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Atlas Estates announces the acquisition of the Golden Tulip Hotel, Bucharest

Atlas Estates Limited ("Atlas" or the "Company") today announces that it has completed the acquisition of the Golden Tulip hotel in Bucharest, Romania. This increases the sum of IPO funds invested by Atlas to date to 71% (excluding those monies used to buy back the company's shares). With the recent completion of the Millennium Plaza acquisition and the opening of the Hilton hotel in Warsaw on 19 March, Atlas now has a significant yielding asset portfolio to sit alongside its residential development programme.

The hotel is located on Calea Victoriei in the heart of the city's hotel district. It is situated in a prime position close to the historical monuments and other tourist attractions of Bucharest.

The hotel was built in 2005 and is rated as 3 to 4 star. It has 82 guest rooms over ten floors, a restaurant, terrace and bar, fitness room and a meeting room suite and targets both business travellers and tourists.

Atlas agreed a price of €12 million and have paid €7.5 million in cash and assumed the existing bank debt of €4.5 million. The Company expects a net operating income of €1.2 million per annum and has received a cash-backed guarantee from the vendor for this sum.

Quentin Spicer, Chairman of Atlas Estates Limited said:
"The acquisition fits with Atlas' strategy of acquiring higher yielding assets that have a good quality income stream and offer the potential for capital growth. This is a quality, modern property that operates a well known franchise and once again we have been able to secure an off market transaction at a very competitive price."

Amos Pickel, Chief Executive Officer of Atlas Management Company Limited said:
"We are delighted to have completed this acquisition. We have bought a high quality asset in a buoyant and growing market. With the combined prospect of income growth and yield compression we are confident that the hotel will produce an impressive total return in the coming years."

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Notes to Editors

1. The Golden Tulip hotel has been open for nearly two years and in 2006 had an occupancy rate of 80%. Average room rates achieved in that period were €75 per night. The management team sees scope to increase this as the hotel becomes more established and as current average room rates in the Bucharest market have reached over €100 per night.
2. Romania, and Bucharest in particular, is seeing a buoyant hotel market. As the capital city of a country of over 23 million inhabitants there is significant internal demand as well as an increasing number of international business visitors and tourists.