

Atrium European Real Estate Limited

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EANS-Adhoc: Atrium European Real Estate Limited / FIRST QUARTER RESULTS SHOW STRONG RENTAL INCOME GROWTH DRIVEN BY CONTINUED MARKET IMPROVEMENT IN KEY GEOGRAPHIES

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3-month report

18.05.2011

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

FIRST QUARTER RESULTS SHOW STRONG RENTAL INCOME GROWTH DRIVEN BY CONTINUED MARKET IMPROVEMENT IN KEY GEOGRAPHIES

-DIRECTORATE CHANGE AND APPROVAL FOR FURTHER BOND REPURCHASES-

Jersey, 18 May 2011. Atrium European Real Estate Limited (VSE/Euronext: ATRS), one of the leading real estate companies focused on shopping centre investment, management and development in Central and Eastern Europe, announces its results for the quarter ended 31March2011.

Financial Highlights: * Gross rental income increased by 13.5% to E42.3 million (Q1 2010: E37.2 million; FY2010:E151.5million) with like-for-like gross rental income up 11.0% to E38.9 million (Q12010:E35.0 million; FY2010:E134.4million), reflecting improving rental levels * Net rental income grew 17.8% to E38.5 million (Q12010: E32.7 million; FY2010:E134.5million), while like-for-like net rental income increased by 15.9% to E35.3 million (Q12010: E30.5million; FY2010:E121.3million) reflecting the continued improvement in operating margin * EBITDA excluding revaluation remained flat at E25.5million due to increased administrative expenses (Q12010:E25.6 million; FY2010: E98.4million) * Profit before tax of E26.4 million (Q1 2010: profit of E46.3 million which included a E24 million FX gain; FY2010:profit of E125.8million) * EPRA Net asset value ("NAV") per ordinary share E6.01 compared to E6.02 at 31December 2010 * Net cash from operating activities was E25.9 million (Q12010:E28.3million; FY2010:E97.4million) * Operating margin increased to 91.2% compared to 87.9% in Q1 2010 (FY 2010: 88.8%) * Value of standing investments remained steady, but increased slightly, to E1.511 billion compared to E1.503 billion at 31December2010 * Developments and land portfolio valued at E629.8 million compared to E634.6 million at 31December 2010 * Borrowings decreased from E425.2 million, as at 31 December 2010, to E393.5 million as at 31March2011 as a result of an continued strategy of repurchasing its debt * Cash balance remained strong at E341.4 million (31December2010:E373.5million) providing ample firepower for the Group's acquisition strategy * E0.035 dividend paid on 31 March 2011 (31 March 2010: E0.03), with a further E0.035 quarterly dividend to be paid on 30June with an ex date of 22 June and a record date of 24 June 2011.

Operational highlights and post-period events: * Occupancy increased to 95.6% compared to 94.6% at the end of 2010 * Completion of the E171 million acquisition of Promenada, one of Warsaw's top shopping centres, in May 2011 * Conditional acquisition in February of a 22,500 sq m land plot adjacent to Promenada for E10.7million, providing scope for an extension to the current centre * Sale of a land plot in Samsun, Turkey for E18 million, which was at book value * Sale of 422 residential apartments in Ufa, Russia, to the municipality of Ufa for E15 million, allowing divestment of a non-core and non-income producing asset at book value * Acquisition in May 2011 (subject to Conditions Precedent) of a 38,000sqm land plot adjacent to Atrium's Copernicus shopping centre, in Toruń, for E7.5million which, once complete, will allow an extension to the current centre to be built * Sale of a land plot in Kahramanmaraş, Turkey, in May 2011, for E16.5 million, which was above book value.

Directorate Changes Atrium also announces that Aharon (Roni) Soffer has been appointed as non-executive director with immediate effect, following the retirement from the Board of Michael Bar Haim.

Board Authority Granted for Further Repurchase of 2003/2005 Bond Series

Further to its statement of 12 April 2011, the Group also announces that it has received authority from its Board of Directors to repurchase a further E20 million nominal value of the 2003/2005 bond series (ISIN:AT0000341789; AT0000341797; AT0000492996; AT0000496641; AT0000496633) issued by the Group as permitted by the terms of the bonds. This follows repurchases by the Group of bonds totalling E30 million nominal value pursuant to the authority announced on 12 April 2011. This is separate from the tender for the 2001 bonds first announced on 13 April 2011. It is intended that repurchases will be made opportunistically as market conditions or circumstances permit on terms that Atrium determines to be financially appropriate.

Commenting on the results, Rachel Lavine, CEO of Atrium European Real Estate, said: "The strong operational progress we continued to make during the quarter, along with the health of our balance sheet and the ongoing economic improvement in our key markets, puts us in a strong position to achieve further growth. We are beginning to enjoy the benefits of the strategy we

implemented during the financial crisis, whereby we focussed on maintaining occupancy by providing short-term rental discounts which could be increased as trading conditions improved. This is clearly reflected in the double digit growth in net, gross and like-for-like rental income we reported this quarter."

Chaim Katzman, Chairman of Atrium, added "On behalf of the Board, I would like to thank Michael for his hard work during his time at Atrium and to welcome Roni to the Group."

This announcement is a summary of, and should be read in conjunction with the full version of the Group's first quarter 2011 results, which can be found on the Atrium page of the Vienna Börse website at {<http://en.wienerborse.at/>} and on the Group's page of the Euronext Amsterdam website, {www.euronext.com} or on the Group's website at www.aere.com.

For further information can be found on Atrium's website {www.aere.com} or from:

Financial Dynamics: +44 (0)20 7831 3113 Richard Sunderland Laurence Jones Will Henderson atrium@fd.com

About Aharon (Roni) Soffer Mr Soffer is President of Gazit-Globe ("Gazit") and will be one of Gazit's appointed directors on the Board. Mr. Soffer has worked at Gazit since 1997 and has extensive expertise in the retail real-estate sector. He has also been closely involved in Gazit's worldwide M&A activity and in the development of its public and private platforms. Mr. Soffer is also President and CEO of Gazit Group USA, Vice Chairman of Gazit America and Executive Chairman of ProMed Properties and Gazit Senior Care. He holds a B.A. in Economics and an L.L.B in Law, both from The College of Management Academic Studies, Israel.

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issuer: Atrium European Real Estate Limited
 Seaton Place 11-15
 UK-JE4 0QH St Helier Jersey / Channel Islands
phone: +44 (0)20 7831 3113
mail: Richard.sunderland@fd.com
WWW: <http://www.aere.com>
sector: Real Estate
ISIN: JE00B3DCF752
indexes: Standard Market Continuous
stockmarkets: official market: Wien
language: English

Further inquiry note:

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

Branche: Real Estate
ISIN: JE00B3DCF752
WKN:
Index: Standard Market Continuous
Börsen: Wien / official market

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