

# Atrium Seeks to Buy Up to \$1.45Bln in Assets

By [The Moscow Times](#)

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Eastern European shopping mall developer and operator Atrium European Real Estate plans to keep cash available for acquisitions, primarily not in Russia, rather than return it to shareholders even though few properties are for sale.

The company would only consider distributing the money through share buybacks or increased dividends if the drought of available assets persists, chief executive Rachel Lavine said. Atrium could invest up to 1 billion euros (\$1.45 billion) without stretching its balance sheet, she estimated.

"If I feel we failed to spend the money, I would have no choice" but to return cash, she said. "I don't think we're going to fail. We're going to buy, and we're going to develop as soon as we can."

Atrium is seeking to increase the proportion of its assets in Poland compared with Russia

and Turkey as it looks to regain an investment-grade credit rating by focusing on less risky markets. The company, controlled by Israeli property group Gazit Globe and Citigroup, is restarting developments and purchases as economies in the former communist region begin to recover from the financial crisis.

Poland accounts for 42 percent of Atrium's standing assets, with 18 percent in Russia and 15 percent in the Czech Republic. About 36 percent of its development projects are in Turkey and 30 percent are in Russia.

The company completed the acquisition of Warsaw's Promenada mall for 171 million euros on May 6, its first major deal in four years. Levine has said she is considering two more acquisitions in Poland this year.

Atrium's credit ratings have been below investment grade, or "junk" at both Standard & Poor's and Fitch Ratings since September 2007. Returning to an investment-grade rating is "super important," Lavine said. The company's large proportion of assets in Russia and in development projects still weighs on the ratings, she said.

"We're going to develop in Russia because we have close to 200 million euros in the pipeline," she said. "But I'm not sure we're going to be a buyer of new property" in the country.

Potential tenants would rather rent space in proven shopping centers than risk joining a new development, she said. That's why Atrium is focusing more on expanding and refurbishing existing projects than on building new ones.

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