retail sales (2011)



Source:
<http://www.internetworldstats.com/list2.htm#help>
<http://press.kelkoo.co.uk/euonlineroundup.html>
<http://www.tns-gallup.fi/uutiset.php?aid=14785&k=14320>

The Nordic region is the best kept secret for international retailers

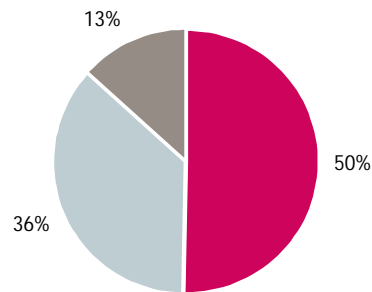


Property Portfolio & (Re)development Projects



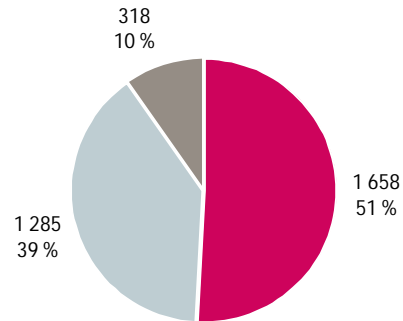
Geographical positioning

Net rental income
—with Kista Galleria 100 %



- Finland
- Sweden
- Baltic Countries & New Business

Fair values of properties, (EUR million)
—with Kista Galleria 100 %



- Finland
- Sweden
- Baltic Countries & New Business



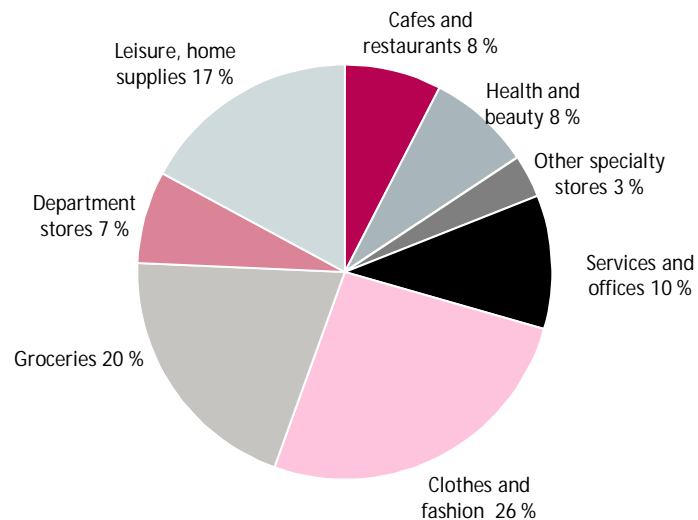
Leading owner and operator of shopping centres in the Nordics and Baltics

Property portfolio excluding Kista Galleria

- 3,764 (3,782) leases with an average length of 3.4 (3.5) years
- Total GLA 989,870 m²
- Rents linked to CPI (nearly all the agreements)

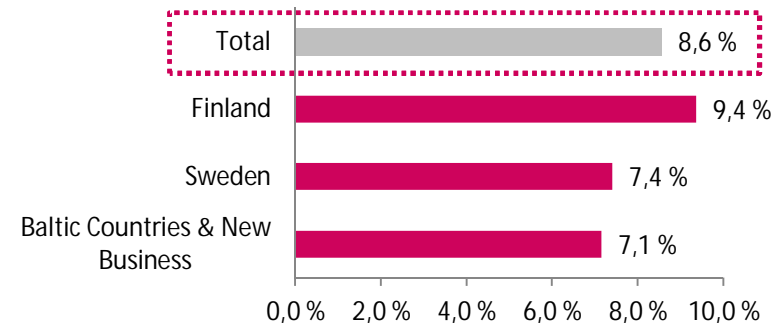
Segment diversification

Shopping centre rental income by branches as per Dec 2012



Occupancy cost ratio

LFL Shopping centre, rolling 12 month



Relatively low OCR indicating uplift potential in rental levels

(Re)development and partnership in IsoKristiina



Co-redevelopment/investment with Ilmarinen – recycling of capital

(Re)development projects

(Re)developments and extensions

Property	Area, sq.m. before and after	Citycon's estimated total investment, MEUR	Cumulative realised capex by the end of period, MEUR	Expected yield on completion when stabilized, % ¹⁾	Pre-Leasing rate, %	Est. of Completion	
IsoKristiina Lappeenranta Finland	19 800 34 000	54.0	1.7	7.4	60	2015	Refurbishment and extension of the shopping centre. Ilmarinen joint venture partner with a 50 % share in the (re)development and in the existing shopping centre. Lappeenranta City Theatre will be located inside the shopping centre's extension part.
Åkermyntan Centrum Stockholm Sweden	8 500 10 100	6.9	6.9	6.9	93	Q2/ 2013	(Re)development project, where the shopping centre and parking will be renewed and energy efficiency will be improved. Slight delay due to negotiations with existing tenants.

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

Largest (re)development projects under planning

Citycon's Board of Directors has not yet made a decision on these (re)development project, but it is under planning.

Property	Project area, ¹⁾ sq.m.	Citycon's expected net investment need, MEUR ²⁾	Target for project initiation	Target year of completion	Additional information
Iso Omena ³⁾ Espoo (Helsinki MA) Finland	27 000	80-90 (total 170)	2013 ⁴⁾	2016	Planning reservation together with the construction company NCC regarding above ground premises of the upcoming Matinkylä subway station of western subway line, bus terminal and extension of shopping centre Iso Omena. The subway line is scheduled to be completed late 2015. GIC owns 40 % of Iso Omena. LOI signed with the first Debenhams to enter Finland to the extension part.
Lippulaiva Espoo (Helsinki MA) Finland	15 000- 20 000 ⁵⁾	40-50	2014	2016	Extension of the shopping centre. The refurbishment of interior premises completed. Planning of the extension continues.
Myyrmani Vantaa (Helsinki MA) Finland	16 000	55	2014 ⁴⁾	2016	Extension possibilities of the shopping centre to two different sides of the centre to the former health care centre's and Paalutori's plot. Parking is planned to be transferred underground. Prisma hypermarket and residential units are under planning to be built in connection to Myyrmanni. Covered access from the adjacent local train station to the planned extension.

1) The project area refers only to the area of the planned extension.

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

3) Partly-owned property.

4) The schedule for the project completion and/or project launch and/or project area involves risks associated with city planning.

5) The project area refers to the combination of the area of the existing premises under refurbishment.



Financial figures



Summary of Q1 2013 – Financial results

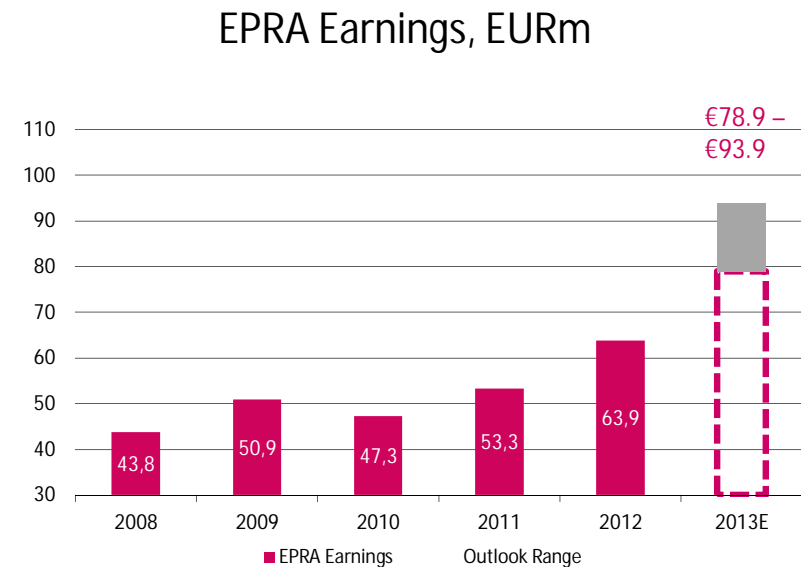
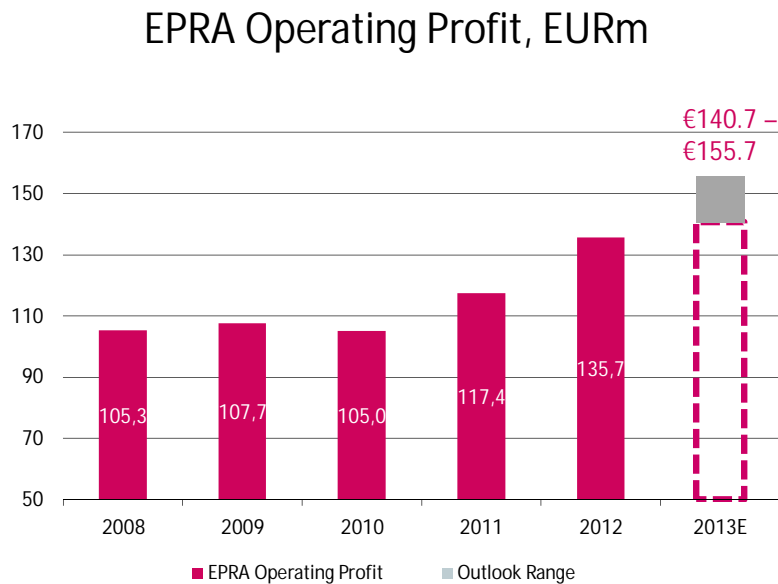
in EUR million	Q1 2013	Q1 2013 incl. 100 % Kista Galleria ¹⁾	Q1 2012	Q4 2012	FY 2012
Net Rental Income, total	40.4	48.1	37.5	42.1	162.0
NRI Finland	24.2	24.2	22.8	25.7	98.2
NRI Sweden	9.7	17.5	9.2	10.0	39.2
NRI Baltic Countries & New Business	6.4	6.4	5.5	6.5	24.6
EPRA Operating Profit	35.4	42.6	31.0	34.2	135.7
EPRA Earnings	19.7	19.7	14.3	16.2	63.9
EPRA EPS, basic	0.052	0.052	0.046	0.046	0.199 ²⁾

- Kista Galleria consolidated into Citycon's financial statements with the equity method

¹⁾ Citycon's management follow the performance of Kista Galleria as if it was fully consolidated into Citycon's net rental income and operating profit. Kista Galleria figures included for the period 1.1.2013-31.3.2013

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

Outlook 2013



- The company expects:
 - Turnover to increase by EUR 5–20 million compared to 2012
 - EPRA Operating Profit to grow by EUR 5–20 million
 - EPRA Earnings to increase by EUR 15–30 million
 - EPRA EPS (basic) to be EUR 0.19–0.24 based on the existing portfolio and increased number of shares

Snapshot of statement of comprehensive income

EUR million	Q1/2013	Q1/2012	Q4/2012	2012
Gross rental income	59.2	54.6	58.5	225.9
Service charge income	3.7	3.2	3.6	13.3
Turnover	62.9	57.8	62.1	239.2
Property operating expenses	22.2	19.9	20.1	75.8
Other expenses from leasing operations	0.3	0.4	-0.1	1.4
Net rental income	40.4	37.5	42.1	162.0
Administrative expenses (incl. other operating income and expenses)	5.0	6.5	7.9	26.3
Net fair value gains/losses on investment property	11.8	5.9	3.8	23.6
Net gains on sale of investment property	-0.4	1.4	-0.4	4.2
Operating loss/profit	46.7	38.3	37.6	163.4
Net financial income and expenses	-16.4	-16.1	-17.4	-68.1
Share of profit/loss of jointly controlled entities	1.1	0.0	0.3	0.2
Profit/loss before taxes	31.4	22.2	20.5	95.5
Current taxes	-0.2	-0.3	-0.2	-1.4
Change in deferred taxes	-3.2	-2.6	1.5	-6.4
Profit/loss for the period	28.1	19.3	21.8	87.7
Other comprehensive expenses/income for the period, net of tax	10.8	5.2	-2.4	-10.7
Total Comprehensive profit/loss for the period, net of tax	38.9	24.5	19.4	77.0
EPS (basic), EUR	0.07	0.05	0.06	0.24
EPRA Earnings per share (basic), EUR	0.052	0.046	0.046	0.199
EPRA Earnings, EUR million	19.7	14.3	16.2	63.9
Net cash from operating activities per share, EUR	0.05	0.05	0.04	0.19
Profit/loss for the period attributable to parent company shareholders, EUR million	26.1	15.8	20.4	77.2



NRI Growth by segments and portfolios

EUR million	Finland	Sweden	Baltic Countries	Other	Total	TURNOVER
Q1/2011	21,4	7,9	3,0	0,0	32,4	52,0
Acquisitions	0,1	0,5	2,5	-	3,0	4,4
(Re)development projects	1,1	0,4	-0,3	-	1,3	1,4
Divestments	-0,1	-0,3	-	-	-0,4	-0,8
Like-for-like properties	0,4	0,6	0,3	-	1,3	0,9
Other (incl. exch. diff.)	0,0	0,0	0,0	-	0,0	-0,1
Q1/2012	22,8	9,2	5,5	0,0	37,5	57,8
Acquisitions	0,4	0,0	0,4	-	0,8	1,7
(Re)developments projects	0,2	0,0	0,5	-	0,8	1,4
Divestments	0,0	-0,2	0,0	-	-0,2	-0,7
Like-for-like properties	0,7	0,3	0,0	-	1,0	1,9
Other (incl. exch. diff.)	0,0	0,4	0,0	-	0,4	0,7
Q1/2013	24,2	9,7	6,4	0,0	40,4	62,9

- A** Acquisitions: Arabia +0.2M€, Citytalo +0.2M€ and Albertslund +0.4M€.
- B** (Re)development projects: Magistral +0.5M€, Koskikeskus +0.4M€, Myllypuro +0.1M€ and IsoKristiina -0.2M€.
- C** Divestments: Residential disposals in Sweden -0.2M€.
- D** LFL properties: Positive LFL NRI growth: 1.0M€, or +3.5% (+5.0% in Q1'12). LFL turnover growth was +4.1% and LFL OPEX growth was 5.2%.
- E** Other: FX impact of +0.4M€ on NRI.

Snapshot of statement of financial position

Statement of Financial Position, EUR million	31 Mar 2013	31 Mar 2012	31 Dec 2012
Investment properties	2,730.9	2,547.8	2,714.2
Total non-current assets	2,895.3	2,564.7	2,737.6
Total current assets	183.6	79.7	75.5
Total assets	3,089.7	2,644.5	2,818.5
Total shareholder's equity	1,246.3	945.3	1,059.9
Total liabilities	1,843.4	1,699.2	1,758.6
Total liabilities and shareholders' equity	3,089.7	2,644.5	2,818.5

Key Figures	31 Mar 2013	31 Mar 2012	31 Dec 2012
Equity ratio, %	40.4	35.9	37.8
Loan to Value (LTV), %	51.6	56.5	54.5
Gearing, %	113.6	152.3	139.8
Equity per share, EUR	2.72	3.18	3.11
EPRA NAV per share, EUR	2.99	3.54	3.49
EPRA NNNNAV, EUR	2.70	3.19	3.08
Net Rental Yield (actual), %	6.4	6.1	6.4
Net Yield Requirement, % (valuation yield by external appraiser)	6.3	6.4	6.3



Financing overview



Financing overview

EUR 200 million rights issue completed in March

- Citycon issued 114,408,000 new shares in a rights issue in March for approximately EUR 200 million
- The rights issue was a strategic transaction intended to permanently reduce Citycon's leverage and thereby give the Company a stronger base from which to execute its business plan

Kista Galleria's asset level loan facility signed

- In January Citycon and CPPIB signed a 5 year stand-alone asset backed loan agreement totalling SEK 2,290 million (approx. EUR 265 million) in order to finance Kista Galleria
- The loan is granted by SEB AB, Swedbank AB and Aareal Bank AG
- As Kista Galleria is consolidated through equity method, this debt is not included in Citycon's figures

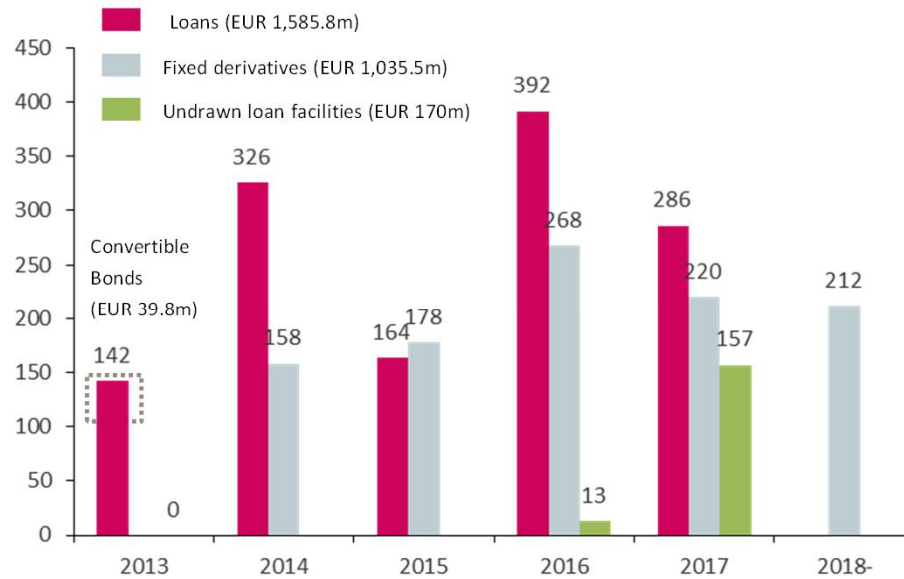
Financing overview – Key figures

- Equity ratio improved to 40.4 % (35.9 %) and will improve further when the remaining excess cash from the rights issue will be used to repay debt.
- LTV improved to 51.6 % (56.5 %).
- Year-to-date average interest rate increased to 4.11 % (4.09 %). Current average interest rate is at 4.20%.
- Hedging ratio increased to 87.4 % (84.1 %) due to issue of fixed rate bond in May 2012.
- Average loan maturity is longer at 3.0 years (2.8 years), due to November 2012 refinancing of loans maturing in 2013.
- Average fixing time is shorter at 3.2 years (3.7 years).
- Two covenants:
 - Equity ratio: Covenant level 32.5%, equity ratio as defined in loan agreements was 42.6 %
 - Interest cover ratio: Covenant level 1.8x, Citycon's period end ICR was 2.1x

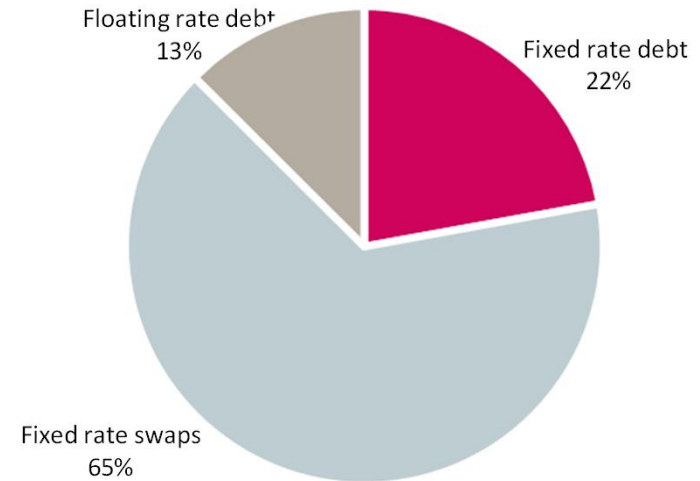
Stronger balance sheet and longer loan maturities

Financing overview - Key figures

Maturity profile of loans and derivatives

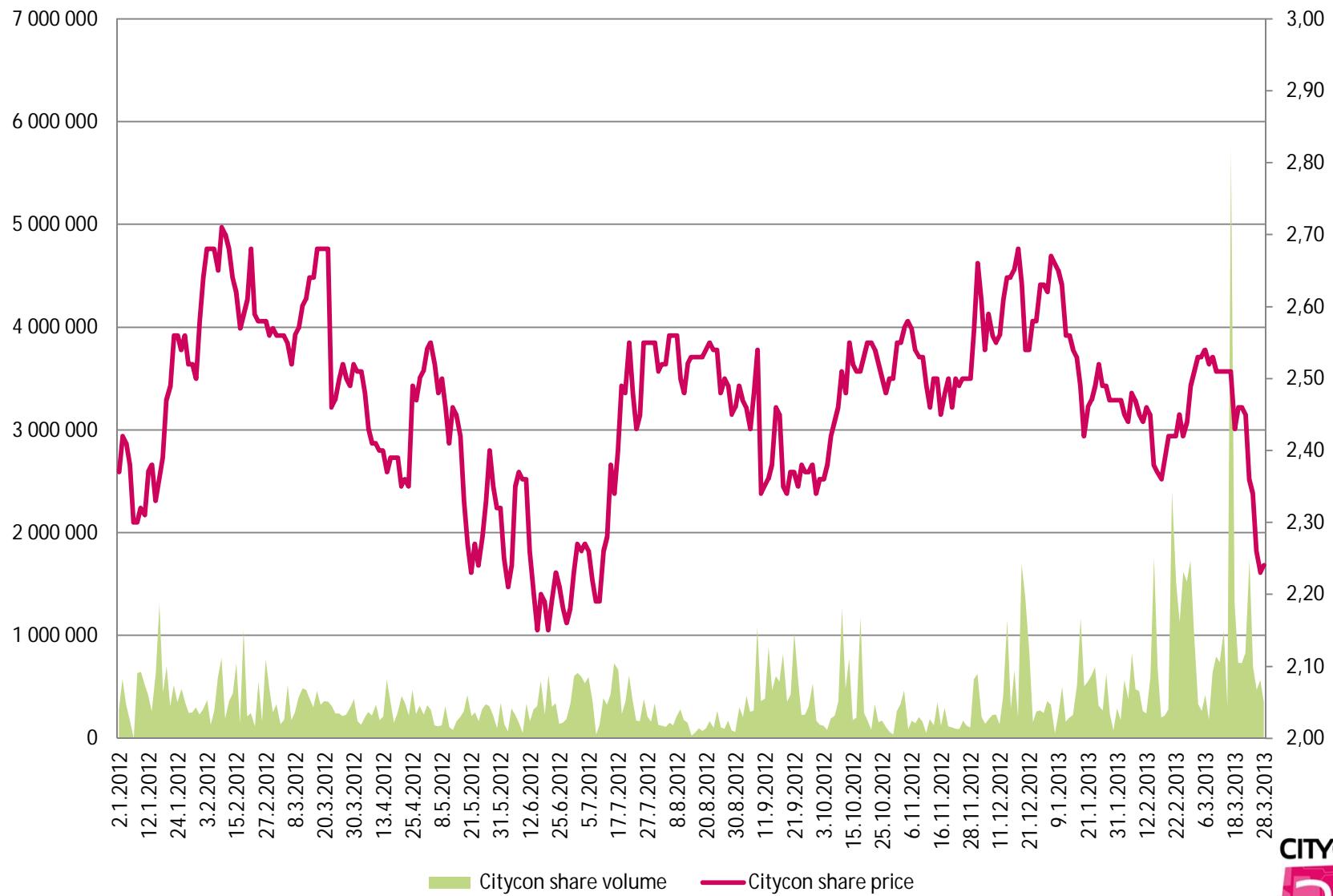


Interest-bearing debt by fixing type EUR 1,585.8 m ¹⁾



- The Q1 period-end interest-bearing debt at fair value increased by EUR 47.1 million from Q4 2012 but net interest-bearing debt at fair value decreased by EUR 66.9 million to EUR 1,420.8 million as a result of the unusually high cash level of EUR 165.1 million following the EUR 200 million rights issue completed in March. The reason for the increase in interest-bearing debt is that not all debt drawn for the Kista Galleria acquisition in January could be repaid as per the end of Q1. The rest of the excess cash will be used to further reduce outstanding debt in the near future.

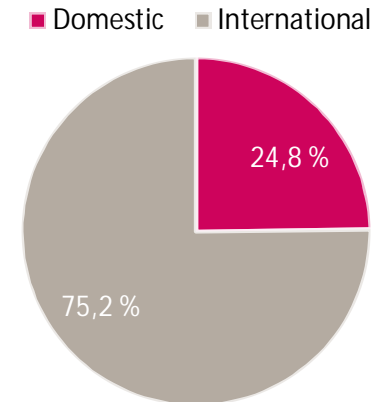
Share performance and volume



Ownership

- Established and listed on the Helsinki Stock Exchange since 1988
- 31 March 2013 market cap EUR 984.1 million
- Number of domestic shareholders increased: total 8,496 (5,741) registered shareholders, 24.8% (18.8%) of total
- Largest Shareholders:
 - Gazit-Globe 49.3%
 - Ilmarinen 8.98%
- Citycon is included among others in Global Real Estate Sustainability Benchmark Survey Index and FTSE EPRA/NAREIT Global Real Estate Index

Shareholders



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