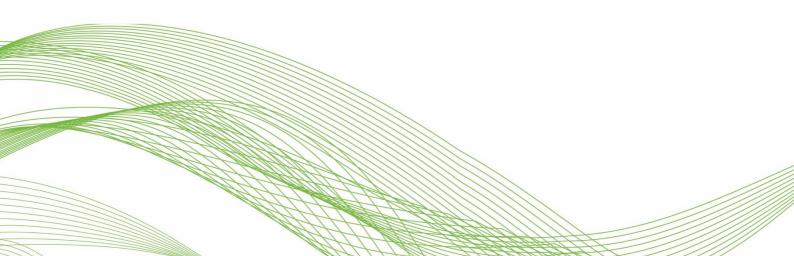


Valuation Advice on Yields and Market Rents

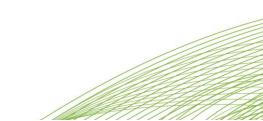
CITYCON OYJ 30 SEPTEMBER 2017





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INSTRUCTIONS

Our instruction from Citycon Oyj was to provide Citycon with our opinion on yields and market rents for their investment portfolio as at 30 September 2017, to be used in their internal valuations. The purpose of the internal valuation is financial reporting and performance measurement. The internal valuations include all investment properties except the redevelopment projects which are valued externally. On 30 September 2017 we have conducted the valuation of the Lippulaiva development project located in Espoo, Finland.

SCOPE OF WORK AND ASSUMPTIONS

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

This valuation advice is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions regarding yields and market rents of the subject properties. This valuation advice is for the sole purpose of providing the instructing party our independent and professional opinion on the portfolio's properties' yields and market rents on the valuation date, to assist Citycon with their internal valuations of the properties.

We confirm that we have had no previous material involvement with any of the properties prior to the 30 June 2017 valuation for Citycon and there is no conflict of interest.

We have carried out our work based upon information supplied to us by Citycon, which we have assumed to be correct and comprehensive.

We inspected all the properties internally in May-October 2017.

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MARKET OVERVIEW

FINLAND

Retail Rental Market

Retail sales have continued to improve further in 2017 after growth initially turned positive in 2016. The performance of various sectors is mixed, with for example home electronics, groceries and hardware stores performing better than department stores, clothing and footwear, which suffer more from online trade and changing consumer behavior. Despite the improving retail trade, retail rents have generally remained quite flat in Q3 2017 and earlier in the year, with the exception of the Helsinki CBD, where some growth has been evident. Retail vacancy too has generally remained quite stable in Q3. Improvements in occupancy have mainly been seen in better quality centres, and decreases in weaker quality centres.

There has been one notable retail bankruptcy in Q3 2017 of the fashion chain Seppälä, which currently has 56 stores across the country. Seppälä's stores are generally ca. 300-600 sq m, and therefore they are generally not anchor tenants in shopping centres.

Retail Investment Market

The retail investment market has continued strong in Q3, with the largest deals being to foreign buyers. Retail sales volume in Q3 2017 was ca. EUR 1.6 billion, which was boosted by the retail component of the Sponda sale, with their shopping centre portfolio valued at EUR 1.195 billion in June 2017. 98.8% of the shares in Sponda are being sold to Polar Bidco S.à r.l (Blackstone Group). The total size of the portfolio sale is ca. EUR 3.7 billion, with the majority of the portfolio being offices. The sale is due to settle later in the year.

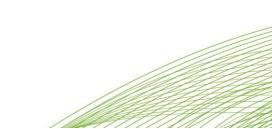
The second most significant retail sale was the sale of a portfolio of 5 shopping centres by Citycon to Cerberus Capital Management for EUR 167 million, which was announced in Q3 and is closing in Q4 2017. This portfolio includes Forum in Jyväskylä and 4 centres in the Helsinki Metropolitan Area, Espoontori, Tikkuri, Martinlaakso shopping centre and Myllypuro shopping centre.

Shopping centre yields have remained stable in Q3, with the prime yield in the Helsinki Metropolitan Area (HMA) being 4.5%.

Comment on Citycon portfolio

Market rents have generally remained stable since Q2, however minor adjustments have been made both up and down in light of recent leasing activity. Market rents have been adjusted up in 2 centres including Iso Omena, and down in 3 centres, all of which are located outside the HMA. Yields have generally remained stable, minor adjustments up has been made for 2 centres outside the HMA to better reflect market. Lippulaiva has been valued as a development project for the first time this quarter.







NORWAY

Retail Rental Market

Shopping centre rents have remained stable over the last twelve months. Retail sales growth increased by 1.9% year-on-year, as of August 2017 led by an increase of 2.5% in sales volumes, according to Statistics Norway. Inflation measured by the CPI stands at 1.3% in August, while core inflation stands at 0.9% (Statistics Norway, 2017). The shopping centre turnover index continues to perform and increased by 2.4% in August after a strong summer shopping season, which saw sales turnover grow by 2.1% year-on-year, according to Kvarud Analyse. Shopping centre footfall continues to decrease and fell by 1.1% in August, however the average basket size increased by 2.6% to NOK 356 per visit (Kvarud Analyse, 2017).

There has been one notable bankruptcy this quarter namely the bankruptcy of Moods of Norway. 18 shops in the Norwegian market are affected.

Retail Investment Market

Retail transactions amounted to some 20% of the total volume year-to-date, in line with the 2016 total. Most notable retail transactions in Q3 include the sales of Norwegian Outlet in Vestby and Øyrane Torg outside of Bergen for a reported price in the vicinity of MNOK 1,100 and MNOK 600, respectively. The prime shopping centre yield in Q3 is estimated at 4.25%, unchanged from Q2 2017.

Comment on Citycon portfolio

Market rents have remained stable across the portfolio with minor adjustments in line with recent leasing activity. Yields have mainly remained stable since Q2, however yields for 3 centres located outside Oslo have been adjusted up slightly.

SWEDEN

Retail Rental Market

Generally, retail rents for prime shopping centres in the region have increased of 2% to 4% over the past year, assisted by the strong retail turnover growth in Sweden. A similar, or slightly lower rate of rental growth is expected for the remainder of 2017 as retail turnover growth rate eases somewhat and so the retailers ability to pay higher rents decreases. Generally, restaurant turnover growth is increasing at a higher rate than retail turnover hence there is generally higher rental growth potential for the restaurant sub-sector.

Retail Investment Market

In H1 2017 the retail transaction volume ended up at SEK 10.5 billion, representing 14% of the total transaction volume. A notable transaction in Q3 2017 was the Storebrand/SPP deal where NREP signed a purchase agreement to sell their Swedish retail portfolio to Storebrand/SPP. This sale is the largest retail transaction so far in 2017 with a total value amounting to approx. EUR 170m (1.6bn SEK) and the portfolio received interest from both domestic and international blue chip investors. The high interest for the portfolio highlights the strong quality of the underlying assets and the necessity driven retail sector. The retail portfolio consists of 11 necessity driven, mainly bog box, retail properties with a total 63,500 sq m lettable area in attractive locations in the greater regions of Gothenburg, Stockholm and along the E4 corridor from Stockholm to Linköping.



CBRE

The prime yield for shopping centres in Sweden in Q3 2017 remained stable at 4.25%. Prime shopping centre yields have compressed in 2017 supported by strong demand, low supply and assisted by continued low interest rates. The retail market has experienced increasing retail sales for seven consecutive years driven by positive macro fundamentals and resulting in high purchasing power and strong tenant demand.

Comment on Citycon portfolio

Yield levels in Citycon's properties have remained stable in Q3 2017 compared to Q2. Market rents have also remained relatively stable except for Liljeholmstorget where a small increase was noted.

DENMARK

Retail Rental Market

Prime net shopping centre rents have been rather stable since Q3 2015 and currently stand at DKK 5,500 per sq m pa. According to Denmark Statistics, retail sales in August 2017 were 0.3% lower than in July when the figures are corrected for price trends, normal seasonal fluctuations and the effect of trading days. August is up 0,3% compared to August 2016. Overall the retail trade turnover growth has been flat since 2015. Average growth rate is 0.0% for the year.

There is one shopping centre under construction in Copenhagen. Kronen vanløse (former Galleri A) will be 20,000 sq m shopping centre, while a 15,000 sq m residential block will be constructed above the centre. The centre will open 12th of October, with an estimation of 4.3 million visitors annually. Looking forward, we expect vacancy rates to remain stable in the best performing centres. Demand and rental levels are also expected to hold at levels previously achieved.

Retail Investment Market

One of the most significant shopping centre deals in 2017 is AP Pension's acquisition of Tårnby Torv. This 12,000 sq m large neighborhood centre was acquired for DKK 75 million. According to AP Pension, the transaction included building rights – some 100 apartments (70-75 sq m large) will be constructed. The prime shopping centre yield stands at ca. 4.00% as at Q3 2017 and good secondary yield stands at 5,50%. Both are expected to remain stable in the short term.

Comment on Citycon portfolio

Both the market rent level and yield for Albertslund have remained stable since Q2 and no significant changes are expected in the short term. In Q3 Citycon acquired the first part of the shopping centre Straedet in Køge and the property will be included in the valuations for the first time in Q4.

ESTONIA

Retail Rental Market

During Q2 2017, retail sales (excluding fuel and automotive) in Estonia continued to grow by 5.7%. In Tallinn, prime shopping centre rents in Q3 2017 have remained stable on a quarterly basis, and there is no observed downturn pressure due to uncertainty surrounding upcoming new developments in the market. The vacancy rates in prime shopping centres in Tallinn have remained stable at a very low level during Q3 2017. However, medium term changes are expected if new developments will be completed. The largest shopping centre developments currently under construction are T1: "Mall of Tallinn" with a GLA of 55,000 sq m and an expansion of Norde Centrum with a retail GLA of 9,500 sq m. T1 construction could be finished in Q4 2018.





Retail Investment Market

During H1 2017 there were several small retail investment transactions in the Baltic countries, including a Selver supermarket development, Hortes garden centre, Eha Center and Tahesaju Selver, with a total investment volume of around EUR 18.1 million. The French asset management company Corum also entered the Baltic markets with a Prisma hypermarket transaction (EUR 16.7 m) in Estonia in Q2 2017.

The prime retail yield during Q3 2017 has not changed on a quarterly basis and is estimated to be 6.65%, however this reflects a decline of 35 basis points on an annual basis. The asking yields for the most attractive retail properties being closer to 6.5%, however the average yields for investment transactions are slightly below 7%. The quoted yield for the Eha Center transaction was 6% with a potential to increase the yield in the future.

The following several trends are shaping the Baltic retail investment market: Limited supply of prime assets will incentivize investment into development schemes with a further aim to increase investment portfolios. The trend in H1 2017 creates anticipation of further acquisitions of existing older stock properties for redevelopment purposes. Furthermore, CBRE Baltics anticipates an increase in forward-funding transactions, when the prospective development is already traded in advance to an investor, especially in the retail sector.

Comment on Citycon portfolio

Both market rents and yields for Rocca Al Mare and Kristiine have remained stable since Q2. Both properties are experiencing some temporary disruption. Rocca Al Mare has suffered somewhat decreased footfall as a result of nearby roadway repair and renovation works, and Kristiine was affected by outstanding vacancies and tenant changes. In terms of medium term prospects, Rocca Al Mare is more likely to experience downwards pressure on rents resulting from increasingly tenant-centric market environment and near-peak efficiency of pre-existing agreements.





In Helsinki, Oslo and Stockholm 6 October 2017

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