Leader in Shopping Centres in Central and Eastern Europe

Interim Financial Report
31 March 2015

Our Vision

Atrium's vision is to become the leading owner, operator and developer of food anchored shopping centres in Central & Eastern Europe and for the Atrium brand to become a hallmark of high quality retail for consumers and retailers.

Our portfolio will be predominantly focused on income generating shopping centres in the most mature and stable CEE countries, producing solid long term cash flows. Organic growth is to be provided by pro-active, hands-on asset management, ensuring we uphold our "retail is detail" approach. Further growth is to be achieved through the acquisition of high quality assets in our region and through a selected number of development, redevelopment and extension projects. Our balance sheet will be efficient and conservatively managed with modest leverage.

Our Profile

Atrium owns a €2.6 billion portfolio of 81 primarily food anchored retail properties and shopping centres which produced €51.8 million of rental income during the reporting period. These properties are located predominantly in Poland, the Czech Republic, Slovakia and Russia, and except for one, are managed by Atrium's internal team of retail real estate professionals. In addition, Atrium owns a €338 million development and land portfolio that offers the potential to create value through development.

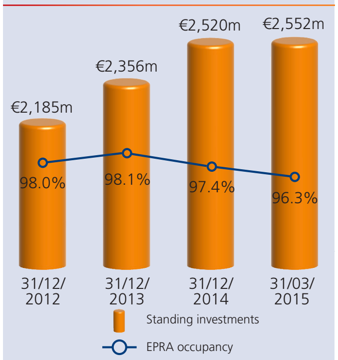
Atrium is based in Jersey, Channel Islands, and has a dual listing on the Vienna and NYSE Euronext Amsterdam Stock Exchanges under the ticker ATRS.

Our Focus for 2015

- Continue to drive the operational and financial performance of our assets while constantly striving to improve our offer for retailers and consumers;
- Maintain our pursuit of appropriate investment opportunities in our core markets of Poland, the Czech Republic and Slovakia;
- Continue to establish the Atrium brand and strengthen our relationships with key clients while seeking to work with new retailers as they expand into and across the region; and
- Further optimise the capital structure and efficiency of the Group's balance sheet;

Highlights in brief

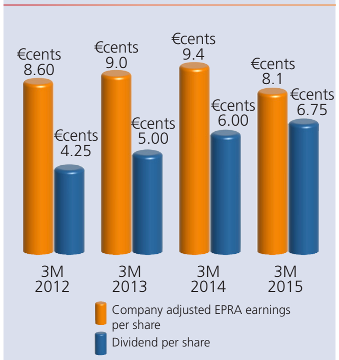
Standing investments EPRA occupancy



Developments and land

Net Rental Income (NRI)

Company adjusted EPRA earnings per share and dividend per share



INCOME STATEMENT	Unit	3M 2015	3M 2014	Change %	FY 2014
Gross rental income	€'000	51,812	52,816	(1.9%)	214,484
EPRA like-for-like gross rental income	€'000	44,017	48,505	(9.3%)	189,060
Net rental income	€'000	48,990	50,999	(3.9%)	204,037
EPRA like-for-like net rental income	€'000	42,040	48,203	(12.8%)	179,578
Net rental income excluding Russia	€'000	39,209	36,380	7.8%	148,690
EPRA like-for-like net rental income excluding Russia	€'000	32,259	32,412	(0.5%)	124,760
Operating margin	%	94.6	96.6	(2.0%)	95.1
EBITDA excluding revaluation, disposals and impairments	€'000	41,066	44,653	(8.0%)	174,019
Company adjusted EPRA earnings	€'000	30,292	35,141	(13.8%)	134,820
Revaluation of standing investments	€'000	(1,006)	3,190		(94,065)
Revaluation of developments and land	€'000	(3,350)	(19,165)	82.5%	(74,012)
Profit before taxation	€'000	11,106	27,891	(60.2%)	(36,982)
Profit after taxation	€'000	15,207	25,942	(41.4%)	(57,756)
Net cash generated from operating activities	€'000	29,686	33,335	(10.9%)	151,875
IFRS earnings per share (diluted)	€cents	4.0	6.9	(41.3%)	(15.4)
Company adjusted EPRA earnings per share	€cents	8.1	9.4	(13.8%)	35.9

BALANCE SHEET	Unit	31/3/2015	31/12/2014	Change %
Standing investments at fair value	€'000	2,552,467	2,520,439	1.3%
Developments and land at fair value	€'000	338,323	365,016	(7.3%)
Cash and cash equivalents	€'000	478,757	425,246	12.6%
Equity	€'000	2,113,078	2,110,418	0.1%
Borrowings	€'000	1,068,013	1,068,074	(0.0%)
LTV (gross)	%	36.9	36.1	0.8
LTV (net)	%	20.4	21.7	(1.3)
IFRS NAV per share	€	5.63	5.62	0.2%
EPRA NAV per share	€	6.06	6.08	(0.3%)

Focus Mall in Bydgoszcz, Poland

Contents

Statement Regarding Forward Looking Information

This Interim Financial Report includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "assumes", "estimates", "anticipates", "expects", "approximately", "aims", "projects", "seeks", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements concerning the Group's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward looking statements. They appear in a number of places throughout this Interim Financial Report and include statements regarding the intentions, beliefs or current expectations of Atrium. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance.

You should assume that the information appearing in this Interim Financial Report is up to date only as of the date of this Interim Financial Report. The business, financial conditions, results of operations and prospects of Atrium or the Group may change. Except as required by law, Atrium and the Group do not undertake any obligation to update any forward looking statements, even though the situation of Atrium or the Group may change in the future.

All of the information presented in this Interim Financial Report, and particularly the forward looking statements, is qualified by these cautionary statements.

This Interim Financial Report and the documents available for inspection should be read in their entirety and with the understanding that the actual future results of Atrium or the Group may be materially different from what Atrium or the Group expects.

Group Management Report

Business Review

Major operational activities

Standing investments

Having completed the acquisitions of the Palác shopping centre in Pardubice in the Czech Republic and Focus Mall in Bydgoszcz, Poland, as well as agreeing the sale of 72 smaller format retail assets in the Czech Republic at the end of last year, the Group continued to re-focus its portfolio on larger scale and dominant shopping centres and higher quality cash flow in the first quarter of 2015.

- In January 2015, Atrium signed an agreement to acquire a 75% interest in the Arkády Pankrác shopping centre in Prague, the Czech Republic, for €162 million. Atrium agreed to acquire the stake from Unibail-Rodamco S.E., which owns 75% of the Centre in a joint venture with the Otto family. The Otto family will continue to own the remaining 25%. The acquisition is expected to be completed in the second quarter of 2015.
- Also in January 2015, Atrium completed the sale of the Czech portfolio referred to above for a consideration of CZK1,925 million (approximately €69 million). The consideration comprised a cash payment of CZK 1,670 million (approximately €60 million) with the balance settled through a secured vendor loan to the purchaser.

Developments and Land

On 12 March 2015, the enlarged Atrium Copernicus shopping centre in Toruń, Poland opened, after completion of a 17,300 sqm extension. Having been extended by nearly 60%, through the addition of 57 new retail units, Atrium Copernicus now offers 144 shops across a total of 47,400 sqm of GLA and is the largest shopping centre within a 150 km radius. The centre is anchored by an Auchan hypermarket and a large Media Markt electronics store.

Operational and financial performance

The first quarter results in our core markets build on the operational progress achieved during 2014 on both rental income and operating margin. However, as highlighted in the year-end results, the on-going situation in Russia began to have a noticeable negative impact on the performance of our Russian assets in the final quarter and led to a decrease in both gross and net rental income of the Group during the period, which were down by 1.9%, to €51.8 million, and 3.9%, to €49.0 million, respectively. The main driver behind the decrease in the Russian portfolio was the rental discounts which have been provided to both ease pressure on tenants who have been affected by the devaluation of the Rouble as well as to ensure that occupancy in our Russian assets remained high and standing at a robust 95.3% at the end of the quarter. Excluding Russia, the Group's NRI increased 7.8% - such increase notwithstanding the loss of income in our Czech portfolio as a result of the sale of the 72 smaller assets referred to above, but taking into account new income following the acquisition of Palác Pardubice and the continued benefit from the performance of our Polish portfolio. The growth in Poland was predominantly driven by the contribution of Focus Mall Bydgoszcz which was acquired in November 2014 as well as the opening of the Atrium Felicity shopping centre in March 2014.

The loss of income in Russia also had an impact at a Group level on EBITDA, excluding the revaluation result and the impact of disposals and impairments and net cash generated from operating activities which decreased by 8.0% to €41.1 million and 10.9% to €29.7 million respectively.

Company adjusted EPRA earnings per share, which excludes the impact of non-recurring and non-cash items such as revaluations, foreign exchange differences and impairments, decreased by 13.8% to 8.1 €cents, from 9.4 €cents in the first three months of 2014.

Profit before tax was impacted by a devaluation of just €4.4 million across the standing investments and development and land portfolio in the first quarter of 2015, which compared positively to the €16.0 million devaluation in the first three months of 2014. However this improvement was offset by the €2.0 million decline in NRI, a loss of €1.8 million from foreign exchange differences, compared to a €9.3 million gain in the first three months of 2014, a loss on disposal of non-core assets in the Czech Republic of €10.6 million and an increase in interest expenses of €2.3 million. Together, these were the main items contributing to a profit before tax of €11.1 million, compared to €27.9 million in the same three months of 2014. As a result, diluted IFRS earnings per share were 4.0 €cents compared to 6.9 €cents in the first three months of 2014.

The balance sheet remains conservatively positioned, with a gross and net LTV of 36.9% and 20.4% respectively as at 31 March 2015.

Other events during and after the period

Financing Transactions

In May 2015, Atrium issued a further €150 million 3.625% notes due in October 2022 which will be consolidated and form a single series with the €350 million 3.625% bond due in October 2022, and issued by Atrium in October 2014. The issue price was 106.395% reflecting a yield of 2.9%. The cash proceeds amounted to €159.6 million including €3.0 million accrued interest. The proceeds will further strengthen the Group liquidity and will be used for the refinancing of the existing debt, other investment property activities and general corporate purposes.

In line with Atrium's overall financing strategy, the Board has authorized repurchases of its bonds due to mature in 2017 which may be made from time to time and under such arrangements as Atrium determines.

Board of Directors and Group executive management team changes

In January 2015, following a transfer of the 52,069,622 ordinary shares from a consortium managed by CPI CEE Management LLC and controlled by Apollo Global Real Estate Management LP, an affiliate of Apollo Global Management LLC ("Apollo") to Gazit-Globe Ltd. ("Gazit-Globe"), the two directors of Atrium nominated by Apollo, Joseph Azrack and Roger Orf, resigned from the Board of Directors.

In January 2015, Atrium announced the appointment of Ryan Lee as its new Group Chief Financial Officer. Ryan joined the Group Executive Management team on 2 February 2015, with his appointment as Group CFO becoming effective on 1 April 2015 following an orderly handover. Mr. Lee joined Atrium from Central European Distribution Corporation (CEDC), CEE's largest integrated spirit beverage business, where he spent two years as group Chief Financial Officer after being promoted from CFO of Russian Alcohol Group, a CEDC subsidiary.

Dividend

In November 2014, the Company's Board of Directors approved an increase in the annual dividend payment for 2015 to at least €0.27 per share, which will be paid as a capital repayment, in quarterly instalments of €0.0675 per share at the end of each calendar quarter, commencing at the end of March 2015 (subject to any legal and regulatory requirements and restrictions of commercial viability). Accordingly, on 31 March 2015, Atrium paid a dividend of €0.0675 (3M 2014: €0.06) per ordinary share (paid as a capital repayment), which amounted to a total of €25.4 million (31 March 2014: €22.5 million).

Our markets

In the first quarter of 2015, the outlook for Central and Eastern Europe has continued to steadily reflect the encouraging signs of 2014. In line with this view, in April the IMF increased their 2015 and 2016 GDP growth forecasts across almost all of Atrium's markets. In particular, the forecast for 2015 is that the economy of Poland will grow by 3.5% rather than 3.3%, the Czech Republic by 2.5% (forecast unchanged), Slovakia by 2.9% rather than 2.7%, Hungary by 2.7% rather than 2.3%, and Romania by 2.7% rather than 2.5%. By contrast, downward revisions were made for Russia, from -3.0% to -3.8%, and for Latvia, from 3.2% to 2.3%. Overall, the IMF indicates that growth in the CEE region is expected to be supported by lower oil prices and the gradual recovery in the euro area, offsetting the effects of the contraction in Russia and still-high corporate debt levels. At the same time, again with the exception of Russia, the environment remains predominantly a low-inflation and low-interest one, with 2014 inflation close to zero across most of Atrium's markets. Accordingly, interest rates are currently maintained at historic lows for the time being within the region. The IMF has also forecast this trend to continue in 2015.

The stable outlook across most of our region continues to attract international retailers, as reflected in their on-going interest to maintain and expand their presence in CEE or even enter the market. Several CEE markets are once again featured in CBRE's annual update on retailers' international plans, including Poland, ranked as the 15th most attractive target country this year, the Czech Republic, ranked 17th, Romania, ranked 22nd, and Slovakia, ranked 27th. In addition, Cushman & Wakefield confirms that demand for shopping centre space in the CEE area remains at a healthy level, including from well-known brands such as H&M, Zara and Debenhams.

With regards to investment, JLL estimates that the total volume of commercial real estate transactions in CEE reached €1.44bn in the first quarter of the year, with the lion's share taken by the Czech Republic (51%), followed by Poland (32%), and Romania (10%). Looking ahead, 2015 is anticipated to be another robust year, with the full-year volume of sales and acquisitions likely to be comparable, if not higher, than the strong results seen in 2014. According to JLL, the high number of negotiations currently on-going in the region mirrors the currently favourable market conditions and the durable investor interest.

At the same time, the situation in Russia remains fundamentally challenging, both from an economic and from a political point of view. Despite an apparent stabilisation of its financial market in the first months of the year, the economy continues to face several strong headwinds. The situation in Ukraine remains unresolved, and Russia is struggling with several restrictions such as high inflation, shrinking investment, capital outflow, and the volatile global commodity and financial markets. Together, these factors suggest there remains a significant degree of uncertainty with respect to Russia's prospects for both this year and the next.

Markets Outlook

In general, the outlook for our countries remains solid, with good prospects for consumer spending and an accordingly healthy appetite from retailers and investors alike. With the exception of Russia, where uncertainty and negative sentiment remains a prevailing factor, Atrium's markets, and especially its core ones, are forecast to enjoy stable growth for the remaining part of the year.

Operating Activities

Atrium's 81 standing investment properties produced the following results in terms of gross, net and EPRA like-for-like rental income during the reporting period:

	Gross rental income			Net rental income		
	3M 2015	3M 2014	Change	3M 2015	3M 2014	Change
Country	€'000	€'000	%	€'000	€'000	%
Poland	25,658	21,643	18.6%	25,423	21,702	17.1%
Czech Republic	7,980	8,794	(9.3%)	7,633	8,149	(6.3%)
Slovakia	2,787	2,776	0.4%	2,828	2,716	4.1%
Russia	11,526	15,790	(27.0%)	9,781	14,619	(33.1%)
Hungary	1,886	1,883	0.2%	1,557	2,196	(29.1%)
Romania	1,595	1,555	2.6%	1,506	1,376	9.4%
Latvia	380	375	1.3%	262	241	8.7%
Total	**51,812**	**52,816**	**(1.9%)**	**48,990**	**50,999**	**(3.9%)**

	EPRA like-for-like gross rental income			EPRA like-for-like net rental income		
	3M 2015	3M 2014	Change	3M 2015	3M 2014	Change
Country	€'000	€'000*	%	€'000	€'000*	%
Poland	19,600	19,967	(1.8%)	20,123	20,121	0.0%
Czech Republic	6,243	6,310	(1.1%)	5,982	5,763	3.8%
Slovakia	2,787	2,776	0.4%	2,828	2,716	4.1%
Russia	11,526	15,639	(26.3%)	9,781	15,791	(38.1%)
Hungary	1,886	1,883	0.2%	1,558	2,198	(29.1%)
Romania	1,595	1,555	2.6%	1,506	1,373	9.7%
Latvia	380	375	1.3%	262	241	8.7%
Like-for-like rental income	**44,017**	**48,505**	**(9.3%)**	**42,040**	**48,203**	**(12.8%)**
Remaining rental income	7,795	4,126	88.9%	6,950	3,939	76.4%
Exchange rate effect*	-	185		-	(1,143)	
Total rental income	**51,812**	**52,816**	**(1.9%)**	**48,990**	**50,999**	**(3.9%)**

** In accordance with EPRA guidance, to enhance comparability of GRI/NRI, prior period values for like-for-like properties have been recalculated using the 2015 exchange rates.*

GRI for the first three months of 2015 declined to €51.8 million, a 1.9% decrease compared to the same period last year. The 18.6% uplift in Poland primarily reflects the contribution from Focus Mall Bydgoszcz which was acquired in November 2014 and the opening of the new Atrium Felicity shopping centre in Lublin in March 2014. In the Czech Republic, the decrease was mainly a result of the disposal of 72 non-core assets. This was partly offset by the contribution from the newly acquired shopping centre Palác Pardubice, which was also acquired in November 2014. In Russia, the 27.0% decrease in GRI was due to additional lease incentives in the form of temporary discounts provided in order to ease financial pressure on tenants, as mentioned in our latest annual report. GRI from our shopping centre in Romania increased mainly as a result of a decrease in lease incentives and higher turnover rent, offset by a decrease in base rent.

The GRI in Slovakia and Hungary remained consistent in comparison with the first three months of 2014.

The GRI performance flowed through to NRI, which decreased by 3.9% to €49.0 million with the decline in Russia, which represented 20.0% of total NRI (31 March 2014: 28.7%), resulting mainly from further temporary discounts provided on service charges (for the same reason as mentioned above) and being partially offset by a positive foreign exchange movement on property expenses. The main reason behind the decrease in NRI in Hungary was the collection of a receivable in the first three months of 2014 which had previously been provided for. In Slovakia and Romania, NRI compared favourably with GRI due to the improved collection of receivables.

On a like-for-like basis, GRI decreased by 9.3% to €44.0 million while NRI also reflected a decrease of 12.8% to €42.0 million. The movement in like-for-like figures in Poland was primarily due to a decrease in doubtful debtors related to a struggling DIY tenant. The struggling tenant has been replaced in the majority of locations, by a stronger tenant who has signed a long term contract, albeit at a lower base rent.

In the Czech Republic, the net like-for-like figures compared positively to the gross figures mainly due to higher service charge income than expected. In Russia, Romania, Slovakia and Hungary the like-for-like figures followed the same trend as GRI and NRI.

The operating margin in our core markets increased by 0.5% to 98.5% while the total company operating margin decreased from 96.6% to 94.6% due to the performance in Russia.

As at 31 March 2015, occupancy measured under the EPRA guidelines, decreased slightly to 96.3% (31 December 2014: 97.4%). EPRA occupancy in Russia decreased by only 1.6%, despite the crisis, from 96.9% as at 31 December 2014 to 95.3% as at 31 March 2015, reflecting our strategy to proactively manage discounts in order to protect occupancy.

EBITDA, excluding the valuation result and the impact of disposals and impairments, decreased by 8.0% compared with the first three months of last year, to €41.1 million. This result was primarily due to a €2.0 million decrease in NRI together with a €2.1 million increase in administrative expenses resulting from both an increase in legal expenses and other non-recurring income which was received in 2014. Company adjusted EPRA earnings followed suit and decreased by 13.8% to €30.3 million compared to €35.1 million in the first three months of 2014.

The country diversification of the Group's income producing portfolio is presented below:

Standing investments Country	No. of properties	Gross lettable area sqm	Portfolio %	Market value €'000	Portfolio %	Revaluation €'000
Poland	24	535,300	44.4%	1,468,054	57.5%	(1,505)
Czech Republic	22	188,300	15.6%	420,621	16.5%	36
Slovakia	3	65,500	5.4%	144,983	5.7%	409
Russia	7	240,700	20.0%	369,466	14.4%	14
Hungary	23	100,900	8.4%	68,718	2.7%	-
Romania	1	54,100	4.5%	70,740	2.8%	40
Latvia	1	20,400	1.7%	9,885	0.4%	-
Total standing investments	**81**	**1,205,200**	**100.0%**	**2,552,467**	**100.0%**	**(1,006)**

The yield diversification of the Group's income producing portfolio and EPRA occupancy are presented below:

Standing investments Country	Net equivalent yield* (weighted average) %	EPRA Net initial yield (NIY) ** %	EPRA Occupancy %
Poland	6.7%	6.7%	96.5%
Czech Republic	7.1%	6.9%	96.0%
Slovakia	7.6%	7.6%	98.5%
Russia	12.8%	11.4%	95.3%
Hungary	9.8%	9.2%	95.4%
Romania	8.8%	8.1%	100.0%
Latvia	10.1%	6.8%	94.9%
Average	**7.9%**	**7.6%**	**96.3%**

** The net equivalent yield takes into account the current and potential net rental income, occupancy and the expiry of leases.*

*** The EPRA net initial yield (NIY) is calculated as the annualised net rental income of the portfolio divided by its market value.*

The net equivalent yield and EPRA net initial yield decreased slightly to 7.9% and 7.6% respectively (31 December 2014: 8.0% and 7.8%). The sale of the portfolio of 72 assets in the Czech Republic was the main driver behind the decrease in the net equivalent yield and in EPRA net initial yield, with additional discounts in Russia causing a further decrease in the EPRA net initial yield. The alternative EPRA "topped up" NIY as at 31 March 2015 was 8.1% (31 December 2014: 8.1%).

The market value of the Group's standing investments increased from €2,520 million at year end 2014 (not including €71 million classified as assets held for sale as at 31 December 2014), to €2,552 million as at 31 March 2015. The market value of the Group's standing investments in Russia represented only 14.4% (31 December 2014: 14.7%) of this total market value.

In January 2015, Atrium signed an agreement to acquire a 75% interest in the Arkády Pankrác shopping centre in Prague, the Czech Republic, for €162 million. Atrium has agreed to acquire the stake from Unibail-Rodamco S.E., which owns 75% of the centre in a joint venture with the Otto family. The Otto family will continue to own the remaining 25%. Following the acquisition, ECE Projektmanagement GmbH & Co KG will continue to manage the centre, working closely alongside Atrium's in-house team of experts. The acquisition is expected to be completed in the second quarter of 2015.

The centre, which comprises 38,200 sqm of rentable area along with parking for approximately 1,100 cars is currently 99.5% occupied. It is anchored by major retailers including Interspar Hypermarket, a Datart electronics store, H&M, New Yorker, Humanic, Peek & Cloppenburg, Inditex and LPP Group fashion brands.

On 12 March 2015, we opened the extension to the Atrium Copernicus shopping centre in Toruń, Poland, adding an additional 17,300 sqm of GLA and a further 640 parking spaces to the centre. Atrium Copernicus now offers 144 shops, 47,400 sqm GLA and 1,470 parking spaces, making it the largest shopping centre in the greater Toruń area and within a 150 km radius. The additional parking spaces and new international and domestic brand names, are expected to strengthen the dominance of the centre in line with our strategy to continually find ways to add value to our assets and improve our already dominant centres.

Disposals

On 15 January 2015, the Group completed the sale of a portfolio of 72 small retail assets spread throughout the Czech Republic, with a total lettable area of c.177,000 sqm, for a consideration of CZK1,925 million (approximately €69 million), to a private client account managed by Peakside Capital Advisors. The consideration comprised a cash payment of CZK1,670 million (approximately €60 million) with the balance satisfied through a secured vendor loan to the purchaser. The loss from the transaction amounted to €0.2 million. In addition, €10.4 million of non-cash currency translation reserve in equity, arising from past fluctuations of the Czech Koruna, has been reclassified to the consolidated income statement; this has not had a net impact on the equity of the Group.

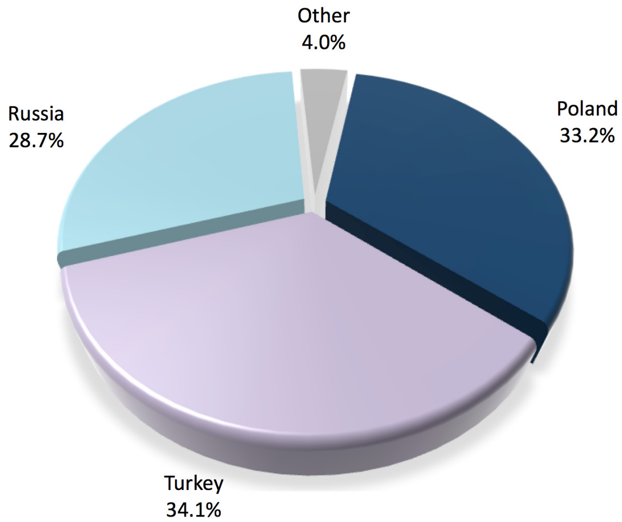
Development Activities

As at 31 March 2015, Atrium's development and land portfolio was valued at €338 million compared to €365 million at 31 December 2014. Over 95% of the portfolio by value, and over 85% by size, is concentrated in Poland, Russia and Turkey.

The values reflect Atrium's continued strategy of monetising non-core and non-income producing development and land assets.

The country diversification of the Group's development and land portfolio is presented below:

Developments and land by market value as at 31 March 2015



As mentioned above, we completed the extension of the Atrium Copernicus shopping centre in Toruń, Poland, in March 2015, at which point the total book value of the extension was transferred to the income producing portfolio.

Currently the one active development project is stage one of the redevelopment of the Atrium Promenada centre in Warsaw, Poland; work on which commenced in September 2014. The overall project entails a major extension of 44,000 sqm and a remodelling of the existing shopping centre.

Stage one of the redevelopment, estimated at €44.0 million, consists of two extensions, totalling 7,100 sqm of additional GLA, the remodelling of a section of the existing centre and the purchase of an adjacent land plot, to be used for the future stages of the extension. The total net incremental costs to complete stage one of the redevelopment project are approximately €37.0 million.

EPRA Performance Measures

A. EPRA Earnings	3M 2015 € '000	3M 2014 € '000
Earnings attributed to equity holders of the parent company	**15,220**	**25,954**
Changes in value of investment properties	4,356	15,975
Net result on disposals of investment properties	10,644	157
Goodwill impairment and amortisation of intangible assets	496	333
Deferred tax in respect of EPRA adjustments	(787)	2,580
EPRA earnings	**29,929**	**44,999**
Weighted average number of shares	375,699,031	374,930,934
EPRA earnings per share (in €cents)	**8.0**	**12.0**
Company adjustments:		
Legacy legal matters	1,331	523
Impairments	886	-
Foreign exchange differences	1,833	(9,297)
Deferred tax not related to revaluations	(3,753)	(1,158)
Changes in the value of financial instruments	66	74
Company adjusted EPRA earnings	**30,292**	**35,141**
Company adjusted EPRA earnings per share (in €cents)	**8.1**	**9.4**

B. EPRA Net Asset Value ("NAV")

	31 March 2015		31 December 2014	
	€ '000	in € per ordinary share	€ '000	in € per ordinary share
Equity	**2,113,078**		**2,110,418**	
Non-controlling interest	804		791	
NAV per the financial statements	**2,113,882**	**5.63**	**2,111,209**	**5.62**
Effect of exercise of options	18,870		19,962	
Diluted NAV, after the exercise of options	**2,132,752**	**5.60**	**2,131,171**	**5.60**
Fair value of financial instruments	11,375		12,328	
Deferred tax	162,624		172,349	
EPRA NAV	**2,306,751**	**6.06**	**2,315,848**	**6.08**

C. EPRA Triple NAV ("NNNAV")

	31 March 2015		31 December 2014	
	€ '000	in € per ordinary share	€ '000	in € per ordinary share
EPRA NAV	**2,306,751**		**2,315,848**	
Fair value of financial instruments	(11,375)		(12,328)	
Impact of debt fair value	(46,902)		(37,612)	
Deferred tax	(162,624)		(172,349)	
EPRA NNNAV	**2,085,850**	**5.48**	**2,093,559**	**5.50**
Number of outstanding shares	375,780,587		375,508,176	
Number of outstanding shares and options	380,647,284		380,627,373	

Condensed Consolidated Statement of Financial Position

		31 March 2015		31 December 2014	
		€'000	€'000	€'000	€'000
	Note	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Assets					
Non-current assets					
Standing investments	**4**	2,552,467		2,520,439	
Developments and land	**5**	338,323		365,016	
Other non-current assets	**6**	41,024		32,599	
			2,931,814		**2,918,054**
Current assets					
Cash and cash equivalents	**7**	478,757		425,246	
Other current assets		29,666		35,005	
Assets held for sale	**8**	10,745		72,478	
			519,168		**532,729**
Total assets			**3,450,982**		**3,450,783**
Equity	**9**		**2,113,078**		**2,110,418**
Liabilities					
Non-current liabilities					
Long term borrowings	**10**	1,034,085		1,034,524	
Derivatives	**11**	11,375		12,328	
Other non-current liabilities		174,242		177,660	
			1,219,702		**1,224,512**
Current liabilities					
Short term borrowings	**10**	33,928		33,550	
Other current liabilities		80,389		79,357	
Liabilities held for sale	**8**	3,885		2,946	
			118,202		**115,853**
Total equity and liabilities			**3,450,982**		**3,450,783**

The Group management report and the condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors during the course of their meeting on 27 May 2015 and were duly signed on the Board's behalf by Rachel Lavine, Executive Vice Chairman, and Josip Kardun, Group Chief Executive Officer.

Condensed Consolidated Income Statement

(Unaudited)	Note	Three months ended 31 March 2015 €'000	€'000	Three months ended 31 March 2014 €'000	€'000
Gross rental income		51,812		52,816	
Service charge income		18,164		19,095	
Net property expenses		(20,986)		(20,912)	
Net rental income			**48,990**		**50,999**
Net result on disposals		(10,644)		(157)	
Costs connected with developments		(742)		(1,226)	
Revaluation of investment properties		(4,356)		(15,975)	
Other depreciation, amortisation and impairments	**12**	(1,610)		(588)	
Administrative expenses		(7,182)		(5,120)	
Net operating profit			**24,456**		**27,933**
Interest expenses, net		(10,275)		(7,892)	
Foreign currency differences		(1,833)		9,297	
Other financial expenses		(1,242)		(1,447)	
Profit before taxation			**11,106**		**27,891**
Taxation credit /(charge) for the period	13	4,101		(1,949)	
Profit after taxation for the period			15,207		25,942
Attributable to:					
Owners of the parent		15,220		25,954	
Non-controlling interest		(13)		(12)	
			15,207		25,942
Basic earnings per share in €cents attributable to shareholders		4.1		6.9	
Diluted earnings per share in €cents attributable to shareholders		4.0		6.9	

Condensed Consolidated Statement of Comprehensive Income

(Unaudited)	Three months ended 31 March 2015 €'000	€'000	Three months ended 31 March 2014 €'000	€'000
Profit for the period	15,207		25,942	
Items that may subsequently be reclassified to the income statement:				
Exchange differences arising on translation of foreign operations (net of deferred tax)	274		(7,847)	
Movements in hedging reserves (net of deferred tax)	771		(611)	
Total comprehensive income for the period before reclassification to income statement		**16,252**		**17,484**
Reclassification of exchange differences on translation of foreign operations disposed during the period	10,439		-	
Total comprehensive income for the period		**26,691**		**17,484**
Attributable to:				
Owners of the parent	26,704		17,496	
Non-controlling interest	(13)		(12)	
		26,691		**17,484**

Condensed Consolidated Cash Flow Statement

(Unaudited)	Three months ended 31 March 2015 €'000	Three months ended 31 March 2014 €'000
Net cash generated from operating activities	29,686	33,335
Cash flows generated from/(used in) investing activities	51,325	(17,621)
Cash flows used in financing activities	(27,863)	(26,324)
Net increase/(decrease) in cash and cash equivalents	**53,148**	**(10,610)**
Cash and cash equivalents at the beginning of the period	425,246	305,577
Effect of exchange rate fluctuations on cash held	363	(482)
Cash and cash equivalents classified as held for sale	-	(60)
Cash and cash equivalents at the end of the period	**478,757**	**294,425**

Consolidated Statement of Changes in Equity

(Unaudited)	Note	Stated capital €'000	Share based payment reserve €'000	Hedging reserves €'000	Retained earnings/ (deficit) €'000	Currency translation reserve €'000	Currency translation reserve for held for sale disposal group €'000	Equity attribu-table to the owners of the Company €'000	Non-controlling interest €'000	Total equity €'000
Balance as at 1 January 2015		**2,673,166**	**4,360**	**(9,986)**	**(447,247)**	**(98,645)**	**(10,439)**	**2,111,209**	**(791)**	**2,110,418**
Profit for the period		-	-	-	15,220	-	-	15,220	(13)	15,207
Other comprehensive income (expense)		-	-	771	-	274	10,439	11,484	-	11,484
Total comprehensive income		**-**	**-**	**771**	**15,220**	**274**	**10,439**	**26,704**	**(13)**	26,691
Transaction with owners of the Company										
Share based payment		-	400	-	-	-	-	400	-	400
Issue of no par value shares		1,470	(535)	-	-	-	-	935	-	935
Dividends	**9**	(25,366)	-	-	-	-	-	(25,366)	-	(25,366)
Balance as at 31 March 2015		**2,649,270**	**4,225**	**(9,215)**	**(432,027)**	**(98,371)**	**-**	**2,113,882**	**(804)**	**2,113,078**

(Unaudited)	Note	Stated capital €'000	Share based payment reserve €'000	Hedging reserves €'000	Retained earnings/ (deficit) €'000	Currency translation reserve €'000	Currency translation reserve for held for sale disposal group €'000	Equity attribu-table to the owners of the Company €'000	Non-controlling interest €'000	Total equity €'000
Balance as at 1 January 2014		**2,760,335**	**4,346**	**(9,522)**	**(389,542)**	**(97,588)**	**-**	**2,268,029**	**(740)**	**2,267,289**
Profit for the period		-	-	-	25,954	-	-	25,954	(12)	25,942
Other comprehensive income (expense)		-	-	(611)	-	(7,847)	-	(8,458)	-	(8,458)
Total comprehensive income		**-**	**-**	**(611)**	**25,954**	**(7,847)**	**-**	**17,496**	**(12)**	**17,484**
Transaction with owners of the Company										
Share based payment		-	468	-	-	-	-	468	-	468
Issue of no par value shares		452	(84)	-	-	-	-	368	-	368
Dividends	**9**	(22,499)	-	-	-	-	-	(22,499)	-	(22,499)
Balance as at 31 March 2014		**2,738,288**	**4,730**	**(10,133)**	**(363,588)**	**(105,435)**	**-**	**2,263,862**	**(752)**	**2,263,110**

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

1. Reporting entity

Atrium European Real Estate Limited is a company incorporated and domiciled in Jersey. Its registered office is 11-15 Seaton Place, St. Helier, Jersey, Channel Islands and its business address in Jersey is Lister House Chambers, 35 The Parade, St Helier, Jersey, Channel Islands.

The principal activity of Atrium and its subsidiaries (the "Group") is the ownership, management and development of commercial real estate in the retail sector.

The Group primarily operates in its core markets of Poland, the Czech Republic and Slovakia, as well as in its non-core markets of Russia, Hungary and Romania.

2. Basis of preparation

Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* as endorsed by the EU.

The unaudited condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 31 December 2014.

The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU.

The financial statements are presented in thousands of Euros ("€'000"), rounded to the nearest thousand, unless stated otherwise.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Financial assets and liabilities

Other than as described in note 10, the Group believes that the carrying amounts of financial assets and liabilities which are carried at amortised cost in the financial statements are deemed not to be significantly different from their fair value. Loans to third parties with a book value of €8.1 million (from a total loans of €17.5 million) (31 December 2014: €8.1 million) were impaired to reflect the recoverable amounts.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2014.

New standards, amendments to and interpretations of existing standards that are not yet effective and have not been adopted by the Group prematurely:

- IFRS 9 *Financial Instruments*. In July 2014, the International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis with the publication of IFRS 9 *Financial Instruments*. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 but may be applied earlier subject to EU endorsement. The Group is currently assessing the impact of the new standard.

- On 25 September 2014, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRSs –2012-2014 Cycle. The improvements contain five amendments to four standards. The effective date of the amendments is 1 January 2016 either prospectively or retrospectively. The EU has not yet endorsed these annual improvements. The Group believes that the application of the improvements will have no material impact on its financial statements.

- IFRS 15- *Revenue from Contracts with Customers (issued in May 2014, not yet endorsed by the EU)*. In May 2014, the IASB and the FASB issued their joint revenue-recognising standard, IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 sets out the requirements for recognising revenue and providing disclosures that apply to all contracts with customers, except for contracts that are within the scope of the standards of leases, insurance contracts and financial instruments. The standard replaces IAS 18, *"Revenue"*, IAS 11, *"Construction Contracts"*, and a number of revenue-related interpretations. IFRS 15 is effective from 1 January 2017. The Group is currently assessing the impact of the new standard.

• Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014, not yet endorsed by the EU)*. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can, however, be rebutted in certain limited circumstances. The amendments are effective from 1 January 2016 and should be applied prospectively. The amendments are not expected to have an impact on the Group's financial statements.

• Amendments to IFRS 11: *Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014, not yet endorsed by the EU)*. The amendments published add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The amendments are effective from 1 January 2016 and are to be applied prospectively. The amendments are not expected to have an impact on the Group's financial statements.

• Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014, not yet endorsed by the EU)*. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective prospectively to transactions occurring in annual periods commencing on or after 1 January 2016. The Group is currently assessing the impact of the amendments on future periods.

• Amendments to IAS 1: *Disclosure Initiative (issued on 18 December 2014, not yet endorsed by the EU)*. These amendments to IAS 1 *Presentation of Financial Statements* address some of the concerns expressed about existing presentation and disclosure requirements and ensure that entities are able to use judgement when applying IAS 1. The final amendment *Disclosure Initiative (Amendments to IAS 1)* is effective for annual periods beginning on or after 1 January 2016 with earlier application permitted. The Group is currently assessing the impact of the amendment on future periods.

4. Standing investments

The current portfolio of standing investments of the Group consists of 81 properties (31 December 2014: 81[1]).

A roll forward of the total standing investments portfolio is provided in the table below:

	Three months ended 31 March 2015	Year ended 31 December 2014
	€'000	**€'000**
Balance as at 1 January	2,520,439	2,356,164
Additions - new properties	-	199,030
Additions - technical improvements, extensions	1,309	23,179
Movements - financial leases	(105)	281
Transfers from developments and land	31,036	113,938
Transfer to assets held for sale	-	(71,020)
Currency translation differences	794	(2,066)
Revaluation of standing investments	(1,006)	(94,065)
Disposals	-	(5,002)
Balance as at the end of the period	**2,552,467**	**2,520,439**

On 12 March 2015, the extension of Atrium Copernicus centre in Toruń, Poland, was opened and transferred from developments and land to the standing investments portfolio.

Change in valuation process:
As from 2015, Atrium's top 20 Standing Investments by value are valued externally at each interim financial reporting date using a desktop approach, whereas previously, all assets were valued externally using this approach at each interim financial reporting date. In addition, if there is a material change in net annual rental income or market assumptions, or if deemed necessary by management, in relation to any asset, including any of the top 20 standing investments by value, such asset is fully valued externally. As at 31 March 2015, 22 assets were valued externally, constituting 84% of the standing investment portfolio.

[1] *Excluding 72 assets in the Czech Republic classified as held for sale as at 31 December 2014*

5. Developments and land

A roll forward of the total developments and land portfolio is provided in the table below:

	Three months ended 31 March 2015 €'000	Year ended 31 December 2014 €'000
Balance as at 1 January	365,016	583,637
Additions - cost of land and construction	7,218	40,742
Movements - financial leases	163	(3,296)
Transfer to standing investments	(31,036)	(113,938)
Transfer to prepayments	-	(3,068)
Disposals	-	(65,873)
Interest capitalised	303	849
Currency translation differences	9	(25)
Revaluation of developments and land	(3,350)	(74,012)
Balance as at the end of the period	**338,323**	**365,016**

In September 2014, the Group commenced works on stage one of the redevelopment project of the Atrium Promenada centre in Warsaw, Poland. Stage one consists of two extensions, totalling 7,100 sqm of additional GLA, partial renovation of the existing centre, and the purchase of an adjacent land plot, to be used for the further extension of the centre. The total net incremental costs to complete stage one of the redevelopment project are approximately €37 million.

6. Other non-current assets

	Three months ended 31 March 2015 €'000	Year ended 31 December 2014 €'000
Property, plant and equipment	2,872	3,013
Intangible assets and goodwill	6,573	7,038
Deferred tax assets	1,156	1,086
Long term loans	17,253	8,114
Other assets	13,170	13,348
Total	**41,024**	**32,599**

7. Cash and cash equivalents

As at 31 March 2015, the Group held total cash and cash equivalents of €478.8 million (31 December 2014: €425.2 million). The Group held cash of €5.6 million (31 December 2014: €5.4 million) as security for guarantees and other restricted cash held in various banks on the Group's behalf.

8. Assets and liabilities held for sale

In December 2014, the Group signed an agreement with a third party for the sale of two fully owned subsidiaries which owned a portfolio of 72 small retail assets spread throughout the Czech Republic. These subsidiaries were presented as held for sale as at 31 December 2014 and the transaction was completed in January 2015 for a consideration of CZK1,925 million (approximately €69 million). The consideration comprised a cash payment of CZK1,670 million (approximately €60 million) with the balance settled through a secured vendor loan to the purchaser. The loan has a term of five years and carries interest of 6%.

In April 2015, the Group completed, for a consideration of €7 million excluding transaction costs of €0.2 million, the sale of a fully owned Turkish subsidiary holding assets consisting mainly of a prepayment to a third party for the purchase of a land plot in Turkey. This subsidiary is presented as held for sale at fair value less transaction costs as at 31 March 2015, resulting in an impairment of €886 thousand during the period. The major classes of assets of subsidiaries which are presented as held for sale at the end of the reporting period are as follows:

	31 March 2015 €'000	31 December 2014 €'000
Non-current assets	**265**	**71,020**
Standing investments	-	71,020
Other non-current assets	265	-
Current assets	**10,480**	**1,458**
Prepayments	10,440	-
Other current assets	40	1,458
Assets held for sale	**10,745**	**72,478**
Non-current liabilities	**-**	**1,781**
Long term liabilities from financial leases	-	1,308
Other non-current liabilities	-	473
Current liabilities	**3,885**	**1,165**
Accrued expenditure	3,883	928
Other current liabilities	2	237
Liabilities directly associated with disposal groups	**3,885**	**2,946**
Net assets directly associated with disposal groups	**6,860**	**69,532**
Amounts included in accumulated other comprehensive income		
Foreign currency translation reserve	-	(10,439)
Reserve of disposal groups classified as held for sale	**-**	**(10,439)**

9. Equity

As at 31 March 2015, the total number of ordinary shares issued was 375,780,587 (31 December 2014: 375,508,176 shares). During the three-month period ended 31 March 2015, Atrium paid a dividend of €0.0675 (3M 2014: €0.06) per ordinary share, which amounted to a total of €25.4 million (3M 2014: €22.5 million).

10. Borrowings

	31 March 2015		31 December 2014	
	Net book value	Fair value	Net book value	Fair value
	€'000	€'000	€'000	€'000
Bonds	808,506	854,221	807,930	844,295
Bank loans	259,507	260,694	260,144	261,391
Total	**1,068,013**	**1,114,915**	**1,068,074**	**1,105,686**

The fair values of loans and bonds were determined by an external appraiser using discounted cash flow models, zero-cost derivative strategies for fixing the future values of market variables and option pricing models of the Black-Scholes type.

Fair values have been determined with reference to market inputs, the most significant of which are:
- Quoted EUR yield curve;
- Quoted CZK yield curve;
- Volatility of EUR swap rates;
- Spot exchange rates CZK/EUR; and
- Fair values of effected market transactions.

Fair value measurements used for bonds and loans are categorised within Level 2 of the fair value hierarchy as defined in IFRS 13.

The borrowings are repayable as follows:

	31 March 2015 Net book value	31 December 2014 Net book value
	€'000	€'000
Due within one year	33,928	33,550
In year two	99,728	100,046
In years three, four and five	137,114	136,944
After five years	797,243	797,534
Total	**1,068,013**	**1,068,074**

In October 2014, Atrium obtained two revolving credit facilities, for a period of five years each, amounting to a total of €50 million. The utilised credit facility shall bear a Euribor rate (for deposits with same duration as each drawdown) plus a 1.5% margin. As at 31 March 2015, the Company had not yet utilised these revolving credit facilities.

11. Derivatives

The Group entered into two interest rate swap contracts ("IRSs") during 2011 in connection with two bank loans secured over properties acquired at that time. These swaps replaced floating interest rates with fixed interest rates. The swaps are cash flow hedges which are designed to reduce the Group's cash flow volatility from variable interest rates on the bank loans. The IRSs are measured at fair value using the discounted future cash flow method.
As at 31 March 2015, the IRSs were in a liability position and had a fair value of €11.4 million (31 December 2014: €12.3 million liability).

The fair value measurements of the IRSs are derived from inputs other than quoted prices in active markets. The inputs used to determine the future cash flows are the 3-month Euribor forward curve and an appropriate discount rate. The inputs used are derived either directly (i.e. as prices) or indirectly (i.e. from prices). Therefore, these IRSs are classified as Level 2 fair value measurements under IFRS 13.

12. Other depreciation, amortisation and impairments

	Three months ended 31 March	
	2015	2014
	€'000	€'000
Other depreciation and amortisation	(724)	(588)
Impairments	(886)	-
Total	**(1,610)**	**(588)**

13. Taxation credit/(charge) for the period

	Three months ended 31 March	
	2015	2014
	€'000	€'000
Current period corporate income tax expense	(527)	(358)
Deferred tax credit /(charge)	4,539	(1,422)
Adjustments to prior periods	89	(169)
Total credit/(charge)	**4,101**	**(1,949)**

14. Segment reporting

Reportable segments

For the period ended 31 March 2015	Standing investment segment €'000	Development segment €'000	Reconciling items €'000	Total €'000
Gross rental income	51,812	-	-	51,812
Service charge income	18,164	-	-	18,164
Net property expenses	(20,986)	-	-	(20,986)
Net rental income	**48,990**	**-**	**-**	**48,990**
Net result on acquisitions and disposals	(10,644)	-	-	(10,644)
Costs connected with developments	-	(742)	-	(742)
Revaluation of investment properties	(1,006)	(3,350)	-	(4,356)
Other depreciation, amortisation and impairments	(631)	(886)	(93)	(1,610)
Administrative expenses	(2,971)	(68)	(4,143)	(7,182)
Net operating profit/(loss)	**33,738**	**(5,046)**	**(4,236)**	**24,456**
Interest expenses, net	(6,663)	(574)	(3,038)	(10,275)
Foreign currency differences	(1,627)	(360)	154	(1,833)
Other financial expenses	(846)	(117)	(279)	(1,242)
Profit/(loss) before taxation	**24,602**	**(6,097)**	**(7,399)**	**11,106**
Taxation credit/(charge) for the period	4,120	282	(301)	4,101
Profit/(loss) after taxation for the period	**28,722**	**(5,815)**	**(7,700)**	**15,207**
Investment properties	2,552,467	338,323	-	2,890,790
Segment assets	2,606,728	365,059	479,195	3,450,982
Segment liabilities	901,246	75,430	361,228	1,337,904

For the period ended 31 March 2014	Standing investment segment €'000	Development segment €'000	Reconciling items €'000	Total €'000
Gross rental income	52,816	-	-	52,816
Service charge income	19,095	-	-	19,095
Net property expenses	(20,912)	-	-	(20,912)
Net rental income	**50,999**	**-**	**-**	**50,999**
Net result on acquisitions and disposals	(157)	-	-	(157)
Costs connected with developments	-	(1,226)	-	(1,226)
Revaluation of investment properties	3,190	(19,165)	-	(15,975)
Other depreciation, amortisation and impairments	(486)	-	(102)	(588)
Administrative expenses	(3,000)	938	(3,058)	(5,120)
Net operating profit/(loss)	**50,546**	**(19,453)**	**(3,160)**	**27,933**
Interest expenses, net	(5,681)	(481)	(1,730)	(7,892)
Foreign currency differences	1,851	7,481	(35)	9,297
Other financial expenses	(1,306)	(172)	31	(1,447)
Profit/(loss) before taxation	**45,410**	**(12,625)**	**(4,894)**	**27,891**
Taxation credit/(charge) for the period	(776)	(913)	(260)	(1,949)
Profit/(loss) after taxation for the period	**44,634**	**(13,538)**	**(5,154)**	**25,942**
Investment properties	2,471,578	473,751	-	2,945,329
Segment assets	2,543,715	506,253	290,427	3,340,395
Segment liabilities	777,441	88,536	211,308	1,077,285

15. Transactions with related parties

- In March 2015, the Compensation and Nominating Committee determined employee annual bonus payments for 2014. Rachel Lavine, Group Chief Executive Officer until 30 November 2014 and Executive Vice-Chairman thereafter, was awarded a total bonus of €623,750 (which includes a minimum guaranteed bonus of €343,750) for the period whilst she was Group CEO.

- Rachel Lavine holds one million options granted pursuant to 2009 option plan in March 2010. In January 2015, the Company entered into an addendum to the agreement of Mrs.Lavine, extending the period of the exercise in this options to the earlier of the date seven months after the last day of her engagement or ten years from the options' original grant date.

16. Contingencies

With regard to the Austrian civil proceedings, there were no significant changes to the contingencies of the Group to those reported in note 2.39 of the Annual Financial Report 2014. Atrium is involved in certain claims submitted by holders of Austrian Depositary Certificates alleging losses derived from price fluctuations in 2007 and associated potential claims. As at 26 May 2015, the latest practicable date prior to authorisation of this report, the aggregate amount claimed in proceedings to which Atrium was then a party in this regard was approximately €13.9 million. The number of claims and amounts claimed are expected to fluctuate over time as proceedings develop, are dismissed, withdrawn or otherwise resolved.

The claims are at varying stages of development and are expected to be resolved over a number of years. While a provision has been recorded in respect of these proceedings, based on current knowledge and management assumptions, the actual outcome of the claims and the timing of their resolution cannot be estimated reliably by the Company at this time. Atrium rejects the claims and is defending them vigorously.

There is continuing uncertainty in the various economies and jurisdictions in which the Group has its operations and assets. The significance of events relevant to the Group's assets in Russia is a particular area of attention at present. These uncertainties relate not only to the general economic and geopolitical environment in such regions but also to changes or threatened changes in the legal, regulatory and fiscal framework.

Certain Russian subsidiaries within the Atrium Group continue to be subject to audit and related legal proceedings with the Russian tax authorities, the outcome of which is uncertain in respect of matters previously regarded as established but now subject to revised interpretation by the Russian tax authorities. Any adverse developments could lead to changes in the value of the Group's assets or in its liabilities. Management is not at present able to assess, with accuracy, the extent of any such changes, if any.

17. Additional information and Subsequent events

- **Acquisition**

  In January 2015, Atrium signed an agreement to acquire a 75% interest in the Arkády Pankrác shopping centre in Prague, the Czech Republic, for €162 million. Atrium has agreed to acquire the stake from Unibail-Rodamco S.E., which owns 75% of the Centre in a joint venture with the Otto family; the Otto family will continue to own the remaining 25% of the joint venture. The acquisition is expected to be completed in the second quarter of 2015.

- **Changes in major shareholders**

  In January 2015, Gazit-Globe purchased, through its intermediate holding company, 52,069,622 additional ordinary shares in Atrium from Apollo. Consequently, Gazit-Globe holds 206,681,551 ordinary shares in Atrium, comprising 55.0% of the issued and outstanding shares, and voting rights in Atrium as at 31 March 2015. Apollo no longer holds ordinary shares in Atrium.
  Following the change in holding, Gazit-Globe is the parent company of Atrium and Norstar Holdings Inc. is the ultimate parent company.

- **Board of Directors and Group executive management team change**

  In January 2015, following the transfer of the 52,069,622 ordinary shares from Apollo to Gazit-Globe as mentioned above, the two directors of Atrium nominated by Apollo, Joseph Azrack and Roger Orf, resigned from the Board of Directors.

  In January 2015, Atrium announced the appointment of Ryan Lee as its new Group Chief Financial Officer. Ryan joined the Group on 2 February 2015, with his appointment as Group CFO effective on 1 April 2015.

- **Financing Transactions**

  In May 2015, Atrium issued a further €150 million 3.625% notes due in October 2022 which will be consolidated and form a single series with the €350 million 3.625% bond due in October 2022 and issued by Atrium in October 2014. The issue price was 106.395% reflecting a yield of 2.9%. The cash proceeds amounted to €159.6 million including €3.0 million accrued interest.

  Also in May 2015, the Group notified the bank, Berlin-Hannoversche Hypoteken AG, of its intention to voluntarily prepay the loan of Atrium Promenada sp. z o.o. as at 29 May 2015. The loan amounted to €100 million at 31 March 2015.

- **Other**

During May 2015, the Group finalised the implementation of a new holding structure in Poland for a number of the Group's Polish assets. Under the new structure, the income generated by these assets will be taxable at the level of a Polish closed-end investment fund, which is exempt from corporate income tax (including capital gains). The Group anticipates that, as consequence of this new structure, the release of deferred tax liabilities on certain Polish assets will be recognised progressively. Based on those subsidiaries which have already been transferred to the new structure as at 26 May 2015, an initial release of at least EUR 20 million should occur in the second quarter of 2015. This amount will be updated on an on-going basis.

Independent Review Report to Atrium European Real Estate Limited

Introduction

We have been engaged by Atrium European Real Estate Limited ("Atrium") to review the condensed consolidated set of financial statements in the interim financial report for the three months ended 31 March 2015 which comprises the condensed consolidated statement of financial position as at 31 March 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and the consolidated statement of changes in equity for the three months ended 31 March 2015, and the related explanatory notes.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

This report is made solely to Atrium in accordance with the terms of our engagement. Our review has been undertaken so that we might state to Atrium those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Atrium for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors.

As disclosed in note 2, the annual consolidated financial statements of Atrium are prepared in accordance with International Financial Reporting Standards as endorsed by the EU. The condensed consolidated set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the EU.

Our responsibility

Our responsibility is to express to Atrium a conclusion on the condensed consolidated set of financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the interim financial report for the three months ended 31 March 2015 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed by the EU.

Heather J MacCallum
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognized Auditor
37 Esplanade
St Helier
Jersey
JE4 8WQ

27 May 2015

Notes:

- *The maintenance and integrity of the Atrium European Real Estate Limited website is the responsibility of the directors, the work carried out by KPMG Channel Islands Limited does not involve consideration of these matters and, accordingly, KPMG Channel Islands Limited accept no responsibility for any changes that may have occurred to the condensed consolidated set of financial statements or review report since the 27 May 2015. KPMG Channel Islands Limited has carried out no procedures of any nature subsequent to 27 May 2015 which in any way extends this date.*
- *Legislation in Jersey governing the preparation and dissemination of condensed consolidated financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the condensed consolidated financial statements are complete and unaltered in any way.*

Directors, Group Executive Management, Professional Advisors and Principal Locations

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Rachel Lavine
Noam Ben-Ozer
Peter Linneman
Simon Radford
Aharon Soffer
Thomas Wernink
Andrew Wignall

Group Executive Management:

Josip Kardun	Group CEO
Rolf Rüdiger Dany	Group COO
Ryan Lee	Group CFO (from 01/04/2015)
Soņa Hýbnerová	Group CFO (until 31/03/2015)
Thomas Schoutens	Group CDO
Geraldine Copeland-Wright	GC
Liad Barzilai	Group CIO
Ljudmila Popova	Head of Asset Management & Investor Relations

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