



management believes that the Company has sufficient cash to cover its current requirements.

Details of the new equity fund raising and related arrangements are as follows:

- . The Company will issue 10,300,000 new ordinary shares in aggregate at a price of EUR 7 per share. CPI will acquire 4,738,000 shares and Gazit will acquire 5,562,000 shares with the subscription amount being paid at the option of each Investor either in cash or by the transfer to the Company of convertible bonds issued to the Investors by the Company on August 1, 2008 in a principal amount equal to its respective subscription amount.
- . The Investors will deliver 25,066,667 existing warrants to subscribe for ordinary shares (out of a total of 30 million such warrants issued to the Investors on August 1, 2008) to the Company. They will be cancelled for nil consideration, removing the potential dilutive effect of those warrants. No additional warrants will be issued to the Investors in relation to their subscription for 10,300,000 new ordinary shares.
- . Conditional on closing of the subscription for the new shares by the Investors, the Company will acquire from Gazit around EUR 103million in principal amount of the Company's 2006 listed medium term notes (ISIN XS0263871328). The notes have been acquired by Gazit in market purchases over the past year and prior to the Company's buyback programme at a variety of prices and shall be acquired by the Company for a cash amount equal to the aggregate of the prices paid for them in the open market (including dealing costs) by Gazit (which in aggregate is EUR 77.26 million) plus accrued interest on the notes to the date of purchase by the Company.
- . The Investors have deposited certain of the Company's debt securities with the Company as security in respect of their obligation to subscribe for the new shares. The Investors' security deposit covers their commitment to subscribe for the new shares in full.
- . Completion of the subscription for the new shares will take place no later than January 31, 2009.

The new equity fund raising and related arrangements provide Atrium, in the

face of difficult and unpredictable markets, with swift and certain execution of a transaction that should improve Atrium's balance sheet by reducing the amount of the Company's indebtedness and at the same time remove a large portion of the potential dilutive effect of the Company's warrants.

Depending on the form of the consideration paid, as a result of the subscription for the new shares, the Investors and their affiliates will in aggregate be interested in securities of the Company carrying between 27.9 per cent. and 29.96 per cent. of the Company's outstanding voting rights. This compares against a possible total interest of 37.26 per cent. by Investors and their affiliates under the previously proposed rights issue.[1]

In addition, the Company and the Investors have agreed to the following:

- . The Company will seek a listing for its ordinary shares on Euronext Amsterdam by July 31, 2009 in conjunction with which it will seek to list its ordinary shares on the Vienna Stock Exchange in substitution for the listing of the certificates representing its ordinary shares as detailed in the announcement made on November 13, 2008.
- . The Investors will not acquire additional shares or voting rights in the Company, nor exercise any of their warrants, such that their aggregate interest in the Company's voting rights would exceed 30 per cent. before the earlier of August 1, 2009 or the ATC confirming that the mandatory bid requirements contained in the Austrian Takeover Law are not applicable to the Company.
- . The Investors will not dispose of the 10.3 million ordinary shares acquired by them in the equity fund raising before the earlier of August 1, 2009 or the Company's listing on Euronext Amsterdam.
- . The Investors will not, without the consent of the Company, acquire

securities of the Company before August 1, 2010 that would trigger a change of control as defined in the Company's 2006 bonds, so long as at least EUR 180 million (face value) of the bonds remain outstanding.

. The Investors have agreed to waive any warranty and certain other claims that they may have against the Company under the master transaction agreement among the Investors and the Company dated March 20, 2008.

. The Company has confirmed to the Investors that it has no current intention of acquiring its own shares pursuant to the authority granted by shareholders at the extraordinary general meeting of Atrium held in December 2008. However, Atrium reserves the right to request that the Investors permit the Company to make purchases of its own shares in the future. In addition, in light of technical Jersey company law requirements, in the event that the Investors decide to pay for all or some of the new shares by the transfer of 2008 convertible bonds, shareholders will be asked to approve the cancellation of the special voting shares related to those bonds and the Investors have agreed to vote in favour of such cancellation. Prior to the cancellation, the transferors will agree not to vote the relevant special voting shares.

#### Rationale for the transaction

The Company reached the decision to proceed with the new equity fund raising and related matters in place of the proposed rights issue by agreement with the Investors, among other reasons, in light of the following factors:

- . Following the unprecedented volatility and significant deterioration in market conditions experienced globally since March 2008, when agreement was reached regarding Atrium's new management structure and the Investors' initial investment in Atrium and a rights issue was first proposed, the Company's share price has declined from over EUR 7 per share to around EUR 3 per share and reached a low of EUR 1.55 in November 2008. As the rights issue price of EUR 7 per share is significantly above the current market share price, it is very unlikely that existing certificate holders would have taken up the opportunity to subscribe for new shares and therefore Atrium would have been required to rely on the undertaking of the Investors (which is unsecured) to back stop the rights issue, potentially in full. That would have been significantly dilutive to the other existing certificate holders both in terms of their economic and voting rights in the Company.
- . An assessment conducted over recent months by Atrium's new management of the Company's existing development programme has resulted in a significant reduction in the Company's anticipated cash requirements for development purposes. The Company has already used some surplus cash to repurchase indebtedness in recent months and has the appetite to further reduce its indebtedness. Rather than executing the proposed rights issue in full, which would have required Atrium to issue a very significant number of new shares in return for a significant amount of additional cash, the new equity fund raising and related arrangements have the benefits to Atrium of reducing the potential dilutive effect of subscription entitlements on existing shareholders and achieving a better ratio of debt to equity for the Company.
- . Uncertainty has been created regarding the application of the Austrian Takeover Act to Atrium following a letter received by the Company from the Austrian Takeover Commission in late December 2008, in which the Austrian Takeover Commission states that it is contemplating an investigation into the application of the Austrian Takeover Act to the Company during the period of its management by Meinel European Real Estate Limited and requests a response from the Company by January 30, 2009. While Atrium does not believe that it is now subject to the Austrian Takeover Act, the letter from the Austrian Takeover Commission has created a concern that the back-stopping in full of a rights issue by the Investors might have triggered an obligation under the Austrian Takeover Act on the Investors to make a mandatory cash bid for the remainder of the Company's ordinary shares. That was never intended as a consequence of the back-stop obligation nor would it represent an appropriate outcome of the proposed rights issue. Although the Company does not agree with any suggestion

that the Austrian Takeover Act should now impose any mandatory offer requirement, it is highly unlikely that this uncertainty could be satisfactorily resolved by a determination of the Austrian Takeover Commission in enough time to launch and complete a rights issue before the end of January 2009.

Atrium has received financial advice from Kempen & Co Corporate Finance B.V. in relation to the new equity issuance and related arrangements. Decisions in relation to the revised equity fund raising and related arrangements were taken by a committee of the board of the Company consisting of the six directors of Atrium who are independent of the Investors and excluding the four directors of Atrium appointed by the Investors, who did not participate.

Commenting on the transaction, Rachel Lavine, chief executive officer of the Company said: "Given the unprecedented continuing uncertainty and volatility in the capital markets and the uncertainty regarding the application of the Austrian Takeover Act, I am very pleased that the Company has been able to reach agreement on a transaction that includes an appropriate equity subscription by the Investors and a further reduction of the Company's outstanding indebtedness. At the same time the transaction avoids undue dilution of the Company's other shareholders. I believe that the Company remains in a strong position to address the challenges presented by the continuing turbulence in the real estate sector and I am pleased that we are now working towards a listing on the Euronext market in Amsterdam and the associated benefits we believe that will bring for our shareholders."

#### Analysts call

There will be a call for analysts regarding the equity fund raising and related arrangements on 14 January 2009 at 0830 UK / 0930 CET. Please contact Laurence Jones of Financial Dynamics at Laurence.jones@fd.com for the dial in details.

#### Important notice

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Company and its group. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The business, financial condition, results of operations and prospects of the Company and its group may change. Except as required by law or applicable regulation, the Company does not undertake any obligation to update any forward-looking statements, even though the situation of the Company or its group may change in the future. All of the information presented in this announcement,

and particularly the forward-looking statements, is qualified by these cautionary statements.

For further information:

Financial Dynamics: +44 (0)20 7831 3113  
Richard Sunderland

Stephanie Highett Laurence Jones Richard.sunderland@fd.com

----- [1] In each case, assuming that no warrants are exercised by the Investors.

further inquiry note: Financial Dynamics, London Stephanie Highett / Richard Sunderland Phone: +44 (0)20 7831 3113  
mailto:richard.sunderland@fd.com

end of announcement euro adhoc -----

sector publicity: 2009-01-14 08:09:29 - APA OTS- sent

2009-01-14 08:09:30 - APA OTS- sent

2009-01-14 08:09:30 - Bloomberg- sent

2009-01-14 08:09:31 - Bloomberg- sent

Further inquiry note:

Financial Dynamics, London  
Stephanie Highett / Richard Sunderland  
Phone: +44 (0)20 7831 3113  
mailto:richard.sunderland@fd.com

Branche: Real Estate  
ISIN: AT0000660659  
WKN: 066065

Index: Standard Market Continuous  
Börsen: Wiener Börse AG / official market

Original content of: Atrium European Real Estate Limited, transmitted by news aktuell  
Diese Meldung kann unter <https://www.presseportal.de/en/pm/72543/1334968> abgerufen werden.