

Citycon Acquires Kista Galleria Shopping Centre in Stockholm Together with the Canada Pension Plan Investment Board (CPPIB) for approx. EUR 526 million (approx. SEK 4,600 million)

Today, Citycon Oyj and the Canada Pension Plan Investment Board (CPPIB), an investment management organization investing the funds of the Canada Pension Plan, jointly entered into an agreement to acquire the Kista Galleria shopping centre in Stockholm for approx. EUR 526 million (approx. SEK 4,600 million) from DNB Livsforsikring ASA, part of DNB Group, the largest financial group in Norway. Citycon expects the first-year net yield to be approximately 5.5 per cent.

Kista Galleria has 90,000 square meters of gross leasable area (GLA), including 60,000 square meters of retail space and the remaining 30,000 square meters comprising a hotel, student housing, healthcare premises and municipal services. Kista Galleria has an annual footfall of approximately 18.1 million visitors and annual sales of EUR 280 million. The center underwent a complete renovation and large extension in 2002 and was further expanded in 2009. Under the terms of the transaction, the shopping centre will be owned 50 per cent by Citycon and 50 per cent by CPPIB. The transaction is expected to be finalised in January 2013.

“The strength of Kista Galleria is its location and traffic connections, which generate a steady footfall of more than 50,000 daily visitors. More than 125,000 people live in Kista and in addition, more than 70,000 people work in and around the Kista area,” says Marcel Kokkeel, Citycon Oyj’s CEO.

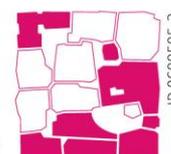
“This strategic acquisition offers us a unique opportunity to increase our relevance in the eyes of international retailers, increase the quality of our portfolio and at the same time substantially strengthen our position and market share in Sweden where we already have nine shopping centres. The acquisition will help us balance our portfolio geographically, as Sweden’s share increases from approx. 25% to 40% in regards to net rental income,” Kokkeel adds.

Kista Galleria has established transport connections both in terms of public transportation (metro station, commuter train and local buses) and access from major highways. The highway system is currently being upgraded and expanded and will make the center even more accessible in the next few years.

Kista Galleria in figures

| Built/redeveloped and extended/further extended | Leasable area, m ² | Number of shops and restaurants | Major tenants | Occupancy, % | Turnover in 2011, SEK billion | Annual number of visitors 2011, million | Population of the total catchment area / primary catchment area |
|---|-------------------------------|---------------------------------|---|--------------|-------------------------------|---|---|
| 1977 2002 2009 | 90.000 | 185 | Åhléns, ICA, NewYorker, Clas Ohlson, StayAt Hotel (166 rooms), SF Bio, H&M, KappAhl, Nilson, O’Learys, SATS | 98% | 2.4 | 18.1 | 345,000/ 125,000 |

Source: Kista Galleria Ab and Centrumutveckling



Kista Galleria will be Citycon's largest shopping centre by GLA. For CPPIB, this is the first direct property investment in the Nordic countries. Citycon will be responsible for the asset and property management of the shopping centre based on market terms.

"The involvement of CPPIB adds a seal of quality to this acquisition and also to Citycon as a professional manager of shopping centres in the Nordics. Both parties see potential in partnering also for other investment opportunities," says Nils Styf, Citycon's Chief Investment Officer.

Citycon and CPPIB will jointly finance approximately half of the acquisition with a stand-alone asset backed loan financing based on five years maturity, and Citycon will finance the remainder of its share from its existing lines of credit and cash. Citycon also considers possibilities to re-finance up to 50% of the company's investment by issuing new equity through a capital increase. The details of such capital increase are still in the planning stages and any such decision is subject to approval by the shareholder's General Meeting.

After the acquisition, Citycon will own a total of 38 shopping centres and 40 other retail properties. In addition, the company manages and leases two other shopping centres without owning them. In total Citycon manages a portfolio of roughly 1,090 thousand square meters. Of the company-owned shopping centres, 23 are located in Finland, 10 in Sweden, 4 in the Baltic countries and 1 in Denmark that was acquired by Citycon last summer. Citycon's total portfolio fair value will grow from 2.7 billion euros to approx. 3.2 billion euros after the acquisition.

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