



Atrium company presentation

21 March 2018



ATRIUM – LEADING OWNER & MANAGER OF SHOPPING CENTRES IN CE



A UNIQUE INVESTMENT OPPORTUNITY

- Ever more focused on owning high quality assets in well-connected strong urban locations within Central Europe
- Focus on Poland and the Czech Republic, the region's largest and strongest economies
- Strong management team with a proven track record
- Balance sheet: **30.1% net LTV**/ €92m cash & marketable securities; well placed to support growth initiatives
- Investment grade rating by Fitch and S&P, positive outlook Fitch
- Balance between solid income producing platform & opportunities for future growth from redevelopment pipeline and portfolio rotation



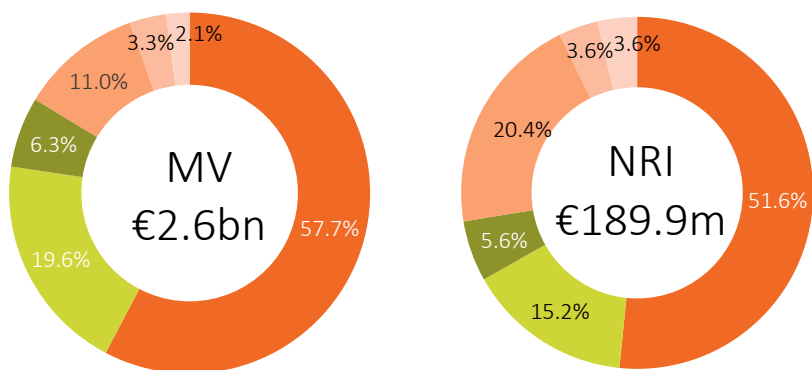
KEY HIGHLIGHTS 2017

- 31 March 2018: 40 properties, MV of c.€2.6bn, 1.1 million sqm GLA
- Focus on place-making at our assets- offer variety of leisure, retail and entertainment experience
- GRI: €198.7m, NRI: €189.9m
- LFL NRI ↑6.4% and excl. Russia ↑2.6% with growth across all countries
- ↑40.8% EBITDA growth to €159.9m
- Adjusted EPRA EPS: 32.4 €cents, EPRA NAV per share: €5.38
- Research coverage by Bank of America Merrill Lynch, Baader Bank, HSBC, Kempen, Raiffeisen and Wood & co

FOCUS ON POLAND AND THE CZECH REPUBLIC, THE REGION'S STRONGEST PERFORMING ECONOMIES


- Poland and Czech Republic > 2/3 of Group MV (and over €2bn) and Group NRI
- Exposure to investment-grade countries: 89%*
- 60 to 40 assets
 - 18 assets in Hungary and 2 in the Czech Republic sold for €80m, 8% premium to fair value
 - Effective exit from Hungary
 - Portfolio rotation completed in the Czech Republic
- Pursuing acquisition targets

GEOGRAPHIC MIX OF THE PORTFOLIO



* 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	2017
WHERE WE STARTED						WHERE WE ARE TODAY		
€1.6bn (Dec'08)	STANDING INVESTMENT PORTFOLIO					€2.6bn		
93.6% (Dec'08)	OCCUPANCY (GLA)					96.2%		
71% (FY08)	OPERATING MARGIN					95.6%		
€727m (Dec'08)	REDEVELOPMENT AND LAND					€345.3m		
61%, 8.3% (Dec'08)	GROSS LTV, COST OF DEBT					32.5%, 3.4%		
BB- (2009)	CREDIT RATING					BBB ⁻¹		
€24 cent p.s. (FY09)	ADJ. EPRA EARNINGS					€32.4 cent p.s. (FY17)		
€3 cent p.s. (FY09)	DIVIDEND					€27 cent p.s. (approved for 2018) ² + €14 cent p.s. special dividend Mar. 2018		
	CORPORATE GOVERNANCE & TRANSPARENCY							
	AWARDS + FIRST SUSTAINABILITY REPORT							

¹ Fitch positive outlook

² Subject to any legal and regulatory requirements and restrictions of commercial viability

STANDING INVESTMENTS PORTFOLIO DETAILED OVERVIEW 31/12/2017*

- Portfolio quality boost & repositioning (6Y): €1bn prime bought in 7 acquisitions, €297m non-core sold in 114 disposals
- Atrium now owns 40 (60 as at 31/12/16) assets which are all internally managed with two exceptions
- 77% of the total standing investments portfolio is located in Poland and the Czech Republic, with Poland at 58%
- Over one third of the portfolio is located in Warsaw and Prague

Country	No of properties	Gross lettable area	Market value 31/12/2017	Market value per m² of GLA	Net equivalent yield (weighted average)**	EPRA Occupancy	2017 Revaluation
		m²	€m	€	%	%	€m
Poland	21	517,400	1,522.8	2,943	6.2%	96.4%	1.8
Czech Republic	4	92,000	505.2	5,491	5.6%	97.6%	6.5
Slovakia	3	76,800	166.8	2,172	7.0%	95.4%	(2.8)
Russia	7	241,500	289.3	1,198	12.5%	97.1%	3.1
Hungary	4	15,300	10.2	666	9.0%	97.6%	(0.3)
Romania	1	56,400	86.8	1,539	8.1%	99.2%	5.2
Total Group	40	999,400	2,581.1	2,583	7.0%	96.8%	13.6
Standing investments classified as assets held for sale ¹	6	89,000	58.4	656			0.1
Total Group	46	1,088,400	2,639.5	2,425			13.8

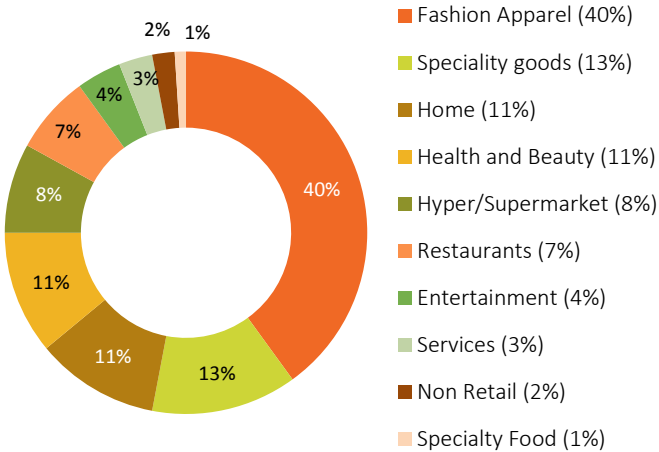
¹ Sold in 2018

* 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

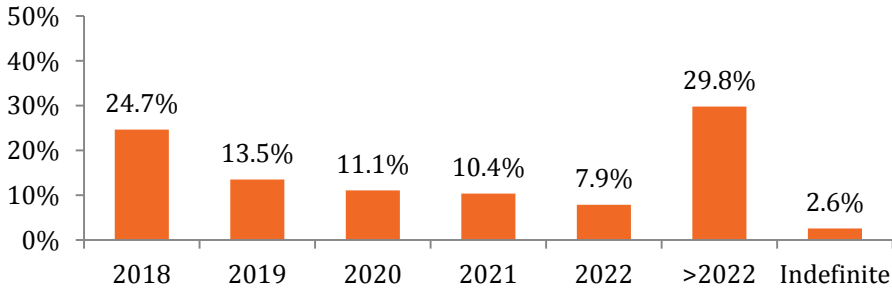
RESILIENT INCOME: STRONG TENANTS, LONG LEASE DURATION

TENANT MIX BY ANNUALISED RENTAL INCOME





















- Focus on PLACEMAKING offering leisure, dining and other entertainment experience
- Tenant mix that is tailored to the centres' local environments

LEASE EXPIRY BY ANNUALISED RENTAL INCOME



- Long lease duration and spread of expirations = resilient income stream
- Average lease duration is 4.8 years

TOP 10 TENANTS - WELL-KNOWN GLOBAL RETAILERS*

Group name	Main brands	% of Annualised Rental Income**	International presence	Sales 2017 € Bn, worldwide	S&P credit rating (if rated)
AFM	  	4%	1,923 stores/ 17 countries	52.8	A/Stable
LPP	   	4%	1,743 stores/ 17 countries	1.6	-
Hennes & Mauritz		2%	4,700 stores/ 69 countries	23.0	-
Metro Group	 	2%	2,064 stores/ 29 countries	58.4	-
Inditex	  	2%	7,405 stores/ 94 countries	25.3	-
Carrefour		2%	12,300 stores/ 30 countries	88.2	BBB+/ Stable
Kingfisher		1%	1,194 stores/ 10 countries	11.2	BBB/ Stable
A.S. Watson		1%	12,000 stores / 20 countries	55.4	-
ASPIAG		1%	12,500 stores/ 44 countries	33.1	-
CCC		1%	900 stores	3.5	-
Top 10 tenants		21%			

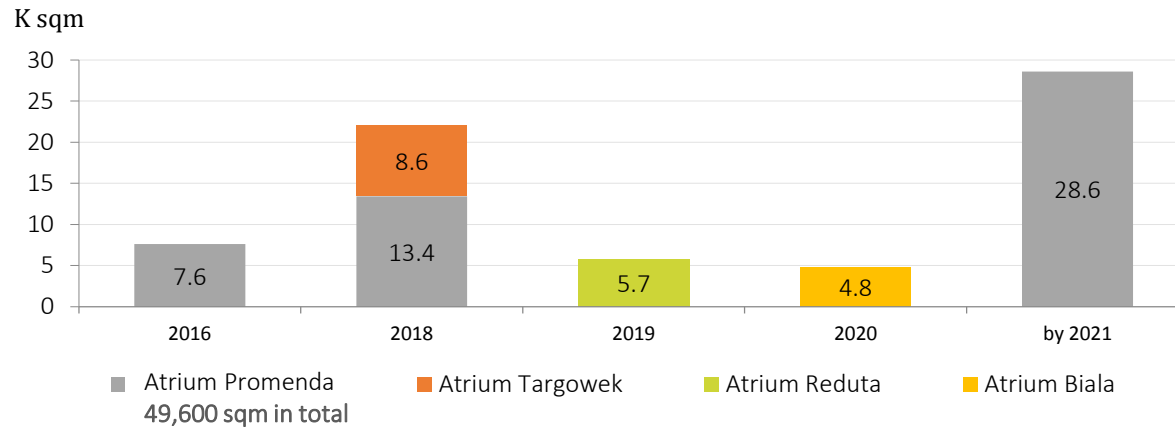
* As of 31.12.2017

** Including 100% of Arkady Pankrac

FOCUS ON STRENGTHENING THE PORTFOLIO VIA REDEVELOPMENTS

- Further quality growth to come from the ongoing **€330m redevelopment and extension programme** which is focused on 3 centres in Warsaw and one in Bialystok, Poland
- Adding **70,000 sqm** GLA of which **60,000 sqm GLA in Warsaw**
- **€88m** in total spent by the end of 2017
- **Place making focus** to ensure our assets offer variety of leisure, dining and other entertainment experience as well as a tenant mix that is tailored to the centres' local environments

Incremental GLA



Atrium Promenada (Warsaw)



Atrium Targowek (Warsaw)



Atrium Reduta (Warsaw)



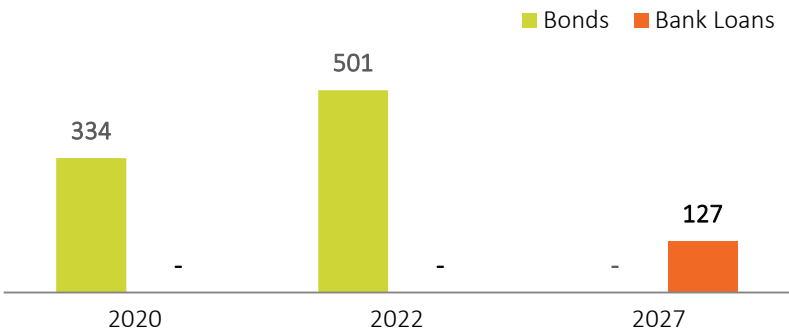
Atrium Biala (Bialystok)



PROACTIVE OPTIMISATION OF BALANCE SHEET

BBB-/ POSITIVE FROM FITCH AND BBB-/ STABLE RATING FROM S&P

DEBT MATURITY (€M)¹

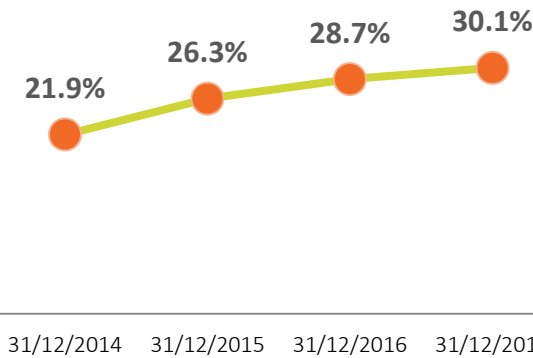


KEY METRICS

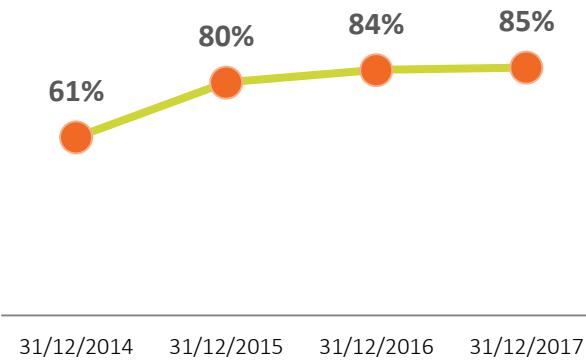
- Strong Balance Sheet with €92m of cash & marketable securities (at 31st Dec.), gross LTV of 32.5% and net LTV of 30.1%
- 4.6 years average debt maturity
- 3.4% average cost of debt
- €225m revolving credit facility, unutilised

LTV (NET)

Long term target - 40%



UNENCUMBERED STANDING INVESTMENTS



¹ Incl. only repayments above €5m

STRATEGIC FOCUS & FUTURE GROWTH

THREE KEY DRIVERS OF FUTURE GROWTH:



PORTFOLIO REPOSITIONING – to high quality assets in urban locations in Central Europe. A focus on Poland and Czech



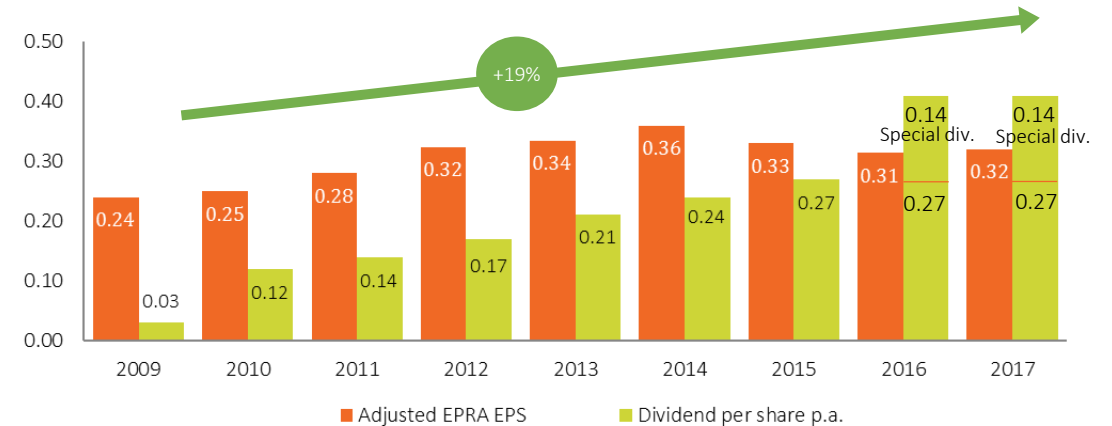
REDEVELOPMENTS AND EXTENSIONS :

- Fueling Further quality growth
- Focus on placemaking



LIQUIDITY - Significant liquidity available for investments

DIVIDEND CAGR (2010-17)



■ €cents 14 per share special dividend approved on 20 March 2018

■ €cents 27 dividend for 2018

APPENDIX 1 – SUSTAINABILITY AND MACRO OVERVIEW

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 (2017)
 - 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



For more information on our sustainability strategy , as well as our sustainability reports, please see our website www.aere.com/sustainability

MACRO OVERVIEW OF OUR MARKETS

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Total / Average*	France	Germany
2017 population (M people)	38.0	10.6	143.4	5.4	9.8	19.8	226.9	64.9	82.7
2017 GDP in PPP (\$ Bn)	1,110.7	372.6	4,000.1	178.7	283.6	474.0	6,419.7	2,826.5	4,149.6
2017 GDP per capita PPP (\$)	29,251	35,223	27,900	32,895	28,910	23,991	29,695	43,551	50,206
2018 GDP per capita PPP (\$)	30,827	36,784	28,918	34,743	30,538	25,533	31,224	44,972	52,045
2021f GDP per capita PPP (\$)	35,745	41,759	32,327	41,012	35,334	30,103	36,047	49,957	57,738
2017 real GDP growth (%)	3.8%	3.5%	1.8%	3.3%	3.2%	5.5%	3.5%	1.6%	2.1%
2018 real GDP growth (%)	3.3%	2.6%	1.6%	3.7%	3.4%	4.4%	3.2%	1.8%	1.8%
2019f real GDP growth (%)	3.0%	2.3%	1.5%	3.9%	2.8%	3.8%	2.9%	1.9%	1.5%
2021f real GDP growth (%)	2.7%	2.3%	1.5%	3.4%	2.4%	3.3%	2.6%	1.9%	1.3%
2017 unemployment (%)	4.8%	2.8%	5.5%	8.1%	4.4%	5.3%	5.1%	9.5%	3.8%
2018 unemployment (%)	4.0%	3.0%	5.5%	7.5%	4.3%	5.2%	4.9%	9.0%	3.7%
2021f unemployment (%)	3.8%	3.5%	5.5%	5.7%	4.1%	6.0%	4.8%	8.0%	3.6%
2017 inflation (%)	1.9%	2.1%	4.0%	1.3%	2.7%	2.0%	2.3%	1.1%	1.1%
2018 inflation (%)	2.6%	2.0%	4.0%	1.4%	3.0%	3.5%	2.8%	1.5%	1.8%
2021f inflation (%)	2.5%	2.0%	4.0%	2.0%	3.0%	2.5%	2.7%	1.8%	2.4%
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- / positive	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Country rating/ outlook - Fitch	A-/ stable	A+/ positive	BBB-/ stable	A+/ stable	BBB-/ positive	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Atrium country exposure by NRI (12M2017)	54%	11%	22%	6%	4%	4%	100%		
Atrium country exposure by MV at 31/12/17	58%	20%	11%	6%	2%	3%	100%		

* 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
2017 Avg. gross monthly wage (€)	1,064	1,121	594	952	1,009	726	911	n.a.	n.a.
2018f Avg. gross monthly wage (€)	1,147	1,248	631	999	1,090	779	983	n.a.	n.a.
2017 Monthly retail sales per capita (€)	263	316	177	290	183	164	232	n.a.	n.a.
2018f Monthly retail sales per capita (€)	277	315	186	300	191	176	241	n.a.	n.a.
2021f Monthly retail sales per capita (€)	278	314	187	300	192	176	241	n.a.	n.a.
2017 Retail sales growth (%)	4.4%	4.4%	1.5%	3.3%	3.9%	6.1%	3.9%	1.8%	2.5%
2018f Retail sales growth (%)	3.7%	3.3%	2.5%	3.9%	3.7%	4.4%	3.6%	3.2%	2.6%
2020f Retail sales growth (%)	3.9%	2.4%	1.7%	3.5%	2.6%	3.3%	2.7%	2.7%	1.8%
2017 Consumer spending growth (%)	2.0%	2.5%	3.7%	1.3%	2.3%	1.3%	2.2%	1.1%	0.9%
2018f Consumer spending growth (%)	2.2%	2.2%	3.5%	1.9%	2.8%	3.4%	2.7%	3.4%	1.1%
2019f Consumer spending growth (%)	2.6%	2.0%	4.0%	2.1%	3.1%	3.2%	2.8%	3.2%	2.3%
Oct.'17 Retail trade volume change y-o-y * (%)	7.2%	7.0%	3.1%	5.6%	6.3%	14.3%	7.3%	3.6%	5.8%
Nov'17 Retail trade volume change y-o-y * (%)	7.4%	4.9%	2.7%	6.0%	6.7%	12.6%	6.7%	3.5%	2.6%
Dec'17 Retail trade volume change y-o-y * (%)	7.3%	n/a	3.1%	n/a	n/a	11.0%	7.1%	3.9%	2.9%
Consumer confidence indicator**, Oct '17	-4.8	4.9	n.a.	-4.8	-13.1	-20.7	-7.7%	-9.5	5.2
Consumer confidence indicator**, Nov. '17	-2.8	7.3	n.a.	-4.6	-12.9	-22.2	-7.0%	-3.4	5.3
Consumer confidence indicator**, Dec.'17	-1.1	7.0	n.a.	-5.7	-7.7	-25.1	-6.5%	-3.9	6.1
Retail confidence indicator**, Oct '17	6.6	20.6	n.a.	18.8	10.2	10.4	13.3%	-0.4	3.7
Retail confidence indicator**, Nov.'17	6.5	21.4	n.a.	21.5	12.1	8.4	14.0%	-0.6	1.6
Retail confidence indicator**, Dec.'17	9.9	20.9	n.a.	19.8	14.1	13.5	15.6%	0.9	4.4

* 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, NOVEMBER, 2013 – FEBRUARY 2018



Country	Sovereign ratings	10Y gov. bond yield, local currency	Prime shopping centre gross yield*	Spread from SC yield to 10Y gov. bond yields
	Fitch	Feb-18	C&W (4Q17)	
Russia	BBB-	7.06%	10.50%	3.44%
Romania	BBB-	4.54%	6.75%	2.21%
Poland	A-	3.25%	4.75%	1.50%
Hungary	BBB-	2.62%	6.00%	3.38%
Slovakia**	A+	N/A	5.25%	N/A
Czech Rep.	A+	1.87%	4.25%	2.38%
Germany	AAA	0.65%	3.70%	3.05%

**Slovakia 10y Bond price not available on Bloomberg (no 10Y maturities since Aug 2017).

Sources: Bloomberg, C&W, Fitch Ratings

* Except Germany – net



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