



ATRIUM
European Real Estate

The leading owner, manager and developer
of the Central Eastern European shopping centers



Q2 2014 Results

Analyst and investor call

14 August 2014

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This presentation has been presented in € and €m's. Certain totals and change movements are impacted by the effect of rounding.

Financial highlights income statement

Income Statement	6M 2014	6M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	106.9	101.1	5.8	5.7%
EPRA like-for-like gross rental income	96.1	96.1	-	-
Net rental income	103.1	96.3	6.8	7.0%
EPRA like-for-like net rental income	92.6	92.9	(0.3)	(0.3%)

Operating Margin

Remains high
at **96.4%**

EBIDTA

Excluding revaluation and
disposals

6M 2014:
€90.3m

6M 2013:
€81.3m

EPRA EPS

6M 2014:
21.1 €cents

6M 2013
13.6 €cents

Company adjusted EPRA EPS

6M 2014:
19.2 €cents

6M 2013:
17.7 €cents

Financial highlights balance sheet

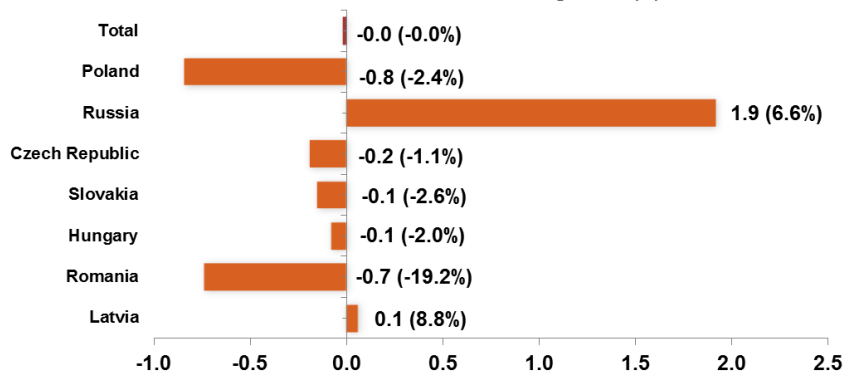
Balance Sheet	30/06/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Standing investments	2,475.1	2,356.2	118.9	5.0%
No. standing investments	153	153	-	-
Asset additions	10.7	35.6	(24.9)	(69.9%)
Weighted average occupancy (GLA)	97.0%	97.6%	(0.7%)	(0.7%)
Weighted average occupancy (EPRA)	97.6%	98.1%	(0.5%)	(0.5%)
Developments and land	403.1	583.6	(180.5)	(30.9%)
Disposals	(54.5)	(4.8)	(49.7)	-
Assets held for sale	6.3	-	6.3	100.0%
Transfers from development to standing investments	110.2	0.9	109.3	-
Cash and cash equivalents	257.9	305.6	(47.7)	(15.6%)
Borrowings	724.2	803.6	(79.4)	(9.9%)
IFRS NAV per share	€6.01	€6.05	(€0.04)	(0.7%)
EPRA NAV per share	€6.40	€6.43	(€0.03)	(0.5%)

Income statement

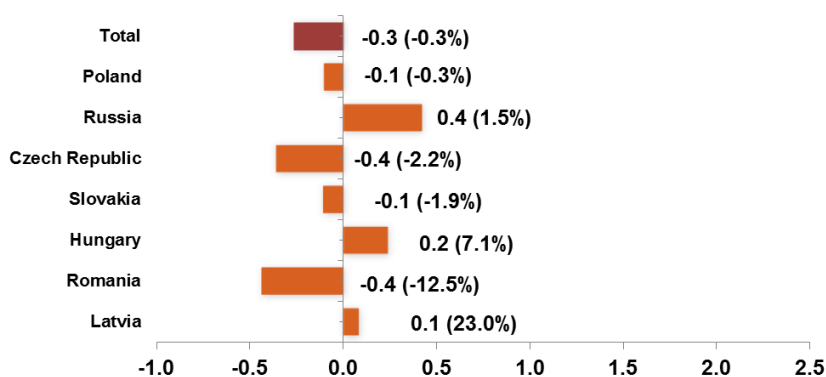
Year over year	6M 2014	6M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	106.9	101.1	5.8	5.7%
Service charge income	37.8	38.1	(0.3)	(0.8%)
Net property expenses	(41.6)	(43.0)	1.4	3.3%
Net rental income	103.1	96.3	6.8	7.0%
Operating margin	96.4%	95.2%	1.2%	1.2%
Net result on disposals	(2.5)	0.1	(2.6)	(2600.0%)
Costs connected with development	(2.1)	(2.2)	0.1	4.5%
Revaluation of investment properties	(34.5)	7.5	(42.0)	(560.0%)
Other dep, amort, imp.	(2.0)	(5.6)	3.6	64.3%
Administrative expenses	(10.6)	(12.9)	2.3	17.8%
Net operating profit	51.4	83.3	(31.9)	(38.3%)
Net financial expenses	(15.9)	(21.6)	5.7	26.4%
Profit before taxation	35.5	61.7	(26.2)	(42.5%)
Corporate income tax	(1.0)	(1.1)	0.1	9.1%
Deferred tax	1.7	(8.5)	10.2	120.0%
Profit after taxation for the period	36.2	52.1	(15.9)	(30.5%)
Attributable to:				
Owners of the parent	36.2	52.1	(15.9)	(30.5%)

EPRA like-for-like gross and net rental income

EPRA like-for-like GRI change, €m, (%)



EPRA like-for-like NRI change, €m, (%)



Poland

- Decrease in GRI was driven by struggling DIY tenant, and the preparation of restructuring projects

Russia

- Increase in GRI mainly as a result of rental indexation and higher base rent

Czech Republic

- Decrease in GRI due to changes in restructuring project and lower office rental income

Slovakia

- Decrease in GRI caused by a decrease in occupancy and lower base rent

Romania

- Decrease in GRI was driven by struggling DIY tenant, and the restructuring project completed in Q2

Russia

- Increase in NRI driven mainly by the strong like-for-like GRI and higher service charge indexation, offset by an increase in bad debt provision

Hungary

- Increase in NRI caused by the collection of a receivable that was previously provided for

Occupancy

EPRA Occupancy		
Country	6M 2014	6M 2013
Poland	96.9%	97.4%
Czech Republic	96.8%	97.5%
Slovakia	97.0%	98.3%
Russia	99.1%	99.3%
Hungary	97.4%	93.8%
Romania	100.0%	100.0%
Latvia	92.3%	91.5%
Average	97.6%	98.0%

GLA Occupancy		
Country	6M 2014	6M 2013
Poland	96.3%	96.9%
Czech Republic	95.4%	96.4%
Slovakia	97.1%	98.1%
Russia	99.4%	99.4%
Hungary	97.9%	96.3%
Romania	100.0%	100.0%
Latvia	95.9%	94.9%
Average	97.0%	97.3%

- The EPRA occupancy percentage is calculated as the ERV of our occupied space divided by the ERV of the total portfolio in each country

Net financial expenses

Net financial expenses	6M 2014	6M 2013	Change	Change
	€m	€m	€m	%
Interest income	0.6	2.0	(1.4)	(70.0%)
Interest expense	(16.2)	(14.2)	(2.0)	(14.1%)
Foreign currency differences	4.3	(4.7)	9.0	191.5%
Finance lease interest expense	(2.6)	(3.0)	0.3	10.0%
Impairment of financial instruments	(0.2)	(1.6)	1.5	93.8%
Net loss from bond buy back	(1.8)	-	(1.8)	(100.0%)
Total	(15.9)	(21.6)	5.6	25.9%

EPRA earnings per share

Earnings	6M 2014	6M 2013	Change	Change
	€m	€m	€m	%
Earnings attributed to equity holders of the parent	36.2	52.1	(15.9)	(30.5%)
Revaluation of investment properties	34.5	(7.5)	42.0	
Net result on acquisitions and disposals	2.5	(0.1)	2.5	
Goodwill impairment and amortisation of intangible assets	0.7	3.9	(3.2)	
Deferred tax in respect of EPRA adjustments	3.5	2.5	1.0	
Close-out costs of financial instruments	1.9	-	1.9	
EPRA Earnings	79.2	50.9	28.3	55.6%
EPRA earnings per share (€cents)	21.1	13.6	7.5	55.1%
Company adjustments:				
Legacy legal matters	1.4	1.7	(0.3)	
Impairment of investment in associate	0.8	1.2	(0.4)	
Foreign exchange differences	(4.3)	4.7	(9.0)	
Changes in the value of financial instruments	0.2	1.6	(1.4)	
Deferred tax not related to revaluations	(5.2)	6.0	(11.2)	
Company adjusted EPRA earnings	72.1	66.1	5.9	8.9%
Company adjusted EPRA earnings per share (€cents)	19.2	17.7	1.5	8.5%
Dividend as a % of Company adjusted EPRA earnings	62.4%	56.6%	5.9%	5.9%

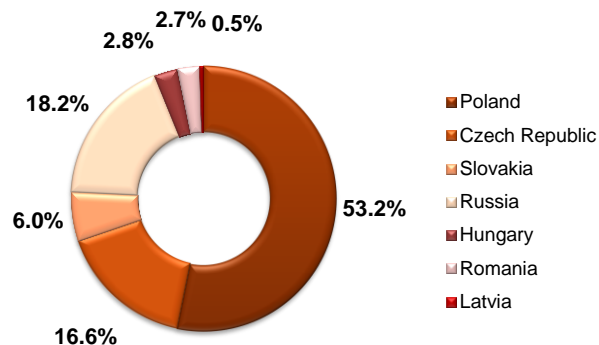
- Weighted average number of shares increased from 373.9m to 375.0m over the period

Balance sheet

Balance sheet	30/06/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Assets				
Non-current assets				
Standing investments	2,475.1	2,356.2	118.9	5.0%
Developments and land	403.1	583.6	(180.5)	(30.9%)
Other non-current assets	50.8	55.3	(4.5)	(8.1%)
	2,929.0	2,995.1	(66.1)	(2.2%)
Current assets				
Cash and cash equivalents	257.9	305.6	(47.7)	(15.6%)
Other current assets	38.5	43.5	(5.0)	(11.5%)
Assets held for sale	6.3	-	6.3	100.0%
	302.6	349.1	(46.5)	(13.3%)
Total assets	3,231.6	3,344.2	(112.6)	(3.4%)
Equity	2,254.8	2,267.3	(12.5)	(0.6%)
Non-current liabilities				
Long term borrowings	721.5	798.0	(76.5)	(9.6%)
Derivatives	13.3	11.8	1.5	12.7%
Other non-current liabilities	176.5	181.7	(5.2)	(2.9%)
	911.3	991.5	(80.2)	(8.1%)
Current liabilities				
Short term borrowings	2.7	5.5	(2.8)	(50.9%)
Other current liabilities	62.8	79.9	(17.1)	(21.4%)
	65.5	85.4	(19.9)	(23.3%)
Total equity and liabilities	3,231.6	3,344.2	(112.6)	(3.4%)

Standing investments overview

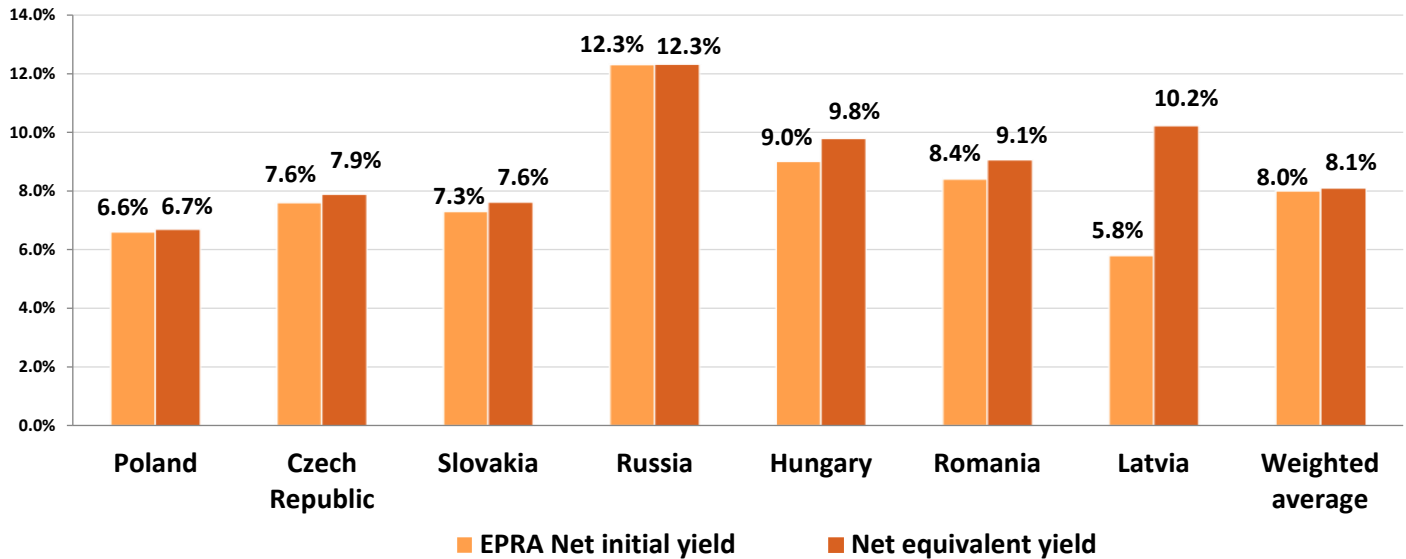
	Fitch Rating	No of properties	Gross lettable area	Market value 30/06/2014	% of Market value	Market value per Sqm of GLA	NRI per Sqm of GLA per month	Revaluation during 6M 2014
Country			sqm	€m	%	€	€	€m
Poland	A-/stable	23	475,300	1,316.9	53.2%	2,771	16.0	(4.6)
Czech Republic	A+/stable	95	355,600	411.1	16.6%	1,156	7.5	(1.9)
Slovakia	A+/stable	3	65,500	147.4	6.0%	2,251	13.9	(0.5)
Russia	BBB/negative	7	241,000	450.2	18.2%	1,868	19.9	5.6
Hungary	BB+/stable	23	100,900	70.1	2.8%	695	5.9	(0.9)
Romania	BBB-/stable	1	54,100	68.0	2.7%	1,257	9.3	0.8
Latvia	A-/stable	1	20,400	11.4	0.5%	559	3.6	(0.0)
Total		153	1,312,800	2,475.1	100.0%	1,885	13.1	(1.5)



- The top 10 investments represent 58% of Atrium's Standing Investments portfolio by value (or 35% of GLA)
- Six of the top 10 investment properties are located in Poland, two in Russia and one in the Czech Republic and one in Slovakia
- 97.2% of standing investments is located in investment grade countries

EPRA Net initial yields vs Net equivalent yields

EPRA Net initial yields vs Net equivalent yields



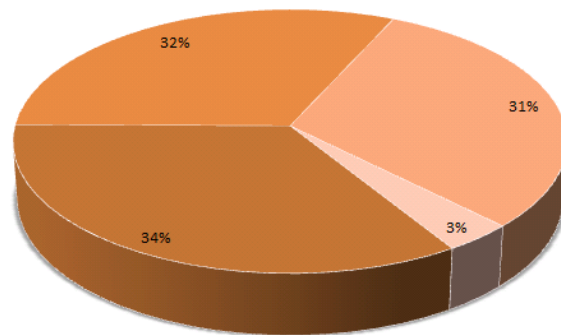
Development and land

- €403.1m fair value, representing 14% of our total real estate portfolio
- Over 96% of development and land portfolio is located in Poland, Russia, and Turkey

Activity during first half 2014:

- Atrium Felicity completed and transferred to standing investments
- Sale of Istanbul Forum TEM, Turkey land plot
- Sale of and Sofia Forum, Bulgaria land plot
- Transfer of Georgia land plot to assets held for sale, with sale closing in July 2014

Developments and Land Market Value



■ Poland (€137.2m)

■ Turkey (€127.7m)

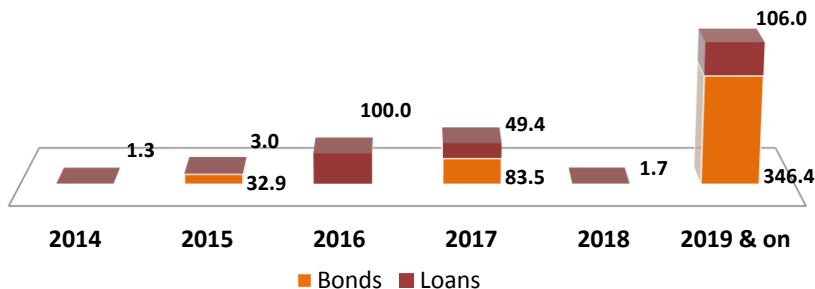
■ Russia (€123.6m)

■ Other (€14.6m)

Debt overview

- Average debt **maturity** is **4.9 years**, down from 5.1 years as at 31.12.2013
- 84.8% of debt is **fixed interest rate** and 15.2% is **floating interest rate** (31 December 2013: 80.8%, 19.2%)
- **Cost of debt 4.0%** (4.1% fixed rate, 3.4% floating rate)
- **Gross LTV 25.1%** (31 December 2013: 27.3%)
- **Net LTV 16.2%** (31 December 2013: 16.9%)
- **Unencumbered** SI portfolio is **59.1%** (31 December 2013: 48.7%)
- All bank **loans and bond covenants** are in compliance
- S&P and Fitch rating **BBB-/stable**
- Atrium repurchased bonds issued in 2005 and due in 2015, with a nominal value of €37.3 million in Q2 and € 2.1 million in July and resulting in lower net interest payments of €0.4m
- In June 2014, Atrium made two bank loan repayments in Slovakia, amounting to €41.0 million and resulting in an interest saving of €2.6m, enabling a release of €138.2 million of the mortgages created in favour of the bank

Overview of debt maturity schedule, €m



NAV	30/06/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Equity	2,254.8	2,267.3	(12.5)	(0.6%)
Non-controlling interest	0.8	0.7	0.1	14.3%
IFRS NAV per financial statements	2,255.6	2,268.0	(12.4)	(0.5%)
IFRS NAV per share (in €)	€6.01	€6.05	(€0.04)	(0.7%)
Effect of exercise of options	27.8	29.0	(1.2)	(4.1%)
Diluted NAV, after the exercise of options	2,283.4	2,297.1	(13.7)	(0.6%)
Fair value of financial instruments	13.3	11.8	1.5	12.7%
Goodwill as a result of deferred tax	(7.6)	(7.6)	0.0	-
Deferred tax	158.8	155.7	3.1	2.0%
EPRA NAV	2,447.8	2,456.9	(9.1)	(0.4%)
EPRA NAV per share (in €)	€6.40	€6.43	(€0.03)	(0.5%)
Number of outstanding shares (in millions)	375.2	374.9	0.3	0.1%
Number of outstanding shares and options (in millions)	382.5	382.1	0.4	0.1%

Cash flow

Cash movement	6M 2014	6M 2013	Change	Change %
	€m	€m	€m	%
Net cash generated from operating activities	64.3	71.1	(6.8)	(9.6%)
Cash flows generated from/(used in) investing activities	18.3	(41.9)	60.2	143.7%
Cash flows generated from/(used in) financing activities	(129.9)	294.0	(423.9)	(144.2%)
Increase/(Decrease) in cash and cash equivalents	(47.2)	323.2	(370.4)	(114.6%)
Cash and cash equivalents at the beginning of the year	305.6	207.8	97.8	47.1%
Effect of exchange rate fluctuations on cash held	(0.4)	(1.2)	0.8	66.7%
Cash and cash equivalents at the end of the period	257.9	529.9	(272.0)	(51.3%)