



ATRIUM EUROPEAN REAL ESTATE LIMITED

(incorporated with limited liability under the laws of Jersey, registration number 70371)

EUR350,000,000 4.00 per cent. Notes due 20 April 2020

This prospectus constitutes a prospectus (the “**Prospectus**”) within the meaning of Article 5.3 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

The issue price of the EUR350,000,000 4.00 per cent. Notes due 20 April 2020 (the “**Notes**”) of Atrium European Real Estate Limited (“**Atrium**” or the “**Issuer**”) is 99.569 per cent. of their principal amount.

The Notes will bear interest from 19 April 2013 at the rate of 4.00 per cent. per annum payable annually in arrear on 20 April each year commencing on 20 April 2014. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia or Jersey to the extent described under “*Terms and Conditions of the Notes—Taxation*”.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 20 April 2020. The Notes are subject to redemption in whole at their principal amount at the option of Atrium at any time in the event of certain changes affecting taxation in Jersey. In addition, the holder of a Note may, by the exercise of the relevant option, require Atrium to redeem such Note at its principal amount on a Change of Control Put Date. See “*Terms and Conditions of the Notes—Redemption and Purchase*”.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of the Prospectus Directive. Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The CSSF gives no undertaking as to the economic and financial opportuneness of the transaction contemplated by this Prospectus or the quality or solvency of Atrium in line with the provisions of Article 7(7) of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended.

The Notes are not regulated or authorised by either the Jersey Financial Services Commission (“**JFSC**”) or the Jersey Company Registry.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in “*Subscription and Sale*”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around 19 April 2013 (the “**Closing Date**”) with a common safekeeper for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each and with interest coupons attached. See “*Overview of Provisions Relating to the Notes in Global Form*”.

The Notes are expected to be rated BBB– by Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”) and BBB– by Fitch Ratings Limited (“**Fitch**”).

Standard & Poor’s and Fitch are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”), and appear on the latest update of the list of registered credit rating agencies (as of 7 January 2012) on the ESMA website <http://www.esma.europa.eu>. The ESMA website is not incorporated by reference into, nor does it form part of, this Prospectus.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

DEUTSCHE BANK

HSBC

IMPORTANT NOTICES

Atrium accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

Atrium has confirmed to the Managers named under “*Subscription and Sale*” below (the “**Managers**”) that this Prospectus contains all information regarding Atrium and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of Atrium are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Atrium has not authorised the making or provision of any representation or information regarding Atrium or the Notes other than as contained in this Prospectus or as approved for such purpose by Atrium. Any such representation or information should not be relied upon as having been authorised by Atrium or the Managers.

Neither the Managers nor Deutsche Trustee Company Limited (the “**Trustee**”) nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Atrium since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by Atrium and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The JFSC has consented to the circulation of the Prospectus by Atrium. Atrium is regulated by the JFSC as a certified fund pursuant to the Collective Investment Funds (Jersey) Law, as amended (“**CIF Law**”). The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under this law. The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry.

In this Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**” or “**euro**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of the Notes, Deutsche Bank AG, London Branch (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Atrium is regulated by the JFSC as a certified fund pursuant to the CIF Law. In order to facilitate the internalisation of its management, Atrium was, in 2008, granted permission by the JFSC to be treated as a Listed Fund (as published by the JFSC). Regulatory requirements, which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to Listed Funds. Holding an investment in Atrium is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Any person holding an investment in Atrium will be deemed to have acknowledged that he or she is a professional or experienced investor, or has taken appropriate professional advice, and has accepted the reduced requirements accordingly.

This Prospectus is addressed only to and directed only at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as “relevant persons”). Any investment activity to which this Prospectus relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

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RISK FACTORS

Atrium believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and Atrium is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which Atrium believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

Atrium believes that the factors described below represent the principal risks inherent in investing in the Notes, but Atrium may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and Atrium does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference in, and forming part of, this Prospectus) and reach their own views prior to making any investment decision.

Factors that may affect Atrium's ability to fulfil its obligations under the Notes

Risks relating to the Group and its operations

If the downturn in general economic conditions in the Region continues or worsens it may reduce the Group's rental revenue

Various economies in Europe have been subject to downturns and instability since the global financial crisis beginning in 2007. In recent years, the financial markets in several of the countries in the Region have experienced volatility in both debt and equity capital markets as well as reductions in foreign investment. In addition, owing to the financial crisis and more recently the sovereign debt crisis in relation to several Euro zone countries such as Greece, Spain and Ireland, some countries in the Region have experienced a decrease in gross domestic product. In light of these developments, international ratings agencies have downgraded the sovereign debt of several Euro zone countries (as well as some countries in the Region), which reflects an assessment that there is an increased credit risk that the respective governments may default on their obligations. These ratings downgrades and the continued volatility in the financial markets may lead to a further reduction in foreign investment and an increased cost of borrowing for some of the countries in the Region. Further there can be no assurance that the affected economies of the Region will recover in the long term.

The economic uncertainty has contributed to deterioration in the consumer and investment climate, affecting a range of economic activities, including the real estate sector. Lower disposable incomes due to rising unemployment and decreased consumer confidence have translated into lower consumer spending, which puts pressure on the profits of retailers. This, together with the reduced availability of financing, has prompted certain retailers to scale back or postpone their expansion plans, which has made it more difficult for retail property managers to find appropriate tenants.

If the downturn in general economic conditions as seen in some countries in which the Group has its operations or assets continues or worsens it may further adversely affect consumer spending and prevent retailers from expanding their activities and production volumes and also affect negatively the willingness and ability of tenants to lease property. If demand continues to fall, the Group may have to let its properties at lower rents or may not be able to let its properties at all and this could lead to a reduction in the Group's rental income and a negative revaluation of the Group's properties. Further, a small proportion of the Group's lease agreements provide for rents which are linked to the turnover of the respective tenant. If the concerned tenants experience lower turnover, the rental income from such properties would also correspondingly go down. Further, the occupancy cost ratio, which reflects a tenant's rental cost as a proportion of its turnover, can be adversely affected by a fall in demand and consumer spending leading a tenant to conclude that its rental costs are unsustainable and prompting requests for discounts or potential defaults.

In their attempts to reduce their respective budgetary deficits which have also been adversely affected by the ongoing economic crisis, the governments of various countries have resorted to the imposition of higher taxes or the introduction of new taxes. Recent increases in the applicable rates of value added tax introduced in most countries in which the Group has its operations or assets could lead to a decrease in consumer demand and consumer spending in these countries and could adversely affect the turnover of tenants. It is possible that these VAT rates may be increased further or that similar VAT increases could be introduced in other countries of the Region. Further, certain countries in Western Europe and in the

Region have attempted to levy “crisis” taxes which range from higher income tax rates for individuals and higher rates of corporation tax to special levies and exceptional taxes based on the annual revenue of a company that is engaged in certain specific industries. It is possible that similar crisis taxes may be imposed by other countries in which the Group has its operations or assets and could be extended to companies operating in other industries such as retail and real estate. Such “crisis” taxes may have a negative impact on consumer demand and spending and could have an adverse impact on the financial condition of the Group’s tenants and the demand for the Group’s properties.

Any of the above risks if realised could have a material adverse effect on the Group’s business, financial condition, prospects and results of operations.

The Group is exposed to certain risks relating to real estate investments

Investing in real estate is generally subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of the retail sector (including tenants), buyers and sellers of real estate, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, planning laws and other governmental rules and fiscal policies, environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of real estate types and locations leading to an oversupply of space or a reduction in demand for a particular type of real estate in a given market, and risks and operating problems arising out of the presence of certain construction materials.

These factors could cause fluctuations in rental income or operating expenses, causing a negative effect on the operating returns derived from, and the value of properties. The value of properties may be significantly diminished in the event of a downturn in real estate prices or the occurrence of any of the other factors noted above. Such a decrease in value or decrease in rental income or the increase in operating expenses would have a material adverse effect on the Group’s business, financial condition, prospects and results of operations.

A decreased demand for, or an increased supply of, or a contraction of the market for, properties in the Region, could adversely affect the business and financial condition of the Group

Changes in supply and demand for real estate, or a contraction of the property market in any of the countries in which the Group has its operations or assets, in particular in respect of its Standing Investments, may negatively influence the occupancy rates of the Group’s properties, the rental rates, the level of demand and ultimately the value of such properties. Similarly, the demand for rental space at the Group’s existing properties may decrease as a result of an increase in available space and heightened competition for stronger and better performing tenants. This could result in higher capital expenditure required to contract or retain tenants, lower rental income owing to lower rental rates, as well as, shorter lease periods. All of these risks if realised could have a negative impact on the business, financial condition, prospects and results of operations of the Group.

The financial performance of the Group relies on its ability to attract and retain tenants which may suffer as a result of increased competition from other owners, operators and developers

The Group faces competition from other owners, operators and developers of retail real estate. One of the primary areas of focus for the Group is the active management of its Standing Investments through optimising its tenant mix and ensuring asset attractiveness is achieved and improved by finding the right balance between retaining existing tenants and re-letting rental space to new tenants. The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirement for capital, there are few other barriers to entry to the property market. Some of the Group’s competitors may have properties that are newer, better located or in superior condition to its properties.

The dominance of a shopping centre in a particular area is an important factor that determines the shopping centre’s ability to compete for tenants. If there are several centres in the same area, competition is more intense and thus the Group may experience increased competition for tenants. The competition for tenants may negatively affect the Group’s ability to optimise the tenant mix, attract new tenants, retain existing tenants and also negatively influence the terms of its lease agreements, including the amount of

rent that the Group charges and the incentives to tenants that it provides, thereby adversely affecting the business, financial condition, prospects and results of operations of the Group.

The Group's focus on shopping centres increases its exposure to trends in consumer behaviour

The Group's focus is on food anchored and retail properties shopping centres that meet the everyday needs of consumers. The lack of industry diversification increases the risk associated with these investments. A downturn in consumer preference for shopping centres may have a more pronounced negative effect on the Group's revenues and profitability than if it had diversified its investments into different types of properties. This strategy makes the Group vulnerable to changes in trends in the behaviour of consumers. The current economic crisis has negatively affected the disposable incomes of consumers due to rising unemployment and decreased consumer confidence. Lower consumer confidence, and a shift in consumer preference towards alternative shopping channels, such as mail order companies, discount stores and internet-based retailers may have an effect on consumer spending levels at shopping centres which could, among other things, result in lower occupancy rates, with a direct negative impact on the Group's business, financial condition, prospects and results of operations.

The financial performance of the Group is subject to the Group's ability to secure rent renewals or re-lettings and manage lease expiries

The financial performance of the Group is subject to the Group's ability to secure rent renewals or re-lettings and manage lease expiries which are reflected in the occupancy rates of the Group's properties. The ability to manage occupancy of the Group's properties depends in large part on the condition of the markets in countries in which the Group has its operations or assets. A negative change in any of the factors affecting the property market and its occupancy rates, including the economic situation, may adversely affect the business, financial condition, prospects and results of operations of the Group. The ability of the Group to manage occupancy rates is also dependent upon the remaining terms of the current lease agreements, the financial position of current tenants and the attractiveness of its properties to current and prospective tenants. As of 31 December 2012, the percentage of lease agreements with a remaining contract term, based on lease expiry date, of more than five years was 41.4%. The corresponding percentage as at 31 December 2011 and 31 December 2010 was 41.2% and 42.8%, respectively. In order to retain current tenants or attract new tenants the Group may be required to offer lease incentives such as reductions in rent, capital expenditure programmes and other terms in its lease agreements that make such leases less favourable to the Group. Some of the Group's lease agreements with anchor tenants, which typically have a duration of between fifteen and twenty-five years, provide for break clauses after an initial tenancy period of five to fifteen years. It is possible that some of the tenants may choose to exercise their rights under the respective break clauses and terminate their leases early. The Group may also not be successful in maintaining or increasing occupancy rates or successfully negotiating favourable terms and conditions in relation to its lease agreements. A failure to do so could have a material adverse effect on the business, financial condition, prospects and results of operations of the Group.

The Group is dependent on the presence of anchor tenants

The Group relies on the presence of anchor tenants in its retail centres. Anchor tenants play an important part in generating consumer traffic and making a centre a desirable location for other tenants. The failure to renew the lease of an anchor store, the termination of an anchor store's lease, or the bankruptcy or economic decline of an anchor tenant can have a material adverse effect on the economic performance of the centres. There can be no assurance that, if the anchor stores were to close or fail to renew their leases, the Group would be able to replace such anchor tenants in a timely manner or that it could do so without incurring material additional costs and adverse economic effects. The expiration of an anchor lease may make the refinancing of such a centre, if required, difficult. Furthermore, the deterioration of Atrium's relationships with any of its anchor tenants may negatively impact on Atrium's ability to secure anchor tenants for its future projects. Any of the above risks, if realised, could have an adverse effect on the business, financial condition, prospects and results of operations of the Group.

The Group is subject to the counterparty risk of its tenants

The Group is subject to the counterparty risk of its tenants as the net revenue generated from the Group's properties depends on the financial stability of its tenants and the commercial relationships with them. The creditworthiness of a tenant can decline over the short or medium term, leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. Although the Group

receives and holds advance deposits, the amounts payable to it under its lease agreements with tenants that are not secured (by deposits, bank guarantees or corporate guarantees) bear the risk that its tenants may be unable to pay such amounts when due. While the Group has a broad tenant base, it may suffer from a decline in revenues and profitability in the event a number of its significant tenants are unable to pay rent owed when due or seek bankruptcy protection. The Group is not insured against this credit risk. If a tenant seeks bankruptcy protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all, and the Group may not be able to secure vacant possession of the property without an order of the relevant bankruptcy court, thus preventing the Group from re-letting that property to a new tenant. The Group may not be able to limit its potential loss of revenues from tenants who are unable to make their lease payments. At 31 December 2012, the Group was a party to approximately 3,300 lease agreements. If a lease is terminated, the Group may be unable to re-let the property for the rent previously received or at all. If any of these risks are realised it could affect the Group's business, financial condition, prospects and results of operations.

The ability of the Group to increase rents in line with market fluctuations may be restricted by terms of the Group's lease agreements

The Group may be restricted in its ability to raise rents in line with market fluctuations owing to certain terms in its lease agreements. Rental levels and market value for properties are generally affected by overall conditions in the economy. Both rental income and property values may also be affected by factors specific to the real estate market, including, (i) rent reviews with anchor tenants may not be agreed at the then estimated rental values and rents by such anchor tenants may be tied to their turnover—thus, if the turnover of such tenant declines, the rent payable by such tenant also decreases; and (ii) most lease agreements to which the Group is a party to include clauses which provide for partial or full indexation of rent, which, in most cases, is indexed in line with a consumer price index and consequently, the increase in the rental proceeds from such leases is dependent not only on general economic developments or market conditions, but also on future rates of inflation. Each of these factors may restrict Atrium's ability to increase rents in line with market fluctuations and could therefore have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may be unable to be reimbursed by tenants for increases in operating and administrative expenses

The Group's operating and administrative expenses could increase without a corresponding increase in turnover or tenant reimbursements, mainly owing to reimbursement caps that may be included in various lease agreements or other legal restrictions. Further, there may be expenses which are not rechargeable to tenants. Factors which could increase operating and administrative expenses include, amongst others, increases relating to the rate of inflation, payroll expenses, legal expenses, property taxes and other statutory charges, energy costs and cost of services provided by third party providers; movements in foreign exchange rates; increases in insurance premium and the costs of maintaining properties and increases in capital expenditure which arise as a result of defects relating to the properties needing to be rectified. Such increases, which if not reimbursed, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's claims to title of its properties may be subject to challenge and permits may have been obtained in breach of applicable laws

As a result of, among other things, the process of registration of title at the relevant real estate and corporate registries, the purchase of property from public authorities, restitution laws and untested law-enforcement procedures, Group Companies may not in all cases have undisputable title to properties and/or land on which properties are located or title to the shares of companies which own the land and properties of the Group in certain countries in which the Group has its operations or assets. There can be no assurance that all permits necessary to legally own, develop or operate the properties have been obtained in compliance with all applicable laws. The Group's, direct or indirect ownership interests in a property may therefore be challenged by government authorities and third parties in certain countries of the Region. If the Group's ownership interests over its property or permits are successfully challenged, it could have a material adverse effect on Atrium's business, financial condition, prospects and results of operations.

The Group is exposed to risks arising from the illiquidity of its portfolio

The market for the types of properties the Group owns or may acquire in the future is generally illiquid. Were the Group required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or repay outstanding indebtedness, the Group may not be able to sell any portion of its portfolio on favourable terms or at all. In addition, a significant proportion of the portfolio may not be disposed of since it is pledged to external creditors under secured financings. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which the Group could sell such property. In planned disposals in the ordinary course of business, an illiquid market may result in a sales price that is lower than anticipated or in a delay of the sale. Any such shortfall could have a material adverse effect on the business, financial condition or results of operations of the Group. In addition, the Group may be subject to restrictions on its ability to sell properties pursuant to covenants and pledges limiting asset disposals in the Group's credit agreements.

The Group may face claims for defective construction, which could have an adverse effect on its generation of rental income

The construction of properties is subject to a risk of claims for defective construction, corrective or other works and associated adverse publicity. Any claim brought against the Group, and the surrounding negative publicity concerning the quality of its properties or projects, irrespective of whether the claim is successful, or an inability to complete the construction of a project on schedule or on budget, could also have a material adverse effect on how its business, properties and projects are perceived by target tenants. This could negatively affect the Group's ability to market and lease its properties in the future, which could have a material adverse effect on its generation of rental income and, thereby, its business, financial condition, prospects and results of operations.

The Group is exposed to foreign exchange risk

The rents payable to the Group under the various lease agreements with tenants are mainly denominated in Euros. The tenants however, mostly have their income denominated in the local currency of the relevant country in which they are based, such as the Ruble or the Czech Koruna. The occupancy cost ratio, which reflects the tenants' rental cost as a proportion of its turnover, can be severely affected by fluctuations of the Euro, the currency in which rent is based or payable, against the relevant local currency in which the tenant generates turnover. Accordingly a weakening of the local currency against the Euro could result in the Group's properties becoming less attractive, or over-rented. Such fluctuations could also result in such rent becoming unsustainable with respect to the concerned tenant leading to a demand for discounts or even default by the respective tenants. These risks if realised could adversely affect the Group's business, financial condition, prospects and results of operations.

The real estate sector is susceptible to fraud

Certain activities in the real estate sector have, from time to time, been subject to allegations of embezzlement of cash in connection with arranging large scale real estate transactions. The Group is currently not aware of any such fraud taking place within its business. However, even though it has taken precautionary measures to reduce the risk as much as possible, it may become the target of fraud or other illicit behaviour in any of the markets in which it operates. This may have a material adverse effect on the Group's reputation and may affect the Group's business, financial condition, prospects and results of operations.

The Group is exposed to the counter-party risk of its partners with respect to certain co-ownership or co-operation arrangements, including joint venture arrangements

Some of the Group's properties are held and operated or may be proposed to be developed through co-ownership or co-operation arrangements (including among others joint venture arrangements) with third parties who operate units within premises in which the Group is present. In addition, but to a limited extent, title to certain of the Group's properties is shared. The Group has co-ownership agreements with certain of the Group's largest tenants. Such arrangements may result in the Group sharing control of such assets with third parties. As a result, certain decisions relating to those assets within such arrangements may depend upon the consent or notification of the Group's relevant partners. Disputes may arise between Group and the relevant partners in respect of an arrangement, which could mean that the Group is not able to manage or deal with a particular asset or property as it sees fit. These risks are accentuated where

Group shares title to properties. Specific risks arising from such co-ownership/co-operation arrangements and title sharing which are not present in relation to projects that are wholly-owned include risks that, (i) the Group's relevant partners may have different objectives from the Group, including with respect to the appropriate timing and pricing of any sale or refinancing of a development held as part of a co-ownership arrangement; (ii) the Group's relevant partners may take action contrary to the Group's instructions or requests, policies or objectives, or frustrate its actions; and (iii) the Group's relevant partners might become bankrupt or insolvent.; and (iv) with respect to co-title and development projects the Group may be required to provide additional financing to make up for any shortfall due to the Group's relevant partner(s) failing to provide such finance or to furnish any required collateral to the financing banks.

Disputes or disagreements with any of the Group's partners may result in significant delays and increased costs associated with the development or redevelopment of Atrium's properties. Even where the Group has a controlling interest, certain major decisions (such as whether to sell, refinance or enter into a lease or contractor agreement and the terms on which to do so) may require the partner's or other third party's approval. Failure to reach or maintain agreement with the Group's partners or other third parties on the matters relating to the financing, disposals, development and operation of the relevant properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Atrium may not be able to realise its expected rates of return on its projects if the real estate market in the Region becomes saturated

Prior to the onset of the current global financial crisis, the real estate market in the Region was characterised by a continued increase in investment activity from both domestic and international investors and in the number of projects that were planned. If the real estate market in the Region recovers from the current economic downturn and the level of investment activity increases, it may reach saturation if the supply of commercial properties exceeds demand. Saturation or perceived over-supply of lettable commercial space in the real estate market would result in a decrease in occupancy rates and/or a decrease in market rental rates and sale prices. If occupancy rates fall and/or market rental rates decrease, the Group may not be able to realise its expected rates of return on its properties and development projects or may be unable to let its properties at all, which could have a material adverse effect on its business, financial condition, prospects and results of operations.

The Group may be exposed to losses in respect of legacy or inherited liabilities relating to predecessors-in-title

The Group has acquired a number of its assets from third parties who may have undertaken to carry out certain actions in respect of such assets in particular in case of share/business acquisitions or disposals and through related party transactions, certain transactions which exceed defined thresholds, being detrimental to creditors, or otherwise not in compliance with the applicable laws of the relevant jurisdiction in the Region and other corporate matters relating to such properties. If the aforementioned actions of such third parties are challenged or claimed to be a basis for third party claims against the Group, the Group may not be able to defend such challenges or claims successfully, including because the applicable provisions of the laws in the relevant jurisdiction in the Region may be subject to several different interpretations. Such actions and claims, if successfully pursued, could result in the invalidation of the relevant transactions or the imposition of liabilities on the Group.

In certain cases the Group (or third parties from whom the Group acquires its assets) may have failed to procure obtaining of clearances required from the relevant regulatory/competition authorities relating to acquisitions or other actions concerning the Group's assets. As a result of such failure the applicable regulatory authorities in relevant jurisdiction may challenge such actions in court if it concludes that such actions have led or may have led to a limitation of competition and/or may impose administrative fines on the Group and/or its officers.

Official information in the land register of some of the countries in which the Group has its operations or assets may not be accurate and complete. Thus, although the Group may have to rely upon the information contained in land registers, it may not have effective redress against the government of the relevant country if the information upon which the Group relied on in deciding whether or not to make an investment was inaccurate, misleading or incomplete.

Any challenges to, invalidation of, or termination of, any such transactions or actions or imposition of any such liability could, individually or in the aggregate, have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's insurance coverage may be inadequate

The Group's insurance policies may not cover it for all losses and certain types of insurance are not available on commercially reasonable terms or at all in certain countries in which the Group has its operations or assets, owing to the fact that the respective insurance industries in these countries are at a relatively early stage of development. Forms of insurance common in mature markets may not yet be available in certain countries in which the Group has its operations or assets. As a result, the Group's insurance may not fully compensate it for losses associated with damage to its real estate assets. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or that are not economically insurable. Other factors might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed, such as inflation, taxation, changes in building codes and ordinances and environmental considerations. The Group may incur significant losses or damage to its assets or business for which it may not be compensated fully or at all. In addition, its insurance policies may not cover the current aggregate market value of its portfolio, particularly where the market value of its portfolio increases. As a result, it may not have sufficient coverage against all losses that it may experience. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, it could be liable to repair damage caused by uninsured risks. The Group may also remain liable for any debt or other financial obligation related to that damaged property.

Additionally, no assurance can be given that material losses in excess of insurance coverage limits will not occur in the future. Any uninsured losses or losses in excess of insured limits could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may incur environmental liabilities or compliance costs

The environmental laws of certain countries in which the Group has its operations or assets impose actual and potential obligations to conduct remedial action on sites contaminated with hazardous or toxic substances. In such circumstances, the owner's liability is generally not limited under such laws and the costs of any required removal, investigation or remediation can be substantial. The presence of such substances on, or in, any of the Group's properties, or the liability for failure to remedy property contamination from such substances, could adversely affect the Group's ability to let or sell such property or to borrow funds using such property as collateral, which could have an effect on its generation of rental income or return on investment. Furthermore, the Group may be required to comply with stricter environmental, health and safety laws or enforcement policies or become involved in claims and lawsuits relating to environmental matters. Meeting stricter compliance standards or defending potential actions may have a significant negative impact on its results of operations. If the relevant authorities in a country where the Group has its operations or assets discover violations of applicable environmental laws, the Group may be subject to fines and other penalties. Any of these matters could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Atrium may qualify as an alternative investment fund

The European Commission published Directive 2011/61/EU, the Alternative Investment Fund Managers Directive, on 1 July 2011 ("AIFM Directive"). This Directive is due to be implemented through secondary legislation in all European jurisdictions by 2013, and seeks to regulate alternative investment fund managers based in the EU and prohibits such managers from managing any alternative investment fund or marketing shares in such funds to EU investors unless authorisation has been granted to them. It may be likely that there will be restrictions on the marketing of shares issued by non-EU domiciled funds (including the Shares) to investors in the EU, which in turn may have a negative impact on marketing and liquidity generally. Should the Directive be applicable to Atrium, it will impose additional requirements on Atrium, among others, relating to risk management, minimum capital requirements, the provision of information, governance and compliance requirements. It is also likely there will be an increase, potentially a material increase, in Atrium's governance and administration expenses in complying with the Directive if Atrium wishes to market within the EU.

The Group is exposed to risks related to the safety of consumers and tenants in shopping centres and other properties, including acts of terrorism and violence

The Group promotes the security and safety of consumers and tenants in its properties. However, due to high visibility and the presence of large numbers of people, the Group's properties may be targets for terrorism and other forms of violence. Any terror or violent attack on a property of the Group or a similar property owned by someone else may harm the condition of its tenants and may, apart from any direct losses, directly or indirectly affect the value of its properties and its development land. Moreover, any of these events could lower consumer confidence and, for example, spending in the Group's retail centres or increase volatility and uncertainty in the worldwide financial markets and economy. Adverse economic conditions resulting from these types of events could reduce demand for space in the Group's properties and thereby reduce the value of these properties and rental income and as a result could have a material adverse effect on its business, financial condition, prospects and results of operations.

The Group relies on certain key personnel the loss of whom could have an adverse impact on its business

The success of the Group's property development and operating activities depend, among other things, on the expertise of the Board and the Group Executive Management and other key personnel in identifying appropriate opportunities and managing such activities, as well as the local level management teams of Group Companies. The loss of some or all of these individuals or an inability to attract, retain and maintain additional personnel could prevent the Group from implementing its business strategy and could adversely affect the Group's business and future financial condition or results of operations. The Group does not carry key man insurance with respect to any of these individuals. There can be no assurance that it will be able to retain all of its existing senior personnel or to attract additional qualified personnel when needed which in turn could affect adversely the Group's business, financial condition, prospects and results of operations.

The Group may be exposed to risks relating to changes in applicable tax laws including those relating to the tax residency of Atrium and other Group Companies

Atrium and the Group have been structured with a view to being tax efficient. There can be no assurance that Atrium or the Group has been or will continue to be successful in conducting its business or in structuring itself or the management of its affairs in the most tax efficient manner, and that the structure or management of the affairs of Atrium or any other Group Company may result in other adverse tax consequences for Atrium or any other Group Company.

Atrium is incorporated in Jersey and aims to manage its affairs in such a manner that it does not become resident for tax purposes or create other adverse tax consequences for itself in any jurisdiction other than Jersey. There is a risk that Atrium may become resident for tax purposes in one or more other jurisdictions. The same risk applies to the tax residency of any other Group Company. Any such residency of Atrium or a member of the Group, if unintended, may have an adverse effect on the Group's business, financial condition, prospects and results of operations.

Changes in effective tax rates may have an adverse effect on the Group's results

The Group's future effective tax rates may be adversely affected by a number of factors, including changes in the valuation of Atrium's deferred tax assets and liabilities, increases in expenses not deductible for tax purposes, changes in share based compensation expense, the outcome of any potential discussions with the relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles. Any significant increase in the Group's future effective tax rates could adversely impact the net results for such future periods and as a result could adversely affect Atrium's business, financial condition, prospects and results of operations.

There are uncertainties in the taxation systems in the countries in which the Group has its operations or assets

The taxation systems in the countries in which the Group has, or may have, its operations or assets are not as well-established, compared to those in more developed economies. The lack of established jurisprudence and case law may result in unclear or non-existent regulations, decrees and explanations of the taxation laws and/or views on interpretations thereof. Moreover, taxation laws (including case law) in those countries may as a result be more likely to be subject to changes which can result in unusual complexities and more significant tax risks for the relevant Group Company operating in those countries

and the business of the Group generally and these could adversely affect Atrium's business, financial condition, prospects and results of operations.

Risks related to the financial condition of the Group

The Group may be forced to refinance its debt or may forfeit significant secured assets if it fails to meet the obligations and requirements under its loan agreements or debt securities

As of 31 December 2012, the Group had total borrowings, including bonds and bank loans, with a nominal value of €543.6 million. All such borrowings are secured. As at 31 December 2012, the market value of properties secured in favour of external creditors was €1,367.4 million.

The Group's external loan agreements contain certain covenants, such as an obligation to maintain a maximum loan to valuation ratio and minimum debt service coverage ratio. The Group's compliance with such covenants is dependent on the fair market value and income yielding capacity of its properties which are subject to fluctuations. A decline in the fair market value or net income of such properties could affect the Group's compliance with these covenants, which could result in a mandatory refinancing of the existing debt facilities, which could have material adverse effects on the Group's financial condition.

A failure to make principal and/or interest payments due under the Group's loan agreements or bonds (including the Notes) or breach of any of the covenants contained in the Group's loan agreements or bonds (including the Notes) could result in the forfeiture of its mortgaged assets or the acceleration of its payment obligations or make future borrowing difficult or impossible. In these circumstances, the Group could also be forced in the long term to sell some of its assets to meet its debt obligations. Any of the events described above could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Atrium may be unable to raise the debt financing that it requires or refinance existing debt at maturity

Atrium uses, and has used in the past, debt, together with free cash flow, to finance the Group's acquisition of property. Any delay in obtaining, or a failure to obtain, suitable or adequate debt financing from time to time (including suitable terms on which the banks or other lenders may agree to lend) may impair Atrium's ability to invest in suitable property investments (including developments). Any delay in refinancing, or the inability to refinance on commercially acceptable terms, debt falling due in accordance with the maturity schedule of the Group's indebtedness may result in an acceleration of such debt, and enforcement of any pledged assets in support of such debt, against the relevant Group entity. Any such delay or failure may impact negatively on the Group's business, financial condition, prospects and results of operations.

The Group's floating rate indebtedness subjects it to interest rate risk, which could cause its debt service obligations to increase significantly

The Group is subject to the risk that interest rates fluctuate on its floating rate borrowings. As at 31 December 2012, the Group had combined outstanding unhedged floating rate borrowings of approximately €190.4 million. Although Atrium may have interest rate hedge arrangements in effect going forward, its interest expense could increase if interest rates increase and such debt may not be fully hedged. A 1% increase in the interest rate on the floating rate loans would have decreased the profit in the year ending 31 December 2012 by €1.9 million through incremental interest expense.

Risks relating to the Group structure

Atrium is a holding company and its ability to pay interest and/or principal depends upon the ability of its subsidiaries to pay dividends and advance funds

Because Atrium conducts its business through Group Companies, its ability to pay interest and/or principal under the Notes, and on any other of its borrowings, depends on the earnings and cash flow of the Group Companies and their ability to pay to Atrium dividends and to advance funds to it. Other contractual and legal restrictions applicable to the Group Companies could also limit Atrium's ability to obtain cash from them. Atrium's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors.

Risks related to the markets in which the Group operates

The markets in the Region are subject to greater risks than more developed markets, including significant legal, economic and political risks that could have a material adverse effect on the Group's business

Investors in emerging and developing markets such as the countries in which the Group has its operations or assets should be aware that these markets are subject to greater legal, economic and political risks than mature markets and are subject to rapid and sometimes unpredictable change. In general, investing in the securities of issuers with substantial operations in emerging or developing markets like the Region involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of Western Europe or other similar jurisdictions. Changes in economic and political situations in one emerging or developing market country may have a negative related or unrelated consequential impact on the economic and political situation in other emerging or developing market countries.

The Group's operations in the Region are exposed to risks common to all regions that have recently undergone, or are undergoing, political, economic and social change, including currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies, expected declines in the birth rate and other similar factors. Political or economic instability resulting from the occurrence of any of these risks may adversely affect the real estate market in the affected country or countries of the Region. The level of risk that the Group faces differs significantly between the different countries where the Group operates. It is generally believed that the risk in Central and Eastern European countries, which are members of the European Union, is lower compared to countries, such as Russia, which is not a member of the European Union. However, the Group could be affected by these issues in each of the countries in which it has its operations or assets.

The political systems in some of the countries of the Region such as Russia may be vulnerable to popular dissatisfaction, including dissatisfaction with the results of the privatisations of the 1990s, as well as to demands for autonomy from certain regional and ethnic groups. Political instability may disrupt day-to-day operations or discourage foreign investment in such countries. Further, a wave of uncertainty and political unrest has developed across large parts of Europe in recent months reflecting a growing backlash against Euro zone policy makers and governments and political parties who have advocated greater fiscal austerity measures in relation to their respective national economies.

As a result, the Group's performance could be significantly affected by events in the Region beyond its control, such as a general downturn in the economy of countries in which the Group has its operations or assets, political instability, changes in regulatory requirements and applicable laws (including in relation to taxation), the condition of financial markets and interest and inflation rate fluctuations. Such events could reduce the Group's rental income and/or the market value of its properties. Adverse economic or political developments in the markets where the Group operates may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Legal regimes in the Region differ from those in Western Europe

The legal systems of most of the countries in the Region have undergone dramatic changes in recent years. In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are still being developed, which may result in the promulgation of new laws, changes in existing laws, inconsistent application of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations.

Government authorities have a high degree of discretion in several countries in the Region and at times may exercise their discretion arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law. Moreover, governments may have the power in certain circumstances, by regulation or a government act, to place Group Companies in liquidation and more generally interfere with the performance of, nullify or terminate contracts. Unlawful or arbitrary governmental actions may include the withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under relevant laws and regulations in a reasonably timely manner or at all. Although institutions and legal and regulatory systems characteristic of parliamentary democracies have been developed in most countries of the Region, some of them lack an institutional history, and there may be no generally observed procedural guidelines. As a result, shifts in government policies and regulations tend to be more frequent and less

predictable than in the countries of Western Europe. Moreover, a lack of legal certainty or the inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's assets may be subject to expropriation, nationalisation and confiscation

The governments of some countries in the Region may expropriate (either permanently or temporarily) part or all of a property at less than its full market value. In the event that the Group's property is expropriated or nationalised, legislation provides for fair compensation to be paid to Atrium. However, there can be no certainty that such protections will be enforced. This uncertainty is due to several factors, including, in some countries, the lack of an independent judicial system, insufficient mechanisms to enforce judgments and corruption among state officials.

The concept of property rights is not well developed in certain countries in the Region and there is a lack of experience in enforcing legislation enacted to protect private property against nationalisation and expropriation. As a result, the Group may not be able to obtain proper redress in the courts and may not receive adequate compensation if, in the future, the governmental authorities decide to nationalise or expropriate some or all of the Group's assets. Expropriation or nationalisation of the companies in which the Group invests, their assets or portions thereof, potentially with little or no compensation, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Risks related to the Notes

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither Atrium nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Atrium is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There is currently no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and Atrium's results of operations. Although application has been made for the Notes to be listed on the official list and trading on the Luxembourg Stock Exchange's regulated market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Integral multiples of less than €100,000

The denomination of the Notes is €100,000 and integral multiples of €1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

Atrium may redeem the Notes prior to maturity

The Terms and Conditions of the Notes provide that Atrium may in certain limited circumstances redeem the Notes prior to maturity. Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

Because the Global Notes are held by or on behalf of Clearstream, Luxembourg and Euroclear investors will have to rely on their procedures for transfer, payment and communication with Atrium

The Notes will be represented by Global Notes. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

Atrium will discharge its payment obligations under the Notes by making payments to the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. Atrium has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. In addition, Atrium has no responsibility for the proper performance by Euroclear and Clearstream, Luxembourg or their participants of their obligations under their respective rules and operating procedures.

Further, holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Modifications and waivers

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, amend the Terms and Conditions insofar as they apply to the Notes to correct a manifest error or where the amendments are of a formal, minor or technical nature.

Change of law

The Terms and Conditions of the Notes are based on the laws of England in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of this Prospectus.

Exchange rate risks and exchange controls

Atrium will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Credit ratings

Credit rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

OVERVIEW

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	Atrium European Real Estate Limited, incorporated with limited liability under the laws of Jersey.
Lead Managers:	Deutsche Bank AG, London Branch and HSBC Bank plc.
Trustee:	Deutsche Trustee Company Limited.
The Notes:	EUR350,000,000 4.00 per cent. Notes due 20 April 2020.
Issue Price:	99.569 per cent. of the principal amount of the Notes.
Issue Date:	Expected to be on or about 19 April 2013.
Use of Proceeds:	General corporate purposes. See “Use of Proceeds”.
Interest:	The Notes will bear interest from 19 April 2013 at a rate of 4.00 per cent. per annum payable annually in arrear on 20 April in each year commencing 20 April 2014.
Status:	The Notes are senior, unsubordinated, unconditional and (subject to Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of Atrium.
Form and Denomination:	<p>The Notes will be issued in bearer form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. The Notes will initially be in the form of a temporary global note (the “Temporary Global Note”), without interest coupons, which will be deposited on or around 19 April 2013 with a common safekeeper for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, <i>société anonyme</i> (“Clearstream, Luxembourg”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “Permanent Global Note”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each and with interest coupons attached.</p> <p>The Temporary Global Note and the Permanent Global Note are to be issued in new global note form.</p>
Final Redemption:	20 April 2020.
Optional Redemption:	The holder of a Note may, by the exercise of the relevant option, require Atrium to redeem such Note at its principal amount on a Change of Control Put Date.
Tax Redemption:	The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia or Jersey.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 3 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 10 (<i>Events of Default</i>).

Rating:	<p>The Notes are expected to be rated BBB- by Standard & Poor's and BBB- by Fitch.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.</p>
Withholding Tax:	<p>All payments in respect of the Notes will be made free and clear of withholding taxes imposed by any tax jurisdiction as provided in Condition 8 (<i>Taxation</i>) unless the withholding is required by law. In that event, Atrium will (subject as provided in Condition 8 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholder receiving such amounts as they would have received in respect of such Notes had no such withholding been required.</p>
Governing Law:	<p>The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law.</p>
Listing and Trading:	<p>Applications have been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.</p>
Clearing Systems:	<p>Euroclear and Clearstream, Luxembourg</p>
Selling Restrictions:	<p>See "<i>Subscription and Sale</i>".</p>
Risk Factors:	<p>Investing in the Notes involves risks. See "<i>Risk Factors</i>".</p>
Financial Information:	<p>See "<i>Selected Financial Information</i>" and "<i>Documents Incorporated by Reference</i>"</p>

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the audited consolidated annual financial statements of Atrium for the financial years ended 31 December 2012 and 2011 together in each case with the audit report, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF (the “**Audited Consolidated Financial Statements**”). Such documents are incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modified or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in, and forming part of, this Prospectus may be obtained from the registered offices of Atrium, the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for the information incorporated by reference in, and forming part of, this Prospectus as set out in Atrium’s annual reports for 2012 and 2011.

Atrium confirms that it has obtained the approval from its auditors to incorporate by reference in this Prospectus the auditor’s reports for the financial years ended 31 December 2012 and 2011.

The information incorporated by reference, that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 (“**Prospectus Regulation**”).

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PRESENTATION OF CERTAIN INFORMATION

Atrium and Group Companies

In this Prospectus, unless expressed otherwise, references to the Group are to Atrium and its consolidated subsidiaries and references to Group Companies are to the members of the Group.

Real estate data

In this Prospectus, references to Gross Lettable Area (“GLA”) are references to the total area of a property used and occupied by tenants or currently vacant, excluding all common areas such as restrooms, corridors, kiosks etc. References to occupancy by GLA are references to the total GLA that is used and occupied by the tenants compared to the total GLA of the given property (including GLA that is currently vacant) expressed as a percentage. References to EPRA occupancy is calculated by the Group by dividing the period-end rental value of occupied units by the period-end theoretical rental value of all units (including vacant ones).

The property data and the lettable sqm totals included in this Prospectus, as well as the sqm figures used as a basis for the calculation of property data, originate from the Group. They are not included in the audit of the Audited Consolidated Financial Statements according to IFRS.

References to market value of Atrium’s portfolio are to the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Certain Jurisdictions

In this Prospectus, all references to:

- “Central and Eastern Europe” are to Albania, Belarus, Bosnia-Herzegovina, Bulgaria, the Czech Republic, Croatia, Estonia, Hungary, Kosovo, Latvia, Lithuania, Montenegro, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine;
- “Russia” are to the Russian Federation;
- “Slovakia” are to the Slovak Republic;
- “U.S.” are to the United States of America;
- “U.K.” are to the United Kingdom;
- “EU” are to the European Union and its member states as of the date of this Prospectus;
- “EEA” are to the European Economic Area and its member states as of the date of this Prospectus;
- “CIS” are to the Commonwealth of Independent States;
- the “Region” are to Bulgaria, the Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia and Ukraine; and
- “Western Europe” are to Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the Vatican.

Currencies

In this Prospectus, all references to “EUR”, “€” and “euro” are to the lawful currency of the participating member states in the third stage of the Economic and Monetary Union of the Treaty establishing the European community, all references to “RUR” “Russian Ruble” and “Ruble” are to the lawful currency of the Russian Federation, all references to “U.S.\$”, “\$”, “U.S. dollar” and “dollar” are to the lawful currency of the U.S., all references to “Koruna”, “CZK” or “Czech Koruna” are to the lawful currency of the Czech Republic and all references to “Zloty”, “PLN” or “Polish Zloty” are to the lawful currency of the Republic of Poland.

Rounding

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

SELECTED FINANCIAL INFORMATION

The information below shows certain of Atrium's consolidated financial information as of the years ended, 31 December 2012 and 2011. The consolidated financial information as of 31 December 2012 and 2011 and for the years then ended has been extracted from, and should be read in conjunction with, the Audited Consolidated Financial Statements of Atrium incorporated by reference in, and forming part of, this Prospectus.

Other than "Equity" which is extracted from the Audited Consolidated Financial Statements of Atrium, the information presented below under the caption "Other Financial Information" is derived from the unaudited management accounts of Atrium, which are not prepared in accordance with IFRS.

Consolidated Income Statement

	For the year ended 31 December	
	2012	2011
	(€ in thousands)	
Gross rental income	193,475	172,173
of which		
Poland	73,851	64,099
Czech Republic	38,629	29,687
Slovakia	11,248	10,808
Russia	52,940	45,190
Hungary	8,567	8,222
Romania	7,172	7,000
Latvia	1,068	963
Other*	—	6,204
Service charge income	73,762	68,431
Net property expenses	(85,958)	(85,734)
Net rental income	181,279	154,870
of which		
Poland	73,577	62,487
Czech Republic	35,017	25,763
Slovakia	11,148	10,622
Russia	47,689	37,489
Hungary	7,050	6,825
Romania	6,429	6,559
Latvia	369	362
Other**	—	4,763
Net result of acquisitions and disposals	793	31,791
Costs connected with developments	(6,161)	(4,660)
Revaluation of investment properties	(4,961)	77,321
Other depreciation, amortisation and impairments	(1,835)	(1,392)
Administrative expenses	(29,125)	(37,770)
Net operating profit	139,990	220,160
of which		
Poland	83,219	104,850
Czech Republic	34,295	32,939
Slovakia	16,809	17,516
Russia	41,997	62,530
Hungary	(3,724)	5,594
Romania	(4,680)	7,658
Latvia	(317)	(80)
Other***	(9,469)	16,576
Unallocated expenses	(18,140)	(27,423)
Interest income	3,883	6,120
Interest expense	(23,103)	(23,242)
Other financial expenses	(4,697)	(33,341)
Profit before taxation	116,073	169,697
Taxation charge for the year	(19,898)	(26,451)
Profit after taxation for the year	96,175	143,246

* This represents gross rental income generated by Standing Investments in Turkey prior to their disposal in July 2011.

** This represents net rental income generated by Standing Investments in Turkey prior to their disposal in July 2011.

*** This represents net operating profit (loss) in Turkey, Bulgaria, Ukraine and Georgia.

Condensed Consolidated Statement of Financial Position

	As at 31 December	
	2012	2011
	(€ in thousands)	
Assets		
Non current assets		
Standing investments	2,185,336	2,077,246
Developments and land	538,395	587,351
Other non current assets	93,386	100,778
	2,817,117	2,765,375
Current assets		
Cash and cash equivalents	207,843	234,924
Other current assets	43,581	40,402
	251,424	275,326
Total assets	3,068,541	3,040,701
Equity	2,281,372	2,264,543
Liabilities		
Non current liabilities		
Long term borrowings	462,075	542,662
Other non current liabilities	184,653	148,347
	646,728	691,009
Current liabilities		
Short term borrowings	74,986	25,330
Other current liabilities	65,455	59,819
	140,441	85,149
Total liabilities	787,169	776,158
Total equity and liabilities	3,068,541	3,040,701

Other Financial Information⁽¹⁾

	For the year ended 31 December	
	2012	2011
	(€ in thousands)	
EPRA like-for-like gross rental income ⁽²⁾	161,517	153,490
EPRA like-for-like net rental income ⁽²⁾	148,844	138,678
EPRA Earnings ⁽³⁾	114,971	52,321
Company adjusted EPRA earnings ⁽³⁾	120,904	102,688
Adjusted EBITDA ⁽⁴⁾	145,993	112,440
	As at 31 December	
	2012	2011
	(€ in thousands, unless expressed otherwise)	
Equity	2,281,372	2,264,543
Net loan to value ratio ⁽⁵⁾	12.1%	12.5%
Gross loan to value ratio ⁽⁶⁾	19.7%	21.3%
EPRA net asset value ⁽⁷⁾	2,438,371	2,406,809

- (1) These measures are not measures defined by IFRS. Certain data is recommended by the Best Practice Recommendations, published by the European Public Real Estate Association's or EPRA's Reporting and Accounting Committee ("EPRA Recommendations"). However, these measures should not be used instead of or considered as alternatives to the Group's financial results based on IFRS as set out in the Audited Consolidated Financial Statements. Atrium believes that the presentation of the non-IFRS data enhances an investor's understanding of its financial performance. Atrium uses non-IFRS data to assess its operating performance and financial condition because it believes these are important supplemental measures of such performance and financial condition. In addition, Atrium believes non-IFRS data is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the real estate industry. The non-IFRS data are not presentations made in accordance with IFRS and Atrium's use of such terms may vary from others in the real estate

industry. The non-IFRS data have limitations as analytical tools, and should not be considered in isolation, or as substitutes for financial information as reported under IFRS.

- (2) Atrium defines “EPRA” like-for-like gross rental income” and “EPRA like-for-like net rental income” as the growth of the gross, or net, rental income of the portfolio that has been consistently in operation, and not under development, during the period that precedes the period under review. Like-for-like income growth in 2012 thus compares the rental income of the portfolio in 2012 with exactly the same portfolio in 2011. Information on the growth in rental income other than from acquisitions and disposals, allows investors to arrive at an estimate of organic growth. To enhance the comparability of gross and net rental income, prior period values for like-for-like properties have been recalculated using the 2012 exchange rates.
- (3) EPRA Earnings are recurring earnings from core operational activities and are defined by Atrium as its earnings attributable to equity holders of the parent company before (i) revaluation of investment properties, (ii) net results on acquisition and disposals, (iii) goodwill impairment and amortisation of intangible assets, (iv) deferred tax in respect of EPRA adjustments, (v) close-out costs of financial instruments and (vi) non controlling interest in respect of the foregoing.

“Company adjusted EPRA Earnings” include adjustments that Atrium considers appropriate to demonstrate the underlying performance of the Group but which the Best Practices Recommendations require to be shown separately to EPRA Earnings. The adjustments represent adjustments of other non-recurring items which could distort the Group’s operating results. Such non-recurring items are disclosed separately in order to provide stakeholders with the most relevant information regarding the performance of the underlying property portfolio. Company adjusted EPRA Earnings is defined by Atrium as EPRA Earnings before (i) legacy legal matters (ii) foreign exchange differences, (iii) changes in the value of financial instruments, (iv) deferred tax not related to revaluations and (v) non controlling interest in respect of the foregoing adjustments.

The following is a reconciliation of earnings attributed to equity holders of the parent company to Company adjusted EPRA Earnings:

	For the year ended 31 December	
	2012	2011
	(€ in thousands)	
Earnings attributable to equity holders of the parent company	98,712	145,270
Revaluation of investment properties	4,961	(77,321)
Net results on acquisitions and disposals	(793)	(31,791)
Goodwill impairment and amortisation of intangible assets	970	447
Deferred tax in respect of EPRA adjustments	11,476	13,923
Close-out costs of financial instruments	1,909	(923)
Non controlling interest in respect of the above adjustments	(2,264)	2,716
EPRA earnings	114,971	52,321
Company adjustments		
Legacy legal matters	3,255	12,550
Foreign exchange differences	(7,860)	22,290
Changes in the values of financial instruments	5,049	9,323
Deferred tax not related to revaluations	5,500	9,393
Non controlling interest in respect of company adjustments	(11)	(3,189)
Company adjusted EPRA earnings	120,904	102,688

- (4) “Adjusted EBITDA” as defined by Atrium is the consolidated profit/(loss) for the period before taxes, depreciation, amortisation and impairments and excluding any revaluation changes, financial income and financial expenses, net result on acquisitions and disposals any other exceptional or non-recurring items.

The following is a reconciliation of profit after taxation for the year to Adjusted EBITDA:

	For the year ended 31 December	
	2012	2011
	(€ in thousands)	
Profit after taxation for the year	96,175	143,246
Interest income	(3,883)	(6,120)
Interest expense	23,103	23,242
Other financial expenses	4,697	33,341
Taxation charge for the year	19,898	26,451
Other depreciation, amortisation and impairments	1,835	1,392
Revaluation of investment properties	4,961	(77,321)
Net result on acquisitions and disposals	(793)	(31,791)
Adjusted EBITDA	145,993	112,440

- (5) “Net loan to value ratio” is calculated as net debt of the Group (being the sum of long and short term borrowings minus cash and cash equivalents of the Group) divided by the market value of the Group’s property portfolio.
- (6) “Gross loan to value ratio” is calculated as the sum of long and short term borrowings divided by the market value of the Group’s property portfolio.

- (7) “EPRA net asset value”, or “EPRA NAV”, highlights the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. The Group defines EPRA NAV in line with EPRA Recommendations as diluted net asset value after the exercise of options and before (i) fair value of financial instruments, (ii) goodwill as a result of deferred tax and (iii) deferred tax in respect of investment properties.

The following is a reconciliation of the Net asset value of the Group to its EPRA NAV:

	For the year ended 31 December	
	2012	2011
	(€ in thousands)	
Net asset value per the financial statements	2,284,433	2,279,826
Diluted NAV, after the exercise of options	2,299,713	2,295,891
Fair value of financial instruments	17,828	9,060
Goodwill as a result of deferred tax	(11,025)	(11,475)
Deferred tax in respect of investment properties	131,855	113,333
EPRA NAV	2,438,371	2,406,809

DESCRIPTION OF ATRIUM

General

Atrium was incorporated in Jersey on 8 December 1997 as a company with limited liability under the Jersey Companies Law and is regulated by the JFSC as a certified fund pursuant to the CIF Law, as amended. In order to facilitate the internalisation of its management, Atrium was, in 2008, granted permission by the JFSC to be treated as a Listed Fund. Regulatory requirements, which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to Listed Funds. Holding an investment in Atrium is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Any person holding an investment in Atrium will be deemed to have acknowledged that he or she is a professional or experienced investor, or has taken appropriate professional advice, and has accepted the reduced requirements accordingly.

The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under this Law.

Atrium's affairs are managed by the Board, with its seat outside the EU. Atrium's registered office is 11-15 Seaton Place, St. Helier, Jersey JE4 0QH, Channel Islands with telephone number: +44 (0) 1534833035. Its registered number is 70371. The legal name of Atrium is "Atrium European Real Estate Limited". The Articles of Association of Atrium (the "**Articles**") were adopted by special resolution of the members of Atrium passed on 2 October 2009 and effective from 1 December 2009.

Atrium's authorised stated capital is unlimited with no par value of the Shares. Atrium is a no par value company. The Shares are governed by the laws of Jersey.

Atrium was founded in 1997 with the name "Central European Land Limited" and in 1997 it acquired a portfolio of 61 commercial retail properties in the Czech Republic and Hungary from Julius Meinl International AG. In February 1998 Atrium became a public limited company. In 2002, its name was changed to "Meinl European Land Limited". In November 2002, there was an initial public offering of Austrian Depositary Receipts in respect of 100% of its equity capital on the Vienna Stock Exchange. In 2008, Atrium's name was changed to "Atrium European Real Estate Limited" and several governance changes were introduced to the Group following the strategic investment made by CPI/Gazit Holdings Limited. These changes included the reconstitution of the Board and the appointment of a new internal management team. Atrium obtained a dual listing of its ordinary shares (the "**Shares**") on the official market (*Amilicher Handel*) of the Vienna Stock Exchange and on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**"), the regulated market of Euronext Amsterdam N.V. ("**Euronext**") in 2009. Atrium does not have a separate trading or commercial name and the duration of Atrium is indefinite.

As at the date of this Prospectus, a total number of 373,572,089 Shares is in issue, of which 373,561,013 Shares were registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (trading as "Euroclear"), 11,075 Shares were registered in the name of two individual shareholders, and one ordinary share in the name of Aztec Financial Services (Jersey) Limited, the administrator and company secretary of Atrium. The Shares are listed on the Vienna Stock Exchange and Euronext under ticker: ATRS.

Corporate Structure

Atrium is the holding company of the Group and its main functions include the overall strategic management of the Group, the determination of the objectives and strategies of the Group, central co-ordination of the activities of the Group Companies and central allocation of resources and monitoring of Group activities. A list of subsidiaries comprising the Group, including the percentage ownership, direct or indirect, of Atrium in each such subsidiary is included in note 2.3 of the Audited Annual Financial Statements for the year ended 31 December 2012, beginning on page 50 thereof, incorporated by reference in, and forming part of, this Prospectus (see "*Documents Incorporated by Reference*").

The Group Companies comprise real estate holding companies and management companies in a majority of the countries in the Region in which the Group has its operations or assets, and intermediate holding companies established in other jurisdictions. Atrium does not directly hold properties. Generally, the purpose of each real estate holding company within the Group is to hold one or more properties of the Group in the relevant country.

Description of the Group's Operational Activities

The Group is focused on food anchored shopping centres in Central and Eastern Europe. The Group acquires, develops and operates retail properties predominantly in Poland, the Czech Republic, Slovakia and Russia. The Group owns and operates 156 retail properties, ("Standing Investments") with a market valuation of €2.2 billion as at 31 December 2012, and own a development and land portfolio ("Development and Land"), consisting of 36 projects and land plots, with a market valuation of €538.4 million as at 31 December 2012.

The Group's business is divided into two segments: (i) Standing Investments and (ii) Developments and Land. The Standing Investments segment comprises the leasing, operation and management of the Group's income-yielding portfolio—consisting of 156 properties of various sizes ranging from shopping centres of 30,000 sqm to single units of 400 sqm. The Developments and Land segment comprises the Group's development activities—consisting of 36 development projects and land plots in various stages of development—including extensions to existing real estate within the Group's portfolio. The Group manages each of the two segments separately and dedicates key personnel to each sector.

Atrium distinguishes the markets in which the Group operates based on three regions "Central CEE Countries" (being Poland, Czech Republic and Slovakia), "Southern-Eastern CEE Countries" (being Hungary and Romania) and "Eastern CEE Countries" (being Russia and Latvia).

Property management

Property management teams at the local level are dedicated to the management of properties in a given country, building relationships with incumbent tenants and providing insight into the local requirements and market dynamics at each of the Group's assets. They are also responsible for managing tenants and the creation of the shopping and entertainment environment. The Group's property management approach is centred around personal and regular contact with tenants, marketing and local community involvement and facility management.

This approach has led to external recognition for the Group in the form of awards such as "Investor of the Year" award at the 2011 Europa Property CEE Retail Awards for the second year running, as well as the Central and Eastern European Real Estate Quality Award (in cooperation with the Financial Times) and most recently "Company of the Year" at the 2012 Europa Property CEE Retail Awards.

Leasing

The Group has experienced local leasing professionals within the property management teams in each country in which it operates. The task of the leasing teams includes, amongst others, keeping the occupancy levels of all properties generally close to 100% through renewals and re-lettings and monitoring the tenant mix to match the needs of the market and consumers. These teams work closely with the Group's tenants, through the property management teams, and also potential tenants. These relationships enable the Group to involve its tenants in the early stages of development or redevelopment of projects and thus, where appropriate, it actively approaches tenants from its network of existing relationships selected on the basis of analyses conducted in relation to the area in which a property may be situated. These initiatives often help in reducing the Group's leasing risk.

The Group employs a range of strategies to improve occupancy. The leasing teams attempt to find the most successful and productive tenants in every segment, and draw on existing commercial relationships to generate market interest in its properties. In addition, the Group looks for those tenants who best complement the product range and mix for consumers in a specific location. The Group is also at times able to match the geographical expansion plans of its tenants with the Group's properties in the relevant areas. The Group's diverse portfolio spanning across various cities in a given country and across various countries in Central and Eastern Europe is a compelling opportunity for certain retailers, especially those attempting to increase their exposure to developing market economies. Unlike single asset owning landlords, the Group is also able to optimise occupancy with regards to the overall portfolio by bundling together leases for properties which attract strong tenant demand with properties which attract relatively weaker demand. It also employs this "packaged" leasing with respect to renewals. Tenants may therefore be compelled to accept these terms in order to maintain their relationships with the Group and to secure renewals for the more attractive leases.

Acquisition process

Acquisitions of properties are initiated by Group management, the Group acquisition department and local management. The Group is able to leverage its wider contacts in the retail and real estate industries in order to identify and pursue potential acquisition opportunities. The Group reviews and analyses all opportunities and where an opportunity reaches suitable investment criteria and following appropriate commercial, financial, tax, legal and technical diligence, approval is sought from the Board. Once such approval has been obtained, the acquisition is typically executed primarily by the Group acquisition team and the appropriate teams located in the relevant countries.

Description of the Portfolio

Standing Investments

The Group's income producing portfolio comprises 156 operating assets (having a total GLA of 1.2 million sqm) with a market valuation of €2.2 billion as at 31 December 2012.

Twenty eight of Atrium's assets are shopping centres, twelve of which offer over 30,000 sqm of GLA, while the other 16 offer between 10,000 sqm and 30,000 sqm of GLA. The 128 remaining assets are leased to a variety of retailers ranging from food anchors to do-it-yourself ("DIY") stores and electronics shops. Substantially all of these 28 shopping centres are anchored by supermarkets, hypermarkets or local convenience stores, reflecting the focus of the Group on the daily necessities of the consumer. The Group distinguishes non-retail space, which includes logistics and industrial storage space, as well as office space, from retail space. Retail units attract better pricing than non-retail rental units whose turnover generation is considered by the Group as incremental to retail. Approximately 142,000 sqm of the total 1.2 million sqm of GLA of the Group's portfolio of Standing Investments constitutes non-retail space, representing 69,000 sqm of office space attached to shopping centres and 73,000 sqm of other space.

The Group's focus on the proactive asset management of its Standing Investments underpins its property management strategy. The Group reviews and analyses the existing property portfolio with the aim of identifying assets which require upgrading, refurbishment or extension, or to dispose of properties which do not continue to meet the Group's strategic investment objectives.

All Standing Investments and approximately 89% (by value) of Developments and Land were valued externally as at 31 December 2012. Historically, only a proportion of Developments and Land of the Group has been valued externally with the remainder valued internally by management. Valuations are undertaken on a quarterly basis.

The following table provides a summary of the Group's portfolio of Standing Investments (including a break down for the countries in which the Group operates namely, Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania and Latvia) as of 31 December 2012 and 2011 and for the years then ended.

		For the year ended 31 December	
		2012	2011
No. of Standing Investments (as at year end)			
of which	<i>No. of properties</i>		
Poland	21	20	
Czech Republic	98	98	
Slovakia	3	3	
Russia	7	7	
Hungary	25	25	
Romania	1	1	
Latvia	1	1	
Total	156	155	
Market Value (as at year end)*			
of which	<i>(€ in thousands)</i>		
Poland	1,030,350	986,215	
Czech Republic	445,901	435,214	
Slovakia	145,990	138,075	
Russia	394,375	339,847	
Hungary	82,870	90,985	
Romania	70,700	71,300	
Latvia	15,150	15,610	
Total	2,185,336	2,077,246	
Share of Group Portfolio by Market Value (as at year end)			
of which	<i>(in %)</i>		
Poland	47.1%	47.5%	
Czech Republic	20.4%	21.0%	
Slovakia	6.7%	6.6%	
Russia	18.1%	16.3%	
Hungary	3.8%	4.4%	
Romania	3.2%	3.4%	
Latvia	0.7%	0.8%	
Total	100%	100%	
GLA (as at year end)			
of which	<i>(in sqm)</i>		
Poland	390,000	374,300	
Czech Republic	374,200	371,600	
Slovakia	65,400	65,200	
Russia	236,600	216,700	
Hungary	104,500	101,800	
Romania	53,300	53,000	
Latvia	20,400	20,400	
Total	1,244,400	1,203,000	

		For the year ended 31 December	
		2012	2011
Share of Group Portfolio by GLA (as at year end)			
of which	(in %)		
Poland	31.3%	31.1%	
Czech Republic	30.1%	30.9%	
Slovakia	5.3%	5.4%	
Russia	19.0%	18.0%	
Hungary	8.4%	8.5%	
Romania	4.3%	4.4%	
Latvia	1.6%	1.7%	
Total	100%	100%	
EPRA Occupancy (at year end)**			
of which	(in %)		
Poland	97.5%	97.9%	
Czech Republic	98.3%	98.3%	
Slovakia	98.2%	99.7%	
Russia	99.0%	97.2%	
Hungary	94.7%	95.1%	
Romania	99.4%	98.0%	
Latvia	92.0%	82.5%	
Portfolio Average	98.0%	97.6%	
Net Equivalent Yield* (including estimated rental income on vacant space) (as at year end)***			
of which	(weighted average, in %)		
Poland	6.9%	7.0%	
Czech Republic	8.1%	8.1%	
Slovakia	7.7%	7.7%	
Russia	12.2%	12.5%	
Hungary	9.2%	8.9%	
Romania	9.1%	9.4%	
Latvia	13.0%	13.0%	
Portfolio Average	8.4%	8.4%	
EPRA Net Initial Yield* (as at year end)****			
of which	(in %)		
Poland	7.0%	7.0%	
Czech Republic	7.8%	7.9%	
Slovakia	7.5%	7.8%	
Russia	12.6%	12.5%	
Hungary	8.8%	8.2%	
Romania	8.8%	9.0%	
Latvia	2.4%	2.0%	
Portfolio Average	8.3%	8.3%	

* Derived from the unaudited management accounts of Atrium.

** See an explanation of EPRA occupancy rate at “—Leases and occupancy” below.

*** Net Equivalent Yield is derived from the external valuation process and takes into consideration the current actual net rental income together with the external appraisers’ assessment of potential future net rental income, occupancy and lease expires.

**** EPRA Net Initial Yield is calculated as the annualised net rental income of the portfolio divided by its market value.

Leases and occupancy

Leasing activity can be divided into re-lettings, renewals and pre-lettings. Re-lettings relate to the leasing of an existing space—either previously occupied or vacant—to a new tenant, while renewals relate to the

conclusion of new leases with existing tenants with respect to the same unit. Pre-lettings relate to the future letting of developments and extensions. The local leasing teams monitor the rent level at which the Group re-lets or renews leases. The rent levels for the Group's properties are driven by numerous interacting factors, including the attractiveness of the Group's properties (which the Group considers to comprise the markets in which they are located, the aesthetics and technical conditions of the property, the competitors in the catchment area and the tenant mix), supply and demand for real estate in the respective locations, legal and tax conditions, general economic trends and economic trends and exchange rate fluctuations in the individual markets in which the property is located. The occupancy cost ratio, which reflects the tenant's rental cost as a proportion of the tenant's turnover, can be affected by external factors—such as fluctuations of the currency on which rent is based against the local currency in which the tenant generates turnover—and internal factors—such as a decrease in turnover as a result of a decrease in customer traffic. The leasing teams dynamically monitor and analyse a range of macro and micro economic factors, including the particular financial and operational circumstances of the property and the tenant, to determine whether rent levels are appropriate and that properties are not unduly over-rented or under-rented.

The Group's lease agreements vary from one market to another as a result of differences in the relevant legal regimes, which affect lease terms, terminations and annual rent increases, as well as market practice. Rent clauses are typically divided into base rent and, where leasing teams have strong bargaining positions, turnover rent. Base rent, which is typically subject to annual index-linked increases, accounts for substantially most of the Group's revenue. Country and tenant specific deviations exist which at times limit the Group's ability to raise rents to the fullest extent in accordance with the applicable indices. Turnover rent is linked to the turnover of the tenant. Typically this is incremental to the base rent but, with respect to some anchor tenants, the rent may be exclusively linked to turnover (without a minimum rent). Where possible, the leasing teams opportunistically negotiate contractual improvements such as turnover rents in circumstances where a particular lease is not due for renewal. This typically occurs when the tenant requests some financial accommodation such as a temporary rent discount. Further, in order to attract certain specific tenants, as part of the negotiation process, some lease incentives which include an initial rent free period or a fit out contribution may be provided to prospective tenants. Conversely, certain tenants in order to secure a particular lease in relation to a property may make a payment of 'key money', which is a one-off fee to secure the tenancy.

The Group focuses on occupancy rate as a key performance indicator of its operations. Atrium's target is to maintain the highest possible occupancy rates across its various assets and it achieves these through certain ongoing property management initiatives and building relationships with tenants. The occupancy rate is determined by the Group both based on EPRA Recommendations which is a financial occupancy ratio and based on rental area (GLA in sqm). EPRA occupancy is calculated by dividing the period-end rental value of occupied units by the period-end theoretical rental value of all units (including vacant ones). Occupancy by GLA determined as at the period-end is calculated by dividing sqm let at period-end by total GLA (including GLA that is currently vacant). The following tables set out the Group's occupancy rate by GLA and EPRA occupancy.

Country	Occupancy (%)			
	As at 31 December			
	2012		2011	
	EPRA	GLA	EPRA	GLA
Poland	97.5	97.0	97.9	98.0
Czech Republic	98.3	96.4	98.3	96.4
Slovakia	98.2	97.9	99.7	98.9
Russia	99.0	99.0	97.2	97.8
Hungary	94.7	97.2	95.1	96.5
Romania	99.4	99.7	98.0	99.1
Latvia	92.0	96.0	82.5	87.3
Average	98.0	97.4	97.6	97.3

Lease expiries

The Group is a party to approximately 3,300 lease agreements. The average portfolio lease length as at the end of 2012 was 5.6 years (2011: 5.0 years). As of 31 December 2012, the percentage of lease agreements

with a remaining contract term—based on lease expiry date—of more than five years was 41.4%. The corresponding percentage as at 31 December 2011 was 41.2%. These percentages are calculated using annualised rental income or ARI. Additionally, the lease maturities between the years 2013 and 2017 are evenly spread. This provides the Group with a high degree of visibility as to likely future cash flows over the coming years. On the basis of ARI calculated as at 31 December 2012, the expiry schedule of existing lease agreements are as detailed in the following table.

<u>Lease expiry schedule</u>	<u>% of ARI</u>
2013	11.5%
2014	10.2%
2015	13.4%
2016	8.5%
2017	15.0%
>2017	38.6%
Indefinite	2.8%
Total	100%

Typically, the Group has lease agreements with longer durations of up to 25 years with some of its anchor tenants. Given such longer lease periods, these lease agreements are often subject to break clauses which come into effect usually 10 to 15 years after the commencement of the lease period under such lease agreements. The above lease expiry schedule does not however factor in any break clauses that may exist in some of the respective lease agreements.

Tenant Mix

Atrium continually reviews the various Standing Investments based on a range of factors such as competition and catchment area metrics (including the area's population demographics and spending patterns), with a view to targeting an optimal tenant mix. The Group defines optimal tenant mix in terms of the type of tenants—such as food retailers, fashion retailers or tenants operating entertainment facilities and restaurants—who would best complement the existing product range on offer at its properties and provide a suitable product mix for consumers in the relevant area. Improvements are implemented at natural points or breaks in the leasing cycle or when an opportunity arises that allows the Group to implement an improvement to the existing tenant mix. While substantially all of the Group's larger properties are anchored by a number of international hyper/supermarket brands, who together represent the largest category of tenants based on GLA, the Group also aims to partner with well known, fashion and apparel or entertainment anchors in order to optimise the tenant mix. Fashion and apparel retailers, taken together, represent the largest category of tenants based on ARI, signifying the higher rental income generated by such tenants. These partnerships help to further increase footfall, whilst meeting the needs of the end-consumer and complementing the other tenants.

Developments and Land Portfolio

The Group has been active since 2004 in the development of projects by way of identification, acquisition and development of greenfield sites for the construction of retail properties, or by way of acquisition of existing retail assets as renovation and “turn-around” operations.

By developing its own properties the Group is able to ensure that its projects are constructed in accordance with its own designs and standards, with a view to maximising operational efficiency and optimising the use of space. The Group continuously evaluates its Developments and Land portfolio, in order to determine the best approach for each of the assets in its pipeline. Any decision to commence development takes into account specific factors, such as the location and the size of the project, the economic situation in the relevant country and the risk profile. The Group's focus is orientated towards developing its portfolio in the largest and economically strongest cities in Central and Eastern Europe. The decision process also involves a number of broad considerations such as the demand and prices realised for land sales, the level of competition in the relevant area, the Group's preference for acquiring income producing properties, together with its cautious approach to undertaking and financing large scale new developments in the current economic environment. Accordingly, in addition to new projects, the Group also develops extensions to its existing and proven Standing Investments.

The Developments and Land portfolio of the Group is managed by the development team, assisted by local teams based in countries including Poland, Russia, Turkey, and the Czech Republic, with a focus on the careful management of development activities. The Group's in-house expertise and the development team's ability to supervise and undertake the overall project management responsibilities with respect to the initiation of a project, vetting and appointment of contractors and monitoring the progress of a project ensures greater control over such developments. The Group requires construction agreements with reputable contractors with proven financial and professional capabilities and a strong track record of completing projects of a similar scope on time and within budget. Construction contracts are concluded after a tender process, where bids are judged not only on the basis of the tender price offered but also taking into consideration additional factors such as the ability of the bidders to mobilise quickly, their respective financial resources and stability, experience and professional standards.

The Group has a development pipeline of 36 projects and land plots at different stages of development. Eight projects have been identified as priority projects (of which one is under active development). The Group is also working on some smaller extensions and refurbishment projects to existing Standing Investments.

The chart below provides an overview of the Developments and Land portfolio of the Group as at 31 December 2012.

Country	Number of projects/ land/development parcels	Market Value € '000	Share of Market Value (%)	Size of land (hectares)
Poland	13	143,125	26.5	60
Russia	12	145,230	27.0	149
Turkey	4	209,376	38.9	44
Others	7	40,664	7.6	54
Total	36	538,395	100	307

The Group has identified eight priority projects for which initial feasibility studies have been completed and the Board has given preliminary "green light" approval to make an initial investment in order to take these projects to their next stage of readiness prior to definitive commitment. These developments include two projects under active development—Atrium Felicity shopping centre in Lublin, Poland, which is expected to open in early 2014, and an extension to a car park at the Atrium Copernicus shopping centre in Torun, Poland. The incremental costs to complete these projects are expected to be approximately €64 million. The remaining seven developments are all extensions to existing Standing Investments, four of which are located in Poland, and include further additions to Atrium Copernicus and Promenada assets, and three in Russia.

Legal Proceedings

Reference is made to note 2.41 (*Contingencies*) from the Audited Consolidated Financial Statements for the years ended 31 December 2012 and 2011, respectively, beginning on page 90 thereof, with respect to the 2012 financial statements, and page 86 thereof, with respect to the 2011 financial statements, incorporated by reference in, and forming part of, this Prospectus (see "*Documents Incorporated by Reference*").

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to approximately €346.7 million, will be used for general corporate purposes including acquisitions, as and when identified, and refinancing of existing secured debt of the Group. The total expenses related to the listing of the Notes is estimated by the Group to be €5,600.

DIRECTORS OF ATRIUM AND GROUP EXECUTIVE MANAGEMENT

The Board of Atrium

The Board of Atrium (the “Board”) consists of ten directors (the “Directors”) who are:

Name	Born in	Function	Position held since
Chaim Katzman	1949	Chairman and Non-Executive Director*	August 2008
Rachel Lavine	1965	CEO and Director	August 2008
Joseph Azrack	1947	Non-Executive Director**	August 2011
Aharon Soffer	1971	Non-Executive Director*	May 2011
Noam Ben-Ozer	1963	Independent Non-Executive Director	November 2009
Peter Linneman	1951	Independent Non-Executive Director	August 2008
Simon Radford	1957	Independent Non-Executive Director	March 2008
Dipak Rastogi	1954	Independent Non-Executive Director**	October 2008
Thomas Wernink	1945	Independent Non-Executive Director	August 2008
Andrew Wignall	1964	Independent Non-Executive Director	March 2008

* Appointed by Gazit-Globe Ltd, or an affiliate thereof.

** Appointed by Apollo Global Real Estate, or an affiliate thereof.

The following are short biographies of the members of the Board:

Chaim Katzman is Chairman of the Board. Mr. Katzman is the founder, controlling shareholder and Chairman of Gazit-Globe Limited, a leading international real estate company listed on the Tel Aviv Stock Exchange (TASE:GLOB) and the New York Stock Exchange (NYSE: GZT). Mr. Katzman is also the founder, controlling shareholder and Chairman of Norstar Holdings (formerly Gazit Inc.), the parent company of Gazit-Globe; the founder and Chairman of Equity One (NYSE: EQY); the Chairman of First Capital Realty (TSX: FCR) and Chairman of Citycon (OMX: CTY). Mr. Katzman is a member of the International Council of Shopping Centers (ICSC), the National Association of Real Estate Investment Trusts (NAREIT), the Urban Land Institute (ULI), and the Real Estate Roundtable and the Association of Foreign Investors in Real Estate (AFIRE). He received a LL.B. degree from Tel Aviv University Law School. In 2011, he founded the Gazit-Globe Real Estate Institute at Israel’s Interdisciplinary Center (IDC) Herzlya.

Rachel Lavine is the Chief Executive Officer, or CEO, of the Group and was appointed to the Board in August 2008 after gaining extensive experience in international real estate development, construction and operation, and in the management of publicly quoted companies. Mrs. Lavine is a former president and CEO of Plaza Centres (Europe) BV and a former president and CEO of Elscint Ltd. She has also served as an external director of Dor Chemicals Ltd. and other public companies. Mrs. Lavine graduated from Tel Aviv University, College of Management with BA (Bachelor of Business) in accounting, has been a CPA (Certified Public Accountant) since 1995 and completed an Executive MBA at the Kellogg School of Management in 2008.

Joseph Azrack is a non-executive director having been re-appointed to the Board in August 2011 after having served an initial term from 1 August 2008 until 14 October 2008. Mr. Azrack is Chairman of Real Estate for Apollo Global Management. Prior to joining Apollo, Mr. Azrack was President and CEO of Citi Property Investors where he chaired the firm’s Management Committee and Investment Committee and guided investment policy and strategy. Mr. Azrack was also a member of the Citigroup Alternative Investments Management Committee and Investment Committee, and a member of Citi Infrastructure Investment Committee. Prior to joining Citi Property Investors, he was Chief Executive and Chairman of AEW Capital Management, L.P., Founder and President of the AEW Partners Funds, a Director of Curzon Global Partners and Founder and Chairman of IXIS AEW Europe. Mr. Azrack holds a MBA from Columbia University and a B.S. from Villanova University. He is a past adjunct professor at Columbia University’s Graduate School of Business where he is a member of and for many years chaired the Real Estate Program Advisory Board. Mr. Azrack is a member and past Chairman of the Pension Real Estate Association (PREA). He is also a Trustee and Director of the Urban Land Institute.

Aharon Soffer is a non-executive director appointed to the Board in May 2011. He serves as President of Gazit-Globe. Since joining Gazit Globe in 1997, Mr. Soffer has held several senior executive roles and leadership positions. During his tenure at Gazit-Globe, Mr. Soffer has attained extensive expertise in both the retail and healthcare real estate sectors in public and private markets and has been involved in the Gazit-Globe group’s worldwide M&A activity to a total value of more than \$18 billion across 20 countries.

From 2001 to 2009, Mr. Soffer was located at Gazit-Globe's offices in the United States. More recently, Mr. Soffer led Gazit-Globe's IPO in the United States and the listing of its shares on the New York Stock Exchange. Mr. Soffer also serves as CEO of Gazit Group USA and Executive Chairman of ProMed Properties, Gazit-Globe's private subsidiaries. Mr. Soffer holds a B.A. in Economics and a LL.B from the College of Management, Academic Studies, in Israel.

Noam Ben-Ozer is an independent non-executive director appointed to the Board in November 2009. He is a founder and managing director of Focal Energy and founder and proprietor of Focal Advisory, based in Boston. He is a director and member of the Nominating and Audit Committees of Equity One Inc. Mr. Ben-Ozer holds a MBA from the Harvard Business School.

Peter Linneman is an independent non-executive director appointed to the Board in August 2008. Mr. Linneman is a principal of Linneman Associates and the Albert Sussman Emeritus Professor of Real Estate, Finance and Public Policy at the Wharton School of Business, University of Pennsylvania. He has served as a director of eight NYSE-listed companies. Mr. Linneman has a PhD in Economics. He is also a director and member of the executive committee of Equity One Inc.

Simon Radford is an independent non-executive director appointed to the Board in March 2008. He is also the Chief Financial Officer of an alternative investment fund administration business, based in Jersey and serves as a non-executive director on a number of alternative investment strategy funds. Mr. Radford is the former senior partner of Deloitte & Touche in Jersey where he was in charge of the assurance and advisory business. Mr. Radford is a Fellow of the Institute of Chartered Accountants in England and Wales. In the years 2006 to 2008 he served as Chairman of the Institute of Directors in Jersey.

Dipak Rastogi is an independent non-executive director appointed to the Board in October 2008. He serves as CEO of Citi Venture Capital International ("CVCI") and is the Chairman of CVCI's Growth Fund I and Growth Fund II Investment Committees. Mr. Rastogi joined Citigroup in 1982. Prior to heading CVCI, Mr. Rastogi held various senior management positions at Citigroup, including Group Executive Head of 38 countries in Central and Eastern Europe, Middle East, India and Africa, Executive Vice President and Co-Head of Citigroup's Global Markets business, Head of Citigroup's Global Derivatives business and Co-Head of Global Corporate Finance. He has a MBA from the Richard Ivey School of Business, University of Western Ontario and was the Gold Medal Award winner of his graduating class.

Thomas Wernink is an independent non-executive director appointed to the Board in August 2008. He serves as a non-executive director of a number of European based property and investment companies, including stock exchange listed companies Segro plc, Citycon Oyj and European Direct Real Estate Fund (SICAF). He is also a former Chief Executive of Corio and Chairman of the European Public Real Estate Association.

Andrew Wignall is an independent non-executive director appointed to the Board in August 2008. Mr. Wignall is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with Ernst & Young in 1988, where he worked as an auditor, primarily with financial services clients. In 1996 he was a founding director of Moore Management Limited ("Moore") and since leaving Moore in 2007, Mr. Wignall has acted as an independent non-executive director of a number of private equity, real estate and other alternative fund structures. Mr. Wignall is authorised by the Jersey Financial Services Commission to act as a director of such structures and from 2004 to 2011 was a committee member of the Jersey Funds Association.

Each Director is subject to retirement at each annual general meeting of Atrium unless re-elected or deemed to be re-elected.

The Directors may be reached at Atrium's registered office at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH, Channel Islands.

Group Executive Management

The Group Executive Management team includes:

Name	Born on	Function	Mandate starts
Rachel Lavine	1965	Director and CEO	August 2008
David Doyle	1966	CFO	January 2012
Nils Christian Hakert	1966	COO	October 2008
Thomas Schoutens	1969	CDO	February 2010

The following are short biographies of the current members of Group Executive Management showing their experience in the industry in which the Group operates and related business areas:

Rachel Lavine—see above.

David Doyle, the Chief Financial Officer, joined the Group in January 2012, with responsibility for all Group financial matters. He is a member of the EPRA Reporting and Accounting Committee. Prior to joining the Group, Mr. Doyle was Chief Financial Officer—Europe and a member of the European Executive Committee at Prologis, Inc. Mr. Doyle was previously Chief Financial Officer and an executive board director at Colliers CRE plc, and at internet bank Egg plc. Mr. Doyle held various senior finance roles at Prudential plc, most latterly head of corporate finance. Mr. Doyle is a Fellow of the Institute of Chartered Accountants in Australia and he holds a Bachelor of Business degree from the Royal Melbourne Institute of Technology.

Dr. Nils-Christian Hakert is the Chief Operating Officer who joined the Group in October 2008, with responsibility for all operations activities and the generation of net rental income across the Group. In 2011, Dr. Hakert was selected to chair the ICSC conference in Paris. He was previously retail director of Central Europe at Unibail-Rodamco. Prior to this, he held a number of management and management board positions at Brune Consulting G.m.b.H. Dr. Hakert holds a degree in Shopping Centre Management from the European Business School, a degree in Retail and Foreign Trade from the University of Duisburg and a Doctorate in Economics and Management from Comenius University, Bratislava.

Thomas Schoutens is the Chief Development Officer who joined the Group in February 2010 with responsibility for overseeing all of the Group's development activity. Mr. Schoutens previously held the role of director at Carrefour. Prior to this, Mr. Schoutens spent 11 years at general contractors Besix and CFE (Vinci) with long term assignments in Prague, Budapest, Warsaw, Moscow and St. Petersburg. Mr. Schoutens holds a degree in Business Administration and Engineering from ICHEC Business School, Brussels.

The Group Executive Management of the Group may be reached at Atrium's registered office at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH, Channel Islands.

Conflict of Interests

Save as disclosed in this section and in note 2.40 (*Transactions with Related Parties*) of the Audited Consolidated Financial Statements for the year ended 31 December 2012, beginning on page 90 thereof, with respect to transactions with MGN Icarus Inc., Atlas Legal Consultancy Services B.V. and Aztec Financial Services (Jersey) Limited, (see "*Documents Incorporated by Reference*"), Atrium is not aware of conflicts of interest between any duties owed by the Directors to Atrium and their private interests or between any duties owed by members of Group Executive Management to Atrium and their private interests.

The Directors appointed by Gazit-Globe Ltd, or an affiliate thereof, and Apollo Global Real Estate, or an affiliate thereof (the "Investor Parties") may be conflicted from involvement in decisions by Atrium in relation to matters in which the interests of the Investor Parties may not be aligned with those of Atrium or of its other shareholders. Such decisions may need to be taken by the Directors who are independent of the Investor Parties. Under the Articles, a Director appointed by the Investor Parties shall not be entitled to vote on a resolution to approve:

- a transaction (other than a transaction of a revenue nature in the ordinary course of business) between Atrium and the party who appointed such Director;
- an arrangement pursuant to which Atrium and such appointing party each invests in, or provides finance to, another undertaking or asset; or
- any other similar transaction or arrangement (other than a transaction of a revenue nature in the ordinary course of business) between Atrium and any other person the purpose and effect of which is to benefit such appointing party.

MAJOR SHAREHOLDERS

The following table sets forth the ownership of Atrium's Shares, as at the latest practicable date prior to the publication of this Prospectus, in so far as it is known to Atrium based on the latest notification received by Atrium pursuant to the Articles, for each shareholder or group of affiliated shareholders who currently own 5% or more of the shares in Atrium.

<u>Shareholders</u>	<u>Number of Shares</u>	<u>% of stated capital</u>
Gazit-Globe Ltd*	128,908,715	34.5%
Apollo Global Real Estate**	72,486,084	19.4%
Others	<u>172,177,290</u>	<u>46.1%</u>
Total	<u>373,572,089</u>	<u>100%</u>

* Gazit-Globe Ltd holds shares in Atrium through intermediate holding companies.

** Apollo Global Real Estate Management LP (an affiliate of Apollo Global Management LLC) indirectly holds the shares in Atrium through CPI CEE Management LLC, CPI CEE Limited, CPI CEE Co-Invest 1 Limited, CPI CEE Co-Invest 2 Limited and CPI CEE Co-Invest 3 Limited, entities controlled by it in favour of a syndicate of investors.

Gazit-Globe Ltd, a company organised in the state of Israel, is controlled by Mr. Chaim Katzman, Chairman of the Board of Atrium. Mr. Aharon Soffer, a Director of Atrium, also owns shares in Atrium through Gazit-Globe Ltd.

Apollo Global Management LLC and its affiliates advise and manage a syndicate of investors in connection with its shareholding in Atrium. Mr. Joseph Azrack, who is a Director of Atrium, is a managing partner of Apollo Global Management LLC.

None of the shareholders will have voting rights which differ from any other holders of the Shares.

For so long as Gazit-Globe Ltd and Apollo Global Real Estate hold the required minimum combined investment in Atrium, they are entitled to appoint directors representing less than a majority of the Board and have certain consent rights over various business and operational matters of Atrium and information access rights. They are exempt from the requirement in the Articles of Atrium to make an offer for the remaining shares of Atrium notwithstanding that their shareholdings have exceeded respectively 30% and 50%. Otherwise Atrium is not directly or indirectly owned or controlled by another corporation. Atrium does not know of any arrangement that may, at a subsequent date, result in a change of control.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The EUR350,000,000 4.00 per cent. Notes due 20 April 2020 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 16 (*Further issues*) and forming a single series therewith) of Atrium European Real Estate Limited (the “**Issuer**”) are subject to, and have the benefit of, a trust deed dated 19 April 2013 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and Deutsche Trustee Company Limited as trustee (the “**Trustee**”, which expression includes all persons from time to time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 19 April 2013 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank Aktiengesellschaft as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The Notes are serially numbered and in bearer form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000, with Coupons attached at the time of issue. Notes of one denomination will not be exchangeable for Notes of another denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of the Issuer or a Subsidiary of the Issuer or Guarantee given by the Issuer or a Subsidiary of the Issuer in respect of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders, save that the Issuer shall not be required to provide security in accordance with (a) and (b) as a result of any Security Interest securing the Atrium 2003 Bonds or the Atrium 2005 Bonds, provided that the principal amount of the Atrium 2003 Bonds and the Atrium 2005 Bonds as at 19 April 2013 is not subsequently increased.

In these Conditions:

“**Atrium 2003 Bonds**” means the Issuer’s EUR32,050,000 6 per cent secured bonds due 2013 and EUR67,950,000 secured floating rate bonds due 2013.

“**Atrium 2005 Bonds**” means the Issuer’s CZK 1,000,000,000 floating rate notes due 2015, EUR70,000,000 4.35 per cent fixed rate notes due 2015 and EUR130,000,000 floating rate notes due 2017 each as issued under the Issuer’s 2005 MTN Programme.

“**Group**” means the Issuer and its Subsidiaries.

“**Guarantee**” means, in relation to any Relevant Indebtedness of any Person, any obligation of another Person to pay such Relevant Indebtedness including (without limitation):

- (a) any obligation to purchase such Relevant Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services for the express purpose of providing funds for the payment of such Relevant Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and
- (d) any other agreement to be responsible for such Relevant Indebtedness;

“**IFRS**” means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time).

“**Indebtedness**” means, with respect to any Person at any date of determination (without duplication) any debt of such Person, including:

- (a) all indebtedness of such Person for borrowed money in whatever form;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables);
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:
 - (i) any trade payables or other liability to trade creditors; and
 - (ii) any post closing payment adjustments in connection with the purchase by the Issuer or any Subsidiary of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and **provided that** (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;
- (e) all capitalised lease obligations of such Person, to the extent treated as indebtedness in the financial statements of such Person under IFRS;
- (f) all obligations of the type referred to in paragraphs (a) to (e) of other Persons guaranteed by such Person to the extent such obligation is guaranteed by such Person; and
- (g) all obligations of the type referred to in paragraphs (a) to (f) of other Persons secured by any Security Interest over any asset of such Person (the amount of such obligation being deemed to be the lesser of (i) the book value of such asset as shown in the most recent audited annual or unaudited semi-annual financial statements of such Person and (ii) the amount of the obligation so secured), whether or not such indebtedness is assumed by such Person.

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent

obligations as described above, will be the value of the contingency, if any, giving rise to the obligation as reported in that Person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, for the time being, or is ordinarily capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Financial Covenants**

So long as any Note remains outstanding (as defined in the Trust Deed):

- (a) the Issuer undertakes that in relation to the Group taken as a whole the Solvency Ratio shall not exceed 0.60;
- (b) the Issuer undertakes that in relation to the Group taken as a whole the Secured Solvency Ratio shall not exceed 0.40;
- (c) the Issuer undertakes that in relation to the Group taken as a whole the Consolidated Coverage Ratio is at least 1.5:1; and
- (d) the Issuer undertakes that, as at any Measurement Date, the Group will own Unsecured Consolidated Total Assets equal to 150 per cent. or more of the aggregate outstanding principal amount of Unsecured Consolidated Total Indebtedness.

The Issuer shall engage external independent international valuation companies and real estate consultants, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of real estate assets being valued, to value at least 90 per cent. (by market valuation) of the Group's standing investments and developments and land at least once per calendar year.

The Issuer will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the ratios or levels in this Condition 4(a) to (d) are breached at any time.

For so long as the Notes remain outstanding, the Issuer will deliver a certificate to the Trustee on each Reporting Date signed by a duly authorised signatory of the Issuer, certifying that the Issuer is and has been in compliance with the covenants set out in this Condition 4 at all times during the relevant period.

In these Conditions:

"Adjusted EBITDA" means the consolidated profit/(loss) of the Issuer before taxes, depreciation, amortisation and impairments and excluding any revaluation changes, financial income and financial expenses, net result on acquisitions and disposals and any other exceptional or non-recurring items, as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated income statement of the Issuer;

"Consolidated Coverage Ratio" means, in respect of any Measurement Date, (x) the aggregate amount of Adjusted EBITDA for the period of the most recent two consecutive semi-annual periods ending

on such Measurement Date divided by (y) the Consolidated Interest Expense for such two semi-annual periods;

“Consolidated Interest Expense” means, for any period, all charges, interest, commission, fees, discounts, premiums and other finance costs in respect of Indebtedness incurred by the Group as shown in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated income statement of the Issuer;

“Consolidated Total Assets” means the total assets (excluding intangible assets) of the Group as shown in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statement of financial position of the Issuer;

“Consolidated Total Indebtedness” means the total Indebtedness of the Group as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statement of financial position of the Issuer;

“Measurement Date” means each day which is (i) the last day of the Issuer’s financial year in any year (the **“Annual Measurement Date”**) or (ii) the last day of the first half of the Issuer’s financial year in any year (the **“Semi-Annual Measurement Date”**);

“Reporting Date” means a date falling no later than 30 days after (i) the publication of the Issuer’s audited annual consolidated financial statements, with respect to an Annual Measurement Date, or (ii) the publication of the Issuer’s unaudited semi-annual consolidated financial statements, with respect to a Semi-Annual Measurement Date;

“Secured Consolidated Total Indebtedness” means such amount of Consolidated Total Indebtedness that is secured by a Security Interest granted by the Issuer or a Subsidiary of the Issuer;

“Secured Solvency Ratio” means, in relation to the Issuer and its Subsidiaries and in respect of any Measurement Date, the Secured Consolidated Total Indebtedness divided by Consolidated Total Assets;

“Solvency Ratio” means, in relation to the Issuer and its Subsidiaries and in respect of any Measurement Date, the Consolidated Total Indebtedness divided by Consolidated Total Assets;

“Unsecured Consolidated Total Assets” means such amount of the Consolidated Total Assets not secured by a Security Interest for Indebtedness; and

“Unsecured Consolidated Total Indebtedness” means such amount of Consolidated Total Indebtedness in respect of which the Issuer or a Subsidiary of the Issuer has not granted a Security Interest over its property or assets.

5. Interest

(a) *Accrual of interest:*

The Notes bear interest from 19 April 2013 (the **“Issue Date”**), at the rate of 4.00 per cent. per annum, (the **“Rate of Interest”**) payable in arrear on 20 April in each year (each, an **“Interest Payment Date”**), subject as provided in Condition 7 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable in respect of a Note on each Interest Payment Date shall be EUR40 per Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to

the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means EUR1,000;

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls (Actual/Actual (ICMA)); and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

(b) *Adjustment of Rate of Interest:*

- (i) If at any time prior to the Interest Payment Date immediately preceding 20 April 2020, the rating given by any one Rating Agency for the long-term debt of the Issuer is below Investment Grade (a “**Rate of Interest Step Up Trigger**”) then each Note shall bear interest on its outstanding principal amount at the rate per annum equal to the Rate of Interest plus 1.25 per cent. per annum (the “**Step Up Rate**”). Following any Rate of Interest Step Up Trigger or a Rating Agency Rate of Interest Step Up Trigger as described in paragraph (ii) below, if the rating given by each Rating Agency for the long-term debt of the Issuer is at or above Investment Grade (a “**Rate of Interest Step Down Trigger**”) then each Note shall bear interest on its outstanding principal amount at the rate per annum (expressed as a percentage) equal to the Rate of Interest only and in accordance with Condition 5(a) (*Accrual of Interest*).
- (ii) The Issuer shall procure that the long-term debt of the Issuer shall at all times be assigned a rating by at least one Rating Agency from the date of issue of the Notes and for so long as any Notes are outstanding. If at any time prior to the Interest Payment Date immediately preceding 20 April 2020 the Issuer fails so to procure (a “**Rating Agency Rate of Interest Step Up Trigger**”), then each Note shall bear interest on its outstanding principal amount at the rate per annum equal to the Rate of Interest plus the Step Up Rate.
- (iii) Any adjustment to the rate of interest under the Notes under this Condition 5(b) shall take effect and accrue in accordance with Condition 5(a) (*Accrual of interest*) from the Interest Payment Date immediately following the Rate of Interest Step Up Trigger, the Rate of Interest Step Down Trigger or the Rating Agency Rate of Interest Step Up Trigger, as the case may be, and shall be applied from such Interest Payment Date. The Issuer will notify Noteholders and the Trustee upon any change in the rate of interest under the Notes upon a Rate of Interest Step Up Trigger, a Rate of Interest Step Down Trigger or a Rating Agency Rate of Interest Step Up Trigger in accordance with Condition 17 (*Notices*) and the Trust Deed respectively and as required by any applicable rules of the Luxembourg Stock Exchange as soon as reasonably practicable after such change becomes effective.
- (iv) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition 5(b), the Issuer shall determine the rating designations of the relevant Rating Agency that are most nearly equivalent to the prior rating designations of the relevant Rating Agency and, accordingly, the resulting Rate of Interest Step Up Trigger, the Rate of Interest Step Down Trigger and the Rate of Interest which would apply to the Notes. The Issuer will notify the Noteholders and the Trustee upon any such change of rating designations of such change.
- (v) There shall be no limit on the number of times that the rate of interest under the Notes may be adjusted during the term of the Notes.

“**Investment Grade**” shall mean “BBB-” in the case of Standard and Poor’s Credit Market Services Europe Limited and Fitch Ratings Limited and the most nearly equivalent of BBB- in the case of any other internationally recognised rating agency.

“**Rating Agency**” shall mean Standard and Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”), Fitch Ratings Limited (“**Fitch**”) or any of their respective successors or any other internationally recognised rating agency (a “**Substitute Rating Agency**”) substituted for any of them by the Issuer from time to time.

6. Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 20 April 2020, subject as provided in Condition 7 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption if, immediately before giving such notice, the Issuer satisfies the Trustee that:
- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia or Jersey or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 April 2013; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
- provided, however, that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(b).

- (c) **Redemption at the Option of Noteholders upon a Change of Control:** If a Change of Control Put Event occurs, Noteholders will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Notice the Issuer has given notice of redemption under Condition 6(b) (*Redemption for tax reasons*) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) any person or any persons acting in concert, other than the Existing Holders or a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer and/or any direct or indirect holding company of the Issuer, shall acquire a controlling interest in (A) more than 50 per cent. of the issued or allotted ordinary stated capital of the Issuer or (B) shares in the stated capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a "**Change of Control**"); and

- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any):
 - (A) any Notes that have been issued and are outstanding carry an investment grade credit rating (BBB-, or its equivalent, or better) (an “**Investment Grade Rating**”) from any Rating Agency, whether provided by such Rating Agency at the invitation of the Issuer or by its own volition, and such rating is, within the Change of Control Period, downgraded to a non-investment grade credit rating (BB+, or its equivalent, or worse) and such rating is not within the Change of Control Period restored to an Investment Grade Rating by such Rating Agency or replaced by an Investment Grade Rating of another Rating Agency, or any such Rating Agency withdraws its rating of any such Notes and the rating of such Rating Agency is not within the Change of Control Period replaced by an Investment Grade Rating of another Rating Agency; or
 - (B) no such Notes carry an Investment Grade Rating from at least one Rating Agency and the Issuer is unable to acquire and maintain thereafter an Investment Grade Rating during the Change of Control Period from at least one Rating Agency,

provided that if at the time of the occurrence of the Change of Control any such Notes carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only sub-paragraph (A) shall be relevant for this purpose; and
- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (ii) above or to decline to confer an Investment Grade Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly upon but in any case no later than five Business Days after the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a “**Change of Control Put Notice**”) to the Noteholders in accordance with Condition 17 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12 (*Replacement of Notes and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

The Trustee shall be entitled to assume that no Change of Control Put Event has occurred until it has received from the Issuer written notice of the same, and shall incur no liability to any person for so doing.

If the rating designations employed by any of Fitch or Standard & Poor's are changed from those which are described in paragraph (ii) of the definition of "**Change of Control Put Event**" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Fitch or Standard & Poor's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Fitch or Standard & Poor's and this Condition 6(c) shall be construed accordingly.

In these Conditions:

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

"**Existing Holders**" means, individually or jointly, any and all of (i) Gazit Globe Ltd, (ii) Apollo Global Real Estate and (iii) any person or persons from time to time controlling, controlled by or under common control with any of the foregoing persons. For the purposes of this definition, control is deemed to be the ownership or ability to direct 30 per cent. or more of the equity share capital of a person; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (d) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled Redemption*) to (c) (*Redemption at the Option of Noteholders upon a Change of Control*) above.
- (e) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (f) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

7. Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) **Interest:** Payments of interest shall, subject to Condition 7(g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) **Interpretation:** In these Conditions:

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro; and

"**TARGET System**" means the TARGET2 system.

- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to

the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Deduction for unmatured Coupons:** If a Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (f) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, “**business day**” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.
- (g) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia or Jersey or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been

required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia or Jersey (as the case may be) other than the mere holding of the Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or
- (d) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 8 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than Jersey, references in these Conditions to Jersey shall be construed as references to Jersey and/or such other jurisdiction.

9. **Reorganisation and Substitution**

The Trust Deed contains provisions under which a legal entity:

- (a) formed by any consolidation or merger of the Issuer with or into any other corporation or corporations (whether or not affiliated with the Issuer), or successive consolidations or mergers into which the Issuer or its successor or successors shall have been merged or consolidated; or
- (b) to which the Issuer has sold, conveyed or leased all or substantially all of the property of the Issuer (whether or not affiliated with the Issuer),

(any such legal entity, a “**Substituted Obligor**”) may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes provided that certain conditions specified in the Trust Deed are fulfilled, including that the Substituted Obligor takes direct or indirect ownership of at least 80 per cent. of Consolidated Total Assets and that the Substituted Obligor is a legal entity incorporated in a Member State of the European Economic Area or Jersey.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 8 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

10. **Events of Default**

If any of the following events occurs and is continuing then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon

they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven days (in the case of principal) and within 14 days (in the case of interest) of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy and remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer; or
- (c) **Cross-default/Cross-acceleration of Issuer or Material Subsidiary:** a default under any Indebtedness of the Issuer or any Material Subsidiary, if that default (i) is caused by a failure to make any payment in respect of such Indebtedness and any originally applicable grace period has expired or (ii) results in the acceleration of such Indebtedness prior to its stated maturity; provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds EUR35,000,000 (or its equivalent in any other currency or currencies); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process, the award or decision in respect of which, in each case, is final and not subject to further appeal, is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer and its Material Subsidiaries in an amount which exceeds 10 per cent. of the Consolidated Total Assets of the Group and is not discharged or stayed within 90 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary in respect of an amount which exceeds 15 per cent. of the Consolidated Total Assets of the Group becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or
- (f) **Insolvency:** (i) the Issuer is insolvent or any Material Subsidiary is adjudicated as insolvent or (ii) any of the Issuer or any Material Subsidiary is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any Material Subsidiary except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (x) pursuant to Condition 9 (*Reorganisation and Substitution*), (y) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (z) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or
- (g) **Winding-up:** an administrator, liquidator, receiver or any other similar officer is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any Material Subsidiary, or the Issuer or any Material Subsidiary shall apply or petition for a winding-up or administration order in respect of itself in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) pursuant to Condition 9 (*Reorganisation and Substitution*), (ii) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (iii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or
- (h) **Nationalisation:** the assets of the Group in an amount which exceeds 15 per cent. of the Consolidated Total Assets of the Group are expropriated, seized or nationalised by any person; or

- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Trust Deed and the Agency Agreement, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Jersey is not taken, fulfilled or done; or
- (j) **Illegality:** it is unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed or the Agency Agreement; or
- (k) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of this Condition 10, “**Material Subsidiary**” means any Subsidiary of the Issuer whose total assets or gross revenues ((i) each as determined by reference to the relevant Subsidiary’s most recent annual, or unaudited semi-annual, as the case may be, IFRS financial statements and (ii) excluding any intra-Group Indebtedness and related receivables eliminated in the consolidated financial statements of the Issuer) exceed 7.5 per cent. of the Consolidated Total Assets or gross revenues of the Group, as the case may be (each as determined by reference to the Issuer’s most recent audited annual, or unaudited semi-annual, as the case may be, consolidated financial statements). The Issuer will procure that the Auditors (as defined in the Trust Deed) of the Issuer deliver on each Reporting Date a certificate addressed to the Issuer and the Trustee confirming, in their opinion, which Subsidiaries of the Issuer are Material Subsidiaries of the Issuer as at each Measurement Date and such certificate may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

12. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent and the Paying Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. **Trustee and Paying Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying

agents; **provided, however, that** the Issuer shall at all times maintain (a) a principal paying agent, (b) a paying agent in Luxembourg and (c) a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. Meetings of Noteholders; Modification and Waiver

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification:** The Trustee may, without the consent of the Noteholders or Couponholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

15. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

17. Notices

Notices to the Noteholders shall be valid if published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

18. Governing Law and Jurisdiction

- (a) **Governing law:** The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) **English courts:** The Issuer has in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); (ii) agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and (iii) agreed that the documents which start any proceedings relating to a Dispute (“**Proceedings**”) and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Company Secretary and Senior Partner (London) at Skadden, Arps, Slate, Meagher & Flom (UK) LLP, 40 Bank Street, Canary Wharf, London, E14 5DS, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders.
- (c) **Rights of the Noteholders to take proceedings outside England:** The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any Noteholder from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note (“NGN”) form. On 13 June 2006 the European Central Bank (the “ECB”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “Eurosystème”), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystème eligibility—that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystème monetary policy and intra-day credit operations by the Eurosystème either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystème eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each at the request of the bearer of the Permanent Global Note to the Principal Paying Agent if either of the following events (each, an “**Exchange Event**”) occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 (*Events of Default*) occurs.

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR100,000 and higher integral multiples of EUR1,000, notwithstanding that no Definitive Notes will be issued with a denomination above EUR199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note “**business day**” means any day on which the TARGET System is open.

Exercise of put option: In order to exercise the option contained in Condition 6(c) (*Redemption at the Option of Noteholders upon a Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Change of Control Put Notice

(as defined in Condition 6(c) (*Redemption at the Option of Noteholders upon a Change of Control*)), give written notice to the Principal Paying Agent of such exercise specifying the principal amount of Notes in respect of which such option is being exercised in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any depositary for them to the Principal Paying Agent by electronic means as well) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

TAXATION

The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for Noteholders. These summaries are intended as general information only and each prospective Noteholders should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

Taxation in Jersey

Under the Income Tax (Jersey) Law 1961 (the “**Jersey Income Tax Law**”), Atrium will be regarded as resident in Jersey but (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of zero per cent.

If any Jersey company derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that Atrium will derive any such income.

Atrium will be able to make payments in respect of the Notes without any withholding or deduction for or on account of Jersey tax. Noteholders (other than residents of Jersey) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their Notes.

Noteholders (other than residents of Jersey) are not subject to any tax in Jersey in respect of the holding, sale or other disposition of Notes.

Goods and services tax

Atrium is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, Atrium is not required to:

- (a) register as a taxable person pursuant to the GST Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to any Jersey Company) pay goods and services tax in Jersey in respect of any supply made to it.

Stamp duty

Under the current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue, transfer, acquisition, ownership, redemption, sale or other disposal of Notes. In the event of the death of an individual sole Noteholder, duty at rates of up to 0.75 per cent of the value of the Notes held may be payable on registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Notes held by the deceased individual sole Noteholder.

EU Savings Tax Directive

As part of an agreement reached in connection with the European Union (“**EU**”) directive on the taxation of savings income in the form of interest payments (see “**EU Savings Tax Directive**” below), and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and Atrium’s understanding of the current practice of the Jersey tax authorities,

Atrium would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

Taxation in the Grand Duchy of Luxembourg

The comments below do not relate to any form of Luxembourg taxation other than taxation withheld at source with respect to the Notes.

Withholding tax and self-applied tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Taxation of non-residents

Under the Luxembourg laws dated 21 June 2005 implementing the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU, a Luxembourg-based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident or a residual entity established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or, in case of an individual beneficiary, for the tax certificate procedure. “Residual entities” within the meaning of Article 4.2 of the Savings Directive and related international agreements are entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and which are not and have not opted to be treated as UCITS recognized in accordance with Council Directive 85/611/EEC as replaced by Directive 2009/65/EC of the European Parliament and of the Council or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Taxation of residents

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest on Notes paid by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with Council Directive 85/611/EEC as replaced by Directive 2009/65/EC of the European Parliament and of the Council or for the exchange of information regime) are subject to a 10 per cent withholding tax.

Interest on Notes paid by Luxembourg paying agent to residents of Luxembourg which are not individuals will not be subject to any withholding tax.

Pursuant to the Luxembourg law of 23 December 2005 as amended, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive. The option for the 10 per cent. self-applied tax must cover all interest payments made by the paying agents to the Luxembourg beneficial owner during the entire period.

EU Savings Tax Directive

On 3 June 2003 the European Union Council adopted the Savings Directive. The Savings Directive is effective as from 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. However, Belgium has elected to switch to the exchange of information system with effect from 1 January 2010. The transitional period has commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Similar provisions may apply under agreements entered into pursuant to the Savings Directive in respect of interest payments made by persons within the jurisdiction of certain territories, not being Member States to individuals resident in Member States, and, in some cases, vice versa.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Prospective Noteholders who are in any doubt as to their position should consult their own tax advisors.

SUBSCRIPTION AND SALE

Deutsche Bank AG, London Branch and HSBC Bank plc, (the “**Managers**”) have, in a subscription agreement dated 16 April 2013 (the “**Subscription Agreement**”) and made between Atrium and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 99.569 per cent. of their principal amount plus any accrued interest in respect thereof and less a combined management and underwriting commission of 0.5 per cent. of their principal amount. Atrium has also agreed to reimburse Deutsche Bank AG, London Branch and HSBC Bank plc for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United Kingdom

Each Manager has further represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to Atrium; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Jersey

The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry.

General

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by Atrium and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. Atrium accepts responsibility for the information contained in this Prospectus. To the best of its knowledge, Atrium (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
2. Atrium has obtained all necessary consents, approvals and authorisations in Jersey in connection with the issue and performance of the Notes. The JFSC has consented to the circulation of the Prospectus by Atrium. The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry. The issue of the Notes was authorised by resolutions of the Board of Atrium passed on 12 March 2013 and resolutions of a bond committee delegated by the Board of Atrium for such purpose on 27 March 2013 and 11 April 2013.
3. There has been no significant change in the financial or trading position of Atrium or of the Group since 31 December 2012.
4. There has been no material adverse change in the financial position or prospects of Atrium or of the Group since 31 December 2012.
5. Other than as otherwise referred to in note 2.41 (*Contingencies*) from the Audited Consolidated Financial Statements for the years ended 31 December 2012 and 2011, respectively, beginning on page 90 thereof, with respect to the 2012 financial statements, and page 86 thereof, with respect to the 2011 financial statements, incorporated by reference in, and forming part of, this Prospectus (see “*Documents Incorporated by Reference*” and “*Description of Atrium—Legal Proceedings*”), Atrium is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Atrium is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of Atrium or the Group.
6. The aggregate principal amount of the Notes to be issued on 19 April 2013 shall be €350,000,000.
7. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 091875489. The International Securities Identification Number (ISIN) for the Notes is XS0918754895. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
8. There are no material contracts entered into other than in the ordinary course of Atrium’s business, which could result in any member of the Group being under an obligation or entitlement that is material to Atrium’s ability to meet its obligations to Noteholders in respect of the Notes being issued.
9. For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Atrium:
 - the Trust Deed (which includes the form of the Global Notes);
 - the Articles of Atrium;
 - a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus;
 - any documents incorporated herein by reference; and
 - the Issuer-ICSDs Agreement.

This Prospectus will be published on the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).
10. KPMG Channel Islands Limited has audited, and rendered unqualified audit reports on, the accounts of Atrium for the two years ended 31 December 2012 and 2011. KPMG Channel Islands Limited is a member of the Jersey Society of Chartered and Certified Accountants. The audit reports have been included in this Prospectus, through incorporation by reference, with the consent of KPMG Channel Islands Limited.

11. Application has also been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.
12. The Notes are expected to be rated BBB- by Standard & Poor's and BBB- by Fitch at closing. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
13. On the basis of the issue price of the Notes of 99.569 per cent. of their principal amount, the yield of the Notes is 4.072 per cent. on an annual basis.
14. The Notes and any Coupons and Talons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

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