

Atrium European Real Estate Limited

Independent Committee encourages Shareholders to vote on Recommended Cash Acquisition

Jersey, 18 October 2019 – On 23 July 2019, the Independent Committee of the Board of Directors (the “**Independent Committee**”) of Atrium European Real Estate Limited (VSE/Euronext: ATRS) (“**Atrium**” or the “**Company**”) announced that they had reached an agreement with the board of directors of Nb (2019) B.V. (“**Bidco**”), an indirect wholly-owned subsidiary of Gazit-Globe Ltd (“**Gazit**”), on the terms and conditions of a recommended cash acquisition (the “**Acquisition**”) by Bidco of the entire issued and to be issued ordinary share capital of Atrium that is not already owned directly or indirectly by Gazit or its subsidiaries.

Vote

The Independent Committee encourages all Atrium Shareholders and persons holding an interest in Atrium Shares through Euroclear (together the “**Shareholders**”) to vote at both the Court Meeting and the General Meeting which are to be held on 25 October 2019 at 10.00 a.m. and 10.30 a.m. respectively.

Shareholders holding an interest in Atrium Shares through Euroclear should ensure that they submit to their account holding bank or broker well in advance of 21 October 2019 the completed Forms of Instruction (A1 and B1), which are available on Atrium’s website at <https://www.aere.com/recommendedca.aspx>.¹ Shareholders should contact their account holding bank or broker as they may impose an earlier deadline for submission of the relevant forms.

For further information on how to exercise their voting rights, Shareholders should refer to the Scheme Document which is available, subject to certain restrictions relating to persons in Restricted Jurisdictions, on Atrium’s website at <https://www.aere.com>.

Recommendation of the Independent Committee

Having taken into account the financial and legal advice received, the Independent Committee continues to unanimously recommend that Shareholders vote in favour of the Scheme. The Independent Committee has received a fairness opinion letter from UBS AG London Branch (“**UBS**”) as to the financial terms of the Acquisition, subject to the terms and conditions set out therein.

Furthermore, the Independent Committee notes that:

- the Consideration Amount, as reaffirmed by Gazit on 11 October 2019, represented a premium of 18.3% and 18.0% to both the closing price of 22 July 2019 (€3.17) and the volume-weighted average price of €3.18 for each Atrium Share for the one-month period ended on that same date;
- the terms of the Acquisition provide a vehicle for Shareholders to monetise their Atrium Shares without suffering an illiquidity discount;
- the Consideration Amount reflects a premium to Atrium’s peers² on various key cash flow metrics^{3,4} i.e. c.7.9% 2019 Estimated offer implied FFO yield vs. peer average of c.9.4% (c.150bps tighter, implying a c.19% premium) and c.7.3% 2019 Estimated offer implied dividend yield vs. peer average of c.8.2% (c.80bps tighter, implying a c.11% premium); and

¹ For Atrium Shareholders, completed Forms of Proxy (A2 and B2) are submitted to Aztec Financial Services (Jersey) Limited well in advance of 23 October 2019.

² Atrium peer group includes Unibail-Rodamco-Westfield, Klépierre, NEPI Rockcastle, Deutsche EuroShop, Eurocommercial, Citycon, Wereldhave, Mercialis, EPP, Hammerson.

³ Calculation based on broker consensus.

⁴ Factset as of 16 October 2019.

- peers² are currently trading on average at a 29% discount to EPRA NAV⁴ so the Gazit offer, which is in cash and without financing or regulatory conditions attached to it, is an attractive opportunity for the Shareholders to exit in full at an implied 26% discount to EPRA NAV.

Structure of the Acquisition

In the negotiation of the Acquisition, the Independent Committee has been focused on conducting an arm's length process and ensuring that the terms of the Acquisition safeguard the interests and the rights of the minority shareholders.

To ensure the views of the minority shareholders are given full weight, the Acquisition will be effected by way of a scheme of arrangement under Jersey law, on which neither Gazit nor its affiliates will be able to vote. This means that the Acquisition can only succeed if approved by a majority in number of the Independent Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing not less than 75% of the total voting rights voted at the Court Meeting.

The Independent Committee secured further safeguards for Shareholders by negotiating a seven week Go-Shop period, which enabled Atrium to actively reach out to credible investors with the aim of generating a Superior Proposal. Despite engaging with more than 35 potential purchasers, Atrium did not receive any Superior Proposals.

All members of the Independent Committee qualify as board members who are independent in accordance with well-established international governance standards. They are not representatives of or in any way related to Gazit, nor do they receive any remuneration from Gazit or remuneration that is conditional on successful completion of the Acquisition.

For more information

If you have any questions about the Scheme, the Court Meeting, the General Meeting or otherwise, please refer to the circular related to the Acquisition (the "**Scheme Document**"), which is available, subject to certain restrictions relating to persons in Restricted Jurisdictions, on Atrium's website at <https://www.aere.com>.

Save as otherwise defined, capitalised terms used but not defined in this press announcement shall have the meaning given to them in the Scheme Document.

All references in this document to times are to London time unless otherwise stated.

Enquiries

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About Atrium:

Atrium is a leading owner, operator and developer of shopping centres and retail real estate in Central Europe. Atrium specializes in locally dominant food, fashion and entertainment shopping centres in the best urban locations. Atrium owns 32 properties with a total gross leasable area of over 870,000 sqm and with a total market value of approximately €2.7 billion. These properties are located in Poland, the Czech Republic, Slovakia and Russia, and with the exception of one, are all managed by Atrium's internal team of retail real estate professionals.

The Company is established as a closed-end investment company incorporated and domiciled in Jersey and regulated by the Jersey Financial Services Commission as a certified Jersey listed fund, and is listed on both the Vienna Stock Exchange and the Euronext Amsterdam Stock Exchange. Appropriate professional advice

should be sought in the case of any uncertainty as to the scope of the regulatory requirements that apply by reason of the above regulation and listings. All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.

Important notices relating to financial advisers

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

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