

Atrium European Real Estate Limited

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EANS-Adhoc: Atrium European Real Estate Limited / FIRST HALF 2011 RESULTS

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6-month report

16.08.2011

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

FIRST HALF 2011 RESULTS SHOW CONTINUED OPERATIONAL IMPROVEMENT
-DIRECTORATE CHANGE-

Jersey, 16 August 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 first half and second quarter ended 31March2011.

Financial Highlights:

- * Gross rental income increased by 14.5% to E85.1 million (H1 2010: E74.4 million; FY2010:E151.5million) with like-for-like gross rental income up 9.1% to E76.4 million (H12010:E70.0 million; FY2010:E134.4million)
- * Net rental income grew 19.4% to E78.0 million (H12010: E65.3million; FY2010:E134.5million), while like-for-like net rental income increased by 14.7% to E71.2 million (H12010: E62.1million; FY2010:E121.3million) reflecting the continued improvement in operating margin which increased to 91.7% compared to 87.9% in H1 2010 (FY 2010: 88.8%)
- * EBITDA excluding revaluation improved 12% to E55.8million (H12010:E49.8 million; FY2010: E98.4million)
- * Profit before tax increased 8.9% to E113.7 million (H1 2010: profit of E104.4 million; FY2010:profit of E125.8million)
- * EPRA Net asset value ("NAV") per ordinary share increased 2.8% to E6.19 compared to E6.01 at 31March 2011 and E6.02 at 31December 2010
- * Net cash from operating activities increased 29.3% to E60.3 million (H12010:E46.6million; FY2010:E97.4million)
- * Value of the income producing portfolio increased to E1.771 billion at 30 June 2011 as a result of the E171million acquisition of the Promenada shopping centre and a revaluation increase of E69.1 million (31March2011: E1.511 billion)
- * Developments and land portfolio valued at E614.7 million compared to E629.8 million at 31March2010
- * Borrowings increased to E452.6 million, as at 30 June 2011 from E393.5 million, as at 31March2011, taking into account both the financing of the acquisition of Promenada and the Company's continued strategy of repurchasing its debt
- * Cash balance remained strong at E209.7 million (31March2011:E341.4million) providing ample resources for the Group's acquisition and development strategy
- * E0.035 dividend paid on 30 June 2011 (June 2010: E0.03), with a further E0.035 quarterly dividend to be paid on 30 September which has an ex date of 21 September and a record date of 23 September 2011.

Operational highlights and post-period events:

- * Occupancy increased to 96.6% compared to 94.7% for H1 2010 and 94.7% at the end of 2010
- * Conclusion of settlement agreement with Meinf Bank and others in July which unwound all the remaining business relations and fully and finally resolved all disputes between the parties. It also removes any potential obligation for Atrium to indemnify Meinf Bank and provided Atrium with a broad release

of any and all claims by Meisl Bank and Julius Meisl, including those where Meisl Bank has requested that Atrium join it as co-defendant.

- * Completion of the E171 million acquisition of Promenada, one of Warsaw's top shopping centres, in May 2011 and the 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 two land plots, in Turkey for E18 million and E16.5 million, both being at or above book value as well as the disposal of 422 residential apartments in Russia, for E15 million, also at book value
- * Conditional acquisition in May 2011 of a 38,000sqm 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
- * Conclusion of the termination agreement with Multi in July, which generated a profit of approximately E15million that will be recognised in Q3 2011. The transaction included the divestment of the Trabzon shopping centre in Turkey and provided Atrium with full ownership of the Koszalin shopping centre in Poland, as well as two development projects in Turkey and one in Sofia, Bulgaria.

Directorate Changes

Atrium also announces that, following approval at a Board meeting on 15 August 2011 Joseph Azrack has been appointed as a non-executive director with immediate effect, following the retirement from the Board of Neil Hasson.

Commenting on the results, Rachel Lavine, CEO of Atrium European Real Estate, said:

"During the first half of 2011 we once again made strong progress with our operational and financial performance. A number of transactions have allowed us to both ensure our development pipeline is focussed on those assets which we believe provide the best opportunity to create value and strengthen our operating portfolio, which will also be enhanced by a number of smaller asset management initiatives.

"Our financial results show a solid improvement compared to the same period last year. In particular, like-for-like net rental income grew by 14.7% during the first half, profit before tax increased 8.9% to E113.7 million while EBITDA grew 12% to almost E56million.

"While we continue to be encouraged by our performance, recent events have highlighted the amount of economic uncertainty that remains and reminds us of the importance of managing our assets properly, being prudent in our approach to acquisitions and developments while ensuring we remain on a stable footing. With that in mind, I remain optimistic about Atrium's future and look forward to maintaining the positive momentum achieved during the first half."

Chaim Katzman, Chairman of Atrium, added

"I am very pleased to welcome Joseph Azrack to the Board, he has a wealth of experience that will be invaluable to the Company as it continues to grow. I would also like to take this opportunity to thank Neil for his contribution and hard work during his tenure as a director."

This announcement is a summary of, and should be read in conjunction with the full version of the Group's first half 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.

Further information can be found on Atrium's website www.aere.com or from:

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About Joseph Azrack

Joseph Azrack is the Managing Partner of Real Estate for Apollo Global

Management. He has over 30 years of real estate investment management experience and prior to joining Apollo, was President and CEO of Citi Property Investors where he chaired the firm's Management Committee and Investment Committee. Prior to joining CPI, he was Chief Executive and Chairman of AEW Capital Management, L.P., Founder and President of the AEW Partners Funds, a Director of Curzon Global Partners and Founder and Chairman of IXIS AEW Europe.

Mr. Azrack holds an M.B.A. from Columbia University and a B.S. from Villanova University. He is a past adjunct professor at Columbia University's Graduate School of Business where he is a member of and for many years chaired the Real Estate Program Advisory Board. Mr. Azrack is a member and past Chairman of the Pension Real Estate Association (PREA). He is also a trustee of the Urban Land Institute.

Atrium is established as a closed-end investment company domiciled in Jersey. Atrium is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.

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