



ATRIUM – COMPANY PRESENTATION

THE LEADING OWNER & MANAGER OF
CENTRAL EASTERN EUROPEAN
SHOPPING CENTRES

August 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: 30.3% net LTV/ €121m cash & marketable securities
- Investment grade rating with a “Stable” outlook by Fitch and S&P
- Balance between solid income producing platform & opportunities for future growth

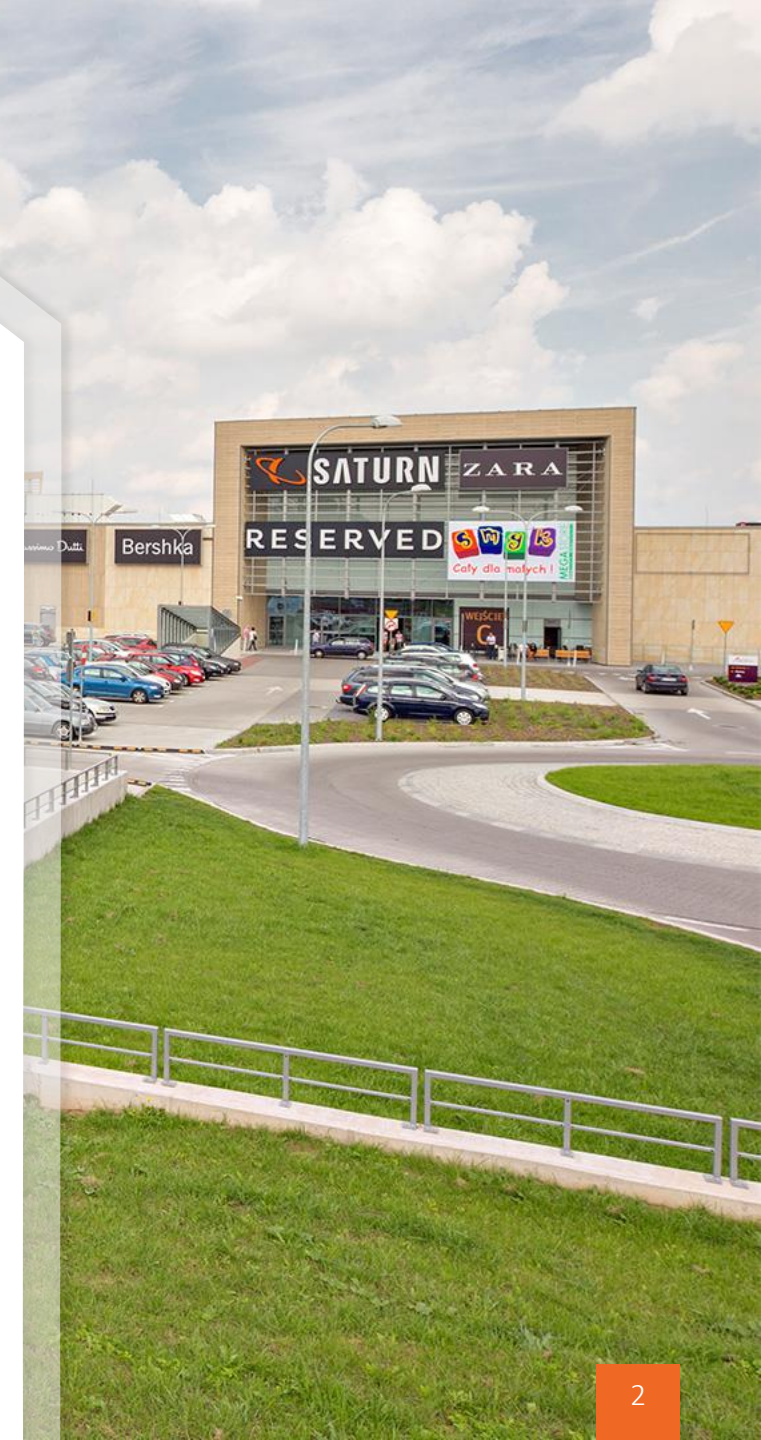


KEY FIGURES

- 60 properties with a **MV of c.€2.6bn and 1.1 million m² GLA**
- Focus on **shopping centres**, primarily food-anchored
- 1H17 GRI: €98.8m, NRI: €95.5m
- Adjusted EPRA EPS: 16.4 €cents, EPRA NAV per share: €5.40
- Special dividends of 14 €cents each paid in September 2016 and June 2017
- Board-approved dividend of 27 €cents per share for 2017*
- Research coverage by **Bank of America Merrill Lynch, Baader Bank, HSBC, Kempen, Raiffeisen and Wood & co**

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

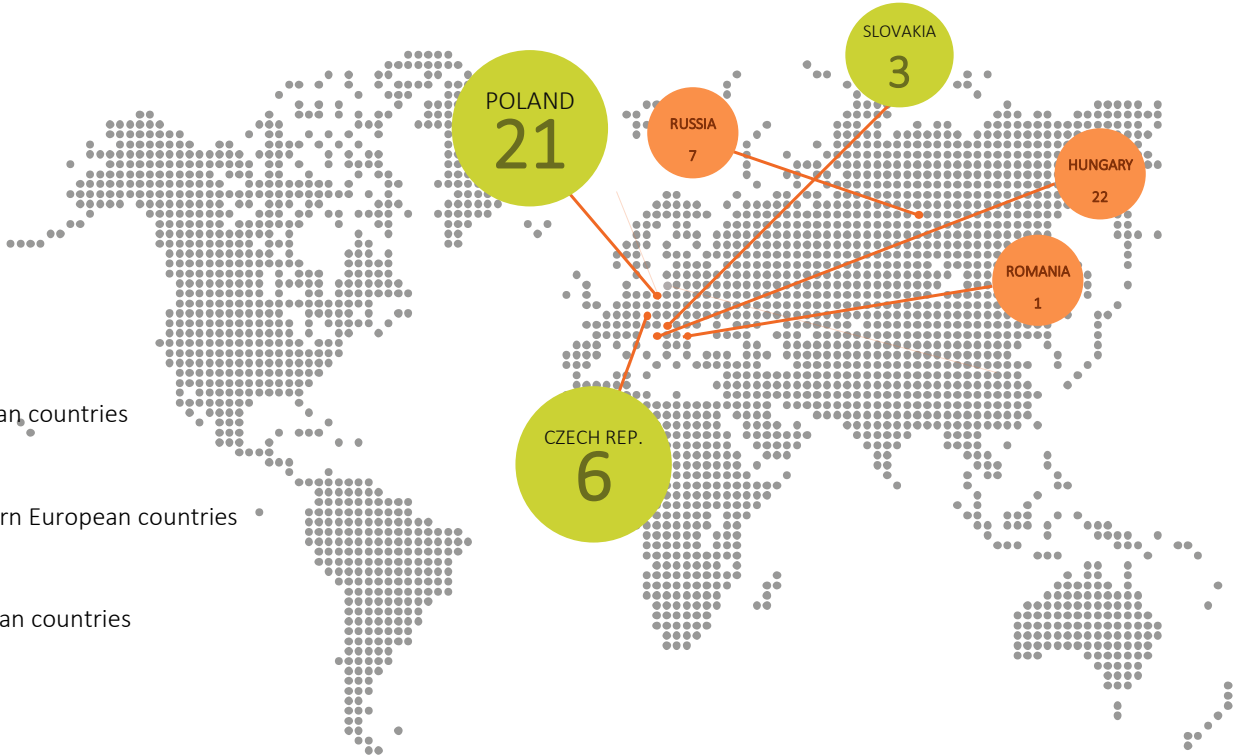
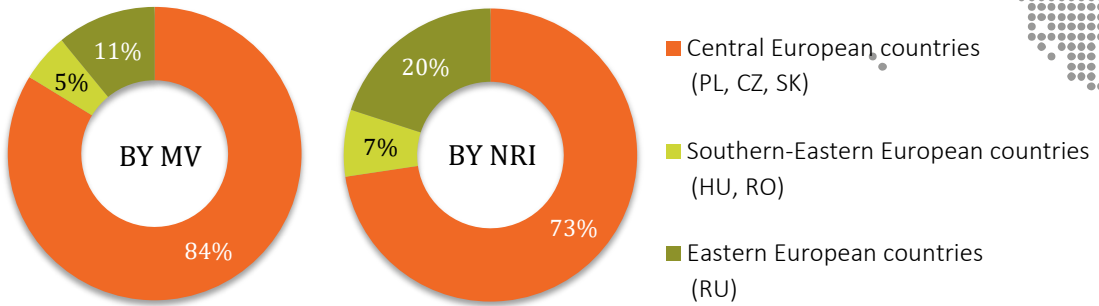
All numbers in this presentation as reported in the 6M results to 30 June 2017 unless explicitly stated otherwise, incl. a 75% stake in Arkady Pankrac



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/ 73% of NRI
- Exposure to investment-grade countries: 89%*
- 88% of 6M17 GRI is denominated in Euros, 6% in Polish Zlotys, 1% in Czech Korunas, 2% in USD and 3% in other currencies

GEOGRAPHIC MIX OF THE PORTFOLIO

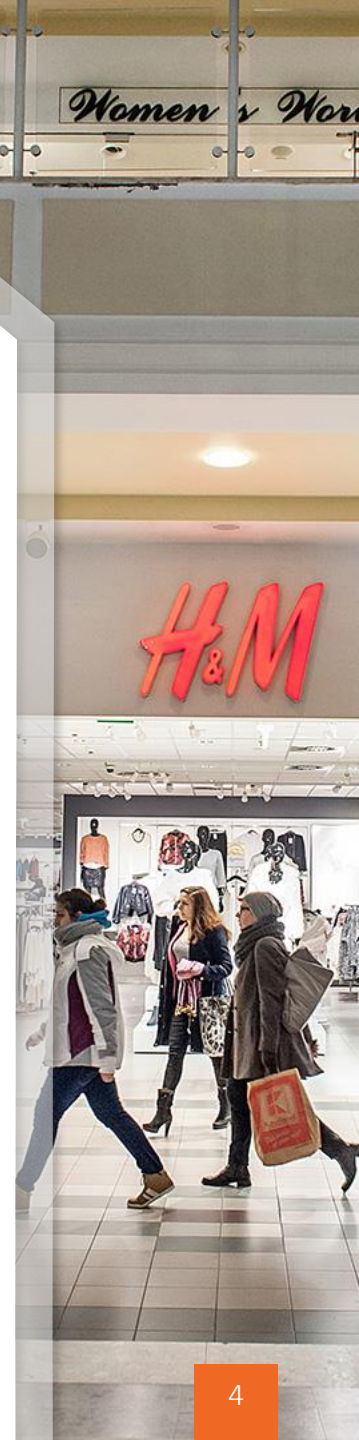


* By MV based on S&P ratings/ 100% based on Fitch ratings

RESTRUCTURING: MANAGEMENT MAKES A DIFFERENCE



WHERE WE STARTED		WHERE WE ARE TODAY
€1.6bn (Dec'08)	STANDING INVESTMENT PORTFOLIO	€2.6bn
93.6% (Dec'08)	OCCUPANCY (GLA)	95.5%
71% (FY08)	OPERATING MARGIN	96.6%
€727m (Dec'08)	DEVELOPMENT AND LAND	€326.5m
61%, 8.3% (Dec'08)	GROSS LTV, COST OF DEBT	33.3%, 3.6%
BB- (2009)	CREDIT RATING	BBB-
€24 cent p.s. (FY09)	ADJ. EPRA EARNINGS	€16.4 cent p.s. (1H17)
€3 cent p.s. (FY09)	DIVIDEND	€27 cent p.s. (approved for 2017)* + €14 cent p.s. special dividend Jun'17
	CORPORATE GOVERNANCE & TRANSPARENCY	
	AWARDS + FIRST SUSTAINABILITY REPORT	

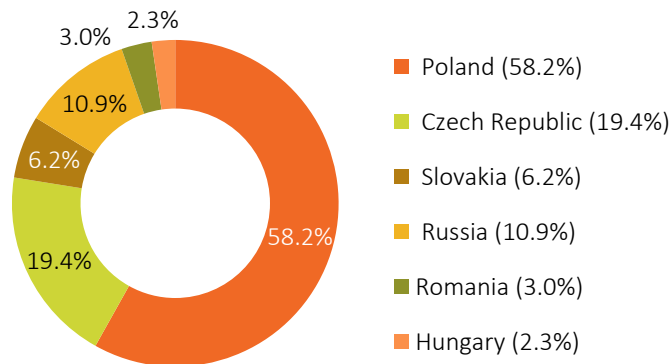


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STANDING INVESTMENTS PORTFOLIO DETAILED OVERVIEW*

Country	No of properties	Gross lettable area	Market value 30/06/2017	Market value per m ² of GLA	Net equivalent yield (weighted average)**	EPRA net initial yield***	Revaluation during 6M 2017	EPRA Occupancy
		m ²	€m	€	%	%	€m	%
Poland	21	522,600	1,535.7	2,939	6.3%	6.1%	0.1	95.6%
Czech Republic	6	112,500	514.0	4,569	5.6%	5.5%	-0.5	98.5%
Slovakia	3	61,200	164.9	2,694	7.2%	6.2%	0.6	97.6%
Russia	7	241,400	289.1	1,198	12.5%	11.5%	2.7	94.4%
Hungary	22	97,700	61.3	628	9.4%	12.1%	-0.1	98.2%
Romania	1	56,600	79.7	1,408	8.1%	8.0%	0.0	100.0%
Total Group	60	1,092,000	2,644.7	2,422	7.0%	6.8%	2.7	96.2%

MARKET VALUE PER COUNTRY



- Portfolio quality boost & repositioning (6Y): €1bn prime bought in 7 acquisitions, €220m non-core sold in 93 disposals
- 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



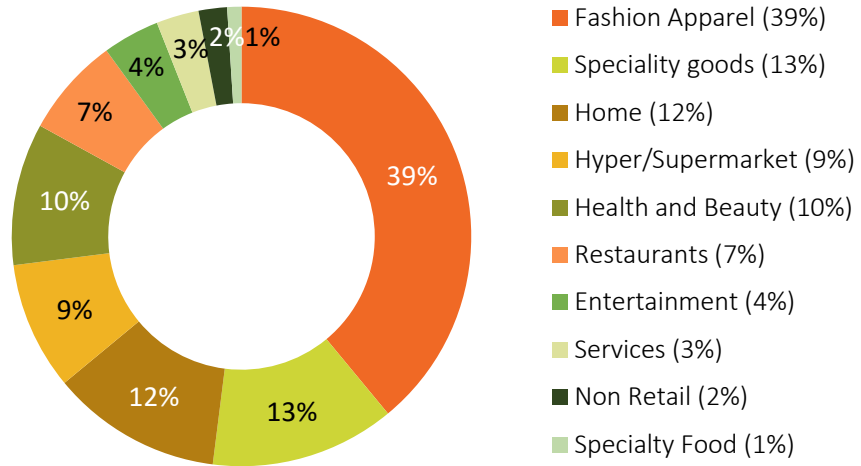
* All numbers incl. the 75% stake in Arkady Pankrac

** 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

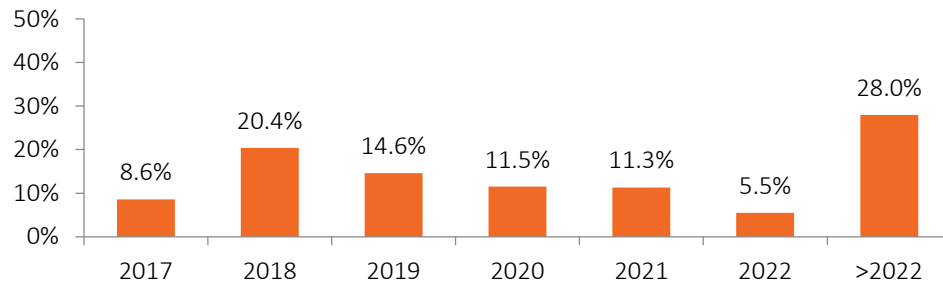
RESILIENT INCOME: STRONG TENANTS, LONG LEASE DURATION

🛒 TENANT MIX BY ANNUALISED RENTAL INCOME



- Fashion Apparel tenants generate 39% of income (32% of GLA), and Hyper/ Supermarket retailers generate 9% (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 2016 € Bn, worldwide	S&P credit rating (if rated)
AFM	  	4.0%	1,923 stores/ 14 countries	52.8	BBB+/ Stable
LPP	   	3.6%	1,703 stores/ 17 countries	1.4	-
Metro Group	 	2.9%	2,064 stores/ 29 countries	58.4	-
Hennes & Mauritz		2.6%	4,351 stores/ 64 countries	23.3	-
Inditex	  	2.3%	7,292 stores/ 93 countries	23.3	-
Kingfisher		1.4%	1,100 stores/ 10 countries	12.1	BBB/ Stable
ASPIAG		1.3%	12,500 stores/ 44 countries	33.1	-
New Yorker		1.3%	1,000 stores/ 40 countries	-	-
Carrefour		1.2%	11,935 stores/ 30 countries	103.7	BBB+/ Stable
A.S. Watson		1.2%	13,500 stores/ 24 countries	45.7	-
Top 10 tenants		21.8%			



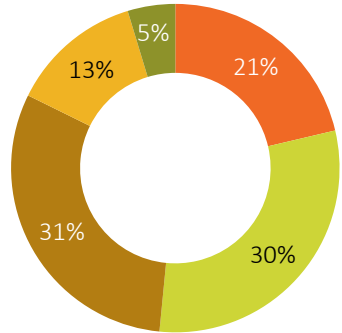
* As of YE-2016

** Including 100% of Arkady Pankrac



FOCUS ON STRONGER PORTFOLIO VIA UPGRADES, REDEVELOPMENTS & EXTENSIONS

DEVELOPMENT AND LAND PER COUNTRY



- Poland - Redevelopment (€70m)
 - €326.5M fair value, representing 11% of our total real estate portfolio
 - 52% located in Poland
 - 21% (€70m) are redevelopments & extensions
- Poland - Land (€99m)
- Turkey (€100m)
- Russia (€43m)
- Other (€15m)

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) – 8,600 m² GLA extension; expected completion – end of 2018
 - Atrium Reduta (Warsaw) – 5,800 m² GLA extension; expected completion – end of 2019

ATRIUM PROMENADA



Visualisation

ATRIUM TARGOWEK



Visualisation

ATRIUM REDUTA



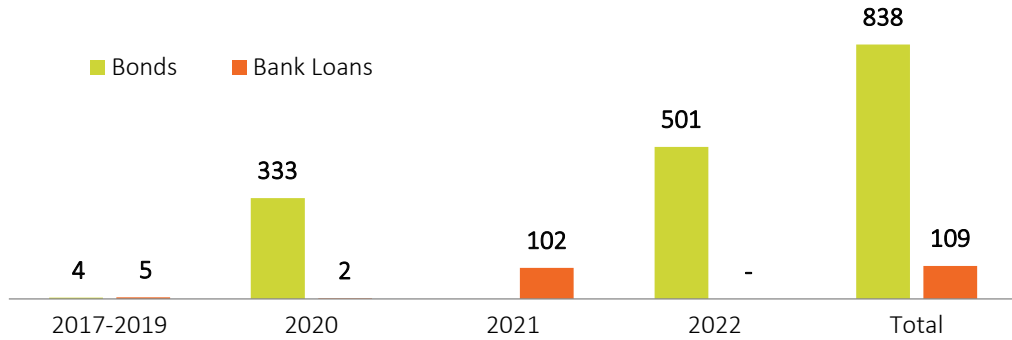
Visualisation



SOLID DEBT PROFILE

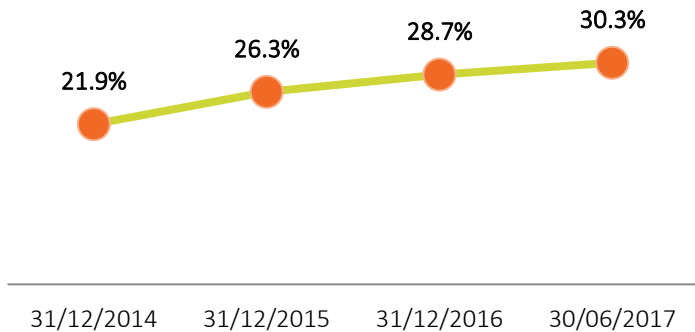
BBB-/ STABLE RATING FROM S&P AND FITCH

DEBT MATURITY (€M)



LTV (NET)

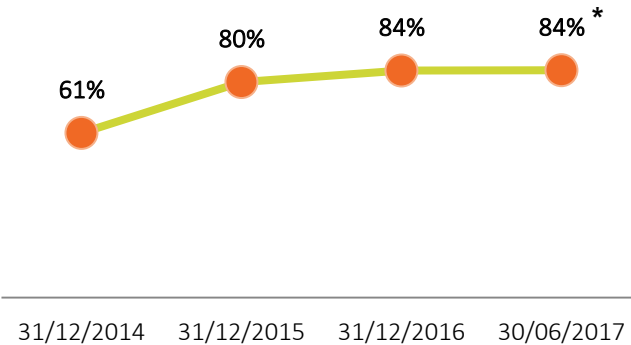
Long term target - 40%



KEY METRICS

- Atrium has a strong Balance Sheet with €121m of cash & marketable securities, gross LTV of 33.3% and net LTV of 30.3%
- The weighted average debt maturity is 4.2 years
- Average cost of debt at 3.6%
- Revolving credit facility of €175m (€44m utilised at 30.06.17)

UNENCUMBERED STANDING INVESTMENTS



*85% as of today



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

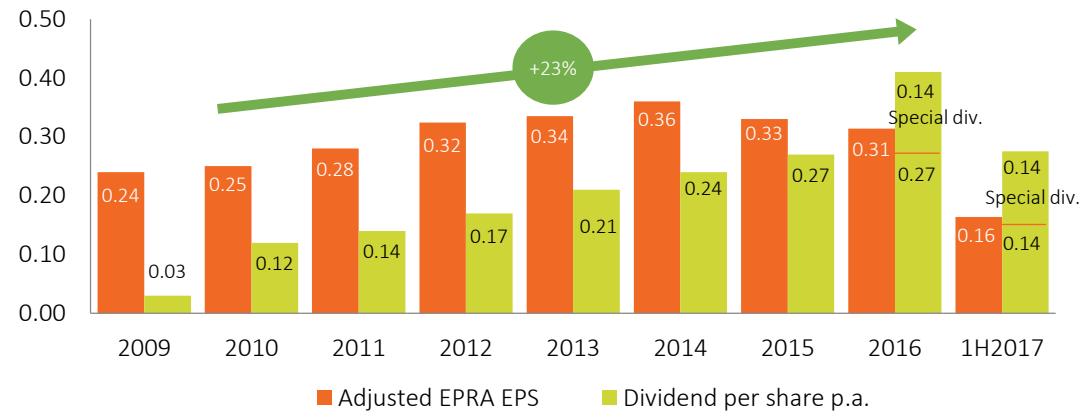
FINANCIAL TARGETS:

- Long-term leverage target of net debt to real estate value of **40%**
- 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)



SUSTAINABILITY – IT MATTERS: OUR CUSTOMERS, OUR PLACES, OUR PEOPLE

- Atrium is committed to sustainable growth, reflecting our long-term business approach and our dedication to corporate citizenship
- We strive for economic efficiency, social fairness and environmental sustainability in all our endeavours
- Atrium’s sustainability vision is to lead the CEE market, and to continue to create value for all our stakeholders
- Our strategy is centred around three focus areas – our customers, our assets, and our employees
- Atrium’s sustainability achievements include:
 - Our 1st ever participation in GRESB resulting in a “Green Star” ranking (2016)
 - The EPRA Gold award for our financial reporting standards and transparency (2016)
 - Our first Sustainability Report , “It Matters”, in line with the EPRA best practice recommendations (2017)
- We will continue to increase our efforts, to participate in GRESB, and to promote transparency and environmental regulation in the real estate sector





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	82.7
2016 GDP in PPP (\$ Bn)	1,054.1	350.7	3,799.7	170.1	270.3	441.6	6,086.5	2,733.7	3,980.2
2016 GDP per capita PPP (\$)	27,764	33,222	26,490	31,339	27,482	22,348	28,108	42,314	48,111
2017f GDP per capita PPP (\$)	29,349	34,849	27,466	33,055	28,965	23,958	29,607	43,653	49,815
2020f GDP per capita PPP (\$)	34,281	39,405	30,699	39,184	33,623	28,686	34,313	48,321	55,079
2016 real GDP growth (%)	2.8%	2.4%	-0.2%	3.3%	2.0%	4.8%	2.5%	1.2%	1.8%
2017f real GDP growth (%)	3.4%	2.8%	1.4%	3.3%	2.9%	4.2%	3.0%	1.5%	1.8%
2018f real GDP growth (%)	3.2%	2.2%	1.4%	3.7%	3.0%	3.4%	2.8%	1.7%	1.6%
2021f real GDP growth (%)	2.8%	2.3%	1.5%	3.4%	2.2%	3.3%	2.6%	1.8%	1.2%
2016 unemployment (%)	6.1%	4.0%	5.5%	9.7%	4.9%	6.0%	6.0%	10.0%	4.2%
2017f unemployment (%)	5.6%	3.8%	5.5%	7.9%	4.4%	5.4%	5.4%	9.6%	4.2%
2020f unemployment (%)	5.2%	4.5%	5.5%	6.4%	4.2%	6.0%	5.3%	8.7%	4.2%
2016 inflation (%)	0.8%	2.0%	5.4%	0.2%	1.8%	-0.5%	1.6%	0.7%	1.7%
2017f inflation (%)	2.3%	2.3%	4.4%	1.4%	2.8%	2.2%	2.6%	1.4%	1.6%
2020f inflation (%)	2.5%	2.0%	4.0%	2.0%	3.0%	2.5%	2.7%	1.7%	2.2%
Country rating/ outlook - Moody's	A2/ stable	A1/ stable	Ba1/ stable	A2/ positive	Baa3/ stable	Baa3/ stable	n.a.	Aa2/ stable	Aaa/ stable
Country rating/ outlook - S & P	BBB+/ stable	AA-/ stable	BB+/ positive	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 (6M2017)	52%	15%	20%	6%	4%	3%	100%		
Atrium country exposure by MV at 30/06/17	58%	20%	11%	6%	2%	3%	100%		

* Simple arithmetic average for comparison purposes
Sources: IMF, rating agencies



MACRO OVERVIEW OF OUR MARKETS (CONTINUED)

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Average	France	Germany
2016 Avg. gross monthly wage (€)	980	1,021	496	912	889	643	824	n.a.	n.a.
2017f Avg. gross monthly wage (€)	1,056	1,093	638	950	979	718	906	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 (€)	263	313	185	291	183	164	233	n.a.	n.a.
2020f Monthly retail sales per capita (€)	308	352	199	311	199	201	262	n.a.	n.a.
2016 Retail sales growth (%)	5.4%	5.1%	-5.2%	2.1%	4.8%	14.0%	4.4%	2.9%	1.7%
2017f Retail sales growth (%)	3.9%	3.8%	5.7%	4.1%	3.6%	7.7%	4.8%	3.2%	2.2%
2020f Retail sales growth (%)	3.9%	3.4%	6.3%	3.1%	4.1%	7.2%	4.7%	2.7%	1.4%
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%
2018f Consumer spending growth (%)	3.0%	2.8%	1.5%	2.8%	3.5%	4.0%	2.9%	1.7%	1.1%
Apr.'17 Retail trade volume change y-o-y * (%)	4.9%	4.8%	0.1%	7.1%	1.7%	5.5%	4.0%	3.3%	2.6%
May'17 Retail trade volume change y-o-y * (%)	3.8%	7.0%	0.7%	7.3%	5.5%	13.8%	6.4%	3.2%	2.5%
Jun.'17 Retail trade volume change y-o-y * (%)	4.6%	6.6%	1.2%	8.1%	6.0%	7.6%	5.7%	3.1%	3.6%
Consumer confidence indicator**, May '17	-4.7	6.5	n.a.	-3.4	-14.7	-14.5	-6.2	3.1	-7.0
Consumer confidence indicator**, Jun. '17	-4.8	4.1	n.a.	-5.6	-14.0	-14.2	-6.9	5.0	0.5
Consumer confidence indicator**, Jul.'17	-5.6	3.5	n.a.	-4.5	-14.8	-17.0	-7.7	5.2	-3.8
Retail confidence indicator**, May '17	4.3	17.5	n.a.	14.5	4.7	11.7	10.5	-5.4	-1.7
Retail confidence indicator**, Jun.'17	5.7	19.5	n.a.	18.6	7.8	5.6	11.4	-3.4	3.8
Retail confidence indicator**, Jul.'17	5.0	20.0	n.a.	18.2	6.6	5.2	11.0	-0.3	-0.1

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

Sources: Eurostat, Capital Economics, PMR

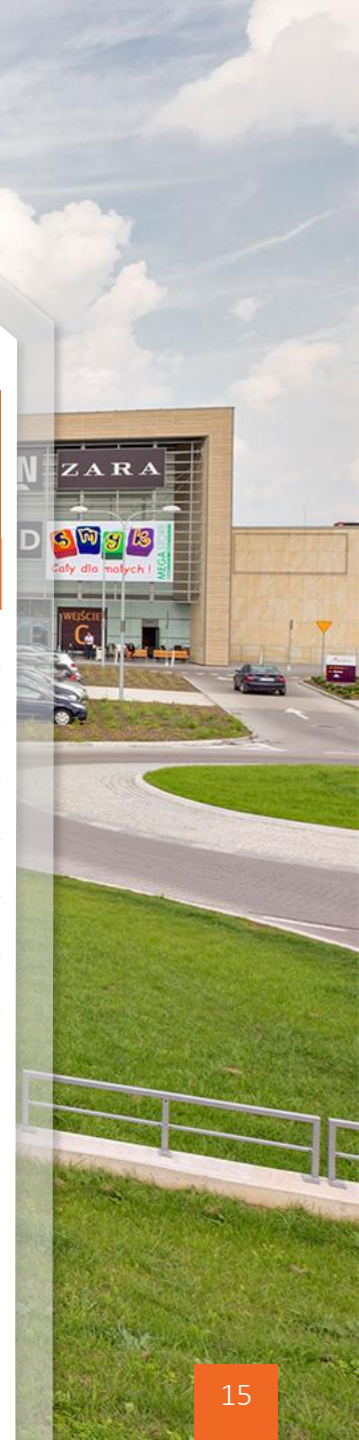


COUNTRY & REAL ESTATE RISK/ YIELD

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



Country	Sovereign ratings	10Y gov. bond yield, local currency	Prime shopping centre gross yield* C&W (2Q17)	Spread from SC yield to 10Y gov. bond yields
Russia	BBB-	7.74%	11.00%	3.26%
Romania	BBB-	3.87%	6.75%	2.88%
Poland	A-	3.42%	4.75%	1.33%
Hungary	BBB-	3.08%	6.00%	2.92%
Czech Rep.	A+	0.96%	4.25%	3.29%
Slovakia	A+	0.82%	5.25%	4.43%
Germany	AAA	0.38%	3.70%	3.32%



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