



ATRIUM
European Real Estate

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



Q1 2015 Results

Analyst and investor call

28 May 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.

Key events in the period 2015 YTD

- **Operational performance:**

- **Core markets** stable
- **Russia** drives decrease in the Group's overall performance

- **Acquisitions:**

- In January 2015, Atrium agreed to acquire a **75%** JV interest in the prime **Arkády Pankrác** centre in Prague, the Czech Republic, for **€162m**
- Closing expected in Q2'2015

- **Disposals:**

- In January 2015, Atrium completed the sale of **72** smaller format retail assets in the Czech Republic for a consideration of c. **€69m**

- **Developments and extensions:**

- In March 2015, the enlarged **Atrium Copernicus** was opened in Toruń, Poland, after completion of a 17,300 m² extension
- Extension and refurbishment of Atrium Promenada (Stage I) is on-going

- **Debt / Liquidity:**

- **2022 bond tap** in May 2015, cash proceeds of €160m, 2.9% yield
- Cash as at 31 March 2015: **€479m**
- **Net LTV 20.4%**

Financial highlights income statement

Income Statement	3M 2015	3M 2014	Change	Change
	€m	€m	€m	%
Gross rental income	51.8	52.8	(1.0)	(1.9%)
EPRA like-for-like gross rental income	44.0	48.5	(4.5)	(9.3%)
Net rental income	49.0	51.0	(2.0)	(3.9%)
EPRA like-for-like net rental income	42.0	48.2	(6.2)	(12.8%)

Operating margin

Remains high
at **94.6%**

EBIDTA

Excluding revaluation,
disposals and
impairments

3M 2015:
€41.1m

3M 2014:
€44.7m

EPRA EPS

3M 2015:
8.0 €cents

3M 2014:
12.0 €cents

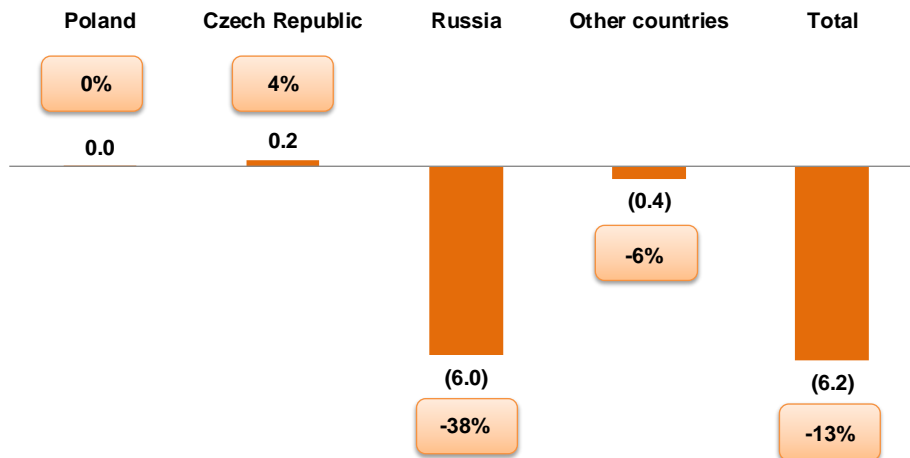
Company adjusted EPRA EPS

3M 2015:
8.1 €cents

3M 2014:
9.4 €cents

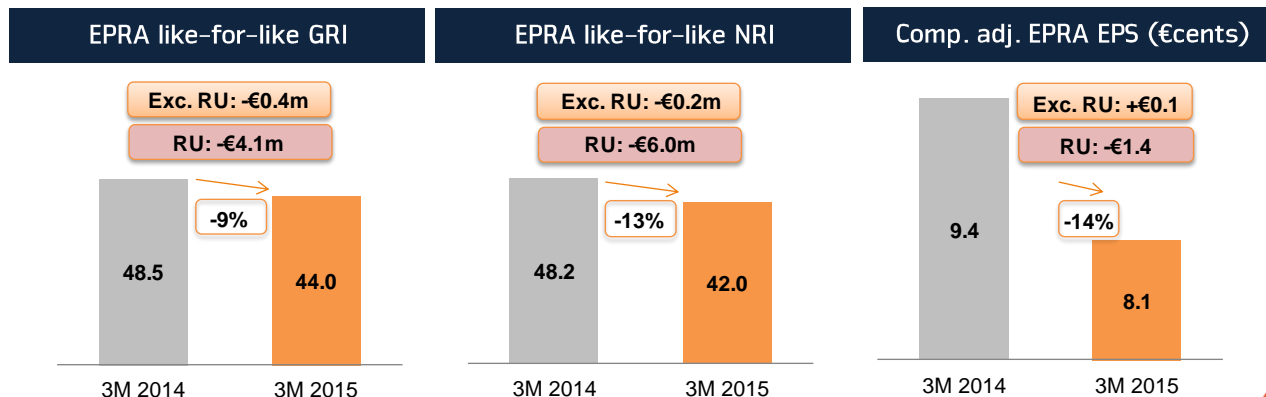
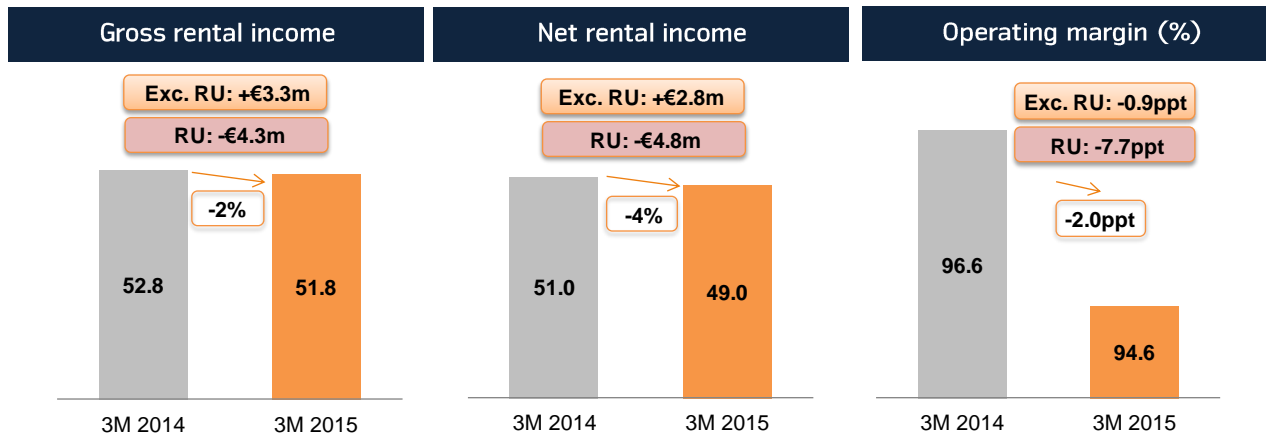
Stable core markets, decrease in Russia

Q1 2015 vs Q1 2014 EPRA like-for-like NRI change (€m)



- **NRI in Poland** – temporarily flat due to initiatives to improve tenant mix and asset quality through renovations and extensions
- **NRI in Czech Republic** – higher service charge income than expected
- **NRI in Russia** – temporary discounts provided to tenants
- **NRI in other countries** – mainly due to collection of a receivable in the first three months of 2014 which had previously been provided for
- **86%** of the rental income in Q1 2015 is **Euro denominated** (Q1 2014: 80%)

Core markets stable, offset by Russia decline (in €m)



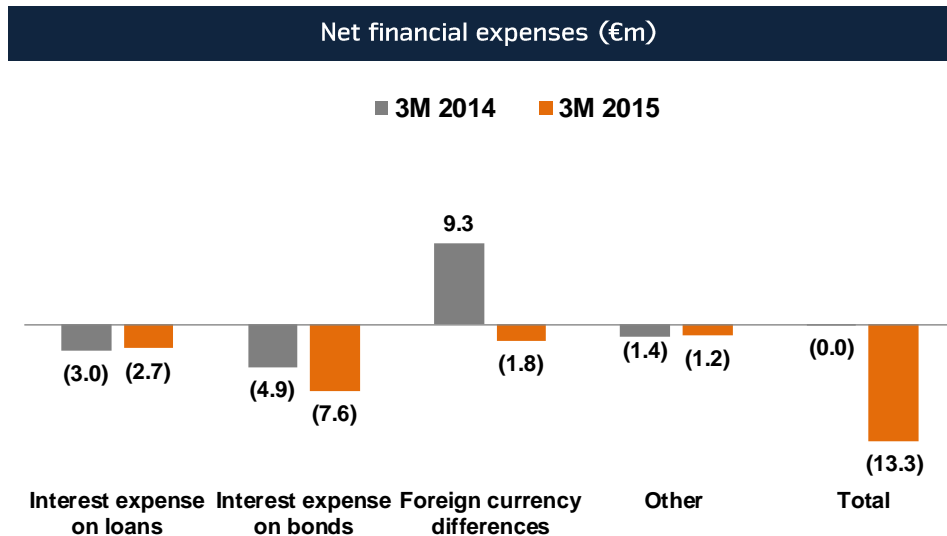
€m/ppt Change in all countries excluding Russia

€m/ppt Change in Russia

%/ppt Change for the Group

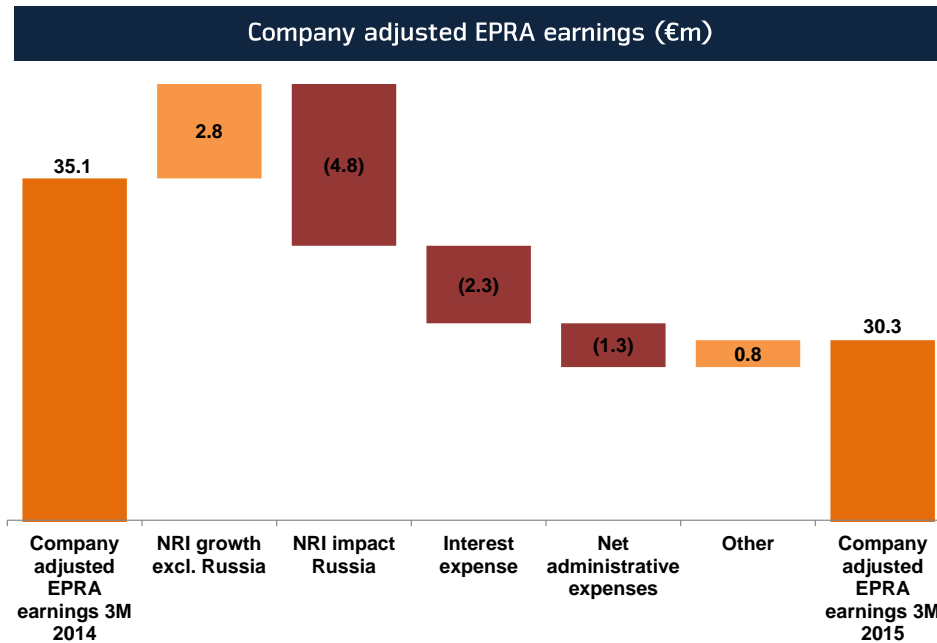


Net financial expenses increased by €13m mainly due to FX differences €11m



- (€13m) Increase in net financial expenses mainly due to (€11m) of foreign currency differences and (€3m) interest due to Bond issued in Q4 2014

Q1 2015 Company adj. EPRA earnings was €30m



- **Bydgoszcz and Palac Pardubice** - acquisitions completed in November 2014
- **Atrium Felicity** - opened in March 2014
- 72 properties in the Czech Republic sold in January 2015
- Net administrative expenses: €1m increase due to one off income during 2014 in Russia
- Increased interest expense: bonds issued in October 2014

Financial highlights – balance sheet

Balance Sheet	31/03/2015	31/12/2014	Change	Change
	€m	€m	€m	%
Standing investments	2,552.5	2,520.4	32.1	1.3%
Developments and land	338.3	365.0	(26.7)	(7.3%)
Cash and cash equivalents	478.8	425.2	53.6	12.6%
Borrowings	1,068.0	1,068.1	(0.1)	(0.0%)
IFRS NAV per share	€5.63	€5.62	€0.01	0.2%
EPRA NAV per share	€6.06	€6.08	(€0.02)	(0.3%)

Number of standing investments

31/3/2015:
81

31/12/2014:
153*

Weighted average occupancy (GLA)

31/3/2015:
96.7%

31/12/2014:
97.4%

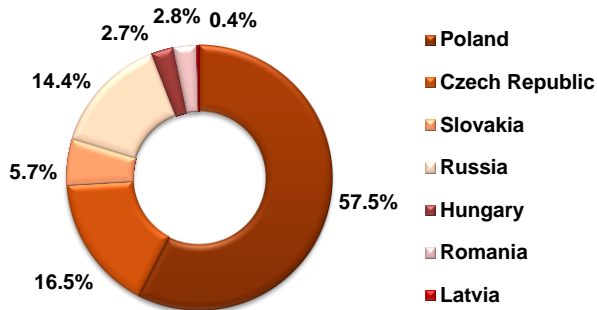
Weighted average occupancy (EPRA)

31/3/2015:
96.3%

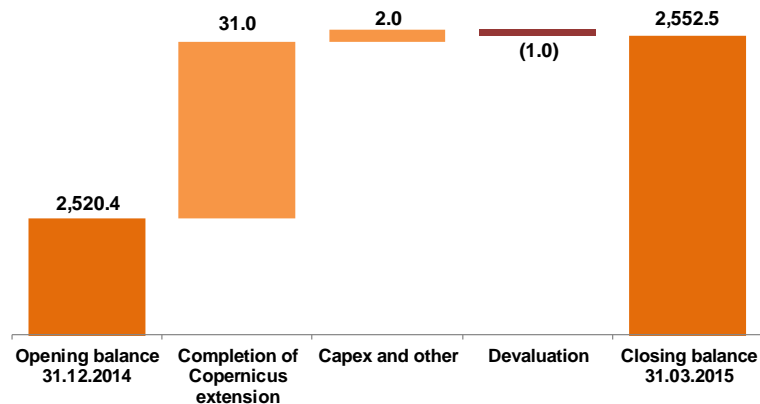
31/12/2014:
97.8%

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

Market value per country 31.03.2015



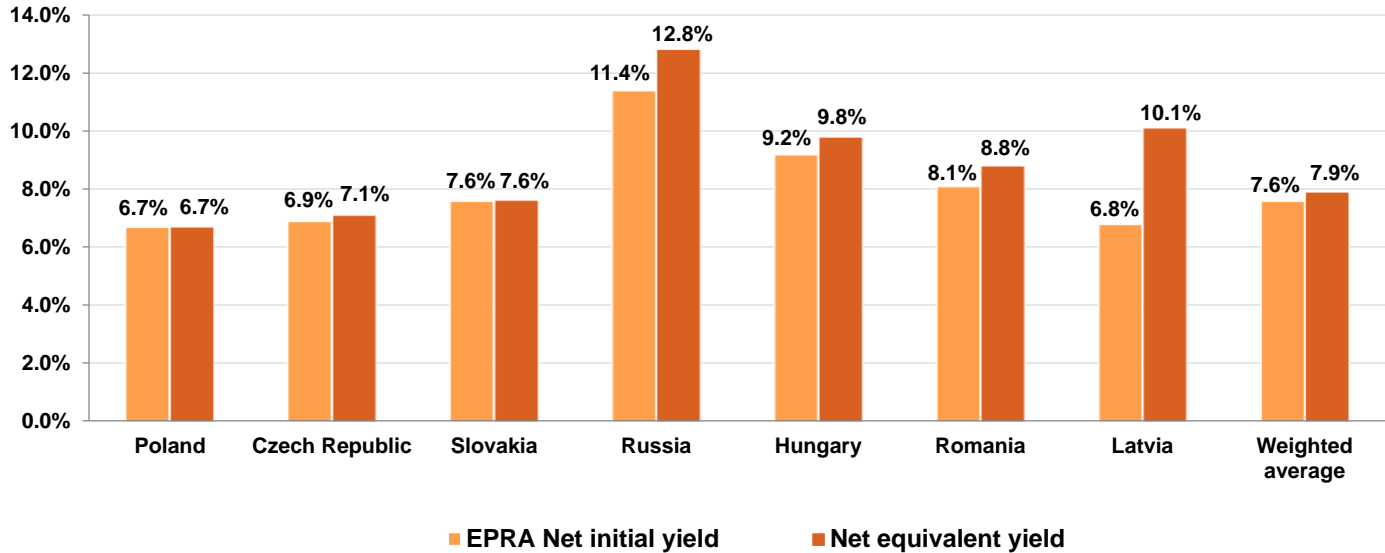
Standing investments roll forward (€m)



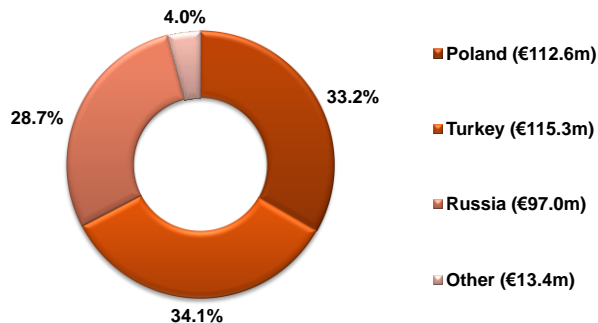
- Atrium's top 10 investments represent 57% of the Standing investments portfolio by value (37% by GLA)
- Eight of the top 10 investment properties are located in Poland, one in the Czech Republic and one in Slovakia
- Weighted average net equivalent yield is 7.9%

Q1 2015 EPRA Net initial yields vs Net equivalent yields

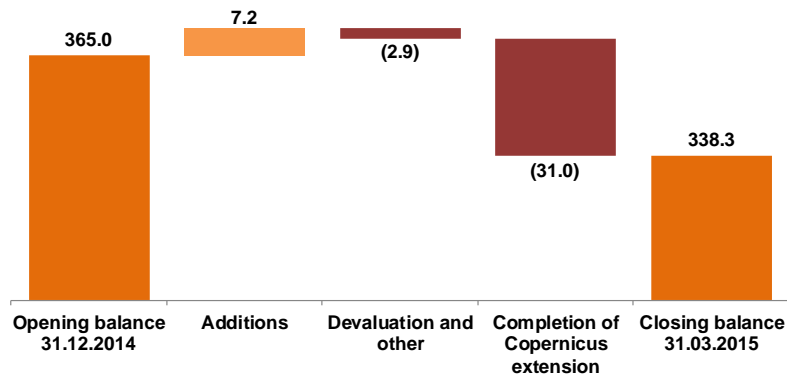
EPRA Net initial yields vs Net equivalent yields



Developments and land market value



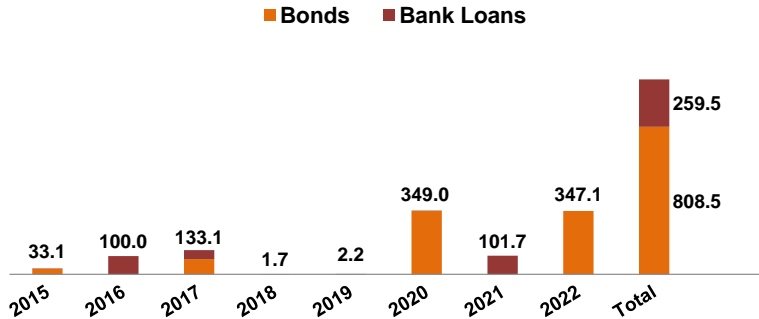
Developments and land roll forward (€m)



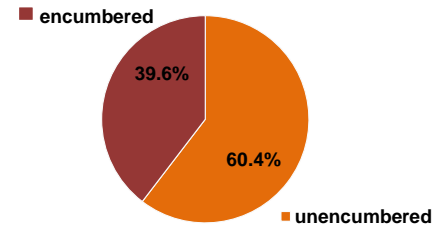
- At €338m, developments and land represent 12% of our total real estate portfolio
- 96% of developments and land portfolio is located in Poland, Russia and Turkey

Debt overview as at 31 March 2015

Debt maturity (€m)

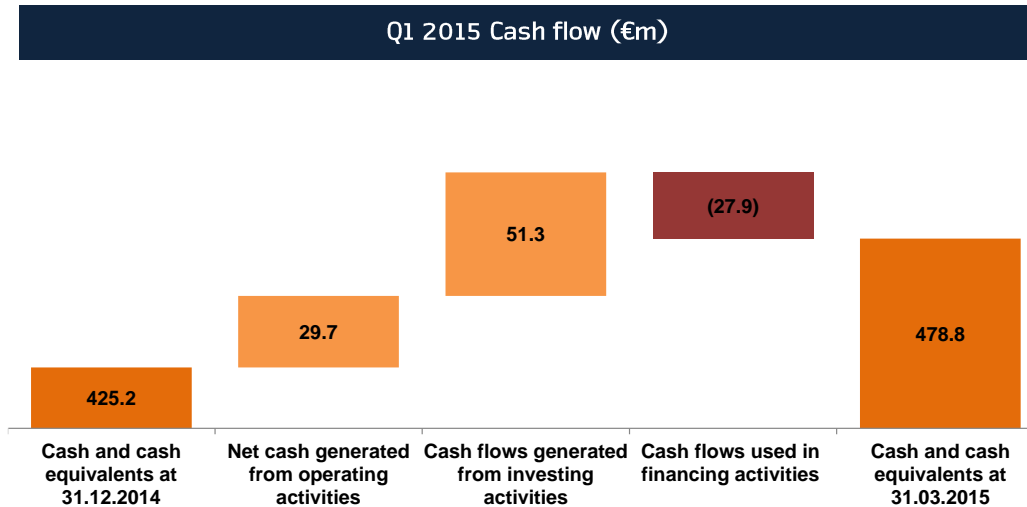


Standing investments



- Average debt **maturity** is **5.3 years**, down from 5.5 years as at 31.12.2014
- 89.8% of debt is at **fixed interest rate** and 10.2% is at **floating interest rate** (31 December 2014: 89.8%, 10.2%)
- **Cost of debt 3.9%** (3.9% fixed rate, 3.4% floating rate)
- **Gross LTV 36.9%** (31 December 2014: 36.1%)
- **Net LTV 20.4%** (31 December 2014: 21.7%)
- **Unsecured** debt of total debt is **65.0%** (31 December 2014: 64.9%)
- All bank **loans and bond covenants** are in compliance
- S&P and Fitch rating **BBB-/stable**
- **Subsequent to 31/3/2015:**
 - 2022 bond tap with €160m proceeds at 2.9% yield in May 2015
 - Notified bank about intention to repay Promenada loan €105m, incl. fees and breakage of swap

Net operating cash flow €30m, disposals €60m



- Cash flows from investing activities:
 - €60m disposal Czech assets
 - (€8m) standing investments and development capex
- Cash flows used in financing activities:
 - (€25m) dividends
 - (€3m) land lease payments

Appendices 1-4



Appendix 1: Income statement

Year over year	3M 2015	3M 2014	Change	Change
	€m	€m	€m	%
Gross rental income	51.8	52.8	(1.0)	(1.9%)
Service charge income	18.2	19.1	(0.9)	(4.7%)
Net property expenses	(21.0)	(20.9)	(0.1)	(0.5%)
Net rental income	49.0	51.0	(2.0)	(3.9%)
Operating margin	94.6%	96.6%	(2.0%)	(2.0%)
Net result on disposals	(10.6)	(0.2)	(10.4)	(5200.0%)
Costs connected with development	(0.7)	(1.2)	0.5	41.7%
Revaluation of investment properties	(4.4)	(16.0)	11.6	72.5%
Other dep, amort, imp.	(1.6)	(0.6)	(1.0)	(166.7%)
Administrative expenses	(7.2)	(5.1)	(2.1)	(41.2%)
Net operating profit/(loss)	24.5	27.9	(3.4)	(12.2%)
Net financial expenses	(13.4)	(0.0)	(13.4)	(100.0%)
Profit/(loss) before taxation	11.1	27.9	(16.8)	(60.2%)
Corporate income tax	(0.4)	(0.5)	0.1	20.0%
Deferred tax	4.5	(1.4)	5.9	421.4%
Profit/(loss) after taxation for the year	15.2	25.9	(10.7)	(41.3%)
Attributable to:				
Owners of the parent	15.2	26.0	(10.8)	(41.5%)

Appendix 2: Balance sheet

Balance sheet	31/03/2015	31/12/2014	Change	Change
	€m	€m	€m	%
Assets				
Non-current assets				
Standing investments	2,552.5	2,520.4	32.1	1.3%
Developments and land	338.3	365.0	(26.7)	(7.3%)
Other non-current assets	41.0	32.6	8.4	25.8%
	2,931.8	2,918.1	13.7	0.5%
Current assets				
Cash and cash equivalents	478.8	425.2	53.6	12.6%
Other current assets	29.7	35.0	(5.3)	(15.1%)
Assets held for sale	10.7	72.5	(61.8)	(85.2%)
	519.2	532.7	(13.5)	(2.5%)
Total assets	3,451.0	3,450.8	0.2	0.0%
Equity	2,113.1	2,110.4	2.7	0.1%
Non-current liabilities				
Long term borrowings	1,034.1	1,034.5	(0.4)	(0.0%)
Derivatives	11.4	12.3	(0.9)	(7.3%)
Other non-current liabilities	174.2	177.7	(3.5)	(2.0%)
	1,219.7	1,224.5	(4.8)	(0.4%)
Current liabilities				
Short term borrowings	33.9	33.6	0.3	0.9%
Other current liabilities	84.3	82.3	2.0	2.4%
	118.2	115.9	2.3	2.0%
Total equity and liabilities	3,451.0	3,450.8	0.2	0.0%

Appendix 3: Occupancy

EPRA Occupancy		
Country	31.03.2015	31.12.2014
Poland	96.5%	97.6%
Czech Republic	96.0%	96.8%
Slovakia	98.5%	98.7%
Russia	95.3%	96.9%
Hungary	95.4%	97.3%
Romania	100.0%	100.0%
Latvia	94.9%	96.5%
Average	96.3%	97.4%

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

GLA Occupancy		
Country	31.03.2015	31.12.2014
Poland	96.4%	97.1%
Czech Republic	96.6%	95.6%
Slovakia	98.4%	98.5%
Russia	97.2%	98.3%
Hungary	95.0%	96.9%
Romania	100.0%	100.0%
Latvia	94.4%	96.6%
Average	96.7%	97.1%

Appendix 4: EPRA NAV

NAV	31/03/2015	31/12/2014	Change	Change
	€m	€m	€m	%
Equity	2,113.1	2,110.4	2.7	0.1%
Non-controlling interest	0.8	0.8	-	-
IFRS NAV per financial statements	2,113.9	2,111.2	2.7	0.1%
IFRS NAV per share (in €)	5.6	5.6	0.0	0.2%
Effect of exercise of options	18.9	20.0	(1.1)	(5.5%)
Diluted NAV, after the exercise of options	2,132.8	2,131.2	1.6	0.1%
Fair value of financial instruments	11.4	12.3	(0.9)	(7.3%)
Deferred tax	162.6	172.3	(9.7)	(5.6%)
EPRA NAV	2,306.8	2,315.8	(9.0)	(0.4%)
EPRA NAV per share (in €)	6.1	6.1	(0.0)	(0.3%)
Number of outstanding shares (in millions)	375.8	375.5	0.3	0.1%
Number of outstanding shares and options (in millions)	380.6	380.6	-	-