Atrium European Real Estate Limited

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annual report

24.03.2009

Atrium European Real Estate Limited
("Atrium" or the "Group")

Final results

-authority for further bond repurchases granted-

Jersey, 24 March 2009. Atrium European Real Estate (ATX: ATR), a leading Central and Eastern European real estate business focused on shopping centre investment, management and development, announces its results for the year and fourth quarter ended 31 December 2008.

Key points of the results are as follows: . Gross rental income increased by 12% to EUR134 million (2007: EUR120 million)with like-for-like gross rental income up by 7% to EUR118 million (2007: EUR110 million). . Net rental income grew by 13% to EUR95 million (2007: EUR84 million) with like-for-like net rental income up 7% to EUR88 million (2007: EUR83 million). . The Group's cash balance was EUR1,251 million compared to EUR1,510 million in debt, of which EUR11 million matures in 2009, EUR10 million in 2010, EUR714 million in 2011-2013 and EUR775 million in the year 2014 or later. . The Group is within its two covenants for the 2006 Eurobond issued under its medium term note programme 2006 (net debt to market value is 10.8% versus a covenant of 60%, and indebtedness to total assets is 8.7% versus a covenant of 20%). . EBITDA excluding valuation and exceptional items resulting from the Master Transaction Agreement amounted to EUR39 million (2007: EUR10 million). . Loss before taxation amounted to EUR924 million, with a loss per share of EUR3.954, including EUR276 million termination costs to the previous management company, EUR434 million in devaluation and an impairment of EUR231 million. . Cash flows from operating activities amounted to EUR50 million (2007: EUR45 million). . Net asset value per share was at EUR10.66. . The market value of the investment properties decreased by 7% to EUR1,762 million (2007: EUR1,894 million) caused mainly by additions and transfers of EUR302 million and devaluation of EUR434 million. On a like-for-like basis the value of the investment portfolio decreased 23%. . The development investment portfolio was impaired by EUR231 million to EUR727 million, with a decrease of 23% on a like-for-like basis. . The Group's development pipeline includes 34 projects represented under investment properties under development. Seven of these 34 projects are expected to be completed within the next few years at a total cost of completion not exceeding EUR400 million. . EUR3 million provision created to cover a restructuring programme to align Group structure and new business model to the new economic environment. The Group anticipates consequent cost savings of EUR3 million an annualised basis. . Average occupancy rate remained steady at 93.6% despite market conditions (2007: 94.4%)

A full version of the 2008 results can be found on the Atrium page of the Vienne Börse website at http://en.wienerborse.at/ or on the Company's website at www.aere.com

Atrium also announces that its board of directors has authorised the repurchase of further notes issued under the Group's guaranteed medium term note programme 2006 (ISIN XS0263871328) as permitted by the terms of the notes and of other debt instruments issued by Atrium or any of its subsidiaries, including the bonds listed on the Vienna stock exchange (ISIN AT0000330964, ISIN AT0000341789, ISIN AT0000341797, ISIN AT0000496633, ISIN AT0000496641, ISIN AT0000492996). It is intended that repurchases will be made through agents for the Group and will take place opportunistically as market conditions or circumstances permit in amounts and on terms that the Group determines to be financially appropriate. The Board of Atrium believes that further repurchases of its publicly traded debt and of other debt instruments will result in a more efficient capitalisation of the Group.

Commenting on the results Rachel Lavine, chief executive officer of Atrium said: "2008 was an extremely difficult year for global financial markets and economies as a whole. We witnessed unprecedented conditions from which the real estate market has not been immune and this is reflected in the portfolio revaluation and impairment loss on the Group's income statement.

"However, the Group's key strengths of its balance sheet, its cash position in particular, and the resilience of our asset class do give me a great deal of confidence in the Atrium's future and, I believe, set us apart from many other real estate companies. We are not under any pressure from banking covenants and have a cash reserve that gives us the flexibility and firepower to really make the most of the current market conditions.

"Additionally, we are of the firm belief that well located supermarket anchored shopping centres, such as ours, which are tailored to suit their local environment by size, design and tenant mix, are amongst the most resilient asset classes in the real estate sector. We believe that our retail tenants, most of whom sell items that are everyday necessities, such as groceries and household goods, will be less affected in these difficult times.

"We also believe that, over the long term, Central and Eastern Europe still offers a great opportunity for growth. I also take comfort in the fact that the bulk of our operating properties by rental income are in the region's more established and resilient countries such as the Czech Republic and Poland, which offer a higher degree of security of income.

"For these reasons, despite the harsh economic conditions, I remain extremely positive about our Company's future and our ability to achieve our goal of becoming the dominant retail real estate business in the Central and Eastern European market."

For further information:

Financial Dynamics: +44 (0)20 7831 3113 Richard Sunderland Laurence Jones Stephanie Highett Richard.sunderland@fd.com

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Further inquiry note:

Financial Dynamics, London
Stephanie Highett / Richard Sunderland
Phone: +44 (0)20 7831 3113
mailto:richard.sunderland@fd.com

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