



# ATRIUM

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FULL YEAR 2015 RESULTS  
ANALYST AND INVESTOR CALL

10 March 2016





# KEY EVENTS IN 2015 AND 2016 YTD



## OPERATIONAL PERFORMANCE

- **Core Markets<sup>1</sup>: NRI increased 8%; LFL NRI increased by 0.7% to €112.2m**
- **Russia** continues to impact the Group's overall performance



## ACQUISITIONS / DISPOSALS

- June 2015: **acquisition of a 75% JV interest in Arkády Pankrác Centre, Prague for €162m<sup>2</sup>**  
Value at 31/12/2015: **€168.5m (Atrium's share)**
- **Completed strategic sales of 3 portfolios** of non-core assets in the Czech Republic for a value of €69m, €14m and €103m in Jan. 2015, Oct. 2015 and Feb. 2016 respectively; **3.3% above book value on a weighted average basis**



## DEVELOPMENTS AND EXTENSIONS

- March 2015, the enlarged 47,400 sqm GLA **Atrium Copernicus** was opened in Toruń, Poland, after completion of a 17,300 sqm extension
- Extension and refurbishment of **Atrium Promenada** (Stage I) due to open later in 2016, adding **7,800 sqm GLA**



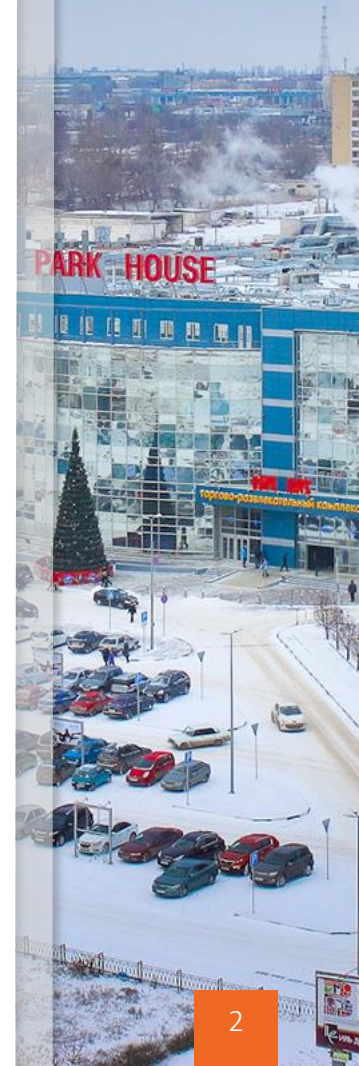
## DEBT / LIQUIDITY

- May 2015: 2022 bond tap **€150m @ 2.9% yield** and the **early repayment** of **€105m<sup>3</sup>** bank loan at **4.7% interest**
- Completed **€81m 2005 bond buy back @ 4%**  $\implies$  reduced collateral by **€400m**
- Oct. 2015: increased the **5 year unsecured RCF by €100m** to a total amount of **€150m**
- **Cash as at 31 December 2015: €224m, net LTV 26.3%**



## OTHER

- **Legal provision increased by €20m** – in Jan. 2016 Atrium announced the resolution of the Dutch litigation case and the establishment of an arrangement to create a compensation fund to resolve the ongoing Austrian Litigation



<sup>1</sup> "Core Markets" - Poland, Czech Republic, Slovakia

<sup>2</sup> Included in all presentation metrics

<sup>3</sup> Including accrued interest, fees and breakage of swap

# FINANCIAL HIGHLIGHTS: INCOME STATEMENT

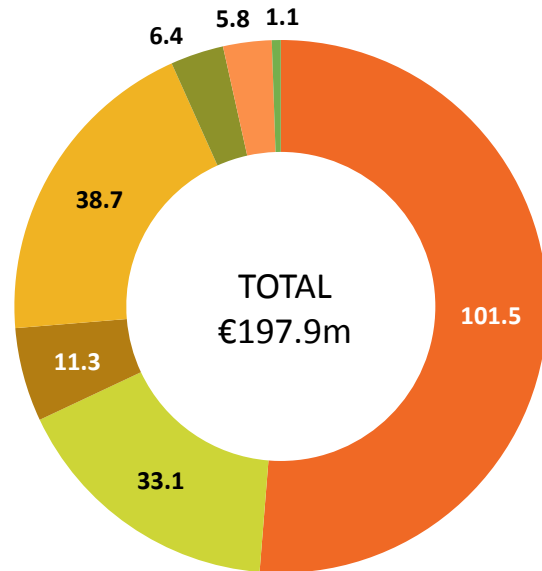
	12M 2015	12M 2014	CHANGE	CHANGE
	€M	€M	€M	%
Net rental income	197.9	204.0	(6.1)	(3.0%)
EPRA like-for-like net rental income	164.2	183.8	(19.5)	(10.6%)
Net rental income excluding Russia	159.1	148.7	10.4	7.0%
EPRA like-for-like net rental income excluding Russia	125.5	124.9	0.6	0.5%

OPERATING MARGIN	EBITDA	COMPANY ADJUSTED EPRA EARNINGS	COMPANY ADJUSTED EPRA EPS
Increased slightly	Excluding revaluation, disposals and impairments		
<b>12M 2015</b>	<b>12M 2015</b>	<b>12M 2015</b>	<b>12M 2015</b>
95.4%	€148.8m	€125.2m	33.3 €cents
<b>12M 2014</b>	<b>12M 2014</b>	<b>12M 2014</b>	<b>12M 2014</b>
95.1%	€174.0m	€134.8m	35.9 €cents



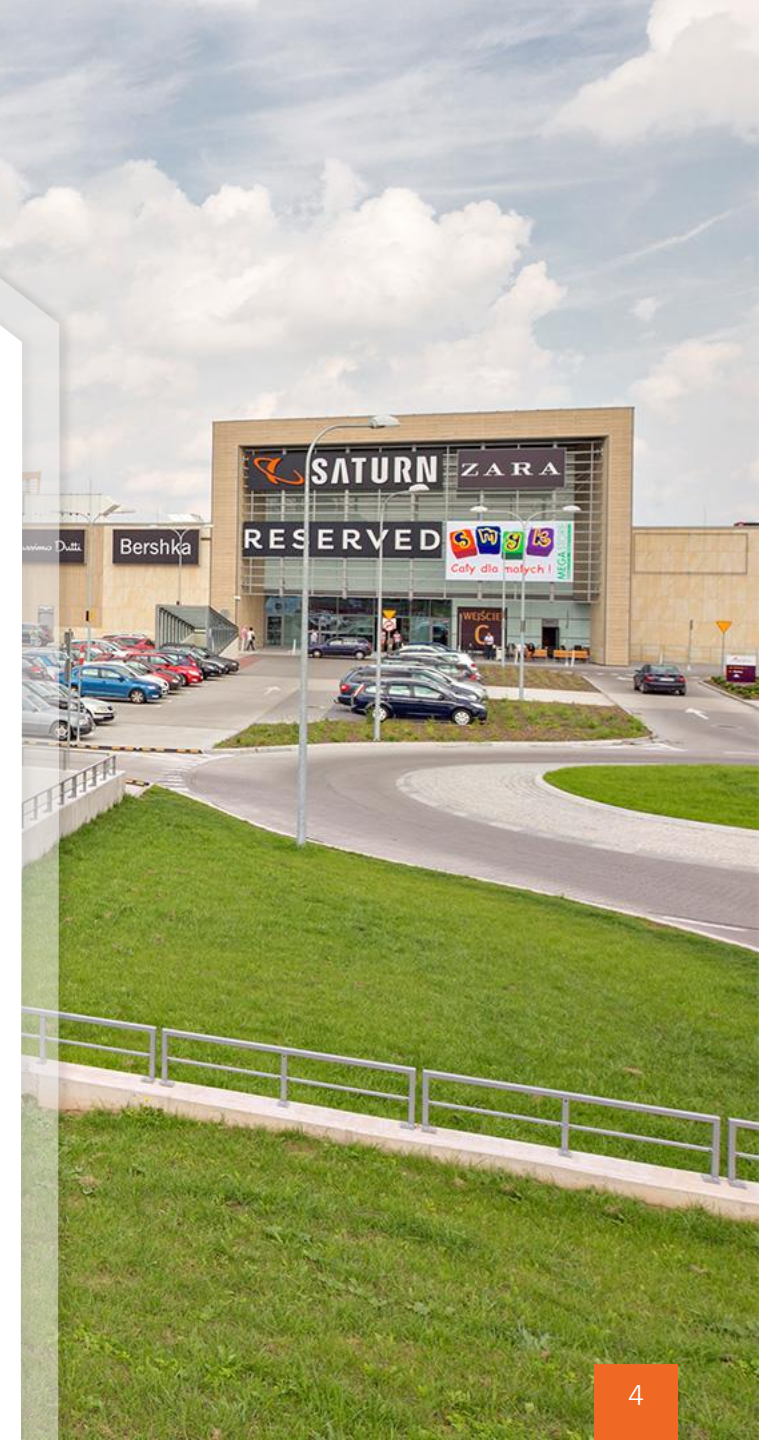
# NET RENTAL INCOME 2015

## 2015 NRI per country



- Poland (€101.5m) (2015: 51.3%, 2014: 44.9%)
- Czech Republic (€33.1m) (2015: 16.7%, 2014: 15.9%)
- Slovakia (€11.3m) (2015: 5.7%, 2014: 5.5%)
- Russia (€38.7m) (2015: 19.6%, 2014: 27.1%)
- Hungary (€6.4m) (2015: 3.2%, 2014: 3.3%)
- Romania (€5.8m) (2015: 2.9%, 2014: 2.9%)
- Latvia (€1.1m) (2015: 0.6%, 2014: 0.5%)

- Improving the quality of the Group's portfolio through selective rotation of the properties and focusing on larger scale, well-established shopping centres which dominate their catchment areas in Atrium's Core Markets
- 8% NRI growth** in our **Core Markets**
- EPRA LFL NRI** in our **Core Markets** **↑0.7%** / Russia **↓34%**
- Maintained a **high occupancy rate of 96.7%**





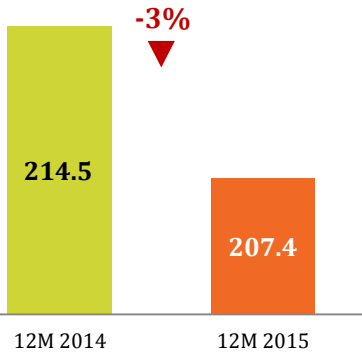
# RENTAL INCOME HIGHLIGHTS (IN €M)

## CORE MARKETS UP, OFFSET BY RUSSIAN PERFORMANCE

### Gross rental income

Exc. RU: +€12.1m

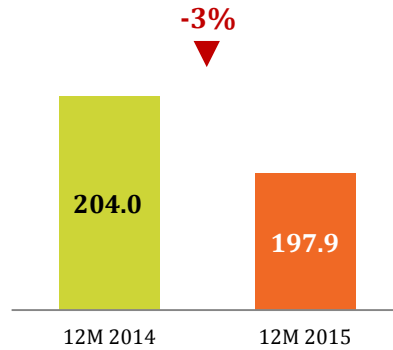
RU: -€19.3m



### Net rental income

Exc. RU: +€10.4m

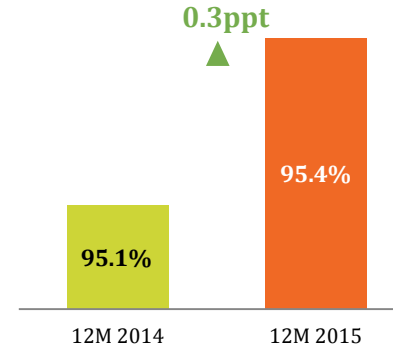
RU: -€16.6m



### Operating margin (%)

Exc. RU: -0.5ppt

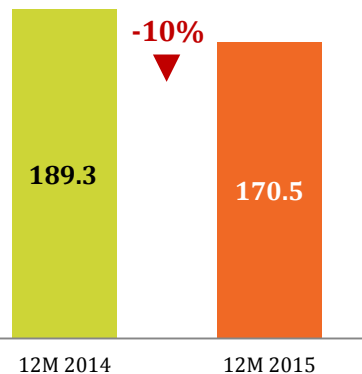
RU: 0.8ppt



### EPRA like-for-like GRI

Exc. RU: +€0.1m

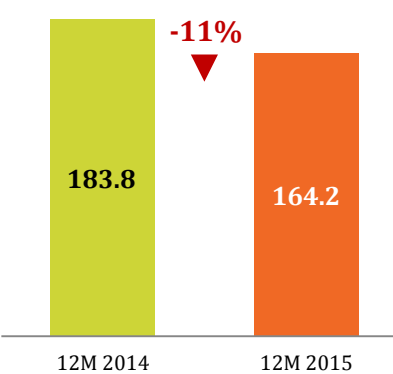
RU: -€18.9m



### EPRA like-for-like NRI

Exc. RU: +€0.6m

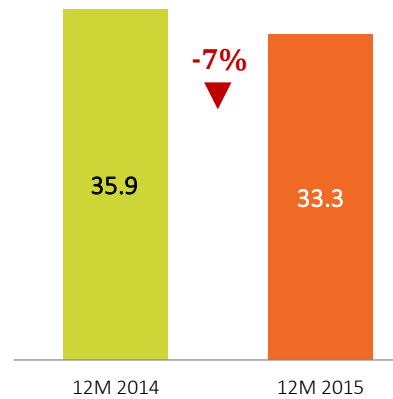
RU: -€20.1m



### Adj. EPRA EPS (€cents)

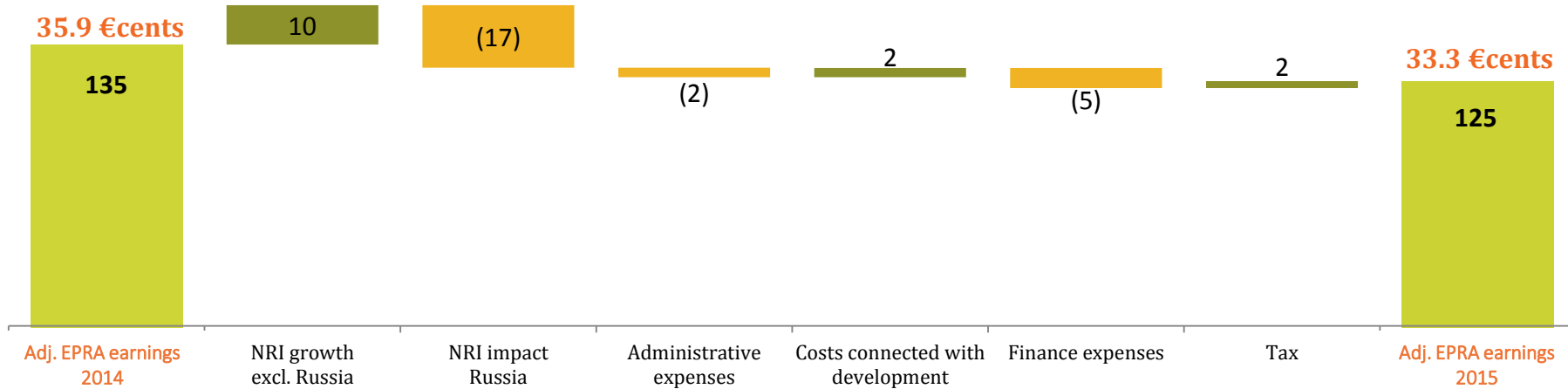
Exc. RU: +€0.3cents

RU: -€2.9cents



# COMPANY ADJ.EPRA EARNINGS €125M

## Company adjusted EPRA earnings (€M)



- Core Markets NRI growth driven by:
  - Acquisitions: Bydgoszcz and Palac Pardubice - completed in Nov 2014, Arkady Pankrac – in June 2015
  - Developments: Atrium Felicity - opened in March 2014, Copernicus extension - opened in March 2015
- Strategic sales of 77 non-core properties in the Czech Republic in 2015 (72 – Jan. 2015, 5 – Oct. 2015)
- Interest expense: bonds issued in Oct. 2014 and May 2015

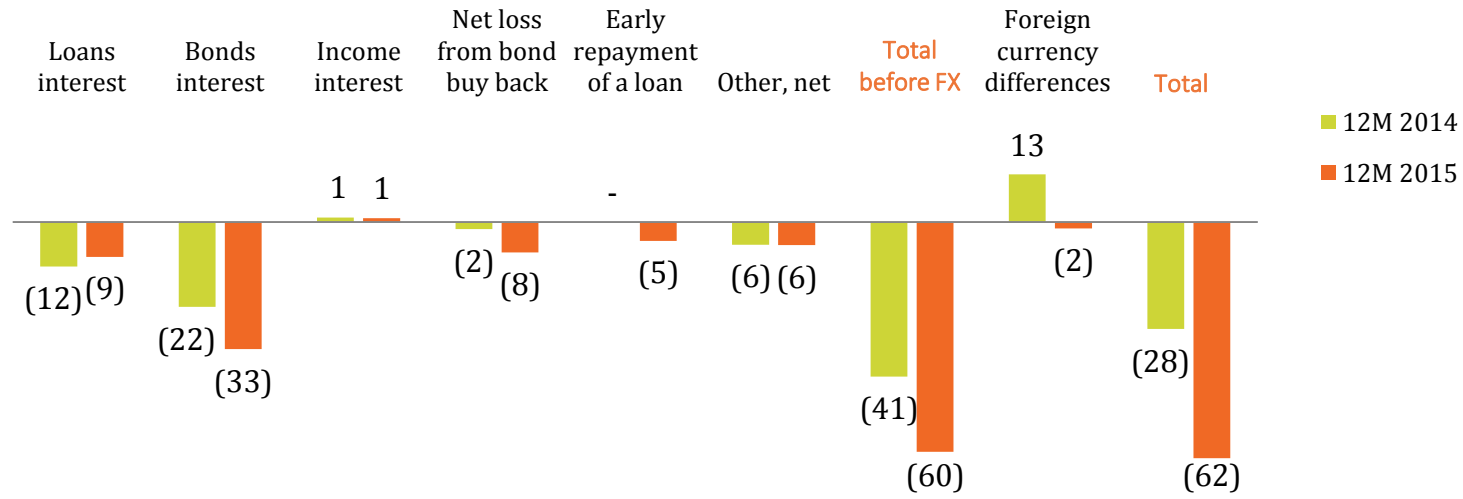


Note: For more details see page 29 of 2015 Annual report



# FINANCIAL EXPENSES

## Net financial expenses (€M)



- **↑€11m bond interest** - 2014 bond issuance
- **↓€3m loan interest** - early repayment of a bank loan



# FINANCIAL HIGHLIGHTS: BALANCE SHEET

	31/12/2015	31/12/2014	Change	Change
	€M	€M	€M	%
Standing investments	2,683 <sup>1</sup>	2,592 <sup>3</sup>	91	3.5%
Developments and land	309 <sup>2</sup>	365	(56)	(15.2%)
Cash and cash equivalents	224	421	(197)	(46.6%)
Short and long term provisions	23	3	20	
Borrowings	1,013	1,068	(55)	(5.2%)
<b>IFRS NAV per share</b>	<b>€5.40</b>	<b>€5.62</b>	<b>(€0.22)</b>	<b>(3.9%)</b>
<b>EPRA NAV per share</b>	<b>€5.64</b>	<b>€6.08</b>	<b>(€0.44)</b>	<b>(7.2%)</b>

No. OF STANDING INVESTMENTS	WEIGHTED AVERAGE OCCUPANCY (GLA)	WEIGHTED AVERAGE OCCUPANCY (EPRA)
<b>31/12/2015</b>	<b>31/12/2015</b>	<b>31/12/2015</b>
77 <sup>1</sup>	96.9% <sup>1</sup>	96.7% <sup>1</sup>
<b>31/12/2014</b>	<b>31/12/2014</b>	<b>31/12/2014</b>
153 <sup>3</sup>	97.1% <sup>3</sup>	97.4% <sup>3</sup>

## PROVISIONS ↑20m:

- Jan. 2016: Atrium announced the resolution of the Dutch litigation case and the establishment of an arrangement to create a compensation fund through which to resolve disputes currently being litigated in Austrian civil courts and submissions by individuals to join pending criminal proceedings
- The Company's best estimate for the expenditures required to address the obligation is **€21m** and a provision has been recorded for 31 December 2015
- **€17m** increase relative to 30/9/2015 provision of €4.5m
- **€20m** increase relative to 31/12/2014 provision of €1.2m



<sup>1</sup> Including a 75% stake in Joint Ventures and €117.5m (representing 10 assets in the Czech Republic and 3 assets in Poland) classified as held for sale as at 31.12.2015

<sup>2</sup> Including €1.6m (representing 1 asset in Poland) classified as held for sale as at 31.12.2015

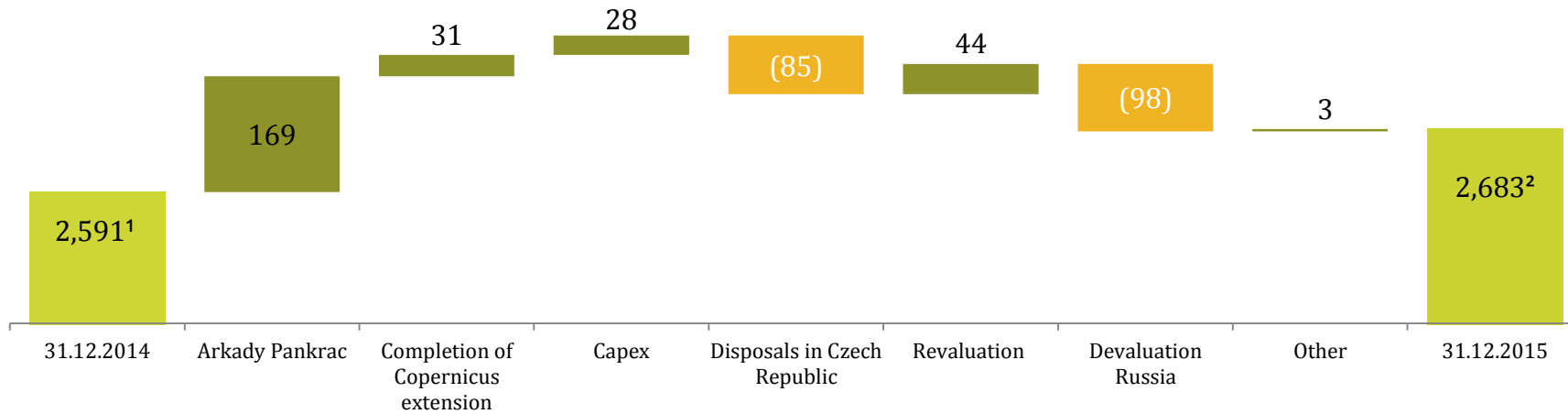
<sup>3</sup> Including 72 properties in the Czech Republic classified as held for sale as at 31.12.2014



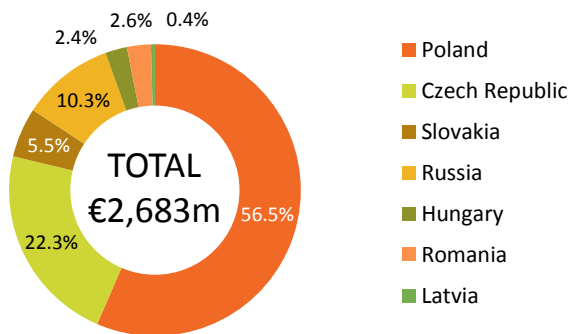


# STANDING INVESTMENTS

## Standing investments roll forward (€M)



## Market value per country



- **Core Markets = 84%** of total portfolio and €146m (74%) of total NRI in 2015
- Atrium's top 10 investments:
  - represent 59% of the standing investments portfolio by value (36% by GLA)
  - 7 in Poland, 2 in the Czech Republic, 1 in Slovakia
- Weighted average net equivalent yield is 7.3%; Russia 12.7%
- **Disposals in Czech Republic** – Jan. 15, **72 assets for €71m**  
Oct. 15, **5 assets for €14m**

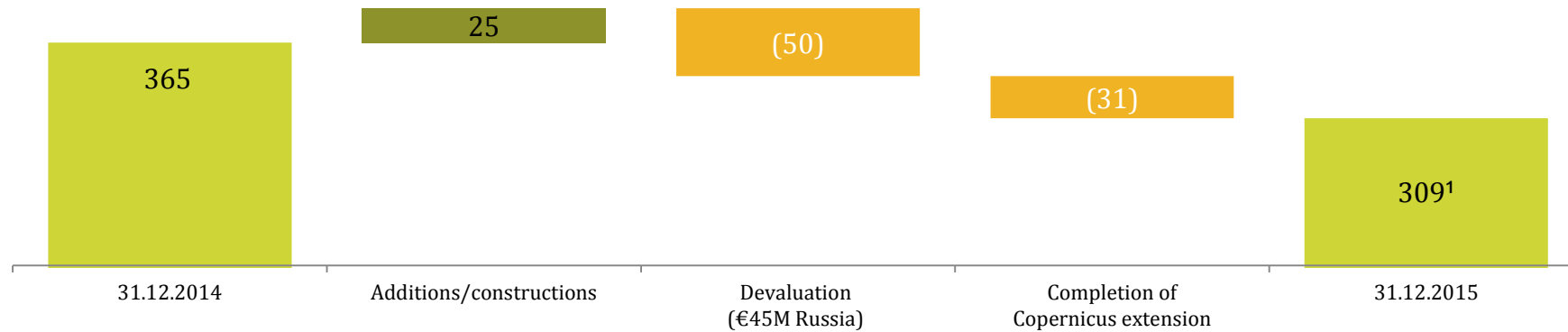
<sup>1</sup> Including €71m - 72 assets classified as held for sale as at 31/12/2014

<sup>2</sup> Including €102m - 10 Czech assets classified as held for sale as at 31/12/2015  
Including €16m - 3 Polish assets classified as held for sale as at 31/12/2015

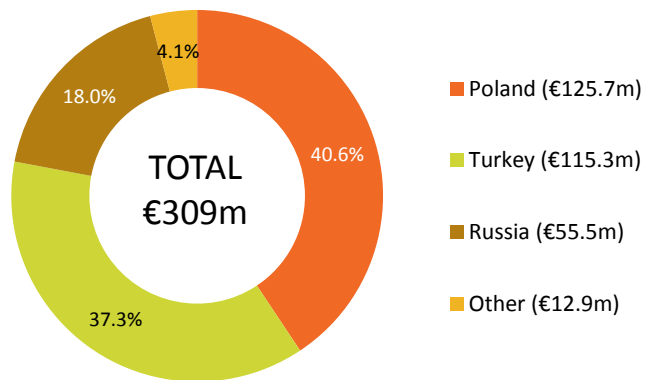


# REDEVELOPMENTS AND LAND

## Developments and land roll forward (€M)



## Market value per country



- Developments and land are at **10% of total portfolio**
- Actively looking to monetize the developments of the portfolio



<sup>1</sup> Including €1.6m (representing 1 asset in Poland) classified as held for sale as at 31.12.2015





# DEBT OVERVIEW AS AT 31 DECEMBER 2015

AVERAGE MATURITY	COST OF DEBT	DEBT AT FIXED RATE
31/12/2015: 5.7 years	31/12/2015: 3.7%	31/12/2015: fixed 100%

31/12/2014: 5.5 years      31/12/2014: **3.9%**      31/12/2014: **90%**

UNSECURED DEBT	NET LTV	GROSS LTV
31/12/2015: 84%	31/12/2015: 26.3%	31/12/2015: 33.8%

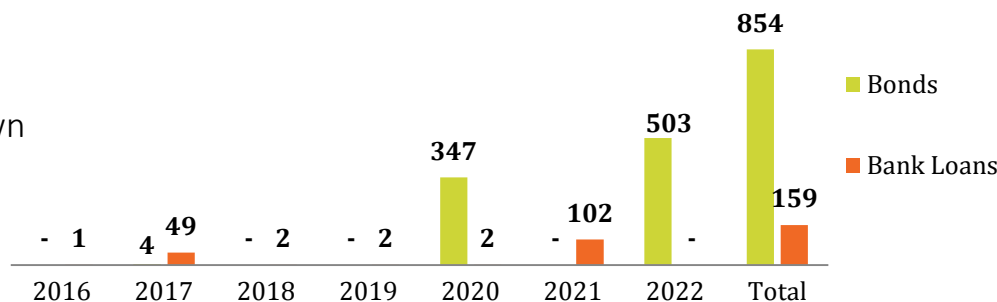
31/12/2014: **65%**      31/12/2014: **21.9%**      31/12/2014: **36.1%**

€2.1bn / 80% of Standing investments are unencumbered as at 31/12/2015 (31/12/2014: 60%)

## KEY TRANSACTIONS IN 2015:

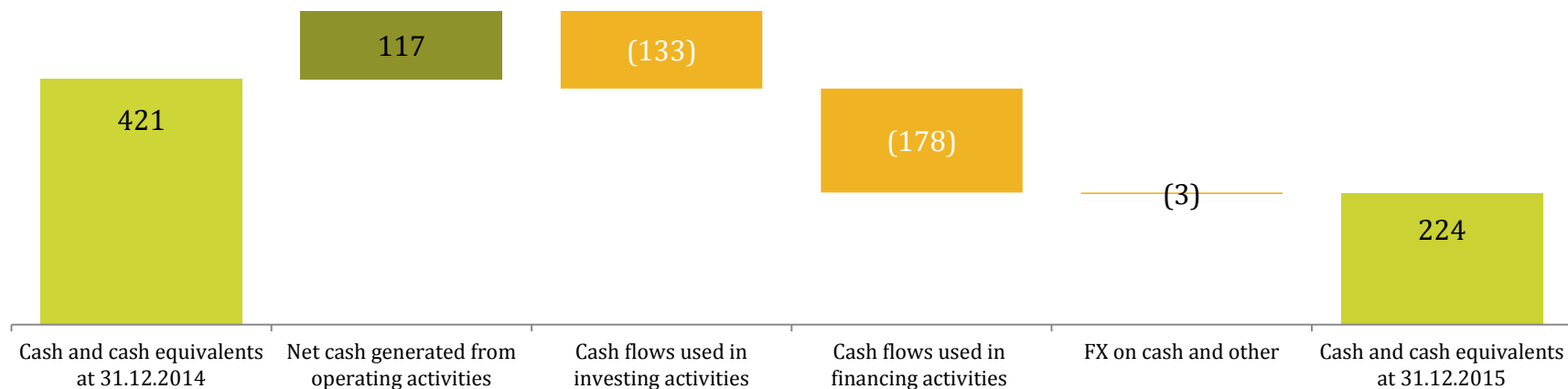
- €105m early repayment of a bank loan, 4.7% interest
- 2022 bond tap with €150m, 2.9% yield
- €81m 2005 bond buy back, 4% interest; reduced level of collaterals by €400m
- 5 year unsecured RCF increase €100m, total €150m, undrawn
- All bank loans and bond covenants are in compliance
- S&P and Fitch reaffirmed the rating BBB-/stable

## Debt maturity (€M)



# CASH AS AT 31 DECEMBER 2015 €224M

## 31 December 2015 Cash flow(€m)



### (€133m) NET CASH USED IN INVESTING ACTIVITIES

- **€74m** Disposal of 77 assets in the Czech Republic
- **€7m** Sale of land, Turkey
- **(€164m)** Purchase of Arkády Pankrác, Czech Republic
- **(€45m)** Standing investments and development capex

### (€178m) NET CASH USED IN FINANCING ACTIVITIES

- **(€102m)** Dividends
- **(€87m)** Bond buy back
- **(€31m)** 2005 bonds payment
- **(€105m)** Bank loan repayment
- **€156m** Bond tap





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