



ATRIUM
European Real Estate

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



Q1 2014 Results
Analyst and investor call
16 May 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	3M 2014	3M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	52.8	50.6	2.2	4.4%
EPRA like-for-like gross rental income	48.5	48.0	0.5	1.0%
Net rental income	51.0	47.2	3.8	8.0%
EPRA like-for-like net rental income	46.9	45.7	1.2	2.6%

- ❑ **Operating margin** remains high at **96.6%**
- ❑ **EBITDA** (excluding revaluation and disposals) – 3M 2014: **€44.7m**; 3M 2013: €40.0m
- ❑ **EPRA earnings** per share – 3M 2014: **12.0 €cents**; 3M 2013: 6.7 €cents
- ❑ **Company adjusted EPRA earnings** per share – 3M 2014: **9.4 €cents**; 3M 2013: 9.0 €cents

Financial highlights balance sheet

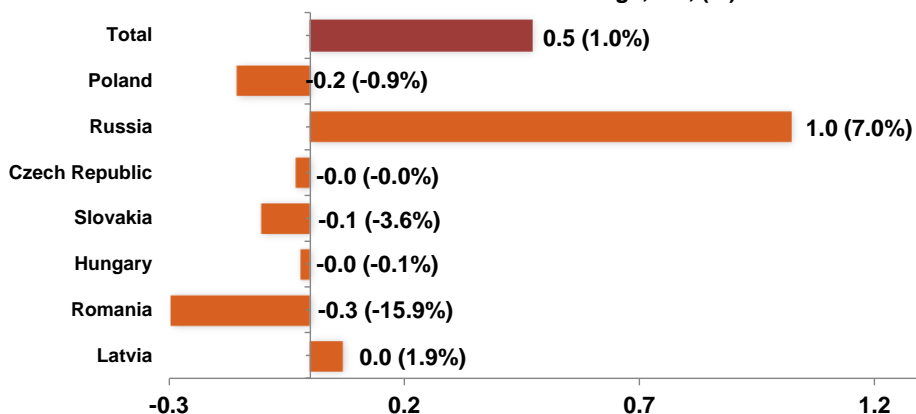
Balance Sheet	31/03/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Standing investments	2,471.6	2,356.2	115.4	4.9%
No. standing investments	153	153	-	-
Asset additions	2.9	35.6	(32.7)	(91.9%)
Weighted average occupancy (GLA)	97.4%	97.6%	(0.2%)	(0.2%)
Weighted average occupancy (EPRA)	97.8%	98.1%	(0.3%)	(0.3%)
Developments and land	432.3	583.6	(151.3)	(25.9%)
Assets held for sale	47.4	-	47.4	100.0%
Transfers from development to standing investments	109.7	0.9	108.8	
Cash and cash equivalents	294.4	305.6	(11.2)	(3.7%)
Borrowings	802.5	803.6	(1.1)	(0.1%)
IFRS NAV per share	€6.04	€6.05	(€0.01)	(0.2%)
EPRA NAV per share	€6.43	€6.43	-	-

Income statement

Year over year	3M 2014	3M 2013	Change	Change
	€m	€m	€m	%
Gross rental income	52.8	50.6	2.2	4.3%
Service charge income	19.1	19.1	-	0.0%
Net property expenses	(20.9)	(22.4)	1.5	6.7%
Net rental income	51.0	47.2	3.8	8.0%
Operating margin	96.6%	93.4%	3.2%	3.2%
Net result on disposals	(0.2)	0.1	(0.3)	(300.0%)
Costs connected with development	(1.2)	(1.1)	(0.1)	(9.1%)
Revaluation of investment properties	(16.0)	8.4	(24.4)	(290.5%)
Other dep, amort, imp.	(0.6)	(0.6)	-	0.0%
Administrative expenses	(5.1)	(6.2)	1.1	17.7%
Net operating profit	27.9	47.8	(19.9)	(41.6%)
Net financial expenses	(0.0)	(14.8)	14.8	100.0%
Profit before taxation	27.9	33.0	(5.1)	(15.5%)
Corporate income tax	(0.5)	(0.8)	0.3	37.5%
Deferred tax	(1.4)	(1.4)	-	0.0%
Profit after taxation for the period	25.9	30.8	(4.9)	(15.9%)
Attributable to:				
Equity holders of the parent	26.0	30.8	(4.8)	(15.6%)

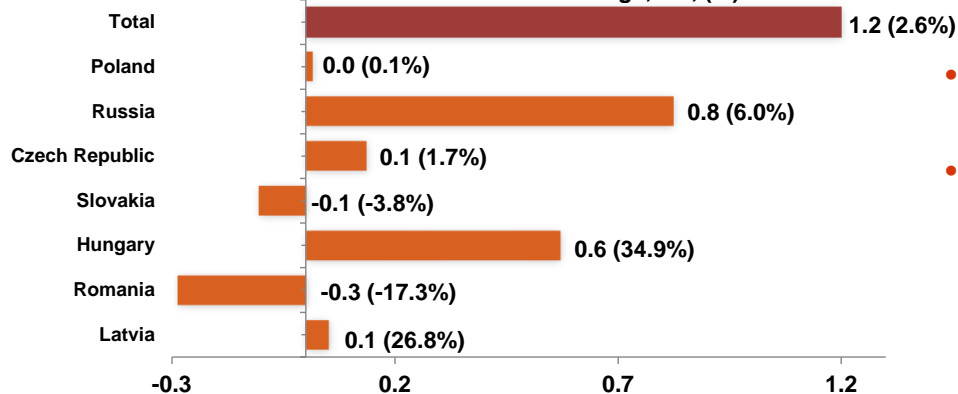
EPRA like-for-like gross and net rental income

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



- **Russia:** increase in GRI mainly as a result of rental indexation and higher base rent
- **Poland and Romania:** the decrease in GRI both in Poland and Romania was driven by struggling DIY tenants and the preparation of restructuring projects
- **Slovakia:** decrease in GRI caused by a decrease in occupancy and lower turnover rent

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



- **Russia:** increase in NRI driven by the strong like-for-like GRI
- **Hungary:** increase in NRI caused by the collection of a receivable that was previously provided for

Occupancy

EPRA Occupancy		
Country	3M 2014	3M 2013
Poland	97.3%	97.0%
Czech Republic	96.8%	98.0%
Slovakia	97.0%	98.6%
Russia	99.5%	99.1%
Hungary	96.6%	94.5%
Romania	100.0%	100.0%
Latvia	91.5%	91.4%
Average	97.8%	97.9%

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

GLA Occupancy		
Country	3M 2014	3M 2013
Poland	96.6%	96.6%
Czech Republic	96.7%	96.5%
Slovakia	97.1%	98.5%
Russia	99.6%	99.2%
Hungary	97.0%	97.2%
Romania	100.0%	100.0%
Latvia	95.6%	95.1%
Average	97.4%	97.4%

Net financial expenses

Net financial expenses	3M 2014	3M 2013	Change	Change
	€m	€m	€m	%
Interest income	0.3	0.9	(0.6)	(66.7%)
Interest expense	(8.2)	(5.6)	(2.6)	(46.4%)
Foreign currency differences	9.3	(7.9)	17.2	217.7%
Finance lease interest expense	(1.4)	(1.4)	-	0.0%
Impairment of financial instruments	(0.1)	(0.8)	0.7	87.5%
Other financial income/expenses	0.1	-	0.1	100.0%
Total	(0.0)	(14.8)	14.8	100.0%

EPRA earnings per share

Earnings	3M 2014	3M 2013	Change	Change
	€m	€m	€m	%
Earnings attributed to equity holders of the parent	26.0	30.8	(4.8)	(15.6%)
Revaluation of investment properties	16.0	(8.4)	24.4	
Net result on acquisitions and disposals	0.2	(0.1)	0.2	
Goodwill impairment and amortisation of intangible assets	0.3	0.4	(0.1)	
Deferred tax in respect of EPRA adjustments	2.6	2.4	0.2	
EPRA Earnings	45.0	25.1	19.9	79.3%
EPRA earnings per share (€cents)	12.0	6.7	5.3	79.1%
Company adjustments:				
Legacy legal matters	0.5	0.7	(0.2)	
Foreign exchange differences	(9.3)	7.9	(17.2)	
Changes in the value of financial instruments	0.1	0.8	(0.7)	
Deferred tax not related to revaluations and NCI	(1.2)	(1.0)	(0.2)	
Company adjusted EPRA earnings	35.1	33.5	1.6	4.8%
Company adjusted EPRA earnings per share (€cents)	9.4	9.0	0.4	4.4%
Dividend as a % of Company adjusted EPRA earnings	64.0%	55.7%	8.3%	8.3%

- Weighted average number of shares increased from 373.5m to 374.9m over the period

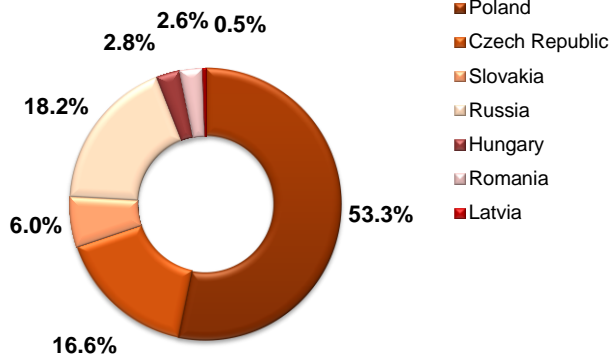
Balance sheet

Balance sheet	31/03/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Assets				
Non-current assets				
Standing investments	2,471.6	2,356.2	115.4	4.9%
Developments and land	432.3	583.6	(151.3)	(25.9%)
Other non-current assets	50.5	55.3	(4.8)	(8.7%)
	2,954.3	2,995.1	(40.8)	(1.4%)
Current assets				
Cash and cash equivalents	294.4	305.6	(11.2)	(3.7%)
Other current assets	44.3	43.5	0.8	1.8%
Assets held for sale	47.4	-	47.4	100.0%
	386.1	349.1	37.0	10.6%
Total assets	3,340.4	3,344.2	(3.8)	(0.1%)
Equity	2,263.1	2,267.3	(4.2)	(0.2%)
Non-current liabilities				
Long term borrowings	796.9	798.0	(1.1)	(0.1%)
Derivatives	12.5	11.8	0.7	5.9%
Other non-current liabilities	178.0	181.7	(3.7)	(2.0%)
	987.4	991.5	(4.1)	(0.4%)
Current liabilities				
Short term borrowings	5.6	5.5	0.1	1.8%
Other current liabilities	84.3	79.9	4.4	5.5%
	89.9	85.4	4.5	5.3%
Total equity and liabilities	3,340.4	3,344.2	(3.8)	(0.1%)

Standing investments overview

	Fitch Rating	No of properties	Gross lettable area	Market value 31/03/2014	% of Market value	Market value per Sqm of GLA	NRI per Sqm of GLA per month	Revaluation during 3M 2014
Country			sqm	€m	%	€	€	€m
Poland	A-/stable	23	475,300	1,316.3	53.3%	2,769	15.2	(871.0)
Czech Republic	A+/stable	95	355,700	411.0	16.6%	1,155	7.6	(863.0)
Slovakia	A+/stable	3	65,500	147.8	6.0%	2,256	13.8	119.0
Russia	BBB/negative	7	240,700	449.6	18.2%	1,868	20.2	5,403.0
Hungary	BB+/stable	23	101,000	70.3	2.8%	696	7.2	(345.0)
Romania	BBB-/stable	1	54,100	65.2	2.6%	1,205	8.5	(253.0)
Latvia	BBB+/stable	1	20,400	11.4	0.5%	558	3.9	-
Total		153	1,312,700	2,471.6	100.0%	1,883	13.0	3,190.0

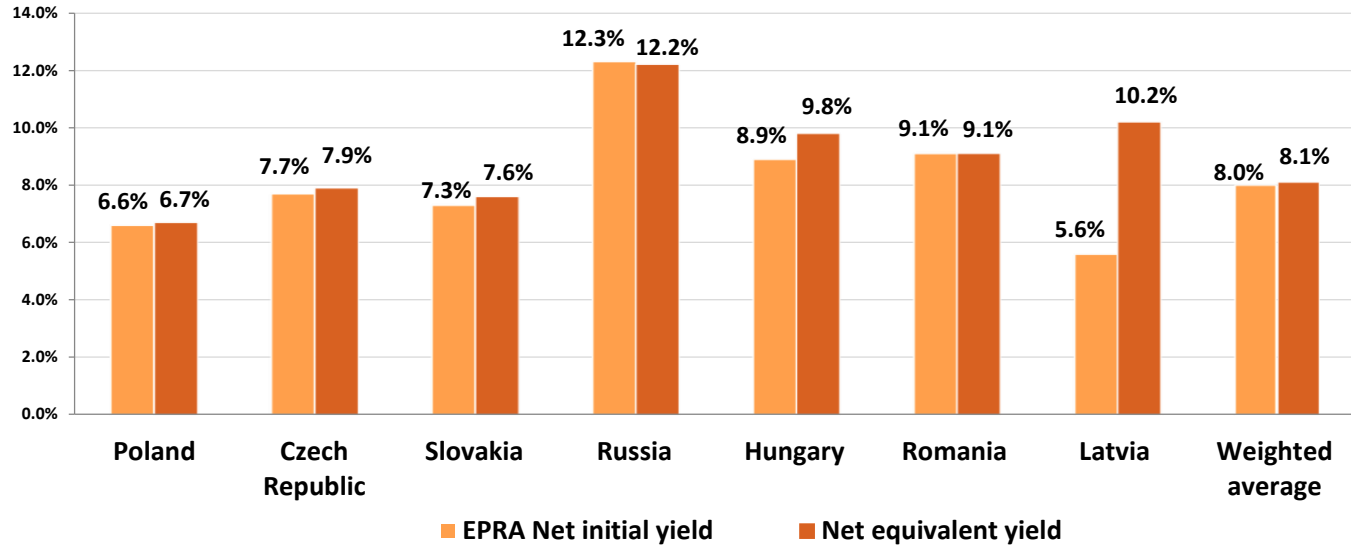
Market value per country 31/03/2014



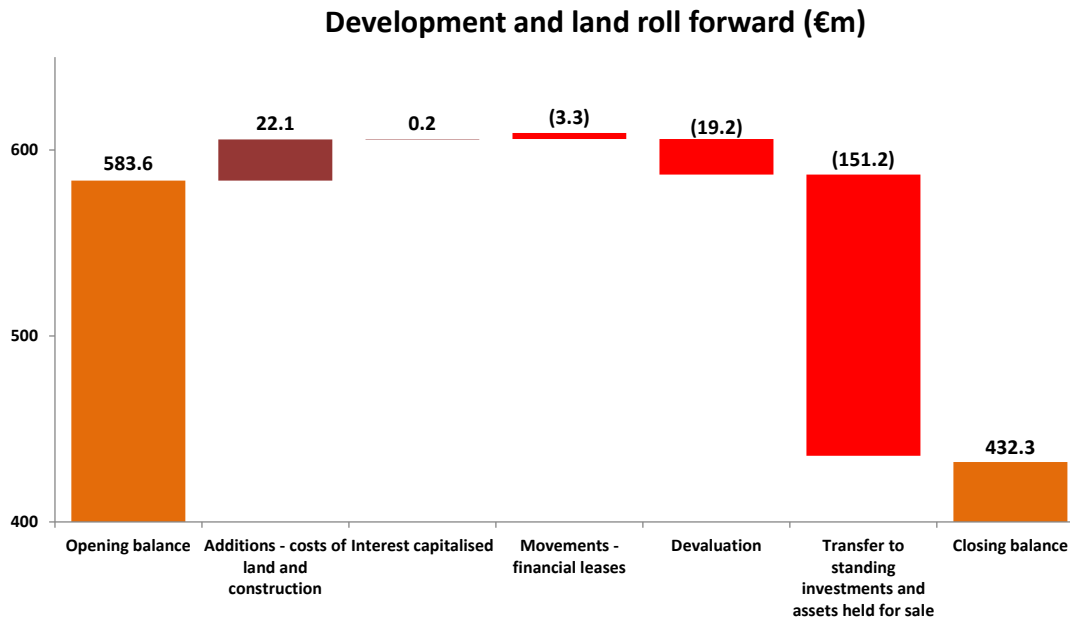
- The top 10 investments represent 57.9% of Atrium's Standing Investments portfolio by value (or 35.1% of GLA)
- Six of the top 10 investment properties are located in Poland, two in Russia and one in the Czech Republic and one in Slovakia
- 97% of standing investments is located in investment grade countries

EPRA Net initial yields vs Net equivalent yields

EPRA Net initial yields vs Net equivalent yields



Development and land roll forward

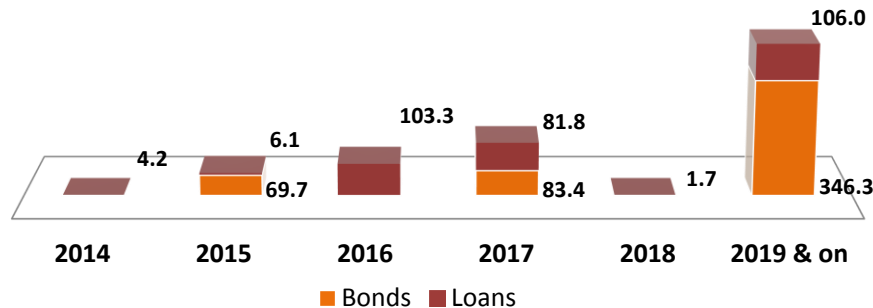


- Additions - costs of land and construction: mainly includes additions to Felicity and Copernicus
- Land classified as held for sale: transfer of Istanbul Forum TEM to assets held for sale
- Transfer to Standing investments: In March 2014 we opened Atrium Felicity shopping centre in Lublin, Poland

Debt overview

- Average debt **maturity** is **4.9 years**, down from 5.1 years as at 31 December 2013
- 80.9% of debt is **fixed interest rate** and 19.1% is **floating interest rate** (31 December 2013: 80.8%, 19.2%)
- **Cost of debt 3.9%** (4.1% fixed rate, 3.2% floating rate)
- **Gross LTV 27.2%** (31 December 2013: 27.3%)
- **Net LTV 17.2%** (31 December 2013: 16.9%)
- **Unencumbered** standing investments portfolio is **53.4%** (31 December 2013: 48.7%)
- All bank **loans and bond covenants** are in compliance
- S&P and Fitch rating **BBB-/stable**
- In April 2014 Atrium repurchased €20.5m of the bonds issued in 2005 and due in 2015

Overview of debt maturity schedule, €m



NAV	31/03/2014	31/12/2013	Change	Change
	€m	€m	€m	%
Equity	2,263.1	2,267.3	(4.2)	(0.2%)
Non-controlling interest	0.8	0.7	0.1	14.3%
IFRS NAV per financial statements	2,263.9	2,268.0	(4.1)	(0.2%)
IFRS NAV per share (in €)	€6.04	€6.05	(€0.01)	(0.2%)
Effect of exercise of options	26.5	27.3	(0.8)	(2.9%)
Diluted NAV, after the exercise of options	2,290.4	2,295.3	(4.9)	(0.2%)
Fair value of financial instruments	12.5	11.8	0.7	5.9%
Goodwill as a result of deferred tax	(7.6)	(7.6)	0.0	-
Deferred tax	159.1	155.7	3.4	2.2%
EPRA NAV	2,454.3	2,455.2	(0.9)	(0.0%)
EPRA NAV per share (in €)	€6.43	€6.43	-	-
Number of outstanding shares (in millions)	375.0	374.9	0.1	0.0%
Number of outstanding shares and options (in millions)	381.6	381.7	(0.1)	(0.0%)

Cash flow

Cash movement	3M 2014	3M 2013	Change	Change %
	€m	€m	€m	%
Net cash generated from operating activities	33.3	28.1	5.2	18.5%
Cash flows used in investing activities	(17.6)	(17.1)	(0.5)	(2.9%)
Cash flows from/(used in) financing activities	(26.3)	(26.1)	(0.2)	(0.8%)
Increase/(Decrease) in cash and cash equivalents	(10.6)	(15.1)	4.5	29.8%
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	(0.5)	(0.3)	(0.2)	(66.7%)
Cash and cash equivalents classified to the held for sale disposal group	(0.1)	-	(0.1)	(100.0%)
Cash and cash equivalents at the end of the period	294.4	192.4	102.0	53.0%