

## **Atrium European Real Estate Limited**

("Atrium" or the "Group")

### **Third Quarter Results and Directorate Changes**

Jersey, 25 November 2009. Atrium European Real Estate (ATX/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 nine months and third quarter ended 30 September 2009.

#### **Financial highlights:**

- Gross rental income increased by 14.5% to €112 million (September 2008: €97 million)
  - like-for-like gross rental income decreased by 8.3% to €86 million (September 2008: €93 million)
- Net rental income grew 25.9% to €89 million (September 2008: €71 million), reflecting an improvement in operational efficiencies
  - like-for-like net rental income decreased by 5.54% to €71 million (September 2008: €75 million)
- Cash balance remains strong at €814 million (30 June 2009: €855 million; 31 December 2008: €1.3 billion; 30 September 2008: €1.4 billion)
- Borrowings decreased from €1.51 billion, as at 31 December 2008, to €1.07 billion as at 30 September 2009 (30 September 2008: €1.6 billion) and the Group remains comfortably within the covenants of its 2006 medium term notes
- EBITDA excluding property revaluation and exceptional items amounted to €64 million (September 2008: €34 million)
- Loss after taxation amounted to €342 million (September 2008: €485 million), with a loss per share after taxation of €1.473 (September 2008: loss of €2.293)
- Cash flow from operating activities amounted to €51 million (September 2008: €40 million)
- Net asset value per share was €8.75 (30 June 2009: €8.97; 31 December 2008; €10.66)
- Standing investments were revalued downwards by €36 million to €1.46 billion over the three months to 30 September 2009, showing a significant slowdown in devaluation compared to the €237 million downward valuation for the first half year of 2009
- Operating margin for the nine months to 30 September 2009 improved to 79.65% compared to 72.42% for the nine months to 30 September 2008, and to 81.43% for the third quarter 2009 compared to 64.64% in the third quarter 2008, reflecting the Group's ongoing operational efficiency programme.

## **Operational highlights:**

- Announcement and subsequent approval at EGM, of the Exchange Transaction, which on completion, will result in the exchange of €427.9 million of 2008 Convertible Bonds, 4,933,333 warrants and 8,043 special voting shares for 144.9 million ordinary shares and €9.3 million in cash with CPI/Gazit Holdings Limited
  - following closing of the Exchange Transaction, a proposed partial tender offer for up to €120 million in nominal value of 2006 medium term notes at 95%, as well as the payment of a special dividend of €0.50 per ordinary share and the initiation of a dividend policy of €0.12 per ordinary share per year
- Average occupancy rate remained stable at 93.57% despite difficult market conditions (30 June 2009: 93.57%)
- Opening an extension at Togliatti centre in Russia during the period ended 30 September 2009 with further openings of extensions at Volgograd and Togliatti since the period end.

## **Directorate Changes**

Atrium also announces that, following approval at a Board meeting on 24 November 2009, Neil Hasson and Noam Ben-Ozer have been appointed as non-executive directors with immediate effect, following the retirement from the Board of Shanti Sen and Peter Baguley.

Neil Hasson, managing director and head of Europe for Citi Property Investors (“CPI”), will be one of CPI’s appointed directors on the Board. He replaces Shanti Sen who has stepped down from the Board following her resignation from CPI to pursue other business opportunities. Mr. Hasson joined CPI in February 2005 and is responsible for a €1.2 billion pan European real estate fund. Prior to joining CPI, he was a successful private real estate investor, acquiring in excess of £250 million of commercial real estate in the UK over a three year period. Previously, Mr. Hasson was a founding partner of DLJ Real Estate Capital Partners, a \$660 million real estate opportunity fund, managed by Donaldson, Lufkin and Jenrette, where he worked for 10 years. From 1989, prior to DLJ, he worked for Goldman, Sachs & Co. in London, Tokyo and New York. He holds an MBA from The Wharton School of the University of Pennsylvania and a B.Sc. in Electrical Engineering from the University of Cape Town.

Noam Ben-Ozer has been appointed to the Board as an independent non-executive director in place of Peter Baguley who has stepped down in order to ensure that Atrium’s Board retains a suitably international representation overall that is consistent with the applicable fiscal and regulatory considerations and requirements relating to Directors’ residency.

# ad hoc news release



Mr. Ben-Ozer is the founder and proprietor of Focal Advisory, a strategic and finance-related advisory firm in Boston. He has extensive experience in financial and business planning, fund raising, deal structuring and project financing. He is also a director of Equity One, a leading US real estate investment trust. Mr. Ben-Ozer holds an MBA from the Harvard Business School.

**Commenting, Rachel Lavine, Chief Executive Officer of Atrium European Real Estate, said:** “We are pleased with the financial results of the Company and the progress we have achieved in the first nine months of 2009.

“We believe the Exchange Transaction, which was announced in September, to be an extremely positive step forward for Atrium, as it follows our clearly stated strategy of reducing our debt, having already acquired in €382.8 million of nominal value in 2009. It is also in line with our commitment to improving both the efficiency of our balance sheet and our corporate governance. This transaction will simplify Atrium’s capital structure and significantly decrease its borrowing costs. Together with the completion of our Euronext Amsterdam listing, we are in a far more stable state than when we took control and are now shifting focus onto growth and the creation of value.

“Our strong cash position, low leverage, strong management team and resilience of our asset class leave me feeling confident of the future prospects of the Company”

**Chaim Katzman, Chairman of Atrium, added**

“On behalf of the Board, I would also like to thank both Shanti and Peter for all their hard work during their time at Atrium and to welcome our new directors, Neil and Noam, to the Company.”

*A full version of the third quarter 2009 results can be found on the Atrium page of the Vienna Börse website at <http://en.wienerbourse.at/> and on the Company’s page of the Euronext Amsterdam website, [www.euronext.com](http://www.euronext.com) or on the Company’s website at [www.aere.com](http://www.aere.com).*

**For further information:**

**Financial Dynamics:**

+44 (0)20 7831 3113

Richard Sunderland

Laurence Jones

[Richard.sunderland@fd.com](mailto:Richard.sunderland@fd.com)

# ad hoc news release



*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.*