



25 January 2007

Atlas Estates announces three further acquisitions and significant progress in development portfolio

Atlas Estates Limited ("Atlas" or "the Company") today announces that it has acquired three further assets in the Central and Eastern European region and updates the market on the progress of its development assets ahead of its close period which commences on 26 January 2007. The Company will announce its preliminary results for the ten months ended 31 December 2006 on 26 March 2007.

- Acquired properties in Romania, Poland and Slovakia
- 63% of IPO proceeds invested, in line with initial investment targets
- Further €22 million (13%) in solicitors hands
- Amos Pickel to assume role of CEO of the company's portfolio manager, Atlas Management Company Limited (AMC)
- Construction of Hilton Warsaw now complete – will open 1st March 2007
- Building permits received for Platinum Towers and Capital Art Apartments, Warsaw with strong sales at both developments
- Pleasing progress within Hungarian investment portfolio
- Transaction pipeline continues to be strong with further acquisitions in progress

Quentin Spicer, Chairman of Atlas Estates Limited said:

"We are delighted with the progress we have made both in the investment of the IPO proceeds and in delivering on the Company's existing portfolio. We continue to identify many opportunities from an expanding number of sources. These recent acquisitions meet our objectives of structuring a balanced portfolio of income-producing and development assets and of entering new and emerging markets that will deliver strong returns."

Gadi Danker, CEO of Atlas Management Company, said:

"It gives me great pleasure to be handing over the role of CEO of the Property Manager to Amos Pickel. Amos has many years experience of both property investment and development and a particular knowledge of the territories in which we operate. I am very much looking forward to my continued involvement, focussing on exploring new strategic opportunities for Atlas."

Additional Information on the Acquisitions:

I. Solaris Project, Obor District, Bucharest, Romania

The Solaris Project consists of a 32,000 m² plot adjacent to Obor Square, one of Bucharest's main transport hubs and residential areas. The plot sits in a former industrial zone that is currently undergoing a complete transformation to redevelop it for residential and commercial use. Atlas has acquired the freehold ownership of the site for a cash consideration of €14.39 million. The existing buildings will be demolished by the vendors to provide a vacant plot within six months. Atlas intends to develop a mixed residential and retail scheme.

II. Sadowa Office Building, Gdansk, Poland

The Sadowa office building comprises of 6,000 m² net leasable area of recently refurbished office space in the centre of Gdansk in Northern Poland. The property is 91% let, producing net operating income of €630,000, an initial yield of 8.75%. The purchase price is €7.35 million and will be financed by the assumption of an existing loan of €5.55 million and Atlas equity of €1.80 million.

III. Basta Project, Kosice, Slovakia

Atlas has formed a 50/50 joint venture company with Eastfield, the minority partner in its Vajnory project, to acquire strategic sites in major cities in Slovakia. The first acquisition is of a 10,000 m² plot of land in the centre of Kosice, the second largest city in Slovakia with a population of over 240,000. The site has zoning for residential, retail, office and leisure use. Atlas has paid €1.25 million for its 50% interest in the project.

Progress Update:

Warsaw Hilton, Poland

We have completed construction of the Hilton Hotel, Warsaw and an occupancy certificate has been issued by the Warsaw municipality. The final fittings are being installed and tested and Hilton has confirmed that it intends to open the hotel on 1 March 2007. The fitness centre and spa has been handed over to Holmes Place and the casino to Casino Polonia and both will start operating following the opening of the hotel. All ancillary retail units have been let and a management contract signed to operate the car park from 1 March.

Platinum Towers, Warsaw, Poland

We have received a building permit for the two residential towers and expect it to be validated shortly. The Towers will house 380 apartments totalling 24,000 m² alongside the Hilton hotel complex. We have issued tenders for the construction of the towers and an on-site show apartment is open to the public. To date, we have signed reservations for 184 of 196 apartments in the first tower with sales of apartments in the second tower due to commence in the coming weeks.

Capital Art Apartments, Warsaw, Poland

The Capital Art Apartments will provide 850 units with a total of 51,150 m² of residential space, 1,700 m² of commercial space and 850 car parking spaces in the Wola district of Warsaw.

We have received building permits for the first phase of the project comprising 219 apartments. We have started construction and have launched an on-site show apartment and sales office. To date 140 apartments have been reserved and we have had expressions of interest in the remainder of the first phase.

Sales information

The residential market in Warsaw continues to be extremely strong. At both of the above developments we have achieved average prices for the apartments sold to date of over 30% above those projected at IPO. Margins have also increased, but to a lesser extent, as construction costs in the Warsaw market have continued to rise.

Hungary

Ikarus Industrial Park, Budapest, Hungary

Atlas continues to actively manage the park and has increased occupancy of the lettable areas from 62% at IPO to 77%. A significant development has been the approval of grant funding from the Hungarian Government to refurbish a further area of 7,000 m² of warehouse and integral office space. This will provide top quality modern space to meet the demands of the local market. The grant will fund 40% of the €1.40 million cost of the refurbishment. Atlas will start marketing the refurbished space once the design concepts have been finalised and at current market rates expect to add over €300,000 to net operating income.

Ligetvaros Centre, Budapest, Hungary

The Ligetvaros Centre is an established retail and office complex located in the 7th district of Budapest. Occupancy at the 6,300 m² property now stands at 99%, increased from 90% at acquisition. The site has building rights to construct a further 3,600 m² and we have started to build a coffee shop and further office premises.

Volan Project, Budapest, Hungary

The Volan project is a 20,640 m² plot of land in central Budapest in which Atlas has a 50% interest. We have received zoning for the construction of a mixed use scheme comprising 89,000 m² of residential, commercial and leisure accommodation. The design of the scheme is nearing completion.

Management Company changes

The management of the Company's assets is undertaken by AMC. AMC today announces that Amos Pickel, who joined the company in July 2006, has been appointed CEO of AMC effective from 1 February 2007. Mr Pickel was previously CEO of Red Sea Group, a major developer of and investor in property throughout Central and Eastern Europe.

Mr Pickel will succeed Gadi Dankner, who will become Vice Chairman of AMC and join its Investment Committee. In addition, Mr Dankner will assume an active role as Chairman of AMC's Steering Committee, in charge of Atlas's strategic development.

In addition to this, AMC has completed the opening of its management office in Bucharest, Romania.

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Notes to Editors

1. Atlas is a closed-ended property investment company incorporated in Guernsey and listed on the AIM market in London. It specialises in investment in high-quality growth assets in the fast growing economies of Central and Eastern Europe.
2. Atlas Management Company Limited (AMC) is a company whose sole purpose is to manage Atlas assets on their behalf. AMC is a company formed by RP Capital Partners, Elran (D.D.) Real Estate Limited and RI Limited.