

Atrium European Real Estate Limited

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EANS-Adhoc: Atrium European Real Estate Limited / FIRST HALF RESULTS REFLECT CONTINUED OPERATIONAL PROGRESS WITH GROWTH IN BOTH GROSS AND NET RENTAL INCOME

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Mid Year Results
14.08.2014

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

FIRST HALF RESULTS REFLECT CONTINUED OPERATIONAL PROGRESS WITH GROWTH IN BOTH GROSS AND NET RENTAL INCOME

Ad hoc announcement – Jersey, 14 August 2014. Atrium European Real Estate Limited (VSE/ Euronext: ATRS), a leading owner, operator and developer of retail real estate and shopping centres in Central and Eastern Europe, announces its interim results for the second quarter and six months ended 30 June 2014.

Highlights:

- Gross rental income ("GRI") increased by 5.7% to EUR106.9m (6M 2013: EUR101.1m), with EPRA like-for-like GRI remaining stable at EUR96.1m (6M 2013: EUR96.1m)
- Net rental income ("NRI") increased by 7.0% to EUR103.1m (6M 2013: EUR96.3m), with EPRA like-for-like NRI decreasing 0.3% to EUR92.6m (6M 2013: EUR92.9m)
- Operating margin for the half year was 96.4% (6M 2013: 95.2%) above our expected full year target
- EPRA occupancy rates at 30 June 2014 remained high at 97.6% (31 December 2013: 98.1%)
- EBITDA, excluding the revaluation result, disposals and impairments, increased by 11.1% to EUR90.3m (6M 2013: EUR81.3m)
- Profit before taxation was EUR35.5m compared to EUR61.7m for the first half of 2013, adversely affected by a EUR34.5m devaluation (compared to EUR7.5m revaluation in the first half of 2013), partially offset by a gain of EUR4.3m from foreign exchange differences (compared to a EUR4.7m loss in the first half of 2013) and EUR6.8m growth in NRI
- Company adjusted EPRA earnings per share increased by 8.5% to 19.2 EURcents (6M 2013: 17.7 EURcents)
- The value of the Group's 153 standing investments grew by 5.0% to EUR2.5 billion, compared to 31 December 2013, and includes the Group's first major development, the Atrium Felicity shopping centre in Lublin, Poland, which opened in March 2014
- Cash position of EUR257.9m with borrowings of EUR724.2m as at 30 June 2014 (31 December 2013: EUR305.6m cash and EUR803.6m borrowings), representing a gross and net LTV of 25.2% and 16.2% respectively, ensuring a conservatively positioned balance sheet
- EPRA Net asset value ("NAV") per ordinary share declined slightly at EUR6.40 (FY 2013: EUR6.43) after a dividend of EUR0.12 per share in the first half of

2014

- A dividend payment of EUR0.06 per share was made for the second quarter of 2014, with the third quarterly payment due on 30 September 2014 to shareholders on the register at 23 September 2014 with an ex-dividend date of 19 September 2014.

Operational Highlights:

- The Atrium Felicity shopping centre in Lublin, Poland, opened in March 2014. The 75,000 sqm GLA centre is almost fully occupied and is anchored by a 20,000 sqm hyper-market which was handed to Auchan in October 2013, a 12,600 sqm Leroy Merlin DIY store and a 3,500 sqm Saturn electronics store
- Achieved further progress in the Atrium's strategy of opportunistically divesting non-core development properties during the first half through the sale of land plots in Istanbul for EUR47.0m and Sofia, Bulgaria, for EUR12.1m. This continued in July with the EUR6.3m sale of the Group's only land plot in Georgia.
- The Board has approved the first stage of a major redevelopment of the Atrium Promenada centre in Warsaw, Poland at an estimated cost of EUR44.0m.
- In June 2014, the Group completed early repayments of two bank loans in Slovakia, in total amounting to EUR41.0m
- Since the start of the year and up to the publication date of today's results, Atrium re-purchased bonds issued in 2005 and due in 2015, with a total nominal value of EUR39.4m.

Group executive management team changes

In July 2014 Atrium announced that after six years as Group Chief Executive Officer, Rachel Lavine, will assume the role of Executive Vice Chairman of the Board on 30 November 2014 and will remain a director of Atrium.

At that time, Josip Kardun, Atrium's current Chief Operating Officer and Deputy Chief Executive Officer, will become the Group Chief Executive Officer at Atrium.

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

"During the first half of 2014 we saw a continuation of the solid start to the year reported in Q1, and recorded strong year-on-year increases in gross and net rental income mainly driven by the two new prime properties added to our portfolio. On a net like-for-like basis there was a marginal decrease principally driven by the restructuring of certain properties, where we believe the medium term benefits of such activities far outweigh any disruption in the short term. Our focus on operational efficiency at an asset and Group level meant that we were still able to produce a very strong 11% growth in EBITDA, excluding revaluation, disposals and impairments.

"We also made solid progress in our strategy of opportunistically divesting non-core development properties, with three sites sold for a total of EUR65m since the start of the year and including the EUR47m sale in Turkey of one of our largest land plots."

"We continue to monitor the situation in Russia closely and cautiously. However, across the economies of our other core markets we are seeing further positive momentum, with improvements in growth forecasts, consumer sentiment and domestic demand."

This announcement is a summary of, and should be read in conjunction with the full version of the Group's Q2 2014 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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