



**3 November 2009**

## **Atlas Estates Limited**

### **Sale of Atlas investments in Slovakia**

Atlas Estates Limited (the “Company” or “Atlas”) has investments in a portfolio of real estate properties in Central and Eastern Europe which are owned by subsidiary companies and joint ventures (the “Group”). The Group’s portfolio currently comprises 23 properties including 12 investment properties (of which eight are income yielding properties and four are held for capital appreciation) two hotels and nine development properties.

Atlas announces today that it has signed with Pottertry Limited with its seat registered in Cyprus an agreement for the sale of its entire long-term investment interests throughout Slovakia (the “Slovakia Portfolio”) comprising a 50 per cent joint venture interest with a local partner (the “Slovakia JV”) in three mixed use development sites as described in further detail below. Before the sale, Atlas held an interest of 50 per cent in the Slovakian Portfolio authorising Atlas to 50% of the votes at the general meeting of the entity.

The Group will realise €8 million in net proceeds from the sale of the Slovakia Portfolio, to be received by the group within 75 days from today.

The combined impact of ceasing to consolidate its share of debt in the Slovakia JV and the receipt of the cash consideration will reduce the Group’s overall debt by some €20.5 million pending any reinvestment of the cash proceeds.

The Board intends to utilise the net proceeds of the sale of the Slovakia Portfolio to fund the development of its remaining assets, with particular focus on the assets located in Warsaw, Poland, where the Group has a strong presence and is likely to realise value from development activity within the next two to three years. This contrasts with the Slovakia Portfolio, which would have required the investment of large amounts of additional capital with any potential returns likely to arise in the long term.

The assets held by the Slovakia JV are located in Slovakia’s capital, Bratislava, and its second largest city, Kosice. The investment in Bratislava

comprises 879,000 square metres of land on the outskirts of the city, known as Nove Vajnory. The investments in the centre of Kosice, comprise two sites with a total of 10,000 square metres of developable land.

The undeveloped land held by the Slovakia JV has a total book value of €56m and related debt and other liabilities of €28.6m. Accordingly the net book value attributable to the Slovakia Portfolio is €13.7 million, which represents 11 per cent of the Group's net assets as at 30 June 2009. The consideration payable for the Slovakia Portfolio equates to a gross valuation of the Slovakia JV's assets of €44.6 million (representing a discount of 20 per cent. to its book value as at 30 June 2009) and lead to a loss on the disposal of €5.7 million. The Slovakia JV does not generate any material income or expense apart from interest payable on loans of which amounted to €1,955,976 during the year ended 31 December 2008.

This is not considered a related party transaction between Atlas and the purchasing party. Atlas recognises this sale as significant for its capital group due to the value of the sale as well as due to the fact that following the sale it will not hold any interest in Slovakia.

Quentin Spicer, Chairman of Atlas Estates Limited commented

"The Board is pleased to announce the completion of this transaction, as it realises funds tied up in a very difficult market. This will enable the Group to invest in projects to deliver value in the near term and to reduce total debt across the Group."

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