Atrium European Real Estate Limited

2017 RESULTS REFLECT CONTINUED STRONG PERFORMANCE AND FOCUS ON PORTFOLIO QUALITY

Ad hoc announcement - Jersey, 21 March 2018. Atrium European Real Estate Limited (VSE/ Euronext: ATRS) ("Atrium" or the "Company" and together with its subsidiaries, the "Group"), a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe, announces its results for the year ended 31 December 2017.

KEY HIGHLIGHTS

- EPRA like-for-like net rental income grew 6.4% and 2.6% excluding Russia, with growth across all countries.
- 40.8% and 53.1% increases in EBITDA and profit after tax, respectively.
- 3.2% increase in Company Adjusted EPRA earning per share to €cents 32.4 (2016: €cents 31.4).
- Focus on owning quality assets in well-connected, strong, urban locations in the region's largest and strongest economies; 20 smaller assets sold during 2017 and early 2018 for €80m, with the effective exit from Hungary and the Czech portfolio rotation completed.
- Redevelopment and extension pipeline extended to €330m of which €88m had been spent cumulatively by the end of 2017. In total, this will add 70,000 sqm of GLA, including 60,000 sqm in Warsaw.
- Administrative cost efficiencies programme on track to achieve target of €10m in annual savings from the end of 2018, with €7m captured in 2017.
- Balance sheet well positioned to support future growth.
- On 20 March 2018, the Board of Directors approved a special dividend (to be paid as a capital repayment) of €cents 14 per share.

BUSINESS REVIEW

- Group NRI increased by 0.6% to €189.9m overcoming the impact of disposals and a temporary reduction in income resulting from redevelopments (2016: €188.8m).
- Group operating margin remained healthy at 95.6% (2016: 96.4%).
- EBITDA increased by 40.8% to €159.9m (2016: €113.5m) while profit after tax grew 53.1% to €89.1m (2016: 58.2m), primarily driven by a €43.6m decrease in administrative expenses following a reduction in legacy legal costs and the implementation of the cost savings programme.
- Company adjusted EPRA earnings per share grew by 3.2% to 32.4 €cents (2016: 31.4 €cents).
- Occupancy levels remained steady at 96.8% (31 December 2016: 96.6%).
- EPRA net asset value ("NAV") per share was €5.38 (31 December 2016: €5.52) following the payment of a 14.0 €cents special dividend in June and including four quarterly dividends of 6.75 €cents.

ANNUAL DIVIDEND MAINTAINED AND NEW SPECIAL DIVIDEND REFLECT BOARD'S CONFIDENCE IN FUTURE PROSPECTS

- The Board agreed in November 2017 to maintain the Group's annual dividend at €cents 27 per share for 2018, to be paid quarterly.
- On 20 March 2018, the Board of Directors approved a special dividend of €cents 14 per share following the sale of substantially all of the Group's Hungarian portfolio that was announced earlier this year.
- The first quarterly dividend for 2018 and the special dividend will be paid (as a capital repayment) on 29 March 2018 to shareholders on the register as at 22 March 2018, with an ex-dividend date of 21 March 2018.
- The dividends reflect the Board's ongoing confidence in the Group's prospects, strong cash position and low leverage.

PORTFOLIO REPOSITIONING STRATEGY CONTINUED WITH SALE OF 20 ASSETS FOR €80M

- Asset sales focused the portfolio on 40 larger, more dominant shopping centres, 16 of which are over 30,000 sqm. Average asset value and size have now increased to €64.5m (2016: €43.9m) and 25,000 sqm (2016: 18,900 sqm).
- **Portfolio rotation completed in the Czech Republic** with disposals in September 2017 and February 2018, respectively, of a development site and a shopping centre gallery in Brno for a total of €23.7m.
- **Effective exit from Hungary** through the sales in December 2017 and early 2018 of 13 Penny leased supermarkets for €11.1m and a portfolio of assets for €44.8m.
- These disposals were made at approx. an 8% premium to the book value as at 30 September 2017.
- €4.9m gain on assets sold in the Czech Republic and in Hungary was offset by €15.1m non-cash currency translation reserve loss resulting in a €10.2m net disposals loss in 2017.

UPGRADES, REDEVELOPMENTS AND EXTENSIONS CONTINUE TO DRIVE PORTFOLIO GROWTH

- €88m invested to date in the extended €330m redevelopments and extension programme, which will add approximately 70,000 sqm of GLA by the end of 2021 including 60,000 sqm of GLA in Warsaw.
- The redevelopments aim to improve portfolio quality and drive rental growth and are focused on four of our largest assets comprising Atrium Promenada, Atrium Targowek and Atrium Reduta in Warsaw, together with Atrium Biala in Bialystok.

FINANCING TRANSACTIONS PROVIDE BALANCE SHEET STRENGTH AND FLEXIBILITY

- Refinanced an existing €108m loan with new 10 year loan of €136m for locked-in cost of 1.9% (compared to 4.1% on the previous loan), resulting in annual cost savings of €1.7m.

- €225m of unsecured revolving credit facilities available at 31 December 2017, following the €50m increase in September 2017. The facility remains unutilised.
- As at 31 December 2017, the Gross LTV and Net LTV were 32.5% and 30.1%, respectively.
- The Company remains conservatively leveraged and well placed to support future redevelopments and acquisition opportunities as they arise.

Commenting on the results, Liad Barzilai, Group CEO, said: "Over the course of the year and into 2018 we have significantly progressed with our portfolio repositioning programmes, having continued our sales of non-core assets and effectively exited Hungary. As a result, our portfolio continues to be concentrated towards larger, higher quality shopping centres that are most relevant to today's omni-channel shopping environment and offer our customers a variety of leisure, retail and entertainment experiences. We believe there is still more to come as we continue to identify opportunities to make improvements to our existing assets, with further redevelopment and extension projects. Our €330m redevelopments pipeline will add over 70,000 sqm of GLA to Atrium's portfolio and 29,600 sqm by the end of 2018 in Warsaw.

"This strong set of results, which showed like-for-like rental growth in all our territories as well as significant improvements in profitability and EBITDA, clearly demonstrates that our overall strategies are working and that dominant retail and leisure centres in strong urban locations still have an important role to play in today's evolving retail climate."

This announcement is a summary of, and should be read in conjunction with, the full version of the Group's 2017 results, which can be found on the Company 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 the Company's website www.aere.com or from:

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