

Press release

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NCC sells share of Finnish project company to Citycon

NCC has sold its share of the Matinkylä Shopping Center project in Espoo, Finland, to its business partner Citycon. The purchase price for NCC's portion of the jointly owned project company is approximately SEK 750 M.

The project includes extensions to the already established Iso Omena Shopping Centre and to the new Matinkylä Metro Center, comprising approximately 25,400 square meters of leasable retail space and about 600 parking spaces.

On the transaction date, the leasing rate was above 90 percent. Although leasing has proved successful in a difficult market, the project company needed to invest more than normal to satisfy its tenants' requirements.

"This successful project demonstrates how our partnership with Citycon has enabled productive urban development, and is testament to how effective collaboration with such stakeholders as the City of Espoo and Länsimetro has generated added value for all parties," says Carola Lavén, Business Area Manager, NCC Property Development.

With the new extension, Iso Omena will become one of Finland's largest shopping centers. In cooperation with the City of Espoo and Länsimetro, NCC has also constructed a new bus terminal and commuter parking adjacent to the shopping center, which are planned to open when the new metro line is expected to become operational in January 2017.

"We are pleased to have completed this significant and complicated development project in partnership with NCC. For Citycon, Iso Omena has represented an investment in a first-class shopping center in a growing urban area in the metropolitan region. We have found this type of partnership with NCC to be very rewarding and are also looking forward to the opening of our next joint shopping centre project – the Mölndal Galleria in Gothenburg," says Nils Styf, Chief Investment Officer at Citycon.

The new extension to the Iso Omena Shopping Center, with more than 60 new stores, will be inaugurated on August 11. H&M, Gina Tricot and Brothers are some of the new stores that will open, and the shopping center will also receive several new restaurants and a new library.

Earlier this year, the extension received a Platinum rating in the LEED® global certification system. Platinum is the highest-possible environmental classification, and means that the property exhibits outstanding energy, material and water efficiency and excellent indoor environmental quality.

The project is now complete and Citycon acquired NCC's share of the project company on August 10. The sale will have a positive impact on earnings in the NCC Property Development business area in the third quarter of 2016.

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This is the type of information that NCC could be obligated to disclose pursuant to the EU Market Abuse Regulation. The information was provided by the above contact persons for publication on August 10, 2016 at 11:30 CET.

About NCC. Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in construction, property development and infrastructure in Northern Europe, with sales, excluding Bonava, of SEK 53 billion and 16,000 employees in 2015.