



Q1-Q4 | 2017

FINANCIAL STATEMENTS RELEASE
JANUARY-DECEMBER

CITYCON 2017: GOOD OPERATIONAL RESULTS IN SWEDEN AND NORWAY

OCTOBER–DECEMBER 2017

- Net rental income decreased slightly to EUR 53.9 million (Q4/2016: 55.9) mainly due to divestments which reduced net rental income by EUR 4.4 million. (Re)development projects increased the net rental income by EUR 2.3 million, while like-for-like net rental income declined by EUR 0.5 million.
- EPRA Earnings decreased by EUR 4.1 million, or 10.8%, to EUR 33.8 million (37.9) mainly due to lower net rental income following disposals and higher administrative expenses, including non-recurring items. EPRA Earnings per share (basic) decreased to EUR 0.038 (0.043).
- IFRS-based earnings per share decreased to EUR 0.03 (0.04) mainly due to valuation items and net losses on sale.

JANUARY–DECEMBER 2017

- Net rental income increased to EUR 228.5 million (Q1-Q4/2016: 224.9) mainly due to (re)development projects coming online, which increased net rental income by EUR 6.9 million. The acquisitions of the adjacent building to Oasen shopping centre in Norway and Straedet phase 1 and 2 in Denmark added a total of EUR 4.5 million. In addition, positive like-for-like growth contributed to net rental income growth by EUR 1.9 million. The non-core property divestments in 2016 and 2017 decreased net rental income by EUR 9.4 million.
- EPRA Earnings increased by EUR 1.2 million, or 0.8%, to EUR 152.3 million (151.1) due to net rental income growth. EPRA Earnings per share (basic) increased to EUR 0.171 (0.170).
- IFRS-based earnings per share decreased to EUR 0.10 (0.18) mainly due to valuation items, such as fair value losses recorded during the period.
- Cash generated from operations improved slightly due to higher net rental income and positive development in working capital.
- The Board of Directors proposes that the Board be authorised to decide in its discretion on the distribution of dividend for the financial year 2017, and assets from the invested unrestricted equity fund. Based on this authorization the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. The dividend/equity repayment would be paid to shareholders in four instalments.

OUTLOOK

Citycon forecasts the 2018 EPRA Earnings per share (basic) to be EUR 0.155-0.175. Furthermore, the Direct operating profit is expected to change by EUR -15 to +1 million and EPRA Earnings to change by EUR -14 to +4 million from the previous year.

These estimates are based on the existing property portfolio as well as on the prevailing level of inflation, the EUR-SEK and EUR-NOK exchange rates, and current interest rates. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

KEY FIGURES

		Q4/2017	Q4/2016	% ¹⁾	2017	2016	% ¹⁾
Net rental income	MEUR	53.9	55.9	-3.7%	228.5	224.9	1.6%
Direct operating profit ²⁾	MEUR	45.9	49.9	-8.1%	200.5	198.5	1.0%
Earnings per share (basic)	EUR	0.03	0.04	-32.0%	0.10	0.18	-45.5%
Fair value of investment properties	MEUR	4,183.4	4,337.6	-3.6%	4,183.4	4,337.6	-3.6%
Loan to Value (LTV) ²⁾	%	46.7	46.6	0.3%	46.7	46.6	0.3%
EPRA based key figures ²⁾							
EPRA Earnings	MEUR	33.8	37.9	-10.8%	152.3	151.1	0.8%
EPRA Earnings per share (basic)	EUR	0.038	0.043	-10.8%	0.171	0.170	0.8%
EPRA NAV per share	EUR	2.71	2.82	-3.9%	2.71	2.82	-3.9%

¹⁾ Change from previous year. Change-% is calculated from exact figures.

²⁾ Citycon presents alternative performance measures according to the European Securities and Markets Authority (ESMA) new guidelines. More information is presented in Basis of Preparation and Accounting Policies in the notes to the accounts.

CEO MARCEL KOKKEEL:

In 2017, Citycon saw good operational performance driven mainly by strong development in Sweden and Norway, which offset the weaker development in the Finnish operations. Our diversified Nordic asset portfolio helped in weathering the headwinds we have seen in Finland. Citycon's total net rental income, excluding Kista Galleria, grew by 1.6%, while the like-for-like net rental income growth was slightly lower at 1.4%. EPRA Earnings per share grew slightly to EUR 0.171 despite the disposal of 13 non-core assets. Occupancy rates at Citycon shopping centres remained at a high level.

Looking at Citycon's operating environment, the most notable change during the year was the clear improvement in the Finnish economy, where consumer confidence reached a record-high level and the GDP growth rate was among the highest in the Euro area. Also the economies in Sweden and Norway continued to develop strongly. Consumer confidence was impacted by the decline in housing prices in both countries, but it still remained at a high level.

One of the highlights of 2017 was the successful opening of the final part of the Iso Omena extension in the greater Helsinki area. The second phase, including the M.E.E.T restaurant concept and the cinema among others, opened in April and the metro terminal with the adjacent retail premises were finally opened in mid-November. All in all, the Iso Omena development project has been a success with the December 2017 footfall increasing by 49% and retail sales by 40% compared to December 2016. During the year Citycon also acquired the majority of shopping centre Straedet in the greater Copenhagen area and signed a letter of intent with Klöverv to develop Globen Shopping in Stockholm.

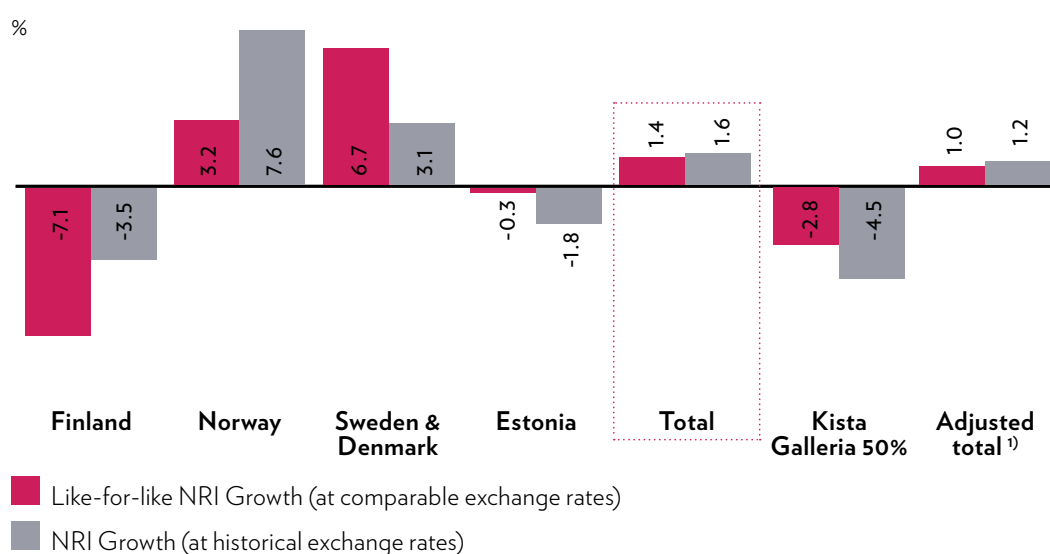
In 2017, Citycon continued to improve the quality of the asset portfolio by divesting 13 non-core assets for a total of EUR 325 million. Capital recycling actions will continue going forward and we expect to divest 5-10% of our property portfolio in terms of value in the next 3 to 5 years. As our strategy focuses on multi-functional shopping centres in growing urban areas, the proceeds from the divestments will be used to further develop our core assets and to strengthen the balance sheet. As a Nordic company, the asset portfolio should ultimately be a reflection of the weight and the size of the operating countries.

POSITIVE LIKE-FOR-LIKE NET RENTAL INCOME GROWTH CONTINUED IN SWEDEN AND NORWAY

Citycon's net rental income increased by 1.6% and was EUR 228.5 million (224.9). The increase was mainly attributable to (re)development projects (mainly Iso Omena, Buskerud, Myyrmanni and Downtown) coming online with a positive impact of EUR 6.9 million. Also the acquisition of the adjacent building to Oasen shopping centre together with Straedet phase 1 and 2 acquisition increased net rental income by a total of EUR 4.5 million. In addition, the like-for-like portfolio net rental income increased by EUR 1.9 million. The divestments lowered net rental income by EUR 9.4 million.

The like-for-like net rental income growth including the like-for-like performance of Kista Galleria (50%) was 1.0%. Citycon's standard like-for-like portfolio definition, based on EPRA's recommendations, does not include Kista Galleria. For the standard like-for-like portfolio, gross rental income increased by EUR 2.6 million, or 1.6%, and net rental income increased respectively by EUR 1.9 million, or 1.4%. Like-for-like property operating expenses increased from the corresponding period by EUR 1.5 million, or 2.2%.

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME GROWTH, 2017 VS. 2016



¹⁾ Including Kista Galleria 50%.

Citycon's net rental income from Finnish operations decreased by 3.5% compared to the previous year and totalled EUR 84.7 million (87.8). This was mainly a result of divestments of non-core assets in 2016 and 2017, which lowered net rental income by EUR 5.9 million. In addition, net rental income for the like-for-like portfolio decreased by EUR 2.2 million, or 7.1%, mainly due to the competitive retail real estate environment in Finland. Finnish like-for-like portfolio accounted for 34% out of total Finnish portfolio measured by net rental income. On the other hand, ongoing and completed (re)development projects (e.g. Iso Omena and Myyrmanni) increased net rental income by EUR 4.7 million.

Citycon's net rental income from Norwegian operations increased by 7.6% compared to the previous year and totalled EUR 79.6 million (74.0). In January 2017, Citycon acquired adjacent building to Oasen shopping centre in Bergen, which increased net rental income by EUR 4.3 million. Furthermore, ongoing and completed (re)development projects (e.g. Buskerud and Down-Town) increased net rental income by EUR 1.6 million. In addition, net rental income for the like-for-like portfolio increased by EUR 1.9 million, or 3.2% driven mainly by capital rent growth from indexation, and higher mall income.

The company's net rental income from Swedish and Danish operations increased by 3.1% to EUR 41.3 million (40.1) mainly due to like-for-like growth of EUR 2.3 million, or 6.7%. Like-for-like portfolio growth was mainly due to new and renegotiated lease agreements especially in Liljeholmstorget Galleria, growth in service charges and energy saving actions.

Net rental income from the Estonian operations decreased by 1.8% compared to the previous year and came to EUR 22.2 million (22.6). This decrease was mainly due to the divestment of the non-core shopping centre Magistral in 2016, which decreased net rental income by EUR 0.4 million. Net rental income for like-for-like properties was almost flat (EUR -0.0 million or -0.3%) compared to previous year.

NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

MEUR	Net rental income					Gross rental income	
	Finland	Norway	Sweden & Denmark	Estonia	Other	Total	Total
2016	87.8	74.0	40.1	22.6	0.5	224.9	251.4
Acquisitions	-	4.3	0.3	-	-	4.5	4.9
(Re)development projects	4.7	1.6	0.5	0.1	-	6.9	9.2
Divestments	-5.9	-1.9	-1.2	-0.4	-	-9.4	-9.6
Like-for-like properties ¹⁾	-2.2	1.9	2.3	0.0	-	1.9	2.6
Other (incl. exchange rate differences)	0.3	-0.3	-0.7	-	0.2	-0.4	-1.1
2017	84.7	79.6	41.3	22.2	0.7	228.5	257.4

¹⁾ Like-for-like properties are properties held by Citycon throughout two full preceding periods. Like-for-like properties exclude properties under (re)development or extension and undeveloped lots.

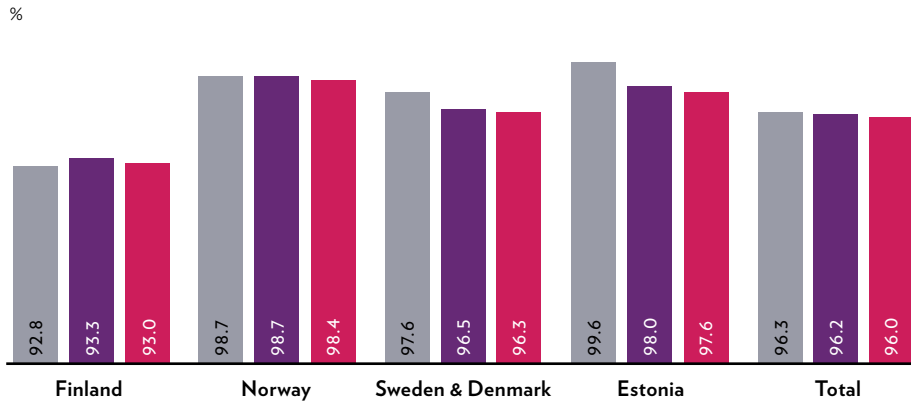
OCCUPANCY RATE REMAINED AT A HIGH LEVEL OF 96.0%

Citycon has changed its presentation of the key operational figures starting from the first interim report in 2017. Citycon reports the key operational figures so that Kista Galleria numbers are included based on a 50% share. The change in the presentation has impacted the following key operational figures: economic occupancy rate, lease portfolio summary, leasing activity, annualised potential rental value, net rental yield, yield requirement, market rents, shopping centre sales and footfall as well as occupancy cost ratio. The comparison periods have been adjusted accordingly.

The economic occupancy rate for Citycon's property portfolio decreased by 30 bps compared to year-end 2016 and by 20 bps compared to the previous quarter. The year-to-date change was mostly due to increased vacancies in Sweden and Estonia.

During the period, total sales in Citycon's shopping centres increased by 4% and footfall 2% compared to the corresponding period of the previous year.

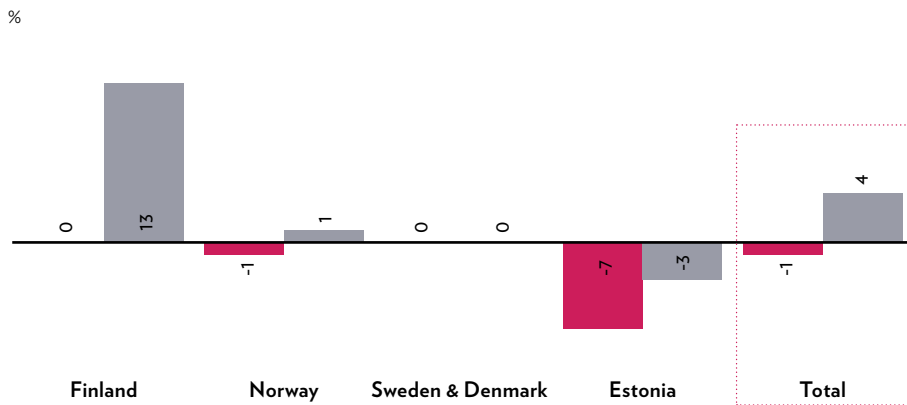
ECONOMIC OCCUPANCY RATE ¹⁾



■ 31 December 2016 ■ 30 September 2017 ■ 31 December 2017

¹⁾ Including Kista Galleria 50%.

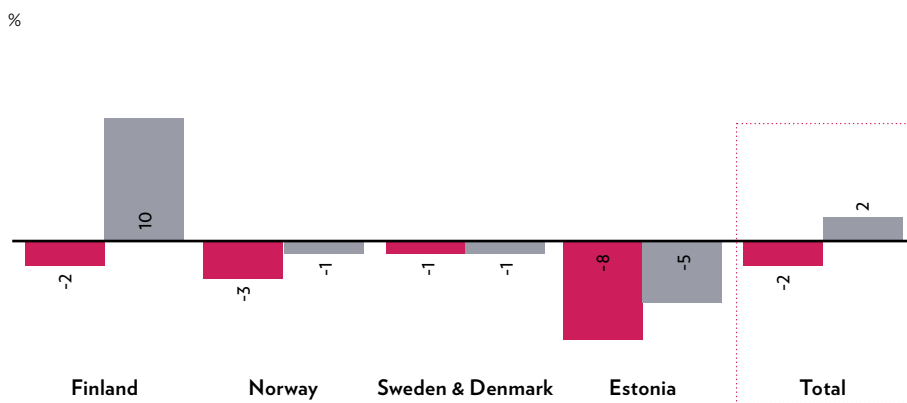
TENANT SALES DEVELOPMENT, 2017 VS. 2016 ¹⁾



■ Like-for-like sales ■ Total sales

¹⁾ Including Kista Galleria 50%. Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates.

FOOTFALL DEVELOPMENT, 2017 VS. 2016 ¹⁾



■ Like-for-like footfall ■ Total footfall

¹⁾ Including Kista Galleria 50%. Footfall figures include estimates.

At period-end, Citycon had a total of 4,581 (4,848) leases, of which the average remaining length was 3.5 years (3.3).

The average rent per sq.m. for Citycon's property portfolio at the year-end 2017 amounted to EUR 23.2 (23.2). The intense competition in secondary cities in Finland and increased competition in Estonia resulted in a year-to-date leasing spread of -4.0% for renewals and re-lettings.

LEASE PORTFOLIO SUMMARY ¹⁾

		31 December 2017	31 December 2016
Number of leases	pcs	4,581	4,848
Average rent	EUR/sq.m.	23.2	23.2
Finland	EUR/sq.m.	26.3	26.2
Norway	EUR/sq.m.	21.8	21.4
Sweden and Denmark	EUR/sq.m.	22.4	22.5
Estonia	EUR/sq.m.	20.7	21.4
Average remaining length of lease portfolio	years	3.5	3.3
Occupancy cost ratio ²⁾	%	9.0	9.0

¹⁾ Including Kista Galleria 50%.

²⁾ The rolling twelve month occupancy cost ratio for like-for-like shopping centres.

LEASING ACTIVITY ¹⁾

		2017	2016
Number of leases started during the period	pcs	1 255	1 356
Total area of leases started ²⁾	sq.m.	259,053	270,839
Average rent of leases started ²⁾	EUR/sq.m.	22.9	22.4
Number of leases ended during the period	pcs	1 565	1 315
Total area of leases ended ²⁾	sq.m.	347,330	312,061
Average rent of leases ended ²⁾	EUR/sq.m.	23.1	21.3
Leasing spread, renewals and re-lettings	%	-4.0	-2.5

¹⁾ Including Kista Galleria 50%.

²⁾ Leases started and ended do not necessarily refer to the same premises.

ANNUALISED POTENTIAL RENTAL VALUE ¹⁾

MEUR	31 December 2017	31 December 2016
Finland	113.0	138.4
Norway	108.1	114.0
Sweden and Denmark	81.4	80.6
Estonia	25.1	26.0
Total	327.6	359.0

¹⁾ Including Kista Galleria 50%. Annualised potential rental value includes annualised base rent and maintenance charge based on valid rent roll at the end of the period, market rent of vacant premises and rental income from turnover based contracts (estimate) and possible other rental income.

NET RENTAL YIELD ¹⁾

%	31 December 2017	31 December 2016
Finland	4.7	5.2
Norway	5.4	5.2
Sweden and Denmark	5.1	5.2
Estonia	7.5	7.5
Average	5.2	5.4

¹⁾ Including Kista Galleria 50%. Net rental yield is based on the net rental income from prior 12 months period calculated from the reporting date divided by the fair value of investment properties. Includes the value of unused building rights.

VALUATION ITEMS IMPACTED OPERATING PROFIT

Administrative expenses totalled EUR 29.1 million (28.2). The increase of EUR 0.9 million was driven by higher personnel expenses, mainly severance costs and non-cash incentive expenses. At the end of December 2017, Citycon Group employed a total of 247 (272) full-time employees (FTEs), of whom 70 worked in Finland, 108 in Norway, 56 in Sweden, 10 in Estonia, 2 in the Netherlands and 1 in Denmark.

Operating profit came to EUR 150.9 million (224.4), being lower than previous year due to the fair value losses of EUR -42.9 million (gain 25.9) and higher other operating expenses EUR -11.6 million (-2.6) which increased mainly due to reduction of goodwill as a result of divestments of shopping centres Lade, Lietorvet and Krokstad in Norway in 2017 and reduction of tax rate in Norway for 2018.

Net financial expenses year-to-date decreased by EUR 1.3 million to EUR 56.4 million (57.7) due to lower average cost of debt, lower other financial expenses and despite lower interest income and higher average debt level.

Share of profit of joint ventures totalled EUR -0.7 million (14.8). The decrease came mainly from fair value loss and higher deferred taxes in Kista Galleria during 2017. Furthermore, comparison period 2016 included fair value gains from Iso Omena extension part.

Profit for the period came to EUR 87.9 million (161.3). The decrease was mainly a result of fair value losses.

PROPERTY PORTFOLIO VALUE DECLINED SLIGHTLY

The fair value of investment properties decreased by EUR 154.2 million to EUR 4,183.4 million (31 December 2016: 4,337.6). Property disposals and transfers from investment properties to investment properties held for sale decreased the fair value by EUR 260.4 million while the acquisitions and investments increased the fair value by EUR 279.5 million. In addition, changes in exchange rates decreased the fair value by EUR 130.3 million and fair value losses by EUR 42.9 million.

PROPERTY PORTFOLIO SUMMARY

31 December 2017	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %	Weighted average yield requirement, %	Weighted average market rents, EUR/sq.m./mo
Shopping centres, Finland	13	341,950	1,628.8	-	39%	-	-
Other retail properties, Finland	2	12,540	23.9	-	1%	-	-
Finland, total	15	354,490	1,652.6	-	39%	5.3%	31.2
Shopping centres, Norway	17	414,400	1,346.9	25.4	33%	-	-
Rented shopping centres, Norway ¹⁾	2	18,200	-	-	-	-	-
Norway, total	19	432,600	1,346.9	25.4	33%	5.4%	22.0
Sweden and Denmark, total	10	249,200	877.9	-	21%	5.2%	25.9
Estonia, total	2	101,600	306.0	-	7%	6.5%	20.7
Shopping centres, total	44	1,125,350	4,159.6	25.4	99%	-	-
Other retail properties, total	2	12,540	23.9	-	1%	-	-
Investment properties, total	46	1,137,890	4,183.4	25.4	100%	5.4%	26.2
Kista Galleria (50%)	1	46,250	305.3	-	-	-	-
Investment properties and Kista Galleria (50%), total	47	1,184,140	4,488.7	25.4	-	5.3%	26.9

¹⁾ Value of rented properties is recognised within intangible rights based on IFRS rules.

The fair value change of investment properties amounted to EUR -42.9 million (25.9). The company recorded a total value increase of EUR 113.0 million (100.9) and a total value decrease of EUR 155.9 million (74.9).

FAIR VALUE CHANGES

MEUR	Q4/2017	Q4/2016	2017	2016
Finland	-8.4	-18.3	-44.7	-33.2
Norway	-10.7	-5.0	-22.2	19.8
Sweden and Denmark	10.5	11.4	30.6	40.5
Estonia	-2.1	-0.6	-6.5	-1.2
Investment properties, total	-10.6	-12.5	-42.9	25.9
Kista Galleria (50%)	-1.1	3.4	-0.6	5.5
Investment properties and Kista Galleria (50%), total	-11.7	-9.0	-43.5	31.5

Citycon has changed its external appraiser and the fair value of Citycon's properties has been measured by CBRE for the first time for the half-yearly report and for the financial statements of 2017. The property valuations in 2016 were conducted by JLL. Moreover, in 2017 Citycon started to measure the fair values of the properties internally in the first and third quarter of the year.

CBRE's Valuation Statement for the period-end is available on Citycon's website below Investors.

ACCELERATED RECYCLING OF CAPITAL

During the last quarter of 2017, Citycon acquired the second and the largest part of shopping centre Straedet in Køge in the greater Copenhagen area for approximately EUR 60 million. The final part of the centre is expected to be acquired during Q2/2018 for approximately EUR 3 million. Additionally, in November 2017 Citycon successfully closed the divestment transaction of a property portfolio including five shopping centres in Finland.

In 2017, Citycon continued to implement its divestment strategy and divested 13 non-core properties and residential building rights for a total value of approximately EUR 325 million. Since the strategy update in 2011, Citycon has divested 62 non-core properties and five residential portfolios for a total value of EUR 675 million. The company will continue to improve the quality of the portfolio and we expect to divest 5-10% of our property portfolio in terms of value in the next 3 to 5 years.

ACQUISITIONS AND DIVESTMENTS 2017

		Location	Date	Gross leasable area, sq.m.	Price, MEUR
Acquisitions					
Oasen	Office building	Bergen, Norway	5 January	19,000	78.0
Straedet, Part 1	Shopping centre	Køge, Denmark	4 July	4,300	12.5
Straedet, Part 2	Shopping centre	Køge, Denmark	21 December	11,000	60.0
Acquisitions, total				34,300	150.5
Divestments					
Länken	Retail property	Umeå, Sweden	31 January	12,500	24.0
Kaarinan Liiketalo	Retail property	Kaarina, Finland	28 February	9,400	1.0
Lade	Shopping centre	Trondheim, Norway	3 March	8,700	21.0
Porin Asema-aukio	Retail property	Pori, Finland	31 May	23,000	57.0
Linjuri	Shopping centre	Salo, Finland	31 May	9,200	3.0
Jakobsbergs Centrum	Residential building rights	Stockholm, Sweden	30 June	-	12.0
Lietorvet	Shopping centre	Skien, Norway	7 July	7,200	13.0
Jyväskeskus	Shopping centre	Jyväskylä, Finland	31 August	5,900	9.0
Krokstad	Shopping centre	Krokstadelva, Norway	17 October	10,200	20.0
Portfolio transaction ¹⁾	Shopping centres	Finland	15 November	61,000	165.0
Divestments, total ²⁾				147,100	325.0

¹⁾ Including five shopping centres in Finland: Espoontori, Tikkuri, Myllypuron Ostari, Martinlaakson Ostari ja Jyväskylän Forum.

²⁾ Additionally Citycon sold its 20% share of Halden Storsenter in Norway.

(RE)DEVELOPMENT PROJECTS PROGRESSED

At the end of the reporting period, Citycon had two major (re)development projects underway: the Mölndal Galleria project in Gothenburg and the Lippulaiva project in the Greater Helsinki area.

The existing Lippulaiva shopping centre was demolished during the last quarter of the year and the completely new shopping centre, fully integrated with the new metro station, is expected to open in 2021. In the meantime, the 8,500 sq.m. pop-up shopping centre Pikkulaiva is the temporary location for 23 tenants during the Lippulaiva (re)development project. Pikkulaiva opened to the public on 27 July 2017 and is fully leased.

The tenant demand for the new Mölndal Galleria shopping centre has been strong and pre-leasing was 80% at the end of the period. Citycon will buy-out joint venture partner NCC's 50% share after the project is completed.

In addition to the (re)development projects listed below, Citycon has several ongoing smaller refurbishments in e.g. Kristiine in Estonia and Tumba Centrum in Sweden.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2017.

(RE)DEVELOPMENT PROJECTS COMPLETED IN 2017 AND IN PROGRESS ON 31 DECEMBER 2017 ¹⁾

	Location	Area before/ after, sq.m.	Expected gross investment, MEUR	Actual gross investment by 31 December 2017, MEUR	Completion
Mölndal Galleria	Gothenburg, Sweden	-/24,000	60,0 (120,0) ²⁾	44.4	Q3/2018
Lippulaiva	Greater Helsinki area, Finland	19,200/44,300	215.0	44.0	2021
Iso Omena	Greater Helsinki area, Finland	63,300 /101,000	270.0	269.5	Completed: Q2/2017
Porin Asema-aukio ³⁾	Pori, Finland	18,800/23,000	40.0	40.0	Completed: Q2/2017

¹⁾ In addition to these projects, Citycon has signed an agreement with TK development regarding the forward purchase of Straedet project in Køge in the greater Copenhagen area. Citycon will acquire the newly constructed shopping centre at completion in three parts: the first part was acquired on 4 July 2017, the second part was acquired 21 December 2017 and the final part is expected to be acquired during Q2/2018. The purchase price is EUR 75 million based on a fixed 6.25% net initial yield.

²⁾ The number in brackets reflects Citycon's total investment in the project including agreed buyouts of JV shares.

³⁾ The property was divested in connection with the completion on 31 May 2017.

CAPITAL EXPENDITURE

Citycon's gross capital expenditure (including acquisitions) for the period totalled EUR 298.7 million (314.5).

CAPITAL EXPENDITURE

MEUR	2017	2016
Acquisitions of properties ¹⁾	142.5	81.5
Acquisitions of and investments in joint ventures	18.0	37.1
Property development	137.0	194.4
Goodwill and other investments	1.2	1.5
Total capital expenditure incl. acquisitions	298.7	314.5
Capital expenditure by segment		
Finland	100.1	220.3
Norway	84.9	45.7
Sweden and Denmark	109.0	45.7
Estonia	3.9	1.7
Group administration	0.8	1.1
Total capital expenditure incl. acquisitions	298.7	314.5
Divestments ²⁾	319.6	95.5

¹⁾ Capital expenditure takes into account deduction in the purchase price calculations and FX rate changes

²⁾ Excluding transfers into 'Investment properties held for sale'-category

SHAREHOLDERS' EQUITY

Equity per share decreased to EUR 2.48 (31 December 2016: 2.60), mainly due to dividends and equity return of EUR 115.7 million and a translation loss of EUR 76.3 million. On the other hand, profit for the period of EUR 87.4 million attributable to parent company shareholders increased equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 2,207.3 million (2,311.4). This figure decreased by EUR 104.1 million from the end of 2016 due to the above-mentioned reasons.

FINANCING

During the year, Citycon completed several actions to strengthen its financing position further, diversifying the financing sources, reducing the cost of debt and extending debt maturities.

In January, the Swedish commercial paper programme limit was increased from SEK 1,000 million to SEK 2,000 million. In June, a new Norwegian commercial paper programme with a limit of NOK 2,000 million was set up.

In July, Citycon established a EUR 1,500 million EMTN ("Euro Medium Term Note") programme to enable quicker bond issues going forward. The programme is established by Citycon Treasury B.V. and the notes issued under the programme will be guaranteed by Citycon Oyj. Notes may be denominated in any currency. Citycon will apply for the notes issued under the Programme to be admitted to the Official List of the Irish Stock Exchange, except for notes denominated in Norwegian krone that will be listed on the main list of the Oslo Stock Exchange. Citycon has mandated eight dealer banks under the programme, and the Offering Circular is available on Citycon's website.

In September, a senior unsecured 1,000 million NOK bond was issued under the EMTN programme. The eight-year bond carries a fixed annual interest of 2.75 per cent. The bond has been rated in line with Citycon's corporate credit ratings. The proceeds were mainly used to repay short-term commercial papers, thus extending Citycon's average debt maturities.

In the fourth quarter of 2017, the proceeds from divested non-core properties were used mainly to repay commercial papers to decrease leverage.

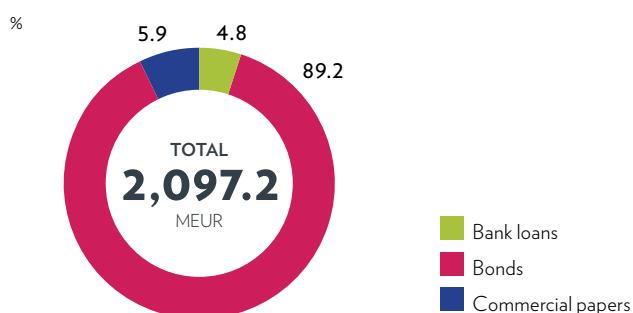
KEY FINANCING FIGURES

		31 December 2017	31 December 2016
Interest bearing debt, fair value	MEUR	2,097.2	2,191.5
Available liquidity	MEUR	559.4	560.4
Average loan maturity	years	5.1	5.6
Loan to Value (LTV)	%	46.7	46.6
Equity ratio (financial covenant > 32.5)	%	47.4	47.3
Interest cover ratio (financial covenant > 1.8)	x	3.8	3.8
Solvency ratio (financial covenant < 0.65)	x	0.46	0.46
Secured solvency ratio (financial covenant < 0.25)	x	0.02	0.02

INTEREST-BEARING DEBT

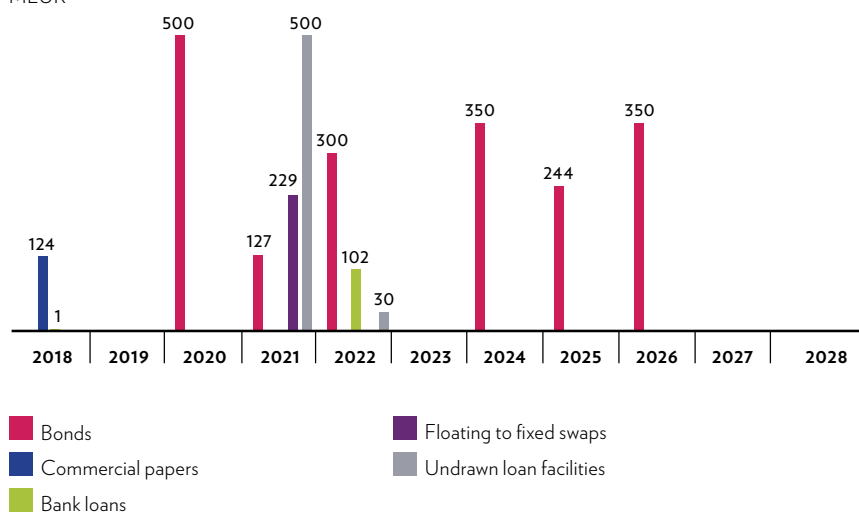
The fair value of interest-bearing debt decreased year-on-year by EUR 94.3 million to EUR 2,097.2 million, as operative cash flow and major divestments more than covered the funding need for (re)development project investments, acquisitions, equity repayments and dividends. The weighted average loan maturity decreased to 5.1 years, despite the issuance of the 8-year 1,000 million NOK bond and repayment of short-term commercial papers with its proceeds. The loan-to-value ratio stayed at approximately the same level as previous year, but improved during the quarter to 46.7 (47.5), due to lower net debt and despite lower property fair values.

BREAKDOWN OF LOANS



DEBT MATURITIES

MEUR

**FINANCIAL EXPENSES**

Net financial expenses year-to-date decreased by EUR 1.3 million to EUR 56.4 million (57.7) due to lower average cost of debt, lower other financial expenses and despite lower interest income and higher average debt level. The other financial expenses include EUR 2.0 million of indirect financial expenses that relate to fair value changes of cross-currency swaps not under hedge accounting. The financial income mainly consists of interest income on the loan to Kista Galleria, and partly of interest differences from forward agreements.

The period-end weighted average interest rate decreased year-on-year as a result of debt refinancing transactions at lower margins, and despite less outstanding commercial papers.

FINANCIAL EXPENSES

		2017	2016
Financial expenses	MEUR	-63.2	-65.9
Financial income	MEUR	6.9	8.3
Net financial expenses	MEUR	-56.4	-57.7
Weighted average interest rate ¹⁾	%	2.78	2.86
Year-to-date weighted average interest rate ¹⁾	%	2.70	2.98

¹⁾ Including interest rate swaps and cross-currency swaps

FINANCIAL RISK MANAGEMENT

Citycon uses interest rate swaps to hedge the floating interest rate risk exposure. According to the company's treasury policy, the currency net transaction risk exposure with profit and loss impact is fully hedged through currency forwards and cross-currency swaps that convert EUR debt into SEK and NOK.

FINANCIAL RISK MANAGEMENT

		31 December 2017	31 December 2016
Average interest-rate fixing period	years	5.1	5.5
Interest rate hedging ratio	%	94.1	93.1

BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT KEY FIGURES

%	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast, 2017	3.2%	1.9%	2.7%	2.0%	4.0%	2.4%
Unemployment, 12/2017	8.7%	4.1%	6.5%	5.6%	5.4%	8.7%
Inflation, 12/2017	0.5%	1.6%	1.7%	1.0%	3.4%	1.4%
Retail sales growth, 1-12/2017	2.2%	2.3%	2.3%	0.8%	1.0%	1.9%

Sources: Nordea Economic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark

The most notable change in Citycon's macroeconomic environment in 2017 was seen in Finland, where the economy picked up clearly during the year. Also, the economies in Sweden and Norway continued to develop well with GDP growing strongly, although the sentiment in both countries softened during 2017 due to a decline in real estate prices. Estonia and Denmark continued to see relatively strong GDP growth as well.

In 2017, the Finnish economy grew at its fastest pace in five years with consumer confidence reaching historically high levels. The GDP growth in 2017 was driven by strong performance in exports and good domestic demand. Unemployment decreased slightly during the year, but hourly wages remained stable due to the Competitiveness Pact between the government and labour unions made in 2016. Real estate transactions in 2017 grew strongly, while retail transaction volumes grew clearly compared to the previous year. Retail sales increased slightly during the year, while rental levels and prime shopping centre yields in greater Helsinki remained relatively stable. The retail real estate market remained competitive, particularly in the secondary cities, resulting in negative rental growth in many areas outside greater Helsinki.

The Norwegian economy accelerated in 2017 and GDP grew due to positive development across sectors as well as a recovery in the oil industry. Consumer confidence declined slightly due to the decline in housing prices, in greater Oslo in particular, but remained at a healthy level. Unemployment rate continued to decline during the year and wages grew modestly. During 2017, retail investment transactions increased somewhat compared to 2016. Retail sales grew slightly compared to the previous year and shopping centre rents remained relatively stable in 2017.

The Swedish economy continued to grow strongly in 2017 driven by strong household consumption and fixed gross investments. Also, the unemployment rate continued to decline during the year, while the employment rate reached its highest level since the early 1990s. However, wages increased only modestly in 2017. The construction sector has been an important driver of economic growth, but towards the end of the year, signals of overheating were visible with housing prices declining across Sweden, in greater Stockholm in particular. In the real estate market, strong investment demand for retail properties and low supply assisted by low interest rates compressed prime shopping centre yields during the year. Additionally, retail rents for primary shopping centers continued to develop positively, while retail sales grew slightly compared to 2016.

In Denmark, the economy continued to recover and saw the strongest GDP growth rate in a decade. Unemployment remained at a very low level and consumer confidence continued to grow. Retail sales remained relatively flat compared to the previous year. Prime shopping centre rents, vacancy rates and investment demand remained rather stable in 2017. The Estonian economy accelerated clearly in 2017 due to good foreign demand for exports and investments. Retail sales were softer temporarily, but remained at a high level. In Tallinn, prime shopping centre rents remained stable and vacancy rates at very low levels. However, the increased retail real estate competition in Tallinn is expected to put pressure on retailers and increase vacancies in shopping centres in secondary locations.

(Sources: SEB Nordic Outlook, Nordea Economic Outlook, European Commission, CBRE, Statistics Finland/Norway/Sweden/Estonia/Denmark, Eurostat)

SUSTAINABILITY

Citycon's strategy is to be a forerunner in sustainable shopping centre management. Citycon's sustainability strategy was updated in 2017 and Citycon has set ambitious targets that extend to 2030.

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. Approximately 80% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end. Citycon now boasts the largest shopping centre portfolio with BREEAM In-Use certification in the Nordic countries.

Citycon's updated sustainability strategy, targets and measures are described in detail in the upcoming Annual Review and Sustainability Accounts 2017.

RISKS AND UNCERTAINTIES

The most significant near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia as well as how this affects the fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial result. Increased competition locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 38–39 in the Financial Review 2017 as well as on Citycon's website in the Corporate Governance section.

GENERAL MEETING

Annual General Meeting 2017

Citycon's Annual General Meeting (AGM) was held in Helsinki on 22 March 2017.

The AGM adopted the company's Financial Statements and discharged the members of the Board of Directors and the Chief Executive Officer from liability for the financial year 2016. The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. The authorisation is valid until the opening of the next AGM.

The AGM decisions are reported on the company's website at citycon.com/agm2017, where meeting minutes of the AGM are also available.

CORPORATE GOVERNANCE STATEMENT

Citycon has published Citycon Group's Corporate Governance Statement 2017 as a separate report, distinct from the Report by the Board of Directors. The statement is prepared in accordance with the recommendations of the Finnish Corporate Governance Code and is available on the company's website at citycon.com/corporate-governance.

SHARES, SHARE CAPITAL AND SHAREHOLDERS

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of December 2017, the total number of shares outstanding in the company was 889,992,628. The shares have no nominal value. During 2017, there were no changes in the company's share capital.

At the end of December 2017, Citycon had a total of 15,368 (12,419) registered shareholders, of which nine were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 727.9 million (611.0) shares, or 81.8% (68.6) of shares and voting rights in the company. The most significant registered shareholders at year-end can be found on company's website citycon.com/major-shareholders.

SHARES AND SHARE CAPITAL

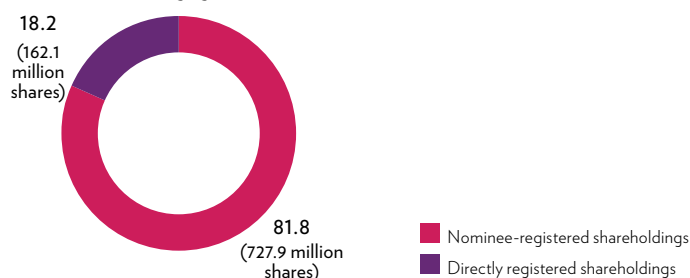
		Q1-Q4/2017	Q1-Q4/2016	%
Share capital at period-start	MEUR	259.6	259.6	-
Share capital at period-end	MEUR	259.6	259.6	-
Number of shares at period-start		889,992,628	889,992,628	-
Number of shares at period-end		889,992,628	889,992,628	-

SHARE PRICE AND TRADING

		Q1-Q4/2017	Q1-Q4/2016	%
Low	EUR	2.08	1.98	5.1%
High	EUR	2.50	2.39	4.6%
Average	EUR	2.23	2.18	2.3%
Latest	EUR	2.16	2.34	-7.7%
Market capitalisation at period-end	MEUR	1,920.6	2,080.8	-7.7%
Number of shares traded	million	177.3	147.7	20.0%
Value of shares traded	MEUR	395.9	322.2	22.9%

SHAREHOLDERS

% of shares and voting rights



DIVIDEND AND EQUITY REPAYMENT

Citycon's dividend paid in 2017 for the financial year 2016 and equity repayments in 2017:

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 DECEMBER 2017 ¹

	Record date	Payment date	EUR / share
Dividend for 2016	24 March 2017	31 March 2017	0.01
Equity repayment Q1	24 March 2017	31 March 2017	0.0225
Equity repayment Q2	22 June 2017	30 June 2017	0.0325
Equity repayment Q3	22 September 2017	29 September 2017	0.0325
Equity repayment Q4	14 December 2017	29 December 2017	0.0325

¹ Board decision based on the authorisation issued by the AGM 2017

BOARD AUTHORISATIONS

In addition to the above explained asset distribution authorisation of the Board of Directors, the Board of Directors of the company had two valid authorisations at the period-end granted by the AGM held on 22 March 2017:

- The Board of Directors may decide on an issuance of a maximum of 85 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.55% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2018.
- The Board of Directors may decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches. The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 50 million shares, which corresponded to approximately 5.61% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2018.

In August 2017, the Board of Directors used its authorisation to repurchase its own shares and issue them by conveying repurchased shares to three persons belonging to the key personnel of the company for payment of rewards earned under the Restricted Share Plan 2015 in accordance with the terms and conditions of the plan. The company repurchased a total of 12,854 its own shares on 16 August 2017 and conveyed them on 22 August 2017.

After the reporting period the Board of Directors again used its authorisation to repurchase company's own shares and issue them by conveying repurchased shares to two persons belonging to the key personnel of the company for payment of rewards earned under the Restricted Share Plan 2015. The company repurchased a total of 30,000 its own shares on 5 January 2018 and conveyed them on 10 January 2018.

OWN SHARES

During the reporting period, the company held a total of 12,854 company's own shares which the company conveyed for payment of rewards earned under the share plan before the period end as explained in the section Board authorisations above. At the end of the period, the company or its subsidiaries held no shares in the company.

FLAGGING NOTICES

The company did not receive any notifications of changes in shareholding pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act during the fourth quarter. The prior flagging notice received by the company in 2017 is available on the stock exchange release published by the company on 28 June 2017 and on the company's website at citycon.com/flagging-notice.

SHARE-RELATED EVENTS

Shareholder agreements

Gazit-Globe Ltd. and Canada Pension Plan Investment Board European Holdings S.à r.l (CPPIBEH) have signed an agreement regarding certain governance matters relating to Citycon on 12 May 2014.

Further information on the agreement between Gazit-Globe Ltd. and CPPIBEH is available on the company's website at citycon.com/shareholder-agreements.

The company has no knowledge of any other shareholder agreements.

INCENTIVE PLANS

Long-term Share-based Incentive Plans and Stock Option Plan 2011

Citycon has three incentive plans for the Group key employees:

- performance share plan 2015,
- restricted share plan 2015 and
- stock option plan 2011.

The main terms of the long-term share-based incentive plans and stock option plan 2011 are explained in the Note 1.6 on pages 59-62 of the Financial Statements. The subscription ratios, prices and periods of the stock option plan 2011 as well as the stock option granted to the CEO and other Corporate Management Committee members are available in the section E of the Note 1.6 of the Financial Statements.

In March 2017 Citycon's Board of Directors adjusted the total amount of the maximum reward under the Restricted Share Plan 2015 up to 700,000 Citycon shares and extended the allocation period of the restricted shares with one year, until the end of 2018. Otherwise the terms of the long-term share-based incentive plans and stock option plan 2011 remain unchanged and as explained in the Note 1.6 of the Financial Statements 2017.

The full terms and conditions of both share-based incentive plans are available on the company's website at citycon.com/remuneration and the full terms and conditions of the stock option plan 2011 on the company's website at citycon.com/options. The subscription ratios, prices and periods of the stock option plan 2011 as well as the stock options granted to the CEO and other Corporate Management Committee members are available in the Note 1.6 of the Financial Statements 2017.

EVENTS AFTER THE REPORTING PERIOD

No material events after the reporting period.

OUTLOOK

Citycon forecasts the 2018 EPRA earnings per share (basic) to be EUR 0.155-0.175. Furthermore, the Direct operating profit is expected to change by EUR -15 to +1 million and EPRA Earnings to change by EUR -14 to +4 million from the previous year.

These estimates are based on the existing property portfolio as well as on the prevailing level of inflation, the EUR-SEK and EUR-NOK exchange rates, and current interest rates. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

FINANCIAL CALENDAR AND AGM 2018

Citycon Oyj's schedule of the financial reporting in 2018 is the following:

Year 2017 full-year Financial Report, Financial Statements and the Report by the Board of Directors	on Thursday 8 February 2018 at about 9:00 a.m.
Year 2018 three-month Interim Report	on Thursday 19 April 2018 at about 9:00 a.m.
Year 2018 six-month Half-Yearly Report	on Thursday 12 July 2018 at about 9:00 a.m.
Year 2018 nine-month Interim Report	on Thursday 18 October 2018 at about 9:00 a.m.

Citycon Oyj's Annual General Meeting (AGM) 2018 will be held on Tuesday, 20 March 2018 starting at 12:00 noon.

For more investor information, please visit the company's website at www.citycon.com.

Espoo, 7 February 2018
Citycon Oyj
Board of Directors

For further information, please contact:

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Citycon is a leading owner, manager and developer of urban, grocery-anchored shopping centres in the Nordic region, managing assets that total almost EUR 5 billion and with market capitalisation of close to EUR 2 billion. Citycon is No. 1 shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia. Citycon has also established a foothold in Denmark.

Citycon has investment-grade credit ratings from Moody's (Baa1) and Standard & Poor's (BBB). Citycon Oyj's share is listed in Nasdaq Helsinki.

www.citycon.com

EPRA PERFORMANCE MEASURES

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2017 in section "EPRA performance measures".

EPRA PERFORMANCE MEASURES

		Q4/2017	Q4/2016	%	2017	2016	%
EPRA Earnings	MEUR	33.8	37.9	-10.8%	152.3	151.1	0.8%
EPRA Earnings per share (basic)	EUR	0.038	0.043	-10.8%	0.171	0.170	0.8%
EPRA NAV per share	EUR	2.71	2.82	-3.9%	2.71	2.82	-3.9%
EPRA NNNNAV per share	EUR	2.37	2.47	-4.0%	2.37	2.47	-4.0%

The following tables present how EPRA Performance Measures are calculated.

1) EPRA EARNINGS

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Earnings in IFRS Consolidated Statement of Comprehensive Income	23.2	34.2	-32.0%	87.4	160.4	-45.5%
-/+ Net fair value gains/losses on investment property	10.6	12.5	-14.7%	42.9	-25.9	-
-/+ Net gains/losses on sale of investment property	3.7	-0.1	-	-6.0	-4.3	39.2%
+ Indirect other operating expenses	7.2	4.4	63.2%	12.8	4.4	188.5%
+/- Fair value losses/gains of financial instruments	0.2	0.0	-	2.0	5.9	-65.8%
- Fair value gains and other indirect items of joint ventures and associated companies	0.7	-9.0	-	6.9	-10.4	-
+/- Change in deferred taxes arising from the items above	-12.0	-4.1	190.7%	5.8	20.2	-71.2%
+ Non-controlling interest arising from the items above	0.0	0.0	-126.6%	0.5	0.7	-27.7%
EPRA Earnings	33.8	37.9	-10.8%	152.3	151.1	0.8%
Issue-adjusted average number of shares, million	890.0	890.0	-	890.0	890.0	-
EPRA Earnings per share (basic), EUR	0.038	0.043	-10.8%	0.171	0.170	0.8%

The table below presents an alternative calculation of EPRA Earnings from the statement of comprehensive income from top to bottom.

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Net rental income	53.9	55.9	-3.7%	228.5	224.9	1.6%
Direct administrative expenses	-8.2	-6.3	30.1%	-29.1	-28.2	3.1%
Direct other operating income and expenses	0.2	0.3	-28.6%	1.1	1.8	-37.1%
Direct operating profit	45.9	49.9	-8.1%	200.5	198.5	1.0%
Direct net financial income and expenses	-13.3	-13.0	2.5%	-54.4	-51.7	5.1%
Direct share of profit/loss of joint ventures and associated companies	1.4	1.1	24.7%	6.2	4.4	39.4%
Direct current taxes	-0.4	-0.3	25.3%	-0.8	-0.7	7.2%
Direct deferred taxes	0.2	0.2	2.6%	0.7	0.7	0.5%
Direct non-controlling interest	0.0	0.0	-153.9%	0.0	-0.1	-93.6%
EPRA Earnings	33.8	37.9	-10.8%	152.3	151.1	0.8%
EPRA Earnings per share (basic), EUR	0.038	0.043	-10.8%	0.171	0.170	0.8%

2) EPRA NAV PER SHARE AND EPRA NNNAV PER SHARE

	2017			2016		
	MEUR	Number of shares on the balance sheet date (1,000)	per share, EUR	MEUR	Number of shares on the balance sheet date (1,000)	per share, EUR
Equity attributable to parent company shareholders	2,207.3	889,993	2.48	2,311.4	889,993	2.60
Deferred taxes from the difference of fair value and fiscal value of investment properties	297.6	889,993	0.33	309.1	889,993	0.35
Goodwill as a result of deferred taxes	-91.8	889,993	-0.10	-108.7	889,993	-0.12
Fair value of financial instruments	0.8	889,993	0.00	0.3	889,993	0.00
Net asset value (EPRA NAV)	2,413.8	889,993	2.71	2,512.2	889,993	2.82
Deferred taxes from the difference of fair value and fiscal value of investment properties	-297.6	889,993	-0.33	-309.1	889,993	-0.35
Goodwill as a result of deferred taxes	91.8	889,993	0.10	108.7	889,993	0.12
The difference between the secondary market price and fair value of bonds ¹⁾	-100.2	889,993	-0.11	-116.2	889,993	-0.13
Fair value of financial instruments	-0.8	889,993	0.00	-0.3	889,993	0.00
EPRA NNNAV	2,107.1	889,993	2.37	2,195.2	889,993	2.47

¹⁾ When calculating the EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the fair value of the bonds was EUR 100.2 million (116.2) as of 31 Dec 2017.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT 1 JANUARY-31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	Note	Q4/2017	Q4/2016	%	2017	2016	%
Gross rental income	3	62.1	64.1	-3.2%	257.4	251.4	2.4%
Service charge income		21.9	20.9	4.8%	80.8	80.3	0.6%
Property operating expenses		-29.5	-28.8	2.2%	-107.8	-105.5	2.2%
Other expenses from leasing operations		-0.6	-0.2	175.9%	-1.9	-1.4	39.8%
Net rental income	3	53.9	55.9	-3.7%	228.5	224.9	1.6%
Administrative expenses		-8.2	-6.3	31.0%	-29.1	-28.2	3.1%
Other operating income and expenses		-7.0	-4.2	68.9%	-11.6	-2.6	-
Net fair value losses/gains on investment property	3	-10.6	-12.5	-14.7%	-42.9	25.9	-
Net gains/losses on sale of investment property		-3.7	0.1	-	6.0	4.3	39.2%
Operating profit	3	24.3	33.1	-26.7%	150.9	224.4	-32.8%
Net financial income and expenses		-13.5	-13.0	4.2%	-56.4	-57.7	-2.2%
Share of profit of joint ventures and associated companies		0.7	10.1	-93.5%	-0.7	14.8	-
Profit before taxes		11.4	30.2	-62.3%	93.8	181.5	-48.3%
Current taxes		-0.4	-0.3	25.3%	-0.8	-0.7	7.2%
Deferred taxes		12.2	4.3	182.3%	-5.1	-19.5	-73.8%
Profit for the period		23.2	34.3	-32.3%	87.9	161.3	-45.5%
Profit attributable to							
Parent company shareholders		23.2	34.2	-32.0%	87.4	160.4	-45.5%
Non-controlling interest		0.0	0.1	-139.6%	0.5	0.9	-38.6%
Earnings per share attributable to parent company shareholders							
Earnings per share (basic), EUR	4	0.03	0.04	-32.0%	0.10	0.18	-45.5%
Earnings per share (diluted), EUR	4	0.03	0.04	-32.2%	0.10	0.18	-45.7%
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Net gains/losses on cash flow hedges		0.2	3.5	-94.4%	-3.1	8.0	-
Income taxes relating to cash flow hedges		0.0	-0.7	-	0.6	-1.6	-
Share of other comprehensive income of joint ventures and associated companies		2.4	-1.0	-	1.9	1.1	78.8%
Exchange losses/gains on translating foreign operations		-43.0	-6.7	-	-76.3	31.1	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-40.4	-4.9	-	-76.8	38.5	-
Other comprehensive income for the period, after taxes		-40.4	-4.9	-	-76.8	38.5	-
Total comprehensive loss/profit for the period		-17.2	29.4	-	11.1	199.8	-94.4%
Total comprehensive loss/profit attributable to							
Parent company shareholders		-17.2	29.3	-	10.6	198.9	-94.7%
Non-controlling interest		-0.1	0.1	-	0.5	0.9	-42.0%

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	Note	31 December 2017	31 December 2016
ASSETS			
Non-current assets			
Investment properties	5	4,183.4	4,337.6
Goodwill		153.3	173.4
Investments in joint ventures and associated companies		228.0	219.0
Intangible and tangible assets, and other non-current assets		39.8	30.0
Deferred tax assets		4.3	2.9
Total non-current assets		4,608.9	4,762.8
Investment properties held for sale	6	25.4	81.9
Current assets			
Derivative financial instruments	8, 9	1.8	1.0
Trade and other current assets		31.8	39.3
Cash and cash equivalents	7	10.1	15.9
Total current assets		43.7	56.2
Total assets	3	4,678.0	4,900.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital		259.6	259.6
Share premium fund		131.1	131.1
Fair value reserve		-0.8	-0.3
Invested unrestricted equity fund	10	1,123.5	1,230.3
Retained earnings	10	693.9	690.7
Total equity attributable to parent company shareholders		2,207.3	2,311.4
Non-controlling interest		1.2	0.8
Total shareholders' equity		2,208.5	2,312.3
Long-term liabilities			
Loans		1,959.2	1,887.1
Derivative financial instruments and other non-interest bearing liabilities	8, 9	5.6	3.9
Deferred tax liabilities		301.1	312.2
Total long-term liabilities		2,265.9	2,203.2
Short-term liabilities			
Loans		124.7	289.7
Derivative financial instruments	8, 9	1.2	2.7
Trade and other payables		77.7	93.0
Total short-term liabilities		203.6	385.5
Total liabilities	3	2,469.5	2,588.7
Total liabilities and shareholders' equity		4,678.0	4,900.9

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

MEUR	Note	2017	2016
Cash flow from operating activities			
Profit before taxes		93.8	181.5
Adjustments to profit before taxes		110.5	21.3
Cash flow before change in working capital		204.3	202.8
Change in working capital		7.6	1.5
Cash generated from operations		212.0	204.3
Paid interest and other financial charges		-66.8	-68.9
Interest income and other financial income received		3.8	1.8
Current taxes paid		-0.1	-0.8
Net cash from operating activities		148.9	136.4
Cash flow from investing activities			
Acquisition of subsidiaries, less cash acquired	5, 6	-144.4	-81.5
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	5, 6	-154.0	-191.3
Sale of investment properties	5, 6	315.9	109.9
Net cash used in investing activities		17.5	-162.9
Cash flow from financing activities			
Proceeds from short-term loans		2,078.7	1,131.4
Repayments of short-term loans		-2,099.0	-1,142.0
Proceeds from long-term loans and receivables		107.6	375.2
Repayments of long-term loans		-139.3	-231.1
Acquisition of non-controlling interests		0.0	-
Dividends and return from the invested unrestricted equity fund	10	-116.2	-131.4
Realized exchange rate gains/losses		-2.7	12.8
Net cash used in financing activities		-171.0	14.9
Net change in cash and cash equivalents		-4.7	-11.6
Cash and cash equivalents at period-start	7	15.9	27.9
Effects of exchange rate changes		-1.1	-0.5
Cash and cash equivalents at period-end	7	10.1	15.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

MEUR	Equity attributable to parent company shareholders						Equity	Non-	Shareholders'
	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	attributable to parent company share-holders		
Balance at 1 January 2016	259.6	131.1	-7.9	1,354.9	-47.9	555.7	2,245.5	0.0	2,245.5
Total comprehensive profit/loss for the period			7.5		31.0	160.4	198.9	0.9	199.8
Equity return (Note 10)				-124.6		-8.9	-133.5		-133.5
Share-based payments						0.4	0.4		0.4
Acquisition of non-controlling interests						0.0	0.0	-0.1	-0.1
Balance at 31 December 2016	259.6	131.1	-0.3	1,230.3	-16.8	707.6	2,311.4	0.8	2,312.3
Balance at 1 January 2017	259.6	131.1	-0.3	1,230.3	-16.8	707.6	2,311.4	0.8	2,312.3
Total comprehensive profit/loss for the period			-0.5		-76.3	87.4	10.6	0.5	11.1
Dividends paid and equity return (Note 10)				-106.8		-8.9	-115.7		-115.7
Share-based payments						0.8	0.8		0.8
Acquisition of non-controlling interests						0.1	0.1	-0.1	0.0
Balance at 31 December 2017	259.6	131.1	-0.8	1,123.5	-93.2	787.1	2,207.3	1.2	2,208.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC COMPANY DATA

Citycon is a real estate company specialised in retail premises. Citycon operates in the business units Finland, Norway, Sweden & Denmark and Estonia. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the annual financial statements on 7th of February 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Additional information on the accounting policies are available in Citycon's annual financial statements 2017.

New ESMA (European Securities and Markets Authority) guidelines on alternative performance measures are effective for the financial year 2016. Citycon also presents alternative performance measures, such as EPRA performance measures and loan to value, to reflect the underlying business performance and to enhance comparability between financial periods. Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

3. SEGMENT INFORMATION

Citycon's business consists of the regional business units Finland, Norway, Sweden & Denmark and Estonia.

Citycon changed the presentation of segments during the last quarter of 2017 to better meet the segment information presented to the Board of directors by combining the monitoring of Danish operations as a part of the new Sweden and Denmark-segment. Simultaneously, the monitoring of Estonian operations was transferred to a separate Estonia-segment. As the company has changed the composition of its reported segments during financial year 2017, the segment information concerning both financial year 2017 and 2016 been presented both on the old basis and the new basis of segmentation.

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures' and associated companies in the statement of comprehensive income and Citycon's share of Kista Galleria's total assets is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period by approximately EUR 6.0 million.

The Board of Directors follows IFRS segment result and in addition Kista Galleria's financial performance separately, and therefore, segment information includes both IFRS segment results and Kista Galleria result. The Board of Directors has started to follow the Kista Galleria result and financial position based on a 50% share during the first quarter of 2017 (previously 100%).

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Gross rental income						
Finland	22.3	24.0	-7.3%	94.2	94.4	-0.2%
Norway	21.7	22.3	-2.4%	91.5	85.3	7.3%
Sweden and Denmark	12.5	12.1	3.1%	49.0	48.6	0.9%
Estonia	5.6	5.7	-2.2%	22.6	23.2	-2.4%
Total Segments	62.1	64.1	-3.2%	257.4	251.4	2.4%
Kista Galleria (50%)	4.0	4.2	-5.2%	16.5	17.2	-3.9%
Net rental income						
Finland	19.7	22.0	-10.1%	84.7	87.8	-3.5%
Norway	18.4	19.2	-4.0%	79.6	74.0	7.6%
Sweden and Denmark	10.1	9.4	7.3%	41.3	40.1	3.1%
Estonia	5.4	5.2	3.8%	22.2	22.6	-1.8%
Other	0.2	0.1	32.4%	0.7	0.5	39.5%
Total Segments	53.9	55.9	-3.7%	228.5	224.9	1.6%
Kista Galleria (50%)	3.2	3.5	-7.7%	14.4	15.0	-4.5%
Direct operating profit						
Finland	19.1	21.4	-11.0%	81.6	84.8	-3.7%
Norway	16.9	17.8	-5.4%	74.8	69.4	7.8%
Sweden and Denmark	9.2	9.0	2.0%	37.9	36.8	3.2%
Estonia	5.2	5.2	0.1%	21.6	21.9	-1.7%
Other	-4.5	-3.6	25.5%	-15.4	-14.5	6.6%
Total Segments	45.9	49.9	-8.1%	200.5	198.5	1.0%
Kista Galleria (50%)	3.1	3.4	-8.9%	13.8	14.4	-4.4%
Net fair value losses/gains on investment property						
Finland	-8.4	-18.3	-54.2%	-44.7	-33.2	34.8%
Norway	-10.7	-5.0	113.2%	-22.2	19.8	-
Sweden and Denmark	10.5	11.4	-7.8%	30.6	40.5	-24.6%
Estonia	-2.1	-0.6	-	-6.5	-1.2	-
Total Segments	-10.6	-12.5	-14.7%	-42.9	25.9	-
Kista Galleria (50%)	-1.1	3.4	-	-0.6	5.5	-
Operating profit/loss						
Finland	7.2	3.0	137.4%	32.9	55.1	-40.2%
Norway	-0.1	8.7	-	40.8	85.1	-52.1%
Sweden and Denmark	18.6	20.4	-8.8%	77.6	78.1	-0.6%
Estonia	3.1	4.6	-32.9%	15.0	20.6	-27.0%
Other	-4.5	-3.6	23.1%	-15.4	-14.5	6.4%
Total Segments	24.3	33.1	-26.7%	150.9	224.4	-32.8%
Kista Galleria (50%)	2.0	6.8	-70.9%	13.2	19.9	-33.9%

MEUR	31 December 2017	31 December 2016	%
Assets			
Finland	1,658.6	1,843.1	-10.0%
Norway	1,578.7	1,710.0	-7.7%
Sweden and Denmark	1,088.5	1,000.7	8.5%
Estonia	307.3	309.8	-0.1%
Other	44.9	37.4	20.0%
Total Segments	4,678.0	4,900.9	-4.5%
Kista Galleria (50%)	314.8	318.0	-1.0%
Liabilities			
Finland	8.2	18.7	-56.1%
Norway	17.5	21.1	-17.4%
Sweden and Denmark	20.9	21.1	-0.9%
Estonia	1.3	2.2	-41.1%
Other	2,421.7	2,525.6	-4.1%
Total Segments	2,469.5	2,588.7	-4.6%
Kista Galleria (50%)	249.9	251.6	-0.7%

The change in segment assets was due to the fair value changes in investment properties as well as investments and disposals.

Due to the changes in the presentation of segments during the last quarter of 2017, the segment reporting is presented on the old basis of segmentation in the schedule below.

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Gross rental income						
Finland	22.3	24.0	-7.3%	94.2	94.4	-0.2%
Norway	21.7	22.3	-2.4%	91.5	85.3	7.3%
Sweden	11.4	11.3	1.0%	46.0	45.8	0.4%
Estonia and Denmark	6.6	6.5	2.0%	25.7	26.0	-1.2%
Total Segments	62.1	64.1	-3.2%	257.4	251.4	2.4%
Kista Galleria (50%)	4.0	4.2	-5.2%	16.5	17.2	-3.9%
Net rental income						
Finland	19.7	22.0	-10.1%	84.7	87.8	-3.5%
Norway	18.4	19.2	-4.0%	79.6	74.0	7.6%
Sweden	9.4	9.3	1.6%	39.2	38.5	1.9%
Estonia and Denmark	6.1	5.4	13.7%	24.3	24.2	0.4%
Other	0.2	0.1	3.8%	0.7	0.5	39.5%
Total Segments	53.9	55.9	-3.7%	228.5	224.9	1.6%
Kista Galleria (50%)	3.2	3.5	-7.7%	14.4	15.0	-4.5%
Direct operating profit						
Finland	19.1	21.4	-11.0%	81.6	84.8	-3.7%
Norway	16.9	17.8	-5.4%	74.8	69.4	7.8%
Sweden	8.6	8.8	-2.8%	36.0	35.3	2.0%
Estonia and Denmark	5.8	5.4	8.0%	23.5	23.4	0.3%
Other	-4.5	-3.6	25.5%	-15.4	-14.5	6.6%
Total Segments	45.9	49.9	-8.1%	200.5	198.5	1.0%
Kista Galleria (50%)	3.1	3.4	-8.9%	13.8	14.4	-4.4%

MEUR	Q4/2017	Q4/2016	%	2017	2016	%
Net fair value losses/gains on investment property						
Finland	-8.4	-18.3	-54.2%	-44.7	-33.2	34.8%
Norway	-10.7	-5.0	113.2%	-22.2	19.8	-
Sweden	10.5	10.5	0.4%	29.5	39.7	-25.8%
Estonia and Denmark	-2.1	0.3	-	-5.4	-0.4	-
Total Segments	-10.6	-12.5	-14.7%	-42.9	25.9	-
Kista Galleria (50%)	-1.1	3.4	-	-0.6	5.5	-
Operating profit/loss						
Finland	7.2	3.0	137.4%	32.9	55.1	-40.2%
Norway	-0.1	8.7	-	40.8	85.1	-52.1%
Sweden	18.0	19.3	-6.7%	74.6	75.8	-1.6%
Estonia and Denmark	3.7	5.7	-35.1%	18.1	22.9	-21.1%
Other	-4.5	-3.6	23.1%	-15.4	-14.5	6.4%
Total Segments	24.3	33.1	-26.7%	150.9	224.4	-32.8%
Kista Galleria (50%)	2.0	6.8	-70.9%	13.2	19.9	-33.9%

MEUR	31 December 2017	31 December 2016	%
Assets			
Finland	1,658.6	1,843.1	-10.0%
Norway	1,578.7	1,710.0	-7.7%
Sweden	979.7	894.0	9.6%
Estonia and Denmark	416.1	416.5	-0.1%
Other	44.9	37.4	20.0%
Total Segments	4,678.0	4,900.9	-4.5%
Kista Galleria (50%)	314.8	318.0	-1.0%
Liabilities			
Finland	8.2	18.7	-56.1%
Norway	17.5	21.1	-17.4%
Sweden	18.0	18.2	-1.1%
Estonia and Denmark	4.2	5.1	-17.6%
Other	2,421.7	2,525.6	-4.1%
Total Segments	2,469.5	2,588.7	-4.6%
Kista Galleria (50%)	249.9	251.6	-0.7%

4. EARNINGS PER SHARE

		2017	2016	%
Earnings per share, basic				
Profit attributable to parent company shareholders	MEUR	87.4	160.4	-45.5%
Issue-adjusted average number of shares	million	890.0	890.0	0.0%
Earnings per share (basic)	EUR	0.10	0.18	-45.5%
Earnings per share, diluted				
Profit attributable to parent company shareholders	MEUR	87.4	160.4	-45.5%
Issue-adjusted average number of shares	million	890.0	890.0	0.0%
Adjustment from share-based incentive plans and options	million	9.0	6.4	40.0%
Average number of shares used in the calculation of diluted earnings per share	million	899.0	896.4	0.3%
Earnings per share (diluted)	EUR	0.10	0.18	-45.7%

5. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date, the first mentioned category included Lippulaiva in Finland. On 31 December 2016, the first mentioned category included Porin Asema-aukio and Iso Omena in Finland.

IPUC-category includes the fair value of the whole property even though only part of the property may be under construction.

31 DECEMBER 2017

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
At period-start	723.9	3,613.7	4,337.6
Acquisitions	-	142.5	142.5
Investments	49.7	84.0	133.7
Disposals	-	-59.8	-59.8
Capitalized interest	1.1	2.2	3.2
Fair value gains on investment property	-	113.0	113.0
Fair value losses on investment property	-2.4	-153.5	-155.9
Exchange differences	-	-130.3	-130.3
Transfers between items	-651.3	450.7	-200.6
At period-end	121.0	4,062.4	4,183.4

31 DECEMBER 2016

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
At period-start	106.7	3,984.9	4,091.6
Acquisitions	81.5	-	81.5
Investments	80.7	108.1	188.8
Disposals	0.0	-25.1	-25.1
Capitalized interest	4.4	1.2	5.6
Fair value gains on investment property	15.1	85.8	100.9
Fair value losses on investment property	-	-74.9	-74.9
Exchange differences	-	47.7	47.7
Transfers between items (includes the transfer from investments in joint ventures and associated companies)	435.4	-513.8	-78.4
At period-end	723.9	3,613.7	4,337.6

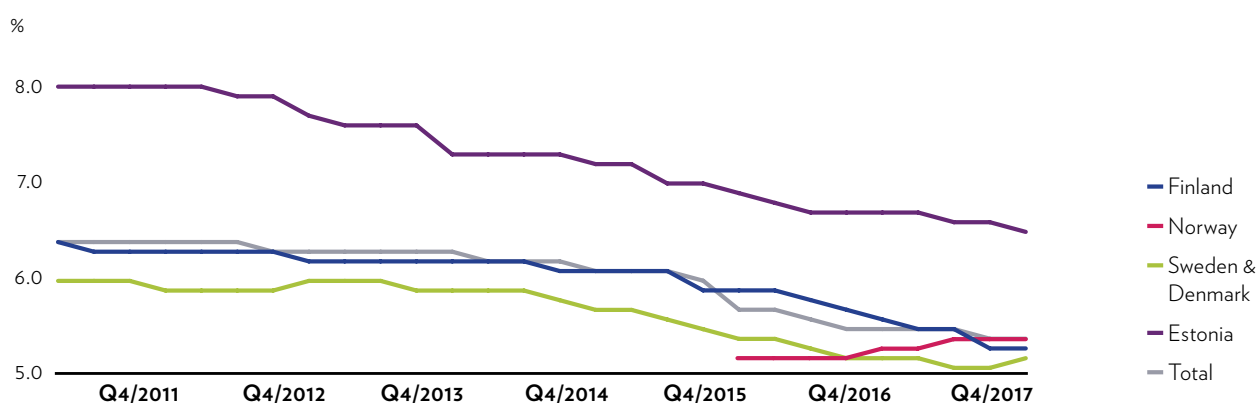
The fair value of Citycon's investment properties has been measured by CBRE for the financial statements for 2017 and by JLL for the financial statements for 2016.

The fair value is calculated by a net rental income based cash flow analysis. Market rents, the yield requirement, the occupancy rate and operating expenses form the key variables used in the cash flow analysis. The segments' yield requirements and market rents used in the cash flow analysis were as follows:

YIELD REQUIREMENT AND MARKET RENTS

	Weighted average yield requirement, %		Weighted average market rents, EUR/sq.m./mo	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Finland	5.3	5.6	31.2	29.8
Norway	5.4	5.3	22.0	22.9
Sweden and Denmark	5.2	5.2	25.9	25.9
Estonia	6.5	6.7	20.7	20.6
Investment properties, average	5.4	5.5	26.2	26.1
Investment properties and Kista Galleria (50%), average	5.3	5.4	26.9	26.9

CITYCON'S VALUATION YIELD DEVELOPMENT¹⁾



¹⁾ Excluding Kista Galleria

6. INVESTMENT PROPERTIES HELD FOR SALE

On 31 December 2017, the Investment Properties Held for Sale comprised of one property in Norway. The property transaction is expected to be finalized during the first six months of 2018. On 31 December 2016, the Investment Properties Held for Sale comprised of three properties in Norway, one property in Sweden and one property and one residential property in Finland.

Citycon had no businesses held for sale (in accordance with IFRS 5) on 31 December 2017 or 31 December 2016.

MEUR	31 December 2017	31 December 2016
At period-start	81.9	1.7
Disposals	-251.9	-70.0
Exchange differences	-5.0	0.0
Transfers from investment properties	200.4	150.3
At period-end	25.4	81.9

7. CASH AND CASH EQUIVALENTS

MEUR	31 December 2017	31 December 2016
Cash in hand and at bank	3.7	9.3
Other bank deposits	6.4	6.5
Total	10.1	15.9

Cash and cash equivalents in the cash flow statement comprise the items presented above. Other bank deposits consists mainly of restricted cash.

8. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

MEUR	31 December 2017		31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
I Financial assets at fair value through profit and loss				
Derivative financial instruments	14.2	14.2	3.1	3.1
II Derivative contracts under hedge accounting				
Derivative financial instruments	7.0	7.0	2.5	2.5
Financial liabilities				
I Financial liabilities amortised at cost				
Loans				
Loans from financial institutions	225.9	226.3	260.8	261.4
Bonds	1,858.0	1,870.9	1,916.0	1,930.0
II Financial liabilities at fair value through profit and loss				
Derivative financial instruments	3.7	3.7	4.3	4.3
III Derivative contracts under hedge accounting				
Derivative financial instruments	0.7	0.7	1.6	1.6

9. DERIVATIVE FINANCIAL INSTRUMENTS

MEUR	31 December 2017		31 December 2016	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps				
Maturity:				
less than 1 year	-	-	-	-
1-5 years	228.7	0.2	247.6	1.2
over 5 years	-	-	-	-
Subtotal	228.7	0.2	247.6	1.2
Cross-currency swaps				
Maturity:				
less than 1 year	-	-	-	-
1-5 years	457.9	15.0	350.0	0.6
over 5 years	-	-	107.9	-0.3
Subtotal	457.9	15.0	457.9	0.3
Foreign exchange forward agreements				
Maturity:				
less than 1 year	84.6	1.6	220.2	-1.8
Total	771.2	16.8	925.7	-0.2

Derivative financial instruments are used in hedging the interest rate and foreign currency risk.

Hedge accounting is applied for interest rate swaps which have nominal amount of EUR 228.7 million (247.6) and for a cross-currency swap converting EUR debt into NOK debt which have nominal amount of EUR 107.9 million (107.9). The change in fair values of these derivatives is recognised under other comprehensive income, taking the tax effect into account. In addition, EUR 0.8 million (2.3) have been recognised in 'Share of other comprehensive income of joint ventures and associated companies' from interest rate swaps hedging loans of Kista Galleria and Sektor Portefølje II AS.

Citycon also has currency forwards and cross-currency swaps to convert EUR debt into SEK debt. Changes in fair values of these are reported in the profit and loss statement as hedge accounting is not applied.

Furthermore, changes in fair values of interest rate caps hedging Kista Galleria's loans are recognised under 'Share of profit of joint ventures and associated companies'.

10. DIVIDEND AND EQUITY REPAYMENT

The Board of Directors proposes that the Board of Directors be authorized to decide in its discretion on the distribution of dividend for the financial year 2017, and assets from the invested unrestricted equity fund as follows. Based on this authorization the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share. The dividend/equity repayment would be paid to shareholders in four installments during the term of the authorization. The authorisation is valid until the opening of the next Annual General Meeting.

11. CONTINGENT LIABILITIES

MEUR	31 December 2017	31 December 2016
Mortgages on land and buildings	132.1	143.1
Bank guarantees	40.9	154.7
Capital commitments	337.9	254.8

At period-end, Citycon had capital commitments of EUR 337.9 million (254.8) relating mainly to on-going (re)development projects.

Citycon owns 50% of Kista Galleria joint venture. Shares in the joint venture have been pledged as security for the loans of the joint venture.

12. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures; Board members; CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 44.6% on 31 December 2017 (31 December 2016: 43.9%).

Purchases of services

Over the period Citycon paid expenses of EUR 0.0 million to Gazit-Globe Ltd. and its subsidiaries (EUR 0.1 million) and invoiced EUR 0.1 million expenses forward to Gazit-Globe Ltd. and its subsidiaries (EUR 0.1).