Atlas Estates Limited ("Atlas" or the "Company" or the "Group")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2009

14 August 2009

Atlas Estates Limited, the Central and Eastern European ("CEE") property investment and development company, today reports interim results for the six months ended 30 June 2009.

Financial summary

- Revenue increased to €24.7 million (30 June 2008: €21.1 million)
- Loss from operations of €17.9 million (30 June 2008: €5.5 million)
- Profit from operations excluding the movement in value of investment properties and provisions against inventories of €3.1 million (30 June 2008: €0.7 million)
- Currencies in the CEE region have continued to depreciate, resulting in an unrealised foreign exchange loss of €9.8 million (2008: gain €6.3 million) in the income statement and €9.8 million (2008: gain of €9.9 million) in reserves for the six months ended 30 June – unrealised foreign exchange arises on monetary assets and liabilities denominated in foreign currencies, for example bank loans, that are translated at the rates prevailing on the balance sheet date
- Net Asset Value per share of €2.60 (31 December 2008: €3.68)
- Adjusted Net Asset Value per share of €3.35 (31 December 2008: €4.42)
- Bank loans at 30 June 2009 of €252 million (30 June 2008: €221 million)
- Ongoing renegotiation of borrowing facilities in difficult credit markets

Operational summary

- Warsaw construction activity on Platinum Towers and Capital Art Apartments continues to be on time and in line with budgets – the forecast completion dates are end of 2009
- Pre-sales on apartments in Warsaw total 51 in 2009
- Capital Art Apartments stage 1 completions total 182 out of 219 with revenue of €9.2 million in first six months of 2009
- Hotel occupancy down as a result of reductions in business travel – tight cost control ensures operating margins are being maintained
- Credit restrictions across the CEE region and IMF funding provided to Hungary and Romania
- Poland still forecasting GDP growth in 2009, demonstrating the resilience of its economy within Europe

Quentin Spicer, Chairman of Atlas Estates Limited commented as follows:

> "These are unprecedented times for the economies in the CEE region and for the banks, which have previously financed the growth in these markets. Hungary and Romania, where we operate, have required IMF funding. Poland has shown the strongest resilience in the region to the credit crisis. However property values across the region have been in decline, resulting in a fall in the Company's net asset value.
>
> Our developments in Warsaw are on track to complete at the end of this year. There have been large scale handovers of apartments in 2008 and 2009 and this is expected to continue in 2010. We have scaled back development plans, undertaken cost control measures including hotel staffing, and operational costs have been reduced in response to reduced demand. The current stage of the property market cycle continues to prove challenging and the Group continues to monitor and manage the property portfolio in a prudent manner."

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ATLAS ESTATES LIMITED
CONDENSED CONSOLIDATED INTERIM REPORT
HALF YEAR 2009

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Financial Highlights

Selected Consolidated Financial Items	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) €'000
Revenues	24,650	21,097
Gross profit	8,648	9,384
Decrease in value of investment properties	(16,143)	(2,143)
Impairment of asset held for sale	-	(3,996)
Loss from operations	(17,857)	(5,462)
Loss before tax	(34,436)	(4,248)
Loss for the period	(32,787)	(3,898)
Loss attributable to equity shareholders of the parent	(32,246)	(3,901)
Cash flow from operating activities	(4,708)	(18,626)
Cash flow from investing activities	(231)	(1,432)
Cash flow from financing activities	5,962	(1,304)
Net decrease in cash	(3,572)	(14,669)
Non-current assets	290,392	276,341
Current assets	173,943	184,260
Assets classified as held for sale	-	96,946
Total assets	464,335	557,547
Current liabilities	(202,718)	(102,147)
Liabilities directly associated with assets classified as held for sale	-	(70,636)
Non-current liabilities	(139,031)	(164,022)
Total liabilities	(341,749)	(336,805)
Net assets	122,586	220,742
Shareholders' equity attributable to equity holders of the parent Company	121,854	220,000
Number of shares outstanding	46,852,014	44,978,081
Loss per share basic (eurocents)	(68.83)	(8.67)
Basic net asset value per share (€)	2.60	4.89
Adjusted net asset value (€'000) (1)	157,118	295,648
Adjusted net asset value per share (€)	3.35	6.57

(1) "Adjusted net asset value" includes valuation gains net of deferred tax on development properties held in inventory and land held under operating lease, but not recognised at fair value in the balance sheet.

Chairman's Statement

I am pleased to present the financial results for Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the six months ended 30 June 2009. This period has been very challenging for investors in property located in the Central and Eastern Europe ("CEE") region, due to the impact of the adverse global economic environment.

The major factors affecting the Group are a lack of access to capital, falling property values and instability in the economies in the CEE region. Long term development of the assets comprising the Company's portfolio is dependent upon access to capital. The banks that previously financed growth in the CEE region are seeking to reduce their exposure to the CEE region, in response to falling property valuations and economic instability. In particular they are seeking to reduce loans provided for the acquisition of land for development. New business and the funding for new construction is virtually non existent.

In this environment the Company's objectives have been to retain cash for investment, to realise value from disposals and to apply strong cost control throughout its portfolio, ensuring projects are completed on time and within budgets. However, the difficulties in realising value from disposals as seen in 2008 have continued in 2009. There have been no reported material market transactions in the CEE region in 2009.

Half Year Reported Results

The Group's results for 2009 have been impacted by the difficult credit and market conditions. The Adjusted Net Asset Value per share has declined from €4.42 per share at 31 December 2008 to €3.35 per share. This has arisen from a fall in asset valuations and weak underlying currencies in the CEE region. Property values in the CEE region have declined substantially, with yields rising, rental and residential property prices under pressure and hotel occupancy rates falling.

The currencies in the CEE region have also been depreciating. For the Company's investments in Poland, its major market, the Polish Zloty has depreciated by 7.1% from 31 December 2008 rate to 30 June 2009. In Hungary the Forint has declined by 2.9%. The fall in value of the functional currencies has resulted in foreign exchange losses of €10.2 million in the income statement (2008: gain of €6.8 million) and €9.8 million (2008: gain of €9.9 million) in reserves for the six months ended 30 June 2009. Of the loss in the income statement, €9.8 million (2008: gain €6.3 million) is unrealised. It has arisen on monetary assets and liabilities denominated in foreign currencies, for example bank loans, which are translated at the rates prevailing on the balance sheet date.

Financing, Liquidity and Forecasts

The Group has refinanced loans attributable to several of its properties. Negotiations have been protracted, as a result of the difficulties being faced by international banks and falling asset values. The Group has been successful in obtaining a waiver for one banking covenant breach in 2008 and continues to negotiate with lenders (who have not withdrawn their facilities) in respect of others. It has also refinanced or extended many of its loans, as detailed below in the notes to the interim condensed consolidated financial information. The Company has continued to provide funds to service interest and capital repayments on loans on behalf of its subsidiary companies. These payments have reduced unrestricted cash resources and have resulted in the Company and the Group suffering from a lack of surplus cash for investment. Accordingly, the Company has simultaneously engaged in negotiations with other lenders.

The Group has reported a loss before taxation for the six months ended 30 June 2009 and a significant fall in net asset value as at 30 June 2009. The Directors consider that the outlook presents significant challenges in terms of the markets in which the Group operates, with the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group adding to the instability.

The Group's forecasts and projections have been prepared taking into account the economic environment and its challenges and mitigating factors. These forecasts take into account reasonably possible changes in trading performance, potential sales of properties and the future financing of the Group.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the interim condensed consolidated financial information for the six months ended 30 June 2009, as set out in note 1 to the interim condensed consolidated financial information.

Investing Policy and Strategy

The Group investing policy is to invest in the developing markets of CEE excluding the former Soviet Union. The Board and management have successfully adapted the Group's policy to changing circumstances in order to secure shareholder interests.

The economies of Poland, Hungary, Slovakia, Romania and Bulgaria, in which the Group operates, continue to be impacted by the adverse effects of the global economic crisis. Poland, where 67% of the Group's assets are located, appears the most resilient economy in the region. Despite the challenging environment, the projects that the Group is currently developing are well placed to meet the ongoing demand for quality residential, office and retail properties. This demonstrates the quality of management in its investment decisions and operational effectiveness.

The Company has acquired assets that have the potential for growth. The current cycle in the property and economic environment is unfavourable. However, it is important the Group retains those assets which will have uplift in value in future years. Nevertheless, taking account of uncertain market conditions, the Company has agreed targets in order to realise value through disposals of non core assets. Also the Company sees the completion of key projects in its development portfolio as being critical to enhance shareholder value.

In the current financial market conditions, gaining access to capital has become extremely difficult. Therefore, enhancing liquidity and the retention of cash remains a key priority for the Group. The Company sees this as vital for the Group and its operations as it will enable the completion of projects under development and to support future investments.

We have assessed market risk and in certain countries put development on hold for future value. The Board have also identified certain assets as core to the Group to be held for operation and being vital to the Group in order to differentiate it from other developers in the region.

The Group's strategic priorities for its investment portfolio in the current economic climate are to minimise financial risks, optimise cash retention and operational effectiveness and enhance the Group's liquidity, which will enable it to progress its developments. The Company has a strong portfolio of underlying assets and a development pipeline.

Net Asset Value ("NAV") and Adjusted Net Asset Value ("Adjusted NAV")

In the six months to 30 June 2009, NAV per share, as reported in the interim condensed consolidated financial information that has been prepared in accordance with International Financial Reporting Standards ("IFRS"), has decreased by 29.3% to €2.60 per share from €3.68 at 31 December 2008. The Adjusted NAV per share, which includes valuation gains net of deferred tax on development properties held in inventory and land held under operating lease, but not recognised at fair value in the balance sheet, has decreased by 24.2% to €3.35 per share.

An independent valuation of the entire property portfolio is carried out on a semi-annual basis by Cushman & Wakefield and Colliers International acting as independent experts. This assessed the total value added during the financial year and is included in the basis for the Property Manager's performance assessment and fee calculations.

The change in value of the development land holdings over their book cost reflects the latent value within the project, which is over and above the book cost. These land holdings are valued on a residual value and comparative basis. Profit is taken upon completion of the project and when the risks and rewards of ownership of an apartment or property are transferred to the client.

A key indicator of performance is the net asset value of the Group. The following table sets out the impact on NAV per share of the revaluation of land assets that cannot be reflected in the reported balance sheet due to accounting standards.

	Cost to Group as shown in the balance sheet at 30 June 2009 €'000	**"Independent" valuation at 30 June 2009 €'000**	**Movement In value €'000**
Development land assets and land held under operating lease included in total assets at cost to the Group	171,079	215,075	43,996
Attributable to non-controlling interest partners	(1,740)	(2,191)	(451)
Company share of increase in valuation of development land and land held under operating lease	**169,339**	**212,884**	**43,545**
Deferred tax on increase in valuation of development land and land held under operating lease at local rates			(8,281)
Basic net asset value per balance sheet			121,854
Adjusted net asset value			**157,118**
Number of ordinary shares in issue at 30 June 2009			46,852,014
Adjusted net asset value per share as at 30 June 2009			3.35
Adjusted net asset value per share as at 31 December 2008			4.42
Adjusted net asset value per share as at 30 June 2008			6.57

Further analysis of the Company's NAV is contained in the Property Manager's review below.

Corporate Governance

Atlas ensures that the Group applies a robust corporate governance structure, which is vital in the current economic conditions. This is important as there is a clear link between high quality corporate governance and shareholder value creation. The Group's annual financial statements for the year ended 31 December 2008 set out how Atlas applies the highest standards of corporate governance.

Central and Eastern Europe

In many of the markets throughout the CEE region, gross domestic product ("GDP") levels are in decline, with an overall regional decline of 4% forecast for 2009.

Romania, which required €20 billion of IMF financial support, is forecasting a fall in GDP of between 6% and 8% this year. Hungary has also received €15 billion of IMF financial support this year and is forecasting a fall in GDP of 5% in 2009. The Slovakian economy is forecast to decline by 6% in terms of GDP in 2009. Poland remains one of the most resilient economies in Europe and is forecasting growth of between 0% and 1% in GDP. These weak economic conditions have arisen alongside the slump in foreign investment and bank finance to the region. Credit has become very restricted and there is no liquidity in the market. As a result, investment and development activity in the real estate market is in decline. The Company has continued to adopt a prudent approach to investments and seeks to reduce the risks associated with its portfolio.

In the longer term the Company remains committed to its strategy of investment in this region, as we believe that the markets will continue to offer growth rates ahead of those to be offered in the more developed markets in Western Europe. The Company has benefited in 2006 and 2007 from the growth in these markets. It now is experiencing a reversal in these markets, but, as in any cyclical business, it is important investors and management are able to take a longer term view. This will allow the Company to benefit from the next positive stage in the property and economic cycle.

Risks and uncertainties

The Board and the Property Manager continually assess and monitor the key risks of the business. The principal risks and uncertainties that could have a material impact on the Group's performance for the rest of the financial year 2009 are summarised in the Property Manager's Report on pages 15 and 16 below.

Prospects

During 2008 and the first half of 2009, the global economic crisis has had a very significant impact on the economies and prospects in the CEE region. Many economies in the region are experiencing a decline in GDP, as access to funding has become restricted and any investment has been put on hold.

For 2009 it is unlikely that the economies in the CEE region will recover and the Group has positioned itself for this situation. There have been improvements in sales demand in Warsaw, which is proving to be the most resilient market in Europe. For 2010 it is difficult to forecast a recovery without more certainty on how the financial crisis in the global markets pans out. Management is continually reviewing the economic conditions in each of its markets, in order to identify and analyse the measures required to mitigate the effects of potential risks to its activities.

I would like to take the opportunity to thank my fellow board members, including Helmut Tomanec who resigned in May, the directors and staff of the Property Manager and our team of advisors for their continued enterprise and skill in maintaining our operating base and moving the Company and the Group forward, particularly under the current difficult conditions.

Quentin Spicer
CHAIRMAN
14 August 2009

Property Manager's Report

In this report we present the financial and operating results for the six months ended 30 June 2009. Atlas Management Company Limited ("AMC") is the Property Manager appointed by the Company to manage Atlas' portfolio, provide advice on new investment opportunities and implement the Company's investing policy.

Since the collapse of Lehman Brothers in late 2008, economic conditions have deteriorated, consumer demand has declined sharply and the capital and credit markets have been in turmoil. There has been significant central bank and government intervention to stabilise economies. Whilst governments have taken steps to address the situation, the lack of consumer confidence and the fragility of the banks mean that the outlook for the remainder of 2009 remains weak. The prospects for 2010 are dependent upon a resulting positive stimulus from the monetary steps taken by governments.

The CEE region is suffering from the effects of the global credit crunch. GDP is in decline in all countries in the region except Poland. Hungary and Romania have required financial assistance from the IMF. Short term prospects appear weak and it is difficult to determine in what time frame these economies will stabilise and return to growth. As a result of these uncertainties and adverse conditions, management have taken measures to mitigate risks across the portfolio. This has included reducing costs and staffing levels and putting on hold high risk investment activity. We are working closely with our banks to ensure that they are fully informed on developments in the portfolio. The support of the banks is critical to the future prospects of the group.

The credit and housing crisis began in 2007 and accelerated into a global crisis in 2008 and 2009. This has led to significant asset price falls and a de-leveraging cycle. Unprecedented interventions by governments have provided short term relief, but economic uncertainty will continue until asset price declines are stopped and financial stability and confidence returns. Management have successfully controlled operations during these turbulent times. Key development projects have been completed on time and to plan. The Group completed one development project in late 2008 and will complete two further development projects in late 2009.

Markets and Key Properties

Valuations have been updated at 30 June by independent valuation experts and these values have been included in the financial statements. Given the turbulent markets and credit restrictions, the economies in which Atlas operates have changed dramatically in the first half of 2009. As a result, the gross assets being attributable to the Company have decreased to €510 million at 30 June 2009 from €558 million as at 31 December 2008, based upon the latest independent valuation.

Poland

This is the major market of operation for the Group, with 67% of its portfolio located in Poland. The Polish economy has been one of the most resilient in Europe with GDP forecast as between 0% and 1% in 2009. This contrasts with the growth rates in previous years which were in excess of 5%. There had been significant increases in property prices in previous years. With access to credit so restricted property prices have fallen this year by 10% to 15%. This has impacted our valuations at half year of our assets.

Hilton Hotel, Warsaw

The Hilton Hotel in the Wola district of Warsaw is one of the Group's most prestigious assets. The CEE region and the hotel market across Europe have been adversely impacted by the global economic downturn. Occupancy rates and room rates have declined in response to a fall in demand. For the Hilton this is reflected in reduced occupancy rates for the first six months of 2009 at 57% compared to 69% in the first six months of 2008. AMC and Hilton management have undertaken measures to mitigate the effect of lower occupancy rates, through cost and spending control measures. As a result operating margins have been maintained in the hotel operation at 32% to 33% in the six months to 30 June 2009.

Platinum Towers

The residential units in construction at the Platinum Towers development, located adjacent to the Hilton, have seen renewed interest with an increase in sales enquiries and pre sales of 16 apartments in the first six months of 2009. This is a twin tower development with 387 apartments and a retail and piazza area being developed on the ground and first floors. This residential development alongside the Hilton Hotel will provide a unique development in the city. It is planned to build an office tower in the future, which will enhance the attractiveness of this site.

In total, pre-completion apartment sales are at 343 (apartments sold subject to completion). The development will be completed in phases during the fourth quarter of 2009 and the first quarter of 2010. Revenues from sales will be recognised on handover of apartments in late 2009 and 2010. In February 2009, the Group topped out the two towers that comprise the residential element of the development, on time and to budget. The construction continues to meet its timelines and plans.

Capital Art Apartments

At the Capital Art Apartments development in Warsaw, the Company has completed construction of the first stage and is in the process of constructing and completing the second stage. This is a significant development in the Wola district of Warsaw close to the city centre. It is a three stage development which will release 760 apartments in the city with parking and amenities, including retail facilities.

The Company has, to date, sold 182 out of 219 apartments in stage 1, with a further 35 apartments in stage 1 and 152 apartments out of 300 apartments in stage 2 having been pre-sold. This project is being developed in three stages. The first stage was completed in the fourth quarter of 2008. Sales of 99 apartments were recognised as income for the first time in 2008. In the first six months of 2009, a further 83 apartment sales have been recognised as income. Revenue recognised in the first six months of 2009 was €9.2 million and for the fourth quarter of 2008 was €13.0 million.

Other properties in Poland

The Group's portfolio also contains valuable land assets in Warsaw, for which it is acquiring zoning and permits for further development. The land on the Wola site alongside the Hilton and the Platinum Towers office development has received approvals to extend the proposed office building to 32 floors. This is a significant milestone in the development options for this site.

The Group also owns two investment properties in Poland. The Millennium Plaza, Warsaw has been affected by an adverse office rental market. The Sadowa office building, in Gdansk has had no significant changes in occupancy.

Hungary

In Hungary, the Group portfolio comprises seven properties, all of which are located in Budapest. Five are income producing assets, including the Ikarus Business Park. It is anticipated that some of these properties may be redeveloped in the future. The Hungarian economy has suffered adversely from the global credit crisis and lack of liquidity available for development projects. As a result, Atlas has stopped development activity and, on its income yielding assets, has experienced client losses and pricing pressures.

There has been a loss of key clients at the Ikarus Business Park as a result of the economic pressures. These clients have included suppliers to the automotive industry. The Group continues to actively market the vacant space in its properties in difficult market conditions. Cost control measures have been undertaken. The Atrium Homes development property is a two-stage development. The construction of stage 1 has been delayed due to current economic conditions.

Slovakia

In Slovakia the Group's portfolio comprises three development sites, one in Bratislava and two in Kosice. In Bratislava, the Group is awaiting approvals for rezoning of the land and is pleased with the progress being made on discussions with the local authorities. In Kosice, design works for a residential and office development are currently underway.

Romania

The Group's portfolio contains three properties in Romania, including the Golden Tulip Hotel and two significant land banks. The Romanian economy is forecast to decline this year in the range 6% to 8%. This contrasts with the high levels of GDP growth seen in recent years. IMF funding has been provided to support the economy. As a result, property values have fallen greatly in the first six months due to a lack of liquidity, resulting from no transactions in the market. Despite difficult trading conditions, occupancy rates at the Golden Tulip were comparable to the equivalent period in 2008, at 62% in 2009 and 61% in 2008, reflecting the improved performance that has been seen at this hotel since managerial changes were made in the second quarter of 2008. The Group has also undertaken cost control measures to mitigate the current loss of business at the hotel operation.

Bulgaria

The Group holds one rental property in Sofia. This office building has had no significant changes in tenancies during the period.

Financial Review

With the credit crunch and economic downturn, financial control and tight control of costs and spending have become vital and of even greater importance to the business. Corporate governance and financial reporting are operated to the highest standards.

The continual monitoring of the territories, analysing the economics of the region and the key measures of the sectors in which the Group operates are vital to ensure that it does not become over exposed to, or reliant on, any one particular area. AMC evaluates the risks and rewards associated with a particular country, sector or asset class, in order to optimise the Company's return on investment and therefore the return that the Company is able to deliver to shareholders over the longer term.

Portfolio valuation and valuation methods

An independent valuation of the entire property portfolio is carried out on a semi-annual basis (June and December) by independent experts. The half year end valuation process has been undertaken by two external valuation experts, Cushman & Wakefield and Colliers International, independent international companies of real estate advisors. The gross market value of the property assets within the Company's portfolio, including valuation gains on development properties held in inventory and land held under lease but not recognised at fair value in the balance sheet, and including non-controlling interest, was €510 million as at 30 June 2009. This compares to the valuation at 31 December 2008 of €558 million and at 30 June 2008 of €600 million.

As at 30 June 2009, the Company held a portfolio of 23 properties comprising 12 investment properties of which eight are income yielding properties and four are held for capital appreciation, two hotels and nine development properties.

- Investment properties were valued at €170 million at 30 June 2009, excluding non-controlling interest, compared to €197 million at 31 December 2008 and €218 million at 30 June 2008.

- Hotel properties were valued at €96 million at 30 June 2009, excluding non-controlling interest, compared to €117 million at 31 December 2008 and €136 million at 30 June 2008.

- Development properties were valued at €206 million at 30 June 2009, excluding non-controlling interest, compared to €202 million at 31 December 2008 and €187 million at 30 June 2008.

Loans

As at 30 June 2009, the Company's share of bank debt associated with the portfolio of the Group was €252 million (31 December 2008: €248 million; 30 June 2008: €221 million). The increase in debt has arisen principally from the utilisation of construction loans in the development of the Platinum Towers and Capital Art Apartments properties in Warsaw, and from the refinancing of the Hilton loan in July 2008. Total facilities were €285 million (31 December 2008: €290 million; 30 June 2008: €247 million). Loans and valuations for those periods in which valuations were undertaken may be analysed as follows:

	30 June 2009			31 December 2008		
	Loans	**Valuation**	**Loan to Value Ratio**	**Loans**	**Valuation**	**Loan to Value Ratio**
	€'000	**€'000**		**€'000**	**€'000**	
Investment property	114,478	170,230	67.2%	116,325	196,745	59.1%
Hotels	67,531	95,870	70.4%	67,648	116,580	58.0%
Development property in construction	37,241	124,211	30.0%	30,969	109,614	28.3%
Other development property	32,444	82,187	39.5%	32,743	92,390	35.4%
	251,694	**472,498**	**53.3%**	**247,685**	**515,329**	**48.1%**

The valuations in the table above differ from the values included in the consolidated balance sheet as at 30 June 2009 and 31 December 2008 due to the treatment under IFRS of land held under operating leases and development property.

Loans maturing within one year have increased to €150.5 million at 30 June 2009 from €95.7 million at 31 December 2008 and €29.9 million at 30 June 2008. The increase has arisen from the natural ageing of debts and from the reclassification of four loans with breaches at 30 June 2009. Two of these loans, totalling €67.7 million, were in breach at 31 December 2008 and were also classified as bank loans and overdrafts due within one year or on demand at 31 December 2008. The Group received a written covenant waiver from its lender during the three months ended 31 March 2009 for the 2008 breach on its debt service coverage ratio on the Millennium and the lender will continue to extend the €63.1 million facility. The other two breaches at 30 June 2009 relate to the non payment of interest on loans, for loans totalling €24.7 million. The banks have been made aware of all these breaches and have not asked for repayment of the loans.

Cash at bank and in hand was €11.7 million at 30 June 2009 (31 December 2008: €15.3 million; 30 June 2008: €19.9 million). The gearing ratio is 197%, based upon net debt as a percentage of equity attributable to shareholders and is 66.3% based upon net debt as a percentage of total capital (net debt plus equity attributable to equity holders).

Review of the Six Months Ended 30 June 2009 and Valuation of Assets

The financial analysis of the income statement set out below reflects the monitoring of operational performance by segment as used by management.

Review of the six months ended 30 June 2009

	Property Rental €'000	Residential Sales €'000	Hotel Operations €'000	Other €'000	Six months ended 30 June 2009 €'000
Revenues	6,841	9,276	8,509	24	24,650
Cost of operations	(2,604)	(7,703)	(5,692)	(3)	(16,002)
Gross profit	**4,237**	**1,573**	**2,817**	**21**	**8,648**
Administrative expenses	(268)	(871)	(1,434)	(3,263)	(5,836)
Gross profit / (loss) less administrative expenses	**3,969**	**702**	**1,383**	**(3,242)**	**2,812**
Gross profit %	61.9%	17.0%	33.1%	87.5%	35.1%
Gross profit less administrative expenses %	58.0%	7.6%	16.3%	n/a	11.4%

	Property Rental €'000	Residential Sales €'000	Hotel Operations €'000	Other €'000	Six months ended 30 June 2008 €'000
Revenues	9,289	-	11,568	240	21,097
Cost of operations	(3,163)	(987)	(7,563)	-	(11,713)
Gross profit / (loss)	**6,126**	**(987)**	**4,005**	**240**	**9,384**
Administrative expenses	(691)	(1,074)	(1,517)	(5,075)	(8,357)
Gross profit / (loss) less administrative expenses	**5,435**	**(2,061)**	**2,488**	**(4,835)**	**1,027**
Gross profit %	65.9%	n/a	34.6%	n/a	44.5%
Gross profit less administrative expenses %	58.5%	n/a	21.5%	n/a	4.9%

Revenues

Total revenues for the six months ended 30 June 2009 were €24.7 million compared to €21.1 million for the six months ended 30 June 2008. The Group's principal revenue streams are property rental income, sales from its hotel operations, and income from the sale of the residential apartments that the Group develops. As the Group maintains a diversified portfolio of real estate investments, seasonality or cyclicality of yielded income or results is also highly diversified. The available portfolio of assets for lease, the systematic execution and sale of residential projects and the geographical reach of the Group's portfolio has, to a significant extent, resulted in stable levels of income being earned.

Total revenues include €9.2 million relating to residential sales on Capital Art Apartments stage 1, where pre sold apartments have been handed over to clients. Total revenues are €15.4 million for income yielding assets including hotels compared to €20.9 million for the six months ended 30 June 2008. This decline represents €4.1 million due to the effect of depreciating currencies in the region and €1.4 million from weaker trading as a result of the economic decline in the CEE region.

Development Properties

As of 30 June 2009, the Group had contracted to construct 528 apartments with a total value of €69.2 million at its Platinum Towers and Capital Art Apartments projects in Warsaw. By 30 June 2009, 182 apartments had also been completed and sold at the Capital Art Apartments project. The Atrium Homes project in Budapest has been delayed, due to the lack of access to finance. Many of the preliminary contracts on the Atrium Homes developments are from foreign investors and they have expressed an interest in transferring their contracts to the Group's developments in Warsaw, which will be completed this year, while some of the preliminary contracts have been cancelled and deposits returned.

Following the completion of construction works on stage 1 at Capital Art Apartments in the fourth quarter of 2008, the Group is continuing to recognise revenue on its development properties. These buildings include 219 apartments, of which 215 have been pre-sold to date. As mentioned above, by 30 June 2009, 182 of these apartments had been handed over to purchasers, with the full price of the apartment received by the Group. As a result, in accordance with the Group's accounting policy, the revenue and associated costs of these apartment sales are recognised in the income statement. Revenue of €9.2 million and gross profit of €1.7 million have been recognised on the sales of the 83 apartments delivered for stage 1 of Capital Art Apartments during the six months ended 30 June 2009.

Income Producing Assets

Revenue from income producing assets has decreased to €6.8 million for the six months ended 30 June 2009, from €9.3 million for 2008. The decrease includes the effect of depreciating currencies in the region of €1.7 million. The operational variance in the quarter is a decrease of €0.8 million.

Hotels

Revenue from the Group's two hotels (the Warsaw Hilton and the Golden Tulip, Bucharest) decreased to €8.5 million for the six months ended 30 June 2009 from €11.6 million for the corresponding period of 2008. The decrease includes the effect of depreciating currencies in the region of €2.5 million. The operational variance in the quarter is a decrease of €0.6 million. This decrease highlights the effect of the global economic crisis on business travel and conferencing. However, the revenue shortfall has been mitigated to some extent by cost reduction and improved controls.

The Hilton in Warsaw has seen occupancy rates lower than for the equivalent period in 2008, with occupancy levels at 57% in 2009 compared to 69% in the first six months of 2008. The hotel's revenues are enhanced by income from the conferencing and banqueting facilities, together with the high quality Holmes Place fitness centre and the casino. The hotel is regarded as an ideal venue for corporate events in Central and Eastern Europe, with competitive room rates being offered in comparison to other countries in the region. For example, on 25 February 2009, the hotel hosted the Financial Times' Central & Eastern European Property Conference, which attracted more than 1,000 delegates.

Occupancy rates at the Golden Tulip Hotel in Bucharest, Romania were comparable to the equivalent period in 2008, at 62% in 2009 and 61% in 2008, despite difficult trading conditions. This reflects the improved performance that has been seen at this hotel since managerial changes were made in the second quarter of 2008.

Cost of operations

Cost of operations was €16.0 million in the six months ended 30 June 2009, of which €7.2 million relates to the cost of construction of the apartments sold at Capital Art Apartments during the period. Cost of operations for the first six months of 2008 was €11.7 million, in which there were no costs relating to apartment sales. The resultant decline of €2.9 million in costs not relating to apartment sales between 2008 and 2009 includes the effect of depreciating currencies in the region of €2.3 million. The underlying cost of operations has decreased by €0.6 million, reflecting cost savings implemented by management.

Administrative expenses

A key focus has been overhead costs. In late 2008 the Company took steps to de-list from AIM in order to reduce complexity and cost, however this was not passed by shareholders. A number of other cost reduction measures have been undertaken, including the change of auditors, benchmarking, reducing headcount and negotiating new supplier contracts. As a result we can report that administrative expenses were €5.8 million compared to €8.4 million in the first six months of 2008. This decline of €2.6 million includes the effect of depreciating currencies in the region of €0.8 million. The underlying administrative expenses have decreased by €1.8 million, reflecting extensive cost savings implemented by management and the effect of reduced management fees.

Other operating income and expenses

Other operating income and expenses are items that do not directly relate to the day-to-day activities of the Group. Such items include: income and expenses for items that are recharged to contractors and other suppliers at cost; penalty interest income and expenses; and other such items. Provisions totalling €4.8 million have been included, reflecting impairment on the carrying value of assets versus independent valuations.

Finance income and costs

The income statement includes finance costs of €6.7 million for the six months ended 30 June 2009, compared with €6.4 million in 2008. The decrease in external debt finance resulting from the reduction in EURIBOR and other inter-bank lending rates has been offset by the Group's losses on an interest rate swap.

Foreign exchange

The results for the first six months of 2009 have been adversely impacted by the ongoing effects of the depreciating currencies in the Central and Eastern European markets. For the Company's investments in Poland, its major market, the Polish Zloty has depreciated by 7.1% from the 31 December 2008 rate of exchange to 30 June 2009 rate of exchange. The fall in value of the functional currencies has resulted in foreign exchange losses of €10.2 million in the income statement (2008: gain of €6.8 million) and €9.8 million (2008: gain of €9.9 million) in reserves for the six months ended 30 June 2009. A summary of exchange rates by country for average and closing rates against the presentational currency as applied in the financial statements are set out below.

	Polish Zloty	**Hungarian Forint**	**Romanian Lei**	**Slovakian Crown**	**Bulgarian Lev**
				Euro entry	
Current rate					
13 August 2009	4.1206	268.63	4.2158	n/a	1.95583
Closing rates					
30 June 2009	4.4696	272.43	4.2067	n/a	1.95583
31 December 2008	4.1724	264.78	3.9852	30.126	1.95583
% Change	7.1%	2.9%	5.6%	n/a	0%
30 June 2008	3.3542	237.03	3.6475	30.312	1.95583
Average rates					
Half year 2009	4.4678	290.25	4.2293	n/a	1.95583
Year 2008	3.5166	251.25	3.6827	31.291	1.95583
% Change	27.0%	15.5%	14.8%	n/a	0%
Half year 2008	3.4925	252.24	3.6709	32.250	1.95583

The above demonstrates the continuing weakening in the underlying currencies during the first six months of 2009, as the effects of the global financial crisis spread further into the CEE region. Slovakia entered the Euro zone in January 2009.

The large foreign exchange losses in the income statement represent exchange losses on bank loans denominated in Euros, which are recorded in the local functional currencies of the individual group companies and then translated into Euros for consolidated financial reporting presentational purposes only.

Other than as detailed above, there were no factors or events that significantly impacted the six months ended 30 June 2009.

Net Asset Value

The Group's property assets are categorised into three classes, when accounted for in accordance with IFRS. The recognition of increases in value from each category is subject to different treatment as follows:

- Yielding assets let to paying tenants – classed as investment properties with valuation movements being recognised in the Income Statement;
- Property, plant and equipment operated by the Group to produce income, such as the Hilton hotel or land held for development of yielding assets (PPE) – revaluation movements are taken direct to reserves, net of notional tax; and
- Property developments, including the land on which they will be built – held as inventory with no increase in value recognised in the financial statements.

The Company sets out below the key measures relating to NAV per share. This includes the NAV per share per the financial statements and the Adjusted NAV per share as defined at IPO and previously disclosed by the Company.

	NAV H1 2009 €'000	**NAV per share H1 2009 €**	NAV per share Q4 2008 €
Basic NAV	121,854	**2.60**	3.68
Development land valuation increase not recognized in financial statements	43,545		
Deferred tax	(8,281)		
Adjusted NAV	157,118	**3.35**	4.42

Notes:
The number of shares in issue as at 30 June 2009 and at 31 December 2008 is 46,852,014.
The number of warrants outstanding at 30 June 2009 and at 31 December 2008 is 5,488,118.

Included in the income statement is a sum of €16.1 million arising from the revaluation of the Group's investment properties. The total revaluation reserve decrease of €8.6 million represents the revaluation of the Hilton Hotel and the Golden Tulip Hotel, net of tax.

The Property Manager's basic fee and performance fee are determined by the Adjusted NAV. For the six months to 30 June 2009 the basic fee payable to AMC was €2.07 million (€2.86 million to 30 June 2008). No accrual has been made for the performance fee because no reliable estimate can be made. This is because the performance measures are determined at year end and are subject to material changes resulting from the external valuations.

Ongoing activities

The Company's property portfolio is constantly reviewed to ensure it remains in line with its stated strategy of creating a balanced portfolio that will provide future capital growth over the longer term, the potential to add value through active and innovative asset management programmes and the ability to deliver strong development margins.

A key management objective is controlling and reducing construction costs and schedules at its development projects, particularly in the light of global variations in commodity prices and the increase of labour costs in the region. Another key strategy that it continues to progress is the refinancing of the portfolio, the securing of construction loans and the evaluation of various fund raising opportunities.

Financial, operational and risk management

The Company has completed three years as a quoted company and is a dual-listed entity in Warsaw and London. In continuing to fulfil its obligations to its shareholders and to the markets, together with maintaining its policy of maximum disclosure and timely reporting, it is continually improving and developing its financial management and operational infrastructure and capability. AMC's finance teams operate in each of the Group's major investment territories, with support across the region provided by an experienced group finance team. AMC's experienced central operational team and investment committee monitor and control investments and major operational matters. As such, the management team continually reviews its operating structures to optimise the efficiency and effectiveness of its network, which is particularly important given the current environment.

Atlas continues to enhance its internal control and reporting procedures and IT systems in order to generate appropriate, timely management information for the ongoing assessment of the Group's performance. In 2008 a new financial reporting system was successfully implemented, which provides the Group with the reporting systems, financial management and internal control required to meet the reporting requirements of a dual listed entity and group. This system has been improved in 2009 and is embedded and used by all reporting entities in the group. This is seen as a key aspect in ensuring the highest standards of corporate governance and risk management.

Global economic conditions

AMC briefs the Board and closely monitors the effects that the current global economic conditions have on the Group's property portfolio and will continue to take steps to mitigate, as far as possible, any adverse impact that may result for the Group. The main financial risks that have affected the Company in the first six months of 2009 are the continuing effect of the global liquidity crisis on the Group's ability to access capital and to realise value from property disposals amid weakening in the economies in the CEE region.

Among the demonstrations of the weakening conditions are the rapidly weakening exchange rates of countries in the region, together with a reduction in demand for new apartments in Poland and Hungary, where we have development projects. Transactions are taking longer to reach completion due to a lack of available credit for investors. AMC has been advising the Board on a regular basis with respect to financial performance and the effect of external factors on the business. The financial results for the six months ended 30 June 2009 include the independent expert valuations provided at 30 June 2009. These have resulted in a substantial fall in asset values as a result of the global economic conditions and the affect on the CEE region.

The Board, through AMC, also regularly review construction costs and the effect on development project profits, particularly given the global variations in commodity prices and the increase of labour costs in the CEE region. The Group is constantly seeking ways to control costs and minimise increases.

Financing and liquidity

Management is experiencing a change in the approach and requirements of lenders for financing in the CEE region, which has been reflected in the covenants that are applied to facilities such as a reduction of loan to value ratio, increasing margins and an increase in levels of required pre-sales on development projects. Negotiation and completion of financing agreements is also taking longer than previously experienced. Although recent news regarding the willingness of banks in the CEE region to finance projects has been negative, AMC, through its strong relationships with lenders, has been able to secure financing opportunities in the region. However, in the present tight credit markets and in the context of a continual need to renegotiate covenants as falling asset values trigger breaches, the management team see their ability to secure financing opportunities as a potential risk to the ongoing development of the Group and as a result are devoting significant resource to the management of banking relationships and the monitoring of risk in this area.

Despite the difficult conditions in the financial markets the Group has been able to refinance part of its portfolio and secured loans for the construction phase of its development projects. This has included the extension of loans on three development projects and securing an increase in the construction loan facility for a key development project. Cash is managed both at local and head office levels, ensuring that rent collection is prompt, surplus cash is suitably invested or distributed to other parts of the Group's portfolio, as necessary, and balances are held in the appropriate currency. The allocation of capital and investment decisions are reviewed and approved by local operational management, the executive team, the central finance and operational teams, by the investment committee of AMC and, finally, by Atlas' Board. This approach provides the Company with a rigorous risk management framework. Where possible, the Company will use debt facilities to finance its projects, which the Company will look to secure at appropriate times and when available, depending on the nature of the asset – yielding or development.

As at 30 June 2009, the Company's share of bank debt associated with the portfolio was €251.7 million, with cash at bank and in hand of €11.7 million. The gearing ratio is 197%, based upon net debt as a percentage of equity attributable to shareholders and is 66.3% based upon net debt as a percentage of total capital (net debt plus equity attributable to equity holders). Where possible, the Group refinances properties where valuations have increased, thereby releasing equity for further investment.

Currency and foreign exchange

Foreign exchange and interest rate exposures are continually monitored. Foreign exchange risk is largely managed at a local level by matching the currency in which income and expenses are transacted and also the currencies of the underlying assets and liabilities.

Most of the income from the Group's investment properties is denominated in Euros and our policy is to arrange debt to fund these assets in the same currency. Where possible, the Group looks to match the currency of the flow of income and outgoings. Some expenses are still incurred in local currency and these are planned for in advance. Development of residential projects has created receipts largely denominated in local currencies and funding facilities are arranged accordingly. "Free cash" available for distribution within the Group is identified and appropriate translation mechanisms put in place.

The results for the first six months of 2009 have been adversely impacted by the ongoing effects of the depreciating currencies in the Central and Eastern European markets. For the Company's investments in Poland, its major market, the Polish Zloty has depreciated by 7.1% from the 31 December 2008 rate of exchange to 30 June 2009 rate of exchange. The fall in value of the functional currencies has resulted in foreign exchange losses of €10.2 million in the income statement (2008: gain of €6.8 million) and €9.8 million (2008: gain of €9.9 million) in reserves for the six months ended 30 June 2009.

Conclusions and Prospects

The Company's key strategic investment objective is the maximisation of value for the Company's shareholders, which AMC continues to work with the Company in achieving despite the very challenging economic backdrop. Good progress continues to be made with the construction of the Group's two key development projects in Warsaw, Platinum Towers and Capital Art Apartments, and pre-sales activity has been very successful, underpinning our confidence in the medium and long term market prospects. However, the effect of the global economic crisis has had a continuing negative impact on market conditions and trading results in the first six months of 2009. This is expected to continue in the short term due to uncertainties over the strength of the underlying economies and markets.

The Group in the current economic climate aims to minimise financial risks, optimise cash retention and operational effectiveness and enhance the Group's liquidity, which will enable it to progress its developments. The Company has a strong portfolio of underlying assets and a development pipeline. Once the markets begin to stabilise, this portfolio will continue to meet the demand for the quality and specification of the space that Atlas delivers.

The conditions for the rest of 2009 are going to be challenging. There is extreme uncertainty as to the economic environment for 2010 and beyond. It is less than 12 months since the collapse of Lehman Brothers and the knock on effect on the global economic environment. As a result AMC are continually monitoring the portfolio and the markets in which the Group operates. We are seeking every opportunity to reduce risk exposure for the Group, while continuing to seek to optimise value. Therefore at this point we believe it is not in the Company's shareholders interest to sell assets at the low point in the property and economic cycle to buyers who are opportunistic. However we remain open to offers that realistically assess the long term value of our portfolio.

AMC's management structure has been reduced in response to the economic environment in the region. We have adapted to the difficult circumstances and continue to successfully meet our key objectives as agreed with board. The completion of development projects in the next 18 months are a key objective. Also realising the Company's investments through asset disposals at appropriate prices will be important. The retention of cash and continued control of costs in difficult markets will be a major priority.

Nahman Tsabar
Chief Executive Officer
Atlas Management Company Limited
14 August 2009

Michael Williamson
Chief Financial Officer
Atlas Management Company Limited

Property Portfolio Information

Location/Property	Description	Company's ownership
Poland		
Hilton Hotel	First Hilton Hotel in Poland, 314 rooms and conference facilities	100%
Platinum Towers	387 apartments in two towers and a third tower with 22,500 square metres of office space. The two residential towers are with building permits and pre-sales	100%
Capital Art Apartments	760 apartments with building permits and pre-sales. Three stage development with Stage 1 completed in 4th quarter 2008 with 215 out of 219 apartments pre sold	100%
Zielono	Land with zoning for 265 apartments	76%
Millennium Plaza	32,700 square metres of office and retail space	100%
Cybernetyki project	3,100 square metre plot of land zoned for 11,000 square metres of residential development	50%
Sadowa project	6,550 square metre office building with 99% occupancy	100%
Kokoszki, Gdansk	430,000 square metre plot in Gdansk with zoning for construction of 130,000 square metres of mixed use development	100%
Hungary		
Ikarus Business Park	283,000 square metre plot with 110,000 square metres of lettable business space	100%
Metropol Office Centre	7,600 square metre office building, 100% occupied	100%
Atrium Homes	456 apartments with building permits, marketing commenced and pre-sales	100%
Ligetvaros Centre	6,300 square metres of office/retail space, 99% occupied rights to build extra 6,400 square metres	100%
Varosliget Centre	12,000 square metre plot in Central Budapest, with zoning for residential development of 31,000 gross square metres	100%
Moszkva Square	1,000 square metres of office space	100%
Volan Project	20,640 square metre plot, zoning for 89,000 square metre mixed use scheme	50%
Romania		
Voluntari	99,116 square metres of land in three adjacent plots	100%
Solaris Project	32,000 square metres plot for re-zoning to mixed-use development	100%
Golden Tulip Hotel	4 star 83 room hotel in central Bucharest	100%
Slovakia		
Nove Vajnory	879,000 square metres of land acquired from municipality, under re-zoning for mixed use development	50%
Basta Project	7,202 square metres of land for residential and commercial use development in the centre of Kosice, second city in Slovakia, with zoning	50%
Bastion Project	2,806 square metres for office and commercial use development in centre of Kosice, second city of Slovakia, with zoning	50%
Bulgaria		
The Atlas House	Office building in Sofia's city centre with 3,472 square metres of lettable area spread over eight floors	100%

Independent Review Report to the General Shareholders of Atlas Estates Limited

Introduction

We have been engaged to review the interim condensed consolidated financial statements of Atlas Estates Limited ("the Group") where Atlas Estates Limited is the dominant entity ("the Company"), and is located in Guernsey, which comprise:

- the interim consolidated income statement for the period from 1 January 2009 to 30 June 2009 with a net loss amounting to 32.8 million Euros,
- the interim consolidated balance sheet as of 30 June 2009 with total assets amounting to 464.3 million Euros,
- the interim consolidated statement of changes in equity for the period from 1 January 2009 to 30 June 2009 with a net decrease of equity amounting to 51.3 million Euros,
- the interim consolidated cash flow statement for the period from 1 January 2009 to 30 June 2009 with a net cash outflow amounting to 3.6 million Euros, and
- the interim summary of significant accounting policies and other explanatory notes ("the attached interim condensed consolidated financial information").

Directors' responsibilities

The true and fairness of the attached interim condensed consolidated financial information are the responsibility of, and have been approved by, the Company's Board of Directors ("the directors"). The directors are responsible for preparing the half-yearly financial report in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ("IAS 34") and for meeting the requirements of the rules of the Warsaw Stock Exchange and rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

Our Responsibility

Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the Warsaw Stock Exchange and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

BDO Stoy Hayward LLP
Chartered Accountants
55 Baker Street, London, UK

Statement of Directors' Responsibilities

The interim condensed consolidated financial statements have been prepared in accordance with the rules of the Warsaw Stock Exchange and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The accounting policies applied are consistent with those described in the Annual Report 2008 and, to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and profit of the Group.

The interim report includes a fair review of the business and important events impacting it, as well as a description of the principal risks and uncertainties of the business. The interim condensed consolidated financial statements include a fair review of the related party disclosure requirements.

The Directors confirm that as of 14 August 2009 the registered audit company (BDO Stoy Hayward LLP) who performed the review of the consolidated and non-consolidated interim condensed financial statements has been selected in compliance with the provisions of the law and that this firm and the qualified auditors who performed the review met the conditions to issue an impartial and independent report from the review in accordance with the applicable provisions of national law.

Quentin Spicer
Chairman

Michael Stockwell
Director

Shelagh Mason
Director

14 August 2009

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) (restated) €'000	Note
Revenues	**24,650**	**21,097**	3
Cost of operations	(16,002)	(11,713)	4.1
Gross profit	**8,648**	**9,384**	
Administrative expenses	(5,836)	(8,357)	4.2
Other operating income	449	279	
Other operating expenses	(4,975)	(629)	5
Decrease in value of investment properties	(16,143)	(2,143)	10
Impairment of asset held for sale	-	(3,996)	15
Loss from operations	**(17,857)**	**(5,462)**	
Finance income	321	862	
Finance costs	(6,717)	(6,402)	
Finance costs - other gains and (losses) – foreign exchange	(10,183)	6,754	
Loss before taxation	**(34,436)**	**(4,248)**	
Tax credit	1,649	350	6
Loss for the period	**(32,787)**	**(3,898)**	
Attributable to:			
Equity shareholders of the parent	(32,246)	(3,901)	
Non-controlling interests	(541)	3	
	(32,787)	**(3,898)**	
Loss per €0.01 ordinary share – basic (eurocents)	(68.83)	(8.67)	8
Loss per €0.01 ordinary share – diluted (eurocents)	(68.83)	(8.67)	8

All amounts relate to continuing operations.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) €'000
LOSS FOR THE PERIOD	**(32,787)**	**(3,898)**
Other comprehensive income:		
Revaluation of buildings	(10,553)	(1,886)
Deferred tax on revaluation of buildings	1,970	414
Exchange adjustments	(9,808)	9,946
Deferred tax on exchange adjustments	(93)	(510)
Other comprehensive income for the period (net of tax)	**(18,484)**	**7,964**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(51,271)**	**4,066**
Total comprehensive income attributable to:		
Equity shareholders of the parent Company	(50,730)	4,063
Non-controlling interests	(541)	3
	(51,271)	**4,066**

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED BALANCE SHEET
As at 30 June 2009

	30 June 2009 (unaudited) €'000	31 December 2008 €'000	30 June 2008 (unaudited) €'000	Note
ASSETS				
Non-current assets				
Intangible assets	533	610	369	
Land under operating lease – prepayments	15,264	16,445	20,571	
Property, plant and equipment	89,091	108,035	117,865	9
Investment property	171,942	198,677	123,956	10
Other loans receivable	8,070	7,928	8,742	
Deferred tax asset	5,492	5,358	4,838	
	290,392	**337,053**	**276,341**	
Current assets				
Inventories	155,937	155,855	154,777	11
Trade and other receivables	6,290	7,838	9,575	
Cash and cash equivalents	11,716	15,288	19,908	12
	173,943	**178,981**	**184,260**	
Assets classified as held for sale	-	-	96,946	15
TOTAL ASSETS	**464,335**	**516,034**	**557,547**	
Current liabilities				
Trade and other payables	(51,524)	(53,402)	(72,254)	
Bank loans	(150,544)	(95,702)	(29,893)	14
Derivative financial instruments	(650)	(456)	-	
	(202,718)	**(149,560)**	**(102,147)**	
Liabilities directly associated with assets classified as held for sale	-	-	(70,636)	15
Non-current liabilities				
Other payables	(11,202)	(10,104)	(8,521)	
Bank loans	(101,150)	(151,983)	(127,468)	14
Derivative financial instruments	(2,474)	(1,427)	-	
Deferred tax liabilities	(24,205)	(29,121)	(28,033)	
	(139,031)	**(192,635)**	**(164,022)**	
TOTAL LIABILITIES	**(341,749)**	**(342,195)**	**(336,805)**	
NET ASSETS	**122,586**	**173,839**	**220,742**	
EQUITY				
Share capital account	6,268	6,268	484	
Revaluation reserve	6,992	15,575	6,672	16
Other distributable reserve	194,817	194,817	194,817	16
Translation reserve	(14,583)	(4,682)	16,643	16
Amounts recognised directly in equity relating to assets held for sale	-	-	6,854	15
Accumulated loss	(71,640)	(39,412)	(5,470)	
Equity attributable to equity holders of the parent Company	**121,854**	**172,566**	**220,000**	
Non-controlling interests	**732**	**1,273**	**742**	
TOTAL EQUITY	**122,586**	**173,839**	**220,742**	
Basic net asset value per share	€2.60	€3.68	€ 4.89	

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 30 June 2009

Six Months Ended 30 June 2009 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
As at 1 January 2009	**6,268**	**205,710**	**(39,412)**	**172,566**	**1,273**	**173,839**
Total comprehensive income for the period	-	(18,484)	(32,246)	**(50,730)**	(541)	**(51,271)**
Share based payments	-	-	18	**18**	-	**18**
As at 30 June 2009	**6,268**	**187,226**	**(71,640)**	**121,854**	**732**	**122,586**

Year Ended 31 December 2008	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
As at 1 January 2008	**484**	**224,524**	**(1,631)**	**223,377**	**739**	**224,116**
Total comprehensive income for the year	-	(11,311)	(37,872)	**(49,183)**	(3)	**(49,186)**
Non-controlling interest acquired in the year	-	-	-	**-**	537	**537**
Shares issued in the year	5,784	-	-	**5,784**	-	**5,784**
Share based payments	-	-	91	**91**	-	**91**
Dividends paid	-	(7,503)	-	**(7,503)**	-	**(7,503)**
As at 31 December 2008	**6,268**	**205,710**	**(39,412)**	**172,566**	**1,273**	**173,839**

Six Months Ended 30 June 2008 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
As at 1 January 2008	**484**	**224,524**	**(1,631)**	**223,377**	**739**	**224,116**
Total comprehensive income for the period	-	7,964	(3,901)	**4,063**	3	**4,066**
Share based payments	-	-	62	**62**	-	**62**
Dividends declared	-	(7,502)	-	**(7,502)**	-	**(7,502)**
As at 30 June 2008	**484**	**224,986**	**(5,470)**	**220,000**	**742**	**220,742**

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2009

	Note	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) €'000
Cash inflow / (outflow) generated from operations	**13**	**447**	**(12,811)**
Interest received		73	395
Interest paid		(4,998)	(5,934)
Tax paid		(230)	(276)
Net cash outflow from operating activities		**(4,708)**	**(18,626)**
Investing activities			
Purchase of investment property		(129)	(567)
Purchase of property, plant and equipment		(117)	(1,203)
Proceeds from disposal of property, plant and equipment		18	348
Purchase of intangible assets – software		(3)	(10)
Net cash used in investing activities		**(231)**	**(1,432)**
Financing activities			
New bank loans raised		8,811	-
Repayments of bank loans		(3,826)	(1,469)
New loans granted to JV partners		(380)	-
New loans received from non-controlling investors		1,357	165
Net cash from / (used in) financing activities		**5,962**	**(1,304)**
Net increase / (decrease) in cash and cash equivalents in the period		**1,023**	**(21,362)**
Effect of foreign exchange rates		(4,595)	6,693
Net decrease in cash and cash equivalents in the period		**(3,572)**	**(14,669)**
Cash and cash equivalents at the beginning of the period		**15,288**	**34,861**
Cash and cash equivalent at the end of the period		**11,716**	**20,192**
Cash and cash equivalents			
Cash at bank and in hand	**12**	11,716	19,908
Cash assets classified as held for sale	**15**	-	284
Bank overdrafts		-	-
		11,716	**20,192**

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2009

1. Basis of preparation

This condensed interim financial information for the six months ended 30 June 2009 has been prepared in accordance with International Accounting Standard No. 34, “Interim Financial Reporting” (“IAS 34”). The financial information has been prepared on a going concern basis and on a historical cost basis as amended by the revaluation of land and buildings and investment property, and financial assets and financial liabilities at amortised cost. Interim financial statements do not contain all information and notes included in annual financial statements; they should therefore be read in conjunction with the audited consolidated financial statements, prepared under IFRS, and notes thereto for the year ended 31 December 2008. The six month financial results are not necessarily indicative of the full year results.

As described in the Chairman’s Statement and the Property Manager’s Report, the current economic environment remains challenging and the Group has reported a loss before taxation for the six months ended 30 June 2009 and a significant fall in net asset value as at 30 June 2009. The directors consider that the outlook presents significant challenges in terms of the markets in which the Group operates, the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group.

As at 30 June 2009 the Group held land and building assets with a market value of €472 million, compared to external debt of €252 million. Subject to the time lag in realising the value in these assets in order to generate cash, this ”loan to value” ratio gives a strong indication of the Group’s ability to generate sufficient cash in order to meet its financial obligations as they fall due. All land and building assets and associated debts are currently ring-fenced in unique, specific, corporate vehicles. In all cases the market values of the assets held exceed the external debt. This being the case, any repossession by the bank on default of loan terms would clear the outstanding debt and not result in additional finance liabilities for the Company or for the Group. There are also unencumbered assets which could potentially be leveraged to raise additional finance.

In the preparation of this condensed interim financial information for the six months ended 30 June 2009, the directors have reclassified four loans totaling €92.4 million within the financial statements from non current liabilities to current liabilities as bank loans and overdrafts due within one year or on demand, where covenant breaches or defaults on these loans arose. The banks are aware of the technical breaches and defaults and have not asked for repayment of the loans. Two of these loans, totalling €67.7 million, were in breach at 31 December 2008 and were classified as bank loans and overdrafts due within one year or on demand at 31 December 2008. The defaults on the other two loans result from non payment of interest. Loans maturing within one year total €150.5 million at 30 June 2009 compared to €95.7 million at 31 December 2008 and €29.9 million at 30 June 2008. €24.7 million of the €54.8 million increase from 31 December 2008 relates to the two defaults discussed above. The remaining increase of €30.1 million has resulted from the natural ageing of the Group’s debt. Discussions are currently in progress with the banks in relation to repayment of certain of these loans.

In assessing the going concern basis of preparation of the consolidated interim financial information for the six months ended 30 June 2009, the directors have taken into account the status of current negotiations on loans. These are disclosed in note 14 as part of the bank loans note. The Company has also continued to provide funds to service interest and capital repayments on these loans on behalf of its subsidiary companies. These payments have reduced unrestricted cash resources and may result in the Company and the Group having a shortage of cash resources during the current year. Accordingly, the Company is simultaneously engaged in negotiations with other lenders, pursuing certain asset sales and considering possible financial support from shareholders.

The Group’s forecasts have been prepared taking into account the economic environment and its challenges and the mitigating factors referred to above. These forecasts take into account reasonably possible changes in trading performance, potential sales of properties and the future financing of the Group. They show that the Group will have sufficient facilities for its ongoing operations.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the interim condensed consolidated financial information for the six months ended 30 June 2009.

Changes in relation to previously published consolidated financial statements

The comparative information for the six months ended 30 June 2008 has been restated as follows:

(i) Administrative expenses of €1.05 million have been reclassified to cost of operations to aid comparison.

As a result of these changes there has been no change to the net result or net assets of the Group as previously reported.

2. Accounting policies

The accounting policies adopted and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in the annual financial statements for the year ended 31 December 2008.

The following standards and interpretations, issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC"), are effective for the first time in the current financial year and have been adopted by the Company with no significant impact on its results or financial position. Unless otherwise stated they are applicable from 1 January 2009 and have been endorsed by the European Union:

- IAS 1 (Amendment) – Presentation of Financial Statements: A revised Presentation;
- IFRIC 13 – Customer Loyalty Programmes;
- IAS 23 (Amendment) – Borrowing costs;
- IFRS 2 and IAS 27 (Amendment) – Cost of an Investment in a subsidiary, jointly-controlled entity or associate;
- IFRS 2 (Amendment) – Vesting conditions and cancellations;
- IFRS 8 – Operating segments - contains requirements for the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The standard is concerned only with disclosure and replaces IAS 14 – Segment reporting;
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation;
- IFRS1 (revised) – First time adoption of IFRS. IFRS1 (revised) has not yet been endorsed for use in the EU;
- IFRIC15 – Agreements for the Construction of Real Estate. IFRIC15 has not yet been endorsed for use in the EU;
- IFRIC16 – Hedges of a net investment in a foreign operation;
- IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosures (amended) (effective for periods beginning on or after 1 July 2008).

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2009

2. Accounting policies - continued

The following standards and interpretations, issued by the IASB or IFRIC, have not been adopted by the Company as these are not effective for the year 2009. The Company is currently assessing the impact these standards and interpretations will have on the presentation of its results in future periods:

- IFRS 3 (Revised) – Business combinations (effective for accounting periods beginning on or after 1 July 2009). IFRS 3 (Revised) has been endorsed for use in the EU;

- IFRIC17 – Distributions of non-cash assets to owners (effective for accounting periods beginning on or after 1 July 2009). IFRIC17 has not yet been endorsed for use in the EU;

- IFRIC 18 – Transfer of Assets from Customers (effective for transfers of assets beginning on or after 1 July 2009). IFRIC18 has not yet been endorsed for use in the EU;

- IAS39 (amended) – Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective for accounting periods beginning on or after 1 July 2009) IAS39 (amended) has not yet been endorsed for use in the EU;

- IAS39 (amended) – Reclassification of financial assets: effective date and transition (effective for accounting periods beginning on or after 1 July 2009). IAS39 (amended) has not yet been endorsed for use in the EU;

- IAS39 (amended) and IFRIC 9 (amended) – Embedded Derivatives (effective for accounting periods beginning on or after 30 June 2009). IAS39 (amended) has not yet been endorsed for use in the EU;

- IAS27 Consolidated and Separate Financial Statements (amended) (effective for accounting periods beginning on or after 1 July 2009). This amendment has been endorsed for use in the EU.

3. Operating segments

For management purposes, the Group is currently organised into three operating divisions – the ownership and management of investment property, the development and sale of residential property and the ownership and operation of hotels. These divisions are the basis on which the Group reports its primary segment information. Segment information about these divisions is presented below:

Six months ended 30 June 2009	Property rental €'000	Residential sales €'000	Hotel operations €'000	Other €'000	2009 €'000
Revenues	6,841	9,276	8,509	24	**24,650**
Cost of operations	(2,604)	(7,703)	(5,692)	(3)	**(16,002)**
Gross profit	**4,237**	**1,573**	**2,817**	**21**	**8,648**
Administrative expenses	(268)	(871)	(1,434)	(3,263)	**(5,836)**
Other operating income	138	119	155	37	**449**
Other operating expenses	(60)	(4,882)	(31)	(2)	**(4,975)**
Decrease in value of investment properties	(4,464)	(11,679)	-	-	**(16,143)**
(Loss) / profit from operations	**(417)**	**(15,740)**	**1,507**	**(3,207)**	**(17,857)**
Finance income	40	141	7	133	**321**
Finance cost	(3,801)	(1,396)	(1,512)	(8)	**(6,717)**
Finance costs - other gains and (losses) – foreign exchange	(5,221)	(591)	(4,293)	(78)	**(10,183)**
Segment result before tax	**(9,399)**	**(17,586)**	**(4,291)**	**(3,160)**	**(34,436)**
Tax credit					**1,649**
Loss for the period					**(32,787)**
Attributable to non-controlling interests					**541**
Net loss attributable to equity shareholders					**(32,246)**
Segment assets	**151,006**	**199,183**	**102,715**	**-**	**452,904**
Unallocated assets					**11,431**
Total assets					**464,335**
Segment liabilities	**(110,082)**	**(148,888)**	**(78,914)**	**-**	**(337,884)**
Unallocated liabilities					**(3,865)**
Total liabilities					**(341,749)**
Other segment items					
Capital expenditure	81	130	22		
Depreciation	30	92	1,334		
Amortisation	13	1	17		

3. Operating segments - continued

Six months ended 30 June 2008	Property rental €'000	Residential sales €'000	Hotel operations €'000	Other €'000	2008 €'000
Revenues	9,289	-	11,568	240	**21,097**
Cost of operations	(3,163)	(987)	(7,563)	-	**(11,713)**
Gross profit / (loss)	**6,126**	**(987)**	**4,005**	**240**	**9,384**
Administrative expenses	(691)	(1,074)	(1,517)	(5,075)	**(8,357)**
Other operating income	86	133	30	30	**279**
Other operating expenses	(25)	(36)	(11)	(557)	**(629)**
(Decrease) / increase in value of investment properties	(4,069)	1,926	-	-	**(2,143)**
Impairment of asset held for sale	(3,996)	-	-	-	**(3,996)**
(Loss) / profit from operations	**(2,569)**	**(38)**	**2,507**	**(5,362)**	**(5,462)**
Finance income	49	309	11	493	**862**
Finance cost	(3,022)	(1,616)	(1,749)	(15)	**(6,402)**
Finance costs - other gains and (losses) – foreign exchange	1,498	2,094	2,868	294	**6,754**
Segment result before tax	**(4,044)**	**749**	**3,637**	**(4,590)**	**(4,248)**
Tax credit					**350**
Loss for the period					**(3,898)**
Attributable to non-controlling interests					**(3)**
Net loss attributable to equity shareholders					**(3,901)**
Segment assets	**180,520**	**221,637**	**134,793**	**-**	**536,950**
Unallocated assets					**20,597**
Total assets					**557,547**
Segment liabilities	**(113,862)**	**(143,735)**	**(62,971)**	**-**	**(320,568)**
Unallocated liabilities					**(16,237)**
Total liabilities					**(336,805)**
Other segment items					
Capital expenditure	621	109	526		
Depreciation	28	265	543		
Amortisation	16	3	22		

There are immaterial sales between the operating segments. Unallocated assets represent cash balances and other receivables held by the Company and those of selected sub-holding companies, including related tax balances. Unallocated liabilities include accrued costs within the Company and selected sub-holding companies, including related tax balances.

4. Analysis of expenditure

4.1 Cost of operations

	Six months ended 30 June 2009 €'000	Six months ended 30 June 2008 (restated) €'000
Costs of sale of residential property	7,206	-
Utilities, services rendered and other costs	4,700	5,972
Legal and professional expenses	532	510
Staff costs	2,495	3,451
Sales and direct advertising costs	623	1,193
Depreciation and amortisation	446	587
Cost of operations	**16,002**	**11,713**

4.2 Administrative expenses

	Six months ended 30 June 2009 €'000	Six months ended 30 June 2008 (restated) €'000
Audit, accountancy and tax services	354	254
Incentive and management fee	2,068	2,860
Other professional fees	786	2,215
Utilities, services rendered and other costs	612	721
Share based payments	18	62
Staff costs	699	630
Depreciation and amortisation	1,235	450
Other administrative expenses	64	1,165
Administrative expenses	**5,836**	**8,357**

5. Other operating expenses

	Six months ended 30 June 2009 €'000	Six months ended 30 June 2008 €'000
Impairment of inventory assets	4,817	-
Penalty charges, interest and fees	65	20
Other operating expenses	93	609
Other operating expenses	**4,975**	**629**

6. Tax credit

Continuing operations	Six months ended 30 June 2009 €'000	Six months ended 30 June 2008 €'000
Current tax	(127)	(319)
Deferred tax	1,776	669
Tax credit for the period	**1,649**	**350**

On an individual company basis, an estimate has been made of the effective tax rate for the full year and has been applied to the six month results.

7. Dividends

	Six months ended 30 June 2009 €'000	Twelve months ended 31 December 2008 €'000	Six months ended 30 June 2008 €'000
Second interim paid for 2007 - 16.68 eurocents per ordinary share	-	7,503	7,502

On 3 March 2008, the Board announced that it had resolved to pay to shareholders a second dividend of 16.68 eurocents per share ("2008 Dividend") for the year ended 31 December 2007. As approved by shareholders at the Annual General Meeting on 27 June 2008, the Board offered to shareholders the choice of receiving the whole or part of the 2007 Dividend in new fully paid ordinary shares in the Company instead of cash (the "Scrip Dividend Offer"). The Board received acceptances of the Scrip Dividend Offer from holders of 7,478,694 ordinary shares in the Company, which resulted in the issue of 442,979 new ordinary shares (representing 0.945% of the current issued share capital of the Company, excluding shares held in treasury). These shares have been admitted to trading on AIM and WSE.

As at 30 June 2008, a liability of €7.5 million was included in current liabilities within trade and other payables in relation to this dividend.

There were no dividends declared or paid in the six months ended 30 June 2009.

8. Loss per share ("LPS")

Basic loss per share is calculated by dividing the loss after tax attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The difference in the number of ordinary shares between the basic and diluted loss per share reflects the impact were the outstanding share warrants to be exercised.

The outstanding share warrants exercise price exceeds current market value; therefore the warrants are not dilutive. As a result, diluted earnings per share equals basic earnings per share.

The weighted average number of shares at 30 June 2009 was 46,852,014 (30 June 2008: 44,978,081). The total number of potential dilutive shares at 30 June 2009 and 2008 was 5,488,118.

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2009

9. Property, plant and equipment

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
Cost or valuation				
At 1 January 2008	113,985	3,036	257	117,278
Transfers between categories	(6,900)	6,881	19	-
Additions at cost	590	751	119	1,460
Exchange adjustments	(15,442)	(418)	(19)	(15,879)
Disposals	(79)	(12)	(73)	(164)
Revaluation	10,906	-	-	10,906
At 31 December 2008	**103,060**	**10,238**	**303**	**113,601**
Transfers between categories	5	196	17	218
Additions at cost	2	101	14	117
Exchange adjustments	(6,601)	(645)	(14)	(7,260)
Revaluation	(10,554)	-	-	(10,554)
Disposals	-	(5)	(46)	(51)
At 30 June 2009	**85,912**	**9,885**	**274**	**96,071**
Accumulated depreciation				
At 1 January 2008	(2,967)	(795)	(47)	(3,809)
Charge for the year	(1,571)	(971)	(84)	(2,626)
Exchange adjustments	589	249	11	849
Disposals	-	-	20	20
At 31 December 2008	**(3,949)**	**(1,517)**	**(100)**	**(5,566)**
Transfers between categories	3	(203)	(18)	(218)
Charge for the period	(1,128)	(388)	(38)	(1,554)
Exchange adjustments	234	99	5	338
Disposals	-	4	16	20
At 30 June 2009	**(4,840)**	**(2,005)**	**(135)**	**(6,980)**
Net book value at 30 June 2009	**81,072**	**7,880**	**139**	**89,091**
Net book value at 31 December 2008	**99,111**	**8,721**	**203**	**108,035**

9. Property, plant and equipment - continued

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
Cost or valuation				
At 1 January 2008	113,985	3,036	257	117,278
Additions at cost	609	528	67	1,204
Exchange adjustments	6,610	177	19	6,806
Disposals	(330)	(18)	(32)	(380)
Revaluation	(2,098)	-	-	(2,098)
At 30 June 2008	**118,776**	**3,723**	**311**	**122,810**
Accumulated depreciation				
At 1 January 2008	(2,967)	(795)	(47)	(3,809)
Charge for the period	(319)	(468)	(56)	(843)
Exchange adjustments	(118)	(123)	(6)	(247)
Disposals	32	1	22	55
At 30 June 2008	**(3,372)**	**(1,385)**	**(87)**	**(4,844)**
Net book value at 30 June 2008	**115,404**	**2,338**	**224**	**117,966**
Less: classified as held for sale and shown in current assets	**-**	**(82)**	**(19)**	**(101)**
At 30 June 2008	**115,404**	**2,256**	**205**	**117,865**

Buildings were valued as at 30 June 2009 by qualified professional valuers working for the company of Cushman & Wakefield, Chartered Surveyors, acting in the capacity of External Valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors ("RICS"). All properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Appraisal and Valuation Standards. For all properties, valuations were based on current prices in an active market. The resulting revaluation adjustments, net of applicable deferred taxes, have been taken to the revaluation reserve in shareholders equity.

10. Investment property

	30 June 2009 €'000	31 December 2008 €'000	30 June 2008 €'000
At beginning of the period	198,677	217,040	217,040
Acquisitions through business combinations	-	9,540	-
Capitalised subsequent expenditure	129	835	567
Exchange movements	(10,721)	(24,243)	5,031
Fair value losses	(16,143)	(4,495)	(2,143)
Total	**171,942**	**198,677**	**220,495**
Less: classified as held for sale and shown in current assets (note 15)	**-**	**-**	**(96,539)**
At end of period	**171,942**	**198,677**	**123,956**

The fair value of the Group's investment property at 30 June 2009 has been arrived at on the basis of valuations carried out at that date by Cushman & Wakefield and Colliers International. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties.

10. Investment property - continued

The Group has pledged investment property of €154.6 million (31 December 2008: €176.9 million; 30 June 2008: €193.2 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €114.5 million (31 December 2008: €116.3 million; 30 June 2008: €115.7 million) are secured on these investment properties (note 14).

11. Inventories

	30 June 2009 €'000	31 December 2008 €'000	30 June 2008 €'000
Land held for development	78,196	81,469	94,332
Construction expenditures	74,659	63,559	60,445
Completed properties	3,082	10,827	-
Total inventories	**155,937**	**155,855**	**154,777**

Included in the above is €155.8 million (31 December 2008: €155.7 million; 30 June 2008: €94.3 million) of development property inventory.

€7.2 million (31 December 2008: €10.1 million; 30 June 2008: €nil) of inventories was released to cost of operations in the income statement during the period. €4.8 million (31 December 2008: €0.8 million; 30 June 2008: €nil) was recognised in other operating expenses during the period in relation to write-down of inventories. All inventories are held at cost with the exception of €55.4 million, which are held at net realisable value (31 December 2008: €2.7 million; 30 June 2008: all inventories held at cost).

Bank borrowings are secured on land for the value of €69.7 million (31 December 2008: €75.5 million; 30 June 2008: €57.3 million) (note 14).

12. Cash and cash equivalents

	30 June 2009 €'000	31 December 2008 €'000	30 June 2008 €'000
Cash and cash equivalents			
Cash at bank and in hand	10,055	13,711	17,546
Short term bank deposits	1,661	1,577	2,362
	11,716	**15,288**	**19,908**

Included in cash and cash equivalents is €3.7 million (31 December 2008: €3.3 million; 30 June 2008: €8.6 million) restricted cash relating to security and customer deposits.

13. Cash generated from operations

	Six months ended 30 June 2009 €'000	Six months ended 30 June 2008 €'000
Loss for the period	**(32,787)**	**(3,898)**
Adjustments for:		
Effects of foreign currency	9,762	(6,754)
Finance costs	6,717	6,402
Finance income	(321)	(862)
Tax credit	(1,649)	(350)
Bad debt write off	7	123
Depreciation of property, plant and equipment	1,641	1,011
Amortisation charges	37	76
Loss / (gain) on sale of property, plant and equipment	15	(6)
Decrease in the value of investment property	16,143	2,143
Impairment of investment property	-	3,996
Impairment of inventory assets	4,817	-
Charge relating to share based payments	18	62
	4,400	**1,943**
Changes in working capital		
Increase in inventory	(3,558)	(30,003)
Decrease / (increase) in trade and other receivables	1,855	(3,056)
(Decrease) / increase in trade and other payables	(2,250)	18,305
	(3,953)	**(14,754)**
Cash inflow / (outflow) generated from operations	**447**	**(12,811)**

14. Bank loans

	30 June 2009 €'000	31 December 2008 €'000	30 June 2008 €'000
Current			
Bank loans and overdrafts due within one year or on demand			
Secured	(150,544)	(95,702)	(29,893)
Non-current			
Repayable within two years			
Secured	(16,281)	(52,624)	(48,848)
Repayable within three to five years			
Secured	(10,626)	(22,920)	(30,773)
Repayable after five years			
Secured	(74,243)	(76,439)	(47,847)
	(101,150)	(151,983)	(127,468)
Total	**(251,694)**	**(247,685)**	**(157,361)**
Bank loans directly associated with assets classified as held for sale	-	-	(63,229)
Total bank loans	**(251,694)**	**(247,685)**	**(220,590)**

The bank loans are secured on various properties of the Group by way of fixed or floating charges. All land and building assets and associated debts are currently ring-fenced in unique, specific, corporate vehicles.

As of 30 June 2009, four loans totaling €92.4 million (at 31 December 2008, two loans totaling €68.7 million) have been reclassified from non current liabilities to current liabilities as bank loans and overdrafts due within one year or on demand. This resulted from covenant breaches and defaults on these loans that existed and for which the bank had not given a waiver on the breach of covenant at 30 June 2009 and at 31 December 2008. The banks are aware of the technical breaches and defaults and have not asked for repayment of the loans. Two of these loans, totalling €67.7 million, were in breach at 31 December 2008 and were classified as bank loans and overdrafts due within one year or on demand at 31 December 2008. The defaults on the other two loans, totalling €24.7 million, result from non payment of interest.

Loans maturing within one year total €150.5 million at 30 June 2009 compared to €95.7 million at 31 December 2008 and €29.9 million at 30 June 2008. €24.7 million of the €54.8 million increase from 31 December 2008 relates to the two defaults discussed above. The remaining increase of €30.1 million has resulted from the natural ageing of the Group's debt. Discussions are currently in progress with the banks in relation to repayment of certain of these loans

The fair value of the fixed and floating rate borrowings approximated their carrying values at the balance sheet date, as the impact of marking to market and discounting is not significant. The fair values are based on cash flows discounted using rates based on equivalent fixed and floating rates as at the end of the period.

The Group has successfully negotiated an extension to its €24.9 million loan held within the Slovakian joint venture Circle Slovakia s.r.o.. The bank has agreed to extend the loan to March 2010. Financial covenants under the revised loan agreement remain unchanged, but under the new terms three months prepayment of interest is required, calculated and paid quarterly thereafter.

14. Bank loans - continued

The Polish subsidiary Zielono Sp z o.o. had a land loan due to expire on 31 March 2009 of €2.9 million. The lender has agreed to extend the facility to 31 December 2009. Financial covenants under the revised loan agreement remain unchanged, but under the new terms approximately six months prepayment of interest is required. Management are in negotiation with a second bank to provide a construction loan. A term sheet has been provided and the bank is currently completing its due diligence.

The Polish subsidiary Atlas Estates CF Plus 1 Sp z o.o. is still in negotiation concerning terms for the extension of its €8.4 million facility. In the current discussions and negotiations the bank has offered to extend the loan to 30 September 2011. The asset is currently valued at €11.6 million.

Bank loans are denominated in a number of currencies and bear interest based on a variety of interest rates. An analysis of the Group's borrowings by currency:

	Other €'000	Euro €'000	Zloty €'000	Total €'000
Bank loans and overdrafts – 30 June 2009	19	201,617	50,058	251,694
Bank loans and overdrafts – 31 December 2008	26	203,440	44,219	247,685
Bank loans and overdrafts – 30 June 2008	27	130,907	26,427	157,361

15. Assets classified as held for sale and directly associated liabilities

On 14 January 2008 the Company announced the conditional sale of the company owning the Millennium Plaza building in Warsaw based on a headline price of €93.1 million. Completion was dependent upon obtaining third party approvals. All conditions would be waived or satisfied by 30 November 2008. A deposit of €7.5 million was received at signing with a balancing payment in cash due upon completion. These monies were held in escrow account.

On 1 December 2008, the agreement regarding the sale of Millennium Plaza expired. The related assets and liabilities were de-classified as held for sale in the Company's balance sheet, and the impairment to the investment property was reversed. The asset is now included within investment property and has been revalued to market value.

The assets and liabilities directly associated with this sale were separately classified as of 30 June 2008. These assets and liabilities related to the Company's property rental segment. The major classes of assets and liabilities held for sale were as follows:

Assets:	**30 June 2009 €'000**	**31 December 2008 €'000**	**30 June 2008 €'000**
Intangible assets	-	-	456
Property, plant and equipment	-	-	101
Investment property	-	-	92,543
Deferred tax asset	-	-	332
Trade and other receivables	-	-	3,230
Cash and cash equivalents	-	-	284
Total assets classified as held for sale	**-**	**-**	**96,946**

Liabilities:	**30 June 2009 €'000**	**31 December 2008 €'000**	**30 June 2008 €'000**
Trade and other payables	-	-	(4,003)
Bank loans	-	-	(63,229)
Deferred tax liabilities	-	-	(3,404)
Total liabilities directly associated with assets classified as held for sale	**-**	**-**	**(70,636)**

Amounts of €6.9 million relating to cumulative translation differences were recognised directly in equity in relation to assets held for sale as at 30 June 2008 (30 June 2009 and 31 December 2008: €nil).

16. Other Reserves

The Other Reserves column included in the Consolidated Statement of Changes in Equity includes the Group's Revaluation Reserve, Other Distributable Reserve and Translation Reserve. The Revaluation Reserve includes amounts relating to revaluation of buildings and the related deferred tax. The Other Distributable Reserve includes amounts relating to cancellation of share premium, shares bought back and cancelled or held in Treasury, and dividends paid. The Translation Reserve includes exchange adjustments and the related deferred tax. The Group's Revaluation Reserve and Translation Reserve represent unrealised gains and losses and therefore are not distributable.

17. Related party transactions

(a) The RP Explorer Master Fund and RP Partners Fund are funds that are managed by RP Capital Group. The RP Capital Group is also the holder of 51% of the share capital of AMC. As a result of a qualifying shareholding of 5,560,573 shares in the Company, RP Capital Group was the holder of 11.87% of the share capital of Atlas Estates Limited at 14 August 2009.

(b) RI Limited and RI Holdings Limited together are the holders of 49% of the share capital of AMC. These entities have the same beneficial owner as Atlas International Holdings Limited, who has a qualifying shareholding of 6,461,425 shares in the Company or 13.79% of the share capital of Atlas Estates Limited at 14 August 2009.

(c) Key management compensation

	Six months ended 30 June 2009 €'000	**Six months ended 30 June 2008 €'000**
Fees for non-executive directors	105	173

The Company has appointed AMC to manage its property portfolio. At 30 June 2009 AMC was owned by the RP Capital Group and RI Limited and RI Holdings Limited. In consideration of the services provided, AMC received a management fee of €2.07 million for the six months ended 30 June 2009 (€2.86 million for the six months ended 30 June 2008). Under the agreement, AMC are entitled to a performance fee based on the increase in value of the properties over the 12 month period to 31 December 2009. No performance fee has been accrued for the six months ended 30 June 2009 (€nil for the six months ended 30 June 2008) because no reliable estimate can be made.

AMC also received €0.1 million (31 December 2008: €0.1 million; 30 June 2008: €0.2 million) in relation to lease agreements for office space in Poland and Hungary. As of 30 June 2009, €2.2 million included in current trade and other payables was due to AMC (31 December 2008: €1.8 million; 30 June 2008: €5.4 million).

(d) Under the loan agreement of 29 September 2005, Kendalside Limited, which is also a shareholder in Circle Slovakia s.r.o., has extended a loan facility of €6,042,106 to Circle Slovakia for the acquisition of a property. This facility was extended by €3,000,000 on 1 December 2008. The loan facility is to be repaid by 31 August 2013, and bears interest at a variable rate equal to the sum of EURIBOR and the lender's margin. As of 30 June 2009 Circle Slovakia has drawn the loan facility plus associated interest in the amount of €10,005,446 (31 December 2008: €8,042,229; 30 June 2008: €7,019,534).

(e) Under the loan agreement of 30 October 2006 and Assignment Agreement dated 6 May 2009, Kendalside Limited has extended a loan facility of SKK 340,000,000 (€11,285,932) to Eastfield Atlas a.s. (previously Slovak Investment and Development a.s.) for the purpose of covering ongoing investment and business expenses. The loan facility is to be repaid before 31 December 2015, and bears interest at a variable rate equal to the sum of EURIBOR and the lender's margin. As at 30 June 2009 the borrower has drawn the loan facility plus associated interest in the amount of €993,442 (31 December 2008: SKK 25,681,409 (€852,467); 30 June 2008: SKK 24,819,570 (€818,803)).

17. Related party transactions - continued

(f) Under the loan agreement of 18 May 2007, EdR Real Estate (Eastern Europe) Finance S.a.r.l, which is also a shareholder in Atlas Estates (Cybernetyki) Sp. z o.o., has extended a loan facility of €3,954,050 to Atlas Estates (Cybernetyki) Sp. z o.o. for the purpose of covering ongoing investment and business expenses. The loan facility is to be repaid by 31 December 2020 and bears interest at a variable rate equal to the sum of EURIBOR and the lender's margin. As of 30 June 2009 Atlas Estates (Cybernetyki) Sp. z o.o. has drawn the loan facility plus associated interest in the amount of €2,796,346 (31 December 2008: €2,214,841; 30 June 2008: €2,046,929).

(g) Under the loan agreement of 30 March 2008, CF Plus (Polska) Sp. z o.o., the previous joint venture partner in Atlas Estates CF Plus 1 Sp. z o.o., has extended a loan facility of PLN 8,974,773 (€2,007,959) to Atlas Estates CF Plus 1 Sp. z o.o. for the purpose of covering ongoing investment and business expenses. The loan facility is to be repaid by 31 December 2020 and bears interest at a variable rate equal to the sum of EURIBOR and the lender's margin. As of 30 June 2009 Atlas Estates CF Plus 1 z o.o. has drawn the loan facility plus associated interest in the amount of PLN 711,636 (€159,217) (31 December 2008: PLN 698,156 (€167,327); 30 June 2008: PLN 344,299 (€102,647)).

(h) Under the loan agreement of 1 August 2005 and annex dated 10 August 2005, Dellwood Company Limited, which is also a shareholder in Zielono Sp. z o.o., has extended a loan facility of PLN 2,850,000 (€637,641) to Zielono Sp. z o.o. for the purpose of covering ongoing investment and business expenses. The loan facility is to be repaid within 60 days from the receipt of a demand of payment and bears interest at a variable rate equal to the sum of WIBOR and the lender's margin. As of 30 June 2009 Zielono Sp z o.o. has drawn the loan facility plus associated interest in the amount of PLN 1,757,223 (€393,150) (31 December 2008: PLN 1,706,088 (€408,898); 30 June 2008: PLN 1,642,391 (€489,652)).

(i) Nagar Kaduri & Zmira Ltd and Shasha Transport Ltd, which are also shareholders in Atlas Estates Kaduri Shasha Zrt, have extended loan facilities to Atlas Estates Kaduri Shasha Zrt for the purpose of covering ongoing investment and business expenses. The loan facility has no repayment date and bears interest at a variable rate equal to the sum of EURIBOR and the lender's margin. As of 30 June 2009 Kaduri Shasha Zrt has drawn the loan facilities plus associated interest in the amount of €1,738,974 (31 December 2008: €1,700,271; 30 June 2008: €1,676,925).

18. Post balance sheet events

The market conditions in which the Company is operating and is seeking the renewal of banking facilities remain difficult and the Company has continued to support its subsidiaries within its limited resources. No specific events have occurred which would require any adjustment to the period end balance sheet.

19. Other items

19.1 Information about court proceedings
As of 14 August 2009, the Company was not aware of any proceedings instigated before a court, a competent arbitration body or a public administration authority concerning liabilities or receivables of the Company, or its subsidiaries, whose joint value constitutes at least 10% the Company's equity capital.

19.2 Information about granted sureties
During the first half of 2009, the Company has not granted any sureties (for loans or credit facilities) or guarantees.

19.3 Financial forecasts
No financial forecasts have been published by the Company in relation to the year ended 31 December 2009.

19 Other Items – continued

19.4 Substantial shareholdings

As of 12 August 2009, the Company's share register indicates that the following shareholders had a direct or indirect interest in 5% or more of its ordinary share capital:

Registered Shareholder	Shares held as of 12 May 2009 (% of share capital)	Increase / (Decrease) Number of Shares	Shares held as of 12 August 2009 (% of share capital)
BBHISL Nominees Limited (1)	6,594,509 (14.08)	-	6,594,509 (14.08)
Chetwynd Nominees Limited (2)	5,560,573 (11.87)	-	5,560,573 (11.87)
Forest Nominees Limited (3)	6,536,925 (13.95)	-	6,536,925 (13.95)
Lynchwood Nominees Limited	9,996,725 (21.34)	-	9,996,725 (21.34)
Roy Nominees Limited	6,730,623 (14.37)	(6,730,623)	-
The Bank of New York (Nominees) Limited (4)	3,827,613 (8.17)	(3,827,613)	-
Vidacos Nominees Limited	-	10,828,132	10,828,132 (23.11)

The Company is aware of the following underlying interests in respect of the above:

(1) Brown Brothers Harriman & Co;
(2) RP Capital Group;
(3) Mr. Ron Izaki is the ultimate beneficial owner of 6,461,425 of the 6,536,925 shares, representing 13.79% of the issued share capital of the Company;
(4) Y.R.K. (1990) Neemanut LTD holds 3,761,643 of the 3,827,613 shares, representing 8.03% of the issued share capital of the Company.

As at 12 August 2009, the Company had been notified of the following interests in 5% or more of its ordinary share capital; however, to date, the Company has been unable to tie these to its share register. The Company will continue its efforts to identify these shareholders.

Name of Interested Party	Number of Shares as of 12 August 2009 (% of share capital)
Livermore Investments Limited	9,939,345 (21.21%)
Capital Venture Worldwide Group Limited	6,425,545 (13.71%)
Finiman Limited	4,097,509 (8.75%)
CIBC World Markets Corporation	3,857,649 (8.23%)

19 Other Items – continued

19.5 Directors' share interests

There have been no changes to the Directors' share interests during the six months ended 30 June 2009. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the six months ended 30 June 2009. One Director (Mr Spicer) acquired a beneficial interest in 14,785 shares in the Company in 2007.

19.6 Other share interests

No changes have occurred in the six months ended 30 June 2009 in the number of warrants issued to managing and/or supervisory persons.

20. Principal subsidiary companies and joint ventures

The table below lists the current operating companies of the Group. In addition, the Group owns other entities which have no operating activities. All Group companies are consolidated.

No new subsidiary undertakings were acquired and no investments were made in any additional joint ventures during the period ended 30 June 2009. Two new entities were established, one in Hungary and one in Slovakia. On 26 January 2009 the merger of Atlas Estates (Totleben) EOOD and Immobul EOOD, the Group's two Bulgarian subsidiaries, was successfully completed; the resulting entity is Immobul EOOD. On each of 15 January 2009 and 9 February 2009, the Group acquired an additional 5% of the share capital of its Kokoszki subsidiary, Atlas Estates CF Plus 1 Sp. z o.o., for a total cash consideration of PLN 300,000 (€67,120). At 30 June 2009, the Group's holding in Atlas Estates CF Plus 1 Sp. z o.o. was 100%. The percentage holdings are consistent across all periods presented except for Atlas Estates CF Plus 1 Sp. z o.o., which was 100% at 30 June 2009, 90% at 31 December 2008 and 50% at 30 June 2008.

Country of incorporation	Name of subsidiary/joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Holland	Atlas Estates Cooperatief U.A.	Holding	100%
Holland	Atlas Estates Investment B.V.	Holding	100%
Holland	Trilby B.V.	Holding	100%
Cyprus	Darenisto Limited	Holding	100%
Cyprus	Kalipi Holdings Limited	Holding	100%
Poland	Atlas Estates (Poland) Sp. z o.o.	Management	100%
Poland	Platinum Towers Sp. z o.o.	Development	100%
Poland	Zielono Sp. z o.o.	Development	76%
Poland	Properpol Sp z o.o.	Investment	100%
Poland	Atlas Estates (Millennium) Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Sadowa) Sp. z o.o.	Investment	100%
Poland	Capital Art Apartments Sp. z o.o.	Development	100%
Poland	Grzybowska Centrum Sp. z o.o.	Holding	100%
Poland	HGC S.A.	Hotel operation	100%
Poland	HPO Sp. z o.o.	Development	100%
Poland	Atlas Estates (Cybernetyki) Sp. z o.o.	Development	50%
Poland	Atlas Estates CF Plus 1 Sp. z o.o.	Development	100%
Hungary	CI-2005 Investment Kft.	Development	100%
Hungary	Cap East Kft.	Investment	100%
Hungary	Felikon Kft.	Investment	100%
Hungary	Ligetváros Kft	Investment	100%
Hungary	Városliget Center Kft	Development	100%
Hungary	Atlas Estates (Moszkva) Kft.	Holding	100%
Hungary	Atlas Estates (Dekan) Kft.	Investment	100%
Hungary	Atlas Estates (Vagany) Kft.	Holding	100%
Hungary	Atlas Estates Kaduri Shasha Zrt	Development	50%
Hungary	Atlas Estates Kaduri Shasha Kft	Development	50%
Slovakia	Circle Slovakia, s.r.o.	Development	50%
Slovakia	Eastfield Atlas a.s.	Holding	50%
Slovakia	Slovak Trade Company, s.r.o	Development	50%

20. Principal subsidiary companies and joint ventures - continued

Country of incorporation	Name of subsidiary/joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Slovakia	WBS, a.s.	Development	50%
Slovakia	Smokovec Trade Company, s.r.o.	Development	50%
Slovakia	Nitra Trade Company, s.r.o.	Development	50%
Slovakia	Bastion Office Center, s.r.o.	Development	50%
Slovakia	IKZ, a.s.	Development	50%
Romania	World Real Estate SRL	Development	100%
Romania	Atlas Solaris SRL	Development	100%
Romania	D.N.B. - Victoria Towers SRL	Hotel operation	100%
Romania	D.N.B. - Victoria Tower Hotel Management SRL	Management	100%
Bulgaria	Immobul EOOD	Investment	100%

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2009

21. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) €'000
Revenues	-	-
Cost of operations	-	-
Gross profit	-	-
Administrative expenses	(2,237)	(4,519)
Other operating income	505	-
Other operating expenses	-	(349)
Provision against loans receivable from subsidiaries	(43,769)	-
Loss from operations	**(45,501)**	**(4,868)**
Finance income	3,261	5,494
Finance costs	(2)	(4)
Finance costs - other gains and (losses) – foreign exchange	(35)	71
(Loss) / profit before taxation	**(42,277)**	**693**
Tax expense	-	-
(Loss) / profit and total comprehensive income for the period	**(42,277)**	**693**

21. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED BALANCE SHEET
As at 30 June 2009

	30 June 2009 (unaudited) €'000	31 December 2008 €'000	30 June 2008 (unaudited) €'000
ASSETS			
Non-current assets			
Investment in subsidiaries	21,220	21,220	21,220
Loans receivable from subsidiaries	136,054	176,062	170,573
	157,274	**197,282**	**191,793**
Current assets			
Trade and other receivables	176	176	1,226
Cash and cash equivalents	2,309	4,351	7,596
	2,485	**4,527**	**8,822**
TOTAL ASSETS	**159,759**	**201,809**	**200,615**
Current liabilities			
Trade and other payables	(2,641)	(2,432)	(14,275)
	(2,641)	**(2,432)**	**(14,275)**
Non-current liabilities			
Other payables	-	-	-
	-	**-**	**-**
TOTAL LIABILITIES	**(2,641)**	**(2,432)**	**(14,275)**
NET ASSETS	**157,118**	**199,377**	**186,340**
EQUITY			
Share capital account	6,268	6,268	484
Other distributable reserve	194,817	194,817	194,818
Accumulated loss	(43,967)	(1,708)	(8,962)
TOTAL EQUITY	**157,118**	**199,377**	**186,340**
Basic net asset value per share	n/a	n/a	n/a

21. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 30 June 2009

Six Months Ended 30 June 2009 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2009	**6,268**	**194,817**	**(1,708)**	**199,377**
Total comprehensive income for the period	-	-	(42,277)	**(42,277)**
Share based payments	-	-	18	**18**
As at 30 June 2009	**6,268**	**194,817**	**(43,967)**	**157,118**

Year Ended 31 December 2008	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2008	**484**	**202,320**	**(9,716)**	**193,088**
Total comprehensive income for the year	-	-	7,917	**7,917**
Shares issued in the period	5,784	-	-	**5,784**
Share based payments	-	-	91	**91**
Dividends paid	-	(7,503)	-	**(7,503)**
As at 31 December 2008	**6,268**	**194,817**	**(1,708)**	**199,377**

Six Months Ended 30 June 2008 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2008	**484**	**202,320**	**(9,716)**	**193,088**
Total comprehensive income for the period	-	-	693	**693**
Share based payments	-	-	61	**61**
Dividends paid and declared	-	(7,502)	-	**(7,502)**
As at 30 June 2008	**484**	**194,818**	**(8,962)**	**186,340**

21. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) €'000	Six months ended 30 June 2008 (unaudited) €'000
(Loss) / profit for the period	**(42,277)**	**693**
Adjustments for:		
Finance costs	2	4
Finance income	(3,261)	(5,494)
Effects of foreign currency	37	(71)
Assigned loans	(505)	-
Provision against loans receivable from subsidiaries	43,769	-
Charge relating to share based payments	18	62
	(2,217)	**(4,806)**
Changes in working capital		
Increase in trade and other receivables	-	(821)
Increase / (decrease) in trade and other payables	209	(2,961)
Net cash outflow from operating activities	**(2,008)**	**(8,588)**
Investing activities		
Repayment of loans from subsidiary undertakings	-	12,850
Net cash used in investing activities	**-**	**12,850**
Financing activities		
Interest received	5	35
Interest paid	-	(4)
Net cash from financing activities	**5**	**31**
Net (decrease) / increase in cash and cash equivalents in the period	**(2,003)**	**4,293**
Effect of foreign exchange rates	(39)	71
Net (decrease) / increase in cash and cash equivalents in the period	**(2,042)**	**4,364**
Cash and cash equivalents at the beginning of the period	**4,351**	**3,232**
Cash and cash equivalent at the end of the period	**2,309**	**7,596**
Cash and cash equivalents		
Cash at bank and in hand	2,309	7,596
Bank overdrafts	-	-
	2,309	**7,596**