

Current report no. 4/2011 dated 18 April 2011

Threshold in the Company

The Board of Directors of Atlas Estates Limited (the „**Company**“) hereby announces that today it received a notice from Fragiolig Holding Limited with its registered seat in Nicosia, Cyprus (“**Fragiolig**“) in which it was informed that the latter’s holding in the total number of votes at the Company’s general meeting was increased above 75% (the “**Notification**“).

Pursuant to the Notification:

1. RP Explorer Master Fund, RP Partners Fund, Coralcliff Limited and Fragiolig entered into an agreement dated 6 April 2011 and fully executed and exchanged between the parties on 13 April 2011 (the “Agreement”), under the terms of which RP Explorer Master Fund and RP Partners Fund, which are part of RP Capital Group (“RP Group”), made a joint in-kind contribution to Fragiolig of 3,144,608 shares of the Company which represent jointly approx 6.72% of share capital of the Company, in consideration for which Fragiolig issued and allotted one Redeemable Share A of Fragiolig to RP Partners Fund and one Redeemable Share B of Fragiolig to RP Explorer Master Fund. As a result of the Agreement and the in-kind contribution of 3,144,608 shares of the Company to Fragiolig on 15 April 2011, Fragiolig exceeded a threshold of 75% of the total voting rights in the Company. Before signing and completion of the Agreement Fragiolig held 32,191,877 shares of the Company which represented approx. 68.71% of Company share capital which was the equivalent of 32,191,877 votes constituting approx. 68.71% of total voting rights in the Company, whereas after completion of the Agreement Fragiolig holds 35,336,485 shares of the Company which represents approx. 75.42% of Company share capital which is the equivalent of 35,336,485 votes constituting approx. 75.42% of total voting rights in the Company. Fragiolig does not have subsidiaries which hold shares in the Company.
2. Fragiolig is a member of a capital group held ultimately for the benefit of Ron Izaki and his family (the “Izaki Group”), which before signing and completion of the Agreement held (specifically through Fragiolig and Atlas International Holdings Limited who holds 13.79% of total votes in the Company) jointly 38,707,962 shares of the Company, which represented approx. 82.62% of Company share capital, which was the equivalent of 38,707,962 votes constituting approx. 82.62% of total voting rights in the Company. After completion of the Agreement the Izaki Group holds jointly 41,852,570 shares of the Company which represents approx. 89.33% of Company share capital which is the equivalent of 41,852,570 votes constituting approx. 89.33% of total voting rights in the Company.
3. RP Capital Partners Cayman Islands Limited (the “Seller”) and R.I. Limited, R.I. Holdings Limited, Coralcliff Limited and Fragiolig (the “Purchasing Companies”) entered into a share purchase agreement dated 6 April 2011 and fully executed and exchanged between the parties on 13 April 2011 (the “AMC SPA”), under the terms of which the Seller sold to the Purchasing Companies the entire stake it held in Atlas Management Company Limited (“AMC”), being the manager of Company portfolio of assets. As a result of the AMC SPA RP Group entities ceased to hold shares in AMC.

4. Additionally, the parties to the AMC SPA agreed that the co-operation agreements concluded between Izaki Group and RP Group entities to conduct a joint policy in relation to the Company (the "Co-operation agreements") were terminated by Termination Agreements dated 6 April 2011 and fully executed and exchanged between the parties on 13 April 2011. Before termination of the Co-operation agreements Izaki Group and RP Group entities, as parties acting in concert, held jointly 41,852,570 shares of the Company which represented approx. 89.33% of Company share capital, which was the equivalent of 41,852,570 votes constituting approx. 89.33% of total voting rights in the Company. By terminating the Co-operation agreements, the Izaki Group and RP Group entities as of 13 April 2011 ceased to act in concert in relation to the Company within the meaning of art. 87 sec. 1 point 5 of the Act. Additionally, as result of the Agreement RP Explorer Master Fund and RP Partners Fund ceased to hold shares of the Company. As of 14 April 2011 RP Group former and current employees hold in aggregate 11,071 shares of the Company which represent jointly approx. 0.02% of share capital of the Company .

Legal basis: Art. 70 with connection to art. 69 of the Act of 29 July 2005 on the Public Offering, Condition Governing the introduction of Financial Instruments to Organized Trading and Public Companies (Journal of Laws 2005 no. 184 item 1539 with further amendments)