



Embargoed until 07.00hours 2 October 2006

Atlas Estates acquires landmark Warsaw property for €78 million

Atlas Estates Limited ("Atlas" or "the Company") has signed a binding agreement to acquire the Millennium Plaza, a prominent office building in Warsaw, for €78 million (\$100 million). Attractive mortgage finance terms have been agreed resulting in Atlas expecting to invest €16 million as equity into this asset. With this acquisition Atlas will have committed over €86 million or 53% of the amount raised on its IPO in March this year.

The building, which comprises of 37,300 m² of high quality accommodation over 28 floors, is in a prime location in central Warsaw. It is located on one of Warsaw's main arterial roads within fifteen minutes drive of the international airport.

The lettable area provides 31,200 m² of office space, 6,100 m² of retail space and 249 underground car parking spaces. The property's anchor tenant is Millennium Bank, one of the largest financial institutions in Poland. Other large tenants include ABG Software, an IT company listed on the Warsaw Stock Exchange.

Current net operating income is €5.96 million with the property 94.5% occupied. Lease terms range from two up to five years with various options to extend. After transaction costs the Millennium Plaza will reflect an initial yield of 7.7%. Atlas has the option to buy out rent free periods from selected tenants and so improve the yield immediately upon completion to 8%.

Atlas anticipates completing the detailed registration of its ownership of the asset by the end of 2006. It is working closely with the vendor to submit all necessary documents as soon as possible. Until its ownership is completed Atlas will oversee all strategic and operational matters in conjunction with the vendor.

Quentin Spicer, Chairman of Atlas Estates Limited said:

"This is a high quality commercial asset in a major city in the region in which we operate. This will underpin our investment portfolio and provide a solid return on the equity invested. It is in line with the Company's strategy of wanting to have a majority of our portfolio invested in income producing assets."

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

“We are delighted to have secured this asset on such good terms, demonstrating our ability to generate off market transactions at above market yields.”

Enquiries:

Atlas Management Company (UK) Limited

Phil Holland – Chief Financial Officer

+44 (0)20 7245 8666

Brunswick Group LLP

Andrew Garfield

Helen Barnes

Justine McIlroy

+44 (0)20 7404 5959

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. Atlas Management Company Limited (AMC) is a company whose sole purpose is to manage Atlas assets on their behalf. AMC is 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.
3. Atlas Estates also owns the Hilton Hotel in Warsaw which is due for completion in Q4 2006. It will be the first Hilton hotel to be opened in Poland and includes a 4,000m² convention facility, a Holmes Place fitness club, spa and a casino.