Citycon Treasury B.V.

(*incorporated with limited liability in the Netherlands*)

unconditionally and irrevocably guaranteed by

Citycon Oyj

(incorporated with limited liability in Finland)

€350,000,000 1.250 per cent. Guaranteed Notes due 2026

Issue price: 99.897 per cent.

Citycon Treasury B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands (the **Issuer**) is offering €350,000,000 aggregate principal amount of its 1.250 per cent. Guaranteed Notes due 2026 (the **Notes**). The Notes will be guaranteed unconditionally and irrevocably by Citycon Oyj, a public limited company incorporated in Finland (the **Guarantor**).

THE ISSUER MAY, AT ITS OPTION, REDEEM ALL, BUT NOT SOME ONLY, OF THE NOTES AT ANY TIME (I) AT THEIR PRINCIPAL AMOUNT PLUS ACCRUED INTEREST, IN THE EVENT OF CERTAIN TAX CHANGES AS DESCRIBED UNDER "*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE*"; AND (II) AT THE RELEVANT EARLY REDEMPTION AMOUNT (AS DEFINED AND DESCRIBED FURTHER UNDER "*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE—REDEMPTION AT THE OPTION OF THE ISSUER*"). IN ADDITION, UPON THE OCCURRENCE OF A CHANGE OF CONTROL OF THE GUARANTOR, FOLLOWED BY A DOWNGRADE OF A CREDIT RATING ASSIGNED TO THE NOTES AS DESCRIBED UNDER "*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE—REDEMPTION AT THE OPTION OF THE NOTEHOLDERS UPON A CHANGE OF CONTROL PUT EVENT*", HOLDERS OF THE NOTES MAY REQUIRE THE ISSUER TO REDEEM OR, AT THE OPTION OF THE ISSUER, PURCHASE (OR PROCURE THE PURCHASE OF) THE NOTES AT THEIR PRINCIPAL AMOUNT PLUS ACCRUED INTEREST. THE NOTES MATURE ON 8 September 2026.

The Notes and Guarantee (as defined under "*Conditions of the Notes—Guarantee*") have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered and sold outside the United States in accordance with Regulation S under the Securities Act (Regulation S), and may not be offered and sold or delivered within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the **Prospectus Directive**) as amended (including by Directive 2010/73/EU). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and European Union (**EU**) law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc for the Notes to be admitted to the Official List and trading on its regulated market (the **Main Securities Market**). Such approval relates only to the Notes that are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or that are to be offered to the public in any member state of the European Economic Area. References in this Prospectus to the Notes being **listed** (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Notes are rated Baa1 by Moody's Investors Service Limited (**Moody's**) and BBB by Standard & Poor's Credit Market Services France S.A.S. (**S&P**). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each of Moody's and S&P is established in the EU and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 8 September 2016 (the **Closing Date**) with a common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 18 October 2016 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "*Risk Factors*" on page 1.

Joint Lead Managers

BARCLAYS **DANSKE BANK** **DEUTSCHE BANK** **NORDEA**

The date of this Prospectus is 2 September 2016

This Prospectus comprises a prospectus for the purposes of Article 5 of the Prospectus Directive.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

References to the **Company** or **Citycon** are to Citycon Oyj. References to the **Group** are to Citycon Oyj and its Subsidiaries (as defined under "*Conditions of the Notes—Interpretation*").

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Prospectus contains all material information with respect to the Issuer, the Guarantor and the Notes (including all information which, according to the particular nature of the Issuer, the Guarantor and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes), that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. Each of the Issuer and the Guarantor accepts responsibility accordingly.

This Prospectus contains certain market, historical and forward looking economic and industry data, including information in "*Risk Factors*" and "*Citycon's Property Portfolio in Brief and Investments, Divestments and Development Projects*" which have been obtained from publicly available information, independent industry publications and reports prepared by industry consultants. The Issuer and the Guarantor have relied on the accuracy of such information without an independent verification thereof, however, the Issuer and the Guarantor believe the information to be reliable. Where information in this Prospectus has been sourced from a third party, this information has been accurately reproduced and, so far as the Issuer and the Guarantor are aware and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers. Information in this Prospectus which has been sourced from a third party is identified as such with the name of the third party source. None of the Issuer, the Guarantor, the Joint Lead Managers or the Trustee (as defined below) represent that such information is accurate.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

The language of this Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Prospectus.

Save for the Issuer and the Guarantor, no party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or Deutsche Trustee Company Limited as trustee (the **Trustee**) for the holders of the Notes (the **Noteholders**) as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer and the Guarantor in connection with the offering of the Notes. No Joint Lead Manager or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, the Guarantor, any Joint Lead Manager or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Joint Lead Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, any of the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, any of the Joint Lead Managers, or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Prospectus, see "*Subscription and Sale*" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Joint Lead Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Joint Lead Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the United Kingdom; see "*Subscription and Sale*".

IN CONNECTION WITH THE ISSUE OF THE NOTES, NORDEA BANK DANMARK A/S AS STABILISATION MANAGER (THE STABILISATION MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this Prospectus to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references in this Prospectus to **Swedish krona** or **SEK** refer to the lawful currency of the Kingdom of Sweden. All references in this Prospectus to **Norwegian krone** or **NOK** refer to the lawful currency of the Kingdom of Norway. All references in this Prospectus to **Danish krone** or **DKK** refer to the lawful currency of the Kingdom of Denmark.

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RISK FACTORS

Before making an investment decision, prospective investors should carefully review the specific risk factors described below, in addition to the other information contained in this Prospectus. The Issuer and the Guarantor believe that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Guarantee. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Citycon's business, financial condition and results of operations could be materially affected by each of these risks presented. Also other risks and uncertainties not described herein could affect the Issuer's ability to fulfil its obligations under the Notes or the Guarantor's ability to fulfil its obligations under the Guarantee. Additional risks and uncertainties not presently known to the Issuer or the Guarantor, or that the Issuer or the Guarantor currently believe are immaterial, could impair the ability of the Issuer to fulfil its obligations under the Notes or the ability of the Guarantor to fulfil its obligations under the Guarantee. Certain other matters regarding the operations of the Guarantor and the Issuer that should be considered before making an investment in the Notes are set out, in the sections "Description of the Guarantor" and "Description of the Issuer", amongst other places. The order of presentation of the risk factors in this Prospectus is not intended to be an indication of the probability of their occurrence or of their potential effect on the ability of the Guarantor to fulfil its obligations under the Guarantee or the Issuer's ability to fulfil its obligations under the Notes.

Factors that May Affect the Issuer's Ability to Fulfil its Obligations under the Notes

At the date of this Prospectus, the Issuer's principal purpose is to provide funding to entities within the Group. Therefore, the Issuer's ability to fulfil its obligations under the Notes is entirely dependent on the Guarantor's financial performance. The Issuer is subject to all the risks to which the Guarantor is subject, to the extent that such risks could limit the Guarantor's ability to satisfy in full and on a timely basis its obligations under the Guarantee.

Risks Relating to Citycon's Operating Environment

Economic Fluctuations and Economic Development Have an Adverse Effect on the Real Estate Market and therefore to Citycon's Business and Results of Operations.

The real estate market, demand for retail and other premises, rent levels, occupancy rate, and tenants' ability to pay the rent are significantly affected by economic fluctuations and developments, making them potential risks for Citycon. Economic trends, particularly factors affecting consumer confidence and behaviour, also influence the demand for retail premises.

Economic growth levels are expected to vary in 2016 in Citycon's key markets. The economy is expected to grow slowly in Finland and Denmark, with more steady growth in Sweden and Norway.[1] However, since the Norwegian economy is highly exposed to oil prices, low oil prices may have a negative effect on the GDP's growth prospects.

The changes in national and local economies have an effect on the real estate market, and in particular on rent levels and occupancy rates. More specifically, actual inflation has a direct effect on the rent levels. Certain of Citycon's leases are based on agreements whereby the rental rate is determined by (i) the base rent tied to a yearly rent revision which is based on an index, such as a cost-of-living index, or a percentage minimum increase, and (ii) the maintenance rent, which is charged separately from the lessee and is used to cover operating expenses incurred by the property owner relating to property maintenance. Thus, the development of rental income levels is for the most part strongly dependent on inflation rate developments.

A portion of Citycon's lease agreements also contain a turnover-linked component in addition to base rent, while certain of Citycon's other lease agreements are fully based on a tenant's turnover. At the end of 2015, leases which have a turnover-linked component or which are fully based on a tenant's turnover, accounted for 64 per cent. (53 per cent. at the end of 2014) of Citycon's lease portfolio. Reduction in a tenant's sales would

[1] Bloomberg Contributor Composite / OECD (2016), Inflation forecast (indicator) (Accessed on 11 August 2016).

therefore directly reduce Citycon's rental income. Reduced tenant sales also reduce tenants' willingness and ability to pay rent.

Periods of weak economic growth or recession and unfavourable real estate market conditions could reduce demand for Citycon's retail and other premises, occupancy rates and rent levels. Even though retail trade has developed positively since 2010, there are many threats with regards to the European economy that may change this development and, therefore, there are no guarantees that Citycon will be able to maintain the present high degree of occupancy and the rental rates of the properties owned by it. The economic occupancy rate of Citycon's portfolio was approximately 96.8 per cent. at the end of 2015 (96.3 per cent. at the end of 2014), when Citycon's economic occupancy rate in Finland was approximately 94.8 per cent., in Norway approximately 98.6 per cent., in Sweden approximately 96.2 per cent. and approximately 99.4 per cent. in the Baltics (which currently encompasses Estonia) and Denmark. The economic occupancy rate of Citycon's property portfolio was approximately 96.5 per cent. on 30 June 2016. Further, Citycon has major (re)development projects in progress throughout its operating countries and once all of these projects are completed, the leasable area within Citycon's shopping centres will increase significantly. Planned leasing of the respective new retail premises is of primary importance with regard to Citycon's financial development and growth. Adverse changes in rent levels, failures in renting new business premises or the loss of key tenants and subsequent decreases in occupancy rates could have a material adverse effect on Citycon's business, results of operations, and financial condition.

The United Kingdom's Exit from the European Union May Adversely Impact Citycon's Business, Results of Operations and Financial Condition.

In a non-binding referendum on the United Kingdom's membership in the European Union on 23 June 2016, a majority of the United Kingdom's electorate voted for the United Kingdom's withdrawal from the European Union. If, as anticipated, the outcome of the referendum eventually results in the exit of the United Kingdom from the European Union (**Brexit**), a process of negotiation would determine the future terms of the United Kingdom's relationship with the European Union. The United Kingdom government has not, as of the date of this Prospectus, indicated a timeline for taking any legal acts necessary to effectuate Brexit. No assurance can be made of when, if ever, the United Kingdom government will begin the withdrawal process and, if and when it does, how long such process would take. Relevant European Union law suggests that any negotiation could last up to two years before withdrawal takes effect.

The result of the referendum has caused and is likely in the future to cause volatility in the financial markets. Such volatility may affect interest rates, which in turn may affect Citycon's business operations by increasing cost of servicing its debt financing arrangements and increasing the cost of refinancing of its existing borrowings. See "*—Citycon May Not Be Able to Secure Financing on Satisfactory Terms or at All in the Future*". Such volatility may also adversely affect Citycon's ability to refinance its existing indebtedness when due on commercially acceptable terms or at all. See ''*—Financing Risks Relating to Citycon's Business — Increases in Interest Rates and Credit Margins Increase Citycon's Financing Costs*.'' The result of the referendum may in the future cause certain adverse effects on European economic conditions and may have adverse effects on levels of economic activity in the countries in which Citycon operates. Any of the foregoing factors may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Imbalance of the Euro Area Could Have a Material Impact on Citycon's Business, Results of Operations and Financial Condition.

All of the countries in which Citycon currently operates are member states of the EU, except Norway, which is a member state of the European Economic Area (**EEA**). Finland and Estonia also belong to the European Economic and Monetary Union (**EMU**) and have, therefore, adopted the euro as their currency. Financial risks related to the euro area and its member states may affect Citycon's operating environment either directly or indirectly through the common currency and monetary policy. The prolonged and deep fiscal deficits, high indebtedness and unemployment rate in certain EMU member states constitute significant economic challenges. The normalisation of the imbalances arisen in the economy of the euro area requires active measures from the EMU member states and the European Central Bank, and achieving decisions and their effectiveness involve significant uncertainty. If the imbalances concerning the euro area cannot be solved to a sufficient extent and confidence in the public economy of the euro area cannot be restored, this may have a material adverse effect on

Citycon's business, results of operations, and financial condition. For further information on currency risks, please see "*—Financing Risks Relating to Citycon's Business—Citycon Is Exposed to Fluctuations in Exchange Rates*".

The Fair Value of Citycon's Investment Properties May Fluctuate.

The fair value of investment properties, and market price levels are influenced by several factors, such as fluctuations in general and local economic conditions, interest rates, availability and cost of financing, inflation expectations, GDP growth, private consumption, market rent trends, vacancy rates, property investors' yield requirements, property operating expenses, the relative attractiveness of other asset classes and competition.

In addition, city planning and building projects, as well as changes in competitive dynamics, may influence the value of properties. Citycon uses the fair value model in the valuation of its investment properties, whereupon fair value changes (i.e. fair value gains and losses) of investment properties are recognised in the statement of comprehensive income (IAS 40). Additional information on the changes in the fair value of Citycon's investment properties can be found in "*Citycon's Property Portfolio in Brief and Investments, Divestments and Development Projects*".

Citycon has recognised net fair value gains on its investment properties in each year from 2012 to 2015. Changes in the fair value of the investment properties impact Citycon's statement of comprehensive income and statement of financial position of Citycon, but they do not have a direct effect on the cash flow statement. Significant fair value losses of the investment properties could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Increasing Internet Commerce May Have an Adverse Effect on Shopping Centre Sales and Decrease Demand for Commercial Retail Premises.

The retail industry continues to transform as internet commerce grows and consumers increasingly shop online. The growth of internet commerce and new competitive retail schemes affect customer behaviour and have an impact on the demand for commercial retail premises by new and existing tenants. Shopping centres will need to adapt their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers. Citycon aims to adapt its operations to the effects of increasing internet commerce by focusing on urban grocery- and necessity-anchored shopping centres in growing cities that offer restaurants and services, as well as by utilising social media in daily operations. A significant increase in internet shopping could, however, decrease shopping centre sales and the demand for commercial retail premises, which could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Concentrated Property Portfolio and Dependency upon Retail Sales Expose Citycon to Local and Industry-Related Risks.

In accordance with Citycon's strategy, Citycon's property portfolio is concentrated and consists almost entirely of retail properties, the majority of which are currently located in Finland, Sweden and Norway. Citycon's largest tenant groups are specialty and grocery store chains, but also cafés and restaurants, banks and financial institutions and municipalities and other public administration tenants. The fair value of Citycon's investment properties totalled approximately EUR 4,110.0 million on 30 June 2016, with Finnish properties accounting for approximately 39 per cent., Norwegian properties accounting for approximately 34 per cent., Swedish properties accounting for approximately 18 per cent. and properties in the Baltics and Denmark accounting for approximately 8 per cent. of the total fair value. As Citycon's current property portfolio is currently concentrated on commercial properties in the major cities in Finland, Sweden and Norway, Citycon's business depends heavily on the growth of retail trade in Finland, Sweden and Norway. For economic risks related to Citycon's business, please see "*— Risks Relating to Citycon's Operating Environment—Economic Fluctuations and Economic Development Have an Adverse Effect on the Real Estate Market and therefore to Citycon's Business and Results of Operations*".

Citycon's high level of concentration in retail property and its dependency on the Finnish, Swedish, Danish, Estonian, and Norwegian retail trade may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Property Valuation Statements Are Inherently Subjective Assessments of External Property Appraisers.

Real estate valuations are subjective assessments by external property appraisers that are influenced by a number of variables, assumptions, and methodologies that may result in the valuation being inaccurate. Particularly, uncertainties impacting valuation statements include, amongst other factors, the lack of liquidity of real estate assets, the availability of debt funding, the nature of each property, its location, the expected future rental income from that particular property and the valuation methodology used to assess that property's value. This is especially true when there are few or no comparison sales. In addition, property appraisals are based on assumptions that may prove erroneous. Property appraisers make certain assumptions on the future development of the real estate market, such as market yields and market rents. Any erroneous assumptions used as a basis for appraisals or deficient appraisals may result in such appraisals materially deviating from the market price of a property site and may thus have a material adverse effect on Citycon's business, results of operations, and financial condition.

Tenant Sales and Demand for Citycon's Retail Premises May Be Adversely Affected by Decreasing Private Consumption.

Private consumption has a material effect on the sales of Citycon's tenants and, hence, on the demand for Citycon's retail premises. Growth in retail sales is mainly dependent on economic development, increases in household purchasing power and growth in consumer spending. In 2015, retail sales grew in all the countries in which Citycon currently operates, except Finland. In 2015, the growth rate of retail sales was 1.3 per cent. in Denmark, 3.1 per cent. in Norway, 5.7 per cent. in Sweden, 8.0 per cent. in Estonia, but in Finland, inflation-adjusted retail sales declined by 0.8 per cent. Challenges in the retail real estate market in Finland caused an 8.3 per cent. decrease in rents in the renewed lease agreements to Citycon's whole property portfolio in the six month period ended 30 June 2016. During 2015, household consumer confidence remained positive in Finland, Denmark and Sweden and above the euro area's average in all of Citycon's current countries of operation. In contrast, the household consumer confidence indicator in Norway and Estonia was negative in 2015.[2]

Weakness in the European economy may further decrease consumer confidence and reduce consumption. Should growth in private consumption slowdown in Citycon's geographic markets, this could lead to decreased demand for retail premises. Lower tenant demand may negatively affect the rental and occupancy levels in Citycon's portfolio, which could in turn have a material adverse effect on Citycon's business, results of operations, and financial condition.

Increased Competition in the Real Estate Market May Have an Adverse Effect on Citycon's Business and Its Growth Opportunities.

The Nordic and Baltic real estate markets are characterised by increasing competition from international real estate investors. Citycon expects new real estate investors to continue to enter these markets in the future. Transaction volumes in the Finnish, Swedish and Danish property markets have continued to increase during the first half of 2016 when compared to the first half of 2015. Only the Norwegian market has seen a decline in transaction volume during the first half of 2016.[3]

Highly liquid real estate markets usually decrease yield requirements and increase real estate prices, whereas slow and illiquid markets usually increase yield requirements which leads to lower real estate prices. There is currently strong demand for prime properties while the demand for secondary properties is weaker.[4] In addition, the slow rate of planning may have a limiting effect on the building of new retail properties or extensions of already existing retail properties. This development, combined with the entry of new international investors on the local markets, may make it more challenging for Citycon to acquire new properties and could weaken Citycon's market share and growth possibilities. In the short term this might lead to increasing property prices and value of Citycon's portfolio, while in the longer term this could have a material adverse effect on Citycon's business, results of operations, and financial condition.

[2] Source: Eurostat, Statistics Finland, Norway, Sweden, Estonia and Denmark.

[3] Sources: CBRE Nordic Investment MarketView, Q2 2016, Newsec Property Outlook Spring 2016, Pangea Property Partners Monthly Reports 2016.

[4] Sources: CBRE, Newsec, JLL Nordic City Report Spring 2016.

Citycon aims to further improve its business and profits by redeveloping and expanding its current properties, by acquiring new shopping centres for further development and by carrying on active shopping centre management. There are, however, no guarantees that Citycon will be able to maintain its market share and continue to benefit from its current position. Increased competition in the Nordic and Baltic real estate markets could weaken Citycon's position, market share and growth possibilities, which could in turn have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Construction of New Retail Premises May Increase Competition for Tenants and, therefore, Negatively Affect Citycon's Business.

The construction of new shopping centres and other retail premises is likely to result in increased competition for tenants, particularly in the largest urban areas. This may put pressure on rental levels and increase marketing costs incurred by real estate owners and managers, make it more challenging to attract and retain tenants at commercially satisfactory rental rates and increase the vacancy rate. As a result, the need for tenant-specific alteration work and incentives to accommodate tenants' needs may increase. Any significant increase in marketing costs and tenant incentives and related investments, or the impact from difficulties in attracting and retaining suitable tenants, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Planned Growth May Be Affected by Competition Regulation and Authority Decisions in Relation to Executing Its (Re)development Projects.

In Finland, Citycon is a market leader in the shopping centre business measured by leasable retail area and is currently the only property investment company specialising exclusively in shopping centres. In Sweden, Citycon is one of the top-three players in the shopping centre market.[5] Citycon owns two of the largest shopping centres in Tallinn, Estonia – Rocca al Mare and Kristiine – making it a market leader in that city. Through the acquisition of Sektor Gruppen, Citycon has entered the Norwegian market and is the second largest in Norway. As Citycon acquires properties and increases its market share, it may become subject to increased scrutiny and challenges with regards to its compliance with competition regulations. It is possible that competition authorities could rule that certain future acquisitions are anti-competitive, which may limit Citycon's ability to further grow through acquisitions.

Citycon has new (re)development projects under consideration. All projects under consideration may change or be cancelled, for example due to circumstances relating to city planning and zoning. Public authorities, such as municipality authorities, are empowered to develop plans for the use of land. Development projects require close contacts with those authorities. Citycon's business depends on cooperation with authorities empowered with regulatory responsibility relating to Citycon's business. Adverse proceedings with authorities could have a material adverse effect on the possibility to start development projects, or on the progress of the development projects and therefore on Citycon's business, results of operations, and financial condition.

Possible Legislative Changes May Cause Unpredictable Adjustment Costs or Increased Tax Burden, and Possible Changes in the International Financial Reporting Standards May Affect Accounting Principles of Citycon's Financial Statements.

Citycon's operations are regulated by the legislation of each country in which Citycon operates. In addition, Citycon's operations may be affected by regional or supranational regulations, such as EU legislation. Citycon's management believes that Citycon complies in all material respects with legislative requirements and other regulations as at the date of this Prospectus. Legislation and other regulations may, however, change, and Citycon cannot guarantee that in such cases it would be able to comply, without significant measures and expenses, with the requirements of changed legislation or other regulations. For example, changes in law and regulations, or in their interpretation and application, concerning property, land use, development, zoning, health, safety, stability requirements, tenants and rents, environmental protection, labour and taxation may have a material adverse effect on Citycon's operations. Additionally, environmentally oriented regulation and the industry best practices continue to increase in rigor and scope. Such changes may adversely affect Citycon's ability to use certain real estate assets as initially intended and could also cause Citycon to incur increased

[5] Source: Based on gross retail lease area, information derived from Suomen Kauppakeskusyhdistys Ry, company reports, market research and estimates.

capital expenditure or running costs to ensure compliance with new or amended applicable laws or regulations, which may not be entirely offset by the rental income.

Tax law and regulations and their interpretation and application related to tax deductibility of interest expenses may be subject to change in the countries in which Citycon operates. Citycon monitors and analyses the impact of such changes as part of its normal operations. Taxable income is subject to uncertainty, and the final amount of taxes may deviate from the originally recorded amount. If the final amount of taxes deviates from the originally recorded amounts, such differences may affect the period's taxable profit, tax receivables or liabilities as well as deferred tax assets or liabilities. As Citycon prepares its consolidated financial statements in accordance with IFRS, changes in international accounting standards may affect Citycon's accounting policies and, therefore, such changes may have a material adverse effect on Citycon's results of operations for the financial period.

Adapting Citycon's operations to any of the changes described above may result in additional costs or increased tax burden for Citycon that are difficult to anticipate, which in turn may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Entry into a New Market Area May Involve Regulatory and Compliance Risks.

As a result of the acquisition of Sektor Gruppen, Citycon entered a new geographical market area, Norway. Compliance with applicable Norwegian laws and regulations may cause additional regulatory burden for Citycon and result in increased work and expenses. For example, the Norwegian national policy provision for shopping centres adopted in 2008 states that shopping centres can only be established or expanded in accordance with approved country plans or country sub-plans with guidelines for localisation of retail trade and other service functions (the **National Policy Provision**). For areas not covered by such a plan, establishing new shopping centres or expanding existing shopping centres with a total floor space of more than 3,000 sq. m. is not permitted. The local municipality cannot approve the development of shopping centres beyond the scope of the regional plan, regardless of whether the municipality supports the development. The national provisions may also prevent organic growth through expansion of Norwegian shopping centres that are situated in such areas. Compliance with or any failure to comply with applicable Norwegian laws and regulations may have a material adverse effect on Citycon's business, results of operations, and financial condition. Please see also "*—Risks Relating to Citycon and Its Business—The Expansion of Citycon's Business into New Geographical Areas May Introduce Additional Risks*".

Risks Relating to Citycon and Its Business

Citycon's (Re)development Projects May Fail.

Citycon aims to further improve its operations and profits by (re)developing and refurbishing its existing properties. Citycon's property development projects are subject to the risks usually attributable to construction projects, which include: (i) delays in construction work or other unforeseeable delays, (ii) cost overruns, (iii) lack of demand for the new or (re)developed leased premises and (iv) planning and zoning risk. Should any of Citycon's significant (re)development projects prove to be unsuccessful, this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Has Exposures to Its Largest Tenants.

Citycon's largest tenants include international and local grocery, fashion and specialty chains, as well as restaurants, tenants from the banking and financing sectors and municipal and government tenants. On 31 December 2015, approximately 21.7 per cent. of Citycon's rental income was generated through lease agreements entered into with its five largest tenants: Kesko, the S-Group, Varner Group, ICA Gruppen AB, and NorgesGruppen. The largest individual tenant is the Kesko Group with its different business units and group companies; which together accounted for approximately 7.8 per cent. of Citycon's rental income on 31 December 2015, whereas the four other aforementioned tenants together accounted for approximately 14 per cent. of Citycon's rental income on 31 December 2015. The most important segment of the Kesko Group is grocery retail trade.

The potential inability of Citycon to satisfy the needs of its key tenants leading to decreasing demand for retail space from such key tenants could have a material adverse effect on the occupancy rates and rental income of Citycon's properties. Changes in the key tenants' business environment and behaviour, or the loss of rental income from one or more key tenants, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Increase in Costs Relating to Operational Activities and Investments or Potential Damage During Construction Could Have a Negative Effect on Citycon.

Citycon expects that its property operating expenses may increase in the medium term due to, amongst other things, increased marketing and personnel costs. In addition as Citycon's existing properties age, the cost of repairs is expected to increase accordingly, and in accordance with its strategy, Citycon may make significant investments in (re)developing its ageing properties. Such costs could be significantly higher than Citycon's expectations, and the rent charged to tenants may not cover Citycon's costs, which could result in Citycon making a loss on the property.

In recent years, the construction industry has seen a positive economic cycle in Citycon's business areas, which has caused the costs of construction and construction materials to rise. Increases in construction costs could prevent Citycon from implementing all of its planned development projects or reduce the projected profitability of development projects already underway.

If Citycon does not maintain its ageing properties sufficiently, this may result in a decrease in the value of the properties, increased maintenance costs, significant cost to repair and renovate such properties and a reduction in the demand for retail premises, which could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon has commissioned the construction of some of the properties it owns. As the owner and developer of the properties, Citycon may be liable for possible faults found in the properties as well as other direct or indirect damage pertaining to the properties. Citycon's liability for defects and/or damages may materialise, for example, as compensation to tenants in or other users of Citycon's properties for damage caused due to defects or faults in the property. Potential faults related to construction and consequent liabilities may jeopardise the profitability of Citycon's business and lower the fair value of investment properties owned by Citycon, which may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Ability to Identify Potentially Profitable Acquisition Targets and Successfully Execute Acquisitions Is a Requirement to Meet Citycon's Growth Targets.

Citycon's strategy is, in addition to (re)development projects, to grow through selective acquisitions of new shopping centres. Citycon has implemented specific processes for its acquisitions and it aims to carefully investigate and analyse potential targets and related liabilities prior to completing an acquisition. The acquisition of additional properties is often preceded by a bidding procedure involving multiple bidders and subject to the successful completion of negotiations. There can be no guarantees that Citycon will find new targets that will fit its strategy at acceptable commercial terms, or that it will successfully manage to complete the bidding or negotiation processes. The inability to find new targets, to identify all potential risks and liabilities relating to such targets, to make correct valuations of such targets or to complete acquisitions may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Ability to Integrate Acquired Targets Successfully Is a Requirement to Meet Citycon's Targets for Growth in Profitability.

Citycon's business has grown in recent years, mostly through acquisitions of new shopping centres and completion of (re)development projects. This growth has required and is further expected to require significant management and personnel resources as well as financial resources. Successful integration of acquired properties into Citycon's existing business is essential for Citycon's ability to grow profitably. Should Citycon be unable to successfully integrate targets acquired in the future, this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Guarantor's Ability to Meet Its Obligations Depends Primarily upon Receipt of Sufficient Funds from Other Members of the Group.

The Guarantor's ability to meet its obligations depends primarily upon receipt of sufficient funds from other members of the Group. The Guarantor is dependent upon payments, including by way of loans, from other members of the Group to generate the funds necessary to pay principal and interest on its borrowings. The Guarantor and its Subsidiaries may from time to time be subject to restrictions on their ability to make such payments to the Guarantor as a result of regulatory, fiscal, and other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Guarantor's ability to service its borrowings or meet any other costs it may incur, including in respect of the Notes. There can be no assurance that the Guarantor will receive sufficient funds from other members of the Group to meet its financial obligations.

Joint Ventures May Introduce Additional Risks to Citycon.

Citycon may execute real estate acquisitions together with other real estate investors or dispose a part of its properties to third parties. For instance, in January 2013, Citycon acquired Kista Galleria, a prime shopping centre in Stockholm, in partnership with CPPIB, an investment management organisation investing the funds of the Canada Pension Plan. Citycon and CPPIB each own 50 per cent. of the shopping centre. Further, the Mölndal Galleria (in Gothenburg) (re)development is carried out in a joint venture with NCC and in Norway, Citycon is involved in three residential projects through joint ventures with developers of residential units. In addition, in Norway, Citycon is a 20 per cent. owner of four shopping centres along with Partners Group.

These kinds of joint ventures bring along certain risks. Citycon's ability to withdraw funds (including dividends) from and to exercise management control over the joint ventures may depend on the consent of the joint venture partners. Any disagreements with its partners, for example, on developing the business or pursuing the joint projects or other typical risks relating to a joint venture structure, such as potential joint and several or secondary liability for transactions and liabilities of the joint venture entity, the difficulty of maintaining uniform standards, controls, procedures and policies and the possible termination and/or commencement of a forced buy or sell procedure by the joint venture partner or of the joint venture partner's stake in the joint venture entity, either as a matter of right or by virtue of alleged non-compliance with the applicable joint venture agreement, may have a material adverse effect on Citycon's business, results of operations and financial condition. In addition to this, lenders may become less willing to lend to Citycon if it has a greater proportion of co-owned properties. Any of the above could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon May Not Be Able to Execute Disposals of Real Estate at Acceptable Prices or at All.

In accordance with its strategy, Citycon has in the past sold properties in part or in full and is continuously considering the divestment of properties that are not considered part of its core portfolio. In 2015, Citycon divested 18 non-core properties for a total value of approximately EUR 148 million. In the first half of 2016, Citycon has so far divested a shopping centre in Tallinn and a portfolio of assets in Finland for a total value of EUR 98 million. The value and price of the disposed properties are influenced by several factors, such as general economic conditions, interest rates, inflation expectations, investor yield requirements, the availability of debt financing and competitive dynamics. It may also be difficult to sell properties that the markets categorise as non-prime properties. There can be no guarantee that Citycon will be able in the future to execute disposals at acceptable prices or at prices that are higher than the fair market valuation of a particular property. Delayed disposal of properties or disposals of the properties at a loss could slow the growth of Citycon and this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

There Is No Guarantee That the Company's Lease Agreements Will Be Extended in the Future and it is Possible that New Lease Agreements Materialise on Materially Worse Conditions.

Citycon's lease agreements are divided into two categories: fixed-term lease agreements and lease agreements effective until further notice. Citycon mainly seeks to enter into fixed term leases. Apartments, storage facilities and individual parking spaces form the main exceptions to this. As of 31 December 2015, leases in effect until further notice represented approximately 3 per cent. of Citycon's property portfolio. The share of leases in effect until further notice has fallen due to the divestment of apartments carried out in Sweden, which mostly had leases in effect until further notice.

Lease agreements effective until further notice introduce a risk that a large number of such agreements may be terminated within a short period of time, and this risk may increase in an uncertain economic environment. Conversely, fixed-term agreements are less flexible, which may in some cases delay necessary development projects in the property during the term of the agreement. Citycon's lease agreements averaged 3.2 years as of 30 June 2016.

Citycon generally aims to renew lease agreements with the existing tenants. There are, however, no guarantees that Citycon will be successful in extending the lease agreements at current or with increased rent levels. Accordingly, Citycon cannot guarantee that the like-for-like net rental income growth achieved during the last years can be maintained. The concurrent termination of a large number of lease agreements and the inability of Citycon to renew these agreements on improved or similar terms could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Strong Market-Share Concentration of Grocery Retail Trade in Finland, Norway and Sweden Limits Competition and Rent Levels.

Grocery stores, including the two largest tenants of Citycon – Kesko and the S-Group – are often anchor tenants in the shopping centres owned by Citycon. Particularly in Finland and Norway, but also in Sweden, the grocery retail trade is strongly concentrated; the S-Group's market share in the entire Finnish grocery retail market was approximately 46 per cent. in 2015 and the combined market share of Kesko and the S-Group in Finland was approximately 79 per cent. in 2015, whereas the market share of NorgesGruppen was 41 per cent of the Norwegian grocery market in 2015.[6] In concentrated markets demand for retail space is lower due to reduced competition, thereby leading to a situation where Citycon might not always be able to receive satisfactory rent levels from its retail premises. These factors, in addition to competition that limits or reduces rental levels and subsequently reduces rent potential from grocery stores, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Expansion of Citycon's Business into New Geographical Areas May Introduce Additional Risks.

Citycon has expanded its business to Sweden, Estonia, and Denmark by acquiring shopping centres and other retail premises, and has recently entered the Norwegian market through the acquisition of Sektor Gruppen. In the future, Citycon may further expand its operations into other new markets. Operations outside of the Nordic markets, which are considered Citycon's home markets, involve potential risks, such as different business cultures, changes in legislation, administrative difficulties, labour issues, and unfavourable tax conditions. The real estate markets in the Baltic countries are less developed and, in addition, the economic and political situation is less stable than in the Nordic countries. Any of the above risks may, if they materialise, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon May Fail to Acquire Required Services or to Transfer the Related Service Cost Increases to Tenants.

Citycon utilises external service providers in its operations in connection with maintaining and constructing Citycon's properties as well as in connection with the planning of development projects. Such external service providers may expose Citycon to various risks, including, but not limited to, failure to perform their contractual obligations, cost deviations in relation to the external services, or liability for their actions or for the actions of property users. Citycon's main external operational service providers are delivering services in the fields of cleaning, technical maintenance, utilities and security.

The availability, terms and conditions, price, and quality of these external services, as well as the possibility of transferring any increases in the costs of these services to the tenants, are material to Citycon's business. The failure to procure services or to transfer the increase in their costs to tenants may have a material adverse effect on Citycon's business, results of operations, and financial condition.

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6 Source: PTY (Finnish Grocery Trade Association), Finnish Grocery Trade 2016 (http://www.pty.fi/fileadmin/user_upload/tiedostot/Julkaisut/Vuosijulkaisut/EN_2016_vuosijulkaisu.pdf) and NorgesGruppen – This is NorgesGruppen (http://www.norgesgruppen.no/norgesgruppen-in-english/this-is-norgesgruppen/)

Terrorist Attacks May Have an Adverse Impact on Citycon's Business and Operating Results and Could Decrease the Value of Citycon's Assets.

Terrorist attacks, especially those that have recently taken place in other European nations, have resulted in substantial and continuing economic volatility and social unrest globally and regionally. Further developments stemming from these events or other similar events could cause further volatility. An increase in the frequency, severity or geographic reach of terrorist acts could destabilise the countries in which the Group operates. The direct and indirect consequences of any terrorist attacks are unpredictable, and Citycon may not be able to foresee events that could have an adverse effect on the results of its business operations. Regardless of its likelihood, a terrorist attack in or near any of Citycon's shopping centres cannot be ruled out.

As consumers perceive increased risk of terrorist acts in places of public gathering, such as shopping centres, they may reduce the number of visits made to or the time spent in these places. Future terrorist attacks may also result in declining economic activity, which could reduce the demand for and the value of Citycon's properties. To the extent that future terrorist attacks impact its tenants, their businesses similarly could be adversely affected, including their ability to continue to honour their lease obligations, which may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Is Exposed to Environmental Liabilities.

As owner and holder (as tenant) of real property, Citycon could be held liable for possible environmental damage caused by the operations carried out on such property if such operations have not been carried out in accordance with applicable regulations. Although Citycon believes that its properties are generally not used for operations that could be particularly harmful to the environment, it cannot be ruled out that it could be held liable for environmental damage incurred on an owned or held property. Although Citycon believes that it has not caused any environmental harm in connection with its management of the properties, it cannot be ruled out that Citycon could be held liable for damages if it causes or has caused environmental harm in connection with management of the properties. Such environmental liability could, if it materialises, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Concerns about the Effects of Climate Change May Have an Impact on Citycon's Business.

Citycon is exposed to the potential impacts of future climate change and climate change-related risks. Particularly, Citycon is exposed to potential physical risks from possible future changes in climate and rare catastrophic weather events, such as severe storms and/or floods. If the frequency of extreme weather events increases due to climate change, Citycon's exposure to these events could increase.

Citycon does not currently consider itself to be exposed to regulatory risks related to climate change, as its operations do not emit a significant amount of greenhouse gases. However, Citycon may be adversely impacted as a real estate developer in the future by potential impacts to the supply chain and/or stricter energy efficiency standards for buildings.

Citycon Is Dependent Upon Professional Management and Key Personnel.

The success of Citycon materially depends on the professional skills of Citycon's management and personnel, as well as on the ability of Citycon to retain its current management and to recruit new skilled personnel, when needed. Citycon believes that its materialised and expected growth will impose further expectations on its management and other employees. There can be no guarantees that Citycon will be able to recruit enough new personnel or to develop and retain its current management and key personnel in the future. The loss of key management members or key employees, potentially to Citycon's competitors, and the inability to attract qualified new personnel may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Insurance Coverage May Prove to Be Inadequate.

Citycon has obtained insurance coverage for its properties and buildings, which it believes to be in line with standard industry practices. This insurance covers liabilities based on possible water damages, fire damages and damages caused by, for example, acts of vandalism or terrorism. In addition, liability insurance aimed to cover damages caused to third parties is also included in Citycon's insurance coverage. Furthermore, Citycon has valid business interruption insurance. Insurance coverage is subject to certain limitations and some risks may not be covered by insurance. Even if the insurance would be adequate to cover Citycon's direct losses, Citycon could be adversely affected by loss of earnings caused by or relating to damage to its properties. The occurrence of any of the above harmful effects or insufficient insurance coverage may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Any Damage to Citycon's Reputation May Have an Adverse Effect on Citycon's Ability to Attract and Retain Tenants as Well as to Retain Key Personnel.

Citycon's ability to attract and retain tenants as well as retain personnel in its employment may suffer if Citycon's reputation is damaged. Matters affecting Citycon's reputation may include, amongst other things, the quality and safety of its business properties, compliance with legislation and official regulations, actions by tenants and actions by individuals at Citycon's properties. Any damage to Citycon's reputation may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Is Subject to Regulatory and Legal Risks Relating to Securities Issues.

An issuance of shares or other securities by Citycon in or into certain jurisdictions may be subject to specific registration, admission or qualification requirements or other restrictions imposed by local law or regulatory authorities, or may be prohibited altogether. Citycon uses its best efforts to comply with such restrictions, but it cannot be excluded that due to ambiguities related to the application of and practice related to such restrictions, or due to any other reason, Citycon may become subject to regulatory or legal proceedings potentially resulting in fines or penalties or liability for damages. Citycon also has a large number of foreign investors and, in the future, may market its securities to additional foreign investors, which may also increase the risk of potential claims by such investors based on any applicable securities laws or regulations. Even if any such allegations or claims against Citycon were without merit, such claims or regulatory and legal proceedings might nevertheless cause Citycon significant reputational harm and expose Citycon to significant legal costs.

Credit Losses May Increase as a Result of the Tenants' Financial Difficulties.

As a consequence of the weaker economic environment, incidences of tenants experiencing financial difficulties during the terms of their lease have increased in recent years. Credit losses have still however remained stable in recent years, amounting to EUR 1.2 million at the end of 2015 (the amount of credit losses was EUR 1.2 million in 2014, EUR 0.9 million in 2013 and EUR 1.2 million in 2012). Despite a majority of Citycon's lease agreements including rental guarantees, Citycon's credit losses may increase in the future. Any significant credit losses could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Actual Performance May Differ Materially from the Long-Term Financial Targets and Prospects Included in this Prospectus.

Citycon's long-term financial targets and prospects constitute forward-looking information that is subject to considerable uncertainty. The long-term financial targets and prospects are based upon a number of assumptions relating to, amongst others, the development of Citycon's industry, business, results of operations, and financial condition. Citycon's actual business, results of operations, and financial condition, and the development of the industry and the macroeconomic environment in which Citycon operates, may differ materially from, and be more negative than, those assumed by Citycon when preparing its long-term financial targets and prospects. As a result, Citycon's ability to reach these long-term financial targets and prospects is subject to uncertainties and contingencies, some of which are beyond Citycon's control, and no assurance can be given that Citycon will be able to reach these targets and prospects or that Citycon's financial condition or results of operations will not be materially different from the long-term financial targets and prospects that Citycon has set for itself.

Financing Risks Relating to Citycon's Business

Citycon May Not Be Able to Secure Financing on Satisfactory Terms or at All in the Future.

Citycon operates in a sector that requires high levels of investment for growth. Citycon has in recent years carried out different equity and debt financing arrangements, including directed share issues (2007, 2010, 2011 and 2014), rights issues (2007, 2012, 2013, 2014 and 2015), bond issues (2009, 2012, 2013, 2014 and 2015) as well as several credit facility arrangements (2007–2015). Citycon has refinanced most of its debt in the last two years, and has no major long-term debt maturing until 2017. On 30 June 2016, Citycon's unused credit limits and cash balance amounted to EUR 384.6 million.

Citycon has commitments to lenders to the effect that it undertakes to maintain its adjusted equity ratio at above 32.5 per cent., and its interest coverage ratio at a minimum of 1.8 : 1.0. Further, under the terms of the bonds issued in 2013, 2014 and 2015, Citycon has committed to maintaining its solvency ratio at or below 0.65 : 1.0 and its secured solvency ratio at or below 0.25 : 1.0. These covenants are calculated bi-annually according to the relevant debt agreement. In addition, the secured bank financing of Sektor Gruppen was refinanced in December 2015.

Furthermore, the macroeconomic condition of the euro area as a whole might also have a significant effect on Citycon's ability to obtain financing. Deterioration in the economy of the euro area could result in a reduction in the capital that lenders are willing to deploy within the euro area, which may result in increased financing costs or the lack of available financing on economically viable terms.

Citycon's growth strategy, refinancing of maturing debt and upcoming new investments create a need for new funding. If Citycon is unable to obtain financing on commercially favourable terms, or if delays are incurred in obtaining such financing, this could impair Citycon's ability to make investments, or force Citycon to divest assets, which, in turn, could have a material adverse effect on the execution of Citycon's strategy and Citycon's business, results of operations, and financial condition.

Increases in Interest Rates and Credit Margins Increase Citycon's Financing Costs.

Changes in interest rates have a significant effect on the real estate business. Market interest rates fell sharply due to the financial crisis in the autumn of 2008 and have stayed at very low levels in historical terms since then. Interest rates are naturally expected to increase over time.

Fluctuations in interest rates affect Citycon's floating-rate loan interest expenses, which increase as market interest rates increase. Citycon carefully monitors the development of interest rates and actively hedges its position against changes in interest rates. According to Citycon's financing policy, its interest rate position must be hedged at a minimum level of 70 per cent. and at a maximum level of 90 per cent. Citycon mainly uses fixed-rate debt and interest rate swaps to manage its interest rate risks. Citycon's debt portfolio's hedging ratio was 84.6 per cent. on 30 June 2016.

A substantial increase in interest rates may also affect private consumption or the ability of tenants to pay rents or may lead to increased vacancy rates of Citycon's business premises.

Credit margins charged by Citycon's lenders increased clearly in 2008–2012 due to the financial crisis. During 2014–2016, the margins have decreased, but are still at a somewhat higher level than prior to the financial crisis. Tightening regulation of the banking sector (the Basel III) may contribute to higher costs of financing for banks, which may again result in an increase in the price of Citycon's new debt financing and Citycon's average interest rate level.

A material increase in interest rates or increased credit margins could, especially in the long term, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Is Exposed to Fluctuations in Exchange Rates.

Citycon is exposed to foreign currency risks due to its operations and equity investments outside of the euro area, mainly from the Swedish krona and Norwegian krone. According to Citycon's policy, all net currency transaction positions with an effect on the profit and loss statement is managed and hedged with currency derivatives. Equity investments into subsidiaries outside the euro area are not hedged, which will create translation differences and can reduce the value of these investments and the equity of the Group.

In order to prepare its financial statements, Citycon must convert the values of the assets, liabilities, revenues and expenses denominated in Swedish krona into euro at exchange rates applicable in the relevant time period.

Accordingly, significant movements in currency rates between the euro and the Swedish krona may have a material adverse effect on Citycon's business, results of operations and financial condition.

In Sweden, most of Citycon's sales and expenses are denominated in Swedish krona. To minimise any negative impact caused by exchange rate volatility, Citycon seeks to finance its Swedish business in Swedish krona so that changes in operating profit due to currency fluctuations are partly offset by changes in financial expenses.

With the acquisition of Sektor Gruppen, Citycon is now exposed to the risk of currency fluctuations of the Norwegian krone, similar to its exposure to the Swedish krona. Accordingly, significant movements in currency rates between the euro and the Norwegian krone may thereby have a material adverse effect on Citycon's business, results of operations, and financial condition.

In Denmark, the Danish krone has been closely pegged to the euro from the start and it does not, therefore, expose Citycon to major exchange rate risks. If the situation were to change and the Danish krone were devalued against the euro, it could have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Interests of Citycon's Significant Shareholders May Be Inconsistent with the Interests of Noteholders.

There are, as at the date of this Prospectus, certain shareholders who hold, directly and indirectly, a significant position in Citycon's share capital. The interests of Citycon's significant shareholders could conflict with the interests of Noteholders. On 30 June 2016, Citycon's largest shareholder, Gazit-Globe Ltd., held 43.5 per cent. of all the shares and votes in Citycon. Gazit-Globe Ltd.'s shareholding enables it to prevent resolutions requiring a majority of at least two-thirds of the votes cast and shares represented at a General Meeting of Shareholders. Such resolutions include a resolution to amend Citycon's Articles of Association, resolutions to issue shares in deviation from the pre-emptive subscription right of shareholders and resolutions regarding a potential merger, demerger or liquidation of Citycon.

CPP Investment Board Europe S.à r.l (**CPPIBE**) is Citycon's second largest shareholder holding approximately 15 per cent. of all the shares and votes in Citycon on 30 June 2016. CPPIBE and Gazit-Globe Ltd. have on 12 May 2014 entered into an agreement documenting the parties' objectives in certain governance matters relating to Citycon (the **Governance Agreement**).

The Governance Agreement includes, amongst other things, an undertaking by each of CPPIBE and Gazit-Globe Ltd. to support a certain number of nominees proposed by the other party to the Board of Directors of Citycon, taking into account the independence requirements imposed under the Finnish corporate governance regime. For further information on the composition of Citycon's Board of Directors, please see section "*Directors, Corporate Governance and Management of the Guarantor*". Significant shareholders' interests may differ from the interests of other shareholders and may affect potential actions or transactions that might benefit the Noteholders.

Gazit-Globe Ltd.'s Ownership May Exceed 50 per cent. Triggering Change of Control Clauses and an Obligation to Make a Mandatory Public Offer.

Should the ownership of Gazit-Globe Ltd. exceed 50 per cent. of the votes carried by Citycon's shares, this would trigger an obligation for Gazit-Globe Ltd. to make a mandatory public tender offer for the remaining shares and securities entitling their holder to shares in Citycon under the Finnish Securities Market Act unless the Financial Supervisory Authority of Finland (*Finanssivalvonta*) (the **FSA**) grants an exemption from such obligation. Further, the ownership of Gazit-Globe Ltd. exceeding 50–55 per cent. of the votes carried by Citycon's shares would constitute a change of control in Citycon as defined in certain of Citycon's debt financing agreements and bond terms. Such a change of control would impose an obligation for Citycon either to prematurely repay the loans and bond holdings in question or negotiate with the creditors in question about extension and terms of the financing, which Citycon may not be able to do on commercially reasonable terms or at all.

The Governance Agreement Entered into Between Gazit-Globe Ltd. and CPPIBE May Trigger an Obligation to Make a Mandatory Public Offer.

According to information received from Gazit-Globe Ltd. and CPPIBE by Citycon, the purpose of the Governance Agreement is to agree on a framework for certain governance mechanisms and processes that CPPIBE and Gazit-Globe Ltd. deem would contribute to the effective governance of Citycon in the interest of all of its shareholders. The Governance Agreement regulates, amongst other things, the appointment of members to the Board of Directors of Citycon and CPPIBE's tag-along right in the event of transfer of shares in Citycon by Gazit-Globe Ltd.

According to information received by Citycon, Gazit-Globe Ltd. and CPPIBE have received statements from the FSA to the effect that the Governance Agreement does not, as such, constitute acting in concert as defined under the Finnish Securities Market Act, and thus does not trigger an obligation for the parties to make a mandatory public tender offer for the shares in Citycon. The FSA notes in its statements that this position should be reassessed should the parties strive to materially reduce the number of the members of the Board of Directors of Citycon from the current ten (10) members. According to information received by Citycon, as a result of the FSA's above-mentioned statement, the Governance Agreement includes an undertaking by Gazit-Globe Ltd. and CPPIBE to the effect that they will refrain from any actions to materially reduce the number of the members of the Board of Directors from the current number.

However, should there be a material change in the circumstances affecting the grounds of the FSA's statement referred to above, the Governance Agreement entered into between Gazit-Globe Ltd. and CPPIBE could be deemed to constitute acting in concert as defined under the Finnish Securities Market Act and, consequently, could trigger an obligation for Gazit-Globe Ltd. and CPPIBE to make a mandatory public tender offer for the remaining shares and securities entitling their holder to shares in Citycon.

Credit Ratings May Not Reflect All Risks.

Moody's and S&P have assigned credit ratings to Citycon. On 2 June 2016, S&P confirmed its current ratings (BBB) of the Group while Moody's upgraded the long-term corporate credit rating of the Group to Baa1 on 15 January 2016, mainly due to improved business profile following the acquisition of Sektor Gruppen. The Notes are rated Baa1 by Moody's and BBB by S&P. See *"—Risks related to the Market Generally—Credit Ratings May Not Reflect All Risks*".

These ratings may not reflect the potential impact of all risks relating to Citycon's business. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Should Citycon's credit rating be downgraded, this could increase the financial costs of Citycon in the longer term and, therefore, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Financing Agreements Involve Counterparty Risk.

International financial institutions are counterparties to Citycon's long-term bank loans, derivative contracts and insurance contracts. It is possible that Citycon's financing or insurance counterparties may experience financial difficulties or bankruptcy in the future. Should one or more of the financial institutions that are Citycon's counterparties experience financial difficulties or bankruptcy, this could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Factors which are Material for the Purposes of Assessing the Market Risks Associated with the Notes

The Notes May Not Be a Suitable Investment for All Investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes Are Subject to Optional Redemption by the Issuer.

The Notes contain an optional redemption feature, which is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Risks Related to the Notes Generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, Waivers and Substitution.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, the Trust Deed or the Agency Agreement or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company being the Guarantor or another Subsidiary of the Guarantor as principal debtor under any Notes in place of the Issuer, in the circumstances described in Conditions 15 and 14.

Change of Law.

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Denominations Involve Integral Multiples; Definitive Notes.

The Notes have denominations consisting of a minimum of EUR 100,000 plus integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 100,000. In such a case a holder who, as a result of trading such amounts, holds principal amount which is less than EUR 100,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or a higher integral multiple of EUR 1,000. Further, a Noteholder who, as a result of trading such amounts, holds a principal amount which is less than EUR 100,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to EUR 100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of EUR 100,000 may be illiquid and difficult to trade.

Risks related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An Active Trading Market for the Notes May Not Develop.

The Notes may have no established trading market when issued and the Issuer cannot assure investors that an active trading market for the Notes will develop or be maintained. In addition, there may be a limited number of buyers when an investor decides to sell the Notes, which can affect the price an investor receives for such Notes or the ability to sell such Notes at all. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. A lack of liquidity may have a severely adverse effect on the market value of the Notes.

Exchange Rate Risks and Exchange Controls.

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit Ratings May Not Reflect All Risks.

Moody's and S&P have assigned credit ratings to the Notes. The Notes are rated Baa1 by Moody's and BBB by S&P. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Legal Investment Considerations May Restrict Certain Investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar rules.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Prospectus may constitute "forward-looking statements". Forward- looking statements are all statements in this Prospectus that do not relate to historical facts and events, and include statements concerning the Company's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Company uses the words "will", "believes", "assumes", "intends", "estimates", "expects", "may", "will", "plans", "seeks", "approximately", "aims", "projects", "anticipates" or similar expressions to generally identify forward- looking statements.

Forward-looking statements are set forth in a number of places in this Prospectus, including (without limitation) in the sections "*Risk Factors*", "*Description of the Guarantor*" and *"Citycon's Property Portfolio in Brief and Investments, Divestments and Development Projects*". The Company has based these forward-looking statements on the current view of its management with respect to future events and financial performance. These views reflect the best judgment of the Company's management but involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this Prospectus and from past results, performance or achievements. Examples of these risks, uncertainties and other factors include, but are not limited to, those discussed in the section titled "*Risk Factors*" in this Prospectus including the following: the economic fluctuations and economic development; the United Kingdom's exit from the European Union; the imbalance of the euro area; the fair value of Citycon's investment properties and the objectivity of property valuation statements; the decreasing private consumption and decreasing demand for retail premises; negative impact of the increasing internet commerce; property portfolio concentration and dependency upon retail sales; the increased competition in the real estate market and the impact of competition regulations; changes in tax laws and international financial reporting standards; the ability to successfully accomplish Citycon's (re)development projects; exposure to the largest tenants; operational activities costs; the ability to identify profitable acquisitions and successfully execute acquisitions; the successful integration of new business; the ability to secure sufficient funds from other members of the Group; risks related to joint ventures; the ability to execute disposals; extension of lease agreements and the terms of the lease agreements; expansion of Citycon's business into new geographical areas; the ability to acquire required services; risks related terrorist attacks; Citycon's exposure to environmental liabilities; effects of climate change; dependence on the management and key personnel; insurance coverage; reputational damage; regulatory and legal risks; credit losses; the ability to meet long term financial targets; Citycon's ability to refinance certain financing arrangements; the ability to secure financing; the exposure to fluctuations in interest rates and exchange rates; counterparty risks; and modifications, waivers and substitution of the Notes. Although the Company believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Company has identified in this Prospectus, or if any of the Company's underlying assumptions prove to be incomplete or incorrect, the Company's actual results of operations may vary from those expected, estimated or projected.

These forward-looking statements are made only as at the date of this Prospectus. Except to the extent required by law, the Company is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Prospectus:

- the auditors' report and audited consolidated and non-consolidated annual financial statements of the Company for the financial year ended 31 December 2015 (the **2015 Group Annual Financial Statements**), including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	Page 20
Consolidated Statement of Financial Position	Page 21
Consolidated Cash Flow Statement	Page 22
Consolidated Statement of Changes in Shareholders' Equity	Page 23
Notes to the Consolidated Financial Statements	Pages 24 to 60
Non-Consolidated Income Statement	Page 64
Non-Consolidated Balance Sheet	Page 65
Non-Consolidated Cash Flow Statement	Page 66
Notes to the Non-Consolidated Financial Statements	Pages 67 to 69
Auditors' report	Page 73

- the auditors' report and audited consolidated and non-consolidated annual financial statements of the Company for the financial year ended 31 December 2014 (the **2014 Group Annual Financial Statements**), including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	Page 22
Consolidated Statement of Financial Position	Page 23
Consolidated Cash Flow Statement	Page 24
Consolidated Statement of Changes in Shareholders' Equity	Page 25
Notes to the Consolidated Financial Statements	Pages 26 to 58
Non-Consolidated Income Statement	Page 62
Non-Consolidated Balance Sheet	Page 63
Non-Consolidated Cash Flow Statement	Page 64
Notes to the Non-Consolidated Financial Statements	Pages 65 to 67
Auditors' report	Page 71

- the auditors' review report and the interim consolidated financial statements of the Company for the six months ended 30 June 2016 (the **2016 Group Q2 Financial Statements**), including the information set out at the following pages in particular:

Condensed Consolidated Statement of Comprehensive Income	Page 19
Condensed Consolidated Statement of Financial Position	Page 20

- the independent auditor's report and audited non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2015 (the **2015 Issuer Annual Financial Statements**), including the information set out at the following pages in particular:

- the independent auditor's report and audited non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2014 (the **2014 Issuer Annual Financial Statements**), including the information set out at the following pages in particular:

Any other information not listed above but contained in such documents is incorporated by reference for information purposes only. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any non-incorporated parts of a document referred to above are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of:

(a) the 2015 Group Annual Financial Statements are available on the website of the Company at:

http://www.citycon.com/sites/default/files/Citycon_AR_2015_ENG.pdf

(b) the 2014 Group Annual Financial Statements are available on the website of the Company at:

http://www.citycon.com/sites/default/files/Citycon%20Annual%20report%202014.pdf

(c) the 2016 Group Q2 Financial Statements are available on the website of the Company at:

http://www.citycon.com/sites/default/files/b3677c462bd7e257.pdf

(d) the 2015 Issuer Annual Financial Statements are available online at:

http://www.citycon.com/sites/default/files/citycon_treasury_bv_financial_statements_2015.pdf

(d) the 2014 Issuer Annual Financial Statements are available online at:

http://www.citycon.com/sites/default/files/citycon_treasury_bv_financial_statements_2014.pdf

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €350,000,000 1.250 per cent. Guaranteed Notes due 2026 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 and forming a single series with the Notes) of Citycon Treasury B.V. (the **Issuer**) are constituted by a Trust Deed dated 8 September 2016 (the **Trust Deed**) made between the Issuer, Citycon Oyj (the **Guarantor**) as guarantor and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 8 September 2016 (the **Agency Agreement**) made between the Issuer, the Guarantor, Deutsche Bank AG, London Branch as principal paying agent (the **Principal Paying Agent** and, together with any other paying agent appointed from time to time under the Agency Agreement, the **Paying Agents)** and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Notes at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons attached on issue. Notes of one denomination may not be exchanged for Notes of any other denomination.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, the Guarantor, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. GUARANTEE

3.1 Guarantee

The payment of the principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor (the **Guarantee**) in the Trust Deed.

3.2 Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4.1) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. COVENANTS

4.1 Negative Pledges

So long as any of the Notes remains outstanding (as defined in the Trust Deed):

(a) the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries, other than an Acquired Security Interest, to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

  (i) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

  (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; and

(b) the Guarantor will not, and the Guarantor will procure that none of its Subsidiaries will, create or have outstanding any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor and/or any of its Subsidiaries, other than an Acquired Security Interest, to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

  (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

  (ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution of the Noteholders.

4.2 Financial Covenants

So long as any Note remains outstanding:

(a) the Solvency Ratio shall not exceed 0.65; and

(b) the Secured Solvency Ratio shall not exceed 0.25.

The Guarantor will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the undertakings in this Condition 4.2 is breached at any time.

For so long as the Notes remain outstanding, the Guarantor will deliver a certificate to the Trustee on each Reporting Date signed by a duly Authorised Signatory (as defined in the Trust Deed) of the Guarantor, certifying that the Guarantor is and has been in compliance with the undertakings set out in this Condition 4.2 at all times since the last such certificate was delivered to the Trustee or, if none, since 8 September 2016.

A certificate by any two Authorised Signatories of the Guarantor as to any of the amounts referred to in this Condition 4.2, or any of the terms defined for the purposes of this Condition 4.2, shall be conclusive and binding on all parties.

4.3 Interpretation

For the purposes of these Conditions:

(a) **Acquired Security Interest** means a Security Interest of any Person existing at the time such Person is acquired by and becomes a Subsidiary of the Issuer, the Guarantor or any of their respective Subsidiaries, provided such Security Interest (i) was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such acquisition and (ii) has not been extended to any additional assets or revenues in contemplation of or since such acquisition;

(b) **Consolidated Total Assets** means the total assets (excluding intangible assets) of the Group as shown in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated financial statements of the Guarantor;

(c) **Consolidated Total Indebtedness** means the total Indebtedness (on a consolidated basis) of the Group as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated financial statements of the Guarantor;

(d) **Group** means the Guarantor and its Subsidiaries;

(e) **IFRS** means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time) as adopted by the European Union;

(f) **Indebtedness** means, with respect to any Person at any date of determination (without duplication) any debt of such Person, including:

(i) all indebtedness of such Person for borrowed money in whatever form;

(ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:

(A) any trade payables or other liability to trade creditors; and

(B) any post-closing payment adjustments in connection with the purchase by the Guarantor or any Subsidiary of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and provided that (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;

(v) all capitalised lease obligations of such Person, to the extent treated as indebtedness in the financial statements of such Person under IFRS;

(vi) all obligations of the type referred to in paragraphs (i) to (v) of other Persons guaranteed by such Person to the extent such obligation is guaranteed by such Person; and

(vii) all obligations of the type referred to in paragraphs (i) to (vi) of other Persons secured by any Security Interest over any asset of such Person (the amount of such obligation being deemed to be the lesser of (A) the book value of such asset as shown in the most recent audited annual or unaudited semi-annual financial statements of such Person and (B) the amount of the obligation so secured), whether or not such indebtedness is assumed by such Person.

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent obligations as described above, will be the value of the contingency, if any, giving rise to the obligation as reported in that Person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time;

(g) **Measurement Date** means each day which is (i) the last day of the Guarantor's financial year in any year in respect of which audited annual consolidated financial statements of the Guarantor have been produced (the **Annual Measurement Date**) or (ii) the last day of the first half of the Guarantor's financial year in any year in respect of which unaudited semi-annual consolidated financial statements of the Guarantor have been produced (the **Semi-Annual Measurement Date**);

(h) **Person** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

(i) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

(j) **Reporting Date** means a date falling no later than 30 days after (i) the publication of the Guarantor's audited annual consolidated financial statements, with respect to an Annual Measurement Date, or (ii) the publication of the Guarantor's unaudited semi-annual consolidated financial statements, with respect to a Semi-Annual Measurement Date;

(k) **Secured Consolidated Total Indebtedness** means such amount of Consolidated Total Indebtedness that is secured by a Security Interest granted by the Guarantor or a Subsidiary of the Guarantor;

(l) **Secured Solvency Ratio** means, in respect of any Measurement Date, (i) the Secured Consolidated Total Indebtedness divided by (ii) Consolidated Total Assets;

(m) **Solvency Ratio** means, in respect of any Measurement Date, (i) the Consolidated Total Indebtedness (less cash and cash equivalents (as set out in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated financial statements of the Guarantor)) divided by (ii) Consolidated Total Assets; and

(n) **Subsidiary** means, in relation to the Issuer or the Guarantor (as the case may be), any company (i) in which the Issuer or, as the case may be, the Guarantor, holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Guarantor, is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or, as the case may be, the Guarantor is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the Guarantor.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 8 September 2016 (the **Interest Commencement Date**) at the rate of 1.250 per cent. per annum (the **Rate of Interest**), payable annually in arrear on 8 September in each year (each an **Interest Payment Date**) and calculated from and including the Interest Commencement Date or the relevant Interest Payment Date, as the case may be, to but excluding the next following Interest Payment Date. The first payment (representing a full year's interest) shall be made on 8 September 2017.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

6. PAYMENTS

6.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 9):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

6.6 Initial Paying Agents

The name of the initial Principal Paying Agent and its initial specified office is set out at the end of these Conditions. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent (which may be the Principal

Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 8 September 2026 (the **Maturity Date**).

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 2 September 2016, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and

(b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor, would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor, stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.3 Redemption at the Option of the Issuer

The Issuer may, having given:

(a) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13; and

(b) notice to the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all of the Notes, but not some only, at any time at the Relevant Early Redemption Amount.

In this Condition, **Relevant Early Redemption Amount** means:

(i) in relation to any date fixed for redemption which falls in the period up to and including the date falling three months prior to the Maturity Date, such amount as is equal to the greater of the amounts in subparagraph (A) and (B) below together with interest accrued to but excluding the date fixed for redemption:

(A) the principal amount outstanding of the Notes; and

(B) an amount (as reported in writing to the Issuer and the Trustee by the Determination Agent) which is equal to the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate plus 0.25 per cent.

In this Condition:

Calculation Date means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

Determination Agent means an investment bank or financial institution of international standing selected by the Issuer and approved by the Trustee;

Reference Bond means the 0.000 per cent. German government bond due 2026 with ISIN DE0001102408 (or, where the Determination Agent advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

Reference Bond Price means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

Reference Government Bond Dealer means each of the five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3:30 pm (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from and including the date fixed for redemption, and

(ii) in relation to any date fixed for redemption which falls in the period from but excluding the date falling three months prior to the Maturity Date to but excluding the Maturity Date, such amount as is equal to the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.

7.4 Redemption at the Option of the Noteholders upon a Change of Control Put Event

If a Change of Control Put Event (as defined below) occurs, each Noteholder shall have the option (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer shall have given notice under Condition 7.2 or Condition 7.3 (if applicable)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Noteholder's Notes at their principal amount together with interest accrued to but excluding the Change of Control Settlement Date (as defined below). Such option (the **Change of Control Put Option**) shall operate as set out below.

If a Change of Control Put Event occurs then, within 5 days of the Issuer or the Guarantor becoming aware that such Change of Control Put Event has occurred, the Issuer or the Guarantor shall, and upon the Trustee becoming so aware (the Issuer and the Guarantor each having failed to do so) the Trustee may, and, if so requested by the holders of at least one- quarter in principal amount of the Notes then outstanding, shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Change of Control Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Notes must deliver at the specified office of any Paying Agent on any Business Day (as defined in Condition 6.5) at the place of such specified office falling within the period of 30 days after the Change of Control Notice is given by the Issuer, the Guarantor or the Trustee, as applicable, (the **Change of Control Put Period**), a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**), be any form acceptable to and delivered in a manner acceptable to Euroclear or Clearstream, Luxembourg, as applicable) obtainable from any specified office of any Paying Agent (a **Change of Control Exercise Notice**) and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition 7.4 accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Change of Control Exercise Notice, be held to its order or under its control. A Change of Control Exercise Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer in accordance with Condition 13 to withdraw the Change of Control Exercise Notice.

Any Note which is the subject of a Change of Control Exercise Notice which has been delivered to a Paying Agent prior to the expiry of the Change of Control Put Period shall be redeemed or, as the case may be, purchased by (or on behalf of) the Issuer on the date which is the seventh Change of Control Business Day immediately following the last day of the Change of Control Put Period (the **Change of Control Settlement Date**). In this Condition, **Change of Control Business Day** means a day which is both a Business Day in London and a TARGET2 Settlement Day (each as defined in Condition 6.5).

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Put Event or any event which could lead to the occurrence of a Change of Control has occurred and will not be responsible or liable to Noteholders or Couponholders for any loss arising from any failure by it to do so. If the rating designations employed by any of Moody's Investors Service Limited (**Moody's**) or Standard & Poor's Credit Market Services France SAS (**S&P**) are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" below, or if a rating is procured from a Substitute Rating Agency, the Guarantor shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 7.4 shall be construed accordingly.

A **Change of Control Put Event** will be deemed to occur if:

(i) any person or any persons acting in concert, other than the Existing Holders or a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Guarantor and/or any direct or indirect holding company of the Guarantor, shall acquire a controlling interest in (A) shares in the stated capital of the Guarantor carrying more than 45 per cent. of the voting rights represented by the shares of the Guarantor (being voting rights which are capable of being exercised at a general meeting of the Guarantor) where as a result of such acquisition, such person will have an interest that is greater than that of the Existing Holders at the time of such acquisition or (B) shares in the stated capital of the Guarantor carrying more than 50 per cent. of the voting rights represented by the shares of the Guarantor (being votes which are capable of being cast at a general meeting of the Guarantor) (each such event being, a **Change of Control**); and

(ii) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (as defined below) (if any):

(A) the Notes carry an investment grade credit rating (*BBB-, or its equivalent, or better*) (an **Investment Grade Rating**) from one or more Rating Agencies and, within the Change of Control Period, any such Rating Agency downgrades its rating of the Notes to a non-investment grade credit rating (*BB+, or its equivalent, or worse*) or withdraws its rating of the Notes and such rating is not within the Change of Control Period restored to an Investment Grade Rating by one or more such Rating Agencies or replaced by an Investment Grade Rating of another Rating Agency; or

(B) the Notes do not carry an Investment Grade Rating from at least one Rating Agency and neither the Issuer nor the Guarantor is able to acquire and maintain thereafter an Investment Grade Rating during the Change of Control Period from at least one Rating Agency; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (ii) above or to decline to confer an Investment Grade Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Guarantor that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 180 days after the public announcement of such consideration);

Existing Holders means, individually or jointly, any and all of (i) Gazit-Globe Ltd., and (ii) any person or persons from time to time controlling, controlled by or under common control with Gazit-Globe Ltd., including (a) any person or persons that acquires a controlling interest in any of the persons referred to in (i) and (ii) above or (b) any person that succeeds to any of the persons referred to in (i) and (ii) above by way of a merger, liquidation, dissolution, reorganisation or otherwise. For the purposes of this definition, **control** is deemed to be the ownership of or ability to direct 30 per cent. or more of the equity share capital of a person;

Rating Agency means Moody's, S&P or any of their respective successors or any other internationally recognised rating agency (a **Substitute Rating Agency**) substituted for any of them by the Guarantor from time to time and notified to the Noteholders in accordance with Condition 13; and

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer or the Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

7.5 Purchases

The Issuer, or the Guarantor or any of the Guarantor's other Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

7.6 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be held, reissued or resold.

7.7 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2, Condition 7.3 or Condition 7.4 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph (in the case of paragraph 7.4, save as otherwise provided therein).

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

(a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or

(b) presented for payment in the Netherlands or the Republic of Finland; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 6).

8.2 Interpretation

In these Conditions:

(a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13; and

(b) **Relevant Jurisdiction** means the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6.

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but, in the case of the happening of any of the events described in subparagraphs (b) to (d) (other than the winding up or dissolution of the Issuer or the Guarantor), and (e) to (g) inclusive and (i) and (j) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (**Events of Default**):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three days; or

(b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €35,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(e) if the Issuer or the Guarantor ceases or threatens to cease to carry on the whole or a substantial part of its business or any of the Guarantor's other Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save in either case for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 14 days; or

(g) if the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or

(i) if the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly by the Guarantor; or

(j) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion an analogous effect to any of the events referred to in subparagraphs (d) to (i) above.

10.2 Interpretation

For the purposes of this Condition, **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

11. ENFORCEMENT

11.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

11.2 Limitation on Trustee actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

11.3 Enforcement by the Noteholders

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer or the Guarantor to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or the Guarantor, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. NOTICES

13.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or relevant authority on which the Notes are for the time being listed or admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

13.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

14. SUBSTITUTION

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of the Guarantor or any company being a Subsidiary of the Guarantor, subject to:

(a) except in the case of the substitution of the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;

(b) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and

(c) certain other conditions set out in the Trust Deed being complied with.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, including the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

15.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

15.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

15.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

16. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER AND THE GUARANTOR

16.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Guarantor, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

16.2 Trustee Contracting with the Issuer and the Guarantor

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Guarantor's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of the Guarantor's other Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed. Any further notes or bonds under subparagraph (b) shall be constituted by a separate trust deed.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

The Trust Deed (including the Guarantee), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

18.2 Jurisdiction of English Courts

Each of the Issuer and the Guarantor has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders and the Couponholders may, to the extent allowed by law, take any suit, action or proceeding arising out of or in connection with the Trust Deed, the Notes or the Coupons respectively (including any suit, action or proceedings relating to any non- contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) (together referred to as **Proceedings**) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

Each of the Issuer and the Guarantor has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited[7] at the latter's registered office for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

19. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

[7] Appointment as process agent to be confirmed.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

(a) upon the happening of any of the events defined in the Trust Deed as "Events of Default";

(b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or

(c) if the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 18 October 2016, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge.

Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13.1, provided that, so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority and such stock exchange or relevant authority so requires, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any such stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by the reduction in the issue outstanding amount of the relevant Global Note in the records of Euroclear and Clearstream, Luxembourg.

7. Change of Control Put Option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 7.4 may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common safekeeper for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly within the time limits set forth in that Condition.

8. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferrable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

9. Eurosystem Eligibility

The Global Notes will be issued in New Global Note (**NGN**) form. This means that the Notes are intended upon issue to be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (each acting in its capacity as International Central Securities Depositary) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will mainly be used by the Issuer to partially repay and/or refinance the Group's existing indebtedness and, to a lesser extent, the Issuer may also lend part of the proceeds of the issue of the Notes to the Guarantor for general corporate purposes, including the development of existing properties, to acquire new properties or to increase its shareholdings in its existing joint ventures.

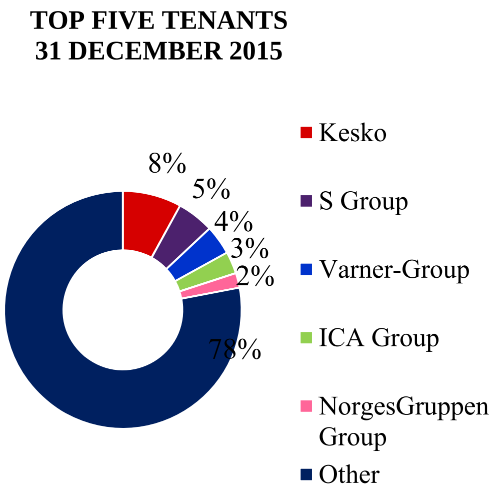
DESCRIPTION OF THE GUARANTOR

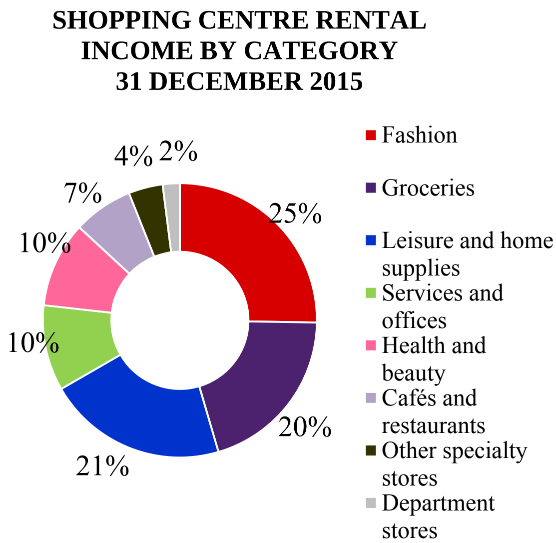
Overview

Citycon is a leading owner, manager and developer of urban grocery-anchored shopping centres in the Nordic and Baltic regions, with assets under management totalling approximately EUR 4.7 billion at 30 June 2016 (including the fair value of investment properties and Kista Galleria (on a 100% basis)) and a market capitalisation of approximately EUR 2.0 billion at 30 June 2016. Headquartered in Helsinki, Finland, Citycon is the number one shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia.[8] Citycon also has a foothold in Denmark. On 30 June 2016, Citycon owned 52[9] shopping centres and five other retail properties and rented two shopping centres in Norway.

Citycon focuses on leading shopping centres in the largest cities in the Nordics and Baltics. Citycon's properties are urban and typically grocery-anchored. The shopping centres are located close to residential areas and office locations and, therefore, are easily accessible. Citycon actively (re)develops its properties to improve their vitality and competitiveness. Large, well-established shopping centres represent the core of the property portfolio. In addition to wholly-owned properties, Citycon may be a co-owner of properties with joint venture partners. This ownership structure is selected from time to time for the largest investments to free up capital for, amongst other things, the (re)development of other properties in Citycon's portfolio.

Citycon's major tenants include specialty and grocery chains as well as cafés and restaurants, banks and financial institutions, and municipal and other public administration. Citycon's five largest tenants (by rental income) and shopping centre rental income by branches as at 31 December 2015 are illustrated in the below figures:





Citycon's business operations are divided into four business units: Finland, Norway, Sweden, and Baltics and Denmark. Each business unit is further divided into clusters. In the cluster organisational model, shopping centres are combined to form entities that are led by commercial directors. As of 30 June 2016, the Finnish unit was composed of three clusters, the Norwegian unit of three clusters, the Swedish unit of two clusters, and the Baltics and Denmark unit of one cluster. The clusters are supported by centralised leasing, development, marketing and finance teams.

For the financial year ended 31 December 2015, Citycon's operating profit was EUR 148.9 million. As of 30 June 2016, Citycon had 325 employees of whom 166 worked in Norway, 88 in Finland, 58 in Sweden, 9 in Estonia, three in the Netherlands and one in Denmark.

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8 Source: Based on information from the Finnish Council of Shopping Centres, company reports, market research and estimates.

9 Including Kista Galleria, assuming that the ownership is 100 per cent.

Citycon has investment-grade credit ratings from S&P (BBB, outlook stable) and Moody's (Baa1, outlook stable).

Citycon is a public limited company incorporated on 13 April 1988 under the laws of Finland with registration number 0699505-3, and Citycon's shares have been listed on the Helsinki stock exchange (now Nasdaq Helsinki Ltd., the **Helsinki Stock Exchange**) since November 1988. Citycon's registered office is located at Korkeavuorenkatu 35, 00130 Helsinki, Finland and its telephone number is +358 20 766 4400.

Operational History

Citycon was established in 1988 by the Insurance Company Sampo Pension Ltd, Imatran Voima Oy, Rakennustoimisto A. Puolimatka Oy and Postipankki. During the same year, Citycon was listed on the Helsinki Stock Exchange. Initially, Citycon's business focused on office premises.

In 1998, Citycon's business concept was modified and the focus was shifted to Finnish retail properties. Citycon acquired retail properties throughout Finland from Kesko Corporation, Merita Real Estate Ltd and Nova Life Insurance Company Ltd.

Citycon almost doubled its property portfolio in 1999 through acquisitions, including acquiring majority stakes in 11 shopping centres in Finland and minority stakes in Koskikeskus, Tampere and Jyväskeskus, Jyväskylä. As a result of the acquisitions, the sellers, including Nordea, Kesko and Sampo with their group companies, became significant shareholders of Citycon.

In 2003, Citycon refined its business strategy to include development of properties in addition to owning, leasing and managing retail premises. The ownership base of Citycon changed significantly as the former major owners Kesko, Nordea and Sampo sold their shareholdings and international investors became the largest group of owners in Citycon.

The expansion outside Finland began in 2005 when Citycon acquired its first properties in Sweden and Estonia. Citycon acquired 75 per cent. of the Åkersberga Centrum shopping centre in Sweden in July 2005, and, Citycon also expanded its operations into Estonia, acquiring Tallinn's Rocca al Mare shopping centre. In 2005, Citycon acquired altogether five shopping centres in Sweden and Estonia.

In 2006, Citycon continued its expansion into new market areas when it purchased the Mandarinas shopping centre in the capital of Lithuania, Vilnius. New properties were also acquired in Finland, Sweden and Estonia during 2007. In September 2007, Citycon completed the acquisition of Iso Omena shopping centre in Espoo.

In 2008, Citycon redefined the focus in its growth strategy and started to put more emphasis on the (re)development of existing shopping centres instead of new acquisitions. Of these (re)development projects, the Trio shopping centre in Lahti was opened to the public in its entirety at the end of 2008, and the extension project of the Rocca al Mare shopping centre in Tallinn as well as the new shopping centre Liljeholmstorget Galleria in Stockholm were completed in 2009.

In 2010, Citycon continued (re)developing its existing shopping centres, the most important projects being Åkersberga Centrum in the Greater Stockholm Area, Espoontori in Espoo and Forum in Jyväskylä. In addition, Citycon began construction in Myllypuro, Helsinki, and Martinlaakso, Vantaa, with the purpose of rebuilding the old-fashioned retail centres into modern shopping centres.

During 2011, Citycon acquired two shopping centres, Högdalen Centrum in Stockholm and Kristiine in Tallinn. Citycon also launched the (re)development of the Koskikeskus shopping centre in Tampere, (re)development and extension project of the Magistral shopping centre in Tallinn and the refurbishment of Åkermyntan Centrum in Stockholm. In July 2011, Citycon introduced its clarified strategy, with a stronger focus on growth in its core business. In addition to the existing operating countries, the other Nordic and Baltic countries, namely Norway, Denmark and Latvia, were also included in the strategy. Supermarket and shop properties were defined as non-core properties with the aim to dispose the asset within the coming years.

During 2012, Citycon acquired the shopping centre Arabia in Helsinki and the shopping centre Albertslund Centrum in the greater Copenhagen area, which was Citycon's first acquisition in Denmark.

In 2013, Citycon and CPPIB jointly acquired the Kista Galleria shopping centre in Stockholm. Citycon also started the extension and (re)development of its largest shopping centre in Finland, Iso Omena in Espoo. The estimated cost for the project including partial (re)development of the existing shopping centre amounts to approximately EUR 250 million. The project covers an approximated 36,000 sq. m. extension connected to the future metro station.

In 2014, Citycon continued updating its property portfolio in line with its strategy. Citycon acquired GIC's 40 per cent. stake in the Iso Omena shopping centre in Espoo, increasing Citycon's stake in the centre to 100 per cent. Citycon also joined forces with NCC to build Mölndal Galleria shopping centre in Gothenburg and continued its disposal strategy by divesting 12 non-core assets, including the Mandarinas shopping centre in Vilnius.

In 2015, Citycon acquired Sektor Gruppen in Norway. Through the acquisition of Sektor Gruppen, Citycon gained exposure throughout the entire Nordic region, while increasing its assets under management by nearly 50 per cent., from EUR 3.4 billion to EUR 4.9 billion. In 2015, the extension and (re)development project of shopping centre IsoKristiina, located in Lappeenranta, Finland, was completed.

In August 2016 Citycon opened the first part of the Iso Omena extension. Following the full completion of the (re)development project in April 2017, Iso Omena will have a gross leasable area of approximately 100,000 sq. m.

Vision, Mission, Strategy and Values

Citycon's strategy is supported by Citycon's vision, mission and values.

Vision

Citycon wants to be the household name for Nordic and Baltic shopping centres.

Mission

Citycon's mission is to offer the best retail space and everyday shopping experience in urban shopping centres in the Nordics and Baltics.

Strategy

Citycon's strategy is to be a pure retail player focused on urban, typically grocery-anchored shopping centres in the best locations in the Nordics and Baltics. Citycon aims to create value by owning, managing and developing the centres based on the needs of the surrounding community. Citycon's strategy is based on these four pillars:

Right assets

- Pure retail player focusing on necessity-based shopping centres in growing urban areas

Responsible shopping centre management

- Commitment to sustainable management and development and contributing to the communities surrounding Citycon's shopping centres

Strong capital base

- Allocating capital efficiently and maintaining a conservative gearing level in order to maximize returns

Retail experts

- Using Citycon's retail expertise at each stage of the shopping centre value chain in order to create pleasant shopping experiences

Everyday shopping in urban crosspoints

Citycon's community-oriented shopping centres are located in the largest and fastest growing cities in the region and placed in urban environments close to where customers live and work and with a direct connection to public transport, health care and municipal services. Citycon's shopping centres have a necessity-based nature as they are anchored by grocery stores and other daily shopping. The centres are typically dominant in their catchment and create natural, attractive urban venues that cater to all of their customers' daily needs. Citycon enriches and creates value for the societies in which it operates, by creating a vivid and vibrant community hub indoor and outdoor.

Expertise in building attractive and multifunctional shopping centres

Citycon's in depth expertise in all parts of shopping centre value creation – owning, managing and developing – combined with strong local market knowledge and understanding of the customer's needs enables Citycon to build attractive mixed use shopping centres in the region where retailers can thrive. Citycon's platform of daily shopping centres makes it an ideal partner for local and international retailers wanting to increase their presence in the region.

Growth strategy and joint ventures

An integral part of Citycon's growth strategy has been property acquisitions, through which Citycon has grown in Finland and expanded its operations into Sweden, Norway, Estonia and Denmark. Citycon continuously monitors the real estate market for prospective acquisitions. In accordance with its strategy, Citycon has divested non-core properties in Finland, Sweden, Estonia and Lithuania in order to be able to better focus on core shopping centres. Non-core properties comprise of supermarket and shop properties as well as smaller shopping centres in non-growing area. Citycon intends to continue the divestment of its non-core properties to improve the property portfolio and strengthen the balance sheet. In addition to independent acquisitions, Citycon's strategy includes building joint venture partnerships with top-quality Finnish and international players in selected core properties.

Efficient portfolio financing

Citycon focuses on having a strong capital base with an appropriate gearing level, low cost of debt and flexible access to debt financing supported by investment-grade credit ratings. Sufficient and attractively-priced financing gives Citycon the capacity and flexibility to deliver on its strategy and to buy, sell or develop when opportunities arise. Long-term joint venture partnerships extend Citycon's capital base, spread the risk and leverage the expertise.

Responsible shopping centre management at the heart of Citycon's operations

Citycon believes that operating sustainably is a key cornerstone in creating long-term value and hence it is committed to sustainable development, social responsibility and contribution to the surrounding community in everything it does.

Values

Citycon's values act as a compass for Citycon's actions:

Passion

- Passion for work
- Passion to take action and deliver results
- Passion for quality and detail
- Passion for acting responsibly

Experience

- Customer experience
- Comfort in shopping
- Enjoyable time spent in Citycon's shopping centres
- Experienced professionals

One

- A common goal
- Supporting and encouraging each other
- Together with its tenants and partners
- Part of society in urban locations
- Citycon invests in building community
- Acting as a good neighbour, being part of the community

Competitive Strengths

Citycon's strategy is built on the following key competitive strengths:

Leading Market Position in Core Markets

Citycon is one of the leading retail real estate companies with meaningful scale in Finland, Norway, Sweden and Estonia. Citycon's strength lies in its ability to efficiently provide the same quality service to customers in multiple locations and countries through centralising certain core functions while at the same time decentralising other functions, as appropriate.

Operational Focus on Urban Locations in Capital Cities

Approximately 90 per cent. of properties owned by Citycon are located in main cities and 65 per cent. in capital cities. In such areas, the growth of population and the income level have traditionally supported retail trade and in addition, the liquidity of the real estate market is usually good in these areas. The total fair value of the properties owned by Citycon as of 30 June 2016 was EUR 4,110 million, and includes EUR 971 million for properties in the Helsinki metropolitan area, EUR 574 million for properties in the greater Oslo region, EUR 672 million for properties in the Stockholm area and Umeå, EUR 309 million for properties in Tallinn and EUR 30 million for properties in the Greater Copenhagen area. Citycon's focus on daily shopping in urban locations ensures strong footfall.

Strong and Stable Cash Flow

Citycon's current property portfolio and rental agreement structure provide a solid basis for a stable cash flow and net rental revenue based on the high occupancy rate of Citycon's properties and the average remaining term of the lease portfolio, which on 30 June 2016 was 3.2 years. The economic occupancy rate[10] of Citycon's properties has been on a level that Citycon deems to be good in the past five years at around 95–97 per cent., and on 30 June 2016, it was 96.5 per cent.[11]

10 Economic occupancy rate is measured in rental income instead of sq. m.

11 Including Kista Galleria 100 per cent.

Expertise in all Aspects of Shopping Centre Management

Citycon's strategy is to own, manage and develop shopping centres. This broad expertise provides Citycon with the opportunity to take a holistic approach in shopping centre management. Citycon seeks to generate long-term earnings growth and enhanced portfolio value through operational improvement and (re)development operations. Management's development experience together with a leading position in the Nordic shopping centre market enables early identification of development potential in Citycon's existing and potential new properties.

Experienced Management

Citycon's management has a wide-ranging experience in the real estate market, shopping centre management and financing matters. Members of the Corporate Management Committee have long-term experience in leasing, maintenance and development of retail premises. Management believes that this experience and knowledge enables Citycon to win new customers as well as carry out successful development projects and property acquisition.

Citycon's Business

Citycon takes care of the general administration, commercial management, leasing and marketing of its shopping centres and other retail properties by way of its personnel operating on the premises. Citycon also develops its shopping centres continuously through its property development operation, which is responsible for the adjustment planning of the shopping centres and extension, improvement and repair construction. Where needed, Citycon's property development operation is also responsible for land acquisition, guidance and development of commercial and operational planning, such as zoning negotiations, communication with authorities and management of property development projects. Citycon outsources various functions, mainly cleaning, security services, and in many cases also technical management. These services are provided by large companies that are active in most or all of Citycon's markets and they are retained after tendering. These tender processes typically result in asking at least three comparable offers for the services in question.

Investment Criteria

Citycon's shopping centres have a necessity-based nature as they are anchored by grocery stores and other daily shopping stores. According to Citycon's investment criteria, the centres have strong positions in their catchment and create natural, attractive urban venues that cater to all of the customer's daily needs.

Citycon makes its investment decisions based on the following criteria:

- Located where people live and work
- Strong population growth and natural footfall
- Integrated with public transport
- Shared access to education, health care, culture and municipal services

Citycon as Developer

A core part of Citycon's strategy is to actively develop its shopping centres either via (re)developments or expansion. The objective is always to increase the commercial attractiveness and competitiveness of the shopping centre and thereby generate stronger rental growth while consolidating market value. As with acquisitions, Citycon is selective in (re)development projects and manages them via strict financial and leasing criteria. Key criteria for Citycon's (re)development projects are:

- ≥ 150 bps over required valuation yield
- 50 per cent. pre-leasing target

Citycon is an active owner and long-term developer. Citycon assesses the impact of its investments on the well-being of the immediate area, including:

- Jobs,
- Local procurement, and
- Environmental impact of construction

In its developing activities, Citycon adopts a "No green-field developments"–principle, concentrating on selected (re)developments and extensions of existing assets with a proven track record dominant in catchments, strong demographics, grocery anchored / necessity-based, and urban.

Environment

Environmental responsibility and the sustainable development of Citycon's business are of great significance in Citycon's operations. According to Citycon's management, Citycon's operations do not involve any significant environmental issues that may affect Citycon's ability to utilise its tangible fixed assets.

Intellectual Property Rights

Citycon is a real estate company specialising in retail premises. Except for the registration of Citycon names, logos, domain names, trademarks and domains of the group companies, Citycon has not registered and does not own or licence intellectual property rights that would be material to its operations. Intellectual property rights do not materially affect Citycon's business or profitability.

Insurance

Citycon maintains customary insurance coverage to cover claims and liabilities potentially arising from its business. Citycon's properties are all insured in a manner that Citycon's management believes is consistent with market practice, including business interruption insurance and third-party liability insurance to cover damages to third parties. In addition, Citycon has obtained, amongst others, a legal expense insurance policy, Directors' and Officers' liability insurance policy, and statutory employee insurance policies. Insurance policies are subject to customary limitations, as a result of which a policy might not cover all the damages suffered. Please see "*Risk Factors—Risks Relating to Citycon and its Business—Citycon's Insurance Coverage May Prove to Be Inadequate*".

Employees

As of 30 June 2016, Citycon had 325 employees of whom 166 worked in Norway, 88 in Finland, 58 in Sweden, 9 in Estonia, three in the Netherlands and one in Denmark. As of the end of 2015, Citycon employed 318 persons, of whom 172 were in Norway, 82 were in Finland, 51 were in Sweden, nine were in Estonia, three were in the Netherlands and one was in Denmark.

For information on Citycon's incentive plans concerning some of the employees, please see "*Directors, Corporate Governance and management of the Guarantor—Employee Share Plans*".

Legal Proceedings

Citycon has not, during the previous twelve months preceding the date of this Prospectus, had any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Citycon is aware), which may have, or have had in the recent past significant effects on Citycon's and/or its subsidiaries' financial position or profitability. Citycon's management is not aware of any facts or circumstances that could reasonably be expected to lead to any material claims being made against Citycon or any of its subsidiaries in the foreseeable future.

Legal Structure

Citycon Oyj is the parent company of Citycon. As of 30 June 2016, Citycon had a total of 121 subsidiaries, 28 associated or joint venture companies and three minority companies. The Finnish subsidiaries and associated or joint venture companies are mainly mutual real estate companies through which Citycon holds its property portfolio. Most of Citycon's subsidiaries abroad are legally structured as limited liability companies. A list of Citycon's subsidiaries and associated or joint venture companies as of 31 December 2015 is set forth in Citycon's financial statements for 2015, which are incorporated into this Prospectus by reference.

A mutual real estate company is an independent legal entity, the rights and obligations of which are independent from the rights and obligations of shareholders. It is responsible for all obligations and costs, such as taxes, insurance and administration expenses, and transfers these obligations and costs to shareholders to be paid by them in the form of consideration. A shareholder administers specified premises in a property owned by the mutual real estate company, and the rental income accrued is the shareholder's direct income and does not transfer through the mutual real estate company.

Related-Party Transactions

Citycon's related parties comprise the parent company, subsidiaries, associated or joint venture companies, members of the Board of Directors, CEO, other Corporate Management Committee members, as well as the largest shareholder Gazit-Globe Ltd., which on 30 June 2016 owned approximately 43.5 per cent. of all the shares and votes in Citycon.

The related-party transactions concluded by Citycon in 2016 (up to the date of the Prospectus) include payments by the group companies to each other for fees such as maintenance and financial charges, interest expenses, loan repayments and other administrative service charges.

There have been no significant changes in Citycon's practice as regards management remuneration (Board members, CEO and other Corporate Management Committee members) and benefits in 2016.

Reporting to and Transactions with Gazit-Globe Ltd.

Gazit-Globe Ltd. has announced that it has applied IFRS in its financial reporting since 2007. According to IFRS, a company may exercise a controlling interest in another company even if its shareholding in that company does not exceed 50 per cent. Gazit-Globe Ltd. holds the view that it exercises controlling interest, as defined in IFRS, in Citycon based on the fact that it has been able to exercise controlling interest in Citycon's General Meetings of Shareholders pursuant to its shareholding. In accordance with an agreement concluded between the companies, Citycon will provide Gazit-Globe Ltd. with a more detailed breakdown of the accounting information it discloses in its interim and full-year reports so that Gazit-Globe Ltd. can consolidate Citycon figures into its own IFRS financial statements.

No significant transactions have been concluded between Citycon and Gazit-Globe Ltd. in 2016 until the date of this Prospectus.

Principal Shareholders

The issued share capital of the Guarantor consists of 889,992,628 ordinary shares.

The following table sets forth certain beneficial ownership information regarding the holders of 5 per cent. or more of the Guarantor's share capital and the number and percentage owned by such shareholders as of 30 June 2016. The Guarantor has received no notifications from the beneficial owners listed below since 30 June 2016.

Name of beneficial owner	Number of shares	Total percentage of shares beneficially owned (%)
Gazit Globe Ltd.	387,052,794	43.5%
CPP Investment Board European Holdings S.à r.l.	133,498,893	15.0%
Ilmarinen Mutual Pension Insurance Company	63,470,695	7.1%
Total	**584,022,382**	**65.6%**

The Guarantee

The Guarantor has, in the Trust Deed, agreed to guarantee unconditionally and irrevocably the payment of the principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed. The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of the Trust Deed) unsecured obligations of the Guarantor that (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

DIRECTORS, CORPORATE GOVERNANCE AND MANAGEMENT OF THE GUARANTOR

Board Members

The table below sets forth details of the current members of the board of directors of the Guarantor (the **Board of Directors**).

Name	Year of Birth	Position
Chaim Katzman	1949	Chairman
Bernd Knobloch	1951	Deputy Chairman
Dor J. (Dori) Segal	1962	Deputy Chairman
Arnold L. de Haan	1954	Director
Kirsi Komi	1963	Director
Rachel Lavine	1965	Director
Andrea Orlandi	1971	Director
Claes Ottosson	1961	Director
Per-Anders Ovin	1956	Director
Ariella Zochovitzky	1957	Director

The business address of each of the members of the Board of Directors is Korkeavuorenkatu 35, FI 00130 Helsinki, Finland.

Chaim Katzman

Mr. Katzman performs the role of chairman of the Board of Directors, a position he has held since 2010. Mr. Katzman founded Norstar Holdings Inc. (formerly Gazit Inc.) of which he is the controlling shareholder and chairman of the board of directors. In addition, he is executive chairman of the board of directors of Gazit Globe Ltd. Mr. Katzman is founder and, since 1992, chairman of the board of directors of Equity One Inc., chairman of the board of directors of First Capital Realty Inc. since 2000, and chairman of the board of directors of Atrium European Real Estate Ltd. since 2008.

Bernd Knobloch

Mr. Knobloch has been a member of the Board of Directors since 2012 and has served as deputy chairman since 2013. Prior to joining the Company, Mr. Knobloch was a management board member of Commerzbank AG between 2006 and 2008, chairman of the management board of Eurohypo AG between 2004 and 2008 and held various senior positions at Frankfurter Hypothekenbank AG, Frankfurter Hypotheken Centralboden AG and Eurohypo Aktiengesellschaft Europaeische Hypothekenbank der Deutschen Bank between 1992 and 2002. In addition to his role with the Company, Mr. Knobloch holds non-executive positions with Palatium Investment Management Ltd., Johann Wolfgang Goethe University, Staedelsches Kunstinstitut, Hertie Foundation and Urban Land Institute.

Dor J. (Dori) Segal

Mr. Segal was a member of the Board of Directors between 2004 and 2012. In 2016 he was re-elected as a member of the Board of Directors and has served as deputy chairman since 2016. Prior to joining the Company, Mr. Segal was president of First Capital Realty Inc., between 2000 and 2015 and chief executive officer of

Gazit-Globe Ltd., between 1998 and 2008. In addition to his role with the Company, Mr. Segal holds non-executive positions with Gazit-Globe Ltd., First Capital Realty Inc., Equity One Inc., and Norstar Holdings Inc.

Arnold L. de Haan

Mr. de Haan has been a member of the Board of Directors since June 2014. Mr. de Haan has been the founder and managing director of Boishaen B.V. since 2008. Prior to joining the Company, Mr. de Haan has held positions with Hofirma BV, MeyerBergman European Retail Partners, Multi Corporation, Commerz Grundbesitz Group, Commerz Grundbesitz Investmentgesellschaft mbH, European Metropolitan Property Services, Vaste Waarden Nederland, Mountleigh International Plc. and Interned Holding N.V. Mr. de Haan also holds non-executive directorships with HRO and Queensberry Real Estate LLP.

Kirsi Komi

Ms. Komi has been a member of the Board of Directors since 2011. Prior to joining the Company, she held the position of general counsel, and sat on the management board of, Nokia Siemens Networks between 2007 and 2010. In addition to her role as a director of the Company, Ms. Komi holds non-executive positions on the boards of Metsä Board Corporation, The Finnish Red Cross, Blood Service, Martela Corporation, Finnvera Plc, Docrates Ltd., Bittium Corporation, Veikkaus Oy, Directors' Institute of Finland – Hallitusammattilaiset ry, and The Guggenheim Helsinki Supporting Foundation.

Rachel Lavine

Ms. Lavine has been a member of the Board of Directors since 2015. In addition to her role with the Company, Ms. Lavine currently serves as the chief executive officer and director of Gazit-Globe Ltd. and acts as the vice chairman of the board of directors of Atrium European Real Estate Ltd. Prior to her current role, she held positions at Atrium European Real Estate Ltd., at which she was chief executive officer from 2008 to 2014, president and chief executive officer of Plaza Centers (Europe) B.V. from 2005 to 2006 and president and chief executive officer of Elscint Ltd from 1999 to 2006.

Andrea Orlandi

Mr. Orlandi has been a member of the Board of Directors since June 2014. In addition to his role with the Company, Mr. Orlandi currently serves as the managing director, head of real estate investments (Europe) of Canada Pension Plan Investment Board. Prior to his current role, Mr. Orlandi held the position of director of Canada Pension Plan Investment Board since 2011 and served as the director and chief investment officer for Europe of AREA Property Partners and the principal of O'Connor Capital Partners as well as held various roles within Merrill Lynch. Mr. Orlandi holds non-executive positions on the boards of Credit Asset Management Ltd., Hermes Central London LP and Sprep Pte. Ltd.

Claes Ottosson

Mr. Ottosson has been a member of the Board of Directors since 2004. Mr. Ottosson has been managing director of ICA Kvantum Hovås since 1990. In addition to his role with the Company, Mr. Ottosson has held non-executive directorships with ICA Förbundet AB since 2005 and ICA Gruppen AB (formerly Hakon Invest AB) since 2007.

Per-Anders Ovin

Mr. Ovin has been a member of the Board of Directors since 2013. In addition to his role with the Company, he has been chairman of the board, partner and owner of Mengus Stockholm AB since 2005 and owner of Marrakech Design / Ovin Consulting AB since 2003. He has also held several non-executive positions at other firms, including Kungsleden AB, Prosperity Quest II Limited, EDX London Ltd, and Catella Kapitalförvaltning AB.

Ariella Zochovitzky

Ms. Zochovitzky has been a member of the Board of Directors since 2009. In addition to her role with the Company, she is general manager and partner of C.I.G. Consultant Investments Group Ltd., a position she has held since 2001 and general manager and partner of C.I.G. Zochovitzky Ltd. since 2012. Ms. Zochovitzky holds and has held non-executive positions with a number of companies, including Oil Refineries Ltd. in 2013, Dorad Energy Ltd. between 2011 and 2012, Bithach Haklai Central Cooperative Society Ltd. between 2010 and 2016, Acad Equipment and Properties (1979) Ltd. and Acad Building and Investments Ltd. between 2009 and 2011, U. Dori Group Ltd. between 2008 and 2012, New Makefet Pension Funds Management Inc. (Generali Group) between 2006 and 2015, BATM Advanced Communications Limited between 2004 and 2010 and Elco Holdings Ltd. between 2003 and 2009.

Management of the Group

Citycon has a corporate management committee (the **Corporate Management Committee**) comprising at least three members. The Board of Directors is responsible for appointing members of the Corporate Management Committee upon the proposal of the Company's chief executive officer (the **CEO**). The CEO convenes the Corporate Management Committee whenever he or she deems necessary and chairs its meetings. The Corporate Management Committee typically convenes twice per a month.

Members of the Corporate Management Committee are:

Name	Year of Birth	Position
Marcel Kokkeel	1958	CEO and Chairman of the Corporate Management Committee
Eero Sihvonen	1957	Chief Financial Officer, Executive Vice President
Anu Tuomola..............................	1974	General Counsel and Head of Legal Affairs
Jurn Hoeksema	1974	Chief Operating Officer
Nils Styf......................................	1976[1]	Chief Investment Officer
Marianne Mazarino Håkonsen....	1967	Vice President, Marketing and Branding

[1] On 31 May 2016, Citycon announced that Mr. Styf will be departing Citycon. Mr. Styf's last day at Citycon is 31 August 2016.

The business address of each member of the Corporate Management Committee, except as otherwise disclosed below, is Korkeavuorenkatu 35, FI 00130 Helsinki, Finland.

Marcel Kokkeel

Mr. Kokkeel has been CEO of the Company and the chairman of the Corporate Management Committee since 2011. Prior to joining the Company, he was chairman of the board of directors of Multi Mall Management B.V. between 2009 and 2011 and between 2006 and 2011 he was the head of the west Europe division and a member of the executive committee of Multi Corporation B.V. Between 2004 and 2006 he was Chairman of the Board at Bouwfonds Property Finance. During the years between 1985 and 2004 he held various positions in Royal Ahold N.V. Group, most recently CEO and President of Ahold Real Estate Europe and member of the European Management Team of Ahold N.V. from 2000 to 2004.

Eero Sihvonen

Mr. Sihvonen is the Company's chief financial officer and executive vice president and has been a member of the Corporate Management Committee since 2005. Prior to joining the Company, he was a vice president, group treasury, of Dynea Group between 1999 and 2005 and held various positions in Neste Group from 1981, including chief financial officer of the chemicals division between 1997 and 1999. In addition to his role with the Company, he has been a member of the board of directors of RAKLI, The Finnish Association of Building Owners and Construction Clients, between 2011 and 2013 and has been a deputy member for RAKLI since 2013 and a member of the advisory council to Nordea Bank's large corporate customers unit.

Anu Tuomola

Ms. Tuomola is general counsel and head of legal affairs at the Company. She has been a member of the Corporate Management Committee since 2011. Prior to joining the Company, she was an attorney at law at Castrén & Snellman between 2005 and 2010 and a partner between 2010 and 2011, attorney at law at Merilampi Marttila Laitasalo between 2003 and 2005 and legal counsel at Nordea Bank Finland Plc between 2000 and 2002. In addition to her role at the Company, Ms. Tuomola was a member of the supervision committee of The Property Valuation Board of the Finland Chamber of Commerce in 2011.

Jurn Hoeksema

Mr. Hoeksema is chief operating officer at the Company. He has been a member of the Corporate Management Committee since 2014. Prior to joining the Company, he was general manager at Forum Turkey Fund between 2011 and 2014 and held senior positions at Multi Corporation / Multi Asset Management between 2007 and 2011 and Deloitte Real Estate Advisory between 2002 and 2007.

Nils Styf

On 31 May 2016, Citycon announced that Mr. Styf, the Company's chief investment officer and a member of the Corporate Management Committee since 2012, will be leaving the Company. Mr. Styf's last day at Citycon is 31 August 2016 Prior to joining the Company, he was a director at Areim AB between 2008 and 2012 and head of Nordic region, Doughty Hanson & Co Real Estate between 2003 and 2008. Mr. Styf's business address is Hanstavägen 55 F, SE 164 53 Kista, Sweden.

Marianne Mazarino Håkonsen

Ms. Håkonsen is Vice President, Marketing and Branding at the Company. She has been a member of the Corporate Management Committee since December 2015. Ms. Håkonsen has acted in various roles at Sektor Gruppen between 1998-2015 and as shopping mall manager at Aspelin-Ramm Eiendom AS between 1996-1998. Ms. Håkonsen's business address is Verkstedveien 1, NO 0277 Oslo, Norway.

Corporate Governance

The Company's corporate governance principles are based on the laws of Finland, the Company's Articles of Association, the Corporate Governance Code 2015 (the **Finnish Corporate Governance Code**) and the rules and regulations issued by the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority. Corporate governance for the Company's Subsidiaries is also governed by the laws of the country in which the Subsidiary is domiciled, and by each Subsidiary's Articles of Association.

The Company complies with the Finnish Corporate Governance Code. The Finnish Corporate Governance Code is available on the Securities Market Association's website at www.cgfinland.fi. The Finnish Corporate Governance Code is accompanied by the Company's Corporate Governance Guidelines.

The Company issues a corporate governance statement for each financial year concurrently with the publication of the Company's financial statements and the report by the Board of Directors in compliance with the Finnish Corporate Governance Code. The corporate governance statement for the financial year 2015 was issued on 11 February 2016.

Shareholder Meetings

In accordance with the Company's Articles of Association, the annual general meeting (**AGM**) shall be held annually by the end of April each year. An extraordinary general meeting (**EGM**) shall be held for addressing a specific issue if shareholders holding at least 10 per cent. of the shares in the company so demand in writing and whenever deemed necessary for decision-making.

Board of Directors

The Company's administration and the proper management of its business is arranged by the Board of Directors, which comprises a minimum of five (5) and a maximum of ten (10) members, as decided by a general meeting of shareholders. The Board members' term of office ends at the closing of the first AGM following their election.

The Board of Directors elects from among its members a chairman and one or several deputy chairmen. A Board meeting has a quorum if more than half of the Board members are present.

The Board of Directors may set up committees from among its members. Since 21 March 2013 the Board committees have been: Audit and Governance Committee, Nomination and Remuneration Committee and Strategy and Investment Committee.

Management Remuneration and Benefits

Board of Directors

The AGM confirms the remuneration of the members of the Board of Directors each year in advance, based on a proposal by the Board of Directors' Nomination and Remuneration Committee. The remuneration is paid in cash. A Board member has the option to refuse any annual fees and/or meeting fees. The members of Citycon's Board of Directors do not participate in the Company's share related incentive schemes and none of them has an employment or service contract with the Company.

The AGM of 2016 decided that the Chairman of the Board of Directors shall be paid an annual fee of EUR 160,000, Deputy Chairmen EUR 70,000 and ordinary members of the Board of Directors EUR 50,000. The Chairmen of the Board of Directors' committees shall be paid an additional annual fee of EUR 5,000. In addition, the AGM decided that Chairmen of the meetings of the Board's committees shall be paid a meeting fee of EUR 800 and other Board and committee members EUR 600 per meeting. The Chairman of the Board of Directors shall be paid no meeting fees. It was further decided that members of the Board of Directors be compensated accrued travel and lodging expenses as well as other potential costs related to Board work.

The members of Citycon's Board of Directors were paid a total of EUR 731,600 in 2015 and EUR 749,457 in 2014. These sums consist of annual and meeting fees for work on the Board of Directors and in its committees.

Corporate Management Committee

The Board of Directors confirms the CEO's salary and other benefits and, on the proposal of the CEO, also decides on the salaries and benefits of senior executives. In addition, the Board of Directors decides on the Company's short and long term remuneration schemes and the amount of remuneration payable under these schemes. Remuneration of the CEO and other members of the Corporate Management Committee consists of a fixed monthly salary and fringe benefits as well as an annual performance bonus. At the full discretion of the Board of Directors, the CEO may be awarded an annual performance bonus up to a maximum 80 per cent. of the CEO's annual gross base salary. Half of the amount of the CEO's bonus shall be paid as cash while the other half shall be paid as Company's shares. As for other executives, the maximum amount payable based on the annual performance bonus scheme is 60 per cent. of the gross annual salary of the EVP and CFO and 50 per cent. of the gross annual salary for each other member of the Corporate Management Committee.

The total remuneration, benefits and cash bonuses paid to the CEO and the other members of the Corporate Management Committee in 2015 amounted to EUR 2.60 million, excluding EUR 0.20 million received as performance bonus shares, as compared to EUR 2.24 million, excluding EUR 0.19 million received as performance bonus shares in 2014.

The CEO's service agreement is valid for an indefinite duration. The termination notice period is six months, both for the company and the CEO. If the Company gives notice, the CEO will be paid, in addition to the salary payable for the notice period, a severance payment consisting of 1.5 times his annual base salary at the moment of termination.

The statutory and additional pension expenses of the Corporate Management Committee amounted to approximately EUR 0.4 in 2015 and was unchanged from 2014.

Employee Share Plans

With authorization by the AGM, the Board of Directors of Citycon decided on 10 February 2015 to approve two new share-based incentive plans for Citycon's key employees, a Performance Share Plan 2015 and a Restricted Share Plan 2015. The aim of the new plans is to combine the objectives of the shareholders and the key employees in order to increase the value of Citycon in the long-term, to bind the key employees to Citycon, and to offer them competitive reward plans based on earning and accumulating Citycon's shares.

As a consequence of the rights issue carried out in June-July 2015 and to allow inclusion of new key employees into the plan in February 2016, the Board of Directors of the Company adjusted the amount of the maximum reward under the Performance Share Plan 2015 in accordance with the terms and conditions of the plan. Based on these adjustments that became effective as of 14 July 2015 and 10 February 2016, the maximum total number of shares that can be granted under the Performance Share Plan 2015 is 4,300,000 (including also the proportion to be paid in cash).

The rewards to be paid on the basis of the Restricted Share Plan 2016 correspond to the value of an approximate maximum total of 500,000 Citycon's shares (including also the cash proportion to be used for taxes and tax-related costs).

The Board of Directors of the Company decided on 3 May 2011, by virtue of an authorisation granted by the AGM of the Company held on 13 March 2007, to issue stock options to key personnel of the Group (the **Stock Option Plan 2011**). The stock options are intended to form part of the incentive and commitment program for the Group's key personnel. The purpose of the stock options is to encourage the key personnel to work on a long term basis to increase shareholder value. The purpose of the stock options is also to commit key personnel to continued service with the Company.

Members of the Corporate Management Committee are obliged to acquire the Company's shares with 25 per cent. of the gross stock option income gained from the exercise of stock options. The acquisition obligation will cease to apply once a member of the Corporate Management Committee owns an amount of the Company's shares equivalent in value to his/her gross annual salary. Such shares must be held as long as the employment or service contract of the Corporate Management Committee member is in force.

Conflicts of Interest

According to the Board of Directors' independence assessment conducted on 16 March 2016, all Directors are independent of Citycon, given that none of them has an employment contract, executive contract or other contractual relationship with Citycon. Furthermore, the Board of Directors has assessed that Arnold de Haan, Bernd Knobloch, Kirsi Komi, Claes Ottosson, Per-Anders Ovin and Ariella Zochovitzky are independent of significant shareholders. Since Chaim Katzman, Rachel Lavine and Dor J. (Dori) Segal are in the service of Citycon's main shareholder, Gazit-Globe Ltd. or its affiliated companies, they are not independent of significant shareholders. Since Andrea Orlandi is employed by CPPIB, which wholly owns CPPIBE, a significant shareholder in Citycon, he is not independent of significant shareholders.

Except as discussed immediately above, there is no actual or potential conflict of interests between the duties of any of the members of the Board of Directors or any of the members of the Corporate Management Committee and their respective private interests and/or other duties.

The Governance Agreement regulates certain matters relating to the Company. However, except in relation to matters addressed in the Governance Agreement, there are no measures to regulate the exercise by Gazit-Globe Ltd. of its position of control.

DESCRIPTION OF THE ISSUER

Overview

Citycon Treasury B.V. (the Issuer) was incorporated in the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 17 June 2011. The Issuer operates under Dutch law. The registered office of the Issuer is Hullenbergweg 300, 1101 BV Amsterdam, the Netherlands. The Issuer's registration number is 52962733 and its telephone number is +31 (0)20 217 0926.

Corporate Purpose

As set out in Article 3 of the Articles of Association of the Issuer, the Issuer was incorporated for the purpose of:

- borrowing and/or lending moneys, providing security or guarantee or otherwise warranting performance jointly and severally on behalf of third parties;
- incorporating, participating in and conducting the management of other companies and enterprises;
- rendering administrative, technical, financial, economic or managerial services to other companies, persons and enterprises; and
- acquiring, disposing of, managing, utilising and developing real property, personal property and other goods, including patents, trademark rights, licences, permits and other industrial property rights,

in each case whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly and indirectly relate to those purposes.

Capital and Shareholders

The authorised share capital of the Issuer is EUR 90,000, divided into ordinary shares with a par value of EUR 100 each. As at the date of this Prospectus, the Issuer's total capitalisation is EUR 18,000, consisting of 180 ordinary shares which have been issued and fully paid at par and are directly owned by the Guarantor.

Board of Directors

The table below sets forth details of the current members of the managing board (*bestuur*) of the Issuer.

Name	Year of Birth	Position
Arend Doppenberg	1975	Director A
Ben Helsing	1977	Director B
Eero Sihvonen	1957	Director B

There are no conflicts of interest between the members of the managing board of the Issuer and their private or other interests.

The business address of each of the members of the Board of Directors is Hullenbergweg 300, 1101 BV Amsterdam, the Netherlands. The Issuer has no board of supervisory directors (*raad van commissarissen*).

Legal and Arbitration Proceedings

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Financial Year

The financial year of the Issuer coincides with the calendar year.

Auditors and Financial Information

In 2014 the Issuer appointed Ernst & Young Accountants LLP as its external auditors and prepared financial statements in accordance with Title 9 of Book 2 of the Dutch Civil Code. The financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2014 are incorporated by reference into this Prospectus.

The Issuer is a direct, wholly owned subsidiary of the Guarantor. The results of operations and financial position of the Issuer are fully consolidated in the Group's consolidated annual financial statements. The Issuer is a special purpose finance subsidiary that provides financing to other members of the Group. The Group's consolidated annual financial statements incorporated by reference into this Prospectus fully incorporate the Issuer's results of operations and financial position.

Audit Committee

The Issuer qualifies as a public interest entity (*organisatie van openbaar belang*) which under the Eighth Company Law Directive (2006/43/EC) as transposed in and pursuant to Section 21a of the Dutch Act on the supervision of accountancy organisations (*Wet toezicht accountantsorganisaties*) is required to have an audit committee unless an exception applies. The Issuer intends to rely on an exception which applies if the audit committee of the Issuer's parent undertaking (in this case the Guarantor) adheres to certain principles with respect to its external auditor and audit committee as set out in Section 3(a) of the Dutch Decree on the transposition of the EC Directive on statutory audits of annual accounts and consolidated accounts (*Besluit uitvoering EG richtlijn wettelijke controles jaarrekeningen en geconsolideerde jaarrekeningen*).

CITYCON'S PROPERTY PORTFOLIO IN BRIEF AND INVESTMENTS, DIVESTMENTS AND DEVELOPMENT PROJECTS

Overview

On 30 June 2016, Citycon owned a total of 51 shopping centres: 20 in Finland, 20 in Norway, eight in Sweden, two in Estonia and one in Denmark. In addition to shopping centres, Citycon owns five other retail properties, four in Finland and one in Sweden, owns five shopping centre properties through joint ventures and associated companies (including Kista Galleria in Sweden and four properties in Norway), and rents two shopping centres in Norway. The total leasable area of the aforementioned properties amounted to 1,353,320 sq. m. on 30 June 2016.

Fair value of investment properties

The fair value of the Company's investment property portfolio as of 30 June 2016 was EUR 4,110.0 million. The Finnish properties accounted for EUR 1,621.3 million (39 per cent.), the Norwegian properties accounted for EUR 1,395.9 million (34 per cent.), the Swedish properties EUR 753.9 million (18 per cent.) and the properties belonging to the Baltics and Denmark unit EUR 338.9 million (8 per cent.).

In accordance with IFRS and International Accounting Standards (IAS), investment properties are measured at fair value for every IFRS-based balance sheet. In recent years, an evaluation of investment properties has been conducted quarterly by an external appraiser. The external valuations are compliant with IFRS accounting standards and International Valuation Standards Council valuation standards and guidance. The valuation is primarily carried out as a cash flow analysis of the net operating income for a period of ten years according to which the basic cash flow is determined by valid lease agreements and property operating expenses valid at the time of valuation. Since the end of 2011, Citycon's property valuation has been conducted by the global property specialist JLL (former Jones Lang LaSalle). On 31 December 2015, the average yield requirement by JLL for Citycon's whole property portfolio amounted to 5.7 per cent. One year earlier, on 31 December 2014, the average yield requirement amounted to 6.1 per cent. On 31 December 2015, the average net yield requirement for properties in Finland, Norway, Sweden, and the Baltics and Denmark was 5.9 per cent., 5.2 per cent., 5.4 per cent. and 6.9 per cent., respectively. On 30 June 2016, the average net yield requirement for Citycon's investment properties was 5.6 per cent. The table below describes the fair value of Citycon's investment properties as at 30 June 2016, 31 March 2016, 31 December 2015, 30 September 2015 and 30 June 2015 according to (i) valuation statements issued by the external appraisals and (ii) Citycon's consolidated statement of financial position.

Value Date	Date of Valuation Statement	Fair Value According to Valuation Statement (EUR million)	Fair Value in Consolidated Statement of Financial Position (EUR million)
30 June 2015	6 July 2015	2,802	2,819.6
30 September 2015	14 October 2015	2,694	4,036.1
31 December 2015	26 January 2016	4,082	4,091.6
31 March 2016	21 April 2016	4,139	4,079.1
30 June 2016	5 July 2016	4,116	4,110.0

The fair value of Citycon's investment properties as valued by the external appraiser JLL differs from the fair value used in the Company's consolidated statement of financial position due to the fact that the fair value of Citycon's investment properties in the consolidated statement of financial position equals the property portfolio's total value determined by the external appraiser, the value of new properties acquired during the reporting quarter, investments in development projects under planning that the external appraiser does not take into account in the valuation and transfer into investment properties held for sale. Citycon's consolidated statement of financial position can include a separate line item 'Investment properties held-for-sale', which includes such investment properties where a sale is deemed highly probable or a disposal agreement has been signed but the transactions has not been completed on the reporting date.

At 31 December 2015, the fair value of the Company's property portfolio totalled EUR 4,091.6 million, an increase of EUR 1,322.5 million from the value at the end of 2014 (EUR 2,769.1 million). The increase was mainly due to the acquisition of Sektor Gruppen. The fair value of the Norwegian properties amounted to EUR 1,330.8 million at 31 December 2015. The increase in the fair value of Citycon's property portfolio was also attributable to net fair value gains of EUR 7.3 million offset by divestments, which decreased the fair value of investment properties by EUR 97.8 million, and transfers of certain non-core properties into the 'Investment Property Held for Sale' category, which lead to a decrease of EUR 57.9 million. At 30 June 2016, the fair value of Citycon's property portfolio totalled EUR 4,110.0 million. The fair value of investment properties increased by EUR 18.4 million from the end of 2015 (31 December 2015: EUR 4,091.6 million) due to investments, which increased the value of the properties by EUR 76.3 million, and net fair value gains of EUR 31.0 million. In addition, exchange rate changes increased the fair value of investment properties by EUR 24.9 million, offset by divestments of the Magistral shopping centre and the Finnish property portfolio which resulted in decrease of the property portfolio by EUR 94.2 million. The decrease was also attributable to a transfer of a property in Norway (a total of EUR 19.7 million) to investment properties held for sale.

Property Portfolio – Finland

As of 30 June 2016, Citycon's property portfolio in Finland consisted of 20 shopping centres and 4 other properties with a total gross leasable area owned by Citycon of 419,290 sq. m.

Shopping Centres

As of 30 June 2016, Citycon owned 20 shopping centres in Finland which had a gross leasable area of approximately 392,140 sq. m. The following table summarises shopping centres owned by Citycon in Finland.

Citycon's Shopping Centres Finland	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2015)[1]	Footfall, million (2015)[1]	Fair Value, EUR million[2]	Holding of Shares, per cent. (30 June 2016)[3]
Helsinki metropolitan area							
Arabia	Helsinki	14,200	11,400	48.1	2.5	32.7	100
Columbus	Helsinki	20,900	18,900	85.0	6.1	87.9	100
Espoontori	Espoo	16,500	10,000	30.9	3.7	42.1	[4]
Heikintori	Espoo	6,200	4,500	5.5	n/a	5.6	69
Iso Omena	Espoo	63,300	50,800	181.6	8.0	473.2	100
Isomyyri	Vantaa	11,600	8,400	13.0	1.7	11.4	[5]
Lippulaiva	Espoo	19,200	17,000	75.1	3.7	76.9	100
Martinlaakso	Vantaa	7,500	7,400	32.9	2.0	27.3	100
Myllypuro	Helsinki	7,300	7,100	20.0	n/a	16.8	100
Myyrmanni	Vantaa	39,900	31,700	119.4	6.5	162.2	100
Tikkuri	Vantaa	16,140	9,100	16.9	2.0	34.3	[6]
Other areas in Finland							
Jyväskeskus	Jyväskylä	5,900	3,300	8.7	3.5	11.6	100
Forum	Jyväskylä	16,200	13,800	31.8	5.6	73.2	100
Trio	Lahti	45,900	27,000	49.5	6.1	135.7	[7]
IsoKristiina	Lappeenranta	17,100	12,800	45.9	2.4	67.8	50
IsoKarhu	Pori	14,400	12,600	20.6	2.1	43.4	100
Koskikeskus	Tampere	33,100	28,500	109.0	5.9	188.6	100
Duo	Tampere	13,100	11,700	53.5	4.2	37.5	[8]
Sampokeskus	Rovaniemi	14,400	8,500	17.5	1.7	19.5	100
Linjuri	Salo	9,200	6,900	17.8	2.4	7.9	89
Total...		**392,140**	**301,400**	**982.8**	**70.5**	**1,555.7**	

1 The figures include estimates.
2 The fair value of property on 30 June 2016 as regards the share owned by Citycon.
3 Parking facilities generally excluded.
4 Espoontori 67 per cent., Espoon Asemakuja 100 per cent., Espoon Asematori 54 per cent. and Espoon Pysäköintitalo 60 per cent.
5 Myyrmäen Kauppakeskus 79 per cent., parking facilities 8 per cent.
6 Tikkurilan Kauppakeskus 99 per cent., Asematie 3 100 per cent., Tikkurilan Kassatalo 39 per cent.
7 Lahden Trio 89 per cent., Lahden Hansa 100 per cent., Hansaparkki 36 per cent.
8 Tampereen Hermanni 100 per cent., Hervannan Liikekeskus 80 per cent.

Other Properties

In addition to shopping centres, on 30 June 2016 Citycon owned 4 other properties in Finland with a gross leasable area owned by Citycon of 27,150 sq. m. These properties amounted to approximately 4 per cent. of the fair value of the total property portfolio in Finland on 30 June 2016. One of these properties is located in the Helsinki metropolitan area and the three remaining properties are in other parts of Finland.

Lease Portfolio – Finland

The reported net rental income for the financial year 2015 amounted to EUR 96.9 million and decreased by a total of EUR 6.1 million, or 5.9 per cent., from the previous year. The decrease was mainly a result of successful divestments of non-core assets in 2014 and 2015 as well as on-going (re)development projects (including the extension project of Iso Omena and the refurbishment of Myyrmanni), which decreased net rental income by EUR 5.5 million in total. During the first six months of 2016, the net rental income from Finnish operations decreased by 9.5 per cent. in comparison to the corresponding period in 2015 and totalled EUR 44.0 million. Net rental income in 2015 in Finland accounted for 48.5 per cent. and for the six months ended 30 June 2016 for 39.2 per cent. of Citycon's total net rental income for the respective period.

Lease Portfolio Summary	2013	2014	2015
Number of leases started during the period.....	390	408	520
Total area of leases started, sq. m.	110,292	87,433	100,501
Occupancy rate at end of the period (economic), per cent.	95.1	95.6	94.8
Average remaining length of lease portfolio at the end of the period, years......................................	3.9	3.4	3.3

1 Figures no longer released on quarterly basis.

Financial Performance	2013	2014	2015	Q1-Q2/2015	Q1-Q2/2016
Gross rental income, EUR million[1].................	115.6	112.4	105.3	54.2	47.7
Net rental income, EUR million	103.5	103.0	96.9	48.7	44.0
Net fair value gains/losses on investment property, EUR million..	2.3	-15.8	-37.1	-17.0	-15.2
Operating profit/loss, EUR million.................	102.4	83.5	48.6	30.4	30.7
Capital expenditure, EUR million...................	65.1	95.9	109.0	49.7	58.8
Fair value of investment properties, EUR million	1,671.2	1,710.0	1,659.4	1,724.8	1,621.3
Net rental yield[2], per cent................................	6.4	6.2	5.8	6.1	5.7
Yield requirement, per cent.............................	6.2	6.1	5.9	6.1	5.8

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2013, 2014, 2015 and 2016 figures.
2 Includes the lots for extension projects.

Property Portfolio – Norway

As of 30 June 2016, Citycon's property portfolio in Norway consisted of 20 shopping centres and two rented shopping centres with a total gross leasable area of 423,500 sq. m. In addition, Citycon owns four shopping centres through joint ventures and associated companies. Citycon also manages eight shopping centres on behalf of other owners. The total gross leasable area of these is 197,500 sq. m.

Shopping Centres

As of 30 June 2016, Citycon's property portfolio in Norway consisted of 20 fully owned shopping centres which had a total gross leasable area of 405,300 sq. m. In addition, Citycon rents two shopping centres with a gross leasable area of 18,200 sq. m. The following table summarises Citycon's shopping centres in Norway.

Citycon's Shopping Centres Norway	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2015)[1]	Footfall, million (2015)[1]	Fair Value, EUR million[2]	Holding of Shares, per cent. (30 June 2016)
Oslo area							
Buskerud Storsenter	Krokstadelva	29,200	26,900	88.7	1.4	107.9	100
Kolbotn Torg	Kolbotn	17,600	16,100	61.7	1.9	79.7	100
Krokstad Senter	Buskerund	10,300	9,900	8.7	n/a	20.9	100
Liertoppen Kjøpesenter	Lierskogen	25,500	23,500	93.8	2.0	87.8	100

Citycon's Shopping Centres Norway	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2015)[1]	Footfall, million (2015)[1]	Fair Value, EUR million[2]	Holding of Shares, per cent. (30 June 2016)
Linderud Senter	Oslo	21,000	16,100	65.4	2.3	101.0	100
Magasinet Drammen	Drammen	15,400	9,700	35.4	2.9	40.6	100
NAF-Huset	Oslo	4,200	3,900	23.2	n/a	-	Rented
Trekanten	Asker	23,800	16,600	71.5	3.2	136.3	100
Other areas in Norway							
Down Town	Porsgrunn	34,000	28,800	75.5	2.6	106.9	100
Glasshuspassasjen	Bodø	2,300	2,100	7.1	n/a	6.2	100
Heiane Storsenter	Stord	24,000	19,300	42.5	1.1	30.5	100
Herkules	Skien	49,500	42,800	130.7	2.8	194.9	100
Kilden Kjøpesenter	Stavanger	22,200	18,200	60.8	1.6	83.3	100
Kongssenteret	Kongsvinger	14,900	13,100	34.6	1.2	46.2	100
Kremmertorget	Elverum	19,400	17,000	43.0	1.3	51.0	100
Lade	Trondheim	8,700	8,700	18.2	n/a	-	100
Lietorvet	Skien	7,300	6,100	38.8	1.4	17.9	100
Oasen Kjøpesenter	Fyllingsdalen	31,500	23,400	100.1	4.2	134.2	100
Sjøsiden	Horten	11,200	10,300	34.1	1.0	36.0	100
Solsiden	Trondheim	14,000	13,100	55.9	2.7	-	Rented
Stopp Tune	Sarpsborg	12,100	11,200	30.6	1.1	20.4	100
Storbyen	Sarpsborg	25,400	22,700	64.4	2.6	94.2	100
Total..		**423,500**	**359,500**	**1,184.6**	**37.2**	**1,395.9**	

1 The figures include estimates.
2 The fair value of property on 30 June 2016.

Lease Portfolio – Norway

As of 30 June 2016, net rental income from the Norwegian operations was EUR 36.4 million and it accounted for 32.4 per cent. of the total net rental income of Citycon for this period.

Lease Portfolio Summary	2013	2014	2015
Number of leases started during the period.....................	-	-	130
Total area of leases started, sq. m.	-	-	27,539
Occupancy rate at end of the period (economic), per cent.	-	-	98.6
Average remaining length of lease portfolio at the end of the period, year	-	-	3.7

1 Figures no longer released on quarterly basis.

Financial Performance	2013	2014	2015	Q1-Q2/2015	Q1-Q2/2016
Gross rental income, EUR million.................................	-	-	43.0	-	41.6
Net rental income, EUR million	-	-	36.8	-	36.4
Net fair value gains/losses on investment property, EUR million...	-	-	0.2	-	24.3
Operating profit/loss, EUR million................................	-	-	16.6	-	58.3
Capital expenditure, EUR million..................................	-	-	1,556.2	-	17.1
Fair value of investment properties, EUR million	-	-	1,330.8	-	1,395.9
Net rental yield[1], per cent...	-	-	2.7	-	5.4
Yield requirement, per cent..	-	-	5.2	-	5.2

1 Includes the lots for extension projects.

Property Portfolio – Sweden

As of 30 June 2016, Citycon's investment properties in Sweden consisted of eight shopping centres and one other retail property with a gross leasable area of 228,000 sq. m. In addition, Citycon owns 50 per cent. of Kista Galleria shopping centre. Including Kista Galleria, the total leasable area of the nine shopping centres and one retail property is 320,500 sq. m.

Shopping Centres

On 30 June 2016, Citycon owned nine shopping centres in Sweden with a total gross leasable area of 308,900 sq. m. including Kista Galleria, which had a gross leasable area of approximately 92,500 sq. m. The following table summarises Citycon's shopping centres in Sweden.

Citycon's Shopping Centres Sweden	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2015)[1]	Footfall, million (2015)[1]	Fair Value, EUR million[2]	Holding of Shares (30 June 2016), per cent.
Greater Stockholm area							
Åkersberga Centrum	Åkersberga	28,400	23,100	81.0	5.9	81.2	100
Jakobsberg Centrum	Järfälla	42,000	25,900	68.7	6.0	112.7	100
Fruängen Centrum	Hägerstern	14,700	7,500	30.3	n/a	33.1	100
Tumba Centrum	Botkyrka	25,800	14,000	50.4	3.7	66.2	100
Åkermyntan Centrum	Hässelby	10,200	7,600	28.8	1.8	24.1	100
Liljeholmstorget Galleria	Stockholm	40,600	26,600	147.4	9.9	293.6	100
Högdalen Centrum	Bandhagen	19,400	14,300	56.4	n/a	39.7	100
Kista Galleria[3]	Stockholm	92,500	56,100	215.7	19.0	621.1	50
Other areas in Sweden							
Stenungstorg	Stenungsund	35,300	21,700	60.9	3.4	82.2	100
Total..		**308,900**	**196,500**	**739.7**	**49.7**	**1,353.8**	

1 The figures include estimates.
2 The fair value of property on 30 June 2016 as regards the entire shopping centre.
3 Kista Galleria figures are presented as 100 per cent. Citycon owns a 50 per cent. share of Kista Galleria.

Other Properties

Citycon owned one other property in Sweden on 30 June 2016 with the gross leasable area totalling approximately 11,600 sq. m. This property amounted to approximately 2.8 per cent. of the fair value of the investment property portfolio in Sweden on 30 June 2016. The property is located in Umeå.

Lease Portfolio – Sweden

Citycon has strengthened its position in the Swedish shopping centre market following the completion of Liljeholmstorget shopping centre in 2009, the extension of Åkersberga Centrum shopping centre in 2010, the acquisition of Högdalen Centrum in 2011, the acquisition of Kista Galleria in 2013 and the joint venture with NCC Property Development Oy for the (re)development of Mölndal Galleria in Gothenburg.

In 2015, the net rental income from Swedish operations increased by EUR 0.8 million, or 2.2 per cent., to EUR 39.7 million (EUR 38.9 million in 2014). Excluding the impact of the weakened Swedish krona, net rental income from the Swedish operations increased by EUR 1.9 million compared to 2014. Net rental income from like-for-like properties[12] grew by EUR 2.0 million, or 6.4 per cent, due to strong rental income from the development of several shopping centres. The (re)development project in Stenungstorg increased net rental income by EUR 0.7 million. Sweden accounted for 20.0 per cent. (23.0 per cent. in 2014) of Citycon's total net rental income in 2015.

During the first six months of 2016, the net rental income from Swedish operations decreased 4.6 per cent. in comparison to the corresponding period in 2015 and totalled EUR 18.9 million, mainly due to divestments executed in 2015. Net rental income for the six months ended on 30 June 2016 accounted for 16.8 per cent. of Citycon's total net rental income for the period.

Lease Portfolio Summary	2013	2014	2015
Number of leases started during the period.................	133	142	162
Total area of leases started, sq. m.	16,780	28,809	25,869
Occupancy rate at end of the period (economic), per cent.	95.1	96.1	96.2

12 Like-for-like properties are properties held by Citycon throughout two full preceding periods, excluding properties under (re)development or extension and undeveloped plots. The acquisition of Sektor Gruppen does not affect the net rental income of like-for-like properties of the financial year 2016.

Lease Portfolio Summary	2013	2014	2015
Average remaining length of lease portfolio at the end of the period, years	2.8	3.0	2.9

1 Figures no longer released on quarterly basis.

Financial Performance	2013	2014	2015	Q1-Q2/2015	Q1-Q2/2016
Gross rental income, EUR million[1]	50.5	48.2	47.8	24.1	22.9
Net rental income, EUR million	39.7	38.9	39.7	19.8	18.9
Net fair value gains/losses on investment property, EUR million	8.1	13.3	39.6	18.1	21.8
Operating profit/loss, EUR million	45.1	49.6	68.0	36.1	39.1
Capital expenditure, EUR million	150.2	26.0	43.7	15.1	23.9
Fair value of investment properties, EUR million	720.1	709.7	739.0	743.1	753.9
Net rental yield[2], per cent	5.6	5.6	5.6	5.7	5.2
Yield requirement, per cent	5.9	5.7	5.4	5.6	5.3

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2013, 2014, 2015 and 2016 figures.
2 Includes the lots for extension projects.

Property Portfolio – Baltics and Denmark

Citycon's property portfolio in the Baltics and Denmark consisted of three shopping centres on 30 June 2016, which had a total gross leasable area of approximately 119,600 sq. m. The following table summarises Citycon's shopping centres in the Baltics and Denmark unit.

Citycon's Shopping Centres Baltics and Denmark	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2015)	Footfall, million (2015)	Fair Value, EUR million[1]	Holding of Shares (30 June 2016), per cent.
Rocca al Mare	Tallinn, Estonia	57,400	56,300	120.6	6.2	175.8	100
Kristiine	Tallinn, Estonia	43,700	43,600	102.9	7.6	132.9	100
Albertslund Centrum	Albertslund, Denmark	18,500	13,800	26.2	3.6	30.2	100
Total		**119,600**	**113,600**	**249.7**	**17.4**	**338.9**	-

1 The fair value of property on 30 June 2016.

Lease Portfolio – Baltics and Denmark

Citycon is a market leader in Estonia's shopping centre business. In July 2012, Citycon acquired Albertslund Centrum in Albertslund, greater Copenhagen area in Denmark and integrated it into the Baltic business unit. In December 2014, Citycon sold the Mandarinas shopping centre in Lithuania.

In 2015, net rental income from the Baltics and Denmark operations decreased by EUR 1.3 million to EUR 26.2 million (EUR 27.5 million in 2014), mainly due to the divestment of the non-core shopping centre Mandarinas at the end of 2014, which reduced net rental income by EUR 1.1 million. During the first six months of 2016, the net rental income from the business area decreased by EUR 1.2 million or 8.7 per cent., compared to the same period in 2015, mainly due to the start of a refurbishment project in the Kristiine shopping centre. In 2015, the net rental income from the Baltics and Denmark accounted for 13.1 per cent. and for the six months ended 30 June 2016 for 11.2 per cent. of the total net rental income of Citycon for the respective period.

Lease Portfolio Summary	2013	2014	2015
Number of leases started during the period	88	45	83
Total area of leases started, sq. m.	22,941	6,326	19,392
Occupancy rate at end of the period (economic), per cent.	99.7	99.3	99.4
Average remaining length of lease portfolio at the end of the period, year	3.3	3.0	3.1

Financial Performance	2013	2014	2015	Q1-Q2/2015	Q1-Q2/2016

Financial Performance	2013	2014	2015	Q1-Q2/2015	Q1-Q2/2016
Gross rental income, EUR million[1]	26.6	28.8	27.8	14.3	13.2
Net rental income, EUR million	25.6	27.5	26.2	13.8	12.6
Net fair value gains/losses on investment property, EUR million	15.8	18.1	4.7	2.0	0.2
Operating profit/loss, EUR million	40.6	44.6	29.7	15.3	12.2
Capital expenditure, EUR million	10.4	0.7	8.4	0.5	0.2
Fair value of investment properties, EUR million	342.2	349.4	362.4	351.8	338.9
Net rental yield[2], per cent	8.2	8.2	7.6	8.0	7.3
Yield requirement, per cent	7.3	7.2	6.9	7.0	6.7

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2013, 2014, 2015 and 2016 figures.
2 Includes the lots for extension projects.

Property Investments and Divestments and Development Projects

An integral part of Citycon's growth strategy has been property acquisitions, through which Citycon has grown in Finland and expanded its operations into Sweden, Estonia and Denmark. Through the acquisition of Sektor Gruppen, Citycon has also entered the Norwegian market. Alongside its property portfolio's growth, Citycon has concentrated on the development of its existing shopping centres. Citycon continuously monitors the real estate market for prospective acquisitions. In accordance with its strategy, Citycon has divested non-core properties in Finland, Sweden and Lithuania in order to be able to better focus on core shopping centres and other large retail properties. Citycon intends to continue the divestment of its non-core properties to improve the property portfolio.

In addition to independent acquisitions, Citycon's strategy includes building joint venture partnerships with top-quality Finnish and international players in selected core properties. At the end of 2015, Citycon had four main joint venture partners with CPPIB as a 50 per cent. owner in Kista Galleria shopping centre in Sweden and NCC Property Development acting as Citycon's development partner in the Iso Omena and Mölndal Galleria projects. NCC Property Development's share in Iso Omena was purchased by Citycon in August 2016. In addition, Ilmarinen is a 50 per cent owner of IsoKristiina shopping centre in Finland. In Norway, Citycon is a 20 per cent. owner of four shopping centres along with Partners Group. In addition, in Norway, Citycon is involved in three residential projects together with developers of residential units through the joint venture partnerships Klosterfoss Utvikling AS, Sandstranda Bolig AS and Dr Juells Park AS. Citycon may also divest to an external investor part of any of its properties that are considered part of the core business.

In December 2014, the Mandarinas shopping centre in Lithuania was sold for approximately EUR 12.5 million, representing a close to 10 per cent. premium to valuation. In line with Citycon's divestment strategy, in 2014 a portfolio of six Finnish supermarkets and retail units was divested for EUR 6.7 million along with four other single supermarket and retail properties and one non-core shopping centre.

On 14 July 2015 Citycon acquired Sektor Gruppen, the second largest shopping centre owner and manager in Norway, and accomplished full Nordic coverage. Through the acquisition of Sektor Gruppen Citycon improved the quality of its property portfolio by adding 20 fully owned centres and achieving presence in all of the Scandinavian countries.

In 2015, the share of profit of joint ventures totalled EUR 19.4 million (EUR 14.9 million in 2014). The increase was due to the fair gain of four minority owned centres in Norway.

Overview of Investments, Divestments and Development Projects in 2016

Citycon continues to build its platform in Denmark and has in January 2015 signed an agreement with TK Development regarding the future purchase of the Straedet project in Køge in the greater Copenhagen area. TK Development is developing an urban, grocery-anchored open-air shopping centre in the heart of Køge, next to the train station. Citycon will acquire the property at completion based on a fixed 6.25 per cent. net initial yield. The purchase price is estimated to be approximately EUR 75 million. TK Development started the construction during the first quarter of 2015 and the project is scheduled to open in phases with final completion in the second quarter of 2017 at which time Citycon will acquire the property.

In 2014, Citycon acquired GIC's 40 per cent. minority stake in the Iso Omena shopping centre in Espoo, Finland and thus gained 100 per cent. ownership of the property. Citycon is progressing the extension of Iso Omena and partial (re)development of the existing centre. The extension will also integrate the new Matinkyla metro station and bus terminal. Iso Omena is expected to become the largest and most attractive shopping centre in Finland and will also include restaurant and leisure services.

Citycon has one (re)development project in the pipeline in Sweden: Mölndal Galleria in Gothenburg. The Mölndal Galleria (re)development project entails the construction of a new shopping centre replacing the old retail property. The estimated project investment is EUR 120 million.

In June 2015, Citycon entered into contracts to divest two small non-core properties located in Finland and Sweden at a total sales price of approximately EUR 14 million. In July 2015, Citycon signed an agreement to sell the non-core shopping centre Strömpilen in Umeå, Sweden, at a sales price of approximately EUR 39 million and an agreement to sell a portfolio of 13 non-core grocery store properties in Finland which have a total value of approximately EUR 76 million. In July 2015, Citycon also divested the non-core shopping centre Galleria in Oulu, Finland, and the Citytalo property next to Galleria, at a total sales price of EUR 13 million.

In 2016, Citycon made several divestments of its Estonian and Finnish portfolio. On 29 February 2016, Citycon divested the shopping centre Magistral in Tallinn, Estonia at a price of EUR 24 million. On 29 April 2016, Citycon further divested five supermarkets and retail properties in Finland, which included Sinikalliontie, Kontulan Asemakeskus, Lentolan Perusyhtiö, Lillinkulma and Länsi-Keskus, at a total sale price of EUR 74 million. These retail properties had a gross leasable area of 46,800 sq. m. In August 2016, Citycon purchased NCC Property Development's share in the shopping centre Iso Omena extension for approximately EUR 80 million. Citycon is now the sole owner of the Iso Omena shopping centre.

(Re)development Projects in Progress

Citycon divides its investment properties into two categories: Investment Properties under Construction and Operative Investment Properties. At the date of this Prospectus, the first mentioned category includes shopping Porin Asema-aukio in Finland and Stenungstorg in the greater Gothenburg area in Sweden. In its Operative Investment Properties category, Citycon has on-going projects at Iso Omena in the greater Helsinki area in Finland, Mölndal Galleria in Gothenburg in Sweden as well as three extensions/refurbishment projects in Norway, namely Buskerud Storsenter in the greater Oslo area, Kongssenteret at Kongssvinger and Down Town in Porsgrunn.

The table below presents the Company's development projects approved by the Board of Directors that were in progress as of 30 June 2016. The Company intends to finance the investments in progress through cash flow from the business and a combination of debt and equity financing.

Property	**Location**	**Fair value, 30 June 2016 (EUR million)**	**Estimated total project investment (EUR million)**	**Actual gross capital investments by 30 June 2016 (EUR million)**	**Estimated final year of completion**
Iso Omena	Helsinki area, Finland	473.2	182.0 (tot. 250.0)	121.5	2017
Mölndal Galleria	Gothenburg, Sweden	21.2	60.0 (tot. 120.0)	21.2	2018
Porin Asema-aukio	Pori, Finland	39.3	40.0	25.8	2017
Stenungstorg	Gothenburg area, Sweden	82.2	18.0	17.9	2016

(Re)development Projects under Consideration

In addition to the above presented development projects already decided by the Company's Board of Directors, there are several (re)development projects under consideration whose planning process has not yet arrived at the decision stage or that do not require the decision of the Board, for example because of the size of the project. All projects under consideration may change, for example due to circumstances relating to city planning and zoning.

Due to the market uncertainty, the initiation of planned projects will be carefully evaluated against strict pre-leasing criteria.

The most significant (re)development project that is under consideration by Citycon is Shopping Centre Lippulaiva in Helsinki area, Finland. Zoning process is on-going due to the plans to extend the western metro line and build a new bus terminal next to Lippulaiva. The estimated project investment is around EUR 50–70 million. Citycon has several on-going refurbishment projects in Myyrmanni, Kristiine, Kongssenteret, Buskerud Storsenter and Down Town.

TAXATION

Dutch Tax Considerations

General

The following is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposal of the Notes (for the purposes of this section including, for the avoidance of doubt, Coupons). This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders of Notes should consult with their own tax advisers with regard to the tax consequences of investing in the Notes due to their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding tax

All payments of principal and/or interest made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as equity of the Issuer for Netherlands tax purposes.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (in Dutch: "*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his or her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen*"), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen*") (as defined in The Netherlands Corporate Income Tax Act 1969; in Dutch: "*Wet op de vennootschapsbelasting 1969*") and other entities that are, in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in The Netherlands Income Tax Act 2001).

Netherlands Resident Entities

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes (a **Netherlands Resident Entity**), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to

Netherlands corporate income tax at a rate of 20 per cent. with respect to taxable profits up to €200,000 and 25 per cent. with respect to taxable profits in excess of that amount.

Netherlands Resident Individuals

If a holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (a **Netherlands Resident Individual**), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 52 per cent.), if:

(i) the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur or as a person who has a co entitlement to the net worth (in Dutch: "*medegerechtigd tot het vermogen*") of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

(ii) the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Notes that are taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

Income from savings and investments

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed return of 4 per cent. of his or her net investment assets for the year at an income tax rate of 30 per cent. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the Notes are not subject to Netherlands income tax.

A law has been enacted in the Netherlands, pursuant to which, beginning on 1 January 2017, the taxation of income from savings and investments will be amended and the deemed return will no longer be fixed at 4 per cent., but instead a variable return between, as currently proposed, 2.9 per cent. and 5.5 per cent. (depending on the amount of such holder's net investment assets for the year) will be applied. Following 2017, the deemed return will be adjusted annually. However, at the request of the Netherlands Parliament, the Netherlands Ministry of Finance will also review, in the course of 2016, whether the taxation of income from savings and investments can be based on the actual income and/or gains realised in respect of the Notes instead of a deemed return.

Non-residents of the Netherlands

A holder of Notes that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or his or her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his or her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Notes in respect of in connection with (i) the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Common Reporting Standard

On 29 October 2014, 51 jurisdictions, including the Netherlands, signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions, including the Netherlands, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under the Common Reporting Standard (**CRS**), financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with tax residency in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU (amending EU Council Directive 2011/16/EU on administrative cooperation in the field of taxation) have been implemented in Netherlands law. As a result, the Issuer will be required to comply with identification obligations starting in 2016, with reporting set to begin in 2017. Noteholders may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the (Netherlands implementation of the) CRS.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU.

Finnish tax considerations

General

The following is a general description of certain Finnish tax consequences relating to receipt of principal, interest and capital gains in respect of the Notes, including payments under the Guarantee. This summary is based on the laws and regulations in full force and effect in Finland as at the date of this Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Notes and Coupons. Holders or prospective holders of Notes are therefore advised to consult their own qualified tax advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Notes and Coupons.

Non-resident Holders of Notes and Coupons

Payments made by or on behalf of the Issuer or the Guarantor to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Resident Holders of Notes and Coupons

Taxable income is determined separately for business income, personal income and agricultural income. Repayments of principal on the Notes as well as the redemption or other sale of the Notes are treated as disposals (partial or full, depending on the case) of the Notes, potentially resulting in taxation on the capital gains/losses, as explained below.

(a) *Corporates*

For Finnish resident corporate entities, interest income and capital gains relating to the Notes are generally taxed at a flat rate of 20 per cent. (the current rate in 2016). The remaining acquisition cost in taxation of the Notes is regarded as tax-deductible expenditure upon disposal of the Notes. Losses resulting from the disposal of the Notes in the context of business activity can be set off against income from the same income source during the year of the disposal and ten subsequent tax years. Capital losses resulting from the disposal of Notes from a personal income source can be set off against capital gains from disposals of other non-business assets derived during the tax year of the disposal and five subsequent years.

Payments made to corporates resident in Finland for tax purposes are made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

(b) *Individuals and Estates*

For a private person (and an estate of a deceased person) who is resident in Finland for tax purposes and is taxed in accordance with the Income Tax Act (1535/1992, as amended), interest income and capital gains relating to the Notes (including payments made by the Issuer or a Guarantor) are generally taxed at the current (2016) capital income tax rate of 30 per cent. up to EUR 30,000 and 34 per cent. for any amounts exceeding EUR 30,000. Capital gains are tax-exempt if all taxable sales proceeds received during a tax year in aggregate do not exceed EUR 1,000. Correspondingly, capital losses are not deductible if the related acquisition costs in a tax year in aggregate do not exceed EUR 1,000.

Capital gains or losses are calculated by deducting the aggregate of the acquisition cost and the expenses related to acquiring the gain or loss from the sales proceeds. Alternatively, instead of applying the actual acquisition cost, individuals and estates can apply a "presumed acquisition cost," in which case no additional actual expenses can be deducted. The presumed acquisition cost is 20 per cent. (and if the Notes have been owned for a period of at least ten years, 40 per cent.) of the sales price. Capital losses resulting from the disposal of such Notes, which do not belong to the business activities of individuals or estates, can generally be set off against capital income from non-business activities derived during the tax year of the disposal and five subsequent years.

Note that the separate tax rules applicable to Finnish resident private individuals taxed in accordance with the Business Income Tax Act (360/1968, as amended) are not dealt with in this description.

Payments of interest or interest compensation (secondary market compensation, in Finnish "*jälkimarkkinahyvitys*") made to individuals or estates are generally subject to advance withholding of income tax according to the Prepayment Act (*Ennakkoperintälaki 1118/1996*, as amended). The withholding liability should primarily lie with any paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes or Coupons, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

The Act on Withholding on Interest Income (*Laki korkotulon lähdeverosta 1341/1990*, as amended) should not be applicable to payments made under the Notes, Coupons or the Guarantee.

Gift and inheritance tax

Unless an applicable international tax treaty states otherwise, gift or inheritance taxes will arise in Finland with respect to a transfer of the Notes by way of gift by, or on the death of, a holder of such Notes, in case the donor/deceased person or the donee/beneficiary was a resident of Finland at the time of the gift/death. Subject to certain restrictions, the Finnish inheritance and gift tax act allows crediting the gift or inheritance tax, paid for the same property in some other country in case the donee/beneficiary is a resident in Finland. For the purposes of Finnish gift and inheritance taxes, a person who has his/her permanent home and dwelling in Finland, is deemed resident in Finland.

Transfer Taxation

A transfer of the Notes or Coupons is not subject to Finnish transfer taxation.

Value added tax (VAT)

No Finnish VAT will be payable by the holders of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it shall not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EEA member states may decide to participate and for certain of the participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Barclays Bank PLC, Danske Bank A/S, Deutsche Bank AG, London Branch and Nordea Bank Danmark A/S (together the **Joint Lead Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 2 September 2016, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.897 per cent. of the principal amount of Notes. The Issuer has agreed to pay the Joint Lead Managers a combined management and underwriting commission, will reimburse the Joint Lead Managers in respect of certain of their expenses, and has also agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Joint Lead Manager has represented and agreed that this Prospectus is only being distributed to and is only directed at (i) persons who are outside of the Netherlands or (ii) in the Netherlands exclusively to qualified investors (*gekwalificeerde beleggers*) as such term is defined in Article 1:1 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*). The Notes are only available in the Netherlands to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in the Netherlands only with, qualified investors. Any person who is not a qualified investor must not act or rely on this Prospectus or any of its contents.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any Prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The managing board of the Issuer has in its meetings on 30 August 2016 duly authorised the Issuer's management to decide on the issue of the Notes. Based on such authorisation, the Issuer's management has on 30 August 2016 decided to issue the Notes. The Board of Directors of the Guarantor has in its meetings of 30 August 2016 duly authorised the guarantee of the Notes.

Listing

Application has been made to the Irish Stock Exchange plc for the Notes to be admitted to the Official List and to trading on the Main Securities Market; however, no assurance can be given that such application will be accepted. It is expected that admission of the Notes to the Official List and to trading on the Main Securities Market will be granted on or about 8 September 2016, subject only to the issue of the Notes.

The total expenses related to the admission to trading of the Notes are expected to be approximately EUR 5,000.

Applicable Finnish Law

In Finland, Citycon Oyj is subject to various Finnish laws and regulations, including but not limited to the Finnish Limited Liability Companies Act (624/2006, as amended), the Finnish Accounting Act (1336/1997, as amended), the Finnish Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), as well as various rules and regulations of Finnish authorities and non-governmental bodies (including but not limited to the Finnish Financial Supervisory Authority, the Finnish Competition and Consumer Authority, Nasdaq Helsinki Ltd stock exchange and the Finnish Securities Market Association). Citycon Oyj is also subject to regional and supranational regulations, most notably EU legislation. This list of laws and regulations does not aim to be comprehensive and lists only some general legislation applicable to Citycon Oyj.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange plc or to trading on the Main Securities Market for the purposes of the Prospectus Directive.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN for this issue is XS1485608118 and the Common Code is 148560811. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

No significant change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2015, or of the Guarantor or the Group since 30 June 2016 and there has been no material adverse change in the financial position or prospects of the Issuer, the Guarantor or the Group since 31 December 2015.

Litigation

Neither the Issuer, the Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

Auditors

The auditors of the Company are Ernst & Young Oy, members of the Finnish Institute of Authorised Public Accountants, who have audited the Company's financial statements as at and for each of the years ended 31 December 2014 and 31 December 2015, in accordance with good auditing practice in Finland, and have issued unqualified audit reports in respect of those financial statements. The auditors of the Company have no material interest in the Company.

The independent auditor of the Issuer is Ernst & Young Accountants LLP, the registered accountants of Ernst & Young Accountants LLP are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*), who has audited the Issuer's financial statements as at and for each of the years ended 31 December 2015 and 31 December 2014, in accordance with Dutch law, and has issued an unqualified auditor's report in respect of those financial statements. The auditor of the Issuer has no interest in the Issuer.

U.S. tax

The Notes (other than the Temporary Global Note) and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Documents Available

For so long as the Notes are outstanding, copies of the following documents will be available for inspection in electronic form from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

(a) the constitutional documents of each of the Issuer and the Company (with an English translation thereof);

(b) the consolidated and non-consolidated audited financial statements of the Company in respect of the financial years ended 31 December 2014 and 31 December 2015, in each case, together with the auditors' reports in connection therewith. The Company currently prepares audited consolidated and non-consolidated accounts on an annual basis;

(c) the non-consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2014, in each case, together with the independent auditor's reports in connection therewith. The Issuer currently prepares audited non-consolidated accounts on an annual basis;

(d) the most recently published audited annual financial statements of the Company and the Issuer and the most recently published unaudited interim financial statements (if any) of the Company, in each case together with any audit or review reports prepared in connection therewith. The Company currently prepares unaudited reviewed consolidated interim accounts on a quarterly basis; and

(e) the Trust Deed and the Agency Agreement.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and their affiliates in the ordinary course of business.

Yield

On the basis of the issue price of the Notes of 99.897 per cent. of their principal amount, the yield on the Notes is 1.261 per cent. on an annual basis.

The yield is calculated on the Closing Date on the basis of the issue price of the Notes. It is not an indication of future yield.

Interests of natural and legal persons involved in the issue of the Notes

Save for the commissions described under "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

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