



ATLAS
ESTATES

Current report No. 40/2008 dated 25 July 2008

Successful refinancing provides additional funds for development pipeline

The Board of Directors of Atlas Estates Limited (“**Atlas**”) hereby announces that HGC S.A., a subsidiary of Atlas, concluded an amendment agreement to a credit facility agreement dated 8 April 2004 with Investkredit Bank AG (the “**Amendment**”). The material provisions of the credit facility agreement concluded between HGC S.A., a subsidiary of Atlas, and Investkredit Bank AG, dated 8 April 2004, were described in the section “Credit and loan facilities, guarantees and sureties” of the prospectus of Atlas approved by the Polish Financial Supervision Commission on 31 January 2008, which was published on the website of Atlas: www.atlasestates.com.

Under the Amendment dated 11 July 2008, the current amount of the facility (i.e. EUR 51,386,000) was increased by EUR 13,614,000 (additional sum borrowed), i.e. up to EUR 65,000,000. HGC S.A. is entitled to draw the additional funds by 30 June 2009. The term of the facility was extended until 30 September 2015. The facility is to be repaid in 24 quarterly installments payable from 31 December 2009, and on 30 September 2015 in a final balloon payment of approximately EUR 54,000,000. The credit facility bears interest at a variable rate equal to the sum of EURIBOR 3M and the bank’s margin. The guarantees of Atlas remained unchanged and are equal to EUR 45,000,000.

Based on the amendments to the respective security agreements, the value of the following security interests established for the facility has been increased up to EUR 78,000,000: (i) a registered pledge on shares in HGC S.A. held by Grzybowska Centrum Sp. z o.o. (a subsidiary of Atlas); (ii) a first ranking ceiling mortgage on the Warsaw Hilton and the right of perpetual usufruct to a plot located in Warsaw at the crossing of Wronia and Grzybowska streets; (iii) registered pledges and a blockade

of the funds deposited in HGC S.A.'s bank accounts; and (iv) a registered pledge on the movable assets of HGC S.A.

HGC S.A. also effected an assignment of certain receivables to secure the credit facility.

Furthermore, in order to provide additional security for the credit facility agreement dated 8 April 2004 concluded between HGC S.A., a subsidiary of Atlas, and Investkredit Bank AG, on 14 July 2008 HGC S.A., a subsidiary of Atlas, concluded a bank account registered pledge agreement with Investkredit Bank AG.

Under the pledge agreement, HGC S.A. established a registered pledge on its bank account maintained by Bank Pekao S.A., the Warsaw Branch. The pledge was established to secure the receivables of Investkredit Bank AG under the facility agreement dated 8 April 2004. The pledge secures receivables up to EUR 78,000,000. The pledge will take effect upon being entered in the register by the relevant registry court. The agreement provides that upon its conclusion an ordinary pledge will be established to secure the repayment of the credit facility, which will expire two months after the registered pledge has been validly and undisputedly registered by the court.

Investkredit Bank AG is not a related party of Atlas Estates Limited.

In commenting on the transaction, Quentin Spicer, the Chairman of Atlas, said:

“The completion of this refinancing demonstrates third-party confidence in the underlying quality of our assets and management programmes and is a strong endorsement of the results that we have achieved at the Warsaw Hilton, where trading continues above expectations.”

“The extension of the repayment date and a change in the payment terms also provides us with additional flexibility, which is vital in times of greater economic volatility, and will enable us to focus on progressing our development and asset management programmes, which we believe will deliver shareholder value over the medium to long-term.”

Legal basis: Article 56 item 1.1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies (Journal of Laws of 2005, No. 184 item 1539) in conjunction with Article 154 of the Act on Trading in Financial Instruments (Journal of Laws of 2005 No. 183, item 1538) and Article 5 section 1.1 of the Regulation of the Minister of Finance dated 19 October 2005 on the Current and Periodic Disclosures to be Made by Issuers of Securities (Journal of Laws of 2005, No. 209, item 1744).