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Atlas Estates Limited acquires three quality properties in Hungary and Romania for €17 million

Atlas Estates Limited ("Atlas" or "the Company"), the Central and Eastern European specialist property investment company, today announces three further property acquisitions in Hungary and Romania to add to its high quality portfolio of assets in the region. The assets have a combined value of €17 million. The company will pay cash of €9.25 million and assume existing debt facilities. This follows its recent acquisition of the Hilton Hotel and Platinum Towers complex in Warsaw.

The acquisitions are;

- A mixed-use office and retail property in the increasingly popular VIIth District of Central Budapest for €7 million less associated debt of €5.6 million. The property will be wholly owned by Atlas and is 90% let with an initial yield of 8.6%. Tenants include the leading Hungarian retailer Kaiser Supermarkets (part of the SPAR group). The asset has further development potential providing the opportunity to increase its lettable area and yield.
- An adjacent 12,000 square metre area of land, merging two existing plots to give Atlas an overall 90% holding. The remaining 10% is owned by the municipality of the VIIth District. A successful re-zoning will provide for the future development of 30,000 square metres of office and residential space. Atlas will pay €6.25 million less associated debt of €2.2 million to acquire its 90% ownership of the asset, and
- An 80% interest in a 56,000 square metre plot of land in a popular residential area to the north of Bucharest, acquired for €3.8 million with potential to develop up to 200,000 square metres of living accommodation when infrastructure development is complete.

Janos Eros, Chairman of Atlas commented:

“Following on from the recent Warsaw Hilton and residential acquisition, these are high quality additions to Atlas’ property portfolio. The management team has underlined its ability to source good quality investment properties and well located development opportunities that provide excellent capital growth potential.”

Gadi Dankner, Chief Executive Officer of Atlas Management Company said:

“We are particularly pleased at a time of reducing yields generally in the region to have acquired this high yielding yet well secured property in Budapest. In addition the development land adjacent to the property and the land acquired in Bucharest offer tremendous development potential. We are continuing to identify opportunities to invest in line with Atlas’ strategy of maintaining a balanced portfolio of commercial investment stock and residential and commercial development opportunities”.

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Notes to Editors

1. Atlas is a closed-ended property investment company incorporated in Guernsey and listed on the AIM market in London. It specialises in investment in high-quality growth assets in the fast growing economies of Central and Eastern Europe.
2. The assets are managed on Atlas’ behalf by Atlas Management Company Limited, a company formed by RP Capital Partners, Elran (D.D.) Real Estate Limited and RI Limited, all experienced investors with significant experience in and knowledge of the region.