



TRADING UPDATE

17 May 2017





ATRIUM PROMENADA | WARSAW

KEY HIGHLIGHTS YTD 2017

Q1 RESULTS (YEAR ON YEAR)

- LFL growth in all countries
- Strong Ruble and improving economy led to a 31% EPRA LFL NRI growth in Russia
- ↑€4.7m or 14% in EBITDA to €39.8m
- ↑€1.8m or 6% in Company adjusted EPRA earnings to €30.5m – Russia ↑€1.3m
- ↑€5.2m or 20% in profit after tax to €31.5m

LEGAL LEGACY CLOSURE AND COST SAVINGS PLAN

- Major milestone reached on Austrian legacy legal claims with a framework agreement as a basis to resolve a significant majority of these claims
- Cost efficiency programme announced in March 2017-
 - €10m annual savings from 2018 onwards with €5m - €6m in 2017

REDEVELOPMENTS

- Ongoing redevelopments projects - €300m pipeline, 70,000 sqm of GLA

MACRO

- Czech Koruna free flow - no impact/ 88% contracts in EUR
- Russia exiting recession – growth expected to pick up over next months



HIGHLIGHTS

OPERATIONAL PERFORMANCE

- LFL NRI ↑8.5%
- LFL NRI excl. Russia ↑2.9%
- 40,000 sqm leases signed in Q1 2017
- 96% occupancy rate
- 5 years average lease length
- 96.4% operating margin

BALANCE SHEET MANAGEMENT

- Strong liquidity profile provides firepower for growth
- €135m cash and marketable securities
- €175m unutilized revolving credit facility
- 84% of unencumbered SI
- 29% net LTV, up to 40% long term target
- Long term debt maturity – 4.6 years

PORTFOLIO REPOSITIONING

- A track record of portfolio rationalization in the last two years:
 - €162m prime asset acquired in Prague
 - 93 non-core assets (153 to 60) sold for €220m, 7% above book value
- Focus on redevelopments/extensions with a pipeline of €300m to 2020
 - €120m approved in Poland, spent: €75m
- Continue to monetise the land portfolio

OTHER

- Major milestone reached on legacy legal claims
 - €46m expected net payment by end of 2017, fully accrued in 2016
- Cost efficiency programme - €10m cash savings
 - €5m legacy legal
 - €2.5m employees related cost
 - €2.5m others
- Board appointments:
 - 2 new Directors appointed
 - Board of 6 Directors, 4 independent

QUALITY BOOST THROUGH REDEVELOPMENTS AND EXTENSIONS

Atrium Promenada (Warsaw)



- A remodelling of the existing shopping centre
- 44,000 sqm GLA extension in total
- 7,600 sqm GLA extension **completed**
- 13,400 sqm new GLA **to complete in 2018**

Atrium Targowek (Warsaw)



- 380 parking spaces added in Nov. 2016
- 8,600 sqm GLA extension
- Refurbishment of the existing scheme
- Expected completion **end of 2018**

Interview with Scott Dwyer, CEO Poland



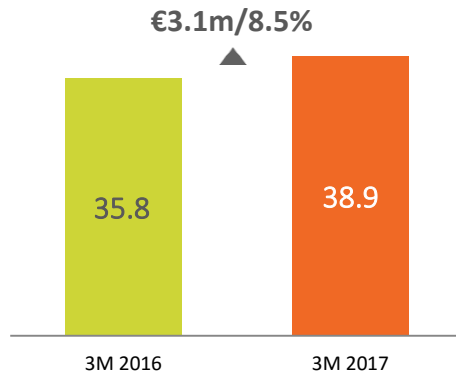
- Our strategy is to reweight the portfolio to large, dominant shopping centres and strengthen our core assets via extensions and redevelopment
- The main geographical focus in Poland is Warsaw, a city with growing demographics and high purchasing power
- We plan to add close to 60,000 sqm of GLA in Warsaw
- The competitive landscape in fashion, driven by off-price retailers, is creating an increase in demand for our retail space
- The addition of larger fashion formats together with increased food and leisure is core to our redevelopment programme
- While it takes more time and planning to keep our assets open throughout the redevelopment works, the commercial risks are lower and the returns remain accretive to our portfolio

- **€300 million** total investment in redevelopment projects
- 51% of redevelopments and land portfolio is in Poland, 24% in ongoing projects

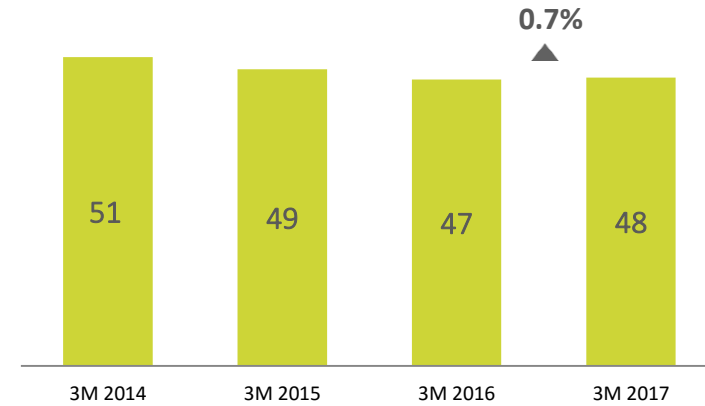


REVENUE FROM IMPROVING PORTFOLIO AND RUSSIA TURNAROUND

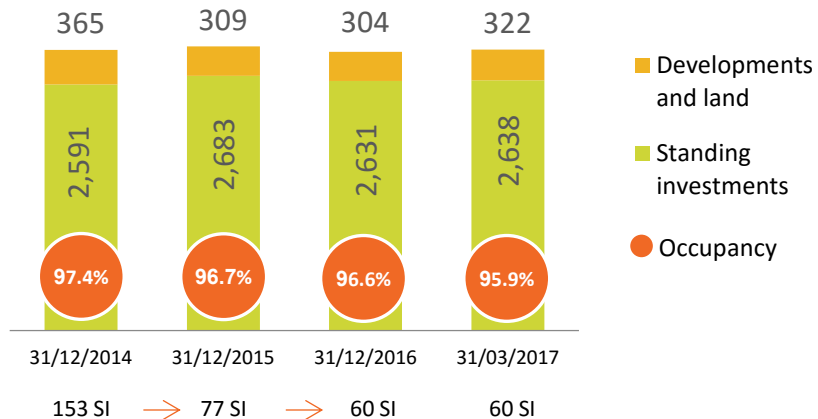
EPRA like-for-like NRI
(in million €)



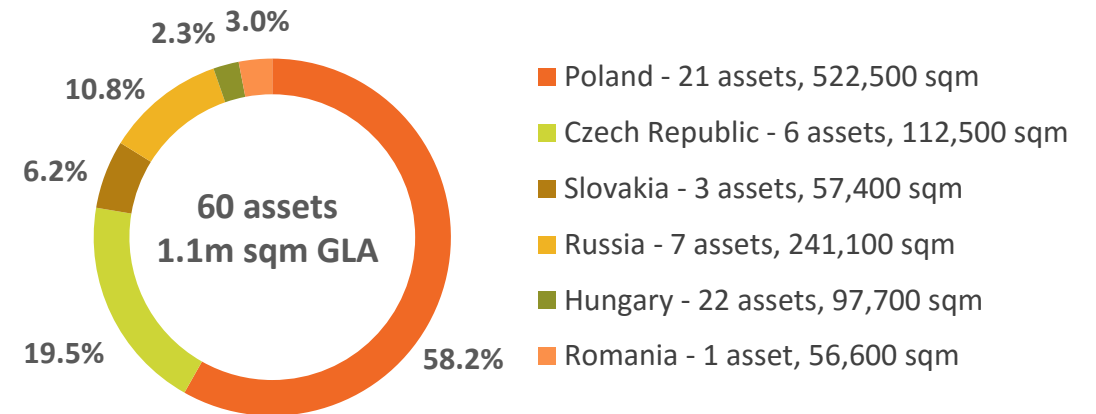
Net rental income
(in million €)



Market value of investment properties
(in million €)

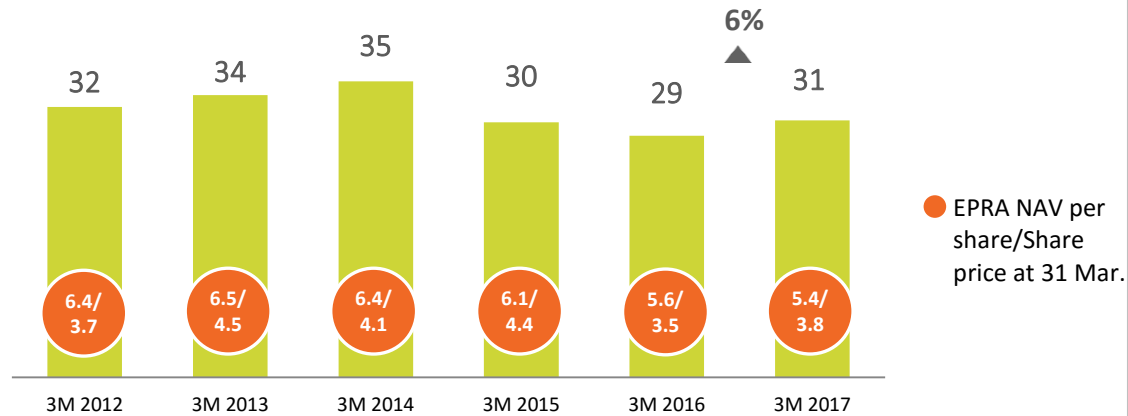


Market value of SI per country

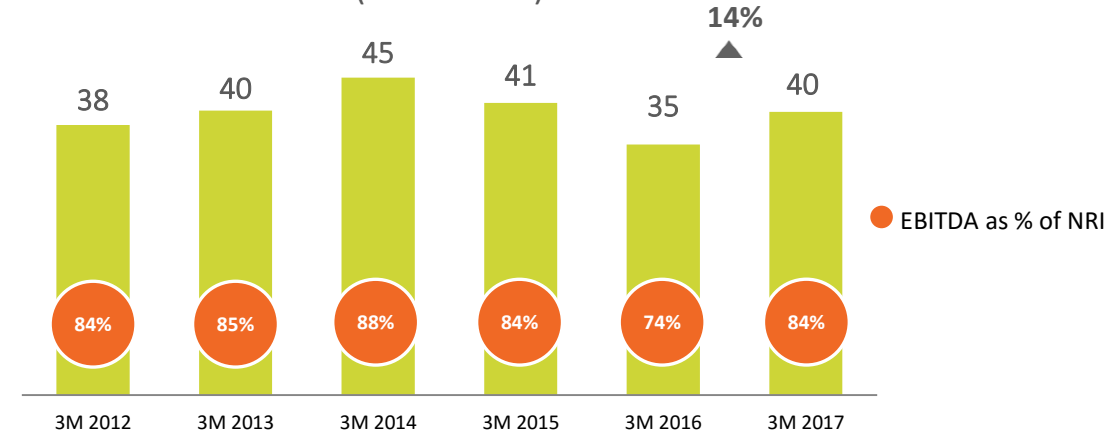


SOLID FOUNDATION FOR FUTURE GROWTH

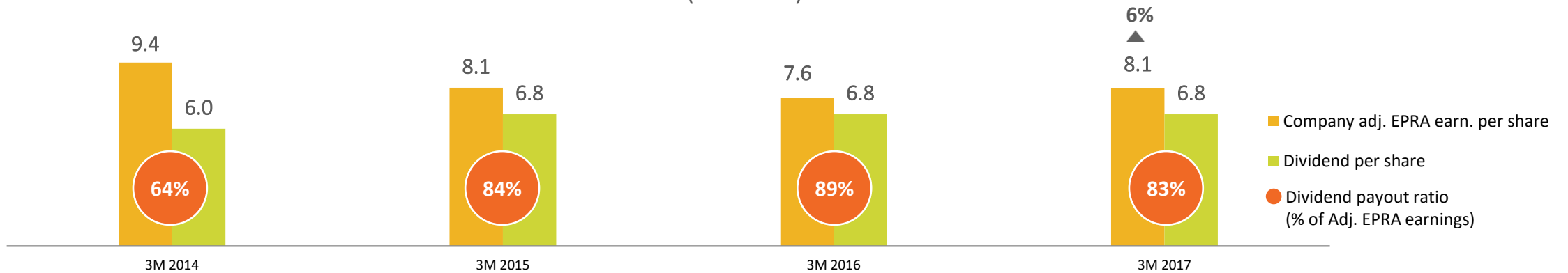
Company adjusted EPRA Earnings
(in million €)



EBITDA¹
(in million €)



Company Adjusted EPRA Earnings per share and Dividend per share
(in € cents)



¹ EBITDA excl. legacy legal costs ↑4% in Q1 2017

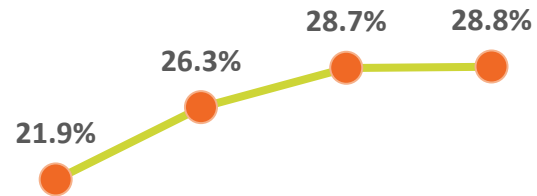
BALANCE SHEET EFFICIENCIES

Unutilised revolving credit facility of €175m

BBB- reaffirmed by Fitch and S&P in October 2016

LTV (net)

Up to 40% long term target



31/12/2014 31/12/2015 31/12/2016 31/03/2017

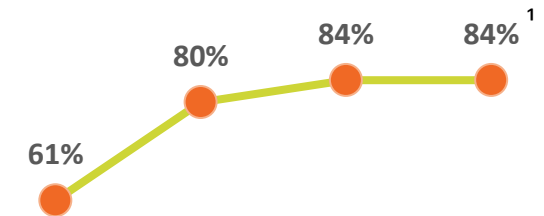
Borrowings

3.7% cost of debt
4.6 years average maturity
100% of debt is at fixed rate



■ Bonds €838m ■ Loan €109m

Unencumbered standing investments



31/12/2014 31/12/2015 31/12/2016 31/03/2017

¹ 85% after 2005 Bond repayment in Aug'17



KEY DRIVERS OF FUTURE GROWTH

PORTFOLIO

- Strong platform for growth
 - €2.6bn income-producing portfolio which has been repositioned over the last 6 years through 7 acquisitions for €1bn and 93 disposals for €220m
- High capacity for future growth with €300m redevelopment and extension pipeline which can be funded from existing resources
- Continually assessing investment opportunities to improve the portfolio further, supported by a low LTV of 29%

PERFORMANCE

- Value creation through a proactive asset management approach:
 - Q1 LFL growth in all countries
 - Q1 LFL NRI ↑8.5% YoY

CAPITAL MANAGEMENT

- Conservative capital structure with room to grow
- €0.10 increase from a dividend of €0.17 per annum in 2012 to €0.27 per annum in 2015-2017 (in addition, a special dividend of €cents 14 was paid in Sep. 2016)
- Dividend sustained from 2014 through the Russian economic crisis

OTHERS

- Major positive milestone reached in Q1 2017 with a framework agreement as a basis to resolve the vast majority of the Austrian legacy litigation
- Optimizing our cost structure including legal legacy costs and operational effectiveness, adding €10m from 2018



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THANK YOU

