ATLAS ESTATES LIMITED
CONDENSED CONSOLIDATED QUARTERLY REPORT
FIRST QUARTER 2016

Atlas Estates Limited
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Company number: 44284

ATLAS ESTATES LIMITED

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Financial Highlights

Selected Consolidated Financial Items	Three months ended 31 March 2016 (unaudited) €'000	Year ended 31 December 2015 (audited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Revenues	8,305	58,662	7,803
Gross profit	3,285	21,333	3,165
Decrease in value of investment properties	-	(5,515)	-
Profit from operations	1,612	3,111	1,314
(Loss)/ Profit before tax	(444)	21,579	6,322
(Loss)/ Profit for the period	(348)	22,770	6,778
(Loss)/ Profit attributable to owners of the parent	(348)	22,770	6,778
Cash flow from operating activities	(2,625)	10,158	2,075
Cash flow from investing activities	1,276	693	(430)
Cash flow from financing activities	(2,656)	(13,576)	(3,178)
Net decrease in cash	(3,883)	(2,363)	(632)
Non-current assets	184,517	184,972	203,893
Current assets	37,407	40,474	63,221
Total assets	222,532	229,614	274,251
Current liabilities	(88,565)	(93,073)	(196,438)
Non-current liabilities	(68,497)	(70,647)	(22,922)
Total liabilities	(157,062)	(163,720)	(219,360)
Basic net assets (1)	65,470	65,894	54,891
Number of shares outstanding	46,852,014	46,852,014	46,852,014
(Loss)/ Profit per share (eurocents)	(0.7)	48.6	14.5
Basic net asset value per share (€)	1.4	1.4	1.2

(1) "Basic net assets" represent net assets value as per the consolidated balance sheet

ATLAS ESTATES LIMITED

Chairman's Statement

Dear Shareholders,

I am pleased to announce the unaudited condensed consolidated quarterly report of Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the quarter ended 31 March 2016.

In the current financial market conditions key priorities are enhancing liquidity, gaining access to capital as well as acquisition of new land banks. All of these objectives are vital for operations as they will underpin our drive to progress the projects we currently have under development through to completion, whilst at the same time supporting growth of the operations.

Despite the challenging environment the Group was able to achieve several key objectives:

- the residential projects that the Group is currently developing in Warsaw (*Capital Art Apartments III & IV, Apartamenty przy Krasińskiego* and *Concept House*) were successful and their sales are nearly complete;

- in the fourth quarter of 2015 the Group has commenced construction of the second stage of *Apartamenty przy Krasińskiego* development project in Warsaw. In February 2016 the Group secured bank financing for this new project.

Reported Results

As of 31 March 2016 the Group has reported basic net assets of €65.5 million. There has been no significant movements in the basic net assets as compared to 31 December 2015.

The increase of basic net asset value by €10.9 million from €54.9 million as at 31 March 2015 is primarily a result of:
- the settlement reached in June 2015 by the Group with the bank financing its two projects in Romania (part of *the portfolio of cross collateralised banking facilities*) based on which the Group received €22.2 million discount on the repayment of the outstanding loan facilities, offset by:
- €5.5 million fair value losses on investment properties recorded as at 31 December 2015; and
- €5.5 million foreign exchange losses recorded from the second quarter 2015 till the first quarter 2016.

Loss after tax amounts to €0.3 million for the three months period ended 31 March 2016 as compared to profit after tax of €6.8 million for the three months period ended 31 March 2015. The significant change of the noted results was mainly a joint effect of:
- movements in the foreign currency exchange differences from gain of €5.8 million for the first quarter 2015 to loss of €0.1 million for the first quarter 2016 mainly as a result of the appreciation of the local currencies against the EURO in the first quarter 2015 as compared to fairly stable exchange rates in the first quarter 2016,
- increase of finance costs from €1.0 million in the first quarter of 2015 to €2.0 million in the first quarter of 2016 mainly due to loss on the derivative instrument associated with Hilton bank loan facility.

Financing, Liquidity and Forecasts

The Directors consider that the current outlook presents operating as well as financing challenges in which the Group operates.

The Group's forecasts and projections have been prepared taking into account the economic environment and its challenges and mitigating factors. These forecasts incorporate management's best estimate of future trading performance, potential sales of properties and the future financing requirements of the Group.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and to manage its loan facilities for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information for the three months ended 31 March 2016, as set out in accounting policies to the condensed consolidated financial information.

Investing Policy

Atlas mainly invests in Poland in a portfolio of real estate assets across a range of property types. The Group also operates in the Hungarian, Romanian and Bulgarian real estate markets.

We actively target Poland, where the economy is believed to be the most attractive amongst CEE economies.

We invest both on our own and, where appropriate, with joint venture partners in residential, industrial, retail, office and leisure properties in order to create an appropriately balanced portfolio of income-generating properties and development projects.

We may employ leverage to enhance returns on equity. Wherever possible, the Directors intend to seek financing on a non-recourse, asset by asset basis. The Company has no set limit on its overall level of gearing. However, it is anticipated that the Company shall employ a gearing ratio of up to 80% of the total value of its interest in income-generating properties within its property portfolio.

Net Asset Value ("NAV") and Adjusted Net Asset Value ("Adjusted NAV")

In the three months to 31 March 2016, NAV per share, as reported in the interim condensed consolidated financial information, which has been prepared in accordance with International Financial Reporting Standards ("IFRS"), has been stable and amounts to €1.4 per share as at 31 December 2015 and as at 31 March 2016.

As in the previously reported quarterly results, the Adjusted NAV per share, which includes valuation gains net of deferred tax on development properties held in inventory and land held under operating lease, has not been included. The Adjusted NAV per share is calculated on an annual basis when the market valuation of the Group's assets portfolio takes place.

Prospects

With the ongoing economic recovery in Poland we also focus on driving our sales activities in several residential projects in Warsaw as presented in the Review of the Property Manager.

Mark Chasey
CHAIRMAN
13 May 2016

Review of the Property Manager

In this review we present the financial and operating results for the three months ended 31 March 2016. Atlas Management Company Limited ("AMC") is the Property Manager appointed by the Company to oversee the operation and management of Atlas' portfolio and advise on new investment opportunities. At 31 March 2016, the Company held a portfolio of eighteen properties comprising eight investment properties of which five are income yielding properties, two are held for capital appreciation and one is held for sale, two hotels and eight development properties.

It could be a long road to recovery for the real estate market in Central & Eastern Europe (CEE). As a result of these uncertainties and changing conditions, management has taken measures to mitigate risks across the portfolio. This has included reducing costs and staffing levels and putting on hold higher risk investment activity. Nevertheless, key development projects have been completed on time and several new developments have commenced.

Markets and Key Properties

Poland

This is the major market of operation for the Group, with 85% (by value) of the Group's portfolio located there. The Polish economy has been one of most resilient economies in Europe with GDP growth of 3.6% in 2015 (3.6% expected in 2016).

Hilton Hotel, Warsaw

The Hilton hotel in the Wola district of Warsaw is the Group's flagship asset. The hotel is continuously performing at an outstanding level.

Platinum Towers and Atlas Estates Tower

Platinum Towers **-** with its construction finished, all apartments and penthouses have been sold. This residential development alongside the Hilton hotel provides a unique development in the city. The plan is also to build a mixed use (residential and office) Atlas Estates Tower, on the neighbouring plot, which will further enhance the attractiveness of this site.

Capital Art Apartments

The *Capital Art Apartments* project in Warsaw is another development in Warsaw close to the city centre. It is a four stage development with 784 apartments as well as parking and amenities, including retail facilities. As of 31 March 2016 only 4 apartments and 10 retail units were available for sale.

Concept House

The *Concept House* project is a development in the Mokotów district of Warsaw. It consists of 160 apartments in the city with parking and amenities, including retail facilities.

The construction of the development was completed in 2013 and as of 31 March 2016 only 3 apartments and 2 retail units are unsold.

Apartamenty przy Krasińskiego (the first stage) and **Apartamenty przy Krasińskiego II** (the second stage)

Apartamenty przy Krasińskiego project is a development in the Żoliborz district of Warsaw.

The first stage of this development includes 303 apartments as well as parking and amenities and retail facilities. The construction of the first stage was completed in 2013. As of 31 March 2016 all apartments were sold and only 4 retail units were available for sale.

Apartamenty przy Krasińskiego II is the second stage of this successful development project. This stage will release approximately 123 apartments as well as parking and retail facilities. The construction commenced in November 2015.

Nakielska Apartment Project

Nakielska Apartment Project is a residential development that will consist of two stages which will release around 240 apartments as well as parking and retail facilities.

Other properties in Poland

The Group also owns two investment properties in Poland.

The *Millennium Plaza* is a 39,138 sqm office and retail building centrally located in Warsaw with occupancy rate of 80% as of 31 March 2016 (81% as of 31 December 2015).

The *Sadowa* office building is a 6,872 sqm office building in Gdańsk. During the last 12 months its occupancy ratio reduced (from 100% as of 31 March 2015 to 55% as of 31 December 2015 and 56% as of 31 March 2016). The Company is actively looking for new tenants.

Hungary

In Hungary, the Group's portfolio is comprised of three properties, all of which are located in Budapest. One of them has been classified as an asset held for sale – as disclosed in note 14 of the quarterly consolidated financial information. In 2016 the Group completed the sale of Hungarian property (Metropol) as disclosed in note 18.

The Hungarian economy has suffered from the global credit crisis and lack of liquidity available for development projects. As a result, Atlas has stopped development activity and has experienced client losses and pricing pressures affecting its income yielding assets. In 2015 GDP increase of 2.9% was noted (in 2016 an increase in GDP of 2.3% is expected).

Romania

The Group's portfolio contains three properties in Romania, including the *Golden Tulip* hotel and two significant land banks. The Romanian GDP increased by 3.7% in 2015 (in 2016 an increase in GDP of 4.2% is expected). Despite the difficult trading conditions, occupancy rates at the Golden Tulip improved from 50% for the three months ended 31 March 2015 to 56% for the three months ended 31 March 2016.

Bulgaria

The Group holds one property in Bulgaria, which is a ca. 3,500 sqm office building in Sofia.

Financial Review

The on-going analysis of the economics of the region and the key measures of the sectors in which the Group operates are vital to ensure it does not become over exposed to, or reliant on, any one particular area. AMC evaluates the risks and rewards associated with a particular country, sector or asset class, in order to optimise the Company's return on investment and therefore the return that the Company is able to deliver to Shareholders over the longer term.

Portfolio valuation and valuation methods

A valuation of the entire property portfolio is carried out on an annual basis by external and internal experts. The internal valuations calculated by the Property Manager concerned only development projects in Warsaw. The results of these internal valuations were not reflected in net assets as presented in the consolidated statement of financial position since these projects are classified as inventory. The latest independent valuation was performed on 31 December 2015 and has been used in the interim condensed consolidated financial information at 31 March 2016.

As of 31 December 2015 the following external independent qualified experts were engaged:
- Jones Lang LaSalle responsible for the valuation of properties located in Poland and Romania,
- FHB Ingatlan Zrt responsible for the valuation of properties located in Hungary.

Loans and valuations

As at 31 March 2016, the Company's share of bank debt associated with the portfolio of the Group was €134 million (31 December 2015: €137 million; 31 March 2015: €172 million). Loans and valuations may be analysed as follows for those periods in which valuations were undertaken (please note that the most recent valuation was performed as of 31 December 2015):

	Loans	**Valuation**	**LTV Ratio***	**Loans**	**Valuation**	**LTV Ratio***	**Loans**	**Valuation**	**LTV Ratio***
	31 March 2016			**31 December 2015**			**31 March 2015**		
	€ millions	€ millions	%	€ millions	€ millions	%	€ millions	€ millions	%
Investment property	82	81	101%	84	85	99%	116	100	116%
Hotels	52	87	60%	53	87	61%	56	91	62%
Total	**134**	**168**	**80%**	**137**	**172**	**80%**	**172**	**191**	**90%**

**LTV Ratio- Loan to Value Ratio*

The valuations in the table above differ from the values included in the consolidated balance sheet as at 31 March 2016, 31 December 2015 and 31 March 2015 due to the treatment under IFRS of land held under operating leases and development property.

LTV ratio of investment property decreased from 116% as of 31 March 2015 to 99% as of 31 December 2015 mainly as a result of the settlement reached with the bank financing Romanian land bank investments (as disclosed below – Debt financing). The slight increase of LTV to the level of 101% as of March 2016 is an effect of the sale of Metropol - Hungarian subsidiary (as described in note 18).

LTV ratio of hotels slightly decreased from 62% as of 31 March 2015 to 60% as of 31 March 2016 mainly due to partial repayments of the loans.

The gearing ratio is 64% based upon net debt as a percentage of total capital (net debt plus equity attributable to equity holders). The ratio remained stable as compared to 31 December 2015 (64%) and decreased significantly as compared to 31 March 2015 (73%) mainly due to the settlement reached with bank financing Romanian land banks in the second quarter of 2015 as well as significant profit realized in the development segment due to sale of apartments in *Capital Art Apartments* project in the last quarter of 2015.

Debt financing

Repaid loans

In June 2015 the Group reached a settlement with the bank financing its two projects in Romania (*part of portfolio of cross collateralised banking facilities*) based on which the Group received €22.2m discount on the repayment of the outstanding loan facility. The Group could be obliged to pay an additional amount to the bank in connection with this transaction upon closing of disposal of *Millennium Plaza*. The additional amount is calculated as follows:

a. the amount by which net proceeds from the disposal of *Millennium Plaza* exceed the outstanding debt facility at the time of disposal constitute “Excess Disposal Proceeds”;
b. the additional amount shall be the sum of:
    - 100% of Excess Disposal Proceeds not exceeding €10.0 million,
    - 50% of Excess Disposal Proceeds exceeding €10.0 million.

Currently this additional amount is expected to be €nil.

In November 2015 the Group sold Ligetvaros office building in Hungary (*part of portfolio of cross collateralised banking facilities*) and consequently settled the outstanding loan facility extended to this project.

Hotel Hilton bank facility

As of 31 March 2015 the bank facility extended to *Hilton* hotel in Poland amounted to €53.3m and was classified as a current liability as it was due in September 2015. On 29 June 2015 the Group signed a new financing agreement in order to repay this facility before its due date. In September 2015 the existing bank debt obligation was replaced with the new loan. As of 31 December 2015 Hilton bank facility (extended to Mantezja 3 Sp. z o.o.) amounts to €50.2m and as of 31 March 2016 it amounts to €49.7 m. The final repayment date of this facility is 30 June 2025.

New loan

In February 2016 Atlas Estates (Przasnyska 9) Sp. z o.o. was granted a loan for the construction of the second stage of *Apartamenty przy Krasińskiego* project in Warsaw.
Under the agreement the bank will grant a loan in a total amount of PLN 42.9 million in the following tranches:
-a construction loan in an amount of PLN 41.4 million, and
-a VAT loan in an amount of PLN 1.5 million.
The final repayment date of the construction part of the loan will fall on the day falling 12 months after the last day of the availability period for the construction part of the loan (i.e. a day falling 24 months after the first draw down of the construction loan or 31 March 2018, whichever occurs earlier) or on 31 March 2019, whichever occurs earlier.
The final repayment date of VAT part of the loan will fall on the day falling 6 months after the last day of the availability period (as explained above) for the VAT part of loan or on 30 September 2018, whichever occurs earlier.

Portfolio of cross collateralised banking facilities

As of 31 March 2016, after the above described repayment of two Romanian and one Hungarian facility, the Group has one facility that had been cross collateralised totalling €58.9million. As at 31 December 2015 and 31 March 2016 this loan is classified as current liability since it is due on 31 December 2016 and the waiver of covenants was effective until 31 December 2015. In February 2016 the Company submitted an offer to the bank to acquire the loan facility at the price of € 32.0 million. The Company is in dialogue with the bank and is discussing restructuring terms.

Other loans

In the preparation of the consolidated financial statements as of 31 March 2016, the directors have classified the loan facility extended to a Hungarian subsidiary totalling €14.2 million as current since covenant breaches arose on this loan. The Company is in dialogue with the bank and is discussing restructuring of this loan.

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Review of the operational performance and key items on the Income Statement

The financial analysis of the income statement set out below reflects the monitoring of operational performance by segment as used by management.

	Property Rental € millions	**Development Properties € millions**	**Hotel Operations € millions**	**Other € millions**	**Three months ended 31 March 2016 € millions**	**Three months ended 31 March 2015 € millions**
Revenue	2.7	1.0	4.6	-	8.3	7.8
Cost of operations	(1.2)	(0.9)	(2.9)	-	(5.0)	(4.6)
Gross profit	**1.5**	**0.1**	**1.7**	**-**	**3.3**	**3.2**
Administrative expenses	(0.2)	(0.1)	(0.7)	(0.6)	(1.6)	(1.8)
Gross profit less administrative expenses	**1.3**	**-**	**1.0**	**(0.6)**	**1.7**	**1.4**
Gross profit %	56%	10%	37%	0%	40%	41%
Gross profit less administrative expenses %	48%	0%	22%	0%	20%	18%

<u>Revenue</u>

Total revenues for the first three months ended 31 March 2016 were €8.3 million compared to €7.8 million for the three months ended 31 March 2015. The Group's principal revenue streams are from its hotel operations, property rental income and income from the sale of the residential apartments. As the Group maintains a diversified portfolio of real estate investments, seasonality or cyclicality of yielded income or results is also highly diversified.

Development Properties

	Three months ended 31 March 2016 € millions	Three months ended 31 March 2015 € millions	**Total change 2016 v 2015 € millions**	Translation foreign exchange effect € millions	Operational change 2016 v 2015 € millions
Revenue	1.0	0.5	**0.5**	-	0.5
Cost of operations	(0.9)	(0.4)	**(0.5)**	-	(0.5)
Gross profit	0.1	0.1	**-**	-	-
Administrative expenses	(0.1)	(0.2)	**0.1**	-	0.1
Gross profit less administrative expenses	-	(0.1)	**0.1**	-	0.1

Proceeds from the sale of residential apartments developed by the Group are only recognised when apartments have been handed over to new owners with notarial deed signed. At this moment the economic risks and rewards are transferred to the new owner and in accordance with the Group's accounting policy, the revenue and associated costs of these apartments are recognised in the income statement. Please note that:
- *Apartamenty przy Krasińskiego* projects construction was finalized in 2013 and the Group has been recognizing the sales and associated costs in the consolidated income statement starting from the fourth quarter of 2013 as the above mentioned criteria have been met;
- *Capital Art Apartments III&IV* project construction was finalized and the Group has been recognizing the sales and associated costs in the consolidated income statement starting from the third quarter of 2015 as the above mentioned criteria have been met;
- *Concept House* is a joint venture project and therefore differently accounted as compared to other development projects. The revenues and associated costs of this development are netted and disclosed separately as a single line item as "total investment in equity accounted joint ventures" on the consolidated statement of financial position.

The gross profit realised by the development segment in 2016 is mainly due to sale of 10 apartments in *Capital Art Apartments III&IV* whereas as of 31 March 2015 the Group managed to complete the sale of 4 apartments (in *Apartamenty przy Krasińskiego, Concept House,* and *Capital Art Apartments I&II* projects).

Apartment sales in developments in Warsaw

	CAA stage 1	**CAA stage 2**	**CAA stage 3&4**	**Apartamenty przy Krasińskiego**	**Concept House***
Total apartments for sale	219	300	265	303	160
Sales completions in 2008-2012	216	287	-	-	-
Sales completions in 2013	1	6	-	257	53
Sales completions in 2014	-	4	-	37	93
Sales completions in 2015	1	-	249	8	10
Sales completions in 2016	-	-	10	-	-
Total sales completions	218	297	259	302	156
Sales not completed as of 31 March 2016 (only preliminary agreements concluded)	1	-	5	1	1
Apartments available for sale as of 31 March 2016	-	3	1	-	3

**Joint venture project*

Property Rental

	Three months ended 31 March 2016 € millions	Three months ended 31 March 2015 € millions	**Total change 2016 v 2015 € millions**	Translation foreign exchange effect € millions	Operational change 2016 v 2015 € millions
Revenue	2.7	3.1	**(0.4)**	-	(0.4)
Cost of operations	(1.2)	(1.4)	**0.2**	-	0.2
Gross profit	1.5	1.7	**(0.2)**	-	(0.2)
Administrative expenses	(0.2)	(0.2)	**-**	-	-
Gross profit less administrative expenses	1.3	1.5	**(0.2)**	-	(0.2)

In the first quarter 2016 the gross margin realized by the Property Rental segment increased as compared to the first quarter 2015 due to improvement of the operations at Millennium Plaza.

Hotel operations

	Three months ended 31 March 2016 € millions	Three months ended 31 March 2015 € millions	**Total change 2016 v 2015 € millions**	Translation foreign exchange effect € millions	Operational change 2016 v 2015 € millions
Revenue	4.6	4.2	**0.4**	(0.1)	0.5
Cost of operations	(2.9)	(2.8)	**(0.1)**	0.1	(0.2)
Gross profit	1.7	1.4	**0.3**	-	0.3
Administrative expenses	(0.7)	(0.9)	**0.2**	-	0.2
Gross profit less administrative expenses	1.0	0.5	**0.5**	-	0.5

In the first quarter of 2016 the hotel operations improved as compared to the first quarter of 2015 mainly due to improved occupancy ratios of both *Hilton* and *Golden Tulip* hotels in Warsaw and Bucharest.

Foreign exchange

The fluctuations in exchange rates in the underlying currencies in the countries in which the Group operates and owns assets have resulted in significant foreign exchange differences.

The results for the first quarter 2016 have not been significantly impacted by the effects of the change in value of the currencies in the Central and Eastern European markets. This is mainly due to fairly stable PLN/EUR, HUF/EUR and RON/EUR rates noted in 2016. Whereas in the first quarter of 2015 the functional currencies PLN, HUF and RON appreciated by 4%, 5% and 2%. As a result the movements in value of the functional currencies resulted in foreign exchange loss of €0.1 million in the income statement for the first quarter 2016 and €5.8 million gain for the first quarter 2015.

A summary of exchange rates by country for average and closing rates against the reporting currency as applied in the interim condensed consolidated financial information are set out below.

	Polish Zloty	**Hungarian Forint**	**Romanian Lei**	**Bulgarian Lev**
Closing rates				
31 March 2016	4.2684	314.16	4.4737	1.9558
31 December 2015	4.2615	313.12	4.5245	1.9558
% Change	0%	0%	-1%	0%
31 March 2015	4.0890	299.14	4.4098	1.9558
31 December 2014	4.2623	314.89	4.4821	1.9558
% Change	-4%	-5%	-2%	0%
Average rates				
1st quarter 2016	4.3602	312.02	4.4657	1.9558
Year 2015	4.1852	308.66	4.4591	1.95583
% Change	4%	1%	0%	0%
1st quarter 2015	4.1956	308.78	4.4330	1.9558

Net Asset Value

The Group's property assets are categorised into three classes, when accounted for in accordance with International Financial Reporting Standards. The recognition of changes in value from each category is subject to different treatment as follows:

- Yielding assets let to paying tenants – classed as investment properties with valuation movements being recognised in the Income Statement;

- Property, plant and equipment operated by the Group to produce income, such as the Hilton hotel or land held for development of yielding assets (PPE) – revaluation movements are taken directly to reserves, net of deferred tax; and

- Property developments, including the land on which they will be built – held as inventory with no increase in value recognised in the financial statements unless where an increase represents the reversal of previously recognized deficit below cost.

The Property Manager's basic and performance fees are determined by the adjusted NAV. For the three months to 31 March 2016 the fee payable to AMC was €0.4 million (€0.3 million in the first quarter of 2015). More details are presented in note 15.

Ongoing activities

During the first three months of 2016, the Company continued to identify ways by which it can generate added value through the active management of its yielding asset portfolio. It has also continued to crystallise the value of development projects by the pre-selling of apartments under construction and by the completion of development property in the course of construction.

The property portfolio is constantly reviewed to ensure it remains in line with the Company's stated strategy of creating a balanced portfolio that will provide future capital growth, the potential to enhance investment value through active and innovative asset management programmes and the ability to deliver strong development margins.

A key management objective is to control and reduce construction costs at its development projects, particularly in the light of global variations in commodity prices. Another key objective is the refinancing of the portfolio, the securing of construction loans and the evaluation of various fund raising opportunities.

Financial management, operational management and material risks

In continuing to fulfil its obligations to its Shareholders and the markets, together with maintaining its policy of maximum disclosure and timely reporting, it is continually improving and developing its financial management and operational infrastructure and capability. Experienced operational teams are in place in each country, where there is significant activity, otherwise a central operational team and investment committee monitor and control investments and major operational matters. As such, the management team continually reviews its operating structures to optimise the efficiency and effectiveness of its network, which is particularly important given the current environment.

We continue to enhance our internal control and reporting procedures and IT systems in order to generate appropriate and timely management information for the ongoing assessment of the Group's performance. There is in operation a financial reporting system which provides the Group with the required reporting framework, financial management and internal control.

Global economic conditions

The Board and the Property Manager closely monitor the effects that the current global economic conditions have on the business and will continue to take steps to mitigate, as far as possible, any adverse impact that may affect the business.

An impact of the economic uncertainty is the fluctuations in exchange rates of countries in the region. AMC has been advising the Board on a regular basis with respect to financial performance and the effect of external factors on the business.

Financing and liquidity

Management has experienced strict requirements of lenders for financing in the CEE region which has been reflected in the covenants that are applied to facilities, such as a reduction of loan to value ratio, increasing margins and an increase in levels of required pre-sales on development projects. The management team see this as a potential risk to the ongoing development of the Company and as a result are devoting significant resource to the management of banking relationships and the monitoring of risk in this area.

Cash is managed both at local and head office levels, ensuring that rent collection is prompt, surplus cash is suitably invested or distributed to other parts of the Group, as necessary, and balances are held in the appropriate currency. The allocation of capital and investment decisions are reviewed and approved by local operational management, the executive team, the central finance and operational teams, by the investment committee of AMC and, finally, by Atlas' Board. This approach provides the Company with a rigorous risk management framework. Where possible, the Company will use debt facilities to finance its projects, which the Company will look to secure at appropriate times and when available, depending on the nature of the asset – yielding or development.

Currency and foreign exchange

Currency and foreign exchange rates exposures are continually monitored. Foreign exchange risk is largely managed at a local level by matching the currency in which income and expenses are transacted and also the currencies of the underlying assets and liabilities.

Most of the income from the Company's investment properties is denominated in Euro and our policy is to arrange debt to fund these assets in the same currency. Where possible, the Company looks to match the currency of the flow of income and outgoings. Some expenses are still incurred in local currency and these are planned for in advance. Development of residential projects has created receipts largely denominated in local currencies and funding facilities are arranged accordingly. "Free cash" available for distribution within the Company is identified and appropriate translation mechanisms put in place.

Conclusions

AMC's key strategic objective is the maximisation of value for the Company's Shareholders, which it continues to work towards. Its teams are very experienced in the active management of investment and development property and provide the Company with local market knowledge and expertise. In the first quarter of 2016 the new financing for the second stage of the very successful development project in Warsaw- *Apartamenty przy Krasińskiego II* was secured. The construction of this project commenced in the last quarter of 2015.

Reuven Havar
Chief Executive Officer
Atlas Management Company Limited
13 May 2016

Ziv Zviel
Chief Financial and Operations Officer
Atlas Management Company Limited

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Property Portfolio Information

Location/Property	Description	Company's ownership
Poland		
Hilton Hotel	First Hilton Hotel in Poland – a 4 star hotel with 314 luxury rooms, large convention centre, fitness club and spa Holmes Place Premium, casino and retail outlets. Location close to the central business district in Wola area of Warsaw.	100%
Atlas Estates Tower *(former name: Platinum Towers – offices)*	Land with zoning for an office/residential tower planned over 42 floors.	100%
Galeria Platinum Towers	Commercial area on the ground and first floors Platinum Towers with 1,842 square meters of gallery and 208 parking places almost fully let to tenants.	100%
Capital Art Apartments	784 apartments, four stage development, with Stage 1 completed in 2008, Stage 2 in 2009, Stage 3 in January 2015 and Stage 4 in February 2015. Location close to the central business district in Wola area of Warsaw. As of 31 March 2016 only 4 apartments and 10 retail units were available for sale.	100%
Nakielska Apartment Project	*Nakielska Apartment Project* is a residential development in the Wola district of Warsaw. It will be a two stage development which will release 240 apartments with parking and amenities, including retail facilities. This project is an early planning phase.	100%
Apartamenty przy Krasińskiego, stage I	Residential project in Warsaw. The construction was completed in July 2013. The project released 303 apartments. As of 31 March 2016 all apartments were sold and only 4 retail units were available for sale.	100%
Apartamenty przy Krasińskiego, stage II	The second stage of the successful development project in Warsaw. It is estimated that it will release approximately 123 apartments with underground parking and retail facilities. The construction commenced in November 2015.	100%
Millennium Tower	39,138 square meters of office and retail space in the central business district of Warsaw.	100%
Concept House	The construction of this residential project was completed in April 2013. Location in Mokotow district close to the central business district of Warsaw. As of 31 March 2016 only 3 apartments out of 160 apartments were still available for sale.	50%
Sadowa office building	6,872 square meters office building close to the city centre of Gdansk.	100%

Location/Property	Description	Company's ownership
Hungary		
Ikarus Business Park	283,000 square meters plot with 110,000 square meters of built business space and 70,000 of currently lettable, located in the 16th district, a suburban area of Budapest	100%
Atrium Homes	Two phase development of 22,000 square meters of 456 apartments with 235 apartments in phase 1 with building permits, located in the 13th district in central Budapest.	100%
Moszkva Square	600 square meters of office and retail space in the Buda district of Budapest. (disclosed as held for sale as at 31 December 2015)	100%
Romania		
Voluntari	86,861 square meters of land in three adjacent plots at the pre-zoning stage, in the north eastern suburbs of the city, known as Pipera.	100%
Solaris Project	32,000 square meters plot for re-zoning to mixed-use development in a central district of Bucharest.	100%
Golden Tulip Hotel	4 star 83 room hotel in central Bucharest in the city centre of Bucharest.	100%
Bulgaria		
The Atlas House	Office building in Sofia's city centre with 3,472 square meters of lettable area.	100%

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2016

		Three months ended 31 March 2016 (unaudited) €'000		Three months ended 31 March 2015 (unaudited) €'000	Note
Revenues		8,305		7,803	3
Cost of operations		(5,020)		(4,638)	4.1
Gross profit		**3,285**		**3,165**	
Property manager fee	*(379)*		*(313)*		
Central administrative expenses	*(196)*		*(87)*		
Property related expenses	*(1,009)*		*(1,343)*		
Administrative expenses		(1,584)		(1,743)	4.2
Other operating income		8		195	
Other operating expense		(97)		(303)	
Profit from operations		**1,612**		**1,314**	
Finance income		42		146	4.3
Finance costs		(1,966)		(999)	4.3
Other (losses)/ gains – foreign exchange		(121)		5,771	4.3
Share of (losses)/ profits from equity accounted joint ventures		(11)		90	
(Loss)/ Profit before taxation		**(444)**		**6,322**	
Tax charge		96		456	5
(Loss)/ Profit for the period		**(348)**		**6,778**	
Attributable to:					
Owners of the parent		(348)		6,778	
Non-controlling interests		-		-	
		(348)		**6,778**	
(Loss)/ Profit per €0.01 ordinary share – basic (eurocents)		(0.7)		14.5	7
(Loss)/ Profit per €0.01 ordinary share – diluted (eurocents)		(0.7)		14.5	7

All amounts relate to continuing operations.

The notes on pages 23 to 42 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2016

	Three months ended 31 March 2016 (unaudited) €'000	**Three months ended 31 March 2015 (unaudited) €'000**
(LOSS)/ PROFIT FOR THE PERIOD	**(348)**	**6,778**
Other comprehensive (loss)/ income:		
Items that will not be recycled through profit or loss		
Revaluation of buildings	-	-
Deferred tax on revaluation	-	-
Total	-	-
Items that may be recycled through profit or loss		
Exchange adjustments	(89)	3,458
Deferred tax on exchange adjustments	13	(337)
Total	(76)	3,121
Other comprehensive (loss)/ income for the period (net of tax)	**(76)**	**3,121**
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	**(424)**	**9,899**
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(424)	9,899
Non-controlling interests	-	-
	(424)	**9,899**

The notes on pages 23 to 42 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000	Note
ASSETS				
Non-current assets				
Intangible assets	94	102	123	
Land under operating lease - prepayments	11,097	11,149	11,728	
Total investment in equity accounted joint ventures	654	813	1,448	
Property, plant and equipment	74,797	75,397	82,606	8
Investment property	90,155	89,953	102,072	9
Deferred tax asset	7,720	7,558	5,916	
	184,517	**184,972**	**203,893**	
Current assets				
Inventories	16,983	17,025	36,165	10
Trade and other receivables	4,709	3,851	5,727	
Cash and cash equivalents	15,715	19,598	21,329	11
	37,407	**40,474**	**63,221**	
Assets held within disposal groups classified as held for sale	608	4,168	7,137	14
	38,015	**44,642**	**70,358**	
TOTAL ASSETS	**222,532**	**229,614**	**274,251**	
Current liabilities				
Trade and other payables	(11,269)	(15,199)	(36,967)	
Bank loans	(75,766)	(77,260)	(159,413)	13
Derivative financial instruments	(1,530)	(614)	(58)	
	(88,565)	**(93,073)**	**(196,438)**	
Non-current liabilities				
Other payables	(3,094)	(3,276)	(2,833)	
Bank loans	(58,233)	(60,112)	(12,288)	13
Derivative financial instruments	-	-	(129)	
Deferred tax liabilities	(7,170)	(7,259)	(7,672)	
	(68,497)	**(70,647)**	**(22,922)**	
TOTAL LIABILITIES	**(157,062)**	**(163,720)**	**(219,360)**	
NET ASSETS	**65,470**	**65,894**	**54,891**	

The notes on pages 23 to 42 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
EQUITY			
Share capital account	6,268	6,268	6,268
Revaluation reserve	16,371	16,371	18,356
Other distributable reserve	194,817	194,817	194,817
Translation reserve	(9,873)	(9,797)	(6,793)
Accumulated loss	(142,113)	(141,765)	(157,757)
Issued capital and reserves attributable to owners of the parent	**65,470**	**65,894**	**54,891**
Non-controlling interests	-	-	-
TOTAL EQUITY	**65,470**	**65,894**	**54,891**
Basic net asset value per share	€ 1.4	€ 1.4	€ 1.2

The notes on pages 23 to 42 form part of the consolidated financial information. The condensed consolidated financial information on pages 17 to 42 were approved by the Board of Directors on 13 May 2016 and signed on its behalf by:

Mark Chasey
Chairman

Andrew Fox
Director

Guy Indig
Director

13 May 2016

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2016

	Share capital account	Revaluation reserve	Other distributable reserve	Translation reserve	Accumulated loss	Total	Non-controlling interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Three months ended 31 March 2016 (unaudited)								
As at 1 January 2016	6,268	16,371	194,817	(9,797)	(141,765)	65,894	-	65,894
Loss for the period	-	-	-	-	(348)	(348)	-	(348)
Other comprehensive income for the year	-	-	-	(76)	-	(76)	-	(76)
As at 31 March 2016	**6,268**	**16,371**	**194,817**	**(9,873)**	**(142,113)**	**65,470**	**-**	**65,470**
Year ended 31 December 2015								
As at 1 January 2015	6,268	18,356	194,817	(9,914)	(164,535)	44,992	-	44,992
Profit for the period	-	-	-	-	22,770	22,770	-	22,770
Other comprehensive loss for the year	-	(1,985)	-	117	-	(1,868)	-	(1,868)
As at 31 December 2015	**6,268**	**16,371**	**194,817**	**(9,797)**	**(141,765)**	**65,894**	**-**	**65,894**
Three months ended 31 March 2015 (unaudited)								
As at 1 January 2015	6,268	18,356	194,817	(9,914)	(164,535)	44,992	-	44,992
Profit for the period	-	-	-	-	6,778	6,778	-	6,778
Other comprehensive income for the year	-	-	-	3,121	-	3,121	-	3,121
As at 31 March 2015	**6,268**	**18,356**	**194,817**	**(6,793)**	**(157,757)**	**54,891**	**-**	**54,891**

The notes on pages 23 to 42 form part of the consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2016

	Note	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Cash (outflow)/ inflow from operations	12	**(2,625)**	**2,075**
Tax paid		-	-
Net cash from operating activities		**(2,625)**	**2,075**
Investing activities			
Interest received		38	100
Purchase of investment property		(298)	(318)
Purchase of property, plant and equipment		(81)	(212)
Cash consideration received in respect of sold subsidiaries- net of cash disposed (note 18)		1,457	-
Loans repaid by equity accounted joint ventures		160	-
Net cash from/ (used in) investing activities		**1,276**	**(430)**
Financing activities			
Interest paid		(908)	(957)
Repayments of bank loans		(1,748)	(2,221)
Net cash used in financing activities		**(2,656)**	**(3,178)**
Net decrease in cash and cash equivalents in the period		**(4,005)**	**(1,533)**
Effect of foreign exchange rates		122	901
Net decrease in cash and cash equivalents in the period		**(3,883)**	**(632)**
Cash and cash equivalents at the beginning of the period		**19,598**	**21,961**
Cash and cash equivalent at the end of the period		**15,715**	**21,329**
Cash and cash equivalents			
Cash and cash equivalents		15,715	21,329
		15,715	**21,329**

The notes on pages 23 to 42 form part of the consolidated financial information.

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2016

1. Basis of preparation

This condensed interim financial information for the three months ended 31 March 2016 has been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34"). The financial information has been prepared on a going concern basis and on a historical cost basis as amended by the revaluation of land and buildings and investment property, and financial assets and financial liabilities at amortised cost. The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are unaudited. This unaudited interim condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended 31 December 2015. The quarterly financial results are not necessarily indicative of the full year results.

As described in the Chairman's Statement and in the Review of the Property Manager, the economic environment still continues to present a lot of challenges for the Group and its management. As a result, the Group has reported a loss for the three months period ended 31 March 2016 of €0.3 million (compared to profit of €6.8 million in the three months ended 31 March 2015).

The Directors consider that the outlook presents ongoing challenges in terms of the markets in which the Group operates, the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group.

As at 31 March 2016 the Group held land and building assets with a market value of €168 million, compared to external debt of €134 million. Subject to the time lag in realising the value in these assets in order to generate cash, this "loan to value ratio" gives a strong indication of the Group's ability to generate sufficient cash in order to meet its financial obligations as they fall due. Any land and building assets and associated debts which are ring-fenced in unique, specific, corporate vehicles**,** may be subject to repossession by the bank in case of a default of loan terms but will not result in additional financial liabilities for the Company or for the Group. There are also unencumbered assets which could potentially be leveraged to raise additional finance.

In assessing the going concern basis of preparation of the condensed consolidated interim financial information for the three months ended 31 March 2016, the directors have taken into account the fact that the Group is in a net current liability position and the Board is aware that the Group will have to continue negotiations with the banks.

Nevertheless, the directors are aware that the management of the liquidity position of the company has been and still continues to be a high priority. The company so far has been successful in managing its cash position carefully and will continue to do so, despite the various pressures. Managing this situation will require the company to use its various pockets of liquidity within its portfolio of assets and at the same time delicately manage its ongoing operations and relationships with its lending banks.

The Group's forecasts and projections have been prepared taking into account the economic environment and its challenges and the mitigating factors referred to above. These forecasts take into account reasonably possible changes in trading performance, potential sales of properties and the future financing of the Group. They show that the Group will have sufficient facilities for its ongoing operations.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing the interim condensed consolidated financial information for the three months ended 31 March 2016.

2. Accounting policies

The accounting policies adopted and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in the annual financial statements for the year ended 31 December 2015, and with those expected to be applied to the financial statements for the year ended 31 December 2016.

3. Segmental information

For management purposes, the Group is currently organised into three operating divisions – the ownership and management of investment property, the development and sale of residential property and the ownership and operation of hotels. These divisions are the basis on which the Group reports its segment information. Segment information about these businesses is presented below:

Three months ended 31 March 2016	**Property rental €'000**	**Residential sales €'000**	**Hotel operations €'000**	**Other €'000**	**Total €'000**
Revenues	2,720	986	4,599	-	8,305
Cost of operations	(1,240)	(899)	(2,881)	-	(5,020)
Gross profit	**1,480**	**87**	**1,718**	**-**	**3,285**
Administrative expenses	(149)	(117)	(704)	(614)	(1,584)
Gross profit/ (loss) less administrative expenses	**1,331**	**(30)**	**1,014**	**(614)**	**1,701**
Other operating income	5	1	2	-	8
Other operating expenses	(1)	(16)	(71)	(9)	(97)
Profit/ (Loss) from operations	**1,335**	**(45)**	**945**	**(623)**	**1,612**
Finance income	9	22	5	6	42
Finance cost	(463)	(3)	(1,498)	(2)	(1,966)
Finance costs - other gains – foreign exchange	14	(3)	7	(139)	(121)
Share of losses from equity accounted joint ventures	-	(11)	-	-	(11)
Segment result before tax	**895**	**(40)**	**(541)**	**(758)**	**(444)**
Tax (expense)/ credit	(28)	-	146	(22)	96
Profit for the period as reported in the income statement					**(348)**
Attributable to non-controlling interests					-
Net profit attributable to owners of the parent					**(348)**

Three months ended 31 March 2016	**Property rental €'000**	**Residential sales €'000**	**Hotel operations €'000**	**Other €'000**	**Total €'000**
Reportable segment assets	101,560	29,839	89,518	-	220,917
Unallocated assets	-	-	-	1,615	1,615
Total assets	**101,560**	**29,839**	**89,518**	**1,615**	**222,532**
Reportable segment liabilities	(94,598)	(1,214)	(58,670)	-	(154,482)
Unallocated liabilities	-	-	-	-	-
Total liabilities	**(94,598)**	**(1,214)**	**(58,670)**	**-**	**(154,482)**

Three months ended 31 March 2016	**Property rental €'000**	**Residential sales €'000**	**Hotel operations €'000**	**Other €'000**	**Total €'000**
Other segment items					
Capital expenditure	298	78	3	-	379
Depreciation	3	-	608	-	611
Amortisation	-	11	28	2	41

Three months ended 31 March 2015	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Revenues	3,113	461	4,229	-	7,803
Cost of operations	(1,377)	(412)	(2,849)	-	(4,638)
Gross profit	**1,736**	**49**	**1,380**	**-**	**3,165**
Administrative expenses	(168)	(156)	(909)	(510)	(1,743)
Gross profit/ (loss) less administrative expenses	**1,568**	**(107)**	**471**	**(510)**	**1,422**
Other operating income	89	35	71	-	195
Other operating expenses	(109)	(32)	(162)	-	(303)
Profit/ (Loss) from operations	**1,548**	**(104)**	**380**	**(510)**	**1,314**
Finance income	34	68	10	34	146
Finance cost	(587)	(2)	(408)	(2)	(999)
Finance costs - other gains – foreign exchange	3,865	(136)	1,926	116	5,771
Share of profits/ (losses) from equity accounted joint ventures	-	90	-	-	90
Segment result before tax	**4,860**	**(84)**	**1,908**	**(362)**	**6,322**
Tax (expense)/ credit	(96)	-	538	14	456
Profit for the period as reported in the income statement					**6,778**

Three months ended 31 March 2015	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Reportable segment assets	120,421	55,631	97,160	-	273,212
Unallocated assets	-	-	-	1,039	1,039
Total assets	**120,421**	**55,631**	**97,160**	**1,039**	**274,251**
Reportable segment liabilities	(128,931)	(25,971)	(60,965)	-	(215,867)
Unallocated liabilities	-	-	-	(3,493)	(3,493)
Total liabilities	**(128,931)**	**(25,971)**	**(60,965)**	**(3,493)**	**(219,360)**

Three months ended 31 March 2015	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Other segment items					
Capital expenditure	318	212	-	-	530
Depreciation	4	28	619	3	654
Amortisation	-	12	40	-	52

There are immaterial sales between the business segments.

Unallocated costs represent corporate expenses. Segment assets include investment property, property, plant and equipment, intangible assets, inventories, debtors and operating cash.

Segment liabilities comprise operating liabilities and financing liabilities.

Unallocated assets represent cash balances, receivables and other assets held by the Company and those of selected sub-holding companies, and deferred tax assets.

Unallocated liabilities include accrued costs and deferred taxation liabilities within the Company and selected sub-holding companies as at the balance sheet date.

The Group manages its business segments on a region wide basis. The operations in the reporting periods were based in four main countries within the Group's region of focus with mainly cash balances being held by the parent company. The four principal territories were:

- Poland,
- Hungary,
- Bulgaria, and
- Romania.

4. Analysis of expenditure

4.1 Cost of operations

	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Costs of sale of residential property	(786)	(262)
Utilities, services rendered and other costs	(2,256)	(2,362)
Legal and professional expenses	(298)	(337)
Staff costs	(1,259)	(1,212)
Sales and direct advertising costs	(238)	(241)
Depreciation and amortisation	(183)	(224)
Cost of operations	**(5,020)**	**(4,638)**

4.2 Administrative expenses

	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Audit and tax service	(17)	(44)
Incentive and management fee	(379)	(313)
Legal and other professional fees	(227)	(221)
Utilities, services rendered and other costs	(220)	(381)
Staff costs	(212)	(308)
Depreciation and amortisation	(469)	(482)
Other administrative expenses	(60)	6
Administrative expenses	**(1,584)**	**(1,743)**

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2016

4.3 Finance income and finance costs- net

	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Other	42	146
Finance income – interest income	**42**	**146**
Interest payable on bank borrowings	(943)	(872)
Loss on interest rate derivative	(937)	-
Other similar charges	(86)	(127)
Finance costs	**(1,966)**	**(999)**
Finance costs, excluding foreign exchange – net	**(1,924)**	**(853)**
Other (losses) and gains – foreign exchange	**(121)**	**5,771**
Finance (costs)/ income, including foreign exchange – net	**(2,045)**	**4,918**

5. Tax

Continuing operations	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Current tax	(2)	(41)
Deferred tax	98	497
Tax credit for the year	**96**	**456**

On an individual company basis, an estimate has been made of the effective tax rate for the full year and has been applied to the quarter results.

6. Dividends

There were no dividends declared or paid in the three months ended 31 March 2016 (2015: €nil).

7. (Loss)/ Profit per share ("LPS"/"EPS")

Basic (loss)/ earnings per share is calculated by dividing the(loss)/ profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations of the losses and weighted average number of shares used in the calculations are set out below:

Three months ended 31 March 2016	**Loss**	**Weighted average number of shares**	**Per share amount**
Continuing operations	**€'000**		**Eurocents**
Basic LPS			
Loss attributable to equity shareholders of the Company	(348)	46,852,014	(0.7)
Diluted LPS			
Adjusted loss	**(348)**	**46,852,014**	**(0.7)**

Three months ended 31 March 2015	**Profit**	**Weighted average number of shares**	**Per share amount**
Continuing operations	**€'000**		**Eurocents**
Basic EPS			
Profit attributable to equity shareholders of the Company	6,778	46,852,014	14.5
Diluted EPS			
Adjusted profit	**6,778**	**46,852,014**	**14.5**

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8. Property, plant and equipment

	Buildings €'000	**Plant and equipment €'000**	**Motor vehicles €'000**	**Total €'000**
Cost or valuation				
At 1 January 2015	78,356	11,485	92	89,933
Additions at cost	107	417	-	524
Exchange adjustments	(43)	2	-	(41)
Disposals	-	(79)	(29)	(108)
Revaluation	(2,222)	-	-	(2,222)
At 31 December 2015	**76,198**	**11,825**	**63**	**88,086**
Additions at cost	-	81	-	81
Exchange adjustments	(55)	(16)	-	(71)
At 31 March 2016	**76,143**	**11,890**	**63**	**88,096**

Three months ended 31 March 2016

	Buildings	Plant and equipment	Motor vehicles	Total
	€'000	**€'000**	**€'000**	**€'000**
Accumulated depreciation				
At 1 January 2015	(3,977)	(6,063)	(78)	(10,118)
Charge for the year	(1,894)	(815)	(3)	(2,712)
Adjustment due to revaluation	-	-	-	-
Exchange adjustments	40	14	-	54
Disposals	-	65	22	87
At 31 December 2015	**(5,831)**	**(6,799)**	**(59)**	**(12,689)**
Charge for the period	(433)	(177)	(1)	(611)
Exchange adjustments	-	1	-	1
At 31 March 2016	**(6,264)**	**(6,975)**	**(60)**	**(13,299)**
Net book value at 31 March 2016	**69,879**	**4,915**	**3**	**74,797**
Net book value at 31 December 2015	70,367	5,026	4	75,397

	Buildings	Plant and equipment	Motor vehicles	Total
	€'000	**€'000**	**€'000**	**€'000**
Cost or valuation				
At 1 January 2015	78,356	11,485	92	89,933
Additions at cost	-	212	-	212
Exchange adjustments	3,593	481	(28)	4,046
At 31 March 2015	**81,949**	**12,178**	**64**	**94,191**
Accumulated depreciation				
At 1 January 2015	(3,977)	(6,063)	(78)	(10,118)
Charge for the period	(461)	(191)	(2)	(654)
Exchange adjustments	(582)	(252)	21	(813)
At 31 March 2015	**(5,020)**	**(6,506)**	**(59)**	**(11,585)**
Net book value at 31 March 2015	**76,929**	**5,672**	**5**	**82,606**

Hotels Hilton in Warsaw and Golden Tulip in Bucharest constitute the majority of the total property, plant and equipment balance as of 31 March 2016, 31 December 2015 and 31 March 2015. The latest valuation of the hotels was performed as of 31 December 2015. Hotels were valued by qualified professional valuers, Jones Lang LaSalle Sp. z o.o., Chartered Surveyors, acting in the capacity of External Valuers. All properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Appraisal and Valuation Standards. The results of valuation:
- revaluation adjustments, net of applicable deferred taxes, have been taken to the revaluation reserve in shareholders' equity,
- impairment adjustments have been taken to other operating expenses/ reversal of impairment adjustments have been taken to other operating income.

The Group has pledged property, plant and equipment of €73.5 million (31 December 2015: €74.2 million, 31 March 2015: €81.4 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €52.4 million (31 December 2015: €52.9 million, 31 March 2015: €56.2 million) are secured on these properties.

9. Investment property

Investment property	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
At beginning of the year	94,121	104,446	104,446
Disposal of subsidiary	(3,546)	(6,240)	-
Transfers from other asset categories	-	-	-
Capitalised subsequent expenditure	298	1,216	318
Exchange movements	(110)	216	4,445
PV of annual perpetual usufruct fees	-	(2)	-
Fair value (losses)/ gains	-	(5,515)	-
At the end of the year	**90,763**	**94,121**	**109,209**
Less assets classified as held for sale (note 14)	(608)	(4,168)	(7,137)
	90,155	**89,953**	**102,072**

The fair value of the Group's investment properties has been arrived at on the basis of the latest valuation carried out at 31 December 2015:
- for the properties located in Poland and Romania by Jones Lang LaSalle Sp. z o.o. external independent qualified valuer with recent experience valuing the properties in the location held by the Group;
- for the properties located in Hungary by FHB Ingatlan Zrt external independent qualified valuer with recent experience valuing the properties in the location held by the Group.

All properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Appraisal and Valuation Standards. The fair value of the investment property has not been adjusted for the purposes of financial reporting.

The Group has pledged investment property of €81.6 million (31 December 2015: €84.6 million; 31 March 2015: €99.9 million) to secure certain banking facilities granted to subsidiaries.

10. Inventories

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
Land held for development	10,854	10,827	11,378
Construction expenditures	1,559	790	20,221
Completed properties	3,400	4,194	3,309
Hotel inventory	1,170	1,214	1,257
As at 31 December	**16,983**	**17,025**	**36,165**

€0.8 million (31 December 2015: €19.7 million; 31 March 2015: €0.3 million) of inventories was released to cost of operations in the income statement during the period. €nil million was recognised in the income statement in relation to the impairment on inventories (31 December 2015: €0.3 million in relation to reversal of impairment on inventories; 31 March 2015: €nil million in relation to impairment on inventories). The stock which is held at fair value less cost to sell amounts to €4.4 million (31 December 2015: €4.4 million; 31 March 2015: €5.4 million)

As at 31 March 2016 bank borrowings are secured on the inventory for the value of €nil million (31 December 2015: €nil million; 31 March 2015: €nil million).

11. Cash and cash equivalents

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
Cash and cash equivalents			
Cash and cash equivalents	8,156	17,314	14,567
Short term bank deposits	7,559	2,284	6,762
Total	**15,715**	**19,598**	**21,329**

Included in cash and cash equivalents is €5.6 million (31 December 2015: €5.8 million; 31 March 2015: €13.9 million) restricted cash relating to security and customer deposits.

12. Cash generated from operations

	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
(Loss)/ Profit for the period	**(348)**	**6,778**
Adjustments for:		
Effects of foreign currency	189	(8,013)
Finance costs	1,934	942
Finance income	(38)	(100)
Tax expense	(96)	(456)
Share of losses/ (profits) from equity accounted joint ventures	11	(90)
Depreciation of property, plant and equipment	611	654
Amortisation charges	41	52
	2,304	**(233)**
Changes in working capital		
Decrease/ (Increase) in inventory	42	(2,135)
Increase in trade and other receivables	(914)	(1,494)
(Decrease)/ Increase in trade and other payables	(3,846)	3,451
Effects of foreign currency on working capital translation	(211)	2,486
	(4,929)	**2,308**
Cash (outflow)/ inflow from operations	**(2,625)**	**2,075**

13. Bank loans

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
Current			
Bank loans and overdrafts due within one year or on demand			
Secured	**(75,766)**	**(77,260)**	**(159,413)**
Non-current			
Repayable within two years			
Secured	(1,812)	(3,262)	(3,359)
Repayable within three to five years			
Secured	(10,693)	(10,691)	(5,792)
Repayable after five years			
Secured	(45,728)	(46,159)	(3,137)
	(58,233)	**(60,112)**	**(12,288)**
Total	**(133,999)**	**(137,372)**	**(171,701)**

The bank loans are secured on various properties of the Group.

The fair value of the fixed and floating rate borrowings approximated their carrying values at the balance sheet date, as the impact of marking to market and discounting is not significant. The fair values are based on cash flows discounted using rates based on equivalent fixed and floating rates as at the end of the year.

Bank loans are denominated in a number of currencies and bear interest based on a variety of interest rates. An analysis of the Group's borrowings by currency:

	Euro €'000	Zloty €'000	Total €'000
Bank loans and overdrafts – 31 March 2016	**100,319**	**33,680**	**133,999**
Bank loans and overdrafts – 31 December 2015	103,330	34,042	137,372
Bank loans and overdrafts – 31 March 2015	171,701	-	171,701

Debt financing

Repaid loans

In June 2015 the Group reached a settlement with the bank financing its two projects in Romania (*part of portfolio of cross collateralised banking facilities*) based on which the Group received €22.2m discount on the repayment of the outstanding loan facility. The Group could be obliged to pay additional amount to the bank in connection with this transaction as described on page 9. Currently this is expected to be €nil.

In November 2015 the Group sold Ligetvaros office building in Hungary (*part of portfolio of cross collateralised banking facilities*) and consequently settled the outstanding loan facility extended to this project.

Hotel Hilton bank facility

As of 31 March 2015 the bank facility extended to *Hilton* hotel in Poland amounted to €53.3m and was classified as a current liability as it was due in September 2015. On 29 June 2015 the Group signed a new financing agreement in order to repay this facility before its due date. In September 2015 the existing bank debt obligation was replaced with the new loan. As of 31 December 2015 Hilton bank facility (extended to Mantezja 3 Sp. z o.o.) amounted to €50.2m and as of 31 March 2016 it amounts to €49.7 m. The final repayment date of this facility is 30 June 2025.

New loan

In February 2016 Atlas Estates (Przasnyska 9) Sp. z o.o. was granted a loan for the construction of the second stage of *Apartamenty przy Krasińskiego* project in Warsaw.
Under the agreement the bank will grant a loan in a total amount of PLN 42.9 million in the following tranches:
-a construction loan in an amount of PLN 41.4 million, and
-a VAT loan in an amount of PLN 1.5 million.
The final repayment date of the construction part of the loan will fall on the day falling 12 months after the last day of the availability period for the construction part of the loan (i.e. a day falling 24 months after the first draw down of the construction loan or 31 March 2018, whichever occurs earlier) or on 31 March 2019, whichever occurs earlier.
The final repayment date of VAT part of the loan will fall on the day falling 6 months after the last day of the availability period (as explained above) for the VAT part of loan or on 30 September 2018, whichever occurs earlier.

Portfolio of cross collateralised banking facilities

As of 31 March 2016, after the above described repayment of two Romanian and one Hungarian facility, the Group has one facility that had been cross collateralised totalling €58.9million. As at 31 December 2015 and 31 March 2016 this loan is classified as current liability since it is due on 31 December 2016 and the waiver of covenants was effective until 31 December 2015. In February 2016 the Company submitted an offer to the bank to acquire the loan facility at the price of € 32.0 million. The Company is in dialogue with the bank and is discussing restructuring terms.

Other loans

In the preparation of the consolidated financial statements as of 31 March 2016, the directors have classified the loan facility extended to a Hungarian subsidiary totalling €14.2 million as current since covenant breaches arose on this loan. The Company is in dialogue with the bank and is discussing restructuring of this loan.

14. Assets classified as held for sale and directly associated liabilities

In 2011 Atlas management started to actively market for sale Moszkva office building. In September 2012 the Company entered into conditional agreement to sell half of the building for the total price of €700 thousand. This transaction was completed in December 2012. In 2014 Atlas management started to actively market for sale Ligetvaros and Varosliget. In July 2015 the Company entered into conditional sale agreement to sell Ligetvaros and Varosliget. This transaction was completed in November 2015. In June 2015 Metropol was actively marketed. In January 2016 final sale agreement concerning Metropol was concluded. As of 31 March 2016 part of unsold Moszkva office building is presented as an asset classified as held for sale.
All properties are located in Budapest, Hungary.

The major classes of assets and liabilities held for sale were as follows:

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
Assets:			
Investment property	608	4,168	7,137
Assets held within disposal groups classified as held for sale	**608**	**4,168**	**7,137**

	31 March 2016 (unaudited) €'000	31 December 2015 (audited) €'000	31 March 2015 (unaudited) €'000
At beginning of the year	4,168	6,780	6,780
Additions	-	3,558	-
Disposals (note 18)	(3,546)	(6,240)	-
Exchange movements	(14)	27	357
Fair value gains/ (losses)	-	43	-
At the end of the year	**608**	**4,168**	**7,137**

15. Related party transactions

(a) Key management compensation

	31 March 2016 (unaudited) €'000	31 March 2015 (unaudited) €'000
Fees for non-executive directors	12	12

The Company has appointed AMC to manage its property portfolio. In consideration of the services provided, AMC earned a management fee of €0.4 million for the three months ended 31 March 2016 (year ended 31 December 2015: €1.4 million; 3 months ended 31 March 2015: €0.3 million). Under the agreement, AMC is entitled to a performance fee based on the increase in value of the properties over the 12 month period to 31 December 2016. No performance fee has been accrued for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: €nil) as the performance fee can only be reasonable estimated after the annual valuation of the assets portfolio. The Company has accrued a performance fee of €3.8 million for the year ended 31 December 2015.

On 15 July 2013 AMC Poland entered into an agreement with the Company's subsidiary – Capital Art Apartments Sp. z o.o. SKA. Based on this agreement AMC Poland administers the sale process of Capital Art Apartments stage III. As of 31 March 2016 AMC Poland received a fee of €14.6 thousand in relation to this agreement (31 December 2015: €292 thousand; 31 March 2015: €9 thousand).

As of 31 March 2016 €2.3 million included in current trade and other payables was due to AMC (31 December 2015: €4.5 million; 31 March 2015: €3.5 million) for current period and historic management and performance fee.

(b) On 22 November 2012, the Group acquired 24% interest in the voting shares of Zielono Sp. z o.o., increasing its interests to 100%. As of 31 March 2016 the purchase price of €0.2 million (31 December 2015: €0.2 million, 31 March 2015: €0.2 million) is due to former non-controlling shareholder (Coralcliff Limited).

(c) In 2016 Mr. Reuven Havar, the Chief Executive Officer, acquired one apartment in *Capital Art Apartments III & IV* project in Warsaw for the price of €99.0 thousand. In 2015 Mr. Reuven Havar, and his relatives, acquired six apartments in this project for the total price of €502.6 thousand. As of 31 March 2016 €1.0 thousand included in current trade receivables was due as a result of these transactions.

(d) In 2016 Mr. Ziv Zviel, the Chief Finance Officer and Chief Operations Officer, acquired one apartment in *Capital Art Apartments III & IV* project in Warsaw for the price of €65.2 thousand. In 2015 Mr. Ziv Zviel, and his relatives, acquired two apartments in this project for the total price of €143.0 thousand. As of 31 March 2016 these amounts were fully settled.

(e) In 2015 another member of key personnel and its relatives, acquired two apartments in *Capital Art Apartments III & IV* project in Warsaw for the total price of €160.7 thousand. As of 31 December 2015 this amount was fully settled.

16. Post balance sheet events

No specific significant events have occurred which would require an adjustment to this report.

17. Other items

17.1 Information about court proceedings

The Company is not aware of any proceedings instigated before a court, a competent arbitration body or a public administration authority concerning liabilities or receivables of the Company, or its subsidiaries, whose joint value constitutes at least 10% the Company's net equity, except for legal proceeding against:

Atlas Estates Limited and Atlas Estates Investment B.V.

Atlas Estates Limited ("AEL") was notified on 9 March 2011 that Stronginfo Consultants Ltd and Columbia Enterprises Ltd (the "Plaintiffs") have submitted to an arbitrator a statement of claim against Atlas Estates Investment B.V. ("AEI B.V.") with its seat in Amsterdam, the subsidiary of AEL as the primary debtor and AEL itself as the guarantor (the "Defendants") asking arbitrator to order the Defendants to provide a full and accurate accounting basis for the calculation of the Completion Consideration as defined in the agreement dated May 8, 2006 ("Agreement") on transfer of shares from the Plaintiffs to Atlas Estates Investment B.V. and demanding payments of Completion Consideration which in the absence of any actual accounting yet was estimated by the Plaintiffs of total PLN55 million.

On 10 December 2015 the Arbitrator in Israel reached a judgement according to which the Defendants were obliged jointly and severally to pay to the Plaintiffs the amount of 9,468,237 Israeli shekels increased by interests and indexation from 10 July 2012 until the payment date according to the Israeli law. Moreover, the Defendants were obliged to pay to the Plaintiffs the amount of 300,000 Israeli shekels as reimbursement of legal fees. Additionally the Defendants were obliged jointly and severally to pay to the Plaintiffs the additional amount, which should have been specified until 15 January 2016 according to the instructions included in the judgement. Part of the claim pursued by the Plaintiffs related to the payment of the remuneration for the third tower provided for in the Agreement, even though the third tower has not been constructed until now. This part of the claim was rejected by the Arbitrator in Israel.

On 18 February 2016 AEL and AEI B.V. entered into the settlement agreement with Stronginfo Consultants Ltd and Columbia Enterprises Ltd ("Settlement"). The purpose of the Settlement was to specify the exact amount of the payment to be made by AEL and AEI B.V. to Stronginfo Consultants Ltd and Columbia Enterprises Ltd. The Settlement substitutes decision of the Arbitrator in Israel of 10 December 2015 (described above). According to the provisions of the Settlement AEL and AEI B.V. will pay to the Plaintiffs the total amount of 10,437,475 Israeli shekels (equivalent of approx. €2.5 million) in connection with the first two towers provided for in the Agreement. Payment of the above amount exhaust above mentioned claims of Stronginfo Consultants Ltd and Columbia Enterprises Ltd.

As of 31 December 2015 due to the above described legal case an accrual amounting to €2.5 million was recorded in the consolidated financial statements. As of 31 March 2016 all amounts due were paid in accordance with the settlement agreement.

There are no other material legal cases or disputes that are considered material to the interim condensed consolidated financial information that would either require disclosure or provision within the financial information.

17.3 Financial forecasts

No financial forecasts have been published by the Company in relation to the year ended 31 December 2016.

17.4 Substantial shareholdings

Substantial shareholdings

The Board is aware of the following direct or indirect interest in 5% or more of the Company's ordinary share capital *(excluding 3,470,000 treasury shares, which have no voting rights*). All shares have equal voting rights.

1. Direct shareholders *(i.e. shareholders holding the shares for the benefit of other parties)*

Significant Shareholders	Number of Shares held	Voting Rights
Vidacos Nominees Limited <BJB>	34,969,645	74.64
Forest Nominees Limited <GC1>	6,461,425	13.79
Euroclear Nominees Limited <EOCO1>	5,308,396	11.33
TOTAL	**46,739,466**	**99.76**

2. Beneficial shareholders *(i.e. shareholders for the benefit of which the above direct shareholders held the shares)* based on the information provided to the Company by these shareholders under the applicable legislation (*the notifications received from shareholders in accordance with Art. 70 with connection to art. 69 of the Act of 29 July 2005 on the Public Offering, Condition Governing the introduction of Financial Instruments to Organized Trading and Public Companies*)

Significant Shareholders	Number of Shares held	Voting Rights
Fragiolig	35,391,145	75.54
Atlas International Holdings Limited	6,461,425	13.79
TOTAL	**41,852,570**	**89.33**

3. The ultimate parent company is Coralcliff Limited and the ultimate controlling party by a virtue of ownership is Mr Ron Izaki.

17.5 Directors' share interests

There have been no changes to the Directors' share interests during the three months ended 31 March 2016. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the three months ended 31 March 2016.

18. Principal subsidiary companies and joint ventures

In November 2015 Atlas completed the sale of two Hungarian subsidiaries- Ligetvaros and Varosliget. The Group realized €1.7 million in net proceeds. The result on disposal of these operations was determined as follows:

	31 December 2015 €'000
Consideration received net of cash disposed	**1,709**
Cash consideration received	2,283
Cash disposed of	(574)
Net assets disposed of (other than cash):	**1,709**
Property, plant and equipment	14
Deferred tax asset	130
Investment properties	6,240
Trade and other receivables	853
Trade and other payables	(992)
Bank loans	(3,904)
Deferred tax liabilities	(632)

Three months ended 31 March 2016

In January 2016 Atlas completed the sale of Hungarian subsidiary- Metropol. The Group realized €1.8 million in net proceeds. The result on disposal of these operations was determined as follows:

	31 March 2016 €'000
Consideration received net of cash disposed	**1,457**
Cash consideration received	1,781
Cash disposed of	(324)
Net assets disposed of (other than cash):	**1,457**
Deferred tax asset	150
Investment properties	3546
Trade and other receivables	56
Trade and other payables	(306)
Bank loans	(1,695)
Deferred tax liabilities	(294)

The table below lists the current operating companies of the Group. In addition, the Group owns other entities which have no operating activities. All Group companies are consolidated except for: Polish subsidiary, Atlas Estates (Kokoszki) Sp. z o.o. which is deconsolidated since December 2014, i.e. from the moment when Group control was lost.

No new subsidiary undertakings were acquired and no significant investments were made in any additional joint ventures during the three months period ended 31 March 2016 and year ended 31 December 2015.

Country of incorporation	Name of subsidiary/ joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Holland	Atlas Estates Cooperatief U.A.	Holding	100%
Holland	Atlas Estates Investment B.V.	Holding	100%
Holland	Atlas Projects B.V.	Holding	100%
Guernsey	Atlas Finance (Guernsey) Limited	Holding	100%
Curacao	Atlas Estates Antilles B.V.	Holding	100%
Cyprus	Fernwood Limited	Holding	100%
Poland	AEP Sp. z o.o.	Management	100%
Poland	Platinum Towers AEP Spółka z ograniczoną odpowiedzialnością SKA	Development	100%
Poland	Zielono AEP Spółka z ograniczoną odpowiedzialnością SKA	Development	100%
Poland	Properpol Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Millennium) Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Sadowa) Sp. z o.o.	Investment	100%
Poland	Capital Art Apartments AEP Spółka z ograniczoną odpowiedzialnością Spółka Jawna	Development	100%
Poland	HGC Gretna Investments Spółka z ograniczoną odpowiedzialnością Spółka Jawna	Hotel operation	100%
Poland	Mantezja 3Sp. z o.o.	Hotel operation	100%
Poland	HPO AEP Spółka z ograniczoną odpowiedzialnością Spółka Jawna	Development	100%
Poland	Atlas Estates (Cybernetyki) Sp. z o.o.	Development	50%
Poland	Le Marin Sp. z o.o.	Development	100%
Poland	Atlas Estates (Przasnyska 9) Sp. z o.o.	Development	100%
Poland	La Brea Management Sp. z o.o.	Development	100%
Poland	CAA Finance Sp. z o.o.	Development	100%
Poland	Atlas FIZ AN	Holding	100%
Poland	Gretna Investments Sp. z o.o.	Holding	100%

Poland	Atlas Estates (Kokoszki) Sp. z o.o.	Investment	100%
Hungary	CI-2005 Investment Kft.	Development	100%
Hungary	Felikon Kft.	Investment	100%
Hungary	Atlas Estates (Moszkva) Kft.	Investment	100%
Romania	World Real Estate SRL	Investment	100%
Romania	Atlas Solaris SRL	Development	100%
Romania	D.N.B. - Victoria Towers SRL	Hotel operation	100%
Bulgaria	Immobul EOOD	Investment	100%

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2016

	Three months ended 31 March 2016 (unaudited) €'000	Three months ended 31 March 2015 (unaudited) €'000
Revenues	-	-
Cost of operations	-	-
Gross profit	**-**	**-**
Administrative expenses	(281)	(235)
Loss from operations	**(281)**	**(235)**
Finance income	5	36
Finance costs	(15)	(14)
Other (losses) and gains – foreign exchange	(2)	-
Loss before taxation	**(293)**	**(213)**
Tax expense	-	-
Loss for the period	**(293)**	**(213)**
Total comprehensive loss for the period	**(293)**	**(213)**

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2016

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	31 March 2016 (unaudited) €'000	31 December 2015 €'000	31 March 2015 (unaudited) €'000
ASSETS			
Non-current assets			
Investment in subsidiaries	87,500	87,500	66,745
Loans receivable from subsidiaries	1,050	3,114	9,082
	88,550	**90,614**	**75,827**
Current assets			
Trade and other receivables	-	6	-
Cash and cash equivalents	704	1,118	245
	704	**1,124**	**245**
TOTAL ASSETS	**89,254**	**91,738**	**76,072**
Non-current liabilities			
Other payables	(3,670)	(3,655)	(3,209)
	(3,670)	**(3,655)**	**(3,209)**
Current liabilities			
Trade and other payables	(2,217)	(4,423)	(3,210)
	(2,217)	**(4,423)**	**(3,210)**
TOTAL LIABILITIES	**(5,887)**	**(8,078)**	**(6,419)**
NET ASSETS	**83,367**	**83,660**	**69,653**
EQUITY			
Share capital account	6,268	6,268	6,268
Other distributable reserve	194,817	194,817	194,817
Accumulated loss	(117,718)	(117,425)	(131,432)
TOTAL EQUITY	**83,367**	**83,660**	**69,653**

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 March 2016

Three months ended 31 March 2016 (unaudited)	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
As at 1 January 2016	6,268	194,817	(117,425)	83,660
Total comprehensive loss for the period	-	-	(293)	(293)
As at 31 March 2016	**6,268**	**194,817**	**(117,718)**	**83,367**

Year ended 31 December 2015	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
As at 1 January 2015	6,268	194,817	(131,219)	69,866
Total comprehensive income for the year	-	-	13,794	13,794
As at 31 December 2015	**6,268**	**194,817**	**(117,425)**	**83,660**

Three months ended 31 March 2015 (unaudited)	**Share capital account**	**Other reserves**	**Accumulated loss**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
As at 1 January 2015	6,268	194,817	(131,219)	69,866
Total comprehensive loss for the period	-	-	(213)	(213)
As at 31 March 2015	**6,268**	**194,817**	**(131,432)**	**69,653**

19. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2016

	Three months ended 31 March 2016 (unaudited) €'000	**Three months ended 31 March 2015 (unaudited) €'000**
Loss for the period	**(293)**	**(213)**
Adjustments for:		
Effects of foreign currency	-	-
Finance costs	15	14
Finance income	(5)	(36)
	(283)	**(235)**
Changes in working capital		
Decrease in trade and other receivables	6	8
Decrease in trade and other payables	(2,206)	(175)
Net cash from operating activities	**(2,483)**	**(402)**
Investing activities		
New loans advanced to subsidiaries	(2,719)	-
Repayment of loans with subsidiary undertakings	4,788	590
Net cash from investing activities	**2,069**	**590**
Financing activities		
Interest received	-	-
Interest paid	-	-
Net cash (from)/ used in financing activities	**-**	**-**
Net (decrease)/ increase in cash and cash equivalents in the period as a result of cashflows	**(414)**	**188**
Effect of foreign exchange rates	-	-
Net (decrease)/ increase in cash and cash equivalents in the period	**(414)**	**188**
Cash and cash equivalents at the beginning of the period	**1,118**	**57**
Cash and cash equivalents at the end of the period	**704**	**245**
Cash and cash equivalents		
Cash at bank and in hand	704	245
Bank overdrafts	-	-
	704	**245**