

Atrium European Real Estate Limited

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EANS-News: Atrium European Real Estate Limited / RECOMMENDED CASH ACQUISITION by Nb (2019) B.V. an indirect wholly-owned subsidiary of Gazit-Globe Limited - ATTACHMENT

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No Keyword

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For immediate release

23 July 2019

RECOMMENDED CASH ACQUISITION
of
Atrium European Real Estate Limited
by
Nb (2019) B.V.
an indirect wholly-owned subsidiary of Gazit-Globe Limited
to be implemented by means of a scheme of arrangement under Article 125 of the
Companies Law

Summary

- * The Independent Committee of the Board of Directors of Atrium European Real Estate Limited ("Atrium") and the board of directors of Nb (2019) B.V. ("Bidco"), which is an indirect wholly-owned subsidiary of Gazit-Globe Limited ("Gazit"), are pleased to announce that they have reached an agreement on the terms and conditions of a recommended cash acquisition (the "Acquisition") of the entire issued and to be issued ordinary share capital of Atrium that is not already owned directly or indirectly by Gazit or its affiliates (including, in particular, Gazit Gaia Limited ("Gaia") and Gazit Midas Limited ("Midas")). The Independent Committee of the Board of Directors intend to recommend unanimously that Atrium Shareholders vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting.
- * Under the terms of the Acquisition, each Scheme Shareholder will be entitled to receive:

for each Scheme Share: EUR 3.75 in cash (the "Offer Price")

- * The Offer Price represents a premium of approximately:
 - o 18.3 per cent. to the Closing Price of EUR3.17 for each Atrium Share on the Last Practicable Date;
 - o 18.0 per cent. to the volume-weighted average price of EUR3.18 for each Atrium Share for the one-month period ended on the Last Practicable Date; and
 - o 15.3 per cent. to the volume-weighted average price of EUR3.25 for each Atrium Share for the three-month period ended on the Last Practicable Date.

- * The Acquisition values the entire issued and to be issued ordinary share capital of Atrium not already owned by Gazit and its affiliates (including, in particular, Gaia and Midas) at approximately EUR565 million and Atrium's entire issued and to be issued ordinary share capital at approximately EUR1.4

billion.

- * As at the date of the Announcement, Gazit and its affiliates Gaia and Midas together own approximately 60.1% of Atrium's issued share capital.
- * The Offer Price is to be paid in cash. However, prior to the Effective Date, Atrium expects to pay a special dividend to all holders of Atrium Shares on the Special Dividend Record Date of up to EUR0.60 per Atrium Share (the "Special Dividend"). To the extent that the Special Dividend is paid prior to the Effective Date, the Offer Price payable by Bidco will be reduced by an amount equal to the amount of such Special Dividend.
- * Save for the Special Dividend, Atrium does not intend to announce, declare, make or pay any dividend or other distribution on or after the date of this Announcement and prior to the Effective Date. If any such dividend or distribution is announced, declared, made or paid during such time, Bidco will reduce the Offer Price by an amount equal to the amount of such dividend or other distribution for each Atrium Share, except where the Scheme Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive and retain such dividend or other distribution. If Bidco makes such a reduction in respect of a dividend or other distribution, Atrium Shareholders will be entitled to receive and retain such dividend or other distribution.
- * It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Article 125 of the Companies Law.
- * Bidco and Atrium have entered into the Implementation Agreement in connection with the Acquisition. The Implementation Agreement regulates certain actions in relation to the Acquisition, and includes a "Go-Shop" provision. Pursuant to the Go-Shop, the Independent Committee of the Board of Directors is entitled for a period of seven weeks following the date of this Announcement to solicit alternative offers from third parties which are superior to the Acquisition. If a Superior Proposal is received, in certain circumstances the Independent Committee of the Board of Directors may rescind its recommendation and recommend the Superior Proposal. If this takes place, Gazit has confirmed to Atrium that it will consider any Superior Proposal in good faith. In certain circumstances, if the Independent Committee of the Board of Directors withdraws, modifies or qualifies its recommendation of the Acquisition or following the satisfaction of the Condition relating to shareholder approval of the Scheme, fails to file documents with the Court or makes statements that it no longer supports the Acquisition, Atrium will be obliged to pay a break fee of EUR10 million to Bidco (the "Break Fee"). Further details of the Implementation Agreement, the Go-Shop and the Break Fee are set out in paragraph 7.
- * The Acquisition will be subject to the Conditions, including the Material Adverse Change Condition, and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document. If Bidco invokes the Material Adverse Change Condition, Bidco will be obliged to pay a break fee of EUR10 million to Atrium (the "Reverse Break Fee"). Further details of the Reverse Break Fee are set out in paragraph 7.
- * The Independent Committee of the Board of Directors has received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein.
- * In addition, Lazard is acting as financial adviser to the Independent Committee of the Board of Directors in relation to the Acquisition.
- * Accordingly, and assuming that there is no Superior Proposal, the Independent Committee of the Board of Directors confirm that they intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and the Atrium Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Independent Committee of the Board of Directors who are interested in Atrium Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 83,691 Atrium Shares. Further details of these undertakings, including the circumstances in which they cease to be binding are set out in Appendix 2.
- * The terms of the Acquisition will be put to the Scheme Shareholders at the Court Meeting and Atrium Shareholders at the General Meeting (which is expected to take place immediately following the Court Meeting). The Court Meeting and the General Meeting are required to enable Atrium Shareholders to consider, and if thought fit, vote in favour of the resolutions to approve the Scheme and its implementation. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing not less than 3/4ths of the total voting rights held by those Scheme Shareholders. In

addition, the Resolution required to implement certain matters in connection with the Scheme must be passed by Atrium Shareholders representing at least two thirds of the votes cast at the General Meeting.

* Full details of the Acquisition will be set out in the Scheme Document. It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will, following the Go-Shop period, be published within 12 weeks of this Announcement. An expected timetable of principal events will be included in the Scheme Document.

* Following the sanction of the Scheme by the Court on the Court Hearing Date, Atrium will effect a series of steps to optimise the group structure (the "Group Optimisation Steps"). Further details of the Group Optimisation Steps are set out in paragraph 7.

* The Acquisition is expected to become Effective on 2 January 2020, subject to satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement.

* Gazit has entered into a binding agreement with Menora Mivtachim Insurance Ltd. ("Menora") to sell on the Effective Date, or shortly thereafter, Atrium Shares with a value of up to EUR150 million (which equates to approximately 12% of the Atrium share capital) at the Offer Price (less any dividend or distribution paid prior to the Effective Date (including the Special Dividend). The agreement with Menora is conditional on the Acquisition becoming Effective.

* Michael Errichetti, a member of the Independent Committee of the Board of Directors of Atrium, said:

"The Independent Committee of the Board of Directors has received an offer from Gazit to purchase the shares of Atrium it does not currently own. The offer is subject to a Go Shop provision and will be conducted through a scheme of arrangement which requires, among other things, the approval of 3/4 or more of the voting rights of those minority shareholders of Atrium present and voting at the Court Meeting, whether in person or by proxy. The Independent Committee of the Board of Directors retained financial and legal advisors to evaluate the offer and negotiate the best possible terms and conditions for minority shareholders. In addition, the Independent Committee of the Board of Directors has received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein. Therefore, the Independent Committee of the Board of Directors unanimously recommends Gazit's offer to shareholders for their consideration."

* Commenting on the Announcement Chaim Katzman, CEO and Chairman of Bidco and of Gazit, said:

"Atrium holds a high quality portfolio, largely located in the capital cities of Poland and the Czech Republic-Warsaw and Prague-and has a strong, experienced management team. Gazit acquired a material stake in Atrium 11 years ago and is familiar with the company, its assets and their embedded potential. Direct ownership over assets such as those held by Atrium furthers our strategy to directly own and improve irreplaceable properties in densely populated urban areas with future growth potential. We are very happy to have Menora Mivtachim join us as a partner in this investment."

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains details of the irrevocable undertakings received by Bidco. Appendix 3 contains the definitions of certain terms used in this summary and the following Announcement.

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Kirkland & Ellis International LLP and Ogier are retained as legal advisers to Gazit and Bidco. Allen & Overy LLP and Appleby are retained as legal advisers to Atrium.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Atrium in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.

Important notices relating to financial advisers

UBS AG London Branch ("UBS") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting as financial adviser to Atrium and no-one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of UBS nor for providing advice in connection with the matters referred to herein. Neither UBS nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Lazard & Co., Limited (which is authorised and regulated by the FCA) and Lazard & Co, GmbH (together, "Lazard") are acting as financial adviser to Atrium in relation to the Acquisition and no-one else in connection therewith and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of Lazard or for providing advice in connection with the Acquisition and other matters referred to herein. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Citigroup Global Markets Limited ("Citi"), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to Gazit and no

one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citigroup Global Markets Limited nor for providing advice in connection with the matters referred to herein. Neither Citigroup Global Markets Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citigroup Global Markets Limited in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Overseas jurisdictions

The ability to participate in the Acquisition for Atrium Shareholders who are not resident in and citizens of the Netherlands, Austria or Jersey may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

The release, publication or distribution of this Announcement in or into jurisdictions other than the Netherlands, Austria or Jersey may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with Jersey law, Dutch law and Austrian law and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the Netherlands, Austria and Jersey. Jersey law will apply in respect of the Acquisition.

Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving those documents must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

This announcement does not constitute an offer of securities in the state of Israel.

US Holders

US Holders should note that the Acquisition relates to the securities of a Jersey company listed on the Amsterdam Stock Exchange and the Vienna Stock Exchange and is subject to Dutch, Austrian and Jersey disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act, and the proxy solicitation rules under the US Exchange Act will not apply to the Acquisition. The Scheme will be subject to Dutch, Austrian and Jersey disclosure requirements and practices, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Atrium Shareholder is urged to consult his independent professional adviser immediately regarding the tax

consequences of the Acquisition applicable to him.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and Atrium are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Forward looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Bidco, Gazit and Atrium contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco, Gazit and Atrium about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Bidco, Gazit and Atrium, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Bidco, Gazit and Atrium believe that the expectations reflected in such forward-looking statements are reasonable, Bidco, Gazit and Atrium can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, Gazit and Atrium operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco, Gazit and Atrium operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco, Gazit nor Atrium, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco nor Atrium is under any obligation, and Bidco, Gazit and Atrium expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to

mean that earnings or earnings for each share for Bidco, Gazit or Atrium, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings for each share for Bidco, Gazit or Atrium, as appropriate.

Publication on website

A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Atrium's website at <https://www.aere.com/pressreleases.aspx> [<https://www.aere.com/pressreleases.aspx>] and on Gazit's website at [www.https://www.gazitglobe.com/investor-relations/news-and-updates.com](https://www.gazitglobe.com/investor-relations/news-and-updates.com). For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

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end of announcement

euro adhoc

Attachments with Announcement:

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