



ATRIUM – COMPANY PRESENTATION

THE LEADING OWNER & MANAGER OF
CENTRAL EASTERN EUROPEAN
SHOPPING CENTRES

May 2017 / Based on 2016 full-year results



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: 28.7% net LTV/ €104m cash
- Investment grade rating with a “Stable” outlook by Fitch and S&P
- Balance between solid income producing platform & opportunities for future growth

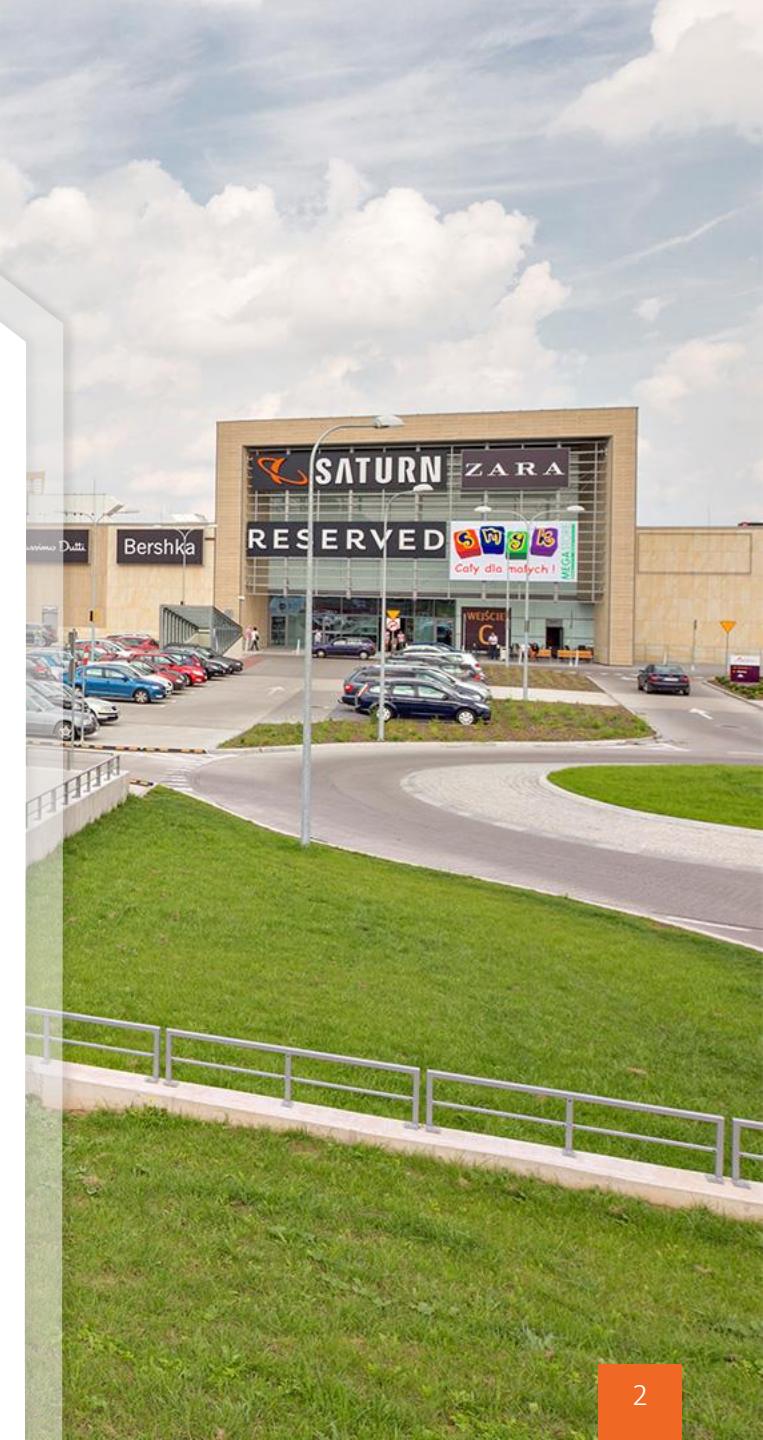


KEY FIGURES

- 60 properties with a **MV of c.€2.6bn and over 1.1 million m² GLA**
- Focus on **shopping centres**, primarily food-anchored
- FY16 GRI: €195.8m, NRI: €188.8m
- Adjusted EPRA EPS: 31.4 €cents, EPRA NAV per share: €5.39*
- Special dividend of 14 €cents paid in September
- Board-approved dividend of 27 €cents per share for 2017**, dividend yield >11.5%
- Research coverage by **Bank of America Merrill Lynch, Baader Bank, HSBC, Kempen, Raiffeisen and Wood & co**

* Including the special dividend. **Subject to any legal and regulatory requirements and restrictions of commercial viability

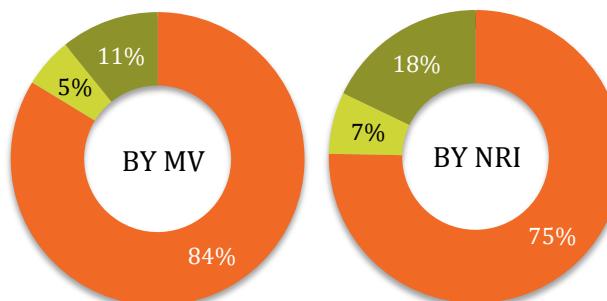
All numbers in this presentation as reported in the 12M results to 31 December 2016 unless explicitly stated otherwise, incl. a 75% stake in Arkady Pankrac



FOCUS ON THE MOST MATURE AND STABLE MARKETS IN CEE

- 100% focus on Central and Eastern Europe (CEE)
- Poland, Czech Republic, Slovakia: 84% of MV/ 75% of NRI
- Exposure to investment-grade countries: 89%*
- 88% of 12M16 GRI is denominated in Euros, 6% in Polish Zlotys, 2% in Czech Korunas, 1% in USD and 3% in other currencies

GEOGRAPHIC MIX OF THE PORTFOLIO



- Central European countries (PL, CZ, SK)
- Southern-Eastern European countries (HU, RO)
- Eastern European countries (RU)



* By MV based on S&P ratings/ 100% based on Fitch ratings



RESTRUCTURING: MANAGEMENT MAKES A DIFFERENCE

2009	2010	2011	2012	2013	2014	2015	2016			
WHERE WE STARTED				WHERE WE ARE TODAY						
€1.6bn (Dec'08)	STANDING INVESTMENT PORTFOLIO				€2.6bn					
93.6% (Dec'08)	OCCUPANCY				96.3%					
71% (FY08)	OPERATING MARGIN				96.4%					
€727m (Dec'08)	DEVELOPMENT AND LAND				€304m					
61%, 8.3% (Dec'08)	GROSS LTV, COST OF DEBT				32.3%, 3.7%					
BB- (2009)	CREDIT RATING				BBB-					
€24 cent p.s. (FY09)	ADJ. EPRA EARNINGS				€31.4 cent p.s. (FY16)					
€3 cent p.s. (FY09)	DIVIDEND				€27 cent p.s. (approved for 2017)* + €14 cent p.s. special dividend Sep16					
CORPORATE GOVERNANCE & TRANSPARENCY				    						
AWARDS										

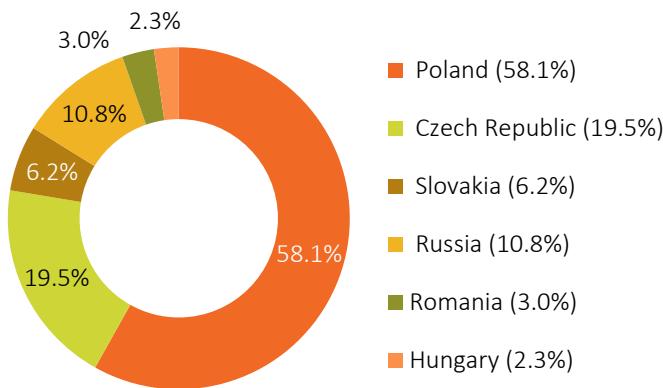
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STANDING INVESTMENTS PORTFOLIO DETAILED OVERVIEW*

Country	No of properties	Gross lettable area	Market value 31/12/2016	Market value per m ² of GLA	Net equivalent yield (weighted average)**	EPRA net initial yield***	Revaluation during 12M 2016	EPRA Occupancy
		m ²	€m	€	%	%	€m	%
Poland	21	522,200	1,529.5	2,929	6.3%	6.2%	13.9	96.9%
Czech Republic	6	112,500	513.0	4,560	5.7%	5.6%	13.3	98.3%
Slovakia	3	73,500	163.6	2,226	7.2%	7.0%	6.6	98.4%
Russia	7	241,100	284.3	1,179	12.8%	12.0%	7.9	93.1%
Hungary	22	97,700	61.2	626	9.4%	11.6%	-3.9	98.0%
Romania	1	56,600	79.6	1,406	8.1%	7.8%	5.4	99.6%
Total Group	60	1,103,600	2,631.2	2,384	7.0%	6.9%	43.2	96.6%

MARKET VALUE PER COUNTRY



- Portfolio quality boost (5Y): €1bn prime bought, €150m completed, €200m non-core sold
- Atrium owns 60 shopping centres and smaller retail properties, which are all internally managed with two exceptions
- 78% of the total standing investments portfolio is located in **Poland and the Czech Republic**, with Poland exceeding 58%
- The top 10 assets:**
 - Represent 63% of Atrium's standing investments' portfolio value
 - 7 are located in Poland, 2 in the Czech Republic and 1 in Slovakia

* All numbers incl. the 75% stake in Arkady Pankrac

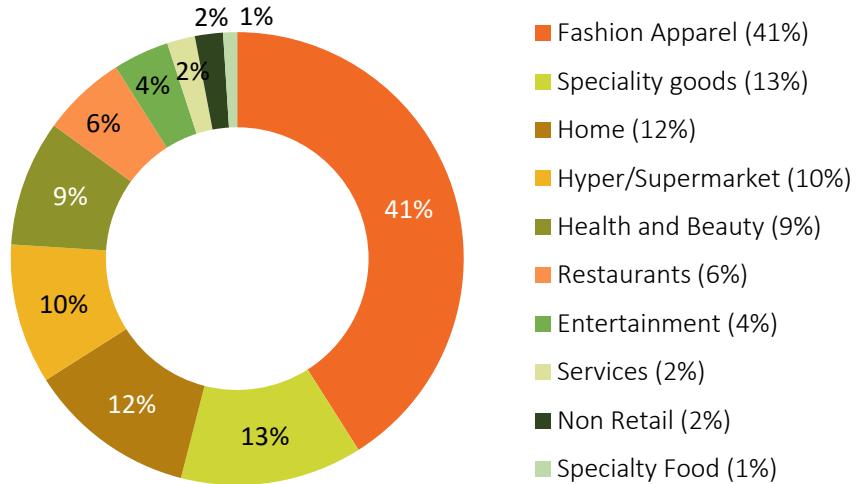
** The external appraisers' equivalent yield is a weighted average yield that takes into consideration estimated rental values, occupancy rates and lease expiries

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



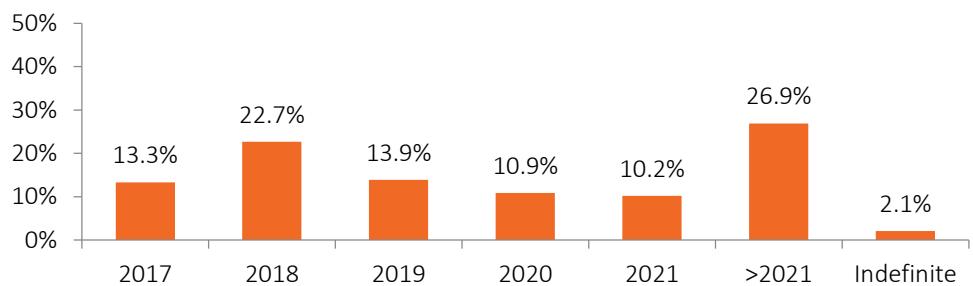
RESILIENT INCOME: STRONG TENANTS, LONG LEASE DURATION

🛒 TENANT MIX BY ANNUALISED RENTAL INCOME



- Fashion Apparel tenants generate 41% of income (32% of GLA), and Hyper/ Supermarket retailers generate 10% (18% 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 4.9 years



TOP 10 TENANTS - WELL-KNOWN GLOBAL RETAILERS

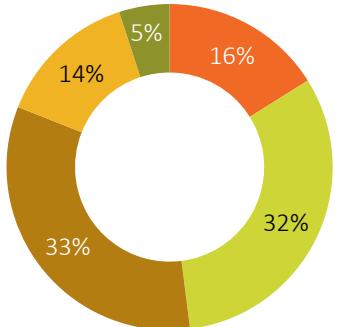
Group name	Main brands	% of Annualised Rental Income*	International presence	Sales 2015 € Bn, worldwide	S&P credit rating (if rated)
AFM	  	4.0%	1,855 stores/ 14 countries	54.2	BBB+/ Stable
LPP	  	3.6%	1,703 stores/ 18 countries	1.2	-
Metro Group	 	2.9%	2,068 stores/ 31 countries	59.2	BBB-/ Stable
Hennes & Mauritz		2.6%	4,351 stores/ 64 countries	22.9	-
Inditex	  	2.3%	7,292 stores/ 93 countries	20.9	-
Kingfisher		1.4%	1,100 stores/ 10 countries	13.4	BBB/ Stable
ASPIAG		1.3%	12,100 stores/ 42 countries	33.0	-
New Yorker		1.3%	1,000 stores/ 40 countries	n.a.	-
Carrefour		1.2%	11,935 stores/ 30 countries	76.9	BBB+/ Stable
A.S. Watson		1.2%	13,300 stores/ 25 countries	18.9	-
Top 10 tenants		21.8%			

* Including 100% of Arkady Pankrac



FOCUS ON STRONGER PORTFOLIO VIA UPGRADES, REDEVELOPMENTS & EXTENSIONS

DEVELOPMENT AND LAND PER COUNTRY



- Poland - Redevelopment (€49m)
- Poland - Land (€97m)
- Turkey (€100m)
- Russia (€43m)
- Other (€15m)

- €304M fair value, representing 10% of our total real estate portfolio
- 48% located in Poland
- 16% (€49m) are **redevelopments & extensions**

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)

ATRIUM FELICITY



ONGOING PROJECTS

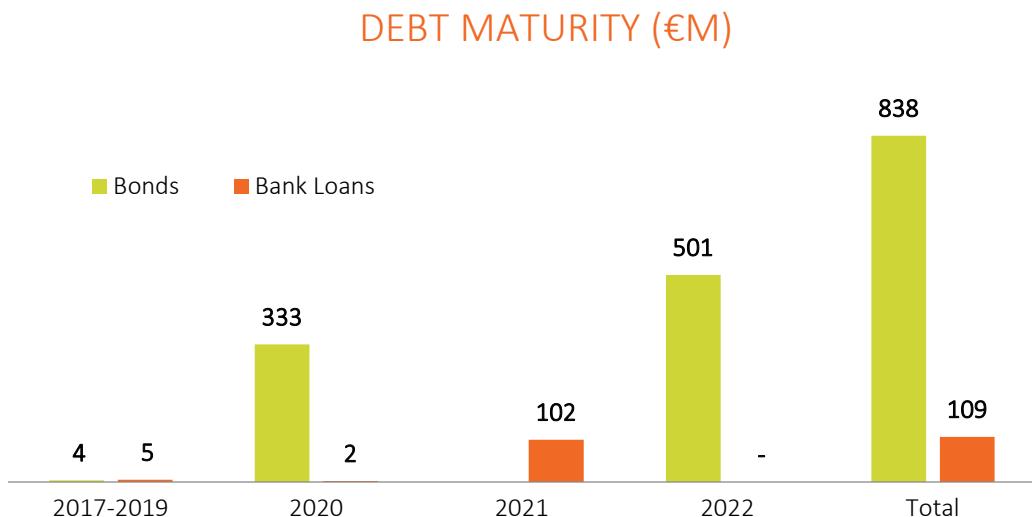
- Substantial redevelopment & extension programme to deliver almost 70,000 m² new GLA, including:
 - Atrium Promenda (Warsaw) – Stage 1 completed: 7,600 m² GLA added/ Stage 2 ongoing: will add 13,400 m² GLA
 - Atrium Targowek (Warsaw) – Preliminary Stage of 8,600 m² GLA extension ongoing, preceding construction of the main extension

ATRIUM PROMENADA EXTENSION



SOLID DEBT PROFILE

BBB-/ STABLE RATING FROM S&P AND FITCH



KEY METRICS

- Atrium has a strong Balance Sheet with €104m of cash, gross LTV of 32.3% and net LTV of 28.7%
- The weighted average debt maturity is 4.9 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
- 2013 & 2014 Bonds buybacks for the total amount of €18m
- Increase of €25m in revolving credit facility to €175m



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

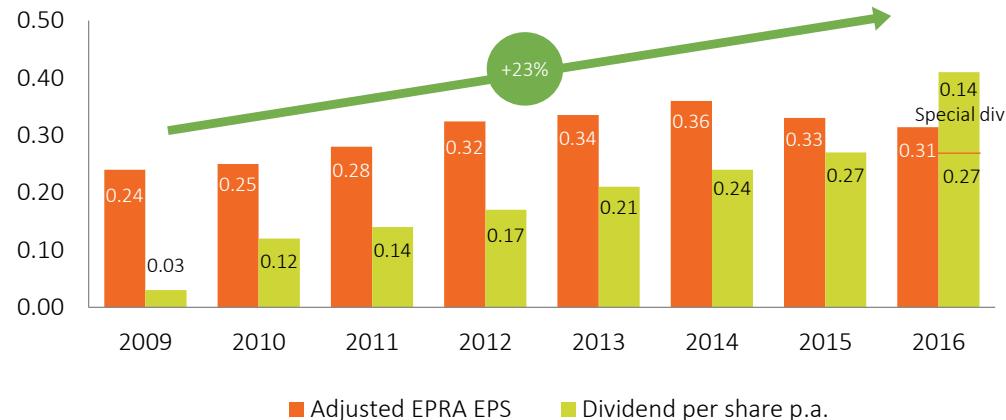
 DEVELOPMENT & LAND - Monetise the land bank through selective development or divestment

 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 35-40%
- 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	Total / Average*	France	Germany
2016 Population (M people)	38.0	10.6	143.4	5.4	9.8	19.8	227.0	64.6	82.7
2016 GDP in PPP (\$ Bn)	1,054.1	350.7	3,799.7	170.1	270.3	441.6	6,086.5	2,733.7	3,980.2
2016 GDP per capita PPP (\$)	27,764	33,232	26,490	31,339	27,482	22,348	28,109	42,314	48,111
2017f GDP per capita PPP (\$)	29,349	34,849	27,466	33,055	28,965	23,958	29,607	43,653	49,815
2020f GDP per capita PPP (\$)	34,281	39,405	30,699	39,184	33,623	28,686	34,313	48,321	55,079
2016 real GDP growth (%)	2.8%	2.4%	-0.3%	3.3%	2.0%	4.8%	2.5%	1.2%	1.8%
2017f real GDP growth (%)	3.4%	2.8%	1.4%	3.3%	2.9%	4.2%	3.0%	1.4%	1.6%
2018f real GDP growth (%)	3.2%	2.2%	1.4%	3.7%	3.0%	3.4%	2.8%	1.7%	1.5%
2021f real GDP growth (%)	2.8%	2.3%	1.5%	3.4%	2.2%	3.3%	2.6%	1.8%	1.2%
2016 retail sales growth (%)	6.0%	5.1%	-5.2%	2.2%	4.7%	13.3%	4.4%	2.8%	1.4%
2017f retail sales growth (%)	3.9%	3.8%	5.7%	4.1%	3.6%	7.7%	4.8%	1.8%	1.5%
2020f retail sales growth (%)	3.9%	3.4%	6.3%	3.1%	4.1%	7.2%	4.7%	1.5%	1.3%
2016 Unemployment (%)	6.1%	4.0%	5.5%	9.7%	4.9%	6.0%	6.0%	10.0%	4.2%
2017f Unemployment (%)	5.6%	3.8%	5.5%	7.9%	4.4%	5.4%	5.4%	9.6%	4.2%
2020f Unemployment (%)	5.2%	4.5%	5.5%	6.4%	4.2%	6.0%	5.3%	8.7%	4.2%
2016 Inflation (%)	0.8%	2.0%	5.4%	0.2%	1.8%	-0.5%	1.6%	0.7%	1.7%
2017f Inflation (%)	2.3%	2.3%	4.4%	1.4%	2.8%	2.2%	2.6%	1.4%	1.6%
2020f Inflation (%)	2.5%	2.0%	4.0%	2.0%	3.0%	2.5%	2.7%	1.7%	2.2%

* Simple arithmetic average for comparison purposes

Sources: IMF, Eurostat, Oxford Economics, PMR



MACRO OVERVIEW OF OUR MARKETS (CONTINUED)

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Hungary	Romania	Average	France	Germany
2016 Consumer spending growth (%)	3.5%	2.9%	-5.0%	3.2%	4.3%	7.6%	2.8%	1.8%	1.8%
2017f Consumer spending growth (%)	3.8%	3.5%	0.8%	4.0%	5.8%	8.5%	4.4%	1.1%	0.9%
10-year Interest rate, 2016 (%)	3.0%	0.4%	8.8%	0.4%	3.1%	1.1%	2.8%	0.4%	0.1%
10-year Interest rate, 2017f (%)	3.0%	0.7%	7.9%	0.4%	3.1%	3.0%	3.0%	0.7%	0.3%
2016 Avg. gross monthly wage (€)	980	1,021	496	912	889	804	850	n.a.	n.a.
2017f Avg. gross monthly wage (€)	1,027	1,071	528	948	963	848	898	n.a.	n.a.
2016 Monthly Retail sales per capita (€)	246	296	148	279	177	152	216	n.a.	n.a.
2017f Monthly Retail sales per capita (€)	256	307	157	291	183	164	226	n.a.	n.a.
Jan.'17 Retail trade volume change y-o-y * (%)	6.5%	3.3%	-2.3%	5.7%	3.8%	5.8%	3.8%	2.4%	-0.2%
Feb.'17 Retail trade volume change y-o-y * (%)	6.9%	4.9%		4.5%	0.9%	7.8%	5.0%	3.5%	1.2%
Mar.'17 Retail trade volume change y-o-y * (%)	6.4%	7.0%		6.0%	5.7%	9.1%	6.8%	3.5%	2.6%
Consumer Confidence Indicator**, Mar. '17	-7.0	7.2	n.a.	-7.0	-11.3	-10.4	-5.7	-9.8	0.2
Consumer Confidence Indicator**, Apr.'17	-5.9	7.1	n.a.	-6.3	-15.6	-13.4	-6.8	-8.1	2.8
Retail Confidence Indicator**, Mar.'17	4.6	23.8	n.a.	7.7	9.9	1.4	9.5	-3.2	-2.5
Retail Confidence Indicator**, Apr.'17	6.8	19.7	n.a.	14.6	5.8	13.0	12.0	-6.4	2.6
Country rating/ outlook - Moody's	A2/ stable	A1/ stable	Ba1/ stable	A2/ positive	Baa3/ stable	Baa3/ stable	n.a.	Aa2/ stable	Aaa/ stable
Country rating/ outlook - S & P	BBB+/ stable	AA-/ stable	BB+/ positive	A+/ stable	BBB-/ stable	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Country rating/ outlook - Fitch	A-/ stable	A+/ stable	BBB-/ stable	A+/ stable	BBB-/ stable	BBB-/ stable	n.a.	AA/ stable	AAA/ stable
Atrium country exposure by NRI (12M2016)	54%	15%	18%	6%	4%	3%	100%		
Atrium country exposure by MV at 31/12/16	58%	20%	11%	6%	2%	3%	100%		

* Adjusted for inflation & seasonal effects

** Households' & retailers' near-future expectations

Sources: Eurostat, C&W, Capital Economics, PMR



COUNTRY & REAL ESTATE RISK/ YIELD

YIELDS ON 10Y BONDS IN LOCAL CURRENCIES, JANUARY 2012- MAY 2017



Country	Sovereign ratings	10Y gov. bond yield, local currency	Prime shopping centre gross yield*	Spread from SC yield to 10Y gov. bond yields
	Fitch	May 2017		
Russia	BBB-	7.56%	11.00%	3.44%
Romania	BBB-	3.68%	6.75%	3.07%
Poland	A-	3.29%	4.75%	1.46%
Hungary	BBB-	3.02%	6.00%	2.98%
Slovakia	A+	1.02%	5.25%	4.23%
Czech Rep.	A+	0.84%	4.25%	3.41%
Germany	AAA	0.39%	3.70%	3.31%



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