ATLAS ESTATES LIMITED
CONDENSED CONSOLIDATED QUARTERLY REPORT
FIRST QUARTER 2011

Atlas Estates Limited
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Company number: 44284

ATLAS ESTATES LIMITED

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Financial Highlights

Selected Consolidated Financial Items

	Three months ended 31 March 2011 €'000	Year ended 31 December 2010 €'000	Three months ended 31 March 2010 €'000
Revenues	14,714	100,763	38,062
Gross profit	3,935	20,472	5,381
Decrease in value of investment properties	-	(16,198)	-
(Loss)/ Profit from operations	(1,902)	(7,958)	2,295
(Loss)/ Profit before tax	(4,010)	(15,028)	8,891
(Loss)/ Profit for the period	(3,592)	(12,453)	7,112
(Loss)/ Profit attributable to owners of the parent	(3,553)	(12,493)	7,134
Cash flow from operating activities	3,865	20,652	(852)
Cash flow from investing activities	(273)	(1,219)	(243)
Cash flow from financing activities	(8,898)	(20,381)	(3,777)
Net increase/ (decrease) in cash	(4,170)	1,985	1,700
Non-current assets	275,710	275,291	293,011
Current assets	82,764	100,363	140,449
Total assets	386,669	402,126	460,293
Current liabilities	(77,457)	(90,162)	(108,692)
Non-current liabilities	(185,702)	(185,339)	(202,727)
Total liabilities	(283,180)	(295,896)	(331,192)
Net assets	103,489	106,230	129,101
Issued capital and reserves attributable to owners of the parent	102,756	105,458	128,633
Number of shares outstanding	46,852,014	46,852,014	46,852,014
(Loss)/ Profit per share (eurocents)	(7.58)	(26.70)	15.23
Basic net asset value per share (€)	2.21	2.25	2.75

Chairman's Statement

I am pleased to present the unaudited condensed consolidated quarterly report of Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the quarter ended 31 March 2011. This period has been very challenging for investors in properties located in the Central and Eastern Europe ("CEE") region, due to the continuing adverse impact of the global economic environment.

The major factors affecting the Group are limited access to capital, lack of any meaningful recovery in property values and instability in the economies in the CEE region. Long term development of the assets comprising the Group'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.

In this environment the Group's strategy has become defensive, focusing on maintaining its relationships with its banks, tight costs control, selected investments in capital expenditures and planning and ensuring projects are completed on time and within budgets.

Reported Results

As of March 31, 2011 the Group has reported basic net assets value of €103.5 million. The decrease of basic net asset value by €2.7 million from €106.2 million as at 31 December 2010 and by €25.6 million from €129.1 million as at 31 March 2010 is mainly due to drop in market value of assets held.

At the operating level the Group has reported an increase in gross profit margin from 23% in the third quarter and 24% in the fourth quarter of 2010 to 27% in the first quarter of 2011.

Loss after tax amounts to €3.6 million for the three months ended 31 March 2011 compared to a profit after tax of €7.1 million for the three months ended 31 March 2010. This change quarter on quarter reflects the effect of write off of certain assets and movements in exchange rates used in the translation of the results. The net result of foreign exchange gains equalled to €15 thousand in the first quarter of 2011 compared to €9,145 thousand in the first quarter of 2010. This gain mainly represents the unrealized foreign exchange differences on the bank loans.

Financing, Liquidity and Forecasts

The Group has continued to be in discussions with its banks and has extended current loans and was granted a new one.

The Directors consider that the current outlook, while better than the 2010 position, especially in Poland, still presents operating and financing challenges in terms of the markets in which the Group operates.

The Group's forecasts and projections have been prepared taking into account the economic environment and its challenges and mitigating factors. These forecasts incorporate management's best estimate of future trading performance, potential sales of properties and the future financing requirements 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 condensed consolidated financial information for the three months ended 31 March 2011, as set out in accounting policies to the condensed consolidated financial information.

Investing Policy

The Company actively invests in a portfolio of real estate assets across a range of property types throughout Central and Eastern Europe (CEE).

The Company targets countries within the CEE which possess attractive investment fundamentals including political and economic stability, strong GDP growth and low inflation. The Company may also make investments in countries which attract increasing foreign direct investment from being part of, or from being expected to join, the EU. The Company shall not invest in states of the former USSR.

The Company makes investments both on its own and, where appropriate, with joint venture partners in residential, industrial, retail, office and leisure properties in order to create an appropriately balanced portfolio of income-generating properties and development projects. There are no set restrictions on either sector or geographical spread of investments within the Company's stated investment region.

The Company may employ leverage to enhance returns on equity although the extent of such leverage will vary on a property by property basis. Wherever possible, the Directors intend to seek financing on a nonrecourse, asset by asset basis. The Company has no set limit on its overall level of gearing, however it is anticipated that the Company shall employ a gearing ratio of up to 75 per cent of the total value of its interest in income-generating properties within its property portfolio.

The Company seeks to provide Shareholders with an attractive overall return through a combination of income and long term appreciation of the Company's assets.

In order for the Company to achieve its long term investing policy, the Board's short term investment strategy is cash focussed with new development activity in relation to parts of its portfolio being selectively deferred but with current active projects displaying good sales being progressed on time and on budget and being brought to a conclusion to achieve intended returns. No dividends are expected to be paid in the short term.

Disposal of interests in Slovakia

Atlas announced on 3 November 2009 that it had signed an agreement for the sale of its entire investment interests throughout Slovakia (the "Slovakia Portfolio"), comprising 3 sites: one in Bratislava and two in Kosice, which were held in a joint venture in which Atlas had a 50 per cent interest. The Group is expected to realise €8 million in net proceeds from the sale of the Slovakia Portfolio. The combined impact of ceasing to consolidate its share of debt in the joint venture 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 to fund the development of the Group's 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 projects in Slovakia, which would have required the investment of large amounts of capital with returns arising only in the long term.

The disposal of Atlas' interests in Slovakia has two stages. The first stage was completed in November 2009 and proceeds of €0.9 million were received during 2009. The second stage was due for completion within 70 days of the signing of the contract, when a further €7.1 million was due to be received. On 18 January 2010 the Company announced that due to delays by the purchaser in obtaining a relevant consent from the loan provider to the joint venture, the completion of the sale of investments in Slovakia did not take place by the due date. It is still the intention of the Company to proceed with the sale and purchase of the remainder of the portfolio. The financing bank notified the Company of its approval of the transaction and a number of steps have been taken to finalise the transaction as soon as practicable. We will keep the market closely updated on the progress of this transaction.

The Board of Directors of the Company announced in October 2010 that the sale of two of the three investments in the Slovakian portfolio has been completed, however, the sale and purchase of Circle Slovakia s.r.o. the company which holds the investment in Bratislava known as Nove Vajnory which forms part of the abovementioned portfolio, had not been completed as of the date of this report. Atlas did not get any formal notification concerning change in the intention of the parties, and negotiations are continuing, although at the current stage the final outcome of such negotiations, including its timing, cannot be determined.

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

The Company has used NAV per share and Adjusted NAV per share as key performance measures since its IPO. In the three months to 31 March 2011, NAV per share, as reported in the interim condensed consolidated financial information, which has been prepared in accordance with International Financial Reporting Standards ("IFRS"), has decreased to €2.21 per share from €2.25 as at 31 December 2010 (€2.75 as at 31 March 2010).

An independent valuation on the entire property portfolio is carried out on a semi-annual basis. This measures the valuation gains and losses during the financial period and is included in the basis for the Property Manager's performance assessment and fee calculations. The latest independent valuation was performed on 31 December 2010 and has been used in the financial statements at 31 March 2011. Land holdings are valued on either a residual value or a comparative basis. No profit is taken to reflect the stage of development of each site.

As in the previously reported quarterly results, 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, has not been included. The Directors consider that it is more prudent and appropriate to wait until the independent valuation is undertaken at 30 June 2011, as since the last independent valuation at 31 December 2010, there has continued to be significant expenditure on the development properties and significant changes in the markets for development properties.

Prospects in Central and Eastern Europe

The Company intends to continue to invest resources and management attention in its income producing assets in order to drive occupancy and improve cashflows.

With the ongoing recovery in Poland the Company is also focusing on driving its sales activities in several residential projects in Warsaw as presented in the Review of the Property Manager.

Andrew Fox
CHAIRMAN
16 May 2011

Review of the Property Manager

In this review we present the financial and operating results for the three months ended 31 March 2011. Atlas Management Company Limited ("AMC") is the Property Manager appointed by the Company to oversee the operation and management of Atlas' portfolio and advise on new investment opportunities. At 31 March 2011, the Company held a portfolio of 21 properties comprising 10 investment properties of which eight are income yielding properties and two are held for capital appreciation, two hotels and nine development properties.

The CEE region suffered from the effects of the global credit crunch in 2009, however in 2011 and 2010 GDP is recovering in CEE countries where the Company operates. As a result of these uncertainties and changing 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 of developments in the portfolio.

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.

Markets and Key Properties

Poland

This is the major market of operation for the Group, with 75% of the portfolio. The Polish economy has been one of the most resilient in Europe with GDP growth of 3.4% for 2010 (and 1.7% in 2009). There had been significant increases in property prices in previous years. These were reversed in 2009, which showed significant drop in assets values. So far, 2010 and 2011 has shown a trend of stabilization at the lower level of valuations. With access to credit still restricted property prices have yet to show any upwards movement.

Hilton Hotel, Warsaw

The Hilton Hotel in the Wola district of Warsaw is the Group's most prestigious asset. Occupancy rates have stabilized. For the Hilton this is reflected in occupancy rates for the first three months of 2011 of 63% compared to 64% in the first quarter of 2010.

Platinum Towers

With its construction finished, a total of 357 apartments were pre-sold out of 396, and 340 apartments were already handed over by 31 March 2011. This residential development alongside the Hilton Hotel provides 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 the first three months of 2011 €1.1 million gross profit was recognised on the hand over of 16 apartments.

Capital Art Apartments

The Capital Art Apartments development in Warsaw is a significant development in the Wola district of Warsaw close to the city centre. It is a three stage development which will release 739 apartments in the city with parking and amenities, including retail facilities.

With both stage 1 and 2 completed, the Company has, to date, sold 218 out of 219 apartments in stage 1, with a further 221 out of 300 apartments in stage 2 having been pre-sold. This project is being developed in three stages. The third stage is currently in advance planning stages. Total handover of apartments in the 2011 reached 28 with €0.4 million gross profit recognised in the accounts.

Other properties in Poland

The Group's portfolio also contains valuable land assets in Warsaw. The Company plans two new developments in Warsaw one on Żoliborz- *Apartamenty przy Krasińskiego (*previously named: *Zielono)*, and the other one on Mokotów- *Concept House* (previously named: *Cybernetyki*). These new residential developments are planned to commence in the second and the third quarter of 2011 and they will release 463 apartments in total.

The Group also owns two investment properties in Poland. The Millennium Plaza in Warsaw has been affected by an adverse office rental market, but we are seeing slow increase in the interest of potential clients for its retail and office space (occupancy rate increased from 67% as of 31 December 2010 to 69% as of 31 March 2011). The Sadowa office building in Gdansk has had no significant changes in occupancy rate (92% as of 31 March 2011 compared to 92% as of 31 December 2010).

Hungary

In Hungary, the Group portfolio comprises seven properties, all of which are located in Budapest. Five are income producing assets. One of them – Moszkva office building was classfied as an asset held for sale as of 31 March 2011 – as disclosed in the note 14 of the interim condensed consolidated financial information.

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. GDP in Hungary slightly improved by 0.6% in 2010 as compared to decline of 6.3% in 2009. In 2011 the GDP growth of 2.8% is anticipated.

There has been a loss of key clients at the Ikarus Business Park as a result of the economic pressures. The Group continues to actively market the vacant space in its properties in difficult market conditions. The Atrium Homes development property is a two-stage development. The construction of stage 1 has been put on hold due to current economic conditions.

Romania

The Group's portfolio contains three properties in Romania, including the Golden Tulip Hotel and two significant land banks. The Romanian economy has declined in 2010 by 1.9% (compared to decline of 7.1% in 2009). In 2011 the GDP growth of 1.5% is anticipated. This contrasts with the high levels of GDP growth seen in recent years. IMF funding has been provided to support the economy. In difficult trading conditions, occupancy rates at the Golden Tulip have increased to 65% in the first quarter 2011 compared to 38% in 2010.

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.

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 by independent valuation experts. Independent valuations may also be performed when a new property is acquired. The most recent valuation was performed at 31 December 2010 by independent real estate advisors, King Sturge.

Loans and valuations

As at 31 March 2011, the Company's share of bank debt associated with the portfolio of the Group was €236 million (31 December 2010: €246 million; 31 March 2010: €260 million). Loans and valuations may be analysed as follows for those periods in which valuations were undertaken:

	Loans	Valuation	Loan to Value Ratio	Loans	Valuation	Loan to Value Ratio	Loans	Valuation	Loan to Value Ratio
	31 March 2011			31 December 2010			31 March 2010		
	€ millions	€ millions	%	€ millions	€ millions	%	€ millions	€ millions	**%**
Investment property	117	139	84%	117	139	84%	118	153	77%
Hotels	64	108	59%	64	108	59%	66	104	63%
Development property in construction	22	41	54%	31	28	111%	43	118	36%
Other development property	21	47	45%	22	47	47%	21	39	54%
	224	**335**	**67%**	**234**	**322**	**73%**	**248**	**414**	**60%**
Liabilities disclosed as held for sale	12	27	44%	12	22	55%	12	22	55%
Total	**236**	**362**	**65%**	**246**	**344**	**72%**	**260**	**436**	**60%**

The valuations in the table above differ from the values included in the consolidated balance sheet as at 31 March 2011 due to the treatment under IFRS of land held under operating leases and development property.

The decrease in valuation of development property in construction from 31 March 2010 to 31 December 2010 is mainly a result of repayment of the loan on Capital Art project as well as significant decrease of inventory balance in Platinum Towers due to sale of apartments. The increase of the valuation from 2010 to 2011 results from additional collateral on bank loan in Platinum Towers.

The increase in valuation of other development properties from 31 March 2010 to 31 December 2010 and 31 March 2011 is due to additional collateral on bank loan in Atlas Estates (Kokoszki) Sp. z o.o.

The gearing ratio is 68% based upon net debt as a percentage of total capital (net debt plus equity attributable to equity holders). The ratio remained at the similar level as compared to 31 December 2010 and 31 March 2010.

Debt financing

The Group has its principal facilities with Erste Bank, Investkredit Bank and Raiffeisen Bank. The financial covenants within the Group's secured debt facilities fall into two main categories: annual Loan to Value ("LTV") tests and interest (and debt) service cover ratios ("ISCR" and "DSCR") based on audited financial statements for each company. Management continue to have detailed discussions with its senior debt providers.

In the preparation of the condensed interim consolidated financial information for the three months ended 31 March 2011, the directors have classified two loans totaling €19.5 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. In addition there are four loans that are classified as bank loans and overdrafts due within one year or on demand in the amount of €29.6 million.

Key changes in 2011

- Platinum Towers project (€21.5 million) - on 16 February 2011 the Company signed the extension of the loan resulting in capital repayment from December 2011 until March 2012;
- The land loan on Zielono (€3.3 million) – on 15 March 2011 the Company signed the extension of the loan resulting in repayment on June 2011;
- Cybernetyki (€1.5 million) – The Company received signed term sheet to the existing agreement that prolongs repayment of the loan until June 2011 and was granted a new construction loan of €64 million for the Concept House project.

Review of the operational performance and key items on the Income Statement

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

	Property Rental € millions	Development Properties € millions	Hotel Operations € millions	Other € millions	Period ended 31-Mar-11 € millions	Period ended 31-Mar-10 € millions
Revenue	3.6	6.8	4.3	-	14.7	38.1
Cost of operations	(1.5)	(6.2)	(3.1)	-	(10.8)	(32.7)
Gross profit	2.1	0.6	1.2	-	3.9	5.4
Administrative expenses	(0.3)	(0.2)	(0.8)	(0.8)	(2.1)	(2.5)
Gross profit less administrative expenses	1.8	0.4	0.4	(0.8)	1.8	2.9
Gross profit %	58%	9%	28%	n/a	27%	14%
Gross profit less administrative expenses %	50%	6%	9%	n/a	12%	8%

<u>Revenue</u>

Total revenues for first three months ended 31 March 2011 were €14.7 million compared to €38.1 million for the first three months ended 31 March 2010. The Group's principal revenue streams are income from the sale of the residential apartments that the Group develops, property rental income and sales from its hotel operations. 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.

Development Properties

	31-Mar-11 € millions	31-Mar-10 € millions	**Change quarter on quarter 2011 v 2010 € millions**	Translation foreign exchange effect € millions	Operational change 2011 v 2010 € millions
Revenue	6.8	30.6	**(23.8)**	0.3	(24.1)
Cost of operations	(6.2)	(28.0)	**21.8**	(0.3)	22.1
Gross profit	0.6	2.6	**(2.0)**	-	(2.0)
Administrative expenses	(0.2)	(0.3)	**0.1**	-	0.1
Gross profit less administrative expenses	0.4	2.3	**(1.9)**	-	(1.9)

Sales are only recognised when apartments have been handed over to new owners with the full price of the apartment received by the Group. As a result the economic risks and rewards were transferred to the new owner and in accordance with the Group's accounting policy the revenue and associated costs of these apartment sales are recognised in the income statement.

The decrease in gross profit realized in the first three months of 2011 is mainly a result of lower number of apartments handed over in Platinum Towers and Capital Art Apartments as compared to 2010.

Apartment sales in developments in Warsaw

	Capital Art Apartments stage 1	Capital Art Apartments stage 2	Platinum Towers	Concept House
Total apartments for sale	219	300	396	160
Pre sales of apartments	218	221	357	-
Sales completions in 2008	99	-	-	-
Sales completions in 2009	107	-	26	-
Sales completions in 2010	8	176	298	-
Sales completions in 2011	-	28	16	-
Total sales completions	214	204	340	-
Pre sales in 2009	21	95	31	-
Pre sales in 2010	4	28	31	-
Pre sales in 2011	4	17	17	-

On stage 2 Capital Art Apartments, for the three months ended 31 March 2011, revenue of €3.6 million and gross profit of €0.4 million (31 March 2010: €6.7 million and €1.3 million respectively) have been recognised on the sales of 28 apartments (31 March 2010: 58 apartments).

For Platinum Towers, for the three months ended 31 March 2011, of the 396 available apartments completed sales were represented by 16 apartments (31 March 2010: 167 apartments). This resulted in sales of €3.2 million and a gross profit of €1.1 million being recognised in the income statement (31 March 2010: €23.2 million and €1.2 million respectively).

Property Rental

	31-Mar-11 € millions	31-Mar-10 € millions	**Change quarter on quarter** **2011 v 2010** **€ millions**	Translation foreign exchange effect € millions	Operational change 2011 v 2010 € millions
Revenue	3.6	3.2	**0.4**	-	0.4
Cost of operations	(1.5)	(1.5)	**-**	0.5	(0.5)
Gross profit	2.1	1.7	**0.4**	0.5	(0.1)
Administrative expenses	(0.3)	(0.2)	**(0.1)**	-	(0.1)
Gross profit less administrative expenses	1.8	1.5	**0.3**	0.5	(0.2)

The revenue of the Group has been affected principally by the improving rental levels of the Millenium Plaza.

Hotel operations

	31-Mar-11 € millions	31-Mar-10 € millions	**Change quarter on quarter** **2011 v 2010** **€ millions**	Translation foreign exchange effect € millions	Operational change 2011 v 2010 € millions
Revenue	4.3	4.4	**(0.1)**	(0.1)	-
Cost of operations	(3.1)	(3.2)	**0.1**	0.1	-
Gross profit	1.2	1.2	**-**	-	-
Administrative expenses	(0.8)	(0.8)	**-**	-	-
Gross profit less administrative expenses	0.4	0.4	**-**	-	-

Hotel operations remained stable.

The Hilton in Warsaw has seen a slight decrease in occupancy rate to the level of 63% for the first quarter 2011 compared to 64% for the three months ended 31 March 2010, however it was mitigated by the increase of occupancy rates at the Golden Tulip Hotel in Bucharest, Romania from 38% for the three months ended 31 March 2010 to 65% for the three months ended 31 March 2011.

<u>Cost of operations</u>

Cost of operations was €10.8 million in the quarter ended 31 March 2011, compared to €32.7 million in the quarter ended 31 March 2010. The decrease is principally due to lower number of apartments handed over in Platinum Towers and Capital Art Apartments as compared to 2010.

Foreign exchange

There have been significant fluctuations in exchange rates in the underlying currencies in the countries in which the Group operates and owns assets. A summary of exchange rates by country for average and closing rates against the reporting currency as applied in the financial statements are set out below.

	Polish Zloty	Hungarian Forint	Romanian Lei	Slovakian Crown	Bulgarian Lev
Closing rates					
31 March 2011	4.0119	265.78	4.1141	n/a	1.95583
31 December 2010	3.9603	278.75	4.2848	n/a	1.95583
% Change	1,3%	(4,7%)	(4,0%)	n/a	0%
31 March 2010	3.8622	266.39	4.0958	n/a	1.95583
Average rates					
1st quarter 2011	3.9483	272.48	4.2247	n/a	1.95583
Year 2010	3.9946	275.41	4.2099	n/a	1.95583
% Change	(1,2%)	(1,1%)	0,4%	n/a	0%
1st quarter 2010	3.9924	268.57	4.1160	n/a	1.95583

Net Asset Value

The Group's property assets are categorised into three classes, when accounted for in accordance with International Financial Reporting Standards. The recognition of changes 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 directly to reserves, net of deferred 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 Property Manager's basic and performance fees are determined by the adjusted NAV. For the three months to 31 March 2011 the fee payable to AMC was €0.7 million (€0.8 million to 31 March 2010).

Ongoing activities

During the first three months of 2011, the Company continued to identify ways by which it can generate added value through the active management of its yielding asset portfolio. It has also continued to crystallise the value of development projects by the pre-selling of apartments under construction and by the completion of development property in the course of construction.

The property portfolio is constantly reviewed to ensure it remains in line with the Company's stated strategy of creating a balanced portfolio that will provide: future capital growth; the potential to enhance investment 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 objective is the refinancing of the portfolio, the securing of construction loans and the evaluation of various fund raising opportunities.

Financial management, operational management and material risks

The management team continuously monitors the territories in which the Company is invested, analysing the economics of the region and the key measures of the sectors in which it operates to ensure that it maintains its strategy and does not become over-exposed to, or reliant on, any one particular area. At the same time, it evaluates the risks and rewards associated with a particular country, or sector, in order to maximise return on investment and therefore the return it can deliver to shareholders.

The Company is publicly listed on WSE and until October 2010 it was also listed on AIM. In continuing to fulfill its obligations to its shareholders and 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. Experienced operational teams are in place in each country, where there is significant activity, otherwise a 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.

We continue to enhance our 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. There is in operation a financial reporting system which provides the Group with the required reporting framework, financial management and internal control.

Global economic conditions

The Board and AMC have closely monitored the effects that the current global economic conditions have on the business and will continue to take steps to mitigate, as far as possible, any adverse impact that may result for the business.

An impact of the economic uncertainty is the variations in exchange rates of countries in the region. AMC has been advising the Board on a regular basis with respect to financial performance and the effect of external factors on the business.

Financing and liquidity

Management has experienced 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. The management team see this as a potential risk to the ongoing development of the Company and as a result are devoting significant resource to the management of banking relationships and the monitoring of risk in this area.

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, 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.

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 Company's investment properties is denominated in Euro and our policy is to arrange debt to fund these assets in the same currency. Where possible, the Company 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 Company is identified and appropriate translation mechanisms put in place.

Conclusions

AMC's key strategic objective is the maximisation of value for the Company's shareholders, which it continues to work towards. Its teams are very experienced in the active management of investment and development property and provide the Company with a great deal of valuable local market knowledge and expertise. Good progress has been made with the sales of two key development projects in Warsaw, Platinum Towers and Capital Art Apartments.

The Company's key objectives in the current economic climate remain the minimisation of financial risks, optimising cash retention and operational effectiveness and enhancing the Group's liquidity, which will enable it to progress its portfolio of developments. The Company has a portfolio of strong underlying assets and a development pipeline that we believe will enable us to continue to meet the ongoing demand for the quality and specification of the space that Atlas delivers. In turn, we believe that this will position us to preserve and, over the longer term, create value that we aim to deliver to the shareholders, once stability and more certain economic conditions return to the markets, both within our target territories and across the global economy as a whole.

Reuven Havar
Chief Executive Officer
Atlas Management Company Limited
16 May 2011

Ziv Zviel
Chief Financial Officer
Atlas Management Company Limited

Property Portfolio Information

Location/Property	Description	Company's ownership
Poland		
Hilton Hotel	First Hilton Hotel in Poland – a 4 star hotel with 314 luxury rooms, large conferencing facilities, 4,500 square meters Holmes Place health club and spa and casino and retail outlets. Location close to the central business district in Wola area of Warsaw.	100%
Platinum Towers	396 apartments in two towers; the residential development has been completed in the 3rd quarter of 2009 with two residential towers and a piazza. Location close to the central business district in Wola area of Warsaw.	100%
Platinum Towers – offices	Land with zoning for an office scheme of class A office space planned over 42 floors.	100%
Properpol	Commercial area on the ground and first floors Platinum Towers with 1,842 square meters of gallery and 208 parking places almost fully let to tenants.	100%
Capital Art Apartments	739 apartment three stage development with Stage 1 completed in 4th quarter 2008 with 218 out of 219 apartments pre sold. Stage 2 with the construction of 300 apartments completed in 2009, out of which 221 were already pre-sold and 204 handed over. Stage 3 construction will follow. Location close to the central business district in Wola area of Warsaw.	100%
Apartamenty przy Krasińskiego (previously named Zielono)	Land with zoning and building permit for 265 apartments. Construction will commence with appropriate financing. Location in a residential area of Warsaw.	76%
Millennium Tower	32,700 square metres of office and retail space in the central business district of Warsaw with 6,100 square meters of retail and 26,600 square meters of office space.	100%
Concept House (previously named Cybernetyki)	3,100 square metre plot of land zoned for 11,000 square metres and with building permit for residential development. Construction will commence with appropriate financing. Location in Mokotow district close to the central business district of Warsaw.	50%
Sadowa project	6,550 square metre office building with 92% occupancy close to the city centre of Gdansk.	100%
Kokoszki, Gdansk	430,000 square metre plot in Gdansk with zoning for construction of 130,000 square metres of mixed use development, situated on the outskirts of Gdansk.	100%
Hungary		
Ikarus Business Park	283,000 square metres plot with 110,000 square metres of built business space and 70,000 of currently lettable, located in the 16th district, a suburban area of Budapest	100%
Metropol Office Centre	7,600 square metres office building in the 13th district of central Budapest.	100%
Atrium Homes	Two phase development of 22,000 square meters of 456 apartments with 235 apartments in phase 1 with building permits, located in the 13th district in central Budapest.	100%
Ligetvaros Centre	6,300 square metres of office/retail space with rights to build extra 6,400 square metres, located in the 7th district, a central district in Budapest.	100%
Varosliget Centre	12,000 square metres plot in the 7th district in central Budapest, with zoning for a mixed use development of 31,000 gross square metres.	100%

Location/Property	Description	Company's ownership
Moszkva Square	1,000 square metres of office and retail space in the Buda district of the city.	100%
Romania		
Voluntari	99,116 square metres of land in three adjacent plots at the pre-zoning stage, in the north eastern suburbs of the city, known as Pipera.	100%
Solaris Project	32,000 square metres plot for re-zoning to mixed-use development in a central district of Bucharest	100%
Golden Tulip Hotel	4 star 83 room hotel in central Bucharest in the city centre of Bucharest	100%
Bulgaria		
The Atlas House	Office building in Sofia's city centre with 3,472 square metres of lettable area spread over eight floors.	100%

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2011

		Three months ended 31 March 2011 (unaudited) €'000		Three months ended 31 March 2010 (unaudited) €'000	Note
Revenues		**14,714**		**38,062**	3
Cost of operations		(10,779)		(32,681)	4.1
Gross profit		**3,935**		**5,381**	
Property manager fee	*690*		*851*		
Central administrative expenses	*123*		*624*		
Property related expenses	*1,285*		*1,048*		
Administrative expenses		(2,098)		(2,523)	4.2
Other operating income		58		127	
Other operating expense		(3,797)		(690)	
(Loss)/ Profit from operations		**(1,902)**		**2,295**	
Finance income		543		302	
Finance costs		(2,666)		(2,851)	
Other gains – foreign exchange		15		9,145	
(Loss)/ Profit before taxation		**(4,010)**		**8,891**	
Tax credit / (expense)		418		(1,779)	5
(Loss)/ Profit for the period		**(3,592)**		**7,112**	
Attributable to:					
Owners of the parent		(3,553)		7,134	
Non-controlling interests		(39)		(22)	
		(3,592)		**7,112**	
(Loss)/ Profit per €0.01 ordinary share – basic (eurocents)		(7.58)		15.23	7
(Loss)/ Profit per €0.01 ordinary share – diluted (eurocents)		(7.58)		15.23	7

All amounts relate to continuing operations.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2011

	31 March 2011 (unaudited) €'000	31 March 2010 (unaudited) €'000
(LOSS)/ PROFIT FOR THE PERIOD	**(3,592)**	**7,112**
Other comprehensive income:		
Exchange adjustments	927	8,217
Deferred tax on exchange adjustments	(76)	(130)
Other comprehensive income for the period (net of tax)	851	8,087
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(2,741)**	**15,199**
Total comprehensive income attributable to:		
Owners of the parent	(2,702)	15,221
Non-controlling interests	(39)	(22)
	(2,741)	**15,199**

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED BALANCE SHEET
As at 31 March 2011

	31 March 2011 (unaudited) €'000	31 December 2010 €'000	31 March 2010 (unaudited) €'000	Note
ASSETS				
Non-current assets				
Intangible assets	264	280	228	
Land under operating lease - prepayments	12,548	12,749	13,960	
Property, plant and equipment	97,068	98,331	100,456	8
Investment property	157,191	156,153	168,519	9
Other loans receivable	2,864	2,530	2,420	
Deferred tax asset	5,775	5,248	7,428	
	275,710	**275,291**	**293,011**	
Current assets				
Inventories	66,259	76,267	120,334	10
Trade and other receivables	5,639	9,060	5,364	
Cash and cash equivalents	10,866	15,036	14,751	11
	82,764	**100,363**	**140,449**	
Non current assets classified as held for sale	28,195	26,472	26,833	14
	110,959	**126,835**	**167,282**	
TOTAL ASSETS	**386,669**	**402,126**	**460,293**	
Current liabilities				
Trade and other payables	(15,745)	(19,410)	(35,383)	
Bank loans	(61,526)	(70,510)	(72,974)	13
Derivative financial instruments	(186)	(242)	(335)	
	(77,457)	**(90,162)**	**(108,692)**	
Liabilities directly associated with non current assets held for sale	(20,021)	(20,395)	(19,773)	14
	(97,478)	**(110,557)**	**(128,465)**	
Non-current liabilities				
Other payables	(6,751)	(5,689)	(5,708)	
Bank loans	(162,248)	(162,784)	(175,067)	
Derivative financial instruments	(928)	(1,267)	(1,444)	
Deferred tax liabilities	(15,775)	(15,599)	(20,508)	
	(185,702)	**(185,339)**	**(202,727)**	
TOTAL LIABILITIES	**(283,180)**	**(295,896)**	**(331,192)**	
NET ASSETS	**103,489**	**106,230**	**129,101**	

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED BALANCE SHEET
As at 31 March 2011

	31 March 2011 (unaudited) €'000	31 December 2010 €'000	31 March 2010 (unaudited) €'000
EQUITY			
Share capital account	6,268	6,268	6,268
Revaluation reserve	8,788	9,022	7,487
Other distributable reserve	194,817	194,817	194,817
Translation reserve	(4,311)	(5,163)	983
Accumulated loss	(102,806)	(99,486)	(80,922)
Issued capital and reserves attributable to owners of the parent	**102,756**	**105,458**	**128,633**
Non-controlling interests	733	772	468
TOTAL EQUITY	**103,489**	**106,230**	**129,101**
Basic net asset value per share	€2.21	€2.25	€2.75

The notes on pages 23 to 41 form part of these consolidated financial information. The condensed consolidated financial information on pages 17 to 41 were approved by the Board of Directors on 16 May 2011 and signed on its behalf by:

Andrew Fox	**Mark Chasey**	**Guy Indig**
Chairman	**Director**	**Director**

16 May 2011

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2011

Three Months Ended 31 March 2011 (unaudited)	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**	**Non-controlling interest**	**Total equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
As at 31 December 2010	**6,268**	**198,676**	**(99,486)**	**105,458**	**772**	**106,230**
Total comprehensive income for the year	-	851	(3,553)	(2,702)	(39)	(2,741)
Transfer to retained earnings	-	(233)	233	**-**	-	-
As at 31 March 2011	**6,268**	**199,294**	**(102,806)**	**102,756**	**733**	**103,489**

Year ended 31 December 2010	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**	**Non-controlling interest**	**Total equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
As at 1 January 2010	**6,268**	**194,958**	**(88,060)**	**113,166**	**732**	**113,898**
Total comprehensive income for the year	-	4,778	(12,493)	(7,715)	40	(7,675)
Transfer to retained earnings	-	(1,060)	1,060	-	-	-
Share based payments	-	-	7	7	-	7
As at 31 December 2010	**6,268**	**198,676**	**(99,486)**	**105,458**	**772**	**106,230**

Three Months Ended 31 March 2010 (unaudited)	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**	**Non-controlling interest**	**Total equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
As at 1 January 2010	**6,268**	**194,958**	**(88,060)**	**113,166**	**732**	**113,898**
Total comprehensive income for the period	-	8,087	7,134	15,221	(22)	15,199
Transfer of non-controlling interest	-	242	-	242	(242)	-
Share based payments	-	-	4	4	-	4
As at 31 March 2010	**6,268**	**203,287**	**(80,922)**	**128,633**	**468**	**129,101**

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2011

	Note	Three months ended 31 March 2011 (unaudited) €'000	Three months ended 31 March 2010 (unaudited) €'000
Cash inflow generated from operations	**12**	**6,326**	**402**
Interest received		37	35
Interest paid		(2,492)	(1,104)
Tax paid		(6)	(185)
Net cash inflow / (outflow) from operating activities		**3,865**	**(852)**
Investing activities			
Purchase of investment property		(85)	(62)
Purchase of property, plant and equipment		(185)	(122)
Proceeds from disposal of property, plant and equipment		-	(59)
Purchase of intangible assets		(3)	-
Net cash used in investing activities		**(273)**	**(243)**
Financing activities			
New bank loans raised		-	1,380
Repayments of bank loans		(9,139)	(5,209)
New loans granted to JV partners		(306)	(33)
New loans received from non-controlling investors		547	85
Net cash used in financing activities		**(8,898)**	**(3,777)**
Net (decrease) / increase in cash and cash equivalents in the period		**(5,306)**	**4,362**
Effect of foreign exchange rates		1,136	6,572
Net (decrease) / increase in cash and cash equivalents in the period		**(4,170)**	**1,700**
Cash and cash equivalents at the beginning of the period		**15,036**	**13,051**
Cash and cash equivalent at the end of the period		**10,866**	**14,751**
Cash and cash equivalents			
Cash at bank and in hand	**11**	11,041	14,930
Cash assets classified as held for sale		(175)	(179)
		10,866	**14,751**

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2011

1. Basis of preparation

This condensed interim financial information for the three months ended 31 March 2011 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. The consolidated balance sheet, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are unaudited. This unaudited interim condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended 31 December 2010. The quarterly financial results are not necessarily indicative of the full year results.

The directors consider that the outlook presents ongoing 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 31 March 2011 the Group held land and building assets with a market value of €362 million, compared to external debt of €236 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. Any land and building assets and associated debts which are ring-fenced in unique, specific, corporate vehicles, which are subject to 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 financial.

In assessing the going concern basis of preparation of the condensed interim financial information for the three months ended 31 March 2011, the directors have taken into account the status of current negotiations on loans. The Company has also continued to provide funds to service interest and capital repayments on these loans on behalf of its subsidiary companies.

Nevertheless, the directors are aware that the liquidity position of the company has been and still continues to be tight. The company so far has been successful in managing its cash position carefully and will continue to do so, despite the various pressures. Managing this situation will require the company to use its various pockets of liquidity within its portfolio of assets and at the same time delicately manage its ongoing operations and relationships with its lending banks.

The Group’s forecasts and projections 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 consolidated financial statements for the year ended 31 March 2011.

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 2010, as described in the annual financial statements for the year ended 31 December 2010 save for those mentioned below.

Certain new standards and interpretations have been published that are mandatory for the Group’s accounting periods beginning on or after 1 January 2012 and which the entity has not early adopted. None of these standards are expected to have a significant impact on recognition or measurement of the Group’s assets or liabilities.

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 Group with no significant impact on its consolidated results or financial position for the current reporting period:

- Amendment to IAS32 'Classification of Rights Issues' (effective for accounting periods beginning on or after 1 February 2010). This amendment has been endorsed for use in the EU.
- IFRIC19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective for accounting periods beginning on or after 1 July 2010). This interpretation has been endorsed for use in the EU.
- Revised IAS24 'Related Party Disclosures' (effective for accounting periods beginning on or after 1 January 2011). This revision has been endorsed for use in the EU. This revision will only impact disclosure and have no effect on the net assets or result of the Group.
- Amendment to IFRIC14, 'Prepayments of a Minimum Funding Requirement' (effective for accounting periods beginning on or after 1 January 2011). This amendment has been endorsed for use in the EU.
- Amendment to IFRS 1 Limited exemption from Comparative IFRS7 Disclosures for first time adopters (effective for accounting periods beginning on or after 1 July 2010). This amendment has been endorsed for use in the EU.
- In addition to the above, the IASB2010 annual improvement project includes further minor amendments to various accounting standards and is effective from various dates from 1 January 2011 onwards and has been endorsed for use in the EU.

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

- IFRS9 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2013). This standard has not yet been endorsed for use in the EU.
- Amendment to IFRS 7 'Disclosures – Transfers of Financial Assets' (effective for accounting periods beginning on or after 1 July 2011). This amendment has not yet been endorsed for use in the EU.
- Amendment to IAS 12 Deferred Tax: Recovery of Underlying Assets (effective for periods beginning on or after 1 January 2012). This amendment has not yet been endorsed for use in the EU.
- Amendment to IFRS 1 Severe Hyperinflation and removal of fixed dates for first-time adopters (effective for accounting periods beginning on or after 1 July 2011). This amendment has not yet been endorsed for use in the EU.

ATLAS ESTATES LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2011

3. Business 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 segment information. Segment information about these businesses is presented below:

Three months ended 31 March 2011	**Property rental**	**Residential sales**	**Hotel operations**	**Other**	**2011**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Revenues	3,557	6,830	4,327	-	**14,714**
Cost of operations	(1,460)	(6,250)	(3,069)	-	**(10,779)**
Gross profit	**2,097**	**580**	**1,258**	**-**	**3,935**
Administrative expenses	(296)	(190)	(775)	(837)	**(2,098)**
Other operating income	35	2	20	1	**58**
Other operating expenses	(39)	(3,753)	(1)	(4)	**(3,797)**
Profit / (loss) from operations	**1,797**	**(3,361)**	**502**	**(840)**	**(1,902)**
Finance income	474	60	4	5	**543**
Finance costs	(1,321)	(833)	(510)	(2)	**(2,666)**
Other gains and (losses) – foreign exchange	341	283	(590)	(19)	**15**
Segment result before tax	**1,291**	**(3,851)**	**(594)**	**(856)**	**(4,010)**
Tax charge					**418**
Profit for the period as reported in the income statement					**(3,592)**
Reportable segment assets	**164,636**	**98,755**	**114,594**	**-**	**377,985**
Unallocated assets				8,684	8,684
Total assets					**386,669**
Reportable segment liabilities	**(128,195)**	**(74,892)**	**(77,365)**	**-**	**(280,452)**
Unallocated liabilities				(2,728)	(2,728)
Total liabilities					**(283,180)**
Other segment items					
Capital expenditure	88	30	155	1	**274**
Depreciation	9	19	703	2	**733**
Amortisation	4	0	12	0	**16**

Three months ended 31 March 2011

Three months ended 31 March 2010	**Property rental**	**Residential sales**	**Hotel operations**	**Other**	**2010**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Revenues	3,222	30,564	4,274	2	**38,062**
Cost of operations	(1,527)	(28,036)	(3,115)	(3)	**(32,681)**
Gross profit	**1,695**	**2,528**	**1,159**	**(1)**	**5,381**
Administrative expenses	(221)	(293)	(847)	(1,162)	**(2,523)**
Other operating income	48	-	-	79	**127**
Other operating expenses	(56)	(32)	(553)	(49)	**(690)**
Profit / (loss) from operations	**1,466**	**2,203**	**(241)**	**(1,133)**	**2,295**
Finance income	167	120	2	14	**302**
Finance costs	(1,364)	(1,037)	(447)	(3)	**(2,851)**
Other gains– foreign exchange	5,066	83	3,899	97	**9,145**
Segment result before tax	**5,335**	**1,369**	**3,213**	**(1,025)**	**8,891**
Tax charge					**(1,779)**
Profit for the period as reported in the income statement					**7,112**
Reportable segment assets	**175,345**	**159,188**	**115,106**	**-**	**449,639**
Unallocated assets				10,654	10,654
Total assets					**460,293**
Reportable segment liabilities	**(131,560)**	**(117,926)**	**(78,530)**	**-**	**(328,016)**
Unallocated liabilities				(3,176)	(3,176)
Total liabilities					**(331,192)**
Other segment items					
Capital expenditure	66	4	114	-	**184**
Depreciation	15	30	681	7	**733**
Amortisation	1	-	9	1	**11**

There are immaterial sales between the business segments.

Unallocated costs represent corporate expenses. Segment assets include investment property, property, plant and equipment, intangible assets, inventories, debtors and operating cash.

Segment liabilities comprise operating liabilities and financing liabilities.

Unallocated assets represent cash balances, receivables and other assets held by the Company and those of selected sub-holding companies, and deferred tax assets.

Unallocated liabilities include accrued costs and deferred taxation liabilities within the Company and selected sub-holding companies as at the balance sheet date. Unallocated liabilities also include borrowings, as these are non-operating activities.

The Group manages its business segments on a region wide basis. The operations in the reporting periods were based in five main countries within the Group's region of focus with mainly cash balances being held by the parent company. The five principal territories were:

- Poland,
- Hungary,
- Bulgaria,
- Romania, and
- Slovakia (portfolio partly sold on 2 November 2009)

4. Analysis of expenditure

4.1 Cost of operations

	Three months ended 31 March 2011 €'000	Three months ended 31 March 2010 €'000
Costs of sale of residential property	5,847	27,405
Utilities, services rendered and other costs	2,583	2,850
Legal and professional expenses	341	518
Staff costs	1,448	1,311
Sales and direct advertising costs	343	360
Depreciation and amortisation	217	237
Cost of operations	**10,779**	**32,681**

4.2 Administrative expenses

	Three months ended 31 March 2011 €'000	Three months ended 31 March 2010 €'000
Audit and tax services	55	189
Incentive and management fee	690	851
Other professional services	233	242
Utilities, services rendered and other costs	309	279
Share based payments	-	4
Staff costs	294	323
Depreciation and amortisation	533	508
Other administrative expenses	(16)	127
Administrative expenses	**2,098**	**2,523**

5. Tax credit / (expense)

Continuing operations	Three months ended 31 March 2011 €'000	Three months ended 31 March 2010 €'000
Current tax	(223)	(47)
Deferred tax	641	(1,732)
Tax credit/ (expense) for the period	**418**	**(1,779)**

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 quarter results.

6. Dividends

There were no dividends declared or paid in the three months ended 31 March 2011 (2010: €nil).

7. Earnings/ Loss per share ("EPS" / "LPS")

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

For diluted earning/ 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 earning/ loss per share reflects the impact were the outstanding share warrants to be exercised.

Reconciliations of the profits/ losses and weighted average number of shares used in the calculations are set out below:

Three months ended 31 March 2011 **Continuing operations**	**(Loss)** **€'000**	**Weighted average number of shares**	**Per share amount Eurocents**
Basic (LPS)			
Loss attributable to equity shareholders of the Company	**(3,553)**	**46,852,014**	**(7.58)**
Effect of dilutive securities			
Share warrants	-	-	-
Diluted (LPS)			
Adjusted loss	**(3,553)**	**46,852,014**	**(7.58)**

Three months ended 31 March 2010 **Continuing operations**	**Profit** **€'000**	**Weighted average number of shares**	**Per share amount Eurocents**
Basic (EPS)			
Profit attributable to equity shareholders of the Company	**7,134**	**46,852,014**	**15.23**
Effect of dilutive securities			
Share warrants	-	-	-
Diluted (EPS)			
Adjusted profit	**7,134**	**46,852,014**	**15.23**

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

8. Property, plant and equipment

	Buildings	Plant and equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000
Cost or valuation				
At 31 December 2009	92,949	10,625	216	103,790
Additions at cost	88	590	29	707
Exchange adjustments	2,879	261	1	3,141
Disposals	-	(140)	(98)	(238)
Write offs	(1,806)	-	-	(1,806)
Revaluation	3,934	-	-	3,934
At 31 December 2010	**98,044**	**11,336**	**148**	**109,528**
Additions at cost	144	41	-	185
Exchange adjustments	(728)	(114)	1	(841)
At 31 March 2011	**97,460**	**11,263**	**149**	**108,872**
Accumulated depreciation				
At 31 December 2009				
Charge for the year	(1,871)	(851)	(38)	(2,760)
Exchange adjustments	(193)	(202)	(2)	(274)
Disposals	13	29	60	102
At 31 December 2010	**(7,662)**	**(3,437)**	**(98)**	**(11,197)**
Charge for the year	(477)	(212)	(6)	(695)
Exchange adjustments	64	24	-	88
At 31 March 2011	**(8,075)**	**(3,625)**	**(104)**	**(11,804)**
Net book value at 31 March 2011	**89,385**	**7,638**	**45**	**97,068**
Net book value at 31 December 2010	**90,382**	**7,899**	**50**	**98,331**

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
Cost or valuation				
At 1 January 2010	92,949	10,625	216	103,790
Additions at cost	-	122	-	122
Exchange adjustments	5,503	532	9	6,044
Disposals	(54)	-	-	(54)
At 31 March 2010	**98,398**	**11,279**	**225**	**109,902**
Accumulated depreciation				
At 1 January 2010	(5,611)	(2,536)	(118)	(8,265)
Charge for the period	(468)	(210)	(10)	(688)
Exchange adjustments	(353)	(149)	(5)	(507)
Disposals	14	-	-	14
At 31 March 2010	**(6,418)**	**(2,895)**	**(133)**	**(9,446)**
Net book value at 31 March 2010	**91,980**	**8,384**	**92**	**100,456**

Buildings were valued at 31 December 2010 by qualified professional valuers working for the company of King Sturge, Chartered Surveyors, acting in the capacity of External Valuers. 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. No valuation has been performed at 31 March 2011, as the Group undertakes valuations on a semi-annual basis.

The Group has pledged property, plant and equipment of €94.9 million (31 December 2010: €96.2 million, 31 March 2010: €98.3 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €64.2 million (31 December 2010: €64.2 million, 31 March 2010: €66.2 million) are secured on these properties (note 13).

9. Investment property

	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
At beginning of the year	156,153	161,027	161,027
Disposals- others	(19)	(94)	-
Transfers from other asset categories	-	8,441	
Capitalised subsequent expenditure	86	554	62
Exchange movements	971	2,425	7,430
PV of annual perpetual usufruct fees	-	(2)	-
Fair value losses	-	(16,198)	-
At the end of period	**157,191**	**156,153**	**168,519**

The fair value of the Group's investment property at 31 December 2010 was arrived at on the basis of valuations carried out at that date by King Sturge. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties. No valuation has been performed at 31 March 2011, as the Group undertakes valuations on a semi-annual basis.

The Group has pledged investment property of €139.2 million (31 December 2010: €139.2 million; 31 March 2010: €152.8 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €117 million (31 December 2010: €117.4 million; 31 March 2010: €117.6 million) are secured on these investment properties (note 13).

10. Inventories

	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
Land held for development	54,267	57,044	61,762
Assets under construction	6,234	6,503	3,491
Completed properties	27,762	33,197	75,492
Hotel inventory	1,265	1,274	1,740
Freehold and leasehold properties held for resale	**89,528**	**98,018**	**142,485**
Less assets classified as held for sale and shown in current assets (note 14)	(23,269)	(21,751)	(22,151)
Total inventories	**66,259**	**76,267**	**120,334**

€5.9 million (31 December 2010: €62.0 million; 31 March 2010: €29.9 million) of inventories was released to cost of operations in the income statement during the period. €0.8 million was recognised in the income statement in relation to the impairment on inventories (31 December 2010: €2.1 million; 31 March 2010: €nil – in relation to the reversal of impairment on inventories). All inventories are held at cost with the exception of €28.9 million, which are held at net realisable value (31 December 2010: €27.8 million; 31 March 2010: €30.7 million).

Bank borrowings are secured on the inventory for the value of €78.6 million (31 December 2010: €70.0 million; 31 March 2010: €76.6 million) (note 13).

11. Cash and cash equivalents

	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
Cash and cash equivalents			
Cash and cash equivalents	9,763	13,779	13,679
Short term bank deposits	1,278	1,426	1,251
	11,041	**15,205**	**14,930**
Less assets classified as held for sale and shown in current assets (note 14)	(175)	(169)	(179)
Total	**10,866**	**15,036**	**14,751**

Included in cash and cash equivalents is €8.4 million (31 December 2010: €12.7 million; 31 March 2010: €9.4 million) restricted cash relating to security and customer deposits.

12. Cash generated from operations

	Three months ended 31 March 2011	Three months ended 31 March 2010
	€'000	€'000
(Loss)/ Profit for the period	**(3,592)**	**7,112**
Adjustments for:		
Effects of foreign currency	(538)	(9,234)
Finance costs	2,258	2,851
Finance income	(538)	(302)
Tax (expense) / credit	(418)	1,779
Bad debt write off	-	124
Depreciation of property, plant and equipment	695	733
Amortisation charges	54	11
Loss on sale of property plant and equipment	-	43
Charge relating to share based payments	-	4
Other operating expenses	-	582
Provision for inventory	4,417	-
	2,338	**3,703**
Changes in working capital		
Decrease in inventory	4,212	18,292
Decrease / (increase) in trade and other receivables	3,421	(1,107)
Decrease in trade and other payables	(3,645)	(20,486)
	3,988	**(3,301)**
Cash inflow generated from operations	**6,326**	**402**

13. Bank loans

	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
Current			
Bank loans and overdrafts due within one year or on demand			
Secured	**(61,526)**	**(70,510)**	**(72,974)**
Non-current			
Repayable within two years			
Secured	(29,371)	(29,299)	(6,494)
Repayable within three to five years			
Secured	(60,064)	(60,496)	(87,925)
Repayable after five years			
Secured	(72,813)	(72,989)	(80,648)
	(162,248)	**(162,784)**	**(175,067)**
Total	**(223,774)**	**(233,294)**	**(248,041)**
Bank loans directly associated with assets classified as held for sale (note 14)	(12,206)	(12,368)	(12,369)
Total	**(235,980)**	**(245,662)**	**(260,410)**

The bank loans are secured on various properties of the Group by way of fixed or floating charges.

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 year.

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:

	Euro €'000	Zloty €'000	Other €'000	Total €'000
Bank loans and overdrafts – 31 March 2011	199,680	36,300	-	235,980
Bank loans and overdrafts – 31 December 2010	200,723	44,939	-	245,662
Bank loans and overdrafts – 31 March 2010	202,621	57,773	15	260,409

In the preparation of the condense interim financial information for the three months ended 31 March 2011, the directors have reclassified two loans totaling €19.5 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. In addition there are four loans that are classified as bank loans and overdrafts due within one year or on demand in the amount of €29.6 million.

Key changes in 2011

- Platinum Towers project (€21.5 million) - on 16 February 2011 the Company signed the extension of the loan resulting in capital repayment from December 2011 until March 2012;
- The land loan on Zielono (€3.3 million) – on March 15 2011 the Company signed the extension of the loan resulting in repayment on June 2011;
- Cybernetyki (€1.5 million) – The Company received signed term sheet to the existing agreement that prolongs repayment of the loan until June 2011 and was granted a new construction loan of €64 million for the Concept House project.

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

On 3 November 2009 Atlas announced an agreement for the sale of its entire investment interests throughout Slovakia (the "Slovakia Portfolio"), comprising one site in Bratislava and two sites in Kosice. The Group realised €0.9 million in net proceeds from the first stage of the sale and is expecting to realise a further €7.1 million on completion of the second stage. It is anticipated that the net proceeds will be utilised to fund the development of the Group's 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 projects in Slovakia, which would have required the investment of large amounts of capital with returns arising in the long term.

In March 2011 Atlas management started to actively market for sale the property (Moszkva office building) located in Budapest, Hungary . As of the date of this report no offer from the potential buyer was accepted, nevertheless the management assumes that the sale transaction will be completed within one year.

The assets and liabilities directly associated with these sales were separately classified as of 31 March 2011.
€5.9 million (31 December 2010: €5.9 million; 31 March 2010: €5.9 million) was recognised as a provision for the value of the development land held in Slovakia.

The major classes of assets and liabilities held for sale were as follows:

Assets:	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
Deferred tax asset	311	151	145
Inventories	23,269	21,751	22,151
Trade and other receivables	29	16	42
Shareholder loan receivable	4,411	4,385	4,316
Cash and cash equivalents	175	169	179
Total assets classified as held for sale	**28,195**	**26,472**	**26,833**

Liabilities:	31 March 2011 €'000	31 December 2010 €'000	31 March 2010 €'000
Trade and other payables	(7,036)	(7,250)	(6,487)
Bank loans	(12,206)	(12,368)	(12,369)
Deferred tax liabilities	(779)	(777)	(917)
Total liabilities directly associated with assets classified as held for sale	**(20,021)**	**(20,395)**	**(19,773)**

15. Related party transactions

(a) Key management compensation

	31 March 2011 €'000	31 March 2010 €'000
Fees for non-executive directors	6	42

The Company has appointed AMC to manage its property portfolio. In consideration of the services provided, AMC received a management fee of €0.7 million (3 months ended 31 March 2010: €0.8 million). 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 2011. No performance fee has been accrued for the 3 months ended 31 March 2011 (3 months ended 31 March 2010: €nil) because no reliable estimate can be made.

As of 31 March 2011 €2.8 million included in current trade and other payables was due to AMC (31 December 2010: €2.6 million; 31 March 2010: €2.6 million).

(b) 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. In 2011 the lender charged €20 thousand as interest (31 December 2010: €69 thousand, 31 March 2010: €26 thousand). As of 31 March 2011 Atlas Estates (Cybernetyki) Sp. z o.o. has drawn the loan facility plus associated interest in the amount of €3.3 million (31 December 2010: €3.1 million, 31 March 2010: €2.6 million).

(c) 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. In 2011 the lender charged €3 thousand as interest (31 December 2010: €13 thousand, 31 March 2010: €7 thousand). As of 31 March 2011 Zielono Sp z o.o. has drawn the loan facility plus associated interest in the amount of €0.5 million (31 December 2010: €0.5 million, 31 March 2010: €0.4 million).

(d) Shasha Transport Ltd, which are also shareholders in Atlas and Shasha Zrt (previously: Atlas Estates Kaduri Shasha Zrt), have extended loan facilities to Atlas and 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. In 2011 the lender charged €13 thousand as interest (31 December 2010: €47 thousand, 31 March 2010: €11 thousand). As of 31 March 2011 Atlas and Shasha Zrt has drawn the loan facilities plus associated interest in the amount of €1.9 million (31 December 2010: €1.9 million, 31 March 2010: 1.8 million).

(e) On 25 February 2011 Shasha Transport Ltd granted a loan facility to Atlas Estates Kaduri Shasha Kft 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. In 2011 the lender charged €643 as interest. As of 31 March 2011 Atlas Kaduri Shasha Kft has drawn the loan facilities plus associated interest in the amount of €249,603.

(f) 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. In 2011 the lender charged €82 thousand as interest (31 December 2010: €275 thousand, 31 March 2010: €63 thousand). As of 31 March 2011 Circle Slovakia has drawn the loan facility plus associated interest amount of €13.9 million (31 December 2010: €13.2 million, 31 March 2010: €11.6 million). This loan is included within assets held for sale as shown in note 14.

16. Post balance sheet events

No specific significant events have occurred which would require an adjustment to this report.

17. Other items

17.1 Information about court proceedings

As of 16 May 2011, 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 net equity, except for legal proceeding against:

(a) Atlas Estates (Millennium) Sp. z o.o.

Atlas Estates Limited ("AEL") was notified by its subsidiary Atlas Estates (Millennium) Sp. z o.o. with its seat in Warsaw ("AEM") that on 20 January 2011 AEM obtained from the court an invitation for a hearing of amicable settlement concerning a claim of Reform Company Sp. z o.o. in bankruptcy proceeding for payment of the amount of 66,791,250 PLN as the compensation of the damages which were caused to Reform Company Sp. z o.o. at execution of the transaction on the sale of the Millennium Plaza building. The parties invited for the amicable settlement are: AEM, Hendrik Johannes Keilman, Anandrous B.V with its seat in Amsterdam, Hocalar B.V with its seat in Rotterdam and DIR Mangement B.V with its seat in Amsterdam.

AEL hereby informs that in its opinion the motion of Reform Company Sp. z o.o. in bankruptcy for any payments is the result of the internal disputes between the shareholders of Reform Company Sp. z o.o. in bankruptcy.

AEM entered into the transaction for the purchase of the Millennium Plaza building over 3 years ago in good faith and paid the fair price for the building. Based on the advice the Board has received from its legal advisors and the evidences as indicated in the motion for the amicable settlement, it is the Board opinion that there is no material background, both factual and legal, to the above-mentioned claim.

(b) Atlas Estates Limited and Atlas Estates Investment B.V.

Atlas Estates Limited ("AEL") was notified that on 9 March 2011 Stronginfo Consultants Ltd and Columbia Enterprises Ltd (the "Plaintiffs") have submitted to an arbitrator a statement of claim against Atlas Estates Investment B.V. with its seat in Amsterdam, the subsidiary of AEL as the primary debtor and AEL itself as the guarantor (the "Defendants") asking arbitrator to order the Defendants to provide a full and accurate accounting being basis for the calculation of the Completion Consideration as defined in the agreement dated May 8, 2006 on transfer of shares from the Plaintiffs to Atlas Estates Investment B.V. and demanding payments of Completion

Consideration which in the absence of any actual accounting yet was estimated by the Plaintiffs of total 55,420,000 PLN.

AEL hereby informs that at the current stage it is not able to assess the legitimacy of the claim as both legal and factual basis of the claim are subject of the investigation of the AEL's legal advisors.

17.3 Financial forecasts

No financial forecasts have been published by the Company in relation to the year ended 31 December 2011.

17.4 Substantial shareholdings

As of 19 April 2011, the Board was aware of the following direct or indirect interest in 3% or more of the Company's ordinary share capital. All shares have equal voting rights.

Table 1 – Significant Shareholders	Number of Shares held	Percentage of Issued Share Capital
HSBC Client Holdings Nominee (UK) Limited <636167>	34,994,624[1]	74.69
Forest Nominees ,<GC1>	6,536,925[2]	13.95
Euroclear Nominees account <EOCO1>	4,953,185[1]	10.57
TOTAL	**46,484,734**	**99.21**

[1] Till the date of this report the Company did not receive formal notification regarding the beneficial owners.
[2] The shares were held for the benefit of:
- Atlas International Holdings Limited Re: A165 (6,461,425 shares),
- Rothschild Trust Guernsey Limited Re: Avena Properties Limited (75,500 shares).

17.5 Directors' share interests

There have been no changes to the Directors' share interests during the three months ended 31 March 2011. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the three months ended 31 March 2011.

17.6 Other share interests

No changes have occurred in the three months ended 31 March 2011 in the number of warrants issued to managing and/or supervisory persons.

18. 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 31 March 2011.

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%
Guernsey	Atlas Finance (Guernsey) Limited	Holding	100%
Netherlands Antilles	Atlas Estates Antilles B.V.	Holding	100%

Cyprus	Darenisto Limited	Holding	100%
Cyprus	Kalipi Holdings Limited	Holding	100%
Cyprus	Fernwood Limited	Holding	100%
Poland	AEP Sp. z o.o.	Management	100%
Poland	Platinum Towers AEP Spółka z organiczoną odpowiedzialnością SKA	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 AEP Spółka z ograniczoną odpowiedzialnością SKA	Development	100%
Poland	Grzybowska Centrum Atlas Re Project BV SK	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 (Kokoszki) Sp. z o.o.	Development	100%
Poland	Atlas FIZ AN	Holding	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.	Investment	100%
Hungary	Atlas and Shasha Zrt	Development	50%
Romania	World Real Estate SRL	Investment	100%
Romania	Atlas Solaris SRL	Development	100%
Romania	D.N.B. - Victoria Towers SRL	Hotel operation	100%
Bulgaria	Immobul EOOD	Investment	100%
Slovakia	Circle Slovakia, s.r.o.	Development	50%

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2011

	Three months ended 31 March 2011 (unaudited) €'000	Three months ended 31 March 2010 (unaudited) €'000
Revenues	-	-
Cost of operations	-	-
Gross profit	**-**	**-**
Administrative expenses	(465)	(738)
Other operating income	518	79
Other operating expenses	-	-
Profit/ (Loss) from operations	**53**	**(659)**
Finance income	69	56
Finance costs	(3)	-
Other (losses) and gains – foreign exchange	2	(5)
Profit / (Loss)before taxation	**121**	**(608)**
Tax expense	-	-
Profit/ (Loss) for the period	**121**	**(608)**
Total comprehensive income for the period	**121**	**(608)**

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2011

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED BALANCE SHEET
As at 31 March 2011

	31 March 2011 (unaudited) €'000	31 December 2010 €'000	31 March 2010 (unaudited) €'000
ASSETS			
Non-current assets			
Investment in subsidiaries	138,077	138,028	134,409
Loans receivable from subsidiaries	-	-	776
	138,077	**138,028**	**135,185**
Current assets			
Trade and other receivables	54	39	42
Cash and cash equivalents	345	203	2,282
	399	**242**	**2,324**
TOTAL ASSETS	**138,476**	**138,270**	**137,509**
Non-current liabilities			
Other payables	(256)	(50)	-
	(256)	**(50)**	**-**
Current liabilities			
Trade and other payables	(2,520)	(2,641)	(2,675)
	(2,520)	**(2,641)**	**(2,675)**
TOTAL LIABILITIES	**(2,776)**	**(2,691)**	**(2,675)**
NET ASSETS	**135,700**	**135,579**	**134,834**
EQUITY			
Share capital account	6,268	6,268	6,268
Other distributable reserve	194,817	194,817	194,817
Accumulated loss	(65,385)	(65,506)	(66,251)
TOTAL EQUITY	**135,700**	**135,579**	**134,834**

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 March 2011

Three Months Ended 31 March 2011	Share capital account	Other reserves	Accumulated loss	Total
(unaudited)	€'000	€'000	€'000	€'000
As at 1 January 2011	**6,268**	**194,817**	**(65,506)**	**135,579**
Total comprehensive income for the period	-	-	121	**121**
As at 31 March 2011	**6,268**	**194,817**	**(65,385)**	**135,700**

Year Ended 31 December 2010	Share capital account	Other reserves	Accumulated loss	Total
	€'000	€'000	€'000	€'000
As at 1 January 2010	**6,268**	**194,817**	**(65,647)**	**135,438**
Total comprehensive income for the year	-	-	134	**134**
Share based payments	-	-	7	**7**
As at 31 December 2010	**6,268**	**194,817**	**(65,506)**	**135,579**

Three Months Ended 31 March 2010	Share capital account	Other reserves	Accumulated loss	Total
(unaudited)	€'000	€'000	€'000	€'000
As at 1 January 2010	**6,268**	**194,817**	**(65,647)**	**135,438**
Total comprehensive income for the period	-	-	(608)	**(608)**
Share based payments	-	-	4	**4**
As at 31 March 2010	**6,268**	**194,817**	**(66,251)**	**134,834**

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

NON-CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2011

	Three months ended 31 March 2011 (unaudited) €'000	Three months ended 31 March 2010 (unaudited) €'000
Profit / (Loss) for the period	**121**	**(608)**
Adjustments for:		
Effects of foreign currency	-	5
Finance costs	3	-
Finance income	(69)	(56)
Reversal of impairment on investments in subsidiaries	(49)	-
Reversal of provision against loans receivables from subsidiaries	(469)	-
Charge relating to share based payments	-	4
	(463)	**(655)**
Changes in working capital		
(Decrease) / increase in trade and other receivables	(15)	123
Decrease in trade and other payables	(121)	(249)
Net cash used in operating activities	**(599)**	**(781)**
Investing activities		
New loans advanced to subsidiaries	(113)	(720)
Repayment of loans from subsidiary undertakings	854	-
Net cash from / (used in) investing activities	**741**	**(720)**
Net decrease in cash and cash equivalents in the quarter	**142**	**(1,501)**
Effect of foreign exchange rates	-	(5)
Net decrease in cash and cash equivalents in the quarter	**142**	**(1,506)**
Cash and cash equivalents at the beginning of the quarter	**203**	**3,788**
Cash and cash equivalent at the end of the quarter	**345**	**2,282**
Cash and cash equivalents		
Cash at bank and in hand	345	2,282
Bank overdrafts	-	-
	345	**2,282**