Atrium European Real Estate Limited

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DEBT REPURCHASE, EQUITY ISSUANCE, CORPORATE GOVERNANCE MEASURES AND NEW DIVIDEND POLICY Jersey, 3 September 2009: Atrium European Real Estate Limited ("Atrium" or the "Company") (Euronext / ATX: ATRS), a leading real estate company focused on shopping centre investment, management and development in Central and Eastern Europe, announces the proposals described in this announcement (together, the "Proposals") to strengthen its balance sheet, reduce its debt, increase its equity and improve its corporate governance consistent with its previously stated and on-going strategy. The Proposals require the approval of certain resolutions by shareholders at an extraordinary general meeting ("EGM").

Atrium has agreed with Citi Property Investors ("CPI") and Gazit Globe Limited ("Gazit" and, together with CPI, the "Investors"), to exchange in aggregate 144,853,705 new ordinary shares of the Company and approximately EUR9.3 million in cash for the following:

. all the Investors' and their affiliates' 10.75% subordinated convertible securities (the "Convertible Bonds");

. all the Investors' and their affiliates' warrants to subscribe for ordinary shares (the "Warrants");

. the removal and/or reduction of certain significant rights held by the Investors under the relationship agreement (the "Relationship Agreement") entered into at the time of the Investors' original investment and approved by shareholders on 16 July 2008 (for details see annex attached); and

. the special voting shares issued to the Investors in connection with the issue of Convertible Bonds (the "Special Voting Shares") (together, the "Exchange Transaction").

Following closing of the Exchange Transaction, Atrium proposes to:

. make a partial tender offer for the listed Notes issued under the Company's 2006 guaranteed medium term programme (the "2006 Notes") at 95% up to a maximum amount of EUR120 million in nominal value of the 2006 notes;

. pay a special dividend of EUR0.50 per ordinary share (the "Special Dividend"); and

. commence a dividend policy of EUR0.12 per ordinary share per year, payable in quarterly instalments.

The board has approved the Proposals on the unanimous recommendation of a committee comprising the Company's independent directors, chaired by Dr Peter Linneman and advised by Kempen & Co Corporate Finance B.V. Directors appointed by the Investors did not participate in the vote of the board approving the Proposals.

The Company will shortly publish a circular including a notice to convene the EGM to allow shareholders to vote on the required resolutions.

The Investors, who currently hold in aggregate 29.7% of the voting rights of the Company, have committed to vote in favour of the resolutions. On closing of the Exchange Transaction, the Investors will in aggregate own 48.6% of the Company's issued ordinary shares, carrying 48.6% of the voting rights in the Company.

The board believes that the benefits to the Company and its shareholders of the Proposals include the following:

. a total saving of EUR176 million from 1 October 2009 or EUR46 million per year, equivalent to EUR0.12 per ordinary share per year (assuming 372,052,992 ordinary shares in issue), in future interest payments on the Convertible Bonds until August 2013 when the Convertible Bonds would otherwise first become redeemable. This saving would increase to a total of EUR268 million if the Convertible Bonds were held to maturity in August 2015;

. a total saving of EUR29.3 million or EUR7.7 million per year from 1 October 2009 to maturity, equivalent to EUR0.02 per ordinary share per year (assuming 372,052,992 ordinary shares in issue), in future interest payments on the 2006 Notes until maturity in August 2013, assuming the partial tender is accepted in full;

. a reduction in the Company's average borrowing rate of interest from 7.62% to 5.65%, following the exchange of the Convertible Bonds, and to 5.49%, assuming the partial tender is accepted in full;

. an improvement in the Company's cash flow which will allow immediate and future cash returns through the payment of the Special Dividend and future dividends to all shareholders;

. a stronger and more efficient balance sheet with significantly decreased leverage;

. a reduction of leverage that will create room for Atrium to raise new financing on more attractive terms;

. a large increase in equity value, resulting in the stronger alignment of the Investors' interests, given their increased equity stake, with those of the Company's other shareholders; and

. an improved corporate governance structure, more autonomy for the board and a clear mechanism for the reduction of the number of seats the Investors have on the Company's board in relation to their shareholding, coupled with an agreement to cancel all terms of the Relationship Agreement, should the Investors' shareholding fall below 20,000,000 shares.

Shareholder approval is required for resolutions to make Atrium a no par value company, to facilitate the issuance of the new ordinary shares and to make certain changes to the Company's articles of association ("Articles"), including in relation to the rights of the Investors to appoint directors and to facilitate payment of the Special Dividend and implementation of the proposed on-going dividend policy. Closing of the Exchange Transaction is also subject to the obtaining of applicable anti-trust clearances.

The Company expects that, subject to obtaining the relevant shareholder approvals and applicable anti-trust clearances, the Exchange Transaction will close by year end.

Further details of all these actions are set out below.

Rachel Lavine, chief executive officer of the Company, commented today: "We have been actively looking at ways to strengthen our balance sheet through the reduction of the Company's debt, enhance the Company's cash flow and improve Atrium's corporate governance structure.

"The 2008 10.75% convertible bonds and related arrangements are key issues which need to be addressed, particularly given our reduced capital expenditure requirements in the current financial environment. I therefore view the fact that we have been able to reach agreement with the Investors to buy in this debt and rework the Relationship Agreement in favour of the Company as very positive for Atrium, especially when combined with the other actions and transactions we are announcing today. We expect the Proposals to put us in a strong position to take advantage of acquisition opportunities by utilising our cash and/or by raising debt which is both cheaper and less restrictive. We believe it is a further clear demonstration of how we are creating a solid platform for future growth."

Peter Linneman, chairman of the committee of independent directors which recommended the Proposals, added: "The Proposals we are announcing today provide a number of significant benefits for the Company. Our interest burden will be reduced significantly and our corporate governance structure improved. Importantly, they will also mean that the interests of the Investors are fully aligned with all other shareholders, as they will now be major holders of the Company's equity rather than its debt."

"I expect there to be a number of significant benefits for the Company as a result of the Proposals which include putting the Company in a position to implement an on-going dividend policy and pay the Special Dividend, underlining our commitment to delivering real value for shareholders. I am of the firm belief that the package we have announced today is another significant step forward for the Company and we feel encouraged by the significant equity increase the Investors will make."

Analyst call

There will be a call for analysts regarding the arrangements described in this announcement on 3 September 2009 at 0830hrs UK / 0930 hrs CET. Please contact Laurence Jones of Financial Dynamics at Atrium@fd.com for the dial in details.

For further information:

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BACKGROUND

In August 2007, the previous management of the Company began a strategic review to identify and implement improvements to the Company's management, corporate governance and reporting arrangements and processes, as well as a review of the Company's capital and financing structure. The investment and restructuring package proposed by the Investors, which was announced in March 2008, subsequently approved by shareholders on 16 July 2008 and implemented in August 2008, was seen as an opportunity for the Company to bring about change in a significantly shorter time-frame than it could achieve on its own and to satisfy the Company's funding requirements at that time.

Terms of the arrangements in 2008 included the Investors making an immediate EUR500 million investment in the Company through the acquisition of convertible bonds with a 10.75% coupon at a time when the 'credit crunch' had significantly reduced the availability of commercial financing. It was also a condition of their investment that the Investors were provided with significant consent and information rights under the terms of the Relationship Agreement with the Company.

On completion of this transaction in August 2008, the Company's new internalised management, under the leadership of Rachel Lavine, conducted an assessment of the Company's existing development pipeline and the returns it would be likely to generate, if at all, in light of the global financial crisis. This resulted in a rationalisation of the Company's development pipeline, and consequently a reduction in the Company's anticipated cash requirements for development purposes.

In January 2009, in place of the rights issue contemplated at the time of the Investors' initial investment, the Company negotiated arrangements with the Investors to place 10,300,000 shares in a partial exchange of EUR72,100,000 in nominal value of Convertible Bonds and a corresponding reduction in the voting rights attached to the Special Voting Shares and the cancellation of 25,066,667 Warrants of the 30,000,000 Warrants then held by the Investors.

In addition, since August 2008, the Company has purchased in aggregate EUR366 million nominal value of 2006 Notes and EUR60 million nominal value of the Convertible Bonds.

The Company's management has focussed on strengthening the Company's balance sheet, enhancing cash flow as well as improving corporate governance and believes it is necessary to address the significant interest burden posed by the Convertible Bonds and reduce the control rights held by the Investors through the Relationship Agreement. In addition, the Proposals will simplify Atrium's voting structure and mean that one share equals one vote. This puts Atrium in an improved position to achieve further growth, either organically or by utilising its strong cash position, and, if required, by raising less expensive and less restrictive debt, to take advantage of acquisition opportunities.

DETAILS OF THE PROPOSALS

Exchange of Convertible Bonds, Warrants and Special Voting Shares

The Company has agreed with the Investors to exchange the outstanding EUR427.9 million in principal amount of the Convertible Bonds and 4,933,333 Warrants held by the Investors for an aggregate consideration of 144,853,705 new ordinary shares of the Company and approximately EUR9.3 million in cash. The Company will pay interest on the Convertible Bonds until the earlier of the closing of the Exchange Transaction and 30 September 2009. As part of the exchange, the outstanding 8,043 Special Voting Shares held by the Investors will be repurchased by the Company for a nominal consideration and cancelled.

The buyback of the Convertible Bonds from the Investors will result in a saving of EUR46 million per year equivalent to EUR0.12 per share per year (assuming 372,052,992 shares in issue) for the Company in future interest payments on the Convertible Bonds until 2013 when the Convertible Bonds first become redeemable, or a saving of EUR268 million if they were to be held to maturity in 2015.

The new ordinary shares to be issued to the Investors will be subject to a six month lock up from the date of closing of the Exchange Transaction, subject to customary exceptions including the pledge of the shares as security. The Company intends to apply for the new ordinary shares to be listed on the Vienna Stock Exchange and NYSE Euronext Amsterdam.

Amendments to the Relationship Agreement and the Articles

The Investors have agreed to the removal or reduction of many of the consent rights contained in the Relationship Agreement, in order to enhance the board's autonomy. In addition, it is proposed that the existing rights of the Investors under the Articles to appoint certain directors be removed and replaced with new rights to appoint certain directors to reflect the fact that they will hold only ordinary shares.

A summary of the proposed amendments to the Relationship Agreement and the changes to the Articles are included in the annex to this announcement.

Special Dividend

The Company proposes to pay the Special Dividend to the holders of its ordinary shares of EUR0.50 per ordinary share.

The record date for the entitlement to the Special Dividend and the payment date will be set and announced after closing of the Exchange Transaction. The new ordinary shares to be issued to the Investors and all currently issued shares will be entitled to the Special Dividend.

Dividend policy

Subject to closing of the Exchange Transaction, the Company intends, with effect from the fourth quarter of 2009, and subject to legal and regulatory requirements and restrictions and commercial viability, to distribute EUR0.12 per ordinary share per year payable in quarterly instalments to the holders of its ordinary shares.

Partial tender offer for the 2006 Notes

The Company also intends to launch a partial tender offer of the 2006 Notes at a price of EUR95 for every EUR100 in nominal amount, capped at EUR120 million in nominal amount. Acceptance in full of the tender offer would save the Company EUR7.7 million per year, or EUR29.3 million in total, in interest payments until maturity in August 2013. Further details of the tender offer, which is expected to be launched following closing of the Exchange Transaction, will be announced in due course.

Conditions precedent

The Exchange Transaction is subject to fulfilment of a number of conditions. These include the passing of certain resolutions by shareholders of the Company at an EGM and anti-trust clearances. The remainder of the Proposals are conditional upon the closing of the Exchange Transaction.

Extraordinary General Meeting

The Company will shortly convene an EGM at which resolutions will be proposed to:

. make Atrium a no par value company to facilitate the issue of new ordinary shares;

. amend the Articles to extend certain shareholder rights and to replace the existing rights of the Investors to appoint certain directors with new rights dependent on their holding of ordinary shares;

. amend the Articles to facilitate the payment of dividends by the Company out of its capital reserves, including the Special Dividend, payment of which is conditional onclosing of the Exchange Transaction; and

. approve a resolution to authorise the Company to purchase up to 50 million ordinary shares of the Company, to replace the existing authority to acquire up to 50 million of the Company's Austrian Depository Certificates, now that the ordinary shares are listed on the Vienna Stock Exchange and Euronext Amsterdam.

The circular, which will include the notice convening the EGM and provide further details of the matters to be considered, will be made available on the Company's website (www.aere.com) at the time of its publication.

Interests of the Investors in the Company

Following the Exchange Transaction, the Investors and their affiliates will own in aggregate 48.6% of the shares of the Company carrying 48.6% of the Company's outstanding voting rights. The remaining outstanding Special Voting Shares held by the Investors will be acquired and cancelled by the Company on closing of the Exchange Transaction pursuant to the existing shareholder repurchase authority.

The Investors have confirmed to the Company that, for a period of twenty months after closing of the Transaction for so long as EUR100 million or more in principal amounts of the Company's 2006 Notes remain outstanding, the Investors and their affiliates will not acquire securities of the Company that would result in their aggregate ownership of the Company triggering a change of control for purposes of the 2006 Notes.

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, including in relation to the closing of the transactions described in this announcement and their potential effect, payment of the Special Dividend and the proposed dividend policy of the Company. 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. This press release appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.

Atrium is established as a closed-end investment company domiciled in Jersey. Atrium is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66

of the Financial Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.

ANNEX: SUMMARY OF PROPOSED CHANGES TO THE RELATIONSHIP AGREEMENT AND ARTICLES RELATIONSHIP AGREEMENT CHANGES CONSENT RIGHT REMOVED: . If total indebtedness of the Company and its group is at any time to exceed 60 per cent. of the value of the Company and its group's real estate portfolio (including both investment properties and developments in progress) as shown in the books of account of members of the Company and its group and calculated on a consolidated basis; . Any change in either the memorandum or articles of association of any member of the Company or its group which affects the rights and obligations of the Investors; . Any liquidation, winding up, moratorium, dissolution, consolidation or amalgamation in any jurisdiction of the Company or any member of its group, any appointment of a receiver, administrator, administrative receiver, trustee or similar officer to, and any corporate restructuring of, the Company or any of member its group; . Any material commitment or incurring of liability by the Company or its group outside of the ordinary course of business of the Company and its group; . Any commitment or incurring of liability or obligation by the Company in excess of EUR200 million and any increase in an existing commitment or liability or obligation of any Company by more than EUR200 million; . The payment of any dividend or distribution or purchase or redemption or buy- back or repayment of any capital instrument of the Company or its group; . Any change to the structure of the board of directors of the Company (which does not include changes to the identity of the persons appointed as directors of the Company), save for the annual election or re-election of independent directors by the shareholders; . Any change to the share capital of the Company; . The selection of a venue for the re-listing of the ordinary shares or certificates; . The appointment of any auditor to the Company other than KPMG, Deloitte, Ernst & Young or PricewaterhouseCoopers.

CONSENT RIGHT ALTERED TO A SPECIAL RESOLUTION OF SHAREHOLDERS AS A WHOLE AND TO BE INCLUDED IN THE ARTICLES . Any material change in the business of the Company or its group, which is to own, manage and develop retail real estate assets in Central and Eastern Europe; . Issuance of new equity or capital by the Company or a member of its group, including ordinary shares (whether fully or partly paid), certificates, rights, options or warrants to purchase ordinary shares or certificates and other convertible or quasi-equity securities, and any issuance of shares, certificates, rights, options or warrants to purchase shares or certificates and any other convertible or quasi-equity securities issued by the Company;

CONSENT RIGHT RETAINED BUT INCREASED TO 20% OF THE COMPANY'S GROSS ASSET VALUE

. The sale or financing in a single or series of transactions directly or indirectly of more than 10 per cent. of the net assets of the Company at that time calculated on a consolidated basis;

. The acquisition of any assets (including any investment in or acquisition of, shares or securities issued by a person, any making of capital contribution to any person, any investment in or acquisition of, any business or whole or part of the assets of business of any person or any assets constituting a division or operating unit of the business of any person) in a single or series of transactions directly or indirectly which in any of the forgoing cases has an aggregate value equal to or greater than 10 per cent. of the net assets of the Company and its group at that time calculated on a consolidated basis;

. The entry into any agreement or arrangement or commitment to enter into or to obtain an option to enter into by the Company of any material joint venture, material partnership, material consortium or other similar arrangement where materiality shall be measured by reference to an amount equal to 10 per cent. of the net asset value of the Company immediately prior to the relevant action occurring.

CONSENT RIGHT RETAINED

. The entry into any agreement or arrangement or commitment to enter into or to obtain an option to enter into by the Company or any member of its group, any material transaction with either of the Investors or any of their respective affiliates, where materiality shall be measured by reference to an amount equal to 10 per cent. of the net asset value of the Company immediately prior to the relevant action occurring;

. Any change in the tax jurisdiction of the Company that would have a material adverse impact on shareholders;

. The appointment or replacement of the Chief Executive Officer of the Company and clarified so that appointment includes the appointment of an interim CEO.

The Relationship Agreement will terminate if the Investors hold in aggregate less than 20,000,000 ordinary shares.

Subject to the passing of a special resolution of the shareholders, the existing rights of the Investors under the Articles to appoint certain directors and officers will be terminated and new rights will be given to the Investors to reflect the fact that they will hold only ordinary shares, so that they may appoint:

. four directors, the chairman and a majority of the nomination committee for so long as they hold in aggregate at least

80,000,000 ordinary shares;

. three directors with at least 60,000,000 ordinary shares;

. two directors with at least 40,000,000 ordinary shares;

. one director with at least 20,000,000 ordinary shares; and in addition

. the Investors may determine the chairman of the board of directors and a majority of the nomination committee for so long as they hold an aggregate of at least 55,000,000 ordinary shares.

Notes to Editors: About Atrium European Real Estate Limited

Atrium is a leading real estate company focused on shopping centre investment, management and development in Central and Eastern Europe. As at 30 June 2009 the Group owned 152 standing investments, with a market value of EUR1.49 billion, diversified across eight countries with a total gross lettable area of 1.1 million sqm. Geographically, the Group's focus is principally concentrated in Poland, the Czech Republic and Russia with a presence in Hungary, Romania, Slovakia, Latvia and Turkey. In addition, the Company has a development portfolio including several development projects with a market value of EUR712 million as at 30 June 209.

Gross rental income from investment properties for the year ended 31 December 2008 was EUR134 million and EUR75 million for the first half of 2009. Net rental income for the year to 31 December 2008 amounted to £95 million and EUR59 million for the six months to 30 June 2009. As at 30 June 2009, the Company had a cash position of EUR855 million against borrowings of EUR1.08 billion.

Following a strategic investment of EUR500 million by a Citi Property Investors and Gazit Globe Ltd joint venture, agreed in August 2008, Rachel Lavine was appointed Chief Executive Officer of Atrium. Rachel Lavine has significant experience of both real estate and the CEE region and was previously President and CEO of Plaza Centres. The Board is chaired by Chaim Katzman, founder of Gazit Globe, which has extensive global experience of real estate management and is one of the largest owners of shopping centres in the world.

The Company is based in Jersey and dual listed on the Vienna and Euronext Amsterdam Stock Exchanges under the ticker ATRS.

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Further inquiry note:

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