



ATRIUM – COMPANY PRESENTATION

THE LEADING OWNER & MANAGER OF
CENTRAL EASTERN EUROPEAN
SHOPPING CENTRES

March 2017



ATRIUM – LEADING OWNER & MANAGER OF CEE SHOPPING CENTRES



A UNIQUE INVESTMENT OPPORTUNITY

- Strong management team with a proven track record
- Central European focus with dominant presence in the most mature & stable countries
- Robust balance sheet: 28.7% net LTV/ €104m cash
- Investment grade rating with a “Stable” outlook by Fitch and S&P
- Balance between solid income producing platform & opportunities for future growth

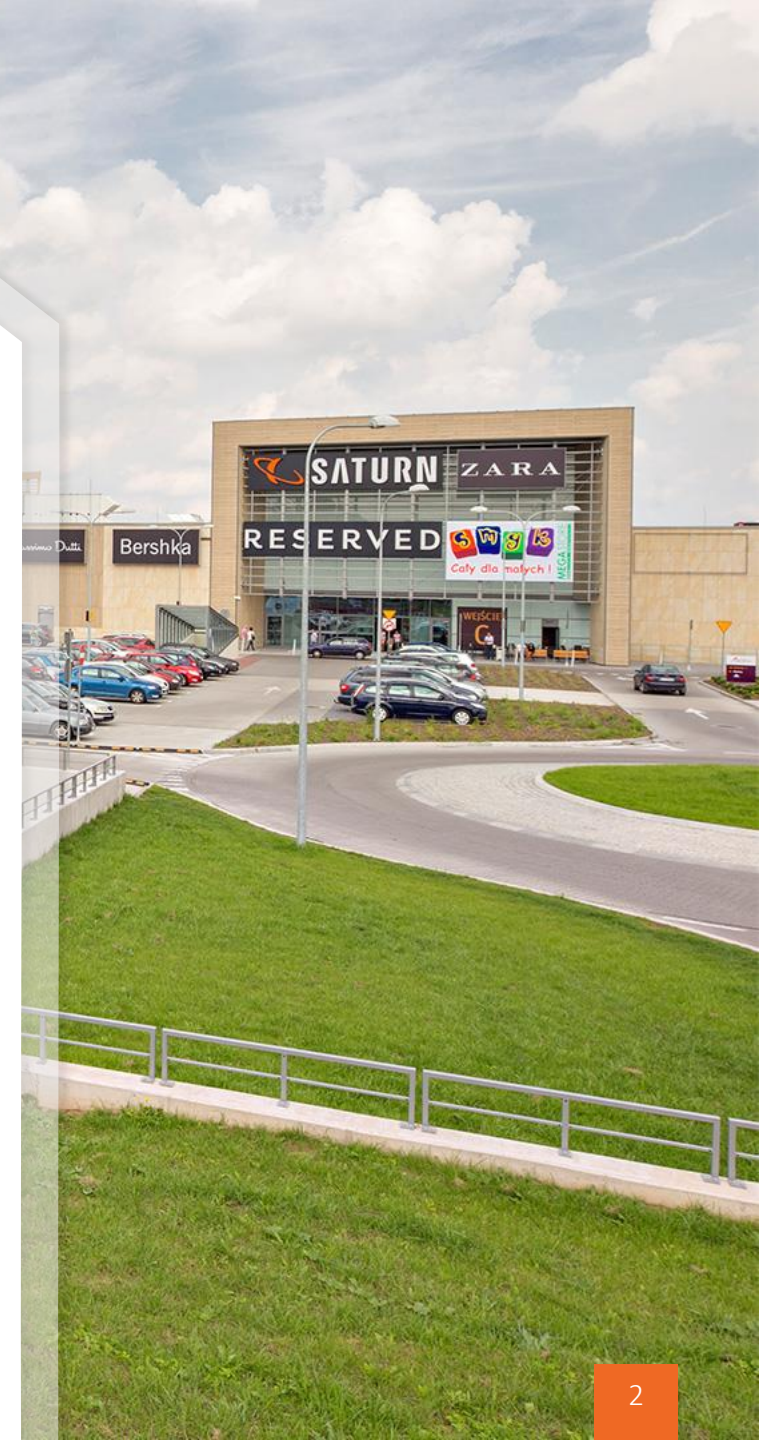


KEY FIGURES

- 60 properties with a **MV of c.€2.6bn and over 1.1 million m² GLA**
- Focus on **shopping centres**, primarily food-anchored
- FY16 GRI: €195.8m, NRI: €188.8m
- Adjusted EPRA EPS: 31.4 €cents, EPRA NAV per share: €5.39*
- Special dividend of 14 €cents paid in September
- Board-approved dividend of 27 €cents per share for 2017**, dividend yield >11.5%
- Research coverage by **Bank of America Merrill Lynch, Baader Bank, HSBC, Kempen, Raiffeisen and Wood & co**

* Including the special dividend. **Subject to any legal and regulatory requirements and restrictions of commercial viability

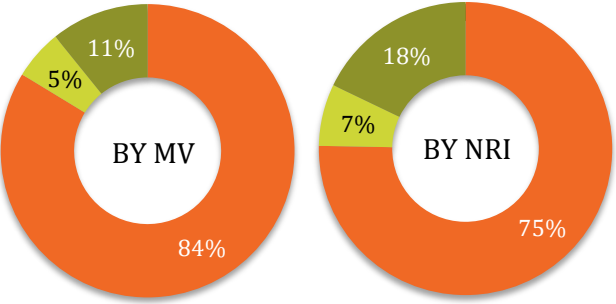
All numbers in this presentation as reported in the 12M results to 31 December 2016 unless explicitly stated otherwise, incl. a 75% stake in Arkady Pankrac



FOCUS ON THE MOST MATURE AND STABLE MARKETS IN CEE

- 100% focus on Central and Eastern Europe (CEE)
- Poland, Czech Republic, Slovakia: 84% of MV/ 75% of NRI
- Exposure to investment-grade countries: 89%*
- 88% of 12M16 GRI is denominated in Euros, 6% in Polish Zlotys, 2% in Czech Korunas, 1% in USD and 3% in other currencies

GEOGRAPHIC MIX OF THE PORTFOLIO




- Central European countries (PL, CZ, SK)
- Southern-Eastern European countries (HU, RO)
- Eastern European countries (RU)



* By MV based on S&P ratings/ 100% based on Fitch ratings

RESTRUCTURING: MANAGEMENT MAKES A DIFFERENCE

2009	2010	2011	2012	2013	2014	2015	2016
WHERE WE STARTED				WHERE WE ARE TODAY			
€1.6bn (Dec'08)	STANDING INVESTMENT PORTFOLIO			€2.6bn			
93.6% (Dec'08)	OCCUPANCY			96.3%			
71% (FY08)	OPERATING MARGIN			96.4%			
€727m (Dec'08)	DEVELOPMENT AND LAND			€304m			
61%, 8.3% (Dec'08)	GROSS LTV, COST OF DEBT			32.3%, 3.7%			
BB- (2009)	CREDIT RATING			BBB-			
€24 cent p.s. (FY09)	ADJ. EPRA EARNINGS			€31.4 cent p.s. (FY16)			
€3 cent p.s. (FY09)	DIVIDEND			€27 cent p.s. (approved for 2017)* + €14 cent p.s. special dividend Sep16			
CORPORATE GOVERNANCE & TRANSPARENCY				AWARDS			
							

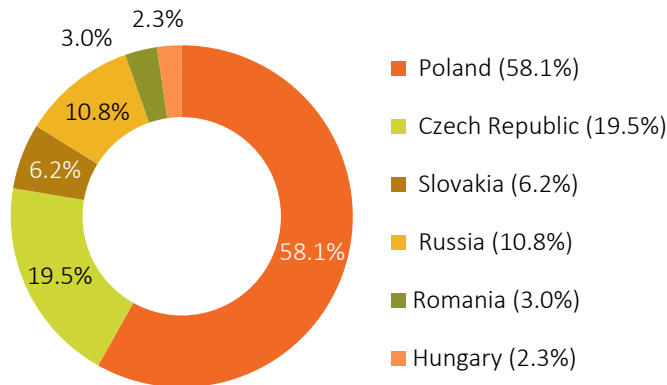
* Subject to any legal and regulatory requirements and restrictions of commercial viability



STANDING INVESTMENTS PORTFOLIO DETAILED OVERVIEW*

Country	No of properties	Gross lettable area	Market value 31/12/2016	Market value per m ² of GLA	Net equivalent yield (weighted average)**	EPRA net initial yield***	Revaluation during 12M 2016	EPRA Occupancy
		m ²	€m	€	%	%	€m	%
Poland	21	522,200	1,529.5	2,929	6.3%	6.2%	13.9	96.9%
Czech Republic	6	112,500	513.0	4,560	5.7%	5.6%	13.3	98.3%
Slovakia	3	73,500	163.6	2,226	7.2%	7.0%	6.6	98.4%
Russia	7	241,100	284.3	1,179	12.8%	12.0%	7.9	93.1%
Hungary	22	97,700	61.2	626	9.4%	11.6%	-3.9	98.0%
Romania	1	56,600	79.6	1,406	8.1%	7.8%	5.4	99.6%
Total Group	60	1,103,600	2,631.2	2,384	7.0%	6.9%	43.2	96.6%

MARKET VALUE PER COUNTRY



- Portfolio quality boost (5Y): €1bn prime bought, €150m completed, €200m non-core sold
- Atrium owns 60 shopping centres and smaller retail properties, which are all internally managed with two exceptions
- 78% of the total standing investments portfolio is located in Poland and the Czech Republic, with Poland exceeding 58%
- The top 10 assets:
 - Represent 63% of Atrium's standing investments' portfolio value
 - 7 are located in Poland, 2 in the Czech Republic and 1 in Slovakia



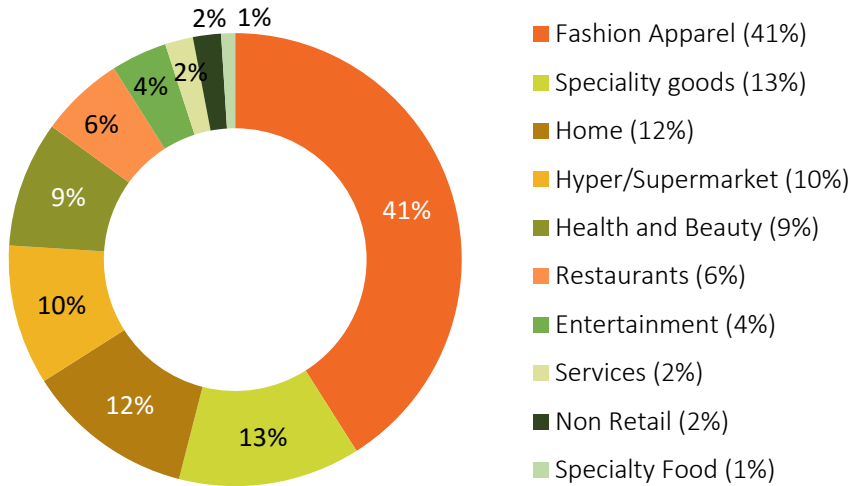
* All numbers incl. the 75% stake in Arkady Pankrac

** The external appraisers' equivalent yield is a weighted average yield that takes into consideration estimated rental values, occupancy rates and lease expiries

*** The EPRA Net initial yield is calculated as the annualised net rental income divided by the market value

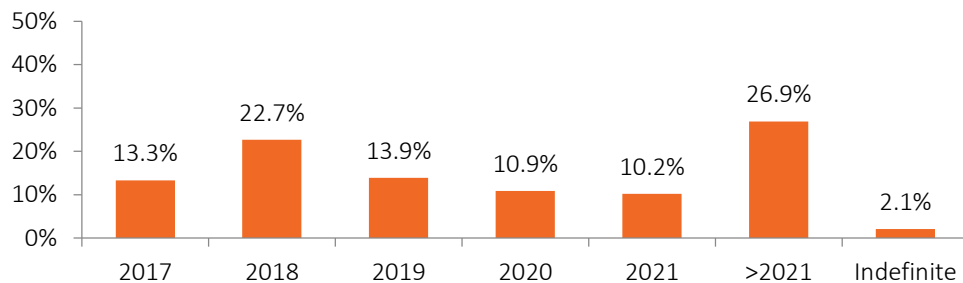
RESILIENT INCOME: STRONG TENANTS, LONG LEASE DURATION

🛒 TENANT MIX BY ANNUALISED RENTAL INCOME



- Fashion Apparel tenants generate 41% of income (32% of GLA), and Hyper/ Supermarket retailers generate 10% (18% of GLA)
- The tenant mix with large exposure to food retailing and everyday necessities has proven its economic resilience













🕒 LEASE EXPIRY BY ANNUALISED RENTAL INCOME



- The long duration of lease contracts and the wide range of expiries provide resilient income streams
- Average lease duration is 4.9 years



TOP 10 TENANTS - WELL-KNOWN GLOBAL RETAILERS

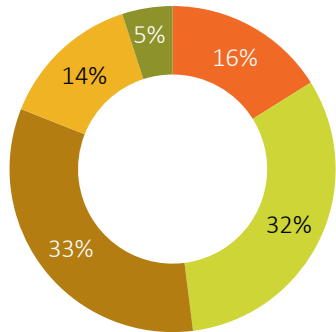
Group name	Main brands	% of Annualised Rental Income*	International presence	Sales 2015 € Bn, worldwide	S&P credit rating (if rated)
AFM	  	4.0%	1,855 stores/ 14 countries	54.2	BBB+/ Stable
LPP	   	3.6%	1,703 stores/ 18 countries	1.2	-
Metro Group	 	2.9%	2,068 stores/ 31 countries	59.2	BBB-/ Stable
Hennes & Mauritz		2.6%	4,351 stores/ 64 countries	22.9	-
Inditex	  	2.3%	7,292 stores/ 93 countries	20.9	-
Kingfisher		1.4%	1,100 stores/ 10 countries	13.4	BBB/ Stable
ASPIAG		1.3%	12,100 stores/ 42 countries	33.0	-
New Yorker		1.3%	1,000 stores/ 40 countries	n.a.	-
Carrefour		1.2%	11,935 stores/ 30 countries	76.9	BBB+/ Stable
A.S. Watson		1.2%	13,300 stores/ 25 countries	18.9	-
Top 10 tenants		21.8%			

* Including 100% of Arkady Pankrac



FOCUS ON STRONGER PORTFOLIO VIA UPGRADES, REDEVELOPMENTS & EXTENSIONS

DEVELOPMENT AND LAND PER COUNTRY



- Poland - Redevelopment (€49m)
- Poland - Land (€97m)
- Turkey (€100m)
- Russia (€43m)
- Other (€15m)

- €304M fair value, representing 10% of our total real estate portfolio
- 48% located in Poland
- 16% (€49m) are redevelopments & extensions

COMPLETED PROJECTS

- March 2014: Atrium's largest project – Atrium Felicity (74,100 m² GLA) in Lublin, Poland
- March 2015: extension of Atrium Copernicus in Torun, Poland (+17,300 m² of GLA)

ONGOING PROJECTS

- Substantial redevelopment & extension programme to deliver almost 70,000 m² new GLA, including:
 - Atrium Promenda (Warsaw) – Stage 1 completed: 7,600 m² GLA added/ Stage 2 ongoing: will add 13,400 m² GLA
 - Atrium Targowek (Warsaw) – Preliminary Stage of 8,600 m² GLA extension ongoing, preceding construction of the main extension

ATRIUM FELICITY



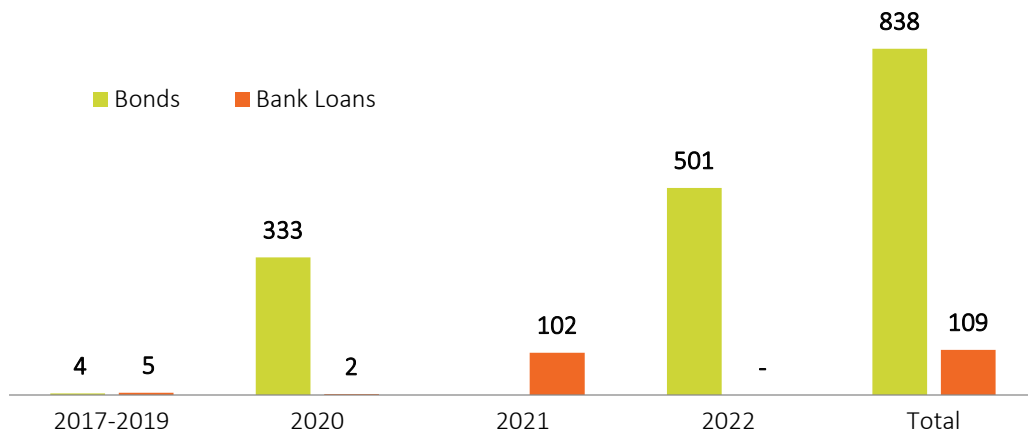
ATRIUM PROMENADA EXTENSION



SOLID DEBT PROFILE

BBB-/ STABLE RATING FROM S&P AND FITCH

DEBT MATURITY (€M)



KEY METRICS

- Atrium has a strong Balance Sheet with €104m of cash, gross LTV of 32.3% and net LTV of 28.7%
- The weighted average debt maturity is 4.9 years
- Average cost of debt at 3.7%
- The unencumbered standing investments portfolio proportion is 84%, up from 80% as at YE-2015



LATEST TRANSACTIONS

- Early repayment of €49.5m bank loan to Berlin-Hyp in Poland
- 2013 & 2014 Bonds buybacks for the total amount of €18m
- Increase of €25m in revolving credit facility to €175m



STRATEGIC FOCUS & FUTURE GROWTH

CORPORATE VISION: The Group's vision is to remain one of the leading owners and managers 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

THREE KEY DRIVERS OF FUTURE GROWTH:



LIQUIDITY - Significant liquid funds directly available for investments



DEVELOPMENT & LAND - Monetise the land bank through selective development or divestment



EXTENSIONS - Redevelopment and extension potential

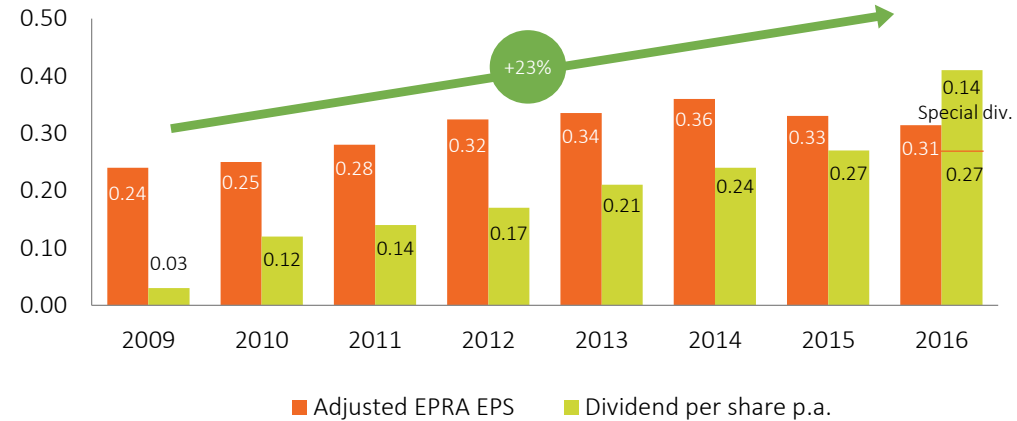
FINANCIAL TARGETS:

- Long-term leverage target of net debt to real estate value of **35%**
- Long-term target for development & land bank **<15%** of total real estate asset

MILESTONE 1: Solid investment grade rating ✓

MILESTONE 2: Sustainable dividend ✓

DIVIDEND CAGR (2010-16)





APPENDIX 1 – MACRO OVERVIEW

MACRO OVERVIEW OF OUR MARKETS

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Total / Average*	France	Germany
2016 Population (M people)	38.0	10.6	143.4	5.4	9.8	19.8	227.0	64.6	82.6
2016 GDP in PPP (\$ Bn)	1,052.3	350.9	3,745.1	169.1	267.6	441.0	6,026.0	2,736.7	3,979.1
2016 GDP per capita PPP (\$)	27,715	33,223	26,109	31,182	27,211	22,319	27,960	42,384	48,190
2017f GDP per capita PPP (\$)	29,268	34,768	26,967	32,895	28,536	23,709	29,357	43,678	49,768
2020f GDP per capita PPP (\$)	34,342	39,511	30,155	39,240	32,803	28,100	34,025	48,434	55,037
2016 real GDP growth (%)	3.1%	2.5%	-0.6%	3.4%	2.0%	5.0%	2.6%	1.3%	1.7%
2017f real GDP growth (%)	3.4%	2.7%	1.1%	3.3%	2.4%	3.8%	2.8%	1.3%	1.5%
2018f real GDP growth (%)	3.3%	2.4%	1.2%	3.7%	2.4%	3.2%	2.7%	1.6%	1.5%
2020f real GDP growth (%)	3.0%	2.2%	1.5%	3.7%	2.1%	3.2%	2.6%	1.8%	1.3%
2016 retail sales growth (%)	6.0%	5.1%	-5.2%	2.2%	4.7%	13.3%	4.4%	2.8%	1.4%
2017f retail sales growth (%)	3.9%	3.8%	5.7%	4.1%	3.6%	7.7%	4.8%	1.8%	1.5%
2020f retail sales growth (%)	3.9%	3.4%	6.3%	3.1%	4.1%	7.2%	4.7%	1.5%	1.3%
2016 Unemployment (%)	6.3%	4.1%	5.8%	9.9%	6.0%	6.4%	6.4%	9.8%	4.3%
2017f Unemployment (%)	6.2%	4.1%	5.9%	8.8%	5.8%	6.2%	6.2%	9.6%	4.5%
2020f Unemployment (%)	6.3%	4.2%	5.5%	7.8%	5.2%	6.5%	5.9%	8.7%	4.6%
2016 Inflation (%)	0.2%	1.1%	6.0%	0.3%	0.8%	-0.3%	1.4%	0.0%	1.2%
2017f Inflation (%)	1.5%	2.2%	4.9%	1.4%	2.6%	2.7%	2.6%	0.2%	1.6%
2020f Inflation (%)	2.5%	2.0%	4.0%	1.8%	3.0%	2.5%	2.6%	0.8%	1.9%

* Simple arithmetic average for comparison purposes
Sources: IMF, Eurostat, Oxford Economics, PMR



MACRO OVERVIEW OF OUR MARKETS (CONTINUED)

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Average	France	Germany
2016 Consumer spending growth (%)	3.5%	2.9%	-5.0%	3.2%	4.3%	7.6%	2.8%	1.8%	1.8%
2017f Consumer spending growth (%)	3.8%	3.5%	0.8%	4.0%	5.8%	8.5%	4.4%	1.1%	0.9%
10-year Interest rate, 2016 (%)	3.0%	0.4%	8.8%	0.4%	3.1%	1.1%	2.8%	0.4%	0.1%
10-year Interest rate, 2017f (%)	3.0%	0.7%	7.9%	0.4%	3.1%	3.0%	3.0%	0.7%	0.3%
2016 Avg. gross monthly wage (€)	980	1,021	496	912	889	804	850	n.a.	n.a.
2017f Avg. gross monthly wage (€)	1,027	1,071	528	948	963	848	898	n.a.	n.a.
2016 Monthly Retail sales per capita (€)	246	296	148	279	177	152	216	n.a.	n.a.
2017f Monthly Retail sales per capita (€)	256	307	157	291	183	164	226	n.a.	n.a.
Nov. '16 Retail trade volume change y-o-y * (%)	5.8%	6.6%	-4.1%	3.9%	4.5%	9.5%	4.4%	4.9%	1.2%
Dec. '16 Retail trade volume change y-o-y * (%)	2.9%	3.0%	-5.9%	4.3%	3.3%	7.9%	2.6%	2.2%	1.0%
Jan. '17 Retail trade volume change y-o-y * (%)	6.5%	3.3%	-2.3%	5.7%	3.7%	6.2%	3.9%	2.1%	0.0%
Consumer Confidence Indicator**, Jan. '17	-7.0	7.1	n.a.	-6.7	-11.4	-13.0	-6.2	-8.6	0.2
Consumer Confidence Indicator**, Feb. '17	-8.4	7.1	n.a.	-6.6	-11.9	-13.8	-6.7	-9.8	-2.1
Retail Confidence Indicator**, Jan. '17	6.3	24.6	n.a.	13.7	6.8	-1.7	9.9	-2.0	-1.0
Retail Confidence Indicator**, Feb. '17	5.3	24.3	n.a.	4.4	9.3	-1.3	8.4	-1.6	-2.1
Country rating/ outlook - Moody's	A2/ negative	A1/ stable	Ba1/ stable	A2/ stable	Baa3/ stable	Baa3/ positive	n.a.	Aa2/ stable	Aaa/ stable
Country rating/ outlook - S & P	BBB+/ stable	AA-/ stable	BB+/ stable	A+/ stable	BBB- / stable	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Country rating/ outlook - Fitch	A-/ stable	A+/ stable	BBB-/ stable	A+/ stable	BBB-/ stable	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Atrium country exposure by NRI (12M2016)	54%	15%	18%	6%	4%	3%	100%		
Atrium country exposure by MV at 31/12/16	58%	20%	11%	6%	2%	3%	100%		

* Adjusted for inflation & seasonal effects
 ** Households' & retailers' near-future expectations

Sources: Eurostat, C&W, Capital Economics, PMR

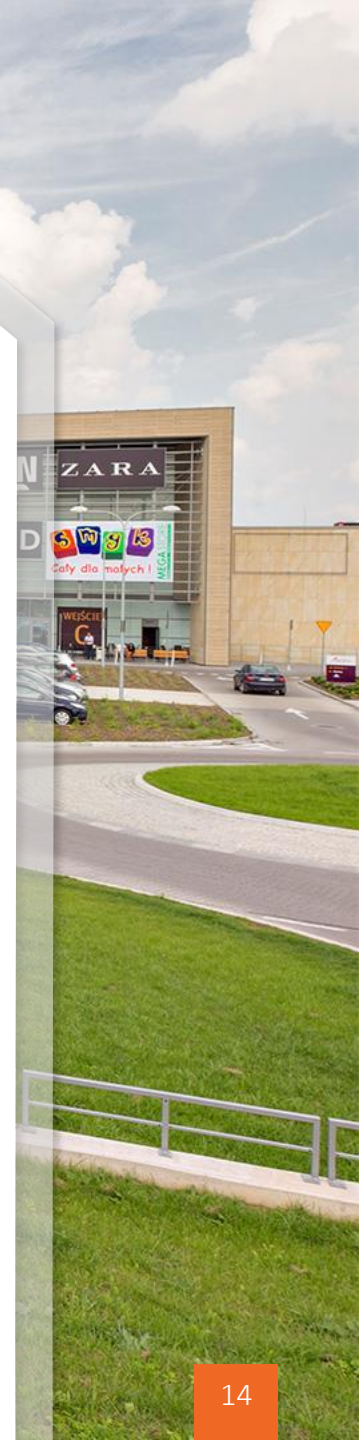


COUNTRY & REAL ESTATE RISK/ YIELD

YIELDS ON 10Y BONDS IN LOCAL CURRENCIES, JANUARY 2012- MARCH 2017



Country	Sovereign ratings	10Y gov. bond yield, local currency	Prime shopping centre gross yield* C&W (4Q16)	Spread from SC yield to 10Y gov. bond yields
	Fitch	March 2017		
Russia	BBB-	7.94%	11.00%	3.06%
Romania	BBB-	3.97%	7.00%	3.03%
Poland	A-	3.72%	4.75%	1.03%
Hungary	BBB-	3.58%	6.00%	2.42%
Slovakia	A+	1.13%	5.25%	4.12%
Czech Rep.	A+	0.88%	4.25%	3.37%
Germany	AAA	0.43%	3.90%	3.47%



DISCLAIMER

- This document has been prepared by Atrium (the “Company”). This document is not to be reproduced nor distributed, in whole or in part, by any person other than the Company. The Company takes no responsibility for the use of these materials by any person.
- The information contained in this document has not been subject to independent verification and no representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company, its shareholders, its advisors or representatives nor any other person shall have any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection with this document.
- This document does not constitute an offer to sell or an invitation or solicitation of an offer to subscribe for or purchase any securities, and this shall not form the basis for or be used for any such offer or invitation or other contract or engagement in any jurisdiction.
- This document 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”, “estimates”, “anticipates”, “expects”, “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. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company. 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 document is up to date only as of the date of this document. The business, financial condition, results of operations and prospects of the Company may change. Except as required by law, the Company do not undertake any obligation to update any forward looking statements, even though the situation of the Company may change in the future.
- All of the information presented in this document, and particularly the forward looking statements, are qualified by these cautionary statements. You should read this document and the documents available for inspection completely and with the understanding that actual future results of the Company may be materially different from what the Company expects.
- This presentation has been presented in € and €m’s. Certain totals and change movements are impacted by the effect of rounding.





THANK
YOU

