

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Background

Citycon Oyj (the "Company") has on 25 May 2015 signed an agreement to acquire all the shares in Sektor Gruppen AS, Norway's second largest shopping centre owner and manager (the "Acquisition"). The agreed debt-free acquisition price of the Acquisition is approximately EUR 1,467 million (NOK 12,320 million, exchange rate of 8.4). The cash purchase price approximately EUR 540,538,000 (NOK 4,450,521,000, exchange rate of 8.4) is agreed to be paid in connection with the closing of the Acquisition and it will be adjusted based on Sektor Gruppen AS's updated, revised consolidated balance sheet following the closing of the Acquisition. The Company intends to finance a part of the Acquisition through a rights issue of approximately EUR 600 million (the "Rights Issue"). The Rights Issue required an authorization from the Extraordinary General Meeting of the company authorizing the Board of Directors to decide on the issuance of new shares.

On 15 June 2015, the Extraordinary General Meeting of the Company authorised the Company's Board of Directors to decide on the issuance of a maximum of 300,000,000 shares pursuant to the pre-emptive subscription rights of the shareholders. The authorisation will be valid until 31 December 2015.

On 15 June 2015, the Board of Directors of the Company resolved, based on the above authorisation of the Extraordinary General Meeting, to issue a maximum of 296,664,209 new shares through a share issue based on the pre-emptive subscription right of shareholders as set forth in the below terms and conditions of the Rights Issue.

The new shares to be issued in the Rights Issue represent approximately 50.0 per cent of the total shares and voting rights in the Company before the Rights Issue and approximately 33.3 per cent of the total shares and voting rights in the Company after the Rights Issue assuming that the Rights Issue is subscribed in full.

The Company's two largest shareholders Gazit-Globe Ltd. and CPP Investment Board Europe S.à r.l. ("CPPIBE"), a wholly owned subsidiary of Canada Pension Plan Investment Board, have undertaken, subject to certain conditions, to subscribe for their pro rata allocation in the Rights Issue as follows: Gazit-Globe Ltd. 127,068,487 new shares and CPPIBE 44,499,631 new shares. The aforementioned subscription undertakings represent in aggregate approximately 57.8 per cent of the maximum number of new shares issued in the Rights Issue.

In addition, Gazit-Globe Ltd. and CPPIBE have each provided an additional undertaking according to which they commit, subject to certain conditions, to subscribe for further shares in the Rights Issue, Gazit-Globe Ltd. up to an aggregate subscription amount of EUR 50 million and CPPIBE up to an aggregate subscription amount of EUR 30 million, in the event that the maximum number of new shares to be issued in the Rights Issue will not be subscribed for during the subscription period of the Rights Issue (the "Additional Undertakings"). The additional undertaking by Gazit-Globe Ltd. is also subject to Gazit-Globe Ltd.'s ownership not exceeding 50% of the shares and votes in Citycon through such subscription, in which case the number of shares to be subscribed for by Gazit-Globe Ltd. pursuant to the additional undertaking would be reduced as necessary. Any such reduction would reduce CPPIBE's additional subscription undertaking accordingly on a pro rata basis.

Danske Bank A/S, Helsinki Branch, Kempen & Co N.V., Pohjola Bank plc ("Pohjola Bank") and Skandinaviska Enskilda Banken AB (publ) Helsinki Branch are acting as global coordinators and bookrunners in the Rights Issue (together "Joint Global Coordinators and Joint Bookrunners").

Terms and Conditions of the Rights Issue

Right to Subscribe

Primary Subscription Right

The new shares (the "New Shares") will be offered for subscription by the shareholders of the Company in proportion to their shareholding in the Company.

A shareholder who is registered in the Company's shareholder register maintained by Euroclear Finland Ltd on the record date of 17 June 2015 of the Rights Issue ("Record Date") will automatically receive one (1) freely transferable subscription right (the "Subscription Right") as a book-entry (ISIN Code FI4000157615) for every one (1) share owned on the Record Date (the "Primary Subscription Right").

A shareholder, or a person or an entity to whom such Subscription Rights have been transferred, is entitled to subscribe for one (1) New Share for every two (2) Subscription Rights. No fractions of New Shares will be allotted.

Secondary Subscription

Further, a shareholder or other investor who has subscribed for New Shares based on the Primary Subscription Right, is entitled to subscribe for New Shares not subscribed for by virtue of the Primary Subscription Right (the "Secondary Subscription").

In the event New Shares are not fully subscribed for by virtue of the Primary Subscription Right or the Secondary Subscription during the subscription period of the Rights Issue, the Board of Directors of the Company may, following consultation with the Joint Global Coordinators and Joint Bookrunners, offer for subscription and allocate the remaining unsubscribed New Shares at the Subscription Price (as defined below), in the first instance, to Gazit-Globe Ltd. and CPPIBE in proportion to and in accordance with their Additional Undertakings, and, in the second instance where the number of the New Shares are not fully subscribed for by virtue of the Primary Subscription Right and the Secondary Subscription exceed the Additional Undertakings, to any other investors procured by the Joint Global Coordinators and Joint Bookrunners in a private placement (jointly, the "Private Placement").

Subscription Price

The subscription price is EUR 2.05 per share (the "Subscription Price"). The Subscription Price will be recorded in its entirety in the invested unrestricted equity fund.

The Subscription Price includes an approximate 20.5 per cent discount compared to the closing price of the Company's share on NASDAQ OMX Helsinki Ltd ("Helsinki Stock Exchange") on the trading day immediately preceding the decision on the Rights Issue.

Subscription Period

The subscription period will commence on 23 June 2015 at 9:30 a.m. Finnish time and expire on 7 July 2015 at 4:30 p.m. Finnish time (the "Subscription Period"). Account operators may impose a deadline for subscription that is earlier than the expiry of the Subscription Period. The Board of Directors of the Company decides on the subscription period of the possible Private Placement, which shall however expire on 10 July 2015 at 4:30 p.m. Finnish time at the latest.

Subscription for New Shares pursuant to the Primary Subscription Right and Payments

A holder of Subscription Rights may participate in the Rights Issue by subscribing for New Shares pursuant to the Subscription Rights registered on his or her book-entry account and by paying the Subscription Price. Each two (2) Subscription Rights entitle their holder to subscribe for one (1) New Share. Fractional New Shares cannot be subscribed. In order to participate in the Rights Issue, a holder of Subscription Rights must submit a subscription assignment in accordance with the instructions given by Pohjola Bank or the relevant custodian or account operator. A holder of Subscription Rights who does not receive instructions for subscription from his or her account operator, can contact Pohjola Bank.

Subscription orders can be submitted in the following subscription places:

- at the offices of the cooperative banks belonging to the OP Financial Group and of Helsinki OP Bank Plc during their business hours;

- via the OP call service at +358 (0) 100 0500. Customers subscribing through the call service need a personal network service agreement with the OP Financial Group. When subscribing through the call service, the identification of the shareholder will be confirmed by network identification codes; and
- with account operators who have an agreement with Pohjola Bank regarding receipt of subscriptions.

The Subscription Price of the New Shares subscribed for in the Rights Issue shall be paid in full at the time of submitting the subscription assignment in accordance with the instructions given by Pohjola Bank or the relevant custodian or account operator.

Shareholders and other investors participating in the Rights Issue whose shares or Subscription Rights are held through a nominee must submit their subscription assignments in accordance with the instructions given by their custodial nominee account holder.

Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is not made in full. In these situations, the subscription payment will be refunded to the Subscriber. No interest will be paid on the refunded amount.

Any exercise of the Primary Subscription Right is irrevocable and may not be modified or cancelled otherwise than as stated in section "Cancellation of Subscriptions under Certain Circumstances" in these terms and conditions.

Any Subscription Rights remaining unexercised at the end of the Subscription Period on 7 July 2015 will expire without any compensation.

Subscription of New Shares pursuant to the Secondary Subscription and Payments

A shareholder or other investor who has subscribed for New Shares based on the Primary Subscription Right (the "Subscriber") is entitled to subscribe for New Shares in the Secondary Subscription.

The subscription of the New Shares pursuant to the Secondary Subscription will take place by submitting a subscription assignment and at the same time paying the Subscription Price in accordance with the instructions given by the relevant custodian or account operator or, in the case of nominee registered investors, by the nominee.

Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is not made in full. In these situations, the subscription payment will be refunded to the Subscriber. No interest will be paid on the refunded amount.

Any Secondary Subscription is irrevocable and may not be modified or cancelled otherwise than as stated in section "*Cancellation of Subscriptions under Certain Circumstances*" in these terms and conditions.

The Company will confirm the acceptance or rejection of the subscriptions of New Shares to the Subscribers who have submitted a Secondary Subscription.

The subscription of New Shares in the Private Placement will take place by paying the Subscription Price in accordance with the instructions given by the Joint Global Coordinators and Joint Bookrunners.

Cancellation of Subscriptions under Certain Circumstances

If the prospectus for the Rights Issue (the "Offering Circular") is supplemented or corrected due to a mistake or inaccuracy or material new information which could be of material relevance to the investors, any Subscribers who have already agreed to subscribe for New Shares before the related supplement is published, shall have the right to withdraw their subscription in accordance with the Finnish Securities Market Act (746/2012, as amended). The Subscribers have a right to withdraw their subscription within two (2) banking days after the supplement has been published. The cancellation right requires that the mistake, inaccuracy or material new information has emerged before the trading in the interim shares representing the New Shares has begun or, in case of Secondary Subscription and Private Placement, before the New Shares have been delivered to the subscribers.

The withdrawal of a subscription applies to the subscription to be withdrawn as a whole. The right to withdraw and the procedure for such withdrawal right will be announced together with any such possible supplement to the Offering Circular through a stock exchange release. If the holder of a Subscription Right has sold or otherwise transferred the Subscription Right, such sale or transfer cannot be cancelled.

Public Trading of the Subscription Rights

The holders of Subscription Rights may sell their Subscription Rights any time before the public trading in Subscription Rights ends. The Subscription Rights are subject to public trading on the Helsinki Stock Exchange between 23 June 2015 at 10:00 a.m. Finnish time and 1 July 2015 at 6:25 p.m. Finnish time. Subscription Rights may be sold or purchased by giving a sell or purchase assignment to one's own book-entry account operator or to any securities broker.

Approval of the Subscriptions

The Board of Directors of the Company will approve all subscriptions pursuant to the Primary Subscription Right made in accordance with these terms and conditions of the Rights Issue and applicable laws and regulations.

If all New Shares to be issued in the Rights Issue have not been subscribed for by virtue of the Primary Subscription Right, the Board of Directors of the Company will resolve to allocate such unsubscribed New Shares among the Subscribers having made a Secondary Subscription. In case of over-subscription by virtue of Secondary Subscription, the allocation among Subscribers will be determined per book-entry account in proportion to the number of Subscription Rights exercised by Subscribers in accordance with the Primary Subscription Right and, where this is not possible, by drawing of lots. If several subscription assignments are given concerning a certain book-entry account, these subscription assignments are combined as one subscription assignment concerning a certain book-entry account. Should the Subscriber not receive all New Shares subscribed for by virtue of the Secondary Subscription, the subscription price for the New Shares not received by the Subscriber will be repaid to the bank account informed by the Subscriber in connection with the subscription on or about 15 July 2015. No interest will be paid for the repayable funds.

In the event New Shares are not fully subscribed for by virtue of the Primary Subscription Right or the Secondary Subscription during the subscription period of the Rights Issue, the Board of Directors of the Company may, following consultation with the Joint Global Coordinators and Joint Bookrunners, offer for subscription and allocate the remaining unsubscribed New Shares at the Subscription Price in the Private Placement. The subscription of New Shares in the Private Placement will take place by paying the Subscription Price in accordance with the instructions given by the Joint Global Coordinators and Joint Bookrunners.

The Company's Board of Directors will decide on the approval of the subscriptions on or about 13 July 2015. The Company will publish the final result of the Rights Issue in a stock exchange release on or about 13 July 2015.

Registration of the New Shares to the Book-entry Accounts

The New Shares subscribed for in the Rights Issue by virtue of the Primary Subscription Right will be recorded on the Subscriber's book-entry account after the registration of the subscription as interim shares corresponding to the New Shares. The interim shares will be subject to public trading with the ISIN Code FI4000157607 on or about 8 July 2015 onwards and are combined with the existing share class of the Company (ISIN Code FI0009002471) on or about 14 July 2015. The New Shares subscribed for and approved by virtue of the Secondary Subscription (including the Private Placement) will be recorded on the Subscriber's book-entry account after the registration of New Shares in the Trade Register, on or about 14 July 2015.

Shareholder Rights

The New Shares will entitle their holders to full dividend and other distribution of funds declared by the Company, if any, and to other shareholder rights in the Company after the New Shares have been registered in the Trade Register and in the Company's shareholder register, on or about 14 July 2015.

Fees and Expenses

No transfer tax or service charges are payable for the subscription of the New Shares. Custodians, account operators and brokers may charge a commission for trading in the Subscription Rights in accordance with their own price lists. Each custodian and account operator will charge fees in accordance with its own price list for maintaining the book-entry account and for the custody of the shares.

Treatment of Holders of the Company's 2011 Stock Options

According to the terms and conditions of the stock options resolved upon by the Board of Directors of the Company on 3 May 2011 ("2011 Stock Options") by virtue of an authorisation granted by the Annual General Meeting of the Company held on 13 March 2007, a 2011 Stock Option holder shall have the same right as, or an equal right to, that of a shareholder should the Company, before the share subscription based on the 2011 Stock Options, decide on an issue of shares or an issue of new stock options or other special rights entitling to shares so that shareholders have pre-emptive rights of subscription. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these.

In order to ensure the equal treatment of shareholders and the 2011 Stock Option holders the Board of Directors of the Company has on 15 June 2015, due to the Rights Issue, adjusted the subscription ratio and the subscription price of the 2011 Stock Options in accordance with the terms and conditions of the 2011 Stock Options. Provided that the Rights Issue is subscribed in full, the subscription price and subscription ratio for 2011 Stock Options shall be adjusted as follows: As regards stock options 2011A—D(I), the subscription ratio shall be adjusted to 2.0169 and the subscription price shall be adjusted to EUR 2.5380 per share. As regards stock options 2011A—D(II), the subscription ratio shall be adjusted to 2.0169 and the subscription price shall be adjusted to EUR 2.6075 per share. As regards stock options 2011A—D(III), the subscription ratio shall be adjusted to 2.0169 and the subscription price shall be adjusted to EUR 2.2703 per share.

The total number of shares is rounded down to full shares in connection with subscription of the shares and the total subscription price is calculated using the rounded amount of shares and rounded to the closest cent. Due to the above adjustments, the adjusted maximum total number of shares to be subscribed for based on the 2011 Stock Options shall be 12,474,526.

The foregoing adjustments to the terms and conditions of the 2011 Stock Options due to the Rights Issue will be in force as of the registration of the adjusted maximum total number of shares to be subscribed for based on the 2011 Stock Options in the Trade Register on or about 14 July 2015, provided that the Rights Issue is subscribed in full. Thus, the 2011 Stock Options do not entitle their holders to participate in the Rights Issue.

Information

Documents mentioned in Chapter 5, Section 21 of the Finnish Companies Act are available for review as of the start of the Subscription Period at the head office of the Company, Korkeavuorenkatu 35, FI-00130 Helsinki, Finland.

Applicable Law and Dispute Resolution

The Rights Issue and the New Shares shall be governed by the laws of Finland. Any disputes arising in connection with the Rights Issue shall be settled by the court of jurisdiction in Finland.

Other Issues

Other issues and practical matters relating to the Rights Issue will be resolved by the Board of Directors of the Company.