



atrium – company presentation

THE LEADING OWNER & MANAGER OF
CENTRAL EASTERN EUROPEAN
SHOPPING CENTRES

1H2016



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: 26.1% net LTV/ €184m cash
- Investment grade rating with a “Stable” outlook by Fitch and S&P
- Balance between solid income producing platform & opportunities for future growth



KEY FIGURES

- 62 properties with a **MV** of c.€2.6bn and over 1.1 million m² GLA
- Focus on **shopping centres**, primarily food-anchored
- 1H16 GRI: €98.5m, NRI: €95.6m (FY15 GRI: €207.4m, NRI: €197.9m)
- Adjusted EPRA EPS: 15.6 €cents, EPRA NAV per share: €5.65
- Dividend per share: 27 €cents*; special dividend of 14 €cents* to be paid on 30th September
- 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

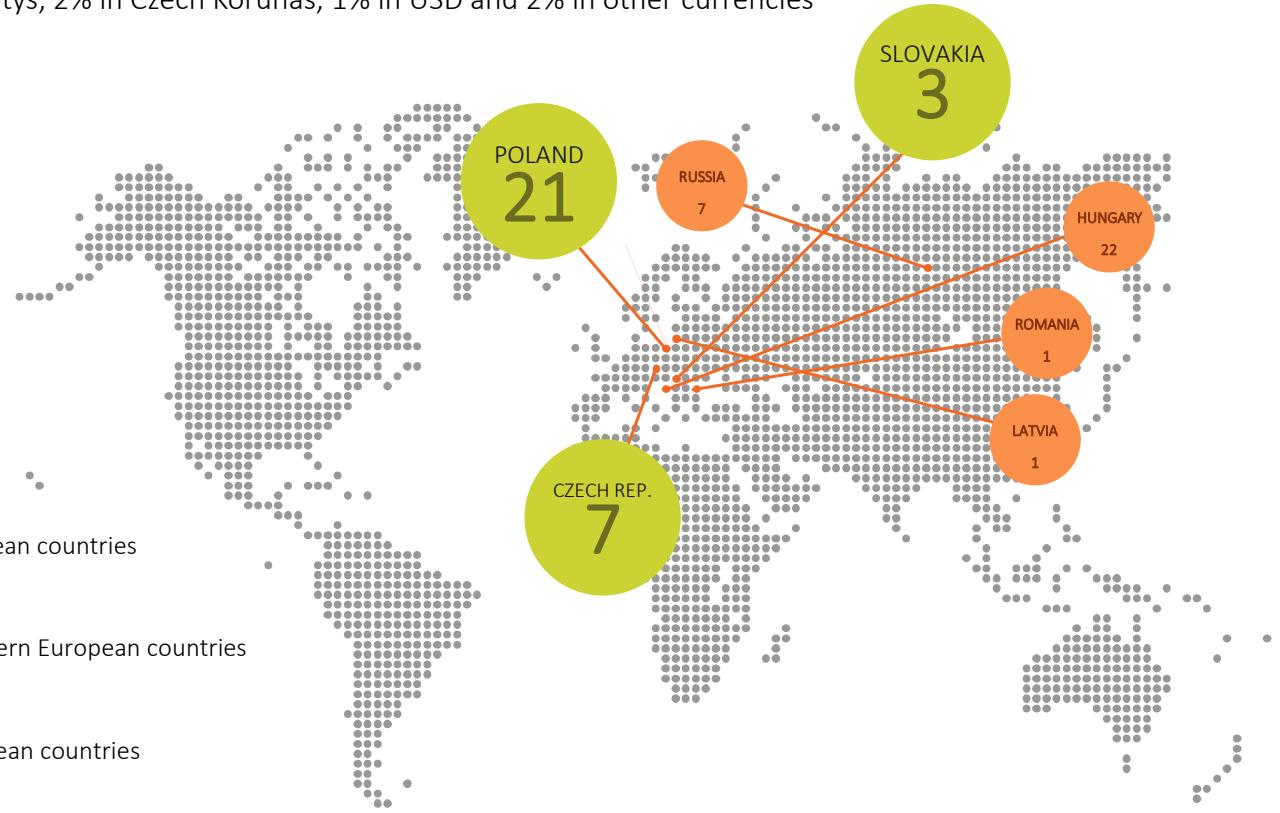
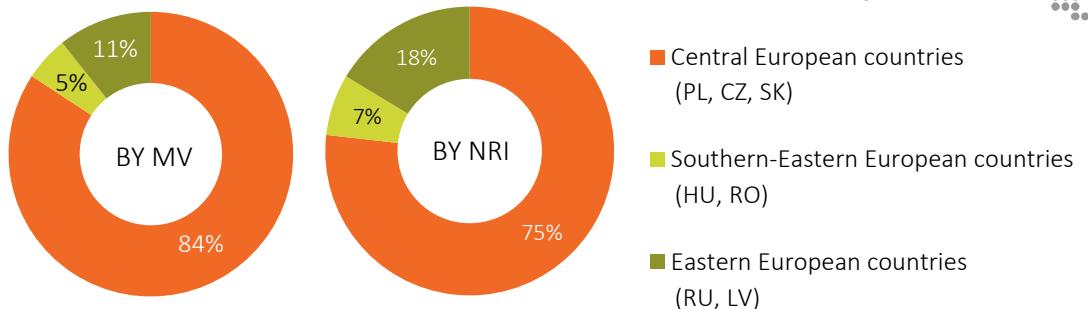
All numbers in this presentation as reported in the 6M results to 30 June 2016 unless explicitly stated otherwise,
incl. A 75% stake in Arkady Pankrac (Prague, the Czech Republic) and Standing Investments classified as assets held for sale



FOCUS ON THE MOST MATURE AND STABLE MARKETS IN CEE

- 100% focus on Central and Eastern Europe (CEE) including Russia
- Core Markets (Poland, Czech Rep, Slovakia): 84% of MV/ 75% of NRI/ 90% in investment-grade countries*
- 89% of 6M16 GRI is denominated in Euros, 6% in Polish Zlotys, 2% in Czech Korunas, 1% in USD and 2% 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

2009	2010	2011	2012	2013	2014	2015	1H16
WHERE WE STARTED				WHERE WE ARE TODAY			
€1.6bn (Dec'08)		STANDING INVESTMENT PORTFOLIO				€2.6bn	
93.6% (Dec'08)		OCCUPANCY				95.9%	
71% (FY08)		OPERATING MARGIN				97.1%	
€727m (Dec'08)		DEVELOPMENT AND LAND				€317m	
61%, 8.3% (Dec'08)		GROSS LTV, COST OF DEBT				32.4%, 3.7%	
BB- (2009)		CREDIT RATING				BBB-	
€24 cent p.s. (FY09)		ADJ. EPRA EARNINGS				€33.3 cent p.s. (FY15)	
€3 cent p.s. (FY09)		DIVIDEND				€27 cent p.s. (FY16)*	

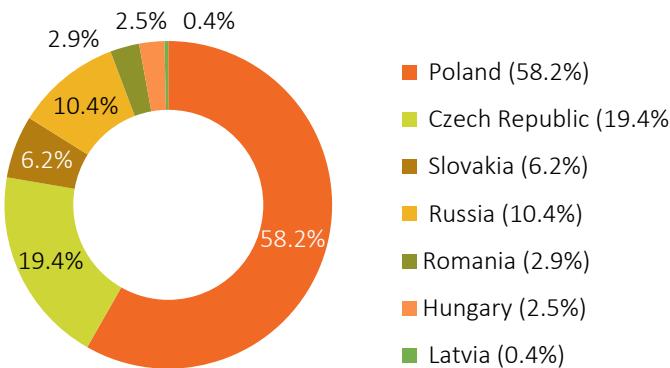
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STANDING INVESTMENTS PORTFOLIO DETAILED OVERVIEW

Country	No of properties	Gross lettable area	Market value 30/06/2016	Market value per m ² of GLA	Net equivalent yield (weighted average)*	EPRA net initial yield**	Revaluation during 6M 2016	EPRA Occupancy
		m ²	€m	€	%	%	€m	%
Poland	21	522,400	1,515.8	2,902	6.4%	6.5%	13.8	95.8%
Czech Republic	7	117,600	506.3	4,305	5.8%	5.6%	8.6	97.4%
Slovakia	3	78,700	161.2	2,049	7.3%	7.2%	5.6	98.6%
Core Markets	31	718,700	2,183.3	3,038	6.3%	6.3%	27.9	96.4%
Russia	7	241,000	270.1	1,121	12.7%	11.9%	-5.6	89.9%
Romania	1	56,600	74.8	1,322	8.4%	8.0%	2.6	99.3%
Hungary	22	97,700	64.6	661	9.7%	10.4%	0.0	97.5%
Latvia	1	20,400	12.4	608	10.1%	9.2%	0.5	98.6%
Total Group	62	1,134,400	2,605.2	2,297	7.2%	7.1%	25.4	95.4%

MARKET VALUE PER COUNTRY



- Atrium owns 62 shopping centres and smaller retail properties
- 84% of the total standing investments portfolio is located in our **Core Markets**, with Poland exceeding 58%
- **The top 10 assets:**
 - Represent 62% of Atrium's standing investments' portfolio value
 - 7 are located in Poland, 2 in the Czech Republic and 1 in Slovakia
- As of 30th June 2016, €12.4m are held for sale

* The external appraisers' equivalent yield is a weighted average yield that takes into consideration estimated rental values, occupancy rates and lease expiries

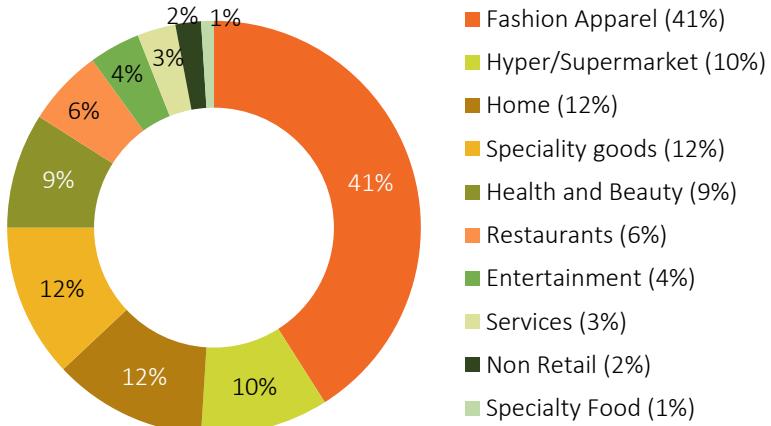
** The EPRA Net initial yield is calculated as the annualised net rental income divided by the market value

All numbers incl. the 75% stake in Arkady Pankrac (Prague, the Czech Republic) and the Latvian SI held for sale



RESILIENT INCOME: STRONG TENANTS, LONG LEASE DURATION

🛒 TENANT MIX BY ANNUALISED RENTAL INCOME



- Fashion Apparel tenants generate 41% of income (c.31% of GLA), and Hyper/ Supermarket retailers generate 10% (19% 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 4.8 years



TOP 10 TENANTS - WELL-KNOWN GLOBAL RETAILERS*

Group name	Main brands	% of ARI** (Annualised Rental Income)	International presence	Sales 2015 € Bn, worldwide	S&P credit rating (if rated)
Ahold		4.6%	3,253 stores/ 4 countries	32.8	BBB/ Stable
AFM	  	3.5%	1,826 stores/ 16 countries	54.2	BBB+/ Stable
Metro Group	 	3.4%	2,068 stores/ 31 countries	59.2	BBB-/ Stable
LPP	  	3.3%	1,627 stores/ 15 countries	1.2	-
Hennes & Mauritz		2.2%	3,924 stores/ 61 countries	22.9	-
Inditex	  	2.1%	7,013 stores/ 88 countries	20.9	-
Kingfisher		1.5%	1,100 stores/ 10 countries	13.4	BBB/ Stable
EMF	 	1.2%	657 stores/ 7 countries	0.6	-
ASPIAG		1.2%	12,100 stores/ 42 countries	33.0	-
Tengelmann Group	 	1.2%	4,437 stores/ 19 countries	8.24	-
Top 10 tenants		24.2%			

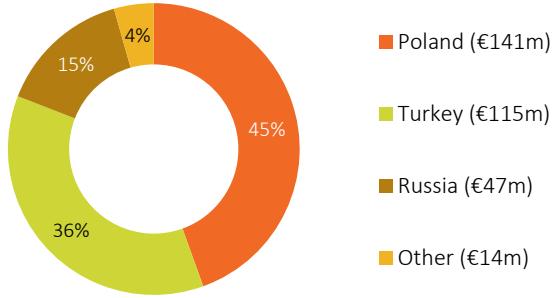
* Data for FY15: 12 months as of 31st Dec. 2015

** Including 100% of Arkady Pankrac



RATIONALISED DEVELOPMENT PIPELINE MITIGATES RISK

DEVELOPMENT AND LAND PER COUNTRY



- €317M fair value, representing 11% of our total real estate portfolio

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

- Atrium Promenada: a complex project of redevelopment & 44,000 m² GLA extension (total invest. cost est. at €100m out of which €30m spent as of 30.06.16). Stage 1 is ongoing. The first significant step of Stage 1 was completed with the new c. 3,000 m² H&M flagship store opening on 9th March 2016. Stage 2 was approved by the Board of Directors on 17th May
- Atrium Targowek: a total extension of c. 9,000 m² new GLA. The preliminary stage (total invest. cost est. at €11m) was approved by the Board of Directors on 17th May

atrium felicity



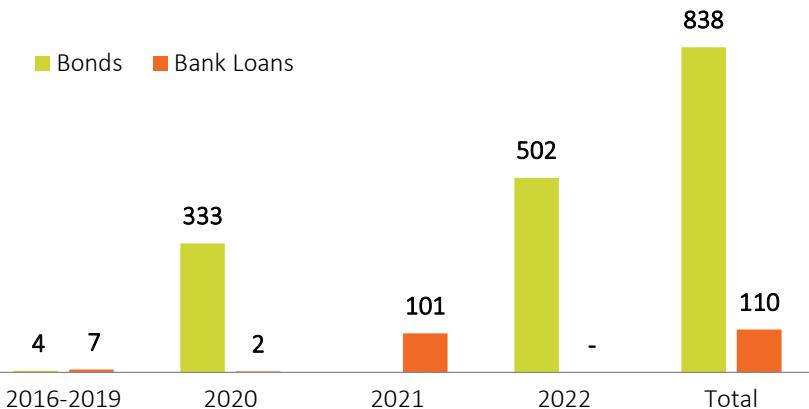
atrium promenada extension



SOLID DEBT PROFILE

BBB-/ STABLE RATING FROM S&P AND FITCH

DEBT MATURITY (€M)



KEY METRICS

- Atrium has a strong Balance Sheet with €184m of cash*, gross LTV of 32.4% and net LTV of 26.1%
- The weighted average debt maturity is 5.6 years
- Average cost of debt at 3.7%
- The unencumbered standing investments portfolio proportion is 84%, up from 80% as at YE-2015



LATEST TRANSACTIONS

- Early repayment of €49.5m bank loan to Berlin-Hyp in Poland (March)
- 2013 & 2014 Bonds buybacks for the total amount of €16.5m (April - July)

* Excluding €26.6m VAT net receivables due to Group restructuring



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

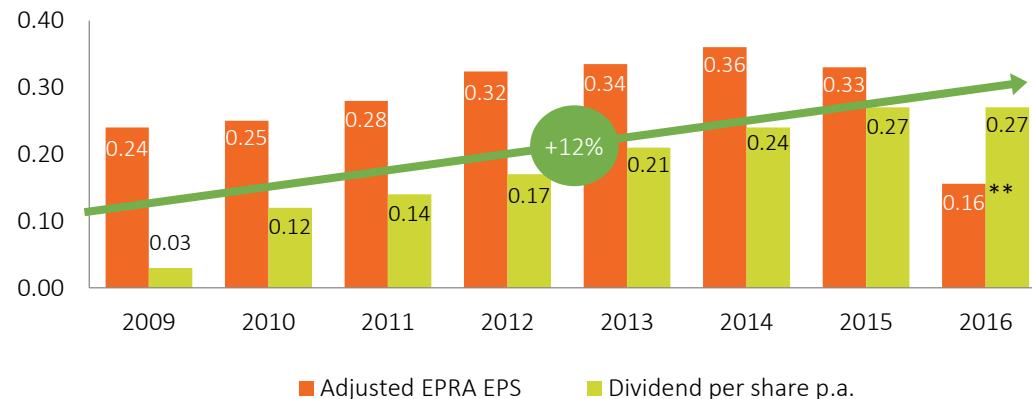
 DEVELOPMENT & LAND - Monetise the land bank through selective development or divestment

 EXTENSIONS - Redevelopment and extension potential

MILESTONE 1: Solid investment grade rating

MILESTONE 2: Sustainable dividend

DIVIDEND CAGR (2010-16)



FINANCIAL TARGETS:

- Long-term leverage target of net debt to real estate value of 35%
- Long-term target for development & land bank <15% of total real estate asset





APPENDIX 1 – MACRO OVERVIEW

MACRO OVERVIEW OF OUR MARKETS

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Latvia	Total / Average*	France	Germany
2015 Population (M people)	38.0	10.5	143.5	5.4	9.9	19.9	2.0	229.2	64.3	82.2
2015 GDP in PPP (\$ Bn)	1,007.1	338.0	3,724.9	161.3	259.0	414.7	49.0	5,954.0	2,665.9	3,860.1
2015 GDP per capita PPP (\$)	26,499	32,076	25,965	29,758	26,275	20,782	24,652	26,572	41,476	46,974
2016f GDP per capita PPP (\$)	27,715	33,223	26,109	31,182	27,211	22,319	25,740	27,643	42,384	48,190
2019f GDP per capita PPP (\$)	32,647	37,931	29,051	37,059	31,395	26,587	30,983	32,236	46,798	53,258
2015e real GDP growth (%)	3.7%	4.5%	-3.7%	3.6%	2.9%	3.8%	2.7%	2.5%	1.3%	1.5%
2016f real GDP growth (%)	3.1%	2.5%	-0.8%	3.4%	2.0%	5.0%	2.5%	2.5%	1.3%	1.8%
2017f real GDP growth (%)	3.4%	2.7%	1.1%	3.3%	2.5%	3.8%	3.4%	2.9%	1.3%	1.4%
2019f real GDP growth (%)	3.1%	2.2%	1.5%	3.8%	2.2%	3.3%	3.9%	2.9%	1.7%	1.3%
2015e retail sales growth (%)	2.8%	4.1%	-9.7%	3.9%	4.3%	6.4%	5.4%	2.5%	3.8%	3.0%
2016f retail sales growth (%)	3.5%	3.5%	-3.0%	3.9%	3.6%	5.6%	2.3%	2.8%	0.8%	0.8%
2019f retail sales growth (%)	4.1%	2.9%	1.0%	3.3%	4.2%	6.8%	2.3%	3.5%	1.5%	0.7%
2015e Unemployment (%)	7.5%	5.1%	5.6%	11.5%	6.9%	6.8%	9.9%	7.6%	10.4%	4.6%
2016f Unemployment (%)	6.3%	4.1%	5.8%	9.9%	6.0%	6.4%	9.4%	6.8%	9.8%	4.3%
2019f Unemployment (%)	6.3%	4.2%	5.5%	8.0%	5.4%	6.5%	8.7%	6.4%	9.0%	4.6%
2015e Inflation (%)	-0.5%	0.1%	12.9%	-0.5%	0.5%	-1.0%	0.4%	1.7%	0.3%	0.3%
2016f Inflation (%)	0.2%	1.1%	6.0%	0.3%	0.8%	-0.3%	0.3%	1.2%	0.0%	1.2%
2019f Inflation (%)	2.5%	2.0%	4.0%	1.4%	3.0%	2.7%	2.0%	2.5%	0.7%	1.8%

* Simple arithmetic average for comparison purposes

Sources: IMF, Oxford Economics, PMR



MACRO OVERVIEW OF OUR MARKETS (CONTINUED)

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Latvia	Average	France	Germany
2015 Consumer spending growth (%)	3.1%	2.8%	-9.5%	2.4%	3.0%	6.0%	n.a.	1.3%	1.5%	2.0%
2016f Consumer spending growth (%)	3.4%	3.0%	-4.6%	2.8%	3.9%	9.0%	n.a.	2.9%	2.0%	1.5%
10-year Interest rate, 2015 (%)	3.0%	0.6%	9.6%	0.8%	3.3%	1.0%	n.a.	3.1%	1.0%	0.5%
10-year Interest rate, 2016f (%)	3.2%	0.9%	8.8%	1.4%	3.3%	1.1%	n.a.	3.1%	0.5%	0.5%
2015 Avg. gross monthly wage (€)	985	970	504	883	800	576	n.a.	786	n.a.	n.a.
2016f Avg. gross monthly wage (€)	1,025	1,008	536	912	843	631	n.a.	826	n.a.	n.a.
2015 Monthly Retail sales per capita (€)	248	289	149	269	171	144	n.a.	212	n.a.	n.a.
2016f Monthly Retail sales per capita (€)	256	299	163	279	177	151	n.a.	221	n.a.	n.a.
Apr.'16 Retail trade volume change y-o-y * (%)	6.6%	5.7%	-4.9%	3.7%	6.7%	20.4%	1.7%	5.7%	2.8%	0.4%
May '16 Retail trade volume change y-o-y * (%)	6.4%	4.0%	-6.1%	4.0%	5.7%	13.8%	3.1%	4.4%	2.7%	1.0%
Jun.'16 Retail trade volume change y-o-y * (%)	5.5%	6.2%	-5.9%	2.6%	5.6%	16.2%	0.9%	4.4%	1.2%	1.1%
Consumer Confidence Indicator**, Jun. '16	-9.4	2.9	n.a.	-7.5	-18.2	-19.6	-8.7	-10.1	-12.6	-1.6
Consumer Confidence Indicator**, Jul.'16	-8.9	0.3	n.a.	-8.9	-14.5	-19.8	-8.7	-10.7	-13.8	-2.1
Retail Confidence Indicator**, Jun.'16	0.6	17.9	n.a.	17.1	9.0	3.4	7.9	10.0	-4.6	0.9
Retail Confidence Indicator**, Jul.'16	1.5	16.8	n.a.	20.5	2.6	7.0	7.9	10.3	-6.4	2.1
Country rating/ outlook - Moody's	A2/ negative	A1/ stable	Ba1/ negative	A2/ stable	Ba1/ positive	Baa3/ positive	A3/ stable	n.a.	Aa2/ stable	Aaa/ stable
Country rating/ outlook - S & P	BBB+/ negative	AA-/ stable	BB+/ stable	A+/ stable	BBB- / stable	BBB-/ stable	A-/ stable	n.a.	AA/ negative	AAA/ stable
Country rating/ outlook - Fitch	A-/ stable	A+/ stable	BBB-/ negative	A+/ stable	BBB-/ stable	BBB-/ stable	A-/ stable	n.a.	AA/ stable	AAA/ stable
Atrium country exposure by NRI (6M2016)	51.3%	16.7%	19.6%	5.7%	3.2%	2.9%	0.6%	100.0%		
Atrium country exposure by MV at 30/06/16***	58.2%	19.4%	10.4%	6.2%	2.5%	2.9%	0.4%	100.0%		

* Adjusted for inflation & seasonal effects

** Households' & retailers' near-future expectations

Sources: Eurostat, C&W, PMR



COUNTRY & REAL ESTATE RISK/ YIELD

YIELDS ON 10Y BONDS IN LOCAL CURRENCIES, JAN 2011- AUGUST 2016



Country	Sovereign ratings	10Y gov. bond yield, local currency	Prime shopping centre gross yield*	Spread from SC yield to 10Y gov. bond yields
	Fitch	August 2016	C&W (2Q16)	
Russia	BBB-	8.33%	11.00%	2.67%
Romania	BBB-	2.83%	7.00%	4.17%
Hungary	BBB-	2.76%	6.25%	3.49%
Poland	A-	2.60%	5.00%	2.40%
Czech Rep.	A+	0.26%	4.50%	4.24%
Slovakia	A+	0.21%	5.25%	5.04%
Germany	AAA	-0.11%	3.90%	4.01%



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