Leader in Shopping Centres in Central and Eastern Europe

Interim Financial Report
30 June 2015

Our Vision

Atrium's vision is to remain one of the leading owners, operators and developers of food anchored shopping centres in Central Europe and for the Atrium brand to become a hallmark of high quality retail for consumers and retailers.

Our portfolio will continue to 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 driven 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 €2.7 billion portfolio of 82[1] primarily food anchored retail properties and shopping centres which produced €103.6 million of rental income during the reporting period. These properties are located predominantly in Poland, the Czech Republic, Slovakia and Russia, and with the exception of two, are all managed by Atrium's internal team of retail real estate professionals. In addition, Atrium owns a €327 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[1]

Developments and land

Net Rental Income (NRI)

Company adjusted EPRA earnings per share and dividend per share

[1] *Including a 75% stake in an asset held in Joint Ventures*

INCOME STATEMENT	Unit	6M 2015	6M 2014	Change %	FY 2014
Gross rental income	€'000	103,576	106,895	(3.1%)	214,484
EPRA like-for-like gross rental income	€'000	88,080	96,490	(8.7%)	189,060
Net rental income	€'000	97,868	103,058	(5.0%)	204,037
EPRA like-for-like net rental income	€'000	83,731	95,066	(11.9%)	179,578
Net rental income excluding Russia	€'000	78,193	74,283	5.3%	148,690
EPRA like-for-like net rental income excluding Russia	€'000	64,056	64,385	(0.5%)	124,760
Operating margin	%	94.5	96.4	(1.9%)	95.1
EBITDA excluding revaluation, disposals and impairments[2]	€'000	81,345	90,307	(9.9%)	174,019
Company adjusted EPRA earnings	€'000	60,108	72,079	(16.6%)	134,820
Revaluation of standing investments[2]	€'000	(18,122)	(1,476)		(94,065)
Revaluation of standing investments excluding Russia[2]	€'000	14,228	(7,061)		(16,829)
Revaluation of developments and land	€'000	(16,746)	(33,000)		(74,012)
Profit (loss) before taxation	€'000	(4,817)	35,460	(113.6%)	(36,982)
Profit after taxation	€'000	9,968	36,155	(72.4%)	(57,756)
Net cash generated from operating activities	€'000	53,584	64,312	(16.7%)	151,875
IFRS earnings per share	€cents	2.7	9.6	(71.9%)	(15.4)
Company adjusted EPRA earnings per share	€cents	16.0	19.2	(16.7%)	35.9

BALANCE SHEET	Unit	30/06/2015	31/12/2014	Change %
Standing investments at fair value[2]	€'000	2,707,019	2,520,439	7.4%
Developments and land at fair value	€'000	327,436	365,016	(10.3%)
Cash and cash equivalents	€'000	275,941	425,246	(35.1%)
Equity	€'000	2,087,191	2,110,418	(1.1%)
Borrowings	€'000	1,046,630	1,068,074	(2.0%)
LTV (gross)[2]	%	34.5	36.1	(1.6)
LTV (net)[2]	%	25.4	21.7	3.7
IFRS NAV per share	€	5.55	5.62	(1.2%)
EPRA NAV per share	€	5.92	6.08	(2.6%)

Arkády Pankrác shopping centre in Prague, the Czech Republic

[2] Including a 75% stake in Joint Ventures

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
During the first half of 2015 the Group continued to make good progress in re-focusing its portfolio towards larger scale and dominant shopping centres and higher quality cash flow, following the acquisitions of the Palác shopping centre in Pardubice, Czech Republic, and Focus Mall in Bydgoszcz, Poland, at the end of 2014.

- In January 2015, the Group completed the sale of a Czech portfolio of 72 smaller format retail assets 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.
- At the end of June 2015, the Group completed the acquisition of a 75% interest in the Arkády Pankrác shopping centre in Prague, the Czech Republic, for €162 million from Unibail-Rodamco S.E., which owned 75% of the Centre in a joint venture with the Otto family. The Otto family continues to own the remaining 25%.

Developments and Land
At the start of the year Atrium had two active development projects, both of which entailed the extension and refurbishment of existing centres, in line with the Group's strategy of continually seeking to add value to and improve its portfolio.

On 12 March 2015, one of these projects, the enlarged Atrium Copernicus shopping centre in Toruń, Poland, opened, after the 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.

The other on-going project is the extension and improvement project to Atrium's Promenada shopping centre in Poland. Further details of the scheme are provided later in this report.

Operational and financial performance

As anticipated, and as highlighted in both the full year 2014 and first quarter 2015 results, the Group continued to feel the impact of the on-going situation in Russia through the remainder of the first half of the year. This led to a decrease in the reported period, in both gross and net rental income, which were down by 3.1%, to €103.6 million, and 5.0%, to €97.9 million, respectively. The main driver behind the decrease in the Russian portfolio was the rental discounts which have been provided to ease both pressure on tenants who have been affected by the devaluation of the Rouble as well as to ensure that occupancy in our Russian assets remains high, standing at a robust 96.3% at the end of June. Excluding Russia, the Group's NRI increased by 5.3% - notwithstanding the loss of income in our Czech portfolio as a result of the sale of the 72 smaller assets referred to above, and 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, the opening of the Atrium Felicity shopping centre in Lublin in March 2014, as well as the enlarged Atrium Copernicus shopping centre in Toruń, which was opened in March 2015 and therefore contributed to the second quarter.

At a Group level, the loss of income in Russia also had an impact on EBITDA, excluding the revaluation result and disposals and impairments, and the net cash generated from operating activities; these decreased by 9.9% to €81.3 million and 16.7% to €53.6 million respectively. It is notable that, excluding Russia, the Group delivered a robust EBITDA growth of 1.8% to €62.7 million, compared to €61.6 million in the first half of 2014.

Company adjusted EPRA earnings per share, excluding the impact of certain non-recurring and non-cash items such as revaluations, foreign exchange differences and impairments, decreased by 16.7% to 16.0 €cents, from 19.2 €cents in the first half of 2014.

Profit after tax decreased to €10.0 million compared to €36.2 million in the first half of 2014. The main items contributing to the decrease were a €5.2 million decline in NRI, an increase of €6.5 million in administrative expenses, a loss on the disposal of non-core assets in the Czech Republic of €10.6 million and a €20.9 million increase in finance expenses mainly related to bond buyback costs, the early repayment of a bank loan in Poland to reduce future finance costs and unencumber the Atrium Promenada centre, as well as higher interest expenses due to the bond issuance and foreign exchange differences. This was, however, offset by a higher deferred tax credit of €14.3 million, related mainly to a release of deferred tax liability on certain Polish assets following a Polish holdings restructuring.

The balance sheet remains conservatively positioned, with a gross and net LTV of 34.5% and 25.4% respectively and a cash amount of €275.9 million as at 30 June 2015 compared to €425.2 million as at 31 December 2014.

Other events during the period

Financing Transactions
In May 2015, Atrium issued a further €150 million 3.625% notes due in October 2022 which have been consolidated and form a single series with the €350 million 3.625% bonds due

in October 2022, and issued by Atrium in October 2014. The issue price was 106.395% of the principal amount 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 completed the voluntary repayment of a bank loan from Berlin-Hannoversche Hypoteken AG, in Poland, for a total amount of €105.3 million including accrued interest, the repayment of a hedging instrument and breakage costs.

In addition Atrium has repurchased bonds issued in 2005 and due in 2017. The total nominal value of the bonds repurchased as at 30 June 2015 amounted to €79.0 million.

The proceeds from the bond tap referred to above strengthened the Group's liquidity and provided additional resources to further optimise the Group's capital structure and balance sheet efficiency through the transactions described above.

Board of Directors and Group Executive Management team changes

In January 2015, following the transfer of 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.

In June 2015, Atrium announced the appointment of Ms Karine Ohana M.Sc to the Board of Directors as an independent Non-executive Director, with her appointment as Director effective from 24 June 2015. Ms. Ohana is a social entrepreneur and is currently a managing partner of Ohana & Co. which she joined in 1998. Ms Ohana also served as a Director of Citycon Ojy from 2013 to 2015.

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; this 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 and 30 June 2015, Atrium made the first and second dividend payments of €0.0675 each (2014: €0.06) per ordinary share (paid as a capital repayment), which amounted to a total of €50.8million (6M 2014: €45.0 million).

Our markets

In general, across Atrium's markets, the second quarter of the year continued to reflect the same trends observed during the first, with a stable, positive macroeconomic environment across our core markets that contrasts with the uncertainty which still prevails in Russia.

On a global scale, the IMF's World Economic Outlook published in July forecasts a decrease in global GDP growth to 3.3% in 2015 compared to the 3.5% annual increase it had predicted in April. At the same time, it published a slightly upgraded forecast for 2016 of 3.8% growth compared to the previous estimate of 3.7%. The revisions reflect the fact that the IMF expects to see a gradual pickup in advanced economies counter-balanced by a reduction in the pace of growth in emerging and developing economies.

Looking at the Group's region, the IMF has left its forecast for CEE unchanged at 2.9% growth for 2015, but reduced its 2016 growth projection to 2.9% from its previous 3.2%, although it has not provided an update on a country by country basis. The latest available macroeconomic indicators, such as growth in industrial production, retail sales, employment, and real wages, as well as business and consumer confidence surveys provide further evidence that, by and large, Central European economies have shrugged off the crisis in Greece. Activity data for Poland, the Czech Republic, and Slovakia suggest that their economies are currently on a steady growth path. In particular, in Poland, our largest core market, year-on-year increases in industrial production and retail sales are estimated to have contributed to a 3.5% annual GDP growth over Q2 2014. By comparison, there is no escaping the fact that the Russian economy continues to underperform. While the hit to consumer-facing sectors has been particularly severe, industry has also struggled and GDP contracted by some 4,6% year-on-year compared to Q2 2014.

Looking ahead, the IMF has revised its outlook for Russia upgrading its GDP growth forecast to -3.4% in 2015 (versus -3.8% previously) and to 0.2% growth anticipated in 2016 (versus -1.1% previously). The overall sentiment prevailing in the country is one of uncertainty and volatility, as the Russian economy continues to be strongly influenced by the trend in oil prices and geopolitical tensions. Domestic demand remains weak by past standards and the sharp fall in household consumption seen in Q1 has extended into Q2. Inflation hovers above two-digits, in spite of reaching a six month low in June (15.3% versus 15.8% in May). In particular, meaningful improvements in the Russian retail and real estate market seem unlikely in the short term as inflationary expectations continue to put pressure on consumers, and large shopping centre completions are still being delivered on the basis of previously-approved and financed plans.

With regards to investment, CBRE estimates the total volume of commercial real estate transactions in CEE excluding Russia decreased by 8% to €2.73 billion in the first six months of 2015. The relatively slow start to the year was attributed to a combination of factors that included limited availability of prime stock and a challenging outlook for rental growth, especially for Warsaw offices - CEE's most liquid market - where oversupply continued to put pressure on rents. At the same time, the demand for quality retail remained as strong as ever in Q2, with total retail volumes reaching €1.48 billion during the period, up 81% over 2014 and accounting for 55% of total investment in CEE real estate. This is a reversal of the trend observed during the first half of 2014, when retail accounted for only 28% of the region's total property volumes, while offices accounted for 55%.

Two Prague deals - the €523 million acquisition of the Palladium Shopping Centre and Atrium's €162m acquisition of Arkády Pankrác - have especially pushed up volumes and underlined the impact large sales have on transaction levels. They have also helped turn the Czech Republic into the most active market in CEE, with a 46% share of regional investment volumes and an 80% annual increase to €1.26 billion in the first six months of 2015, including about 70% retail deals. Meanwhile, Poland's share during the period was 29%, despite volumes declining by 43% to just €801 million, with retail accounting for just over 30% of Polish transactions. Unsurprisingly, volumes in Russia decreased by 15% to €973 million, comprising transactions which involved mainly offices (approximately 70%) and industrial assets (20%). Moreover, most deals were supply- rather than demand-driven.

Markets' Outlook

The outlook for most of our countries, and our core markets in particular remains robust. In Russia by contrast, the situation remains fundamentally challenging and it is still too early to predict any notable, positive momentum. Overall, looking ahead, Atrium expects to benefit from the good prospects for consumer spending and the persistently healthy appetite shown by retailers and investors alike for its core markets, especially as the temporary initiatives and portfolio rotation of the Group will start to bear fruit, and the forthcoming expiries of long lease durations will allow for stronger rental growth in the medium to long term.

Focus Mall in Bydgoszcz, Poland

Operating Activities

The Group's standing investment properties produced the following results in terms of gross, net and EPRA like-for-like rental income during the reporting period[3]:

	Gross rental income			Net rental income		
	6M 2015	6M 2014	Change	6M 2015	6M 2014	Change
Country	**€'000**	**€'000**	**%**	**€'000**	**€'000**	**%**
Poland	51,711	44,721	15.6%	51,232	45,738	12.0%
Czech Republic	15,594	17,599	(11.4%)	14,609	16,022	(8.8%)
Slovakia	5,631	5,527	1.9%	5,651	5,446	3.8%
Russia	22,985	31,397	(26.8%)	19,675	28,775	(31.6%)
Hungary	3,735	3,792	(1.5%)	3,251	3,598	(9.6%)
Romania	3,155	3,090	2.1%	2,910	3,035	(4.1%)
Latvia	765	769	(0.5%)	540	444	21.6%
Total	**103,576**	**106,895**	**(3.1%)**	**97,868**	**103,058**	**(5.0%)**

	EPRA like-for-like gross rental income			EPRA like-for-like net rental income		
	6M 2015	6M 2014	Change	6M 2015	6M 2014	Change
Country	**€'000**	**€'000***	**%**	**€'000**	**€'000***	**%**
Poland	39,337	39,354	(0.0%)	40,203	40,385	(0.5%)
Czech Republic	12,472	12,680	(1.6%)	11,501	11,476	0.2%
Slovakia	5,631	5,527	1.9%	5,651	5,446	3.8%
Russia	22,985	31,278	(26.5%)	19,675	30,681	(35.9%)
Hungary	3,735	3,792	(1.5%)	3,251	3,600	(9.7%)
Romania	3,155	3,090	2.1%	2,910	3,034	(4.1%)
Latvia	765	769	(0.5%)	540	444	21.6%
Like-for-like rental income	**88,080**	**96,490**	**(8.7%)**	**83,731**	**95,066**	**(11.9%)**
Remaining rental income	15,496	10,316	50.2%	14,137	9,938	42.3%
Exchange rate effect*	-	89	-	-	(1,946)	-
Total rental income	**103,576**	**106,895**	**(3.1%)**	**97,868**	**103,058**	**(5.0%)**

** 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.*

As previously mentioned, the Group's portfolio produced €103.6 million of GRI during the period, a 3.1% decrease compared to the same period last year. This included a 15.6% uplift in Poland which primarily reflects the contribution from Focus Mall Bydgoszcz, which was acquired in November 2014, the opening of the new Atrium Felicity shopping centre in Lublin in March 2014, as well as the enlarged Atrium Copernicus shopping centre in Toruń, which opened in March 2015. In the Czech Republic, the 11.4% 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 acquired in November 2014. In Russia, the 26.8% decrease in GRI was due to additional lease incentives in the form of discounts provided in order to ease the financial pressure on tenants and maintain high occupancy levels, as mentioned in our latest annual report.

The GRI performance was reflected in the Group's NRI, which decreased by 5.0% to €97.9 million, with the decline in Russia, which represented 20.1% of total NRI (30 June 2014: 27.9%), resulting mainly from further discounts provided on service charges partially offset by a positive foreign exchange movement on property expenses. The main reason behind the decrease in NRI in Hungary and Romania was the collection of a receivable in the first half of 2014, which had previously been provided for. In Slovakia, NRI compared favourably with GRI due to the improved collection of receivables.

On a like-for-like basis, Group GRI decreased by 8.7% to €88.1 million while like-for-like NRI declined 11.9% to €83.7 million. In the Czech Republic, the net like-for-like figures compared positively to the gross figures mainly due to higher service charge income. In Russia, Romania, Slovakia and Hungary, the like-for-like figures followed the same pattern as the overall GRI and NRI figures.

The operating margin in our core markets remained strong at 98.0% while the overall operating margin decreased from 96.4% to 94.5%.

[3] Commencing from the acquisition date of Arkády Pankrác shopping centre, Atrium's share in the rental income produced by this centre will be included in the tables.

As at 30 June 2015, occupancy measured under the EPRA guidelines, decreased slightly to 96.8% (31 December 2014: 97.4%). EPRA occupancy in Russia decreased by only 0.6%, despite the crisis, from 96.9% as at 31 December 2014 to 96.3% as at 30 June 2015, reflecting our strategy of proactively managing discounts in order to protect occupancy.

EBITDA, excluding the valuation result and the impact of disposals and impairments, decreased by 9.9% compared with the first half of last year, to €81.3 million. This result was primarily due to a €5.2 million decrease in NRI together with a €6.5 million increase in administrative expenses resulting from increased legacy legal expenses of €3.7 million and other non-recurring income which was received in 2014. As such, Company adjusted EPRA earnings decreased by 16.6% to €60.1 million compared to €72.1 million in the first half 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	535,500	43.3%	1,481,356	54.7%	7,226
Czech Republic	22	189,000	15.3%	426,873	15.8%	3,631
Slovakia	3	65,500	5.3%	145,403	5.4%	387
Russia	7	240,700	19.5%	338,184	12.5%	(32,350)
Hungary	23	100,900	8.2%	68,466	2.5%	(205)
Romania	1	54,100	4.4%	72,060	2.6%	1,355
Latvia	1	20,400	1.6%	9,902	0.4%	0
Total standing investments	**81**	**1,206,100**	**97.6%**	**2,542,244**	**93.9%**	**(19,956)**
Investment in Joint Venture (75%)	1	30,000	2.4%	164,775	6.1%	1,834
Total Standing investments (including Investment in Joint Venture)	**82**	**1,236,100**	**100%**	**2,707,019**	**100.0%**	**(18,122)**

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%	96.8%
Czech Republic[4]	6.6%	6.4%	96.9%
Slovakia	7.6%	7.6%	98.5%
Russia	12.9%	11.7%	96.3%
Hungary	9.8%	9.2%	95.7%
Romania	8.7%	7.8%	98.0%
Latvia	10.1%	6.8%	93.8%
Average	**7.6%**	**7.4%**	**96.8%**

** 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 portfolio's net equivalent yield and the EPRA net initial yield decreased to 7.6% and 7.4% respectively (31 December 2014: 8.0% and 7.8%). The sale of the portfolio of 72 assets in the Czech Republic and the addition of Arkády Pankrác were the main drivers behind the decrease in the net equivalent yield and in the EPRA net initial yield, with the decrease of the weighting in Russia causing a slight additional decrease. The alternative EPRA "topped up" NIY as at 30 June 2015 decreased to 7.9% (31 December 2014: 8.1%) due to the portfolio changes mentioned above.

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 €2,707[4] million as at 30 June 2015. The market value of the Group's standing investments in Russia represented only 12.5% (31 December 2014: 14.7%) of this total market value.

[4] *Including a 75% stake in an asset held in Joint Ventures*

At the end of June 2015, the Group completed the acquisition of a 75% interest in the Arkády Pankrác shopping centre in Prague, the Czech Republic, for €162 million from Unibail-Rodamco S.E., which owned 75% of the Centre in a joint venture with the Otto family. The Otto family continues to own the remaining 25%. Following the acquisition, ECE Projektmanagement GmbH & Co KG continue to manage the centre, working closely alongside Atrium's in-house team of experts.

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 centre in line with our strategy of continually finding ways to add value to our assets and improve our already dominant centres.

Disposals

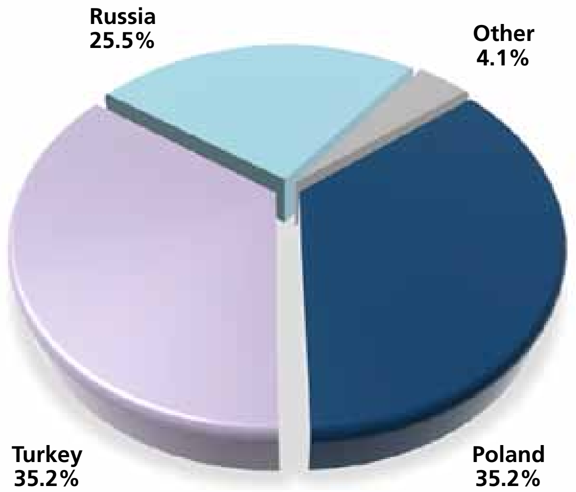
On 15 January 2015, the Group completed the sale of a portfolio of 72 small retail assets spread throughout the Czech Republic, with a total lettable area of c.177,000 sqm, for a consideration of CZK1,925 million (approximately €69 million), to a private client account managed by Peakside Capital Advisors. 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, was reclassified to the consolidated income statement; this has had no net impact on the Group's equity.

Development Activities

As at 30 June 2015, Atrium's development and land portfolio was valued at €327 million compared to €365 million as at 31 December 2014. 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 30 June 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 only 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 €49 million, consists of two extensions, totalling 7,800 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 €39 million.

The land plot held by the Group in Turkey was valued externally at the reporting date, as was over 90% of the developments and land portfolio in Russia.

EPRA Performance Measures

A. EPRA Earnings	6M 2015 € '000	6M 2014 € '000
Earnings attributed to equity holders of the parent company	**9,995**	**36,176**
Changes in value of investment properties	36,702	34,476
Net result on disposals of investment properties	10,586	2,451
Goodwill impairment and amortisation of intangible assets	994	663
Deferred tax in respect of EPRA adjustments	(2,618)	3,474
Close out costs of financial instruments	12,226	1,944
Joint venture interest in respect of the above adjustments	(1,834)	-
EPRA earnings	**66,051**	**79,184**
Weighted average number of shares	375,862,807	374,999,778
EPRA earnings per share (in €cents)	**17.6**	**21.1**
Company adjustments:		
Legacy legal matters	5,124	1,398
Impairments	496	790
Foreign exchange differences	1,700	(4,269)
Deferred tax not related to revaluations	(13,420)	(5,174)
Changes in the value of financial instruments	157	150
Company adjusted EPRA earnings	**60,108**	**72,079**
Company adjusted EPRA earnings per share (in €cents)	**16.0**	**19.2**

B. EPRA Net Asset Value ("NAV")	30 June 2015		31 December 2014	
	€ '000	in € per ordinary share	€ '000	in € per ordinary share
Equity	**2,087,191**		**2,110,418**	
Non-controlling interest	818		791	
NAV per the financial statements	**2,088,009**	**5.55**	**2,111,209**	**5.62**
Effect of exercise of options	17,726		19,962	
Diluted NAV, after the exercise of options	**2,105,735**	**5.53**	**2,131,171**	**5.60**
Fair value of financial instruments	7,247		12,328	
Deferred tax	140,379		172,349	
EPRA NAV	**2,253,361**	**5.92**	**2,315,848**	**6.08**

C. EPRA Triple NAV ("NNNAV")	30 June 2015		31 December 2014	
	€ '000	in € per ordinary share	€ '000	in € per ordinary share
EPRA NAV	**2,253,361**		**2,315,848**	
Fair value of financial instruments	(7,247)		(12,328)	
Impact of debt fair value	(39,549)		(37,612)	
Deferred tax	(140,379)		(172,349)	
EPRA NNNAV	**2,066,186**	**5.43**	**2,093,559**	**5.50**
Number of outstanding shares	376,067,948		375,508,176	
Number of outstanding shares and options	380,612,878		380,627,373	

Statement in accordance with § 87 of the Austrian Stock Exchange Act (BörseG)

With respect to paragraph 87 of the Austrian Stock Exchange Act (§ 87 BörseG) the directors confirm that to the best of their knowledge the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group and the impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions.

The board of Directors

CHAIM KATZMAN
Chairman of the Board

RACHEL LAVINE
Vice-Chairman and Director

PETER LINNEMAN
Director

NOAM BEN-OZER
Director

SIMON RADFORD
Director

AHARON SOFFER
Director

THOMAS WERNINK
Director

ANDREW WIGNALL
Director

KARINE OHANA
Director

Condensed Consolidated Statement of Financial Position

	Note	30 June 2015		31 December 2014	
		€'000	€'000	€'000	€'000
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
Assets					
Non-current assets					
Standing investments	**4**	2,542,244		2,520,439	
Developments and land	**5**	327,436		365,016	
Equity-accounted investment in joint ventures	**6**	166,601		-	
Other non-current assets	**7**	38,468		32,599	
			3,074,749		**2,918,054**
Current assets					
Cash and cash equivalents	**8**	275,941		425,246	
Other current assets		31,918		35,005	
Assets held for sale	**9**	-		72,478	
			307,859		**532,729**
Total assets			**3,382,608**		**3,450,783**
Equity	**10**		**2,087,191**		**2,110,418**
Liabilities					
Non-current liabilities					
Long term borrowings	**11**	1,014,224		1,034,524	
Derivatives	**12**	7,247		12,328	
Other non-current liabilities		159,309		177,660	
			1,180,780		**1,224,512**
Current liabilities					
Short term borrowings	**11**	32,406		33,550	
Other current liabilities		82,231		79,357	
Liabilities held for sale	**9**	-		2,946	
			114,637		**115,853**
Total equity and liabilities			**3,382,608**		**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 13 August 2015 and were duly signed on the Board's behalf by Chaim Katzman, Chairman of the Board and Josip Kardun, Group Chief Executive Officer.

Condensed Consolidated Income Statement

(Unaudited)	Note	Three months ended 30 June 2015 €'000	€'000	Six months ended 30 June 2015 €'000	€'000	Three months ended 30 June 2014 €'000	€'000	Six months ended 30 June 2014 €'000	€'000
Gross rental income		51,764		103,576		54,079		106,895	
Service charge income		19,207		37,371		18,694		37,789	
Net property expenses		(22,093)		(43,079)		(20,714)		(41,626)	
Net rental income			**48,878**		**97,868**		**52,059**		**103,058**
Net result on disposals		58		(10,586)		(2,293)		(2,451)	
Costs connected with developments		(511)		(1,253)		(893)		(2,119)	
Revaluation of investment properties		(32,346)		(36,702)		(18,501)		(34,476)	
Other depreciation, amortisation and impairments	**13**	(373)		(1,983)		(1,385)		(1,973)	
Administrative expenses		(9,922)		(17,104)		(5,513)		(10,632)	
Share of profit of equity accounted joint ventures		1,834		1,834		-		-	
Net operating profit			**7,618**		**32,074**		**23,474**		**51,407**
Interest expenses, net		(10,550)		(20,825)		(7,708)		(15,600)	
Foreign currency differences		133		(1,700)		(5,028)		4,269	
Other financial expenses	**14**	(13,124)		(14,366)		(3,169)		(4,616)	
Profit (loss) before taxation			**(15,923)**		**(4,817)**		**7,569**		**35,460**
Taxation credit /(charge) for the period	**15**	10,684		14,785		2,644		695	
Profit (loss) after taxation for the period			**(5,239)**		**9,968**		**10,213**		**36,155**
Attributable to:									
Owners of the parent		(5,225)		9,995		10,222		36,176	
Non-controlling interest		(14)		(27)		(9)		(21)	
			(5,239)		**9,968**		**10,213**		**36,155**
Basic and diluted earnings (loss) per share in €cents attributable to shareholders		(1.4)		2.7		2.7		9.6	

Condensed Consolidated Statement of Comprehensive Income

(Unaudited)	Three months ended 30 June 2015 €'000	€'000	Six months ended 30 June 2015 €'000	€'000	Three months ended 30 June 2014 €'000	€'000	Six months ended 30 June 2014 €'000	€'000
Profit (loss) for the period	(5,239)		9,968		10,213		36,155	
Items that are or may be reclassified to the income statement:								
Exchange differences arising on translation of foreign operations (net of deferred tax)	408		682		3,723		(4,124)	
Movements in hedging reserves (net of deferred tax)	1,134		1,905		(671)		(1,282)	
Amounts reclassified to profit or loss in respect of cash flow hedges (net of deferred tax)	2,211		2,211		-		-	
Amounts reclassified to profit or loss in respect of exchange differences on translation of foreign operations disposed during the period	-		10,439		-		-	
Total comprehensive income (loss) for the period		**(1,486)**		**25,205**		**13,265**		**30,749**
Attributable to:								
Owners of the parent	(1,472)		25,232		13,274		30,770	
Non-controlling interest	(14)		(27)		(9)		(21)	
		(1,486)		**25,205**		**13,265**		**30,749**

Condensed Consolidated Cash Flow Statement

(Unaudited)	Six months ended 30 June 2015 €'000	Six months ended 30 June 2014 €'000
Net cash generated from operating activities	53,584	64,312
Cash flows generated from/(used in) investing activities	(119,393)	18,322
Cash flows used in financing activities	(83,803)	(129,881)
Net increase/(decrease) in cash and cash equivalents	**(149,612)**	**(47,247)**
Cash and cash equivalents at the beginning of the period	425,246	305,577
Effect of exchange rate fluctuations on cash held	307	(445)
Cash and cash equivalents classified as held for sale	-	(16)
Cash and cash equivalents at the end of the period	**275,941**	**257,869**

Consolidated Statement of Changes in Equity

		Stated capital	Share based payment reserve	Hedging reserves	Retained earnings/ (deficit)	Currency translation reserve	Currency translation reserve for held for sale disposal group	Equity attributable to the owners of the Company	Non-controlling interest	Total equity
(Unaudited)	**Note**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'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		-	-	-	9,995	-	-	9,995	(27)	9,968
Other comprehensive income		-	-	4,116	-	682	10,439	15,237	-	15,237
Total comprehensive income		**-**	**-**	**4,116**	**9,995**	**682**	**10,439**	**25,232**	**(27)**	**25,205**
Transaction with owners of the Company										
Share based payment		-	400	-	-	-	-	400	-	535
Issue of no par value shares		2,732	(949)	-	-	-	-	1,783	-	1,783
Dividends	**10**	(50,750)	-	-	-	-	-	(50,750)	-	(50,750)
Balance as at 30 June 2015		**2,625,148**	**3,946**	**(5,870)**	**(437,252)**	**(97,963)**	**-**	**2,088,009**	**(818)**	**2,087,191**

		Stated capital	Share based payment reserve	Hedging reserves	Retained earnings/ (deficit)	Currency translation reserve	Currency translation reserve for held for sale disposal group	Equity attributable to the owners of the Company	Non-controlling interest	Total equity
(Unaudited)	**Note**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'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		-	-	-	36,176	-	-	36,176	(21)	36,155
Other comprehensive income (expense)		-	-	(1,282)	-	(4,124)		(8,458)	-	(8,458)
Total comprehensive income		**-**	**-**	**(1,282)**	**36,176**	**(4,124)**	**-**	**30,770**	**(21)**	**30,749**
Transaction with owners of the Company										
Share based payment		-	1,001	-	-	-	-	1,001	-	1,001
Issue of no par value shares		1,078	(313)	-	-	-	-	765	-	765
Dividends	**10**	(45,006)	-	-	-	-	-	(45,006)	-	(45,006)
Balance as at 30 June 2014		**2,716,407**	**5,034**	**(10,804)**	**(353,366)**	**(101,712)**	**-**	**2,255,559**	**(761)**	**2,254,798**

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 off 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 11, 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 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, except for the following:

Accounting policies applied for a new transaction:

Investment in joint ventures

In June 2015, the Group completed the acquisition of a 75% interest in an investee (in the form of a limited partnership) owning the Arkády Pankrać shopping centre in Prague, Czech Republic. The Group has classified its interests in the investee as a joint venture. For more details, see note 6.

A joint venture is a type of joint arrangement whereby the parties that have joint control have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when strategic financial and operating decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in joint ventures are accounted for using the equity method.

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 2018. 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[5]).
A roll forward of the total standing investments portfolio is provided in the table below:

	Six months ended 30 June 2015 €'000	Year ended 31 December 2014 €'000
Balance as at 1 January	2,520,439	2,356,164
Additions - new properties	-	199,030
Additions - technical improvements, extensions	8,224	23,179
Movements - financial leases	580	281
Transfers from developments and land	31,036	113,938
Transfer to assets held for sale	-	(71,020)
Currency translation differences	1,921	(2,066)
Revaluation of standing investments	(19,956)	(94,065)
Disposals	-	(5,002)
Balance as at the end of the period	**2,542,244**	**2,520,439**

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

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.

All the standing investments properties in Russia were valued externally at the reporting date.

Change in valuation process:
As of 2015, Atrium's top 20 Standing Investments by value are valued externally on each interim financial reporting date using a desktop approach, whereas previously, all assets were valued externally using this approach on 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 will be fully valued externally. As at 30 June 2015, 23 assets were valued externally, constituting 85% of the standing investment portfolio.

5. Developments and land

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

	Six months ended 30 June 2015 €'000	Year ended 31 December 2014 €'000
Balance as at 1 January	365,016	583,637
Additions - cost of land and construction	9,954	40,742
Movements - financial leases	163	(3,296)
Transfer to standing investments	(31,036)	(113,938)
Transfer to prepayments	-	(3,068)
Disposals	(530)	(65,873)
Interest capitalised	576	849
Currency translation differences	39	(25)
Revaluation of developments and land	(16,746)	(74,012)
Balance as at the end of the period	**327,436**	**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 7,800 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 €39 million.

The land plot held by the Group in Turkey was valued externally at the reporting date, as was over 90% of the developments and land portfolio in Russia.

6. Equity-accounted investment in joint ventures

The following joint ventures are indirectly owned by the Company:

Name of the joint venture	Country of incorpo-ration	Stake in equity of joint venture 30 June 2015	Investment in joint venture 30 June 2015 €'000
Pankrac Shopping Centre k.s	Czech Republic	75%	165,193
EKZ 11 k.s.	Czech Republic	75%	1,408
Total			**166,601**

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 owned 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 Company completed the acquisition in June 2015.

The transaction was accounted for as the acquisition of an asset that does not constitute a business and, as a result, the Group did not recognise deferred taxes on temporary differences arising on initial recognition.

The Group has determined that joint control exists with the other 25% owner. The Group has (after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Group's rights and obligations arising from the arrangement) classified its interests in the joint arrangement as a joint venture.

The Group's 75% share in the joint venture is structured via two entities, namely Pankrac Shopping Centre k.s and EKZ 11 k.s.

Summarised financial information of the joint ventures, Pankrac Shopping Centre k.s and EKZ 11 k.s., based on their IFRS financial statements adjusted for adjustments at acquisition, and reconciliation with the carrying amount of the investment in the consolidated financial statements is presented below:

	30 June 2015 €'000
Standing investment	219,700
Cash and cash equivalent	5,308
Current assets	2,201
Non-current liabilities	(855)
Current liabilities	(4,220)
Net assets (100%)	**222,134**
Group share of net assets (75%)	**166,601**
Carrying amount of interest in joint ventures	**166,601**

The financial information of the joint ventures, summarised above, is presented on a provisional basis pending the completion of the final purchase price allocation later this year.

The Group has not incurred any contingent liabilities in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the Group is contingently liable.

7. Other non-current assets

	Six months ended 30 June 2015 €'000	Year ended 31 December 2014 €'000
Property, plant and equipment	2,649	3,013
Intangible assets and goodwill	6,070	7,038
Deferred tax assets	249	1,086
Long term loans	17,149	8,114
Other assets	12,351	13,348
Total	**38,468**	**32,599**

8. Cash and cash equivalents

As at 30 June 2015, the Group held total cash and cash equivalents of €275.9 million (31 December 2014: €425.2 million). The Group held cash of €3.2 million (31 December 2014: €5.4 million) as security for guarantees and other restricted cash held in various banks on the Group's behalf.

9. 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%.

The major classes of assets of subsidiaries which are presented as held for sale at the end of the reporting period are as follows:

	Six months ended 30 June 2015 €'000	Year ended 31 December 2014 €'000
Non-current assets	**-**	**71,020**
Standing investments	-	71,020
Current assets	**-**	**1,458**
Assets held for sale	**-**	**72,478**
Non-current liabilities	-	**1,781**
Long term liabilities from financial leases	-	1,308
Other non-current liabilities	-	473
Current liabilities	-	**1,165**
Accrued expenditure	-	928
Other current liabilities	-	237
Liabilities directly associated with disposal groups	-	**2,946**
Net assets directly associated with disposal groups		**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)**

10. Equity

As at 30 June 2015, the total number of ordinary shares issued was 376,067,948 (31 December 2014: 375,508,176 shares). During the six month period ended 30 June 2015, Atrium paid a dividend of €0.135 (6M 2014: €0.12) per ordinary share, which amounted to a total of €50.8 million (6M 2014: €45.0 million).

11. Borrowings

	30 June 2015		31 December 2014	
	Net book value €'000	Fair value €'000	Net book value €'000	Fair value €'000
Bonds	887,429	925,680	807,930	844,295
Bank loans	159,201	160,510	260,144	261,391
Total	**1,046,630**	**1,086,190**	**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:

	30 June 2015 Net book value €'000	31 December 2014 Net book value €'000
Due within one year	32,406	33,550
In year two	1,718	100,046
In years three, four and five	59,280	136,944
After five years	953,226	797,534
Total	**1,046,630**	**1,068,074**

In May 2015, Atrium issued a further €150 million 3.625% notes due in October 2022 which was consolidated and forms a single series with the €350 million 3.625% bonds due in October 2022 and issued by Atrium in October 2014. The issue price was 106.395% of the principal amount reflecting a yield of 2.9%. The cash proceeds amounted to €159.6 million including €3 million accrued interest.

Also in May 2015, the Group completed the voluntary repayment of a bank loan from Berlin-Hannoversche Hypoteken AG, in Poland, for a total amount of €105.3 million including accrued interest, the repayment of a hedging instrument and breakage costs totalling €5 million.

During the reporting period, Atrium repurchased bonds issued in 2005 and due in 2017, with a nominal value of €79.0 million. The net loss resulting from the bond buybacks was €7.7 million.

In October 2014, Atrium obtained two revolving credit facilities, each for a period of five years, amounting to a total of €50 million. The utilised credit facility will bear a Euribor rate (for deposits with the same duration as each drawdown) plus a 1.5% margin. As at 30 June 2015, the Company had not yet utilised these revolving credit facilities.

12. 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.

Following the voluntary repayment of the bank loan in Poland during May 2015 (see note 11), the Group also repaid the related interest rate swap, amounting to €2.7 million.

As at 30 June 2015, the remaining IRS was in a liability position and had a fair value of €7.2 million (31 December 2014: €12.3 million liability).

The fair value measurement of the IRS is 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, this IRS is classified as a Level 2 fair value measurement under IFRS 13.

13. Other depreciation, amortisation and impairments

	Six months ended 30 June	
	2015 €'000	2014 €'000
Other depreciation and amortisation	(1,487)	(1,183)
Impairments	(496)	(790)
Total	**(1,983)**	**(1,973)**

14. Other financial expenses

	Six months ended 30 June	
	2015	**2014**
	€'000	**€'000**
Net loss from bond buy back	(7,719)	(1,823)
Early loan repayment	(4,507)	-
Finance lease interest expense	(1,981)	(2,614)
Other financial expense	(159)	(179)
Total credit/(charge)	**(14,366)**	**(4,616)**

15. Taxation credit/(charge) for the period

	Six months ended 30 June	
	2015	**2014**
	€'000	**€'000**
Current period corporate income tax expense	(973)	(993)
Deferred tax credit /(charge)	16,039	1,700
Adjustments to prior periods	(281)	(12)
Total credit/(charge)	**14,785**	**695**

During May 2015, the Group finalised the implementation of a new holding structure in Poland for a number of its 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). Consequently, during the second quarter of 2015, the Group released the deferred tax liability related to the assets already under the new structure, in the total amount of a €20.1 million tax-credit which was partially offset by a de-recognition of deferred tax assets related to certain Russian subsidiaries.

16. Segment reporting

Reportable segments

For the period ended 30 June 2015	Standing investment segment €'000	Development segment €'000	Reconciling items €'000	Total €'000
Gross rental income	103,576	-	-	103,576
Service charge income	37,371	-	-	37,371
Net property expenses	(43,079)	-	-	(43,079)
Net rental income	**97,868**	**-**	**-**	**97,868**
Net result on acquisitions and disposals	(10,660)	74	-	(10,586)
Costs connected with developments	-	(1,253)	-	(1,253)
Revaluation of investment properties	(19,956)	(16,746)	-	(36,702)
Other depreciation, amortisation and impairments	(912)	(886)	(185)	(1,983)
Administrative expenses	(5,462)	(169)	(11,473)	(17,104)
Share of profit of equity accounted joint ventures	1,834	-	-	1,834
Net operating profit/(loss)	**62,712**	**(18,980)**	**(11,658)**	**32,074**
Interest expenses, net	(14,577)	(502)	(5,746)	(20,825)
Foreign currency differences	(1,572)	(168)	40	(1,700)
Other financial expenses	(13,081)	(933)	(352)	(14,366)
Profit/(loss) before taxation	**33,482**	**(20,583)**	**(17,716)**	**(4,817)**
Taxation credit/(charge) for the period	14,319	935	(469)	14,785
Profit/(loss) after taxation for the period	**47,801**	**(19,648)**	**(18,185)**	**9,968**
Investment properties	*2,542,244	327,436	-	2,869,680
Segment assets	2,754,057	342,137	286,414	3,382,608
Segment liabilities	1,053,161	63,880	178,376	1,295,417

* *Excluding a 75% stake in assets held in Joint Ventures*

For the period ended 30 June 2014	Standing investment segment €'000	Development segment €'000	Reconciling items €'000	Total €'000
Gross rental income	106,895	-	-	106,895
Service charge income	37,789	-	-	37,789
Net property expenses	(41,626)	-	-	(41,626)
Net rental income	**103,058**	**-**	**-**	**103,058**
Net result on acquisitions and disposals	(156)	(2,295)	-	(2,451)
Costs connected with developments	-	(2,119)	-	(2,119)
Revaluation of investment properties	(1,476)	(33,000)	-	(34,476)
Other depreciation, amortisation and impairments	(1,767)	-	(206)	(1,973)
Administrative expenses	(5,736)	1,120	(6,016)	(10,632)
Share of profit of equity accounted joint ventures	-	-	-	-
Net operating profit/(loss)	**93,923**	**(36,294)**	**(6,222)**	**51,407**
Interest expenses, net	(11,365)	(845)	(3,390)	(15,600)
Foreign currency differences	100	4,180	(11)	4,269
Other financial expenses	(3,985)	(656)	25	(4,616)
Profit/(loss) before taxation	**78,673**	**(33,615)**	**(9,598)**	**35,460**
Taxation credit/(charge) for the period	2,817	(1,598)	(524)	695
Profit/(loss) after taxation for the period	**81,490**	**(35,213)**	**(10,122)**	**36,155**
Investment properties	2,475,065	*409,383	-	2,884,448
Segment assets	2,541,707	437,474	252,434	3,231,615
Segment liabilities	714,612	56,535	205,670	976,817

* *Including €6,239 thousands classified as assets held for sale as at 30 June 2014*

17. 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.

18. Contingencies

With regard to the Austrian civil proceedings, there were no significant changes to the contingencies 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 12 August 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 €14.6 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 overall, including a threatened related class action lawsuit in the Netherlands, 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. These uncertainties relate to the general economic and geopolitical environment in such regions, in particular Russia, and to changes or threatened changes in the legal, regulatory and fiscal framework and approach to enforcement which includes actions affecting title to Group property or land.

Certain Russian subsidiaries within the Atrium Group continue to be subject to audit and related legal and administrative proceedings involving 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. Recent developments indicate a broadening scope of audits and disagreement over withholding tax, the overall impact of which could be significant. The Company cannot therefore reliably estimate the potential amount of any additional taxation and associated costs.

19. Additional information and Subsequent events

- **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 30 June 2015. Apollo no longer holds ordinary shares in Atrium.

  Following the change in the 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.

  In June 2015, Atrium announced the appointment of Ms Karine Ohana M.Sc to the Board of Directors as an independent Non-executive Director, with her appointment as Director effective on 24 June 2015. Ms Ohana has been appointed to the Audit Committee with effect from 12 August 2015.

  In July 2015, the Compensation and Nominating Committee approved signature by the Company of a consultancy agreement with Paragon Management Company Limited under which Rachel Lavine will provide management services to the Group including oversight of Group strategy. Mrs. Lavine will receive an annual consultancy fee of €475,000 per annum. The consultancy arrangement is for a period of 16 months, until 30th November 2016, and thereafter is automatically renewed for further periods of 12 months. Mrs. Lavine will continue her role as vice chairman and a member of the Board of Directors as a Gazit-Globe nominated director, with the director's fee of €25,000 per annum payable to Gazit-Globe. This arrangement effective as of 1st August 2015, of Mrs. Lavine which came into effect on 1st December 2014 when Mrs. Lavine resigned as Group CEO and took the role of Executive Vice Chairman. Consequently, Mrs Lavine received a pro rata grant of 3,036 shares for the period from 1st June to 31st July, on a net of tax basis, upon termination of her employment agreement, which were issued in August 2015. Mrs Lavine shall not be entitled to any further share grant under the previous arrangements.

  In addition, Mrs. Lavine holds one million options granted pursuant to the 2009 option plan in March 2010 and 533,333 options granted pursuant to the 2013 option plan in November 2013. As part of the arrangements referred to above, the period for exercise of these options was extended to the date 7 months, or in the case of the 2013 option grant 18 months, after the later of the last day of her engagement as a consultant or as a member of the Board of Directors, but in either case with a maximum period of ten years from the options' original grant date.

Following a review of non-executive Director compensation including recommendations from external consultants, the Compensation and Nominating Committee approved revisions to the remuneration of the non-executive Directors effective 1 July 2015. The non-executive Directors, other than those Directors nominated by Gazit-Globe, are entitled to receive remuneration of €65,000 per annum and ordinary shares in the Company of a value of €65,000 per annum, a meeting physical attendance fee of €1,500 and a meeting telephonic attendance fee of €1,000. A non-executive Director will be subject to restrictions on disposal of shares issued as such remuneration so that, following any disposal, the remaining shareholding of such non-executive Director has an aggregate deemed issue value of at least €130,000. Any Director other than a Director nominated by Gazit-Globe who acts as Chairman of the Audit Committee or the Compensation and Nominating Committee will be entitled to receive additional remuneration of €25,000 per annum and any Director who otherwise acts as a member of either such committee will be entitled to receive additional remuneration of €10,000 per annum.

Aharon Soffer resigned from the Board of Directors effective as of 31 August 2015.

- **Other**

  As part of the new holding structure in Poland mentioned in note 15 above, the Group expects to recognise additional tax-credits in subsequent periods. Based on those subsidiaries which have been transferred to the new structure subsequent to the balance sheet date and before the publication date of these financial statements, an additional tax-credit of at least €26 million should be recorded in the third quarter of 2015. This amount will be updated on an on-going basis.

  After the reporting period, Atrium repurchased additional €2.0 million bonds issued in 2005 and due in 2017.

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 six months ended 30 June 2015 which comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated income statement and the condensed consolidated statement of comprehensive income for the three and six month periods ended 30 June 2015, the condensed consolidated cash flow statement and the consolidated statement of changes in equity for the six month period ended 30 June 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 six months ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed by the EU.

Statement on the Group management report for the 6 month period ended 30 June 2015 and on director's statement in accordance with § 87 Austrian Stock Exchange Act (BörseG)

We have read the Group management report and evaluated whether it does not contain any apparent inconsistencies with the condensed consolidated interim financial statements. Based on our evaluation, the Group management report does not contain any apparent inconsistencies with the condensed consolidated interim financial statements.

The interim financial information contains the statement by directors in accordance with § 87 par. 1 subpar. 3 Austrian Stock Exchange Act.

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

13 August 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 13 August 2015. KPMG Channel Islands Limited has carried out no procedures of any nature subsequent to 13 August 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

Directors:
Chaim Katzman
Rachel Lavine
Noam Ben-Ozer
Peter Linneman
Simon Radford
Aharon Soffer
Thomas Wernink
Andrew Wignall
Karine Ohana (appointed 24 June 2015)

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

Administrator and Registrar:
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