

# Atrium European Real Estate Limited

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## EANS-News: Atrium European Real Estate Limited / Credit Rating Update

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### Company Information

#### St Helier Jersey / Channel Islands (euro adhoc) - Credit Rating Update

Jersey, 18 February 2011. Atrium European Real Estate Limited ("Atrium" or the "Company") (VSE/Euronext: ATRS), one of the leading real estate companies focused on shopping centre investment, management and development in Central and Eastern Europe, is pleased to announce that, following a meeting with the Company, Standard & Poor's Ratings Services ("S&P") has affirmed Atrium's Long-term 'BB', and Short-term 'B' corporate credit ratings. At the same time S&P has removed Atrium's 'Creditwatch negative' outlook and upgraded it to 'Stable'.

A copy of the S&P press release is below:

"We have met with the management of Atrium European Real Estate Ltd. (Atrium) to discuss Atrium's ongoing legal dispute with Meinel Bank and the measures that Atrium has taken to address the timeliness and reliability of its disclosure.

\* We now believe that the legal dispute between Atrium and Meinel Bank is unlikely to have a material effect on Atrium's credit quality over the short to medium term.

\* We are therefore affirming the 'BB' long-term and 'B' short-term corporate credit ratings on Atrium and removing them from CreditWatch negative. \* The stable outlook reflects our view that Atrium will continue to exhibit a steady operating performance.

LONDON (Standard & Poor's) Feb. 18, 2011--Standard & Poor's Ratings Services said today that it affirmed its 'BB' long-term and 'B' short-term corporate credit ratings on Atrium European Real Estate Ltd. (Atrium). At the same time, we removed the ratings from CreditWatch, where they had been placed with negative implications on Jan. 31, 2011. The outlook is stable.

"The rating affirmation reflects our greater clarity on Atrium's strategy for dealing with its ongoing legal dispute with Meinel bank, as well as our view of the company's stable operating performance and adequate liquidity," said Standard & Poor's credit analyst Amra Balic. "It also reflects our consideration of the lack of information provided by Atrium on the non payment of interest on its 2008 bond issued to Meinel Bank in the broader context of the legal dispute with Meinel Bank."

Atrium owns, manages, and develops retail real estate properties in Central and Eastern Europe. On Sept. 30, 2010, the market value of Atrium's portfolio was E2.2 billion. Atrium is reportedly subject to litigation dating back to its existence as Meinel European Land.

Our assessment of Atrium's business risk profile as fair has not changed. Although Atrium has put most development activities on hold, we anticipate that it will continue to invest in new and existing assets.

We assess Atrium's financial risk profile as significant, based on its credit ratios. However, in the future, our assessment of the company's financial risk profile will also depend on the quality and timeliness of disclosure, our reappraisal of the company's financial policy, and our view of corporate governance.

In our view, Atrium should continue to exhibit a stable operating performance and an improved capital structure. We think that Atrium will likely maintain conservative leverage until it successfully completes its large development pipeline, and until its portfolio of standing retail real estate assets begins to generate a relatively stable stream of rental income. In addition, we anticipate that the company will likely maintain an internal liquidity cushion sufficient to meet any unexpected shortfalls in income or cost overruns in its development projects.

We could raise the ratings if we see that Atrium continues to limit its development activities, cash flow metrics improve, and market conditions show signs of a substantial and sustainable recovery. We also intend to evaluate developments in the company's corporate governance structure and any residual litigation risk before considering an upgrade.

Alternatively, we could lower the ratings if in particular we see a prolonged market downturn or any material increase in discretionary spending over the short term, or if unexpected changes in the capital structure or corporate governance hamper investors' still-fragile confidence in the company."

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This press release appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.

Atrium is established as a closed-end investment company domiciled in Jersey. Atrium is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. The Dutch and Austrian paying agent of Atrium is Kempen & Co. N.V., Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands.

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