



ATRIUM
European Real Estate

The leading owner, manager and developer
of the Central Eastern European shopping centers



2014 Results

Analyst and investor call

11 March 2015

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This presentation has been presented in € and €m's. Certain totals and change movements are impacted by the effect of rounding.

Financial highlights income statement

Income Statement	12M 2014	12M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	214.5	203.5	11.0	5.4%
EPRA like-for-like gross rental income	189.1	190.2	(1.1)	(0.6%)
Net rental income	204.0	190.8	13.2	6.9%
EPRA like-for-like net rental income	179.6	181.0	(1.4)	(0.8%)

Operating Margin

Remains high
at **95.1%**

EBIDTA

Excluding revaluation and
disposals

12M 2014:
€174.0m

12M 2013:
€160.4m

EPRA EPS

12M 2014:
29.5 €cents

12M 2013:
27.7 €cents

Company adjusted EPRA EPS

12M 2014:
35.9 €cents

12M 2013:
33.5 €cents

Financial highlights balance sheet

Balance Sheet	31/12/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Standing investments	2,520.4	2,356.2	164.2	7.0%
Developments and land	365.0	583.6	(218.6)	(37.5%)
Cash and cash equivalents	425.2	305.6	119.6	39.1%
Borrowings	1,068.1	803.6	264.5	32.9%
IFRS NAV per share	€5.62	€6.05	(€0.43)	(7.1%)
EPRA NAV per share	€6.08	€6.43	(€0.35)	(5.4%)

Number of standing investments

12M 2014:
153*

12M 2013:
153

Weighted average occupancy (GLA)

12M 2014:
97.1%

12M 2013:
97.6%

Weighted average occupancy (EPRA)

12M 2014:
97.4%

12M 2013:
98.1%

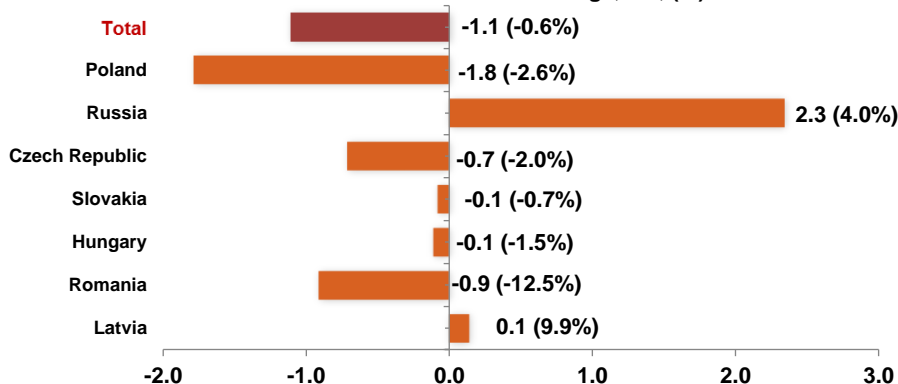
*Including 72 standing investment properties in the Czech Republic classified as held for sale at 31 December 2014

Income statement

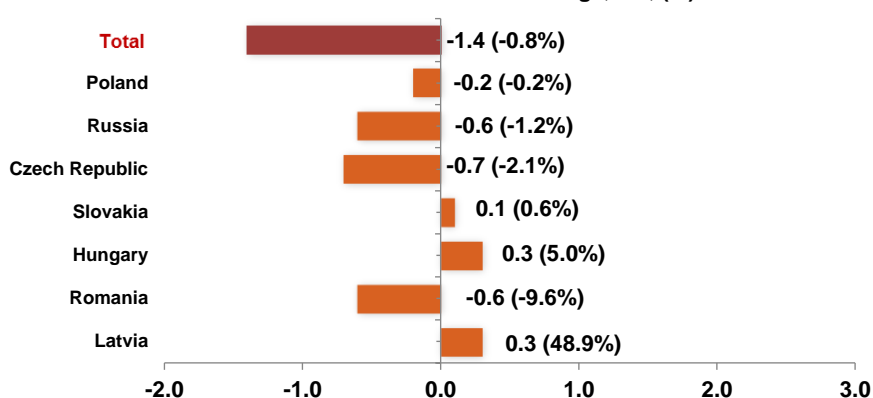
Year over year	12M 2014	12M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	214.5	203.5	11.0	5.4%
Service charge income	74.5	77.0	(2.5)	(3.2%)
Net property expenses	(84.9)	(89.7)	4.8	5.4%
Net rental income	204.0	190.8	13.2	6.9%
Operating margin	95.1%	93.8%	1.3%	1.3%
Net result on disposals	(3.7)	1.4	(5.1)	(364.3%)
Costs connected with development	(5.1)	(5.1)	-	0.0%
Revaluation of investment properties	(168.1)	(21.3)	(146.8)	(689.2%)
Other dep, amort, imp.	(11.1)	(7.0)	(4.1)	(58.6%)
Administrative expenses	(25.0)	(25.3)	0.3	1.2%
Net operating (loss)/profit	(8.9)	133.5	(142.4)	(106.7%)
Net financial expenses	(28.1)	(42.9)	14.8	34.5%
(Loss)/Profit before taxation	(37.0)	90.6	(127.6)	(140.8%)
Corporate income tax	(3.3)	(1.8)	(1.5)	(83.3%)
Deferred tax	(17.5)	(12.9)	(4.6)	(35.7%)
(Loss)/Profit after taxation for the period	(57.8)	75.9	(133.7)	(176.2%)
Attributable to:				
Owners of the company	(57.7)	75.9	(133.6)	(176.0%)
Non controlling interest	(0.1)	(0.1)	-	-

EPRA like-for-like gross and net rental income full year comparison

EPRA like-for-like GRI change, €m, (%)



EPRA like-for-like NRI change, €m, (%)



Poland

- Decrease in GRI was mainly driven by a struggling DIY tenant and the preparation of restructuring projects offset by indexation

Russia

- Increase in GRI mainly as a result of rental indexation, higher base rent, offset by increase in lease incentives

Czech Republic

- Decrease in GRI due to changes in tenant structure

Romania

- Decrease in GRI was driven by a struggling DIY tenant, and the restructuring project completed in Q2, offset by indexation and new tenants

Russia

- Increase in NRI driven mainly by the strong like-for-like GRI and higher service charge indexation, offset by an increase in bad debt provision, discounts in service charge income and increase in property tax

Hungary

- Increase in NRI caused by the collection of a receivable that was previously provided for

Occupancy

EPRA Occupancy		
Country	31.12.2014	31.12.2013
Poland	97.6%	97.9%
Czech Republic	96.8%	96.6%
Slovakia	98.7%	98.0%
Russia	96.9%	99.4%
Hungary	97.3%	96.7%
Romania	100.0%	100.0%
Latvia	96.5%	91.0%
Average	97.4%	98.1%

GLA Occupancy		
Country	31.12.2014	31.12.2013
Poland	97.1%	97.3%
Czech Republic	95.6%	96.7%
Slovakia	98.5%	97.9%
Russia	98.3%	99.6%
Hungary	96.9%	97.0%
Romania	100.0%	100.0%
Latvia	96.6%	95.4%
Average	97.1%	97.6%

- The EPRA occupancy percentage is calculated as the ERV of our occupied space divided by the ERV of the total portfolio in each country

Net financial expenses

Net financial expenses	12M 2014	12M 2013	Change	Change
	€m	€m	€m	%
Interest income	1.2	2.5	(1.3)	(52.0%)
Interest expense	(33.9)	(31.6)	(2.4)	(7.6%)
Foreign currency differences	12.5	(5.8)	18.3	315.5%
Finance lease interest expense	(4.8)	(6.0)	1.2	20.0%
Impairment of financial instruments	(0.3)	(1.8)	1.5	83.3%
Net loss from bond buy back	(1.9)	-	(1.9)	(100.0%)
Other financial income/expenses	(0.9)	(0.3)	(0.7)	(233.3%)
Total	(28.1)	(42.9)	14.8	34.5%

EPRA earnings per share

Earnings	12M 2014	12M 2013	Change	Change
	€m	€m	€m	%
Earnings attributed to equity holders of the parent	(57.7)	75.9	(133.6)	(176.0%)
Revaluation of investment properties	168.1	21.3	146.8	
Net result on acquisitions and disposals	3.7	(1.4)	5.1	
Goodwill impairment and amortisation of intangible assets	9.3	4.4	4.8	
Deferred tax in respect of EPRA adjustments	(14.6)	3.2	(17.9)	
Close-out costs of financial instruments	2.0	-	2.0	
EPRA Earnings	110.7	103.5	7.2	7.0%
EPRA earnings per share (€cents)	29.5	27.7	1.9	6.9%
Company adjustments:				
Legacy legal matters	3.4	3.3	0.1	
Impairments	0.8	1.5	(0.7)	
Foreign exchange differences	(12.5)	5.8	(18.3)	
Changes in the value of financial instruments	0.3	1.8	(1.5)	
Deferred tax not related to revaluations	32.1	9.6	22.6	
Company adjusted EPRA earnings	134.8	125.4	9.4	7.5%
Company adjusted EPRA earnings per share (€cents)	35.9	33.5	2.4	7.2%
Dividend as a % of Company adjusted EPRA earnings	66.8%	62.7%	4.1%	4.1%

- Weighted average number of shares increased from 374.3m to 375.2m over the period

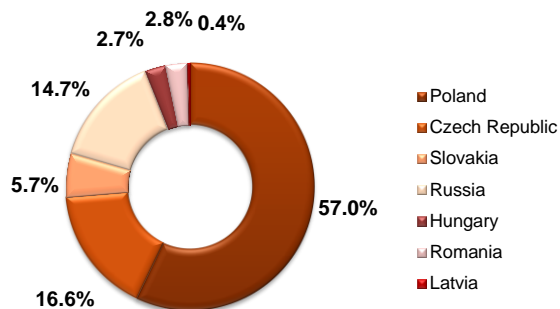
Balance sheet

Balance sheet	31/12/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Assets				
Non-current assets				
Standing investments	2,520.4	2,356.2	164.2	7.0%
Developments and land	365.0	583.6	(218.6)	(37.5%)
Other non-current assets	32.6	55.3	(22.7)	(41.0%)
	2,918.1	2,995.1	(77.0)	(2.6%)
Current assets				
Cash and cash equivalents	425.2	305.6	119.6	39.1%
Other current assets	35.0	43.5	(8.5)	(19.5%)
Assets held for sale	72.5	-	72.5	100.0%
	532.7	349.1	183.6	52.6%
Total assets	3,450.8	3,344.2	106.6	3.2%
Equity	2,110.4	2,267.3	(156.9)	(6.9%)
Non-current liabilities				
Long term borrowings	1,034.5	798.0	236.5	29.6%
Derivatives	12.3	11.8	0.5	4.2%
Other non-current liabilities	177.7	181.7	(4.0)	(2.2%)
	1,224.5	991.5	233.0	23.5%
Current liabilities				
Short term borrowings	33.6	5.5	28.1	510.9%
Other current liabilities	82.3	79.9	2.4	3.0%
	115.9	85.4	30.5	35.7%
Total equity and liabilities	3,450.8	3,344.2	106.6	3.2%

Standing investments overview

Country	Fitch Rating	No of properties	Gross lettable area	Market value 31/12/2014	% of Market value	Market value per Sqm of GLA	NRI per Sqm of GLA per month	Revaluation during 12M 2014
			sqm	€m	%	€	€	€m
Poland	A-/stable	24	519,100	1,437.9	57.0%	2,770	14.7	(11.8)
Czech Republic	A+/stable	22	188,400	419.5	16.6%	2,227	14.4	0.6
Slovakia	A+/stable	3	65,500	144.5	5.7%	2,206	14.2	(4.7)
Russia	BBB-/negative	7	240,700	369.3	14.7%	1,534	19.2	(77.2)
Hungary	BB+/stable	23	100,900	68.6	2.7%	680	5.6	(2.6)
Romania	BBB-/stable	1	54,100	70.7	2.8%	1,307	9.0	3.3
Latvia	A-/stable	1	20,400	9.9	0.4%	485	3.9	(1.6)
Total		81	1,189,100	2,520.4	100.0%	2,120	14.3	(94.1)

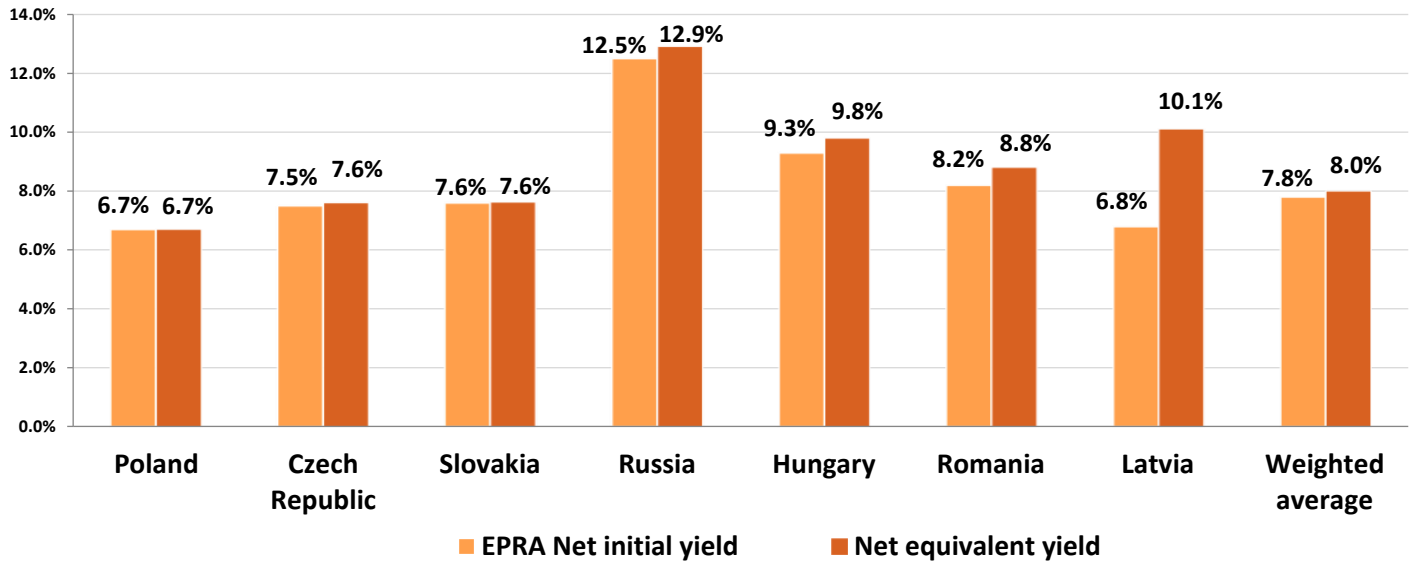
Market value per country 31/12/2014



- Excluding 72 properties in the Czech Republic which were sold in January 2015
- The top 10 investments represent 58% of Atrium's Standing Investments portfolio by value (or 36% of GLA)
- Eight of the top 10 investment properties are located in Poland, one in the Czech Republic and one in Slovakia

EPRA Net initial yields vs Net equivalent yields

EPRA Net initial yields vs Net equivalent yields



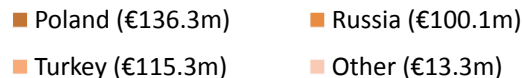
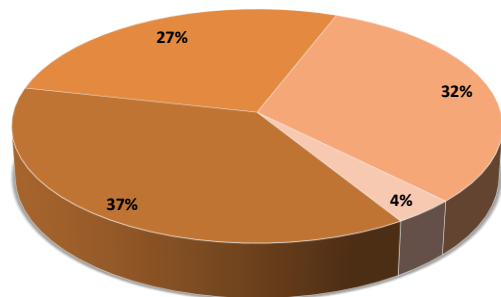
Development and land

- €365m fair value, representing 13% of our total real estate portfolio
- Over 96% of development and land portfolio is located in Poland, Russia and Turkey

Activity during 2014:

- Atrium Felicity completed and transferred to standing investments
- Sale of Istanbul Forum TEM, Turkey land plot
- Sale of Sofia Forum, Bulgaria land plot
- Sale of Georgia land plot
- Sale of Adana, Turkey land plot
- Two active development projects - the extension of Atrium Copernicus centre in Torun, Poland, and stage one of the redevelopment of Atrium Promenada centre in Warsaw, Poland
- €74 million devaluation of development and land primarily in Turkey and Russia

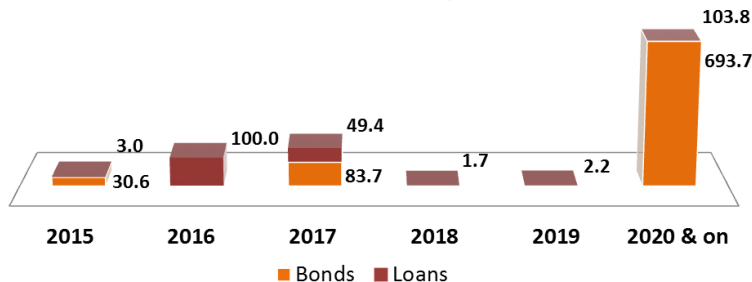
Developments and Land Market Value



Debt overview

- Average debt **maturity** is **5.5 years**, up from 5.1 years as at 31.12.2013
- 89.8% of debt is at **fixed interest rate** and 10.2% is at **floating interest rate** (31 December 2013: 80.8%, 19.2%)
- **Cost of debt 3.9%**
- **Gross LTV 36.1%** (31 December 2013: 27.3%)
- **Net LTV 21.7%** (31 December 2013: 16.9%)
- **Unencumbered SI portfolio is 59.7%** (31 December 2013: 48.7%)
- All bank **loans and bond covenants** are in compliance
- S&P and Fitch rating **BBB-/stable**
- During the period Atrium repurchased bonds issued in 2005 and due in 2015, with a nominal value of €39.4m. The net loss resulting from the bond buybacks reported in the financial statements was €1.9m but interest savings were €0.4m, net of premiums paid and opportunity cost of cash used for buyback
- In June 2014, Atrium made two significant bank loan repayments in Slovakia amounting to €41.0m resulting in an interest saving of €2.6m
- In October 2014, Atrium issued a €350 million unsecured eight year Eurobond, carrying a 3.625% coupon and obtained two revolving credit facilities, for a period

Overview of debt maturity schedule, €m



NAV	31/12/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Equity	2,110.4	2,267.3	(156.9)	(6.9%)
Non-controlling interest	0.8	0.7	0.1	14.3%
IFRS NAV per financial statements	2,111.2	2,268.0	(156.8)	(6.9%)
IFRS NAV per share (in €)	€5.62	€6.05	(€0.43)	(7.1%)
Effect of exercise of options	20.0	29.0	(9.0)	(31.0%)
Diluted NAV, after the exercise of options	2,131.2	2,297.1	(165.9)	(7.2%)
Fair value of financial instruments	12.3	11.8	0.5	4.2%
Goodwill as a result of deferred tax	-	(7.6)	7.6	100.0%
Deferred tax	172.3	155.7	16.6	10.7%
EPRA NAV	2,315.8	2,456.9	(141.1)	(5.7%)
EPRA NAV per share (in €)	€6.08	€6.43	(€0.35)	(5.4%)
Number of outstanding shares (in millions)	375.5	374.9	0.6	0.2%
Number of outstanding shares and options (in millions)	380.6	382.1	(1.5)	(0.4%)

Cash flow

Cash movement	12M 2014	12M 2013	Change	Change %
	€m	€m	€m	%
Net cash generated from operating activities	151.9	140.6	11.3	8.0%
Cash flows generated from/(used in) investing activities	(196.0)	(217.4)	21.4	9.8%
Cash flows generated from/(used in) financing activities	167.7	175.9	(8.2)	(4.7%)
Increase/(Decrease) in cash and cash equivalents	123.5	99.1	24.4	24.6%
Cash and cash equivalents at the beginning of the year	305.6	207.8	97.8	47.1%
Effect of exchange rate fluctuations on cash held	(3.6)	(1.4)	(2.2)	(157.1%)
Cash and cash equivalents classified to the held for sale disposal group	(0.3)	-	(0.3)	(100.0%)
Cash and cash equivalents at the end of the year	425.2	305.6	119.6	39.1%