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## **Citycon To Bolster Its Balance Sheet By Raising EUR 400 Million In New Capital; CPPIB To Become A Strategic Shareholder In The Company**

**Citycon is issuing approximately EUR 200 million in a directed share issue to CPP Investment Board European Holdings S.à.r.l, a wholly-owned subsidiary of Canada Pension Plan Investment Board, for 15 per cent of the shares and voting rights in Citycon. Following the directed issue, Citycon will offer a rights issue of approximately EUR 200 million to its shareholders.**

**Toronto, ON, Canada (May 13, 2014):** Citycon Oyj, a leading owner and developer of shopping centres in the Nordic and the Baltic countries, is raising approximately EUR 400 million of new capital of which approximately EUR 200 million will be raised through a directed share issue to CPP Investment Board European Holdings S.à.r.l (“CPPIBEH”), a wholly-owned subsidiary of Canada Pension Plan Investment Board (“CPPIB”), an investment management organization investing the funds of the Canada Pension Plan. Upon closing of the directed share issue, CPPIBEH will become a significant strategic shareholder in Citycon with an ownership interest representing 15 per cent of the shares and voting rights in Citycon. The transaction is conditional on the receipt of necessary authorizations at the extraordinary general meeting of Citycon shareholders (EGM) to be held in June 2014.

Subsequent to the directed share issue, a rights issue of approximately EUR 200 million is being offered to Citycon’s shareholders. The subscription price will be the same in both share issues: EUR 2.65 per share, approximately 2.2 per cent lower than the closing price of Citycon’s share on 12 May 2014 and approximately 1.7 per cent higher than the dividend adjusted volume-weighted average trading price of its share on NASDAQ OMX Helsinki Ltd. during the preceding three months. Gazit-Globe and CPPIBEH together with Ilmarinen Mutual Pension Insurance Company, have undertaken, subject to certain conditions, to subscribe for their respective pro rata entitlement in the rights issue. In addition, Gazit-Globe and CPPIBEH together will fully underwrite the rights issue, subject to certain conditions.

Citycon will use the proceeds of the directed share issue and rights issue to make an approximately EUR 300 million debt repayment, thereby further deleveraging the company’s balance sheet and giving it the freedom to recycle capital accretively by pursuing select acquisitions and (re)development projects of supermarket-anchored shopping centres in dense urban locations in the Nordic and Baltic regions. As part of the transaction, two new board members nominated by CPPIBEH are proposed to replace two existing members on Citycon’s Board of Directors.

This is the second transaction between CPPIB and Citycon, which first joined forces in December 2012 to acquire Kista Galleria, one of the largest and most successful shopping centres in the Stockholm area. The property value in that deal was approximately EUR 530 million.



**Graeme Eadie, Senior Vice-President, Real Estate Investments, CPPIB:** “This investment enables us to expand our retail platform in the Nordic region which continues to be an attractive retail market. Citycon is one of the leading retail owner/operators in the Nordics whom we know well through our joint ownership in Kista Galleria. We look forward to expanding our partnership with Citycon, and its major shareholder Gazit-Globe, as they continue to grow the business.”

**Marcel Kokkeel, Citycon Oyj’s CEO:** “We are pleased to receive another globally recognized real estate investor as one of Citycon’s strategic shareholders. This will further enhance our profile as one of the shopping centre industry leaders and further strengthen our financing position. We appreciate the commitment that our major shareholders Gazit-Globe and Ilmarinen have given to the transaction.”

**Chaim Katzman, Chairman of Citycon and Gazit-Globe Ltd.:** “This is a vote of confidence in Citycon by CPPIB, which is one of the world’s largest investment funds with global real estate assets of over US\$20 billion. The investment signals CPPIB’s recognition of the ability of Citycon’s management to navigate the long-term strategic growth of Nordic and Baltic shopping centres.”

#### **About Citycon**

Citycon Oyj (NASDAQ OMX: CTY1S) is a leading owner and manager of urban grocery-anchored shopping centres in the Nordic and Baltic region, managing assets that total approximately EUR 3.3 billion and with market capitalisation of more than EUR 1 billion. For more information about Citycon, please visit [www.citycon.com](http://www.citycon.com).

#### **About CPPIB**

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2013, the CPP Fund totalled C\$201.5 billion. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com).

#### **About Gazit-Globe**

Gazit-Globe is one of the largest owners, developers and operators of predominantly supermarket-anchored shopping centers in major urban markets around the world. The group owns and operates 577 properties in more than 20 countries, with a gross leasable area of approximately 6.6 million square meters and a total value of more than US\$22 billion. For more information about Gazit Globe, please visit [www.gazitglobe.com](http://www.gazitglobe.com)



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This release is not an offer for subscription for shares in the Company. A Finnish prospectus relating to the rights issue referred to in this release and the subsequent listing of the new shares at NASDAQ OMX Helsinki Ltd. will be prepared and filed with the Finnish Financial Supervisory Authority provided that the rights issue will be carried out.

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